

# QUIZ

11 January 2019

QUIZ Plc  
(‘QUIZ’ or the ‘Group’)

## Christmas Trading Update

### ***Further revenue growth but lower than anticipated gross margins reflecting challenging trading conditions***

Group revenue for QUIZ, the omni-channel fashion brand, increased by 8.4% in the six-week period from 25 November 2018 to 5 January 2019 (the “Period”) against the comparable period last year\*.

The QUIZ brand has continued to expand online with Group online revenue increasing by 34.1% in the Period. In line with recent trends, the brand experienced the strongest growth through QUIZ’s own websites where revenue increased by 50.8%.

The Group's UK standalone stores and concessions revenue increased by 1.6% during the Period. Consistent with our considered investment requirements, QUIZ has opened three new standalone stores and relocated two stores into larger refurbished units in the financial year. We are pleased with the initial performance from these new and refurbished stores.

The QUIZ balance sheet remains strong with net cash of £12.3m as at 5 January 2019. Inventory continues to be carefully managed with current levels similar to the previous year.

The Group had previously indicated that its financial results for the year to 31 March 2019 (“FY 2019”) would be largely dependent on trading during the key Christmas Period. As has been widely reported, the retail trading environment has been challenging over recent months, particularly in November. Whilst the Group’s sales patterns improved as the Christmas trading Period progressed, overall sales for the Period were below expectations.

Given the continued uncertainty with regards to consumer demand and associated spend, we believe it is prudent to revise our revenue forecasts for the remainder of the year to reflect recent trading patterns.

Consequently, the Board now anticipates that revenues for FY 2019 will be lower than current market expectations at approximately £133.0m (FY 2018: £116.4m).

In addition, the lower than anticipated revenues resulted in a higher than anticipated level of discounting to clear inventory. This is expected to reduce gross margins in the six months to 31 March 2019 to approximately 60.5% (Six months to 30 September 2018: 62.0%).

In the past year the Group has invested in additional resources and personnel to facilitate its growth which has contributed to significant increases in employee, marketing and depreciation costs. Whilst it is disappointing that the growth in revenues has been insufficient to support these additional costs in the current financial year, we are confident that this investment will support the long-term growth of the business.

As a result of these factors, the Board now anticipates that the Group's EBITDA (excluding the previously announced write-off of £0.4m debt arising from the administration of House of Fraser) will be in the region of £8.2m for FY 2019.

**Tarak Ramzan, Chief Executive Officer, commented:**

*"Against the backdrop of challenging trading conditions over recent months, QUIZ has delivered further revenue growth over the Christmas period driven by the performance of our own websites. However, the growth and the margin achieved have been below our initial expectations and, consequently, the Board considers it appropriate to revise its sales and profit expectations for the current year.*

*We remain confident about QUIZ's long-term potential as an omni-channel fashion brand with a clear customer focus. Management's utmost priority remains achieving further growth for the business and improving profitability in the future."*

\* The sales in the period and prior year comparable period exclude international franchise sales given they are wholesale in nature and therefore, can fluctuate from month to month.

\* \* \* \* \*

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

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**About QUIZ**

QUIZ is an omni-channel fashion brand, specialising in occasion wear and dressy casual wear.

QUIZ delivers a distinct proposition that empowers 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 more than 300 standalone stores, concessions, franchise stores, wholesale partners and international online partners.

QUIZ operates through an omni-channel, fast fashion business model, which encompasses online sales, standalone stores, concessions, international franchises and wholesale arrangements. As at 5 January 2019, QUIZ had 71 stores and 169 concessions in the UK (January 2018: 70 stores and 148 concessions).

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<https://www.quizclothing.co.uk/>

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