



Full Year Results

For the 52 weeks 30th June 2024

brandarchitekts

BAR proposition

Who WE ARE?

Brand Architekts are a British based beauty challenger brand **house**

Focused On:

- Insight-led, profitable, problem-solving solution brands
- Omni-channel routes to market
- Ethical and efficient outsourcing
- Digital 1st Brand thinking + invigoration

"Problem-solving solutions for everyday beauty"

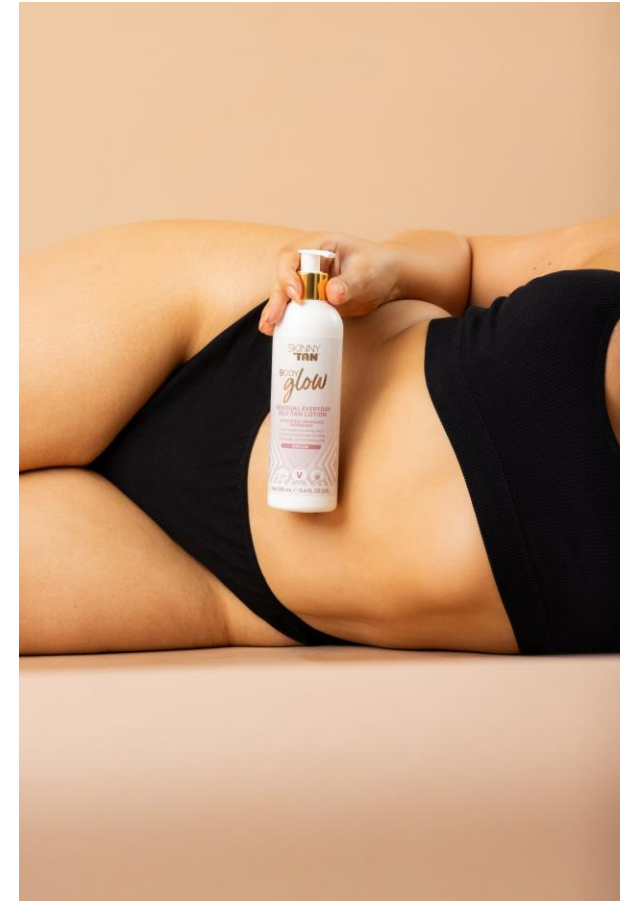


Financial Headlines

brandarchitekts

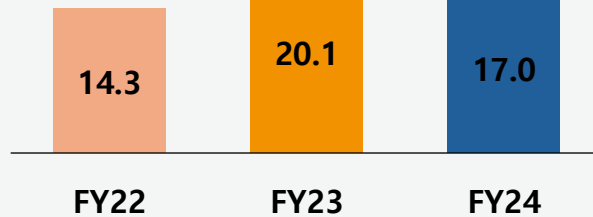
Financial overview of the year

- Sales for FY24 were £17.0m (down 15% on 2023: £20.1m) due to a planned brand rationalisation programme, as well as challenging trading conditions in the UK caused by a cost-of-living crisis and an unseasonably wet spring and early summer.
- Underlying gross profit margins increased by 1.5% to 41.2% (2023: 39.7%).
- Underlying operating loss of £0.4m, was £0.8m lower than the prior year (2023: £1.2m operating loss) - better targeted advertising & promotions, and the benefit of a full year of operational synergies.
- The decreased loss before taxation of £1.4m (2023: £6.8m) reflects a reduced operating loss of £0.8m, together with a reduction in exceptional items (Innovaderma goodwill impairment of £3.5m, legal fees of £0.7m and IDP restructuring costs £0.4m).
- The Group retains a strong net cash position of £7.0m at the year-end (30 June 2023: £8.2m). £1.0m outflow for the acquisition of MR and the resolution of the legal claims & costs relating to the Fish acquisition in 2018.
- April 2023's triennial valuation of the closed defined benefit pension plan resulted in a significant reduction in the deficit recovery plan, under which we have a commitment to make payments of £318,000 per annum until 30th June 2033.

