fashionette AG / Key word(s): Annual Results/Preliminary Results
fashionette AG publishes preliminary consolidated figures for FY 2022 and outlook for 2023 – continuation of growth course expected

28.04.2023 / 08:30 CET/CEST
The issuer is solely responsible for the content of this announcement.

---

fashionette AG publishes preliminary consolidated figures for FY 2022 and outlook for 2023 – continuation of growth course expected

- Continuation of growth expected for the business year 2023 – net revenue forecast in the corridor of +5% to +8% YoY.
- Efficiency and cost reduction programme should lead to an improvement in profitability: Adjusted EBITDA forecast in the range of EUR 2 million to EUR 3 million for FY 2023.
- Strategic focus in FY 2023: Execution of the efficiency and cost reduction programme and introduction of the platform strategy in the luxury fashion segment.

Duesseldorf, Germany, April 28, 2023. fashionette AG (ISIN DE000A2QEFA1) ("Company") publishes its unaudited consolidated figures for FY 2022 as well as its forecast for FY 2023. The preliminary figures for net revenue (EUR 164.8 million) and adjusted EBITDA (EUR 0.4 million) deviate slightly from the figures already published in an ad hoc announcement on 6 February 2023 (net revenue: EUR 165.8 million, adjusted EBITDA: EUR 0.5 million).

Solid net revenue and customer growth: demand for luxury accessories remains at a high level

Preliminary net revenue in FY 2022 increased to EUR 164.8 million, which corresponds to a growth of 23% on a consolidated basis and of 7% on a pro forma basis.

In FY 2021, fashionette AG acquired the Dutch retailer Brandfield. The consolidation took place on 1 July 2021. The pro forma comparison shows the growth including Brandfield for twelve months in 2021.

The growth is based in particular on the increase in the number of customers. The fashionette group was able to increase the number of active customers on a pro forma basis by 10% from 976 thousand in 2021 to 1.08 million in 2022. The number of orders developed in line with customer growth and also rose by 10% on a pro forma basis to 1.54 million. The average order value of EUR 174 in 2022 was slightly below the previous year's period (EUR 176).

In FY 2022 Gross Merchandise Volume (GMV) grew on the pro forma comparison year-over-year with 9.6% to EUR 346.5 million (FY 2021: EUR 316.2 million).

With Brandfield, the fashionette group strengthens its international positioning

In the DACH region, fashionette AG generated net revenue of EUR 107.1 million in FY 2022 (previous year: EUR 96.6 million). This corresponds to a net revenue growth of 10%. The fashionette Group thus underlines its outstanding positioning in the premium and luxury segment

in German-speaking countries. Thus, 64.9% (previous year: 72.2%) of the group’s net revenue was generated in the DACH region.

In the Benelux & Other region, net revenue increased to EUR 57.9 million (previous year: EUR 37.2 million). The high increase is mainly due to consolidation effects (first-time consolidation of Brandfield). Therefore, the share of the Benelux & Other region in FY 2022 added up to 35.1%, significantly higher than the previous year's share of 27.8%.

Difficult economic environment and consumer sentiment in 2022 lead to significant decline in adjusted EBITDA

The consumer climate and the economic environment in fashionette's core markets were heavily burdened in 2022, particularly by the war in Ukraine, the sharp rise in energy prices, high inflation and the deteriorating economic macroeconomic situation. As a result, the targeted net revenue level could not be achieved, with corresponding effects on the gross margin as well as on the cost structure. As a result, adjusted EBITDA decreased from EUR 4.4 million in FY 2021 to EUR 0.4 million in FY 2022. In addition, the expected success of product range expansions, such as in the beauty segment, did not materialise.

As a result of the negative effects, the gross margin declined from 38.4% in FY 2021 to 37.9% in FY 2022. In addition to the decline in gross margin, a significantly increased cost base was responsible for the weak earnings development. The personnel expense ratio (personnel expenses in relation to net revenue) increased to 7.7% in FY 2022 (personnel expenses: EUR 12.8 million) compared to 7.4% (EUR 9.9 million) in the previous year. The ratio for other expenses, which includes marketing and distribution expenses, increased from 31.7% (EUR 42.4 million) in FY 2021 to 32.7% (EUR 53.9 million) in FY 2022.

As a result of the significantly increased cost base, the preliminary Group result after tax decreased to EUR -6.3 million compared to EUR -1.7 million in FY 2021. The result after tax includes an impairment effect of EUR -1.8 million.

Free cash flow increases to EUR 1.1 million after EUR -15.2 million in FY 2021

Despite weak profitability, fashionette AG was able to achieve a positive free cash flow of EUR 1.1 million in FY 2022 (previous year: EUR -15.2 million). Free cash flow is defined as cash flow from operating activities less investments in intangible assets and property, plant and equipment. The significant improvement is mainly due to a reduction in inventories.

