



Boozt

Q3 2017 Earnings Call

November 22, 2017

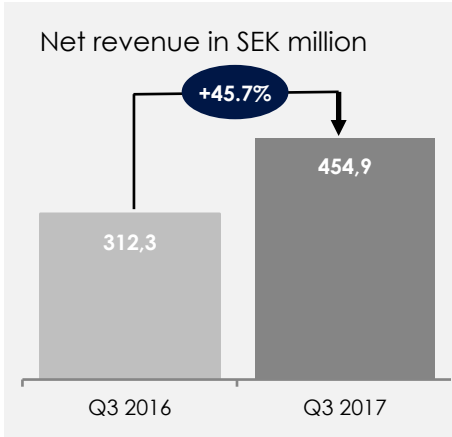
Key highlights

- Very strong growth in the quarter – Outgrowing the market significantly
- Strong development of cost ratios
- Infrastructure investments ramped up and improving customer experience
- Raising revenue guidance for 2017 to exceed 40% growth

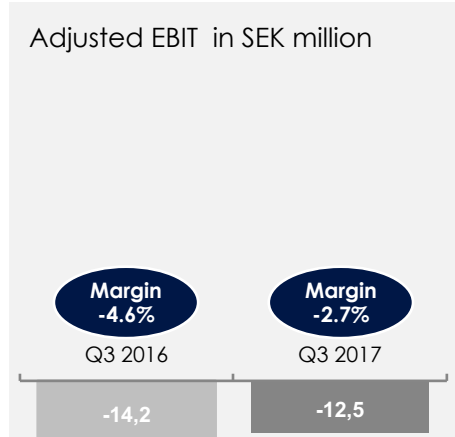


Results update

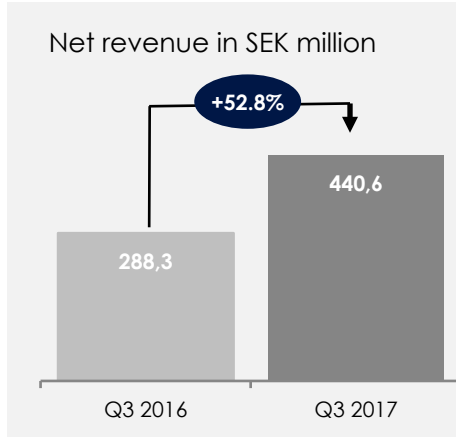
Net revenue - Group



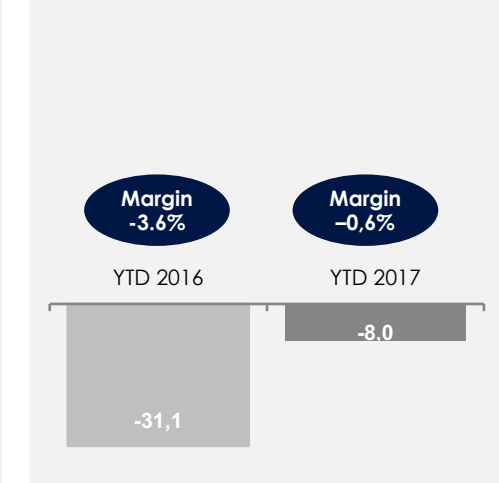
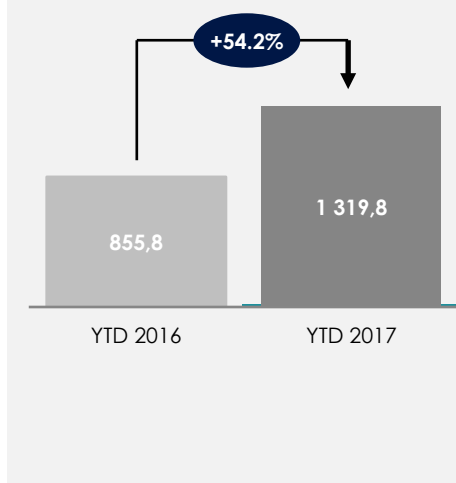
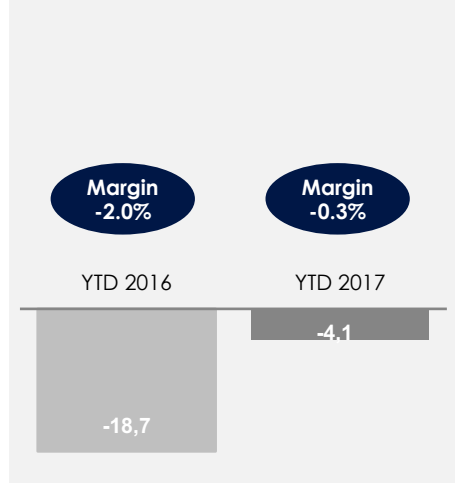
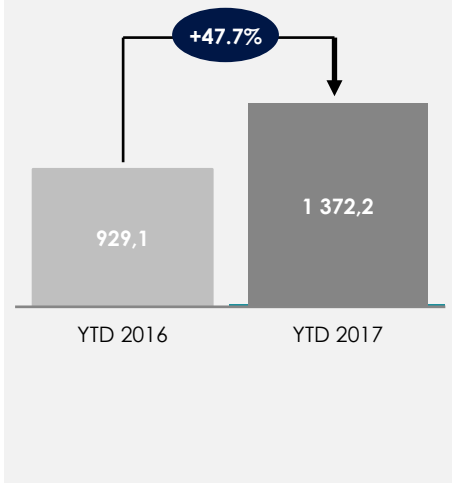
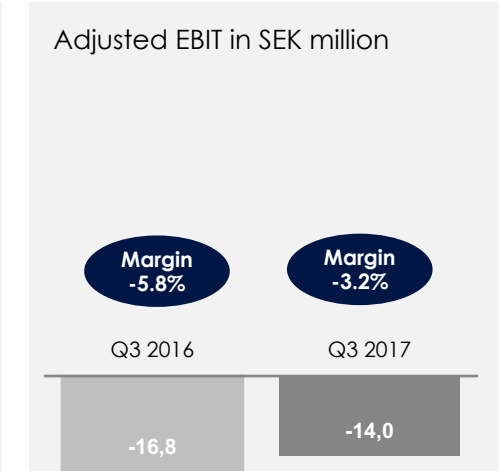
Adjusted EBIT - Group



