

# Q4 2023 PRESENTATION

CEO CHRISTOFFER RUTGERSSON

CFO ROBERT STAMBRO



# TODAY'S PRESENTERS



**Christoffer Rutgersson**

CEO



**Robert Stambro**

CFO

# AGENDA

- BUSINESS & STRATEGY UPDATE
- FINANCIAL UPDATE
- OUTLOOK
- Q&A

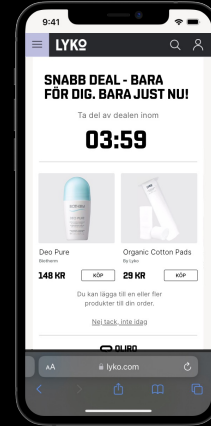
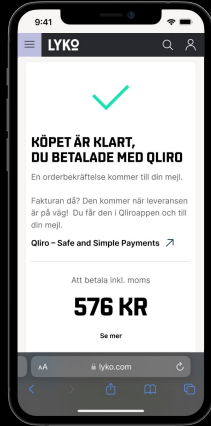


# **BUSINESS & STRATEGY UPDATE**

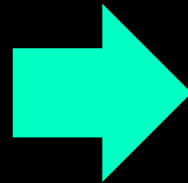
**DELIVER A WORLD-LEADING EXPERIENCE FOR  
MERCHANTS, AND THEIR CUSTOMER JOURNEY**



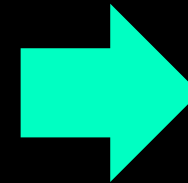
# VALUE FOR MERCHANTS



INCREASE OUR  
LEADING CHECKOUT  
CONVERSION



UPSELL  
TO IMPROVE  
ORDER VALUE



CREATE  
LOYAL  
CONSUMERS

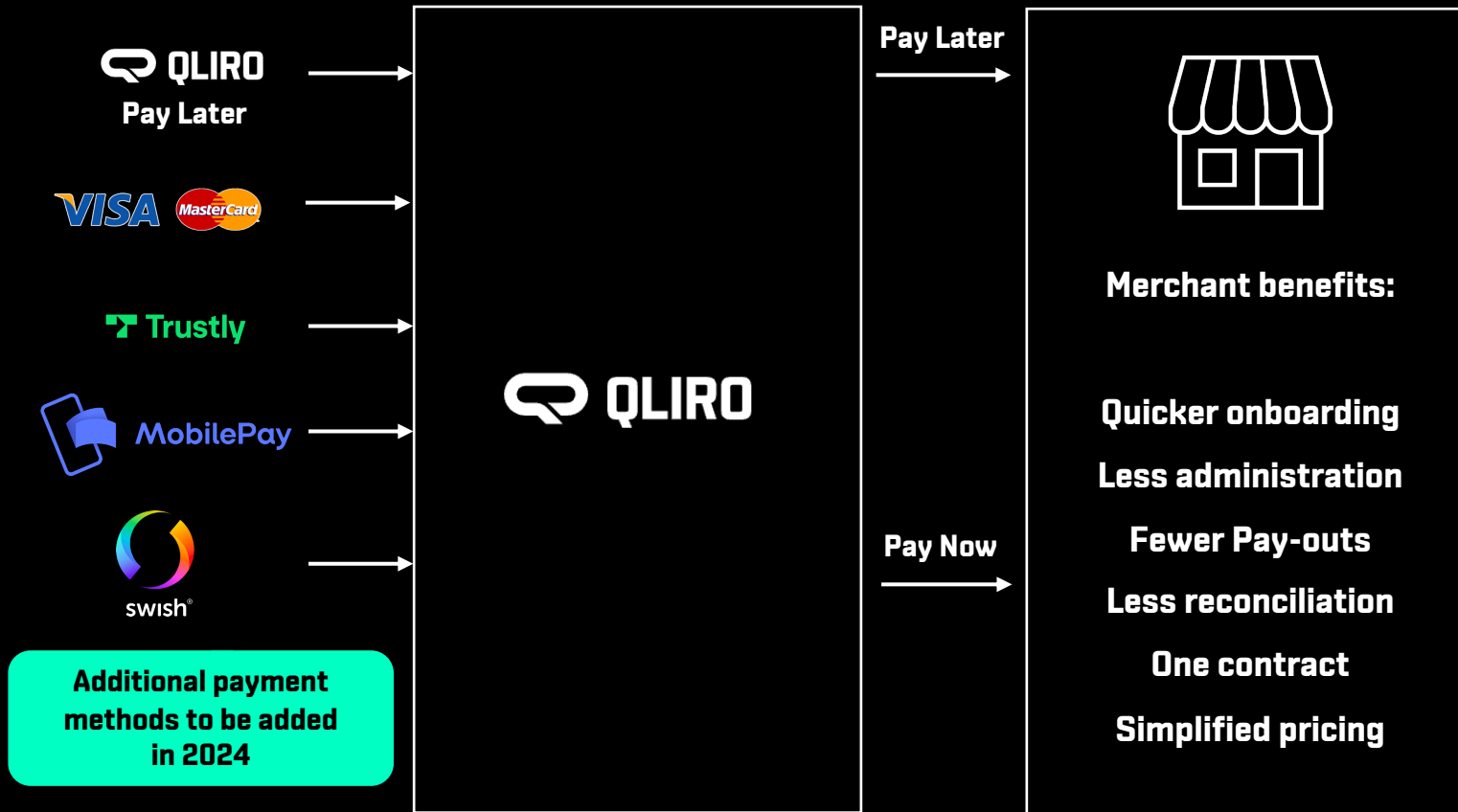


Drive back consumers to the merchant to buy again and again

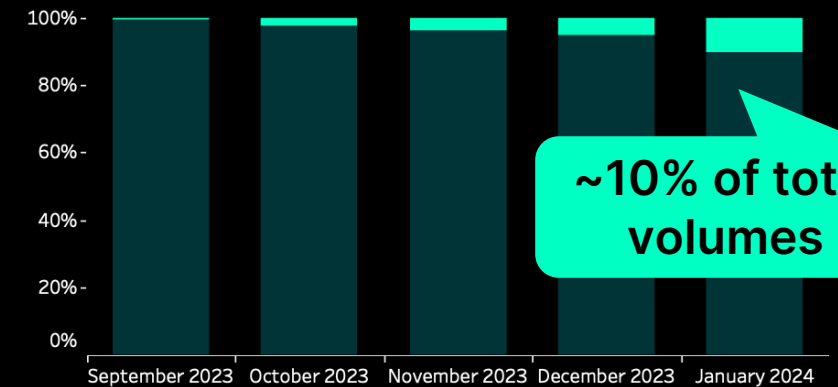


# QLIRO UNIFIED PAYMENTS

## ONE NEW OFFERING FOR ALL RELEVANT PAYMENT METHODS



Unified Payments Volumes (% of total Pay Now Volumes)



