

**#1 FASHION &  
LIFESTYLE  
DESTINATION IN  
LATAM, SEA & ANZ**

**Q4 2022 RESULTS  
PRESENTATION**  
15 March 2023



# RAPIDLY ADAPTED AND CHANGED PLANS THROUGH 2022

## VOLATILE MACRO ENVIRONMENT 2022

**RUSSIA-UKRAINE WAR**

**INFLATION**

**CONSUMER SENTIMENT**

**ONLINE PENETRATION PLATEAU**

## GFG ACTIONS TAKEN TO ADAPT

**SOLD CIS BUSINESS**

**REDUCED INVENTORY TO CONTROL MARGINS**

**DISCIPLINED TECH INVESTMENTS**

**REDUCED MARKETING & HEADCOUNT**

# 2023 FOCUS ON COST ACTIONS WHILST MARKETS REMAIN UNCERTAIN

## MARKETS ENTERING 2023

UNCERTAIN MACRO

INFLATION

CONSUMER SENTIMENT

ONLINE PENETRATION PLATEAU

## GFG INITIATIVES IN PLACE

CAREFUL MANAGEMENT OF INVENTORY LEVELS

DRIVE MARKETPLACE & PLATFORM SERVICES

RESTRICT CAPITAL INVESTMENT AND OVERHEADS

DISCIPLINED CUSTOMER ACQUISITION

IMPROVE PROFITABILITY IN LOW GROWTH ENVIRONMENT

# FY 2022: CONTINUED DELIVERY OF OUR STRATEGIC OBJECTIVES IN A SOFTER MARKET ENVIRONMENT

**€1,615m**  
NMV  
(0.7)% yoy<sup>1</sup>

**49%**  
19-22  
growth<sup>1</sup>

**42.5%**  
GROSS PROFIT MARGIN  
(0.8)ppt yoy

**(3.7)%**  
ADJ. EBITDA MARGIN  
(1.9)ppt yoy

**11.2m**  
ACTIVE CUSTOMERS  
(16.5)% yoy

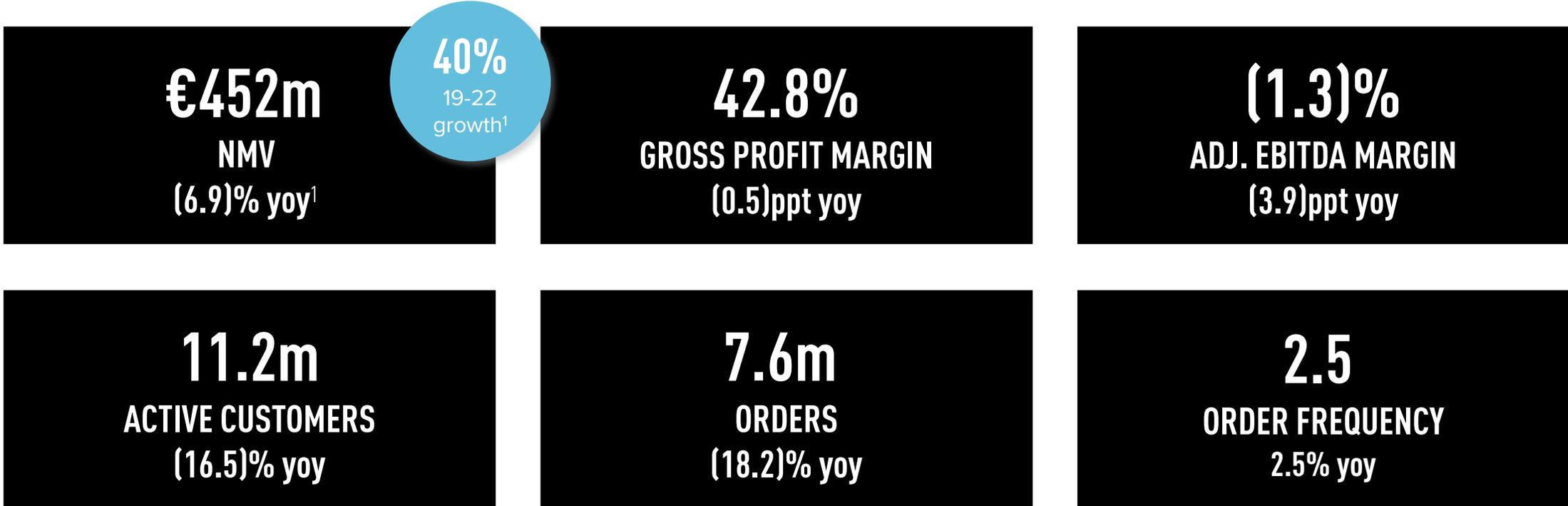
**27.9m**  
ORDERS  
(14.3)% yoy

**2.5**  
ORDER FREQUENCY  
2.5% yoy

Note: KPI definitions are included in the Appendix.

(1) Constant currency growth rate.

# Q4 2022: STABLE GROSS MARGIN WHILST LOWER DEMAND DELEVERAGES COST



Note: KPI definitions are included in the Appendix.  
(1) Constant currency growth rate.

# H2 BUSINESS UPDATE



# OUR STRATEGY REMAINS UNCHANGED



- Broad and relevant assortment
- Inspiring and seamless digital experience
- Fast and convenient delivery



- Unlocking complex markets
- Offering flexible business models
- Unrivalled platform services



- Climate action
- Circularity and conscious consumption
- Fair and ethical sourcing

# POSITIVE INDICATORS ACROSS ALL KEY INITIATIVES IN LATAM

## ADVANCING LATAM INITIATIVES TO ENSURE A BEST-IN-CLASS EXPERIENCE

Key Initiative	Status
Improve <b>assortment</b> stock management with <b>exclusivity and relevant brands</b>	
Improve ease and inspiration of discovery with <b>new front-end</b>	
Drive <b>marketing efficiency</b> across acquisition, retention and reactivation	
Ensure seamless <b>faster delivery</b> for more customers	

