

Cheffelo

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Cheffelo Q4 and Full Year Report 2023

Today's agenda and presenters

- Cheffelo in brief
- Q4 2023
- Financials
- Concluding remarks
- Q&A



Walker Kinman
CEO



Erik Bergman
CFO

Our purpose: Innovating the mealtime experience

Our vision: Simplifying everyday life



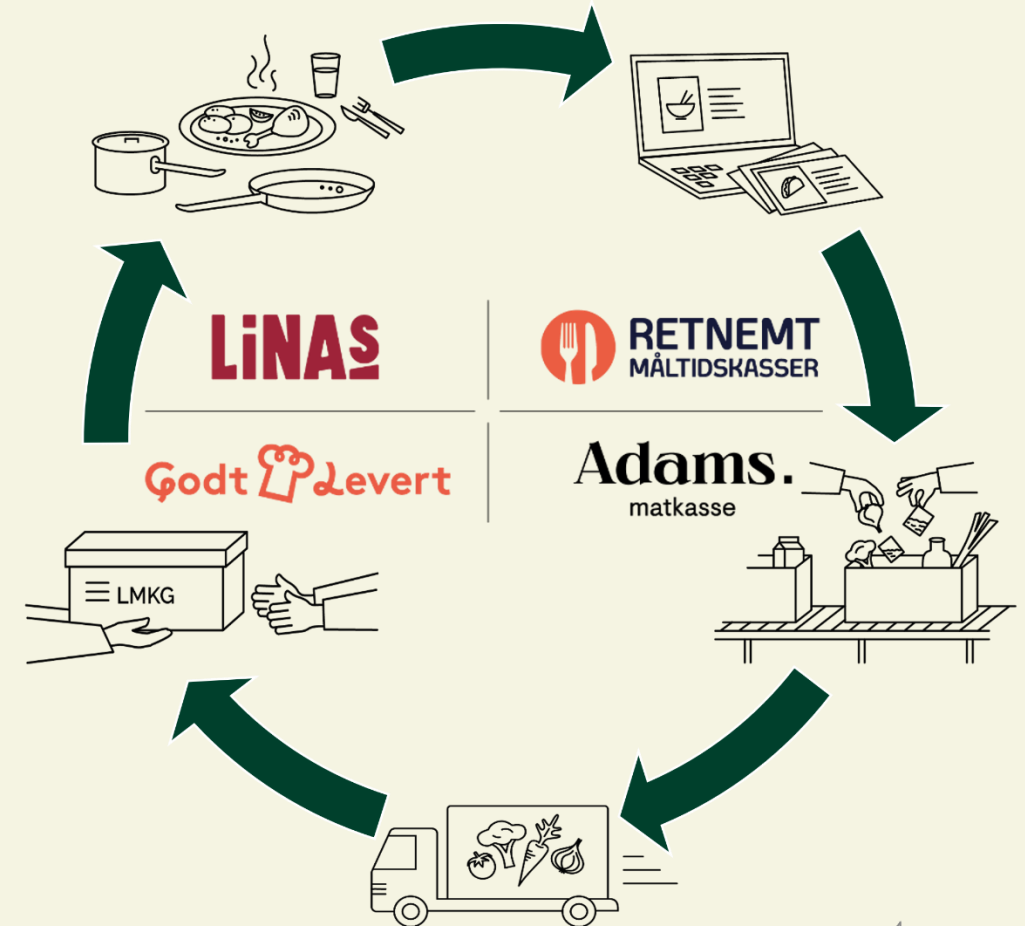
Strong local brands with heritage in innovation and entrepreneurship



Cheffelo

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





Q4 financial highlights: *Strong finish to the year*

- Net sales growth* of 8.3% to MSEK 270.3 (255.4)
 - *Growth in every market*
 - *Denmark growth of 47%*
- Significant cost savings in logistics
- Contribution margin: 31.8% (All-Time-High)
 - *Full year Contribution margin beating target of 30%*
- Adjusted EBIT: MSEK 16.1 (12.4)
- Order frequency: +7.9% vs LY
- Launch of new customer loyalty program

**local currency*

2023 Must-Win-Battles, delivered



Increase marketing excellence

- Customer acquisitions for 2023 were 29% higher vs. 2022
- Sales and marketing expenses decreased by 5.4%
- Reduced customer acquisition cost of -27%
- Significant reduction in discount vouchers offered

