

Fourth Quarter and Full Year 2015



Highlights

- Total sales amounting to SEK 5,174.1 (4,966.7) million FY 2015
- Total sales amounting to SEK 1,685.5 (1,649.7) million Q4 2015
- Positive result at Qliro Financial Services for the first time
- Strong performance at CDON Marketplace
 - Staff reductions within CDON
- Continued strong sales for Nelly in Sweden. Warm weather and currency effects impacted Nelly sales and result
- Continued operational disturbances at Lekmer warehouse and one-off in Q4
- CEO change at Lekmer

BUSINESS SEGMENTS

Q4 -15 vs Q4 -14

CDON Marketplace

- Strong sales during Black Friday & Christmas sales
- GMV increased by 7%, compared to last year
- Over 800 merchants signed with CDON Marketplace
- Sales generated to merchants up 30%
- EBITDA stronger due to higher sales
- Staff reductions

	CDON.COM Marketplace					
	Q4 15	Q4 14	Growth	YTD 15	YTD 14	Growth
Gross Merchandise Value, external merchants	88.9	68.4	30%	223.9	145.5	54%
Total Gross Merchandise Value	787	735.7	7%	2,058.3	2,024.4	2%
Net sales (SEK million)	706.9	672.6	5%	1,853.5	1,887.8	-2%
EBITDA (SEK million)	18.6	7.9		19.0	4.0	
EBITDA margin (%)	2.6%	1.2%		1%	0.2%	
EBIT (SEK million)	15.2	5.7		8.9	-4.0	
EBIT margin (%)	2.2%	0.9%		0.5%	-0.2%	
Active customers (thousand)	1,729	1,733	0%	1,729	1,733	0%
Visits (thousand)	31,236	28,228	11%	86,767	82,857	5%
Orders (thousand)	1,285	1,314	-2%	3,500	3,647	-4%
AOV (SEK)	616	556	11%	590	551	7%


Nelly

- Sales grew by 4%, negatively affected by the weakened NOK in Q4
- Warm weather led to clearances, resulting in negative effect on sales growth and profitability
- Growth in Nordics amounted to 11%, driven by strong growth in Sweden
- Share of private label continues to grow, 37% compared to 33% last year

	NLY MAN		NELLY.COM		M	
	Q4 15	Q4 14	Growth	YTD 15	YTD 14	Growth
Net sales (SEK million)	358.4	343.7	4%	1,197	1,102	9%
EBITDA (SEK million)	-1.8	-0.8		-11.7	-10.0	
EBITDA margin (%)	-0.5%	-0.2%		-1.0%	-0.9%	
EBIT (SEK million)	-4.1	-2.3		-19.4	-14.7	
EBIT margin (%)	-1.1%	-0.7%		-1.6%	-1.3%	
Active customers (thousand)	1,243	1,229	1%	1,243	1,229	1%
Visits (thousand)	34,067	40,406	-16%	133,383	135,082	-1%
Orders (thousand)	804	823	-2%	2,766	2,681	3%
AOV (SEK)	627	573	9%	620	585	6%


Gymgrossisten

- Sales grew by approximately 2%, negatively affected by the weakened NOK
- Sales in Sweden increased, while other Nordic countries showed weaker development
- The number of visits increased during the quarter, mainly driven by mobile traffic.
- Sales of private label products accounted for 42% of total sales in Q4

						
	Q4 15	Q4 14	Growth	YTD 15	YTD 14	Growth
Net sales (SEK million)	203.4	200.2	2%	851.9	831.1	2%
EBITDA (SEK million)	10.9	14.8		55.3	68.9	
EBITDA margin (%)	5.3%	7.4%		6.5%	8.3%	
EBIT (SEK million)	10.0	14.0		52.2	65.9	
EBIT margin (%)	4.9%	7.0%		6.1%	7.9%	
Active customers (thousand)	570	527	8%	570	527	8%
Visits (thousand)	5,580	5,014	11%	23,495	20,090	17%
Orders (thousand)	268	271	-1%	1,140	1,087	5%
AOV (SEK)	753	741	2%	749	768	-3%


Tretti

- Sales increased by 4% in Q4 and 13% for the full year
- MDA showed continued growth
- Average shopping basket grew by 19%

						
	Q4 15	Q4 14	Growth	YTD 15	YTD 14	Growth
Net sales (SEK million)	200.6	193.6	4%	754.0	668.7	13%
EBITDA (SEK million)	0.9	2.2		4.4	6.5	
EBITDA margin (%)	0.4%	1.1%		0.6%	1.0%	
EBIT (SEK million)	0.1	1.5		1.2	3.4	
EBIT margin (%)	0.0%	0.8%		0.2%	0.5%	
Active customers (thousand)	289	282	2%	289	282	2%
Visits (thousand)	3,185	3,392	-6%	13,049	11,946	9%
Orders (thousand)	98	113	-13%	343	336	2%
AOV (SEK)	2,091	1,754	19%	2,263	2,058	10%

Lekmer

- Very challenging quarter and year due to warehouse problems
- Continued strong measures are taken to improve warehouse operations
- Sales decreased by 17% in Q4 and full year was in line with 2014
- Non recurring item of SEK 26.2 million reported in the quarter

