



2020 FULL-YEAR EARNINGS Successful transition

Orléans, 10 March 2021, 6pm CET – Mr.Bricolage SA, which groups together local independent home improvement and gardening stores, is reporting its consolidated earnings for 2020, which were approved by the Board of Directors during its meeting on 10 March 2021. 2020 was marked by strong growth in the volume of business for the Group's networks (+11.5% on a total store basis and +11.7% on a like-for-like store basis). In France, these performance levels (+11.2% on a like-for-like store basis) clearly outperformed the market (+4.8%¹), reflected in an increase in turnover for the "Network Services" business and a strong turnaround in operating margins. These results are based primarily on the Group's realignment around its core business, driven by the Rebond plan, and highlight the success of the strategy rolled out by the teams over the last four years, in a buoyant market context in 2020.

"This year, we finalized our REBOND strategic plan, which was launched in 2016, and we are coming through this health crisis period thanks to the agility of our teams and our ongoing collective work. The results that we are presenting today highlight the relevance of our roadmap and the effectiveness of the sometimes-difficult decisions that we have taken in the last few years. Thanks to our networks' growth and the dedication shown by our members to support the Mr.Bricolage banner, the resizing of the Group has been able to move forward while maintaining growth in our core business, Network Services. The REBOND strategy was the right response to the issues identified in order to relaunch the development of the Group and its networks supported by economic and financial foundations that have been overhauled. In a buoyant home improvement market, we have fully benefited from the optimization of our organization and accelerated our return to profitable growth. During this complex period, I am particularly proud of the work accomplished, made possible by the outstanding mobilization of members-entrepreneurs across our network and our head office staff, who have capitalized on their talents and skills to support the Group's modernization. Today, we have all the assets needed to continue moving forward together successfully around a shared strategic project and to further strengthen our positioning as a leader for proximity on our market", confirms Christophe Mistou, Mr.Bricolage Group CEO.

¹ "Home improvement superstore" index, December 2020: annual aggregate in terms of value: +4.78%, in terms of volume: +3.81%.

I - KEY DEVELOPMENTS IN 2020

1. Solid business volume growth and network development

At 31 December 2020, the member and affiliate networks in France and other countries comprised **854 stores, compared with 778 at end-December 2019. Together, these stores represent a total volume of business of around €2,195m, up 11.5% on a total store basis and 11.7% on a like-for-like store basis.** Over the year, the Group recorded a net balance of 76 new points of sale, including nine for the Mr.Bricolage brand. Further strengthened in the last few years through the REBOND plan, the networks are also benefiting from the arrival of 64 new affiliates and three Les Briconautes brand stores. This sustained development of member and affiliate points of sale, despite the cautious approach linked to the health crisis, confirms the ambition to have more than 1,000 points of sale by 2028.

In France, the Mr.Bricolage Group networks represented a total of 783 stores at 31 December 2020, up from 708 at 31 December 2019, with a net balance of 75 new points of sale. Reflecting the combined impact of the REBOND strategy, the increase in the number of stores that have been modernized ("*4 pillars concept*"), and the strong level of consumer interest in renovating and improving their homes, **the volume of business for members and affiliates in France came to €1,896m, outperforming the market by almost 7 points, up 11.2% on a like-for-like store basis and 11.7% on a total store basis.**

REBOND's **international** component has also delivered a range of benefits. With 71 stores in 10 countries outside of France, the international network is back up to its scope from 2016, covering areas that are more consistent in terms of the logistics organization or market potential. This is particularly true on the African continent, where the brand, which was already present in four countries, benefited from the opening of its first store with 1,019 sq.m in Gabon (Port-Gentil) and its eighth store with 625 sq.m in Morocco (Casablanca). **Internationally, the Mr.Bricolage brand generated a business volume of €294.5m, up 12.2% on a total store basis and 14.5% on a like-for-like store basis.**

