



**Boozt**

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# The Nordic Department Store

Investor presentation Q4 2022

# Key highlights – Q4 2022

- The Nordic Department Store delivered a significant outperformance of the market and closest peers leading to accelerated market share gains
- High promotional activity impacting gross margin – largely driven by elevated inventory levels throughout the industry and continued pressure on consumers disposable income
- Average order value at a historic high mainly driven by more items per basket and supported by additional migration of customers to multi-category buyers
- Return rates on par with last year driven by momentum of adjacent categories and further development of our Fair-Use strategy
- Successfully managed to deliver a healthy and improved inventory position at year end, despite lower-than-expected market growth in 2022
- Boozt is leaving 2022 in a stronger position both commercially and financially

Net revenue growth

**23.9%**

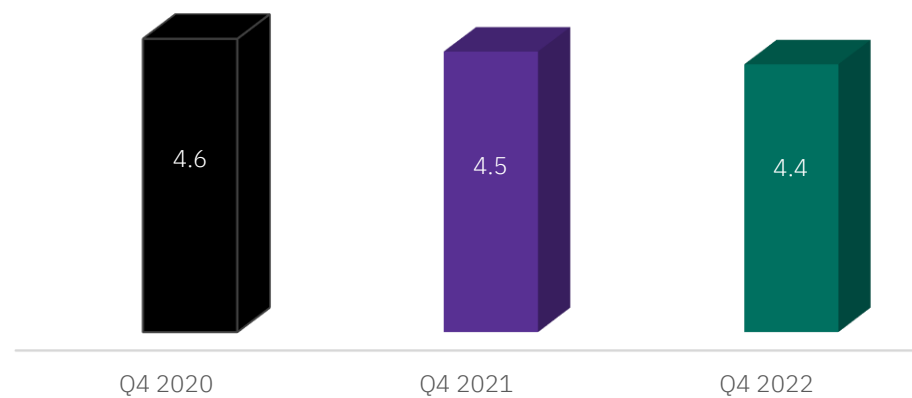
Adjusted EBIT margin

**7.0%**

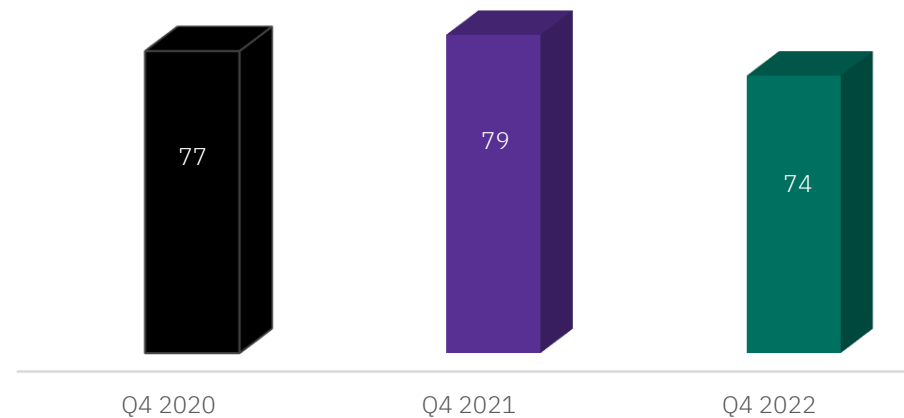
# KPI highlights

## Customer satisfaction

Trustpilot



NPS



Boozt.com

# KPI highlights

## Order development

No. of orders



Average order value (SEK)



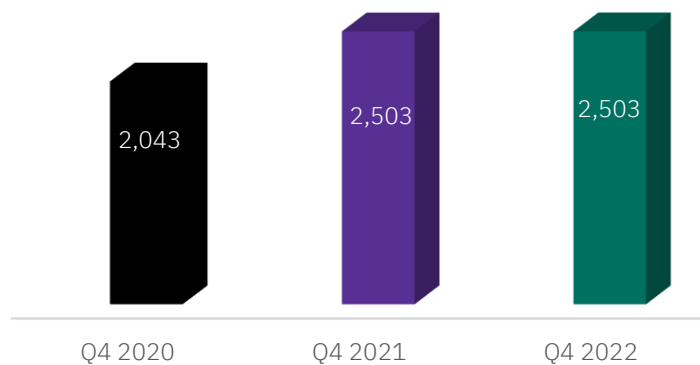
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# KPI highlights

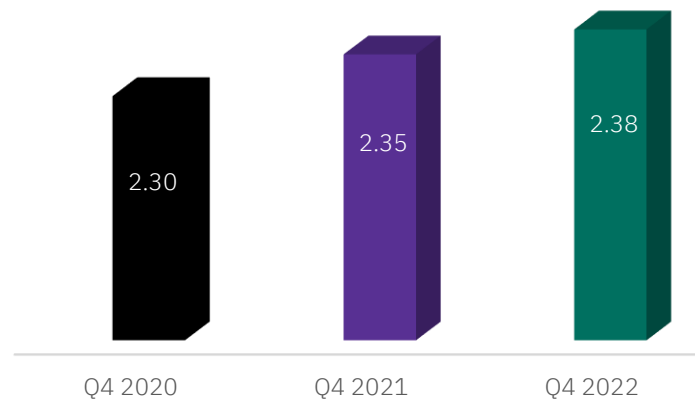
## Cohort development

### Active customers

Customers who made at least one order during last twelve months

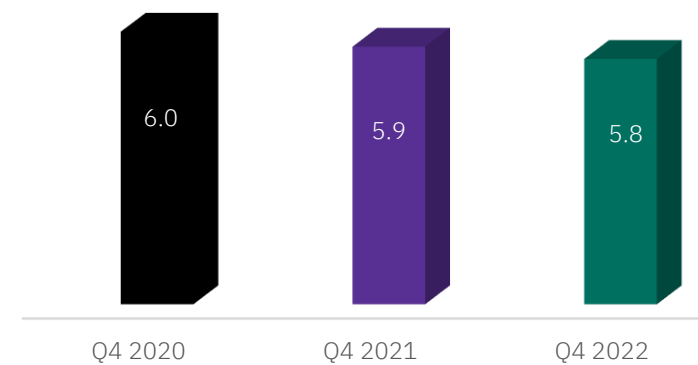


### No. of orders per active customer



### True Frequency

Order frequency from customers buying in Q4 2021 (Q4 2020) and the following 12 months



Boozt.com

The background of the slide features a repeating geometric pattern of interlocking cubes or diamonds. The pattern is divided by a diagonal line from the top-left to the bottom-right. The upper-left portion of the pattern is white, while the lower-right portion is a dark navy blue. The cubes are rendered with three shades of gray to create a 3D effect.

**Boozt**

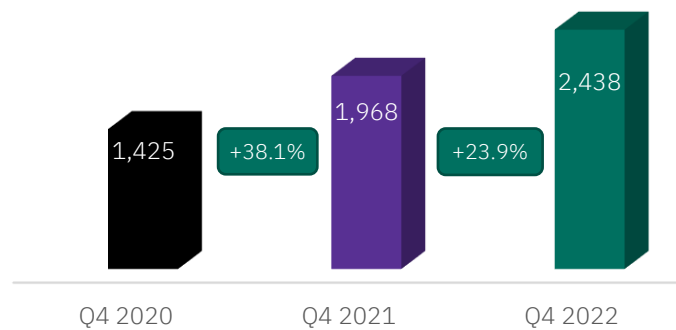
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# Financial update