Cultivate EPIC customer experiences

- Increase in average recipe rating scores across all brands
- Q4 increase in delivery options offered in Norway and Sweden
- 10% reduction in customer claims rate
- Customer service satisfaction ratings of 93%

Increasing volumes in Denmark

- Acquired customer relationships from a competitor – conversion of customer base better than expected
- Net sales rebound in H2 – full year growth in Denmark
- Strong momentum continuing with improving market conditions

Stabilizing the top line

+5.9%

Y-o-y increase
in 2H Net Revenue
in local currency

Expect continued single digit **growth**

Encouraging sales trends

+7.9%

Y-o-y increase in Q4
Order Frequency

+47%

Y-o-y increase in Q4 Net
Sales Denmark

8

Improved Profitability

+569 bps

Year-over-year
improvement
in 2023
Contribution Margin

+55.2

Y-o-Y improvement
in 2023 Adjusted
EBIT (MSEK)

Solid cash generation

1.78

Proposed dividend per
share in SEK

45.2

Free Cash flow
2023 (MSEK)

22.6

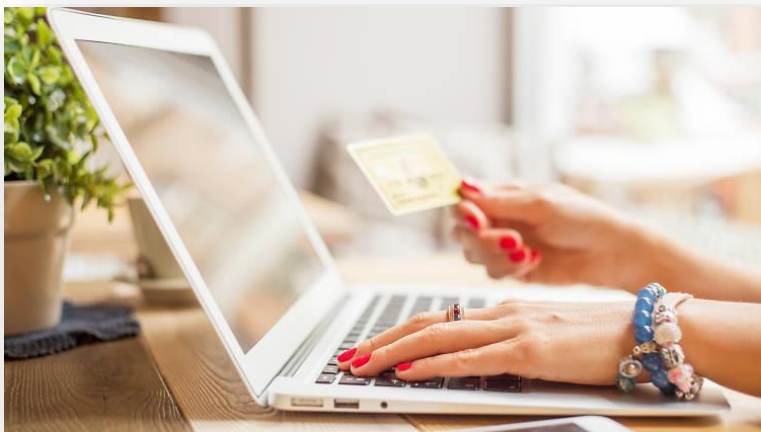
Proposed dividend in
MSEK

Market development Q4

- Market conditions in Denmark are improving, while being more stressed and uncertain in Norway and Sweden due to high interest rates
- Swedish Online Grocery Index Q4 +1.9% ¹⁾
- Online groceries in Denmark +9.7% in Q3 and 10.0% increase in Nov compared to the previous year²⁾

1) As measured by the Swedish Food Retailers Federation

2) DK: Detailhandel med dagligvarer via internet



Denmark Net sales +46.9% (-44.6%)

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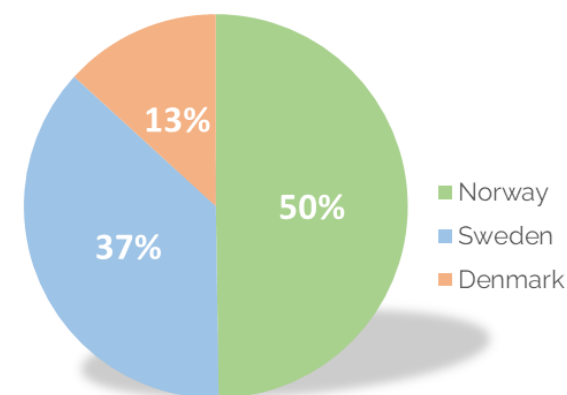
Sweden Net sales +7.7% (-21.7%)

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Norway Net sales +3.1% (-20.7%)

