

Losses widen at musicMagpie despite growing trend for second hand devices

Reselling brand musicMagpie saw operating losses grow to £4.9m from £500,000 last year but says it is confident the second hand market is growing.

The Stockport-based firm, which trades shares on the London Stock Exchange, told investors that revenue dipped from £145.3m to £136.6m – a greater share of which was made up of consumer technology as opposed to disc media such as CDs and DVDs. Meanwhile margins grew slightly to 27.7% as bosses said they had successfully bought products for less.

Chief executive officer and co-founder Steve Oliver said the business had seen a positive start to the new financial year. And with changes to its buying operation in the US as well as cost reduction in the UK and lower investment into its rental operation, musicMagpie's board was confident of prospects in the 2024 and into the "medium term".

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Last year saw the firm install "SMARTDrop" kiosks in 290 Asda supermarkets, providing another way for people to sell their devices for an immediate cash payment and which had proven so popular they account for around 43% of the phones the firm now acquires. It also pointed to success in acquiring handsets from the US and selling for higher prices in the UK.

Looking ahead, the firm said it expects a 'buy now, pay later'

offer to have a positive impact on revenues. Rental revenues also grew substantially during the year, from £5.3m to £8.3m.

Mr Oliver said: “Following a successful end to FY23 we are pleased with FY24’s Q1 performance. Having recently made changes to our US Consumer Technology buying strategy and operations, and implemented further cost savings in the UK, we believe that musicMagpie is well positioned for the remainder of the year.

“We expect second-use markets to continue to grow which will complement our strategy of unlocking a ‘world of inventory’ from consumers homes and providing them with a solution that is ‘smart for you, smart for the planet’ across of our existing product categories and potential new product categories. As such we remain confident in musicMagpie’s future prospects.”