



**fashionette**<sup>®</sup> —  **BRANDFIELD**

**Berenberg and Goldman Sachs Eleventh German Corporate Conference**

19 September 2022

# TODAY'S AGENDA

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- 1 fashionette at a glance
- 2 Addressable market
- 3 Business model
- 4 Achievements in FY 2021
- 5 H1 / Q2 2022 highlights
- 6 Résumé
- 7 Q&A



# THE MANAGEMENT BOARD: EXTENSIVE E-COMMERCE EXPERIENCE



Operations,  
Performance  
Marketing, Business  
Intelligence, Product  
Management, IT

**Thomas Buhl**  
**COO / CTO**

- Amazon (11 years); Sr. Category Leader
- Avenso; COO



Strategy, Category  
Management, Finance,  
Brand Management,  
HR, Investor Relations,  
Sustainability

**Georg Hesse**  
**CEO**

- Amazon (16 years); Group Director
- HolidayCheck Group AG CEO
- Thrasio; VP Europe/India



**FASHIONETTE AT A GLANCE**

# OUR VISION

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BECOMING THE **NUMBER ONE** EUROPEAN DATA-DRIVEN E-COMMERCE GROUP FOR PREMIUM AND LUXURY FASHION ACCESSORIES

# FASHIONETTE AT A GLANCE I

## SOLID TRACK RECORD

2008: Company foundation  
2013: Start profitable growth  
2021: Acquisition of Brandfield

net  
revenue  
**EUR 134m**  
(2021)



## >260 EMPLOYEES

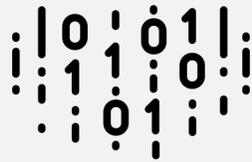
with a 69% share of female  
colleagues



All business and IT functions in-house,  
headquartered in Düsseldorf and Groningen

## PROPRIETARY IT & DATA PLATFORM

Highly scalable and data-focused  
technology base for databased  
decision making



## PREMIUM AND LUXURY FASHION ACCESSORIES

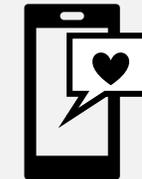
to complete and accentuate a woman's outfit

> 300  
brands  
(2021)



## ACTIVE & LOYAL CUSTOMERS

with high average order value



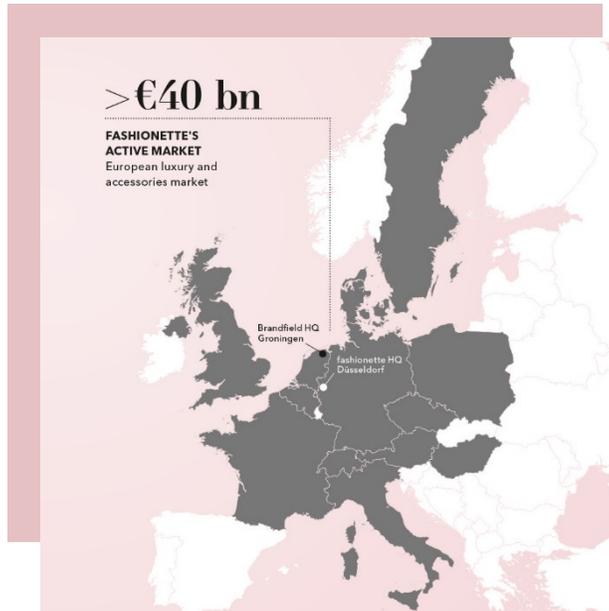
AOV  
**EUR 174**  
(2021)

## PRESENT IN 14 EUROPEAN COUNTRIES

with 1.1 million orders shipped to  
976 thousand active customers in 2021

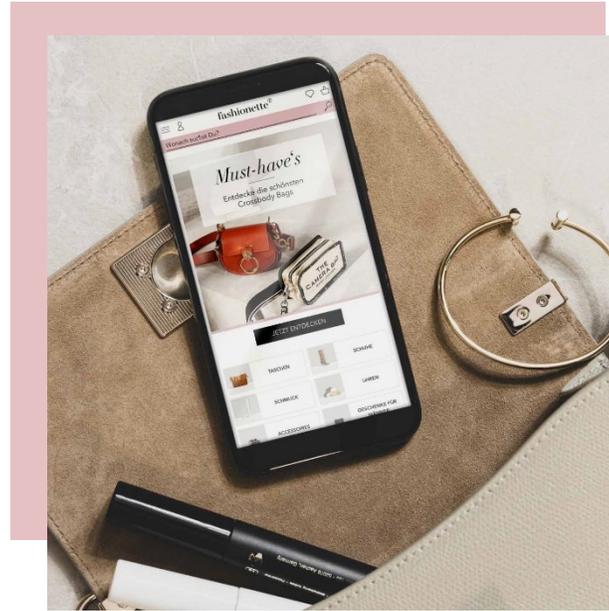


# FASHIONETTE AT A GLANCE II



## OUR ADDRESSABLE MARKET

- ... is highly resilient
- ... is growing
- ... will be expanded by us



## OUR BUSINESS MODEL

- ... is focused on profitable growth
- ... is supported by strong unit economics
- ... resonated with our customers



## OUR ACHIEVEMENTS IN 2021

- ... beauty launch
- ... own brand strength
- ... first acquisition: Brandfield (NL)

Setting the base for continuous profitable growth

# OUR MISSION BASED ON OUR UNIQUE BRAND POSITIONING



We make **personalized online shopping** of premium and luxury fashion accessories available to **every woman**.

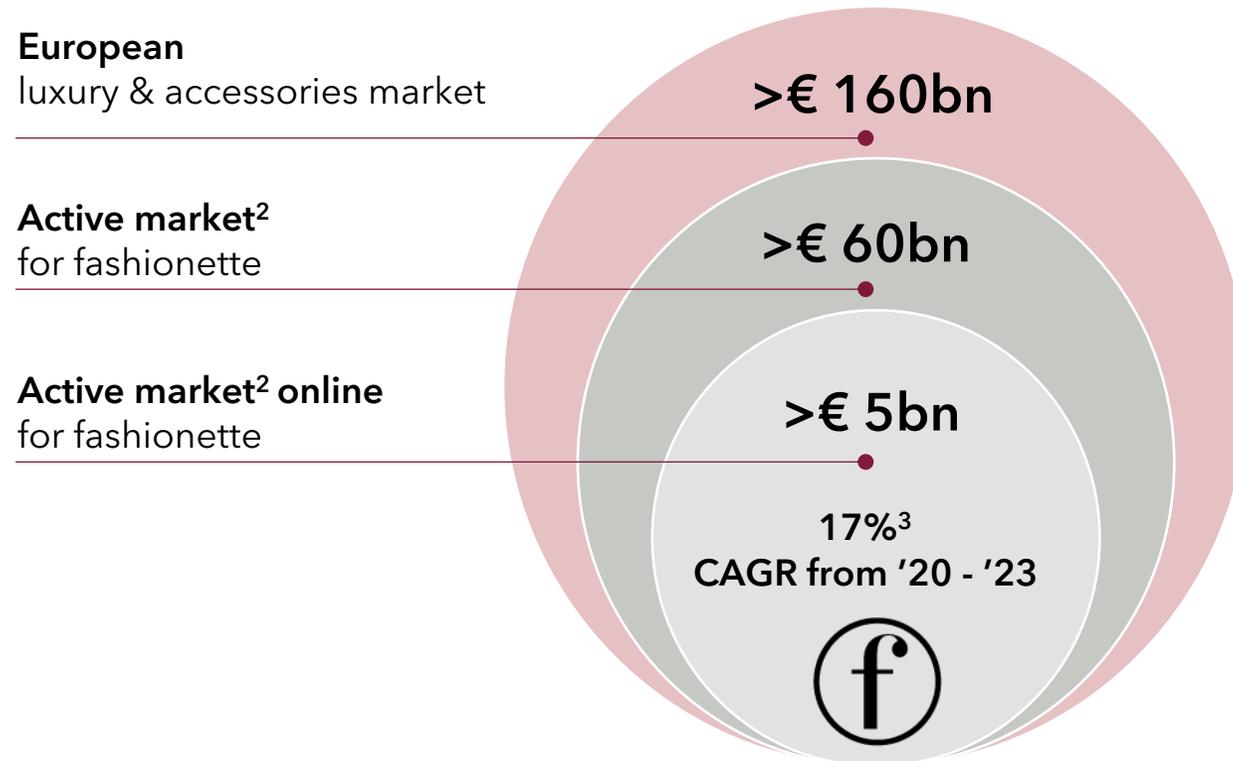
How we keep this inspiration alive:

