



**MAISONS**  
DU MONDE

# FIRST-HALF 2019 RESULTS

29 JULY 2019



# FORWARD LOOKING STATEMENTS



This presentation 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 presentation 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.



# Agenda

- 1 First-half 2019 key highlights
- 2 First-half 2019 financial review
- 3 H2 business initiatives and outlook
- 4 Q&A
- 5 Appendix



Julie WALBAUM

CEO

1

**H1 2019**

Key Highlights

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# H1 2019 performance in line with our expectations

Sales	Group Sales	<b>€564.0m</b>	<b>+10.9%</b>
			<i>Year-on-year growth<sup>(2)</sup></i>
	MDM sales	<b>€543.8</b>	<b>+8.3%</b>
			<i>Year-on-year growth<sup>(2)</sup></i>
			<b>+4.4%</b>
			<i>Like-for-like growth</i>
EBITDA <sup>(1)</sup>	EBITDA	<b>€45.6m</b>	<b>(4.9)%</b>
			<i>Year-on-year growth</i>
	EBITDA margin	<b>8.1%</b>	<b>(140)bps</b>
			<i>Year-on-year</i>
Leverage <sup>(1)</sup>	Net debt to EBITDA ratio as at 30/06/2019	<b>1.4x</b>	<b>(0.1)x</b>
			<i>Decrease vs. 30/06/2018</i>

Note: (1) Pre-IFRS 16 impact

(2) At constant exchange rates (sales growth of 11.2% at Group level and sales growth of 8.5% at constant perimeter on a reported basis in 1H19 vs. 1H18)

# In H1 2019, MDM remained focused on its business priorities



## New innovations in our offer

- ▶ Positive response to **our renewed “multi-style” and customer-driven approach**
- ▶ Continued development of our **B2B** activity



## Continued expansion of our international & omnichannel footprint

- ▶ Agile development of our **MDM store network**
- ▶ Continued expansion of **Modani** in the USA



## Enhanced omnichannel customer experience

- ▶ Enriching **digital experience**
- ▶ Enhancing **our in-store experience**
- ▶ Providing a smoother **payment experience**
- ▶ Improving **delivery services**



## Strengthened relationships with our customers

- ▶ Enhancing **customer personalization**
- ▶ Continuing to optimize our **marketing investments**
- ▶ Reinforcing our **brand visibility**



## Positive response to our renewed “multi-style” and customer-driven approach

### Successful launch of new indoor, outdoor & kids collections



### Positive response to customizable sofa



### Enriched kitchen offer



### Enhancement of our sustainable offer (general & junior catalogs)

## Continued development of our B2B activity

- Successful launch of our new B2B catalog with 850 products, including 140 specific B2B products
- Increased visibility of the B2B activity supported by fairs, online marketing and PR
- Successful opening of the Maisons du Monde Hôtel & Suites in Nantes, on 1 May



Furoralone - Milano



Maisons du Monde Hôtel & Suites

# Continued expansion of our international and omnichannel footprint



## Agile development of our MDM store network

- 13 gross store openings in H1 2019
- 6 stores in France – 7 across international markets, including 1 store in Faro, Portugal
- 6 closures as part of our store portfolio active management – 3 in France, 1 in Belgium, 2 in Italy



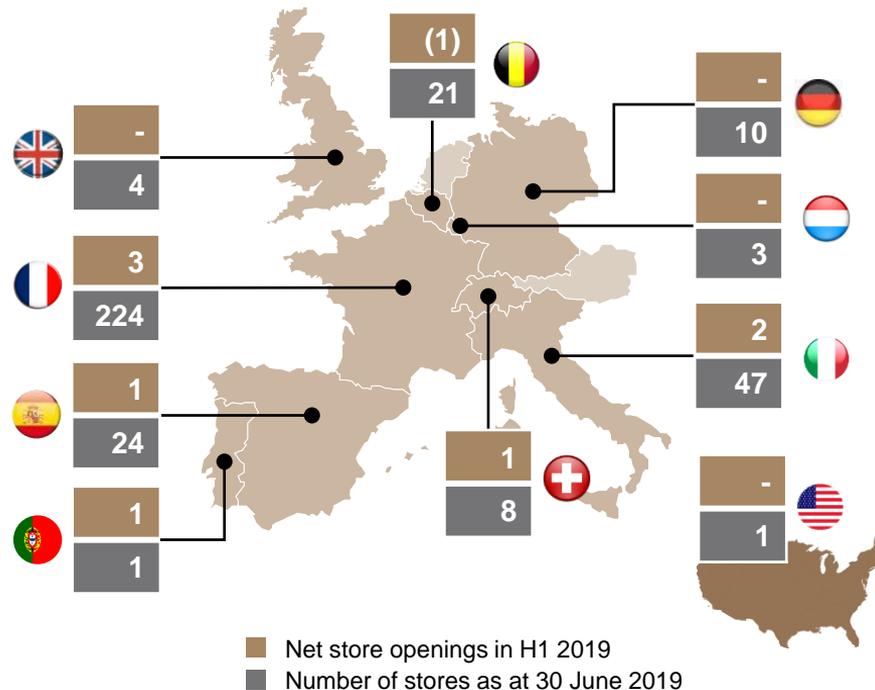
Faro Portugal

## Continued expansion of Modani in the USA

- Strong growth in H1 2019, with sales of €20 million, up c.19% on a pro forma basis vs. H1 2018
- 2 new showrooms opened in H1 2019 (Paramus-New Jersey, Doral-Florida), bringing the total to 15 showrooms across the USA as of 30 June 2019

343 MDM stores as at 30 June 2019<sup>(1)</sup>

(in number of stores)



# Enhanced omnichannel customer experience



## Enriching digital experience

- Improvement of **search engine** and **product categories**
- Successful **launch of e-catalogs** (indoor, outdoor, kids, B2B)



## Enhancing our in-store experience

- Piloting of our “**Customer First**” training program to further enhance in-store experience
- Roll out of our **in-store decoration advice corners** in c.150 stores



## Providing a smoother payment experience

- Deployment of **Bancontact** in Belgium
- Deployment of **Postepay** in Italy



## Improving delivery services

- Test of **in-store returns of decoration items ordered online** (Spain)





## 1

### Enhancing customer personalization



- **Increased online sales** through more efficient CRM, newsletters and trigger campaigns
  - Online sales generated by newsletters and trigger emails increased by +50% vs H1 2018

## 2

### Continuing to optimize our marketing investments



- **Optimization of our marketing investments** based on our Customer Lifetime Value analysis, in an omnichannel approach
- Roll out of **life-moment-based marketing campaigns**

