

Maxeda DIY Group Highlights & Facts 2017

Drive sustainable growth



Introduction

Foreword

Welcome to the Maxeda DIY Group key figures and highlights report for 2017, a year in which we continued to drive sustainable growth.

Our Group continues to operate 383 stores (207 own stores and 176 franchise stores)

which together cover more than 1 million square metres of retail space, serving more than 1,5 million customers every week.

As a result of thorough strategic evaluation, Maxeda announced in 2017 that it will strengthen the Praxis brand by integrating the majority of the Formido stores. Joining Praxis will offer Formido stores operational synergies and the integration results in simplification for the Maxeda DIY Group. Formido's stores and customers will benefit from a larger scale, with increased buying power and marketing advantages. This will improve our future position in a competitive market. Maxeda intends to integrate the majority of the Formido stores into its Praxis format.

Under the leadership of our CEO, Guy Colleau, and working with my colleagues of the Executive Leadership Team, we rolled out our strategy plans for driving growth. Over recent years, we have simplified our organization and resolved structural issues. We have also rebuilt our engines of growth (Format, Product, Digital and People) and accumulated a lot of learnings. We have redefined our value proposition for the customers of all our formats (Small, Mid and Big Box) and made a clear choice on the two brands we want to invest in (Brico and Praxis).



Thanks to a successful refinancing operation and good results, we were able to strengthen our financial position and invested EUR 39 million in ensuring further sustainable growth through the following key aspects:

- Retail: retailing is an ongoing process of finding new locations, staying ahead of the competition and finding the right balance in order to ensure sustainable growth. We therefore invested in new stores based on our redefined value proposition. We opened new City stores (Small Box) and continued to refurbish our Mid and Big Boxes.
- Organization and product offering: we took a next step in building a more centralized Benelux organization and strengthened our DIY retail business through an improved product offering, and created synergies through operating in a more integrated manner, using our scale to further drive capital efficiency.
- Digital journey: we made further investments in our digital journey in order to grow not only our online DIY e-commerce proposition but also to bring about innovation in our operating service models in store.
- Marketing: we continued with our 'For the Makers' marketing proposition for both Brico and Praxis in the Benelux countries, with extended makers platforms online and makers workshops in store.

The above resulted in stable annual sales of EUR 1,350 billion. Operating results increased by 25%, going from 43 to 54 million Euros.

I am pleased to report that we improved our performance in 2017, thanks to the hard work, drive and commitment of our colleagues and suppliers, to whom I would like to express my sincere appreciation. But we know that in order to win our customers' business every single day, we will need to keep being competitive. We will continue to find ways to reduce costs, work smarter and move faster. We ended the year in a good position and head into 2018 with a momentum and a commitment to grow as the largest DIY retailer in the Benelux and to have two market leaders, Brico in Belgium and Praxis in the Netherlands, by the end of 2018. I look forward to continue working with my colleagues in the Executive Leadership Team and with our teams at our headquarters and in our stores towards the aim of providing the most seamless of customer journeys.

Luc Leunis
CFO Maxeda DIY Group

Our stores & our people

Our stores

Brico

Brico, which is the DIY market leader in Belgium, offers a wide range of DIY, home decoration and gardening products, combining A-brands with own brands. Brico delivers inspirational products and services for all makers, experienced or not. As a result of ongoing expansion, Brico today has a network of 145 stores. Brico operates Brico, Brico City and Briko Dépôt stores.



BricoPlanit

BricoPlanit is a chain of 11 mega stores in Belgium. BricoPlanit offers as multi specialist the widest possible range of products for home improvement projects, from building materials to home decoration and garden products.



Praxis

Praxis is a leading DIY brand in the Netherlands. Praxis meets the needs of all makers, both experienced and new DIY enthusiasts, offering the best choice of products and services. Praxis operates a total of 147 stores as Praxis, Praxis Megastore, Praxis Megastore & Garden and Praxis City.



Formido

Formido is a chain of smaller DIY stores that supply the local needs of DIY enthusiasts in the Netherlands. The 80 Formido stores are mainly franchised (60 stores) and are located in the suburbs of larger cities and towns. Maxeda DIY Group announced in September 2017 that it wanted to integrate the majority of the Formido stores into the Praxis brand in the upcoming 2-3 years.