Net revenue – Boozt.com



Adjusted EBIT – Boozt.com



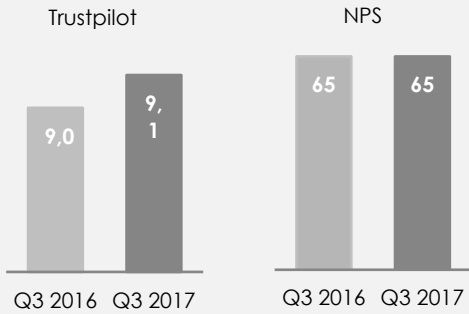
Group

Boozt.com

KPI highlights

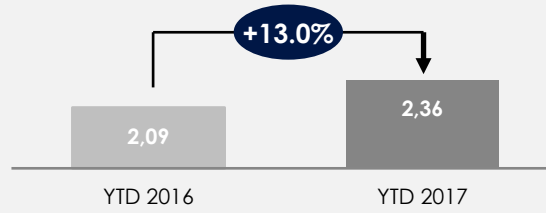
Customer satisfaction September 2017

Trustpilot and NPS score



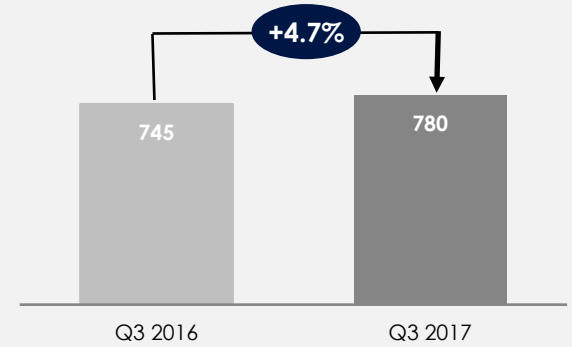
Order frequency

No. of orders per active customer



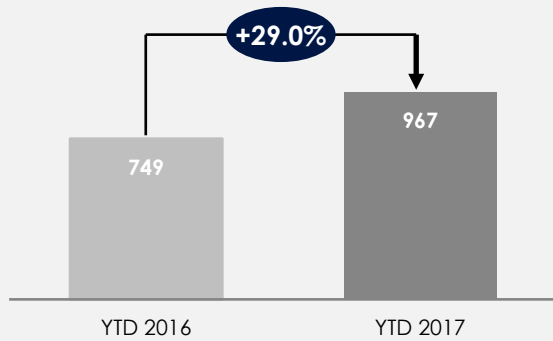
AOV Q3

AOV (SEK)



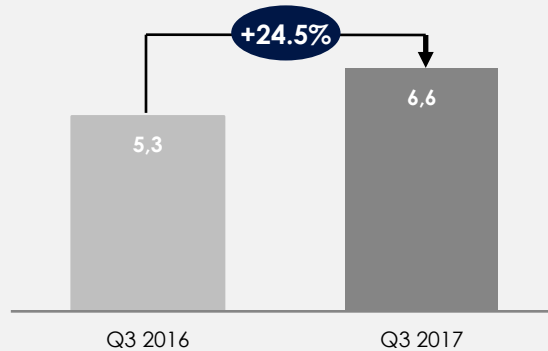
Active customers

No. of active customers (000)



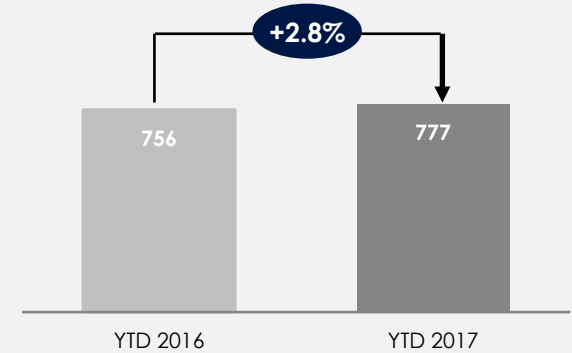
True frequency Q3

True frequency



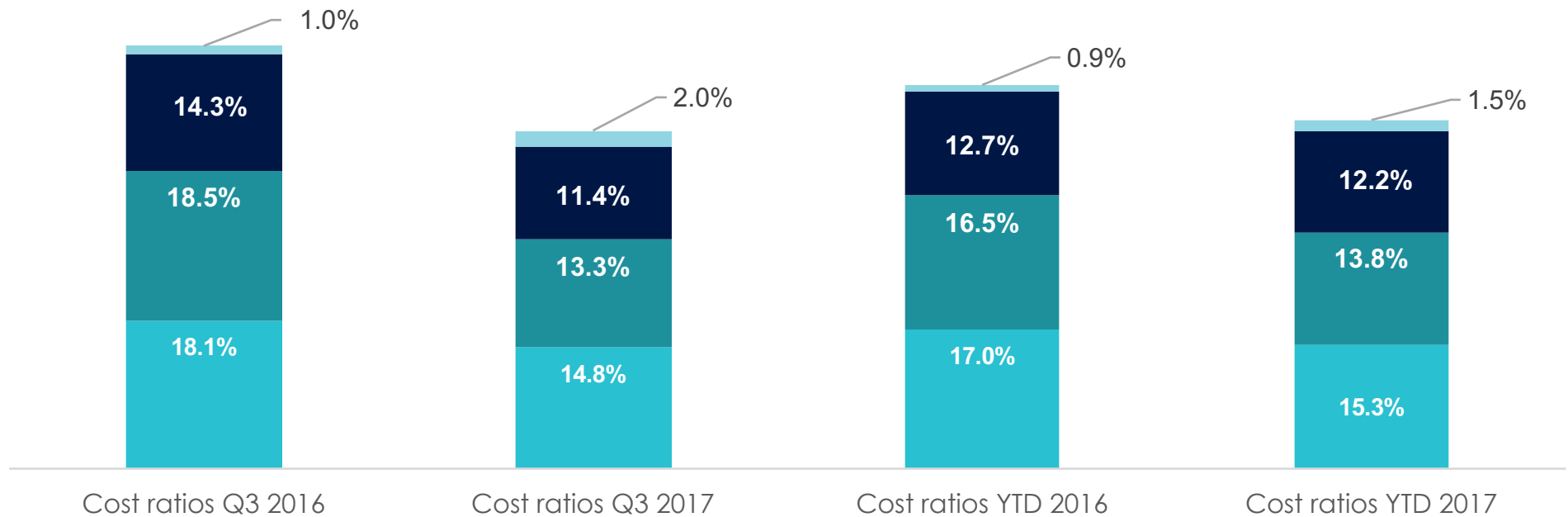
AOV YTD

AOV (SEK)



