



# SOSANDAR



Interim Results and  
Trading Update

12 December 2023

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# Agenda

- Autumn\* Trading Highlights
  - H1 Financials and Autumn\* Trading
  - Operational Progress
  - Conclusion
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\*Autumn is October and November 2023



A woman with long brown hair is standing on a paved sidewalk next to a metal fence. She is wearing a long, double-breasted brown coat with a fur collar and a black turtleneck. She is holding a pair of sunglasses in her hands. The scene is brightly lit, suggesting a sunny day. The background shows a row of similar fences receding into the distance.

## **Autumn Trading Highlights**

## Autumn Trading Highlights\*

- Strong autumn trading – own site and 3<sup>rd</sup> parties
- On track for full year guidance
- Revenue up 16% year on year
- Both months PBT positive
- Margin 59.8% vs 56.4% last year
- Successful launches with Freemans and Sainsbury's
- The Iconic, Australia, now live
- The Bay, Canada, due to go live early 2024

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\* October & November





A woman with voluminous curly hair and dark sunglasses is leaning against a textured stone wall. She is wearing a long-sleeved sweater with a bold, repeating zigzag pattern in dark and light colors, paired with black leather pants. Her hand is resting near her chin, and she has a slight smile. In the background, a set of wide stone steps leads upwards, and the scene is bathed in warm, golden light, suggesting late afternoon or early morning.

# **H1 Financials and Autumn Trading**

# P&L

	H1 FY2024	H1 FY2023	Variance	%
	£m	£m	£m	
<b>Revenue</b>	<b>22.2</b>	<b>21.0</b>	<b>1.2</b>	<b>6%</b>
Cost of Goods	(9.9)	(9.6)	(0.3)	3%
<b>Gross Profit</b>	<b>12.3</b>	<b>11.4</b>	<b>0.9</b>	<b>8%</b>
Gross Profit %	55.4%	54.4%	100 bps	
Admin expenses	(13.3)	(11.0)	(2.3)	21%
Share based payments	(0.1)	(0.2)	0.0	-12%
<b>EBITDA</b>	<b>(1.2)</b>	<b>0.2</b>	<b>(1.4)</b>	
Depreciation, amortisation & interest	(0.2)	(0.1)	(0.0)	24%
<b>Profit / (Loss) before tax</b>	<b>(1.3)</b>	<b>0.1</b>	<b>(1.4)</b>	

- Revenue up 6% to £22.2m
- Planned trial reducing price-promotional activity on own site
- Gross margin up 100bps – includes higher wholesale mix (up 200 bps like-for-like)
- Q2 own site gross margin up 570 bps vs LY
- Overhead includes third party commissions
- On track for FY guidance\*



\* FY24 Market Guidance: Revenue £46.8m and PBT £0.1m

# Balance Sheet

	Sep-23	Sep-22	Mar-23
	£m	£m	£m
Intangible assets - software	0.4	-	0.1
Property, plant and equipment	0.3	0.3	0.4
Right of use asset	0.6	0.7	0.6
Deferred income tax asset	0.7	0.4	0.7
<b>Total non-current assets</b>	<b>2.0</b>	<b>1.4</b>	<b>1.7</b>
Inventory	14.2	13.5	12.4
Trade receivables and other current assets	3.8	2.3	2.7
Cash and cash equivalents	7.0	4.2	10.6
<b>Current assets</b>	<b>25.0</b>	<b>20.0</b>	<b>25.7</b>
Trade and other payables	9.2	9.9	8.4
Lease liability	0.1	0.1	0.1
<b>Current liabilities</b>	<b>9.3</b>	<b>10.0</b>	<b>8.5</b>
<b>Net current assets</b>	<b>15.7</b>	<b>10.0</b>	<b>17.2</b>
Non current lease liability	0.5	0.5	0.5
<b>Net assets</b>	<b>17.2</b>	<b>10.6</b>	<b>17.8</b>

- Strong cash balance of £7.0m, despite bringing in stock slightly earlier for the autumn season
- November cash increased to £7.3m
- Inventory slightly increased
- Receivables increase reflects growth in concession and wholesale sales
- Intangibles includes development of the Sosandar App and the new ERP (go-live FY2025)



