



PRESS RELEASE

MAISONS DU MONDE: FIRST-HALF 2019 RESULTS

Strong sales momentum, notably driven by online and international growth

First-half profitability in line with our expected phasing

Full-year 2019 targets confirmed

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- Sales up 10.9% at constant exchange rates (+11.2% at current exchange rates) to €564m
 - Sales growth of 8.3% at constant perimeter¹, of which +4.4% like-for-like²
 - Acceleration in Q2 (+6.5%) versus Q1 (+2.4%)
 - Continued strong momentum across online (+23.3%) and international (+23.5%) activities, accounting for c.26% and c.45% of sales respectively
 - 15 gross store openings and 6 closures for relocation
 - EBITDA³ of €45.6m and EBITDA margin³ of 8.1%, in line with expected phasing
 - Leverage ratio³ of 1.4x vs. 1.5x at 30 June 2018
 - Full-year 2019 guidance confirmed⁴:
 - Continued sales growth of around 10%
 - 35-40 gross store openings, of which two-thirds outside France, and around 10 store closures for relocation
 - EBITDA margin above 13% of sales

Nantes, 29 July 2019

Maisons du Monde (Euronext Paris: MDM, ISIN Code: FR0013153541), a European leader in affordable and inspirational decoration and furniture homeware, today announces its first-half 2019 results.

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

"Maisons du Monde's sales grew once again in double digits in the first half, of which 4.4% like-for-like, demonstrating the continued momentum of our omnichannel and international model. Modani continues its rapid expansion and confirms its development potential in the US. We are also very pleased with the recent acquisition of Rhinov, whose capabilities will allow us to strengthen brand differentiation and set the stage for our new strategic plan."

¹ At constant exchange rates (+8.5% at current exchange rates in H1 2019 vs. H1 2018).

² Excluding Modani and on a same-store basis.

³ Pre-IFRS 16.

⁴ Including Modani and pre-IFRS 16 impact.

In line with our expectations, first-half profitability was weighed down by currency effects and, to a lesser extent, by heightened promotional activity. This temporary increase in promotions was driven by our conscious decision to bring down in-store inventory to prepare for our new strategy of streamlined and more impactful collections. We also incurred higher marketing and logistics costs than last year at Modani, linked to our growth strategy in the USA.

EBITDA will accelerate in the second half through the combined effects of our traditional seasonality, favorable foreign exchange, lower promotional intensity and a stronger contribution from Modani. We remain fully committed to achieving our full-year financial targets and preparing for the next chapter of our growth story, as presented at our recent Capital Markets Day."

Strong sales performance in the first half of 2019

Maisons du Monde reported sales of €564 million in the first half of 2019, up 10.9% at constant exchange rates compared to the first half of 2018. Like-for-like sales growth reached 4.4% in the first half of 2019, reflecting the robustness of the Group's omnichannel and international strategy. This performance was achieved despite a challenging comparable base (LFL growth of 4.8% in H1 2018) and a soft retail environment in France. Like-for-like sales growth accelerated in Q2 to +6.5% versus +2.4% in Q1. Growth remained strong in online sales (+22.3%) and international business (+23.5%), representing c.26% and c.45% of Group sales.

In the first half of the year, Maisons du Monde remained focused on the implementation of its business priorities. The Group successfully launched its new indoor, outdoor and kids collections. Our first customizable sofa was released and met with immediate success. We also continued our B2B development with the launch of our new B2B catalogue, including 850 SKUs, of which 140 specifically-designed products. The opening of the Maisons du Monde Hotel & Suites in Nantes now allows us to showcase our offer. In addition, in line with our strategic decision to expand our offering in decoration services, Maisons du Monde took a majority stake in Rhinov, which allows customers to get professional interior decoration advice that fits their style and budget at a very competitive price.

Continuing our advances in enhancing our customer omnichannel experience, we improved our search engine and product categories and launched four e-catalogs (indoor, outdoor, kids and B2B). We also began testing in-store returns of decoration items ordered online.

In order to enhance the in-store experience, Maisons du Monde launched its personalized employee training program in pilot stores and continued to deploy its decoration advice corners, which are now rolled out in about 150 stores across its network at the end of H1 2019. Moreover, the group continued to strengthen its customer relationships, focusing on the personalization of its communications, the optimization of its marketing investments and the reinforcement of its brand visibility through social media, influence and PR.

