

10 May 2023

H&T Group plc

(“H&T,” the “Company” or the “Group”)

AGM Trading Update

H&T Group plc, the UK’s largest pawnbroker and a leading retailer of high quality new and pre-owned jewellery and watches, is pleased to provide the following trading update for the four months from January to April 2023 in advance of the Annual General Meeting being held at 1.00 pm today.

Following the update provided at the time of the Group's preliminary results on 7 March 2023, trading performance has been strong with continued encouraging demand for both lending and retail sales.

Highlights:

- Demand for pledge lending has remained strong with January and March 2023 both being record months for lending. This strong performance has continued as the impact of inflation on the consumer increases the need for small sum, short term loans at a time when supply of credit is more constrained than has been the case for many years.
- The pawnbroking pledge book grew by the end of April to c £106.5m, up from £100.7m at 31 December 2022. Median loan sizes have remained stable at below £200. Redemptions have been particularly high in recent weeks, which has had a short-term impact on book growth as customers have chosen to redeem their pledge items, often for reasons linked to family and other celebrations.
- Demand for pre-owned jewellery and watches has continued to be strong. Retail sales to the end of April was up 13% year on year. We delivered a record month of online sales in January 2023, with over £1m of sales in a single month for the first time. Margins have continued to moderate as expected, primarily because of the mix of new and pre-owned items. We have implemented price rises across our retail jewellery ranges – especially new jewellery, where input costs have risen – and we are taking action to reduce inventory levels of certain higher value watch brands where we have seen recent changes to the sentiment of some customers towards value. Overall demand for high quality watches remains high.
- Foreign currency revenues are up 10% year on year but are yet to benefit from the peak trading period of the summer months. We are now offering additional currencies in store and our online click and collect ordering process, which we believe will be market leading, goes live in mid-May, alongside enhanced marketing support. Money Transfer and cheque cashing services continue to perform in line with expectations.
- Gold purchase volumes have been in line with forecasts. Scrap margins continue to benefit from a strong gold price.
- The Group's store estate stands at 274 locations with 7 new stores added year-to-date, including two stores acquired in West Yorkshire. More store openings are planned for the remainder of the year. In addition, the Group has completed 20 refurbishments in the first four months of this year, in line with our internal plans.

- Simon Walker, who joined the Board as a Non-Executive Director in September 2022, became Chair of the Group on 1st April 2023. A recruitment process to further broaden the range of skills and experience of the Board is underway, led by James Thornton, Senior Independent Director. Further updates will be provided in due course.
- The Board confirms that it expects trading and performance to continue in line with market expectations.

Chris Gillespie, Chief Executive of H&T, said:

"I am pleased to be reporting on another period of continued momentum during the first four months of the financial year. Demand for our core pawnbroking loans has remained strong following record months in January and March. Our growing jewellery and watch business continues to perform very well.

"Our focus is on continuing to expand the geographic coverage of our store network and we are investing both in new store openings and in refreshing existing stores."

"The impact of inflationary pressures continues to be felt across the economy, for both businesses and consumers. We remain cognisant of the challenges this presents and are working hard to manage the inflationary impact upon our cost base, as we have been doing for the past 18 months.

"With continued investment in scale and capabilities, along with broadening our business in the context of wider macro-economic factors, we continue to believe that the Group has an opportunity for significant growth in the medium term across all of our product offerings. Our focus is to invest in our team, optimise our estate and build-out our services to ensure that the Group is well positioned to take advantage of these growth opportunities."

Enquiries

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