

ASX Announcement

17 May 2023

Trading update

Leading value apparel specialty retailer Best & Less Group Holdings Limited (**BLG** or the **Company**) (ASX:BST) today provides a trading update for the period ending 14 May 2023.

For the 19 weeks of trading to date in H2 FY23, total sales were \$221.9 million, up +1.8% on the prior corresponding period (PCP). Like-for-like (LFL) sales¹ were down -1.4%, with store LFL sales up +0.4% and online sales down -18.2%.

Trading conditions were inconsistent throughout March and April, before improving in the lead up to Mother's Day. May LFL sales are -1.8% below the PCP, with BLG's core non-discretionary product lines continuing to perform well.

Recent trading in May has been encouraging, including a strong Mother's Day trading performance. However, based on results to date and with only seven weeks remaining in the second half, the Company now expects to deliver pro forma net profit after tax (NPAT) of between \$10 million and \$12 million for H2 FY23, noting that May and June are key trading months and assuming no further material deterioration in economic conditions that impact sales. This compares to pro forma NPAT guidance of between \$18 million and \$20 million provided at BLG's first half results on 21 February 2023².

BLG Executive Chair, Jason Murray, said: "While trading conditions have remained inconsistent as consumer confidence has been at historic lows, we had a strong Mother's Day. With the Federal budget expected to provide some much-needed relief for our core customers and a further four new stores due to open before the end of the calendar year, we are optimistic about the outlook for sales growth. We expect to see the benefits of lower product and shipping costs begin to flow through in the first half of FY24 and we will remain focused on tightly controlling our cost base to preserve profitability."

Update on Takeover Offer

As announced on 1 May 2023, BLG has been advised by BBRC International Pte. Ltd. as trustee for the BB Family International Trust (BBRC) that it and Ray Itaoui

¹ Like-for-like (LFL) revenue growth is calculated as a percentage change between the total aggregated revenue generated from stores (including online) in a relevant period, compared to the total aggregated revenue from the same set of stores in the relevant previous corresponding period. A store is included in BLG's LFL revenue growth calculation after it has been trading for a minimum period of 12 months. Each period in which stores were temporarily closed due to COVID-19 for a period in excess of three days has been excluded from the LFL calculation. The periods in which stores were closed for a prolonged period due to refurbishments are also excluded from the LFL calculations.

² Pro forma NPAT guidance of \$18 million to \$20 million originally provided in 25 January 2023 Trading Update.



(collectively, the Bidder) intend to make a cash off-market takeover offer of all the shares in BLG for \$1.89 per share (Takeover Offer) that they do not already own.

BLG continues to work cooperatively with the Bidder to jointly despatch the Bidder's Statement and BLG's Target Statement (including the Independent Expert Report) in the near term. BLG shareholders do not need to take any action in connection with the Takeover Offer prior to receiving these documents.

ENDS

This announcement was authorised for release by the Board of Best & Less Group Holdings Limited.

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About Best & Less Group:

Best & Less Group (BLG) is a leading value apparel specialty retailer with an omnichannel sales network comprising 249 physical stores and an online platform. BLG's aim is to be the number one choice for mums and families buying baby and kids' value apparel in Australia and New Zealand through its two trusted brands: Best & Less (in Australia) and Postie (in New Zealand).

For more information, visit BLG's investor website at

www.bestandlessgroup.com.au