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BestSecret Group with record top line growth of over 50% in FY 2021 – strong growth momentum continues

BestSecret Group (bond issuer: PrestigeBidCo GmbH - ISIN: XS1533933039, XS1533933112), a leading European members-only destination for off-price fashion, today announced its trading update for the year ended December 31, 2021. Driven by its unique business model and product offering, experienced leadership team, entrepreneurial mindset, and highly effective operational execution, the Group achieved preliminary revenues of approximately EUR 940 to 945 million for the fiscal year 2021, which represents an increase of around 53% over the previous year's top line figure of EUR 615.8 million.

Over the course of nearly 100 years, BestSecret has continuously and successfully adapted to changing consumer and supplier demands, first evolving from a fabric wholesale business to a stationary off-price fashion retailer, and later from a multi-channel retailer to what is now a leading online off-price player for premium to luxury fashion. In recent years, the Group has been able to leverage the accelerated structural shift to e-commerce and effectively advance its online revenue share to nearly 95%. This transition has resulted in a change in the internal organizational setup, the management structure and the internal reporting lines and the Group has therefore realigned its operating and reporting segments. For FY 2021 and thereafter, the Group segments will be "Germany" and "International".

The Group's strong growth was driven by both operating segments thanks to a further increase in the customer base from 2020, continued high customer loyalty, and strong order economics. The segment Germany is expected to have achieved approximately 42% growth with sales of EUR 674 to 677 million (2020: EUR 475.8 million). With revenues of EUR 266 to 268 million, the International segment is expected to have exceeded the EUR 140.0 million recorded in 2020 by at least 90%, thereby reaching around 28% of the Group's total sales.

The Adjusted EBITDA margin of BestSecret is anticipated to be around three percentage points below prior year's figure of 17.5%. As planned, the anticipated margin reflects the increase of our targeted marketing initiatives. Paid customer acquisition activities are among the key pillars of our strategy to drive growth in underpenetrated regions and markets and lay the foundation to further expand the company's leading position for online off-price fashion in Europe.

Group cash and cash equivalents stood at EUR 125.5 million on December 31, 2021 (December 31, 2020 restated: 95.3 million). The revolving credit facility, which has a total size of EUR 50 million, was undrawn as of December 31, 2021. The leverage ratio, which is calculated as net financial debt to LTM Adjusted EBITDA, is expected to have improved to approximately 1.7x on December 31, 2021, compared to 2.5x at the end of 2020.

With regards to the current fiscal year 2022, BestSecret has had a strong start to the year with daily order values exceeding prior year's levels by clear double-digit percentage ranges.

The financial information in this press release is based on preliminary estimated unaudited financial figures of PrestigeBidCo GmbH. Investors are cautioned that these estimates are preliminary in nature and based only upon information available to BestSecret Group as of the date of this press release. These estimates have not been audited, reviewed, or verified by the Group's independent auditors. Accordingly, such preliminary financial data may change. Therefore, investors are cautioned not to place undue reliance on these estimates. The bond report with the audited results for FY 2021 will be published on April 28, 2022.

About Best Secret Group

BestSecret is a leading European online destination for off-price fashion. Its customers have exclusive access to a permanent assortment of over 3,000 brands at very attractive discounts – from premium to luxury, from clothing to accessories. The closed, by-invitation-only member community enables brands to sell overstock in a silent and discreet manner. The BestSecret online store is available in multiple languages and offers shipping to around 30 European countries. With a workforce of about 1,600 FTEs, BestSecret generated sales of around EUR 940 million in FY2021. The company is owned by Permira Funds and the founding families Schustermann and Borenstein.

This press release may contain forward-looking statements based on current assumptions and forecasts made by S&B Group Management and other information currently available to BestSecret. Generally, the words “believe”, “expect”, “intend”, “estimate”, “anticipate”, “project”, “will” and similar expressions identify forward-looking statements, which generally are not historical in nature. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. BestSecret does not intend, and does not assume any liability whatsoever, to update these forward-looking statements or to conform them to future events or developments.