

QUIZ

6 December 2024

QUIZ Plc
("QUIZ", the "Company" or the "Group")

Trading and Cash Position Update

QUIZ, the omni-channel fashion brand provides an update on trading for the four-month period from 1 August to 30 November 2024 ("the Period") as well as an update on its bank facilities and cash position.

Trading Update

For the first three months of the Period from 1 August to 31 October, several of the Group's KPIs were trending positively. However, during the important trading month of November, QUIZ experienced a marked decline in traffic both online and in-store compared to previous months and the comparable period in the prior year.

Whilst it remains uncertain at this stage what the impact of Black Friday (being a week later than the previous year) and the recent UK budget announcement is having on this year's pattern and level of spend, revenues in the period from 1 August to 30 November 2024 amounted to £24.9 million, a £1.5 million reduction on the prior year period.

Similar to many retailers, revenues generated across November and December are key to the performance of the business across the year. Consequently, further to the notable decline in traffic and footfall in November, sales for the eight months 30 November 2024 were behind management expectations at £52.2m, an 8.6% reduction from £57.1m in the previous year.

A breakdown of the revenue in the Period is noted below:

	I August to 30 November 2024	I August to 30 November 2023	Year-on-year change
Online	£7.9m	£8.6m	- 8.1%
UK stores and concessions	£12.1m	£13.4m	-9.7%
International	£4.9m	£4.4m	+11.3%
Total	£24.9m	£26.4m	-5.7%

Online: sales in the first three months of the Period from 1 August to 31 October were consistent with the previous year. During these months, sales through third party websites were on an improving trend reflecting increased sales with existing partners as well as the benefit of commencing sales through the Debenhams website earlier in the year. In addition, sales through the QUIZ website during these three months benefited from improving traffic trends. However, overall Online sales for the Period were significantly impacted by the material year-on-year decline in demand during November.

UK stores and concessions: as at 30 November 2024 the Group operated 62 stores in the UK and 47 concessions (30 November 2023: 65 stores and 60 concessions). The Board was encouraged by the modest like-for-like uplift in sales across our store estate in the first three months of the Period (1 August to 31 October). However, a year-on-year decline in store traffic in November led to a significant reduction in revenues, which were only modestly offset by encouraging levels of spend over the Black Friday weekend. During the Period the Group opened an outlet store in Sunderland which is concentrated on sale product allowing our flagship stores to increasingly focus on full priced product.

International: revenues benefited from a strong performance with the Group's partners in the Middle East and the USA. The transfer of QUIZ's largest International market to a new partner earlier in the year resulted in increased revenues with the partner planning to open four new stores in the coming months to complement their existing 15 stores.

The gross margin performance in the Period was consistent year-on-year.

The Company continues to proactively manage its cost base and identify opportunities to improve performance and profits. However, ongoing improvements being made in these areas will be offset by the recent proposed changes to the National Living Wage and Employer's National Insurance arrangements, resulting in circa £1.7 million per annum of additional costs from April 2025.

Bank Facilities and Cash Position

The Group has £4.0 million of bank facilities which are scheduled to expire on 30 June 2025. There are no financial covenants applicable to these facilities which are repayable on demand.

As at 5 December 2024, the Group had net borrowings of £2.8 million and total liquidity headroom of £1.2 million.

The Board is focussed on managing the Group's working capital carefully. Given the disappointing level of revenues in November the cash headroom available to the business is less than previously anticipated. As a result, and subject to the trading performance during the important pre-and-post-Christmas period, the Group's existing bank facilities could be fully utilised in the first quarter of 2025.

The Group previously announced, on 29 August 2024, that Tarak Ramzan, the Company's founder and largest shareholder, has offered to provide a £1.0 million loan facility to provide additional liquidity headroom for working capital purposes (the "Majority Shareholder Loan"). The agreement in relation to the Majority Shareholder Loan remains outstanding and is subject to approval from the provider of the Company's banking facilities.

Review of financing and strategic options

Given the decline in the revenues during the key trading month of November and the requirement to improve the liquidity of the business the Board is reviewing the Group's financing and strategic options and has engaged advisors to consider appropriate options. A further update to shareholders will be provided as and when appropriate.

In the absence of either a material improvement to trading during the important pre-and-post-Christmas period, the Majority Shareholder Loan being agreed and made available to the Group or a combination of these eventualities, the Board anticipates that additional funding will be required by the Group in the first quarter of 2025.

Notice of Results for the six months to 30 September 2024

The Company expects to provide a further update alongside its results for the six months ended 30 September 2024 in mid-January 2025. .

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Notes:

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR").

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 flexible supply chain, together with the winning formula of style, quality, value and speed-to-market has enabled QUIZ to grow 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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