

2018 ANNUAL RESULTS

SHOWROOMPRIVE CONFIRMS ITS GROWTH AND RECOVERS ITS PROFITABILITY

La Plaine Saint Denis, 13th March 2019 – Showroomprivé, a leading European online retailer specializing in fashion for the Digital Woman, publishes its annual results for the fiscal year ending 31 December 2018.

- **By means of a more selective approach, Showroomprivé pursues its strategy of sustainable growth.**
 - Continued growth since the 2nd quarter, with revenues increasing year-on-year by 3% (+3% in the 4th quarter).
 - 5% growth over the year in internet activity, its core business (+8% in the 4th quarter).
 - Net recovery of profitability in the 2nd semester, led by a gross margin that increased by 1.7 points to 37.4% and a strengthened control on operational expenditures.
- The Group is focused on the execution of the “Performance 2018-2020” plan, the first effects of which are materializing one quarter after the other, this notwithstanding a year-end that exhibits a lacklustre consumer climate.
- These actions all fall within a context of increasing loyalty of the members and of the partner brands of the Group, which confirm the relevance of the model.
- Speedy and important progress has been achieved in the framework of the development of the partnership with Carrefour and will ambitiously continue onward in 2019.
- In 2019, the priority of the Group remains that of pursuing its strategy of selective growth and renewal with profitability more in line with historical levels.

KEY FIGURES 2018

(€ millions)	2017	2018	% Growth	H2 2017	H2 2018	% Growth
Net revenues	655.0	672.2	2.6%	348.8	356.8	2.3%
Total Internet revenues	629.9	658.5	4.5%	332.3	351.5	5.8%
EBITDA	13.1	5.1	-60.8%	2.2	5.9	172.1%
EBITDA as % of revenues	2.0%	0.8%	-1.2 pt	0.6%	1.7%	1.1 pt
Net income	-5.2	-4.4	16.8%	-5.0	2.1	

When commenting on these results, Thierry Petit and David Dayan, Co-founders and Co-CEO's of Showroomprivé have declared:

“The year 2018 has been a pivotal year for Showroomprivé, since, in line with our strategic plan launched in the first half of the year, we have decided to clearly refocus our expansion around two main areas: a selective growth that is strengthened by focusing on an improved operational efficiency and the long-term reinforcement of our profitability, with an overall control of our cost structure and the significant upturn of our gross margin. Being henceforth backed up by enhanced capital, thanks to the complete success of the increase in capital supported by the reference shareholders, amongst which Carrefour, and completed at year end, Showroomprivé takes on 2019 with confidence and ambition. A new chapter is being written. We are very determined to carry the business to the utmost of its wonderful potential”.

2018 HIGHLIGHTS

The year 2018 has been fully dedicated to a refocusing on **operational priorities through the execution of the “Performance 2018-2020” plan, the effects of which, ongoing since the 2nd quarter, confirm the diagnosis carried out by the management of the Group.**

1. **Some first effects of the “Performance 2018-2020” plan which are already visible over the year:**

- The business has been able to move forward, in parallel, along two major axes:
 - Improvement of its margin, and
 - Pursuit of a solid and lasting growth since the end of the first quarter of 2018
- The improvement of the margin has been ongoing notwithstanding a higher degree of commercial selectivity, a reduction in firm sales, and a financial context at year end disrupted by social unrest which affected the French economic performance of the last quarter.
 - The SRP Group has nonetheless maintained an overall growth over the year of close to 3%, and even 5% for its internet business, its core business, thanks to the dynamics launched in the second quarter of 2018.
 - Net rebound of the gross margin in the 2nd semester, with an increase of 1.7 points when compared to the same period of last year and of 2.4 points when compared to the 1st semester.
 - Control of operating expenses with general and administrative expenses declining by close to half a million euros in the 2nd semester compared to the 1st semester.
 - Almost 6 million euros in EBITDA generated in the 2nd semester.

