



# INVESTOR PRESENTATION

Q2 2021

16 JULY 2021

NELLY

# Join our community of a *fab-loving* generation

We are building a company that shall generate sustainable and attractive returns. A key fundamental for this is our loved community powered brand – enabling high frequency, low cost of sales and appealing margins.



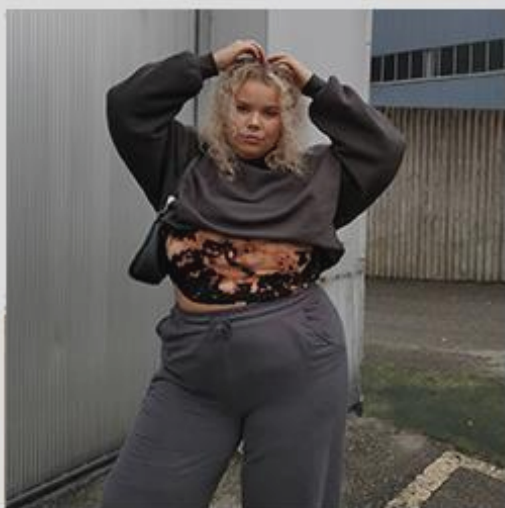
Kristina Lukes  
CEO



John Afzelius, CFA  
CFO

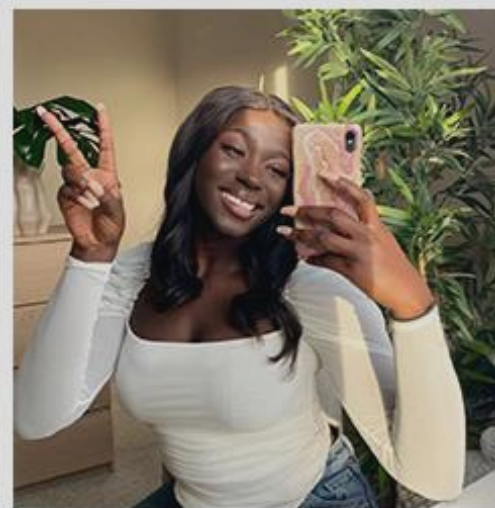
[investorrelations@nellygroup.com](mailto:investorrelations@nellygroup.com)

[www.nellygroup.com](http://www.nellygroup.com)



**An integral part of the  
young woman's everyday life**

Founded in 2004 in Borås  
Built through influencer marketing  
A community of Nordic consumers  
We empower femininity and make her feel fab



NELLY

# Q2 2021 Highlights

**Operating  
Result  
Improvement**

**Strong  
Inventory  
Turnover**

**Net Revenue  
Growth**

**New  
Warehouse  
Operational**

# We are live with our new high-capacity automated warehouse

- July 2021 Borås main Nelly warehouse, Falkenberg ramp-down (closure August)
  - On time, kept delivery promises and we estimate to be within lower range of project related budget
- Standardized automation system (AutoStore) with 80 000 bins



## Cost efficiency:

Annual cost saving 35 SEK/m



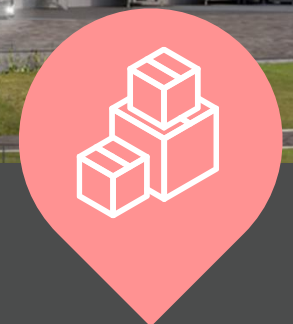
## Time to customer

Opportunity for same day delivery



## Improved environmental footprint

Green building certification "silver"  
Sustainable district heating "bra miljöval"  
Renewable energy



## Room for growth

# Q2 2021 Income statement

Net revenue increased  
**3%** growth in the Nordics  
**SEK 6m** gross margin  
 improvement

**SEK 4m** lower fulfilment and  
 distribution cost, mainly due to  
 improved warehouse efficiency  
 and despite warehouse move

**SEK 7m** marketing spend  
 increase due to performance  
 marketing cost inflation and  
 brand repositioning

**SEK 6m** admin and other  
 operating cost improvement,  
 mainly due to streamlining of  
 administration

(SEK million)	Q2 20	Q2 21		
<b>Net revenue</b>	<b>391</b>	<b>397</b>		
<b>Gross profit</b>	<b>176</b>	<b>182</b>	<b>+6</b>	
<i>Gross margin</i>	44.9%	46.0%		
Fulfilment and distribution cost	-72	-68	+4	-1
Marketing cost	-33	-40	-7	
Admin and other operating cost	-74	-67	+6	-2
<b>Operating profit or loss</b>	<b>-3</b>	<b>7</b>	<b>+10</b>	<b>-3</b>
<i>Operating margin</i>	-0.7%	1.8%		

