

LIMONEST, 29 OCTOBER 2019

## H1 2019/2020 BUSINESS REVIEW

- CONSOLIDATED REVENUES OF €222.0M
- BTOC REVENUES (EXCL. MATERIEL.NET) UP 4%
- €41M REDUCTION IN NET DEBT

LDLC Group CEO Olivier de la Clergerie made the following comments: *“The return to growth for the BtoC activities was confirmed in the first half of 2019/2020, except for Materiel.net whose performance over the period was curtailed by the recent strategic refocus: it should get back to normal from the second half. The LDLC.com store chain continued to post strong growth, with sales up 18%. The BtoB business achieved organic growth of over 4%, confirming the appropriateness of our product offering on these markets.*

*Accordingly, now that market conditions have stabilised in the BtoC sector, the LDLC Group is currently well placed to generate profitable growth across all business lines. As a result, the Group expects to see significant growth in EBITDA from H1 2019/2020 onwards combined with a swift return to growth and profit levels in line with its past track record.”*

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

€m	2019/2020	2018/2019	Change (%)
Q1 revenues	103.7	109.1	-4.9%
Q2 Revenues	118.3	125.5	-5.7%
<b>Total H1 revenues</b>	<b>222.0</b>	<b>234.6</b>	<b>-5.4%</b>

Half-yearly reporting, corporate data: H1 revenues amounted to €189.2m.

H1 2019/2020 Group consolidated revenues amounted to €222.0m, down 5.4% from H1 2018/2019. As previously announced, the Group discontinued the Maginéa business in Q4 2018/2019. This business accounted for revenues of €1.6m in H1 2018/2019 and €2.2m for the whole of the last financial year.

With the exception of Materiel.net, which posted first half revenues of €39.0m, down sharply by €18.7m vs. H1 2018/2019, the BtoC business generated an encouraging performance in line with the recovery observed since the end of the 2018/2019 financial year. As previously announced, the Materiel.net product mix was significantly reshuffled in order to reduce the emphasis on products contributing little to gross margin. The impact of this strategic decision, which curtailed H1 revenues, should tail off during the second half and has no effect on the gross margin of this business line in terms of value.

BtoC revenues excluding Materiel.net amounted to €103.9m, up 4% from €99.8m in H1 2018/2019. BtoC online sales edged up 0.7% over the period. The LDLC.com store chain continues to grow rapidly, with 7 new stores opened during the period and an 18.3% increase in first half revenues to €31.4m. As at 30 September 2019, the Group had 47 LDLC.com stores in France and 2 in Spain.



The BtoB business posted first half revenues of €75.5m, up 4.5%. LDLC.pro and BIMP benefited from sustained demand among professionals and increased synergies in terms of sales and marketing.

Other businesses contributed €3.6m to first half revenues, up 13.2% from €3.2m last year at constant consolidation scope excluding Maginéa revenues.

## LDLC.COM WINS “CUSTOMER SERVICE OF THE YEAR” AWARD FOR THE 6<sup>TH</sup> YEAR IN A ROW

On 11 October 2019 LDLC.com received the “Customer Service of the Year” award for 2020, making this the sixth consecutive year it has won this award. LDLC.com has headed the “Technical Product Retail” category since 2014 and this year it scored an all-time record of 19.07/20 for the competition.

Once again, the LDLC Group has confirmed its strong commitment to customer satisfaction. A taskforce of sixty pre- and post-sale advisers provide guidance to online customers, handling over 550,000 requests per year by phone, by email, on social media and via live chat. *(BVA Group survey – Viséo CI – May-July 2019 – Read more at [escda.fr](http://escda.fr)).*

## SIGNIFICANT DELEVERAGING

The sale of the Nantes warehouse (June 2019) and registered office premises in Limonest (July 2019) enabled the Group to significantly reduce its debt during first half 2019/2020 in line with previous announcements. Together, the two transactions generated a €41m pre-tax reduction in LDLC Group debt. As a reminder, at 31 March 2019 net debt stood at €61.5 million.

## ACTION PLANS AND OBJECTIVES

In an increasingly buoyant BtoC market, the LDLC Group plans to pursue its profitable growth strategy with particular focus on boosting gross margin.

Backed by solid fundamentals and powerful initiatives, without sacrificing year-on-year growth, the Group forecasts a return to a level of profitability more in keeping with past performance from H1 2019/2020 onwards.

### Next release:

12 December 2019 after market close, H1 2019/2020 results

### Next meeting:

13 December 2019 at 10.00 am - Edouard VII Conference Centre, 23 square Edouard VII, 75009 Paris





## → GROUP OVERVIEW

The LDLC Group was one of the first to venture into online sales in 1997. Now a major online BtoB and BtoC retailer of IT and high-tech equipment, the LDLC Group operates via 10 websites, including 5 online stores, and employs over 900 people.

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](http://www.groupe-ldlc.com)

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