2. **Confirmation of the attractiveness of the value of the Group**

- The community of Showroomprivé members is ever more numerous and loyal:
 - Continuation of good recruitment dynamics with 1.1 million new buyers for 2018
 - Ever stronger commitment of our members, with 82% of revenue generated by regular buyers (+4 points vs. 2017) and a revenue per buyer increasing by close to 4%
 - Sustained satisfaction with a repeat purchase intention rate of close to 90%
- A long-term relationship with partner brands:
 - 89% of revenues generated by the loyal brands of the Group
 - A distribution channel which is growing, borne by the satisfaction of our partners (revenues generated by the Top 20 increasing by 59% in 2018)

3. **Major progress in the framework of the partnership with Carrefour**

- Click-and-collect: confirmation of a preferential rate of €1.99 for the year; close to 2000 points were open at year-end 2018; with an objective of 3000 points for year-end 2019
- Progress in the advancement of our cross-marketing initiatives
- Launch of the first common data campaigns are foreseen in the first half-year of 2019, in the framework of the increase in power of SRP Media
- Continuation of consideration relating to sourcing (development of the offering of wines & spirits using drop shipments, considerations surrounding Carrefour’s own brands)

4. **The success of the share capital increase, by a net amount of 39.5 million euros, confirms the renewed confidence of the shareholders, in particular of Carrefour, and allows for the increase in the financial flexibility of the Group in the framework of implementation of the “Performance 2018-2020” plan.**

- The increase in capital has also permitted financing of the purchase of 40% of the capital of the company Beautéprivée which is not yet held by Showroomprivé, in view of reinforcing the leadership position of the Group in the beauty and well-being field, with a strong potential for growth and complementary to the fashion sector which is the traditional mooring of the Group.

- This increase has moreover allowed the financing of the remaining part of the logistics investment announced in March 2018, allowing for the partial insourcing of logistics and thus the generation of gains in productivity. The appreciation expected of this logistics plan is estimated at approximately 4 million euros in EBITDA in 2020.

PERSPECTIVES FOR 2019

The Group reaffirms its desire to prioritise the pursuit of solid growth that is both sustainable and profitable, particularly by leveraging its partnerships with brands and its members. This rests on the pursuit for reinforcement of operational efficiency and the development of new growth opportunities, initiated within the framework of the “Performance 2018 - 2020” plan.

1. Strong levers for improvement of profitability

The Group thereby confirms the priority given to a speedy renewal with levels of profitability more in line with historic levels, by acting on the following levers:

- Improvement of gross margin
 - Selectivity and maintained requirements as regards purchase conditions
 - Operational improvement of the processing of returns
 - Development of SRP Media
 - Optimisation of firm purchases
- Concentration of efforts on key geographic areas
 - Closing of B2C business in Germany, Poland and multi-currency sites
- Plan for savings and productivity gains of between 8 and 10 million euros by 2020.
 - Strict control of operating expenses
 - Simplification of the organisation and productivity gains
 - Optimisation of the marketing expenditures
- Finalisation of the logistics investment (allowing for the partial insourcing of logistics and to thus generate productivity gains and cost savings, with a positive impact on the EBITDA of approximately 4 million euros by 2020)

2. New opportunities for growth and margin in the medium term, supported by the strategic priorities of the Group

The Group will pursue the development of its three strategic medium term axes which were divulged in the framework of the “Performance 2018-2020” plan

- Continuation of SRP Media development and strong acceleration of Data monetisation
- Partnership with Carrefour that is rich in future achievements and projects
- On-time start-up of the mechanised warehouse in Q3 2019 allowing for the insourcing of a part of the logistics flows of the Group.

Thomas Kienzi, CFO, has shared his decision to pursue other projects and to leave the business following the publication of 2018 annual results. SRP Group and its founders thank him for the quality of the work accomplished and for his total commitment over the last four years. A recruitment process is presently underway for the position of Chief Financial Officer. Arnaud Delmotte, Director of Group Management Control, will guarantee the transition.

