



PRESS RELEASE

## MAISONS DU MONDE: THIRD-QUARTER 2018 SALES

**Solid Q3 sales growth and positive like-for-like in an anticipated soft trading environment**

**Full-year 2018 targets updated**

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- Q3 2018 sales up 8.6% to €260 million including Modani and up 5.0% at constant perimeter; year-to-date sales up 10.2%, of which +8.1% at constant perimeter
- Like-for-like sales growth of 1.1% at constant perimeter in Q3 2018, and 3.6% year-to-date, reflecting a challenging base effect and the anticipated soft trading environment in France
- Continued strong momentum in online (+17.6%) and international (+11.5%) sales in Q3 2018, which account year-to-date for 24% and 41% of sales respectively
- 5 net store openings in Q3 2018, and 12 year-to-date (of which 8 outside France)
- FY 2018 targets updated:
  - At constant perimeter, sales growth now expected to be between 7% and 8%
  - Including Modani, sales growth now expected to be between 9% and 10%
  - Net store openings:
    - ✓ At constant perimeter: 22 net store openings
    - ✓ Including Modani: 25 net store openings
  - EBITDA guidance unchanged in absolute value, both at constant perimeter and including Modani

**Julie Walbaum, CEO and Arnaud Louet, CFO will host a conference call for analysts and investors on Wednesday, 7 November 2018 at 06:30pm CET**

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**Nantes, 7 November 2018**

Maisons du Monde (Euronext Paris: MDM, ISIN Code: FR0013153541), a European leader in affordable and inspirational decoration and furniture homeware, today announces its third-quarter 2018 sales.

Julie Walbaum, Chief Executive Officer of Maisons du Monde, commented:

*“Maisons du Monde’s third-quarter performance demonstrated the robustness of our business model and omnichannel strategy. Growth momentum remained strong in online sales and international business, which both grew at double-digit rates, offsetting the anticipated soft retail environment in stores in France and an unfavorable base effect. Thanks to its successful integration, Modani also contributed to the overall sales growth in the third quarter.*”



*We expect trends this quarter to be broadly in line with those in Q3, with strong international and online sales and a continued softer environment in stores in France. Reflecting this, we have slightly updated our full-year 2018 sales target. Despite a more cautious outlook on sales growth, we maintain our previous EBITDA guidance in absolute value, both at constant perimeter and including Modani.*

*We have also updated our forecast for net openings and we now expect to open 22 Maisons du Monde stores. This includes a first test of the Maisons du Monde concept in the US, with the opening of a store in Miami before the end of the year.*

*In this key fourth quarter, Maisons du Monde's teams are fully focused on implementing the Group's omnichannel strategy and its commercial initiatives, while pursuing its expansion plan both in France and abroad."*

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### **Q3 2018 performance reflecting the anticipated soft trading environment**

In the third quarter of 2018, Maisons du Monde posted total sales of €260 million, up 8.6% year-on-year including Modani and up 5.0% at constant perimeter. Like-for-like sales growth was 1.1% at constant perimeter, on a challenging comparable base (LFL growth of 10.3% in Q3 2017) and negative calendar effect. This performance was also consistent with the anticipated soft trading environment in stores in France.

The quarter saw continued strong momentum in online sales, up 17.6% year-on-year (24% of sales), as well as international business, up 11.5% year-on-year (41% of sales), confirming the robustness of the Group's business model and omnichannel strategy.

Maisons du Monde also continued to propose an attractive offer for customers. In addition to the autumn-winter decoration collection, highlights included the launch of the first lighting catalogue, a capsule collection in partnership with Chantal Thomass, as well as a collection for pets. Moreover, the Group successfully deployed the in-store and digital Home Decoration Advice Services, which includes a 3D app allowing customers to visualize their furniture items at home.

Furthermore, Maisons du Monde continued to implement its development plan, with 5 net store openings in the quarter (7 gross openings, of which 5 outside France, and 2 closures for relocation in France). The opening of a flagship store in the city center of Madrid (Spain) further cemented the Group's store network expansion strategy. In addition, a new store under franchise was opened in August 2018 in Dubai, bringing the total to seven worldwide.

Lastly, since its acquisition last May, Modani has performed in line with expectations and commercial synergies have continued to be implemented. Three new showrooms were also opened in July 2018, bringing the total to 13 in the US.

### **Continued strong online and international momentum in 9M 2018**

In the first nine months of 2018, Maisons du Monde reported total sales of €767 million, up 10.2% year-on-year including Modani and up 8.1% at constant perimeter. Like-for-like sales growth reached 3.6% at constant perimeter on a challenging comparable base (LFL growth of 9.4% in 9M 2017) and a soft trading environment in France, particularly in the third quarter. Growth momentum remained strong in online sales, up 17.7% year-on-year, and international business, up 12.9% year-on-year. Online now accounts for 24% of sales and 41% of our sales are generated outside of France, demonstrating the success of the Group's omnichannel and international strategy.

