

ELLOS GROUP

Ellos Group AB (publ) group

INTERIM REPORT JANUARY - MARCH 2024

”Ellos Group starts off 2024 with strong earnings improvement”

THE FIRST QUARTER 2024

- Net sales decreased by 5.7 % to SEK 770,0 (816.4) million. Organically, net sales decreased by 5.3 %.
- The gross margin increased to 40.6 (39.5) %.
- Adjusted EBITA* increased to SEK 20.2 (6.8) million. The adjusted EBITA margin* increased to 2.6 (0.8) %.
- The operating profit/loss* increased to SEK -3.4 (-16.8) million. The operating margin* increased to -0.4 (-2.1) %.
- Cash flow from operating activities amounted to SEK -252.3 (-48.8) million.
- Adjusted cash flow from operating activities amounted to SEK -108.0 (-48.8) million.
- Inventories amounted to SEK 651.0 (676.8) million.

FINANCIALS KPI'S

AMOUNT IN MSEK	3 MONTHS JAN - MAR 2024	3 MONTHS JAN - MAR 2023	CHANGE
Net sales	770.0	816.4	-5.7%
Organic growth, net sales %	-5.3	-3.0	
Gross margin, %	40.6	39.5	
Adjusted EBITA	20.2	6.8	>100%
Adjusted EBITA- margin, %	2.6	0.8	
Operating profit/loss	-3.4	-16.8	79.8%
Operating margin, %	-0.4	-2.1	
Profit/loss for the period	-100.6	-72.7	-38.4%
Cash-flow from operations	-252.3	-48.8	>-100%
Adjusted cash-flow from operations	-108.0	-48.8	>-100%



*Not defined according to IFRS. See page 16-17.

COMMENT FROM THE CEO OF ELLOS GROUP AB (PUBL)

ELLOS GROUP STARTS OFF 2024 WITH STRONG EARNINGS IMPROVEMENT

Ellos Group delivers another quarter with improved earnings and continues to demonstrate a stable financial development. Adjusted EBITA amounted to SEK 20.2 million, a year-on-year improvement of almost 200 per cent, and corresponding to a margin of 2.6 per cent. As in 2023, the focus in 2024 will be on sharpening our customer offer while working to improve efficiency and costs.

The quarter presented a challenging market environment. Consumer purchasing power remained subdued, particularly in home furnishing, and an unusually cold spring impacted demand for more seasonal clothing. The Easter holiday, which fell early this year, had a somewhat dampening effect during the first quarter, and we expect this to have a more positive impact during Q2.

In the context of this development, Ellos Group's Home Furnishing and Fashion offers stand strong, and our assessment is that we are defending and continuing to gain market share. Our total sales during the first quarter decreased 5 per cent. However, we see positive indications in April for the spring and summer season, with preliminary figures for April showing sales growth of approximately 3 per cent.

Our strategy of focusing on our core customers guides us in everything we do. At the beginning of the year we advanced our positions in several areas to further improve our customer offer. We introduced the new Ellos Studio initiative, offering sport- and leisurewear in the 'Women's Sport' segment. Ellos launched several successful campaigns in collaboration with Pernilla Wahlgren, with a focus on fashion and home furnishings. We also intensified our focus on underwear, swimwear and beauty.

Within Home Furnishings, we have focused on developing attractive entry-level products. Both Ellos and Jotex have developed offers focused on design and quality that give customers hard-to-beat value for money in the lower price ranges. Jotex Tailormade was launched early in the year, and we have progressively increased the exposure of this offer with customised curtains for our customers in the Nordics and Northern Europe. Ellos, Jotex and Homeroom continue to promote 'Kitchen & Coffee', our offer focusing on kitchen, tableware, food and party experiences.

The first quarter earnings improvement was achieved due to a higher gross margin, lower marketing costs and lower operating costs. Efficiency improvements and a focus on costs are top priorities in all of our markets, and this work will continue unabated in 2024.

Inventories totalled SEK 651 million at the close of the quarter, as compared with SEK 677 million in 2023 and SEK 770 million two years ago. We are thus maintaining a well-balanced inventory position, providing us with favourable conditions for our spring and summer collections once the weather changes.

We have laid a solid foundation for 2024, with a popular offer and a broad-based business model based on our fully integrated online platform. We intend to continue as we have been by continuously improving our offer to our core customers in parallel with maintaining focus on increasing efficiency, reducing costs and improving cash flow.