Furthermore, Maisons du Monde continued to implement its store network development roadmap with 13 gross store openings, including 6 in France and 7 across international markets, of which its first store under its banner in Portugal. Six other stores were closed for relocation during the period (of which 3 in France, 1 in Belgium and 2 in Italy), as part of the Group's active management of its store portfolio. As of 30 June 2019, Maisons du Monde operated 343 stores in 10 countries, with total sales area of 395,400 sqm, up by approximately 8,200 sqm compared to 31 December 2018.

Lastly, Modani continued to deliver strong sales growth in the first half of 2019 with sales of €20.3 million, up 19.2% on a pro forma basis compared to the first half of 2018. Two new showrooms were opened during the period, bringing the total to 15 showrooms across the US as of 30 June 2019.

Profitability evolution in line with our expected phasing for the year

Gross margin slowed in the first half of 2019, as expected, reaching 64% compared to 65% in the first half of 2018. This contraction was due to unfavorable foreign exchange effects, temporarily higher promotional activity and, to a lesser extent, a higher share of furniture sales in product mix.

In line with our expected phasing for the year, EBITDA⁵ amounted to €45.6 million in the first half 2019, down 4.9% year-on-year, resulting in an EBITDA margin of 8.1%, down 140bps compared to the first half of 2018. This anticipated drop reflected lower gross margin, as well as temporary pressure on logistics and marketing costs at Modani, linked to its rapid expansion.

We expect the Group's EBITDA margin to improve significantly in H2 2019, thanks to traditional seasonality, more favorable foreign exchange rates, lower promotional intensity and a stronger contribution from Modani.

EBIT⁵ amounted to €26.7 million in the first half 2019, down 12.9% year-on-year, reflecting lower EBITDA and an increase in D&A of €1.5 million versus H1 2018. EBIT margin stood at 4.7% in the first half of 2019 compared to 6% in the first half of 2018.

Operating profit⁵ reached €19.5 million in the first half 2019, up 5.3% year-on-year, including a positive change in the fair value of financial derivative instruments of €4.6 million compared to a negative change of €0.8 million in the first half of 2018.

Net income⁵ amounted to €7.2 million in in the first half 2019, down 10.8% compared to €8.1 million in in the first half 2018, largely due to higher income tax.

Improvement in Free cash flow

Operating activities generated a net cash inflow⁵ of €20.1 million in in the first half 2019 compared to a net cash outflow of €8.7 million in in the first half 2019, mainly due to a positive change in working capital requirements of €0.3 million in H1 2019 compared to a negative contribution of €44.2 million in H1 2018.

Free cash flow⁵ was a net outflow of €15.1 million in in the first half of 2019 compared to a net outflow of €62 million in in the first half of 2018, including capital expenditure of €23.4 million, principally allocated to new store openings and maintenance and renovation of our store network.

Inventory levels decreased from €241.2 million at 31 December 2018 to €215.8 million at 30 June 2019, down 10.5%, reflecting the Group's decision to bring down in-store inventory to lay the foundations for the roll-out of the business priorities presented at the Capital Markets Day, which include enhanced visual attractiveness of its offer.

Further deleveraging

The leverage ratio⁵ was 1.4x at 30 June 2019 compared to 1,5x at 30 June 2018. The Group's net debt amounted to €204.2 million at 30 June 2019 compared to €213.1 million at 30 June 2018.

Implementation of IFRS 16 standard

The IFRS 16 "Leases" standard, applicable to financial years beginning from 1 January 2019, replaces IAS 17 and the associated IFRIC and SIC interpretations. This standard imposes a single method of accounting for contracts by lessees by recognizing an asset "right of use relating to leases" and a liability "lease debt". The lease term is defined contract by contract and corresponds to the fixed period of the commitment taking into account the optional periods that are reasonably certain to be exercised.

⁵ Pre-IFRS 16.



On January 1, 2019, the Group elected to apply the simplified retrospective method of accounting for the cumulative effect of the initial application as an adjustment to opening equity. As a result, data for prior years have not been restated and are presented in accordance with previous accounting policies, as presented in the consolidated financial statements as of 31 December 2018. In order to facilitate the comparison with previous periods, the Group presents non IFRS financial metrics pre-IFRS 16.

H2 2019 business priorities

In the second half of 2019, Maisons du Monde will continue to implement its business priorities and prepare the roll-out of its 2020-2024 plan.

