MANGO announces a sixty seven million euro profit for 2021, tripling its pre pandemic profit

The company closes its financial year in the best financial situation of the last decade, with a negative net debt of eight million euros

Turnover grows by 21.3%, to 2.234 billion euros, close to the record figure for 2019

Online sales channel accounts for 42% of total turnover reflecting a growth of 23%, to reach 942 million euros

EBITDA rises to 423 million euros (compared to 193 million in 2020) the highest figure since 2014

The company closed the financial year with 226 net store openings, totalling 2,447 stores in over 110 markets

Mango increased its investment by 64%, to 45 million euros, with a focus on its digital transformation as well as a network of stores

Mango is committed to sustainable development and in 2021 it became the first Spanish company in the industry to publish its list of Tier 1 and Tier 2 suppliers

BARCELONA, 10 MARCH 2022 – Mango, one of Europe's largest fashion groups, closed 2021 with the highest profits in almost a decade, reflecting a healthier financial structure. The company closed the financial year with a net profit of 67 million euros, a figure which triples the 21 million euros obtained by the company in 2019. With this positive result, Mango brings an end to the disruption of 2020, a year marked by the Covid-19 pandemic, and returns to profit.

This significant improvement in profit was achieved after following a turnover of 2.234 billion euros, 21.3% up on the 1.842 billion euros posted in 2020. This figure is close to the sales recorded in 2019, when the company achieved a record turnover of 2.374 billion euros at the financial year close.

According to Mango's CEO, Toni Ruiz, "the 2021 results demonstrate the positive evolution of the company in recent years and are the result of the hard work of the entire team". "Today, Mango is in an optimal position to face the future by promoting our brand and our product, remaining at the service of our customers and continuing our journey towards sustainability and operational excellence", he added.

During the first four months of the year, the evolution of sales was marked by the restrictions derived from the pandemic in key markets for the company, such as France, Germany and the United Kingdom. In the fourth quarter of the financial year, Mango surpassed the sales of the fourth quarter of 2019, before the pandemic.

Online sales grew by 23%, to 942 million euros, maintaining its proportion of total turnover at 42%. In 2021, Mango took its online activity to new markets, such as Thailand, bringing the total number of online markets to 85.

At the same time, the stores performed well and, despite being closed an average of 48 days during 2021, their sales improved by 21.4% compared to the 2020 financial year. According to Toni Ruiz, "although Mango has a high penetration of the online channel in its business, this demonstrated the strength and importance of our store~~s~~ network".

In terms of the distribution of turnover by geographical regions, the international activity of the group accounted for 79% of the total, while the Spanish market represented 21%. At the close of 2021, Mango was present in over 110 markets worldwide.

In terms of business lines, following the integration of Violeta, Woman increased its share to 82%, while Man, Kids, Teen and Home accounted for the remaining 18%. Kids performed particularly well, with an almost 60% increase in sales compared to 2019.

"The year 2021 was also full of challenges and uncertainty, but we used the strength of the Mango brand to reinforce our position in the market, and at the same time increase our profitability, as we had promised", Toni Ruiz points out.

Mango's EBITDA in 2021 was 423 million euros, well above the initial forecasts. This figure more than doubles the figure posted in 2020, when the EBITDA stood at 193 million euros. This is the highest figure recorded by the company since the 2014 financial year, even allowing for the effect of the IFRS-16.

In addition, the company's pre-tax profit was 82 million euros, correcting the evolution of 2020 and doubling the figure of 41 million euros posted in 2019, before the pandemic. Mango closed the financial year with a net profit of 67 million euros, tripling the 21 million euros posted in 2019.

The company's gross profit rose by 0.6 basic points compared to 2019, to reach 58.2%. The improvement in the margin was caused by a higher percentage of full-price sales and by a reduction in discounts, and at the same time affected by the impact that increased import and transport costs had on the profit and loss account. The impact of the global recession on the supply chain was concentrated in the final period of the year.

