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Q1 2022/2023 REVENUES

- CONSOLIDATED REVENUES OF €126.3M
- RENEWED CONFIDENCE IN SECOND HALF RETURN TO GROWTH

Olivier de la Clergerie, LDLC Group CEO, said: “As expected, the first quarter was heavily impacted by the return to normal of high-tech spending – among individuals and professionals alike – after the stellar levels seen during the COVID period. Moreover, inflationary pressure has sparked greater caution in our customers’ purchasing behaviour, prompting them to defer or reduce their spending. This explains the contraction in quarterly revenues to €126.3m.

This situation is expected to prevail until the end of September. If the economic environment remains stable, the Group expects to resume growth in the second half of its financial year, on a normative comparison base. The LDLC Group has sound fundamentals and is preparing for a new phase of growth. The Group is especially committed to increasing LDLC brand awareness, expanding its chain of stores and reinforcing its logistic capacities thanks to its new centre in St Quentin-Fallavier, which will be ramped up gradually between now and the end of the year. As such, the Group has all the assets it needs to assert its leadership in high-tech equipment for a diversified public.”

Q1 CONSOLIDATED REVENUES (1 APRIL TO 30 JUNE) – UNAUDITED

€m	2022/2023	2021/2022	Change (%)
Q1 revenues	126.3	163.7	-22.8%

Quarterly reporting, corporate data: Q1 revenues amounted to €116.6m

Q1 2022/2023 revenues: €126.3m

Revenues for the first quarter ended 30 June 2022 amounted to €126.3m, down 22.8% compared to the same period last year. This decline reflects the return to a normative seasonal pattern, with the first half of the financial year traditionally being weaker than the second. During the last two financial years, first-half performance (April to September) was exceptionally boosted by the COVID situation and the resulting lockdowns and travel restrictions, which prompted consumers to spend their money elsewhere. In relation to the comparable pre-COVID quarter (Q1 2019/2020, like-for-like, excluding Top Achat), quarterly revenues were nevertheless up 10%.

As in the previous quarter, B2C business was the most heavily impacted by the return to normal of high-tech spending, with revenues of €81.4m, down 29.3% compared to the same period last year. Store revenues registered a more modest 12.8% decline to €23.7m, demonstrating the pertinence of the Group’s multi-channel model. In Q1 2019/2020, B2C revenues amounted to €65.3m (excluding Top Achat, which was not yet consolidated).



Less impacted by prevailing conditions, the B2B business generated revenues of €41.6m in Q1 2022/2023, down 9.2% from €45.8m the previous year. This relative resilience highlights the Group's strong positioning with businesses and the ongoing high demand among professionals for equipment to keep pace with the boom in digital technology and the new uses it brings. Also noteworthy is the strong growth in B2B revenues versus Q1 2019/2020, when revenues amounted to €36.7m.

Other businesses posted revenues of €3.3m, up 18.4% from €2.8m in Q1 2021/2022. L'Armoire de Bébé, which sells childcare products, confirmed its growth trajectory with revenues up 16.1% to €2.2m. The success of this business is driven by strengthening brand awareness and the expansion of its store chain (7 stores at 30 June 2022 versus 5 at 30 June 2021).

Heightened brand awareness

In May 2022, the LDLC Group launched its first nationwide TV campaign to strengthen LDLC brand awareness among a wider audience.

On the heels of impressive results in terms of off- and online traffic, LDLC is to air the second instalment of the "LD, elle sait!" advertising series from 8 August to 4 September, this time putting the focus on the effectiveness of remote and in-store customer relationships.

Renewed confidence in business growth from October 2022

Over the short term, the LDLC Group is renewing its expectations of a two-phase financial year. With another set of unfavourable comparison bases, the first half will be impacted by the reorientation of spending, notably in favour of leisure and holidays in the second quarter. By contrast, the Group expects to resume growth from the third quarter onwards, with equivalent comparison bases and a sustained product newsflow, including a fresh cycle of new product generations including graphics cards (new ranges released every two years) and a slow but steady improvement in supply chains.

Over the medium term, the Group can leverage a large number of assets to capture most of the growth in its markets. It can draw on strengthened brand recognition, accelerated development of the store chain and continued growth in the B2B segment. It also has a strong capacity for supporting future development through the creation of new logistics facilities, including the new warehouse in St Quentin-Fallavier due to start operating in September 2022. This will allow the Group to grow securely while preserving the advantages of its business model based on fixed expenses – one that proves its worth year after year.

Lastly, the Group, which boasts a particularly sound financial situation and continues to generate cash, remains on the lookout for and open to all opportunities for making acquisitions and developing business lines that are identical or similar to its own, both in France and internationally.

Next release:

27 October 2022 after market close, Q2 2022/2023 revenues



→ GROUP OVERVIEW

The LDLC Group was one of the first to venture into online sales in 1997. As a specialist multi-brand retailer and a major online IT and high-tech equipment retailer, the LDLC Group targets individual customers (BtoC) as well as business customers (BtoB). It operates via 15 retail brands, has 7 e-commerce websites and close to 1,000 employees.

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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