Strong development of cost ratios

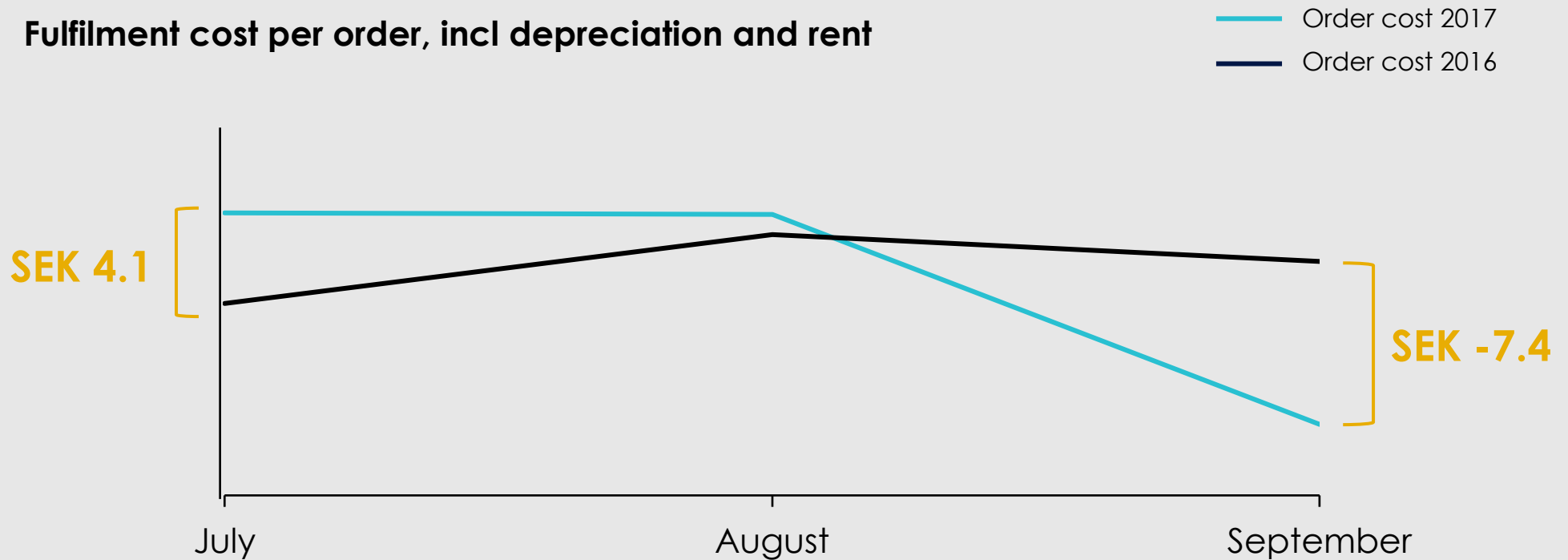
Cost ratios in relation to net revenue



- Depreciations
- Admin & other costs (adjusted)
- Marketing costs
- Fulfilment costs (adjusted)

We crossed the magic line

Fulfilment cost per order, incl depreciation and rent



Average fulfilment cost per order SEK -1.6 lower than in the same quarter last year