						
	Q4 15	Q4 14	Growth	YTD 15	YTD 14	Growth
Net sales (SEK million)	203.1	243.2	-17%	481.8	484	0%
EBITDA (SEK million)	-14.8	10.7		-33.1	2.2	
EBITDA margin (%)	-7.3%	4.4%		-6.9%	0.5%	
EBIT (SEK million)	-15.3	10.2		-34.9	0.5	
EBIT margin (%)	-7.5%	4.2%		-7.2%	0.1%	
Active customers (thousand)	414	408	2%	414	408	2%
Visits (thousand)	10,513	10,808	-3%	28,849	25,348	14%
Orders (thousand)	366	389	-6%	859	782	10%
AOV (SEK)	556	637	-13%	572	630	-9%

Qliro Financial Services

- Strong development according to plan
- Processed over 1 million orders in Q4
- 1.4 million unique customers since the launch in December 2014
- 35 transactions per second during the busiest periods on Black Friday
- Continued roll-out in Denmark during 2016
- Loan book amounted to 528 MSEK end of December of which 328 MSEK was financed through external credit facility

Qliro				
	Q4 15	Q4 14	YTD 15	YTD 14
EBTDA (SEK million)**	2.7	-12.5	-22.6	-12.8
EBT (SEK million)**	0.2	-12.5	-30.1	-12.8
Loans to the public	527.8	181.2	527.8	181.2
Business volume	952	324	2,579	344
Orders (thousands)	1,158	407	3,144	428
Average shopping basket (SEK)	822	794	827	802

** EBT resp. EBTDA redovisas istället för tidigare EBIT resp. EBITDA
Please note: Qliro Financial Services was launched in December 2014, no complete comparables for full year 2014 available.

FINANCIALS

Income Statement

- Sales slightly above last year
- EBITDA, excl. non-recurring items, amounted to SEK 7 million
- EPS amounted to SEK -0,20 (0,06)
- Non recurring item of SEK 26.2 million reported in the quarter related to Lekmer

Excluding divested entities and non-recurring items

(SEK million)	2015 Q4	2014 Q4	2015 Jan-Dec	2014 Jan-Dec
Net Sales	1,685.5	1,649.6	5,174.1	4,966.8
Gross profit	227.0	218.7	729.7	710.4
<i>Gross margin (%)</i>	13.5%	13.3%	14.1%	14.3%
EBITDA	7.0	15.2	-23.6	34.6
<i>EBITDA margin (%)</i>	0.4%	0.9%	-0.5%	0.7%
EBIT	-5.7	8.0	-65.6	8.6
<i>EBIT margin (%)</i>	-0.3%	0.5%	-1.3%	0.2%

Including divested entities and non-recurring items

EBIT	-31.9	-3.6	-122.7	33.0
Financial Net	-3.8	-6.6	-7.4	-24.7
Income before tax	-35.7	-10.2	-130.0	8.4
Net income	-29.4	-7.0	-101.6	5.4
Earnings per share (SEK)	-0.20	-0.06	-0.68	0.02

Cash Flow

- Cash flow from operations were SEK 142.8 (256.4) million in Q4
- Qliro Financial Services' loans to the public increased by SEK 190.2 million
- Cash and cash equivalents at end of December, SEK 324.2 (534) million

(SEK million)	2015 Q4	2014 Q4	2015 Jan-Dec	2014 Jan-Dec
Cash flow from operating activities	-23.0	6.4	-93.2	16.0
Changes in working capital	165.9	250.0	19.8	58.7
Cash flow from operations	142.8	256.4	-73.4	74.7
Cash flow to investing activities	-32.3	-33.6	-117.2	-96.2
Acquisitions/disposals of operations		3.3	-0.5	77.2
Changes in Qliro Financial Services loans to the public	-190.2	-169.7	-346.6	-181.2
Changes in Qliro Financial Services financing	155.6		330.3	
Other financing activities		374.8		368.3
Change in cash and cash equivalents for the period	75.9	431.0	-207.4	242.8
Cash and cash equivalents at the period's start	249.1	102.4	534.0	288.9
Translation difference	-0.8	0.5	-2.3	2.3
Cash and cash equivalents at the period's end	324.2	534.0	324.2	534.0

Financial Position

- Healthy but slightly high inventory levels ahead of 2016
- Qliro Financial Services' loans to the public SEK 527.8 million. Financed by SEK 200 million by own funding
- Cash and cash equivalents at end of December, SEK 324.2 (534) million

(SEK million)	2015 31-dec	2014 31-dec
Total non-current assets	881.7	780.3
Inventories	702.0	657.9
Loans to the public	527.8	181.2
Current non-interest bearing receivables	215.3	214.5
Cash and cash equivalents	324.2	534.0
Total assets	2,651.1	2,367.9
Total equity	1,205.4	1,314.5
Interest bearing liabilities	328.0	0.0
Non-interest bearing liabilities	1,117.6	1,053.4
Total equity and liabilities	2,651.1	2,367.9

Forward Looking Statement

- Growth that is consistent with or above that of the market for each segment.

Segment	EBITDA-margin
Nelly	5-7%
Lekmer	3-5%
CDON.com	2-3%
Gymgrossisten	7-9%
Tretti	2-4%

- Qliro earnings expectations for full year 2016 unchanged. During 2016, we expect the same seasonality pattern as 2015 which means that the result within Qliro Financial Services will be negative in the first quarter of 2016 and thereafter gradually improve during 2016.
- CDON Marketplace staff reduction will be reported as a non-recurring cost of around SEK 15 million in the first quarter of 2016.
- Lekmer warehouse cost saving revised. Expected to require at least another one to two quarters in 2016 to stabilise the warehouse operations. Thereafter, Lekmer's quarterly earnings are expected to be in line with 2014. Growth is expected to gradually start increasing again during the second quarter 2016.

Thank you!

Next report: 19th April 2016



nasdaq symbol QLRO



follow us on twitter @qlirogroup