PRESS RELEASE

MAISONS DU MONDE: FIRST-HALF 2018 RESULTS

A solid first half in a challenging environment

Updated full-year 2018 targets

- **Sales up 11% to €507m including Modani, and up 9.8% at constant scope**
- **Like-for-like sales growth of 4.8% at constant scope, reflecting a softer-than-expected trading environment in Q2 2018**
- **Continued strong momentum in online sales (+17.8%) and international business (+13.6%) at constant scope**
- **EBITDA up 11.1% to €48m; stable EBITDA margin of 9.5%**
- **Net income of €8.1m, up by almost 30% year-on-year**
- **Leverage ratio improved to 1.5x vs. 1.8x last year**
- **Updated FY 2018 targets:**
  - **At constant scope, sales growth now expected to be around 8% reflecting a softer trading environment in France and a delay in store openings – 19 net openings planned in 2018, with 6 store openings moved into Q1 2019**
  - **Including Modani, sales growth expected to be above 10% and net store openings at 22**
  - **EBITDA margin above 13% of sales, unchanged both at constant scope and including Modani**

Nantes, 30 July 2018

Maisons du Monde (Euronext Paris: MDM, ISIN Code: FR0013153541), a European leader in affordable and inspirational decoration and furniture homeware, today releases its results for the first half of 2018.

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

"With sales up close to double-digits and EBITDA up by 11%, Maisons du Monde turned in a solid performance in the first half despite a challenging trading environment in the second quarter, particularly in stores in France, thanks to continued strong momentum in online sales and international business. Moreover, Modani is being successfully integrated and the business is performing in line with expectations.

To reflect a softer trading environment and a slight delay in some store openings, which will now occur in early 2019, we have updated our full-year 2018 targets. In this context, we remain focused on our priorities and we are confident in the operating action plan we have defined with the executive committee for the second half, confirming the robustness of the Group's business model and omnichannel strategy."

Solid sales performance in H1 2018 in challenging market conditions

Maisons du Monde posted sales of €507 million in the first half of 2018, up 11.0% year-on-year including Modani and up 9.8% at constant scope. Like-for-like sales growth was 4.8% at constant scope, reflecting a softer-than-expected trading environment in the second quarter, particularly in stores in France. This was due to specific factors such as transport strikes and a stronger-than-anticipated calendar effect in May, which had an unfavorable impact on in-store traffic. Nevertheless, strong momentum continued in online sales, up 17.8% in the first half (up 20.5% in Q2 2018), and international business, up 13.6%, confirming the robustness of the Group's business model and omnichannel strategy.

In line with its strategic objective of improving the omnichannel customer approach, Maisons du Monde started to roll out new tools for in-store experience to improve merchandising execution, contactless and mobile payments to improve check-out experience, as well as customer-centric delivery solutions.

In the first half of 2018, Maisons du Monde continued to implement its development plan with 7 net store openings, all of them in the second quarter (11 gross openings, of which 4 outside France and 4 shop-in-shops, and 4 closures for relocation).

Since its acquisition last May, Modani has performed in line with expectations and commercial synergies have started to be implemented. Three new showrooms were opened in July 2018, bringing the total to 13.

Continued robust level of profitability

Gross margin stood at 65.0% in the first half of 2018 compared to 65.3% in in the first half of 2017, due to a higher share of furniture sales in Maisons du Monde's product mix, as expected, and the integration of Modani over the May-June period.

EBITDA amounted to €48 million in the first half of 2018, up 11.1% year-on-year, resulting in an EBITDA margin of 9.5%, stable compared to the first half of 2017. This performance reflected solid sales growth over the period, positive operating leverage and effective cost management allowing Maisons du Monde to increase advertising expenses and to continue investment in growth initiatives.

Net income amounted to €8.1 million in the first half of 2018 compared to €6.2 million in the first half of 2017, increasing by almost 30% year-on-year.

Further deleveraging

The Group continued to deleverage in the first half of 2018 despite the acquisition of Modani. At 30 June 2018, net debt totaled €213.1m, compared to €230.2m at 30 June 2017. The leverage ratio improved to 1.5x compared to 1.8x at 30 June 2017. Excluding the impact of Modani, Maisons du Monde's leverage ratio would have reached 1.2x at 30 June 2018, an improvement of 0.6x year-on-year.

