

MYTHERESA

Mytheresa Group GmbH
(NYSE: MYTE)

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Long Recommendation

Price Target: \$15.14 (*136% Upside*)

Mytheresa Overview

Company Background

- MYTE is a leading luxury multi-brand e-commerce website that sells a curated collection of ~250 brands through two business models (sold to Nieman in 2014 and built from multibrand boutique)
- Only 24% of SKUs overlap with key competitors -- curated selection offers unique value proposition, attracting customers who want a multi-brand experience

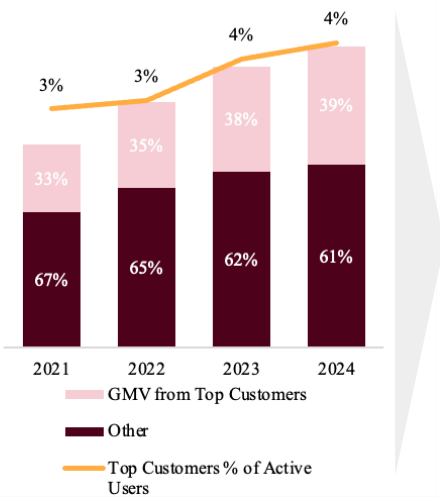
Curated Platform Model

- Marketplace model offered to accommodate certain brand partners
- MYTE receives a take rate upon sale

Standard

- Buy inventory from brand partners at a wholesale rate to form curated collection
- Inventory write-down only ~1% of cost of inventory

Top Customers Account for Majority of GMV



- Top 4% of customers are high spenders who drive around a third of GMV
- MYTE offers several “money-can’t-buy” experiences for top customers to match the luxury experience expected in the industry
- Exclusive clothing lines and highly curated collection attracts buyers

Steady Net Sales Growth Driven by Best-in-class Retention of Top Customers in Legacy Mytheresa Business



Sources: Capital IQ as of 10/18/2024, Company Filings, Wall Street Research

YNAP Transaction Summary / Set-Up

YNAP Overview / Merger Logic

NET-A-PORTER MR PORTER

- **Net-A-Porter** (womenswear) and **Mr. Porter** (menswear) is a multi-brand luxury fashion e-commerce platform
- Offers items from 800 brands, which reaches a broader audience with 1.4mm customers and €1.2Bn GMV
- Benefit from tech synergies and joint infrastructure
- **Establishes leadership position in multi-brand luxury e-commerce**

YOOX THE OUTNET

- **Yoox** and **The Outnet** are off-price offerings that sell luxury items from past seasons at a discounted rate
- Plan to separate it entirely from the luxury business and give it a much leaner operating model
- The combined brands have 2.2mm customers and €0.9Bn GMV

Txn. Summary

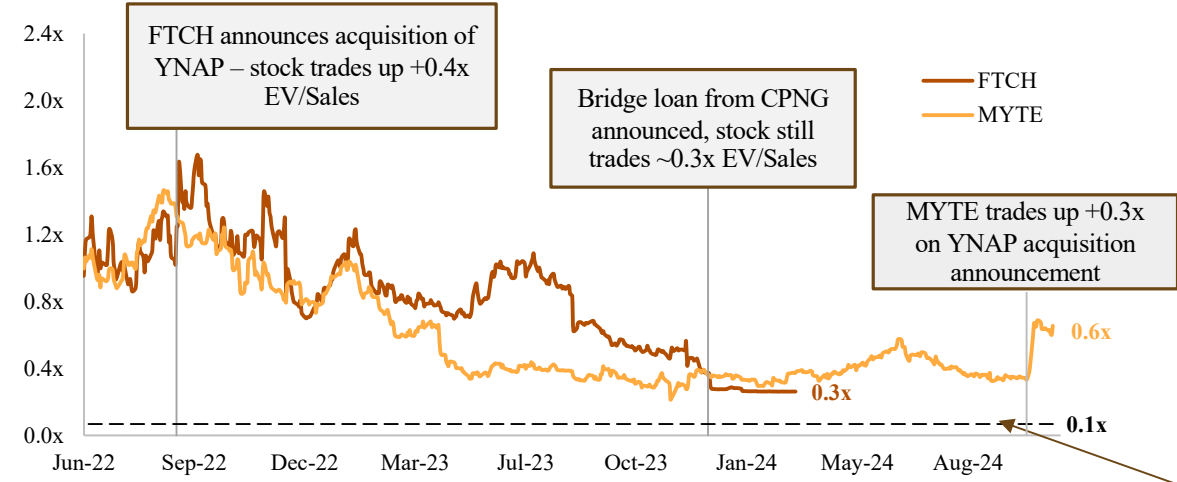
| Capitalization Table | | |
|------------------------------|---------------------|---------------------|
| (\$ in millions) | Before 10/4/2024 | After 10/25/2024 |
| Share Price | \$ 4.31 | \$ 7.51 |
| (x) FDSO | 86 | 128 |
| Market Capitalization | 369 | 960 |
| Plus: Debt | - | - |
| Less: Cash & Cash Equiv. | (16) | (616) |
| Enterprise Value | 352 | 344 |
| (/) NTM Sales | 987 | 3,520 |
| EV / Sales | 0.4x | 0.1x |

Richemont to receive 33% stake in MYTE via new share issuance

MYTE receives 100% ownership in YNAP, incl. €555mm in cash, no debt, and €100mm revolver

Trades at 0.1x EV/Sales PF

EV / NTM Sales



Forced Seller Dynamic

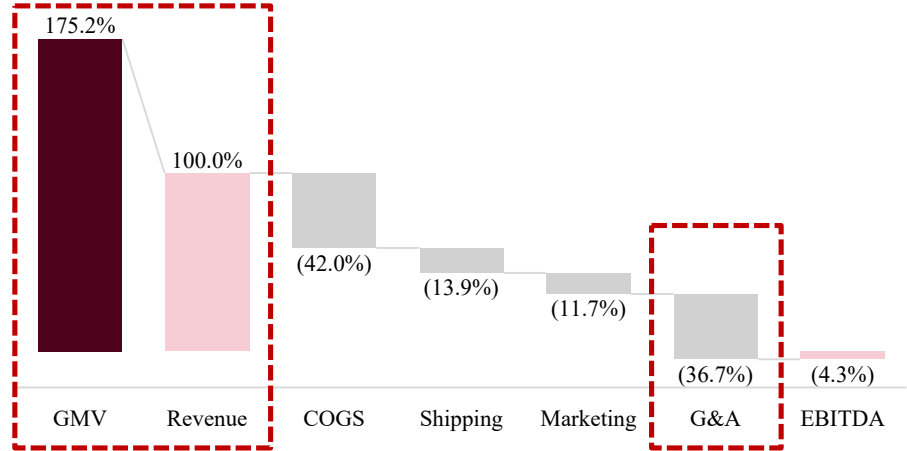
- Richemont (CFR) acquired YNAP via tender for €5.1Bn in 2018 and eroded margins quickly
- Segment was orphaned & mismanaged given lack of prior experience in tech businesses and variance from core CFR strategy
- Failed execution of strategic vision led to ~€3Bn in write-downs and a **sale process induced by shareholders (including activists)**
- Process launched in '22, FTCH agreed to buy ~47.5% valuing at €0.9Bn – **deal fell through in Dec '23 leaving CFR mgmt. desperate**
- Sponsors fall down mid '24 – **MYTE becomes the only potential suitor after ~2y sale process**

PF MYTE EV/NTM Sales post txn trades below FTCH near bankruptcy offers significant margin of safety

Superior Business Fundamentals

Mytheresa uniquely positioned as only profitable pure-play e-commerce multi-brand platform with leading industry position

