

PRESS RELEASE

2022 FULL-YEAR RESULTS

Financial performance in line with updated full-year guidance¹

Proposed dividend of €0.30 per share

- **Solid Group revenue in a challenging environment:**
 - **GMV: €1,337m, down -1.2% yoy, up +13.3% vs FY 2019**
 - **Sales: €1,240m, down -5.1% yoy, up +5.1% vs FY 2019**
- **EBIT margin and Free Cash Flow delivered above updated guidance:**
 - **EBIT: €68.5m with margin of 5.5%**
 - **Free Cash Flow: €32m**
- **Significant milestones achieved, paving the way for sustained profitable growth and shareholder returns**
- **2023 priorities: further strengthening Maisons du Monde’s balanced growth model while improving store operations and customer service to return to higher profitability level and cash generation**
- **2023 guidance to be specified in May**

NANTES – 9 March 2023, 07:00 CET – [Maisons du Monde](#) (Euronext Paris: MDM; ISIN: FR0013153541), the European leader in inspirational and affordable home & living, published the Group’s consolidated results for the year ended 31 December 2022. **Conference call to be held today at 09:00 CET (see details on page 9).**

Julie Walbaum, CEO, commented: “Despite the challenging environment affecting our performance in 2022, we delivered our updated full year targets. Moreover, we achieved several key milestones, such as the internationalization of our marketplace, the acceleration of our B2B operations and the opening of our second distribution center. We also made significant headway on our ESG ambition, significantly increasing our share of eco-friendly products and further reducing our carbon footprint.

Thanks to our teams’ exceptional commitment, Maisons du Monde has laid solid foundations towards lasting and sustainable growth. I am confident it will continue to progress under François-Melchior de Polignac’s leadership.”

2022 Full Year Key Figures (in EUR million)	2022	2021	% Change
Sales	1,240.4	1,306.8	-5.1%
Like-for-like (LFL)	1,175.2	1,261.9	-6.9%
EBIT	68.5	123.8	-44.7%
As a % of Sales	5.5%	9.5%	
Profit / (loss)	35.4	79.1	-55.2%
Base EPS (in EUR)	0.80	1.72	
Diluted EPS (in EUR)	0.79	1.62	
Free Cash Flow	32.3	89.8	-64.0%
Net debt	105.1	61.1	+72.0%
Leverage ²	0.96x	0.36x	

¹ 2022 updated guidance: Top line: Decrease in the mid-single digit range - Ebit margin: 5% or above - Free cash flow: €10m to €30m
 - Dividend Pay-out ratio: 30% to 40% - Reduction of the Group’s carbon intensity: CO2 neutrality for scopes 1 and 2

² Leverage: Net debt divided by LTM (Last twelve months) EBITDA

2022 KEY HIGHLIGHTS

Maisons du Monde achieved its updated guidance. This guidance reflected the challenging environment in which the company operated in 2022, marked by surging inflation in Europe and geopolitical uncertainty weighing on consumer confidence.

The Group supported sales through a number of initiatives, including inspiring collaborations, targeted promotions and new customer financing options.

To mitigate gross margin erosion in a highly inflationary context, Maisons du Monde managed its supplier relationships and its products catalogue with agility and implemented selective price increases. Moreover, it fully delivered the cost and cash savings action plan launched in Q2 2022, underscoring its disciplined approach in allocating resources.

At the same time, the Group continued to advance its strategic agenda and lay solid foundations for the future, capitalizing on the strength of its brand, its omnichannel model and its ESG achievements.

COMMERCIAL AND ESG DEVELOPMENTS

In 2022, Maisons du Monde continued to strengthen its direct-to-consumer love brand through creativity, inspiration and engagement, as well as to further deploy its unique omnichannel model.

Brand and customers

Total active customers reached 7.2 million at 31 December 2022, -4% yoy due to soft consumption (+4% vs 2019), of which 3 million new customers (43% of the active customer base). Omnichannel customers grew by +8% over the year and by +50% vs 2019. Maisons du Monde's global community grew by +5% yoy on social media (+70% compared to 2019), reaching 8.6 million followers across Europe.

