GROUPE LDLC

PRESS RELEASE

LIMONEST, **16 JUNE 2022, 5.45 PM**

2021-2022 FULL-YEAR RESULTS

- ANNUAL REVENUES OF €684.9M; BTOB BUSINESS UP 4.8% FOR THE FINANCIAL YEAR TO €194.7M
- GROSS MARGIN RATE AT 22.5%, STABLE COMPARED TO THE PREVIOUS YEAR'S RECORD LEVEL
- EBITDA AT €58.4M AND NET INCOME AT €36.1M, CONFIRMING THE STRENGTH OF THE BUSINESS MODEL
- NET CASH OF €22.8M AT 31 MARCH 2022
- AIM TOSTRENGTHEN LDLC BRAND AWARENESS AMONG ALL AUDIENCES

Olivier de la Clergerie, LDLC Group CEO, said: *"The Group achieved a solid performance over the yearwith sales of almost €685 million and EBITDA of €58.4 million, admittedly down from the record levels of the previous year, but up sharply from the Group's pre-crisis activity. Beyond the market trends, which are not very favourable at the moment, the Group has demonstrated the soundness of its fundamentals, the relevance of its business model and its willingness to provide a return for its stakeholders, especially its shareholders.*

In view of current trends, the Group is of the opinion that it will return to a rate of consumption comparable to 2021, excluding the positive effects of the crisis, by the end of September 2022. The LDLC Group has solid financial resources that are enabling it to build the foundation for a new growth cycle. With the capacity for growth offered by the new logistics facility in St Quentin-Fallavier, the Group intends to further expand its chain of stores and increase the awareness of the LDLC brand to better address the high-tech needs of a more diverse customer base."

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

€m (audited)	2021/2022 12 months	*H1 2021/2022* *6 months*	*H2 2021-2022* *6 months*	2020/2021 12 months	Change (€m)
Revenues	**684.9**	***333.5***	***351.4***	**724.1**	**-39.2**
Gross margin	**154.3**	***76.9***	***77.4***	**162.9**	**-8.6**
Gross margin rate	*22.50%*	*23.1%*	*22.0%*	*22.5%*	-
EBITDA [1]	**58.4**	***30.7***	***27.7***	**70**	**-11.6**
EBITDA margin	*8.5%*	*9.2%*	*7.9%*	*9.7%*	*-1.2 pts*
EBIT after depreciation, amortisation and impairment of goodwill [2]	**51**	***26.1***	***24.9***	**62.7**	**-11.7**
Net financial income/(expense)	-0.1	*-0.2*	*0.1*	-0.4	0.3
Non-recurring income/(expense)	0	*0*	*0*	0	0
Income tax	-14.7	*-7.6*	*-7.1*	-20.1	5.4
Net income of consolidated companies	**36.1**	***18.3***	***17.8***	**42.2**	**-6.1**
Net income, Group share	**36.1**	***18.3***	***17.8***	**42.2**	**-6.1**

[1] EBITDA = EBIT before depreciation, amortisation and impairment of goodwill + depreciation, amortisation and operating provisions
[2] Amortisation and impairment of goodwill are 0 for the financial years presented.

On 16 June 2022, the LDLC Management and Supervisory Boards approved the consolidated financial statements for the financial year ended 31 March 2022. The account auditing procedures have been finalised and the accounts have been audited.

FY 2021/2022 OVERVIEW

Consolidated revenues of €684.9M (down 5.4% vs. €724.1m in 2020-2021)

Consolidated revenues for the 2021-2022 financial year amounted to €684.9m, down 5.4% from last year's record performance. After growth in the first half of the year, the Group had to contend with a market situation disrupted by difficulties in the supply of graphics cards during key periods (Black Friday and Christmas), combined with a return to a normal consumption situation in BtoC business.

Revenues from BtoC business, down 9.2%, totalled €477.6m compared to €526.2m in 2020-2021 but showed growth of 47.6% compared to 2019-2020 revenues of €323.6m. LDLC store revenues (62 LDLC stores in France at 31 March 2022) rose sharply by 4.7% to €90.3m. All of the high-tech group's stores (all networks combined) posted revenues of €120.6m, an increase of 2.7%.

