

Mr.Bricolage SA

Change in governance - consolidated half-year results 2015

- **Change in governance**
 - Splitting of the roles of President and Chief Executive Officer
 - Paul Cassignol has been appointed President of the Board
 - Guy Béghin, Deputy CEO, will be at the helm in the meantime

- **New strategic guidelines**
 - Refocusing on the fundamentals of the trade: proximity, product range and customer relations
 - Goal: for activity to return to growth and for margins to increase

- **Mixed performance in a still volatile market**
 - DIY France market down 0.3 % (source: Banque de France)
 - Turnover of the Networks (inclusive of tax): +1.5% (comparable stores)
 - Strong international growth of Turnover (inclusive of tax) : + 6,1% (comparable stores)
 - Consolidated turnover: €273.9 M (- 3.2%)
 - Operating profit: €8.0 M (-47.7%)
 - Net profit share of Group: €3.0 M (-64,8%)
 - Continued debt reduction: - €26,9 M on a rolling 12-month basis

Meeting this Wednesday, 9 September, the Board of Mr.Bricolage SA decided to significantly change how the Group is governed by separating the roles of President and Chief Executive Officer, with a view to optimising the implementation of changes to strategic guidelines aimed at having activity return to growth and increasing margins.

After spending the last 18 years on the Board of Mr.Bricolage SA, including eight years spent as Chief Executive Officer, Jean-François Boucher, who has played an active role in developing the brand, made the most of this change in governance to resign from all his positions so he could devote his energies to his own companies. During this period, Mr.Bricolage has become the third player in independent business within France and was able to turn a major corner by getting involved in digitalising trade. The Board appointed Paul Cassignol as President. Guy Béghin, Deputy CEO, will be at the helm in the meantime before a new CEO will be announced in a few weeks' time.

Paul Cassignol (50 years old; a chemical engineer, graduated from ENS Toulouse and from Toulouse Business School), who owns five stores under the Mr.Bricolage brand in the south-

west of France, was last June appointed President of the ANPF, the company that brings together the members of the Mr.Bricolage brand. ANPF, which is the leading shareholder in the Group with 41.9% of the capital and 50.1% of the voting rights, and the family-run group Tabur, which is the second shareholder with 26.3% of the capital, will be able to rely on the teams at the heart of Mr.Bricolage to deploy the new strategic guidelines which have been determined.

"To breathe new life into our Group, we are going to refocus our strategy on our core business with a view to achieving a goal, which itself forms the very basis of business. We are aiming to increase turnover per m² and improve profitability, whether for our members, the directly-owned stores or internationally. And to achieve this, we are going to return to the basics by building on our major assets: proximity, our ability to work on our product range and capitalising on customer relations, particularly online. Internationally, we are going to take advantage of our significant successes in Belgium and Bulgaria so as to continue our development," explained Paul Cassignol, President of the Board of Mr Bricolage SA.

Consolidated P&L S1 2015

Accounts reviewed to a limited extent by the auditors and approved by the Board, which took place on 9 September 2015.

In M€ (at 30 June)	S1 2015 ⁽²⁾	S1 2014 ⁽¹⁾	% variation
Consolidated turnover	273.9	283.0	-3.2%
Ordinary operating profit (ROPO) ⁽³⁾	10.9	16.0	-133.6%
Of which Retail	(5.8)	(6.5)	+11.0 %
Of which Network Services	16.7	22.5	-25.5%
Operating profit (ROP)	8,0	15,3	-47.7%
Of which Retail	(7.3)	(6.2)	n/a
Of which Network Services	15.3	21,5	-28.8%
Profit before tax (PBT) ⁽⁴⁾	5.7	12.3	-53.5%
as % of turnover	2.1%	4.3 %	
Share of net profit of EMCs	0.1	1,3	-96.2%
Tax on profits	(2.9)	(5.2)	-44.8%
Net profit share of Group	3.0	8.4	-64.8%
as a % of turnover	1.1%	3.0 %	
Net Financial Debt/ EBITDA	2.85x	3.02x	-
Gearing⁽⁵⁾	40.6 %	52.0 %	-

(1) Reclassification of the Les Herbiers, Château du Loir and Sillé le Guillaume stores applying the IFRS 10 and 11 rules (backdated to 1st January 2014),

(2) Reclassification of assets to be transferred regarding stores under Les Briconautes brand in Cosne d'Allier, Jarnac and Laroque des Albères (backdated to 1st January 2015).

