

Boozt
GROUP



CCC X BOOZT INVITATIONAL CASE

THE NORDIC DEPARTMENT STORE OF THE FUTURE



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Setting the Stage

Over the last decade, the online retail industry has undergone rapid growth, shaped by new customer trends and technological advancements. As consumers increasingly turn to digital platforms for their shopping needs, the intersection of technology and commerce has become a defining feature of the market. At the forefront of this transformation is Boozt, a Nordic technology company that is redefining the essence of online retailing.

As the lines between online and offline experiences blur, Boozt recognizes the importance of integrating technology seamlessly into the customer journey. In a world where data takes precedence, Boozt employs robust technological infrastructure not only to meet current customer needs but also to foresee and influence future trends. The convergence of cutting-edge technology and online retailing is not just a strategy for Boozt; it is the very core of its identity.

The idea of becoming a Nordic Department Store has transformed Boozt's strategic outlook. Going beyond just consolidating products, Boozt sees itself as the ultimate one-stop shopping destination, now covering Fashion, Kids, Sport, Beauty, and Home. However, the journey towards becoming the Nordic Department Store of choice is not without its challenges. Boozt acknowledges the need to navigate the evolving landscape of customer behaviors, limited pre-initial contact data, and the imperative to stay at the forefront of emerging tech trends. The case of Boozt unfolds against this backdrop, exploring how a tech-driven Nordic Department Store can overcome challenges, tap into latent opportunities, and pioneer the future of online retail in 2024.



Letter from the CEO

Dear case participants,

I am happy to announce Boozt as the case company for the 2024 Invitational CBS Case Competition.

In an era where digital innovation is not just an aspiration but a necessity, Boozt stands at the forefront of a transformative journey. As we navigate through the complexities of the modern world, our commitment to leveraging technology in the retail industry has never been stronger. We have the opportunity, and are determined to become the leading Nordic department store in a digital age.

Technology as Our Catalyst

At Boozt, we recognize the unparalleled potential of technology to drive efficiency, enhance customer experiences, and foster sustainable practices. From AI-powered personalization to advanced logistics algorithms, our tech initiatives are designed not just to meet the current needs of our consumers but to anticipate upcoming trends, ensuring that we remain at the industry's vanguard.

Fostering Customer Loyalty

The journey towards becoming the leading Nordic Department Store is not without challenges. The retail landscape is in a state of rapid evolution, heavily influenced by changing consumer behaviors and preferences. In an industry characterized by low per-order earnings, the importance of building and maintaining customer loyalty cannot be overstated. We recognize that every interaction with our customers is an opportunity to reinforce their trust and loyalty in our brand.

This leads us to the question we have for you today:

How can Boozt increase customer loyalty, growth, and ultimately profitability within its Nordic department store model to grow revenue by 40% before 2027?

1. What untapped opportunities can Boozt leverage to strengthen its Nordic Department Store Business model?
2. How can your solution increase cross-category purchases and move customers to higher value segments making the use of Boozt.com a habit for the customer?
3. How can Boozt practically leverage new sources of data of the customer before their initial purchase?

Together, let's shape the future of retail.

Best of luck,
Hermann Haraldsson,
Co-founder & CEO



Boozt in Brief

Boozt offers a selection of products relevant to a variety of lifestyles through their multi-brand websites, Boozt.com and Booztlet.com. Boozt succeeds in its selection of brands and with its persistent commitment to customer satisfaction. Utilizing their own-built and tailor-made tech infrastructure, Boozt possesses a comprehensive and efficient data infrastructure, forming the foundation of its know-how and competitive edge in the market.

Their vision is to become the leading Nordic Department Store, which entails being the preferred online destination for shopping Fashion, Kids, Sport, Beauty and Home. The expertise in data management empowers Boozt to stay agile and responsive to market trends, ensuring that the product selection resonates with the ever-evolving preferences of its customer base.

With a team of over 1,200 employees from more than 60 nationalities Boozt has built the organization to scale for the future. Boozt has experienced rapid growth, achieving SEK 7.755 billion in revenue in 2023 and cultivating a base of over 3 million active customers on Boozt.com. The collective efforts aim to position Boozt as the premier destination for online shopping in the Nordics, delivering unrivaled customer service and solidifying its status as an e-commerce leader.

Number of active customers:

+3.5 million

Trustpilot score:

4.5

Number of orders:

+7.7 million

Number of markets:

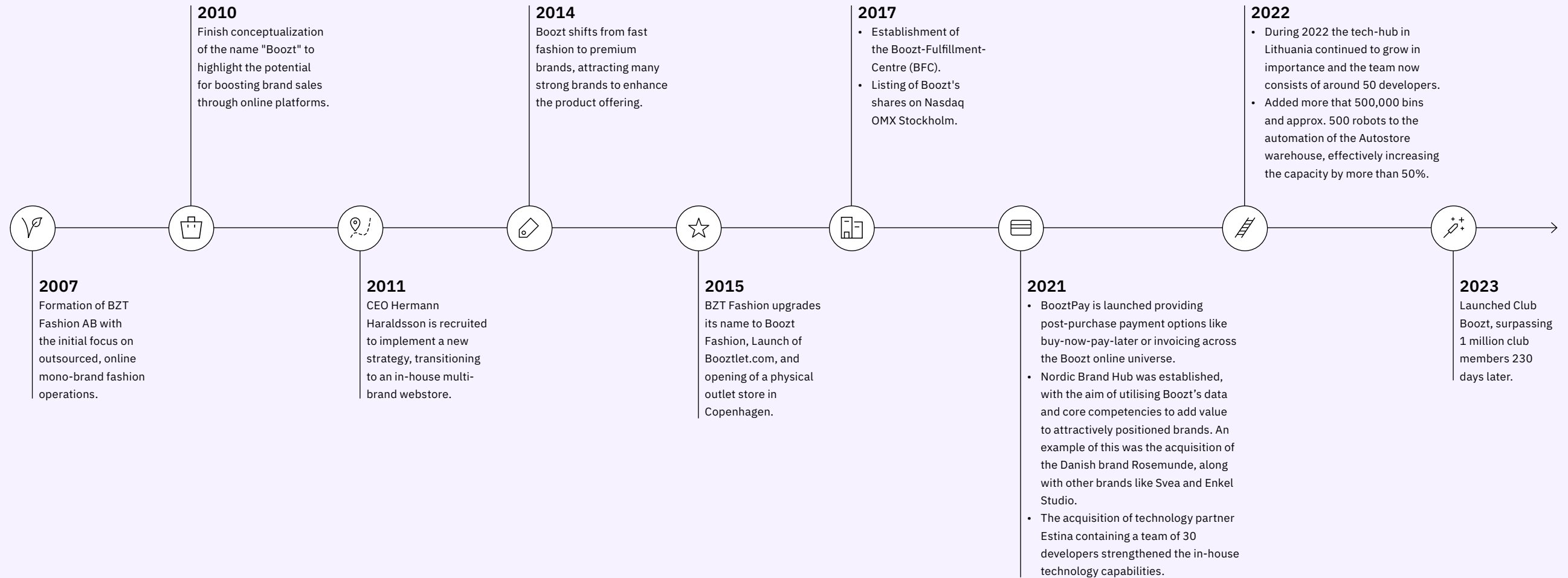
14

Number of employees:

+1,200

History and Timeline

The establishment of the Boozt Group dates back to 2007, laying the groundwork for its current business model. This is the story of how a small fashion start-up grew to be a leading e-commerce company in the Nordics.



Strategy: Become the leading Nordic Department Store

Boozt's strategy is to **become the leading Nordic department store**, offering the preferred destination for shopping Fashion, Kids, Sport, Beauty and Home online in the Nordics. Through strong partnerships with both local Nordic and international brands, Boozt.com delivers a unique blend of established favorites and emerging labels that resonate with the distinct tastes of Nordic consumers. By continuously developing their own-built advanced tech platform Boozt enhances the online shopping journey with personalized services and a user-friendly platform, aiming to exceed customer expectations and foster loyalty.

Boozt.com is dedicated to providing a curated selection of over 700 mid- to premium fashion and lifestyle brands, in addition to approximately 250 Home brands and 260 beauty brands. Renowned for its industry-leading delivery times, Boozt.com ensures swift and efficient service for its customers.

While pursuing expansion into new geographic markets, Boozt is also highly focused on strengthening its presence within the Nordic region. This strategic approach enables Boozt.com to capitalize on the burgeoning online fashion market in the Nordic region while maintaining its distinctive market position, characterized by a thoughtfully curated fashion selection tailored specifically to Nordic preferences.



Boozt's Business model

Core business

Aligned with the value chain of the e-commerce sector, Boozt's business model revolves around its online retail platform, Boozt.com, and its outlet counterpart, Booztlet.com. Complementing these segments are physical retail stores, namely Beauty by Boozt and Booztlet retail outlets.

Boozt.com

The online retail platform, Boozt.com, functions as a destination offering a convenient and careful selection of around 1,300 brands spanning diverse categories. Targeted towards the mid-to-premium segment of the Nordic market, Boozt.com places a strong emphasis on further cultivating a premium brand image. A central objective is to provide brand partners with a valuable platform to establish and enhance their presence among consumers.

Supplementing the online presence, Boozt.com extends into the physical retail universe with Beauty by Boozt, situated in Malmö, Sweden. This physical store plays a crucial role in strengthening relationships with beauty brands, contributing significantly to a robust online offering on Boozt.com. The strategic integration of both online and physical platforms aims to augment customer experiences and elevate brand visibility.

Booztlet

Launched in 2015 as the Group's inventory clearance channel, Booztlet.com initially sold items not sold within a given timeframe on Boozt.com. In 2021, it evolved

into a distinct business unit, expanding its inventory. Targeting price-conscious consumers and bargain hunters, Booztlet.com charges for deliveries and returns, offsetting operational costs with attractive discounts. It acts as a safeguard during economic uncertainty when customer spending decreases and responsibly manages unsold items from Boozt.com.

Value-add

Boozt Media Partnership

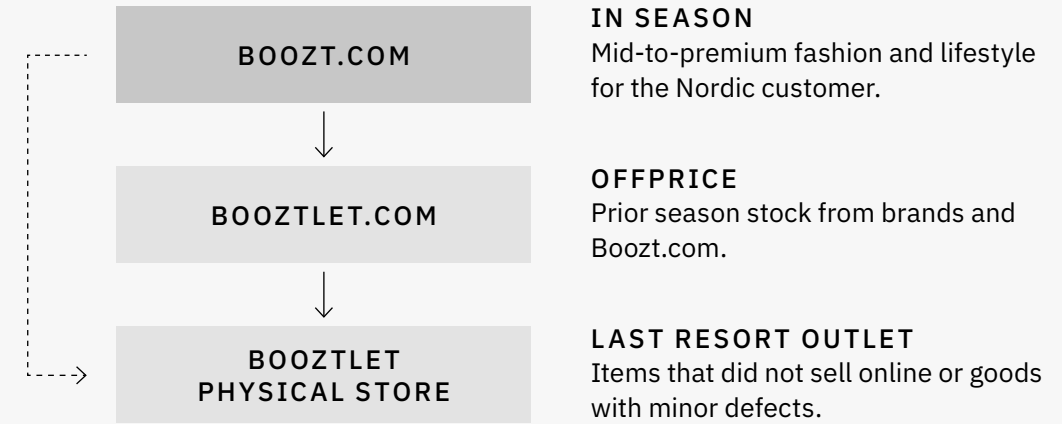
Boozt's own-built and tailor-made tech infrastructure enables the formation of valuable partnerships. Through Boozt Media Partnerships, Boozt employs their online-first approach, in-dept knowledge and robust tech capabilities by supplying advanced advertising solutions for brands to effectively reach and engage both existing customers and new target groups.

