

Cheffelo

LiNAS

Godt  Levert



RETNEMT

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Cheffelo Q3 results

2024-11-05

Today's agenda and presenters

- Cheffelo in brief
- Q3 2024
- Financials
- Concluding remarks
- Q&A



Walker Kinman
CEO



Erik Bergman
CFO

Our purpose: Innovating the mealtime experience

Our vision: Simplifying everyday life

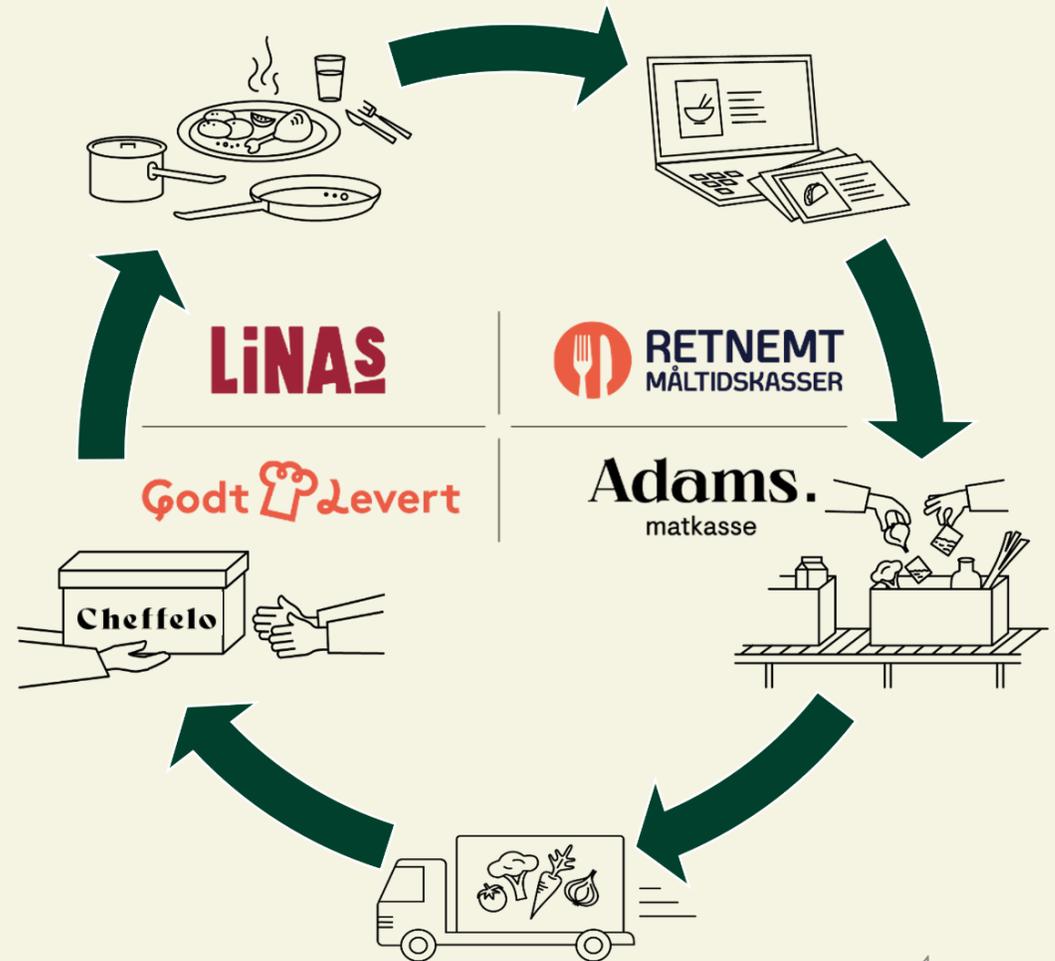
Strong local brands with heritage in innovation and entrepreneurship



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





Q3 highlights:

Growth continues in seasonally soft quarter

- Net sales growth in local currency of 3.8% (2.0%)
 - *Fifth consecutive quarter with y-o-y growth*
 - *Increased growth rate expected in Q4*
 - *Double-digit growth in Sweden*
- Continued improvement in order frequency and reductions in subscriber churn
- EBIT: MSEK -17.2 (-12.8)
- Middagsfrid marketing partnership on track
- CGO recruitment and organizational changes to enable profitable development and growth
- January - September:
 - Net sales growth in local currency of 5.9% (-10.7%)
 - EBIT MSEK 12.3 (14.6)

Navigating an uncertain macro environment

- Dynamic market environment with central banks hesitating on interest rate reductions

 - The fast improvement seen in Danish consumer confidence in 2023 has slowed down

 - Swedish consumer confidence index is showing a sharp recovery this year to a neutral level.

