SHARP IMPROVEMENT IN FIRST HALF FINANCIAL INDICATORS

- Current EBITDA: up 7.9% (excluding IFRS 16)
- EBIT before non-recurring items: up 74% (excluding IFRS 16)
- Net profit: up 157% (excluding IFRS 16)

STRONG CASH GENERATION IN THE FIRST HALF: UP €10 MILLION

Paris, 26 September 2019

ROCHE BOBOIS SA (ISIN: FR0013344173 - Ticker symbol: **RBO), high-end furniture global market leader and the name behind *French Art de Vivre*, today released its first half 2019 results**. The Roche Bobois S.A. Board of Directors approved the financial statements on 23 September 2019.

IFRS (€m)	H1 2018	H1 2019 (excl. IFRS 16)	H1 2019 (Reported)	Change % (excl. IFRS 16)
Sale of goods	113.2	118.2	118.2	
Royalties and other services	16.0	16.5	16.5	
Revenues	129.2	134.7	134.7	+4.3%
Gross margin on sales	57.7%	58.6%	58.6%	
Current EBITDA	10.4	11.2	21.1	+7.9%
EBIT before non-recurring items	3.9	6.8	7.2	+73.5%
EBIT	3.5	6.8	7.2	
Net financial expense	-	(0.3)	(1.2)	
Tax charge	(1.6)	(1.5)	(1.5)	
Net profit	2.0	5.1	4.5	+157%
Net profit Group share	1.7	4.6	4.1	+172.5%

ROCHE BOBOIS SA posted first half 2019 revenues of €134.7 million, up 4.3% compared to H1 2018. This performance reflects strong sales momentum in all Group regions, particularly the United States. It also includes the consolidated results of DécoCenter95 for first half 2019 (€3.2 million positive impact on H1 2019 revenues) and positive currency impacts. As a reminder, revenue growth at constant exchange rates was 2.4%.

Group gross margin rose €3.9 million in value terms. As a percentage of sales, gross margin rose from **57.7% in first half 2018 to 58.6%,** driven by a favourable country mix and currency impacts.

External expenses fell sharply to €35.0 million from €43.0 million in first half 2018 due to the IFRS 16 impact on rental expenses (positive impact of €10.5 million).

Staff costs fell from €29.6 million in H1 2018 to €27.9 million (as a reminder, in H1 2018 the Group recorded a bonus share distribution of €3.3 million). Excluding the bonus share impact, staff costs increased 6.1% in line with the increase in Group headcount from 792 employees at 30 June 2018 to 823 at 30 June 2019.

Reported EBITDA rose sharply to €21.1 million from €10.4 million last year, including a €9.9 million increase due to the application of IFRS 16. **Excluding the impact of IFRS 16, EBITDA amounted to €11.2 million, up 7.9% from €10.4 million, representing a growth rate higher than that of revenues.**

Excluding corporate costs, almost all regions improved in the first half of 2019, with the exception of the Other Europe region, where the recent franchisee buybacks in Italy have not yet impacted profit margins. France posted a significant increase in its EBITDA margin to 8.6% (excluding IFRS 16) from 8.0% in the first half of 2018, fully in line with the Group's objectives. The United States maintained a margin of 11.3%, with the profitability of long-standing stores offsetting the ramp-up effect of recent openings. Finally, the United Kingdom rose to 10.4% from 8.5% last year, reflecting strong business recovery in this country.

In total, the Group's current EBITDA margin (excluding IFRS 16 and at current exchange rates) rose from 8.0% in H1 2018 to 8.3% in H1 2019.

Reported EBIT before non-recurring items amounted to €7.2 million, up from €3.9 million in H1 2018 including a €300,000 increase due to the application of IFRS 16. **Excluding the impact of IFRS 16, EBIT before non-recurring items rose sharply (up 73.5%) from €3.9 million in H1 2018 to €6.8 million.**

As the Group did not record any non-recurring expenses in the first half of 2019, reported EBIT also amounted to €7.2 million, up from €3.5 million.

After a net financial expense of €1.2 million (including an additional €0.9 million expense resulting from the application of IFRS 16) and a tax charge of €1.5 million, **net profit reported came to €4.5 million, up 130% from €2.0 million in first half 2018.**

Sharp increase in operating cash flow - Robust balance sheet

Group free cash flow amounted to €20.8 million, up from €9.8 million in H1 2018, with the application of IFRS 16 contributing €10.5 million.

Operating cash flow amounted to €22.1 million, compared to €0.9 million in H1 2018. Excluding IFRS 16, operating cash flow amounted to €11.5 million.

First half 2019 capital expenditure (store openings and renovations) amounted to €4.4 million versus €2.2 million in H1 2018, in line with the budget.

Overall, the Group generated total cash of €10.0 million in H1 2019, up sharply compared to first half 2018.

As at 30 June 2019, Group cash and cash equivalents stood at €24.8 million, up from €15.5 million at 31 December 2018. It should be noted that the Group recorded additional borrowings of €105.4 million for the first half of the year, due to the application of IFRS 16 (lease liabilities). Excluding the application of IFRS 16, gross borrowings amounted to €23.8 million. Excluding IFRS 16, the Group would have posted net cash of €1.0 million.

