



PRESS RELEASE

THIRD-QUARTER AND NINE-MONTH 2022 ACTIVITY

**Q3 2022 activity in line with expectations in a persistently challenging environment  
Full-year guidance unchanged**

- **Group GMV: 9M at €948m (-2.5% yoy, +16.3% vs 9M 2019)  
Q3 at €304.3m (-3.1% yoy, +12% vs Q3 2019)**
  - Strong marketplace GMV momentum in Q3: €30.2m, +124.2% yoy
- **Group sales: 9M at €882.4m (-5.9% yoy, +8% vs 9M 2019)  
Q3 at €278.5m (-8.2% yoy, +2.5% vs Q3 2019)**
  - Good performance of back-to-school commercial initiatives
  - Improved inventory levels
- **Cost and cash savings action plan announced in May fully on track, further initiatives launched to support 2023 performance**
- **FY22 guidance unchanged**

NANTES – 27 October 2022, 07:00 CEST – [Maisons du Monde](#) (Euronext Paris: MDM; ISIN: FR0013153541), the European leader in inspirational and affordable home & living, published the Group's sales for the third quarter and first nine months of 2022. **Conference call to be held today at 09:00 CEST (see details on page 7).**

Julie Walbaum, Chief Executive Officer, commented:

*“Our third-quarter 2022 performance is in line with our expectations in a global environment that remains very challenging. The commercial initiatives we implemented since the end of May as well as our sustained efforts in inventory replenishment have been bearing fruit and should continue to support our activity through the end of the year. As a result, notwithstanding the high inflation and soft discretionary spending, we are still expecting sales improvement in Q4, benefiting from higher inventory levels, sustained promotional activity and a more favorable base effect online. The cost and cash savings action plan that we started in Q2 is also delivering its effects as planned.*”

*Consequently, we keep our full year 2022 objectives unchanged. We remain fully confident in the fundamental strengths of Maisons du Monde that combines a love brand, a broad range of desirable and increasingly sustainable home & living products, with a unique omnichannel business model.”*

### **Q3 key commercial developments**

During the period, Maisons du Monde continued to strengthen its direct-to-consumer love brand through creativity, inspiration and engagement, as well as to further deploy its unique omnichannel model.

#### **Brand and customers**

Total active customers reached 2.1 million at 30 September 2022, of which 687,000 new customers (32% of the active customer base). Omnichannel customers grew by +8% over the quarter. Maisons du Monde's Instagram community grew by +5% yoy, reaching 5.4 million followers across Europe.

#### **Collections**

Maisons du Monde released over the summer its Autumn-Winter collections, inviting consumers to open up to the world, through an inspiring exploration of 6 world spotlights. The collections cover over 2,300 products, from the natural fabrics and handcrafted designs of the Ussel theme to the colored ceramics and joyful textiles of the Montevideo range which includes the charming extravagance of the British Bloomsbury collection. These collections speak to what our target consumers are presently seeking: cocooning and optimism. MdM's collections have been endorsed by industry experts across Europe, as demonstrated by the yoy 61% increase in press mentions.

Furthermore, fulfilling its mission to be the most desirable and sustainable home & living brand in Europe, Maisons du Monde teamed up with pioneer designer and key opinion leader in sustainable fashion Sakina M'Sa to create a limited-edition collection of 25 inspirational and sustainable decoration products (ceramics made in Europe and organic cotton for textiles).

#### **Commercial and operational initiatives**

During Q3, Maisons du Monde implemented various initiatives to facilitate the shopping experience and enhance customer satisfaction:

- Launch of the marketplace in a third country: already featuring 157 partner brands and 31,000 items, the marketplace was launched in Italy in September and the first weeks have been very promising
- Launch of a new innovative financing payment solution in France: in a context of constrained purchasing power, Maisons du Monde developed, in partnership with the Alma fintech, a very consumer-friendly and free-of-charge split payment solution. Take rate has been high from the start and consumer feedback is excellent
- Large contract won by our B2B teams for the Stade de France, involving revamping of several spaces including VIP bars, and the temporary transformation of a gallery into a hotel room for summer events
- Organization of our 4<sup>th</sup> annual "Rendez-vous Déco", a digital event attended by more than 2,000 architects and designers this year, where Maisons du Monde provides its views on home and living trends.

Maisons du Monde has also focused on two major 2022 operational priorities:

- Active management of its store network. At 30 September 2022, Maisons du Monde had 352 stores, compared to 350 at the end of June, opening three new stores in France, Italy and Spain while closing one in Italy
- Significant progress in inventory replenishment, notably on furniture with an immediate availability ratio of 72% end of September vs 58% at the end of June 2022.