In April we saw positive signs of a moderate recovery in demand which, in combination with potential future relief in the form of interest rate cuts, makes us cautiously optimistic. At the same time, we are closely following market developments, not least given the prevailing geopolitical turmoil.

In closing, I would like to thank all of our fantastic Ellos Group customers and colleagues, not least our bondholders for their continued support. We maintain an ongoing dialogue with various stakeholders to ensure our long-term financing. A strategic review is underway in order to create the best possible conditions and capital structure to enable the company to take the next step in its development.

As a leading Nordic shopping destination for home furnishings and fashion, we at Ellos Group are well positioned to continue our positive and profitable journey.

Hans Ohlsson, CEO





FIRST QUARTER 2024

SALES

Net sales for the period amounted to SEK 770.0 (816.4) million which is a decrease of 5.7 % compared to last year. The organic growth, i.e. excluding exchange rate changes and dispose of operations (Stayhard) were -5.3 %.

GROSS PROFIT

Starting with the Annual Report for 2023, the costs for package distribution are reported in cost of goods sold. The comparison quarters are recalculated. Gross profit for the period amounted to SEK 312.7 (322.5) million which is a decrease of 9.8 million compared to last year. The quarter's gross margin increased to 40.6% (39.5%).

OPERATING COSTS

Selling expenses, which no longer include distribution costs, amounted to SEK 204.0 (229.4) million which is a decrease of SEK 25.4 million compared to last year. In relation to net sales, selling expenses decreased by 1.6 percentage point mainly due to an improved marketing efficiency, but also a good cost development in customer center and the closure of the store in Gothenburg had a positive effect. 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 112.5 (108.4) million increased by SEK 4.1 million mainly driven by provision for variable salary components.

Other income amounted to SEK 4.4 (6.4) million and other costs to SEK -4.0 (-7.9) million. The change compared to previous year is mainly explained by exchange rate differences.

ADJUSTED EBITA

Adjusted EBITA amounted to SEK 20.2 (6.8) million which means a increase of SEK 13.4 million compared with the corresponding period last year.

EBITA

EBITA amounted to SEK 20.2 (6.8) million which is an increase of SEK 13.4 million compared with the same period last year.

FINANCIAL ITEMS AND TAXES

Financial income amounted to SEK 4.8 (3.2) million and financial expenses amounted to SEK -107.0 (-63.0) million. The increase of the financial income is mainly explained by currency adjustment of short-term liabilities to group companies, costs for emission of a SEK 250 million bond and increased interest costs.

Income tax for the period amounted to SEK 5.0 (3.9) million.

NET PROFIT

Net profit for the period amounted to SEK -100.6 (-72.7) million, where the change is explained by increased financial costs.

CASH FLOW

Cash flow from operating activities amounted to SEK -252.3 (-48.8) million. Cash flow has been negatively affected by SEK 144.3 million due to that the corresponding funds are used as security for the group's issued bank guarantees and FX derivatives and thus are not reported as cash & cash equivalents but as other current receivables. The cash flow includes bond loan interest expenses amounting to SEK 41.6 (32.8) million.

Inventories increased during the quarter by SEK 29.7 (-23.1) million, which had a negative effect on cash flow. The inventory thus amounts to SEK 651.0 million, which can be compared with SEK 676.8 million one year ago and SEK 769.9 million two years ago.

Accounts payable decreased during the quarter by SEK -83.7 (-78.2) million and has had a negative effect on cash flow.

Cash flow from investments totalled SEK -4.3 (-6.4) million, where the biggest part of it was related to commercial development projects.

Cash flow from financing activities amounted to SEK 207.0 (56.5) million and mainly referred to a new super senior bond of SEK 250 million.

Cash and cash equivalents amounted to SEK 101.5 (158.8) million.

Cash flow for the period totalled SEK -49.6 (1.3) million.



SIGNIFICANT EVENTS DURING THE FIRST QUARTER

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.

EVENTS AFTER CLOSING DATE

The Tax Agency denied, in the tax return for the year 2020, Ellos AB deduction for costs amounting to SEK 158 million regarding a collaboration with former group companies. The case was appealed by Ellos Group and the Administrative Court announced in a judgment during April 2024 that they cancel the Tax Agency's decision and admit Ellos AB deductions for these costs.

NUMBER OF EMPLOYEES

As at 31 March 2024, the group had 557 (603) 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 2023 on pages 6, 12 and 36-38.

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 has issued bonds for SEK 1 750 million. As security for these credits the group has pledged the shares in all of the group's subsidiaries and sub-subsidiaries.

