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PRESS RELEASE

LIMONEST, **20 JUNE 2019**

2018-2019 FULL-YEAR RESULTS

YEAR-END UPSWING IN BTOC BUSINESS CONFIRMED
IMPROVEMENT IN GROSS MARGIN AND EBITDA IN THE SECOND HALF

Olivier de la Clergerie, LDLC Group CEO, said: *"After the challenging conditions that lasted throughout most of the year, 2018/2019 earnings mainly reflect the financial burden of the many investments undertaken by the Group in order to strengthen its position on high-tech markets and establish new growth drivers. The sharp improvement seen in the second half and the persistence of a high gross margin are encouraging factors that bear witness to the solid fundamentals of our business and commitment of our staff.*
With the outlook brightening on our markets over the last few months, we are confident in the LDLC Group's ability to take full advantage of market opportunities and return to growth and profit margins more in line with past performances in 2019/2020."

SIMPLIFIED FULL-YEAR INCOME STATEMENT

€m - Financial year ended 31 March	**2018/2019** 12 months	H1 2018/2019 6 months	H2 2018/2019 6 months	**2017/2018** 12 months
Revenues	**507.5**	*234.6*	*272.9*	**472.1**
Gross margin	**86.1**	*38.2*	*47.9*	**80.3**
EBITDA[1]	**2.0**	*(1.9)*	*3.9*	**14.6**
EBIT	**(4.3)**	*(4.4)*	*0.1*	**8.7**
Earnings before tax and non-recurring items	**(6.1)**	(5.4)	*(0.7)*	**7.7**
Net income/(loss)	**(4.3)**	(3.5)	*(0.8)*	**5.4**

[1] EBITDA = Earnings Before Interest, Taxes, Depreciation and Amortisation

On 20 June 2019, the LDLC Management and Supervisory Boards approved the consolidated financial statements for the financial year ended 31 March 2019. The statutory auditors have completed their audit of the financial statements and will shortly issue their audit report.

OVERVIEW OF THE 2018/2019 FINANCIAL YEAR

The Group posted revenues of €507.5 million for the 2018/2019 financial year, up 7.5%.

BtoB business generated revenues of €162.2 million, up 34.4% largely driven by the successful OLYS Group integration (up 2.0% at constant consolidation scope).

BtoC business posted revenues of €335.9 million compared to €340.1 million the previous year. The LDLC.com store chain, which expanded considerably during the year (42 stores in France and Spain at 31 March 2019 compared to 29 the year before), contributed revenues of €59.9 million and increased its share of BtoC revenues to 18%.

The Group average basket value increased 13% from €344 last year to €389 excl. VAT. The Group attracted 410,000 new (BtoC and BtoB) customers over the financial year.

Gross margin remained stable at 17.0%. Second half gross margin increased sharply to 17.6% from 16.3% in H1 2018/2019.

Full-year EBITDA came to €2.0 million, returning to positive in the second half as expected. After a first half loss reflecting the development of numerous projects (upgrading of information systems and web platforms, launch of operations in Spain, recruitment of a BtoB team in the Paris region, etc.) EBITDA improved sharply to €3.9 million in the second half, driven by the improvement in gross margin, the impact of savings generated by Group synergies and other cost reduction measures.

Net cost of debt amounted to €1.9 million compared to €1.1 million last year. The Group incurred negative income tax of €1.8 million for the 2018/2019 financial year, compared to a €2.3 million tax charge last year. The Group posted an overall net loss of €4.3 million for the year.

Group equity stood at €53.2 million (versus €60.7 million at 31 March 2018), compared to net debt of €61.5 million (€52.4 million at 31 March 2018) including around €33 million related to the value of real estate assets. As the bank covenants ratios attached to the loan agreement were not met at the end of the fiscal year, the corresponding debt was reclassified as short-term liabilities in an amount of €35.4 million at 31 March 2019. A waiver letter was signed at the reporting date witnessing the bank pool's unanimous consent to waive compliance with the covenants at 31 March 2019 and thereby waive their right to demand immediate repayment of the debt.

2019-2020 ACTION PLAN

Now that the market outlook is brightening, as of the 2019/2020 financial year the Group plans to confirm its target to return to levels of growth and profitability more in line with its historical track record. During the current year, the LDLC Group expects to capitalise on more favourable trends (reversal of trend in the BtoC sector, further growth in the LDLC.pro business) and the results of its investments (expansion of the store chain - 45 stores in France at the end of June 2019, ramp-up of Spanish operations).

In terms of financial performance, the Group has taken a number of steps to boost EBITDA in 2019/2020:

- Savings of around €150,000 per month generated by Group synergies (websites, merging of web platforms from 1 October 2018, etc.), which are already reflected in the H2 2018/2019 financial statements;
- Reduction of around €3.5 million in staff costs resulting from measures implemented in H2 2018/2019;
- Cost streamlining including a review of contractual terms (communication, advertising, etc.) in order to achieve annual savings of around €1.2 million.

Meanwhile, the Group expects to see considerable deleveraging over the period with the sale of two real estate assets: on 12 June, the sale of the warehouse building in Nantes was closed at a price of €11.3 million (generating €6.1 million in cash net of transaction costs and reducing debt by €4.4 million). Withdrawal from the finance lease related to the registered office is underway and should be completed during the first half of 2019/2020. As a reminder, this asset was acquired in 2017 and recorded on the balance sheet at a value of around €22 million.

NEXT MEETING

At 10.00 am on 21 June 2019, information meeting at the Edouard VII Conference Centre, 23 square Edouard VII, Paris 8th district

REPORTING CALENDAR

Q1 2019/2020 revenues, 25 July 2019 after close of trading

GROUP PROFILE

Now a major e-commerce player in the BtoC and BtoB IT and high-tech sectors, the LDLC Group markets its product range through 10 websites, including 5online stores, and employs over 1,014 people.

Bolstered by numerous awards for quality and customer relations and its integrated logistics platforms' widespread reputation for efficiency, the LDLC Group is constantly expanding its chain of brand stores and franchises.

Read more at www.groupe-ldlc.com

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