#### **ESG commitment**

Maisons du Monde's ESG objectives are embedded in its corporate project. Teams made good progress on MdM's trajectory with major achievements:

- Development of its sustainable product offering with 31% of Autumn/Winter collections integrated into the 'Good is Beautiful' selection
- Creation of 6 'Good is Beautiful' living spaces for people in need, in partnership with local non-profit organizations (for example, La Fondation des Femmes in Paris)

- Complete deployment of 'Good is Beautiful' ambassadors in 100% of stores
- Roll-out from October 2022 in the store network of the energy sobriety plan to save on store heating and lighting, as well as in the logistics warehouses and at the Group's headquarters.

### Q3 financial results

Summary of sales (in €million)	Q3 22	Q3 21	% Change	9M 22	9M 21	% Change
<b>Group GMV</b>	<b>304.3</b>	<b>313.9</b>	-3.1%	<b>948.0</b>	<b>972.4</b>	-2.5%
<b>Sales</b>	<b>278.5</b>	<b>303.4</b>	-8.2%	<b>882.4</b>	<b>937.8</b>	-5.9%
% like-for-like change <sup>1</sup>	-9.6%	-4.0%		-7.8%	+19.1%	
<b>Sales by distribution channel</b>						
Stores	198.9	217.9	-8.7%	606.0	591.4	+2.5%
% of sales	71.4%	71.8%		68.7%	63.1%	
Online	79.6	85.5	-6.9%	276.4	346.3	-20.2%
% of sales	28.6%	28.2%		31.3%	36.9%	
<b>Sales by geography</b>						
France	146.8	164.1	-10.6%	459.4	496.3	-7.4%
% of sales	52.7%	54.1%		52.1%	52.9%	
International	131.7	139.3	-5.5%	423.0	441.5	-4.2%
% of sales	47.3%	45.9%		47.9%	47.1%	
<b>Sales by product category</b>						
Decoration	164.2	178.6	-8.1%	491.6	510.5	-3.7%
% of sales	58.9%	58.9%		55.7%	54.4%	
Furniture	114.3	124.8	-8.4%	390.8	427.2	-8.5%
% of sales	41.1%	41.1%		44.3%	45.6%	

### GMV of €304.3 million (-3.1% yoy); Sales of €278.5 million (-8.2% yoy)

After a second quarter that declined 8.3% yoy, impacted by a sudden material slowdown beginning mid-May, the third quarter sales performance was broadly similar but with a different monthly sequence. The sales trend in July was in line with what we saw in May/June, down in low double digits, while August was stable yoy boosted by a higher inventory level compared to 2021. September activity, while still negative yoy, was substantially better than the previous months thanks to improving traffic trends in stores and higher promotional activity yoy to support sales conversion and manage the excess inventory risk.

### GMV and Sales by channel

MdM's omnichannel strategy, of which the marketplace is an integral component, continues to demonstrate its relevance and to support its complete edge.

Q3 **online GMV** was €103.4 million, an increase of 7.7% thanks to a combination of robust marketplace GMV growth in France (+80%) as well as a strong contribution from the Q2 2022 launch of the marketplace in Spain. Consequently, the marketplace accounted for a material share of total online GMV in Q3:

- The French marketplace GMV was 42% of total French online GMV
- The Spanish marketplace totaled 39% of total Spanish online GMV
- Overall the marketplace accounted for 29% of total online GMV in Q3.

<sup>1</sup> 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.

## Sales

**Q3 online sales** were €79.6 million (-6.9% yoy), representing 29% of Group sales over the quarter. Traffic was up close to +15%, recovering from -13% in the first half. Compared to the same period in 2019, traffic was up more than two-thirds.

**Q3 store sales** amounted €198.9 million. After a positive H1 2022 performance, partly driven by the H1 2021 base effect during which stores were partially closed, Q3 was down 8.7% with a 9% yoy decline in traffic.

### **Sales by category**

**Q3 Decoration sales** amounted to €164.2 million, down 8.1% yoy, and accounted for 59% of total 3<sup>rd</sup> quarter sales and 61% of sales in France, the vast majority of which (83%) occurred in stores. Frames, lighting and tableware performed particularly well.

**Q3 Furniture sales** totaled €114.3 million, down 8.4% yoy. 45% of furniture sales occurred online thanks to a dynamic international activity. Best-sellers included armchairs, sofas, tables and outdoor furniture.

