

#1
FASHION AND
LIFESTYLE
DESTINATION IN
GROWTH MARKETS

Q4 2019	RESULTS PRESENTATION 3 rd March 2020
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HIGHLIGHTS AND BUSINESS UPDATE

HIGHLIGHTS Q4 2019

€554M

NMV

+22.9% yoy

13.1M

ACTIVE CUSTOMERS

+17.0% yoy

10.3M

ORDERS

+20.3% yoy

40.4%

GROSS PROFIT MARGIN

+1.6% yoy

0.2%

ADJ. EBITDA MARGIN

Our first profitable quarter






€301M

PRO-FORMA CASH

Including restricted cash

Note: See Appendix for definitions.

WE DELIVERED ON OUR GUIDANCE FOR 2019

	FY 2019 GUIDANCE	FY 2019 RESULTS	
NMV Constant Currency Growth %	<ul style="list-style-type: none"> • 20% – 23% • €1.7 – 1.8bn 	23.0% €1,778m	 
REVENUE	<ul style="list-style-type: none"> • Min €1.3bn 	€1,346m	
ADJ. EBITDA Adj. EBITDA Margin %	<ul style="list-style-type: none"> • Further progress to breakeven 	€(37.1)m (2.8)%	
CAPEX	<ul style="list-style-type: none"> • €80m (reduced from €90m at IPO) 	€72m	

LARGEST SEASONAL TRADING EVENT EVER IN Q4

SEASONAL TRADING DAYS THROUGHOUT Q4 ACROSS OUR MARKETS



SYSTEMS HANDLED HUGE TRAFFIC & VOLUMES

>70m site visits

>2m orders processed

MAJOR CUSTOMER ACQUISITION OPPORTUNITY

~400k new customers acquired¹

SIGNIFICANT UPLIFT VS LAST YEAR

>35% NMV growth vs last year²



(1) Only includes customers that have never purchased an order with GFG before.
 (2) Based on FX neutral growth, compared with equivalent sales period in 2018.

ASSORTMENT PROPOSITION EXPANDED FURTHER IN Q4

GLOBAL BRANDS LAUNCHED ACROSS REGIONS AND CATEGORIES

EXCLUSIVE
AVAILABILITY ONLINE
(3RD PARTY)

GAP RALPH LAUREN swatch

LATAM

RUSSIA

CIS – BRAND
LAUNCHES

ESTÉE
LAUDER
COMPANIES

intimissimi

VOLCOM

APAC – BRAND
LAUNCHES

VERSACE
JEANS COUTURE

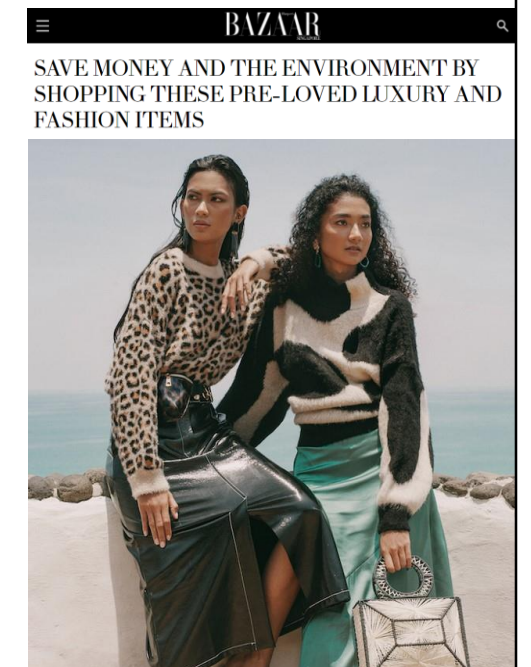
simply be.

SUSTAINABILITY OFFERING ENHANCED

ZALORA x STYLE TRIBUTE

- Launch of first resale model, in partnership with Style Tribute, a luxury reseller
- Marketplace model on ZALORA

>5k pre-loved items



TECH KNOWLEDGE-SHARING DRIVES ROLLOUT OF NEW FEATURES ACROSS GROUP

ARRAY OF NEW FEATURES FOR ZALORA APP (SEA)

