2017 FULL-YEAR EARNINGS

Mr.Bricolage takes a further step forward with the REBOND plan

Continued transformation under the banner "Do it yourself, but not all by yourself" to accelerate its development and create new market opportunities

La Chapelle-Saint-Mesmin, 14 March 2018 – Mr.Bricolage SA, which groups together local independent home improvement and gardening stores, is releasing its consolidated accounts for 2017, which were approved by the Board of Directors during its meeting today on 14 March 2018.

2017 was focused on rolling out the REBOND strategic plan, launched at the end of 2016. The results achieved notably reflect the resizing of the directly-owned store network and the resources deployed to help drive the organization's progress. The roadmap, which also planned to launch the new mrbricolage.fr website, further strengthen network services and achieve a moderate improvement in current operating profit, has been respected.

The REBOND strategic plan will continue to move forward in 2018, embarking on a new phase of growth, while improving competitiveness. Four "100% new concept" pilot stores will be opening, with the first to be inaugurated in Orléans on 15 March.

"In 2017, major initiatives covering all of Mr.Bricolage's pillars were successfully rolled out. The roadmap is being respected and its impact on our results for this first year is in line with our expectations. We have put solid foundations in place to drive our recovery. In 2018, this will be illustrated by the launch of new store concepts, the acceleration of the renewal of our product selection, and the strengthening of our digital activities. We still face various challenges, particularly to transform the directly-owned store network, but we are making excellent progress to further strengthen our brand, our product selection and all our network services, which are key to a competitive and profitable brand. Today, the inauguration of this first 100% new concept store in Orléans perfectly illustrates who we are and what we want to become: the undisputed leader for proximity in our sector, the customer relationship champion", confirms Christophe Mistou, Chief Executive Officer of Mr.Bricolage SA.

Condensed consolidated financial statements

€M	31 Dec 2017	31 Dec 2016	% change
Consolidated turnover	**485.7**	**523.6**	**-7.2%**
Network services	182.2	179.2	+1.7%
Retail	303.5	344.4	-11.9%
EBITDA (1)	**27.3**	**27.2**	**+0.4%**
Current operating profit (2)	**13.8**	**13.6**	**+0.9%**
Network services	23.2	30.8	-24.8%
Retail	(9.4)	(17.2)	+45.2%
Non-current operations and expenses	**(2.9)**	**(89.4)**	**-**
Specific provisions for REBOND plan	(0.5)	(87.3)	-
TASCOM retail space tax	-	(2.1)	-
Other non-current items	(2.4)	-	-
Operating profit	**10.9**	**(75.7)**	**-**
Financial income (expense)	**(2.5)**	**(2.7)**	**+9.1%**
Profit before tax	**8.4**	**(78.5)**	**-**
Share of profit (loss) of associates	2.2	1.0	+134.6%
Tax	(2.8)	12.2	-
Net income from discontinued operations	-	(0.2)	-
Net profit	**7.8**	**(65.5)**	**-**

Net financial debt	**72.5**	**66.6**
Net financial debt / EBITDA(1)	**2.65 x**	**2.45 x**

(1) EBITDA: "Current operating profit" + "Depreciation and amortization".

(2) Current operating profit = Operating profit excluding non-current operations.

1. 2017 highlights

Launched on 16 November 2016, the REBOND plan is built around three phases, with the second phase currently being completed, in line with the schedule announced.

Firstly, 2017 saw the completion in June of the first preparatory phase - "Going back to basics" - laying all the foundations for the strategy to relaunch the Group.

In the second half of the year, the second phase - "Rebounding and engaging" - was rolled out with three initiatives laying the foundations for future growth: organization, product selection, digital-customer experience.

Organization: the plan aimed to resize the directly-owned store network and made it possible in 2017 to resolve the issues raised by the stores in critical situations.

15 stores were closed in 2017 out of the 17 initially planned: one store was bought out by a member-entrepreneur and one store has continued operating with a reduced sales area. One non-operational real estate asset and five stores were also sold, with four under the Mr.Bricolage brand and one under the Les Briconautes brand. A further two divestments were completed at the start of 2018.

The network of directly-owned stores at 31 December 2017 comprised 66 points of sale in France, with 65 under the Mr.Bricolage brand and one under the Les Briconautes brand (versus 87 at 31 December 2016, with 83 Mr.Bricolage brand and four Les Briconautes brand stores).

Product selection: work is underway to rationalize the product range to prepare for the new offer strategy, with 23% of the ranges to be renewed per year from 2018.

In 2017, Mr.Bricolage renewed 12% of its product selection, managed the clearance of stock from the closed stores and launched a stock clearance program in its directly-owned stores targeting products with very low turnover[1]. The Group has also laid the foundations for the strong development of its own-brand Inventiv.

The rollout of the new product ranges, with a quicker in-store deployment and implementation process, making it possible to increase commercial efficiency, will be able to be ramped up in 2018.

