

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

Q4 & FY 2023 RESULTS
PRESENTATION

6 March 2024



FY 2023 SUMMARY

- 1 NMV topline impacted by challenging market and weak consumer sentiment**
- 2 Maintained stable Gross Margin through platform business models and trading optimisation**
- 3 Significant cost initiatives mitigated volume decline to achieve Q4 Adjusted EBITDA breakeven**
- 4 Improved Normalised Free Cash Flow through careful management of inventory and investments**
- 5 Entered 2024 with strong progress on strategic initiatives, a leaner cost base and healthy inventory**

Q4 2023: COST ACTIONS OFFSET TOPLINE DECLINES TO ACHIEVE BREAKEVEN ADJ EBITDA

€369m

NMV
(14.0)% yoy¹

43.6%

GROSS PROFIT MARGIN
+0.9ppt yoy

0.2%

ADJ. EBITDA MARGIN
+2.1ppt yoy

8.8m

ACTIVE CUSTOMERS
(18.6)% yoy

5.9m

ORDERS
(19.5)% yoy

2.4

ORDER FREQUENCY
(5.5)% yoy

(1) Constant currency growth rate.

FY 2023: COUNTERED MARKET HEADWINDS WITH STABLE GROSS MARGIN AND COST EFFICIENCY

€1,279m
NMV
(14.2)% yoy¹

42.1%
GROSS PROFIT MARGIN
(0.2)ppt yoy

(6.9)%
ADJ. EBITDA MARGIN
(2.9)ppt yoy

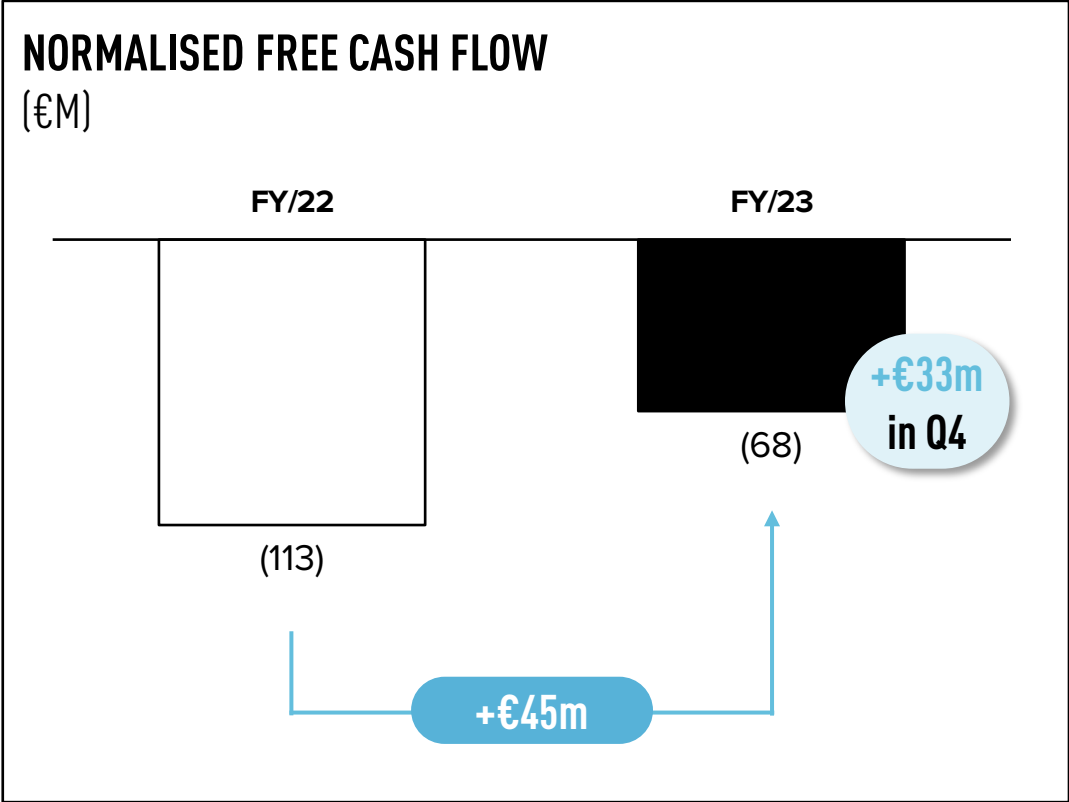
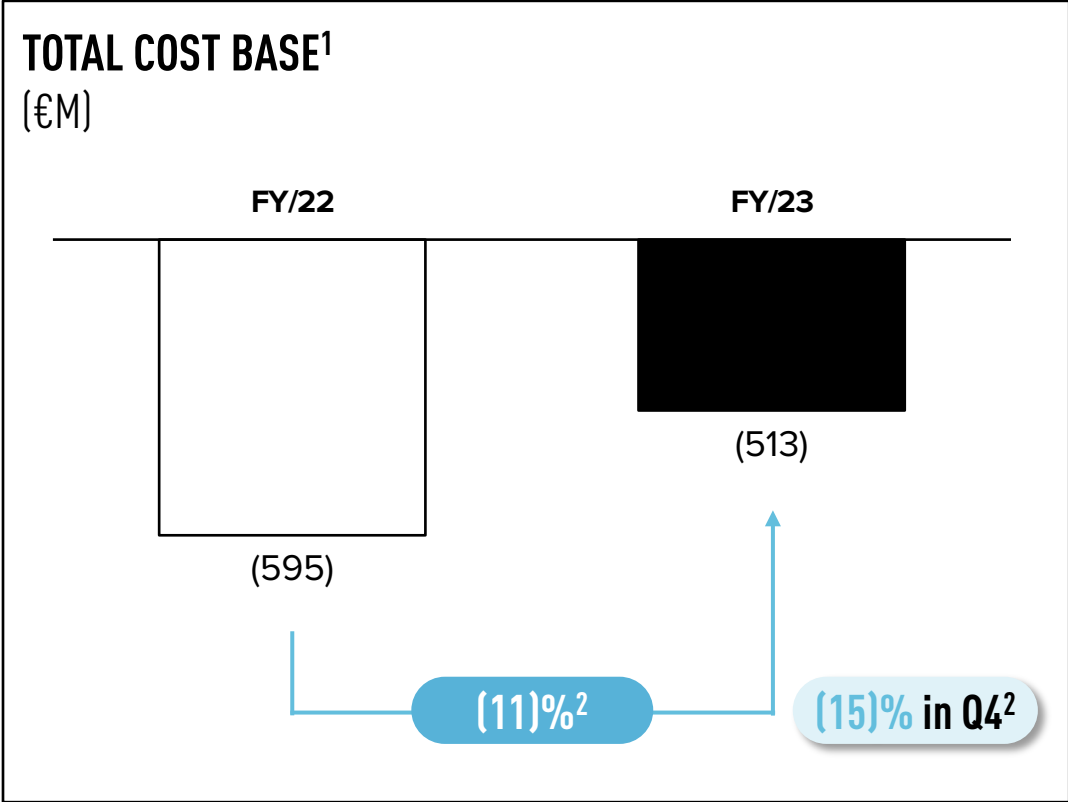
8.8m
ACTIVE CUSTOMERS
(18.6)% yoy

20.8m
ORDERS
(23.1)% yoy

2.4
ORDER FREQUENCY
(5.5)% yoy

(1) Constant currency growth rate.

