

fashionette AG / Key word(s): Quarterly / Interim Statement/9 Month figures

fashionette AG reports strong sales growth of +21.6% and positive operating cash flow of EUR 1.1 million in third quarter of 2022

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- Net revenue in third quarter of 2022 rises by +21.6% to EUR 38.6 million
- Net revenue for the first nine months of 2022 increases by +38.9% to EUR 112.0 million and thus exceeds the EUR 100 million mark for the first time in the company's history – corresponds to pro forma revenue growth of +15.4%
- Strong operating cash flow of EUR 1.1 million in the third quarter compared to EUR -6.0 million in the same quarter of the previous year
- Outlook for 2022: expected net revenue of EUR 165 million to EUR 175 million corresponds to +23% to +31% year-on-year growth on a consolidated basis and +7% to +13% year-on-year growth on a pro forma basis; expected adjusted EBITDA of EUR 1 million to EUR 4 million

Dusseldorf, 15 November 2022. fashionette AG ([ISIN DE000A2QEFA1](#) / [WKN A2QEFA](#)), a leading European data-driven e-commerce group for premium and luxury fashion accessories, achieved significant growth in net revenue in the third quarter of 2022 despite a challenging economic environment.

In the third quarter of 2022, **net revenue** increased by +21.6% to EUR 38.6 million compared to the same quarter of the previous year (Q3 2021: EUR 31.8 million).

In the first nine months of 2022, **net revenue** on a consolidated basis increased by +38.9% to EUR 112.0 million (9M 2021: EUR 80.7 million) compared to the same period of the previous year. Including Brandfield in the nine-month period of the previous year, net revenue rose by 15.4% (on a pro forma basis).

Adjusted earnings before interest, taxes, depreciation and amortization (adjusted EBITDA), mainly adjusted for one-time consulting costs, expenses not attributable to operating activities and write-downs of disclosed hidden reserves in inventories, amounted to EUR -0.5 million in the third quarter of 2022 (Q3 2021: EUR -0.1 million). **Adjusted EBITDA** for the first nine months of 2022 decreased to EUR 0.0 million (9M 2021: EUR 0.4 million), mainly due to external macroeconomic influences, especially increased inflation and the Ukraine crisis.

Strong **operating cash flow** of EUR 1.1 million was generated in the third quarter of 2022, thanks to working capital optimizations (Q3 2021: EUR -6.6 million). **Operating cash flow** in the first nine months of 2022 improved to EUR -6.0 million (9M 2021: EUR -15.6 million), mainly due to the build-up of working capital.

The Group's freely available **liquidity** at the end of September 2022 amounted to EUR 9.5 million (end of September 2021: EUR 8.8 million) and **inventories** to EUR 46.2 million (end of September 2021: EUR 45.5 million).

The number of **new customers** rose by 40.7 thousand to 520.7 thousand in the first nine months of 2022 (9M 2021: 480.0 thousand on a pro forma basis). The number of **active customers** increased by around 16% to 1.06 million over the year.

Outlook for 2022:

After customer demand in the current fourth quarter of 2022 has fallen short of the original expectations due to restrained consumer behavior, as already reported, the Management Board now expects net revenue of EUR 165 million to EUR 175 million for fiscal year 2022 (previously: EUR 180 million to EUR 187 million), corresponding to growth of approx. +7% to +13% on a pro forma basis (previously: 16% to 21%) or of approx. +23% to +31% on a consolidated basis (previously: 34% to 40%), and adjusted EBITDA of EUR 1 million to EUR 4 million (previously: EUR 5 million to EUR 7.5 million).

Georg Hesse, CEO of fashionette AG:

“We are very proud that we were able to grow organically by more than 21% in the third quarter, despite the challenging consumer environment, and at the same time generate positive operating cash flow. This proves that, especially in times of increasing uncertainty among customers, the fundamental trend towards online shopping for premium and luxury fashion accessories continues. However, customer demand at the beginning of the fourth quarter remained below our initial expectations. At the same time, the oversupply of goods by some competitors in the current year-end business is leading to unusually high discounts, which are currently having a negative impact on our gross margin. Due to the already difficult macroeconomic environment, we therefore adjusted our forecast for the full year 2022 last week. In the months to come, the focus will now be on strengthening our resilience and maintaining a high level of cost discipline. In addition, we will further optimize the level of our inventory. Our stable liquidity situation gives us the security and the necessary scope to nevertheless continue to drive our long-term growth initiatives, by strengthening our premium private labels, for example. We expect a turnaround in the gross margin next year.”