- Complete the Look

>10% adoption rate + uplift in average basket size

- Follow the Brand

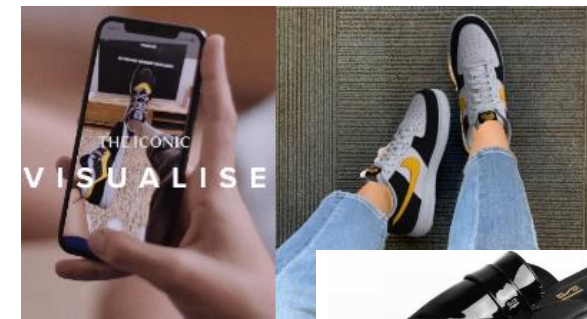
10% adoption rate

- Search Autocorrect

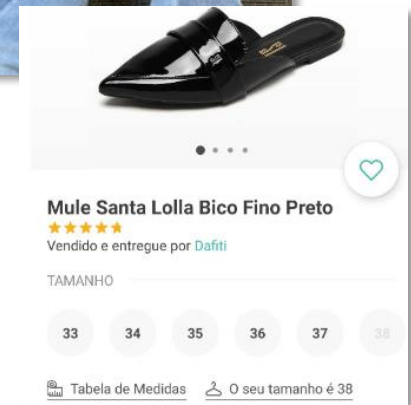
- Rollout of new payment methods



AI-POWERED SIZING TOOLS IN ANZ AND LATAM



VIRTUAL TRY-ON

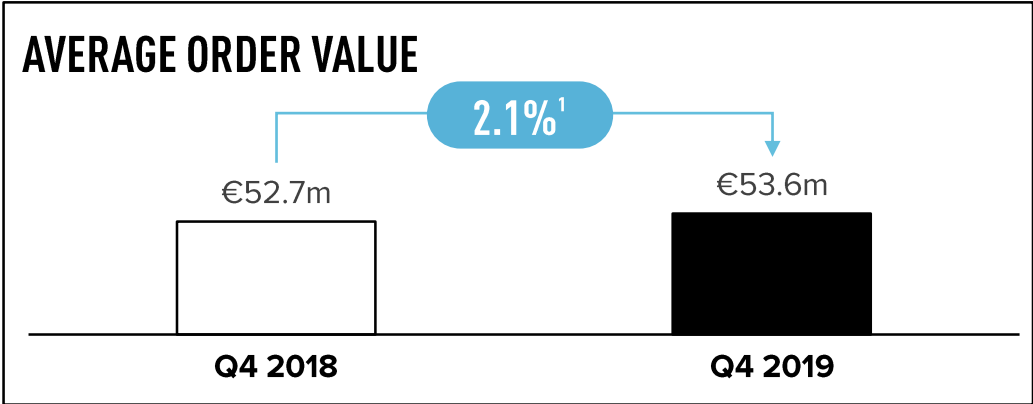
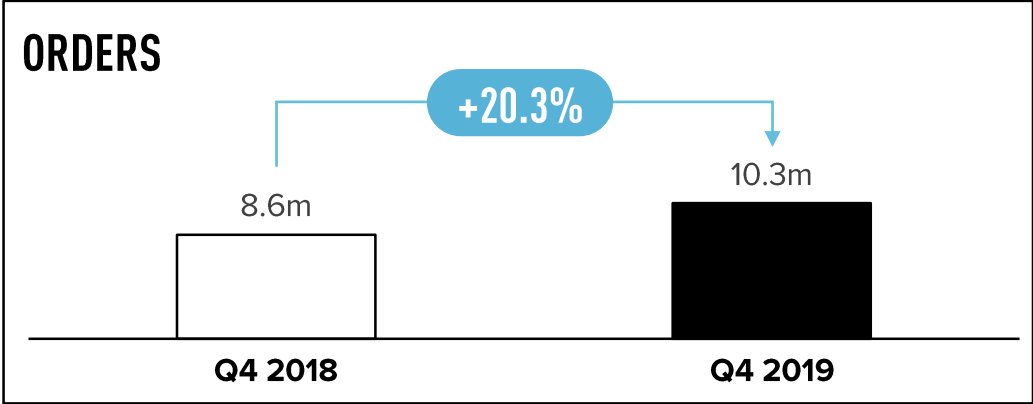
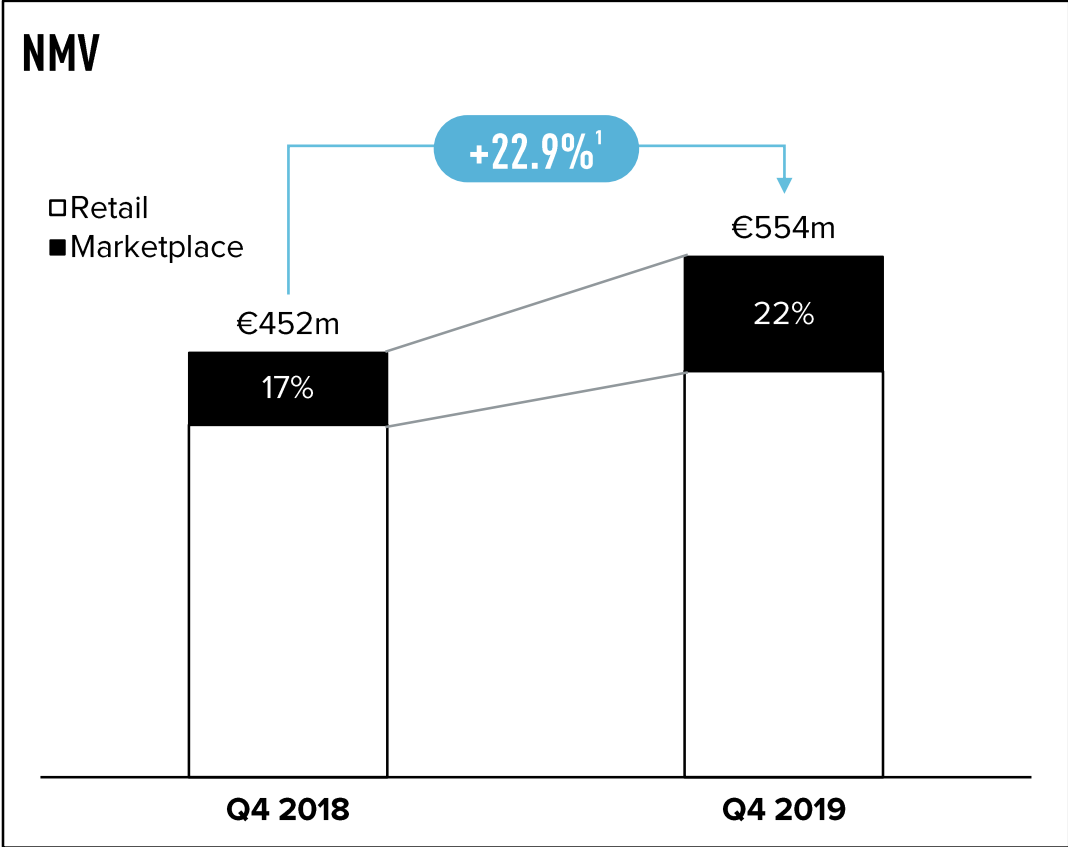


