EDISON

Global Fashion Group

H126 results

Yet another profit milestone

Retail

14 August 2026

Global Fashion Group's (GFG's) H126 results represent yet another milestone in its recovery, generating its first H1 adjusted EBITDA profit with the current footprint. The trend is encouraging at the group level and also at the divisional level, with all three regions profitable in H126, and all made progress versus H125. Management's focus on customer and order economics is driving the improvement, which is no mean feat given the more challenging operating environment and mixed revenue trends across the regions. Importantly, and as guided by management, the improved profitability is feeding through to better cash generation. H126's performance enables management to tighten its profit guidance towards the higher end of its prior range, despite nudging down expected growth in net merchandise value (NMV) due to the more challenging consumer backdrop.

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)	37.8
12/26e	693.2	21.4	(24.5)	(11.74)	3.2
12/27e	703.9	33.7	(12.7)	(6.14)	2.0

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

Margin improvement demonstrates resilience

The key headlines for Q226 are that NMV declined by 0.6% y-o-y and revenue declined by 2.9% at constant currency, gross margin was flat at 47.7%, and adjusted EBITDA margin doubled to 3.6% from 1.8% in Q225. GFG saw an improving trend in NMV through H126 when the H125 comparatives are taken into consideration. Australia and New Zealand continued its divisional lead with growth across all KPIs and financials. Although Latin America saw deteriorating trends in active customers versus Q126 as a result of competitor activity and macroeconomic challenges, the two-year trend in NMV was more encouraging versus Q126. South-East Asia continues to be the weakest region, with double-digit declines in active customers, NMV and revenue. Despite the negative active customer and revenue trends, management's focus on the product offer and brand relationships as well as development of Marketplace produced further gains in the gross margin.

FY26 profit guidance narrowed

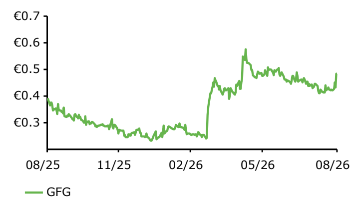
The H126 profit performance gives management confidence to narrow FY26 adjusted EBITDA guidance to €18–25m, from €15–25m, previously. This is encouraging in the context of the accompanying reduced guidance for NMV change in constant currency to a range of -4% to 0%, from -4% to +4%, previously. The lower guidance reflects the indirect effects of the Middle East conflict on consumer confidence as well as H126's performance. We make no changes to our underlying estimates; however, we factor in further share buybacks. The current programme of up to 15m shares for a total cost of €3m runs through February 2027.

Valuation discount to peers

GFG's financial progress over the last 12 months has been rewarded with good appreciation in the share price. However, the valuation remains well below the median FY27 EV/EBITDA multiple for its fashion e-commerce peers of 7.4x.

Price	**€0.49**
Market cap	**€111m**
Net cash at 30 June 2026 (including IFRS 16 liabilities of €45.3m)	€43.2m
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	8.7	1.2	34.9
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

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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	227.3	226.0	226.0
EPS - normalised (c)	(35.2)	(22.7)	(11.7)	(6.1)	(1.7)
EPS - normalised fully diluted (c)	(35.2)	(22.7)	(11.7)	(6.1)	(1.7)
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	(9)	2	2	4
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	275.1	276.8	289.5
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	135.5	137.2	149.9
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	130.0	115.9	112.0
Minority interests	2.5	0.9	0.9	0.9	0.9
Shareholders' equity	213.7	156.5	130.9	116.8	112.9
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	(1.3)	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)	(41.0)	1.7	12.6
Opening net debt/(cash) excluding leases	(206.3)	(164.1)	(143.2)	(134.5)	(136.2)
FX	0.2	(2.0)	0.0	0.0	0.0
Other non-cash movements	42.0	22.9	8.7	(1.7)	(12.6)
Closing net debt/(cash) excluding leases	(164.1)	(143.2)	(134.5)	(136.2)	(148.9)
Closing net debt/(cash) including leases	(116.0)	(94.0)	(85.3)	(87.0)	(99.7)

Source: Global Fashion Group, Edison Investment Research

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