



QFG GLOBAL
FASHION
GROUP

**#1
FASHION AND
LIFESTYLE
DESTINATION IN
GROWTH MARKETS**

**Q1 RESULTS
PRESENTATION**

14 May 2020

CONTINUED GROWTH IN Q1 DESPITE COVID-19 IMPACT

CONTINUED DELIVERY OF KEY METRICS IN Q1

- 13.1% YoY NMV growth with 19% growth until mid-March
 - Grown NMV per active customer for the 10th consecutive quarter
 - Continued to grow average order value
 - Highest ever active customer base
 - Key trading currencies depreciated by 15%, impacting NMV by c.€(20)m
- Continued to improve EBITDA margin – mostly driven by improvement in gross margin
- Solid closing cash balance of €210m

BUSINESSES ADAPTED EARLY, STARTING IN APAC

- Priority 1: safety of team and customers
 - Social distancing implemented – no known outbreaks of COVID-19 in our workplaces
- Priority 2: safeguard cash and liquidity
 - Stock levels healthy
 - Initiated cash and cost saving programme
- Priority 3: adapt strategy
 - De-risked inventory, adapted category mix and customer comms
 - Accelerated growth in marketplace and new customers
 - Recovery of Order Intake starting in April – growth in three weeks to 10 May is around 40%⁽¹⁾

⁽¹⁾ Order Intake measures customer order value including VAT and sales taxes and net of provisioned returns and rejections at the date of customer order.

Q1 2020 HIGHLIGHTS

€372.1m

NMV

+13.1% yoy

13.3m

ACTIVE CUSTOMERS

+15.5% yoy

7.4m

ORDERS

+7.5% yoy

40.6%

GROSS PROFIT MARGIN

+300bps yoy

(8.3)%

ADJ. EBITDA MARGIN

+150bps yoy

€210m

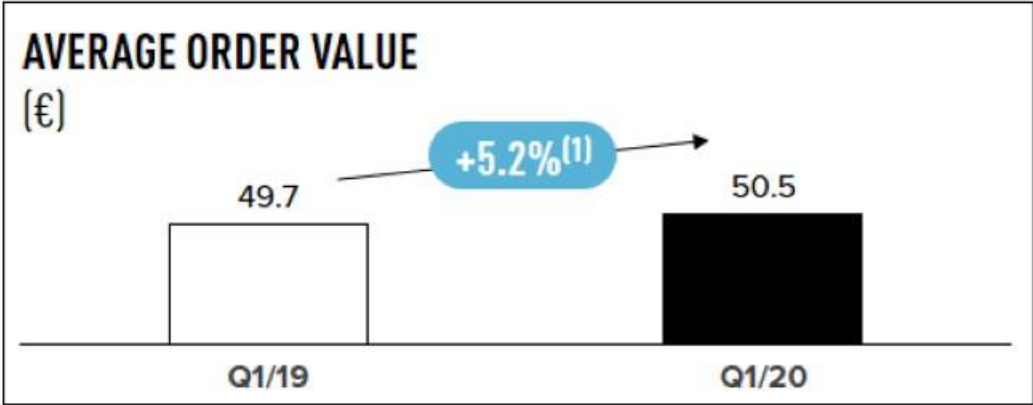
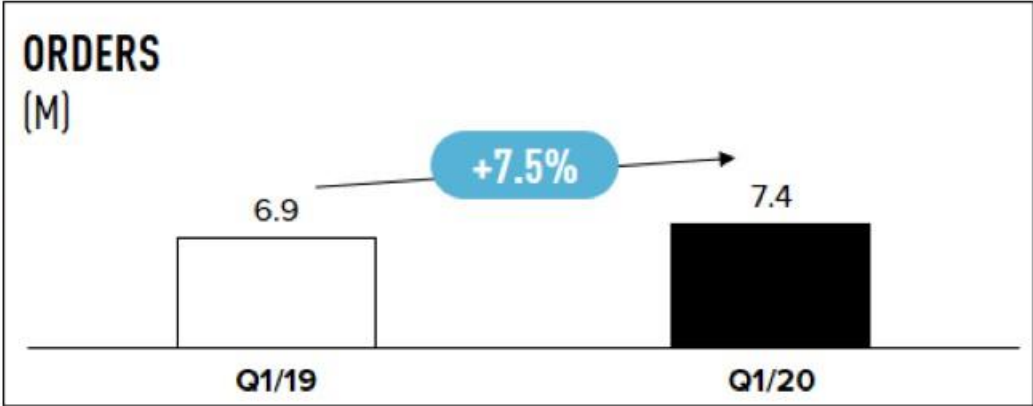
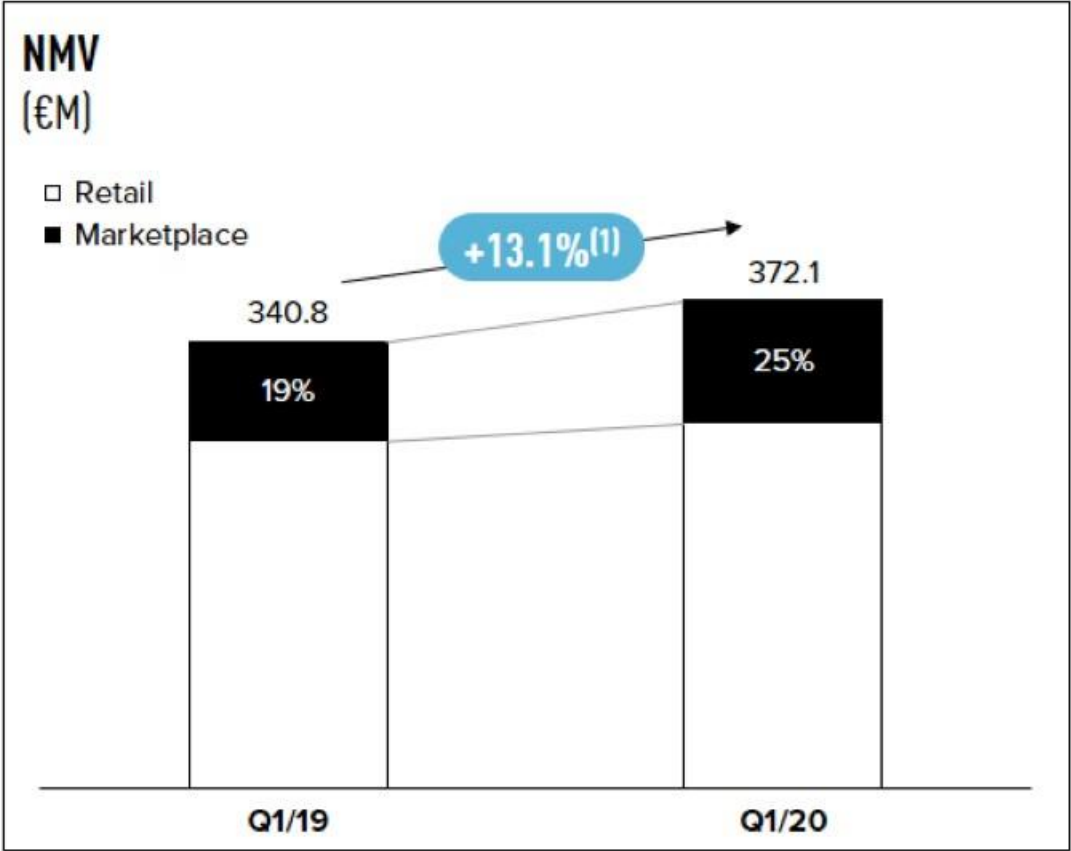
PRO-FORMA CASH