The Group will concentrate its efforts on the following five priorities:

- Further enhance its product proposition, with more and narrower decoration collections, as well as fine-tuned in-store merchandizing to improve in-store visual attractiveness;
- Continue to develop its store network in an agile manner, including an opening in Germany (Köln);
- Keep on strengthening its omnichannel experience with initiatives such as the roll out of in-store returns of decoration orders and the revamping of its salesforce tablet app;
- Further develop its customer relationships through further personalization of communications and optimized marketing;
- Support the expansion of Modani and further test the Maisons du Monde concept in the USA.

FY 2019 guidance confirmed⁶

Maisons du Monde confirms its full-year 2019 guidance on the back of a stronger second half, in line with our expected phasing for the year. We expect continued positive sales momentum in H2 2019 and an improvement in profitability versus H1 2019.

We expect for full-year 2019:

- Continued sales growth of around 10%;
- 35-40 gross store openings, of which two thirds outside France (including 5 for Modani), and around 10 store closures for relocation (mainly in France);
- EBITDA margin above 13% of sales.

⁶ Including Modani and pre IFRS 16.

APPENDIX⁷

Summary of Q2 2019 sales⁸

In € million	Three months ended 30 June		
	2018	2019	% change
Sales	251.9	283.7	+12.6%
% change at constant exchange rates			+12.2%
<i>% like-for-like change</i>	+4.2%	+6.5%	-
Sales by geography			
France	144.6	151.2	+4.5%
International	107.3	132.5	+23.5%
Total	251.9	283.7	+12.6%
France (%)	57.4%	53.3%	-
International (%)	42.6%	46.7%	-
Total (%)	100.0%	100.0%	-
Sales by distribution channel			
Stores	190.5	207.0	+8.7%
Online	61.4	76.7	+25.0%
Total	251.9	283.7	+12.6%
Stores (%)	75.6%	73.0%	-
Online (%)	24.4%	27.0%	-
Total (%)	100.0%	100.0%	-
Sales by product category			
Decoration	122.7	136.6	+11.3%
Furniture	129.2	147.1	+13.8%
Total	251.9	283.7	+12.6%
Decoration (%)	48.7%	48.1%	-
Furniture (%)	51.3%	51.9%	-
Total (%)	100.0%	100.0%	-

⁷ The audit procedures are being finalized.

⁸ Including Modani.

Summary of Q2 2019 sales at constant perimeter⁹

In € million	Three months ended 30 June		
	2018	2019	% change
Sales	246.1	272.4	+10.7%
% change at constant exchange rates			+10.5%
<i>% like-for-like change</i>	+4.2%	+6.5%	-
Sales by geography			
France	144.6	151.2	+4.5%
International	101.4	121.2	+19.5%
Total	246.1	272.4	+10.7%
France (%)	58.8%	55.5%	-
International (%)	41.2%	44.5%	-
Total (%)	100.0%	100.0%	-
Sales by distribution channel			
Stores	185.2	197.0	+6.4%
Online	60.8	75.3	+23.9%
Total	246.1	272.4	+10.7%
Stores (%)	75.3%	72.3%	-
Online (%)	24.7%	27.7%	-
Total (%)	100.0%	100.0%	-
Sales by product category			
Decoration	122.7	136.5	+11.3%
Furniture	123.4	135.9	+10.1%
Total	246.1	272.4	+10.7%
Decoration (%)	49.9%	50.1%	-
Furniture (%)	50.1%	49.9%	-
Total (%)	100.0%	100.0%	-

⁹ Excluding Modani.

Summary of H1 2019 sales¹⁰

In € million	Six months ended 30 June		
	2018	2019	% change
Sales	507.0	564.0	+11.2%
% change at constant exchange rates			+10.9%
<i>% like-for-like change</i>	+4.8%	+4.4%	-
Sales by geography			
France	299.4	307.5	+2.7%
International	207.7	256.5	+23.5%
Total	507.0	564.0	+11.2%
France (%)	59.0%	54.5%	-
International (%)	41.0%	45.5%	-
Total (%)	100.0%	100.0%	-
Sales by distribution channel			
Stores	386.2	415.1	+7.5%
Online	120.8	148.9	+23.3%
Total	507.0	564.0	+11.2%
Stores (%)	76.2%	73.6%	-
Online (%)	23.8%	26.4%	-
Total (%)	100.0%	100.0%	-
Sales by product category			
Decoration	264.3	285.8	+8.1%
Furniture	242.7	278.2	+14.6%
Total	507.0	564.0	+11.2%
Decoration (%)	52.1%	50.7%	-
Furniture (%)	47.9%	49.3%	-
Total (%)	100.0%	100.0%	-

¹⁰ Including Modani.