With a strategy that positions in-store footfall at the heart of the business model and focuses in particular on click and collect (2h collection), **the online sales** recorded are not representative of the commercial activity generated thanks to the web, which is included in the volume of business for stores in France, and which also takes into account the closure of the *Le Jardin de Catherine* site at the end of 2019. With 95% of the Mr.Bricolage stores connected to the e-commerce platform, and a 45% increase in the number of unique visitors, the Group's web-to-store strategy proved its relevance to a great extent in 2020, particularly during the lockdown periods when the digital teams mobilized to support members and scale up the e-commerce platform in line with the increase in traffic. Sales generated on the Mr.Bricolage.fr site doubled and 2h collection orders quadrupled in 2020 compared with 2019. In-depth work on the *360 Client Vision* was also launched in 2020 and is continuing to move forward.

<i>Volume of business incl. taxes</i> €M	Number of stores	31 Dec 2020	Change on total store basis	Change on like-for-like store basis
In-store sales	854	2,190.1	+11.7%	+11.7%
- France ²	783	1,895.6	+11.7%	+11.2%
- International ³	71	294.5	+12.2%	+14.5%
Online sales ⁴ (excluding click and collect)	-	4.6	-45.9%	NA
Total	854	2,194.8	+11.5%	+11.7%

² With 306 Mr.Bricolage brand stores, 107 Les Briconautes brand stores and 370 affiliate stores under independent brands.

³ 71 Mr.Bricolage stores operating in 10 countries: Andorra (1), Belgium (44), Bulgaria (11), Cyprus (1), Gabon (1), Ivory Coast (1), Macedonia (1), Madagascar (1), Mauritius (2), Morocco (8).

⁴ The "online sales" item includes home delivery sales and sales collected from Mr. Bricolage stores (excluding click and collect).

2. Finalization of the plan to divest directly-owned stores and realignment around the “Network Services” business

At 20 July 2020, the Group finalized its realignment around its core *Network Services* business. This realignment was one of the core objectives from the REBOND plan to restore the Group’s financial position and focus exclusively on services for its members and affiliates. 2020 is the first year to reflect the Group’s results with its new configuration.

Out of the Group’s 65 directly-owned stores at 31 December 2018, 60 stores were taken over, with 50 stores placed with Mr.Bricolage members who were already part of the network and new entrepreneurs looking to join the banner. Only five stores were closed. The takeover of stores by members-entrepreneurs is moving forward under good conditions, in terms of both the integration of the teams and positive changes in their performance indicators.

Alongside this realignment, a major transformation plan launched two years ago is being rolled out to support head office staff, members and store teams with the development of their activities and skills. Since the start of the second half of the year, the work organization for head office staff has been subject to an in-depth review and now offers more flexibility and independence for staff to manage and carry out their day-to-day missions.

3. 4 pillars concept development and performance

Thanks to the solid performances rapidly achieved in the stores where it has been deployed, the *4 pillars* store concept (Collaboration, Delivery, Inventiv Solutions and Home Fund) is attracting more and more members-entrepreneurs across the Mr.Bricolage network who are choosing to implement it at their points of sale. To date, despite the health crisis, 25 stores have deployed this concept, which is fully aligned with the brand’s positioning for proximity: their sections are outperforming the same sections in stores that have not been modernized. Building on these good results, around 30 modernization projects are planned for 2021.

4. Health crisis linked to the coronavirus

Throughout this year marked by the health crisis, the Mr.Bricolage Group organized itself to adapt to its networks’ needs and respond quickly to support them with putting in place the measures required. Supported by the Group’s very regular communications on the legislative context and the latest health guidelines, and by the continuity of the essential procurement, logistics and support services, the Mr.Bricolage networks’ stores benefited from their proximity to respond to strong demand among consumers looking to improve their homes.