Farfetch, 2022

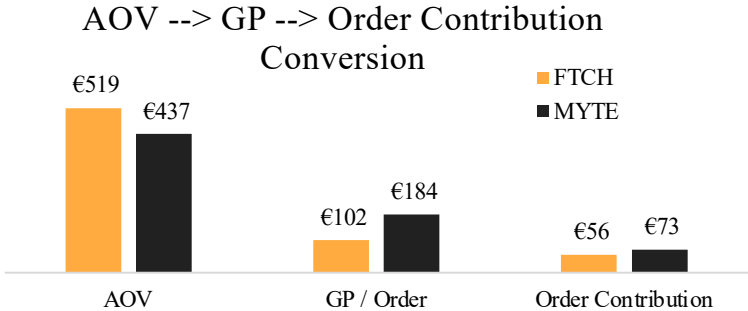
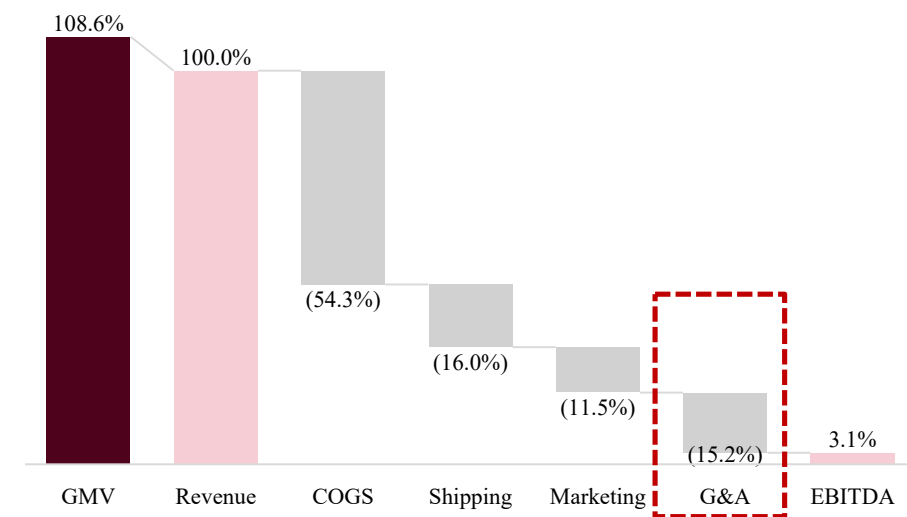


MYTE is NOT the same business as FTCH...

- 58% of FTCH digital revenue comes from third-party sales**
- Farfetch primarily sold items via third-party sales, resulting in much larger delta between GMV and sales
- MYTE third-party sales remains a smaller portion of revenue and unlikely to exceed ~30% of total GMV
- MYTE curated selection and superior inventory management

- FTCH margin inefficiency primarily G&A**
- 14% of FTCH G&A expense attributable to technology expense, while MYTE has invested in superior tech suite
- FTCH passes shipping costs to customers, which generates additional topline, whereas MYTE offers free shipping to its customers.
- MYTE cost of sales is higher in the near term but **margins remained resilient through variable macro conditions.**

Mytheresa, 2024



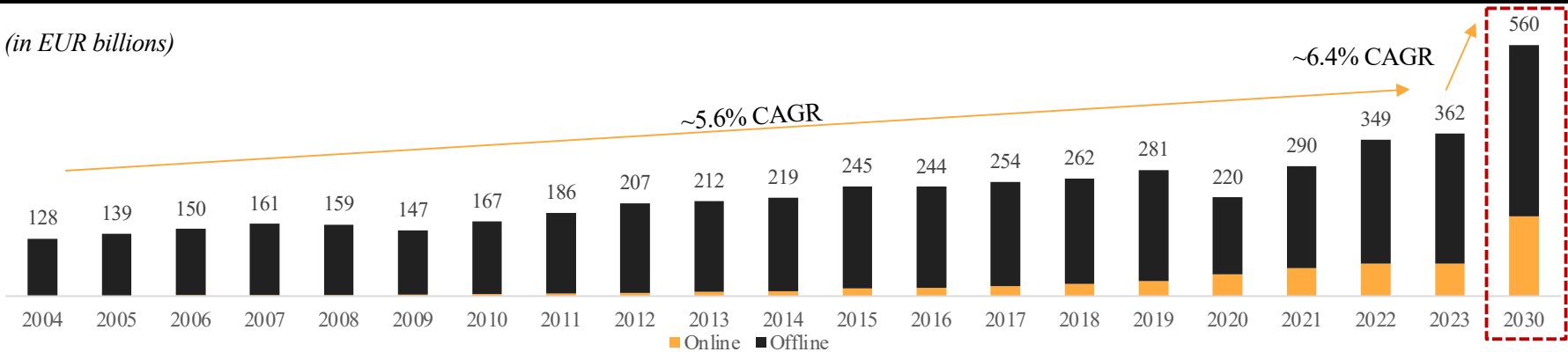
- Despite higher 3rd party sales mix, FTCH AOV→GP significantly lower than that of MYTE (more discounting)
- Promos / aspirational customer macro drove GM contraction across the industry. **MYTE posted profitable growth. FTCH went bankrupt.**

Sources: Company Filings

Personal Luxury Goods Market

Personal Luxury Goods Market Continues to Grow

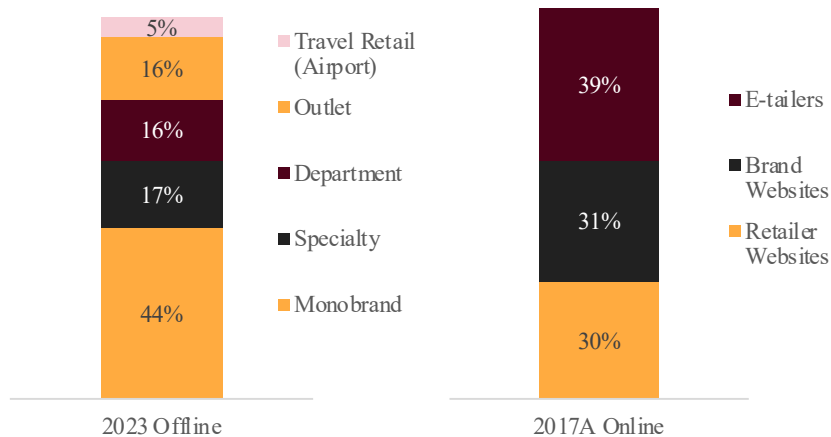
(in EUR billions)



2 main trends have dominated channel mix for luxury maisons over the past 10 years:

1. General shift away from wholesale distribution (dilutive for maison + potentially inducing undercutting d2c channels and aggressive discounting driving poor brand perception within the market) particularly wrt traditional department retailers (evidenced by significant consolidation)
2. Shift to online channels providing users with more frictionless and convenient experience and optimized ability for brands to clear inventory

3rd Party E-tailers Provide Strong Value Prop and Retain ~30% Share of Online Spend



FARFETCH

MYTHERESA MATCHES FASHION

SSENSE LUISAVIAROMA

THE OUTNET NET-A-PORTER

MR PORTER **YOOX**
SHOP FASHION / DESIGN*ART

~5% of TAM in E-tailers Today:
Clear Evidence of Consumer Demand for multi-brand

Thesis I – PF MYTE Is Now the Only Global Scaled Operator

MYTHERESA

Amongst intense consolidation driven by lack in economic profits, MYTE has capitalized significantly and leveraged the quality of their platform and operational efficiency to create by far the most scaled, well-capitalized, and technologically advanced player

Tough Macro + Poor Operational Execution and Discounting Has Led Comps Into Distress & Inefficiency as Brand Trust is Lost

FARFETCH

- Insolvent in Dec 2023 and rescued by white knight Coupang narrowly avoiding a bk filing; **~20% of UHNW avail.**
- Poor management and highly inefficient with too many tangential business lines to run, focusing now on South Korea
- Excessive discounting burned relations with brand partners forcing a strategic shift to boutique consignment

Neiman Marcus

- Filed for bankruptcy during the pandemic and closed several stores in the process, putting them behind the pack in terms of agility adapting to the shift to e-commerce. 30% of sales are online compared to ~2% in 2019
- Saks announced an acquisition of the chain in July 2024 for \$2.65Bn – moving more into aspirational

MATCHES FASHION

- Sold to Frasers Group late 2023 for \$52mm and liquidated shortly thereafter given the severity of turnaround required (Acquired by Apax in 2017 for ~\$1bn) and continual unprofitability. **Peak revenues of ~€400mm**
- General mismanagement shifting away from small brands to large brands and inability to manage inventory / costs

NORDSTROM

- Recently shut down operations in Canada and closed down 15 stores in the process
- Nordstrom family made a bid to buy the chain at its deflated levels for \$3.76Bn

Fragmented, Lacking EP (@ Jan '21 MYTE IPO)

Survival of the Fittest (@ Today)

FARFETCH

MYTHERESA MATCHES FASHION

SSENSE LUISAVIAROMA

THE OUTNET NET-A-PORTER

MR PORTER YOOX

FARFETCH

MYTHERESA MATCHES FASHION

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THE OUTNET NET-A-PORTER

MR PORTER YOOX

Thesis I – PF Mytheresa Possesses Best-In-Class Value Props

MYTE’s focus on UHNW customers and management’s distinct commitment to selling items at full price & long-term brand relationships, evolving curation, and extremely high quality service has created unique trust from brands as well as customer loyalty

