

ELLOS GROUP

Ellos Group AB (publ) group

INTERIM REPORT JANUARY - DECEMBER 2023

”Strong finish and earnings improvement of over 130 per cent for 2023”

THE FOURTH QUARTER 2023

- Net sales decreased by 4.7 % to SEK 993.6 (1 042.2) million. Organically, net sales decreased by 4.5 %.
- The gross margin increased to 51.8 (49.3) %.
- Adjusted EBITA* increased to SEK 73.5 (26.5) million. The adjusted EBITA margin* increased to 7.4 (2.5) %.
- The operating profit/loss* increased to SEK 42.3 (-11.6) million. The operating margin* increased to 4.3 (-1.1) %.
- Cash flow from operating activities amounted to SEK 157.2 (68.6) million.
- Inventories amounted to SEK 621.3 (699.9) million.

FULL YEAR 2023

- Net sales decreased by 5.2 % to SEK 3 436.6 (3 624.0) million. Organically, net sales decreased by 3.26%.
- The gross margin increased to 52.1 (50.5) %.
- Adjusted EBITA* increased to SEK 188.9 (80.1) million. The adjusted EBITA margin* increased to 5.5 (2.2) %.
- The operating profit/loss* increased to SEK 82.9 (-40.3) million. The operating margin* increased to 2.4 (-1.1) %.
- Cash flow from operating activities amounted to SEK 149.8 (-18.9) million.
- Inventories amounted to SEK 621.3 (699.9) million.

FINANCIALS KPI'S

AMOUNT IN MSEK	3 MONTHS OCT - DEC 2023	3 MONTHS OCT - DEC 2022	CHANGE	12 MONTHS JAN - DEC 2023	12 MONTHS JAN - DEC 2022	CHANGE
Net sales	993.6	1 042.2	-4,7%	3 436.6	3 624 .0	-5,2%
Organic growth, net sales %	-4.5	-0.2		-3.6	-0.1	
Gross margin, %	51.8	49.3		52.1	50.5	
Adjusted EBITA	73.5	26.5	>100%	188.9	80.1	>100%
Adjusted EBITA- margin, %	7.4	2.5		5.5	2.2	
Operating profit/loss	42.3	-11.6	>100%	82.9	-40.3	>100%
Operating margin, %	4.3	-1.1		2.4	-1.1	
Profit/loss for the period	-5.4	-134.4	96,0%	-179.2	-304.5	41,1%
Cash-flow from operations	157.2	68.6	>100%	149.8	-18.9	>100%



*Not defined according to IFRS. See page 17.

COMMENT FROM THE CEO OF ELLOS GROUP AB (PUBL)

STRONG FINISH AND EARNINGS IMPROVEMENT OF OVER 130 PER CENT FOR 2023

Ellos Group's focus in 2023 has been on sharpening our offer to our core customers – women in mid-life – in parallel with improving efficiency and profitability. The market was characterised by uncertainty throughout the year. It is therefore gratifying that Ellos Group is reporting a strong earnings improvement for 2023, with an adjusted EBITA of SEK 109 million – which is an increase of more than 130 per cent compared to 2022. We also reported strong financial development during the fourth quarter.

With subdued purchasing power, consumers have continued to tighten their purse strings. The Swedish Trade Federation's E-commerce Indicator estimates that e-commerce in Sweden decreased 8 per cent in 2023, and 10 per cent in December, as compared with last year. Sales during 'Black Week' and the Christmas shopping season were relatively weak. Sales development for fashion is in line with last year, while furniture and home furnishings decreased 38 per cent and 5 per cent, respectively.

In view of this, Ellos Group's Fashion and Home offer is strong, and our assessment is that we are continuing to gain market share. Our full-year sales fell 6 per cent year-on-year and amounted to just under SEK 3.4 billion. Fourth-quarter sales were 4.5 per cent lower than during last year's comparative quarter.

During the year's final quarter we saw strong demand for our Fashion offer. Our focus on underwear and swimwear has been successful, and we welcomed hundreds of thousands of new customers to our e-commerce platforms. We also saw a strong development in Kitchen and Household, a new area in 2023. This is proof that our strategy as a leading e-commerce player in fashion and home furnishings is working and delivering results.

We have continued to implement our strategy with a focus on our core customers, and have advanced our positions in several areas. We launched successful collections and collaborations and are particularly pleased with our collaboration with Pernilla Wahlgren, which will continue during 2024.

During the year we worked intensively to consolidate our supplier base in order to achieve synergies and increase sustainability requirements in purchasing. A key parameter in this work has been increasing the share of certified materials to improve traceability and reduce environmental impact in the supply chain.

Our efforts to lower our distribution costs – including by developing a new transport monitoring system, adding new delivery options and managing freight charges – were successful during the year, producing improvements to net freight cost.

The strong earnings improvement for 2023 is mainly attributable to a higher gross margin, lower marketing costs and lower operational costs. Cost reduction has been a top priority in our Nordic and European markets, and this work will continue in 2024.

Cash flow was strong during the quarter, resulting in a net debt of SEK 1,366 million at year end. We closed 2023 with a well-balanced inventory position, providing us with favourable conditions for our attractive spring and summer product ranges.

We are entering 2024 on solid ground and with a continued focus on our core customers, cost efficiency and profitability. These are key focus areas in a market situation that remains uncertain. Despite some positive signs of subdued inflation, we are closely following market developments, not least given the prevailing geopolitical turmoil.

Ellos Group's broad-based business model on a fully integrated e-commerce platform is a strength, in both good and more challenging times. In the long-term perspective there are excellent conditions for growth and, as a leading e-commerce player with strong home furnishing and fashion brands, we are confident about the future.

Hans Ohlsson, CEO





FOURTH QUARTER 2023

SALES

Net sales for the period amounted to SEK 993.6 (1 042.2) million which is a decrease of 4.7 % compared to last year. The organic growth, i.e. excluding exchange rate changes and dispose of operations (Stayhard) were -4.5 %.

