

Third Quarter and First Nine Months 2015



Highlights in Q3

- Key operational initiatives and investments finalized
 - Lekmer ready for the fourth quarter after finalized warehouse project
 - CDON warehouse consolidation completed
 - Reorganisation completed at Gymgrossisten
 - Strengthened management team
- Qliro Financial Services develops at a high pace
- Continued stable growth at Tretti and CDON Marketplace (external merchants)
- Strong sales for Nelly in Sweden, but lower sales in Finland and Norway on top of currency headwind impacting EBIT
- CEO resignation

BUSINESS SEGMENTS

Q3 -15 vs Q3 -14

CDON Marketplace

- Sales generated to merchants up 69%
- Almost 700 merchants signed with CDON Marketplace
- Completion of warehouse consolidation will improve customer experience
- Magnus Fredin new CEO as of August

	CDON.COM Marketplace					
	Q3 15	Q3 14	Growth	YTD 15	YTD 14	Growth
Gross Merchandise Value, external merchants	48.1	28.5	69%	135.0	77.1	75%
Total Gross Merchandise Value	430.5	445.7	-3%	1,271.4	1,288.7	-1%
Net sales (SEK million)	386.6	418.7	-8%	1,146.7	1,215.2	-6%
EBITDA (SEK million)	1.2	1.3		0.4	-3.9	
EBITDA margin (%)	0.3%	0.3%		0.0%	-0.3%	
EBIT (SEK million)	-1.3	-0.8		-6.3	-9.7	
EBIT margin (%)	-0.3%	-0.2%		-0.6%	-0.8%	
Active customers (thousand)	1,723	1,719	0%	1,723	1,719	0%
Visits (thousand)	18,830	17,485	8%	55,410	54,629	1%
Orders (thousand)	726	773	-6%	2,222	2,333	-5%
AOV (SEK)	527	539	-2%	512	516	-1%




Nelly

- Sales growth in Sweden amounted to 22%, other Nordic countries showed weaker development
- The share of Nelly's sales generated in Sweden over the first nine months totalled 49%
- Product margin of 46% (47%)
- Private label continues to grow
- WMS project completed
- Underlying EBIT improvement when excluding negative currency effects of approx. SEK 10 million, mainly from stronger USD and GBP

	NLY MAN		NELLY.COM		M	
	Q3 15	Q3 14	Growth	YTD 15	YTD 14	Growth
Net sales (SEK million)	246.5	244.2	1%	838.6	758.3	11%
EBITDA (SEK million)	-7.4	-4.0		-9.9	-9.2	
EBITDA margin (%)	-3.0%	-1.6%		-1.2%	-1.2%	
EBIT (SEK million)	-9.4	-5.3		-15.4	-12.4	
EBIT margin (%)	-3.8%	-2.2%		-1.8%	-1.6%	
Active customers (thousand)	1,261	1,101	15%	1,261	1,101	15%
Visits (thousand)	27,186	29,327	-7%	99,316	94,676	5%
Orders (thousand)	545	588	-7%	1,963	1,858	6%
AOV (SEK)	646	598	8%	616	590	4%


Gymgrossisten

- Sales in Sweden increased, while other Nordic countries showed weaker development
- Completed reorganisation in October 2015
- Reorganisation entails formation of three business areas – Gymgrossisten.com, Bodystore.com and Retail
- Staff reduction will result in sequential cost saving of approx. SEK 8 million on an annual basis
- Gross margin affected by negative currency effects

	  					
	Q3 15	Q3 14	Growth	YTD 15	YTD 14	Growth
Net sales (SEK million)	197.1	203.6	-3%	648.5	630.9	3%
EBITDA (SEK million)	13.3	17.0		44.4	54.1	
EBITDA margin (%)	6.8%	8.3%		6.9%	8.6%	
EBIT (SEK million)	12.6	16.2		42.1	51.8	
EBIT margin (%)	6.4%	8.0%		6.5%	8.2%	
Active customers (thousand)	562	505	11%	562	505	11%
Visits (thousand)	5,343	4,450	20%	17,914	15,076	19%
Orders (thousand)	261	268	-3%	879	816	8%
AOV (SEK)	760	766	-1%	742	777	-5%


Tretti

- Sales growth of 18%
- Continued growth in all product categories
- Slightly lower product margin

						
	Q3 15	Q3 14	Growth	YTD 15	YTD 14	Growth
Net sales (SEK million)	189.0	160.3	18%	553.4	475.1	16%
EBITDA (SEK million)	0.9	1.5		3.5	4.3	
EBITDA margin (%)	0.5%	1.0%		0.6%	0.9%	
EBIT (SEK million)	0.1	0.8		1.1	1.9	
EBIT margin (%)	0.0%	0.5%		0.2%	0.4%	
Active customers (thousand)	246	237	4%	246	237	4%
Visits (thousand)	2,873	2,819	2%	8,877	8,553	4%
Orders (thousand)	81	73	11%	245	224	9%
AOV (SEK)	2,418	2,269	7%	2,332	2,211	5%

Lekmer

- Automated warehouse deployed
- Larger operational disturbances than expected
- Warehouse operations have now returned to normal levels
- So far in October sales are growing again
- New outlet store will open in Infracity, Upplands Väsby outside Stockholm