STREAMLINED COST BASE AND IMPROVED CASH FLOW



(1) Total cost base includes expenses related to fulfilment, marketing, technology (including capital expenditure), admin (excluding share-based payments) and cash lease payments net of sublease income.
 (2) Constant currency growth rate.

SEGMENT RESULTS & BUSINESS UPDATES



CONTINUED DELIVERY OF KEY PRIORITIES



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

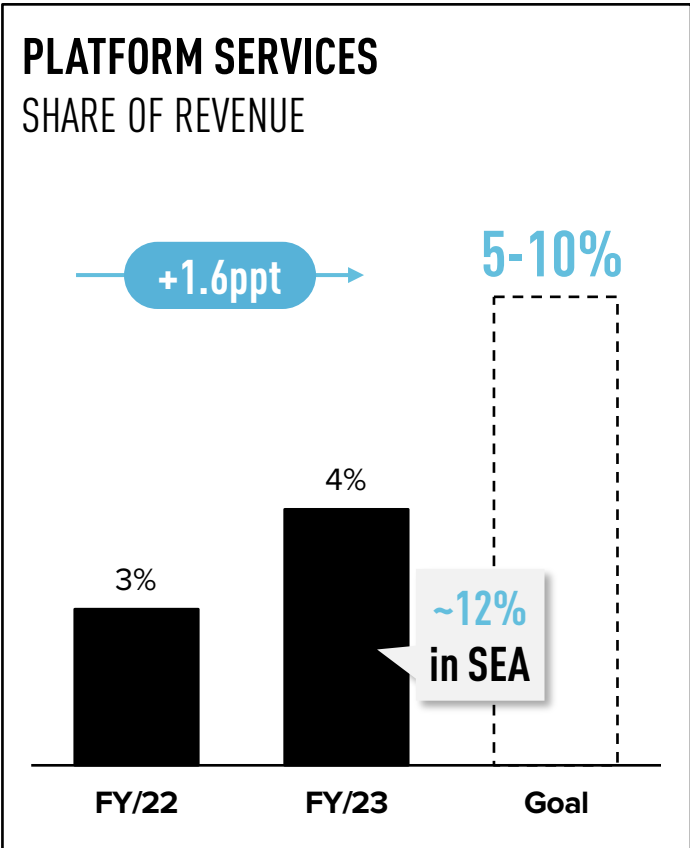
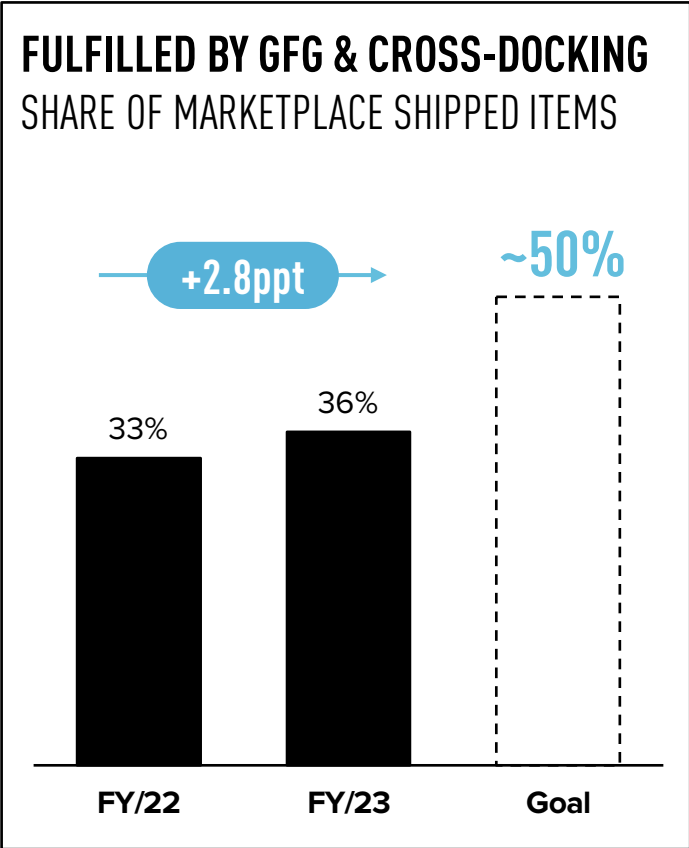
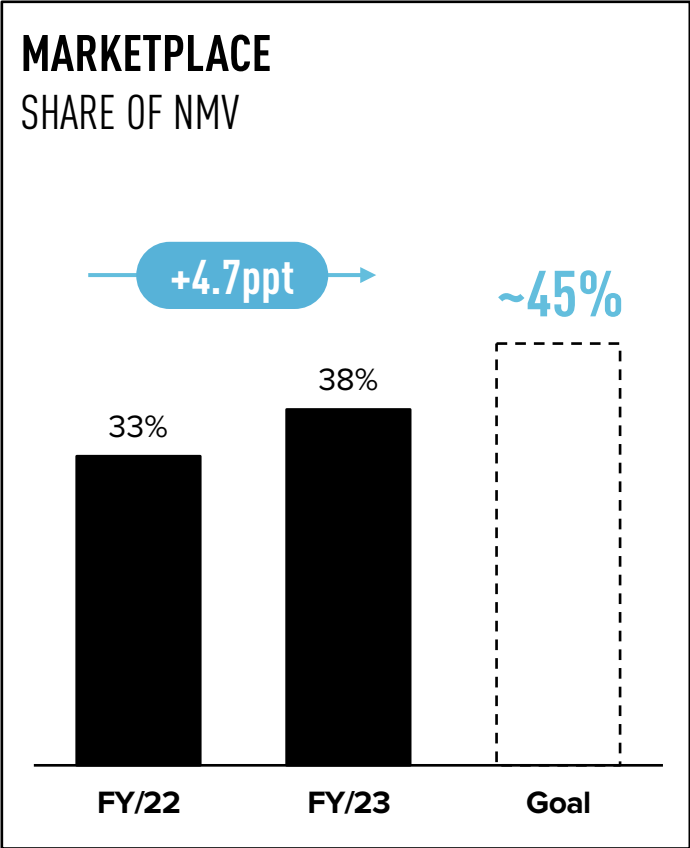


- Unlocking complex markets
- Offering flexible business models
- Unrivalled platform services

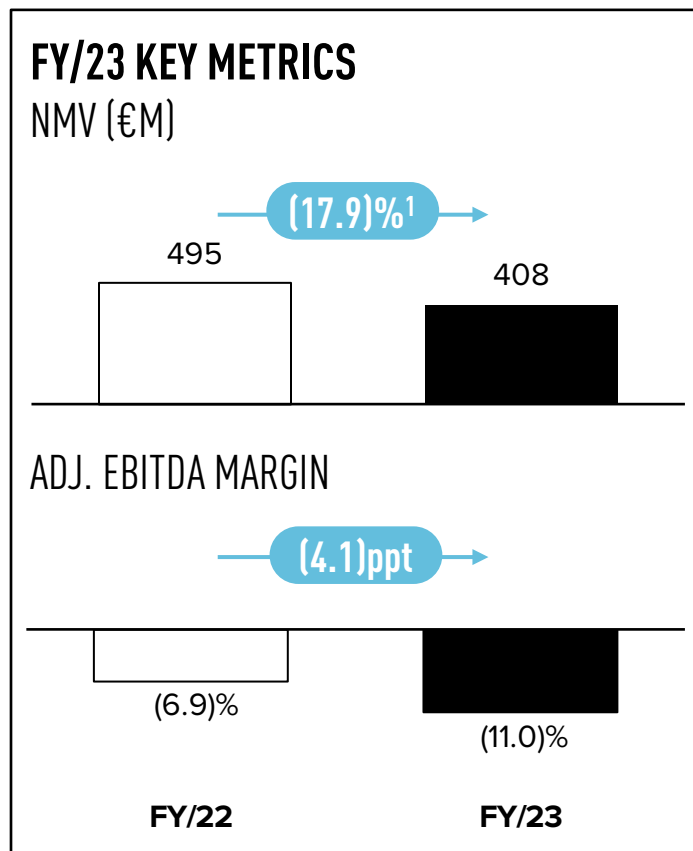


- Climate action
- Circularity and conscious consumption
- Fair and ethical sourcing