Our people

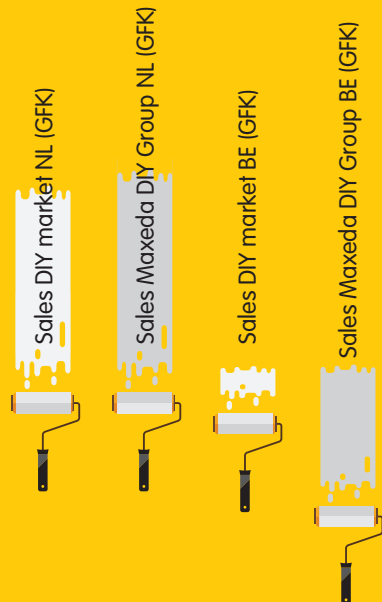
Maxeda DIY Group is determined to continue to develop and grow as a company by investing in our organisation and in our people whilst working together as a team in an Open, Active and Positive culture. By people we mean ourselves, our customers and our colleagues. We're convinced that being open, active and positive will make sure, we enjoy working together even more and achieve even better results!



Key figures 2017

Market share

+1,6% +1,9% -0,4% -2,2%



Key figures

Net sales in million Euros **1,350**

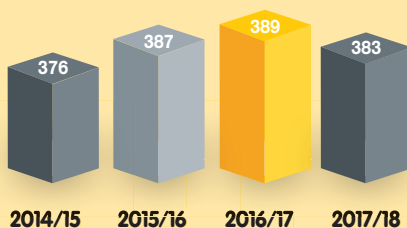
Number of stores **383**



Praxis and Formido = NL, Brico and BricoPlanit = BE & LUX

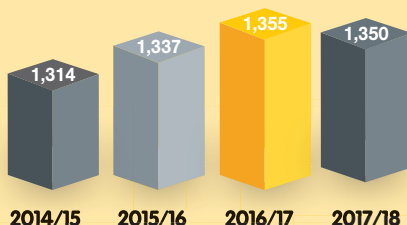
Stores

Number of stores

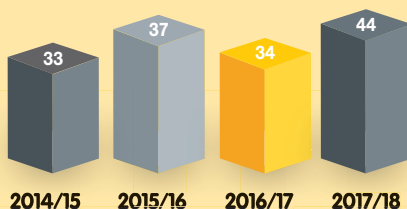


Net sales

Million Euro

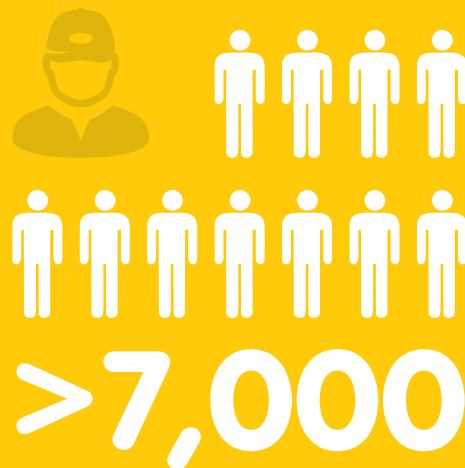


Capital expenditures



Key facts

Employees



Average number of visitors per week



Own brands



Store formulas

		Total stores	Own stores	Franchise stores	Average floor space m²
Brico	Brico	145	55	90	2,056
BricoPlanit	BricoPlanit	11	11	-	7,530
Praxis	praxis	147	121	26	3,968
Formido	Formido	80	20	60	2,016
		383	207	176	2,939

Five new Praxis stores

Praxis has opened five new stores in 2017: Praxis Rotterdam Feijenoord with a floor area of **4,000 m²**, Praxis Hilversum with **4,000 m²**, Praxis city store in Amsterdam (van Woustraat), Praxis Dronten (former Formido) and Praxis Oosterhout with **3,400 m²**. The roll-out of the new stores is part of the comprehensive growth strategy, in which clear choices have been made for various store types, specific merchandising and corresponding customer needs.



Brico has refreshed more stores

In Brussels and the surrounding area, several Brico stores - Brico Etterbeek, Brico Molenbeek, Brico Meiser, Brico Ouderghem and Brico Basilix - underwent a remodelling operation, including new façades, **more parking space and various innovations inside the store**. In addition several franchised Brico stores - Brico Koksijde, Brico St. Vith and Brico Huy - benefited from a renewal. Brico Geel and Brico Overijse also built new pergolas.



