



MAISONS
DU MONDE

**FY 2023 Results
&
Medium-Term Transformation
Plan 2024-2026**

Paris, 12 March 2024

Disclaimer

Forward-looking statements



This presentation contains certain statements that constitute "forward-looking statements", including but not limited to statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions or which do not directly relate to historical or current facts.

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Accordingly, no representation is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved.

Any forward-looking statements included in this presentation speak only as of the date hereof and will not give rise to updates or revision. For a more complete list and description of such risks and uncertainties, refer to Maisons du Monde's filings with the French Autorité des marchés financiers.

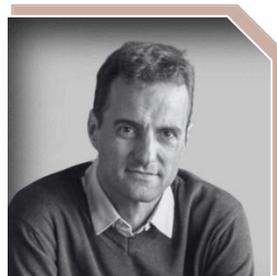
Your speakers today



François-Melchior de Polignac
CEO



Denis Lamoureux
CFO



Gilles Lemaire
Deputy CFO

Maisons du Monde:

The preferred partner for your Inspired, Accessible and Sustainable Home

Love brand with unique assets:
multi-style offer, in-house design
expertise, strong network and
omnichannel capabilities, ESG leadership

Transformation underway, leveraging
the assets, fixing customer centricity
and focusing on cash returns

Lack of customer centricity and financial
discipline in recent years

Renewed Management Team and Board,
and a clear plan to restore the power
of the model



AGENDA

- 1.** LOOK BACK AND LEARNINGS
- 2.** TRANSFORMING OUR COMMERCIAL MODEL
- 3.** SIMPLIFY AND OPTIMIZE
- 4.** 2024-2026 TRAJECTORY
- 5.** Q&A SESSION

Maisons du Monde:

A unique set of assets and a diversified business model

1. LOOK BACK AND LEARNINGS



A LOVE BRAND

Inspiration

#1 inspirational brand
Source: IPEA Decoration Study 2023
(France)

Passionate experts

30 designers
3,000 new products
created in house /year

MdM fans

#1 Instagram & Pinterest
communities*

2.6m
followers Instagram (France)

500k
followers Pinterest (France)

A WELL-BALANCED MODEL

Omnichannel

Unique omnichannel
model



Categories

Decoration & Furniture



Geographies

Continental Europe



Profitability model

Best in class gross
margin



A LEADING ESG PLAYER

ESG engagement

#2 brand committed
to social and/or
environmental causes
Source: Customer survey 2023
(France and Italy)



Climate
A List 2023

CDP
(Carbon Disclosure Project)

* Home & Furniture (France)

Home & furniture market currently experiencing “perfect storm” of macro headwinds...

Market drivers at historical level



HOME FURNISHING MARKET IN A LOW CYCLE IN FRANCE

+0%
CAGR 2015–2019

-5%
CAGR 2021–2023

Source: EUROMONITOR 2023
(R2015–R2022–F2023)
HOME FURNISHING MARKET/France
Constant prices

...revealing a number of operational and financial deficiencies

1. LOOK BACK AND LEARNINGS

OPERATIONAL

- ◆ 2021 strategic plan based on **overly optimistic growth assumptions** post COVID
- ◆ Primary focus on reported growth **at the expense of like-for-like performance and value creation**
- ◆ **Lack of customer-centricity** at time of deep and historic shift in consumer behaviors (e.g. lack of tailored international commercial approach)
- ◆ Insufficient emphasis on **process, store operations, and execution** (ex. store performance review, P&L ownership)

FINANCIAL

- ◆ **Oversized investments** (Opex/Capex) to support 2021 growth plan
- ◆ Expansion prioritized **over cost control and cash discipline** (ex. peak inventory at 7.2 months in 2022)
- ◆ **Poor assessment of capital allocation decisions** and evaluation of ROCE (e.g. Modani)
- ◆ **Financial oversight systems lacking**, leading to **persistent guidance misses**

Resulting in lack of lucidity and reactivity throughout the organization



A TACTICAL **3C** PLAN RESPONSE LAUNCHED IN Q1 2023

CUSTOMERS – COSTS – CASH

3C plan produced first tangible results in 2023

Partially mitigating revenue loss and initiating a cultural reset

1. LOOK BACK AND LEARNINGS

PUT CUSTOMER FIRST

Customer centricity initiatives:

- ◆ **Product availability** improvement
- ◆ Tactical optimization of **merchandising**
- ◆ Introduction of a more sophisticated approach to **pricing**
- ◆ Reinforcement of **commercial plan** (promotional and non-promotional): **From -11 points gap vs. French retail panel in 2022 to -6 points gap in 2023**

Sequential sales improvement H2 vs H1 2023

AGGRESSIVELY REDUCE ALL COSTS

- ◆ **All costs and contracts** challenged
- ◆ **HQ reduction: -13% headcount**
- ◆ **Worked hours in-stores** streamlined and refocused
- ◆ Active **store network management: 18 net closings o/w 5 transfers to affiliates**

Gross cost savings of €35m in 2023 (SG&A and Logistic)

CHASE CASH AT ALL LEVELS

- ◆ All CAPEX challenged with **strict payback approach**
- ◆ Intensified scrutiny on all **CAPEX allocation** decision to achieve overall reduction
- ◆ Decrease **inventory level** while increasing product availability

