



Q4 Earnings Call

February 13, 2025



GROUP

Welcome to the CDON's Q4 earnings call



Fredrik Norberg
CEO

“Disappointing sales, but fundamentals are getting stronger”



Carl Andersson
CFO

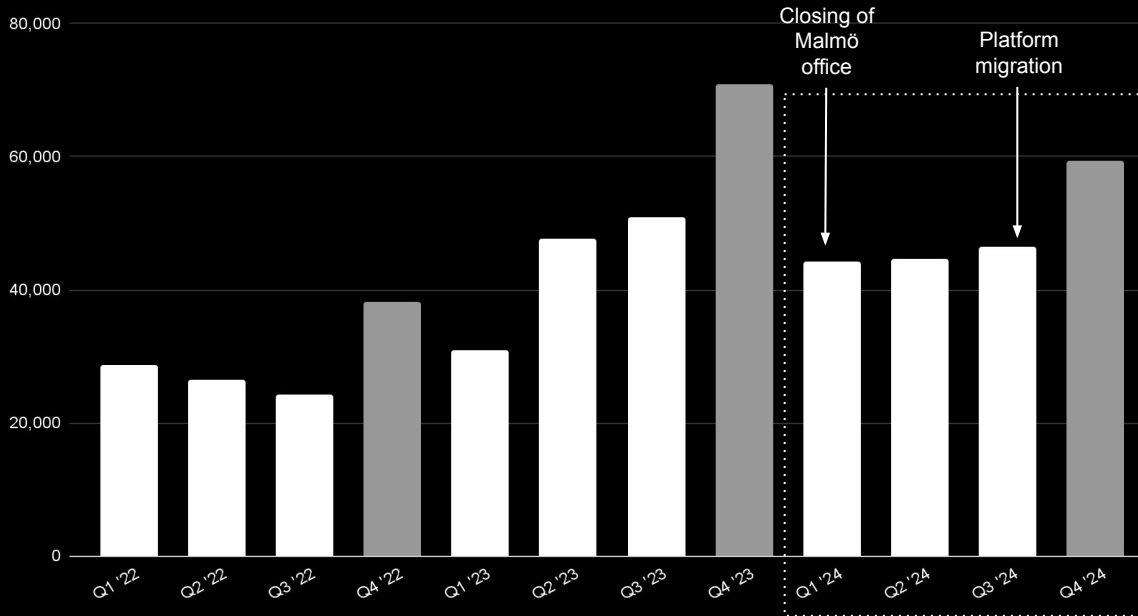
“Seasonally strong quarter, but not in line with expectations”

A foundational year where we have a new organisation and a new shared platform in place, but with disappointing sales

- Weaker than expected results in Q4
- Significant improvements to organization
- Operations from one platform

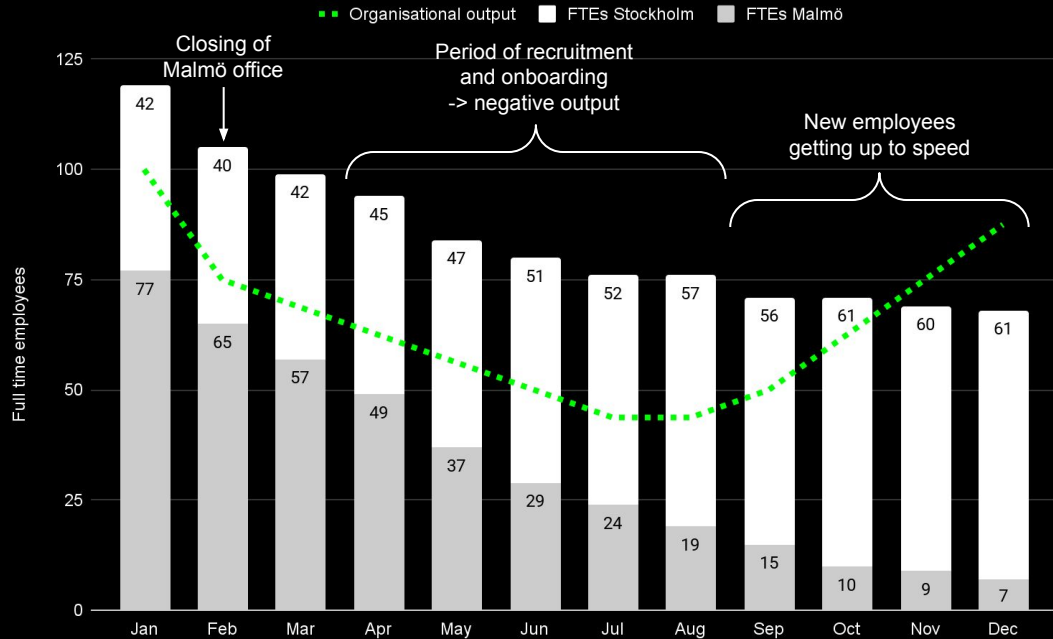
2024- Numerous operational challenges negatively impacted results 2025- Full focus on driving improved results

