



Press release:

Tendam publishes fiscal year 2023 results, reporting 6.9% like-for-like revenue growth and 9.8% increase in recurring EBITDA, reaching €313.3 million. Tendam expects strong performance in the first quarter of the current fiscal year, supporting a positive outlook for the year.

- Total revenue for FY2023¹ increased by 6.5% to €1.29 billion, and like-for-like revenue increased by 6.9%
- Revenue in the online channel increased by 8.9% year-on-year, reaching €187.7 million
- Contribution to revenue growth of Tendam's new own and curated third-party brands was at 27%, accounting for €79.0 million in revenue
- Gross margin reached 62.5%, representing a 1.2 percentage points increase versus FY2022
- Recurring EBITDA margin was 24.3%
- Strong cash generation, resulting in €112.9 million free cash flow for FY2023, representing an increase of 29.8% versus FY2022
- Continued increase in market share in Spain, reaching 7.1% in FY2023 (up by 1 percentage point from 6.1% in FY2019)²
- Positive start to FY2024, with strong first quarter results, reflecting the continuing momentum in the business: like-for-like revenue grew by 6% and online revenue grew by 15.1% versus the first quarter of FY2023
- In the first quarter of FY2024, recurring EBITDA and recurring EBITDA pre-IFRS 16 are expected to grow between 8.5% and 10.4% and between 18.9% and 23.5% versus the first quarter of FY2023, respectively

Madrid, 6 June 2024 – Tendam Brands S.A.U. (Tendam or the Company), a leading European multibrand, omnichannel vertical apparel retailer and Spain's second largest player³ by market share, has today announced the results for its fiscal year 2023, covering the period from 1 March 2023 to 29 February 2024.

Jaume Miquel, Chairman of the Board of Directors and CEO at Tendam, said:

"In fiscal year 2023, Tendam continued to deliver growth whilst completing the implementation of its 5.0 strategy. Tendam operates a non-replicable omnichannel ecosystem, underpinned by strong brand

¹ The Company's fiscal year runs from 1 March to 28 February (or 29 February in leap years). As such, references to FY2024 should be taken to refer to current fiscal year, ending 28 February 2025, FY2023 should be taken to refer to the fiscal year ended 29 February 2024, references to FY2022 should be taken to refer to the fiscal year ended 28 February 2023, and so on

² Kantar; market share considering trailing 12-months average, March 2019 to February 2020 (FY2019) and March 2023 to February 2024 (FY2023)

³ Kantar, February 2024; based on the men and women outerwear segments and the women intimate segment, excluding non-specialist

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awareness, well-established loyalty clubs, superior CRM (Customer Relationship Management) capabilities and a capillary and phygital store network, which is fully interconnected for sales and logistics activities, with decision-making informed by data-driven analytical capabilities.

In fiscal year 2023 Tendam also posted significant revenue growth in the Mexican market (23.9%), where it currently operates 64 stores directly, has now rolled out its loyalty club, and has consolidated its online business as part of its omnichannel capabilities.

New own and curated third-party brands represented 6.2% of the Company's revenue and 27% of its revenue growth, confirming these strategic initiatives as key drivers of future growth, along with the strength of Tendam's core brands and the quality of its teams.

Fiscal year 2024 has started very well and we are extremely pleased at the positive trading momentum in the business. We remain excited about the growth opportunities ahead and we are confident that 2024 will be another year of significant progress for Tendam."

The **Tendam 5.0** strategy, launched in 2020, encompasses five broad initiatives: a dynamic launch plan for new own brands; a multibrand platform for third-party brands; a structure geared towards four customer segments; the acceleration of analytical capabilities in CRM; and a non-replicable omnichannel ecosystem, which is fully integrated in logistics and sales.

In FY2023, Tendam posted **total revenue** of €1.29 billion, up by 6.5% versus FY2022 and 15.7% versus FY2021. **Like-for-like revenue** increased by 6.9% versus FY2022.

Revenue from the online channel totaled €187.7 million in FY2023, increasing by 8.9% versus FY2022 and 20.8% versus FY2021.

The contribution to revenue growth in FY2023 of **Tendam's new own and third-party brands** was 27%, accounting for €79.0 million in revenue.

At the same time, Tendam continued to gain **market share** in Spain in the segments in which it operates (men and women outerwear and intimatewear), increasing to 7.1% in FY2023 from 6.1% in FY2019.

Tendam operates around four **customer segments**, which allows it to address the needs of its end customers by implementing a multibrand strategy that provides broader market coverage in terms of price positioning, category, and customer profile, aimed at growing its market share over time.

In FY2023, the adult segment (Cortefiel and Pedro del Hierro, Hoss Intropia, Slowlove and OOTO) reported the strongest growth over the period, with revenue rising by 9.6% to €342.1 million. The specialist segment (Women'secret, Dash and Stars and HI&BYE) posted a 7.8% revenue increase, up to €393.7 million; and the young segment (Springfield, High Spirits and Springfield Kids) increased its revenue by 4.7%, up to €447.8 million. The clearance segment, which includes Tendam's own brand Milano and provides product leftovers a "second chance" (with a positive impact on Tendam's margins), remained stable (-0.2%) as a result of lower excess leftover stock levels across all of the Tendam brands.

