

# city chic collective

20 December 2022

## Trading Update & 1HFY23 Outlook

**City Chic Collective Limited** (ASX: CCX) (“City Chic”, or the “Group”) today announces an update on trading since City Chic’s Annual General Meeting on 25 November 2022 (“AGM”) and provides an outlook for 1HFY23.

As outlined at the AGM, the Group’s 1HFY23 results will be significantly influenced by the Black Friday / Cyber Monday and Christmas trading period ending 1 January 2023.

Conditions since the AGM have continued to be volatile, with overall demand below expectations. Globally, YTD<sup>1</sup> revenue is down approximately 7% to \$157.1m compared to the prior corresponding period (“PCP”)<sup>2</sup>; but up approximately 38% on FY21. Revenue by region and channel, both YTD and in the period since the AGM, is detailed further below.

In line with the market, City Chic has increased its promotional activity to drive demand resulting in further gross margin compression since the AGM.

The combined effect of reduced revenue and gross margins, and higher fulfilment costs in line with the update at the AGM, is expected to result in a small underlying EBITDA loss (pre-AASB16) for 1HFY23, subject to trading in the final two weeks, ordinary accounting period-end review and audit.

Notwithstanding the demand pressures, City Chic is confident inventory will be at the lower end of the range provided at the AGM of \$168-174m at the end of 1HFY23 subject to demand and foreign exchange movements.

### Summary revenue by region and channel

	Trading Update at AGM (Wk 1 -20) <sup>2</sup>			Trading since AGM Update (Wk 21-24) <sup>2</sup>			YTD Trading (Wk 1-24) <sup>1,2</sup>		
Revenue by Region (A\$m)	FY23 YTD	FY22 Var %	FY21 Var %	FY23 YTD	FY22 Var %	FY21 Var %	FY23 YTD	FY22 Var %	FY21 Var %
ANZ	60.4	10.0%	19%	12.8	(31%)	(10%)	73.2	0%	13%
AMERICAS	52.6	(12%)	44%	12.3	(20%)	(2%)	64.9	(14%)	32%
EMEA	15.6	(5%)	N/a	3.4	(5%)	2871%	19.0	(5%)	16319%
Total	128.6	(2%)	48%	28.5	(24%)	6%	157.1	(7%)	38%

  

Revenue by Channel (A\$m)	FY23 YTD	FY22 Var %	FY21 Var %	FY23 YTD	FY22 Var %	FY21 Var %	FY23 YTD	FY22 Var %	FY21 Var %
Online	87.8	(19%)	43%	19.1	(31%)	(3%)	106.9	(21%)	32%
Stores	27.7	56%	17%	5.5	(21%)	(16%)	33.1	35%	10%
Partners	13.2	133%	573%	3.9	60%	430%	17.1	111%	534%
Total	128.6	(2%)	48%	28.5	(24%)	6%	157.1	(7%)	38%

<sup>1</sup> YTD means the 24 trading weeks from 4 July 2022 to 18 December 2022 (in each region).

<sup>2</sup> Prior year revenue numbers have been restated to include freight income consistent with the reclassification made at year end FY22

- **ANZ:** YTD Revenue of \$73.2m is flat on last year, with stores up 35% YTD (noting there were periods of store closures in PCP with most stores trading by the end of November 2021) and up 10% on FY21; YTD online is down 18% off a strong PCP and up 16% on FY21.
- **Americas:** YTD Revenue of \$64.9m is down 14% with increased pressure on consumer demand and cycling a very strong result in PCP, although up 32% on FY21.
- **EMEA:** YTD Revenue of \$19.0m is down 5% due to market conditions and higher levels of returns.
- **Partners:** The partner business continues to deliver strong growth albeit at a lower level, with YTD Revenue across all regions of \$17.1m up 111% on PCP.

A detailed (unaudited) trading update for 1HFY23 will be provided in mid-January 2023 after the close of the half year reporting period.

The release of this announcement was authorised by the Board.

### About City Chic Collective

City Chic Collective is a global omni-channel retailer specialising in plus-size women's apparel, footwear and accessories. It is a collective of customer-led brands including City Chic, Avenue, Evans, CCX, Hips & Curves, Fox & Royal and Navabi. City Chic and CCX are better dressing for plus women and its omni-channel model comprises; of a network of 90 stores across Australia and New Zealand (ANZ) and websites operating in ANZ, the US, the UK and Europe. Navabi (Germany-based), Avenue (US-based) and Evans (UK-based) target a broad customer base across the conservative segment, both with a long history and significant online customer following. Hips & Curves and Fox & Royal are online intimate brands. City Chic Collective acquired European-based online marketplace Navabi in the current year and also sells its collective of brands through third-party marketplace and wholesale partners in Australia, New Zealand, US, Canada, UK, Europe and the Middle East.

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