PRESS RELEASE

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2022/2023 FULL-YEAR RESULTS

- ANNUAL REVENUES OF €567.4M AND GROSS MARGIN RATE OF 20.8%, CLOSE TO NORMALISED GROUP LEVEL
- EBITDA OF €14.3M AND NET INCOME OF €1.2M, IN LINE WITH DECLINE IN BUSINESS
- STABLE NET CASH POSITION AT 31 MARCH 2023, TAKING INTO ACCOUNT A.C.T.I. MAC GROUP ACQUISITION FINALISED ON 1 APRIL 2023
- MODERATE REVENUE GROWTH TARGET FOR 2023-2024 (AT CONSTANT CONSOLIDATION SCOPE)

Olivier de la Clergerie, LDLC Group CEO, said: "*The LDLC Group posted full-year 2022/2023 revenues of €567.4m, a gross margin rate of 20.8%, reaching 21.4% for the second half and approaching normalised rates, and EBITDA of €14.3m. Although margins dipped due to challenging conditions during the financial year, our solid performance once again reflects the resilience of our Group and business model.*

In this context, we demonstrated our ability to remain agile, flexible and forward-looking. As such, we continued our investments to gain new market share by strengthening LDLC brand awareness, expanding the store chain, enhancing the BtoB offering and expanding logistics capacities at our two main warehouses. We also made a number of strategic decisions, including the closure of the Gennevilliers warehouse and the announced shutdown of LDLC Event operations by the end of July 2023.

We will continue to ramp up and optimise our growth drivers, with full confidence in our ability to return to modest growth at constant consolidation scope in 2023/2024 and step up our growth rate following the consolidation of the A.C.T.I. MAC Group from 1 April 2023."

SIMPLIFIED FULL-YEAR INCOME STATEMENT (1 APRIL-31 MARCH)

€m (audited)	2022/2023 12 months	*H1 2022/2023 6 months*	*H2 2022/2023 6 months*	2021/2022 12 months	Change (€m)
Revenues	**567.4**	**253.9**	**313.5**	**684.9**	**-117.5**
Gross margin	**118.2**	**51.0**	**67.2**	**154.3**	**-36.1**
Gross margin rate	*20.8%*	*20.1%*	*21.4%*	*22.5%*	*-1.7 pp*
EBITDA[1]	**14.3**	**2.3**	**11.9**	**58.4**	**-44.1**
EBITDA margin	*2.5%*	*0.9%*	*3.8%*	*8.5%*	*-6.0 pp*
Operating earnings (EBIT) after goodwill amortisation and impairment [2]	**5.3**	**(2.2)**	**7.5**	**51.0**	**-45.7**
Net financial income/(expense)	(1.5)	-	(1.5)	(0.1)	-1.4
Net non-recurring income/(expense)	(0.6)	(0.3)	(0.2)	-	-0.6
Income tax	(1.8)	0.6	(2.4)	(14.7)	+12.9
Net income/(loss) of consolidated companies	**1.5**	**(1.9)**	**3.4**	**36.1**	**-34.6**
Net income, Group share	**1.2**	**(1.9)**	**3.1**	**36.1**	**-34.9**

[1] EBITDA = Operating earnings (EBIT) before goodwill amortisation and impairment + operating depreciation, amortisation and provisions.
[2] A €0.1m goodwill amortisation and impairment charge was recorded for 2022/2023, whereas no charge was recorded for 2021/2022.

On 15 June 2023, the LDLC Management and Supervisory Boards approved the consolidated financial statements for the financial year ended 31 March 2023.

FY 2022/2023 OVERVIEW

Full-year revenues of €567.4m

2022/2023 consolidated revenues came to €567.4m, down 17.2%. Business was impacted by a challenging comparison base in the first half and a persistently high level of new equipment ownership among households and businesses, following the surge in high-tech purchases during the COVID period. The economic backdrop also weighed heavily on sales, with households and professionals preferring to postpone discretionary spending and investments in the face of price hikes, particularly in terms of energy costs.

