

## MOTHERCARE PLC FY18 Q1 trading update

- UK like-for-like sales growth continues
- International sales remain challenging, primarily driven by the Middle East
- Overall Group performance in line with expectations

Mothercare plc, the leading global retailer for parents and young children, today issues the following trading update, which covers the 15 week period to July 8<sup>th</sup> 2017.

### **UK**

- UK like-for-like sales up 1.9% during the quarter. We entered the end of season sale with lower stocks and are achieving a higher sell through rate.
- Online sales grew by 3.3%.
- Total UK sales lower than last year, reflecting ongoing store closure programme.
- Retail space at the end of the quarter reduced to 1.4m sq.ft, as expected, with 147 stores (143 Mothercare and four ELC).

### **International**

- International retail sales were down 8.3% in constant currency and up 2.2% in actual currency, primarily driven by continued weakness in the Middle East.
- Online sales growth of 53% in constant currency and 78% in actual currency.
- We opened 26 stores and closed 43 during the period, mainly driven by market exits as we consolidated partners, including Kazakhstan, ending the quarter with c2.9m sq.ft with 1,133 stores.

### **Group performance for 15 weeks to July 8th 2017**

	FY2017				15 Weeks: 8 July 2017
	Q1	Q2	Q3	Q4	% change year-on-year
<b><u>UK</u></b>					<b>Q1</b>
UK like-for-like sales <sup>(1)</sup>	1.2	(2.5)	1.0	4.5	1.9
Online Sales <sup>(1)</sup>	6.4	7.3	5.5	13.6	3.3
Total UK sales	(2.1)	(2.5)	0.6	3.2	(1.8)
UK space (change in sq.ft.)	(4.8)	(1.7)	(4.5)	(5.9)	(7.2)
<b><u>International</u></b>					
International retail sales in constant currencies <sup>(1)</sup>	3.9	(5.6)	(5.9)	(1.7)	(8.3)
International retail sales in actual currencies <sup>(1)</sup>	5.1	9.5	13.2	15.4	2.2
International space (change in sq.ft.)	2.3	1.8	0.0	0.9	(2.3)
<b><u>Group</u></b>					
Worldwide sales <sup>(2)</sup>	2.7	5.1	7.5	10.7	0.8
Total group sales <sup>(3)</sup>	(1.7)	0.5	1.8	(12.2)	(0.0)

## **Mark Newton-Jones, Chief Executive Officer of Mothercare plc, said:**

"We have continued to make progress in the UK during the period. We have seen customers respond well to our end of season sale, which we entered with less stock than last year, and are achieving a higher sell through rate. Whilst online sales recorded a lower growth, in contrast to higher sales growth in store, we don't believe this represents an underlying permanent shift in customer behaviour. We are about to launch our autumn ranges, but it remains uncertain how consumers will respond to inflation.

"In our International business, the challenging economic conditions in the Middle East continue and are impacting overall performance, and so the outlook remains volatile. We continue to export our learnings from the UK as our business improves here, to support our partners with the modernisation of their franchise businesses, and see further opportunities for growth both online and in stores.

"We remain firmly focused on our strategy, both here in the UK and internationally. Our vision remains clear: to be the leading global retailer for parents and young children."

### **Investor and Analyst enquiries to:**

#### **Mothercare plc**

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#### **Notes:**

**1** – UK like-for-like sales are defined as sales from stores that have been trading continuously from the same selling space for at least a year and include online sales. UK online sales include both website sales and sales taken on iPads in store. International retail sales, including online sales, are the estimated retail sales of overseas franchisees and joint ventures and associates to their customers. International like-for-like sales are the estimated franchisee retail sales from stores that have been trading continuously from the same selling space for at least a year. International sales in constant currency exclude the impact of movements in foreign exchange on translation.

**2** – Worldwide sales are total International sales plus total UK sales. Total International sales are International retail sales plus International Wholesale sales.

**3** – Total group sales is a statutory number and is made up of total UK sales and receipts from our International partners, which includes royalty payments and the cost of goods dispatched to our franchise partners.

**4** – This announcement contains certain forward-looking statements concerning the company. Although the Board believes its expectations are based on reasonable assumptions, the matters to which such statements refer may be influenced by factors that could cause actual outcomes and results to be materially different. The forward-looking statements speak only as at the date of this document and the company does not undertake any obligation to announce any revisions to such statements, except as required by law or by any appropriate regulatory authority.

**5** – Overall space was down 4% year-on-year at the end of the first quarter with space in the UK down 7.2% year-on-year and International space was down 2.3%.

**6** – We will be announcing our Interim Results on November 23<sup>rd</sup> 2017.