



B E S T S E C R E T

Earnings Call Presentation 3M 2022

30 May 2022
PUBLIC INFORMATION



Disclaimer

IMPORTANT

The financial information included in this Presentation has been prepared in accordance with IFRS and is based on that of PrestigeBidCo GmbH as the Issuer of the Senior Secured Notes due 2023. This Presentation should be read with reference to the Bond Report of PrestigeBidCo GmbH for the period ended March 31, 2022.

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This Presentation includes statements that are, or may be deemed to be, forward-looking statements within the meaning of the securities laws of certain jurisdictions. Forward-looking statements include, but are not limited to, statements regarding the Group's future financial position and results of operations, its strategy, plans, objectives, goals and targets, future developments in the markets in which it participates or is seeking to participate or anticipated regulatory changes in the markets in which it operates or intends to operate. In some cases, you can identify forward looking statements by terminology such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "plan," "potential," "predict," "projected," "should," or "will" or the negative of such terms or other comparable terminology. When considering these forward-looking statements, you should keep in mind that a number of factors that are beyond the Group's control could cause actual results to differ materially from the results contemplated by any such forward-looking statements. These forward-looking statements include all matters that are not historical facts. We believe that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Presentation should not be unduly relied upon. These statements speak only as of the date made. Other than as required by applicable laws, we do not intend, and do not assume any obligation, to update these forward-looking statements.

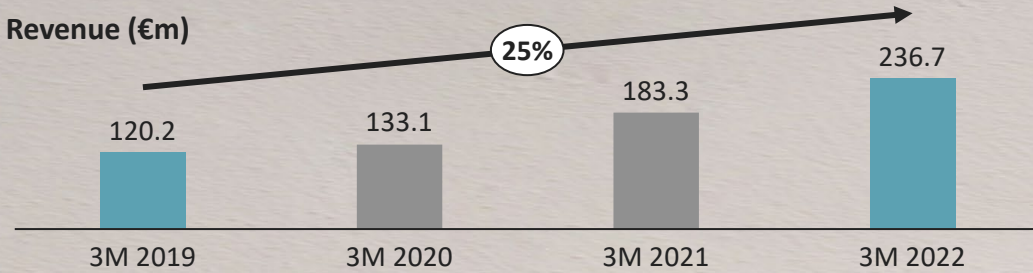
Non-GAAP Measures

This Presentation contains non-GAAP measures and ratios, including EBITDA and Adjusted EBITDA that are not required by, or presented in accordance with, IFRS. We present non-GAAP measures because we believe that they are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The non-GAAP measures may not be comparable to other similarly titled measures of other companies and should not be considered in isolation or be used as a substitute for an analysis of our earnings after taxes as reported under IFRS. Non-GAAP measures and ratios are not measurements of our performance or liquidity under IFRS and should not be considered as alternatives to net profit/loss for the period or any other performance measures derived in accordance with IFRS or any other generally accepted accounting principles or as alternatives to cash flow from operating, investing or financing activities.