BooztPay

Launched in 2021 on Boozt.com, BooztPay now provides post-purchase payment options like buy-now-pay-later or invoicing across the Boozt online universe.

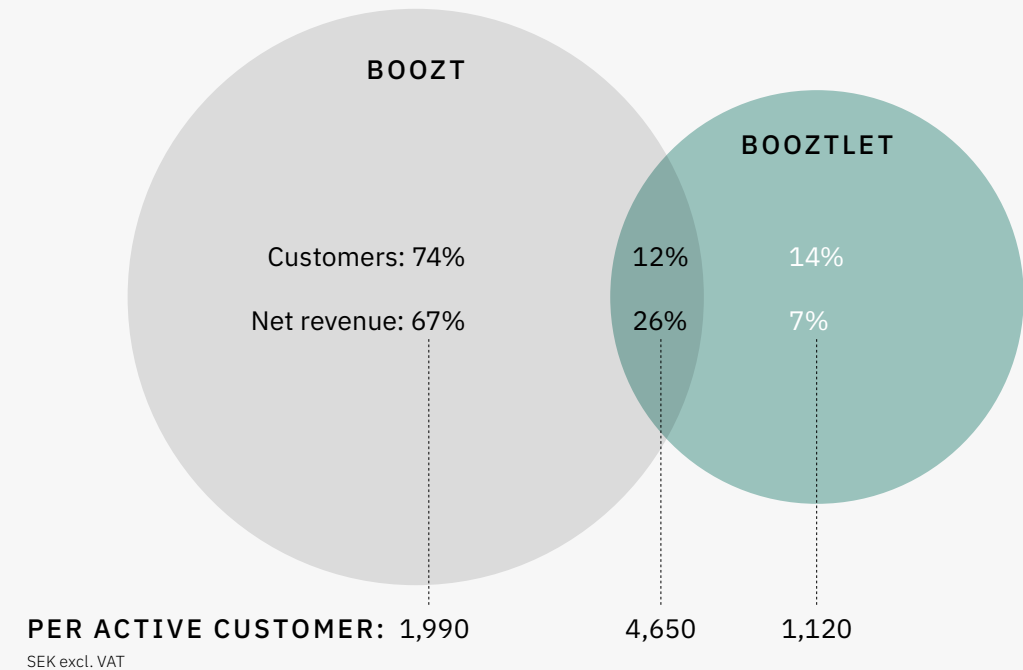
Nordic Brand Hub

Established in 2021, Nordic Brand Hub utilizes Boozt's data and core competencies to add value to attractively positioned brands. Consequently, through the acquisition of other Nordic brands, Boozt aims to strengthen growth and earnings, while gaining valuable skills in sourcing and production.



VALUE OF BOTH BUSINESS – SEGMENTS, STOCK AND MARKET DEVELOPMENT

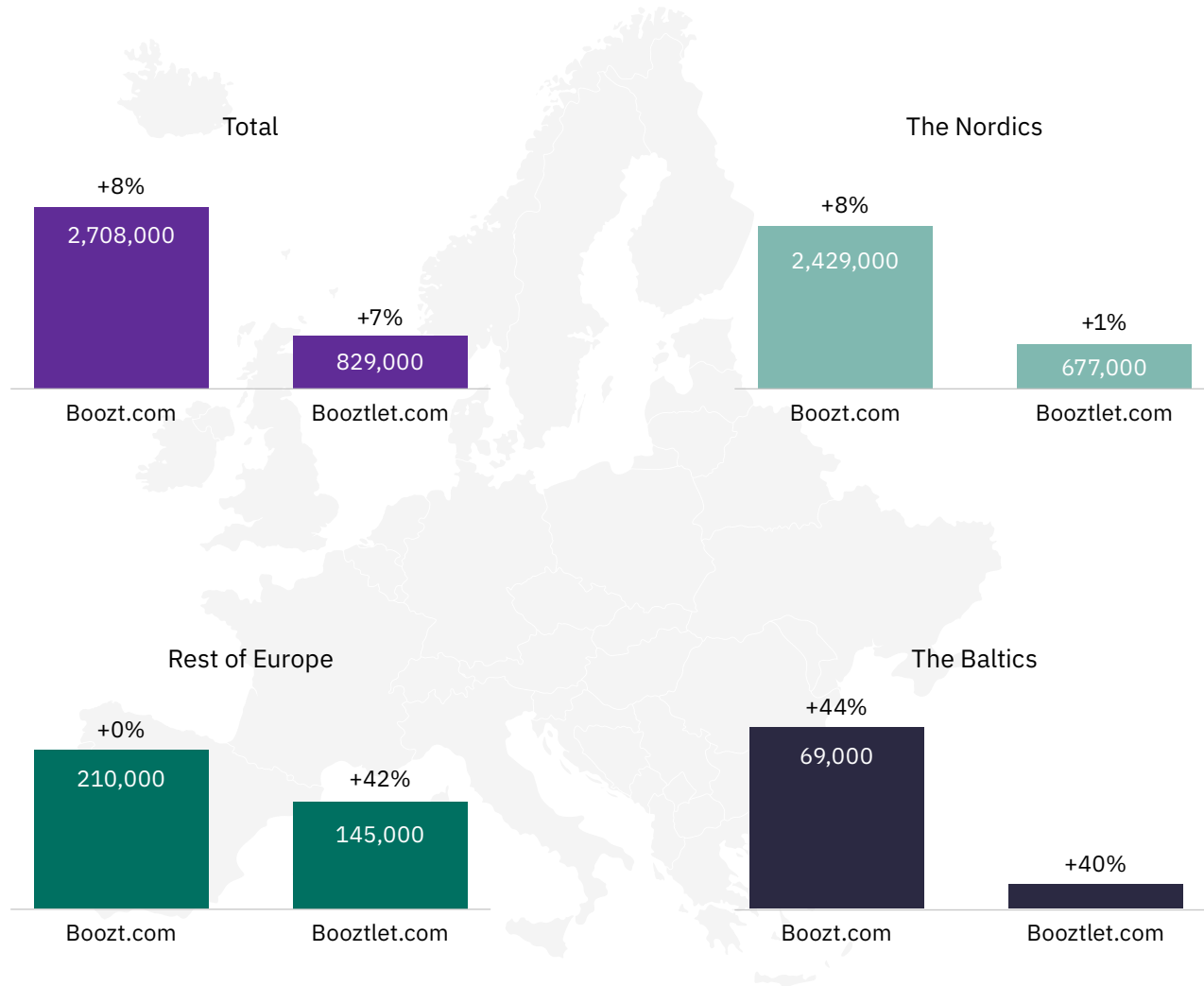
Strong value proposition 'the Nordic Department Store' and 'Nordic Outlet'



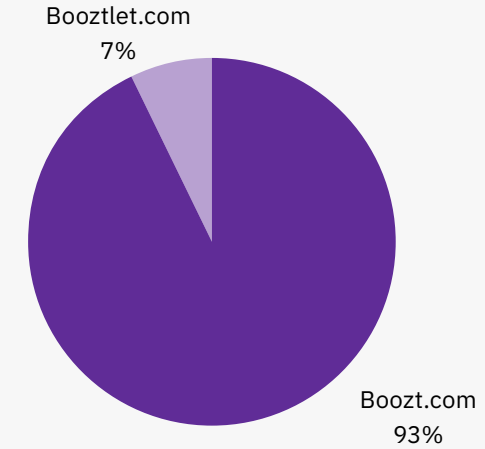
Source: Boozt Capital Markets day March 2023

Revenue streams from Core Business

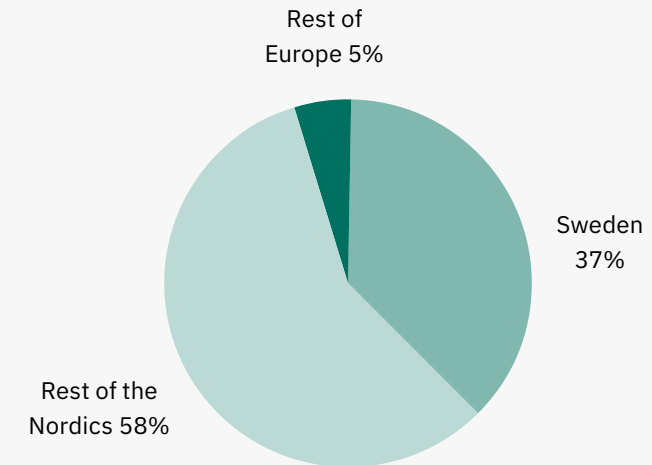
Boozt operates in the B2C space, catering to a diverse customer base across 14 markets including Denmark, Sweden, Norway, Finland, Netherlands, Germany, Austria, France, Poland, Iceland, Estonia, Latvia, Lithuania.



SALES BREAKDOWN, DIVISIONS



SALES BREAKDOWN, GEOGRAPHICAL AREAS



Source: Danske Bank Equity Research Q4 23 results due 8 February, 08:00 CET

Group Management and Organization

Boozt has offices located in Sweden, Denmark, Lithuania, and Poland. You find the headquarters in Malmö, Sweden, where the majority of Boozters are gathered. Beyond that, Boozt has an Innovation Lab in the heart of Copenhagen, a data science team in Aarhus, Denmark, two tech offices in Vilnius, Lithuania and in Poznan, Poland and a fully automated warehouse in Ängelholm.

The Group CEO leads the Group Management team, overseeing the Chief Financial Officer (CFO), Chief Commercial Officer (CCO), Chief Technical Officer (CTO), Chief Purchasing Officer (CPO), Chief Human Resources Officer (CHRO), and Chief Supply Chain Officer (CSCO).



HERMANN HARALDSSON
CO-FOUNDER & GROUP CEO



PETER G. JØRGENSEN
CO-FOUNDER & GROUP CCO



JESPER BRØNDUM
CO-FOUNDER & GROUP CTO



SANDRA GADD
GROUP CFO



MADS BRUUN FAMME
GROUP CPO



SANDRA JOY SAHLERTZ
GROUP CHRO



RONNI FUNCH OLSEN
GROUP CSCO





Deep Dive into Value Creation

Cross-category sales

Rooted in the vision of becoming the Nordic Department Store.

The value of cross-category sales is crucial for the success of the Nordic Department Store model. Cross-category sales refers to purchases made with products from multiple of Boozt's product categories. Some of the most purchased items in e.g. fashion might have a low contribution margin. By selling multiple product categories, the avg. contribution margin will generally increase because of lower product returns, making the purchase more profitable per SEK and with higher avg. order value. Hence, the central focus for Boozt revolves around strategically directing customers through diverse category purchases, aiming to enhance their overall shopping experience while concurrently optimizing Boozt's profitability and revenue.