## IMPROVE ASSORTMENT STOCK MANAGEMENT WITH EXCLUSIVITY AND RELEVANT BRANDS

SELECT INTERNATIONAL BRANDS

BANANA REPUBLIC

**BESTSELLER**

**JACK & JONES® ONLY**  
VERO MODA®

FOREVER 21

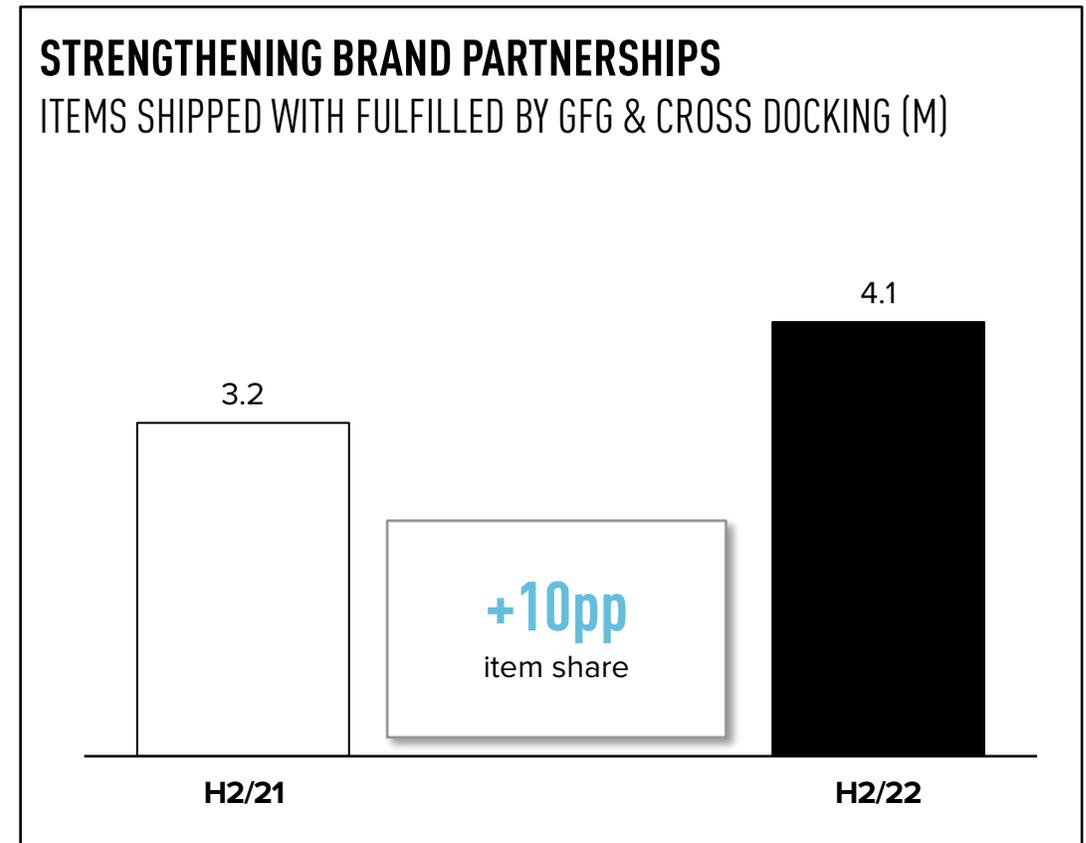
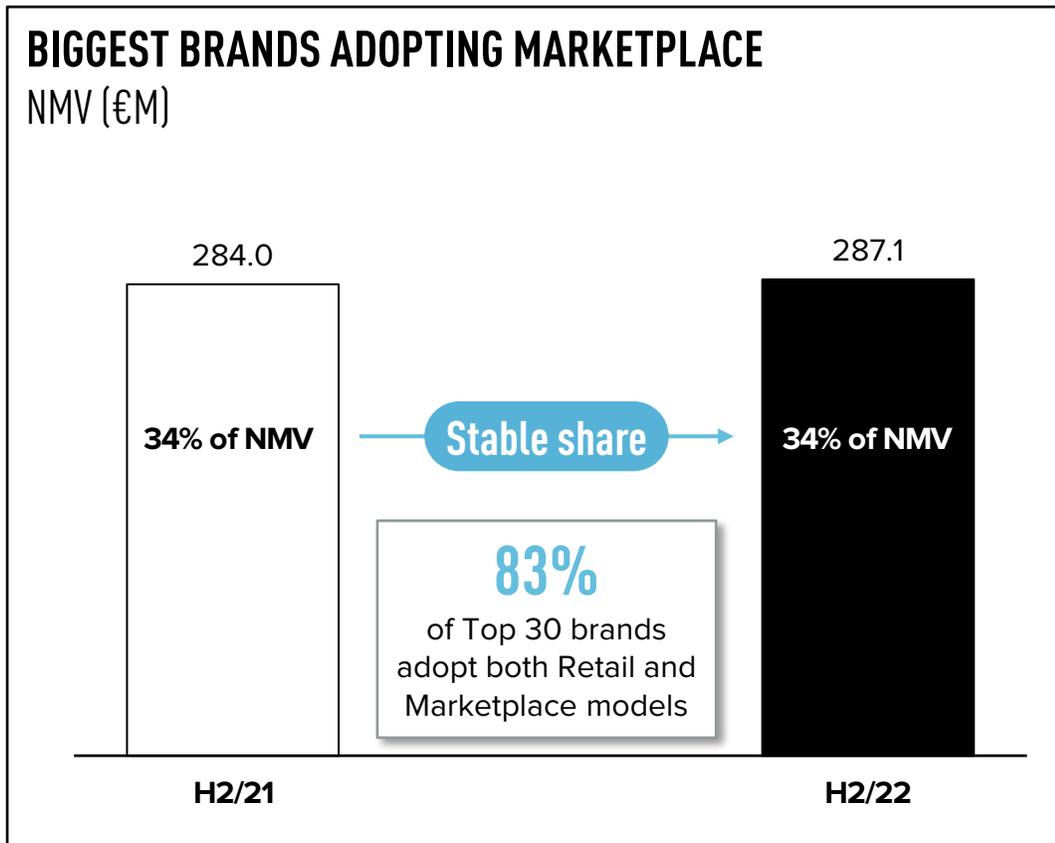
GAP

MANGO

TOPSHOP  
TOPMAN

DESIRABLE BRANDS EXCLUSIVELY PROVIDED IN BRAZIL

# MARKETPLACE SUPPORTS GROSS MARGIN AND STRENGTHENS THE BALANCE SHEET



Note: KPI definitions are included in the Appendix.

