Executive Summary

November 2023 net sales reached €169.98 million, representing a modest month-on-month contraction of –0.7% and a significant year-on-year decline of –9.1%. This underperformance follows a period of steep seasonal swings in Q4 2022—driven by heavy promotions—that inflated last year's November baseline. Key drivers of the €29.9 million YoY shortfall include declines in core markets (France, Germany, Austria), product-family mix shifts, and a handful of large clients experiencing steep drop-offs. Actionable initiatives targeting these segments can help recapture lost volume and stabilize Q4 performance.

Overview

- November 2023 net sales: €169.98 million
  - MoM change (Oct→Nov): –0.7%
  - YoY change (Nov 2022→Nov 2023): –9.1%

- Seasonal context:
  - Historical sales dip sharply in April and December.
  - Peaks recur in October and November, aligning with year-end demand.
  - November two-year average: ~€183 million; Nov 2023 finished ~7.2% below this norm.

- Recent volatility:
  - Q4 2022 saw +31% MoM in Nov followed by –30% in Dec due to one-off promotions.
  - Q1 2023 recovery with +20.2% MoM in Jan and +7.9% in Feb.
  - Mid-year dip in April 2023 (–30.7% MoM), rebounding into summer months.

Trends and Context

The chart below traces monthly net sales from January 2021 through November 2023, with a three-month linear forecast extending to February 2024. It highlights pronounced seasonality, the recovery from mid-2021 disruptions, and the modest upward trend projected into early 2024.
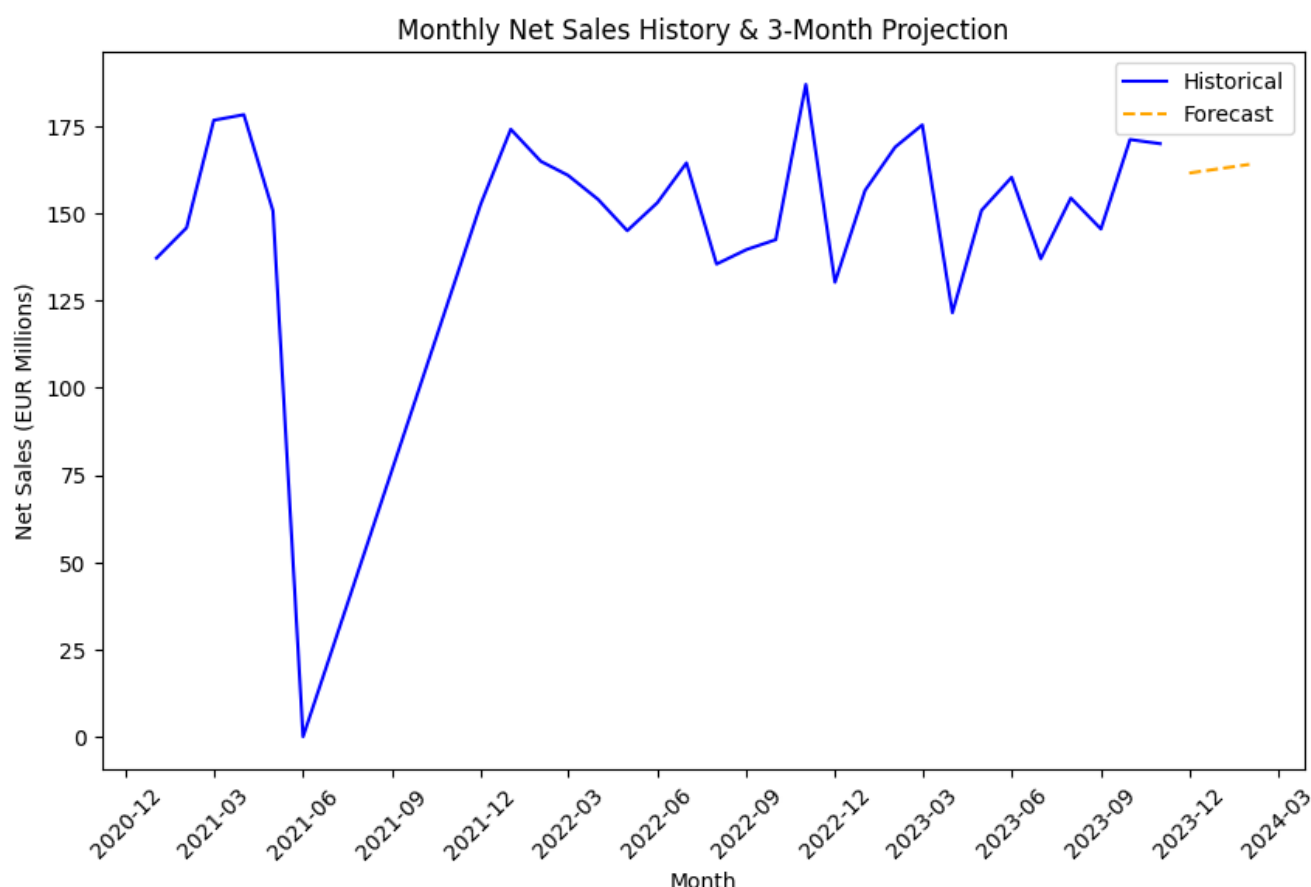
Figure 1. Monthly Net Sales History & 3-Month Projection.

