

2018 annual results

Continued growth for 2018 (+ 6%)

Solid profitability in the home building activity and growth investments in diversification activities

Increasing market share in a sector undergoing concentration

The Board of Directors of MAISONS FRANCE CONFORT, meeting on March 19th, 2019, approved the accounts for the financial year ending on December 31st, 2018. Audit procedures on the consolidated accounts have been completed. The auditors' certification report will be issued upon publication of the annual financial report.

Consolidated (€M)	2018	2017*	Var.
Sales	804.0	758.5	+6%
Operating Income	36.0	41.9	-14%
Operating Margin	4.5%	5.5%	-1 pt
Financial Income	-	-	-
Net Income	24.6	28.5	-13.7%
Net Margin	3.1%	3.8%	-0.7 pt

* Accounts restated under the IFRS15 accounting standard

Strong resilience in a difficult environment

For 2018, the Group MAISONS FRANCE CONFORT shows a strong level of activity with total sales of €804M up by 6% compared to 2017, of which 5.2% at constant scope. This is the result of the Group's 2017 record order intake, in spite of the gradual increase in construction lead times and the impact of nationwide social movements during the last quarter of 2018.

Overall, throughout the 2018 financial year, the B2C and B2B renovation activities continued to enjoy sustained growth, with total sales of €108M, up by 14.8%.

The Group's operating income reached €36.0M, i.e. 4.5% of sales, against €41.9M in 2017 and reflects contrasting factors according to the activity.

The Group's home building activity performed well with operating income up by 2.7% reaching €38M.

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As announced, structural factors weighed on the profitability of the renovation activity:

- Temporary production delays in the B2B activity linked to strong growth;
- Strengthening of teams;
- A drop in the relative gross margin linked to the repositioning of the activity on larger-scale projects.

The operating income of the renovation business was thus -€0.9M against 4.0 M€ the previous year with, however, a rebound during the second half.

Moreover, during the year, the Group created HIBANA, a real estate development company, requiring a sustained rhythm of investments in terms of recruitment and overheads.

The 2018 net margin reached €24.6M against €28.5M in 2017, with net profitability at 3.1%.

Strengthened financial foundations

At December 31st, 2018, the financial structure remains very strong, with shareholders' equity (Group share) reaching €183.6M, cash assets of €117.4M and debt of €65.3M. Thus, cash net of debt improved by €12.6M in one year and reached €52.1M at the end of 2018.

Dividend for the 2018 financial year

The Board of Directors will propose the payment of a dividend of €1.5 per share at the annual General Meeting to be held on May 16th. The payout will be made on June 13th, 2019.

2019 outlook

Within a market down by 11.3% over the last twelve months (Source Markémétron), impacted by a general downturn in financial support for first-time buyers, the Group's home building activity outperforms the market and continues to gain market shares.

- Year-to-date order backlog at end of December 2018 represents 7,157 sales, i.e. a turnover of €847.9M (excl. tax), down by only 7.1% in number and 3.6% in value compared to 2017. After a drop in overall order intake over the first 9 months of 2018 compared to 2017, the 4th quarter showed signs of recovery in terms of sales, up by 2.7% in value. This decline at the end of 2018 should be offset by a speeding up of the processes.
- Over a sliding 3 months period, the Group registered an increase in order intake by 9.1% in value (€198.3M) and 8.9% in number (1,661 sales).

The renovation business continues sustained growth:

- At the end of 2018, the year-to-date order backlog of the B2C renovation activity reached €49.6M, up by 8.7% and confirms a better dynamic over the last quarter, up by 25.5%. The B2B renovation activity shows an increase of 108.6% in its order intake, to €106.6M.
- Over the last sliding 3 months period, order intake for the B2C renovation activity is up by +10.7%. Over the same period, B2B order intake shows an increase of 61.8%.

The real estate development activity, with 3 programs being launched, is developing in synch with our ambitions. The first returns on investment are expected during 2020.

PRESS RELEASE

Thus, given the visibility generated by its backlog and considering the level of its production in progress, the Group MAISONS FRANCE CONFORT should register a new year of growth accompanied by a significant improvement in the operating profitability of its renovation activity.

The strategy developed over the past few years to become a housing generalist by developing related growth relays (Services, Renovation, Land development, Real estate development) and through the strengthening of its leading position in home building in France, allow the Group MAISONS FRANCE CONFORT, that is celebrating its 100th anniversary this year, to face the future with serenity and confidence in its medium-term market plan.

Next press release: 2019 1st quarter sales, on May 6th, 2019, after stock exchange closing

ABOUT MAISONS FRANCE CONFORT:

Founded in 1919, MAISONS FRANCE CONFORT is the oldest home building company in France and the main actor on the French market (individual plots). Already leader in home building, MAISONS FRANCE CONFORT became the French No. 1 in house renovation in 2015. The Group operates in all 12 regions in France, with over 365 sales offices.

Staff at December 31st, 2018: 1,980 people.

MAISONS FRANCE CONFORT equities are eligible for PEA-PME equity savings plan.

MAISONS FRANCE CONFORT is listed on the Euronext Paris - Compartment B.

ISIN Number: FR 0004159473 - **Index:** CAC® Small, CAC® Mid & Small, CAC® All-Tradable, CAC® All-Share

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PRESS RELEASE

GLOSSARY:

Gross order intake: a contract is recorded in gross order intakes on signature by the client and acceptance by our sales administration departments (control of documents and validity of the project's financing plan, return of the field survey, verification and acceptance of the selling price). The amount recorded corresponds to the pre-tax turnover generated on this contract

Order backlog: all recorded orders which have not been cancelled or transferred to "production in progress".

Production in progress: all orders for which the conditions precedent to begin work have been met (building permit and client financing obtained, client ownership of the land) and which have not been accepted by the client (delivered).

Evolution of sales at constant scope: evolution of sales of periods to be compared, recalculated as follows:

- In the event of an acquisition, the turnover of the acquired company that has no correspondence in the comparison period is deducted from the current period,
- In the event of transfer, the turnover of the transferred company that has no correspondence in the current period is deducted from the comparison period

B2B (business to business): refers to transactions conducted between two companies.

B2C (business to consumer): refers to transactions conducted between the company and consumers.

Net contribution margin: corresponds to the difference between the sales generated by contracts and the costs directly related to these contracts (construction costs, sales or broker commissions, taxes, insurance, etc.).

Cash position: includes cash on hand and demand deposits.

Debt: includes all current and non-current financial debts.

Cash net of debt: available cash less debt.