



**Boozt**

**Q2 2017 Earnings Call**

August 24, 2017

---

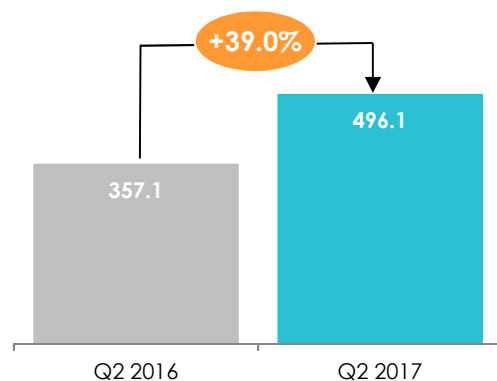


**Results update and business highlights**

# Results highlights

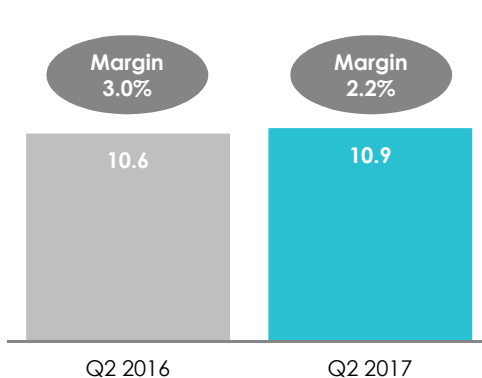
## Net revenue - Group

Net revenue in SEK million



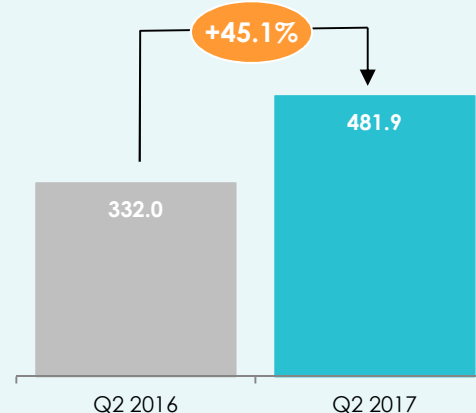
## Adjusted EBIT - Group

Adjusted EBIT in SEK million



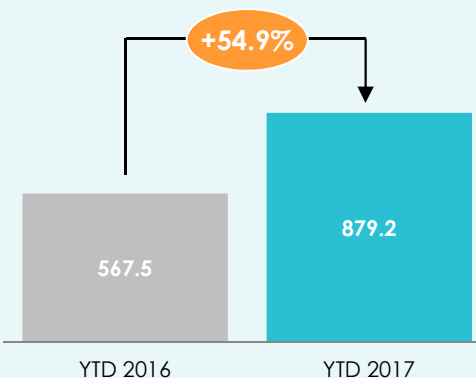
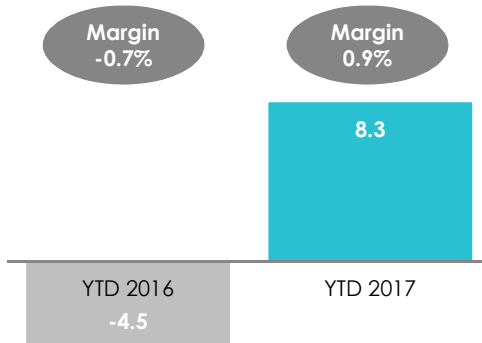
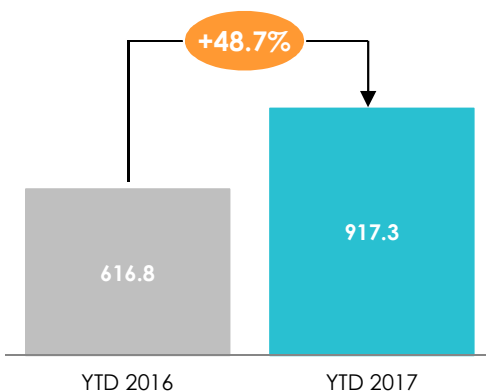
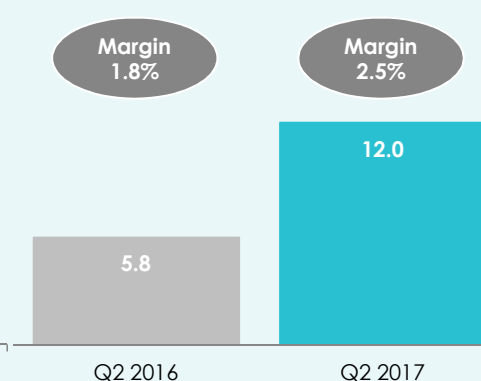
## Net revenue - Boozt.com

Net revenue in SEK million



## Adjusted EBIT - Boozt.com

Adjusted EBIT in SEK million



# Business highlights

## Three major extraordinary events during the quarter

---

### Warehouse move

- Efficiency improvements in fulfilment process due to investments in automation
- Further investments in automation contracted in second quarter
- Overcapacity in Boozt Fulfilment Centre enables rapid growth