(Including restricted cash)

KPIS

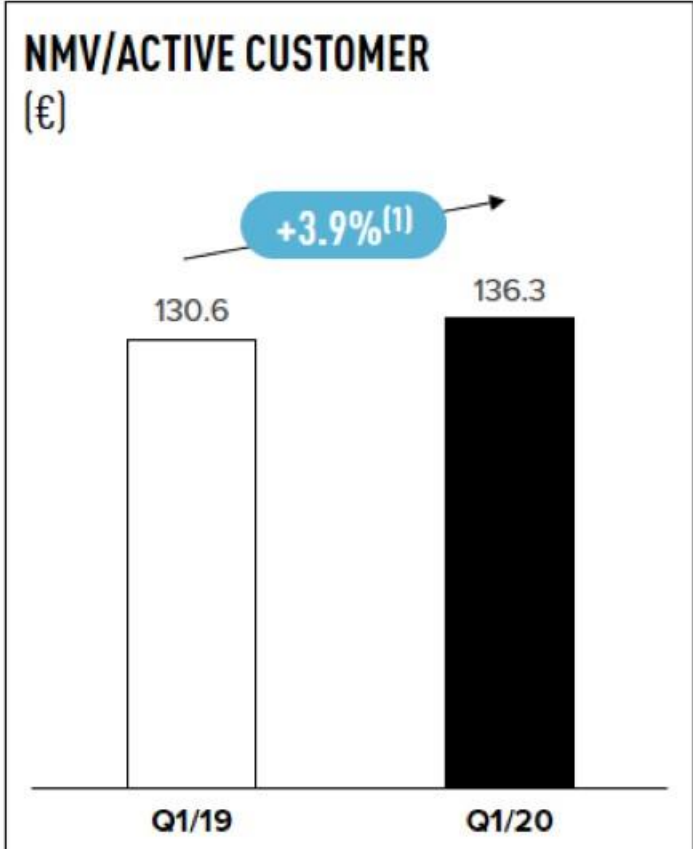
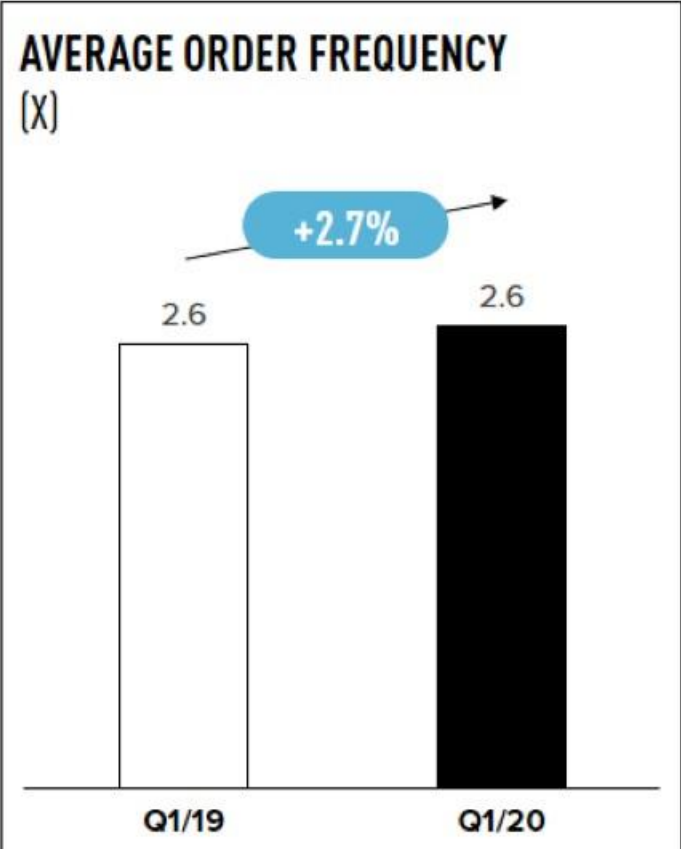
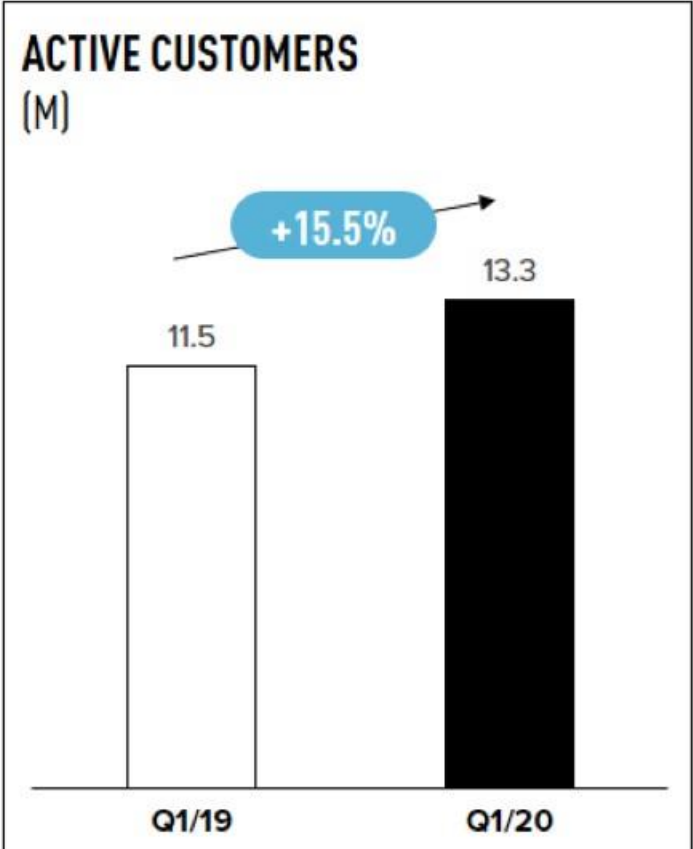


