



PRESS RELEASE

MAISONS DU MONDE: FULL-YEAR 2019 RESULTS

Double-digit growth in sales EBITDA margin in line with target Strong cash generation

NANTES – 11 March 2020, 17:45 CET – [Maisons du Monde](#) (Euronext Paris: MDM; ISIN: FR0013153541) today publishes the Group's unaudited consolidated results for the year ended 31 December 2019¹.

- **Sales¹: €1,225 million, up +10.3% (LFL+3.6%)**
 - **Solid performance across geographies, channels & categories**
 - **International: +19.2%**
 - **Online: +20.1%**
 - **Furniture: +14.4%**
- **EBITDA¹: €152.7 million (margin: 12.5%)**
 - **Leverage ratio: 0.9x (down from 1.3x end 2018)**
- **Free Cash Flow¹: €84 million (vs. €13 mn in 2018)**
- **Development: 41 gross store openings; 14 closures**
- **Proposed increase in dividend to €0.50 per share (pay-out ratio: 35%)**

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

“Maisons du Monde had a solid 2019, turning in an excellent performance that included double-digit sales growth and EBITDA margin as well as a very strong increase in free cash flow. This performance was driven by our expanding international footprint and fast-growing online sales. Our omnichannel strategy is clearly paying off as combined online and click-in-store sales now represent 50% of total sales. Despite the effects of a public strike in France over pension reform that blocked our warehouses in Marseille and disrupted retail sales, particularly in the Paris region, I am pleased to report that the Group achieved its updated guidance both in sales and EBITDA margin, the latter being particularly remarkable for the European operations, whose EBITDA margin reached 13%.

In addition, a strengthened cash management process was put in place that largely contributed to the strong 2019 free cash flow of €84 million. Overall, the Group increased net income and is proposing to shareholders a higher dividend per share of €0.50.

The start to 2020 requires that Maisons du Monde manage very closely short-term external challenges while continuing to advance in its strategic plan, and in particular the digitization of Group sales across our omnichannel platform.

Indeed, first quarter sales were, on the one hand, impacted by the dockworker strike in Marseille that caused delays to inventory restocking of some of our best-selling SKUs, and on the other hand, affected like the rest of the industry, by the spread of the COVID-19 epidemic which is resulting in a temporary disruption of our Chinese supply chain as well as in a slowdown of store traffic in the most affected countries, such as Italy.

1) Before the application of the IFRS 16 standard. 2019 financial results post-IFRS 16 are shown in the consolidated financial accounts beginning on Page 6. The audit of the full year 2019 financial results is being finalized.

In these uncertain times, I decided to launch a strong action plan addressing the entire Group cost structure and aiming at mitigating the impacts of the COVID-19 situation on Group profit and cash generation. A top management ad-hoc committee has been put in place to monitor on a weekly basis the evolution of the COVID-19 situation and the implementation of this action plan. Furthermore, we are currently reviewing this year's store opening program to balance out investments between future sales growth and cash protection. With a view to support online sales, our marketplace will be launched this summer, as planned.

On the basis of what we have seen so far, we estimate that first quarter 2020 sales shall be broadly stable compared to the same period in 2019, and second quarter sales are most likely to be down year on year. The unprecedented addition of current events, both uncertain and volatile, does not, however, offer sufficient visibility to provide a reliable full-year outlook at this stage. We will do so once the situation normalizes and visibility improves, which, based on our current analysis of the situation, would be at the time of the Group's first-half results publication.

Maisons du Monde will come out of this exceptional period and continue on its path to deliver profitable growth and value to its stakeholders. Our business model proved its robustness in 2019 and the combination of our structural strengths and strategic actions provides us with confidence that we will continue to deliver strong and profitable medium-term growth."

