



PRESS RELEASE

**MAISONS DU MONDE: FULL-YEAR 2017 RESULTS**

**Very good performance across the board, in line with targets**

**Solid sales growth and profitability**

**Excellent free cash flow generation and strong deleveraging**

- 
- **2017 performances in line with targets**
    - **Sales up 14.6% to €1,011 million, and up 7.4% like-for-like**
    - **25 net store openings, including 16 stores outside France**
    - **EBITDA up 13% to €139 million; EBITDA margin of 13.7%**
  - **Online sales up over 24%, reaching 21% of sales**
  - **Net income of €63 million**
  - **Excellent free cash flow generation; leverage ratio reduced by half to 0.9x**
  - **Proposed dividend of €0.44 per share, up 42%**
  - **Continued execution of medium-term plan in 2018**
    - **Sales growth expected at around 10% and EBITDA margin above 13%**
- 

**Nantes, 6 March 2018**

Maisons du Monde (Euronext Paris: MDM, ISIN Code: FR0013153541), a European leader in affordable and inspirational decoration and furniture homeware, today announces its results for the year ended 31 December 2017.

Gilles Petit, Chief Executive Officer of Maisons du Monde, commented:

*“With a solid increase in sales and EBITDA, Maisons du Monde delivered another year of profitable growth in 2017. Our growth continued to be fueled by both higher like-for-like sales and network expansion, with 25 net store openings. Once again, Maisons du Monde’s activity was well balanced, with double-digit increases by geography, by distribution channel and by product category, demonstrating the success of our collections, a sustained pace of expansion and the strength of our omnichannel strategy.*

*2018 will be a year of continuity of our action plans and further commercial innovation. In line with our customer-centric approach, we will continue deploying our omnichannel plan, and will begin rolling out a new service of personalized decoration advice following the positive reaction to our first showroom in Paris.*



*Building on our successful first corner in Paris's Printemps Nation department store, we will consolidate our partnership with a new opening in Printemps's Strasbourg store. We are also pleased to announce a partnership with Debenhams to open three shop-in-shops in the UK, capitalizing on a flexible and capital-light strategy to launch our physical development in this market to complement our online offer. Both these developments will take place in the first half.*

*With these actions, we will further build on our solid fundamentals and our profitable growth model to continue executing our medium-term plan.*

*Taking into account a more challenging comparable base and the phasing of new store openings, heavily weighted towards the end of the year, we expect sales growth of around 10% and EBITDA margin above 13% in 2018."*

\*\*\*

### **Continued sales momentum in 2017**

Maisons du Monde reported sales of €1,011 million in 2017, up 14.6% year-on-year, of which 7.4% like-for-like, consistent with the Group's 2017 targets updated in October<sup>1</sup>. This strong performance reflected well-balanced growth across all product categories, distribution channels and geographies.

2017 confirmed the success of the Group's omnichannel strategy and initiatives, with online sales growing more than 24% year-on-year to reach around 21% of total sales. The Group also launched new product offerings (new collection of decoration items, new product ranges) and successfully deployed its customer services and new CRM platform.

Maisons du Monde continued to implement its development plan with 25 net store openings in the year, most of them concentrated in the second-half. In addition, Maisons du Monde opened a first shop-in-shop at the Printemps Nation department store in Paris and a new showroom on Paris's rue du Bac, and also launched two new store franchises in Dubai and Doha (Qatar).

### **Solid profitability**

In 2017, Maisons du Monde maintained a robust level of profitability, while continuing to invest in growth initiatives.

Gross margin stood at 66.6% in 2017 compared to 67.1% in 2016, a resilient performance considering an unfavorable FX impact of 120bps, as expected, which was partly offset by a positive product mix and specific action plans on purchasing.