# Cash Flow

	H1 FY2024	H1 FY2023	FY2023
	£m	£m	£m
Group EBITDA (ex. SBP charge)	(1.1)	0.4	2.2
Change in inventory	(1.9)	(6.2)	(5.1)
Change in trade and other receivables	(1.0)	0.1	(0.2)
Change in trade and other payables	0.8	3.1	1.6
<b>Net cash flow from operating activities</b>	<b>(3.0)</b>	<b>(2.5)</b>	<b>(1.5)</b>
Tangible capex	(0.0)	(0.2)	(0.4)
Intangible capex	(0.3)	(0.0)	-
<b>Net cash flow from capex</b>	<b>(0.4)</b>	<b>(0.3)</b>	<b>(0.4)</b>
<b>Net cash flow from financing activities</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>5.4</b>
<b>Net change in cash and cash equivalents</b>	<b>(3.7)</b>	<b>(2.8)</b>	<b>3.5</b>
Cash and cash equivalents at beginning of period	10.6	7.0	7.0
<b>Cash and cash equivalents at end of period</b>	<b>7.0</b>	<b>4.2</b>	<b>10.6</b>

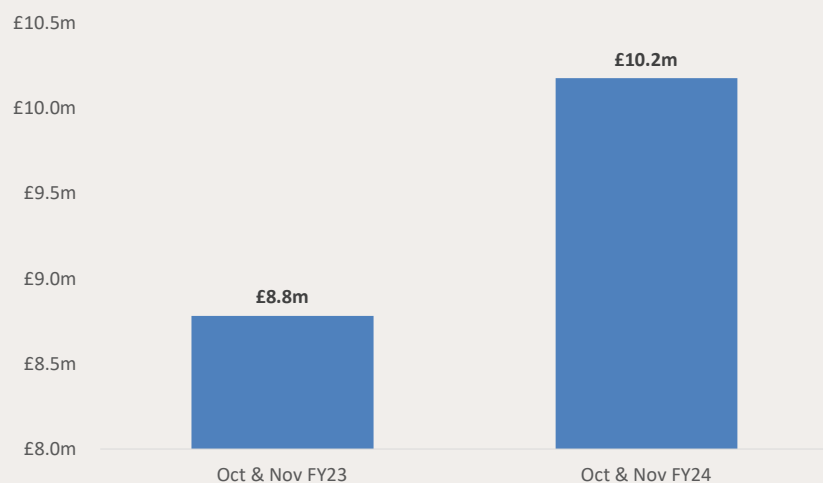
- Equity raise Feb 2023
- Investment in inventory and growing third-parties, notably with Sainsbury's
- Robust position to drive our multi-channel strategy including own stores in 2024
- September typically the low point for the year





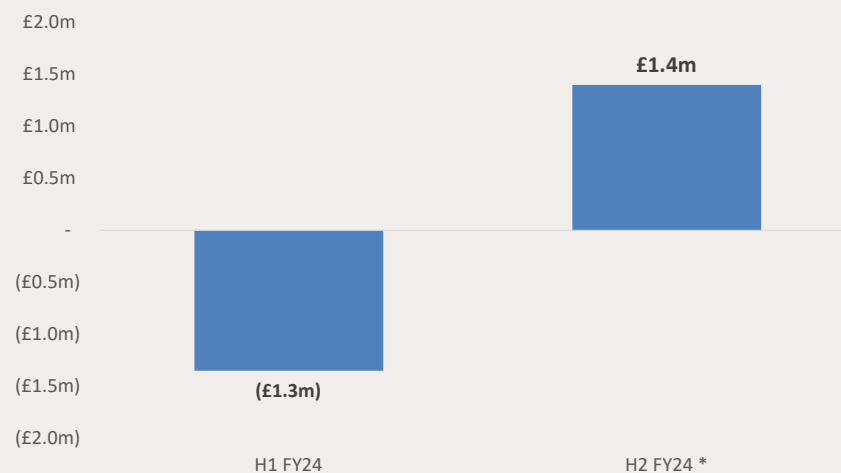
# Strong Start to H2

## Net Revenue



- Revenue up 16% (H1 FY24 +6%)
- On track for FY expectations (H2 FY24 +15%)\*
- November a record month
- Top brand with third-parties Next & M&S
- Gross margin 59.8% (+430 bps vs H1 FY24)

