

BOGART

PRESS RELEASE
29 APRIL 2024

FULL-YEAR 2023 RESULTS:

STEADY TURNOVER - DOUBLE-DIGIT GROWTH IN EBITDA (+10.3%)

**ROBUST INCREASE IN OPERATING INCOME
AND NET PROFIT**

PERSISTENTLY STRONG FINANCIAL POSITION

At the end of the 2023 financial year, BOGART achieved a robust increase in its results, in line with the target. The successful initiatives in the France and Belgium network produced results, enabling the Group to post a 10.3% increase in EBITDA and net profit. Parallel to this, the Group's financial position remained sound and strong.

€m	2022	2023	Change %
Turnover	291.2	292.4	+0.4%
<i>o/w Bogart Fragrances & Cosmetics</i>	54.9	56.4	+2.7%
<i>o/w Bogart Beauty Retail</i>	236.3	236.0	-0.1%
Other revenues ¹	11.9	12.4	+4.2%
Total revenues	303.1	304.8	+0.6%
EBITDA²	38.8	42.8	+10.3%
EBITDA (excl. IFRS 16)	9.5	16.0	+68.4%
Operating income (loss)	(5.4)	11.7	n/a
Financial income (expense)	(4.0)	(6.9)	n/a
Income tax	0.1	(1.0)	n/a
Net profit (loss) Group share	(10.4)	3.8	n/a

The consolidated financial statements for full-year 2023 were approved by the Board of Directors at its 29 April 2024 meeting. The Statutory Auditors conducted a legal audit of the financial statements. The annual financial report will be issued no later than 30 April 2024.

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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10.3% INCREASE IN EBITDA - POSITIVE NET INCOME

BOGART achieved revenue of €292.4 million, comparable with that of the previous year, factoring in scope effects (strategic reorganisations led in 2022 for the France and Belgium network and the repositioning of the Spanish subsidiary) and a currency effect, particularly in Israel. At constant consolidation scope and exchange rates, 2023 turnover increased by +5.4%.

Gross margin³ stood at €153.0 million as of 31 December 2023, versus €150.0 million in 2022, up €3 million year-on-year thanks to a favourable change in the product mix.

Staff costs decreased by 4.7% to €67.0 million, versus €70.3 million in 2022, considering the strategic reorganisation measures implemented in France and Belgium and factoring in the automatic indexation of salaries in Belgium. As of 31 December 2023, BOGART's headcount totalled 2,064 (vs. 2,204 at end-2022).

Other recurring expenses remained under control in an inflationary environment, ending at €56.0 million, versus €53.2 million the previous financial year, and slightly up by 5.2%.

EBITDA⁴ increased in the double-digits (10.3%) for the 2023 financial year, totalling €42.8 million (vs. €38.8 million a year earlier). Excluding IFRS 16, EBITDA in 2023 totalled €16.0 million versus €9.5 million, up by 68.4%.

EBITDA significantly increased by 38.5% for the *Bogart Fragrances & Cosmetics* division, up from €8.3 million to €11.5 million (with strong momentum in Asia, Europe and Latin America). EBITDA for *Bogart Beauty Retail* came out to €27.3 million (vs. €26.7 million in 2022), factoring in a scope effect (IFRS 16 impact in connection with the closure of 26 stores in France and Belgium) and a currency effect, particularly in Israel (€0.7 million). Excluding IFRS 16, EBITDA totalled €3.3 million (vs. €0 million in 2022).

Depreciation, amortisation and provisions (excluding inventories) amounted to €32.1 million as of 31 December 2023 (€5.7 million excluding IFRS 16) versus €35.4 million in 2022 (€6.7 million excluding IFRS 16).

As a result, current operating income for 2023 stood at €12.5 million versus €3.8 million in 2022.

Current operating income significantly increased to €11.7 million (versus (€5.4) million the previous year). This change is mainly owing to an increase in turnover.

It also includes the sale of property assets (GMPC SA) for €6.6m and the discontinuation of the Spanish subsidiary's business activities for (€2.3) million, the end of network restructuring measures in France (transfer of business goodwill and restructuring for a net total of €1.6 million) and Belgium (voluntary redundancy plan kick-started in 2022 and continued in 2023, for a total of €2 million) as well as destruction of inventories for €1.1 million.

³ Turnover – raw material purchases, commodities and consumables

⁴ 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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Financial expense totalled €(6.7) million versus €(4.0) million a year prior (in connection with rising interest rates in lease liabilities pursuant to IFRS 16, with no cash impact).

