

**BUSINESS UPDATE LE COQ SPORTIF****Preliminary results of le coq sportif 2019 (unaudited)**

- **FY 2019 revenues up 6.9% to MEUR 132 (FY 2018: MEUR 124)**
- **Textile sales exceeded expectation with an increase of 23% and surpassed footwear sales.**
- **Footwear turnover unexpectedly down by 10%.**
- **Gross margin at 45%; down 5 percentage points YOY due to the difficulties in the footwear division.**
- **FY 2019 EBITDA of -1.5m EUR.**

In 2019, le coq sportif continued its growth thanks to the boost in textile business (+23%), where increased revenues could be recorded across all markets surpassing footwear sales, profiting in particular from the implementation of dedicated corners in sports shops and the showcasing of clothes in directly owned stores. Sales also increased in the "women" and "kids" segments and without the strike waves in France towards the end of the year, growth would have been even better.

Sales in footwear unexpectedly fell by 10%. This decrease is explained by an initial spring/summer collection which did not meet expectations. The company responded immediately, and the unpopular models were quickly replaced. The new products then showed double digit sales growth, but the restocking prompted the company to accept the reshipments of the old products, which were resold to discounters. This strategy lowered the margin but put the stock at a normal level at the end of the year.

**Negative impact on 2019 figures**

- Impact on revenue: 10-11 MEUR.
- Gross margin: 4 to 5 %
- EBITDA: 6 to 8 MEUR

Furthermore, and in accordance with the strategy based on "local sourcing", Portugal is now part of the supply chain for footwear, which will improve flexibility and agility of production as well as the quality of the products manufactured.

Marc-Henri Beausire, CEO of Airesis and le coq sportif commented the preliminary results:

*"The financial figures 2019 do not meet our expectations. However, we were able to react quickly to the upcoming challenges and put the necessary adjustments into action. Moreover, regarding the general strategy of the company, we have taken important steps in 2019. In footwear, we are now ready to change to the very successful textile model of constant restocking. Overall, I am convinced that le coq sportif is now in a sound position and we will be able to profit from this year's experiences and adjustments over the coming years."*

**Outlook 2020**

Return to profitable growth is expected for fiscal year 2020.

- Turnover of at least MEUR 140
- Operating profit margin (EBITDA) of at least 4%

**April 24th, 2020:**

Online publication of the annual report 2019.