Global Fashion Group

Q326 results

FY26 profit held despite weaker demand

Retail

6 November 2026

Global Fashion Group's (GFG's) Q326 results show further progress in profitability and cash generation, despite a deterioration in trading since Q226. Management's focus on customer and order economics led to a year-on-year increase in adjusted EBITDA of €2.5m, while normalised free cash flow was positive for the first time in a third quarter. However, weaker demand, particularly in Latin America (LatAm), has continued into October, ahead of the largest trading quarter. Management retains its FY26 adjusted EBITDA guidance but now expects net merchandise value (NMV) towards the bottom of the existing range. We make no changes to our FY26 adjusted EBITDA estimates but lower these for FY27 and FY28 as we factor in fewer active customers in LatAm and South-East Asia (SEA). Further progress towards cash breakeven supports the investment case.

Year end	Revenue (€m)	EBITDA (adj) (€m)	PBT (€m)	EPS (EUc)	EV/Adj EBITDA (x)
12/24	722.6	(17.6)	(70.9)	(30.52)	N/A
12/25	679.8	9.3	(52.6)	(22.73)	6.7
12/26e	685.7	21.4	(24.5)	(11.74)	2.9
12/27e	682.9	30.3	(16.2)	(7.81)	2.0

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

Better customer economics driving higher profit

Higher order frequency and average order values demonstrate progress in management's focus on customer and order economics. Order frequency increased for the fifth consecutive quarter, by 1.8% y-o-y, while average order value rose by 4.1% at constant currency, partly reflecting regional mix and inflation. However, these gains were insufficient to offset a 7.2% decline in active customers, compared with 5.5% in H126. Australia and New Zealand remained the strongest region, with active customer growth of 1.7%, while LatAm and SEA declined by 8.5% and 14.2%, respectively. Group constant currency NMV fell by 5.4%, versus 0.6% in Q226, but reduced discounting in SEA helped lift group gross margin by 0.9pp to 47.0%. Alongside cost efficiencies, this increased the adjusted EBITDA margin to 2.1% from 0.6%. Q3 normalised free cash flow improved to €1.2m from a €15.3m outflow, bringing the rolling 12-month outflow close to breakeven. Brazilian DIFAL tax claims offer additional potential value, with c €2.0m awaiting release from cases won and €40.9m subject to ongoing proceedings.

FY26 Profit guidance held despite weaker top line

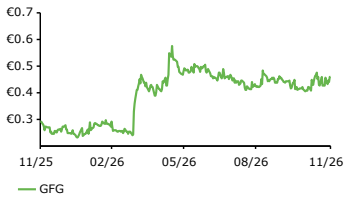
Management maintains FY26 constant currency NMV guidance of negative 4% to 0%, but now expects an outcome towards the bottom end of the range. October trading was more challenging than Q3, particularly in Brazil, increasing uncertainty ahead of peak-season events. Retaining adjusted EBITDA guidance of €18–25m despite this weaker outlook demonstrates the benefits of improved margins and cost control. With year-to-date adjusted EBITDA of €4.2m, the guided range requires €13.8–20.8m in Q426, versus €16.2m in Q425.

Valuation: Significant discount to peers

GFG continues to trade at a large discount to its fashion e-commerce peers, which trade at a median FY27e EV/EBITDA multiple of 6.7x.

Price	**€0.44**
Market cap	**€99m**
Net cash at 30 September 2026 (including IFRS 16 liabilities of €45.3m from 30 June 2026)	€37.0m
Shares in issue	223.2m
Free float	42.3%
Code	GFG
Primary exchange	FSE
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	9.2	3.0	44.4
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

FY26 results	March 2027

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Exhibit 1: Financial summary