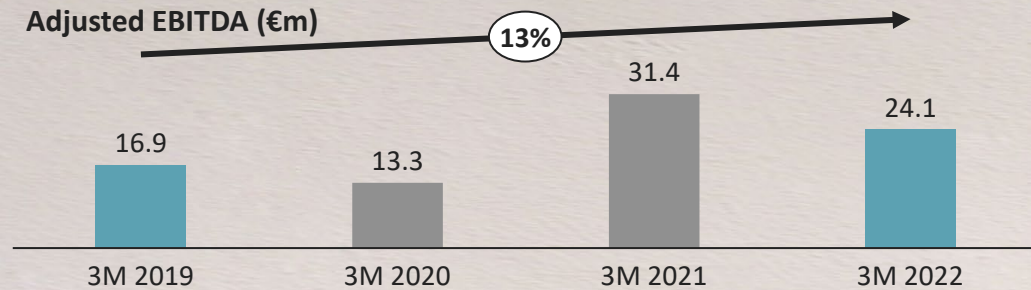
BestSecret key figures 3M 2022

Accelerated top line, solid earnings and further international diversification

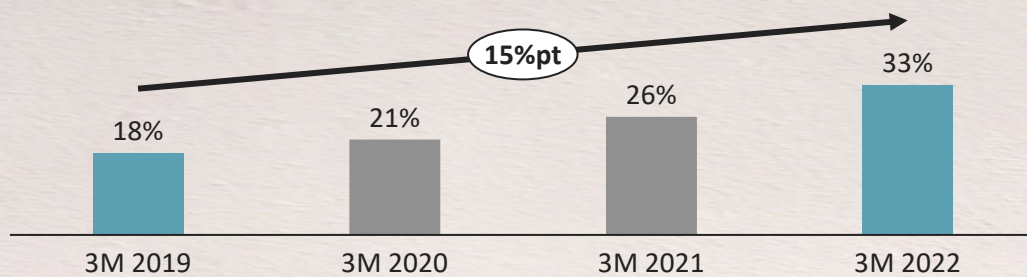
Revenue (€m)



Adjusted EBITDA (€m)



International share (% of revenue)



Solid performance in a more challenging market environment in 3M 2022

€m	3M 2021	3M 2022	Change
Revenue	183.3	236.7	29.1%
Gross profit	83.0	101.7	22.5%
<i>Margin</i>	45.3%	43.0%	-2.3pp
Adjusted EBITDA	31.4	24.1	-23.2%
<i>Margin</i>	17.1%	10.2%	-6.9pp
CAPEX	4.5	8.0	77.4%
Free cash flow ¹⁾	3.7	-52.1	n/a
Operating net working capital ²⁾	136.9	196.9	43.8%
Cash and cash equivalents ¹⁾	95.8	68.1	-28.9%
Net leverage ratio IFRS	2.2	2.4	0.2pt

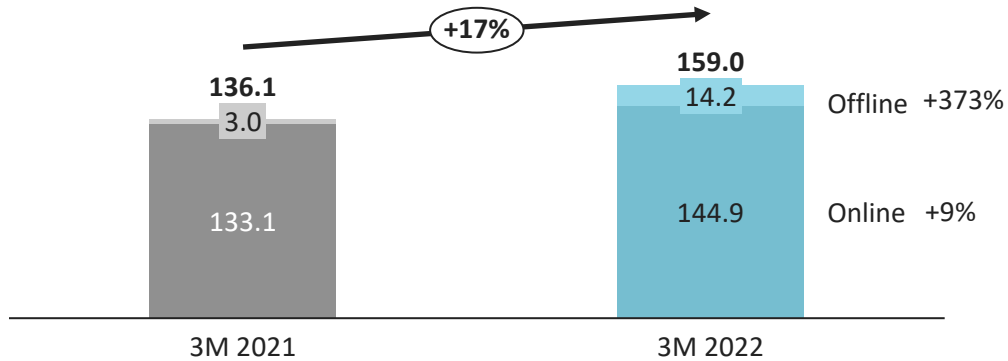
- Revenue growth of 29% supported by continued customer growth and strong international business.
- Gross margin impacted by freshness of inventory and a shift towards more premium and luxury brands.
- Adjusted EBITDA €7.3m lower due to increased return rate and strategically planned higher marketing costs as well as investments into our teams.
- Increased CAPEX due to growth investments into Tech & Data.
- Negative free cash flow mainly driven by increase in inventory and seasonal stock purchasing patterns. High PY comparative due to exceptionally strong 3M 2021.
- Strong liquidity position and undrawn RCF allows for the ability to realize attractive purchasing opportunities.
- Leverage ratio slightly higher due to reduced cash position from higher inventory level.

1) Reclassification of balances with Payment Service Providers not holding a banking license from 'cash and cash equivalents' (cash in transit) to 'trade and other receivables'. The value for 3M 2021 was restated accordingly.

2) Operating net working capital is defined as the sum of the line items (i) inventory, (ii) prepayments for inventory, (iii) trade and other receivables, (iv) trade and other payables and (v) others, including refund liabilities and the right to recover possession for expected returns.