SIZING
RECOMMENDATION

OUR KPIS

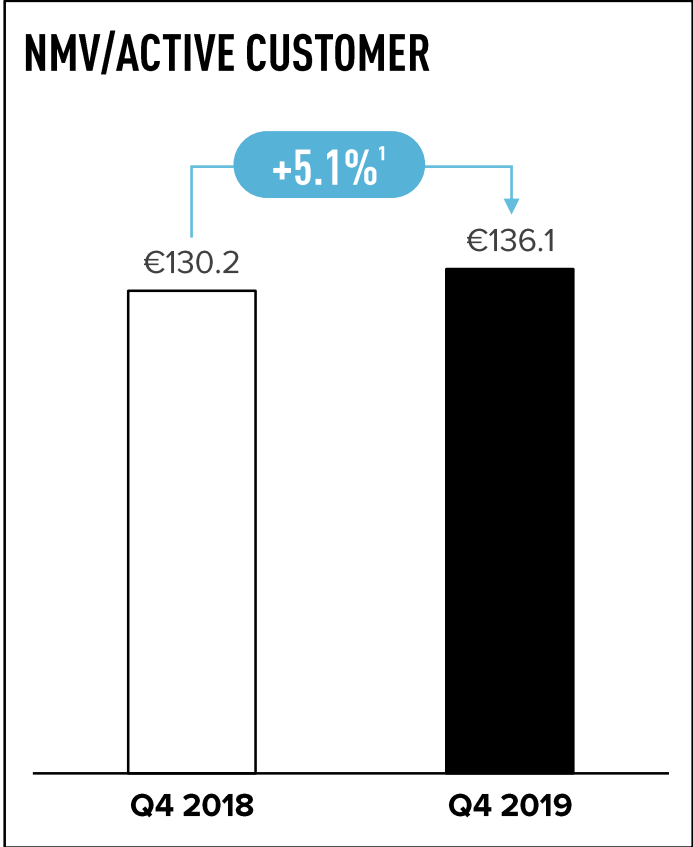
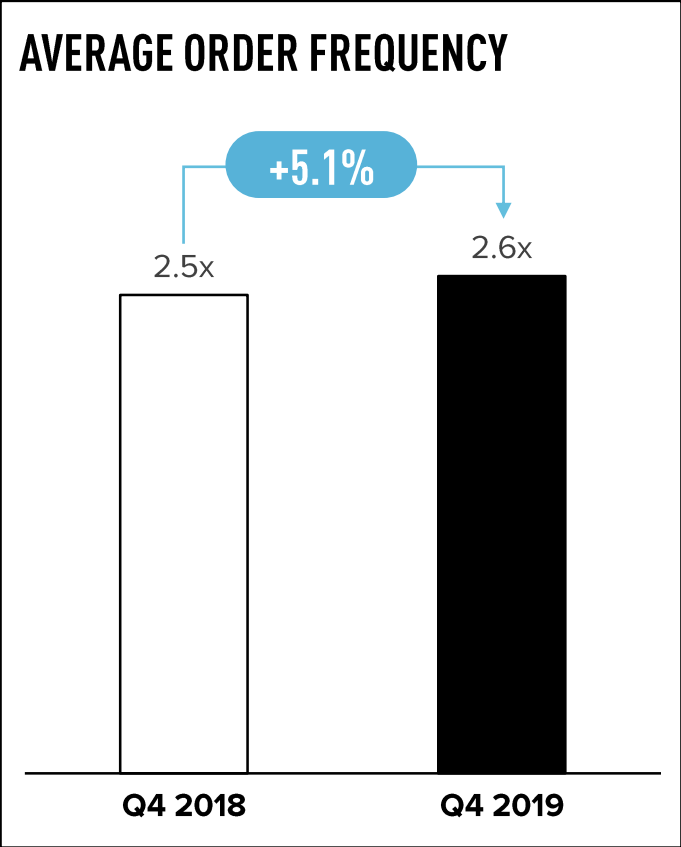
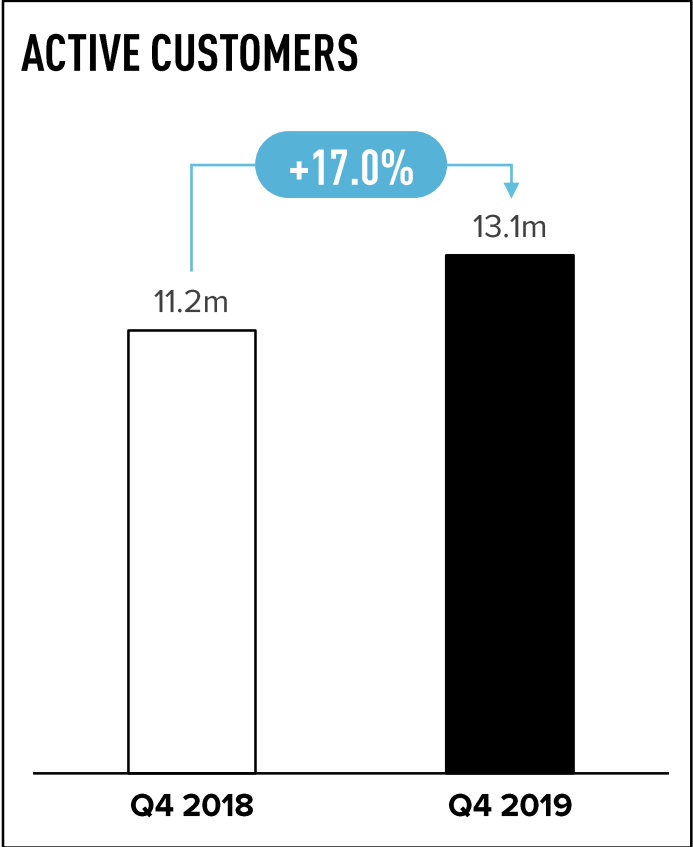


