Boozt

Capital Markets Day 28 March 2023

Agenda

Time (CET)	Topics and speakers	
09.00-09.30	Delivering our strategy	Co-Founder & CEO Hermann Haraldsson
09.30-10.00	The Nordic Department Store: Commercial	Co-Founder & CCO, Peter G. Jørgensen
10.00-10.15	The Nordic Department Store: Buying and Merchandising	CPO, Mads Bruun Famme
10.15-10.30	Q&A session with Commercial and Buying & Merchandising	
10.30-10.45	Break	
10.45-11.05	The Nordic Department Store: Platform	Co-Founder & CTO, Jesper Brøndum
11.05-11.25	The Nordic Department Store: Supply Chain	CSCO, Sven Thiessen
11.25-11.40	Q&A session with Platform and Supply Chain	
11.40-12.20	Lunch Break	
12.20-13.00	Financial update and Sustainability in focus	CFO, Sandra Gadd
13.00-13.20	Q&A session with CEO and CFO	
13.20-13.30	Key take-aways	Co-Founder & CEO Hermann Haraldsson
13.30-17.00	Operational site visit to the Boozt Fulfilment Center	
13.40-14.40	Transport from Malmö to Ängelholm	
14.45-15.45	Guided tour with CSCO, Sven Thiessen	
16.00-17.00	Transport from Ängelholm to Malmö	



Introduction

Today's presenters



CO-FOUNDER & GROUP CTO
Jesper Brøndum



CO-FOUNDER & GROUP CCO
Peter G. Jørgensen



GROUP CPO Mads Brunn Famme



GROUP CFO Sandra Gadd

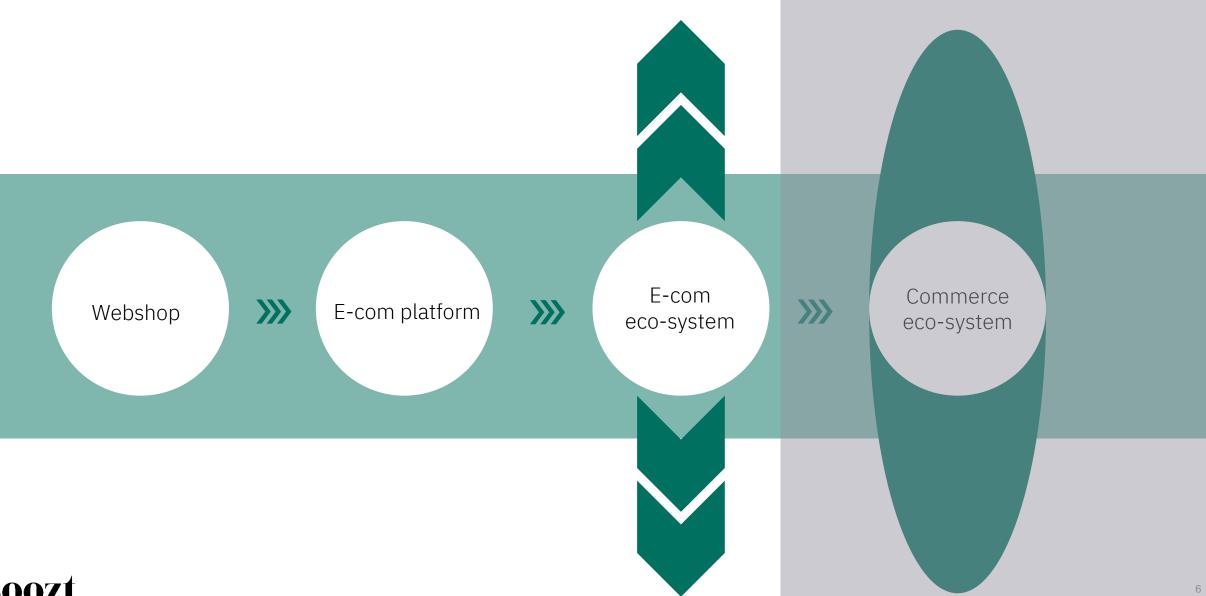


GROUP CSCO Sven Thiessen

A recap of our strategy

Co-Founder & CEO, Hermann Haraldsson

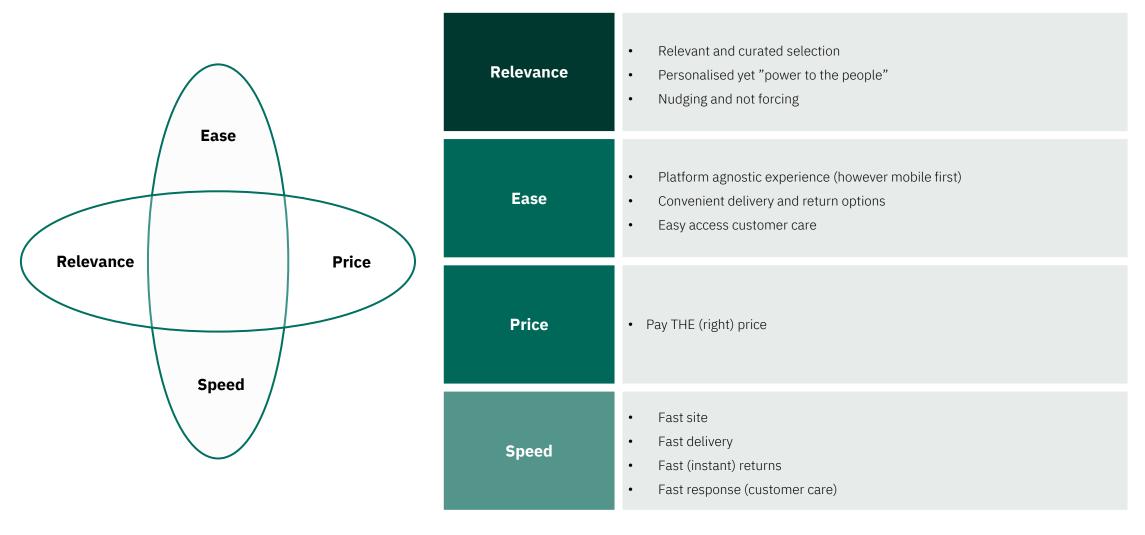
Where are we heading?



Boozt

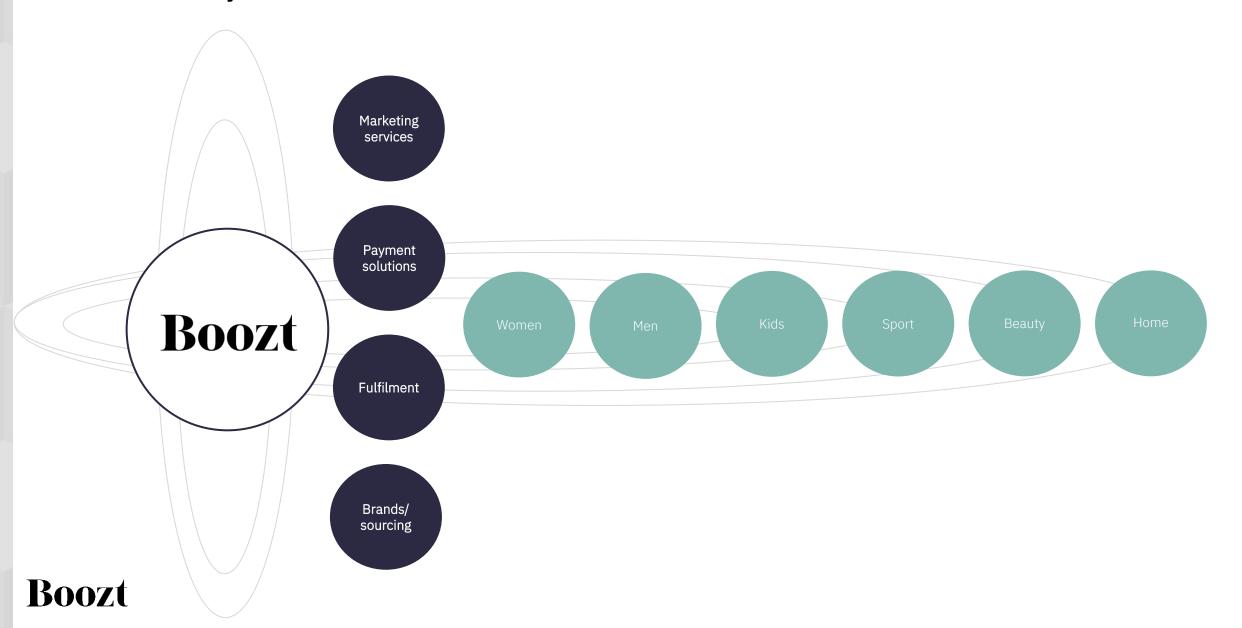
Inspired by Benedict Evans

Forces driving customer expectations





The eco-system in a Boozt context



Things we needed to succeed with

1 Be relevant and important

- Relevant for the customers
- Important to the brands

2 Secure a strong position in the value chain

- Owning the customer relation
- Be the dominant player in the value chain
- Be in control of the vertical value chain
- Taking the biggest part of the value chain

3

Ensure financing

- Be profitable
- Generate free cash flow
- Be cash rich
- Be bankable

Key wins

- ✓ Relevant and curated selection
- ✓ Platform agnostic experience
- ✓ Convenient delivery and return options
- ✓ E-com eco-system
- ✓ Relevant for the customers
- ✓ Important to the brands

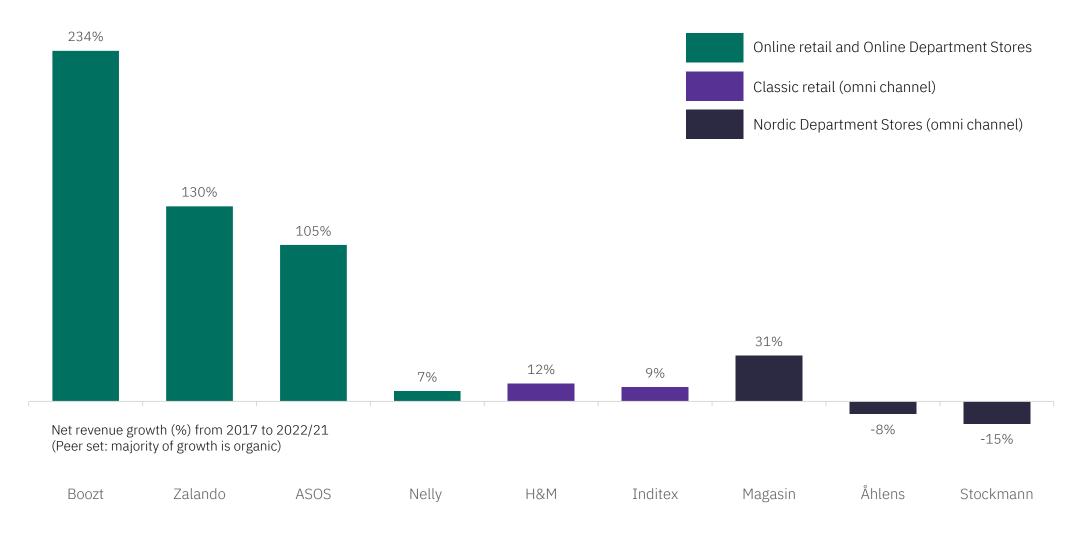
- ✓ Owning the customer relation
- ✓ Be the dominant player in the value chain
- ✓ Be in control of the vertical value chain
- ✓ Taking the biggest part of the value chain
- ✓ Profitable, bankable and cash rich
- ✓ Generate free cash flow

