


MAISONS DU MONDE

FULL-YEAR 2018 RESULTS

12 MARCH 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 Full-year 2018 key highlights

2 Full-year 2018 financial review

3 Full-year 2019 business initiatives & outlook

4 Q&A

5 Appendices

Julie WALBAUM

CEO

1

FY 2018
Key Highlights

MAISONS DU MONDE

Delivering continued profitable growth

Sales	**€1,111m** Group Sales	***+10.0%*** *Year-on-year growth*
	€1,085m MDM sales	***+7.4%*** *Year-on-year growth* ***+3.1%*** *Like-for-like growth*
EBITDA	**€148m** EBITDA **13.3%** EBITDA margin	***+6.6%*** *Year-on-year growth* ***-40bps*** *Year-on-year*
Leverage	**1.2x** Net debt to EBITDA ratio as at 31/12/2018(1)	***+0.3x*** *Increase vs. 31/12/2017 driven by Modani acquisition*

Note: (1) The leverage ratio is defined as net debt divided by EBITDA (including Modani on a pro forma basis for the full-year, excluding the liabilities from the earn-out and the put option)

In 2018, MDM successfully rolled out its key business initiatives

Develop an attractive offer for our customers

- Continuous innovation in our **furniture and decoration** offer
- Extension of our **junior** and **outdoor** collections
- Specific offer to address our **BtoB customers**

Continue to invest in our store network development

- Sustained **MDM store network** development in Europe
- Expansion in the **USA**

Enhance omnichannel customer experience

- Enhancement of our **browsing and ordering experience**
- **Development of algorithms** to improve our **e-merchandizing**
- New **payment solutions** online & in store
- Extension of our **delivery services**
- Launch of our omnichannel **Interior design solutions**

Develop closer ties to our customers

- **Customer-driven marketing** to drive qualified traffic to our website and stores
- **New customer** acquisition
- Increase of our **brand visibility**

Developing an attractive offer for our customers

Continuous innovation in our furniture and decoration offer

- **Additional offer in dynamic categories** (eg. +20% SKUs on sofas, +12% on large decoration items)
- **Extension of our price points:** development of entry price points (e.g. chairs) and higher price points (e.g. lighting)
- **Test of new product categories** (e.g. artificial plants, items for pets)

Extension of our junior and outdoor collections

- **Junior :** 14 new themes covering all age groups
- **Outdoor**: Development of outdoor sets, development of new fabrics and finishings

A specific offer to address our B2B customers

- Launch of our **first offer specifically designed for B2B** (~70 items)
- **First catalogue featuring professional environments** to foster inspiration for B2B customers

Continuing to invest in our store network development

Sustained development in France with 13 gross openings

New city-center format in large cities

Paris Wagram (Mar.)

Boulogne (Sept.)

Test of innovative formats

Showroom (Paris)

Corners (e.g.Printemps)

Dynamic international expansion: 19 gross openings & 2 franchise stores

Opening of flagships in capital cities

Madrid (Sept.)

Berlin (Dec.)

Start of our USA development

Modani: 4 gross openings & 1 closure

MdM: 1^{st} store opened in Miami (Dec)

Franchise

Martinique (May), Dubai (Sept)

Enhancing our omnichannel customer experience

Enhancement of our **browsing and ordering experience**

- **Improved website usability for mobile users** (mobile: +33% traffic, +62% orders, +66% sales vs. LY)
- **Unified ordering solution across website and stores**, granting store customers access to all online payment and delivery solutions

Development of algorithms to improve our e-merchandizing

- **Conversion rate improvement by ~10-40%** depending on product categories

New payment solutions and extension of our delivery services

- **Launch of transfer payment and credit card contactless payment** in stores (France)
- Launch of **payment facilities for online orders** in Spain
- **New delivery options for in-store and online orders** (furniture pick-up points, delivery to another store, home delivery for in-store carry-away purchases)

Launch of our **omnichannel Interior design solutions**

- **Interior design services**
- **3D modelling service**
- **AR Mobile App**

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Developing closer ties to our customers

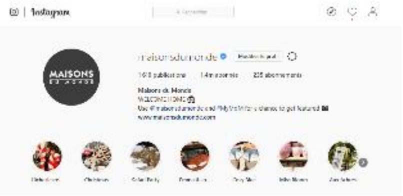
1 Customer-driven marketing to drive qualified traffic

- **Continuous optimization of online marketing investments** maintaining total ROI
- **Sales generated from emails: +19% vs 2017** and +33% vs 2016, for only +4% emails sent
  - Trigger marketing campaigns represented 3% emails and 20% of sales over last quarter

2 New customer acquisition & retention

- **16M contacts** at year end (+21% vs. LY)
- **Average spend per active customer +6% vs LY**
- **Repeat business: 59% of sales in 2018,** + 2pts vs 2017 and +4pts vs 2016

3 Brand visibility enhancement



- **PR brand visibility** improved at international level (~+50% press mentions outside of France)
- Strong audience on **social media**:
  - 1.8M fans on Facebook
  - 1.4M followers on Instagram
  - 10M visits per month on Pinterest
- Development of our **communities of ambassadors** (Wibilong, Ibbü)

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Full-year 2018 performance demonstrating the robustness of our business model and strategy

Sales growth of 7.4% driven by all business lines[(1)]

Geographies		Channels		Categories	
France	International	Stores	Online	Furniture	Decoration
+3.6%	+13.5%	+4.4%	+18.7%	+9.3%	+6.0%

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Note: (1) Excluding Modani

Arnaud LOUET

CFO

2 FY 2018
Financial Review

MAISONS DU MONDE

2018 key financial indicators

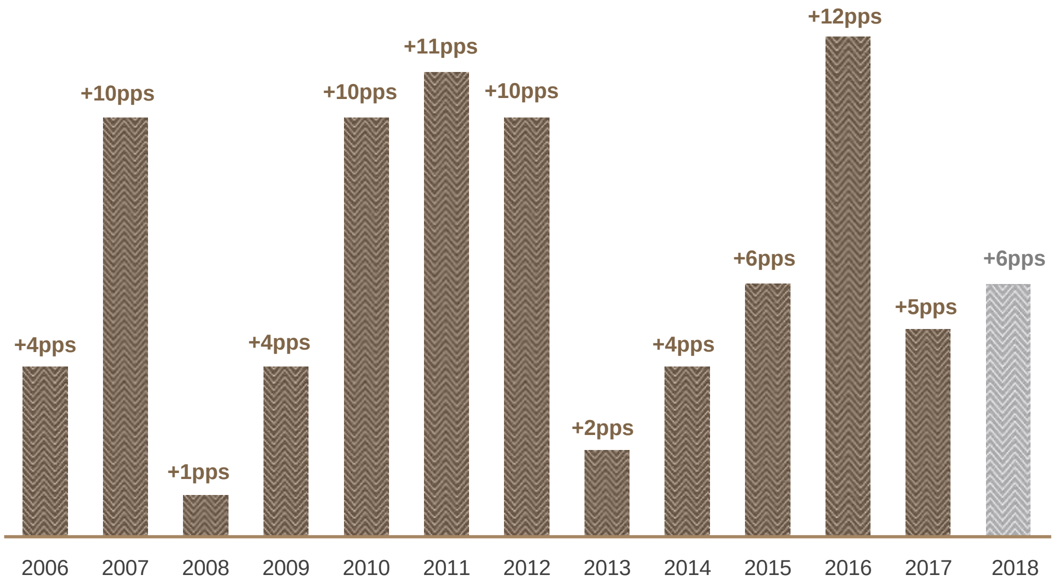
In €m		2018[1]	2017	*Change*
Sales		**1,111.2**	**1,010.6**	***+10.0%***
Of which	Maisons du Monde	1,085.4	1,010.6	*+7.4%*
	% like-for-like change	*+3.1%*	*+7.4%*	-
	Modani	25.9	-	*n/a*
Gross margin		**734.4**	**673.5**	***+9.0%***
As % of sales		*66.1%*	*66.6%*	*(50)bps*
EBITDA		**148.0**	**138.8**	***+6.6%***
As % of sales		*13.3%*	*13.7%*	*(40)bps*
EBIT		**111.6**	**106.8**	***+4.5%***
As % of sales		*10.0%*	*10.6%*	*(60)bps*
Net income		**60.7**	**63.0**	***(3.7)%***

