



## PRESS RELEASE

# MAISONS DU MONDE: STRONG THIRD QUARTER 2020 ACTIVITY

NANTES – 27 October 2020, 17:45 CET – [Maisons du Monde](#) (Euronext Paris: MDM; ISIN: FR0013153541), a European leader in affordable and inspirational household decoration and furniture, today announces its third-quarter 2020 sales.

- **Third quarter sales up 13.3% yoy: €321 million (+9.8% LFL)**
  - **Strong store sales: +9%**
  - **Continued online momentum: +24%**
- **Top line growth driven by success of decoration collections (+25%)**
- **FY sales expected to be down mid-single digit yoy, assuming most stores in Europe remain open through year-end**

Julie Walbaum, Chief Executive Officer, declared: “We are proud of our third quarter performance, which shows the skills and commitment of all our teams. The solid sales trends we observed both in stores and online attest to the strength and resilience of our business model. The performance of our decoration collections, up 25% year-on-year, vindicates the work we have launched to sharpen our collections. The lower growth in furniture sales is a reflection of temporary shortages resulting from a surge in demand and systemic pressure on the furniture supply chain, and we are actively working to address this issue.

*The environment in which we are operating remains uncertain regarding the evolution of the pandemic. In this context, we enter the important holiday season fully focused on our key commercial and strategic priorities: Continuing to offer our customers a quality and safe omnichannel experience, rebuilding inventory and working on our strategic projects, including the launch of our curated marketplace and the development of our second warehouse.”*

### Third-Quarter 2020 Activity

#### Sales

The Group’s **third-quarter 2020 sales** totaled €321 million, representing an increase of 13.3% year-on-year (yoy) (+9.8% LFL), driven by strong growth in both store and online sales. Maisons du Monde sales were up 13.8% to €309 million (+10.6% LFL) while Modani’s sales of €11.7 million were roughly unchanged (-1.1%). Rhinov added €0.8 million (+32% yoy).

Online sales increased by 24.4% to reach €91 million, representing 28% of total Group sales. Total 3<sup>rd</sup> quarter store sales grew 9.4% to €231 million, supported by robust decoration sales amidst stable traffic yoy despite social distancing restrictions.

Sales in France were €170 million (+12.0% yoy) and represented 53% of total sales (vs 53% in Q3 2019), while international sales totaled €152 million (+14.7% yoy).

In terms of sales split by product category, decoration sales increased by 24.7% yoy and represented 56% of total 3<sup>rd</sup> quarter sales, gaining 510 basis points in the mix. This more than compensated for stable furniture sales (+1.5% yoy), due to sub-optimal inventory levels as a result of a reduction in furniture orders early in the pandemic to protect cash, a surge in demand at the end of the lockdown and production challenges at suppliers following the coronavirus pandemic.

Summary of sales <i>(in € million)</i>	3Q20	3Q19	% Change	9M20	9M19	% Change
<b>Sales</b>	<b>321.3</b>	<b>283.7</b>	+13.3%	<b>810.2</b>	<b>847.7</b>	-4.4%
<i>% like-for-like change</i>	+9.8%	+3.0%		-8.5%	+3.9%	
Maisons du Monde	308.8	271.3	+13.8%	776.7	815.1	-4.7%
<i>% like-for-like change</i>	+10.6%	+3.0%		-8.2%	+3.9%	
Modani	11.7	11.9	-1.1%	31.4	32.1	-2.2%
Rhinov	0.8	0.6	+31.7%	2.0	0.6	
<b>Sales by distribution channel</b>						
Stores	230.7	210.8	+9.4%	533.3	625.9	-14.8%
Online	90.6	72.9	+24.4%	276.9	221.8	+24.8%
Stores (%)	71.8%	74.3%		65.8%	73.8%	
Online (%)	28.2%	25.7%		34.2%	26.2%	
<b>Sales by geography</b>						
France	169.8	151.5	+12.0%	421.9	459.0	-8.0%
International	151.6	132.2	+14.7%	388.3	388.7	-0.1%
France (%)	52.8%	53.4%		52.1%	54.2%	
International (%)	47.2%	46.6%		47.9%	45.8%	
<b>Sales by product category</b>						
Decoration	179.4	143.9	+24.7%	416.4	429.7	-3.1%
Furniture	141.9	139.8	+1.5%	393.8	418.1	-5.8%
Decoration (%)	55.8%	50.7%		51.4%	50.7%	
Furniture (%)	44.2%	49.3%		48.6%	49.3%	

### Store Network

At 30 September 2020, Maisons du Monde's global store network stood at 366 stores, stable compared to the end of June 2020. During the third quarter of 2020, Maisons du Monde opened one store in Saint-Etienne and closed one store in Béziers, France. Over the same period, the Group repositioned its existing store in Granada, Spain with a larger one. Total commercial space increased by 915 square meters during the quarter to reach 429,100 square meters at 30 September 2020.