By **region**, Tendam posted positive revenue growth in FY2023 across all geographical regions versus last year, with a particularly strong performance in Mexico (growth of 23.9% versus FY2022), one of Tendam's most important markets in terms of potential growth, and Spain and Portugal (with growths versus FY2022 of 6.2% and 7%, respectively), which continue to offer significant opportunities.

Recurring EBITDA totaled €313.3 million in FY2023, up by 9.8% versus FY2022, and 13% versus FY2021.

Gross margin reached 62.5% in FY2023, up by 1.2 percentage points versus FY2022.

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Strong cash generation resulted in €112.9 million **free cash flow** for FY2023, representing an increase of 29.8% versus FY2022.

Based on pre-IFRS 16 figures, at the end of FY2023, **net financial debt** (net debt excluding short-term and long-term lease liabilities) totaled €300.5 million, with a **financial leverage ratio of 1.58x** (net financial debt-to-Recurring EBITDA pre-IFRS 16). Tendam's net debt (post-IFRS 16) stood at €611.8 million at FY2023 year end, down €48.5 million versus the end of FY2022, reflecting a total leverage ratio of 1.95x (net debt-to-Recurring EBITDA).

Tendam received an endorsement of its **sustainability** strategy, achieving the highest possible rating of Platinum Medal from EcoVadis, which positions it in the top 1% of companies assessed by such agency on Environmental, Social and Governance criteria. In addition, in FY2023, Tendam's energy supply with renewable energy certification continued to stand at 100% of its commercial network, office buildings and facilities in Spain, and 76% of its own facilities globally. In FY2023, 51% of its products had sustainable product features and/or processes according to its sustainability standards, versus 43% and 30% in FY2022 and FY2021, respectively.

Recent developments

In March 2024, Tendam redeemed in full the €110 million senior secured notes that remained outstanding, four years before maturity, using cash on hand and the proceeds from a new €90 million term loan facility tied to sustainability performance targets; and prepaid €30 million of an existing term loan facility.

Outlook for FY2024 and mid-term outlook

In FY2024, Tendam expects to continue to deliver on its strategic initiatives, enhancing its digital and omnichannel capabilities, fueling its own brands, integrating new curated third-party brands, strengthening its loyalty clubs, and expanding in the Mexican market. Tendam expects total revenue and like-for-like revenue to grow between 5% and 6% in FY2024 and its online revenue to grow between 9% and 11% per annum in the mid-term.

In the mid-term, Tendam expects its recurring EBITDA margin to progressively increase by a range of between 0.8 and 1.2 percentage points versus FY2023, driven among other by an increased weight of its online business, its ability to deliver a resilient gross margin, an improved profitability of its directly operated stores and high like-for-like revenue growth.

Estimated results for the first quarter of FY2024⁴

Based on preliminary financial information for the first quarter of the current fiscal year, ended on 31 May 2024, Tendam's like-for-like revenue grew by 6% versus the same quarter of FY2023, and online revenue grew by 15.1% in the same period.

Recurring EBITDA and recurring EBITDA pre-IFRS 16 are expected to grow between 8.5% and 10.4%, and between 18.9% and 23.5% versus the first quarter of FY2023, respectively.

Recurring EBITDA margin is expected to grow between 0.7 and 1.1 percentage points, and recurring EBITDA pre-IFRS 16 margin is expected to grow between 1.2 and 1.6 percentage points, driven by an

⁴ The Q1 FY2024 figures have not been reviewed or audited by the Company's independent auditor, nor have been reviewed or formulated by the Board of Directors.

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improvement in its gross margin of between 1.3 and 1.7 percentage points versus the first quarter of FY2023, and operating leverage during this quarter.

The results posted for FY2023, the outlook for FY2024 and the development of Tendam's strategy, along with its robust corporate governance practices and rigorous financial discipline, confirm Tendam's solid and consolidated business model. With a view to stepping up this growth, the Company continues evaluating potential strategic alternatives, including the possibility of an initial public offering of its shares on a regulated market.

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About Tendam

Tendam is a leading European multibrand, omnichannel vertical apparel retailer and Spain's second largest player by market share, which operates in the premium mass market segment and is built on a fully-integrated, customer-centric data-driven ecosystem. The Company currently has 12 own brands: Women'secret, Springfield, Cortefiel, Pedro del Hierro, Hoss Intropia, Slowlove, High Spirits, Dash and Stars, OOTO, HI&BYE, Milano, and the kids' clothing line Springfield Kids. Tendam also sells more than 160 curated third-party brands through its multibrand, omnichannel platform.

Currently, Tendam operates in more than 80 countries through more than 1,750 points of sale (including directly-operated stores, corners and franchises) and online, with eight own brand websites, six APPs, and other third-party websites and marketplaces.

Tendam's corporate website is available at www.tendam.es

For further information, please contact:

Grupo Albi3n

jgarcia@grupoalbion.net

sgarcia@grupoalbion.net

avicente@grupoalbion.net

+34 91 531 23 88 / +34 687 992 789

Tendam Corporate Communications

prensa@tendam.es

nuria.mayoraldelbarrio@tendam.es

+34 91 387 34 27

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