

Superdry shares jump as it seals £40m India joint venture

Superdry shares soared on Wednesday morning after the fashion business agreed a joint venture deal in order to spark growth in [India](#).

Shares soared by as much as 30% in early trading after it confirmed the deal with Indian retail giant Reliance Brands.

It said it would sell Superdry's South Asian intellectual property assets in a move valuing them at around £40 million.

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

Superdry said it will retain a 24% stake in the new joint venture, which will cover India, [Sri Lanka](#) and [Bangladesh](#).

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It will receive £30.4 million in cash as a result, with Reliance Brands UK taking the remaining 76% stake.

The company said it will lose just over £2 million to related fees and taxes.

Reliance Brands, whose parent firm runs more than 18,000 shops across India, has partnered with Superdry in the country to sell its products since 2012.

In a statement, Superdry said: "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, Reliance Brands UK is best placed, through a majority IP ownership stake, to maximise the opportunity."

It comes as bosses at Superdry have sought to bolster their finances in recent months in the face of weaker sales.

Superdry agreed to borrow more than £100 million from lenders over the past year and has implemented a turnaround plan to improve performance.

Last month, the business also reported a statutory pre-tax loss of £78.5 million in the year to the end of April, plunging from a £17.6 million profit.