

# SuperGroup Plc

## Pre-close Trading Statement

### **Delivery of strong sales growth across all channels and strategic plan remains on track**

10 November 2016

SuperGroup Plc ('SuperGroup' or 'Group'), the owner of the *Superdry* brand, today provides a trading update covering the 26-week period to 29 October 2016 (the 'half year' or 'period').

#### Revenue

£m	26 weeks to 29 October 2016 ("H1 FY17")	26 weeks to 24 October 2015 ("H1 FY16")	Reported Growth %
Group revenues	334.0	254.7	+31.1%
Retail revenue	215.2	172.1	+25.0%
Retail LFL <sup>1</sup> (%)	12.8%	17.2%	
Average space ('000's sq ft)	939	789	19.0%
Wholesale revenue	118.8	82.6	+43.8%

Group revenues for the half year increased by 31.1% to £334.0m. Reflecting the brand's global footprint, revenues benefitted from Sterling's weakness with the impact of currency changes accounting for approximately one third of the reported growth in each of the Group's operating divisions.

Within Retail, the positive sales momentum from FY16, and in particular the growth in e-commerce, continued consistently throughout the first two quarters with total sales growth of 25.0% and like-for-like sales growth of 12.8% achieved against strong prior year comparatives.

Wholesale revenue increased by 43.8% in the half year, benefitting from investments made in the prior year to strengthen the Group's capability in this division.

#### Gross margin

The Group continued to deliver targeted scale and direct sourcing benefits. However, gross margin in the period is anticipated to decline year-on-year by approximately 130bps primarily reflecting the strong participation of relatively lower margin Wholesale sales. Other, smaller, dilutive impacts arose from targeted clearance activity, as part of the project to expand the Group's distribution infrastructure, and the trialling of some one-off, non-comparable promotional mechanics within Retail.

#### Strategic progress<sup>2</sup>

The Group continued its strategic progress during the half year including opening 12 owned stores, all outside the UK. The net addition of 67,000 square feet to the own store portfolio increased the brand's average retail space by 19% year-on-year. New and non-annualised retail space contributed c.15% sales growth over the period.

The Group successfully opened new distribution facilities in Europe and the USA. They will operate as planned throughout peak trading and remain on track to be fully operational in 2017. As previously guided dual running and other mitigation costs will add c. £2m to the operating cost base in FY17, with £1.7m incurred in the half year.

Good progress continued to be made in the Group's development markets of North America and China, in line with their respective business plans. Specifically, the brand continued to build traction in the USA with continued strong e-commerce growth and the new stores opened in Manhattan, Philadelphia and Orlando performing well.

#### Underlying<sup>3</sup> Profit before Taxation

The Board anticipates that full year profit will be in line with market expectation<sup>4</sup> and that the half year profit, after distribution centre migration costs and development market investment referred to above, will be in the range of £20m - £22m.

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

"This is another good performance particularly when set against last year's strong first half trading. Our new product ranges continue to perform well and during the second quarter our continuity ranges provided trading resilience when the weather across Europe was unseasonably warm.

Our focus remains on executing the clear growth opportunities for the *Superdry* brand, together with key third quarter trading period ahead of us. The long-term opportunity for the brand is underpinned by continued investment in infrastructure and our multi-channel strategy that combines the ongoing development of our e-commerce platform with a disciplined approach to new space growth. Our ongoing diversification across geography, channel and category, reduces the Group's reliance on any individual market and provides further confidence in the Group's future prospects as we develop our global lifestyle brand."

## For further information:

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## 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](http://www.supergroup.co.uk) shortly afterwards.

**Dial in:** UK Toll Number: 0203 139 4830  
UK Toll-Free Number: 0808 237 0030  
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## Announcement of FY17 Interim Results

SuperGroup will announce its Interim Results for the 26 weeks ended 29 October 2016, together with a third quarter trading update on Thursday 12 January 2017

## Notes

1. 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 e-commerce revenues. This represents the trading LFL which has been adjusted for the 53<sup>rd</sup> week in the previous financial year. Foreign currency sales are translated at the average rate for the month in which they were made.

Reported	Q2			Q1		
	FY17	FY16	Growth	FY17	FY16	Growth
£m						
Total retail	114.6	91.6	25.1%	100.6	80.6	24.8%
LFL (%) <sup>1</sup>	13.7%	15.5%		11.9%	19.3%	
Ave. Space (sq. '000s) <sup>2</sup>	957	805	18.9%	920	773	19.0%

Reported LFL sales for FY16 were 11.3%; H2 8.0%; Q3 1.2%; Q4 15.4%.

2. Retail Space Analysis:

	Closing FY16		FY17 Q1		FY17 Q2	
	Sq ft	Stores	Sq ft	Stores	Sq ft	Stores
<b>UK &amp; ROI</b>	570,000	100	570,000	100	570,000	100
<b>EU</b>	281,000	87	296,000	89	332,000	93
<b>North America</b>	49,000	15	65,000	17	65,000	17
<b>Group</b>	<b>900,000</b>	<b>202</b>	<b>931,000</b>	<b>206</b>	<b>967,000</b>	<b>210</b>

The Group opened 12, relocated one store and three stores were closed during the half year.

3. Underlying is defined as reported results adjusted to reflect the impact of the loss/gain recognised on re-measurements (being the fair valuation of financial derivatives), exceptional items and, when appropriate, the related income tax. The Directors believe that the underlying results provide additional guidance to statutory measures to help understand the performance of the Group.
4. The Board considers market expectations for the financial year ended 29 April 2017 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 9 November 2016, of which the Board is aware, is £84.6m *Source: Bloomberg*.

**Notes to Editors**

SuperGroup is the owner of British lifestyle brand *Superdry*. A brand designed for attitude not age with affordable, premium-quality clothing, accessories, footwear and cosmetics.

As we develop the breadth and nature of our product range, we continue to appeal to a much broader, aspirational age group. Those who want to feel amazing in what they wear and appreciate style, quality and attention to detail.

Already well established in the UK – our home market – we operate a significant and continually expanding international business, selling through our websites, wholesale partners, a network of franchise stores and, increasingly, our independent 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, and we have a clear strategy for growing our e-commerce business as well as Europe, North America and China.

The Group has a physical presence in 51 countries and 714 stores and concessions globally. We also have a successful e-commerce business with 25 international websites across 18 countries covering 12 different languages and delivering to 169 countries.

**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.