



PRESS RELEASE

MAISONS DU MONDE 2020-2024: A NEW CHAPTER IN OUR GROWTH STORY

A renewed growth model to become the preferred lifestyle partner:

- An increasingly omnichannel, international and data-driven company
- A strengthened offer and heightened customer engagement to enhance brand attractiveness
- New growth avenues to expand the core business: Marketplace and services
- Acceleration of B2B, franchising and USA expansion

Our 2020-2024 ambitions¹:

- Delivering 10%+ sales CAGR to exceed €2.0 billion in sales in 2024
 - Sales around 60% digital² and over 50% international by end of plan
 - Robust profitability with EBITDA margin target of 12% in 2024 and 10%+ net income CAGR throughout the plan
 - High cash flow generation, with more than €300 million cumulated recurring free cash flow³ over the plan
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Nantes, 18 June 2019

Maisons du Monde (Euronext Paris: MDM, ISIN Code: FR0013153541), a European leader in affordable and inspirational decoration and furniture homeware, is hosting today its Capital Markets Day. During this event, Maisons du Monde will present its 2020-2024 strategic plan and new financial targets, building on its unique model and advanced omnichannel proposition to continue its growth story and be the preferred lifestyle partner for its customers.

On this occasion, Julie Walbaum, Chief Executive Officer of Maisons du Monde declared:

"I am very proud to open today a new chapter in the Maisons du Monde growth story and reveal our ambition to become the preferred lifestyle partner for our consumers. Building on our distinctive offer, our strong retailing model and our powerful brand, we are well placed to sharpen our differentiated positioning in a fast-changing market. With a clear strategy and a renewed growth model, we will reach more than €2 billion in sales in 2024. Over the next five years, we will reinforce our omnichannel proposition by leveraging our seamless integration of stores and online and our growing data capabilities and we will boost our international expansion through a smart localization approach. We will also develop complementary growth avenues, launching a selective marketplace to become the go-to curator for stylish homes and introducing new services to provide comprehensive solutions for our customers, notably through decoration advice. In addition, we will accelerate our growth in B2B and franchising and will further expand our presence in the US. As a responsible company, we will also step up our CSR commitments, with advances in terms of offer, logistics and employee engagement. We are confident this plan will allow us to deliver double-digit annual sales growth, robust profitability and strong cash flow over the next five years."

¹ Before the application of the IFRS 16 standard.

² Digital sales include online sales and click-in-store sales.

³ Recurring free cash flow is defined as EBITDA minus change in working capital requirement, change in other operating items and recurring capital expenditure.



Maisons du Monde's ambition is to become the preferred lifestyle partner, by offering everyone a rich and relevant set of solutions, providing a seamless and enjoyable customer experience, engaging them in an ongoing conversation and conveying values of responsibility and inclusiveness.

A clear roadmap to achieve Maisons du Monde's vision

- **An even more differentiated offer:** Maisons du Monde aims to sharpen its product leadership by reinforcing its creativity through more themes and capsule collections with partners and by developing product customization.
- **Increasingly digital and data-driven business:** Maisons du Monde's business will become increasingly digital and data-driven, with further integration of online and offline operations. **By 2024, digital sales will increase more than two and a half times, taking online to 30-35% of sales and total digital sales (including click-in-store) to around 60% of total sales**, with an international focus. Maisons du Monde will achieve this objective through increased marketing investment for better brand awareness, further improvement in the user experience and a tailored international approach.
- **Updated store expansion strategy to boost international development:** Maisons du Monde will continue to dynamically manage its store network and reinforce its store concept, with the optimization of its French network (10-20 net openings over the period) and continued International expansion. Of the 80 to 100 planned net store openings through 2024, around 80% will be outside of France, increasing Maisons du Monde's European footprint in existing geographies. Store format mix will be adapted to each market and may include premium locations in city centers to enhance brand awareness and boost online activity.
- **Industrialized approach to supply chain:** In order to support online growth and international expansion, our supply chain will be further upgraded. Logistics efficiency in our central warehouse will continue to improve by densifying space and adopting lean management methods. Additionally, a new 65,000 sqm distribution center located in Northwestern France will become operational in 2021 and automated in 2022. This new logistics model, combined with advanced data-driven inventory management, is a cornerstone of our operational performance, which will further improve the customer experience and satisfaction.
- **Upgraded CSR ambition:** Convinced that companies should be leading actors in environmental and social responsibility, Maisons du Monde's new growth plan includes an upgraded CSR ambition. We aim to reduce our global carbon intensity by 25% in 2024, by reinforcing supply chain transparency, reducing our carbon footprint throughout the value chain, increasing the range of sustainable products and developing services in the circular economy concept.

