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pour une croissance durable

PLAN STRATEGIQUE 2022-2025

Mr.Bricolage

2023 FIRST-HALF EARNINGS

Target of 1,000 points of sale achieved

Orléans, 26 July 2023, 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 2023. With 1,003 points of sale at 30 June, the Group has achieved its target for over 1,000 points of sale. The development of the member and affiliate networks offset the slowdown in household consumption: the volume of business is up 1.3% on a total store basis to €1.2bn. The rollout of 1Pacte, the Group's 2022-2025 strategic plan for sustainable growth, is moving forward and making progress, as illustrated by the deployment of a differentiating employee experience and various CSR actions.

"We have already exceeded our target of 1,000 points of sale and passed the milestone of 100 stores aligned with the Mr.Bricolage concept. Despite the slowdown in household consumption, the network's robust development and the banner's attractive positioning are driving business volume growth.

This first half of 2023 confirms that the 1Pacte 2022-2025 plan, our collective commitment to sustainable growth, is making progress. The plan's various initiatives are well underway, supported by the buy-in among the head office and in-store teams. CSR is an integral part of all the departments, which are rolling out strong measures to reduce the environmental footprint of their activities. I would like to thank all of the teams who have been working to ensure the success of this plan.

Today, the healthy financial 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 during this period marked by economic and geopolitical uncertainties. Within this framework, we need to continue supporting 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 2023

Business volume and network development: target of 1,000 points of sale achieved

At 30 June 2023, **the member and affiliate networks in France and other countries** comprised 1,003 stores, compared with 920 at end-2022. The robust trend for growth in the networks made it possible to reach the target of 1,000 points of sale.

All of these stores represent a total business volume of €1.2bn at 30 June 2023. Benefiting from the sustained growth in the number of points of sale (+83 in six months), the volume of business for the networks is up 1.3% on a total store basis. On a like-for-like store basis, faced with inflation and rising interest rates, which are holding back household investment and consumption, the Group recorded a slight contraction in its volume of business by -0.9%.

In France, the Mr.Bricolage Group networks represented a total of 927 stores at 30 June 2023, compared with 846 at 31 December 2022, with a net balance of 81 new points of sale at the start of this year. The volume of business for the first half of 2023 came to €1.03bn, stable (+0.3%) on a total

store basis compared with the first half of 2022. Impacted by the economic slowdown, it shows a -1.8% contraction on a like-for-like store basis. Over one year, the increase in the number of points of sale was also accompanied by the opening of three Mr.Bricolage stores in Paris, developing the network of small neighborhood stores in the capital, which now has seven stores.

Internationally, the Mr.Bricolage brand has two additional stores and generated a business volume of €168.4m, up +4.0% on a like-for-like store basis. The brand now has a total of 76 stores outside of France in 11 countries. A member already present in Macedonia opened a Mr.Bricolage store in Kosovo, in the Prishtina Mall, Southeast Europe's largest shopping center. Opened on 30 May, this Mr.Bricolage store offers a sales area of 2,635 sq.m, with 20,000 listings. In Morocco, the brand now has a total sales area of 16,884 sq.m, after opening a tenth store.

Online sales (excluding click-and-collect = 2h collection) are up +20.8% to €6.7m. This progress continues to reflect 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.

Volume of business incl. taxes €m	Number of stores	30 Jun 2023	Change vs H1 2022 on total store basis	Change vs H1 2022 on like-for-like store basis
In-store sales	1,003	1,197.2	+1.2%	-0.9%
- France ⁽¹⁾	927	1,028.8	+0.3%	-1.8%
- International ⁽²⁾	76	168.4	+7.7%	+4.0%
Online sales ⁽³⁾ (excl. click-and-collect)	-	6.7	+20.8%	na
Total	1,003	1,203.9	+1.3%	-0.9%

(1) With 331 Mr.Bricolage brand stores, 104 Les Briconautes brand stores and 492 affiliate stores under independent brands.