Mango achieved one of the milestones it set itself in 2015: to reduce net debt to zero. The company closed 2021 with a negative debt of eight million euros, after meeting its target and reducing its debt by more than 165 million euros compared to 2020. This is the first time that Mango's balance sheet has presented this situation in over a decade.

Last December, Mango returned the 120 million euro loan it requested from the *Instituto de Crédito Oficial* (ICO) at the beginning of the pandemic. This sum is 50% of the 240 million euros it requested in the spring of 2020. Although the company has never had to make use of these resources, adopting a policy of prudence, it has maintained them on its balance sheet.

Investment and the stores network

In 2021, Mango investment rose to 45 million euros, representing an increase of 63.6% compared to the previous year. The majority of these resources were spent, on the one hand, on accelerating the online transformation of the company, while on the other hand, refurbishing the store network to adapt it to the new image, highlighting the refurbishment of the flagship store in Paseo de Gracia (Barcelona).

Mango is maintaining its commitment to the store network as a privileged point of contact with its customers and closed 2021 with 2,447 stores in over 110 markets. During the last financial year, the company executed 226 net store openings. The net selling space of its physical stores remained stable at approximately 794,700 square metres.

Key store openings during the 2021 financial year included the flagship stores in London (Oxford Street), Düsseldorf and Berlin.

During 2021, Mango also accelerated its expansion in the United States, a strategic market for the company, with the opening of four new stores in the Menlo Park and American Dream shopping centres, in New Jersey, in the Roosevelt Field shopping centre in New York and in the Dadeland shopping centre in Miami. These openings strengthened Mango's presence in the country, where it has strongly increased its online presence in recent years.

Mango is currently analysing the impact the crisis in Ukraine and Russia will have on its business during 2022. The company has temporarily suspended its operations in Russia, while guaranteeing its employees maximum coverage.

Progress in the commitment to sustainability

Throughout 2021, Mango has made a major effort with regard to sustainability and corporate responsibility, and continued to make progress on a key area for the company in its strategic plan. In particular, it did so in four areas: the use of sustainable fibres, circularity, CO_2 emissions and transparency in its supply chain.

In its commitment towards the value chain and transparency, Mango published a new list of factories in its global supply chain. As well as updating the list of Tier 1 factories, Mango has included for the first time the list of Tier 2 factories, related to production processes, becoming the first Spanish company in the fashion industry to publish these two lists. The company has set itself the objective this year of publishing the list of Tier 3 factories, related to suppliers of materials such as fabrics and fittings.

During the last financial year, 80% of garments it marketed incorporated the Committed name. A milestone which means that it has almost doubled the percentage of sustainable garments in its total production. Committed articles are those which contain at least 30% more sustainable fibres and/or have been manufactured with more sustainable production processes. Mango's goal is that all of its garments will be Committed this year.

With regard to the circular economy, in 2021 Mango focused on implementing actions to reduce the generation of waste associated with its production and on managing waste responsibly. It also aims to provide a responsible outlet for devalued stock by prioritising re-use (second-hand selling), over recycling (upcycling or downcycling), and finally destruction for the purpose of electricity co-generation. In this regard, the programme to collect used garments in store via Committed Boxes was present in 15 countries, 5 more than the previous year, collecting 63 tonnes of clothing, 50% more than in 2020.

In line with its net zero target by 2050, Mango established new intermediate targets last year. Specifically, it committed to reduce its direct emissions by 80%, as well as those generated by the Scope 1 and 2 energy it consumes, by 2030. It has also committed to reduce by 35% the Scope 3 emission it produces in its supply chain by the same year.

Mango is one of Europe's leading fashion companies, with design, creativity and technology at the centre of its business model, and a strategy based on constant innovation, the search for sustainability and a complete ecosystem of channels and partners. Founded in Barcelona in 1984, the company closed 2021 with a turnover of 2.234 billion euros, with 42% of its business originating from its online channel and with a presence in over 110 markets.

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