### Online Activity

Online order intake was up by +8% in the third quarter. The order backlog at 30 September 2020 was down compared to the end of June 2020 but remains at a high level compared to 30 September 2019. The order delivery challenges, resulting from the saturation of the parcel delivery network in France and other European Union countries that developed during the Covid-19 lockdown, are now completely solved.

### Supply Chain

Inventory challenges, limited to furniture, were more than offset in the third quarter by robust decoration sales where inventory remains at normal levels. The sub-optimal furniture inventory level is expected to gradually improve over the next months.



### Cash Management

As expected, the Group reimbursed in September the €150 million relating to the two revolving credit facilities that were drawn down in March following the Covid lockdown in Europe. Available cash at 30 September 2020 was €299 million compared to €423 million at 30 June 2020.

### Fourth-quarter 2020 commercial priorities, current activity and outlook

#### Commercial and operational priorities

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

- Continue to provide a safe and quality omnichannel experience in still unusual circumstances
- Launch the Maisons du Monde curated marketplace in France
- Continue to selectively rebuild inventory levels
- Develop our second warehouse in Northern France

#### Outlook

In terms of store development, Maisons du Monde anticipates circa 7 to 8 net store closures in the full year (10 net closures in 9M 2020).

Thanks to a good third quarter 2020 performance, FY sales are expected to be down mid-single digit yoy assuming most stores in Europe remain open through year-end.

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### Historical sales<sup>1</sup>

(In €m)	FY 18	Q1 19	Q2 19	Q3 19	9M 19	Q4 19	FY 19	Q1 20	Q2 20	Q3 20	9M 20
<b>Sales</b>	1,111.2	280.3	283.7	283.7	847.7	377.8	1,225.4	243.7	245.2	321.3	810.2
<i>Change vs. N-1</i>	+7.4%	+9.9%	+12.6%	+9.2%	+10.5%	+9.7%	+10.3%	-13.1%	-13.6%	+13.3%	-4.4%
<i>LFL Change vs. N-1</i>	+3.1%	+2.4%	+6.5%	+3.0%	+3.9%	+2.8%	+3.6%	-8.3%	-16.2%	+9.8%	-8.5%
<b>Maisons du Monde</b>	1,085.4	271.4	272.4	271.3	815.1	365.8	1,181.4	231.7	236.2	308.8	776.7
<i>Change vs. N-1</i>	+7.4%	+6.4%	+10.7%	+8.0%	+8.3%	+9.8%	+8.8%	-14.6%	-13.3%	+13.8%	-4.7%
<i>LFL Change vs. N-1</i>	+3.1%	+2.4%	+6.5%	+3.0%	+3.9%	+2.8%	+3.6%	-19.3%	-15.3%	+10.6%	-8.2%
<b>Modani</b>	25.9	8.9	11.4	11.9	32.1	11.9	44.1	11.3	8.4	11.7	31.4
<b>Rhinov</b>	-	-	-	0.5	-	0.6	1.2	0.7	0.6	0.8	2.0
<b>Sales breakdown</b>											
France	58.3%	55.8%	53.3%	53.4%	54.2%	56.6%	54.9%	52.3%	50.8%	52.8%	52.1%
International	41.7%	44.2%	46.7%	46.6%	45.8%	43.4%	45.1%	47.7%	49.2%	47.2%	47.9%
Stores	77.3%	74.2%	73.0%	74.3%	73.8%	78.7%	75.3%	71.2%	52.7%	71.8%	65.8%
Online	22.7%	25.8%	27.0%	25.7%	26.2%	21.3%	24.7%	28.8%	47.3%	28.2%	34.2%
Decoration	55.7%	53.2%	48.1%	50.7%	50.7%	61.6%	54.0%	51.7%	45.3%	55.8%	51.4%
Furniture	44.3%	46.8%	51.9%	49.3%	49.3%	38.4%	46.0%	48.3%	54.7%	44.2%	48.6%