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

Sales growth outperforming the market

MDM LFL OUTPERFORMANCE VS. MARKET[1]

(in % points)

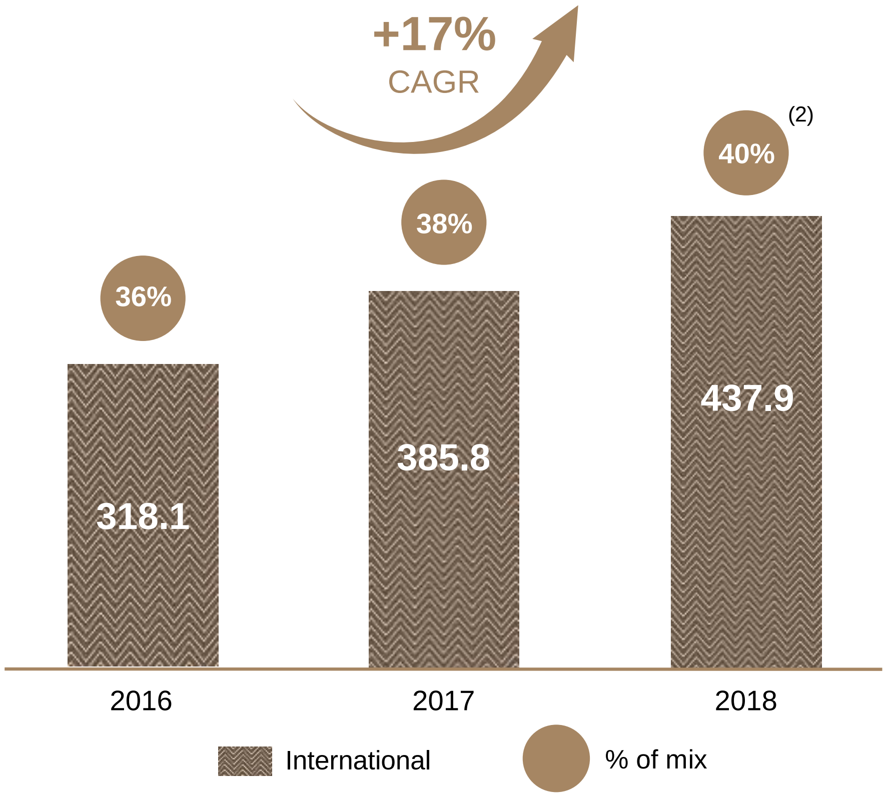


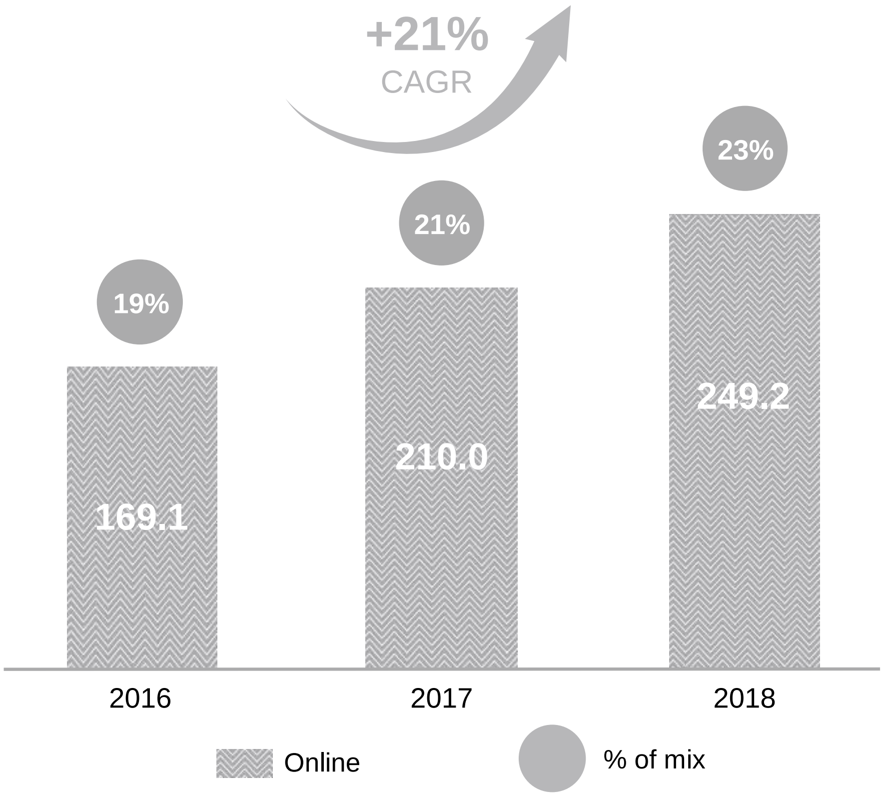
Key highlights

- MDM like-for-like sales growth consistently outperforming the market across cycles
  - 2018 French IPEA Index: -2.7%
- Challenging retail environment in France in 2018, with store footfall affected by weaker consumer demand and specific factors
  - Q2: Transport strikes and timing of public holidays in May
  - Q3: Warm weather conditions and FIFA Football World Cup in July
  - Q4: "Yellow Vests" protests in Nov-Dec
- Resilient performance in Q4, with sales growth of 5.6%, o/w 2% LFL (+5pps vs. market)

Note: (1) MDM market outperformance reflecting the difference between like-for-like sales growth and market growth (based on French IPEA index)

Continued growth in international and online sales[1]



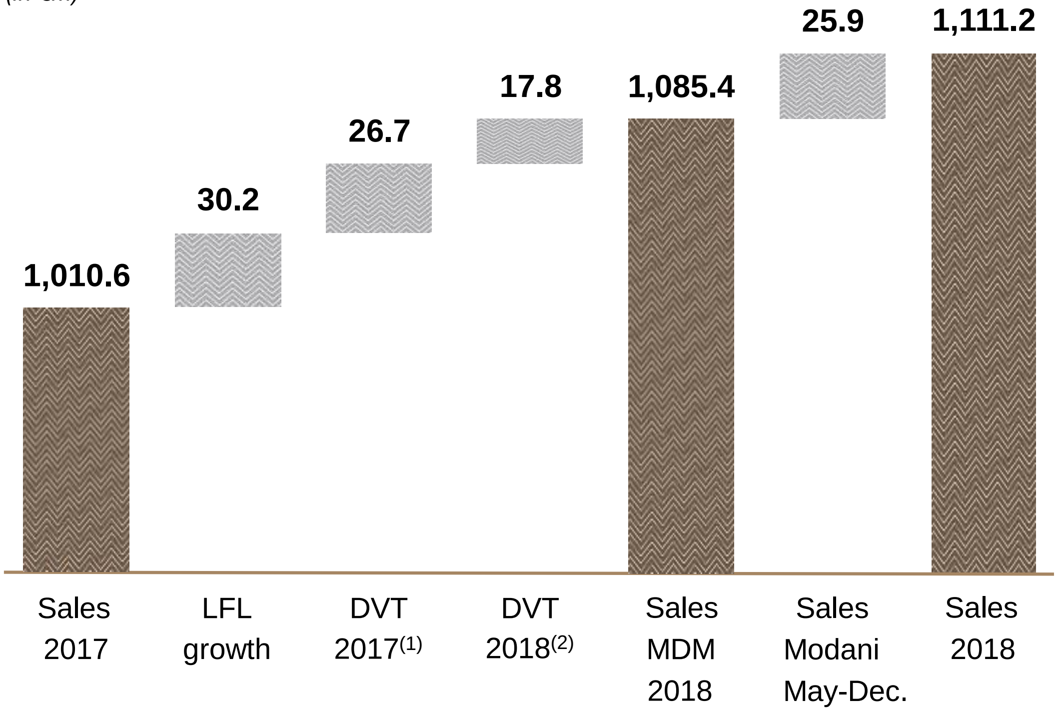


Note: (1) Excluding Modani
(2) 41.7% including Modani

Sales growth driven by LFL, expansion and acquisition

SALES EVOLUTION

(in €m)



Key highlights

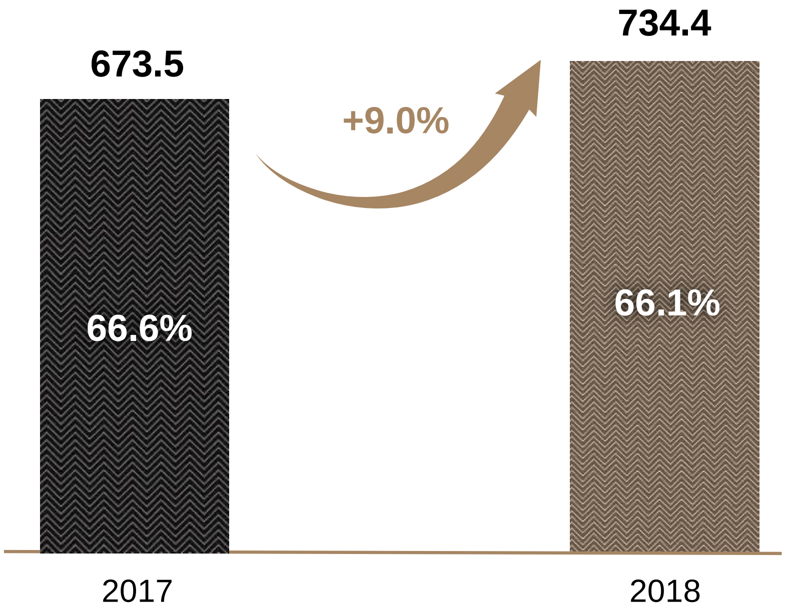
- Contribution from 2018 development reflecting the phasing of new store openings, which were weighted towards the end of the year
- MDM: 22 net store openings in 2018
  - 28 gross openings (15 outside France)
    - First MDM-branded store in the US
  - 6 closures for relocation (5 in France)
  - Sales area of 387,000 sqm (+24,000 sqm)
  - 336 stores at end-2018
- Modani: 3 net store openings in 2018
  - 4 gross openings and 1 closure
  - 13 stores at end-2018

Notes: (1) Development 2017 includes gross openings and closures for Maisons du Monde, on a full-year basis
(2) Development 2018 includes gross openings and closures for Maisons du Monde, pro rata temporis for the period

Gross margin reflecting expected mix effect

GROSS MARGIN EVOLUTION

(in €m / as % of sales)



Key highlights

- GM decrease as a % of sales, reflecting:
  - Unfavorable mix effect of 40bps on MDM's GM due to higher furniture mix (online-driven)
  - Negative impact of 10bps resulting from the integration of Modani
- Promotions & markdowns maintained at a low level of 5.6% of sales in 2018 (5.2% in 2017)
- GM as a % of sales expected to be stable in 2019 vs 2018, reflecting:
  - Positive FX due to mid-term hedging policy
  - Unfavorable mix effect from online growth

Positive operating leverage and effective cost management offsetting continued investment in growth initiatives

GROSS MARGIN TO EBITDA

(as % of sales)

	2017 % of sales	*Modani Integration*	*MDM change*	***Change***	2018 % of sales
Gross margin	**66.6%**	***(10)bps***	***(40)bps***	***(50)bps***	**66.1%**
Global op. costs[(1)]	(43.9)%	*+20bps*	*+50bps*	*+70bps*	(43.2)%
Advertising costs	(3.7)%	*(5)bps*	*(20)bps*	*(25)bps*	(3.9)%
Central costs	(5.3)%	*(5)bps*	*(30)bps*	*(35)bps*	(5.6)%
Total op. costs	**52.9%**	***+10bps***	**-**	***+10bps***	**52.8%**
EBITDA	**13.7%**	-	***(40)bps***	***(40)bps***	**13.3%**

Key highlights

Global operating costs

- Decrease of 50bps as a % of sales thanks to continued effective cost management and cost reduction initiatives launched in H2

Advertising costs

- Increase of 20bps as a % of sales, as expected, driven by online marketing, to support online traffic and brand awareness

Central costs

- Increase of 30bps as a % of sales due to IT investments and recruitments in marketing, digital and data to support future growth

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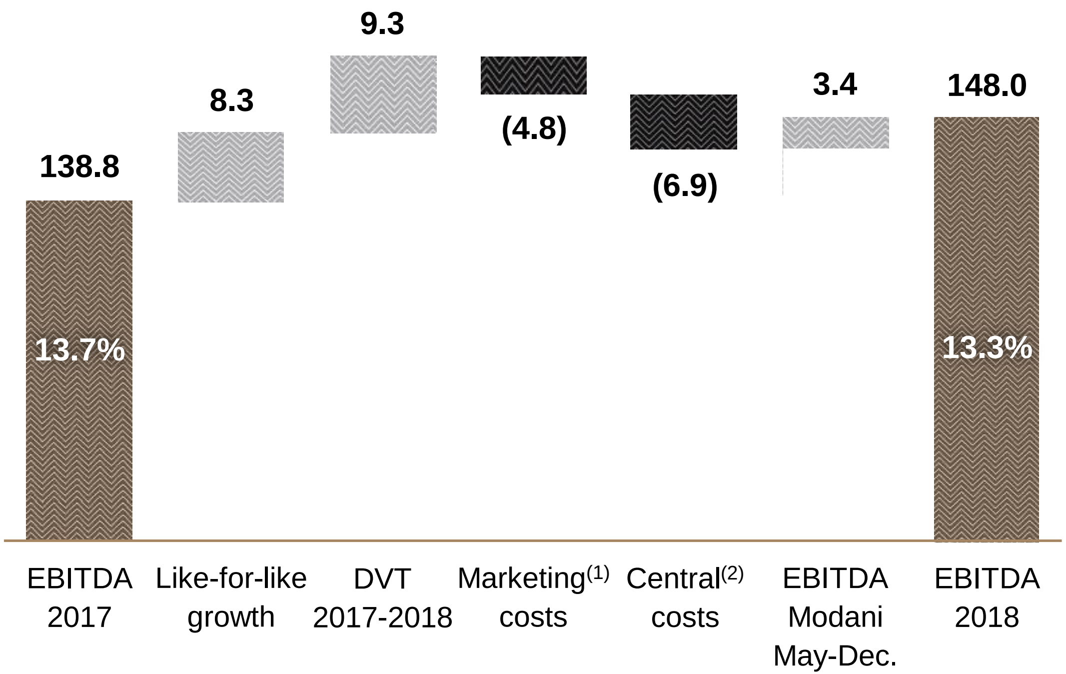
Note: (1) Global operating costs include transportation and distribution costs, operating costs for store and online businesses and customer services-related costs (call center)