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H2 2018 business priorities

In the second half of 2018, Maisons du Monde will continue to strengthen its omnichannel and international business model, focusing on its 4 strategic priorities:

- Propose an attractive offer for customers, with the launch of the first lighting catalogue, the autumn-winter decoration collection and the first capsule collection in partnership with Chantal Thomass;
- Continue to invest in store network expansion, notably with two flagship openings in Madrid & Berlin;
- Enhance the omnichannel customer approach, deploying in-store and digital Home Decoration Advice Services, including a 3D app allowing customers to visualize their furniture items at home;
- Accelerate the Group's CRM strategy, based on upgraded store localization and personalized communications.

Updated FY 2018 targets

Taking into account the softer-than-expected trading environment in the second quarter of 2018, a more prudent stance regarding the business environment in France in the second half of 2018 and a delay in store openings, Maisons du Monde is updating its full-year 2018 targets as follows:

- At constant scope, sales growth is now expected to be around 8% and net store openings at 19 (compared to sales growth at around 10% and net store openings in the range of 25-30 previously); 6 store openings originally scheduled in 2018 will take place in Q1 2019;
- Including Modani, sales growth is expected to be above 10% and net store openings at 22;
- EBITDA margin above 13% of sales, unchanged both at constant scope and including Modani.

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APPENDICES[1]

Summary of Q2 2018 sales for Maisons du Monde[2]

	Three months ended 30 June		
In € million	**2017**	**2018**	***% change***
Sales	**227.8**	**246.1**	***+8.0%***
% like-for-like change	*+6.2%*	*+4.2%*	-
Sales by geography			
France	138.0	144.6	*+4.8%*
International	89.8	101.4	*+12.9%*
Total	**227.8**	**246.1**	***+8.0%***
France (%)	60.6%	58.8%	-
International (%)	39.4%	41.2%	-
Total (%)	**100.0%**	**100.0%**	**-**
Sales by distribution channel			
Stores	177.3	185.2	*+4.5%*
Online	50.5	60.8	*+20.5%*
Total	**227.8**	**246.1**	***+8.0%***
Stores (%)	77.8%	75.3%	-
Online (%)	22.2%	24.7%	-
Total (%)	**100.0%**	**100.0%**	**-**
Sales by product category			
Decoration	116.9	122.7	*+5.0%*
Furniture	110.9	123.4	*+11.3%*
Total	**227.8**	**246.1**	***+8.0%***
Decoration (%)	51.3%	49.9%	-
Furniture (%)	48.7%	50.1%	-
Total (%)	**100.0%**	**100.0%**	**-**

[1] The audit procedures are being finalized.
[2] Excluding Modani.

Summary of H1 2018 sales for Maisons du Monde[3]

	Six months ended 30 June		
In € million	**2017**	**2018**	***% change***
Sales	**456.6**	**501.2**	***+9.8%***
% like-for-like change	*+9.0%*	*+4.8%*	-
Sales by geography			
France	279.0	299.4	*+7.3%*
International	177.6	201.8	*+13.6%*
Total	**456.6**	**501.2**	***+9.8%***
France (%)	61.1%	59.7%	-
International (%)	38.9%	40.3%	-
Total (%)	**100.0%**	**100.0%**	**-**
Sales by distribution channel			
Stores	354.6	381.0	*+7.5%*
Online	102.0	120.2	*+17.8%*
Total	**456.6**	**501.2**	***+9.8%***
Stores (%)	77.7%	76.0%	-
Online (%)	22.3%	24.0%	-
Total (%)	**100.0%**	**100.0%**	**-**
Sales by product category			
Decoration	242.9	264.3	*+8.8%*
Furniture	213.7	236.8	*+10.9%*
Total	**456.6**	**501.2**	***+9.8%***
Decoration (%)	53.2%	52.7%	-
Furniture (%)	46.8%	47.3%	-
Total (%)	**100.0%**	**100.0%**	**-**

[3] Excluding Modani.

