MAISONS DU MONDE

First-Half 2022 Results

28 July 2022

Disclaimer

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, forecast 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

01
Business highlights and strategy

02
Financial review

03
Outlook

MAISONS DU MONDE

Business highlights and strategy

01

H1 2022 Highlights

Sales performance in line with revised expectations
Cost containment and cash optimization plans underway to protect EBIT and FCF

GMV: EUR 643 m (-2.3% yoy)
Sales: EUR 604 m (-4.8% yoy)

EBIT: EUR 28 m (margin 4.7%)
FCF: EUR (7) m

Action plan to boost revenue, contain costs & protect cash

- EUR 25 m cost savings to ringfence EBIT
- Capex prioritization and WC optimization to secure FCF

New share buyback plan: up to 10% of capital

In the context of

- High inflation in Europe; decrease in consumer confidence
- Continuing supply chain disruptions
- Geopolitical uncertainty

2022 Operational priorities

Actions underway to protect profit & cash while maintaining key strategic projects

- **Boost topline and contain gross margin erosion via:**
  - **Additional promotional activity**
  - **Sourcing optimization**
  - **Selective price uplift**
- **Deliver further cost efficiencies** in logistics & transportation to offset the negative effect of lower volumes and higher inflation
- **Sharply reduce discretionary spending** across the Group
- **Defer capex on stores and lower priority projects** given poor visibility on market conditions, **maintain capex on key investments** (e.g. logistics, IT) to fuel mid-term growth

Strengthening a direct-to-consumer love brand

Creativity

- New collab with fashion designer Lisa Gachet
- Kids collections now 50% "Good is Beautiful"-certified
- Expansion of the B2B offer to 420 SKUs (+13% yoy) , of which 35% "Good is Beautiful"

Inspiration

- Increased influence on social media – Instagram followers +6% vs 2021 to reach c. 5.5 million
- Rhinov customer base up 22% vs 2021 to reach 12.5k

Engagement

- **Ranked in** top 5 global love brands by Hootsuite thanks to focus on sustainability
- Launch of Good for Women internal program to promote gender equality and featured among top 3 retailers by Capital magazine awards regarding diversity topics

Sustainability leadership

Launch of our Good is beautiful movement

GOOD IS BEAUTIFUL By MAISONS DU MONDE

Environment

Strong development of sustainable product offering

- Over 25% **of Autumn/Winter 22 collections integrated in our Good is beautiful selection (+5pts vs AW21)**

Continuous progress on environmental performance

- 98% of stores powered by renewable electricity
- Roll out of our CSR ambassadors program in Germany and Austria
- MDM repair center – products repaired/reconditioned: +35% **vs H1 2021**

Social

- Exceptional EUR 500 bonus to support employee purchasing power

Launch of major diversity and inclusion initiatives:

- Creation of the "Good for Women" club to promote gender equality
- First 12 "Good is beautiful" living spaces created with local non profit organisations

Governance

- First sustainability linked loan integrating 3 ESG criteria
- EUR 500k donated to the MDM Foundation and Emmaüs following our share buyback program
- Creation of a dedicated CSR committee at board level

MSCI	Rating : A
Sustainalytics	Home retail rank: top 5% Global retail rank: top 2%
vigeo eiris	Specialized retail rank: top 5% Global rank: top 5%

Source:
MSCI – December 2021

Source:
Sustainalytics – December 2021

Source:
Vigeo – December 2021

H1 2022 Highlights

Omnichannel model proving relevance amid a challenging global environment

Omnichannel model continuing to deliver

- Active customer base in H1 22: 3.9 m (stable vs. 2021)
- Omnichannel customers up 14% yoy

Digital performance normalizing after COVID boost

- Online GMV down 17% yoy, +61% vs H1 2019
- Online sales down 25% yoy, +34% vs H1 2019
- Strong dynamics of tableware and garden categories

Store performance benefitting from favorable base effects

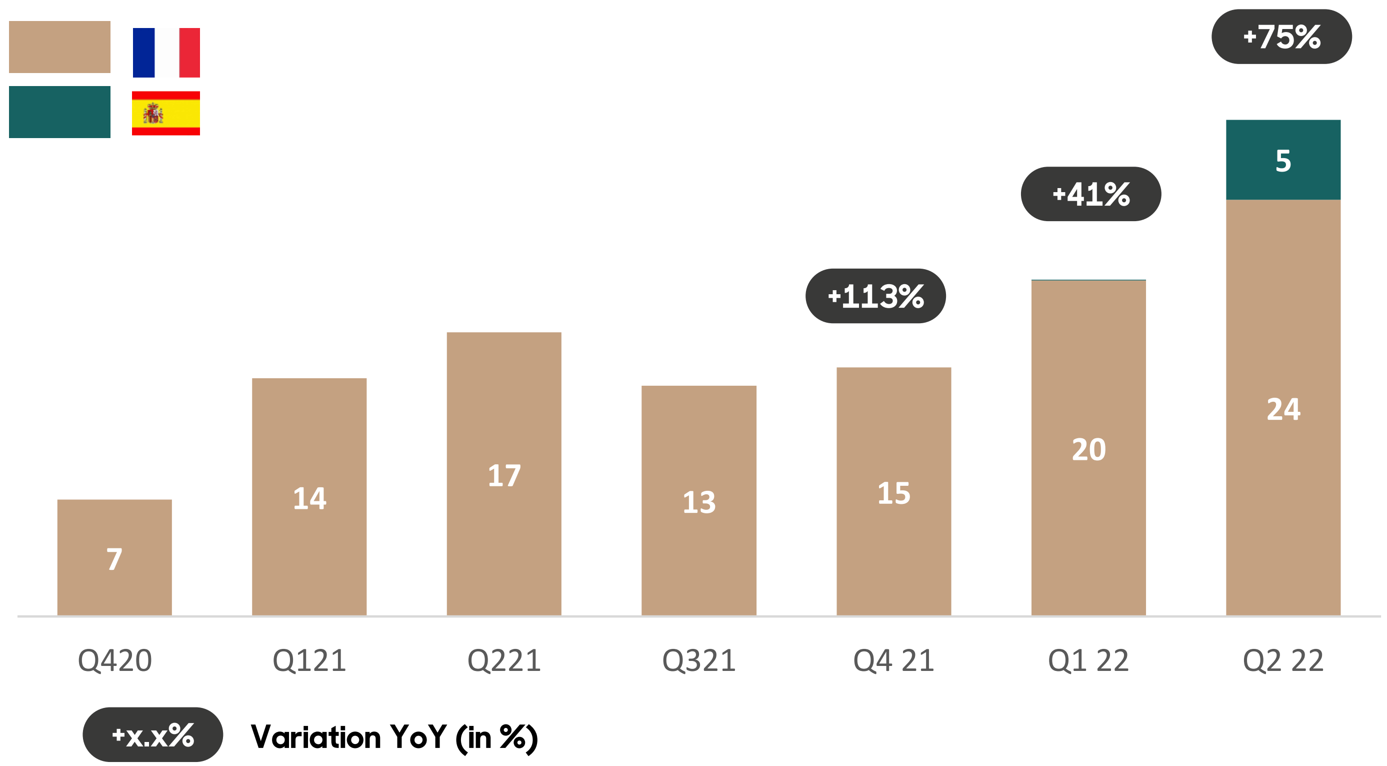
- Store sales +9% yoy, +3% vs 2019
- Robust performance in France (+8% yoy) despite 8 fewer stores
- Reduced traffic activity since early May (end of COVID-linked favorable base effect)