- X-axis: "Month" (YYYY-MM, ticks every three months)
- Y-axis: "Net Sales (EUR Millions)"
- Legend: solid blue line = Historical; dashed orange line = Forecast

In depth analysis

A. Overall Trend & Seasonal Effects

- November 2023 sales (€170 M) fell short of both last year's elevated promotional base and the two-year November average.
- Currency headwinds—particularly weaker GBP—exacerbated the underlying demand slowdown.
- Seasonal dips are expected in December, but the YoY decline signals structural weakness beyond normal seasonality.

B. Country-level Drivers

Five markets account for over 92% of the €29.9 million YoY shortfall in November 2023:
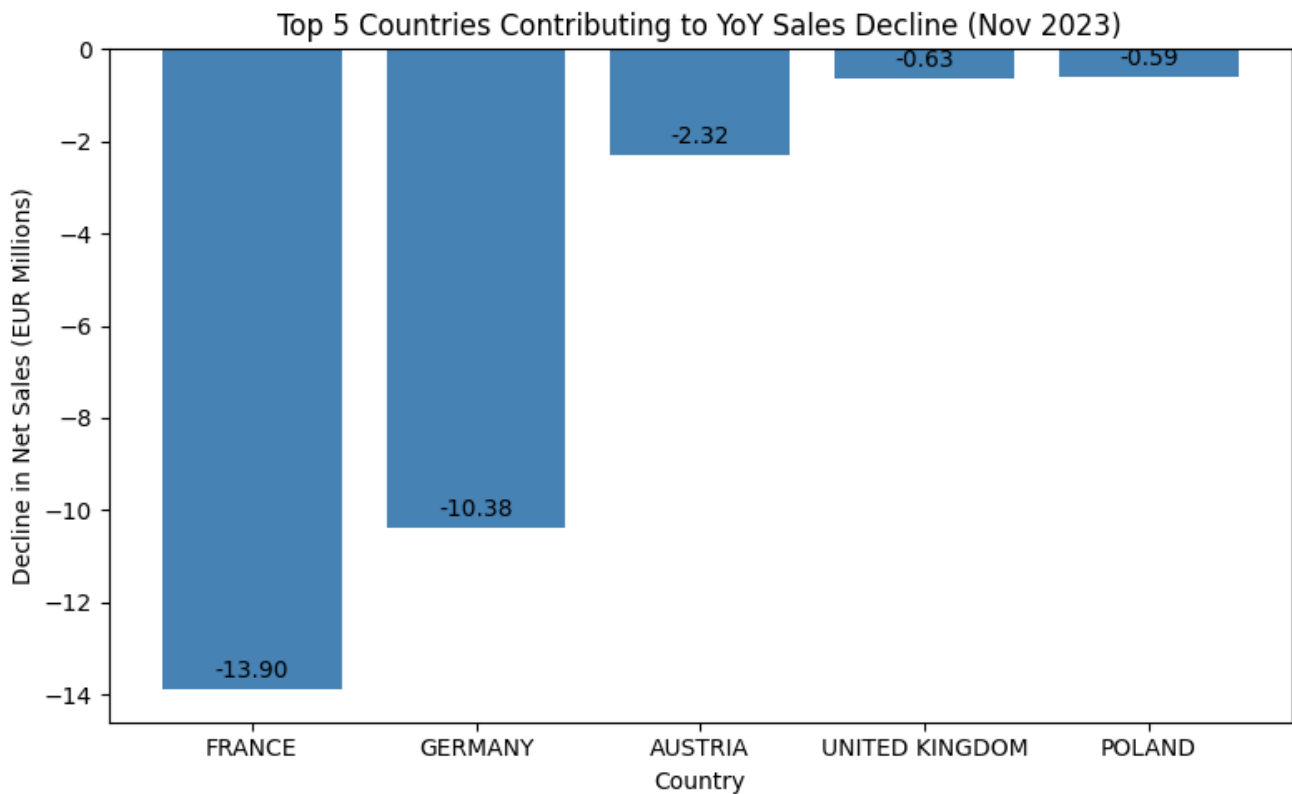
Figure 2. Top 5 Countries Contributing to YoY Sales Decline (Nov 2023).

