

Q1 2020 NET REVENUES: €118.2M

MEASURED DECLINE - SENSITIVE REBOUND OF ACTIVITY IN APRIL

La Plaine Saint Denis, 7 May 2020 – Showroomprivé, a leading European online retailer specialising in fashion for the Digital Woman, has published its net revenues for the first quarter of 2020, ended 31 March.

Net revenues for the first quarter came to €118.2 million, down 19.8% year-on-year, in line with the trend observed towards the end of 2019. Business continued to be impacted by:

- Strategic decisions aimed at focusing the offering on the most profitable offers: increased selectivity, gradual model shift from firm to conditional purchases, and an increase in drop shipping;
- Continued reduction in marketing expenditure compared to Q1 2019;
- The decrease in physical wholesale volumes following the unsold inventory rundown at the end of 2019 and the decrease in firm purchases;
- The extension of delivery and return times linked to the health crisis period.

However, revenues are in line with the Group's roadmap thanks to the commitment of a loyal customer base representing more than 90% of revenues.

The Group recorded a return to revenue growth in April 2020, which remains to be confirmed over the coming months, driven by the current surge in e-commerce and the initial effects of the expansion of the sales team. This is reflected in the signing of new brands, enabling a renewal of the offer.

Showroomprivé co-founders and co-CEOs Thierry Petit and David Dayan commented on these results: *"The decline in revenues at the beginning of the year is primarily due to strategic decisions to maintain a strong focus on our most profitable offerings. This change was expected and we're on track with our roadmap. The shift in our model, the expansion of our offering and the strengthening of our sales team is expected to help improve the trend over the coming quarters.*

Besides, we have seen an encouraging upturn in business since the beginning of April, reflecting a considerable increase compared to April 2019. Of course, this trend will need to be confirmed over the coming months as lockdown measures are lifted. This strengthens our resolve to continue to work intensively on optimising our structure. Simultaneously, an agreement signed with our banking partners at the end of April has secured our future financing. We're therefore embarking on the next stages of the Group's turnaround strategy with confidence.

We believe Showroomprivé is fully equipped to take advantage of its leading position in the e-commerce sector, backed by some 10 million members."

Q1 2020 HIGHLIGHTS

	Q1 2019	Q1 2020	Change
Net revenues (in millions)*	147.3	118.2	-19.8%
Total Internet revenues (in millions)*	144.0	117.2	-18.6%
buyers (in millions)**	1.4	1.2	-15.8%
Of which loyal buyers	89.7%	90.3%	+0.6 pts
Revenue per buyer (€)	92.9	88.7	-4.5%
Number of orders (in millions)	3.3	2.6	-18.8%
Average Number of orders**	2.3	2.2	-3.5%
Average Basket size (€)**	40.5	40.1	-1.0%
	31/12/2019	30/03/2020	Change
Cumulative buyers*** (in millions)	9.8	9.9	+1.4%

* IFRS

** Excluding Beauteprivee

*** "Cumulative buyers" are all buyers who made at least one purchase on the Group's platform since it was launched

Revenue analysis

Group net revenues amounted to €118.2 million for the first quarter of 2020, down 19.8%. Adjusting for the last sales in Germany as part of the strategy adopted in 2018 to close down business operations in certain countries, net revenues were down 18.5%.

However, this decrease in revenues is in line with the Group's roadmap and the trends recorded towards the end of 2019. Business is naturally still impacted by strategic decisions rolled out last year. The volume of the offering decreased due to the policy of increased selectivity, with the discontinuation of unprofitable lines. This had an inevitable knock-on effect on the number of orders. In addition, the reduction in marketing expenditure geared towards acquiring new customers has impacted the number of new buyers.

In details, **Total Internet revenues**, which represent the Group's core business (98% of total revenues) fell 18.6% to €117.2 million, down 17.4% excluding the impact of the aforementioned closures.

Worldwide revenues were down 22.6%. Excluding the impact of the Polish, German and multi-currency site closures, revenues were down 14.8%. Saldi Privati posted a decline for the quarter due to greater selectivity of product offerings protecting the profitability of international activities and the impact of lockdown in Italy.

Other revenues, including physical non-Internet sales amounted to €1 million, compared to €3.2 million in the first quarter of 2019, due to the decrease in the Group's unsold inventories, following massive clearance operations during the previous financial year and the reduction in firm purchases.

Customers maintained their commitment to Showroomprive during the quarter, with a relatively stable average basket and number of orders per customer, reflecting the resilience of the brand and the power of the online sales platform. Similarly, the contribution of loyal customers now represents over 90% of Group revenues.

During this period, the Group has continued the shift from a firm purchase model (down 4.5 percentage points to 14% of revenues) to conditional purchases and drop shipping (up 10.5 percentage points to 20.9% of revenues).

Outlook

Since the beginning of the health crisis and associated restrictions, Showroomprivé has continued to do business while implementing the necessary protective measures to safeguard the health of its employees and their families. The Group is constantly adapting its procedures and staff in line with business levels, implementing short time working arrangements where required.

All activities (including Internet and media) were impacted in the first two weeks of lockdown, particularly in light of the disruptions and necessary adjustments to the supply chain. The Group's business remains intrinsically linked with delivery and supply capabilities in countries where it operates. Deadlines for returns have been extended, enabling Showroomprivé shoppers to fully benefit from their terms of purchase, an arrangement that will make returns management more complex throughout the first half and even in the second semester if the state of health emergency is extended

However, since April 2020 the Group has noted a significant upturn in sales, posting considerable growth compared to April 2019 and outperforming the roadmap. The Group is benefiting from a favourable context for e-commerce, while also starting to reap the benefits of measures designed to strengthen relations with brands, illustrated by the signing of new partnerships with major groups offering a broad range of brand names. This encouraging trend will need to be confirmed over the coming weeks and months. Only the travel and leisure businesses remain practically stopped, given the exceptional circumstances affecting these sectors.

The level of activity coupled with the business plan in line with expectation as well as the full effect of the rationalization measures initiated in 2019 allow the Group to confirm once again its ambition of a gradual trajectory to improve its EBITDA margin.

The Group also reminds readers that on [30 April 2020 it announced the signing of an agreement with its banking partners](#), securing and strengthening its short- and medium-term financial structure. Under this agreement, currently under approval, Group debt now consists of €62 million of term loans repayable on maturity in 2026 and a €35 million loan with a 90% state guarantee (PGE), maturing by 2026. An €8-10 million capital increase will also be carried out, subject to the approval by the company's General Shareholders' Meeting - scheduled for June 8 - of the delegations necessary for this purpose, as well as a decision by the french Autorité des Marchés Financiers (AMF) to waive the mandatory deposit requirement of a public offer likely to result from the implementation of the guarantee commitment of the founding shareholders.

NEXT RELEASE

Results for the first semester of 2020: end of July 2020

ABOUT SHOWROOMPRIVE.COM

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

Listed on the Euronext Paris market (code: SRP), Showroomprive achieved a gross business volume with all taxes included of more than 822 million euros in 2019, and net revenue of 616 million euros. The Group employs more than 950 people.

For more information : <https://www.showroomprivegroup.com>



WARNING

Certain information included in this press release does not constitute historical data, but forward-looking statements. These forward-looking statements are subject to risks and uncertainties, particularly related to the current health context. These risks and uncertainties appear in addition to those described and identified in Chapter 3 "Risk factors" of the Universal registration document filed with the Autorité des Marchés Financiers (AMF) on April 30, 2020, available on the Company's website (www.showroomprivegroup.com) and on AMF's website (www.amf-france.org). This press release only includes summary information and does not purport to be exhaustive

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