### **Sales by geography**

**Q3 sales in France** reached €146.8 million, down -10.6%. Online sales in France were down -5.4% yoy and increased +12% compared to Q3 2019. Stores sales accounted for 73% of the total sales in France.

**Q3 international sales** totaled €131.7 million, down -5.5% yoy and up +9.7% compared to the same period in 2019. Combined sales in Spain and Italy (58% of total international sales) were unchanged yoy and increased +4.4% and +1.7%, respectively, compared to Q3 2019. Combined sales in Belgium, Germany and Switzerland (34% of total international sales) decreased -12.6% yoy and were up +8.7% vs Q3 2019.

## 9M financial summary

As a result of the above, **9M GMV was at €948 million (-2.5% yoy) and sales were at €882.4 million (-5.9% yoy)**. Compared to 9M 2019, 9M 2022 GMV increased by +16.3% while 9M 2022 sales were +8.3% higher.

**Looking at channels**, 9M **online GMV** was €337 million, that is down 11.5% yoy but up 54% vs 9M 2019. Over the period, online represented 36% of total Group's GMV, compared to 27% of Group's GMV in 2019. Part of this success lies in the outstanding performance of the marketplace, which accounted for €76 million for the 9M 2022 period, that is 22% of total online GMV. In terms of sales, **9M online sales** were €276.4 million (-20.2% yoy; +26.5% vs 2019, while **9M store sales** stood at €606 million (+2.5% yoy; +1.6% vs 2019).

**Looking at categories**, **9M decoration sales** declined only 3.7% yoy to €492 million despite a high H1 2021 comparable base and the decrease in store traffic from May to September 2022.

**9M furniture sales** decreased -8.5% yoy to €391 million, impacted by supply chain disruptions that led to limited availability, combined with increasingly constrained consumer purchasing power.

**Looking at geographies**, **9M sales in France** reached €459 million (52% of total sales), down 7.4% vs 9M 2021, and stable vs 9M 2019. **9M international sales** totaled €423 million, down 4.2% vs 9M 2021 but up +19% vs 9M 2019. Nine-month sales in the two largest countries, Italy and Spain, were up +6% and stable yoy, respectively, vs 9M 2021.

## Q4 priorities

### **Commercial activity**

For the remainder of the year, the Group continues to execute its commercial plan to support traffic and sales both in stores and online, striking a balance between driving revenues and preserving margins.

Several initiatives will be implemented by the end of the year:

- Roll-out of tactical promotional activity

- Test of a new digital solution in French stores to facilitate sales conversion and boost CRM capabilities
- Roll-out of the in-store marketplace in Italy
- Launch of the Rhinov interior designer service in Italy and Spain.

#### Update on H2 2022 cost and cash savings plan

The current inflationary environment has led to a reallocation of discretionary consumer spending away from the home and living sector, a much higher promotional competitive environment and increased input costs. In the face of this new reality, the Group implemented in May 2022 an action plan to contain cost and protect cash, targeting an **extra €5 million gross margin and €20 million cost adjustments to reduce the impact of rising inflation**. As of 30 September 2022, the execution of the plan is on track and MdM teams are fully focused on preparing and optimizing the 2023 equation.

2022 capex, originally planned at around €90 million, has been revised downward and now is expected to be in the €70 million-€75 million range for the year. Regarding working capital requirement, the Group has made good progress in:

- adjusting its H2 2022 shipping plans to mitigate excess inventory risk while rebuilding inventories in select product families to support Q4 2022 and Q1 2023 sales
- and simultaneously negotiating with suppliers to reorganize manufacturing and purchasing planning, as well as to optimize payment terms.

#### Outlook

The current economic environment remains challenging with still rising inflation across Europe and short-term consumption trends impacted by the current energy crisis.

However, Q4 2022 sales are expected to improve over Q3 2022, thanks to improved furniture inventory levels, sustained promotional activity and a favorable base effect.

Thanks to all actions engaged since end of Q2 2022 on sales, costs and cash, Maisons du Monde leaves its full-year 2022 objectives unchanged:

- Top line decrease in the mid-single digit range
- An EBIT margin of 5% or above
- FCF of €10 million to 30 million
- Reduction of the Group's carbon intensity: CO2 neutrality for scopes 1 and 2
- Dividend payout ratio of 30% to 40%

#### Update on share buyback program

On 29 July 2022, the Group launched a second share repurchase program with an objective to repurchase up to 10% of its outstanding shares at market price over a period of several months. At 30 September 2022, the Group had purchased 1,151,846 of its own shares, i.e. 25% of the program, at an average price per share of €9.74. The shares acquired by December under this new buyback program are intended to be cancelled before year end, thereby reducing Maisons du Monde's share capital.