Key Q2 2018 financial metrics

In € million		Three months ended 30 June 2017	2018	% change
Sales		**227.8**	**251.9**	***+10.6%***
Of which	Maisons du Monde	227.8	246.1	*+8.0%*
	% like-for-like change	*+6.2%*	*+4.2%*	-
	Modani	-	5.8	*n/a*

Key H1 2018 financial metrics

In € million		Six months ended 30 June 2017	2018	% change
Sales		**456.6**	**507.0**	***+11.0%***
Of which	Maisons du Monde	456.6	501.2	*+9.8%*
	% like-for-like change	*+9.0%*	*+4.8%*	-
	Modani	-	5.8	*n/a*
Gross margin		**298.2**	**329.7**	***+10.6%***
As a % of sales		*65.3%*	*65.0%*	*(30)bps*
EBITDA		**43.2**	**48.0**	***+11.1%***
As a % of sales		*9.5%*	*9.5%*	-
EBIT		**28.0**	**30.6**	***+9.5%***
As a % of sales		*6.1%*	*6.0%*	*(10)bps*
Net income		**6.2**	**8.1**	***+29.7%***
Free cash flow[4]		**0.5**	**(25.7)**	***n/a***
Net debt		**230.2**	**213.1**	***(7.4)%***
Leverage ratio[5] *(x)*		*1.8x*	*1.5x*	*(0.3)x*

[4] Before acquisition of subsidiaries (net of cash acquired).

[5] Net debt divided by last-twelve-months EBITDA (including Modani on a pro forma basis for the period, excluding the liabilities from the earn-out and the put option).

Reconciliation of EBITDA

In € million	Six months ended 30 June 2017	2018
Current operating profit	**16.6**	**21.2**
Depreciation, amortization, and allowance for provisions	15.2	17.4
Fair value – derivative financial instruments	2.4	0.8
Catalogue-related expenses[6]	6.7	6.9
Taxes (IFRIC 21)[6]	0.7	0.8
EBITDA before pre-opening expenses	**41.7**	**47.1**
Pre-opening expenses	1.5	0.9
EBITDA	**43.2**	**48.0**

Reconciliation of EBIT

In € million	Six months ended 30 June 2017	2018
EBITDA	**43.2**	**48.0**
Depreciation, amortization, and allowance for provisions	(15.2)	(17.4)
EBIT	**28.0**	**30.6**

Reconciliation of free cash flow

In € million	Six months ended 30 June 2017	2018
EBITDA	**43.2**	**48.0**
Change in operating working capital requirement	(3.4)	(44.2)
Income tax paid	(3.6)	(3.2)
Pre-opening expenses	(1.5)	(0.9)
Catalogue-related expenses[6]	(6.7)	(6.9)
Taxes (IFRIC 21)[6]	(0.7)	(0.8)
Change in other operating items	0.4	(0.7)
Net cash generated by / (used in) operating activities[(a)]	**27.7**	**(8.7)**
Capital expenditure	(24.0)	(15.9)
Acquisition of subsidiaries (net of cash acquired)	-	(36.3)
Disposal of and debt on fixed assets	(3.2)	(1.1)
Net cash generated by / (used in) investing activities[(b)]	**(27.2)**	**(53.3)**
Free cash flow[(a)+(b)]	**0.5**	**(62.0)**
FCF before acquisition of subsidiaries (net of cash acquired)	**0.5**	**(25.7)**

[6] Pro rata temporis for the period.

Consolidated income statement

In € million	Six months ended 30 June 2017	2018
Sales	**456.6**	**507.0**
Other revenue	13.1	14.9
Total revenue	**469.7**	**522.0**
Cost of sales	(158.4)	(177.3)
Personnel expenses	(91.0)	(102.4)
External expenses	(183.1)	(200.8)
Depreciation, amortization, and allowance for provisions	(15.2)	(17.4)
Fair value – derivative financial instruments	(2.4)	(0.8)
Other income and expenses from operations	(2.9)	(2.1)
Current operating profit	**16.6**	**21.2**
Other operating income and expenses	(0.9)	(2.7)
Operating profit / (loss)	**15.8**	**18.5**
Cost of net debt	(3.9)	(3.1)
Finance income	0.9	0.9
Finance expenses	(1.2)	(2.3)
Financial profit / (loss)	**(4.2)**	**(4.5)**
Share of profit / (loss) of equity-accounted investees	-	-
Profit / (loss) before income tax	**11.6**	**14.0**
Income tax	(5.4)	(5.9)
Profit / (loss) for the period	**6.2**	**8.1**
Attributable to:		
• Owners of the parent	6.2	8.0
• Non-controlling interests	-	0.1