PROGRESSING AS A PLATFORM BUSINESS



LATAM: IMPROVING PROPOSITION FACES CHALLENGING MACRO AND COMPETITIVE ENVIRONMENT



Q4/23 KEY METRICS

	Q4/22	Q4/23	△22-23
NMV¹ (€M)	140	125	(12.4)%
Revenue¹ (€M)	91	78	(15.8)%
Gross Margin	40.2%	40.6%	+0.5ppt
Active Customers (M)	5.7	4.4	(24.1)%

(1) Growth rate is in constant currency. Bars are a graphical representation of values on a constant currency basis.

LATAM: KEY HIGHLIGHTS

Attractive & Efficient Assortment

More curated platform

PLATFORM RATIONALISATION
with fewer brands and SKUs

BRAZIL

45% more
NMV per SKU yoy

~30% less
Inventory yoy¹

App-Centric Customer Engagement

New Android app rollout in Brazil

+5ppt

Brazil app share
H1 to H2 2023

New Android and iOS apps nationwide

Migrating all LATAM customers during 2024



Streamlined Structure

Focused operational footprint

- Reduced presence to three key countries, exited Argentina
- Sublet or reduced underutilised fulfilment centre capacity

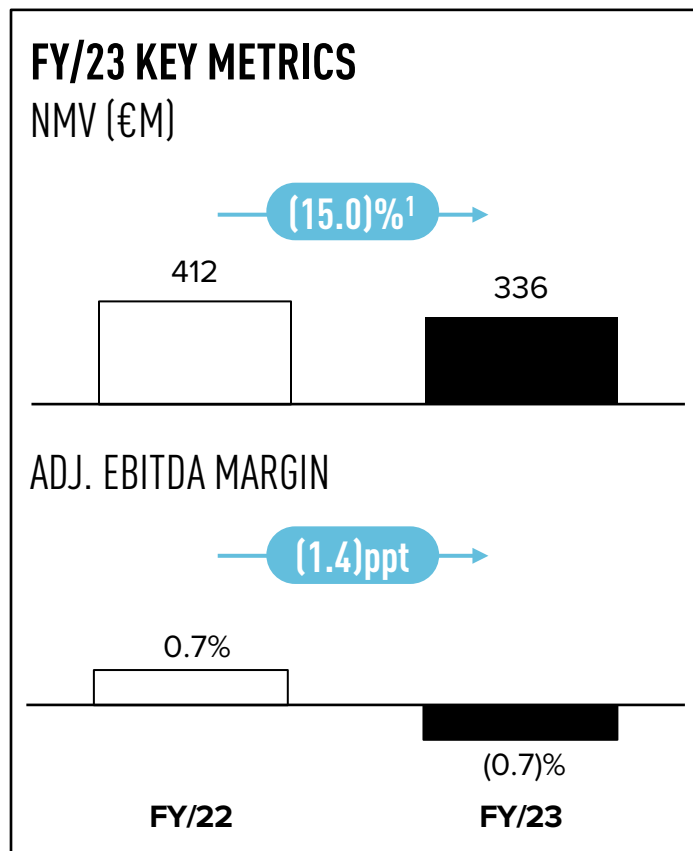
Unified single branded platform

Merged Kanui & Tricae into Dafiti Brazil

Note: All metrics represent LATAM FY 2023 change yoy.

(1) Constant currency growth rate.

SEA: GROSS MARGIN IMPROVEMENTS DRIVEN BY INCREASED MARKETPLACE AND PLATFORM SERVICES SHARE



Q4/23 KEY METRICS

	Q4/22	Q4/23	△22-23
NMV¹ (€M)	119	93	(18.0)%
Revenue¹ (€M)	78	59	(20.9)%
Gross Margin	42.2%	43.3%	+1.1ppt
Active Customers (M)	2.9	2.4	(16.6)%

(1) Growth rate is in constant currency. Bars are a graphical representation of values on a constant currency basis.

SEA: KEY HIGHLIGHTS

Increased Customer Loyalty



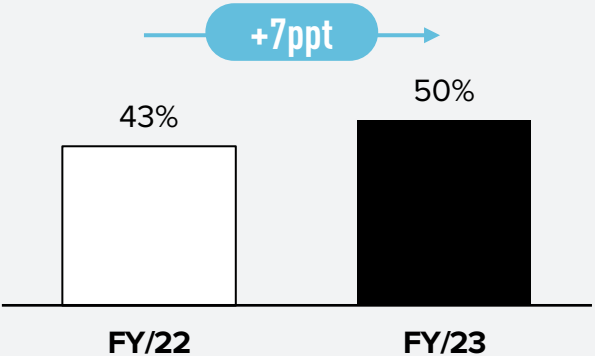
Grew loyalty programme penetration

- **Doubled** subscriber base yoy
- Contributed **18%** of SEA NMV in Q4 2023
- Order Frequency within 90 days post subscription is **up 50%**

Prioritised Marketplace

Drove scalability and choice
without inventory risk to balance sheet

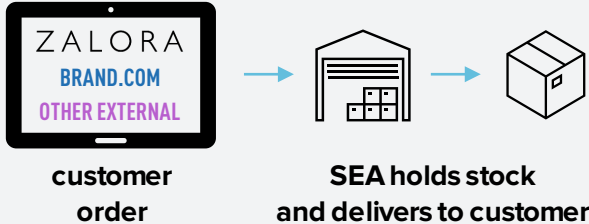
SEA MARKETPLACE SHARE OF NMV



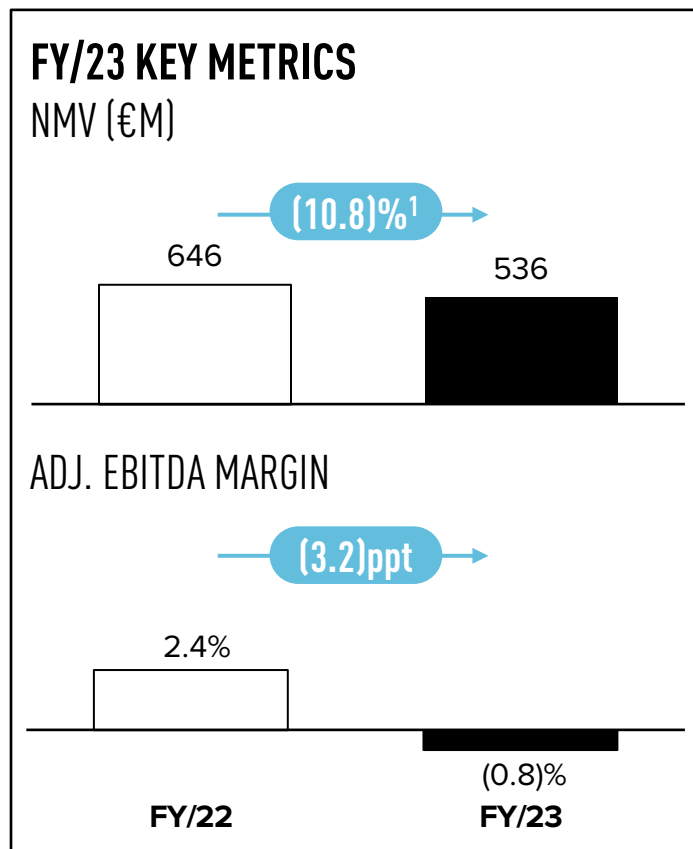
Expanded Platform Services

Accelerated capabilities

- Enabled **50** brands to fulfil orders via single stock solution offering
- **4x more** orders processed through single stock solution in 2023 yoy