Brico Koksijde

Brico Huy

For-the-Makers workshops

Making things yourself is fun. In our workshops under the supervision of professionals, customers learn skills for the most common jobs in and around their home, so they can immediately start their jobs at home. In 2017, 87 Praxis stores and 8 Brico stores organised workshops. Customers attended a total of **2,252 workshops at Praxis and 262 workshops at Brico**, covering topics from Electricity and Kitting to Painting and Laminate Flooring.



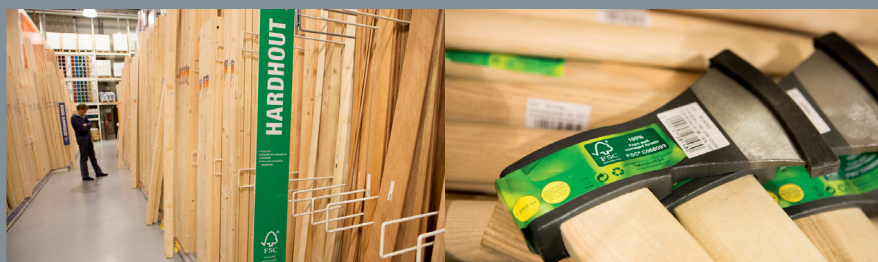
NPS scores at Maxeda

Maxeda DIY Group measures in all its stores (**383 stores in the Benelux**) the NPS score. This score is measured ongoing on the basis of feedback from customers. The score provides insight into what goes well and where there is a need for improvement. Maxeda seeks to increase the organization's client-orientation, both in the stores, online and in all services we offer. **2017 showed an increase in the NPS score.** In particular the various product ranges, the friendliness of the personnel and the expertise in the stores contributed to this positive NPS development.



Maxeda has signed the FSC Vancouver Declaration

On the initiative of FSC, companies from more than **20 countries** called for protection of forests worldwide by signing the so-called Vancouver Declaration. The declaration was **signed by 57 companies**, including Maxeda DIY Group. The declaration was launched at the international membership meeting of FSC in Vancouver. Maxeda is committed to purchasing as much as possible FSC-certified wood.



Praxis has won the Werf& Award

Praxis and HROffice, software supplier of an innovative and user-friendly recruitment system, **were the winners of the Werf& Awards in May 2017**. In the category of 'Best recruitment case', Praxis won the award for its 'Toolkit recruitment and selection', which allows store managers to recruit new employees themselves.



Patrick Vandenbogaerde Managing Director Brico

In December 2017 Maxeda DIY Group announced that Patrick Vandenbogaerde would succeed Dieter Struye as Managing Director Brico on **1 February 2018**. Patrick is well-known within the organization, since he was previously employed by Brico in the position of Commercial Director. Before that he worked at Delhaize for a long time, more recently as Country Manager of Renson in the UK and General Manager of the Culinor Food Group in Belgium.

Renewed BricoPlanit Antwerp

After a full renovation, BricoPlanit Antwerp was officially reopened in March 2017. More than **50,000 products** are on offer on a **surface area of 13,000 m²**, including a **drive-in** for building materials and garden products, and an **outdoor zone of 1,000 m²**. As a multi-specialist, BricoPlanit wants to be a 'one-stop-shop' for smaller and bigger do-it-yourself projects. The store is easily accessible and designed in such a way that customers can take a 'slow' store route, with the emphasis on experience and inspiration, or a 'fast' store route along mainly technical products. Near the entrance of the store the emphasis is on inspiration, meaning that customers first see decorative categories such as wallpaper, window coverings, lighting and paint. Thanks to the close cooperation with local suppliers, current trends can be picked up quickly and BricoPlanit's product offering can be renewed faster.



Roll-out internal social platform WE app

Since July, all employees of Praxis stores and the head offices in Amsterdam and Brussels have online access to the WE app. In 2018, each chain of stores will receive its own app: the WIJ Praxis app, the WIJ/NOUS Brico app, the WIJ/NOUS BricoPlanit app and the WE Maxeda app. The WE app is a social platform through which **7,000 employees** in the Benelux **can connect with each other by pushing a single button**. This allows for much faster communication and sharing of experiences, which contributes to the team spirit. Each store has in addition its own closed community through which employees can easily contact each other. This makes work more efficient, especially for Big Box stores with large teams.