This level of business reflects the work accomplished since the end of 2016 and the mobilization shown by entrepreneurs across the networks. It also takes into account non-recurring elements which benefited the Group’s results this year: use of furlough measures during the first lockdown for the majority of the head office staff, widespread rollout of arrangements for staff to work from home from spring (reducing overheads, travel, etc.) and deferral of part of the marketing operations planned for the banner’s 40th anniversary. The hoped-for return to a more ordinary situation in 2021 should automatically be accompanied by a normalization of operating expenditure. Especially as a new work organization, rolled out since September 2020 for the long term, offers each eligible head office employee flexible arrangements for organizing their presence at the office as they wish⁵.

5. Transfer to Euronext Growth Paris

Following the General Meeting’s approval on 22 January 2020, the Board of Directors’ decision on the same day and the Euronext Listing Board’s approval on 24 February 2020, Mr.Bricolage’s ordinary shares were admitted to Euronext Growth Paris on 24 March 2020 under the same ISIN (FR0004034320) and the same ticker code (ALMRB).

⁵ Each eligible head office employee can choose to work from home for 0 to 5 days per week (outside of COVID context): these arrangements were negotiated with MBSA’s employee representative bodies and were set out in the agreement signed during the second half of 2020.

II – 2020 EARNINGS

The audited results were approved by the Board of Directors on 10 March 2021. The statutory auditors' reports are currently being issued. The 2020 income statement and the 2019 earnings reported previously have been restated, in accordance with IFRS 5, to enable their comparison following the change in scope linked to the discontinuation of the Retail business.

Condensed consolidated accounts (€m)	31 Dec 2020	31 Dec 2019	31 Dec 2019
		Reported	Restated
Consolidated turnover*	274.6	247.1	265.3
- Network Services	274.6	213.9	265.3
- Retail (activity discontinued)	-	33.2	-
EBITDA	35.7	27.6	28.7
Current operating profit	22.0	11.4	16.5
- Network Services	22.0	16.5	16.5
- Retail (activity discontinued)	-	(5.1)	-
Other non-current operating income and expenses	(0.3)	(21.0)	(3.5)
Operating profit	21.7	(9.6)	13.1
% of turnover	7.9%	-3.9%	4.9%
Financial income (expense)	(5.0)	(6.5)	(5.5)
Contribution from associates	2.8	1.0	1.0
Corporate income tax	(1.4)	(1.0)	(1.6)
Profit after tax from continuing operations	18.0	(16.1)	7.0
Profit after tax from discontinued operations	(0.3)	(10.3)	(33.4)
Profit (loss) for the period	17.7	(26.3)	(26.3)
- Group share	17.6	(26.4)	(26.4)
- Minority interests	NS	NS	NS

Turnover (€m)	31 Dec 2020	31 Dec 2019	31 Dec 2019
		Reported	Restated
Network Services turnover	274.6	213.9	265.3
- Sales of goods	191.8	145.3	190.4
- Sales of services	82.8	68.7	74.9
Retail (activity discontinued)	-	33.2	-
Total consolidated turnover	274.6	247.1	265.3

Turnover

Consolidated turnover for 2020, now based exclusively on the Network Services business, came to €274.6m, despite the contraction in sales to directly-owned stores, achieving +3.5% growth compared with the restated data for 2019. This increase was possible thanks to growth in the networks in general and specifically:

- The increase in sales of goods linked to the networks' growth, including the previous directly-owned stores taken over by the network, the range changes, the development of the own-brand Inventiv, which is proving popular with customers, and the opening up of the warehouses to the Briconautes and affiliate points of sale;
- The growth in services linked to the increase in the volume of business and purchases for the networks' points of sale, particularly the commercial performance of the "4 pillars" stores.

Current operating profit / operating profit

For this final year of the REBOND plan, in line with the improvements recorded since the plan to divest directly-owned stores was rolled out, the current operating profit totaled €22.0m, with a current operating margin of 8.0%, compared with 4.6% one year earlier (and 6.2% based on restated data). Taking into account €(0.3)m of non-current operations, made up primarily of non-recurring fees linked to the finalization of the divestment plan, the operating profit represents €21.7m, giving an operating margin of 7.9%, compared with a €(9.6)m loss for 2019. Based on the restated accounts for 2019, the Group's operating profit is up 66.2%.

