



# 1Q 2021 RESULTS

## Investor presentation

*As required under the indenture governing the €370.000.000 5.375% Senior Secured Notes and the €250.000.000 Floating Rate Senior Secured Notes for the period ended December 31, 2020.*



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*This document acts as support for the results’ presentations to investors; the unaudited financial statements are communicated in appendix and this document should hence be read in conjunction therewith.*

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# Basis of preparation of the financial information presented

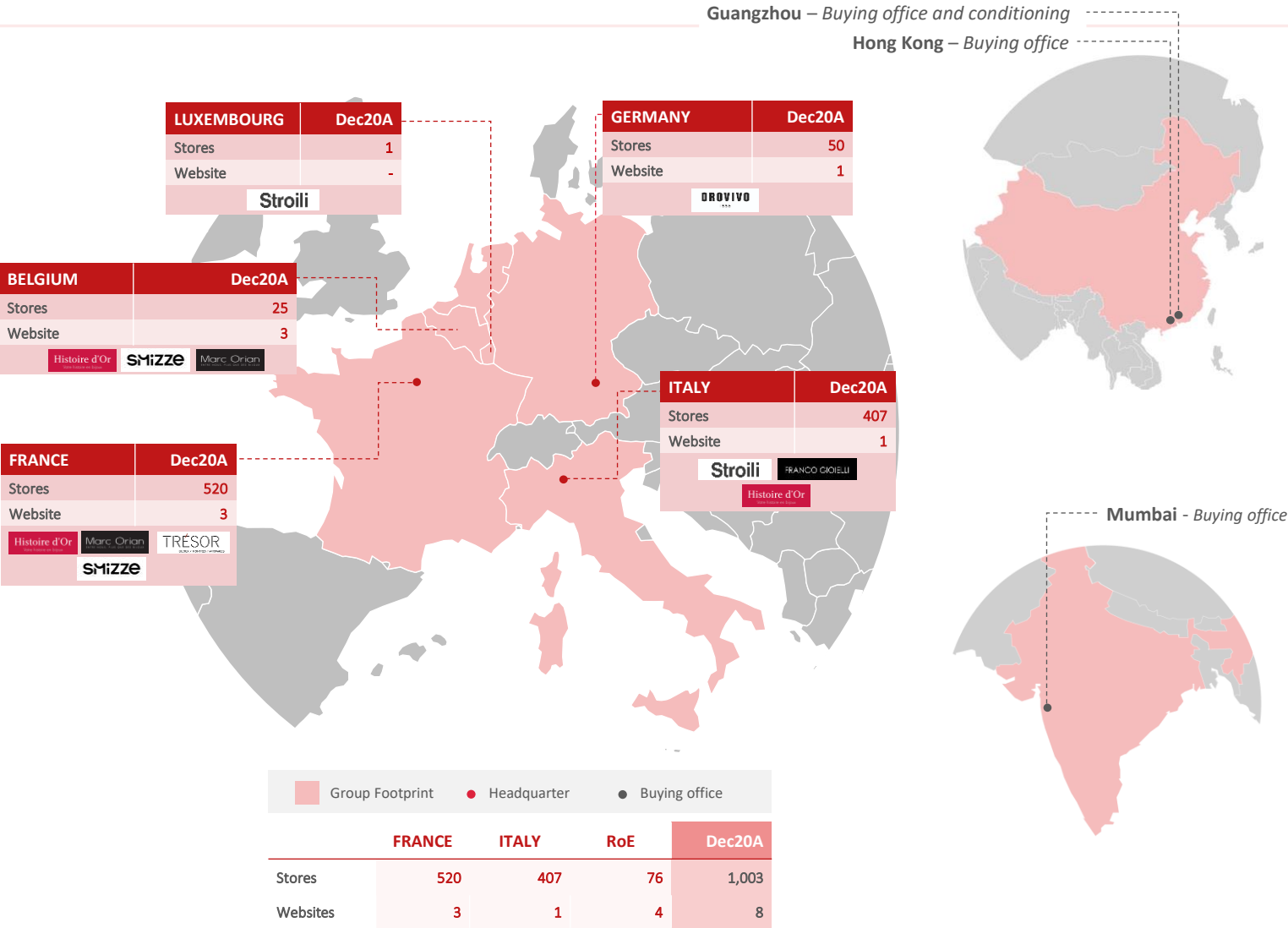
The information presented is based on Thom Group S.A.S. unaudited consolidated and management accounts for the three-month period ended December 31, 2020. They have been prepared in accordance with *French Generally Accepted Accounting Principles* (“French GAAP”), which differ in certain significant respects from *International Financial Reporting Standards* (“IFRS”). We have not included in this presentation a reconciliation of our financial statements to IFRS.

This presentation contains certain data that constitutes “non-French GAAP financial measures”, including the following:

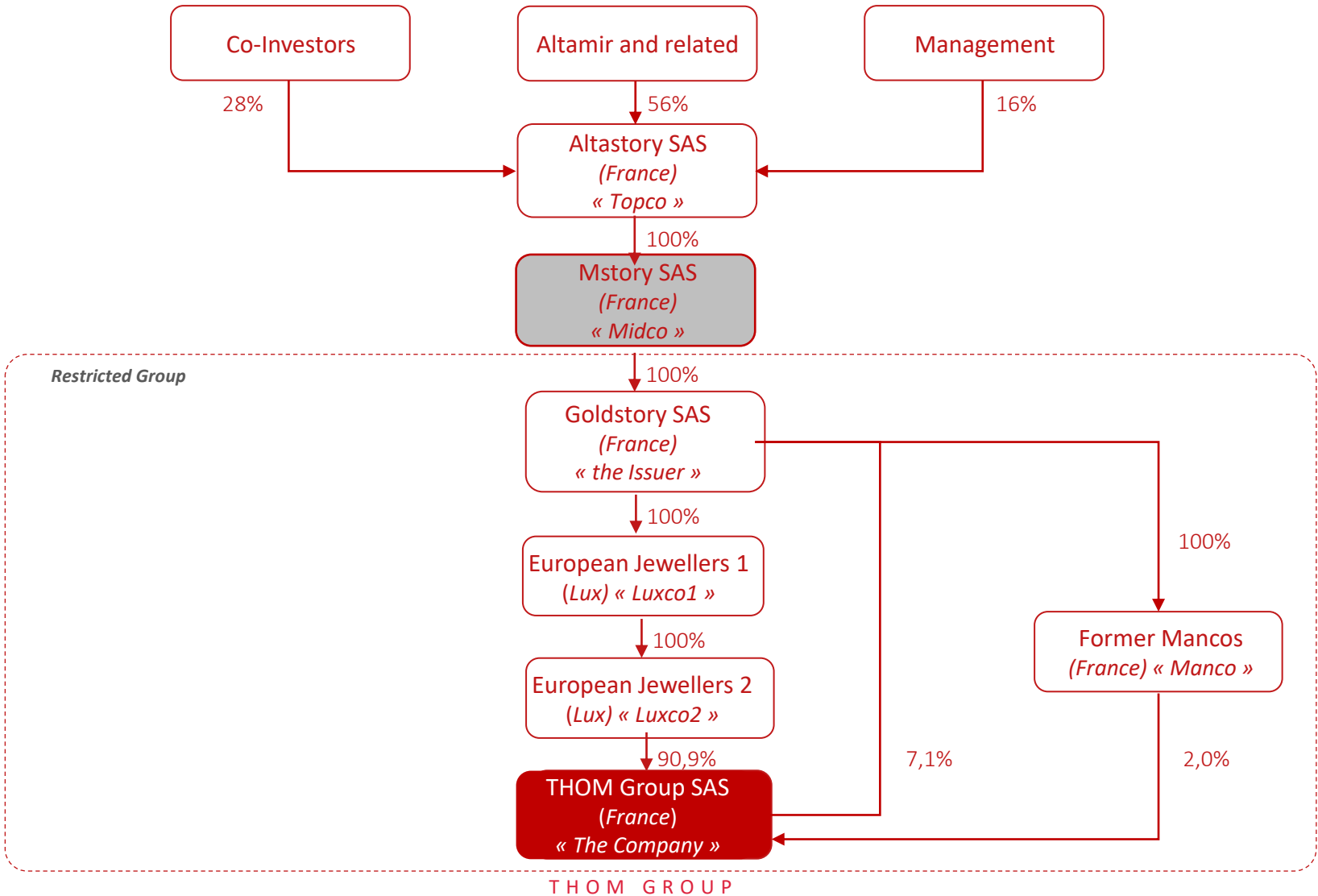
- ◆ **Reported EBITDA** represents net income (loss) attributable to owners of the Company excluding (i) net income (loss) attributable to non-controlling interests, (ii) goodwill amortization, (iii) income tax, (iv) financial income and expense, (v) the change in depreciation, amortization and provisions net of provision reversals, (vi) the contribution of the stores closed during the period, (vii) the cotisation sur la valeur ajoutée des entreprises (“CVAE”), and (viii) non-recurring income and expenses, corresponding to all items that are not directly related to our operations or core businesses and that are deemed by management to be non-recurring by their nature, including rental or personnel expenses incurred by stores prior to their opening or during renovation works (if such renovation work results in the long-term closure of the store during the renovation).
- ◆ **Adjusted EBITDA** corresponds to Reported EBITDA adjusted for (i) the full year effect of openings defined in “PF adjustments”, (ii) cost savings from certain Group reorganizations and (iii) certain COVID-19 related cost adjustments relating to the months of April 2020 and November 2020.
- ◆ **PF adjustments** corresponds to the 12 months contribution of openings based on an extrapolation of actual performance less actual contribution since the acquisition.
- ◆ **Adjusted Free Cash Flow** represents free cash flows less (i) refurbishment and expansion capital expenditure, (ii) change in working capital of fixed assets, (iii) sales of property, plant and equipment and intangible assets, (iv) CICE tax credit assignments until January 1, 2019 when the CICE was replaced by reductions in social security contributions and (v) tangible assets in progress related to the “Shine 2020” project (SAP and IT-related project).
- ◆ **Network Sales** represents the apportionment of our network sales among France, Italy and Rest of Europe through all sales channels operated by the Group (i.e., our stores, e-commerce platforms, sales to our affiliated partners and wholesale business).
- ◆ **Gross margin** represents the sum of our total in-store sales, revenue from the sale of gold, proceeds from insurance for theft and rebates re-invoiced to our suppliers, net of our total cost of goods sold.
- ◆ **Network Contribution** represents the sum of our gross margin and our total network direct costs.
- ◆ **Like-for-like** stores include the stores that were open for the entire duration of the two periods being compared and exclude stores opened or closed during those periods.
- ◆ **Free Cash Flow conversion rate** is defined as free cash flow as reported in our financial statements, divided by Reported EBITDA generated during the period.
- ◆ **Net Debt** represents our total senior financial debt net of cash on balance sheet.