ANZ: LESS DISCOUNTING IN Q4 AND MORE PLATFORM BUSINESS EXPANDS GROSS MARGIN



Q4/23 KEY METRICS

	Q4/22	Q4/23	△22-23
NMV¹ (€M)	185	152	(12.6)%
Revenue¹ (€M)	134	107	(15.2)%
Gross Margin	44.9%	46.4%	+1.5ppt
Active Customers (M)	2.1	2.0	(6.3)%

(1) Growth rate is in constant currency. Bars are a graphical representation of values on a constant currency basis.

ANZ: KEY HIGHLIGHTS

Refreshed Marketing Approach

Focused on brand awareness

Oct-2023

Feb-2024



~80% more
app downloads than average

Coveted Brands Launched

Enhanced assortment with key partnership expansion

& other Stories

COS

PULL&BEAR

SOSANDAR

More Efficient Operations & Tech

Rolling out SEA's proven operation and warehouse management system in ANZ

- Step-change in capabilities for Marketplace fulfilment and Platform Services
- Substantial fulfilment centre efficiencies and technology cost savings launching in H2 2024
- Primarily capex investment in 2023/24

ADAPTING RESPONSIBLY TO ENSURE A PEOPLE & PLANET POSITIVE APPROACH

2023 PEOPLE & PLANET POSITIVE REPORT PUBLISHED



- 2023 report live [online](#)
- **Six key priorities guiding** our strategy and progress
- **Robust preparation completed for upcoming regulation** - EU Corporate Sustainability Reporting Direction (“CRSD”) taking effect for FY2024
- **Committed to transparency and our targets to deliver the greatest impact**

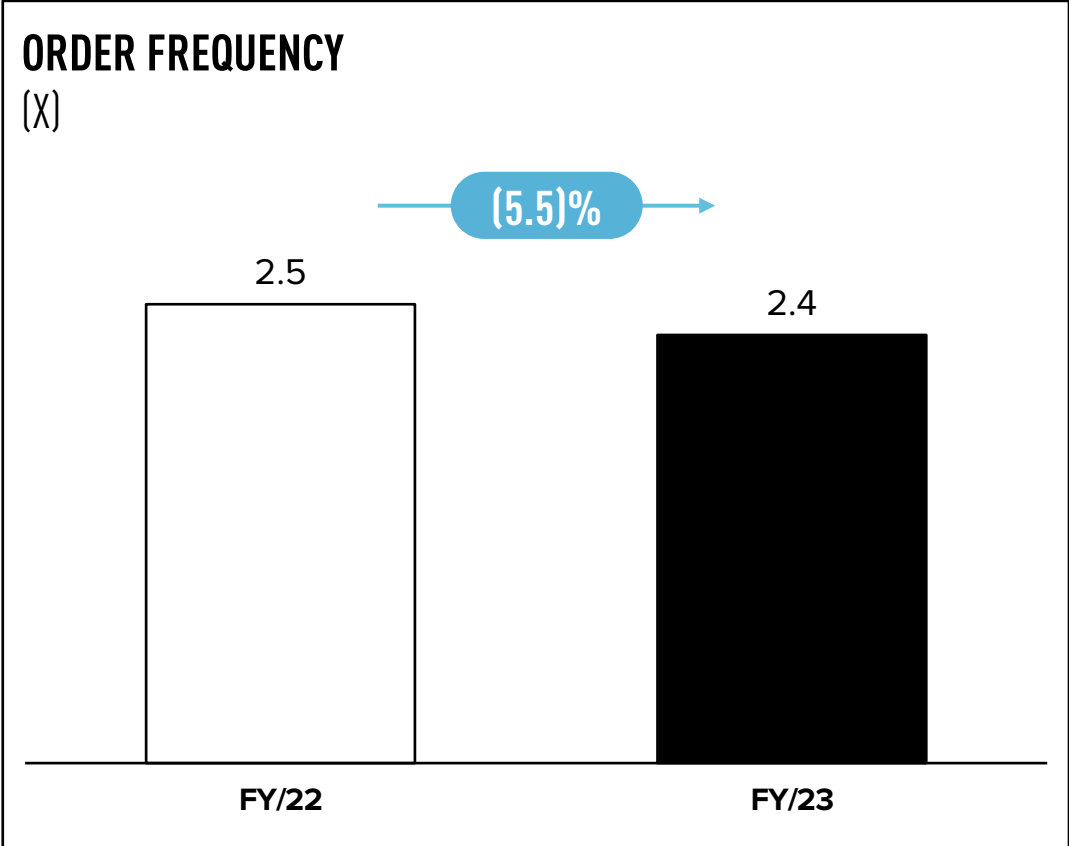
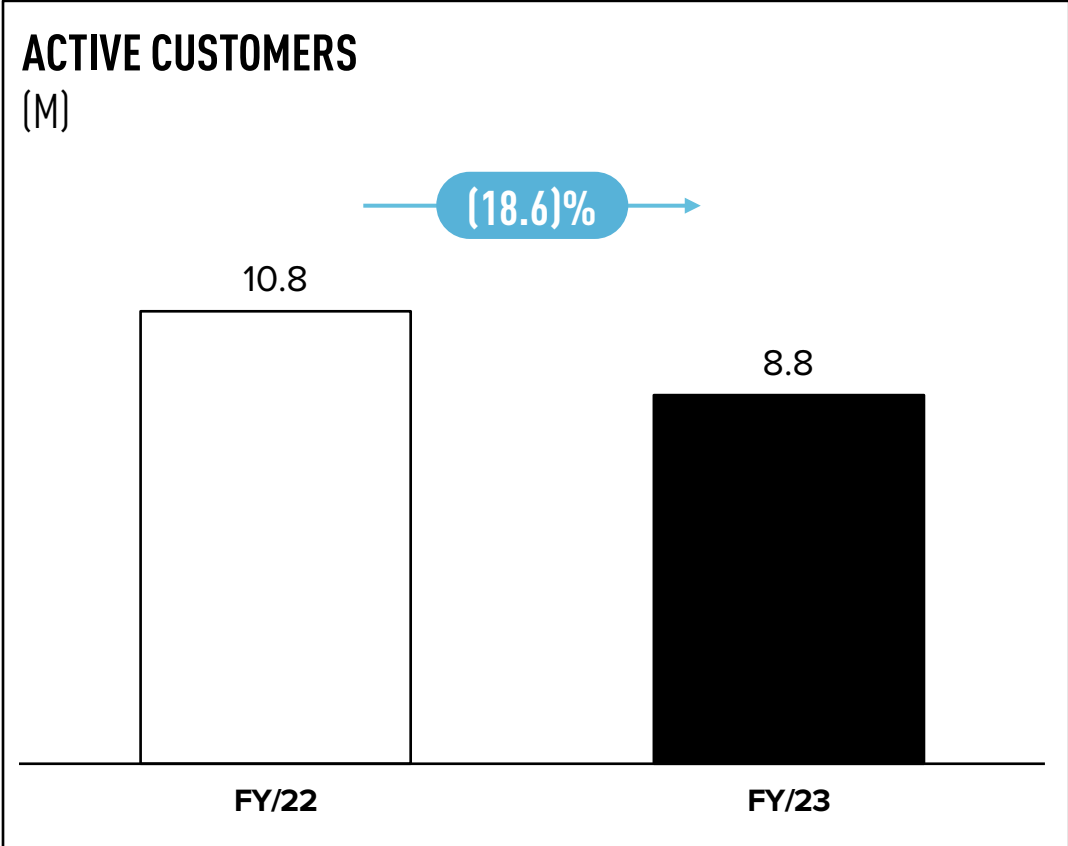
REGIONAL HIGHLIGHTS

