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Results Reaction	Retail	Sweden	13 February 2025
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Q4: Total GMV on the weaker side, but EBITDA ahead of estimates

CDON delivered Q4 results showing better-than-expected profitability as EBITDA was SEK 11m (vs SEBe of SEK 8m). However, total GMV came in 6% below our estimates and EBIT was SEM -32m vs our forecast of SEK -15m due to an impairment of intangible assets of SEK 17.9m in the quarter. On the positive side, underlying operating cost base is trending towards the c. SEK 40m run rate. Our financial forecasts and our current mid-point equity value of SEK 88 are under review.

Outcome: Tough competition drives GMV lower y/y

Total gross merchandise value (GMV) in Q4 was SEK 558m. A decreased by 11% y/y driven by lower competitiveness in product supply, and challenges to attract compelling offers during a campaign-intensive period. In addition, CDON continues to see a decrease in organic traffic to its sites in the quarter.

Net sales for the quarter were SEK 139m (-4% vs. SEBe) and a decline of 13% y/y. Mainly driven by a decline in the CDON segment, which saw a net sales decline of 21% in the quarter, in turn driven by weak CDON retail (1P) performance, as CDON 3P net sales actually increased by 3% in the quarter. Higher shipping commissions also contributed to the increase in the quarter.

The gross margin increased by 7.1 p.p y/y to 76.5% however, driven by positive mix (higher share of sales from 3P) offsetting negative gross margin headwinds from supply chain issues for CDON 1P.

Marketing costs amounted to SEK -47.1m equalling 8.4% of GMV. Up from 6.5% last year. The increase was driven by both segments, as the traffic mix has shifted to a higher share of paid traffic. In the case of Fyndiq, higher marketing cost as % of GMV came as a result of growth being prioritized over maintained margins. The increased marketing cost was not offset by a higher gross margin.

SG&A increased significantly compared with the same period last year which is attributable to an impairment of intangible assets amounting to 17.9m during the fourth quarter. As a result, EBIT was SEK -32m vs our estimates of SEK -15m. Adjusting for the impairment (and costs associated with closing of the Malmö office of SEK 1.3m) adj. EBIT was SEK -13m.

Despite the cost increase in full year 2024 vs 2023, underlying operating cost base, operating expenses excluding marketing costs and D&A, has trended towards the previously communicated SEK ~40m lower run-rate during the quarter, according to the company.

Other comments: Deviation table

Deviation table

(SEKm)	Q4/24E		Cons.	Deviation SEB		Q4/23	
	Actual	SEB		Abs	Rel (%)	Actual	yy (%)
CDON 3P (MP GMV)	365	396	n.a.	-31	(7.7)	417	(12.3)
CDON 1P (Retail net sales)	24	30	n.a.	-6	(19.5)	50	(51.7)
Fyndiq 3P (MP GMV)		167	n.a.	-167	n.a.	159	(100.0)
Fyndiq 1P (MP GMV)	169	0	n.a.	169	#DIV/0!	0	n.a.
Gross merchandise value	558	593	n.a.	-35	(5.8)	626	(10.8)
<i>of which:</i>							
3P GMV	365	562	n.a.	-197	(35.1)	575	(36.5)
1P GMV	193	15	n.a.	178	1,212.5	50	283.0
Gross merchandise value	558	422	n.a.	136	32.2	626	(10.8)
Sales	139	145	n.a.	-6	(4.1)	161	(13.5)
COGS	-33	-38	n.a.	6	(14.9)	-49	(33.6)
Gross profit	107	107	n.a.	-0	(0.2)	112	(4.6)
Marketing costs	-47	-40	n.a.	-7	17.7	-41	15.2
GP after marketing	59	67	n.a.	-7	(10.9)	71	(16.1)
GPAM-to-GMV margin (%)	10.6	15.8	n.a.	n.a.	(5.2)	11.3	(0.7)
SG&A costs	-96	-95	n.a.	-1	0.5	-94	1.4
Other operating income/costs	-0	-3	n.a.	3	n.a.	-3	n.a.
Associates	0	0	n.a.	0	n.a.	0	n.a.
EBITDA	11	8	n.a.	2	30.5	17	n.a.
Depr. & amort.	-42	-25	n.a.	-18	72.0	-25	70.9
EBIT	-32	-17	n.a.	-15	(92.1)	-8	(310.3)
NRIs	-19	0	0	-19	n.a.	0	n.a.
Adj. EBIT	-13	-17	n.a.	4	23.9	-8	(62.6)
Net financials	1	-1	n.a.	1	n.a.	-0	n.a.
Pre-tax profit	-31	-17	n.a.	-14	(82.4)	-8	(286.3)
Total taxes	1	0	n.a.	1	n.a.	0	n.a.
Minority interests	0	0	n.a.	0	n.a.	0	n.a.
Net profit	-30	-17	n.a.	-13	(77.7)	-8	(276.4)
Adj. net profit	-15	-17	n.a.	2	11.7	-8	n.a.
EPS	-2.82	-1.59	n.a.	-1.23	(77.7)	-0.85	(231.8)
Adj. EPS	-1.43	-1.59	n.a.	0.16	10.1	-0.85	(67.8)
No of shares, f. dil, avg., adj. (m)	10.751	10.751	10.75	0.00	0.0	9.479	13.4
Growth & margins (%)							
CDON 3P MP GMV growth	(12.3)	(12.3)	n.a.	n.a.	0.0	(23.0)	10.7
CDON 1P Retail sales growth	(51.7)	(51.7)	n.a.	n.a.	0.0	(41.9)	(9.8)
Fyndiq 3P MP GMV growth	(100.0)	(100.0)	n.a.	n.a.	0.0	16.7	(116.7)
Total GMV growth	(10.8)	(10.8)	n.a.	n.a.	0.0	1.4	(12.3)
Sales growth	(13.5)	(13.5)	n.a.	n.a.	0.0	14.9	(28.4)
Underlying EBIT growth	(62.6)	(62.6)	n.a.	n.a.	0.0	19.5	(82.1)
COGS/Sales	23.5	26.5	n.a.	n.a.	(3.0)	30.6	(7.1)
SG&A/Sales (excl. NRIs)	55.2	68.0	n.a.	n.a.	(12.8)	60.8	(5.6)
Gross margin	76.5	73.5	n.a.	n.a.	n.a.	69.4	7.1
GPAM margin (GPAM/GMV)	10.6	15.8	n.a.	n.a.	n.a.	11.3	(0.7)
EBITDA margin	7.5	5.5	n.a.	n.a.	2.0	10.6	(3.0)
Adj. EBIT margin (excl. NRIs)	(9.1)	(11.4)	n.a.	n.a.	2.4	(4.8)	(4.2)
PTP margin	(22.3)	(11.8)	n.a.	n.a.	(10.6)	(5.0)	(17.3)
Adj. net margin	(10.8)	(11.8)	n.a.	n.a.	0.9	(5.0)	(5.8)
Tax rate	2.6	0.0	n.a.	n.a.	2.6	0.0	2.6

Source: SEB

Conference call details: 14:00 CET

Link to webcast: <https://cdon.events.inderes.com/q4-report-2024>

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