4 of Top 10 merchants signed up to activate Unified Payments

# KEY BUSINESS HIGHLIGHTS: Q4 2023



## **Continued growth and profitability in a declining e-commerce market**

- Total operating income grew 9% to SEK 116.4 million (106.4), in a declining e-commerce market
- Total operating income within business segment Payment Solutions grew 11% to 98.6 (88.9)
- Operating costs decreased 36% to SEK -74.4 million (-116.0)
- Continued profitability - operating profit increased with SEK 48,7m to SEK 2.6m (-46.1)

## **Continued challenging market development in Nordic E-commerce sector**

- Total payments volume declining only -3%, in an e-commerce market declining -11%
- Volumes are back to growth already in January 2024

## **New enterprise agreements lay the foundation for long-term growth**

- Expanded collaboration with Nelly Group for Pay Now-volumes of SEK >500 million
- After the period end, Qliro became new payment partner for Skruvat Reservdelar and Bythjul Norden. Total TPV for both merchants combined exceeding SEK 1 billion.



# KEY BUSINESS HIGHLIGHTS: FULL-YEAR 2023



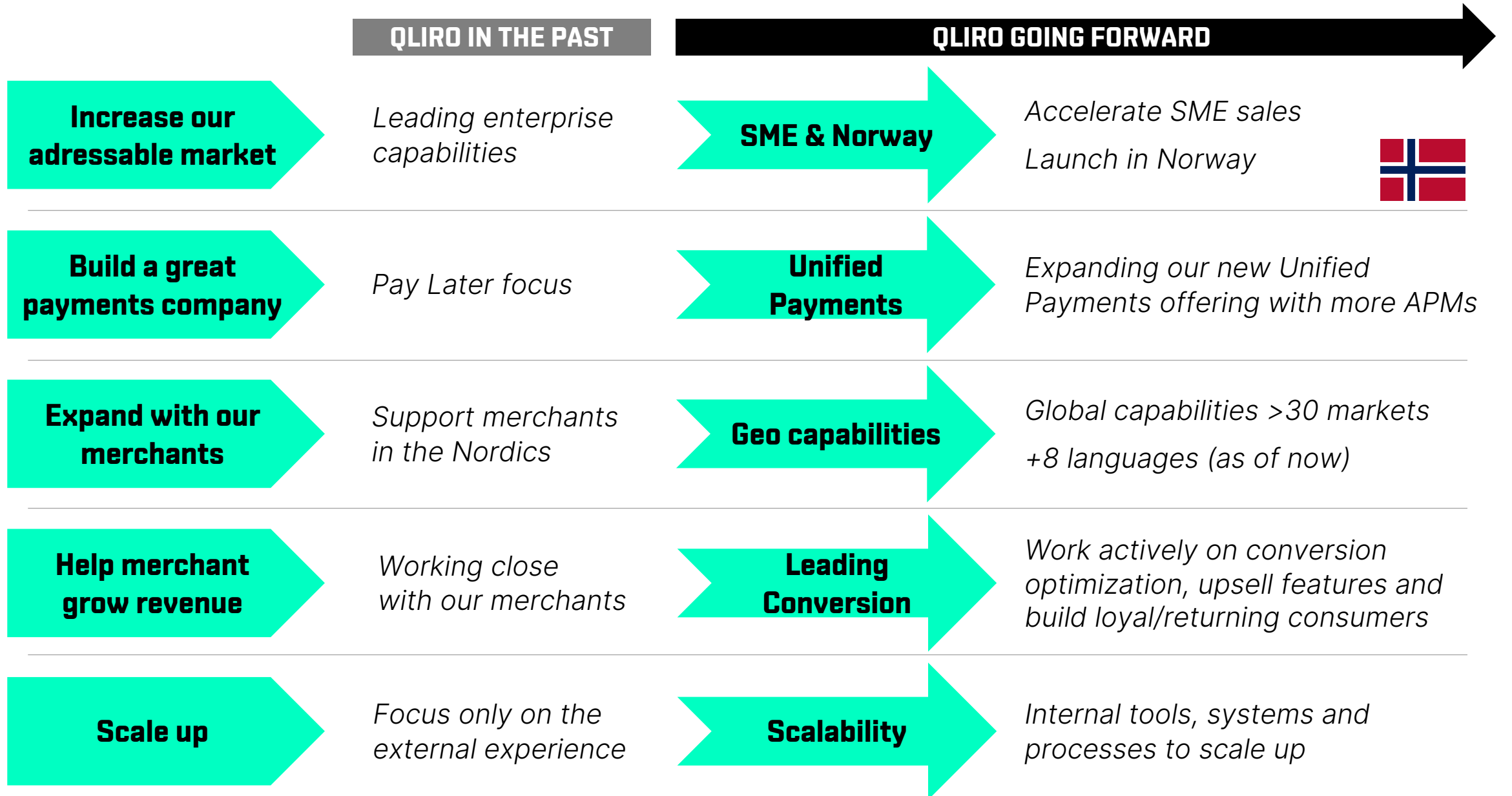
## **Growth and profitability on full-year despite a challenging e-commerce market**

- Total operating income grew 9% to SEK 448.5 million (410.9), despite a challenging e-commerce market.
- Operating expenses decreased by 22 percent to SEK –318,6 million (–410,3) and adjusted for IAC by 16 percent to SEK –316,4 million (–374,4)
- Operating profit (EBT) was SEK 8,2 million (–115,5) and adjusted for IAC to SEK 10,4 million (–79,6)

## **Reached financial targets and strategic milestones within Payment Solutions**

- Reached our financial target of positive operating profit for the full year 2023.
- Strengthened our capabilities and improved our operational excellence.
- Launched our payments service Unified Payments, including several payment methods.
- Expanded in both SME and Enterprise segment.
- The number of active merchants amounted to 75 compared to 58 a year ago.