H1 2022 Highlights

Strong marketplace growth

Online marketplace GMV by quarter

(In EUR million)

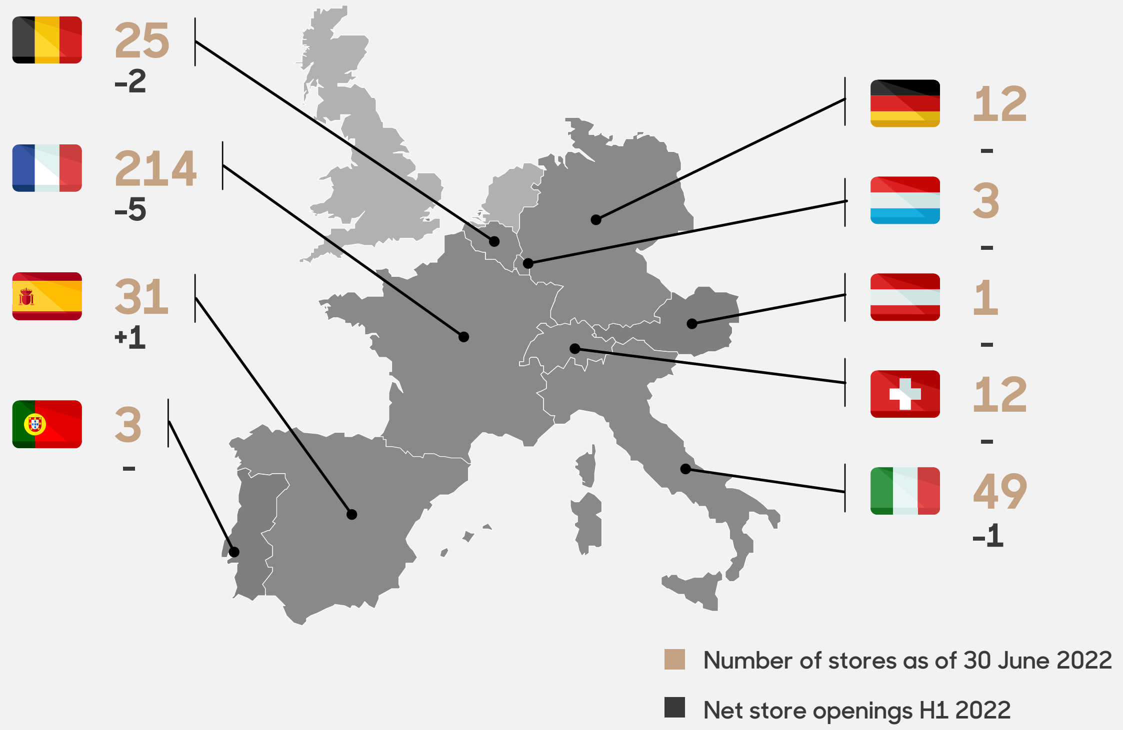


- **French marketplace: very strong performance**
  - +47% growth in Q2 22, acceleration of the strong dynamic observed in Q1 22 (+41%)
  - Marketplace GMV represents 40% of French Online GMV in Q2 22
  - ~ 150k products, ~400 vendors (+40% yoy), ~1,100 brands (+80%)
- **Successful international launch of marketplace in Spain**
  - In Q2 22, int'l marketplace already represents 31% of total online GMV in Spain
  - ~ 60k products, ~ 160 vendors, ~ 300 brands

Pan-European store expansion

Disciplined management of our store network

Store network
as of 30 June 2022
(in units)



350
Total Stores
(at 30/06/22)

-2
vs 30/06/21

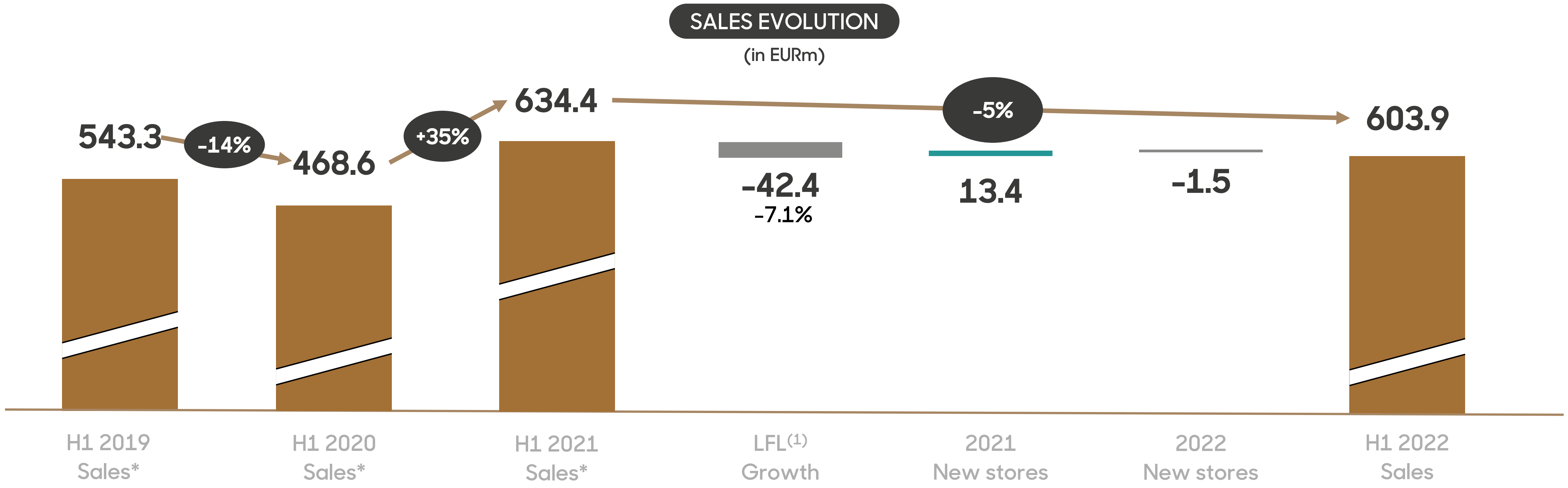
	H1 22 vs YE 21
Openings	**+2**
France	+1
Rest of Europe	+1
Closings	**-9**
France	-6
Rest of Europe	-3
Net	**-7**
France	-5
Rest of Europe	-2