The largest **online department store** in the Nordics supported by strong **category specialists** controlling the relevant parts of the **e-com eco system**

"The Boozt Group"



Delivering sustainable growth at a high pace (2017-2022)





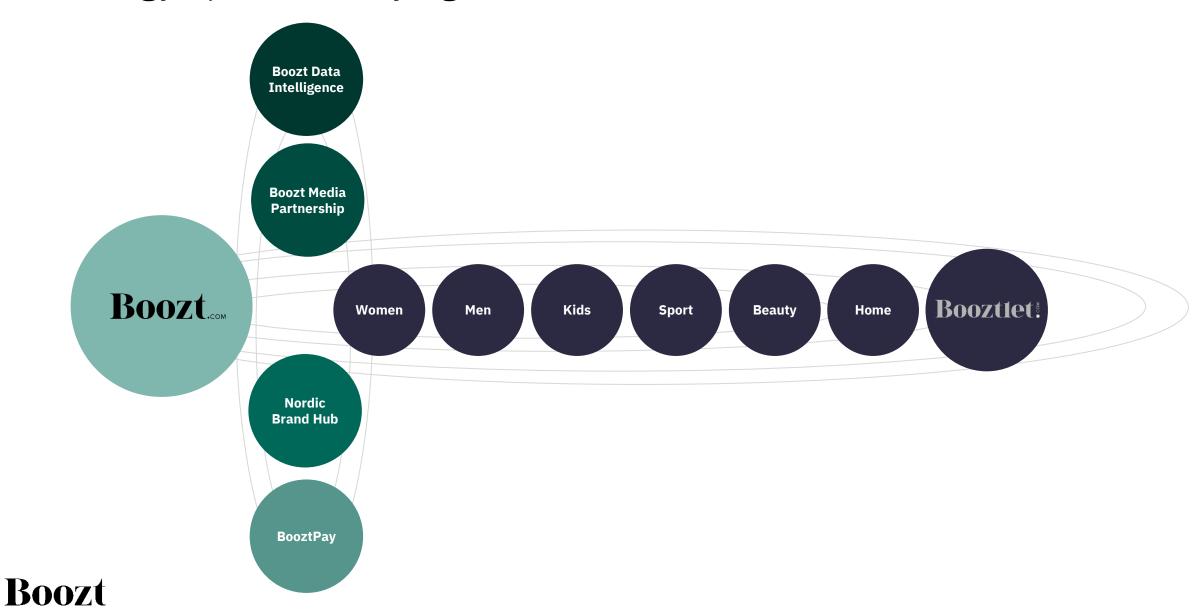
Delivering our strategy

Co-Founder & CEO, Hermann Haraldsson

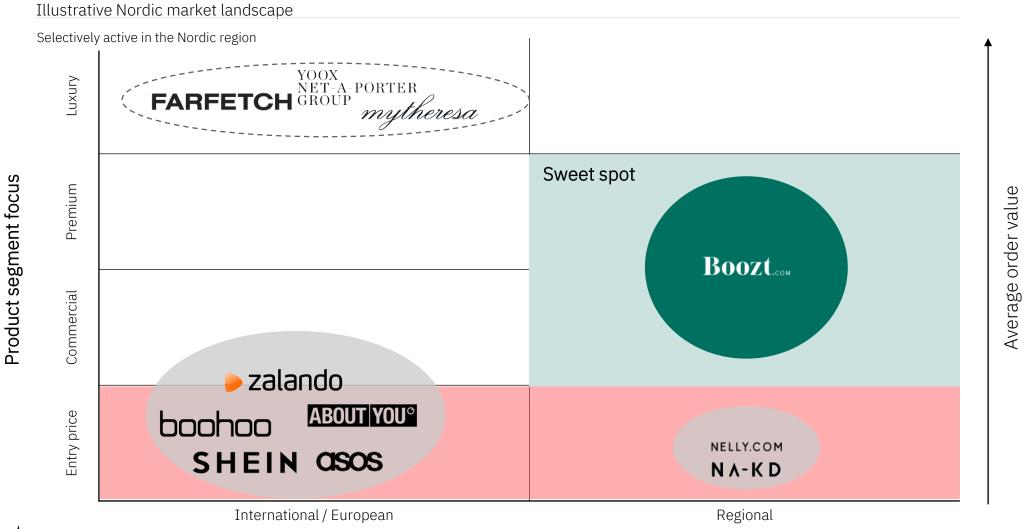


Our vision is to become the leading Nordic Department Store

Strategy update – staying the course



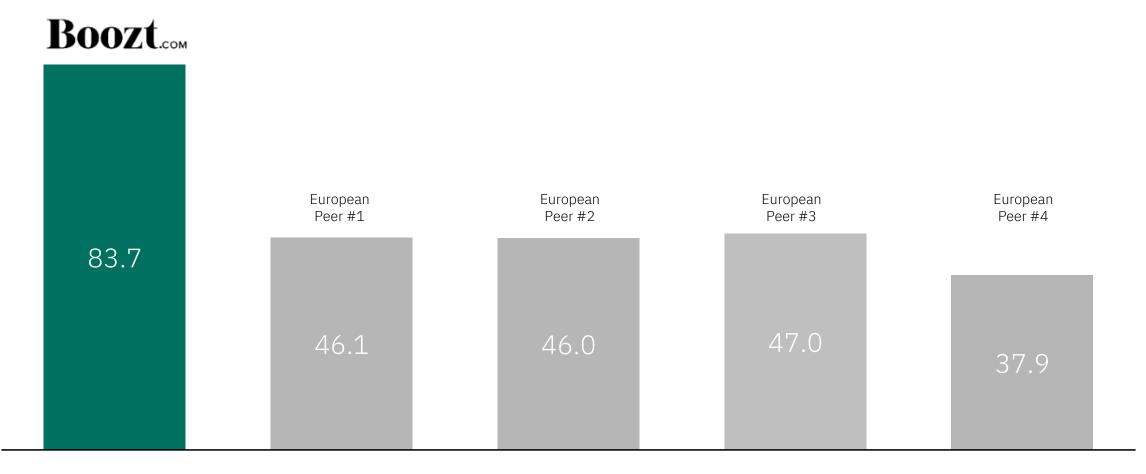
Unique positioning key to sustainable growth and leading margins



Boozt

Unique positioning key to sustainable growth and leading margins

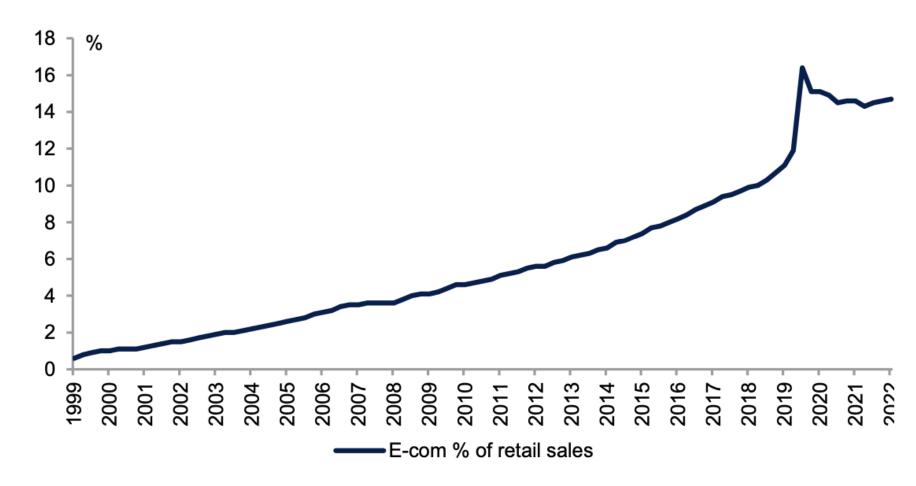
AOV excl. VAT & returns in EUR *





Penetration – the long game is still on*



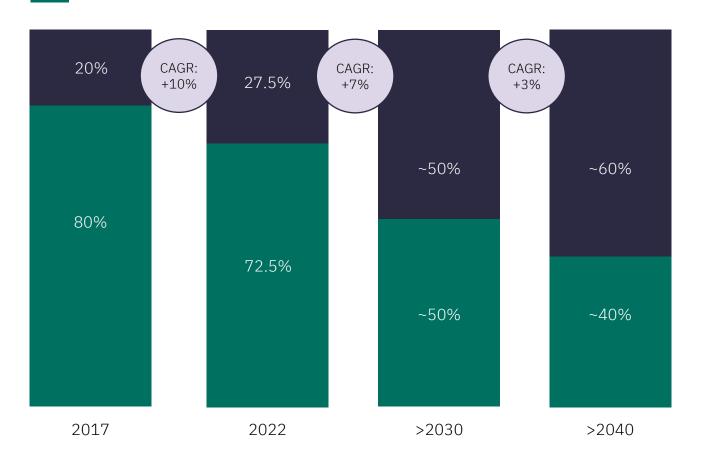




Penetration in the Nordics – the potential end game

Online penetration (Fashion and lifestyle)

Offline penetration (Fashion and lifestyle)

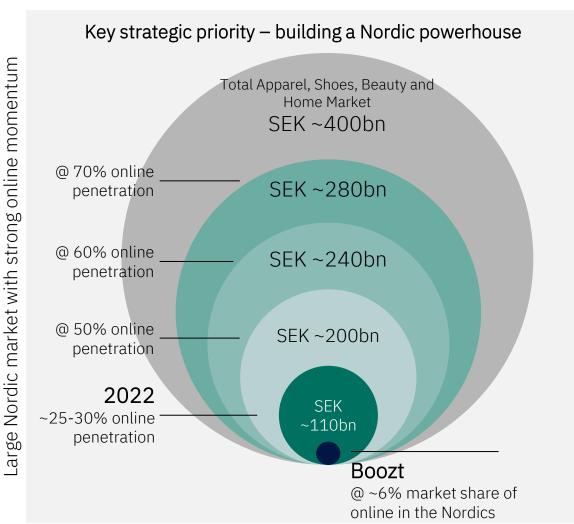


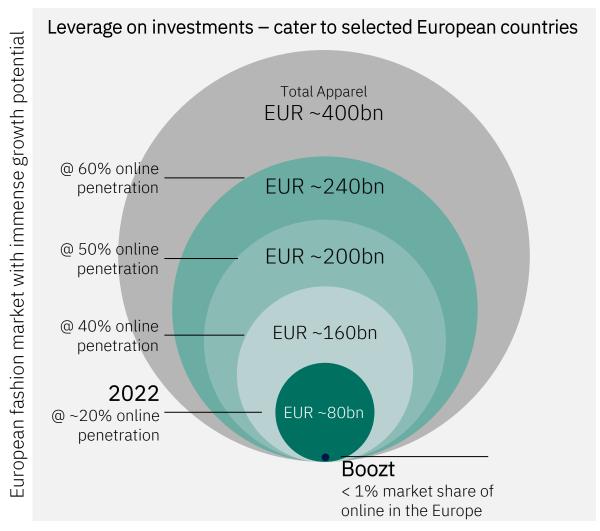
Forces driving online penetration:

- + Selection
- Convenience
- + Pricing
- + Cost structure



Market size – addressable market for Boozt and Booztlet







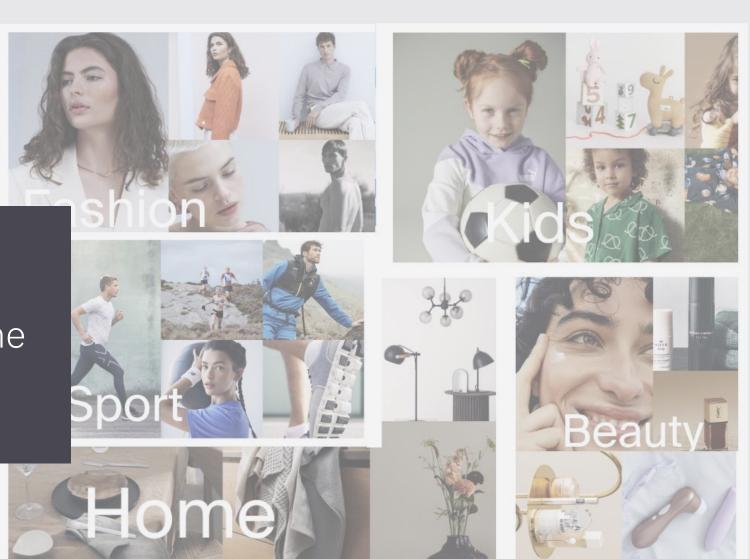
Delivering the leading Nordic Department Store

Commercial

Co-Founder & CCO, Peter G. Jørgensen

Boozt.com THE NORDIC DEPARTMENT STORE

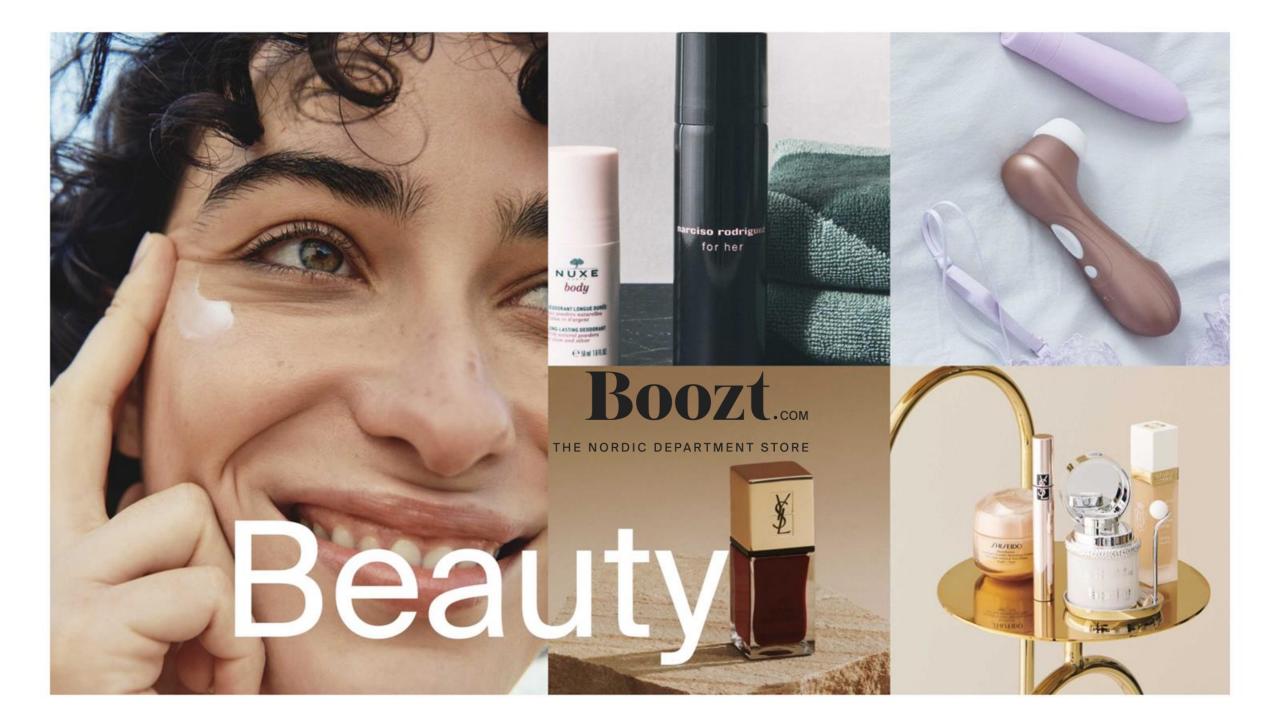
Our vision is clear
Our strategy remains the
same

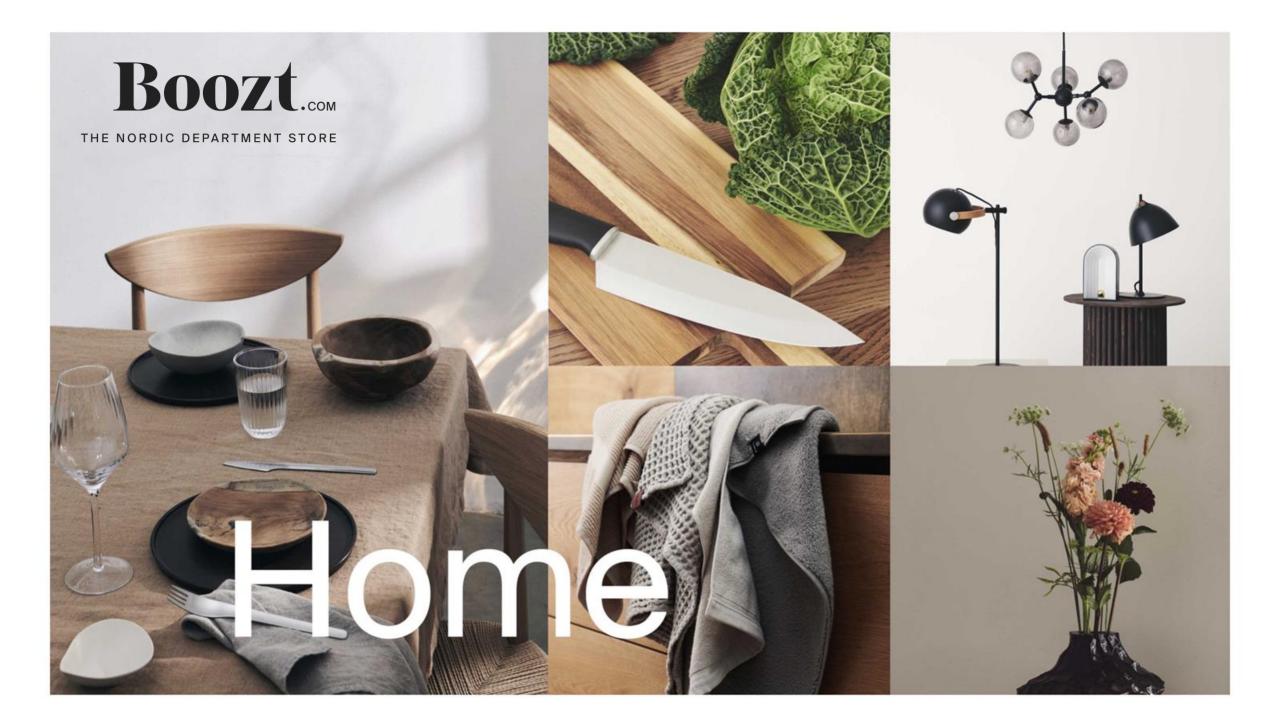












Booztlet

NORDIC OUTLET

Let's outlet!

30% extra off everything. Yes, everything!