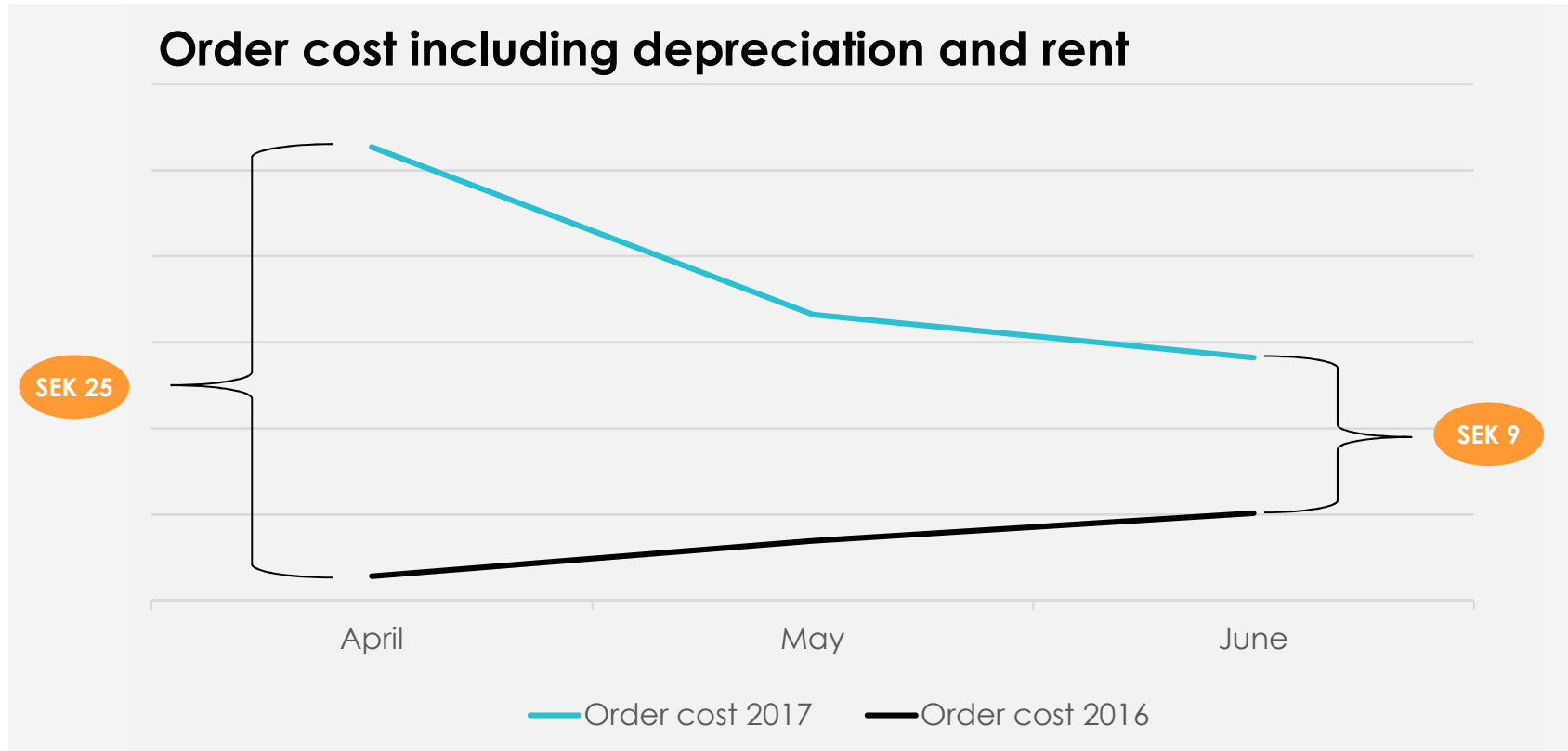
### Listing of the company's shares

- Successful listing on Nasdaq Stockholm on May 31
- Approximately 3,600 investors from the Nordics, UK, Europe and US at the end of June

### Launch of beauty and cosmetics category

- Physical store end of March
- Online launch June 8
- Set up of warehouse

## Warehouse ramp-up – significant improvements during the quarter

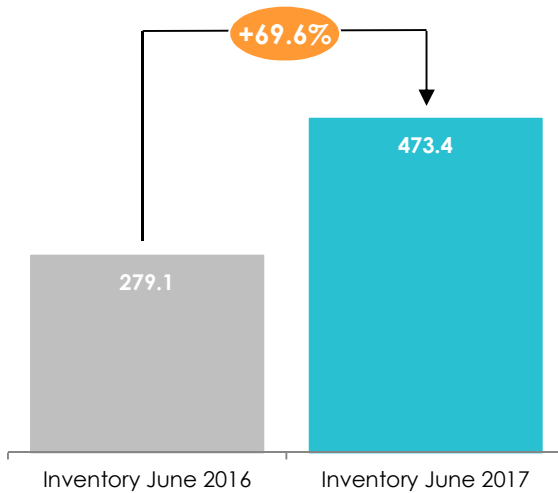


Average cost per order on average SEK15 higher during the quarter – efficiency gains on track

