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L I M I T E D

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Update to Profit Guidance

Nick Scali Limited (“NCK” or “the Company”) today wishes to issue the following update to profit guidance for H1 FY21.

Unaudited Net Profit After Tax for the six months to 31 December 2020 is expected to be \$40.5m, up approximately 100% on the underlying profit for the prior corresponding period, following better than previously anticipated container availability during the months of November and December leading to increased delivery volumes.

As announced in the Company’s Trading Update on 26 October 2020, total written sales orders for the first quarter of FY21 grew by 45%. This compares to second quarter growth of 58%, which was driven by the reopening of the Melbourne metropolitan stores as well as a successful Black November campaign across both the online and in store channels.

Total written sales orders for the six months to 31 December 2020 exceeded delivered sales by approximately \$20m due to exceptional growth in written sales orders during Q2. Consequently, the sales order book was at an all-time high at 31 December 2020 and this is expected to translate to material revenue and profit growth in the second half of the financial year, subject to there being no further disruption to the store network or supply chain.

During the month of November, the Company opened new stores at Wairau Park in Auckland, New Zealand and Bennetts Green in NSW which have both performed strongly and are expected to contribute to profit in H2 FY21 as written sales orders convert to revenue. Despite the entire store network being reopened at the end of October, sales made through digital channels continued to grow during Q2 FY21.

Authorised by the Board of Nick Scali Limited

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