

SuperGroup Plc

Q2 Trading Update

Sales momentum continues

7 November 2013

SuperGroup Plc (“SuperGroup” or “the Group”) today provides a trading update covering the 13-week period to 27 October 2013 (“the quarter” or “the period”) and the 26-week period to 27 October 2013 (“the half year”).

Group

Total Group sales for the quarter increased by 18.5% to £116.6m, a strong trading performance that was in line with management expectations. For the half year, total Group sales increased by 21.1% to £191.6m

Retail division

Total Retail sales in the period were £63.5m, an increase of 20.0% on the comparable period³ last year and for the half year were £116.7m, an increase of 18.8%. Like-for-like² sales for the quarter were up 7.8%, and up 8.1% for the half year.

During the quarter the Group added 33,000 square feet of owned retail space⁴ taking the total to 573,000 square feet, a year-on-year increase of 17%. In the UK, the Group opened three new stores, and acquired two third-party franchise stores which were incorporated into the owned store estate. In addition two further stores were opened in Europe, one in Belgium and the other a 7,000 square feet store located in the Aeroville out-of-town development north of Paris.

The new warehouse operation in Burton-upon-Trent completed its first stock intake and began despatches at the beginning of October as planned and this project remains on track and on budget.

Wholesale division

Wholesale sales for the period were £53.1m, an increase of 16.7% on the prior year and for the half year were £74.9m, an increase of 24.8%. As noted in the Q1 IMS, reported revenues on a quarter-by-quarter basis are influenced by the timing of dispatches, particularly over the quarter-end. However, the half year revenue growth is in line with the previously published order book guidance.

The portfolio of franchised locations has increased by a further net 19 stores during the quarter, and a net 31 stores in the half year, to 173 stores. 21 franchised stores were opened during the period in: Austria (two), Denmark, France (two), Germany, Italy, India, Indonesia, Macau, Netherlands, Norway, Spain (two), Switzerland (four), Turkey (two) and UAE, whilst two franchised stores in Newcastle were acquired and included in the owned estate.

Germany agency acquisition

On 31 October 2013 a deal to take control of the agency operation in Germany was completed. The Group acquired seven stores and the rights to the German market for a consideration⁵ of £3.5 million of which £0.7 million will be settled in shares. This acquisition will allow the Group to benefit from improved Wholesale margins, accelerate the roll-out of German stores by investing its own capital, and retain the local operational and management expertise.

Julian Dunkerton, Chief Executive Officer, commented:

“We have delivered another strong trading performance, which has seen good sales growth in both the Retail and Wholesale divisions. At the same time as delivering revenue growth we continue to build the platform to support our strategy and I am pleased to report that the Group remains on track with its infrastructure investments.

“E-commerce sales from Europe and the Rest of the World have now overtaken those from the UK reinforcing our view of the international appeal of the Superdry brand, an important step in delivering our international strategy.

“Our trading performance, the positive customer reaction to new product ranges and the preparation ahead of peak trading, provides me with confidence in our ability to meet market expectations.”

Notes:

1. The board considers market expectations for the financial year ended 26 April 2014 are best defined by taking the range of forecasts of PBT published by analysts who consistently follow the Group. The current range of PBT forecasts, of which the board is aware, as at 6 November 2013, is £60.0m to £63.0m with consensus at £61.1m.
2. Like-for-like sales growth is defined as the year-on-year sales growth for stores and concessions open for more than one year and include e-commerce revenues.

3. Prior year Group revenues:

FY13	Q1	YOY	Q2	YOY	H1	YOY	Q3	YOY	Q4	YOY	FY13	YOY
	£m	%	£m	%	£m	%	£m	%	£m	%	£m	%
Retail	45.3	+21.4	52.9	+22.5	98.2	+22.0	96.1	+17.5	48.2	+15.6	242.5	+18.9
LFL	+1.1%		+4.5%		+3.1%		+9.4%		+3.6%		+5.7%	
Wholesale	14.5	-14.7	45.5	+17.9	60.0	+7.9	19.0	-8.2	38.9	+16.1	117.9	+7.4
Group	59.8	+10.1	98.4	+20.3	158.2	+16.2	115.1	+12.3	87.1	+15.8	360.4	+14.9

4. Retail space:

	FY13		FY14 Q1		FY14 Q2/H1	
	Square feet	Stores	Square feet	Stores	Square feet	Stores
UK	489,000	85	493,000	86	517,000	91
EU	47,000	28	47,000	28	56,000	30
Group	536,000	113	540,000	114	573,000	121

5. Germany acquisition consideration:

£	Settled	Deferred	Total
Cash	2.8m	-	2.8m
Shares	-	0.7m	0.7m
Total	2.8m	0.7m	3.5m

Shares will be issued in equal instalments, the first tranche on the 31 October 2014 and then on the second and third anniversaries of the deal. The stores acquired are located: Berlin (2), Munich, Hamburg, Wertheim, Ingolstadt and Salzburg (Austria) and in total represent 14,000 square feet.

Conference call

SuperGroup will be hosting a conference call for analysts and investors at 08:15 hours GMT today. Please call Mark Reed at College Hill for dial-in details on 020 7457 2017 or email mark.reed@collegehill.com.

Forthcoming News flow

Interim results 12 December 2013
 Q3 Interim Management Statement 6 February 2014

Cautionary Statement

This announcement contains certain forward-looking statements with respect to the financial condition and operational results of SuperGroup 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, SuperGroup plc has no obligation to update the forward-looking statements or to correct any inaccuracies therein.

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