GROUPE LDLC

PRESS RELEASE

LIMONEST, **5 DECEMBER 2024, 5.45 PM**

H1 2024/2025 RESULTS

- CONSOLIDATED FIRST HALF REVENUES OF €243.7M
- GROSS MARGIN RATE OF 21.1%, IN LINE WITH THE NORMALISED RANGE
- EBITDA IMPACTED BY THE ECONOMIC ENVIRONMENT
- SOUND FINANCIAL POSITION MAINTAINED
- STRATEGIC POSITIONING TO LEVERAGE THE UPCOMING GROWTH CYCLE AND OUTPERFORM THE MARKET

Olivier de la Clergerie, LDLC Group CEO, said: *"The first half of 2024/2025 was impacted by the inflationary environment and the complex political situation in France, which dampened demand and prompted the postponement of investments in both BtoB and BtoC segments. Against this backdrop and despite the consolidation of the Rue Du Commerce business during the second quarter, the LDLC Group nevertheless managed to maintain its gross margin rate within the normalised range of 21-22%.*

Convinced of the fundamentals of its sector, the LDLC Group continued its development over the first half and strengthened its BtoC positioning with the acquisition of the Rue du Commerce brand, whose strong brand awareness among the general public represents a major asset for deploying a major online marketplace, stepping up growth in the BtoC segment and optimising the Group's medium-term profitability.

Thanks to its strategic positioning and sound financial position, the LDLC Group is set to benefit from the next growth cycle."

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

€m (audited)	H1 2024/2025 6 months	H1 2023/2024 6 months	Change
Revenues	**243.7**	**266.9**	**-23.2**
Gross margin	**51.3**	**57.5**	**-6.1**
Gross margin rate	*21.1%*	*21.5%*	*-0.4 pp*
EBITDA[1]	**(2.5)**	**2.9**	**-5.4**
EBIT[2]	**(8.7)**	**(2.3)**	**-6.4**
Net financial income/(expense)	(0.4)	(0.3)	-0.1
Net non-recurring income/(expense)	(0.5)	(1.0)	+0.5
Income tax	2.3	0.4	+1.9
Net income/(loss) of consolidated companies	**(7.2)**	**(3.2)**	**-4.0**
Net income/(loss), Group share	**(7.3)**	**(3.6)**	**-3.7**

[1] EBITDA = Operating earnings (EBIT) after goodwill amortisation and impairment + depreciation, amortisation and provisions.
[2] After goodwill amortisation and impairment of €36,000 for H1 2024/2025, compared to a €0.3m charge for H1 2023/2024.

The Groupe LDLC consolidated financial statements for the six months ended 30 September 2024 were approved by the Management Board on 4 December 2024 and reviewed by the Supervisory Board on 5 December 2024. They were subject to a limited review by the Statutory Auditors.

H1 2024/2025 revenues: €243.7m

First half revenues amounted to €243.7m, down 8.7% versus H1 2023/2024 and down 9.1% at constant consolidation scope (excluding the impact of Rue du Commerce, which has been consolidated since 10 July 2024).

The BtoC business posted revenues of €167.4m, down 6.2% versus H1 2023/2024 and down 6.9% at constant consolidation scope. Store revenues were up 3.8%, reflecting the merits of the Group's investments to strengthen its regional network and get closer to its customers.

Rue du Commerce contributed €1.2m to Group revenues. This level of activity, which is lower than the level achieved prior to consolidation into the LDLC Group, is due to the Group's decision to (**i**) limit the direct offering to high-tech products that contribute to margins, and (**ii**) the gradual introduction of the online marketplace within the Group.

Group business volumes including the LDLC franchise chain and the LDLC and Rue du Commerce marketplaces amounted to €255.5m (including a €3.3m contribution from Rue du Commerce), down 7.9% as reported and down 9.1% at constant consolidation scope.

The BtoB business generated first half revenues of €70.2m, down 13.7% from €81.3m the previous year. Business continues to be impacted by a difficult macroeconomic environment, prompting businesses to exercise caution and postpone their investments.

Other businesses were down 12.6% at €6.1m, compared to €7.0m in H1 2023/2024. Childcare brand L'Armoire de Bébé posted revenues of €4.2m compared to €4.6m in H1 2023/2024.

Gross margin rate of 21.1%, in line with the normalised Group level

Despite a challenging economic environment, the LDLC Group maintained its gross margin rate within the normalised range of 21-22% (21.1%). The gross margin fell 10.7% to €51.3m, mainly due to the decline in business.

EBITDA loss of €2.5m

Despite the consolidation of the Rue du Commerce business, the strengthening of the store chain and inflation, which weighed particularly on rental and payroll expenses, the Group managed to reduce operating expenses by 1.5% in the first half as a result of measures taken to control costs, whose effects will continue during the second half of 2024/2025 and into the 2025/2026 financial year.

However, this reduction in operating expenses was not sufficient to offset the decline in business. The Group therefore posted a €2.5m EBITDA loss for first half 2024/2025, compared to EBITDA of €2.9m the previous year.

Operating earnings (EBIT) amounted to a €8.7m loss integrating a 20.2% increase in net depreciation, amortization, provisions and impairment due to the three-year warranty and the consolidation of Rue du Commerce.

The net financial expense amounted to €0.4m (compared to a net expense of €0.3m a year earlier), while the net non-recurring expense came to €0.5m.

Finally, the Group posted a net loss (Group share) of €7.3m for H1 2024/2025.

Sound financial structure

The Group kept cash outflow under control at €7.8m for H1 2024/2025. This included an operating cash inflow of €4.0m following the optimisation of inventories and a €13.1m investment outflow, mainly related to the €6m acquisition of the business assets of Rue du Commerce along with an equity investment in the LDLC Arena. Cash flow from financing activities amounted to a €1.3m inflow, including €6m in new bank loans and €4.8m in repayments.

At 30 September 2024, the LDLC Group posted a solid financial base, with net borrowings amounting to €12.6m (vs. €3.5m at 31 March 2024) and shareholders' equity of €93.8m, giving a net debt-to-equity ratio (gearing) of only 13.4%.

Outlook

As expected, the slowdown in business caused by the unfavourable economic and political climate dampened the Group's profitability in the first half of 2024/2025. Business volumes, which are usually higher in the second half of the financial year, combined with the measures taken to control operating expenses, should lead to an increase in profitability in the second half.

Backed by its solid financial base, the LDLC Group is able to withstand this challenging period and has all the assets it needs to fully capture the effects of the next growth cycle and return to more normalised levels of profitability. In addition, the Group's strategy to position Rue du Commerce as a generalist e-commerce player, particularly by capitalising on its brand awareness, should contribute towards optimising the LDLC Group's medium-term profitability.

Next meeting:

6 December 2024 at 10.00 am – H1 2024/2025 results videoconference presentation.

Next release

30 January 2025 after market close, Q3 2024/2025 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 8 e-commerce websites and has approximately 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

ACTUS
Investor & Media Relations
Hélène de Watteville / Marie-Claude Triquet
hdewatteville@actus.fr – mctriquet@actus.fr
Tel.: + 33 (0)6 10 19 97 04 / + 33 (0)6 84 83 21 82