Tuning the infrastructure and building the brand

Automation



Speed

Dramatically reduced lead-times from order placed to ready to ship

Customer proposition



Strengthening the "affordable luxury" position

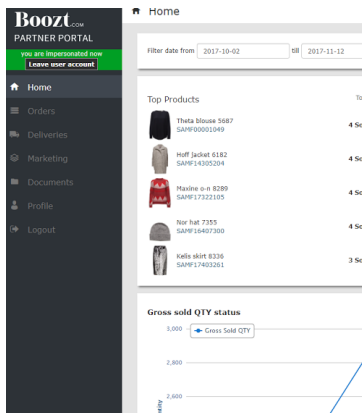
AW17

- Michael Kors, DKNY, Coach, Kenzo

Mid 2018

- Polarn O. Pyret

Partner Portal



Operational efficiencies

Boozt / brand communication interface

- Order flow
- Delivery / dispatch
- BMP & event planning
- Data sharing

Boozt Magazine

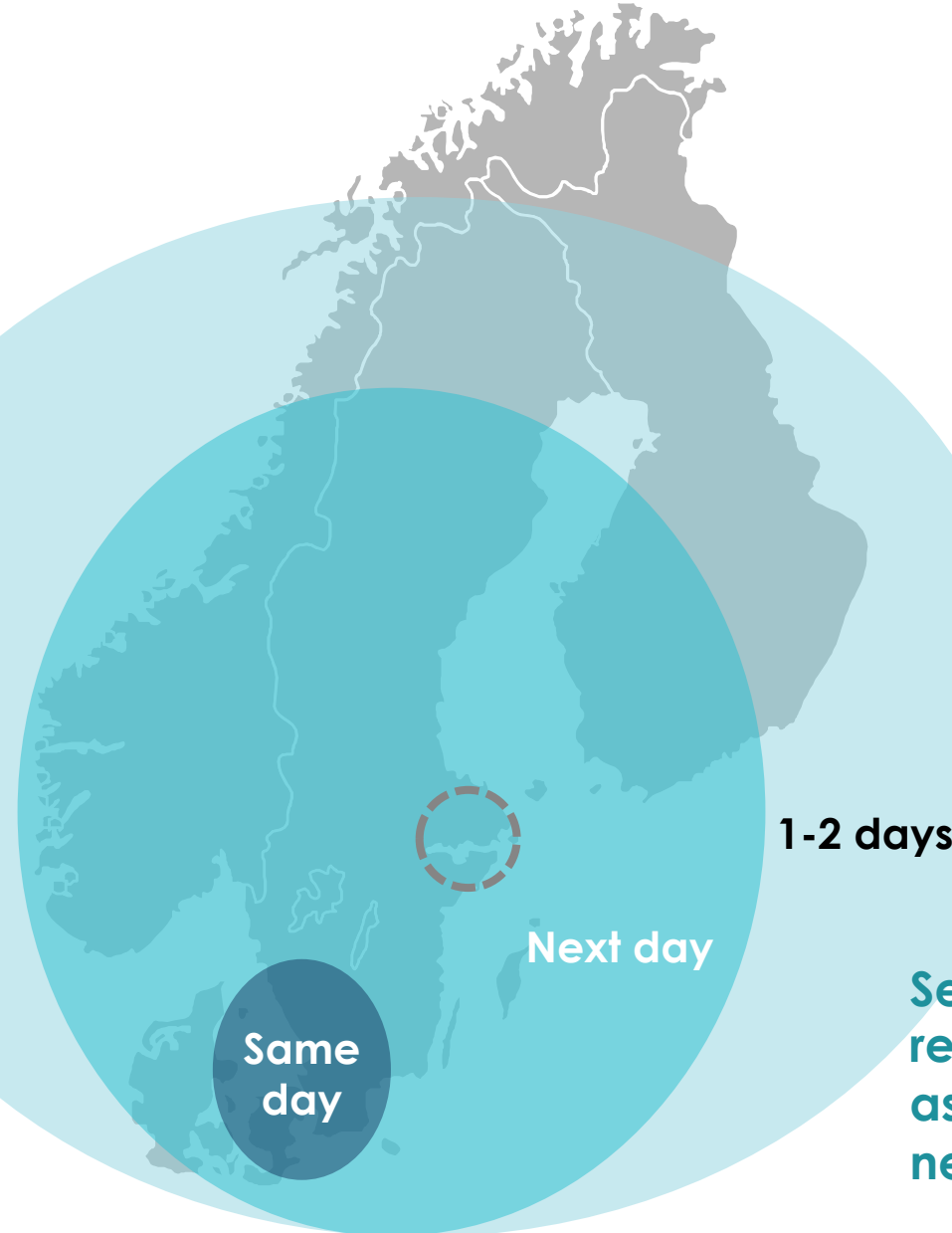


"Reinforcing brand position"

Glossy magazine


- 100.000+ copies
- 4 languages
- Advertiser funded

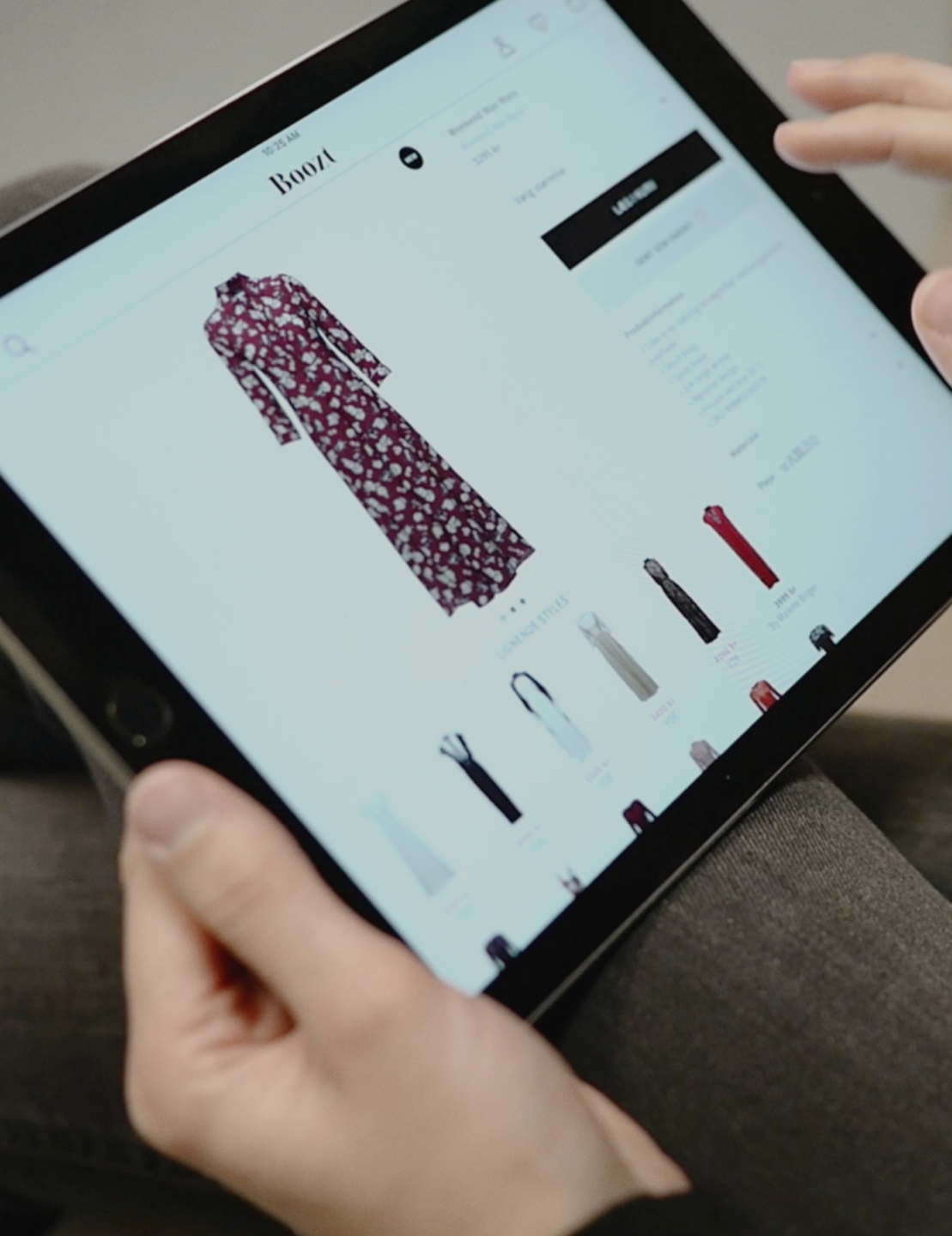
A step change in delivery proposition



	Population (million)	Current share of orders	Q1 2018 Delivery reach	Range
Same day	3.5	0%	30%	100% of assortment
Next day	18.8	80%	90%	100% of assortment
1-2 days	25.0	95%	99%	100% of assortment

