

QUIZ

FINAL RESULTS

For the year ended 31 March 2024



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HIGHLIGHTS & OVERVIEW

Sheraz Ramzan
CEO



QUIZ

YEAR TO 31 MARCH 2024 OVERVIEW

Financial Highlights

- Group revenues declined 11% year-on-year to £82.0 million, impacted by the cost-of-living pressures on consumer demand
- Gross margins improved 60bps to 62.2%
- EBITDA of £0.9m; a £5.3m decline year-on-year with higher levels of full price sales
- Loss before non-recurring costs of £5.2m
- Non-recurring non-cash impairment charge of £1.5m
- Operating cash flows of £0.9m in the year
- Capital expenditure of £4.5m in the year; predominantly at DC and stores

Operational Highlights

- Successful change of our largest International partner in Q4
- Four new stores and two relocations undertaken in the year
- Implemented new sales and stock system which will enhance customer experience and allow for better utilisation of stock
- Review of strategic options led to change of CEO effective 28 March 2024

FINANCIAL REVIEW

Gerry Sweeney
CFO



SUMMARY INCOME STATEMENT

(£m)	FY 2024	FY 2023	YoY change
Revenue	82.0	91.7	- 10.6%
Gross profit	51.0	56.5	- 9.7%
Gross margin %	62.2%	61.6%	+ 0.6%
Recurring costs	- 55.7	- 54.2	+ 2.6%
Non-recurring costs	-1.5	-	-
Other income	0.2	0.2	-
Operating (loss)/profit	-6.0	2.5	
Tax credit/(charge)	0.4	- 0.3	
Operating (loss)/profit	-6.0	2.5	
D&A	6.9	3.7	
EBITDA	0.9	6.2	
EPS	-5.05	1.64	

Overview

- Revenue impacted by lower consumer demand
- Gross margins maintained as full price product remains in demand
- Operating cost increase driven by inflationary increases and new stores
- Other income in CY relate to recovery of funds from a previous administration
- Positive EBITDA generated despite other challenges

REVENUE AND MARGIN

(£m)	FY 2024	FY 2023	YoY change
UK stores and concessions	41.7	45.5	- 8%
Online	24.5	29.8	- 18%
International	15.8	16.4	- 4%
Total sales	82.0	91.7	- 11%

Business Mix	FY 2024	FY 2023	YoY change
UK stores and concessions	51%	50%	+ 1%
Online	30%	32%	- 2%
International	19%	18%	+ 1%
Gross margin	62.2%	61.6%	+ 0.6%

UK stores and concessions

- Four new stores and two closures in year; 64 stores at end of year
- Concessions reduced to 57 further to 10 closures during the year

Online revenues

- Pressure on QUIZ web sales through the year
- Also reflected in third-party online revenues

International

- Irish revenues drop 25% to £4.9m reflecting closure of two stores and three concessions
- Franchise revenues of £10.9m, 8% up on PY
- Gross margin uplift further to continued demand for full priced product

RECURRING OPERATING COSTS

(£m)	FY 2024	FY 2023	YoY change
Employment costs*	21.2	19.3	+ 10%
Property costs (incl property depn)	9.1	9.4	- 3%
Marketing costs	2.5	2.8	- 10%
Depreciation (excl property depn)	2.4	1.9	+ 26%
Other costs	9.0	8.3	+ 8%
Administration costs - recurring	44.2	41.7	+ 6%
Distribution costs	11.4	12.5	- 9%
Total costs - recurring	55.6	54.2	+ 3%
Other income	-0.2	-0.2	-
Net costs - recurring	55.4	54.0	+ 3%

Administration costs

- Higher employment costs driven by National Living Wage and other associated increases
- Factors leading to lower property costs include drop in business rates and lower rentals further to decline in revenues
- Lower marketing spend in reflective of decline in revenues
- Higher depreciation costs reflect asset additions in prior and current year

Distribution costs

- Commission costs decreased further to fall in third-party sales
- Carriage costs consistent year on year

* - includes directly employed and agency employees

BALANCE SHEET

(£m)	March 2024	March 2023	YoY change
Property, plant and equipment	5.9	4.7	
Right to use assets	8.4	6.5	
Intangible assets	2.5	2.7	
Deferred tax asset	1.1	1.0	
Total non-current assets	17.9	14.9	+ 3.0
Inventory	11.3	12.3	
Receivables - trade and other	9.9	7.4	
Payables - trade and other	- 12.6	- 12.7	
Net trade working capital	8.6	7.0	+ 1.6
Lease liabilities	- 9.9	- 6.9	- 3.0
Tax – current and deferred	-	-0.3	+ 0.3
Cash, net of borrowings	-2.0	6.2	- 8.2
Net assets	14.6	20.9	- 6.3

Non-current assets

- Additions of £4.5m
- Spend at distribution centre of £1.3m
- New stores and refurbishments spend of £1.7m
- IT/software spend of £1.1m