- More than 25,000 SKUs from over >300 designer brands
- attractive prices for every budget
- customer-oriented payment options
- unique customer experience



**ADDRESSABLE MARKET**

# LARGE AND EXPANDING TOTAL ADDRESSABLE MARKET OPPORTUNITY



We are unlocking large, multi-billion-euro TAMs<sup>1</sup>

Sources: Statista Consumer Market Outlook July 2020

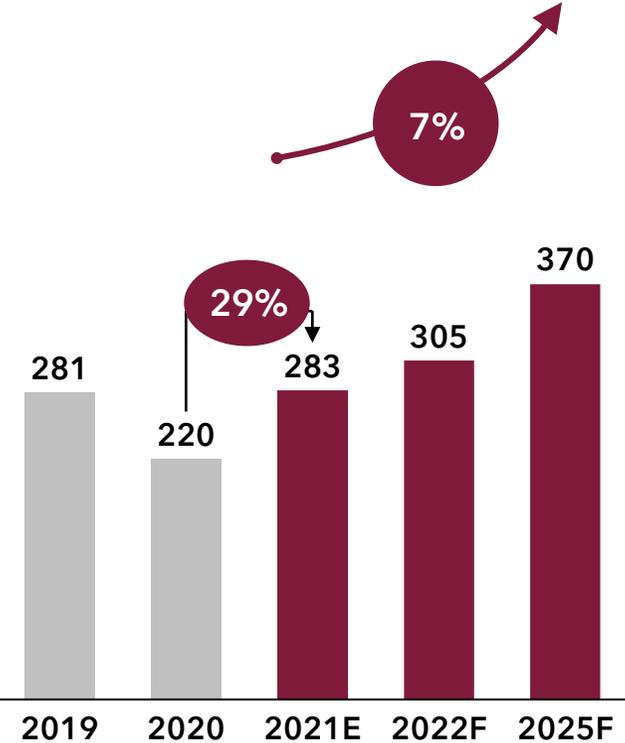
<sup>1</sup> Total addressable market (TAM) in terms of market revenue in 2019 <sup>2</sup> Active market: Leather goods, footwear, eyewear, Beauty - note: excludes Jewelry

<sup>3</sup> CAGR of total online revenue for luxury leather goods

# OUR MARKET IS RESILIENT AND CONTINUES TO GROW

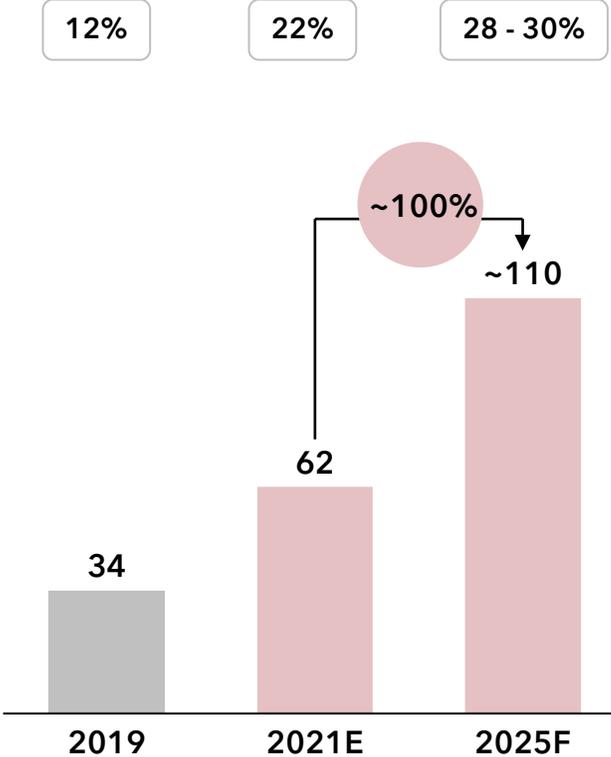
## QUICK REBOUND IN 2021...

€ bn | % CAGR '21 - '25  
 Global personal luxury goods market



## ...AND GROWING ONLINE PENETRATION

€ bn  
 Online penetration (%)



## ...ARE THE KEY INDICATORS OF AN ACCELERATED MIDTERM GROWTH



Source: Altagamma - Bain luxury market monitor 2021



## **BUSINESS MODEL**

# DRIVE OWN BRAND DEVELOPMENT



12% own brand share in 2021



+155% growth YoY

ISABEL BERNARD  
PARIS

21% of revenue<sup>1</sup> done via IsabelBernard.com



## Targets:

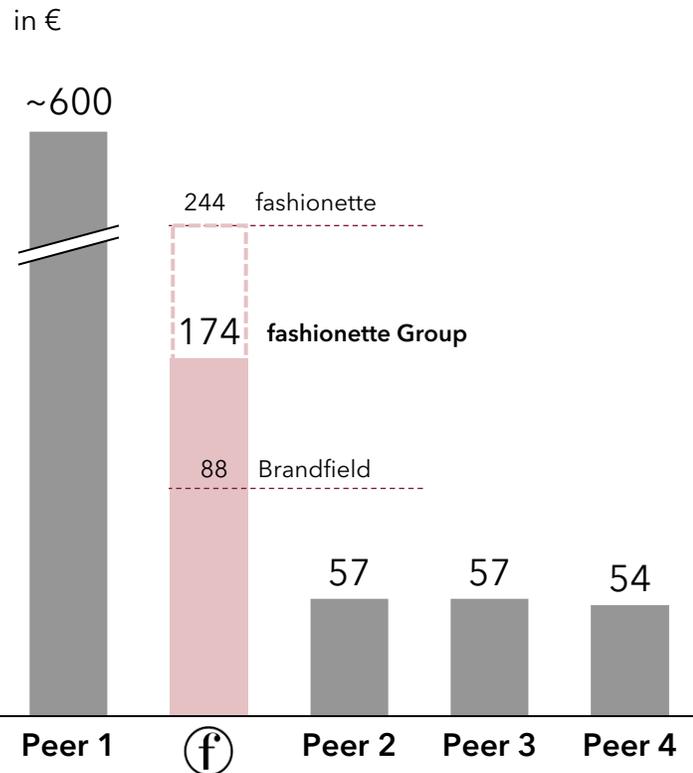
- Drive improved margin over time
- First diamond collection of Isabel Bernard in 2022
- Joint own brand of Brandfield + fashionette in 2022