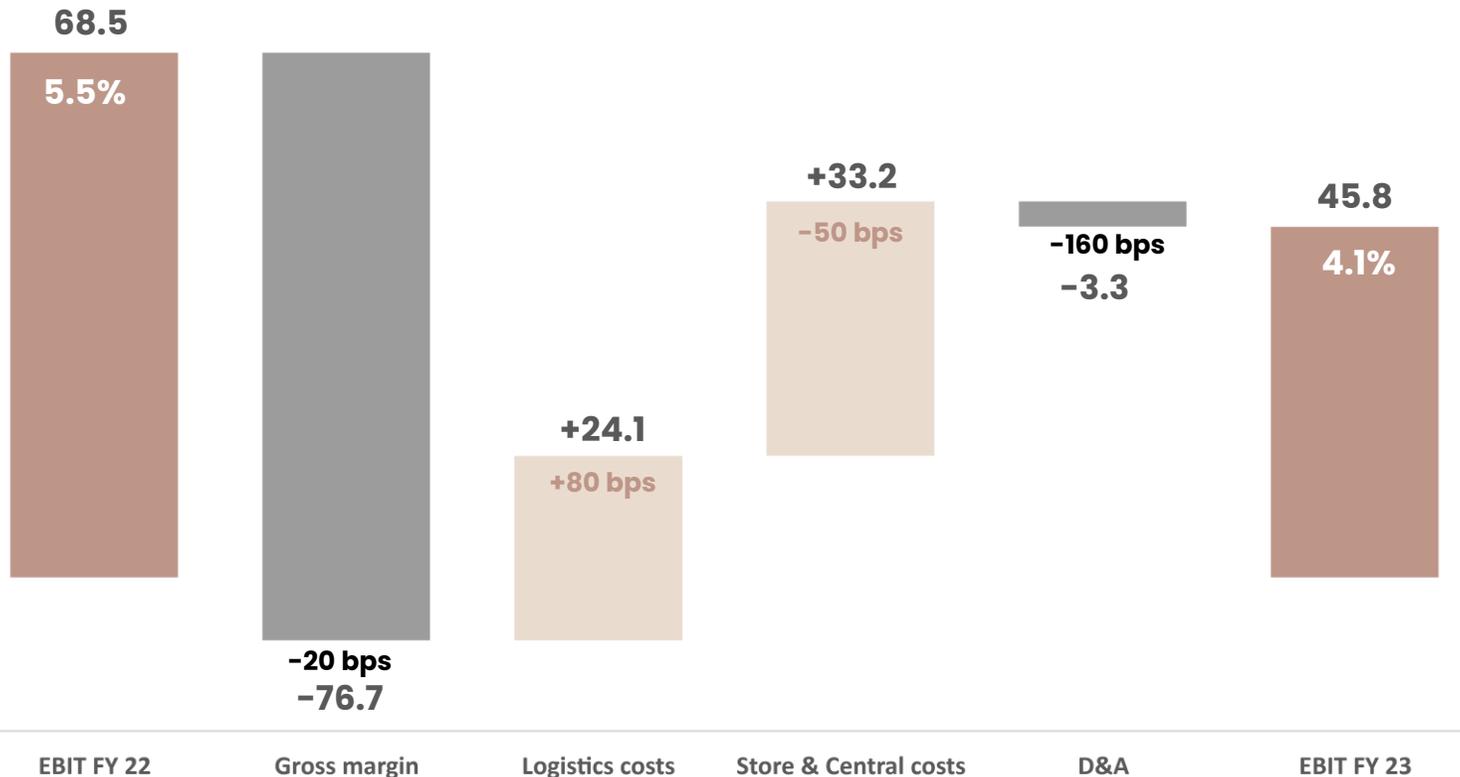
Inventory reduction of €43m vs 2022

FY 2023 EBIT

Pressure on EBIT margin contained despite significant sales decline

EBIT Evolution

(in €m and bps)



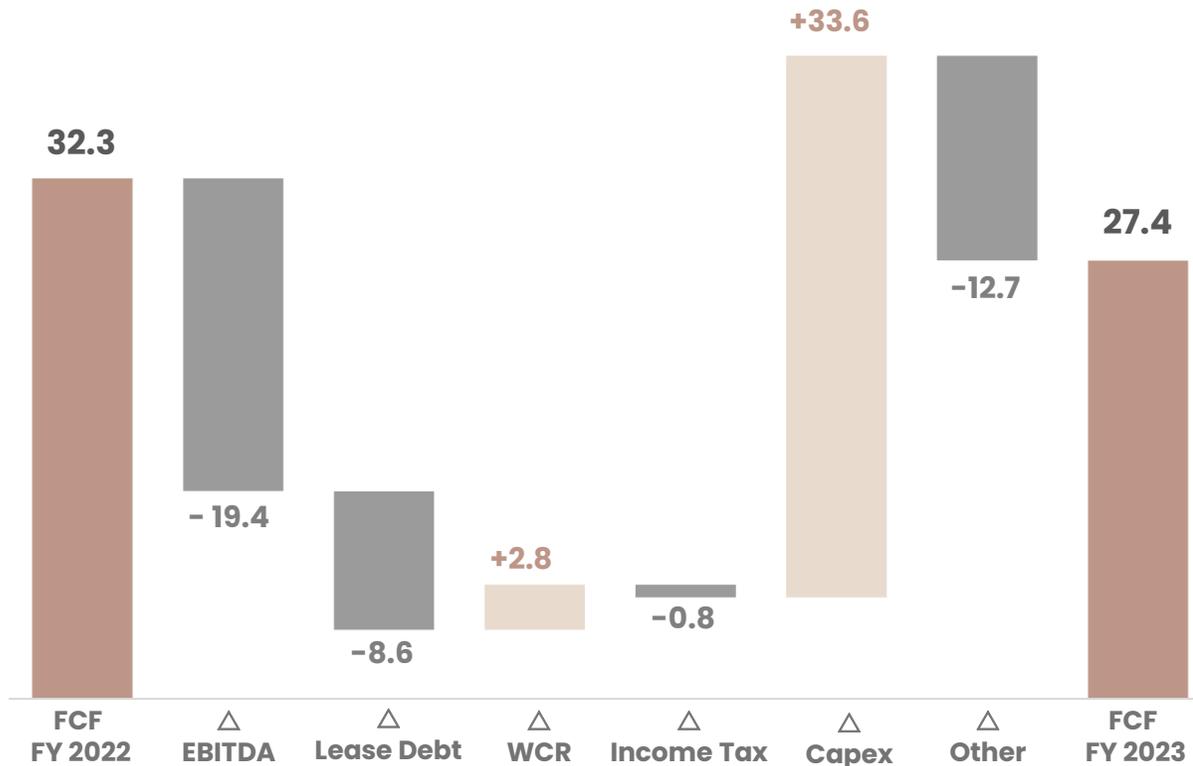
- Drop in Gross margin due to volume decrease while GM rate remained flat**
 - Savings from freight rate normalization and positive contribution of Marketplace reinvested in promotion and price accessibility as well as old stock liquidation
- Lower logistics costs due to cost optimization initiatives**
 - Better logistic performance and lower proportion of home delivery vs in-store sales
- Store & Central costs reined in**
 - 3C Plan implementation effect more than compensating for inflation
 - Other savings driven by lower volumes and one-off items (e.g. gift cards write-off)
- Slight increase in D&A**
 - Start of amortization of our second distribution center in Northern France
 - Capex reduction initiated in 2023, only partially flowing through D&A