Boozt has seen an increase in multi category buyers, which is led by their expansive offering in synergy categories and products. Synergy categories and products are related thematically or otherwise, and therefore are more likely to be purchased together. By offering many synergistic items, the customer is more likely to become a cross-category buyer.

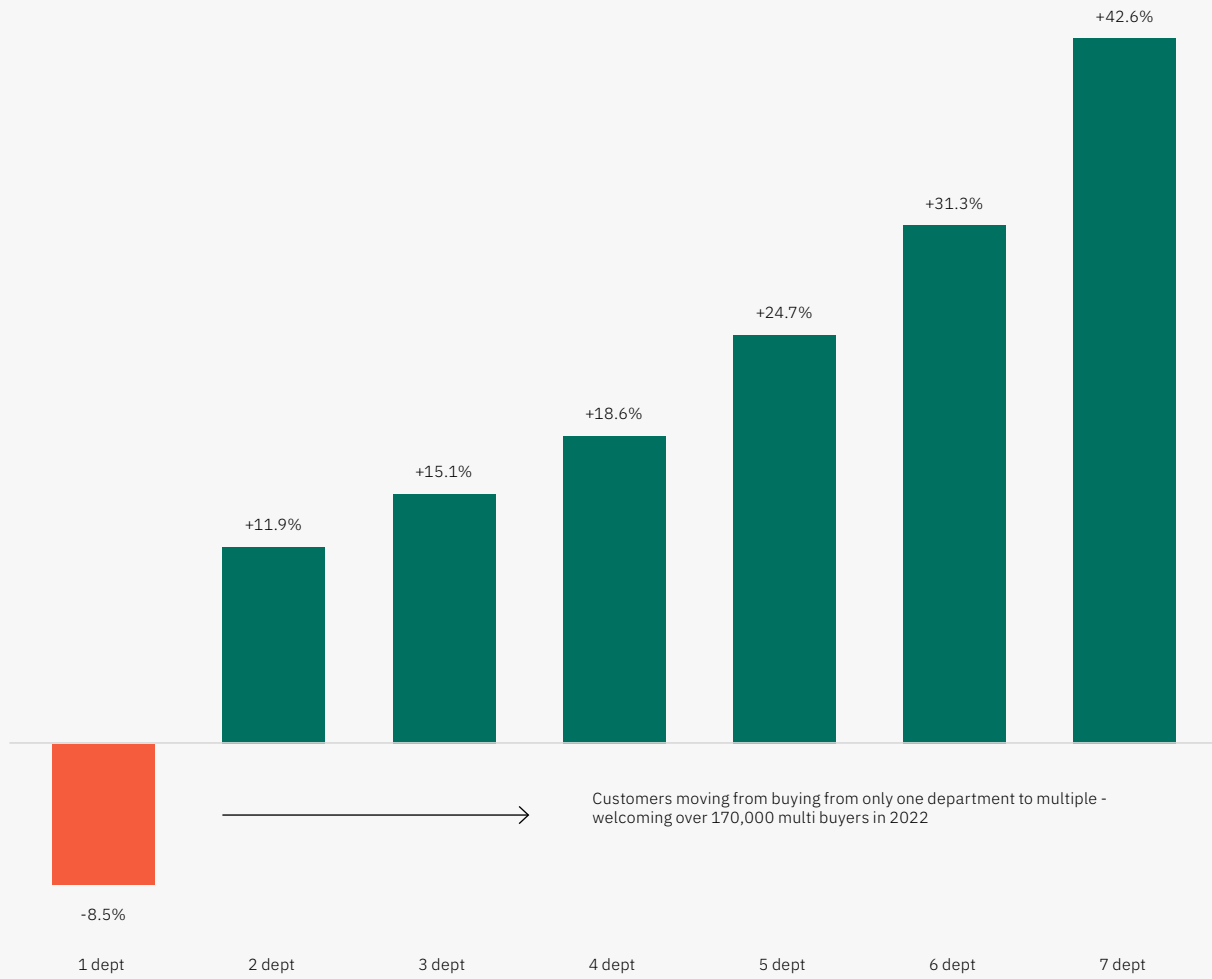
Increasing number of customers making purchases across multiple product categories reflects customer approval of the digital department store strategy. This, in turn, contributes to the rise in Average Order Value (AOV), positively impacting Boozt's order economics.

Moreover, this diversification strategy has contributed to a notable reduction in the returns of products over recent years as we sell more low return products. This positively impacts profitability as the items are now in the custody of Boozt for longer where Boozt can sell the product to other customers. This is especially important if the products are seasonal or trend specific. It also improves the environmental sustainability as items are not shipped multiple times.

Multi-category buyers emerge as the most profitable segment, driving increased revenue through repeated and diversified purchases across various categories. This is why the potential for upselling within the existing customer base and reaching new multi-category buyers remains key focal points for the company's growth strategy.

Not only will a multi-category buyer purchase more from Boozt because they are buying from other categories, they will also buy more from the category they initially purchased. A customer purchasing for around 1000 SEK as a single-category buyer, will 7x the spend in the original category, and 20x the total spend, as a multi-category buyer across all categories.

STRONG GROWTH IN MULTI CATEGORY BUYERS

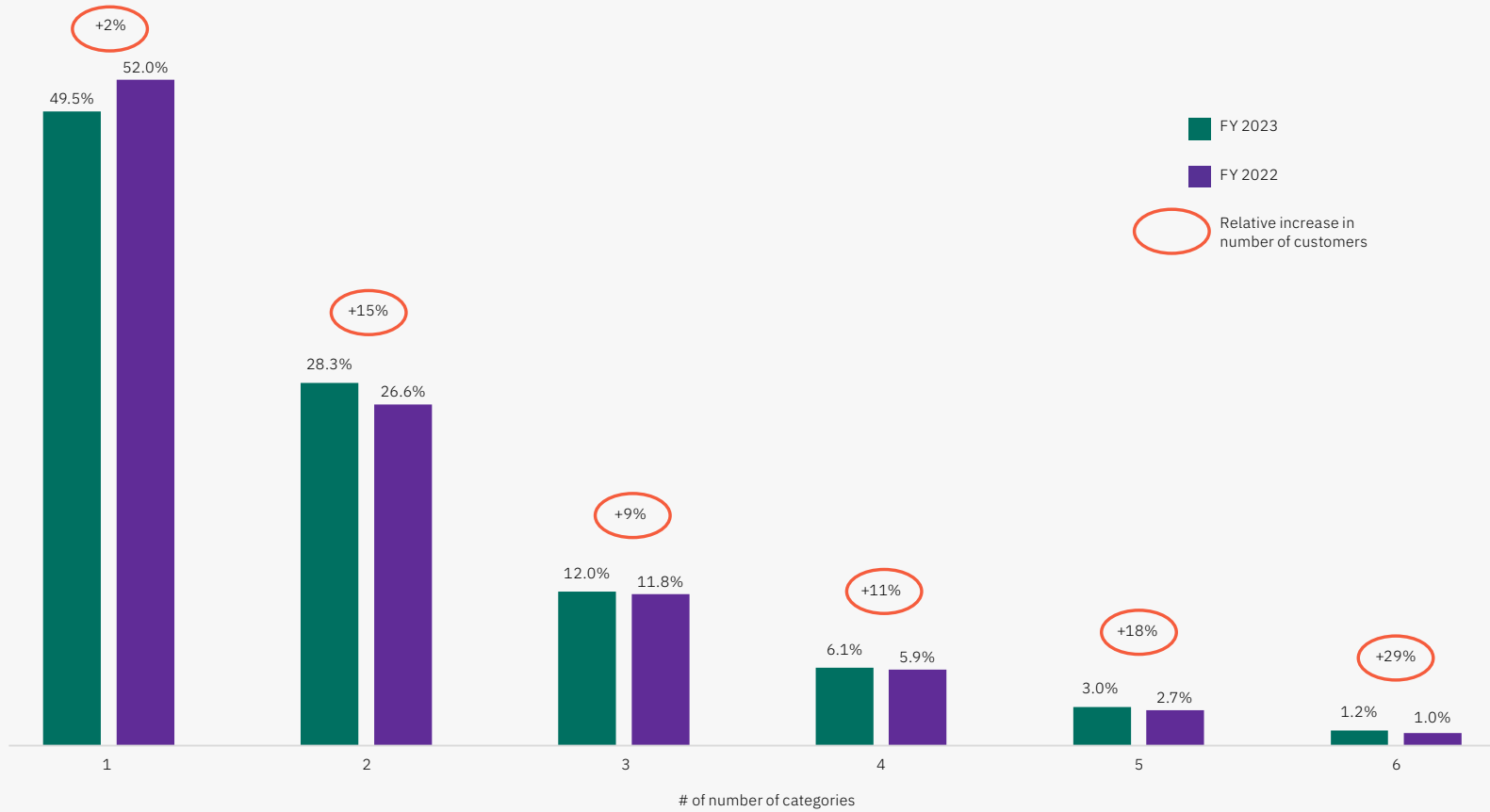


Source: YER 2023 slides.



ENORMOUS UPSIDE IN SHIFTING CUSTOMERS TO BUY FROM MORE CATEGORIES

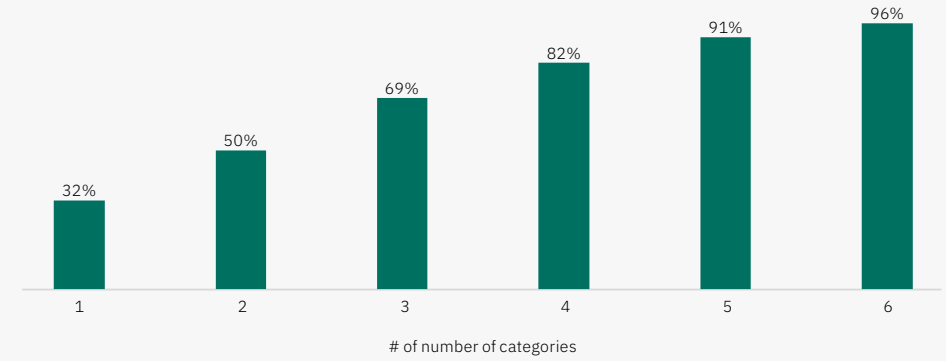
Share of active customers shopping from 1 to 6 different product categories*



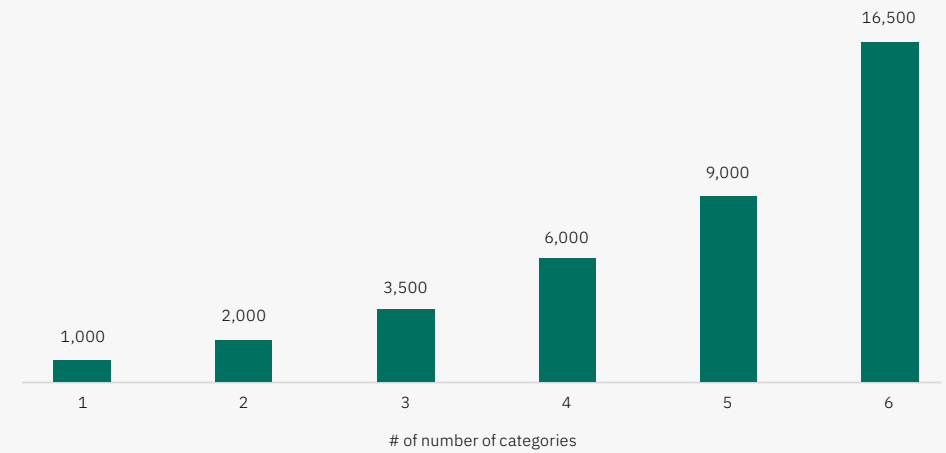
* Numbers are based on Boozt.com only

CUSTOMER "SURVIVAL" RATE*

(Possibility that customer will buy again within 12 months)



