

Mr. Bricolage

REBOND

Plan stratégique 2020



**Presentation meeting
17 November 2016**

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Entrepreneurial spirit, the Mr. Bricolage DNA



Management Committee

Renewed and reinforced leadership team



Paul Cassignol
Chairman



Christophe Mistou
Chief Executive Officer



Eric Bilhaut
CFO and IS



Richard Letourmy
Secretary General



Hervé Onfray
Director Sales



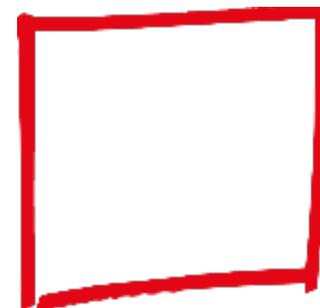
Françoise Devoucoux
Director Human
Resources



Chantal Guilmain
Director Digital and
Customer Experience



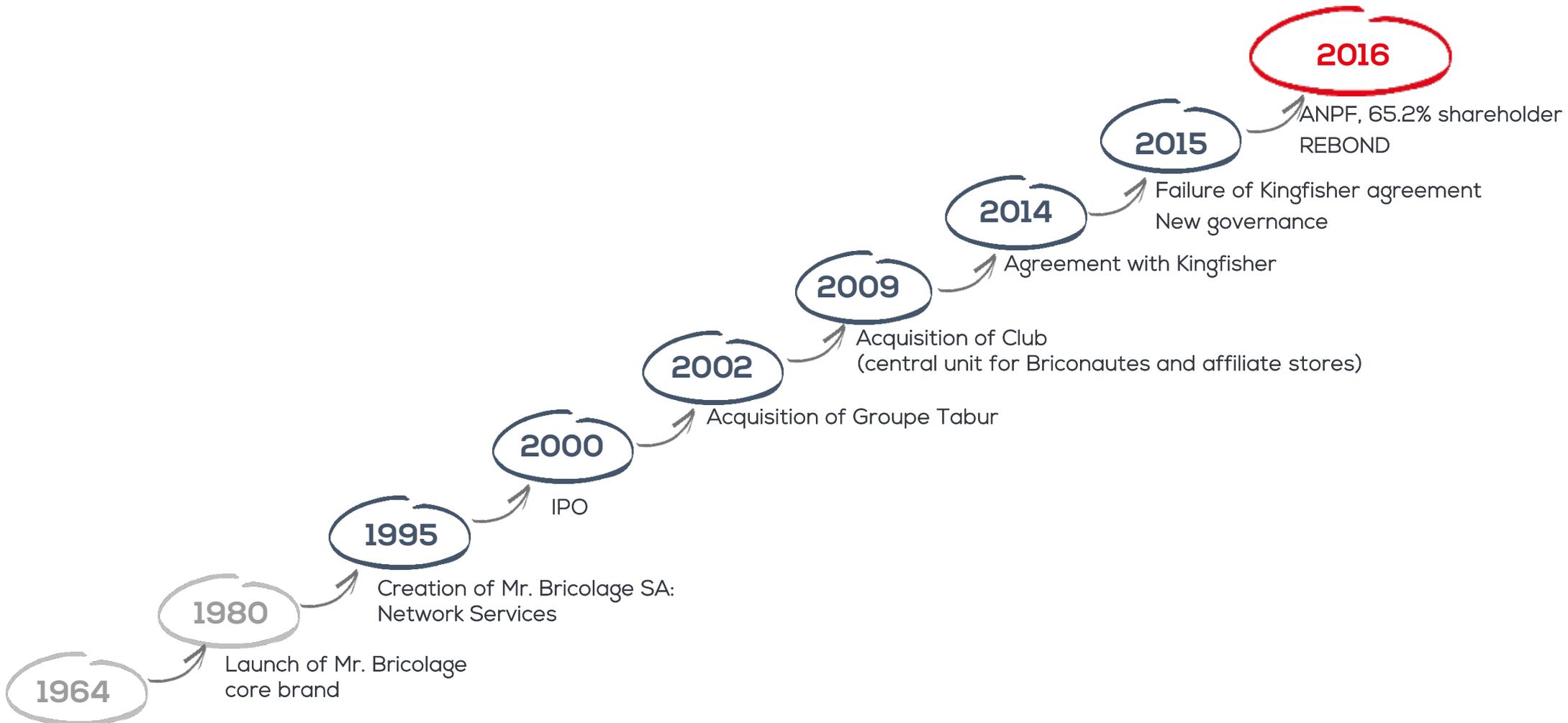
Philippe Cibois
Director Concept
and Development



Arriving 3 January
Director Networks

Mr. Bricolage's journey

Group created through a union of entrepreneurs





Mr. Bricolage Group, current situation

Mr. Bricolage Group in brief

Mr. Bricolage groups local independent home improvement stores

At the heart of a network of 832 stores in 12 countries with an annual volume of business of €2.1bn

Mr. Bricolage Brand with strong proximity: 88% awareness⁽¹⁾

Les Briconautes

Hyper-proximity brand



Core business, Network Services

Organization supporting store development:
Mr. Bricolage, Les Briconautes and affiliate stores



Network of 87 directly-owned stores in France



The members, majority historical shareholders

65.2% of the capital and 73.2% of the voting rights of Mr. Bricolage SA

(1) Unprompted and prompted brand awareness, source: Ifop Mr. Bricolage brand awareness survey for consumer targets (April 2016)

2015 consolidated key figures⁽¹⁾

Consolidated turnover

€529.5M

- 2.7%

Operating result

€21.0M

- 21.1%

Net profit, Group share

€9.6M

- 31.5%

Net financial debt

€78.7M

-€12.9M

(1) Changes calculated in relation to 2014

Decline in overall performance levels (1/3)

