



# Press Release

MALMÖ, SWEDEN, APRIL 20, 2020

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## Update on Q1 adjusted EBIT and extraordinary write-down

**Adjusted EBIT for the first quarter is expected to be in the range of SEK -63 million to SEK -57 million. This is driven by an extraordinary inventory write-down of prior season items of SEK 58 million. Excluding the extraordinary write-down, the adjusted EBIT margin would have improved from last year.**

As communicated on 5 April 2020 an update on the expected adjusted EBIT for the first quarter would be provided by 20 April 2020.

The extraordinary write down relates primarily to the Spring/Summer19 stock, but also selected parts of the pre-Autumn/Winter 19 stock. With subdued demand expected, we will on Boozt.com focus on the in-season stock and give Booztlet.com the opportunity to sell the written down items at a possible higher margin. Normally, prior season items would have a second chance to sell in line with our write-down principles of writing everything down after 18 months. Historically this write-down has been around 1% of the seasonal buy.

Excluding the extraordinary write-down, the adjusted EBIT margin improved from last year, in line with expectations. The costs have been adapted to the lower than expected growth during March, with operational improvements leading to a lower cost per order throughout the quarter and consequently driving the underlying improvement in the adjusted EBIT margin.

In the first part of April net revenue grew compared to last year. The positive development compared to March is driven by a more positive sentiment in Denmark and Norway.

As per our financial calendar, our interim financial report for Q1 2020 is scheduled for release on 14 May 2020.

### **For additional information, please contact:**

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*This information is information that Boozt is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2020-04-20 08:00 CEST.*