<sup>1</sup> Based in Brandfield's order value for 2021

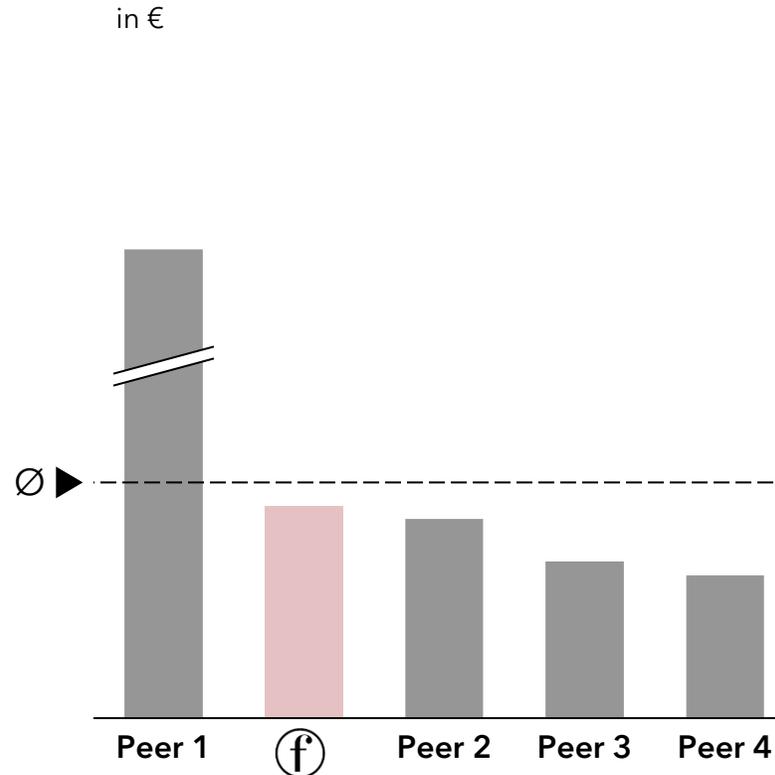


# STRONG UNIT ECONOMICS SUPPORT PROFITABILITY

## OUR AOV\* IS ONE OF THE HIGHEST IN THE SECTOR...



## ...WHILE CAC\*\* ARE WELL IN LINE



## DIVERSIFIED PORTFOLIO THAT RESONATES WITH OUR CUSTOMERS

- **86% of returning customers** bought products from **≥2 Brands**
- **~75% of returning customers** bought products from **≥2 categories**
- fashionette is seen as one of the **top 5 online platforms**<sup>1</sup>

\* AOV - (Order Value divided by the number of orders in the measurement period) based on the latest published full year reporting

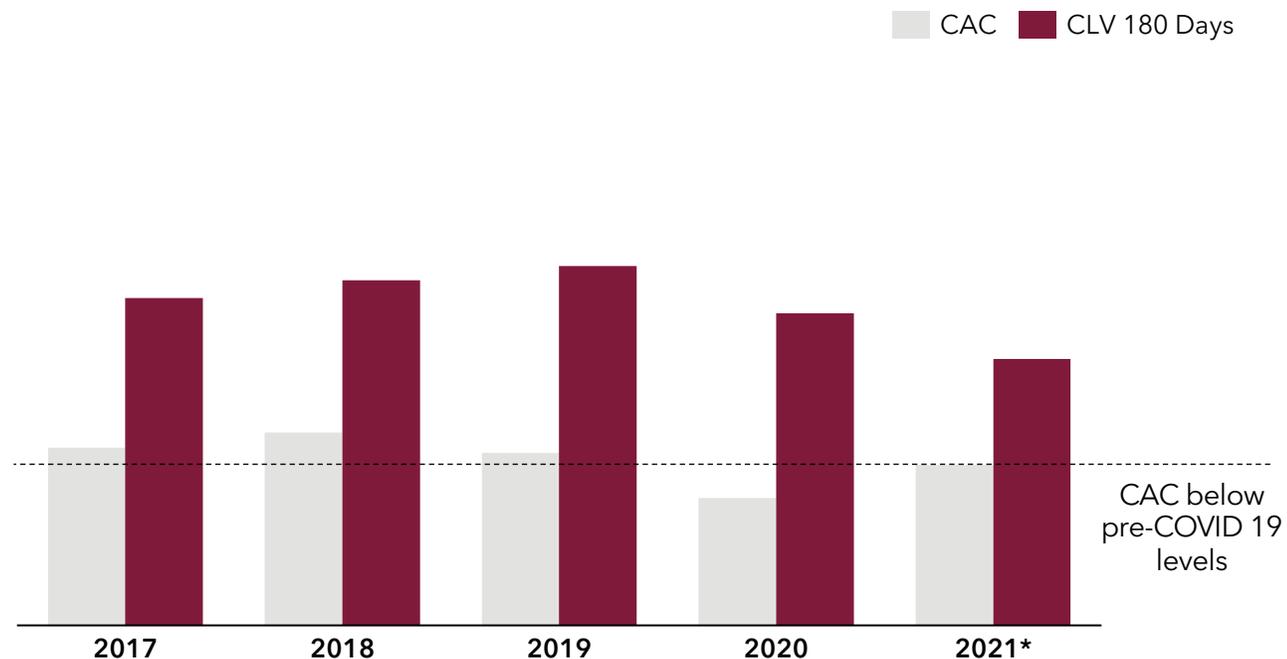
\*\* CAC - Customer Acquisition Cost (marketing costs during a specific period divided by the number of new customers acquired during the same period and who have bought more than once)

<sup>1</sup> Study conducted in summer of 2021, fashionette is one of the key online platforms among women starting at the age of 18

# CUSTOMER PROFITABILITY IS REACHED IN THE FIRST 6 MONTHS

## CUSTOMER ACQUISITION COSTS AND CUSTOMER LIFETIME VALUE

fashionette only



\* H1 Cohort for CLV 180 days

CAC - Customer Acquisition Cost (marketing costs during a specific period divided by the number of new customers acquired during the same period and who have bought more than once)

CLV - Customer Lifetime Value (gross profit less logistics and payment costs attributable to a particular customer cohort that has bought more than once and were all acquired during a specific period, since the acquisition of such customers)

1

Customer is profitable in the **first 6 months based** on full year numbers

2

CLV for every cohort grows **>10% every year**

3

CAC: Significant step up in acquisition of the **new customers +26% YoY**

4

AOV impact on CLV: Handbags have an **AOV of ~EUR 230** while other categories are developing in a very robust manner and carry lower AOV



## **Q2 / H1 2022 HIGHLIGHTS**

# H1/Q2 2022 HIGHLIGHTS



Net revenue growth of +5% YoY pro forma despite the development of the geopolitical situation and the volatility of the macroeconomic environment (+50% YoY consolidated)



Record active customer base of more than 1 million in the last twelve months (+15.3% YoY pro forma)



Further efficiency improvement in marketing in Q2 2022 with customer acquisition costs -8% QoQ



Improved operating cash flow in Q2 2022 led to EUR 9.6m available liquidity



Reconfirmed guidance for 2022



# MY FIRST 60 DAYS

**Market:** Attractive market segment provides solid growth potential

**Operations:** Confirmed robust foundation backed by strong operational fundamentals, technology and data-driven decision making

