



PRESS RELEASE

MAISONS DU MONDE: FIRST-QUARTER 2020 SALES

- **Total sales €244 million (-13.1% yoy; LFL -18.8%) in 1Q, impacted by labor strikes and Covid-19**
- **Acceleration in value of online orders through the lockdown period: up more than 50% in April**
- **Cash preservation and cost optimization actions fully in motion**
- **Solid cash position at 31 March 2020: €222 million**
- **Store network optimization: 5 net closures in Q1; year-end target of 5-10 net closures**

NANTES – 13 May 2020, 17:45 CET – Maisons du Monde (Euronext Paris: MDM; ISIN: FR0013153541), a European leader in affordable and inspirational household decoration and furniture, today announces its first-quarter 2020 sales.

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

“After a strong 2019 performance, Maisons du Monde’s first quarter 2020 activity was significantly impacted by the spread of the Covid-19 pandemic, leading us to focus first and foremost on protecting the well-being of our staff and customers.

As lockdown measures led to the gradual closing of all our European stores as of 17 March and all of our US stores as of 3 April, our stores produced almost no revenue as of mid-March. We were able to partly offset this through strong growth in online orders.

The Group ended the first quarter with a solid liquidity position, with €222 million in cash, strengthened by the drawdown of our two Revolving Credit Facilities in March for €150 million.

We implemented substantial cost cutting measures to reduce the Group store and headquarter operating costs. This included placing 85% of our staff on temporary unemployment during the store closure period, freezing all recruitments and salary increases, and eliminating discretionary expenses. We have also materially reduced our investments and are delaying planned store openings to preserve cash and adapt to the new environment. In the meantime, we have decided to maintain a few critical projects in our strategic roadmap, such as the launch of the marketplace and the continuation of our Northern France warehouse project.

We are now starting to reopen our stores and our supply chain should be fully operational by the end of June. We expect the impact from store closures in Q2 to be partly offset by a continued strong online sales performance, across all our countries. The value of online orders for April grew by more than 50% year on year, which will translate into sales when delivered, mostly in the second quarter.

We do not know today what lasting impact this exceptional period will have on consumer behavior. Although visibility is very limited for the rest of May and June, second quarter 2020 sales are expected to be significantly lower year-on-year. We expect 1H20 EBITDA (IFRS 16) to remain positive but show a material decrease year-on-year, outpacing the sales drop.

While the short-term presents great challenges, I firmly believe that we will emerge from this trying period with an even stronger model for the future. The combination of an increasingly online and data-driven model, a dynamic store portfolio management approach, a strong brand and authentic CSR commitment position Maisons du Monde to be one of the best performing retail companies in the post-Covid-19 consumption environment.”

Q1 2020 activity

Maisons du Monde posted total sales of €243.7 million, down 13.1% at current exchange rates year-on-year including Modani (€11.3 million, +26.8% yoy) and down 18.8% on a like-for-like basis, reflecting the strong impact of the labor strikes at the beginning of the year and then of the Covid-19 pandemic as of mid-March. It is estimated that the Covid-19 lockdown reduced 1Q20 sales by around € 40 million.

- Store sales (71% of 1Q20 sales) were broadly stable through the middle of March despite ongoing supply chain challenges, stemming mostly from the French dockers' strike. As a result of government-imposed Covid-19 lockdowns across Europe, most of Maisons du Monde's European stores were closed as of 17 March, and the entire store network was closed as of 19 March. All Modani stores in the US were closed as of 3 April. As a result, first-quarter store sales finished down 16.6%.
- The value of online orders¹ were up 12% during the first quarter. Corresponding sales¹ (29% of total 1Q20 sales) were broadly flat (-2.7%), again impacted by the supply chain challenges described above, notably the strong decrease in staff available at our warehouse to ship our online orders in March as a result of the confinement measures. The rising orders should translate into sales growth when they are delivered and booked in our accounts.

Summary of sales <i>(in € million)</i>	1Q20	1Q19	% change
Sales	243.7	280.3	-13.1%
% like-for-like change	-18.8%	+6.4%	
Sales by geography			
France	127.4	156.3	-18.5%
International	116.2	124.0	-6.2%
France (%)	52.3%	55.8%	
International (%)	47.7%	44.2%	
Sales by distribution channel			
Stores	173.5	208.1	-16.6%
Online	70.2	72.2	-2.7%
o/w Rhinov	0.7		
Stores (%)	71.2%	74.2%	
Online (%)	28.8%	25.8%	
Sales by product category			
Decoration	126.0	149.2	-15.5%
Furniture	117.7	131.1	-10.2%
Decoration (%)	51.7%	53.2%	
Furniture (%)	48.3%	56.8%	

In terms of Maisons du Monde's store development plan, the Group has decided to reduce and postpone store openings to the fourth quarter of 2020 or to 2021, as a cash protection measure. During the first quarter, Maisons du Monde opened one store in Strasbourg, France, and Modani opened one store near JFK Airport in New York. Six Maisons du Monde stores were closed in France and one in Belgium. One previously scheduled store opening in Paris has been moved from the first to the second quarter. Modani will also postpone all further network expansion this year after a second opening in 2Q.

¹ Online orders: i) cash collected at time of order; ii) recognised as sales at the time of shipment to the customer.

Solid financial structure

The Group's net debt stood at €814 million at 31 March compared to €805 million at 31 December 2019, reflecting:

- Gross debt of €1,042 million at 31 March 2020 (€899 million at 31 December 2019), mainly including lease liabilities of €658 million, a convertible bond for €183 million and drawdowns on the two revolving credit facilities in the amount of €150 million;
- Cash (€222 million) and cash equivalents totaled €229 million at 31 March 2020 compared to €95 million at 31 December 2019.