 - Norway slowly recovering but progress slowed in Q3 and remains at a very low level.



Net sales development by market – Q3 2024

LINAS

Sweden Net sales +11.9% (4.9%)

(Sweden Online Grocery Index Q3 +7.5%)²⁾



Denmark Net sales¹⁾ +8.6% (20.7%)

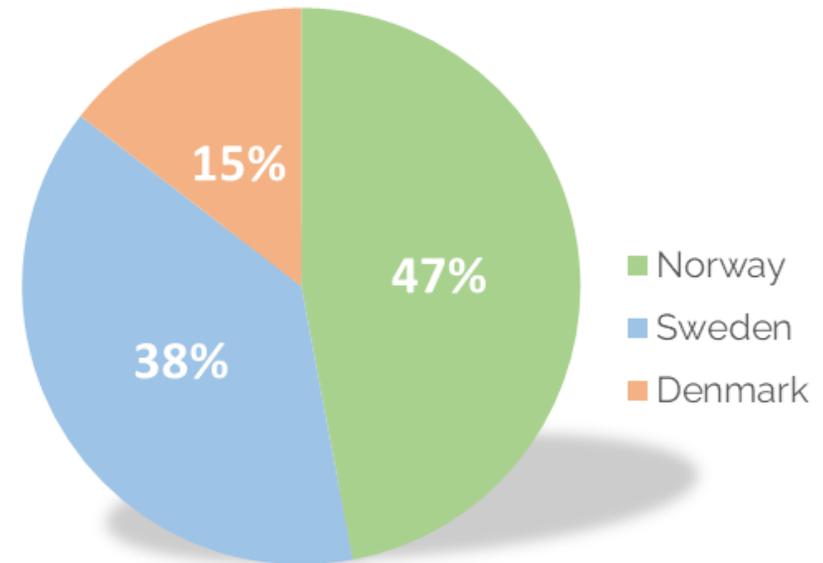
(Denmark Online Grocery Index Jan-Aug +5.3%)³⁾



Adams.

Norway Net sales¹⁾ 0.1% (-2.6%)

Q3 Share of Net Sales



1) Net sales in local currency.

2) As measured by the Swedish Food Retailers Federation

3) As measured by Danske Statistik

Market consolidation effect – good cohorts!



- Last delivery date: **May 15, 2023**
- Orders through Q3-24
 - **Over 25k**
- Unique customers (over 70% new)
 - **1 219**
- Avg. Orders per customer
 - More than **21** on average – substantially higher than normal



- Last delivery date: **Sept. 16th, 2024**
- Unique customers through end of Oct: **977**
- Order flow tracking at **87%** of Kokkens after comparable start-up phase
- Order frequency lower in Sweden due to more common every-other-week delivery patterns

Middagsfrid expected to show substantially better results than Linas general cohort performance – limited effect in Q3

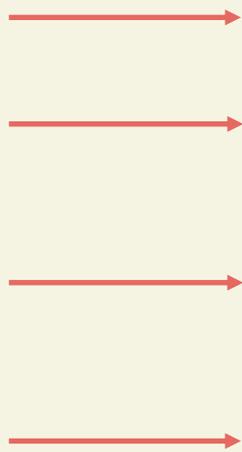
Where will growth come from?

Long-term growth target:

- Net Sales CAGR of 6-8%
 - *>1.2b SEK in 2026*

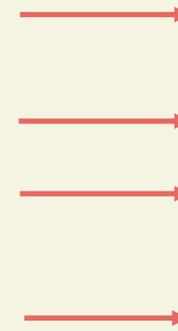
Cheffelo growth will come from:

- Price optimization
- Active customer base increase
- Driving order frequency
- Add-ons & grocery expansion



Mealkit category will grow:

- Mega-trends
- Demographics
- Increase in purchasing power
- Service innovation



But it's not just about growth

Profitably Increase Market Share

Attract high-value customers, efficiently

*Ensure subscriber **loyalty**, profitably*

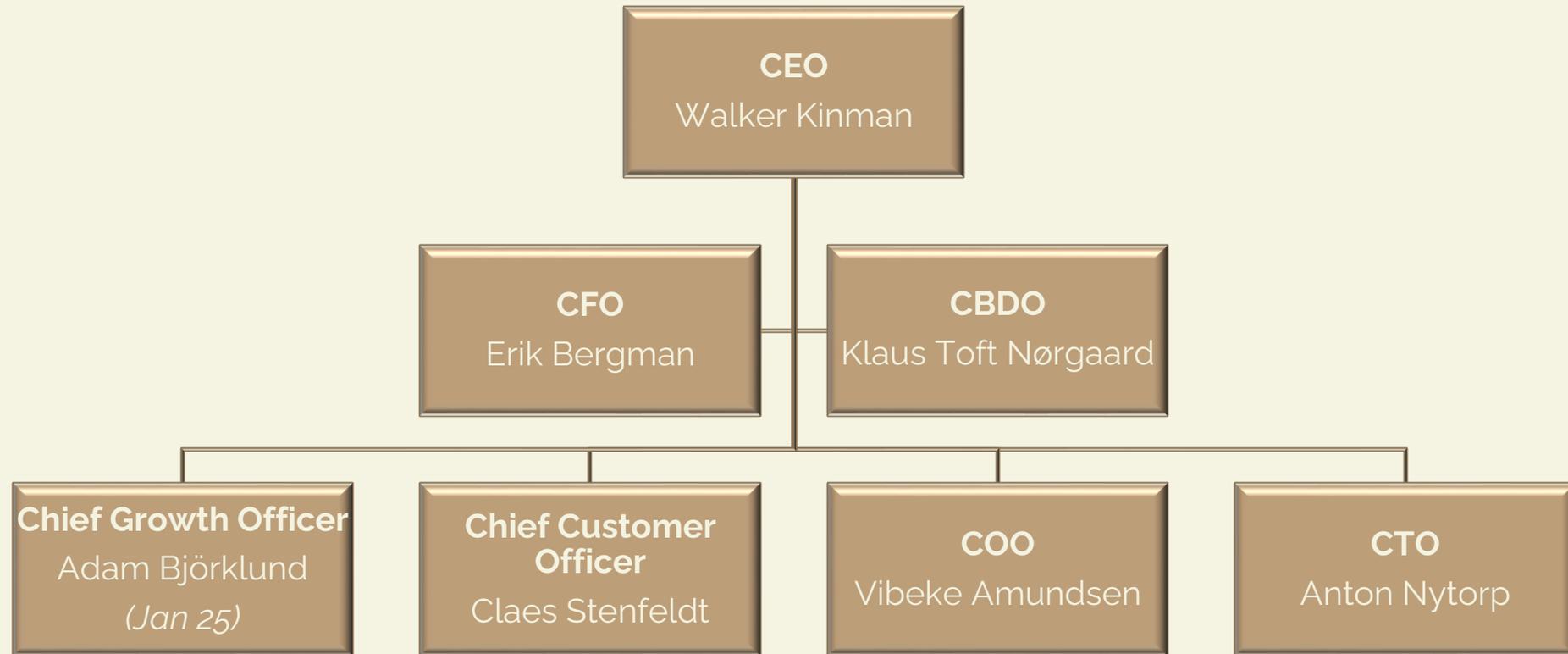
Desired Business Outcomes

- Increase number of new subscribers
- Reduce the cost of acquisition
- Increase onboarding cohorts' retention rate

- Decrease churn rate
- Increase order frequency
- Maintain >30% Contribution Margin



Cheffelo's new management structure from October



- Adam Björklund joining the team at the start of 2025 (Klaus acting)
- Reorganization of responsibilities in "Growth" and "Customer" functions with focus on *Acquiring Customers* and *Retaining Subscribers*
- Dedicated Business Development role exploring new growth vectors