Double-digit sales growth, solid performance across geographies, channels and categories

Maisons du Monde's sales increased +10.3% year-on-year (yoy) to €1,225 million in 2019 (LFL +3.6% yoy). International sales grew significantly (+19.2%) and now represent 45% of total sales. Sales in France were up +3.9%. Modani contributed €44 million to international sales. Online sales (25% of total sales) continued to post double-digit growth (+20%) to reach €302 million, while store sales rose +7.4% to €923 million. In terms of product category, furniture sales gained +14.4% yoy while decoration sales increased +7.0%.

Summary of sales (in € million)	FY19	FY18	% change	4Q19	4Q18	% change
Sales	1,225.4	1,111.2	+10.3%	377.7	344.4	+9.7%
% like-for-like change	+3.6%	+3.1%		+2.8%	+2.1%	
Sales by geography						
France	672.6	647.4	+3.9%	213.6	200.5	+6.5%
International	552.8	463.8	+19.2%	164.1	143.9	+14.0%
o/w Modani	44.1	25.9 ²	nm	11.9	11.4	+4.4%
France (%)	54.9%	58.3%		56.6%	58.2%	
International (%)	45.1%	41.7%		43.4%	41.8%	
Sales by distribution channel						
Stores	923.0	859.4	+7.4%	297.1	274.5	+8.2%
Online	302.4	251.8	+20.1%	80.6	69.9	+15.3%
o/w Rhinov	1.2			0.6		
Stores (%)	75.3%	77.3%		78.7%	79.7%	
Online (%)	24.7%	22.7%		21.3%	20.3%	
Sales by product category						
Decoration	662.2	619.0	+7.0%	232.6	219.1	+6.2%
Furniture	563.2	492.3	+14.4%	145.1	125.3	+15.8%
Decoration (%)	54.0%	55.7%		61.6%	63.6%	
Furniture (%)	46.0%	44.3%		38.4%	36.4%	

² 2018 sales from May to December only.

Fourth quarter 2019 sales of €378 million were up +9.7% yoy (LFL: +2.8% yoy) and were affected by the now-ended French public transportation strike as well as the ongoing dockworker slowdown in Marseille (estimated impact of -€5 million to -€6 million). The Group was able to partially offset this impact by advancing the private sales promotion from the beginning of January 2020 to the end of December 2019 (which contributed an estimated +€2 million to +€3 million to sales).

Value creation: Double-digit EBITDA margin in line with guidance; increase in net income & dividend

Gross margin rose +9% in the full year to €800 million. Gross margin as a percentage of sales was 65.3%, down 78 basis points compared to 66.1% in 2018. This was due mainly to increased promotions, especially toward the end of the year, and, to a lesser degree, an increase in furniture sales compared to higher margin decoration products.

Gross margin, EBIT, EBITDA (in € million)	IFRS 16	IAS 17 to IFRS 16 adjustments	IAS 17		% change
	2019		2019	2018	
Gross margin	800.4		800.4	734.4	+9.0%
As a % of Sales	65.3%		65.3%	66.1%	
Current operating profit	122.6	5.6	117.0	108.2	+8.1%
Fair value – derivative financial instruments	(5.2)		(5.2)	1.2	nm
Pre-opening expenses	1.9		1.9	2.2	-11.5%
EBIT	119.4	5.6	113.8	111.6	+2.0%
As a % of Sales	9.7%		9.3%	10.0%	
Depreciation, amortization and allowance for provisions	139.8	100.9	38.9	36.4	+7.1%
EBITDA	259.2	106.5	152.7	148.0	+3.2%
As a % of Sales	21.1%		12.5%	13.3%	

EBITDA (IAS 17) amounted to €153 million in 2019, up 3.2% yoy, resulting in an **EBITDA margin** of 12.5%. The slight improvement in selling, general and administrative expense (SG&A) (in terms of % of sales) was partially offset by operating losses incurred at Modani in the US due to temporarily higher inventory-related costs and the accelerated opening of new stores during the 2nd half of the year. EBITDA under IFRS 16 amounted to €259 million with an associated margin of 21.1%.