GROSS PROFIT

Gross profit for the period amounted to SEK 514.4 (513.5) million which is an increase of 0.9 million compared to last year. The quarter's gross margin increased to 51.8% (49.3%) where a strengthened product margin was the primary reason.

OPERATING COSTS

Selling expenses amounted to SEK 352.2 (397.2) million which is a decrease of SEK 45.0 million compared to last year. In relation to net sales, selling expenses decreased by 2.7 percentage point mainly due to an improved marketing efficiency and lower distribution costs. Selling expenses include amortization of acquisition-related intangible assets of SEK 23.6 (23.6) million.

Administrative expenses, which in the quarter amounted to SEK 119.5 (135.7) million decreased by SEK 16.2 million mainly driven by extraordinary expenses the previous year.

Other income amounted to SEK 9.2 (4.2) million and other costs to SEK -9.6 (3.6) million. The change compared to previous year is mainly explained by exchange rate differences, marketing revenues and extraordinary expenses linked to the closure of the store in Gothenburg.

ADJUSTED EBITA

Adjusted EBITA amounted to SEK 73.5 (26.5) million which means a increase of SEK 47.0 million compared with the corresponding period last year.

EBITA

EBITA amounted to SEK 65.9 (12.0) million which is an increase of SEK 53.9 million compared with the same period last year.

FINANCIAL ITEMS AND TAXES

Financial income amounted to SEK 18.0 (4.3) million and financial expenses amounted to SEK -52.6 (-103.0) million. The increase of the financial income is mainly explained by currency effects and the decrease in financial expenses are explained by the currency adjustment of current liabilities to group companies that was made previous year and affected financial expenses by SEK 52.8 million.

Income tax for the period amounted to SEK -13.1 (-24.1) million.

NET PROFIT

Net profit for the period amounted to SEK -5.4 (-134.4) million.

CASH FLOW

Cash flow from operating activities amounted to SEK 157.2 (68.6) million. The cash flow includes bond loan interest expenses amounting to SEK 40.8 (31.6) million.

Inventories decreased during the quarter by SEK -101.2 (-86.0) million, which had a positive effect on cash flow.

Accounts payable increased during the quarter by SEK 20.9 (19.9) million and has had a positive effect on cash flow.

Cash flow from investments totalled SEK -9.8 (-9.9) million, where the biggest part of it was related to commercial development projects.

Cash flow from financing activities amounted to SEK -160.9 (56.9) million and mainly referred to amortization of the revolving credit.

Cash and cash equivalents amounted to SEK 151.1 (157.5) million.

Cash flow for the period totalled SEK -13.5 (1.8) million.



FULL YEAR 2023

SALES

Net sales for the period amounted to SEK 3 436.6 (3 624.0) million which is a decrease of 5.2 % compared to last year. The organic growth, i.e. excluding exchange rate changes and dispose of operations (Stayhard) were -3.6 %.

GROSS PROFIT

Gross profit for the period amounted to SEK 1 789.9 (1 830.7) million which is a decrease of 40.8 million compared to last year. The gross margin which amounted to 52.1 (50.5) % increased by 1.6 percentage points compared to the same period last year mainly due to an increased product margin.

OPERATING COSTS

Selling expenses amounted to SEK 1 270.2 (1 411.2) million which is a decrease of SEK 141.0 million compared to last year. In relation to net sales, selling expenses decreased by 1.9 percentage point mainly due to decreased marketing costs. Selling expenses include amortization of acquisition-related intangible assets of SEK 94.6 (94.6) million.

Administrative expenses, which amounted to SEK 444.9 (439.0) million increased by SEK 5.9 million partly due to provisions for variable salary components, increased IT costs including depreciation.

Other income amounted to SEK 35.4 (11.4) million and other costs to SEK -27.3 (-32.2) million. The improved net of SEK 8.1 (-20.8) million is mainly explained by negative currency effects in the previous year, but is also positively affected by increased marketing revenues and received electricity compensation.

ADJUSTED EBITA

Adjusted EBITA amounted to SEK 188.9 (80.1) million which means an increase of SEK 108.8 million compared with the corresponding period last year.

EBITA

EBITA amounted to SEK 177.5 (54.3) million which is an increase of SEK 123.2 million compared with the same period last year.

FINANCIAL ITEMS AND TAXES

Financial income amounted to SEK 26.6 (17.4) million and financial expenses amounted to SEK -264.5 (-259.9) million. The increase of financial income is mainly explained by increased interest rates as well as currency effects while the increase in financial expenses is explained by increased interest costs for the group's credits and liabilities to group companies and also a positive revaluation effect on the intra-group debt.

Income tax for the period amounted to SEK -24.2 (-21.7) million.

NET PROFIT

Net profit for the period amounted to SEK -179.2 (-304.5) million.

CASH FLOW

Cash flow from operating activities amounted to SEK 149.8 (-18.9) million. The cash flow includes bond loan interest expenses amounting to SEK 148.8 (108.9) million.

Inventories decreased during the period by SEK -78.6 (-38.7) million, which had a positive effect on cash flow.

Accounts payable decreased during the period by SEK -43.5 (-79.7) million and has had a negative effect on cash flow.

Cash flow from investments totalled SEK -29.0 (-38.3) million, where the biggest part of it was related to commercial development projects.

Cash flow from financing activities amounted to SEK -127.2 (18.4) million and mainly referred to changes in the group's revolving credit and amortization of leasing debt.

Cash and cash equivalents amounted to SEK 151.1 (157.5) million.

Cash flow for the period totalled SEK -6.4 (-38.8) million.



SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

No significant events to report.