Serving 90% of the Nordic region with 100% of the assortment within same or next day

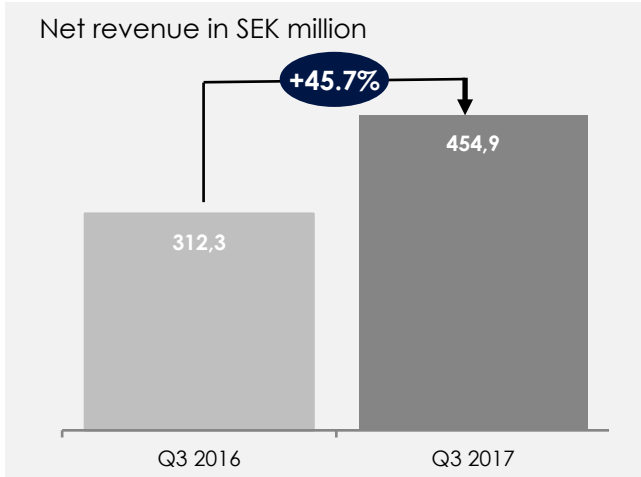
 Test for same day delivery being performed in Q4 (not included in 3.5 million)



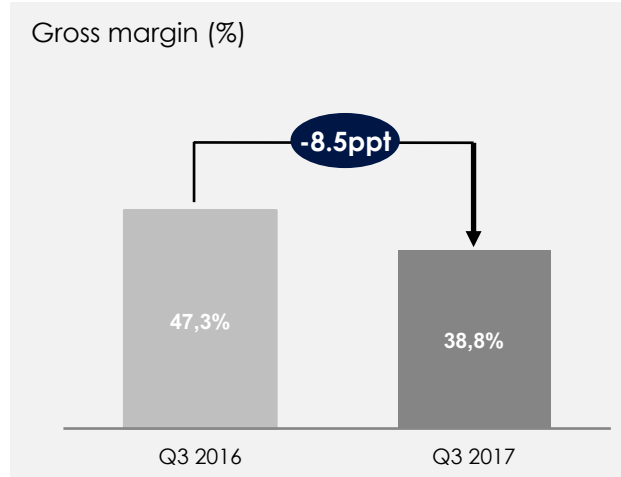
FINANCIAL UPDATE THIRD QUARTER AND FIRST NINE MONTH 2017

