



Group of 794 stores in 12 countries (volume of business of €2.14 billion in 2016)

2016 earnings

**Transition year focused on setting up the REBOND strategic plan:
strong non-recurring impact on the consolidated accounts
From 2017, return to current operating profit growth with a resized scope**

Orléans, 15 March 2017

- **Consolidated net result, Group share impacted by the REBOND plan: -€65.2 million**
- **Debt reduction: €12.2 million**
- **Proposed dividend: €0.60 per share**

Mr. Bricolage SA, which groups local independent home improvement, decoration and gardening stores, is releasing its consolidated financial statements for 2016, which were today approved by the Board of Directors.

“The past year has been a year of transition dedicated to setting up our REBOND strategic plan, refocusing Mr. Bricolage on its Network Services, the heart of the business model that has been the foundation for its success since 1964. The REBOND plan will create new dynamics for growth within our Group and our network of members-entrepreneurs. On 16 November 2016, we moved into the first phase of this four-year plan: going back to basics. This phase, which required significant non-recurring provisions to be recorded in 2016, is enabling us to prepare, with peace of mind, for the launch of our strategic redeployment in June this year”, explains Christophe Mistou, Mr. Bricolage’s CEO.

Condensed consolidated financial statements

<i>In € million</i>	31 Dec 2016	31 Dec 2015	% change
Consolidated turnover	523.6	529.5	- 1.1%
of which Network services	179.2	186.1	- 3.7%
of which Retail	344.4	343.4	+ 0.3%
EBITDA	27.2	36.3	- 25.1%
Current operating profit ⁽¹⁾	13.6	21.0	-35.0%
of which Network services	30.8	32.9	- 6.3%
of which Retail	(17.2)	(12.0)	- 43.8%
Specific provisions for REBOND plan	(87.3)	-	-
Other non-recurring expenses (Tascom)	(2.1)	-	-
Operating profit (loss) ⁽¹⁾	(75.8)	21.0	-
Financial expense	(2.7)	(4.1)	+ 33.7%
Profit (loss) before tax	(78.5)	16.8	
Affiliates' contribution	1.0	0.8	+ 17.1%
Tax	12.2	(8.1)	-
Net losses from discontinued operations	(0.2)	0	-
Net profit (loss), Group share	(65.2)	9.6	-
Net financial debt	66.6	78.8	- 15.5%
Net financial debt / EBITDA	2.45 x	2.17 x	-
Gearing	34.0%	30.0%	-

Current operating profit

For 2016, the Mr. Bricolage Group is reporting a current operating profit of €13.6 million (€21.0 million⁽¹⁾ in 2015).

– Retail

In an environment marked by the REBOND strategic plan's launch in the second half of the year, the current operating loss for the Retail business – which includes Directly owned stores and e-commerce – increased to -€17.2 million in 2016 (-€12.0 million⁽¹⁾ in 2015).

Following the lower sales margin recorded, resulting from the massive stock clearance for products with slow turnover rates in the 87 directly owned stores over the second half of the year, the worsening difficulties facing the stores proposed for closure and the increase in competition, the current operating loss for Directly owned stores rose to -€14.9 million in 2016 (-€10.8 million⁽¹⁾ in 2015).

(1) In 2015, as no non-recurring income and expenses were recorded, the operating profit was equal to the current operating profit.

To prepare to accelerate its digital transformation and enhance its customer experience, Mr. Bricolage has chosen to focus in priority on growth for its e-commerce business by further strengthening its teams and developing its mr-bricolage.fr and le-jardin-de-catherine.com sites. As a result, despite the 18.4% increase in home delivery sales, the e-commerce business recorded a current operating loss of -€2.3 million in 2016 (-€1.1 million⁽¹⁾ in 2015).

– Network services

The current operating profit for the Network services business came to €30.8 million in 2016 (€32.9 million⁽¹⁾ in 2015). The impact of the contraction in its turnover, linked to the lower volumes of both purchases and business, was limited by the improvement of margins on products sourced in dollars.

Operating profit (loss)

As announced when launching the REBOND strategic plan, the non-recurring provisions recorded had a strong impact on 2016 operating result, which shows a loss of -€75.8 million (a profit of +€21.0 million in 2015).