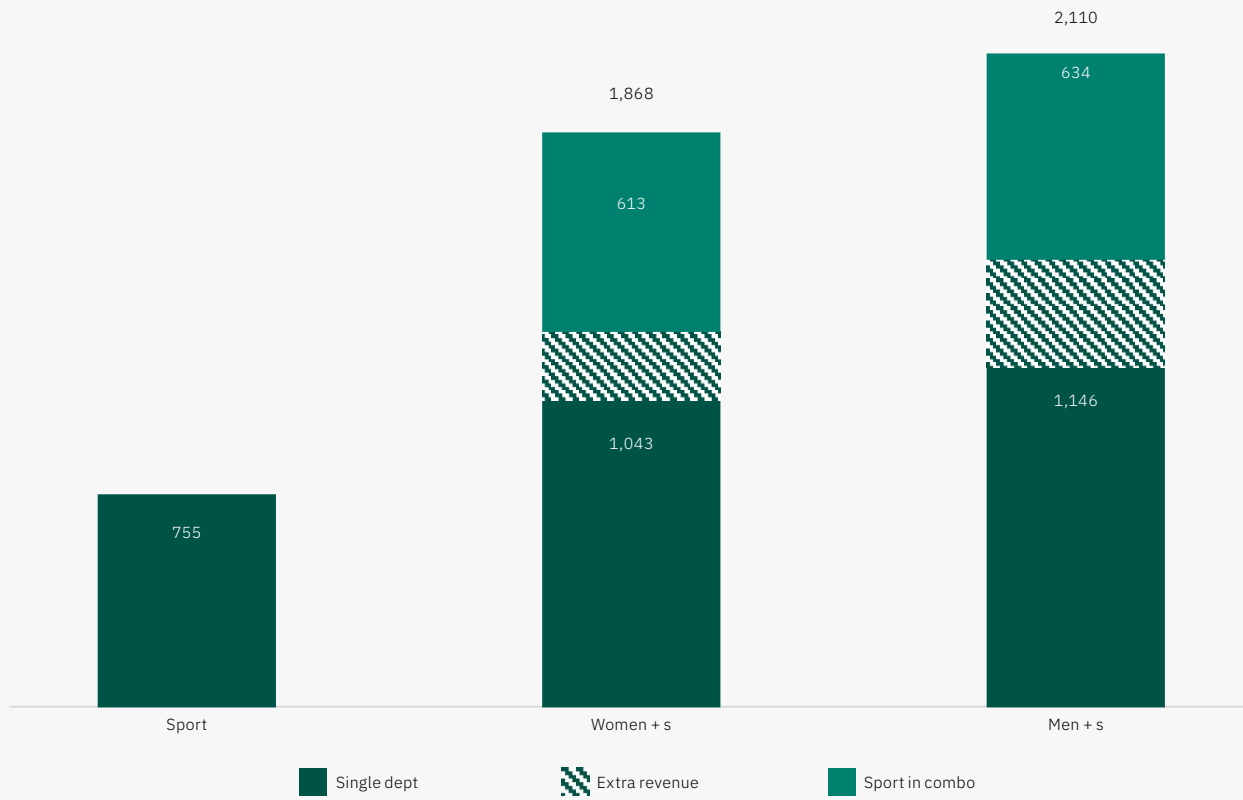
AVERAGE NET CUSTOMER VALUE (SEK)*



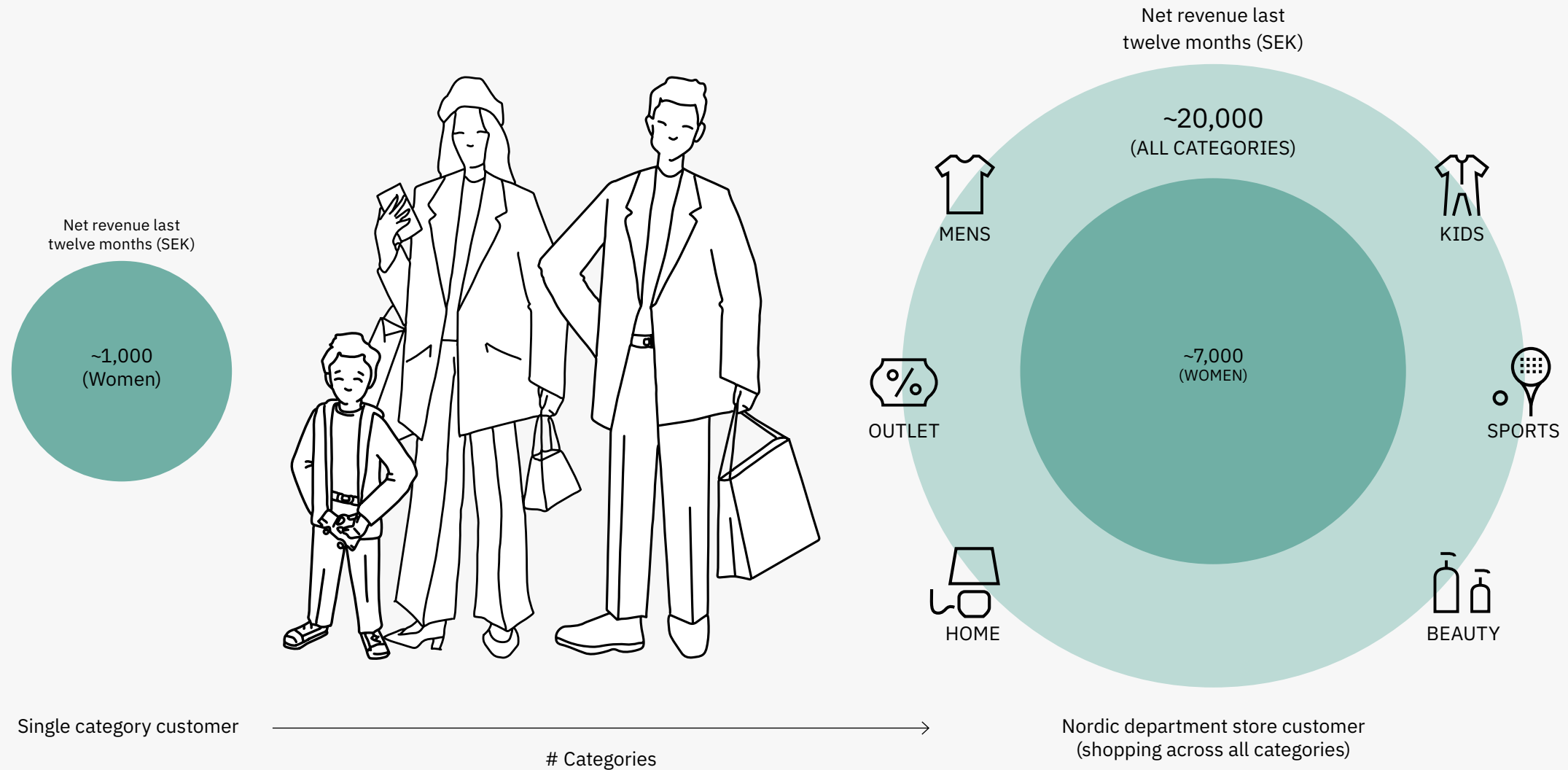
'THE-POWER-COMBO'

Nordic Department Store customers – multi buyers

Added department value
LTM 12 month (SEK)

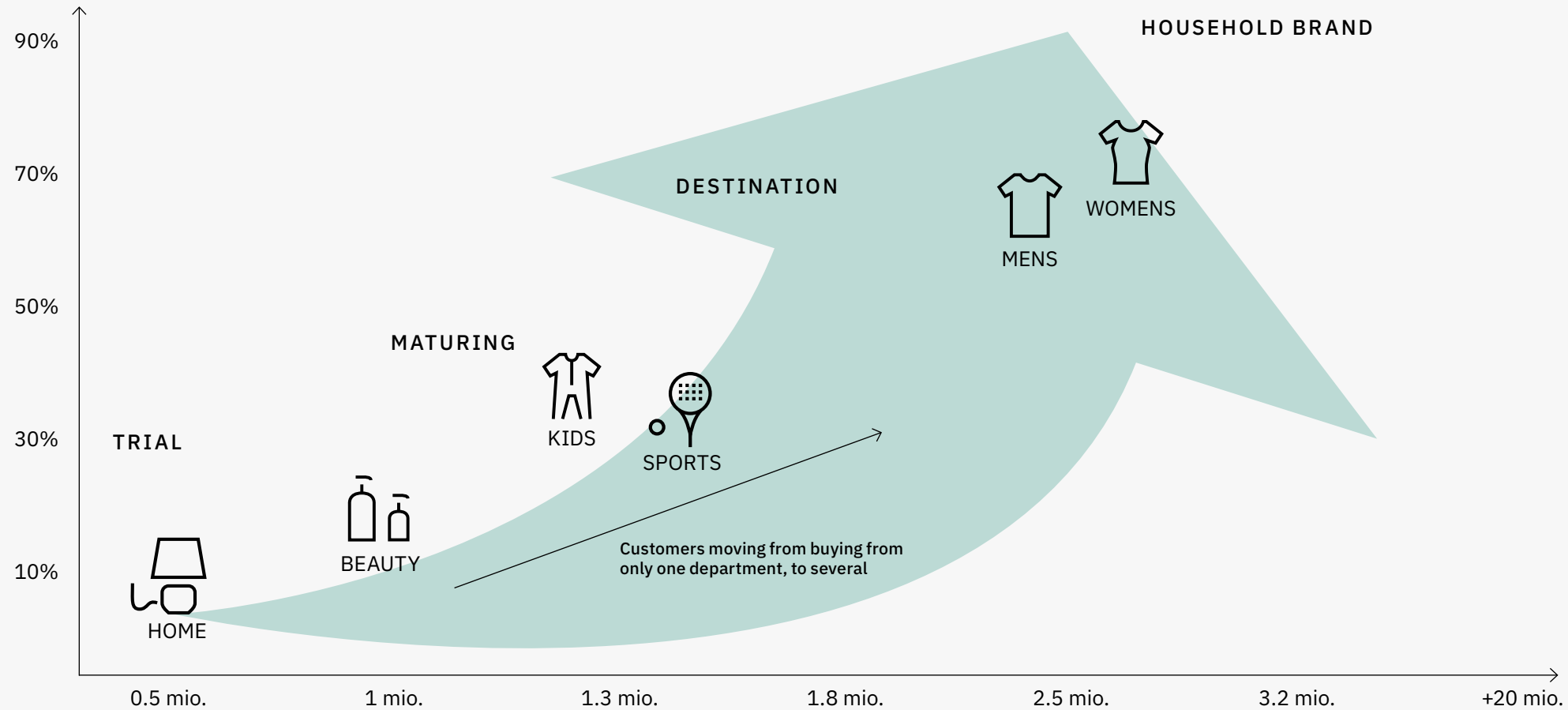


Moving customers through the Nordic Department Store



Building 'awareness, category trials and multi buyers' for the NDS

CATEGORY AWARENESS
(% share of population)