- X-axis: Country names
- Y-axis: Decline in Net Sales (EUR Millions)
- Bars colored steelblue

Breakdown of declines:

- France: –€13.90 M (46.4% of total decline)
- Germany: –€10.38 M (34.6%)
- Austria: –€2.32 M (7.7%)
- United Kingdom: –€0.63 M (2.1%)
- Poland: –€0.59 M (2.0%)

Actionable insights:

- Relaunch targeted end-of-year promotions in France and Germany with deeper discounts or bundled offers.
- Investigate supply-chain or stock-out issues in Austria that may have constrained availability.
- Assess currency conversion and hedging strategies in the UK to mitigate FX impacts.
- Implement localized marketing and pricing initiatives in Poland to reignite demand.

C. City-level Hotspots

Top under-performing cities (versus two-year November average):

- Mondsee: –€1.24 M
- Fondettes: –€1.18 M
- Spånga: –€0.94 M
- Bridgend: –€0.87 M
- Laguna: –€0.65 M

Recommendations:

- Deploy regional sales teams to diagnose on-the-ground issues.
- Run geo-targeted digital campaigns (e.g., geo-fencing, local SEM) in these cities.

D. Product-Family Impact

November 2023 product-family performance:

- Family 9100: €58.7 M in sales, down –€7.95 M YoY (62% of family decline)
- Family 6000: –€2.12 M
- Family 1000: –€1.15 M
- Family 3500: –€0.84 M
- Family 3000: –€0.56 M

Recommendations:

- Audit inventory levels and backorders in Family 9100; expedite resolutions.
- Introduce short-term rebates on Families 6000 and 1000 to recover lost volume.

E. SKU-level Drivers

Key SKU declines:

- COMMI-FR1-L: –€4.75 M YoY (44.7% of item-level decline)
- COMMI-DE1: –€3.12 M (29.4%)
- MTH-TRSFR: –€1.13 M (10.6%)
- SALE OF STOCK: –€0.63 M (5.9%)
- 1521003: –€0.46 M (4.3%)

Recommendations:

- Negotiate short-term price incentives or volume rebates with COMMI-FR1-L and COMMI-DE1 buyers.
- Bundle slower SKUs with best sellers to boost overall take-rates.

F. Client-level Behavior

Client declines in November 2023:

- 4,790 clients (74.3% of prior-year sales) saw YoY declines.
- Bucket 1 (< –50% YoY): 5 clients contribute €13.3 M (29.9% of current sales).
- Top absolute drops: Client 1073 (–€11.09 M, –50.6%), Client 8351 (–€2.31 M, –76.3%).

Recommendations:

- Executive-sponsor outreach to Clients 1073 and 8351 to resolve issues.
- Offer customized renewal incentives for steep-decline clients.
- Deploy a "value reminder" campaign for clients down –25% to 0% to prevent further slippage.

G. Baseline Anomalies

- One-off deals in Nov 2022 inflated last year's baseline: ~132 clients had orders ≥ 2× their Jan–Oct 2022 average.

Recommendations:

- Adjust 2024 targets and incentives to exclude these anomalous spikes.
- Confirm whether related service deliverables carried into Q4 2023 impacted comparatives.

Forward Outlook and Recommendations

Forecasts based on the recent trend suggest gradual recovery:

- Dec 2023: €161.6 M
- Jan 2024: €162.8 M
- Feb 2024: €164.0 M

Recommendations:

1. Accelerate promotion roll-outs in core deficit markets (France, Germany) by mid-December.
2. Optimize inventory and logistics for high-impact families (9100, 6000, 1000) to prevent stock-outs.
3. Implement targeted client-retention programs for top-decline accounts, with executive engagement.
4. Fine-tune FX hedging and dynamic pricing for GBP-exposed operations.
5. Refine 2024 budgeting and incentive frameworks to account for one-off baseline anomalies.

These measures will help stabilize Q4 performance, recapture lost volume, and set the stage for a stronger start to 2024.