Robust EBITDA performance, demonstrating our profitable growth model

EBITDA EVOLUTION

(in €m)



Key highlights

- Confirmation of a ramp-up period of around one year in all mature countries
- Continued investment in business initiatives to drive future sales growth (data, customer services…)
- Increased digital marketing, as planned, to support online traffic and brand awareness
- Solid contribution from Modani

Notes: (1) Marketing costs not allocated between like-for-like and new stores, apart from store-by-store specific marketing expenses
(2) Central costs include headquarter costs

Net income of €61m

CURRENT OPERATING PROFIT TO NET PROFIT

(in €m)

	2018	2017
Current operating profit	**108.2**	**101.5**
Other operating income and expenses	(4.7)	(1.7)
Operating profit	**103.5**	**99.8**
Financial profit / (loss)	(9.3)	(10.4)
Share of profit / (loss) of equity-accounted investees	-	(1.0)
Profit / (loss) before income tax	**94.2**	**88.3**
Income tax	(33.5)	(25.3)
Profit / (loss) for the period	**60.7**	**63.0**

Key highlights

Operating profit

- Other operating expenses in 2018 reflecting costs related to the Modani acquisition (€0.8m), management transition (€0.9m) and restructuring and contingency charges (€2.2m)

Financial result

- Cost of net debt of €6.6m in 2018 (€6.3m in 2017) due to lower interest expenses (€4.6m) and non-cash IFRS charge on OCEANE (€4.1m)

Income tax

- Current income tax expense of €30.8m in 2018 (€19.6m in 2017), including €4.2m of trade tax (mainly France's CVAE)
- Effective tax rate of c.31% in 2018 (c.18% in 2017) due to lower impact from the use of tax loss carry-forward
- 2019: effective tax rate estimated at c.33%

Free cash flow reflecting change in WCR and acquisition

FREE CASH FLOW

(in €m)

	2016	2017	2018
EBITDA	**122.8**	**138.8**	**148.0**
Change in operating WC requirement	(41.5)	27.1	(75.8)
Change in other operating items	(23.3)	(12.0)	(20.5)
Net cash generated by operating activities	**58.0**	**153.9**	**51.6**
Capital expenditure	(52.2)	(49.4)	(45.8)
Acquisition of Modani	-	-	(36.3)
Share & other securities repurchases	(20.6)	-	-
Disposal of and debt on fixed assets	6.7	(4.6)	7.5
Net cash used in investing activities	**(66.1)**	**(54.0)**	**(74.6)**
Free cash flow	**(8.0)**	**99.9**	**(23.0)**

Key highlights

Working capital

- Cash outflow of €75.8m in 2018, mainly due to higher inventory level at year-end

Other operating items

- Cash outflow of €20.5m in 2018, including €17.7m of income tax paid (€9.8m in 2017)

Investing activities

- Capex of €45.8m in 2018 (4.1% of sales), mainly geared toward new openings (48%)
- Acquisition of Modani for €36.3m
  - FCF excluding Modani of €13.3m

Working Capital impacted by phasing effect, inventory management policy and acquisition

WORKING CAPITAL

(in €m)

	2016	2017	2018
Inventory	171.1	159.7	241.2
Trade & other receivables	58.9	88.2	91.4
Trade & other payables	(179.1)	(225.4)	(230.0)
Total working capital	**50.8**	**22.5**	**102.6**
Change versus prior year	(38.0)	28.3	(80.2)
Other non-cash adjustments	(3.6)	(1.2)	4.4
Change in working capital	**(41.5)**	**27.1**	**(75.8)**

Key highlights

- **Inventory**
  - DSI[1]: 225 days in 2018 (215 days in 2016, 173 days in 2017), mainly driven by:
    - Phasing effect linked to pre-orders for Chinese New Year for €28.9m
    - Inventory increase of selected SKUs (best-sellers) for €27.2m
    - Mix effects for €10.0m
    - Modani integration for €15.3m
- **Change in working capital**
  - Negative contribution, mainly reflecting higher year-end inventory position
    - High-quality inventory, with low > 1-year inventory rate

Note: (1) Days sales of inventory, defined as inventory / cost of sales x 365

Leverage ratio reflecting the Modani acquisition

DEBT STRUCTURE AS AT 31 DECEMBER 2018

(in €m)

Net debt calculation	31 December 2018
Convertible bonds (“OCEANE”)	177.8
Term loan	49.6
RCF	9.3
Other debt[1]	6.0
Cash & cash equivalents	(57.2)
Net debt	**185.5**

Leverage ratio	31 December 2018
Net debt	185.5
EBITDA[2]	148.7
Net debt/EBITDA[2]	**1.2x**

Key highlights

- Increase in net debt due to change in WCR and the Modani acquisition
- Long-term debt structure (maturities: 2021 TL, 2023 CB), with improved borrowing conditions
- Leverage ratio of 1.2x in 2018 (0.9x in 2017) including the Modani acquisition
  - Leverage ratio of 1.0x without Modani

Confirmation of the dividend policy:

- **Proposed dividend of €0.47 per share**
- Subject to the approval of the AGM
- Payout ratio of 35% of net income

Notes: *(1) Including finance lease debt, deposits and banks borrowings*
(2) Including Modani on a pro forma basis for the full-year (excluding the liabilities from the earn-out and the put option)

Julie WALBAUM

CEO

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FY 2019

Business Initiatives & Outlook

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In 2019, MDM is further reinforcing its 4 pillars

New innovations in our offer

- Reinforcing our **“multi-style” approach,** with a customer-driven orientation
- Continuing to develop our **BtoB** activity

Continued expansion of our international & omnichannel footprint

- Driving **MDM store network development** with agility
- Pursuing **Modani’s development** across the USA

Enhanced omnichannel customer experience

- Proposing an easier and more intuitive **web experience**
- Enhancing **our in-store experience**
- Providing a smoother **payment experience**
- Improving the efficiency of our **delivery services**

Strengthened relationships with our customers

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

New innovations in our offer

Reinforcing our “multi-style” approach, with a customer-driven orientation

- **Outdoor collection by style**

- **Revamping of our classic collection**

- **Extension of our kitchen offer**

- **Offer for small spaces**

- **Launch of our modular offer**

Continuing to develop our BtoB activity

- **Enriched catalog** with 850 SKUs, including **135 SKUs specifically designed for BtoB**
- A dedicated BtoB service with **onsite teams**
- Launch of **interior designer services** on large projects
- **Increased visibility**: Presence in major international fairs and opening of the first **Maisons du Monde branded hotel** in spring

Continued expansion of our international and omnichannel footprint

Driving MDM’s store network development with agility

- Confirmation of a strong pipeline, in line with our targets
  - 60% of store openings in Europe
  - Payback between 2-3 years
  - A new test in the United States
- Around 10 store closures, mainly for relocation in France
  - Agile management of our network

Continuing Modani’s development across the USA

- New collection :
  - c.100 additional furniture SKUs
  - Rollout of decoration offer throughout the network
- Launch of new marketing initiatives to support brand awareness
- Strong pipeline for new openings (c.5)
  - At least 2 new stores in states where Modani is already present

Enhanced omnichannel customer experience

Proposing an easier and more intuitive **web experience**

- Optimization of **web browsing** to foster inspiration & drive sales
- Revamping of our **“personal account”** page to encourage self care

Enhancing **our in-store experience**

- Reinforcement of **in-store customer assistance to further improve our store NPS** (currently >60)
- Roll out of our **in-store interior design studio** in 200 stores

Providing a smoother **payment experience**

- Test of **phone payment** by credit card (France) with Paytweak
- Test of **new payment facilities** (24/36 months)

