

5 November 2020

H&T Group plc

Business Update

Further to the announcement on 11 August 2020 of its interim results for the six months ended 30 June 2020 H&T Group plc ("H&T" or "the Group"), the UK's leading pawnbroker, provides a trading update for the second half of the financial year. All of the Group's operations remain fully open for business supporting the diverse needs of its customer base in these challenging conditions. The Group continues to work closely with the FCA in respect of their HCSTC lending review, and we have now appointed a Skilled Person in this regard.

All 253 stores are currently open, operating safely and providing a full range of 'essential' financial services. The store estate will remain open for customers during the November lockdown period. The Group has continued to invest in digital capability allowing customers to access products both remotely and through its store estate. Last month the Group opened a new site in Edinburgh.

Pawnbroking customers continue to repay their loans (either by attending the store or via the payment portal) and at normal pledge redemption rates. At the end of October the pledge book stood at £48m. The reduction since June reflects both reduced customer demand and a prudent approach to new lending. The quality of the pledge book remains solid and cash generation remains robust.

Retail sales have been strong, capitalising on increased consumer demand for competitively priced, high-quality jewellery and watches. The high gold price has also driven increased gross profits from both pawnbroking and gold purchasing activities. These strong performances have more than offset weakness in the Group's foreign currency business as a result of reduced international leisure travel.

The Group's balance sheet and liquidity remains strong with net cash of approximately £30m, no debt, an undrawn revolving credit facility of £35m and net assets of £134m.

John Nichols, Chief Executive, said

"H&T is in very good health during this unprecedented time, with a strong performance in our retail operations and a prudent approach to lending. In addition to our websites, our stores remain open for business, in line with Government requirements, with over £30m in cash to support our customers. Whilst the rebuilding of the pledge book is dependent upon a number of factors, including underlying customer demand, overall we are performing in line with plans and currently ahead of market expectations for the year.

While uncertainties lie ahead from the impacts of current and any future lockdowns, we have a strong business and we remain focused on providing an exceptional customer experience

across a diverse range of products. We remain on track to deliver on our long-term plans as the UK's leading pawnbroker.”

- ENDS -

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