EDISON

Global Fashion Group

Q126 results

Improving profit trend continues in Q126

Retail

30 April 2026

Global Fashion Group's strategy of focusing on higher-quality customers continued to drive an improvement in profitability and cash consumption in Q126, albeit the start of the year is typically the seasonally smallest period from a financial perspective. The improvement in profitability and cash is more encouraging when placed in the context of the more challenging macroeconomic and geopolitical environment and anticipated weaker revenue in the period. We make no changes to our estimates and the valuation remains at a significant discount to peers.

Year end	Revenue (€m)	EBITDA (adj) (€m)	PBT (€m)	EPS (€)	EV/EBITDA (x)
12/24	743.5	(20.5)	(74.0)	(35.19)	N/A
12/25	679.8	9.3	(52.6)	(22.73)	43.2
12/26e	693.2	21.4	(24.5)	(11.67)	3.6
12/27e	703.9	33.7	(12.7)	(6.07)	2.3

Note: EBITDA, PBT and EPS are normalised before share-based payments and exceptional items.

A clear focus on quality

The focus on quality customers is evident in the overall improvement in order frequency (+1.9% yo-y) and average order value (+5.2%, helped by inflation and regional mix), offset by fewer active customers (-4.8%) and fewer orders (-7.7%). The positive trend in order frequency has been in place for three consecutive quarters. Management had previously flagged Q126's revenue would decline year-on-year given this focus, weaker consumer confidence in its most important markets and the positive comparative from Q125. On a constant currency basis, net merchandise value declined by 3% and revenue by 4.3%, with the gap due to the dynamics of MarketPlace, Platform Services and Retail revenue on the income statement. This dynamic also helped deliver a 50bp increase in gross margin, with increases in Latin America and South-East Asia offsetting the decline in Australia and New Zealand due to the introduction of the loyalty programme. In absolute terms, gross profit declined by c €3m versus Q125 but the ongoing opex efficiencies helped to deliver a c €5m improvement in both the adjusted EBITDA loss to €5.3m, and EBIT loss to €17.7m. The absolute improvement in normalised free cash flow consumption to c €10m was even better than the improvement in profitability, helped by working and fixed capital investment.

FY26 guidance reiterated

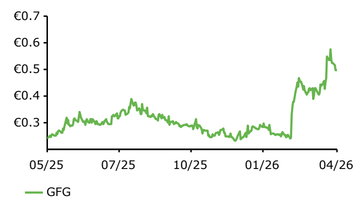
Given the company's financial seasonality, with profit generation skewed to H2 and Q4 specifically, there should be no real surprise that the financial guidance for FY26 has been reiterated. However, management highlighted that recent strength in the Australian dollar and Brazilian real is more supportive than when the guidance was set with the FY25 results. We make no changes to our estimates.

Valuation: Discount to peers despite momentum

The positive momentum in profitability has driven a strong share price performance in recent months. Despite this, the valuation remains at a significant discount to the fashion e-commerce peers with median EV/EBITDA multiples for FY26 and FY27 of 7.0x and 4.6x.

Price	**€0.50**
Market cap	**€114m**
Net cash/(debt) at 31 March 2026 (including IFRS 16 liabilities of €49.2m from 31 December 2025)	€36.5m
Shares in issue	228.4m
Free float	41.5%
Code	GFG
Primary exchange	FSE
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	15.5	63.9	66.7
52-week high/low		€0.6	€0.2

Business description

Global Fashion Group is a leading online fashion and lifestyle destination with three e-commerce platforms across nine countries in Australia and New Zealand (THE ICONIC), Latin America (Dafiti) and South-East Asia (ZALORA).

Next events

H126 results	13 August 2026
Q326 results	4 November 2026

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Exhibit 1: Financial summary