**Team:** Committed and engaged teams which are passionate to continuously optimize customer experience

**Brand:** Strong brand awareness for shopping platforms fashionette and Brandfield, plus growing business with our own fashion brands

**Customers:** The best customers in the world

**Opportunities:**

Integration – Start next phase of leveraging Brandfield acquisition

Resilience – Enable profitable growth through any headwind

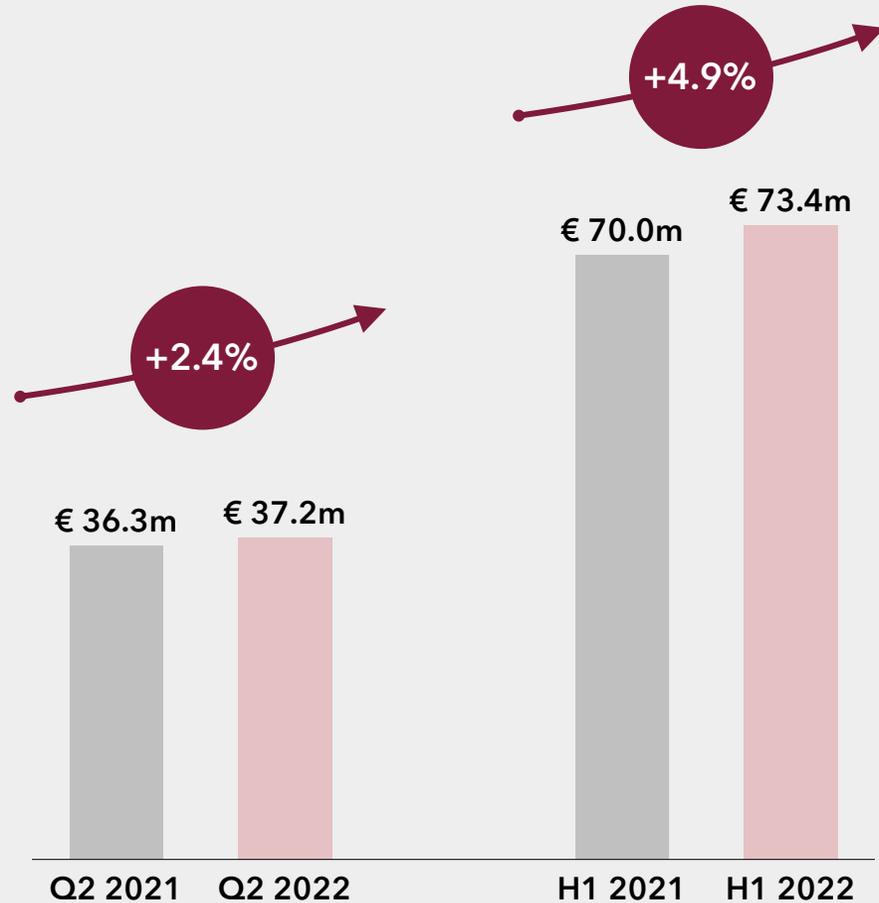
Expansion – Drive smart opportunities in selection and geographies



# CONTINUED GROWTH IN Q2, SETTING PACE FOR THE REST OF THE YEAR

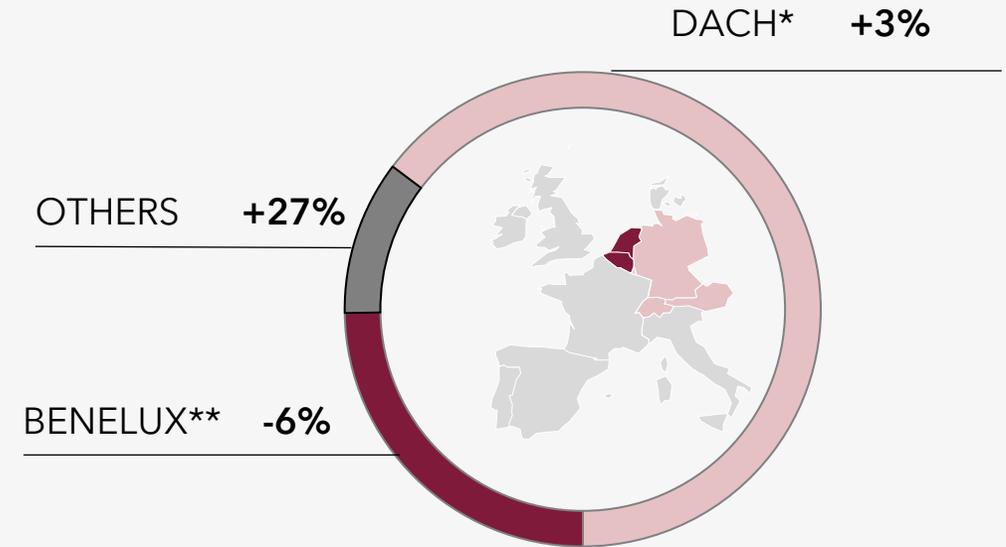
Pro forma

## TOTAL NET REVENUE



Pro forma

## TOTAL NET REVENUE BY REGION (Q2)



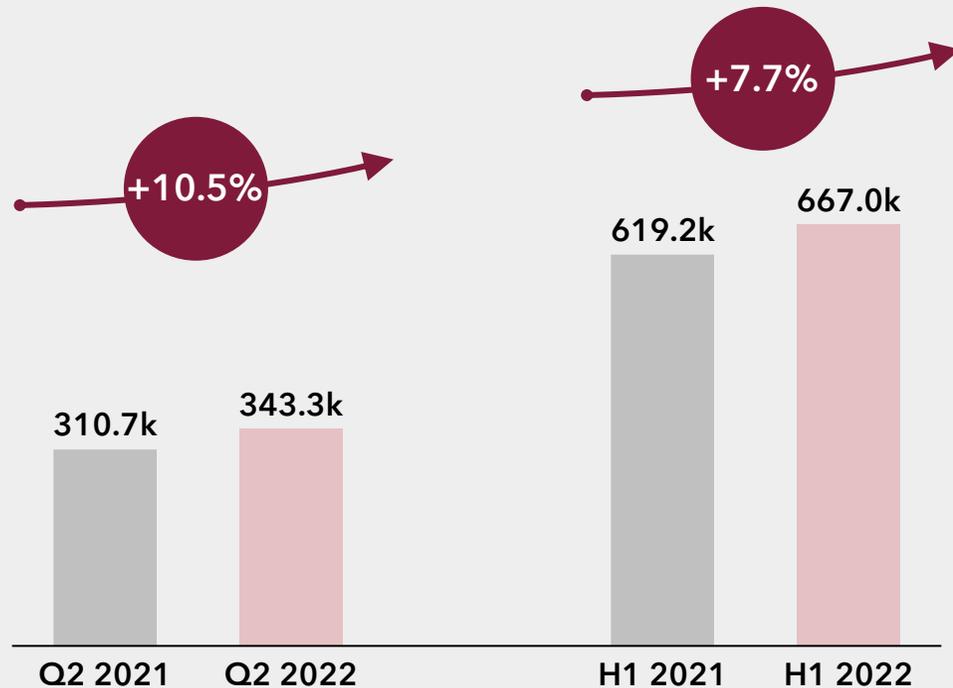
- Strong growth of +15.3% in the number of active customers (Q2 2022)
- Benelux was impacted by lower sales in the Netherlands
- Others benefitted mostly from operations in United Kingdom, Italy, Sweden and France