As a result, EBIT (IAS 17) was €114 million in 2019, up 2% compared to 2018, with an EBIT margin of 9.3% (EBIT IFRS 16: €119 million; margin 9.7%).

Operating profit (see table in Appendix) totaled €109 million in 2019, up +5.0% yoy, resulting in an operating margin of 8.9%. This included increased costs associated with write-offs of accounts payable related to an asset disposal as well as provisions for a commercial litigation. Net financial expense amounted to €(8.5) million in 2019, down from €(9.3) million in 2018. This reduction is due to gains on foreign exchange transactions. The cost of net debt was relatively stable at €(6.8) million.

Income tax in 2019 amounted to €(37.7) million and included corporate income tax of €(28.5) million (effective tax rate 31%) and €6.8 million of trade tax related to the French CVAE tax, the Italian IRAP tax and the German Gewerbesteuer tax.

As a result, **net income** increased by 2.9% to €62 million in 2019. Maisons du Monde's board has decided to propose to the Shareholders' Annual General Meeting of 12 June 2020 a **dividend** of €0.50 per share for 2019, up €0.03 compared to 2018, representing a payout ratio of 35% of the Group's net income (Group share).

Strong increase in free cash flow

Operating activities (IAS 17) generated a net cash inflow of €150 million at 31 December 2019, almost 3 times higher than one year earlier. The main reason for this swing was due to a reduction of inventory by €31m in the year compared to an increase of €72m in 2018.

Capex in 2019 was €61 million, up €15 million compared to 2018, primarily due to higher IT spending and store development in the US. **Free cash flow** was €84 million at the end of 2019, compared to €13 million at the end of 2018. Cash flow after investing activities amounted to €74 million.

Solid financial structure: significant net debt reduction

The Group's net debt (IAS 17) is reduced by almost a quarter to €143 million at 31 December 2019 compared to €186 million at 31 December 2018, reflecting:

- Gross debt of €237 million at 31 December 2019 compared to €243 million at 31 December 2018, mainly including convertible bonds for €182 million and a term loan for €50 million;
- Cash and cash equivalents of €95 million at 31 December 2019 compared to €57 million at 31 December 2018.

As a result, leverage (the ratio of net debt to EBITDA per IAS 17) declined from 1.3x to 0.9x.

2019 commercial highlights

In 2019, Maisons du Monde increased its global store network to 376 stores. Net openings of 27 stores included notably 12 in France, 6 in the US, 4 in Spain, and the first store in Portugal as well as the closure of all 4 corners in the UK. Instore footfall was particularly dynamic in international stores. Stores benefited from the revamped and enhanced visual attractiveness of collection displays. Modani sales increased faster than expected thanks to development in 2018 and 2019 (a net total of 8 stores have been opened since May 2018, increasing the Modani network to 18 stores at the end of 2019). Online sales benefited from an effective ROI-based marketing strategy, as well as website enhancements which boosted conversion rate. The B2B product assortment doubled in 2019 and sales increased by 30%. Finally, the majority stake the company took in Rhinov has been an important step in our journey to become the “referring lifestyle partner” to our customers through an innovative and affordable interior design service.

2020 commercial priorities, current activity and outlook

Commercial priorities

In 2020, Maisons du Monde's commercial priorities are:

- Mitigate potential COVID-19 impact on commercial activity and financial results
- Optimize the French in-store customer traffic by repositioning certain parts of the store network
- Selectively expand our international footprint
- Launch the Maisons du Monde Marketplace this summer
- Develop Modani further, improve profitability, optimize supply chain
- Support the development of Rhinov, notably through the test of selling the service across our French stores
- Continue to expand our B2B and Franchising activities (including 1 planned new opening in Algeria)



Current activity

The Group is actively managing two external shocks that are causing a drag on first-quarter top line growth:

- The impact of the French dockworker strike on inventory levels was significant for most of the quarter and is now dissipating. The container backlog at Marseille is expected to be mostly absorbed by the end of March. Remedial actions included notably shipping and unloading containers at non-French ports, which improved fulfillment capability, albeit at higher logistics costs.

