

21 November 2024

JD SPORTS FASHION PLC Q325 TRADING UPDATE

Strong margin management in volatile market; well positioned for peak season

JD Sports Fashion Plc (the 'Group'), the leading retailer of sports, fashion and outdoor brands, today announces its third quarter trading update for the 13 weeks to 2 November 2024 (the 'period').

Régis Schultz, CEO of JD Sports Fashion Plc, said: "After a good start to the period, helped by strong back-to-school sales, we saw increased trading volatility in October, particularly in North America and the UK, reflecting elevated promotional activity and mild weather. Against this backdrop, we maintained our commercial discipline, improving gross margin by 0.3%pts while still delivering 5.4% organic sales growth. In addition, we made further, strong progress on our long-term growth strategy including opening 79 new JD stores across the world.

We have performed well in the key trading events this year and we are well positioned for the upcoming peak season. The trading environment remains volatile though and, following October trading, we now anticipate full year profit to be at the lower end of our guidance range."

We had a strong back-to-school period but we saw much softer consumer demand and trading toward the end of the period, reflecting elevated promotional activity, unseasonable weather and a cautious consumer, with evidence supporting suppressed demand in the US ahead of the election. Against this backdrop, we maintained our operating discipline to deliver on our long-term commercial strategy rather than a short-term sales focus. As a result, gross margin for the Group in the period increased 0.3%pts to 48.1% with the year-to-date gross margin for the Group now at 48.2%, in line with the corresponding period.

Driven by our successful store rollout programme, organic sales growth in the period was 5.4% with year-to-date organic sales growth of 6.1%. The more volatile environment was reflected in like-for-like (LFL) sales for the period down 0.3% with a good August and September offset by a softer October. At the end of the period, year-to-date LFL sales growth was 0.5%. On a LFL basis, stores continued to outperform online and footwear continued to outperform apparel in the period.

All segments achieved organic sales growth in the period, driven by new space growth in JD and Complementary Concepts, and by LFL sales growth in Sporting Goods & Outdoor. Regionally, Europe performed well, delivering both LFL sales growth and organic sales growth, with softer trading in the period being seen elsewhere.

We also made strong strategic progress. In the period, we opened 79 new JD stores, taking the total number of openings by the end of Q3 to 181, highlighting the ongoing success of our global JD store rollout programme. The total number of stores at the period end was 4,541, up 1,224 from the start of the year, including 1,179 stores acquired with Hibbett.

We have also made good progress on the process to complete the acquisition of Courir. Following the satisfaction of all regulatory conditions, we now anticipate this transaction will complete shortly, adding a strong and growing, female-orientated fascia to complement our global portfolio.

Given the volatile trading environment, and following October trading, we now expect Profit before tax and adjusting items (PBT) to be at the lower end of our original guidance range of £955-1035m. Within this full year guidance, we still expect Hibbett to contribute around £25m to PBT and, at current exchange rates*, for currency to reduce PBT by £15m, compared to the rates used in setting the original guidance.

*The £955-£1,035m guidance range was based on 1.25 for the US Dollar and 1.15 for the Euro. Average rates to the end of Q3 were 1.29 for the US Dollar and 1.19 for the Euro. Current rates used for Q4 are 1.26 for the US Dollar and 1.20 for the Euro.

Q325	Like-for-like	Organic
UK	(2.4)%	(0.1)%
Europe	3.5%	10.4%
North America	(1.5)%	5.9%
Asia Pacific	(3.8)%	5.0%
Group	(0.3)%	5.4%

YTD	Like-for-like	Organic
UK	(2.7)%	(1.1)%
Europe	2.7%	10.1%
North America	1.8%	9.1%
Asia Pacific	(1.2)%	8.6%
Group	0.5%	6.1%

Segmental revenue performance

Q325	Like-for-like	Organic
JD	(1.6)%	6.2%
Complementary Concepts	(1.3)%	0.4%
Sporting Goods & Outdoor	6.0%	5.5%
Other	0.9%	0.9%
Group	(0.3)%	5.4%

YTD	Like-for-like	Organic
JD	(0.2)%	7.7%
Complementary Concepts	0.7%	1.1%
Sporting Goods & Outdoor	2.4%	2.9%
Other	(2.7)%	(2.7)%
Group	0.5%	6.1%

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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 0930 (BST) on 21 November 2024. To register for the live audio cast (listen only), please use the following link: <https://events.q4inc.com/attendee/833209352>. To register for the live conference call (option to ask questions), please use the following link: <https://registrations.events/direct/Q4I474548>.

Financial calendar

14 January 2025: Peak trading statement

March 2025: Capital Markets Day, USA

May 2025: FY25 results

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 4,541 stores worldwide at 2 November 2024.

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