

QUIZ

9 September 2020

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

Retail Store Portfolio and Trading Update

QUIZ, the omni-channel fashion brand, announces an update on its retail store portfolio and current trading during the period between 1 April 2020 to 31 August 2020 (“the Period”).

Retail Store Portfolio

Following the Group’s announcement on 10 June 2020 regarding the completion of restructuring of its retail store portfolio (the “Restructuring”), the Group has made progress with renegotiating the lease arrangements with its landlords for its standalone QUIZ stores.

Prior to the Restructuring, the Group operated 75 standalone stores in the United Kingdom. As at 9 September 2020, the Group has so far reopened 48 stores and anticipates reopening a total of approximately 60 stores in the United Kingdom. Rental terms for the reopened stores are consistent with those targeted by the Group. They provide a flexible cost base going forward with rents payable predominantly based upon revenues generated rather than previous higher fixed rental arrangements. The average lease length on these stores is 24 months.

Further to the Restructuring, the Group closed its seven stores in the Republic of Ireland and three in Spain. As at 9 September 2020, the Group has reopened four of these stores with negotiations continuing in relation to two other stores. The Group has decided not to reopen any of the Spanish stores.

Trading Update

Consistent with other businesses, the COVID-19 pandemic has significantly impacted QUIZ’s sales in the Period. From late March, the Group’s stores and concessions were closed and Online operations were suspended for two weeks in April 2020 in order to protect QUIZ’s distribution centre colleagues.

During the period, the Group has extended its casual ranges to respond to the additional demand for this product. This is in response to the decline in demand for occasion wear further to the ongoing restrictions on social events.

The Group's total sales in the Period amounted to £12.8m, a 77% decline on the £55.2m revenues generated from 1 April to 31 August 2019 ("2019"). Revenues from each channel were as follows:

	1 April to 31 August		
	2020	2019	Change
Online	£8.0m	£17.3m	-54%
UK stores and concessions	£2.9m	£27.3m	-89%
International	£2.1m	£10.6m	-81%
Total	£13.0m	£55.2m	-77%

Given the lower demand experienced in the period a higher level of discounting has been applied with gross margins generated being approximately 6% lower than the previous year. It is not anticipated that this level of discounting will continue for the remainder of the year.

As at 8 September, the Group had £6.1m cash available. In addition, the Group has £3.5m of bank facilities available which are currently scheduled to expire on 31 October 2020, which the Group intends to renew.

Online

Sales through QUIZ's own websites totalled £4.9m (2019: £8.9m), a decline of 45%. Sales have steadily improved in the Period with August revenues being 11% lower than the previous year which reflected the benefit of increasing the ranges of casual product.

Sales through third party websites totalled £3.1m (2019: £8.4m), a decline of 64%. In addition, to the factors noted above, certain third-party sites suspended or restricted product intake during the Period.

UK stores and concessions

Further to the Restructuring, whilst the Group opened several stores in July the majority of the 48 reopened stores have recommenced trading in recent weeks.

Prior to the enforced closure of non-essential stores in the UK due to COVID-19, the Group operated 164 concessions in the United Kingdom. Further to their closure on 22 March, concessions progressively re-opened from mid-June. However, a number of these concessions have not reopened and as at 9 September 2020, the Group operates 141 concessions in the United Kingdom.

Whilst sales generated in UK standalone stores and concessions remain below levels generated in the previous year, the Group is encouraged by the consistent improvement in like-for-like sales in recent weeks.

International

The Group's international partners have also been impacted by COVID-19. Numerous outlets were closed during the period but we are pleased to note that sales have progressively improved since they have reopened.

Further to Debenhams' decision to close its operations in the Republic of Ireland the number of concessions operated by QUIZ had reduced from 23 to 11.

During the period the Group's primary customer in the United States entered a bankruptcy process and its future remains uncertain. The Group is actively pursuing new opportunities in the U.S market.

The Group intends to announce its Final Audited Results for the year ended 31 March 2020 on 27 October 2020.

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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 in 22 countries.

QUIZ operates through an omni-channel business model, which encompasses online sales, standalone stores, concessions, international franchises and wholesale arrangements.

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