

LIMONEST, 25 October 2018

H1 2018-2019 RESULTS

- REVENUES OF €234.6 MILLION, UP 8.9%
- ANNUAL BUSINESS TARGETS CONFIRMED

Olivier de La Clergerie, LDLC Group CEO, made the following comments: "Second quarter revenues increased 9.4% compared to the same period last year. Certain segments performed better than others, however, with a turnaround in BtoC sales expected in the second half following the release of the new Nvidia graphics card range on the "gamer" market. The integration of the BIMP Group is progressing according to plan, and the expansion of the store network is stepping up as announced. Today, we have 35 LDLC.com stores in France and two in Spain (Madrid and Barcelona). Five new stores have already been scheduled to open by end of March 2019. Given the significant increase in BtoC sales expected in the last part of the year, as well as the continued ramp-up of other businesses, we are confirming our target of achieving double digit organic growth over the full year."

FIRST HALF CONSOLIDATED REVENUES (1 APRIL TO 30 SEPTEMBER) – UNAUDITED

€m	2018-2019	2017-2018	Change %
Q1 Revenues	109.1	100.8	+8.2%
Q2 Revenues	125.5	114.7	+9.4%
Total H1 revenues	234.6	215.5	+8.9%

First half figures, corporate data: H1 Company revenues amounted to €202.6m

N.B.: Before applying IFRS 15, relating to the recognition of revenues, first half revenues would be up 10%.

At constant consolidation scope (excluding BIMP, consolidated on 30 March 2018), first half revenues were down 4.8%. This change was driven by the BtoC business, impacted by the effect of the World Cup during the period, and above all by the wait-and-see attitude of gamers, giving rise to a drop in sales of graphics cards and related components in recent months. The release of new Nvidia graphics cards is expected to boost sales in the second half.

BtoC posted revenues of €157.5m, up 1.6% from €155.0m in H1 2017-2018. This growth was driven by the store network, which generated €26.5m (up 10.2% compared to the previous year) and by the OLYS Group, posting €11.8m.

BtoB revenues amounted to €72.3m, up 32.3% from €54.6m in H1 2017-2018. The OLYS Group accounted for €17.6m of this increase. The ramp-up of the LDLC.pro business offering is still underway. Following stable like-for-like revenues during the first half, the recent ramp-up of the sales force in Gennevilliers (Hauts-de-Seine) is expected to contribute to a turnaround in growth towards the end of the year. Meanwhile, the Gennevilliers warehouse, which will make rapid deliveries to BtoB and BtoC customers possible, will be fully operational by early January 2019.



Other businesses posted H1 revenues of €4.8m, down from €5.9m last year. This change was due to the downsizing of Maginée's catalogue, only retaining high turnover and high margin items. L'Armoire de Bébé has been met with resounding success and continues to grow.

LDLC.com VOTED CUSTOMER SERVICE 2019 FOR THE 5th YEAR RUNNING

On October 19 this year, LDLC.com received the 2019 "Customer Service of the Year" award, for the fifth year running. With an overall score of 18.64/20 in the *Technical Product Selling* category, LDLC.com continues to lead the way in customer satisfaction. By phone, email, on social media, and via live chat, 60 advisors provide purchase advice and after-sales support to online buyers, responding to over 550,000 requests a year. (BVA Group survey – Viséo CI - May-July 2018 – Read more at escda.fr).

LAUNCH OF SPANISH OPERATIONS IN MADRID AND BARCELONA

In early September 2018, the Group launched operations in Spain with the opening of two stores. With a sales area of 600 m² in Barcelona and 900 m² in Madrid, these two LDLC.com stores will offer the entire range of PCs and their components. This quirky concept store, styled on the inside of a motherboard, will have a high-tech showroom, gaming area and technical workshop. Meanwhile, on 17 October LDLC.com launched a responsive, user-friendly e-commerce website dedicated to the Spanish market.

OPERATIONAL PRIORITIES AND OBJECTIVES

The integration of Materiel.net will be completed over the coming weeks, following the merger of the two entities. This merger will boost productivity and help improve inventory management.

Full year 2018-2019 will be boosted by the first-time consolidation of OLYS and initial benefits arising from major capital spending undertaken in 2017-2018 should flow through to the income statement and management expects like-for-like double-digit revenue growth.

Backed by strong fundamentals and initiatives undertaken, the Group reaffirms its 2021 targets to reach €1 billion in revenues, an EBITDA margin of between 5.5% and 6% of revenues. The Group will have around 100 stores at that point.

Next release:

6 December 2018 after market close, H1 2018-2019 results

Next meeting:

7 December 2018 at 10.00 am – Edouard VII Conference Centre, 23 square Edouard VII, Paris 9th district





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 11 websites, including 6 commercial sites, serving consumers and professionals alike. The Group employs 1 000 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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