



Wehkamp announces record customer sales and profit growth in FY20/21 and the acquisition of kleertjes.com

- **Consumer sales increased significantly year-on-year by 22% to €729.5m**
- **EBITDA up 247% year-on-year to €57.0m, the second consecutive year of strong growth**
- **Wehkamp and kleertjes.com join forces to seize growth opportunities**
- **Continued trading momentum, with double digit sales growth in April – June**

Wehkamp, a leading e-commerce operator in the Dutch market, today reported strong financial performance for its 20/21 financial year ending 4 April 2021 and provided an update on its future strategic plans, including its new partner kleertjes.com.

Strong financial performance: Customer sales up 22%

Customer sales of €729.5m are at record levels and represent year-on-year growth of 22%. This growth has been driven by the successful implementation of Wehkamp's differentiated strategy, which aims to provide Dutch families with a curated range of inspirational and relevant products from leading global, local and Private Label brands across Fashion as well as the new focus categories of Home & Living, Beauty and Kidswear, which is at the heart of Wehkamp's family proposition, and the accelerated shift to online shopping. Additionally, Wehkamp's unique offering through its exclusive partnerships with HEMA and influencer Miljuscka continues to attract new and existing customers to the app and site.

The substantial investment in technology, automation and infrastructure in recent years, combined with deep relationships with brands and suppliers, ensured that Wehkamp was able to adapt quickly to the changing market conditions and meet unprecedented levels of demand, resulting from the accelerated shift online caused by the pandemic. The development and investment in the new focus categories proved timely and enabled the business to provide customers with the products and ranges they required. Home & Living (including Garden) experienced 40% year-on-year sales growth in the financial year, with Beauty up 51% and Kids Fashion up 46%.

The strong improvements in gross margin over the past five years have continued and, together with strong topline growth, have led to the second consecutive year of profitable growth. Normalised EBITDA saw year-on-year growth of 247% to €57.0m. Wehkamp's cash position increased by €51.0m in line with the profit performance resulting in a net cash position of €45.9m (FY19/20: net debt €5.1m).

Wehkamp stand-alone audited financial highlights (excluding Tinka)

€m	FY20/21	FY19/20	FY18/19	FY20/21 Y-O-Y change
Customer sales *	729.5	596.7	611.4	+22%
Normalised EBITDA **	57.0	16.4	4.5	+247%

Wehkamp and financial services provider Tinka separated

Since 28 June 2021, Wehkamp's e-commerce business has been separated from Tinka, the provider of deferred payments and credit. The decision was driven by the significant progress both companies have made in their transformation and both companies have greater growth potential when operating independently. With this step, Wehkamp can fully focus on its online retail strategy.

Wehkamp and kleertjes.com join forces to become the leading Dutch online retailer for kids' fashion

RFS Holland Holding B.V., parent company of Wehkamp has reached a preliminary agreement with the shareholders of kleertjes.com B.V. for the acquisition of all shares of kleertjes.com.

kleertjes.com is a leading online kidswear retailer. Over the past 18 years kleertjes.com has become one of the largest kidswear retailers in the Netherlands, employing approximately 400 people. kleertjes.com has a large group of loyal customers and has grown significantly in the last 5 years. Through the acquisition, Wehkamp intends to use its expertise in e-commerce technology, fulfilment operations and assortment curation to further strengthen the kleertjes.com business. Wehkamp is renowned for its inspirational shopping experience on its website and app and its best-in-class delivery proposition. By combining the operational side of the businesses, kleertjes.com will be able to continue to grow quickly and efficiently utilising the strengths and scale of Wehkamp.

kleertjes.com will retain its unique brand identity which is highly recognised and customers will progressively see faster deliveries, later order cut-off times, additional ranges and improved website experience. The acquisition will also further strengthen the position of both companies in the important kids' fashion market, which is central to Wehkamp's focus on the family.

No redundancies are expected as a result of the acquisition and both of the kleertjes.com business locations in Hilversum and 's-Heerenberg will remain operational. No financial details will be disclosed. The acquisition is subject to customary works council consultation, antitrust clearance and other usual approvals and is expected to be completed by the end of Q3 2021.