KPI development

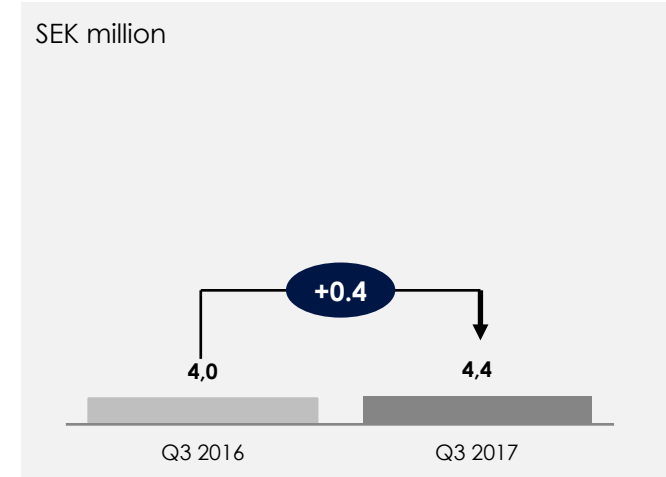
Revenue growth Q3



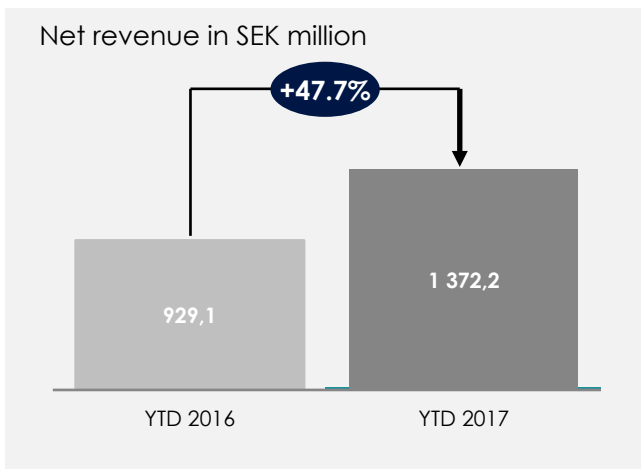
Gross margin Q3



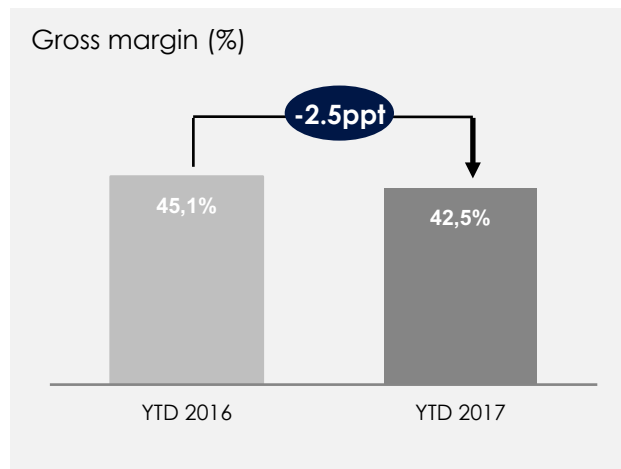
Investments Q3



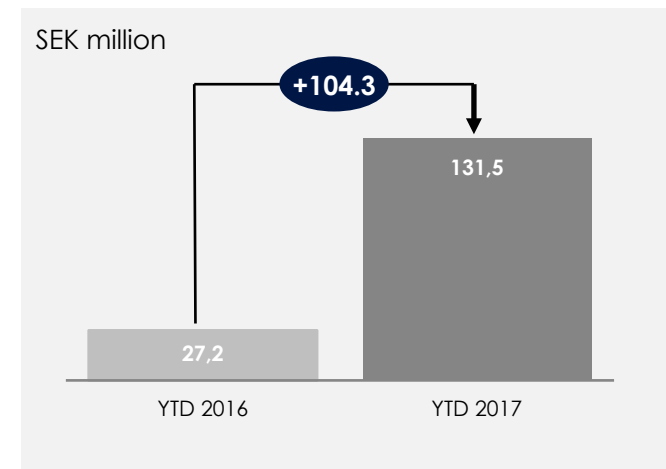
Revenue growth YTD



Gross margin YTD



Investments YTD

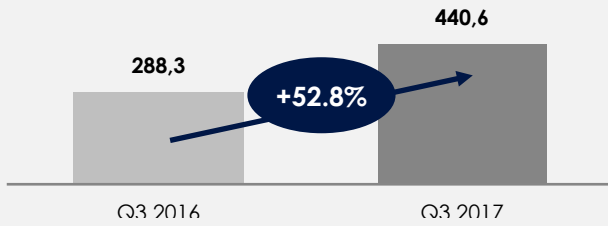


Group

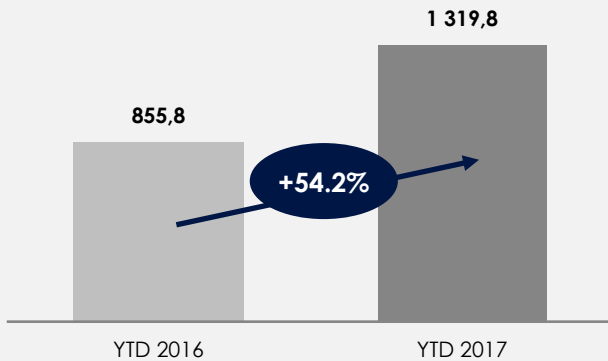
Net revenue by segment

Boozt.com

Net revenue Q3 (SEK million)

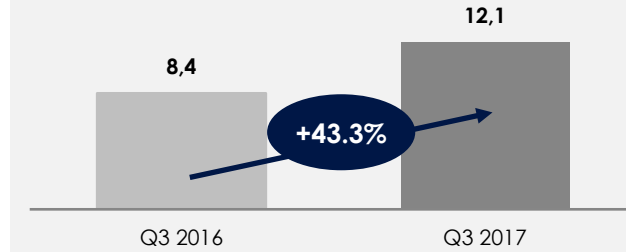


Net revenue YTD (SEK million)

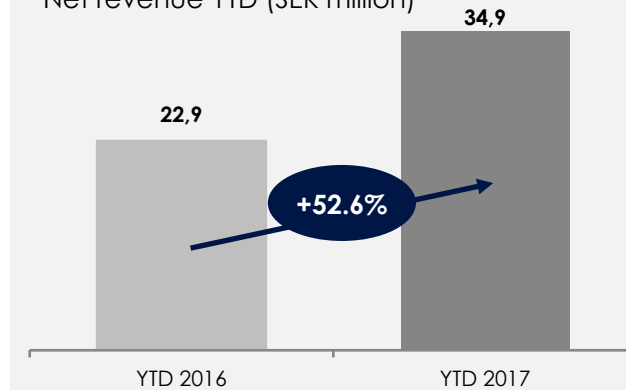


Booztlet.com

Net revenue Q3 (SEK million)

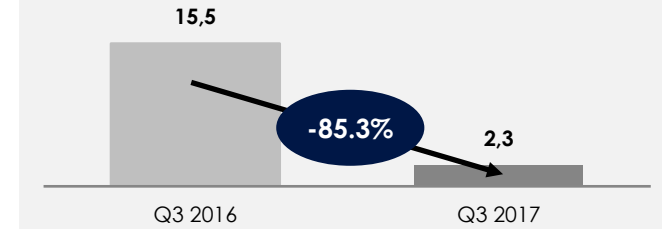


Net revenue YTD (SEK million)

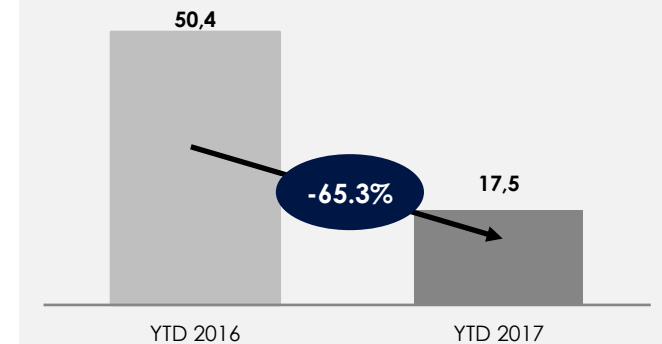


Other

Net revenue Q3 (SEK million)



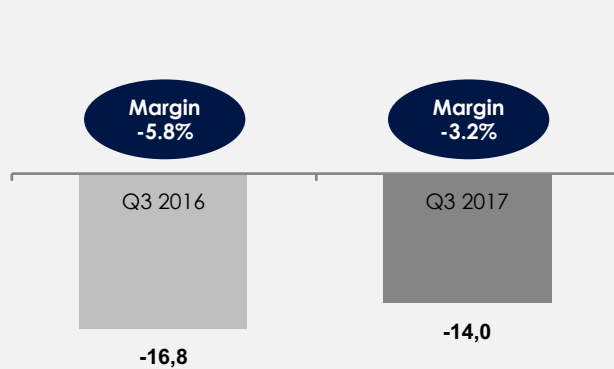
Net revenue YTD (SEK million)



