



PRESS RELEASE

MAISONS DU MONDE: THIRD-QUARTER 2019 SALES

**Another quarter of solid sales growth
despite a soft trading environment in France**

Continued strong momentum in online and international activities

**Acceleration of Modani openings
implying higher ramp-up costs than anticipated**

Full-year 2019 targets updated

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- Q3 2019 sales up 9.2% at current exchange rates (+8.8% at constant exchange rates) to €283.7m¹
 - Sales up 8.2% at constant perimeter² in Q3 2019, of which +3.0% like-for-like, up vs. Q3 2018 (+1.1%) despite a soft trading environment in France
 - Continued strong momentum across online (+19.3%) and international (+17.7%) activities in Q3 2019, accounting for c. 26% and c. 47% of sales respectively³
 - 9M 2019 sales up 10.5%⁴ (+8.4%⁵ at constant perimeter) of which 3.9% like-for-like
 - 24 gross openings in 9M 2019 (20 Maisons du Monde and 4 Modani), including 9 gross openings in Q3 2019 (7 Maisons du Monde and 2 Modani)
 - Acceleration of Modani's development implying higher ramp-up costs than originally planned, leading to an estimated impact of c. €7 million on FY 2019 profitability
 - FY 2019 targets updated⁶:
 - Sales growth raised to around 10.5% (vs. around 10%)
 - 38-42 gross store openings (revised from 35-40) and 13-14 store closures for relocation (vs. around 10)
 - EBITDA margin of c. 12.5% of sales, reduced from above 13% to reflect Modani's negative contribution this year

¹ Including Modani and Rhinov (sales of €0.5 million in Q3 2019).

² At current exchange rates, excluding Modani and including Rhinov.

³ At current exchange rates, including Modani and Rhinov.

⁴ At current exchange rates, including Modani and Rhinov (sales of €0.5 million in 9M 2019).

⁵ At current exchange rates, excluding Modani and including Rhinov.

⁶ Including Modani and Rhinov and pre-IFRS 16 impact.



Nantes, 30 October 2019

Maisons du Monde (Euronext Paris: MDM, ISIN Code: FR0013153541), a European leader in affordable and inspirational decoration and furniture homeware, today announces its third-quarter 2019 sales.

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

“Maisons du Monde posted another quarter of solid sales performance, with strong double-digit growth in online sales and international business, underscoring the continued robustness of our business model and omnichannel strategy.

Considering our strong sales performance in the first nine months, particularly at Modani, topline growth is likely to exceed our initial guidance and reach around 10.5% this year.

Although we have decided to close down our 4 corners at Debenhams in the UK as part of our active store portfolio management, we are comfortable with our objective of net openings for the year, given that our gross openings will also be higher than anticipated. Modani has accelerated its store expansion, and should, by year-end, count nearly as many store openings since its acquisition 18 months ago as in its previous 11 years of existence.

The core business of Maisons du Monde is expected to deliver full-year profitability in line with our expectations, above 13% of sales, despite a soft trading environment in France.

Modani’s profitability will be affected this year by the unprecedented acceleration of its development. Modani’s growth challenges, which were not fully anticipated, will have a c. €7M impact on its full-year EBITDA.

Reflecting this, we are updating our full-year Group EBITDA margin guidance to c. 12.5%.

Maisons du Monde’s teams are fully focused on delivering a strong fourth quarter and on paving the way for our 2020-2024 strategy, which will result in double-digit annual sales growth, robust profitability and strong cash flow over the next five years.”

Q3 2019: Another quarter of solid sales growth

In the third quarter of 2019, Maisons du Monde posted total sales of €283.7 million, up 9.2% year-on-year including Modani and up 8.2% at constant perimeter. Like-for-like sales growth was 3.0% at constant perimeter. The third quarter saw continued strong momentum in online sales, up 19.3% year-on-year to c. 26% of sales, as well as international business, up 17.7% year-on-year to c. 47% of sales, confirming the robustness of the Group’s business model and omnichannel strategy.