STRONG NMV GROWTH DRIVEN BY 20% GROWTH IN ORDERS AT A PROFITABLE AVERAGE ORDER VALUE



(1) Constant currency growth rate, to exclude the effect of FX changes.

17% GROWTH IN ACTIVE CUSTOMERS WITH FREQUENCY GAINS DRIVING NMV / ACTIVE CUSTOMER



(1) Constant currency growth rate, to exclude the effect of FX changes.

ROBUST UNDERLYING GROWTH ACROSS ALL REGIONS

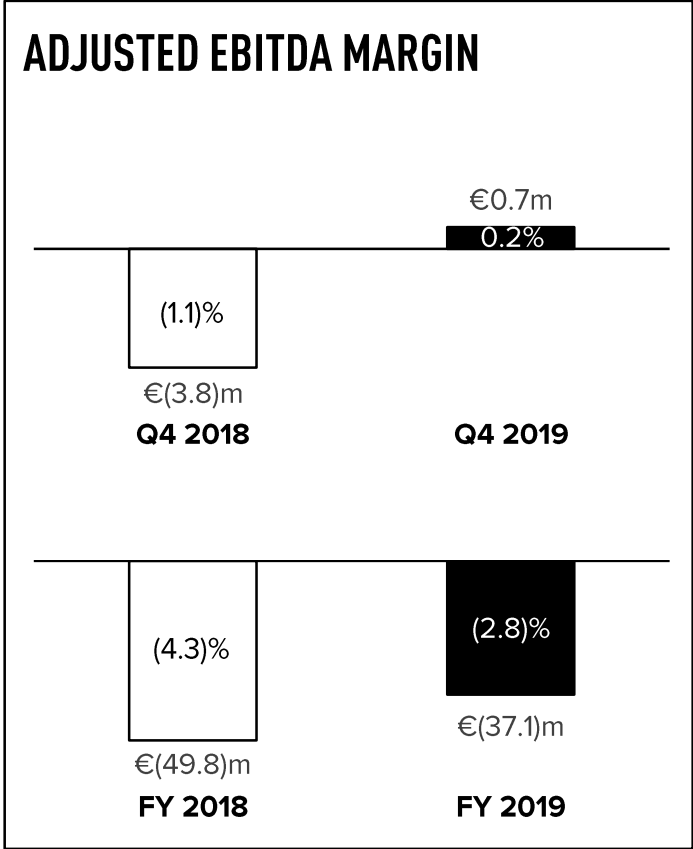
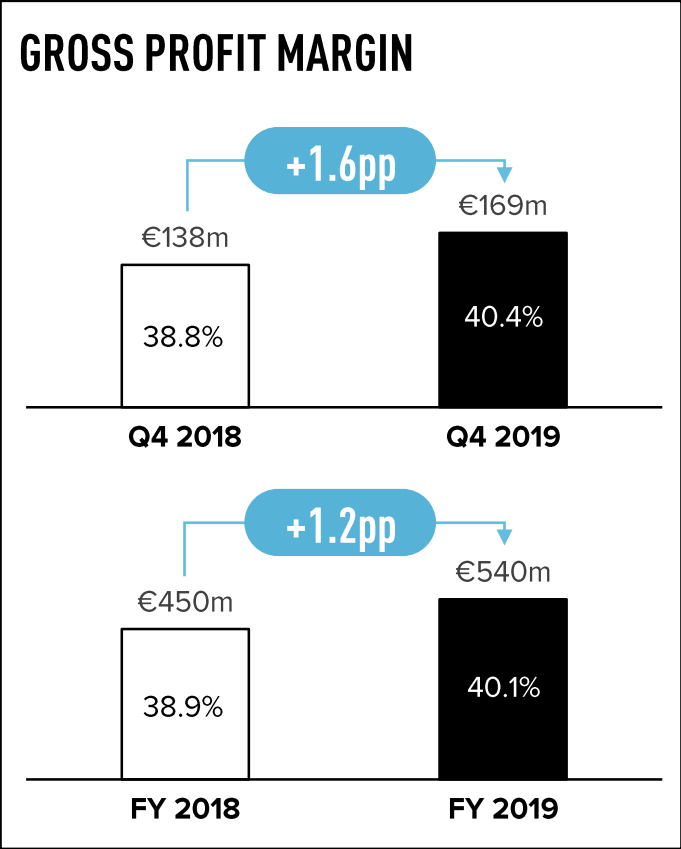
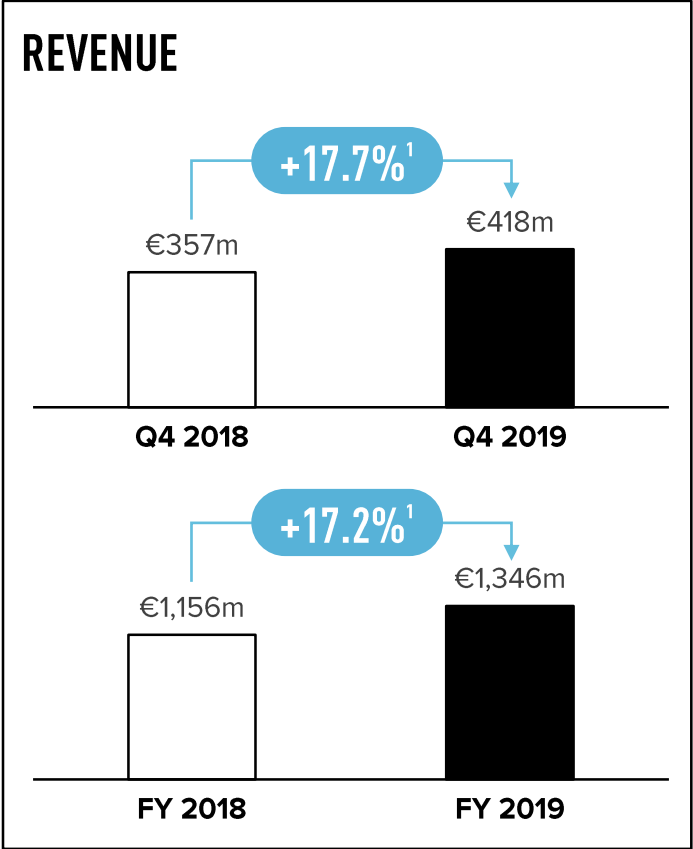
	ACTIVE CUSTOMERS (m)			NMV / ACTIVE CUSTOMER (€)			NMV (€m)		
	Q4 2018	Q4 2019	Δ (%)	Q4 2018	Q4 2019	Δ (%) ¹	Q4 2018	Q4 2019	Δ (%) ¹
GROUP	11.2	13.1	17.0	130.2	136.1	5.1	452.3	553.8	22.9
APAC	3.4	4.2	21.7	145.6	148.1	0.8	160.1	194.9	20.2
LATAM	5.0	5.9	17.8	96.7	94.5	3.5	148.0	164.3	23.7
CIS	2.7	3.0	9.5	172.5	201.7	13.6	144.3	194.5	25.2

(1) Constant currency growth rate, to exclude the effect of FX changes.