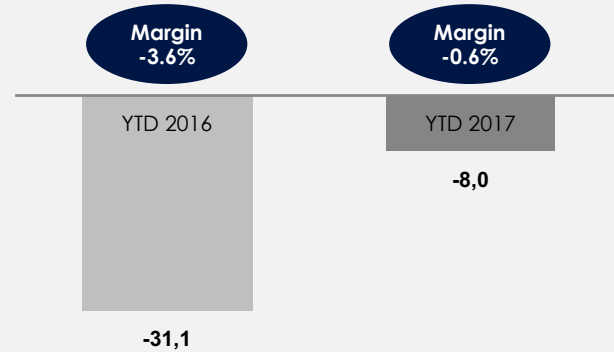
Adjusted EBIT by segment

Boozt.com

Adjusted EBIT Q3 (SEK million)

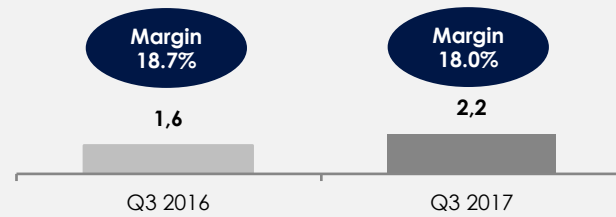


Adjusted EBIT YTD (SEK million)

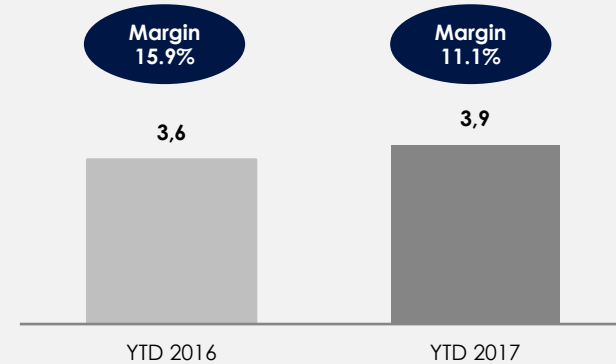


Booztlet.com

Adjusted EBIT Q3 (SEK million)

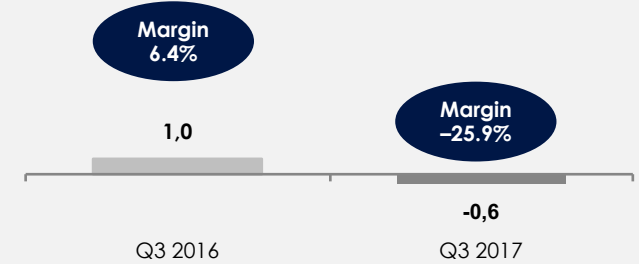


Adjusted EBIT YTD (SEK million)

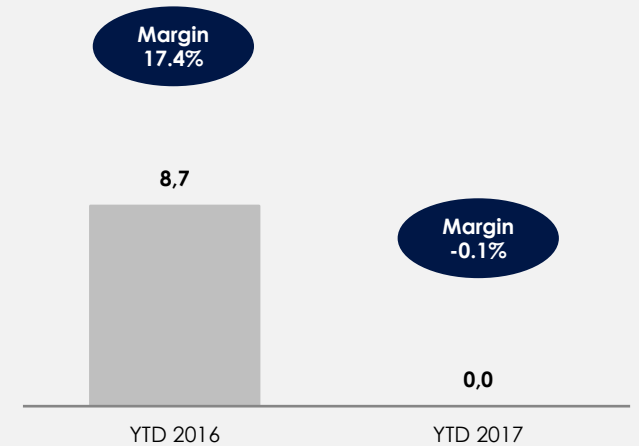


Other

Adjusted EBIT Q3 (SEK million)



Adjusted EBIT YTD (SEK million)



Cost ratio development

Share of net revenue, %

	Q3 2016	Q3 2017	Change	YTD 2016	YTD 2017	Change
Gross margin	47.3	38.8	(8.5 pp)	45.1	42.5	(2.5 pp)
Adjusted fulfilment cost ratio	(18.1)	(14.8)	3.3 pp	(17.0)	(15.3)	0.2 pp
Marketing cost ratio	(18.5)	(13.3)	5.2 pp	(16.5)	(13.8)	2.6 pp
Adjusted admin & other cost ratio	(14.3)	(11.4)	2.8 pp	(12.7)	(12.2)	0.5 pp
Depreciation cost ratio	(1.0)	(2.0)	(1.0 pp)	(0.9)	(1.5)	(0.6 pp)
Adjusted EBIT margin	(4.6)	(2.7)	1.8 pp	(2.0)	(0.3)	1.7 pp

Comments – effect of terminated commission sales

GROUP GROSS MARGIN

YTD change in Gross margin due to:

- ECCO and DAY commission sales (100% gross margin) included in YTD 2016 gross margin but not present in the last six months of YTD 2017
- Excluding commission sales, YTD gross margin development is slightly positive vs. last year
- Due to the move of our end-season sales from Q2 to Q3, the Q2 margin was unusually high at the expense of the Q3 margin

GROUP INVENTORY

Goods inventory levels affected by:

- Change in agreement structure for ECCO and DAY from commission sales to own buy approximately - SEK 30 million

Absolute development Q3

Share of net revenue, %

	Q3 2017	Q3 2017	Change
Net revenue	312.3	454.9	45.7%
Adjusted fulfilment cost	56.5	67.3	19.0%
Marketing cost	57.8	60.4	4.5%
Adjusted admin & other	44.7	52.1	16.4%

Fulfilment costs, marketing costs, and admin costs are growing less than revenue
 Illustrating how the Group is growing into scale advantages



OUTLOOK

Raising guidance for 2017

For 2017 the Group has revised its net revenue growth outlook. The Group now expects net revenue growth to exceed 40% and the adjusted EBIT margin (%) is expected to be at the same level as 2016.

