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# Cheffelo Q1 report 2024

# Today's agenda and presenters

- Cheffelo in brief
- Q1 2024
- Financials
- Concluding remarks
- Q&A



Walker Kinman  
CEO



Erik Bergman  
CFO



# Our purpose: Innovating the mealtime experience

Our vision: Simplifying everyday life

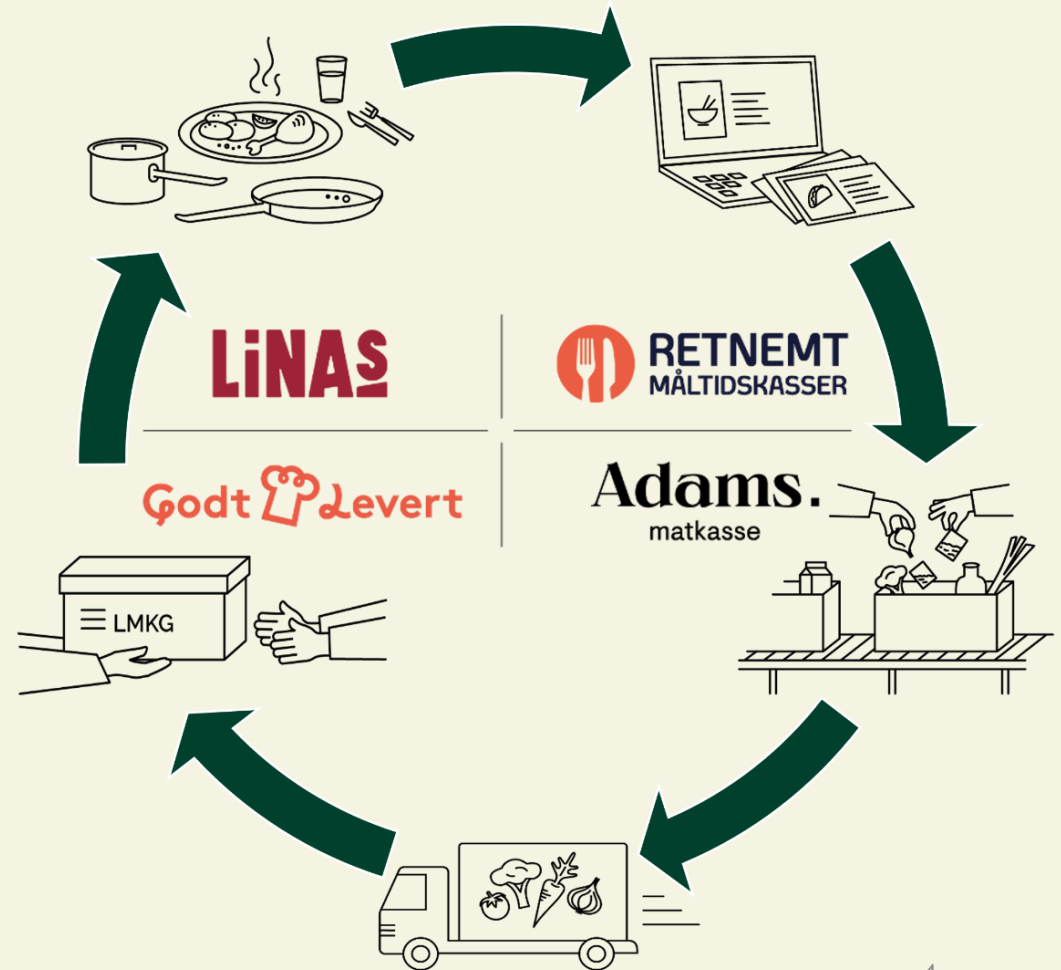
Strong local brands with heritage in innovation and entrepreneurship



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# Our business model: subscription-based home delivery of mealkits