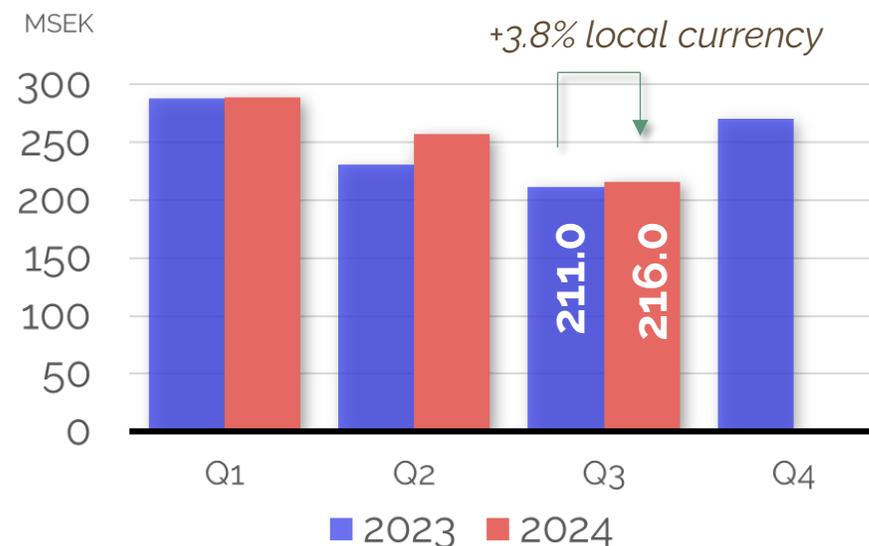
Financials

Cheffelo

Local Net sales growth of 3.8%

- Post summer ramp-up slightly later compared to last year
- Macro environment was slower than expected
- “Bumpy” growth:
 - Strong performance from existing customers
 - Fewer New customer acquisition vs LY

Net Sales per quarter

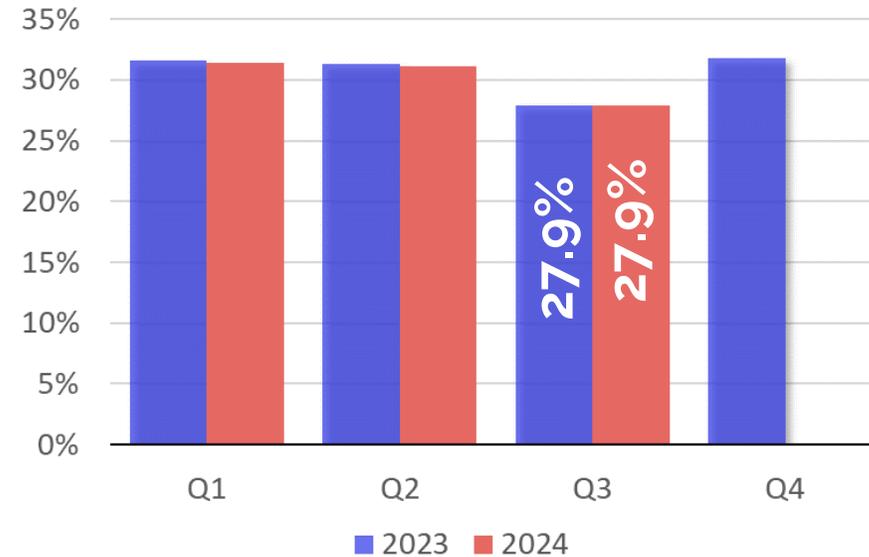


	Q3 2024	Q3 2023	Δ %	Jan - Sep 2024	Jan - Sep 2023	Δ %	LTM Q3 2024	FY 2023
Net sales, MSEK	216.0	211.0	2.4%	761.7	729.4	4.4%	1 032.0	999.7
Net sales growth (adjusted for exchange rate differences), %	3.8	2.0		5.9	-10.7		n/a	-6.2
Deliveries, (in thousands)	250.8	243.7	2.9%	895.0	846.3	5.7%	1 207.4	1 158.7
Average order value, SEK	861	866	-0.5%	851	862	-1.3%	855	863
Active customers, (in thousands)	73.4	73.4	0.0%	n/a	n/a		n/a	n/a
Order frequency	3.42	3.32	2.9%	n/a	n/a		n/a	n/a

Controlled contribution margin

- On track to achieve annual target
- Improvements in fulfillment efficiency sponsoring enhancements to the kitchen experience

