BDO HIGH STREET SALES TRACKER

FEBRUARY MONTHLY REVIEW - the four weeks to 26 February 2017

10 March 2017

TOTAL (excl non-store)

-2.2%

February 2016: -1.7%

Perfect storm makes for worst February since 2009

- Total like-for-like sales were down by -2.2% in February, making it the worst February since 2009 when a financial crisis was battering the UK.
- The decline was coming off of an already negative base of -1.7% for the same month last year, so will be particularly disappointing to retailers.
- Total LFLs were negative in three of the four weeks of the month. The low of -6.54% came in week two, a week which last year included Valentine's Day. Week three saw growth of +2.32% as the additional boost from a later Valentine's Day positively impacted sales. However, Storm Doris hit in week four and as a result the last week of the month saw LFLs down by -3.51% to end February with a bump.
- Lifestyle was the star performer as the only positive sector in the month, particularly benefiting from Valentine's Day sales in week three. Fashion and homeware were both negative this month, as poor weather negatively impacted footfall.
- Overall footfall was flat in week one (+0.0%), plunging to -5.6% in week two, which last year incorporated Valentine's Day. Week three was the only week where overall footfall increased compared to the same week last year, up by +1.1%. The month ended with overall footfall down by -1.8% as Storm Doris ensured shoppers stayed away. Footfall on the high street was up in week one (+1.1%) and week three (+2.9). However, in week two it was down by -6.1%. Footfall at retail parks and shopping centres was down in every week of February.
- February's disappointing sales result comes amid a climate of rising inflation. The Office of National Statistics (ONS) reported that the Consumer Prices Index (CPI) reached 1.8% in January, climbing from a rate of 1.6% in December. It was the fourth consecutive month that the rate had risen, and leaves inflation at its highest level since June 2014. However, the news was not all bad as the ONS also reported that the economy grew faster than expected in the last quarter of 2016 (0.7%). It also reported that wages grew 2.6% in the three months to December, outpacing the rate of inflation. The question is, as consumer confidence begins to wane, whether such growth can be maintained.

LIFESTYLE

+0.4%

February 2016: +0.8%

- Lifestyle LFLs were up by +0.4% in February off of an already positive base of +0.8% last year. Positive in two of the four weeks of the month, lifestyle sales benefited most from the Valentine's Day boost, up by +5.61% in week three, guaranteeing its third positive month in a row.

FASHION

-3.4%

February 2016: -2.9%

- Fashion LFLs were down by -3.4% in February, from an already negative base of -2.9% last year. The result marked its third negative month in succession, and its poorest result since September 2016. Negative in three weeks of the month, the low came in week two when sales fell by -6.94%, and the Valentine's effect only boosted sales to a high of +0.74% in week three.

HOMEWARES

-1.4%

February 2016: -0.5%

- Homeware LFLs were down by -1.4% this month off of a negative base of -0.5% last year. The result was the first negative month for homeware since June 2016 and appears to indicate a general slowdown in sales of homeware items, perhaps linked to rising prices. Negative in week two and week four, the low came in week two when sales tumbled by -7.83%. The high of +4.30% in week three was not enough to salvage a positive result for the month.