# ENSURING OUR FUTURE IS PEOPLE & PLANET POSITIVE

People and Planet Positive Report 2022  
Available 4-April

## LOOKING AFTER OUR PEOPLE



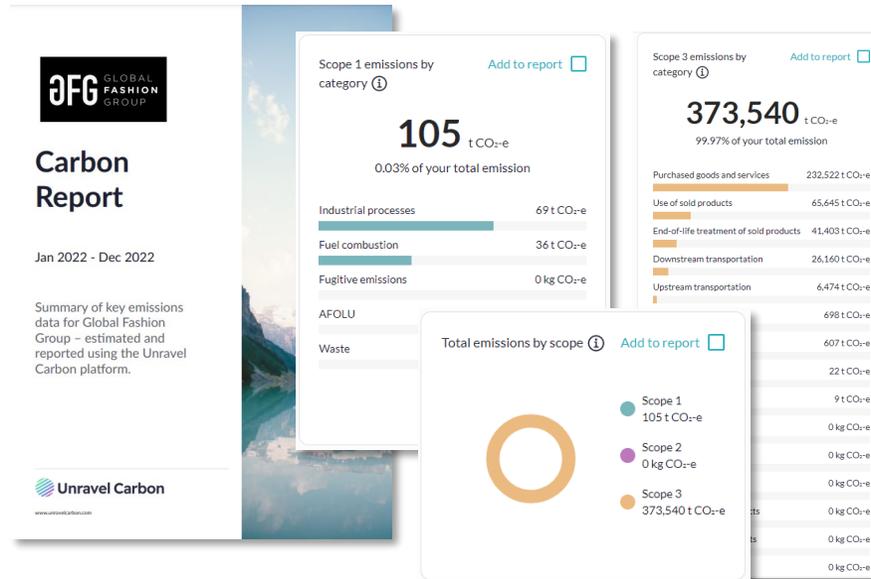
**83% employees**

Agree they are treated with dignity & respect at GFG

**74% employees**

Would recommend GFG as a great place to work

## IMPROVED CARBON ACCOUNTING WITH NEW AI CARBON TOOL



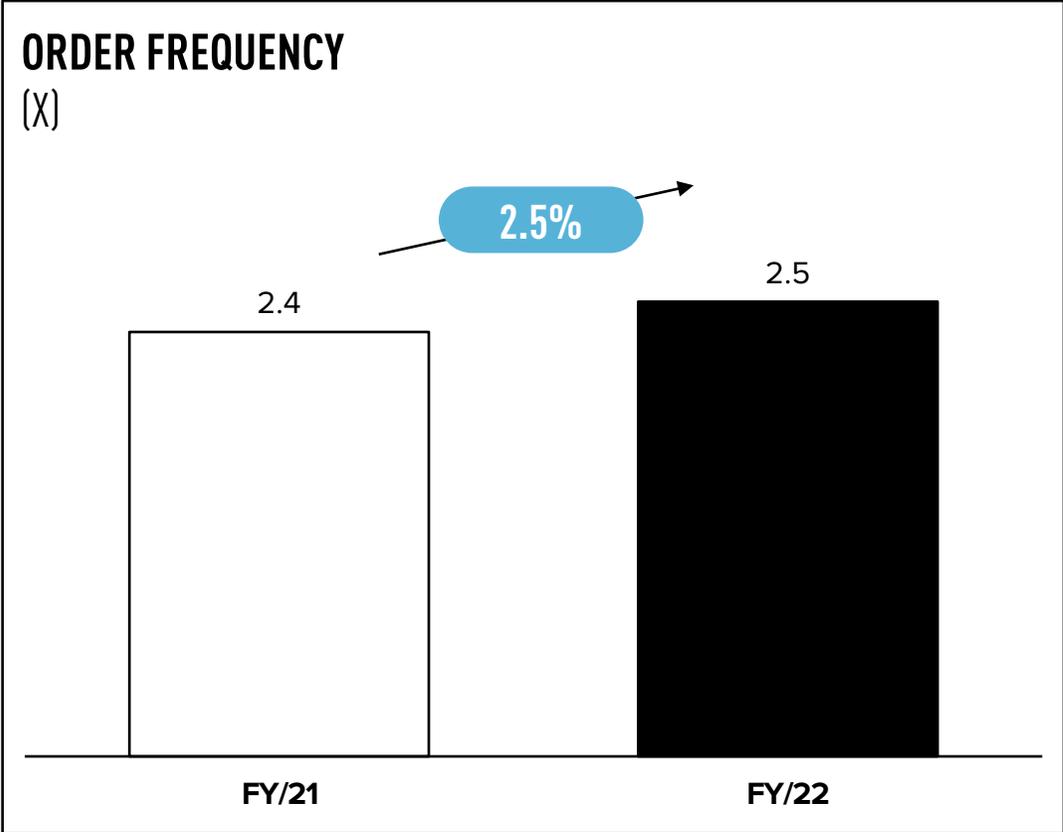
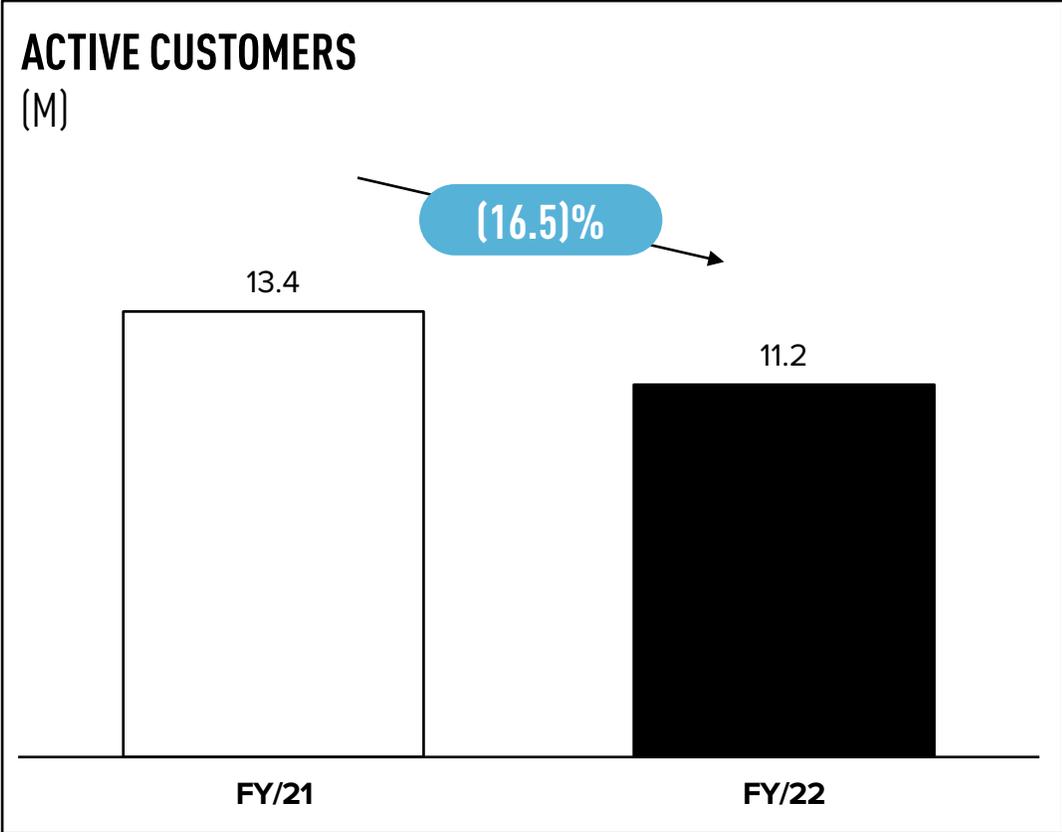
More accurate monitoring for emissions, Scope 3 measurements and Science-Based targets

