

# QUIZ

7 March 2019

**QUIZ Group Plc**  
**("QUIZ" or the "Group")**

## **Trading Update**

QUIZ, the omni-channel fashion brand, announces an update on trading during the period between 1 January 2019 to 28 February 2019 ("the Period") and its expectations for the financial year ended 31 March 2019 ("FY 2019").

During the Period, the uncertain consumer spending backdrop has remained challenging for QUIZ. As a result, the Group has recorded a significant shortfall in sales compared to the Board's prior expectations. Furthermore, there has been a requirement to apply higher than anticipated discounts to clear excess stock.

QUIZ has continued to increase sales online during the Period with Group online revenue increasing by 16.2%. However, this growth has been offset by an 11.1% decrease in revenue from the Group's UK standalone stores and concessions. Consequently, Group revenue for QUIZ decreased by 1.7% in the Period against the comparable period last year.

The Group's Christmas Trading Update on 11 January 2019 provided guidance for revenue and profits for FY 2019 which, at that time, reflected the most recent sales trends through our online, UK stores and concessions sales channels in addition to the impact of additional available retail space compared to the previous year. The Board previously anticipated that revenues for FY 2019 would be approximately £133.0m, which would have represented growth in sales in the final quarter of 9.2% compared to the previous year resulting in anticipated EBITDA\* of £8.2m.

Given the significant shortfall in sales experienced in the final quarter of FY 2019 to date, and should this trend continue throughout March 2019, the Group anticipates revenues for FY 2019 to now be approximately £129.0m. It is also expected that the increased level of discounting will have a material impact on gross margins generated in the final quarter of FY 2019. The Board now anticipates that the Group's EBITDA\* will be approximately £4.5m for FY 2019.

The QUIZ balance sheet remains strong with net cash of £8.9m as at 5 March 2019. Inventory continues to be carefully managed with current stock levels similar to the previous year.

Given the Group's recent trading performance, the Board is instituting a thorough review of all aspects of the business with a view to mitigating the effects of changed trading conditions. We expect to report findings from this review at the time of the preliminary announcement of full year results for FY 2019, which is expected in June 2019.

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

*"Whilst the Board remains confident in the strength and appeal of the QUIZ brand, as demonstrated by our continued sales growth online, this has been a highly disappointing trading period for the Group. As a result, the Board will be reviewing all aspects of the business over the coming months to ensure that we can deliver the Group's long-term potential despite the changing consumer backdrop and challenging trading conditions."*

*\* Excluding the previously announced write-off of £0.4m debt arising from the administration of House of Fraser.*

\* \* \* \* \*

**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 7 March 2019, QUIZ had 71 stores and 169 concessions in the UK.

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For further information:

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

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