



Press Release

MALMÖ, SWEDEN, JUNE 9, 2022

Boozt updates targets for 2022 to ensure profitable growth in a challenging market

The outlook for 2022 is adjusted to reflect a deceleration in consumer spending driven by weakening consumer sentiment, continued supply chain disruptions and rising inflation which we expect to have a dampening effect on discretionary spending for the remainder of this year.

Net revenue growth for the second quarter 2022 is expected in the range of 5-8%, with an adjusted EBIT between SEK 70-80 million.

Consequently, Boozt now expects full year 2022 net revenue growth in the range 10-15% (previously 20-25%) and adjusted EBIT between SEK 235-285 million (previously SEK 365-420 million) corresponding to an adjusted EBIT margin between 3.5-4.5%.

CEO Hermann Haraldsson says: "The first half of 2022 is coming to an end and has proven to be more challenging than what we believed when we set our targets for the year. We have taken the consequence and made the decision to act fast to enable us to continue to significantly outgrow the Nordic online market while delivering best-in-industry profitability. I am confident that we will turn the current market situation into our advantage and emerge as an even stronger Boozt."

Trading has been increasingly volatile during the second quarter in 2022 with higher than usual promotional activity in the market along with fewer eyeballs. Consequently, the customer acquisition cost has increased for the marginal customer limiting profitable growth opportunities. Our business continues to be managed based on the core principle of a profitable and sustainable customer acquisition cost (CAC) and customer-lifetime-value (CLV) with a payback between 16-18 months.

The fundamentals of our business remain strong and have continued to develop positively in the first half of 2022. The average order value is at a record high, returns rates are stable, customer satisfaction is best-in-class and our Nordic Department Store provides a unique curated selection across categories.

We will continue to focus our investments to expand our position as the leading Nordic Department Store and at the same time use the opportunity to ensure that our organisation and cost base reflects the current environment and growth opportunities.

The balance sheet is solid with a healthy cash position, currently around SEK 850 million. In addition, we have access to our revolving credit facility with Danske Bank of SEK 200 million. Including an overdraft facility of SEK 85 million, we have in total approximately SEK 1,135 million of cash available. We expect this to be sufficient cash to secure the business in a possible prolonged downturn and with ample room to seize opportunities that may arise.

As per our financial calendar, our interim financial report for Q2 2022 is scheduled for release on 12 August 2022.

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