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Store Network (In units)	Number of stores at end of:												
	Q1 20	Q2 20	Q3 20	Q4 20	FY 20	Q1 21	Q2 21	Q3 21	Q4 21	FY 21	Q1 22	Q2 22	Q3 22
France	228	227	227	228	228	223	222	220	219	219	215	214	215
Italy	48	48	48	49	49	49	49	48	50	50	49	49	49
Spain	27	27	27	27	27	26	28	28	30	30	30	31	32
Belgium	23	23	23	24	24	25	26	26	27	27	25	25	25
Germany	11	10	10	11	11	11	12	12	12	12	12	12	12
Switzerland	9	9	9	9	9	10	10	11	12	12	12	12	12
Luxembourg	3	3	3	3	3	3	3	3	3	3	3	3	3
Portugal	1	1	1	1	1	1	1	1	3	3	3	3	3
Austria	-	-	-	-	-	1	1	1	1	1	1	1	1
<b>Number of stores</b>	<b>350</b>	<b>348</b>	<b>348</b>	<b>352</b>	<b>352</b>	<b>349</b>	<b>352</b>	<b>350</b>	<b>357</b>	<b>357</b>	<b>350</b>	<b>350</b>	<b>352</b>
<b>Net openings</b>	<b>-6</b>	<b>-2</b>	<b>0</b>	<b>+4</b>	<b>-4</b>	<b>-3</b>	<b>+3</b>	<b>-2</b>	<b>+7</b>	<b>+5</b>	<b>-7</b>	<b>0</b>	<b>+2</b>
<b>Sales area (K sqm)</b>	<b>415.7</b>	<b>413.6</b>	<b>414.2</b>	<b>420.2</b>	<b>420.2</b>	<b>419.0</b>	<b>424.4</b>	<b>424.5</b>	<b>432.9</b>	<b>432.9</b>	<b>427.8</b>	<b>428.9</b>	<b>433.0</b>
<b>Change (K sqm)</b>	<b>-1.5</b>	<b>-2.1</b>	<b>+0.6</b>	<b>+6.0</b>	<b>+3.0</b>	<b>-1.2</b>	<b>+5.3</b>	<b>+0.6</b>	<b>+8.0</b>	<b>+12.7</b>	<b>-5.1</b>	<b>+1.1</b>	<b>+4.1</b>

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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, a uniquely positioned and beloved brand across Europe, stands as the European leader in inspirational and affordable home & living. It offers a wide and constantly renewed range of furniture and home accessories across multiple styles. Creativity, inspiration and engagement are the brand's core pillars. Leveraging its distinctive direct-to-consumer omnichannel model, the company generates over 50% of its sales digitally, through its online platform and in-store digital sales and operates 352 stores across 9 European countries. End 2020, the Group launched a curated marketplace to complement its offering and become the reference one-stop shop in inspirational and affordable home and living. In November 2021, Maisons du Monde unveiled its company purpose: "Inspiring everyone to open up to the world, to create together unique, warm and sustainable places to live."

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

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**Conference call for investors and analysts**

Date: 27 October at 09:00 CEST

Speakers: Julie Walbaum, CEO and Régis Massuyeau, CFO

Connection details:

*Q3-9M 2022 activity - Webcast Connection Details*

**To access the webcast:**

<https://edge.media-server.com/mmc/p/hcx5tf6e>

**Please connect using the link above at least 15 minutes prior to the scheduled start time (09:00 CEST).**

NB: You will be able to ask a question during the Q&A session in the Chat section

**in writing only!**

If you would like to ask an audio question during the Q&A session, please follow the “Audio Q&A Conference Call Connection Details” instructions below.

*Q3-9M 2022 activity - “Audio” Q&A Conference Call Connection Details*

- Please register using the link below at least 15 minutes prior to the scheduled start time (09:00 CEST).
- Participants will receive via e-mail a unique Direct Event Passcode and a Registrant ID.
- Please connect to one of the numbers provided in the e-mail and follow directions to be connected to the Q&A conference call.

<https://register.vevent.com/register/BI8fb3c47c0610466fba66f1965c512feb>

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**Financial calendar**

- 26 January 2023: Full Year 2022 Sales
- 09 March 2023: Full Year 2022 Financial Results