EVENTS AFTER CLOSING DATE

On February 9, a super senior secured bond was issued with a fixed interest rate of SEK 250 million and with a maturity of 365 days. The settlement from the emission were used to fully refinance the previous revolving credit facility. The company's senior secured bonds of SEK 1,500 million mature in July 2024, and the Group is working to ensure the financing of these credits as well.

NUMBER OF EMPLOYEES

As at 31 December 2023, the group had 558 (602) employees.

RISKS AND UNCERTAINTIES

The Group is exposed to several risks, for example in areas such as currency, interest rate and financing as well as competition, the economy and IT security, and these risks can affect operations and earnings. The risks that have been identified are described in the Group's annual report for 2022 on pages 6, 12 and 42-44.

The worldwide situation means that there is great uncertainty linked to consumer purchasing power due to the macroeconomic situation and a general concern driven by the geopolitical situation.

PLEDGED ASSETS

The group's assets pledged as collateral for financing from Swedbank AB (publ) and the issued bond are unchanged compared with 31 December 2022 and is described in the Group's annual report for 2022 on page 67.

PARENT COMPANY

The Parent Company's operating profit/loss for the third quarter amounted to SEK 0.1 (-0.1) million. The Parent Company's income consists of intra-group services and the main costs was insurance costs, consultant costs and board fees. Net financial income/expense amounted to SEK -32.9 (-97.2) million for the fourth quarter and primarily comprised interest on issued bonds as well as interest and currency effect on current liabilities to group companies.



Distrubution of net sales

Amount in MSEK	3 MONTHS		CHANGE	12 MONTHS		CHANGE
	OCT - DEC 2023	OCT - DEC 2022		JAN - DEC 2023	JAN - DEC 2022	
Revenue from agreements with customers	918.9	961.3	-4,4%	3 141.5	3 304.2	-4,9%
Additional purchase price Resurs Bank	74.7	80.9	-7,7%	295.1	319.8	-7,7%
Net sales	993.6	1 042.2	-4,7%	3 436.6	3624	-5,2%

Net sales, components

Amount in MSEK	3 MONTHS		CHANGE	3 MONTHS		CHANGE	12 MONTHS		CHANGE
	OCT - DEC 2023			OCT - DEC 2022			JAN - DEC 2023		
Organic growth	-47.0	-4,5%		-1.7	-0,2%		-126.1	-3,6%	-0,1%
Currency effects	-0.9	-0,1%		22.8	2,2%		26.5	0,7%	2,0%
Dispose of operations	-0.7	-0,1%		-43.1	-4,1%		-87.8	-2,3%	-1,4%
Change in net sales	-48.6	-4,7%		-22.0	-2,1%		-187.4	-5,2%	0,5%

Net sales per country where the customer is located

Amount in MSEK	3 MONTHS		CHANGE	12 MONTHS		CHANGE
	OCT - DEC 2023	OCT - DEC 2022		JAN - DEC 2023	JAN - DEC 2022	
Sweden	523.7	559.8	-6,4%	1 788.5	1918.0	-6,8%
Norway	181.6	183.1	-0,8%	630.3	648.9	-2,9%
Finland	142.5	148.8	-4,2%	514.7	537.1	-4,2%
Denmark	76.1	74.5	2,1%	258.1	262.7	-1,8%
Germany	44.2	41.0	7,8%	134.1	126.8	5,8%
Other Europe	22.7	31.7	-28,4%	100.7	118.2	-14,8%
USA	2.8	3.3	-15,2%	10.2	12.3	-17,1%
Net sales	993.6	1 042.2	-4,7%	3 436.6	3 624.0	-5,2%

Other income

Amount in MSEK	3 MONTHS		CHANGE	12 MONTHS		CHANGE
	OCT - DEC 2023	OCT - DEC 2022		JAN - DEC 2023	JAN - DEC 2022	
Rental income	1.2	1.1	9,1%	5.2	4.7	10,6%
Exchange gain	5.1	2.8	82,1%	19.0	4.4	>100%
Other	2.9	0.3	>100%	11.2	2.3	>100%
Other income	9.2	4.2	>100%	35.4	11.4	>100%

Other costs

Amount in MSEK	3 MONTHS		CHANGE	12 MONTHS		CHANGE
	OCT - DEC 2023	OCT - DEC 2022		JAN - DEC 2023	JAN - DEC 2022	
Loss on consignment sales	0.0	0.0		0.0	-1.4	>100%
Sale/disposal of fixed assets	-4.0	-1.3	>-100%	-4.0	-9.0	55,6%
Exchange loss	-5.6	4.9	>-100%	-23.3	-21.8	-6,9%
Other costs	-9.6	3.6	>-100%	-27.3	-32.2	15,2%

Consolidated income statement

Amount in MSEK	3 MONTHS OCT - DEC 2023	3 MONTHS OCT - DEC 2022	12 MONTHS JAN - DEC 2023	12 MONTHS JAN - DEC 2022
Net sales	993.6	1 042.2	3 436.6	3 624.0
Cost of goods sold	-479.2	-528.7	-1 646.7	-1 793.3
Gross profit	514.4	513.5	1 789.9	1 830.7
Selling expenses	-352.2	-397.2	-1 270.2	-1 411.2
Administrative expenses	-119.5	-135.7	-444.9	-439.0
Other income	9.2	4.2	35.4	11.4
Other costs	-9.6	3.6	-27.3	-32.2
Operating profit/loss	42.3	-11.6	82.9	-40.3
Financial items				
Financial income	18.0	4.3	26.6	17.4
Financial costs	-52.6	-103.0	-264.5	-259.9
Financial items	-34.6	-98.7	-237.9	-242.5
Profit/loss before tax	7.7	-110.3	-155.0	-282.8
Income tax	-13.1	-24.1	-24.2	-21.7
Profit/loss for the period	-5.4	-134.4	-179.2	-304.5
Attributable to:				
Parent company's shareholders	-5.4	-134.4	-179.2	-304.5