Brand Partnerships / Pro-Forma Storefront Differentiation

| MYTHERESA | NET-A-PORTER MR PORTER | THE OUTNET YOOX |
|---|---|---|
| <ul style="list-style-type: none"> UHNW focus, 250 hallmark brands, 55% EU €703 AOV | <ul style="list-style-type: none"> HNW/aspirational focus, 450 brands 45% NA €669 AOV | <ul style="list-style-type: none"> Luxury treasure hunt shopping, 51% EU/RoW €236 AOV |
| <p>€3bn GMV</p> | | |

Customers

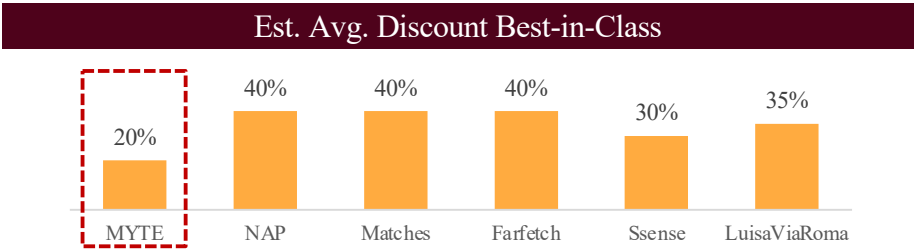
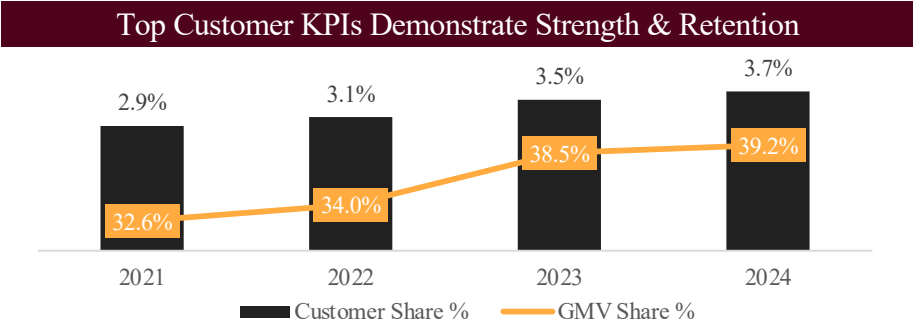
- Frictionless UX and **multi-brand** convenience & service
- Exclusive collection “capsule” launches + experiences “money can’t buy”

Brands

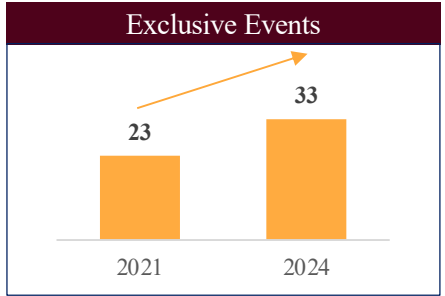
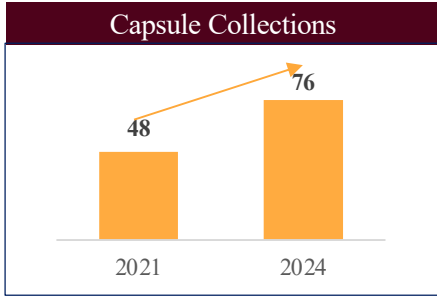
- Incremental sales + exposure to multi-brand UHNW repeat customers & new buyers
- Reduced operational complexity (smaller brands)

“We attract **high net worth individuals** coming to our platform that focus exactly on our assortment... they want us to do the work and say, "What should I look at?" And **this is a multi-brand customer**. And that multi-brand customer is and doesn't have the time to go to physical retail stores and focus on carpets and Prosecco. And also doesn't have the time and hesitant to go through all the brand.com websites”

~80% retention PY cohorts
~94% retention cohorts >2y



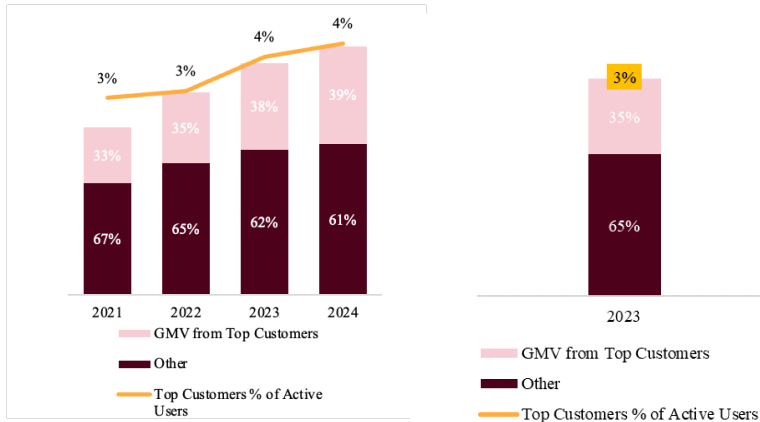
Brands see clear value in MYTE’s platform & its customer base with **strong growth in events, exclusive capsules, and inventory allocations** whilst pulling inventory & terms from competing e-tailers



Sources: Company Presentations, Factset

Strategic Vision

NAP Brings In “Wardrobe Builders” Reducing Aspirational Vol.



MYTE

NAP

CPM + Continuation of Brands

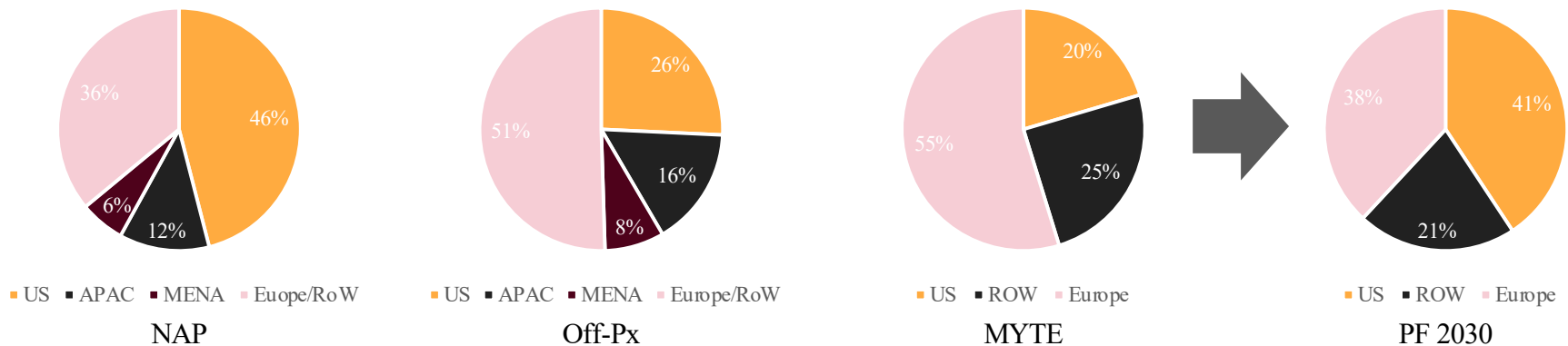
- CPM model ensures in-season replenishment and allows MYTE + YNAP to take no inventory risk whilst delivering attractive take rates
- Customer value proposition is still preserved via CPM as curation is still a key element within MYTE
- MYTE’s best-in-class brand relationships will enable NAP to benefit

| TAM Build | (<i>€ in millions</i>) | |
|-------------------------------|--------------------------|--------------|
| | LTM Jun 2024 | FY2030E |
| MYTE Net Sales | € 841 | € 1,392 |
| NAP Net Sales | 1,200 | 1,899 |
| Yoox/Outnet Net Sales | 970 | 1,256 |
| Total Net Sales | 3,011 | 4,547 |
| Bain-Altgamma Online Mkt. Siz | 72,400 | 177,500 |
| MYTE + YNAP Share % | 4.2% | 2.6% |

The deterioration in MYTE’s competitive landscape & luxury more generally has made SS hesitant, yet MYTE’s value prop to customers & brands has only strengthened with significant share also coming up for grabs. With YNAP, MYTE can capitalize on the entire online multi-brand market via leveraging its playbook and relationships to deliver immense and unique value to all stakeholders.