LATAM	Ranked #3 in Brazil’s Fashion Transparency Index For strong disclosure on approach toward human rights, environmental practices and supply chain impact
SEA	Launched apparel donation programme, Snap & Drop In partnership with Life Line Clothing
ANZ	Joined clothing stewardship scheme, Seamless Participating as a foundation member to transform how clothing is made, reused and recycled in Australia

GROUP RESULTS

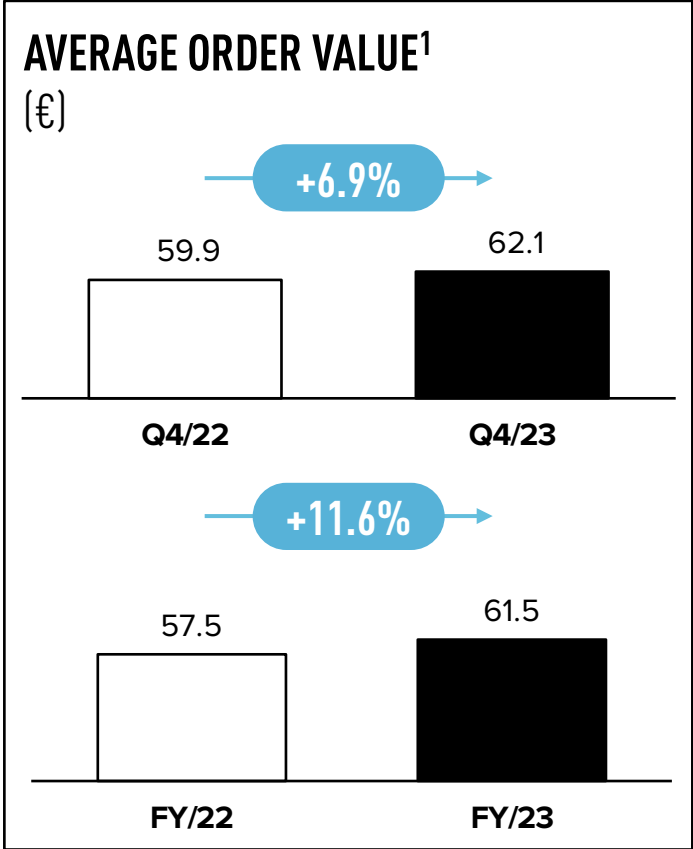
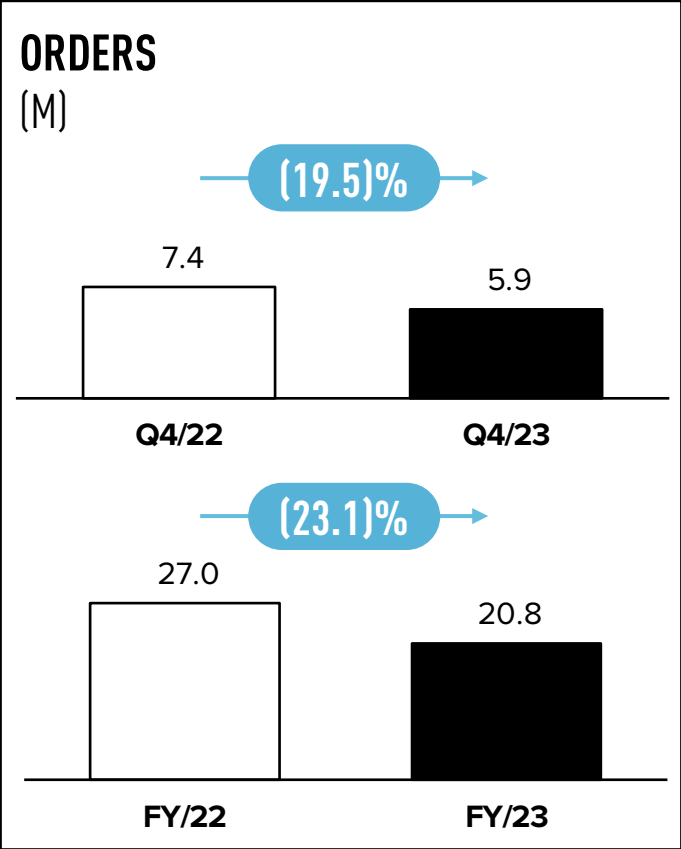
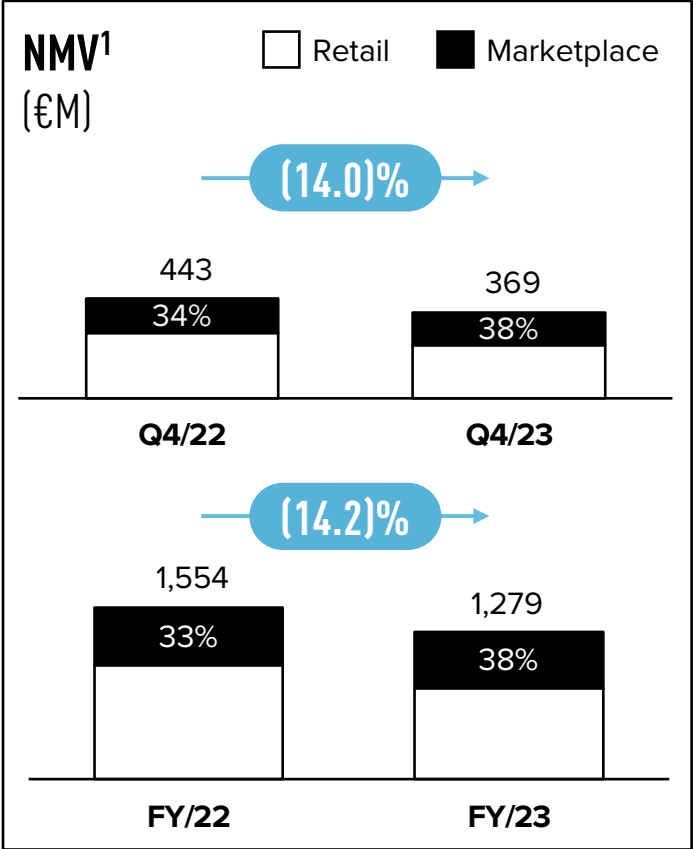