€m	2024	2025	2026e	2027e	2028e
Year end 31 December	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT					
Net Merchandise Value	1,142.2	1,041.6	1,064.4	1,103.9	1,151.4
Revenue	743.5	679.8	693.2	703.9	732.0
Cost of Sales	(409.7)	(364.3)	(363.2)	(364.7)	(375.3)
Gross Profit	333.8	315.5	330.0	339.2	356.7
Adjusted EBITDA	(20.5)	9.3	21.4	33.7	43.8
EBITDA	(24.0)	6.3	19.4	31.7	41.8
Depreciation and amortisation	(58.1)	(46.3)	(41.7)	(42.5)	(43.2)
Normalised operating profit	(78.6)	(37.0)	(20.3)	(8.7)	0.6
Amortisation of acquired intangibles	0.0	0.0	0.0	0.0	0.0
Exceptionals	(4.2)	(1.4)	0.0	0.0	0.0
Share-based payments	0.7	(1.6)	(2.0)	(2.0)	(2.0)
Reported operating profit	(82.1)	(40.0)	(22.3)	(10.7)	(1.4)
Net Interest	(7.7)	(15.6)	(4.2)	(4.0)	(4.0)
JVs and associates (post tax)	0.0	0.0	0.0	0.0	0.0
Exceptionals	12.3	0.0	0.0	0.0	0.0
Profit Before Tax (norm)	(74.0)	(52.6)	(24.5)	(12.7)	(3.4)
Profit Before Tax (reported)	(77.5)	(55.6)	(26.5)	(14.7)	(5.4)
Reported tax	(6.6)	(0.1)	(2.4)	(1.3)	(0.5)
Profit After Tax (norm)	(81.3)	(52.7)	(26.7)	(13.9)	(3.7)
Profit After Tax (reported)	(84.1)	(55.7)	(28.9)	(16.1)	(5.9)
Minority interests	2.6	1.9	0.0	0.0	0.0
Discontinued operations	(1.0)	(6.5)	0.0	0.0	0.0
Net income (normalised)	(78.7)	(50.8)	(26.7)	(13.9)	(3.7)
Net income (reported)	(82.5)	(60.3)	(28.9)	(16.1)	(5.9)
Basic average number of shares outstanding (m)	223.8	223.5	228.6	228.6	228.6
EPS - normalised (c)	(35.2)	(22.7)	(11.7)	(6.1)	(1.6)
EPS - normalised fully diluted (c)	(35.2)	(22.7)	(11.7)	(6.1)	(1.6)
EPS - basic reported (€)	(0.4)	(0.3)	(0.1)	(0.1)	(0.0)
Dividend (€)	0.0	0.0	0.0	0.0	0.0
Revenue growth (%)	N/A	(8.6)	2.0	1.5	4.0
Gross Margin (%)	44.9	46.4	47.6	48.2	48.7
Adjusted EBITDA Margin (%)	(2.8)	1.4	3.1	4.8	6.0
Normalised Operating Margin (%)	(10.6)	(5.4)	(2.9)	(1.2)	0.1
BALANCE SHEET					
Fixed Assets	237.8	214.2	199.2	183.4	166.9
Intangible assets	126.0	107.6	99.0	89.8	80.0
Tangible assets	42.0	33.8	27.4	20.8	14.1
Right of use assets	36.8	40.2	40.2	40.2	40.2
Investments & other	33.0	32.6	32.6	32.6	32.6
Current Assets	399.7	316.1	276.5	278.2	290.8
Stocks	96.4	81.9	81.9	81.9	81.9
Debtors	48.8	21.1	21.1	21.1	21.1
Cash & cash equivalents	210.6	176.5	136.9	138.6	151.2
Other	43.9	36.6	36.6	36.6	36.6
Current Liabilities	(303.9)	(299.0)	(268.6)	(268.6)	(268.6)
Creditors	(201.3)	(184.3)	(194.3)	(194.3)	(194.3)
Tax and social security	(15.2)	(10.6)	(10.6)	(10.6)	(10.6)
Short-term borrowings	(6.3)	(41.4)	(1.0)	(1.0)	(1.0)
Leases	(16.1)	(14.1)	(14.1)	(14.1)	(14.1)
Other	(65.0)	(48.6)	(48.6)	(48.6)	(48.6)
Long-Term Liabilities	(122.4)	(75.7)	(75.7)	(75.7)	(75.7)
Long-term borrowings	(48.6)	0.0	0.0	0.0	0.0
Leases	(32.0)	(35.1)	(35.1)	(35.1)	(35.1)
Other long-term liabilities	(41.8)	(40.6)	(40.6)	(40.6)	(40.6)
Net Assets	211.2	155.6	131.3	117.3	113.4
Minority interests	2.5	0.9	0.9	0.9	0.9
Shareholders' equity	213.7	156.5	132.2	118.2	114.3
CASH FLOW					
Op Cash Flow before WC and tax	(20.4)	(15.8)	15.2	27.7	37.8
Working capital	22.7	19.9	10.0	0.0	0.0
Exceptional & other	(8.0)	14.7	6.2	6.0	6.0
Tax	(10.9)	(7.5)	(2.4)	(1.3)	(0.5)
Net operating cash flow	(16.6)	11.3	29.0	32.4	43.3
Capex	(29.6)	(14.0)	(14.0)	(14.0)	(14.0)
Acquisitions/disposals	0.0	0.0	0.0	0.0	0.0
Net interest	1.6	(3.8)	(4.2)	(4.0)	(4.0)
Equity financing	0.0	0.0	0.0	0.0	0.0
Dividends	0.0	0.0	0.0	0.0	0.0
Leases	(16.5)	(15.5)	(12.7)	(12.7)	(12.7)
Other	45.6	(10.1)	(37.8)	0.0	0.0
Net cash flow	(15.5)	(32.1)	(39.6)	1.7	12.6
Opening net debt/(cash) excluding leases	(206.3)	(164.1)	(143.2)	(135.9)	(137.6)
FX	0.2	(2.0)	0.0	0.0	0.0
Other non-cash movements	42.0	22.9	7.3	(1.7)	(12.6)
Closing net debt/(cash) excluding leases	(164.1)	(143.2)	(135.9)	(137.6)	(150.2)
Closing net debt/(cash) including leases	(116.0)	(94.0)	(86.7)	(88.4)	(101.0)

Source: Company data, Edison Investment Research

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