### Store network<sup>2</sup>

(In units)	Number of stores at end of:								
	FY 18	Q1 19	Q2 19	Q3 19	Q4 19	FY 19	Q1 20	2Q 20	Q3 20
France	221	221	224	227	233	233	228	227	227
Italy	45	45	47	48	48	48	48	48	48
Spain	23	23	24	24	27	27	27	27	27
Belgium	22	21	21	22	24	24	23	23	23
Germany	10	10	10	10	11	11	11	10	10
Switzerland	7	7	8	8	9	9	9	9	9
Luxembourg	3	3	3	3	3	3	3	3	3
Portugal	-	-	1	1	1	1	1	1	1
United Kingdom	4	4	4	4	-	-	-	-	-
United States (MDM)	1	1	1	1	2	2	2	-	-
United States (Modani)	12	13	15	16	18	18	19	18	18
<b>Number of stores</b>	<b>349</b>	<b>349</b>	<b>358</b>	<b>364</b>	<b>376</b>	<b>376</b>	<b>371</b>	<b>366</b>	<b>366</b>
<i>Net openings</i>	<i>+25</i>	<i>0</i>	<i>+9</i>	<i>+6</i>	<i>+12</i>	<i>+27</i>	<i>-5</i>	<i>-5</i>	<i>0</i>
<b>Sales area (K sqm)</b>	<b>398.4</b>	<b>398.6</b>	<b>408.1</b>	<b>416.7</b>	<b>432.3</b>	<b>432.3</b>	<b>430.9</b>	<b>428.2</b>	<b>429.1</b>
<i>Change (K sqm)</i>	<i>+35.2</i>	<i>+0.2</i>	<i>+9.5</i>	<i>+8.6</i>	<i>+15.6</i>	<i>+33.9</i>	<i>-1.4</i>	<i>-2.7</i>	<i>+0.9</i>

<sup>1</sup> At current exchange rates.

<sup>2</sup> Excluding franchise stores.



Besides the financial indicators set out in International Financial Reporting Standards (IFRS), Maisons du Monde's management uses several non-IFRS metrics to evaluate, monitor and manage its business. The non-IFRS operational and statistical information related to Group's operations included in this press release is unaudited and has been taken from internal reporting systems. Although none of these metrics are measures of financial performance under IFRS, the Group believes that they provide important insight into the operations and strength of its business. These metrics may not be comparable to similar terms used by competitors or other companies.

**Sales:** Represent the revenue from sales of decorative items and furniture through the Group's retail stores, websites and B2B activities. They mainly exclude:

- i. customer contribution to delivery costs,
- ii. revenue for logistics services provided to third parties, and
- iii. franchise revenue.

The Group uses the metric of "Sales" rather than "Total revenue" to calculate growth at constant perimeter, like-for-like growth, gross margin, EBITDA margin and EBIT margin.

**Like-for-like sales growth:** Represents the percentage change in sales from the Group's retail stores, websites and B2B activities, net of product returns between one financial period (Y) and the comparable preceding financial period (Y-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.

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### About Maisons du Monde

Maisons du Monde is a creator of inspirational lifestyle universes in the homeware industry, offering distinctive and affordable decoration and furniture collections that showcase multiple styles. The Group develops its business through an integrated and complementary omnichannel approach, leveraging its international network of stores, its websites and its catalogues. The Group was founded in France in 1996 and has expanded profitably across Europe since 2003, reporting sales of €1,225 million and EBITDA of €259 million in 2019. At 31 December 2019, the Group operated 376 stores in 9 countries including France, Belgium, Germany, Italy, Luxembourg, Portugal, Spain, Switzerland and the United States, and derived 45% of its sales outside France. The Group has also built a successful complementary and comprehensive ecommerce platform, whose sales grew by over 30% per year on average between 2010 and 2019. This platform, which accounted for 25% of the Group's sales in 2019, is available in the countries where it operates stores plus Austria, the Netherlands and the United Kingdom. In 2018, the Group acquired a majority stake in Modani, a furniture chain present in the United States through its stores and ecommerce business. Modani, founded in 2007, is an aspirational lifestyle brand, offering high-quality proprietary modern, contemporary and mid-century furniture at affordable price points, with a nationwide presence through a network of 18 showrooms.

[corporate.maisonsdumonde.com](http://corporate.maisonsdumonde.com)

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### 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.*



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<b>Maisons du Monde Third-Quarter 2020 Activity Conference Call and Webcast connection details</b>			
Tuesday, 27 October 2020 at 18:00 CET			
<u>Conference Call Dial-In Numbers</u>			
Confirmation Code: <b>4079553</b>			
<i>International Operator</i>		+44 (0) 203 009 5709	
Toll-Free:		Local Dial:	
<i>France</i>	+33 (0)8 00 91 81 50	<i>France</i>	+33 (0)1 70 70 82 21
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