PRIORITISED MARKETING EFFICIENCY IN UNCERTAIN ENVIRONMENT, IMPACTING CUSTOMER ACQUISITION



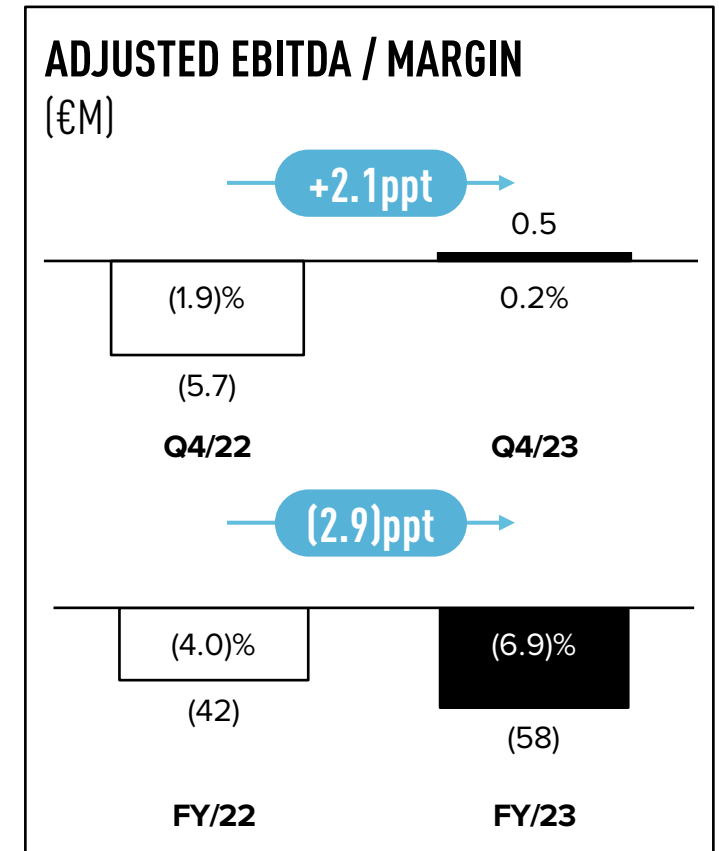
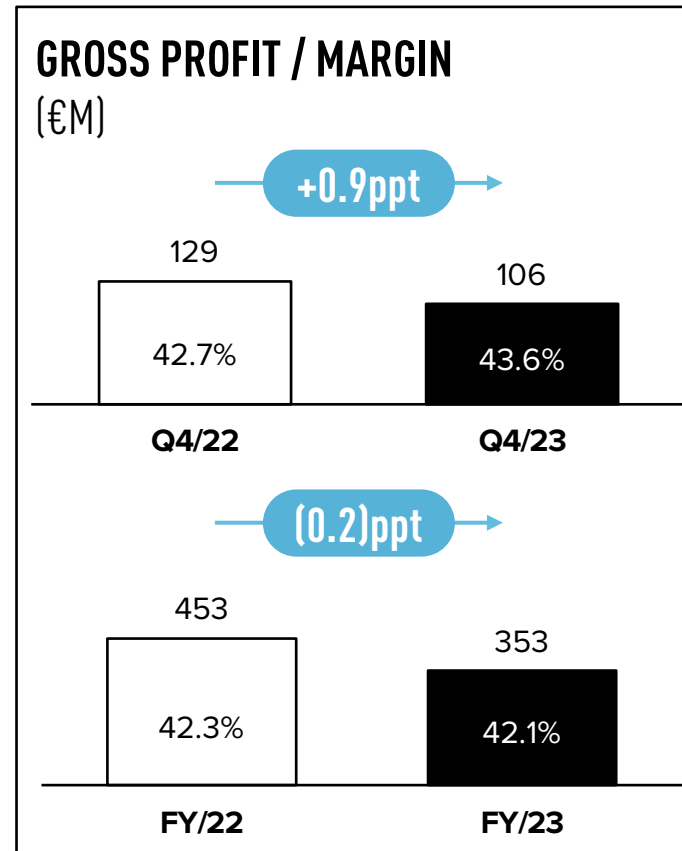
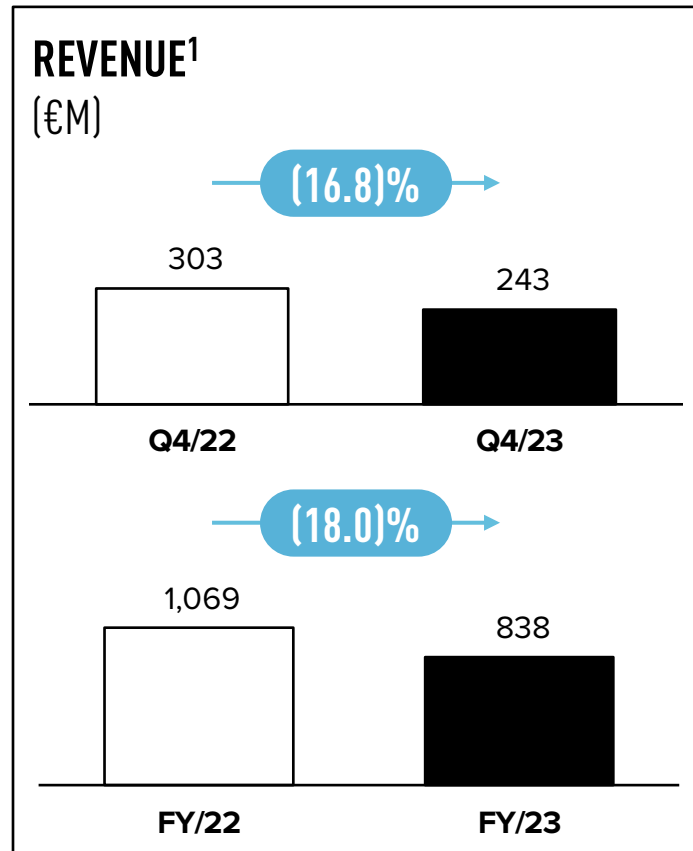
Note: Active Customers and Order Frequency are rolling 12-month KPIs.

TOPLINE PRESSURE PARTIALLY OFFSET BY ORDER VALUE, INFLATION IMPACT WANES



(1) Growth rate is in constant currency. Bars are a graphical representation of values on a constant currency basis.

DEMONSTRATED EFFICIENCY GAINS WITH BREAKEVEN Q4



(1) Growth rate is in constant currency. Bars are a graphical representation of values on a constant currency basis.

SUCCESSFULLY REDUCED COST BASE ALIGNED WITH NMV DECLINE

COSTS (€M)	FY/22	FY/23	△22-23
FULFILMENT	248	202	(46)
MARKETING	106	87	(19)
TECH & ADMIN ¹	190	181	(9)
TECH CAPEX & CASH LEASES ²	51	43	(8)
TOTAL COST BASE	595	513	(82)
COST BASE △ YOY³	2.6%	(11.0)%	
NMV △ YOY³	(0.7)%	(14.2)%	

Impacted by volume

Half driven by cost actions

(1) Admin costs exclude share-based payments.

(2) Cash leases represents cash lease payments net of sublease income.

(3) Constant currency growth rate.