SMASH SN 309



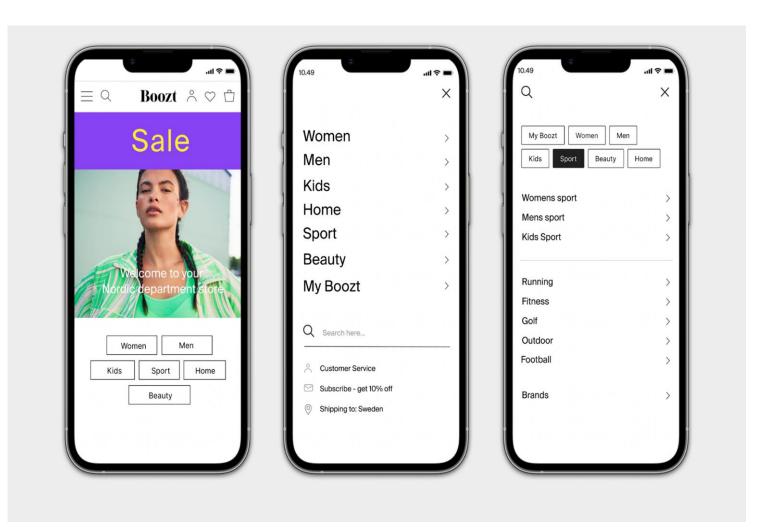


NORDIC FIGUILE NORDIC TOUTLE



...building the household brand

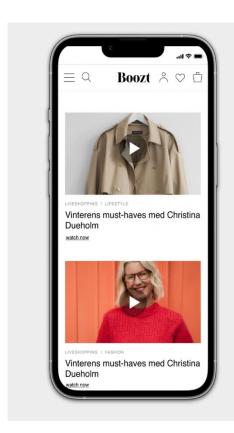
Easy to shop
Easy to navigate

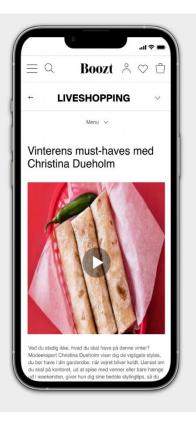


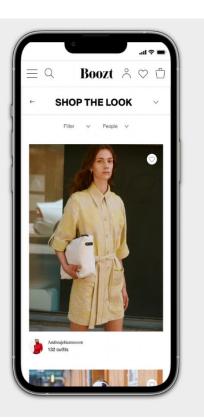


...building the household brand

Easy to get inspired
By Boozt & BMP partners





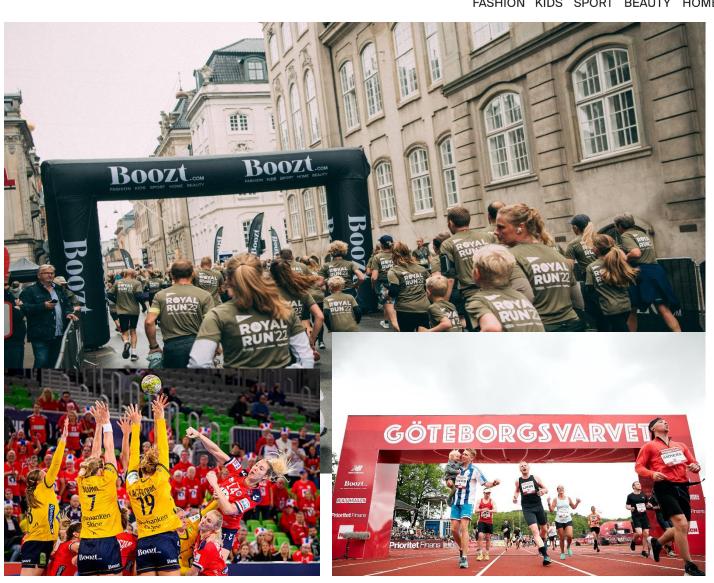




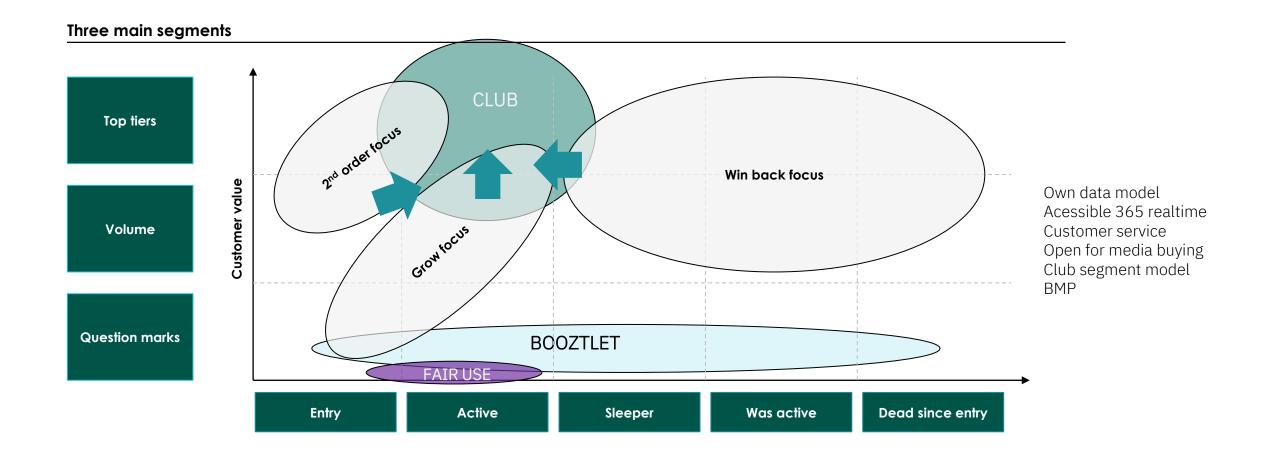
FASHION KIDS SPORT BEAUTY HOME

...building the household brand

Being local Being relevant

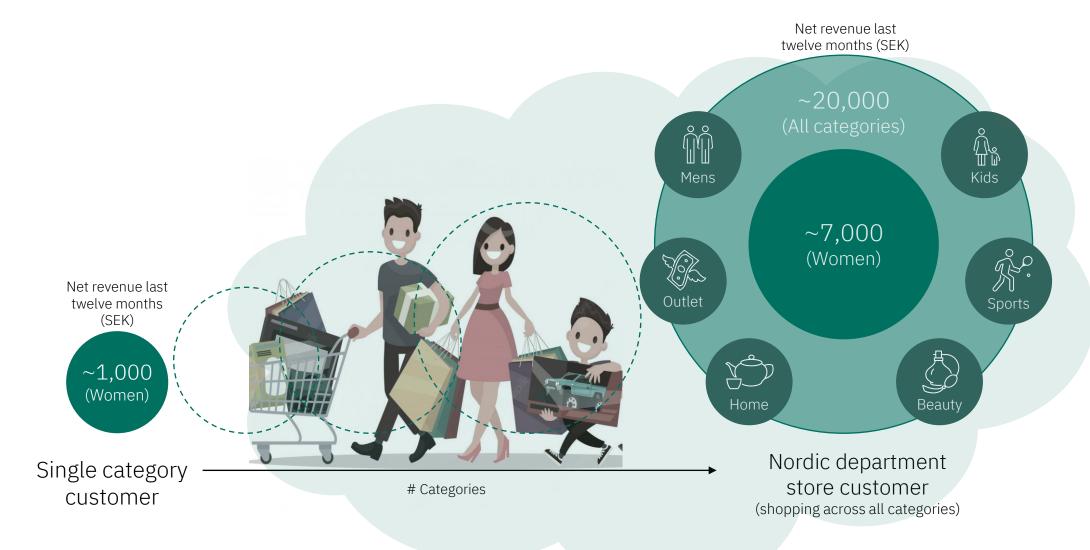


Customer segments – real time segmentation model



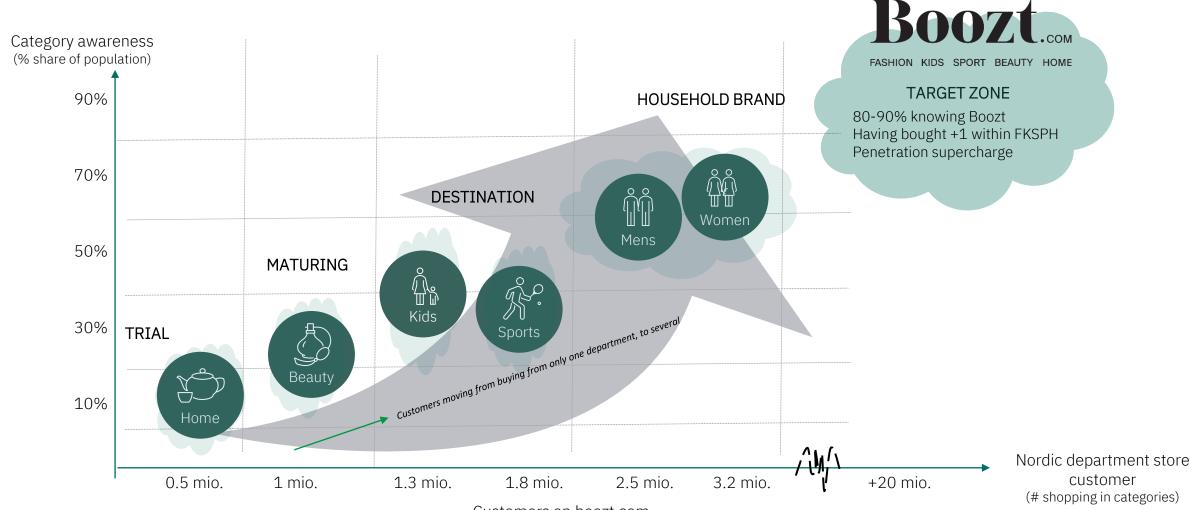


Moving customers through the Nordic Department Store





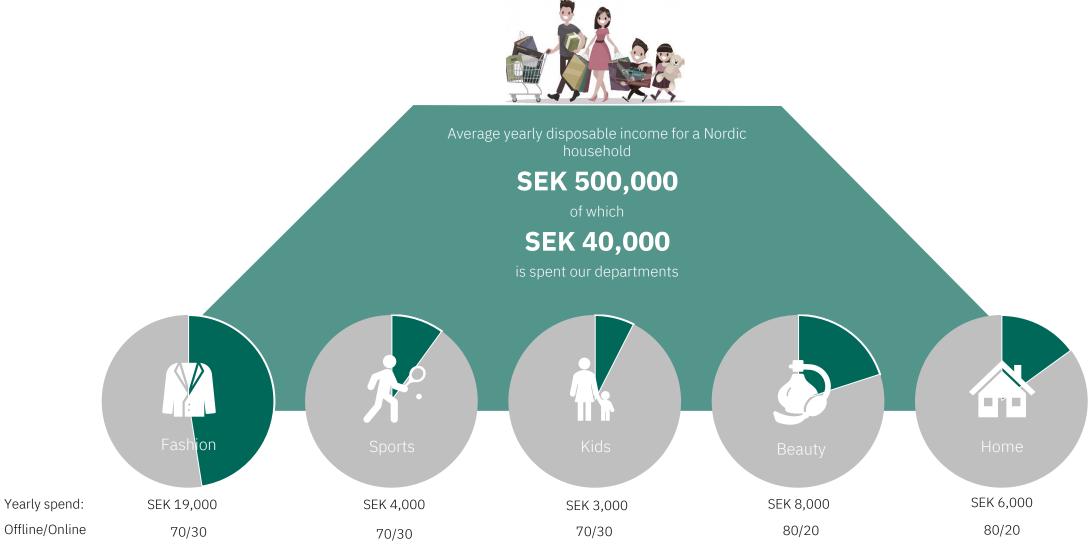
Building 'awareness, category trials and multi buyers' for the NDS





Customers on boozt.com (+1 shopping in one or more of the categories)

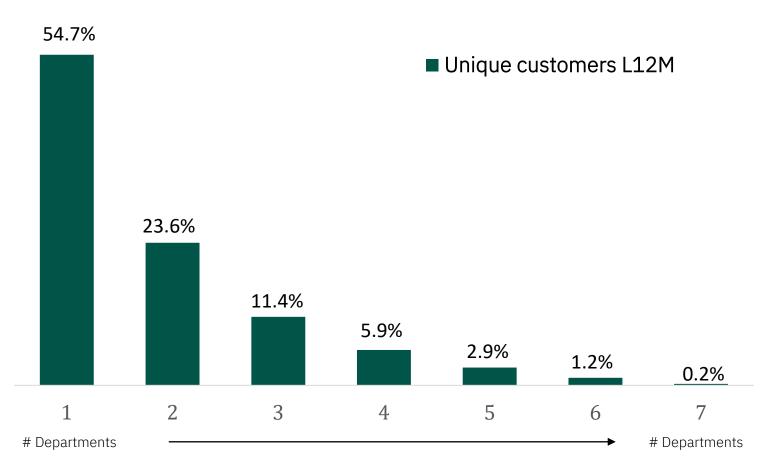
Share of wallet for the Department Store