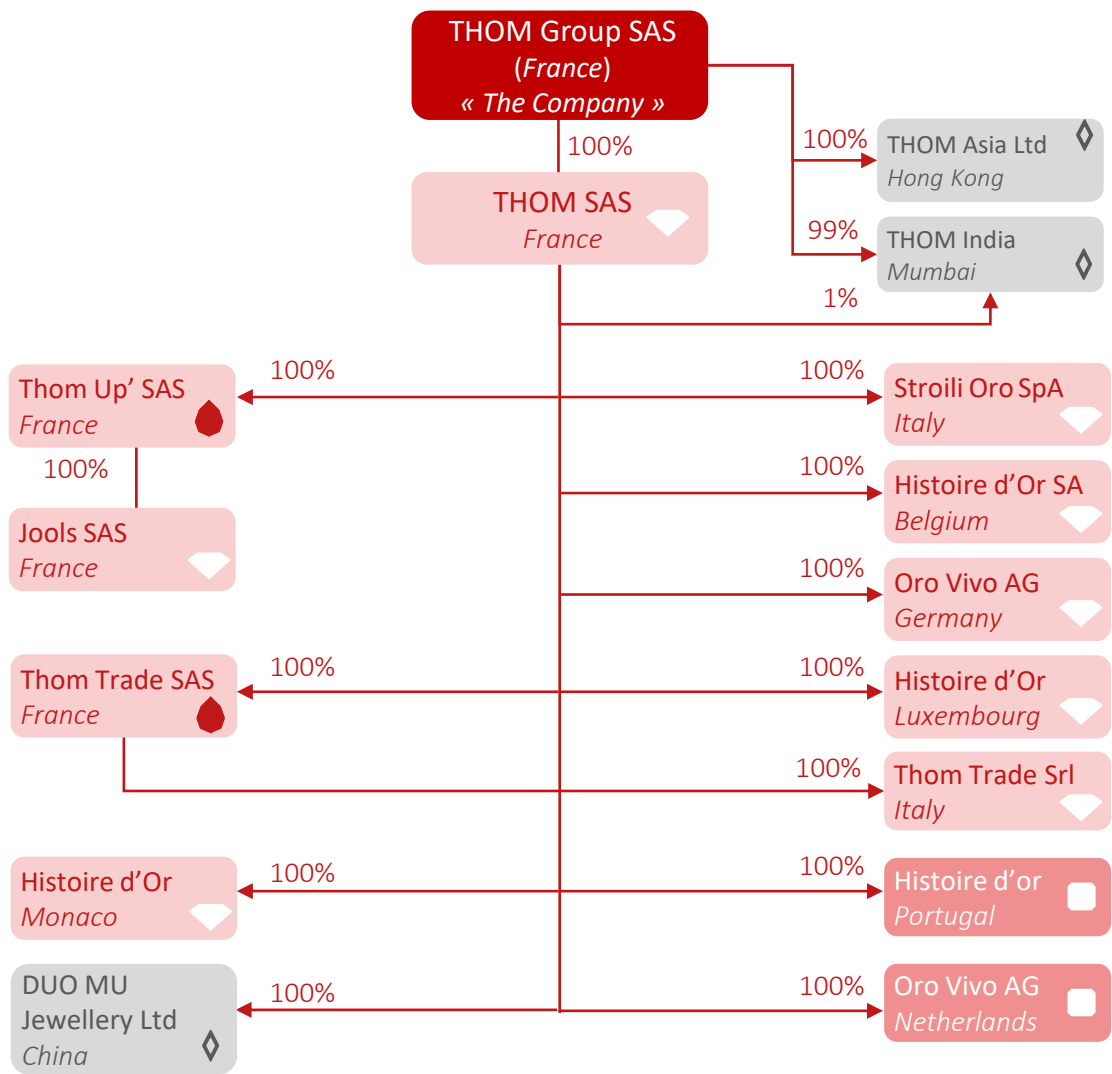
# Group Geographic footprint



# Structure of the shareholding as of 26 February 2021

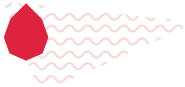


# Structure of the operating Group as of 31 December 2020



**Legend:**

- Operating company (light red box)
- Dormant company (grey box)
- Holding (dark red circle)
- Buying company (dark red diamond)



# Today's presenters

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**Romain Peninque**  
Group CEO



**Cyrille Palitzyne**  
Group CFO



# Agenda

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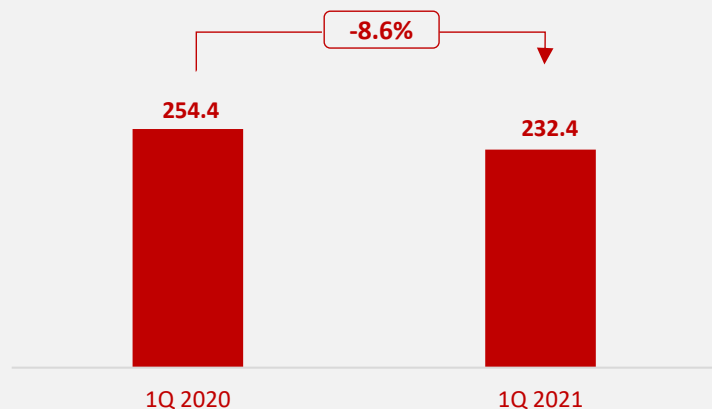
# 1 1Q 2021 Key Highlights



# 1Q 2021 Key Takeaways

Strong financial performance despite COVID-19 crisis

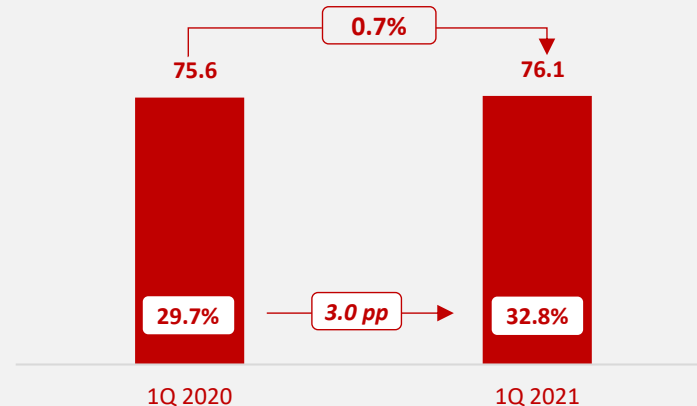
Network sales



**Resilient Network sales** with €232.4m in 1Q 2021, representing a decrease of -8.6% vs. 1Q 2020 with 33% of the network closed on average over the period (74% of the network closed in November).

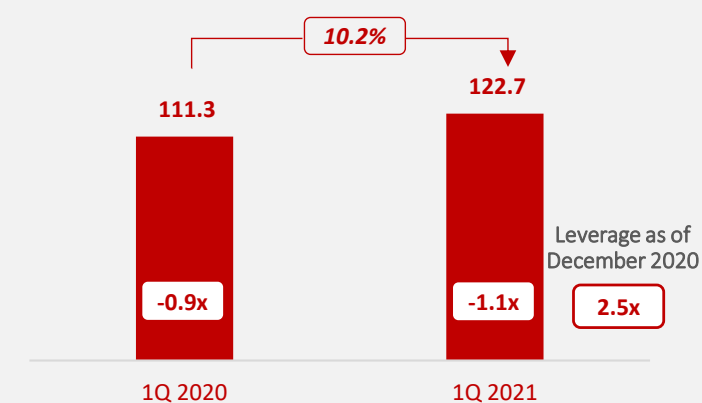
This performance was made possible due to **E-Commerce** network sales which reached €25.4m in 1Q 2021 vs. €10.1m in 1Q 2020, (+152.4%) and to an excellent performance of stores when they were opened: in October and in December with strong E-commerce network sales in France (+€12.7 million increase in 1Q 2021 as compared to 1Q 2020).