Quarterly Gross Profit After Marketing 2022-2024 (mSEK) - Fyndiq incl. from Q2 '23



- Media (1P) was the biggest loser due to both our organisational changes, but also due to migration
- Increased dependence of paid traffic -> increased marketing costs
- Tough price competition in the market from Black Week and onwards
- Sweden was the weakest market in both segments

2024- Malmö layoffs start of the year, limited staff middle of the year 2025- Rebuilt organization with higher levels of productivity



Organisational output (conceptual)

- We started 2024 at a mediocre organisational outcome, due to not having a fully integrated organisation

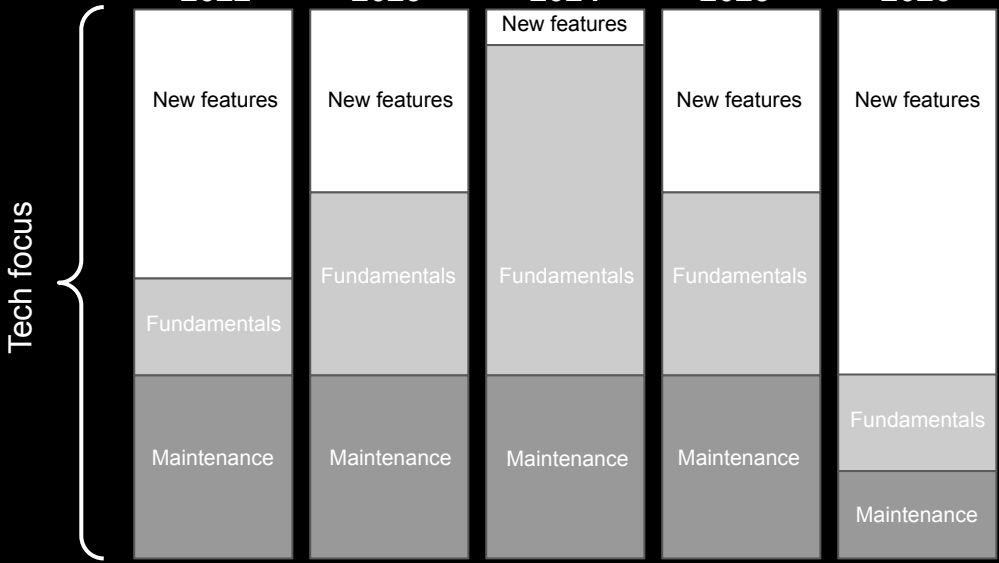
- After the centralisation of the organisation, the loss of staff and knowledge led to lower output throughout the year

- Strong focus on recruiting and onboarding in H2 2025

- During 2025 we will reach an organisational output closer to optimal levels, BUT with just over half the amount of people

2024- Full focus on the migration

2025- Shared platform allows for development of new features again



- In '24, our primary focus was the platform migration, a focus that already started in '23, and was successfully completed on schedule in Sep '24.