Summary of H1 2019 sales at constant perimeter¹¹

In € million	Six months ended 30 June		
	2018	2019	% change
Sales	501.2	543.8	+8.5%
% change at constant exchange rates			+8.3%
<i>% like-for-like change</i>	+4.8%	+4.4%	-
Sales by geography			
France	299.4	307.5	+2.7%
International	201.8	236.3	+17.1%
Total	501.2	543.8	+8.5%
France (%)	59.7%	56.6%	-
International (%)	40.3%	43.4%	-
Total (%)	100.0%	100.0%	-
Sales by distribution channel			
Stores	381.0	397.0	+4.2%
Online	120.2	146.8	+22.1%
Total	501.2	543.8	+8.5%
Stores (%)	76.0%	73.0%	-
Online (%)	24.0%	27.0%	-
Total (%)	100.0%	100.0%	-
Sales by product category			
Decoration	264.3	285.6	+8.0%
Furniture	236.8	258.2	+9.0%
Total	501.2	543.8	+8.5%
Decoration (%)	52.7%	52.5%	-
Furniture (%)	47.3%	47.5%	-
Total (%)	100.0%	100.0%	-

¹¹ Excluding Modani.

Key Q2 2019 sales metrics

In € million		Three months ended 30 June		
		2018	2019	% change
Sales		251.9	283.7	+12.6%
% change at constant exchange rates				+12.2%
<u>Of which</u>	Maisons du Monde	246.1	272.4	+10.7%
	% like-for-like change	+4.2%	+6.5%	-
	Modani	5.8	11.4	n/a

Key H1 2019 financial metrics before IFRS 16 impact

In € million		Six months ended 30 June		
		2018	2019	% change
Sales		507.0	564.0	+11.2%
% change at constant exchange rates				+10.9%
<u>Of which</u>	Maisons du Monde	501.2	543.8	+8.5%
	% like-for-like change	+4.8%	+4.4%	-
	Modani	5.8	20.3	n/a
Gross margin		329.7	360.7	+9.4%
As a % of sales		65.0%	64.0%	(110)bps
EBITDA		48.0	45.6	(4.9)%
As a % of sales		9.5%	8.1%	(140)bps
EBIT		30.6	26.7	(12.9)%
As a % of sales		6.0%	4.7%	(130)bps
Net income		8.1	7.2	(10.8)%
Free cash flow¹²		(25.7)	(10.8)	n/a
Net debt		213.1	204.2	(4.2)%
Leverage ratio ¹³ (x)		1.5x	1.4x	(0.1)x

¹² Before acquisition of financial assets and acquisition of subsidiaries (net of cash acquired).

¹³ Net debt divided by last-twelve-months EBITDA (including Modani on a pro forma basis for the period ending 30 June 2018, and excluding the liabilities from the earn-out and the put option at 30 June 2018 and excluding the put option at 30 June 2019).

Reconciliation of EBITDA and EBITDA before IFRS 16 impact

In € million	Six months ended 30 June	
	2018	2019
Current operating profit	21.2	26.1
Depreciation, amortization, and allowance for provisions	17.4	66.9
Fair value – derivative financial instruments	0.8	(4.6)
Pre-opening expenses	0.9	0.8
Catalogue-related expenses ¹⁴	6.9	7.0
Taxes (IFRIC 21) ¹⁴	0.8	0.9
EBITDA	48.0	97.1
IFRS 16 impact	-	(51.4)
EBITDA before IFRS 16 impact	48.0	45.6

Reconciliation of EBIT and EBIT before IFRS 16 impact

In € million	Six months ended 30 June	
	2018	2019
EBITDA	48.0	97.1
Depreciation, amortization, and allowance for provisions	(17.4)	(66.9)
EBIT	30.6	30.2
IFRS 16 impact	-	(3.5)
EBIT before IFRS 16 impact	30.6	26.7

Reconciliation of net debt and net debt before IFRS 16 impact

In € million	As of	
	30-Jun-2018	30-Jun-2019
Convertible bonds	175.8	180.0
Term loan	49.5	49.7
Revolving credit facilities	19.1	(0.6)
Lease liability	3.1	629.8
Other debts ¹⁵	4.8	1.3
Cash and cash equivalents ¹⁶	(39.1)	(30.7)
Net debt	213.1	829.5
IFRS 16 impact	-	(625.2)
Net debt before IFRS 16 impact	213.1	204.2

¹⁴ Pro rata temporis for the period.