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

# CONTINUED GROWING NUMBER OF ORDERS WITH A SLIGHT INCREASE IN AOV

Pro forma

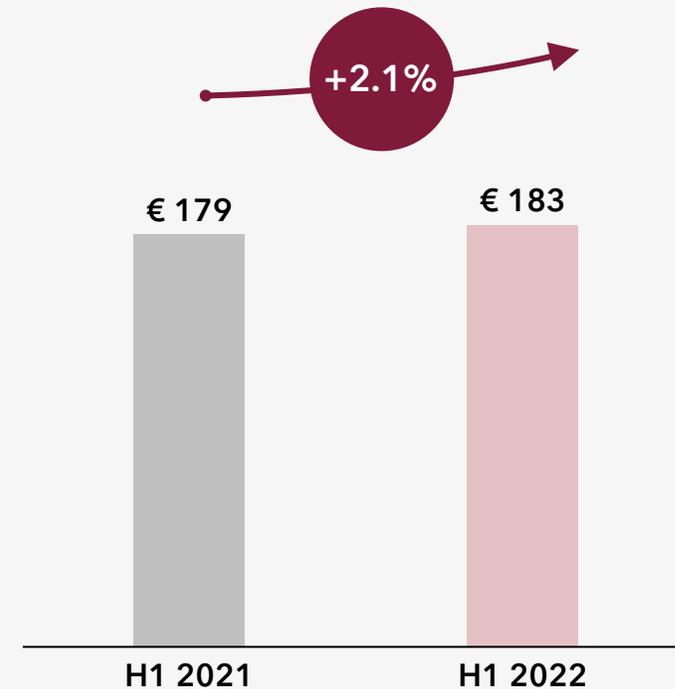
## NUMBER OF ORDERS



- **fashionette:** continued strong growth in the number of orders (+14.8% YoY) in Q2 2022
- **Brandfield:** growing number of orders (+5.1% YoY) in Q2 2022

Pro forma

## AVERAGE ORDER VALUE

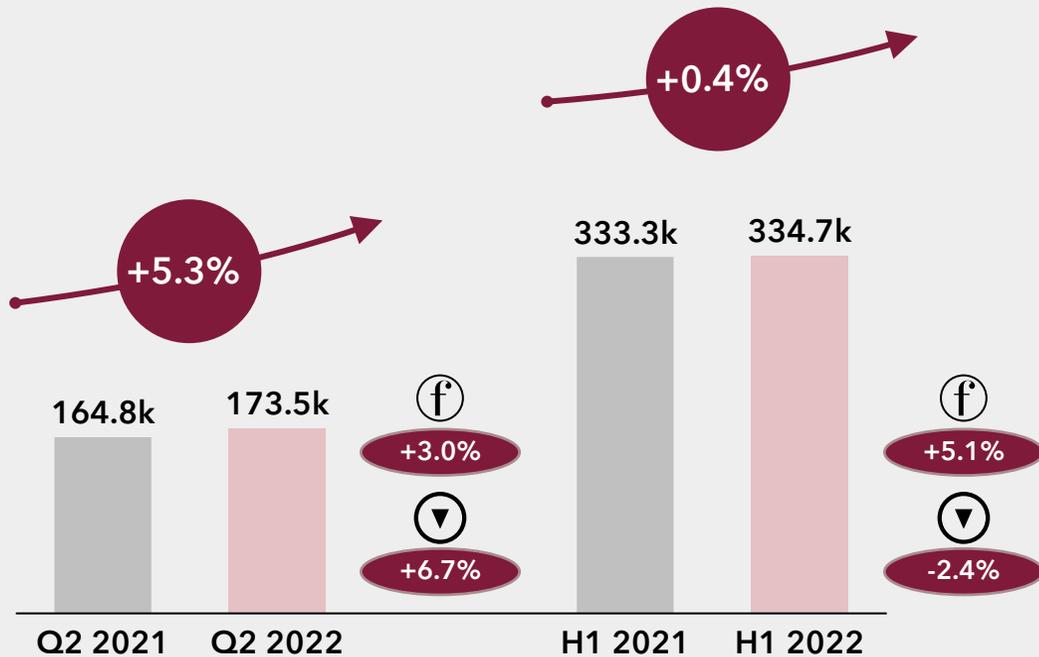


- AOV slightly increases YoY, Brandfield improves AOV by +4.4%
- Brandfield's AOV increase driven by positive synergy effects in the category handbags (order value +63.1% YoY)

# RECORD ACTIVE CUSTOMER BASE OF MORE THAN 1 MILLION (LTM)

Pro forma

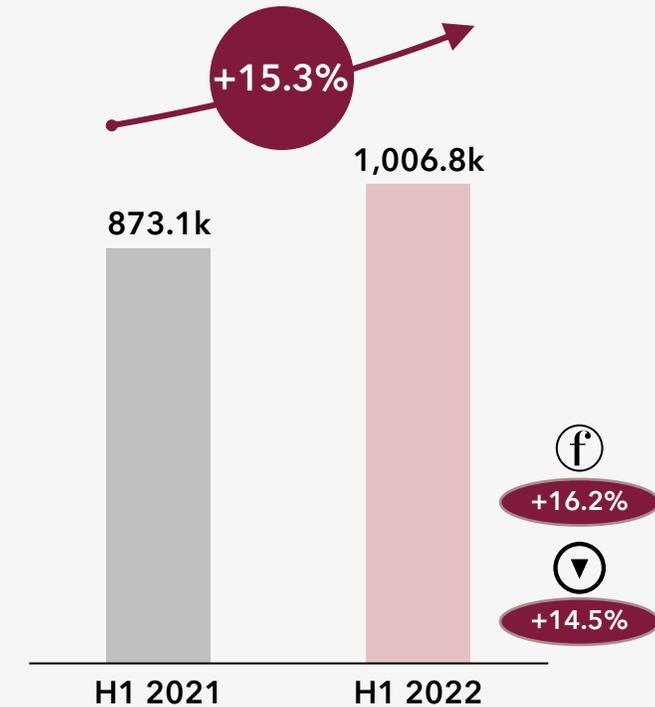
## NUMBER OF NEW CUSTOMERS



- Growing number of new customers in Q2 2022 (+5.3% YoY)
- Flat growth H1 2022 strongly impacted by the geopolitical climate and the volatility of the macroeconomic environment

Pro forma

## NUMBER OF ACTIVE CUSTOMERS (LTM)

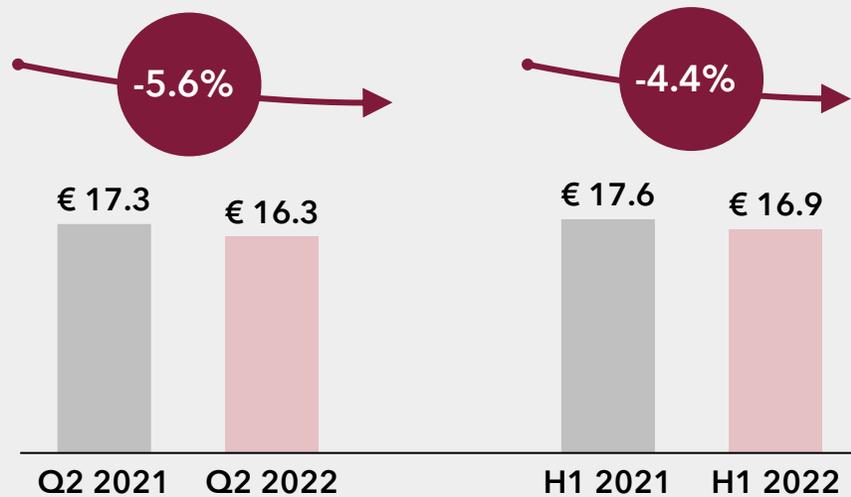


- Continued growth in the number of active customers on both platforms
- End of H1 2022 with +30.9k more active customers since end of 2021

