

SuperGroup.Plc

Pre-close Trading Statement

Superdry delivers further strong financial growth, progress to build a Global Digital Brand continues

9 November 2017

SuperGroup Plc ('Superdry' or 'Group'), the owner of Superdry, the Global Digital Brand, today provides a trading update covering the 26-week period to 28 October 2017 (the 'half year' or 'period').

Revenue

£m	26 weeks to 28 October 2017 ("H1 FY18")	26 weeks to 29 October 2016 ("H1 FY17")	Reported Growth
Global Brand revenue ¹	756.3	604.1	+25.2%
Group revenue	402.0	334.0	+20.4%
Wholesale revenue	159.3	118.8	+34.1%
Retail revenue	242.7	215.2	+12.8%
Store revenue	181.5	168.7	+7.6%
Ecommerce revenue	61.2	46.5	+31.6%
Retail LFL ² (%)	6.3%	12.8%	
Average owned space ('000's sq ft)	1,084	939	+15.4%

Global Brand revenue increased by 25.2% to £756.3m in the half, benefitting from continued strong growth across all channels. Reported group revenues increased by 20.4% in the half to £402.0m, including an approximate £12m benefit from the impact of foreign exchange, the majority of which fell in the first quarter.

Wholesales revenue continued to grow strongly, up 34.1%. Total Retail revenues increased by 12.8% year on year, led by Ecommerce revenue that grew by 31.6%, and included like-for-like revenue growth of 6.3%. New and non-annualised retail space contributed c.6.8% sales growth over the period.

The strong performance delivered in the half year reflects the Group's focus on its four strategic pillars:

Global Digital Brand

Superdry continued to strengthen its brand presence with two fully integrated digital marketing campaigns, *The Night is Young* and *This is My City*. Each campaign was successful; introduced new customers to Superdry, re-enforced ownership of key seasonal categories and delivered strong financial returns. The autumn *This is the Jacket* campaign was launched in the final week of the period, with positive initial consumer reaction providing momentum into the second half.

World Market Opportunity

Disciplined expansion continued during the period across each of Superdry's eight channels to market, led, as outlined above, through flexible, capital light Wholesale and Ecommerce growth. Through 37 franchise stores and 13 owned stores, 50 dedicated Superdry stores were added to the portfolio in the period across 23 different countries. The development markets of North America and China are each now in disciplined roll-out and investment has continued, in line with plan.

Relentless Innovation

Innovation continued in both mainline and development areas. Within the core mainline, authority within jackets was strengthened by the launch of the first of a series of responsibly sourced down jackets, which will meet the highest ethical standards, containing only ethically sourced down. The college-inspired Varsity range, targeted at younger customers, pairing on-trend badging with Superdry's renowned graphic handwriting in a traditional colour palette of red, white and blue, was also highly successful.

The Superdry Sport proposition continues to build. In the period this included the launch of an expanded range including performance footwear, developed in the SuperDesignLab, and the opening of the first of a planned series of stand-alone franchise stores along with 12 "shop-in-shop" implants in owned stores.

Operational Excellence

The Group continued to develop its infrastructure including the extension of multi-channel capability to our European distribution centre and successful implementation of a new Order Management System for Ecommerce. The combination of these developments will reduce delivery times and enable Superdry's sector-leading UK customer delivery options to be introduced in Europe ahead of peak trading. As previously guided, the remaining dual running and other migration costs totaled c. £0.5m in the half year.

Financial Guidance

Gross margin in the period is anticipated to decline year-on-year by approximately 170bps, primarily reflecting the strong

participation of Wholesale sales. Also, as previously guided, gross margins will also be impacted by input inflation not passed on to consumers and investments made to reduce the overall level of inventory, partially offset by not repeating promotional mechanics trialed in 2016.

The Board anticipates that underlying⁴ full year profit before taxation will be in line with market expectations⁵ and that half year underlying profit, after distribution centre migration costs and development market investment referred to above, will be in the range of £25m - £26m.

Commenting on Superdry's performance Euan Sutherland, Chief Executive Officer, said:

"We have delivered another strong performance in this half, further demonstrating the unique advantages and attractiveness of Superdry as a Global Digital Brand. Our growth has further diversified the brand, both geographically and across channels, which serves to insulate the business from trading conditions in any single market.

"Our focus is on executing against the clear growth opportunities we have identified. We have a clear brand positioning, a disruptive multi-channel approach and a growing culture of operational excellence. The performance in this half underlines our confidence in both the strength of the brand we are building and the quality of sustainable financial performance we can deliver."

Other Updates

1. Changes to Reporting Calendar

Reflecting the development of Superdry as a Global Digital Brand and the growing significance of Wholesale to the Group's revenue and profit streams the following Financial Reporting calendar will be adopted from FY19 onward with the revised financial metrics being adopted from H2 FY18.