Reported EBITDA



**Slight increase in Reported EBITDA** to €76.1m in 1Q 2021 (+€0.5m as compared to 1Q 2020) due to (i) a strong performance of stores when opened (€8.3m Reported EBITDA in October 2020 as compared to €1.9m in October 2019), (ii) a strong performance of e-commerce network sales starting in November 2020 during the second lockdown and which continued in December 2020 after our stores reopened in France, and (iii) overall cost savings mainly due to strong focus on staff management, state-funded furlough schemes and rent negotiations with landlords.

Free Cash Flow & change in leverage [\*]



**Free Cash Flow generation** of +€122.7m in 1Q 2021, i.e. 161.2% conversion rate of Reported EBITDA to Free Cash Flow.

Group cash generation seasonality patterns make Christmas a key period in the Group's yearly cash generation. And in a difficult context, the Group has once again demonstrated its resilience at this key time of the year.

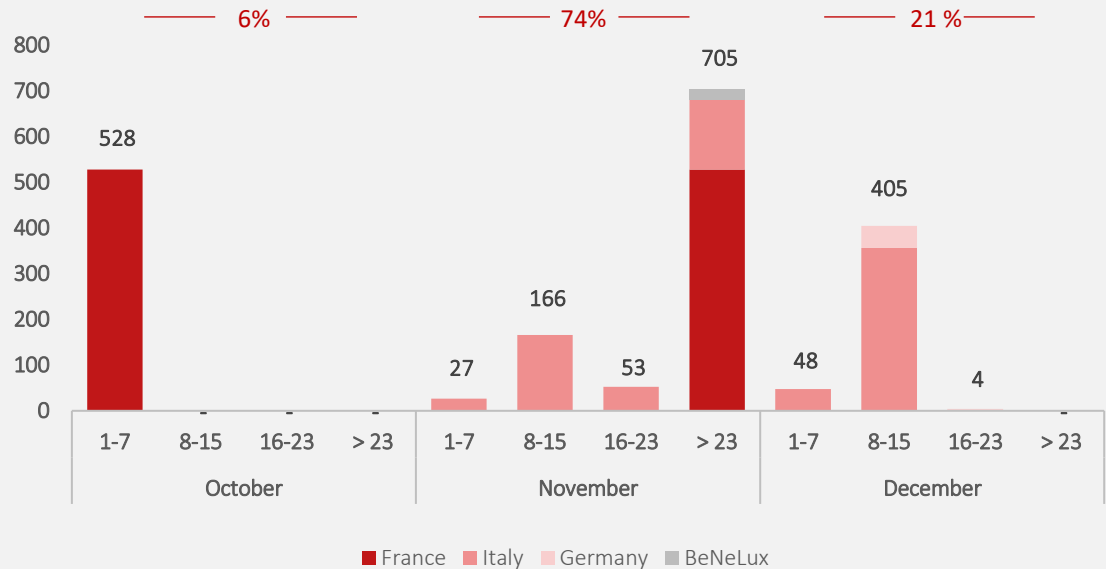
[\*] Net Financial Debt / Adjusted EBITDA

# 1Q 2021 Market Environment

Lockdowns resulted in 33% of the network closed on average



Number of stores closed by number of days of closure and by month



% of stores closed by country – 1Q 2021

In %	October	November	December	1Q 2021
France	11 %	88 %	-	33 %
Italy	-	64 %	45 %	36 %
Germany	-	-	51 %	17 %
Benelux	-	85 %	-	28 %
Group	6 %	74 %	21 %	33 %

## Lockdowns

The monthly network closure average is the monthly average of the percentage of stores closed for each day during the month. With the increasing complexity of lockdown rules, it is a simple and efficient KPI to assess the level of lockdown.

The rules imposed in the context of the COVID-19 pandemic resulted in our stores being temporarily closed during (i) 30 days in France (from October 28 to November 28, 2020), (ii) weekends, public holidays and the eve of public holidays in most of Italy (from November 6 to December 31, 2020), and (iii) 15 days in Germany with a full lockdown (from December 16 to December 31, 2020).

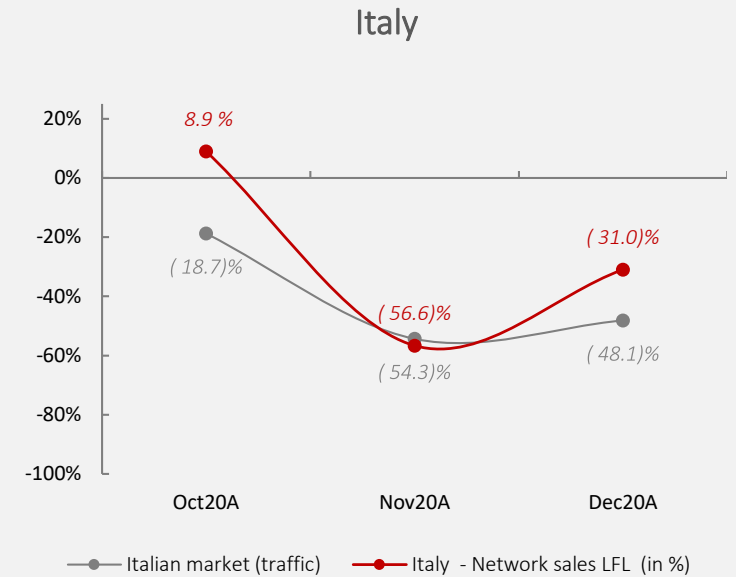
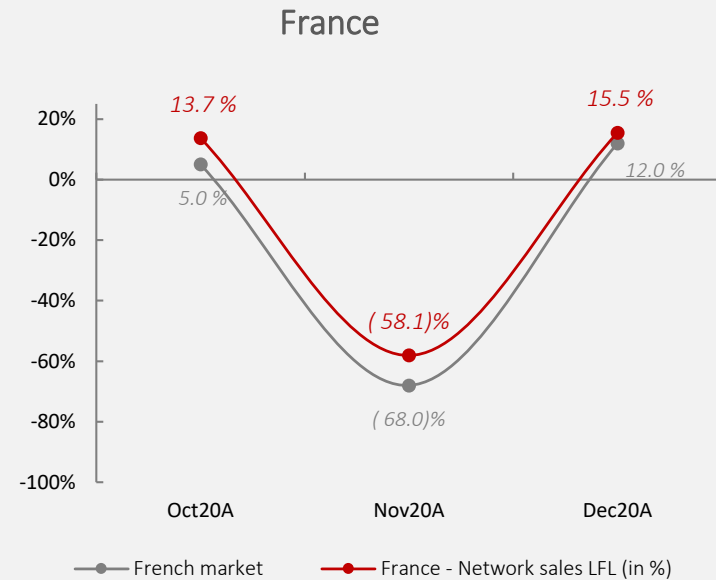


# 1Q 2021 Market Environment

France and Italy overperformed in their respective markets except Italy in November due to an unfavorable geographic footprint



Variation of Network sales on a Like for Like basis in 1Q 2021, vs. 1Q 2020 vs. market



## Strong overperformance vs. market in a context of tense competition

**France:** Significant overperformance vs. market in October 2020 and November 2020. In December 2020, the Group overperformed the market by +3.5pps in a context where the competition heavily relied on discount with a Black Friday period extended for several of our competitors until Christmas.



**Italy:** Significant overperformance vs. market in October 2020 and December 2020. In November, the lower performance vs. market was due to the geographic footprint of the Group with a full lockdown in Northern Italy where most of our Italian stores are located from November 6 to December 3, 2020.



# 1Q 2021 Commercial performance summary

Outperformance of France which managed to achieve fairly stable LFL Network sales in 1Q 2021 vs. 1Q 2020, Acceleration of digital transformation

Year-on-year variation in percentage of network sales on a like-for-like basis

	Geographies 		Distribution Channels 			Total
	France	International	Stores	E-commerce	Wholesale	
1Q 2021	(0.3)%	(24.1)%	(15.6)%	+152.4%	(21.0)%	(8.8)%
1Q 2020	+8.4%	+2.3%	+5.6%	+22.7%	+20.2%	+6.2%
FY20A	(4.6)%	(16.6)%	(10.3)%	35.2%	(43.4)%	(9.1)%

# 1Q 2021 Commercial Performance – Focus on Stores & Corners

Despite 33% of stores closed on average, decrease in Stores & Corners Network sales was limited to -15.6% due to good performance of stores when open



## Stores & Corner (S&C) P&L – LFL perimeter - 1Q 2020, 1Q 2021

In €m	1Q 2020	1Q 2021	Vs N-1
France	149.7	136.6	-8.7%
Italy	71.1	50.5	-29.0%
RoE	14.3	11.4	-20.3%
<b>Network sales - S&amp;C</b>	<b>235.1</b>	<b>198.5</b>	<b>-15.6%</b>
France	64.5	63.0	-2.3%
Italy	26.1	17.9	-31.4%
RoE	4.5	3.4	-24.2%
<b>Network contribution - S&amp;C</b>	<b>95.1</b>	<b>84.3</b>	<b>-11.3%</b>
<b>KPI - Network Contribution rate - S&amp;C</b>			
France	43.1%	46.1%	3.0 pp
Italy	36.6%	35.4%	(1.2)pp
RoE	31.5%	30.0%	(1.5)pp
<b>Group</b>	<b>40.4%</b>	<b>42.5%</b>	<b>2.0 pp</b>

## Monthly Network performance – 1Q 2021 vs. 1Q 2020

	Oct20A	Nov20A	Dec20A
<b>Total Network sales var. vs. 1Q 2020</b>			
France	13.3 %	(56.8)%	15.5 %
Italy	10.2 %	49.7 %	(29.0)%
Germany	(4.4)%	(5.4)%	58.7 %
<b>% of stores closed on average</b>			
France	11.3 %	88.3 %	-
Italy	-	63.8 %	45.5 %
Germany	-	-	50.5 %

## Resilient commercial activity with strong performance when the stores are open:

Stores Network Sales for 1Q 2021 decrease in sales compared to 1Q 2020 was limited to -15.6% despite lockdowns due to strong increase when stores were opened (October 2021 and December 2021 in France and October 2021 in Italy).