NMV GROWTH DRIVEN BY INCREASING ORDERS AND A STEP UP IN AOV



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

GROWTH IN ACTIVE CUSTOMERS WITH ONGOING FREQUENCY GAINS DRIVING NMV/ACTIVE CUSTOMER



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

CONTINUED GROWTH IN CUSTOMERS AND NMV ACROSS ALL REGIONS

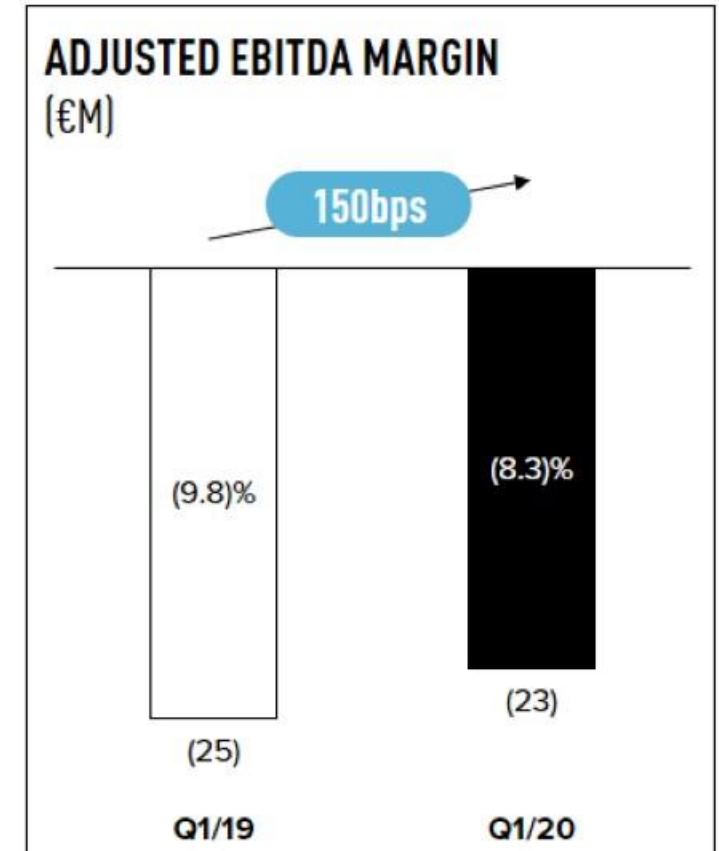
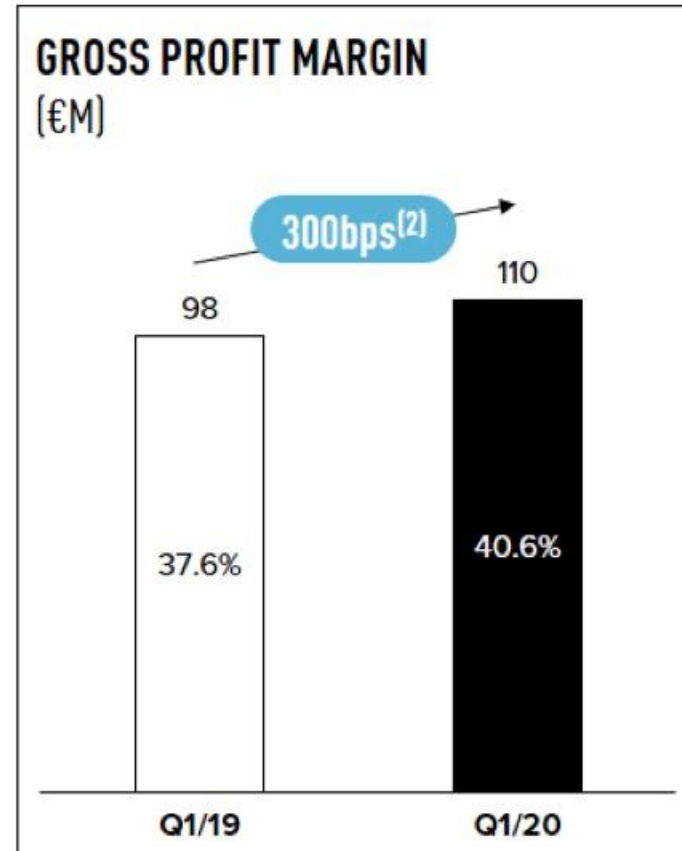
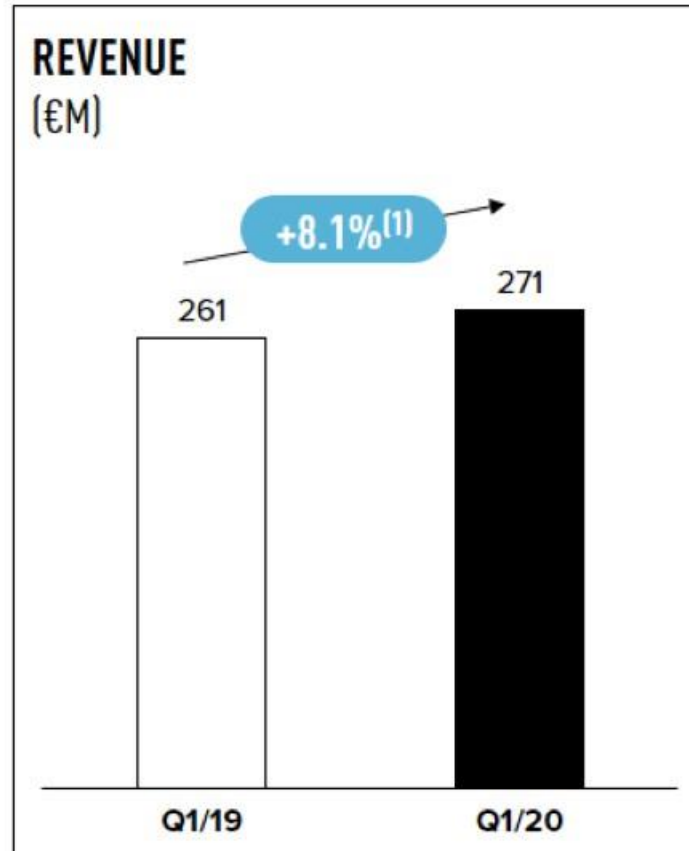
	ACTIVE CUSTOMERS (m)			NMV (€m)			NMV/ACTIVE CUSTOMER (€)		
	Q1/19	Q1/20	Δ (%)	Q1/19	Q1/20	Δ (%) ⁽¹⁾	Q1/19	Q1/20	Δ (%) ⁽¹⁾
Group	11.5	13.3	15.5	340.8	372.1	13.1	130.6	136.3	3.9
APAC	3.6	4.2	19.6	116.4	125.9	9.5	147.8	148.4	0.1
LATAM	5.2	6.0	16.4	109.6	106.8	9.2	95.3	92.3	0.1
CIS	2.8	3.0	8.8	114.8	139.5	19.8	174.2	206.8	13.5