# PAYMENT SOLUTIONS - OUR STRATEGIC DIRECTION



# EXAMPLES OF NEW MERCHANT CONTRACTS

## SME Clients

SYSTER ∴ P



Seagull-Eye  
GROUP

NORRSKEN



SNOOT

**S** SPECIAL  
BESLAG

TecHuset.se

## Enterprise Clients

PROTEIN  
BOLAGET

**TIMARCO.**  
WWW.TIMARCO.COM

NELLY



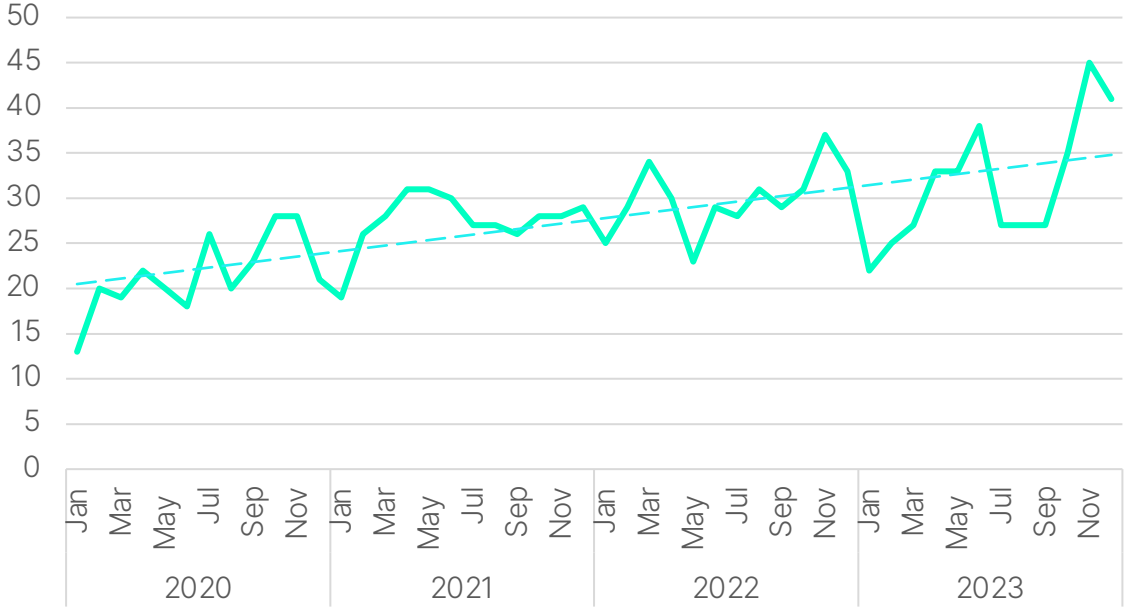
## After the end of the period

**Skruvat.se**

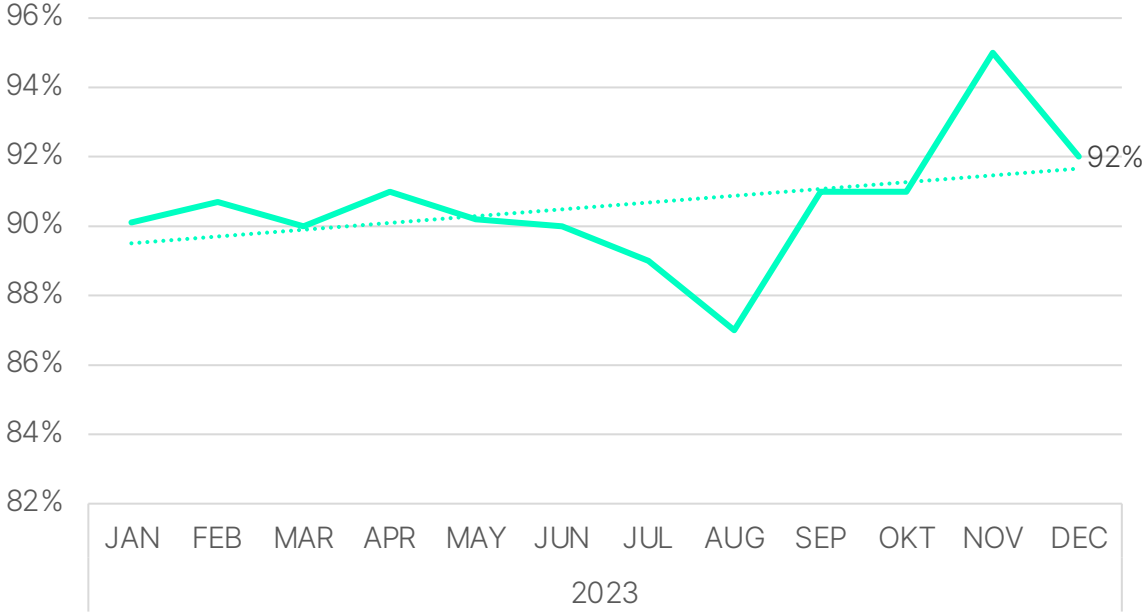
 **BYTHJUL**

# LEADING CUSTOMER EXPERIENCE

QLIRO NPS

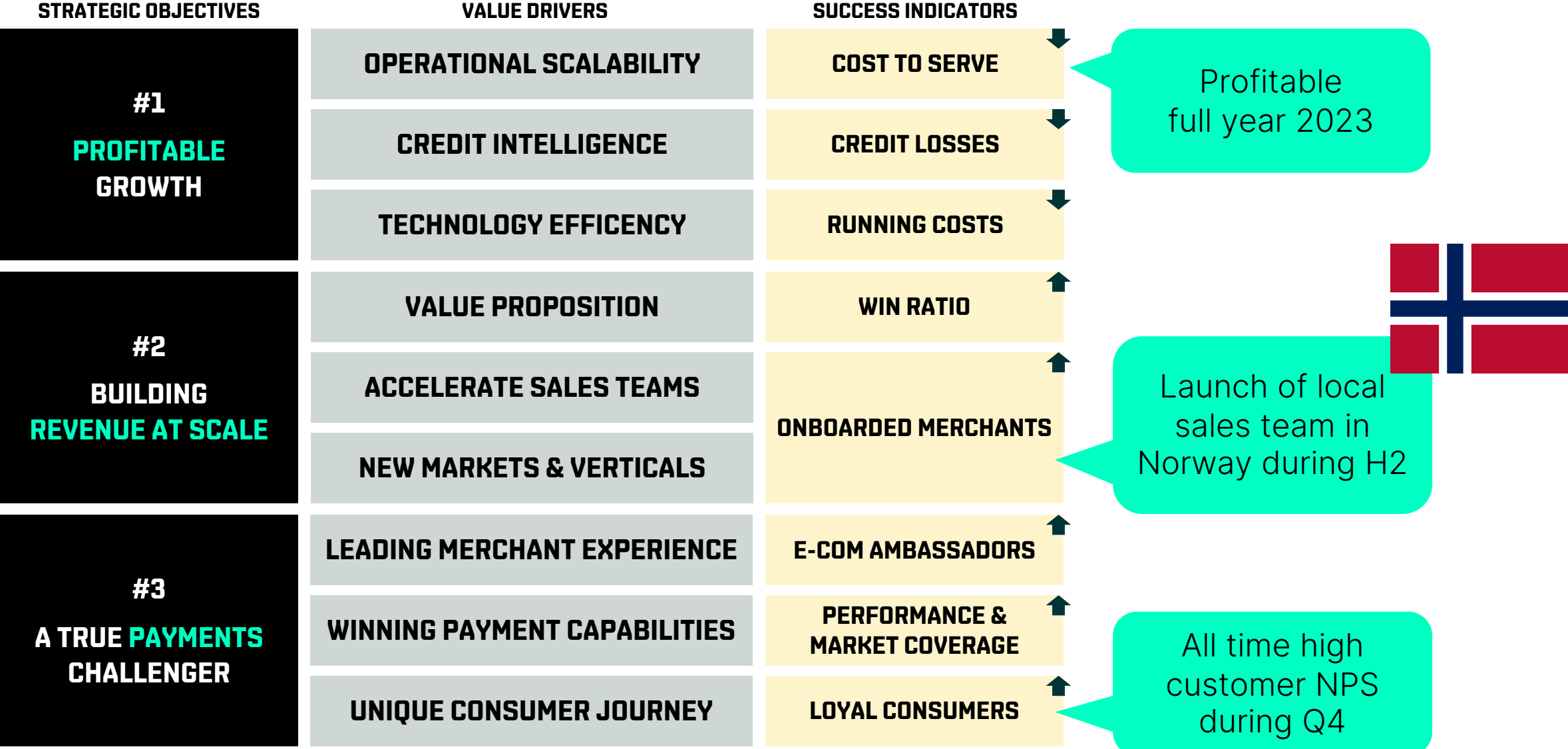


CUSTOMER & MERCHANT SATISFACTION



**HAPPY CUSTOMERS = LOYAL CUSTOMERS = RETURNING CUSTOMERS**

# BUILDING A PROFITABLE & SCALABLE PAYMENTS COMPANY



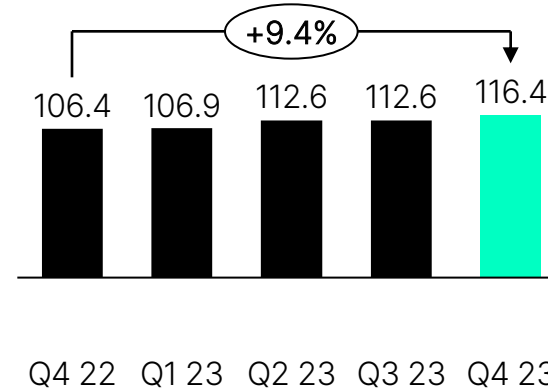