New concept Brico in Zemst and Sint-Denijs-Westrem

Following the new innovation strategy, Brico Zemst and Brico Sint-Denijs-Westrem underwent an impressive renewal. This was an important step in the process towards more dynamic Brico stores. These Brico stores now have a broader product offering with **5,000 extra references**, including tiles and parquet flooring. The services offered to customers were improved, for example by introducing a separate collection point (Reserve & Go) where customers can pay and collect their products quickly and efficiently. Minor remodelling operations were carried out at: Brico Etterbeek, Brico Molenbeek, Brico Meiser, Brico Ouderghem and Brico Basilix.



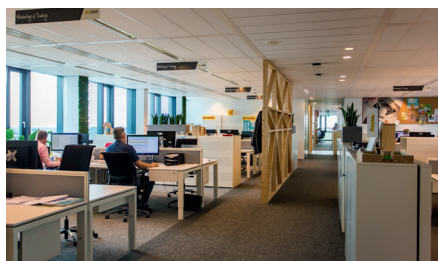
Praxis has doubled the number of city stores in 2017 and will continue to expand

In August, Praxis opened its fourth city store, at Van Woustraat in Amsterdam. We now have city stores in Amsterdam, Rotterdam and The Hague. The product offering in the city stores is tailored to the needs of urban customers. Praxis intends to realise **20 city stores in the 15 largest cities** in the next three years.



Maxeda's head office Amsterdam has moved

In the summer of 2017, the head office of Maxeda DIY Group and Praxis moved to Herikerbergweg 336 in Amsterdam South East. The new office is furnished in 'the makers' style, bringing the store feeling back into the workplace.



Frits Voorhout Managing Director Formido

Frits Voorhout became Managing Director of Formido Bouwmarkten on **1 May 2017**. He succeeded Jan van den Ham, who had been Managing Director of Formido Bouwmarkten for almost eleven years. Frits is well-known within Maxeda DIY Group with **six years of experience as Operational Director Praxis**. He has a track record in retail in various management roles at different companies, and in particular experience in working with franchisees.



More training for our employees

The employees of Maxeda DIY Group are supported by a complete offer of training courses. Under the slogan 'Outperform yourself', Maxeda has successfully started its Academy. In total, **40% of the employees** at the head offices **completed a training or course**. In the Netherlands, more than **3,200 employees** of Praxis attended a training or took a course, **100 employees** took a secondary vocational course and approximately **160 store managers** attended the 'For the Leaders programme'. **3,100 employees** in Belgium participated in makers' workshops and the management teams of all Brico and BricoPlanit stores attended the leadership programme 'Moving forward together'.



Brico DIY Cross

Since 2016, Brico has sponsored six Brico Cross races, and in 2017 the DIY concept was introduced. Prior to each race, an exclusive race was organised for fifty sport-loving Brico customers, who had been selected in advance at www.Brico-Cross.be. With the Brico Do-It-Yourself Cross, customers could ride the course of the day. A unique experience.



Praxis of the Year 2017

Praxis annually awards the prize for best store of the last year. This year, Praxis Duiven was chosen as Praxis Store of the Year 2017.



Support for the recycling operation is increasing

In 2017, Brico enthusiastically and successfully realized a new recycling operation for lamps, barbecues, lawn mowers and power tools. The collection of used products from our customers allows them to recycle their products responsibly. More than **30,000 products were recycled**, including 11,191 power tools, 17,617 lights and 1,757 lawn mowers.



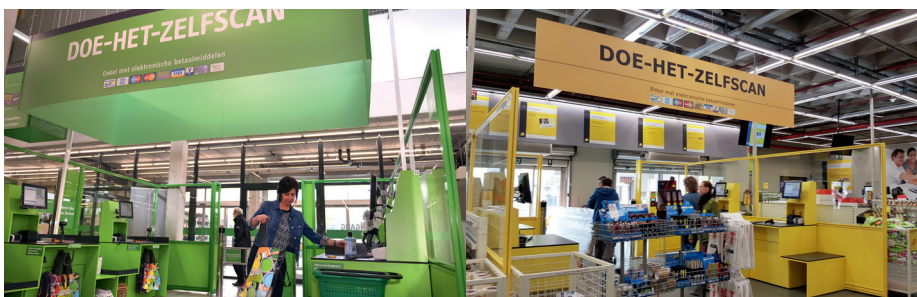
Maxeda strengthens the Praxis brand by integration of the Formido stores

Maxeda DIY Group announced in September 2017 that it wanted to **strengthen** the Praxis brand **by integrating the majority of the Formido stores**. Joining Praxis will offer Formido operational synergies and will result in a simpler organization. Both Formido stores and customers will benefit from the increased scale and purchasing power and from marketing benefits. This decision will lead to a stronger market position of Praxis.