There are also business mortgages in some of the group companies amounting to SEK 8 560.4 million. Furthermore, the group has pledged SEK 144.3 million cash & cash equivalents for issued bank guarantees and FX derivatives. In addition, the group has a general guarantee which amounts to SEK 1 750.0 million.

PARENT COMPANY

The Parent Company's operating profit/loss for the first quarter amounted to SEK 0.0 (0.0) 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 -92.5 (-56.0) million for the first quarter and primarily comprised interest on issued bonds, interest and currency effect on current liabilities to group companies as well as costs for emission of the new super senior bond on SEK 250 million.



Distrubution of net sales

Amount in MSEK	3 MONTHS JAN - MAR 2024	3 MONTHS JAN - MAR 2023	CHANGE
Revenue from agreements with customers	652.2	690.6	-5.6%
Invoiced fees	46.6	48.3	-3.5%
Royalty	1.9	2.4	-20.8%
Additional purchase price Resurs Bank	69.3	75.1	-7.7%
Net sales	770.0	816.4	-5.7%

Net sales, components

Amount in MSEK	3 MONTHS JAN - MAR 2024	CHANGE	3 MONTHS JAN - MAR 2023	CHANGE
Organic growth	-43.1	-5.3%	-25.3	-3.0%
Currency effects	-3.3	-0.4%	7.0	0.8%
Dispose of operations	0.0	0.0%	-27.9	-3.2%
Change in net sales	-46.4	-5.7%	-46.2	-5.4%

Net sales per country where the customer is located

Amount in MSEK	3 MONTHS JAN - MAR 2024	3 MONTHS JAN - MAR 2023	CHANGE
Sweden	413.4	434.5	-4.9%
Norway	134.3	134.4	-0.1%
Finland	112.9	119.7	-5.7%
Denmark	61.6	62.9	-2.1%
Germany	28.5	32.0	-10.9%
Other Europe	17.4	30.5	-43.0%
USA	1.9	2.4	-20.8%
Net sales	770.0	816.4	-5.7%

Other income

Amount in MSEK	3 MONTHS JAN - MAR 2024	3 MONTHS JAN - MAR 2023	CHANGE
Rental income	1.3	1.4	-7.1%
Exchange gain	2.6	4.4	-40.9%
Other	0.5	0.6	-16.7%
Other income	4.4	6.4	-31.3%

Other costs

Amount in MSEK	3 MONTHS JAN - MAR 2024	3 MONTHS JAN - MAR 2023	CHANGE
Exchange loss	-4.0	-7.9	49.4%
Other costs	-4.0	-7.9	49.4%

Consolidated income statement

Amount in MSEK	3 MONTHS JAN - MAR 2024	3 MONTHS JAN - MAR 2023
Net sales	770.0	816.4
Cost of goods sold	-457.3	-493.9
Gross profit	312.7	322.5
Selling expenses	-204.0	-229.4
Administrative expenses	-112.5	-108.4
Other income	4.4	6.4
Other costs	-4.0	-7.9
Operating profit/loss	-3.4	-16.8
Financial items		
Financial income	4.8	3.2
Financial costs	-107.0	-63.0
Financial items	-102.2	-59.8
Profit/loss before tax	-105.6	-76.6
Income tax	5.0	3.9
Profit/loss for the period	-100.6	-72.7
Attributable to:		
Parent company's shareholders	-100.6	-72.7

Consolidated statement of comprehensive income

Amount in MSEK	3 MONTHS JAN - MAR 2024	3 MONTHS JAN - MAR 2023
Profit/loss for the period	-100.6	-72.7
Items not to be returned to the income statement:		
Actuarial gains/losses	11.4	10.8
Tax effect	-2.4	-2.2
Items not to be returned to the income statement	9.0	8.6
Items that can later be reversed to the income statement:		
Translation differences for the period	5.5	10.1
Cash-flow hedges change in value	17.9	16.9
Cash-flow hedges returned to the income statement	0.4	-13.8
Tax effect	-3.8	-0.6
Items that can later be reversed to the income statement	20.0	12.6
Comprehensive income	-71.6	-51.5
Attributable to parent company's shareholders	-71.6	-51.5