# FINANCIAL UPDATE

# CONTINUED GROWTH AND PROFITABILITY IN Q4 2023

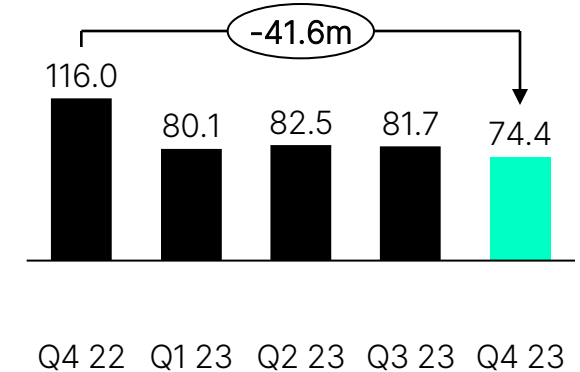
## Key financial highlights

- Total operating income growth of 9 percent to SEK 116.4 million, primary driven by an increased interest in Qliro's payment products.
- Operating costs decreased by 41.6 million to SEK 74.4 million as a result of our profitability program.
- Credit losses of SEK 39.4 m – impacted by a changed composition between BNPL/invoice and disposed credit portfolio.
- Operating profit increased by SEK 48.7 million to SEK 2.6 million (-46.1).
- Svensk Handel's e-commerce indicator shows -11% reduction in Swedish e-commerce turnover in comparison to same period last year.

