

Q2 2023 SALES AND HALF-YEAR RESULTS

Sequential sales improvement in Q2

Continuing challenging consumption dynamics in Home & Decoration

3C recovery plan fully on track to sustain EBIT and cash generation

FY2023 guidance unchanged

Group GMV: H1 at €610.9m (-5.1% yoy), Q2 at €303.8m (-3.5% yoy)

- Marketplace GMV: H1 at €85.1m (+73.3% yoy), Q2 at €43.0m (+47.3% yoy)
- France GMV: H1 at €342.4m (-1.7% yoy), Q2 at €169.0m (-0.9% yoy)

Group sales: H1 at €543.4m (-10.0% yoy), Q2 at €269.7m (-7.3% yoy)

3C recovery plan fully on track

- Sequential sales improvement thanks to targeted commercial initiatives while safeguarding gross margin
- 50% annual cost savings plan already reflected in H1
- Capex reduced by €14m yoy and inventories adjusted by €23m (vs. Dec. 2022)

Acceleration of the store network optimization in H2 and launch of the affiliation project

- Up to 5 stores converted to the new affiliate model (FY23)
- Up to 15 net integrated stores closures (vs 10 initially planned)

François-Melchior de Polignac, CEO, commented: “Maisons du Monde achieved sequential sales improvement in Q2, reflecting the resilience of our operations in an environment that remains challenging. Our 3C plan is on track and our teams have accelerated efforts to enhance customer experience both online and offline. We have implemented efficient and targeted commercial initiatives and remained focused on price accessibility to support purchasing power.

On the cost and cash fronts, with 50% of our €25 million cost savings plan already reflected in H1 numbers, we are fully in line with our annual trajectory.

In H2, we will further accelerate our 3C roadmap, implementing various initiatives to gradually improve sales. We will also seize opportunities for cost optimization, including managing our store network through a combination of tactical closures and transfers to affiliates. These initiatives will allow us to achieve our full-year guidance, which is unchanged.”

2023 Half Year Key Figures
(in EUR million)

	H1 2023	H1 2022	% Change
Sales	543.4	603.9	-10.0%
Like-for-like (LFL)	520.8	587.9	-11.4%
EBIT	16.3	28.4	-42.6%
As a % of Sales	3.0%	4.7%	
Profit / (loss)	1.0	8.4	-88.1%
Base EPS (in EUR)	0.02	0.19	
Diluted EPS (in EUR)	0.06	0.21	
Free Cash Flow	2.7	(6.6)	N.A.
Net debt	100.1	91.8	+9.0%
Leverage ¹	1.09x	0.66x	

¹ Leverage: Net debt divided by LTM (Last twelve months) EBITDA

HALF-YEAR 2023 KEY HIGHLIGHTS

Maisons du Monde continued to navigate a challenging macroeconomic environment, marked by weak consumer spending and limited discretionary expenses. In this context, the Group maintained its efforts to support purchasing power through innovative commercial initiatives and tactical promotional actions, while safeguarding its distinctive market position. During the quarter, the Group implemented its 3C plan, focusing on Customers, Costs, and Cash, with the aim of enhancing customer experience, strengthening its operating model and swiftly restoring conditions for profitable organic growth.

MAIN ACHIEVEMENTS

Brand Platform Development

Maisons du Monde unveiled its captivating Fall-Winter 2023 collection, with inspiring universes and diverse materials and colors. Showcased in Paris in May, this collection has received very positive feedback from industry experts across Europe, with an increase of nearly +40% in press coverage compared to the Spring-Summer collection presented last February, further anchoring its unique positioning.

3C plan execution

During the quarter, Maisons du Monde made major progress on the delivery of its 3C plan focusing on three key areas:

- **Customers:** Concrete actions have been taken to focus on customer experience to create conditions for growth. Strong emphasis was placed on quality of execution and the most recent initiatives include:
 - Evolution of Maisons du Monde's after-sales service center into a proactive outbound selling platform to strengthen customer relationships.
 - Implementation of an innovative digital platform in-store, known as AppShop, to provide a full omnichannel experience with personalized services and recommendations. This app won the award for Best In-Store Digital Service in the 8th edition of the 100% Omnichannel awards organized by LSA.
- **Costs:** Initiatives to streamline operations have already generated 50% of the annual savings objective on SG&A before inflation, notably including optimized structures at Head Office level and efficient management of working hours at store level.
- **Cash:** Maisons du Monde remained strongly focused on maintaining a disciplined Capex policy, closely monitoring inventories and actively negotiating payment terms with suppliers.

