

Wednesday, 28 October 2020

ASX/Media Announcement

October Trading Update

Super Retail Group (ASX: SUL) will provide an update on its year-to-date trading performance at today's annual general meeting.

In the first 17 weeks of FY21, the Group has delivered 25% growth in both total and like-for-like sales, despite the impact of COVID-19 restrictions, including lockdowns in Melbourne and Auckland.

The Group has maintained strong momentum in digital channels, with online sales growth of 132 per cent, including Click & Collect sales growth of 123 per cent. Click & Collect represents 44 per cent of year to date total online sales.

Year-to-date sales performance across the Group's four core brands is as follows:

	Total Sales Growth¹	LFL Sales Growth¹	Online Sales Growth¹
Supercheap Auto	22%	21%	132%
rebel	16%	16%	184%
BCF	63%	61%	140%
Macpac	(2)%	(1)%	121%

Group gross margin is more than 200 bps higher than for the prior comparative period and has benefitted from reduced promotional activity (particularly in rebel) as the Group manages its inventory position in the lead up to the peak Christmas trading period.

Given the continuing uncertainty in the economic outlook, the Board does not believe that year-to-date performance should be treated as an indicator of full year performance.

The Group intends to make additional investment this year to enhance its digital capability and modernise its technology infrastructure. As a result, the Group now expects capital expenditure in FY21 will be approximately \$100 million.

Anthony Heraghty, Group Managing Director and Chief Executive Officer, Super Retail Group said:

1. Sales growth numbers have not been adjusted for the impact of government-mandated closure of 94 stores in Melbourne (35 Supercheap Auto; 32 rebel; 14 Macpac; 13 BCF) from week six and 21 stores in Auckland (12 Supercheap Auto; 9 Macpac) between week 7 and week 9. Impacted stores in Melbourne continued to provide contact-free Click & Collect services.

"We are pleased with the positive start to the financial year. We are continuing to see robust growth in both in-store and online sales and our active club membership base has increased to over 6.85 million members. Our considered approach to promotional activity in response to strong levels of consumer demand - to help manage inventory in the lead-up to Christmas and optimise gross margin - and the substantial fixed component of our cost base means that revenue growth has flowed meaningfully through to the bottom line.

"The dynamic growth we have seen in our digital sales, through both Click & Collect and home delivery, has reinforced our conviction in our omni-retail business strategy and we will continue to re-invest in the business to enhance our digital capability and increase our market share.

"COVID-19 continues to make this a challenging year for our customers, trade partners and team members, as well as the communities in which we operate. As Australia and New Zealand begin to re-open, we are looking forward to inspiring our customers to live their passion as they look to get outdoors, be more active and enjoy the summer holiday season.

"The Group's four core brands operate in attractive lifestyle categories and are well positioned to benefit from increased demand for domestic tourism and leisure as well as the acceleration of the health and wellbeing trend."

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The release of this announcement has been authorised by the Board of Super Retail Group Limited.