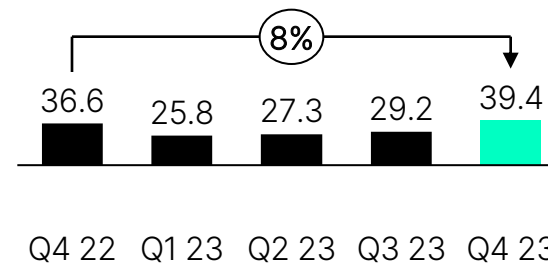
## Income development



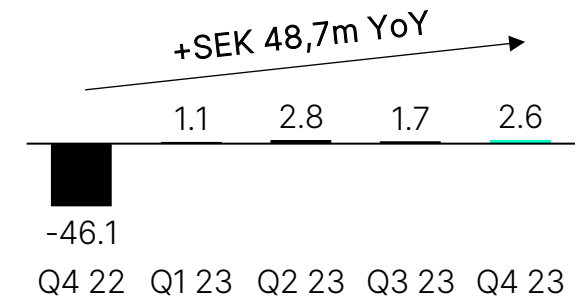
## Operating costs



## Credit losses



## Operating profit development



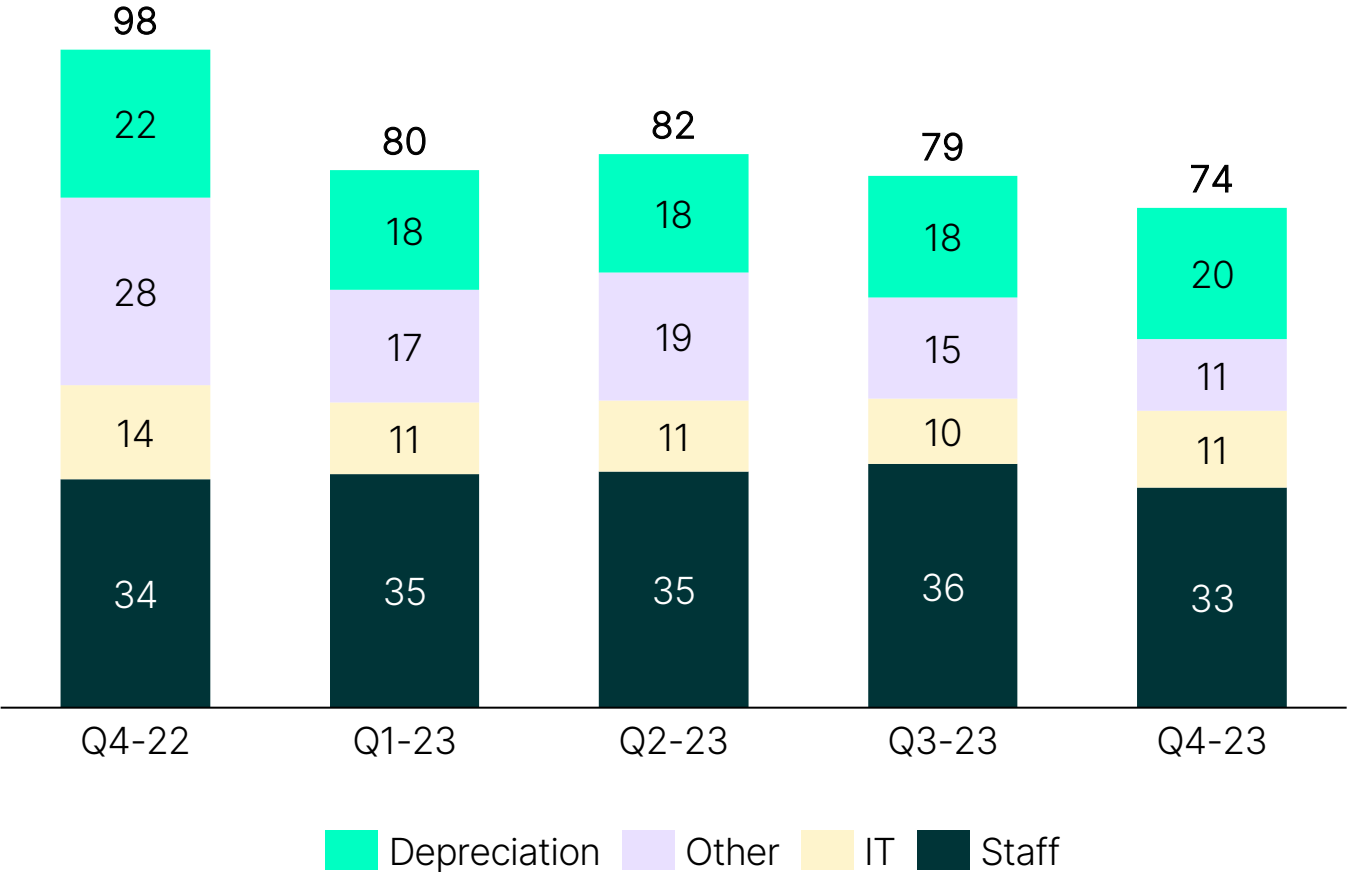
SEK m unless otherwise stated.

# DECREASED COST BASE DROVE CONTINUED PROFITABILITY IN Q4 2023

## Comments

- A lower cost base has been crucial to achieving our financial target of a positive operating profit for the full year 2023.
- Investments in automation, efficiency and digitalization have given long-term results.
- Continued good cost control in Q4 following the profitability program

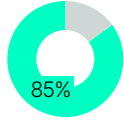
## Cost development excl. IAC





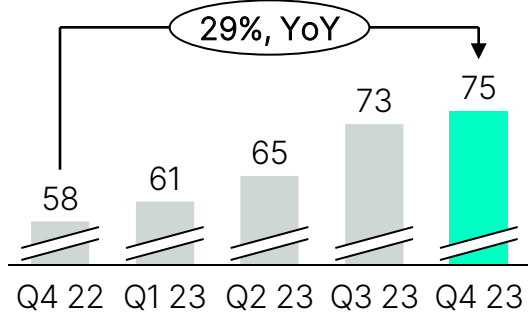
# PAYMENT SOLUTIONS - Q4 PERFORMANCE [I/II]