Continuous improvement of our Network contribution margin is due to Group's focus on purchases and hedging to limit the impact of Gold fixing increase and its ability to adapt the cost structure to activity, the benefit of furlough Scheme and negotiations on rents with the lessors.

# 1Q 2021 Commercial Performance – Focus on Stores

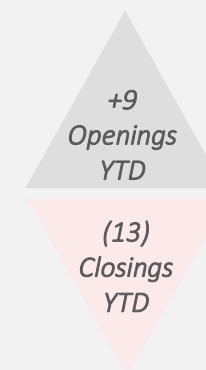
Stable network in number of stores with lower owned stores footprint and an increase in affiliated partners.



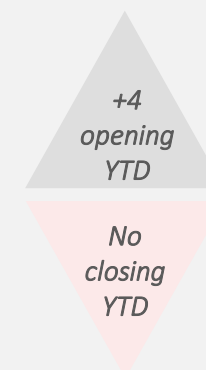
Stores Network bridge – September 2020 to December 2020

	France	Italy	RoE	Owned stores	Affiliated Partners	Total stores
September 2020	526	405	76	1,007	21	1,028
Opening	6	2	1	9	4	13
Closing	-12	0	-1	-13	0	-13
December 2020	520	407	76	1,003	25	1,028

Own stores



Partners



Continuous development of the Network in key locations with low ROI, continuous focus on Network profitability

Stores Network in 1Q 2021 remained stable with:

- ♦ the decrease of owned stores Network to 1,003 due to the 13 closings of stores as the Group is vigilant to maintain its Network profitability partly offset by the opening of 9 stores in best-in-class locations;
- ♦ offset by the opening of affiliated partners stores in line with the strategy of expansion of this distribution channel.

# 1Q 2021 Commercial Performance – Focus on E-Commerce

E-Commerce Network Sales reached 3 digit growth across the board in 1Q 2021 vs. 1Q 2020



## E-Commerce Income Statement – 1Q 2020, 1Q 2021

In €m	1Q 2020	1Q 2021	Vs N-1
France	9.1	21.8	139.9%
Italy	0.8	3.1	295.5%
RoE	0.2	0.5	155.4%
<b>Network sales - Ecommerce</b>	<b>10.1</b>	<b>25.4</b>	<b>152.4%</b>
France	3.2	9.6	197.1%
Italy	0.2	0.8	409.4%
RoE	0.1	0.4	191.0%
<b>Network Contribution - Ecom.</b>	<b>3.5</b>	<b>10.8</b>	<b>206.2%</b>
<b>KPI - Network Contribution rate - Ecommerce</b>			
France	35.7%	44.2%	8.5 pp
Italy	19.6%	25.2%	5.6 pp
RoE	63.1%	71.9%	8.8 pp
<b>Contributive margin rate</b>	<b>35.0%</b>	<b>42.5%</b>	<b>7.5 pp</b>

## Monthly Network performance – 1Q 2021 vs. 1Q 2020

	Oct20A	Nov20A	Dec20A
<b>Total Network sales var. vs. 1Q 2020</b>			
France	13.3 %	(56.8)%	15.5 %
Italy	10.2 %	49.7 %	(29.0)%
Germany	(4.4)%	(5.4)%	58.7 %
<b>% of stores closed on average</b>			
France	11.3 %	88.3 %	-
Italy	-	63.8 %	45.5 %
Germany	-	-	50.5 %

The Group increased its digitalization with the increase in E-Commerce Network sales to €25.4m in 1Q 2021, representing an increase of +€15.3m compared to 1Q 2020. This performance was above the market in France and was made possible due to:

- ◆ Group websites (in France and Italy) benefiting from new platforms which have drastically increased our capacity;
- ◆ Histoire d'Or and Stroili strong brand awareness;
- ◆ The experience acquired during the 1<sup>st</sup> lockdown during which the increase in digital sales was limited.



# Key achievements – Focus on CSR

The Group has implemented its new product specification requirements for 2021 which encompass high CSR requirements. Increased share of certified suppliers



## Committed to responsible sourcing

- ◆ New product specifications requirements for 2021 encompass high level of commitment from our suppliers in respect of CSR (human responsibility, environmental liabilities, good practices)
- ◆ Increased share of certified suppliers with 85% of our own-brand suppliers certified with world class CSR certifications: Responsible Jewellery Council (RJC), the Sedex Members Ethical Trade (SMETA) and the Business Social Compliance Initiative (BSCI). Non-certified suppliers are all under a process of CSR audit. Audits are performed every 2 years at minimum.

## Valuation of all employees

- ◆ The Group training system, with the development of applications, allows a large panel of formations for employees. In 2020 approximately 60,000 hours of training were provided.

## Gender equality

- ◆ The Group, comprising 80% female employees, takes very seriously the issue of respect for gender equality and obtained a score of 80/100 on the 2020 Professional Equality Index.

# Recent developments

Former TLB was refinanced with SSN. Altamir is the new lead investor



## Refinancing

Goldstory refinanced Thom Group's TLB with (i) €370m aggregate principal amount of 5.375% senior secured notes due 2026 and (ii) €250m aggregate principal of floating rate notes due 2026 (with a margin of EURIBOR plus 550bps) (collectively, the "Notes"). A portion of the proceeds from the offering was on-lent to Thom Group under proceeds loans to repay amounts outstanding under the TLB by Thom Group. As of December 31, 2020, the aggregate amount of indebtedness outstanding under the TLB, including accrued interest of €3.5m, was €568.5m.

## Altamir is the new lead investor

The Acquisition of Thom Group by Altamir and certain of its affiliates, certain members of management and certain co-investors closed on February 26, 2021. Since then, the latter own, directly or indirectly, 100% of the issued and outstanding shares of Thom Group. The purchase price for the Acquisition was approximately €514.0m.

For the purpose of the Acquisition a bidco, Goldstory S.A.S., was created above Thom Group.

## Agatha acquisition

The Group and Renaissance Luxury Group, via its subsidiary ALTESSE, are honored to have been appointed, on February 26, 2021, by the Bobigny Commercial Court, for the takeover of the jewelry brand AGATHA.

The recovery plan will be based on 4 priority levers (i) Embrace a resolutely French DNA, (ii) Develop a strong distribution network, (iii) Ensure a strong online footprint, in terms of communication as well as distribution via its e-commerce website, (iv) Ensure the international development of the brand.

## 2 Financial Review



# 1Q 2021 Financial Review – Key Highlights

Strong financial performance despite COVID-19 crisis

## Other Financial, Operating and As Adjusted Information – 1Q 2020, 1Q 2021

In €m	1st Quarter			LTM ended
	2020	2021	Var. %	December 2020
<b>Network sales</b>	<b>254.4</b>	<b>232.4</b>	<b>-8.6%</b>	<b>615.4</b>
<i>% like-for-like change</i>	<i>6.2%</i>	<i>-8.8%</i>	<i>(15.0)pp</i>	
Gross Margin	182.6	166.0	-9.1%	435.2
<i>As a % of Network Sales</i>	<i>71.8%</i>	<i>71.4%</i>	<i>(0.4)pp</i>	<i>70.7%</i>
Network Contribution	100.6	98.2	-2.4%	190.5
<i>As a % of Network Sales</i>	<i>39.5%</i>	<i>42.2%</i>	<i>2.7 pp</i>	<i>31.0%</i>
<b>Reported EBITDA</b>	<b>75.6</b>	<b>76.1</b>	<b>0.7%</b>	<b>121.4</b>
<i>As a % of Network Sales</i>	<i>29.7%</i>	<i>32.8%</i>	<i>3.0 pp</i>	<i>19.7%</i>
EBIT	67.8	64.1	-5.5%	82.3
<i>As a % of Network Sales</i>	<i>26.7%</i>	<i>27.6%</i>	<i>0.9 pp</i>	<i>13.4%</i>
<b>Net income</b>	<b>32.3</b>	<b>30.5</b>	<b>-5.5%</b>	<b>0.2</b>
<b>Free cash flow</b>	<b>111.3</b>	<b>122.7</b>	<b>10.2%</b>	<b>80.1</b>
<i>As a % of Reported EBITDA</i>	<i>147.2%</i>	<i>161.2%</i>	<i>14.0 pp</i>	<i>66.0%</i>
<b>Net debt</b>	<b>(400.7)</b>	<b>(347.2)</b>	<b>-13.4%</b>	<b>(347.2)</b>
<i>Leverage (Adjusted EBITDA / Net Debt)</i>	<i>2.9x</i>	<i>2.5x</i>	<i>-0.4x</i>	<i>2.5x</i>

## Slight increase of +€0.5m Reported EBITDA in 1Q 2021 vs. 1Q 2020 due to:

- ♦ Limited decrease in sales due to a good performance of stores when open and efficient use of the digitalization lever with E-Commerce Network sales reaching 10.9% of Network Sales in 1Q 2021 vs. 4.0% in 1Q 2020;
- ♦ Limited decrease in Gross Margin rate in a context of higher gold prices due to a continuous hedging of Gold purchases and a reactive adaptation of offering (switch to 9k in Italy notably);
- ♦ And direct costs savings due to reactive cost cutting plan focused on staff management, limitation of overheads, negotiation of rents with landlords and furlough schemes.

