2018 FIRST-HALF EARNINGS

First half of 2018 focused on adapting and the continued transformation

- **Contraction in Retail business turnover and operating profit, compounded by the impact of bad weather conditions on sales at the start of the year**
- **Network Services turnover growth, in line with the realignment strategy**
- **Store network expanded (+6 stores) and brand revitalized with three "100% new concept" stores opened in France**

La Chapelle-Saint-Mesmin, 25 July 2018, 5:45pm – Mr.Bricolage SA, which groups together local independent home improvement and gardening stores, is releasing its consolidated accounts for the first half of 2018, which were approved by the Board of Directors during its meeting today on 25 July 2018.

The first half of this year was focused on the deployment, over three years, of the REBOND strategic plan launched at the end of 2016. In addition to actions aiming to prepare for a new growth phase and improving competitiveness, Mr.Bricolage SA was affected by the bad weather conditions seen this spring[1]. They led to a lower level of footfall in stores and a slowdown in sales. Business picked up again with the return of good weather from mid-April making it possible, with the new marketing campaigns and promotional actions put in place, to mitigate the impact on its sales and inventory.

During this period, Mr.Bricolage SA continued to optimize its directly-owned store network. Three "100% new concept" pilot stores were opened in April in Orléans and in June in Parthenay and Avranches. The revitalization of the store network is in line with the target for store network growth for the end of 2018 (761 stores at 30 June 2018, versus 755 at 31 December 2017).

"The in-depth transformation of the Group and our brands, launched 18 months ago, is our main priority and we have continued moving forward to further strengthen our organization and our product selection faced with the transformation of consumer habits and the changes that the retail sector must take on board. In addition to this essential overhaul of our organization and our strategy, which are crucial to our competitiveness and sustainable performance, we have had to take action to limit the impact of the unusually rainy weather conditions seen, particularly at the end of winter and early spring.

Today, our directly-owned stores still face various difficulties and their competitiveness is still a key area for improvement, but our dynamic change process is now moving forward. This is notably illustrated by the first three 100% new concept stores opened, the new affiliates rallied around the brand, the major new digital partnerships and the progress made by the Network Services business. This efficiency, supported by a new organization across all levels, will gradually benefit the entire Group", confirms Christophe Mistou, Chief Executive Officer of Mr.Bricolage SA.

(1) Press release - 10 May 2018

Condensed consolidated financial statements

€m	30 Jun 2018	30 Jun 2017	Change (%)
Consolidated turnover	**242.6**	**269.7**	**-10.0%**
Network Services	107.2	98.7	+8.6%
- Sales of goods	*73.7*	*63.2*	*+16.6%*
- Sales of services	*33.4*	*35.4*	*-5.6%*
Retail	135.4	171.0	*-20.8%* (1)
EBITDA (2)	**8.4**	**20.8**	**-59.4%**
Current operating profit	**2.6**	**12.4**	**-79.3%**
Non-current income and expenses	-	(1.4)	
Operating profit	**2.6**	**11.0**	**-76.7%**
Network Services	10.7	16.2	-34.2%
Retail	(8.1)	(5.2)	-56.3%
Financial income (expense)	**(1.4)**	**(0.8)**	**-79.6%**
Profit before tax	**1.1**	**10.2**	**-89.0%**
Share of profit (loss) of associates and assets held for sale	**(0.5)**	0.8	-160.6%
Tax	(0.4)	(3.4)	-87.0%
Net profit, Group share	**0.2**	**7.6**	**-97.8%**
Net financial debt	**89.6**	**81.5**	**+9.30%**

(1) Of which, -16.8 points linked to the 15 closures and eight store sales carried out over the last 12 months