Financial review

02

H1 2022 Sales in line with revised expectations

Down 5% yoy on challenging comps; up 11% vs H1 19

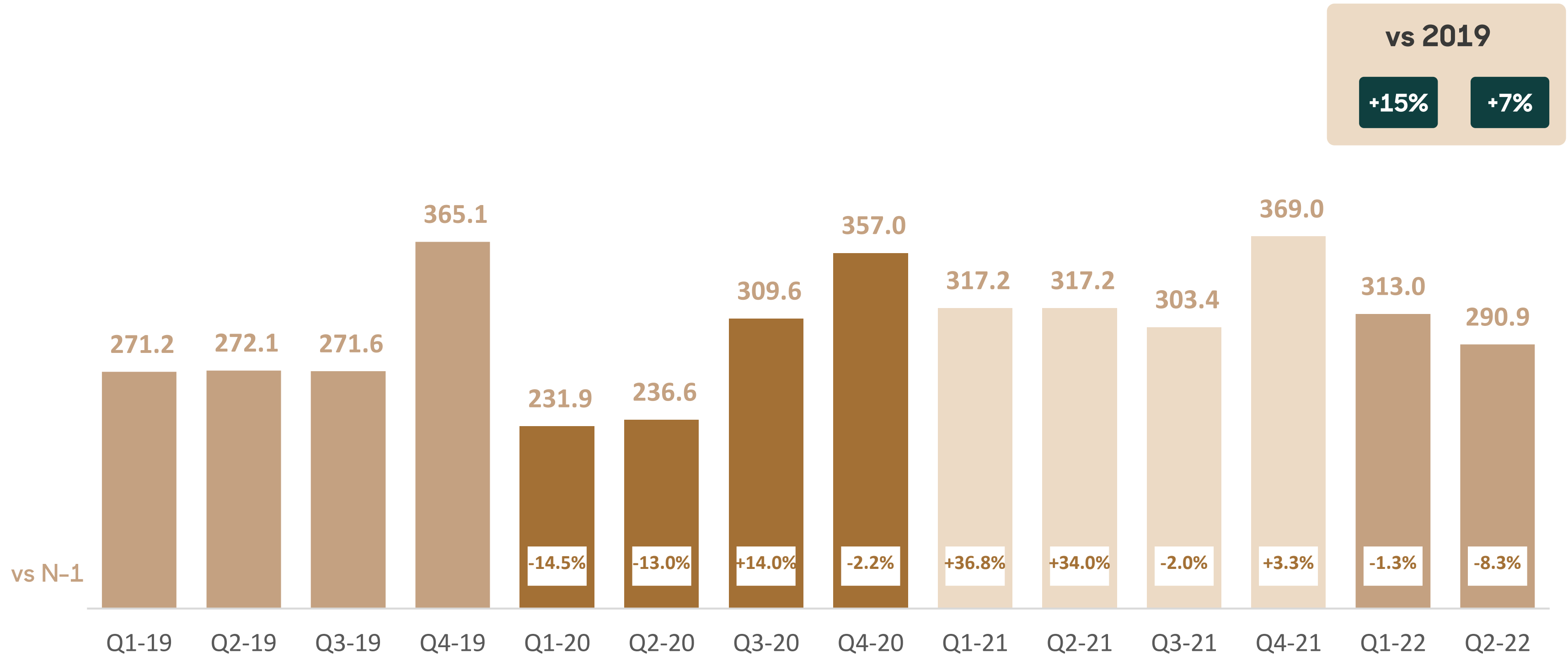


Note: * Excluding Modani

H1 2022 Sales: adjustment of trend in the second part of Q2

Q1 & Q2 above 2019 levels

(in EUR million; % change yoy)



1st Quarter: -1.3%

- Sales remained resilient In the face of very strong basis of comparison in Q1 21 (+37% yoy)

