

## Qliro Group sets new financial targets

Press release, Stockholm, October 18, 2018

**Since June 2018, Qliro Group's strategy is to operate Qliro Financial Services, CDON Marketplace and Nelly as independent companies to create the best conditions for each company to increase shareholder value. As part of this effort, Qliro Group sets new financial targets for its subsidiaries.**

"Qliro Group has for some time been operating the three subsidiaries as independent units. CDON Marketplace is focusing on external merchants and is phasing out sales from own inventory, mainly consumer electronics with low margin. Qliro Financial Services focuses on attracting new external merchants and utilizing economies of scale. Nelly will benefit from its strong brand and digital marketing to boost its profitable growth in the Nordic," says Marcus Lindqvist, CEO and President of Qliro Group.

### **Qliro Financial Services focuses on e-commerce volumes and loan book growth**

Qliro Financial Services strategy is to offer an attractive payment solution to merchants and to take advantage of the volumes to offer digital financial services to consumers. Since its inception, the company has built its offering of financial services and will focus on leveraging economies of scale and capitalizing on existing service offerings.

To strengthen its position as an independent company, Qliro Financial Services is increasing its commercial initiatives and recruiting personnel working with attracting and integrating new merchants. The financial development is dependent on the transaction volumes and the recruitment of new external merchants. During 2019 volumes will be negatively affected by the fact that CDON Marketplace is phasing out sales from own inventory as a part of its transformation to a marketplace.

Qliro Financial Services new financial target:

- Achieve an operating income before depreciation and amortization of SEK 100 – 125 million in 2019

Qliro Financial Services previous long-term financial targets was to achieve an operating income before depreciation and amortization of at least SEK 150 million in 2019.

### **CDON Marketplace focuses on growing with external merchants**

CDON Marketplace strategy is to be the leading marketplace in the Nordic region for external merchants. To strengthen its position as an independent company, CDON Marketplace accelerates its transformation by focusing on external merchants while phasing out sales from own inventory, especially within consumer electronics, a segment with low margin. This provides the right long-term conditions for a strong market position and profitable growth. We estimate that operating income before depreciation and amortization will be positive for the full year 2019.

CDON Marketplace new financial targets:

- Achieve a growth rate in external gross merchandise value of above 20 percent per year
- Achieve an operating margin before depreciation and amortization above 3 percent of net sales per year

CDON Marketplace previous long-term financial targets was to attain a level of organic growth in total gross merchandise value of an average of 10 per cent per year (that is, external and own sales) and generate operating income before depreciation and amortization of 1–2 percent of gross merchandise value (that is, not ordinary operating margin before depreciation, amortization and impairment).

### **Nelly focuses on its own brands**

Nelly's strategy is to develop its position as a leader in online fashion for young people in the Nordic region. At its core is its own brands, complemented by a well-curated portfolio of approximately 200 external brands. The company benefits from its strong own brand and digital marketing. An important driver is that a growing proportion of sales comes from clothing and accessory of Nelly's own design. Based on its strong market position, Nelly's target for growth is now raised with an unchanged target for operating margin.

Nelly's new financial targets:

- Achieve an organic growth in net sales above 10 percent per year
- Achieve an operating margin before depreciation and amortization above 6 percent per year

Nelly's previous long-term financial targets was to attain a level of organic growth of an average of 8 per cent per year and generate an operating margin before depreciation and amortization of at least 6 percent.

Qliro Group publishes its interim report for January-September 2018 on Friday, October 19 at 8:00 am. A telephone conference will be held at 10:00 am the same day. The conference call will also be available at [www.qlirogroup.com](http://www.qlirogroup.com).

*This information is information that Qliro Group AB is required to disclose under the EU Market Abuse Regulation. The information was submitted for publication by the contact person below for publication on October 18, 2018, at 7.15 pm.*

**For more information, please visit [www.qlirogroup.com](http://www.qlirogroup.com) or contact:**

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### **About Qliro Group**

Qliro Group is a leading Nordic e-commerce group in consumer goods and related financial services. Qliro Group operates CDON.COM, the leading Nordic online marketplace, the fashion brand Nelly.com and Qliro Financial Services, offering financial services to merchants and consumers. In 2017 the Group had sales of SEK 3.4 billion. Qliro Group's shares are listed on the Nasdaq Stockholm MidCap segment under the ticker symbol QLRO.