DETAILED COMMENTS PER INDICATOR TYPE

Revenues

(€ millions)	2017	2018	% Growth
Internet revenue			
France	518.7	546.2	5.3%
International	111.2	112.3	1.0%
Total Internet revenues	629.9	658.5	4.5%
Other revenues	25.1	13.7	-45.4%
Net revenues	655.0	672.2	2.6%
(€ millions)	Q4 2017	Q4 2018	% Growth
Net revenues	214.5	220.0	2.6%

The revenue of the Group has progressed by close to 3%, to 672 million euros, borne by France, where sales have increased by 5%, and in a lesser measure by the business of the Group internationally, which shows a growth of 1%. The revenue on a like for like basis, results in a growth of 1.3% when compared to 2017.

Annual growth is rising despite a difficult consumer environment in November and December. In the fourth quarter, the Group posted growth of 2.6%.

Key performance indicators¹

	2017	2018	% Growth
Cumulative buyers (in millions)	7.9	9.0	13.6%
Buyers (in millions)	3.6	3.5	-2.1%
Number of orders (in millions)	15.7	15.1	-3.8%
Revenue per buyer	169.9	176.0	3.6%
Average number of orders per buyer	4.4	4.3	-1.8%
Average basket size	38.5	40.6	5.5%
Share of Revenues from Mobile	62%	68%	6 pts

¹ Excluding Beautéprivée

The growth of the revenue in 2018 is stimulated by the increase in the average revenue per buyer, which itself is borne by an increase in the average basket size.

The Group has continued to expand its base of single buyers, with the recruiting of 1.1 million new buyers in 2018, and registered 3.5 million buyers over the year (vs 3.6 million in 2017).

The average revenue per buyer has continued to grow (+4%), reaching €176, proving the growing commitment of the buyers of the Group. It was borne by a growth of the average basket size of close to 6%, which largely compensates for the slight reduction in the number of orders per buyer (-2%).

The growth of the Group is still supported by Mobile, which now generates 85% of the traffic and more than two thirds of the net revenue (68%), which is to say an increase of 6 points in comparison to last year (62%).

EBITDA

(€ millions)	2017	2018	%Growth	H2 2017	H2 2018	%Growth
France	25.7	15.7	-38.8%	8.6	12.1	40.1%
EBITDA France as % of revenues	4.7%	2.8%	-1.9 pt	3.0%	4.0%	1.1pt
International	-12.7	-10.6	16.1%	-6.4	-6.2	-4.3%
EBITDA International in % of revenues	-11.4%	-9.5%	1.9pts	-11.3%	-10.5%	0.8pt
Total EBITDA	13.1	5.1	-60.8%	2.2	5.9	172.1%
Total EBITDA as % of revenues	2.0%	0.8%	-1.2pt	0.6%	1.7%	1.1pt

The EBITDA of the Group for fiscal year 2018 amounts to 5.1 million euros, despite an EBITDA of -0.8 million euros in the first half, driven by the rebound in profitability in the second half with an EBITDA of 5.9 million euros up nearly 4 million euros compared to the second half 2017. This rebound in profitability attests to the positive effects of the 2018-2019 performance plan that are beginning to materialize.

The EBITDA margin reaches 0.8% over the year, a drop of 1.2 points when compared to 2017, but 1.7% over the second half of the year increasing by 1.1 point in comparison with the same period last year.

The improvement that has been observed can be explained by the joint effect of an improvement of the gross margin, as well as a more measured increase of the costs of logistics and order processing, and of overhead (see paragraph below for more details).

The EBITDA margin in France amounts to 15.7 million euros, which is to say a margin of 2.8%, declining by 1.9 point, substantially impacted in the first quarter by the start of the year drop in business and the disposal of old and obsolete remainders from firm purchases made in 2017, as well as the investments announced in the framework of the "Performance 2018-2020" plan.

In the second half of 2018, the margin in France amounted to 12.1 million euros.

The international business posts a drop in the losses of more than 2 million euros, down to a loss of 10.6 million euros.