FY 2023 free cash flow

Pressure on Cash Flow nearly offset by tight management of CAPEX and inventory

FCF Evolution

(in €m)

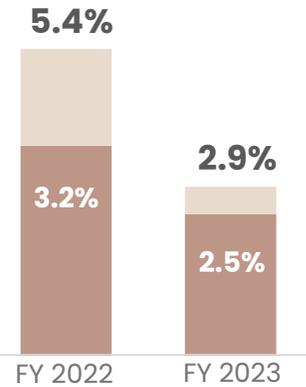


◆ **Disciplined allocation of capital resources resulted in Capex 50% lower compared with FY2022**

Other MDM Capex
2nd distribution center Capex

Capex/Total Sales

(in %)

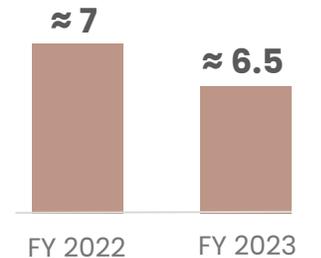


◆ **Inventory decrease while improved product availability**

- DIO* improved by half a month over FY23
- Higher availability of products

DIO*

(in months of COGS)



* DIO: Days inventory Outstanding

Adjusted guidance fully met across all criteria

	FY 23 ADJUSTED GUIDANCE	FY 2023 PUBLICATION
Topline	Decline by c. -10%	-9.3% (at €1,125m)
EBIT	€40m-€50m	€45.8m
FCF	€20m-30m	€27.2m

◆ **EPS FY 2023**
€0.21

◆ **PROPOSED DIVIDEND**
€0.06 representing
a 30% payout ratio

◆ **ANNUAL GENERAL MEETING**
21 June 2024

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expertise, strong retail network and
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Transformation underway, leveraging
the assets, fixing customer centricity
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Lack of customer centricity and financial
discipline in recent years

Renewed Management Team and Board,
and a clear plan to restore the power
of the model

A renewed Management Team and Board

Deep Retail expertise

1. LOOK BACK AND LEARNINGS

ExCo members



François-Melchior de Polignac
CEO
Carrefour, L'Oréal/Lancôme



Christophe Lapotre
Chief Store Operations Officer
Celio, Kiabi



Guillaume Lesouef
Head of Marketing, Merchandise and Sustainability
Louis Vuitton, Galeries Lafayette-BHV



Constance Fouquet
Digital Chief Executive
Veepee



Cédric Paris
Chief Supply Chain Officer
STEF



Sophie Mouhieddine
Chief Human Resources Officer
Aigle, Groupe Flo, Sephora



Denis Lamoureux
CFO
Lacoste, LVMH

Board members



Françoise Gri
IBM, Center Parc/ Groupe Pierre & Vacances



Cécile Cloarec
FM Logistic, Monoprix, Carrefour



Laure Hauseux
PPR/Kering



Victor Herrero
Inditex (Zara, Massimo Dutti...)



Alexandra Palt
L'Oréal



Michel-Alain Proch
Publicis



François-Melchior de Polignac
Carrefour, L'Oréal/Lancôme



Gabriel Naouri
AEON, Casino, Majorelle Investments



Adam Epstein
Teleios Capital Partners



Sylvie Colin
Kenzo, Maje, Caroll, ETAM, Chantelle



Anouck Duranteau-Loeper
Isabel Marant, Paco Rabanne, LVMH/Maison Céline



Samira Mouaddine
Maisons du Monde, Carrefour



Gregory Crozzolo
Maisons du Monde

Employee representatives

Less than 2 years of tenure



Inspire everyday

Driving the transformation of our omnichannel commercial model to win!



RETHINK OUR OFFER

- **Reduce assortment by -25%**, while enlarging style and category coverage
- Address price accessibility challenge
- Participate in circular economy



ENHANCE IN-STORE EXPERIENCE

- **Improve store merchandising**
- Adapt offer and layout depending on store role
- Increase geographic adaptation both internally and through **affiliation and franchise entrepreneurial model**



STRENGTHEN GROWTH LEVERS

- Continued acceleration of **Marketplace**
- **Scale B2B** revenues



ENRICH OUR MODEL WITH NEW SERVICES

- Further reinforce *state-of-the-art* Website
- Introduce a loyalty program
- Enrich experience and provide solutions
- Leverage our lead by offering unique omnichannel experience



Rethink our offer (1/3)



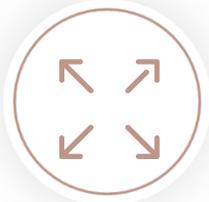
Simplify, complete and expand our offer

2. TRANSFORMING OUR COMMERCIAL MODEL

Customers' voice



"Simplify offer"



"Expand range of styles"



"Embrace new categories"

► Keep inspiring!

