A group of 838 stores in 12 countries with a 2015 volume of business of €2.16 billion

2015 results

Growth in operating profit in the second half

- **Net profit, Group share: €9.6m**
- **Measures taken to improve profitability effective in the second half of 2015**
- **Debt reduction continues: - €12.9m in 12 months[1]**
- **Proposed dividend: €0.30 per share**

Mr Bricolage SA, which groups independent DIY retailers (838 stores in 12 countries with a 2015 volume of business inc. taxes of €2.16 billion), has published its consolidated financial statements for 2015, which were today approved by the Board of Directors.

Condensed consolidated financial statements

In € million	31/12/2015	31/12/2014	% change
Consolidated turnover	**529.5**	**544.0**	**-2.7%**
EBITDA	**36.3**	**42.2**	**-13.8%**
Operating profit	**21.0**	**26.6**	**-21.1%**
of which Retail	(12.0)	(11.4)	-5.3%
of which Network Services	32.9	38.0	-13.4%
Financial income (expense)	(4.1)	(5.5)	-25.2%
Profit before tax	**16.8**	**21.1**	**-20.1%**
Affiliates' contribution	0.8	1.7	-53.0%
Tax	(8.1)	(8.6)	-5.7%
Net earnings from discontinued operations	0	(0.3)	-
Net profit, Group share	**9.6**	**14.0**	**-31.5%**
Net debt[1] / EBITDA	**2.17 x**	**2.17 x**	
Gearing	**30.0%**	**35.4%**	

Operating profit

The poor performance of the first half had a significant impact on the operating result for the whole year, while measures taken to improve profitability proved effective in the second half.

[1] *Net financial debt at 31 December 2015 takes account of the payment of the remainder of the acquisition price of e-commerce subsidiary Le Jardin de Catherine, amounting to €3.1m, and reclassification of the net financial debt of activities to be sold as that of activities to be retained, in the amount of €1.7m.*

- Retail

In an environment of heightened competition, Directly Owned Stores again registered a decline in profitability over the year. This decline was offset by the effects of the reorganisation of the network conducted in 2014.

At the end of 2015, the Mr Bricolage Group continued to modernise its network with the transfer and expansion of the Perpignan store into a new-generation shopping centre and the partial remodelling of its Dax and Romorantin stores.

- Network Services

The operating result of Network Services fell by 13.4%, on the back of a decrease in purchase volumes (as a result of a number of stores leaving the network as of 31 December 2014), the sharp rise in advertising costs with the brand celebrating its 35th anniversary at the beginning of the year, and the decline in the sourcing margin, which was related to the decision to only pass on the rise of the dollar to network sales prices for products purchased in Asia from August. This decline was offset by the growing loyalty of stores to the Group's logistics unit.

Financial income (expense)

The debt reduction strategy pursued by the Mr Bricolage Group reduced financial expense. Financial expense totalled €4.1m in 2015 (including an impairment on the investment in the Moroccan subsidiary of €0.7m), compared with €5.5m in 2014.

Affiliates' share of profit

Excluding the exceptional capital gain of €1.2m from the sale of DEDB in 2014, affiliates' share of profit grew by 60% in 2015.

As a reminder, affiliates' contribution derives from the shareholdings held by the Mr Bricolage Group, mainly abroad, with 35% of Prova (network of 45 stores in Belgium) and 45% of Doveri Brico (11 own stores in Bulgaria and 1 in Macedonia).

Net profit, Group share

At 31 December 2015, the Group share of net profit was €9.6m.

The Board of Directors today decided to propose to the Annual General Meeting the payment of a dividend of €0.30 per share, with payment scheduled for this June.

Continued debt reduction

The reduction of the working capital requirement (WCR), resulting from the ongoing improvement in collection and the continuous reduction in stocks at Directly Owned Stores, helped reduce Group net debt. At 31 December 2015, this was €78.7m, compared with €91.6m the previous year. On a rolling three-year basis, the Group has cut net debt by nearly 38%.

With shareholders' equity of €263.1m, gearing was 30% at the end of 2015, a decrease of more than five basis points compared with the previous year.

Purchase agreements

Purchase agreements, signed with retail groups in the gardening and DIY sectors wishing to benefit from the strength of the Mr Bricolage Group, is part of the Group's strategy to generate economies of scale in purchasing. Within this framework, at the end of 2015, Mr Bricolage formed an alliance with a grouping of farming and gardening stores (250 outlets), with effect from 1 January 2016. This agreement complements its two existing partnerships.

International development

In December, the Group signed a master franchise agreement with MCM Group for Albania and Kosovo, with a view to opening four or five stores in the medium term. The first store is expected to be opened at the end of 2017. This will add to the network of 72 Mr Bricolage stores located in 11 countries at the end of December 2015. This new agreement fits in perfectly with the international development strategy pursued by the Group through master franchises concluded with renowned local partners, without taking an equity stake.

Outlook

Since the change in governance in September, preliminary measures have been taken as part of the strategy to refocus on the Group's core business.

In addition to a cost-cutting plan, the Mr Bricolage Group has resumed its policy of revitalising the networks in order to increase their appeal. Franchise stores are thus heavily involved in the decision-making process, notably in order to improve the combined product offer and the harmonisation of the store management system. This strategy will be completed by the ongoing digitalisation process for the benefit of customers (makeover of the le-jardin-de-catherine.com website, for example) and improved purchase conditions through economies of scale.

By capitalising on its strengths, the Mr Bricolage Group plans to develop its networks and turn its Directly Owned Stores into showcases. The Mr Bricolage store in Hagetmau, which is currently being transferred and expanded, will thus be a pilot store in stock optimisation. In addition, two acquisitions in Arles and Thouars as well as five remodelling projects are planned for 2016, to extend and modernise the network of own stores.

The new CEO, Christophe Mistou, appointed on 29 February, will present the pillars of the Mr Bricolage Group's strategic growth plan after the first half.

"*By building on the strength of our brands, our stores' close relationship with their customers and the financial solidity of Mr Bricolage SA, we have set ourselves a mission of relaunching growth in operations and results for both franchise stores and Directly Owned Stores. The appointment of Christophe Mistou, who is both hands-on and a strategist gives me confidence in the future*", concludes Paul Cassignol, Chairman of the Board of Directors of Mr Bricolage SA.

The Group will publish its first-half results on 21 July 2016 after the stock market closes.

About the Mr Bricolage Group (figures as at 31 December 2015)

The Mr Bricolage Group, which owns well-known brands Mr Bricolage and Les Briconautes, is a French specialist in DIY retail with 766 outlets operating under the brands or through affiliates. It also brings together partner groups as part of its strategy to generate economies of scale in purchasing. Internationally, the Group is present in 11 countries with 72 stores. To serve its networks, it implements an active digital strategy designed to enhance the appeal of the outlets.

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

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

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For financial information on the Mr Bricolage Group, see:
www.mr-bricolage.com

http://www.mr-bricolage.fr/media/communiques-et-info-reglementees/index.html