Consolidated statement of financial position

Amount in MSEK	2024-03-31	2023-03-31	2023-12-31
ASSETS			
<i>Non-current assets</i>			
Goodwill	677.0	677.0	677.0
Trademarks	445.3	445.3	445.3
Customer relationships	252.2	346.8	275.9
Development expenditure	83.0	90.8	87.3
Right-of-use assets	509.1	548.8	528.3
Equipment, tools, fixtures and fittings	49.6	52.9	51.3
Investments in leased property	59.3	67.1	60.5
Constuction in progress within property, plant and equipment	0.2	4.0	0.0
Non-current receivables	8.1	7.0	7.8
Deferred tax assets	15.9	28.0	16.5
Total non-current assets	2 099.7	2 212.7	2 149.9
<i>Current asset</i>			
Inventories	651.0	676.8	621.3
Return assets	14.7	13.4	12.4
Accrued income	28.1	28.0	30.4
Trade receivables	80.9	52.2	65.2
Current tax assets	50.4	46.5	50.5
Derivate instruments	20.2	36.7	25.7
Other current receivables	172.2	14.5	28.7
Prepaid expenses	37.2	50.6	35.0
Cash & cash equivalents	101.5	158.8	151.1
Total current assets	1 156.2	1 077.5	1 020.3
TOTAL ASSETS	3 255.9	3 345.2	3 170.2



Consolidated statement of financial position

Amount in MSEK	2024-03-31	2023-03-31	2023-12-31
EQUITY AND LIABILITIES			
<i>Equity attributable to parent company's shareholders</i>			
Share capital	0.5	0.5	0.5
Additional paid-in capital	683.2	683.2	683.2
Reserves	15.3	-28.8	-4.8
Retained earnings including the profit/loss for the year	-1 275.4	-1 063.7	-1 183.8
Total Equity	-576.4	-408.8	-504.9
<i>Non-current liabilities</i>			
Bond issue	0.0	1 483.1	0.0
Long-term lease liabilities	444.7	485.5	463.0
Deferred tax liabilities	145.5	165.3	150.8
Provision for endowment insurance, pensions	10.6	8.9	10.1
Provision for pensions	107.8	102.7	119.2
Total non-current liabilities	708.6	2 245.5	743.1
<i>Current liabilities</i>			
Bond issue	1 745.8	0.0	1 492.6
Interest-bearing liabilities	0.0	162.8	24.7
Current lease liabilities	72.4	67.9	72.0
Trade payables	214.1	263.1	297.8
Current liabilities to Group companies	643.7	558.7	604.6
Current tax liabilities	42.4	15.7	40.7
Other provisions	1.1	4.2	1.5
Derivatives	16.4	45.0	43.9
Other current liabilities	123.9	124.4	104.8
Repayment liability	33.9	30.3	25.3
Accrued expenses	230.0	236.4	224.1
Total Current liabilities	3 123.7	1 508.5	2 932.0
Total liabilities	3 832.3	3 754.0	3 675.1
TOTAL EQUITY AND LIABILITIES	3 255.9	3 345.2	3 170.2

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 2024	0.5	683.2	25.7	-30.5	-1 183.8	-504.9
Comprehensive income						
Profit/loss for the period					-100.6	-100.6
Other comprehensive income:						
Cash flow hedges						
Change in fair value for the year				-17.9		-17.9
Transferred to the income statement				0.4		0.4
Translation differences			5.5			5.5
Actuarial gains/losses					11.4	11.4
Tax attributable to items in other comprehensive income				-3.8	-2.4	-6.2
Other comprehensive income, after tax			5.5	14.5	9.0	29.0
Comprehensive income			5.5	14.5	-91.6	-71.6
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 March 2024	0.5	683.2	31.2	-15.9	-1 275.4	-576.4

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	-999.5	-357.2
Comprehensive income						
Profit/loss for the period					-72.7	-72.7
Other comprehensive income:						
Cash flow hedges						
Change in fair value for the year				16.9		16.9
Transferred to the income statement				-13.8		-13.8
Translation differences			10.1			10.1
Actuarial gains/losses					10.8	10.8
Tax attributable to items in other comprehensive income				-0.6	-2.2	-2.8
Other comprehensive income, after tax	0.0	0.0	10.1	2.5	8.6	21.2
Comprehensive income	0.0	0.0	10.1	2.5	-64.1	-51.5
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 March 2023	0.5	683.2	-0.3	-28.5	-1 063.5	-408.8