## PBT

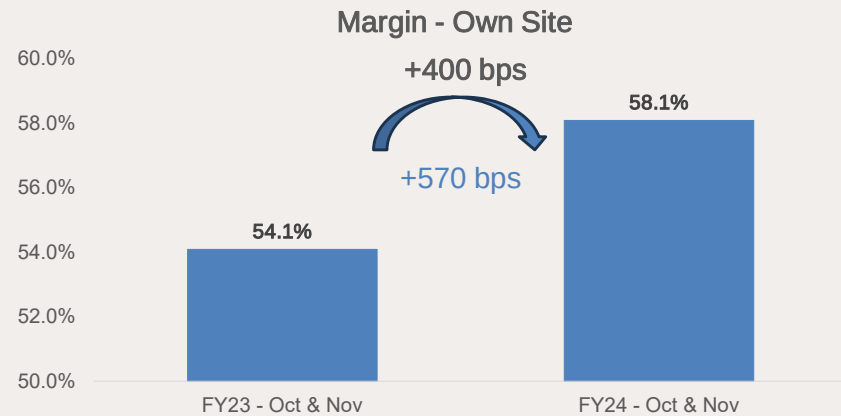
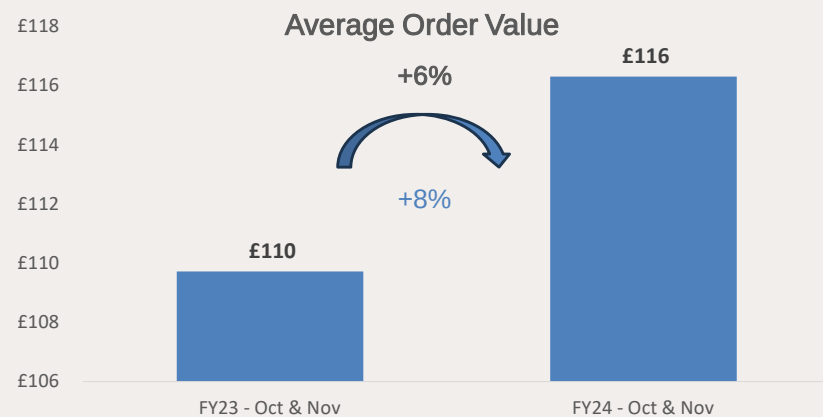
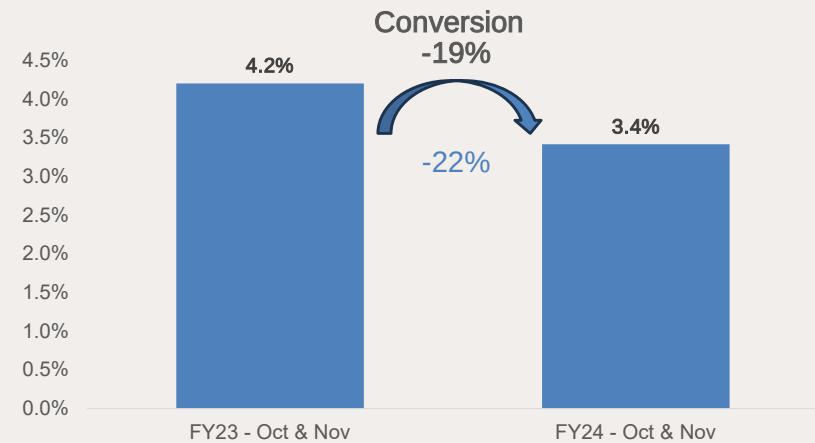
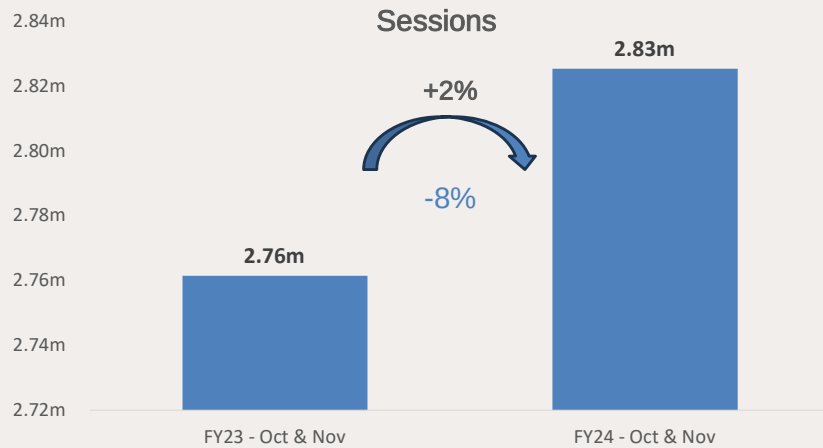


- October and November PBT positive
- Significant positive swing into H2 to meet FY expectations\*
- Cash increased to £7.3m (November 2023)

\* FY24 Market Guidance: Revenue £46.8m and PBT £0.1m

# Own Site KPI's – Increasing the Margin

Figures in blue are for Q2 FY24



A woman with voluminous curly hair is walking on a city street. She is wearing a black long-sleeved top and a black skirt with a wide waistband. She is smiling and looking towards the camera. The street has a cobblestone sidewalk and a paved road with white and yellow markings. A black lamppost is visible on the sidewalk.

