



QUIZ

INTERIM RESULTS

For the period ended 30 September 2023

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AGENDA



HIGHLIGHTS & OVERVIEW

Tarak Ramzan
Chief Executive Officer



FINANCIAL REVIEW

Gerry Sweeney
Chief Financial Officer



OPERATIONAL REVIEW

Sheraz Ramzan
Chief Commercial Officer



CURRENT TRADING AND OUTLOOK

Tarak Ramzan
Chief Executive Officer

QUIZ



HIGHLIGHTS & OVERVIEW

Tarak Ramzan
CEO

SIX MONTHS TO 30 SEPTEMBER 2023 OVERVIEW

Highlights

- Group revenues decreased 14% reflecting challenging prior year comparatives as well as inflationary pressures impacting consumer demand
- Gross margins maintained at 61.8%
- EBITDA of £1.1m; a £2.6m reduction year-on-year
- Loss before tax of £1.5m; a £3.3m decline year-on-year
- Operating cash flows of £2.1m in the year, £4.4m lower year-on-year
- Capital expenditure of £3.4m; reflects spend at Distribution Centre and on stores
- Three new stores opened, two relocated and two closed
- Total liquidity headroom of £7.6m, including £3.6m of cash at period end

Review of Strategic Options

- Given the Group's recent trading performance the Board has decided to immediately initiate a thorough review of strategic options available to maximise shareholder value
- Review to be led by Chairman Peter Cowgill and report in Q1 of 2024

FINANCIAL REVIEW

Gerry Sweeney
CFO



SUMMARY INCOME STATEMENT

(£m)	FY 2024 H1	FY 2023 H1	YoY change
Revenue	42.3	49.4	- 14%
Gross profit	26.1	30.5	- 14%
Gross margin %	61.8%	61.6%	+ 0.2%
Other costs	- 27.4	- 28.6	- 4%
Other income	-	0.1	-
Operating (loss)/profit	-1.3	1.9	

Overview

- Reduced consumer demand reflects reduced traffic online and offline
- Gross margins maintained as demand remained for new full price product
- Operating cost decrease limited to 4% reflecting large fixed element to costs
- Positive EBITDA/cash generation maintained

Operating (loss)/profit	-1.3	1.9	
D&A	2.4	1.8	
EBITDA	1.1	3.7	- 70%

EPS (pence)	-0.96	1.19	
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REVENUE AND MARGIN

(£m)	FY 2024 H1	FY 2023 H1	YoY change
UK stores and concessions	22.0	24.6	- 11%
Online	12.6	16.1	- 22%
International	7.7	8.7	- 11%
Total sales	42.3	49.4	- 14%

Business Mix			
UK stores and concessions	52%	50%	+ 2%
Online	30%	33%	- 3%
International	18%	17%	+ 1%
Gross margin	61.8%	61.6%	+ 0.2%

Continued focus on own stores and website

UK stores and concessions

- Lower revenues further to reduced footfall
- LFL impacted by strong sales in 2022

Online revenues

- Sales through QUIZ website reduced 24% to £8.6m; represents 68% of overall online sales

International

- Drop of 23% in Irish revenues partially reflects closure of one store in Period
- Franchise revenues of £5.1m, broadly consistent with prior year

- Gross margin consistent with prior year

OPERATING COSTS

(£m)	FY 2024 H1	FY 2023 H1	YoY change
Employment costs*	10.9	10.0	+ 9%
Property costs (incl property depn)	4.7	4.9	- 4%
Marketing costs	1.5	1.5	-
Depreciation (excl property depn)	1.1	0.9	+ 22%
Other costs	3.7	4.7	- 21%
Administration costs	21.9	22.0	-
Distribution costs	5.5	6.6	- 16%
Total costs	27.4	28.6	- 4%
Other income	-	-0.1	-
Net costs	27.4	28.5	- 4%

Administration costs

- Higher employee costs driven by impact of National Living Wage on payments to store and distribution centre staff
- Property costs decreased due to lower store revenues and amendments to business rates
- Consistent marketing spend year-on-year
- Higher depreciation costs reflect investment in current year

Distribution costs

- Commission costs fall in line with third-party sales
- Lower carriage costs further to lower revenues

* - includes directly employed and agency employees

BALANCE SHEET

(£m)	Sept 2023	March 2023	YoY change
Property, plant and equipment	6.8	4.7	
Right to use assets	6.8	6.5	
Intangible assets	2.8	2.7	
Deferred tax asset	1.0	1.0	
Total non-current assets	17.4	14.9	+ 2.5
Inventory	11.3	12.3	
Receivables - trade and other	7.3	7.4	
Payables - trade and other	- 12.5	- 13.0	
Net trade working capital	6.1	6.7	- 0.6
Lease liabilities	- 7.4	- 6.9	- 0.5
Cash, net of borrowings	3.6	6.2	- 2.6
Net assets	19.7	20.9	- 1.2

