



SPARTOO ANNOUNCES 2023 FULL-YEAR RESULTS HIGHLIGHTED BY A RETURN TO A POSITIVE ADJUSTED EBITDA AND A SIGNIFICANT INCREASE IN ITS FREE CASH FLOW

- **Gross Merchandise Value¹ of €200.2 million**
- **Revenue of €142.9 million**
- **Improvement in adjusted EBITDA² of over €3 million compared with 2022, returning to positive at +€1.9 million and representing 1.3% of revenue**
- **Improved operating cash flow of +€22.6 million compared with 2022 due in particular to active inventory management**
- **Online activity inventory down 13.7% in value compared with December 31, 2022**
- **Net debt decreased by €3 million, reaching €11.7 million compared with 2022**
- **Nearly 21% growth in own brands sold wholesale compared with 2022**
- **Expansion of marketplace fashion product offering: 1.7 million items available online**
- **Continued growth of third-party services**

Grenoble, France, March 18th, 2024 – 5:45 pm CET - Spartoo (ISIN code: FR00140043Y1 – ticker: ALSPT), one of the leading online retailers for [fashion items](#) in Europe, today announced its Full Year Results for the year ended December 31st, 2023, as approved by the Board of Directors on March 14th, 2024. Audit procedures on the consolidated financial statements are in progress and the certification report will be issued after finalization of the full-year report.

As of December 31st, 2023, the Gross Merchandise Value amounted to €200.2 million, -4.5% compared with 2022, when it stood at €209.6 million.

Boris Saragaglia, co-founder, Chairman and Chief Executive Officer of Spartoo, stated: *"In a particularly challenging market environment, especially for e-commerce players and more broadly for the ready-to-wear and distribution sector affected by the significant decline in purchasing power, the results we are publishing today demonstrate the resilience of our balanced model in terms of offering, geographic coverage, and distribution network. Active management of our inventory, combined with an optimized investment policy, enabled us to record a positive adjusted EBITDA as well as an improvement of over €20 million in our free cash flow. While our online activity experienced a slight slowdown due to the persistently depressed consumer environment, our offline activity continues its strong growth momentum driven by openings of new stores and corners, as well as our third-party services activity providing transport agent services for our e-commerce clients. Our ambition for 2024 will be to continue to adapt our business to changes in demand, in order to generate positive free cash flows."*

BtoC activity, online & offline

Spartoo continued its policy of expanding its range of [footwear](#), [ready-to-wear](#), [bags](#), and [accessories](#) throughout 2023, and now offers over 1.7 million unique references in Europe thanks to its marketplace.

The average basket increased by €5 (+6%), thanks to higher unit selling prices.

In line with its objectives, Spartoo pursued the expansion of its shop network, opening 15 new points of sales in 2023, including 4 stores, the remaining points of sales being corners and affiliates. As of December 31, 2023, Spartoo recorded 47 points of sales, including 21 corners in department stores.

Revenue linked to the brands acquired by the Group are up by +21% compared with 2022, driven by both the organic growth of its wholesale clients and the acceleration of their digitalization.

The Group's inventory decreased by 14.2% in quantity and 6.2% in gross value, following the planned trajectory of reducing inventory set by the Group, while preserving its quality, as evidenced by maintaining a low depreciation rate (6.5% as of December 31, 2023, excluding André products). The inventory optimization policy enabled in particular a reduction in the level of inventory dedicated to online activity: -13.7% in gross value and -20.5% in quantity compared with December 31, 2022.

Consolidation of third-party services activity, driven by the acquisition of new clients

The Group's transport agent activity recorded the acquisition of 38 new e-retailers in 2023, up by +1.9% compared to the fiscal year 2022.

Financial results: return to positive adjusted EBITDA and improvement in net loss

The gross margin³ stood at €59.1million for the period, representing 41.4% of revenue, compared with 42.0% in 2022.

Despite a significant increase in costs throughout the year (transportation, minimum wage, raw materials, etc.), the Group's adjusted EBITDA improved significantly to reach €1.9 million, compared to a loss of €1.2 million recorded in 2022. This progress demonstrates the relevance of the Group's strategy to allocate marketing investments based on their profitability, as evidenced by a sharp decrease of 23% in the cost of acquiring new clients, from €14.0 in 2022 to €10.8.

The consolidated net loss came to -€1.9 million, compared with -€4.6 million in 2022, reflecting a very sharp reduction in the loss.