Continuation of growth and significant improvement in profitability expected for FY 2023

fashionette AG plans to continue its growth course in FY 2023 and forecasts a net revenue growth between +5% and +8% YoY. In addition, the company expects to be able to increase the number of new customers by 3% to 6% in FY 2023 (2022: 6%) and to increase the average order value from EUR 176 in 2022 to EUR 200 in FY 2023. Moreover, fashionette AG expects to achieve a Gross Merchandise Volume (GMV) of EUR 370.6 million.

As a result of the initiated efficiency and cost reduction programme, the Executive Board expects a significant improvement in profitability and forecasts an adjusted EBITDA between EUR 2 million and EUR 3 million for FY 2023. The Smartwatch and the Beauty segments will be reported under discontinued operations in fiscal 2023 until its final discontinuation. The reclassification is considered in the forecast for FY 2023.

Strategic focus in FY 2023: Introduction of the platform model in the luxury fashion segment

As early as March 2023, the Management Board introduced a comprehensive efficiency and cost reduction programme to improve the company's cost structures. The first measures have already been implemented and the product categories Beauty and Smartwatches have been discontinued.

In addition to the focus on the successful implementation of the efficiency and cost reduction programme, the strategic focus is on the fast and successful roll-out of the platform strategy in luxury fashion.

Dr. Dominik Benner, CEO: "fashionette originated in the luxury handbag sector. Over the past years, shoes, sunglasses and jewellery have been added to the luxury segment. However, the largest market is the luxury fashion market, which fashionette has not yet served, although it is the largest market of all assortments (shoes, bags, sunglasses, accessories). Together with the Supervisory Board, we, therefore, took the decision in April 2023 to enter the luxury fashion market. This entry will be done exclusively as a platform approach, which means that instead of having our own warehouse here, we will rely exclusively on partners (luxury retailers and luxury manufacturers) that we will connect to our platform."

This step is a milestone for fashionette AG. If successfully implemented, it will have a significant influence on the future growth of the company. In addition, fashionette's assortment in the luxury fashion segment will offer a variety of products that only very few suppliers worldwide have.

fashionette AG plans to go live with the first B2B customers as early as September and to have at least 150 partners connected to the platform by the end of 2023.

Overall, the Management Board considers the fashionette group to be well-positioned for the challenges and opportunities of the coming years. The necessary processes for greater efficiency and a leaner organisation have been initiated in order to sustainably strengthen profitability. The business model will be expanded to include the luxury fashion market in order to accelerate the company's growth in the medium term, significantly increase its international presence and improve its profitability.

About fashionette AG:

fashionette AG is a leading European, data-driven e-commerce group for premium and luxury fashion accessories. On the online platforms fashionette.com and brandfield.com, the fashionette group offers not only inspiration, but also a selected range of premium and luxury fashion accessories, such as handbags, shoes, small leather goods, sunglasses, watches and jewelry from more than 300 brands, including private labels. Based on more than ten years of experience in the fashion accessories sector, fashionette AG has developed an innovative proprietary IT and data platform which, with the help of state-of-the-art technologies and artificial intelligence, enables customers throughout Europe to make personalized online purchases of premium and luxury fashion accessories. For more information about fashionette AG, please visit corporate.fashionette.com or the online platforms www.fashionette.com and www.brandfield.com.

Contact:

Investor Relations
+49 173 2749568
ir@fashionette.de

Lierenfelder Straße 45 | 40231 Duesseldorf | Germany
corporate.fashionette.com

Public Relations
presse@fashionette.de
Lierenfelder Straße 45 | 40231 Duesseldorf | Germany
corporate.fashionette.com

28.04.2023 CET/CEST Dissemination of a Corporate News, transmitted by EQS News - a service of EQS Group AG.
The issuer is solely responsible for the content of this announcement.

The EQS Distribution Services include Regulatory Announcements, Financial/Corporate News and Press Releases.
Archive at www.eqs-news.com

Language:	English
Company:	fashionette AG Lierenfelder Straße 45 40231 Düsseldorf Germany
E-mail:	ir@fashionette.com
Internet:	corporate.fashionette.com
ISIN:	DE000A2QEFA1
WKN:	A2QEFA
Listed:	Regulated Unofficial Market in Berlin, Dusseldorf, Frankfurt (Scale), Hamburg, Hanover, Munich, Stuttgart, Tradegate Exchange
EQS News ID:	1619843

End of News EQS News Service

1619843 28.04.2023 CET/CEST