Consolidated statement of comprehensive income

Amount in MSEK	3 MONTHS OCT - DEC 2023	3 MONTHS OCT - DEC 2022	12 MONTHS JAN - DEC 2023	12 MONTHS JAN - DEC 2022
Profit/loss for the period	-5.4	-134.4	-179.2	-304.5
Items not to be returned to the income statement:				
Actuarial gains/losses	-19.3	20.3	-5.3	49.3
Tax effect	4.0	-4.2	1.1	-10.2
Items not to be returned to the income statement	-15.3	16.1	-4.2	39.2
Items that can later be reversed to the income statement:				
Translation differences for the period	27.8	-3.1	36.1	-0.2
Cash-flow hedges change in value	-39.8	-171.6	-14.5	37.6
Cash-flow hedges returned to the income statement	25.3	76.9	15.1	-75.9
Tax effect	3.0	19.5	-0.1	7.9
Items that can later be reversed to the income statement	16.3	-78.3	36.7	-30.7
Comprehensive income	-4.4	-196.6	-146.7	-296
Attributable to parent company's shareholders	-4.4	-196.6	-146.7	-296

Consolidated statement of financial position

Amount in MSEK	2023-12-31	2022-12-31
ASSETS		
<i>Non-current assets</i>		
Goodwill	677.0	677.0
Trademarks	445.3	445.3
Customer relationships	275.9	370.4
Development expenditure	87.3	94.5
Right-of-use assets	445.5	495.8
Equipment, tools, fixtures and fittings	51.3	53.9
Investments in leased property	60.5	68.4
Constuction in progress within property, plant and equipment	0.0	3.1
Non-current receivables	7.8	6.7
Deferred tax assets	15.0	27.6
Total non-current assets	2 065.6	2 242.7
<i>Current asset</i>		
Inventories	621.3	699.9
Return assets	12.4	16.3
Accrued income	30.4	33.3
Trade receivables	65.2	62.5
Current tax assets	50.5	53.0
Derivate instruments	25.7	35.5
Other current receivables	28.8	15.3
Prepaid expenses	43.5	36.4
Cash & cash equivalents	151.1	157.5
Total current assets	1 028.9	1 109.7
TOTAL ASSETS	3 094.5	3 352.4



Consolidated statement of financial position

Amount in MSEK	2023-12-31	2022-12-31
EQUITY AND LIABILITIES		
<i>Equity attributable to parent company's shareholders</i>		
Share capital	0.5	0.5
Additional paid-in capital	683.2	683.2
Reserves	-4.8	-41.4
Retained earnings including the profit/loss for the year	-1 178.1	-994.8
Total Equity	-499.2	-352.5
<i>Non-current liabilities</i>		
Bond issue	0.0	1 479.9
Long-term lease liabilities	383.9	431.8
Deferred tax liabilities	150.8	170.7
Provision for endowment insurance, pensions	10.1	8.6
Provision for pensions	119.2	113.3
Total non-current liabilities	664.0	2 204.3
<i>Current liabilities</i>		
Bond issue	1 492.6	0.0
Interest-bearing liabilities	24.7	89.5
Current lease liabilities	69.7	68.7
Trade payables	297.8	341.3
Current liabilities to Group companies	604.6	539.7
Current tax liabilities	40.7	31.2
Other provisions	1.5	6.1
Derivatives	43.9	48.0
Other current liabilities	104.7	125.3
Repayment liability	25.3	32.2
Accrued expenses	224.2	218.7
Total Current liabilities	2 929.7	1 500.6
Total liabilities	3 593.7	3 704.9
TOTAL EQUITY AND LIABILITIES	3 094.5	3 352.4

Consolidated statement of changes in equity

Amount in MSEK	Share capital	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings including profit of the year	Total Equity
Opening balance as at 1 January 2023	0.5	683.2	-10.4	-31.0	-994.8	-352.5
Comprehensive income						
Profit/loss for the period					-179.2	-179.2
Other comprehensive income:						
Cash flow hedges						
Change in fair value for the year				-14.5		-14.5
Transferred to the income statement				15.1		15.1
Translation differences			36.2			36.2
Actuarial gains/losses					-5.3	-5.3
Tax attributable to items in other comprehensive income				-0.1	1.1	1.0
Other comprehensive income, after tax			36.2	0.5	-4.2	32.5
Comprehensive income			36.2	0.5	-183.4	-146.7
Transactions with shareholders:						
Dividends					0.0	0.0
Transactions with shareholders	0.0	0.0	0.0	0.0	0.0	0.0
Balance at 31 December 2023	0.5	683.2	25.8	-30.5	-1 178.2	-499.2

Consolidated statement of changes in equity

Amount in MSEK	Share capital	Other contributed capital	Translation reserve	Hedging reserve	Retained earnings including profit of the year	Total Equity
Opening balance as at 1 January 2022	0.5	679.9	-10.2	-0.6	-729.4	-59.8
Comprehensive income						
Profit/loss for the period					-304.5	-304.5
Other comprehensive income:						
Cash flow hedges						
Change in fair value for the year				37.6		37.6
Transferred to the income statement				-75.9		-75.9
Translation differences			-0.2			-0.2
Actuarial gains/losses					49.3	49.3
Tax attributable to items in other comprehensive income				7.9	-10.2	-2.3
Other comprehensive income, after tax	0.0	0.0	-0.2	-30.4	39.2	8.5
Comprehensive income	0.0	0.0	-0.2	-30.4	-265.4	-296.0
Transactions with shareholders:						
Contribution received in connection with drawing of options		3.3				3.3
Dividends					0.0	0.0
Transactions with shareholders	0.0	3.3	0.0	0.0	0.0	3.3
Balance at 31 December 2022	0.5	683.2	-10.4	-31.0	-994.8	-352.5