**Δ** = delta vs. 2020

**WP** = Warehouse project impact



# Q2 2021 – Operational & Financial Highlights

**Warehouse project on time & within budget**

- **SEK 35m** annual cost improvement target
- **SEK 110m** capex and lower end of **SEK 35-45m** project cost range expected

**Continued strong inventory turnover**

- Continued strong inventory turnover
- Inventory **+3%** YoY but low share of older inventory
- Focus on outgoing season stock levels continues to support margins and return on capital

**Solid cash position and sound balance sheet**

- **SEK 185m** cash position
- High inventory turnover supportive of cash generation

# Shaping a sound and sustainable Nelly, with her

**Empower femininity**

**Respect the planet**

**Fair & Equal**

H1 2021



48% female representation in warehouse staff

H1 2021



- 50% increase of share of sustainable materials in H1 (actual 18% vs 21% FY 2021 Target)
- 15%-points near shoring share increase (majority share of volume)
- Climate Footprint completed

H1 2021



- Security 1st principle infrastructure in new warehouse



A photograph of three women standing on a set of white stone steps. In the background, there is a large, light-colored classical sculpture of a seated figure. The woman on the left has long blonde hair and is wearing a black and white plaid, off-the-shoulder, long-sleeved dress with a matching belt. The woman in the middle has long, wavy brown hair and is wearing a white t-shirt tucked into black, shiny, high-waisted pants. She has her arms crossed. The woman on the right has long, straight black hair and is wearing a dark grey, long-sleeved, high-waisted dress with a wide, black, studded belt. She has her hand on her hip. The text 'Nelly – A Platform for Inspiration' is overlaid in white, bold font across the center of the image.

# Nelly – A Platform for Inspiration

# We exist thanks to our loyal & engaging community



**1.3 M**

FOLLOWERS ON  
SOCIAL MEDIA



**19%**

OF TARGET  
GROUP VISIT  
US WEEKLY



**42%**

OWN BRAND SHARE  
OF SALES



**96%**

COMPLETION RATE ON  
INSTAGRAM



**2.7 M**

ORDERS



**1.2 M**

ACTIVE  
CUSTOMERS



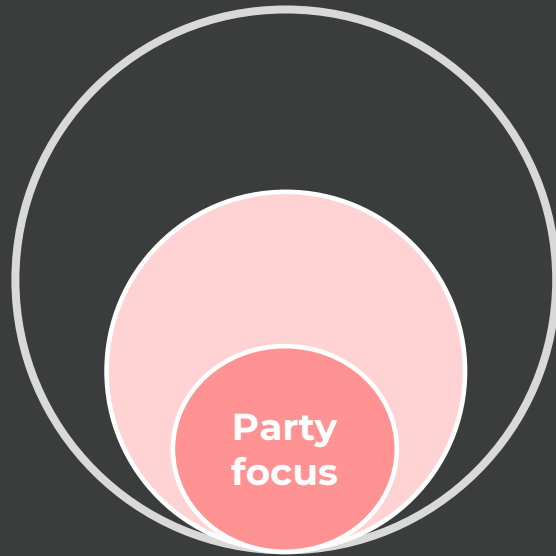
**Repositioning our brand  
towards our most profitable  
and loyal consumer, Denise**