Improving the efficiency of our **delivery services**

- Increased level of **quality of service**
- Test of **new services**: Furniture assembly, evening and week-end delivery in major cities, in-store return of decoration items ordered online

Strengthened relevance to our customers

1

Enhancing customer personalization

2

Continuing to optimize our marketing investments

3

Reinforcing our brand visibility

- **Increase personalization of our CRM** to further drive sales (goal is to double share of emails in online sales)
- **Further enhance on-site personalization** through refined algorithms

- Activating more **customer acquisition scenarios** with our **Customer Data Platform** (exclusion and look-alike lists)
- Developing a new **Store Locator** to improve SEO of our stores and drive further traffic

- Fostering user **ambassadorship** on social media
- Enriching our **brand content** to improve SEO and brand recognition
- Launching our **employer branding** program

Full-year 2019 guidance[1]

Sales growth of around 10%

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

Around 10 store closures in France for relocation in better areas

EBITDA margin above 13% of sales

- **Continued above-market growth despite macro and political uncertainties**
- **Store development**
  - Two-thirds of gross openings outside of France, of which 5 for Modani
  - Modani development: at least 2 new stores in states where Modani is already present
- **Continuing to invest operating leverage to support our future growth**

Note: (1) Before the application of IFRS 16 standard

Financial calendar[1]

9 May 2019: First-quarter 2019 sales (press release after market close)

3 June 2019: Annual General Meeting

June 2019: Investor Day

29 July 2019: First-half 2019 results (press release after market close)

30 October 2019: Third-quarter 2019 sales (press release after market close)

Note: (1) Indicative timetable

4 Q&A

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5 Appendices

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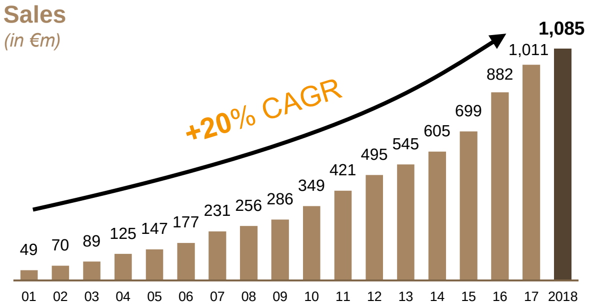
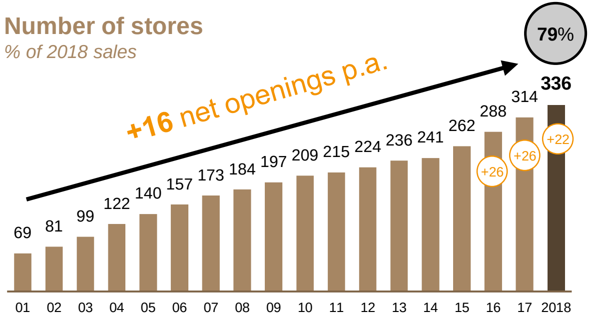
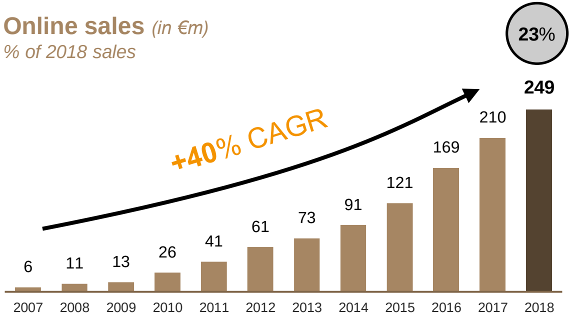
Maisons du Monde at a glance(1)

15+ YEARS OF DOUBLE-DIGIT GROWTH

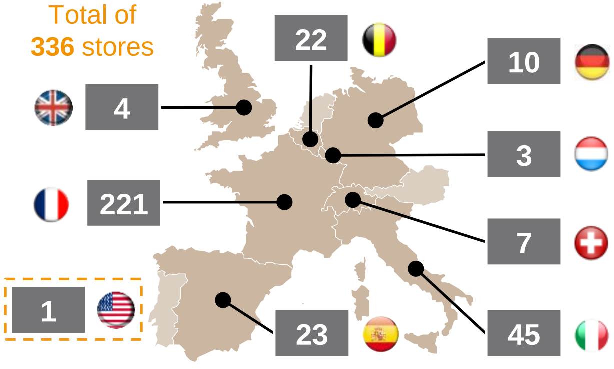


A TRULY OMNICHANNEL MODEL





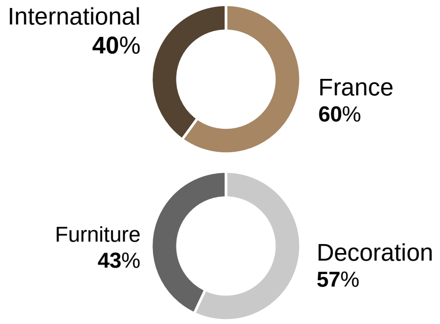
A PAN-EUROPEAN FOOTPRINT



Number of stores as at 31 December 2018

A solid track-record of **growth**

SALES BREAKDOWN(1)

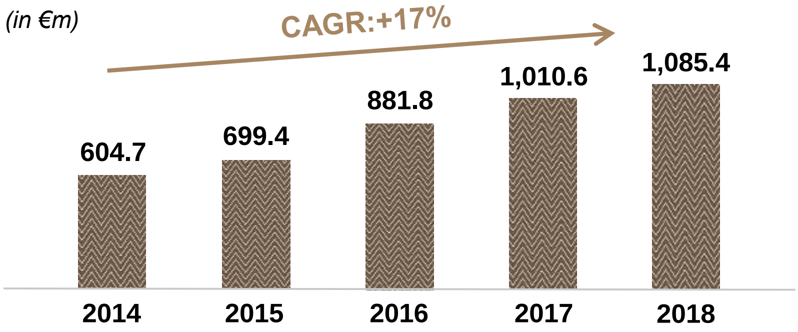


MAISONS DU MONDE

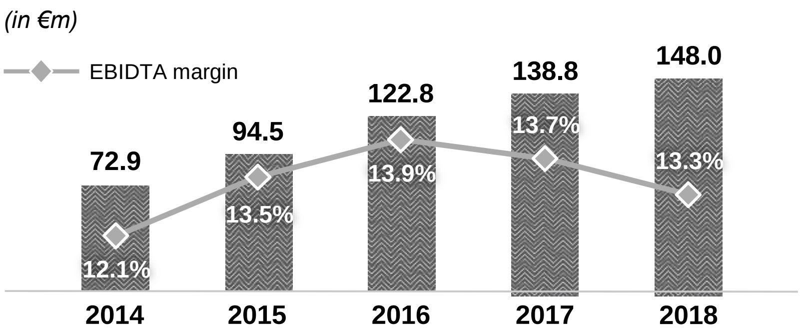
Notes: (1) Excluding Modani
(2) As a % of 2018 sales

Financial and operating KPIs

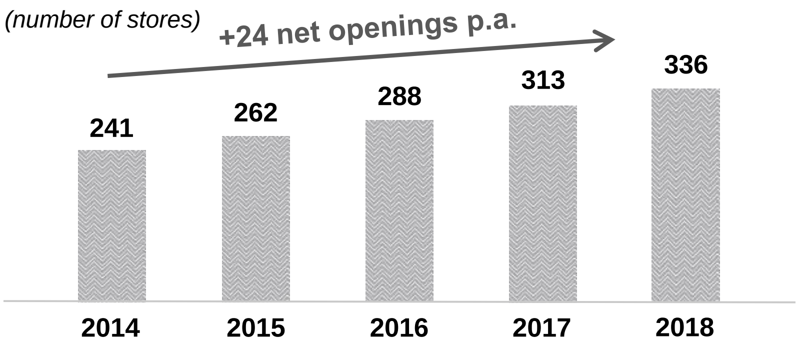
SALES(1)