Consolidated cash flow statement

Amount in MSEK	3 MONTHS OCT - DEC 2023	3 MONTHS OCT - DEC 2022	12 MONTHS JAN - DEC 2023	12 MONTHS JAN - DEC 2022
Cash flow from operating activities				
Cash-flow from operations before changes in working capital	78.3	16.6	109.3	-15.0
Cash-flow from changes in working capital	78.9	52	40.5	-3.9
Cash-flow from operations	157.2	68.6	149.8	-18.9
Investments				
Acquisition of intangible fixed assets	-8.4	-6.1	-23.2	-25.5
Acquisition of tangible fixed assets	-1.0	-4.3	-4.8	-12.5
Acquisition of financial fixed assets	-0.4	0.5	-1.0	-0.3
Cash-flow from investments	-9.8	-9.9	-29.0	-38.3
Financing activities				
Payment for warrants	0.0	3.3	0.0	3.3
Payment of warrants	0.0	0.0	0.0	-14.6
Payment of lease liabilities	-15.5	-15.0	-62.4	-59.8
Change of revolving credit	-145.4	-45.1	-64.8	89.5
Cash-flow from financing activities	-160.9	-56.9	-127.2	18.4
Cash-flow for the period	-13.5	1.8	-6.4	-38.8
Cash and cash equivalents at beginning of period	164.6	155.7	157.5	196.3
Exchange rate difference in liquid assets	0.0	0.0	0.0	0.0
Cash and cash equivalents at end of period	151.1	157.5	151.1	157.5



Parent company income statement

Amount in MSEK	3 MONTHS OCT - DEC 2023	3 MONTHS OCT - DEC 2022	12 MONTHS JAN - DEC 2023	12 MONTHS JAN - DEC 2022
Net sales	2.7	2.5	7.3	5.4
Gross profit	2.7	2.5	7.3	5.4
Administrative expenses	-2.6	-2.6	-7.2	-5.9
Operating profit	0.1	-0.1	0.1	-0.5
Financial items				
Result from shares in group companies	0.0	0.0	300.0	0.0
Interest income	10.1	2.0	19.6	15.5
Interest costs	-43.0	-99.2	-245.5	-235.9
Financial items	-32.9	-97.2	74.1	-220.4
Profit/loss after financial costs	-32.8	-97.3	74.2	-220.8
Received Group contribution	83.6	4.7	83.6	4.7
Profit/loss before tax	50.8	-92.6	157.8	-216.1
Income tax	-18.2	11.5	-14.2	7.4
Profit/loss for the period	32.6	-81.1	143.6	-208.7

Parent company statement of comprehensive income

Amount in MSEK	3 MONTHS OCT - DEC 2023	3 MONTHS OCT - DEC 2022	12 MONTHS JAN - DEC 2023	12 MONTHS JAN - DEC 2022
Profit/loss for the period	32,6	-81,1	143,6	-208,7
Comprehensive income	32,6	-81,1	143,6	-208,7



Parent company's balance sheet

Amount in MSEK	2023-12-31	2022-12-31
ASSETS		
<i>Fixed assets</i>		
Shares in subsidiaries	2 371.2	2 369.9
Deferred tax assets	0.0	7.4
Total Fixed assets	2 371.2	2 377.3
<i>Current assets</i>		
Receivables from group companies	377.3	166.2
Tax assets	0.0	0.3
Other current assets	0.2	0.1
Prepayments and accrued income	1.4	1.1
Cash and bank	0.5	6.6
Total Current assets	379.4	174.3
TOTAL ASSETS	2 750.6	2 551.6
EQUITY AND LIABILITIES		
<i>Equity</i>		
<i>Restricted equity</i>		
Share capital	0.5	0.5
<i>Non-restricted equity</i>		
Non-restricted equity	614.8	469.9
Total Equity	615.3	470.4
<i>Long-term liabilities</i>		
Bond issue	0.0	1 479.9
Total Long-term liabilities	0.0	1 479.9
<i>Current liabilities</i>		
Bond issue	1 492.6	0.0
Accounts payable	0.2	0.4
Liabilities to group companies	604.6	575.1
Tax liabilities	6.5	0.0
Other current liabilities	0.1	0.0
Accrued expenses and prepaid income	31.3	25.8
Total Current liabilities	2 135.3	601.3
TOTAL EQUITY AND LIABILITIES	2 750.6	2 551.6

