

15 October 2019

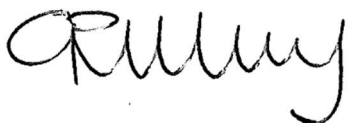
## Trading Update

Nick Scali Limited (ASX:NCK) wishes to advise that the difficult trading conditions that the Company referred to in its announcement on the 8th August 2019 have continued into the first three months of the current financial year, with a similar pattern evident so far in October.

Monthly store traffic has been down 10-15% in this period and has had a significant impact on like-for-like store sales, which are currently down 8% YTD compared with the previous year. The Company believes this is linked to lower general retail demand associated with the recent slowing in housing sales and renovations and a cautious consumer attitude. With lower interest rates and signs of improvement in the number of housing transactions recently, Nick Scali believes this may translate to a lift in sales in the second half.

As a result of these trading conditions, the Company currently expects that NPAT for the half-year ending 31 December 2019 will be in the range of \$17m-\$19m, compared to \$25m for the corresponding period in FY19.

Despite the softer trading conditions, Nick Scali continues to generate positive cashflows, maintains a strong balance sheet, and is continuing to expand its store network, which is a major contributor to long term growth in sales and profit. The Company will also continue to review and evaluate any potential growth opportunities that might arise.



**Christopher Malley**  
Company Secretary

For further information contact:

Anthony Scali  
Christopher Malley

(Chief Executive Officer and Managing Director)  
(Chief Financial Officer and Company Secretary)

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