(2) 76 Mr.Bricolage brand stores operating in 11 countries: Andorra (1), Belgium (44), Bulgaria (12), Cyprus (1), Gabon (2), Ivory Coast (1), Kosovo (1), Macedonia (1), Madagascar (1), Mauritius (2), Morocco (10).

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

Store concept rolled out and new proximity model tested at L'Horme (42)

With a total of 100 Mr.Bricolage brand stores modernized by end-June 2023 (vs 73 stores at 31 December 2022), the deployment of the store concept is continuing to move forward despite the economic context which is sometimes holding back investment projects. To date, 15 other deployment projects are planned between now and the end of 2023.

To further strengthen the brand's prospects for development, Mr.Bricolage's teams are testing a **neighborhood retail segment store model** (under 1,000 sq.m) in L'Horme, in France's Loire region, with streamlined operations and moderate investments. This store is capitalizing on the brand's platform and values. It offers a denser selection of products with an optimized sales area. A second pilot store is scheduled to open before the end of 2023. Comparative analyses will make it possible to potentially consider its deployment on a wider scale by the end of the 1Pacte plan.

Purchasing partnership agreement signed with Kingfisher

On 24 May 2023, Kingfisher France and Mr.Bricolage SA announced that they had signed a purchasing partnership agreement. Under this cooperation agreement, the joint venture Unio has been created and will be operational with a view to annual commercial negotiations this autumn. This partnership aims to further strengthen links with joint suppliers both nationally and internationally, while offering them new commercial opportunities and creating added value.

Implementation of the 1Pacte plan

1Pacte is focused on four objectives - Offering, Customers, Networks, CSR - leveraging two driving forces - Human Transformation and Information Systems. Within this framework, the Group is leading various initiatives to make the stores more virtuous and more responsible. For example, during the first half of 2023:

- Following the approval of a **partner to supply and install LED lighting** in 2022, an offer was negotiated for the installation and maintenance of heat pumps for heating and cooling the stores, their main areas of energy spending. Two new services will be added to this portfolio of solutions for more energy-efficient stores: (1) The building technical management system to control and optimize the main areas of consumption and (2) the installation of photovoltaic panels.
- The **offer to take back used products** is being extended. In addition to electrical and electronic equipment, different types of batteries, chemical products and furniture, Mr.Bricolage stores now offer to take back home improvement items and garden maintenance and other gardening products. The offer to take back construction materials and products is also being trialed.

- In terms of the **product offering**, the Group is continuing to adjust its specifications, particularly for products from the own-brand INVENTIV, in order to better take into account the environmental impact of the ranges at all stages throughout product lifecycles (eco-design, packaging, etc.).

Faced with a deep transformation of the relationship to work and significant recruitment pressures, the Mr.Bricolage Group is continuing with its dynamic approach to its network's human transformation with a view to creating an outstanding modern employee experience to attract and retain staff. Alongside this, at the headquarters, the development of employees' skills is continuing to ramp up with the new training programs launched and the deployment of the *Manager's Roadmap*, an in-house training program aimed specifically at managers to develop their know-how and interpersonal skills.

II – 2023 FIRST-HALF EARNINGS

The first-half results were approved by the Board of Directors during its meeting on 26 July 2023. Following the transfer to Euronext Growth Paris in March 2020, the first-half financial statements are no longer audited by the statutory auditors.