Financial KPI's

	3 MONTHS OCT - DEC 2023	3 MONTHS JUL - SEP 2023	3 MONTHS APR - JUN 2023	3 MONTHS JAN - MAR 2023	3 MONTHS OCT - DEC 2022	3 MONTHS JUL - SEP 2022	3 MONTHS APR - JUN 2022	3 MONTHS JAN - MAR 2022	3 MONTHS OCT - DEC 2021	3 MONTHS JUL - SEP 2021	3 MONTHS APR - JUN 2021	3 MONTHS JAN - MAR 2021	3 MONTHS OCT - DEC 2020	3 MONTHS JUL - SEP 2020	3 MONTHS APR - JUN 2020	3 MONTHS JAN - MAR 2020
Amount in MSEK																
Net sales	993.6	824.5	802.1	816.4	1 042.2	860.8	858.4	862.6	1 059.3	846.6	852.9	830.3	993.3	778.0	763.1	640.5
Gross profit	514.4	429.7	430.3	415.5	513.5	430.2	442.4	444.6	535.7	426.1	460.1	421.7	517.9	252.5	417.7	314.3
Gross margin. %	51.8	52.1	53.6	50.9	49.3	50.0	51.5	51.5	50.6	50.3	53.9	50.8	52.1	32.5	54.7	49.1
Adjusted gross profit	514.4	429.7	430.3	415.5	513.5	430.2	442.4	444.6	535.7	426.1	460.0	421.7	517.9	411.1	417.7	314.3
Adjusted gross margin. %	51.8	52.1	53.6	50.9	49.3	50.0	51.5	51.5	50.6	50.3	53.9	50.8	52.1	52.8	54.7	49.1
EBITA	65.9	67.3	37.4	6.8	12.0	19.9	22.0	0.4	35.2	30.5	42.9	31.4	-302.0	-74.6	129.6	-0.8
Adjusted EBITA	73.5	67.3	41.3	6.8	26.5	30.2	8.4	15.0	38.9	36.4	54.6	31.4	99.4	85.0	104.8	0.9
Adjusted EBITA-margin. %	7.4	8.2	5.1	0.8	2.5	3.5	1.0	1.7	3.7	4.3	6.4	3.8	10.0	10.9	13.7	0.1
EBITDA	93.8	95.0	65.1	34.5	39.2	47.0	48.9	27.2	60.1	54.6	66.6	54.8	-279.6	-51.3	152.8	21.7
Adjusted EBITDA	101.3	95.0	69.0	34.5	53.6	57.3	35.4	41.8	63.7	60.6	78.3	54.8	121.8	108.3	128.0	23.4
Operating profit/loss	42.3	43.7	13.8	-16.8	-11.6	-3.7	-1.7	-23.2	10.4	6.6	19.0	7.5	-325.9	-98.5	105.7	-24.7
Operating margin. %	4.3	5.3	1.7	-2.1	-1.1	-0.4	-0.2	-2.7	1.0	0.8	2.2	0.9	-32.8	-12.7	13.9	-3.9
Financial items	-34.6	-47.3	-96.6	-59.5	-98.7	-44.4	-56.6	-42.8	-59.7	-22.2	-50.1	-45.1	-35.7	-41.9	-40.5	-36.6
Profit/loss before tax	7.7	-3.6	-82.8	-76.3	-110.3	-48.1	-58.3	-66.1	-49.3	-15.7	-31.0	-37.5	-361.6	-140.4	65.2	-61.3
Profit/loss for the period	-5.4	-19.3	-82.0	-72.5	-134.4	-47.5	-61.6	-61.0	-57.4	-18.4	-34.0	-38.3	-334.1	-150.7	41.0	-49.9
Cash-flow from operations	157.2	16.9	25.8	-50.1	68.6	-0.4	16.8	-103.9	43.5	7.1	19.7	-86.5	89.4	79.1	13.6	-50.6
Cash-flow for the period	-13.5	8.3	-2.5	1.3	1.8	-1.0	-1.4	-38.2	16.6	-18.6	-7.4	-115.1	60.0	61.4	-31.6	-41.1
Balance sheet total at the end of the period	3 094.5	3 274.5	3 286.7	3 297.1	3 352.4	3 584.2	3 621.5	3 614.4	3 594.5	3 667.9	3 555.4	3 543.6	3 632.2	3 605.2	3 645.1	3 736.6
Cash and cash equivalents at end of period	151.1	164.6	156.3	158.8	157.5	155.7	156.7	158.1	196.3	179.7	198.3	205.6	320.7	263.4	202.7	240.3
Inventories at the end of the period	621.3	722.5	699.1	676.8	699.9	785.9	792.2	769.9	738.6	743.3	624.0	585.3	528.9	536.2	470.4	525.4
Equity at the end of the period	-499.2	-494.8	-490.1	-403.8	-352.5	-159.3	-124.5	-145.5	-59.8	30.5	27.6	54.8	62.6	437.3	588.8	558.1
Net debt	1 366.2	1 494.8	1 488.2	1 487.1	1 411.8	1 455.6	1 415.7	1 405.4	1 270.9	1 284.3	1 262.6	1 252.0	1 133.8	1 187.9	1 245.6	1 236.1
Number of employees at the end of the period	558	568	585	603	602	592	602	612	604	585	581	556	551	522	521	530



NOTES TO THE FINANCIAL STATEMENTS

Note 1 General information

Ellos Group AB (publ). corporate identity number 559175-1325 is a limited company registered in Sweden with registered office in Stockholm. The Company's address is PO Box 961. 501 10 Borås.

Ellos Group AB is a subsidiary of Cidron e-Com S.à r.l., B164334. 8 rue Lou Hemmer L-1748 Senningerberg, Luxemburg.

Unless otherwise stated, all amounts are shown in SEK millions.

Note 2 Significant accounting policies

General information

The consolidated financial statements for Ellos Group AB (publ) have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and issued by International Accounting Standards Board (IASB) and interpretations issued by the IFRS Interpretations Committee (IFRIC). Furthermore, the group also applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation. RFR 1 Supplementary Accounting Rules for groups. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

Applied accounting principles in the interim report are consistent with the accounting principles that were applied in the preparation of the consolidated and annual report 2022.

New and changed amendments together with new interpretations which come into effect on 1 January 2023 may regarding changes in IAS 1 and IAS 12 affect the information that Ellos Group provides in its financial reports.

Accounting principles for the parent company

The Parent Company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

Application of RFR 2 means the Parent Company must, as far as possible, apply all IFRS adopted by the EU within the framework of the Swedish Annual Accounts Act and the Swedish Pension Obligations Vesting Act. and consider the relationship between accounting and taxation.

Note 3 Significant estimates and judgements

The preparation of an interim report requires management to make assessments and estimates as well as assumptions that affect the application of the accounting principles and reported amounts for assets, liabilities, income and expenses. Actual outcome may deviate from these estimates and judgments.

Important estimates and assessments made by the company management appear from the annual report for 2022 on pages 40-41.

Note 4 Transactions with related parties

Transactions, for the parent company and the group, with related parties are currently of the same nature as described in the annual report for 2022 for Ellos Group AB.

Note 5 Fair value financial instruments

The group's financial instruments measured at fair value as at 31 December 2023 comprise currency derivatives. Derivatives contracts with positive values amounted to SEK 25.7 (35.5) million and derivative contracts with negative values amounted to SEK 43.9 (48.0) million. Derivatives transactions are accounted for at gross value.