BtoB business grew by 4.8% over the full year to €194.7m (€185.9m in 2020-2021) reflecting the strong business momentum in the first half of the year.

The Group recruited 443,000 new customers (BtoC and BtoB) in 2021-2022, strong growth compared to customer acquisition before the health crisis (+329,000 in 2019-2020). After a significant drop in 2020-2021 following the increase in the share of BtoC, the Group's average basket increased, due in particular to the effect of BtoB, by 24% to €483 excl. VAT (€391 excl. VAT in the previous year and €426 excl. VAT in 2019-2020).

Other businesses posted total full-year revenues of €12.6m, up 5.1% from €12.0m in FY 2020/2021, for growth of 5.1%, In childcare products, L'Armoire de Bébé achieved annual revenues of €8.4 m, up 7.9%, and continued its growth trajectory, driven by its online reputation and the opening of five new points of sale during the financial year.

Maintenance of a high gross margin rate of 22.5%.

The Group's gross margin reached €154.3m in the 2021-2022 financial year (compared with €162.9m in 2020-2021). This slight decline mainly reflects the relatively lower level of activity in the second half of the year.

Despite a disrupted market environment in the second half of the year, the Group was able to maintain the gross margin rate at 22.5%, stable compared to the record level achieved in the previous year. The Group benefited from the structural actions undertaken over the last two years (improvement of purchasing conditions, back office integration) and continued to make less use of promotional offers.

At constant consolidation scope and excluding the positive effects of the first half of the year, the LDLC Group is confident in its ability to deliver a normalised gross margin rate of around 21.5% over the long term.

EBITDA of €58.4m with an EBITDA margin of 8.5%

For the 2021-22 financial year, EBITDA was €58.4m (compared with €70.0m in 2020-21). The Group once again achieved historically high operating profitability, with an EBITDA margin of 8.5%.

This year confirmed the relevance of the Group's business model, with a gross margin of 22.5% and moderate increases in other operating expenses, in line with the Group's strategy and its commitment to its teams. Staff costs increased by 5% to €58.1m, reflecting the Group's voluntary compensation policy (minimum gross monthly salary set at 25% above the minimum wage).

Cost of debt was €0.3m compared to €0.4m a year earlier due to a cash surplus for the entire period.

The Group posted net income of €36.1m for the financial year, compared to €42.2m the previous year.

Robust financial structure

Shareholders' equity amounted to €116.7m at 31 March 2022 (compared to €101.6m at 31 March 2021) for net cash of €22.8m at the end of the financial year (compared to €31.3m at 31 March 2021).

In 2021-22, the Group generated a net cash flow of -€7.0m, reflecting a lower cash flow from operations (€22.3m in 2021-22 vs. €51.0m in the previous year) with an exceptional increase in working capital due to the desire to maintain a higher than usual level of inventory given the global situation as well as the continued policy of return to shareholders. The Group devoted €21.0m to the payment of dividends (€14.1m in dividends corresponding to the 2020-2021 balance and the 2021-2022 interim dividend) and to the purchase of LDLC shares for €6.6 m, which were to be cancelled.

Positive effect of the labour model on profitability

The Group, which has been working for three years on improving its employment model, has switched all its teams to a four-day, 32-hour week (4*8), set a minimum salary (after four months' seniority) close to 25% above the minimum wage, and converted the target and variable bonuses into a fixed salary. The Group has seen a real gain in efficiency and commitment over the last few years, and this has had a very positive effect on its profitability. Accordingly, in the 2018-2019 financial year, the Group achieved revenues of €507.5m with a workforce of 1,014 employees, and currently despite an almost equivalent workforce of 1,064 employees (which includes the integration of Top Achat and the opening of its own stores) the Group has seen its business grow over the period by more than €175m, clearly demonstrating the gains made by the labour model in terms of team productivity and efficiency.

