

Neiman Marcus Group Delivers \$5 billion of GMV in FY22, Demonstrating Strength of Integrated Luxury Retail Model

Committed to Further Deepening Relationships with Luxury Customers and Top Brands

Differentiated and Profitable Business Model Positions the Company to Navigate Current Macroeconomic Environment

DALLAS, Oct. 12, 2022 /PRNewswire/ -- Neiman Marcus Group (NMG), the integrated luxury retailer (and parent of brands including Neiman Marcus and Bergdorf Goodman), announced fiscal year 2022 business highlights for the full year that ended July 31, 2022. Fueled by a prudent growth strategy, *Revolutionizing Luxury Experiences*, the company closed a successful year.

"We are very pleased with the strong performance delivered in fiscal 2022, which validates our ambitious strategy and our team's impressive execution," said Geoffroy van Raemdonck, Chief Executive Officer of NMG. "Our fiscal year concluded at the end of July, throughout which our teams worked diligently to achieve over 30 percent comparable sales versus the previous year and \$495 million in Adjusted EBITDA."

NMG delivered over \$5 billion in gross merchandise value ("GMV") and year-over-year meaningful gross margin expansion supported by healthy 80 percent full price selling. This led to 11 percent EBITDA margin for FY22.

"Our top customers are highly loyal and drove 40 percent of total sales in FY22," continued van Raemdonck. "Our brand partners come to us to reach our affluent customers through a premier integrated luxury retail experience. We believe our business model positions us well as we navigate the uncertain macroeconomic environment ahead."

The Luxury Customer Proved Resilient in FY22

NMG's high-income customers remain loyal through challenging economic cycles:

- Top 2% of customers drive approximately 40% of total sales.
- 80% of top customers have at least \$1 million of net worth.
- Their average spend is over \$25,000 annually, buying with NMG 25+ times a year.
- We cultivate lasting relationships, with 90% top customer retention during FY22.

Additionally, new customers are entering the market seeking NMG's luxury, top-tier brands and curated products. The company's new loyal customers tend to be younger, spanning from Gen X to Gen Z, as younger customers entered the luxury market during the pandemic. They migrate up the engagement spectrum, reflecting growing incomes and desire for luxury.

Strength of Integrated Luxury Retail Model

Throughout fiscal year 2022, NMG remained committed to integrated luxury retail and meeting customers where they are, no matter how they shop. By providing superior levels of service as well as a curated experience online, in stores and through remote selling, NMG extended the reach of luxury brands in the U.S. market.

Affluent customers in 2022 returned to stores while continuing to shop online. These multi-channel consumers on average spent five-times more than those who shopped only one channel.

The company's stores are strategically positioned near top customers, with 70 percent of U.S. high-net-worth individuals living within 30 miles of a Neiman Marcus Group store. Nearly 70 percent of NMG stores reached their highest revenue in over a decade, while digital properties grew total visits to 300 million in FY22, marking continued growth in the online business.

"Our enhanced data analytics and personalization is designed to scale customer engagement in an intelligent and informed way, giving them flexibility to interact with us and buy based on their preferences," van Raemdonck explained.

NMG continued to make important investments in data and technology that allow scale in personalizing luxury experiences. The company completed its acquisition of Stylyze at the beginning of the fiscal year, which through machine learning offers product attribution data and curated content to power relevant shopping experiences across the customer journey.

Throughout the year, NMG's proprietary remote selling tool, CONNECT, scaled selling associates' ability to connect with their clients wherever, whenever to share styling advice and product recommendations. CONNECT established a new method of selling engagement that allows customers to buy directly from their associate, no matter their location. This creates a seamless experience for the customer, increasing access to NMG's superior level of service outside the four-walls of a store. Collectively, selling associates send on average 1.5 million texts and personalized emails to customers per month.