BOOZT
Fashion, Kids, Sport, Beauty, Home

TARGET ZONE
80-90% knowing Boozt
Having bought +1 within FKSPH
Penetration supercharge

CUSTOMERS ON BOOZT.COM
(+1 shopping in one or more of the categories)

Nordic department store customer
(# shopping in categories)

Core Competencies

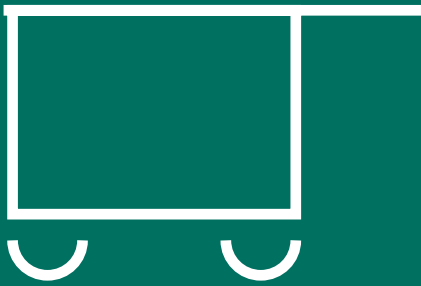




**Strong brand
universe**



**Own-built
tech platform**



**Europe's
largest Autostore
Installation**



**Care-For
Strategy**

Strong brand universe

Boozt has built a broad portfolio in collaboration with trusted partners, ensuring a diverse range of products that align seamlessly with the evolving preferences and lifestyles of its customers. By prioritizing mid-market and premium brands, Boozt.com aligns its product assortment with the preferences of its target demographic, which typically consists of discerning consumers seeking quality, style, and value. This strategic approach enables Boozt.com to differentiate itself in the competitive online retail landscape, offering a curated selection that resonates with its customer base while maintaining a high standard of quality and brand integrity.



Own-built tech platform

Being an online platform, Boozt continuously gathers data. To leverage the power of that data, Boozt has built and developed their own in-house tech team and platform. The data-driven approach enables Boozt to identify new business opportunities, track on-site and product performance, ensuring a proactive and adaptive business strategy.

Their platform has turned into one of the most advanced e-commerce platforms in the Nordics. Boozt uses advanced logistics algorithms not only to meet the current needs of consumers but to anticipate upcoming trends.

Boozt Data Intelligence - Leveraging data internally

By monitoring user activities, product performance, and transactional patterns in real time, Boozt aims to closely follow evolving consumer behaviors and market demands. This wealth of data serves as the foundation for informed and efficient decision-making, enabling Boozt to refine its strategies, optimize user experiences, and identify opportunities for growth.

Leveraging data through Boozt Media Partnership

Boozt also explores external data utilization by collaborating with brand partners. By sharing insights derived from customer interactions, sales patterns, and benchmark against peers, Boozt empowers its brand partners to make informed decisions and tailor their strategies for optimal market engagement. This collaborative approach not only enhances the brand partners' presence on the platform but also solidifies Boozt's position as a strategic partner in the ever-evolving landscape of Nordic e-commerce.

Examples of data tracking customer base through their tech platform:

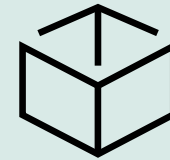
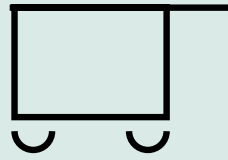


- Country breakdown
- Average order value
- Conversion rate
- Return rate
- Benchmark against peers
- Customer segmentation
- Number of sleepers
- Brandwall pageviews
- Device type
- External source
- Top 10 pdp views





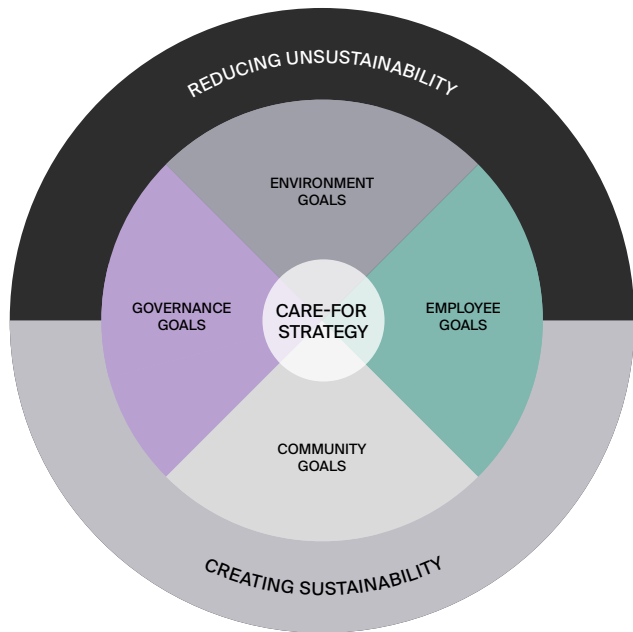
Europe's largest Autostore Installation

The Boozt Fulfillment Centre (BFC) is strategically positioned in Ängelholm, Sweden, approximately one hour north of the Malmö headquarters. Designed to optimize the AutoStore automation system, the center is constructed to allow modular expansion for increased capacity. Boozt's 2022 investment saw the incorporation of over 500,000 bins and around 500 robots, resulting in a capacity boost of more than 50%. The AutoStore system not only streamlines the picking process for cost efficiency but also enhances time-to-market. Serving as both a fulfillment center and a photography hub with automated ramps for new product photography, it underscores the company's commitment to in-house product handling, setting it apart from competitors. All critical packing and return operations are fully insourced, ensuring rapid and high-quality package deliveries to customers. The Boozt HQ and the Fulfillment Center act as future-ready infrastructures, supporting long-term expansion.

 1,200,000 bins	 1,200 robots	 +15,000 items per hour in handling capacity during peaks	 Europe's largest automated warehouse
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Care-For Strategy

Boozt.com has devised a comprehensive Care-For strategy. Regularly updated to synchronize with the company's strategic direction and external societal shifts, this strategy sets ambitious goals and focuses on actionable initiatives to instigate meaningful change in the industry's sustainability practices. The strategy encompasses Environment, Employees, Community, and Governance, with specific goals and targets identified through a thorough materiality assessment. Embracing the B Corp movement, Boozt.com visualizes its commitment to sustainable business practices through the Care-For universe, underscoring its dedication to responsible initiatives across various dimensions.



The Boozt Customer

By delving into the characteristics and behaviors of the average Boozt.com customer, we gain valuable insights into their preferences, motivations, and shopping patterns.



Customer Segments

Boozt categorizes their customers in three main segments.

ACTIVE CUSTOMER (A):



- **High value**
- **High basket size**, frequent purchases
- **Loyal customer**, crucial for clearing inventory/profitability

MODERATE CUSTOMER (S):



- **Valuable and stable**, but less engaged than Active customer
- **High basket size** but moderate frequency
- **Loyal customer**

NEW/FAIRLY NEW CUSTOMER (E):

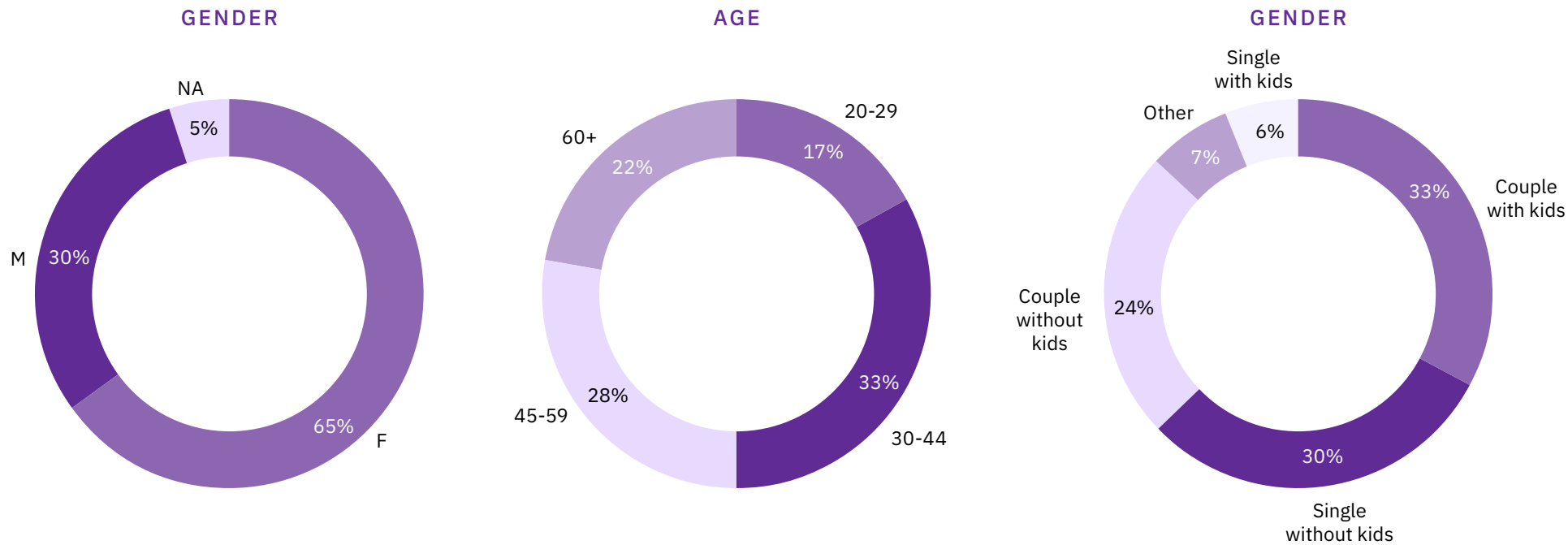


- **In the process** of becoming loyal, on their way to becoming Active or Less Active
- **Moderate basket size**
- **Developing loyalty**, with potential for growth in engagement

Boozt's typical active customer looks like:

Female, 30-44, with children.

The desired state of the Nordic Department Store includes the highest number of Active Customers possible, as this is the most valuable customer. Boozt's goal is to increase the Active customers' cross-category purchases making the use of Boozt.com a habit for the customer. They currently do this by providing more benefits, through higher discounts, free shipping, etc. in e.g. Club Boozt.



MOVING FROM NEW CUSTOMER TO LOYAL CUSTOMER

Rule of thumb: Only one out of every 3-5 new customers become a loyal customer, who shops year after year.

ACTIVE CUSTOMER (A):



- **High value**
- **High basket size**, frequent purchases
- **Loyal customer**, crucial for clearing inventory/profitability

Club Boozt

Club Boozt is the customer club for boozt.com, where members can get points from their purchases to receive perks such as discounts, free delivery, access to pre-sales and other special offers. As of today, it has more than **one million users**, and is constantly growing. The club primarily consists of the Active Customer segment, who are also the ones with highest retention and order value.

Tailored for you

As a Club Boozt member, you earn points for every purchase. These points can be utilized when shopping, providing you with additional discounts, exclusive offers, early access to sales, and more. You also have the flexibility to customize your discount preferences and automatically enjoy a 10% discount on all full-price items. Furthermore, all club members choose their own 'Boozters'. Boozters are the different benefits you can choose from. You give away points to receive the benefit that you desire, such as 15% or 20% off of specific product categories, free shipping, pre-sales or the like.