NON-FINANCIAL PERFORMANCE INDICATORS (UNAUDITED)

	9M 2022	9M 2021	Δ	Q3 2022	Q3 2021	Δ
		Pro-forma				
Number of orders (in thousands)	1,022	902	13.3%	355	283	25.5%
Average shopping cart (in EUR)	182	179	1.7%	181	179	0.9%
Active customers (in thousands, LTM)	1,060	917	15.6%	1,060	917	15.6%
New customers (in thousands)	521	480	8.5%	186	147	26.8%

FINANCIAL PERFORMANCE INDICATORS (UNAUDITED)

CONDENSED EARNINGS POSITION

in EUR k	9M 2022	9M 2021 Pro- forma	Δ	Q3 2022	Q3 2021	Δ
Net revenue	112,024	80,654	38.9	38,626	31,761	21.6
Cost of materials / Cost of merchandise purchased	68,252	50,051	36.4%	23,884	19,532	22.3%
Gross profit	43,772	30,603	43.0%	14,742	12,228	20.6%
Gross profit margin	39.1%	37.9%	1.1 PP	38.2%	38.5%	-0.3 PP
Selling expenses	14,634	10,606	38.0%	5,060	4,534	11.6%
Marketing expenses	17,109	11,561	48.0%	5,860	4,748	23.4%
Personnel expenses	9,568	7,046	35.8%	3,187	2,801	13.8%
Other operating expenses	5,115	3,842	33.1%	1,696	2,096	-19.1%
Other operating income	777	768	1.2%	241	186	29.8%
Reported EBITDA	-1,877	-1,685	-11.4%	-820	-1,765	53.6%
Reported EBITDA margin	-1.7 %	-2.1%	0.4 PP	-2.1%	-5.6	3.4 PP
Adjusted EBITDA	-17	393	> -100%	-508	-86	> -100%
Adjusted EBITDA margin	0.0%	0.5%	-0.5 PP	-1.3%	-0.3%	-1.0 PP

CONDENSED FINANCIAL POSITION

in EUR k	Sep 22	Sep 21	Δ
Non-current assets	21,697	23,056	-5.9%
Current assets	67,927	62,170	9.3%
TOTAL ASSETS	89,624	85,226	5.2%
Equity	46,946	48,788	-3.8%
Non-current liabilities	13,098	5,535	> +100%
Current liabilities	29,580	30,903	-4.3%
TOTAL LIABILITIES	89,624	85,226	5.2%

CONDENSED STATEMENT OF CASH FLOWS

(IN EUR K)	9M 2022	9M 2021	Δ	Q3 2022	Q3 2021	Δ
Cash flow from operating activities	-5,984	-15,628	61.7%	1,072	-6,536	< 100%
Cash flow from investing activities	-822	-17,775	95.4%	-250	-17,136	98.5%
Cash flow from financing activities	-3,102	-3,644	14.9%	-999	-2,883	65.4%
Cash and cash equivalents at the end of the period	-2,740	-5,221	47.5%	-2,740	-5,221	47.5%

WEBCAST

A conference call/webcast will be held in English today, Tuesday, November 15, 2022, at 10:00 a.m. (CET) for analysts, institutional investors and representatives of the press. Please send an email to ir@fashionette.com to register. A replay of the webcast will be available shortly at ir.fashionette.de.

Disclaimer:

This publication contains forward-looking statements. These statements are based on the current views, expectations and assumptions of fashionette AG's management and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied by such statements. Actual results, performance or events may differ materially from those described herein as a result of factors affecting the company, such as changes in general economic conditions and the competitive environment, capital market risks, foreign exchange rate fluctuations and competition from other companies, as well as changes in international and national laws and regulations, particularly with respect to tax laws and regulations. The company assumes no obligation to update forward-looking statements.

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Remark:

These figures are unaudited and comply with the IFRS standard. Adjusted EBITDA excludes extraordinary expenses and expenses for share-based payments. Rounding differences can occur.

Detailed financial information:

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About fashionette AG:

fashionette AG is a leading European data-driven e-commerce group for premium and luxury fashion accessories based in Düsseldorf, Germany. With its online platforms [fashionette.com](https://www.fashionette.com) and [brandfield.com](https://www.brandfield.com), the fashionette group offers not only inspiration, but a curated assortment of premium and luxury handbags, shoes, small leather goods, sunglasses, watches, jewelry and beauty products from more than 350 brands, including own brands. Reinforcing more than ten years of fashion accessory experience, fashionette AG developed a compelling proprietary IT and data platform using cutting-edge technology and artificial intelligence to make personalized online shopping of premium and luxury fashion accessories available to all women in Europe. For more information about fashionette AG, please visit corporate.fashionette.com or the online platforms www.fashionette.com and www.brandfield.com.

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