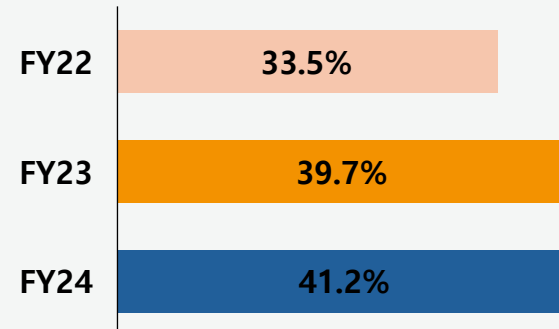


Financial summary

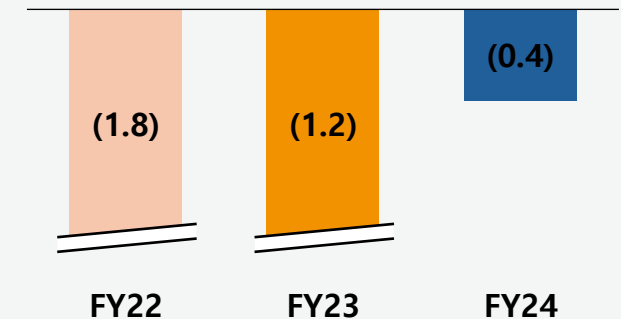
Net Sales



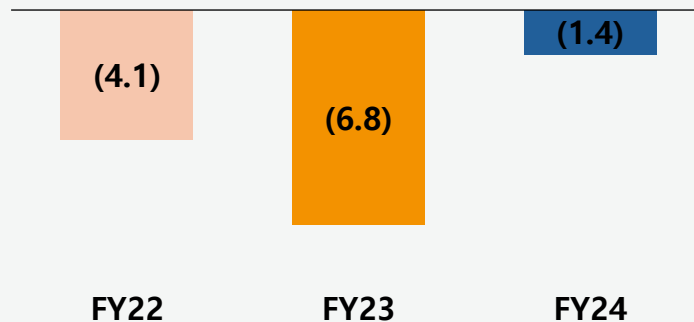
Gross Profit Margin



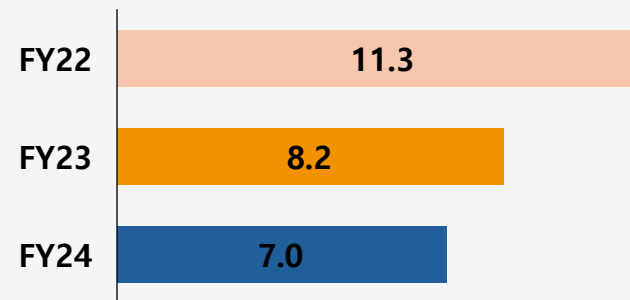
Underlying EBITA



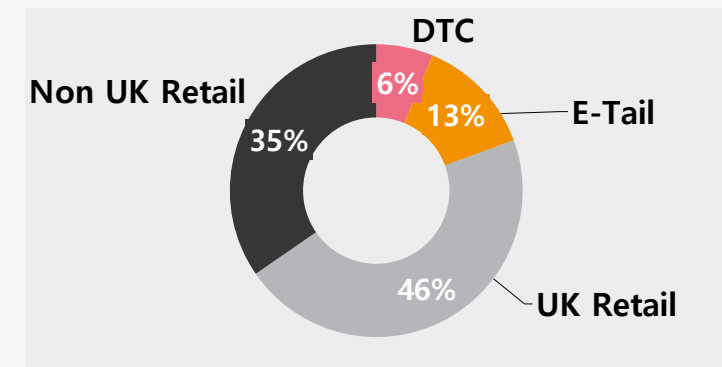
Loss Before Tax



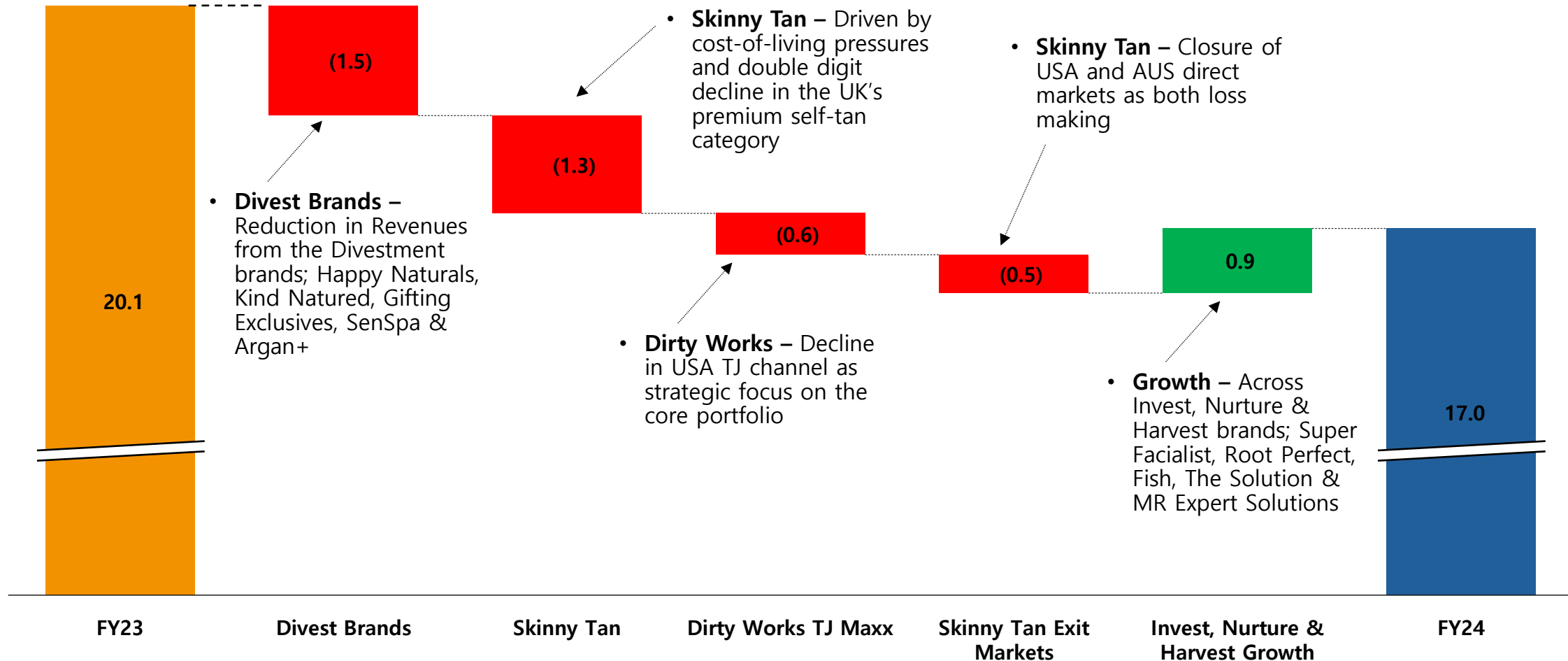
Net Cash



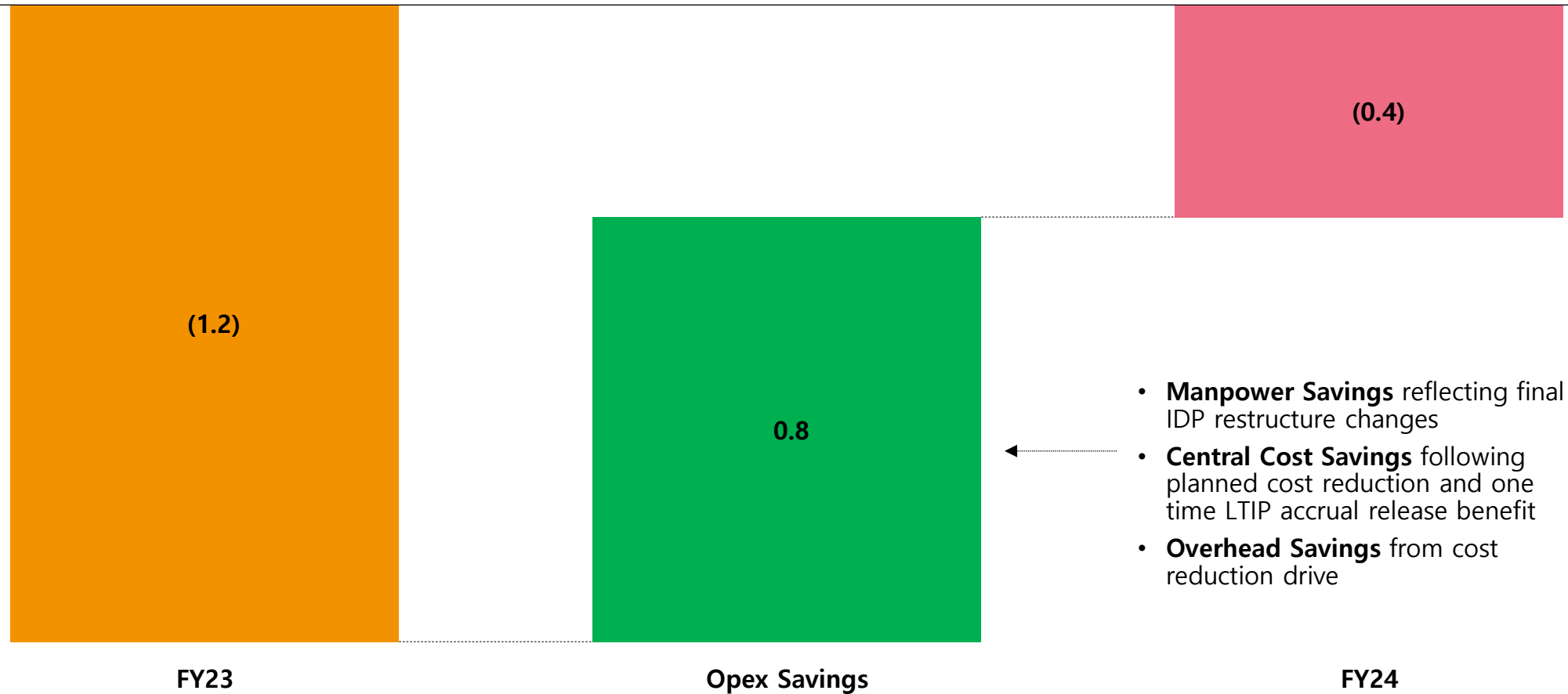
FY24 Revenue Split %



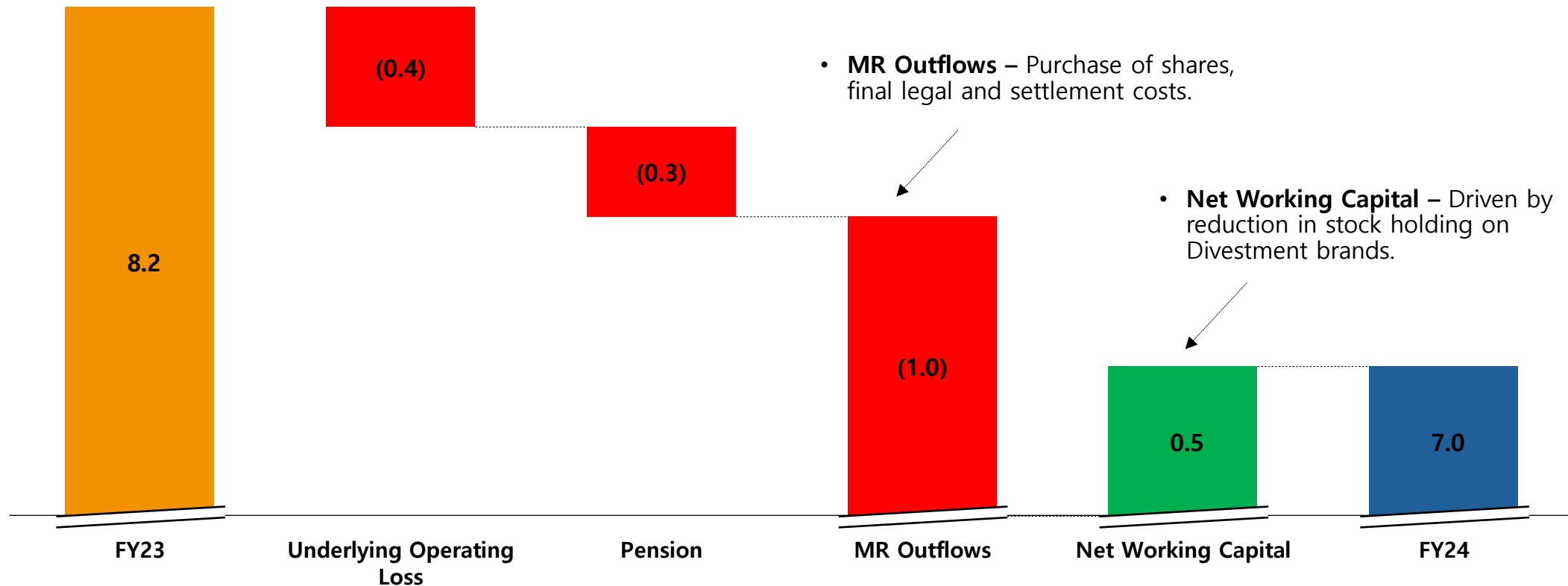
Net sales FY24 vs FY23



BAR underlying operating profit FY24 vs FY23



FY24 cash vs FY23





Overview

brandarchitekts

Operational overview of the year

Strategic focus on fewer, bigger, solution-led margin accretive brands, whilst rationalising the portfolio and exiting underperforming & unprofitable brands.

- Super Facialist grew by 17%, fuelled by distribution gains - Holland & Barrett in Q2.
- In response to consumers' switch to more affordable gradual tanners, Skinny Tan's Body Glow launched into Boots, Superdrug, Asda and Tesco. Body Glow is now the fastest growing value sku in the UK tanning category (Circana latest 12 weeks ending 8 July 24).