**Net Income** decrease in 1Q 2021 vs. 1Q 2020 derives from higher provisions for depreciation of inventories and higher non-recurring expenses (fees in respect of ongoing refinancing and recapitalization operations as well as non-recurring indemnity), not offset by higher Reported EBITDA, lower taxes, and lower financial interests.

**Free Cash Flow** as a percentage of Reported EBITDA reached 66.0% in LTM ended December 2020.

**Net Financial Debt** as of 31 December 2020 was in respect of former TLB financing. The Financial Net Debt presented excludes the convertible bonds. Net Financial Debt Pro forma new financing reached €(526.6)m at December 2020, i.e. a leverage of 3.8x based on Adjusted EBITDA.

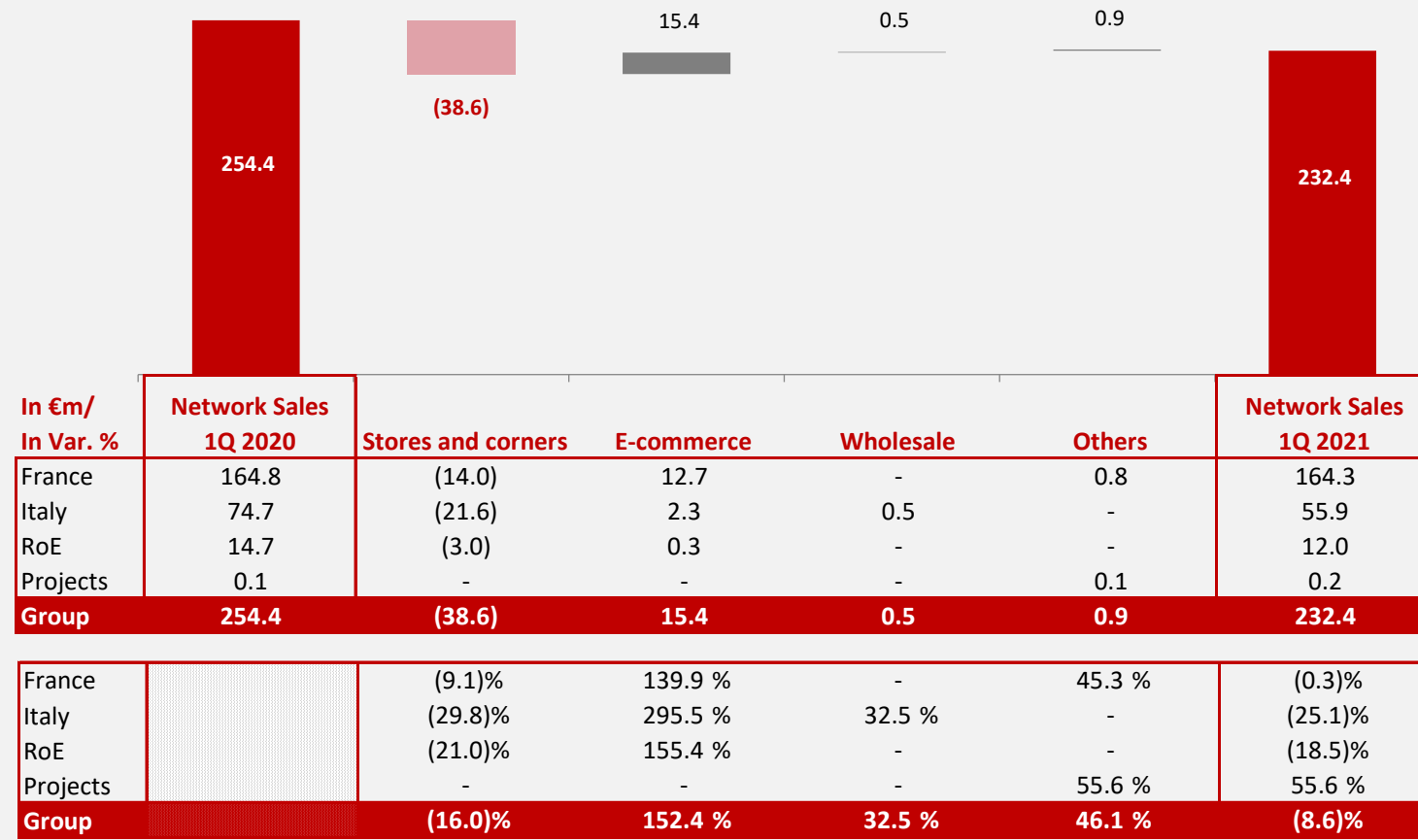


# 1Q 2021 Financial Review – Network Sales Bridge

Limited decrease in sales due to the good performance of e-commerce



Network Sales bridge by distribution channel – Network Sales 1Q 2021 vs. 1Q 2020

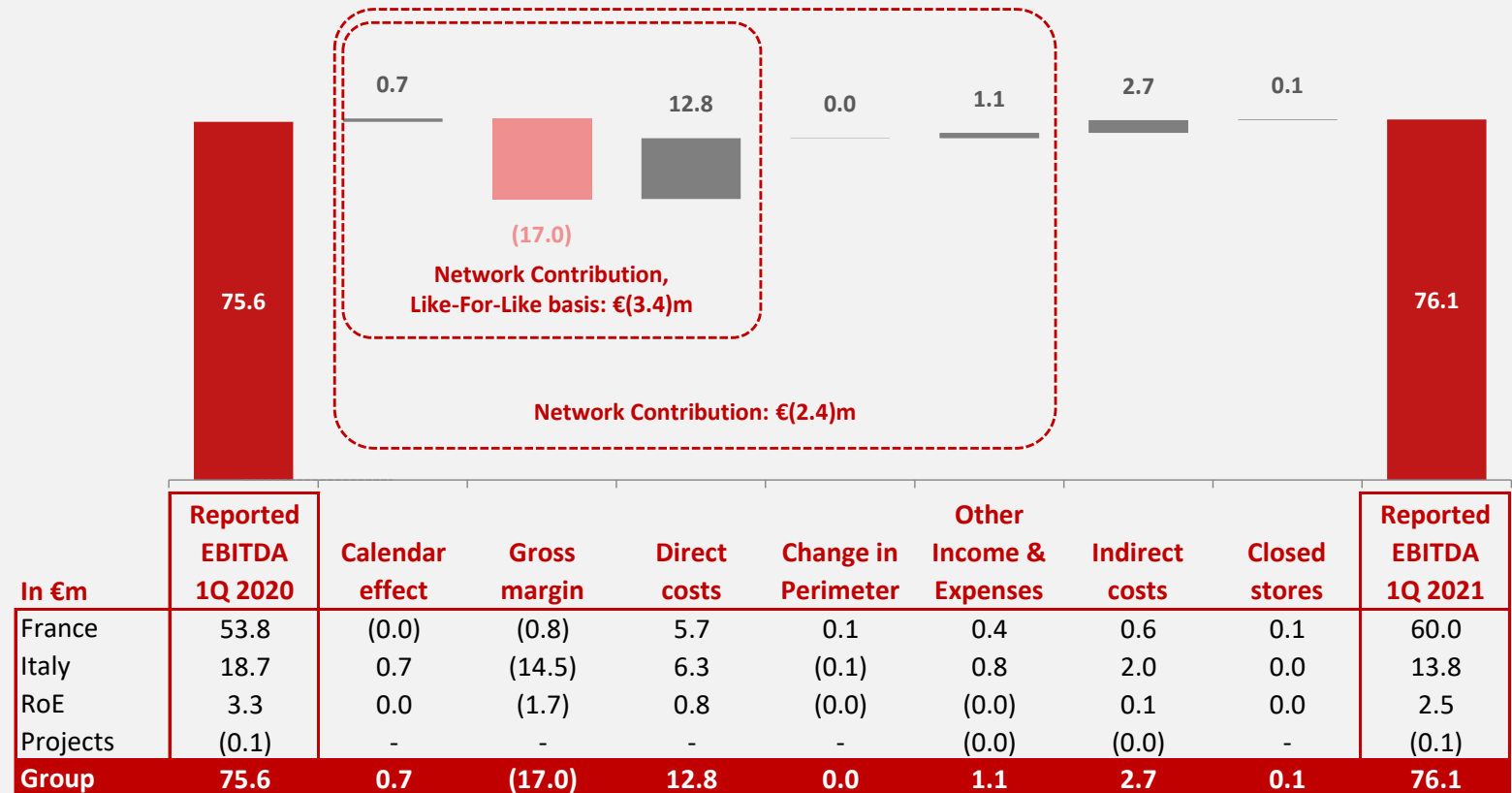


# 1Q 2021 Financial Review – Reported EBITDA Bridge

The slight increase in Reported EBITDA in 1Q 2021 vs. 1Q 2020 resulted from limited sales decrease combined with direct and indirect costs savings.