Optimization and redeployment of our product portfolio

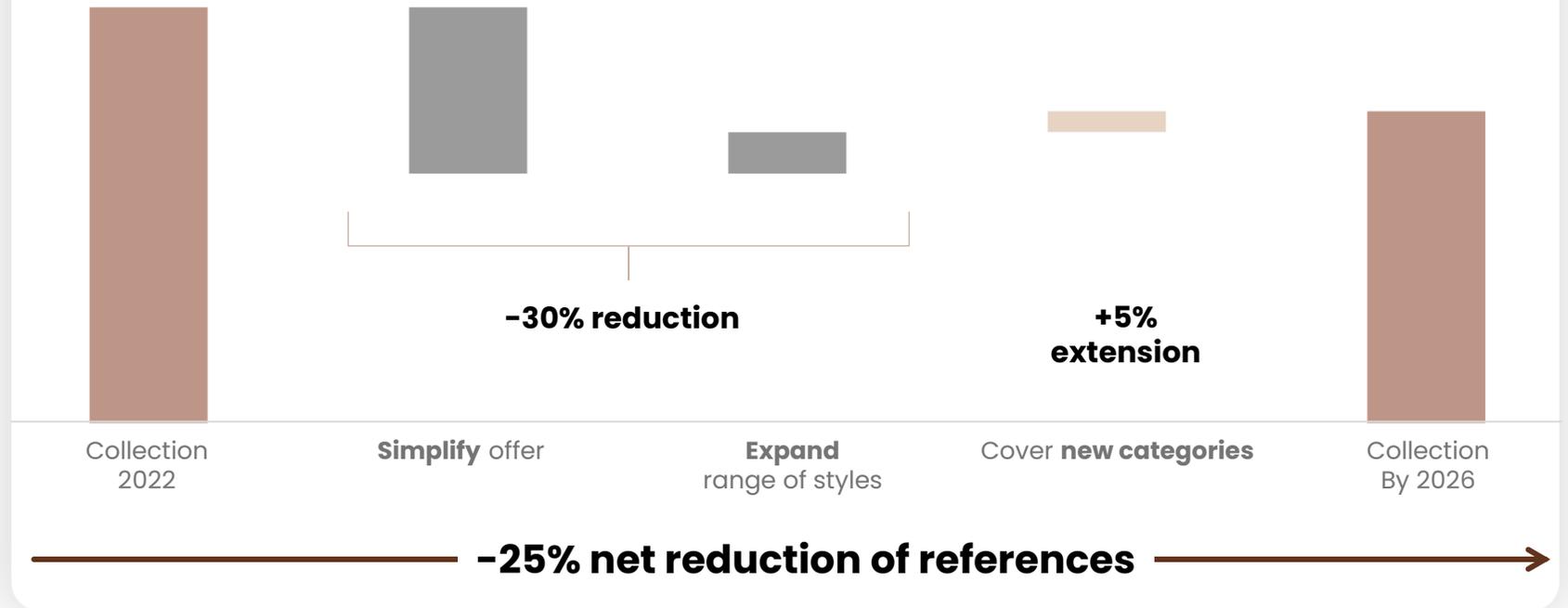


Illustration on cushions





Rethink our offer (2/3)

Improve price accessibility while protecting our margin

Customers' voice



"Price consciousness"



"Growing need for loyalty recognition"



"Sharp rise in second-hand market"

Our commitments on accessibility



Significantly cut prices on 2,000 products



Expand range of essential and entry-level price products



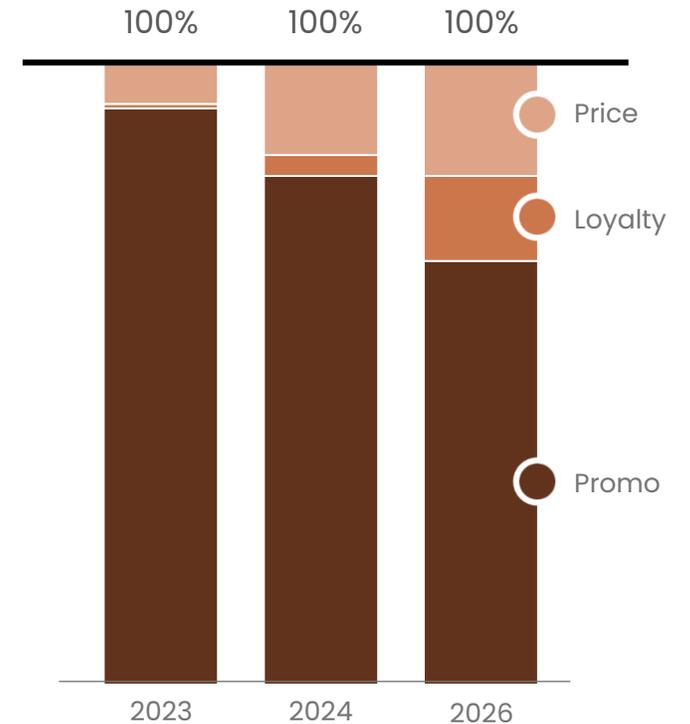
Introduce a new loyalty program offering rewards and strengthening brand attachment



Implement a 2nd life platform for our products and develop repair options

Less promotion, more 'fair pricing' & loyalty

Generosity investment



Rethink our offer (3/3)



An offer structure clearly defined to meet commercial and economic objectives

Present Customers with a truly inspiring, accessible and sustainable offer

Couches

SIGNATURE

Design/Innovation

Style



Curve
€1,599.00



High value product

CORE FASHION

Brand Expertise

Quality Style



Lilo
€1,199.00



Margin volume

ESSENTIALS

Basic/Permanent

Price



Nio
€339.00

Quantity
Low margin rate

Enhance in-store experience

Adapt and tailor merchandising to Customer needs



Customers' voice



"Great to be inspired, yet difficult to shop"



"Different shopping needs depending on location"

Improve store merchandising

→ Combination of regroupment by use/needs...



... and Story living

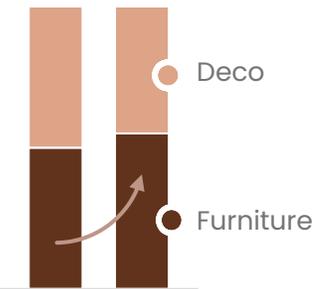


Increase differentiation

→ Adapt layout depending on store role

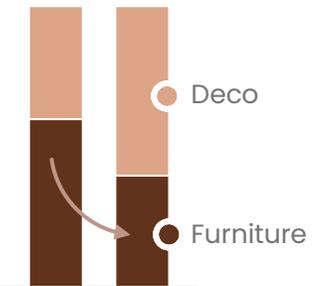
% store sqm dedicated to furniture

Activity Zone



Before After

City Center



Before After

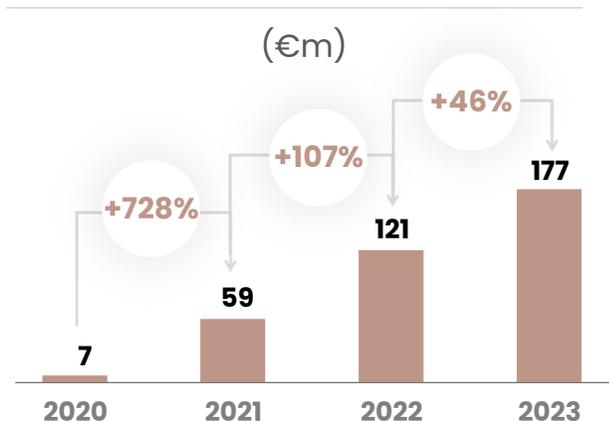
Strengthen growth levers (1/2)



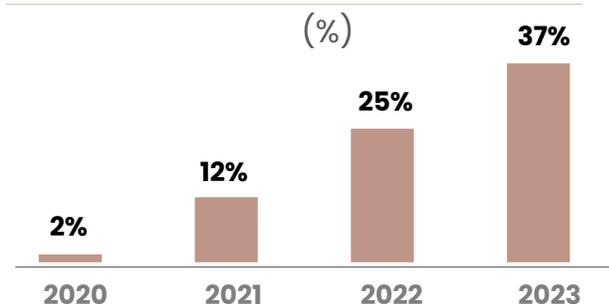
Maisons du Monde curated Marketplace: a unique omnichannel success story ...