- We are now addressing the final stages of decommissioning our legacy platform, including merchant integrations and financial flows

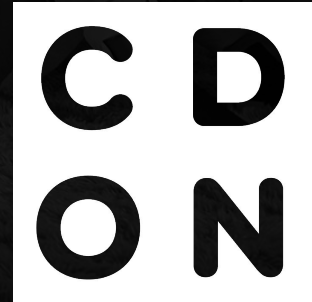
- The successful migration enables us to focus more on new features in '25, though we're still working on realizing our full potential

- **Maintenance:** Ensuring platform stability and security through essential updates and ongoing maintenance

- **Fundamentals:** The core platform components that enable our business, such as merchant integrations, financial flows etc.

- **New features:** Enhancements that differentiates and improves our platform and shopping experience compared to our peers

Financial performance



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Profit and Loss Highlights - As reported¹ (2023-2024), MSEK

CDON Group - Post Acq	2024 Oct-Dec	2023 Oct-Dec	Δ	2024 Jan-Dec	2023 ¹ Jan-Dec	Δ
Total gross merchandise value (GMV)	558.0	625.6	-11%	1,826.4	2,017.7	-9%
Net sales	139.2	160.9	-13%	435.2	468.7	-7%
Cost of goods sold	-32.7	-49.2	33%	-102.2	-145.3	30%
Gross profit (GP)	106.5	111.7	-5%	333.0	323.4	3%
Take rate (%)	19.1	17.9	1.2 p.p.	18.2	16.0	2.2 p.p
Marketing Cost	-47.1	-40.9	-15%	-138.3	-122.0	-13%
Gross profit after marketing (GPAM)	59.3	70.9	-16%	194.7	201.4	-3%
OPEX	-48.8	-53.8	9%	-190.3	-177.8	7%
Share in associate's profit/loss after tax	0.0	0.0	N/A	0.0	-0.9	N/A
EBITDA	10.5	17.0	-38%	4.5	22.7	-80%
D&A	-42.4	-24.5	-73%	-115.8	-80.9	-43%
EBIT	-31.9	-7.5	-325%	-111.4	-58.2	-91%

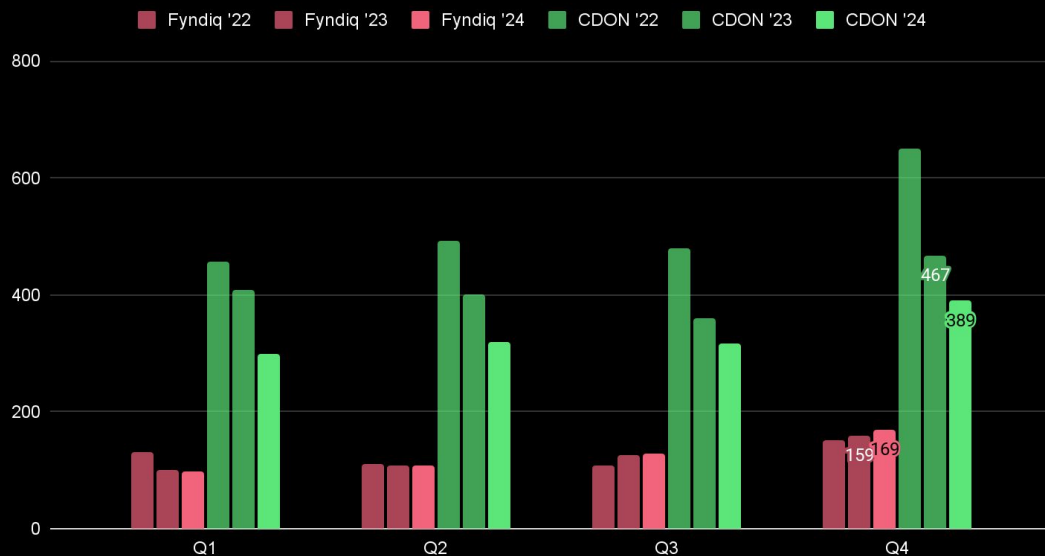
1. CDON Group's results include Fyndiq from 12th April 2023 to 31st December 2023 only.