Q4 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*





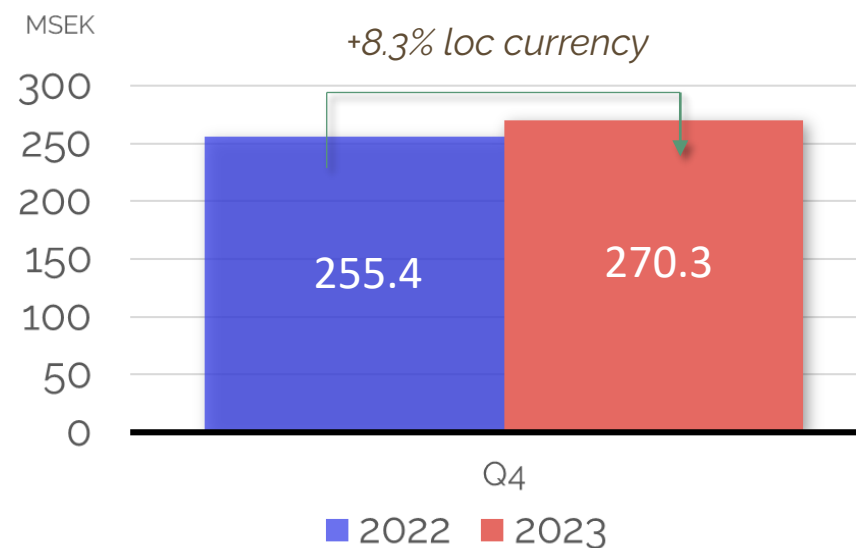
Financials

Cheffelo

Net sales

- Growth in all markets
- MSEK -6.4 Negative effect from Currency
- Number of deliveries increased by 4.9%
- Order frequency increased by 7.9%

Net Sales in the Fourth quarter

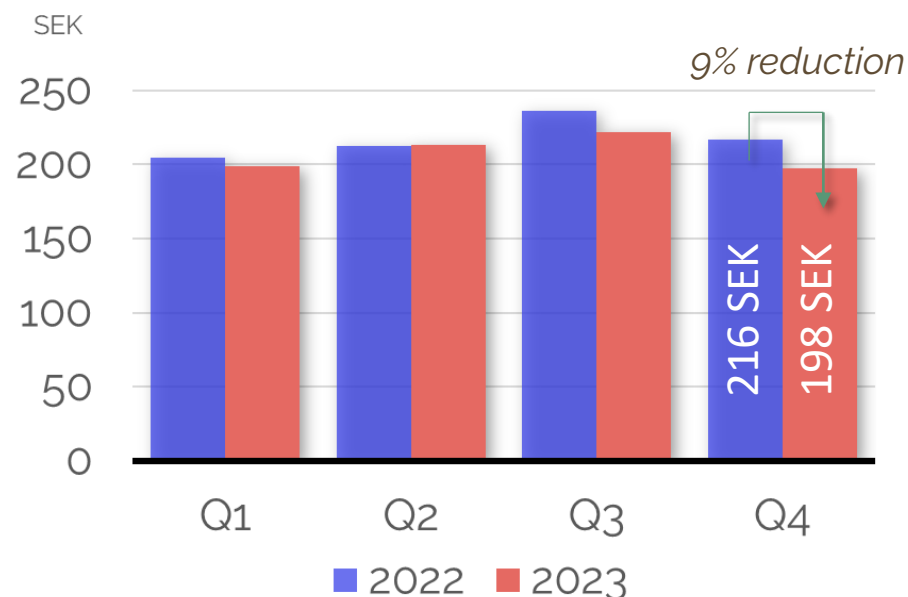


	Q4 2023	Q4 2022	Δ %	Full year 2023	Full year 2022	Δ %
Net sales, MSEK	270.3	255.4	5.8%	999.7	1 081.4	-7.6%
Net sales growth (adjusted for exchange rate differences), %	8.3	-24.6		-6.2	-24.6	
Deliveries, (in thousands)	312.4	297.7	4.9%	1 158.7	1 368.0	-15.3%
Average order value, SEK	865	858	0.8%	863	791	9.1%
Active customers, (in thousands)	68.7	70.6	-2.8%	n/a	n/a	
Order frequency	4.55	4.22	7.9%	n/a	n/a	

All-Time- High Contribution margin

- Successfully reached the target of an annual Contribution margin of 30%
- 2.1 pp improvement in Contribution margin vs LY
- 9% lower average Fulfillment cost per delivery in Q4