Financing

As anticipated in the renewed credit facility negotiated in April 2022, Maisons du Monde successfully extended the maturity of its RCF credit line (Revolving Credit Facility) from April 2027 to April 2028 and increased the credit line amount from €150 million to €194 million.

Q2 & H1 2023 SALES PERFORMANCE

Summary of sales <i>(in EUR million)</i>	Q2 23	Q2 22	% Change	H1 2023	H1 2022	% Change
Group GMV	303.8	314.5	-3.5%	610.9	643.7	-5.1%
Sales	269.7	290.9	-7.3%	543.4	603.9	-10.0%
<i>Like-for-like</i>	-8.6%	-10.3%		-11.4%	-7.1%	
Sales by product category						
Decoration	133.6	148.9	-10.3%	289.3	320.5	-9.7%
<i>% of sales</i>	49.5%	51.2%		53.2%	53.1%	
Furniture	136.1	142.1	-4.2%	254.1	283.4	-10.3%
<i>% of sales</i>	50.5%	48.8%		46.8%	46.9%	
Sales by distribution channel						
Stores	186.2	198.2	-6.1%	382.2	407.1	-6.1%
<i>% of sales</i>	69.1%	68.1%		70.3%	67.4%	
Online	83.5	92.7	-10.0%	161.2	196.8	-18.1%
<i>% of sales</i>	30.9%	31.9%		29.7%	32.6%	
Sales by geography						
France	143.7	151.0	-4.8%	291.6	312.6	-6.7%
<i>% of sales</i>	53.3%	51.9%		53.7%	51.8%	
International	126.0	139.9	-10.0%	251.8	291.3	-13.6%
<i>% of sales</i>	46.7%	48.1%		46.3%	48.2%	

H1 and Q2 2023 sales overview

H1 2023 Group GMV was €610.9 million, down -5.1% yoy, with **online GMV** representing 36.4% at €222 million. **Q2 2023 Group GMV** was €303.8 million, down -3.5% yoy.

Marketplace GMV reached €85.1 million, up +73.5% compared to H1 2022, of which €7.7 million was generated in-store and €77.3 million online. Q2 2023 amounted to €43.0 million, up +47.6%.

H1 2023 sales were €543.4 million, down -10.0% yoy, of which a significant sales decline in Q1 2023 (-12.5%) due to the high comparable base. Sales improved sequentially in Q2 (-7.3%). **Q2 2023 sales** amounted to €269.7 million and were affected by consumer behavior in a context of constrained purchasing power.

In-store traffic was low-single digit negative in Q2 2023 vs last year and nearly stable compared to Q1 2023. Online traffic turned slightly positive in Q2 2023 vs last year and sequentially improved compared to Q1 2023. At the same time, the conversion rate variation vs last year remained negative both in-store and online in a difficult consumption context.

Q2 2023 sales details

Sales by channel

Q2 2023 online sales were €83.5 million, down -10.0% yoy and represented 30.9% of Group sales, reflecting an activity decrease on Maisons du Monde's website while the marketplace continued to grow. This included a positive base effect from the ramp-up of the marketplace in Spain, launched in Q2 2022. In Q2 2023, online sales experienced a notable sequential improvement compared to Q1 2023 (-25.4%).

Q2 2023 store sales amounted to €186.2 million, down -6.1% yoy.

Continuing its active store network management, Maisons du Monde operated 350 integrated stores at the end of Q2 2023, stable vs end of March, with 5 openings and 5 closures. The Group successfully tested store conversion to the affiliation model with 2 stores transferred to affiliate partners in France during the quarter.

Sales by category

In a context in which purchasing power remained constrained and consumers prioritized non-discretionary expenses, **Q2 2023 decoration sales** amounted to €133.6 million, down -10.3% yoy representing 49.5% of total sales.

