

29 January 2020

H1 FY2020 Trading Update

The PAS Group Limited (ASX: PGR) (“PAS” or “the Company”) today issues a trading update for H1 FY2020. The Company announces that in H1 FY2020 it achieved positive like-for-like retail sales of 1.2% and expects Underlying EBITDA¹ to be between \$3.5 million and \$4.0 million compared to \$6.7m for the equivalent period last year.

The consolidated underlying trading result over the first half of FY2020 was broadly in line with plan, however the sales mix has varied, driven by the volume and timing of wholesale sales recognised in the first half. Although consumer sentiment remains soft resulting in lower levels of foot traffic both in shopping centres and our stores, and despite the impact the recent bushfires and inclement weather has had on the communities we service and support, pleasingly like-for-like retail sales increased 1.2% on the prior year, an improvement on the negative 5.5% experienced in H1 FY2019.

CEO and Managing Director Eric Morris said “From the outset our deepest sympathies and thoughts lie with all those impacted by the recent bushfires. These events have impacted a number of our employees, our customers, our stores and the communities within which we operate. The Company has supported the cause through a number of initiatives which will be communicated as part of the half year announcement.”

“Despite the continued challenges faced by all Australian retailers, we are pleased to have achieved positive like-for-like sales for the first half across the retail portfolio reversing the previous negative trend and our continued emphasis on working capital efficiency resulted in a reduction of \$5.5m in working capital for the six months since 30 June 2019. We remain extremely focussed on maximising the areas of the business that are within our control and we will provide a full year guidance update as part of our half year results release.”

Please note that all figures in this release are subject to finalisation and review by the Company’s auditors. This announcement has been authorised for issuance by the Board.

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For further information, please contact:

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¹ Underlying EBITDA is a non-IFRS unaudited measure defined for the purpose of this document as earnings before interest, tax, depreciation, amortisation, non-recurring income/expenditure and certain non-cash items such as impairment and share based payment expenses recognised in accordance with AASB 2 *Share-based payment* and has been adjusted to normalise the impact of AASB 16 *Leases*.

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