NON-STORE

+19.9%

February 2016: +18.3%

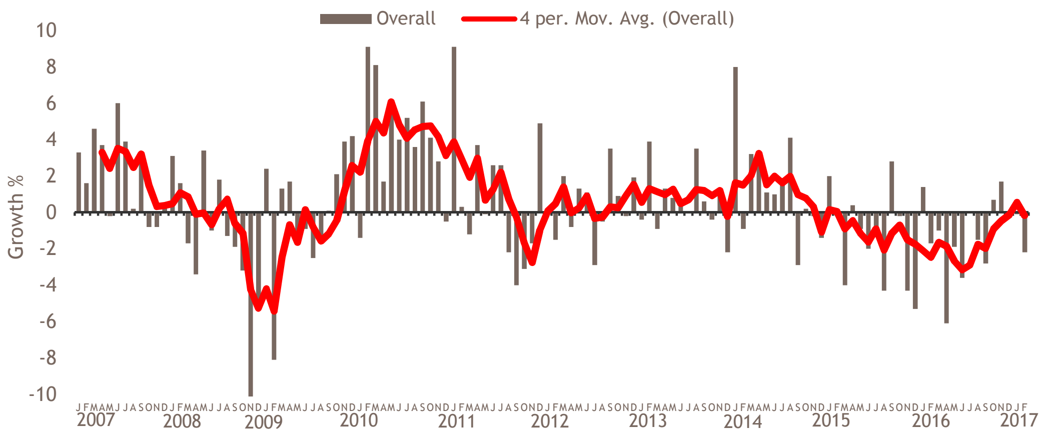
- Non-store LFLs were up by +19.9% off of a base of +18.3% last year. The high of +30.79% came in week three as the Valentine's effect boosted online purchases. However, when Storm Doris hit in week four, online sales did not come to the rescue of the high street as LFLs were muted at +11.49% for that week.

The High Street Sales Tracker outlines weekly like-for-like sales changes of c85 mid-tier retailers with c10,000 individual stores across **Fashion:** accessories, clothing, footwear. **Lifestyle:** general household goods, gifts, health and beauty, leisure goods. **Homewares:** cookware, furniture and floorcoverings, lighting, linen and textiles. **Non-store:** mail order, online and other non-store channels.

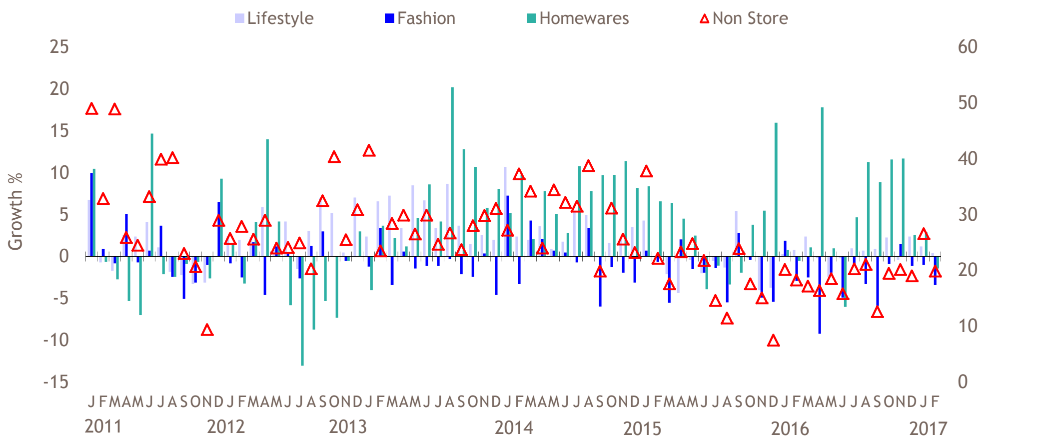
MONTHLY LIKE-FOR-LIKE RESULTS 2017

LFL Growth %	Week 1 (we 05/02)	Week 2 (we 12/02)	Week 3 (we 19/02)	Week 4 (we 26/02)	Total February
Lifestyle	2.32	-5.29	5.61	-0.92	0.4
Fashion	-2.66	-6.94	0.74	-4.51	-3.4
Homewares	3.75	-7.83	4.30	-4.85	-1.4
Non-store	16.30	20.20	30.79	11.49	19.9
Total (excl non-store)	**-0.87**	**-6.54**	**2.32**	**-3.51**	**-2.2**

MONTHLY LIKE-FOR-LIKE RESULTS 2007-2017



MONTHLY LIKE-FOR-LIKE RESULTS BY SECTOR 2011-2017



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