Network Services: profitability squeezed



35% of 2015 consolidated turnover

2015 operating result = €32.9M (-13.4%⁽¹⁾)



Listing central unit



Logistics services



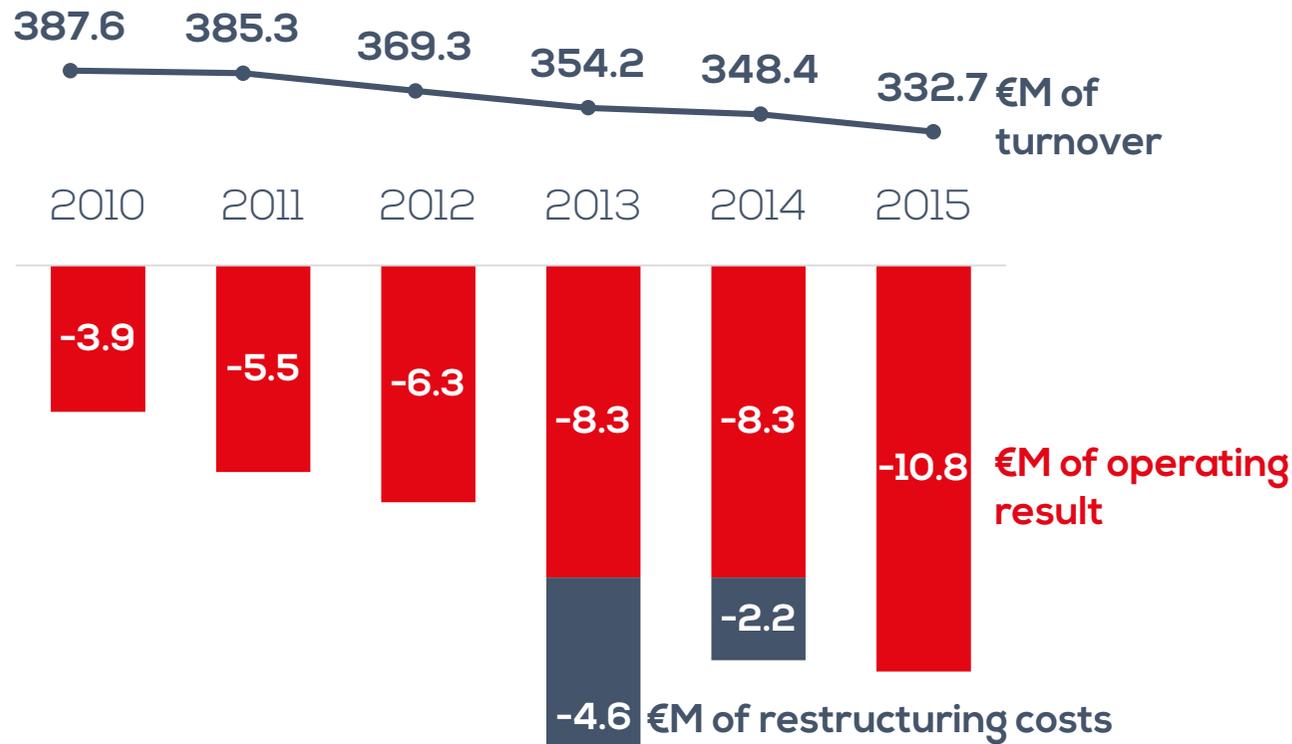
Support services

(1) Change calculated in relation to 2014

Decline in overall performance levels (2/3)

Retail: sharp downturn for directly-owned stores

Focus: directly-owned stores



65% of 2015 consolidated turnover

2015 operating result = -€12.0M (-5.3%⁽¹⁾)



87 directly-owned stores

- 83 **Mr.Bricolage**
- 4 **Les Briconautes**



E-commerce

(1) Change calculated in relation to 2014

Decline in overall performance levels (3/3)

Directly-owned stores: deterioration in all indicators

Turnover down
since 2010

Operating result
negative since 2010

EBITDA negative
since 2013

€105M of inventory
net value in 2015

40% products with very low
inventory turnover rate⁽¹⁾

17 stores
in critical situations

Despite restructurings since 2010

(1) 40% products in terms of value with very low inventory turnover rate : maximum of 2 sales / year

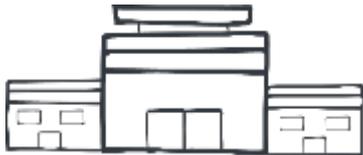
A woman with dark hair, wearing a plaid shirt, is focused on working on a white window frame. She is using a blue-handled screwdriver to adjust a component of the frame. The background shows a blurred view of green foliage outside the window. A dark blue speech bubble is overlaid on the right side of the image, containing the text "Networks, current situation".

**Networks,
current situation**

759 stores in France, 73 internationally⁽¹⁾

**No. 3 for DIY superstores in France in 2015,
with a market share of 10.4%⁽²⁾**

Mr.Bricolage



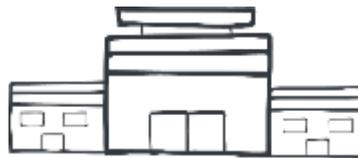
France

264 member stores
+ 83 directly-owned stores

International (11 countries)