# MARKETING EFFICIENCY FURTHER IMPROVED IN Q2 2022

Pro forma

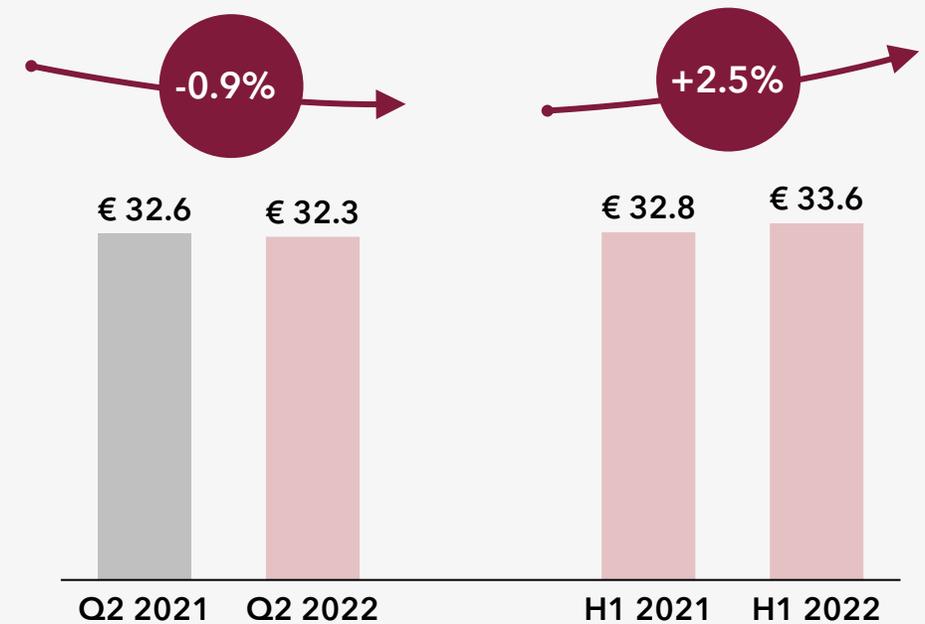
## MARKETING COST PER ORDER



- Decreased marketing cost per order in H1 2022 mainly driven by significantly improved marketing efficiency at fashionette

Pro forma

## CUSTOMER ACQUISITION COSTS (CAC)



- Strong CAC improvement in Q2 compensating higher CAC in Q1 (EUR 35.0), resulting in +2.5% in H1 2022 YoY
- fashionette gains efficiency in CAC → EUR 50.5 in H1 2022 vs. EUR 54.2 in H1 2021

# FINANCIAL PERFORMANCE H1 2022

Pro forma

	H1 2021	H1 2022	Q2 2021	Q2 2022
<b>Returns</b> (in % of total revenue)	37.8%	40.8%	37.1%	41.0%
<i>(in % of Net revenue)</i>				
<b>Gross Margin</b>	41.4%	40.5%	41.0%	40.1%
<b>Distribution Cost Ratio</b>	-12.0%	-13.0%	-12.0%	-12.9%
<b>Profit Contribution I</b>	29.4%	27.5%	29.0%	27.2%
<b>Marketing Cost Ratio</b>	-15.6%	-15.3%	-14.8%	-15.1%
<b>G&amp;A Ratio</b>	-11.9%	-12.2%	-12.0%	-12.2%
<b>Other Oper. Income Ratio</b>	0.8%	0.7%	1.0%	0.8%
<b>Adj. EBITDA Margin</b>	2.8%	0.7%	3.2%	0.7%

## H1 Details

### Returns

We see return rates levelling at pre-COVID rates, plus category mix has an effect on return e.g., shoes have higher return rate and increase in share of sales

### Gross Margin

Strong competitive on- and offline environment shows effect on gross margin. Development from Q1 2022 also stable in Q2

### Distribution Cost

Distribution cost per order in Q2 2022 flat YoY (EUR -0.01) despite increased freight and packaging costs

### Marketing Cost

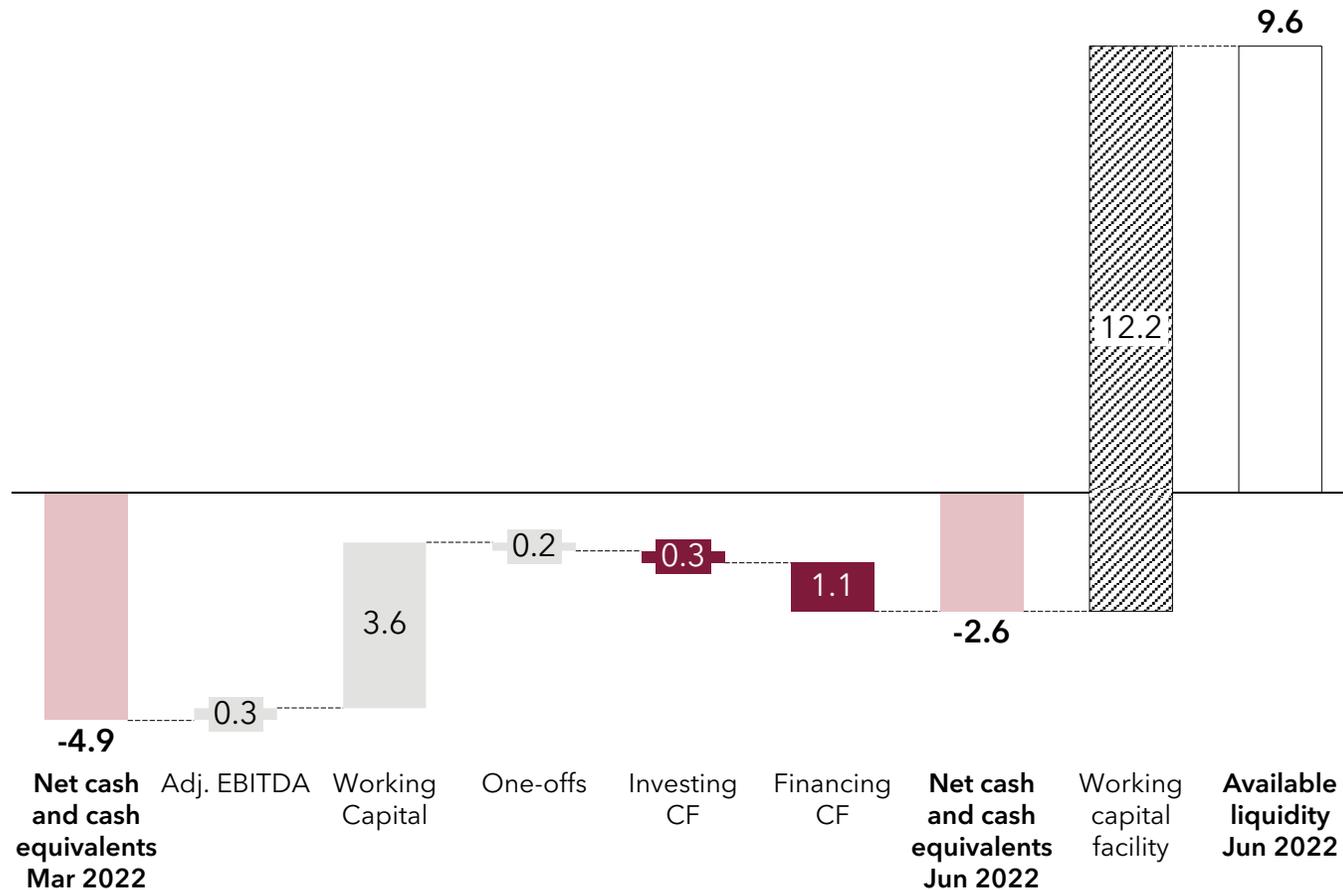
Continued improvement on fashionette's platform with strong decrease in customer acquisition costs largely compensating increased marketing investment at Brandfield

