

11 May 2021

Joules Group plc

('Joules' or the 'Group')

Business & Trading Update

Positive performance across retail channels resulting in anticipated FY21 revenue and PBT ahead of expectations

Joules, the premium British lifestyle brand, today provides a business and trading update for the 11 months to 2 May 2021 (the "Period"). This follows the UK Government's announcement yesterday confirming the timetable for the easing of restrictions across the hospitality and leisure sectors over the coming weeks.

Since the Group's Interim Results on 27 January 2021, Joules has continued to deliver a positive performance across its retail channels that have been able to trade within the context of the UK's lockdown restrictions. This positive performance has been driven by continued strong sales on the Group's digital platform, an encouraging initial contribution from the acquisition of Garden Trading Company Limited ("Garden Trading") in February, and the performance of the Group's stores since their reopening from mid-April.

Notwithstanding the continued uncertainty impacting the retail sector, the Board is encouraged by this momentum across retail channels, as well as by the confirmation of the further easing of lockdown restrictions in England by the UK Government, and now anticipates that the Group's revenue and profit before tax for FY21 will be ahead of current analyst consensus expectations*.

Business update

E-commerce has continued to deliver strong growth, with demand on Joules' own websites growing approximately 50% year-to-date against the comparable prior year period, up from the 47% growth reported for the first half of the financial year.

Friends of Joules, the Group's digital lifestyle marketplace of third-party brands, has continued its strong growth momentum, reflecting the increased number of curated products and ranges now available to Joules' growing active digital customer base.

Stores have performed ahead of management's expectations since re-opening following the third national lockdown, with sales for the four weeks since reopening ahead of the comparable period two years ago. This pleasing performance reflects a combination of pent-up consumer demand as well as the attractive, predominantly lifestyle locations of the Group's store estate.

Since the Group's Interim Results, Joules has opened new locations in North Berwick and Centre Parcs Woburn and Longleat – the first of five Centre Parcs locations due to open over the coming months - and relocated two stores to brand-enhancing locations in Beverley and Cirencester.

Garden Trading has performed ahead of expectations over the first three months since the acquisition, with sales up 85% against the comparable prior year period. This encouraging performance reflects the strength of Garden Trading's home, garden and outdoor product offer, its growing digital customer base, and the underlying market growth in this attractive market. The integration of Garden Trading's support functions has now been successfully completed in line with the Group's post acquisition plans.

Financial position

The Group has maintained its strong financial position and on 6 May 2021 announced that it had extended its £25 million revolving credit facility with Barclays Bank Plc to September 2024 and converted the facility to an ESG-linked financing arrangement, providing further liquidity headroom certainty and further solidifying its commitment to the *Responsibly Joules* ESG priorities.

** As at 10 May 2021, FY21 company compiled analyst consensus was for: Revenue £187 million and PBT pre-exceptional items £4.1 million*

Nick Jones, CEO of Joules commented:

“We are delighted with the Group’s continued momentum, which reflects the strength of our product proposition, the flexibility and diversification of our business model, and the relevance of our brand to an increasing number of customers.

Our digital proposition continues to go from strength to strength and we have been very pleased with the performance of our retail stores since their re-opening. This has been a great testament to the growing appeal of the Joules brand, the attractive, lifestyle locations of our store portfolio and the hard work and dedication of our colleagues across the business during this time.

Although the past 12 months have been incredibly challenging for the retail sector, I truly believe that Joules is now in an even stronger position than ever before. We have an increasingly digital-led business, more diversified income streams and a broader product proposition that is highly relevant to our customers’ lifestyles.

Whilst the retail sector will continue to face near and medium-term challenges as a result of the pandemic, we look forward to the future with confidence, underpinned by the strength and relevance of our brand and business model.”

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Joules – a premium lifestyle group with an authentic British heritage

Joules is a premium lifestyle brand and group with an authentic heritage and values of family, fun and joy in the countryside.

Joules creates and curates exceptional products that brighten the lives of its customers, delivered through leading digital platforms and supported by enticing experiences and stores that are located in desirable locations relevant to the Joules customer's lifestyle.

The Joules story began in 1989, when Tom Joule started selling clothing on a stand at a country show in Leicestershire. Today, the business designs and sells Joules branded clothing, footwear and accessories for women, men and children as well as collections of homeware, toiletries, lifestyle and pet product ranges that are carefully designed and developed through selected licensing partnerships. Each collection comprises Joules' distinctive use of humour, colour and unique prints, each of which is hand-drawn by the brand's talented in-house print design team at its headquarters in Market Harborough, Leicestershire.

Joules' distinctive design-led products are complemented by an increasingly broad customer offer provided through its digital marketplace Friends of Joules that enables third party brands to offer curated, complementary products to the Joules customer base, enhancing Joules' digital platform with thousands of products from hundreds of creative businesses to give customers everything they could ever need for a contemporary country lifestyle.

The Joules brand caters to its 1.5 million active customers through its own digital platform, its retail stores in the UK and at country shows and events. Joules extends its brand reach through well-established third-party relationships – concessions, online marketplaces and traditional wholesale – in the UK and internationally.

Internationally, the brand has made good progress in its target markets of the US and Germany, where the distinctive Joules brand and products range resonate well with local customers. International markets are served by wholesale partnerships and dedicated Joules websites.

In 2021, Joules acquired leading digital home and garden retailer The Garden Trading Company, strengthening its position in the important and fast-growing home, garden & outdoor category. Similarly inspired by the British countryside, Garden Trading designs and sells distinctive products through its own e-commerce platform and wholesale partnerships with more than 1,000 stockists across the UK.

www.joules.com

www.gardentrading.co.uk

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