€350 m GMV in the last 3 years

Maisons du Monde Marketplace GMV⁽¹⁾

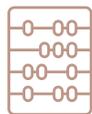


Online Marketplace in Maisons du Monde Online GMV



(1) Including GMV in-store
 (2) Benchmark source: Mirakl

A curated Marketplace enriching Maisons du Monde offer



Additive

30%

Of the traffic acquired via the marketplace converts to Maisons du Monde products

>50bps

Accretive to gross margin



Targeted

+36%

Higher GMV per seller vs. other Marketplace players in Europe⁽²⁾

3x

Less offers per sellers vs. benchmark⁽²⁾



Insightful

c.700

Active sellers offering unique insights into the market

Strengthen growth levers (2/2)

...with continued potential for strong growth



MAINTAINING OMNICHANNEL LEADERSHIP

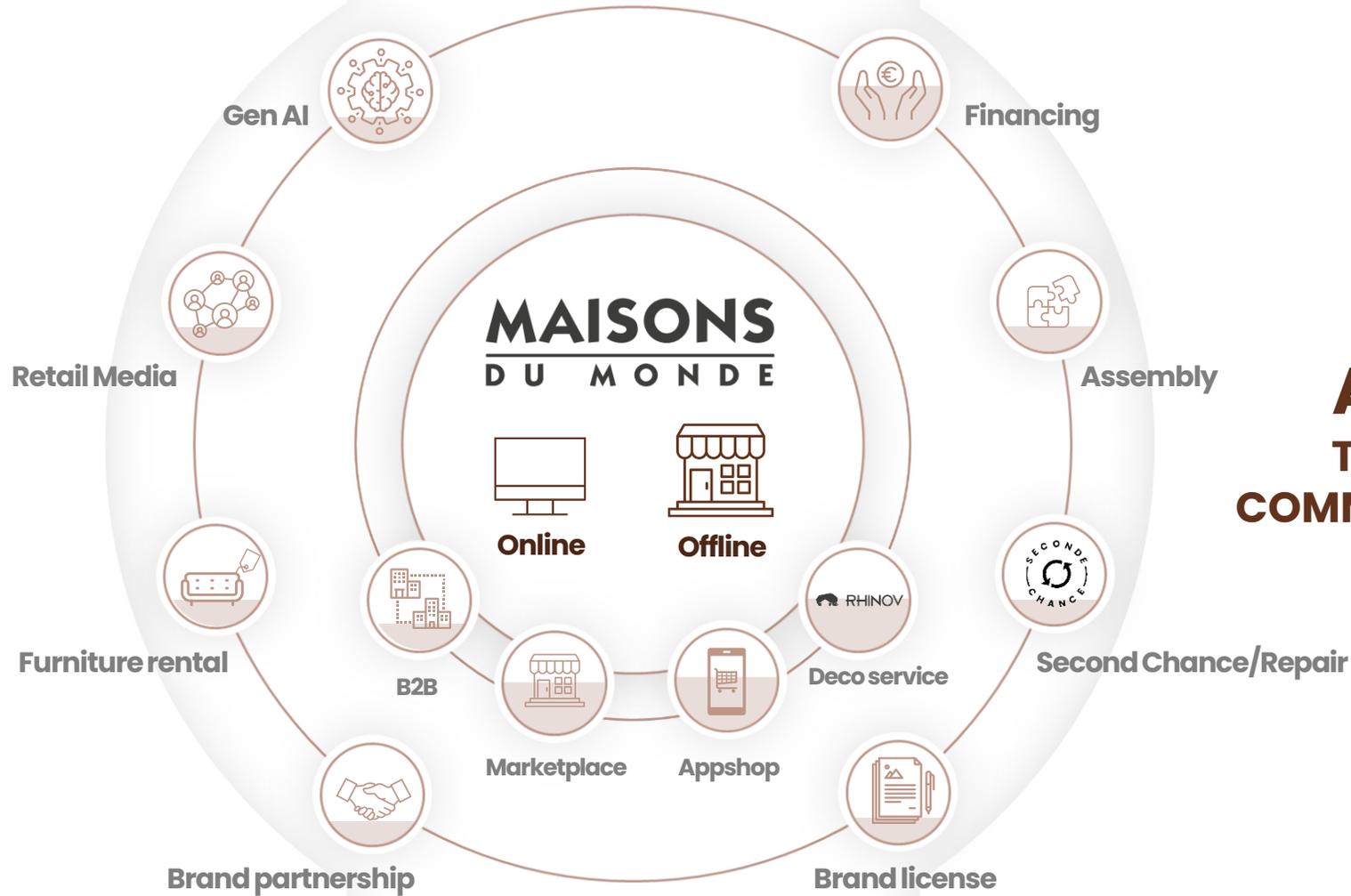
Enrich our model with services



Leverage our unique omnichannel leadership to strengthen our service platform

2. TRANSFORMING OUR COMMERCIAL MODEL

**A 360°
LOYALTY
PROGRAM**



**A 360°
TARGETED
COMMERCIAL PLAN**

Simplifying our operating model to unlock value



VALUE CHAIN SIMPLIFICATION

- Reduce overall complexity
- Accelerate time to market



THINK GLOBAL, ACT LOCAL

- Develop local commercial & marketing operations
- Push local offering
- Empower employees with local performance monitoring, and leverage affiliation/franchise