- Dirty Works launched in 750 Watsons stores in 9 countries, with encouraging sell out results. FY25 brand refresh will focus on all year-round gifting and a new Mood Magic range that is expected to lead to new distribution opportunities.
- The Solution's net sales were up 43%. The Solution Menopause range launched on its own website in June 2024 and rolled out to Amazon in July 24. The Solution Haircare range is planned to launch in Q3 FY25.
- Net sales of Root Perfect grew +14%, driven by strong UK demand for affordable hair colourants and a pan European expansion across Normal stores and an improved pricing strategy in Morrisons.



BAR proposition

Our JOURNEY

3 Year Transition to problem solving & high performance

BRAND DEVELOPMENT

Focus on brands and products that engender high levels of consumer loyalty and reflect the redefined company purpose of focusing on high-performance problem-solving solution led brands.

- Portfolio strategy & positioning – Focus, Nurture, Harvest
- Profitability & productivity
- Advertising & promotion
- NPD & customer insights – ideally proprietary technology or clear USP/POD

BRAND REACH

In today's society we need to ensure that our customers can buy our products wherever and whenever they want. To do this we need an omnichannel distribution approach.

- Omnichannel – Offline & Online
- D2C
- International

ESG

We aspire to improve our all-round beauty sustainability and are committed to the journey to make a real difference.

We take our role as an employer, and in society in general, seriously.

- Sustainability Pledge – 78% brands are recyclable and use either reusable or bio-sourced plastic and packaging.
- Ongoing investment in employee Development

BAR proposition

portfolio

STRATEGY

FOCUS BRANDS

SKINNY TAN **SUPER FACIALIST**

- Scaled higher margin, masstige positioned brands in problem solving categories
- Strong point of difference: product & brand DNA/personality
- Extensive NPD pipeline. Propriety technology.
- Omnichannel distribution potential
- Own D2C Websites.
- 360 Marketing Activation inc. prioritized A&P budget allocation.
- Accelerated "direct touch" footprint (social, CRM, D2C) roadmaps.

NURTURE BRANDS

MR **The solution.** **DIRTY Works**

- Significant growth potential.
- Margin accretive problem-solving high performance (MR & The Solution) – outlier Dirty Works.
- Strong point of difference: product & brand DNA/personality.
- Master brand potential (category extensions)
- Omnichannel global distribution
- 360 Marketing Activation w. mid level A&P budget
- Own D2C Websites – excl. Dirty Works
- Accelerated "direct touch" footprint (social, CRM, D2C) roadmaps.

HARVEST BRANDS

Fish
SOHO · LONDON

ROOT PERFECT.

DrSALTS+
THERAPEUTIC SOLUTIONS

- Niche/channel exclusive.
- Offset corporate overheads.
- Provide retailer SOV.
- Trade investments only.