Share of income

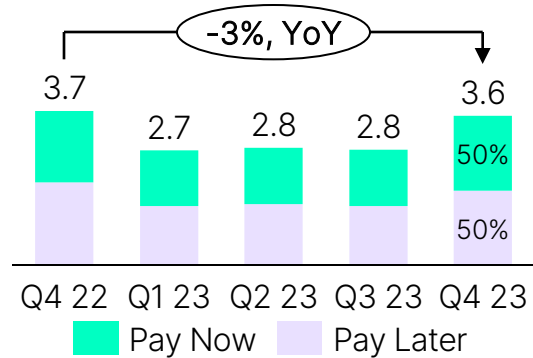


## Operational KPI's

### No. of active merchants

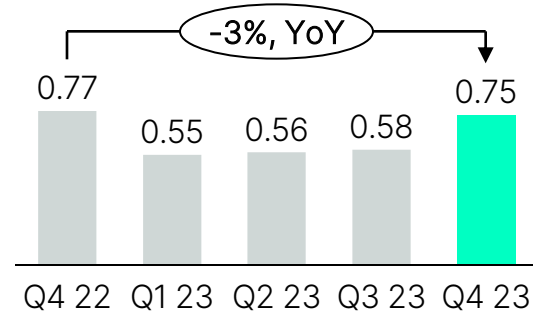


### Total Payments Volume, SEKbn



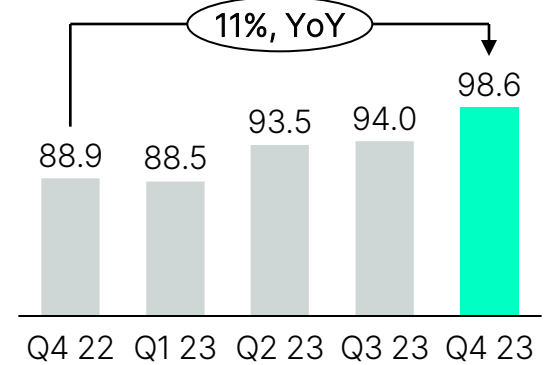
### BNPL Volumes, SEKbn

BNPL is our most profitable part of the Pay Later volumes given that the invoice volumes have limited fees

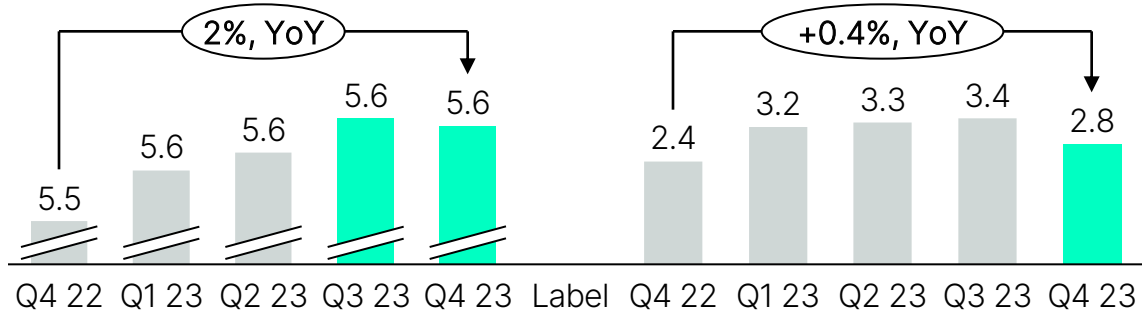


## Financial KPI's

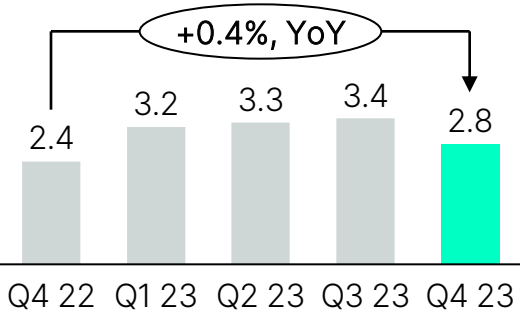
### Income development, SEKm



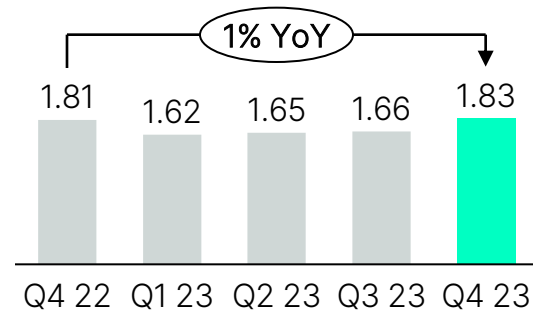
### No. of active consumers, LTM (m)



### Take Rate, % [Income / TPV]

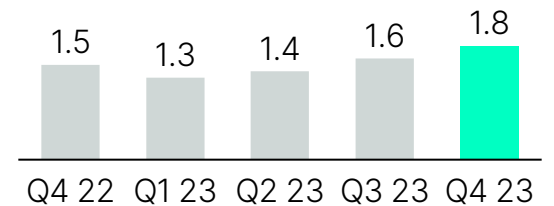


### Payment Balance, SEKbn



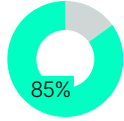
### Credit losses / Pay Later volume, %

The average credit losses over all quarters has been 0,15%



# PAYMENT SOLUTIONS - Q4 PERFORMANCE [II/II]

Share of income

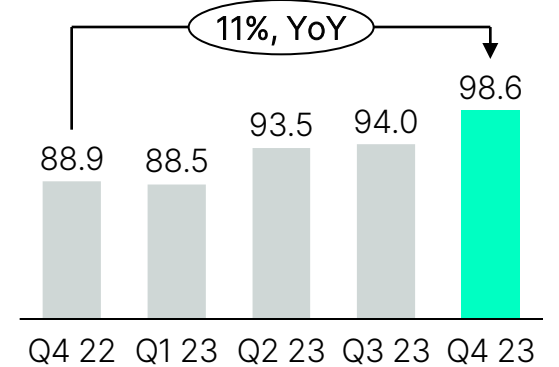


## Comments on Q4 Performance

- ✓ Expanded agreement with Nelly Group for Pay Now volumes, totaling SEK 500 million annually.
- ✓ The agreements with Nelly and Skruvat/Bythjul were enabled by the launch of Unified Payments, which provides an important platform for future growth.
- ✓ Two new active merchants in Q4, excl. Nelly. Several merchants in onboarding process who intentionally waited until after the Christmas season.
- ✓ Total payment volume decreased by -3% due to lower campaign activity in Q4 at several of Qliro's enterprise merchants as a result of a shift among many merchants from growth to profitability.
- ✓ Technical investments have had desired long-term effect on Qliro checkout, which has had an average uptime of 99.99 per cent over the past two years.