After booking a tax expense of €(1.0) million, net profit (loss) Group share considerably increased to €3.8 million as of 31 December 2023 versus €(10.4) million the previous year.

PERSISTENTLY STRONG FINANCIAL STRUCTURE

As of 31 December 2023, BOGART's shareholders' equity totalled €84.3 million versus €87.2 million a year earlier (after share buybacks of €0.4 million, a dividend payout of €2.6 million and the impact of the sale of the GMPC SA subsidiary for €2.3 million).

Cash flow increased to €33.7 million as of 31 December 2023 versus €29.4 million at end-2022.

Cash flows from operating activities stood at €16.1 million, including an increase in the Working Capital Requirement (WCR) of €17.6 million as of 31 December 2023, owing to a decrease in trade payables (notably including a €7 million repayment on tax liabilities) while receivables slightly increased (+€2 million).

Cash flows from investing activities totalled €1.7 million versus €(3.8) million as of 31 December 2022 and mainly factoring in €(5.4) million in capital expenditure versus €(6.6) million last year as well as a +€6.8 million change in scope (sale of GMPC SA).

Parallel to this, BOGART secured €8 million in new debt over the period and repaid €38.8 million in loans and financial debt (including €10.3 million in bank debt, the remainder being lease liabilities pursuant to IFRS 16).

All told, the Group reported gross cash of €53.2 million at 31 December 2023 (versus €69.2 million at 31 December 2022).

Lastly, loans and borrowings (excluding IFRS 16 lease liabilities of €111.1 million) slightly decreased to €80.8 million at 31 December 2023, compared with €81.6 million at 31 December 2022. The gearing ratio⁵ was restricted to 32.8% of shareholders' equity.

CONTINUED PROFITABLE GROWTH IN 2024

In 2024, Bogart aims to continue its profitable growth strategy, propelled by its two divisions, namely *Bogart Fragrances & Cosmetics* and *Bogart Beauty Retail*.

In fragrances, Parfums Jacques Bogart will continue rolling out Silver Scent AQUA worldwide, while Carven will launch a new *eau de toilette* and a new *eau de parfum*, *Carven C'est Paris Elixir*.

⁵ Net debt/shareholders' equity ratio

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In addition, TED LAPIDUS will unveil its latest creations, including a trio of fragrances scheduled for the end-of-year holiday season.

Regarding cosmetics, STENDHAL will innovate by unveiling an all-new line of exceptional skincare products branded as *Divine Alba*. The *Méthode Jeanne Piaubert*, April and Close brands will continue expanding, having released 20-plus new products this year.

Lastly, in autumn, BOGART will showcase its tenth-ever brand.

What's more, 2024 will provide an opportunity for the *Rose and Marius* House of Haute Parfumerie to present initial progress on the back of BOGART's acquisition⁶.

In 2024, BOGART will promote the *Rose et Marius* brand, which it acquired at the start of the year, through its network of international retailers and also through its directly-owned retailer network.

It should be noted that the *Bogart Beauty Retail* business got off to a good start in 2024.

In the 2024 financial year, the Group will also remain attentive to new opportunities to continue expanding and winning new market share in Europe. As a reminder, in early 2024, BOGART consolidated nine new independent fragrance stores in Germany within the HC Parfumeries network.

Overall, the Group now has 447 stores, with 47 in France, 91 in Germany, 44 in Israel, 69 in Slovakia, 193 in Belgium and Luxembourg and 3 in Dubai.

NEXT PUBLICATION:

BOGART WILL PUBLISH ITS HALF-YEAR TURNOVER ON 25 JULY 2024

APPENDIX

EBITDA/OPERATING INCOME RECONCILIATION TABLE

€m - IFRS	2022	2023
EBITDA *	38.8	42.8
CVAE	-0.1	-0.1
Depreciation and impairment charges net of write-backs	-36.7	-29.7
Other non-recurring income (expense)	-7.4	-1.3
Operating income (loss)	-5.4	11.7

*EBITDA (excl. IFRS 16) increased from €9.5 million in 2022 to €16.0 million in 2023

⁶ [See the press release dated 15 January 2024](#)