Collections

Over the year, Maisons du Monde's collections have been praised by the press and influencers across Europe, as demonstrated by the +30% yoy increase in press mentions.

Furthermore, fulfilling its mission to be the most desirable and sustainable home & living brand in Europe, Maisons du Monde teamed up with renowned creators to launch two iconic collaborations:

- A limited-edition collection of decoration products inspired by the Memphis movement, with influencer Lisa Gachet;
- A limited-edition collection of inspirational and sustainable decoration products (ceramics made in Europe and organic cotton for textiles) with Sakina M'Sa, a pioneer designer and key opinion leader in sustainable fashion.

Commercial and operational initiatives

Maisons du Monde implemented various initiatives to enhance the shopping experience and customer satisfaction:

- **Internationalization of the marketplace:** Two years after launching the marketplace in France, Maisons du Monde extended it to two additional countries, Spain and Italy. Maisons du Monde's marketplace generated GMV of €170 million over 2021-2022 and currently offers 200,000 references proposed by more than 500 vendors. It is available across the web and stores in all three countries. In addition, an in-store marketplace corner was deployed in France in 6 stores at the end of the year, bringing to life marketplace products for store customers, a highly valuable feature for customers and marketplace vendors alike.
- **New customer financing solution in France:** Maisons du Monde launched an omnichannel free-of-charge split payment solution designed with fintech provider Alma.
- **Acceleration of the B2B business line:** In 2022, teams made a breakthrough on online and direct sales of the Business service, reaching around €73 million in GMV, including an estimated contribution on stores of around €25 million, i.e. an overall growth of +6% compared to the previous year (+9% vs 2019). Hotels in particular showed spectacular growth (+46%), followed by interior designers and the real estate sector. The B2B segment is enjoying increasing awareness and credibility thanks to the success of the Maisons du Monde Hotels & Suites, higher visibility in

international fairs, and also successful partnerships such as with the Stade de France. To build upon our unique omnichannel model, a first series of Business corners was launched in 5 stores last November, displaying inspiring and immersive hotel and restaurant atmospheres.

- **Second distribution center:** A second distribution center started operations in July 2022 to support future growth and operational efficiency. The distribution center will be automated by the end of 2023, which will make it an automated warehouse unique in Europe in terms of its size and the nature of the products processed (furniture).

ESG roadmap

Maisons du Monde has made major progress on its “**Good is beautiful**” brand movement, launched one year ago:

- **Development of sustainable product offering:** 30% (vs 20% end of 2021) of the offer integrated into the ‘Good is beautiful’ selection.
- **Reduction of total carbon footprint:** -20% reduction of the Group’s carbon intensity (tCO₂/€m of sales, combined scopes 1, 2 & 3) compared to 2018, ahead of our -25% 2025 trajectory. In absolute terms, carbon footprint has been reduced by 8% vs 2018, well in line with our SBTI-approved trajectory.
- **Achievement of carbon neutrality for scopes 1 & 2** in line with 2022 guidance, through the financing of 5,000 verified carbon units (VCUs) generated by the Katingan Mentaya Project in Indonesia, to offset remaining scope 1 & 2 emissions.
- **Deployment of ‘Good is beautiful’ ambassadors’ program:** Target of 100% of stores reached, with the aim of implementing green practices on energy consumption, waste and packaging management.
- **Creation of ‘Good is beautiful’ living spaces:** 29 new locations refurbished for free to benefit people in need, in partnership with non-profit organizations (*Fondation des Femmes, French Red Cross...*).

Maisons du Monde has also delivered key milestones on its **Diversity & Inclusion program**, focusing on three main populations: women, youth and people with disabilities.

- **Increase of gender equality:** Women make up 66% of the Group’s workforce and 50% of the top management positions. In December 2022, the company signed a new three-year gender equality agreement with ambitious measures in favor of parenthood, equality, work/life balance and women’s leadership.
- **Development of apprenticeship:** Doubling in number of apprentices to facilitate access to employment to young people, particularly from underprivileged backgrounds.
- **Increase of roles allocated to people with disabilities:** Doubling since end of 2021, combined with the development of training sessions for managers to promote inclusive recruitment and adequately address disability issues (70% of managers trained).
- **Grant of exceptional allowances to support employees’ purchasing power** in the highly inflationary context: average cumulated amount of 800€/per employee in Europe (headquarters and stores) for the year.