Future profitable growth

With Wehkamp's business performance in terms of both strategic progress and financial results in 20/21 some 12 months ahead of plan, the management team is focused on the next stage of profitable growth. The key foundations are already in place, in terms of core retail competencies, a differentiated strategy focused on the categories of Fashion, Home & Living, Beauty and Kidswear and a proprietary and scalable technology, data science and logistics platform, all of which are underpinned by a profitable and cash generative business model.

As one of the leading and best known e-commerce operators in the Netherlands, Wehkamp is well positioned to benefit from the ongoing structural shift to online shopping, which across all of its product categories represents a sizeable opportunity. Additional planned range improvements, further growth in Private Label, new exclusive partnerships including a collection with Dutch designer Mart Visser and

ongoing upgrades to the customer experience will provide the business with opportunities to further grow the number of active customers and their frequency of purchase. The business will also look more widely at other potential opportunities for above market growth.

Graham Harris, CEO of Wehkamp, said:

“We have transformed the Wehkamp business over the last three years, serving our growing base of 2.5 million active Dutch customers, with a more relevant product offering across an increasing range of categories. We have invested substantially in technology, data science and infrastructure to underpin our offering with an ever improving customer service proposition, which includes one of the latest industry cut-off times for next day delivery with a large fully stocked-in range. We will continue to invest in further product enhancements, including our Private Label brands and exclusive partnerships, as well as ongoing improvements to the customer experience and expect to launch a same day delivery service later this year. These investments are at the foundation of our continued profitable growth strategy of Wehkamp.

We are very pleased to announce the acquisition of kleertjes.com which allows us to further expand our strong e-commerce position and fully meet our ambition to serve every Dutch family with our unique, most inspiring and curated assortment in fashion and living. Our vast experience in assortment curation, fulfilment, customer data application, e-commerce innovation and logistics as well as our deep relationships with our suppliers and unique partnerships can be fully leveraged at kleertjes.com.

Despite the easing of restrictions and the gradual return to more normalised trading conditions, we have traded strongly in the current financial year 21/22, with continued double digit sales growth in the first quarter. With a strong balance sheet and a profitable business model and a scalable platform, we have plentiful opportunities for further growth and approach the future with confidence.”

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Footnotes

* Goods revenue supplied and charged to the customer (including shipping costs charged by Wehkamp B.V), including VAT and sales of affiliated parties. All further references to customer sales are sales, net of returns, including that of affiliated parties and including VAT.

**EBITDA is normalised for 52-weeks, one-off costs/benefits and restructuring costs. Normalised EBITDA of 20/21 and 19/20 are reported under IFRS 16. The IFRS 16 standard has a positive impact of € 5.6 million for 2020-2021 and € 5.2 million for 19/20. 18/19 is presented on a like-for-like basis and includes a pro forma IFRS 16 rental expense adjustment of € 4.4 million.

Notes to Editors

An e-commerce pure play since 2010, the Wehkamp brand is deeply embedded in the fabric of Dutch society, with a long and rich heritage that can be traced back over 70 years to its origins as a catalogue business in 1952. Today more than 30% of Dutch families buy from Wehkamp. The business differentiates itself from other e-commerce operators through a continued focus on providing the ‘most inspirational, curated and relevant online shop for Fashion and Living.’

Wehkamp offers over 2,500 well-known global and local brands, in addition to its growing Private Label ranges, to an active customer base, which now exceeds 2.5m. The app continues to grow in importance and in March 2021 accounted for more than 30% of customer sales.

The business has invested heavily in infrastructure, data and technology, including an €80m centralised warehouse in Zwolle. The facility features automated picking lines, automated pack lines and a state of the art creative photography hub, all of which underpin a superior customer experience and facilitate one of the latest next day delivery cut-off times in the sector of 23:59.

Wehkamp has increased its in-house technology and data insights capability, with a technology team that has expanded by 4 April 2021 to 118 full-time equivalents (FTEs), out of a total team of 734 FTEs.

Wehkamp is committed to reducing its environmental footprint and was recognised in the Shopping Awards 2020, winning the “Duurzaamheid Award”, for the company making the biggest sustainability improvement in the year. This was in recognition for its work in making packaging more sustainable and reducing CO2 emissions in this area by an estimated 64%.