

## FIRST SEMESTER PERFORMANCE AND SECOND SEMESTER OUTLOOK

**La Plaine Saint Denis, 26 June 2019** – Showroomprivé, a leading European online retailer specialising in fashion for the Digital Woman, report on its performance since the beginning of the year, on the occasion of the Shareholders' General Meeting to be held tomorrow at 10am on the company's premises.

The Group announces a deviation in first half financial performance compared to the "Performance 2018-2020" plan anticipations, which will not allow it to reach its objective of a profitability more in line with historical levels in 2019. Showroomprivé expects to post a first half EBITDA loss of €12-15 million before taking into account a punctual impairment, with no impact on cash, on residual stocks in the order of -€10 million, with the proviso that the Group traditionally generates most of its EBITDA during the second half due to the seasonal nature of its business (-€1 million in H1 2018 versus -€6 million profit in H2 2018).

This evolution in first half performance was mainly due to:

- A persistently sluggish market throughout the period, which curtailed net revenue growth (2.3% decline in Q1);
- A disappointing contribution from SRP Média given the lack of major advertiser campaigns in H1 2019 compared to the previous year;
- Major logistics cost overruns, primarily related to isolated disfunctions in the handling of returns, incurred in the interests of ensuring customer satisfaction. The drop-shipping policy is also having an inevitable knock-on effect on costs during the ramp-up phase;
- The negative contribution from the exhaustion of residual stocks (excluding Internet), which conceals the positive gross margin trend in the core Internet business, due to more selective purchasing policy;
- A punctual impairment on residual stocks in the order of -€10 million, with no impact on cash, to account for this last element (partly due to the logistics dysfunctions early in the year).

SRP will also recognise non-recurring expenses for the period, particularly related to restructuring (reduction in workforce of around 10% from 1 January 2019 to date) and the discontinuation of a project that has ceased to be of strategic value.

### Recovery expected in the second half

This first half performance does not question the Performance 2018-2020 plan strategic axes.

The Group will start the second half of the year on sound and solid basis and expects to see a recovery compared to the first half, with the objective to return to profitability in the second half of the year. This recovery will capitalise on:

- The strong commitment of the base of 9 million customers in a context of cost optimization;
- Strong positions in the French e-commerce fashion (No. 4) and beauty (No. 2) markets;
- Persistent long-standing relations with supplier brands, still convinced by the power of distribution of the brand Showroomprivé;
- The positive gross margin trend in the Internet business, already discernible in the first half;
- The visible benefits of savings already achieved;
- Streamlined inventories and improved control of logistics costs.

Next release:

2019 first half results: 25 July 2019

## FORWARD-LOOKING STATEMENTS

This press release contains only summary information and does not purport to be comprehensive.

This press release may contain forward-looking information and statements about the Group and its subsidiaries. These statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future operations, products and services, and statements regarding future performance. Forward-looking statements may be identified by the words “believe,” “expect,” “anticipate,” “target” or similar expressions. Although the Group appreciates that the expectations reflected in such forward-looking statements are reasonable, investors and the Group’s shareholders are cautioned that forward-looking information and statements are subject to numerous risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Group, which could cause actual results and developments to differ materially and adversely from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include those discussed or identified in filings with the *Autorité des Marchés Financiers* made or to be made by the Group (particularly those detailed in the Group’s annual report and in its half year financial report). The Group undertakes no obligation to publicly update its forward-looking statements, whether as a result of new information, future events or otherwise.

## ABOUT SHOWROOMPRIVE.COM

Showroomprivé.com is a European player in event-driven online sales that is innovative and specialized in fashion. Showroomprivé proposes a daily selection of more than 2,000 partner brands over its mobile applications or its Internet site in France and in eight other countries. Since its creation in 2006, the company has undergone quick and profitable growth.

Listed on the Euronext Paris market (code: SRP), Showroomprivé achieved a gross business volume with all taxes included of more than 900 million euros in 2018, and net revenue of 672 million euros, growing by 3% over the preceding year. The Group employs more than 1,150 people.

For more information: [www.showroomprivégroupe.com](http://www.showroomprivégroupe.com)



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