New growth avenues to extend core business

- **Becoming the go-to curator for stylish homes with the launch of Maisons du Monde's marketplace:** In 2020, Maisons du Monde will launch a selective marketplace, the logical next step for its curated model. Through this extended offer, Maisons du Monde will increase traffic to its website and stores and raise brand awareness across its markets. Maisons du Monde's marketplace vendors are expected to generate €160 million to €180 million gross merchandise value at the end of the plan, with an EBITDA-accretive model.
- **Evolving from pure retailer to lifestyle partner with enriched service offering:** Services are essential to providing an ongoing enjoyable experience and strengthening our proximity to customers. Over the life of the plan, we will further develop services through our customer pathways, including multiple delivery options, product upcycling and recycling, payment solutions and a suite of tools around decoration advice. With Rhinov, the interior decoration start-up in which Maisons du Monde has just taken a majority stake, we will generate €20 million to €40 million in sales and further position ourselves as the preferred lifestyle partner. We will also step up our engagement with our user communities by providing extensive brand content and encouraging peer-to-peer interactions.



- **B2B & franchising, a natural extension of our successful B2C model:** B2B represented €30 million in sales in 2018. The market offers strong further potential, as trends in hospitality and workspaces match Maisons du Monde's style and inspiration-based DNA. We will expand our B2B product range and marketing efforts to achieve sales of above €100 million in 2024, with an accretive impact on EBITDA margin. Franchising, through an accelerated roll-out program with our existing partners, will lead to €60 million in sales under banner in 2024.
- **The USA, a new growth engine for Maisons du Monde:** Following its successful integration into Maisons du Monde, Modani will be the Group's primary growth engine in the USA. We expect Modani to reach sales of around \$200 million in 2024, with a further acceleration of store openings (from 13 to more than 50 stores), an expanded decoration offer and a ramp-up in online. Maisons du Monde will follow a tactical test-and-learn development approach for its own banner, with at least five store openings planned through 2024.

2020-2024 financial objectives⁴

Maisons du Monde aims to deliver:

- **Continued double-digit sales growth:** 10%+ CAGR to exceed €2.0 billion in sales in 2024, leveraging our advanced omnichannel model, increasing international presence and the contribution from new growth avenues;
- **Robust profitability:** EBITDA margin is targeted at 12% in 2024 and will be in a range of between 11% and 12% in the intermediate years of the plan. This evolution is the result of strategic choices in order to strengthen our model and sustain our double-digit sales growth. Net income will grow in line with sales at a 10%+ CAGR throughout the plan;
- **Strong cash generation and shareholder return:** Cumulated recurring free cash-flow will be above €300 million over the 2020-2024 period and will allow further deleveraging, to 0.5x EBITDA in 2024, while maintaining our dividend policy, with a payout ratio of 30% to 40% of net income.

Webcast

Maisons du Monde is hosting today in Paris a Capital Markets Day to present its 2020-2024 strategic plan and new financial targets. A live webcast of the event will start at 09:30am CEST (08:30am BST) and can be accessed at <https://edge.media-server.com/m6/p/8rmvcgst>.

The presentation will be available for download on the "Finance" section of Maisons du Monde's website at <https://corporate.maisonsdumonde.com/en>.

⁴ Before the application of the IFRS 16 standard.

GLOSSARY

- **Sales:** Represent the revenue from sales of decorative items and furniture through the Group's stores, website and B2B business. They mainly exclude customer contribution to delivery costs, revenue from logistics services provided to third parties, and franchising revenue.
- **Digital sales:** Include online sales and click-in-store sales, which correspond to customer orders made in-store, through digital devices such as tablets, of products not physically displayed in-store.
- **Gross Merchandise Value:** Is defined as the total value of merchandise sold through a marketplace.
- **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 depreciation, amortization, and allowance for provisions, the change in the fair value of derivative financial instruments, and pre-opening expenses.
- **EBIT:** Is defined as EBITDA after depreciation, amortization, and allowance for provisions.
- **Recurring free cash flow:** Is defined as EBITDA minus change in working capital requirement, change in other operating items and recurring capital expenditure.
- **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).



Financial calendar⁵

29 July 2019	First-half 2019 results (press release and conference call after market close)
30 October 2019	Third-quarter 2019 sales (press release and conference call after market close)

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.

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, its websites and its catalogues. The Group was founded in France in 1996 and has expanded profitably across Europe since 2003, reporting sales of €1,111 million and EBITDA of €148 million in 2018. At 31 December 2018, the Group operated 336 stores in 9 countries including France, Italy, Spain, Belgium, Luxembourg, Germany, Switzerland, the United States and the United Kingdom, and derived 40% of its sales outside France. The Group has also built a successful complementary and comprehensive ecommerce platform, whose sales grew by over 30% per year on average between 2010 and 2018. This platform, which accounted for 23% of the Group's sales in 2018, is available in the countries where it operates stores plus Austria, the Netherlands and Portugal. In 2018, the Group acquired a majority stake in Modani, a furniture chain present in the United States through its stores and ecommerce business. Modani, founded in 2017, is an aspirational lifestyle brand, offering high-quality proprietary modern, contemporary and mid-century furniture at affordable price points, with a nationwide presence through a network of 13 showrooms.

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⁵ Indicative timetable.