

musicMagpie ‘remains confident’ after record Black Friday sales

musicMagpie has said it “remains confident” in the face of a “challenging consumer environment and growing cost pressures” after achieving record Black Friday sales.

The Stockport-headquartered company said that following “cautious consumer behaviour” over the summer and early autumn, November saw increased activity that ended in record sales during the Black Friday week.

musicMagpie has also confirmed that its revenue for the 12 months to the end of November will be £144.8m, down from £145.5m while EBITDA will be in line with management’s expectations.

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A statement signed off by the board said: “The group’s growing rental service also had a strong year end. Whilst rental reduces outright sales as consumers choose to rent rather than buy, it provides a higher margin and significantly greater profitability to musicMagpie over the lifetime of the device.

“Active subscribers at 30 November 2022 were 30,500, up 27% since the group’s interim period end on 31 May 2022.

“To further improve recurring revenues from rentals and reduce consumer costs, the group launched a 24 month contract option in December 2022 and expects this expansion of the offering to help drive growth into the new financial year.

“With strong trading in November, net debt at 30 November 2022 was £8.2m, better than management’s prior expectations. The

group has a £30m committed revolving credit facility to support future growth in the rental service.

“Whilst cognisant of the challenging consumer environment and growing cost pressures on both businesses and the consumer, the board remains confident in the group’s strategy and in its medium-term growth prospects, underpinned by the growing and differentiated rental proposition.”

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