

# SuperdryPlc

("Superdry" or "the Company")

7 May 2020

## Pre-Close Trading Statement

### THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

#### Trading performance impacted in Q4 by Covid-19; focus on cash preservation

The Covid-19 pandemic presents an unprecedented challenge for everyone, including Superdry. Our main priorities continue to be the health and welfare of our staff, customers and suppliers as well as maintaining a tight control of cash.

Superdry closed its first stores in Italy on 11 March, quickly followed by stores across the rest of Europe in line with government guidelines to help contain the spread of Covid-19. On 18 March, when we issued our last trading update, 78 out of our 241 stores were closed. By 22 March all stores across Europe, USA and UK had been closed. We have however continued to trade online, with stringent health and safety controls in place across our warehouses, with Ecommerce revenues nearly doubling in the last 4 weeks to approximately £3.7m per week vs the average prior to complete lockdown, offsetting approximately one third of the lost store sales.

#### Our response to Covid-19

As at 5 May, we have £39.8m net cash on the Balance Sheet (vs £47.0m net cash as at 18 March). We have taken a number of steps to preserve cash, including:

- Furloughing 88% of all staff upon closure of our store estate and corporate sites, and application for government job retention support in relevant markets. Executive Directors and all other members of the Board taking a pay reduction of 25% for a minimum three month period from 1 April 2020. In addition, we will not be operating a bonus scheme for Executive Directors or the wider Executive Committee in FY21 and no annual bonus is payable for Executive Directors in FY20. These measures generate a saving of more than £4m each month while stores are closed.
- Working collaboratively and with the support of our longstanding supply base, we have extended payment terms, increased discounts and substantially rebalanced and rescheduled our stock intake, reducing the number of units of future buys by 20%.
- The majority of the 3 month rent deferrals requested, worth over £20m, have been agreed. The UK 12 month rates relief represents a £16m benefit, starting April 2020. We are also accelerating our longer term rent negotiation programme.
- Immediate monthly reduction in overheads of £2m and reduction of capital expenditure, approximately £7m lower vs pre-Covid-19 plans.
- Deferring VAT, PAYE and Customs Duty of more than £5m in the next 3 months and recovering historic Corporation Tax overpayments of £8.5m.

In light of the current situation, the Board has made the decision not to recommend paying a final dividend in relation to FY20.

In the context of the current business disruption, the Company continues to review its financing arrangements. The Company's existing lenders (HSBC and BNPP) continue to be supportive of Superdry's current and future financial requirements and as part of this process have agreed to waive its April 2020 fixed charge covenant test. The Company continues constructive discussions with its existing lenders and with potential new financing providers as it explores the need for the necessary flexibility and additional liquidity going forward. This includes exploring its potential eligibility for government backed borrowing facilities through the recently launched CLBILS programme.

#### Performance Highlights

- Q4 performance was substantially impacted by the outbreak of Covid-19 (down 36.9%), with all owned stores and the majority of franchise locations closed from late-March. Prior to the Covid-19 outbreak, we were encouraged by underlying performance, with revenue improving to only be down 1.0%<sup>1</sup> year on year in the 6 weeks to 7 March.
- Group revenue for FY20 was down 19.1% year on year, as we moved towards a full price trading stance and away from persistent discounting.
- Full price mix improved +12%pts over the full year, as we maintained our disciplined promotional stance.

## Revenue<sup>2, 3</sup>

£m	Quarter 4			Second half			Full Year		
	FY20	FY19	YoY	FY20	FY19	YoY	FY20	FY19	YoY
<b>Group Revenue</b>	118.5	187.8	(36.9%)	336.4	457.1	(26.4%)	705.5	871.7	(19.1%)
<b>Channel Revenue</b>									
<b>Store</b>	29.6	68.8	(57.0%)	131.0	195.6	(33.0%)	288.3	373.7	(22.9%)
<b>Ecommerce</b>	31.3	29.3	6.8%	91.8	98.3	(6.6%)	149.6	163.0	(8.2%)
<b>Wholesale</b>	57.6	89.7	(35.8%)	113.6	163.2	(30.4)%	267.6	335.0	(20.1%)
<b>Average Retail Space (000's sq. ft.)</b>	1,184	1,200	(1.3%)	1,185	1,200	(1.3%)	1,186	1,193	(0.6%)
<b>Full Price Sales Mix</b>									
<b>Store</b>	47%	53%	(6%)	70%	50%	20%	69%	53%	16%
<b>Ecommerce</b>	24%	34%	(10%)	31%	27%	4%	38%	31%	7%
<b>Retail</b>	36%	48%	(12%)	55%	42%	13%	59%	47%	12%

## Performance by channel

### Retail stores

- Store revenue down 22.9% in FY20 (down 57.0% in Q4), as a consequence of the return to a full price trading stance, particularly over the peak trading period, reflected in the full price sales mix increasing by 16%pts to 69% over the full year. Prior to the outbreak of Covid-19, store revenue declines averaged 12.1% year on year.
- We closed our first stores in Italy on 11 March, with the entire estate closed by 22 March. Carefully observing safeguarding measures, and in line with the relevant government advice in those markets, on 24 April we began a controlled re-opening of stores in Germany, Sweden and Denmark. As at 6 May, 48 stores have re-opened across Europe, with 130 expected by the end of May.