FINANCIALS



STRONG REVENUE GROWTH AND PROFITABLE Q4



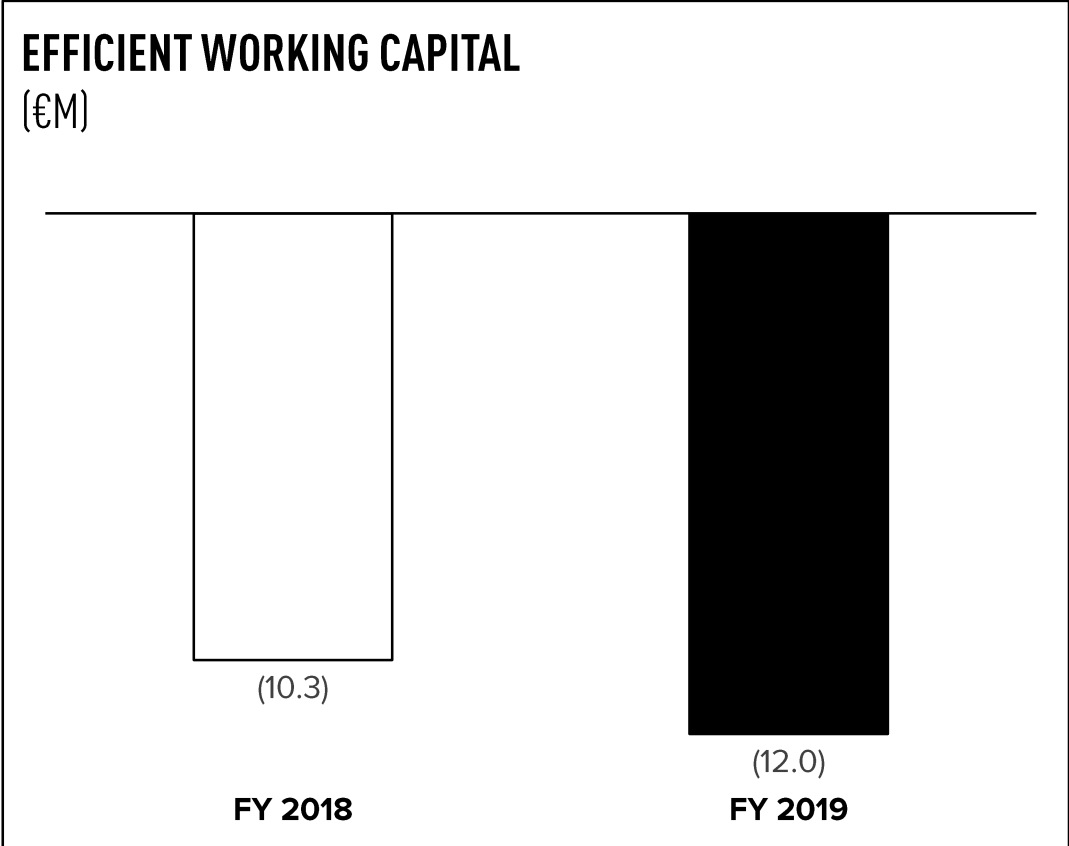
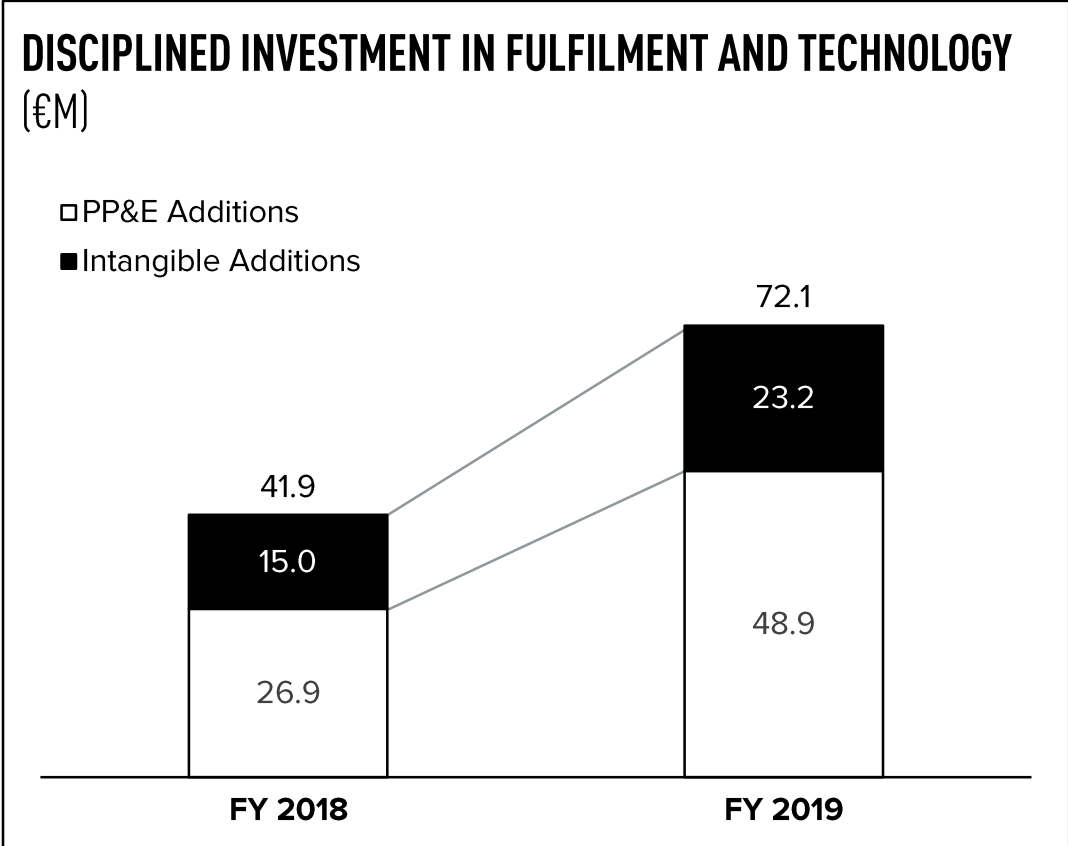
(1) Constant currency growth rate, to exclude the effect of FX changes.

