

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION (EU) NO. 596/2014, WHICH FORMS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018.

SuperdryPlc

("Superdry" or the "Company")

14 April 2023

Trading update on FY23 outlook, turnaround plan and actions to strengthen balance sheet

Highlights

- Retail sales continue to show good like-for-like growth, albeit at a slower rate than anticipated
- Whilst progress has been made with our Wholesale partners to support their recovery, sales performance continues to be challenging
- FY23 revenue now expected in the range of £615m to £635m (FY22: £609m)
- Given the challenging trading environment, the Board has taken the decision to withdraw the existing profit guidance of 'broadly breakeven' for FY23
- Asia Pacific region IP sale, expected to deliver c.£34m net proceeds, is progressing well with shareholder circular anticipated to be published in May
- Initial cost savings of c.£35m identified and externally validated, which are expected to deliver a material uplift in underlying profitability over the medium term
- Credit facility partner, Bantry Bay, remains supportive of the Class 1 disposal, and has increased the flexibility of the facility
- Capital raise options being considered, including a potential equity raise up to 20% fully supported by Julian Dunkerton, founder and CEO

Current trading and outlook

Retail sales in February and March, whilst showing significant year-on-year like-for-like growth, have not met our expectations. This can partly be attributed to factors outside the Company's control, including the cost-of-living crisis having a significant impact on spending and footfall, and poor weather resulting in less demand for our new spring-summer collection. These trends are consistent across both the UK and Europe. Wholesale performance continues to lag the rest of the group, although we are making progress in working with our partners to support their recovery.

These factors have impacted the Company's revenue performance, which is now expected to be between £615m and £635m for the full year. The increasing amount of uncertainty arising from the final weeks of trading and the actions associated with the reorganisation of our Wholesale division make the assessment of full year profit challenging. Therefore, the Board has taken the decision to withdraw the previously issued guidance of broadly breakeven for our FY23 adjusted profit before tax.

Turnaround plan

The Company's growth ambitions are driven by three pillars: inspiring through product and style; engaging through social; and leading through sustainability. These pillars are underpinned by, among other things, a much-simplified business model.

To achieve this aim, the Company has identified initial cost savings of over £35m which have been externally validated. These will be achieved through estate optimisation, logistics and distribution savings, better procurement, and continued range reduction. The Company expects these savings to be fully realised by the end of FY24, with the costs to achieve them primarily incurred in calendar year 2023. The Company is currently reviewing further re-engineering options to deliver additional savings. As a result of these actions, the Company expects to deliver a material uplift in underlying profitability over the medium term.

Financing update

As announced on 22 March 2023, the Company has agreed, subject to certain conditions, to sell its IP assets in certain countries within the Asia Pacific ("APAC") region for \$50 million USD (£34 million net after transaction costs and taxation). This agreement constitutes a Class 1 transaction under the FCA's Listing Rules and is therefore conditional on the approval of Superdry's shareholders. The Company currently anticipates sending shareholders a circular in May 2023.

Bantry Bay, the Company's lender has indicated their support for the Class 1 disposal and has also agreed to waive certain borrowing limits whilst the Company progresses the Class 1 process and has increased flexibility of the existing facility.

In the same announcement, the Company stated that it is considering additional steps to further strengthen its balance sheet in connection with its turnaround programme which could include a potential equity issue. The Company confirms it is considering an equity raise of up to 20% of the Company's issued share capital. Julian Dunkerton, subject to any necessary regulatory and shareholder approvals, will fully support and materially participate in any such equity raise, reflecting Julian's confidence in the prospects of the business and provides a strong platform to undertake such a fundraising. There can be no certainty that any equity raise will proceed, and the Company will update in due course.

Julian Dunkerton, Founder and Chief Executive Officer, said:

"The Superdry brand continues to evolve but there is no doubt that the market conditions we face are challenging, compounded by the issues we have previously disclosed and are working to address in Wholesale. As a result, while we continue to deliver like-for-like growth in retail sales, we need to ensure our business is in the right shape to navigate these difficult times, which is why we are looking hard at our cost base.

My belief in the Superdry brand is stronger than ever which is why I'm prepared to provide material support to any equity raise undertaken. I am confident that we have the right plan and, working together as a team, the business will emerge from the current turbulence stronger than ever."

On publication of this announcement via a Regulatory Information Service, the inside information contained herein is now considered to be in the public domain. The person responsible for arranging this announcement on behalf of Superdry Plc is Shaun Wills, Chief Financial Officer.

For further information

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