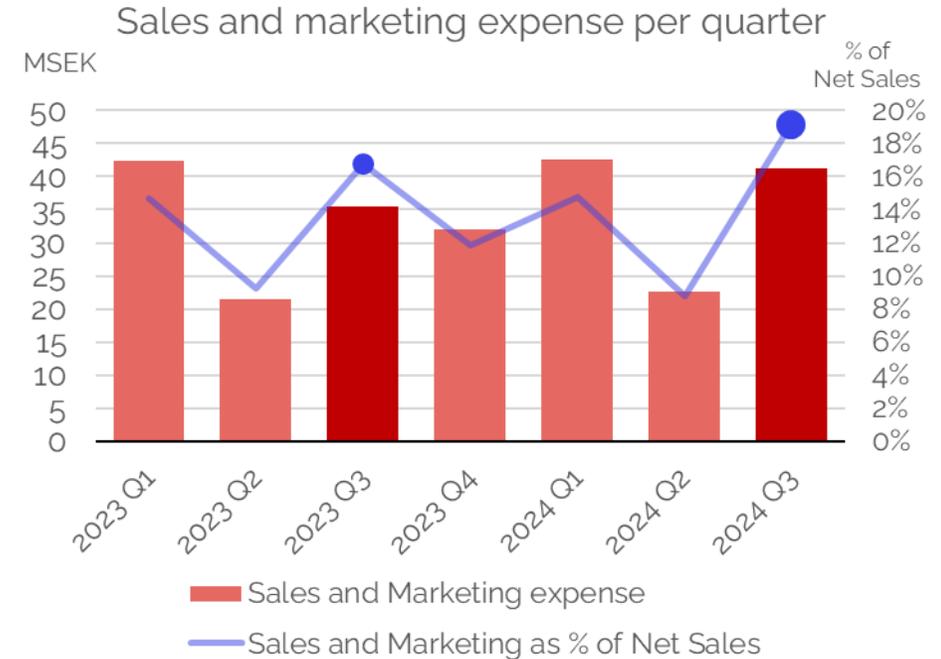
Contribution margin per quarter



	Q3 2024	Q3 2023	Δ %	Jan - Sep 2024	Jan - Sep 2023	Δ %	LTM Q3 2024	FY 2023
Contribution margin, %	27.9	27.9	0.0 pp	30.3	30.4	-0.1 pp	30.7	30.8
Contribution margin, MSEK	60.3	58.9	2.4%	230.9	222.0	4.0%	316.8	307.9
Contribution margin per delivery, SEK	240.3	241.6	-0.5%	258.0	262.3	-1.6%	262.4	265.8

Sales and marketing

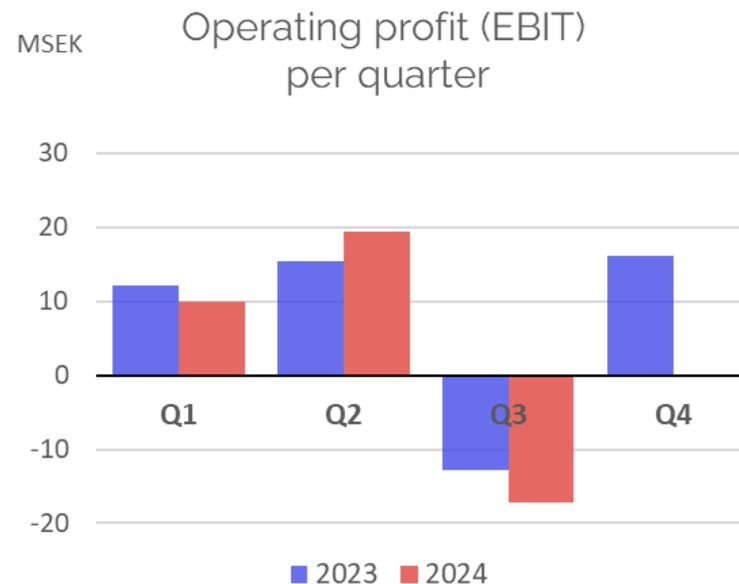
- In anticipation of an improved macroeconomic environment, we intentionally increased sales and marketing spend
- Positive results in Sweden, less so in Norway and Denmark
- Marketing cooperation with Middagsfrid MSEK 1 effect in Q3



	Q3 2024	Q3 2023	Δ %	Jan - Sep 2024	Jan - Sep 2023	Δ %	LTM Q3 2024	FY 2023
Sales and marketing expenses, MSEK	-41.3	-35.4	-16.5%	-106.5	-99.2	-7.3%	-138.4	-131.1
<i>in % of net sales</i>	-19.1	-16.8		-14.0	-13.6		-13.4	-13.1