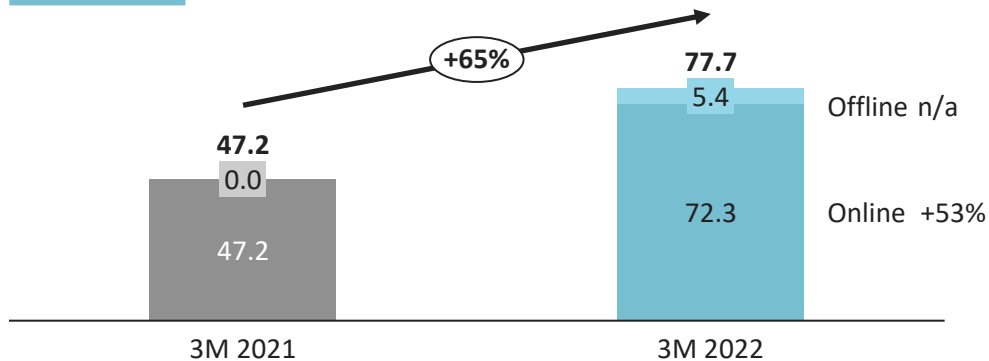
Outstanding growth in both core market Germany and International

Germany revenue 3M 2022 vs. 3M 2021 (€m)



- Core market *Germany* with solid growth of 17% in 3M 2022 thanks to our resilient business model.
- Online *Germany* with 9% growth vs. strong baseline in 3M 2021 (+56%).
- The German online retail market (fashion & shoes) grew only 3% in 3M 2022¹ due to the onset of the Ukraine war and a high baseline in the PY period.
- The German stationary retail market grew by 239% in 3M 2022². BestSecret's German offline business generated €14.2m revenue. PY period impacted by pandemic related store closures.

International revenue 3M 2022 vs. 3M 2021 (€m)



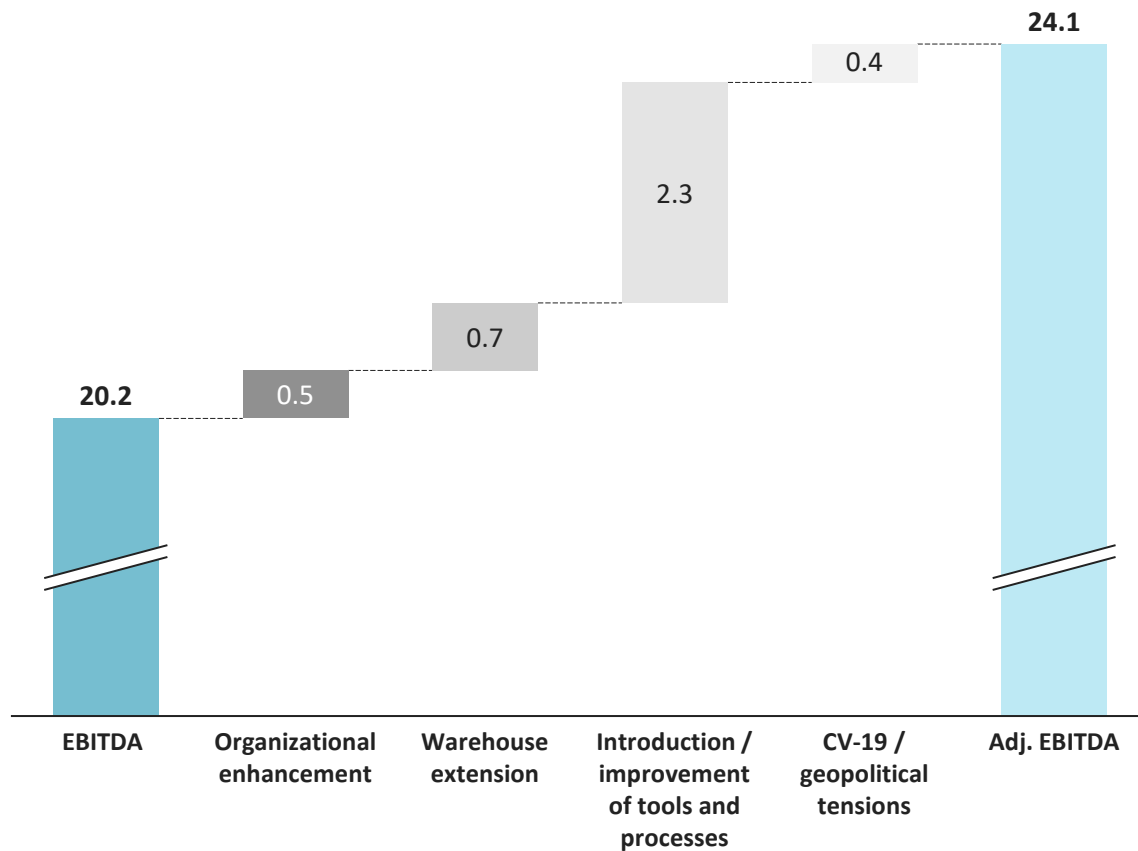
- BestSecret with excellent *International* growth rate of 65% in 3M 2022 owing to strong customer growth.
- Revenue diversification further advanced with *International* accounting for 33% of Group revenue vs. 26% in PY period.