Consolidated cash flow statement

Amount in MSEK	3 MONTHS JAN - MAR 2024	3 MONTHS JAN - MAR 2023
Cash flow from operating activities		
Cash-flow from operations before changes in working capital	-13.3	-16.8
Cash-flow from changes in working capital	-239.0	-32.0
Cash-flow from operations	-252.3	-48.8
Investments		
Acquisition of intangible fixed assets	-3.1	-3.6
Acquisition of tangible fixed assets	-0.9	-2.6
Acquisition of financial fixed assets	-0.3	-0.2
Cash-flow from investments	-4.3	-6.4
Financing activities		
Borrowings	250.0	0.0
Payment of lease liabilities	-18.4	-16.8
Change of revolving credit	-24.6	73.3
Cash-flow from financing activities	207.0	56.5
Cash-flow for the period	-49.6	1.3
Cash and cash equivalents at beginning of period	151.1	157.5
Exchange rate difference in liquid assets	0.0	0.0
Cash and cash equivalents at end of period	101.5	158.8



Parent company income statement

Amount in MSEK	3 MONTHS JAN - MAR 2024	3 MONTHS JAN - MAR 2023
Net sales	1.8	1.6
Gross profit	1.8	1.6
Administrative expenses	-1.8	-1.6
Operating profit	0.0	0.0
Financial items		
Interest income	9.4	2.2
Interest costs	-101.9	-58.2
Financial items	-92.5	-56.0
Profit/loss after financial costs	-92.5	-56.0
Profit/loss before tax	-92.5	-56.0
Income tax	4.8	1.6
Profit/loss for the period	-87.7	-54.4

Parent company statement of comprehensive income

Amount in MSEK	3 MONTHS JAN - MAR 2024	3 MONTHS JAN - MAR 2023
Profit/loss for the period	-87.7	-54.4
Comprehensive income	-87.7	-54.4



Parent company's balance sheet

Amount in MSEK	2024-03-31	2023-03-31	2023-12-31
ASSETS			
Fixed assets			
Shares in subsidiaries	2 371.5	2 370.2	2 371.2
Deferred tax assets	4.9	9.0	0.0
Total Fixed assets	2 376.4	2 379.2	2 371.2
Current assets			
Receivables from group companies	432.4	164.3	377.3
Tax assets	0.0	0.3	0.0
Other current assets	1.1	0.0	0.2
Prepayments and accrued income	1.0	0.4	1.4
Cash and bank	149.0	4.4	0.5
Total Current assets	583.5	169.4	379.4
TOTAL ASSETS	2 959.9	2 548.6	2 750.6
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	0.5	0.5	0.5
Non-restricted equity			
Non-restricted equity	527.4	415.9	614.8
Total Equity	527.9	416.4	615.3
Long-term liabilities			
Bond issue	0.0	1 483.1	0.0
Total Long-term liabilities	0.0	1 483.1	0.0
Current liabilities			
Bond issue	1 745.8	0.0	1 492.6
Accounts payable	2.0	0.6	0.2
Liabilities to group companies	643.7	621.4	604.6
Tax liabilities	6.4	0.0	6.5
Other current liabilities	0.1	0.5	0.1
Accrued expenses and prepaid income	34.0	26.6	31.3
Total Current liabilities	2 432.0	649.1	2 135.3
TOTAL EQUITY AND LIABILITIES	2 959.9	2 548.6	2 750.6