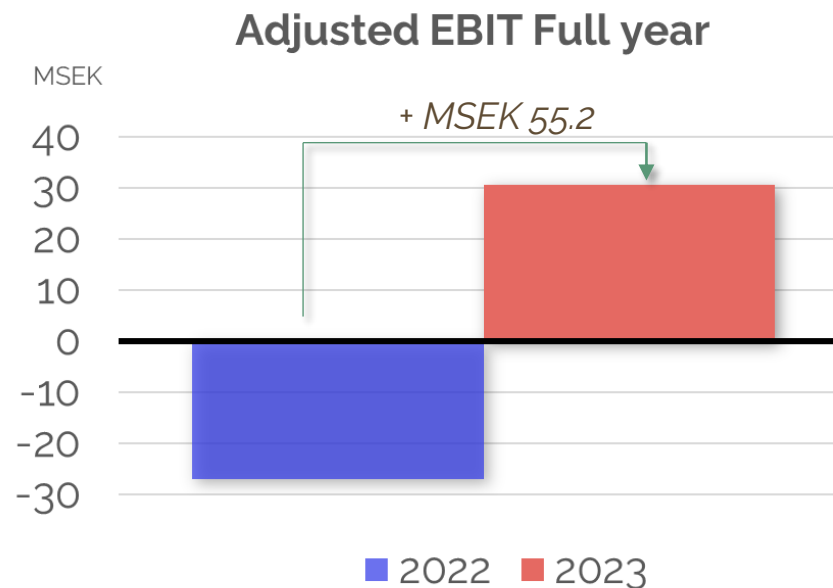
Fullfilment cost per delivery



	Q4 2023	Q4 2022	Δ %	Full year 2023	Full year 2022	Δ %
Contribution margin, %	31.8 <small>All-Time-High</small>	29.7	2.1 pp	30.8	25.1	5.7 pp
Contribution margin, MSEK	85.9	75.9	13.2%	307.9	271.6	13.4%
Contribution margin per delivery, SEK	275.0	254.8	7.9%	265.8	198.5	33.9%

Profitability

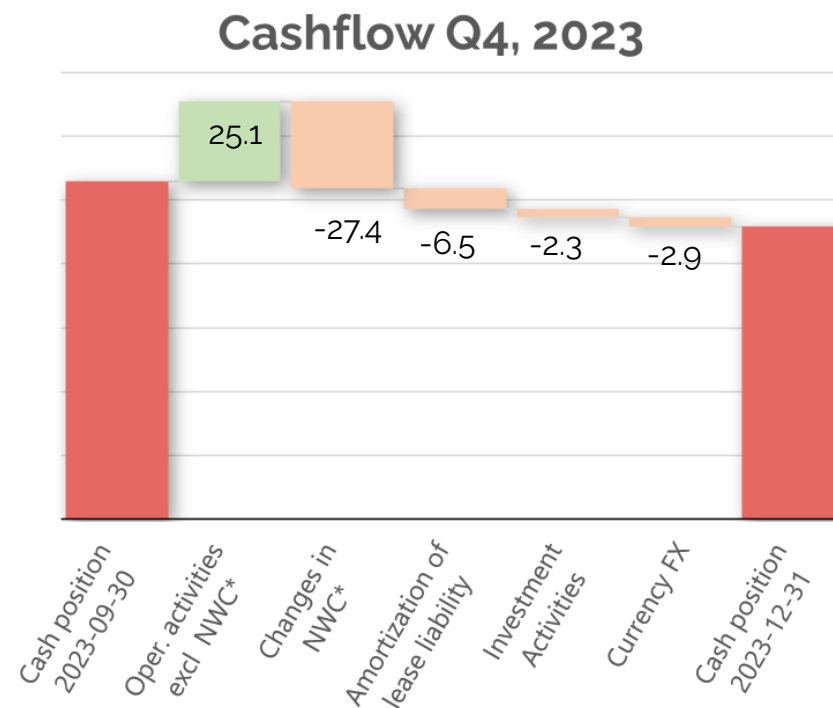
- Q4 Adjusted EBIT increased by MSEK 3.7.
- Last year EBIT included a Goodwill impairment reserve of MSEK 120
- Full year marketing spend reduced by 5.4% while acquiring 25% more new customers
- Full year Adjusted EBIT improvement of MSEK 55.2



