

Strong progress on the multi-facia growth strategy for the Wehkamp Retail Group

Wehkamp Retail Group ("WRG") the Dutch e-commerce specialist which operates the iconic fashion and living store Wehkamp, the childrenswear specialist kleertjes.com and Union River, the new menswear store, has once again delivered positive results in a challenging market for the fourth consecutive year. With the publication of its annual report for the latest financial year '22/23' (April 1st 2022 - March 31st 2023), WRG looks ahead with a focus on the further investment and execution of its multi-facia growth strategy.

Highlights from the 2022-2023 annual report:

- Strategic progress through the realization of the multi-label technology platform and operational capacity for growth.
- Launch of the new online men's department store, Union River.
- Expansion of children's clothing range with the acquisition of the exclusive rights of the CoolCat brand.
- Expanded capacity of Zwolle distribution center by nearly 30% to over 140,000 m2 by taking the new third hall into use.
- Successfully started further automation of order and returns processing process to improve customer experience, sustainability and reduce costs.

"Our strategy to operate through multiple facias is being implemented at a rapid pace with significant progress over the past fiscal year. The strategy focuses on a single technology-, logistics- and distribution platform of excellence, with Wehkamp at the heart of the group," said Graham Harris, CEO. The strategy enables WRG to better target different customer groups, product groups and increase cross-selling opportunities. In addition to the benefits of more efficient operations by working with a single automated technology, logistics and distribution platform, there are significant cost savings that have a positive impact on revenue.

Resilient financial performance in a challenging year which saw the conflict in Ukraine trigger the widespread economic downturn seen across Europe.

- Sales decline limited to 9%, versus previous year, excluding the discontinuation of the electrical category after the termination of relationship with BCC.
- Sales compared to pre-CoVid period ahead by 11%
- Adjusted EBITDA of €20m compared to €46m in the previous year.
- Fourth consecutive year of positive EBITDA despite the challenging trading environment, high cost inflation pressures and the continued investment in the multi-facia growth strategy.

Financial results:

“Our sales and profits both remain above pre-CoVid 2019-2020 levels, despite the significant pressures on consumer spending and operational costs, such as labour, resulting from the economic consequences of the conflict in Ukraine. The decline in sales was limited to 9% compared to the previous financial year, but remain 11% higher than the pre-CoVid 2019 level.

Adjusted EBITDA of €20m underlines the strength of our proposition, scale and efficiency, as well as the dedicated work of our teams in generating a fourth consecutive year of positive results in such a challenging year.

This is such a turbulent time in history, marked by a pandemic, conflict in Ukraine and its impact on inflation, consumer confidence and pressure on global supply chains - however, we have delivered resilient results and continue to invest in our multi-facia growth strategy.

We now have the technological platform and operational capacity to continue to build our multi-facia business. We additionally continue to grow our assortment of relevant products and develop our own brands. The Menswear category made good progress this year with the launch of a new dedicated site - Union River, our private label business has been further supplemented through the acquisition of the CoolCat brand, our Beauty business grew stronger relationships with the leading luxury brands and our Childrenswear business at kleertjes.com is now utilising the WRG logistics and technology platform. WRG is leveraging its expertise across a wider portfolio of brands and businesses and has the solid financial foundations to continue this growth.” Said Graham Harris, Group CEO of WRG.

Note to editors

What is the multi-facia strategy?

Wehkamp Retail Group has gained all the knowledge over the past 70-plus years to develop a top-level technology, logistics and distribution platform. The multi-facia strategy builds on that. WRG has deliberately chosen not to be a platform on which other suppliers can sell their products, but to differentiate itself by offering carefully curated assortments through WRG's online shops namely through Wehkamp, kleertjes.com and Union River. The multi-facia strategy focuses on growth with multiple online shops that can build on WRG's reliable and scalable underlying technology, logistics and distribution center.

About WRG

Wehkamp has been a pure e-commerce player since 2010 and the company has long been connected to Dutch society. Wehkamp's history goes back over 70 years to 1952 when it started as a mail order company. Today, nearly 40% of Dutch families buy from Wehkamp. In 2021, the company bought kleertjes.com. This was the beginning of the Wehkamp Retail Group ("WRG"). In 2022, the group launched its online shop for men, Union River.

The group offers more than 2,200 well-known global and local brands, in addition to a growing private label assortment, to an active and loyal customer base. WRG has made significant investments in infrastructure, data and technology in recent years, including in a centralized distribution center in Zwolle, the Netherlands. The facility features automated order picking lines, automated packaging lines, a state-of-the-art creative photography center, allowing WRG to offer a premium shopping experience including same day delivery for the majority of the assortment across its various websites & apps.