Nonetheless, the strike cut into the availability of online and in-store merchandise, which the Group estimates is reducing 1st quarter top line growth by 4% to 6%.

- The coronavirus (COVID-19) began disrupting SKU production in China toward the middle of February, shutting down factories for more than a month. Since then, production at most factories has re-started but at reduced levels with an unknown ramp-up timetable. The resulting supply chain disruption is affecting March sales, and the Group estimates that first quarter top line growth is being reduced by an additional 2% to 4%.

Furthermore, the ramifications of COVID-19 on our supply chain are expected to generate adverse top line growth impact in the second quarter of 2020.

Outlook

Given the above, the Group currently expects that first quarter 2020 sales should be broadly stable compared to the first quarter 2019 and that second quarter 2020 sales are most likely to be down year on year.

Due to the unprecedented nature of COVID-19 and the unknown future impacts on the potential consumer behavior, it is not possible at this time to provide a reasonably accurate full year 2020 sales and earnings forecast. The Group will do so as soon as visibility improves, which, based on our current analysis of the situation, would be at the time of the Group's first-half results publication.

In terms of new store development, given the external circumstances, management is currently reviewing the store opening plan for the year, in order to reach best balance between sales growth and cash protection. Other capex investments are also being closely assessed.

Finally, the Group is implementing a stringent cost cutting program in order to protect profit and cash generation.

Consolidated financial statements

Consolidated income statement (in € million)	IFRS 16 ³	IAS 17 to IFRS 16 Adjustments	IAS 17		% change
	2019		2019	2018	
Sales	1,225.4		1,225.4	1,111.2	10.3%
Other revenue	38.3	2.9	35.4	31.9	10.7%
Total revenue	1,263.7	2.9	1,260.8	1,143.1	10.3%
Cost of sales	(425.1)		(425.1)	(376.8)	12.8%
Gross Margin⁴	800.4		800.4	734.4	9.0%
As a % of Sales	65.3%		65.3%	66.1%	
Personnel expenses	(235.0)		(235.0)	(213.6)	10.0%
External expenses	(343.3)	103.5	(446.8)	(403.5)	10.7%
Depreciation, amortization and allowance for provisions	(139.8)	(100.9)	(38.9)	(36.4)	7.1%
Fair value – derivative financial instruments	5.2		5.2	(1.2)	nm
Other income/(expenses) from operations	(3.1)		(3.1)	(3.5)	-11.5%
Current operating profit	122.6	5.6	117.0	108.2	8.1%
Other operating income and expenses	(8.3)		(8.3)	(4.7)	76.9%
Operating profit / (loss)	114.2	5.6	108.6	103.5	5.0%
Cost of net debt	(6.7)	0.1	(6.8)	(6.6)	2.4%
Cost of lease debt	(12.8)	(12.8)	-	-	
Finance income	1.4		1.4	1.6	-10.8%
Finance expenses	(3.1)	0.0	(3.2)	(4.3)	-27.2%
Financial profit / (loss)	(21.1)	(12.6)	(8.5)	(9.3)	-9.0%
Share of profit / (loss) of equity-accounted investees	-		-	-	
Profit / (loss) before income tax	93.1	(7.0)	100.1	94.2	6.4%
Income tax	(35.3)	2.4	(37.7)	(33.5)	12.6%
Profit / (loss) for the period	57.8	(4.6)	62.4	60.7	2.9%
Attributable to:					
• Owners of the parent	59.5	(4.5)	64.0	60.1	
• Non-controlling interests	(1.6)	(0.1)	(1.5)	0.6	
Diluted EPS	1.26		1.35	1.26	

Dividend calculation

(in € million)