Consolidated balance sheet

	As of	
In € million	**31-Dec-2017**	**30-Jun-2018**
ASSETS		
Goodwill	321.2	367.6
Other intangible assets	250.5	267.3
Property, plant and equipment	146.7	146.6
Equity-accounted investees	-	-
Other non-current financial assets	17.0	15.7
Deferred income tax assets	2.7	3.7
Derivative financial instruments	-	1.7
Other non-current assets	7.6	7.1
NON-CURRENT ASSETS	**745.7**	**809.6**
Inventories	159.7	197.6
Trade receivables and other current receivables	80.5	67.2
Other current financial assets	0.0	0.0
Current income tax assets	12.0	11.7
Cash and cash equivalents	100.1	39.1
CURRENT ASSETS	**352.4**	**315.6**
TOTAL ASSETS	**1,098.1**	**1,125.2**
EQUITY AND LIABILITIES		
TOTAL EQUITY	**525.0**	**530.4**
Borrowings	51.5	51.7
Convertible bonds	173.6	176.0
Deferred income tax liabilities	37.1	50.5
Post-employment benefits	7.7	8.4
Provisions	13.7	14.2
Derivative financial instruments	19.2	-
Other non-current liabilities	12.0	38.9
Non-current liabilities	**314.8**	**339.7**
Borrowings	0.5	24.6
Trade payables and other current payables	238.1	214.4
Provisions	0.2	0.1
Current income tax liabilities	0.6	1.3
Derivative financial instruments	18.8	14.8
Current liabilities	**258.3**	**255.1**
TOTAL LIABILITIES	**573.0**	**594.8**
TOTAL EQUITY AND LIABILITIES	**1,098.1**	**1,125.2**

Consolidated cash flow statement

In € million	Six months ended 30 June 2017	Six months ended 30 June 2018
Profit / (loss) before income tax	**11.6**	**14.0**
Adjustments for:		
• Depreciation, amortization, and allowance for provisions	15.7	18.8
• Net gain / (loss) on disposals	0.6	0.7
• Fair value – derivative financial instruments	2.4	0.8
• Share-based payments	0.7	1.3
• Cost of net debt	3.9	3.1
Change in operating working capital requirement:		
• (Increase) / decrease in inventories	11.4	(28.5)
• (Increase) / decrease in trade and other receivables	(3.0)	15.4
• (Increase) / decrease in trade and other payables	(11.8)	(31.1)
Income tax paid	(3.6)	(3.2)
Net cash generated by / (used in) operating activities[(a)]	**27.7**	**(8.7)**
Acquisitions of non-current assets:		
• Property, plant and equipment	(20.5)	(14.8)
• Intangible assets	(3.5)	(3.2)
• Subsidiaries, net of cash acquired	-	(36.3)
• Other non-current assets	1.8	2.1
Change in debts on fixed assets	(5.2)	(1.1)
Proceeds from sale of non-current assets	0.2	0.0
Net cash generated by / (used in) investing activities[(b)]	**(27.2)**	**(53.3)**
Proceeds from borrowings	-	20.1
Repayment of borrowings	(10.7)	(0.8)
Acquisitions (net) of treasury shares	(0.3)	(1.1)
Dividend paid	-	(19.9)
Interest paid	(3.9)	(0.7)
Net cash generated by / (used in) financing activities[(c)]	**(14.9)**	**(2.4)**
Net increase / (decrease) in cash and cash equivalents[(a)+(b)+(c)]	**(14.4)**	**(64.4)**
Cash and cash equivalents at the beginning of the period	**59.7**	**100.1**
Net increase / (decrease) in cash and cash equivalents	(14.4)	(64.4)
Foreign exchange gains / (losses)	(0.0)	0.3
Cash and cash equivalents at the end of the period	**45.3**	**36.0**

Evolution of the Maisons du Monde store network[7]

In unit	Period ended 31-Dec-17	31-Mar-18	30-Jun-18	30-Jun-18
France	212	213	216	216
Italy	42	42	42	42
Belgium	22	21	21	21
Spain	20	20	20	20
Luxembourg	2	2	3	3
Germany	9	9	9	9
Switzerland	6	6	6	6
United Kingdom	-	-	3	3
Number of stores	**313**	**313**	**320**	**320**
Net store openings	-	-	+7	+7

[7] Excluding Modani.

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, and (iii) store pre-opening expenses. Half-year EBITDA is defined the same way as annual EBITDA except that is 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, finance lease debt, deposits and bank borrowings, net of cash and cash equivalents.
- **Leverage ratio:** Is defined as net debt divided by last-twelve-months EBITDA (including Modani on a pro forma basis for the period, excluding the liabilities from the earn-out and the put option).

2018 financial calendar[8]

7 November 2018 Third-quarter 2018 sales (press release after market close)

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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, 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.

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[8] Indicative timetable.