# Sell-through affected by warehouse move

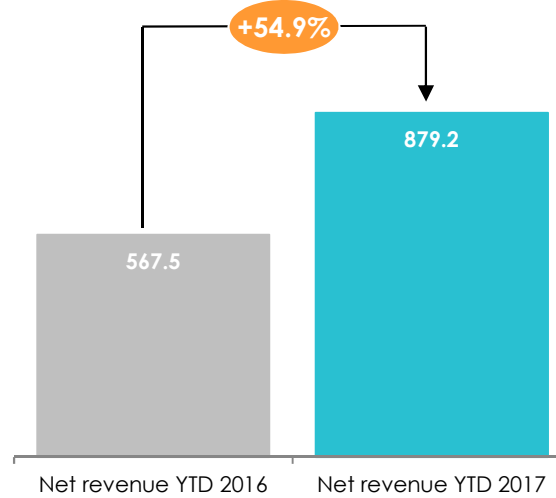
## Inventory volumes

SEK million



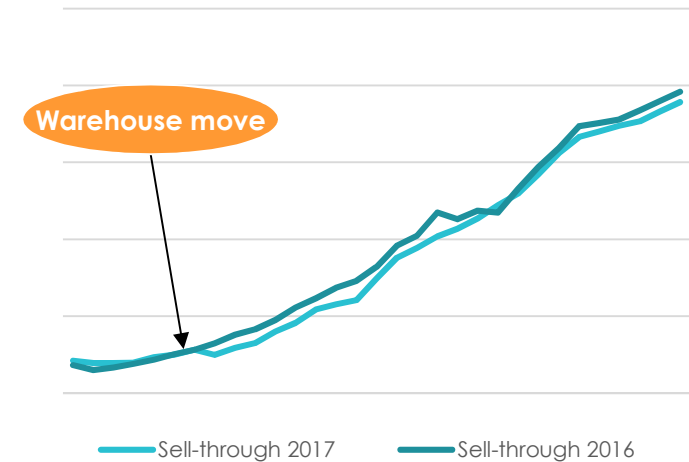
## Revenue Boozt.com

SEK million



## Sell-through YTD

Investments in SEK Million



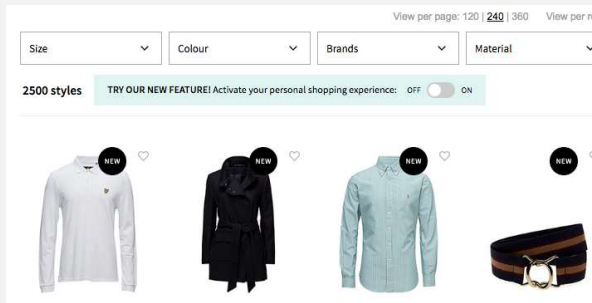
Higher inventory growth due to cosmetics launch and lower sell-through – sell-through end of August one week behind LY

Source: Company data.



# Building the brand and customer experience

## Customer Experience



### "Power to the people"

Using Machine Learning (AI) to personalise

## Building the brand



### "Household brand"

Awareness+  
Liking+  
Buying intention+  
New customers+

## Boozt Media Partnership



### "Leveraging the brand"

COADs  
15+ campaigns  
On- and off-site  
On-and off-line media



**Financial update second quarter and first half year 2017**



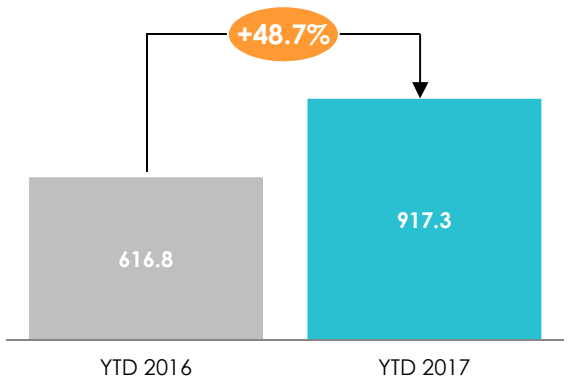
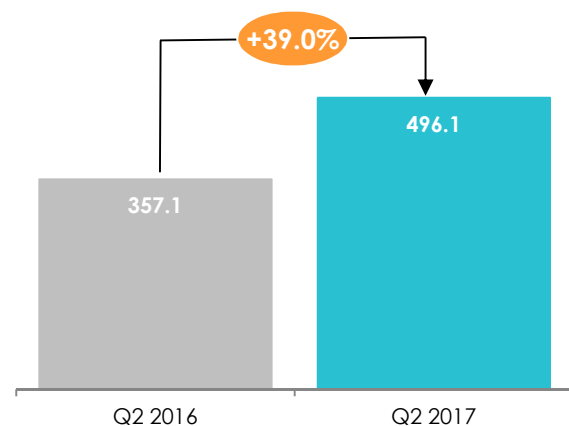
# Strong first half 2017

## Group

### Revenue growth

Strong growth in 2<sup>nd</sup> quarter and first half of 2017

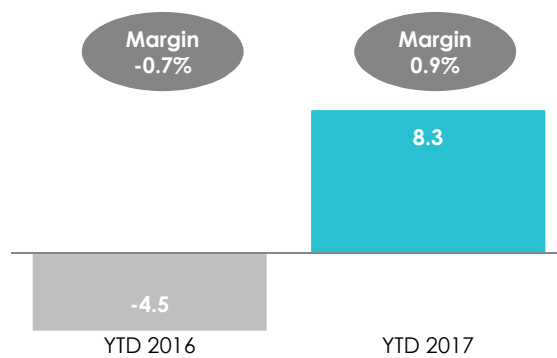
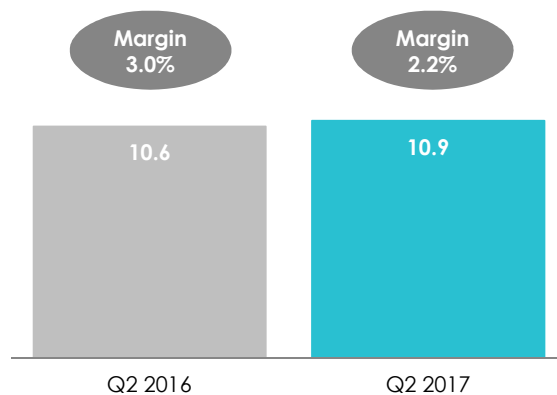
Net revenue in SEK million



