

11th July 2023

H&T Group plc

(“H&T,” the “Company” or the “Group”)

Trading Update & Notice of Results

H&T Group Plc (“H&T” or “The Group”), the UK’s largest pawnbroker and a leading retailer of new and pre-owned jewellery and watches, today issues a trading update prior to the announcement of its interim results for the six months period ended 30th June 2023, which are expected to be published on 8th August 2023.

Demand for pledge lending remains at record levels and continues to gather momentum. Gross lending grew 22% to £128m (H1 2022: £105m). As expected, the exceptional level of redemptions experienced in late April and early May did not continue. Following strong growth, particularly in May and June, the pledge book was c.£113m as at 30 June 2023 (June 2022: £85.1m, December 2022: £100.7m). Growth was achieved across the customer spectrum and in all geographies, with key pledge book metrics remaining consistent.

Demand for our high quality new and pre-owned jewellery and watches continues to rise, with sales by value up c.10% year on year, including particularly positive progress in online originated sales. During the second quarter, and in response to changing market dynamics, the Group chose to prioritise stock turnover ahead of margin, particularly in the case of some higher value watch brands. We have recently increased sale prices across the majority of our retail stocks and margins are expected to improve in the second half of the year. Scrap volumes were particularly strong, with profits ahead of expectations and substantially offsetting margin compression in retail sales.

Foreign exchange transaction volumes were up 19% year on year and are at record levels, with momentum building. Our FX click and collect service was introduced in June and we are encouraged by early results.

The benefit from the growth in the pledge book, along with strong momentum in revenues and continued investment in the store estate provides a robust revenue foundation for the remainder of the financial year. We remain vigilant around cost management, as our business is not immune to the combined impact of inflationary pressures and rising interest rates.

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

“I am very pleased with the progress we have made in the first half of 2023 in an environment of rising interest rates and persistent inflation. I am particularly encouraged by the growing momentum with which we enter the busy second half of the year. I am looking forward to updating the market when we report on 8th August.”

Enquiries

H&T Group plc

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