73 member stores

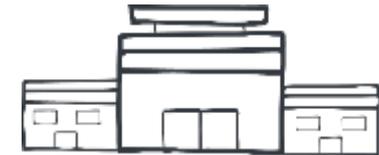
Les Briconautes



France

119 member stores
+ 4 directly-owned stores

**Affiliates
under their own brand**



France

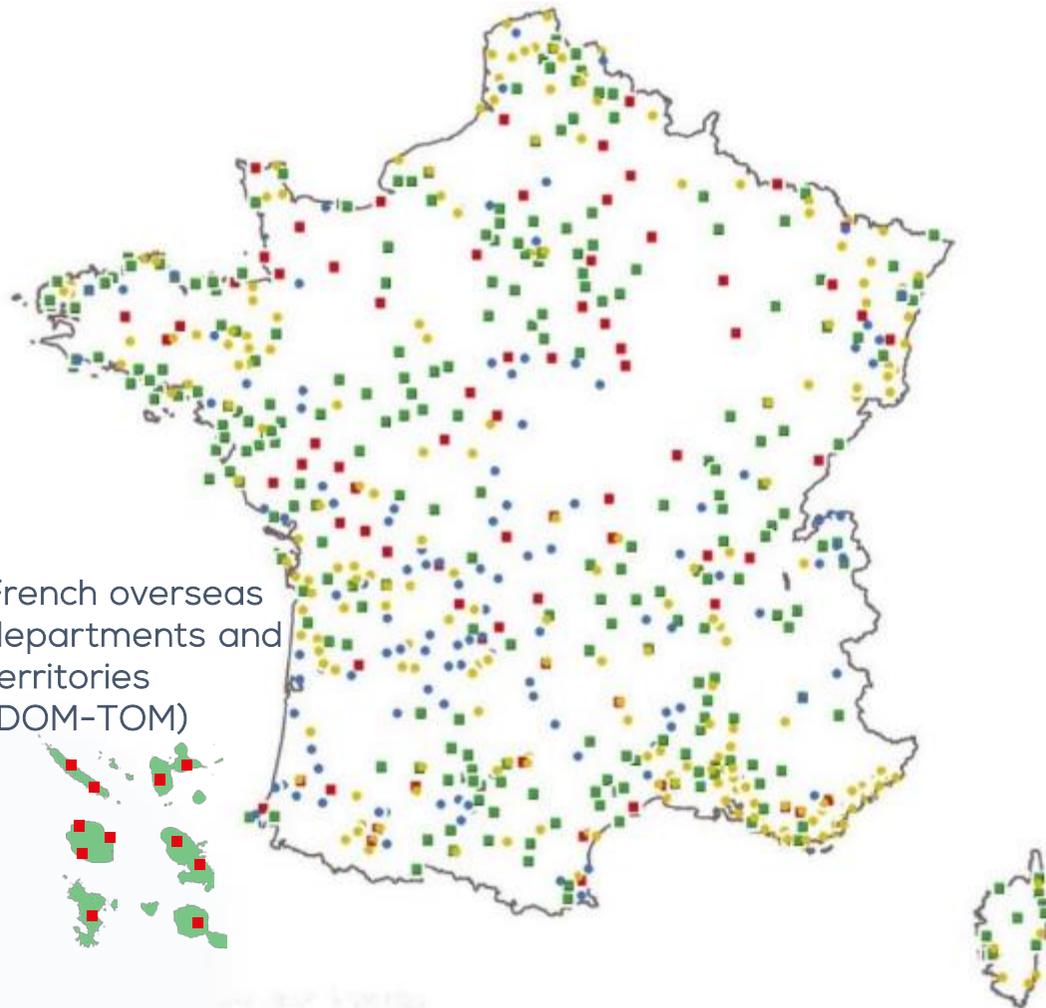
289 affiliate stores

(1) Figures at 30 September 2016

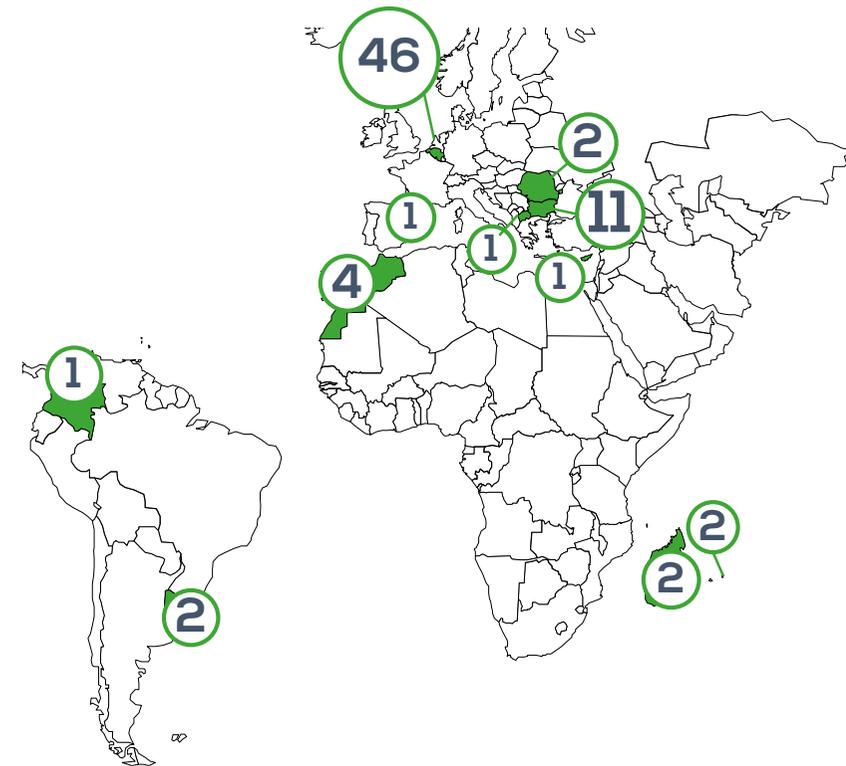
(2) Source: Unibal 2015 research