**She shops 18 times a year  
for her appearance**



# Encourage her to always feel fab with a head-to-toe look – and needs beyond fashion

Our strategy  
for growth



**Fashion market**

Low frequency needs catering



**Fashion market**

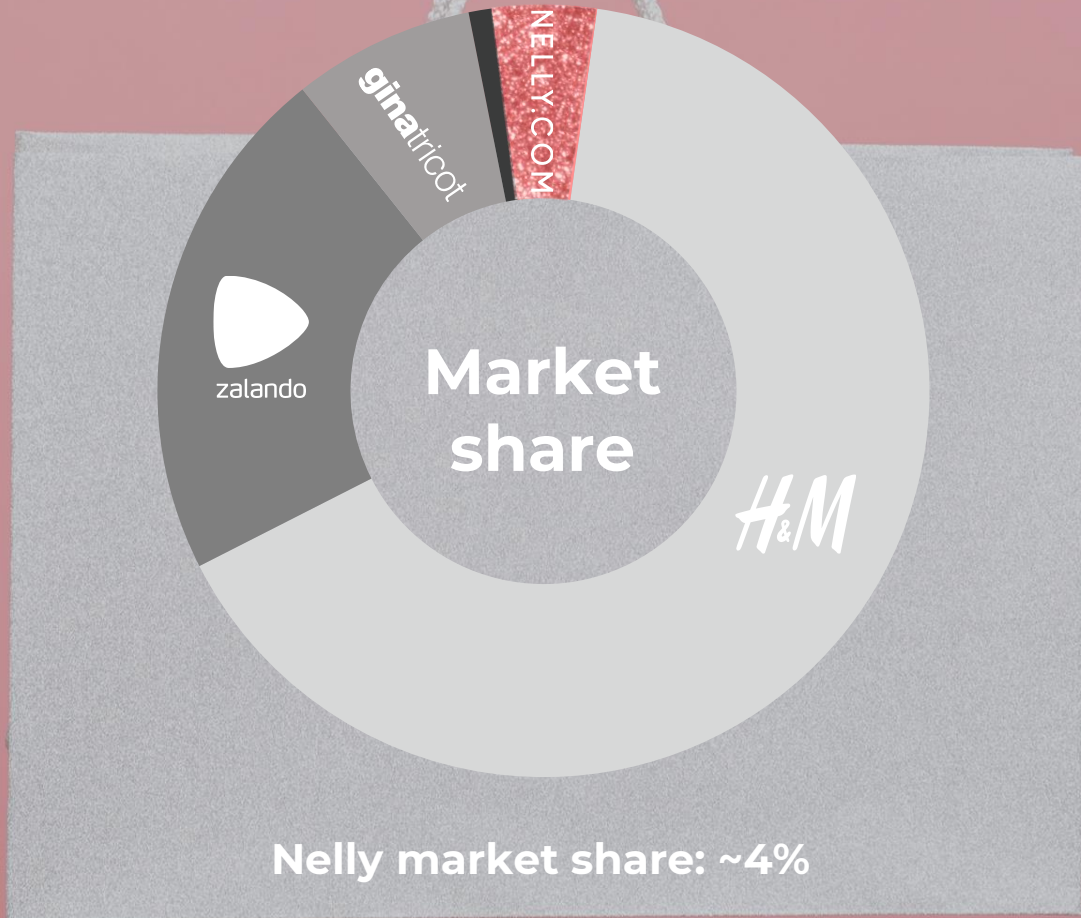
High frequency needs catering



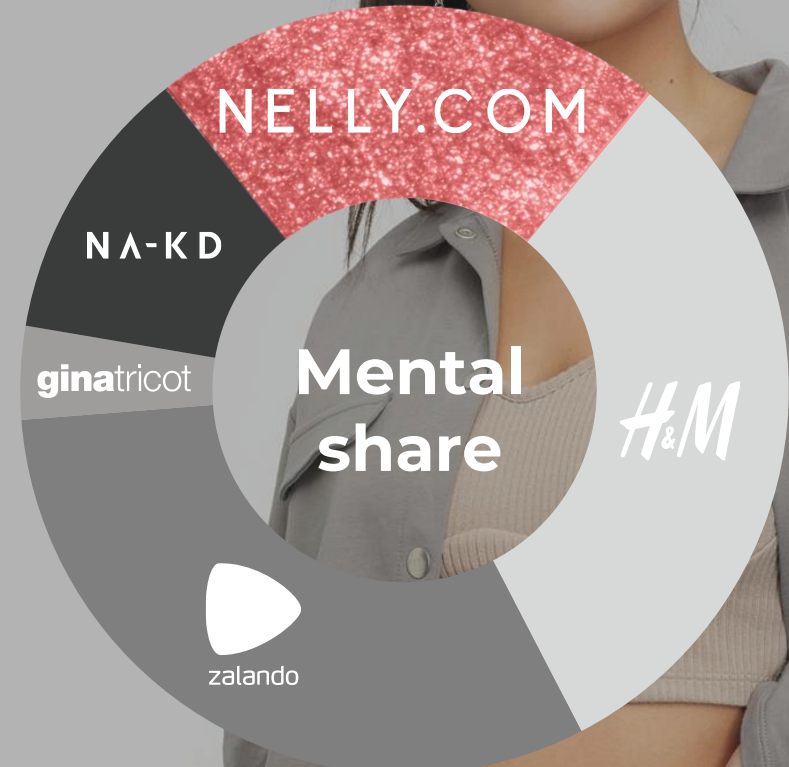
**Feel fab market**

High frequency made possible by catering all her appearance needs

Nelly is a large brand in the mind of the young Nordic fashionista



Nelly market share: ~4%



Nelly mental share: Sizewise close to H&M and Zalando



Thanks!

# Board of Directors

**Louise Nylén**  
Board Director



**Maj-Louise Pizzelli**  
Board Director



**Josephine Salenstedt**  
Board Director



**Christoffer Häggblom**  
Board Director

**Stina Westerstad**  
Board Director

**Mathias Pedersen**  
Chairman of the Board



LOVE,

Neilly

Andreas Drougge  
CTO

John Afzelius  
CFO

Stefan Svensson  
COO

Therese Knutsson  
CHRO

Mimi Darin  
CCO



Maria Segergren  
CAO

Kristina Lukes  
CEO

Executive  
Management

