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BestSecret reports 16% revenue growth and 12.9% Adjusted EBITDA margin in 9M 2023 and guides to strong full year 2023

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- Robust 9M 2023 revenue growth of 16% yoy to EUR 821.5 million
- Outstanding international growth of 36.5% yoy and solid increase of 5.7% yoy in Germany
- 9M 2023 Adjusted EBITDA margin improvement to 12.9%
- Strong cash position of EUR 161.8 million on September 30, 2023
- Full year 2023 guidance: high-teens percent increase in revenue and Adjusted EBITDA margin improvement to around 14%

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BestSecret Group (bond issuer: PrestigeBidCo GmbH - ISIN: XS2499278724, XS2499279029), a leading European off-price specialist in fashion e-commerce, generated revenues of EUR 821.5 million in the first nine months of 2023, a 16.0% increase from the EUR 708.1 million achieved in the same period of 2022. The third quarter of the year showed further growth acceleration compared to the first half of the year, thanks to the Group's ability to succeed in a competitive market with its highly resilient business model.

The main driver of BestSecret's revenue growth was its international segment, which grew by 36.5% and accounted for nearly 40% of the Group's revenue, with EUR 322.9 million in the first nine months of 2023 (9M 2022: EUR 236.6 million). The segment showed a good increase in the customer base and a positive trend in customer order economics. The segment Germany also grew by 5.7% year-on-year, with revenues reaching EUR 498.6 million (9M 2022: EUR 471.5 million).

Adjusted EBITDA for the first nine months of 2023 benefited from the good top line growth. With an improvement of 37.0% versus prior year, adjusted EBITDA (including expected cost synergies from the fulfillment center network expansion for the first nine months period 2023) reached EUR 105.8 million in the first nine months of the year (9M 2022: EUR 77.2 million). The adjusted EBITDA margin increased to 12.9% in 9M 2023 compared to 10.9% in the prior year period.

Group cash and cash equivalents stood at EUR 161.8 million on September 30, 2023, compared to EUR 74.9 million one year earlier. The revolving credit facility in the amount of EUR 110 million was undrawn throughout the first nine months of 2023. Senior secured net financial debt was EUR 238.2 million on the reporting date (30.09.2022: EUR 275.1 million). The senior secured leverage ratio¹⁾ was 1.4x on September 30, 2023 compared to 2.2x on September 30, 2022.

Owing to BestSecret's continued success and resilience, management expects a high-teens percent increase in revenue for the full year 2023 and an improved Adjusted EBITDA margin of around 14%.

The financial information in this press release is based on unaudited Group financial figures of PrestigeBidCo GmbH. The bond report for the first nine months 2023 of PrestigeBidCo GmbH will be published on November 28, 2023. A conference call for investors and analysts will be held on the same day.

1) The senior secured leverage ratio is calculated as senior secured net financial debt of EUR 238.2 million divided by LTM adjusted EBITDA of EUR 166.3 million.

About BestSecret Group

BestSecret is a leading European off-price specialist in fashion e-commerce. With a focus on international premium and luxury brands and a permanent assortment, the Group offers its customers in 27 countries across Europe highly desirable fashion at attractive discounts in a premium shopping environment. At the same time, BestSecret enables its brand partners to clear overstock at scale with minimum visibility and maximum brand equity protection. The unique business model is based on its closed character with an invitation-only customer membership, longstanding brand partner and customer relationships, a tech-focused mindset, and its inherent contribution to more sustainability in the fashion industry. BestSecret has a strong track record of profitable growth over many years. It generated revenues of EUR 1,051 million in 2022 and employs around 2,000 people from over 90 nations. The Group draws on a heritage of nearly 100 years in the textile and fashion industry and today 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 BestSecret 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.