Reported EBITDA bridge – Reported EBITDA 1Q 2021 vs. 1Q 2020



# 1Q 2021 Financial Review – Selected Income Statement

Group focus on profitability resulted in a +3.0pp increase in Reported EBITDA rate in 1Q 2021 vs. 1Q 2020

## Selected Income Statement – 1Q 2020, 1Q 2021

In €m	1st Quarter			LTM ended
	2020	2021	Var. %	December 2020
Network Sales	254.4	232.4	(8.6)%	615.4
Other Sales	12.4	7.2	(42.1)%	27.2
<b>Total Sales</b>	<b>266.8</b>	<b>239.6</b>	<b>(10.2)%</b>	<b>642.5</b>
<b>Gross Margin</b>	<b>182.6</b>	<b>166.0</b>	<b>(9.1)%</b>	<b>435.2</b>
<i>As a % of Network sales</i>	<i>71.8%</i>	<i>71.4%</i>	<i>(0.4)pp</i>	<i>70.7%</i>
Personnel expenses	(45.6)	(35.7)	(21.8)%	(124.8)
Rent & charges	(22.3)	(17.5)	(21.4)%	(75.0)
Marketing costs	(4.9)	(6.3)	27.9 %	(13.6)
Taxes	(1.7)	(1.6)	(2.1)%	(5.5)
Overheads	(7.5)	(6.7)	(10.3)%	(25.9)
<b>Total Network Direct Costs</b>	<b>(82.0)</b>	<b>(67.8)</b>	<b>(17.3)%</b>	<b>(244.6)</b>
<b>Network Contribution</b>	<b>100.6</b>	<b>98.2</b>	<b>(2.4)%</b>	<b>190.5</b>
<i>As a % of Network sales</i>	<i>39.5%</i>	<i>42.2%</i>	<i>2.7 pp</i>	<i>31.0%</i>
Indirect Costs	(24.8)	(22.1)	(11.1)%	(70.0)
Closed Stores	(0.1)	0.0	(119.4)%	0.9
<b>Reported EBITDA</b>	<b>75.6</b>	<b>76.1</b>	<b>0.7 %</b>	<b>121.4</b>
<i>As a % of Network sales</i>	<i>29.7%</i>	<i>32.8%</i>	<i>3.0 pp</i>	<i>19.7%</i>
Full Period of Stores opened during the period (a)				0.5
COVID-19 Adjustment related to April 2020 (b)				12.4
True-up for COVID-19 Adj. related to April 2020 (c)				(2.3)
COVID-19 Adjustment related to November 2020 (b)				5.9
<b>Adjusted EBITDA</b>				<b>137.8</b>
<i>As a % of Network sales</i>				<i>22.4%</i>

## Total Sales

- ◆ Limited decrease in Network Sales;
- ◆ Other sales mainly comprise sales of precious metals which were impacted by the closure of stores.

## Total Network Direct Costs

- ◆ Network Direct Costs reduction in 1Q 2021 of -17.3% as compared to €(82.0)m in 1Q 2020 is higher in percentage than the reduction of Network sales due to (i) strong focus on cash management with recruitment freeze, reduction of bonuses, lower temporary staff and furlough schemes, (ii) negotiations of rents with landlords, and (iii) overall reduction of overheads due to miscellaneous savings (e.g. cleaning, energy, etc.);
- ◆ Marketing costs increase is related to the increase in E-Commerce sales.

**Indirect Costs** decrease was due to the reduction of headquarter costs (personnel expenses, overheads) only partly offset by higher logistics costs due to the increase in E-Commerce sales.

(a) Full-period effect of stores opened during the period represents the pro forma full-period effect of stores opened during the given period, assuming that the store opening took place on the first day of such period.

(b) As a result of the COVID-19 pandemic, all of our stores were closed in France, Italy, Belgium and Luxembourg due to COVID-19-related lockdowns and similar restrictive measures in April 2020 and in November 2020 in France (except the 3 last days of the month). As a result, our stores recorded no revenue during these periods while still incurring direct costs. The COVID-19 cost adjustment for the LTM ended December 31, 2020 reflects the add-back of direct costs of the stores that were closed during the entire month of April 2020 (the only full month of closures during the 1<sup>st</sup> lockdown period) and November 2020 in France, net of government assistance. Direct costs represent store personnel costs, rent and charges, marketing costs, taxes and overheads. The COVID-19 cost adjustment (i) does not give effect to any direct costs for any stores that were closed during the remainder of the lockdown period in the LTM ended December 31, 2020, (ii) does not reflect the impact of any increased demand for our products during periods following the reopening of our stores following lockdowns and (iii) does not give effect to the impact of increased e-commerce sales as a result of the lockdowns during the LTM ended December 31, 2020.

(c) Reflects rent reductions retrospectively negotiated with landlords with respect to certain stores closed during the month of April 2020. Not all rent negotiations were completed as of December 31, 2020.

# 1Q 2021 Financial Review – Reported EBITDA to Net Income

Net Income decrease in 1Q 2021 vs. 1Q 2020 derives from higher provisions for depreciation of inventories and non-recurring expenses, not offset by higher Reported EBITDA, lower taxes, and financial interests.

## Reported EBITDA to Net Income – 1Q 2020, 1Q 2021

In €m	1st Quarter			LTM ended
	2020	2021	Var. %	December 2020
<b>Reported EBITDA</b>	<b>75.6</b>	<b>76.1</b>	<b>0.7 %</b>	<b>121.4</b>
Depreciation, amortisation & provisions, net	(6.4)	(11.2)	77.0 %	35.2
Business tax (CVAE)	(1.6)	(0.8)	(50.0)%	3.1
Contribution of closed stores	0.1	(0.0)	(119.4)%	0.9
<b>EBIT</b>	<b>67.8</b>	<b>64.1</b>	<b>(5.5)%</b>	<b>82.3</b>
Financial income (expense)	(16.5)	(12.9)	(21.7)%	(58.0)
<b>Income (expense) from recurring operations</b>	<b>51.3</b>	<b>51.2</b>	<b>(0.3)%</b>	<b>24.2</b>
Non-recurring income (expense)	(3.7)	(7.7)	107.5 %	(17.0)
Income tax	(15.3)	(12.9)	(15.5)%	(7.1)
Non-controlling interests	(0.0)	(0.0)	12.6 %	(0.0)
<b>Net income (loss)</b>	<b>32.3</b>	<b>30.5</b>	<b>(5.5)%</b>	<b>0.2</b>

## Change in depreciation, amortization and provisions net of provision reversals

- Change in depreciation, amortization and provisions net of provision reversals totaled €(11.2)m in 1Q 2021, an increase of €(4.9)m, or 77.0%, from €(6.4)m in 1Q 2020, due mainly to the net variation of our provision for depreciation of inventories of €(4.2) million related to (i) a €(2.9) million increase in our inventory provision in Italy as we took a conservative view on the risks relating to products not sold during the holiday season in light of, in particular, a sales period in January during which stores were closed and to (ii) a limited increase in our inventory provision in France of €(1.2) million;
- The COVID-19 pandemic did not result in any unusual goodwill or other intangible assets impairment.

**Financial income (expense)** totaled €(12.9)m in 1Q 2020, a decrease of €3.6m, from €(16.5)m in the three-month period ended December 31, 2019. The decrease in financial expense was mainly attributable to the repayment of €152.2m of convertible bonds in the financial year ended September 30, 2020.

**Non-recurring income and expenses** increase was primarily due to fees in respect of refinancing and recapitalization operations which were ongoing and to the net book value of assets disposed of due to the higher number of stores closed compared to the same period last year.



# 1Q 2021 Financial Review – Cash Flow

Adjusted Free Cash Flow as a percentage of Adjusted EBITDA reached 83.7% in LTM ended December 2020

## Adjusted Free Cash Flow – 1Q 2020, 1Q 2021

In €m	1st Quarter			LTM ended
	2020	2021	Var.	December 2020
<b>Reported EBITDA</b>	<b>75.6</b>	<b>76.1</b>	<b>0.5</b>	<b>121.4</b>
Change in working capital	50.9	63.4	12.4	4.1
Net Cash Used in Investing Activities (a)	(11.6)	(10.2)	1.4	(30.5)
Other operating cash flow (b)	(3.6)	(6.6)	(3.0)	(14.9)
<b>Free Cash Flow</b>	<b>111.3</b>	<b>122.7</b>	<b>11.4</b>	<b>80.1</b>
<i>As % of Reported EBITDA</i>	<i>147.2%</i>	<i>161.2%</i>	<i>14.0 pp</i>	<i>66.0%</i>
Full Period of Stores opened during the period (c)				0.5
COVID-19 Adjustment related to April 2020 (d)				12.4
True-up for COVID-19 Adj. related to April 2020 (e)				(2.3)
COVID-19 Adjustment related to November 2020 (d)				5.9
<b>Adjustments to Reported EBITDA</b>				<b>16.4</b>
<b>Discretionary Capital Expenditure Restatement</b>				<b>18.8</b>
<b>Adjusted Free Cash Flow</b>				<b>115.3</b>
<i>As % of Adjusted EBITDA</i>				<i>83.7%</i>

(a) (i) Acquisition of property, plant & equipment and intangible assets, (ii) Disposal of property, plant & equipment, intangible assets net of (iii) Change in working capital on fixed assets.