EBITDA totaled €139 million in 2017, up 13% year-on-year, resulting in an EBITDA margin of 13.7%, in line with the Group's target. This solid performance reflected strong sales growth over the period and positive operating leverage, which helped to almost fully offset an unfavorable FX impact on gross margin, the first-time inclusion of the long-term incentive plan ("LTIP") and profit sharing, as well as continuing investment in growth initiatives supporting the Group's customer-centric and omnichannel strategy.

### **Strengthened financial structure and strong deleveraging**

In 2017, Maisons du Monde further strengthened its financial structure and continued to strongly deleverage thanks to:

---

<sup>1</sup> Refer to Q3 2017 sales press release published by the Company on 23 October 2017.

- Active balance sheet management, with the successful placement of OCEANE convertible bonds for a nominal amount of around €200 million in November 2017, allowing the Group to partly refinance the existing €250 million term loan, extend its debt maturity and reduce cash interest expense;
- Excellent free cash flow generation of €100 million over the period, leading to a net debt of €125 million at 31 December 2017 compared to €226 million at 31 December 2016. As a result, the leverage ratio was reduced by half year-on-year to 0.9x.

### **Dividend**

The Board of Directors of Maisons du Monde has decided to propose to the Shareholders' Annual General Meeting of 18 May 2018 a dividend of €0.44 per share, 42% higher than last year, representing a payout ratio of 35% of the Group's adjusted net income.

### **Outlook 2018**

In 2018, Maisons du Monde will leverage its solid fundamentals to continue its profitable growth momentum around four pillars:

- Propose an attractive offer for customers with the new 2018 catalogues and multi-style trends and the development of the BtoB offer;
- Continue to invest in store network expansion with between 25 and 30 net store openings in France and abroad, and further the extension of the franchise program.

Store openings in the UK in a very cost-efficient manner with three "shops-in-shops" in H1 2018, within the framework of a partnership signed with Debenhams, complementing Maisons du Monde's online presence.

- Enhance the omnichannel customer experience with new e-commerce developments and the launch of a new customer service;
- Accelerate the Group's CRM strategy and reinforce its social media engagement.

Taking into account a more challenging comparable base and the phasing of new store openings, heavily weighted towards the end of the year, the Group expects for full-year 2018:

- Sales growth of around 10%;
- 25-30 net stores openings;
- EBITDA margin above 13% of sales.

### **Additional information**

The Board of Directors of Maisons du Monde met on 6 March 2018 to approve the Group's consolidated results for the year ended 31 December 2017. The audit procedures are being finalized.

## APPENDICES<sup>2</sup>

### Summary of Q4 2017 sales

In € million	Three months ended 31 December		
	2016	2017	% change
<b>Sales by geography</b>			
France	185.7	199.5	+7.4%
International	102.4	115.2	+12.6%
<b>Total</b>	<b>288.1</b>	<b>314.7</b>	<b>+9.2%</b>
<b>Sales by product category</b>			
France (%)	64.5%	63.4%	-
International (%)	35.5%	36.6%	-
<b>Total (%)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>
<b>Sales by product category</b>			
Decoration	189.6	206.3	+8.9%
Furniture	98.6	108.4	+10.0%
<b>Total</b>	<b>288.1</b>	<b>314.7</b>	<b>+9.2%</b>
<b>Sales by distribution channel</b>			
Decoration (%)	65.8%	65.6%	-
Furniture (%)	34.2%	34.4%	-
<b>Total (%)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>
<b>Sales by distribution channel</b>			
Stores	238.7	258.0	+8.1%
Online	49.4	56.7	+14.7%
<b>Total</b>	<b>288.1</b>	<b>314.7</b>	<b>+9.2%</b>
<b>Sales by distribution channel</b>			
Stores (%)	82.8%	82.0%	-
Online (%)	17.2%	18.0%	-
<b>Total (%)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>

<sup>2</sup> The audit procedures are being finalized.