FY 2022 SALES PERFORMANCE³

Summary of sales (in EUR million)	Q4 22	Q4 21	% Change	H2 22	H2 21	% Change	2022	2021	% Change
Group GMV	389.1	380.6	2.3%	693.4	694.5	-0.2%	1,337.1	1,353.0	-1.2%
Sales	358.0	369.0	-3.0%	636.5	672.4	-5.3%	1,240.4	1,306.8	-5.1%
Like-for-like	335.1	348.1	-4.6%	598.9	643.1	-6.9%	1,175.2	1,261.6	-6.9%
Sales by product category									
Decoration	246.7	255.7	-3.5%	410.9	434.3	-5.4%	738.3	766.2	-3.6%
% of sales	68.9%	69.3%		64.5%	64.6%		59.5%	58.6%	
Furniture	111.3	113.3	-1.7%	225.6	238.1	-5.2%	502.1	540.6	-7.1%
% of sales	31.1%	30.7%		35.5%	35.4%		40.5%	41.4%	
Sales by distribution channel									
Stores	274.9	290.0	-5.2%	473.8	507.8	-6.7%	880.9	881.4	-0.1%
% of sales	76.8%	78.6%		74.4%	75.5%		71.0%	67.4%	
Online	83.2	79.0	5.2%	169.1	164.5	-1.1%	359.6	425.4	-15.5%
% of sales	23.2%	21.4%		25.6%	24.5%		29.0%	32.6%	
Sales by geography									
France	204.4	205.5	-0.5%	351.2	369.6	-5.0%	663.8	701.7	-5.4%
% of sales	57.1%	55.7%		55.2%	55.0%		53.5%	53.7%	
International	153.6	163.5	-6.0%	285.3	302.8	-5.8%	576.6	605.0	-4.7%
% of sales	42.9%	44.3%		44.8%	45.0%		46.5%	46.3%	

FY 2022 Group GMV was €1,337 million, down -1% yoy (+13% vs 2019), with **online GMV** representing 34% of Group GMV, a level comparable to 2021.

FY 2022 online GMV was €449 million down -5% yoy due to declining traffic on Maisons du Monde' website, in line with the sector, and partly offset by robust marketplace growth in France (+60% yoy) and by the dynamic ramp-up of the marketplace in Spain and in Italy. **Marketplace GMV** doubled compared to 2021 to €122million, accounting for 25% of total online GMV.

FY 2022 sales were €1,240 million down -5% yoy (+5% vs 2019), in line with the updated guidance.

FY22 sales by channel

FY online sales were €360 million, down -16% yoy but up +21% vs 2019 and represented 29% of Group sales over the year.

FY store sales amounted to €881 million, stable both yoy and compared to 2019. Store traffic improved during the period compared to 2021, due to a positive base effect (stores were partly closed in H1 2021) but remained down from 2019.

Continuing its active store network management, Maisons du Monde operated 357 stores at the end of December 2022, stable yoy, with 13 store openings and 13 closures over the year.

³ Sales for the 4th quarter of 2022 were commented in the Trading update press release published on January 26, 2023

Sales by category

FY decoration sales amounted to €738 million, down 4% yoy, but up+12% vs 2019, and accounted for 60% of total sales. Frames, tableware, lighting, and scented candles performed particularly well amid persistently soft discretionary spending.

FY furniture sales totaled €502 million, down -7% yoy and -4% vs 2019. Armchairs, sofas, bookcases and shelves were among best-sellers.

Both categories benefitted from targeted promotions and continuing improvement in immediate availability.

Sales by geography

FY sales in France reached € 664 million, down -5% yoy due to the soft consumption environment and negative net store openings. Sales were broadly stable vs 2019 (-1%). Online sales were down -16% yoy but up +19% vs 2019.

