

SuperdryPlc

("Superdry" or "the Company")

5 November 2020

Pre-Close Trading Statement

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

Continued progress on brand reset despite Covid-19; AW20 fully launched

Superdry today announces a trading update covering the 26-week period to 24 October 2020 ("H1 21", "H1" or "the period").

	Q2 YoY Change ¹	H1 YoY Change
Group Revenue	(22.8)%	(23.3)%
Channel Revenue		
Store	(32.1)%	(44.8)%
Ecommerce	16.9%	49.8%
Wholesale	(28.0)%	(28.8)%

Total revenue declined (23.3)% in H1, with a modest improvement quarter-on-quarter to (22.8)% in Q2 (Q1: (24.1)%), reflecting the challenging trading environment as a result of continued disruption from Covid-19, partially offset by the strong Ecommerce performance.

Stores continue to be impacted by Covid-related measures suppressing footfall, particularly in large city centre locations. Like-for-like store trading in the last six weeks of H1 was (32.4)%, with UK trade impacted by continued social distancing measures, partially offset by stronger performance in Europe where footfall declines have been less severe. As at 5 November, 122 stores are now temporarily closed across England, Wales, France, Belgium and Ireland, with 117 stores still open and trading.

Ecommerce is performing well and strengthened through Q2 21, with like-for-like sales up 51.9% in the last six weeks of H1. The improvement was driven by owned site sales, which increased 68.9% year-on-year coinciding with the launch of our new AW20 product and the targeted clearance of aged stock.

Wholesale faces many of the same headwinds as Stores due to Covid-19 restrictions and uncertainty. The performance in Q2 in part reflects later phasing of AW20 forward order deliveries, with 68% shipped year to date compared to 84% at the same time last year, and the deferred intake of stock due to the widespread supply chain disruption earlier in the year from Covid-19.

In response to Covid-19 we have increased promotional activity to clear excess inventory, reducing full price mix² and Retail gross margin in the first half. This has been partially offset by the continued focus on both cost management and the cash preservation actions beginning in late FY20. Given the continuing disruption, we expect these margin dynamics to continue for the remainder of FY21.

The brand reset remains on track, despite the current unprecedented levels of disruption and volatility. At this stage we are experiencing national and regional lockdowns in the UK and internationally which will restrict the operations of our store estate, however we are focused on maximising revenues over the Black Friday trading period from Ecommerce. We have in place commercial and operational plans to capture the expected elevated demand online across this important period. We are managing cash and costs tightly as we did during the initial lockdown, continuing to drive our strong liquidity position. At 3 November we have a net cash balance of £22.2m (2019: £(16.4)m) as well as access to our recently refinanced and currently undrawn borrowing facilities.

Julian Dunkerton, Chief Executive Officer, said:

“Covid-19 continues to disrupt our store and wholesale channels, but this is being partially mitigated by strong sales through our Ecommerce operations. This has been an important period for Superdry, with the launch of our full Autumn/Winter 20 ranges and a true focus on using our social channels to reach our customers and bring our brand reset to life. This activity is delivering record levels of engagement through our influencer-led Autumn campaigns, and we will focus our energies in this area over the coming months led by our new Chief Marketing Officer, Justin Lodge.

I am particularly proud of our new sustainable ranges, a key step towards our goal of becoming one of the most sustainable clothing brands in the world.

The external outlook is very uncertain. However, we have financial flexibility and are making good progress with our strategy and brand reset. We are determined to do the right thing by all our stakeholders – including colleagues, our retail and wholesale customers and investors - to ensure the business and brand returns to success.”

Notes:

1. Q2 21 is defined as the 13-week period to 24 October 2020. Q2 20 is defined as the 13-week period to 26 October 2019. “Q2 YoY Change” in the table is the comparison of these two periods.
Foreign currency sales are translated at the average rate for the month in which they are made.
2. Full price sales mix relates to the proportion of retail sales made at RRP in full priced stores and owned websites only.

For further information:

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Notes to Editors

The *Superdry* brand is obsessed with design, quality and fit and committed to relentless innovation. We design affordable, premium quality clothing, accessories and footwear which are sold around the world. We have a unique purpose to help our consumers feel amazing through wearing our clothes. We have a clear strategy for delivering continued growth via a disruptive multi-channel approach combining Ecommerce, Wholesale and physical stores. We operate in 61 countries and have over 4,100 colleagues globally.

Cautionary Statement

This announcement contains certain forward-looking statements with respect to the financial condition and operational results of Superdry 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, Superdry 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. The person responsible for this announcement on behalf of Superdry is Ruth Daniels, Group General Counsel and Company Secretary of Superdry.