Cost structure

(€millions)	2017	2018	%Growth	H2 2017	H2 2018	%Growth
Net revenues	655.0	672.2	2.6%	348.8	356.8	2.3%
Cost of goods sold	-416.0	-428.5	3.0%	-224.2	-223.4	-0.4%
Gross margin	239.0	243.8	2.0%	124.6	133.4	7.1%
<i>Gross margin as % of revenues</i>	36.5%	36.3%	-2.4 pts	35.7%	37.4%	1.7 pt
Marketing ¹	-34.4	-34.6	0.4%	-21.4	-21.2	-0.6%
<i>as % of revenues</i>	5.3%	5.1%		6.1%	5.9%	
Logistics and order processing	-150.5	-157.9	4.9%	-79.6	-83.2	4.5%
<i>as % of revenues</i>	23.0%	23.5%		22.8%	23.3%	
General and administrative expenses	-50.8	-57.0	12.2%	-26.2	-28.3	7.9%
<i>as % of revenues</i>	7.8%	8.5%		7.5%	7.9%	
Total of current operational expenses	-235.7	-249.4	5.8%	-127.2	-132.8	4.3%
as % of revenues	36.0%	37.1%		36.5%	37.2%	
Current operating income	3.2	-5.7		-2.7	0.6	

The gross margin reached 243.8 million euros (+2%) and represents 36.3% of the revenue, presenting a slight drop of 0.2 point when compared to 2017.

The trend of the rate of the gross margin observed can be explained by the combined effect of a drop of 2.4 points in the first semester to 35%, impacted by the disposal of firm purchases made in 2017 at less favourable sales conditions, and a net improvement in the second semester (+1.7 point to 37.4%). The progress made in the second half was made possible thanks to a higher level of commercial discipline, greater selectivity, reduction of the weight of firm sales (25% of turnover down 4 points), and the ramp-up of SRP Media.

Operating costs increased by 110 base points, passing from 36% to 37.1% of revenue, mainly impacted by the logistics costs of Saldi Privati and the effect of the full year of growth investments carried out in the 2nd semester of 2017.

- Marketing expenses remain stable as far as value, at 5.1% of the revenue (-0.2 point)
- Expenses for logistics and order processing pass from 23% of the revenues in 2017 to 23.5% in 2018, impacted by the logistics contract of Saldi Privati, with unfavourable financial conditions, which came to an end in 2018. If the results were restated without these elements, they would have remained stable as a percentage of the revenue.

¹ In accordance with AMF recommendations, amortization of intangible assets booked upon business combinations are included in current operating profit within marketing expenses

- Lastly, the general and administrative expenses have increased 6 million euros over the year, borne by the effect of the full year of the investments carried out in the 2nd semester of 2017 (reinforcement of the sales, IT and international teams as well as the creation of a SRP Media team). But the primary effects of planned savings are already materialising in the 2nd semester of 2018, with a decline of close to half a million euros in overhead when compared to the 1st semester of the year.

Other financial elements

(€ millions)	2017	2018	% Growth
Current operating income	3.2	-5.7	
Other operating income and expenses	-10.6	-0.7	-93.6%
Operating income	-7.3	-6.3	13.7%
Cost of financial debt	-0.2	-0.2	25.8%
Other financial income and expenses	-0.4	-0.1	-81.1%
Profit before tax	-7.9	-6.6	16.3%
Income tax	2.7	2.3	-15.2%
Net income	-5.2	-4.4	16.8%

The Other operating income and expenses (loss of €0.7 million) are mainly made up of:

- 5.4 million euros of proceeds associated with a global agreement formalized in June 2018 with ePrice as part of the acquisition of Saldi Privati. This agreement covers:
 - the recovery of part of the purchase price for non-achievement of performance criteria (2.5 million euros),
 - the early unwinding as at 30 June 2018 of a logistics contract signed with ePrice at the time of the acquisition of Saldi Privati which generated the reversal of a provision for an expensive contract for 4.9 million euros, and the payment of an allowance of 2 million euros.
- 3.0 million euros of non-recurring expenses mainly related to internal reorganization costs and consulting fees
- 1.8 million euros of expenses related to the allocation of bonus shares, essentially at the time of the Group's IPO at the end of 2015.
- 1.3 million euros in litigation provisions.

The Group's tax benefit decreased by 15% to 2.3 million euros.

