

24 October 2024

TRADING UPDATE

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

Group like-for-like and total sales growth as at week 16 are as follows:

	Like-for-Like Sales Growth FY25 v FY24 (Weeks 1 to 16)	Total Sales Growth FY25 v FY24 (Weeks 1 to 16)
Supercheap Auto	2%	4%
rebel	1%	2%
BCF	3%	6%
Macpac	4%	10%
Group Total	2%	4%

Group Managing Director and CEO, Mr Anthony Heraghty said “I am pleased to report that in the first 16 weeks of FY25, the Group has delivered two per cent like-for-like sales growth and four per cent total sales growth.”

“Supercheap Auto performance has been driven by the auto maintenance category, including lubricants that benefited from the Best Performing Oils campaign. Sales have demonstrably slowed in New Zealand. Competitive intensity has increased, requiring an increase of promotional activity.”

“rebel has delivered growth in footwear and apparel offsetting the impact of the FIFA Women’s World Cup in the prior corresponding period. In preparation for peak trade, additional clearance activity has been executed to improve seasonal inventory position.”

“BCF has seen continued growth in fishing, caravan and 4WD benefiting from range expansion initiatives, showcased in the most recent superstore opened in Cannington.”

“Macpac has delivered growth in insulation, rainwear and packs while challenging trading conditions in New Zealand have driven sales compression.”

“Team member safety remains a critical focus in an environment that includes increased incidents and severity of retail crime and theft.”

“The rebel active loyalty program has performed well since being launched in October 2023, with all key metrics ahead of business case. Customers who have redeemed loyalty points year-to-date demonstrate strong engagement with the program and, as anticipated, redemptions have reduced gross margin by circa 140bps in the current period.”

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“We are pleased to advise that the new Supercheap Auto loyalty program, “Spend & Getathon”, is now in-market. This investment in customer loyalty is expected to drive stronger share of wallet across our key customer segments, with a modest unfavourable impact to gross margins.”

“Supercheap Auto has now launched their trade website, improving the trade customer experience, providing transparency of the trade customer pricing value proposition and increasing our trade representatives in the network. The increased investment in trade is expected to yield increased trade customers and visitation.”

“We also plan to open 25 new stores in FY25 (Supercheap Auto 10, rebel 4, BCF 5, Macpac 6). The store program has a larger investment in the first half this year with nine new stores already opened.”

As previously flagged for FY25 the Group:

- Expects duplicated operating expenses associated with the transition from existing distribution centre facilities to the Group’s new Victorian distribution centre will result in a one-off increase to Group and unallocated costs in FY25 of \$8 million. Total Group and unallocated costs in FY25 (including this \$8 million) are expected to be \$40 million, compared to \$36 million in FY24.
- Targeting capex of \$165 million to fund its store development program, a new distribution centre, enhancements to its customer loyalty programs and cyber, omni and digital capability.
- While inflation appears to be gradually easing, the Group expects continued upward pressure on its cost base in FY25.

“The outlook for the consumer remains uncertain, given ongoing cost of living pressure on household budgets. The Group’s customer value proposition, the strength of the four core brands and the size of our customer loyalty club membership base means Super Retail Group remains well positioned to perform in retail market conditions where customers are carefully managing their spending and prioritising value-for-money purchases.”

“As always, the Group’s first half result will be highly dependent on trading in the peak Christmas period.”

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