REDUCE CAPITAL INTENSITY

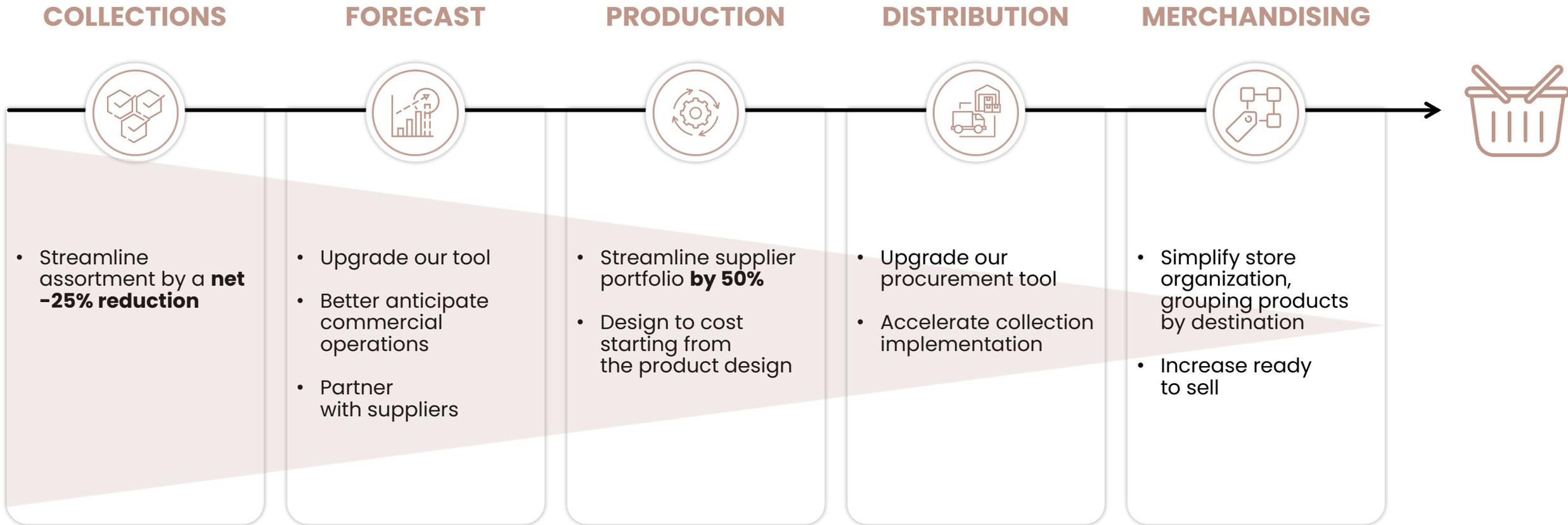
- Reduce cost & markdown
- Optimize working capital
- Relaunch expansion notably through affiliation and franchise



Value chain simplification

Reducing overall complexity and accelerating time to market

3. SIMPLIFY & OPTIMIZE



Think global, act local

Empowering people for more agility

3. SIMPLIFY & OPTIMIZE

COMMERCIAL & MARKETING OPERATIONS



Local initiatives

Local marketing



Local Marketing

Powered by  **ARMIS**

Communicate on the store operations, events & news

LOCAL OFFERING



Offer modularization

Local partner brands



Angel Cerda – Spain Furniture specialist
Glass tabletop



Local partner brands

35% of current Marketplace offering in Spain, Italy and Germany

TOOLS FOR PERFORMANCE



Commercial tool

Financial monitoring



Store user-friendly database tool

Powered by  **nostress**

Forecast
Data analysis incl. store benchmark

Cost reduction

Cumulative €85 million cost saving plan over 2024–2026

3. SIMPLIFY & OPTIMIZE

Challenging 100% of our costs...

...to reinvest in our 2024–2026 transformation plan

SHRINKAGE



- Tighter monitoring in stores and warehouses
- Traceability of products returned by clients

TRANSPORTATION/ LOGISTICS



- Optimization of transportation and logistics costs, subleasing warehouses

PAYROLL



- Closure of underperforming stores, transfer to affiliation/franchise
- Pursuing headcount optimization at HQ level
- In-store optimization (working hours, schedule...)

RENTS



- Negotiation with our landlords, reduction of our Headquarters premises
- Closure of underperforming stores, transfer affiliation/franchise

MARKETING



- Reduced reliance on SEA, prioritizing organic through brand strengthening, local marketing, catalog, and loyalty

OTHER EXTERNAL CHARGES



- Store closures, energy savings, and reduced travel expenses

Improvement of the delivery experience
transport strategy, consistent and evolving offering...

Deployment of services
Rhinov deco service, furniture rental...

Recruitment of key positions to drive initiatives
B2B and Marketplace reinforcement, product quality improvement...

