

JD Sports fashion PLC Q225 trading update

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JD Sports Fashion PLC

22 August 2024

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JD SPORTS FASHION PLC Q225 TRADING UPDATE

Strong, agile multi-brand model delivers 8.3% organic sales growth and 2.4% like-for-like sales growth in Q2

JD Sports Fashion Plc (the 'Group'), the leading retailer of sports, fashion and outdoor brands, today announces its second quarter trading update for the 13 weeks to 3 August 2024 (the 'period').

Régis Schultz, CEO of JD Sports Fashion Plc, said: "I am pleased to report like-for-like sales growth of 2.4% and organic sales growth of 8.3% in the second quarter, demonstrating the strength and agility of our multi-brand model. In particular, we saw double-digit organic sales growth in North America and Europe, supported by the continued success of our JD store rollout programme. We completed the acquisition of Hibbett, Inc. just before the period end and we look forward to its contribution to the growth and development of our US business in the coming years. Based on our first-half trading, we remain on track to deliver profit within our full-year guidance."

Trading for the Group in the period, on a constant currency basis, was in line with our expectations. Like-for-like ('LFL') sales were up 2.4% and organic sales were up 8.3%. As a consequence, first half LFL sales were up 0.7% and organic sales were up 6.4%. The quarter-on-quarter ('QOQ') trading improvement was driven primarily by the strength of our multi-brand operating model and softer comparatives with the previous year.

Regionally, LFL growth was strongest in North America (+5.7%) and Europe (+3.0%), while the UK improved

materially QOQ. Organic growth was achieved in all regions, led by North America with 13.7% growth. All three main segments - JD, Complementary Concepts and Sporting Goods & Outdoor - achieved LFL growth and the JD segment benefitted from new store openings to deliver 11% organic growth.

While the overall market remains volatile, we showed good promotional discipline and managed inventory proactively to support gross margins in the period. Gross margin for the Group in the period was 48.4%, down 30 basis points (bps) on last year. This decline was seen mainly in apparel and online, where its higher penetration resulted in the UK being most impacted. The first half gross margin for the Group was therefore 48.3%, 10 bps below last year and inventory levels at the end of the period were as we expected.

We completed the acquisition of Hibbett, Inc. ('Hibbett') on 25 July 2024*, just ahead of the period end. Hibbett is a great addition to our Complementary Concepts segment in North America and adds material scale and presence in the US through its 1,179 stores, strengthening further our brand relationships in the world's largest sportswear market. Hibbett, with its strong community presence, also provides an enhanced platform for the mall-led, nationwide growth of the JD brand in North America through its efficient supply chain and strong back office.

During the first half, we opened 85 new JD stores, which along with the Hibbett acquisition and the ongoing disposal of non-core stores, meant we ended the first half with 4,506 stores, up 1,189 from the start of the year.

The global macro environment remains volatile and so we continue to be cautious on our outlook for the rest of the year. Notwithstanding this, based on our first half trading and allowing for an anticipated c.£15m headwind at current exchange rates due to a stronger pound, we are maintaining our guidance range of profit before tax and adjusting items of £955m to £1,035m, on a pre-Hibbett basis.

Additional information for analysts and investors has been added to our corporate website, **www.jdplc.com/investor-relations/reports-presentations**, along with historic restatements relating to the voluntary change in accounting policy with regards to amortisation of acquired intangible assets and a reallocation of FY24 segmental and sub-segmental operating profit.

* Sales from Hibbett will be excluded from like-for-like and organic sales metrics for the first 12 months following acquisition

Regional revenue performance

Q225	Like-for-like	Organic
UK	(0.8)%	1.2%
Europe	3.0%	10.5%
North America	5.7%	13.7%
Asia Pacific	0.1%	10.5%
Group	2.4%	8.3%

H125	Like-for-like	Organic
UK	(3.0)%	(1.8)%
Europe	1.9%	10.1%
North America	3.3%	10.7%
Asia Pacific	0.2%	10.5%
Group	0.7%	6.4%

Segmental revenue performance

Q225	Like-for-like	Organic
JD	2.7%	11.0%
Complementary Concepts	1.9%	1.7%
Sporting Goods & Outdoor	1.6%	1.9%
Other	(6.0)%	(6.1)%
Group	2.4%	8.3%

H125	Like-for-like	Organic
JD	0.6%	8.5%
Complementary Concepts	1.6%	1.5%
Sporting Goods & Outdoor	0.7%	1.7%
Other	(3.5)%	(2.6)%
Group	0.7%	6.4%

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Cautionary note regarding forward-looking statements

This announcement contains certain forward-looking statements relating to expected or anticipated results, performance or events. Such statements are subject to normal risks associated with the uncertainties in our business, supply chain and consumer demand along with risks associated with macro-economic, political and social factors in the markets in which we operate. Whilst we believe that the expectations reflected herein are reasonable based on the information we have as at the date of this announcement, actual outcomes may vary significantly owing to factors outside the control of the Group, such as cost of materials or demand for our products, or within our control such as our investment decisions, allocation of resources or changes to our plans or strategy. The Group expressly disclaims any obligation to revise forward-looking statements made in this or other announcements to reflect changes in our expectations or circumstances. No reliance may be placed on the forward-looking statements contained within this announcement.

Analyst and investor Q&A

A call with analysts and investors will take place at 0900 (BST) on 22 August 2024. To register for the live audio cast (listen only), please use the following link: <https://events.q4inc.com/attendee/957232110>. To register for the live conference call (option to ask questions), please use the following link: <https://registrations.events/direct/Q4I259835>.

Financial calendar

02 October 2024: H125 results

November 2024: Q325 trading update

January 2025: Trading update

About JD Sports Fashion Plc

Founded in 1981, the JD Group ('JD') is a leading global omnichannel retailer of Sports Fashion brands. JD provides customers with the latest sports fashion through working with established and new brands to deliver products that our customers most want, across both footwear and apparel. The vision of JD is to inspire the emerging generation of consumers through a connection to the universal culture of sport, music and fashion. JD focuses on four strategic pillars: JD Brand First, first priority, first in the world; leveraging Complementary Concepts to support JD Group global expansion; moving Beyond Physical Retail by building the right infrastructure and creating a lifestyle ecosystem of relevant products and services; and doing the best for its People, Partners and Communities. JD is a constituent of the FTSE 100 index and had 4,506 stores worldwide at 3 August 2024.

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