



Press Release

Malmö, Sweden, 24 January 2019

Boozt AB Q4 2018 results update

Following a well-executed Black Friday weekend, our momentum improved in December with customers converting on higher gross margins than anticipated. This led to a higher than expected adjusted EBIT margin of 6.4% in Q4 and 2.3% for 2018, outperforming the latest full year guidance of 1.5-2.0%. Net revenue growth of 39% (constant currency 35%) in Q4 and 38% (constant currency 33%) for 2018 was in line with expectations.

SEK million unless otherwise indicated	Oct 1 - Dec 31, 2018	Oct 1 - Dec 31, 2017	Change	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017	Change
GROUP						
Net revenue	892.5	644.2	38.5%	2 784.0	2 016.4	38.1%
Net revenue growth (%)	38.5%	37.8%	0.6 pp	38.1%	44.4%	-6.3 pp
Gross margin (%)	41.2%	43.1%	-1.8 pp	40.0%	42.7%	-2.7 pp
Fulfilment cost ratio (%)	-13.7%	-12.7%	-0.9 pp	-13.8%	-15.5%	1.7 pp
Marketing cost ratio (%)	-10.3%	-11.1%	0.8 pp	-12.2%	-13.0%	0.7 pp
Admin & other cost ratio (%)	-7.9%	-9.8%	1.8 pp	-9.8%	-16.2%	6.3 pp
Depreciation cost ratio (%)	-1.6%	-1.5%	-0.0 pp	-1.8%	-1.5%	-0.2 pp
Adjusted fulfilment cost ratio (%)	-13.7%	-12.7%	-0.9 pp	-13.8%	-14.5%	0.7 pp
Adjusted admin & other cost ratio (%)	-9.2%	-9.6%	0.3 pp	-10.0%	-11.3%	1.3 pp
EBIT	69.1	51.1	35.4%	68.1	-69.8	n.m.
EBIT margin (%)	7.7%	7.9%	-0.1 pp	2.4%	-3.5%	5.9 pp
Adjusted EBIT	57.4	52.3	9.6%	63.2	48.2	31.1%
Adjusted EBIT margin (%)	6.4%	8.1%	-1.7 pp	2.3%	2.4%	-0.1 pp
Adjusted EBITDA	71.6	62.2	15.1%	112.3	79.0	42.1%
Adjusted EBITDA margin (%)	8.0%	9.7%	-1.6 pp	4.0%	3.9%	0.1 pp

With the Fall/Winter season finally taking off in the latter part of November and continuing into December, the relevant offering of Boozt.com ensured a stronger than expected end to the year with 51% net revenue growth and 90.000 new customers in December. The high pressure on gross margin experienced during October and the majority of November eased toward the end of year with demand for in-season items increasing. Economies of scale from Marketing costs and Admin & other costs continued, while inflation in distribution costs impacted fulfilment costs negatively.

The EBIT margin is higher than the adjusted EBIT margin due to an adjustment of the reserve for social charges related to the Group's warrant program of approximately SEK 12 million.

The physical stores (the Other segment) delivered broadly in line with our expectations and showed a loss for the quarter of SEK 7.5 million, driven by the Beauty by Boozt store in Copenhagen as well as clearance sales and minor inventory write downs.

Boozt is a leading, fast-growing and profitable Nordic technology company selling fashion online. The Group generated net sales amounting to SEK 2.8 billion in 2018. Boozt offers its customers a curated and contemporary selection of fashion brands, relevant to a variety of lifestyles, mainly through its multi-brand webstore [Boozt.com](https://www.boozt.com). The company is focused on using cutting-edge, in-house developed technology to curate the best possible customer experience. Besides [Boozt.com](https://www.boozt.com), the company also runs the webstore [Booztlet.com](https://www.booztlet.com) and retail stores Booztlet and Beauty by Boozt in Denmark. For more information, please visit [booztfashion.com](https://www.booztfashion.com).

Boozt

Key performance indicators for Boozt.com such as customer satisfaction, average order value and frequency developed according to expectations.

SEK million unless otherwise indicated	Oct 1 - Dec 31, 2018	Oct 1 - Dec 31, 2017	Change	Jan 1 - Dec 31, 2018	Jan 1 - Dec 31, 2017	Change
Boozt.com						
Net revenue	860.3	626.4	37.3%	2 659.1	1 946.2	36.6%
EBIT	73.7	50.8	45.2%	76.2	-71.0	n.m.
EBIT margin (%)	8.6%	8.1%	0.4 pp	2.9%	-3.6%	6.5 pp
Adjusted EBIT	62.3	52.0	19.7%	71.3	44.1	61.8%
Adjusted EBIT margin (%)	7.2%	8.3%	-1.0 pp	2.7%	2.3%	0.4 pp
Site visits (000)	31 575	26 966	171%	109 138	88 506	23.3%
No. of orders (000)	1 045	786	32.9%	3 288	2 509	31.0%
Conversion rate (%)	3.31%	2.91%	0.39 pp	3.01%	2.84%	0.18 pp
True frequency	6.8	6.3	0.5	6.8	6.3	0.5
Average order value (SEK)	827	810	2.2%	812	787	3.2%
Active customers (000)	1 363	1 057	29.0%	1 363	1 057	29.0%
No. of orders per active customer	2.41	2.37	1.6%	2.41	2.37	1.6%

"The quarter demonstrated our organisation's ability to step up to the challenge and deliver when needed. The entire organisation worked relentlessly to deliver a strong end to the year in a difficult market environment. Despite aggressive price behaviour in the market, our healthy stock composition of relevant items for the Nordic consumer ensured a strong sales momentum with gross margin being less compromised than expected. Our strong delivery proposition meant that we could take more than our fair share of the market in the week leading up to Christmas, as more than 70% of our customers could order up until a few days before December 24 and still receive it on time. With all key performance indicators looking healthy, we enter 2019 in a better shape than ever," says CEO Hermann Haraldsson.

The numbers presented are preliminary and unaudited. Full disclosure of the Q4 numbers as well as the outlook for 2019, will be presented with the Q4 report on February 21, where a conference call also will be hosted.

For additional information, please contact:

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