Working capital

- Focus on tight management of inventory

Lease liabilities reflect new leases entered into and number of lease extensions

CASH FLOWS

(£m)	FY 2024	FY 2023	YoY change
(Loss)/profit after tax	-6.3	2.0	- 8.2
Dep'n and amortisation	5.3	3.7	+ 1.6
Impairment	1.5	-	+ 1.5
Other non cash charges	-	0.2	- 0.2
Tax and interest credit	0.3	0.4	- 0.1
Working capital movements	- 1.5	- 0.8	- 0.7
Cash (outflow)/inflow from operating activities	- 0.9	5.5	- 6.2
Capital expenditure	- 4.5	- 2.5	- 2.1
Tax received	-	0.4	- 0.4
Borrowings drawn	0.3	-	+ 0.3
Interest received	0.1	0.1	- 0.1
Lease payments	- 2.9	- 1.8	- 1.1
Cash (outflow)/inflow	-7.9	1.7	- 9.6
Cash	0.3	7.6	- 7.3
Bank borrowings	- 2.3	- 1.4	- 0.9
Cash, net of bank borrowings	- 2.0	6.2	- 8.2

- Cash from operations declined in line with drop in EBITDA
- Net working capital outflow – increased receivables partially offset by lower inventory
- Capital expenditure to be lower in FY24
- Total bank facilities of £4.0m renewed and scheduled to expire 30 June 2025
- No financial covenants applicable to bank facilities
- Tarak Ramzan indicated his willingness to lend £1.0m to provide additional liquidity for working capital as required



OPERATIONAL REVIEW

CURRENT TRADING & OUTLOOK

Sheraz Ramzan
CEO

RECONNECTING WITH CONSUMERS ACROSS OUR OMNI-CHANNEL MODEL

- Omni-channel model allows for closer connection with consumers
- Stores - plan to increase footfall through new product categories, broader size ranges and targeted marketing
- Online - brand strength demonstrated by sales being concentrated on occasion wear and dresses
- Continue to develop online partnerships:
 - Restarted sales with Debenhams.com in Q1 of FY25
 - Launching Tik Tok shop in near future
- Continue to improve customer experience:
 - Trialling Click and Collect from store
 - Introduced Klarna to improve payment options and accommodate higher transaction values
 - Plans to introduce a loyalty program in H2 to encourage more frequent spend



ELEVATING THE QUIZ BRAND

- Distinctive brand known for occasions and dressy casual wear
- Core customer group aged between 18 and 40
- Different product preferences addressed for over and under 25
- Going forward look to tailor marketing approaches accordingly
- Refreshed our social channels to present the brand more positively
- Look to increase brand loyalty and affinity
- Increase use of influencer and social events in store to drive traffic



RECALIBRATING OUR PRODUCT PROPOSITION

- Product sought for social occasions from lunches to weddings
- Well invested infrastructure and proven supply chain
- Allows rapid response to trends with new products throughout the season
- Focussed on improving Buying and Merchandising team
 - New head of Merchandising recruited
 - New talent added to Buying Team
 - Focussed on expanding ranges and optimising category mixes
 - Extending size ranges in store
 - Refining our pricing architecture
 - Targeting less markdowns going forward



SELECTIVE INTERNATIONAL GROWTH THROUGH CAPITAL LIGHT MODEL

- QUIZ brand is differentiated in the market
- Flourishes when supported by the right local partner
- Actively looking for new partners to extend capital light model expansion
- Well established in Middle East with; sales through stores in Saudi Arabia and Debenhams concessions operated in UAE



- Successfully transitioned to new partner in Saudi Arabia in Q4 with plans to open four new and refurbish existing stores in FY25
- Growth in US achieved through a new partner who holds stock and facilitates deliveries to Macys and Nordstrom with scope for further expansion
- Commenced deliveries on wholesale basis to a new US department store in Q4

MANAGING COSTS

- Reduced sales led to more older stock being held detracting from presentation in store
- Targeting more of a full-priced strategy going forward
- Reduced aged stock by over 300k units since the year end through more discounting activity
- Going forward older stock will be subject to short promotions in store and then transferred to designated clearance stores



- Inflationary pressures but have managed to maintain intake margins on product
- Investment at DC in H1 with £1.3 million spend focussed on more efficient working practices
- Improved layout has contributed to a reduction in labour costs

CONSISTENT INTERNATIONAL AND STORE REVENUES

Revenue (£m)	Apr-July 2024	Apr-July 2023	YoY change
UK stores and concessions	13.9	15.6	- 11%
Online	7.4	9.2	- 20%
International	5.9	5.9	-
Total sales	14.2	16.0	- 11%

- Trading conditions remain challenging but recent weeks have seen modest improvements
- LFL in stores broadly comparable to prior year across the four months
- International revenues consistent year-on-year
- Online sales continue to challenging although they have improved relatively in recent weeks
- Gross margins in line with expectations and consistent with prior year
- Liquidity headroom available to business of £2.3 million (31 March 2024 - £2.0 million)

OUTLOOK

Short term considerations

- Committed to implementing turnaround plan
- Clear strategic priorities identified and being progressed
- Focus on product, pricing and connecting with customers
- Cost controls remain a key focus
- Working capital management important as financial performance improves

Longer term considerations

- Confident that brand and business model remain relevant and attractive to customers
- Confident that business can return to profitable growth