2019 outlook

The Group is on track towards achieving its annual roadmap. Given the seasonal nature of earnings, which are historically positive in the second half of the year, and the expected steepening in growth over the coming months, the Group has confirmed its target to achieve annual revenue growth in line with 2018 figures and an EBITDA margin of between 9 and 10% (before IFRS 16).

Meanwhile, the Group is maintaining the pace of store openings. To date, the Group has recorded a total of nine gross store openings:

(i) four new owned stores: United States (Greenwich (Connecticut) and New York Upper East Side 2), Spain (Madrid 2) and France (Domus) and (ii) five new franchises (Roche Bobois Hangzhou (China), Roche Bobois Perpignan and 3 Cuir Center stores in Perpignan, Vannes and Saint Pierre de la Réunion).

The Group also purchased the Saragossa franchise store in Spain, which is now part of the owned store network. As a reminder, the Group has only closed one owned store (Cuir Center in Villepinte) since the beginning of the year.

Roche Bobois also plans to complete two franchise buybacks by the end of the year: in Italy (Turin) and Ireland (Dublin), 1 opening of an owned store in Portugal (Lisbon 2) and plans to open 3 new franchise stores by the end of the year.

Finally, the Group has also confirmed the launch of its Roche Bobois e-commerce website in early October, in accordance with the planned strategy.

Availability of the first half 2019 financial report

Roche Bobois S.A. hereby announces it has published and filed its financial report for the six months ended 30 June 2019 with the AMF (French financial markets regulator). This report may be viewed and downloaded from the Roche Bobois website: www.finance-roche-bobois.com

About Roche Bobois SA

Roche Bobois SA is a French family business founded in 1960. The Group operates in 54 countries and has a network of 331 owned stores and franchises (at 31 december 2018) marketing its two brands: Roche Bobois, a high-end furniture brand with a strong international presence, and Cuir Center, positioned in the mid-range market segment with an essentially French customer base. Through its Roche Bobois brand, the Group embodies the *French Art de Vivre* whose presence can now be felt on the world stage, with original and bold creations from talented designers (Bruno Moinard, Jean Nouvel, Ora Ito, Sacha Lakic, Christophe Delcourt, Stephen Burks, Kenzo Takada, Bina Baitel...) and partnerships with fashion and haute couture houses. Roche Bobois is also a committed partner in the world of culture and the arts. Including franchises, these two brands posted 2017 revenues of €458.6 million excluding VAT, to which Roche Bobois contributed €372 million and Cuir Center €86.6 million. Roche Bobois SA consolidated revenues came to €257 million in 2018.

For more information please visit **www.bourse-roche-bobois.com**

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Forward-looking statements

This press release contains forward-looking statements. These statements do not constitute guarantees regarding the future performance of ROCHE BOBOIS. This forward-looking information covers the future outlook, growth and commercial strategy of ROCHE BOBOIS and is based on the analysis of future result forecasts and estimates of amounts that cannot yet be determined. By nature, forward-looking information involves risks and uncertainties, as it relates to events and depends on circumstances that may or may not occur in the future. ROCHE BOBOIS draws your attention to the fact that forward-looking statements provide no guarantee of future performance and that its actual financial position, results and cash flow, as well as changes in the sector in which ROCHE BOBOIS operates, may differ significantly from those proposed or suggested by the forward-looking statements contained in this document. Moreover, even if ROCHE BOBOIS' financial position, results, cash flow and changes in the sector in which ROCHE BOBOIS operates were to be in accordance with the forward-looking information contained in this document, these results or changes may not be a reliable indicator of ROCHE BOBOIS' future results or developments. A description of events that could have a material adverse impact on ROCHE BOBOIS' business, financial position or results, or on its ability to achieve its targets, is given in Chapter 4 "Risk Factors" of the Base Document.

GLOSSARY

EBITDA = earnings before interest, tax, depreciation and amortisation. Underlying EBITDA equals Group pre-tax profit before deduction of interest, depreciation, amortisation and impairment charges on non-current assets, store opening costs and staff share-based payments, but after impairment of inventories and trade receivables. It shows profit generated by business activities regardless of financing conditions, tax constraints and the upgrading of operating assets. Non-recurring expenses (one-off, unusual or infrequent items) are excluded.

Transition to IFRS 16

The Group has decided to adopt IFRS 16 and apply the simplified retrospective approach for agreements previously recognised as leases. Accordingly, leases will be recorded on the balance sheet only as of 1 January 2019 and comparative information will not be restated.

Lease liabilities are measured at the present value of remaining lease payments, discounted using the lessee's incremental borrowing rate at 1 January 2019. The right-of-use asset is measured at the same amount as the lease liability, adjusted for any accrued or prepaid rent relating to this lease recorded in the statement of financial position immediately preceding the date of first application.

In accordance with IFRS 16, the Company applies the following principles:

- Application of a single discount rate to assets with similar characteristics; and
- Use of the exemption offered by the standard on leases whose terms expire within the 12 months following the transition date.

The Company excludes initial direct costs from the measurement of right-of-use assets at the date of the initial request. This standard requires lessees to record, for all eligible leases, all remaining lease payments in the form of:

- A right-of-use asset under property, plant and equipment;
- A lease liability recorded under financial liabilities.