### G&A Cost

Slightly increase of G&A cost driven by investments in training and recruiting as well as in technology at Brandfield

# STRONG OPERATING CASH FLOW IN Q2

## LIQUIDITY BRIDGE Q2 2022



## Q2 Details

### Operating cash flow

Strong operating cash flow in Q2 2022 of EUR 3.6m (Q1 2022: EUR -10.8m) mainly driven by optimization of working capital

### Financing cash flow

Includes payment of EUR 0.5m for refinancing of Brandfield and EUR 0.2m for lease/rent liabilities

### Available liquidity June 2022: EUR 9.6m (March: EUR 7.3m)

By the end of June 2022, net cash position was EUR -2.6m (end of March: EUR -4.9m) with additional working capital facilities of EUR 12.2m<sup>1</sup>

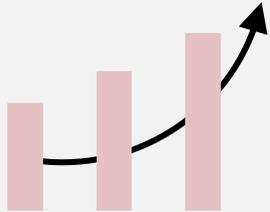
### Net Debt June 2022: EUR 17.2m (March: EUR 20.1m)

<sup>1</sup> Working Capital facilities of €13m are adjusted for contingencies of € 0.8m (Note 30 in the Annual Report 2021)

# CONTINUED PROFITABLE GROWTH IN 2022

IFRS

## GROWTH (TOTAL NET REVENUE)



FY 2021

**Consolidated:**  
€ 133.8m

**Pro forma:**  
€ 154.8m

FY 2022

**Consolidated:**  
+ 34 to 40%

**Pro forma:**  
+ 16 to 21%

## PROFITABILITY (ADJUSTED EBITDA)



FY 2021

**Consolidated:**  
€ 4.4m

**Pro forma:**  
€ 5.7m

FY 2022

€ 5m to € 7.5m

## Key assumptions

- Outlook **remains unchanged**
- Although an increasingly **challenging external environment** introduces a greater degree of risk and uncertainties than normal
- Trading was impacted in the immediate weeks after the start of the war in Eastern Europe. Impact **was short-lived** and since end of March we have seen an improvement in consumer sentiment
- Continuous strict **working capital** management

We are confident that executing our growth strategies will enable us to deliver sustainable, profitable growth and value creation for our shareholders over the long-term



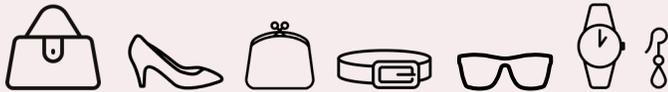
## RÉSUMÉ

# MANY OPPORTUNITIES TO DRIVE PROFITABLE GROWTH

## 1 SELECTION EXPANSION

### ... WITHIN EXISTING CATEGORIES

Increase selection by winning missing brands and launching new designers



### ... INTO ADJACENT CATEGORIES

Launch competitive selection of beauty and care products to benefit from cross-selling opportunities



## 2 REGIONAL EXPANSION

### ... WITHIN EXISTING COUNTRIES

Replicate the success of fashionette's core region to other European countries



### ... INTO NEW COUNTRIES

Initially, the focus is on the Netherlands, followed by the greater Benelux\* region



## 3 CONTINUED INVESTMENTS

### ... IN OUR IT PLATFORM

Reinforce customer experience and process optimization



### ... IN OUR CONTENT PRODUCTION

Enhance in-house produced unique content for an inspirational and targeted communication



SELECTIVE M&A

\* Benelux: Belgium, Netherlands, Luxembourg

# STRONGLY POSITIONED TO DRIVE LONG-TERM PROFITABLE GROWTH

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- 1 Attractive business with **strong unit economics** in **attractive markets** (DACH and Benelux)
- 2 Large and **expanding TAM opportunity**
- 3 A platform with multiple growth levers to drive growth **organically and inorganically**
- 4 Multiple **profitability drivers**, incl. scale, automation and **strong active customer base**
- 5 Continue to **outperform the European premium and luxury market**

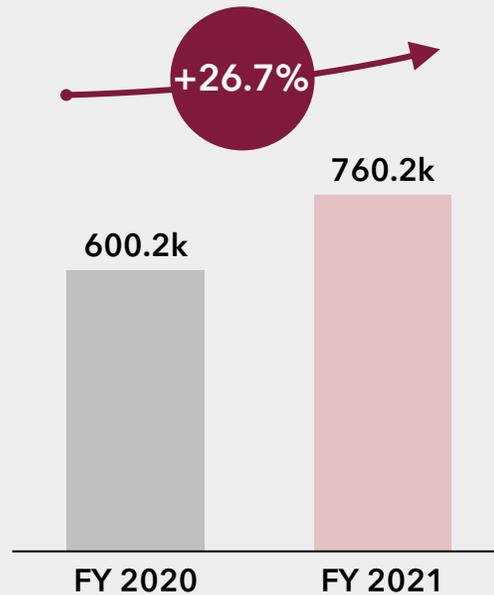


# APPENDIX

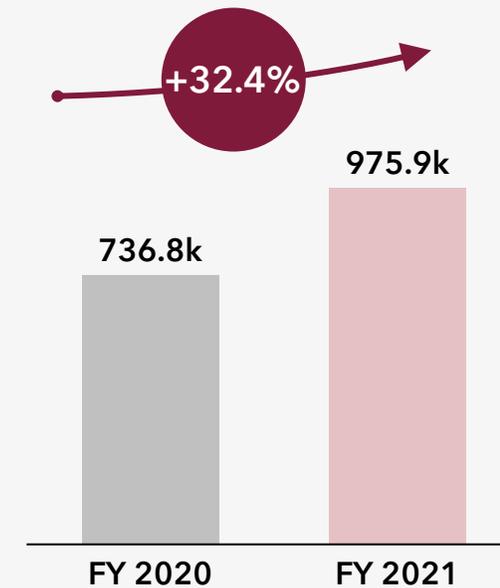
# REACHING ~1 MILLION ACTIVE CUSTOMERS IN 2021