(1) Constant currency growth rates.

FINANCIALS



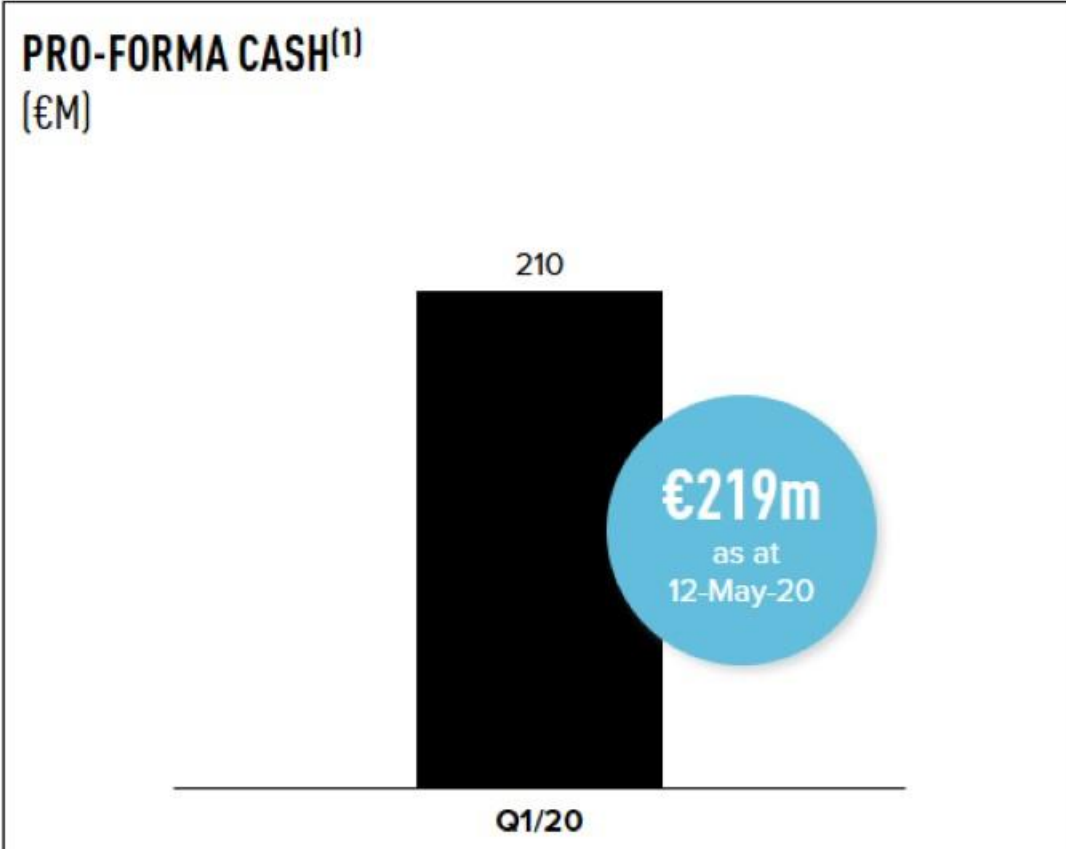
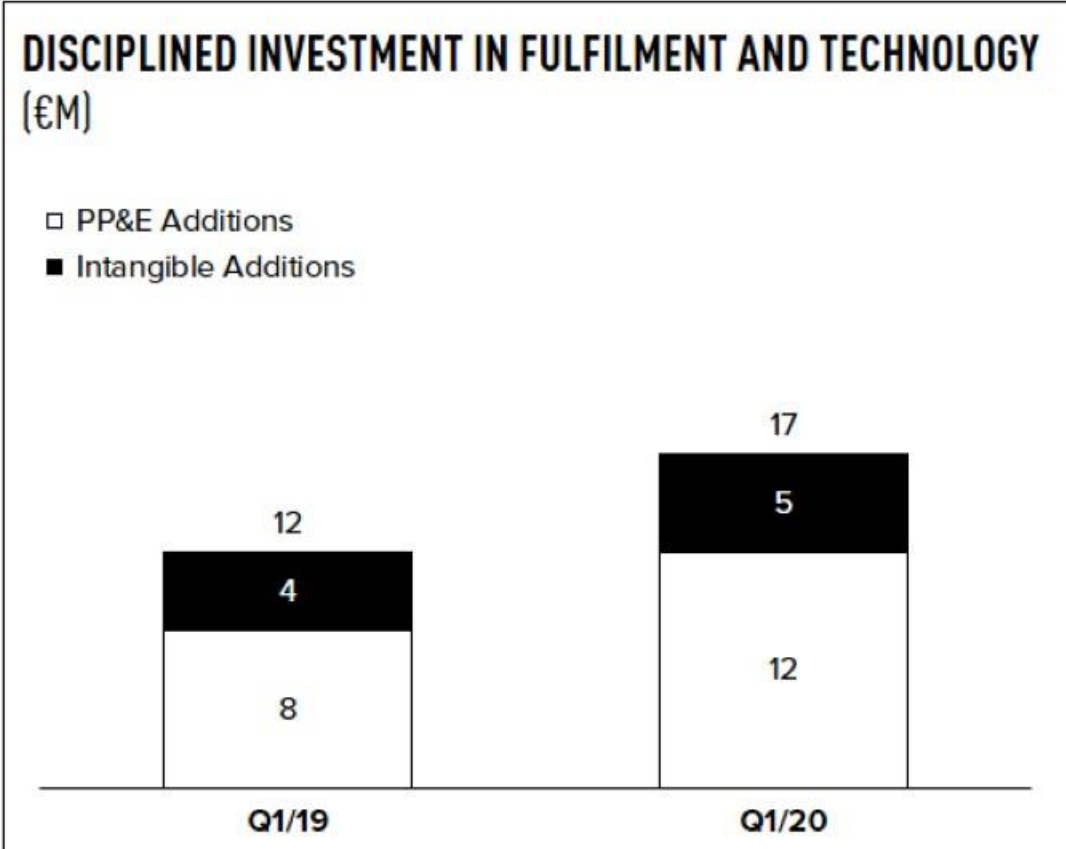
STRONG REVENUE AND GROSS MARGIN GROWTH, WITH IMPROVED PROFITABILITY



