



fashionette<sup>®</sup> —  BRANDFIELD

**2022 Results Presentation (unaudited)**

April 28, 2023

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# AGENDA

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- 1 FASHIONETTE AT A GLANCE
- 2 UPDATE FY 2022
- 3 GUIDANCE & PRIORITIES FY 2023



# DOMINIK BENNER - NEW CEO

## EDUCATION

Studies in business administration at the University of St. Gallen, (B.A., M.A.), doctorate at the University of St. Gallen (Dr. oec. HSG), doctoral fellowship at Insead, Fontainebleau.

## PROFESSIONAL EXPERIENCE

- |             |   |
|-------------|---|
| Since 2023  | fashionette AG, Düsseldorf<br>Chairman of the Management Board, Chief Executive Officer   |
| Since 2013  | The Platform Group GmbH & Co. KG, Wiesbaden<br>Managing Director, Chief Executive Officer |
| 2011 - 2013 | Juwi AG, Wörrstadt<br>Managing Director of multiple holdings                              |
| 2008 - 2011 | Bilfinger Berger SE, Mannheim<br>Authorized Officer for housing administration            |



# FASHIONETTE AT A GLANCE

## FASHIONETTE

- European data-driven e-commerce group for luxury products

## BRANDS

- fashionette & Brandfield

## MARKETS

- DACH, BENELUX
- Europe, Other



## FINANCIAL INDICATORS

- Revenue 2022: EUR 165m
- > 350 brands
- 264 employees
- > 1m active customers
- ~ 1.5m orders
- EUR 174 average order value



## PRIORITIES 2023

- Reduce cost base
- Optimize product portfolio
- Rollout of platform model for fashion & connect a three-digit number of fashion retailers
- Improve profitability
- Expand international footprint