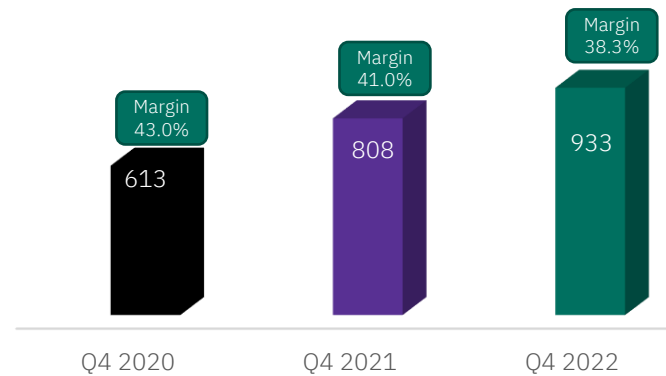
Fourth quarter 2022

# Group result

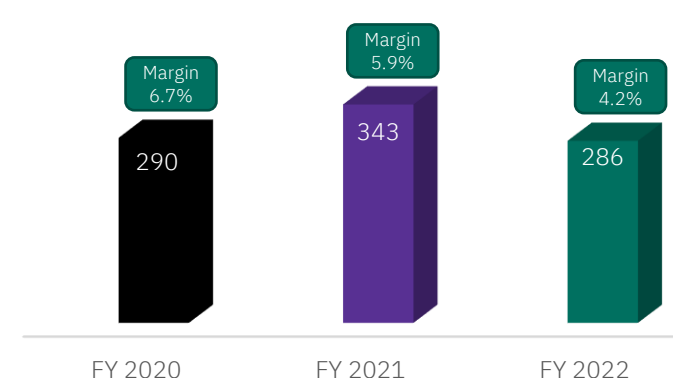
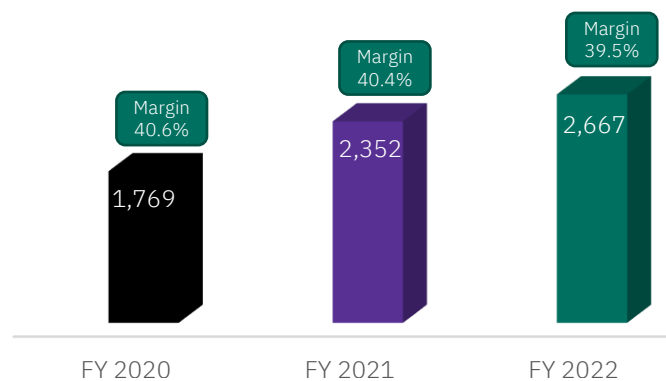
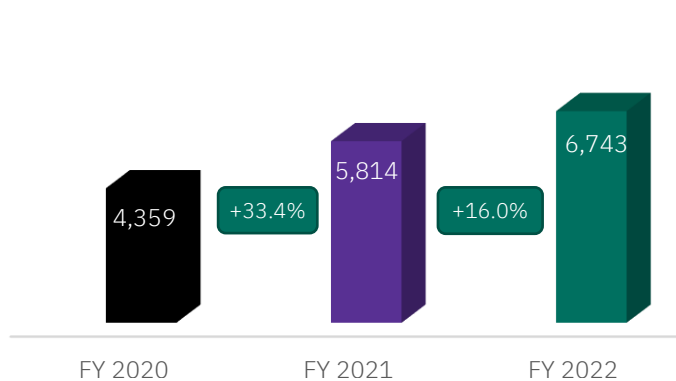
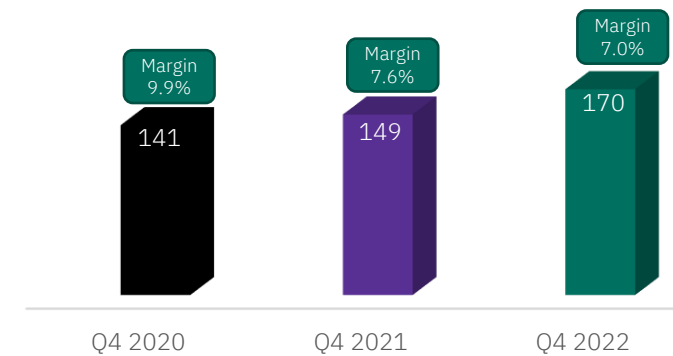
Net revenue  
SEK million



Gross profit  
SEK million

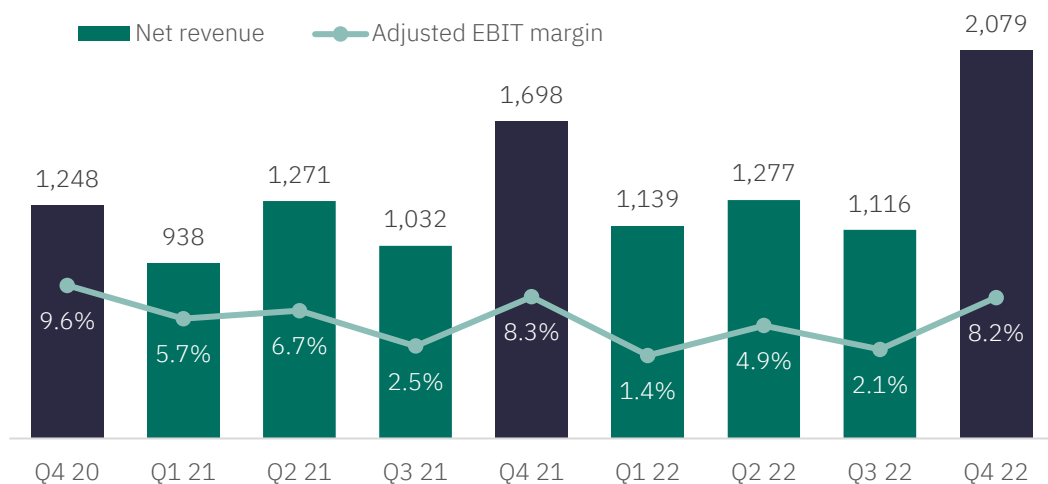


Adjusted EBIT  
SEK million



Group

# Boozt.com



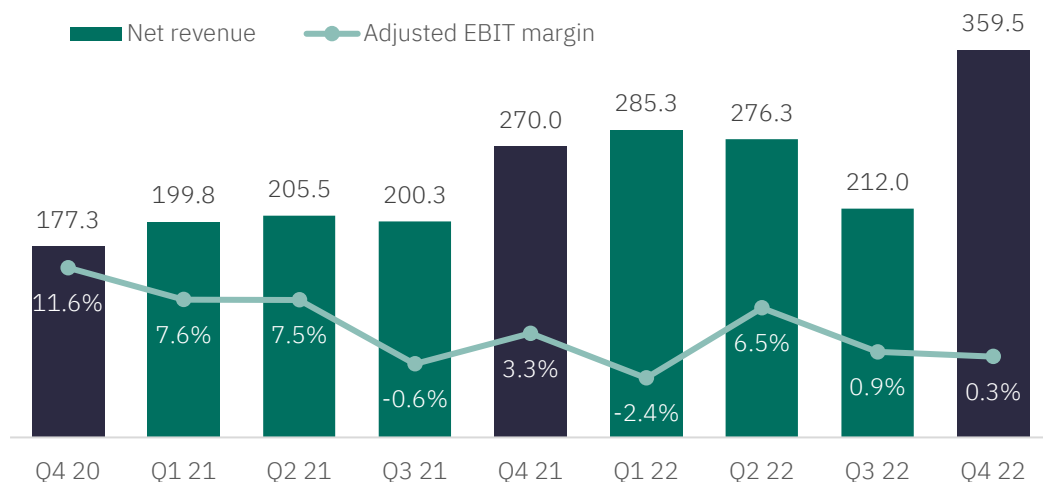
SEK million	Q4 2020	Q4 2021	Q4 2022
Net revenue	1,248	1,698	2,079
Net revenue growth	28.6%	36.1%	22.4%
Adjusted EBIT	120.1	140.7	169.6
Adjusted EBIT margin	9.6%	8.3%	8.2%

## Highlights in the fourth quarter of 2022

- Significant acceleration of sales in November and December delivering growth in the quarter of 22.4%
- The overall market for apparel in the Nordics continues to be challenged by pressure on disposable income
  - Likely to impact the first half of 2023 before industry inventory positions is back at a normalised level
- Average order value increased with 14.2% to an all-time high SEK 956 positively impacted by more items per basket and FX
- Strong performance across all categories with highest growth in Beauty and Home
- True frequency was in line with last year at 5.8 (5.9) with cohorts displaying similar buying patterns as our historic cohorts



# Booztlet.com



SEK million	Q4 2020	Q4 2021	Q4 2022
Net revenue	177.3	270.0	359.5
Net revenue growth	122.0%	52.3%	33.1%
Adjusted EBIT	20.5	8.8	1.0
Adjusted EBIT margin	11.6%	3.3%	0.3%

## Highlights in the fourth quarter of 2022

- Solid growth in the quarter of 33.1% and 29.4% year-to-date
- Average order value increased with 19.1% to an all-time high SEK 861
- Booztlet played a crucial role in managing the inventory risk for the Boozt Group throughout the year successfully achieving an improved sell-through of SS22 and AW22 compared to 2021
- Profitability impacted by high promotional activity in the in-season stores further accelerated by the key objective to limit the Groups inventory risk led to a meaningful decrease in the gross margin
- Focused effort to obtain the right and enough campaign goods to support continued growth and exploit the potential extra demand from consumers for outlet business with disposable income under pressure from high inflation