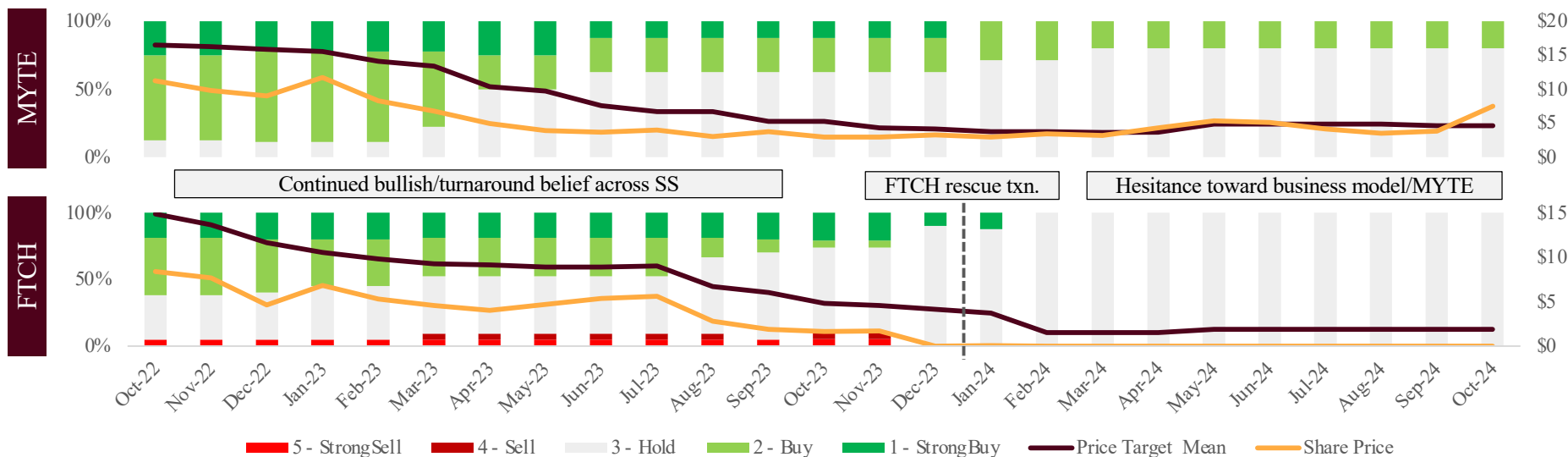
SS Penal on Asia + Luxury Exposure

PF MYTE Limited Exposure



Thesis I – Sell-Side Bear Thesis on E-Tailer Model Overblown

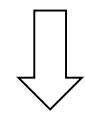
SS Hesitance to Remain Bullish After Historical Price Action



Difficulty Modeling Business Translates to Short-Term-y Valuation Methodologies Penalizing MYTE + YNAP LT Maturity

| FY24 vs. Consensus | | | | (€ in millions) |
|----------------------|--------------|----------------|---------|-----------------|
| | FY24 Actuals | FY24 Consensus | % Δ | |
| Net Sales Growth y/y | 9.4% | 10.1% | (6.9%) | → |
| Gross Margins | 45.7% | 47.3% | (3.4%) | |
| Adj. EBITDA | € 26 | € 32 | (20.3%) | |
| 4Q24 Actuals | | | | |
| | 4Q24 Actuals | 4Q24 Consensus | % Δ | |
| Net Sales Growth y/y | 9.7% | 12.1% | (19.8%) | |
| Gross Margins | 47.4% | 51.6% | (8.1%) | |
| Adj. EBITDA | € 11 | € 14 | (24.3%) | |
| FY25 Guide | | | | Apollo 11 Team |
| | FY25 Guide | FY25 Consensus | % Δ | |
| Net Sales Growth y/y | 7% - 13% | 13.0% | (23.1%) | 8.1% |
| Gross Margins | | | | |
| Adj. EBITDA Margin | 3% - 5% | 5.0% | (20.0%) | 3.9% |

SS has consistently struggled to model the business, and is confused by mgmt's lack of disclosure on CPM mix, take rate, and GMV causing large margin deltas



To compensate for historical bullish skew and consistent surprise, SS now values MYTE primarily on NTM EBITDA multiples (in 6-8x context) pulled from slower-growth e-comm peers (non fashion) basing off trough EBITDA as opposed to RVLV (21.6x) "acknowledging modest valuation"

Thesis II – Market Over Penalizes Margin Trough

Bearish on YNAP Profitability

Morgan Stanley (10/7/24):

“**Net-a-Porter and Mr. Porter...will require time and restructuring** to reinvigorate a brand turnaround following recent underperformance.”

“We note the off-price business model is different to that of the highly-curated full-price luxury model that Mytheresa mgmt. has historically operated and hence appears to **come with more execution risk.**”

Lux E-Comm Concerns

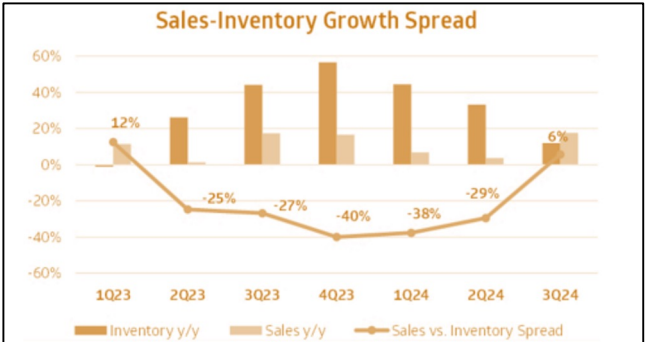
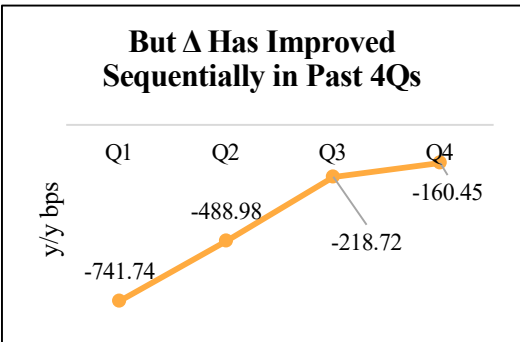
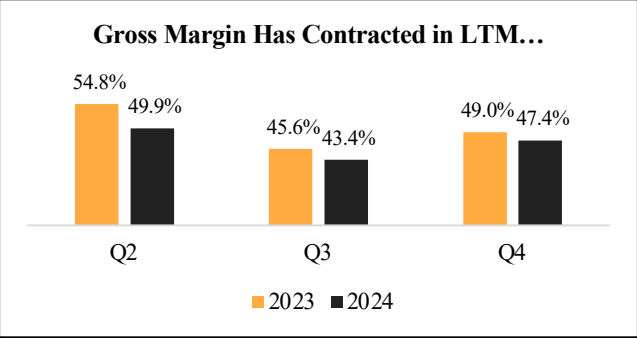
TD Cowen (9/12/24):

“We see a combination of intensifying competition, increasing CAC spend, and muted aspirational shopper sentiment **limiting upside to earnings.**”

“We monitor slowing aspirational customer spend and **ongoing promotional intensity.**”

“**We are cautious on con’t promos**, slower lux spending, and China macro.”

Roll-off of margin pressures make for an attractive entry point



“overall inventory topics...special write downs...50-60 bps of CPM share” - CEO Michael Kilger, 2Q24 Earnings Transcript

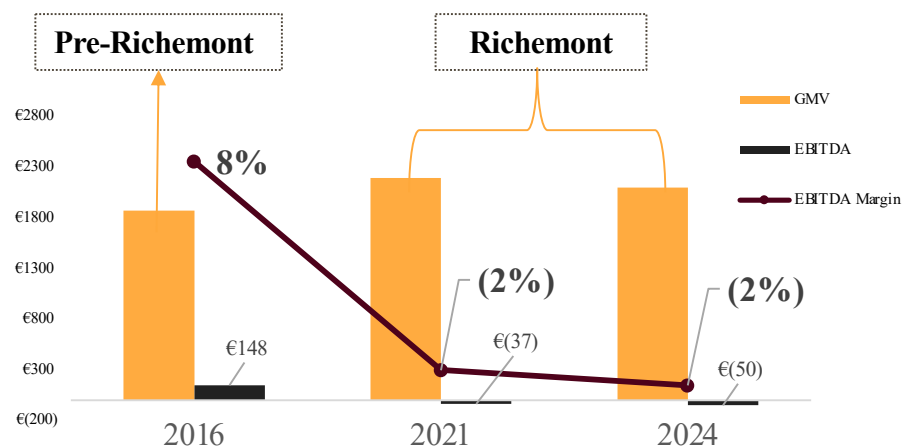
- Attractive entry point as **SS continues to be bearish on margins** despite MYTE lapping easy -700 bps comparison going into seasonally advantaged 2H24
- Higher quality inventory post destocking (see sales-inventory growth spread) to drive GM normalization; **consolidation of MYTE & YNAP share to lessen promotional activity**
- End of FTCH & Matches liquidation to improve industrywide promotional environment

- Normalization of sales-inventory growth spread to pre-23 levels
- 2H23 & 1H24 marked industrywide destocking on account of weaker macro / demand from aspirational customer.
- MYTE successfully weathered this storm without going under. FTCH did not.**

Sources: FactSet #s of 10/27/2024, Company Filings, TD Cowen

Thesis II – Richemont was a Bad Owner

Why did YNAP underperform under Richemont Ownership?



