

PRESS RELEASE

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ABOUT YOU Delivers Solid Growth in Q3 2022/2023 despite Continued Market Volatility

- Q3 2022/2023 Group revenue grows by 8.3% YoY to EUR 554.9 million despite a continuously unfavorable macroeconomic environment
- LTM¹ active customers increase to 12.5 million (+17.4% YoY), Q3 revenue growth in segments DACH and Rest of Europe of 8.2% and 11.1% YoY, respectively
- Segment Tech, Media, and Enabling revenue increases by 9.5% YoY – adjusted EBITDA margin reaches 15.6% (up from 14.6% last year)
- Group adjusted EBITDA² of EUR -43.1million (margin: -7.8%) impacted by investment commitments in strategic growth initiatives and a low gross margin from elevated inventory levels
- ABOUT YOU confirms guidance for FY 2022/2023 with revenue growth and adjusted EBITDA expected at lower end of guided ranges

ABOUT YOU Holding SE (with its consolidated subsidiaries “ABOUT YOU” or “Group”), one of Europe’s fastest-growing online fashion platforms of scale, today announced continued revenue growth for Q3 2022/2023 (+8.3% year-on-year), proving the strength of its business model in a continuously unfavorable market environment. ABOUT YOU delivered solid growth across all segments while improving its operating leverage in administrative and marketing cost lines. The number of active customers and the number of orders increased by 17.4% to 12.5 million and by 23.8% to 38.2 million respectively in the past twelve months.

Tarek Müller, Co-Founder and Co-CEO of ABOUT YOU: “Although market conditions remain challenging, our active customer base growth and the uptick in average order frequency reflect the high awareness of ABOUT YOU and engagement with our brand. We have continued to build on our core strengths this quarter and our business is well-positioned to generate long-term sustainable growth. Having taken operational measures to improve our stock positions, logistics, and marketing planning, we remain confident of achieving adjusted EBITDA break-even in FY 2023/2024.”

Given the weak consumer sentiment, customers continued to turn increasingly toward discounted items, which contributed to a 6.0% year-on-year decline in average order value from EUR 58.8 to EUR 55.3 in the past twelve months. Against this backdrop, ABOUT YOU increased the average order frequency per active customer by 5.5% year-on-year to 3.0, driven by strategic investments in an expanded product range and an improved customer experience.

ABOUT YOU’s Commerce business reported growth despite weak consumer confidence. The DACH segment grew by 8.2% year-on-year in Q3 2022/2023, with consumer sentiment improving only slightly. Especially in Austria and Switzerland, ABOUT YOU gained considerable market share. Revenue in the Rest of Europe (RoE) segment increased by 11.1% year-on-year, fueled by a strong performance in the Nordics. While revenue development in the Central and Eastern European markets continued to be positive, a decline in consumer sentiment weighed on revenue growth in Southern Europe.

¹ LTM: within the past twelve months

² EBITDA adjusted for (i) equity-settled share-based compensation expenses, (ii) restructuring costs, and (iii) one-time effects

The B2B business, reported in the segment Tech, Media, and Enabling (TME), delivered top-line growth of 9.5% year-on-year, supported by the successful brand positioning of SCAYLE and the onboarding of new enterprise clients. However, the development of existing clients slowed down as they recorded lower online revenues due to the current economic conditions.

To navigate the current market situation and achieve the target of break-even adjusted EBITDA in FY 2023/2024, ABOUT YOU has already initiated decisive measures to improve inventory levels and logistics as well as to adapt marketing planning and hiring. These measures have already shown visible progress in Q3 2022/2023:

- Flat inventory development from Q2 to Q3 despite slower top-line growth
- Improved fulfillment cost-to-revenue ratio from Q2 to Q3 despite the ongoing rollout of distribution centers
- Reduced marketing costs year-on-year despite continued brand investments
- Slight downturn in full-time equivalents compared to Q2
- Introduction of minimum order values in first pilot markets

ABOUT YOU's profitability in the quarter was impacted by a decline in its gross margin, due to higher cost of sales as elevated inventory levels across the industry encouraged discount campaigns, and an increase in the fulfillment cost-to-revenue ratio. This was partially offset by continued revenue growth and an improvement in the marketing cost-to-revenue ratio. The increase in the fulfillment cost-to-revenue ratio was driven by a combination of temporary effects, which are expected to remain volatile in the coming quarters, and structural effects, which are expected to persist over the longer term. As a result, adjusted EBITDA amounted to EUR -43.1 million in Q3 2022/2023 (Q3 2021/2022: EUR -30.5 million).