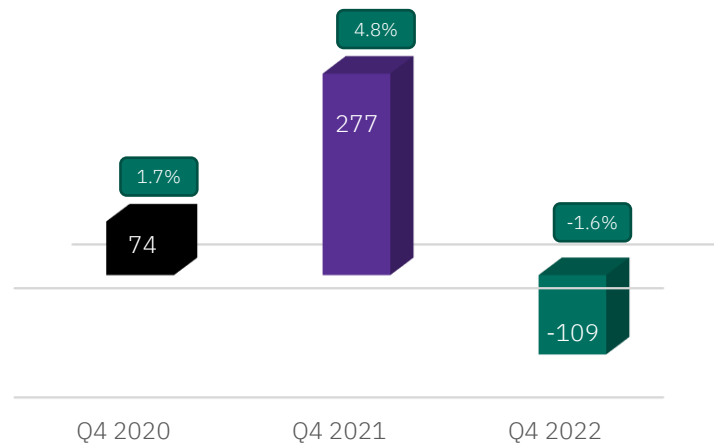
# Cost ratios

<i>Share of net revenue, %</i>	Q4 2021	Change (pp)	Q4 2022		FY 2021	Change (pp)	FY 2022
Gross margin	41.0	-2.8	38.3		40.4	-0.9	39.5
Fulfilment cost ratio	-12.1	+1.6	-10.5		-11.8	+0.4	-11.3
Marketing cost ratio	-10.2	-0.6	-10.7		-10.5	-0.5	-11.0
Adjusted <sup>1</sup> admin & other cost ratio	-8.8	+1.1	-7.7		-9.4	-0.2	-9.7
Depreciation cost ratio	-2.4	0.0	-2.4		-2.9	-0.4	-3.3
Adjusted EBIT margin	7.6	-0.6	7.0		5.9	-1.7	4.2

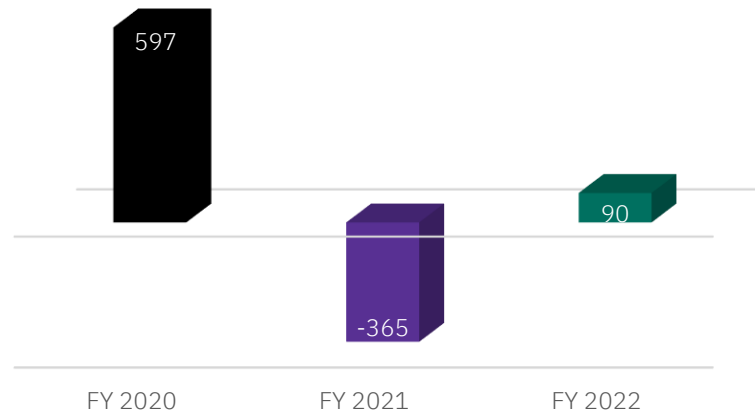
<sup>1</sup> Adjusted for social charges related to share based compensation

# Cash flow

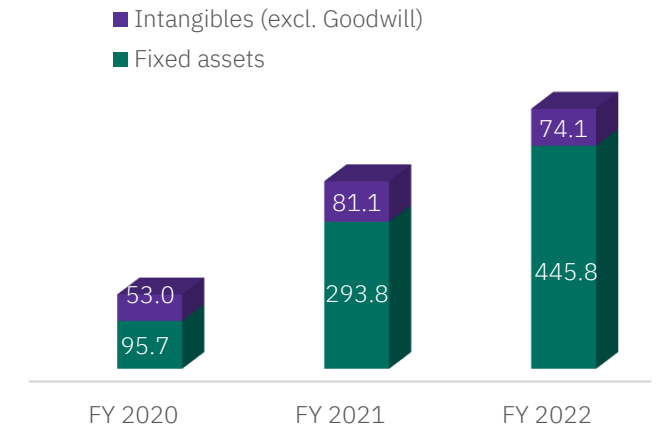
Net working capital  
SEK million (in % of LTM net revenue)



Free cash flow  
SEK million

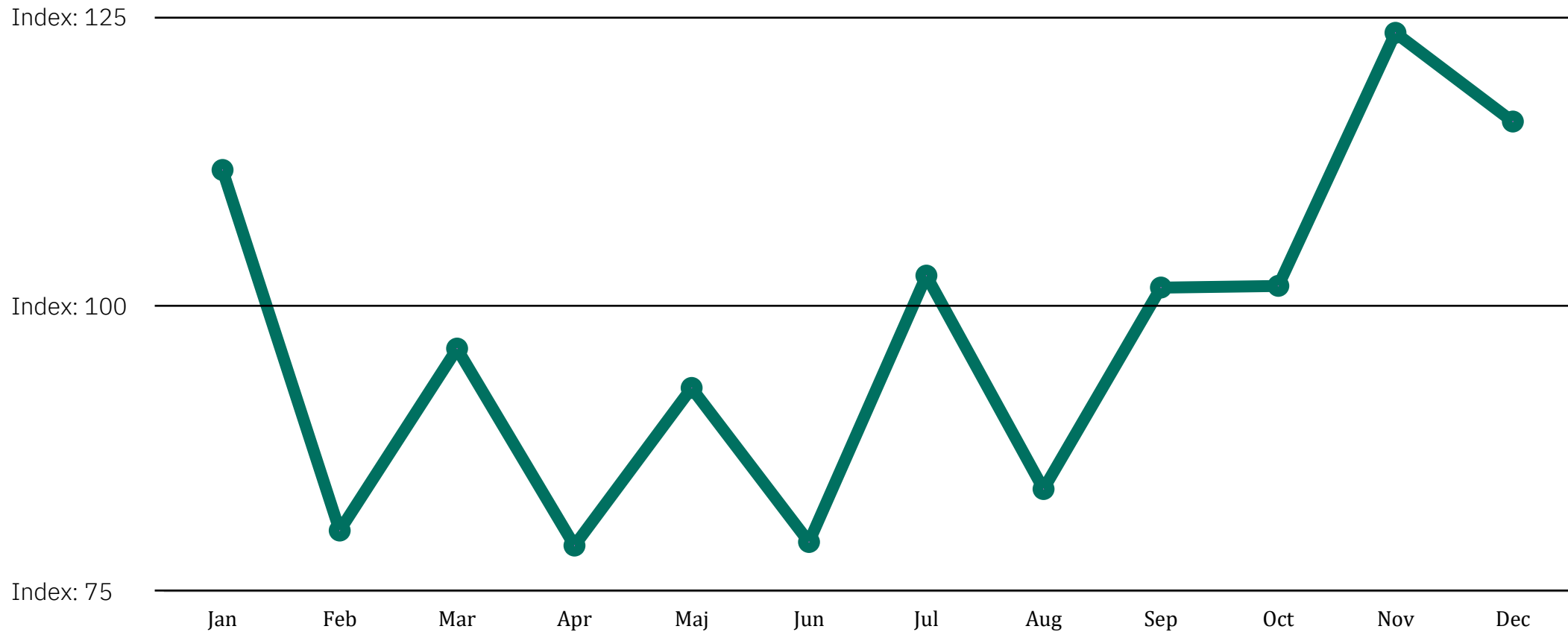


CAPEX  
SEK million



Group

# The Nordic Department store – unprecedented volatility displayed in historical cohort's performance during 2022



# Outlook 2023

- The net revenue growth is supported by market share gains, continued online penetration and a stable or improving consumer confidence compared to the historic low of 2022
- The priority is a continued high investment in growth as well as a further strengthening of the customer experience, while maintaining solid and best-in-industry profitability
  - Adjusted EBIT outlook for 2023 is positively impacted by a reassessment of the useful lives of the Group's fixed assets that mainly relates to the AutoStore installations
  - The reassessment is carried out to reflect market practice and to ensure comparability of EBIT to industry peers
  - Positive impact on yearly depreciations on a like-for-like basis in the level SEK 25 million compared to 2022
- The Group expects a modest level of investments in fixed and intangible assets during the year with CAPEX between SEK 150-200 million

The Group expects a net revenue growth

**between 5% and 15%**

*Due to the volatile and unpredictable markets, the outlook for 2023 is more uncertain than normally. Consequently, the Group has widened the range for both net revenue growth and adjusted EBIT.*

The adjusted EBIT is expected to be

**between SEK 275-375 million**

implied adjusted EBIT margin of 4.4% (midpoint)

*The outlook assumes exchange rates will remain at current levels.*

A large teal geometric graphic on the left side of the slide, consisting of several overlapping planes that create a 3D effect. The planes are in different shades of teal, with the top-most plane being the lightest and the bottom-most being the darkest. The graphic is positioned on the left side of the slide, with its right edge facing the text area.