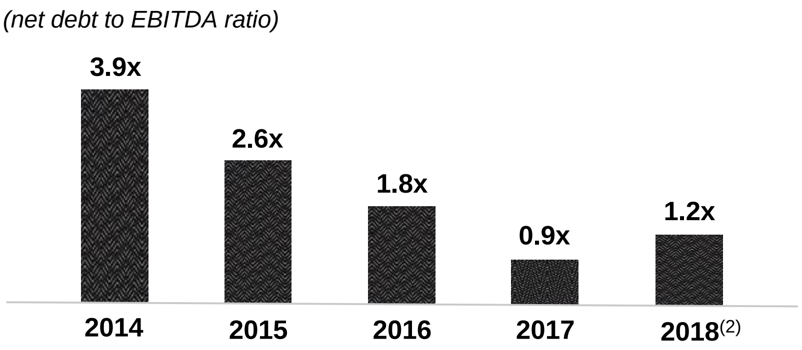
EBITDA



STORE NETWORK(1)



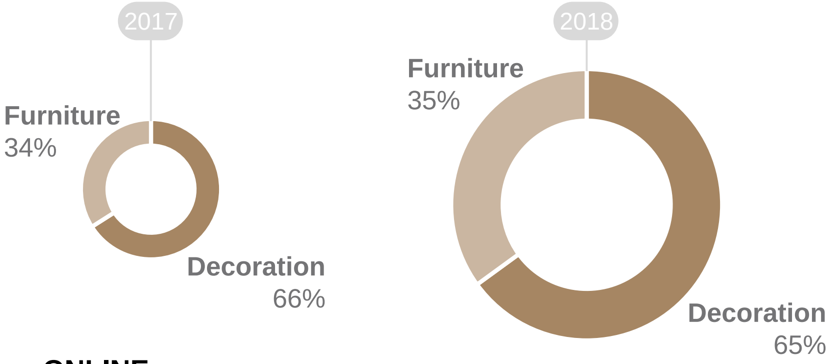
LEVERAGE



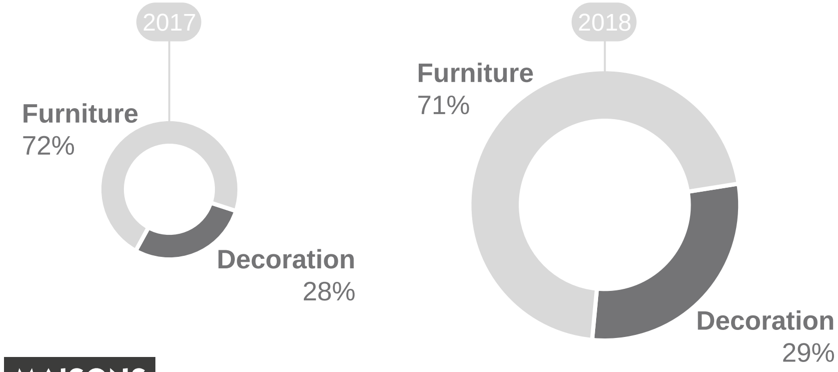
Notes: (1) Excluding Modani
(2) Including Modani on a pro forma basis for the period (excluding the liabilities from the earn-out and the put option)

Product mix by distribution channels(1)

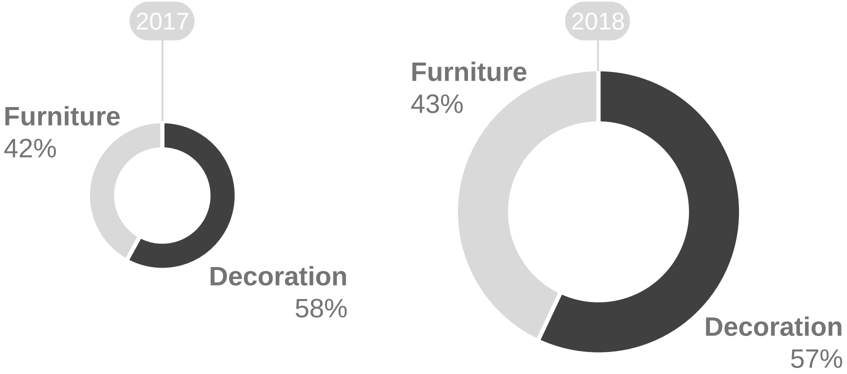
STORES



ONLINE



GROUP



Note: (1) Excluding Modani

Modani at a glance

Key highlights

- Founded in Miami in 2007; 108 employees
- 13 showrooms in the US; 8 distribution centers
- 2018 sales: $42.4m (+6% like-for-like)
- 2018 EBITDA: $4.8m (11.3% margin)

Brand attributes

- Aspirational lifestyle brand featuring high-quality modern, contemporary and mid-century furniture at affordable prices
- Highly effective and scalable omnichannel strategy
- Proprietary design and sourcing relationships
- Vertically integrated model

Consolidated income statement[(1)]

(in K€)	Year ended 31 December 2018	Year ended 31 December 2017
Sales	1,111,191	1,010,569
Other revenue	31,947	26,219
Total revenue	**1,143,138**	**1,036,788**
Cost of sales	(376,751)	(337,074)
Personnel expenses	(213,634)	(194,111)
External expenses	(403,492)	(365,851)
Depreciation, amortization, and allowance for provisions	(36,353)	(31,964)
Fair value - derivative financial instruments	(1,166)	(2,346)
Other income from operations	2,561	3,145
Other expenses from operations	(6,100)	(7,095)
Current operating profit	**108,203**	**101,493**
Other operating income and expenses	(4,718)	(1,705)
Operating profit / (loss)	**103,485**	**99,788**
Cost of net debt	(6,617)	(6,252)
Finance income	1,620	1,788
Finance costs	(4,326)	(5,961)
Financial profit / (loss)	**-9,323**	**-10,425**
Share of profit / (loss) of equity-accounted investees	-	(1,034)
Profit (loss) before income tax	**94,162**	**88,330**
Income tax	(33,473)	(25,319)
Profit / (loss) for the period	**60,689**	**63,009**
Attributable to:		
• Owners of the Parent	60,050	63,009
• Non-controlling interests	640	-
Earnings per share for profit / (loss) for period attributable to the owners of the parent :		
Basic earnings per share	1.33	1.39
Diluted earnings per share	1.26	1.38

Notes: (1) The consolidated financial statements for the year ended 31 December 2017 have been restated according to accounting policies defined in note 2.5 to the consolidated interim financial statements available in the Half-Year 2018 Financial Report.