In the first nine months, Maisons du Monde recorded 12 net store openings, reflecting 18 gross openings (of which 9 outside France and 5 shop-in-shops) and 6 closures for relocation (of which 5 in France).



As of 30 September 2018, the Group operated 325 stores across eight markets in Europe.

### Full-year 2018 targets updated

Based on its third-quarter and nine-month 2018 performance and its expectations for the fourth quarter, Maisons du Monde updates its full-year 2018 targets:

- At constant perimeter, sales growth now expected to be between 7% and 8%;
- Including Modani, sales growth now expected to be between 9% and 10%;
- Net store openings:
  - At constant perimeter: 22 net store openings;
  - Including Modani: 25 net store openings;
- EBITDA guidance unchanged in absolute value, both at constant perimeter and including Modani.

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### Details of the conference call and webcast

Julie Walbaum, CEO and Arnaud Louet, CFO will host a conference call and webcast to review Maisons du Monde's Q3 & 9M 2018 performance on Wednesday, 7 November at 06:30pm CET (05:30pm GMT). The presentation slides will be available prior to the start of the live event on the Company's website at <https://corporate.maisonsdumonde.com/en>.

To access the conference call, please dial in 10 minutes before the scheduled start time of the live event using the following confirmation code and dial-in numbers:

<b>Confirmation code</b>	<b>703 62 26</b>
France	+33 (0)1 76 77 22 57
United Kingdom	+44 (0)330 336 9411
United States	+1 929 477 0448
Germany	+49 (0)69 2222 2018
Italy	+39 02 3600 9838
Spain	+34 91 419 2514
Switzerland	+41 (0)22 567 5750

The event will be webcast live and can be accessed at <https://edge.media-server.com/m6/p/ibsay2by>.

A replay of the audio webcast will be available approximately two hours after the end of the live event for a period of one year and can be accessed at <https://edge.media-server.com/m6/p/ibsay2by>

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## APPENDICES

### Summary of Q3 2018 sales for Maisons du Monde<sup>1</sup>

In € million	Three months ended 30 September		
	2017	2018	% change
<b>Sales</b>	<b>239.3</b>	<b>251.2</b>	<b>+5.0%</b>
<i>% like-for-like change</i>	<i>+10.3%</i>	<i>+1.1%</i>	<i>-</i>
<b>Sales by geography</b>			
France	146.3	147.6	+0.8%
International	92.9	103.6	+11.5%
<b>Total</b>	<b>239.3</b>	<b>251.2</b>	<b>+5.0%</b>
France (%)	61.2%	58.8%	-
International (%)	38.8%	41.2%	-
<b>Total (%)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>
<b>Sales by distribution channel</b>			
Stores	188.1	190.9	+1.5%
Online	51.2	60.2	+17.6%
<b>Total</b>	<b>239.3</b>	<b>251.2</b>	<b>+5.0%</b>
Stores (%)	78.6%	76.0%	-
Online (%)	21.4%	24.0%	-
<b>Total (%)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>
<b>Sales by product category</b>			
Decoration	134.7	135.6	+0.7%
Furniture	104.6	115.6	+10.5%
<b>Total</b>	<b>239.3</b>	<b>251.2</b>	<b>+5.0%</b>
Decoration (%)	56.3%	54.0%	-
Furniture (%)	43.7%	46.0%	-
<b>Total (%)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>

<sup>1</sup> Excluding Modani.

## Summary of 9M 2018 sales for Maisons du Monde<sup>2</sup>

In € million	Nine months ended 30 September		
	2017	2018	% change
<b>Sales</b>	<b>695.9</b>	<b>752.4</b>	<b>+8.1%</b>
<i>% like-for-like change</i>	+9.4%	+3.6%	-
<b>Sales by geography</b>			
France	425.3	446.9	+5.1%
International	270.5	305.4	+12.9%
<b>Total</b>	<b>695.9</b>	<b>752.4</b>	<b>+8.1%</b>
France (%)	61.1%	59.4%	-
International (%)	38.9%	40.6%	-
<b>Total (%)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>
<b>Sales by distribution channel</b>			
Stores	542.6	571.9	+5.4%
Online	153.2	180.4	+17.7%
<b>Total</b>	<b>695.9</b>	<b>752.4</b>	<b>+8.1%</b>
Stores (%)	78.0%	76.0%	-
Online (%)	22.0%	24.0%	-
<b>Total (%)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>
<b>Sales by product category</b>			
Decoration	377.6	399.9	+5.9%
Furniture	318.3	352.5	+10.7%
<b>Total</b>	<b>695.9</b>	<b>752.4</b>	<b>+8.1%</b>
Decoration (%)	54.3%	53.2%	-
Furniture (%)	45.7%	46.8%	-
<b>Total (%)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>

<sup>2</sup> Excluding Modani.