- **Choose** your own Boozters
- **Born** with benefits
- **Multi-cat-buyers** gets more
- **Loyalty** gets extra treats
- **Wallet** with extra service



1 Million users in 230 days

Shopping Behavior

ACTIVE CUSTOMER (A):

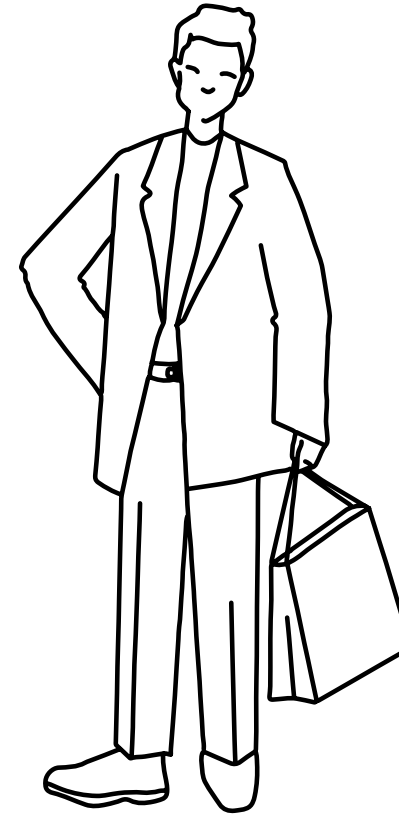


Average basket size: 1,525 SEK
(varying span: 1,300-2,000)

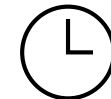


Average frequency: 6.3 a year
(varying span: 3-11 times per year)

MODERATE CUSTOMER (S):



Average basket size: 1,500 SEK
(varying span: 1,300-2,000)

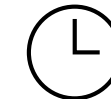


Average frequency:
2.3 a year

NEW/FAIRLY NEW CUSTOMER (E):



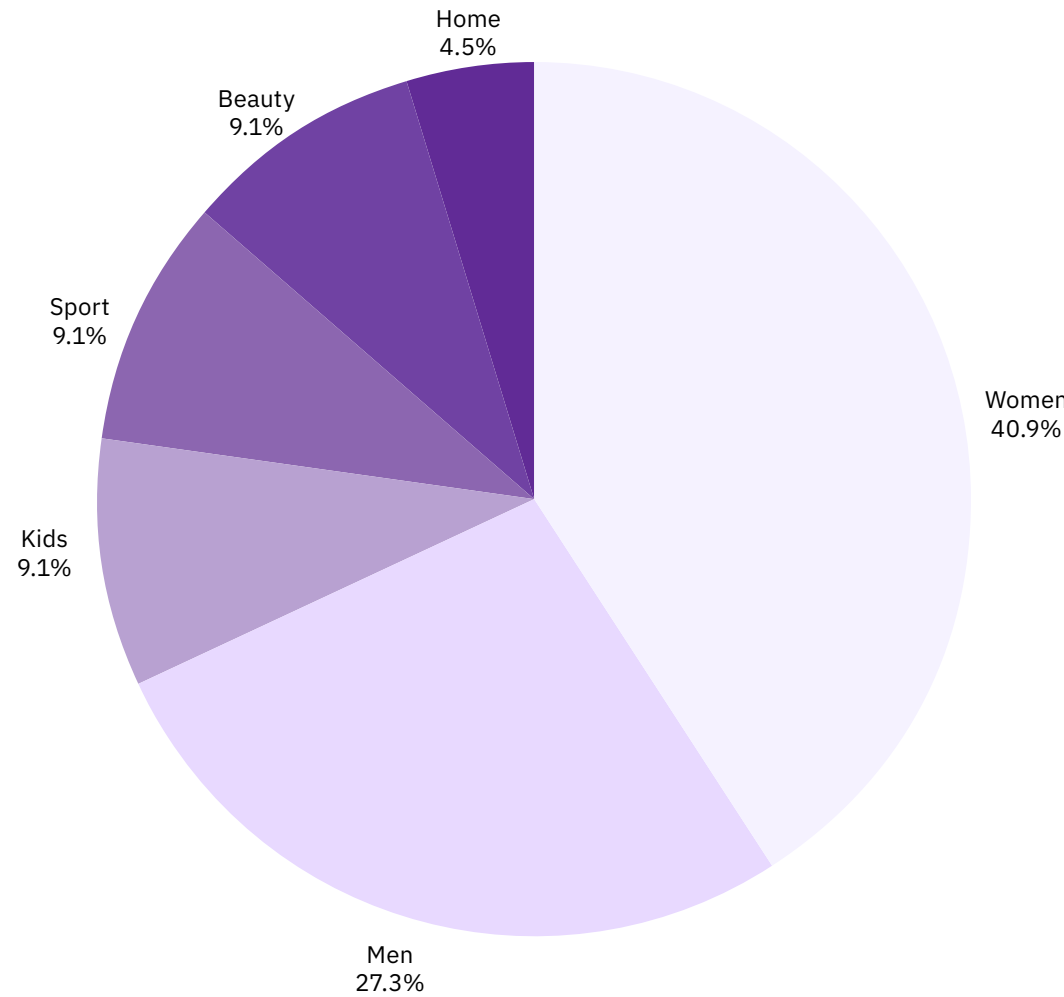
Average basket size: 1,350 SEK
(varying span: 1,100-1,800)



Average frequency:
1.8 a year

While Boozt.com caters to both men and women, the platform has historically attracted a slightly higher proportion of female customers. This trend is reflective of the fashion-forward nature of the platform's product range, which includes a wide array of women's clothing and accessories. However, aspiring to become the Nordic Department Store, the sale split by category is expected to shift.

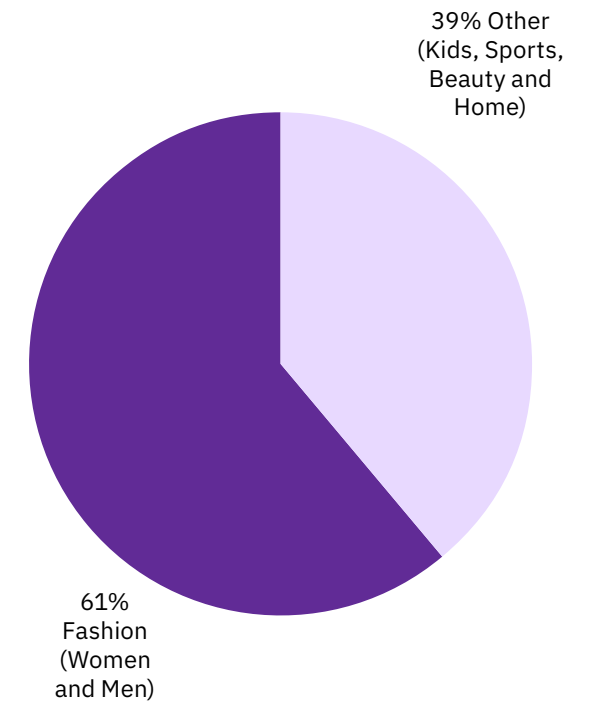
ORDER VALUE BASED ON CATEGORY



SALES SPLIT BY CATEGORY (% OF TOTAL GROUP PRODUCT SALES)

	2017	2022	Future
Kids, Sport, Beauty & Home	10	30	70
Fashion (Women/Men)	90	70	30

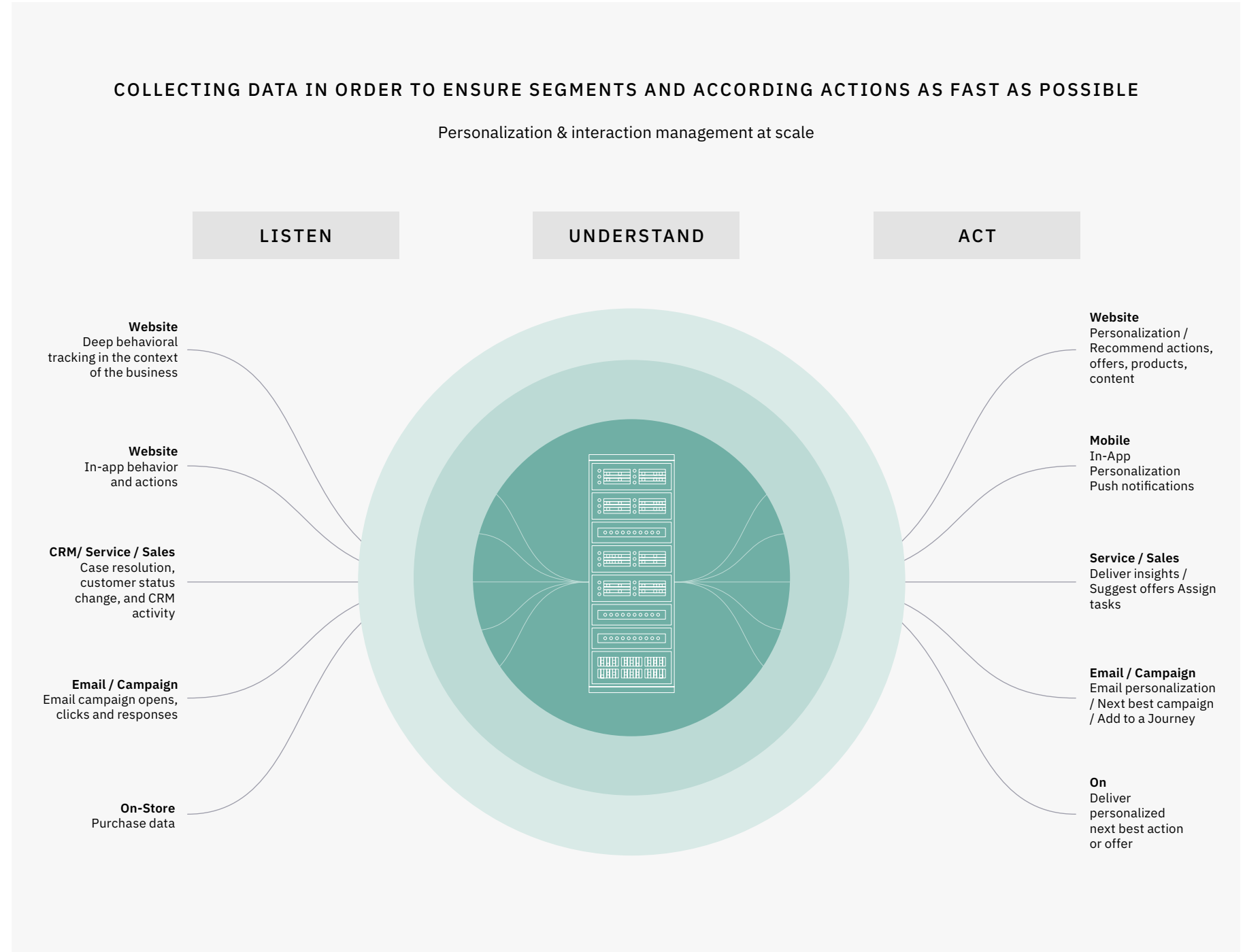
AROUND 40% OF REVENUE ON BOOZT.COM IS NOW GENERATED FROM PRODUCTS OUTSIDE OF FASHION (FY 2023)



Source: Capital Markets day March 2023

Leveraging Customer Trace

Every move a customer makes online leaves a data trace, and this data is incredibly valuable for companies like Boozt. Collecting data occurs at various touch points from the initial online interaction at Google.com, for example, to accepting cookies and purchase products and thus accepting Boozt's terms and conditions. This data allows the company to enhance customer understanding, personalize the shopping experience and target marketing efforts effectively, with the ultimate goal of increasing profitability. The earlier and higher volume of data you can collect in the customer journey, the better. Hence, leveraging new sources of data before the initial purchase is crucial for Boozt.



