

Second Quarter and First Six Months 2015



Highlights

- Continued strong momentum at Nelly, 25 % growth in the Nordics.
- CDON Marketplace continues to grow, 75% in Q2
- Tretti & Lekmer also displays stable growth
- Continued roll-out of Qliro Financial Services

Net Sales (SEK Million)	Q2 15	Q2 14	Growth
Nelly	337.7	293.4	15%
Gymgrossisten	205.5	196.6	5%
Tretti	189.4	162.2	17%
Lekmer	97.2	79.6	22%

CDON Marketplace (SEK Million)			
GMV from external merchants	43.9	25.1	75%
Net sales	337.6	360.1	-6%

BUSINESS SEGMENTS

Q2 -15 vs Q2 -14

Nelly

- Sales increased by 15%.
- Sales growth in the Nordics 25%, driven by Sweden.
- Strong growth in private label products, accounted for 35% (30%) of net sales.
- Product margin of 44% (48%).
- Underlying EBIT improvement, when excluding negative currency effects, mainly from stronger USD, of around SEK 8 million.

	NLY MAN		NELLY.COM		M	
	Q2 15	Q2 14	Growth	YTD 15	YTD 14	Growth
Net sales (SEK million)	337.7	293.4	15%	592.1	514.1	15%
EBITDA (SEK million)	5.0	4.7		-2.5	-5.2	
EBITDA margin (%)	1.5%	1.6%		-0.4%	-1.0%	
EBIT (SEK million)	3.2	3.7		-6.0	-7.1	
EBIT margin (%)	1.0%	1.3%		-1.0%	-1.4%	
Active customers (thousand)	1,288	1,037	24%	1,288	1,037	24%
Visits (thousand)	35,999	34,108	6%	72,130	65,349	10%
Orders (thousand)	779	724	8%	1,147	1,270	12%
AOV (SEK)	636	602	6%	605	586	3%


CDON Marketplace

- Sales generated to merchants up 75%.
- Almost 600 merchants signed up for CDON Marketplace.
- Improved EBIT vs Q2 last year.
- Consolidation of warehouse to be completed within short.

	CDON.COM Marketplace					
	Q2 15	Q2 14	Growth	YTD 15	YTD 14	Growth
Gross Merchandise Value, external merchants	43.9	25.1	75%	86.9	48.6	79%
Total Gross Merchandise Value	378.2	384.0	-1%	840.8	843.0	0%
Net sales (SEK million)	337.6	360.1	-6%	760.1	796.6	-5%
EBITDA (SEK million)	-3.8	-7.1		-0.9	-5.2	
EBITDA margin (%)	-1.1%	-2.0%		-0.1%	-0.7%	
EBIT (SEK million)	-5.8	-9.0		-5.0	-8.9	
EBIT margin (%)	-1.7%	-2.5%		-0.7%	-1.1%	
Active customers (thousand)	1,732	1,730	0%	1,732	1,730	0%
Visits (thousand)	16,613	16,603	0%	36,700	37,144	-1%
Orders (thousand)	652	692	-6%	1,488	1,561	-5%
AOV (SEK)	583	551	6%	556	536	6%


Gymgrossisten

- Mature Nordic market with slower sales growth.
- The number of customers, orders and visits rose during the quarter.
- Gross margin affected by negative currency effects.
- Measures taken to maintain sales and profit levels.

						
	Q2 15	Q2 14	Growth	YTD 15	YTD 14	Growth
Net sales (SEK million)	205.5	196.6	5%	451.4	427.3	6%
EBITDA (SEK million)	11.3	14.8		31.1	37.2	
EBITDA margin (%)	5.5%	7.5%		6.9%	8.7%	
EBIT (SEK million)	10.6	14.0		29.6	35.6	
EBIT margin (%)	5.1%	7.1%		6.5%	8.3%	
Active customers (thousand)	517	488	6%	517	488	6%
Visits (thousand)	6,062	4,446	36%	12,571	10,626	18%
Orders (thousand)	280	249	13%	612	549	11%
AOV (SEK)	738	793	-7%	743	785	-5%


Tretti

- Sales growth of 17%.
- Continued positive EBIT despite reorganisation.
- New store opened in connection to the warehouse in Jordbro, Sweden.

						
	Q2 15	Q2 14	Growth	YTD 15	YTD 14	Growth
Net sales (SEK million)	189.4	162.2	17%	364.4	314.8	16%
EBITDA (SEK million)	1.0	1.6		2.6	2.7	
EBITDA margin (%)	0.5%	1.0%		0.7%	0.9%	
EBIT (SEK million)	0.1	0.9		1.0	1.1	
EBIT margin (%)	0.1%	0.5%		0.3%	0.4%	
Active customers (thousand)	291	230	26%	291	230	26%
Visits (thousand)	3,143	2,922	8%	6,991	5,735	22%
Orders (thousand)	82	75	9%	165	150	9%
AOV (SEK)	2,353	2,244	5%	2,279	2,183	4%

Lekmer

- Sales increased by 22%.
- The Baby category the strongest in Q2.
- Focus on deployment of the new automated warehouse, adjustments will continue in Q3.