**36% REDUCTION IN TOTAL EMISSIONS VS. 2019**

# GROUP METRICS

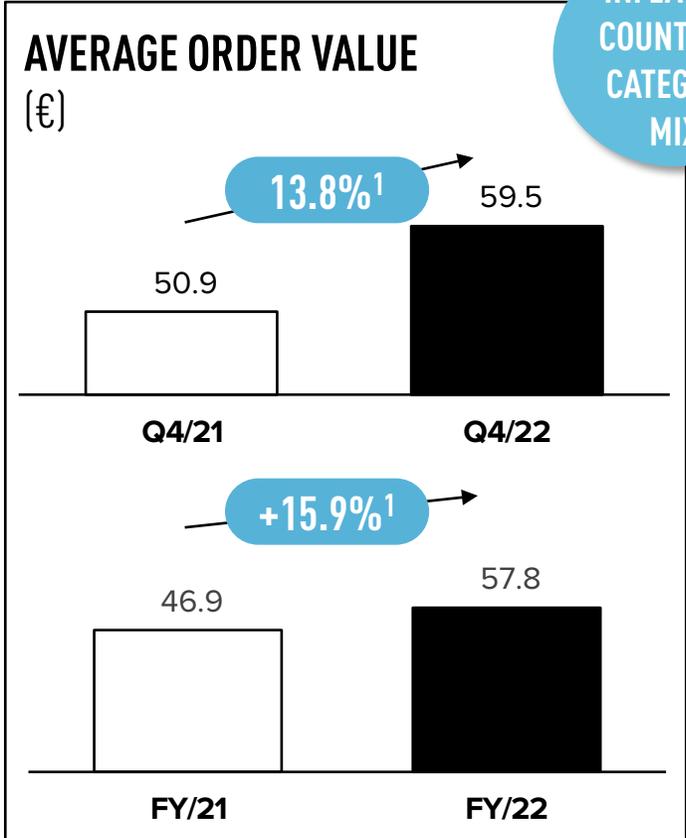
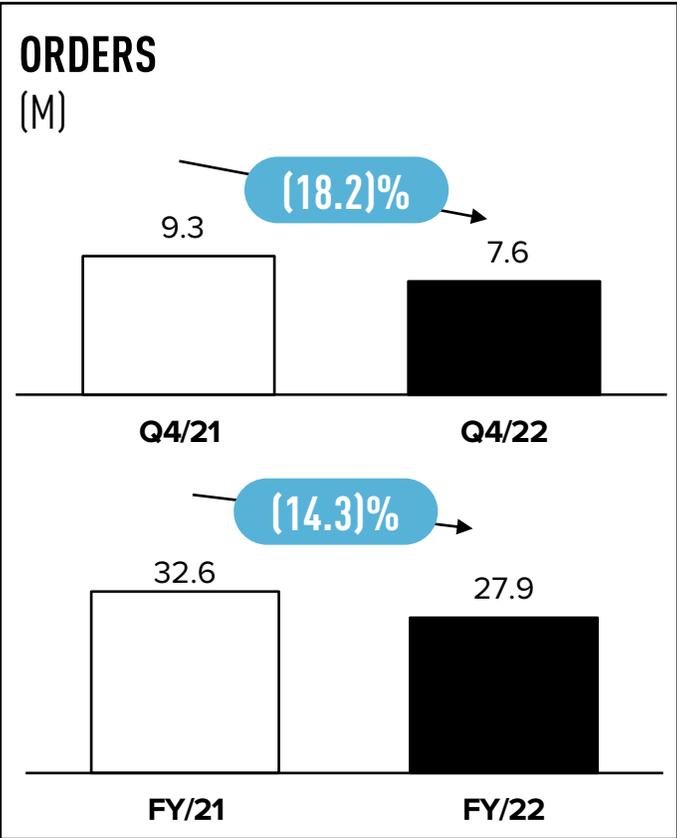
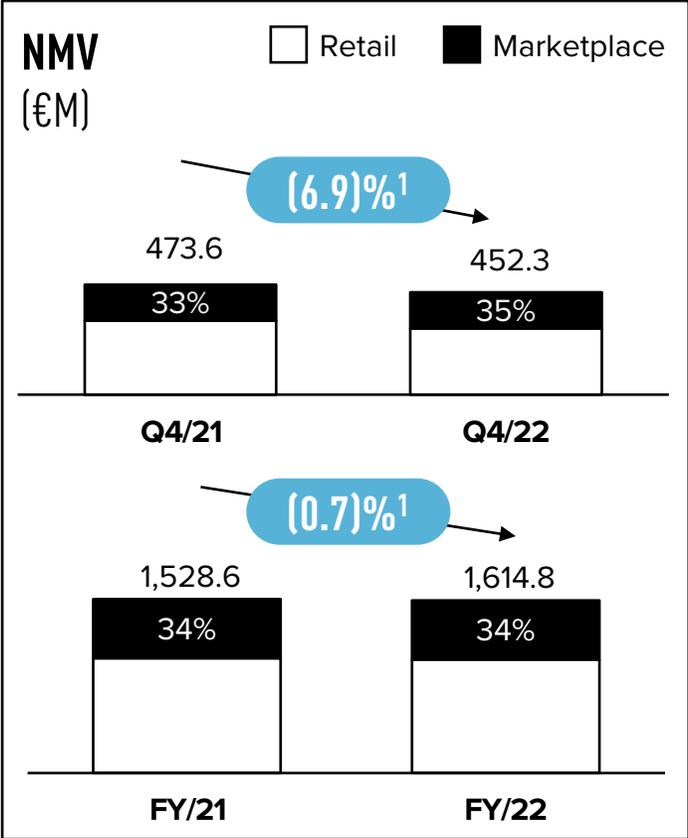


# CUSTOMER NUMBERS REFLECT LOWER MARKETING SPEND AND RUN-THROUGH OF LARGE COVID COHORT



Note: KPI definitions are included in the Appendix.

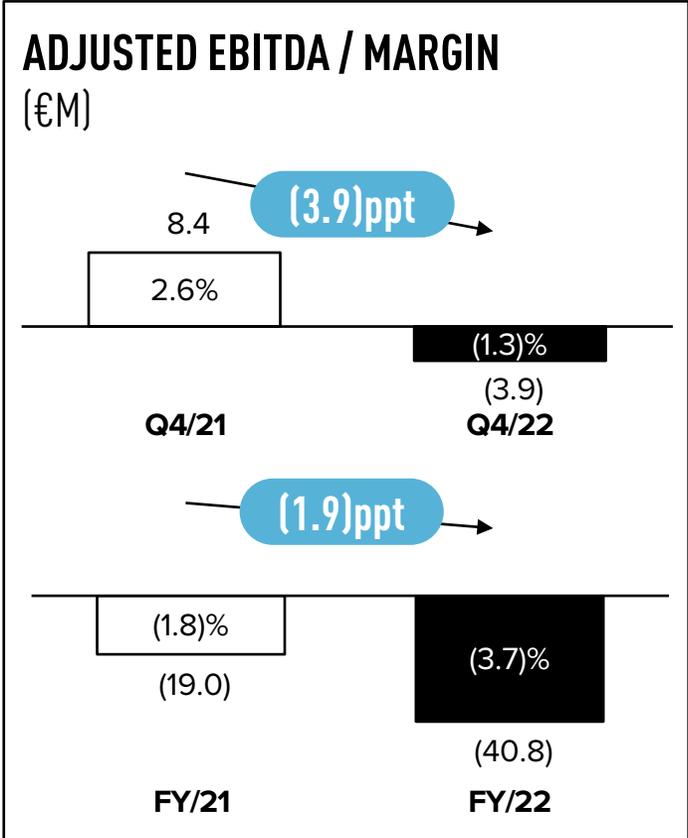
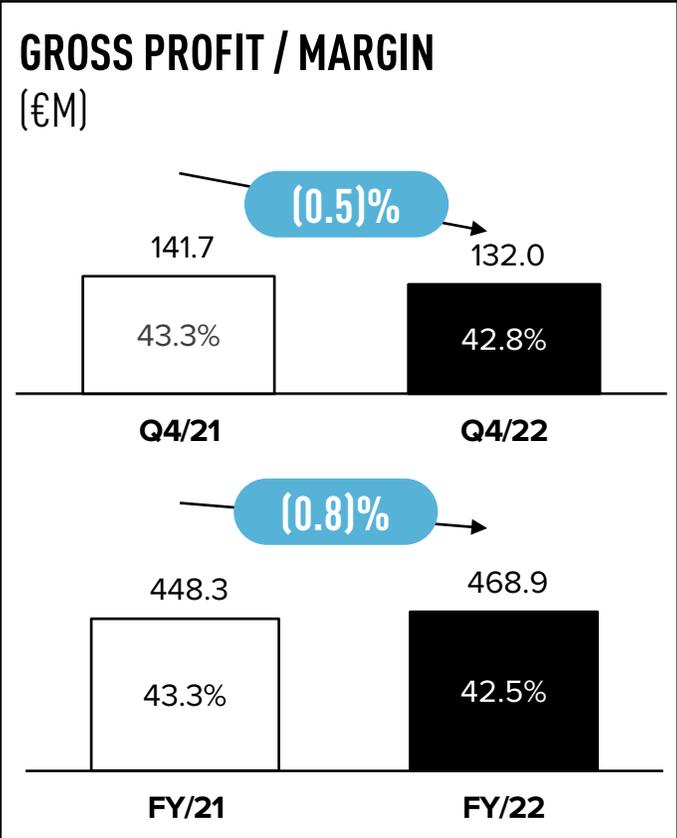
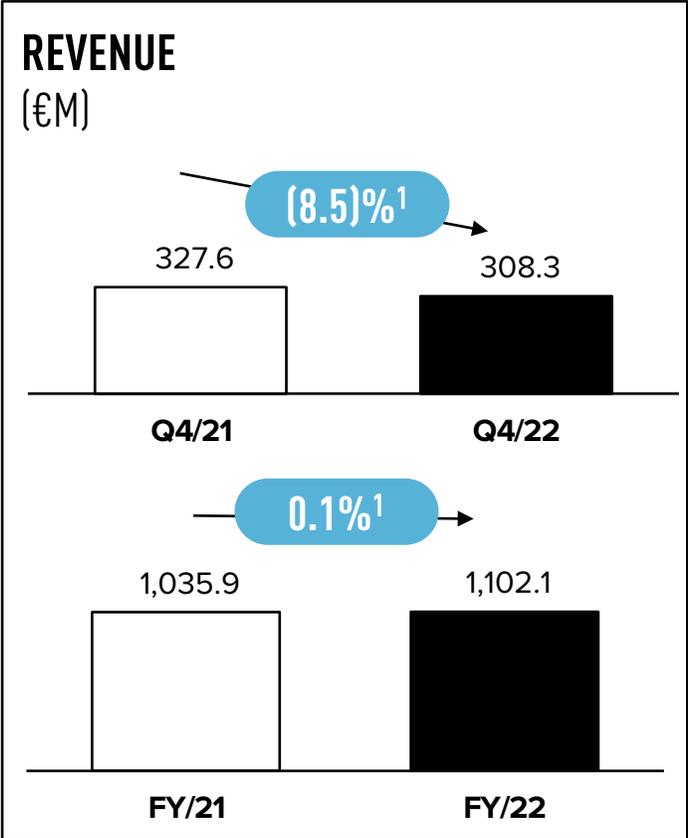
# THE DROP IN VOLUME OFFSET BY THE INCREASE IN ORDER VALUE