## 3

### Reinforcing our brand visibility



- Development of our fan bases on **social media** reaching 2.4m followers on Instagram and 0.3m subscribers on Pinterest
- **Successful Hotel launch** campaign, reaching 1.8m people, generating high engagement
- Brand visibility through **Mothers' day** and **"Sustainable climate week"**



Eric BOSMANS

CFO

2

## H1 2019 Financial Review

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## H1 2019 key financial indicators pre-IFRS 16

In €m	H1 2019 <sup>(1)</sup>	H1 2018	Change
<b>Sales</b>	<b>564.0</b>	<b>507.0</b>	<b>+11.2%</b>
<i>% change at constant rates</i>			+10.9%
<u>Of which</u> Maisons du Monde	543.8	501.2	+8.5% <sup>(3)</sup>
<i>% like-for-like change</i>	+4.4%	+4.8%	-
Modani	20.3	5.8	n/a
<b>Gross margin</b>	<b>360.7</b>	<b>329.7</b>	<b>+9.4%</b>
<i>As % of sales</i>	64.0%	65.0%	(110)bps
<b>EBITDA<sup>(2)</sup></b>	<b>45.6</b>	<b>48.0</b>	<b>(4.9)%</b>
<i>As % of sales</i>	8.1%	9.5%	(140)bps
<b>EBIT<sup>(2)</sup></b>	<b>26.7</b>	<b>30.6</b>	<b>(12.9)%</b>
<i>As % of sales</i>	4.7%	6.0%	(130)bps
<b>Net income<sup>(2)</sup></b>	<b>7.2</b>	<b>8.1</b>	<b>(10.8)%</b>

Note: (1) The audit procedures by the statutory auditors are being finalized

(2) Pre-IFRS 16 impact

(3) At current exchange rate (8.3% at constant exchange rate)

# H1 2019 performance reflecting growth in geographies, channels and categories

**Sales growth of 11.2% driven by all business lines**

## Geographies

France

+2.7%

International

+23.5%

## Channels

Stores

+7.5%

Online

+23.3%

## Categories

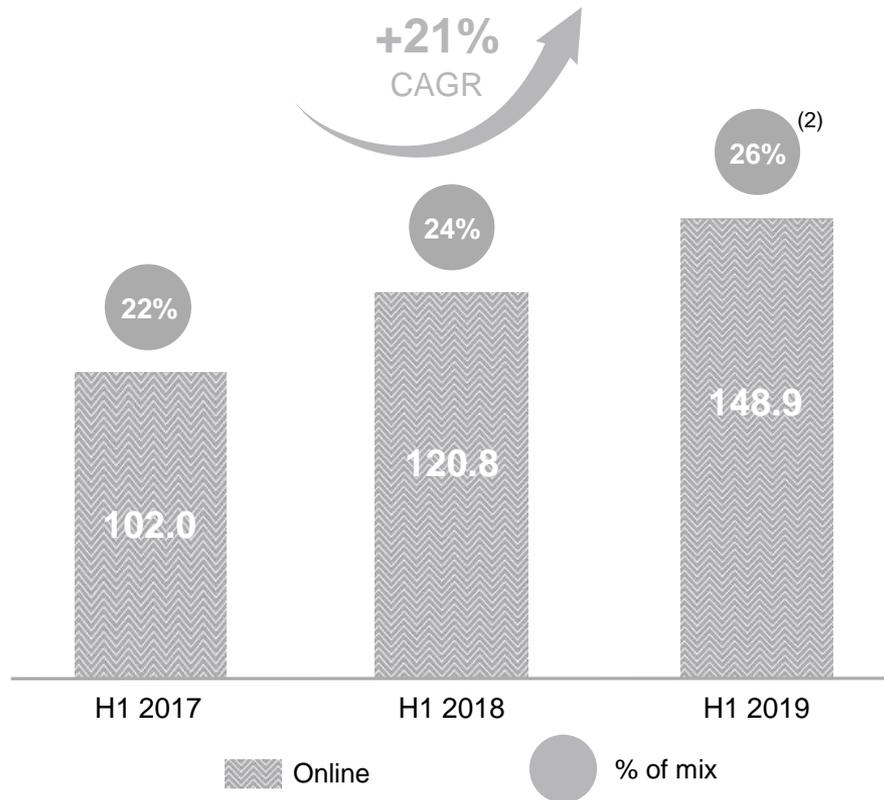
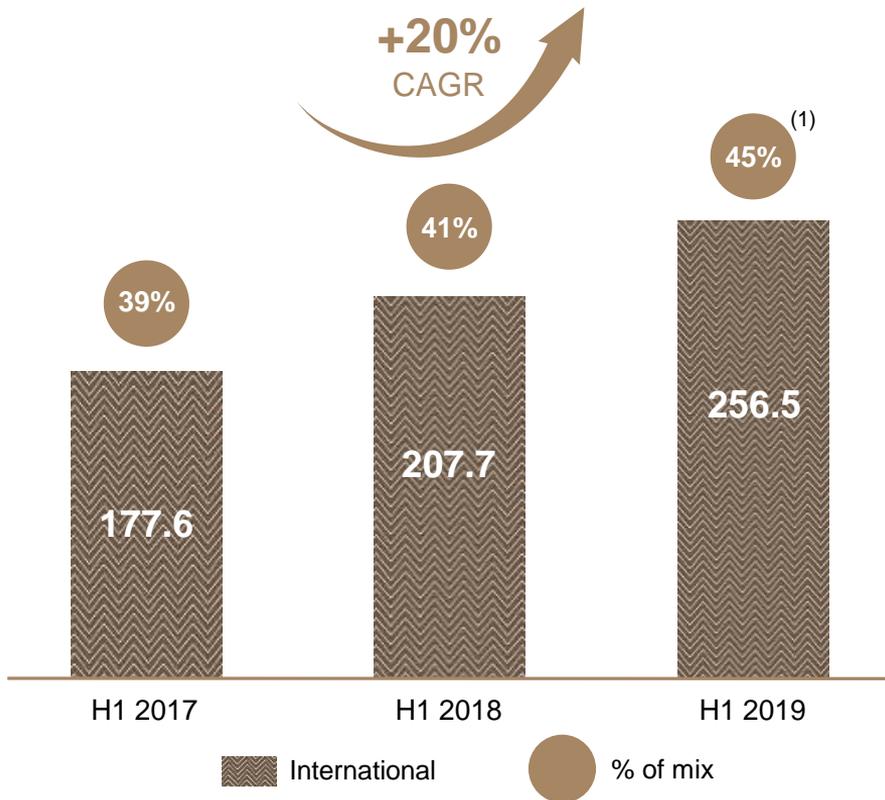
Furniture