						
	Q2 15	Q2 14	Growth	YTD 15	YTD 14	Growth
Net sales (SEK million)	97.2	79.6	22%	192.1	145.1	32%
EBITDA (SEK million)	-2.5	-2.5		-5.9	-7.4	
EBITDA margin (%)	-2.5%	-3.2%		-3.1%	-5.1%	
EBIT (SEK million)	-2.8	-3.0		-6.7	-8.2	
EBIT margin (%)	-2.9%	-3.7%		-3.5%	-5.6%	
Active customers (thousand)	435	337	29%	435	337	29%
Visits (thousand)	5,869	4,484	31%	12,005	8,976	34%
Orders (thousand)	170	130	31%	327	240	36%
AOV (SEK)	587	620	-5%	604	613	-1%

Qliro Financial Services

- Successful launch across all sites in Finland.
- Processed 715,000 orders in Q2.
- Business volume of SEK 583 million in Q2.
- Loans to the public increased to SEK 276.5 million by the end of June.

Qliro		
	Q2 15	Q1 15
Total operating income	23.1	18.0
EBIT (SEK million)	-11.6	-15.0
Loans to the public	276.5	182.8
Business volume	583.0	447.9
Order (thousands)	715	555
Average shopping basket (SEK)	816	807

Please note: Qliro Financial Services was launched in December 2014, no comparables for Q2 available.

FINANCIALS

Income Statement

- Sales growth of 8% in Q2.
- Negative currency impact of more than SEK 15 million
- EBITDA, adjusted for Qliro Financial Services, in line with Q2 last year.
- EPS amounted to SEK -0.07 (0.17).

Excluding divested entities				
(SEK million)	2015 Q2	2014 Q2	2015 Jan-Jun	2014 Jan-Jun
Net Sales	1,175.4	1,019.0	2,371.9	2,244.0
Gross profit	179.0	178.5	352.9	340.6
<i>Gross margin (%)</i>	15.2%	16.4%	14.9%	15.5%
EBITDA	-5.7	5.6	-13.1	11.1
<i>EBITDA margin (%)</i>	-0.5%	0.5%	-0.6%	0.5%
EBIT	-15.3	-0.5	-31.7	-1.0
<i>EBIT margin (%)</i>	-1.3%	-0.1%	-1.3%	0.0%
Including divested entities				
EBIT	-15.3	35.0	-49.6	35.0
Financial Net	0.6	-4.8	-3.2	-9.9
Income before tax	-14.7	30.1	-52.8	25.1
Net income	-10.8	21.2	-40.2	17.1
Earnings per share (SEK)	-0.07	0.17	-0.26	0.13

Cash Flow

- Cash flow from operations, excluding Qliro Financial Services increase in loan book, amounted to SEK 74,1 million.
- Increase in loan book SEK 93,7 million
- Cash and cash equivalents ended June at SEK 271.6 million.

(SEK million)	2015 Q2	2014 Q2	2015 Jan-Jun	2014 Jan-Jun
Cash flow from operating activities	-10.3	2.5	-36.1	5.2
Changes in working capital	84.4	70.9	-108.0	-99.5
Cash flow from operations	74.1	73.4	-144.2	-94.2
Cash flow to investing activities	-30.4	-25.1	-56.5	-38.4
Acquisitions/disposals of operations		68.6	-0.5	74.0
Changes in Qliro Financial Services loan book	-93.7	-1.2	-95.3	-1.2
Changes in Qliro Financial Services financing	34.5		34.5	
Other financing activities				
Change in cash and cash equivalents for the period	-15.4	115.7	-261.9	-59.9
Cash and cash equivalents at the period's start	287.3	113.1	534.0	288.9
Translation difference	-0.3	1.3	-0.5	1.1
Cash and cash equivalents at the period's end	271.6	230.1	271.6	230.1

Financial Position

- Healthy inventory, level reduced during Q2
- Qliro Financial Services' loans to the public amounted to SEK 276.5 million, financed by Group resources by SEK 242 million.
- Net cash position of SEK 237,1 million

(SEK million)	2015 30-jun	2014 30-jun
Total non-current assets	834.8	744.0
Inventories	585.6	568.3
Loans to the public	276.5	1.2
Current non-interest bearing receivables	119.0	172.6
Cash and cash equivalents	271.6	230.1
Total assets	2,087.4	1,716.2
Total equity	1,272.5	709.4
Interest bearing liabilities	34.5	236.2
Non-interest bearing liabilities	780.4	770.6
Total equity and liabilities	2,087.4	1,716.2

Forward looking statement

- Increased focus of market related investments in the Nordics.
- Long-term goal for sales growth is growth that is in line with or above that of the market for each segment.
- Qliro Financial Services will gradually improve its earnings in 2015.
- Qliro Financial Services is expected to generate positive earnings for the full year 2016 and contribute approximately SEK 100 million for the full year 2018.

Thank you!

Next report: 21st October 2015



nasdaq symbol QLRO



follow us on twitter @qlirogroup