



Press Release

MALMÖ, SWEDEN, OCTOBER 6, 2020

2020 outlook upgraded after stronger than expected Q3

The 2020 adjusted EBIT margin outlook is upgraded to 4.5-5.5% (previously 3.5-4.5%), with an unchanged net revenue growth outlook of 20-25%. The third quarter is expected to show a net revenue growth in the middle of the 20-25% range with an adjusted EBIT margin expected to be in the range of 5-6%. The better than expected development in the third quarter is driven by a good start to the Autumn/Winter season and an improved gross margin, mainly due to campaign goods being an unusual high share of the inventory mix.

CEO Hermann Haraldsson: *"We continue to see a positive momentum in our business. The many new customers we gained over the Spring/Summer are coming back in line with historic patterns boding well for making the 2020 cohort another strong and loyal cohort. We also continue to see a lower return rate driven by the changing product mix with strong growth in Men's as well as the categories Kids, Sport and Beauty.*

The third quarter has always been a difficult quarter in terms of profitability, as it is heavily impacted by end-of-season sales. Making a solid profit in this quarter for the first time, is another testament to the profitability potential of our business model with a high average order value combined with a lean and adaptable operation and a well-invested platform."

Net revenue growth was during the final months of the Spring/Summer season negatively impacted by lower stock availability due to the very strong sell-through in Q2. A very high level of campaign goods (items bought in-season at lower prices) partly compensated for this and played a key role in improving the gross margin which is expected to be above 40% in Q3. The Autumn/Winter season had a good start, despite the COVID-19 related delays in the supply chain leading to a lower stock availability for our customers. All Nordic markets developed well, but especially Denmark continues the strong traction.

The supplier delivery of Autumn/Winter items is behind last year due to COVID-19 related delays and cancellations in the supply chain. The stock level is increasing daily and this development is expected to continue over the coming months. However, the current lower stock level entails higher than normal uncertainty on the outlook for the rest of the year, which is reflected in the wide range on both net revenue growth and adjusted EBIT margin.

As per our financial calendar, our interim financial report for Q3 2020 is scheduled for release on 18 November.

For additional information, please contact:

Hermann Haraldsson / Group CEO / Phone: +45 20 94 03 95 / Email: heha@boozt.com

Anders Enevoldsen / Head of IR & Corporate Communications / Phone: +45 53 50 14 53 / Email: anen@boozt.com

About Us

Boozt is a leading, fast-growing and profitable Nordic technology company selling fashion online. The Group generated net sales amounting to SEK 3.4 billion in 2019. 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. For more information, please visit [booztfashion.com](https://www.booztfashion.com).

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