



Press release



SPARTOO ANNOUNCES A STRONG IMPROVEMENT OF EBITDA AND OPERATING CASH-FLOW FOR 2023 1ST HALF-YEAR IN A DOWNGRADED CONSUMER ENVIRONMENT

- **Good resilience in GMV, at €101.6 million, with revenue almost stable at €72.9 million**
- **Adjusted EBITDA close to breakeven, up +€2.8 million vs. H1 2022**
- **Operating cash-flow improved by €7 million vs. H1 2022 thanks to optimized management of marketing investments and inventories**
- **Reinforced financial strength by raising over €8 million in debt in 2023**
- **12% growth in brands owned by the Group compared with H1 2022**
- **37% growth in stores and corners vs. H1 2022**
- **10.6% growth in third-party services and acquisition of more than 20 new customers**
- **Enhanced product offering with 1.7 million items online thanks to the marketplace**
- **Expanded eco-designed offering with over 9,000 references**

Grenoble, France, October 2, 2023 - 5:45 pm CEST - Spartoo (ISIN code: FR00140043Y1 - mnemonic: ALSPT), one of the leading online retailers for [fashion items](#) in Europe, today announced its Half-Year Results for the period ended June 30, 2023, as approved by the Board of Directors on September 28, 2023.

Boris Saragaglia, co-founder, Chairman and Chief Executive Officer of Spartoo, stated: " *In a context of high inflation and significant slowdown in demand affecting all players in the consumer sector, the dedication and commitment of Spartoo's teams enabled us to improve our operating cash-flow over the half-year. The optimization of our marketing investments combined with the reduction of inventory in value on our B2C Online activities enabled us to limit the decline in revenue while significantly improving our EBITDA and operating cash-flow. Our own brands, our points of sales and our third-party services also achieved double-digit growth over the half-year, underlining the economic relevance of our multi-channel model. Our strategy, focused on customer service excellence and balanced development between our own brands and international ones, between online and offline complementarity, and on a strong international presence, ensures our tangible resilience in the current environment. We aim to achieve positive free cash flow in full-year 2023, despite a difficult back-to-school period.*"

As of June 30, 2023, GMV¹ stood at €101.6 million, compared with €104.3 million in the first half of 2022 (-2.6%).

¹ Business volume = Gross Merchandise Value (GMV): total sales of products including VAT and services, net of returns.

BtoC activity, online & offline: expansion of retail network, good performance of brands owned by the Group and inventory reduction

Spartoo continued to expand its marketplace offering of [footwear](#), [ready-to-wear](#), [bags](#) and [accessories](#) in the first half of 2023, and now records more than 1.7 million unique references in Europe.

The average basket is up €5 (+6%), reflecting the effect of inflation on average product selling prices. To accelerate inventory reduction, the level of customer discounts over the period was set 3 points above that of the first half of 2022.

Spartoo continued to expand its retail network, with 11 new points of sales openings during the period, including 2 stores, the other points of sales being corners and affiliates. As of June 30, 2023, Spartoo recorded 42 points of sales, including 20 corners in department stores.

Revenue linked to the Group's own brands are up +12% compared to the first half of 2022, driven by both the organic growth of its wholesale customers and the acceleration of their digitalization.

The Group's inventory, down 2.8% in terms of quantity, stabilized in terms of value, standing at a lower level of -€0.5 million compared with December 31, 2022. This trend is in line with the Group's target of reducing inventory by the end of 2023, while preserving its quality, as evidenced by the low rate of depreciation (7.1% as of June 30, 2023). In particular, the inventory optimization policy enabled a reduction in the level of inventory dedicated to online activity: -4.1% in value and -7.7% in quantity compared with December 31, 2022.

Third-party services boosted by new customers acquisition

The transport agent activity recorded the acquisition of more than 20 new e-traders in the first half of 2023, up 10.6% on the first half of 2022.

Financial results: sustained improvement in EBITDA and net profit

The gross margin came to €28.9 million over the period, or 39.7% of revenue, compared with 41.4% in the first half of 2022.