Financial assets and financial liabilities valued at fair value in the balance sheet (derivatives) are categorized according to the three-level fair value hierarchy in IFRS 13 (Level 1, 2 or 3). Measurement of all currency derivatives is categorized in Level 2. Currency futures are valued based on observable information regarding the currency rates and market interest rates as at the rates and market interest rates as at the balance sheet date for the remaining term.

RECONCILIATION OF KPI'S THAT ARE NOT DEFINED ACCORDING TO IFRS

Some of the financial performance measures in this report which are used by management and analysts to assess the group's performance are not defined in IFRS. Below is a reconciliation of the alternative key indicators with the nearest reconcilable item. Management believes that these financial performance measures facilitate analysis and evaluation of this report and provide valuable information to increase the ability to make comparisons between periods. This information should be regarded as complementing, rather than replacing, financial reporting according to IFRS. FNG Nordic group's definitions of these financial performance measures may differ from other companies' definitions of the same terms.

	3 MONTHS OCT - DEC 2023	3 MONTHS OCT - DEC 2022	12 MONTHS JAN - DEC 2023	12 MONTHS JAN - DEC 2022
Gross profit, MSEK				
Net sales	993.6	1 042.2	3 436.6	3 624.0
Cost of goods sold	-479.2	-528.7	-1 646.7	-1 793.3
Gross profit	514.4	513.5	1 789.9	1 830.7

Gross profit shows the difference between net sales less and cost of goods sold. Gross profit depends among the others on price development, costs development and product mix.

	3 MONTHS OCT - DEC 2023	3 MONTHS OCT - DEC 2022	12 MONTHS JAN - DEC 2023	12 MONTHS JAN - DEC 2022
Gross Margin, %				
Gross profit, in MSEK	514.4	513.5	1 789.9	1 830.7
Net sales, in MSEK	993.6	1 042.2	3 436.6	3 624.0
Gross margin	51.8	49.3	52.1	50.5

Gross margin shows the difference between net sales less and cost of goods sold in percentage to net sales. Gross margin depends among the others on price development, costs development and product mix.

	3 MONTHS OCT - DEC 2023	3 MONTHS OCT - DEC 2022	12 MONTHS JAN - DEC 2023	12 MONTHS JAN - DEC 2022
EBITA, MSEK				
Operating profit/loss	42.3	-11.6	82.9	-40.3
Amortization and impairment of acquisition-related intangible assets (Trademarks, Customer relations)	23.6	23.6	94.6	94.6
EBITA	65.9	12.0	177.5	54.3

EBITA shows the operating profit/loss before amortization of intangible assets caused by acquisition-related activities.

	3 MONTHS OCT - DEC 2023	3 MONTHS OCT - DEC 2022	12 MONTHS JAN - DEC 2023	12 MONTHS JAN - DEC 2022
ADJUSTED EBITA, MSEK				
Operating profit/loss	42.3	-11.6	82.9	-40.3
Amortization and impairment of acquisition-related intangible assets (Trademarks, Customer relations)	23.6	23.6	94.6	94.6
Non-recurring items				
Restructuring costs	7.5	5.2	11.4	15.5
Strategic costs	0.0	0.0	0.0	1.1
Incentive program	0.0	9.2	0.0	9.2
Adjusted EBITA	73.4	26.5	188.9	80.1

Adjusted EBITA shows the operating profit/loss before amortization, of acquisition-related intangible assets adjusted for nonrecurring items. Non-recurring items: refer to the items that are not occur yearly and are separated from usual business.

	3 MONTHS OCT - DEC 2023	3 MONTHS OCT - DEC 2022	12 MONTHS JAN - DEC 2023	12 MONTHS JAN - DEC 2022
ADJUSTED EBITA marginal, %				
Net sales, in MSEK	993.6	1 042.2	3 436.6	3 624.0
Adjusted EBITA, in MSEK	73.4	26.5	188.9	80.1
Adjusted EBITA- margin	7.4	2.5	5.5	2.2

Adjusted EBITA-margin shows the relationship between adjusted EBITA and net sales.

	3 MONTHS OCT - DEC 2023	3 MONTHS OCT - DEC 2022	12 MONTHS JAN - DEC 2023	12 MONTHS JAN - DEC 2022
ADJUSTED EBITDA, MSEK				
Operating profit/loss	42.3	-11.6	82.9	-40.3
Amortization, depreciation and impairment	51.5	50.8	205.5	202.5
EBITDA	93.8	39.2	288.4	162.2
Non-recurring items				
Restructuring costs	7.5	5.2	11.4	15.5
Strategic costs	0.0	0.0	0.0	1.1
Incentive program	0.0	9.2	0.0	9.2
Adjusted EBITDA	101.3	53.6	299.8	188.0

Adjusted EBITDA shows the operating profit/loss before amortization, depreciation, and impairment adjusted for non-recurring items. Non-recurring items: refer to the items that are not occur yearly and are separated from usual business.

	3 MONTHS OCT - DEC 2023	3 MONTHS OCT - DEC 2022	12 MONTHS JAN - DEC 2023	12 MONTHS JAN - DEC 2022
OPERATING PROFIT/LOSS, MSEK				
Profit/loss before tax	7.7	-110.3	-155.0	-282.8
Financial items	-34.6	-98.7	-237.9	-242.5
Operating profit/loss	42.3	-11.6	82.9	-40.3

Operating profit/loss shows the result for the operating activities, and this is an important KPI that Ellos Group follows

	3 MONTHS OCT - DEC 2023	3 MONTHS OCT - DEC 2022	12 MONTHS JAN - DEC 2023	12 MONTHS JAN - DEC 2022
OPERATING MARGIN, %				
Operating profit/loss, in MSEK	42.3	-11.6	82.9	-40.3
Net sales, in MSEK	993.6	1 042.2	3 436.6	3 624.0
Operating margin	4.3	-1.1	2.4	-1.1

Operating margin shows the operating profitability through the relationship of operating profit/loss to net sales.