Profit / (loss) for the period	59.5		64.0	60.1
Payout ratio (%)	38%		35%	35%
Distributed amount (m€)	22.4		22.4	21.2
Dividend per share (€)	0.50		0.50	0.47

2) IFRS 16 replaces IAS 17 and the associated IFRIC and SIC interpretations. The new standard imposes a single method of accounting for contracts by lessees by recognizing an asset "Right of use" and a "lease liability." 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. The Group elected to apply IFRS 16 as of 1 January 2019 using the simplified retrospective method of accounting for the cumulative effect of its initial application as an adjustment to opening equity. The Group's leases mainly concern real estate assets, stores, but also warehouses and offices.

3) Gross margin: Sales less cost of sales. GM is a non-IFRS financial metric and is presented here for informational purposes only.

Consolidated balance sheet

(in € million)

	IFRS 16		IAS 17 to IFRS 16 Adjustments	IAS 17
	31 Dec 2019	1 Jan 2019		31 Dec 2018
ASSETS				
Goodwill	375.2	368.4		368.4
Other intangible assets	247.1	237.9	(29.3)	267.2
Property, plant and equipment	165.7	154.9	(4.4)	159.3
Right-of-use assets	680.1	678.3	678.3	-
Other non-current financial assets	15.7	14.8		14.8
Deferred income tax assets	4.6	2.8		2.8
Derivative financial instruments	-	4.7		4.7
Other non-current assets	-	-	(7.9)	7.9
NON-CURRENT ASSETS	1,488.3	1,461.8	636.7	825.1
Inventory	210.8	241.2		241.2
Trade receivables and other current receivables	63.4	82.4	(1.1)	83.5
Other current financial assets	-	0.0		0.0
Current income tax assets	4.5	4.3		4.3
Derivative financial instruments	16.9	-		-
Cash and cash equivalents	94.5	57.2		57.2
CURRENT ASSETS	390.1	385.2	(1.1)	386.3
TOTAL ASSETS	1,878.4	1,846.9	635.5	1,211.4
EQUITY AND LIABILITIES				
TOTAL EQUITY	632.5	590.6		590.6
Non-current borrowings	50.9	49.8	(3.3)	53.0
Non-current convertible bonds	182.1	178.1		178.1
Medium and long-term lease liability	554.5	554.1	554.1	-
Deferred income tax liabilities	60.3	58.2		58.2
Post-employment benefits	10.9	8.6		8.6
Provisions	15.2	14.4		14.4
Derivative financial instruments	0.1	-		-
Other non-current liabilities	23.1	20.0	(15.0)	35.0
NON-CURRENT LIABILITIES	897.3	883.1	535.8	347.3
Current borrowings and convertible bonds	0.2	10.3	(1.3)	11.6
Short-term lease liability	111.7	102.5	102.5	-
Trade payables and other current payables	232.8	249.4	(1.5)	250.9
Provisions	2.4	1.1		1.1
Current income tax liabilities	1.6	1.0		1.0
Derivative financial instruments	-	2.4		2.4
Other current liabilities	-	6.5		6.5
CURRENT LIABILITIES	348.6	373.2	99.7	273.4
TOTAL LIABILITIES	1,245.9	1,256.3	635.5	620.8
TOTAL EQUITY AND LIABILITIES	1,878.4	1,846.9	635.5	1,211.4

Consolidated cash flow statement
(in € million)