Condensed consolidated accounts (€m)	30 Jun 2023 reported basis	30 Jun 2022 reported basis	Change
Revenues	163.5	175.5	-6.8%
<i>Sales of goods</i>	<i>116.9</i>	<i>128.9</i>	<i>-9.3%</i>
<i>Sales of services</i>	<i>46.6</i>	<i>46.6</i>	<i>-0.1%</i>
EBITDA⁽¹⁾	18.6	19.5	-4.4%
Current operating profit	14.1	15.8	-10.7%
Other non-current operating income and expenses	(0.4)	0.0	-100.0%
Operating profit	13.7	15.8	-13.2%
% of revenues	8.4%	9.0%	
Financial income (expense)	(1.5)	(1.2)	-30.0%
Contribution from associates	0.8	0.9	-9.2%
Corporate income tax	(1.3)	(2.0)	-37.2%
Profit after tax from continuing operations	11.7	13.5	-13.2%
Profit after tax from discontinued operations	1.3	0.9	+51.9%
Profit (loss) for the period	13.1	14.4	-9.2%
- Group share	13.1	14.4	-

(1) EBITDA = "Current operating profit" + "Depreciation and amortization".

Revenues

Consolidated revenues for the first half of 2023 came to €163.5m, down -6.8% from the first half of 2022. The level of sales of goods reflects the contraction in logistics activities in a context of reduced inventory rotation. Sales of services, which were also impacted by the lower level of purchases at points of sale, benefited from the significant change in the number of stores.

EBITDA / operating profit

In line with the Group's commitments, the costs linked to the 1Pacte plan's rollout and the deployment of the various tools from the plan continued to increase. However, in the current economic context, the Group restricted its head office costs with a view to limiting the impact of the pay rises from the start and end of the half-year period (staff costs up +€2.1m versus 30 June 2022, including the profit sharing and company performance-related bonuses for 2022). These elements are reflected in the Group's operating profit, which came to €13.7m for the first half of 2023 (8.4% operating margin), compared with €15.8m for the first half of 2022 (9.0% operating margin). EBITDA includes +€2.2m for the favorable outcome of a dispute that began in 2016.

Net profit

Financial income and expenses came to €(1.5)m, in line with the use of the syndicated loan (see “Net debt” below) and the increase in Euribor rates. The €1.3m of profit after tax from discontinued operations once again reflects reversals of provisions or liabilities that are no longer applicable following the discontinuation of the “Retail” business (2019-2020). After the €(1.3)m tax expense and the €0.8m of income from associates, the net profit totaled €13.1m, giving a net margin of 8.0% for the first half of 2023, compared with 8.2% for the first half of 2022.

Net debt

At end-June 2023, the Group used part of its drawdown capacity under the credit agreement signed on 28 September 2022, with net financial debt of €30.1m, versus €24.2m at end-2022 (€29.2m at 30 June 2022).

The syndicated loan is 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 two tranches, with a maturity of five years.

At 30 June 2023, €7.5m of these current financing facilities had been drawn down (versus €30m at end-2022). The Group had €21.8m of cash at end-June 2023 (versus €51.1m at end-2022), reflecting the reduced drawdown on one of the current financing tranches and the cash requirements for the period. The covenants applicable concerning the leverage ratio, with net financial debt / EBITDA over 12 months, are respected.

IV – OUTLOOK FOR 2023

In 2023, the Group is continuing to roll out the 1Pacte plan to further strengthen its competitiveness and meet the challenges of responsible growth with the following objectives:

- **Continuing to develop the network** of branded and affiliate stores, in France and internationally;
- **Providing stronger support for the network’s members-entrepreneurs** to modernize their stores in line with the store concept;
- Accelerating the **human transformation** of the head office and network teams.

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 continues to expect the market environment to be less favorable in 2023 than in the previous three years. The 1Pacte plan will ramp up investments linked to its deployment. The Group, which has further strengthened its agility in the last few years, will be able to adapt in the event of an unfavorable change in the conditions and is continuing to carefully monitor the market, consumer behavior and the Group’s development plan.

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 2022-2025 plan.

Publication of the 2023 First-Half Financial Report: on 27 July 2023, on the mr-bricolage.com site and the Euronext site.

ABOUT THE MR.BRICOLOGE 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, 2023, the Group has 1003 stores operating under the banners or through affiliates, including 76 international stores across eleven countries. Mr.Bricolage SA is listed on Euronext Growth Paris (ISIN: FR0004034320 - ALMRB).

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