## **Operational Progress**



## A Large UK Addressable Market



Fashion market  
contributes £62 Billion  
to the GDP of the UK\*

- A growing industry
- Second biggest retail market in the UK after food and groceries
- 1 in every 25 jobs in the UK is in fashion
- UK is third largest fashion market in the world (after US and China)
- British fashion brands coveted worldwide

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## Strategic Goals

- £100m+ revenue
- At least 10% PBT
- Continue to grow our own site
- Expand existing / new UK third party opportunities
- Establish multi-channel model, including shops
- Further third party international expansion



# Our Success is Driven by our Product

Sexy

Feminine

Quality

Great Fit



1 week ago

Great Clothes! 🧡💙💚

I love the up to the minute designs. The quality of the material and cut is very good, I am so glad I found Sosandar.



17 Nov 2023

What a fabulous company

What a fabulous company, great clothing suitable for all.



17 Nov 2023

Great quality clothes . Great customer service

Beautiful clothes that I always get great compliments about. This is a great company with great service provided at every level.



12 Nov 2023

I've been shopping at Sosandar for a number of years. Wonderful, stylish clothing.

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## Sosandar Outsell Peer Brands on Next

FRENCH CONNECTION

*Phase Eight*

RIVER ISLAND



HOBBS  
LONDON

SOSANDAR

ALLSAINTS

WHITE STUFF

TED BAKER  
LONDON



**WHISTLES**

**Barbour**



CREW CLOTHING COMPANY

**BODEN**

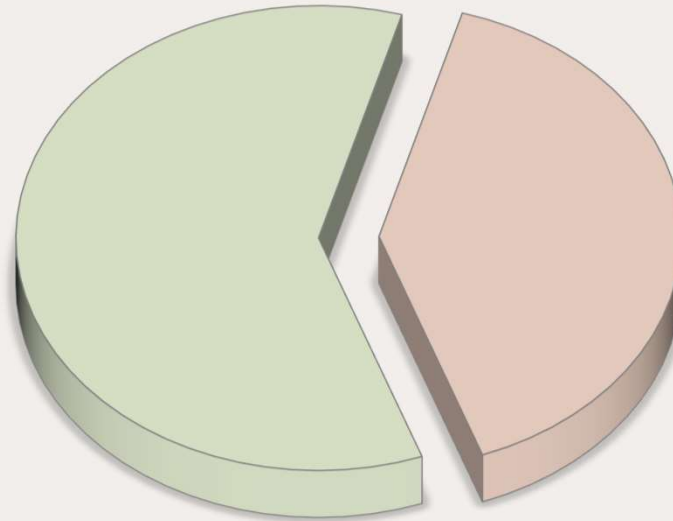
MINT VELVET

REISS

MANGO

## Increasing Our Addressable Market to Drive Value

60% of sales  
are made in  
store



40% of sales  
are online

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# Benefits of a being a Multi-Channel Brand

Scale

Higher gross margin

Increased brand awareness

Less marketing spend as % of revenue

Lower customer acquisition costs

Increased frequency of purchase

Lower overall return rate



Significantly higher profit

Turnover  
Gross Margin  
PBT  
PBT%  
No. of Stores

## Brand 1

£m  
25.12.2022  
£101.3m  
62%  
£11.1m  
11%  
102

## Brand 2

£m  
31.12.2022  
£143m  
71%  
£25.5m  
18%  
56

## Brand 3

£m  
28.01.2023  
£325m  
60%  
£52m  
16%  
58

*Abbreviated P&Ls show the most recent financial year data available*





# Successful Brands are Expanding Store Portfolios

Drapers

## M&S to deliver 'biggest ever' store opening month

Retailer Marks & Spencer plans to open nine stores across the UK throughout November.

BY DRAPERS REPORTERS  
6 NOVEMBER 2023



The Times

6 November 2023

## Having the right stuff in retail can still mean opening high street stores

The White Stuff boss is intent on contributing her transformation of the fashion business



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## 7 retailers thriving due to the resurgence of the high street

Since the pandemic has eased, shoppers have flocked back to the high street. Retail Gazette looks at the retailers benefitting most from this.

By Aislinn Morgan - May 16, 2023

### Zara



Zara owner Inditex hailed a strong store performance as its global pre-tax profit rocketed 28% to €4.7bn in its latest financial year.

