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TRADING UPDATE IN RELATION TO A HIGHLY DISRUPTED MARKET CONTEXT

- SHARP DECLINE IN BUSINESS IN FEBRUARY
- ADJUSTMENT OF ANNUAL TARGETS FOR 2021-2022: REVENUE OF AROUND €680M AND EBITDA OF AROUND €55M
- SOLID BUSINESS FUNDAMENTALS AND BUSINESS MODEL WITH MEDIUM-TERM GROWTH POTENTIAL 2021/2022 NINE-MONTH REVENUES

Olivier de la Clergerie, LDLC Group CEO, said: "After a month of January in line with the Group's expectations, we have observed a marked downturn in activity in February as consumers, both private and professional, are taking a wait-and-see attitude. Despite the lack of visibility and the current volatility in its markets, the LDLC Group has decided to update its ambitions for the 2021-2022 financial year, i.e. sales of around €680 million and an EBITDA of around €55 million, down on the 2020-2021 financial year, but still up sharply compared with the 2019-2020 financial year prior to the start of the health crisis.

Even if the current market conditions are penalising in the short term, our fundamentals remain strong and the demand for high-tech products over the next few years will remain high, supported by the digital boom and the expansion of the digital economy. The Group therefore remains confident in its business model, its ability to deliver growth in the medium term and to consolidate its position as a major player in the multi-channel distribution of high-tech products."

Sharp decline in activity in February

In a complex market context already mentioned at the end of January, to which we can now add a strong wait-and-see attitude from consumers in an uncertain and volatile environment (geopolitical context, inflation, spending arbitrage, etc.), the LDLC Group notes a significant drop in its activity in February 2022. This decline, impacting both the Group's BtoC and BtoB activities, is estimated at 20% of its turnover compared to February 2021.

The Group does not expect any significant change in this wait-and-see attitude before July 2022 and will therefore not be able to offset this unexpected decline by the end of the financial year ending 31 March 2022. In this context, and considering these new elements, the LDLC Group is now targeting revenues of around €680m for the 2021-2022 financial year, compared with €724m in 2020-2021 and €493m in 2019-2020. EBITDA should reach approximately €55m, compared to €70m in 2020-2021 and €16m in 2019-2020. The performance expected by the Group in 2021-2022 thus remains in very strong growth compared to pre-crisis levels

Sustainability, development and performance of the business model

Over the past few years, the Group has carried out several strategic initiatives (repositioning of the Group's online brands, acquisition of Top Achat, development of the retail network, debt reduction) which have helped to strengthen its business model (normative gross margin of 21.5%) and to significantly improve its financial performance.



The current economic uncertainties will have no impact on the sustainability, development, relevance and efficiency of the LDLC Group's business model. As a reminder, as of 30 September 2021, the Group had €110 million in equity and net cash of €15 million.

With its specialized omnichannel retailer profile (physical shops, BtoB, BtoC online) and the appropriate positioning of its offer, the LDLC Group remains ideally positioned to take advantage in the medium term of a structurally buoyant high-tech market over the coming years.

Next release:

28 April 2022 after market close, Q4 2021/2022 revenues

→ GROUP OVERVIEW

The LDLC Group was one of the first to venture into online sales in 1997. As a specialist multi-brand retailer and a major online IT and high-tech equipment retailer, the LDLC Group targets individual customers (BtoC) as well as business customers (BtoB). It operates via 15 retail brands, has 7 e-commerce websites and close to 1,000 employees.

Winner of a number of customer service awards and widely recognised for the efficiency of its integrated logistics platforms, the Group is also developing an extensive chain of brand stores and franchises.

Find all the information you need at www.groupe-ldlc.com

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