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Trading Update

Nick Scali Limited (“NCK” or “the Company”) today wishes to issue the following update.

For the first quarter of FY21, written sales orders continue to be materially up on the previous year despite the closure of our stores since August in Melbourne, and for four weeks during August in Auckland.

Total sales orders for the first three months of FY21 have been up 45% on the previous year, and this trend has continued through October. When excluding those stores closed in Melbourne and Auckland as a result of Covid trading restrictions, comparable store sales orders grew by 59% in the first quarter.

Further, online orders have increased by 47% for the first quarter of FY21 compared to the last quarter of FY20, and the Company now expects the EBIT contribution from online in FY21 to be higher than previously anticipated.

The continued elevated level of sales orders has led to a revision of the Net Profit after Tax (“NPAT”) forecast for the first half of FY21. NCK had previously provided guidance in August that NPAT for the first half would be 50-60% more than the previous year. However, even allowing for delays in our supply chain caused by the current reduction of inbound shipping and the reduced availability of containers, the Company now anticipates that first half NPAT for FY21 will be 70-80% more than FY20. Any delays in delivering orders as a result of supply chain disruptions will flow into the second half of FY21 as revenue.

Authorised by the Board of Nick Scali Limited