# Capital Markets Day

- Date: 28 March 2022
- Location: Malmö, Sweden
- Main focus for the event
  - Deep dive; The Nordic Department Store Strategy
  - Mid- to long-term financial targets
  - Capital structure and allocation
- Sign up [here](#)

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# Boozt Investment Highlights

# Boozt Investment Highlights

1

Increasing online penetration in a fragmented industry with vast potential for market share gains backed by a track record of 27% CAGR in net revenue (2017-2022)

2

Attractive position in the mid to premium segment with best in class AOV (average order value) and critical scale to maintain investment in growth

3

Unique eco-system with Boozt (in season) and Booztlet (off price) supported by additional value added services for brand partners with Boozt Media Partnerships and BooztPay for our customers

4

Industry leading profitability and customer satisfaction (NPS) providing a strong foundation for long term growth

5

Aiming to be the first B-Corp certified e-tailer in Europe with a clear ambition to become the leading responsible e-commerce company in the Nordics by 2025



# A Nordic technology company selling fashion, sport, beauty and home online

## The Boozt snapshot

- Boozt.com launched 2011
- Booztlet.com launched in 2015
- Boozt AB is listed on Nasdaq Stockholm & Nasdaq Copenhagen
- 2 online shops, Boozt.com and Booztlet.com
- Turnover of SEK 6,8bn in 2022
- Around 1,250 employees

## Boozt Fulfillment Centre

Our central and automated warehouse located in Ångelholm

- Around 1,200 robots and 1,200,000 bins
- Warehouse staff in-housed from 1-Jan 2021

## Boozt Headquarter

Our headquarter located in Malmö with offices in Denmark, Poland



## Our vision

is to become the leading Nordic department store, offering the preferred destination for shopping Fashion, Kids, Sport, Beauty and Home online.