1) Source: Bundesverband E-Commerce und Versandhandel Deutschland e.V. (Bevh)

2) Source: Textilwirtschaft / TW-Testclub

Adjusted EBITDA bridge

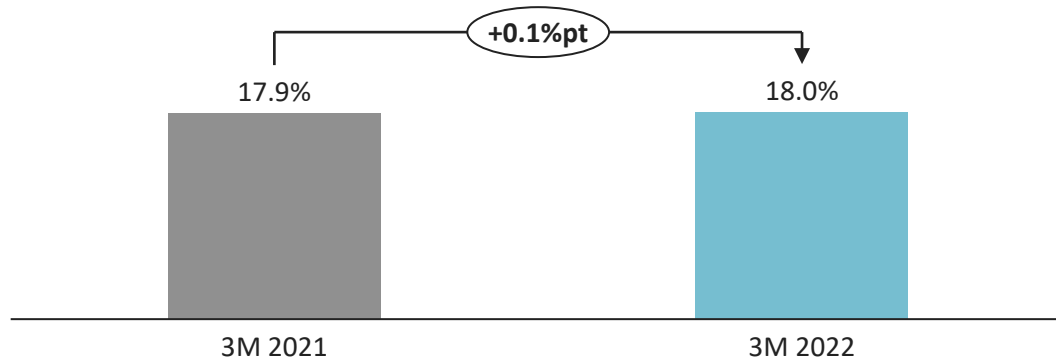
EBITDA to adjusted EBITDA 3M 2022 (€m)



- Total adjustments amounted to €3.9m in 3M 2022 (PY: 4.4m).
- €2.3m for the introduction / improvement of tools and processes with majority for the optimizations to the IT system backbone, the implementation of the BestSecret marketplace and financial reporting advancements.
- €0.7m for new fulfilment center as part of the network expansion plan to support growing business.
- Organizational enhancements include costs for consulting fees for strategy projects and other process optimizations as well as severance payments and headhunter services.

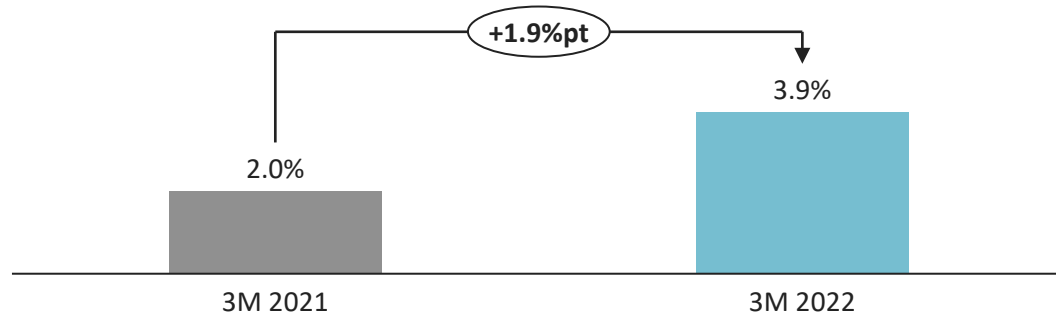
Cost ratios 3M 2022

Fulfilment costs (% of revenue)



- Logistics cost ratio almost on PY level.
- Improved online fulfilment efficiency and higher stationary retail revenue share offset by return rate trending towards pre-pandemic levels.

