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FOR IMMEDIATE RELEASE

13 May 2025

**Revolution Beauty Group Plc**

("Revolution" or the "Company")

**TRADING UPDATE**

Revolution Beauty Group, the multi-channel mass beauty brand, is today providing an update for the year ended 28 February 2025 ("FY25") and an update on the FY26 outlook and certain other matters.

**FY25 trading update**

FY25 was a transformational year for Revolution Beauty, during which it has discontinued over 6,000 SKUs to create a scalable and profitable foundation for future growth. The Company continues to transition its global retailers onto this core set of products.

Revenues for FY25 closed at approximately £141.6m, down 26% year-on-year reflecting the rationalisation of the product and brand portfolio. Softness in the US market and on digital channels, as previously reported, continued into January and February 2025.

The Company expects to report FY25 underlying adjusted EBITDA of between £6.0m and £6.5m. Adjusting items included an adjustment for stock provision charges related to non-strategic stock of £9.2m. Cash balances at the end of February 2025 were £5.7m and net debt was £26.3m with a revolving credit facility of £32m. Gross inventories reduced from £60m to £33m at 28 February 2025.

The FY25 revenue and EBITDA above remain subject to audit and any adjustments that may further be required as part of the audit process.

**Current trading and FY26 outlook**

The Company had planned for double digit net sales declines to continue into the first quarter of FY26, driven by the remaining impact of the SKU discontinuations, but March and April have been softer than planned due primarily to performance weakness in pure play digital retailers (excluding Amazon that continues to grow significantly) and weakened consumer confidence impacting USA performance. Management considers both impacts as short to medium term.

Management is however encouraged by sales from the rejuvenated New Product Development SKUs launched in February 2025 and plans to build on this success by expanding the digital fast-track program in the second half of FY26.

A recent Kantar study has also confirmed that consumer consideration to buy Revolution Beauty has significantly increased over the last 12 months in the UK, suggesting that the focussed brand activity is improving brand health and competitiveness for the future. In the UK the brand is now fourth in the ranking of considered brands for make-up, up from sixth 12 months ago. Management plans to carefully invest marketing in core markets to drive sales conversion from this encouraging progress.

The Company has also landed its first orders for its new RELOVE budget make-up brand designed for value and the grocery channel and is expanding efforts to accelerate this profitable brand at pace across the year. The Company has expanded its retail distribution footprint for our master brand "Revolution" into major global retailers including Walmart and DM Germany and supplemented its make-up brand with a new Revolution skincare range targeted at the brands core Gen Z customer. An innovative mascara product Wrap Lash has also launched in the last few weeks.

Given the slower start to the year than planned, Management continues to reduce costs in line with performance and to capture the benefits of having a simplified product and brand portfolio.

With continued focus on cost and inventory management, Management expects the impact of lower sales on FY26 EBITDA to be significantly mitigated.

**USA tariffs - potential impact**

The Company very much welcomes the announcement of 11 May 2025 regarding imports to the USA from China which will be subject to much lower tariffs than previously proposed. In FY25, 23% of Company sales were generated in the US market with approximately 60% of the Company's products sold in the USA being manufactured in China.

Therefore, it is expected that the increase in tariffs on goods imported into the US from China will have a consequently lower impact on the Company's cost of goods sold in the market than previously modelled, but it will continue to assess this in light of yesterday's announcement.

The Company is benefitting from having imported significant volumes into the USA before the tariff charges were significantly increased and has suspended the import of inventory into the USA until trade discussions between USA and China provided more clarity. Following yesterday's announcement, the Company has been able to authorise shipments where NPD launches dictate. The Company is engaging with all its retail partners to assess the need for cost price increases as a result of the tariff charge increases whilst seeking to maintain Revolution Beauty's competitive positioning in the USA.

**Review of funding options**

Revolution Beauty has a significant global distribution footprint in high street retailers and on renowned digital platforms, with the improved brand metrics and accelerating NPD pipeline, Management remains confident in the future growth potential of the Company.

While the Board has confidence in the future medium-term prospects for the Company, cash management has been tight and it is clear that the delivery of the strategy will benefit from a more robust capital structure with additional capital to invest into the Company. As such, the Board has been actively reviewing the Company's funding structure.

Revolution Beauty's fully £32m revolving credit facility ("RCF") runs to October 2025. The Company's banking partners remain supportive of the Company, and it has been in active and constructive dialogue with its banking partners regarding amending and extending the current RCF to provide adequate flexibility for the Company going forward.

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