rochebobois SA

H1 2024 RESULTS IN LINE WITH EXPECTATIONS
REVENUE: €204.4m
EBITDA: €36.6m

HEALTHY AND SOUND FINANCIAL POSITION

- Consolidated revenue: €204.4m (-7.8% at current exchange rates and -8.0% at constant exchange rates vs. H1 2023)
- Current EBITDA: €36.6m (-26.6%) - EBITDA margin: 17.9%
- Cash flow from operations: €36.2m (vs. €48.8m in H1 2023)
- Free cash flow: €13.7m (vs. €6.8m in H1 2023)
- Available cash: €65.5m (stable from 31/12/23) - Net cash position (excl. IFRS 16 lease liabilities) of €25.8m

Paris, 11 September 2024

Roche Bobois SA (ISIN: FR0013344173 – Ticker: RBO), the global benchmark in high-end home furnishings and French *Art de Vivre*, reported its interim 2024 results. The financial statements were approved by the Management Board on 9 September 2024. At the date of this press release, limited review procedures had been carried out and the statutory auditors report is in the process of being drawn up.

In a less buoyant market environment for furnishings, Roche Bobois SA posted revenue of €204.4m, down -7.8% at current exchange rates (-8.0% at current exchange rates). Revenue could have been better without the temporary postponement of deliveries amounting to €5m in the second half, owing to a logistics delay at a supplier in Italy.

As expected[1], EBITDA totalled €36.6m (-26.6% vs. H1 2023). The EBITDA margin came out to 17.9%. Overall, current operating expenses remained under excellent control as the variable component of the cost model offset the impact of lower volumes delivered and that of the extended scope for directly-operated stores (with their profitability still gradually increasing).

The Group preserved a very healthy financial position, with a strong cash flow position of €36.6m at 30 June 2024 and free cash flow of €13.7m (vs. €6.8m in H1 2023). Available cash was maintained at €65.5m, ending at the same level as 31 December 2023.

At end-August 2024, retail sales trended identically to 30 June. Directly-operated stores reported a retail sale of €236.7m, exactly the same level as that of last year. Total retail sales (franchised stores and all brands combined) came to €385.2m (-3.5% at current exchange rates).

[1] See press release of 18 July, 2024

Against this backdrop, in the second half of this financial year, the Group will aim to step up the pace of deliveries for its order backlog, albeit without entirely offsetting the delays recorded in the first half to repeat its record revenue performance for FY 2023. On a full-year basis in 2024, Roche Bobois is now targeting full-year revenue of around €418m (above that achieved in FY 2022), logically weighing on EBITDA which will be down by 15-20% versus 2023.

IFRS (€m)	H1 2023	H1 2024
Sales of goods	198.6	183.1
Royalties and other services	23.1	21.3
Revenue	**221.7**	**204.4**
Gross margin on sales of goods	*60.5%*	*60.4%*
Current EBITDA	**49.9**	**36.6**
EBITDA margin	***22.5%***	***17.9%***
EBIT before non-recurring items	**28.2**	**12.7**
Operating profit (loss)	28.2	12.7
Non-operating income and expenses	(1.9)	(2.2)
Income tax	(6.7)	(2.4)
Net income (Group share)	**19.6**	**8.1**

Current operating expenses kept under good control in a context of an extended store scope

At the end of H1 2024, Roche Bobois achieved revenue of €204.4m, down -7.8% at current exchange rates (-8.0% at constant exchange rates). This performance factors in a postponement of deliveries amounting to €5m in the second half, owing to a logistics delay at a supplier in Italy which is currently being resolved.

Gross margin was almost stable at 60.4%, from 60.5% in H1 2023, reflecting the Group's ability to sustain its margins in a less favourable market environment.

Despite the extended scope for directly-operated stores, operating expenses were still kept under excellent control at €94.2m, up very slightly by +1.3% compared with 30 June 2023, thanks to the adjustment of specific operating expenses (particularly advertising, at -6.3%). External expenses totalled €50.4m (+0.3% vs. 30 June 2023). Personnel costs increased very modestly to €43.9m (+2.5% vs. H1 2023), factoring in the variable component of the pay model (commission from sales). At 30 June 2024, the Group's headcount was 1,099 (vs. 1,058 one year ago). Note also that over this first half, there was a €0.8m reduction in bonus share plan expenses (end of vesting period for the three bonus share plans kick-started in 2019 and 2020).

Current EBITDA amounted to €36.6m, down -26.6% from the same period a year earlier (at current and constant exchange rates). This performance aligns with recent expectations[1] against a background of declining volumes and the still gradual increase in profitability for new stores, including the recently consolidated franchised stores. As a result, the EBITDA margin stood at 17.9%.

After depreciation, amortisation and provisions net of write-backs (€22.6m vs. €20.2m at 30 June 2023), current operating profit totalled €12.7m (vs. €28.2m at 30 June 2023).