FY international sales totaled € 577 million, down -5% yoy, but up +14% vs 2019. Combined sales in Spain and Italy (58% of total international sales) were up +2% yoy partly thanks to positive net store openings, and up +12% vs 2019. Combined sales in Belgium, Germany, and Switzerland (35% of total international sales) decreased by -13% yoy due to particularly poor market conditions and negative net store openings. Compared to 2019, sales in that region were up by +15%.

FINANCIAL PERFORMANCE

In 2022, Maisons du Monde fully met its updated financial targets, thanks to the implementation of its forceful action plan to protect profit and cash in a soft consumption and highly inflationary environment.

The Group succeeded in delivering its target of €5 million in cost savings at gross margin level and adjusting costs by €20 million at SG&A level to mitigate the impact of rising costs.

EBIT margin at 5.5%, compared to an updated guidance of 5% or above

Gross margin, EBITDA, EBIT <i>(in EUR million)</i>	2022	2021	% Change
Sales	1,240.4	1,306.8	-5.1%
Cost of goods sold	(437.9)	(438.2)	-0.1%
Gross margin	802.5	868.5	-7.6%
<i>As a % of Sales</i>	<i>64.7%</i>	<i>66.5%</i>	
Store operating and central costs	(355.0)	(354.4)	0.2%
Advertising costs	(60.6)	(64.9)	-6.7%
Logistics costs	(159.8)	(170.0)	-6.0%
Operating Costs	(575.5)	(589.4)	-2.4%
EBITDA	227.0	279.2	-18.7%
<i>As a % of Sales</i>	<i>18.3%</i>	<i>21.4%</i>	
Depreciation, amortization, and allowance for provisions	(158.5)	(155.4)	2.0%
EBIT	68.5	123.8	-43.6%
<i>As a % of Sales</i>	<i>5.5%</i>	<i>9.5%</i>	

FY2022 **gross margin** came in at 64.7%, above the revised objective but down 180 bps compared to 66.5% in 2021.

Facing adverse market conditions including a sharp increase in freight and raw material costs, energy price inflation and a material deterioration in the EUR/USD currency rate, the Group partly offset its gross margin erosion thanks to:

- a dynamic category mix management and discount strategy, containing the level of discount below 8% (similar to the pre-Covid period),
- gradual and selective price increases,
- the generation of ambitious operating efficiencies, notably via further negotiations with suppliers, and freight forwarders and extra operational efficiencies.

Store operating and central costs were broadly stable at €355 million vs €354 million in 2021, despite the inflationary context that impacted direct costs such as energy and rent and the reversal of €12 million in one-off unemployment subsidies and lease payment reductions that had been obtained in 2021. All initiatives to contain costs have been delivered on target. In December, Maisons du Monde paid to its employees an exceptional bonus as part of measures to support their purchasing power.

Advertising expenses were managed with strict discipline, decreasing by 7% to €61 million vs €65 million in 2021. Focus was put on supporting online sales including the marketplace and on brand-reinforcing initiatives in a context of rising customer acquisition costs. Conversely, the discontinuation of paper catalogues resulted in substantial savings.

Logistics costs decreased by 6% to €160 million compared to last year, even though the Group opened a second distribution center, thanks to further negotiations with carriers and enhanced efficiencies in operations.

EBITDA was down -19% to €227 million with a margin at 18.3% vs €279 million in 2021 (margin at 21.4%)

D&A expenses increased by €4 million at €159 million vs €155 million in 2021, mainly due to amortization directly linked to the €32 million increase in other intangible assets, property, plant and equipment and rights of use related to leases (IFRS 16).

2022 **EBIT** reached €68.5 million with an associated margin of 5.5%. Other net operating expenses, at €5 million, were mainly related to store closure costs.

Net financial result was €18 million vs €19 million in 2021, due to lower long-term debt and revolving credit facility interest expense compared to 2021, as well as gains on currency transactions.

Income tax represented €18 million vs €26 million in 2021. The effective tax rate increased from 28% in 2021 to 35% due to a one-off international tax risk provision.

Net income amounted to €34 million vs €79 million in 2021. EPS was €0.80, compared to €1.72 in 2021 (€1.52 without the positive 2021 effect of Modani's disposal).