Strong network throughout France and international development

Entrepreneurial spirit + local connections for members

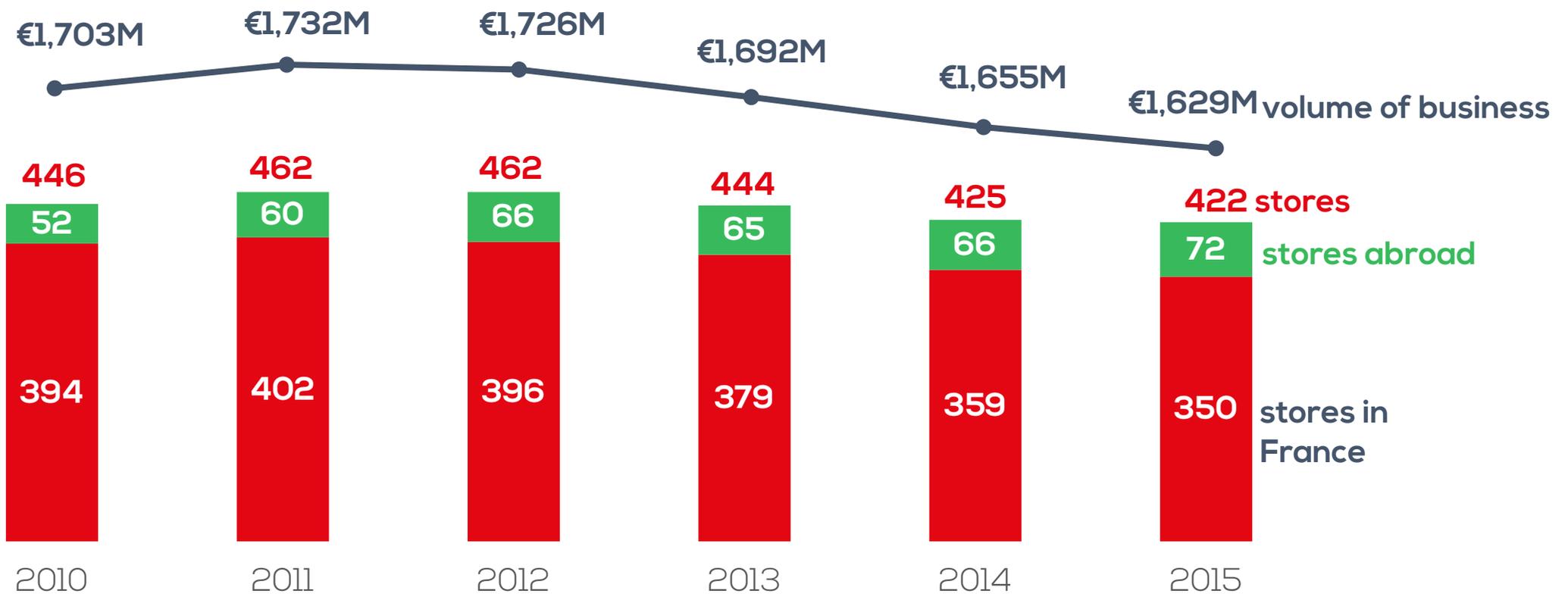


French overseas departments and territories (DOM-TOM)



Development losing momentum

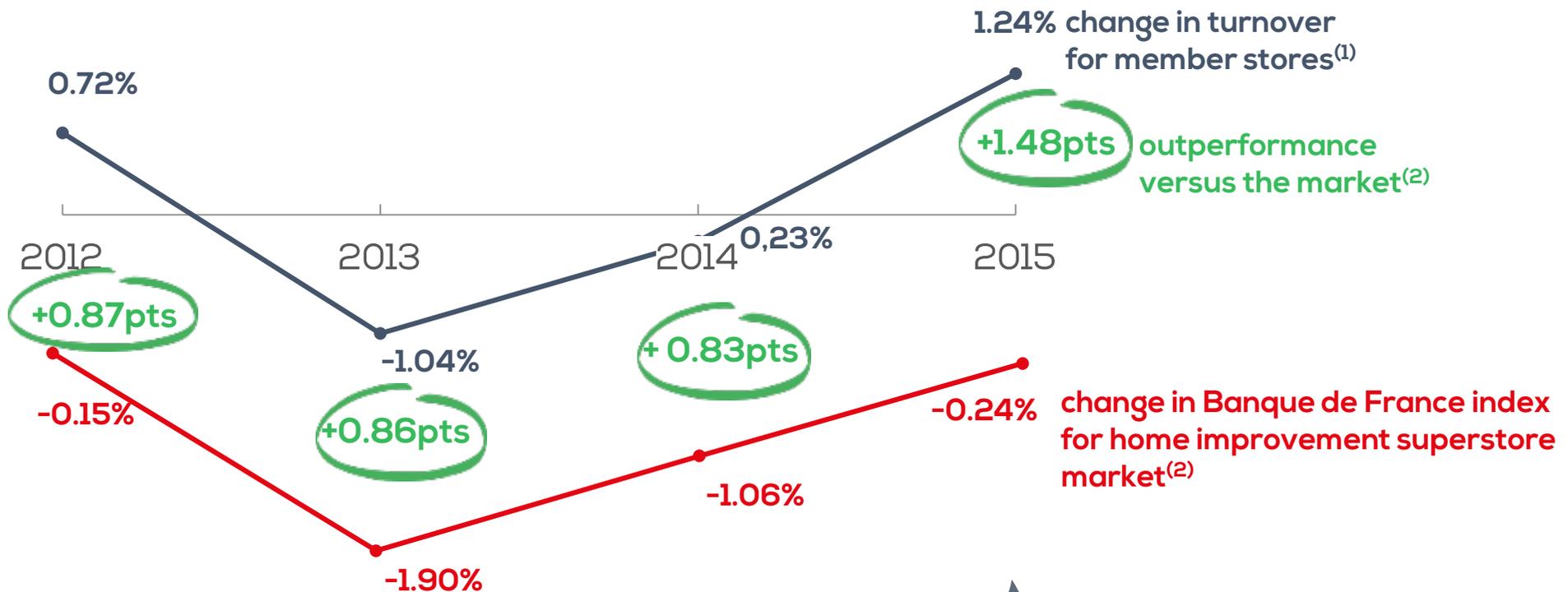
Mr. Bricolage brand stores(*)