The fashion group, which also owns Pull & Bear, Bershka, Stradivarius and Massimo Dutti, posted full-year sales surged 18% year-on-year on constant currency basis.

This was driven by a 23% jump in global in-store revenue thanks to a rise in footfall and store productivity.

Inditex said the flurry of store activity has meant **physical stores are now a priority** and revealed plans to increase the average space per store by 13%.

The Telegraph - 8 November 2023

## Surge in Primark sales boosts push to open 100 new stores

By Daniel Woolfson

SALES surged at Primark in the past year as shoppers shrugged off higher prices, boosting its hopes of opening 100 new stores by 2026.

Associated British Foods (ABF) said yesterday that Primark's UK sales rose by 11pc, which fuelled the group's 18pc jump in revenues to £19.75bn.

George Weston, chief executive of ABF, said Primark's trading was "excellent" given high inflation and wet summer weather. He said customers continued to shop at Primark despite "selective price increases partially to protect profitability".

Mr Weston said it had already brought some prices down as inflation eases, adding: "We will remain the most competitive retailer on the high street."

He added that it was seeing high levels of theft, spurring it to invest in added security. Mr Weston said: "We're equipping all our security guards with body cameras. We're investing in more CCTV and better CCTV."

Shares in ABF closed up almost 7pc yesterday, as investors hailed the increased dividend to 60p per share, up from 43.7p last year.

## Mint Velvet store expansion plans revealed

14 JUNE 2023 BY SABINA WESTON NEWS

Womenswear business Mint Velvet is looking to open six new stores in the next seven months, CEO and co-founder Liz Houghton told Drapers.

News

## Shein to open 30 stores across UK

Shein has also announced the opening of new headquarters in Dublin.

Mohamed Dada | May 16, 2023

Share this article



Shein is a global fashion and lifestyle retailer. Credit: Victoria Buchanan.

### HIGH STREET

## Mountain Warehouse to open 50 stores in 2024 amid record revenues

Mountain Warehouse has revealed it will be opening a new branch every week in the run up to Christmas and...

### Avon calling ... on the high street

Avon is launching its first standalone UK shops as the beauty company moves deeper into bricks and mortar retail (Lottie Hutton writes).

The group is opening an initial tranche of beauty outlets in the UK within the next two months. They will be run as franchises by company representatives under the Avon facia. Avon is also expanding its beauty range tie-up with the

The Avon model gave women an independent income, especially in the 1950s-1970s. It has 63 shops in Turkey

Superdrug chain - it has been in 100 of its shops and online since September. The expansion will take place from November 22, with plans for Avon products to be sold across the whole Superdrug chain.

Angela Croft, global chief executive of Avon International, said: "It's an exciting new chapter. Women like to touch and experience the product and have that joy of seeing all the colours available."

She said the expansion into bricks and mortar was a response to the fact that 80 per cent of beauty sales were made via retail. Avon launched in Turkey almost three

years ago and has 63 outlets there. The company was founded in New York in 1886 and initially sold products door to door. The model provided women with an independent income, especially from the 1950s to 1970s. Listed on the New York Stock Exchange, Avon was acquired by the Brazilian company Natura & Co in 2020.

It still has an army of Avon representatives but has increasingly shifted towards sales via online and social media in recent years. The location of the new shops has yet to be confirmed but Avon said the aim was to give women the opportunity to start businesses in areas where that had previously been difficult. The shops will feature 150 products, including its popular Skin So Soft dry oil spray.

Drapers

## JD, Phase Eight and Mango ready new stores

A swathe of retailers and brands have announced new store openings, including Phase Eight, Joe Browns, JD, TK Maxx and Mango, coinciding with this Black Friday weekend.

BY ELIZABETH HOWLETT  
24 NOVEMBER 2023



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# Multiple Successful Routes to Market



# Strategy for Success in Shops

The Right Location

Excellent Execution

Brilliant Store Staff

The Best Product





A woman with dark hair pulled back, wearing a white blazer over a black top and large gold hoop earrings, stands on a staircase with a light-colored wall. A semi-transparent grey bar is positioned across the lower part of the image, containing the word 'Conclusion' in bold black text.

## Conclusion



## Conclusion

- Strong autumn trading
- On track for market expectations \*
- Continue to grow our own website both UK and internationally
- Continue to grow existing 3rd party partnerships
- Expand international presence through third party partnerships
- Open stores in the UK

- £100m+ revenue
- At least 10% PBT



\* FY24 Market Guidance: Revenue £46.8m and PBT £0.1m







## Questions

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