+14.6%

Decoration

+8.1%

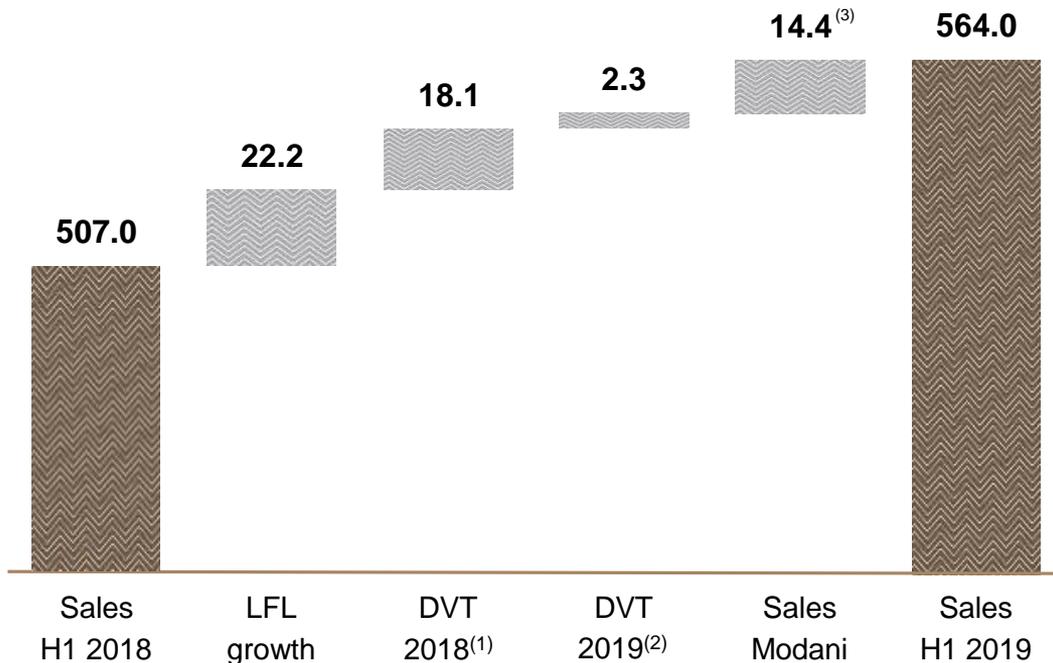
## Continued strong growth in international and online sales



## Sales growth driven by LFL, expansion and acquisition

## SALES EVOLUTION

(in €m)



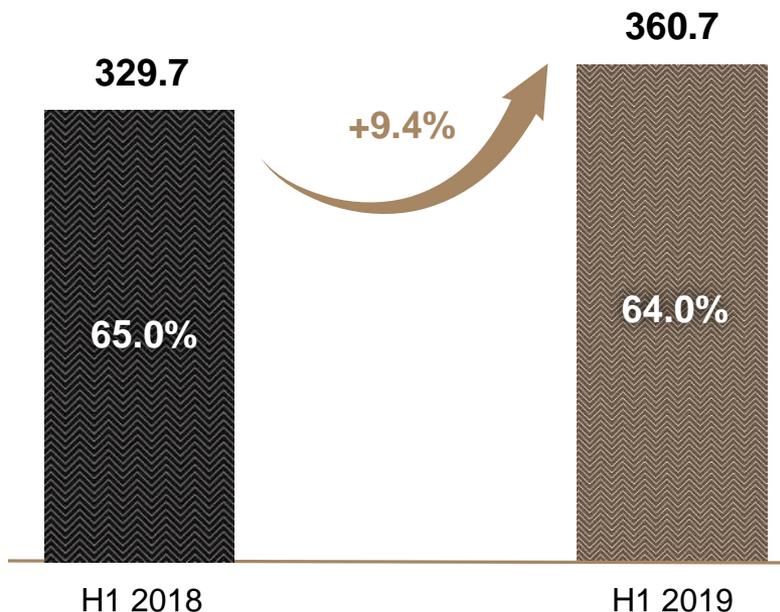
## Key highlights

- Contribution from LFL growth reflecting:
  - Challenging base effect (4.8% LFL in 1H18)
  - Soft retail environment in France impacting in-store traffic
  - Improving LFL growth momentum, from +2.4% in Q1 to +6.5% in Q2
  - Contribution from 2018 development reflecting the phasing of new store openings, which were weighted towards the end of the year
- Contribution from 2019 development reflecting the phasing of new store openings and store closures for relocation, as planned
- Sustained Modani performance, with sales up c.19% at constant rates on a pro forma basis

# Gross margin reflecting expected FX and mix effects and higher promotional activity

## GROSS MARGIN EVOLUTION

(in €m / as % of sales)



### Key highlights

- GM decrease as a % of sales, resulting from:
  - Unfavorable FX effect
  - Temporarily higher promotional activity
  - Adverse product mix
  
- GM as a % of sales in H2 19 expected to benefit from:
  - Positive FX effect reflecting more favorable hedging rate vs. H2 18
  - Lower promotional intensity
  
- GM as a % of sales expected to be broadly stable in 2019 vs. 2018

# Investment in growth initiatives partly offset by efficient cost management

## GROSS MARGIN TO EBITDA MARGIN

(as % of sales)

	H1 2019 <sup>(1)</sup> % of sales	H1 2018 % of sales	Change
<b>Gross margin</b>	<b>64.0%</b>	<b>65.0%</b>	<b>(110)bps</b>
Global operating costs <sup>(2)</sup>	(45.2)%	(45.3)%	+10bps
Advertising costs	(4.1)%	(3.8)%	(30)bps
Central costs	(6.5)%	(6.5)%	(10)bps
<b>Total operating costs</b>	<b>(55.9)%</b>	<b>(55.6)%</b>	<b>(30)bps</b>
<b>EBITDA margin</b>	<b>8.1%</b>	<b>9.5%</b>	<b>(140)bps</b>

### Key highlights

#### Global operating costs

- Improvement of 10bps as a % of sales, thanks to continued efficient cost management, more than offsetting increased logistics costs at Modani

#### Advertising costs

- Increase of 30bps as a % of sales, driven by strengthened online marketing at MDM and temporary pressure on marketing costs at Modani

