

LIMONEST, 12 DECEMBER 2019

H1 2019/2020 RESULTS

- CONSOLIDATED REVENUES OF €222.0M (DOWN 5.4% VS. H1 2018/2019); REVENUES (EXCL. MATERIEL.NET & MAGINÉA) UP 4.4%
- EBITDA UP €7.1 MILLION TO €4.7 MILLION
- NET DEBT DOWN €43.2 MILLION TO €17.1 MILLION AT 30 SEPTEMBER 2019

Olivier de La Clergerie, LDLC Group CEO, said: "The first half of the 2019/2020 financial year has confirmed our return to growth and profit levels in line with the LDLC Group's past track record. Over the last twelve months, we have conducted a concerted strategic drive to position our brands, especially Materiel.net, and optimise our operational structure. While these initiatives impacted Materiel.net first half revenues, as expected, they primarily generated a positive structural effect on the Group gross margin rate which, coupled with operating expense optimisation measures, led to an immediate improvement in first half operating earnings.

Given that the BtoC market has stabilised, the LDLC Group is now ideally positioned and structured to take full advantage of growth opportunities across all its business lines. Encouraged by a strong balance sheet and expanded operating flexibility, the Group is targeting revenues of around €500m and a sharp improvement in EBITDA."

SIMPLIFIED FIRST HALF INCOME STATEMENT (1 APRIL-30 SEPTEMBER)

€m (unaudited)	H1 2019/2020 6 months	H1 2018/2019 6 months	Change
Revenues	222.0	234.6	-12.6
Gross margin	42.3	38.2	+4.1
<i>Gross margin rate</i>	<i>19.0%</i>	<i>16.3%</i>	<i>+2.7pp</i>
EBITDA¹	4.7	(2.4)	+7.1
EBIT	0.8	(5.6)	+6.4
Net financial income/(expense)	(0.7)	(1.0)	+0.3
Earnings of consolidated companies before non-recurring items	0.1	(6.6)	+6.7
Non-recurring income	43.9	0.3	+43.6
Non-recurring expenses	(31.8)	(0.3)	+31.5
Income tax	(4.5)	2.2	+6.7
Net income/(loss) of consolidated companies	7.7	(4.2)	+11.9
Net income/(loss), Group share	7.7	(4.2)	+11.9

On 12 December 2019, the LDLC Management and Supervisory Boards approved the consolidated financial statements for the six months ended 30 September 2019. The H1 2018/2019 financial statements have been restated pursuant to French GAAP to allow comparison between the two periods.

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



CHANGE OF ACCOUNTING STANDARDS

As announced when the company share listing was transferred to Euronext Growth Paris ([see press release dated 29 August 2019](#)), the LDLC Group now prepares French GAAP financial statements as of the 2019/2020 financial year. The financial statements for the six months ended 30 September 2018 have been restated accordingly to allow comparison between the two periods. A detailed reconciliation between the first half 2018/2019 financial statements published under IFRS and restated under French GAAP will be included in the first half 2019/2020 financial report.

LDLC Group management considers that revenues, gross margin and EBITDA¹ are relevant indicators for evaluating Group performance and plans to communicate henceforth on this basis.

H1 2019/2020 BUSINESS REVIEW

H1 2019/2020 Group consolidated revenues amounted to €222.0m, down 5.4% from H1 2018/2019. As previously announced, revenue growth was impacted by two major strategic decisions, namely the discontinuation of the Maginéa business, effective from Q4 2018/2019 (H1 2018/2019 revenues of €1.6m), and the strategic repositioning of the Materiel.net offering (revenues of €39.0m, down €18.7m vs. H1 2018/2019).

BtoC revenues up 4.1% (excluding Materiel.net)

Excluding Materiel.net, whose sales fell sharply over the period, Group BtoC revenues rose 4.1% to €103.9m vs. €99.8m in H1 2018/2019. BtoC online sales edged up 0.7% compared to the same period last year. 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 Group average basket value increased 10% from €371 last year to €408 excl. VAT. The Group attracted 142,000 new BtoC and BtoB customers over the first semester.

The BtoB business posted first half revenues of €75.5m, up 4.5%.

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

Positive structural impact on gross margin rate, up 2.7 percentage points to 19.0%

Boosted by the strategic repositioning of Group brands, the gross margin rate rose 2.7 percentage points to 19.0% in H1 2019-2020.

At constant consolidation scope, the LDLC Group is confident in its ability to deliver a steady gross margin rate close to the H1 2019/2020 value over the long term.

Return to positive EBITDA in H1 2019/2020

First half 2019/2020 EBITDA came to €4.7m, a €7.1m improvement on last year's loss. After a first half 2018/2019 impacted by 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 this year, driven by the improvement in gross margin, the impact of savings generated by Group synergies and other cost-cutting measures.



Net cost of debt amounted to €0.7m compared to €1.0m last year. The Group generated net non-recurring income of €12.1m in the first half, mainly from the sale of the Nantes warehouse and Limonest head office.

Net income for first half 2019/2020 amounted to €7.7m, compared to a €4.2m loss last year.

Net debt reduced to €17m

Shareholders' equity amounted to €62.0m (versus €54.3m at 31 March 2019) compared to net debt of €17.1m (down from €60.3m at 31 March 2019).

This significant €43.2m reduction in net debt resulting from the sale of the warehouse in Nantes (June 2019) and head office premises in Limonest (July 2019), as well as result improvement, allowed the LDLC Group to regain adequate financial leeway to pursue its business development plans.

ACTION PLANS AND OUTLOOK

Amid more stable and buoyant market conditions, the LDLC Group is confirming its target to return to growth and profit levels more in line with its historical track record.

The Group is already capitalising on favourable trends (recovery in the BtoC sector, further growth in the LDLC.pro business) and the results of its investments (expansion of the store chain, 50 stores in France at the end of November 2019). Bolstered by the strategic repositioning of its specialist multi-brand retailer business model, the Group is now entering a further phase of profitable growth driven by a structural hike in its normal gross margin rate and the impact of its operating expense optimisation policy.

The LDLC Group now confidently expects to generate full-year 2019/2020 revenues of around €500m and EBITDA of €14m (vs. €1.8m in 2018/2019 under French GAAP).

Next meeting:

13 December 2019 at 10am – First half earnings presentation conference call (in French)

To take part in this conference call, please dial: +33 (0)1 70 71 01 59

Presentation materials may be downloaded from:

<https://www.anywhereconference.com?Conference=418894081&PIN=17879144&UserAudioMode=DATA>

Login: 418894081 PIN: 17879144#

Next release:

30 January 2019 after market close, Q3 2019/2020 revenues





→ 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

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