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

(2) The 300bps improvement in Gross Margin was driven by higher Marketplace penetration, stable Retail gross margin, and a one-off inventory provision in Q1 2019 relating to a business discontinued pre-IPO.

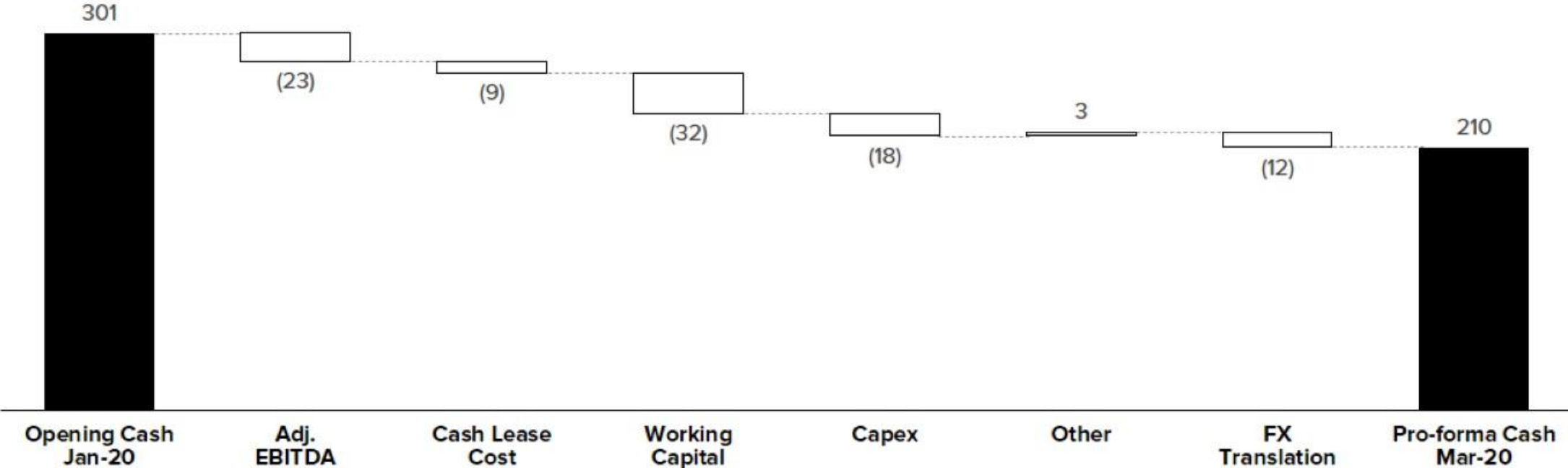
DISCIPLINED CAPEX AND STRONG CLOSING CASH POSITION



(1) Includes restricted cash of €20.0m related to the RCF facility.

