

QUIZ

19 September 2023

QUIZ Plc

("QUIZ" or the "Group")

Trading Update

QUIZ, the omni-channel fashion brand, announces an update on trading for the period between 1 April 2023 to 31 August 2023 and its current cash position.

On 5 July 2023, the Group announced its annual results for the year ended 31 March 2023 noting that further to the challenging trading conditions and strong prior year comparatives, like-for-like revenues in the first quarter of the financial year had been 15% lower than the comparable period in the previous year.

Since then, inflationary cost pressures have continued to impact consumer confidence and demand for QUIZ's products. As a result, overall revenues in the year to date have continued to be lower than the previous year and below management's prior expectations. As a result, revenues from each of the Group's channels in the five months to 31 August 2023 were as follows:

	2023	2022	Change
UK stores and concessions	£19.3m	£21.8m	-11.5%
Online	£10.9m	£14.3m	-23.8%
International	£6.8m	£7.6m	-10.5%
Total	£37.0m	£43.7m	-15.3%

UK Stores & Concessions

The 12% decrease in the Group's UK stores and concessions revenues reflects the decline in traffic in store relative to the previous year. Prior year comparatives were at their strongest in the period through to 31 August 2023 and during September total UK stores and concessions revenues have been similar to the prior year.

As at 19 September 2023, the Group operates 64 stores in the United Kingdom (2022: 62 stores). Since 1 April 2023 three new stores have opened, three have relocated, and one has closed.

As at 19 September 2023, the Group operated 61 concessions in the United Kingdom (2022: 62 concessions). Concessions continue to provide QUIZ with a flexible and low-cost route to market given the limited expenditure required to establish new outlets.

Online

Sales through QUIZ's own websites totalled £7.4m (2022: £10.0m) with sales through third party websites totalling £3.5m (2022: £4.3m). Progress was made in the period increasing the Average Transaction Value, however the decline in web traffic and an increase in return rates year on year adversely impacted revenues generated.

International

International revenues from Irish store and concessions operated by the Group amounted to £2.4m (2022: £3.0m). As at 19 September 2023, the Group operated five stores and 21 international concessions in Ireland (2022: six stores and 17 concessions). Revenues from international franchise partners amounted to £4.4m (2020: £4.6m).

Cash Position

The Group has been focused on preserving its balance sheet and maintaining an appropriate net cash position.

As at 18 September 2022, the Group had total liquidity headroom of £6.4 million, being a cash balance of £3.2 million and £3.2 million of undrawn bank facilities (31 March 2023: total liquidity headroom was £8.3 million, being a cash balance net of bank borrowings of £6.2 million and £2.1 million of undrawn bank facilities).

In addition to the investment in new stores, since 31 March 2023, the Group has undertaken a £1.3 million investment at its distribution centre which will provide additional capacity and improve working practices.

The £4.0m of bank facilities available to the Group will expire on 30 June 2024. There are no financial covenants applicable to these facilities.

Outlook

Whilst it is too early to determine with certainty, the Board has taken the prudent assumption that should the current trend in revenues continue during the second half of the financial year, FY 2024 Group revenue would be c. 6 to 7% lower than current market expectations (FY 2023: £91.7m). This will have a knock-on impact on the Group's profitability and whilst it is anticipated that a positive EBITDA would be generated, if revenues were at these levels, it would be expected to result in a loss before taxation for the year of no more than £1.5 million (EBITDA FY 2023: £6.2m and FY 2023 profit before taxation of £2.3m).

Whilst the impact of cost of living pressures on consumers' disposable income persists, management continues to retain a tight control on costs and is proactively reviewing all aspects of the business to mitigate the impact of the current economic and trading environment on the Group and identify potential strategies to drive additional revenue growth. Longer-term, the Board remains confident that QUIZ's product proposition and commitment to providing glamorous looks at value prices will continue to appeal.

Market abuse regulation

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/201.

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About QUIZ

QUIZ is an omni-channel fashion brand, specialising in occasion wear and dressy casual wear. QUIZ delivers a distinct proposition that empowers its fashion forward customers to stand out from the crowd.

QUIZ's buying and design teams constantly develop its own product lines, ensuring the latest glamorous looks at value prices. This fast, flexible supply chain, together with the winning formula of style, quality, value and speed-to-market has enabled QUIZ to grow rapidly into an international brand with stores, concessions, franchise stores, wholesale partners and international online partners.

QUIZ operates through an omni-channel business model, which encompasses online sales, standalone stores, concessions, international franchises and wholesale arrangements.

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<https://www.quizclothing.co.uk/>

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