The success of NMG's integrated model is fueled by the company's more than 3,000 selling associates, who are focused on establishing long-term relationships and emotional connections with customers that create high lifetime value potential. On average, associates have been part of the company for nearly a decade, and more than 1,000 of the company's retail associates successfully generated over \$1 million in customer spend per year.

In April, the [company announced a partnership with FARFETCH](#), which included a commercial agreement whereby FARFETCH

Platform Solutions (FPS) will re-platform the Bergdorf Goodman website and mobile application. As a result, Bergdorf Goodman will gain enhanced capabilities to introduce its digital customer experience and curated offering to customers globally, integrating seamlessly with the iconic New York City flagship.

Top Brand Exclusives and NMG's Curated Assortment Came to Life

The brands that customers come to expect in Neiman Marcus and Bergdorf Goodman recognize the leadership standing of NMG and continue a long-standing partnership that, over the past year, included over 600 new points of luxury distribution. Customers also seek new, emerging and diverse designers, which are part of the 200+ new brands launched at NMG this year.

Highlights of 2022 include the company's focus on revolutionizing personalized shopping through retail-tainment experiences in stores and online. The majority of NMG's top 20 brands did exclusive activations with Neiman Marcus or Bergdorf Goodman, including 10 immersive digitally amplified exclusive retail-tainment experiences. Collaborations with top brand partners included exclusive collections from Loewe, Prada, Valentino, Burberry and Balmain.

ESG Mindset Embedded Throughout Growth Roadmap

Another essential part of NMG's successful growth roadmap in 2022 was the [release of the company's first ESG report, *Our Journey to Revolutionize Impact*](#). NMG's 2025 ESG strategy aims to revolutionize luxury experiences by:

- Advancing Sustainable Products & Services
- Cultivating a Culture of Belonging, and
- Leading with Love in Our Communities

The company remains focused on its NMG|Way culture and fostering Belonging as a key pillar of its strategy. Women make up the majority of its board of directors and more than half of all corporate and store associates. The company was recently ranked #62 on Forbes 2022 Best Employers for Women and Forbes named NMG one of America's Best Employers by State. Achieving a score of 100 on the Human Rights Campaign corporate equality index, the company later received The National Diversity Council's 2022 LGBTQ+ Workplace Excellence Award.

NMG is [launching new corporate hubs](#) in Dallas, New York City and Bangalore to support its integrated working philosophy, NMG|WOW, and seeing the organization as a network made up of hubs of all kinds that serve its associates and their needs. The company's culture and enhanced benefit offerings contributed to increased retention and expedited time-to-hire throughout a turbulent talent market.

Established a Strong Foundation

Looking ahead to fiscal 2023, NMG remains committed to *Revolutionizing Luxury Experiences*. In the first quarter, the company [appointed Ryan Ross as President of Neiman Marcus Brand](#). Ross is a dedicated, omnichannel brand leader with 25 years of experience driving customer-focused innovation.

NMG will continue to meet customers where they are through its successful integrated luxury retail model. Exclusive brand partnerships will continue with nearly 60 percent of top brands hosting exclusive collections and launches in the fall season.

About Neiman Marcus Group (NMG)

Neiman Marcus Group is a relationship business that leads with love in everything we do for our customers, associates, brand partners, and communities. Our legacy of innovating and our culture of Belonging guide our roadmap for *Revolutionizing Luxury Experiences*. As one of the largest multi-brand luxury retailers in the U.S., with the world's most desirable brand partners, we're delivering exceptional products and intelligent services, enabled by our investments in data and technology. Through the expertise of our 10,000+ associates, we deliver and scale a personalized luxury experience across our three channels of in-store, eCommerce, and remote selling. Our NMG|Way culture, powered by our people, combines individual talents into a collective strength to make life extraordinary. Our flagship brands include Neiman Marcus and Bergdorf Goodman. For more information, visit neimanmarcusgroup.com.

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For further information: Camden Robertson, camden_robertson@neimanmarcus.com

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