

In The Style agrees £1.2m sale to private equity firm to avoid administration

In The Style has agreed to sell itself to a private equity firm for £1.2m in a bid to avoid administration.

The Salford-based company is to dispose of its only operating company, In The Style Fashion, to Baaj Capital LLP.

The offer includes a condition that founder Adam Frisby takes a stake in ITS Holdings 2023 Limited (Bidco), a newly-established company formed for the purposes of the sale and to also become chief executive of ITSFL on completion.

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In The Style said that during the process, which was led by Lincoln International, it “had positive engagement” with several potentially interested parties but that some made proposals that were “not deemed by the board to be deliverable on an acceptable timescale”. It added that none of the proposals involved an offer for the whole company.

The strategic review was [kicked off in December](#) at the same time as Mr Frisby returned as interim chief executive, replacing Sam Perkins.

At the time, the company said “the outcome of the strategic review may or may not result in a sale of the company or some or all of the group’s business and assets”.

In a statement to the London Stock Exchange, In The Style said: “Considering, amongst other factors, the comprehensive review of options undertaken as part of the strategic review, the company’s near-term trading environment, its current

liquidity position and Baaj's scale and extensive sector expertise, the directors other than Adam Frisby have unanimously concluded that it is in the best interests of the company, its shareholders and other stakeholders to sell ITSFL to Bidco.



In The Style launched its first collaboration with Stacey Solomon in April 2021

(Image: In The Style)

Chairman Jim Sharp said: "Following a thorough review of different strategic options with our advisers and interactions with numerous parties, the independent directors have unanimously concluded that it is in the best interests of the company, its shareholders and its stakeholders to sell In The Style Fashion Limited to Bidco.

"The independent directors therefore believe that under the new ownership structure – with Adam's continued leadership and

Baaj's backing – the In The Style brand can continue to build on its potential whilst protecting the interests of the group's employees, suppliers and other stakeholders.”

Non-executive directors Nancy Cruickshank, Adam Bellamy and Matthew Scaife will also step down from the board on completion.

The company is also proposing to change its name to Itsum plc on completion to avoid any confusion with the In The Style brand and to reflect it becoming a cash shell.

On its current trading, In The Style said: “The trading environment through January and February remained challenging as was anticipated following the Christmas period, reflecting cost-of-living pressures on our customers, high levels of markdown and a reduction in wholesale demand.

“The company's cash position at 31 December 2022 and 28 February 2023 was £3.2 million and £900,000 respectively.

“At both dates, the invoice discounting facility of £400,000 remained undrawn.

“As a result of this expected reducing cash balance and the expectation that the trading environment will remain challenging in the near term, the board is of the opinion that, in the absence of raising further funds or completion, there would be no alternative other than the company and ITSFL to enter into administration or some other form of insolvency procedure in due course.”



In The Style floated on AIM in 2021

(Image: In The Style)

The news comes after [Mr Frisby won his High Court battle](#) against a rival who claimed he stole his business idea.

The founder was sued by businessman Paul Clements who had claimed the name and concept of the Salford company had come from him.

In The Style floated on the London Stock Exchange's AIM [in March 2021](#) with a market capitalisation of £105m.

In January [the business warned](#) it will lose more than previously expected during its current financial year.

The company revealed it was now forecasting its full-year adjusted EBITDA loss will be between £4.25m and £4.75m. It added it now also expected its revenue to be around £46m.

In the 12 months [to the end of March 2022](#), In the Style reported a revenue of £57.3m, up from £33.7m, and pre-tax

losses of £1.5m compared to a profit of £125,000 in the prior year.

In January In The Style said its revenue drop reflected “market-wide cost-of-living pressures on consumer demand, higher levels of markdowns and a reduction in wholesale demand”.

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