2nd Quarter: -8.3%

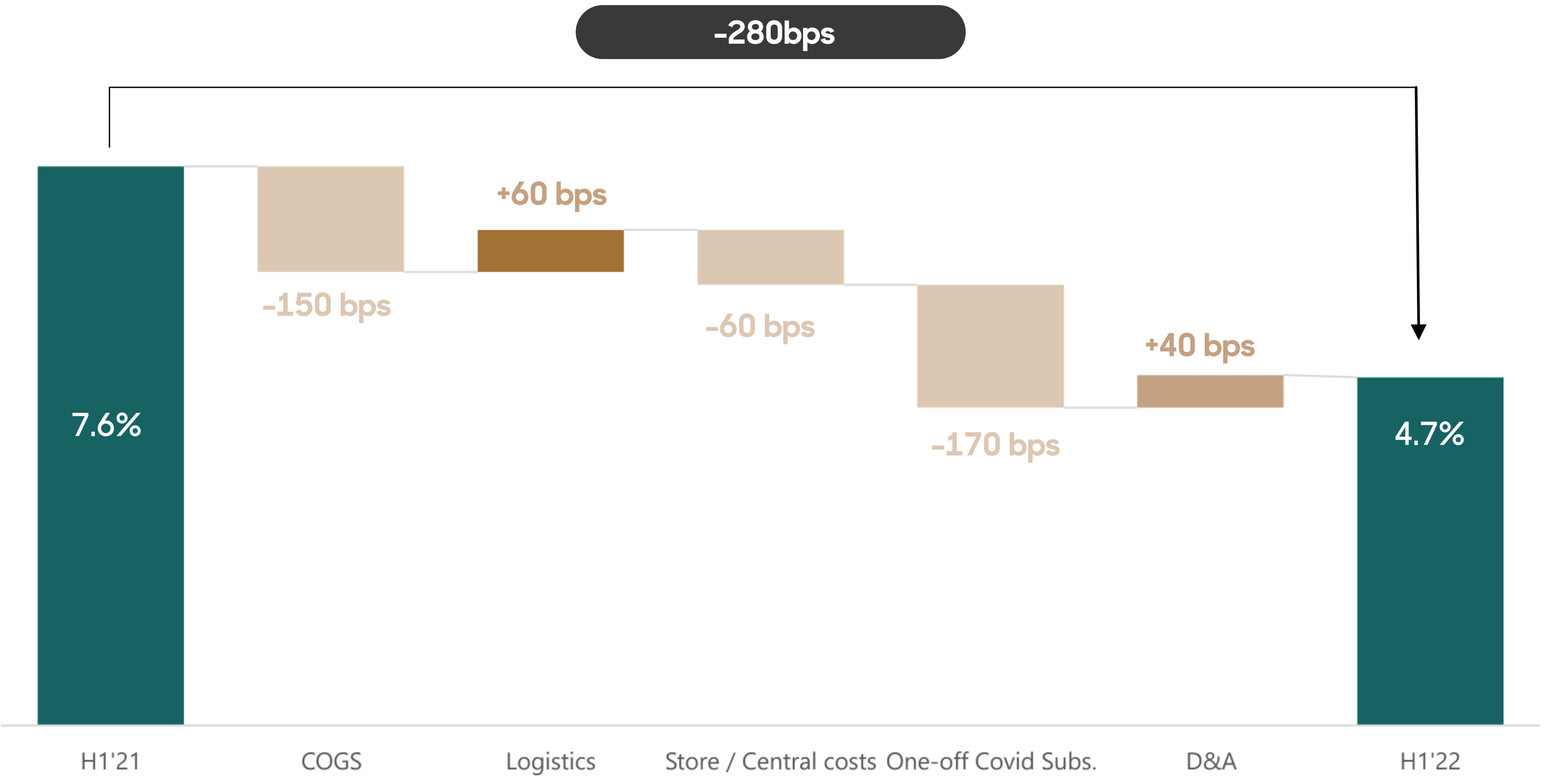
- High Q2 21 comparable base (+34% yoy)
- April up (+11%) as expected
- Sharp decline in traffic mid-May, sales down 13%
- June traffic same as second half of May, sales down 18%

Categories, channels and geographies
reflecting challenging environment; up vs pre-pandemic levels

	Categories		Channels		Geographies	
	Furniture	Decoration	Stores	Online	France	International
yoy	-9%	-1%	+9%	-25%	-6%	-4%
vs. H1 19	+7%	+15%	+3%	+34%	+2%	+24%

H1 22 EBIT in line with FY guidance

Action plan underway to secure H2 22 EBIT delivery



[1]2021 pro forma EBIT margin (IFRS 5)

H1 22 EBIT: EUR 28m, 4.7% margin

COGS

- Sharply higher freight and raw material costs partly offset by price increase

Logistics

- Warehouse efficiencies and favorable channel mix on transportation costs

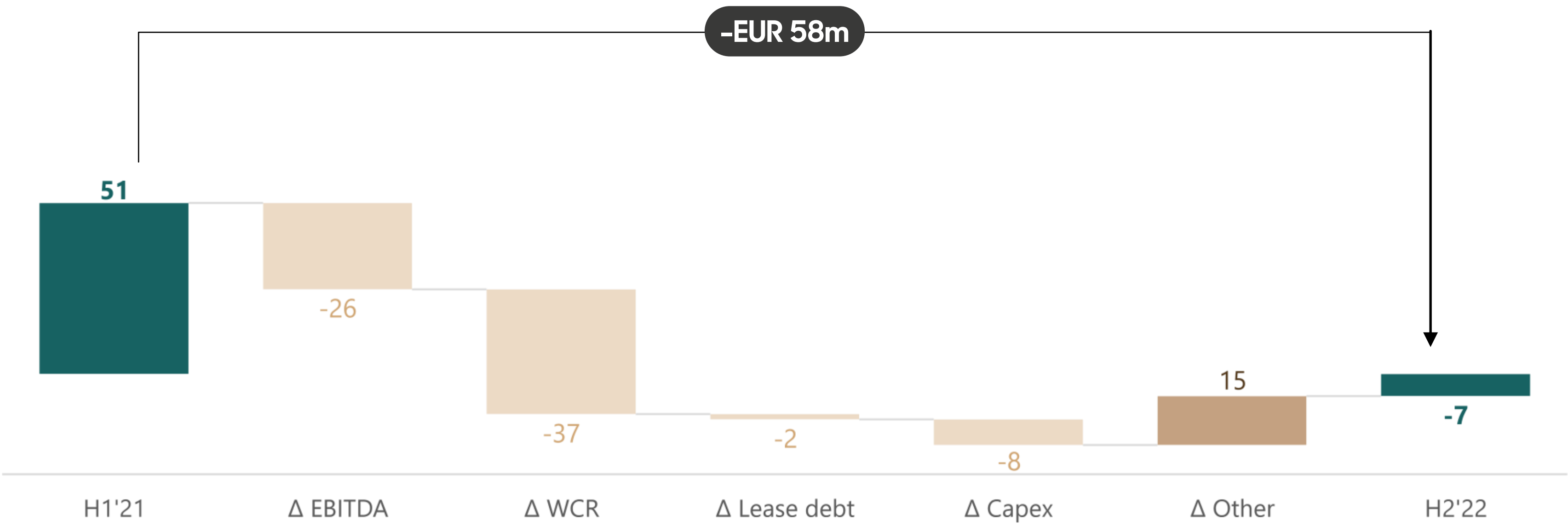
SG&A

- Rising inflation on salaries and energy
- Reversal of one-off government Covid subsidies (EUR +11 m in H1 21)
- Negative leverage effect due to sales decline

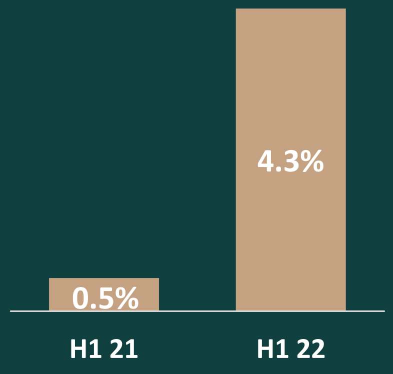
H1 22 Free Cash Flow

reflects inventory replenishment and strategic investments, notably 2nd warehouse