Despite a sharp rise in costs (transport, minimum wage, raw materials, etc.), the Group's adjusted EBITDA improved significantly and came close to breakeven, at -€0.3 million, compared with a loss of €3.1 million in the first half of 2022. This trend reflects particularly the proactive marketing investment allocation policy based on their profitability, with the cost of acquiring new customers down sharply by 38% to €11.0 compared with €18.0 in the first half of 2022.

Consolidated net loss came to -€2.0 million, compared with -€4.6 million in 2022.

As of June 30, 2023, Spartoo reported cash of €7.6 million.

Key performance indicators :

Online activities / KPIs	30/06/2023	30/06/2022	Var
Active customer base (000)	1,722	1,858	-7%
Cost of acquiring new customers	€11.0	€18.0	-38%
Average basket net of return	€87	€82	+6%
% of GMV from brands owned by the Group	10.2%	9.8%	+0.4 pts
Customer recommendation score (/100)	>90%	>90%	-

Consolidated financial results (French GAAP)

Simplified income statement (in € millions)	30/06/2023	30/06/2022
Gross Merchandise Value (GMV)	101.6	104.3
B2C	91.1	94.8
Third-party services	10.5	9.5
France	62.1	63.2
International	39.5	41.1
Revenue excluding VAT	72.9	73.9
Gross margin	28.9	30.6
in %	39.7%	41.4%
Adjusted EBITDA	-0.3	-3.1
in %	-0.4%	-4.2%
EBIT	-1.8	-4.6
in %	-2.5%	-6.2%
Consolidated net profit/loss	-2.0	-4.6
	-2.7%	-6.2%
Earnings per share in €	-0.11	-0.25

Number of shares as of June 30, 2023: 18,228,088

Cash-flow statement (in € millions)	30/06/2023	30/06/2022
Cash-flow from operations (*)	(0.6)	(3.5)
Operating cash-flow (*)	(0.5)	(7.4)
Cash-flow from investing activities	(0.7)	(0.8)
Available cash	7.6	26.0
Net debt	16.2	(0.6)
(*) excluding significant non-recurring items		

Operating cash-flow for the year was close to breakeven at €-0.5 million, including an impact of +€0.1 million from changes in working capital, reflecting the initial effects of the proactive policy to optimize cash-flows. Inventory changes had a cash impact of +€0.1 million.

As of June 30, 2023, the Group's cash position stood at €7.6 million, compared with €9.4 million as of December 31, 2022. Spartoo also benefited from an agreement with its banking partners (BNP Paribas, Caisse d'Épargne, Banque Populaire, Crédit Agricole), enabling it to raise €8 million in debt over 2023 (€3 million released in the first half of the year and €5 million released during the second half).

Net debt stood at €16.2 million, compared with €14.7 million as of December 31, 2022, and €0.6 million a year earlier.

Change in results over last 12 months (€m)	From 01/07/2022 to 30/06/2023
Gross Merchandise Value (GMV)	206.9
Revenue excluding VAT	148.1
Adjusted EBITDA	1.6

The Group's commercial and financial results over the last 12 months also reflect its resilience, with EBITDA coming in at €1.6m, while GMV including VAT and revenue excluding VAT came in at €206.9m and €148.1m respectively.

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About Spartoo

With 10,000 brands and more than 1.7 million items, Spartoo offers one of the widest selections of fashion items ([footwear](#), [ready-to-wear](#), [bags](#)) in more than 30 countries in Europe, thanks to its team of more than 400 employees of nearly 30 different nationalities. In 2022, the Group generated a GMV (Gross Merchandise Value) of €209.6 million, 40% of which was generated internationally. With an integrated logistics platform and after-sales service, Spartoo stands out for its customer-centric approach, as evidenced by a very high customer satisfaction rate. The strategy is based on the strong synergies between the online sales model and the advantages of physical stores, which support loyalty and brand awareness. Capitalizing on its e-commerce know-how, Spartoo has also developed a complete range of services for professionals.

Visit the Group's websites:

www.spartoo.com

www.spartoo-finance.com



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