

A woman with dark hair pulled back, wearing glasses and large gold earrings, is shown in profile from the waist up. She is wearing a white, long-sleeved, ribbed dress. She stands in front of a weathered stone wall with a large, intricate vine structure climbing over it. The lighting is soft and natural, suggesting an outdoor setting.

Nelly Group
**INVESTOR
PRESENTATION**

Q1 2024

26 April 2024

NELLY.COM

Nelly Group Q1 2024 Presentation



Helena Karlinder-Östlundh
CEO



Niklas Lingblom
CFO

ir@nelly.com

www.nellygroup.com



AGENDA

- This is NELLY
- The CEO's comments on the quarter
- Financial update
- Q&A

A staple in Nordic fashion for 20 years now

Founded in 2004 in Borås

Pioneer in online fashion for young women in the Nordics, with menswear added 2008

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

Helping 900 000 active customers look & feel their best every day



900K

ACTIVE CUSTOMERS



1.8M

ORDERS PLACED YEARLY



2.4M

MEMBERS ON NELLY.COM



1.2M

FOLLOWERS ON SOCIAL MEDIA

Our long-term strategy is delivering results

A profitable first quarter

- Delivered an operating profit for the first quarter
- A markedly improved result year-on-year
- Continued positive trends on key metrics including gross margin

Stronger assortment

- Further progress on assortment breadth and depth in line with our long-term strategy
- Continued focus on strengthening “everyday categories”
- Solid start to the spring and summer season with better sell-through and higher full-price share year-on-year
- Increased own brand share and decreased return rate

Solid cost control

- Lower marketing costs due to more efficient spending on paid traffic and a continued focus on organic channels
- Improved fulfilment and distribution costs despite lower order volumes
- Continue to operate the business with a smaller but strong team to maintain control over salary costs

Still more potential for improvement

- Focus on turning around traffic and conversion rate as the next milestone on our journey
- Key projects to strengthen our core IT architecture well underway
- Full leadership team in place to execute the next phase of the transformation together with our amazing NELLY team



Q1 2024 – Income statement

Revenue decline of **-5.1%** in competitive markets
 Gross margin **+8.2%p** mainly due to reduced campaign activity & increased own brand share of sales

Warehousing and distribution costs **SEK 10.6m** lower than last year with lower volumes as main driver

SEK 2.8m marketing costs decrease as a result of less paid marketing spend

SEK 8.3m lower admin and other operating costs, mainly due to lower salary costs

(SEK million)	Q1 24	Q1 23	
Net revenue	222.2	234.2	
Gross profit	109.1	95.8	+13.3
<i>Gross margin</i>	49.1%	40.9%	
Warehousing and distribution costs	-32.4	-43.0	+10.6
Marketing costs	-21.3	-24.1	+2.8
Admin and other operating expenses	-54.1	-62.4	+8.3
Operating profit or loss	1.4	-33.7	+35.1
<i>Operating margin</i>	0.6%	-14.4%	

Δ = delta vs. LY

Q1 2024 – Operational & Financials

Reduction in orders
Higher own brand share
Improved return rate

- **369k** Orders, -15.2% YoY
- **39.9%** Own brand share, increase of +4.1%p. YoY
- **33.4%** Return rate, improvement of -4.4%p. YoY

Lower total operating costs in Q1

- Warehousing & distribution costs down **10.6m** YoY, as a share of net revenue at **14.6%** (18.4%)
- Marketing costs as a share of net revenue **9.6%** (10.3%)
- Admin and other operating costs at **54.1m** (62.4m)

Improved cash flow from operations
Strong cash position

- **SEK -4.5m** (-53.9m) cash flow from operations
- **SEK 0 m** of credit lines used
- **SEK 126.0m** (23.8m) cash position, excl. credit facility

A woman stands in the center of the frame, wearing a leopard print short-sleeved top and a long, white, floor-length skirt with a drawstring waist. She is wearing sunglasses and has her hair pulled back. The background features a weathered stone wall with a decorative horizontal band, heavily covered in lush green ivy. The scene is set outdoors on a grassy area, with trees and foliage visible in the upper right corner. The lighting is soft, suggesting late afternoon or early morning.

Q&A

A woman with dark hair pulled back, wearing glasses, large gold earrings, and a ring, is sitting on a stone bench. She is wearing a white, long-sleeved, ribbed dress with a deep V-neckline. The background is a weathered, light-colored wall with some green foliage on the left and right sides. The word "THANKS!" is overlaid in large, white, bold, sans-serif capital letters across the center of the image.

THANKS!