(b) Includes cash impact of CVAE and closed stores adjustments, income tax paid and other non-recurring income and expenses.

(c) Full-period effect of stores opened during the period represents the pro forma full-period effect of stores opened during the given period, assuming that the store opening took place on the first day of such period.

(d) As a result of the COVID-19 pandemic, all of our stores were closed in France, Italy, Belgium and Luxembourg due to COVID-19-related lockdowns and similar restrictive measures from in April 2020 and in November 2020 in France (except the 3 last days of the month). As a result, our stores recorded no revenue during these periods while still incurring direct costs. The COVID-19 cost adjustment for the LTM ended December 31, 2020 reflects the add-back of direct costs of the stores that were closed during the entire month of April 2020 (the only full month of closures during the 1<sup>st</sup> lockdown period) and November 2020 in France, net of government assistance. Direct costs represent store personnel costs, rent and charges, marketing costs, taxes and overheads. The COVID-19 cost adjustment (i) does not give effect to any direct costs for any stores that were closed during the remainder of the lockdown period in the financial year ended September 30, 2020, (ii) does not reflect the impact of any increased demand for our products during periods following the reopening of our stores following lockdowns and (iii) does not give effect to the impact of increased e-commerce sales as a result of the lockdowns during the year ended September 30, 2020.

(e) Reflects rent reductions retrospectively negotiated with landlords with respect to certain stores closed during the month of April 2020. Not all rent negotiations were completed as of December 31, 2020.

## Free Cash Flow

◆ Our free cash flow is seasonal, with a peak in December 2020 after the Christmas season once we have recorded payment for our products sold, and a low point in September to November 2020 reflecting inventory build-up ahead of the Christmas season. The main drivers of the seasonality of our free cash flows are Reported EBITDA, changes in working capital (mainly trade payables and, to a lesser extent, inventories) and capital expenditure, consisting of growth capital expenditure, maintenance and refurbishment expenditures.

◆ Free cash flow totaled €122.7m in 1Q 2021, representing an increase of €11.4m, or 10.2%, from €111.3m in 1Q 2020 mainly explained by the positive effect of the focus on cash management in the COVID-19 context on Working Capital and Capital expenditures.

**Adjusted Free Cash Flow** corresponds to Free Cash Flow restated for (i) adjustments between Reported EBITDA and Adjusted EBITDA, mainly in respect of COVID-19 direct costs of stores closed in April 2020 and November 2020 in France, and (ii) Discretionary Capital Expenditure, reached €115.3m in 1Q 2021, i.e. 83.7% as a percentage of Adjusted EBITDA.

# 1Q 2021 Financial Review – Working Capital and Capex

Change in working capital and capex are positively impacted by the focus on cash management in the COVID-19 context

## Change in Working Capital – 1Q 2020, 1Q 2021

In €m	1st Quarter			LTM ended
	2020	2021	Var.	December 2020
Inventories	0.3	(21.4)	(21.8)	(11.2)
Trade Receivables	(5.9)	(6.0)	(0.1)	0.8
Trade Payables	33.5	70.5	37.0	25.0
<b>Trade Working Capital</b>	<b>28.0</b>	<b>43.1</b>	<b>15.1</b>	<b>14.6</b>
<b>Non-Trade Working Capital</b>	<b>23.0</b>	<b>20.3</b>	<b>(2.7)</b>	<b>(10.6)</b>
<b>Change in Working Capital</b>	<b>50.9</b>	<b>63.4</b>	<b>12.4</b>	<b>4.1</b>

The positive change in working capital increased by €12.4m in 1Q 2021 vs. 1Q 2020 due the delay in purchase plan due to COVID-19 resulting in a postponement of invoice payments to suppliers in 1Q 2021 as compared to 1Q 2020 and a decrease of stores inventory on a like for like basis. Amounts outstanding in respect of COVID-19 have been fully offset by the constitution of a physical stock of gold of €20.3 million.

## Net Cash Used in Investing Activities– 1Q 2020, 1Q 2021

In €m	1st Quarter			LTM ended
	2020	2021	Var.	December 2020
Maintenance Capital Expenditure	(0.5)	(1.4)	(0.9)	(6.6)
Refurbishment Capital Expenditure	(1.0)	(1.2)	(0.2)	(3.4)
Expansion Capital Expenditure	(1.3)	(1.0)	0.3	(3.5)
<b>Store Capital Expenditure</b>	<b>(2.8)</b>	<b>(3.6)</b>	<b>(0.8)</b>	<b>(13.4)</b>
Shine 2020 - IT Project Capital Expenditure	(2.3)	(2.8)	(0.5)	(10.0)
Other Capital Expenditure	(0.9)	(2.0)	(1.0)	(5.0)
<b>IT &amp; Corporate Capital Expenditure</b>	<b>(3.2)</b>	<b>(4.7)</b>	<b>(1.5)</b>	<b>(15.0)</b>
<b>Total Capital Expenditure</b>	<b>(6.0)</b>	<b>(8.4)</b>	<b>(2.4)</b>	<b>(28.5)</b>
Disposal of fixed and intangible assets	0.1	0.5	0.5	0.9
Change in working capital on fixed assets	(5.7)	(2.4)	3.3	(2.9)
<b>Net Cash Used in Investing Activities</b>	<b>(11.6)</b>	<b>(10.2)</b>	<b>1.4</b>	<b>(30.5)</b>

Net cash used in investing activities decreased by €1.4 million, primarily due to the postponement of store openings across the countries in which we operate during the COVID-19 pandemic.

# Financial Review - Net Financial Debt Actual and Pro Forma

Net Financial Debt Pro forma new financing reached €(526.6)m at December 31, 2020, i.e. a leverage of 3.8x based on Adjusted EBITDA

## Net Financial Debt – as of September 30 and December 31, 2020

In €m	September 2020	December 2020	Var.	Maturity
Term Loan B	(565.0)	(565.0)	0.0	4 years
Term Loan B - Accrued interests	(3.7)	(3.5)	0.1	1 year
Revolving Credit Facility	(89.9)	(90.2)	(90.0)	3 years
'CICE' prefinancing	(0.0)	(0.0)	0.0	
Finance leases	(1.6)	(1.1)	0.2	
<b>Financial debt</b>	<b>(660.2)</b>	<b>(659.8)</b>	<b>(89.6)</b>	
<b>Cash and cash equivalent</b>	<b>196.7</b>	<b>312.6</b>	<b>143.2</b>	
<b>Net Financial Debt</b>	<b>(463.4)</b>	<b>(347.2)</b>	<b>53.5</b>	
<i>Reported EBITDA LTM / Net Financial Debt</i>	3.8x	2.9x	-1.0x	
<i>Adjusted EBITDA LTM / Net Financial Debt</i>	3.7x	2.5x	-1.2x	

## Pro Forma Net Financial Debt – as of December 31, 2020

In €m	December 2020	Maturity
<b>Fixed Senior Secured Notes</b>	<b>(350.0)</b>	<b>5 years</b>
<b>Floating Senior Secured Notes</b>	<b>(270.0)</b>	<b>5 years</b>
<b>Cash and cash equivalent</b>	<b>312.6</b>	
Senior Secured Notes proceeds	620.0	
Equity Contribution	360.0	
Acquisition Purchase Price	(514.0)	
Repayment of Term Loan B	(565.0)	
Transaction Fees and Expenses and accrued interests	(30.0)	
<b>Cash used for the Transaction</b>	<b>(129.0)</b>	
<b>Repayment of RCF</b>	<b>(90.2)</b>	
<b>Pro Forma Net Financial Debt</b>	<b>(526.6)</b>	
<i>Reported EBITDA LTM / Pro Forma Net Financial Debt</i>	4.3x	
<i>Adjusted EBITDA LTM / Pro Forma Net Financial Debt</i>	3.8x	

**Net Financial debt** at 31 December 2020 was in respect of former TLB financing. The Financial debt presented excludes the convertible bonds.

**Net Financial Debt Pro forma new financing** reached €(526.6)m at December 2020, i.e. a leverage of 3.8x based on Adjusted EBITDA.

