

PROJECT PRINT - November 2024

An Exciting Opportunity to Acquire an Established UK Based Women's Lifestyle Clothing & Accessory Brand. The Group Is Facing a Liquidity Shortage & Requires Immediate Investment.

Overview

- BTG Advisory has been appointed to solicit offers to acquire all or part the Group. A comprehensive information memorandum about the Group will be made available to interested parties on signing an NDA.
- The Group is a women's lifestyle clothing and accessory brand, headquartered in London. It is known for its stylish prints which it designs in-house.
- The Group sells through multiple channels:
 - i. A portfolio of leased high street stores.
 - ii. Wholesale; and
 - iii. online through its website.
- The Group has faced a number of challenges going back to COVID, which led it to reduce its portfolio of stores in response to lockdown closures, followed by quality issues and delayed deliveries associated with a key supplier that it has now sought to transition away from.
- As a result of these challenged trading conditions, the Group now faces a liquidity shortage and, while it has no secured debt facilities, creditors are significantly stretched.
- The Group offers the chance to acquire an established brand with significant growth potential having moved passed the recent supplier issues.
- Due to pressure from creditors, we are aiming to conclude a sales process over an accelerated timeframe. Interested potential investors will have to be comfortable and have the funding and capability to complete the deal during **November 2024**, but subject to the evolving liquidity runway situation in the Group.

- Given the short timeframe and the level of distress in the business, we expect a transaction with an interested party to be carried out via an insolvency process.

Key Highlights

- Established brand with strong growth potential.
- The Group has significantly transitioned away from its previous largest supplier, resolving issues that contributed to challenging trading over recent years.
- Revenue is expected to be £3.2m in FY25, with the Group breaking even at an operating profit level, following recent losses.

Financial Overview

P&L summary				
Year ended 31 March	Forecast			
£'000	FY22	FY23	FY24	FY25
Revenue	4,152	4,298	2,824	3,211
Gross profit	2,418	2,232	1,490	1,668
Operating profit / (loss)	(145)	(475)	(671)	14
Normalisations	54	58	-	15
Normalised operating profit / (loss)	(91)	(417)	(671)	29
Revenue growth	69%	4%	(34%)	14%
Gross profit margin	58%	52%	53%	52%
Adjusted operating profit margin	(2%)	(10%)	(24%)	1%

For Further Information

Further information is available upon completion and return of a Non-Disclosure Agreement (NDA), which is available on request. Enquires should be directed in the first instance to:

Email

kevin.mcandrew@eddisons.com

Important Notice

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