

PRESS RELEASE

Hamburg, October 10, 2023

ABOUT YOU on Track: Accelerated Growth and Significant Margin Improvement

- Revenue growth of 2.1% YoY and significant improvement in adjusted EBITDA¹ to EUR -12.9 million result in an increase of the adjusted EBITDA margin by 7 percentage points in Q2 2023/2024
- Initiatives to increase profitability show results: Costs for fulfillment (-14.7%) and marketing (-41.8%) decrease significantly
- Strong increase in profitability in Commerce business: Adjusted EBITDA margin improves to 1.9% in DACH and -10.6% in Rest of Europe – revenue growth of 0.3% and 1.3% YoY, respectively
- Successful client go-lives of newly founded SCAYLE GmbH through spin-off leads to further positive growth in Tech segment
- B2B business more than doubles profit to EUR 10.5 million due to larger share and high growth of high-margin Tech revenue
- Increase in customer and order numbers: 12.6 million active customers LTM² place 39.1 million orders with a higher order frequency of 3.1
- Narrowed guidance for current financial year: Management Board expects Group revenue growth in the lower half of the previous guidance range of +1% to +11%; expectation of reaching break-even at the level of adjusted EBITDA confirmed

Hamburg (October 10, 2023) – The ABOUT YOU Group, with one of the fastest-growing online fashion stores and one of the most state-of-the-art B2B divisions in Europe, slightly increased revenue by 2.1% year-on-year to EUR 439.6 million in the second quarter. Compared to the previous quarter, the ABOUT YOU Group recorded a slight acceleration in growth. Based on more efficient cost structures in logistics and marketing, the Group made significant progress towards breaking even at the level of adjusted EBITDA.

"Our goal is and remains sustainable profitability. The improvement in our cost structures is both gratifying and necessary to reach break-even at the level of adjusted EBITDA in the current financial year," says **Tarek Müller, Co-Founder and Co-CEO of the ABOUT YOU Group**. "We have driven our revenue growth and seen increasing customer and order numbers, despite challenging consumer sentiment. Once the market recovers, we will consistently leverage the potential of our business model to further accelerate revenue growth and deliver sustained profitability."

The focus on profitability led to a significant improvement in margin and adjusted EBITDA of EUR -12.9 million in the second quarter, compared to EUR -42.8 million in the previous year. This corresponds to an adjusted EBITDA margin of -2.9% (-9.9% in the previous year).

ABOUT YOU significantly reduced fulfillment costs by 14.7% to EUR 104.5 million and marketing costs by 41.8% to EUR 39.7 million in the second quarter. Cost-to-revenue ratios also significantly declined year-on-year to 23.8% and 9.0%, respectively.

¹ EBITDA adjusted for (i) equity-settled share-based compensation expenses, (ii) restructuring costs, and (iii) one-time effects

² LTM: within the last twelve months

Key factors contributing to the turnaround in fulfillment were the elimination of one-time costs for the expansion of the distribution network, the easing of inflationary pressure, and the introduction of measures to reduce costs per order. Reduced campaigns and event activities, including the absence of market entry campaigns in new markets, led to lower marketing costs. ABOUT YOU also leveraged performance marketing and content creation to further support revenue growth with selected exclusive collections such as with 'florencia by mills' by Millie Bobby Brown, Kevin Trapp, Chiara Biasi, and basketball world champion Dennis Schröder.

The two reporting segments in ABOUT YOU's Commerce business slightly increased their revenue. The DACH segment grew profitably by 0.3% to EUR 207.3 million, despite the dampened consumer sentiment in Germany. Growth in Austria and Switzerland offset the weaker performance in Germany. In the same period, adjusted EBITDA reached EUR 3.9 million and the adjusted EBITDA margin increased to 1.9%.

Compared to the first quarter, the Rest of Europe (RoE) segment returned to its growth path and increased revenue by 1.3% to EUR 212.1 million. The markets and regions varied widely in terms of growth rates due to country-specific factors such as inflation, the impact of cost-cutting measures, and basis effects related to the prior-year period. Adjusted EBITDA showed an improvement to EUR -22.4 million and the adjusted EBITDA margin was at -10.6%.

In the B2B business, ABOUT YOU's Tech, Media, and Enabling (TME) segment saw a revenue decline by 3.0% to EUR 44.8 million. This decline was primarily driven by reduced marketing budgets of brand partners amid the challenging market environment, resulting in a declining Media revenue. The Tech segment achieved a positive development and was successfully spun-off into an own legal entity. After successful go-lives of enterprise customers such as s.Oliver, Fielmann, and DEFSHOP, Tech closed the second quarter with revenue growth, having also grown in revenue in the first quarter. Adjusted EBITDA in the TME segment more than doubled to EUR 10.5 million, with a significant increase in the adjusted EBITDA margin of 23.4% (8.8% in the previous year), partially fueled by the increasing share of high-margin software license revenue.

ABOUT YOU's customer and order numbers are on a steady rise: 12.6 million active customers placed 39.1 million orders in the online fashion store in the last twelve months ending August 31, 2023. With an average order frequency of 3.1, customers ordered more frequently from ABOUT YOU than in the previous year. The average order size value increased slightly by 0.1% to EUR 55.6 due to higher gross selling prices.

