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pour une croissance durable

PLAN STRATEGIQUE 2022-2025

Mr.Bricolage

2022 FIRST-HALF EARNINGS

Good performances in a market in a landing phase

First half-year period of the 1Pacte plan's rollout to support sustainable growth

Orléans, 27 July 2022, 6pm CET - Mr.Bricolage SA, which groups together local independent home improvement and gardening stores, is reporting its consolidated earnings for the first half of 2022, approved by the Board of Directors during its meeting on 27 July 2022. In a market that is normalizing following a phase of strong growth during the health crisis, the volume of business for the Group's networks is up 16.3% on a like-for-like store basis compared with the first half of 2019, the pre-health crisis reference year. The rollout of 1Pacte, the Group's 2022-2025 strategic plan for sustainable growth, is moving forward, including the modernization of the information systems and the CSR actions. Lastly, the Group's good operational and financial performance levels have enabled it to negotiate a refinancing of its debt.

"The first half of this year truly marks the launch of our 1Pacte 2022-2025 plan, our shared commitment to sustainable growth. The initiatives presented six months ago are well underway, supported by head office and in-store teams' commitment to this ambitious, modern strategy, aligned with our values. I would like to thank all of the teams who have been working with enthusiasm and determination to ensure the success of this plan.

Today, the sound foundations that our Group is built around, the competitiveness of our banner, the transformation and modernization of our organization all ensure that we are more resilient and will enable us to provide full support for our networks during this period marked by economic and geopolitical uncertainties. Following the sector's major leap forward during the health crisis, it is normal that our market is stabilizing. Within this framework, we need to continue demonstrating our solid positioning and our ability to support the growing numbers of members-entrepreneurs who are joining us with developing their commercial performance levels and modernizing their points of sale", confirmed Christophe Mistou, Mr.Bricolage Group CEO.

I - KEY DEVELOPMENTS FOR THE FIRST HALF OF 2022

Business volume and network development

At 30 June 2022, the member and affiliate networks in France and other countries comprised **925 stores, compared with 908 at end-December 2021**. During the first half of this year, the Group recorded a net balance of 17 new points of sale, including one under the Mr.Bricolage banner. The robust trend for growth is in line with the target to reach 1,000 points of sale by the end of 2025. Together, these stores represent a total volume of business of around €1.2bn. Compared with the first half of 2021, sales trends, after being driven by the health crisis, are normalizing, with a contraction of -5.7% on a total store basis and -7.4% on a like-for-like store basis. This trend, which was expected, only slightly reduced the growth recorded during the health crisis, with an increase of 16.3% versus the first half of 2019.

In France, the Mr.Bricolage Group networks represented a total of 853 stores at 30 June 2022, compared with 836 at 31 December 2021, with a net balance of 17 new points of sale. Together, these stores recorded a business volume of €1.0bn, up 16.4% from the first half of 2019 on a like-for-like store basis, close to the change in the market over the period (+16.9%)¹. **The Mr.Bricolage brand stores in mainland France** also show an increase of 16.9%.

Internationally, the Mr.Bricolage brand generated a business volume of €156.4m, down -2.1% on a like-for-like store basis, still with 72 stores in 10 countries outside of France.

The growth in **online sales** (excluding click-and-collect = 2h collection), up +44.1% to €5.5m, is continuing to move forward, driven by the development of the service for deliveries direct from suppliers and the increase in the listings available on www.mrbricolage.fr. Click-and-collect sales are included directly in revenues for the stores.

<i>Volume of business incl. taxes</i> €m	Number of stores	30 Jun 2022	Change on total store basis	Change on like-for-like store basis vs H1 2021	Change on like-for-like store basis vs H1 2019
In-store sales	925	1,182.6	-5.9%	-7.4%	+16.3%
- France ⁽²⁾	853	1,026.3	-6.7%	-8.3%	+16.4%
- International ⁽³⁾	72	156.4	-0.2%	-2.1%	+16.0%
Online sales ⁽⁴⁾ (excluding click and collect)	-	5.5	+44.1%	na	na
Total	925	1,188.1	-5.7%	-7.4%	+16.3%

(2) With 319 Mr.Bricolage brand stores, 105 Les Briconautes brand stores and 429 affiliate stores under independent brands.