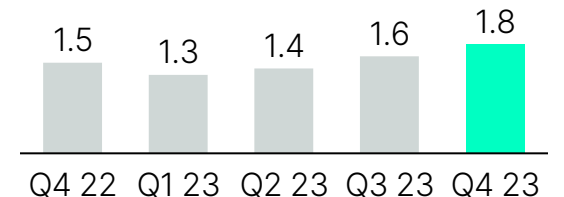
## Financial KPI's

### Income development, SEKm



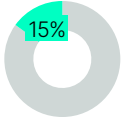
### Credit losses / Pay Later volume, %

The average credit losses over all quarters has been 0,15%



# DIGITAL BANKING - STABILISING LOAN BALANCE AND INCREASING MARGIN

Share of income

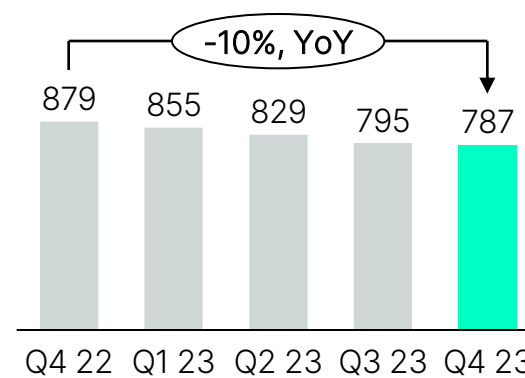


## Comments on Q4 Performance

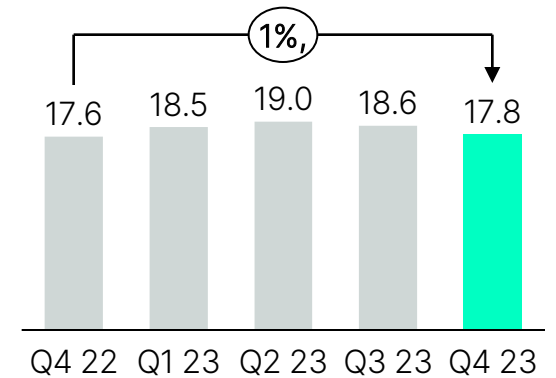
- Operating income increased with 1% to SEK 17.8m (17.6)
- Operating income margin increased to 9,0% (7.9%) due to changes in the customer mix
- Loan balance development has continued decrease in Q4 and amounted to SEK 787m (879m)
- Credit losses level higher than last year but at the similar level as the last three quarters