Free Cash Flow above updated guidance, at €32 million

<i>(in EUR million)</i>	31 Dec. 2022	31 Dec. 2021
EBITDA	227.0	279.2
Change in working capital	(2.8)	9.8
Change in other operating items	(12.2)	(37.9)
Net cash generated by/ (used in) operating activities	212.0	251.1
Capital expenditures (Capex)	(66.6)	(51.5)
Change in debt on fixed assets	5.3	2.4
Proceeds from sale of non-current assets	0.8	1.2
Decrease in lease debt	(107.3)	(102.1)
Decrease in lease debt/Lease interest paid	(11.8)	(11.3)
Free cash flow	32.3	89.8

In 2022, total CAPEX amounted to €67 million, up +€15 million vs 2021, mainly related to the opening of the new distribution center and priority IT projects (Alma, Appshop and Marketplace). Conversely, the reduction in store openings (13 vs 21 in 2021) reduced network CAPEX needs.

Regarding working capital requirement, the Group made significant headway on implementing more favorable payment term agreements with key suppliers. It also actively managed its shipping plans throughout the second half of 2022 to mitigate the excess inventory risk, while selectively rebuilding inventories to support upcoming sales. Inventory value was €246 million at year end (+€52 million vs 2021 mainly due to the material increase in cost of goods).

Free cash flow amounted €32 million compared to €90 million in 2021, above the updated guidance of €10 million to €30 million, reflecting the €52 million decrease in EBITDA, additional capex described above, and negative effect of inventory offset by other working capital adjustments.

Net financial debt

Net debt & leverage

(in EUR million)

	31 Dec. 2022	31 Dec. 2021
Net debt calculation		
Convertible bonds ("OCEANE")	195.6	191.0
Term loan	(0.5)	-
Revolving Credit Facilities (RCFs)	(0.7)	(0.1)
Share buyback	28.1	29.3
Other debt	1.7	1.5
Gross debt	224.2	221.7
Finance leases	613.1	594.2
Cash & cash equivalents	(121.3)	(163.2)
Net debt (IFRS 16)	716.0	652.6
Less: Lease debt (IFRS 16)	(613.1)	(594.2)
Plus: Lease debt (finance lease)	2.2	2.7
Net debt	105.1	61.1
LTM (Last twelve months) EBITDA ⁴	109.5	169.0
Leverage	0.96x	0.36x

The Group's gross debt position as of 31 December 2022 was €224 million, broadly stable vs €222 million at the end of December 2021. Finance leases were up +€19 million mainly linked to the opening of the second distribution center in the North of France. Taking into account its cash and cash equivalents position of €121 million (vs €163 million as of 31 December 2021), Maisons du Monde's net debt position on 31 December 2022 was €105 million (leverage of 0.96x, compared to 0.36x on 31 December 2021).

⁴ EBITDA of €117.3 million is restated in accordance with the senior credit facility agreement dated April 22, 2022



CAPITAL ALLOCATION AND 2022 DIVIDEND

On 29 July 2022, the Group launched a second share buyback program with an objective of repurchasing up to 10% of its outstanding shares at market price over a period of several months.

By 31 January 2023, the Group had purchased 2,316,161 of its own shares, i.e. 54% of the program, at an average price per share of €10.19.

On 8 March 2023, the Board of Directors decided to cancel 2,300,000 of the treasury shares (or 5.3% of the total shares) it acquired under this share buyback program. The cancellation will be effective on March 10th, 2023. As a result, the Group's share capital will amount to €133 million comprised of 40 988 097 shares.

The Shareholders' General Meeting is scheduled to be held on 29 June 2023, at which time shareholders will be asked to approve the payment of a dividend of €0.30 per share for the 2022 financial year, translating to a 37% pay-out ratio, in line with mid-term guidance (30%-40%). The ex-dividend date is 5 July 2023, with payment on 7 July 2023.