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

1. Networks: €1,007.3m volume of business for the first half of 2018

761 Mr.Bricolage brand, Les Briconautes brand and affiliate stores in France and around the world

€m	30 Jun 2018	Number of stores at 30 Jun 2018	Number of stores at 31 Dec 2017	Change on total store basis	Change on like-for-like store basis (2)
Volume of business including taxes (1)	**1,007.3**	**761**	**755**	**-4.13%**	**-0.44%**
France	***887.7***	***694***	***687***	***-4.85%***	***-1.29%***
Mr.Bricolage	655.2	320	322	-5.20%	-1.50%
Les Briconautes	92.7	105	103	-14.11%	-0.30%
Affiliates (3)	139.7 (3)	269	262	+3.58% (3)	+4.42%
International (4)	***119.6***	***67***	***68***	***+1.56%***	***+5.32%***

(1) The volume of business including taxes for the networks includes in-store sales, sales from local Mr-bricolage.fr sites and sales from the le-jardin-de-catherine.com site.

(2) The changes on a like-for-like store basis are calculated based on 387 Mr.Bricolage stores, a panel of 60 Les Briconautes stores and 17 affiliate stores.

(3) Sales from the le-jardin-de-catherine.com site have been added to the estimated sales for affiliates, with the overall change in these sales representing +4.43% (+3.58% exclusively for affiliates on a like-for-like store basis).

(4) 67 Mr.Bricolage brand stores operating in eight countries: Andorra (1), Belgium (45), Bulgaria (11), Cyprus (1), Macedonia (1), Madagascar (1), Morocco (5), Mauritius (2).

- France

Over the period, the network comprised 694 stores, compared with 687 at 31 December 2017, representing a net increase of seven additional stores, in line with the Group's target.

In a sluggish home improvement market (+ 0.65%[2]), the French network recorded a -1.29% contraction on a like-for-like store basis, linked primarily to the drop in business for directly-owned stores (-4.42%), with their revitalization a core feature of the REBOND plan.

- International

With 67 branded stores in eight countries, the international network (11.8% of the volume of business) is up 5.32% on a like-for-like store basis, buoyed by the robust commercial performance levels maintained in Belgium (45 stores) and Bulgaria (11 stores). International development will also benefit from the opening of the first store in Abidjan in Ivory Coast (Yeshi Group partnership) on 13 July 2018.

2. First-half key developments

The Group has continued to focus on moving forward with the REBOND plan. Launched at the end of 2016, it is based around three phases, with the third and final phase - "Building the future" - underway since the start of 2018, in line with the schedule announced. The main areas of progress over the period were as follows:

Organization: The plan to resize the directly-owned store network, following an initial rapid implementation phase focused on stores in critical positions in 2017, is gradually normalizing. Two directly-owned stores, with total turnover of €9.3m in 2017, have been sold to members. Net of the acquisition of a store in Achères (4,245 sq.m), the cash inflow represents €3m for the first half of 2018.

The brand's dynamic development is being driven by the inauguration of three "100% new concept" pilot stores in Orléans ("City" concept, 836 sq.m), Parthenay ("L" concept, 7,055 sq.m) and Avranches ("M" concept, 4,550 sq.m). Fully benefiting from the strengthening of the customer strategy (simplicity, proximity, service) and the optimization of processes (sales, logistics, systems), they will help gradually improve the Group's overall performance.

With regard to progress made with the standardization of its information systems, 134 Mr.Bricolage stores were covered by 30 June 2018, representing 44% of the network, compared with 31% at end-2017.

Offering: Over the first half of this year, Mr.Bricolage continued rolling out new product ranges (including the Inventiv own-brand).

Digital-customer experience: Mr.Bricolage is continuing to deploy its web-to-store strategy and further enhance its customer experience, focused on ease of access to its 70,000 listings and related services (customers, tutorials / demos, etc.). At 30 June 2018, 89% of the Mr.Bricolage stores were visible online in France, compared with 82% at end-2017. The percentage of e-commerce transactions benefiting the Mr.Bricolage stores is up to over 80%, compared with 78% at end-2017.