A woman with dark hair in two braids, wearing a black athletic top and leggings, is captured in a running pose. She is looking forward and to the left. The background is a solid, light green color. The text "Industry Insights" is overlaid in white, bold, sans-serif font across the center of the image. The brand name "RÖHNISCH" is visible on the lower left of the woman's top.

Industry Insights

RÖHNISCH

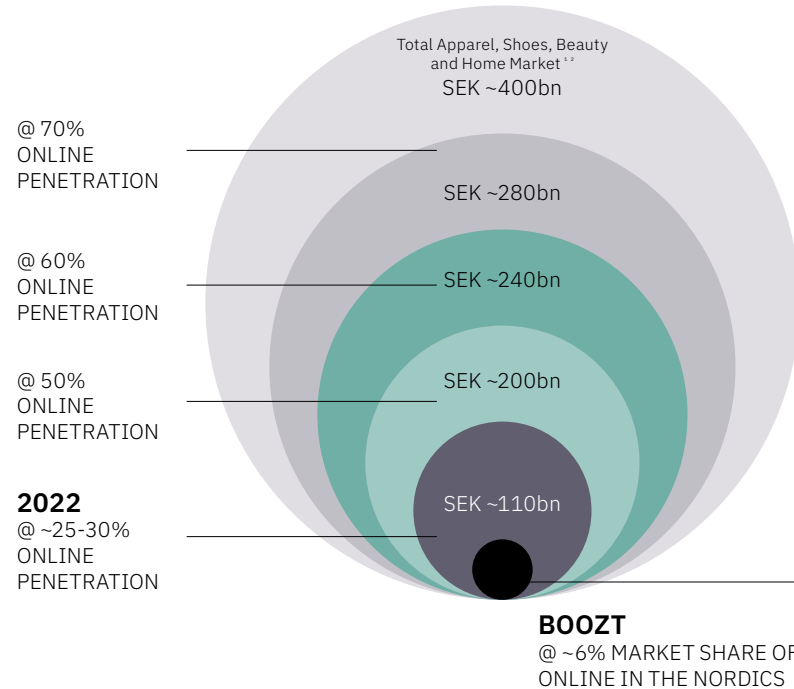
General Market Outlook

In the wake of the pandemic, online retailers found themselves benefiting from the surge in online shopping as consumers increasingly embraced digital habits. As a result of the challenges of the pandemic, individuals turned to online platforms for shopping convenience. Despite this positive trend, economic and geopolitical factors, notably the war in Ukraine, and the struggle against high inflation and interest rates, introduced a layer of unpredictability to the market.

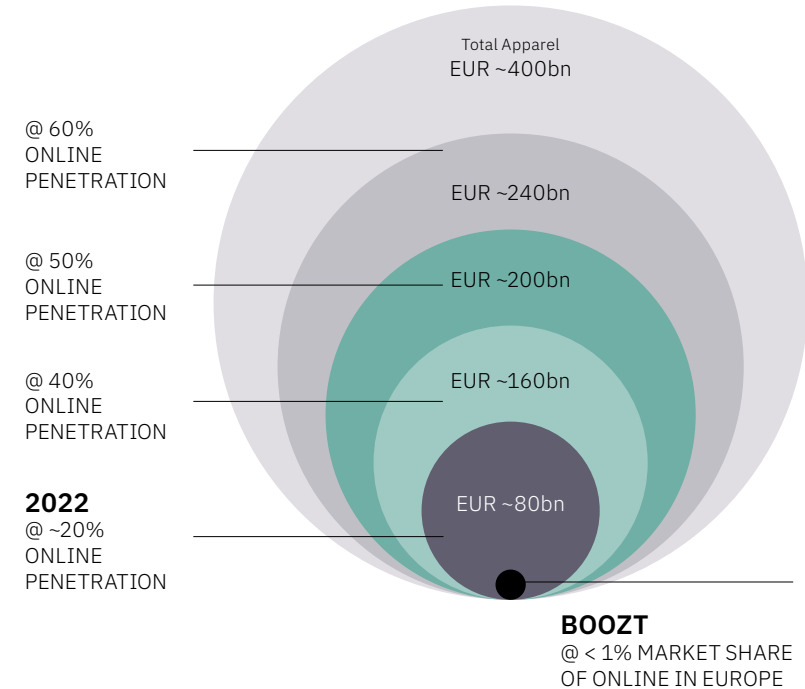
Remarkably, consumers have changed their spending patterns less than many anticipated thanks to moderate inflation and a resilient labor market. People remain willing to spend, but with a more discerning eye on costs. This shift poses a challenge for online retailers, requiring intensified competitive strategies that balance catering to a strong labor market while addressing the growing preference for cost-effective options.

The online retail market is experiencing a robust momentum, marked by substantial growth potential. With an increasing number of consumers embracing digital shopping, the market is poised for continued expansion, offering ample opportunities for online retailers to thrive and succeed.

LARGE NORDIC MARKET WITH STRONG ONLINE MOMENTUM

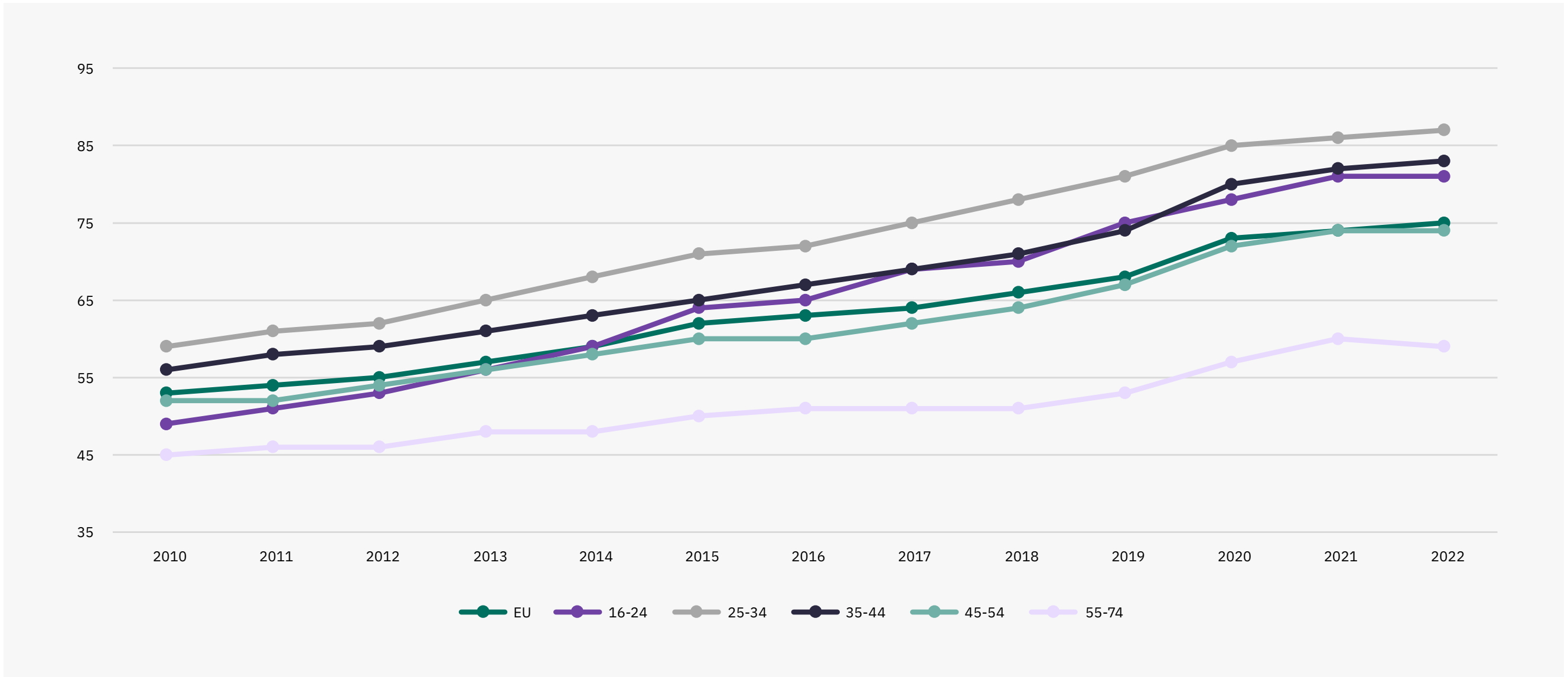


EUROPEAN FASHION MARKET WITH IMMENSE GROWTH POTENTIAL



1) Combined Sportswear market of Denmark, Norway and Sweden, i.e. equivalent estimates for Finland N/A
 2) Homeware considered household textiles, e.g. furnishing fabrics and bed, table and bathroom linen as well as glassware, tableware and household utensils
 Source: Company estimates, Euromonitor, Eurostat

INTERNET USERS WHO BOUGHT OR ORDERED GOODS OR SERVICES FOR PRIVATE USE IN THE PREVIOUS 12 MONTHS BY AGE GROUP, EU, 2010-2022



Note: EU Break in time series in 2021
 Source: Eurostat (online data code: isoc_ec_ibuy and isoc_ec_ib20)

Emerging Trends

Price sensitivity

In the current market landscape, consumers exhibit a heightened sensitivity to prices compared to previous periods. Economic uncertainties, including factors like inflation, higher interest rates and geopolitical tensions, have contributed to a more cautious and discerning consumer mindset. In the fight for consumers' marginal spending, retailers face competition not only from direct competitors but also from others such as leisure travel as consumers continue to prioritize spendings. As individuals navigate through financial uncertainties and changing economic conditions, there is a notable shift in preferences towards cost-effective options. Retailers, including Boozt, need to be attuned to this evolving dynamic, strategically adjusting their offerings and pricing strategies to meet the expectations of a more price-sensitive consumer base. Understanding and responding to this trend is essential for businesses aiming to thrive in the contemporary market environment.

Online one-stop-shop convenience

The contemporary consumer landscape is witnessing a notable inclination towards online retail, notably favoring the streamlined and comprehensive experience offered by one-stop-department stores. In today's fast-paced society characterized by time constraints, consumers are increasingly drawn to platforms that consolidate a diverse array of products, alleviating the inconvenience associated with navigating multiple online outlets.

The inherent convenience and accessibility of these platforms often result in expanded cart sizes, driven by the allure of discovering additional items during the browsing process. This trend translates into a notable increase in the average order value for businesses, indicative of heightened per-transaction spending by consumers within the one-stop-department store environment. The consolidation of diverse product offerings under a single digital umbrella fosters a sense of reliability and trust among consumers, cultivating brand loyalty and repeat patronage.