YNAP drastically underperformed due to Richemont’s mismanagement.

Merger reorganization presents a clear path to recalibrate the business.

YNAP will return to earning its pre-Richemont MSD operating margins and unlock its true value.

1. Richemont used YNAP to unload bad inventory

Former Product @ YNAP (May 2023)

Q: Which brands do you estimate are carrying the highest inventory like the excess inventory levels

A: The Richemont Group

Q: And their only place to offload excess inventory at the moment is, in your opinion, YOOX, correct?

A: And THE OUTNET, yes.

- YNAP shifted away from its core high-net worth base into a more competitive & promotional off-price market
- This caused deteriorating gross margins which ultimately misaligned the business permanently under Richemont ownership

2. Richemont underinvested in YNAP (technology)

Former CMO at NET-A-PORTER (March 2021)

“The YOOX experience itself in terms of digital proposition is awful...the website is just terrible.”

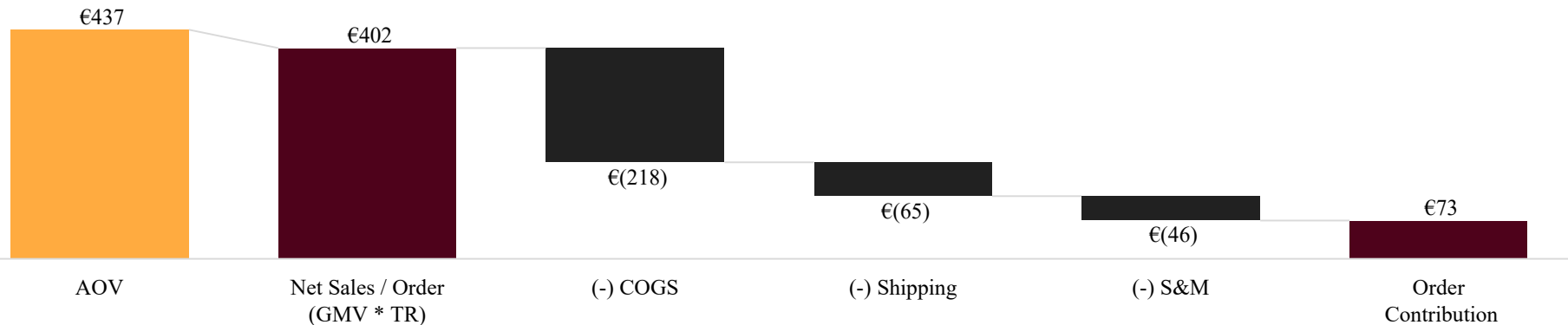
“A lot of it was also limited by the fact that [Net-A-Porter] technology wasn't as quick to keep up with what was competitive best in market.”

- Richemont mgmt. priorities were misaligned with those of YNAP
- YNAP became multiple-destructive to the core biz
- Richemont shopped asset 3+ yrs., took billions in writedowns, and stopped reporting segmented results in 2021.

Thesis II – No More Inventory Dumping & GM Improvement

MYTE Has the Highest AOV → Gross Profit and Is the Least Promotional

MYTE's Best In-Class Order Economics



MYTE is the best operator/curator in space & will drive improved selection & reduced discounting for YNAP

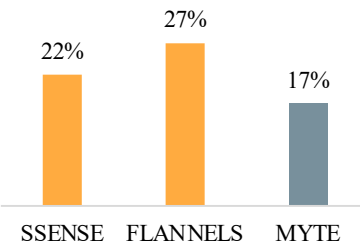
No More Inventory Dumping

“There are no operational ties included with this deal. Richemont will have 1 seat out of 8, and it's a financial investment towards Richemont.” - MYTE CEO Michael Kilger (October 2024 post merger announcement)

- The **discontinuation of YNAP's white label division**, once the Richemont Maisons' online stores powered by YNAP, will migrate to their own chosen platforms
- Merger announcement and transcript made clear that the new PF company will have **no operational relationship** with Richemont

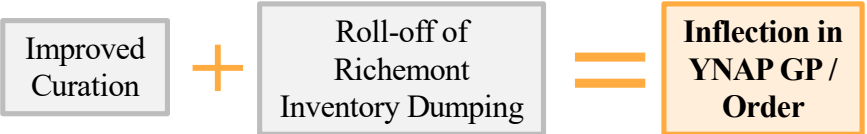
Web Scrapes Reflect GM Strength

Women's Bags % Of SKUs Discounted



| Online Retailer | New Customer Incentive |
|-----------------|------------------------|
| MYTE | 15% |
| FTCHQ | 50\$ off (wayback) |
| SSENSE | 25% |
| FLANNELS | 20% |

| Category | SSENSE | FLANNELS | MYTE |
|-------------------|--------|----------|------|
| Women's Bags | 22% | 27% | 17% |
| Women's Jewellery | 31% | 78% | 18% |



Thesis II – Synergies & Cost-Cutting Rationalization

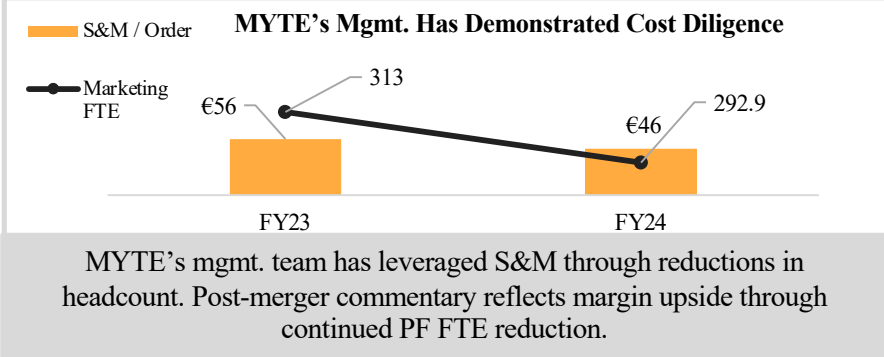
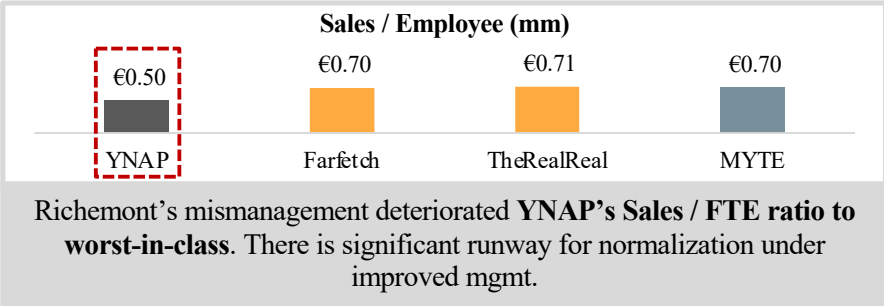
Technology & Data Synergies

Combined Active Customers of MYTE & YNAP significantly higher than competitors – largest data pool to drive improved analytics & competitive advantages

| Online Retailer | Active Cust. | Total GMV (Bn) |
|--------------------|---------------|----------------|
| MYTE + YNAP | 4.5 mm | € 3.00 |
| Farfetch | 4.1 mm | € 3.70 |
| Luisaviaroma | 0.5 mm | € 0.45 |
| MATCHES / FLANNELS | ~0.5mm | Undisclosed |
| TheRealReal | 0.9 mm | € 1.70 |

CEO Michael Kilger, October 2024:
 “We have proprietary data analytics tools that, with the combined [companies’] customer data will create [an] enormous, very rich data pool to develop algorithms from this.”

New Management Diligent on Costs



Distribution Synergies

Former CMO at YNAP, March 2021:
 “Mytheresa on price was actually one of the lowest in Asia... they were able to offer European prices with duties in some markets where there were duty exceptions or duty drawbacks... they were able to offer lower prices because they were shipping from Europe. Net-A-Porter had a distribution center in Hong Kong. So our prices were based on Hong Kong pricing. And this is going to be the biggest problem because the growth in luxury is coming from Asia.”