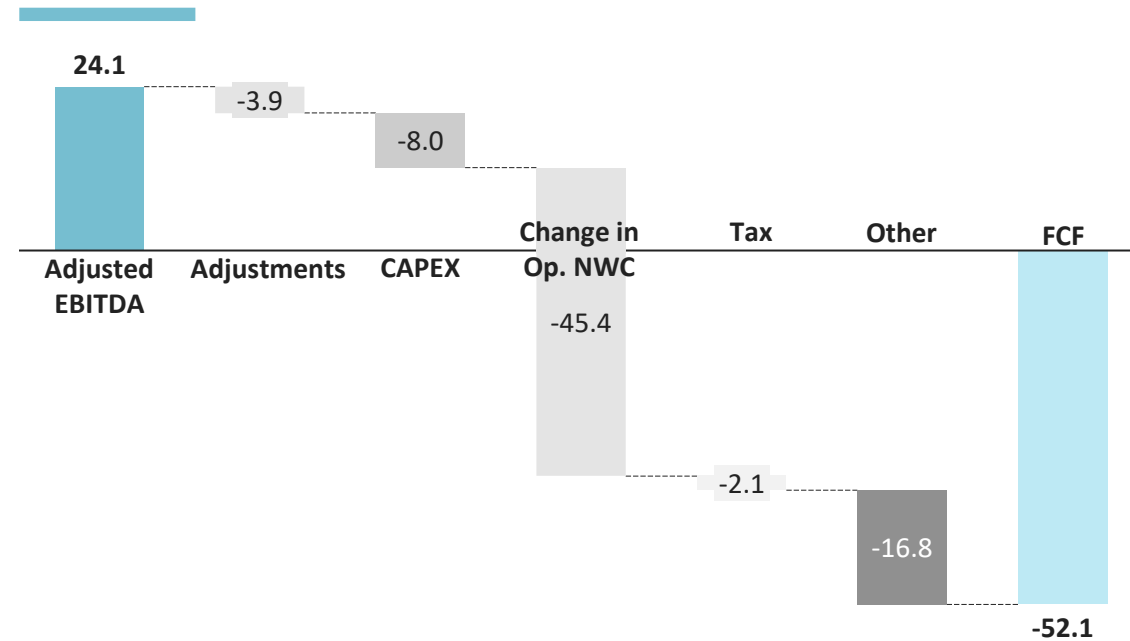
Marketing costs (% of revenue)



- Increase in marketing cost ratio to 4% of revenue due to paid customer acquisition strategy launched in Q2 2021 with continued positive impact on non-viral customer growth.
- Marketing cost ratio low by industry standards on the back of inherent viral customer growth.

Free cash flow 3M 2022

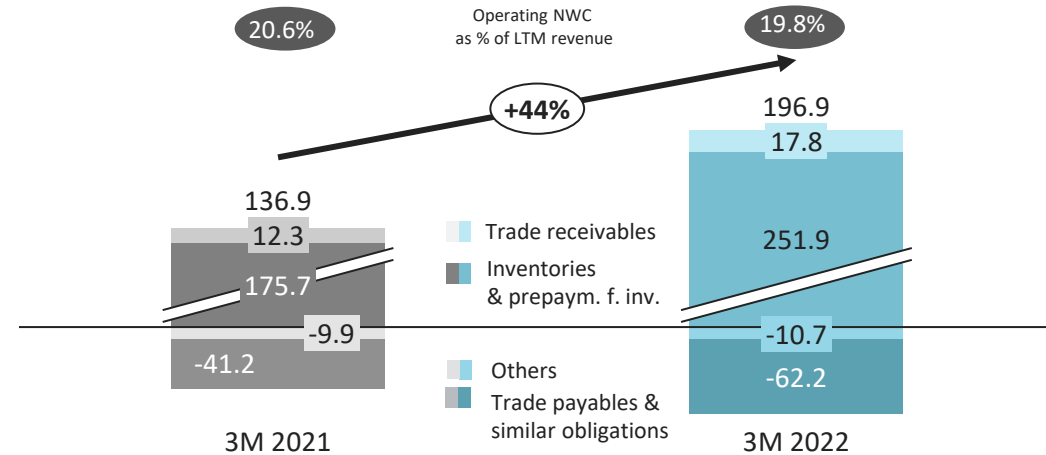
Free cash flow bridge (€m)