¹⁵ Including other borrowings, deposits and guarantees, and bank overdrafts.

¹⁶ Excluding bank overdrafts.

Reconciliation of free cash flow and free cash flow

In € million	Six months ended 30 June			
	2018 Pre-IFRS 16	2019 Pre-IFRS 16	IFRS 16 impact	2019 IFRS 16
EBITDA	48.0	45.6	51.4	97.1
Change in operating working capital requirement	(44.2)	0.3	-	0.3
Income tax paid	(3.2)	(18.2)	-	(18.2)
Pre-opening expenses	(0.9)	(0.8)	-	(0.8)
Catalogue-related expenses ¹⁷	(6.9)	(7.0)	-	(7.0)
Taxes (IFRIC 21) ¹⁷	(0.8)	(0.9)	-	(0.9)
Change in other operating items	(0.7)	1.0	-	1.0
Net cash generated by / (used in) operating activities^(a)	(8.7)	20.1	51.4	71.5
Capital expenditure	(15.9)	(23.4)	-	(23.4)
Acquisition of subsidiaries (net of cash acquired) and of financial assets	(36.3)	(4.2)	-	(4.2)
Change in debt on assets and proceeds from sale of non-current assets	(1.1)	(7.5)	-	(7.5)
Net cash generated by / (used in) investing activities^(b)	(53.3)	(35.2)	-	(35.2)
Free cash flow^{(a)+(b)}	(62.0)	(15.1)	51.4	36.4
FCF before acquisition of subsidiaries (net of cash acquired) and of financial assets	(25.7)	(10.8)	-	40.6

¹⁷ Pro rata temporis for the period.

Consolidated income statement

In € million	Six months ended 30 June			
	2018 Pre-IFRS 16	2019 Pre-IFRS 16	IFRS 16 impact	2019 IFRS 16
Sales	507.0	564.0	-	564.0
Other revenue	14.9	17.2	1.4	18.6
Total revenue	522.0	581.2	1.4	582.6
Cost of sales	(177.3)	(203.3)	-	(203.3)
Personnel expenses	(102.4)	(112.4)	-	(112.4)
External expenses	(200.8)	(225.9)	50.1	(175.8)
Depreciation, amortization, and allowance for provisions	(17.4)	(18.9)	(47.9)	(66.9)
Fair value – derivative financial instruments	(0.8)	4.6	-	4.6
Other income from operations	0.9	1.2	-	1.2
Other expenses from operations	(2.9)	(3.9)	-	(3.9)
Current operating profit	21.2	22.6	3.5	26.1
Other operating income and expenses	(2.7)	(3.1)	-	(3.1)
Operating profit / (loss)	18.5	19.5	3.5	23.0
Cost of net debt	(3.1)	(3.3)	-	(3.3)
Cost of lease debt	(0.0)	-	(6.1)	(6.1)
Finance income	0.9	0.8	-	0.8
Finance expenses	(2.3)	(2.3)	0.1-	(2.2)
Financial profit / (loss)	(4.5)	(4.7)	(6.1)	(10.8)
Share of profit / (loss) of equity-accounted investees	-	-	-	-
Profit / (loss) before income tax	14.0	14.9	(2.6)	12.2
Income tax	(5.9)	(7.7)	0.8	(6.8)
Profit / (loss) for the period	8.1	7.2	(1.8)	5.4
Attributable to:				
• Owners of the parent	8.0	8.0	-	-
• Non-controlling interests	0.1	(0.8)	-	-

