20 June 2017

N BROWN GROUP PLC

Q1 TRADING STATEMENT FOR THE 13 WEEKS TO 3 JUNE 2017

CONTINUED MOMENTUM ACROSS THE BUSINESS

N Brown Group Plc, the online, specialist fit, fashion retailer, today announces the following trading update covering the 13 week period to 3 June 2017.

Q1 highlights:

- Group revenue +5.6%
- Product revenue +10.2%, driven by strong Ladieswear performance
- Financial Services revenue -4.9%, as expected
- Online revenue +16%, with 71% of revenue now generated online, up 4ppts year-on-year
- Total active customers (12 month rolling basis) up 4%, with Power Brand active customers up 5%
- Up to five loss-making Simply Be and Jacamo dual-fascia store closures announced
- Full year guidance unchanged aside from exceptional costs relating to these store closures

Revenue yoy growth	**FY17**					**FY18**
	Q1 (13wks)	Q2 (13wks)	Q3 (18wks)	Q4 (8wks)	FY (52wks)	**Q1 (13wks)**
Product	-1.6%	+2.7%	+5.9%	+6.9%	+3.4%	**+10.2%**
Financial Services	+3.4%	+0.7%	-0.5%	-2.3%	+0.4%	**-4.9%**
Group	-0.2%	+2.1%	+4.1%	+3.6%	+2.5%	**+5.6%**

Angela Spindler, CEO, commented:

"We are pleased to report a good Q1 performance, with continued momentum across all of our brands and categories. Ladieswear and Simply Be in particular had a very strong period, with good responses to our Spring/Summer campaigns, leading to further market share gains.

"As a result of ongoing weak footfall in some locations, and with a clear focus on driving financial returns across all areas of our business, we will be closing up to five loss-making stores.

"Although the outlook for consumer confidence remains uncertain, our offering is resonating with customers. At this early stage in the financial year, trading is on track to meet our expectations. We continue to invest in our customer proposition and remain very confident in our future growth prospects."

Q1 performance

Our online metrics continue to be encouraging, with overall traffic up 34% year-on-year. 71% of revenue is now generated online, up 4ppts year-on-year. For new customers, online penetration was 78%, up 2ppts year-on-year. Smartphones accounted for 51% of all sessions, up from 42% last year, with mobile devices as a whole accounting for 74%, up 5ppts. Our conversion rate was slightly down overall due to the continued increase in share of traffic from smartphones, as expected.

During the period average selling price, average units per basket and purchase frequency all increased year-on-year.

Product

Product revenue by brand	% change yoy
JD Williams brand	**+12.7%**
Fifty Plus title	+1.3%
JD Williams (inc. Fifty Plus)	+9.3%
Simply Be	**+20.5%**
Jacamo	**+5.5%**
Power Brands (exc. Fifty Plus)	+14.0%
Power Brands (inc. Fifty Plus)	**+12.2%**
Secondary Brands	+5.4%
Traditional Segment	+10.7%
Product Revenue	**+10.2%**

Our new Spring/Summer campaigns, particularly JD Williams' "Spring into Summer" and Simply Be's "We Are Curves", were well-received by customers, driving strong performances during the period. The migration of our Fifty Plus title into JD Williams remains on track for completion by the end of this season.

In Jacamo, we continue to achieve double-digit growth in active customers, which is being partially offset by the reduction in sales of some larger ticket electrical goods, in line with the trend reported during the second half of FY17.

The 10.7% growth in our Traditional segment reflects the improvements made to product and marketing during the past two seasons, resulting in market share gains.

Product revenue by category	% change yoy
Ladieswear	+13.5%
Menswear	+6.3%
Footwear & Accessories	+13.4%
Home & Gift	+5.8%

International

International revenue was up 10%, and down 2% in constant currency terms.

Revenue from Ireland was up 17%, and 9% in constant currency terms, driven by the strong Ladieswear performance.

Revenue from the USA was up 4%, and down 9% on a constant currency basis. Following the delivery of our new technology platform, a step up in marketing investment is planned in Q2 to drive new customer recruitment going forwards.

Stores

We will be closing up to five Simply Be and Jacamo dual-fascia stores. This decision takes into account weak high-street footfall, both current and predicted, together with significant future business rate increases for some stores. Together, these five stores contributed £5.0m revenue but accounted for the entire £2.0m operating loss of our store estate in FY17.

The process will be completed by the end of August and we anticipate an exceptional cost in relation to these of £10m to £14m, of which approximately 70% will be cash.

We continue to improve the performance of the remaining 10 Simply Be and Jacamo dual-fascia stores.

During Q1, revenues from our store estate were slightly up year on year, with our Simply Be and Jacamo dual-fascia stores recording mid single-digit growth, and High & Mighty revenue down, as expected.

Financial Services

Revenue from our Financial Services business was down 4.9% year on year, in line with our expectations. This was impacted by the lower interest revenue booked on payment arrangement debt, due to the sale of some of this debt at the end of FY17, as previously disclosed. Within the revenue performance, interest lines were down low single-digits, as a result of this debt sale, whilst non-interest lines were down high teens percentage as a result of the better quality loan book which reduced admin fees.

Both the revenue performance and the gross contribution from Financial Services were in line with our plans.

Fit 4 the Future

We continue to make good progress upgrading our core web platform and Financial Services systems. The new High and Mighty site will go live shortly. We remain on track to have all brands replatformed by the end of Summer 2018, as previously disclosed.

FY18 Guidance

Aside from the exceptional cost guidance, as discussed above, all other FY18 guidance is unchanged. Please note that all P&L guidance is based on comparison to the 52 week FY17 figure.

- Product gross margin -120bps to -20bps. The decline in gross margin will be first half weighted due to the timing of FX impacts
- Financial Services gross margin flat to +100bps
- Group operating costs up 3.5% to 5.5% (excluding Depreciation & Amortisation)
- Depreciation & Amortisation £29m to £30m. We are expecting a charge of £12m to £13m in the first half
- Net interest £8m to £9m
- Tax rate c.20%

- Capex of c.£40m
- Net debt £300m to £320m
- Exceptional costs of £13m to £17m, with the majority linked to store closures and c.£3m as a result of our ongoing tax disputes with HMRC

Reporting calendar

We will be announcing our first half results on 12th October 2017.

For further information:

N Brown Group	On the day 07887 536153
Angela Spindler, CEO	Thereafter 0161 238 1845
Craig Lovelace, CFO	
Bethany Hocking, Director of Investor Relations and Corporate Communications	
MHP Communications	
John Olsen / Simon Hockridge / Gina Bell	0203 128 8100
	NBrown@mhpc.com