“MYTE has a decent offering... problem is it takes a while to ship though.” – Apollo 11 US Customer Check (October 2024)

- Consolidated MYTE / YNAP distribution channel to alleviate shipping delays and improve US lux penetration
- YNAP’s US & HK DCs to improve customer service & order times
- YNAP to benefit from MYTE’s EU distribution hub through strategic reduction of excise taxes

Pro Forma Valuation

Valuation Summary

| PF Discounted Cash Flow Valuation - Base Case | | | | PF Implied Multiples | | | | | | |
|---|-------|--------------------------|--------------|----------------------------|--------|--------|--------|--------|--------|--------|
| FY2030 UFCF | 230 | WACC | 12.0% | | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 |
| PV UFCF | 374 | Intermediate growth | 5.5% | Adj. EBITDA | (93) | 78 | 157 | 211 | 241 | 266 |
| | | Terminal growth | 2.0% | % margin | (2.9%) | 2.2% | 4.2% | 5.2% | 5.6% | 5.9% |
| PV intermediate CFs | 511 | | | EV / EBITDA | N.M. | 22.7x | 11.2x | 8.4x | 7.3x | 6.6x |
| PV terminal value | 881 | | | Net sales | 3,240 | 3,497 | 3,778 | 4,038 | 4,267 | 4,511 |
| Enterprise value | 1,766 | Shares outstanding | 128 | EV / net sales | 0.5x | 0.5x | 0.5x | 0.4x | 0.4x | 0.4x |
| (-) Debt | - | Price / share € | 13.93 | | | | | | | |
| (+) Cash | 15 | Price / share \$ | 15.14 | Excl. Yoox / Outnet | | | | | | |
| Equity value | 1,781 | % upside | 136% | Adj. EBITDA | (35) | 106 | 164 | 206 | 236 | 260 |
| | | | | % margin | (1.9%) | (1.6%) | 4.4% | 6.2% | 7.2% | 7.7% |
| | | | | EV / EBITDA | N.M. | 16.7x | 10.8x | 8.6x | 7.5x | 6.8x |
| Downside Px / Return: | | Base Px / Return: | | Upside Px / Return: | | | | | | |
| \$9.32 / 26% | | \$15.14 / 136% | | \$18.52 / 151% | | | | | | |

Base case conservatively assumes 7.9% revenue CAGR through FY2027, which is ~20% below Bloomberg consensus estimates, driven by blended 6% luxury market growth and online penetration increasing to 35% in the U.S. by FY2030 (~23% currently). EBITDA margins improve to 4.2% by FY2027, driven primarily by improvements in Net-a-Porter and off-price (Yoox / Outnet) profitability under more experienced MYTE management team as well as back-end G&A synergies.

Downside assumes 5.8% revenue CAGR through FY2027, a greater portion of which is driven by less profitable off-px sales relative to base case, and no margin improvement. **Upside** assumes 9% revenue CAGR through FY2027, and greater profitability inflection at YNAP driving a 4.6% blended FY2027 EBITDA margin.

Online Luxury TAM Assumptions

| Jun-18 | Jun-19 | Jun-20 | Jun-21 | Jun-22 | Jun-23 | Jun-24 | Jun-25 | Jun-26 | Jun-27 | Jun-28 | Jun-29 | Jun-30 | CAGR | |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------|-----|
| FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 | N3Y | N6Y |

Online Luxury Market TAM Math

| | | | | | | | | | | | | | | |
|------------------|--|--|--|--|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| US Market | | | | | | 100 | 106 | 111 | 117 | 123 | 128 | 134 | 5.5% | 5.0% |
| % growth | | | | | | | 5.5% | 5.5% | 5.5% | 4.5% | 4.5% | 4.5% | | |
| EU Market | | | | | | 100 | 107 | 114 | 123 | 130 | 138 | 146 | 7.0% | 6.5% |
| % growth | | | | | | | 7.0% | 7.0% | 7.0% | 6.0% | 6.0% | 6.0% | | |
| % US online | | | | | | 23.0% | 25.0% | 27.0% | 29.0% | 31.0% | 33.0% | 35.0% | | |
| % EU online | | | | | | 20.0% | 20.8% | 21.7% | 22.5% | 23.3% | 24.2% | 25.0% | | |
| US Online Market | | | | | | 23 | 26 | 30 | 34 | 38 | 42 | 47 | 14.0% | 12.6% |
| % growth | | | | | | | 14.7% | 13.9% | 13.3% | 11.7% | 11.2% | 10.8% | | |
| EU Online Market | | | | | | 20 | 22 | 25 | 28 | 30 | 33 | 36 | 11.3% | 10.5% |
| % growth | | | | | | | 11.5% | 11.3% | 11.1% | 9.9% | 9.8% | 9.7% | | |

PF Valuation Sensitivity

Assumes 8x PF EV / '27 EBITDA

PF EV / '27 EBITDA **8.0x**

Price Target \$

| | | | | | | |
|---------------------|------|-------|-------|-------|-------|-------|
| '27 net sales € > | | 3400 | 3600 | 3800 | 4000 | 4200 |
| Implied N3Y CAGR > | | 4.1% | 6.1% | 8.1% | 9.9% | 11.7% |
| | 3.5% | 8.22 | 8.69 | 9.17 | 9.65 | 10.12 |
| | 4.0% | 9.37 | 9.92 | 10.46 | 11.01 | 11.55 |
| '27 EBITDA margin > | 4.5% | 10.53 | 11.14 | 11.75 | 12.37 | 12.98 |
| | 5.0% | 11.69 | 12.37 | 13.05 | 13.73 | 14.41 |
| | 5.5% | 12.84 | 13.59 | 14.34 | 15.09 | 15.83 |

Implied Upside

| | | | | | | |
|---------------------|------|--------|--------|--------|--------|--------|
| '27 net sales > | | 3400 | 3600 | 3800 | 4000 | 4200 |
| | 3.5% | 28.2% | 35.6% | 43.1% | 50.5% | 57.9% |
| | 4.0% | 46.3% | 54.7% | 63.2% | 71.7% | 80.2% |
| '27 EBITDA margin > | 4.5% | 64.3% | 73.8% | 83.4% | 92.9% | 102.5% |
| | 5.0% | 82.3% | 92.9% | 103.5% | 114.1% | 124.7% |
| | 5.5% | 100.3% | 112.0% | 123.7% | 135.3% | 147.0% |

Assumes 10x PF EV / '27 EBITDA

PF EV / '27 EBITDA **10.0x**

Price Target \$

| | | | | | | |
|---------------------|------|-------|-------|-------|-------|-------|
| '27 net sales € > | | 3400 | 3600 | 3800 | 4000 | 4200 |
| Implied N3Y CAGR > | | 4.1% | 6.1% | 8.1% | 9.9% | 11.7% |
| | 3.5% | 10.24 | 10.84 | 11.43 | 12.03 | 12.62 |
| | 4.0% | 11.69 | 12.37 | 13.05 | 13.73 | 14.41 |
| '27 EBITDA margin > | 4.5% | 13.13 | 13.90 | 14.66 | 15.43 | 16.19 |
| | 5.0% | 14.58 | 15.43 | 16.28 | 17.13 | 17.98 |
| | 5.5% | 16.02 | 16.96 | 17.89 | 18.83 | 19.76 |

Implied Upside

| | | | | | | |
|---------------------|------|--------|--------|--------|--------|--------|
| '27 net sales > | | 3400 | 3600 | 3800 | 4000 | 4200 |
| | 3.5% | 59.8% | 69.1% | 78.3% | 87.6% | 96.9% |
| | 4.0% | 82.3% | 92.9% | 103.5% | 114.1% | 124.7% |
| '27 EBITDA margin > | 4.5% | 104.9% | 116.8% | 128.7% | 140.7% | 152.6% |
| | 5.0% | 127.4% | 140.7% | 153.9% | 167.2% | 180.4% |
| | 5.5% | 149.9% | 164.5% | 179.1% | 193.7% | 208.3% |

Assumes 9x PF EV / '27 EBITDA

PF EV / '27 EBITDA **9.0x**

Price Target \$

| | | | | | | |
|---------------------|------|-------|-------|-------|-------|-------|
| '27 net sales € > | | 3400 | 3600 | 3800 | 4000 | 4200 |
| Implied N3Y CAGR > | | 4.1% | 6.1% | 8.1% | 9.9% | 11.7% |
| | 3.5% | 9.23 | 9.77 | 10.30 | 10.84 | 11.37 |
| | 4.0% | 10.53 | 11.14 | 11.75 | 12.37 | 12.98 |
| '27 EBITDA margin > | 4.5% | 11.83 | 12.52 | 13.21 | 13.90 | 14.58 |
| | 5.0% | 13.13 | 13.90 | 14.66 | 15.43 | 16.19 |
| | 5.5% | 14.43 | 15.27 | 16.11 | 16.96 | 17.80 |

