



Nelly Group AB
**INVESTOR
PRESENTATION**

Q4 2021

4 February 2022

NELLY

Our journey from a loved brand towards social commerce



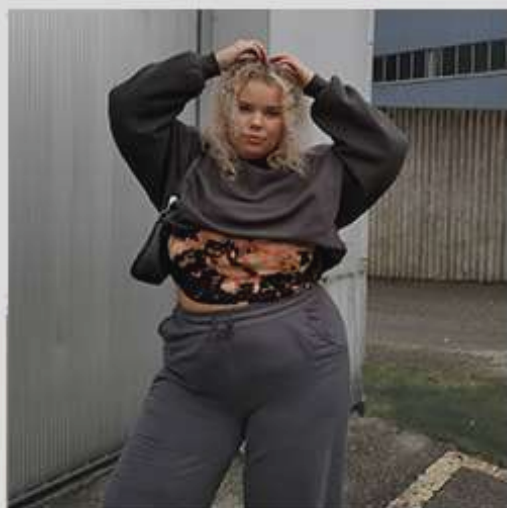
Kristina Lukes
CEO



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CFO

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An integral part of the young woman's everyday life

Founded in 2004 in Borås

Built through influencer marketing

A community of Nordic consumers

Making 1.2 million customers look & feel fab



NELLY

We exist thanks to our loyal & engaging community



1.3M

FOLLOWERS ON
SOCIAL MEDIA



~20%

OF TARGET
GROUP VISIT
US WEEKLY



~40%

OWN BRAND
SHARE OF SALES



2.6 M

ORDERS



1.2M

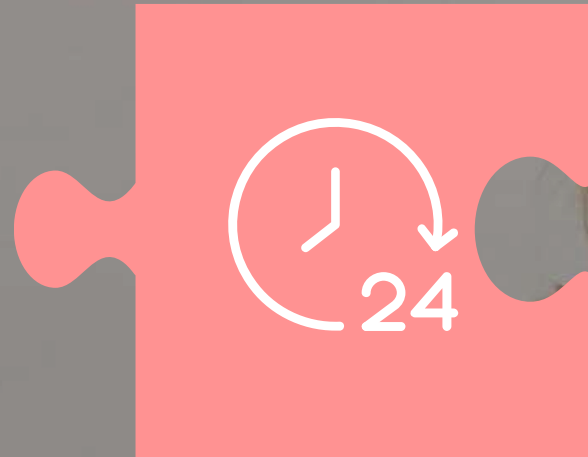
ACTIVE
CUSTOMERS

Repositioning the brand Nelly to drive frequency



TO

**Young women
15 – 25**



**More occasions
(Everyday, special
occasions & party)**



**Added & strengthened
attributes**

FROM

**Women 15-35
Europe**

Party / Occasion

Association party



**Repositioning our brand
towards our core target group,
represented by “Denise”**

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

2021 -> 2022

FROM

**INTERNAL FOCUS –
BUILD PLATFORM
FOR FUTURE
GROWTH**

TO

**CUSTOMER
EXPERIENCE IN
FOCUS**



2021 – a year of change



NELLY
GOES BORÅS



NEW AUTOMATED
WAREHOUSE



ALL SUSTAINABILITY
TARGETS 2021
REACHED



UPDATED
ASSORTMENT WITH
INCREASED SPEED
& FLEXIBILITY



NEW
MANAGEMENT



N

RELAUNCH THE
NELLY BRAND



NEW SITE



NEW CHANNEL
STRATEGY



Shaping a sound and sustainable Nelly, with her

Empower femininity

2021



- 2/3 female staff
- Majority of warehouse staff female
- 50% female representation in Board of Directors and Executive Management
- Nelly Lounge community – good vibes only!

Respect the planet

2021



- +120% improvement on sustainable materials vs LY
- Better Cotton Initiative sourcing increased to >50% (own brand).
- First climate footprint completed
- STICA initiative to increase usage of renewable energy in Turkish supply chain
- Paper invoices removed – 3M annually
- “Bra miljöval” district heating in all locations

Fair & Equal

2021



- Increased social compliance – 86% of private label's tier 1 suppliers were third party audited
- No “Zero tolerance” cases detected
- Transparency on product level (supplier info, tier 1) prepared

Shaping a sound and sustainable Nelly, with her

NELLY LOUNGE^{beta}
SECOND HAND



REBORN BY
NELLY.COM



Second hand channel launched for members of Nelly customer community
Nelly Lounge



Coming soon: Redesigned pieces produced in Borås using the material of unsold Nelly stock. First out – denim

Q4 2021 Highlights



**9% growth in
Nordic core
business**

**More
efficient
purchasing
of marketing**

**Customer
growth and
higher
customer
engagement**

**Automated
warehouse
starting to
produce
results**

Q4 2021 Income statement

9% Nordic net revenue growth
SEK 8m gross profit improvement

SEK 1m higher fulfilment and distribution cost, new automated warehouse starting to produce results

SEK 3m marketing spend increase, increasingly more efficient performance marketing management

SEK 8m higher admin and other operating cost

(SEK million)	Q4 20	Q4 21	
Net revenue	394	407	
Gross profit	168	177	8
<i>Gross margin</i>	42.7%	43.4%	
Fulfilment and distribution cost	-64	-65	-1
Marketing cost	-42	-44	-3
Admin and other operating cost	-62	-71	-8
Operating profit or loss	0	-3	-3
<i>Operating margin</i>	0.1%	-0.8%	

Δ = delta vs. 2020



Q4 2021 – Operational & Financial Highlights

Strong AOV and customer growth

- **SEK 751** Average Order Value, well ahead of 2020
- **Active customer growth** for second consecutive quarter

Continued strong inventory turnover and a fresh stock

- Continued strong inventory turnover
- Inventory share of sales at **12.6%** and low share of old inventory

Solid cash position and sound balance sheet

- **SEK 57m** net cash flow
- **SEK 198m** cash position
- No interest bearing debt & untapped credit lines



Thanks!