## High customer satisfaction



NPS

Net Promotor Score

74

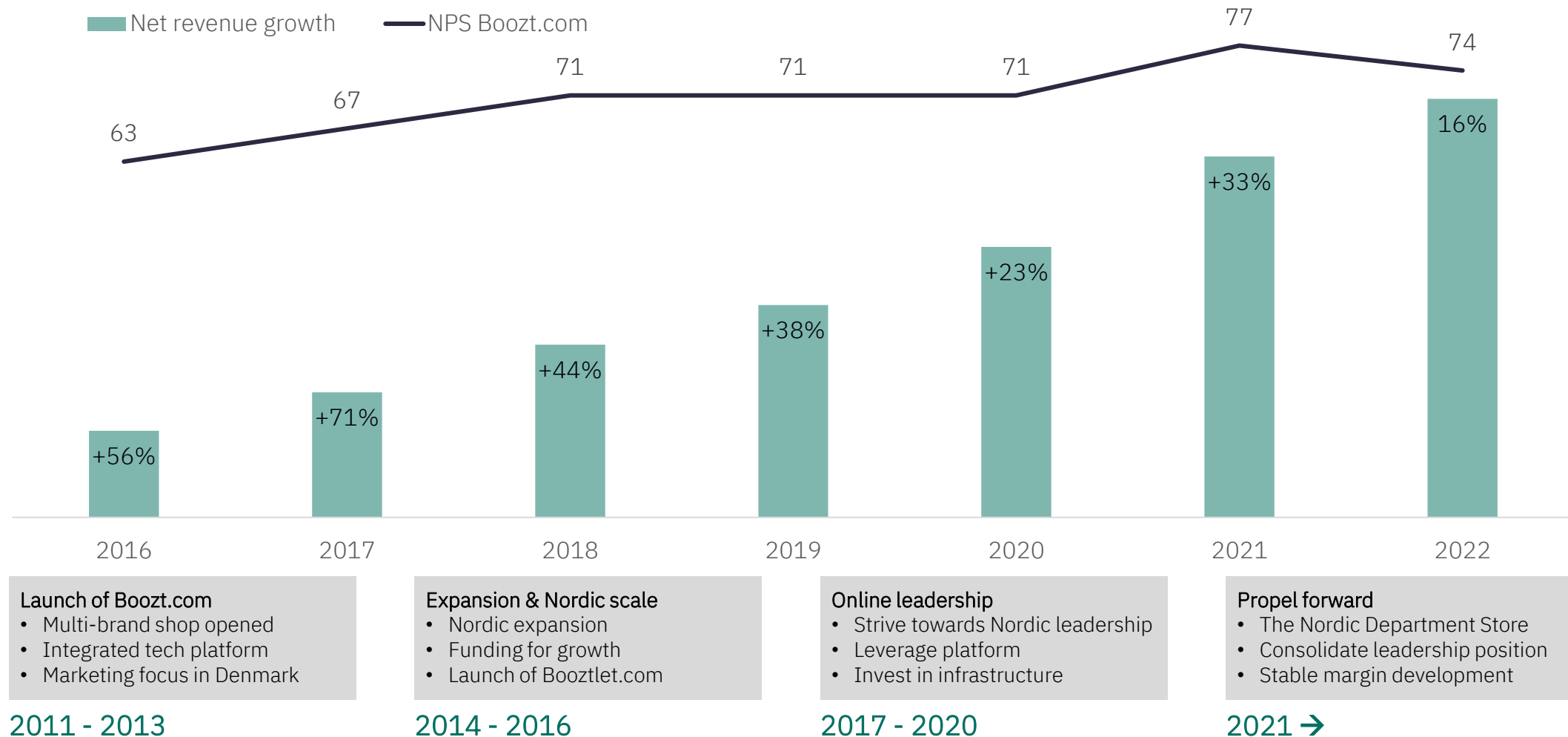


Trustpilot

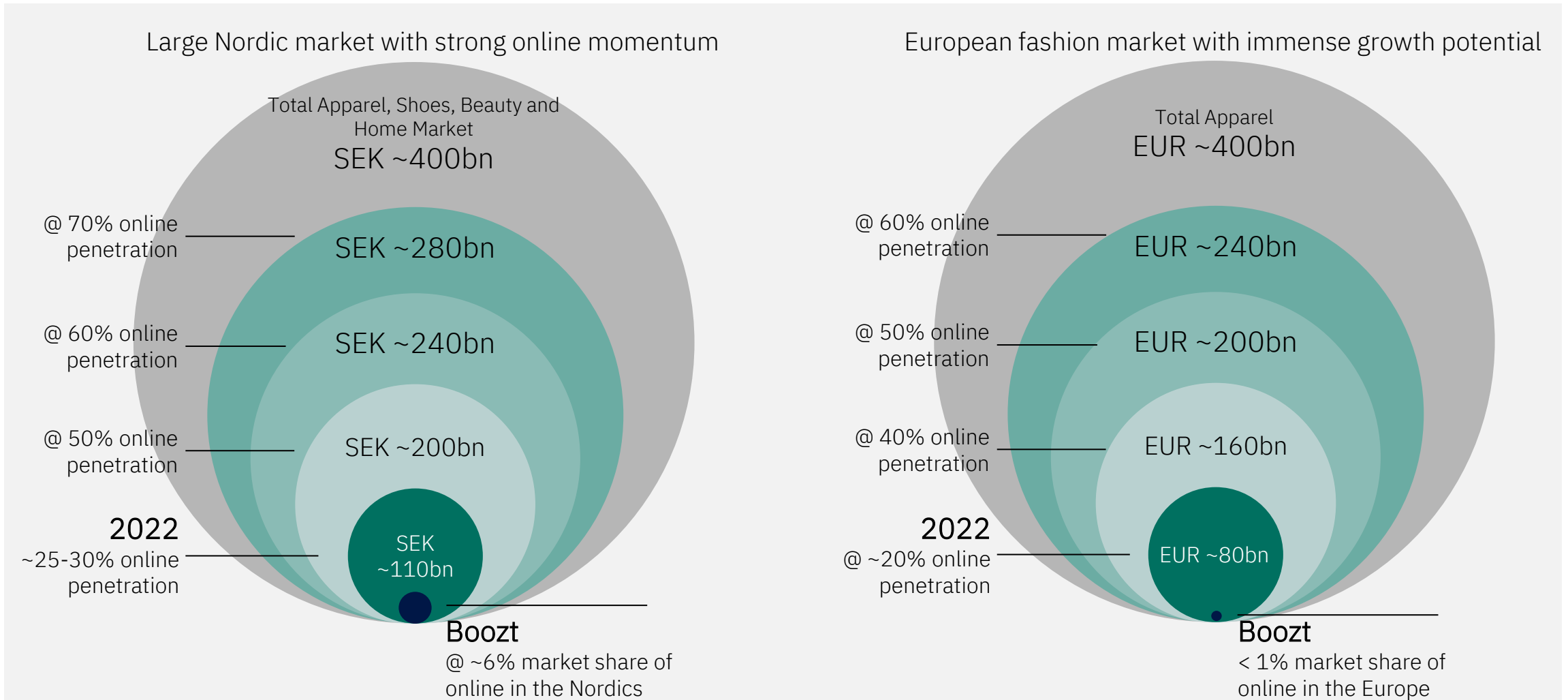
4.4

*Based on 2022*

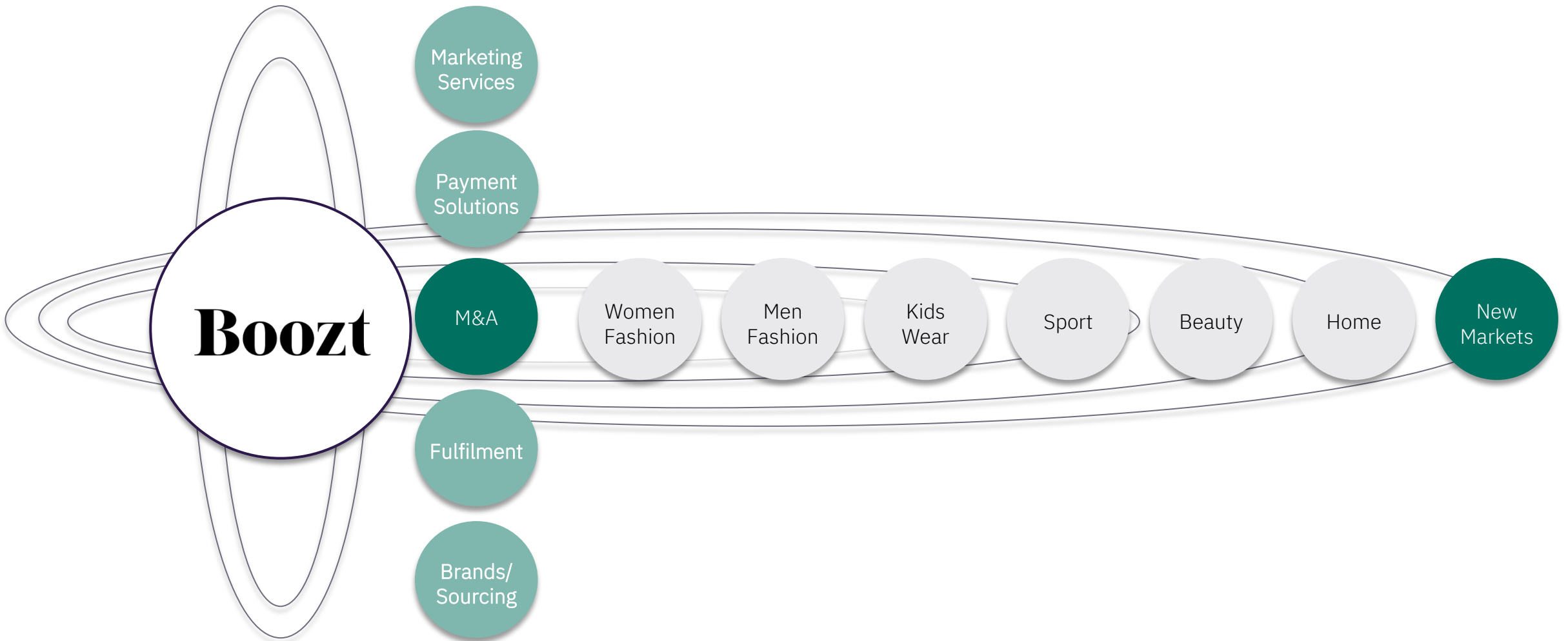
# Becoming The Nordic Department Store



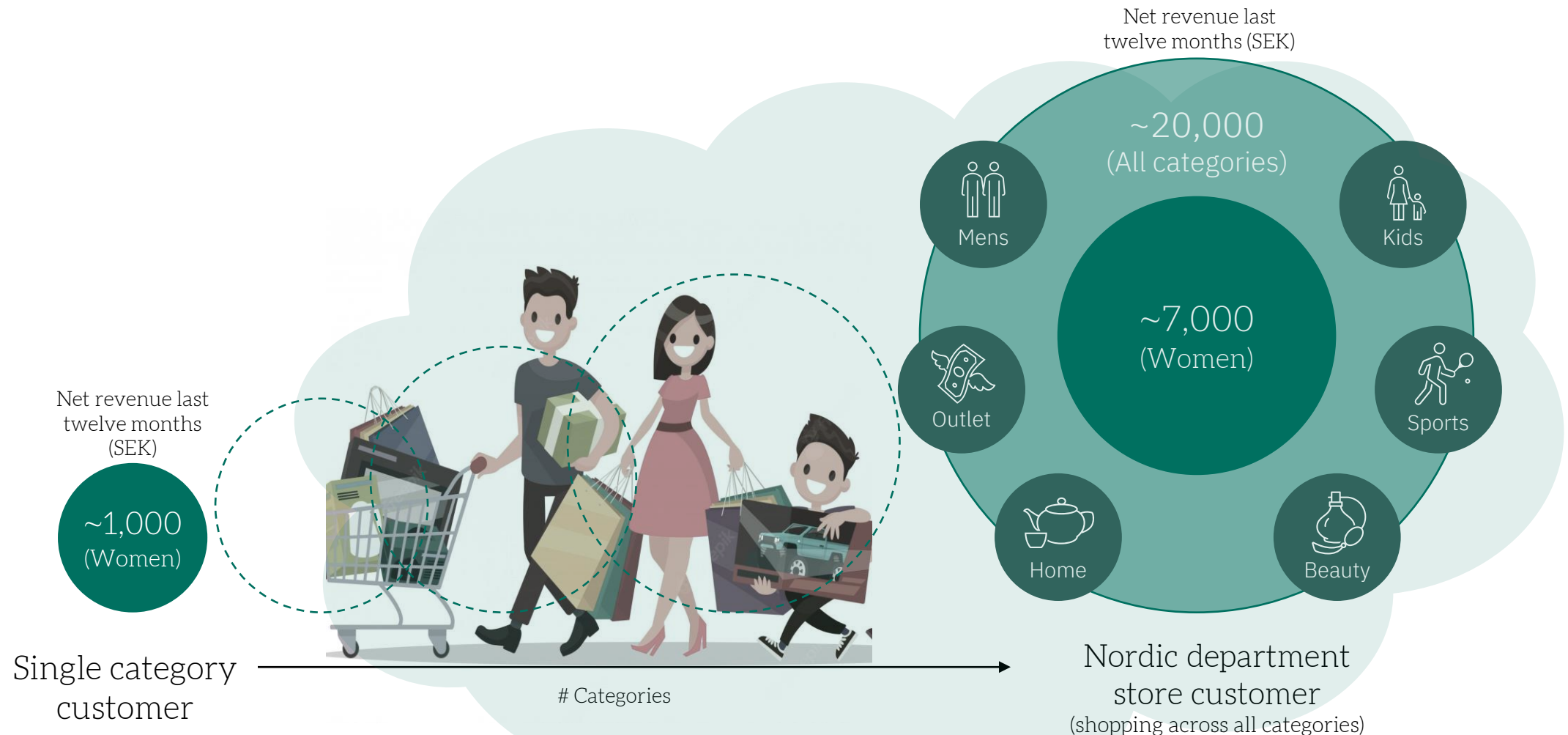
# Penetration and market share gains drive growth



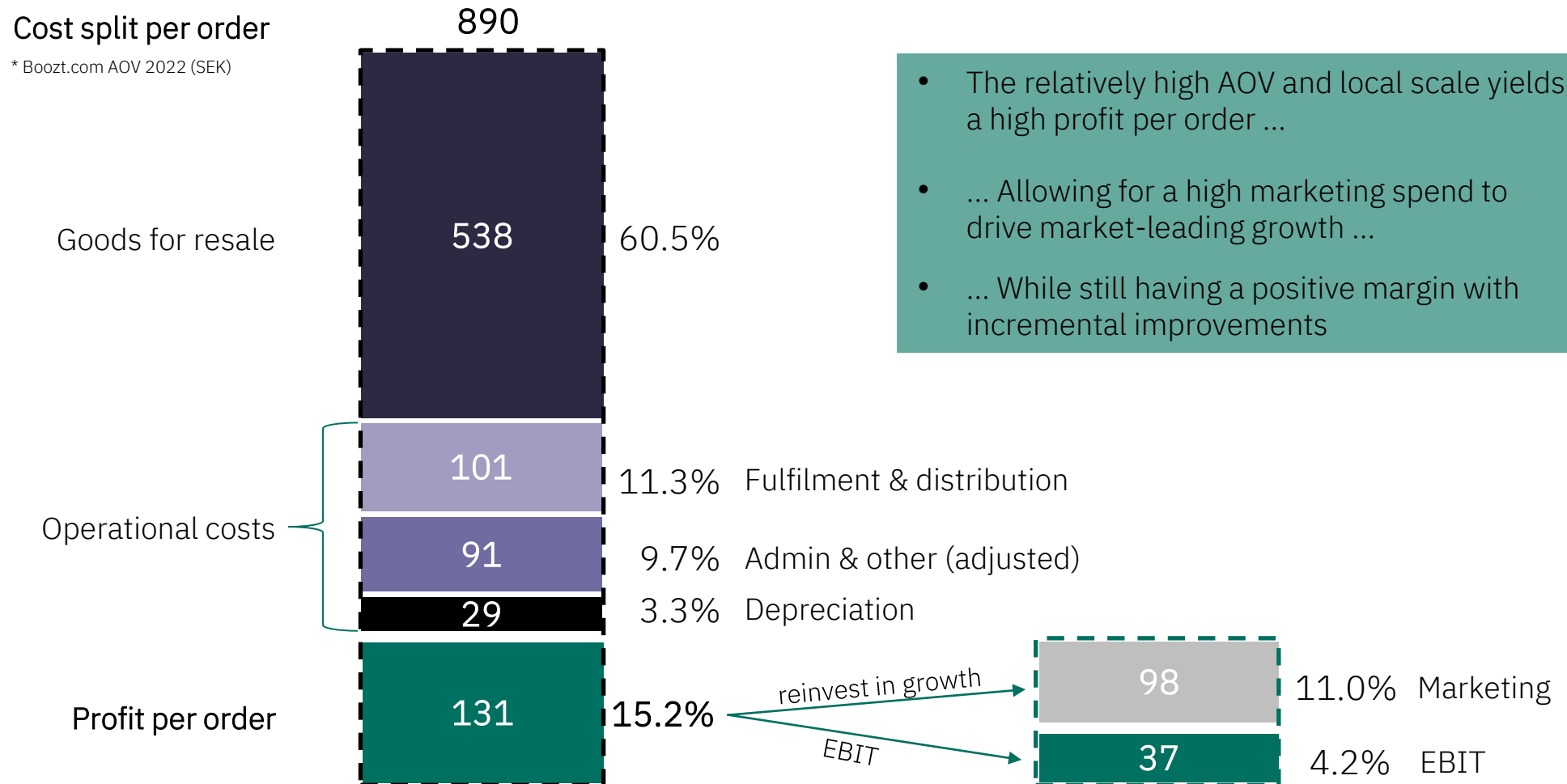
Horizontal and vertical expansion to take advantage of the full e-commerce eco-system