NET DEBT, MSEK	2023-12-31	2022-12-31
Interest-bearing liabilities, long-term, excluding pension liabilities and lease liabilities	1 492.6	1 479.9
Interest-bearing liabilities, short-term	24.7	89.5
Cash and cash equivalents	-151.1	-157.5
Net debt	1 366.2	1 411.8

Net debt/net asset comprises interest-bearing liabilities excluding pension liabilities, lease liabilities and liabilities to group companies.

DEFINITIONS/GLOSSARY

Number of employees: Number of employees, expressed as full-time equivalents, at the end of the year.

Gross margin (%): Gross profit as a percentage of net sales.

Gross profit: Net sales less cost of goods sold. *

EBITDA: Operating profit/loss before depreciation/amortization and impairment.

Financial items: Financial items is the net amount of financial income and financial expense.

Adjusted gross margin (%): Adjusted gross profit as a percentage of net sales.

Adjusted gross profit: Net sales less costs of goods sold and non-recurring items.

Adjusted EBITA: Operating profit/loss before amortization of acquisition-related intangible assets and non-recurring items.

Adjusted EBITA margin: Adjusted EBITA as a percentage of net sales.

Adjusted EBITDA: Operating profit/loss before amortization/depreciation and impairment and nonrecurring items.

Non-recurring items: Items that are not occur yearly and are separated from usual business.

Net sales: Sales of goods and services, expressed in Swedish kronor, after deduction of VAT, discounts and estimated number of returns, plus handling fees. *

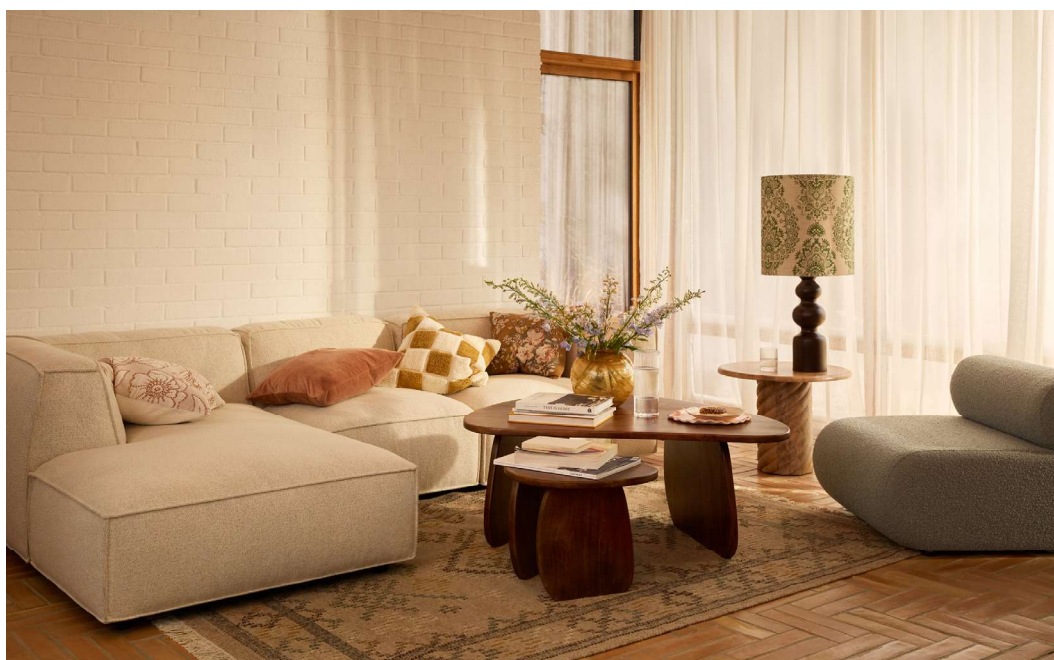
Net debt/net asset: Interest-bearing liabilities (excluding pension liabilities, lease liabilities and liabilities to group companies) less cash and cashequivalents and interest-bearing assets at the end of the period.

Organic growth, net sales: Increase or decrease in net sales in comparable currencies compared to the comparison period adjusted for acquired or disposed operations.

Operating profit/loss: Profit/loss before net financial income/expense and tax.

Operating margin: Operating profit/loss as a percentage of net sales.

* Definition according to IFRS



ASSURANCE OM TRUE AND FAIR VIEW

This Interim Report has not been reviewed by the Company's auditors.

The Board of Directors hereby confirms that the Interim Report gives a true and fair view of the activities, financial position and financial performance of the Parent Company and of the group, and that it describes the material risks and uncertainties facing the Parent Company and the companies included in the group.

Borås 23 February 2024

The Board of Directors

FUTURE REPORTINGS AND EVENTS

Annual report 2023	18 April 2024
Interim report first quarter 2024	8 May 2024
Annual general meeting	16 May 2024

The interim report will be published and available at Ellos Groups website, www.ellosgroup.com. 23 February 2024

FOR FURTHER INFORMATION

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This is information that Ellos Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08.30 CEST on February 23, 2024

ABOUT ELLOS GROUP

The Ellos Group, which includes the e-stores Ellos, Jotex, Homeroom and payment brand Elpy, is a leading e-commerce group in the Nordic region. Working closely with our millions of customers, we are constantly striving to develop and offer attractive and sustainable fashion and household items for the entire family. Our focus is always on the customer. We continuously work to develop our business through innovation, creativity, and sustainability. The Ellos Group, headquartered in Borås, and with operations in all Nordic countries and selected European markets, has around 550 employees and sales of around SEK 3.4 billion.

www.ellosgroup.com

