

NEW LOOK

12 November 2019

NEW LOOK RETAIL HOLDINGS LIMITED (“New Look” or “the Company”) H1 FY20 Results for the 26 weeks ended 28 September 2019

H1 FY20 Results

H1 FY20 Financial headlines

- Statutory loss before tax improved by £30.7m to £11.2m (H1 FY19: £41.9m loss)
- Total revenue of £523.8m (H1 FY19: core¹ £601.1m)
- UK and ROI like-for-like (LFL) sales² -7.4% reflecting ongoing consumer uncertainty and seasonal volatility; Q1 -10.1% and Q2 improving to -4.6%
- Adjusted EBITDA of £42.6m (H1 FY19: core £62.5m)

Operational highlights

- ‘Core’ and ‘broad appeal’ clothing categories represent 98% of Autumn/Winter product mix vs 75% ‘trend’ and ‘fashion’ last year
- Significantly reduced options by 25% in store and 32% online to enhance customer experience
- Improved speed to market with average lead times reduced by 12 days
- Click & Collect represents 45% of online sales
- David Wertheim appointed Central Merchandising & Supply Chain Director, effective 15 October 2019
- ‘Revive’ investment programme in smaller profitable stores; delivering strong LFL performance
- Introduced concessions, replacing in-store menswear
- Launched new routes to market via online partnerships with e-Bay and Next

Nigel Oddy, Chief Operating Officer, said:

“The first half of this financial year has been incredibly busy for New Look as we focused on strengthening the operational foundations of the business. We have reviewed our entire product range, improved our lead times, enhanced the customer journey, revitalised the company’s values, and have begun to make the necessary changes to our leadership.

“As we continue to recover the broad appeal of our product, our offer is now much improved as we focus on buying into successful trends quickly. Importantly, we have started to invest in our leadership team and I am delighted that David Wertheim joined us in October.

“New Look’s localness – the breadth of our estate and the convenient locations of our stores – is a key differentiator that we will continue to capitalise on, and I am pleased that we are delivering record levels of Click & Collect orders in our stores.

“Following a tough first quarter, we delivered positive LFL sales throughout July and August, but September was impacted by the unseasonably warm weather, which affected the sector in general. Despite this, we kept good control of our cost base, and all is to play for as we enter peak trading.”

Alistair McGeorge, Executive Chairman said:

“Nigel and the team have made good, tactical progress to improve our product, speed to market and leadership capabilities, all whilst maintaining good control of our stock, cash and costs.

“We are reviewing our customer strategy, and, as I have said before, investing in our leadership and people will be the single biggest enabler to transforming our business.

“This time last year we were forced to trade for cash to meet our interest obligations and we lacked the financial stability needed to operate effectively and invest in the business. Now, with our financial restructuring complete, we are in an entirely different position, with a materially deleveraged balance sheet, lower cash debt servicing costs and strengthened liquidity.

“Even set against the tough trading conditions of H1, we enter H2 with much improved operational foundations and a healthy balance sheet capable of weathering continuing volatility in the retail and consumer environment. Whilst we do not expect the retail environment to improve, we expect a better second half performance as we focus on driving profitable sales, maintaining strong control over our cost base and investing prudently in our people.”

Notes

¹ Core business comprises UK and ROI retail, e-commerce, third party e-commerce and franchise – the prior year P&L has been restated to reflect the Core business.

² LFL sales reflects UK and ROI retail and E-commerce as owned New Look operations

Media Enquiries

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About New Look

New Look is a leading multichannel retailer operating in the value segment of the clothing and footwear market in the United Kingdom (“UK”) and Republic of Ireland (“ROI”). We focus on delivering value for money and ‘newness’, wherever, whenever and however customers choose to engage with us. The New Look brand has high levels of awareness and recognition in the affordable womenswear market, catering to a broad customer audience with our bullseye customers aged 25 to 45 years. We also have a range for teen girls and an online menswear offer.

We are the number 2 UK Womenswear retailer for women aged 18 to 44 by value³

³ Based on Kantar Worldpanel published data 24 weeks to 22 September 2019