



PRESS RELEASE

Plan to divest directly-owned stores moving forward Robust performance by the member and affiliate network

Orléans, France, 30 December 2019 – Mr.Bricolage, which groups together local independent home improvement and gardening stores, is presenting an update on progress with the divestment plan relaunched in December 2018.

- The Group management team is fully focused on the plan to divest directly-owned stores in order to find a relevant solution for the economic and social position of each directly-owned store. Thanks to the work accomplished by the head office and field teams, and the dedication shown by the network's members-entrepreneurs, 59⁽¹⁾ of the 65 directly owned stores at 13 December 2018 have been taken over, with 1,019 jobs maintained. In line with the commitments made by the Group, the majority of the directly-owned stores have been sold to members-entrepreneurs. However, it has not been possible to find a divestment solution yet for six directly owned stores: the subsidiaries concerned will now need to consider closing them. The proposed closures of these stores are being presented to the employee representatives today.
- Alongside this, notably following the financing agreement signed in August 2019, the REBOND plan's actions to modernize the brand and further strengthen its competitiveness are continuing to move forward and are reflected in a further improvement in performance for the member and affiliate networks. At 30 November, the Mr.Bricolage member network's volume of business shows year-on-year growth of +2.09%⁽²⁾ on a home improvement superstore market that is up +1.82%⁽³⁾. At 30 November, the Group's French and international network⁽⁴⁾ had 782 stores, compared with 781 at end-2018.
- Following the suspension of Mr.Bricolage's share price this morning, as requested by the Company, the listing of Mr.Bricolage shares will resume on 2 January 2020 at start of trading.

"The outstanding levels of dedication shown by the teams from the head office and Mr.Bricolage network members have made it possible to divest 59 of the 65 directly-owned stores that the Group had in December 2018, with about 85% placed with our members. Despite the many different solutions looked into, it has not been possible to find a sustainable buyout solution for six stores in particularly difficult positions; that is why their closure is being considered today. Naturally, we regret this situation. However, we have a duty to ensure the Mr.Bricolage Group's financial stability in order to safeguard the long-term viability of a group of members-entrepreneurs that has a total of over 10,000 staff. During this period, our efforts are focused on supporting each of the employees concerned and we are of course still open to new opportunities for these stores to be taken over. The completion of these next steps is key in order to sustainably reestablish the Group's competitiveness. The Mr.Bricolage Group has been modernized, its financial position is now healthier and it is realigned around its core assets, and it is moving forward with its ambition to become the market leader for local-format stores on its market, capitalizing on the relevance of the model around which it has built its success over the past 40 years: combining (1) the performance of a network of stores owned by entrepreneurs and (2) the strength of a central listing unit and competitive services", confirms Christophe Mistou, Chief Executive Officer of Mr.Bricolage.

(1) Of which, 6 stores are still in the process of being taken over, with an effective date scheduled during the first half of 2020.

(2) Volume of business on a like-for-like store basis excluding directly-owned stores sold in 2019.

(3) Source: Banque de France like-for-like index.

(4) All member and affiliate network stores.

I - Plan to divest directly owned stores moving forward

To date, 59 sales⁽¹⁾ have been completed successfully thanks to the extensive work carried out by Mr.Bricolage's teams to find and support qualified buyers. Together, these 59 stores represent 1,019 jobs. In line with the commitments made by the Group, the majority of the directly owned stores have been taken over by members-entrepreneurs (49 stores⁽⁵⁾ reintegrated into the network) who have shown outstanding levels of commitment, benefiting everyone. During these 12 months, all the takeover offers have been carefully reviewed in order to give priority to those making it possible to (1) ensure the store's sustainability and (2) safeguard employees' jobs. The sales were carried out under the financial conditions estimated by the Group at the end of June 2019.

However, to date, it has not been possible to find a satisfactory solution for six directly-owned stores in France with Mr.Bricolage Group network members-entrepreneurs or external buyers. Acknowledging this situation, their closure is being considered. This concerns the stores in Allonne (60), Brive-Mazaud (19), La-Roche-sur-Yon (85), Lexy (54), Montereau (77) and Orléans (45). The proposed shutdowns of the subsidiaries concerned, presented to employee representatives and staff on this Monday 30 December, involves a reduction of 170 positions. In-depth social dialogue will be established under good conditions with all the employee representatives.

The progress with the divestment plan is supporting the Mr.Bricolage Group's realignment around its "Network Services" business. It is making it possible to prepare for the shutdown of the directly-owned stores whose persistent difficulties have significantly affected the Group's economic and financial position, impacting investments to modernize the brand and develop the competitiveness of the member and affiliate networks. The Group's accounts for 2019 will reflect all the costs relating to these proposed shutdowns (including the cost of social support and other expenses linked to closing the stores and returning the premises), currently estimated at €9.2m.

II - Mr.Bricolage Group outlook for 2020

Realigned around its core "Network Services" business, in 2020, 40 years after the brand was launched, the Group is moving forward with four main goals, continuing to build on its REBOND roadmap:

- **Implementing the proposed shutdowns and closures** presented above under the best possible conditions;
- **Continuing to optimize network services and accelerating the development of value-creating actions:** renewing the product selection and pricing management tools, standardizing the information systems, maintaining marketing investments in the Inventiv brand and in-store footfall, and deploying the new customer services platform;
- **Continuing to develop the network of branded and affiliate stores** to achieve the ambition for 1,000 points of sale by 2028;
- **Accelerating the rollout and implementation of the "four pillars" concept across the network.** To date, 10 Mr.Bricolage stores offer the four retail pillars.

About Mr.Bricolage

The Mr.Bricolage Group, which develops the well-known brands Mr.Bricolage and Les Briconautes, is the French specialist for local independent DIY retail, with 712 outlets (as of Nov. 30th, 2019) operating under the brands or through affiliates. Internationally, the Group is present in nine other countries with 69 stores. Mr.Bricolage SA is listed on Euronext Paris⁽⁶⁾ (ISIN FR0004034320 - MRB)

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For more information about the Mr.Bricolage Group, visit www.mr-bricolage.com

(5) The procedures of the Internal Rules have been applied; transfers to members did not fall under the regime of regulated agreements.

(6) cf. press release of Dec. 4th, 2019: proposal to transfer the listing of Mr.Bricolage shares to Euronext Growth Paris. This proposal, without issuing any new shares, aims to streamline the costs and constraints involved with listing on the regulated market Euronext Paris. It will be submitted for approval by shareholders during a general meeting scheduled for 22 January 2020.