In the third quarter of 2019, Maisons du Monde continued to implement its business initiatives to lay the foundations for the 2020-2024 plan. In line with our new strategy, we initiated the revamping of our collectioning process. Our Fall-Winter decoration collection, launched at the end of July, proposed more distinctive themes, each composed of a narrower and sharper offer. We have also initiated the localization of our in-store merchandizing, beginning to adapt the display of our furniture offer to local demand. To improve our omnichannel experience, we are rolling out in-store returns of online decoration orders in six countries. To support our ambition to be the leading B2B destination for furniture and decoration in Europe, Maisons du Monde opened in September its first B2B showroom in the Grands Boulevards store in Paris. We are also seeing the results of our reinforced branding efforts as our annual barometer showed that Maisons du Monde’s brand awareness has improved in all our countries, with a nine-point increase in Italy and a five-point increase in both France and Spain.



Furthermore, Maisons du Monde continued to implement its development plan, with 5 net store openings in the quarter (7 gross openings, of which 2 outside France, and 2 closures for relocation in France).

Continued strong online and international momentum in 9M 2019

In the first nine months of 2019, Maisons du Monde posted total sales of €847.7 million, up 10.5% year-on-year including Modani and up 8.4% at constant perimeter. Like-for-like sales growth reached 3.9% at constant perimeter. Growth momentum remained strong in online sales, up 21.9% year-on-year, and international business, up 21.5% year-on-year. Online and international represented 26% and 46% of the Group sales respectively over the nine-month period.

In the first nine months, Maisons du Monde recorded 12 net store openings, reflecting 20 gross openings (of which 9 outside France) and 8 closures for relocation (of which 5 in France). As of 30 September 2019, Maisons du Monde operated 348 stores across 10 different markets.

In the first nine months, Modani recorded 3 net store openings, with 4 gross openings and 1 closure in San Francisco due to the impact on traffic of long-term public works in the area around the showroom. Modani had 16 showrooms in the USA as of 30 September 2019.

Rapid expansion at Modani, short-term impact on profitability

Modani's quantum leap in expansion (8 gross store openings since its acquisition 18 months ago vs. 11 in total between 2007 and mid-2018) has had a very positive impact on topline growth, with sales up 31.2% at constant exchange rates in the third quarter and up 23.1% on a pro forma basis in the first nine months of 2019.

However, openings were more back-end loaded than planned. In addition, the rapid expansion pace at Modani led to higher costs in logistics, as well as greater investments in marketing and support functions than anticipated. Profitability was also impacted to a lesser extent by the effect on gross margin of the new US tariffs policy. As a result, Modani's profitability should be lower than initially forecast by c. €7 million.

We expect Modani's profitability to improve in 2020 thanks to the continuing good sales performance of the newly-opened stores and the normalization of the cost base. We remain fully confident in the strength of Modani's business model and its medium-term growth prospects.

FY 2019 guidance updated⁷

Maisons du Monde updates its full-year 2019 guidance, reflecting both the strong sales and store opening momentum, and the greater costs and investments at Modani. We now expect:

- Sales growth raised to around 10.5% (vs. around 10%);
- 38-42 gross store openings (revised from 35-40) and 13-14 store closures for relocation (vs. around 10);
- EBITDA margin of c. 12.5% of sales, reduced from above 13% to reflect Modani's negative contribution this year.

⁷ Including Modani and Rhinov and pre-IFRS 16 impact.

APPENDIX

Summary of Q3 2019 sales⁸

In € million	Three months ended 30 September		
	2018	2019	% change
Sales	259.8	283.7	+9.2%
% change at constant exchange rates			+8.8%
<i>% like-for-like change</i>	+1.1%	+3.0%	-
Sales by geography			
France	147.6	151.5	+2.7%
International	112.2	132.2	+17.7%
Total	259.8	283.7	+9.2%
France (%)	56.8%	53.4%	-
International (%)	43.2%	46.6%	-
Total (%)	100.0%	100.0%	-
Sales by distribution channel			
Stores	198.7	210.8	+6.1%
Online	61.1	72.9	+19.3%
Total	259.8	283.7	+9.2%
Stores (%)	76.5%	74.3%	-
Online (%)	23.5%	25.7%	-
Total (%)	100.0%	100.0%	-
Sales by product category			
Decoration	135.6	143.9	+6.1%
Furniture	124.2	139.8	+12.6%
Total	259.8	283.7	+9.2%
Decoration (%)	52.2%	50.7%	-
Furniture (%)	47.8%	49.3%	-
Total (%)	100.0%	100.0%	-

⁸ Including Modani and Rhinov (sales of €0.5 million in Q3 2019).