STRONG CASH DISCIPLINE WITH USUAL SEASONAL WORKING CAPITAL INVESTMENT

CASH USE Q1/20
(€M)



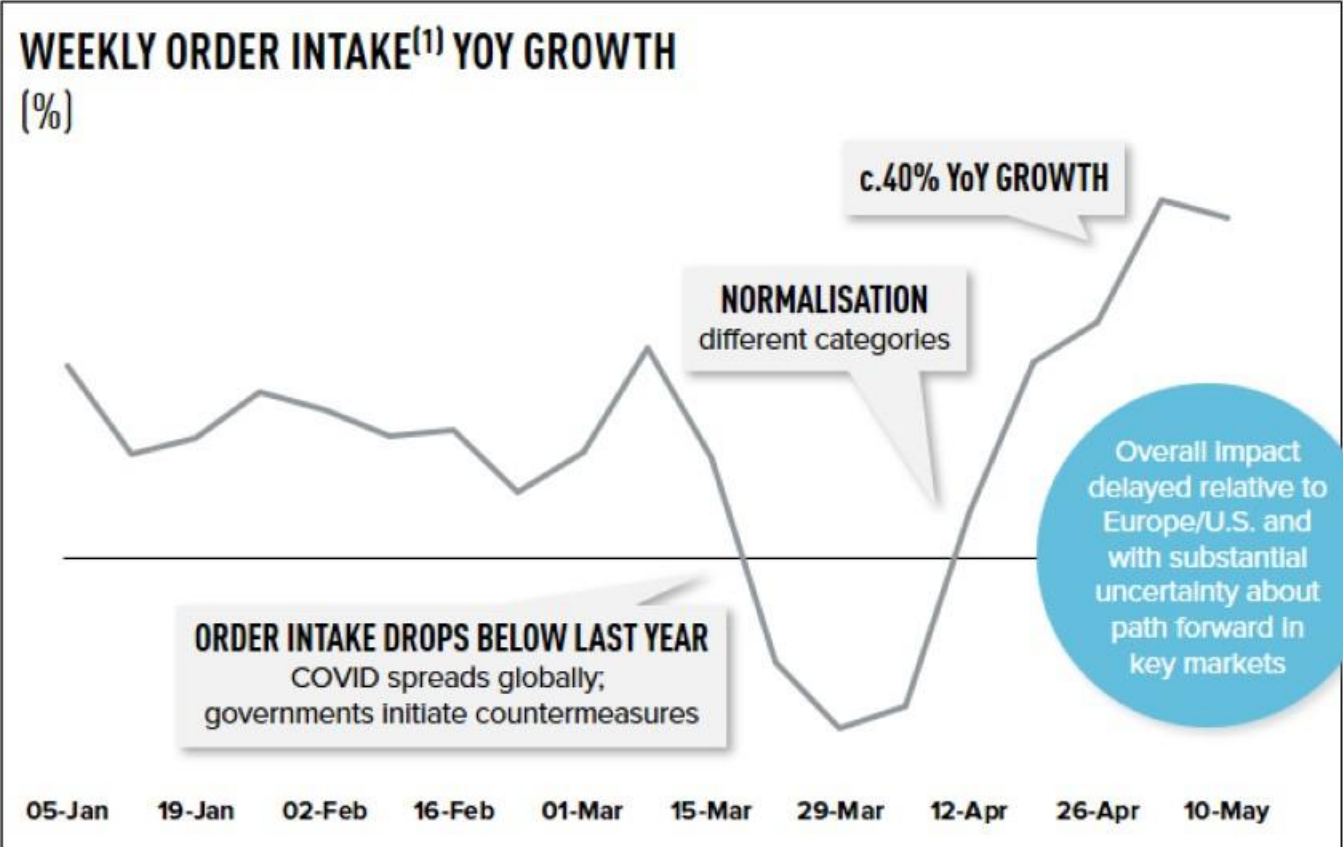
ONGOING REVENUE GROWTH AND GROUP GROSS MARGIN EXPANSION

	REVENUE (€M)			GROSS MARGIN ⁽²⁾ (%)		
	Q1/19	Q1/20	Δ (%) ⁽¹⁾	Q1/19	Q1/20	Δ (pp)
Group	260.7	271.4	8.1	37.6	40.6	3.0
APAC	92.4	98.7	8.1	38.3	38.3	0.0
LATAM	80.1	75.4	6.8	40.2	40.0	(0.2)
CIS	86.1	97.3	11.4	37.4	43.4	6.0

(1) Constant currency growth rates.

(2) The 300bps improvement in Gross Margin was driven by higher Marketplace penetration, stable Retail gross margin, and a one-off inventory provision in Q1 2019 relating to a business discontinued pre-IPO.

GROWTH DURING A TIME OF UNCERTAINTY



- ➔ Some increased promotional activity to drive sell-through and optimise our full-season margin.
- ➔ Q2 reported revenues will be impacted by significant devaluation of the Russian Ruble, Brazilian Real and, to a lesser extent, the Australian Dollar.
- ➔ No need to make significant changes to inventory provisioning at this point – unclear as to how promotional our markets will be once lockdowns start being released.

(1) Order Intake measures customer order value including VAT and sales taxes and net of provisioned returns and rejections at the date of customer order.

PRIORITIES DURING COVID-19



PRIORITY 1: THE SAFETY OF OUR TEAM AND CUSTOMERS



PRIORITY 2: SAFEGUARD CASH AND LIQUIDITY

INVENTORY

Exited Q1 with clean inventory, having increased the cadence of promotional activity to drive sell-through as the pandemic developed. Reduced intake in Q2 by €90m and are taking a disciplined approach to purchase commitments for the remainder of the year.

MARKETING

Offline store closures and price investment drive increased organic customer acquisition and lower CAC. Significant reduction in brand campaigns and non-essential spending.

G&A AND TECH

Short-term cash saving measures initiated, including a reduction in all discretionary spending, pay freezes and a pause in recruitment. Ongoing optimisation of our G&A and Tech investments to support the business.

CAPEX

Cancelled or postponed all non-essential projects, resulting in a €10m saving. The new fulfilment centre in Brazil will be completed as planned.