Implied Upside

| | | | | | | |
|---------------------|------|--------|--------|--------|--------|--------|
| '27 net sales > | | 3400 | 3600 | 3800 | 4000 | 4200 |
| | 3.5% | 44.0% | 52.4% | 60.7% | 69.1% | 77.4% |
| | 4.0% | 64.3% | 73.8% | 83.4% | 92.9% | 102.5% |
| '27 EBITDA margin > | 4.5% | 84.6% | 95.3% | 106.0% | 116.8% | 127.5% |
| | 5.0% | 104.9% | 116.8% | 128.7% | 140.7% | 152.6% |
| | 5.5% | 125.1% | 138.3% | 151.4% | 164.5% | 177.6% |

Assumes 11x PF EV / '27 EBITDA

PF EV / '27 EBITDA **11.0x**

Price Target \$

| | | | | | | |
|---------------------|------|-------|-------|-------|-------|-------|
| '27 net sales € > | | 3400 | 3600 | 3800 | 4000 | 4200 |
| Implied N3Y CAGR > | | 4.1% | 6.1% | 8.1% | 9.9% | 11.7% |
| | 3.5% | 11.25 | 11.91 | 12.56 | 13.22 | 13.87 |
| | 4.0% | 12.84 | 13.59 | 14.34 | 15.09 | 15.83 |
| '27 EBITDA margin > | 4.5% | 14.43 | 15.27 | 16.11 | 16.96 | 17.80 |
| | 5.0% | 16.02 | 16.96 | 17.89 | 18.83 | 19.76 |
| | 5.5% | 17.61 | 18.64 | 19.67 | 20.69 | 21.72 |

Implied Upside

| | | | | | | |
|---------------------|------|--------|--------|--------|--------|--------|
| '27 net sales > | | 3400 | 3600 | 3800 | 4000 | 4200 |
| | 3.5% | 75.6% | 85.8% | 96.0% | 106.2% | 116.4% |
| | 4.0% | 100.3% | 112.0% | 123.7% | 135.3% | 147.0% |
| '27 EBITDA margin > | 4.5% | 125.1% | 138.3% | 151.4% | 164.5% | 177.6% |
| | 5.0% | 149.9% | 164.5% | 179.1% | 193.7% | 208.3% |
| | 5.5% | 174.7% | 190.8% | 206.8% | 222.9% | 238.9% |

Risks, Mitigants, Catalysts

Risks and Mitigants

| | |
|---|--|
| M&A deal termination due to anti-trust concerns | (1) The European Commission unconditionally cleared FTCH’s terminated acquisition of YNAP in Oct 2023; MYTE’s acquisition does not pose greater antitrust risk, (2) Upside exists even if MYTE remains a standalone business |
| Sales cannibalization | (1) Customers’ demand for luxury remains unchanged since purchases are occasion/lifestyle-driven, (2) Online channel is very underpenetrated in the luxury sector (~20% currently) relative to other consumer sectors; we expect online luxury TAM growth to outpace overall luxury TAM |
| Continued unprofitability at YNAP due to off price business and inventory management | (1) Prior to being acquired by Richemont, YNAP generated ~7% EBITDA and 2% operating margins; we believe YNAP can return to comparable margins post-M&A since Richemont was using YNAP to offload excess inventory, (2) MYTE has a strong history of harnessing data to curate its SKUs, reducing discounts needed |

MYTE standalone valuation still yields upside

| MYTE Standalone Discounted Cash Flow Valuation | | | |
|--|-----|-------------------------|-------------|
| FY2030 UFCF | 80 | WACC | 12.0% |
| PV UFCF | 166 | Intermediate growth | 5.5% |
| | | Terminal growth | 2.0% |
| PV intermediate CFs | 179 | | |
| PV terminal value | 308 | | |
| Enterprise value | 654 | Shares outstanding | 85 |
| (-) Debt | - | Price / share € | 7.84 |
| (+) Cash | 15 | | |
| Equity value | 669 | Price / share \$ | 8.53 |
| | | % upside | 33% |

Standalone Implied Multiples

| | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 |
|----------------|--------|--------|--------|--------|--------|--------|
| Adj. EBITDA | 36 | 36 | 60 | 78 | 91 | 97 |
| % margin | 3.1% | 3.9% | 3.7% | 5.4% | 6.5% | 7.0% |
| EV / EBITDA | 18.4x | 17.9x | 11.0x | 8.4x | 7.2x | 6.7x |
| Net sales | 909 | 995 | 1,101 | 1,205 | 1,296 | 1,394 |
| EV / net sales | 0.7x | 0.7x | 0.6x | 0.5x | 0.5x | 0.5x |

Catalysts

| | |
|---|--|
| M&A antitrust approval and deal close announcements in CY 1H25 | Market uncertainty regarding M&A close is driving a price dislocation that will be corrected once the deal is closed |
| Profitability inflection | MYTE has seen its margins compress in recent quarters, an inflection will drive market confidence in management’s ability to achieve its medium term 8% EBITDA margin target |

Summary

What do we have to believe? – Hitting singles, not home runs

- ✓ Personal luxury goods market grows at 5-6% CAGR over the N3Y
- ✓ Online share of luxury expands 600bps in US market, 300 in EU
- ✓ Yoox/Outnet breaks even by FY27 EOY
- ✓ 200bps SG&A improvement
- ✓ 40bps of shipping cost improvement
- ✓ Inventory days return to FY2021 levels

We believe MYTE is the only player positioned to efficiently deliver value to all luxury consumers (aspirers, wardrobe builders, etc...) and luxury brands via an online multi-brand medium.

Mismanagement and inefficient value propositions have left share up for grabs, and a conservative sell-side creates significant opportunity for near-term price appreciation as MYTE's tenured operators fold YNAP into the business and develop a stronghold on their slice of the pie.

... a slice we need to believe is 2.6% of the online luxury TAM (160bps compressed from today), yielding us a dollar for 50c today.

Appendix – Base Case Valuation

Returns Summary

Case Selected: Base 2

Base Px / Return: \$15.14 / 136%
Downside Px / Return: \$9.32 / 45%
Upside Px / Return: \$18.52 / 189%

Summary Statistics - Base Case

N3Y net sales CAGR 7.9%
N6Y net sales CAGR 7.0%
FY2027 EBITDA margin 4.2%

MYTE Capitalisation (in mm)

Share price \$ (as of 10/30/24) 6.41
Exchange rate 0.92
Share price € 5.90
Shares outstanding 85
Equity value 503
(+) Debt -
(-) Cash (15)
Enterprise value 488
EV / '24 standalone EBITDA 18.9x
EV / '24 standalone net sales 0.6x

PF Discounted Cash Flow Valuation - Base Case

| | | | |
|---------------------|-------|---------------------|-------|
| FY2030 UFCF | 230 | WACC | 12.0% |
| PV UFCF | 374 | Intermediate growth | 5.5% |
| | | Terminal growth | 2.0% |
| PV intermediate CFs | 511 | Shares outstanding | 128 |
| PV terminal value | 881 | Price / share € | 13.93 |
| Enterprise value | 1,766 | Price / share \$ | 15.14 |
| (-) Debt | - | % upside | 136% |
| (+) Cash | 15 | | |
| Equity value | 1,781 | | |

| | | |
|------------------------------|--------------------------|----------------------------|
| Downside Px / Return: | Base Px / Return: | Upside Px / Return: |
| \$9.32 / 45% | \$15.14 / 136% | \$18.52 / 189% |

MYTE Standalone Discounted Cash Flow Valuation

| | | | |
|---------------------|-----|---------------------|-------|
| FY2030 UFCF | 80 | WACC | 12.0% |
| PV UFCF | 166 | Intermediate growth | 5.5% |
| | | Terminal growth | 2.0% |
| PV intermediate CFs | 179 | Shares outstanding | 85 |
| PV terminal value | 308 | Price / share € | 7.84 |
| Enterprise value | 654 | Price / share \$ | 8.53 |
| (-) Debt | - | % upside | 33% |
| (+) Cash | 15 | | |
| Equity value | 669 | | |