2021-2022 DIVIDEND

In line with the shareholder compensation policy renewed last year, the LDLC Group will propose a dividend of €2.00 per share for the 2021-2022 financial year to the General Meeting of Shareholders to be held on 30 September 2022. Subject to approval by the Annual General Meeting and the Management Board's decision, the remaining dividend would be detached on 5 October 2022 and paid on 7 October 2022.

By way of reminder, the LDLC Group already paid an interim dividend of €0.80 per share for the 2021-2022 financial year (ex-dividend date 23 February 2022, payment date 25 February 2022).

Wishing to enhance the long-term relationship with its shareholders, the Group will submit to the next General Meeting a resolution to introduce a 10% bonus dividend for registered shareholders after two years of continuous ownership. This increase would come into effect for the first time for the financial year ending 31 March 2024, in accordance with the relevant laws and regulations.

Details of these resolutions will be included in the company's 2021-2022 Universal Registration Document.

CANCELLATION OF 150,330 LDLC SHARES

By decision of the Management Board, the Group has cancelled 150,330 LDLC shares today that were previously acquired for this purpose under the share buyback programme authorised by the General Meeting of 24 September 2021.
The share capital now consists of 6,171,776 shares with a par value of €0.18.

RECENT NEWS AND OUTLOOK

Resumption of the pace of LDLC store openings

With the arrival of the new logistics warehouse, which allows for the optimal processing of retail logistics flows, the Group confirms its desire to opt for a steady pace of store openings starting with the current financial year. Since 1 April, the Group has already announced the opening of five stores (Perpignan in April, Mâcon and La Roche-sur-Yon in May, and Lyon Cordelier and Orléans in June) and expects to open more than 20 stores, all brands combined, by the end of the year. By way of comparison, over the whole of the previous financial year, the LDLC shop network was expanded by six stores.

Confident of the relevance of its omnichannel distribution model, the Group wishes to continue to expand its network of high-tech stores, in line with the opportunities available to the various retail chains.

In the interests of speed of execution and chain balance, the Group plans to give priority to the deployment of branches in this new stage of expansion. By doing so, the LDLC Group might also study opportunities to acquire existing business assets.

LDLC launches its first TV campaign

At the end of May, the LDLC Group launched its first national TV campaign with a three-part advertisement featuring a family in the midst of a computer malfunction that uses humour and self-deprecation. This campaign, which will be spread over several periods through to the end of 2022, aims to increase awareness of the LDLC brand and its business in a context of increased visibility (four-day week, "Patron Incognito" programme).

This important step for the Group is part of the development of its multi-chain and multi-channel strategy. Through this campaign, the Group hopes to change the scope of its LDLC brand by highlighting its ability to serve all audiences and meet all needs. To achieve this, the Group differentiates itself in particular through its network of stores, its culture of providing the right advice to meet customer needs, its many services and its commitment to customer relations.

Ambitions

In the short term, the LDLC Group anticipates a two-phase financial year, with the first half of the year marking a return to a normalised pace of consumption of high-tech products, during which the Group expects a landing impacted at least in line with previous quarters. The Group should return to growth starting in October, and this growth will also be driven by the renewal of generations of products such as graphics cards (which change every two years) and the slow but gradual improvement of supplies.

In the medium term, the Group has many strengths. First of all, it can rely on the growth of its reputation, its network of sales outlets and its BtoB business. It also has good capacity to manage its future growth with the implementation of new logistics tools that will allow the Group to develop smoothly while maintaining the advantage of its business model with fixed charges that has stood the test of time.

As a result, the LDLC Group remains ambitious and has adequate resources to continue its growth investments, thanks to a particularly healthy and cash-generating financial situation. In addition, the Group is always on the lookout for opportunities to cross borders and develop new markets.

Next meeting:
17 June 2022 at 10am – 2021-2022 annual earnings presentation meeting
Edouard VII Conference Centre, 23 square Edouard VII, Paris 9th district

Next release:
On 21 July 2022 after market close, Q1 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

ACTUS
Investor & Media Relations
Olivier Lambert / Marie-Claude Triquet
olambert@actus.fr – mctriquet@actus.fr
Tel.: + 33 (0)4 72 18 04 93