Nelly Group

Results Reaction	Retail	Sweden	15 July 2025

Q2: Impressive beat with 82% EBIT growth y/y

Nelly Group Q2 report was strong in a challenging market, with net sales of SEK 362m, up 15% y/y (6% ahead of SEB), and EBIT of SEK 55m (53% ahead of SEB) as EBIT margin expanded 5.6pp y/y to 15%. Sales were supported by a well received spring/summer collection, and the beat on EBIT by improvements across most key KPIs across the PnL. Our current mid-point value of SEK 52 is under review. Expect shares to outperform today.

Outcome: Beat across the PnL

Nelly Group reported a impressive Q2 report, with net sales of SEK 362m, up 15% y/y (6% ahead of SEB) and +18% in local currencies. Supported by a well received spring/summer collection driving higher online sales y/y, higher sales in the physical store, and lower return rates. The return rate for the quarter was 28%, down from 31% last year.

Gross profit was SEK 197m (12% ahead of SEB) for a flat gross margin of 54% y/y. Higher campaign activity and FX made a negative contribution to the gross margin, while higher share of own-brand sales made a positive contribution. Share of sales of own brands increased from 44% to 55% during Q2 2025. In local currencies, net revenue increased by 18.2% in Q2.

EBIT was SEK 55m (53% ahead of SEB) for a EBIT margin of 15% (up 5.6pp y/y). Impressive cost control drove the beat, with warehouse and distribution cost roughly flat y/y despite the increase in sales, and lower marketing cost y/y, with marketing to sales at 10% vs 13% last year.

Free cash flow was strong at SEK 87m.

Our current mid-point fair equity value of SEK 52 per share is under review, and our first take is for shares to outperform on the earnings beat today.

Other comments: Deviation table

Deviation table

(SEKm)	Q2/25 Actual	Q2/25 SEB	Deviation SEB Abs	Deviation SEB Rel (%)	Q2/24 Actual	y/y (%)
Sales	361.7	340.9	20.8	6.1	314.1	15.2
COGS	(119.9)	(165.4)	45.5	(27.5)	(142.2)	(15.7)
Gross profit	**196.9**	**175.6**	**21.3**	**12.1**	**171.9**	**14.5**
SG&A costs	(141.5)	(139.3)	(2.2)	1.5	(141.4)	0.1
Other operating income/costs	1.0	0.0	1.0	n.a.	0.0	n.a.
EBIT	**55.4**	**36.2**	**19.2**	**52.9**	**30.5**	**81.6**
NRIs	0.0	0.0	0.0	n.a.	0.0	n.a.
EBIT, adj. (excl. NRIs)	**55.4**	**36.2**	**19.2**	**52.9**	**30.5**	**81.6**
Net financials	(3.0)	(3.1)	0.1	3.2	(4.0)	n.a.
Pre-tax profit	**52.4**	**33.1**	**19.3**	**58.1**	**26.5**	**98.0**
Total taxes	0.1	0.3	(0.2)	n.a.	0.3	n.a.
Net profit reported, cont. oper.	**52.4**	**33.4**	**19.0**	**56.7**	**26.7**	**96.2**
EPS (cont. oper.), reported	1.8	1.09	0.66	59.8	0.89	96.7
EPS (cont. oper.), adj	1.8	1.09	0.66	59.8	0.89	96.7
No of shares, f. dil, avg., adj. (m)	30.0	30.0	0.0	0.0	30.0	(0.1)

Source: SEB

Conference call details: 09:00 CET

Webcast: https://nelly.videosync.fi/2025-07-15-q2

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Note: It is only possible to ask questions in writing (not by phone).

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