

## Wehkamp records another year of profitable growth in FY2021/2022

Zwolle, 23 June 2022 - Wehkamp, a leading Dutch online retailer in Fashion, Home and Living, today reports on its financial performance and strategic progress for the 2021/2022 fiscal year ending April 3, 2022.

### Highlights

- Customer sales increased year-on-year<sup>1</sup> by 7.3% to € 783 million on a pro forma basis<sup>2</sup>, attributable to the acquisition of kleertjes.com, the integration of which remains on track
- Underlying organic performance remained strong, with a third consecutive year of significant adjusted EBITDA profitability
- Adjusted EBITDA (pro forma) stood at € 49 million, below last financial year 2020/2021 which benefited from COVID-related stores closures but substantially higher than in the pre-COVID affected year 19/20 (+157%)
- Carve-out of Tinka transformed Wehkamp into a leading ecommerce pureplay, focused solely on delivering its online retail growth strategy
- Already reaping benefits from strong performance improvements, well placed for further sustainable organic growth, with a proven acquisition playbook

### Key figures

In thousands of €	2021-2022*	2020-2021	2019-2020
Customer sales**	782,664	729,464	596,676
Adjusted EBITDA	48,760	59,344	18,980

\* Includes the figures for kleertjes.com as if it had been acquired as of the beginning of the financial year 2021-2022.

\*\* All gross and third-party sales, including VAT

**Wehkamp CEO Graham Harris:** *“We are pleased to announce another year of strong financial performance for Wehkamp. In 2021, we carved-out Tinka and acquired kleertjes.com. We are now well underway in integrating kleertjes.com, which is already today leading to significant customer experience improvements and efficiency gains. In 2022, we will launch a dedicated online shopping destination focused on men and are poised for further acquisitions to offer our strong fulfilment expertise, portfolio and product range to an even wider customer group. We look with confidence to Wehkamp’s future and are well positioned to maintain our profitable growth strategy as a pureplay online retailer.”*

### Clear progress achieved in past years

Customer sales in the financial year 2021/2022 came in at € 783 million, a year-on-year growth of 7.3%, attributable to the acquisition of kleertjes.com. Compared to the record year 2020/2021, in which customer sales grew significantly as a result of COVID-related store closures, customer sales stayed approximately level on last year on a like-for-like basis<sup>3</sup>. Effectively, Wehkamp was able to maintain the strong performance of the COVID year 2020/2021 as customers returned. Wehkamp now serves more than half of Dutch families. The pandemic has increased the addressable market for online retail, with some customers experiencing the benefits of online shopping for the first time. A higher proportion of the growing traffic is being converted into customer sales driven by the continued curation of the offering and further improvements and personalisation of the online shopping journey. Compared to the pre-pandemic year 2019/2020, customer sales grew by 31.2%.

The gross profit margin increased to 33.3%, compared to 32.6% in the previous year. This is mainly attributable to a further sharpening of Wehkamp’s core retail skills, including improvements in supplier terms, as well as a sales mix shift towards more fashion related products. Adjusted EBITDA amounted to € 48.8 million, compared to € 59.3 million in the previous year. This decrease was predominantly caused by higher costs in the warehouse network due to a tighter labour market, the carve-out of the consumer financing activities Tinka and the additional trading week in the previous year (53 weeks in 20/21 vs. 52 weeks in 21/22). Compared to the pre-pandemic year 2019/2020, adjusted EBITDA grew by 157%.

Tinka is now a separate, standalone company which continues to facilitate all payment options offered by Wehkamp. The results for Tinka are therefore excluded from Wehkamp’s results.

<sup>1</sup> The financial year 2021/2022 runs from 5 April 2021 to 3 April 2022 and has 52 weeks of trading (vs 53 weeks for the previous financial year).

<sup>2</sup> All FY 2021/2022 numbers [included in this press release] are reported on a proforma basis, including the figures for kleertjes.com as if it had been acquired as of the beginning of the financial year, for comparison reasons. The results including Kleertjes.com as of the moment of consolidation (September 2021) can be found in Wehkamp’s annual report.

<sup>3</sup> Reflecting kleertjes.com results proforma in both years and correcting for the additional trading week in 2020/2021.

## **Strengthened strategic position**

Following the acquisition of kleertjes.com in September 2021, the first acquisition for many years, both Wehkamp and kleertjes.com have retained their consumer facing websites, while backend functions and technology are being integrated. The integration process is going according to plan, with substantial improvements already secured in the reliability and speed of delivery of products to our customers. Combined, Wehkamp and kleertjes.com are a leading online kidswear retailer in the Netherlands. The acquisition will provide further growth opportunities over the coming years. With a proven acquisition playbook, Wehkamp will contemplate further acquisitions where there is an opportunity to improve the customer experience, add further scale to the technology platform and in doing so make further improvements to efficiency and profitability.

Wehkamp continues to build on its strong position as a leading online shopping destination for families in the Netherlands. Wehkamp has been successfully pursuing a differentiated growth strategy: building on its strong brand name to increase share of wallet among its exceptionally loyal customer base. The focus on cross- category sales has proven fruitful as the focus categories Home & Living, Kidswear and Beauty showed organic customer sales growth over the past two years of 25%, 28% and 49% respectively.

## **Clear path to further sustainable, profitable growth**

In the financial year 2021/2022, Wehkamp made great steps forward to improve its customer experience: it launched same-day delivery for 95% of the product offering, enabling customers to get their purchases in the evening of the same day. Furthermore, the product offering continued to improve. Wehkamp's own brand in the Home & Living segment continues to go from strength to strength with new ranges in bathroom and bedding introduced last year. The quality and robustness of the own brand supply chain resulted in fewer stock availability issues further supporting sales growth. In addition, the customer experience was strengthened with technological enhancements enabling further personalisation and therefore a more exciting shopping journey.

The markets are currently impacted by increased volatility driven by the war in Ukraine and rising inflation. Consumer confidence has decreased and spending on big tickets such as furniture and electricals are postponed. Fashion remained strong over the first months of this financial year. This impact is expected to continue for the remainder of the year. With near zero net debt, Wehkamp has a solid balance sheet and is in a strong position to weather these challenges. Wehkamp is in tune with its customer base and has the agility to respond to changing customer behaviours by adjusting the assortment and marketing focus with targeted offers. In the year ahead, Sunday deliveries will be launched, further improving the customer experience. In addition, another destination that is focused on men is expected to launch under the Wehkamp Retail Group umbrella.

In recent years, Wehkamp has expanded its addressable market and built a strong foothold. The exceptional gains from the COVID impact have been consolidated and led to a larger and more loyal customer base. Wehkamp is well positioned to reap the benefits when demand will pick up again and is now a structurally stronger company geared towards sustainable organic and acquisitive growth.