

Nelly Group  
**INVESTOR  
PRESENTATION**

Q4 2023

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[NELLY.COM](https://www.nelly.com)



# Nelly Group Q4 2023 Presentation



Helena Karlinder-Östlundh  
CEO



Ola Wahlström  
Interim CFO

[ir@nelly.com](mailto:ir@nelly.com)

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



## AGENDA

- This is NELLY
- Continuing the path towards long-term profitability
- Financial update
- Q&A

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

Founded in 2004 in Borås

Pioneer in online fashion for young women in the Nordics

Still primarily an eCommerce business, but now with one flagship store in Stockholm

Helping 1 million active customers look & feel their best



**1M**

ACTIVE CUSTOMERS



**1.9M**

ORDERS PLACED YEARLY



**2.5M**

MEMBERS ON NELLY.COM



**1.2M**

FOLLOWERS ON SOCIAL MEDIA

# Continuing the path towards long-term profitability

## A profitable quarter & a profitable year

- Third profitable quarter, with a clear gross margin improvement
- Profitable on a full-year basis despite a weak first quarter
- Further work remains to secure long-term profitability

## Assortment strength

- Continued to optimise assortment breadth & sold significantly higher quantities of top sellers
- Further strengthened position in key “everyday categories”
- Increased own brand share, for the quarter & on a full-year basis
- Higher sell-through & full-price share on the A/W season
- Lower return rate on a full-year basis

## Customer activation

- Closely managed spend on paid traffic & continued focus on organic traffic
- Successful product drops & capsule collection launches, with further potential to scale
- Positive customer response to our first Flagship Store

## Next phase of transformation

- Continued disciplined cost control, which must be maintained
- Several key projects launched to strengthen core IT architecture
- Intensified focus on turning around traffic and conversion rate as next milestone on the transformation journey



# Q4 2023 – Income statement

**-22%** revenue decline in competitive markets  
 Gross margin **+8.9%p** partly due to reduced campaign activity & increased own brand share of sales

**SEK 12m** lower fulfilment and distribution cost, mainly due to lower volumes

**SEK 15m** marketing cost decrease as a result of more efficient marketing spend

**SEK 7m** lower admin and other operating cost, mainly due to lower salary costs

(SEK million)	Q4 23	Q4 22	
<b>Net revenue</b>	<b>302</b>	<b>387</b>	
<b>Gross profit</b>	<b>151</b>	<b>159</b>	<b>-8</b>
<i>Gross margin</i>	50.0%	41.1%	
Fulfilment and distribution cost	-46	-58	+12
Marketing cost	-26	-41	+15
Admin and other operating cost	-55	-62	+7
<b>Operating profit or loss</b>	<b>24</b>	<b>-2</b>	<b>+26</b>
<i>Operating margin</i>	8.0%	-0.5%	

Δ = delta vs. LY

# Q4 2023 – Operational & Financials

Reduction in orders  
Higher own brand share  
Small increase in returns

- **512k** Orders, -22% YoY
- **36.3%** Share of own sales increase of +3.4%p. YoY
- **33.0%** Returns increase of +1.0%p. YoY

Lower operating costs in Q4

- Fulfilment & distribution cost down **12m** YoY, as a share of net revenue at **15.1%** (15.0%)
- Marketing cost as a share of net revenue **8.6%** (10.5%)
- Admin and other operating costs at **55m** (62m)

Improved cash position

- **SEK 50m** (62m) net cash flow from operations
- **SEK 0 m** of credit lines used
- **SEK 151m** (94m) cash position, excl. credit facility

A woman with dark hair pulled back, wearing a black leather motorcycle jacket with gold zippers and large gold hoop earrings. She is sitting on a brown, textured sofa, looking off to the side. The background is a plain, light grey wall.

**Q&A**



A woman with long dark hair is standing in the center of the frame, wearing a long-sleeved, floor-length white lace dress. The dress has a high neckline and a fitted silhouette. Her hair is blowing in the wind. The background is a solid, muted brown color. The word "THANKS!" is written in large, white, bold, sans-serif capital letters across the middle of the image, partially overlapping the woman's dress.

**THANKS!**