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INCOME STATEMENT

in K€	31.12.2023	31.12.2022
Turnover	292,402	291,233
Other income from ordinary activities	1,044	889
Other income	14,406	12,741
Raw materials, commodities and used consumables	(139,423)	(141,119)
Staff costs	(66,997)	(70,309)
Income tax	(834)	(1,043)
Depreciation, amortisation and provisions	(32,097)	(35,366)
Other expenses	(55,979)	(53,200)
Discontinued operation	(2,329)	-
Other non-recurring expense	(6,933)	(9,893)
Other non-recurring operating income	8,426	621
Operating income (loss)	11,686	(5,446)
Financial income	722	436
Gross cost of financial debt	(7,401)	(5,277)
Net cost of financial debt	(6,679)	(4,841)
Other financial income and expense	(186)	876
Financial income (expense)	(6,865)	(3,965)
Accounted for under the equity method	71	87
Goodwill provision	(72)	(1,262)
Pre-tax profit	4,820	(10,586)
Income tax	(1,040)	153
Consolidated net profit	3,780	(10,433)
Share of non-controlling interests	-	-
Net profit (loss) Group share	3,780	(10,433)
Reported earnings per share (€)	0.2576	(0.7085)
Reported diluted earnings per share (€)	0.2576	(0.7085)

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BALANCE SHEET

Assets (in K€)	31.12.2023	31.12.2022
<i>Non-current assets</i>		
Goodwill	31,863	31,643
Intangible assets	8,495	8,706
Property, plant and equipment	126,574	148,426
Associates and joint ventures	-	335
Fixed financial assets	3,745	4,058
Deferred tax assets	8,837	8,375
<i>Total non-current assets</i>	179,514	201,543
<i>Current assets</i>		
Stocks and works-in-progress	110,600	104,116
Trade and other receivables	20,586	18,483
Other receivables and prepaid expenses	14,357	13,948
Cash and cash equivalents	53,202	69,252
Income tax	-	534
<i>Total current assets</i>	198,745	206,333
TOTAL ASSETS	378,259	407,876

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Liabilities (in K€)	31.12.2023	31.12.2022
Share capital	1,195	1,195
Reserves	79,326	96,434
Profit (/loss) for the financial year	3,780	(10,433)
Total shareholders' equity (Group share)	84,301	87,196
Non-controlling interests	-	-
Total shareholders' equity	84,301	87,196
Non-current liabilities		
Provisions for non-current expenses	2,174	2,237
Non-current loans and borrowings	59,223	62,245
Non-current lease liabilities	85,759	104,279
Total non-current liabilities	147,156	168,761
Current liabilities		
Provisions for expenses	2,128	2,466
Current loans and borrowings	11,213	10,393
Current lease liabilities	25,304	23,286
Bank overdrafts	10,412	8,983
Trade payables	65,791	65,058
Other payables and accruals	31,954	41,733
Income tax	-	-
Total current liabilities	146,802	151,919
TOTAL LIABILITIES	378,259	407,876

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CASH FLOW STATEMENT (in K€)

	31.12.2023	31.12.2022
I- Operating activities		
Net pre-tax profit	4,820	(10,586)
Depreciation, amortisation and provisions	29,720	37,953
Cost of debt	4,068	2,885
Elimination of gains and losses on the sale of assets	(4,251)	189
Share accounted for under the equity method	335	(87)
Change in income tax	(952)	(969)
Cash flow	33,740	29,385
Change in operating working capital requirement (WCR)	(17,634)	(9,354)
CASH FLOW FROM OPERATING ACTIVITIES	16,106	20,031
II - Investing activities		
Acquisition of intangible assets and business goodwill	(610)	(950)
Acquisition of property, plant and equipment	(4,801)	(5,626)
Acquisition of current and non-current financial assets	-	-
Acquisition of fixed financial assets	313	2,169
Cash requirement (investments)	(5,098)	(4,407)
Impact of changes in scope of consolidation	6,778	597
Divestments	6,778	597
CASH FLOW FROM INVESTING ACTIVITIES	1,680	(3,810)
III- Financing activities		
Capital increase	-	-
Issued financial loans and borrowings	8,000	27,500
Repaid lease loans and liabilities	(38,824)	(63,147)
Treasury shares	(418)	(869)
Dividend payouts	(2,644)	(3,386)
CASH FLOW FROM FINANCING ACTIVITIES	(33,886)	(39,902)
Impact of changes in exchange rates	(1,379)	211
Cash and cash equivalents at start of period	60,269	83,739
Cash and cash equivalents at end of period	42,790	60,269
Net increase/decrease in cash	(17,479)	(23,470)

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