Summary of Q3 2019 sales at constant perimeter⁹

In € million	Three months ended 30 September		
	2018	2019	% change
Sales	251.2	271.8	+8.2%
% change at constant exchange rates			+8.1%
<i>% like-for-like change</i>	+1.1%	+3.0%	-
Sales by geography			
France	147.6	151.5	+2.7%
International	103.6	120.3	+16.1%
Total	251.2	271.8	+8.2%
France (%)	58.8%	55.7%	-
International (%)	41.2%	44.3%	-
Total (%)	100.0%	100.0%	-
Sales by distribution channel			
Stores	190.9	200.1	+4.8%
Online	60.2	71.8	+19.1%
Total	251.2	271.8	+8.2%
Stores (%)	76.0%	73.6%	-
Online (%)	24.0%	26.4%	-
Total (%)	100.0%	100.0%	-
Sales by product category			
Decoration	135.6	143.8	+6.0%
Furniture	115.6	128.1	+10.8%
Total	251.2	271.8	+8.2%
Decoration (%)	54.0%	52.9%	-
Furniture (%)	46.0%	47.1%	-
Total (%)	100.0%	100.0%	-

⁹ Excluding Modani and including Rhinov (sales of €0.5 million in Q3 2019).

Summary of 9M 2019 sales¹⁰

In € million	Nine months ended 30 September		
	2018	2019	% change
Sales	766.8	847.7	+10.5%
% change at constant exchange rates			+10.2%
<i>% like-for-like change</i>	+3.6%	+3.9%	-
Sales by geography			
France	446.9	459.0	+2.7%
International	319.9	388.7	+21.5%
Total	766.8	847.7	+10.5%
France (%)	58.3%	54.2%	-
International (%)	41.7%	45.8%	-
Total (%)	100.0%	100.0%	-
Sales by distribution channel			
Stores	584.9	625.9	+7.0%
Online	181.9	221.8	+21.9%
Total	766.8	847.7	+10.5%
Stores (%)	76.3%	73.8%	-
Online (%)	23.7%	26.2%	-
Total (%)	100.0%	100.0%	-
Sales by product category			
Decoration	399.9	429.7	+7.4%
Furniture	366.9	418.1	+13.9%
Total	766.8	847.7	+10.5%
Decoration (%)	52.2%	50.7%	-
Furniture (%)	47.8%	49.3%	-
Total (%)	100.0%	100.0%	-

¹⁰ Including Modani and Rhinov (sales of €0.5 million in 9M 2019).

Summary of 9M 2019 sales at constant perimeter¹¹

In € million	Nine months ended 30 September		
	2018	2019	% change
Sales	752.4	815.6	+8.4%
% change at constant exchange rates			+8.2%
% like-for-like change	+3.6%	+3.9%	-
Sales by geography			
France	446.9	459.0	+2.7%
International	305.4	356.6	+16.7%
Total	752.4	815.6	+8.4%
France (%)	59.4%	56.3%	-
International (%)	40.6%	43.7%	-
Total (%)	100.0%	100.0%	-
Sales by distribution channel			
Stores	571.9	597.0	+4.4%
Online	180.4	218.6	+21.1%
Total	752.4	815.6	+8.4%
Stores (%)	76.0%	73.2%	-
Online (%)	24.0%	26.8%	-
Total (%)	100.0%	100.0%	-
Sales by product category			
Decoration	399.9	429.3	+7.4%
Furniture	352.5	386.3	+9.6%
Total	752.4	815.6	+8.4%
Decoration (%)	53.2%	52.6%	-
Furniture (%)	46.8%	47.4%	-
Total (%)	100.0%	100.0%	-

¹¹ Excluding Modani and including Rhinov (sales of €0.5 million in 9M 2019).

Key Q3 2019 sales metrics

In € million		Three months ended 30 September		
		2018	2019	% change
Sales		259.8	283.7	+9.2%
% change at constant exchange rates				+8.8%
<u>Of which</u>	Maisons du Monde ¹²	251.2	271.8	+8.2%
	<i>% change at constant exchange rates</i>			+8.1%
	<i>% like-for-like change</i>	+1.1%	+3.0%	-
	Modani	8.6	11.9	+37.2%
	<i>% change at constant exchange rates</i>			+31.2%

Key 9M 2019 sales metrics

In € million		Nine months ended 30 September		
		2018	2019	% change
Sales		766.8	847.7	+10.5%
% change at constant exchange rates				+10.2%
<u>Of which</u>	Maisons du Monde ¹³	752.4	815.6	+8.4%
	<i>% change at constant exchange rates</i>			+8.2%
	<i>% like-for-like change</i>	+3.6%	+3.9%	-
	Modani	14.5	32.1	n/a
	<i>% change at constant exchange rates</i>			n/a

¹² Including Rhinov (sales of €0.5 million in Q3 2019).