(3) 72 Mr.Bricolage brand 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 (9).

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

Deployment of the 4 Pillars concept

With a total of 65 Mr.Bricolage stores switched to the 4 Pillars concept at the end of June 2022, the 4 Pillars concept is continuing to be rolled out, against a backdrop of geopolitical uncertainty and inflation, which is temporary slowing down investment projects.

As part of the 1Pacte plan, Mr.Bricolage SA offers solutions for members-entrepreneurs looking to modernize their stores in exchange for a longer member agreement timeframe. 14 other deployment projects are planned between now and the end of 2022.

¹ Banque de France index from 20 July 2022, compared with 30 June 2019.

Among the projects that are expected to take shape during the second half of the year, Mr.Bricolage will inaugurate its return to central Paris this autumn with a 689 sq.m local store aligned with the 4 Pillars concept, located at Ateliers Gaîté, in Paris-Montparnasse.

Implementation of the 1Pacte plan

1Pacte is focused on four objectives - Offering, Customers, Networks, CSR - leveraging two driving forces - Human Transformation and Information Systems. The modernization of the information system master plan at the head office and in-store is moving forward. It is contributing to a more agile management of inventory, pricing and customer monitoring. To date, 23 stores have been equipped with the CGI Retail solution, with around 50 other stores to follow during the second half of the year.

Alongside this, several projects have been rolled out to make the stores more virtuous and responsible:

- **Setting up partnerships to deploy charging stations** in store car parks across its networks. By the end of 2022, around 20 Mr.Bricolage Group points of sale are expected to be equipped with quick and ultra-quick charge points to enable customers to charge their vehicles while they are shopping.
- **Negotiating an offer to install and supply LED lighting** in the stores. This technology helps significantly reduce consumption levels, which is particularly relevant in terms of efficiency and managing energy prices.
- **Launching the Spareka self-diagnosis service** on the e-commerce site to support customers with repairing their household appliances and tools.

To carry out an initial analysis and highlight the areas for progress with CSR, **an assessment was carried out by Ethifinance**, an independent sustainability analysis agency. Four areas were covered: governance, human capital and transformation, environment and stakeholders. Mr.Bricolage achieved a rating of 61/100, labelled "advanced" by the assessment and which highlights the Group's commitment in these areas.

II – 2022 FIRST-HALF EARNINGS

The results for the first half of the year were approved by the Board of Directors during its meeting on 27 July 2022. Following the transfer to Euronext Growth Paris at the end of March 2020, the first-half financial statements are no longer audited by the statutory auditors.

Condensed consolidated accounts (€m)	30 Jun 2022	30 Jun 2021	Change
Consolidated revenues	175.5	176.2	-0.4%
EBITDA	19.5	25.2	-22.8%
<i>% of revenues</i>	<i>11.1%</i>	<i>14.3%</i>	-
Current operating profit	15.8	19.1	-17.3%
Other non-current operating income and expenses	-	(0.2)	-
Operating profit	15.8	19.0	-16.7%
<i>% of revenues</i>	<i>9.0%</i>	<i>10.8%</i>	-
Financial income (expense)	(1.2)	(2.3)	+49.3%
Contribution from associates	0.9	1.3	-28.2%
Corporate income tax	(2.0)	(1.9)	+5.4%
Profit after tax from continuing operations	13.5	16.0	-15.5%
Profit after tax from discontinued operations*	0.9	2.4	-63.5%
Profit (loss) for the period	14.4	18.4	-21.7%
- Group share	14.4	18.4	-
- Minority interests	ns	ns	-

* Following the reclassification of the directly-owned stores business under discontinued operations at end-2019, the "Retail" sector is no longer presented.

Revenues

Condensed consolidated accounts (€m)	30 Jun 2022	30 Jun 2021	Change
Consolidated revenues	175.5	176.2	-0.4%
<i>Sales of goods</i>	<i>128.8</i>	<i>126.4</i>	<i>+1.9%</i>
<i>Sales of services</i>	<i>46.6</i>	<i>49.8</i>	<i>-6.3%</i>

Consolidated revenues for the first half of 2022 came to €175.5m, virtually stable (-0.4 %) compared with the first half of 2021. The 1.9% increase in sales of goods is linked in particular to the change in e-commerce transactions (excluding click-and-collect), the ongoing changes to the various product ranges, and the inflationary context. The -6.3% contraction in services is linked to the change in the volume of business and store purchases during this period, as well as a less favorable product mix for the first half of this year.