### Profitability

Solid profitability in a quarter with challenging growth initiatives

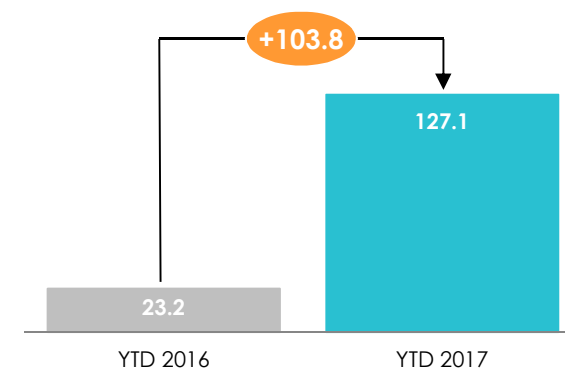
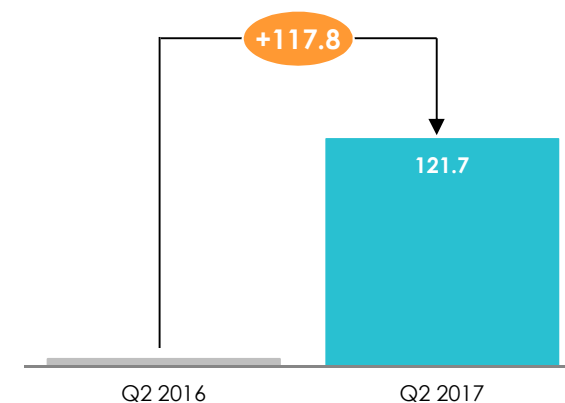
Adjusted EBIT in SEK million



### Investments

Heavy investments to support growth

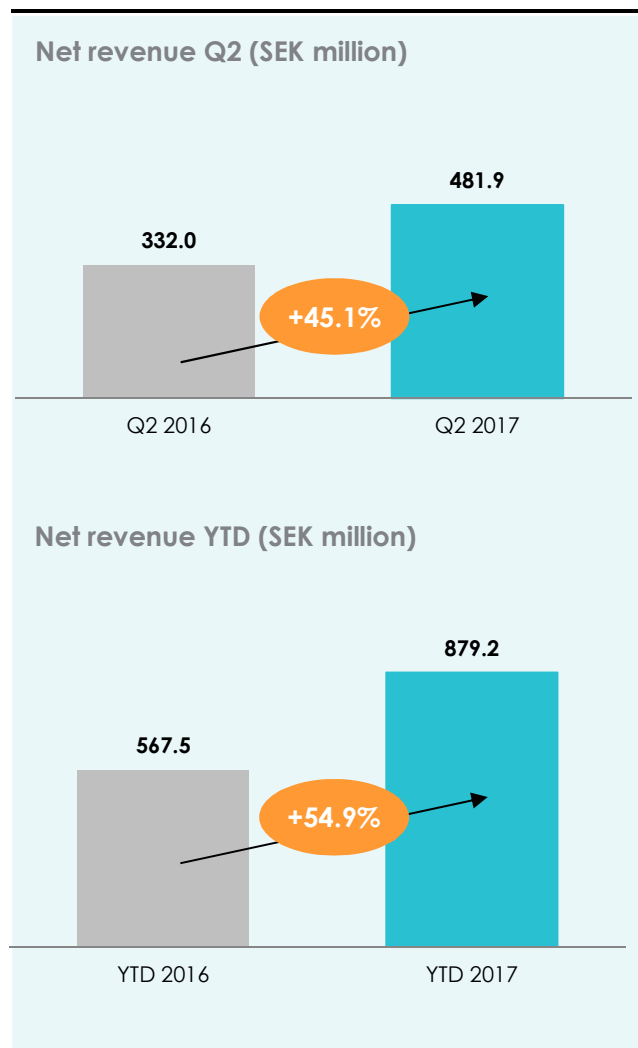
SEK million



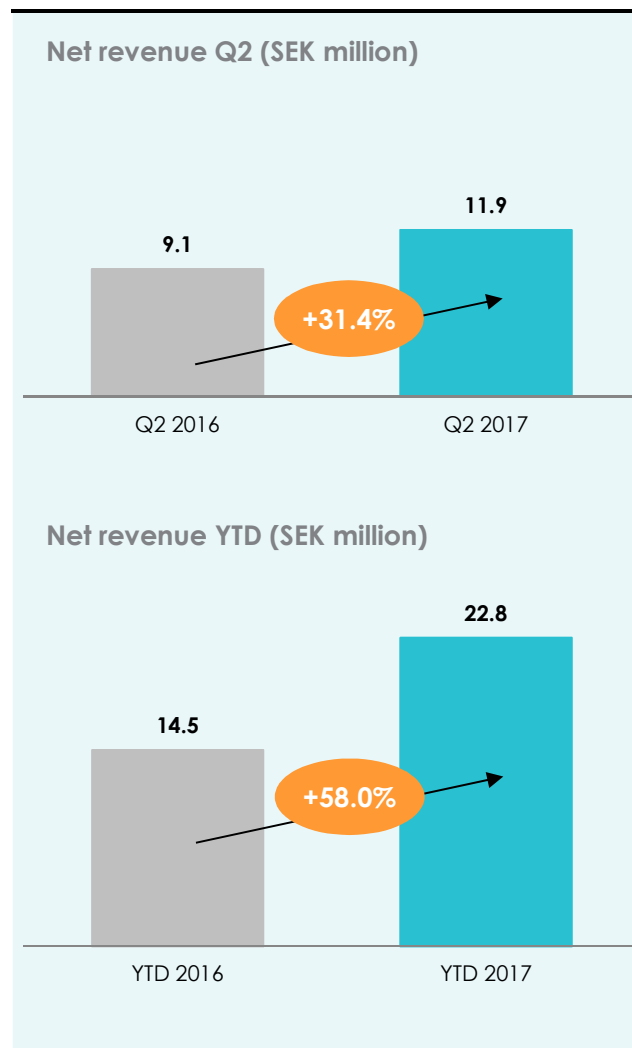
Source: Company data.