Q2 2023 furniture sales totaled €136.1 million, down -4.2% yoy, representing 50.5% of total sales.

The category recorded a sequential improvement compared to Q1 2023 at -16.5%, benefiting from a price reduction on 140 references of the most attractive products, and appealing promotional initiatives, notably on the Outdoor collection.

Sales by geography

Q2 2023 sales in France were at €143.7 million, down -4.8% yoy, outperforming Group average, benefiting from the development of its marketplace. **Store sales** accounted for 71.7%.

Q2 2023 international sales totaled €126.0 million, down -10.0% yoy. Combined sales in Spain and Italy (61% of total international sales) were down -5% yoy. Combined sales in Belgium, Germany, and Switzerland (33% of total international sales) decreased by -13.4% yoy.

As announced in May 2023, Maisons du Monde stopped its online activities in the UK at the end of Q2.

H1 2023 sales details

Sales by channel

H1 online sales were €161.2 million, down -18.1% yoy despite a sequential improvement between Q1 2023 (-25.4%) and Q2 2023 (-10.0%). This decline is mainly linked to a decrease in traffic compared to the same period last year and a deterioration of the conversion rate.

H1 store sales amounted to €382.2 million, down -6.1%.

Continuing its active store network management, Maisons du Monde operated 350 integrated stores at the end of June 2023 and 2 stores transferred to affiliation, representing 5 store openings, 11 closures compared to full-year 2022: 214 stores in France (4 net closings o/w 2 affiliated stores) and 138 in rest of Europe (2 net closures).

Sales by category

H1 decoration sales amounted to € 289.3 million, down -9.7% yoy, and accounted for 53.2% of total sales.

H1 furniture sales totaled € 254.1 million, down -10.3% yoy.

Sales by geography

H1 sales in France reached € 291.6 million, down -6.7% yoy despite a sequential improvement compared to Q1 2023 (-8.5%), heavily impacted by unrest in France mid-January, and Q2 2023 (-4.8%), showing resilience despite lower traffic and conversion.

H1 international sales totaled € 251.8 million, down -13.6% yoy. Combined sales in Spain and Italy (60.2% of total international sales) decreased by -7.9%. Combined sales in Belgium, Germany and Switzerland (34% of total international sales) decreased by -18.6% yoy.

FINANCIAL PERFORMANCE

Gross margin, EBITDA, EBIT (in EUR million)	H1 2023	H1 2022	% Change
Sales	543.4	603.9	-10.0%
Cost of goods sold	(196.9)	(217.2)	-9.3%
Gross margin	346.5	386.7	-10.4%
As a % of Sales	63.8%	64.0%	
Store operating and central costs	(157.1)	(170.7)	-8.0%
Advertising costs	(27.8)	(32.1)	-13.4%
Logistics costs	(76.4)	(84.5)	-9.6%
Operating Costs	(261.3)	(287.3)	-9.0%
EBITDA	85.1	99.4	-14.3%
As a % of Sales	15.7%	16.5%	
Depreciation, amortization, and allowance for provisions	(68.8)	(70.9)	-2.9%
EBIT	16.3	28.4	-42.7%
As a % of Sales	3.0%	4.7%	

Gross margin rate was resilient in H1 2023, at 63.8%, nearly stable compared to the same period last year.

This is the result of good management of the different components of gross margin, notably:

- An agile and selective pricing strategy designed to effectively mitigate the impact of cost increases over time and a precise monitoring of additional promotional investments to support traffic and sales, in a context of strong competition on pricing.
- Productive negotiations with suppliers to maximize the positive effects of freight cost evolution and limit the impact of raw material inflation.
- An efficient hedging policy limiting the effect of USD variation in H1.

The marketplace also contributed positively, notably thanks to the ramp-up in Spain since its launch in Q2 2022, confirming the marketplace's positive effect on Maisons du Monde's economics.

This performance is in line with Maisons du Monde's 2023 ambition to deliver gross margin of around 65% in full-year 2023. The expected improvement of freight costs will positively support a sequential improvement in gross margin in the second half of the year.

