

John Lewis Of Hunger Pre Close Trading Update

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John Lewis Of Hungerford PLC
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John Lewis of Hungerford plc

Pre close trading update

The Board of John Lewis of Hungerford plc (AIM:JLH) provides a trading update ahead of reporting its results for the year ended 31st August 2014, which it expects to announce in late December 2014.

H2 trading

Based on unaudited management information, the Board expect to report sales for the year to 31st August 2014 of £7.4 million. The increase over the £6.6 million reported in 2013 reflects a positive underlying trading performance coupled with contributions from the new Chiswick showroom and the new bedroom range. Like-for-like installed kitchen sales, from a comparable showroom estate, increased by 6% to £6.9 million. These sales figures are based on our statutory revenue recognition policy, which is to only recognise revenue at the point orders are despatched. The new Cobham showroom opened on 2nd August 2014, too late to make a contribution to despatched sales. As previously announced, operating profits will be below the level reported last year reflecting, in part, the investments in new showrooms and costs relating to the closure of the loss making Wilmslow concession.

Current Trading

The positive trading momentum has continued into the current financial year with forward orders and despatched sales for Q1 standing at £2.0 million (2013: £1.7 million). The new store openings are the largest contributing factor to this increase with like-for-like growth, from a comparable showroom estate, being a more modest 6%. We believe our forward order book, representing committed orders for which orders have been taken, to be the best measure of trading activity. This continued growth is encouraging and we are pleased with the reaction to our new showrooms. Nevertheless we continue to caution against extrapolating current trading patterns due to the high discretionary spend nature of our business and the strong correlation to wider levels of consumer confidence.

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