Digital-customer experience: Mr.Bricolage has chosen to roll out a strategy on two complementary levels, in line with its organization. The web-to-store specialist mrbricolage.fr is positioned to drive store growth and enhance the customer experience, from digital to in-store. The e-commerce pure player le-jardin-de-catherine.com is designed to be the Group's product innovation incubator.

In 2017, the new web-to-store sales model was effectively put in place, supporting in-store purchases, and a full overhaul of the sites was completed in June. The drive to showcase the new product selection was launched at the start of 2018 and is making sustained progress.

2. 2017 earnings

Consolidated turnover [2]

In 2017, consolidated turnover came to €485.7 million, compared with €523.6 million in 2016. The expected contraction in the Retail business (-11.9%) is linked primarily to the resizing of the directly-owned store network in line with the REBOND Plan. Alongside this, the Group's realignment around its Network Services business is enabling the networks to return to growth (+1.7%).

Current operating profit

The current operating profit is up 0.9% to €13.8 million, factoring in the significant reduction in the Retail business' operational losses and the allocation of additional resources for network services, in line with the REBOND plan.

The current operating profit for the Retail business shows an improvement of €7.8 million (+45.2%). The adjustments made in connection with the plan to resize the directly-owned stores made it possible to generate €3.3 million of capital gains on sales and improve the operating profit by €3.5 million.

The current operating profit for the Network Services business came to €23.2 million (-24.8%), with this year's performance reflecting (i) the spending to improve service for members and affiliates, particularly with the strengthening of the management committee overseeing the REBOND plan's implementation, the rollout of the new brand strategy accompanied by stronger marketing resources (€3.4 million), and (ii) the impacts on the margin of the lower volume of business and purchases for the networks and the increase in transport costs (€2.9 million).

(1) Products with very low turnover are products selling less than two units in the year.
(2) 2017 turnover published on 15 February 2018 is available online at: http://mr-bricolage.com/finance/infos-reglementees/

Operating profit and

The €86.6 million increase in the operating profit, up from -€75.7 million in 2016 to €10.9 million in 2017, reflects the change in non-current operations, linked in particular to the non-recurring provisions from 2016 for the REBOND plan.

Financial income (expense)

The financial expense came to -€2.5 million in 2017, compared with -€2.7 million at end-2016. This improvement primarily factors in the reduction in the cost of debt.

Net profit, Group share

Taking into account the contribution from associates for €2.2 million (+€1.2 million linked primarily to the upturn in business in Belgium) and a €2.8 million tax expense, the consolidated net profit for 2017 represents €7.8 million (1.6% of turnover).

Net debt

Under the impact of the REBOND plan, and particularly the store closure costs and the deferred divestments carried out at the start of 2018, the Group's debt increased temporarily in 2017 by €5.9 million to €72.5 million at 31 December 2017, versus €66.6 million at 31 December 2016.

Over the last four years, the Group has reduced its debt by a total of €19.1 million (20.9%).

In connection with the refinancing of its debt, the Group signed a new syndicated credit agreement on 20 December 2017 for €120 million, with three tranches: (i) a first medium-term tranche for €55 million, repayable over five years, (ii) a €40 million revolving credit line, repayable at maturity in five years, and (iii) a €25 million investment credit, repayable at maturity in five years.

This financing enabled the existing financing line to be repaid ahead of schedule and in full for €55 million on 20 December 2017, while supporting the Group with its implementation of the REBOND plan.

3. Outlook

Looking ahead to 2020

Looking ahead to 2020, Mr.Bricolage has, as announced previously, two core objectives to ensure its sustainable return to growth:

- Relaunching the development of its networks, driven by improved profitability for member-entrepreneur stores,
- Increasing the Group's earnings and profitability, capitalizing on its change of scale (realignment around the Network Services business in particular).

2018

Mr.Bricolage is gradually moving into the final phase of the REBOND plan: "Building the Future".

The resizing of the directly-owned store network will logically be reflected in a contraction in turnover for Mr.Bricolage SA in 2018. Alongside this, and as planned, the company will be accelerating the ramping up of its Network Services business. The Group also aims to continue reducing its debt.

While supporting its brand's appeal, in 2018 Mr.Bricolage will continue to allocate major resources to ensure the competitiveness of its product selection, with the deployment of new ranges, as well as the expression of its marketing strategy, ramping up media campaigns and relaunching digital activities. Investments will also focus on standardizing the information systems and ensuring the organization’s efficiency.

Mr.Bricolage plans to grow the network of brand and affiliate stores, in France and internationally, with four “100% new concept” stores scheduled to be inaugurated.

About Mr.Bricolage (figures as of end of 2017)

The Mr. Bricolage Group, which develops well-known brands Mr.Bricolage and Les Briconautes, is a French specialist in DIY local independent retail with 687 outlets operating under the brands or through affiliates. Internationally, the Group is present in 8 others countries with 68 stores.

Mr.Bricolage SA (MRB FR0004034320) is listed in compartment B of Euronext Paris and is part of the Enternext PEA-PME 150 and CAC All Shares index.

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

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