As a result, the Group's net profit came to -4.4 million euros, impacted by the losses posted in the first half. In the second half of the year, net profit amounted to 2.1 million euros.

Cash flow elements

(millions €)	2017	2018	H1 2018	H2 2018
Cash flows related to operating activities	-38.2	6.7	-18.7	25.4
Cash flows related to investment activities	-20.8	-17.9	-9.9	-8.0
Cash flows related to financing activities	12.9	40.7	-0.2	40.9
Net change in cash and cash equivalents	-46.1	29.5	-28.9	58.4

The net change in cash and cash equivalents increases by 30 million euros over the year.

It is supported by a strong cash flow generation of 58 million euros in the 2nd semester, which, when restated from the gross amount of the share capital increase conducted by the Group, reaches 20 million euros, which is to say double that of the previous year in the same period (10 million euros).

This positive change is explained by a cash flow related to operating activities increasing by close to 8 million euros at 25 million euros, mainly driven by profitability improvement.

Over the 1st semester, it amounted in a loss of 29 million euros, mainly impacted by flows related to structurally negative operating activities over this period due to the cyclical nature of the business of the Group, and the reduction of profitability recorded over the 1st half of the year (a loss of 12 million euros vs. 1st half year 2017).

Over the year, cash flows related to investment activities reached a loss of 18 million euros, which, when restated for the investments associated with the opening of the future logistics warehouse of the Group (6 million euros), remain in line with 2017 as a percentage of the revenue (1.8%).

The cash flows associated with the financing activities amount to 41 million euros, mainly made up of the net income of the increase in capital (38 million euros) and the draw-downs of bank debt for 4 million euros in order to finance the first investments associated with the future logistics warehouse of the Group.

The gross cash position of the Group as of 31/12/2018 stands at 80 million euros.

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The Board of Directors of SRP Group, which met on 13 March 2019, examined and approved the consolidated financial statements as of 31 December 2018.

Analysts & Investors Conference

Participants:

- Thierry Petit, CEO
- David Dayan, Deputy CEO
- Arnaud Delmotte, Director of Group Management Control

Date: 13 March 2019

06:30 PM Paris time – 05:30 PM London time

The journalists can only listen to the conference.

Webcast link, valid for the direct feed and for the replay:

https://globalmeet.webcasts.com/starthere.jsp?ei=1233866&tp_key=78d5a0e3b9

Numbers to be called to follow the conference in DIRECT FEED

- France: +33 (0)1 76 77 22 57
- United Kingdom: +44 (0)330 336 9411
- Access code: 5256651

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

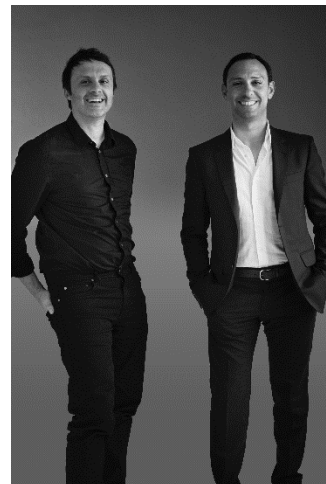
Revenue of the 1st quarter of 2019: early May 2019

ABOUT SHOWROOMPRIVE.COM

Showroomprivé.com is a European player in event-driven online sales that is innovative and specialised 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 eight other countries. Since its creation in 2006, the company has undergone quick and profitable growth.

Listed on the Euronext Paris market (code: SRP), Showroomprivé achieved a gross business volume with all taxes included of more than 900 million euros in 2018, and net revenue of 672 million euros, growing by 3% over the preceding year. The Group employs more than 1,150 people.