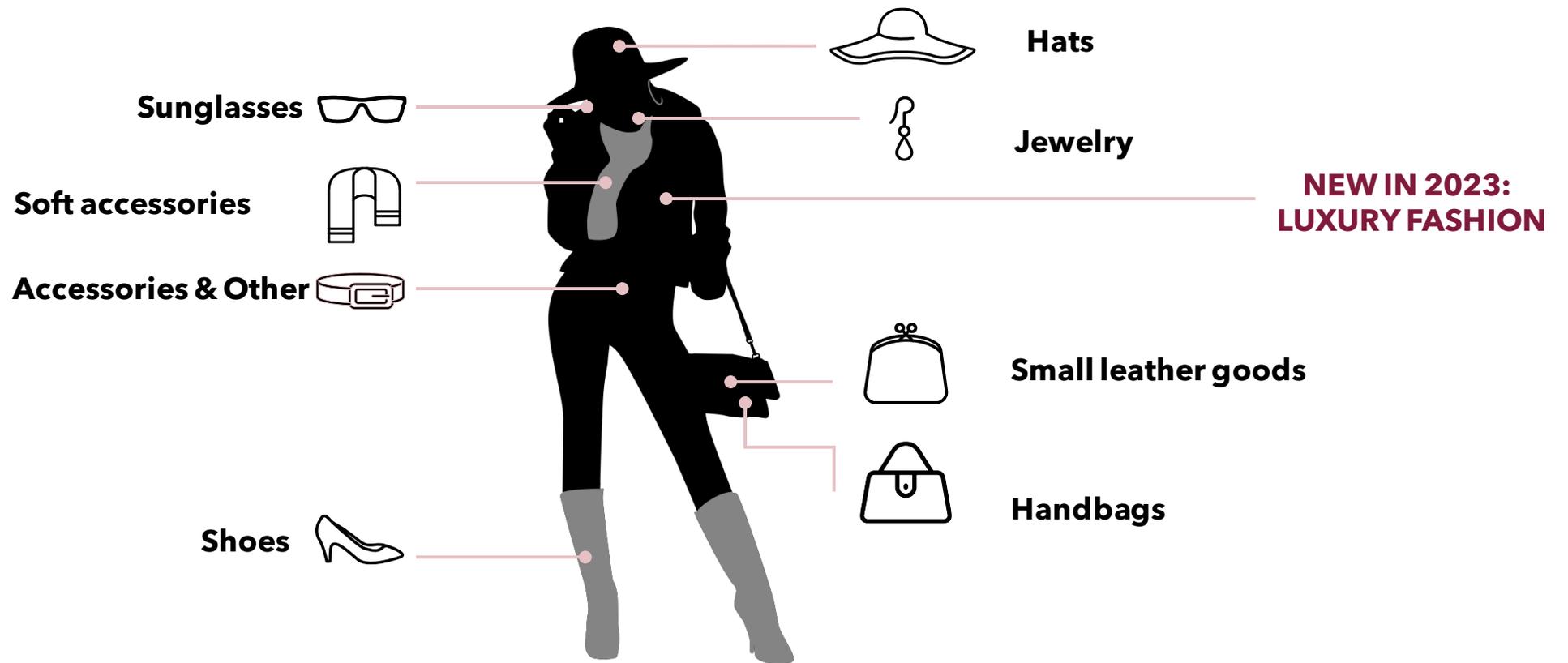


# OUR PORTFOLIO FOR LUXURY PRODUCTS IN 2022: HANDBAGS, SHOES AND ACCESSORIES



With our two platforms fashionette & Brandfield we have built up strong brand recognition and loyal customer base for luxury handbags, shoes and accessories.

# 2023: LEVERAGING OUR REACH TO LUXURY FASHION

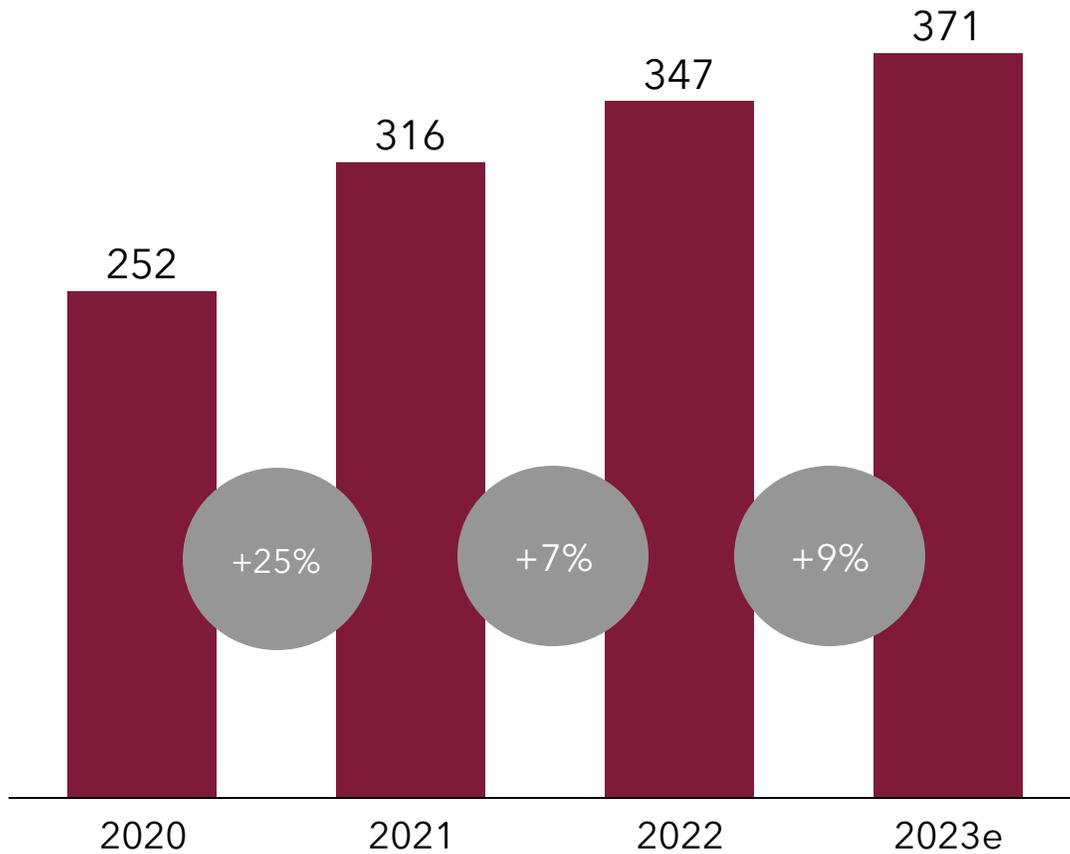


Expanding to luxury fashion as a natural step to increase our market potential, to accelerate growth and to strengthen profitability