DIVESTMENT BRANDS

CHARLES + LEE

- Potential to sell C+Lee
- Exit when margin decreative licenses expires (SenSpa).
- Discontinue Argan+



Brand Development

brandarchitekts

Brand Development

- Rationalised the brand portfolio down to 8 brands, split into 3 classifications: Focus, Nurture and Harvest.
- A&P spend is on Focus brands only - Skinny Tan and Super Facialist. Both brands benefit from a retained PR agency; appointed skincare & tanning experts; substantial campaign activity across Google, YouTube, TikTok, Meta and retail specific activation.
- Super Facialist's activity will be on the new Rosehip Double Cleanser launch in Boots in the summer; Vegan Collagen and Sleep Smart activity in the Autumn, whilst our main campaign will be on supporting the launch of Super Facialist Vitamin C SPF 50 Serum in Spring 2025.
- Skinny Tan's focus is on addressing omnichannel brand awareness, whilst investment will also go into a website relaunch; asset upgrades; organic social activity and a PR campaign to support the relaunch and extended distribution of the Body Glow franchise and the launch of Face Glow.
- Last year the number of live skus across the Group portfolio was reduced by 19% to 248, whilst net inventory reduced by £1.4m.



Brand Development continued

- Skinny Tan will be relaunched in FY25 as Skin & Tan, with the repositioning expected to facilitate new customer acquisition, expand its press reach and increase the scope for new brand listings domestically and internationally.
- Skin & Tan is an inclusive name that clearly demonstrates its expertise and enables easier category, retailer and market expansion.
- In response to consumer trends, three new Face Tan products will launch in H2 at the emotive and competitive £20 price point. They will all include the registered Oxygeskin complex, that allows oxygen to strengthen the skin's barrier functions, whilst improving skin quality.
- The relaunch will see the range reduced by 41% to 24 skus.
- To maintain momentum and consumer engagement, design upgrades for Super Facialist, MR Expert Solutions and Dirty Works will filter throughout FY25.





Brand Reach

brandarchitekts

Online & Offline: Omnichannel Strategy

- Last year Super Facialist launched into 300+ Holland & Barrett. Our objective with Super Facialist is to consolidate existing UK distribution and improve ROS and productivity.
- Dirty Works rolled out to 750 Watsons stores in 9 countries in the Middle East and Asia. Focus for FY25 is to secure incremental distribution in the UK.
- Skinny Tan Body Glow launched in Boots, Superdrug, Asda, Tesco and the brand launched into Peru and 6 Gulf countries. The brand launched into 327 Morrisons stores in July 2024 and we are aiming to expand Body Glow and Face Glow distribution throughout the UK in time for the 2025 tanning season. We plan to appoint an Australian distributor to manage Skin & Tan DTC and on Amazon Australia, in time for the Winter tanning season.
- We launched The Solution Menopause on Amazon in July 2024 and expect to secure distribution gains across the three pillars of the brand in the second half of the fiscal.
- Capitalise on Fish's #3 Hairstyling position in Boots by securing new distribution in other key National Accounts, thereby enabling the brand to move from Harvest to Nurture.



DTC: Omnichannel Strategy

- All tech stack contracts have been renegotiated with savings achieved across the brands. Given the growing importance of first party data, the Skinny Tan database engagement grew from 32% to 81% post the cleansing of the database, which reduced from 340k to 180k.
- Focus for the Skinny Tan D2C site has been on profitability and to align pricing and promotions across all channels. Strategy is to shift spend from D2C conversion to omnichannel awareness and conversion.
- Our strategy for Super Facialist DTC is for the site and database to grow organically on the back of increased traffic through wider omnichannel awareness campaigns, rather than aggressive conversion investment. The site is steadily growing month on month, and we have further improved profitability by moving to a more cost effective 3PL.
- June 2024 launched The Solution D2C site, which is integral to building awareness and trial of the new Menopause range. Traffic and database growth programmes will build slowly.





Sustainability

brandarchitekts

Environmental Responsibility

- 99% of our single products are fully recyclable or reusable. 60% of our plastic packaging includes post recycled materials, with this figure reaching 90% for all tubes.
- 100% of our UK-sourced cartons have Forest Stewardship Council (FSC) certification, reflecting our commitment to work in an environmentally responsible manner whenever possible.
- We have also started using Prevented Ocean Plastic™ (recycled plastic collected from coastal areas at risk of plastic pollution) in some of our key brands such as Super Facialist, Dirty Works and Fish to actively prevent ocean plastic and further support sustainable initiatives.

