

NEW LOOK

06 November 2018

NEW LOOK RETAIL GROUP LIMITED ("New Look") Results for the 26 weeks to 22 September 2018

H1 FY19 Results

Profitability improves with continued delivery of turnaround plan

Financial headlines

- Revenue -4.2% to £656.9m (H1 FY18: £686.0m) in line with expectations driven by focus on more profitable sales
- New Look Brand like-for-like sales -3.7% (H1 FY18: -8.6%); second consecutive quarter of improvement in LFL trend
- Adjusted EBITDA increased to £49.8m (H1 FY18: £24.2m) supported by cost savings
 - Adjusted EBITDA excluding China: £57.9m (H1 FY18: £29.6m)
- Underlying operating profit at £22.2m (H1 FY18: underlying operating loss of £10.4m)

Turnaround plan highlights

Return to proven broad appeal product

- Improved sales and profitability in key womenswear categories with challenges remaining in footwear and accessories
- Women's clothing in UK stores outperformed market by 5.6 percentage points according to BRC*
- Improvement in overall UK market share**

Cohesive multichannel model

- In-store and e-commerce customer conversion rates continued to improve since Q1
- E-commerce profitability continued to increase substantially
- Click and Collect sales mix continued to drive footfall into stores, increasing to 41% (H1 FY18: 28%)

Efficiency and cost savings

- £70m annualised cost savings now achieved, with a further £8m identified

Post balance sheet event: Decision to exit retail business in China

- On 18 October 2018, the decision was announced to exit our retail business in China by end December 2018. The business had not achieved the necessary sales and profitability to support significant future investment required
- Strategic review of other International markets continues

Alistair McGeorge, Executive Chairman, said:

"I am encouraged by our performance in the first half of the year, which reflects the progress we are making with our ongoing turnaround plans to rebuild our position in the UK womenswear market. The significant cost savings which have been implemented are delivering improved profitability and we continue to see better performance in our new womenswear ranges.

"We are making good progress in recovering the broad appeal of our product, evidenced by the improvement in our market performance and customer conversion rates. We expect this to continue

in the second half as the changes we have made in the remaining categories of our product review start to take effect.

“The decision to exit our stores in China was a difficult one but was right for the business to ensure we are well positioned for sustainable and profitable growth.

“We continue to work hard to accelerate our progress, but we are facing into significant headwinds and uncertainties, including Brexit. Clearly the wider retail environment remains challenging and we are not expecting that to change anytime soon. However, we are on the right track and continue to drive further efficiencies across the business. As we look to the second half, our focus will be to continue to improve our financial and operational stability and further capitalise on our brand strength to position us well for the future.”

* Measured by British Retail Consortium published YTD data for the 26 weeks ended 22 September 2018 for Women’s Clothing in UK Stores

** Measured by KantarWorldPanel published data 24 weeks ended 23 September 2018 (Womenswear by value)

Media enquiries:

Headland

Lucy Legh

Rob Walker

Sophie O'Donoghue

+44 (0)20 3805 4822

newlook@headlandconsultancy.com

About New Look

New Look is a leading UK multichannel retail fashion brand 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.