For more information: <http://showroomprivigroup.com>



CONTACTS

Showroomprivé

Damien Fornier de Violet, Investor Relations
investor.relations@showroomprive.net

Adeline Pastor, Communications Director
+33 1 76 21 19 46
adeline.pastor@showroomprive.net

Taddeo

Anne Charlotte Neau, Directeur-conseil
+ 33 (0)1 83 97 41 48
anne-charlotte.neau@taddeo.fr

APPENDICES

INCOME STATEMENT

(€ thousands)	2017	2018	% Growth	H2 2017	H2 2018	% Growth
Net revenue	654,971	672,233	2.6%	348,798	356,757	2.3%
Cost of merchandise	-416,003	-428,465	3.0%	-224,238	-223,390	-0.4%
Gross margin	238,967	243,769	2.0%	124,559	133,367	7.1%
<i>Gross margin as % of the revenue</i>	36.5%	36.3%	-0.2 pt	35.7%	37.4%	+1.7 pt
Marketing ²	-34,420	-34,551	0.4%	-21,357	-21,225	-0.6%
<i>as % of the revenue</i>	5.3%	5.1%		6.1%	5.9%	
Logistics and order processing	-150,497	-157,895	4.9%	-79,642	-83,222	4.5%
<i>as % of the revenue</i>	23.0%	23.5%		22.8%	23.3%	
General and administrative costs	-50,802	-56,976	12.2%	-26,244	-28,320	7.9%
<i>as % of the revenue</i>	7.8%	8.5%		-7.5%	7.9%	
Total operating expenses	-235,719	-249,422	5.8%	-127,243	-132,766	4.3%
as % of the revenue	36.0%	37.1%	1.1 pt	36.5%	37.2%	0.7 pt
Current operating income	3,249	-5,653		-2,684	600	
Other income and operating costs	-10,586	-681	-93.6%	-5,343	-1,596	-70.1%
Operating income	-7,337	-6,334	13.7%	-8,027	-996	87.6%
Cost of financial debt	-178	-224	25.8%	71	-131	
Other financial income and expenses	-408	-77	-81.1%	-498	-155	
Profit before tax	-7,923	-6,636	16.3%	-8,454	-1,282	84.8%
Income tax	2,689	2,280	-15.2%	3,429	3,409	-0.6%
Net income	-5,234	-4,356	16.8%	-5,024	2,128	
EBITDA	13,063	5,120	-60.8%	2,166	5,893	172.1%
<i>EBITDA as % of the revenue</i>	2.0%	0.8%	-1.2pt	0.6%	1.7%	1.1 pt

² In compliance with the recommendations of the AMF, amortization of intangible assets recognized upon business combinations is indicated in the "Current Operating Income" within marketing expenses

PERFORMANCE INDICATORS¹

	2017	2018	% Growth	H2 2017	H2 2018	% Growth
CLIENTELE INDICATORS						
Cumulative buyers (in thousands)	7,947	9,031	13.6%	7,947	9,031	13.6%
<i>France</i>	6,442	7,200	11.8%	6,442	7,200	11.8%
<i>International</i>	1,505	1,831	21.7%	1,505	1,831	21.7%
Buyers (in thousands)	3,555	3,481	-2.1%	2,539	2,499	-1.6%
<i>France</i>	2,817	2,783	-1.2%	2,061	2,021	-1.9%
<i>International</i>	738	698	-5.4%	479	478	-0.2%
Revenue per buyer (€)	169.9	176.0	3.6%	123.7	130.3	5.3%
<i>France</i>	175.2	180.3	2.9%	125.1	132.4	5.8%
<i>International</i>	149.7	159.1	6.3%	118.0	121.6	3.1%
ORDERS						
Number of orders (in thousands)	15,687	15,085	-3.8%	8,556	8,084	-5.5%
<i>France</i>	12,921	12,232	-5.3%	7,035	6,596	-6.2%
<i>International</i>	2,766	2,854	3.2%	1,521	1,489	-2.2%
Average number of order per buyer	4.4	4.3	-1.8%	3.4	3.2	-4.0%
<i>France</i>	4.6	4.4	-4.2%	3.4	3.3	-4.4%
<i>International</i>	3.7	4.1	9.1%	3.2	3.1	-1.9%
Average basket size (€)	38.5	40.6	5.5%	36.7	40.3	9.7%
<i>France</i>	38.2	41.0	7.4%	36.6	40.6	10.7%
<i>International</i>	40.0	38.9	-2.6%	37.1	39.0	5.1%