Consolidated balance sheet

In € million	As of			
	31-Dec-18 Pre-IFRS 16	IFRS 16 impact	01-Jan-19 IFRS 16	30-Jun-19 IFRS 16
ASSETS				
Goodwill	368.4	-	368.4	368.7
Other intangible assets	267.2	(28.2)	239.1	241.2
Property, plant and equipment	159.3	(4.4)	154.9	154.1
Right-of-use assets	-	674.7	674.7	657.9
Other non-current financial assets	14.8	-	14.8	19.8
Deferred income tax assets	2.8	-	2.8	3.8
Derivative financial instruments	4.7	-	4.7	3.8
Other non-current assets	7.9	(7.8)	0.0	-
NON-CURRENT ASSETS	825.1	634.2	1,459.3	1,449.3
Inventory	241.2	-	241.2	215.8
Trade receivables and other current receivables	83.5	(11.4)	72.1	102.1
Other current financial assets	0.0	-	0.0	0.9
Current income tax assets	4.3	-	4.3	15.1
Derivative financial instruments	-	-	-	14.6
Cash and cash equivalents	57.2	-	57.2	30.7
CURRENT ASSETS	386.3	(11.4)	374.8	379.3
TOTAL ASSETS	1,211.4	622.8	1,834.2	1,828.7
EQUITY AND LIABILITIES				
TOTAL EQUITY	590.6	-	590.6	578.8
Borrowings	53.0	(3.3)	49.8	50.0
Convertible bonds	178.1	-	178.1	180.2
Medium and long-term lease liability	-	551.8	551.8	534.9
Deferred income tax liabilities	58.2	-	58.2	61.8
Post-employment benefits	8.6	-	8.6	10.4
Provisions	14.4	-	14.4	14.2
Other non-current liabilities	35.0	(15.0)	20.0	24.7
Non-current liabilities	347.3	533.6	880.9	876.2
Borrowings and convertibles bonds	11.6	(1.3)	10.3	0.2
Short-term lease liability	-	92.0	92.0	94.9
Trade payables and other current payables	250.9	(1.5)	249.5	275.2
Provisions	1.1	-	1.1	1.8
Current income tax liabilities	1.0	-	1.0	1.6
Derivative financial instruments	2.4	-	2.4	-
Other current liabilities	6.5	-	6.5	-
Current liabilities	273.4	89.2	362.6	373.7
TOTAL LIABILITIES	620.8	622.8	1,243.6	1,249.8
TOTAL EQUITY AND LIABILITIES	1,211.4	622.8	1,834.2	1,828.7

Consolidated cash flow statement

In € million	Six months ended 30 June			
	2018 Pre-IFRS 16	2019 Pre-IFRS 16	IFRS 16 impact	2019 IFRS 16
Profit / (loss) before income tax	14.0	14.8	(2.6)	12.2
Adjustments for:				
• Depreciation, amortization, and allowance for provisions	18.8	21.5	47.9	69.5
• Net gain / (loss) on disposals	0.7	1.6	-	1.6
• Fair value – derivative financial instruments	0.8	(4.6)	-	(4.6)
• Share-based payments	1.3	1.3	-	1.3
• Cost of net debt	3.1	3.3	6.1	9.4
Change in operating working capital requirement:				
• (Increase) / decrease in inventory	(28.5)	25.5	-	25.5
• (Increase) / decrease in trade and other receivables	15.4	(30.8)	-	(30.8)
• (Increase) / decrease in trade and other payables	(31.1)	5.6	-	5.6
Income tax paid	(3.2)	(18.2)	-	(18.2)
Net cash generated by / (used in) operating activities^(a)	(8.7)	20.1	51.4	71.5
Acquisitions of non-current assets:				
• Property, plant and equipment	(14.8)	(18.6)	-	(18.6)
• Intangible assets	(3.2)	(4.1)	-	(4.1)
• Financial assets	-	(4.2)	-	(4.2)
• Subsidiaries, net of cash acquired	(36.3)	-	-	-
• Other non-current assets	2.1	(0.7)	-	(0.7)
Change in debt on fixed assets	(1.1)	(8.0)	-	(8.0)
Proceeds from sale of non-current assets	0.0	0.4	-	0.4
Net cash generated by / (used in) investing activities^(b)	(53.3)	(35.2)	-	(35.2)
Proceeds from issues of borrowings	20.1	-	-	-
Repayment of borrowings	(0.8)	(11.0)	0.6	(10.4)
Decrease in lease debt	-	-	(48.3)	(48.3)
Acquisitions (net) of treasury shares	(1.1)	0.2	-	0.2
Dividend paid	(19.9)	-	-	-
Interest paid	(0.7)	(0.8)	-	(0.8)
Lease interest paid	-	-	(3.7)	(3.7)
Net cash generated by / (used in) financing activities^(c)	(2.4)	(11.6)	(51.4)	(63.0)
Net increase / (decrease) in cash & cash equivalents^{(a)+(b)+(c)}	(64.4)	(26.6)	-	(26.6)
Cash & cash equivalents (beginning of the period)	100.1	56.6	-	56.6
Net increase / (decrease) in cash & cash equivalents	(64.4)	(26.6)	-	(26.6)
Foreign exchange gains / (losses)	0.3	0.0	-	0.0
Cash & cash equivalents (end of the period)	36.0	29.9	-	29.9

