

Monday 23 April,

**Supreme Limited**  
**Intention to Float**

RNS Number : 7011L  
Supreme Limited  
23 April 2018

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23 April 2018

**Supreme Limited**

to be registered as a public company and renamed

**Supreme plc**

**("Supreme," the "Company" or the "Group")**

**Intention to Float**

**and**

**Proposed Admission to trading on AIM**

Supreme, a leading manufacturer and supplier of branded and licensed consumer products, announces its intention to seek admission of its Shares to trading on the AIM market of the London Stock Exchange, which is expected to take place in May 2018.

The Group operates three primary divisions: Batteries, Lighting and Vaping, supplying its products to the discount retail, wholesale, independent retail, supermarkets and export sectors with over 3,600 active customer accounts, and long established relationships with well-known global brands.

## **Key strengths**

- **An established manufacturer and supplier of scale**

- One of the largest branded consumer battery distributors in the UK (sold c. 200 million batteries in the year ended 31 March 2017)
- International licensing agreements in place for lighting products (sold c. 35 million lighting products in the year ended 31 March 2017)
- The Directors believe Supreme is also one of the largest producers of vaping e-liquids in the UK by volume (manufactured an average of over 130,000 bottles of vaping e-liquid per working day at its clean room manufacturing facility in Manchester in March 2018 and sold c. 690, 000 hardware kits and c. 4 million items of vaping hardware in the calendar year 2017)

- **A product mix with high repeat and non-discretionary customers**

- Supreme's batteries, lighting and, for vapers, vaping products are consumer staples
- Batteries and lighting sales are characterised by repeat buys
- Complementary products drive higher utilisation and cross-sell opportunity

- **Attractive financial profile and consistent record of delivering growth**

- Revenues increased to £70.7 million in the year ended 31 March 2017, with a CAGR of 29 per cent. between 2015 and 2017
- EBIT for the year increased to £7.2 million, with a CAGR of 82 per cent. between 2015 and 2017

- **Long-term entrenched supplier relationships**

- Widespread and long-lasting relationships with Duracell, Panasonic, Eveready, Energizer, and JCB
- Distributor and licensing model firmly established in lighting and battery markets
- Depth and breadth of products satisfies customers' requirements

- **Strong relationships with a diversified and extensive customer base**

- Growing customer base of over 3,600 accounts, with over 12,500 retail points
- Customers include discount retailers such as B&M, Home Bargains, Poundland, Wilkinsons, Iceland, Poundstretcher and Heron Foods; nationwide retailers such as ASDA and Halfords; and wholesalers and independent retailers such as Booker, Bestway, Costcutter and Nisa
- Largest single customer represents just 16 per cent. of total revenue

- **Well positioned in vaping market**

- Established vaping brands including 88vape and KiK
- Advertising restrictions introduced in 2016 have created higher barriers to entry
- Ownership of UK based e-liquid manufacturing facility is a differentiator, particularly attractive to third party manufacturing

- **Well placed to capitalise on key growth opportunities**

- Battery and lighting divisions provide a stable cash generative platform
- Opportunity to broaden customer base in the UK and internationally
- Strong track record of growth in vaping with significant potential for future growth
- Opportunity to expand into new verticals such as sports nutrition and leverage existing distribution and customer relationships

**Sandy Chadha, Chief Executive Officer of Supreme, commented:**

*"Over the last two decades we have established Supreme as a leading manufacturer and distributor of batteries and lighting, and more recently vaping, demonstrating our ability to leverage our extensive distributor and customer relationships to drive growth. With a track-record of growing revenues, achieving long-term profitability and strong cash generation, we remain well-placed to build upon this.*

*"We are excited about our potential flotation on AIM, which I believe will provide a platform from which to execute on our growth ambitions and realise the next stage of our development."*

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