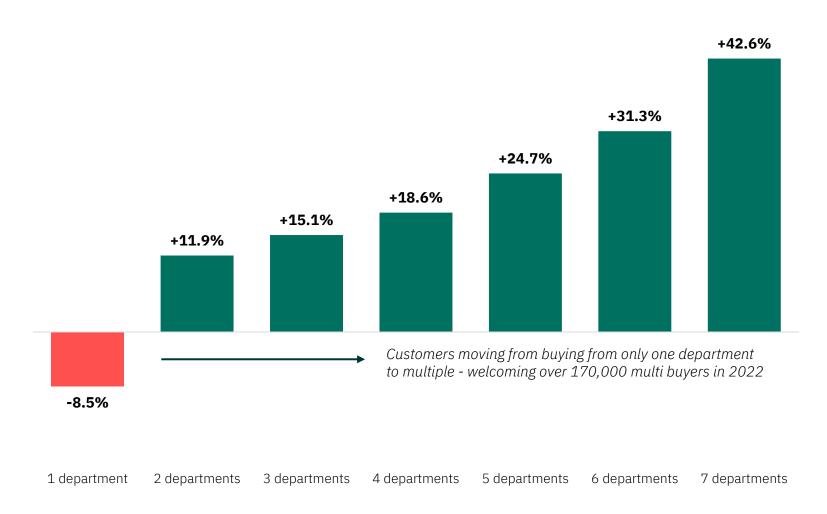
Source: Statista and company estimates

Customer base – vast potential to upsell





Strong growth in multi category buyers

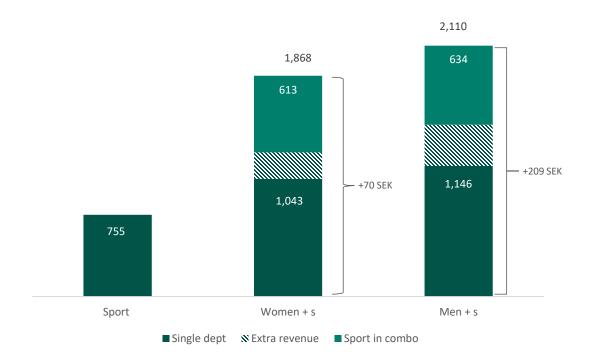




'The-power-combo'

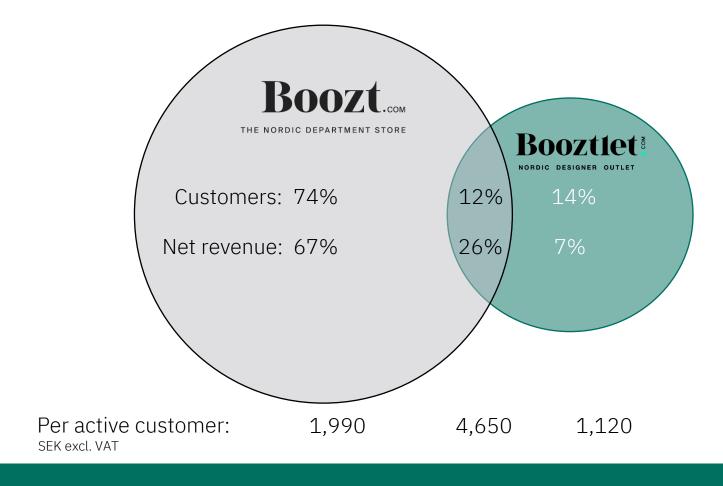
Nordic Department Store customers – multi buyers

Added department value LTM 12 month (SEK)





Value of both business – segments, stock and market development



Strong value proposition 'the Nordic Department Store' and 'Nordic Outlet'

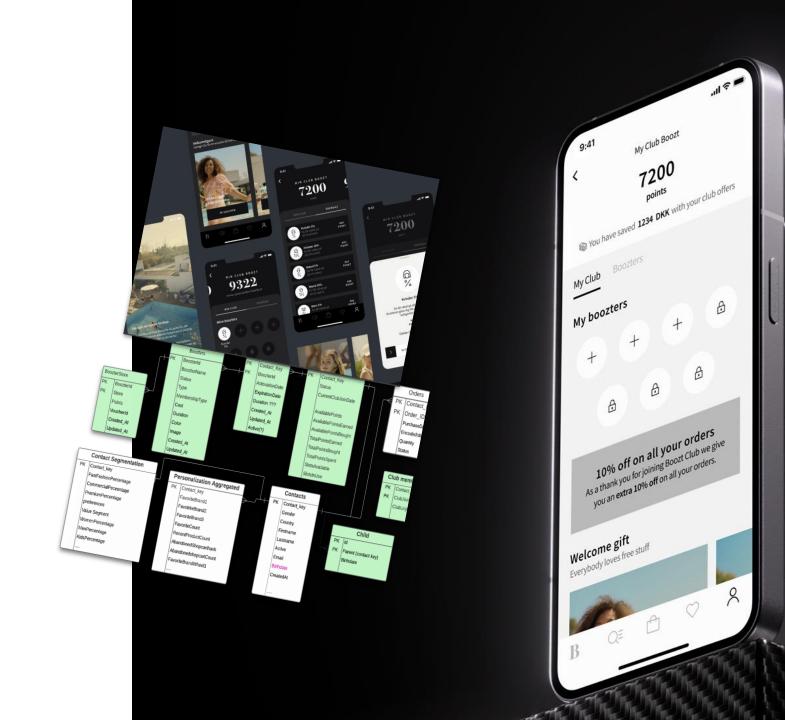






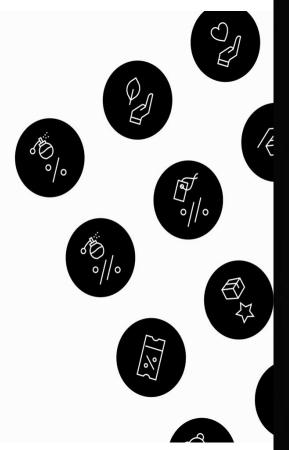
BOOZT CLUB

Born with benefits
Multi-cat-buyers gets more
Loyalty gets xtra treats
Wallet with extra service



BOOZT CLUB

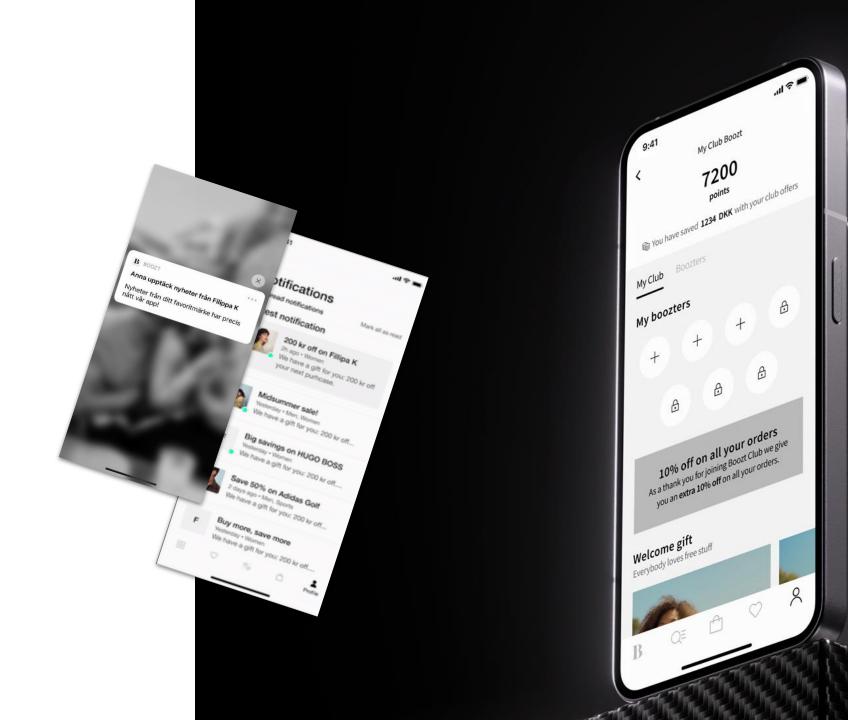
It all adds up Red carpet service Relevant discounts





BOOZT CLUB

Inbox in app From notification to inbox Segmented and stored

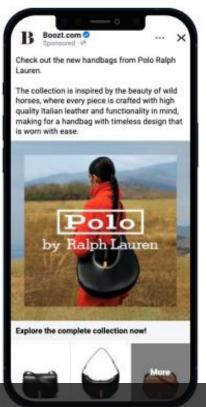


Boozt Media Partnership – activities with partner brands

Boozt MEDIA PARTNERSHIP

- ✓ Buildig brand awareness
- ✓ Keeping loyals active
- ✓ Driving sales to NEW segments

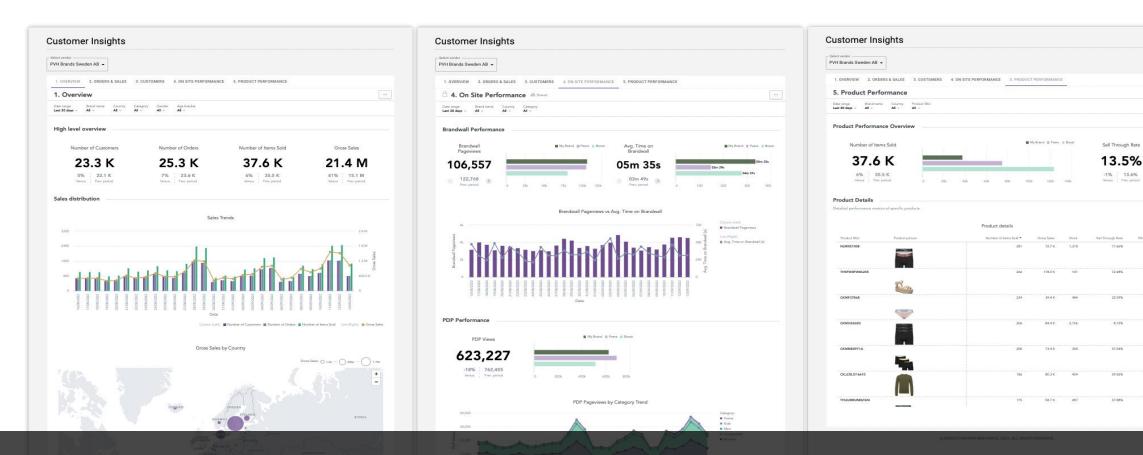






650 brands active # 6.500 campaigns in 2022

Boozt Data Intelligence – data and insights real time for all brands



200 brands signed in 2023 # 500 target 2023/24



Boozt.com



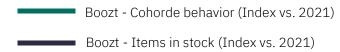
KEY FOCUS

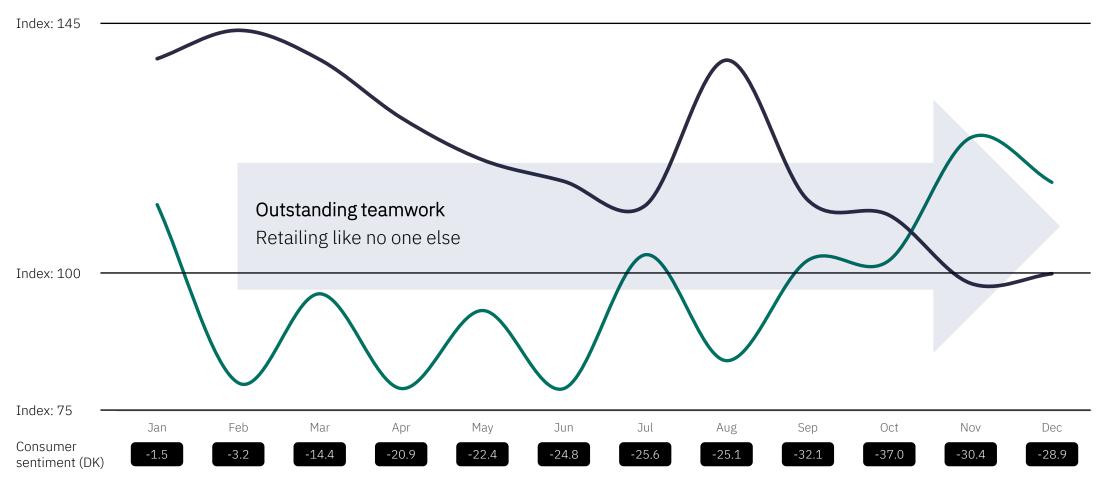
Continue to build the best NDS Move single- to multi buyers Vertical revenue streames

