

# NEW LOOK

**12 June 2018**

**NEW LOOK RETAIL GROUP LIMITED (“New Look”) Results for the 52 Weeks to 24 March 2018**

## **Financial headlines**

- Revenue -7.3% to £1,347.8m
  - New Look Brand like-for-like sales -11.4%
  - UK like-for-like sales -11.7%
  - Own website sales -19.2%
  - Third Party E-commerce sales +15.5%
- Adjusted EBITDA loss of £10.7m (includes £34.2m of one-off costs)
- Underlying operating loss of £74.3m

## **Turnaround plan**

Significant progress made to deliver financial and operational stability that will be reflected in FY19 and beyond:

### *Return to proven broad appeal product*

- Return to value-led fast fashion and wardrobe basics offer with full price focus
- Pricing lowered to offer significantly better value with 80% of product to retail under £20
- Supply chain fundamentally realigned with increased flexibility in buying model, faster trend reactions and improved speed to market

### *Cohesive multichannel model*

- Pricing now aligned across store and online channels
- Continued investment to improve the online customer journey
- Store layout simplified for customers

### *Significant efficiency and cost savings actioned*

- £34.2m of one-off costs, including stock clearance, incurred in FY18 to enable clean trading position for FY19
- Approval of Company Voluntary Agreement in March 2018 addressing over-rented position of UK store estate with estimated c.£40m cost savings
- Additional c.£30m annual cost savings already implemented relating to marketing expenditure and delivery costs, reduced inventory shrinkage and efficiency improvements across the business

## **Current trading**

The Company’s liquidity position continues to improve, and early Q1 trading indicates improvements in specific womenswear areas where initial attention has been focussed.

### **Alistair McGeorge, Executive Chairman, said:**

“Last year was undoubtedly very difficult for New Look, with a well-documented combination of external and self-inflicted issues impacting our performance.

“Since November, we have focused on making the necessary changes to get the company back on track and reconnect with our customers. Our turnaround plan is now well underway, and we have

already made substantial operational improvements to help stabilise the business, reduce our fixed cost base and put us in a better position to drive future full price sales.

“We have started the new financial year with a much cleaner stock position and are now seeing green shoots emerge.

“We still have more work to do to restore long-term profitability, but I am confident we are now better placed to achieve this than we were when I returned to the business over six months ago. Trading conditions will remain tough in the year ahead, but further operational efficiencies and a resolute focus on our core strengths and heartland customer will help to ensure we remain on the right track.”

- Ends -

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**About New Look**

New Look is a leading UK multichannel retail fashion brand, with international reach in key global markets, offering exciting, on-trend, value-fashion for women, men and teenage girls.

Our flexible fast-fashion business is built on an agile global supply chain with the ability to respond quickly to trends. We focus on delivering value for money and ‘newness’, with hundreds of new lines landing every week. Our ranges of apparel, footwear and accessories are designed with broad age appeal and global relevance. They are delivered by our great people in stores and support centres, who ensure we deliver great service - wherever, whenever and however customers choose to engage with us.