Net debt (in € million)	31 Mar 2020	31 Dec 2019
Convertible bond ("OCEANE")	183.2	182.1
Term loan	50.0	49.8
RCF	149.7	(0.4)
Other debt ²	1.9	1.7
Lease liabilities	657.6	666.2
Cash & cash equivalents	(228.9)	(94.5)
Net debt	813.5	804.9

Cash preservation & cost reduction

As announced on 16 April 2020, to mitigate the impact of the COVID-19 pandemic on its financial results, the Group has implemented a stringent cash preservation and cost savings program, including:

- Placing over 85% of Maisons du Monde staff on temporary unemployment; for Modani, c. 45% of staff have been furloughed, and headcount has been reduced by c. 20%
- Freezing recruitment plans and discretionary salary increases, while reducing temporary labor
- Executive pay cut: CEO -25%, Board -25%, Executive Committee -15% (April and May)
- Negotiating all lease payments with lessors
- Implementing a substantial opex-reduction program, including:
 - cutting external fees
 - eliminating discretionary expenses
 - reducing post lockdown staff travel to a strict minimum
 - rationalizing store maintenance costs, and
 - reducing and reallocating marketing costs.
- Optimizing working capital by reducing furniture and decoration inventory orders for the remainder of the year as well as renegotiating payment terms with suppliers.
- Canceling or postponing a significant number of capital expenditure projects (store openings and refurbishments, logistics investments, IT projects, etc.).
- Canceling the dividend payment for 2019

² Including other borrowings, deposits and guarantees, and banks overdrafts



2020 commercial priorities, current activity and outlook

Commercial and operational priorities

For the remainder of 2020, the Group's commercial priorities are to:

- Reopen Maisons du Monde's store network in Europe and Modani's store network in the US with a progressive ramp-up of activity and an adapted store staffing model. The two Maisons du Monde stores in the US will not reopen.
- Keep supporting the strong dynamics of online sales, with a focus on EBITDA maximization
- Launch the Maisons du Monde marketplace this summer
- Define and implement sustainable cost improvements to preserve medium-term profitability
- Support the development of Rhinov
- Continue to expand our B2B activity
- Pursue the implementation of our second warehouse in the North of France (planned opening: 2021)

Current activity and outlook

In-store sales are in the process of resuming as the store network gradually reopens. The value of second-quarter online sales orders is up more than 50% yoy to date, and online sales are therefore expected to perform well in the quarter, although dynamics is expected to slow down after store reopening. With almost no revenue generated by the Group's store network in April 2020 (April 2019: €69 million) and for a significant part of May, store sales will be materially down.

We do not know today what lasting impact this exceptional period will have on consumer behavior. Although visibility is very limited for the rest of May and June, second quarter 2020 sales will be significantly lower year-on-year. We expect 1H20 EBITDA (IFRS 16) to remain positive but show a material decrease year-on-year, outpacing the sales drop.

Due to the unprecedented nature of COVID-19 and the unknown future impacts on potential consumer behavior, the Group will provide an update on its outlook when it issues its first-half results on 28 July 2020.

Store network³

<i>(In units)</i>	Number of stores at end of:						
	FY18	1Q19	2Q19	3Q19	4Q19	FY19	1Q20
France	221	221	224	227	233	233	228
Italy	45	45	47	48	48	48	48
Spain	23	23	24	24	27	27	27
Belgium	22	21	21	22	24	24	23
Germany	10	10	10	10	11	11	11
Switzerland	7	7	8	8	9	9	9
Luxembourg	3	3	3	3	3	3	3
Portugal	-	-	1	1	1	1	1
United Kingdom	4	4	4	4	-	-	-
United States	13	14	16	17	20	20	21
Number of stores	349	349	358	364	376	376	371
<i>Net openings</i>	+25	0	+9	+6	+12	+27	-5
Sales area (K sqm)	398.4	398.6	408.1	416.7	432.3	432.3	417.6
<i>Change (K sqm)</i>	+35.2	+0.2	+9.5	+8.6	+15.6	+33.9	-14.7

3) Including Modani; excluding franchise stores.



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 €1,225 million and EBITDA of €153 million in 2019. At 31 December 2019, the Group operated 376 stores in 9 countries including France, Belgium, Germany, Italy, Luxembourg, Portugal, Spain, Switzerland and the United States, and derived 45% 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 2019. This platform, which accounted for 25% of the Group's sales in 2019, is available in the countries where it operates stores plus Austria, the Netherlands and the United Kingdom. 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 2007, 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 19 showrooms.

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Key operating metrics

Besides the financial indicators set out in International Financial Reporting Standards (IFRS), Maisons du Monde's management uses several non-IFRS 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 B2B 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 metric 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 B2B 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 B2B 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.

Net debt: Is defined as the Group's convertible bond ("OCEANE"), term loan, revolving credit facilities, short- and long-term rental, deposits and bank borrowings, net of cash and cash equivalents.

Financial calendar⁴

12 June 2020	Annual General Meeting
28 July 2020	1 st Half 2020 results (press release and conference call after market close)
27 October 2020	3 rd Quarter 2020 sales (press release after market close)

4) Indicative timetable.



**Maisons du Monde First Quarter 2020 Sales
Conference Call and Webcast Connection Details**

Wednesday, 13 May 2020 at 18:00 CET

Conference Call Dial-In Numbers

Confirmation Code: **6776929**

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