

# SuperdryPlc

("Superdry" or "the Company")

6 May 2021

## Year-end Trading Statement

### THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

#### Full price discipline drives significant improvement in Q4 trading gross margin Strengthened leadership team focused on delivering brand reset

Superdry announces a trading update covering the 52-week period from 26 April 2020 to 24 April 2021 ("FY21").

£m	Q4			H2			Full Year		
	FY21	FY20	Year-on-year	FY21	FY20	Year-on-year	FY21	FY20	Year-on-year
<b>Group Revenue<sup>1,2</sup></b>	118.3	117.4	0.8%	274.1	335.3	(18.2)%	556.6	704.4	(21.0)%
<b>Channel Revenue</b>									
<b>Store<sup>2</sup></b>	14.3	29.5	(51.5)%	56.3	130.0	(56.7)%	140.9	287.2	(50.9)%
<i>Lost trading days<sup>3</sup></i>	69%	42%		56%	21%		39%	10%	
<b>Ecommerce<sup>2</sup></b>	40.9	32.3	26.6%	114.1	93.8	21.6%	202.9	151.6	33.8%
<b>Wholesale</b>	63.1	55.6	13.5%	103.7	111.5	(7.0)%	212.8	265.6	(19.9)%

#### Julian Dunkerton, Chief Executive Officer, said:

"Our strengthened Ecommerce presence has helped mitigate the impact from enforced closures of our stores. We returned to revenue growth in Q4, and our commitment to a full price stance over the period has seen significant online margin improvement. Our liquidity remains strong, with closing net cash ahead of last year and our facilities remain undrawn.

Despite all the disruption of the past year, Superdry has demonstrated its resilience and we have used this time to ensure the business is in the best possible shape for the future, really focusing on developing our digital presence and making strides towards our goal of being the most sustainable listed fashion brand. I'm proud that we've been able to accelerate our commitment to ensure all pure cotton items are organic by five years to 2025, working closely with growers in India, and that our focus in this area was recognised by Drapers at its Sustainable Fashion Awards in February.

We have also further strengthened our leadership team with new CFO Shaun Wills and COO Silvana Bonello in place and already having a positive impact. Last week we were joined by Peter Sjölander who started in his role as Chairman. I am confident we have the right team in place to drive the business forward.

The early signs following the reopening of our UK stores are encouraging, as lockdown restrictions start to lift, and we can clearly see the light at the end of the tunnel. In short, we are on track with our reset of the brand and there's a lot to look forward to."

#### Performance Overview

- Group revenue for FY21 has been substantially impacted by continued Covid-19 disruption throughout the year, down (21.0)% year-on-year to £556.6m. However, the business delivered an increase of 0.8% year-on-year in Q4 21, driven by Ecommerce and Wholesale.
- Q4 21 Ecommerce performance was strong, with revenue up 26.6% year-on-year, amplified by an increase in online trading gross margin<sup>4</sup> of 7.5%pts as we began the return to full price trading.
- Reduction of 14% in total stock units year-on-year despite the pandemic, delivered through targeted clearance activity and a reduced buy.
- Liquidity remains strong, with closing net cash ahead of the prior year at £39.4m (vs £36.7m in FY20) and both our £70m ABL facility and £10m overdraft continuing to be undrawn.
- Neymar Jr. organic cotton campaign has launched globally and resulted in record engagement rates through rigorous targeting, with 2m engagements in the first 3 weeks across our owned channels.
- Encouraging trade seen since the re-opening of our owned stores in the UK with the initial run rate ahead of like-for-like trading through FY21. EU trading remains suppressed due to continued restrictions.

## Trading Performance

### Owned Stores

- Stores suffered an average of 69% lost trading days<sup>3</sup> in Q4 21 (Q4 20: 42%), resulting in a (51.5)% decline in revenue year-on-year. As at 3 May 2021, we still have 27% of our store estate closed (3 May 2020: 81%).
- Store revenue ended down (50.9)% year-on-year in FY21, reflecting the temporary enforced closures of our estate and suppressed footfall due to sustained lockdown restrictions across the UK and Europe throughout the year, with an average of 39% of lost trading days<sup>3</sup> over the period (FY20: 10%).
- Renegotiated a further 48 leases (~1/5 of the estate) in FY21 achieving a weighted average saving of 52% (65 lease negotiations have now been completed in total), in addition to substantial one-off Covid-related rent waivers.

### Ecommerce

- Ecommerce has continued to perform well, up 26.6% in Q4 21 year-on-year (up 33.8% in FY21 year-on-year), benefitting from new product, increased digital marketing and channel shift, as well as our influencer led strategy, all driving an increase in traffic to owned sites (up 31.5% in Q4 21 year-on-year).
- Q4 21 has seen continued contribution growth in Ecommerce, with trading gross margin<sup>4</sup> up 7.5%pts year-on-year, driven by an improvement in owned sites full price mix<sup>1</sup>, up 12%pts year-on-year.
- Social media followers have increased by 9% since the launch of Autumn/Winter20, with particularly strong growth seen on Instagram, which is up 12% over the same period.
- Continued improvements have been made in search and navigation, and we are making good progress on delivering a new Ecommerce platform across all owned sites.

### Wholesale

- Positive signs are being seen across Wholesale, with in-season orders up 142% and SS21 forward orders up 10% in Q4 year-on-year, both driving an overall increase in Q4 21 which is up 13.5% year-on-year.
- Cash collection has tracked ahead of expectations, making a significant contribution to year-end net cash.
- Wholesale FY21 revenue was down (19.9)% year-on-year, with our partners suffering the same headwinds in physical trading locations and carrying forward higher levels of stock than normal.

## Outlook

There remains significant uncertainty given the varying impacts of the pandemic in our markets particularly to the trajectory and phasing of the consumer recovery. However, we are confident of growth in FY22 revenue and profitability compared to FY21 assuming no further material national store lockdowns and a continuing recovery in footfall and consumer demand through the period.

Profitability will be supported by higher gross margins from our restored full price discipline and positive operating leverage from reduced store costs, partially offset by the end of government support and our ongoing brand marketing investment.

## Notes

1. Foreign currency sales are translated at the average rate for the month in which they were made. Full price sales mix relates to the proportion of retail sales made at RRP in full prices stores and owned websites only.
2. Fulfil From Store sales reallocated to Ecommerce in the current (£8.3m) and prior year comparatives (£1.6m).
3. 'Lost trading days' calculated as the simple average number of stores closed each day of the period as a percentage of total potential trading days in the period, excludes impact of restricted trading hours.
4. Trading gross margin relates to the gross margin after returns provision, but before non-trading adjustments.
5. Additional revenue performance detail (adjusted for Fulfil From Store revenue reallocation):

YoY movement (%)	Q1 13 weeks	Q2 13 weeks	Q3 13 weeks	Q4 13 weeks
Group Revenue <sup>1,2</sup>	(24.1)%	(23.0)%	(28.5)%	0.8%
Channel Revenue				
Store <sup>2</sup>	(60.0)%	(33.1)%	(58.2)%	(51.5)%
Ecommerce <sup>2</sup>	98.9%	19.3%	19.0%	26.6%
Wholesale	(30.8)%	(28.4)%	(27.4)%	13.5%

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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 multi-channel approach combining Ecommerce, Wholesale, and physical stores. We operate in over 50 countries and have over 3,750 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.