

STRONG THIRD QUARTER GROWTH (+30%)

SUCCESSFUL EVOLUTION OF OUR BUSINESS MODEL AMID A FAVOURABLE E-COMMERCE ENVIRONMENT

CONFIRMATION OF EBITDA IMPROVEMENT- HEALTHY FINANCIAL POSITION WITH OVER €100 MILLION GROSS CASH

La Plaine Saint Denis, 28 October 2020 – Showroomprivé (SRP Group), a leading European online retailer specialising in fashion for the Digital Woman, has published its net revenues for the third quarter and first nine months ended 30 September 2020.

Excellent growth momentum in the third quarter: +30% (+31% for internet sales)

- Confirmation of the success of our strategic initiatives: a more diversified and attractive offering with new prime partner brands;
- A loyal customer base that continues to grow within a more favourable environment for e-commerce since the Covid-19 health crisis;
- Good performance in internet Fashion, Home and Beauty sales, largely offsetting the temporary decline in ticketing/travel sales;
- Performance amplified by a catch-up effect in Q3 amounting to €9.9 million of revenues from orders placed in Q2 (deliveries postponed due to the health crisis).

Revenues for the first nine months up 8.8%, of which 9.0% from the internet business

- Pursuit of growth trajectory after a second quarter up by 19.3%

Virtuous trajectory confirmed for the second half of 2020: Estimated 2020 EBITDA¹ close to €20 million

- Controlled growth with increased offering selectivity based on profitability;
- Optimisation and control of operating expenses (marketing, logistics) as part of the finalisation of the Performance Plan;
- Estimated 2020 EBITDA close to €20 million.

A healthy and robust financial position

- Healthy capital structure, recapitalised mainly via a successful capital increase with 188% over-subscription;
- Gross cash and cash equivalents: €112 million bolstered by capital increase proceeds and third quarter business – Net debt reduced to €8 million as of 30 September 2020.

Showroomprivé co-founders and co-CEOs Thierry Petit and David Dayan commented on these results: *“The good third quarter performance both confirms and amplifies the resurgence of our business since the start of the second quarter. We are reaping the rewards of the hard work put in by our teams and management over the past 18 months under the 2018-2020 Performance Plan. Thanks to a qualitative offering enhanced by the arrival of new brands, we are meeting the expectations of our loyal customer base while attracting new customers amid a favourable environment for internet sales.*

Bolstered by this trend, we are confident that our operating profitability will continue to improve. As such, our second half EBITDA should be higher than in the first half and we reckon we should be able to post a full-year 2020 EBITDA close to €20 million. With the strengthening of our capital structure in July and the renewed trust of our banking partners, we have a robust and sustainable financial structure as evidenced by a strong cash position. The indicators are good

¹ EBITDA, according to the definition used by the Company, is obtained by deducting from net income: the amortisation of assets recognised following a business combination; amortisation and depreciation of intangible assets and property, plant and equipment; the costs of share-based payments, including the expense arising from expensing the fair value of bonus shares and stock options granted to employees over the vesting period; other non-recurring operating income or expenses, net cost of debt and other financial income and expenses, and the tax expense for the year.

and Showroomprivé is well set to write an exciting new chapter in its history and consolidate its position among the leading French e-commerce brands. We share this ambition with all our employees.”

Q3 AND 9-MONTH 2020 REVENUES

Revenue analysis

	Q3 2019	Q3 2020	Change (%)
Net revenues (€m)	125.0	161.9	+29.6%
Total Internet revenues ²	121.9	160.0	+31.2%
Other revenues ³	3.0	2.0	-34.8%

	9-month 2019	9-month 2020	
Net revenues (€m)	427.0	464.7	+8.8%
Total Internet revenues	420.3	458.1	+9.0%
Other revenues	6.7	6.5	-2.4%

Strong revenue growth in the third quarter

Group net revenues were up sharply (+29.6%) to €161.9 million for the third quarter of 2020. Internet revenues rose even more, by 31.2%, to €160.0 million.

This performance reflects the continued recovery recorded in the second quarter (+19.3%) and confirms the new growth dynamic in the business amid a favourable environment for e-commerce especially since the start of the health crisis.

In particular, the Group is reaping the rewards of the measures taken to make its offering more attractive, under the auspices of a revamped sales team. The Group has a more diversified and greater quality offering, as evidenced by the arrival of new prime brands, particularly in Fashion, Home (Home Decoration and Household Appliances) and Beauty, which have driven growth.

Quarterly performance is all the more impressive given that the ticketing/travel sector continues to be impacted by the ongoing health crisis.

The growth in revenues during the third quarter was accentuated by a delay in the recognition of second quarter revenues, amounting to €9.9 million, which was ultimately recorded in Q3 due to the slowdown in logistics during the lockdown easing period.

Revenues from other activities (physical clearance of unsold inventory and internet sales returns) amounted to €2.0 million. This non-strategic and relatively lowly profitable revenue stream will always vary from one quarter to the next, as it is impacted by one-off clearance operations launched by the Group on the physical market. These operations were more significant in Q3 and in particular Q4 2019.