Simplified income statement (French GAAP / € million)	12/31/2023	12/31/2022	Change
Gross Merchandise Value	200.2	209.6	-4.5%
B2C	180.0	189.8	-5.2%
Third Party Services	20.2	19.8	1.9%
France	123.4	125.2	-1.5%
International	76.8	84.3	-8.9%
Revenue (before tax)	142.9	149.1	-4.1%
Gross Margin	59.1	62.6	-5.5%
in %	41.4%	42.0%	-0.6 point
Adjusted EBITDA	1.9	-1.2	n.a.
in %	1.3%	-0.8%	n.a.
EBIT	-0.8	-4.7	n.a.
in %	-0.6%	-3.1%	n.a.
Consolidated net profit/loss	-1.9	-4.6	n.a.
in %	-1.3%	-3.1%	n.a.
Earnings per share (in €)	-0.10	-0.25	n.a.
<i>Number of shares as of December 31, 2023: 18,228,088</i>			

Operating cash flow improved by +€22.6 million compared with 2022

The operational cash flow returned to positive at the end of 2023, amounting to €2.0 million compared with -€20.6 million in the same period of the previous year, excluding significant non-recurring items (+€2.5 million related to a lawsuit against a footwear player). The decrease in inventory level of -€3.7 million recorded during the period led to a reduction in working capital requirements and thus positively impacted cash flows, in line with the Group's strategy.

Investments remained controlled over the period and amounted to €1.3 million.

As of December 31, 2023, the Group's cash position amounted to €14.3 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 an additional €8 million in debt during 2023 (€3 million released in the first half of the year and €5 million released in the second half). The Group's net debt ratio, or gearing, remained fully controlled, showing a decrease over the period with a level of 37% as of the end of 2023 vs 44% in 2022.

The Group's net debt amounted to €11.7 million, compared with €14.9 million as of December 31, 2022.

In addition to its cash position, the Group has access to short-term financing lines granted by its banks of more than €9 million, undrawn as of December 31, 2023.

Simplified Cash-Flow Statement	12/31/2023	12/31/2022
Cash Flow from operations (*)	0.7	-2.0
Operating Cash-Flow	2.0	-20.6
Cash Flow from investing activities	-1.3	-2.9
Free Cash-Flow	0.7	-23.6
Significant Non-Recurring Items (**)	2.5	0.0
Cash Flow from Financing Activities	1.6	-0.1
Net Increase/ Decrease in Cash	4.9	-23.7
Opening cash position	9.4	32.8
Closing cash position	14.3	9.4
Borrowings and financial liabilities	26.0	24.3
Net Debt	11.7	14.9
(*) excluding significant non-recurring items		
(**) Amount received related to the Nike litigation, not included in the income statement		

Key Performance Indicators:

Online Activities / KPIs	2023	2022	Change
Active customer base (000) ⁴	1,611	1,812	-11%
Cost of acquiring new customers ⁵	€10.8	€14.0	-23%
Average Basket net of return ⁶	€88	€83	+6%
% of GMV from own brands	7.5%	7.3%	+3%
Customer recommendation score (/100) ⁷	90%	>90%	

APPENDICES

Definitions:

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

2: Adjusted EBITDA: EBITDA excluding the contribution on the value added of the company (CVAE), financial discount (additional discount related to cash payment), and significant non-recurring items impacting EBITDA.

Reconciliation of adjusted EBITDA and EBIT:

€ million	12/31/2023	12/31/2023
Adjusted EBITDA	1.9	-1.2
Depreciation, amortization and provisions	-2.5	-2.9
Company value-added tax and financial discount	-0.2	-0.5
Non-recurring items with a significant impact on EBITDA (impact of shared services with the deconsolidated subsidiary or related to its disposal, as well as partial unemployment benefits received in connection with Covid)	0.0	0.0
Operating income / EBIT	-0.8	-4.7

3: Gross margin: Gross margin minus the cost of services sold as part of third-party services activity.

4: Active Customer Base: Number of customers with a shipped order, net of returns, over the past 12 months in online activities

5: Cost of Acquiring New Customers: Total marketing expenses divided by the number of new customers

6: Average Basket Net of Returns: Gross Merchandise Value (GMV) achieved online including taxes divided by the number of shipped orders, net of exchanges and net of returns in online activities

7: Customer Recommendation Score (/100): Score given by our clients after an order to the question "How likely are you to recommend Spartoo to your friends and family?"

To receive future press releases from SPARTOO, please email us at: newcap@spartoo.com !



Next events
Half-Year GMV and Results 2024,
Monday, September 30, 2024, after market close.

Annual General Meeting, May 30, 2024

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 2023, the Group generated a GMV (Gross Merchandise Value) of €200.2 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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