ABOUT YOU confirmed its guidance for the full year. For the Group, revenue growth for FY 2022/2023 is expected to be in the range of +10% to +20% year-on-year, equivalent to EUR 1,905 to 2,078 million. Adjusted EBITDA is expected to decrease to EUR -140 to -120 million³ (margin: -7.3% to -5.8%). Given a more challenging environment than anticipated, ABOUT YOU now expects revenue growth and adjusted EBITDA at the lower end of the guided ranges.

All reporting documents, including ABOUT YOU's Quarterly Statement, are available on the Investor Relations website. The Group plans to publish its full-year results for FY 2022/2023 on May 11, 2023. The publication of ABOUT YOU's ESG Report is scheduled for May 17, 2023.

³ Excluding potential M&A activities

	Q3 2021/2022	Q3 2022/2023	Change YoY	9M 2021/2022	9M 2022/2023	Change YoY
Group Key Customer Metrics						
Customer Reach Metrics LTM						
User sessions per month (in million)	124.0	138.6	11.8%	124.0	138.6	11.8%
Mobile sessions (in % of user sessions)	84.6%	86.7%	2.1 pp	84.6%	86.7%	2.1 pp
Customer Engagement Metrics LTM						
Active customers (in million)	10.7	12.5	17.4%	10.7	12.5	17.4%
Average order frequency (in #)	2.9	3.0	5.5%	2.9	3.0	5.5%
Number of orders (in million)	30.8	38.2	23.8%	30.8	38.2	23.8%
Average order value (in EUR incl. VAT)	58.8	55.3	(6.0)%	58.8	55.3	(6.0)%
<i>(EUR million, unless stated otherwise)</i>						
	Q3 2021/2022	Q3 2022/2023	Change YoY	9M 2021/2022	9M 2022/2023	Change YoY
Financial Segment Information						
Group revenue	512.5	554.9	8.3%	1,330.2	1,489.6	12.0%
DACH	248.4	268.7	8.2%	664.0	714.5	7.6%
RoE	239.6	266.3	11.1%	588.6	705.2	19.8%
TME	48.7	53.4	9.5%	122.7	149.6	21.9%
Reconciliation	(24.2)	(33.5)	-	(45.1)	(79.7)	-
Adjusted EBITDA	(30.5)	(43.1)	41.4%	(55.9)	(114.7)	105.2%
DACH	13.6	(4.2)	(131.1)%	38.7	6.5	(83.1)%
RoE	(50.5)	(46.8)	(7.4)%	(108.3)	(132.2)	22.1%
TME	7.1	8.3	16.6%	17.9	19.3	8.1%
Reconciliation	(0.7)	(0.4)	-	(4.2)	(8.4)	-
Adjusted EBITDA margin	(6.0)%	(7.8)%	(1.8) pp	(4.2)%	(7.7)%	(3.5) pp
DACH	5.5%	(1.6)%	(7.1) pp	5.8%	0.9%	(4.9) pp
RoE	(21.1)%	(17.6)%	3.5 pp	(18.4)%	(18.7)%	(0.4) pp
TME	14.6%	15.6%	0.9 pp	14.6%	12.9%	(1.6) pp

(EUR million, unless stated otherwise)

	Q3 2021/2022	Q3 2022/2023	Change YoY	9M 2021/2022	9M 2022/2023	Change YoY
Key Group Financial Metrics						
Gross profit	199.3	196.4	(1.5)%	529.8	579.6	9.4%
Gross margin (% of Group revenue)	38.9%	35.4%	(3.5) pp	39.8%	38.9%	(0.9) pp
NWC (net working capital)	(47.1)	(7.3)	(84.6)%	(47.1)	(7.3)	(84.6)%
CAPEX (capital expenditures)	(9.5)	(15.1)	58.6%	(28.7)	(38.2)	33.4%
Profit / (loss) for the period (EAT)	(39.9)	(62.0)	55.6%	(98.4)	(169.8)	72.6%
Free cash flow	(52.5)	(32.8)	(37.4)%	(76.0)	(167.7)	120.6%

Q3 2022/2023 ended on November 30, 2022. Please refer to ABOUT YOU's Quarterly Statement for definitions.

ABOUT YOU

ABOUT YOU digitizes the classic shopping stroll by creating an inspiring and personalized shopping experience on the smartphone. At ABOUT YOU, the focus is on the customers, who are supported in expressing themselves individually through fashion. On the website [aboutyou.com](https://www.aboutyou.com) and the multi-award winning ABOUT YOU app, customers find versatile inspiration and more than 500,000 items from over 3,500 brands. With more than 45 million unique active users per month, ABOUT YOU is one of the largest fashion and lifestyle platforms in Europe. It is currently active in 26 European markets. With SCAYLE, the fashion tech company also offers its own e-commerce infrastructure as a licensed product. The shares of ABOUT YOU are listed on the Frankfurt Stock Exchange.

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