¹³ Including Rhinov (sales of €0.5 million in 9M 2019).

Evolution of the Maisons du Monde store network¹⁴

In unit	Period ended				
	31-Dec-18	31-Mar-19	30-Jun-19	30-Sept-19	30-Sept-19
France	221	221	224	227	227
Italy	45	45	47	48	48
Spain	23	23	24	24	24
Portugal	-	-	1	1	1
Belgium	22	21	21	22	22
Luxembourg	3	3	3	3	3
Germany	10	10	10	10	10
Switzerland	7	7	8	8	8
United Kingdom	4	4	4	4	4
United States	1	1	1	1	1
Number of stores (in unit)	336	335	343	348	348
<i>Gross openings</i>	+28	+3	+10	+7	+20
<i>Store closures</i>	(6)	(4)	(2)	(2)	(8)
Net openings	+22	(1)	+8	+5	+12
Sales area (K sqm)	387.2	386.8	395.4	402.9	402.9
<i>Sales area added</i>	+26.8	+1.8	+10.5	+8.2	+20.6
<i>Sales area closed</i>	(2.8)	(2.3)	(1.9)	(0.8)	(4.9)
Net change	+24.0	(0.5)	+8.6	+7.5	+15.7

Evolution of the Modani store network

In unit	Period ended				
	31-Dec-18	31-Mar-19	30-Jun-19	30-Sept-19	30-Sept-19
Florida	4	4	5	6	6
California	3	3	3	3	3
Texas	3	3	3	3	3
Georgia	1	1	1	1	1
Illinois	1	1	1	1	1
New York	1	1	1	1	1
New Jersey	-	1	1	1	1
Number of stores	13	14	15	16	16
<i>Gross openings</i>	+4	+1	+1	+2	+4
<i>Store closures</i>	(1)	0	0	(1)	(1)
Net openings	+3	+1	+1	+1	+3

¹⁴ Excluding franchise stores.



GLOSSARY

- **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.
- **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.



Disclaimer: Forward Looking Statement

This press release contains certain statements that constitute "forward-looking statements", including but not limited to statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions or which do not directly relate to historical or current facts. Such forward-looking statements are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could cause actual results to differ materially from the future results expressed, forecasted or implied by such forward-looking statements. Accordingly, no representation is made that any of these statements or forecasts will come to pass or that any forecast results will be achieved. Any forward-looking statements included in this press release speak only as of the date hereof and will not give rise to updates or revision. For a more complete list and description of such risks and uncertainties, refer to Maisons du Monde's filings with the French Autorité des marchés financiers.

About Maisons du Monde

Maisons du Monde is a creator of inspirational lifestyle universes in the homeware industry, offering distinctive and affordable decoration and furniture collections that showcase multiple styles. The Group develops its business through an integrated and complementary omnichannel approach, leveraging its international network of stores, its websites and its catalogues. The Group was founded in France in 1996 and has expanded profitably across Europe since 2003, reporting sales of €1,111 million and EBITDA of €148 million in 2018. At 31 December 2018, the Group operated 336 stores in 9 countries including France, Italy, Spain, Belgium, Luxembourg, Germany, Switzerland, the United States and the United Kingdom, and derived 40% of its sales outside France. The Group has also built a successful complementary and comprehensive ecommerce platform, whose sales grew by over 30% per year on average between 2010 and 2018. This platform, which accounted for 23% of the Group's sales in 2018, is available in the countries where it operates stores plus Austria, the Netherlands and Portugal. In 2018, the Group acquired a majority stake in Modani, a furniture chain present in the United States through its stores and ecommerce business. Modani, founded in 2017, is an aspirational lifestyle brand, offering high-quality proprietary modern, contemporary and mid-century furniture at affordable price points, with a nationwide presence through a network of 13 showrooms.

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