EARLY ACTIONS DELIVERED STRONG COST REDUCTIONS BY YEAR-END ACROSS THE GROUP

Q4/23 COST BASE CHANGE YOY¹

LATAM	SEA	ANZ
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(18)%

(8)%

(14)%

- Decisive actions taken to streamline regionwide
- Continuing profit improvements with clear strategy for next phase

- Continued investment into ramp up of Platform Services
- Leveraging generative AI tech tools for increased efficiency

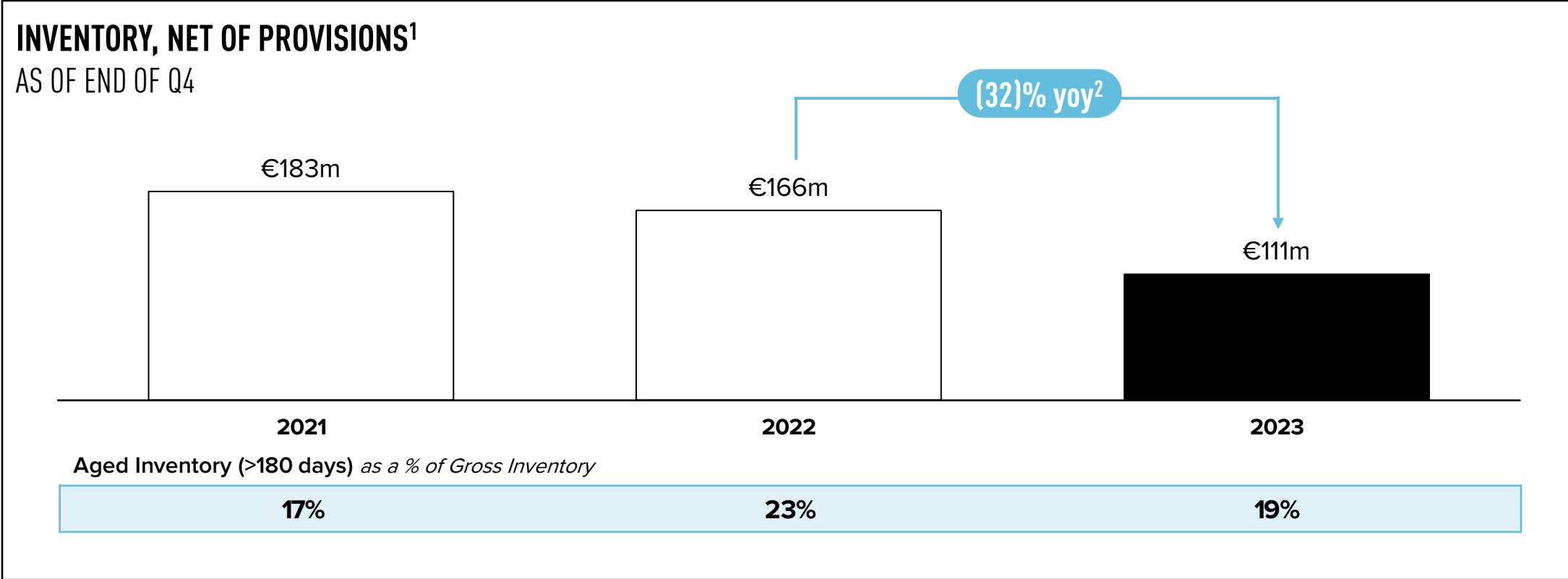
- Restructured significantly in commercial and marketing, pooled services with SEA
- Fuelling return to profitability with optimised cost structure



(15)% GROUP REDUCTION EXCEEDS Q4 NMV DECLINE including central cost contribution

(1) Constant currency growth rate.

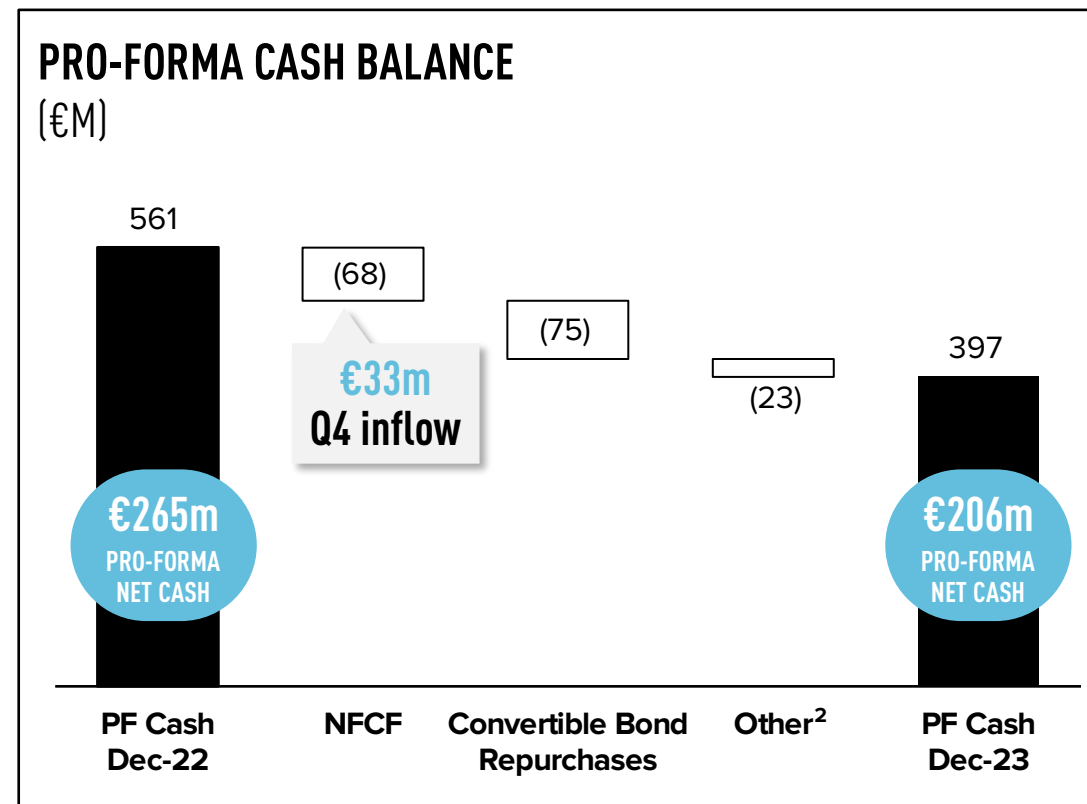
DISCIPLINED INVENTORY MANAGEMENT WITH A FOCUS ON AGED INVENTORY



(1) Inventory excludes CIS and Argentina balances.
 (2) Constant currency growth rate.

STRONG CASH POSITION WITH COST ACTIONS & WORKING CAPITAL DRIVING YOY IMPROVEMENTS

(€M)		2022 ¹	2023
FUNDING OPERATIONS	Adj. EBITDA	(42)	(58)
	Cash Lease Costs	(20)	(20)
	Working Capital	5	48
	TOTAL	(57)	(30)
CAPEX	Tech Capex	(31)	(24)
	PP&E Capex	(11)	(4)
	TOTAL	(42)	(28)
Other NCF		(14)	(10)
NORMALISED FREE CASH FLOW² ("NFCF")		(113)	(68)



(1) 2022 NFCF is restated to exclude Argentina and non-operating interest income.

(2) Normalised Free Cash Flow ("NFCF") represents operating cash flows excluding discontinued operations, exceptional items, changes in factoring principal, interest and tax on investment income and convertible bond interest. The excluded cash flows are represented as Other.

