

DEBENHAMS

Life made fabulous

12th January 2017

DEBENHAMS PLC

CHRISTMAS TRADING UPDATE

“Beauty and Gifts support good Christmas performance”

Debenhams plc, the leading international, multi-channel brand, today announces its trading update for the 18 weeks to 7th January 2017.

Financial Highlights

- Group gross transaction value +3.7%; Group like-for-like sales as reported +3.5%
- Group like-for-like sales in constant currency +0.5%, including UK LFL +1.0%
- Online sales +13.9%, with two year growth of over 25%
- Gross margin within FY17 guidance of (25bps) to +25bps, sales mix continues to be dilutive
- Good performance in the 7 week Christmas period to 7th January:
 - LFL sales +5.0%, +1.7% in constant currency
 - Online sales +17.0%

Operational Highlights

- We have made further progress in growing non-clothing categories in line with our strategy. Beauty and Gift sales grew strongly to take the non-clothing sales mix in this period to 57%
- We have maintained market share in a competitive clothing market whilst continuing to reduce the number of clothing options as well as the level of discounts, with stocks down 7% year on year
- We have continued to reduce the overall participation of promotional activity, with a sixth season of reduced markdown and a 2% improvement in full price sell-through in the period. We again saw a successful Black Friday event with strong year on year growth both online and in our stores
- Momentum has strengthened in multi-channel sales growth, driven by smartphone demand up 68%, with an increased uptake in premium delivery services as our customers respond to the improvements we have introduced
- As planned, we have completed 75% of our current store space optimisation programme, and rolled out a further nine food service offers, launching two new partnerships, with James Martin Kitchen and Franco Manca, in the period
- Internationally, Magasin du Nord in Denmark saw a tougher trading environment whilst the Republic of Ireland has maintained steady performance after successfully exiting Examinership.

Sergio Bucher, Chief Executive of Debenhams, said:

“I’m pleased with the performance we have achieved in the key trading weeks of Black Friday and over the Christmas peak, given the challenges in the broader environment and the strong performance last year. The resilience of Debenhams’ differentiated offer is beginning to show through, with the growth we have driven in beauty and gifting. It’s encouraging to see that the service improvements we have made helped us to deliver strong multi-channel sales growth.

“I witnessed the hard work of the executive team and all our colleagues, who made sure that we were able to deliver a fantastic service for our customers over such a busy period, complementing the great choice of products and brands that we have to offer. There is a lot more we can do to build from this base and I’m looking forward to providing an update on our plans for Debenhams alongside our interim results in April.”

Sales performance

	THIS YEAR		LAST YEAR		FY 16
	18 wks to 07/01/17	7 wks to 07/01/17	19 wks to 09/01/16	7 wks to 09/01/16	
Percentage change to last year	%	%	%	%	%
Group Gross Transaction Value	3.7	5.0	2.5	2.9	1.3
Reported LFL	3.5	5.0	1.9	1.8	0.6
Constant currency LFL	0.5	1.7	3.5	3.7	0.7

-ENDS-

A conference call for analysts and investors will be held at 8.45am today. To join the call, please dial +44 (0) 330 336 9412 (UK/Europe) or +1 719 457 1036 (US), PIN 7570154. A recording of the call will be available for seven days on +44 (0) 20 7660 0134 or +1 719 457 0820, PIN 7570154.

Enquiries:

Analysts and investors

Debenhams PLC

Matt Smith, Chief Financial Officer
Katharine Wynne, Director of Investor Relations
020 3549 6304

Media

Brunswick Group

Simon Sporborg/Helen Smith
020 7404 5959

Notes to editors

Debenhams is a leading international, multi-channel brand with a proud British heritage which trades out of over 250 stores across 27 countries. Debenhams gives its customers around the world a unique, differentiated and exclusive mix of own brands, international brands and concessions.

Debenhams has been investing in design for over 20 years through its exclusive Designers at Debenhams portfolio of brands. Current designers include Abigail Ahern, Jeff Banks, Jasper Conran, Giles Deacon, Sadie Frost and Jemima French, Patrick Grant, Henry Holland, Ben de Lisi, Todd Lynn, Julien Macdonald, Savannah Miller, Jenny Packham, Aliza Reger, John Rocha, Ashley Thomas and Matthew Williamson.