#### Central costs

- Increase of 10bps as a % of sales, driven by investments in IT, digital and data to support future growth

**CURRENT OPERATING PROFIT TO NET PROFIT**

(in €m)

	H1 2019 <sup>(1)</sup>	H1 2018
<b>Current operating profit</b>	<b>22.6</b>	<b>21.2</b>
Other operating income and expenses	(3.1)	(2.7)
<b>Operating profit</b>	<b>19.5</b>	<b>18.5</b>
Financial profit / (loss)	(4.6)	(4.5)
Share of profit / (loss) of equity-accounted investees	-	-
<b>Profit / (loss) before income tax</b>	<b>14.9</b>	<b>14.0</b>
Income tax	(7.7)	(5.9)
<b>Profit / (loss) for the period</b>	<b>7.2</b>	<b>8.1</b>

### Key highlights

#### Operating profit

- Other operating expenses in H1 19 including costs related to store closures and restructuring/contingency charges

#### Financial result

- Cost of net debt of €3.3m in H1 19 (€3.1m in H1 18), including a non-cash charge on convertible bonds (€2.2m)
- Interest paid: €0.8m in H1 19 (€0.7m in H1 18)

#### Income tax

- Current income tax expense of €7.6m in H1 19 (€6.2m in H1 18), including €3.4m of trade tax (mainly France's CVAE)
- Effective tax rate expected to be at c.33% on a full-year 2019 basis (excluding trade tax)

## FREE CASH FLOW

(in €m)

	H1 2019	H1 2018
<b>EBITDA</b>	<b>45.6</b>	<b>48.0</b>
Change in operating WC requirements	0.3	(44.2)
Change in other operating items	(25.9)	(12.5)
<b>Net cash generated by operating activities</b>	<b>20.1</b>	<b>(8.7)</b>
Capital expenditure	(23.4)	(15.9)
Acquisition of subsidiaries (net of cash acquired and of financial assets)	(4.2)	(36.3)
Change in debt on fixed assets and proceeds from sale of non-current assets	(7.5)	(1.1)
<b>Net cash used in investing activities</b>	<b>(35.2)</b>	<b>(53.3)</b>
<b>Free cash flow</b>	<b>(15.1)</b>	<b>(62.0)</b>

## Key highlights

## Working capital

- Neutral impact in H1 19, mainly due to lower inventory level of €215.8m at 30 June 19 (€241.2m at 31 Dec. 18)
- DSI<sup>(1)</sup>: 196 days in H1 19 (203 days in H1 18)

## Other operating items

- Cash outflow of €25.9m in H1 19, including €18.2m of income tax paid (€3.2m in H1 18)

## Investing activities

- Capex of €23.4m in H1 19 (4.2% of sales), mainly geared toward new openings (52%)

DEBT STRUCTURE AS AT 30 JUNE 2019<sup>(1)</sup>

(in €m)

Net debt calculation	30 June 2018	30 June 2019
Convertible bonds (“OCEANE”)	175.8	180.0
Term loan	49.5	49.7
RCF	19.1	(0.6)
Other debt <sup>(2)</sup>	7.9	5.8
Cash & cash equivalents	(39.1)	(30.7)
<b>Net debt pre-IFRS 16</b>	<b>213.1</b>	<b>204.2</b>
IFRS 16 impact	-	625.2
<b>Net debt</b>	<b>213.1</b>	<b>829.5</b>
<b>Leverage ratio<sup>(3)</sup></b>	<b>30 June 2018</b>	<b>30 June 2019</b>
Net debt pre-IFRS 16	213.1	204.2
EBITDA	146.0	145.6
<b>Net debt/EBITDA</b>	<b>1.5x</b>	<b>1.4x</b>

## Key highlights

- Net debt of €204.2m at 30 June 2019 (€213.1m at 30 June 2018)
  - Improved leverage ratio of 1.4x (vs. 1.5x)
- After applying IFRS 16, net debt amounts to €829.5m at 30 June 2019

Note: (1) Pre-IFRS 16

(2) Including other borrowings, finance lease debt, deposits and guarantees, and banks overdrafts

(3) Net debt divided by last-twelve-months EBITDA (including Modani on a pro forma basis for the period ending 30 June 2018, and excluding the liabilities from the earn-out and the put option at 30 June 2018 and excluding the put option at 30 June 2019)

# Summary of IFRS 16 impact on key financial metrics

## IFRS 16 IMPACT

(in €m)

	H1 2019 Pre-IFRS 16	IFRS 16 impact	H1 2019 IFRS 16
<b>EBITDA</b>	45.6	51.4	97.1
<b>EBIT</b>	26.7	3.5	30.2
<b>Financial result</b>	(4.7)	(6.1)	(10.8)
<b>Free cash flow</b>	(15.1)	51.4	36.4
<b>Change in WCR</b>	0.3	0.0	0.3
<b>Net debt</b>	204.2	625.2	829.5

## Key highlights

- Application of the simplified retrospective method since 1 January 2019
  - Recognition of a right-to-use asset and a lease liability related to lease contracts
  - Lease expenses now recognized as D&A and financial charges in the P&L
- H1 2019 consolidated financial statements established in accordance with IFRS 16
  - Prior-year data presented in accordance with previous accounting policies
- IFRS 16 significantly impacting EBITDA, EBIT, financial result, FCF and net debt



Julie WALBAUM

CEO

3

## H2 business initiatives and outlook

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# In H2, we will implement our business priorities, laying the foundations for our 2020-2024 plan

## OFFER AND MERCHANDIZING

Further enhance our **product proposition**, with more and narrower decoration collections,  
**Fine-tuned in-store merchandizing** to improve visual attractiveness



## STORE NETWORK DEVELOPMENT

Continue to develop **our store network in an agile manner**, including **an opening in Germany (Köln)**



## OMNICHANNEL EXPERIENCE

Keep on strengthening our omnichannel experience with initiatives such as the roll out of **in-store returns** of decoration orders and the revamping of the **salesforce tablet app**



## CUSTOMER RELATIONSHIPS

Further develop our customer relationships through **further personalization of our communications and optimized marketing**



## USA

Continue the **expansion of Modani** and further test the **Maisons du Monde concept** in the USA



### 3 FY 2019 outlook | Full-year 2019 guidance confirmed<sup>(1)</sup>

Continued sales growth of around 10%

35-40 gross store openings,  
of which two-thirds outside France

Around 10 store closures  
for relocation

EBITDA margin above 13% of sales





4 Q&A

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## 5 Appendix

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## Consolidated income statement