Confirmation of the growth trajectory recorded since the start of the year

The third quarter growth surge enabled the Group to post revenues of €464.7 million for the first nine months of the year and return a significant growth of 8.8% over the same period (+9.0% for internet revenues). This performance was again driven by the Group's loyal customer base, which accounts for 80% of sales since January 2020, and the increase in average basket size that validates the Group's commercial strategy.

² From now on, all physical clearance activities will be recognised under Other revenues. The impact of this reclassification was €537K in Q3 2020 and €2,924K for the first nine months of 2020.

³ Other revenues now comprise all physical clearance activities, from both returns handling and the rundown of surplus inventories and SRP Studios activities.

Analysis of key performance indicators (without Beautéprivée)

	9-month 2019	9-month 2020	Change
Cumulative buyers* (millions)	9.5	10.3	+8.0%
Buyers** (millions)	2.6	2.6	-
of which loyal buyers***	2.1	2.1	-0.7%
as % of total buyers	80%	80%	-
Number of orders (millions)	9.5	9.4	-1.1%
Revenue per buyer (IFRS)	147.8	158.8	+7.5%
Average number of orders per buyer	3.6	3.6	-1.0%
Average basket size (€)	40.7	44.2	+8.6%

* All buyers who have made at least one purchase on the group's platform since its launch

** Member who made at least one order during the year

*** Member who made at least one order during the year and at least one order during previous year

The increased selectivity of the offering initiated in 2019 followed by its gradual enhancement with new premium partner brands led to an increase of around €3.5 in the average basket size over the first nine months of the year. This amounted to €44.2, pushing revenue per buyer up from €147.8 to €158.8 over the period.

Although the number of buyers and orders per buyer is broadly stable over nine months, the quarterly trend is positive. The indicators are gradually improving with a 7% increase in the number of orders and 6% in the number of buyers in the third quarter alone, offsetting the negative impact of the first quarter.

The increase of 0.5 million of cumulated buyers since 1 January 2020, including around 170,000 in the third quarter, confirms the Group's capacity to attract and convert new customers whilst continuing to rigorously manage marketing expenses. The advertising situation during the lockdown period and the following months also enabled the Group to seize new competitively priced opportunities to increase visibility.

A healthy financial position – Significant cash surplus

At the end of the third quarter, during the final stage of its refinancing operations, the Group successfully completed a capital increase of around €10 million. The increase in shareholders' equity and the new financing facilities secure the Group's financial position in the long term whilst providing it with the resources to actively pursue its development.

On 30 September 2020, the Group had available cash of more than €112,4 million, bolstered by third quarter cash generation. Considering a gross financial debt of €120.8 million, the net financial debt stood at €8.4 million as of September 30, 2020.

Outlook in the context of a sanitary crisis

The high business volumes combined with greater offering selectivity and a more efficient process organization, enable the Group to expect the continued gradual improvement in performance. **The Group is on track to generate a higher EBITDA in the second half of the year than in the first half and expects a full-year 2020 EBITDA close to €20 million.**

The Group will also continue to implement the measures designed to improve its operational performances over the coming period. The trend allows the Group to expand gradually and maintain relationships with major brands, particularly in the online business. Moreover, the Group should benefit from another growth driver if conditions improve on the ticketing and travel market.

The optimisation of operating expenses will continue. The Group will focus on the continued streamlining of logistics and inventories, as well as the ramp-up of its new logistic warehouse.

It will also continue to build on its powerful base of 22 million members whilst preparing to add new services to the sales platform to add value and respond even better to customer expectations. In particular, the Group intends to ramp up the development of growth drivers such as SRP Media with new data and digital offerings, through the deployment of technical and human resources and the development of SRP Studios.

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FORWARD-LOOKING STATEMENTS

This press release solely contains summary information and is not intended to be detailed. This press release may contain forward-looking information and statements relating to the Group and its subsidiaries. These statements include financial projections and estimates and their underlying hypotheses, statements with respect to plans, to objectives and to expectations relating to operations that are still to come, to future revenues and services, and statements with respect to future performance. Forward-looking statements can be identified by the words “believe”, “anticipate”, “objective” or similar expressions. Even if the Group believes that the expectations reflected by such forward looking statements are reasonable, investors and shareholders of the Group are advised of the fact that the information and forward-looking statements are subject to numerous risks and uncertainties, many of which are difficult to predict and generally out of the control of the Group, which could imply that the effective results and events can differ significantly and in an unfavourable manner from those that are communicated, implied or indicated by this information and these forward looking statements. These risks and uncertainties include those that are advanced or identified in the documents filed or that are to be filed with the Financial Markets Authority by the Group (in particular those detailed in chapter 4 of the reference document of the Company). The Group does not take on any commitment to publish updates of the forward-looking information, this whether subsequent to new information, to future events or to any other element.

UPCOMING INFORMATION

2020 results: March 2021

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 six other countries. Since its creation in 2006, the company has undergone quick growth.

Listed on the Euronext Paris market (code: SRP), Showroomprivé achieved a gross internet 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>



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