### Key Q3 2018 financial metrics

In € million	Three months ended 30 September		
	2017	2018	% change
<b>Sales</b>	<b>239.3</b>	<b>259.8</b>	<b>+8.6%</b>
<u>Of which</u> Maisons du Monde	239.3	251.2	+5.0%
% like-for-like change	+10.3%	+1.1%	-
Modani	-	8.6	n/a

### Key 9M 2018 financial metrics

In € million	Nine months ended 30 September		
	2017	2018	% change
<b>Sales</b>	<b>695.9</b>	<b>766.8</b>	<b>+10.2%</b>
<u>Of which</u> Maisons du Monde	695.9	752.4	+8.1%
% like-for-like change	+9.4%	+3.6%	-
Modani	-	14.5	n/a

### Evolution of the Maisons du Monde store network<sup>3</sup>

In unit	Period ended				
	31-Dec-17	31-Mar-18	30-Jun-18	30-Sept-18	30-Sept-18
France	212	213	216	216	216
Italy	42	42	42	45	45
Belgium	22	21	21	21	21
Spain	20	20	20	21	21
Luxembourg	2	2	3	3	3
Germany	9	9	9	9	9
Switzerland	6	6	6	6	6
United Kingdom	-	-	3	4	4
<b>Number of stores</b>	<b>313</b>	<b>313</b>	<b>320</b>	<b>325</b>	<b>325</b>
Net store openings	-	-	+7	+5	+12
<b>Sales area (K sqm)</b>	<b>363.0</b>	<b>365.4</b>	<b>371.0</b>	<b>376.5</b>	<b>376.5</b>
Change (K sqm)		+2.4	+5.6	+5.5	+13.5

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<sup>3</sup> Excluding Modani.

### Key operating metrics

Besides the financial indicators set out in International Financial Reporting Standards (IFRS), Maisons du Monde's management uses several key metrics to evaluate, monitor and manage its business. The non-IFRS operational and statistical information related to Group's operations included in this press release is unaudited and has been taken from internal reporting systems. Although none of these metrics are measures of financial performance under IFRS, the Group believes that they provide important insight into the operations and strength of its business. These metrics may not be comparable to similar terms used by competitors or other companies.

- **Sales:** Represent the revenue from sales of decorative items and furniture through the Group's retail stores, websites and BtoB activities. They mainly exclude (i) customer contribution to delivery costs, (ii) revenue for logistics services provided to third parties, and (iii) franchise revenue. The Group uses the concept of "sales" rather than "total revenue" to calculate like-for-like growth, gross margin, EBITDA margin and EBIT margin.
- **Like-for-like sales growth:** Represents the percentage change in sales from the Group's retail stores, websites and BtoB activities, net of product returns between one financial period (n) and the comparable preceding financial period (n-1), excluding changes in sales attributable to stores that opened or were closed during either of the comparable periods. Sales attributable to stores that closed temporarily for refurbishment during any of the periods are included.
- **Gross margin:** Is defined as sales minus cost of sales. Gross margin is also expressed as a percentage of sales.
- **EBITDA:** Is defined as current operating profit, excluding (i) depreciation, amortization, and allowance for provisions, (ii) the change in the fair value of derivative financial instruments, and (iii) store pre-opening expenses.
- **EBIT:** Is defined as EBITDA after depreciation, amortization, and allowance for provisions.
- **Net debt:** Is defined as the Group's convertible bonds ("OCEANE"), term loan, revolving credit facilities, finance lease debt, deposits and bank borrowings, net of cash and cash equivalents.
- **Leverage ratio:** Is defined as net debt divided by EBITDA (including Modani on a pro forma basis for the period, excluding the liabilities from the earn-out and the put option).

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## Financial calendar<sup>4</sup>

**12 March 2019** Full-year 2018 results (press release and conference call after market close)

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### **Disclaimer: Forward Looking Statement**

*This press release 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. Such forward-looking statements are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could cause actual results to differ materially from the future results expressed, forecasted or implied by such forward-looking statements. 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 press release 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.*

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### **About Maisons du Monde**

Maisons du Monde is a creator of inspirational lifestyle universes in the homeware industry, offering distinctive and affordable decoration and furniture collections that showcase multiple styles. The Group develops its business through an integrated and complementary omnichannel approach, leveraging its international network of stores, websites and catalogues. The Group was founded in France in 1996 and has profitably expanded across Europe since 2003. The Group posted sales of €1,011 million and EBITDA of €139 million for the year ended 31 December 2017. In 2017, the Group operated 313 stores in seven countries including France, Italy, Spain, Belgium, Germany, Switzerland, and Luxembourg, and derived over 38% of its sales from outside France. The Group has also built a successful complementary and comprehensive online shopping website, sales from which grew 35% per year on average between 2010 and 2017. The website is available in eleven countries: the seven countries where the Group operates stores plus Austria, the Netherlands, Portugal and the United Kingdom. In 2017, online sales represented 21% of the Group's sales.

[corporate.maisonsdumonde.com](http://corporate.maisonsdumonde.com)

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<sup>4</sup> Indicative timetable.