

BOGART

PRESS RELEASE

Paris, 28 September 2023

H1 2023 results

7.1% increase in EBITDA

Strong improvement in operating income, factoring in measures to strategically reorganise the store network

Confirmed growth outlook and recovery in profitability

BOGART posted a significant increase in its H1 2023 results. Turnover was up 5.0%, with a 7.1% increase in EBITDA, despite a continued inflationary environment. In H1 2023, the Group implemented strategic optimisation measures in its network of stores in France and Belgium, which are still underway, focusing on the gradual closure of 26 stores across the two countries. On the back of an optimised scope, in 2023, BOGART aims to increase its turnover with a strong recovery in its profitability.

€m	H1 2022	H1 2023	Chg. %
Turnover	131.0	137.6	+5.0%
<i>o/w Bogart Fragrances & Cosmetics</i>	24.3	25.1	+3.3%
<i>o/w Bogart Beauty Retail</i>	106.7	112.5	+5.4%
Other revenues ¹	5.9	5.8	-1.7%
Total revenues	136.9	143.4	+4.8%
EBITDA²	14.1	15.1	+7.1%
Operating income (loss)	(6.2)	(3.1)	n/a
Financial income (expense)	(2.1)	(3.6)	n/a
Income tax	(0.5)	(0.6)	n/a
Net profit (loss) Group share	(8.7)	(7.2)	n/a

The consolidated financial statements for the first half of 2023 were approved by the Board of Directors at its 27 September 2023 meeting. The Statutory Auditors conducted a limited review on the financial statements.

Business performance

For the first half of 2023, BOGART reports consolidated turnover of €137.6 million, up 5.0% relative to H1 2022 (up 7.9% at constant consolidation scope and exchange rates), notably driven by the *Bogart Fragrances & Cosmetics* division which benefitted from successful sales for the Jacques Bogart, Piaubert and Stendhal brands. Note that first-half turnover accounts for a €2.2 million scope effect following the network's reorganisation.

In H1 2023, staff costs increased very slightly (+1.5%) to €35.9 million, versus €35.3 million a year earlier. This increase is owing to the automatic indexation of salaries in Belgium while measures to strategically reorganise the store network in France and Belgium will mainly be noticeable in

¹ Revenues from licences and advertising rebillings for brands which are distributed to BOGART's own-brand networks.

² EBITDA = operating income + CVAE (French business value added tax) + depreciation, amortisation and provisions + destruction of stock + other non-recurring operating income and expenses

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H2 2023. As a reminder, in France, the employment protection plan (“Plan de Sauvegarde de l’Emploi – PSE”) focused on the closure of 17 stores and 50 positions. BOGART’s headcount totalled 2,193 at end-June 2023, versus 2,220 a year earlier.

Other recurring expenses increased by 8.4% to €26.7 million in H1 2023 versus €24.7 million in H1 2022 against the backdrop of inflation.

EBITDA³ rose 7.1% to €15.1 million from €14.1 million in H1 2022. EBITDA significantly increased for the *Bogart Fragrances & Cosmetics* division, up from €3.4 million to €5.6 million (with strong momentum in Asia, Europe and Latin America). EBITDA for the *Bogart Beauty Retail* division stood at €7.7 million (vs. €8.9 million at end-June 2022), factoring in a scope effect (IFRS 16 impact due to recognised store closures in France and Belgium) and a currency effect, particularly in Israel (€0.3 million). Excluding IFRS 16, EBITDA increased by €0.6 million (-€5.1 million vs. -€5.7 million at 30 June 2022).

Operating loss considerably improved at -€3.1 million versus -€6.2 million for H1 2022. This includes €16.8 million in depreciation, amortisation and provisions, down €1.5 million versus H1 2022, and non-recurring expenses of €1.3 million to reorganise the Belgian store network (impact of €1.1 million including a voluntary redundancy plan) with an additional provision of €0.2 million to reorganise the France network. Note that all costs related to the reorganisation of the France and Belgium store networks were incurred at end-June 2023 (and as a reminder, the company had provisioned nearly the full cost to reorganise France in the previous financial year).