## Summary of FY 2017 sales

In € million	Year ended 31 December		
	2016	2017	% change
<b>Sales by geography</b>			
France	563.7	624.8	+10.8%
International	318.1	385.8	+21.3%
<b>Total</b>	<b>881.8</b>	<b>1,010.6</b>	<b>+14.6%</b>
France (%)	63.9%	61.8%	-
International (%)	36.1%	38.2%	-
<b>Total (%)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>
<b>Sales by product category</b>			
Decoration	499.8	583.9	+16.8%
Furniture	382.1	426.6	+11.7%
<b>Total</b>	<b>881.8</b>	<b>1,010.6</b>	<b>+14.6%</b>
Decoration (%)	56.7%	57.8%	-
Furniture (%)	43.3%	42.2%	-
<b>Total (%)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>
<b>Sales by distribution channel</b>			
Stores	712.7	800.6	+12.3%
Online	169.1	210.0	+24.2%
<b>Total</b>	<b>881.8</b>	<b>1,010.6</b>	<b>+14.6%</b>
Stores (%)	80.8%	79.2%	-
Online (%)	19.2%	20.8%	-
<b>Total (%)</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-</b>

## Key FY 2017 financial metrics

In € million	Year ended 31 December		
	2016	2017	% change
<b>Sales</b>	<b>881.8</b>	<b>1,010.6</b>	<b>+14.6%</b>
<i>% like-for-like change</i>	<i>+14.7%</i>	<i>+7.4%</i>	<i>-</i>
<b>Gross margin</b>	<b>591.7</b>	<b>673.5</b>	<b>+13.8%</b>
<i>As a % of sales</i>	<i>67.1%</i>	<i>66.6%</i>	<i>(50)bps</i>
<b>EBITDA</b>	<b>122.8</b>	<b>138.8</b>	<b>+13.0%</b>
<i>As a % of sales</i>	<i>13.9%</i>	<i>13.7%</i>	<i>(20)bps</i>
<b>EBIT</b>	<b>93.2</b>	<b>106.8</b>	<b>14.7%</b>
<i>As a % of sales</i>	<i>10.6%</i>	<i>10.6%</i>	<i>-</i>
<b>Net income</b>	<b>(12.0)</b>	<b>63.0</b>	<b>n/a</b>
<b>Dividend per share (€)</b>	<b>0.31</b>	<b>0.44</b>	<b>+41.9%</b>
<i>Pay-out ratio (%)<sup>3</sup></i>	<i>35.0%</i>	<i>35.0%</i>	<i>-</i>
<b>Free cash flow</b>	<b>(8.0)</b>	<b>99.9</b>	<b>n/a</b>
<b>Net debt</b>	<b>225.7</b>	<b>125.5</b>	<b>(44.4)%</b>
<i>Leverage ratio<sup>4</sup> (x)</i>	<i>1.8x</i>	<i>0.9x</i>	<i>(0.9)x</i>

## Reconciliation of EBITDA

In € million	Year ended 31 December	
	2016	2017
<b>Current operating profit</b>	<b>68.5</b>	<b>101.5</b>
Depreciation, amortization, and allowance for provisions	29.7	32.0
Fair value – derivative financial instruments	20.6	2.3
Management fees	0.8	-
<b>EBITDA before pre-opening expenses</b>	<b>119.6</b>	<b>135.8</b>
Pre-opening expenses	3.2	3.0
<b>EBITDA</b>	<b>122.8</b>	<b>138.8</b>

<sup>3</sup> Based on adjusted net income.

<sup>4</sup> Net debt divided by EBITDA.