## **FISCAL YEAR 2022: UPDATE**

# GROSS MERCHANDISE VALUE (GMV) IN EUR M: 2020 - 2023E

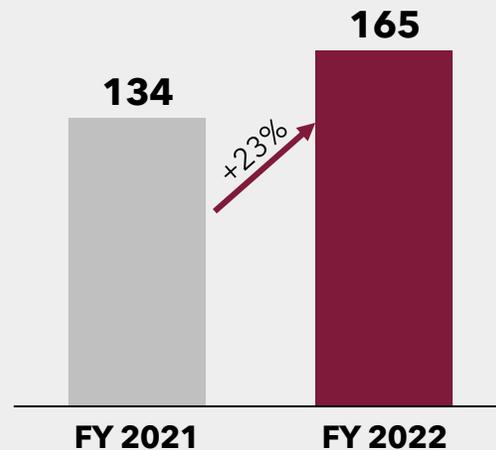


- GMV: Constant growth of the Group's GMV (pro-forma view)

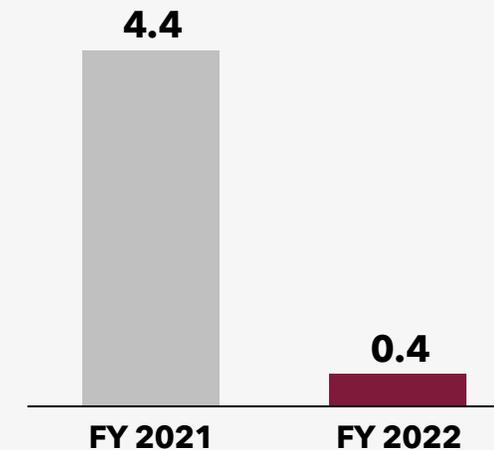
# SOLID NET REVENUE PERFORMANCE DRIVEN BY ROBUST DEMAND FOR LUXURY PRODUCTS IN A CHALLENGING ENVIRONMENT

UNAUDITED

## NET REVENUE IN EUR M



## ADJUSTED EBITDA IN EUR M



- Pro-forma revenue growth at +7.1% \*
- Solid demand for luxury accessories in 2022 but unfavorable pricing driven by macroeconomic headwinds, geopolitical tensions, inflation and dramatic surge in energy prices
- Increasing active customer base as well as growing number of orders

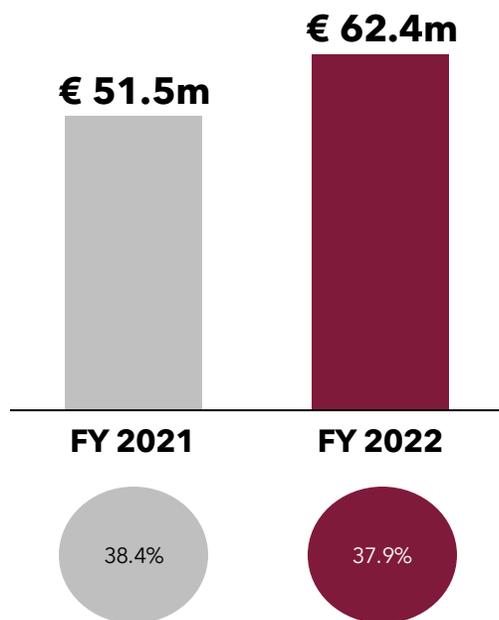
- Unfavorable pricing led to negative gross margin effects
- Overall cost base was too high in relation to net revenue

\* Brandfield has been consolidated 1<sup>st</sup> July 2021 for the first time. Hence, it is included for six months in the 2021 figures and for twelve months in the 2022 results. Due to consolidation effects (Brandfield), year-over-year comparison with limited significance.