CONTINUED LEVERAGE OF MARKETING AND TECH & ADMIN COSTS AS WE SCALE THE BUSINESS

	FULL YEAR			
	2018	2019	Δ	
GROSS PROFIT	38.9%	40.1%	+1.2pp	Gross margin improvement, driven by stable retail margins and increased marketplace participation
FULFILMENT COSTS	(23.0)%	(24.1)%	-1.1pp	As a result of increasing share of GFG-fulfilled marketplace. Marketplace share at 22% for Q4
MARKETING COSTS	(9.8)%	(9.7)%	+0.1pp	0.1pp leverage whilst delivering fastest active customer growth in recent years
TECH & ADMIN COSTS ¹	(13.8)%	(13.6)%	+0.2pp	0.2pp leverage as we scale the business
ADJUSTED EBITDA ¹	(4.3)%	(2.8)%	+ 1.5pp	Continued margin improvement on path to profitability

(1) Adjusted for share based payment expenses as well as one off fees and income. See Appendix for details.

DISCIPLINED INVESTMENT IN CAPEX AND WORKING CAPITAL MANAGEMENT. PRO FORMA CASH OF €301M AT YEAR END



ONGOING GROWTH ACROSS ALL REGIONS

	REVENUE (€m)			GROSS MARGIN (%)		
	Q4 2018	Q4 2019	Δ (%) ¹	Q4 2018	Q4 2019	Δ (pp)
GROUP	356.6	417.7	17.7	38.8	40.4	1.6
APAC	128.3	157.9	21.6	38.8	40.2	1.4
LATAM	110.7	118.9	19.3	40.5	40.0	(0.5)
CIS	115.5	141.3	14.0	37.7	41.3	3.6

(1) Constant currency growth rate, to exclude the effect of FX changes.

OUR OUTLOOK



2020 GUIDANCE

CORONAVIRUS UNCERTAINTY NOT REFLECTED IN GUIDANCE

		FY 2020 GUIDANCE
NMV	17-20% >€2.0bn	<ul style="list-style-type: none">• Constant currency growth of 17-20%• Expect slower start to year – Australia bushfires, warm Russian winter
REVENUE	c. €1.5bn	<ul style="list-style-type: none">• Slightly slower growth than NMV reflecting faster growth of Marketplace
ADJ. EBITDA MARGIN	Profitable by 2021	<ul style="list-style-type: none">• Intend to be Adj. EBITDA profitable no later than 2021• Will make continued progress in 2020
CAPEX	c. €55m	<ul style="list-style-type: none">• Completion of Brazil fulfilment centre• Reflecting capital-light approach to CIS fulfilment centre