	PCR	FSC*	Recyclable
Fish	100%	100%	100%
The Solution	100%	100%	100%
MR	100%	100%	100%
Super Facialist	72%	96%	91%
Dirty Works	57%	NA	73%
Skinny Tan**	43%	20%	100%



* for boxed products

** accessories & aerosols removed



Outlook

brandarchitekts

Outlook

- Immediate priorities are launching an extensive new product development pipeline planned for H2 and the repositioning of Skinny Tan as Skin & Tan.
- Drive brand awareness on Super Facialist and Skinny Tan, with an expected year-on-year increase in digital awareness and customer acquisition campaigns – with targeted investment in Tik Tok and Influencer marketing.
- Expectation to deliver revenue growth through an improvement in consumer awareness, product productivity, NPD pipeline and through international expansion.
- Focus on brand contribution and further release of working capital tied up in harvest brands or discontinued products.
- We remain confident that the foundations we are building will enable us to return to profitability and achieve our medium and long-term goals.





Appendix

brandarchitekts

Appendix - Group P&L

£m	FY24 Year End			FY23 Year End		
	<i>Brands</i>	<i>Central Costs</i>	TOTAL	<i>Brands</i>	<i>Central Costs</i>	TOTAL
Revenue	17.0		17.0	20.1		20.1
Cost of Sales	(10.0)		(10.0)	(12.1)		(12.1)
Underlying Gross Profit	7.0		7.0	8.0		8.0
	41%		41%	40%		40%
Commercial & administrative costs	(6.7)	(0.7)	(7.4)	(8.0)	(1.1)	(9.1)
Underlying Operating Profit	0.3	(0.7)	(0.4)	0.0	(1.1)	(1.1)
Impairment of intangible assets					(3.5)	(3.5)
Amortisation		(1.0)	(1.0)		(1.1)	(1.1)
Exceptional items	1.9	(2.1)	(0.2)	(0.4)	(0.6)	(1.1)
OPERATING PROFIT	2.2	(3.8)	(1.6)	(0.4)	(6.3)	(6.8)
Finance Income	0.0	0.2	0.2		0.1	0.1
Finance Costs	0.0	(0.1)	(0.1)	0.0	(0.1)	(0.1)
PROFIT BEFORE TAXATION	2.2	(3.7)	(1.5)	(0.4)	(6.3)	(6.8)

Appendix – Group Balance Sheet

£m	FY24 Year End	FY23 Year End
Tangible fixed assets	0.0	0.0
Intangible fixed assets	13.4	14.5
Deferred tax assets		0.5
Total non-current assets	13.4	15.0
Inventories	4.7	6.1
Trade & other receivables	4.8	4.8
Cash and cash equivalents	7.0	8.2
Total current assets	16.5	19.1
Trade & other payables	3.3	4.7
Total current liabilities	3.3	4.7
Pension obligations	0.0	1.6
Deferred tax liabilities	2.0	2.2
Total non-current liabilities	2.0	3.8
NET ASSETS	24.7	25.6
Share capital	1.4	1.4
Share Premium	12.0	18.6
Other reserves	6.6	
Re-measurement of pension liability	(1.2)	(2.2)
Retained earnings	5.9	7.6
Subtotal equity	24.7	25.4
Non-controlling interest		0.2
TOTAL EQUITY	24.7	25.6

Appendix – Group Cash Flow

£m

	FY24 Year End	FY23 Year End
Cash and cash equivalents at beginning of period	8.2	11.3
Profit excluding depreciation, amortisation and net finance cost	(0.4)	(2.3)
Decrease / (increase) in inventories	1.4	1.3
Net increase / (decrease) in trade & other payables	(1.5)	(2.1)
Net (increase) / decrease in trade & other receivables	(0.0)	0.3
Purchase of fixed assets	(0.1)	(0.1)
Purchase of subsidiary	(0.5)	-
Net finance expenses paid	0.2	0.1
Taxation refunded / (paid)	-	0.0
Contributions to defined benefit pension plan	(0.3)	(0.3)
Increase / (decrease) in cash and cash equivalents	(1.2)	(3.1)
Cash and cash equivalents at end of period	7.0	8.2