GROUPE LDLC

PRESS RELEASE

DARDILLY, **8 June 2017**

FY 2016/2017 RESULTS
SUCCESSFUL INTEGRATION OF MATERIEL.NET
STRENGTHENING OF GROWTH DRIVERS
IMPROVED FINANCIAL STRUCTURE

Group CEO Olivier de la Clergerie made the following comments: *"One of the year's major challenges was the successful integration of materiel.net. This objective was fully achieved both at team level and in terms of synergies. The annual negotiations on Group procurement contracts conducted in early 2017 will help us to push our margin up a notch, while the initiatives launched to take full advantage of the complementarity of our two logistics platforms are proceeding according to plan. At the same time, we have continued implementing our medium-term strategic priorities by expanding our store network (10 openings including 8 franchises), strengthening our organisation at LDLC.pro level and launching various IT projects, which are at the core of our business strategy (IT system convergence, development of BtoC online stores, operational and efficiency changes, etc.). Finally, we have invested in the construction of a new head office with the aim of bringing together all the teams and the LDLC School currently spread across a number of sites in the Lyon area. €22 million of this €23.5 million investment will be financed under a lease purchase agreement. The 2016/2017 results reflect the implementation of these different projects and are testament to the resilience of LDLC Group's business model, showing solid performance and improvement in our financial structure."*

SIMPLIFIED FULL-YEAR INCOME STATEMENT (1 APRIL-31 MARCH)

€m	2016/2017	2015/2016
Revenues	**479.9**	320.7
Gross margin	**77.4**	55.8
EBITDA	**17.9**	15.0
EBIT	**13.4**	13.2
Earnings before tax and non-recurring items	**12.5**	13.1
Net income for the year	**8.1**	7.9

EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortisation

OVERVIEW OF THE FINANCIAL YEAR

Group organic sales growth amounted to 6%, with the strongest momentum coming in the first half of the year. The end of the year was hit by the ongoing surge in memory component prices. With revenues up nearly 39% over the period, the cross-channel business continued to flourish. There are currently 24 LDLC.com stores in operation.

At €321 excluding VAT, average basket size within the Group continued to grow, as did the number of new accounts (BtoC and BtoB), with 544,000 new customers over the year.

The gross margin rate was kept under control at 16.1% of revenues: it includes two dilutive factors linked to the integration of materiel.net (introduction of a different product mix) and the expansion of the franchise network.

EBITDA amounted to €17.9 million representing 3.7% of revenues. This reflects sound management of staff costs (6.8% of revenues vs 7.5% the year before) during a period of growth and integration (materiel.net). Conversely, external expenses increased (5.1% of revenues vs 4.6% the year before) due primarily to the cost of upgrading and developing IT systems and platforms (new www.shop.hardware.fr website, Spanish version of the LDLC.com website, LDLC and materiel.net IT system convergence, etc.) in addition to significant expansion of the in-house team.

Underlying EBIT for the year was €13.4 million, including a sharp rise in "Depreciation, amortisation and provisions" (€4.5 million compared to €1.2 million the year before), including €1.3 million related to the integration of materiel.net, €0.8 million of trademark amortisation and almost €0.3 million of property, plant and equipment allocations, the period for which was revised in view of the upcoming head office relocation. Furthermore, a €0.3 million provision was recorded in view of the cessation of operations at the former head office.

After a financial expense of €0.9 million related to the acquisition of materiel.net, compared to €0.1 million last year, and a tax expense of €4.3 million compared to €5.1 million, net income Group share came to €8.1 million.

The Group generated €13.8 million in cash during the year.

The financial structure improved significantly. Shareholders' equity stood at €54.9 million (€49.0 million at 31 March 2016) versus net debt of €36.2 million (€43.0 million at 31 March 2016), giving a debt-to-equity ratio (gearing) of 0.66 at financial year-end, compared to 0.88 last year.

In order to channel the Group's resources into future investment, the Annual General Meeting on 29 September 2017 will be asked to approve a proposal that no dividend be paid for the financial year ended.

OPERATIONAL PRIORITIES AND OBJECTIVES

Backed by strong fundamentals, the LDLC Group is in full development and intends to take full advantage of its position as a high-tech online leader. As such, it reaffirms its goals of hitting the one billion euro revenue mark, with an EBITDA margin between 5.5% and 6%, and having 100 stores up and running by 2021.

The 2017/2018 financial year will see the first fruits of the Group synergies implemented (procurement) and the decisions taken in 2016/2017 to strengthen organisation (LDLC.pro, IT, logistics, new online stores, etc.) Growth investments and the expansion of the brand store and franchise network will continue.

Already present in neighbouring French-speaking countries (Belgium, Luxembourg and Switzerland), LDLC Group has decided to branch out into Spain through the launch of a Spanish version of LDLC.com and a pilot store in Barcelona by the end of H2 2017/2018.

Next meeting:
Information meeting on 9 June 2017 at 10am, Palais Brongniart, Place de la Bourse, Paris (2nd arrondissement)

Next release:
20 July 2017 after market close, Q1 2017/2018 revenues

GROUP OVERVIEW

The LDLC Group was one of the first to venture into online sales in 1997. Today, as an e-commerce leader in the IT and high-tech market, the LDLC Group operates via 12 websites, including 7 commercial sites, serving consumers and professionals alike. The Group employs over 700 people. Winner of a number of customer service awards and widely recognised for the efficiency of its integrated logistics platforms, the LDLC Group is also developing a network of branch stores and franchises.

Read more at www.groupe-ldlc.com

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