(1) Mr. Bricolage directly-owned stores and member stores

Mr. Bricolage members outperform the market

Aggregate revenues for Mr. Bricolage members in France⁽¹⁾:
+1.24% versus -0.24% for the market in 2015⁽²⁾



+0.9 point average outperformance versus the market over the last 4 years⁽¹⁾

(1) Aggregate revenues on a like-for-like store basis

(2) Source: Banque de France index for DIY superstores market in France on a like-for-like store basis



REBOND strategic
plan, main outlines

Transformation of the economic environment



Contraction in business for DIY superstores since 2012⁽¹⁾

Increased competition

Hard discount

Emergence of new competitors

General e-commerce leaders

Transformation of consumer habits

Widespread adoption of digital technologies

Economy of use

(1) Source: Banque de France index for DIY superstores market in France on a like-for-like store basis



Build a differentiating new vision faithful to Mr. Bricolage values⁽¹⁾

- Entrepreneurial spirit
- Local connections
- Customer proximity

Mr. Bricolage is returning to the business model that has been the foundation for its success since 1964

(1) The REBOND strategic plan was approved by the Board of Directors of Mr. Bricolage SA during its meeting on 16 November 2016

3 steps in the REBOND plan



With REBOND, Mr. Bricolage is moving into a new dynamic phase and looks ahead to 2020

November 2016 to June 2017
Going back to basics

June 2017 to January 2018
**Rebounding
& engaging**

From January 2018
Building the future

Participatory steering framework



REBOND is further integrating the members-entrepreneurs at the heart of the decision-making process

Positive environment

New governance

Ramping up of members' interest in Mr. Bricolage SA's capital

Mr. Bricolage, a union of members-entrepreneurs in which everyone can be part of the decision-making process

5 committees: compensation, finance, audit, vision, development

Commissions and work groups set up specifically for REBOND

- Commissions: Commercial Action Plan, Digital and Customer Experience, IS, HR
- Work groups: Concepts, Purchasing

Around 100 members involved

3 pillars for the REBOND plan

Challenge: further strengthening the brand's appeal
in order to relaunch growth

New vision looking ahead to 2020
A "vision lab" to build it together

Offering

+

Digital

+

Organization



REBOND: Offering

Redefining the offering

Better-performing, more competitive offering

Action drivers



Listing and purchasing

- Capitalizing on the network's strength
- Simplifying processes



Ranges

- Rationalizing
- Building a new strategy



Marketing operational excellence

- Overhauling the promotional strategy
- Coordinating communications actions



Pricing

- Positioning the brand and product categories
- Defining an omnichannel approach

Goals

Increase store
profitability levels

Renew 25% of the
ranges / year from 2018

Improve the
marketing ROI

Reestablish a
competitive position

3-step action plan



November 2016 to June 2017
**Rationalizing the current
product ranges**

June 2017 to January 2018
**Building a new offering
strategy**

From January 2018
**Accelerating the renewal
of the ranges: 25% / year**

Focus: step 1, rationalizing the offering

Current situation

Very wide and mixed offering

115,000 product listings
600 suppliers listed
48% of listings = 1% of sales
Direct purchases >> pooled purchases
Weighting of products with low turnover in inventory
Limited contribution for private label products



Goals

Rationalized offering

Development of mass purchasing

- + pooled purchases
- suppliers

Rebuilding the private label strategy

Redefining the pricing policy



**REBOND: Digital
and Customer
experience**

Accelerating the digital transformation



Two complementary strategies

Web-to-store
mr-bricolage.fr
supporting in-store sales

Turnover with 2-hour collection + special order:
+ 39% over the first 9 months of 2016⁽¹⁾

Online pure player
le-jardin-de-catherine.com

New site launched in Q1 2016
Turnover: +15% over Q2 and Q3 2016⁽¹⁾

(1) Change calculated in relation to the same period in 2015

3-step action plan



From January 2018

Building the future

One of the market's best
omnichannel customer experiences
360° customer view

June 2017 to January 2018

Rebounding & engaging

Overhauling of mr-bricolage.fr
Better customer knowledge
100% connected stores

November 2016 to June 2017

Preparing

Repositioning of le-jardin-de-catherine.com
Strengthening of customer relations team

Step 1: Preparing

Digital: going back to e-commerce basics



Development of mr-bricolage.fr

From one national site to one local site for each store

- Geolocation, search engine, etc.
- Enhanced product fact sheets
- Expansion of the local offering thanks to the national offering



Repositioning of the le-jardin-de-catherine.com range

- Differentiating offering
- Member and directly-owned stores as pickup points

Customer experience: capitalizing on the quality of service in store



Strengthening of the customer service team and its expertise

- Full reorganization
- Opening times aligned with in-store business
- More fluid processes introduced for handling customer requests
- New IT tools

