

18 January 2022



ProCook Group plc

Third quarter trading update

Strong revenue growth, gaining market share, good strategic progress

ProCook Group plc (“ProCook” or “the Group”), the UK’s leading direct-to-consumer specialist kitchenware brand, today reports on trading results for the 12 weeks ended 9 January 2022.

£m	Quarter three			Year to date		
	FY22	YoY ¹	Yo2Y ²	FY22	YoY ¹	Yo2Y ²
Revenue	23.1	34.6%	83.4%	55.2	34.7%	75.8%
Ecommerce	10.9	(7.0%)	107.6%	26.1	(4.8%)	139.7%
Retail	12.2	124.3%	66.1%	29.1	114.7%	41.9%
LFL Revenue³	18.6	33.0%	104.1%	44.1	39.4%	124.3%
Ecommerce LFL ³	10.9	9.4%	169.3%	24.8	14.4%	207.5%
Retail LFL ³	7.7	91.6%	51.9%	19.3	93.6%	66.5%
<i>Ecommerce Mix %</i>	47.2%			47.3%		
<i>Gross margin %</i>	65.5%	(370)bps		66.6%	(180)bps	

Revenue

We are pleased with our strong performance and continued momentum during the third quarter with total revenue growth of +34.6%. On a two year like for like basis, revenue grew by +104.1%. ProCook has outperformed the UK Kitchenware market⁴ by +38.5% points during the 12 week period.

Ecommerce revenue represented 47.2% of the sales mix. The ProCook.co.uk website grew by +11.3% year on year during the quarter against tough comparatives with a two-year growth rate of +214.3%. The total Ecommerce performance of -7.0% in quarter three, reflected the strategic exit of the Amazon UK marketplace at the end of June 2021.

Retail revenue grew by +124.3% year on year during the quarter benefitting from less Covid-19 restrictions (approximately 45% increase in available opening time in stores), improved conversion and average spend, and the net 6 new stores which opened during the year to date. Revenue in like for like Retail stores grew by +51.9% compared to the same period in FY20.

Gross Margin

Gross margin of 65.5% was -370bps lower than the same period last year, in line with our expectations for the quarter, due to the impact of increased marine freight costs of approximately £0.8m incurred in the quarter as a result of macro challenges around the global supply chain. Underlying product margins remain strong.

Business Update

New customer acquisition has continued positively during the third quarter, with 251,000 new customers shopping with ProCook (+70% year on year).

In the third quarter Ecommerce repeat purchase rate within 12 months increased to 27.3% (+4.5 percentage points year on year) and Retail increased to 20.9% (+3.9 percentage points year on year).

We have opened two new stores during the quarter, at the two Westfield centres at London Stratford and London White City. We do not expect to open any more stores in the remainder of this financial year.

Whilst the recent developments in the Covid-19 pandemic have reduced Retail footfall over recent weeks, this has been partly offset by stronger online demand. We continue to monitor this carefully and take appropriate steps to protect our colleagues and customers.

We are pleased to have been recognised as a Great Place to Work, with certification awarded in December 2021, and to have recently announced our partnership with the Woodland Trust to mitigate carbon emissions, which is accelerating our environmental credentials. Alongside our existing environmental initiatives, this will enable us to achieve carbon neutral status for Scope 1 and Scope 2 from FY21 onwards. We continue to investigate a variety of means to minimise our environmental footprint.

Outlook

Quarter four in FY21 was heavily impacted by the closure of the Retail estate due to Covid-19 restrictions. We anticipate, based on the latest government positioning around Covid-19, that our Retail shops will remain open throughout the remainder of this financial year. We remain well-stocked having invested in working capital to protect availability throughout this period of continued supply chain disruption. Our inbound supply pipeline remains strong and provides confidence that we are well positioned to meet customer demand in the months ahead.

We remain focused on delivering the excellent value and service to our customers that we are becoming well-known for.

Absent of any significant further trading impact or disruption from COVID-19, the Board anticipates full year performance will be in line with our ambitious targets and analyst expectations⁵.

Daniel O'Neill, CEO & Founder, commented:

“We are pleased with our strong trading performance during our third quarter and peak trading period, despite the recent impact of the Omicron variant. This highlights the strength of our multi-channel offer and our direct-to-consumer business model. I would like to thank all of our team for their energy and dedication to continually improving our customer proposition.

“The excellent progress we have made in attracting new customers to experience the ProCook brand, combined with our high-quality product range and excellent-rated service proposition provides further encouragement and excitement for the period ahead as we continue to share our passion for cooking and look to roll out further exciting initiatives.”

¹ YoY reflects year on year performance between the relevant financial periods of FY22 (52 weeks ending 3 April 2022) and FY21 (53 weeks ended 4 April 2021)

² Yo2Y reflects year on year performance between the relevant financial periods of FY22 and FY20

³ LFL reflects:

- Retail LFL – Continuing Retail stores which were trading for at least one full financial year prior to 29 March 2020 inclusive of any stores which may have moved location or increased/ decreased footprint within a given retail centre
- Ecommerce LFL – Continuing ecommerce websites and marketplaces that have been trading for at least one full financial year prior to 29 March 2020, excluding the UK Marketplace which ceased trading on 28th June 2021

⁴ UK Kitchenware market growth (excluding ProCook) calculated using weekly GfK data and management estimates

⁵ Latest analyst expectations include total revenue growth of +33.5% to £71.3m, and adjusted PBT of £10.0m

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ProCook Group plc

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Next scheduled event:

ProCook expects to release its fourth quarter trading update in April 2022.

Notes to editors

ProCook is the UK's leading direct-to-consumer specialist kitchenware brand. ProCook offers a direct-to-consumer proposition, designing, developing, and retailing a high-quality range of cookware, kitchenware and tableware which provides customers with significant value for money.

The brand sells directly through its website, www.procook.co.uk, and through 55 own-brand retail stores, located across the UK. ProCook products are also available in Germany and France with delivery options extending to Belgium, Austria, Luxembourg, the Netherlands, and Poland.

Founded over 25 years ago as a family business, selling cookware sets by direct mail in the UK, ProCook has grown into a market leading, multi-channel specialist kitchenware company, employing over 700 colleagues, and operating from its Head Office in Gloucester.

ProCook has been listed on the London Stock Exchange since November 2021 (PROC.L) and has a current market capitalisation of approximately £165m.