# MUTED PROFITABILITY: DECLINING GROSS MARGIN AND UNFAVORABLE COST STRUCTURE IN FY2022

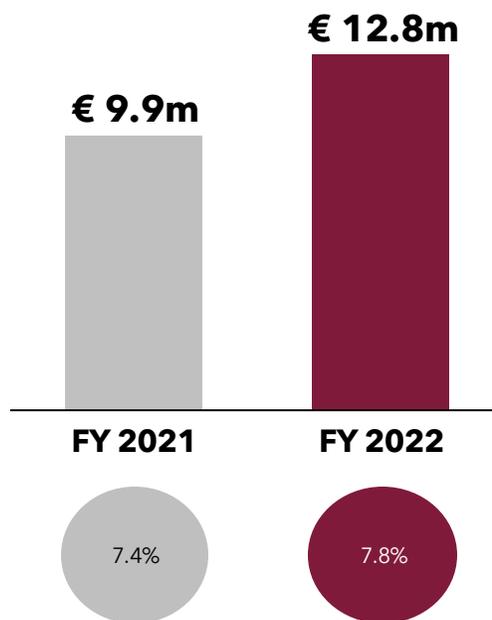
UNAUDITED

## GROSS PROFIT\*



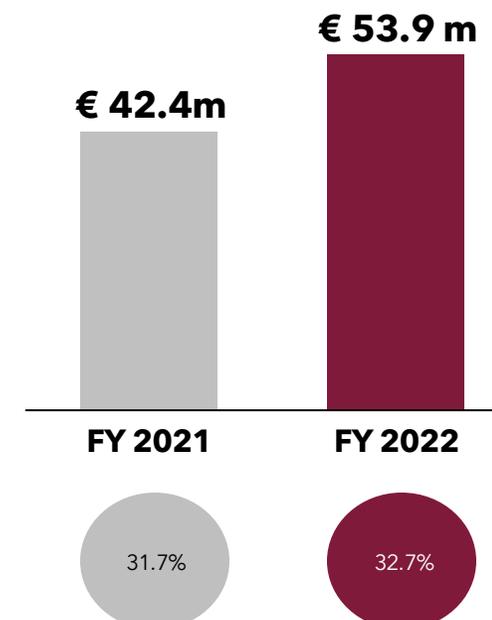
- Gross margin declined from 38.4% in FY 2021 to 37.9% in FY 2022

## PERSONNEL EXPENSES\*



- Personnel expense ratio increased by 40 bps to 7.8%
- Defined as personnel expenses divided by net revenue

## OTHER EXPENSES\*



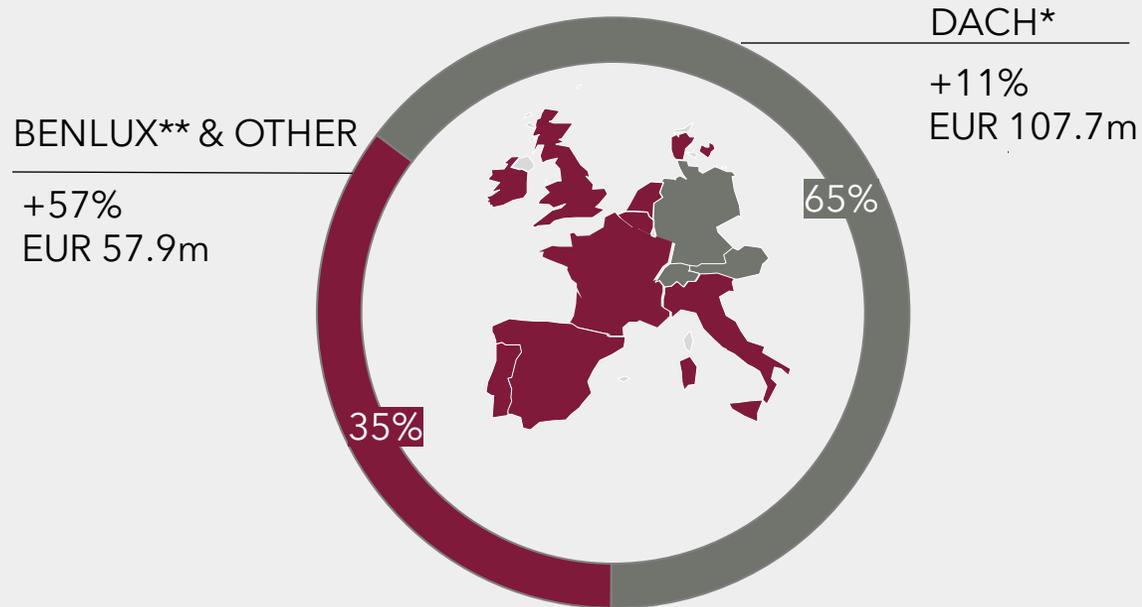
- Other expense ratio was up by 1PP to 32.7%
- Defined as other expenses divided by net revenue
- Other expenses include marketing and distribution costs

\* Due to consolidation effects (Brandfield), year-over-year comparison with limited significance.

