

QUIZ

10 October 2022

QUIZ Group Plc
(“QUIZ” or the “Group”)

Trading Update

Positive trading across all channels

QUIZ, the omni-channel fashion brand, announces a Trading Update for the period from 1 April 2022 to 30 September 2022 (“the Period”).

Trading Update

The Group’s total revenues in the Period were £49.4m, 37.2% higher than the Prior year, marginally ahead of the Board’s expectations. This performance represents a £13.4m increase on the comparable prior year period from 1 April to 30 September 2021 (“2021”) and reflects the appeal of the QUIZ brand and its strong reputation amongst its customers for dressy and occasion wear.

The Group’s revenue growth in the Period benefited from demand recovering further to the removal of coronavirus related social restrictions. The Group’s year on year revenue growth rate moderated as the Period progressed during August and September, a trend consistent with other fashion retail businesses as inflationary pressures began to impact consumer confidence.

The gross margin generated in the Period benefited from stronger demand for full price products and was ahead of comparable periods in recent years. This reflects the success to date in recovering higher product costs which, along with other costs, have been subject to inflationary pressures through the Period.

Revenues from each of the Group’s channels were as follows:

	2022	2021	Change
UK stores and concessions	£24.6m	£16.6m	+48.2%
Online	£16.1m	£12.5m	+28.8%
International	£8.7m	£6.9m	+26.1%
Total	£49.4m	£36.0m	+37.2%

UK Stores & Concessions

The 48% increase in the Group’s UK stores and concessions revenues demonstrates the QUIZ brand’s strong customer appeal. Revenues from this channel were consistently higher than prior to the pandemic on a like-for-like basis.

As at 30 September 2022, the Group operated 62 stores in the United Kingdom (2021: 61 stores) with one store opening and one closing during the Period. The Group is pleased with the financial contribution generated from UK stores, which continued to benefit from the lower cost base negotiated as part of the Group's store restructuring during 2020.

As at 30 September 2022, the Group operated 62 concessions in the United Kingdom (2021: 70 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 £11.3m (2021: £8.8m) with sales through third party websites totalling £4.8m (2021: £3.7m). Progress has been made to improve a number of key e-commerce metrics such as the Average Transaction Value, however the benefit of this has been partially mitigated by an increase in the level of returns through the Period.

International

International revenues from store and concessions operated by the Group amounted to £3.4m (2021: £1.7m). As at 30 September 2022, the Group operated six international stores and 15 international concessions, all located in Ireland (2021: five stores and 15 concessions). Revenues from international franchise partners in the Period amounted to £5.4m (2020: £5.2m). Consistent with the other revenue channels the Group continues to pursue opportunities for long-term, profitable International growth and is confident that this can be achieved.

Cash Position

The Group has been focused on strengthening its balance sheet and improving its net cash position. It is pleased to report that the positive trading in the Period combined with a favourable net movement in working capital has contributed to a £6.2 million improvement in the total liquidity headroom available to the Group since 31 March 2022.

As at 30 September 2022, the Group had total liquidity headroom of £12.7 million, being a cash balance of £9.2 million and £3.5 million of undrawn bank facilities (31 March 2022: total liquidity headroom was £6.5 million, being a cash balance net of bank borrowings of £4.4 million and £2.1 million of undrawn bank facilities).

The £3.5m of bank facilities available to the Group will expire on 30 June 2023. There are no financial covenants applicable to these facilities.

Outlook

Whilst it remains uncertain what impact the current cost of living pressures will have on consumers' disposable income and on their demand for QUIZ products over the remainder of the Group's financial year, management remain confident that the product proposition and commitment to providing glamorous looks at value prices will continue to appeal.

The Group's full year results to 31 March 2023 which will, as always, be in part dependent on trading during the key Christmas period, are expected to be in line with market expectations.

The Board is pleased with the strong growth recorded across all channels during the Period which supports the Group's omni-channel business model. It remains confident that the brand will continue to increase its appeal and looks forward to achieving continued profitable revenue growth.

Results for the six months to 30 September 2022

The Company expects to announce its Interim Results for the six months to 30 September 2022 in December and will notify the exact date in due course.

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Notes:

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

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 standalone 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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