<i>(in K€)</i>	Six months ended 30 June 2018 Pre-IFRS 16	Six months ended 30 June 2019 Pre-IFRS 16	IFRS 16 impact	Six months ended 30 June 2019 IFRS 16
Sales	507,018	564,022	-	564,022
Other revenue	14,948	17,208	1,368	18,576
<b>Total revenue</b>	<b>521,966</b>	<b>581,230</b>	<b>1,368</b>	<b>582,598</b>
Cost of sales	(177,271)	(203,322)	-	(203,322)
Personnel expenses	(102,416)	(112,401)	-	(112,401)
External expenses	(200,826)	(225,897)	50,071	(175,826)
Depreciation, amortization, and allowance for provisions	(17,370)	(18,945)	(47,932)	(66,877)
Fair value - derivative financial instruments	(754)	4,608	-	4,608
Other income from operations	859	1,187	-	1,187
Other expenses from operations	(2,940)	(3,869)	-	(3,869)
<b>Current operating profit</b>	<b>21,249</b>	<b>22,593</b>	<b>3,507</b>	<b>26,100</b>
Other operating income and expenses	(2,739)	(3,095)	-	(3,095)
<b>Operating profit / (loss)</b>	<b>18,510</b>	<b>19,497</b>	<b>3,507</b>	<b>23,004</b>
Cost of net debt	(3,111)	(3,265)	-	(3,265)
Cost of lease debt	-	-	(6,149)	(6,149)
Finance income	867	820	-	820
Finance costs	(2,291)	(2,262)	61	(2,201)
<b>Financial profit / (loss)</b>	<b>(4,534)</b>	<b>(4,707)</b>	<b>(6,088)</b>	<b>(10,795)</b>
Share of profit / (loss) of equity-accounted investees	-	-	-	-
<b>Profit (loss) before income tax</b>	<b>13,975</b>	<b>14,791</b>	<b>(2,581)</b>	<b>12,210</b>
Income tax	(5,911)	(7,639)	826	(6,813)
<b>Profit / (loss) for the period</b>	<b>8,064</b>	<b>7,151</b>	<b>(1,755)</b>	<b>5,397</b>
Attributable to:				-
• Owners of the Parent	7,978	-	-	6,222
• Non-controlling interests	86	-	-	(825)
<b>Earnings per share for profit / (loss) for period attributable to the owners of the parent :</b>				
Basic earnings per share	0.18	-	-	0.14
Diluted earnings per share	0.19	-	-	0.15

## Consolidated balance sheet (1/2)

## ASSETS

(in k€)

	31 December 2018 Pre-IFRS 16	IFRS 16 impact	1 January 2019 IFRS 16	30 June 2019 IFRS 16
Goodwill	368,449	-	368,449	368,740
Other intangible assets	267,244	(28,163)	239,081	241,213
Property, plant and equipment	159,282	(4,416)	154,866	154,121
Right-of-use assets	-	674,666	674,666	657,932
Other non-current financial assets	14,816	-	14,816	19,760
Deferred income tax assets	2,751	-	2,751	3,805
Derivative financial instruments	4,664	-	4,664	3,773
Other non-current assets	7,862	(7,841)	21	-
<b>Non-current assets</b>	<b>825,070</b>	<b>634,246</b>	<b>1,459,315</b>	<b>1,449,345</b>
Inventory	241,229	-	241,229	215,833
Trade receivables and other current receivables	83,547	(11,444)	72,103	102,065
Other current financial assets	27	-	27	933
Current income tax assets	4,310	-	4,310	15,129
Derivative financial instruments	-	-	-	14,623
Cash and cash equivalents	57,181	-	57,181	30,730
<b>Current assets</b>	<b>386,294</b>	<b>(11,444)</b>	<b>374,850</b>	<b>379,313</b>
<b>TOTAL ASSETS</b>	<b>1,211,364</b>	<b>622,802</b>	<b>1,834,167</b>	<b>1,828,659</b>

## Consolidated balance sheet (2/2)

## EQUITY &amp; LIABILITIES

(in k€)

	31 December 2018 Pre-IFRS 16	IFRS 16 impact	1 January 2019 IFRS 16	30 June 2019 IFRS 16
Share capital	146,584	-	146,584	146,584
Share premium	134,283	-	134,283	134,283
Retained earnings	248,946	-	248,946	291,729
Profit (loss) for the period	60,050	-	60,050	6,222
<b>Equity attributable to owners of the Company</b>	<b>589,863</b>	-	<b>589,863</b>	<b>578,819</b>
Non-controlling interests	752	-	752	-3
<b>TOTAL EQUITY</b>	<b>590,614</b>	-	<b>590,614</b>	<b>578,816</b>
Borrowings	53,039	(3,273)	49,766	50,013
Convertible bonds	178,092	-	178,092	180,222
Medium and long-term lease liability	0	551,837	551,837	534,857
Deferred income tax liabilities	58,180	-	58,180	61,792
Post-employment benefits	8,619	-	8,619	10,389
Provisions	14,409	-	14,409	14,216
Derivative financial instruments	-	-	0	-
Other non-current liabilities	34,994	(14,964)	20,030	24,683
<b>Non-current liabilities</b>	<b>347,332</b>	<b>533,600</b>	<b>880,932</b>	<b>876,172</b>
Borrowings and convertible bonds	11,586	(1,286)	10,300	206
Short-term lease liability	0	91,977	91,977	94,916
Trade payables and other current payables	250,940	(1,489)	249,450	275,180
Provisions	1,128	-	1,128	1,778
Current income tax liabilities	964	-	964	1,589
Derivative financial instruments	2,354	-	2,354	-
Other current liabilities	6,450	-	6,450	-
<b>Current liabilities</b>	<b>273,422</b>	<b>89,202</b>	<b>362,624</b>	<b>373,669</b>
<b>TOTAL LIABILITIES</b>	<b>620,754</b>	<b>622,802</b>	<b>1,243,556</b>	<b>1,249,841</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,211,364</b>	<b>622,802</b>	<b>1,834,167</b>	<b>1,828,659</b>