**SCENARIO PLANNING CONSIDERING COVID RESTRICTIONS (AND EASING THEREOF),
FASHION & LIFESTYLE DEMAND IN A RECESSION, CHANNEL SHIFT TO ONLINE, ETC.**

PRIORITY 3: ADAPT STRATEGY

1. INSPIRING AND SEAMLESS CUSTOMER EXPERIENCE

- Pivoted category mix with customer demand
- Adjusted customer messaging – “HOME IS THE NEW RUNWAY”
- Accelerating new customer acquisition

2. STRATEGIC PARTNER TO LEADING BRANDS

- Working with brand partners collaboratively during crisis
- Leveraging Marketplace model – 25% of Q1 NMV
- Enabling more brands to sell more through own and 3rd party online platform

3. SCALABLE OPERATIONS AND PROPRIETARY TECHNOLOGY

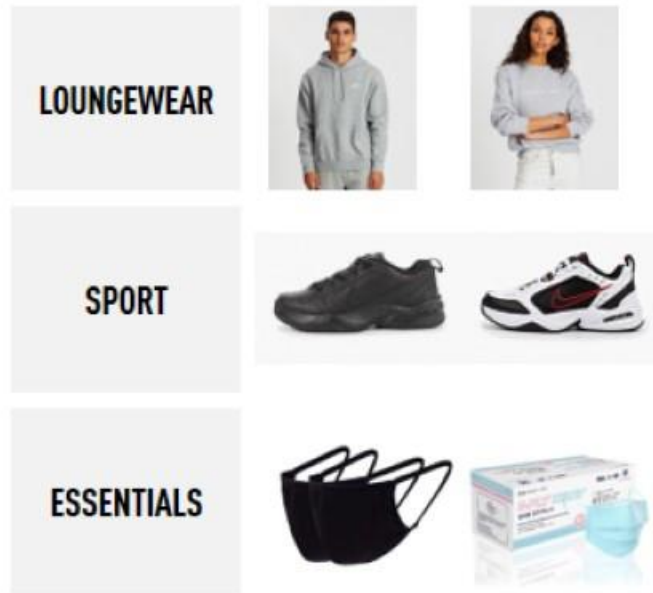
- Key Fulfillment Centres remained open; minor NMV loss from temp. closures of PH and AR
- Increased capacity again during last c.4 weeks
- Improving delivery times, driven partially by own last mile fleet

A. INSPIRING AND SEAMLESS CUSTOMER EXPERIENCE

ACQUIRED 650,000 NEW CUSTOMERS IN APRIL

PIVOTED CATEGORY MIX

- Selected bestsellers in Q1



TOPICAL CUSTOMER MESSAGING

- Logo rebranding
 - Play on words with "doma" meaning "at home" in Russian



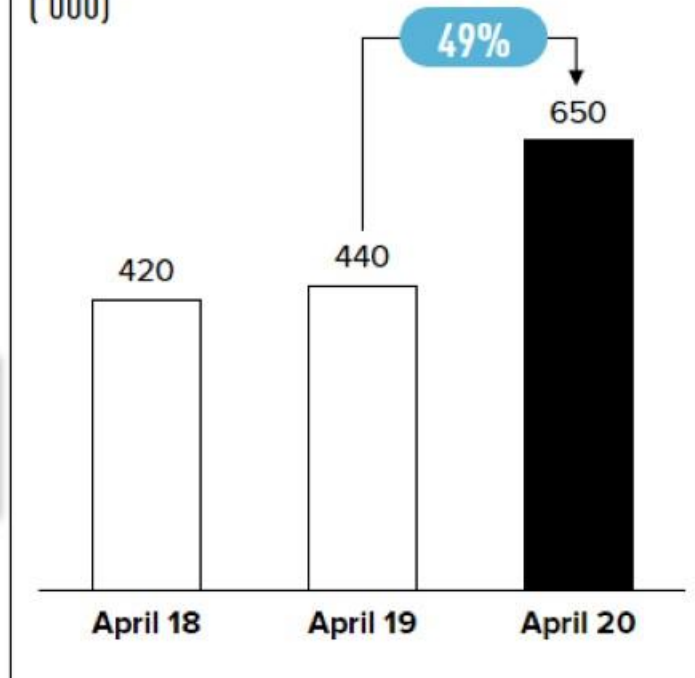
- New content focused on fitness, self-care and other at-home activities