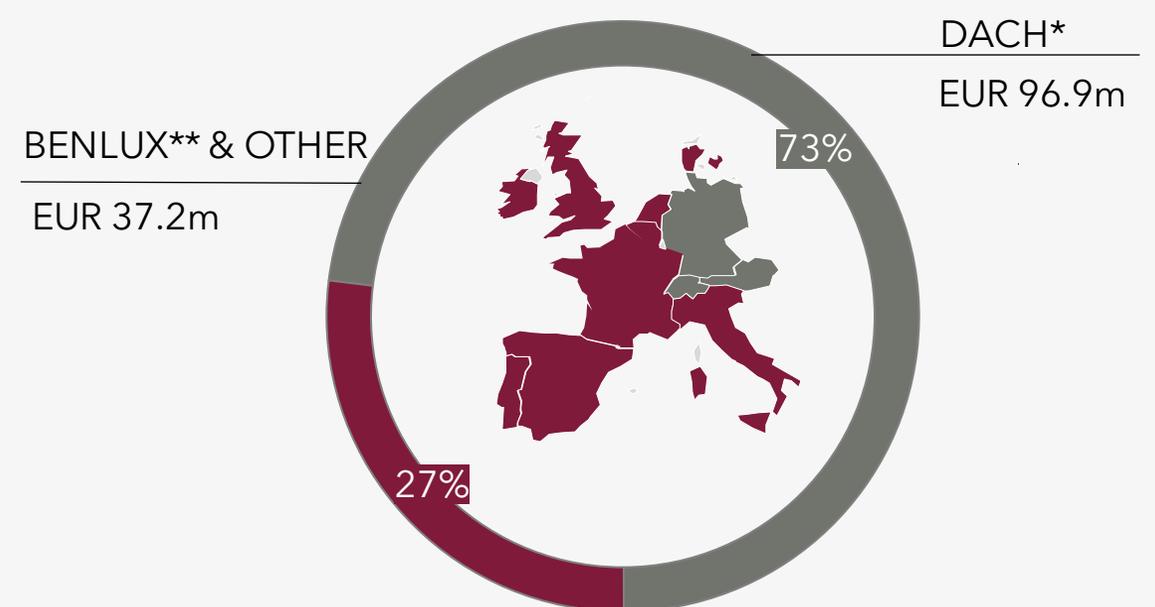
# BRANDFIELD CONSOLIDATION INCREASES REVENUE CONTRIBUTION FROM BENELUX

UNAUDITED

## REVENUE SPLIT BY REGION FY2022



## REVENUE SPLIT BY REGION FY2021



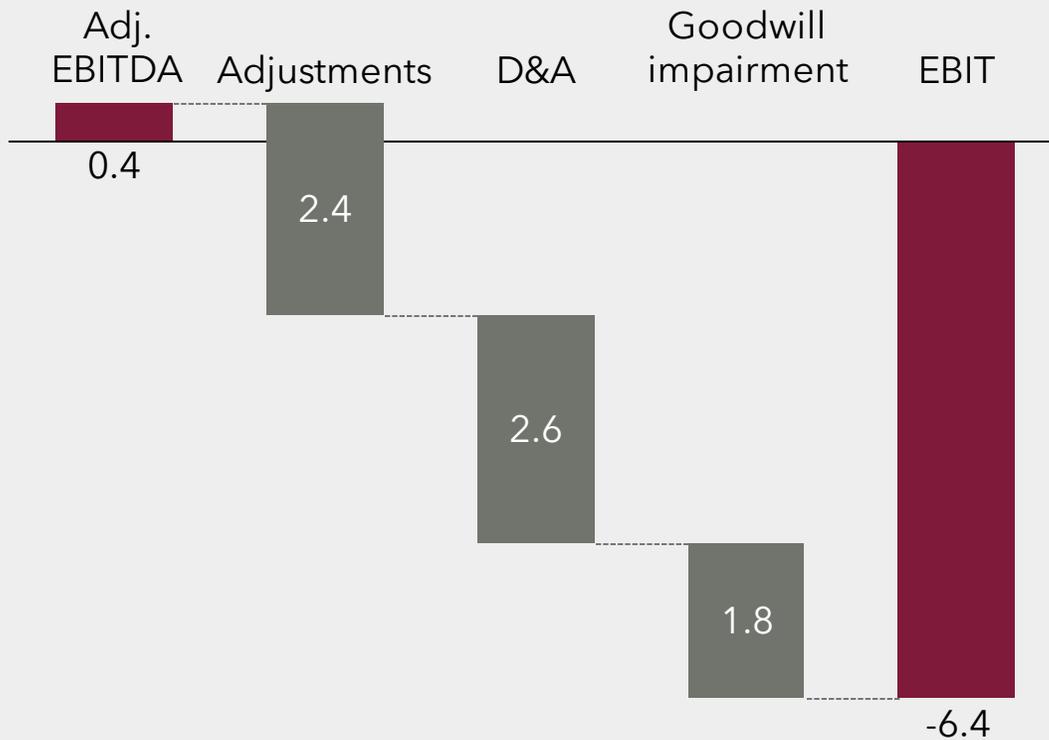
- Increasing revenue share of BENELUX & OTHER mainly driven by consolidation effects (Brandfield)

\* DACH: Germany, Austria, Switzerland. | \*\* Benelux: Belgium, Netherlands and Luxemburg.