OUTLOOK



FY 2024 GUIDANCE



NMV
(5)-(15)% yoy¹

Implies €1.1-1.2bn



ADJ. EBITDA
€(25)-(45)m

FINANCIAL PRIORITIES

- Continued platform transition and inventory efficiency focus
- Cost reduction from 2023 actions and incremental savings planned
- Capex and leases no more than in 2023
- Working capital cash inflow, significantly less than in 2023

(1) NMV growth rate is on a constant currency basis at 31 December 2023 closing exchange rates.

PATH TO POSITIVE ADJ. EBITDA AND BREAKEVEN NORMALISED FREE CASH FLOW

1 PLATFORM TRANSITION

MARKETPLACE share of NMV	~45%
FULFILLED BY GFG & CROSS-DOCKING share of Marketplace shipped items	~50%
PLATFORM SERVICES share of Revenue	5-10%

2 MARGIN IMPROVED

GROSS PROFIT % of Revenue	~47%
ONGOING COST EFFICIENCY	
ADJ. EBITDA % of Revenue	~6%

3 CAPITAL EFFICIENCY

CAPEX % of Revenue	~3%
NEUTRAL WORKING CAPITAL	
LEASES	Stable

Q&A



APPENDIX



OPERATING COST RATIOS

COSTS % OF NMV	2020	2021	2022	2023	△20-23
FULFILMENT	14.8%	15.3%	15.9%	15.8%	1.0ppt
MARKETING	6.9%	7.5%	6.8%	6.8%	(0.1)ppt
TECH & ADMIN ¹	11.7%	10.7%	12.3%	14.2%	2.5ppt
NMV GROWTH YOY²	22.0%	20.3%	(0.7)%	(14.2)%	1.9%

(1) Admin costs exclude share-based payments.

(2) Constant currency growth rate.

FX SENSITIVITY

	€M IMPACT ON:			
	CURRENCY CHANGE	NMV	REVENUE	ADJ. EBITDA
Q4/23 vs. Q4/22				
AUSTRALIA (AUD)	(6.1)%	(10.0)	(7.1)	(0.5)
BRAZIL (BRL)	1.0%	0.8	0.5	0.0
OTHER	(0.6)%	(2.8)	(2.3)	0.6
IMPACT ON Q4/23 AT Q4/22 FX RATES	(2.9)%	(12.0)	(8.9)	0.1
FY/23 vs. FY/22				
AUSTRALIA (AUD)	(7.1)%	(40.8)	(28.9)	(0.1)
BRAZIL (BRL)	0.3%	1.2	0.8	(0.2)
OTHER	(1.1)%	(14.7)	(9.6)	1.0
IMPACT ON FY/23 AT FY/22 FX RATES	(4.0)%	(54.2)	(37.8)	0.8

ADJUSTED EBITDA RECONCILIATION

(€M)	FY/22	FY/23
Adjusted EBITDA	(42.3)	(58.3)
Share-based payment expenses	(7.7)	(1.7)
Impairment of goodwill	(41.2)	(54.7)
One-off costs ¹	0.9	(6.3)
EBITDA	(90.3)	(121.0)
Depreciation and amortisation	(53.2)	(57.5)
Loss before interest and tax (EBIT)	(143.5)	(178.5)
Net finance income / (costs) ²	(23.6)	12.5
Loss before tax	(167.1)	(166.0)
Income taxes	(7.7)	(13.9)
Loss for the year	(174.8)	(179.9)

(1) One-off costs relate to changes to estimates for prior year tax and one-off payroll and office closure costs.

(2) Includes interest income and expenses, net FX gains and losses, gain on repurchase of convertible bonds 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 **223,504,284**
Excluding own shares held by the Company¹

EMPLOYEE SHARE OPTION PROGRAMME

WEIGHTED AVERAGE EXERCISE PRICE	OUTSTANDING CALL OPTIONS ²
€0.01	170,132
€5.99	2,451,892
€9.46	1,236,508
€30.87	212,111
Total	4,070,643

LONG-TERM INCENTIVE PLAN³

Total awards at 31-Dec-23 9,846,167

(1) Based on 223,792,912 shares in issue, less 288,628 shares held in treasury or in trust for GFG. Issued share capital as of 31 December 2023.

(2) Based on number of employee stock options outstanding as of 31 December 2023, assuming all awards are settled via issuance of GFG shares.

(3) A maximum of 27,283,529 shares are authorised to be awarded under the Long-Term Incentive Plan. A total of 8,086,766 shares have been issued under the 2019 and 2021 share plan.

CONVERTIBLE BONDS DUE 2028

PRICING TERMS:	MARCH 2021
Outstanding Issue Size	€375.0m
Status	Senior Unsecured
Maturity	7 Years
Bondholder Put	15 March 2026
Issuer Call	After Year 4 at 130% Trigger
Reference Share Price	€12.60
Denomination	€100,000 per bond (“Principal Amount”)
Issue Price	100% of the Principal Amount
Redemption Price	100% of the Principal Amount
Yield to Maturity	1.25%
Coupon	1.25%
Conversion Premium	42.5%
Conversion Price	€17.9550
Underlying Shares (m) ¹	15,588,972
Underlying Shares (% ISC) ²	6.97%

REPURCHASES:	APRIL 2022	AUGUST 2023
Outstanding Issue Size	€279.9m	€178.3m
Amount Repurchased	€95.1m	€101.6m
<i>as % of Outstanding Principal</i>	<i>25%</i>	<i>36%</i>
Purchase Price	€78,000 per bond	€73,000 per bond
Process	modified Dutch auction	€74.6m via bilateral purchase
		€27.0m via modified Dutch auction

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

(2) Based on issued share capital as of 31 December 2023.

GROUP TAX LOSS CARRY FORWARDS AS AT FY 2023

€M		DEC-23	TIME LIMIT TO CARRY FORWARD
OPERATING ENTITIES <i>By regional segment</i>	LATAM	323	Predominantly Brazil (indefinitely)
	SEA	203	Majority in Singapore (indefinitely) and Malaysia (10 years)
	ANZ	91	Indefinitely
	TOTAL	617	
HOLDING ENTITIES	Luxembourg	3,264	Pre-2017: Indefinitely, Post: 17 years
	Germany	60	Indefinitely
	TOTAL	3,324	
GROUP TOTAL TAX LOSS CARRY FORWARDS		3,941	

- Can be carried forward and offset against future taxable income subject to local tax rules and limitations
- Brazil is the only country with a specific restriction – brought forward tax losses can only be offset against 30% of taxable income per year
- Tax authorities in the countries we operate could challenge these tax losses significantly, reducing their availability in future periods

- Luxembourg tax losses mainly relate to those recognised in the Luxembourg parent company pre-IPO
- To use future Luxembourg tax losses, they need to be certain post review by the tax authority and then Lux operational income is needed
- Given the holding entities have no operational business and limited income in Luxembourg, GFG unlikely to have options for utilisation

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 expenses, impairment of goodwill and other non-financial assets, Group recharges, one off consulting income, changes to estimates for prior years tax, one off payroll and office closure costs.

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).

NORMALISED FREE CASH FLOW

Normalised Free Cash Flow (“NFCF”) represents operating cash flows excluding discontinued operations, exceptional items, changes in factoring principal, interest and tax on investment income and convertible bond interest.

UPCOMING EVENTS

DATE	EVENT	LOCATION
30 April 2024	Q1 2024 Results	Virtual
21 May 2024	BofA Consumer Apparel & Ecommerce Virtual Field Trip	Virtual
12 June 2024	Annual General Meeting	Luxembourg
14 August 2024	Q2 2024 Results	Virtual

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.