INFLATION  
COUNTRY &  
CATEGORY  
MIX

Note: KPI definitions are included in the Appendix.  
 (1) Constant currency growth rate. Bars are a graphical representation of values on a constant currency basis.

# Q4 STABLE GROSS MARGIN, FIXED COST DE-LEVERAGE



(1) Constant currency growth rate. Bars are a graphical representation of values on a constant currency basis.

# IMPROVING LONG-TERM UNIT ECONOMICS

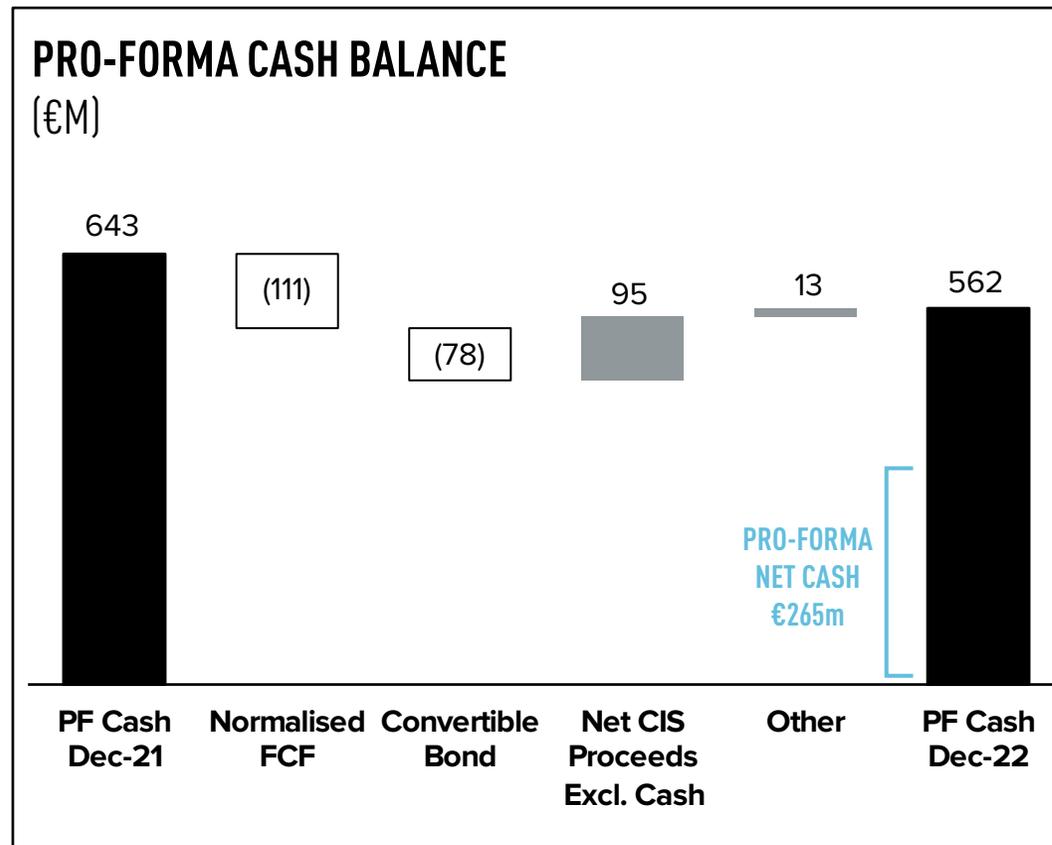
COSTS% OF NMV <sup>1</sup>	2019	2020	2021	2022	△ 19-22	FUTURE TREND
<b>FULFILMENT</b>	16.4%	14.9%	15.3%	16.0%	0.4ppt	 <p>Scale efficiencies in earlier years and increase in Marketplace participation with de-leverage in 2022</p>
<b>MARKETING</b>	7.7%	6.9%	7.5%	6.8%	0.9ppt	 <p>Marketing investment typically at c.7% 2022 step down reflects current trading stance</p>
<b>TECH &amp; ADMIN</b>	12.5%	11.2%	10.3%	11.5%	1.0ppt	 <p>Scale efficiencies in Tech &amp; Admin Investment to support growth Lack of leverage in 2022</p>

Note: Historic data for the Group excludes CIS.

(1) Excludes recurring and non-recurring costs including but not limited to share based payment charges, changes to estimates for prior year tax charges and changes in legal provisions and one-off costs. Adjusted to exclude CIS business divested in 2022.

# IMPROVED NORMALISED FREE CASH FLOW AND STRONG YEAR-END CASH

(€M)		2021	2022
<b>FUNDING OPERATIONS</b> with Retail inventory to scale	Adj. EBITDA	(18)	(41)
	Cash Lease Costs	(17)	(20)
	Working Capital	(57)	7
	<b>TOTAL</b>	(92)	(54)
<b>CAPEX</b> to invest our tech and fulfilment assets	Tech Capex	(22)	(32)
	PP&E Capex	(11)	(12)
	<b>TOTAL</b>	(33)	(44)
Other		(20)	(13)
<b>NORMALISED FREE CASH FLOW</b> excludes non-operating cash flows <sup>1</sup>		(145)	(111)