## Financial KPI's

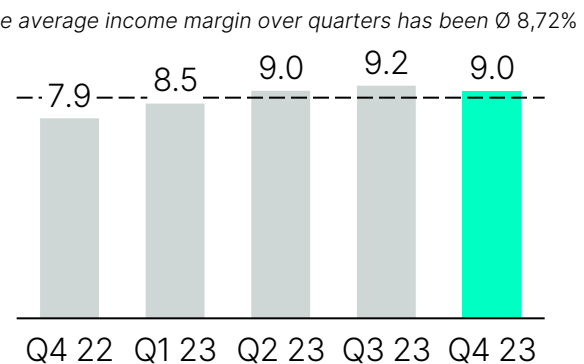
### Loan Balance, SEKm



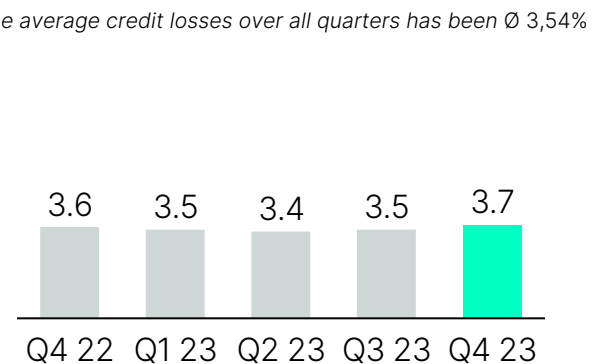
### Income development, SEKm



### Operating Income margin, %



### Credit losses / Loan Balance, %

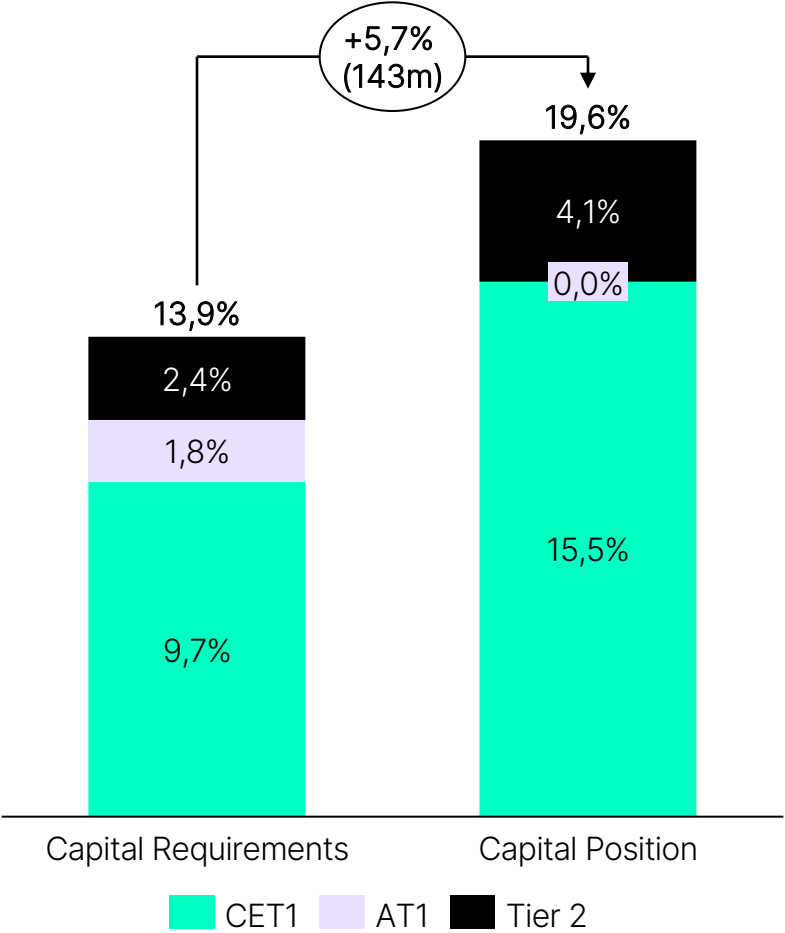


# CAPITAL AND LIQUIDITY

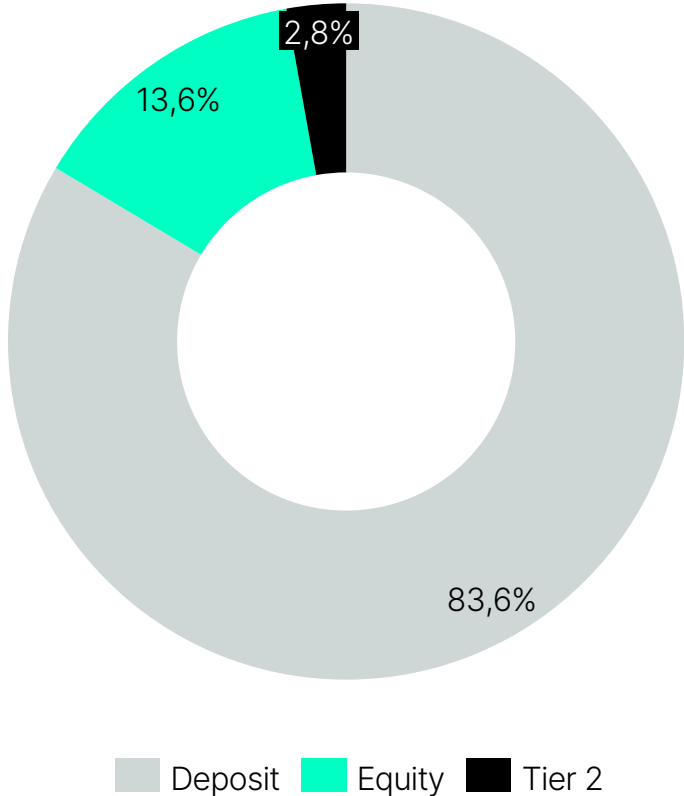
## Comments

- Capital headroom of 5,7% or 143m towards regulatory requirement
- Solid liquidity position with an LCR above 508% and NSFR above 126%
- Lending to the public primarily financed through deposits in Sweden and Germany

## Capitalization



## Financing mix

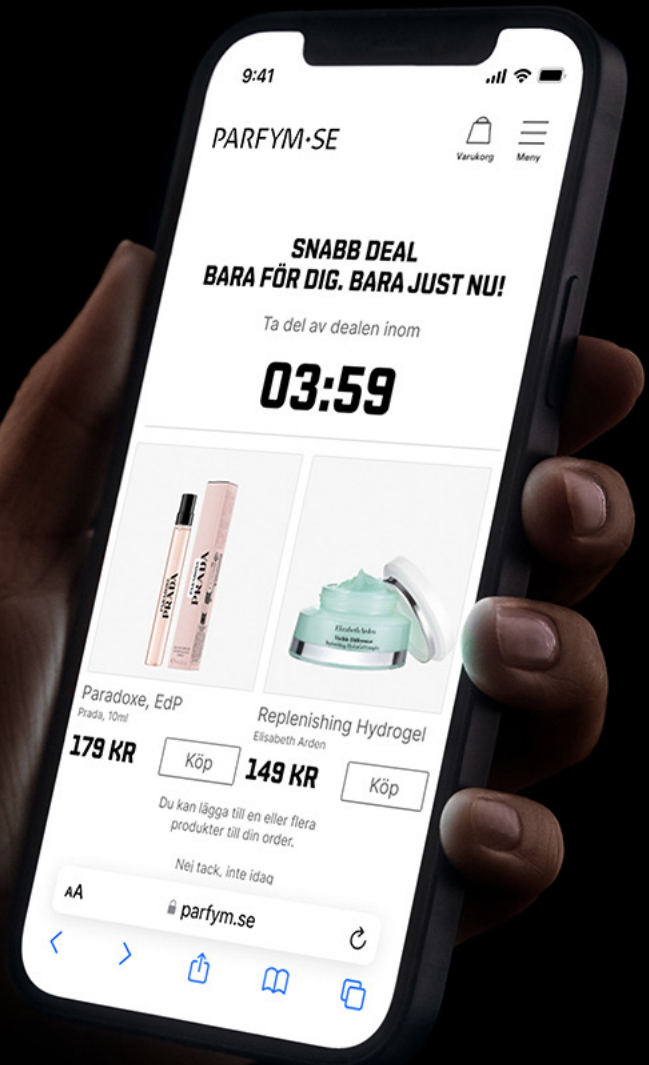


# OUTLOOK

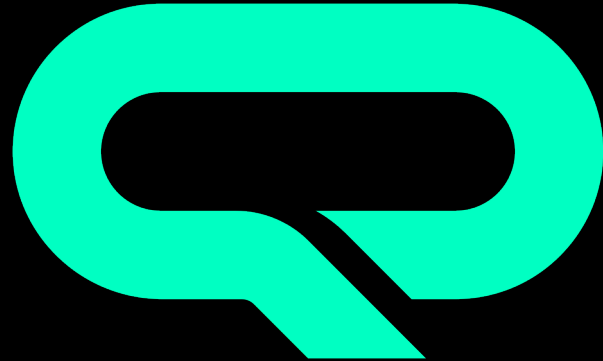
# LOOKING AHEAD

## Growth and profitability initiatives within Payment Solutions

- Near-term focus includes expanded Unified Payments offering and intensifying sales and marketing efforts.
- Continued expansion within both SME and Enterprise.
- Currently in discussions with more new merchants than ever, some with the potential to significantly boost TPV.
- Continue to invest in expansion and profitability within Payment Solutions.
- Currently in process to onboard several merchants signed during second half of 2023.
- Increased addressable market through launch in Norway



# Q&A



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