¹ Excluding Beautéprivée

BALANCE SHEET

<i>(€ thousands)</i>	2017	2018
NON-CURRENT ASSETS		
Goodwill	123,685	123,685
Other intangible assets	49,789	53,271
Tangible assets	16,606	20,762
Other non-current assets	6,906	6,813
Total non-current assets	196,991	204,531
CURRENT ASSETS		
Inventory and under construction	92,945	99,061
Trade receivables	53,001	32,005
Tax receivables	7,934	4,938
Other current assets	45,434	37,325
Cash and cash equivalents	50,878	80,409
Total current assets	250,192	253,738
Total assets	447,183	458,270
Loans and financial debts	28,830	19,502
Commitments to personnel	52	101
Other provisions	5,368	545
Deferred taxes	9,616	5,182
Total non-current liabilities	43,866	25,333
Loans and bank debt (portion at less than a year)	1,144	22,723
Trade payables	144,246	140,316
Other current liabilities	61,184	46,647
Total current liabilities	206,574	209,686
Total liabilities	250,440	235,019
Total shareholder equity	196,743	223,250
Total of liabilities and shareholder equity	447,183	458,270

CASH FLOWS

(€ thousands)	2017	2018	H2 2017	H2 2018
Consolidated net income	-5,234	-4,355	-5,024	2,128
<i>Adjustments</i>	11,946	5,542	4,789	4,377
Self-financing ability after net cost of financial debt and taxes	6,712	1,187	-235	6,505
<i>Elim, of tax charge (revenue)</i>	-2,689	-2,280	-3,429	-3,409
<i>Elim, of cost of financial debt net</i>	178	224	-71	131
<i>Incidence of change in need for working capital</i>	-37,627	5,533	25,124	21,202
Cash flows related to operating activities before taxes	-33,426	4,664	21,389	24,429
<i>Taxes paid</i>	-4,812	2,046	-3,594	1,011
Cash flows related to operating activities	-38,238	6,710	17,795	25,440
<i>Incidence of changes in the scope</i>	-8,331	0	0	0
<i>Acquisition of tangible and intangible assets</i>	-12,474	-18,306	-6,688	-10,735
<i>Change in loans and advances granted</i>	-32	84	21	118
<i>Other investing cash flows</i>	43	292	2,612	2,612
Cash flows related to investment activities	-20,794	-17,930	-5,615	-8,005
<i>Capital increase</i>		37,978		37,978
<i>Net disposal (acquisition) of shareholder equity</i>	-1,641	-183	-1,641	-254
<i>Capital issued, issuance premiums and reserves</i>	805	39	4	28
<i>Debt issuance</i>	22,500	21,700	7,500	21,679
<i>Debt reimbursement</i>	-8,569	-18,595	-8,066	-18,027
<i>Net financial interest paid</i>	-183	-202	66	-456
Cash flows related to financing activities	12,912	40,737	-2,137	40,948
Change in cash and cash equivalents	-46,126	29,527	10,043	58,388

RECONCILIATION OF GROSS INTERNET SALES WITH THE IFRS INTERNET REVENUE

<i>(€ thousands)</i>	2017	2018
Total of gross Internet sales¹	873,600	906,729
Value added tax ²	-143,522	-142,575
Impact of recognition of revenue ³	-105,743	-120,172
Revenue outside of Internet and other ⁴	30,635	28,252
Revenue (IFRS)	654,970	672,233

(1) Corresponds to the total amount invoiced to buyers over the course of a given year,

(2) Value added tax is applied to every sale; the applicable rate of value-added tax depends on the country in which the buyer is established,

(3) Accounting adjustments for the purpose of recognition of the revenue including: (i) temporal differences due to the fact that certain criteria (e.g. delivery) must be fulfilled before recognition of the revenue; (ii) the impact of reimbursement granted for cancellations and returns, which are recognised as a reduction of the revenue; and (iii) the effect of the presentation of certain sales of travel offers on a net basis when the Group as an agent,

(4) The "revenue outside of Internet and other" item corresponds mainly to revenue generated by off-line sales to wholesalers, including off-line reselling of articles sold online and having been the subject of a return.