## Consolidated cash flow statement

<i>(in k€)</i>	Six months ended 30 June 2018 Pre-IFRS 16	Six months ended 30 June 2019 Pre-IFRS 16	IFRS 16 impact	Six months ended 30 June 2019 IFRS 16
Profit / (loss) for the period before income tax	13,975	14,791	2,581	12,210
Adjustments for :		-		
• Depreciation and amortization	18,794	21,519	(47,932)	69,451
• Net (gain) / loss on disposals	740	1,571	-	1,571
• Change in fair value – derivative financial instruments	754	(4,608)	-	(4,608)
• Share-based payments	1,299	1,330	-	1,330
• Cost of net debt	3,111	3,326	(6,088)	9,414
Change in operating working capital requirement:		-		
• (Increase) / decrease in inventories	(28,517)	25,521	-	25,521
• (Increase) / decrease in trade and other receivables	15,401	(30,818)	-	(30,818)
• Increase / (decrease) in trade and other payables	(31,060)	5,639	-	5,639
Income tax paid	(3,207)	(18,166)	-	(18,166)
<b>Net cash flow from / (used in) operating activities</b>	<b>(8,708)</b>	<b>20,104</b>	<b>(51,439)</b>	<b>71,543</b>
Acquisitions of non-current assets :				
• Property, plant and equipment	(14,785)	(18,571)	-	(18,571)
• Intangible assets	(3,209)	(4,127)	-	(4,127)
• Financial assets	-	(4,225)	-	(4,225)
• Subsidiaries, net of cash acquired	(36,287)	-	-	-
• Other non-current assets	2,105	(717)	-	(717)
Change in debts on fixed assets	(1,097)	(7,971)	-	(7,971)
Proceeds from sale of non current assets	1	447	-	447
<b>Net cash flow from / (used in) investing activities</b>	<b>(53,272)</b>	<b>(35,164)</b>	<b>-</b>	<b>(35,164)</b>
Proceeds from issues of borrowings	20,126	-	-	-
Repayment of borrowings	(788)	(11,014)	(594)	(10,420)
Decrease in lease debt	-	-	48,284	(48,284)
Acquisitions (net) of treasury shares	(1,116)	197	-	197
Dividends paid	(19,890)	-	-	-
Interest paid	(733)	(753)	-	(753)
Lease interest paid	-	-	3,749	(3,749)
<b>Net cash flow from / (used in) financing activities</b>	<b>(2,401)</b>	<b>(11,570)</b>	<b>51,439</b>	<b>(63,009)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(64,382)</b>	<b>(26,630)</b>	<b>-</b>	<b>(26,630)</b>
Cash and cash equivalents at beginning of period	100,093	56,550	0	56,550
Exchange gains/(losses) on cash and cash equivalents	316	19	-	19
<b>Cash and cash equivalents at end of period</b>	<b>36,027</b>	<b>29,939</b>	<b>0</b>	<b>29,939</b>
Cash and cash equivalents (excluding bank overdrafts)	39,139	30,730	-	30,730
Bank overdrafts	(3,112)	(791)	-	(791)
<b>Cash and cash equivalents</b>	<b>36,027</b>	<b>29,939</b>	<b>-</b>	<b>29,939</b>

## Reconciliation of EBITDA

<i>(in €m)</i>	<b>H1 2019</b>	<b>H1 2018</b>
<b>Current operating profit</b>	<b>26.1</b>	<b>21.2</b>
Depreciation, amortization, and allowance for provisions	66.9	17.4
Fair value – derivative financial instruments	(4.6)	0.8
Pre-opening expenses	0.8	0.9
Catalogue-related expenses <sup>(1)</sup>	7.0	6.9
Taxes (IFRIC 21) <sup>(1)</sup>	0.9	0.8
<b>EBITDA</b>	<b>97.1</b>	<b>48.0</b>
IFRS 16 impact	(51.4)	-
<b>EBITDA before IFRS 16 impact</b>	<b>45.6</b>	<b>48.0</b>

## Reconciliation of EBIT

<i>(in €m)</i>	H1 2019	H1 2018
<b>EBITDA</b>	<b>97.1</b>	<b>48.0</b>
Depreciation, amortization, and allowance for provisions	(66.9)	(17.4)
<b>EBIT</b>	<b>30.2</b>	<b>30.6</b>
IFRS 16 impact	(3.5)	-
<b>EBIT before IFRS 16 impact</b>	<b>26.7</b>	<b>30.6</b>

## Reconciliation of free cash flow

<i>(in €m)</i>	2018 Pre-IFRS 16	2019 Pre-IFRS 16	<i>IFRS 16 impact</i>	2019 IFRS 16
<b>EBITDA</b>	<b>48.0</b>	<b>45.6</b>	<b>51.4</b>	<b>97.1</b>
Change in operating WC requirement	(44.2)	0.3	-	0.3
Change in other operating items	(12.5)	(25.9)	-	(25.9)
<b>Net cash generated by operating activities</b>	<b>(8.7)</b>	<b>20.1</b>	<b>51.4</b>	<b>71.5</b>
Capital expenditure	(15.9)	(23.4)	-	(23.4)
Acquisition of subsidiaries (net of cash acquired) and of financial assets	(36.3)	(4.2)	-	(4.2)
Change in debt on fixed assets and proceeds from sale of non-current assets	(1.1)	(7.5)	-	(7.5)
<b>Net cash used in investing activities</b>	<b>(53.3)</b>	<b>(35.2)</b>	<b>-</b>	<b>(35.2)</b>
<b>Free cash flow</b>	<b>(62.0)</b>	<b>(15.1)</b>	<b>51.4</b>	<b>36.4</b>
<b>FCF before acquisition of subsidiaries (net of cash acquired) and of financial assets</b>	<b>(25.7)</b>	<b>(10.8)</b>	<b>-</b>	<b>40.6</b>

## Reconciliation of net debt

<i>(in €m)</i>	As of 30-Jun-19	As of 30-Jun-18
Convertible bonds	180.0	175.8
Term loan	49.7	49.5
Revolving credit facilities	(0.6)	19.1
Lease liability	629.8	3.1
Other debts	1.3	4.8
Cash and cash equivalents	(30.7)	(39.1)
<b>Net debt</b>	<b>829.5</b>	<b>213.1</b>
IFRS 16 impact	(625.2)	-
<b>Net debt before IFRS 16 impact</b>	<b>204.2</b>	<b>213.1</b>

## FINANCIAL RESULT

(in €m)

	H1 2019 <sup>(1)</sup>	H1 2018
Interest on term loan	(0.4)	(0.3)
Interest on convertible bond	(2.2)	(2.2)
Interest on loans, including revolving credit facilities	(0.6)	(0.6)
Other	0.0	0.0
<b>Cost of net debt</b>	<b>(3.3)</b>	<b>(3.1)</b>
Finance lease	-	(0.0)
Foreign exchange gain / (loss)	(0.0)	(0.4)
Commission costs	(1.3)	(1.0)
Other finance income and costs	(0.0)	0.0
<b>Financial profit / (loss)</b>	<b>(4.6)</b>	<b>(4.5)</b>

