

Q2 sales and First Half results 2024

***Inspire Everyday* plan on track**

Q2 activity impacted in June by macroeconomic uncertainties

Gross margin rises 150 bps, reaching 65.3%

Free Cash Flow nearly stable compared to H1 2023

- **Gross margin up 150 bps to 65.3%, partially balancing a -9.6% drop in sales**
- **Free Cash Flow nearly stable as expected, with cost & cash initiatives offsetting a negative EBIT**
- **Adaptation of the store network is accelerating:**
 - 5 store openings in H1, including 2 under affiliation
 - Renewed concept successfully tested on 3 pilot stores with double-digit higher performance compared to the network, rolled out to 17 stores with limited investment, in line with our agenda to revamp 70 stores in 2024
 - Positive results from 5 affiliate stores in operation for one year, confirming 2024 target of 13 affiliate stores and c.30% of the network under affiliation/franchise by the end of 2026
 - 5 store openings in H1, including 2 under affiliation
- **Optimisation of the operating model showing initial benefits:**
 - €20m gross cost savings, confirming our 3-year commitment of €85m of gross savings
 - 15.6% reduction in inventories, i.e. €188m
 - Capex at 1.9% of sales, i.e. €9m

François-Melchior de Polignac commented: *“2024 marks a pivotal year in our Inspire Everyday 2024-2026 journey. The Transformation Plan we presented earlier this year is now well underway as expected. The negative EBIT and Net Result realised in the first half of the year, which we had anticipated, are a consequence of the strategic investment we are making to positively transform our business model. By 2026, we intend to emerge stronger than ever, with an optimized offering, a renewed concept, and an enhanced store footprint that comprises a significant portion of affiliate partners. These actions will stand to elevate our inspiring, accessible, and sustainable Brand.”*

AUDIO WEBCAST FOR INVESTORS AND ANALYSTS

Date: 26 July 2024 at 6:00 pm CEST / Presentation in English

Webcast connexion: <https://edge.media-server.com/mmc/p/t5d3kju2>

Conference call : <https://register.vevent.com/register/BI20bace0b96fc424e818c3c320d377217>

SALES PERFORMANCE FOR THE SECOND QUARTER AND THE FIRST HALF OF 2024

In € million	Q2 2024	Q2 2023	% Variation	H1 2024	H1 2023	% Variation
GROUP GMV	275.3	303.7	-9.4%	559.6	610.8	-8.4%
Sales	243.4	269.7	-9.7%	491.1	543.4	-9.6%
<i>Like for like and excl. UK</i>	<i>237.0</i>	<i>260.2</i>	<i>-8.9%</i>	<i>477.5</i>	<i>521.7</i>	<i>-8.5%</i>
Sales by product category						
Decoration	115.9	133.6	-13.2%	254.0	289.3	-12.2%
<i>% of sales</i>	<i>47.6%</i>	<i>49.5%</i>		<i>51.7%</i>	<i>53.2%</i>	
Furniture	127.5	136.1	-6.4%	237.1	254.1	-6.7%
<i>% of sales</i>	<i>52.4%</i>	<i>50.5%</i>		<i>48.3%</i>	<i>46.8%</i>	
Sales by channel						
Stores	166.7	186.2	-10.5%	343.1	382.2	-10.3%
<i>% of sales</i>	<i>68.5%</i>	<i>69.1%</i>		<i>69.8%</i>	<i>70.3%</i>	
Online	76.7	83.4	-8.0%	148.1	161.2	-8.1%
<i>% of sales</i>	<i>31.5%</i>	<i>30.9%</i>		<i>30.2%</i>	<i>29.7%</i>	
Sales by geography						
France	130.1	143.7	-9.5%	265.7	291.6	-8.9%
<i>% of sales</i>	<i>53.4%</i>	<i>53.3%</i>		<i>54.1%</i>	<i>53.7%</i>	
International	113.3	126.0	-10.0%	225.4	251.8	-10.5%
<i>% of sales</i>	<i>46.6%</i>	<i>46.7%</i>		<i>45.9%</i>	<i>46.3%</i>	

Q2 2024 sales details

Q2 2024 **Group sales** declined by 9.7% compared to the second quarter of 2023 (-8.9% like-for-like and excluding UK), reflecting a significant drop in consumption in June 2024 due to current macroeconomic uncertainties.

Online sales reached €76.7 million, down by 8.0% (-7.6% like-for-like and excluding online activities in the UK which ceased at the end of Q2 2023). The Marketplace continues to progress positively, especially in Spain, Italy, and Germany.

Store sales decreased by 10.5% (-8.8% like-for-like). The three pilot stores that were revamped to the new concept in Q1 experienced a double-digit increase in sales this quarter.

Maisons du Monde closed 5 stores including 2 transfers to affiliation. At the end of June 2024, the network comprises 340 stores, including 7 under affiliation and 3 under franchise.

Decoration sales fell by 13.2% to €115.9 million. **Furniture** sales reached €127.5 million, down by 6.3% compared to Q2 2023.

Geographically, France held up better than International in April and May, as it did in Q1, before dragging down the Group average in June due to the specific political context. This resulted in a -9.3% like-for-like sales decline in **France** compared to Q2 2023, while **International** sales were down 8.4% (like-for-like and excluding the UK). Among the top contributing countries, Spain and Italy were supported by the growth of the marketplace. Germany shows relative improvement following the rationalization of its store network from 11 stores on December 31, 2023, to 6 stores on June 30, 2024.