Additional benefits such as bundled discounts and free shipping thresholds serve as further enticements for consumers, augmenting the overall value proposition of these one-stop-department stores.





Legal Considerations

In e-commerce, adherence to regulations is very important, and at Boozt, a commitment to compliance is central to their operations. As one of the industry's major players, maintaining high standards is imperative, and it's essential to recognize and navigate legal frameworks. For your case, three key regulations merit attention:

- GDPR (General Data Protection Regulation)
- The EU's pricing directive
- EU's cookie law

Under GDPR, which guarantees consumers the right to control their data, certain considerations must be made. The core tenets include the legal necessity for data collection, the prohibition of data exchange between companies without customer consent, and the permissibility of personalization and profiling contingent on customer approval, often facilitated through cookie policies or explicit consents.

Concerning pricing strategies, the EU emphasizes truthfulness in all offers. To ensure the accuracy of an offer, the company must first establish a normal price, typically after a minimum of 30 days. Subsequently, this price can serve as a reference for promotional campaigns. However, campaigns are restricted to running for a duration no longer than half the period of the full-price period of the product. Notably, if a product undergoes a discount, even for a single day, the discounted price becomes the new reference for all campaigns for the next 30 days, known as the lowest last 30 price.

The EU's cookie policy is straightforward but crucial to understand. Data tracking is only permissible after the customer has made a choice on what information to share. This entails withholding all cookies and trackers until explicit user consent is given, providing clear information about embedded cookies and trackers, obtaining user-friendly consent, and ensuring users can easily refuse or withdraw consent.

This is a high-level overview. It is not exhaustive and does not cover all aspects of the relevant legal considerations. We strongly encourage you to conduct your own research to ensure your solution complies with all applicable laws and regulations.

Closing Remarks

Boozt began its journey in the digital retail landscape at a time when the potential of e-commerce was only at the beginning to be understood. Boozt's founders acted on a vision to change retail by leveraging technology to offer a complete shopping experience. Recognizing early the power of online retail, Boozt sought to develop and build their own technological platform and solution. Today, more than a decade later, Boozt is stronger than ever and possessing a deep understanding of consumer behavior and the critical importance of loyalty in e-commerce. The retail industry is experiencing its own version of an industrial revolution with the shift towards digital-first commerce. This transition is not only reshaping the way businesses operate but is also intensifying competition as more players enter the online space. Boozt has been at the forefront of this transformation, establishing a leadership position in the Nordic region through its dedication to innovation and customer satisfaction.

As technology evolves and consumer expectations rise, Boozt faces new opportunities and challenges. The company's journey into the future of retail involves navigating complex dynamics, from enhancing the understanding of its customers to integrating cutting-edge technologies. Boozt's ongoing strive for excellence requires your insights and strategies to continue leading the digital retail revolution. Therefore we invite you to address the following questions:

How can Boozt increase customer loyalty, growth, and ultimately profitability within its Nordic department store model to grow revenue by 40% before 2027?

1. What untapped opportunities can Boozt leverage to strengthen its Nordic Department Store Business model?
2. How can your solution increase cross-category purchases and move customers to higher value segments making the use of Boozt.com a habit for the customer?
3. How can Boozt practically leverage new sources of data of the customer before their initial purchase?

Judging criteria

You solutions will be assessed on the following criteria with equal weight:

- **Analysis**
- **Solution**
- **Innovation & Creativity**
- **Financial & Legal Feasibility**
- **Presentation, Slides and Storytelling**

We encourage you to think creatively about how to solve this strategic challenge, and come up with solutions based on in-depth analyses. Your solutions should generally support the Nordic Department Store model. If you suggest using e.g. Artificial Intelligence, please be very specific about how, when and where to implement it. Boozt has already considered doing augmented reality in the shopping experience, or partnering up with major brands like Nike and Gucci, so please tap into your creative side and come up with holistic strategic solutions to elevate the business to a new level.



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Boozt Fashion AB





Appendix



Financial Performance

SEK million unless otherwise indicated	Oct 1 - Dec 31, 2023
GROUP	
Net revenue	2,993
Net revenue growth (%)	22.8%
Gross profit	1,122
Gross margin (%)*	37.5%
Fulfilment cost ratio (%)*	-9.5%
Marketing cost ratio (%)*	-10.0%
Admin & other cost ratio (%)*	-9.7%
Depreciation cost ratio (%)*	-2.1%
Adjusted admin & other cost ratio (%)*	-8.1%
EBIT	183
EBIT margin (%)	6.1%
Adjusted EBIT*	230
Adjusted EBIT margin (%)*	7.7%
Earnings for the period	143
Earnings per share (SEK)*	2.10
Earnings per share after dilution (SEK)*	2.07
Adjusted earnings per share (SEK)	2.65
Adjusted earnings per share after dilution (SEK)	2.61
Cash flow from operations	861
Cash flow from investments	-28
Free cash flow*	834
Net working capital*	316
Net debt / -net cash*	-1,040
Equity / asset ratio	45.7%
Number of employees end of period	1,176

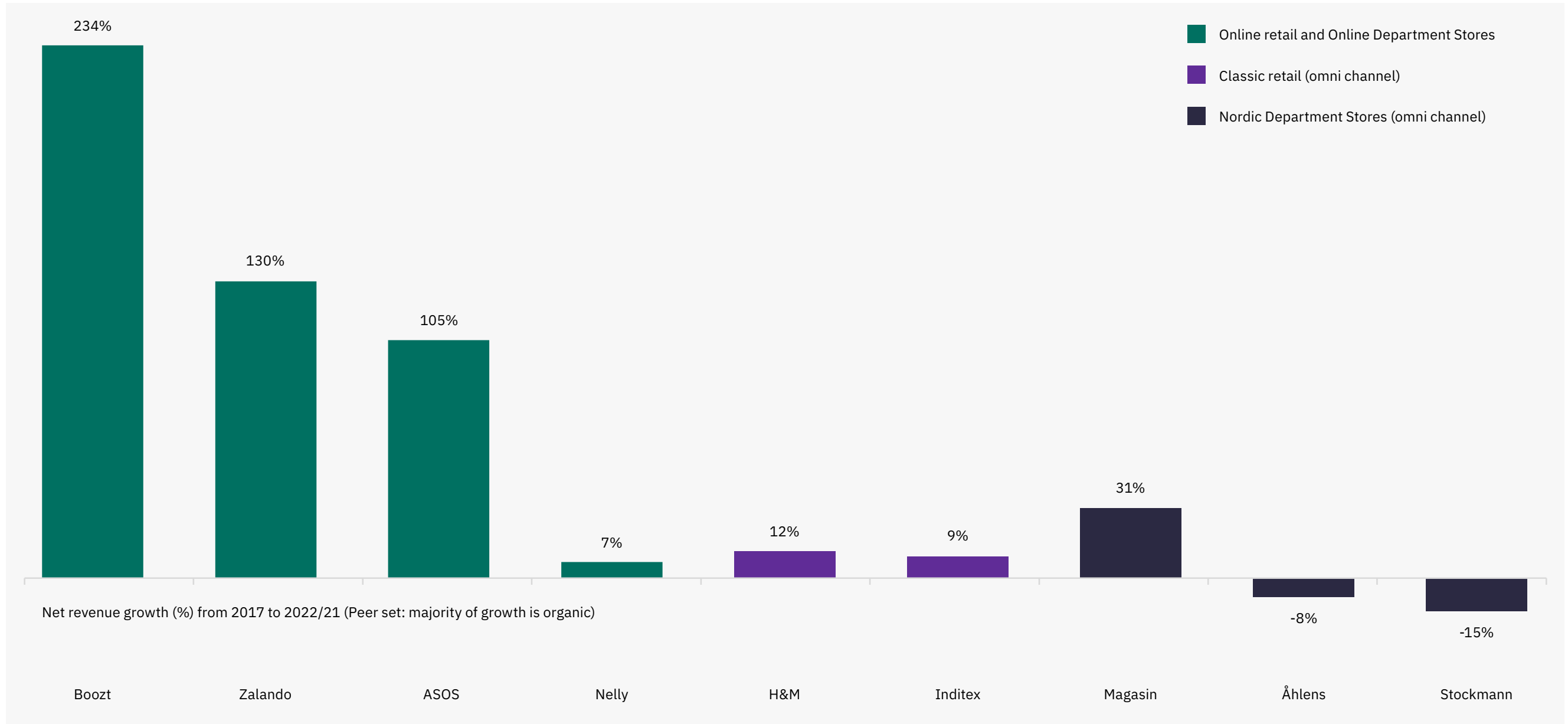
Rounding differences may affect the summations.

*The figure is an Alternative Performance Measure (APM) (non-IFRS), for further information see page 31.

	MID-TERM GUIDANCE Communicated in IPO	MID-TERM GUIDANCE Re-communicated in 2020
GROWTH	Net revenue growth of 25-30%	Significantly outgrow the Nordic market
PROFITABILITY	Adjusted EBIT margin target of +6% in 2022	Adjusted EBIT margin of 5-7%
CASH	Consider dividend when cash exceed investments in growth	

	2017	2018	2019	2020	2021	2022	MID-TERM OUTCOME 2017-2020
NET REVENUE GROWTH %	44.4%	38.1%	23.0%	27.3%	33.4%	16.0%	CAGR of 30% from 2017 to 2022
ADJUSTED EBIT MARGIN %	2.4%	2.3%	3.2%	6.7%	5.9%	4.2%	Adjusted EBIT margin 4.2% in 2022 Avg: 2017-2022: 4.1% Acc: 2017-2022: 4.5% Avg: 2020-2022: 5.6% Acc: 2020-2022: 5.4%

DELIVERING SUSTAINABLE GROWTH AT A HIGH PACE (2017-2022)



THE BOOZT UNIVERSE – OUR LONG-TERM OPPORTUNITY

	BOOZT	BOOZTLET	BOOZT DATA INTELLIGENCE	BOOZT MEDIA PARTNERSHIP	NORDIC BRAND HUB	BOOZTPAY
VALUE PROPOSITION	The Nordic Department Store	Nordic Designer Outlet	Preferred e-commerce data partner in the Nordics	Retail media	Providing insights into designing, producing and selling apparel and fashion lifestyle brands	Seamless and easy checkouts and payments
LONG-TERM TARGET	Market share around 10% (online and offline)		4-5% of Group net revenue		5-10% of Group net revenue	Top-class payment provider, fully controlled by the Group
CURRENT STATUS	Market share of 1-2% 3 million active customers		Recently launched	< 3% of Group net revenue	3 active brands < 3% of Group net revenue	< 1% of Group net revenue
REVENUE MODEL	Wholesale / own buy		Business-to-business		Traditional production and wholesale	Cost savings and revenue share
GROSS MARGIN IMPACT						
EBIT IMPACT						

Competition

Boozt has a differentiated competitive landscape where the competition is based on international e-commerce retail and department stores.

**BALANCING PROFITABLE GROWTH SINCE 2017
CAGR AND ACCUMULATED ADJUSTED EBIT 2017-2022***



* Where information has not been publicly available, period and measure have been adjusted to the closest comparable

UNIQUE POSITIONING KEY TO SUSTAINABLE GROWTH AND LEADING MARGINS

Illustrative Nordic market landscape
Selectively active in the Nordic region

