

musicMagpie 'very confident' for the future as it slashes losses during tough year but revenue stalls

The boss of musicMagpie said the company remains "very confident" in its future prospects after slashing its losses during a "tough year".

The Stockport-headquartered company has posted pre-tax losses of £1.4m for the 12 months to November 30, 2022, down from the £14.8m during the previous year.

However, its revenue declined slightly from £145.5m to £145.2m over the same period.

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musicMagpie said the number of active subscribers to its device rental service increased from 13,500 to 30,500 by the end of the financial year and to 36,000 at February 28, 2023.

It added that its consumer technology revenue increased by 12.2% to £96.6m while revenue from disc media and books fell from £59.5m to £48.7m.

Its net debt rose from £1.8m to £7.9m "following key investment in rental assets".



Steve Oliver, CEO of MusicMagpie

Chief executive and co-founder Steve Oliver said: “In common with many consumer-facing businesses, this has been a tough year for musicMagpie in the face of a rapidly changing macroeconomic environment.

“However, against this backdrop I am delighted with the performance of our core consumer technology business, which grew by over 12% and now accounts for nearly 70% of our total revenue.

“We achieved a huge amount in the year, from completing the roll-out of our SMARTDrop kiosks with Asda, significantly growing our consumer rental subscriber base, to adding our products to both Back Market and Walmart and launching our consumer tech rental service for corporates.

“Our rental subscription service for phones, tablets and other products has continued to grow strongly as both consumers and businesses alike have started to recognise the outstanding

value and flexibility that it offers.

“As of 28 February, we had 36,000 active renters on our books, and recently launched a 24-month rental contract which we believe will be even more attractive to customers in the current economic climate.

“While the short-term outlook continues to be challenging, we believe our ability to help consumers raise cash and save money positions us well for resilient trading.

“In the longer term, we remain very confident in musicMagpie’s future prospects – and especially those of our rental business.”

On its current trading and outlook the company added: “Following on from the record Black Friday close to FY22, the start of the new financial year saw the group having to navigate through the challenges of the well-publicised postal strikes, in addition to the tough consumer environment and continuing macroeconomic uncertainty.

“Looking beyond the first quarter of the group’s financial year, which traditionally has a low contribution to the full year performance, whilst the economic outlook remains unpredictable 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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