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**Shoe Zone plc**  
**("Shoezone" or the "Company")**  
**Full Year Trading Update**

Shoezone is pleased to announce its unaudited full year trading update for the 52 weeks to 28 September 2024 ("FY 2024").

**Financial Highlights:**

- Group revenue reduced by 2.7% to £161.3m (FY 2023: £165.7m)
- Store numbers, in line with plan, reduced to 297 (FY 2023: 323)
- Product margin increased to c.62.8% (FY 2023: 62.1%)
- Adjusted profit before tax expected to be not less than £9.5m<sup>[1]</sup> (FY 2023: £16.5m)
- Net cash of £3.7m (FY 2023: £16.4m)

<sup>1</sup>Adjusted to exclude the profit on sale of freehold property (one last year) and foreign exchange revaluation.

**Financial Summary**

**Revenue**

Revenue in FY2024 was £161.3m (FY 2023: £165.7m). The 2.7% reduction was due to the unseasonal weather in the second half of the year, particularly peak summer, as well as trading out of 26 fewer stores. However, the key three weeks of Back to School trade in August and September was positive and ahead of the same period last year.

**Product margin**

Product margin increased to c.62.8% (FY 2023: 62.1%), primarily due to lower container prices for the first half of the year. However, we started to see container prices increase again from March 2024 onwards, impacting the second half of the year and this will continue into H1 2025.

**Profit before tax**

Profit before tax is expected to be not less than £9.6m (FY 2023: £16.2m). Adjusting for a £0.1m foreign exchange revaluation gain, the adjusted profit before tax will be not less than £9.5m (FY2023: £16.5m). The reduction, compared to FY2023, is due to the weather impacted second half sales performance in conjunction with year-on-year increases in the cost of energy, depreciation, National Living Wage and containers prices in the second half.

**Net cash**

We ended the year with net cash of c.£3.7m (FY 2023: £16.4m). The reduction in net cash balance was due to dividends paid of £8.0m, the continued investment in capital expenditure of gross £12.3m (FY2023: £11.4m), £9.4m of which was for the store refit and relocation programme, all of which being offset by cash generated from profitable operations.

**Dividend**

A 2.5 pence per share interim payment amounting to £1.2m was made in August 2024.

A final dividend, the amount of which is yet to be determined, will be proposed in January 2025 alongside our final results.

**Store numbers**

We ended the year trading out of 297 (FY 2023: 323) retail stores. We closed 53 stores, opened 27 and refitted 28. The portfolio is made up of 112 original High Street stores and 185 larger new format stores. We are continuing our strategy to expand the number of new format stores through relocations and refits of existing High Street stores.

**Charles Smith, Chairman stated:**

"A year of two halves, with the first half trading in line with expectations and ahead of the previous year, however, the second half trading was below expectations due to unseasonal weather conditions, particularly at peak summer, however, our key Back to School period traded above expectations at the end of the year. Our Digital business continued to grow, driven by the introduction of free next day delivery for all shoezone.com orders."

We will provide a more detailed update at the time of our final results in January 2025.

I would like to thank all of our teams for their continued commitment and hard work that have produced these results."

**For further information please call:**

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**About Shoezone**

Shoezone is a Town Centre, Retail Park and Digital footwear retailer, offering low price, high quality footwear for the whole family.

Shoezone operates from a portfolio of 297 stores and has approximately 2,250 employees across the UK.

The store portfolio consists of 112 original high street store and 185 larger format stores. The new format stores sell additional brands such as Skechers, Hush Puppies, Rieker and Lilly & Skinner.

shoezone.com combined with the store network, ensures a full multi-channel offering for great customer service.

During an average year Shoe Zone sells 13.9 million pairs of shoes per annum at an average retail price of c. £13.30.

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