

Marks Electrical Group plc

Trading update for the six months ended 30 September 2023

Continued trading momentum driven by premium next-day service offerings

Marks Electrical Group plc ("Marks Electrical" or "the Group"), a fast-growing online electrical retailer, provides the following trading update for the six months ended 30 September 2023 ("the period" or "HY24"), ahead of announcing its Half Year Results on 17 November 2023.

6 months ended 30 September

	HY24 (£m)	HY23 (£m)	YoY%
Revenue	53.9	43.1	24.8%

Highlights

- Strong first half trading period with revenue growth of 24.8% to £53.9m (HY23 £43.1m)
- Continued market share gains in the Major Domestic Appliance and Consumer Electronics markets
- Rapid growth in our premium next-day service offerings with integrated, gas, electric and television installation services achieving over 7,000 installation orders in the first half, vs. 2,500 in the prior year (+180%), and over 11,000 freestanding connection services vs. 5,000 in the prior year (+120%)
- Robust performance across product categories with particularly high growth in televisions (+71%), washer-dryers (+74%) and American fridge-freezers (+36%)
- Strategic decision to introduce our own installation service, combined with inflationary pressures in distribution costs impacted H1 margins, but expect this pressure to ease over H2 as we benefit from improved operating leverage during the peak trading period
- Invested £1.2m in our vehicle fleet and distribution centre, improving our capacity and training facilities, including the development of the Marks Electrical Academy, preparing us for future growth opportunities
- Proudly maintained our industry leading Trustpilot score of 4.8, reaching over 55,000 reviews with 95% of those reviews being 4 and 5 star, demonstrating the strength of our best-in-class customer proposition
- Retained our robust net cash balance sheet, carefully managing inventory levels, investing in selected capex opportunities and closing the period with a further improved net cash position of £10.9m (HY23 £7.7m)

Mark Smithson, Chief Executive Officer, commented:

"We've built on the good momentum delivered at the start FY24, with revenue growth of 24.8% against a Major Domestic Appliances & Consumer Electronics market that is broadly flat in the first half of our financial year.

Our strategic decision to add in-house installation services to our offering has strengthened the Group's premium service proposition, enabling us to develop a market leading installation offering, growing market share and driving revenue growth. The launch of this service, alongside the well documented industry-wide pressures regarding wage inflation, impacted our H1 margin, with the pressure on distribution and installation costs being higher than expected. At the same time, year on year, we remained disciplined on marketing costs, maintained our cost control on overheads and are continuing to gain market share profitably.

We remain focused on our full year targets and expect margin pressure to ease in H2 as we benefit from improved operating leverage during the peak trading period.

Our differentiated operating model, leading customer service and free next-day delivery provides a unique premium service proposition that sets us apart from the competition. I'm proud of our achievements in the first half and thank all of our colleagues for their commitment to developing and maintaining our superior customer offering, positioning us as the UK's leading premium electrical retailer.

We've exited September with order growth of over 20%, made a strong start to October, and are laser-focused on maintaining our performance management discipline on revenue, profit and cash in order to grow sustainably and achieve our full year targets."

Market abuse regulations

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement, this information is now considered to be in the public domain.

Enquiries:

Marks Electrical Group plc

Mark Smithson (CEO)

Josh Egan (CFO)

Dentons Global Advisors (Financial PR)

Jonathon Brill / James Styles / Nishad Sanzagiri

markselectrical@dentonglobaladvisors.com

Via Dentons Global Advisors:

Tel: +44 (0)20 7664 5095

Tel: +44 (0)20 7664 5095

About Marks Electrical

Marks Electrical is a fast growing, highly scalable premium electrical 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 £7 billion.

Primarily through its simple, clear and intuitive website - markselectrical.co.uk - the Group offers over 4,500 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/>.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTFLFIDIFLLLIV