



Nelly Group AB
**INVESTOR
PRESENTATION**

Q1 2022
28 April 2022

NELLY

The Go-To Nordic Community for young Fashionistas



Kristina Lukes
CEO



John Afzelius,
CFA, CFO

ir@nelly.com

www.nellygroup.com

Customer experience

Frequency

Continued efficiencies

An integral part of the young woman's everyday life

Founded in 2004 in Borås

Built through influencer marketing

Online only

A community of Nordic consumers

Making 1.2 million customers

look & feel fab



2.1M

MEMBERS ON
NELLY.COM



1.2M

ACTIVE
CUSTOMERS



1.3M

FOLLOWERS ON
SOCIAL MEDIA



~20%

OF TARGET
GROUP VISIT
US WEEKLY



Our core target group is represented by “Denise”

She shops 18 times a year for her appearance

Q1 2022 Summary

**-4% growth
in Nordic
core business**

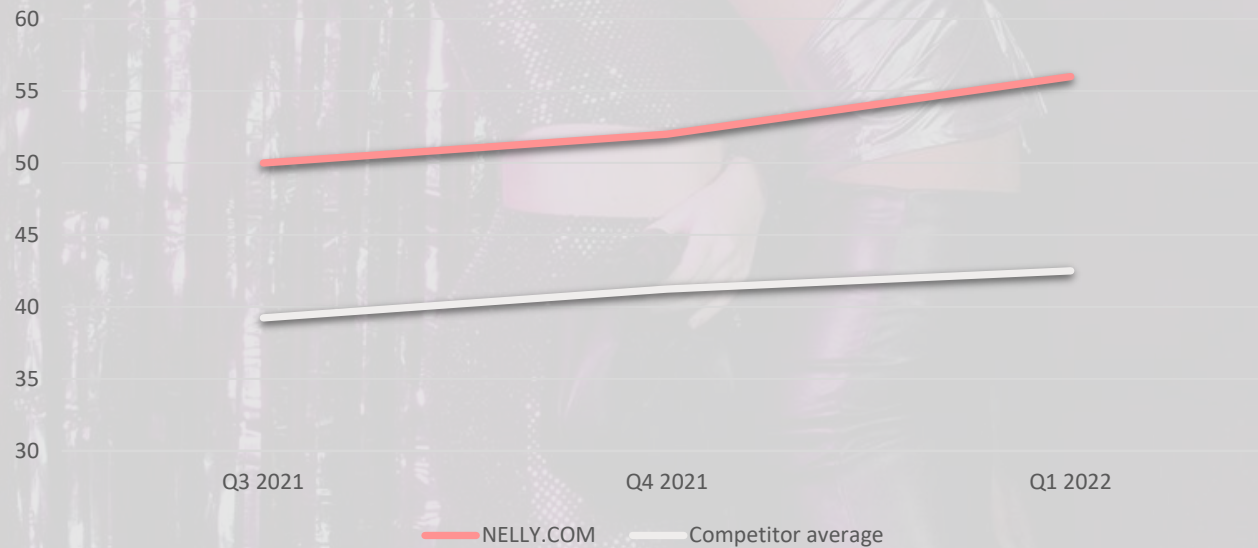
**Lower
warehousing
costs**

**Investments
in influencer
marketing &
social media**

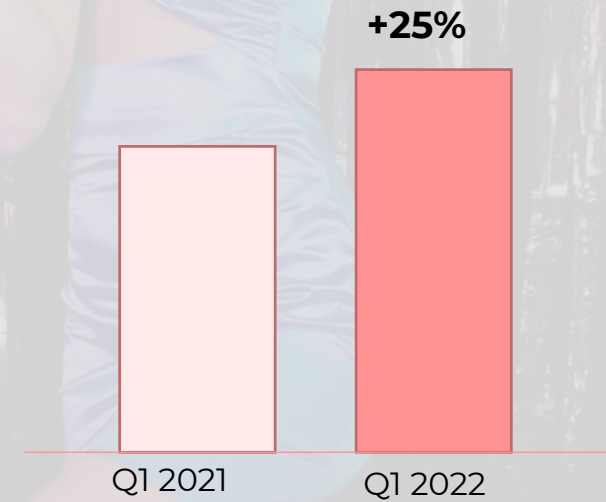


**For the rainy Tuesday. For the Friday after work.
For the graduation celebration. For every day.**

Nelly considered NO. 1 party/nightlife destination and growing in target group ¹⁾



Nr of visits to party wear pages at Nelly.com



1) Source: NEPA

Successful marketing initiatives results in +9% direct traffic and less dependency of paid channels in Q1

The Nelly target group is digital native and lives her life mobile first



- 90% of 16-35 years old's use social media every day
- The Nelly target group spends an average of 3 hours a day on social media platforms
- ~100 minutes of those on TikTok

The Nelly House

+ 17M views on Nelly House content
#nellycom hashtag more than doubled (6,7M)

TikTok

11M views of #nellycom Q1 2022 (5M total in 2021)

Nelly.com mobile app

+59% organic traffic from app Q1 2022 vs Q1 2021
Top ranked shopping app in Norway

Q1 2022 Income statement

2% underlying gross revenue growth
 -4% growth in Nordic core business
 -8% net revenue growth

SEK 5m lower fulfilment and distribution cost, new automated warehouse drives lower fulfilment costs

SEK 4m marketing spend increase, performance marketing flat but investments in influencer marketing and social media drive increase

SEK 1m higher admin and other operating cost

(SEK million)	Q1 21	Q1 22	
Net revenue	312	288	
Gross profit	136	127	-9
<i>Gross margin</i>	43.7%	44.3%	
Fulfilment and distribution cost	-54	-49	5
Marketing cost	-32	-36	-4
Admin and other operating cost	-65	-66	-1
Operating profit or loss	-15	-24	-9
<i>Operating margin</i>	-4.8%	-8.3%	

Δ = delta vs. 2021



Q1 2022 – Operational & Financials

**Fewer orders
AOV growth**

- **520k** Orders, -6% YoY
- **SEK 761** Average Order Value, +7% YoY

**Continued solid inventory
turnover and a fresh
stock**

- Continued strong inventory turnover
- Inventory share of sales at **17.3%** and low share of old inventory

**Working capital changes
No interest-bearing debt**

- **SEK -147m** net cash flow in seasonally weak quarter
- **SEK 51m** cash position
- No interest bearing debt & untapped credit lines

Shaping a sound and sustainable Nelly, with her

Empower femininity

Fortify self-esteem among young women

We want to create a community where the young woman feels respected, confident and celebrated!

Respect the planet

Go circular

We want to reduce our climate impact and manage our resources.

Fair & Equal

Be responsible

We want to create a safe and sound environment for all employees and partners.

OUR OVERALL SUSTAINABILITY GOALS

Sustainable targets 2021 reached

2022

Nelly's own brand products will only be made by **externally inspected factories**

2023

Nelly will achieve **net zero** in its own operations

2025

50% of textile products will be made of more sustainable materials

2030

Emissions of greenhouse gases in the value chain will have **decreased by 50%**



Thanks!