Non-current assets

- Additions of £3.4m in PP&E and Intangible assets (software)
- £1.3m on distribution centre and £1.2m spend on new stores
- New store leases result in £1.5m additions to in Right to Use assets
- Depreciation of £2.4m

Working capital

- Continued focus on tight management of inventory
- Payables consistent with prior year

Lease liabilities reflect future lease payments

CASH FLOWS

(£m)	FY 2024 H1	FY 2023 H1	YoY change
Loss/profit after tax	-1.2	1.5	- 2.7
Dep'n and amortisation	2.4	1.8	+ 0.6
Other non cash charges	0.2	0.2	-
Tax and interest credit	-0.3	0.4	- 0.7
Working capital movements	1.0	2.5	- 1.5
Cash from operating activities	2.1	6.4	- 4.3
Capital expenditure	- 3.3	- 0.7	- 2.6
Loans repaid	- 1.2	- 1.4	+ 0.2
Lease payments	- 1.3	- 1.0	- 0.3
Cash (outflow)/inflow	-3.7	3.3	- 7.0
Cash	3.9	9.2	- 5.3
Bank borrowings	- 0.3	-	- 0.3
Cash, net of bank borrowings	3.6	9.2	- 5.6

- Operating cash flows of £2.1m
- Net working capital inflow – lower inventory relative to year end
- Capital expenditure to be limited in the second half year
- Bank borrowings represented use of working capital facility
- £4.0m bank facilities scheduled for renewal in 30 June 2024
- No financial covenants applicable to bank facilities



OPERATIONAL REVIEW

Sheraz Ramzan
CCO

OPTIMISING THE OMNI-CHANNEL MODEL

UK online

- QUIZ website revenues of £8.6m; 68% of online sales in H1 FY23
- Active customers 533,000, 11% lower than March 2023
- Investment to improve online offering including order from and pick up in store expected to complete in Q4 on FY 24
- Third party sites remain important for brand exposure subject to delivering acceptable returns



UK store and concessions

- Three new stores opened, two relocated and one closed in H1 FY24
- One new store and two relocations in H2 FY2024
- Flexible rental arrangements; average lease term of 23 months; up from 18 months further to lease renewals
- Flexible concession arrangements with limited capital outlay

Stores	Sept 2023	Sept 2022	Change
UK stores	64	62	+2
Concessions			
New Look	49	55	- 6
Other	11	12	-1
Total concessions	60	67	-7

MANAGING GROSS MARGIN

- Continued preference for new products from customers
- Gross margins improved 20bps year-on-year to 61.8%
- Selective price increases helped address higher costs
- Continue to carefully manage stock levels with a £1.0m reduction in the Period



RIGHT-SIZING OUR COST BASE

- Group's infrastructure well positioned to facilitate higher revenues
- Investment at distribution centre will increase capacity improve efficiencies
- Increased industry-wide cost pressures likely to continue into current and next year:
 - Wage inflation (including NLW)
 - Higher energy costs (fixed contract expired in August 2023)
- Focussed on proactive management of costs



TARGETED INVESTMENT SUPPORTING THE BRAND

- QUIZ brand is differentiated in the market
- Broad age appeal
- Specialise in occasion wear and dressy casual
- Increased spend on promotional activity
- Olivia Bowen campaign helped to drive traffic and interest around Christmas Party Season



- Marketing spend consistent at £1.3m (2022: £1.3m)
- Marketing investment in Period equated to 3.3% of revenue (2022: 3.1%)
- Focussed on achieving clear returns from all marketing activity

CURRENT TRADING & OUTLOOK

Tarak Ramzan
CEO



CURRENT TRADING

Revenue (£m)	Oct-Nov 2023	Oct-Nov 2022	YoY change
UK stores and concessions	6.9	7.3	- 6%
Online	5.2	6.5	- 20%
International	2.1	2.2	- 5%
Total sales	14.2	16.0	- 11%

- Total sales across October and November behind expectations
- Sharp drop compared to expectations in October
- Revenues remained weak during November particularly online
- Disappointing sales across the Black Friday period
- £4.9 million of cash headroom as at 4 December

OUTLOOK

Short term considerations

- Uncertainty remains with regards to consumer demand over remainder of the Christmas trading and January sales period
- Cost of living pressures expected to impact consumer demand further in the New Year
- Full year revenue outcome expected to be between 6-8% below expectations

Longer term considerations

- Confident that brand remains relevant to customers who can afford to shop
- Review of strategic options to consider options to maximise shareholder value
- Expect to deliver findings in first quarter of 2024
- Confident that business can grow revenues and profits