# ADJ. EBITDA - EBIT BRIDGE

UNAUDITED

## ADJ. EBITDA - EBIT BRIDGE IN EUR M



- Adjustments for non-recurring consultancy expenses (EUR 0.8m), share-based compensation (EUR 0.5m), impairments on hidden reserves for inventories (EUR 0.7m)
- Impairment of Goodwill of Brandfield (EUR -1.8m)

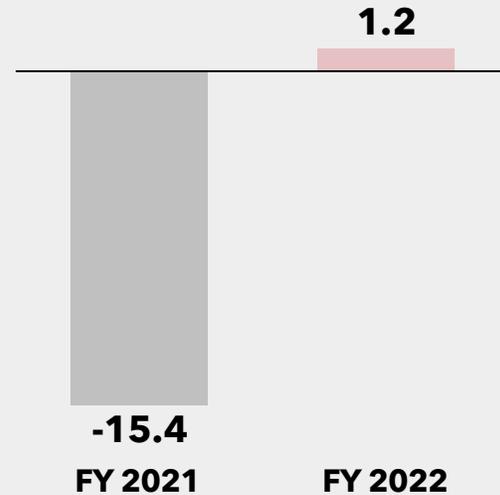
## EBIT - NET PROFIT BRIDGE IN EUR M



# IMPROVED WORKING CAPITAL LEADS TO POSITIVE FREE CASHFLOW GENERATION IN FY 2022

UNAUDITED

## FREE CASH FLOW IN EUR M



- Trade Working Capital reduced from EUR 38m in FY2021 to EUR 33.8m in FY2022, mainly driven by a reduction of inventory

### TOTAL ASSETS

EUR 87.7m

### EQUITY RATIO

51.9%

### NET DEBT

EUR 9.9m

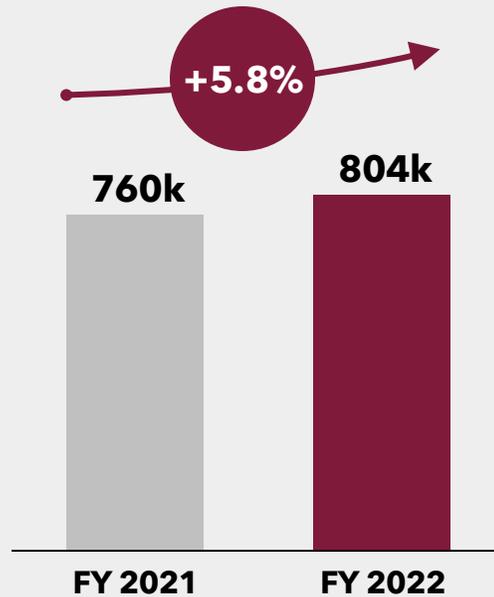
### CASH

EUR 3.8m

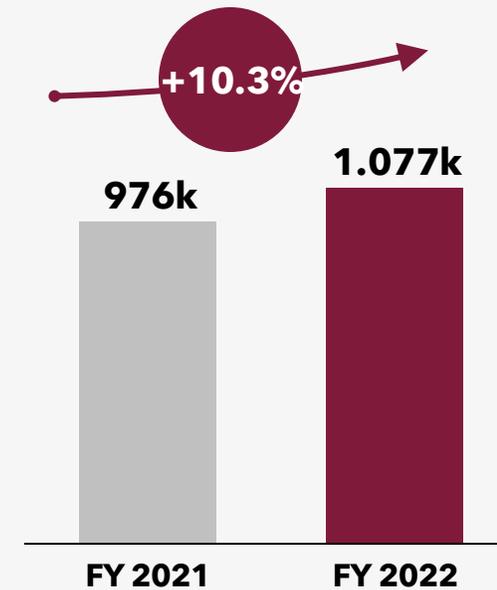
# EXCEEDING 1 MILLION ACTIVE CUSTOMERS IN 2022