- Negative free cash flow of €-52.1m mainly driven by seasonal stock purchasing pattern and increased business volume. High PY comparative (€3.7m) due to exceptionally strong 3M 2021.
- Majority of CAPEX for tech and data investments.
- Change in operating NWC mainly due to
 - refunds for returns from seasonally strong end-of-year quarter
 - inventory purchases
 - increase in receivables as a result of higher share of payment by invoice
- “Other” mainly consists of VAT payables and accrual for outstanding invoices.
- Comfortable cash position of €68.1m at end of period (PY: €95.8m).
- Undrawn RCF on March 31, 2022 (PY period €0.0m).

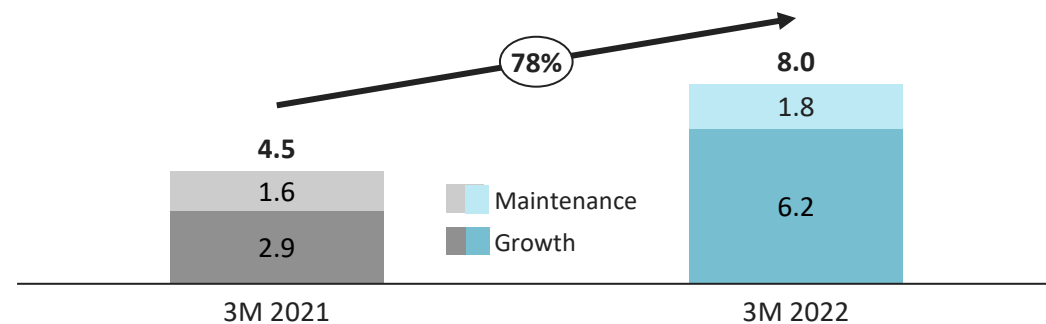
Operating net working capital and capital expenditure

Operating NWC Expenditure 3M 2022 vs. 3M 2021 (€m)



- Increased inventory level due to growing business volume and low baseline on the back of an exceptionally strong first quarter 2021.
- Increase in trade receivables due to reclassification from cash in transit to receivables and higher business volume.
- Increase in trade payables mainly due to higher business volume.

Capital Expenditure 3M 2022 vs. 3M 2021 (€m)



- 2022 more CAPEX intensive due to increased focus on growth projects.
- Majority growth CAPEX for Tech & Data to further advance the user experience and improve the system backbone.
- Maintenance CAPEX below 1% of Group revenue.

Healthy capital structure with consistent deleveraging over time

€m	31.03.2021	31.03.2022
Cash and equivalents ⁽¹⁾	95.8	68.1
Senior Secured Notes ⁽²⁾	260.8	261.9
RCF incl. accrued interest (total size €50m ⁽³⁾)	0.1	0.1
Lease liabilities ⁽⁴⁾	112.0	115.2
Total net financial debt ⁽⁵⁾	277.2	309.2
LTM Adjusted EBITDA ⁽⁶⁾	126.0	131.4
Ratio of net debt to LTM Adj. EBITDA ⁽⁷⁾	2.2	2.4

1) Reclassification of balances with Payment Service Providers not holding a banking license from 'cash and cash equivalents' (cash in transit) to 'trade and other receivables'. The value for 2020 was restated accordingly.

2) Including interest.

3) Total size of RCF increased to €110.0m on April 28, 2022.

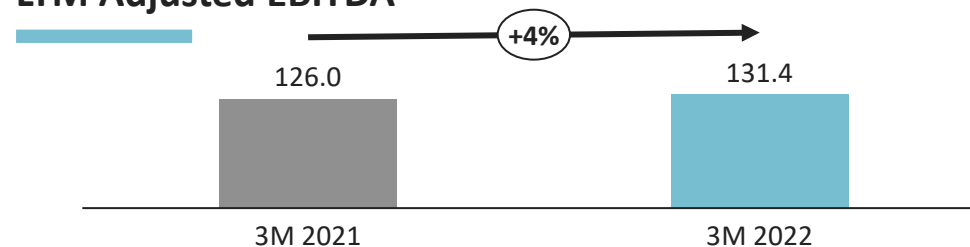
4) According to IFRS 16.