Buying & Merchandising

CPO, Mads Bruun Famme

Buying and Merchandising







Become the best within each category

Equal or better than the best pure player in the Nordic market





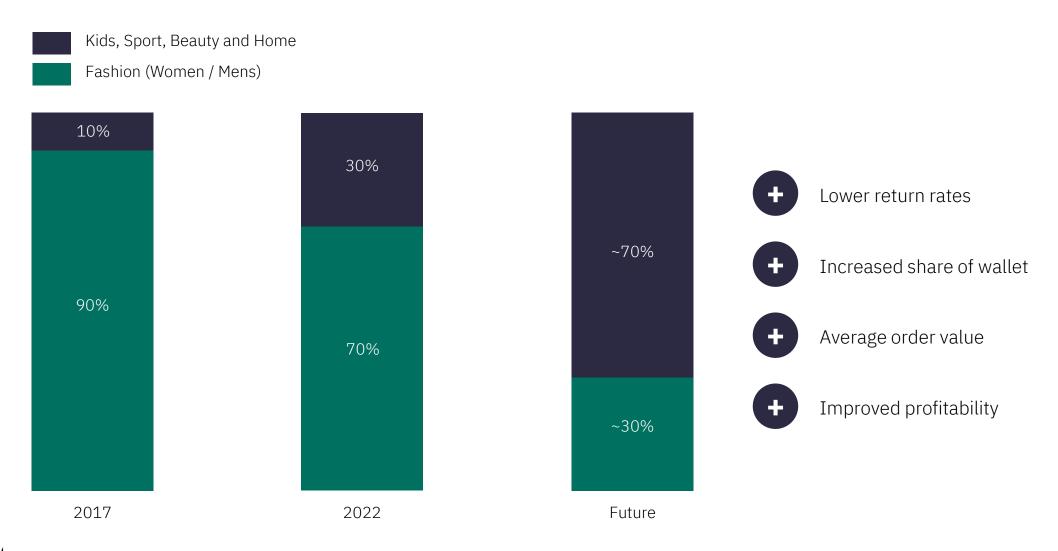
The preferred destination for Fashion, Kids, Sport, Beauty and Home

	Women	Mens	Kids	Sports	Beauty	Home
Portfolio	0	0	0	0	0	0
Functionality	0	0	0	0	0	0
Credibility	0	0	0	0	0	0

#1 Department Store in the Nordics in terms of portfolio, functionality and credibility.
On a journey to become equal or better than the best pure player in the Nordic market...



The preferred destination for Fashion, Kids, Sport, Beauty and Home





Buying and Merchandising – short to mid-term focus



Stock management



Regain and retain



Meeting the customer mindset in a difficult environment



Odd Size



Premium/Designers



SC 3.0: moving workload and responsibility from Boozt to Brands



Affordable Fashion



Continue building destinations for Beauty, Home, Kids and Sport





Q&A Commercial & Buying and Merchandising



Platform

Co-Founder & CTO, Jesper Brøndum

Platform – organisation

190

Employees

30

Teams

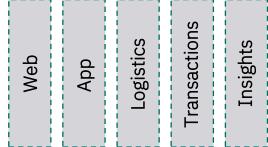
Branches

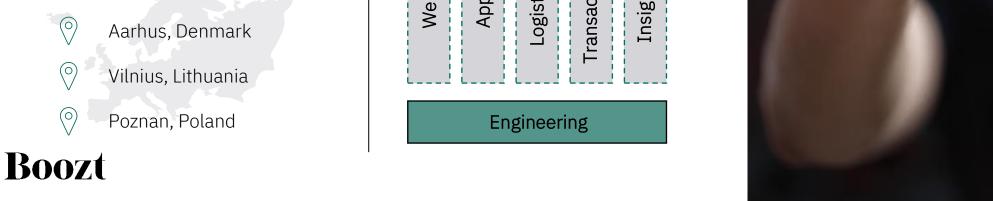






- Malmö, Sweden
- Copenhagen, Denmark







Boozt Tech Strategy



We control all CORE processes



We take ownership of performance, stability and priorities



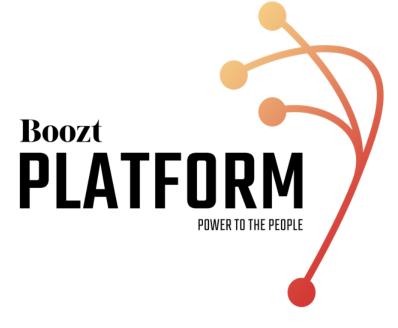
We work in small autonomous teams in close collaboration with the business



We ask "WHY", we have a "x10" mentality and try to stay one year ahead of the business



We are built on a shared technology stack using Google Cloud



We offer a web shop with fast and frictionless user experience for our customers

We build the tools for all business units to operate the business efficiently – internal and external



Platform – history

2007-2010
Boozt your
ecommerce

Outsourced

- Customer service
- Platform
- Warehouse
- Monolithic

2011-2017

Nordic E-commerce Shop

Taking ownership

- No outsourcing
- No consultants
- Own warehouse
- Power to the people
- Boozt.com
- Big mono brand business
- Cloud journey

2017-2020

Nordic technology company selling fashion

Service Foundation

- Mobile/App first
- Warehouse automation
- BigQuery warehouse
- Decentralised and autonomous team growth
- Engineering focus

2021

The Nordic

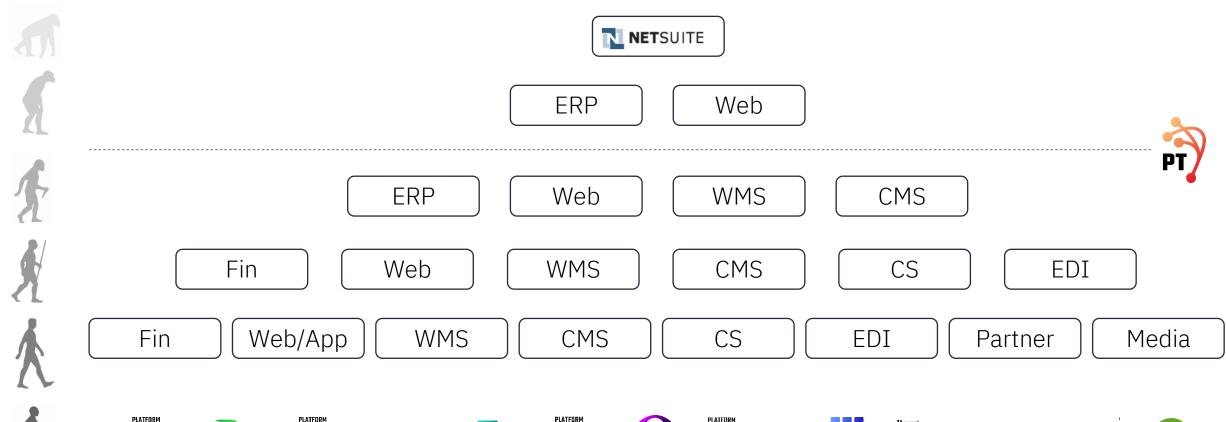
Department Store

Preferred destination

- Club concept
- Category differentiation
- Product based journey
- Revenue generating services (BMP, BDI)



We have built one of the most advanced e-commerce platforms in the Nordics















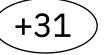














Cyber Security – modern cloud-based technologies

Key Security Services at Boozt



Cloudflare is a global network protecting web sites and ensuring stability and security



Google Cloud and **Workspace** takes care of our cloud scaling and user application security



Rackspace and **Hackerone** security experts help with consulting and bounty hunting potential breaches

- Native **Cloud** strategy incl. scaling and redundancy
- No old **single-point-of failure** heritage
- No **OnMetal** infrastructure
- IT auditing and developer best practices in place
- Refined (and own controlled) role/permission system
- "Startup" attitude
- ✓ Internal **security training** as part of onboarding

9:41 Welcome back We got a lot of fresh deals for you today Women Men Kids Campaigns Sporty nyheder Opdag

The Department Store journey

Category differentiation

Template based components to support the category differentiation on product page, landing page, etc.

Context based recommendation

General, segmented and personalized recommendation based on category, history, and sales context.

Navigation, search and filters

Relevant customer journey based on which floor of the department store you visit.

Logistics

Category dependent shipping options such as split fulfillment, prioritised pack, drop shipping, split distributors.

Brand involvement

Closer collaboration with the brands, commercial risk sharing, self service, category dependencies, proactive reporting/BDI.

Shop alignment | Device balancing

Align functionality and customer expectations across shops and devices using modular components and design system.

Inspirational Universe

Wider use of visual editing, the Edit magazine, Liveshopper, landing pages, categories, inline campaigns, brand wall and transactional emails.

Next gen. customer communication

Club Boozt, app notifications, rich text messages, Inbox concept, Wallet for vouchers, discounts and VIP refunds.