Announcement	Timing	Content / Key Financial Metrics
Full Year – Pre-Close Statement	May	Quarter 4 & Half 2 Performance: - Retail store sales - Ecommerce sales - Total Wholesale sales Gross Margin Full Year Underlying ⁴ Profit guidance
Preliminary Results	July	Statutory Results Final Dividend Confirmation Strategy Update
Half Year – Pre-Close Statement	November	Quarter 1, Quarter 2 and Half 1 Performance: - Retail store sales - Ecommerce sales - Total Wholesale sales Gross Margin Half 1 Underlying ⁴ Profit guidance
Interim Results	December ^(Note)	Statutory Results Interim Dividend confirmation Strategy Update
Third Quarter Trading Update	February	Quarter 3 Performance: - Retail store sales - Ecommerce sales - Total Wholesale sales Gross margin guidance

Note: The FY18 Interim Results, together with a trading update for the third quarter, will be announced on 10 January 2018.

2. Change of Name

As announced at our Capital Markets Update on 25 September 2017, the name of the Group will change to Superdry Plc, reflecting our focus on developing the brand globally and digitally. We are currently putting in place the changes necessary for this step and expect the name change to take effect during the first quarter of 2018.

For further information:

SuperGroup

Nick Wharton
Chief Financial Officer

+44 (0) 1242 586456
nick.wharton@supergroup.co.uk

Tulchan

Susanna Voyle
Samantha Chiene

+44 (0) 20 7353 4200
supergroup@tulchan.com

Conference call

SuperGroup will be hosting a conference call for analysts and institutional investors at 08:00 hours today. A recording of the conference call will be available on www.supergroup.co.uk shortly afterwards.

Dial in:

UK Toll Number: +44 (0)203 139 4830
UK Toll-Free Number: 0808 237 0030

Pin: 40740470#

Announcement of FY18 Interim Results

SuperGroup will announce its Interim Results for the 26 weeks ended 28 October 2017, together with a third quarter trading update on Wednesday 10 January 2018.

Notes

1. Global Brand revenue represents the equivalent value of Group revenue at the values paid by consumers. It is calculated by uplifting all revenues by applicable sales tax rates and uplifting revenues in our Wholesale division by a factor representing the applicable mark up from wholesale to consumer prices.
2. Like-for-like sales ('LFL') growth is defined as the year-on-year sales growth for stores and concessions open for more than one year and include Ecommerce revenues. Foreign currency sales are translated at the average rate for the month in which they were made.

Reported	Q2			Q1		
	FY18	FY17	Growth	FY18	FY17	Growth
£m						
Total retail	126.4	114.6	10.3%	116.3	100.6	15.6%
LFL (%) ²	3.7%	13.7%		9.3%	11.9%	
Ave. Space (sq. '000s) ²	1,100	957	14.9%	1,067	920	16.0%

3. Owned Retail Space Analysis:

	Closing FY17		FY18 H1	
	Sq ft	Stores	Sq ft	Stores
UK & ROI	573	99	580	102
EU	405	101	441	108
North America	76	20	101	23
Group	1,054	220	1,122	233

The Group opened 15 stores, relocated four stores and two stores were closed during the half year.

4. Underlying is defined as reported results adjusted to reflect the impact of exceptional and other items (including the fair valuation of financial derivatives), and, when appropriate, the related income tax. The Board believes that the underlying results provide additional guidance to statutory measures to help understand the performance of the Group.
5. The Board considers market expectations for the financial year ended 28 April 2018 are best defined by taking the range of forecasts of PBT published by analysts who consistently follow the Group. The current consensus of PBT forecasts as at 2 November 2017, of which the Board is aware, is £97.9m.

Notes to Editors

Superdry is a Global Digital Brand, obsessed with design, quality and fit and committed to relentless innovation. We design and make affordable, premium-quality clothing, accessories, footwear and cosmetics which are sold around the world. Our customers don't believe in being categorised by what they wear – they are individuals that share a common attitude in life and feel amazing when they wear the *Superdry* logo. We create the clothes...our customers create the stories.

We operate a significant and continually expanding international business, with a disruptive multi-channel approach and selling through our websites, wholesale partners and a network of franchise and owned stores. We are becoming a more efficient business as we improve our process from Design to Customer and refine our Wholesale model. Simultaneously, we are focused on expanding our business globally with a clear strategy for growing our Ecommerce business as well as our operations in key markets within Europe, North America and China.

We operate in 52 countries worldwide with a combination of physical stores and websites and have more than 5,000 colleagues worldwide.

Cautionary Statement

This announcement contains certain forward-looking statements with respect to the financial condition and operational results of SuperGroup Plc. These statements and forecasts involve risk, uncertainty and assumptions because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. These forward-looking statements are made only as at the date of this announcement. Nothing in this announcement should be construed as a profit forecast. Except as required by law, SuperGroup Plc has no obligation to update the forward-looking statements or to correct any inaccuracies therein.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.