PRO FORMA VIEW

## NEW CUSTOMERS



## ACTIVE CUSTOMERS



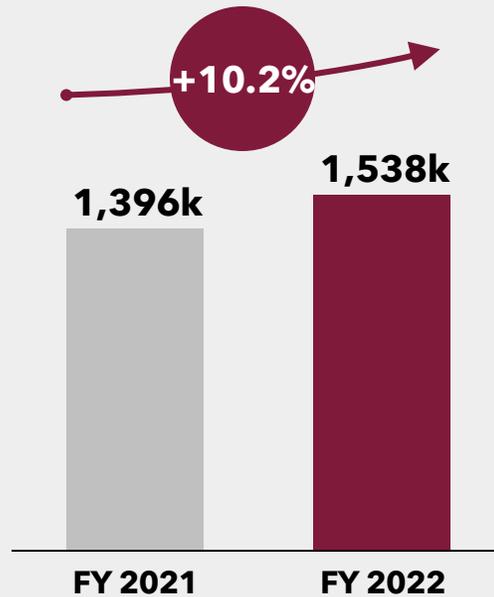
**Growing active customer base to > 1 million customers, supported by continuous customer acquisition throughout the year**

Pro Forma view: Including Brandfield from 1 January 2021 onwards

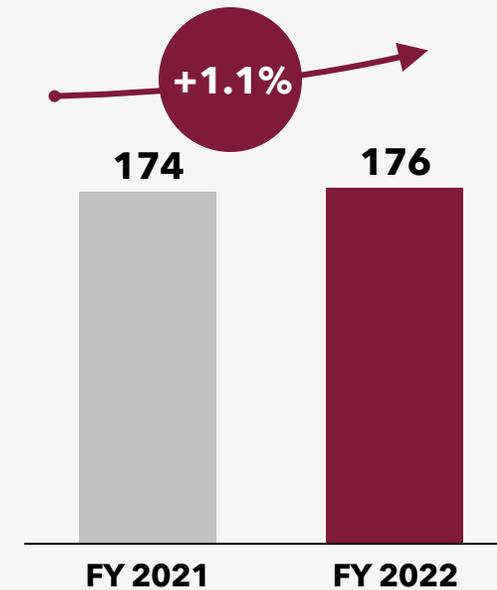
# ORDER GROWTH DRIVEN BY INCREASING ACTIVE CUSTOMER BASE

PRO FORMA VIEW

## NUMBER OF ORDERS



## AVERAGE ORDER VALUE IN EUR



**Growing number of orders along our customer growth. Average order value remains at a high level.**

Pro Forma view: Including Brandfield from 1 January 2021 onwards

**fashionette AG | FY 2022 - Investor presentation**

# SUMMARY FY 2022

## **Resilient business model:**

Solid revenue growth (+23.2% YoY, pro-forma +7.0%) despite headwinds from challenging macro environment and geopolitical tensions

## **Profitability influenced by:**

Declining gross margin and unfavorable cost structure driven by external factors: Pricing, macro, inflation, war in Ukraine, consumer sentiment

## **Loyal and growing customer base:**

Active customers grew by +10% and exceeded > 1m active customers; Number of orders up by +10%

## **Free Cashflow turnaround achieved:**

Positive Free Cashflow of EUR 1.2m achieved after a significant negative Free Cashflow in FY 2021



# **GUIDANCE & PRIORITIES 2023**

# STRATEGIC PRIORITIES IN FY 2023

1

## EXECUTION OF THE IMPLEMENTED COST REDUCTION AND EFFICIENCY PROGRAM

### PRODUCT PORTFOLIO OPTIMIZATION

- Discontinuation of unprofitable product categories

### COST BASE REDUCTION

- Room to reduce marketing, distribution and personnel expenses to establish a leaner and more efficient organization

2

## EXPANSION TO LUXURY FASHION VIA OUR PLATFORM APPROACH

### SUBSTANTIAL MARKET POTENTIAL

- Luxury fashion with a substantial higher market volume compared to shoes and handbags

VALENTINO  
GARAVANI

MICHAEL KORS

PRADA



COACH

AIGNER

### PLATFORM APPROACH ALLOWS MARKET ENTRY WITH LIMITED RISKS

- Access to > 1m active, fashion-enthusiastic customers
- No major inventory risks and capital requirements