Vertical integration fuelled by our core tech competences



Boozt Media Partnership



Boozt Data Intelligence



BooztPay

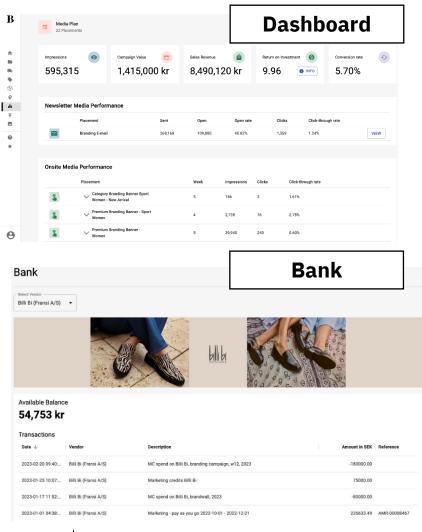


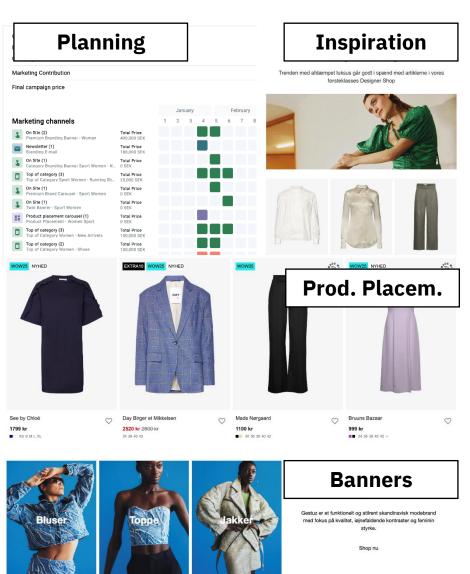
Liveshopper



Vertical integration fuelled by our core tech competences

Three million customers – billions of eyeballs

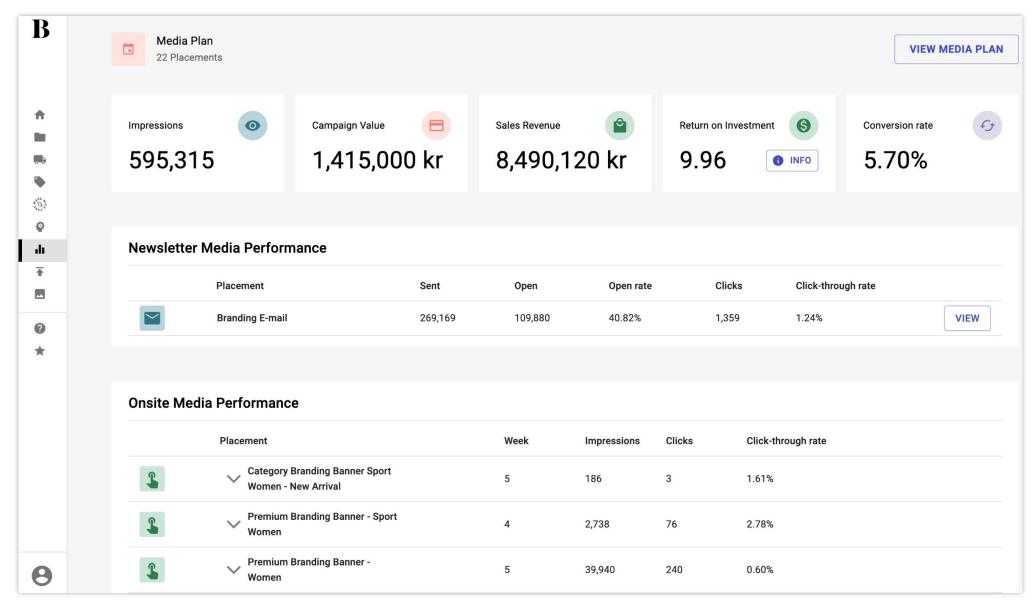








Tech spinoff case: Boozt Media Partnership





Platform – the founding principle

Control



Scalability



Supply Chain CSCO, Sven Thiessen





"Logistics is the internal service provider delivering capacity and capabilities to support The Leading Nordic Department Store"



~88,000 m² warehouse space located close to the customer in Ängelholm, Sweden



Shipping and returns handled locally for lowest environmental impact



Customized and scalable ASRS (Automated Storage and Retrieval System) with 1,200,000+ bins and 1,200+ robots



Inhouse developed WMS (Warehouse Management System)

Fulfillment and distribution benchmark

Compared to peer group for FY2022/21



■ Depreciation of PPE and right of use assets per order (SEK)



Strong and competitive logistics services compared to our largest peers...

...with further potential ahead!



Key projects for logistics productivity in the short to medium term



Packaging materials

- Develop and improve packaging types to adapt to changing requirements
- Environmental / sustainability
- Reduce cost and turnover



Leverage Data Science

- Use existing and generate new data to create a "glass" FC
- Identify opportunities to improve automation technologies, manual processes and capacity utilization



Next Level Lean Management

- Re-organise processes to avoid double touches and buffers
- Implementation of Kaizen method

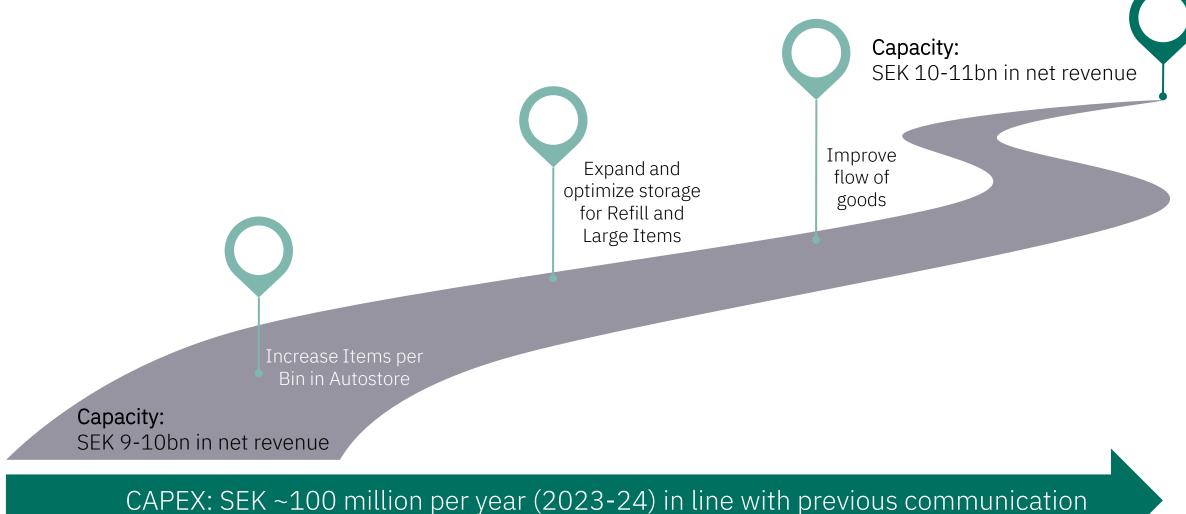


Consolidation

 Connecting the Autostore cubes to eliminate manual work, double touches and unnecessary transports



Capacity in current fulfilment facility – BFC 1.0



Key projects for logistics capacity in BFC 1.0



Increase items per bin in Autostore

- Adjust stow strategy
- Adapt configuration



Expand and optimize storage for Refill and Large Items

- Use available space to expand storage capacities through VNA
- Optimize layout of existing storage systems



Improve flow of goods

 Reduce buffer areas to re-use space for storage and process area



Maintain a high degree of flexibility

 Be able to quickly re-design processes and layout to accomodate for new commodity groups



Future capacity expansion – Boozt Fulfilment Center 2.0



Future capacity expansion will be carried out in close proximity to the current facility



The Nordic
Department Store

Expand capabilities to accommodate growing product portfolio (odd size etc.)



Modular expansion

Controlled growth of capacity to ensure efficient deployment of CAPEX and cost development



Tailormade intralogistics concept

Design warehouse and automation concept to perfectly cater for the leading Nordic Department Store

CONVENIENCE / SELECTION / SUSTAINABILITY

CONTROL / COST / SPEED

First phase of BFC 2.0: 2025/26 depending on growth – CAPEX requirements pending intra-logistics review



Key take-aways

- ✓ Competitive logistics services with cost per order among best-in-industry
- ✓ Clear roadmap to further improve operational excellence
- ✓ Required capacity until end of 2025 secured
- ✓ BFC 2.0 on track to enable growth beyond 2026





Boozt

Lunch break

Sustainability in focus

CFO, Sandra Gadd

Reducing emissions through our fair use policy

 $\sim 800 k =$

791

parcels not handled and shipped in 2022

tonnes of CO2 emissions saved in 2022

CO2e intensity per parcel

In the Nordics, 2022

0.29 kg of CO₂e intensity per parcel per parcel in the Nordic¹ countries

Corresponds to riding 0.83km with a passenger car in Europe

In total, 2022

0.49 kg of CO₂e intensity per parcel covering 99.5% of the total order volume. Compared to 90.7% in 2021.

Corresponds to riding 1.67km with a passenger car in Europe



Committed to Science Based Targets







MEASURE THE FULL CLIMATE IMPACT

SET SCIENCE-BASED TARGETS*

REDUCE AND OFFSET INEVITABLE GHG EMISSIONS

2022



2023

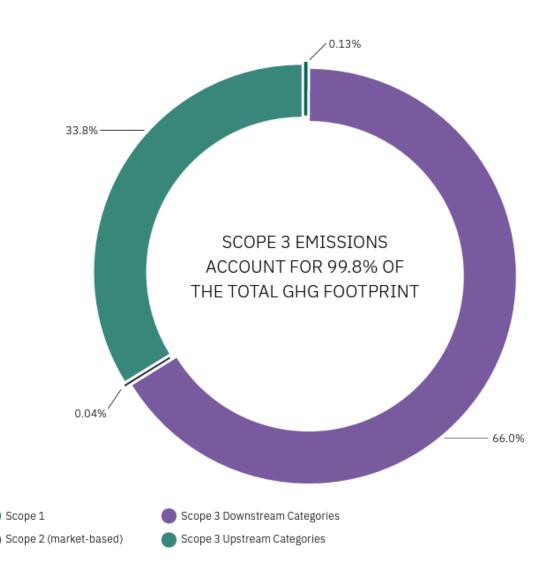


2024-2030

*Boozt has committed to set near- and longterm company-wide emission reductions in line with sciencebased net-zero with the SBTi

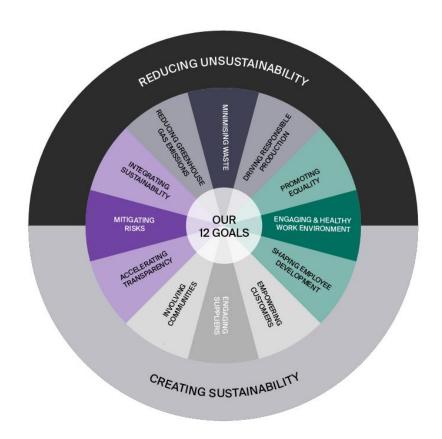
GHG Emissions Breakdown

- We have worked extensively to reduce our direct emissions (Scope 1) as well as emissions from energy purchases (Scope 2).
- More than 99% of our total footprint stems from indirect emissions (Scope 3).
- Boozt has joined the multi-stakeholder alliance the Sustainable Apparel Coalition (SAC) in 2020 and collaborated on the Higg Brand and Retail Module (BRM) to push for a higher degree of supply chain transparency.
 - 107 brands onboarded and with completed Higg Brand and Retail Module (47% of business volume)