FCF evolution
(in EUR million)

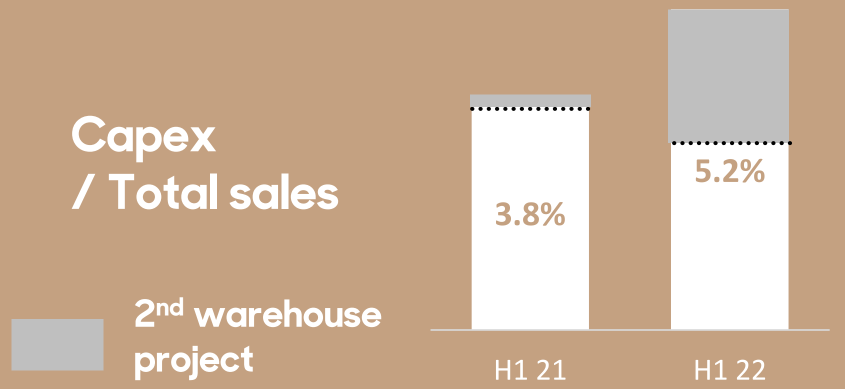


WCR / Total sales



Inventories EUR m

Capex / Total sales



2022 Gross Margin Action Plan

Maintain Gross margin around 63%

Amid a challenging macro environment

Freight costs far above normalized level

Double-digit growth on most raw materials

Unfavorable evolution of EUR/USD FX rate

Key decisions to rebuild gross margin historical profile

Ongoing negotiations with our key suppliers

Operational efficiencies

Selective price uplift

Gross margin under pressure of exceptional cost inflation

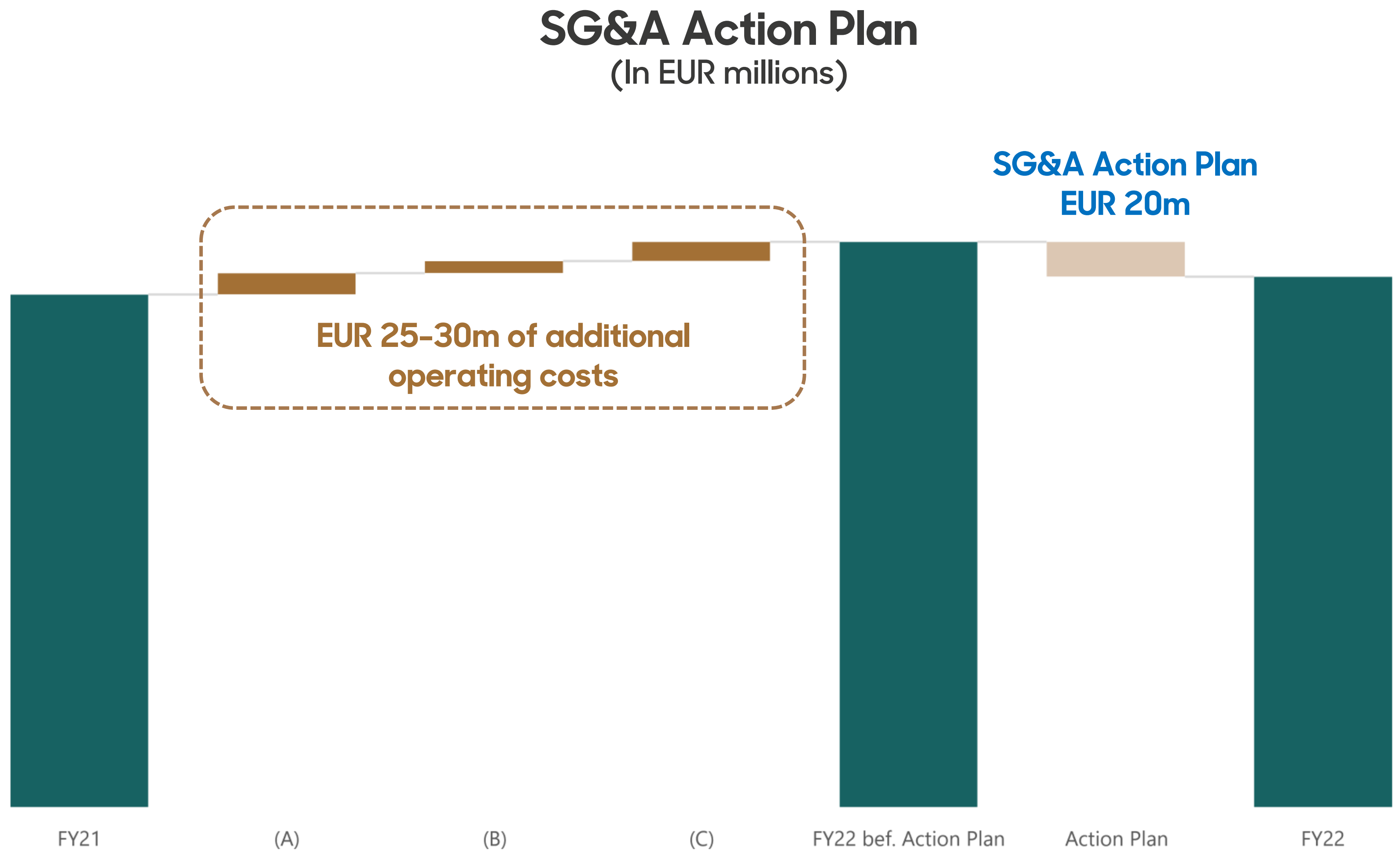
- ✓ Headwinds to impact H2 more than H1 in relation to the procurement cycle
- ✓ Extra discount operations to:
  - ❖ guarantee price competitiveness in a challenging context
  - ❖ manage level of inventories

Action plan underway to start restoring historical GM

- ✓ New rounds of negotiation with key suppliers
- ✓ Selective price uplifts following collectioning calendar
- ✓ Operational efficiencies on our sourcing and collectioning processes

2022 SG&A Action Plan

Comprehensive action plan to mitigate higher 2022 operating costs



FY22 operating costs are increasing…

- (A) Rising inflation and carry-over effect
  High inflationary context : energy, wages + full-year carry-over effect of 2021 recruitments
- (B) Store network development
  Replacement of small stores by larger ones carrying extra direct costs
- (C) One-off 2021 Covid-related subsidies (EUR 11m)