Pro forma

## NEW CUSTOMERS



## ACTIVE CUSTOMERS

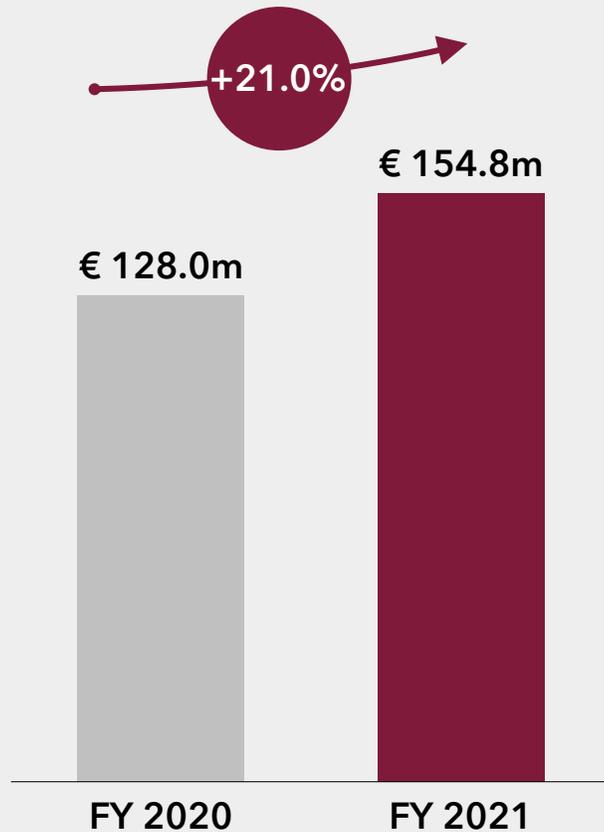


Growing our active customer base to ~1 million customers, supported by strong new customer acquisition throughout the year

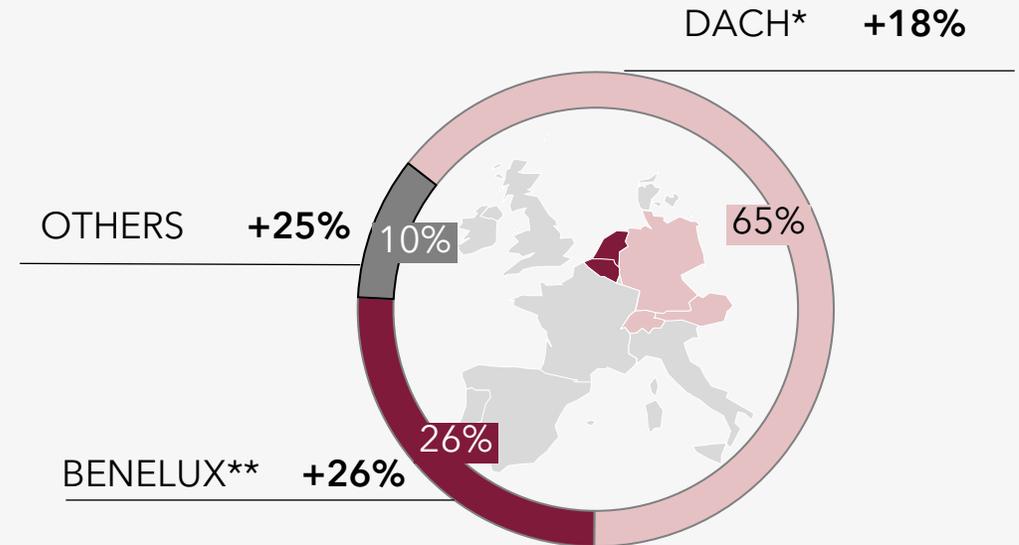
# GERMANY, NETHERLANDS AND OWN BRANDS DRIVE SALES IN 2021

Pro forma

## TOTAL NET REVENUE



## TOTAL NET REVENUE BY REGION (FY)



### KEY HIGHLIGHTS

- DACH was supported by strong performance in Germany, with +17% in 2021
- Others benefitted mostly from Brandfield's operations in France, Ireland, Sweden
- Own Brand reached 12% of total net revenue

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

Pro forma: Including Brandfield from 1 January 2021 onwards

# STRENGTHENING OUR KEY CATEGORIES BY BRINGING MORE CHOICE AND VARIETY TO OUR CUSTOMERS



# FINANCIAL PERFORMANCE FY 2021

Pro forma

	FY 2020 HGB	FY 2021 HGB	YoY	FY 2021 IFRS	YoY
<b>Returns</b> (in % of Total Revenue)	37.3%	37.0%	-27 bps	37.0%	-27 bps
<b>Gross Margin</b>	41.3%	41.1%	-20 bps	41.1%	-20 bps
<b>Distribution Cost Ratio</b>	-10.9%	-12.4%	-145 bps	-12.4%	-147 bps
<b>Profit Contribution I</b>	30.4%	28.7%	-172 bps	28.7%	-166 bps
<b>Marketing Cost Ratio</b>	-11.3%	-15.3%	-394 bps	-15.3%	-394 bps
<b>G&amp;A Ratio</b>	-11.9%	-11.1%	+77 bps	-10.7%	+114 bps
<b>Other Oper. Income Ratio</b>	0.8%	1.0%	+11 bps	1.0%	+13 bps
<b>Adj. EBITDA Margin</b>	8.0%	3.2%	-478 bps	3.7%	-433 bps

Pro forma: Including Brandfield from 1 January 2021 onwards

## Full year details

Strategic choices in 2021, set the basis for our **continuous profitable growth** in the future

### Gross Margin

Roughly flat, with growing own brand share offsetting some of the product mix development

### Distribution Cost

Growing assortment range impacts AOV and drives strong growth of +31% in the number of orders; resulting in higher distribution costs. However, distribution cost per order increased only by 5 % YoY

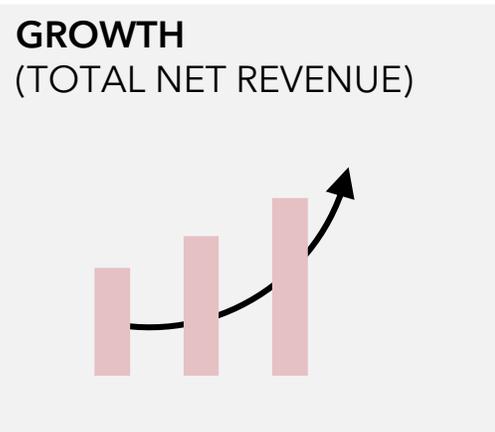
### Marketing Cost ratio

Significant investment to stay top of the mind with consumers, while COVID-19 restrictions are loosening up.  
+27% YoY in number of new customers  
+32% YoY in number of active customers

### G&A Ratio

Improved as a result of increasing operating leverage

# SUSTAINABLE AND PROFITABLE GROWTH TO CONTINUE IN 2022



**FY 2021**  
**Pro forma**

€ 154.8m

**FY 2022**  
**Outlook**

**+ 16 to 21%**

Implying ~€ 179.6m to  
€ 187.3m



**FY 2021**  
**Pro forma**

€ 5.7m

**FY 2022**  
**Outlook**

**€ 5m to € 7.5m**

## 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

- Selection expansion and growing Own Brand share
- Further marketing and CRM automation
- Additional synergies with Brandfield

The outlook is given with a backdrop of high uncertainty around consumer sentiment and geopolitical development.

**We are confident that executing our growth strategies will enable us to deliver sustainable, profitable growth and value creation for our shareholders over the long-term**

# EVENTS & NEW CONTACT

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15 Nov 2022

Publication Q3 2022 results

16 Nov 2022

BofA Consumer & Retail Conference (Paris)

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**ARMIN BLOHMANN**

Director Investor Relations

M: [a.blohmann@fashionette.de](mailto:a.blohmann@fashionette.de)

W: [corporate.fashionette.de](http://corporate.fashionette.de)

# 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.

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