

Group eyes £1bn valuation, new acquisitions and creating hundreds of jobs after IPO 'put it on the map'

A fast-growing manufacturing and retail group is eyeing up new acquisitions, creating hundreds of jobs and being valued at £1bn within the next five years after its IPO "put it on the map", the firm's CEO has said.

Supreme plc's Sandy Chadha [said floating on the London Stock Exchange's AIM in February 2021](#) was a game changer for the Manchester company which can trace its roots back to his father more than 40 years ago.

Becoming a public company raised £67.5m and also saw Mr Chadha retain overall control by keeping back 56.8% of the shares for himself.

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Starting out from a mobile van selling toys and watches at seaside resorts, Supreme now manufactures and imports vaping products, batteries, lighting, wellness and sports nutrition products and sells its wares in the likes of B&M, Poundland, Home Bargains and The Range.

As well as its own products – including 88Vape – Supreme acts as a distributor for brands such as Duracell, Energizer and Panasonic.

At the time, the IPO valued the company at around £156m but the CEO said he has a clear vision of where he wants his business to be in the next few years and the importance of

floating has had on his plans.

“To be completely honest, I think the public markets will allow the business to grow a lot faster because of the access to new funding”, he said.

“We have a whole pipeline of potential acquisitions that we are looking at and we can raise money for that by being a public company.

“We can raise money for pretty much anything as long as our business is performing.

“After becoming a public company we have started to be on the map a bit more and are getting some really good hires coming in.

“By me still owning the majority of the business I still feel in control even though about 40% of it is owned by third party shareholders.

“Owning 100% or 60% of the business, I don't think makes much difference in terms of decision making as a CEO.

“Obviously we have a board and corporate governance now but we should have had that in the first place.

“That's the right thing to do, even if the company was private.

“We have rewarded over 130 employees of the 200 we have with share options so they have all benefited from the float.

“At the time of the float, about £2m went to 20 other staff members so that was another way of saying thank you for their work.”



Supreme plc is headquartered in Manchester
(Image: Supreme plc)

Supreme's finances have also given the CEO cause for celebration after it reported [in December 2021](#) an overall revenue of £61m for the six months to the end of September, up from the £56.3m it achieved during the same period in 2020. The company's pre-tax profits also rose from £6.7m to £8.4m.

Mr Chadha added: "Our products are the most profitable, and probably the most important per square foot in any retail store.

"There is a really strong reason as to why we are growing at the rate we are because our products are in really high demand and 65% of our profits come from the products that we make in Manchester."

On how the company's finances have been able to withstand the impact of the pandemic, he added: "The diversity in our

product portfolio is one of the secrets of our success.

“When there were all the shipping problems last year, we were not affected badly but our rivals were.

“When there are problems in some parts of our business, the other divisions will be able to take up the strain.

“Having a wide range of products means that when there is a macro factor affecting the economy, you do get affected but because we are so well hedged in so many different areas, only part of the business is hit instead of all of it.”

When GS Chadha retired, his son took over having spent the previous decade as the firm’s managing director.

He has overseen a total transformation of the company, including its expansion into vaping products, a move which wasn’t altogether straight forward.

“When we launched 88Vape we went to all of the discounters, because we positioned it as a discount product, none of them bought it, none of them wanted it”, he said.

“We decided that the best way to get to market was to put the product in a free standing unit and gave about £40,000 worth to Poundland completely free.

“We just asked them to put it into their stores and just tell us how it sells.

“They reluctantly took it as it was an unbelievable offer and three days later we got a phone call and they said that all the stands were empty and how quickly could they get more.

“Poundland now represents a really good chunk of the business. They are probably our third or fourth biggest customer.

“We have helped, roughly, one million people off smoking through them buying our products.”

Another recent expansion for the company is into the growing nutrition and wellness sector.

In doing so, Supreme has come up against competitors such as Holland & Barrett as well as Manchester-headquartered THG.

Mr Chadha said: “We expanded into this sector about three years ago and we achieved £6m in the first seven months.

“Vitamins are something that we manufacture in Manchester. It’s not very labour intensive, it’s all machinery.

“You can manufacture them at a very low cost. What we found is that in the industry, there are a lot of premium brands charging ridiculous premium prices and we thought we could be quite disruptive in this area.

“Our £5 for a year’s supply offer is delivered in a paper pouch, so it’s not a plastic tub every month.

“Why should someone who is going to take vitamins regularly keep on going every month to buy plastic tubs or packaging?

“We have halved the cost just by replacing the packaging.”

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