Reducing the capital intensity of the model

MORE SELECTIVE INVESTMENTS

IMPROVED CASH RETURNS

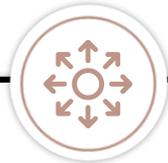
GROWTH LEVERS WITH LOW CASH INVESTMENTS

EXPANSION THROUGH PARTNERSHIP

WORKING CAPITAL OPTIMIZATION

ASSET LIGHT GROWTH

RETAIL NETWORK OPTIMIZATION



Marketplace expansion

B2B penetration

Affiliation & franchise

Further inventories optimization

Payment terms extension

Cost saving plan

Progressive reduction of promotional investment

Closure of cash-negative stores on a pragmatic payback-based approach

From c.5% for the period 2019–2022 CAPEX/Sales ratio to a 3% market standard

Circa 30% of 2026 store retail network under partnership

Circa 1 month working capital optimization over 3 years

Circa €85m gross cost saving over 3 years

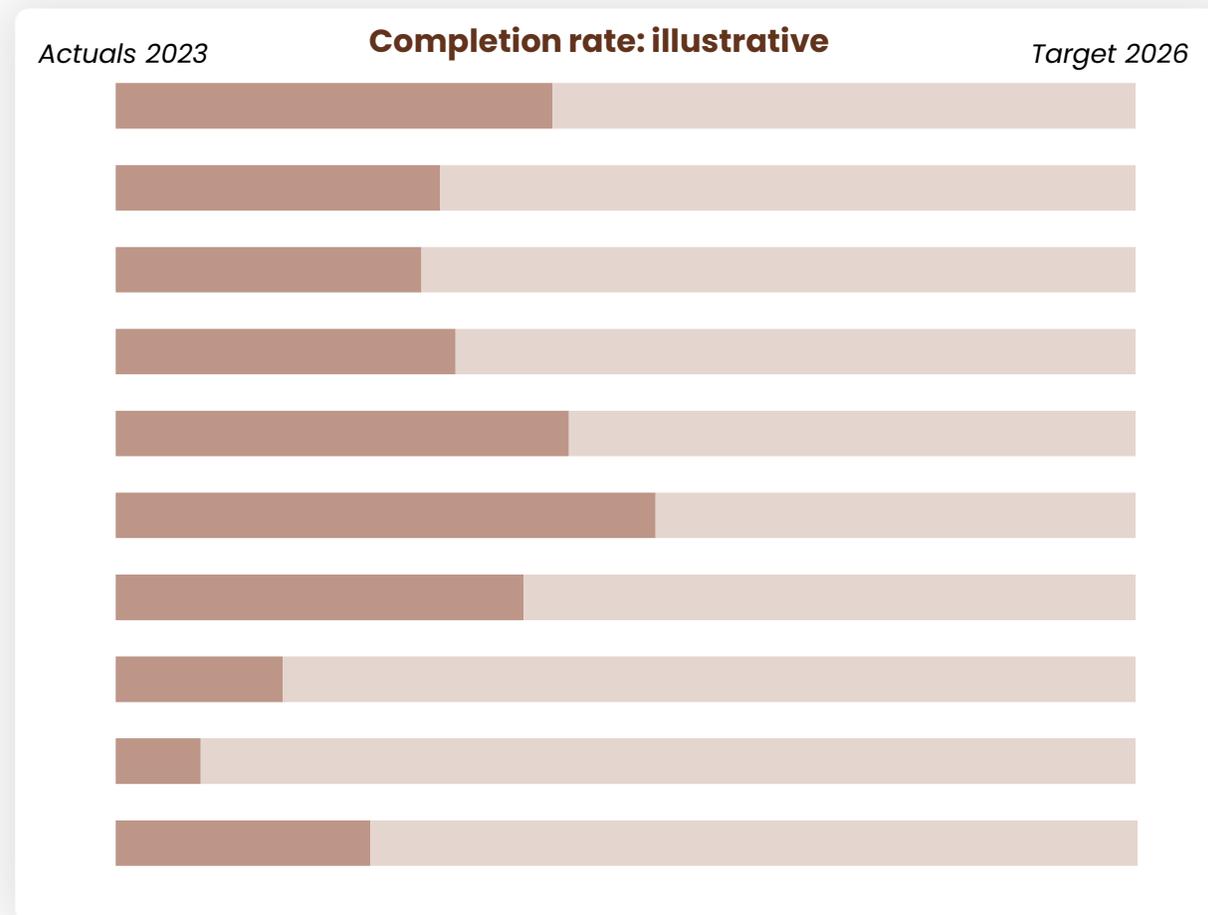
Circa 40–50 closures / transfers over 3 years

It's All About Execution

Illustrative completion rate on key KPIs to monitor progress of the plan

4. 2024-2026 TRAJECTORY

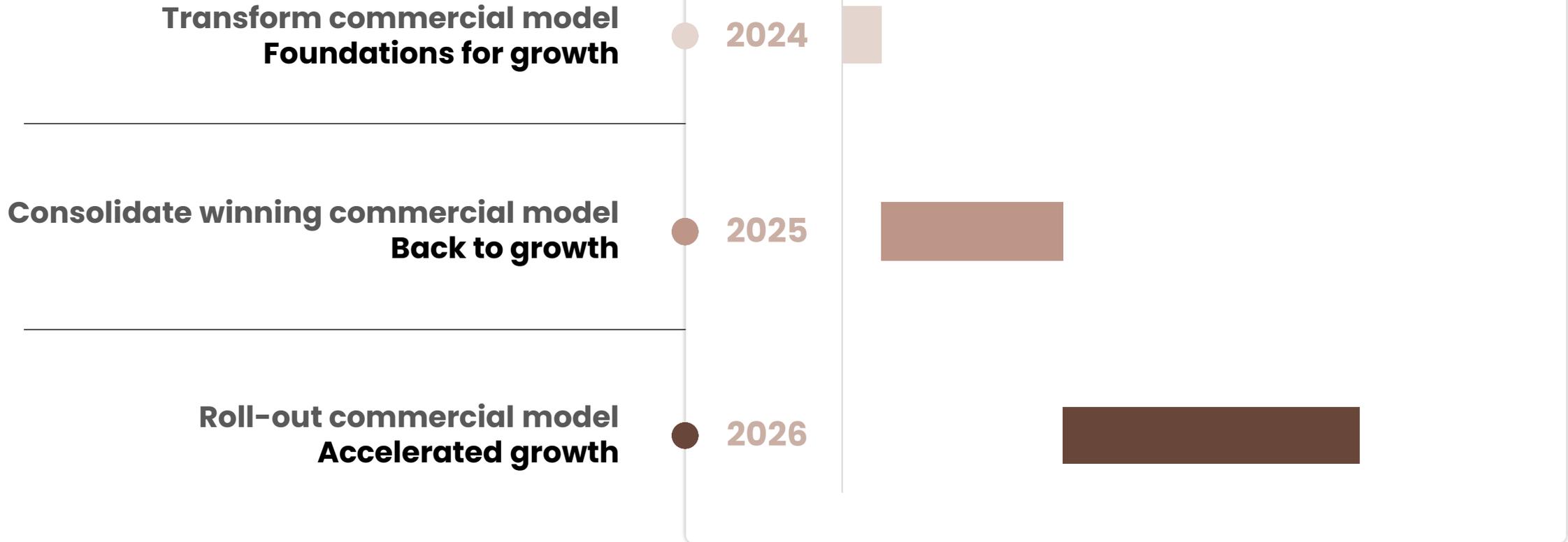
4C	KPI
Customer	1 Stores' transformation rate
	2 Repurchasing rate
	3 Share of sales outside B2C core business
	4 Share of omnichannel customers
	5 Furniture product notation
Cost	6 Cost savings
	7 Number of references
Cash	8 Number of remerchandized stores
	9 Share of retail network under partnership
Collaborator	10 Collaborators' engagement rate



■ 2024 illustrative target completion rate

2024-2026 financial trajectory

Cumulative FCF 2024-2026 above €100m



Over the three-year period, the Group will maintain its **30%-40%** dividend payout ratio

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4. 2024-2026 TRAJECTORY

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Shaping a stronger
and more resilient
Maisons du Monde
to relaunch growth