Store operating and central costs decreased by nearly €14 million yoy at €157.1 million. Despite continued inflationary pressure on operating costs, all 3C plan cost initiatives are paying off and 50% of the annual cost savings of €25 million have already been achieved.

Advertising expenses decreased by -13.4% yoy to €27.8 million. Disciplined management ensured both optimal capital allocation, notably prioritizing projects with the highest return on investment to drive customer traffic, as well as adjustments in some countries.

Logistics costs are below H1 2022 by -9.6% yoy, at €76.4 million, representing 14.1% of sales, similar to H1 2022. This decrease is related to a decline in volumes and the positive effects of efficiency measures implemented in such areas as transportation.

EBITDA was down €14.3 million to €85.1 million vs €99.4 million in H1 2022. Overall, the measures taken as part of the 3C plan resulted in a -9% adjustment in operating costs over the half-year. This helped contain the impact of sales decrease on EBITDA margin to 80bps, at 15.7% in H1 2023 compared to 16.5% in H1 2022.

D&A expenses decreased by €2.1 million at €68.8 million compared to €70.9 million in H1 2022, highlighting Maisons du Monde's financial discipline. This reflects an adjustment of asset lifecycles linked to lower in-store Capex, and additional costs related to the second warehouse and new IT developments.

EBIT stood at €16.3 million, representing a margin of 3.0%, with a ramp-up expected in the second half of 2023.

Net income amounted to €1.0 million vs €8.4 million in H1 2022. EPS was €0.02, compared to €0.19 in H1 2022.

It included:

- Other operating income and expenses, at €5.8 million, mainly related to store closure costs.
- Net financial result at €8.5 million vs €9.1 million in H1 2022, due to lower interest on loans, including the revolving credit facility, as well as gains on currency transactions.
- Income tax, representing €0.9 million vs €4.2 million in H1 2022. The effective tax rate was 25.8% as of 30 June 2023, same as last year.

Free Cash Flow

<i>(in EUR million)</i>	30 June 2023	30 June 2022
EBITDA	85.1	99.4
Change in working capital	4.0	(12.3)
Change in other operating items	(0.2)	(4.2)
Net cash generated by/ (used in) operating activities	88.9	82.8
Capital expenditures (Capex)	(18.0)	(31.8)
Change in debt on fixed assets	(6.4)	(0.2)
Proceeds from sale of non-current assets	0.4	0.2
Decrease in lease debt	(55.7)	(52.0)
Decrease in lease debt/Lease interest paid	(6.5)	(5.6)
Free cash flow	2.7	(6.6)

In H1 2023, total Capex amounted to €18.0 million, down €14.0 million vs 30 June 2022, thanks to disciplined allocation of capital resources, notably for in-store expenses.

In terms of working capital requirement, the Group benefited from negotiations with key suppliers on payment terms and tight monitoring of inventories, decreasing from €245.7 million at end-December 2022 to €222.8 million at end-June 2023.

Free cash flow turned positive at €2.7 million, compared to a negative €6.6 million at end-June 2022.

Net financial debt

Net debt & leverage

(in EUR million)

Net debt calculation	30 June 2023	31 Dec. 2022
Convertible bonds ("OCEANE")	198.1	195.6
Term loan	(0.4)	(0.5)
Revolving Credit Facilities (RCFs)	(0.7)	(0.7)
Share buyback	-	28.1
Other debt	1.6	1.7
Gross debt	198.6	224.2
Finance leases	600.9	613.1
Cash & cash equivalents	(100.2)	(121.3)
Net debt (IFRS 16)	699.3	716.0
Less: Lease debt (IFRS 16)	(600.9)	(613.1)
Plus: Lease debt (finance lease)	1.7	2.2
Net debt	100.1	105.1
LTM (Last twelve months) EBITDA ²	91.6	109.5
Leverage	1.09x	0.96x

² EBITDA of €85.1 million is restated in accordance with the senior credit facility agreement dated April 22, 2022

Maisons du Monde benefits from a sound balance sheet. The Group's gross debt position as of 30 June 2023 was €198.6 million compared to €224.2 million at the end of December 2022. Finance leases were down €12.2 million, mainly linked to store closures. Considering its cash and cash equivalents position of €100.2 million vs €121.3 million as of 31 December 2022, Maisons du Monde's net debt position on 30 June 2023 was €100.1 million (leverage of 1.09x) compared to €105.1 million on 31 December 2022 (leverage of 0.96x).

H2 2023 3C PLAN PRIORITIES

For the second half of the year, Maisons du Monde will continue the execution of its 3C plan by accelerating certain initiatives to strengthen its operating model and gradually resume conditions for profitable growth:

- **On the Customer side**, the Group will continue efforts to support purchasing power. These include an agile pricing policy combining tactical promotions and price reductions on a selected product range, as already initiated in the first half of the year. The Group is also finalizing the launch of its marketplace in Germany by the end of the third quarter of 2023. Maisons du Monde will also benefit from measures to continuously improve product availability in-store and online to drive traffic and sales conversion.
- **On the Cost and Cash side**, Maisons du Monde will continue to deploy its cost optimization plan to achieve its annual cost savings objective of €25 million. Maisons du Monde will accelerate the dynamic management of its store network, with an objective of up to 15 net store closures, up from the 10 net closures announced in May. Lastly, after a successful transfer of 2 stores to an affiliate partner at the end of the second quarter, Maisons du Monde will continue the roll-out with up to 3 additional stores, resulting in up to 5 affiliated stores.

2023 GUIDANCE UNCHANGED

In line with the 2023 roadmap built on the 3C plan, and taking into account the H2 2023 priorities, Maisons du Monde keeps its objectives for 2023 unchanged:

- Top line decrease in the low-to-mid-single digit range, with a sequential improvement in H2 vs H1
- EBIT in a range of €65 million to €75 million
- Free Cash Flow in a range of €40 million to €50 million
- Dividend payout ratio of 30% to 40%
- ESG commitment: One-third of Maisons du Monde's 2023 collections included in the 'Good is beautiful' selection

SHARE BUYBACK PROGRAM FULLY COMPLETED

As of June 30, 2023, Maisons du Monde has completed its second share buyback program, which was launched on July 29, 2022. The Group has repurchased 4,098,809 shares at an average market price of €10.17. These shares are intended to be canceled by the end of the year.

During the Board of Directors meeting on March 8, 2023, the first cancellation of 2,300,000 shares was carried out. The capital reduction was executed on March 10, 2023.

The share capital of Maisons du Monde S.A. amounts to 132,801,434.28 euros, divided into 40,988,097 shares.

Conference call for investors and analysts

Date: 27 July 2023 at 09.00 am CET

Speakers:

François-Melchior de Polignac, CEO and Régis Massuyeau, CFO

Connection details:

- Webcast: <https://edge.media-server.com/mmc/p/e58uetez>
- Conference call: <https://register.vevent.com/register/BI1f81ee797aa04cc2af0a86b8a2c04003>

Financial calendar

26 October 2023 Q3 and 9M 2023 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."

corporate.maisonsdumonde.com

Contacts

Investor Relations

Carole Alexandre

Tel: (+33) 6 30 85 12 78

calexandre@maisonsdumonde.com

Press Relations

Pierre Barbe

Tel: (+33) 6 23 23 08 51

pbarbe@maisonsdumonde.com

APPENDIX

Consolidated income statement <i>(in EUR million)</i>	H1 2023	H1 2022
Sales	543.4	603.9
Other revenue	17.0	23.6
Total revenue	560.4	627.5
Cost of sales	(196.9)	(217.2)
Gross Margin	346.5	386.7
<i>As a % of Sales</i>	63.8%	64.0%
Personnel expenses	(116.9)	(120.3)
External expenses	(166.7)	(196.2)
Depreciation, amortization and allowance for provisions	(68.8)	(70.9)
Fair value – derivative financial instruments	1.3	(3.1)
Other income/(expenses) from operations	3.8	3.0
Current operating profit	16.2	22.8
Other operating income and expenses	(5.8)	(1.1)
Operating profit / (loss)	10.4	21.7
Cost of net debt	(3.0)	(3.0)
Cost of lease debt	(6.6)	(5.7)
Finance income	2.1	2.0
Finance expenses	(1.1)	(2.4)
Financial profit / (loss)	(8.5)	(9.1)
Profit / (loss) before income tax	1.9	12.6
Income tax	(0.9)	(4.2)
Profit / (loss) from continuing operations	1.0	8.4
Profit / (loss)	1.0	8.4
Attributable to:		
• Owners of the parent	0.9	8.5
• Non-controlling interests	0.02	(0.1)
Basic EPS (in €)	0.02	0.19

