

city chic collective

19 March 2020

Trading Update

City Chic Collective Limited (“City Chic”) is monitoring the evolving situation with COVID-19 and the impact on trading, the team and its customers. Phil Ryan, Chief Executive Officer and Managing Director of City Chic said:

“Our first priority is to ensure the wellbeing of our staff and customers. City Chic is an agile organisation and contingency plans are in place to ensure we can effectively operate our business. Since Avenue joined the collective approximately two-thirds of global sales have been through the online channel, which attracts relatively low capital requirements, has low fixed costs and provides flexibility in the cost base. This means we can deal with a protracted reduction in economic activity and disruption to our operations. During this time, our focus will remain, as always, on delivering the right product at the right price through the right channel to our customers around the world.”

At the 1H FY20 results on 20 February 2020, City Chic advised that any ongoing disruption to production from its Chinese supply partners would affect stock levels and sales in the last quarter of FY20, as well as impact the level of positive comparable sales achieved for the full year. Over the past month City Chic has successfully worked with its longstanding partners and has re-established stable supply from China.

Comparable sales growth for the year to date has been strong at 8.6%. However, the ongoing spread of COVID-19 and the escalation of government containment measures globally are now affecting consumer spending. The impact on sales and earnings for the remainder of the financial year is uncertain at this stage. City Chic’s reactive and flexible supply chain positions the business well to manage its working capital through this period.

Subsequent to the 1H FY20 results, City Chic finalised the refinancing of its existing \$17.5m debt facility with a new 3-year, \$35m facility, which further strengthens the financial position of the company.

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.

Investor Enquiries

Munraj Dhaliwal +61 (2) 9059 4343
Chief Financial Officer

Media Enquiries

Matthew Gregorowski +61 (2) 8234 0105
Françoise Dixon +61 (2) 8234 0112
Citadel-MAGNUS