### Ecommerce

- Ecommerce revenues declined 8.2% in FY20 (up 6.8% in Q4), having been subject to similar headwinds as in our retail store estate. However, performance in the 6 weeks to 7 March materially improved, growing 18.8% year on year until the outbreak of Covid-19.
- Aside from an initial drop in demand, Ecommerce revenues have subsequently performed well, likely benefitting from channel shift following the full closure of our retail store estate. Weekly sales are up 100% year on year over the last 4 weeks, also benefitting from improved product and imagery, re-energised social media campaigns, and an extended end of season sale.

### Wholesale

- Wholesale revenues down 20.1% in FY20 (down 35.8% in Q4), with the expected recovery of timing impacts hampered by Covid-19, resulting in suppressed demand and customers' inability to receive SS20 stock prior to the year-end, though shipments are now resuming as lockdown measures ease and franchise stores begin reopening.
- Similar to our retail estate, only 22% of our franchise stores are currently trading, however, we expect 75% of the entire franchise estate to have re-opened by the end of May.
- We continue to work closely with our wholesale partners, who are suffering the same disruption as Superdry, and have reconfirmed the majority of our AW20 forward order book.

## FY20 full year results announcement date

As highlighted in our 18 March update, the Company withdrew its guidance in relation to the financial year 2020. In light of the continuing uncertainty, and following the recent regulatory guidance regarding reporting timeframes in the current environment, the Company confirms that it will delay the announcement of its FY20 full year results, originally planned for 9 July, by 5-8 weeks. This will ensure that the Company and its auditors have adequate time to complete their standard procedures given the current working restrictions. A revised date will be confirmed in due course.

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

“Our first priority through the pandemic has been supporting our colleagues and communities through what is a very uncertain time. We are proud to have supported the NHS and other key workers close to our Gloucestershire headquarters, for instance through donating 300,000 items of vital PPE to local care homes.

As with all retailers, the Covid-19 pandemic has caused major disruption to our business operations and supply chain. I am pleased with the accelerating shift in sales to online, and we’ve seen a particularly good performance from our women’s ranges which, for the first time ever, are accounting for around half our sales. Clearly however, the closure of all our stores has had a major impact. We are taking all practical steps to preserve cash, looking carefully at all areas of the business and working to secure additional liquidity and financial flexibility.

We continue to work hard so that the business can emerge stronger from this extraordinary period. It will take time to return to normality, for now we remain open for business online through superdry.com, our stores in Europe have begun to reopen and I am excited by our new ranges for the Autumn/Winter season.”

### For further information:

#### Superdry

Nick Gresham  
Adam Smith

[nick.gresham@superdry.com](mailto:nick.gresham@superdry.com)  
[investor.relations@superdry.com](mailto:investor.relations@superdry.com)

+44 (0) 1242 586747  
+44 (0) 1242 586747

#### Media enquiries

Tim Danaher, Imran Jina

[superdry@brunswickgroup.com](mailto:superdry@brunswickgroup.com)

+44 (0) 207 404 5959

### Supporting notes

#### 1. Additional revenue performance detail

YoY movement (%)	Q3 13wks	Q4 Pre-Covid Wks 40-45	Q4 Post-Covid Wks 46-52	Q4 Wks 40-52
<b>Group Revenue</b>	(18.6%)	(1.0%)	(69.9%)	(36.9%)
<b>Wholesale</b>	(21.9%)	1.8%	(73.4%)	(35.8%)
<b>Ecommerce</b>	(12.5%)	18.8%	(4.9%)	6.8%
<b>Store</b>	(20.0%)	(14.8%)	(90.1%)	(57.0%)

- 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 price stores and owned websites only.
- As of H219, Ecommerce revenue is reported net of online returns processed in stores whereas previously those online returns had been reported in store revenues. Consequently, prior year H1 comparatives for Ecommerce and stores have been adjusted by £0.7m in FY19 to reflect this alignment of returns to the channel of original purchase.

4. Retail space analysis:

Closing figures	FY19		FY20 H1		FY20 H2	
	Sq.Ft.	Stores	Sq.Ft.	Stores	Sq.Ft.	Stores
<b>Owned Stores</b>						
UK & ROI	595	105	586	104	586	104
EU	476	113	475	111	469	108
North America	126	30	126	30	123	29
<b>Group</b>	<b>1,197</b>	<b>248</b>	<b>1,187</b>	<b>245</b>	<b>1,178</b>	<b>241</b>
<b>Franchised Stores</b>		464		448		473
<b>License Stores</b>		22		26		26
<b>Branded Stores</b>		<b>734</b>		<b>719</b>		<b>740</b>

**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 4,600 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.