Q&A



APPENDIX

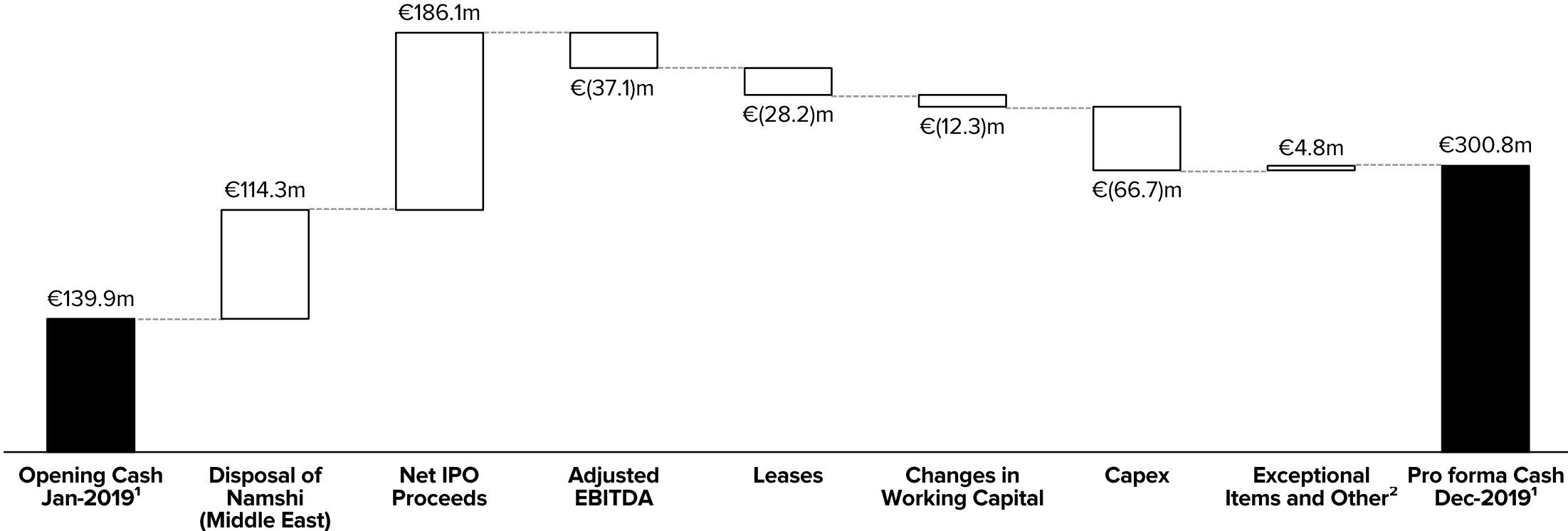


CONDENSED STATEMENT OF PROFIT OR LOSS

(€M)	FY 2019	FY 2018
ADJUSTED EBITDA	(37.1)	(49.8)
SHARE-BASED PAYMENT EXPENSE	(5.2)	(55.2)
IPO RELATED COSTS	(4.9)	-
WIND DOWN OF LOST INK LIMITED	(7.5)	-
ONE-OFF TAX ADJUSTMENTS	(14.8)	-
NON-TRADING INCOME	6.0	-
PRO FORMA IFRS 16 ADJUSTMENT	-	(20.2)
EBITDA	(63.5)	(125.2)
DEPRECIATION AND AMORTISATION ¹	(61.6)	(32.5)
LOSS BEFORE INTEREST AND TAX (EBIT)	(125.1)	(157.7)
RESULT FROM INVESTMENT IN ASSOCIATES	3.2	(9.1)
FINANCE INCOME	18.5	1.2
FINANCE COSTS	(14.7)	(32.3)
RESULT FROM INDEXATION OF IAS 29 HYPERINFLATION	1.6	1.2
LOSS BEFORE TAX	(116.5)	(196.7)
INCOME TAXES	(28.1)	(5.2)
LOSS FOR THE YEAR	(144.6)	(201.9)

(1) Year-on-year increase driven by €22.1m of Right of Use asset depreciation.

SUMMARY CASH FLOW



(1) Includes restricted cash related to the RCF facility and cash on deposit.
 (2) Includes movements in provisions, changes in restricted cash, finance and tax costs, and other.

IFRS 16 IMPACT ON CONSOLIDATED FINANCIAL STATEMENTS

- All leases have been capitalised on the Statement of Financial Position as right-of-use assets with a corresponding lease liability representing the obligation to make lease payments. Operating lease costs previously recognised within the Statement of Profit or Loss have been replaced by depreciation and interest expenses.
- On transition, the Group recognised an additional €75.0 million of right-of-use assets and €75.0 million of lease liabilities.

STATEMENT OF FINANCIAL POSITION	<ul style="list-style-type: none"> • Additional right-of-use assets and lease liabilities
STATEMENT OF PROFIT OR LOSS	<ul style="list-style-type: none"> • Lease expenses are now reported as depreciation and interest • Interest expenses are front loaded in earlier years and are unwound over the lease term
STATEMENT OF CASH FLOWS	<ul style="list-style-type: none"> • Lease payments are now reported as cash flows from financing activities instead of cash flows from operating activities

IFRS 16 IMPACT FY 2019 (€M)

STATEMENT OF FINANCIAL POSITION	ASSETS	
	Right-of-use assets	95.2
	LIABILITIES	
	Non-current lease liabilities	82.9
	Current lease liabilities	23.2
STATEMENT OF PROFIT OR LOSS	ROU asset depreciation	22.1
	Interest expenses	7.7
STATEMENT OF CASH FLOWS	Interest paid	(7.7)