# Net revenue by segment

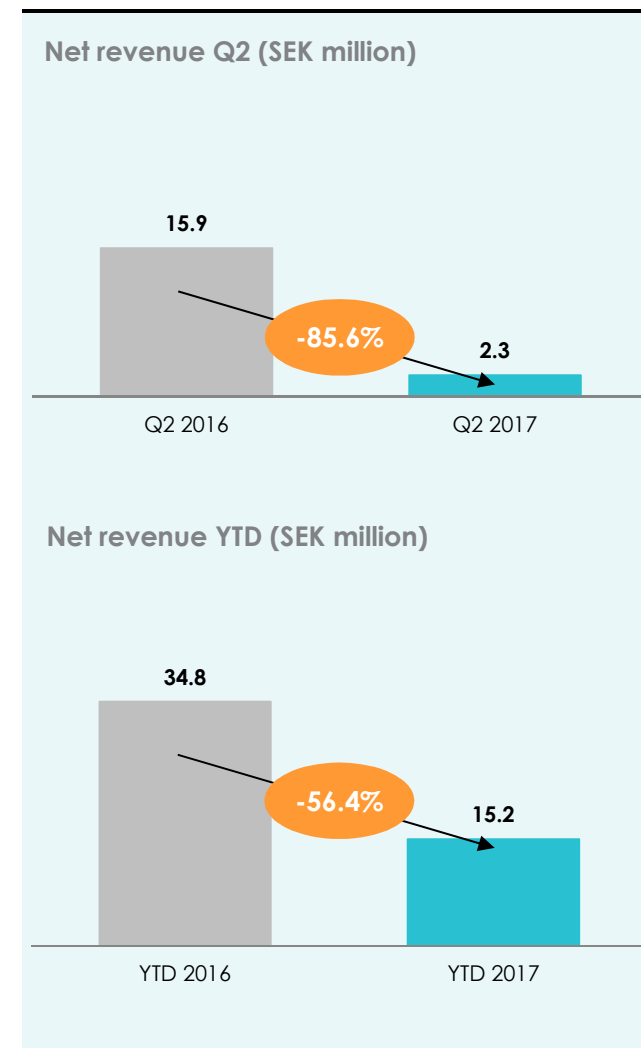
## Boozt.com



## Booztlet.com



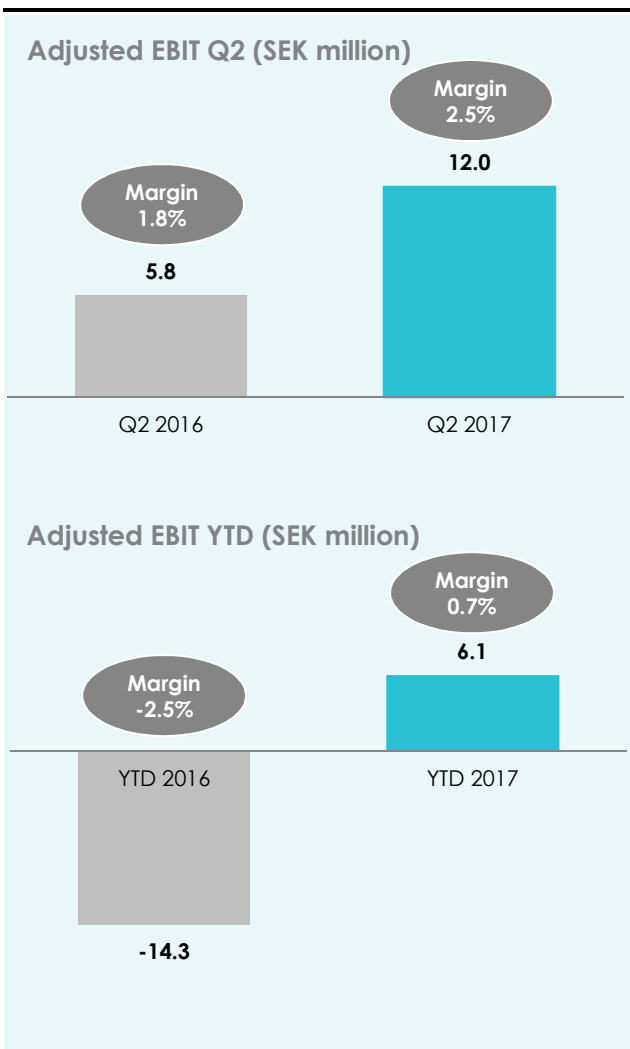
## Other



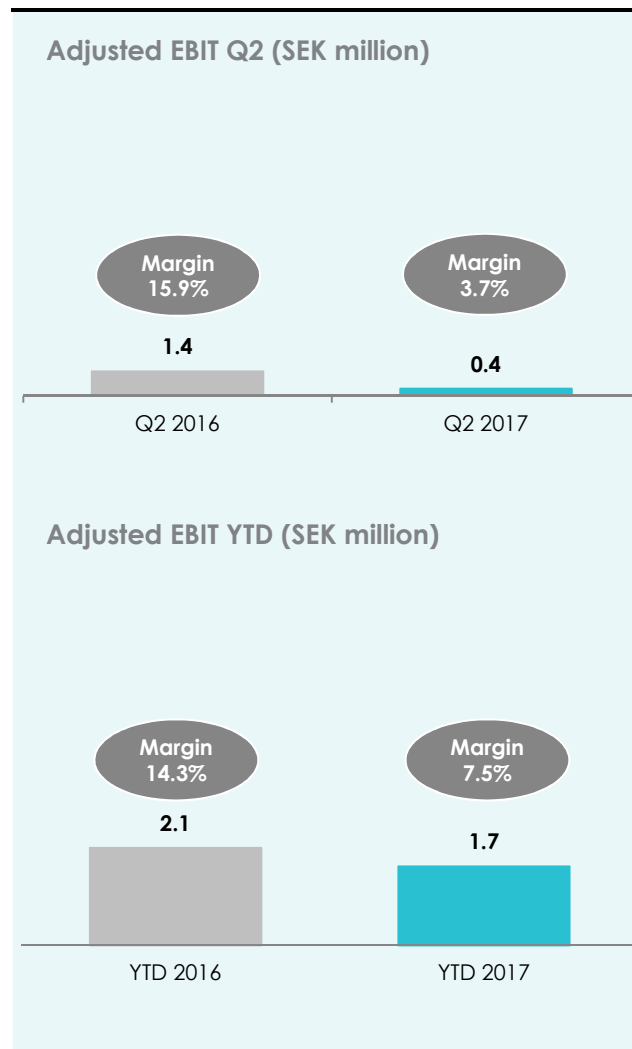
Source: Company data.