The significant improvement in management balances, linked to the discontinuation of the "Retail" business and the efforts made to adapt the organization in line with its new dimension, was boosted by the effects of the health crisis for around 2.5 to 3 points (primarily furlough measures in the second and third quarters, deferral or cancellation of certain marketing costs, virtualization of internal events). The resources freed up in this way have consolidated the Group's ability to gradually reduce its debt, while continuing to deploy resources to support the development of its members and networks.

Net profit

Financial income and expenses came to €(5.0)m in 2020, impacted by a change in the interest rate margin for the syndicated credit agreement set up in the fourth quarter of 2019, offset by the absence of refinancing costs in 2020. Following a €(1.4)m tax expense, the profit after tax from continuing operations came to €18.0m, with a net margin of 6.6%. After factoring in the profit after tax from discontinued operations for €(0.3)m, the net profit for the year represents €17.7m, compared with €(26.3)m in 2019. The Group is turning around its financial position. As expected, the new business model is opening up the headroom needed to support the development of the networks and pay down the debt.

Net debt

At end-2020, the Group used its drawdown capacity under the credit agreement from 16 October 2019, with net financial debt of €76.8m, versus €78.6m at end-2019. Following the peak linked to the seasonality of purchases during the first half of the year, financial debt decreased by €1.8m in line with the Group's expectations. The Group's cash position represents €39.2m, including its use of the €3.0m overdraft line.

For reference, following the agreement with the banking partners to reschedule the syndicated credit agreement signed on 16 October 2019, the maturity of all of Mr.Bricolage SA's bank borrowings was deferred to December 2026 (instead of December 2023 for the majority of the borrowings). With the exception of the €40m revolving credit, repayable at maturity at end-December 2026, the repayment schedule for debt will be very gradual from December 2022 and no covenants will apply before mid-2022.

III - OUTLOOK FOR 2021

Building on the very good results achieved in 2020, the Mr.Bricolage Group has started 2021 with a stronger financial structure and a more effective competitive positioning. The trends are still buoyant at the start of this year, but the context continues to be marked by the health crisis. The Mr.Bricolage Group is therefore not publishing financial objectives, while taking into account a hoped-for return to a more ordinary situation in 2021, which should automatically be accompanied by a normalization of operating expenditure, benefiting marketing actions and initiatives to support the development and competitiveness of the member and affiliate networks.

Looking ahead to this, the Group has set itself objectives to continue moving forward with and further strengthen:

- The optimization of network services and the accelerated 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;

- The development of the network of branded and affiliate stores, in France and internationally, to achieve or even exceed the ambition for 1,000 points of sale by 2028;
- The deployment of the 4 pillars concept within the network, setting out the brand's unique positioning around proximity;
- The human transformation of the head office and networks to bring to life the ambition to be the leader for proximity, adapting its positionings and practices, capitalizing on the skills of all of its employees and developing its talents.

Financial diary

Mr.Bricolage's General Shareholders' Meeting will be held on 21 April 2021 from 10am at its head office, located at 1 rue Montaigne, La Chapelle Saint Mesmin (45), France. In the current health context, the conditions for taking part in the general meeting could evolve, if required. Shareholders are invited to regularly consult the "General Meeting" section on the company's site (<https://mr-bricolage.com/actualites/infos-reglementees/>) in order to keep informed.

ABOUT THE MR.BRICOLAGE GROUP

The Mr.Bricolage Group, which develops the well-known banners Mr.Bricolage and Les Briconautes, is the French specialist for local independent home improvement retail. As of January 31st, 2021, the Group has 879 stores operating under the banners or through affiliates, including 71 international stores across ten countries. Mr.Bricolage SA is listed on Euronext Growth Paris (ISIN: FR0004034320 - ALMRB).

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