5) Net financial debt according to OM definition (German GAAP) is €196.8m on March 31, 2022.

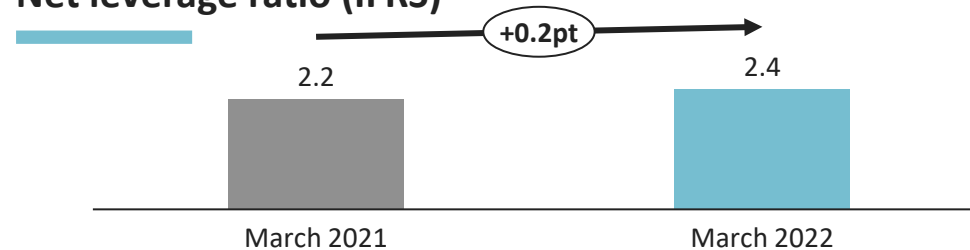
6) LTM Adjusted EBITDA according to OM definition (German GAAP) is €121.1m on March 31, 2022.

7) Ratio of net debt to LTM Adjusted EBITDA acc. to OM definition (German GAAP) is 1.6x on March 31, 2022.

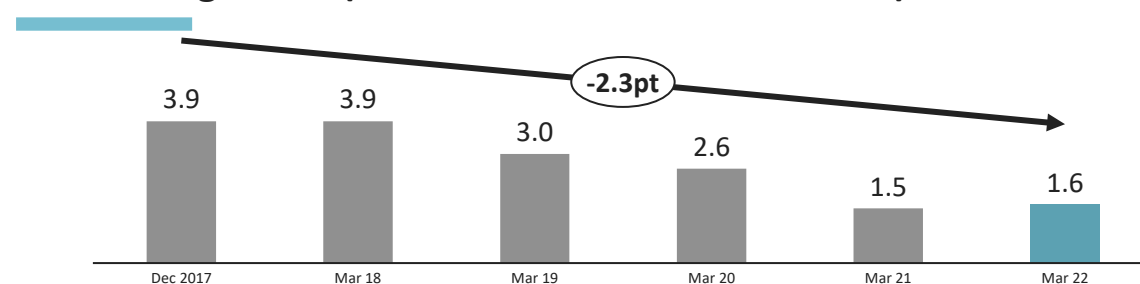
LTM Adjusted EBITDA



Net leverage ratio (IFRS)



Net leverage ratio (German GAAP / OM definition)



Outlook 2022

FOR FY 2022, WE CURRENTLY EXPECT

- INCREASE IN REVENUE IN THE LOW 20s % RANGE
- ADJUSTED EBITDA GROWTH BY AT LEAST A HIGH SINGLE DIGIT RATE
- CAPEX SIGNIFICANTLY HIGHER THAN PY MAINLY DUE TO GROWTH INVESTMENTS INTO A NEW FULFILMENT CENTRE, TECH AND DATA

Considering the high degree of uncertainty arising from the recent geopolitical developments in Ukraine and the resulting potential economic consequences in short-, mid- and long-term, we cannot rule out the future performance in 2022 will deviate from today's expectations. In addition, the COVID-19 pandemic continues to add volatility to market conditions and customer behavior, which may also lead to our actual results deviating from our current expectations.



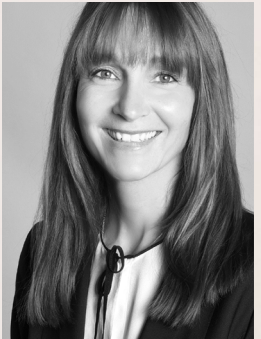
Q&A and contact



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Q&A:

For questions during the call: Please dial 01

Technical problems: Please dial *0 for the operator



Investor Relations calendar 2022

Date	Event
June 8	Deutsche Bank European Leveraged Finance Conference, London
August 12	Press release on key financial figures 6M 2022
August 26	Publication of 6M 2022 bond report with conference call for analysts and investors
November 10	Press release on key financial figures 9M 2022
November 25	Publication of 9M 2022 bond report with conference call for analysts and investors



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