Step 2: Rebounding & engaging

Consistent buying experience across all channels



Overhauling of mr-bricolage.fr

- Customer journey
- Look and feel
- Security



Consistency of digital communications

Efficient and relevant contents



Customer knowledge and personalized marketing

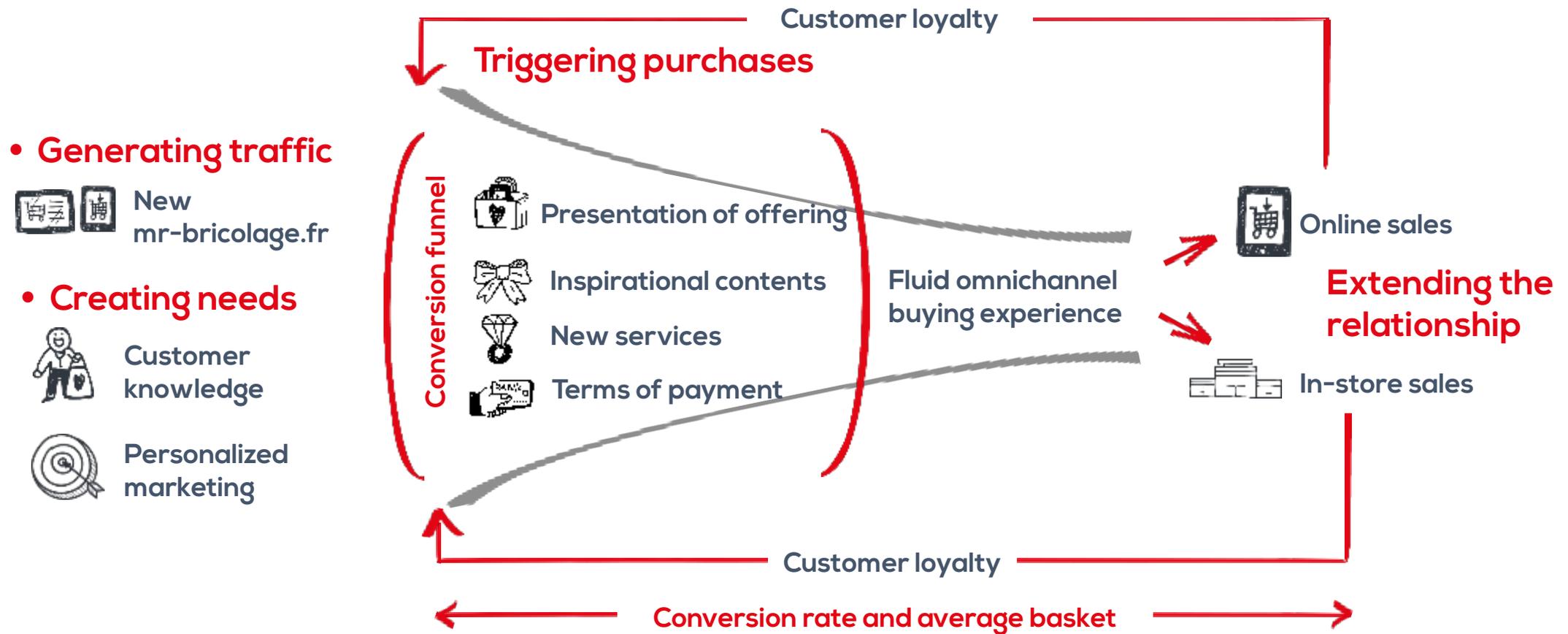


Store digitalization

100% connected stores by January 2018
(vs 73% today)