- Demand driven business model
  - Near-zero inventory
  - Minimal food waste
- Local taste preferences
  - Local chefs and dieticians
  - Widest selection of recipes
- Personalized customer experience
  - Proprietary tech solutions
  - AI recommendation engine
  - 100% customer unique production
- Strong, scalable supply chain
  - Efficient processes
  - Nordic sourcing





## Q1 financial highlights: *Continued profitable growth*

- Net sales growth in local currency of 2.1%
  - *Third consecutive quarter with growth*
  - *Excluding Easter, Net sales growth of 4.3%*
  - *Denmark growth of 44%*
- Order frequency: +4.8% vs LY
- Continued investment in the customer experience
- Contribution margin: 31.4% (31.6%)
- EBIT: MSEK 10.0 (12.1)



# Continued enhancement of the Customer Experience

## Operational excellence

- Lower fulfillment cost
- More delivery time slots
- Real-time tracking
- Improved delivery ratings



## The physical product experience

- Fewer items needed from your own pantry
- Recipes w <30 minutes preparation/cooking time
- Rollout of discounted recipes



## The digital product experience

- Launch of continuous improvements and new features
- Strengthen the tech team talent pool



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# Common value proposition coming to life

## Increase marketing excellence

- First campaign based on common communication concept
- Synergies: development and reuse of materials
- Brand communication that works across markets

## Promising initial results:

- Driving more liking and better message understanding
- Higher purchase intent than benchmark
- Uplift of Brand consideration





# Improving consumer confidence

## Denmark

- Market outlook more positive than rest of Nordics
- Statbank.dk has reported growth in online Groceries since May 2023
- Consumer confidence has returned to a neutral level.

## Sweden

- Online Grocery Index Q1 +4.8% <sup>1)</sup>
- Consumer confidence approaching a neutral level

## Norway

- High interest rates, weak currency, and inflationary effects continue to affect Consumer sentiment and spending



1) As measured by the Swedish Food Retailers Federation

# Market development Q1



**Denmark** Net sales +43.9% (-30.7%)

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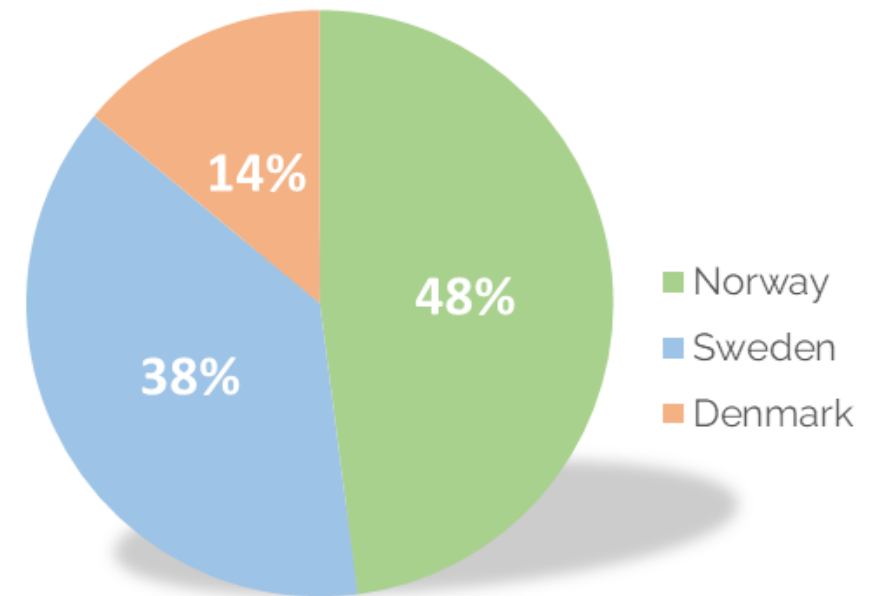
**Sweden** Net sales +2.1% (-10.1%)

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**Norway** Net sales -5.5% (-19.3%)

