

# NEW LOOK

11 September 2019

NEW LOOK RETAIL HOLDINGS LIMITED ("New Look" or "the Company") Q1 FY20 Results for the 13 weeks ended 29 June 2019

## Q1 FY20 Results and Current Trading Update

*Encouraging recent sales performance after challenging start to year*

### Q1 FY20 Financial headlines

- Implemented comprehensive restructuring on 3 May 2019 with long-term debt significantly reduced from c. £1,350m to £350m and addition of £150m of new long-term capital
  - Materially deleveraged balance sheet, lower cash debt servicing costs and strengthened liquidity, providing sufficient resources and financial stability to accelerate investment
- Statutory loss before tax improved by £12.8m to £2.7m following restructuring (Q1 FY19: loss of £15.5m)
- Core<sup>1</sup> total revenue of £258.3m (Q1 FY19: £300.6m)
- Core like-for-like (LFL) sales -10.1% reflecting lower footfall due to highly unseasonable weather and ongoing consumer uncertainty
- Core adjusted EBITDA of £23.5m (Q1 FY19: £33.0m)

### Current Trading Update – Growth in LFL sales

Improvement in trading performance for the 8 weeks ending 24 August 2019 with LFL sales up +2.2%.

### Alistair McGeorge, Executive Chairman said:

"A key focus during the first quarter was to conclude our comprehensive financial restructuring, which we successfully completed in May, securing the company's long-term future.

"As we previously announced at our full-year results, Q1 trading was marked by continued consumer uncertainty and, being a seasonal business, we were clearly not immune from what has been the most unseasonable May and June on record, impacting footfall across the retail sector.

"Despite these challenges, we maintained good control of our stock, cash position and costs. I am pleased our recent trading shows that we have delivered positive LFL sales performance and we have outperformed the market according to the BRC<sup>2</sup>, which underlines our continued confidence.

"With our restructuring now complete, we have been able to start investing in our leadership and people, and I was delighted to welcome Nigel Oddy as Chief Operating Officer in April, in addition to four highly experienced Board members. Furthermore, we now have a Chief Customer Officer in place and have more changes to come."

### Nigel Oddy, Chief Operating Officer, said:

"Following a challenging first quarter, we are now starting to see improvements in Q2 reflecting the operational changes we are making as we continue to recover the broad appeal of our product.

"'Broad appeal' and 'core' clothing categories now represent 95% of our product mix and this enhanced offer is resonating with our customers. We are transforming our attitude to buying and are fully focused on buying into successful trends quickly, supported by an improved supply chain.

We have also made good progress with our omnichannel strategy and are now seeing record levels of Click & Collect orders.

“Having visited many stores across the country during my first six months with the business, it is clear to me that New Look’s localness – the breadth of our estate and the convenient locations of our stores – is an inherent strength for us to leverage.

“We are prudently investing in refreshing some of our smaller stores through our ‘Revive’ store refurbishment programme. We have also launched a range of exciting concessions in flagship stores as we look to further enhance the customer experience.

“As we have said previously, our successful financial restructuring positioned us at the starting line. The turnaround continues and we are focused on driving transformational change. I am confident the business has the right foundations in place and will continue to strengthen as we attack the future through delivering fantastic product to our customers, building brand equity and grasping new market opportunities.”

#### Notes

<sup>1</sup> Core business comprises UK and ROI retail, e-commerce, third party e-commerce and franchise. Core LFL sales figure reflects UK and ROI retail and E-commerce as owned New Look operations

<sup>2</sup> Measured by British Retail Consortium published YTD data for the 22 weeks ended 24 August 2019 for Women’s Clothing

#### **Media Enquiries**

##### **Headland**

Lindsay Dunford / Rob Walker / Fay Rajaratnam

Tel: +44 (0)20 3805 4822

Email: [newlook@headlandconsultancy.com](mailto:newlook@headlandconsultancy.com)

#### **About New Look**

New Look is a leading UK multichannel retail brand offering broad appeal value fashion.

Our flexible 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 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.