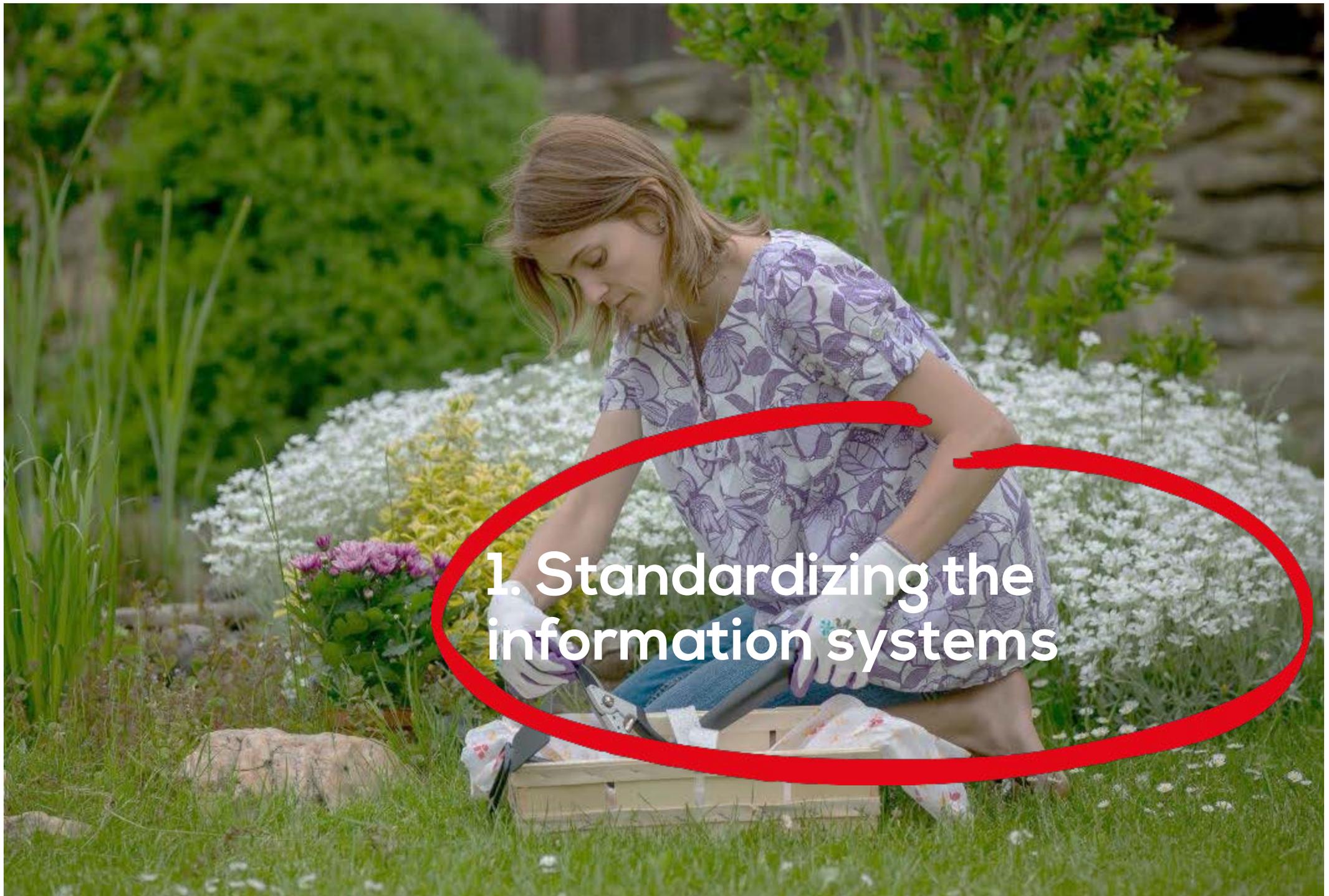
Step 3: Building the future

Delivering one of the market's best omnichannel customer experiences





**REBOND:
Organization**



1. Standardizing the information systems

Standardizing the information systems

100% of stores equipped with the same solutions by June 2018

- Commercial management
- Order proposal
- Payment collection



Optimizing and ensuring the reliability of management of purchases, inventory, shortages for stores and the Group

- Comprehensive, consistent monitoring of all network stores by the Group
- Improved inventory management: shortages, turnover rate
- Administrative management productivity gains for the stores



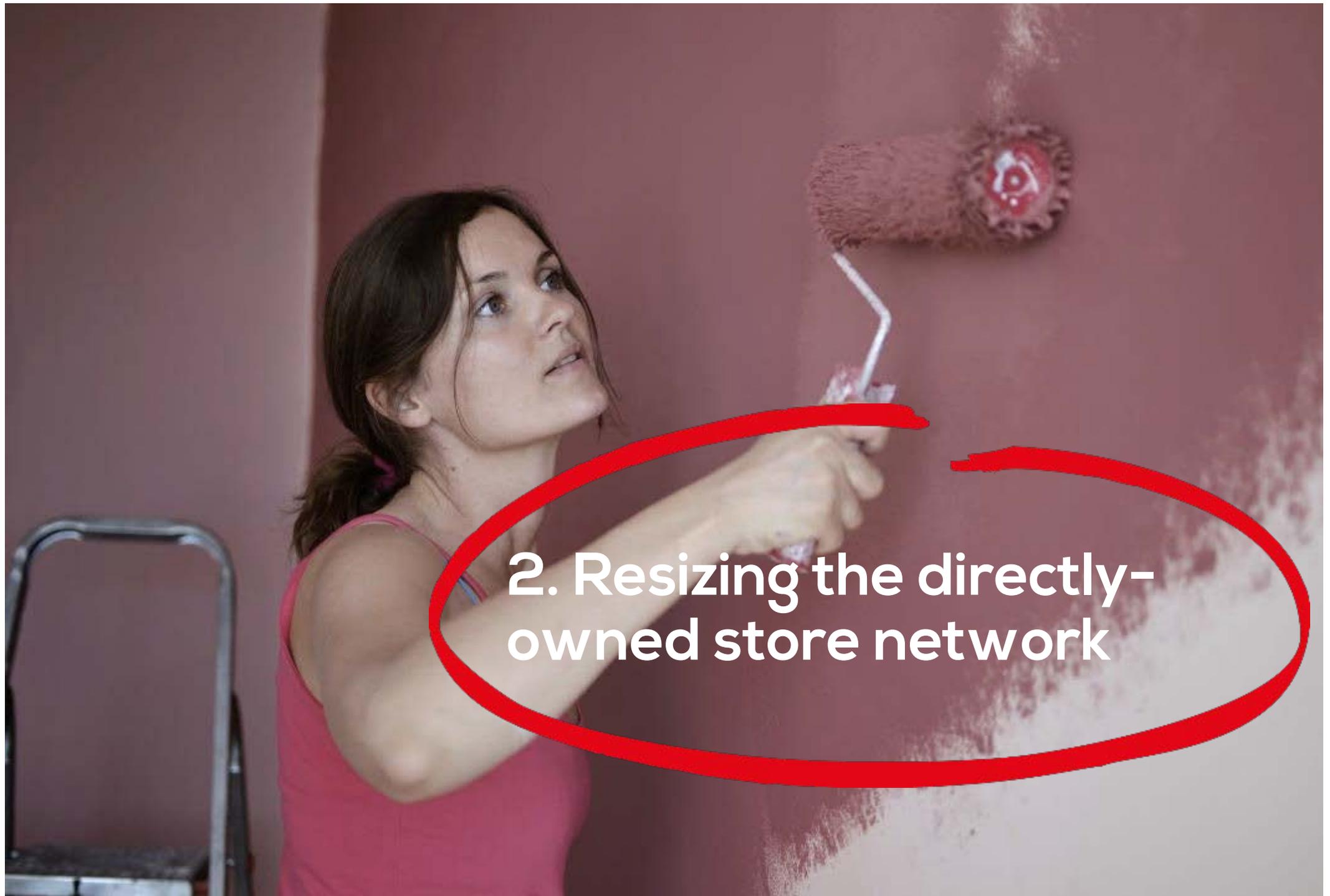
Deploying a scalable payment collection solution

- Mobile payment, loyalty, CRM



Rationalizing logistics services

- Standardization of management solutions across the 3 warehouses
- Integration of the omnichannel approach into inventory management



2. Resizing the directly-owned store network

Resizing plan for directly-owned stores

Plan built for each store



Challenge: sustainably turning around performance for directly-owned stores

Proposed closure of 17 stores in 2017



Stores in critical situations⁽¹⁾

Turnover excl. tax = €37.2M (11% of turnover for directly-owned stores, 2% of volume of business for networks)
Operating result = -€5.3M = 50% of losses for directly-owned stores

Essential measure to ensure the Group's sustainability

Proposed timeline for closures in 2017

April: 5 stores

August: 11 stores

December: 1 store

≈ €23M of provisions net of tax⁽²⁾ in 2016

(1) 2015 figures

(2) Including non-recurring staff costs and disposal of assets

Social component of the proposal for 17 closures



**Proposal to loss of 238 positions
out of the 2,507⁽¹⁾ Group employees**

Presentation of the resizing proposal on 16 November
Extraordinary meeting of the Works Council

