

Superdry plc (SDRY)

Superdry plc: Superdry brand to accelerate growth in India with new IP Joint Venture

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## **Superdry Plc**

**(“Superdry” or the “Company”)**

4th October 2023

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF REGULATION (EU) NO. 596/2014, WHICH FORMS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018.

### **Superdry brand to accelerate growth in India with new IP Joint Venture**

Superdry plc is pleased to announce that it has signed an IP joint venture agreement with Reliance Brands Holding UK Ltd (“RBUK”), and agreements for the sale of Superdry’s intellectual property assets, including the SUPERDRY brand and related trademarks (together, the “South Asian IP”) in India, Sri Lanka, and Bangladesh (the “Territories”) to the joint venture vehicle (together, the “Transaction”). RBUK and Superdry will own 76% and 24% of the joint venture vehicle respectively.

RBUK is held by Reliance Retail Ventures Limited (“RRVL”) through its subsidiary Reliance Brands Limited (“RBL”), Superdry’s exclusive franchise partner in India since 2012.

The consideration for the sale of the South Asian IP is £40.0 million, which is estimated to result in Superdry receiving gross cash proceeds of £30.4 million (approx. £28.3 million net of fees and taxes).

Following the Transaction, RBL will continue to oversee brand operations in the Territories, continuing to build upon their great working partnership with Superdry.

RBL is the premium retail arm of RRVL. RRVL, operates over 18,000 stores across India over 50 different luxury fashion brands with a presence in 7,000 towns and a total shopping area of more than 65 million square feet.

Since partnering with RBL in 2012, the Superdry brand has expanded rapidly in India. Considering the backdrop of a growing Indian economy, a growing population of affluent shoppers, and ever-increasing apparel consumption rates, the Superdry brand in the market has attractive potential. As the leading fashion retail operator in India, RBUK is best placed, through a majority IP ownership stake, to maximise the opportunity.

### **Nature of the transaction**

The Transaction constitutes the permanent transfer of all Superdry's brand IP assets in the Territories to a new JV entity. Superdry will invest £9.6 million in the joint venture entity, which shall be set off against the £40.0 million consideration receivable by Superdry.

The agreements include provisions to support long-term collaboration between the parties, including terms relating to the use of new designs. They include covenants that are customary in IP 'co-existence' arrangements, as well as customary provisions relating to maintenance and enforcement of IP rights.

In addition, the agreements grant Superdry a perpetual, irrevocable, and sub-licensable licence to enable it to continue manufacturing (or engaging third parties to manufacture) goods in the Territories. Reliance will continue to be supplied finished goods by Superdry, sold at standardised commercial terms.

The Transaction, which has been approved by the Superdry board, is conditional (among other things) upon:

- a. approval being obtained from Superdry's shareholders;
- b. approval being obtained from Superdry's lenders;

(collectively, the "Conditions Precedent").

Subject to the Conditions Precedent having been satisfied within 3 months following the date of the agreements (subject to extension in limited circumstances), the Transaction will take place within ten business day following satisfaction of the Conditions Precedent.

## **Background to and reasons for the Transaction**

Superdry believes that the partnership with Reliance will provide the best opportunities for the future growth of the Superdry brand in Territories, allowing the Company to focus on growing its brand and increasing sales in its more established territories, where it has strongest expertise.

For the financial year to 30 April 2023, the South Asian IP generated approximately 1.8% of total Group sales and contributed revenue of £11.0 million and profit before tax of approximately £2.6 million, including centralised costs allocation. The carrying value of the gross assets that are included in the Transaction is £nil.

## **Application of the Sale proceeds**

Following satisfaction of the Conditions Precedent, and on or before the completion of the Transaction, Superdry expects to receive total proceeds of approximately £28.3 million net of transaction costs and taxation. The net proceeds from the Transaction will be used to increase the strength of the Company's balance sheet, boost liquidity, and fund its ongoing working capital requirements as part of the Turnaround Plan.

## **Class 1 Transaction**

The Transaction constitutes a Class 1 transaction for Superdry under the Financial Conduct Authority's Listing Rules. Completion of the Transaction is therefore conditional, among other things, on the approval of Superdry's shareholders. Superdry intends to send a circular to its shareholders and convene a general meeting for the purpose of seeking the required approval, as soon as reasonably possible and will make a further announcement when it does so. More details of the Transaction will be set out in the circular that will be sent to shareholders in due course.

Liberum Capital Limited is acting as Sponsor to Superdry in connection with the transaction.



The person responsible for arranging this announcement on behalf of Superdry Plc is Shaun Wills, Chief Financial Officer.

## **Important Notices**

Liberum Capital Limited (the “Sponsor”) is authorised and regulated in the United Kingdom by the Financial Conduct Authority. The Sponsor is acting exclusively for Superdry as sponsor and for no one else in connection with the Transaction and will not be responsible to anyone other than Superdry for providing the protections afforded to the respective clients of the Sponsor or for providing advice in relation to the Transaction, the contents of this announcement or any transaction, arrangement or other matter referred to in this announcement.

This announcement has been issued by, and is the sole responsibility of, Superdry Plc. Neither the Sponsor nor any of its affiliates accepts any responsibility whatsoever for the contents of this announcement, including its accuracy, completeness and verification or for any other statement made or purported to be made by it or on its behalf in connection with the Company or the Transaction. No representation or warranty, express or implied, is made by the Sponsor as to the accuracy, completeness or verification of the information set forth in this announcement and nothing in this announcement is or shall be relied upon as a promise or representation in this respect, whether as to the past or the future. Accordingly, save for the responsibility of the Sponsor under the Financial Services and Markets Act 2000 (as amended), the Sponsor and its affiliates disclaim, to the fullest extent permitted by applicable law, all and any liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this announcement or any such statement.

No statement in this announcement is intended to be a profit forecast or estimate for any period.

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