Consolidated balance sheet

ASSETS

(in k€)	31 December 2018	31 December 2017
Goodwill	368,449	321,183
Other intangible assets	267,244	250,517
Property, plant and equipment	159,282	146,671
Equity-accounted investees	-	-
Other non-current financial assets	14,816	16,953
Deferred income tax assets	2,751	2,705
Derivative financial instruments	4,664	-
Other non-current assets	7,862	7,632
Non-current assets	**825,070**	**745,662**
Inventory	241,229	159,713
Trade receivables and other current receivables	83,547	80,523
Other current financial assets	27	2
Current income tax assets	4,310	12,020
Cash and cash equivalents	57,181	100,138
Current assets	**386,294**	**352,396**
TOTAL ASSETS	**1,211,364**	**1,098,059**

EQUITY & LIABILITIES

(in k€)	31 December 2018	31 December 2017
Share capital	146,584	146,584
Share premium	134,283	134,283
Retained earnings	248,946	181,161
Profit (loss) for the period	60,050	63,009
Equity attributable to owners of the Company	**589,863**	**525,037**
Non-controlling interests	752	-
TOTAL EQUITY	**590,614**	**525,037**
Borrowings	53,039	51,485
Convertible bonds	178,092	173,635
Deferred income tax liabilities	58,180	37,127
Post-employment benefits	8,619	7,703
Provisions	14,409	13,668
Derivative financial instruments	-	19,154
Other non-current liabilities	34,994	11,986
Non-current liabilities	**347,332**	**314,757**
Borrowings	11,586	511
Trade payables and other current payables	250,940	238,111
Provisions	1,128	231
Current income tax liabilities	964	578
Derivative financial instruments	2,354	18,837
Other current liabilities	6,450	
Current liabilities	**273,422**	**258,269**
TOTAL LIABILITIES	**620,754**	**573,025**
TOTAL EQUITY AND LIABILITIES	**1,211,364**	**1,098,059**

Consolidated cash flow statement

(in k€)	Year ended 31 December 2018	Year ended 31 December 2017
Profit / (loss) for the period before income tax	94,162	88,330
Adjustments for :		
• Depreciation and amortization	38,802	33,825
• Net (gain) / loss on disposals	1,686	608
• Share of profit / (loss) of equity-accounted investees	-	1,034
• Change in fair value – derivative financial instruments	1,166	2,346
• Share-based payments	2,717	1,720
• Others	-	2,470
• Cost of net debt	6,617	6,252
Change in operating working capital requirement:		
• (Increase) / decrease in inventories	(71,869)	10,918
• (Increase) / decrease in trade and other receivables	(397)	(30,326)
• Increase / (decrease) in trade and other payables	(3,534)	46,494
Income tax paid	(17,736)	(9,795)
Net cash flow from / (used in) operating activities	**51,614**	**153,875**
Acquisitions of non-current assets :		
• Property, plant and equipment	(42,632)	(39,484)
• Intangible assets	(6,419)	(9,431)
• Financial assets	-	(25)
• Subsidiaries, net of cash acquired	(36,288)	-
• Other non-current assets	3,210	(461)
Change in debts on fixed assets	7,275	(5,409)
Proceeds from sale of non current assets	233	823
Net cash flow from / (used in) investing activities	**(74,621)**	**(53,986)**
Proceeds from issues of borrowings	10,081	-
Proceeds from convertible bonds	-	197,658
Repayment of borrowings	(2,228)	(236,292)
Purchases of treasury stocks (net of sales)	(6,544)	(488)
Dividends paid	(19,890)	(14,016)
Interest paid	(1,893)	(6,523)
Net cash flow from / (used in) financing activities	**(20,473)**	**(59,661)**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	**(43,480)**	**40,228**
Cash and cash equivalents at beginning of period	100,093	59,675
Exchange gains/(losses) on cash and cash equivalents	(48)	184
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**56,565**	**100,093**

(in k€)	Year ended 31 December 2018	Year ended 31 December 2017
Cash and cash equivalents (excluding bank overdrafts)	57,181	100,138
Bank overdrafts	(615)	(45)
CASH AND CASH EQUIVALENTS	**56,565**	**100,093**

Reconciliation of EBITDA and EBIT

(in €m)	**2018**	**2017**
Current operating profit	**108.2**	**101.5**
Depreciation, amortization, and allowance for provisions	36.4	32.0
Change in fair value - derivative financial instruments	1.2	2.3
EBITDA after pre-opening expenses	**145.7**	**135.8**
Pre-opening expenses	2.2	3.0
EBITDA	**148.0**	**138.8**
Depreciation, amortization, and allowance for provisions	(36.4)	(32.0)
EBIT	**111.6**	**106.8**

Financial result

FINANCIAL RESULT

(in €m)

	2018	2017
Interest on term loan	(0.8)	(4.4)
Interest on convertible bond	(4.4)	(0.3)
Interest on loans, including revolving credit facilities	(1.4)	(1.5)
Other	0.0	(0.0)
Cost of net debt	**(6.6)**	**(6.3)**
Finance lease	(0.1)	(0.1)
Foreign exchange gain / (loss)	(0.3)	0.1
Commission costs	(2.3)	(1.7)
Other finance income and costs	(0.0)	(2.5)
Financial profit / (loss)	**(9.3)**	**(10.4)**

Key highlights

- **Cost of net debt**
  - Improved borrowing conditions:
    - OCEANE: €200m – 0.125% coupon paid
    - Term loan: €50m – 1.25% interest rate
  - Non-cash charge (IFRS) of €4.1m related to OCEANE (effective interest rate of 2.55%)
  - Reduced cash interest expense: €1.9m in 2018 (€6.5m in 2017)
- **Foreign exchange loss**
  - Mainly based on intragroup (GBP & CHF exposure)

Income tax

INCOME TAX

(in €m)

	2018	2017
Current income tax	(30.8)	(19.6)
Deferred tax	(2.7)	(5.8)
Income tax	**(33.5)**	**(25.3)**

Key highlights

Current income tax

- Current income tax expense of €30.8m in 2018 (€19.6m in 2017)
  - Including €4.2m of trade tax (mainly France's CVAE)
- Effective tax rate of c.31% (c.18% in 2017)
  - Lower impact from the use of tax loss carry-forward (100% used at end-2018)
- 2019: effective tax rate estimated at c.33%

Note: (1) Mainly including CVAE (France), IRAP (Italy) and Gewerbesteuer (Germany)

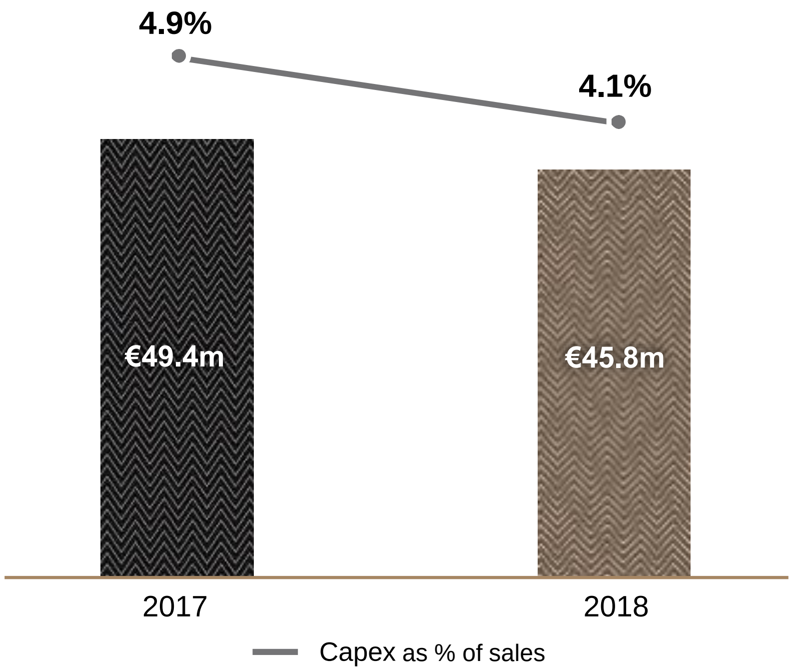
Dividend calculation

(in €m)		2018
Profit / (loss) for the period (Group share)		**60.1**
Dividend	*Payout ratio (%)*	*35%*
	Distributed amount (m€)	21.2
	Dividend per share (€)	**0.47**