# The Nordic Department store gaining momentum with clear upside from upselling our loyal customer base

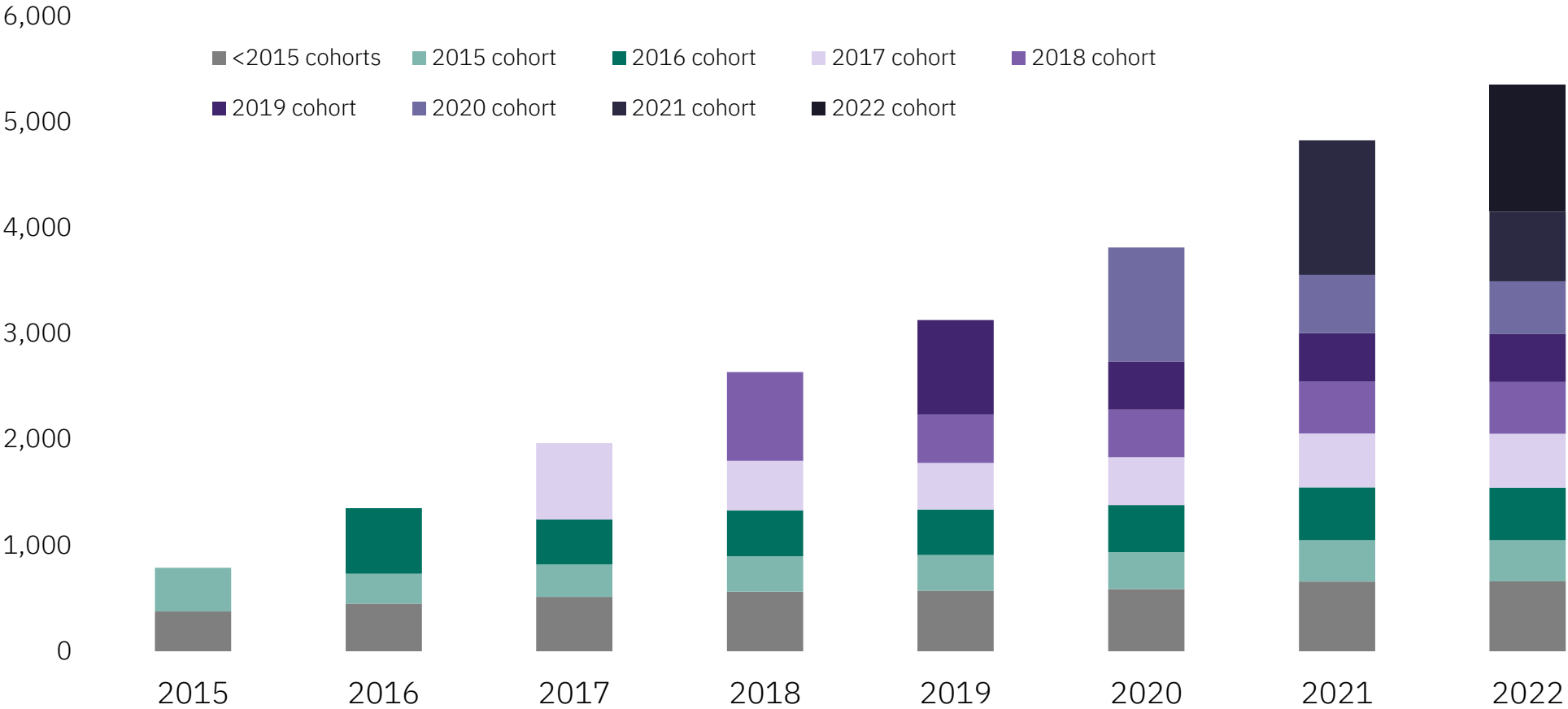


# Average order value is key to market-leading growth and industry leading profitability



# Loyal cohorts and new customers drive growth on Boozt.com

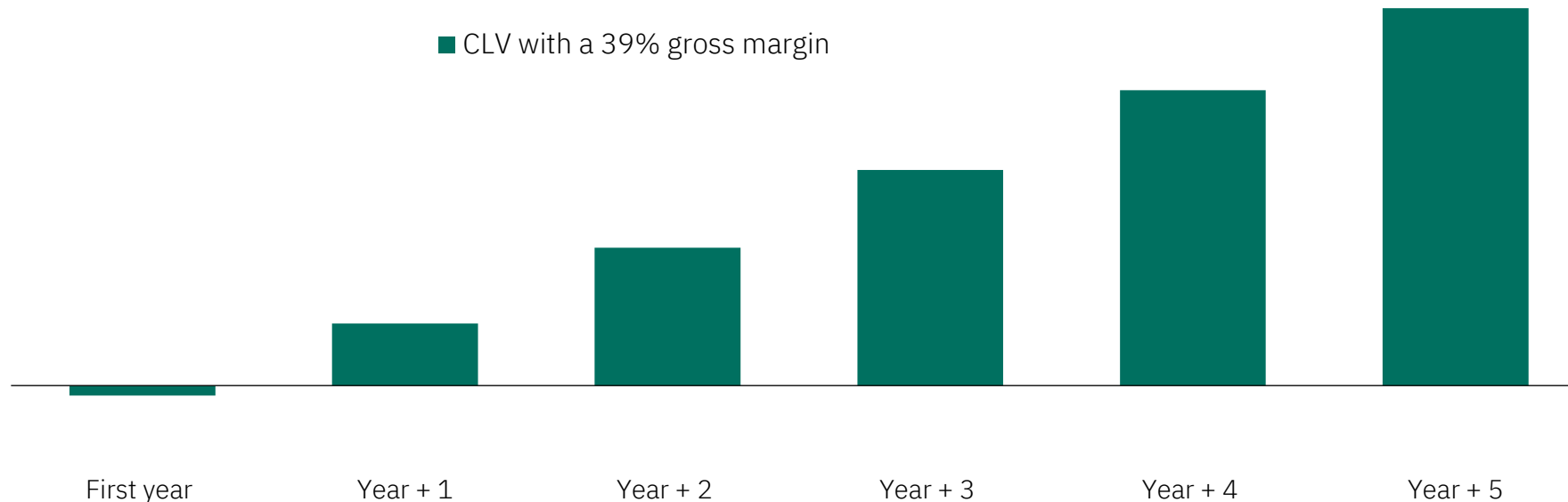
Net revenue  
Boozt.com (SEKm)



# Attractive cohort economics with increasing average order

Loyal cohort behavior and operational improvements strengthens customer lifetime value  
- Payback in ~16-18 months at current customer acquisition costs

Customer lifetime value (CLV) increasing despite lower gross margin assumption



*CLV is defined as gross profit less fulfillment & distribution and marketing costs*