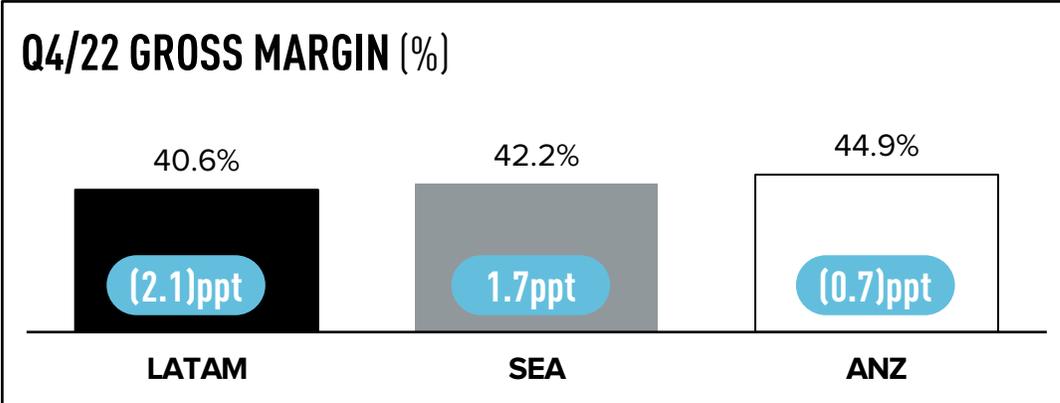
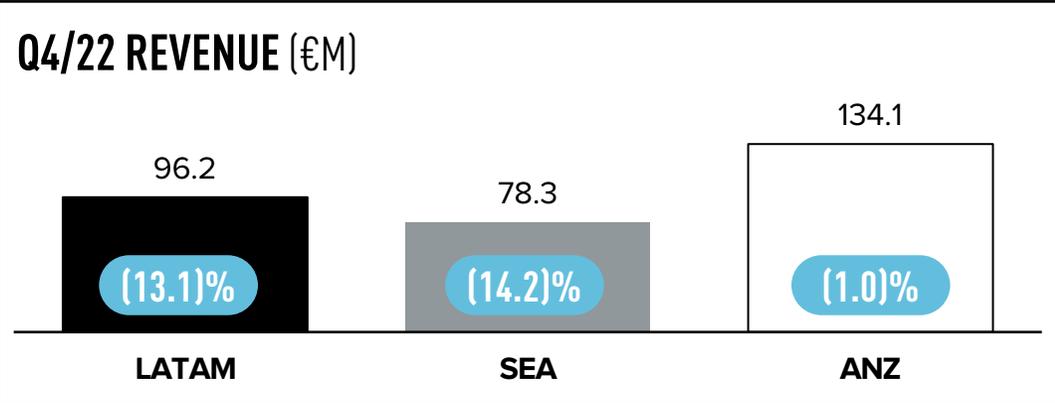
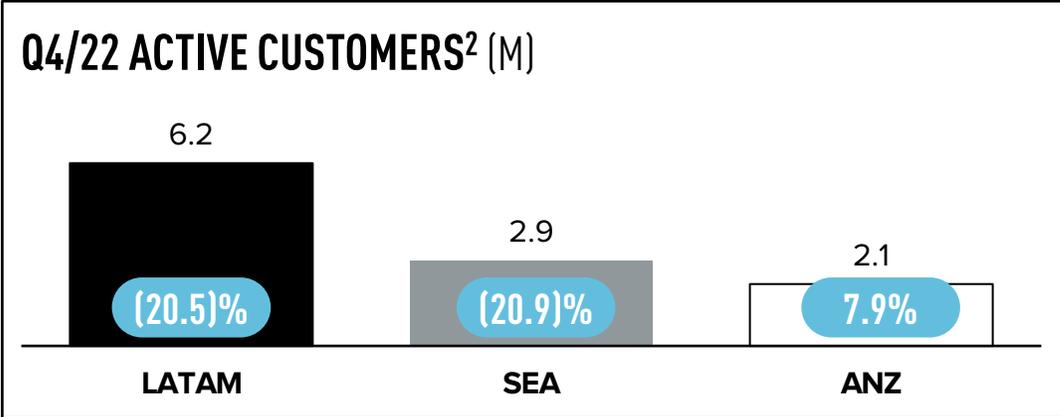
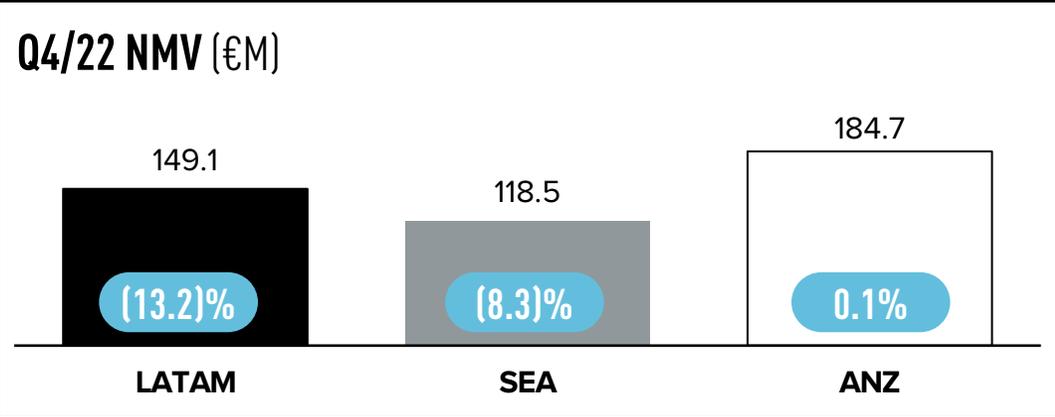
(1) Cash flow before convertible bond cash flows (€78m), net proceeds of CIS excl. cash (€95m), and other cash flows (€13m net), which includes FX retranslation, factoring cash flow, change in provisions, change in restricted cash, external funding, exceptional items, fair value movement on investment funds and cash in CIS.

# REGIONAL METRICS



# ANZ SOLID PERFORMANCE WHILST LATAM REMAINS CHALLENGING

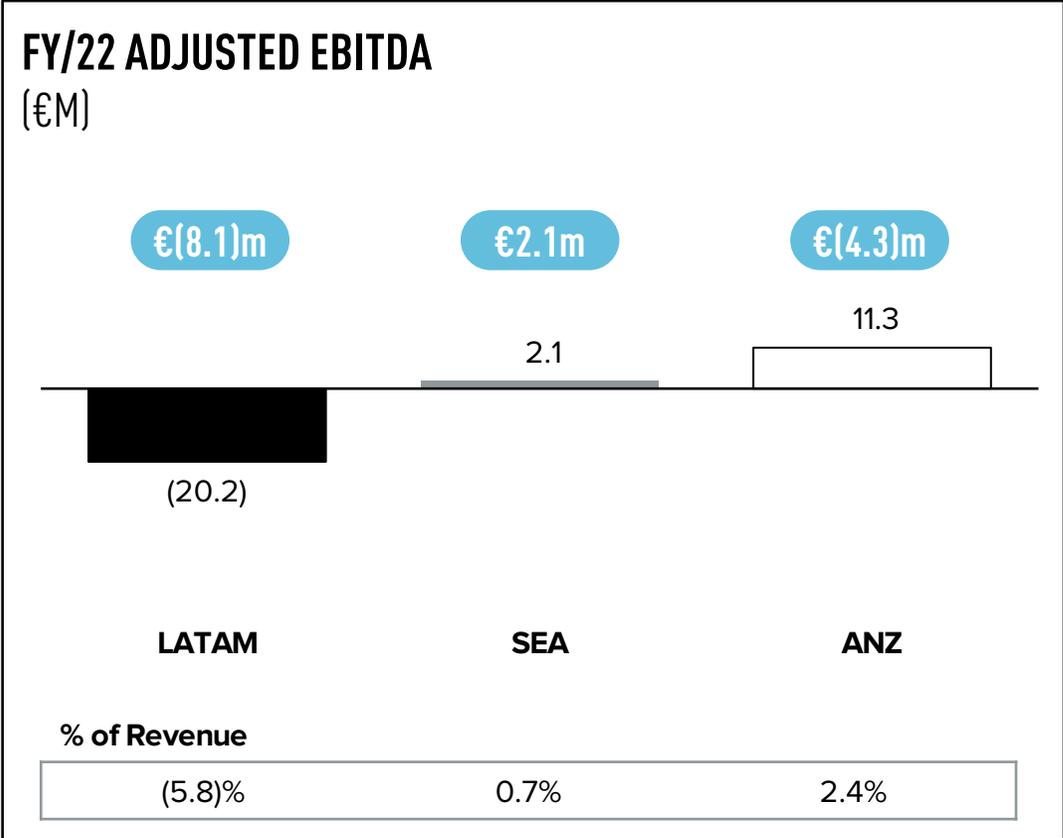
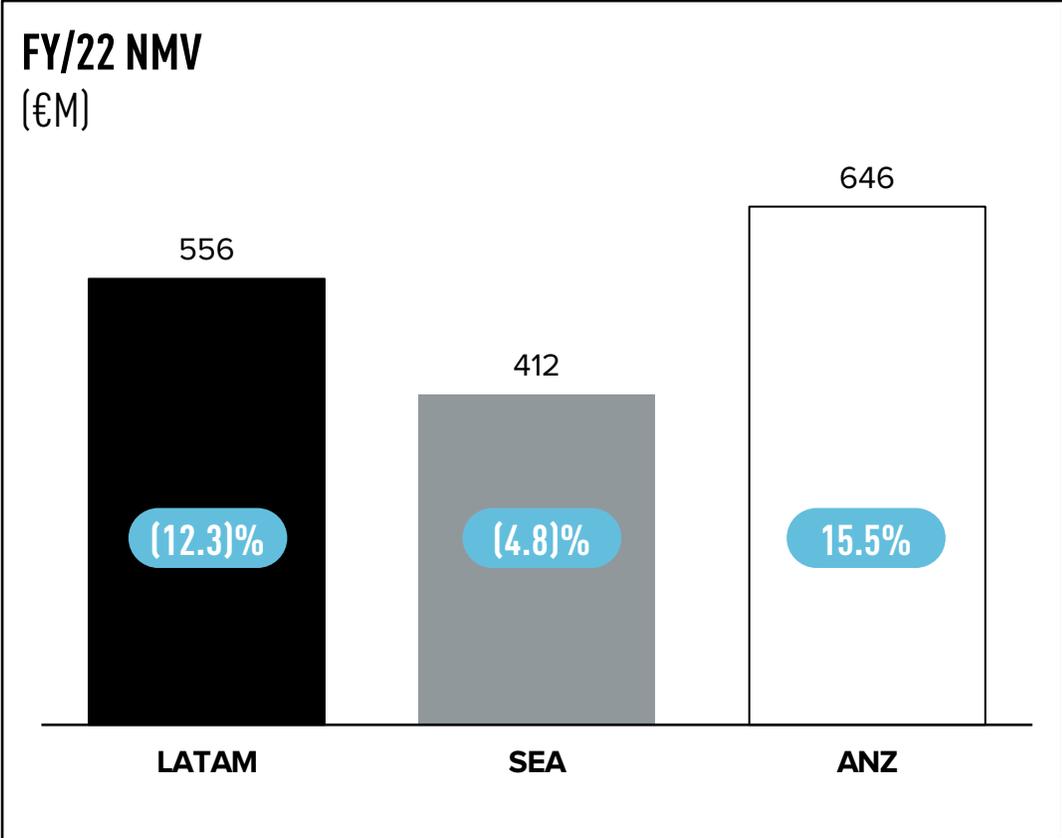
Change on Q4/21<sup>1</sup>