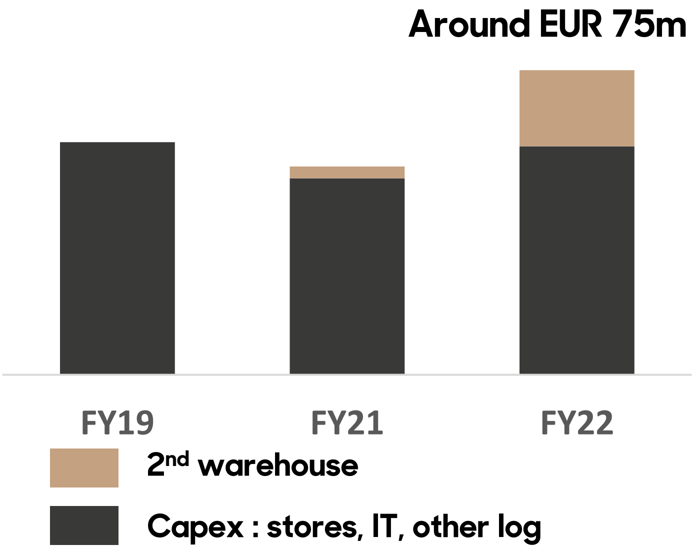
.. mitigated by targeted cost savings measures

- Cost reduction measures in store network
- Marketing spend decrease
- Reduction of headquarter spending

2022 FCF Action Plan

Capex prioritization in a context of low visibility and active working capital optimization program

CAPEX



WORKING CAPITAL

- Replenish furniture inventory
- Monitor sourcing and supply while adjusting to sales trend

- Optimization of payment terms
- Other working capital improvement initiatives

FCF Guidance confirmed : EUR 10-30m

- Capex

Selective approach on Capex while maintaining strategic investments (e.g., 2nd warehouse, IT)

❖ Without 2nd warehouse, 2022 Capex comparable to 2019

❖ Lowered store investment despite a catch-up effect on store maintenance as a large part of 2020 & 2021 planned operations were postponed

❖ Increased IT Capex

- Working capital

Ongoing negotiations with suppliers to optimize payment terms

Active management of inventory in a soft and volatile sales environment

Maintaining financial discipline

balancing growth and profitability over the medium-term

Growth

Profitability

Investment
in strategic initiatives

Cost & cash discipline

Share buyback program

Business model structurally creates value and generates cash

Current share price provides excellent repurchase opportunity

Up to

10%

of share capital

Repurchase of up to approx. 4 million shares

100% repurchased shares to be **cancelled right after program completion**

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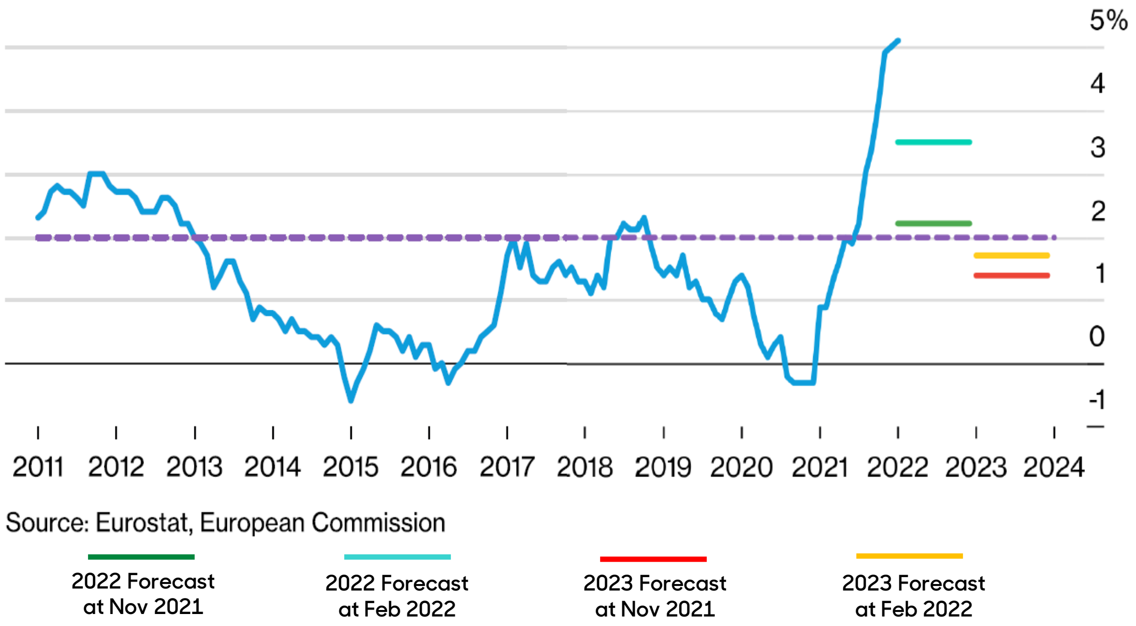
Outlook

03

H2 2022

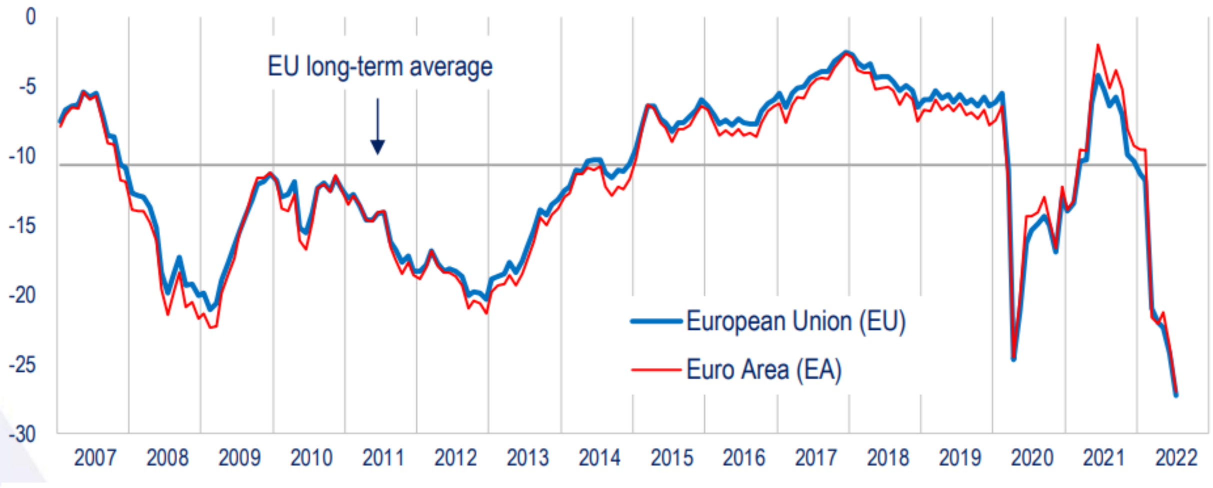
Tough current trading amid high inflation and decreasing consumer confidence

