

city chic collective

27 March 2020

COVID-19 Update: City Chic temporarily closes Australian & NZ stores

City Chic Collective Limited (“City Chic”) advises that it will temporarily close its Australian stores by the end of this week, following on from the closure of its New Zealand stores on 25 March 2020. The decision to close stores was taken given the directives by the Australian Federal and State Governments around “social distancing” and to limit activities outside the home, as well as the New Zealand Government directive for all non-essential businesses to close. Phil Ryan, Chief Executive Officer and Managing Director of City Chic said:

“Our store team members lie at the heart of our brand. They drive our culture and have created the Sisterhood, gaining the trust of hundreds of thousands of customers around Australia and New Zealand each year. For the next month we will not stand down any full time and part time store team members, who have made City Chic the business it is today through over a decade of commitment and a love for our brand.

As an omni-channel retailer with two-thirds of our sales online and three times the range online versus stores, we can continue to serve our loyal customers through our digital channels. We have the advantage of a more variable cost structure than most traditional retailers, but we will continue to be prudent through this period of uncertainty. I have been overwhelmed with the positive energy of the team to come together more than ever to get through this and be positioned to come out stronger.”

City Chic has implemented a number of measures to minimise the impact of the closure of its store network, which contributes approximately 30% of total sales. These include:

- Materially reducing inventory intake and redeploying store inventory across City Chic’s online channels
- Holding spend on non-essential capital expenditure and driving further working capital efficiencies
- Working with landlords on rents while stores are closed. Approximately half of the store portfolio is in holdover
- Reducing costs in relation to activity driven by stores, as well as more broadly across the head office.

City Chic is in a strong financial position with significant headroom in its \$35m debt facility (expires in February 2023).

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 and Hips & Curves. City Chic, including youth oriented CCX, appeals to fashion forward women and its omni-channel model comprises of a network of 107 stores across Australia and New Zealand; multiple websites operating in Australasia and the US; marketplace and wholesale partnerships with major US retailers such as Macys and Nordstrom; and a wholesale business with European and UK partners such as ASOS and Zalando. Avenue targets value-conscious women and Hips & Curves is an intimates brand; both are online only with a significant customer following throughout the US.

The release of this document to the Australian Stock Exchange was authorised by the Board.

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