The financial result was €(2.2m), vs. €(1.9)m at 30 June 2023. It takes into account higher interest rates on IFRS 16 lease liabilities.

After tax of €(2.4)m, net profit was €8.1m.

[1] See press release of 18 July 2024

Healthy and sound financial position

Shareholders' equity stood at €100.4m at 30 June 2024, vs. €104.8m at 31 December 2023.

Cash flow from operations remained strong at €36.2m (€48.8m at 30 June 2023).

Cash flow from operating activities amounted to €22.3m, stable overall from 30 June 2023 (€23.3m), including negative WCR of €8.1m (vs.€(20.1)m one year earlier).

Capital expenditure for the period came to €8.6m, including the acquisition of franchised stores in Calgary and Vancouver as well as the newly-opened directly-operated stores (vs. €16.4m at 30 June 2023, a year characterised by substantial investments). As a reminder, after the end of the period, the Group completed the acquisition of a 51% stake in its historical franchisee in China.

All told, free cash flow[2] increased to €13.7m at 30 June 2024, versus €6.8m for the same period in 2023.

Cash flows from financing activities came to €(13.7)m (vs. €(7.3)m at 30 June 2023), including €(16.1)m in lease liability payments (IFRS 16) and €(2.5)m in debt servicing, offset by +€4.9m in net new borrowing[3].

Available cash is still high at €65.5m, vs. €65.6m at 31 December 2023 (prior to payment of the balance of dividend for FY 2023, settled in early July 2024). The Group had positive net cash[4] of €25.8m at end-June 2024.

Outlook for 2024

At 30 June 2024, retail sales for directly-operated stores totalled €182.8m (stable year-on-year) while retail sales for all stores (franchised stores and all brands combined) came to €299.8m (-3.6% vs. 30 June 2023).

This trend remained similar overall during the summer. At end-August 2024, directly-operated stores posted retail sales of €236.7m, i.e., exactly the same level as the same period one year ago (including a €0.7m positive effect resulting from the consolidation of the 3 stores now directly operated in China). Total retail sales (franchised stores and all brands combined) came to €385.2m (-3.5% at current exchange rates, -2.3% at constant exchange rates).

With these factors in mind, the Group will seek to step up the pace of deliveries for its order backlog (€137.5m at 30 June 2024), targeting a return to modest revenue growth in the second half of this financial year, albeit without entirely offsetting the delays recorded in the first half. On a full-year basis in 2024, the Group is now aiming for revenue of around €418m with a logical decline in EBITDA of approximately 15-20%, on the back of an improved second-half performance.

The Group will expectedly continue its plan – albeit at a slower pace than 2023 – to open directly-operated stores over the year, in an effort to compensate for the impact of market trends. Following the opening of a second store in Toronto at the end of June, the Group plans to open stores in Montreal-Royal Mount (Canada) as well as Las Vegas and Austin (USA). What's more, the Group is aiming to open two more directly-operated stores in France, along with 4 new stores in China and 5 other franchised stores Overseas.

[2] (Cash flow from operating activities – Cash flow from investing activities)
[3] Debt issues – Financial debt repayments
[4] Gross cash – gross financial debt (excl. IFRS 16 lease liabilities)

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 342 directly operated stores and franchises (at 30 June 2024) 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 (Joana Vasconcelos, Bruno Moinard, Ora Ito, Sacha Lakic, Christophe Delcourt, Stephen Burks, Patrick Norguet, Kenzo Takada and Bina Baitel and Jiang Qiong Er,..) 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 2023 retail sales of €600.8 million excluding VAT, to which Roche Bobois contributed €508.2 million and Cuir Center €92.6 million. Roche Bobois SA's consolidated revenue in 2023 amounted to €429.6 million.

For more information please visit www.finance-roche-bobois.com

CONTACT

Actus Finance – Anne-Pauline Petureaux
Investor relations
Tel.: +33 (0)1 53 67 36 72 / apetureaux@actus.fr

Actus Finance – Serena Boni
Media relations
Tel.: +33 (0)4 72 18 04 92 / sboni@actus.fr

Forward-looking statements

This press release contains forward-looking statements. These statements do not constitute guarantees regarding the future performance of Roche Bobois SA. This forward-looking information covers the future outlook, growth and commercial strategy of Roche Bobois SA 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 SA 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 SA 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 SA's future results or developments. A description of events that could have a material adverse effect on the business, finances or results of ROCHE BOBOIS SA, or on its ability to achieve its objectives, is set out in the "Risk Factors" section of the Universal Registration Document (URD).

GLOSSARY

Current EBITDA: earnings before interest, taxes, depreciation, and amortisation. It designates the Group’s pre-tax profit before interest, depreciation and amortisation of fixed assets (but after depreciation of stocks and receivables), store opening costs, expenses for payments in shares, including the associated social charges.