

CMO Group PLC

Full year update for period ended 31 December 2023 (unaudited)

*Progress on key strategic priorities and Q4 trading update*

CMO Group PLC ("CMO" or the "Group"), the UK's largest online-only retailer of building materials, today announces an update on Q4 and for the full year to 31 December 2023.

As has been widely reported, the ongoing economic challenges have significantly impacted the construction sector and particularly discretionary spend within the Repair, Maintenance, and Improvement (RMI) sector. Whilst we have seen demand remain resilient, consumers shifted towards smaller projects driving, in a break from previous seasonal trends, lower than normal average orders values in the latter part of 2023, following the improving trajectory seen in Q3.

Correspondingly, while total sales for the full year to 31 December 2023 are expected to be broadly in-line at c. £71.5m (2022: £83.1m), full-year adjusted EBITDA\* is expected to be c. £1m(2022: £2.1m), which is below previous guidance.

The Group remains well financed with cash of c. £4.3m (FY22: £6.2m) and net debt at 31 December 2023 of £1m (FY22: net cash £1.4m). In addition, we are making good progress with our flexible banking partner to strengthen the Group's available liquidity. We continue to maintain a strong focus on profitable sales and improving liquidity.

Despite the disappointing last quarter we are pleased to report success in the delivery of our previously documented key strategic priorities:

- **Improvement in product margins\*\*:** Gross product margins excluding carriage have moved upwards and improved by 1 percentage point compared to FY22.
- **Carriage Cost Control:** we have continued to see the improvements in carriage recovery as previously reported of 56%.
- **Market share\*\*\*:** the most recent market share data indicates that the SUPERSTORES have grown market share 11% from H1 to H2 2023.
- **LANDSCAPING SUPERSTORE:** launched at the end of December.

Full Year results for the year ended 31 December 2023 will be announced, as usual, at the beginning of May.

Dean Murray CEO of CMO Group PLC, said:

*"We are continuing to deliver on our strategy to disrupt the traditional market and our strategic priorities. Our success in launching vertically integrated websites, most recently [landscapingsuperstore.co.uk](https://landscapingsuperstore.co.uk), continues to drive penetration and takes advantage of our differentiated proposition with unrivalled breadth of product range, supported by expert customer service. With macro-economic headwinds continuing to impact the construction sector we proceed with caution for the outlook for FY24, but remain confident in our model and strategy to take the business forward, and our ability to deliver profitable progress."*

\*Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, share option expense, acquisition costs and exceptional items and stated on an IFRS basis.

\*\*Excludes carriage

\*\*\*GFK Builders Merchant market data to October 2023

**8 January 2024**

The information contained within this announcement is deemed by the Group to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

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