Consolidated Balance Sheet

(in EUR million)

	30 June 2023	31 Dec. 2022
ASSETS		
Goodwill	327.0	327.0
Other intangible assets	244.2	238.9
Property, plant and equipment	170.0	174.8
Right-of-use assets related to lease contracts	604.6	617.3
Other non-current financial assets	16.3	16.5
Deferred income tax assets	9.3	9.8
Derivative financial instruments	-	-
NON-CURRENT ASSETS	1,371	1,384.3
Inventory	222.8	245.7
Trade receivables and other current receivables	79.4	82.4
Current income tax assets	10.8	9.9
Derivative financial instruments	-	9.4
Cash and cash equivalents	100.2	121.3
CURRENT ASSETS	413.2	468.7
TOTAL ASSETS	1,784.2	1,853.0
EQUITY AND LIABILITIES		
TOTAL EQUITY	587.6	604.1
Non-current borrowings	0.5	0.3
Non-current convertible bonds	-	-
Medium and long-term lease liability	480.1	494.2
Deferred income tax liabilities	42.6	46.3
Post-employment benefits	8.9	9.2
Provisions	16.6	12.9
Derivative financial instruments	1.3	6.2
Other non-current liabilities	4.2	4.2
NON-CURRENT LIABILITIES	554.1	573.3
Current borrowings and convertible bonds	198.2	223.9
Short-term lease liability	120.8	119.0
Trade payables and other current payables	306.0	322.7
Provisions	2.8	6.4
Current income tax liabilities	3.9	3.5
Derivative financial instruments	10.7	0.1
CURRENT LIABILITIES	642.4	675.6
TOTAL LIABILITIES	1,197	1,248.9
TOTAL EQUITY AND LIABILITIES	1,784.2	1,853.0

Consolidated cash flow statement (in EUR million)

	30 June 2023	30 June 2022
Profit/(loss) before income tax	1.9	12.6
Adjustments for:		
• Depreciation, amortization and allowance for provisions	71.4	72.8
• Net gain/(loss) on disposals	2.8	2.1
• Fair value – derivative financial instruments	(1.3)	3.1
• Share-based payments	0.8	0.0
• Cost of net financial debt	3.0	3.0
• Cost of lease debt	6.6	5.7
Change in operating working capital requirement:	4.0	(12.3)
Income tax paid	(0.4)	(4.1)
Net cash generated by/(used in) operating activities^(a)	88.9	82.8
Acquisition of non-current assets:		
• Property, plant and equipment	(9.4)	(23.8)
• Intangible assets	(8.7)	(8.9)
• Other non-current assets	0.1	0.9
Change in debt on fixed assets	(6.4)	(0.2)
Proceeds from sale of non-current assets	0.4	0.2
Net cash generated by/(used in) investing activities^(b)	(24.0)	(31.8)
<i>Of which investment flow related to discontinued operations</i>	-	-
Proceeds from issuance of borrowings	0.2	0.1
Repayment of borrowings	(22.9)	(29.7)
Decrease of lease debt	(55.7)	(52.0)
Acquisitions (net) of treasury shares	(0.5)	(0.7)
Dividends paid	-	(23.4)
Interest paid	(0.4)	(1.8)
Interest on lease debt	(6.5)	(5.6)
Net cash generated by/(used in) financing activities^(c)	(85.9)	(113.0)
<i>Of which financing flow related to discontinued operations</i>	-	-
Exchange gains/(losses) on cash and cash equivalents	0.06	0.1
Net increase/(decrease) in cash & cash equivalents^{(a)+(b)+(c)}	(21.0)	(61.9)
Cash & cash equivalents at period begin	121.0	163.2
Cash & cash equivalents at period end	100.1	101.3

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.