The BtoC business posted full-year revenues of €381.4m, down from €477.6m the previous year. Store revenues edged up 0.5% to €121.2m. This positive trend confirms the merits of the Group's investments aimed at getting closer to its customers by expanding the regional network. The LDLC Group opened 20 new high-tech stores during the 2022/2023 financial year.

The BtoB business posted revenues of €172.5m, down 11.4%.

The Group attracted 331,000 new customers (BtoC and BtoB) in 2022/2023, fewer than the previous year (443,000 new customers in 2021/2022) due to the economic environment. The Group average basket value remained stable at €482 excl. VAT (versus €483 the previous year).

Other businesses posted total full-year revenues of €13.4m, up 6.5%. L'Armoire de Bébé pursued its growth path with revenues up 5.5% at €8.9m. The success of this business is mainly driven by the development of its online reputation and the expansion of the store chain (9 stores at 31 March 2023 versus 7 at 31 March 2022).

Gross margin €118.2m, giving a gross margin rate of 20.8%

After reaching exceptional levels in previous years backed by strong business driven by the health crisis, the gross margin rate was impacted by the economic downturn in the first half of the financial year (20.1%). The rate rose to 21.4% in the second half of 2022/2023, reflecting the strength of the LDLC Group business model.

The full-year gross margin rate came to 20.8%, close to the Group's target normalised rate. The LDLC Group is confident in its ability to deliver a normalised gross margin rate between 21% and 22% over the short and medium term.

EBITDA of €14.3m

During the 2022/2023 financial year, the LDLC Group began a new customer acquisition cycle by launching its first ever national TV advertising campaign to strengthen brand awareness, alongside the expansion of its store chain (20 new LDLC stores, two new L'Armoire de Bébé stores). Representing an investment of over €5.5m, these actions accounted for the sharp 22.3% rise in purchases and other external costs.

EBITDA amounted to €14.3m (compared to €58.4m in 2021/2022), giving an EBITDA margin of 2.5% (including 3.8% in H2 2022/2023), compared to 8.5% in 2021/2022.

After depreciation, amortisation and provisions, which increased due to provisions recorded for the closure of the Gennevilliers warehouse (€1.8m), EBIT amounted to €5.3m.

The Group posted a net financial expense of €1.5m (versus a €0.1m expense a year earlier), due to a non-cash accounting expense related to the launch of the Group's first employee share ownership plan (€1.4m).

The tax expense totalled €1.8m. Net income, Group share for 2022/2023 remained positive at €1.2m.

A sound financial structure, albeit impacted by acquisitions in the short term

On 1 April 2023, the LDLC Group finalised the acquisition of the A.C.T.I. MAC Group through bank loans. Taking into account the €16.5m in loans taken out before 31 March 2023 for this acquisition, net cash was at breakeven (€0.1m at 31 March 2023 versus €22.8m at 31 March 2022). Shareholders' equity amounted to €108.4m at 31 March 2023 compared to €116.7m at 31 March 2022.

In 2022/2023, the Group incurred a net cash outflow of €0.9m, mainly reflecting a decrease in operating cash flow (€4.1m inflow in 2022/2023 versus €22.3m inflow the previous year), including an exceptional increase in working capital arising from the A.C.T.I. MAC Group acquisition. Adjusted for the acquisition financing amount, working capital is improving thanks to measures taken to reduce inventory levels. Moreover, during the financial year the Group allocated €9.6m to the payment of dividends (2021/2022 balance and 2022/2023 interim dividend payments), thus confirming the ongoing policy of rewarding shareholders.

2022/2023 DIVIDEND

In line with the shareholder return policy renewed last year, the LDLC Group will propose a dividend of €1.20 per share for the 2022/2023 financial year to the General Meeting of shareholders to be held on 29 September 2023. Subject to approval by the Annual General Meeting and the Management Board's decision, shares would go ex-dividend on 4 October 2023 and the dividend would be paid on 6 October 2023.