EBITDA / operating profit

The Group's operations reflect the increase in costs linked to the rollout of the 1Pacte plan and the change in the volume of business, in line with the Group's expectations. In an international environment that requires agility and forward-planning, Mr.Bricolage is supporting the development of its member and affiliate networks and putting in place solutions to support competitiveness, CSR and, more generally, a strategy for sustainable growth. For the first half of the year, Mr.Bricolage's EBITDA came to €19.5m, with an EBITDA margin of 11.1%. The operating profit of €15.8m represents an operating margin of 9.0%, compared with 10.8% for the first half of 2021, which was an exceptional year.

Net profit

Financial income and expenses came to €(1.2)m, in line with the expected reduction in the cost of the syndicated loan set up at the end of 2019. Taking into account a €(2.0)m tax expense, €0.9m of income from associates and €0.9m of profit after tax from discontinued operations, the net profit totaled €14.4m, representing a net margin of 8.2%, compared with 10.4 % for the first half of 2021. This is in line with the resources allocated to the 1Pacte plan's implementation and the repayment of debt.

Net debt and refinancing

At end-June 2022, the Group had used its full drawdown capacity under the credit agreement from 16 October 2019, and its net financial debt represented €29.2m, compared with €40m at end-2021. At 30 June 2022, the Group had €90.1m of free cash (versus €80.5m at end-2021), including its use of the €2.3m overdraft line. At 30 June 2022, the financial leverage ratio set by this credit agreement was respected.

On 21 July 2022, Mr.Bricolage secured approval from its banking partners to set up a new syndicated loan for €100m.

This syndicated loan, with the corresponding agreements expected to be signed at the end of September 2022, will be based on €50m of senior debt, with 60% repaid over the period from 2023 to 2026, as well as a final €20m repayment at term in 2027, and €50m of current financing split into several tranches, with a maturity of five years.

€80m of this credit facility will be used to refinance the existing debt, which represents €120.5m, with the balance (€40.5m) funded through the Company's cash position. For the additional amount (€20m), this facility will include a capex financing line that will be able to be drawn down within 24 months of the new credit facility being set up.

With this new syndicated loan, the excess cash flow clause from the current credit agreement (dated 16 October 2019), which would have resulted in Mr.Bricolage paying a total of €24.4m (based on 2021 results) in the third quarter of 2022, will no longer apply to this year or subsequent financial years. The new covenants applicable will concern the leverage ratio, with net debt / EBITDA over 12 months.

IV – OUTLOOK FOR 2022

During the second half of 2022, the Group will continue rolling out the 1Pacte plan to further strengthen its competitiveness and meet the challenges of responsible growth with the following objectives:

- **Developing the network** of branded and affiliate stores, in France and internationally, to achieve the ambition for over 1,000 points of sale by 2025;
- **Providing stronger support for the network's members-entrepreneurs** to modernize their stores in line with the 4 Pillars concept;
- Accelerating the **human transformation** of the head office and network teams to support the shared ambition to be the champions for a human relationship helping drive **sustainable growth**.

Considering the current economic context (increase in interest rates, inflation affecting household purchasing power, pressures on raw material and energy prices, Russia-Ukraine conflict), the Mr.Bricolage Group expects the market environment to be less favorable during the second half of 2022 than in the previous two years.

However, building on its sound fundamentals and its clearly defined ambitions, the Group is giving itself the means to further strengthen its competitiveness and move forward with its roadmap for growth. The change in the profitability ratios will take into account the investments planned as part of the 1Pacte plan. Over the next four years, the plan will ramp up investments linked to rolling out the 1Pacte plan, which the Group will adapt if the conditions change.

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 June 30, 2022, the Group has 925 stores operating under the banners or through affiliates, including 72 international stores across ten countries. Mr.Bricolage SA is listed on Euronext Growth Paris (ISIN: FR0004034320 - ALMRB).

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