Q1 Share of Net Sales



# 2024 focus remains on strengthening the core

## Marketing Excellence

- Performance marketing and social selling
- New Nordic value proposition
- Strategic partnerships

## Epic Customer Experiences

- Increased personalization
- Epic kitchen experiences
- Add-ons and groceries
- Operational Excellence

## Long-term profitable growth

- Net Sales CAGR of 6-8%
  - *>1.2b SEK in 2026*
- EBIT margin approx. 4-6%
  - *50-70 million range in 2026*







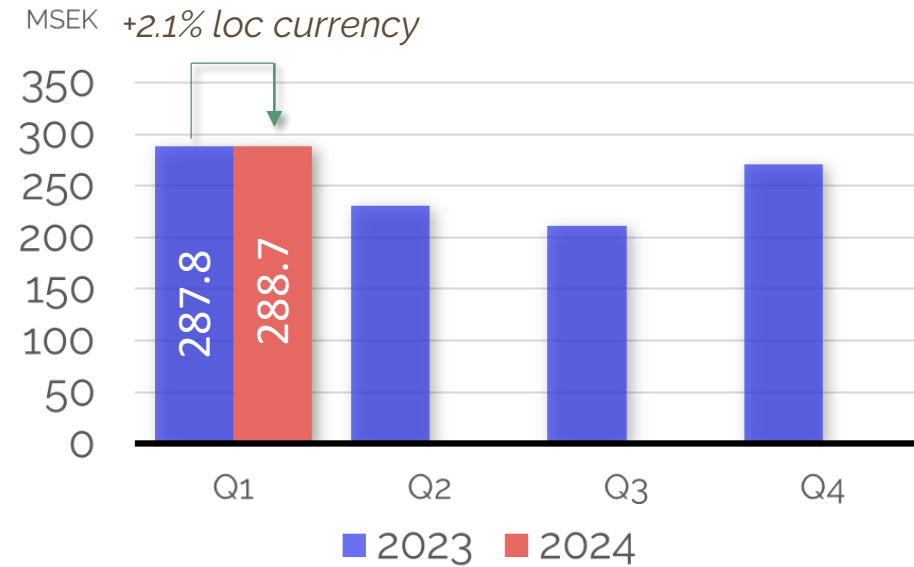
Financials

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# Net sales

- Excluding the Easter week in Q1, Net Sales grew by 4.3% in local currency.
- MSEK 5.2 negative effect from currency
- Active customers grew sequentially from Q4 to Q1 by 18.7%
- Order frequency continues to increase, up 4.8%