Annual Inflation in the Euro Zone



Source: Eurostat, European Commission

Euro Zone Consumer Confidence



Source: European Commission services

July current trading update

- Store traffic remains weak, in line with June trend
- Online traffic supported by successful marketplace
- Overall activity still impacted by product availability issues

2022
Commercial and operational priorities

Commercial activity

- Reinforce brand positioning, including improved customer experience
- Support sales via extra selective promotional activities in H2
- Launch Marketplace in Italy
- Further rationalization of store network in 2022 + review of 2023 development plan

Sourcing & supply

- Inventory replenishment in a still complex freight environment
- Opening of northern France logistics center in early July
- Ongoing key supplier negotiations

ESG

- Contribute to carbon neutrality for scopes 1 & 2
- Increase product traceability ratio
- Strengthen supplier governance

2022 Updated Guidance Confirmed

Top line
Decrease
in the mid-single digit range

EBIT margin
5% or above

Free cash flow
EUR 10m to 30m

Dividend pay-out ratio
30% to 40%

ESG
Carbon neutrality
on scopes 1&2

H1 2022 key takeaways

Executing the strategic agenda while protecting MdM's short term equation

Top line

- Performance in line with updated objectives
- Uncertain prospects for home category in an inflationary context
- Strategic initiatives progressing as per mid-term plan

Financials

- Action plan underway to start restoring GM and streamline operating costs
- Support strategic investments to keep building MdM's profitable growth agenda

Capital allocation

- SBB plan up to 10% of share capital
- Dividend policy of 30% to 40% payout ratio maintained

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Q&A

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Appendix

Consolidated income statement

(in M€ - IFRS 16)	H1 2022	H1 2021
Sales	603.9	634.4
Other revenue	23.6	27.0
Total revenue	627.5	661.3
Cost of sales[1]	(217.2)	(219.0)
Personnel expenses	(120.3)	(116.9)
External expenses	(196.2)	(203.3)
Depreciation, amortization, and allowance for provisions	(70.9)	(77.3)
Fair value - derivative financial instruments	(3.1)	(3.8)
Other income/(expenses) from operations	3.0	(2.5)
Current operating profit	22.8	38.7
Other operating income and expenses	(1,.1)	(1.0)
Operating profit / (loss)	21.7	37.7
Cost of net debt	(3.0)	(3.7)
Cost of lease debt	(5.7)	(5.7)
Finance income	2.0	1.2
Finance costs	(2.4)	(2.7)
Financial profit / (loss)	(9.1)	(11.0)
Profit / (loss) before income tax	12.6	26.7
Income tax	(4.2)	(9.6)
Profit / (loss) from continuing operations	8.4	17.1
Profit / (loss) from discontinued operations	-	3.4
Profit / (loss) for the period	7,810	20.5
Attributable to:		
· Owners of the Parent	8.5	19.6
· Non-controlling interests	(0.1)	0.9
Earnings per share for profit / (loss) for period attributable to the owners of the parent :		
Diluted earnings per share	0.21	0.42

Consolidated balance sheet (1/2)

(in M€ - IFRS 16) **ASSETS**	**30 June 2022**	**30 June 2021**
Goodwill	327.0	327.0
Other intangible assets	236.3	241.8
Property, plant and equipment	171.7	162.4
Right-of-use assets	600.9	632.7
Other non-current financial assets	16.3	16.2
Deferred income tax assets	8.8	7.1
Derivative financial instruments	3.2	0.0
Non-current assets	1,364.2	1,387.2
Inventory	265.1	186.8
Trade receivables and other current receivables	67.9	102.4
Current income tax assets	14.8	19.9
Derivative financial instruments	36.6	0.0
Cash and cash equivalents	102.4	153.0
Current assets	486.8	462.1
TOTAL ASSETS	1,851.0	1,849.3

(1) The IFRS 5 adjustments to the balance sheet at 31 Dec 2020 are limited to: i) reported Total Equity in the amount of EUR593.7 million increased by EUR1.0 million to EUR594.7 million, ii) reported Deferred income tax liabilities in the amount of EUR41.2 million increased by EUR0.5 million to EUR41.7 million, and iii) reported Post-employment benefits in the amount of EUR12.9 million decreased by EUR1.5 million to EUR11.4 million.

Consolidated balance sheet (2/2)

EQUITY & LIABILITIES	30 June 2022	30 June 2021
Share capital	146.6	146.6
Share premium	134.3	134.3
Retained earnings	370.0	338.0
Profit (loss) for the period	8.5	19.6
Equity attributable to owners of the Company	659.4	638.4
Non-controlling interests	1.1	(17.2)
TOTAL EQUITY	660.5	621.2
Borrowings and convertible bonds	193.4	190.7
Medium and long-term lease liability	482.2	511.1
Deferred income tax liabilities	57.7	49.9
Post-employment benefits	8.2	12.7
Derivative financial instruments	0.0	2.1
Other non-current liabilities	4.2	6.4
Non-current liabilities	754.0	779.7
Borrowings and convertible bonds	0.9	0.1
Short-term lease liability	114.0	114.2
Trade payables and other current payables	311.5	307.8
Provisions	4.2	6.2
Current income tax liabilities	5.2	13.0
Derivative financial instruments	0.7	7.1
Current liabilities	436.5	448.4
TOTAL LIABILITIES	1,190.5	1,228.1
TOTAL EQUITY AND LIABILITIES	1,851.0	1,849.3

