

Marks Electrical Group plc

Trading update for the nine months ended 31 December 2022

Continued strong trading momentum with improved profitability

Marks Electrical Group plc ("Marks Electrical" or "The Group"), a fast-growing online electrical retailer, provides a trading update for the nine months ended 31 December 2022 ("the period").

	9 months ended 31 December £'000			3 months ended 31 December £'000		
	FY23	FY22	YoY%	FY23	FY22	YoY%
Revenue	72,918	59,788	22.0%	29,772	22,317	33.4%

Highlights

- Strong trading period in Q3-23 (October to December) with revenue growth of 33.4% to £29.8m (Q3-22 £22.3m)
- Year to date (YTD) revenue growth of 22.0% to £72.9m (2022 YTD: £59.8m)
- Operating leverage achieved during the period, driving margin expansion against the first half, with the Group on track to achieve its full year targets
- Strong performance driven across product categories but particularly in A-rated energy efficient laundry appliances, televisions, refrigeration and small domestic appliances
- In-house fleet of delivery vehicles achieved record delivery volumes in the quarter, during which we also saw continued adoption of our in-house installation service with over 3,000 installations now completed since launch in August 2022
- Maintained inventory levels during the peak trading period and continued focus on tight cost control and disciplined working capital management

Mark Smithson, Chief Executive Officer, commented:

"I am proud of the entire team at Marks Electrical for delivering a record quarterly performance, with year-on-year growth of 33.4% against a tough economic back-drop. This further demonstrates the resilience of our business model and the attractiveness of our market-leading customer offering, which more people are discovering up and down the country.

To continue our focus on growing brand awareness, we further invested in highly targeted television, radio and out-of-home campaigns over the Black Friday and Christmas sales peaks. This led to increased website traffic and broad-based revenue growth across the UK, but with particularly strong improvements year-on-year in London, South East England and the East Midlands.

We've worked closely with our suppliers throughout the quarter, enhancing our position as a growing, but agile, national retail partner of choice. As supply has stabilised during the last 12 months, we have been able to capitalise on our strong net cash position to enhance our inventory range and product availability, further improving our offering for customers.

After an improvement in profitability in the third quarter, we look forward to maintaining our performance management discipline on revenue, profit and cash in order to achieve our full year targets and continue to demonstrate our differentiated proposition."

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About Marks Electrical

Marks Electrical is a fast growing, highly scalable, technology driven e-commerce electricals retailer which sells, delivers, installs and recycles a wide range of household electrical products. The Group was founded in Leicester in 1987 by Mark Smithson and has scaled into a nationwide online retailer with a compelling growth track record, thanks to its vertically integrated, low-cost, high-quality operating model, supported by the ongoing structural shift of consumers to purchase

online. The Group operates within the UK Major Domestic Appliances (MDA) and Consumer Electronics (CE) market, estimated to be worth approximately £8.0 billion.

Primarily through its simple, clear and intuitive website - markselectrical.co.uk - the Group offers over 4,000 products from over 50 leading brands across its main product categories, which include Cooking, Refrigeration, Washers & Dryers, Dishwashers and Audio-Visual. These products are sourced from UK distributors of the brands, with whom the Group maintains strong and direct relationships. Marks Electrical delivers direct to customers in its owned and branded vehicles, operated by the Group's skilled team of delivery drivers, who are also able to offer installation and recycling services.

For further information, visit the Marks Electrical corporate website: <https://group.markselectrical.co.uk> and its retail website: <https://markselectrical.co.uk/>.

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