After net financial expense of €3.6 million (a decrease of €1.5 million from rising interest rates on lease liabilities pursuant to IFRS 16, with no cash impact) and a €0.6 million tax expense, net loss Group share stood at €7.2 million in H1 2023, compared with a loss of €8.7 million on 30 June 2022.

Persistently strong financial structure

At 30 June 2023, BOGART’s equity amounted to €75.4 million, compared with €87.2 million at 31 December 2022 after share buybacks (€0.3 million) and the booking of first-half results.

H1 2023 cash flow increased to €12.4 million from €11.8 million in H1 2022.

In H1 2023, there was a seasonal increase of €32.1 million in working capital requirements (WCR) versus a negative €35.3 million in H1 2022, due to the substantial decrease in trade payables (-€12.1 million) and operating liabilities (including a €7 million repayment on tax liabilities) while receivables increased very slightly. WCR is expected to improve in the second half of the year.

At 30 June 2023, capital expenditure totalled €1.7 million (store renovations) versus €2.6 million at end-June 2022, a level in line with Group standards.

Moreover, the Company repaid €19.7 million in loans during the period (€14.5 million in lease liabilities and €5.2 million in bank loans).

Finally, the Group had gross cash and cash equivalents of €27.3 million at 30 June 2023 (vs. €69.2 million at 31 December 2022). Given the seasonal nature of the Group’s business, cash and cash equivalents are always higher at the end of the year. The Group paid a dividend of €0.18 per share on 7 July 2023 after the balance sheet date, representing a total amount of €2.6 million.

³ EBITDA = operating income + CVAE (French business value added tax) + depreciation, amortisation and provisions + destruction of stock + other non-recurring operating income and expenses

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Lastly, loans and borrowings (excluding IFRS 16 lease liabilities of €112.8 million) decreased to €78.0 million at 30 June 2023, compared with €81.6 million at 31 December 2022.

Confirmation of the financial year's turnover growth and profitability targets

Looking ahead to H22023, BOGART confirms its ambition to achieve growth for both its divisions.

The buoyant product launches of the second half will fully bolster the *Bogart Fragrances & Cosmetics* business. As a reminder, the Jacques Bogart brand will launch a new Silver Scent fragrance, and Carven a new fragrance duo for men and women (Carven c'est Paris La Nuit). Stendhal will also launch the Rosis Delicatea line for sensitive skin and plans to expand its distribution into new regions.

The *Bogart Beauty Retail* business should regain momentum with a reorganisation in scope still underway. As a reminder, this division is historically more profitable in the second half of the financial year. Belgium will also benefit from a plan to revitalise its scope, with significant changes to the April brand's offering.

All in all, the Group confirms its ambition for growth in annual turnover and a strong recovery in profitability.

Publication of the first half 2023 financial report

The BOGART first-half 2023 financial report is now available to the public and was filed with the French financial markets authority (AMF). The report may be downloaded from the Group website at: www.groupe-bogart.com

BOGART's eligibility for PEA and PEA-PME

BOGART confirms it is eligible for the PEA (savings) and PEA-PME (SME savings) plans, in accordance with French Decree no. 2014-283 of 4 March 2014 pursuant to Article 70 of French Law no. 2013-1278 of 29 December 2013 within the meaning of France's 2014 Finance Act, which determines such eligibility criteria for companies.

Accordingly, Jacques Bogart (FR0012872141 JBOG) shares may be placed in PEA PME accounts which, as a reminder, benefit from the same tax advantages as the traditional Plan d'Epargne en Actions (PEA - share savings plan). Eligible companies have fewer than 5,000 employees, with annual turnover of less than €1.5 billion or total assets of less than €2 billion.

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Next publication

BOGART will publish its third-quarter turnover on 16 November 2023

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APPENDIX

EBITDA/OPERATING INCOME RECONCILIATION

€m - IFRS	H1 2022	H1 2023
EBITDA	14.1	15.1
CVAE	-0.1	-0.1
Depreciation and impairment charges net of write-backs	-18.4	-16.8
Other non-operating income (expense)	-1.8	-1.3
Operating income (loss)	-6.2	-3.1