The specific provisions for the REBOND plan represent €87.3 million. They concern mainly non-recurring staff costs and depreciations of goodwill and inventory to prepare the proposed closure of stores in critical situations (€34.7 million), the acceleration of the divestment of around 60 stores to members-entrepreneurs (€27.2 million) and the redefinition of the commercial offering (€23.5 million).

In addition to these provisions, €2.1 million of TASCOM (retail property tax) non-current expenses based on 2015 turnover following the change of its due date since 2016.

Financial expense

The Group's debt reduction strategy is enabling it to reduce its financial expenses. For the full year in 2016, financial expense came to -€2.7 million (-€4.1 million in 2015).

Net profit, Group share

For 2016, Mr. Bricolage benefited from +€12.2 million of tax savings (-€8.1 million of tax expenses in 2015). This notably includes the tax savings linked to non-current operations for €18.9 million, as well as deferred tax expenses relating to the change of tax rate under the new terms of the 2016 French Finance Act for €1.5 million, and tax expenses for €5.2 million on a basis of €12.0 million current profit.

As a result, the net result, Group share for 2016 represents a loss of -€65.2 million (a profit of +€9.6 million in 2015).

Debt reduction continues

The €12.5 million reduction in working capital requirement over the year, thanks to the reduction in stock levels for directly-owned stores by nearly 9%, helped the Group's net debt to be down to €66.6 million⁽²⁾ at 31 December 2016 (€78.8 million at 31 December 2015).

With €194.6 million of shareholders' equity, the Mr. Bricolage Group's gearing came to 34% at 31 December 2016.

(1) In 2015, as no non-current income and expenses were recorded, the operating profit was equal to the current operating profit.

(2) Net financial debt at 31 December 2016 factors in payments made relating to the acquisitions of the Thouars and Arles stores for €6.7 million and the reclassification of net financial debt under operations held for sale for €0.7 million on the Laroque-des-Albères store.

Outlook

– Looking ahead to 2020

Launched on 16 November 2016, the REBOND plan marks the refocus of Mr. Bricolage on its Network services business, its longstanding core business and the foundation for the successful development of the Group and its networks of members-entrepreneurs.

By accelerating plans to divest its Directly-owned stores to its members, redefining its commercial offering, successfully moving forward with its digital transformation to support its customer experience, and repositioning its members at the heart of the decision-making process, Mr. Bricolage has two core objectives to ensure its sustainable return to growth by 2020:

- Relaunching the development of its networks, driven by increased profitability for member-entrepreneur stores,
- Increasing the Group's earnings and profitability, capitalizing on its change of scale, with growth in its Network services business, while ramping up e-commerce and resizing its Directly-owned stores business.

– FY 2017

For 2017, Mr. Bricolage is able to confirm that it will be keeping to its schedule for the REBOND plan, particularly with:

- The proposed closure of directly-owned stores in critical situations by the end of December;
- The successful implementation of the plan to divest around 30 stores in “as is” condition to members by 2019, confirmed with the sale of the Les Briconautes store in Laroque-des-Albères (Pyrénées-Orientales) in January, with several stores to be divested over the coming weeks;
- The overhauling of mr-bricolage.fr and the repositioning of le-jardin-de-catherine.com;
- The rationalization of the product range, notably making it possible to improve purchasing conditions.

In this environment, Mr. Bricolage, which will continue rolling out its debt reduction program, is forecasting a return to current operating profit growth with a resized scope in line with the store closures and sales completed.

Confident about this outlook, the Board of Directors decided today to submit a proposal at the Annual General Meeting to pay out a dividend of €0.60 per share for 2016.

The Group will be releasing its half-year earnings and an update on the REBOND plan on Wednesday 26 July 2017 after close of trading.

About the Mr. Bricolage Group (figures as at 31 December 2016)

The Mr. Bricolage Group, which develops the well-known brands Mr. Bricolage and Les Briconautes, is a French specialist in DIY local independent retail with 723 outlets operating under the brands or through affiliates. Internationally, the Group is present in 11 other countries with 71 stores.

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

Mr. Bricolage SA is eligible for French PEA-PME savings plans.



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