2023: KEY PRIORITIES – GUIDANCE TO BE SPECIFIED IN MAY

- In the context of high inflation and macroeconomic uncertainty, Maisons du Monde is fully committed to continuing to grow revenues by leveraging its highly attractive product portfolio and well-developed omnichannel approach. At the same time, the company will put clear emphasis on store productivity and operational excellence to restore its margins and return to robust cash generation. The company remains focused on developing a profitable and sustainable growth model, while capitalizing on its assets and strengths:
 - Enhancing customer experience through its unique product portfolio and international omnichannel model to further increase customer loyalty and develop Maisons du Monde's brand awareness,
 - Continuing its ESG journey by further reducing its environmental impact and promoting equal opportunities as well as diversity and inclusion in its teams and beyond.
- Considering continued headwinds from macro trends that affect consumption and the high 2022 base for that period, we expect Q1 to be the low point of the year, with sales down in low double digits. The comparable base will start to ease in May and more so in the second half of the year.

In this environment of persistently soft trading conditions, Maisons du Monde is developing forceful initiatives to preserve and improve its economic equation by adapting its cost structure and optimizing Capex with the ambition of progressively restoring its historical profitability level and cash generation. Maisons du Monde will specify its 2023 guidance in May.

In the context of the current economic conditions, management is fully focused on the execution of the 2023 roadmap. As a result, the 2025 medium-term guidance is suspended until visibility improves.

GOVERNANCE

As announced on January 25, 2022, François-Melchior de Polignac will become Chief Executive Officer of Maisons du Monde from 15 March 2023.



Conference call for investors and analysts

Date: 9 March 2023 at 09.00 am CET

Speakers:

Julie Walbaum, CEO, François-Melchior de Polignac, Deputy CEO and Régis Massuyeau, CFO

Connection details:

- Webcast: <https://edge.media-server.com/mmc/p/h9zbi9aa>
- Conference call: <https://register.vevent.com/register/BI48d0b6843118486c8f9cd11921c102a8>

Financial calendar

11 May 2023	Q1 2023 sales
29 June 2023	Annual General Meeting
27 July 2023	Q2 and H1 2022 financial results
26 October 2023	Q3 and 9M 2022 sales

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, a uniquely positioned and beloved brand across Europe, stands as the European leader in inspirational and affordable home & living. It offers a wide and constantly renewed range of furniture and home accessories across multiple styles. Creativity, inspiration and engagement are the brand's core pillars. Leveraging its distinctive direct-to-consumer omnichannel model, the company generates over 50% of its sales digitally, through its online platform and in-store digital sales and operates 357 stores across 9 European countries. At the end of 2020, the Group launched a curated marketplace to complement its offering and become the reference one-stop shop in inspirational and affordable home and living. In November 2021, Maisons du Monde unveiled its company purpose: "Inspiring everyone to open up to the world, to create together unique, warm and sustainable places to live."

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APPENDIX

Consolidated income statement

<i>(in EUR million)</i>	2022	2021
Sales	1,240.4	1,306.8
Other revenue	37.6	46.9
Total revenue	1,278.1	1,353.7
Cost of sales	(437.9)	(438.3)
Gross margin	802.5	868.5
<i>As a % of Sales</i>	64.7%	66.5%
Personnel expenses	(248.9)	(252.1)
External expenses	(372.3)	(381.0)
Depreciation, amortization and allowance for provisions	(158.5)	(155.4)
Fair value – derivative financial instruments	7.4	(8.0)
Other income/(expenses) from operations	8.1	(3.1)
Current operating profit	75.9	115.7
Other operating income and expenses	(5.0)	(2.1)
Operating profit / (loss)	70.9	113.7
Cost of net debt	(6.0)	(6.5)
Cost of lease debt	(12.4)	(11.5)
Finance income	5.0	2.8
Finance expenses	(4.8)	(4.2)
Financial profit / (loss)	(18.3)	(19.4)
Profit / (loss) before income tax	52.6	94.2
Income tax	(18.4)	(26.1)
Profit / (loss) from continuing operations	34.2	68.1
Profit / (loss) from discontinued operations	-	11.0
Profit / (loss)	34.2	79.1
Attributable to:		
• Owners of the parent	34.3	77.4
• Non-controlling interests	(0.1)	1.7
Reported EPS (in €)	0.80	1.72
Attributable to:		
• Continuing activities	0.80	1.52
• Discontinued activities	-	0.21