Lower GMV and EBITDA following a transformational year

Comments

- 11% lower GMV in the quarter due to a disappointing Black Friday and Christmas sales. 9% lower GMV in FY 2024
- 13% lower net sales in the quarter, with the very weak 1P business heavily impacting net sales
- GPAM declined by 16% in the quarter as higher take rate was more than offset by higher marketing costs
- EBITDA amounted to 10.5 mSEK in the quarter and 4.5 mSEK full year. Note that this includes almost 10 mSEK costs FY from closing of Malmö office
- 18 mSEK write-down of intangible assets relating to legacy CDON platform in the quarter

Gross Merchandise Value, by segment (2022-2024), MSEK



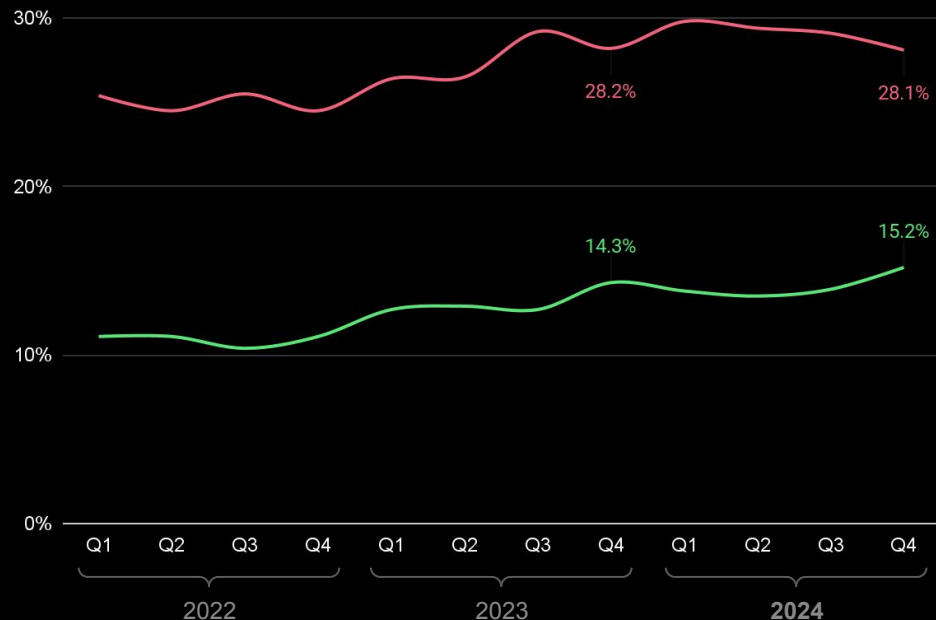
Disappointing Black Friday and Christmas sales for CDON

Comments

- A weak Q4 for CDON, -17% vs '23, as we experience fierce competition during key holiday sales periods
- FY GMV of 1,326 mSEK, equal to -19% for CDON segment
- Positive growth of 6% in the quarter for Fyndiq, fueled by strong momentum outside of Sweden
- FY GMV of 501 mSEK, equal to GMV growth of 2% for Fyndiq segment
- Organic GMV for the Group declined by 11% in the quarter and 14% FY

The following section of the presentation will include comparable periods for the Fyndiq segment and Group

Take rate, by segment (2022-2024), MSEK, % of GMV



Take rate (%) = Merchant Commission & Fees + Value-Added Services + Customer Revenues / Gross Merchandise Value

Strong take rate in the quarter as we continue to prove the consistency

Comments

- Strong take rate in CDON segment explained by higher shipping income, lower AOV, and product mix-effect
- FY Take rate of 14.2% for CDON and 29.0% for Fyndiq
- Some seasonality for Fyndiq, with higher AOV during Black Friday, leading to slightly lower take rate in the quarter
- We see continued stability and sustained take rate for both segments over time

Gross Profit After Marketing, by segment (2022-2024), MSEK



Lower GPAM and pressure on our GPAM margin

Comments

- Despite a higher take rate in the quarter GPAM declined by 25% for the CDON segment due to higher marketing expenses. FY GPAM declined by 20%
- CDON's GPAM margin fell to of 8.3% (9.2%) in the quarter and 8.1% (8.2%) FY
- Fyndiq's GPAM declined by 2% in the quarter, but increased by 2% FY, as the margin decreased to 16.0% (17.5%) in the quarter while it increased to 17.4% (17.2%) FY