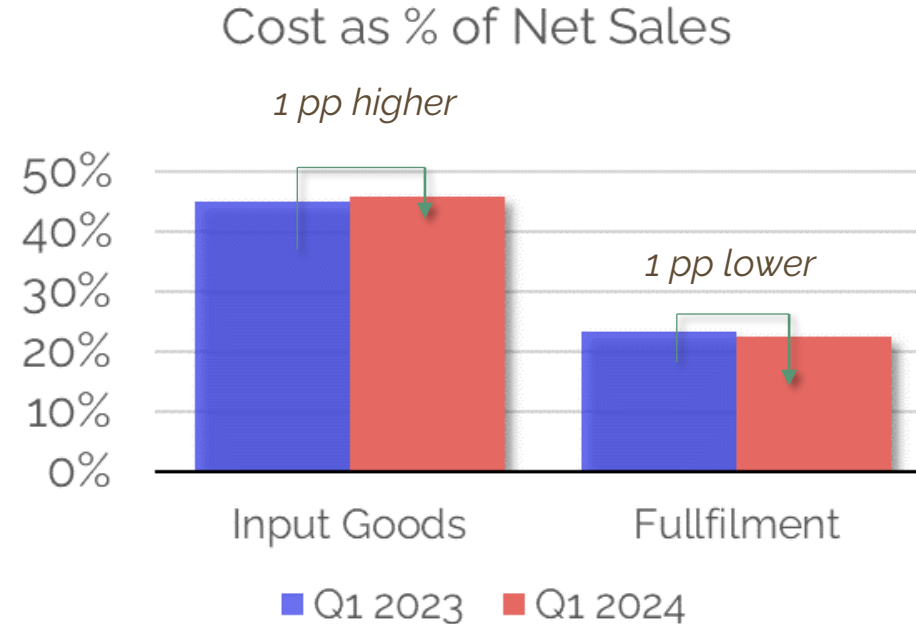
## Net Sales per quarter



	Q1 2024	Q1 2023	Δ %	LTM Q1 2024	FY 2023	Δ %
Net sales, MSEK	288.7	287.8	0.3%	1 000.6	999.7	0.1%
Net sales growth (adjusted for exchange rate differences), %	2.1	-17.4		n/a	-6.2	
Deliveries, (in thousands)	345.2	337.8	2.2%	1 166.1	1 158.7	0.6%
Average order value, SEK	836	852	-1.8%	858	862.8	-0.5%
Active customers, (in thousands)	81.5	83.6	-2.5%	n/a	n/a	
Order frequency	4.23	4.04	4.8%	n/a	n/a	

# Stable Contribution margin

- On track to achieve annual target
- Continued good trend for fulfillment cost, 5% lower average cost per delivery in Q1
- Improvements in fulfillment efficiency enabled enhancement in the kitchen experience

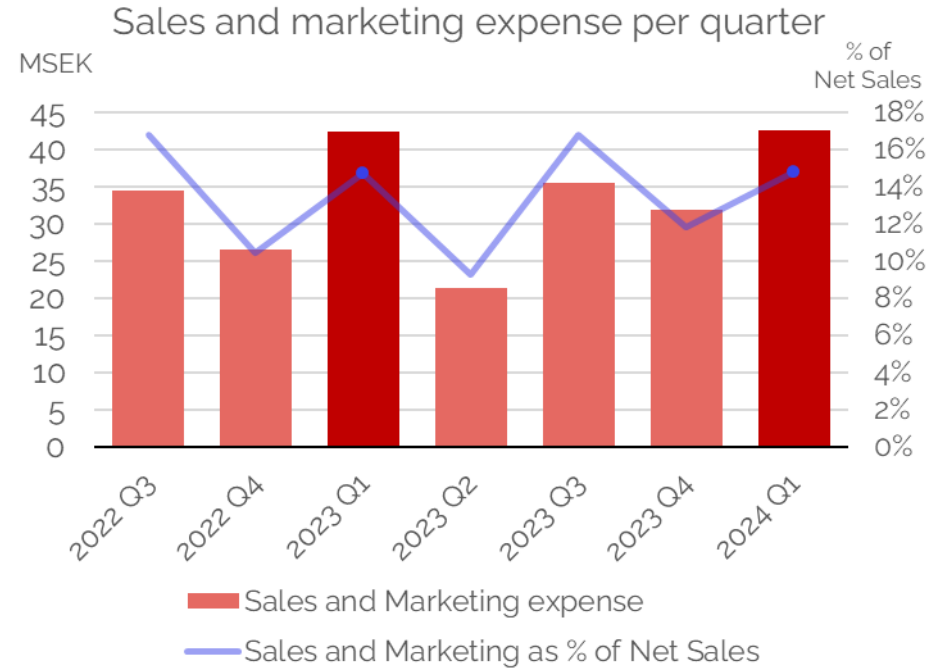


	Q1 2024	Q1 2023	Δ %	LTM Q1 2024	FY 2023	Δ %
Contribution margin, %	31.4	31.6	-0.1 pp	30.8	30.8	0.0 pp
Contribution margin, MSEK	90.8	90.9	-0.1%	307.8	307.9	0.0%
Contribution margin per delivery, SEK	263.0	269.1	-2.2%	264.0	265.8	-0.7%