	IFRS 16	IAS 17 to IFRS 16 Adjustments	IAS 17	
	2019		2019	2018
Profit/(loss) before income tax	93.1	(7.0)	100.1	94.2
Adjustments for:				
• Depreciation, amortization, and allowance for provisions	144.5	100.9	43.6	38.8
• Net gain/(loss) on disposals	2.1		2.1	1.7
• Fair value – derivative financial instruments	(5.2)		(5.2)	1.2
• Share-based payments	2.6		2.6	2.7
• Other	(0.2)		(0.2)	-
• Cost of net financial debt	6.7	(0.1)	6.8	6.6
• Rent debt cost	12.8	12.8	-	-
Change in operating working capital requirement:				
• (Increase)/decrease in inventory	30.9		30.9	(71.9)
• (Increase)/decrease in trade and other receivables	19.7	(1.1)	20.8	(0.4)
• (Increase)/decrease in trade and other payables	(14.5)	(0.2)	(14.3)	(3.5)
Income tax paid	(36.9)		(36.9)	(17.7)
Net cash generated by/(used in) operating activities^(a)	255.5	105.2	150.3	51.6
Acquisition of non-current assets:				
• Property, plant and equipment	(47.3)		(47.3)	(42.6)
• Intangible assets	(12.7)		(12.7)	(6.4)
• Subsidiaries, net of cash acquired	(10.2)		(10.2)	(36.3)
• Other non-current assets	(0.8)		(0.8)	3.2
Change in debt on fixed assets	(4.3)		(4.3)	7.3
Proceeds from sale of non-current assets	0.5		0.5	0.2
Net cash generated by/(used in) investing activities^(b)	(74.9)		(74.9)	(74.6)
Proceeds from issues of borrowings	0.3		0.3	10.1
Repayment of borrowings	(10.5)	1.5	(12.0)	(2.3)
Decrease in lease debt	(96.6)	(96.6)	-	-
Acquisitions (net) of treasury shares	(2.9)		(2.9)	(6.5)
Dividend paid	(21.1)		(21.1)	(19.9)
Interest paid	(1.9)		(1.9)	(1.9)
Lease interest paid	(10.1)	(10.1)	-	-
Net cash generated by/(used in) financing activities^(c)	(142.8)	(105.2)	(37.6)	(20.5)
Exchange gains/(losses) on cash and cash equivalents	0.0	-	0.0	(0.0)
Net increase/(decrease) in cash & cash equivalents^{(a)+(b)+(c)}	37.9		37.9	(43.5)
Cash & cash equivalents at period begin	56.6		56.6	100.1
Cash & cash equivalents at period end	94.5		94.5	56.6

Free cash flow (in € million)	IFRS 16	IAS 17 to IFRS 16 Adjustments	IAS 17	
	31 Dec 2019		31 Dec 2019	31 Dec 2018
Profit/(loss) before income tax	93.1	7.0	100.1	94.2
Depreciation, amortization, and allowance for provisions	144.5	100.9	43.6	38.8
Cost of net debt	6.7	(0.1)	6.8	6.6
Cost of rental debt	12.8	12.8	-	-
Change in other operating items	(0.7)		(0.7)	5.6
Change in operating working capital requirement	36.1	(1.3)	37.4	(75.8)
Income tax paid	(36.9)		(36.9)	(17.7)
Net cash generated by/(used in) operating activities	255.5	105.2	150.3	51.6
Capital expenditure (Capex)	(60.9)		(60.9)	(45.8)
Change in debt on fixed assets	(4.3)		(4.3)	7.3
Proceeds from disposal of non-current assets	0.5		0.5	0.2
Reduction of rental debt	(96.6)	(95.1)	(1.5)	-
Interest on rental debt	(10.1)	(10.1)	-	-
Free cash flow^(a)	84.1		84.1	13.3
Subsidiaries (net of cash acquired)	(10.2)		(10.2)	(36.3)
Cash flow after other investing activities^{(a) + (b)}	73.9		73.9	(23.0)

Net debt & leverage (in € million)	IFRS 16	IAS 17 to IFRS 16 Adjustments	IAS 17	
	31 Dec 2019		31 Dec 2019	31 Dec 2018
Net debt calculation	31 Dec 2019		31 Dec 2019	31 Dec 2018
Convertible bonds ("OCEANE")	182.1		182.1	177.8
Term loan	49.8		49.8	49.6
RCF	(0.4)		(0.4)	9.3
Other debt ⁵	1.7		1.7	1.5
Lease liabilities	666.2	662.0	4.3	4.6
Cash & cash equivalents	(94.5)		(94.5)	(57.2)
Net debt	804.9	662.0	142.9	185.5
Leverage calculation				
Net debt	804.9	662.0	142.9	185.5
EBITDA	259.2	106.5	152.7	148.0
Leverage	3.1x		0.9x	1.3x