In-depth social dialogue established with employee representatives

- Aim: proposed solution supporting the individualized professional repositioning of employees
- Propose solutions for internal redeployments within the Mr. Bricolage Group
 - Facilitate support for individualized professional repositioning through a specialized agency and support packages for training, geographic mobility or setting up a business

**Facilitate support for the 238 employees concerned
for their new professional integration**

(1) At 31 December 2015

Divestment to the members

Members-entrepreneurs' operational management expertise, guaranteeing their future performance

Around 30 stores to be divested in "as is" condition within 2 years without any prior investment

Around 30 stores to be divested subsequently

requiring €13M of investments planned for 2017

- Business revitalization: €10M
- Realignment with standards: €3M

Unit value of the stores to be divested vs CGU by concept of stores value approach

≈ €29M of provisions net of tax⁽¹⁾ in 2016

(1) Primarily including goodwill impairments

Inventory optimization

Offering redefined,
incorporating the renewal of 25% of the ranges / year from 2018

2015



Inventory

40% products with very low inventory turnover rate⁽¹⁾



Inventory value adjusted to realizable value

if realizable value lower than its cost price

2nd half of 2016

Massive stock clearance

31 Dec 2016

Inventory realizable value adjusted downwards to facilitate rapid stock clearance⁽²⁾

≈ €13M of provisions net of tax in 2016

(1) Maximum of 2 sales / year

(2) New inventory depreciation rule based on stock cover rates

Focus: massive stock clearance action plan

Over the 2nd half of 2016,
plan to clear inventory with very slow turnover rates⁽¹⁾

July

Summer sales

€4.1M cash
generation



September to December

Price cuts

€5M cash generation
expected

(1) Maximum of 2 sales / year



Outlook

REBOND outlook



Initially

31 December 2016

Strong impact on results

€65M of provisions net of tax
linked to the REBOND plan



2017 to 2019

Strong cash generation

€55M of cash resources expected to be
reallocated, focusing in priority on:

- Reestablishing sustainable competitiveness for directly-owned stores: €13M of additional investments planned for 2017
- Developing network services

REBOND outlook



Looking ahead to 2020

Developing the networks

- Increased store profitability
- Growth in the number of stores

**+ volume of business
for the networks**



New dimension for Mr. Bricolage SA

- Development of the Network Services business
- Growth in the e-commerce business
- Reduction in turnover⁽¹⁾
for directly-owned stores
Target for operating result to break even

**+ results
+ operational profitability
+ return on capital invested**

(1) Mainly linked to the change in the number of directly owned stores

Conclusion

**A first step forward
to carry out Mr. Bricolage's new vision**

Date set for end-July when we present our half-year earnings

**Our goal:
creating value for the Group**

A woman with long brown hair, wearing a blue sweater, is shown in profile. She is holding a glowing yellow lightbulb with her right hand, while her left hand rests on the rim of a silver lampshade. The background is a plain, light-colored wall. A large red speech bubble is overlaid on the right side of the image, containing the word 'Appendices' in white text.

Appendices

Stock market

Share data

ISIN: FR0004034320

Ticker: MRB

Number of shares: 10,387,755

Share price at 15 November 2016: €12.99

Market capitalization: €135M

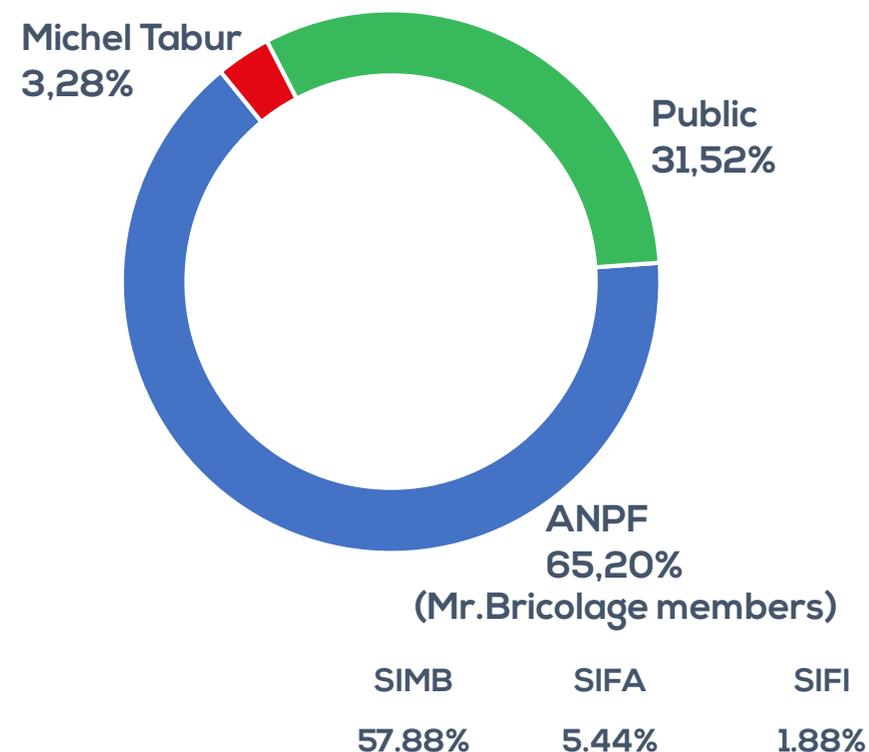
Eligible for SME share-based savings schemes
(PEA-PME)

Indices

Enternext PEA-PME 150

CAC All Shares

Shareholding structure (at 8 July 2016)



For the Mr. Bricolage Group's financial information, visit:
www.mr-bricolage.com

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