

**Revolution Beauty Group plc**  
**("Revolution Beauty", the "Group", or the "Company")**

**HY2025 trading update**

Revolution Beauty (AIM: REVB), the multi-channel mass beauty innovator, is today providing an update on trading for the six months ended 31 August 2024.

**First half financial summary**

Total net sales in the first half of FY25 declined 20% to £72m (HY24: £90m), driven by the planned simplification of the product portfolio and the associated discontinuation of unproductive SKUs. The decline also reflects significant stock clearance activity in the first half of FY24.

By contrast, the net sales from the Company's core range of SKUs grew 6% in the first half, with growth accelerating to 16% in the second quarter versus the prior year.

Excluding stock provisions, Underlying Adjusted EBITDA was £3.1m in the first half (HY24: £3.5m<sup>(1)</sup>). Underlying sales channel margins improved as efficiencies and cost savings were realised from running a simplified brand portfolio. The Group's cost savings programmes remain on track, with operating costs, excluding marketing costs, decreasing 31% and administrative costs decreasing 25% year on year. Marketing increased 8% versus prior year, with investments in brand marketing to underpin future growth of core products.

As previously disclosed, Revolution Beauty continues to focus on clearing slow-moving discontinued inventory from previous years to generate cash. As a result, the Group has determined that it is necessary to recognise a one-off, non-cash stock provision of £11.3m in the first half to reflect the Net Realisable Value of the remaining old inventory, which will be excluded from Underlying Adjusted EBITDA. This will allow management to realise value and generate cash for future operations.

The Company had cash balances of £6.8m at 31 August 2024 and a fully drawn RCF of £32 million.

**FY25 outlook**

Reflecting the Group's first half performance, Revolution Beauty is updating its full year guidance. Sales for FY25 are now expected to decline year on year at a slightly slower rate than in H1, with a return to growth in the fourth quarter as a number of the Group's new strategic growth initiatives take effect, and this growth is expected to accelerate through FY26.

With the continuing momentum in the underlying business, as gross margins further strengthen in the second half of the year and as cost saving programmes continue to deliver, Underlying Adjusted EBITDA is expected to be at least in line with FY24 as previously guided, prior to the one-off stock provision.

**Strategic progress**

Revolution Beauty has continued to deliver on its Reigniting the Revolution strategy during the first half. This includes encouraging progress with existing and new retailers, through both digital and physical channels.

The Group has agreed a new relationship with DM Germany, Germany's number one mass beauty retailer, where Revolution Beauty will launch in more than 850 stores in January 2025. Revolution Beauty is also expanding into 250 new Boots stores in the UK in October 2024. In the US, Walmart will carry a full assortment of Revolution Beauty products in more than 1800 stores from January 2025, and its new Amazon US shop, launched in HY25, is growing ahead of plan.

**Lauren Brindley, Revolution Beauty CEO, commented:**

"In the last six months, we have made great progress in our Reigniting the Revolution strategy. We have reduced our SKU portfolio significantly, enabling improved underlying gross margin performance, on a core set of SKUs that are growing globally. This year is a transformational year for the Company, as we focus on simplifying the business, improving our operational efficiency and positioning ourselves for profitable and sustained success.

We expect a return to growth in Q4, as we begin landing our new growth initiatives, including a reinvigorated pipeline of make-up innovation, the launch of our new Skincare range and the global expansion of our budget brand, Relove. I remain highly confident that our Reigniting the Revolution strategy will deliver attractive, long-term, profitable growth."

Revolution Beauty expects to announce its results for the half year ended 31 August 2024 in November.

(1) Underlying Adjusted EBITDA for FY24 calculated as Adjusted EBITDA of £6.4m less stock provision benefit of £3.1m

The information contained within this announcement is deemed by the Group to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018.

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