Consolidated balance sheet

<i>(in EUR million)</i>	31 Dec. 2022	31 Dec. 2021
ASSETS		
Goodwill	327.0	327.0
Other intangible assets	238.9	232.7
Property, plant and equipment	174.8	164.9
Right-of-use assets related to lease contracts	617.3	601.3
Other non-current financial assets	16.5	17.0
Deferred income tax assets	9.8	8.6
Derivative financial instruments	-	3.4
NON-CURRENT ASSETS	1,384.3	1,354.9
Inventory	245.7	193.8
Trade receivables and other current receivables	82.4	105.6
Current income tax assets	9.9	13.0
Derivative financial instruments	9.4	13.1
Cash and cash equivalents	121.3	163.2
CURRENT ASSETS	468.7	488.8
TOTAL ASSETS	1,853.0	1,843.6
EQUITY AND LIABILITIES		
TOTAL EQUITY	604.1	652.4
Non-current borrowings	0.3	1.0
Non-current convertible bonds	-	191.4
Medium and long-term lease liability	494.2	483.6
Deferred income tax liabilities	46.3	52.3
Post-employment benefits	9.2	12.5
Provisions	12.9	9.5
Derivative financial instruments	6.2	0.2
Other non-current liabilities	4.2	4.2
NON-CURRENT LIABILITIES	573.3	754.6
Current borrowings and convertible bonds	223.9	29.3
Short-term lease liability	119.0	110.6
Trade payables and other current payables	322.7	290.2
Provisions	6.4	5.7
Current income tax liabilities	3.5	0.9
Derivative financial instruments	0.1	-
CURRENT LIABILITIES	675.6	436.6
TOTAL LIABILITIES	1,248.9	1,191.3
TOTAL EQUITY AND LIABILITIES	1,853.0	1,843.6

Consolidated cash flow statement

(in EUR million – IFRS 16)

	31 Dec. 2022	31 Dec. 2021
Profit/(loss) before income tax	52.6	105.2
Adjustments for:		
• Depreciation, amortization, and allowance for provisions	163.0	157.7
• Net gain/(loss) on disposals	2.9	(3.0)
• Fair value – derivative financial instruments	(7.4)	8.0
• Share-based payments	0.6	0.3
• Other	(0.1)	-
• Cost of net financial debt	6.0	6.5
• Cost of lease debt	12.4	12.2
Change in operating working capital requirement	(2.8)	10.0
Income tax paid	(15.3)	(38.2)
Net cash generated by/(used in) operating activities^(a)	211.9	258.7
Acquisition of non-current assets:		
• Property, plant and equipment	(47.6)	(42.4)
• Intangible assets	(19.6)	(9.8)
• Financial assets	-	(2.0)
Other non-current assets	0.6	(0.4)
Sale of consolidated companies net of cash sold	-	12.2
Change in debt on fixed assets	5.3	2.4
Proceeds from sale of non-current assets	0.8	1.2
Net cash generated by/(used in) investing activities^(b)	(60.5)	(38.7)
Proceeds from issuance of borrowings	0.6	0.1
Repayment of borrowings	(48.7)	(200.5)
Decrease of lease debt	(107.3)	(105.0)
Acquisitions (net) of treasury shares	(0.7)	(20.4)
Dividends paid	(23.4)	(13.5)
Interest paid	(2.4)	(2.2)
Interest on lease debt	(11.8)	(12.0)
Net cash generated by/(used in) financing activities^(c)	(193.7)	(353.5)
Exchange gains/(losses) on cash and cash equivalents	0.2	(0.0)
Net increase/(decrease) in cash & cash equivalents^{(a)+(b)+(c)}	(42.1)	(133.5)
Cash & cash equivalents at period begin	163.2	296.7
Cash & cash equivalents at period end	121.1	163.2



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 and,
- ii. the change in the fair value of derivative financial instruments. The EBITDA margin is calculated as EBITDA divided by Sales.

LTM EBITDA: Last twelve months EBITDA.

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.

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.