## Key highlights

## Cost of net debt

- Cost of net debt of €3.3m in 1H19 (€3.1m in 1H18), including a non-cash IFRS charge on convertible bonds (€2.2m)
- Interest paid: €0.8m in 1H19 (€0.7m in 1H18)

**INCOME TAX***(in €m)*

	H1 2019 <sup>(1)</sup>	H1 2018
Current income tax	(7.6)	(6.2)
Deferred tax	(0.0)	0.3
<b>Income tax</b>	<b>(7.6)</b>	<b>(5.9)</b>

### Key highlights

#### Current income tax

- Current income tax expense of €7.6m in 1H19 (€6.2m in 1H18)
  - Including €3.4m of trade tax, mainly France's CVAE (€2.9m in 1H18)
- Effective tax rate expected to be at c.33% on a full-year 2019 basis (excl. trade tax)

## WORKING CAPITAL

(in €m)

	1H18	FY18	1H19
Inventory	197.6	241.2	215.8
Trade & other receivables	74.3	91.4	103.0
Trade & other payables	(239.8)	(230.0)	(251.1)
<b>Total working capital</b>	<b>32.0</b>	<b>102.6</b>	<b>67.7</b>
<b>Change versus prior year</b>	<b>(9.6)</b>	<b>(80.2)</b>	<b>35.0</b>
IFRS 16 impact	-	-	(35.6)
Other non-cash adjustments	(34.6)	4.4	0.9
<b>Change in working capital</b>	<b>(44.2)</b>	<b>(75.8)</b>	<b>0.3</b>

## Key highlights

## Inventory

- Lower inventory level of €215.8m at 30-Jun-18 2019, down by €25.4m vs. 31-Dec-18
  - Positive impact of the Group's decision to bring down inventories to prepare for its new strategy of shorter collections and streamlined in-store offer
- DSI<sup>(1)</sup>: 196 days in 2018 (234 days in 2018, 203 days in 1H18)

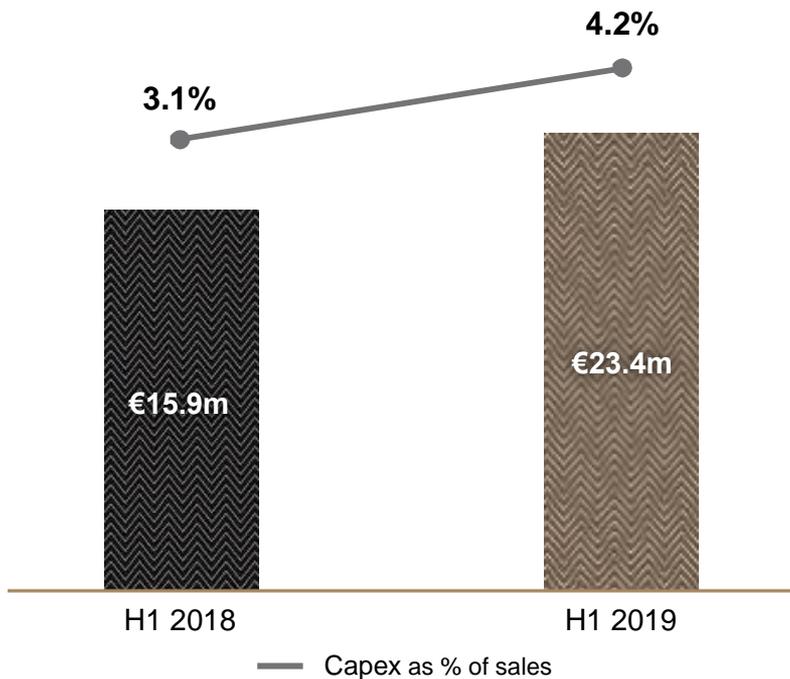
## Change in working capital

- Neutral impact of €0.3m in 1H19 after IFRS 16 adjustment

# Capital expenditure

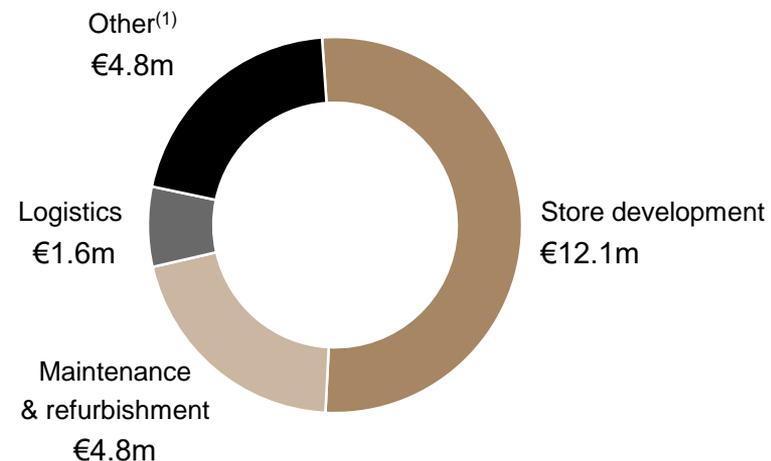
## CAPEX

(in €m)



## BREAKDOWN OF H1 2019 CAPEX

(in €m)



Historical sales<sup>(1)</sup>

<i>(In €m)</i>	FY 17	Q1 18	Q2 18	H1 18	Q3 18	9M 18	4Q 18	H2 18	FY 18	Q1 19	Q2 19	H1 19
<b>Sales</b>	1,010.6	255.1	246.1	501.2	251.2	752.4	333.0	584.2	1,085.4	271.4	272.4	543.8
Change vs. N-1	14.6%	11.5%	8.0%	9.8%	5.0%	8.1%	5.8%	5.5%	7.4%	+6.4%	+10.7%	+8.5%
Like-for-like	7.4%	5.1%	4.2%	4.8%	1.1%	3.6%	2.1%	1.7%	3.1%	+2.4%	+6.5%	+4.4%
<b>Sales breakdown</b>	<b>FY 17</b>	<b>Q1 18</b>	<b>Q2 18</b>	<b>H1 18</b>	<b>Q3 18</b>	<b>9M 18</b>	<b>4Q 18</b>	<b>H2 18</b>	<b>FY 18</b>	<b>Q1 19</b>	<b>Q2 19</b>	<b>H1 19</b>
France	61.8%	60.7%	58.8%	59.7%	58.8%	59.4%	60.2%	59.6%	59.7%	57.6%	55.5%	56.6%
International	38.2%	39.3%	41.2%	40.3%	41.2%	40.6%	39.8%	40.4%	40.3%	42.4%	44.5%	43.4%
Stores	79.2%	76.7%	75.3%	76.0%	76.0%	76.0%	79.3%	77.9%	77.0%	73.7%	72.3%	73.0%
Online	20.8%	23.3%	24.7%	24.0%	24.0%	24.0%	20.7%	22.1%	23.0%	26.3%	27.7%	27.0%
Decoration	57.8%	55.5%	49.9%	52.7%	54.0%	53.2%	65.8%	60.7%	57.0%	54.9%	50.1%	52.5%
Furniture	42.2%	44.5%	50.1%	47.3%	46.0%	46.8%	34.2%	39.3%	43.0%	45.1%	49.9%	47.5%