(1) NMV and Revenue changes are at constant currency growth rates.  
 (2) Active Customers is a rolling 12-month KPI.

# PROFITABILITY IMPACTED BY GROSS MARGIN INVESTMENT AND COST DELEVERAGE

Change on FY/21<sup>1</sup>



(1) NMV changes are at constant currency growth rates.

# OUTLOOK



# FY2023 PRIORITIES AND CONTEXT

## CONTINUE ADAPTING TO THE NEAR-TERM GROWTH ENVIRONMENT

- Focus on profitability and cash flow, rather than growth in 2023
- Careful management of inventory and reduce inventory intake significantly (>€60m) to protect margin and cash flow
- Drive a strong Marketplace business that's able to stretch if demand returns ahead of expectations
- Disciplined customer acquisition focused on financial returns, not growth
- Cost control to mitigate inflation and deliver efficiencies

## FOCUSED INVESTMENT IN OUR STRATEGY

- Restrict capex to €35M with a focus on technology to enable our strategy
- Enhance the tech capabilities supporting Marketplace and Platform Services growth
- Invest in improving personalisation and the overall customer journey
- LATAM: Over the near term we will continue to deliver the initiatives and de-prioritise growth

## EXTERNAL

- Group: Outlook is impacted by the uncertain macroeconomic environment and consumer sentiment
- ANZ: Sentiment alongside higher interest rates expected to dampen demand

# FY2023 GUIDANCE: IMPROVING PROFITABILITY WITH LOW GROWTH

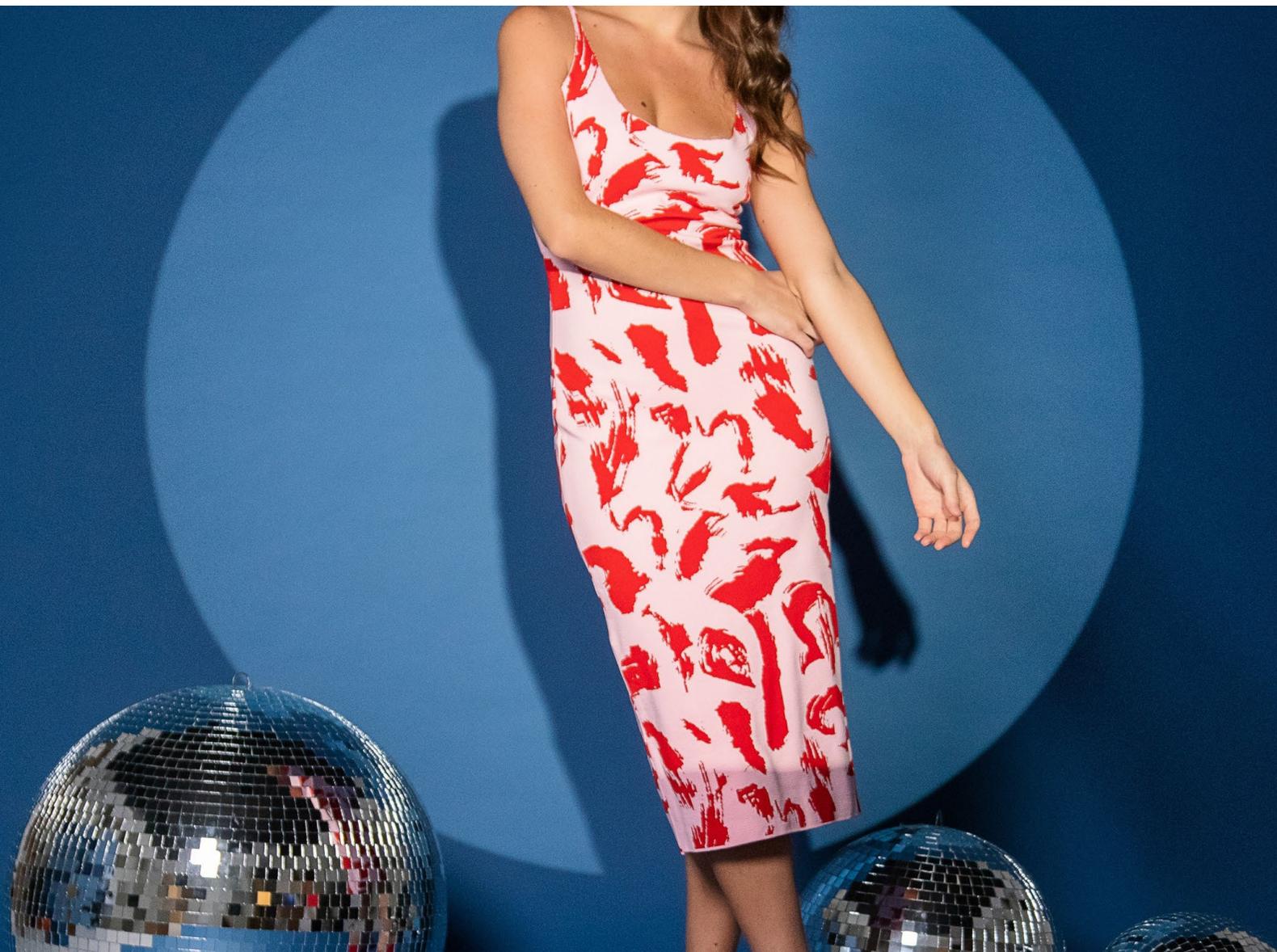


**LONGER TERM  
AMBITIONS:**

**ADJ. EBITDA BREAKEVEN 2024**  
**NORMALISED FREE CASH FLOW POSITIVE AT NMV OF €2.2 to 2.5bn**

Note: At 31 December 2022 closing exchange rates.