	Cash outflow for lease liabilities	(20.5)

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 (Excluding Own Shares Held by the Company)¹	194,422,328

EMPLOYEE STOCK OPTION PROGRAM

Weighted average exercise price (€)	Outstanding call options ²
0.01	1,271,848
5.96	3,753,605
9.84	4,632,796
32.04	353,595
Total	10,011,844

(1) Based on 214,765,517 shares in issue, less 20,343,189 shares held in treasury or in trust for GFG, of which 20,054,561 treasury shares are held solely for cancellation as part of the share redistribution undertaken for GFG's IPO.

(2) Based on number of employee stock options outstanding as of 31-Dec-2019, assuming all awards are settled via issuance of GFG shares.

FINANCIAL CALENDAR – UPCOMING EVENTS

MARCH 2020

M	T	W	T	F
2	3	4	5	6
9	10	11	12	13
16	17	18	19	20
23	24	25	26	27
30	31			

APRIL 2020

M	T	W	T	F
		1	2	3
6	7	8	9	10
13	14	15	16	17
20	21	22	23	24
27	28	29	30	

MAY 2020

M	T	W	T	F
				1
4	5	6	7	8
11	12	13	14	15
18	19	20	21	22
25	26	27	28	29

DATE	EVENT	LOCATION
3 March	Q4 and FY 2019 Results	
3 March	FY 2019 Capital Markets Day	London
4/5 March	London Roadshow	London
5 May	Goldman Sachs Small/Mid-Cap Conference	London
14 May	Q1 2020 Results	
14 May	Exane BNP Digital Retail Conference	Frankfurt
22 May	AGM	Luxembourg

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 calculated as loss before interest and tax adjusted for depreciation of property, plant and equipment and right-of-use assets, amortisation of intangible assets and impairment losses, and adjusted for share-based payment (income)/expense as well as one-off fees related to the IPO, one-off tax adjustments, non-trading income and costs relating to the wind-down of Lost Ink Limited.
AVERAGE ORDER VALUE	Average order value is defined as the NMV per order.
NET MERCHANDISE VALUE	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.
ORDER FREQUENCY	Order frequency is defined as the average number of orders per customer per year (calculated as the last twelve month's orders divided by active customers).
ORDERS	Orders are defined as the number of orders placed by customers after cancellations, rejections and returns.
PRO FORMA CASH	Pro forma cash is defined as cash and cash equivalents at the end of the period plus restricted cash and cash on deposit.

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.