Evolution of the Maisons du Monde store network<sup>(1)</sup>

(In unit)	FY 17	Q1 18	Q2 18	H1 18	Q3 18	9M 18	4Q18	2H 18	FY 18	Q1 19	Q2 19	H1 19
France	213	214	217	217	217	217	221	221	221	221	224	224
Italy	42	42	42	42	45	45	45	45	45	45	47	47
Spain	20	20	20	20	21	21	23	23	23	23	24	24
Portugal	-	-	-	-	-	-	-	-	-	-	1	1
Belgium	22	21	21	21	21	21	22	22	22	21	21	21
Luxembourg	2	2	3	3	3	3	3	3	3	3	3	3
Germany	9	9	9	9	9	9	10	10	10	10	10	10
Switzerland	6	6	6	6	6	6	7	7	7	7	8	8
United Kingdom	-	-	3	3	4	4	4	4	4	4	4	4
United States	-	-	-	-	-	-	1	1	1	1	1	1
<b># Stores</b>	<b>314</b>	<b>314</b>	<b>321</b>	<b>321</b>	<b>326</b>	<b>326</b>	<b>336</b>	<b>336</b>	<b>336</b>	<b>335</b>	<b>343</b>	<b>343</b>
o/w France	213	214	217	217	217	217	221	221	221	221	224	224
o/w International	101	100	104	104	109	109	115	115	115	114	119	119
<b># Gross openings</b>	<b>32</b>	<b>4</b>	<b>7</b>	<b>11</b>	<b>7</b>	<b>18</b>	<b>10</b>	<b>17</b>	<b>28</b>	<b>3</b>	<b>10</b>	<b>13</b>
o/w France	15	4	3	7	2	9	4	6	13	3	3	6
o/w International	17	0	4	4	5	9	6	11	15	0	7	7
<b># Closures</b>	<b>(6)</b>	<b>(4)</b>	<b>0</b>	<b>(4)</b>	<b>(2)</b>	<b>(6)</b>	<b>0</b>	<b>(2)</b>	<b>(6)</b>	<b>(4)</b>	<b>2</b>	<b>6</b>
o/w France	(5)	(3)	0	(3)	(2)	(5)	0	(2)	(5)	(3)	0	(3)
o/w International	(1)	(1)	0	(1)	0	(1)	0	0	(1)	(1)	(2)	(3)
<b># Net openings</b>	<b>26</b>	<b>0</b>	<b>7</b>	<b>7</b>	<b>5</b>	<b>12</b>	<b>10</b>	<b>15</b>	<b>22</b>	<b>(1)</b>	<b>8</b>	<b>7</b>
o/w France	10	1	3	4	0	4	4	4	8	0	3	3
o/w International	16	(1)	4	3	5	8	6	11	14	(1)	5	4
<b>Sales area (K sqm)</b>	<b>363.2</b>	<b>365.6</b>	<b>371.1</b>	<b>371.1</b>	<b>376.7</b>	<b>376.7</b>	<b>387.2</b>	<b>387.2</b>	<b>387.2</b>	<b>386.8</b>	<b>395.4</b>	<b>395.4</b>
Change	+36.0	+2.5	+5.5	+8.0	+5.5	+13.5	+10.5	+16.1	+24.0	(0.5)	+8.6	+8.2

Note: (1) Excluding Modani

Evolution of the Modani store network<sup>(1)</sup>

<i>(In unit)</i>	Q2 18	H1 18	Q3 18	9M 18	4Q18	2H 18	FY 18	Q1 19	Q2 19	H1 19
Florida	2	2	3	3	4	4	4	4	5	5
California	2	2	3	3	3	3	3	3	3	3
Texas	2	2	3	3	3	3	3	3	3	3
Georgia	1	1	1	1	1	1	1	1	1	1
Illinois	1	1	1	1	1	1	1	1	1	1
New York	2	2	2	2	1	1	1	1	1	1
New Jersey	-	-	-	-	-	-	-	1	1	1
<b># Stores</b>	<b>10</b>	<b>10</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>15</b>
<b># Net openings</b>	-	-	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>2</b>
o/w gross openings	-	-	3	3	1	4	4	1	1	2
o/w closures	-	-	0	0	(1)	(1)	(1)	0	0	0

Note: (1) Since Modani's acquisition by Maisons du Monde in Q2 2018.

**Sales:** Represent the revenue from the sales of decorative items and furniture through the Group's stores, website and B2B business. They mainly exclude i/ customer contribution to delivery costs, ii/ revenue from logistics services provided to third parties, and iii/ franchising revenue.

**Sales growth at constant perimeter:** Represents the percentage change in sales from the Group's stores, website and B2B business 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 at constant exchange rates in sales from the Group's stores, website and B2B business, net of product returns between one financial period (n) and the comparable preceding financial period (n-1), excluding change 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/ pre-opening expenses. Half-year EBITDA is defined the same way as annual EBITDA, but 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, lease liability, deposits and guarantees, and bank overdrafts, net of cash and cash equivalents (excluding bank overdraft).

**Leverage ratio:** Is defined as net debt divided by last-twelve-months EBITDA (including Modani on a pro forma basis for the period ending 30 June 2018, and excluding the liabilities from the earn-out and the put option at 30 June 2018 and excluding the put option at 30 June 2019).

**Financial metrics before IFRS 16 impact:** On 1 January 2019, the Group adopted the new IFRS 16 standard and elected to apply the simplified retrospective method. As a result, prior years' data are presented in accordance with previous accounting policies, as presented in the consolidated financial statements as of 31 December 2018. In order to facilitate the comparison with previous periods, the Group presents financial metrics excluding IFRS 16 impact, including EBITDA, EBIT, net income, free cash flow and net debt.