# Adjusted EBIT by segment

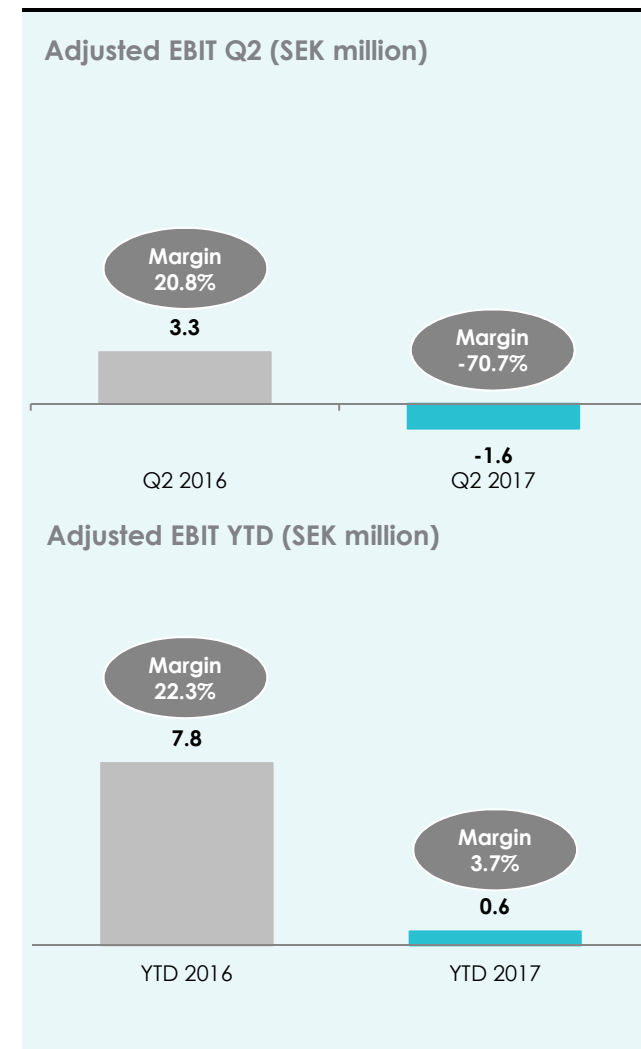
## Boozt.com



## Booztlet.com



## Other

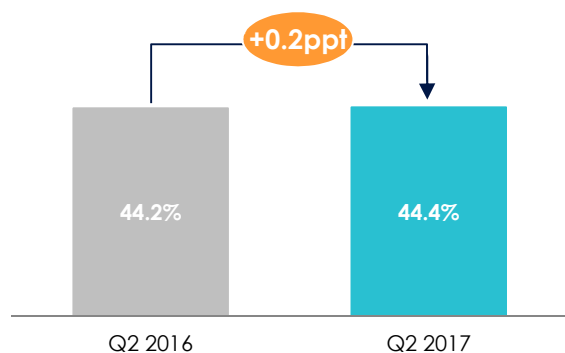


Source: Company data.

# Key KPIs

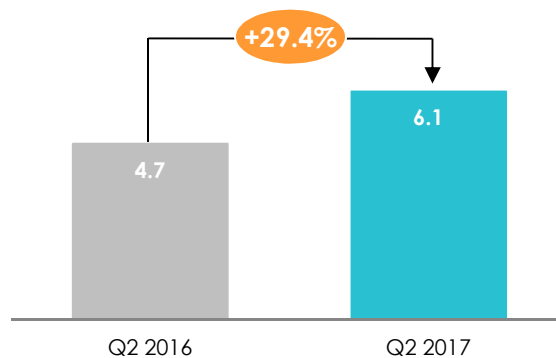
## Gross margin Q2

Gross margin (%)



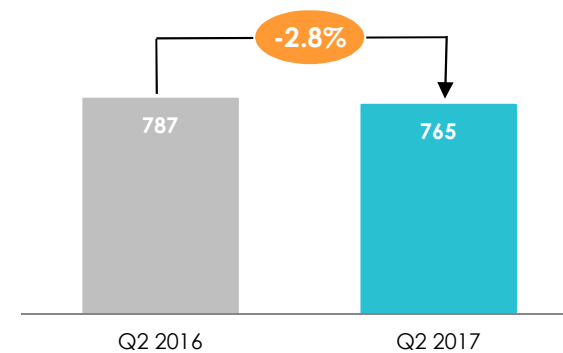
## True frequency Q2

True frequency



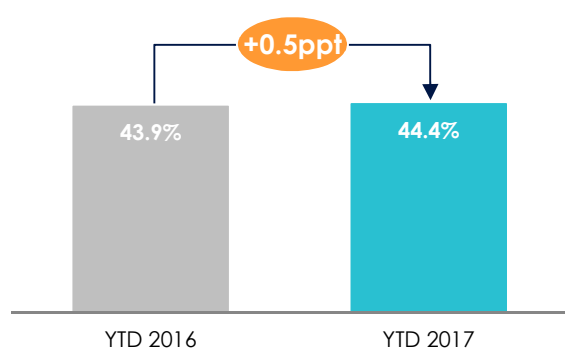
## AOV Q2

AOV (SEK)