Start with self-scan in BricoPlanit Antwerp and Brico Zemst

New at Brico and BricoPlanit Belgium: **self-scan systems**. On the occasion of their remodelling, self-scan cashiers were installed at BricoPlanit Antwerp and Brico Zemst. In view of the success of this new service, **more stores will follow in 2018**.



Brico digital has the largest DIY offering

A survey held in October 2017 showed that Brico had the largest online product offering of Belgium in the do-it-yourself sector with **46,000 products** available through its website. Brico.be is the online destination for every maker. More than 46,000 products are available online in categories such as tiles, paints and accessories, garden furniture and lighting. A large part of the product offering can be delivered directly to the customer's home. Using **'Reserve & Go'**, customers can also have products made ready for collection in the store of their choice, free of charge.



Consumer chooses Formido as best webshop 2017

In September, Formido won the prize for **best webshop 2017-2018** in the category of DIY Stores. Formido won the prize for the third time in a row. Today, more than 17,000 DIY products can be ordered easily and quickly in the webshop. Formido delivers throughout the Netherlands, including various Wadden Islands and just across the border in Belgium and Germany.

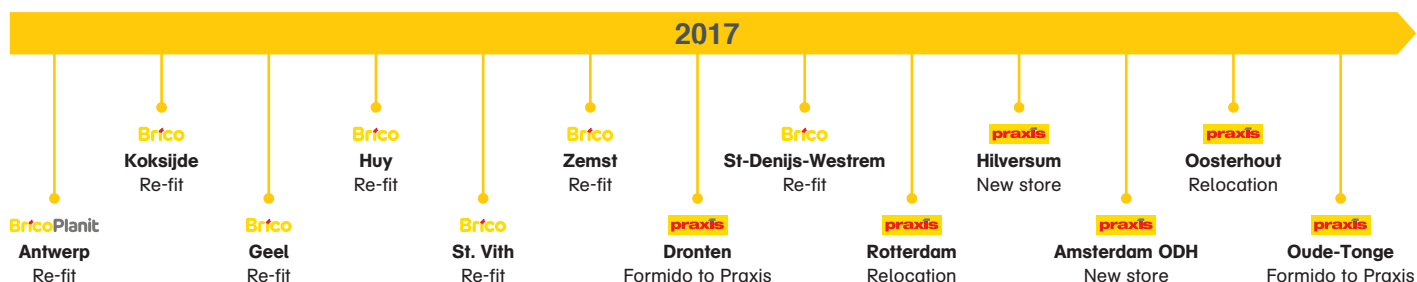


IFR AWARDS 2017

Maxeda wins award 'Europe High-Yield Bond of the Year'

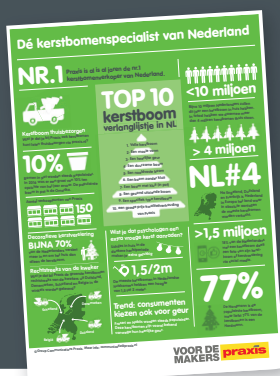
In December, Maxeda DIY Group won the 2017 IFR Award for Europe High-Yield Bond of the Year. The award was a **nice recognition for Maxeda's performance** in the last year. As new bond issuer, which underwent a 'debt-for-equity restructuring' only a few years ago and is active in a sector that has been under pressure in recent years, Maxeda distinguished itself favourably from the rest. Maxeda started in July 2017 with the issue of **EUR 475 million in 'non-call two senior secured bonds' with a five-year term**. In the process, Maxeda managed to convince doubts of investors with regard to retail credit.

New and rebranded stores in 2017



Ordering Christmas trees through the Praxis webshop

In November 2017, the sale of Christmas trees at Praxis attracted a large number of customers. Praxis has been **the number 1 in the sale of Christmas trees** for years and has the largest group of loyal customers (95%) of all store chains, who come back each year to choose their Christmas tree. It was the first year that customers nation-wide could order their Christmas trees at www.praxis.nl and have them delivered to their homes.



Uber delivers Praxis Christmas trees in the centres of 5 large cities



For the third year in a row Praxis worked together with Uber to have Christmas trees delivered in the five largest cities of the Netherlands. Already active in **Amsterdam, Rotterdam and The Hague**, Uber extended its service to the cities of **Utrecht and Eindhoven**.