### Reconciliation of EBIT

In € million	Year ended 31 December	
	2016	2017
<b>EBITDA</b>	<b>122.8</b>	<b>138.8</b>
Depreciation, amortization, and allowance for provisions	(29.7)	(32.0)
<b>EBIT</b>	<b>93.2</b>	<b>106.8</b>

### Reconciliation of adjusted net income

In € million	Year ended	
	31 Dec. 2017	
<b>Profit / (loss) before income tax</b>	<b>88.3</b>	
Income Tax (normative tax rate: 36%)	(31.8)	
<b>Adjusted profit / (loss) for the period</b>	<b>56.5</b>	
<b>Dividend</b>	<i>Payout ratio (%)</i>	35%
	Distributed amount	19.9
	<b>Dividend per share (€)</b>	<b>0.44</b>

### Reconciliation of free cash flow

In € million	Year ended 31 December	
	2016	2017
<b>EBITDA</b>	<b>122.8</b>	<b>138.8</b>
Change in operating working capital requirement	(41.5)	27.1
Income tax paid	(7.5)	(9.8)
Management fees	(0.8)	-
Pre-opening expenses	(3.2)	(3.0)
IPO-related expenses	(11.4)	-
Change in other operating items	(0.3)	0.8
<b>Net cash generated by / (used in) operating activities<sup>(a)</sup></b>	<b>58.0</b>	<b>153.9</b>
Capital expenditure	(52.2)	(49.4)
Share and other securities repurchases	(20.6)	-
Disposal of and debt on fixed assets	6.7	(4.6)
<b>Net cash generated by / (used in) investing activities<sup>(b)</sup></b>	<b>(66.1)</b>	<b>(54.0)</b>
<b>Free cash flow<sup>(a)+(b)</sup></b>	<b>(8.0)</b>	<b>99.9</b>

## Consolidated income statement

In € million	Year ended 31 December	
	2016	2017
<b>Sales</b>	<b>881.8</b>	<b>1,010.6</b>
Other revenue	27.9	31.3
<b>Total revenue</b>	<b>909.7</b>	<b>1,041.9</b>
Cost of sales	(290.1)	(337.1)
Personnel expenses	(174.2)	(195.5)
External expenses	(319.0)	(369.6)
Depreciation, amortization, and allowance for provisions	(29.7)	(32.0)
Fair value – derivative financial instruments	(20.6)	(2.3)
Other income and expenses from operations	(7.6)	(3.9)
<b>Current operating profit</b>	<b>68.5</b>	<b>101.5</b>
Other operating income and expenses	(22.5)	(1.7)
<b>Operating profit / (loss)</b>	<b>46.0</b>	<b>99.8</b>
Financial profit / (loss)	(71.8)	(10.4)
Share of profit / (loss) of equity-accounted investees	0.9	(1.0)
<b>Profit / (loss) before income tax</b>	<b>(24.8)</b>	<b>88.3</b>
Income tax	12.8	(25.3)
<b>Profit / (loss) for the period</b>	<b>(12.0)</b>	<b>63.0</b>

## Consolidated cash flow statement

In € million	Year ended 31 December	
	2016	2017
Net cash generated by / (used in) operating activities	58.0	153.9
Net cash generated by / (used in) investing activities	(66.1)	(54.0)
Net cash generated by / (used in) financing activities	(7.1)	(59.7)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(15.2)</b>	<b>40.2</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>74.8</b>	<b>59.7</b>
Net increase / (decrease) in cash and cash equivalents	(15.2)	40.2
Foreign exchange gains / (losses)	0.1	0.2
<b>Cash and cash equivalents at the end of the period</b>	<b>59.7</b>	<b>100.1</b>