	Q4 2023	Q4 2022	Δ	Full year 2023	Full year 2022	Δ
Sales and marketing expenses, MSEK	-31.9	-26.6	20.1%	-131.1	-138.6	-5.4%
<i>in % of net sales</i>	-11.8	-10.4		-13.1	-12.8	
EBIT (Operating profit), MSEK	16.1	-107.6	n/a	30.7	-149.3	n/a
EBIT-margin, %	6.0	-42.1	48.1 pp	3.1	-13.8	
Adjusted EBIT, MSEK	16.1	12.4	3.7	30.7	-24.5	55.2
Adjusted EBIT-margin, %	6.0	4.9	1.1 pp	3.1	-2.3	5.3 pp

Cashflow

- Cash balance at MSEK 91.9 (56.0)
- Recurring seasonal effects behind changes in Net Working capital of MSEK -27.4
- Free cash flow for the full year amounted to MSEK 45.2

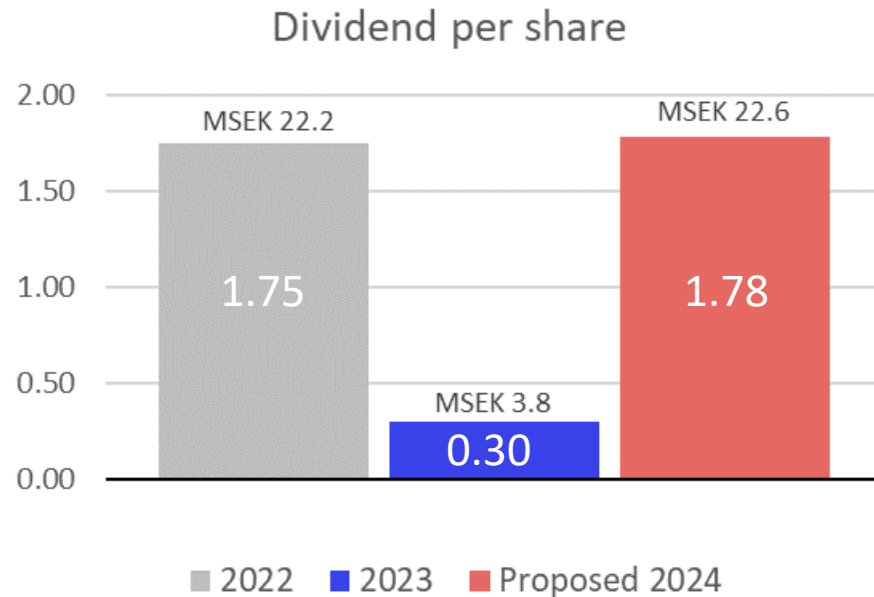


<i>MSEK, unless otherwise stated</i>	Q4 2023	Q4 2022	Δ	Full year 2023	Full year 2022	Δ
Cash flow from operating activities	-2.3	-5.6	3.4	82.2	-40.5	122.7
<i>where of Changes in Net working Capital</i>	-27.4	-29.6	2.2	13.2	-44.6	57.8
Cash flow from investment activities	-2.3	-4.4	2.1	-11.4	-24.3	12.9
Cash flow from financing activities	-6.5	-5.7	-0.8	-29.4	-43.6	14.2
Free Cashflow	-11.1	-15.7	4.7	45.2	-84.3	129.5

*NWC = Net Working Capital

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

Proposed Dividend



- Board will propose a dividend of SEK 1.78, to be decided at the AGM on April 25th.
- With this dividend, we will have distributed a total of **MSEK 48.6** in cash to shareholders since 2022 in the form of dividends.



Looking forward

- Continued single digit growth
 - *Double-digit growth in Denmark to continue through much of 2024*
- 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
- Q1 2024 will contain Easter delivery week which has a negative timing effect on delivery volumes of roughly 2-3% for Q1.



Concluding remarks

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Takeaways:

- Strongest quarter of the year: 8.3% growth* and 29.4% adjusted EBIT increase in Q4
- Net sales in Denmark +47% for the quarter
- Increase in order frequency 7.8%
- All strategic Must-Win-Battle delivered
- Record Q4 Contribution margin 31.8%
- Free cash flow for the year of MSEK 45.2
- Board of Directors to propose increased dividend
- First ever capital market event was held in November – still available to see on cheffelo.com

**local currency*



Q&A

Appendix