# Attractive position in a market where scale is key to become long term winner

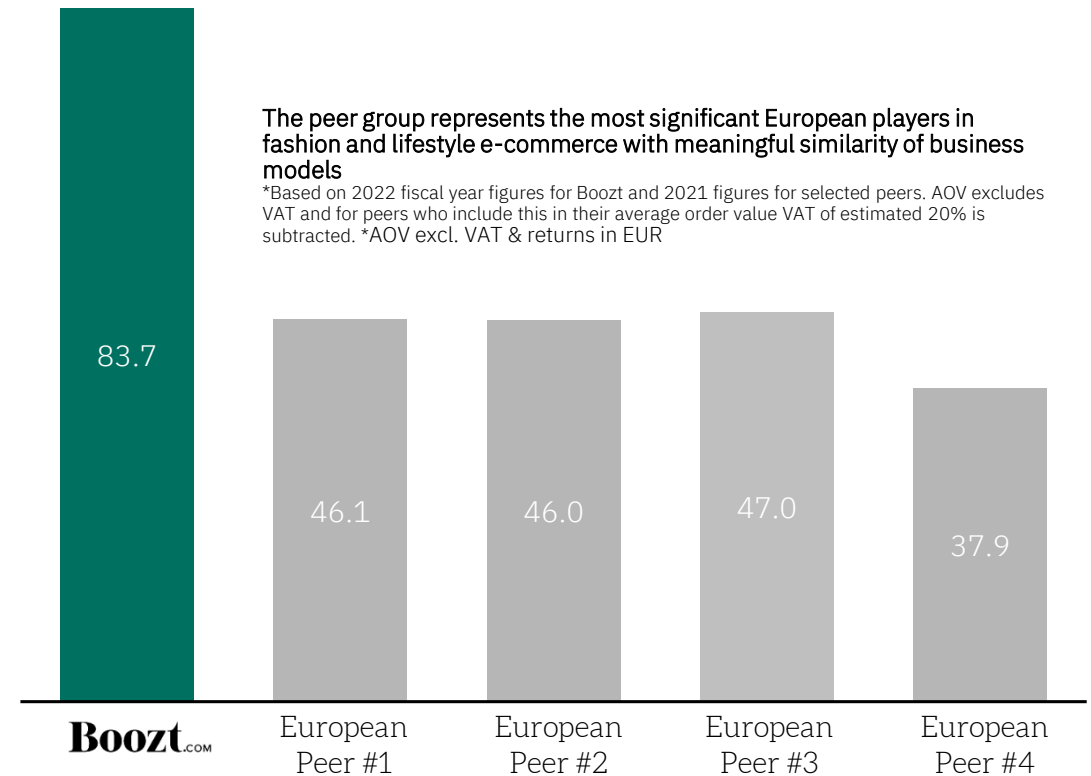
## Distinct position based on a curated Nordic selection

Illustrative Nordic market landscape

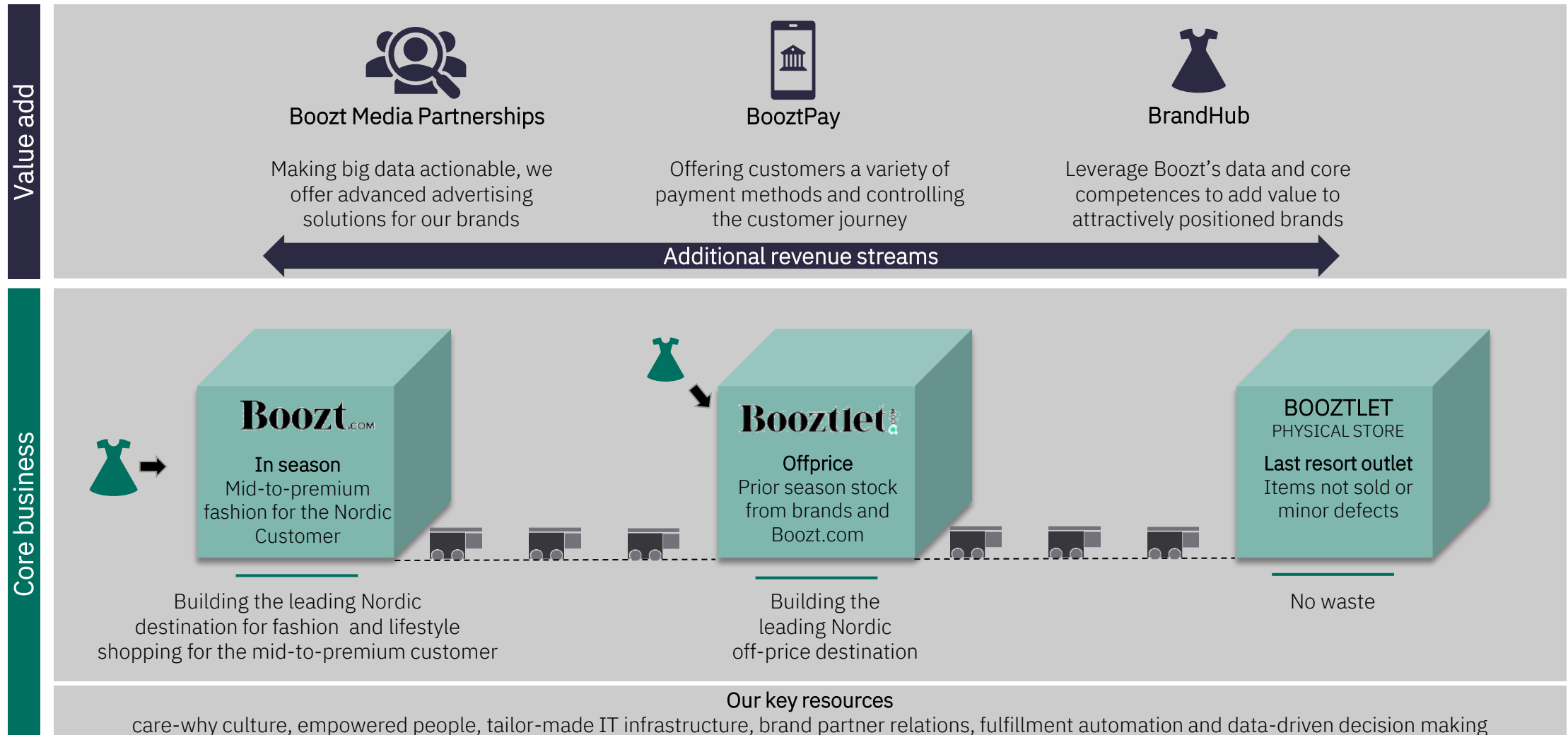


## Higher AOV leaving room for market share gains

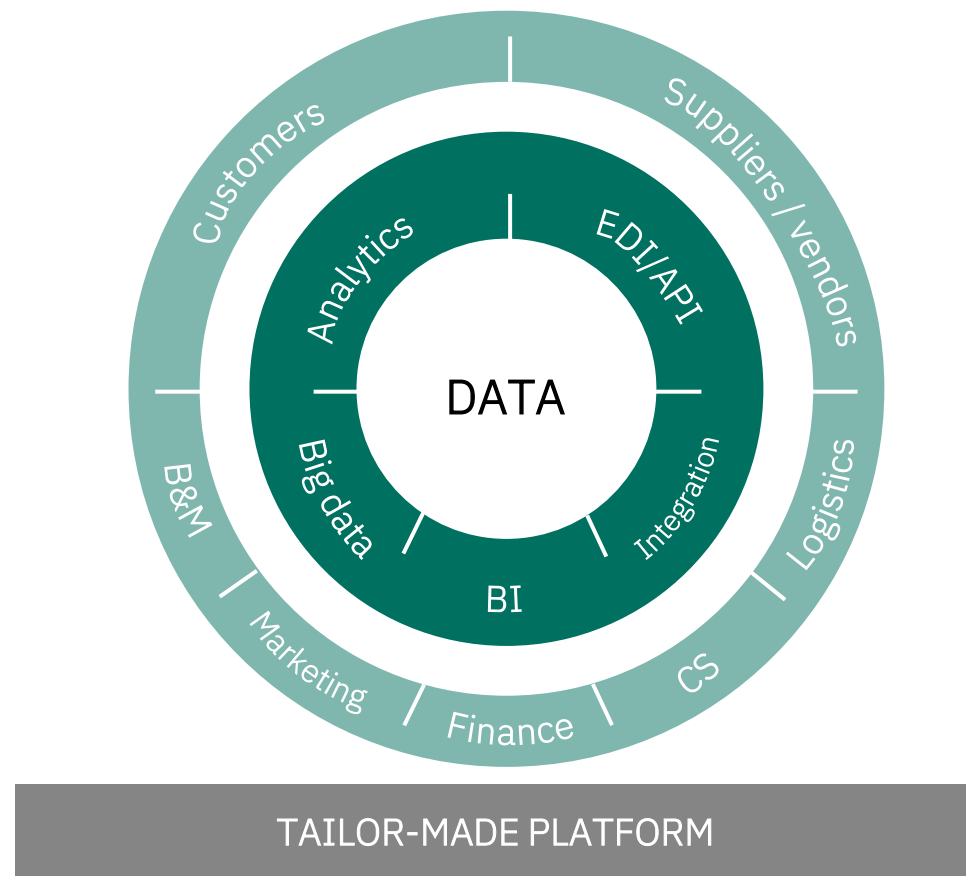
AOV excl. VAT & returns in EUR \*



# Ecosystem with full value chain coverage for Boozt and brands



# Boozt “Solar System” – a prerequisite for success and a key differentiator



Tailor-made and purpose built infrastructure enables full control over the customer experience