(3) ROPO: Operating Profit before capital gains or losses from cessions and extraordinary transactions, restated for the impact of the IFRIC 21 in S1 2015

(4) PBT: Profit before tax excluding share in net profit of associated entities and activities to be transferred

(5) Gearing: Net financial debt/ Equity

Operating profit €8.0 Mn:

In M€ (at 30 June)	Retail			Network Services	Total consolidated turnover
	Directly owned stores	Online sales	TOTAL		
Consolidated turnover	169.8	6.2	176,1	97.9	273.9
Financial turnover ⁽⁶⁾	-	-	176,1	144.4	-
Ordinary operating profit (ROPO) ⁽³⁾	(5.5)	(0.3)	(5.8)	16.7	10.9
<i>As a % of financial turnover</i>	(3.2%)	(5.4%)	(3.3%)	11.6%	4.0%
Operating profit (ROP)	(6.9)	(0.3)	(7.3)	15.3	8.0
<i>As a % of financial turnover</i>	(4.1%)	(5.4%)	(4.1%)	10.6 %	2.9 %

(6) Financial turnover: turnover before restating inter-sector sales. Following adjustment, the turnover stood at €273.0 M.

Operating profit is €8.0 Mn, versus €15.3 Mn in the first semester 2014. It incorporates, in the first half of 2015, the application of the IFRIC 21, which results in the accounting of annual taxes (Tascom and Organic C3S) from their maturity date, or the 1 January 2015, representing a negative impact of € 1.7 million.

The change in operating profit is analysed as follows:

- **Operating profit Retail: improvement of €0.4 million excluding the impact of the application of IFRIC 21 which had a negative impact of €1.5 million.**

This €0.4 Mn is linked solely to the Directly Owned Stores.

- **Operating Profit Networks Services: impairment of €6.2 Mn, at €15.3 Mn.**

This evolution is linked mainly to 3 factors: expenditure on extraordinary advertising in the first half for the 35th anniversary of the Mr.Bricolage brand (€3.1 Mn), the increase in the dollar which is not reflected (€1.5 Mn), and the changes in scope of the networks in France having an impact on the purchase volume of the networks.

Group net attributable income of €3.0 Mn

After having accounted for corporate income tax, the Group net attributable income was €3.0 Mn, versus €8.4 Mn in the first half of 2014. The share of net profit from equity method companies from the first half of 2014 includes capital gains from transfer of €1.2 Mn.

Sound financial structure

The debt reduction efforts of the Group have continued with a reduction of €26.9 Mn over 12 rolling months.

At 30 June 2015, net debt was €104.1 Mn and gearing of 40.6%.

Outlook

Mr. Bricolage will implement its new strategy of refocusing on the fundamentals with a view to returning activity to growth and increasing margins.

Next meeting: annual results 2015

Press Release: 15 February 2016, after Stock Market close

About the Mr.Bricolage Group (figures at 30 June 2015)

Mr.Bricolage is France's no.1 DIY retailer (791 branded or affiliated stores at 30 June 2015), and has 72 stores in 10 other countries. **The Mr Bricolage Group** operates under the Mr.Bricolage and Les Briconautes brands, and also through affiliates. The Group continues to implement its multi-channel strategy, through networks of stores and online stores.

Mr Bricolage SA (MRB FR0004034320) is listed on compartment C of Euronext Paris and is part of the Gaïa Index (selection of responsible 70 SMEs), CAC Mid&Small and CAC All-Tradable.

Mr Bricolage SA is eligible for the PEA-PME savings plan



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**All Group financial information available at
www.mr-bricolage.com**