Medium term targets remain unchanged

Net revenue growth

25-30%
medium term

- Boozt targets annual net revenue growth in the range of **25-30%** in the medium term

Adjusted EBIT margin

>6%
medium term

- Boozt targets an adjusted EBIT margin **exceeding 6%** in the medium term
- Boozt expects to increase the adjusted EBIT margin annually as the cost base is further leveraged by net revenue growth



Q&A



APPENDIX

Reconciliation of EBITDA and EBIT

SEK million	Q3 2017	Q3 2016	Rolling 12 months
EBITDA	(2.5)	(13.2)	(49.6)
<i>EBITDA margin</i>	<i>(0.6%)</i>	<i>(4.2%)</i>	<i>(2.7%)</i>
D&A	(9.2)	(3.0)	(25.4)
Operating profit/loss (EBIT)	(11.8)	(16.2)	(75.1)
<i>EBIT margin</i>	<i>(2.6%)</i>	<i>(5.2%)</i>	<i>(4.1%)</i>
Share-based compensation (social charges)	(1.2)	2.0	48.5
Share based compensation	0.6	-	4.2
IPO-related costs	-	-	45.9
Other items affecting comparability ¹	-	-	20.6
Adjusted EBIT	(12.5)	(14.2)	44.1
<i>Adjusted EBIT margin</i>	<i>(2.7%)</i>	<i>(4.6%)</i>	<i>2.4%</i>

1) Other items affecting comparability are related to the Group's warehouse move.
Source: Company data.

Selected KPIs for the Group

(SEK million unless otherwise indicated)	Q3 2017	Q3 2016	Rolling 12 months
GROUP			
Net revenue	454.9	312.3	1,839.5
Gross margin (%)	38.8%	47.3%	43.2%
Fulfilment cost ratio (%)	(14.8%)	(18.1%)	(16.1%)
Marketing cost ratio (%)	(13.3%)	(18.5%)	(13.2%)
Admin & other cost ratio (%)	(11.3%)	(15.0%)	(16.6%)
Depreciation (%)	(2.0%)	(1.0%)	(1.4%)
Adjusted fulfilment cost ratio (%)	(14.8%)	(18.1%)	(15.0%)
Adjusted admin & other cost ratio (%)	(11.4%)	(14.3%)	(11.2%)
EBIT	(11.8)	(16.2)	-75.1
EBIT margin (%)	(2.6%)	(5.2%)	(4.1%)
Adjusted EBIT	(12.5)	(14.2)	44.1
Adjusted EBIT margin (%)	(2.7%)	(4.6%)	2.4%
Adjusted EBITDA	(3.2)	(11.2)	69.6
Adjusted EBITDA margin (%)	(0.7%)	(3.6%)	3.8%
Cash flow from operations	(138.7)	(88.0)	(151.2)
Net working capital	220.4	110.9	220.4
Investments	3.6	(4.0)	(131.3)
Net debt /- net cash	-297.9	-149.2	-297.9
Equity / asset ratio	55.3%	48.9%	55.3%
Number of employees end of period	221	166	221

Selected KPIs by segment

(SEK million unless otherwise indicated)	Q3 2017	Q3 2016	Rolling 12 months
Boozt.com			
Net revenue	440.6	288.3	1,767.0
EBIT	(13.4)	(18.3)	(76.0)
EBIT margin (%)	(3.0%)	(6.4%)	(4.3%)
Adjusted EBIT	(14.0)	(16.8)	39.7
Adjusted EBIT margin (%)	(3.2%)	(5.8%)	2.2%
Site visits (000)	20,747	14,935	80,338
Number of orders (000)	572	404	2,281
Conversion rate (%)	2.76%	2.70%	2.84%
True frequency	6.6	5.3	6.6
Average order value (SEK)	780	745	788
Active customers (000)	967	749	967
Number of orders per active customer	2.36	2.09	2.36
Booztlet.com			
Net revenue	12.1	8.4	42.8
EBIT	2.2	1.6	1.5
EBIT margin (%)	18.1%	18.6%	3.4%
Adjusted EBIT	2.2	1.6	4.4
Adjusted EBIT margin (%)	18.0%	18.7%	10.4%
Other			
Net revenue	2.3	15.5	29.7
EBIT	(0.6)	0.5	-0.5
EBIT margin (%)	(25.9%)	3.3%	(1.6%)
Adjusted EBIT	(0.6)	1.0	0.0
Adjusted EBIT margin (%)	(25.9%)	6.4%	0.2%

Financial position

(SEK million unless otherwise indicated)	Sept 30, 2017	Sept 30, 2016	Dec 31, 2016
ASSETS			
Non current assets			
Intangible assets			
Web platform	18.2	11.6	15.0
Tangible assets			
Machinery and equipment	119.6	18.7	17.6
Deposits	7.6	9.0	9.8
Deferred tax assets	58.2	44.5	36.8
Total non-current assets	203.6	83.7	79.2
Current assets			
Inventories	629.8	365.1	388.8
Accounts receivables	10.4	2.6	19.6
Other receivables	26.5	29.2	49.7
Current tax assets	0.5	0.5	0.4
Prepaid expenses and accrued income	34.6	42.3	39.7
Derivatives	2.7	-	-
Cash and cash equivalent	364.8	150.2	221.8
Total current assets	1,069.3	589.9	720.1
TOTAL ASSETS	1,272.8	673.7	799.3

Financial position

(SEK million unless otherwise indicated)	Sept 30, 2017	Sept 30, 2016	Dec 31, 2016
EQUITY AND LIABILITIES			
Equity			
Share capital	4.7	3.9	3.9
Other capital contributions	1,123.8	689.2	689.2
Reserves	0.1	0.0	-
Retained earnings including profit for the year	-424.4	-363.6	-325.8
Total equity	704.2	329.5	367.3
Non-current liabilities			
Interest bearing liabilities	53.0	1.0	8.6
Other provisions	20.4	14.3	16.3
Total non-current liabilities	73.4	15.3	24.9
Current liabilities			
Interest bearing liabilities	13.9	-	3.4
Accounts payables	333.0	203.0	268.8
Current tax liabilities	-	0.0	-
Other liabilities	54.5	29.5	34.6
Accrued expenses and prepaid income	93.9	96.3	100.2
Total current liabilities	495.3	328.8	407.1
TOTAL EQUITY AND LIABILITIES	1,272.8	673.7	799.3

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.

BooZt