						
	Q3 15	Q3 14	Growth	YTD 15	YTD 14	Growth
Net sales (SEK million)	86.6	95.6	-9%	278.7	240.7	16%
EBITDA (SEK million)	-12.5	-1.0		-34.9	-8.4	
EBITDA margin (%)	-14.4%	-1.1%		-12.5%	-3.5%	
EBIT (SEK million)	-12.9	-1.5		-36.1	-9.7	
EBIT margin (%)	-14.9%	-1.6%		-13.0%	-4.0%	
Active customers (thousand)	438	357	23%	438	357	23%
Visits (thousand)	6,331	5,564	14%	18,337	14,540	26%
Orders (thousand)	166	153	8%	494	393	26%
AOV (SEK)	546	640	-15%	583	623	-6%

Qliro Financial Services

- Qliro development in line with plan
- Processed 728,000 orders in Q3
- Business volume of SEK 594 million in Q3 and total accumulated business volumes of approx. SEK 2 billion
- Loans to the public increased to SEK 337.6 million by the end of September
- Launched in Denmark in October

Qliro			
	Q3 15	Q2 15	Q1 15
Total operating income	27.4	23.1	18.0
EBIT (SEK million)	-7.2	-11.6	-15.0
Loans to the public	337.6	276.5	182.8
Business volume	594	583	448
Order (thousands)	728	715	555
Average shopping basket (SEK)	816	816	807

Please note: Qliro Financial Services was launched in December 2014, no comparables for Q3 available.

FINANCIALS

Income Statement

- Sales in line with last year
- Negative currency effect of more than SEK 20 million
- EBIT, excl. non-recurring items, amounted to SEK -28.2 million
- EPS amounted to SEK -0.21 (-0.04).

Excluding divested entities and non-recurring items

(SEK million)	2015 Q3	2014 Q3	2015 Jan-Sept	2014 Jan-Sept
Net Sales	1,116.8	1,121.2	3,488.7	3,317.2
Gross profit	149.8	151.5	502.7	502.6
<i>Gross margin (%)</i>	13.4%	13.5%	14.4%	15.2%
EBITDA	-17.6	8.3	-30.6	19.4
<i>EBITDA margin (%)</i>	-1.6%	0.7%	-0.9%	0.6%
EBIT	-28.2	1.5	-59.8	0.6
<i>EBIT margin (%)</i>	-2.5%	0.1%	-1.7%	0.0%

Including divested entities and non-recurring items

EBIT	-41.1	1.6	-90.8	36.6
Financial Net	-0.3	-8.1	-3.5	-18.1
Income before tax	-41.4	-6.6	-94.3	18.5
Net income	-32.0	-4.7	-72.2	12.3
Earnings per share (SEK)	-0.21	-0.04	-0.48	0.09

Cash Flow

- Cash flow from operations improved to SEK -72.1 (-87.4) million in Q3
- Qliro Financial Services' loans to the public increased by SEK 61.2 million
- Cash and cash equivalents at end of September, SEK 249.1 (102.4) million

(SEK million)	2015 Q3	2014 Q3	2015 Jan-Sept	2014 Jan-Sept
Cash flow from operating activities	-34.0	4.3	-70.2	9.6
Changes in working capital	-38.0	-91.8	-146.1	-191.3
Cash flow from operations	-72.1	-87.4	-216.2	-181.7
Cash flow to investing activities	-28.4	-24.2	-84.8	-62.6
Acquisitions/disposals of operations			-0.5	74.0
Changes in Qliro Financial Services loans to the public	-61.2	-10.2	-156.5	-11.4
Changes in Qliro Financial Services financing	140.2		174.7	
Other financing activities		-6.5		-6.5
Change in cash and cash equivalents for the period	-21.4	-128.3	-283.3	-188.2
Cash and cash equivalents at the period's start	271.6	230.1	534.0	288.9
Translation difference	-1.1	0.7	-1.5	1.8
Cash and cash equivalents at the period's end	249.1	102.4	249.1	102.4

Financial Position

- Healthy inventory levels ahead of Q4
- Qliro Financial Services' loans to the public SEK 337.6 million
- Net cash position of SEK 74,4 (net debt 136.2) million

	2015	2014
(SEK million)	30-sept	30-sept
Total non-current assets	864.1	767.8
Inventories	691.0	689.3
Loans to the public	337.6	11.4
Current non-interest bearing receivables	149.1	178.0
Cash and cash equivalents	249.1	102.4
Total assets	2,290.9	1,748.9
Total equity	1,240.5	698.9
Interest bearing liabilities	174.7	238.5
Non-interest bearing liabilities	875.7	811.5
Total equity and liabilities	2,290.9	1,748.9

Conclusion

- Continued Nordic Focus
- Platform in place to facilitate increased volumes and future profitability

Segment	Sales growth	EBITDA-margin
Nelly		5-7%
Lekmer	<i>Growth in line with or above market for each respective segment</i>	3-5%
CDON.com		2-3%
Gymgrossisten		7-9%
Tretti		2-4%

- Strong balance sheet, including healthy inventory levels and a net cash position
- We now look forward to the important fourth quarter

Thank you!

Next report: 27st January 2016

 nasdaq symbol QLRO

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