

# SuperdryPlc

("Superdry" or "the Company")

8 November 2018

## Pre-Close Trading Statement

Superdry Plc ('*Superdry*'), the Global Digital Brand, today announces a trading update covering the 26-week period to 27 October 2018 (the 'half year' or 'period') in line with the guidance given on 15 October 2018.

### Performance Highlights

#### Revenue<sup>1,2</sup>

	26 weeks to 27 October 2018 ("H1 FY19") £m	26 weeks to 28 October 2017 ("H1 FY18") £m	Growth
Global Brand revenue <sup>3</sup> (exc. China)	831.8	781.6	6.4%
Group revenue	414.6	402.0	3.1%
Channel revenue			
Wholesale	171.8	159.3	7.8%
Ecommerce	65.4	61.2	6.9%
Store	177.4	181.5	(2.3%)
Average retail space ('000's sq. ft.)	1,186	1,084	9.4%

- First half Global Brand revenue up 6.4% against a challenging backdrop
- Ecommerce channel revenue grew 6.9%, underpinned by owned Ecommerce site revenue growth of 14.0%
- Trading performance impacted by unseasonably hot weather conditions, as previously announced
- Continued execution of our product diversification and innovation programme
- Ongoing roll out of RFID technology across owned store network

*Superdry* continued to focus on its four strategic pillars across the half year:

#### Global Digital Brand

We have enhanced our B2B digital platform, allowing our global Wholesale partners to place forward orders online, in addition to the existing in-season capability. This platform significantly improves our partners' buying experience, as well as creating incremental brand sales opportunities through recommendations and curated ranges.

The 2018 Invictus Games took place in October in Sydney for which *Superdry* designed, manufactured and delivered almost 8,400 items of clothing for the UK team, delegation and their supporters as their Official Clothing Supplier. The Invictus Games generated global media exposure for the brand as well as allowing us to extend our Sports capabilities and strengthen our partnerships with the UK team and Help for Heroes.

#### Relentless Innovation

We have increased our focus on product innovation with the introduction of our first menswear Orange Label T shirts made with 100% organic cotton. *Superdry* has committed that all of its cotton will be 100% organic as part of our SuperResponsible40 strategy.

We have also made strong progress on our denim offer in the past six months, introducing a premium womenswear range which includes Superflex, using dual flex fabric technology that provides 360 degree stretch, and Superthermo, which is brushed on the inside making the garment super soft as well as giving an extra layer of insulation.

## **Operational Excellence**

We continue to roll out RFID in owned stores and are on track to complete our implementation across the owned portfolio by autumn 2019. In the 30 stores that are currently RFID enabled *Superdry* has seen faster, more targeted and more efficient replenishment of stock allowing store colleagues additional time to focus on sales and improving *Superdry's* working capital efficiency.

We have now fully integrated Wholesale, Ecommerce and Retail inventory into a single stock pool in our EU distribution centre, and enabled Ecommerce fulfilment from our US distribution centre. As well as enhancing our delivery proposition to customers in this market, this capability also opens up further distribution opportunities through third party Ecommerce partners.

## **World Market Opportunity**

We are rebalancing our physical space expansion programme, with net growth of 33 additional franchise stores across 22 different countries in the period. A new localised Ecommerce site has been launched in Ireland in October.

We continue to make good progress in the US and China. In China, we have added a further 20 franchise stores in H1, leveraging our network of regional partners to grow our portfolio of franchise stores to 35 locations. Our strategy of capital-light growth in the US continues to be successful, with full price US Wholesale revenues growing by 39% in the period.

## **Outlook**

While some of our key markets saw colder weather conditions last week, with the result that our sales performance in those markets was more typical for this time of year, we have not yet seen a sustained period of seasonally typical weather. As highlighted previously, the Company's full year profits are heavily influenced by its performance in the second half, led by cold weather products with jackets and sweats accounting for 55 to 60% of autumn winter sales.

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

"*Superdry* has made significant progress in the first half. We are six months into a product diversification and innovation programme and, as we said in the summer, it will take up to 18 months for the benefits to come through. In the meantime we are well prepared for peak trading and the team remains highly focused on the delivery of sales growth and further efficiencies in the remainder of the year.

"*Superdry* is a strong brand with significant growth potential, based not only on product diversification and innovation, but also on our category extension and geographic expansion opportunities and our ability to leverage our multi-channel operating model to serve customers in whichever way suits them best."

## **For further information:**

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## **Announcement of FY19 Interim Results**

Superdry will announce its Interim Results, for the 26 weeks ended 27 October 2018, on Wednesday 12 December 2018.

## **Conference call**

Superdry will be hosting a conference call for analyst and institutional investors at 08:30 hours today. A recording of the conference call will be available on [www.corporate.superdry.com](http://www.corporate.superdry.com) shortly afterwards.

### **Dial in:**

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## Supporting notes

1. Global Brand revenue represents the equivalent value of the Group revenue at the prices paid by customers. It is calculated by uplifting all revenues by applicable sales tax rates and uplifting revenues within our Wholesale channel by a factor representing the applicable mark up from wholesale to consumer prices.
2. Foreign currency sales are translated at the average rate for the month in which they were made.
3. Global Brand revenue stated excluding China, but including sales from licenced territories and product categories. As a consequence, H1 FY18 figure has been restated (previously disclosed as £756.3m)
4. The trading comparatives for each quarter of FY 19 are detailed below (unaudited):

	Q1 19 £m	Q1 18 £m	YOY	Q2 19 £m	Q2 18 £m	YOY	H1 19 £m	H1 18 £m	YOY
Global Brand revenue (exc. China)	299.2	297.9*	0.4%	532.6	483.7*	10.1%	831.8	781.6*	6.4%
Global Brand revenue (inc. China)	305.1	301.3*	1.3%	545.1	490.4*	11.2%	850.2	791.7*	7.4%
Group revenue	165.5	166.4	(0.5%)	249.1	235.6	5.7%	414.6	402.0	3.1%
Channel revenue									
Wholesale	48.2	50.1	(3.8%)	123.6	109.2	13.2%	171.8	159.3	7.8%
Ecommerce	28.7	26.9	6.7%	36.7	34.3	7.0%	65.4	61.2	6.9%
Store	88.6	89.4	(0.9%)	88.8	92.1	(3.6%)	177.4	181.5	(2.3%)
Average retail space ('000's sq. ft.)	1,184	1,067	11.0%	1,188	1,100	8.0%	1,186	1,084	9.4%

\* FY18 Q1/Q2/H1 figures restated to include sales from licenced territories and product categories and, where relevant, sales in China.

5. Retail space analysis

	Closing FY18		FY19 H1	
	Sq. ft.	Stores	Sq. ft.	Stores
<b>Owned stores</b>				
UK & ROI	581	102	591	104
EU	470	114	477	114
North America	128	30	130	31
<b>Group</b>	<b>1,179</b>	<b>246</b>	<b>1,198</b>	<b>249</b>
<b>Franchised stores</b>		394		427
<b>License stores</b>		18		19
<b>Branded stores</b>		<b>658</b>		<b>695</b>

## Notes to Editors

*Superdry* is a Global Digital Brand, 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 59 countries, including our development markets of North America and China and have over 5,000 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.