€m	2024R	2025	2026e	2027e	2028e
Year end 31 December	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT					
Net Merchandise Value	1,099.6	1,041.6	1,051.6	1,066.8	1,106.5
Revenue	722.6	679.8	685.7	682.9	707.1
Cost of Sales	(398.2)	(364.3)	(358.9)	(354.5)	(362.9)
Gross Profit	324.4	315.5	326.8	328.4	344.2
Adjusted EBITDA	(17.6)	9.3	21.4	30.3	38.7
EBITDA	(18.1)	6.3	19.4	28.3	36.7
Depreciation and amortisation	0.0	(46.3)	(41.7)	(42.5)	(43.2)
Normalised operating profit	(74.5)	(37.0)	(20.4)	(12.2)	(4.5)
Amortisation of acquired intangibles	0.0	0.0	0.0	0.0	0.0
Exceptionals	(1.0)	(1.4)	0.0	0.0	0.0
Share-based payments	0.6	(1.6)	(2.0)	(2.0)	(2.0)
Reported operating profit	(74.9)	(40.0)	(22.4)	(14.2)	(6.5)
Net Interest	(8.7)	(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)	(70.9)	(52.6)	(24.5)	(16.2)	(8.5)
Profit Before Tax (reported)	(71.3)	(55.6)	(26.5)	(18.2)	(10.5)
Reported tax	(6.6)	(0.1)	(2.4)	(1.6)	(0.9)
Profit After Tax (norm)	(70.9)	(52.7)	(26.7)	(17.6)	(9.3)
Profit After Tax (reported)	(77.9)	(55.7)	(28.9)	(19.8)	(11.5)
Minority interests	2.6	1.9	0.0	0.0	0.0
Discontinued operations	(7.2)	(6.5)	0.0	0.0	0.0
Net income (normalised)	(68.3)	(50.8)	(26.7)	(17.6)	(9.3)
Net income (reported)	(82.5)	(60.3)	(28.9)	(19.8)	(11.5)
Basic average number of shares outstanding (m)	223.8	223.5	227.8	226.0	226.0
EPS - normalised (c)	(30.5)	(22.7)	(11.7)	(7.8)	(4.1)
EPS - normalised fully diluted (c)	(30.5)	(22.7)	(11.7)	(7.8)	(4.1)
EPS - basic reported (€)	(0.4)	(0.3)	(0.1)	(0.1)	(0.1)
Dividend (€)	0.0	0.0	0.0	0.0	0.0
Revenue growth (%)	N/A	(6)	1	(0)	4
Gross Margin (%)	44.9	46.4	47.7	48.1	48.7
Adjusted EBITDA Margin (%)	(2.4)	1.4	3.1	4.4	5.5
Normalised Operating Margin (%)	(10.3)	(5.4)	(3.0)	(1.8)	(0.6)
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	278.0	288.1
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	138.4	148.5
Other	43.9	36.6	36.6	36.6	36.6
Current Liabilities	(303.9)	(299.0)	(268.6)	(273.6)	(276.6)
Creditors	(201.3)	(184.3)	(194.3)	(199.3)	(202.3)
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	112.1	102.6
Minority interests	2.5	0.9	0.9	0.9	0.9
Shareholders' equity	213.7	156.5	130.9	113.0	103.5
CASH FLOW					
Op Cash Flow before WC and tax	(20.4)	(15.8)	15.2	24.3	32.7
Working capital	22.7	19.9	10.0	5.0	3.0
Exceptional & other	(8.0)	14.7	6.2	6.0	6.0
Tax	(10.9)	(7.5)	(2.4)	(1.6)	(0.9)
Net operating cash flow	(16.6)	11.3	29.0	33.7	40.7
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)	3.0	10.0
Opening net debt/(cash) excluding leases	(206.3)	(164.1)	(143.2)	(134.5)	(137.4)
FX	0.2	(2.0)	0.0	0.0	0.0
Other non-cash movements	42.0	22.9	8.7	(3.0)	(10.0)
Closing net debt/(cash) excluding leases	(164.1)	(143.2)	(134.5)	(137.4)	(147.5)
Closing net debt/(cash) including leases	(116.0)	(94.0)	(85.3)	(88.2)	(98.3)

Source: Global Fashion Group, Edison Investment Research. Note: R, restated for current footprint.

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