# Consistent Profitability

- Sales and marketing stable at 14.7% of Net sales
- The lower volumes related to Easter affect comparability versus LY



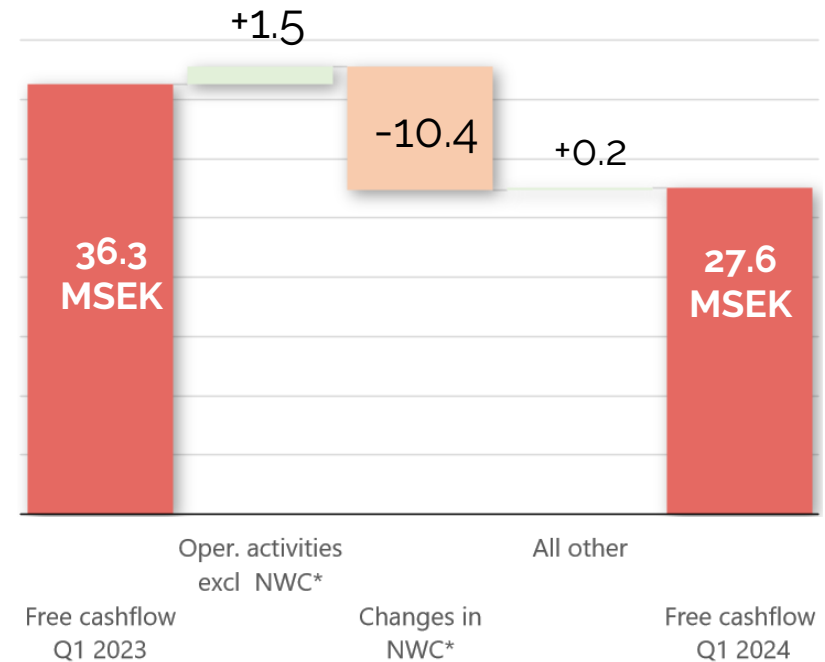
	Q1 2024	Q1 2023	Δ	LTM Q1 2024	FY 2023	Δ %
Sales and marketing expenses, MSEK	-42.6	-42.4	0.5%	-131.3	-131.1	0.2%
<i>in % of net sales</i>	-14.7	-14.7		-13.1	-13.1	
EBIT (Operating profit), MSEK	10.0	12.1	-2.1	28.7	30.7	-6.7%
EBIT-margin, %	3.5	4.2	-0.7 pp	2.9	3.1	

# Healthy Cashflow

MSEK	Q1 2024	Q1 2023	Δ
Cash flow from operating activities	36.4	45.4	-8.9
<i>thereof Changes in Net working Capital</i>	18.1	28.5	-10.4
Cash flow from investment activities	-2.1	-2.9	0.8
Cash flow from financing activities	-6.8	-6.2	-0.6
Free Cashflow	27.6	36.3	-8.7

- Solid cash generation with Free Cashflow\*\* of MSEK 27.6
- Changes in NWC\* – timing related to public holidays at the end of the quarter.
- Cash and cash equivalents amounted to MSEK 119.2 (87.3)
- Dividend of 1.78 SEK per share will be paid in Q2

## Q1 Free Cashflow Waterfall vs LY



\*NWC = Net Working Capital

\*\*Free cash flow: Cash flow from operating activities less amortization of lease liabilities and CAPEX



## Looking forward

- We expect high single digit growth in Q2
  - *Double-digit growth in Denmark to continue through much of 2024*
  - *Easter timing effect reverses in Q2*
- We expect to see contribution margins slightly above 30% on an annual basis
- Sales and marketing expenses are expected to be around 13% in 2024





Concluding remarks



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## Takeaways:

- Third quarter of continued growth
- Continued double digit growth in Denmark
- Investing in the Customer experience
- Stable profitability
- Positive cash flow excluding changes to NWC
- Quarter affected by Easter timing effects





## Q&A