Increasing EBIT margin

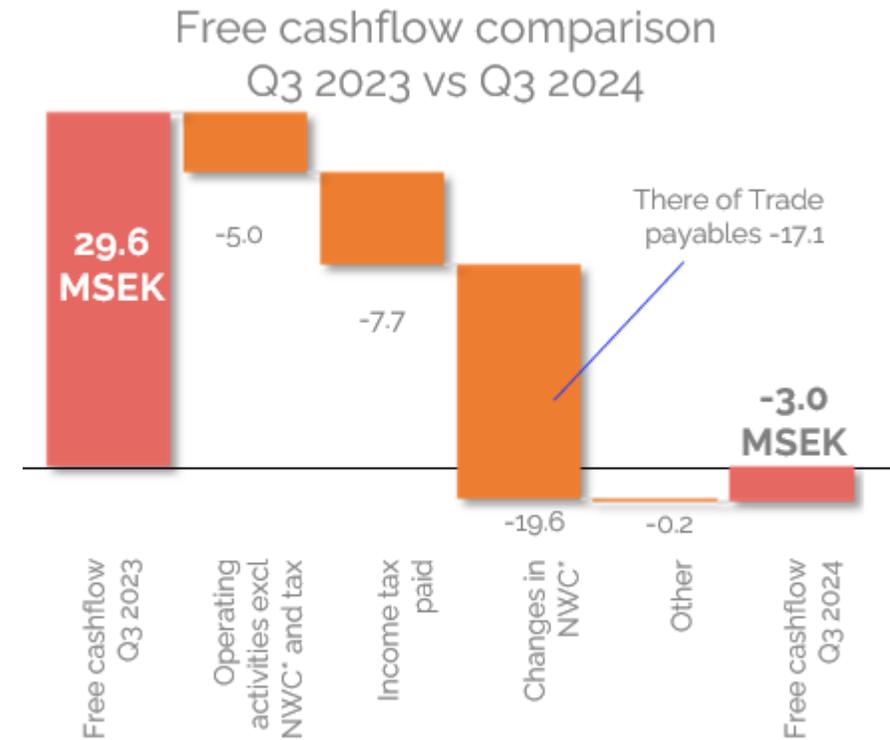
- Seasonal effects, with lower volumes and relatively higher sales and marketing spend, characterize a third quarter
- The increased Sales and marketing main reason for lower profitability
- Improved profitability in Sweden and Denmark



	Q3 2024	Q3 2023	Δ %	Jan - Sep 2024	Jan - Sep 2023	Δ %	LTM Q3 2024	FY 2023
Sales and marketing expenses, MSEK	-41.3	-35.4	-16.5%	-106.5	-99.2	-7.3%	-138.4	-131.1
<i>in % of net sales</i>	-19.1	-16.8		-14.0	-13.6		-13.4	-13.1
EBIT (Operating profit), MSEK	-17.2	-12.8	-34.6%	12.3	14.6	-16.1%	28.4	30.7
EBIT-margin, %	-8.0	-6.1	-1.9 pp	1.6	2.0	-0.4 pp	2.8	3.1

Free Cash flow

- Calendar timing of trade payables impacted NWC* comparison
- LY included a tax refund of MSEK 9.0, affecting quarterly comparability



MSEK	Q3 2024	Q3 2023	Δ	Jan - Sep 2024	Jan - Sep 2023	Δ
Cash flow from operating activities	7.0	39.3	-32.3	60.8	84.5	-23.6
<i>thereof Changes in Net working Capital</i>	14.6	34.2	-19.6	21.6	40.6	-19.0
Cash flow from investment activities	-3.2	-3.2	0.0	-9.3	-9.1	-0.2
Cash flow from financing activities	-6.8	-6.6	-0.2	-43.1	-22.9	-20.2
Free Cashflow	-3.0	29.6	-32.5	31.0	56.3	-25.3

*NWC = Net Working Capital

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



Looking forward

- We expect single digit growth in Q4
 - *Delivery volumes in Sweden and Denmark to reach high single digits or low double-digit*
 - *Delivery volumes in Norway expected to be flat*
- We expect to see contribution margins slightly above 30% on an annual basis
- Sales and marketing expenses expected to be around 13% in 2024
- Increase in EBIT for the full year



Concluding remarks

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Takeaways:

- Net sales grew in Q3 by 3.8% in local currency with growth in all markets.
 - Fifth quarter of continued growth
 - Double-digit growth in Sweden
- Middagsfrid marketing partnership developing well
- Growth expected to remain bumpy with higher growth again in Q4
- Lower EBIT for the quarter but expect full-year EBIT growth with a strong Q4
- Organizational changes set the foundation for future growth



Q&A