(2) Banque de France index for the French home improvement superstore market on a like-for-like store basis at 30 June 2018

Float increased: In a declaration filed with the French Financial Markets Authority (AMF) on 29 May 2018, Mr.Bricolage announced the sale of 500,000 Mr.Bricolage SA shares (4.81% of the capital) by the concert parties formed around ANPF, a company whose capital is made up of Mr.Bricolage brand member shareholders, to various French institutional structures not acting in concert. Following this transaction, ANPF holds 60.15% of the capital, while the percentage of shares held by the public represents 37.9 % of Mr.Bricolage SA's capital.

2018 first-half earnings

Consolidated turnover [3]

Over the first half of 2018, consolidated turnover came to €242.6m, compared with €269.7m for the same period in 2017.

Network Services (44% of Group turnover): Reflecting the Group's realignment around the Network Services business, turnover is up 8.6%. This growth takes into account the increase in sales of goods (€73.7m, + 16.6%), while the performance in terms of services (-5.6%) is in line with the volumes of purchases for the period.

Retail (56% of Group turnover): The expected contraction in Retail business turnover to €135.4m (-20.8%), linked to the resizing of the store network, was compounded over the period by the impact of this spring's bad weather conditions. The 15 closures and eight stores sold over the last 12 months are reflected in a -16.8-point impact.

Operating profit

The €8.4m contraction in operating profit to €2.6m for the first half of 2018, versus €11.0m for the first half of 2017, reflects the level of sales at the start of the year, combined with the maintenance of the resources allocated to the REBOND plan and the non-recurring income from sales recorded in 2017.

For the Retail business, the operating profit is down €2.9m to -€8.1m, taking into account the non-recurring capital gains on sales (€1.6m) recorded in the first half of 2017. The increase in inventory levels has been able to be limited by additional promotional operations, affecting the margin for directly-owned stores.

The operating profit for the Network Services business came to €10.7m (-€5.6m), affected over the first half of this year by the drop in sales of services (€2m) and the increase in spending (€1.2m) to better serve members and affiliates, particularly with the strengthening of the coordination, concept and development teams implementing the transformation and ramping up marketing efforts (€1.4m).

Financial income and expenses

Financial income and expenses represent -€1.4m at end-June 2018, compared with -€0.8m at end-June 2017, primarily factoring in the increase in the cost of debt following the securing of credit lines set up at the end of 2017.

Net profit, Group share

The contribution from associates and operations held for sale represents -€0.5m and takes into account a -€1.0m expense linked in particular to the sale of our subsidiary in Bulgaria (45% interest). Alongside this operation, the master-franchise partnership will be renewed for 10 years with the Bulgarian partners. €3.4M of the proceeds from this sale (€6.5m) will be recorded during the second half of this year.

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(3) 2017 turnover published on 15 February 2018 is available online at: http://mr-bricolage.com/finance/infos-reglementees/

Following a €0.4m tax expense (€0.9m for CVAE), the consolidated net profit at end-June 2018 represents €0.2m.

Net debt

At 30 June 2018, the Group had €89.1m of debt, versus €81.5m at 30 June 2017. As the financial leverage ratio was not complied with at 30 June 2018, the Group has already opened talks with its financial partners and will be submitting a waiver request in September 2018; various measures to reduce spending and manage working capital components have been adopted.

3. Outlook for 2018

Mr.Bricolage is moving forward with the implementation of 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.

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, relaunching digital activities and standardizing its information systems.

- Store network: The dynamic trend from the first half of the year (+ 7 stores) is expected to continue in the second half of 2018, with new affiliates welcomed on board.

- Development of strategic partnerships: Mr.Bricolage and Cdiscount have announced a strategic partnership. An initial agreement was signed on 5 July 2018, with the two brands joining forces for purchases covering part of the home improvement and gardening sector with a view to improving the competitiveness of both groups. Talks between the two groups are also at an advanced stage to enable Mr Bricolage to sell its products on the Cdiscount marketplace.

About Mr.Bricolage (figures as at 30 June 2018)

The Mr.Bricolage Group, which develops well-known brands Mr.Bricolage and Les Briconautes, is a French specialist in DIY local independent retail with 694 outlets operating under the brands or through affiliates. Internationally, the Group is present in 8 others countries with 67 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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