PF Implied Multiples

| | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 |
|---------------------|--------|--------|--------|--------|--------|--------|
| Adj. EBITDA | (93) | 78 | 157 | 211 | 241 | 266 |
| % margin | (2.9%) | 2.2% | 4.2% | 5.2% | 5.6% | 5.9% |
| EV / EBITDA | N.M. | 22.7x | 11.2x | 8.4x | 7.3x | 6.6x |
| Net sales | 3,240 | 3,497 | 3,778 | 4,038 | 4,267 | 4,511 |
| EV / net sales | 0.5x | 0.5x | 0.5x | 0.4x | 0.4x | 0.4x |
| Excl. Yoox / Outnet | | | | | | |
| Adj. EBITDA | (35) | 106 | 164 | 206 | 236 | 260 |
| % margin | (1.9%) | (1.6%) | 4.4% | 6.2% | 7.2% | 7.7% |
| EV / EBITDA | N.M. | 16.7x | 10.8x | 8.6x | 7.5x | 6.8x |

Standalone Implied Multiples

| | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 |
|----------------|--------|--------|--------|--------|--------|--------|
| Adj. EBITDA | 36 | 36 | 60 | 78 | 91 | 97 |
| % margin | 3.1% | 3.9% | 3.7% | 5.4% | 6.5% | 7.0% |
| EV / EBITDA | 18.4x | 17.9x | 11.0x | 8.4x | 7.2x | 6.7x |
| Net sales | 909 | 995 | 1,101 | 1,205 | 1,296 | 1,394 |
| EV / net sales | 0.7x | 0.7x | 0.6x | 0.5x | 0.5x | 0.5x |

Appendix – Upside Case Valuation

Returns Summary

Case Selected: Upside 3

Base Px / Return: \$15.14 / 136%
Downside Px / Return: \$9.32 / 45%
Upside Px / Return: \$18.52 / 189%

Summary Statistics - Upside Case

N3Y net sales CAGR 9.0%
N6Y net sales CAGR 7.8%
FY2027 EBITDA margin 4.6%

MYTE Capitalisation (in mm)

Share price \$ (as of 10/30/24) 6.41
Exchange rate 0.92
Share price € 5.90
Shares outstanding 85
Equity value 503
(+) Debt -
(-) Cash (15)
Enterprise value 488
EV / '24 standalone EBITDA 18.9x
EV / '24 standalone net sales 0.6x

PF Discounted Cash Flow Valuation - Upside Case

FY2030 UFCF 280
PV UFCF 469
PV intermediate CFs 622
PV terminal value 1,073
Enterprise value 2,164
(-) Debt -
(+) Cash 15
Equity value 2,179

WACC 12.0%
Intermediate growth 5.5%
Terminal growth 2.0%

Shares outstanding 128
Price / share € 17.04

Price / share \$ 18.52
% upside 189%

| Downside Px / Return: | Base Px / Return: | Upside Px / Return: |
|-----------------------|-------------------|---------------------|
| \$9.32 / 45% | \$15.14 / 136% | \$18.52 / 189% |

MYTE Standalone Discounted Cash Flow Valuation

FY2030 UFCF 96
PV UFCF 197
PV intermediate CFs 213
PV terminal value 368
Enterprise value 778
(-) Debt -
(+) Cash 15
Equity value 793

WACC 12.0%
Intermediate growth 5.5%
Terminal growth 2.0%

Shares outstanding 85
Price / share € 9.30

Price / share \$ 10.11
% upside 58%

PF Implied Multiples

| | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 |
|---------------------|--------|--------|--------|--------|--------|--------|
| Adj. EBITDA | (89) | 91 | 178 | 238 | 283 | 321 |
| % margin | (2.7%) | 2.5% | 4.6% | 5.7% | 6.4% | 6.8% |
| EV / EBITDA | N.M. | 23.7x | 12.1x | 9.1x | 7.7x | 6.8x |
| Net sales | 3,277 | 3,583 | 3,896 | 4,180 | 4,445 | 4,716 |
| EV / net sales | 0.7x | 0.6x | 0.6x | 0.5x | 0.5x | 0.5x |
| Excl. Yoox / Outnet | | | | | | |
| Adj. EBITDA | (31) | 120 | 185 | 233 | 271 | 302 |
| % margin | (1.8%) | (1.4%) | 4.9% | 6.8% | 7.9% | 8.5% |
| EV / EBITDA | N.M. | 18.0x | 11.7x | 9.3x | 8.0x | 7.2x |

Standalone Implied Multiples

| | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 |
|----------------|--------|--------|--------|--------|--------|--------|
| Adj. EBITDA | 37 | 42 | 68 | 89 | 106 | 115 |
| % margin | 3.1% | 4.0% | 4.1% | 6.0% | 7.1% | 7.7% |
| EV / EBITDA | 21.0x | 18.5x | 11.4x | 8.7x | 7.4x | 6.8x |
| Net sales | 919 | 1,024 | 1,144 | 1,258 | 1,366 | 1,476 |
| EV / net sales | 0.8x | 0.8x | 0.7x | 0.6x | 0.6x | 0.5x |

Appendix – Downside Case Valuation

Returns Summary

Case Selected: Downside 1

Base Px / Return: \$15.14 / 136%
 Downside Px / Return: \$9.32 / 45%
 Upside Px / Return: \$18.52 / 189%

Summary Statistics - Downside Case

N3Y net sales CAGR 5.8%
 N6Y net sales CAGR 5.1%
 FY2027 EBITDA margin 2.7%

MYTE Capitalisation (in mm)

Share price \$ (as of 10/30/24) 6.41
 Exchange rate 0.92
 Share price € 5.90
 Shares outstanding 85
 Equity value 503
 (+) Debt -
 (-) Cash (15)
 Enterprise value 488
 EV / '24 standalone EBITDA 18.9x
 EV / '24 standalone net sales 0.6x

PF Discounted Cash Flow Valuation - Downside Case

FY2030 UFCF 157
 PV UFCF 131
 PV intermediate CFs 349
 PV terminal value 602
 Enterprise value 1,081
 (-) Debt -
 (+) Cash 15
 Equity value 1,097

WACC 12.0%
 Intermediate growth 5.5%
 Terminal growth 2.0%

Shares outstanding 128
 Price / share € 8.57

Price / share \$ 9.32
 % upside 45%

| Downside Px / Return: | Base Px / Return: | Upside Px / Return: |
|-----------------------|-------------------|---------------------|
| \$9.32 / 45% | \$15.14 / 136% | \$18.52 / 189% |

MYTE Standalone Discounted Cash Flow Valuation

FY2030 UFCF 60
 PV UFCF 98
 PV intermediate CFs 134
 PV terminal value 231
 Enterprise value 463
 (-) Debt -
 (+) Cash 15
 Equity value 478

WACC 12.0%
 Intermediate growth 5.5%
 Terminal growth 2.0%

Shares outstanding 85
 Price / share € 5.61

Price / share \$ 6.09
 % upside (5%)

PF Implied Multiples

| | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 |
|---------------------|--------|--------|--------|--------|--------|--------|
| Adj. EBITDA | (101) | 40 | 96 | 121 | 151 | 180 |
| % margin | (3.2%) | 1.2% | 2.7% | 3.2% | 3.9% | 4.4% |
| EV / EBITDA | N.M. | 26.7x | 11.2x | 9.0x | 7.2x | 6.0x |
| Net sales | 3,193 | 3,375 | 3,561 | 3,738 | 3,904 | 4,066 |
| EV / net sales | 0.3x | 0.3x | 0.3x | 0.3x | 0.3x | 0.3x |
| Excl. Yoox / Outnet | | | | | | |
| Adj. EBITDA | (44) | 78 | 119 | 133 | 157 | 181 |
| % margin | (1.6%) | (2.0%) | 3.4% | 4.9% | 5.1% | 5.8% |
| EV / EBITDA | N.M. | 13.8x | 9.1x | 8.1x | 6.9x | 6.0x |

Standalone Implied Multiples

| | FY2025 | FY2026 | FY2027 | FY2028 | FY2029 | FY2030 |
|----------------|--------|--------|--------|--------|--------|--------|
| Adj. EBITDA | 41 | 26 | 41 | 51 | 60 | 69 |
| % margin | 3.1% | 4.5% | 2.7% | 4.0% | 4.6% | 5.1% |
| EV / EBITDA | 11.4x | 17.9x | 11.3x | 9.1x | 7.7x | 6.7x |
| Net sales | 901 | 965 | 1,035 | 1,106 | 1,172 | 1,239 |
| EV / net sales | 0.5x | 0.5x | 0.4x | 0.4x | 0.4x | 0.4x |