

5 July 2017

BrightHouse Group plc Audited FY 2016/17 results

Confirms audited results in line with preliminary results

Following BrightHouse Group plc's (the "Company") announcement of 14 June 2017 ("unaudited preliminary FY 2016/2017 results, update on current trading and business outlook in relation to Caversham Finance Limited trading as BrightHouse ("BrightHouse")"), the Company is today providing bondholders with audited FY 2016/17 results. This announcement and the Company's Annual Report, which includes the audited financial statements, are available on the Company's website (www.brighthousegroup.co.uk).

As the audited results are in line with the Company's preliminary announcement on 14 June 2017, we will not be holding a conference call for bondholders on this occasion.

The only material change between the Company's unaudited preliminary results and the audited FY 2016/17 results is a revision of the exceptional costs to £87.9m (from £87.2m).

Despite a challenging year of regulatory and strategic changes, which has had a negative impact on pre-exceptional EBITDA, the Company has a clear recovery plan and is focused on executing the plan.

Summary:

Financial

- Revenues down 13.6% to £320.1m (FY 2015/16: £370.7m)
- Regulatory changes caused a reduction in the contract portfolio, leading to a drop in pre-exceptional EBITDA for FY 2016/17 from £56.0m to £11.7m
- Exceptional costs of £87.9m, including an impairment of goodwill amounting to £75.0m
- Increase in cash balance to £77.8m (March 2016: £41.4m) due to the reduced purchase of rental assets as BrightHouse continues to benefit from regular payments from existing customers

Operational

- Evolution of the BrightHouse proposition, simplifying and automating the sign-up process
- BrightChoice delivered, allowing greater flexibility and choice for customers
- Progress made towards fully transactional website with the launch expected later this summer
- Reduced operational costs through rationalisation of our store estate

Full Year 2016/17

As previously stated in the announcement of 14 June 2017, the lower numbers of customer sign-ups has resulted in a decline of the contract portfolio. This has led to a marked reduction in pre-exceptional EBITDA as compared to the prior year, as expected. Pre-exceptional EBITDA for FY 2016/17 was £11.7m.

The lower level of sign-ups during the year has required the purchase of fewer rental assets. Meanwhile, BrightHouse continues to benefit from the regular payments from existing customers, leading to an increase in the cash balance. The cash generated during the period of lower sign-ups and currently on balance sheet will be required to acquire rental assets as sign-ups increase in subsequent years. Exceptional items in FY 2016/17 principally include an impairment of goodwill amounting to £75.0m, costs associated with a continuation of our affordability action plan and ongoing property related commitments following the store closures.

Financial Summary

£m	FY 2016/17	FY 2015/16
Revenue	320.1	370.7
Cost of sales	(157.6)	(171.5)
Gross Profit	162.5	199.2
<i>Gross Profit Margin %</i>	<i>50.8%</i>	<i>53.7%</i>
Operating expenses	(150.8)	(143.2)
EBITDA	11.7	56.0
<i>EBITDA Margin %</i>	<i>3.7%</i>	<i>15.1%</i>
Depreciation and amortisation	(12.9)	(12.9)
Net finance expenses	(22.1)	(22.1)
Exceptional costs	(87.9)	(3.3)
(Loss) / Profit before tax	(111.2)	17.7
Tax credit / (charge)	6.2	(3.9)
(Loss) / Profit after tax	(105.0)	13.8

ENDS

For financial media enquiries please contact Brunswick Group

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About BrightHouse

BrightHouse is the UK's leading rent-to-own retail chain, providing quality branded domestic appliances, technology products and household furniture to customers on affordable weekly payments. A major employer in local communities, BrightHouse has some 280 stores nationwide and 2,800 colleagues.

Since 2010, BrightHouse has supported the NSPCC, the UK's leading children's charity that specialises in child protection and the prevention of cruelty to children.

More information about the business can be found on the BrightHouse Group website

www.brighthousegroup.co.uk

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