# Conclusion

## → Fast adaption of the Group to an historically adverse context

- ◆ Accelerated digitalization of the Group to face lockdowns
- ◆ Resilient EBITDA due to a proven ability to adapt direct and indirect cost structure to activity
- ◆ Continuous focus on cash generation

## → Focus on key investments with high ROI to pave the way for future growth

- ◆ The Group has reoriented its investments on key strategic capital expenditures, notably its IT infrastructure and E-Commerce platform.
- ◆ Limited opening of stores in best in class locations
- ◆ Development of network through affiliated partners
- ◆ Opportunistic purchases such as Agatha

## → Protect Group assets

- ◆ Involvement of staff representatives in decisions related to the health context
- ◆ Customer relationship maintenance
- ◆ Reorientation of marketing spending to increase brand awareness

## → 2Q 2021 Results

- ◆ Announcement and Investors call on June 29, 2021

# 3 Q&A





# 4 Appendices



# Income Statement

(Unaudited)

In €m	1st Quarter			December
	2020	2021	in %	2020
<b>Total Sales</b>	<b>266.8</b>	<b>239.6</b>	<b>(10.2)%</b>	<b>642.5</b>
Other operating income	1.3	2.8	117.0 %	6.3
Cost of goods sold	(83.8)	(73.3)	(12.5)%	(206.6)
Personnel expenses	(58.0)	(47.9)	(17.4)%	(164.6)
Direct and indirect operating costs	(49.0)	(43.7)	(10.8)%	(152.5)
Taxes and duties	(3.1)	(2.2)	(28.4)%	(7.8)
Depreciation, amortisation & provisions, Net	(6.4)	(11.2)	77.0 %	(35.2)
<b>Operating income</b>	<b>67.8</b>	<b>64.1</b>	<b>(5.5)%</b>	<b>82.3</b>
Financial income (expense)	(16.5)	(12.9)	(21.7)%	(58.0)
<b>Income (expense) from recurring operations</b>	<b>51.3</b>	<b>51.2</b>	<b>(0.3)%</b>	<b>24.2</b>
Non-recurring income (expense)	(3.7)	(7.7)	107.5 %	(17.0)
Income tax	(15.3)	(12.9)	(15.5)%	(7.1)
Non-controlling interests	(0.0)	(0.0)	12.6 %	(0.0)
<b>Net income (loss)</b>	<b>32.3</b>	<b>30.5</b>	<b>(5.5)%</b>	<b>0.2</b>

# Cash Flow Statement

(unaudited)

In €m	1st Quarter			LTM ended
	2020	2019	Var.	December
	2020	2019	Var.	2020
<b>Reported EBITDA</b>	<b>76.1</b>	<b>75.6</b>	<b>0.5</b>	<b>121.4</b>
Business tax (CVAE) & store closure expenses	(0.8)	(1.5)	0.6	(3.7)
Change in working capital	63.4	50.9	12.4	4.1
Income tax paid	(1.3)	(1.0)	(0.3)	(3.1)
Other non-recurring income (expenses)	(4.5)	(1.1)	(3.3)	(8.1)
<b>Net cash provided by operating activities</b>	<b>132.9</b>	<b>123.0</b>	<b>10.0</b>	<b>110.3</b>
Acquisition of fixed and intangible assets	(8.4)	(6.0)	(2.4)	(28.5)
Disposal of fixed & intangible assets	0.5	0.1	0.5	0.9
Change in working capital on fixed assets	(2.4)	(5.7)	3.3	(2.9)
<b>Net cash used in investing activities</b>	<b>(10.2)</b>	<b>(11.6)</b>	<b>1.4</b>	<b>(30.5)</b>
<b>Free Cash Flow</b>	<b>122.7</b>	<b>111.3</b>	<b>11.4</b>	<b>80.1</b>
<i>As % of Reported EBITDA</i>	<i>161.2%</i>	<i>147.2%</i>	<i>22.0 pp</i>	<i>66.0%</i>
Revolving credit facilities, drawings net of repayments	(0.5)	-	(0.5)	89.3
Interest paid on loans and bonds	(6.3)	(6.4)	0.1	(25.8)
Equity injection	-	-	-	52.8
Repayment of convertible bonds	-	-	-	(52.2)
Other interest paid	(0.0)	(0.2)	0.1	(0.1)
Other cash flows used in financing activities	(0.0)	(0.5)	0.5	(0.2)
<b>Net cash used in financing activities</b>	<b>(6.8)</b>	<b>(7.0)</b>	<b>0.2</b>	<b>63.9</b>
<b>Net cash before specific events</b>	<b>115.9</b>	<b>104.3</b>	<b>11.6</b>	<b>143.7</b>
<b>Change in equity</b>	<b>(0.0)</b>	<b>0.5</b>	<b>(0.5)</b>	<b>(0.5)</b>
<b>Specific events</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>	<b>115.9</b>	<b>104.8</b>	<b>11.1</b>	<b>143.2</b>



# Balance Sheet

(Unaudited)

Cash & Cash equivalents

In €m	As of December			As of September
	2020	2019	Var.	2020
Goodwill	361.4	364.9	(3.5)	363.1
Leasehold rights	119.1	127.7	(8.6)	119.0
Trademarks	135.9	136.0	(0.1)	135.9
Other intangible assets	27.7	17.4	10.3	24.6
Property, plant and equipment	75.9	86.0	(10.1)	78.1
Financial assets	16.4	15.5	0.9	16.0
<b>Fixed assets</b>	<b>736.5</b>	<b>747.5</b>	<b>(11.0)</b>	<b>736.8</b>
Inventories	210.9	200.4	10.5	193.9
Trade and related acc. receivables	13.3	14.3	(1.0)	7.6
Other receivables	50.4	43.7	6.7	45.8
Prepaid expenses	11.8	14.2	(2.4)	11.4
Deferred tax assets	9.2	8.7	0.6	8.8
Marketable securities	0.1	-	0.1	0.1
Cash	312.5	169.4	143.0	196.6
<b>Current assets</b>	<b>608.3</b>	<b>450.7</b>	<b>157.6</b>	<b>464.2</b>
<b>Total assets</b>	<b>1344.8</b>	<b>1198.2</b>	<b>146.6</b>	<b>1200.9</b>
<b>Shareholder's equity</b>	<b>(215.1)</b>	<b>(62.6)</b>	<b>(152.5)</b>	<b>(184.6)</b>
<b>Provisions</b>	<b>(14.0)</b>	<b>(11.0)</b>	<b>(3.0)</b>	<b>(12.4)</b>
<b>Deferred tax liabilities</b>	<b>(9.8)</b>	<b>(5.7)</b>	<b>(4.1)</b>	<b>(3.9)</b>
Senior debt & accrued interest	(568.5)	(568.7)	0.1	(568.7)
Financial debt	(90.2)	(0.2)	(90.0)	(89.9)
Other financial liabilities	(1.1)	(1.3)	0.2	(1.6)
Convertible bonds	(196.3)	(317.9)	121.6	(190.5)
Trade and related accounts payables	(144.7)	(122.0)	(22.7)	(75.9)
Tax and payroll-related payables	(89.5)	(91.9)	2.3	(60.7)
Profit-sharing reserve	(6.1)	(6.7)	0.6	(2.3)
Other current liabilities	(9.5)	(10.3)	0.8	(10.5)
<b>Liabilities</b>	<b>(1105.9)</b>	<b>(1119.0)</b>	<b>13.1</b>	<b>(1000.1)</b>
<b>Total liabilities</b>	<b>(1344.8)</b>	<b>(1198.2)</b>	<b>(146.6)</b>	<b>(1200.9)</b>

# Other reconciliations

## Total Sales

In €m	1st Quarter			LTM ended
	2020	2021	Var. %	December 2020
<b>Network sales</b>	<b>254.4</b>	<b>232.4</b>	<b>(8.6%)</b>	<b>615.4</b>
Sales of precious metals	11.5	6.5	(43.8%)	25.2
Invoicing to suppliers	0.5	0.4	(15.8%)	1.1
Purchasing & logistics services	0.1	0.1	0.0%	0.3
Other	0.3	0.2	(36.7%)	0.5
<b>Other Sales</b>	<b>12.4</b>	<b>7.2</b>	<b>(42.1%)</b>	<b>27.2</b>
<b>Total Sales</b>	<b>266.8</b>	<b>239.6</b>	<b>(10.2%)</b>	<b>642.5</b>

## Gross Margin

In €m	1st Quarter			LTM ended
	2020	2021	Var. %	December 2020
Network sales	254.4	232.4	(8.6%)	615.4
Sales of precious metals	11.5	6.5	(43.8%)	25.2
Invoicing to suppliers	0.5	0.4	(15.8%)	1.1
Purchasing & logistics services - re-invoicing	0.1	0.1	0.0%	0.3
Other - re-invoicing	0.3	0.2	(36.7%)	0.5
<b>Total Sales</b>	<b>266.8</b>	<b>239.6</b>	<b>(10.2%)</b>	<b>642.5</b>
<b>Cost of goods sold</b>	<b>(83.8)</b>	<b>(73.3)</b>	<b>(12.5%)</b>	<b>(206.6)</b>
<b>Costs re-invoiced</b>	<b>(0.4)</b>	<b>(0.3)</b>	<b>(26.6%)</b>	<b>(0.8)</b>
<b>Gross Margin</b>	<b>182.6</b>	<b>166.0</b>	<b>(9.1%)</b>	<b>435.2</b>
<i>As a % of Network sales</i>	<i>71.8%</i>	<i>71.4%</i>	<i>(35.0)</i>	<i>70.7%</i>



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 **THOM GROUP**

# Thank you