5. Q&A SESSION



Thank you

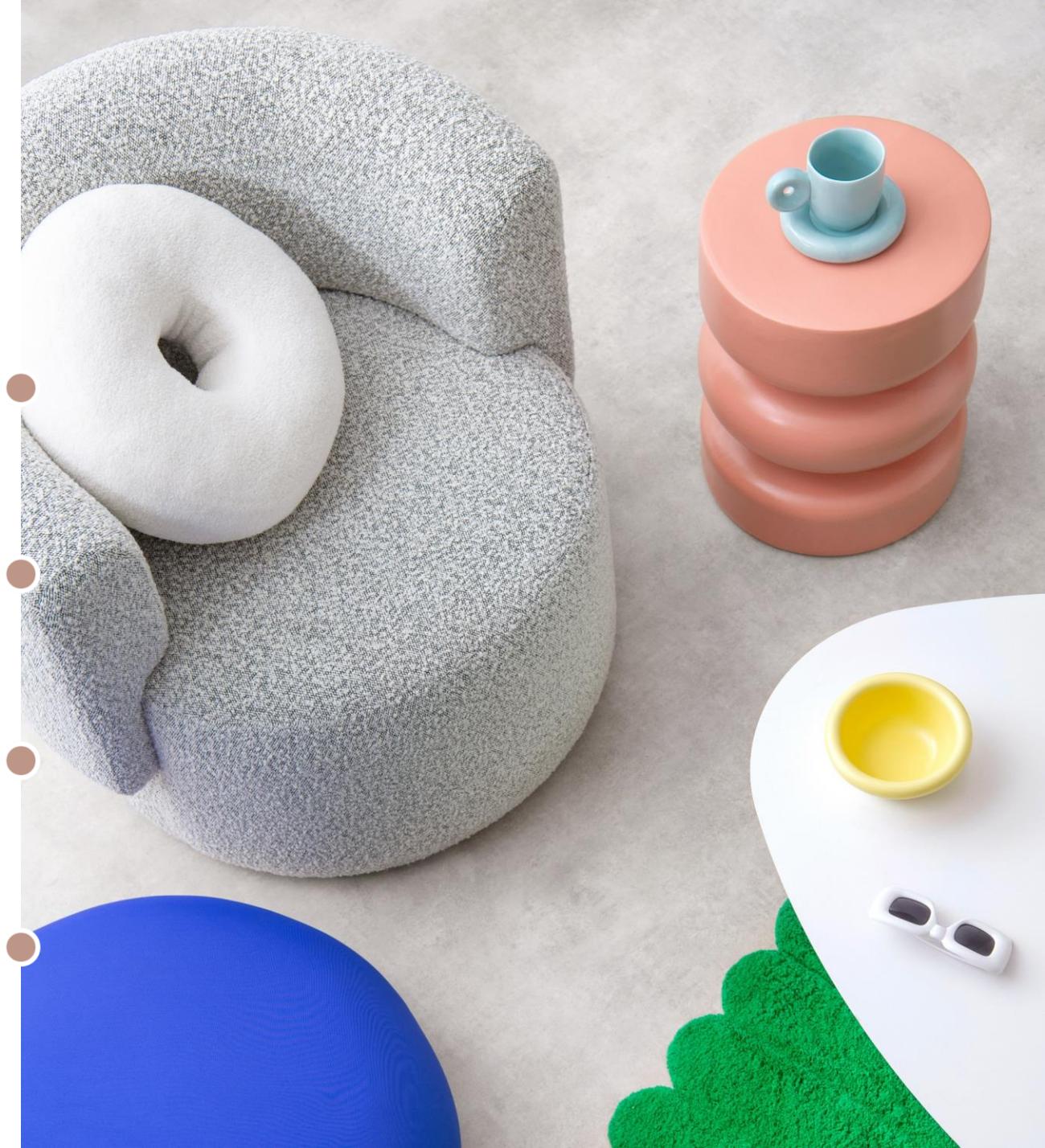
FINANCIAL AGENDA

15 May 2024
Q1 2024 Sales

21 June 2024
Annual General Meeting

29 July 2024
Half-Year 2024 Results

23 October 2024
Q3 2024 Sales





Appendix

FY 2023

SALES to EBIT

<i>(In EUR million)</i>	FY2023	FY2022	% Change
Sales	1,125.4	1,240.4	-9.3%
Cost of goods sold	(399.6)	(437.9)	-8.7%
Gross margin	725.8	802.5	-9.6%
<i>As a % of sales</i>	64.5%	64.7%	
Store operating and central costs	(382.8)	(415.9)	-8.0%
Logistics costs	(135.5)	(159.6)	-15.1%
Operating Costs	(518.3)	(575.5)	-10.0%
EBITDA	207.6	227.0	-8.5%
<i>As a % of Sales</i>	18.4%	18.3%	
Depreciation, amortization and allowance for provisions	(161.8)	(158.5)	+2.1%
EBIT	45.8	68.5	-33.1%
<i>As a % of sales</i>	4.1%	5.5%	

<i>(In EUR million)</i>	31 Dec. 2023	21 Dec. 2022
EBITDA	207.6	227.0
Change in working capital	0.2	(2.8)
Change in other operating items	(19.1)	(12.2)
Net cash generated by/(used in) operating activities	188.7	212.0
Capital expenditures (Capex)	(33.0)	(66.6)
Change in Debt on fixed assets	(2.5)	5.3
Proceeds from sale of non-current assets	1.9	0.8
Decrease in lease debt	(114.4)	(107.3)
Decrease in lease debt/Lease interest paid	(13.3)	(11.8)
Free cash flow	27.4	32.3

FY 2023

Net Debt & Leverage

(In EUR million)

Net debt calculation	31 december 2023	31 december 2022
Convertible bonds (« OCEANE »)	-	195.6
Term loan	100.0	(0.5)
Revolving Credit Facilities (RCFs)	(1.0)	(0.7)
Share buyback	-	28.1
Other debt	20.1	1.7
Gross debt	119.1	224.2
Finance leases	571.0	613.1
Cash & cash equivalents	(29.9)	(121.3)
Net debt (IFRS 16)	660.2	716.1
Less: Lease debt (IFRS 16)	(571.0)	(613.1)
Plus: Lease debt (finance lease)	1.2	2.2
Net debt	90.4	105.1
LTM (Last twelve months) EBITDA ⁽¹⁾	81.3	109.5
Leverage	1.11x	0.96x

(1) EBITDA of €207.6 million is restated in accordance with the senior credit facility agreement dated April 22, 2022



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Paris, 12 March 2024