Capital expenditure

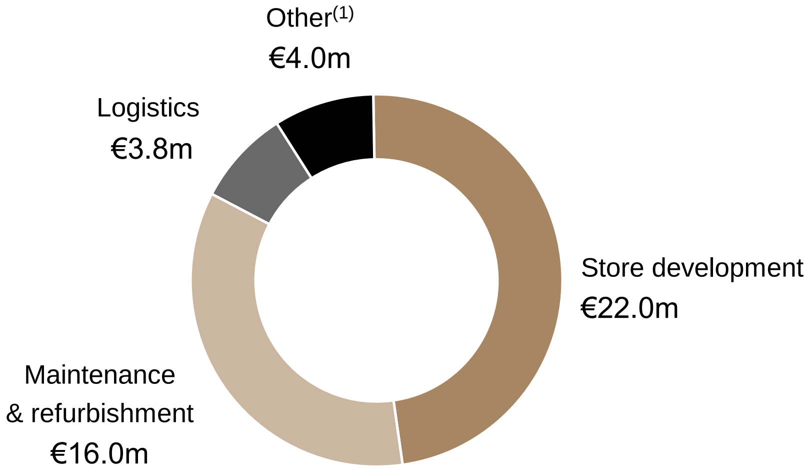
CAPEX

(in €m)



BREAKDOWN OF 2018 CAPEX

(in €m)



Note: (1) Other includes deposits and guarantees as well as IT and web-related expenditures

Historical sales(1)

(In €m)	FY 16	Q1 17	Q2 17	H1 17	Q3 17	9M 17	Q4 17	H2 17	FY 17	Q1 18	Q2 18	H1 18	Q3 18	9M 18	4Q 18	H2 18	FY 18
Sales	**881.8**	**228.8**	**227.8**	**456.6**	**239.3**	**695.9**	**314.7**	**554.0**	**1,010.6**	**255.1**	**246.1**	**501.2**	**251.2**	**752.4**	**333.0**	**584.2**	**1,085.4**
Change vs. N-1	26.1%	20.9%	13.7%	17.2%	17.2%	17.2%	9.2%	12.5%	14.6%	11.5%	8.0%	9.8%	5.0%	8.1%	5.8%	5.5%	7.4%
Like-for-like	14.7%	11.9%	6.2%	9.0%	10.3%	9.4%	2.9%	6.0%	7.4%	5.1%	4.2%	4.8%	1.1%	3.6%	2.1%	1.7%	3.1%

Sales breakdown	**FY 16**	**Q1 17**	**Q2 17**	**H1 17**	**Q3 17**	**9M 17**	**Q4 17**	**H2 17**	**FY 17**	**Q1 18**	**Q2 18**	**H1 18**	**Q3 18**	**9M 18**	**4Q 18**	**H2 18**	**FY 18**
France	63.9%	61.6%	60.6%	61.1%	61.2%	61.1%	63.4%	62.4%	61.8%	60.7%	58.8%	59.7%	58.8%	59.4%	60.2%	59.6%	59.7%
International	36.1%	38.4%	39.4%	38.9%	38.8%	38.9%	36.6%	37.6%	38.2%	39.3%	41.2%	40.3%	41.2%	40.6%	39.8%	40.4%	40.3%
Stores	80.8%	77.5%	77.8%	77.7%	78.6%	78.0%	82.0%	80.5%	79.2%	76.7%	75.3%	76.0%	76.0%	76.0%	79.3%	77.9%	77.0%
Online	19.2%	22.5%	22.2%	22.3%	21.4%	22.0%	18.0%	19.5%	20.8%	23.3%	24.7%	24.0%	24.0%	24.0%	20.7%	22.1%	23.0%
Decoration	56.7%	55.1%	51.3%	53.2%	56.3%	54.3%	65.6%	61.6%	57.8%	55.5%	49.9%	52.7%	54.0%	53.2%	65.8%	60.7%	57.0%
Furniture	43.3%	44.9%	48.7%	46.8%	43.7%	45.7%	34.4%	38.4%	42.2%	44.5%	50.1%	47.3%	46.0%	46.8%	34.2%	39.3%	43.0%

Note: (1) Excluding Modani

Store network expansion(1)

(in unit)	FY 16	Q1 17	Q2 17	H1 17	Q3 17	9M 17	Q4 17	H2 17	FY 17	Q1 18	Q2 18	H1 18	Q3 18	9M 18	4Q18	2H 18	FY 18
France(2)	203	201	205	205	206	206	213	213	213	214	217	217	217	217	221	221	221
Italy	36	37	38	38	41	41	42	42	42	42	42	42	45	45	45	45	45
Belgium	20	19	20	20	21	21	22	22	22	21	21	21	21	21	22	22	22
Spain	14	15	18	18	19	19	20	20	20	20	20	20	21	21	23	23	23
Luxembourg	2	2	2	2	2	2	2	2	2	2	3	3	3	3	3	3	3
Germany	8	9	9	9	9	9	9	9	9	9	9	9	9	9	10	10	10
Switzerland	5	6	6	6	6	6	6	6	6	6	6	6	6	6	7	7	7
United Kingdom	-	-	-	-	-	-	-	-	-	-	3	3	4	4	4	4	4
United States	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	1	1
# Stores	**288**	**289**	**298**	**298**	**304**	**304**	**314**	**314**	**314**	**314**	**321**	**321**	**326**	**326**	**336**	**336**	**336**
o/w France	203	201	205	205	206	206	213	213	213	214	217	217	217	217	221	221	221
o/w International	85	88	93	93	98	98	101	101	101	100	104	104	109	109	115	115	115
# Net openings	**26**	**1**	**9**	**10**	**6**	**16**	**10**	**16**	**26**	**-**	**7**	**7**	**5**	**12**	**10**	**10**	**10**
o/w France	10	(2)	4	2	1	3	7	8	10	1	3	4	-	4	4	4	4
o/w International	16	3	5	8	5	13	3	8	16	(1)	4	3	5	8	6	6	6
Sales area (K sqm)	**327.1**	**330.9**	**343.4**	**343.4**	**352.8**	**352.8**	**363.2**	**363.2**	**363.2**	**365.6**	**371.1**	**371.1**	**376.7**	**376.7**	**387.2**	**387.2**	**387.2**
Change	+41.4	+3.8	+12.4	+16.3	+9.4	+25.6	+10.4	+19.8	+36.0	+2.5	+5.5	+8.0	+5.5	+13.5	+10.5	+16.0	+24.0

Notes: (1) Excluding Modani
(2) Including the Paris showroom opened in 2017

IFRS 16 implementation – Preliminary estimates

Main changes

- **No impact on :**
  - Our economics
  - How we run the business
  - Cash
- **General principles**
  - Henceforth, lease contracts must be accounted for by lessees as follows:

Balance Sheet		P&L	
IAS 17	IFRS 16	IAS 17	IFRS 16
Off-balance sheet commitments (non-actualized)	**Assets** Right-of-use (actualized value of fixed rents) **Liabilities** Associated lease liability	Rental expenses in Opex	**Opex** Variable lease expense + rental charges **D&A** Right-of-use amortization **Net finance costs** Interest expense relating to lease liability

Key highlights

- **Retained method**
  - Modified retrospective (simplified)
  - Application as of 1st January 2019
  - The valuation of the right of use and the liability is based on fixed lease payments:
    - Lowest range: minimal contractual commitment
    - Highest range: taking into account the probable term of the contract
- **Terms in Loans Agreement unaffected by IFRS 16 effects**
- **Implementation effects can be subject to change and are not yet audited**

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 growth at constant perimeter, like-for-like growth, gross margin, EBITDA margin and EBIT margin.

Sales growth at constant perimeter: Represents the percentage change in sales from the Group's retail stores, websites and BtoB activities 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 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.

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 (including Modani on a pro forma basis for the period, excluding the liabilities from the earn-out and the put option)..