Sustainability report 2022 – improved disclosure and transparency



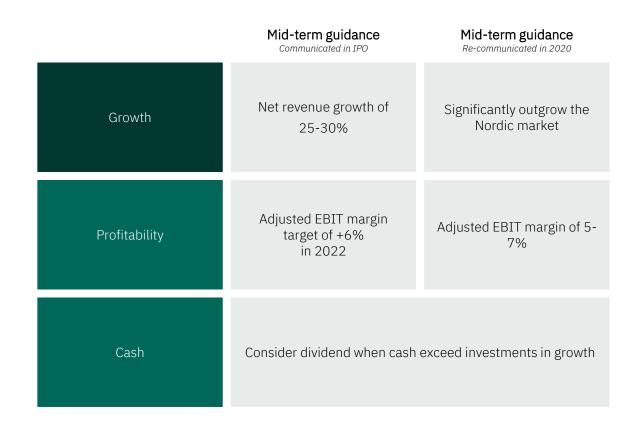
GOAL AREA	TARGET			
Reducing Greenhouse Gas Emissions	By 2024 set science-based targets and submit them to the Science-based targets initiative			
	By 2026 Disclose 100% of relevant Scope 3 emissions categories			
Minimising Waste	By 2026 Increase the share of recycled waste to 80%			
Driving Responsible Production	By 2024 Develop a scorecard to assess ESG Performance in purchasing decisions for at least 60% of our partner brands			
Promoting Equality	By 2024 Update the parental leave policy to supplement governmental support to ensure equal parental leave compensation and opportunity for all Boozt Fashion AB employees			
Engaging & Healthy Work Environment	By 2024 Reach above 77% of the aggregated participation rate in our internal employee survey			
	By 2024 Increase ENPS score to reach the TOP 10 placement in the consumer industry			
Shaping Employee Development	By 2023 Implement a regular career development review process that includes all Boozt Fashion AB employees.			
Empowering Customers	By 2024 Extend ReBoozt's presence across our markets			
Engaging Suppliers	By 2026 Provide semi-annual events for our brand partners			
	By 2023 ensure 100% of our apparel brand partners are committed to supply chain transparency and to working with the Higg BRM tool.			
Involving Communities	By 2024 Increase collaboration with relevant universities and research institutions to share and learn best practices			
Accelerating Transparency	By 2024 Increase engagement with third-party ESG rankings and ratings			
Mitigating Risks	By 2026 Request at least 80% of our brand partners to identify, map and share with us their Tier 1 and 2 suppliers.			
Integrating Sustainability	By 2026 Increase participation to internal training on Sustainability			



Financial update

CFO, Sandra Gadd

Following up on mid-term guidance from IPO



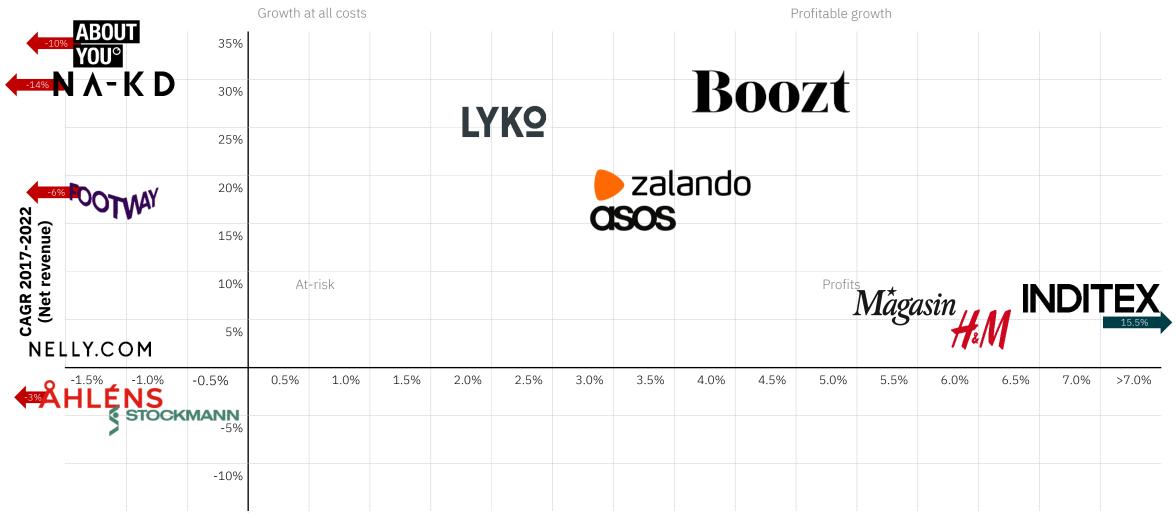
Following up on mid-term guidance from IPO

	2017	2018	2019	2020	2021	2022	Mid-term outcome 2017-2022
Net revenue growth %	44.4%	38.1%	23.0%	27.3%	33.4%	16.0%	CAGR of 30% from 2017 to 2022
Adjusted EBIT margin %	2.4%	2.3%	3.2%	6.7%	5.9%	4.2%	Adjusted EBIT margin 4.2% in 2022 Avg: 2017-2022: 4.1% Acc: 2017-2022: 4.5% Avg: 2020-2022: 5.6% Acc: 2020-2022: 5.4%



Balancing profitable growth since 2017

CAGR and accumulated adjusted EBIT 2017-2022*





From mid-term guidance to long-term opportunity

	Outlook 2023	Long-term opportunity			
Growth	+5-15%	Market share around 10% (online and offline)	Growing significantly faster than the Nordic market		
Profitability	Adjusted EBIT 275-375m	Adjusted EBIT margin exceeding 10%	Most profitable amongst peers		
Cash	Free cash flow positive	Return excess cash to shareholders			

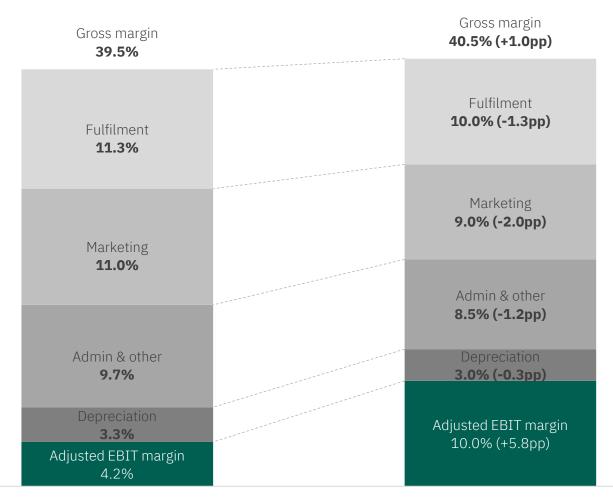


The Boozt universe – our long-term opportunity

	Boozt.com	Booztlet :	Boozt Data Intelligence	Boozt Media Partnership	Nordic Brand Hub	BooztPay
Value proposition	The Nordic Department Store	Nordic Designer Outlet	Preferred e-commerce data partner in the Nordics	Retail media	Providing insights into designing, producing and selling apparel and fashion lifestyle brands	Seamless and easy checkouts and payments
Long-term target	Market share around 10% (online and offline)		4-5% of Group net revenue		5-10% of Group net revenue	Top-class payment provider, fully controlled by the Group
Current status	Market share of 1-2% 3 million active customers		Recently launched	< 3% of Group net revenue	3 active brands < 3% of Group net revenue	< 1% of Group net revenue
Revenue model	Wholesale / own buy		Business-to-business		Traditional production and wholesale	Cost savings and revenue share
Gross margin impact EBIT impact	→	→	†	†		1



How to get to 10 percent

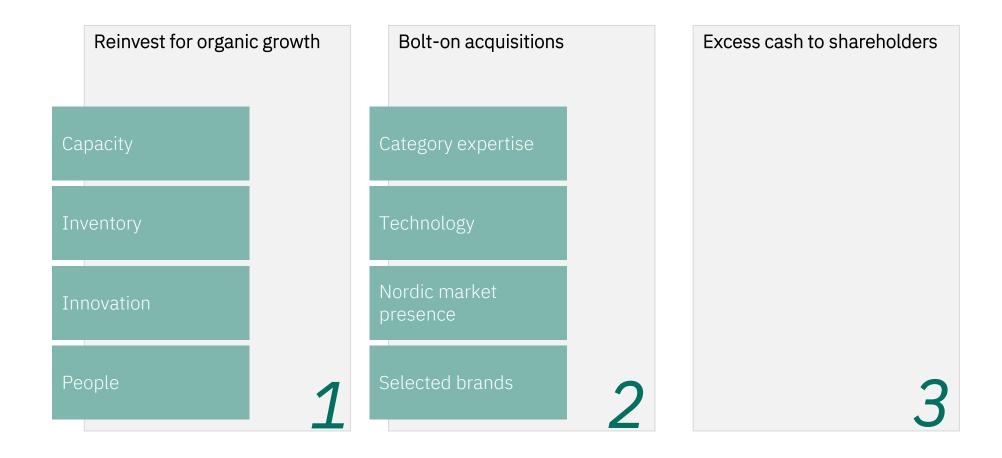


FY 2022

Long-term ambition



Capital allocation priorities - until now

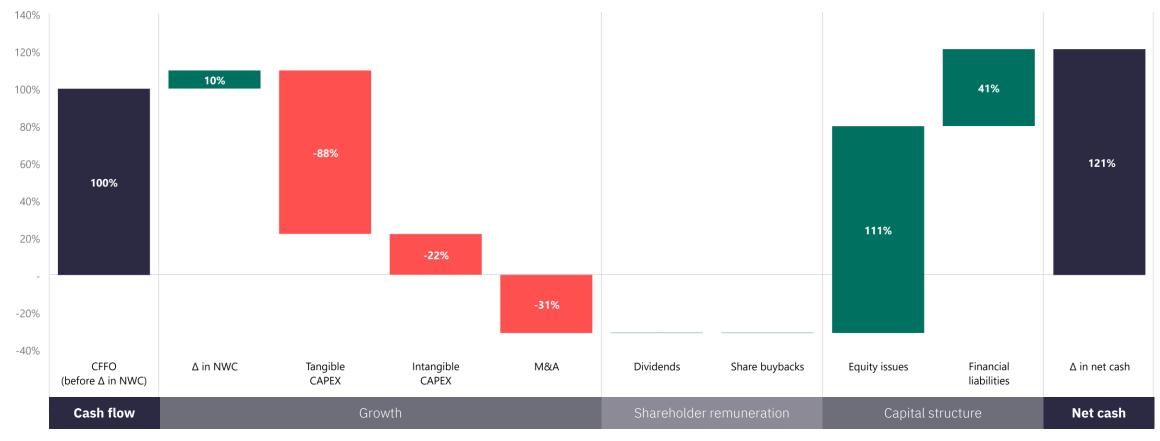




Cash flow deployment from 2016 to 2022

Cash flow deployment relative to CFFO (before Δ in NWC)







Capital allocation priorities – changed to reflect maturity of our business

Excess cash to shareholders Reinvest to drive long-term value creation through profitable organic growth We aim to return proceeds amounting to SEK 800 market conditions. Innovation People

Additional information:

- Fulfilment capacity between SEK 10-11bn net revenue in current facility
- Maintenance CAPEX: SEK 150-200 million per year
- Bolt-on acquisitions is an opportunity but not a priority

Q&A
CEO and CFO

Key take-aways

Co-Founder & CEO, Hermann Haraldsson

We have never been stronger!

- commercially and financially

- ✓ Uniquely positioned with the Nordic Department Store strategy stay the course
- ✓ Growth opportunities; consolidation of online space, wallet share and accelerated market share gains
- ✓ Scalable technology and fulfilment infrastructure
- ✓ Robust and experienced organisation with a winning culture
- ✓ On track to establish the largest Nordic fashion and lifestyle retailer with a 10% market share
- ✓ Long-term ambition; profitability exceeding 10% supported by superior basket unit economics and track record of best-in-industry profitability

Transport to Boozt Fulfilment Center

Operational site visit to the Boozt Fulfilment Center

13.40-14.40

Transport from Malmö to Ängelholm

14.45-15.45

Guided tour with CSCO, Sven Thiessen

16.00-17.00

Transport from Ängelholm to Malmö



Disclaimer

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.