Evolution of the Maisons du Monde store network¹⁸

In unit	Period ended			
	31-Dec-18	31-Mar-19	30-Jun-19	30-Jun-19
France	221	221	224	224
Italy	45	45	47	47
Spain	23	23	24	24
Portugal	-	-	1	1
Belgium	22	21	21	21
Luxembourg	3	3	3	3
Germany	10	10	10	10
Switzerland	7	7	8	8
United Kingdom	4	4	4	4
United States	1	1	1	1
Number of stores (in unit)	336	335	343	343
<i>Gross openings</i>	+28	+3	+10	+13
<i>Store closures</i>	(6)	(4)	(2)	(6)
Net openings	+22	(1)	+8	+7
Sales area (K sqm)	387.2	386.8	395.4	395.4
<i>Sales area added</i>	+26.8	+1.8	+10.5	+12.3
<i>Sales area closed</i>	(2.8)	(2.3)	(1.9)	(4.1)
Net change	+24.0	(0.5)	+8.6	+8.2

Evolution of the Modani store network

In unit	Period ended			
	31-Dec-18	31-Mar-19	30-Jun-19	30-Jun-19
Florida	4	4	5	5
California	3	3	3	3
Texas	3	3	3	3
Georgia	1	1	1	1
Illinois	1	1	1	1
New York	1	1	1	1
New Jersey	-	1	1	1
Number of stores	13	14	15	15
<i>Net openings</i>	+3	+1	+1	+2

¹⁸ Excluding franchise stores.

GLOSSARY

- **Sales:** Represent the revenue from the sales of decorative items and furniture through the Group's stores, website and B2B business. They mainly exclude i/ customer contribution to delivery costs, ii/ revenue from logistics services provided to third parties, and iii/ franchising revenue.
- **Sales growth at constant perimeter:** Represents the percentage change in sales from the Group's stores, website and B2B business at constant scope of consolidation between one financial period (n) and the comparable preceding financial period (n-1).
- **Like-for-like sales growth:** Represents the percentage change at constant exchange rates in sales from the Group's stores, website and B2B business, net of product returns between one financial period (n) and the comparable preceding financial period (n-1), excluding change 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/ pre-opening expenses. Half-year EBITDA is defined the same way as annual EBITDA, but also excludes, pro rata temporis for the period, i/ the annual catalogue-related expenses and ii/ the full-year impact of IFRIC 21 on costs related to some government levies, accounted for in full in the first half.
- **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, lease liability, deposits and guarantees, and bank overdrafts, net of cash and cash equivalents (excluding bank overdraft).
- **Leverage ratio:** Is defined as net debt divided by last-twelve-months EBITDA (including Modani on a pro forma basis for the period ending 30 June 2018, and excluding the liabilities from the earn-out and the put option at 30 June 2018 and excluding the put option at 30 June 2019).
- **Financial metrics before IFRS 16 impact:** On 1 January 2019, the Group adopted the new IFRS 16 standard and elected to apply the simplified retrospective method. As a result, prior years' data are presented in accordance with previous accounting policies, as presented in the consolidated financial statements as of 31 December 2018. In order to facilitate the comparison with previous periods, the Group presents financial metrics excluding IFRS 16 impact, including EBITDA, EBIT, net income, free cash flow and net debt.



Financial calendar¹⁹

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.

corporate.maisonsdumonde.com

Contacts

Investor Relations

Laurent Sfaxi – +33 2 51 71 52 07

lsfaxi@maisonsdumonde.com

Press Relations

Clémentine Prat – +33 2 51 79 54 08

cprat@maisonsdumonde.com

¹⁹ Indicative timetable.