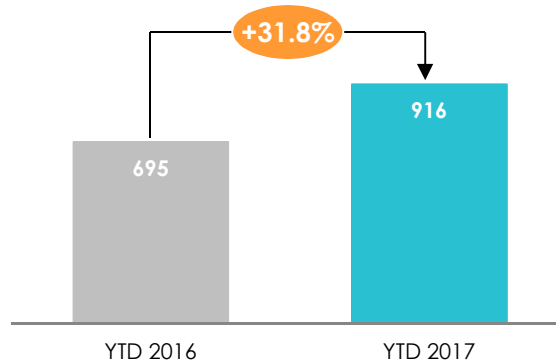
## Gross margin YTD

Gross margin (%)



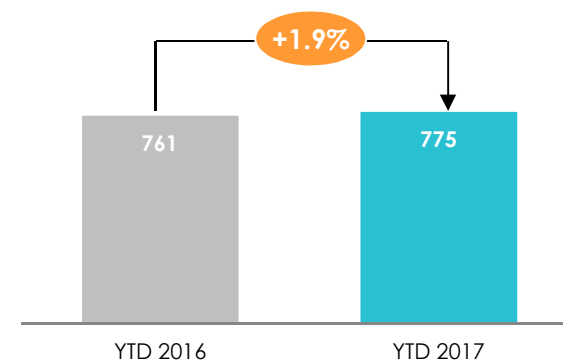
## Active customers

No. of active customers (000)



## AOV YTD

AOV (SEK)



Group

Boozt.com

Source: Company data.

## Operating costs heavily affected by listing and warehouse move

	Share of net revenue		
	Q2 2016 Adjusted	Q2 2017	Q2 2017 Adjusted
Gross margin	44.2%	44.4%	44.4%
Fulfilment cost ratio	15.5%	15.5%	15.2%
Marketing cost ratio	14.4%	13.3%	13.3%
Admin & other cost ratio	10.6%	30.5%	12.0%
Depreciation cost ratio	0.8%	1.8%	1.8%
EBIT margin	3.0%	(16.7)%	2.2%



Outlook



## Financial targets - maintained

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



For 2017 net revenue growth is expected to exceed mid 30'ties and the adjusted EBIT margin is expected to be at the same level as 2016



Q&A



Appendix



## Specification of non-recurring items Q2

### Expected impact on the Group's financial statements, in accordance with published prospectus

SEK million	P/L	Statement of financial position			Statement of cash flow			
	Profit/loss	Balance sheet total	Equity	Liabilities	Total	Operating activities	Investing activities	Financing activities
<b>Share based compensations to employees</b>								
Warrant program 2012/2022 <sup>1)</sup> held in own portfolio of warrants	-	-	41.8	-41.8	-	-41.8	-	41.8
Warrant program 2012/2022 <sup>1)</sup>	-23.4	-	-23.4	23.4	-	-	-	-
Warrant program 2015/2025 <sup>1)</sup>	14.8	-	-10.6	10.6	-	-	-	-
<b>Total</b>	<b>-38.2</b>	<b>-</b>	<b>7.8</b>	<b>7.8</b>	<b>-</b>	<b>-41.8</b>	<b>-</b>	<b>41.8</b>
<b>IPO preparation costs</b>								
IPO preparation costs (affecting the Group)	-22.5	-22.5	-22.5	-	-22.5	-22.5	-	-
Lock up-bonuses	-15.3	-15.3	-15.3	-	-15.3	-15.3	-	-
Transactional bonuses	-2.3	-2.3	-2.3	-	-2.3	-2.3	-	-
<b>Total</b>	<b>-40.0</b>	<b>-40.0</b>	<b>-40.0</b>	<b>-</b>	<b>-40.0</b>	<b>-40.0</b>	<b>-</b>	<b>-</b>
<b>Other items affecting comparability</b>								
Costs related to moving the Boozt Fulfilment Centre (BFC)	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investments related to BFC								
Inventory equipment (AutoStore and other inventory investments) <sup>2)</sup>	-	70.0	-	70.0	-30.0	-	-100.0	70.0
<b>Total</b>	<b>-</b>	<b>70.0</b>	<b>-</b>	<b>70.0</b>	<b>-30.0</b>	<b>-</b>	<b>-100.0</b>	<b>70.0</b>
<b>TOTAL</b>	<b>-78.2</b>	<b>30.0</b>	<b>-32.2</b>	<b>62.2</b>	<b>-70.0</b>	<b>-81.8</b>	<b>-100.0</b>	<b>111.8</b>