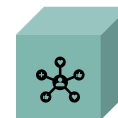
Significant in house development capabilities with +100 developers spread across five tech hubs



Scalable and cost efficient e-commerce platform using cutting-edge web technologies and infrastructure components



Boozt Innovation Lab was created in 2019, with a focus on strengthening our competences within the app and mobile web development



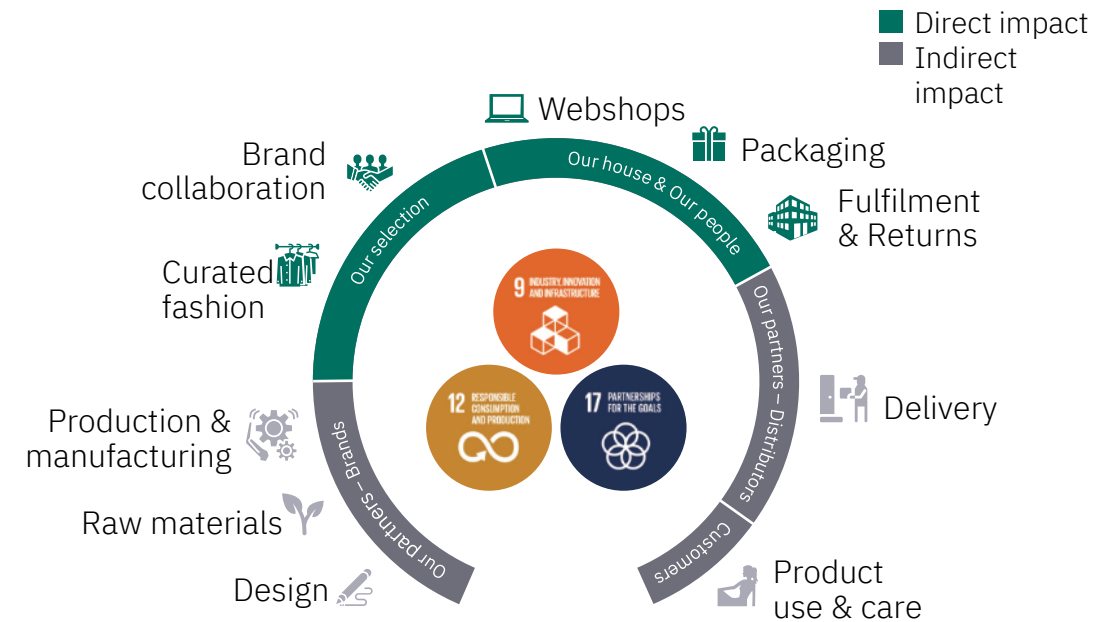
Own development; web shop, content and product management, warehouse management, customer service, financial services, apps etc.

# Taking responsibility as an industry leader

## Committed to making sustainable choices easy



## Responsibility integrated into our value chain



Boozt at forefront of responsible practices to ensure that we meet the needs of our customers and the industry

# Becoming the leading responsible e-commerce company in the Nordics

## Actionable sustainability goals for the next five years

### Our house

**2023** Become B Corp certified.

**2025** Be climate-neutral across our operations, including the impact of delivery and returns.

### Our partners

**2022** Offer tailored support and data to brand partners on their sustainability journey using the Boozt Media Partnership solution.

**2023** Ensure 100% of our apparel brand partners are committed to supply chain transparency and to working with the Higg BRM tool.

### Our people

**2021** Continuously improve employee engagement through feedback and dialogue to reach top tier employee engagement benchmarked against our sector

### Our selection

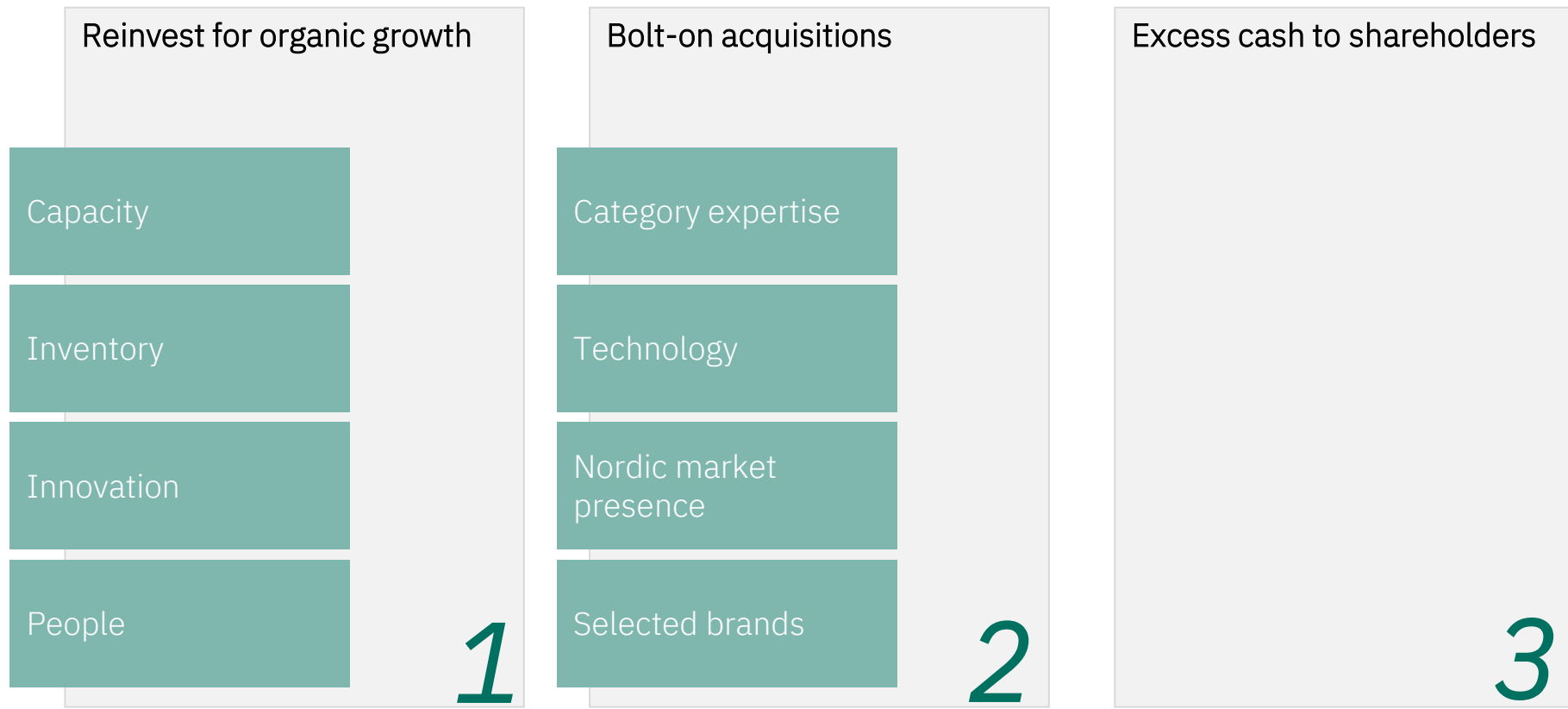
**2022** Reach a 25% share of sustainable apparel products across our overall product assortment.

## The B Corp movement

- A global community of companies across industries focused on using their business as a force for good
  - Balancing profit and purpose.
- Scale our positive impact through the Boozt business model.
- Starting with a self-assessment to measure our current score.



# Capital allocation priorities – continued discipline



## Disclaimer

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The Company's financial targets set forth above constitute forward-looking information that is subject to considerable uncertainty. The financial targets are based upon a number of assumptions relating to, among others, the development of the Company's industry, business, results of operations and financial condition. Company's business, results of operations and financial condition, and the development of the industry and the macroeconomic environment in which the Company operates, may differ materially from, and be more negative than, those assumed by the Company's when preparing the financial targets set out above. As a result, the Company's ability to reach these financial targets is subject to uncertainties and contingencies, some of which are beyond its control, and no assurance can be given that the Company will be able to reach these targets or that the Company's financial condition or results of operations will not be materially different from these financial targets.