



PRESS RELEASE

**MAISONS DU MONDE:  
UPDATE ON PERFORMANCE  
& COVID-19 MITIGATION MEASURES**

- **Q1 2020 sales down 13% due to COVID-19 related store closures**
- **Strong web activity with online orders up in double digits since 1 April; Q2 2020 sales expected to be significantly down due to COVID-19 lockdown**
- **Stringent cash preservation and cost reduction measures fully in motion**
- **Board of Directors decision not to propose 2019 dividend**

NANTES – 16 April 2020, 17:45 CET – Maisons du Monde (Euronext Paris: MDM; ISIN: FR0013153541) is today providing an update of the COVID-19 impacts on its activities and financial performance as well as the mitigation steps the Group has put in place. Among these, the Board of Directors has decided to no longer propose a dividend payment at the 2020 shareholders' general meeting.

Maisons du Monde's activity has been significantly impacted by the spread of the coronavirus pandemic in the markets in which it operates. Stores are currently producing no revenue across the Maisons du Monde network; however online activities, representing 25% of 2019 sales, continue to operate and are posting strong year-on-year growth in order intake.

As the COVID-19 pandemic spread and lockdown measures were enforced through much of Europe and in several US states, Maisons du Monde was led to gradually shut down its entire store network: all Italian stores were closed as of 13 March, all French and Spanish stores as of 15 March, all Rest of Europe stores as of 17 March and the two US stores as of 19 March. Modani stores progressively closed beginning 14 March and were all closed as of 3 April.

Trading update

On 11 March 2020, Maisons du Monde indicated that it expected first-quarter 2020 sales to be broadly stable compared to the first quarter 2019 and that second-quarter 2020 sales would most likely be down year on year. This estimate was based on the assumption that only Italian stores would be closed for one week in March. The COVID-19 crisis has since forced the closure of the Group's entire global store network.

As a result, first-quarter 2020 Group sales, broadly stable until 15 March when European store closures began to accelerate, declined 13% year-on-year (at current exchange rates) to stand at €244 million. Online sales were broadly stable despite ongoing supply-chain challenges. Store sales for the quarter finished down overall versus the same quarter last year due to the store network closure.

As for current trading, online orders continue to see double-digit growth since the beginning of April. As a result of the store closures described above, however, total sales for the second quarter are expected to be significantly lower year-on-year. The Group will provide further details on its first-quarter performance on 13 May 2020, as previously scheduled, as well as an update of its second-quarter performance.



## Cost reduction & cash preservation

To mitigate the impact of the COVID-19 pandemic on its activity, the Group has implemented comprehensive cost savings and cash preservation actions, including:

- Placing over 85% of Maisons du Monde staff in Europe on temporary unemployment and benefiting from governments' support. A recruitment freeze is in effect,
- Negotiating 2020 commercial lease payments with lessors,
- Implementing a substantial opex-reduction program, including external fee reductions, marketing and discretionary expense cuts and decrease in maintenance costs,
- Optimizing working capital by reducing and adjusting furniture and decoration inventory orders for the remainder of the year, and
- Canceling or postponing a significant number of capital expenditure projects (store openings, logistics investments, IT projects, etc.).

On 17 and 18 March 2020, as a part of its COVID-19 cash management strategy and in order to preserve liquidity, the Group fully drew down its two revolving credit facilities for a total amount of €150 million. At 31 March 2020, Maisons du Monde's cash position was €222 million, providing it with sufficient headroom to face the current crisis.

In this context of cash preservation, the Board of Directors decided on 15 April 2020 to no longer propose a dividend payment at the 2020 shareholders' general meeting to be held on 12 June 2020.

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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, 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, the Netherlands and the UK. 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 2007, 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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