

20 October 2021

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.

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

	LFL Sales Growth Weeks 1 to 16 FY22 vs FY21¹	LFL Sales Growth Weeks 1 to 16 FY22 vs FY20¹
Supercheap Auto	(13)%	5%
rebel	(10)%	4%
BCF	(12)%	38%
Macpac	(10)%	(10)%
Group	(12)%	10%

COVID-19 lockdowns have adversely impacted trade in the first 16 weeks. Macpac has been particularly impacted by lockdowns in the key markets of NSW, Victoria, ACT and New Zealand, which were more severe than the previous corresponding period.

Excluding the major impacted markets of NSW and Victoria, Group like-for-like sales in the first 16 weeks of FY22 were 6 per cent lower than FY21 and 27 per cent higher than FY20.

Online sales have increased by 96 per cent and represent 30 per cent of Group sales, year to date. Click & Collect grew by 163 per cent, outpacing home delivery, and represented 59 per cent of online sales during this period.

Gross margin improvements that were achieved in FY21 have been sustained in the first 16 weeks of FY22.

The Group is well positioned for the key cyber and Christmas trading period with a fortified inventory position across all four of its core brands. The Group expects promotional activity to normalise over this period.

Freight and logistic costs associated with elevated levels of inventory could impact future gross margin as the outlook for supply chain remains challenging.

As indicated at its full year results announcement, the Group is undertaking investment in its customer loyalty and data and analytics capability. This multi-year program is underway. This is a significant investment that will impact operating expenses in the first half and beyond. Otherwise, in the first 16 weeks, operating expenses as a percentage of sales have normalised to H1 FY20 levels.

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

1. Like for like sales growth numbers have not been adjusted for the impact of government-mandated closure of stores in Australia and New Zealand.

“The Group’s omni-retail business model has proven to be resilient during the first half and we are delighted with the strong online sales growth we have delivered.

In FY22 year to date, we have maintained steady trading momentum in non-COVID impacted regions and we are confident that we will see a rebound in sales as lockdowns end and stores re-open.

As COVID-19 restrictions ease, we are looking forward to helping our customers celebrate by providing them with all of the products they need to resume travelling, playing sport and enjoying the great outdoors.

The Group has a strong inventory position and is well placed to take advantage of the expected uplift in consumer demand in the auto, leisure and outdoor categories over the summer holiday period.”

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

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