EBIT

<i>In € million</i>	H1 2024	H1 2023	% Change
Sales	491.1	543.4	-9.6%
Cost of goods sold	(170.4)	(196.9)	-13.5%
Gross margin	320.7	346.5	-7.4%
<i>As a % of sales</i>	65.3%	63.8%	
Store operating and central costs ¹	(186.9)	(184.9)	1.1%
Logistic costs	(69.8)	(76.4)	-8.6%
Operating costs	(256.7)	(261.3)	-1.8%
EBITDA	64.0	85.1	-24.8%
<i>As a % of sales</i>	13.0%	15.7%	
Depreciation, amortization, and allowance for provisions	(69.8)	(68.8)	1.5%
EBIT	(5.8)	16.3	-9.6%
<i>As a % of sales</i>	(1.2)%	3.0%	-13.5%

Net of price adjustments implemented at the beginning of the year, **Gross margin rate** increased by 150 bps compared to the first half of 2023, reaching 65.3%, notably thanks to continued favorable effects of reduced freight costs and the positive contribution of the Marketplace.

Store operating and central costs amount to €186.9 million, compared to €184.9 million in the first half of 2023.

Targeted actions on costs have resulted in gross savings of €20 million across the Group's operations.

EBITDA margin decreased from 15.7% to 13.0% due to loss in volumes.

Depreciation and Amortization (D&A) is slightly up, mainly due to the depreciation of the second distribution center in northern France.

EBIT margin is negative at (1.2)% compared to 3.0% in the first half of 2023, significantly impacted by sales decline.

Other non-recurring operating income and expenses amount to €(8.2) million, compared to €(5.7) million as of June 30, 2023, mainly related to store closure costs.

Net income amounts to €(24.3) million compared to €1.0 million as of June 30, 2023 and includes:

- Financial result of €(11.5) million, which decreased by €2.9 million, due to losses of €(0.8) million on foreign exchange operations and an unfavorable effect compared to a gain of €1.3 million as of June 30, 2023.
- An income tax credit of €7.8 million compared to a tax expense of €(0.9) million as of June 30, 2023.

¹ Including Marketing expenses

FREE CASH FLOW

<i>In € million</i>	30 June 2024	30 June 2023
EBITDA	64.0	85.1
Change in working capital	8.2	4.0
Change in other operating items	7.3	(0.2)
Net cash generated by operating activities	79.5	88.9
Capital expenditures (Capex)	(9.2)	(18.0)
Change in debt on fixed assets	(6.7)	(6.4)
Proceeds from sale of non-current assets	0.3	0.4
Decrease in lease debt	(58.1)	(55.7)
Decrease in lease debt/Lease interest paid	(6.7)	(6.5)
Free cash flow²	(0.9)	2.7

As of June 30, 2024, investments reached €9.2 million, half the amount recorded on June 30, 2023. This resulted in a Capex-to-sales ratio of 1.9%.

In terms of working capital requirements, Maisons du Monde reduced its inventory level, reducing them from €222.8 million on June 30, 2023 to €188.0 million on June 30, 2024, through rigorous management, reflecting a decrease of 15.6%.

Free cash flow is nearly stable at €(0.9) million, compared to €2.7 million in June 2023.

NET FINANCIAL DEBT

<i>In € million</i>	30 June 2024	31 December 2023
Term loan	75.3	100.0
Revolving Credit Facilities (RCF)	28.1	(1.0)
Share buyback	-	-
Other debt	14.3	20.1
Gross debt	117.7	119.1
Finance leases	568.8	571.0
Cash & cash equivalents	(24.2)	(29.9)
Net debt (IFRS 16)	662.3	660.2
Less: Lease debt (IFRS 16)	(568.8)	(571.0)
Plus : Lease debt (finance lease)	0.8	1.2
Net debt	94.3	90.4
EBITDA restated ³ (last twelve months)	56.7	81.3
Leverage ratio	1.66x	1.11x

Maisons du Monde benefits from a healthy financial base.

Financial leases decreased by €2.2 million and do not yet fully reflect the impact of store closures during the period. The Group is also continuing the renegotiation of leases with its landlords.

Net financial debt excluding IFRS 16 as of June 30, 2024, amounts to €94.3 million, almost stable compared to December 31, 2023.

At the end of June 2024, the Group benefits from €174 million in liquidity and has secured financing from its banking pool until April 2028.

² Free Cash Flow defined as Operational cash flow generation after Capex and excluding financial interests, consistent with historical financial communication

³ EBITDA of €64 million is restated in accordance with the senior credit facility agreement dated April 22, 2022

PRIORITIES OF THE INSPIRE EVERYDAY TRANSFORMATION PLAN FOR THE SECOND HALF OF 2024

During the second half, Maisons du Monde will continue executing its Inspire Everyday transformation plan by accelerating various initiatives to drive the evolution of its business model while simultaneously streamlining operations.

These initiatives will contribute to generating cumulative free cash flow of more than €100 million by 2026.

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.

Financial calendar

24 October 2024 Q3 2024 Sales

About Maisons du Monde

Maisons du Monde is the leading player in inspiring, accessible, and sustainable home and decoration. The Brand offers a rich and constantly refreshed range of furniture and decorative items in a multitude of styles. Leveraging a highly efficient omnichannel model and direct access to consumers, the Group generates over 50% of its sales through its online platform and operates in 10 European countries.

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