⁵ Including other borrowings, deposits and guarantees, and banks overdrafts

Store network⁶ <i>(In units)</i>	Number of stores at end of:					
	FY19	4Q19	3Q19	2Q19	1Q19	FY18
France	233	233	227	224	221	221
Italy	48	48	48	47	45	45
Spain	27	27	24	24	23	23
Belgium	24	24	22	21	21	22
Germany	11	11	10	10	10	10
Switzerland	9	9	8	8	7	7
Luxembourg	3	3	3	3	3	3
Portugal	1	1	1	1	-	-
United Kingdom	-	-	4	4	4	4
United States	20	20	17	16	14	13
Number of stores	376	376	364	358	349	349
<i>Net openings</i>	<i>+27</i>	<i>+12</i>	<i>+6</i>	<i>+9</i>	<i>0</i>	<i>+25</i>
Sales area (K sqm)	432.3	432.3	416.7	408.1	398.6	398.4
<i>Change (K sqm)</i>	<i>+33.9</i>	<i>+15.6</i>	<i>+8.6</i>	<i>+9.5</i>	<i>+0.2</i>	<i>+35.2</i>

6) Including Modani; excluding franchise stores.

Key operating metrics

Besides the financial indicators set out in International Financial Reporting Standards (IFRS), Maisons du Monde's management uses several non-IFRS 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 B2B 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 metric of "Sales" rather than "Total revenue" to calculate growth at constant perimeter, like-for-like growth, gross margin, EBITDA margin and EBIT margin.

Sales growth at constant perimeter: Represents the percentage change in sales from the Group's retail stores, websites and B2B activities 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 in sales from the Group's retail stores, websites and B2B 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.

The EBITDA margin is calculated as EBITDA divided by Sales.

EBIT: Is defined as EBITDA minus depreciation, amortization, and allowance for provisions. The EBIT margin is calculated as EBIT divided by Sales.

Net debt: Is defined as the Group's convertible bonds ("OCEANE"), term loan, revolving credit facilities, short- and long-term rental, deposits and bank borrowings, net of cash and cash equivalents.

Leverage ratio: Is defined as net debt divided by EBITDA (excluding the liabilities from the earn-out and the put option).

Free cash flow: Is defined as net cash from operating activities less the sum of: capital expenditures (capital outlays for property, plant and equipment), intangible and other non-current assets, change in debt on fixed assets, proceeds from disposal of non-current assets and reduction of and interest on rental debt.



Financial calendar⁷

13 May 2020	1 st Quarter 2020 sales (press release after market close)
12 June 2020	Annual General Meeting
28 July 2020	1 st Half 2020 results (press release and conference call after market close)
27 October 2020	3 rd Quarter 2020 sales (press release 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 €1,225 million and EBITDA of €153 million in 2019. At 31 December 2019, the Group operated 376 stores in 9 countries including France, Belgium, Germany, Italy, Luxembourg, Portugal, Spain, Switzerland and the United States, and derived 45% 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 2019. This platform, which accounted for 25% of the Group's sales in 2019, is available in the countries where it operates stores plus Austria and the Netherlands. 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 18 showrooms.

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7) Indicative timetable.



Maisons du Monde Full-Year 2019 Results
Conference Call and Webcast connection details

Wednesday, 11 March 2020 at 18:00 CET

Conference Call Dial-In Numbers

Confirmation Code: **8781929**

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Replay Dial-In Numbers

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Confirmation Code: **8781929**

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Webcast Player URL:

<https://edge.media-server.com/mmc/p/abdb95na>