## Consolidated balance sheet

In € million	Year ended 31 December	
	2016	2017
<b>ASSETS</b>		
Goodwill	321.2	321.2
Other intangible assets	244.0	250.5
Property, plant and equipment	136.9	146.0
Equity-accounted investees	1.0	-
Other non-current financial assets	18.0	17.6
Deferred income tax assets	21.0	28.8
Other non-current assets	8.3	7.6
<b>NON-CURRENT ASSETS</b>	<b>750.4</b>	<b>771.7</b>
Inventories	171.1	159.7
Trade receivables and other current receivables	50.1	80.5
Other current financial assets	0.4	0.0
Current income tax assets	15.8	12.0
Derivative financial instruments	22.7	-
Cash and cash equivalents	60.3	100.1
<b>CURRENT ASSETS</b>	<b>320.4</b>	<b>352.4</b>
<b>TOTAL ASSETS</b>	<b>1,070.8</b>	<b>1,124.1</b>
<b>EQUITY AND LIABILITIES</b>		
<b>TOTAL EQUITY</b>	<b>497.0</b>	<b>532.1</b>
Borrowings	249.6	51.5
Convertible bonds	-	173.6
Deferred income tax liabilities	62.8	56.1
Post-employment benefits	6.1	7.7
Provisions	14.0	13.7
Derivative financial instruments	-	19.2
Other non-current liabilities	10.9	12.0
<b>Non-current liabilities</b>	<b>343.4</b>	<b>333.8</b>
Borrowings	36.4	0.5
Trade payables and other current payables	192.9	238.1
Provisions	0.5	0.2
Current income tax liabilities	0.7	0.6
Derivative financial instruments	-	18.8
<b>Current liabilities</b>	<b>230.5</b>	<b>258.3</b>
<b>TOTAL LIABILITIES</b>	<b>573.8</b>	<b>592.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,070.8</b>	<b>1,124.1</b>

### Evolution of the store network

In unit	Period ended					
	31-Dec-16	31-Mar-17	30-Jun-17	30-Sep-17	31-Dec-17	31-Dec-17
France	203	201	205	206	212	212
Italy	36	37	38	41	42	42
Belgium	20	19	20	21	22	22
Spain	14	15	18	19	20	20
Luxembourg	2	2	2	2	2	2
Germany	8	9	9	9	9	9
Switzerland	5	6	6	6	6	6
<b>Number of stores</b>	<b>288</b>	<b>289</b>	<b>298</b>	<b>304</b>	<b>313</b>	<b>313</b>
Net store openings	-	+1	+9	+6	+9	+25



### Key operating metrics

Besides the financial indicators set out in International Financial Reporting Standards (IFRS), Maisons du Monde's management uses several key 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 BtoB 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 concept of "sales" rather than "total revenue" to calculate like-for-like growth, gross margin, EBITDA margin and EBIT margin.
- **Like-for-like sales growth:** Represents the percentage change in sales from the Group's retail stores, websites and BtoB 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, (iii) store pre-opening expenses, and (iv), only for 2016, pre-IPO management fees paid to the controlling shareholders.
- **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, finance lease debt, deposits and bank borrowings, net of cash and cash equivalents.
- **Leverage ratio:** Is defined as net debt divided by EBITDA.



### 2018 financial calendar<sup>5</sup>

<b>3 May 2018</b>	First-quarter 2018 sales (press release after market close)
<b>18 May 2018</b>	Annual general meeting
<b>30 July 2018</b>	First-half 2018 results (press release after market close and conference call)
<b>7 November 2018</b>	Third-quarter 2018 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, websites and catalogues. The Group was founded in France in 1996 and has profitably expanded across Europe since 2003. The Group posted sales of €1,011 million and EBITDA of €139 million for the year ended 31 December 2017. In 2017, the Group operated 313 stores in seven countries including France, Italy, Spain, Belgium, Germany, Switzerland, and Luxembourg, and derived over 38% of its sales from outside France. The Group has also built a successful complementary and comprehensive online shopping website, sales from which grew 35% per year on average between 2010 and 2017. The website is available in eleven countries: the seven countries where the Group operates stores plus Austria, the Netherlands, Portugal and the United Kingdom. In 2017, online sales represented 21% of the Group's sales.

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

\*\*\*

### **Contacts**

#### **Investor Relations**

Laurent Sfaxi – +33 2 51 71 52 07

[lsfaxi@maisonsdumonde.com](mailto:lsfaxi@maisonsdumonde.com)

#### **Press Relations**

Clémentine Prat – +33 2 51 79 54 08

[cprat@maisonsdumonde.com](mailto:cprat@maisonsdumonde.com)

---

<sup>5</sup> Indicative timetable.