Marketing cost as % of GMV, by segment (2022-2024), MSEK

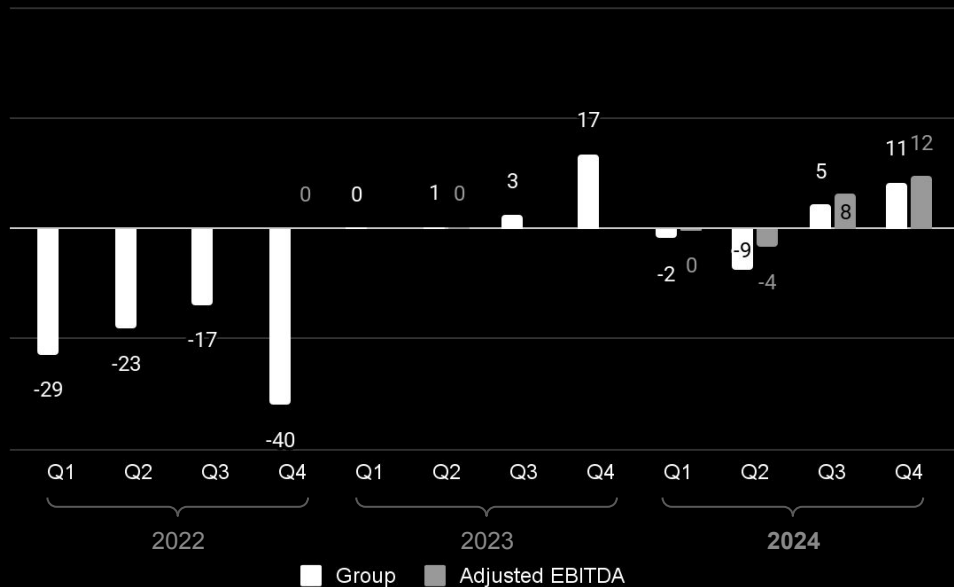


Higher marketing cost following a more expensive traffic mix

Comments

- Across both segments we see an increased share of paid traffic compared to organic and direct traffic
- Further increase in marketing costs for CDON segment reaching 6.9% of GMV in the quarter and 6.0% FY
- Fyndiq's marketing cost as % of GMV has somewhat stabilized around 12.1% of GMV in the quarter and reached 11.6% FY