# Q&A



# APPENDIX



# FX SENSITIVITY

		€M IMPACT ON:		
CURRENCY	△ Q4/22 vs. Q4/21	NMV	REVENUE	ADJ. EBITDA
ARS	(72.0)%	(24.7)	(13.4)	0.5
AUD	1.1%	1.9	1.4	0.0
BRL	18.4%	15.2	10.4	(0.8)
OTHER	(1.0)%	1.8	0.8	0.1
<b>IMPACT ON Q4/22 AT Q4/21 FX RATES</b>		<b>(5.8)</b>	<b>(0.8)</b>	<b>(0.2)</b>

# ADJUSTED EBITDA RECONCILIATION

(€M)	FY/21	FY/22
<b>Adjusted EBITDA</b>	<b>(19.0)</b>	<b>(40.8)</b>
Share-based payment expenses	(20.0)	(8.0)
IAS 29 Hyperinflation EBITDA impact	-	(4.6)
Impairment of goodwill	(22.1)	(41.2)
One-off costs <sup>1</sup>	(3.3)	1.0
<b>EBITDA</b>	<b>(64.4)</b>	<b>(93.6)</b>
Depreciation and amortisation	(44.9)	(54.4)
<b>Loss before interest and tax (EBIT)</b>	<b>(109.3)</b>	<b>(148.0)</b>
Net finance costs <sup>2</sup>	(28.7)	(28.2)
Result from indexation of hyperinflation	3.2	5.5
<b>Loss before tax</b>	<b>(134.8)</b>	<b>(170.7)</b>
Income taxes	10.8	(7.7)
<b>Loss for the year</b>	<b>(124.0)</b>	<b>(178.4)</b>

(1) One-off costs related to changes to estimates for prior year tax, fulfilment centre closure costs and continuity incentives, and change in legal provisions and project costs.

(2) Includes interest income, net FX gains and gain on repurchase of convertible bonds, offset by interest expenses and fair value changes to investment funds.

# ISSUED SHARE CAPITAL

## SHARE INFORMATION

**Type of Share** Common shares in dematerialised form with a nominal value of €0.01

**Stock Exchange** Frankfurt Stock Exchange

**Market Segment** Regulated Market (Prime Standard)

**Shares Outstanding** **220,004,284**  
(Excluding own shares held by the Company)<sup>1</sup>

## EMPLOYEE SHARE OPTION PROGRAMME

WEIGHTED AVERAGE EXERCISE PRICE	OUTSTANDING CALL OPTIONS <sup>2</sup>
€0.01	183,468
€6.00	2,648,218
€10.32	3,190,934
€30.87	212,111
<b>Total</b>	<b>6,234,731</b>

## LONG-TERM INCENTIVE PLAN<sup>3</sup>

Total awards at 31-Dec-22

9,170,683

(1) Based on 220,292,912 shares in issue, less 288,628 shares held in treasury or in trust for GFG. Issued share capital as of 31 December 2022.

(2) Based on number of employee stock options outstanding as of 31 December 2022, assuming all awards are settled via issuance of GFG shares.

(3) A maximum of 27,283,529 shares are expected to be awarded under the Long-Term Incentive Plan, in the first three years in which the plan operates, of which 5,230,701 have already been issued.

# CONVERTIBLE BOND 2021

## PRICING TERMS

<b>Outstanding Issue Size in the Public Market</b>	<b>€279.9 million</b>
Status	Senior Unsecured
Maturity	7 Years
Issuer Call	After Year 4 at 130% Trigger
<b>Reference Share Price</b>	<b>€12.60</b>
Denomination	€100,000 per bond (“Principal Amount”)
Issue Price	100% of the Principal Amount
Redemption Price	100% of the Principal Amount
<b>Yield to Maturity</b>	<b>1.25%</b>
<b>Coupon</b>	<b>1.25%</b>
<b>Conversion Premium</b>	<b>42.5%</b>
<b>Conversion Price</b>	<b>€17.9550</b>
Underlying Shares (m) <sup>1</sup>	15,588,972
Underlying Shares (% ISC) <sup>2</sup>	7.09%

## CONVERTIBLE BOND REPURCHASE 2022

- On 27 April 2022, the Group repurchased outstanding Convertible Bonds due 2028 via a modified Dutch auction procedure announced on 26 April 2022
- At the close, GFG agreed to purchase bonds representing EUR 95.1 million in aggregate principal amount (approximately 25% of the outstanding principal amount)
  - EUR 78,000 purchase price per EUR 100,000 nominal amount

(1) This number assumes no adjustments are made to the conversion price based on the terms and conditions of the bond. The maximum potential shares to be issued is approximately 29,761,905 shares.

(2) Issued share capital as of 31 December 2022.

# KPI DEFINITIONS

## ACTIVE CUSTOMERS

Active Customers is defined as the number of customers who have purchased at least one item after cancellations, rejections and returns in the last twelve months

## ADJUSTED EBITDA

Adjusted EBITDA is EBITDA adjusted for share-based payment (income) / expenses, impairment of goodwill, Group recharges, IAS 29 Hyperinflation EBITDA impact and other one-off costs (see Annual Financial Report for details). IAS 29 Hyperinflation EBITDA impact has only been adjusted from 1 January 2022 onwards

## AVERAGE ORDER VALUE

Average Order Value is defined as the Net Merchandise Value (“NMV”) per order

## NET MERCHANDISE VALUE

NMV is defined as the value of goods sold including value-added tax (“VAT”) / goods and services tax (“GST”) and delivery fees, after actual or provisioned rejections and returns

## ORDERS

Orders are defined as the number of orders placed by customers after cancellations, rejections and returns

## ORDER FREQUENCY

Order Frequency is defined as the average number of Orders per customer per year (calculated as the last twelve months' orders divided by Active Customers)

# FINANCIAL CALENDAR – UPCOMING EVENTS

DATE	EVENT	LOCATION
29 March 2023	Jefferies Pan-European Mid-Cap Conference	London
27 April 2023	Q1 2023 Results	Virtual
25 May 2023	BofA Ecommerce Consumer Virtual Fieldtrip	Virtual
13 June 2023	Barclays European Internet & Emerging Tech Conference	London
19 September 2023	Berenberg & Goldman Sachs 12th German Corporate Conference	Munich
20 September 2023	Baader Investment Conference 2023	Munich

# DISCLAIMER



Certain statements included in this document are forward-looking statements. Forward-looking statements can typically be identified by the use of words such as “expects”, “may”, “will”, “could”, “should”, “intends”, “plans”, “predicts”, “envisages” or “anticipates” or other words of similar meaning. These forward-looking statements are based upon current expectations and assumptions regarding anticipated developments and other factors affecting the Global Fashion Group S.A. (“GFG”) and its group (the “GFG Group”). They are not historical or current facts, nor are they guarantees of future performance.

By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described in this document. These forward-looking statements speak only as of the date of this announcement. Except as required by any applicable law or regulation, the GFG Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the GFG Group’s expectations with regard thereto or any change in events, conditions or circumstances on which any such forward-looking statement is based. Neither GFG nor any other person accepts any responsibility for the accuracy of the opinions expressed in this document or the underlying assumptions.