## Specification of non-recurring items Q2

### Realised impact on the Group's financial statements

SEK million	P/L	Statement of financial position			Statement of cash flow			
	Profit/loss	Balance sheet total	Equity	Liabilities	Total	Operating activities	Investing activities	Financing activities
<b>Share based compensations to employees</b>								
Warrant program 2012/2022 <sup>1)</sup> held in own portfolio of warrants	-	-	46.9	-42.4	4.4	-42.4	-	46.9
Warrant program 2012/2022 <sup>1)</sup>	-24.1	-	-24.1	24.1	-	-	-	-
Warrant program 2015/2025 <sup>1)</sup>	-25.3	-	-21.6	21.6	-	-	-	-
<b>Total</b>	<b>-49.4</b>	<b>-</b>	<b>1.2</b>	<b>3.2</b>	<b>4.4</b>	<b>-42.4</b>	<b>-</b>	<b>46.9</b>
<b>IPO preparation costs</b>								
IPO preparation costs (affecting the Group)	-25.3	-25.3	-25.3	-	-25.3	-25.3	-	-
Lock up-bonuses	-15.3	-15.3	-15.3	-	-15.3	-15.3	-	-
Transactional bonuses	-2.3	-2.3	-2.3	-	-2.3	-2.3	-	-
<b>Total</b>	<b>-42.8</b>	<b>-42.8</b>	<b>-42.8</b>	<b>-</b>	<b>-42.8</b>	<b>-42.8</b>	<b>-</b>	<b>-</b>
<b>Other items affecting comparability</b>								
Costs related to moving the Boozt Fulfillment Centre (BFC)	-1.6	-1.6	-1.6	-	-1.6	-1.6	-	-
<b>Total</b>	<b>-1.6</b>	<b>-1.6</b>	<b>-1.6</b>	<b>-</b>	<b>-1.6</b>	<b>-1.6</b>	<b>-</b>	<b>-</b>
Investments related to BFC								
Inventory equipment (AutoStore and other inventory investments) <sup>2)</sup>	-	69.6	-	69.6	-29.8	-	-99.4	69.6
<b>Total</b>	<b>-</b>	<b>69.6</b>	<b>-</b>	<b>69.6</b>	<b>-29.8</b>	<b>-</b>	<b>-99.4</b>	<b>69.6</b>
<b>TOTAL</b>	<b>-93.8</b>	<b>25.1</b>	<b>-43.3</b>	<b>72.8</b>	<b>-69.8</b>	<b>-86.9</b>	<b>-99.4</b>	<b>116.4</b>

## Reconciliation of EBITDA and EBIT

SEK million	Q2 2017	Q2 2016	Rolling 12 months
<b>EBITDA</b>	<b>(74.2)</b>	<b>11.4</b>	<b>(60.3)</b>
<i>EBITDA margin</i>	<i>(15.0%)</i>	<i>3.2%</i>	<i>(3.6%)</i>
D&A	(8.7)	(2.8)	(19.2)
<b>Operating profit/loss (EBIT)</b>	<b>(82.9)</b>	<b>8.6</b>	<b>(79.5)</b>
<i>EBIT margin</i>	<i>(16.7%)</i>	<i>2.4%</i>	<i>(4.7%)</i>
Share-based compensation (social charges)	45.7	2.0	51.7
Share based compensation	3.7	-	3.7
IPO-related costs	42.8	-	45.9
Other items affecting comparability <sup>1</sup>	1.6	-	20.6
<b>Adjusted EBIT</b>	<b>10.9</b>	<b>10.6</b>	<b>42.4</b>
<i>Adjusted EBIT margin</i>	<i>2.2%</i>	<i>3.0%</i>	<i>2.5%</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)

	Q2 2017	Q2 2016	Rolling 12 months
<b>GROUP</b>			
Transactional net revenue	503.6	421.9	1,830.4
Net revenue	496.1	357.1	1,696.9
Net revenue growth (%)	39.0%	67.9%	56.9%
Gross margin (%)	44.4%	44.2%	45.1%
Fulfilment cost ratio (%)	(15.5%)	(15.5%)	(16.8%)
Marketing cost ratio (%)	(13.3%)	(14.4%)	(14.1%)
Admin & other cost ratio (%)	(30.5%)	(11.1%)	(17.7%)
Depreciation (%)	(1.8%)	(0.8%)	(1.1%)
EBIT	(82.9)	8.6	(79.5)
EBIT margin (%)	(16.7%)	2.4%	(4.7%)
Adjusted EBIT	10.9	10.6	42.4
Adjusted EBIT margin (%)	2.2%	3.0%	2.5%
Adjusted EBITDA	19.6	13.4	61.6
Adjusted EBITDA margin (%)	3.9%	3.7%	3.6%
Cash flow from operations	17.4	82.9	(53.0)
Net working capital	85.9	34.2	85.9
Investments	(121.7)	-3.9	(138.8)
Net debt /- net cash	(433.0)	(204.7)	(433.0)
Equity / asset ratio	53.5%	49.7%	53.5%

Source: Company information

## Selected KPIs by segment

(SEK million unless otherwise indicated)

	Q2 2017	Q2 2016	Rolling 12 months
<b>Boozt.com</b>			
Transactional net revenue	490.7	353.5	1,651.8
Net revenue	481.9	332.0	1,614.8
EBIT	(79.4)	4.3	-81.0
EBIT margin (%)	(16.5%)	1.3%	-5.0%
Adjusted EBIT	12.0	5.8	36.9
Adjusted EBIT margin (%)	2.5%	1.8%	2.3%
Site visits (000)	21,056	14,980	74,526
Number of orders (000)	641	449	2,112
Conversion rate (%)	3.05%	3.00%	2.83%
True frequency	6.1	4.7	6.1
Average order value (SEK)	765	787	782
Active customers (000)	916	695	916
Number of orders per active customer	2.30	2.03	2.30
<b>Booztlet.com</b>			
Transactional net revenue	12.1	9.2	39.6
Net revenue	11.9	9.1	39.1
EBIT	(1.9)	1.4	0.8
EBIT margin (%)	(15.9%)	15.8%	2.1%
Adjusted EBIT	0.4	1.4	3.8
Adjusted EBIT margin (%)	3.7%	15.9%	9.8%
<b>Other</b>			
Transactional net revenue	0.8	59.1	139.0
Net revenue	2.3	15.9	43.0
EBIT	(1.6)	2.8	0.6
EBIT margin (%)	(70.7%)	17.8%	1.4%
Adjusted EBIT	(1.6)	3.3	1.6
Adjusted EBIT margin (%)	(70.7%)	20.8%	3.8%

Source: Company information

# 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**

---