EBITDA, Segment (2022-2024), MSEK

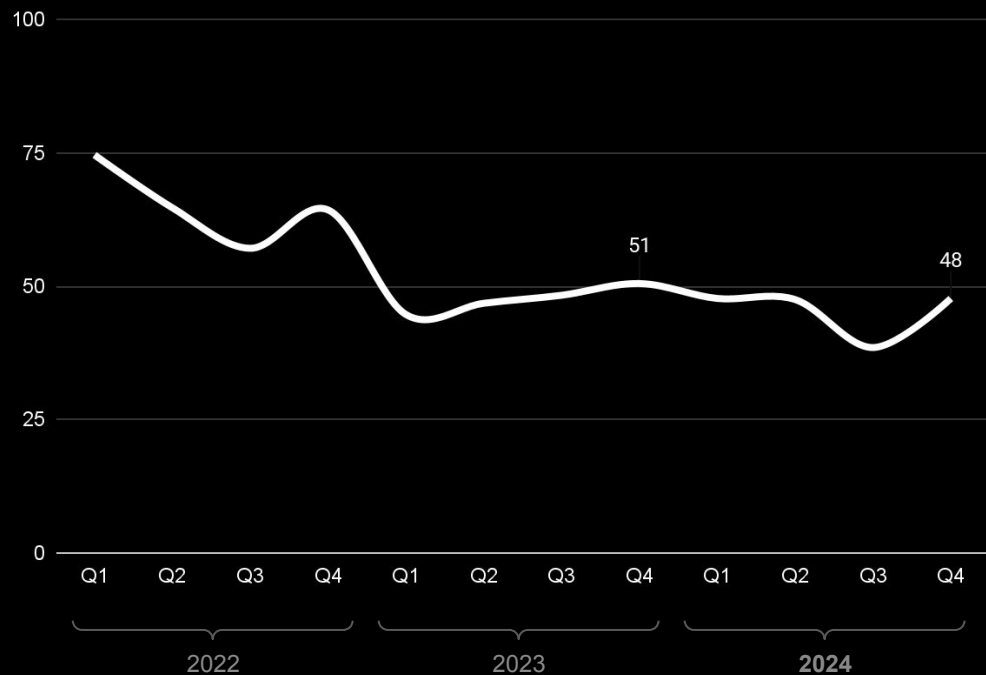


Positive EBITDA in the quarter and FY, but not in line with ambition

Comments

- Seasonally strong second half of the year, but lower results compared to our expectations
- EBITDA in the quarter of 10.5 mSEK, 6 mSEK lower than in 2023
- Full year EBITDA of 4.5 mSEK, 16 mSEK lower than 2023
- Adjusting for 10 MSEK of costs associated with closing of the Malmö office, FY EBITDA would amount to 15 mSEK (21 mSEK)

Adjusted Operational expenses, Group (2022-2024)¹, MSEK



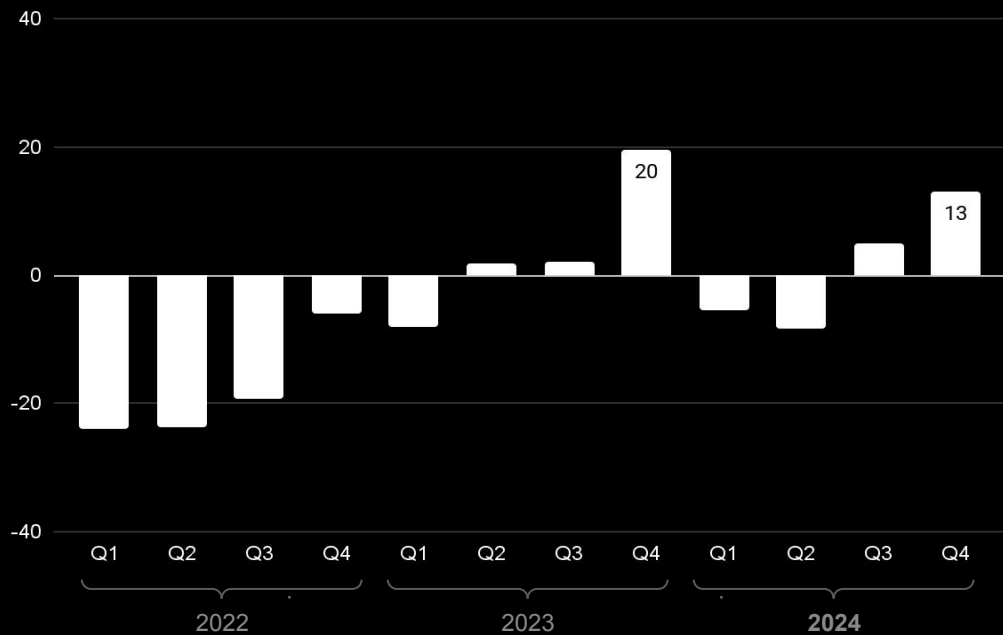
Continued control of our cost base

Comments

- Despite sequentially higher OPEX in the quarter, we argue that we are about to realize the communicated run-rate saving during Q1
- Q4 still includes consultants, software and other costs that we have/will exit during Q1

¹ Adjusted for FX and costs related to one-off nature Q4 22 (restructuring), Q2 (Fyndiq transaction) and Q1-Q4 2024 (Closing of Malmö office)

Operating Cash Flow before changes in working capital, Group (2022-2024), MSEK



Positive cash flow in the quarter

Comments

- Positive operating cash flow before changes in working capital on a quarterly and FY basis
- Seasonally strong quarter, from a cash point of view, contributed to a build up in cash
- Cash balance end of year at 145 mSEK compared to 154 mSEK end of year 2023

Summary

- Weaker than expected results in Q4
- Significant improvements to organization
- Operations from one platform, with new ways of working
- Fully focused on making 2025 the year of CDON

Q&A



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