Consolidated cash flow statement

(in M€ - IFRS 16)	Six months ended 30 June 2022	Six months ended 30 June 2021
Profit / (loss) for the period before income tax	12.6	30.1
Adjustments for :		
. Depreciation and amortization	72.8	77.3
. Net (gain) / loss on disposals	2.1	2.9
. Change in fair value – derivative financial instruments	3.1	3.8
. Share-based payments	0.0	(0.6)
. Cost of net debt	3.0	3.7
. Cost of lease debt	5.7	6.2
Change in operating working capital requirement:		
. (Increase) / decrease in inventories	(70.7)	(15.0)
. (Increase) / decrease in trade and other receivables	37.9	5.2
. Increase / (decrease) in trade and other payables	20.5	38.4
Income tax paid	(4.1)	(12.2)
Net cash flow from / (used in) operating activities	82.8	139.8
Acquisitions of non-current assets :		
. Property, plant and equipment	(23.8)	(19.3)
. Intangible assets	(8.9)	(5.0)
. Other non-current assets	0.9	(0.3)
Change in debts on fixed assets	(0.2)	(0.5)
Proceeds from sale of non-current assets	0.2	0.8
Net cash flow from / (used in) investing activities	(31.8)	(24.3)
Proceeds from issues of borrowings	0.1	0.3
Repayment of borrowings	(29.7)	(200.3)
Decrease in lease debt	(52.0)	(52.3)
Acquisitions (net) of treasury shares	(0.7)	0.4
Dividends paid	(23.4)	0.0
Interest paid	(1.8)	(1.5)
Lease interest paid	(5.6)	(6.1)
Net cash flow from / (used in) financing activities	(113.0)	(259.5)
Exchange gains/(losses) on cash and cash equivalents	0.1	0.1
Net (decrease) / increase in cash and cash equivalents	(61.9)	(143.8)
Cash and cash equivalents at beginning of period	163.2	296.7
Cash and cash equivalents at end of period	101.3	152.9

Summary of sales
Quarterly series

In EUR millions	Q1'19	Q2'19	Q3'19	Q4'19	FY19	Q1'20	Q2'20	Q3'20	Q4'20	FY20	Q1'21	Q2'21	Q3'21	Q4'21	FY21	Q1'22	Q2'22
Group sales	271.2	272.1	271.6	365.1	1,179.9	231.9	236.6	309.6	357.0	1,135.2	317.2	317.2	303.4	369.0	1,306.8	313.0	290.9
Change vs. n-1	*6.3%*	*10.5%*	*8.1%*	*9.7%*	*8.7%*	*-14.5%*	*-13.0%*	*14.0%*	*-2.2%*	*-3.8%*	*36.8%*	*34.0%*	*-2.0%*	*3.3%*	*15.1%*	*-1.3%*	*-8.3%*
LfL Change vs. n-1	*n.c*	*n.c*	*n.c*	*n.c*	*n.c*	*-19.3%*	*-15.3%*	*10.6%*	*-2.6%*	*-6.5%*	*36.5%*	*32.2%*	*-4.0%*	*0.9%*	*13.4%*	*-4.0%*	*-10.3%*
Sales breakdown																	
Decoration	*54.9%*	*50.1%*	*52.9%*	*63.3%*	*55.9%*	*54.3%*	*46.9%*	*57.9%*	*65.0%*	*57.1%*	*55.3%*	*49.3%*	*58.9%*	*69.3%*	*58.6%*	*55.8%*	*52.6%*
Furniture	*45.1%*	*49.9%*	*47.1%*	*36.7%*	*44.1%*	*45.7%*	*53.1%*	*42.1%*	*35.0%*	*42.9%*	*44.7%*	*50.7%*	*41.1%*	*30.7%*	*41.4%*	*44.2%*	*47.4%*
Stores	*73.7%*	*72.3%*	*73.6%*	*78.3%*	*74.8%*	*70.2%*	*51.6%*	*71.3%*	*68.5%*	*66.1%*	*62.2%*	*54.8%*	*71.2%*	*77.7%*	*66.7%*	*66.7%*	*68.1%*
Online	*26.3%*	*27.7%*	*26.4%*	*21.7%*	*25.2%*	*29.8%*	*48.4%*	*28.7%*	*31.5%*	*33.9%*	*37.8%*	*45.2%*	*28.8%*	*22.3%*	*33.3%*	*33.3%*	*31.9%*
France	*57.6%*	*55.6%*	*55.8%*	*58.5%*	*57.0%*	*55.0%*	*52.7%*	*54.8%*	*57.7%*	*55.3%*	*57.2%*	*47.5%*	*54.1%*	*55.7%*	*53.7%*	*51.6%*	*51.9%*
International	*42.4%*	*44.4%*	*44.2%*	*41.5%*	*43.0%*	*45.0%*	*47.3%*	*45.2%*	*42.3%*	*44.7%*	*42.8%*	*52.5%*	*45.9%*	*44.3%*	*46.3%*	*48.4%*	*48.1%*

Evolution of the store network

in units	Number of store at end of												
	FY19	Q1'20	Q2'20	Q3'20	Q4'20	FY20	Q1'21	Q2'21	Q3'21	Q4'21	FY21	Q1'22	Q2'22
France	233	228	227	227	228	228	223	222	220	219	219	215	214
Italie	48	48	48	48	49	49	49	49	48	50	50	49	49
Espagne	27	27	27	27	27	27	26	28	28	30	30	30	31
Belgique	24	23	23	23	24	24	25	26	26	27	27	25	25
Allemagne	11	11	10	10	11	11	11	12	12	12	12	12	12
Suisse	9	9	9	9	9	9	10	10	11	12	12	12	12
Luxembourg	3	3	3	3	3	3	3	3	3	3	3	3	3
Portugal	1	1	1	1	1	1	1	1	1	3	3	3	3
Autriche	-	-	-	-	-	-	1	1	1	1	1	1	1
Number of stores	356	350	348	348	352	352	349	352	350	357	357	350	350
Net openings	*+21*	*-6*	*-2*	*0*	*+4*	*-4*	*-3*	*+3*	*-2*	*+7*	*+5*	*-7*	*0*

Glossary

In addition to 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 1) sales of decorative items and furniture through the Group's retail stores, websites and B2B activities, 2) marketplace commissions, and 3) service revenue and commissions. 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.

Like-for-like sales (LFL) 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.

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.

The EBITDA margin is calculated as EBITDA divided by Sales.

EBIT: Is defined as EBITDA minus depreciation, amortization, and allowance for provisions. The EBIT margin is calculated as EBIT divided by Sales.

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

Leverage ratio: Is defined as net debt less finance leases divided by LTM EBITDA as calculated under IAS 17.

Free cash flow: Is defined as net cash from operating activities less the sum of capital expenditures (capital outlays for property, plant and equipment), intangible and other non-current assets, change in debt on fixed assets, proceeds from disposal of non-current assets and reduction of and interest on rental debt.