

GROUPE BOGART

PRESS RELEASE

Paris, 12 February 2021



2020 turnover: €222.9 million

Business model limits impact of crisis on earnings.

Financial situation continues to improve

Revenues in € million (unaudited)	2019	2020	Change
Q4 turnover	96.2	67.5	-29.8%
<i>Fragrance/Cosmetic brands</i>	16.5	12.2	-26.1%
<i>Own-brand boutiques</i>	79.7	55.3	-30.6%
12-month turnover	303.3	222.9	-26.5%
<i>Fragrance/Cosmetic brands</i>	50.4	36.2	-28.2%
<i>Own-brand boutiques</i>	252.9	186.7	-26.2%

Bogart Group Chairman and CEO David Konckier commented as follows upon the publication of 2020 turnover: “We continued to focus on our vertical growth model and cost-cutting drive in order to reach our targets: positive EBITDA for 2020, continued deleveraging and improving the Group’s net asset position. These efforts will allow us to capitalize on the market recovery expected in 2021, grow our market share and pursue our targeted acquisition policy.”



Breakdown by business

Bogart Group posted Q4 2020 consolidated turnover of €67.5 million versus €96.2 million in Q4 2019, as several countries imposed further lockdowns in an attempt to curb the spread of COVID-19. As a result, full-year consolidated turnover amounted to €222.9 million versus €303.3 million in 2019.

At constant consolidation scope (consolidation of the Pascal, Milady and Gottman fragrance boutique chains) and exchange rates (like for like), turnover fell 29.7% in Q4 and 27.8% year-on-year. The noticeable improvement seen in Q3 petered out towards the end of the year due to administrative closures in key markets for the Group's own-brand boutiques business.

The Fragrance/Cosmetic brands business posted Q4 turnover down 26.1% as reported (down 24.8% like for like), impacted by adverse conditions in the Group's core markets (Latin America, Middle East and Western Europe).

This situation prompted the Group to postpone new product launches under the Carven (**Dans ma Bulle de Fleurs**), Méthode Jeanne Piaubert and Ted Lapidus (**Stories**) brands on several markets until H1 2021, in order to safeguard their full sales potential. The Group's latest major innovation, the **Pur Luxe** premium line from the Stendhal Paris cosmetics brand, was reformulated to meet customers' new sustainability demands (clean cosmetics) and relaunched via select retail channels in Western Europe.

The own-brand boutiques business posted Q4 2020 turnover down 30.6% (down 30.7% like for like), impacted by administrative store closures in Israel (from 18 September to 8 November then again from 27 December), France (30 October to 15 December) and Belgium (2 November to 30 November). Only the German stores were able to stay open until mid-December and therefore posted the best sales performance. As previously announced, the Group carried out an in-depth review of the underlying profitability of each sales outlet and, in 2020, decided to permanently close 14 retail outlets and open 7 new stores with much lower rental payments.

Unsurprisingly, 2020 saw a considerable increase in e-commerce business. This trend is expected to continue in 2021 with the opening of our e-retail facility in Germany and the launch of a new multichannel version of the Group's websites in July.

Outlook

At time of publication, fragrance boutiques are still closed in Israel and Germany. The Group is maintaining a cautious approach during this initial period of the year and will continue to adapt its cost structure in line with actual turnover.

Nevertheless, international markets are showing promising signs of recovery, thereby strengthening the Group's resolve to launch a further development phase in 2021.



As such, 2021 will be an eventful year for the Fragrance/Cosmetic brands business, marked by the creation of 800 new products to be marketed via the 382 own-brand boutiques and the Group's French and international partner network. Bogart Group is once again at the cutting edge of innovation with the launch of the first brand of alcohol-free & intense colognes. The new sustainable brand will be unveiled over the coming weeks and will showcase Bogart Group's ability to expand its brand portfolio in order to serve the most buoyant segments of the global fragrance and cosmetics market.

In H1 2021, the own-brand boutiques business will add a sixth country to its April retail chain by opening the Group's first three fragrance boutiques in the United Arab Emirates, as announced on 1 December 2020 (see [press release](#)). The first boutique will open in early April in the prestigious Dubai Mall, the largest shopping mall in the world.

This move illustrates Bogart Group's ambition to gain new market share in 2021 through organic growth, while remaining on the lookout for potential acquisitions.

Next publication

Bogart Group will publish its full-year results on Thursday 29 April 2021.

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