In view of the results achieved as well as the persistently challenging market environment, the ABOUT YOU Group's Management Board narrowed its expectations for revenue growth in the current financial year. The Management Board now expects Group revenue growth in the lower half of the guidance range of +1% to +11% year-on-year. Furthermore, the Group is expected to significantly improve its margin year-on-year and to break even at the level of adjusted EBITDA.

The half-year report for the current financial year is available on the [Investor Relations](#) website. ABOUT YOU will publish its third-quarter financial results in the quarterly statement on January 11, 2024.

	Q2 2022/2023	Q2 2023/2024	Change YoY	H1 2022/2023	H1 2023/2024	Change YoY
Group Key Customer Metrics						
Customer Reach Metrics LTM						
User session per month (in million)	139.8	136.1	(2.7)%	139.8	136.1	(2.7)%
Mobile sessions (in % of user sessions)	86.2%	88.2%	1.9pp	86.2%	88.2%	1.9pp
Customer Engagement Metrics LTM						
Active customers (in million)	12.3	12.6	2.3%	12.3	12.6	2.3%
Average order frequency (in #)	3.0	3.1	3.4%	3.0	3.1	3.4%
Number of orders (in million)	36.9	39.1	5.8%	36.9	39.1	5.8%
Average order value (in EUR incl. VAT)	55.5	55.6	0.1%	55.5	55.6	0.1%
<i>(EUR million, unless stated otherwise)</i>						
	Q2 2022/2023	Q2 2023/2024	Change YoY	H1 2022/2023	H1 2023/2024	Change YoY
Financial Segment Information						
Group revenue	430.6	439.6	2.1%	934.8	946.7	1.3%
DACH	206.7	207.3	0.3%	445.8	456.1	2.3%
RoE	209.5	212.1	1.3%	439.0	440.9	0.4%
TME	46.2	44.8	(3.0)%	96.2	93.1	(3.2)%
Reconciliation	(31.8)	(24.6)	-	(46.2)	(43.4)	-
Adjusted EBITDA	(42.8)	(12.9)	69.8%	(71.6)	(8.8)	87.8%
DACH	0.9	3.9	330.8%	10.8	16.9	56.9%
RoE	(39.4)	(22.4)	43.2%	(85.5)	(34.5)	59.6%
TME	4.1	10.5	157.8%	11.0	19.3	74.7%
Reconciliation	(8.4)	(4.9)	-	(7.9)	(10.4)	-
Adjusted EBITDA margin	(9.9)%	(2.9)%	7.0pp	(7.7)%	(0.9)%	6.7pp
DACH	0.4%	1.9%	1.5pp	2.4%	3.7%	1.3pp
RoE	(18.8)%	(10.6)%	8.3pp	(19.5)%	(7.8)%	11.6pp
TME	8.8%	23.4%	14.6pp	11.5%	20.7%	9.2pp

(EUR million, unless stated otherwise)

	Q2 2022/2023	Q2 2023/2024	Change YoY	H1 2022/2023	H1 2023/2024	Change YoY
Key Group Financial Metrics						
Gross profit	168.4	154.1	(8.5)%	383.2	354.2	(7.6)%
Gross margin (% of Group revenue)	39.1%	35.1%	(4.1)pp	41.0%	37.4%	(3.6)pp
NWC (net working capital)	26.8	40.6	51.5%	26.8	40.6	51.5%
CAPEX (capital expenditures)	10.0	12.2	21.6%	23.2	27.4	18.2%
Profit / (loss) for the period (EAT)	(63.4)	(46.0)	27.4%	(107.8)	(69.8)	35.2%
Free cash flow	(110.4)	(43.5)	60.6%	(134.8)	(32.7)	75.8%

Q2 2023/2024 ended on August 31, 2023.

Please refer to ABOUT YOU's half-year report 2023/2024 for definitions.

ABOUT YOU Group

The ABOUT YOU Group (ABOUT YOU Holding SE, ABOUT YOU SE & Co. KG and its fully consolidated subsidiaries) is an internationally active e-commerce group with two strategic business units: The online fashion store ABOUT YOU SE & Co. KG forms the Group's business-to-consumer business. With more than 45 million monthly active users, ABOUT YOU is one of Europe's largest online retailers for fashion and lifestyle and the leading provider of a personalized shopping experience on the smartphone. In the multi-award-winning ABOUT YOU app and on aboutyou.com, customers find versatile inspiration and an assortment of over 600,000 items from around 3,800 brands. The Group's business-to-business activities are largely operated by SCAYLE GmbH. SCAYLE offers a modern, cloud-based enterprise shop system that enables brands and retailers to scale their digital business quickly and flexibly as well as to adapt to increasing customer needs. Over 140 online stores are powered by SCAYLE's technology. Leading brands and retailers such as DEICHMANN, FC Bayern, Fielmann, DEPOT, or Marc O'Polo choose the SCAYLE Commerce technology as a license model.

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