# ACHIEVEMENTS IN FY 2023 SO FAR

1

## EXECUTION OF THE IMPLEMENTED COST REDUCTION AND EFFICIENCY PROGRAM

### PRODUCT PORTFOLIO OPTIMIZATION

- Product categories beauty & smartwatches discontinued

### COST BASE REDUCTION

- Cost reduction measures implemented
- First actions taken: Reduction of service provider contracts
- Further measures identified in marketing, distribution and personnel expenses

2

## EXPANSION TO LUXURY FASHION VIA OUR PLATFORM APPROACH

### TECHNOLOGY

- Implementation of the required technology and procedures has been started

### RETAILERS

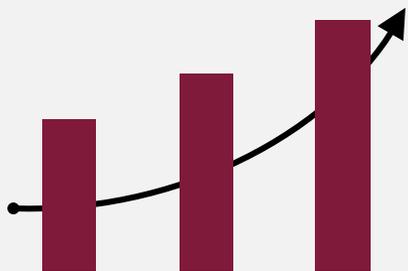
- Acquisition of merchants prepared
- First agreements with retailers have been signed

# GUIDANCE 2023: COST STRUCTURE OPTIMIZATION AND BUSINESS MODEL EXPANSION

UNAUDITEFD

## GROWTH

(TOTAL NET REVENUE)



**FY 2022**

EUR 165.0m

**FY 2023 Outlook**

+ 5% to + 8%

## PROFITABILITY

(ADJUSTED EBITDA)



**FY 2022**

EUR 0.4m

**FY 2023 (\*) Outlook**

EUR 2.0m to  
EUR 3.0m

(\*) Smartwatch and Beauty segment will be reported under discontinued operations in FY 2023 until its final discontinuation. The reclassification is considered in the forecast for FY 2023.

## Challenges

- Consumer sentiment challenged by macro-economic conditions
- Inflationary environment putting additional strain on consumer's discretionary income
- Increased cost pressure on operational efficiencies

## Opportunities

- fashionette expects to further increase its active customer base by +3% to +6%
- Optimized product portfolio should lead to an increasing average order value from EUR 176 to approx. EUR 200
- Efficiency program should improve the cost structure
- Expansion of our product offerings by luxury fashion via our platform model with a three-digit number of connected retailers

THANK YOU  
FOR YOUR  
ATTENTION

Q & A



# KPI DEFINITIONS

<b>ACTIVE CUSTOMERS</b>	Defined as the number of customers placing at least one not cancelled order in the last twelve months on one of the Group's websites or third-party marketplaces in the measurement period, irrespective of returns.
<b>ADJ. EBITDA</b>	Defined as earnings before interest, taxes, depreciation and amortization excluding extraordinary income / expenses.
<b>AVERAGE ORDER VALUE</b>	Defined as the order value divided by the number of orders in the measurement period.
<b>CUSTOMER ACQUISITION COST</b>	Defined as total marketing costs during a specific period divided by the number of new customers acquired during the same period. Customer acquisition cost is calculated at a high level of detail for each marketing activity.
<b>EBITDA</b>	Defined as earnings before interest, taxes, depreciation and amortization.
<b>FREE CASH FLOW / CASH CONVERSION</b>	Defined as free cash flow divided by adjusted net profit. Free cash flow consist of the cash flow from operating activities and the cash flow from investing activities. Adjusted net profit consist of net profit excluding extraordinary income / expenses.
<b>MARKETING COST RATIO</b>	Defined as total marketing costs divided by the order value for the measurement period. Total marketing costs consist of all marketing related costs including advertising expenses for all marketing channels, content production and related license fees as well as cost for marketing related tools and all other marketing related expenses. Total marketing costs do not include salaries.
<b>NET REVENUE</b>	Defined as gross revenue including dunning charges, marketing support less returns and credit notes.
<b>NEW CUSTOMERS</b>	Defined as the number of orders placed by customers which have placed the first not cancelled order on one of the Group's websites or third-party marketplaces in the measurement period, irrespective of returns.
<b>NUMBER OF ORDERS</b>	Defined as the number of customer orders placed on one of the Group's websites or third-party marketplaces in the measurement period after cancelations and irrespective of returns. An order is counted on the day the customer places the order. Orders placed and orders delivered may differ due to orders that are in transit at the end of the measurement period.
<b>ORDER VALUE</b>	Defined as the total amount spent (excluding VAT) on one of the Group's websites or third-party marketplaces by customers in the measurement period after cancelations and irrespective of return.
<b>RETURN RATE (in % OF ORDER VALUE)</b>	Defined as the total amount returned regarding orders placed by customers on one of the Company's websites in the measurement period divided by order value.