+51%
uplift in new ANZ social media followers⁽¹⁾

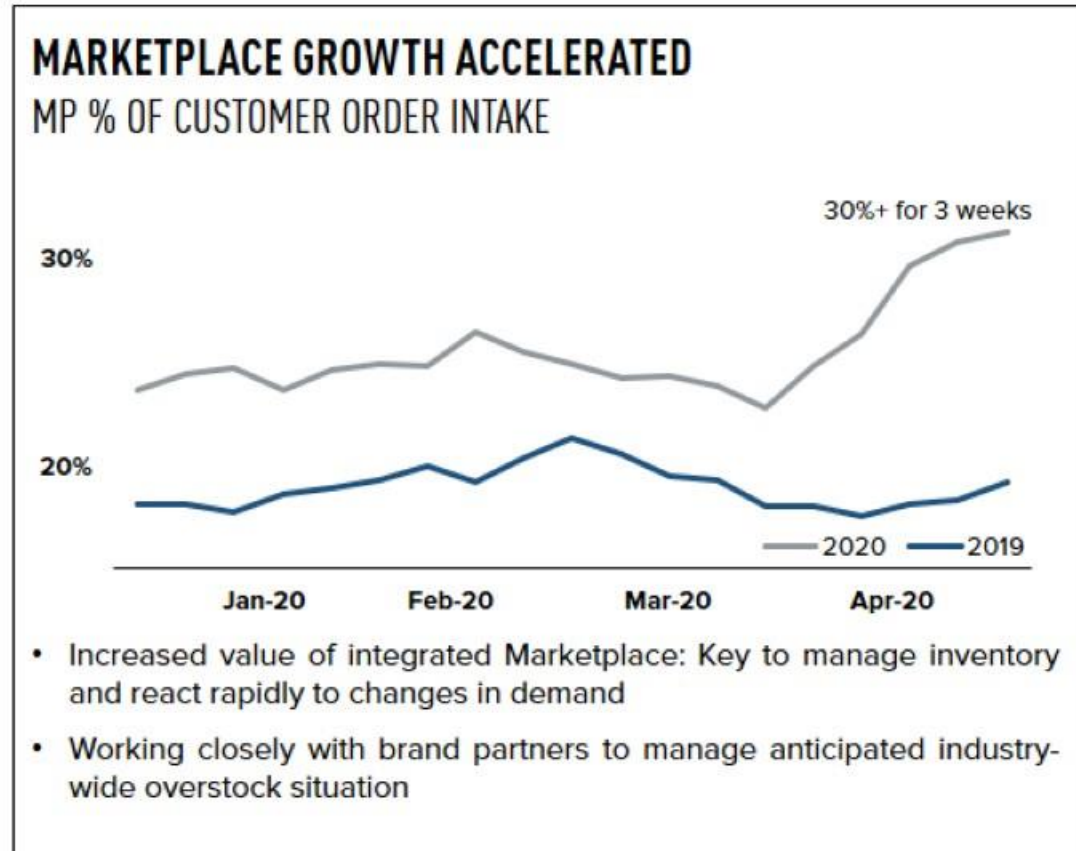
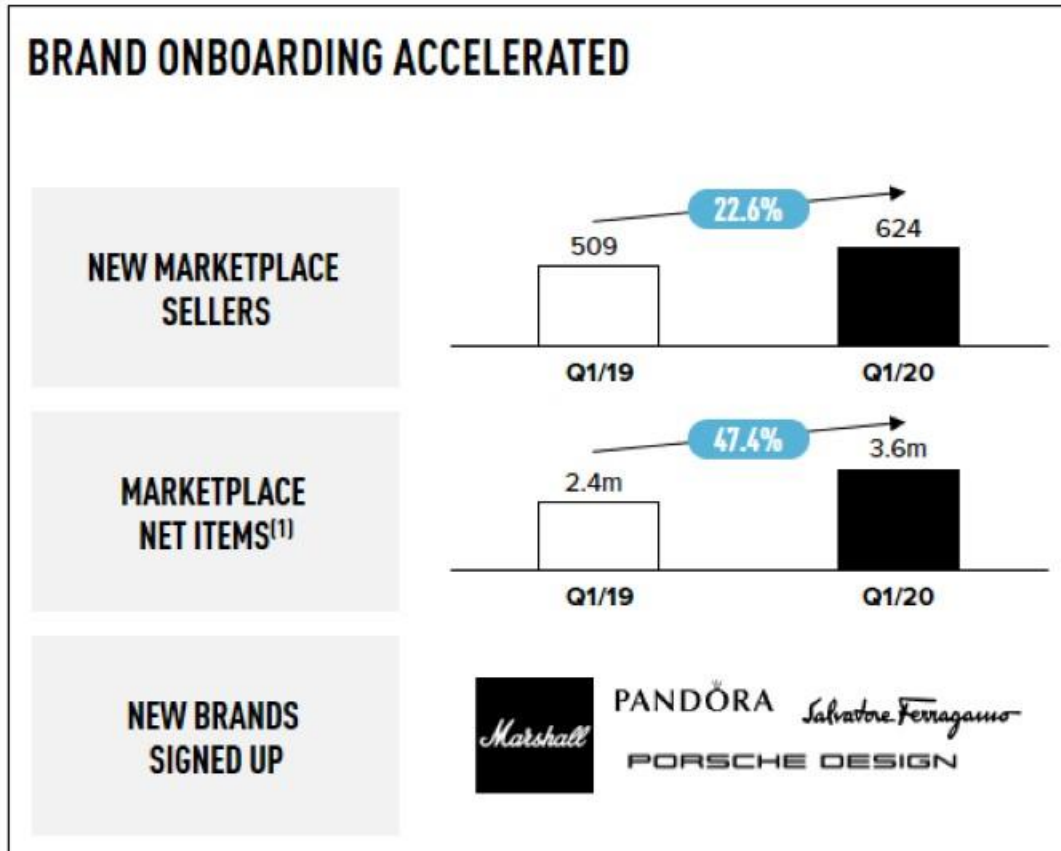
ACCELERATED NEW CUSTOMER ACQUISITION

('000)



(1) Based on new social media followers gained in March-April vs January-February.

B. STRATEGIC PARTNER TO LEADING BRANDS



(1) Net Items = Gross Items – cancellations – delivery failed – returns

C. SCALABLE OPERATIONS AND PROPRIETARY TECHNOLOGY

RESILIENT OPERATIONAL INFRASTRUCTURE...

- All regional fulfilment centres have remained 100% operational – Brazil, Malaysia, Australia, Russia
- Only 2 local fulfilment centres were temporarily closed – Philippines and Argentina (<6% of 2019 NMV)
- Reduced shifts from second half of March to first half of April



STRATEGIC ADVANTAGE OF OWN LAST MILE DELIVERY

- Adopted contactless deliveries in March, ensuring drivers have access to face masks, gloves and hand sanitisers and adhere to hygiene precautions
- Deliveries through own last mile service had minimal disruption; 3PLs saw some delays, now improving again
- Fast, convenient and efficient fulfilment is part of our core customer experience



Q&A



APPENDIX



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⁾	194,498,638

EMPLOYEE SHARE OPTION PROGRAMME	
Weighted average exercise price (€)	Outstanding call options ⁽²⁾
0.01	1,260,409
5.96	3,720,923
9.85	4,612,971
32.04	353,595
Total	9,947,898

RESTRICTED STOCK UNITS	
Awarded at 31-Mar-20	4,288,934
Total	4,288,934

(1) Based on 214,841,827 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-Mar-2020, assuming all awards are settled via issuance of GFG shares.

FINANCIAL CALENDAR – UPCOMING EVENTS

MAY 2020					JUNE 2020					JULY 2020				
M	T	W	T	F	M	T	W	T	F	M	T	W	T	F
				1	1	2	3	4	5			1	2	3
4	5	6	7	8	8	9	10	11	12	6	7	8	9	10
11	12	13	14	15	15	16	17	18	19	13	14	15	16	17
18	19	20	21	22	22	23	24	25	26	20	21	22	23	24
25	26	27	28	29	29	30				27	28	29	30	31

DATE	EVENT	LOCATION
May 14	Q1 2020 Results	
May 14	Exane BNP eCommerce Day	Virtual
June 11	Barclays European Internet Conference	Virtual
June 26	Annual General Meeting	Virtual

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.

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.

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).

AVERAGE ORDER VALUE

Average order value is defined as the NMV per order.

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.

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