By way of reminder, the LDLC Group has already paid an interim dividend of €0.40 per share in respect of the 2022/2023 financial year (payment date 24 February 2023).

LDLC GROUP COMMITMENT TOWARDS ITS ECOSYSTEM AND SUSTAINABLE DEVELOPMENT

Having implemented a groundbreaking four-day week, contributed a further €800,000 to the Team for the Planet civic initiative to combat climate change (€1m in total since 2021) and actively promoted gender diversity through sport by strengthening its support for the ASVEL Féminin basketball team to match its commitment to the men's team, the LDLC Group is pursuing its commitments during the new financial year.

It has already announced the free warranty extension on products sold by LDLC[1] from two to three years. In helping to extend the lives of high-tech products, this innovation is also in line with LDLC's strategy of acquiring new customers in order to become the go-to high-tech brand, thus enabling the Group to differentiate itself and create commercial value.

The LDLC Group also launched its first employee share ownership plan via the distribution of bonus shares (100 shares per eligible employee). This initiative is meant to last, with a view to onboarding new staff members, better sharing the value created among employees and aligning the Company's interests more closely with those of its stakeholders.

The LDLC Group is also strengthening its commitment to employee well-being by introducing a 20-week parental leave for both parents, starting from their first child.

[1] See terms and conditions (in French) on: https://www.ldlc.com/aide/50-la-garantie-ldlc/

Supervisory Board changes, including the appointment of an independent member

Having served on the Groupe LDLC Supervisory Board for over 20 years, Suzanne de la Clergerie and Marc de la Clergerie have decided to step down at the close of the 29 September 2023 General Meeting.

At this juncture, the LDLC Group will propose to the shareholders that the Board membership be reshuffled in line with the new economic, environmental, social and societal challenges facing the Group, while converging with best practices in terms of corporate governance.
Accordingly, two new members will be submitted for approval by the shareholders: Caroline de la Clergerie, stepping down as a member of the Management Board on this occasion, and Kevin Kuipers, an independent candidate within the meaning of the Middlenext code. Carrying over 20 years' professional experience in digital and other technologies, Kevin Kuipers notably co-founded Gamekult and Molotov.tv and is currently CEO of Galion.exe, a portfolio management company focusing on seed funding.

OUTLOOK

The LDLC Group operates in buoyant markets in which it has embarked on a new investment cycle to expand its target audiences and strengthen its capacities. The Group is furthering its ambition to become the leading high-tech brand among a broader audience by strengthening brand awareness, stepping up its initiatives, expanding the store chain and ramping up logistics capacities with the new warehouse in Saint-Quentin-Fallavier.

In the short term, the LDLC Group predicts that individuals and businesses will maintain their cautious purchasing behaviour, which is expected to gradually ease due to the normalisation of new equipment ownership and the ensuing commencement of new product upgrading cycles. The LDLC Group expects to benefit from this recovery alongside the initiatives undertaken to acquire new customers. It is therefore aiming for a return to modest growth at constant consolidation scope in 2023/2024, as well as brisker momentum in light of the consolidation of the A.C.T.I. MAC Group's operations from 1 April 2023.

The challenge for the 2023/2024 financial year will also involve continuing our optimisation and performance initiatives (the steps taken regarding LDLC Event and Gennevilliers represent full-year savings of €2.5m). All these measures will enable the LDLC Group to develop with confidence while maintaining the advantage of its longstanding successful fixed-charge business model with a high normalised gross margin rate between 21% and 22%.

Next meeting:

16 June 2023 at 10am – 2022/2023 full-year earnings presentation.
Edouard VII Conference Centre, 23 square Edouard VII, Paris 9th district

Next release:

27 July 2023 after market close, Q1 2023/2024 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 1,100 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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