Financial KPI’s

	3 MONTHS JAN - MAR 2024	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	770.0	993.6	824.5	802.1	816.4	1 042.2	860.8	858.4	862.6	1 075.9	846.6	852.9	830.3	993.3	778.0	763.1	640.5
Gross profit	312.7	413.4	341.6	341.3	322.5	399.3	333.2	347.4	354.5	440.9	341.6	377.6	343.8	434.8	181.3	342.5	249.0
Gross margin. %	40.6	41.6	41.4	42.6	39.5	38.3	38.7	40.5	41.1	41.0	40.3	44.3	41.4	43.3	23.3	44.9	38.9
Adjusted gross profit	312.7	413.4	341.6	341.3	322.5	399.3	333.2	347.4	354.5	440.9	341.6	377.6	343.8	434.8	339.8	342.5	249.0
Adjusted gross margin. %	40.6	41.6	41.4	42.6	39.5	38.3	38.7	40.5	41.1	41.0	40.3	44.3	41.4	43.3	43.7	44.9	38.9
EBITA	20.2	66.1	67.3	37.4	6.8	11.9	19.9	21.9	0.3	35.2	30.5	42.9	31.4	-302.0	-74.6	129.6	-0.8
Adjusted EBITA	20.2	73.6	67.3	41.3	6.8	26.4	30.2	8.3	14.9	38.9	36.4	54.6	31.4	99.4	85.0	104.8	0.9
Adjusted EBITA-margin. %	2.6	7.4	8.2	5.2	0.8	2.5	3.5	1.0	1.7	3.6	4.3	6.4	3.8	10.0	10.9	13.7	0.1
EBITDA	50.6	93.9	95.0	65.1	34.5	39.1	47.0	48.8	27.1	60.1	54.7	66.6	54.8	-279.6	-51.3	152.8	21.7
Adjusted EBITDA	50.6	101.4	95.0	69.0	34.5	53.5	57.3	35.3	41.7	63.7	60.6	78.3	54.8	121.8	108.3	128.0	23.4
Operating profit/loss	-3.4	42.4	43.7	13.8	-16.8	-11.7	-3.7	-1.8	-23.3	10.4	6.6	19.0	7.5	-325.9	-98.5	105.7	-24.7
Operating margin. %	-0.4	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	-102.2	-34.9	-47.6	-96.9	-59.8	-98.7	-44.6	-56.7	-42.9	-59.7	-22.2	-50.1	-45.1	-35.7	-41.9	-40.5	-36.6
Profit/loss before tax	-105.6	7.5	-3.9	-83.2	-76.6	-110.5	-48.3	-58.4	-66.3	-49.3	-15.7	-31.0	-37.5	-361.6	-140.4	65.2	-61.3
Profit/loss for the period	-100.6	-5.6	-19.5	-82.3	-72.7	-134.5	-47.6	-61.7	-61.2	-57.4	-18.4	-34.0	-38.3	-334.1	-150.7	41.0	-49.9
Cash-flow from operations	-252.3	158.8	18.3	27.2	-48.8	68.7	-0.2	17.0	-103.7	43.5	7.1	19.7	-86.5	89.4	79.1	13.6	-50.6
Cash-flow for the period	-49.6	-13.5	8.3	-2.5	1.3	1.9	-1.0	-1.5	-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	3 255.9	3170.2	3319.5	3333.2	3 345.2	3 417.5	3 593.2	3 631.2	3 624.4	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	101.5	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	651.0	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	-576.4	-504.9	-500.3	-495.3	-408.8	-357.2	-163.9	-129.0	-149.9	-59.8	30.5	27.6	54.8	62.6	437.3	588.8	558.1
Net debt	1 644.3	1366.2	1494.8	1488.2	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	557	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 2023.

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 2023 on pages 34-35.

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 2023 for Ellos Group AB.

Note 5 Fair value financial instruments

The group's financial instruments measured at fair value as at 31 March 2024 comprise currency derivatives. Derivatives contracts with positive values amounted to SEK 20.2 (36.7) million and derivative contracts with negative values amounted to SEK 16.4 (45.0) 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.

Gross profit, MSEK	3 MONTHS JAN - MAR 2024	3 MONTHS JAN - MAR 2023
Net sales	770.0	816.4
Cost of goods sold	-457.3	-493.9
Gross profit	312.7	322.5

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.

Gross Margin, %	3 MONTHS JAN - MAR 2024	3 MONTHS JAN - MAR 2023
Gross profit, in MSEK	312.7	322.5
Net sales, in MSEK	770.0	816.4
Gross margin	40.6	39.5

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.

EBITA, MSEK	3 MONTHS JAN - MAR 2024	3 MONTHS JAN - MAR 2023
Operating profit/loss	-3.4	-16.8
Amortization and impairment of acquisition-related intangible assets (Trademarks, Customer relations)	23.6	23.6
EBITA	20.2	6.8

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

ADJUSTED EBITA, MSEK	3 MONTHS JAN - MAR 2024	3 MONTHS JAN - MAR 2023
Operating profit/loss	-3.4	-16.8
Amortization and impairment of acquisition-related intangible assets (Trademarks, Customer relations)	23.6	23.6
Non-recurring items	0.0	0.0
Adjusted EBITA	20.2	6.8

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 JAN - MAR 2024	3 MONTHS JAN - MAR 2023
ADJUSTED EBITA marginal, %		
Net sales, in MSEK	770.0	816.4
Adjusted EBITA, in MSEK	20.2	6.8
Adjusted EBITA- margin	2.6	0.8

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

	3 MONTHS JAN - MAR 2024	3 MONTHS JAN - MAR 2023
ADJUSTED EBITDA, MSEK		
Operating profit/loss	-3.4	-16.8
Amortization, depreciation and impairment	54.0	51.3
EBITDA	50.6	34.5
Non-recurring items	0.0	0.0
Adjusted EBITDA	50.6	34.5

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 JAN - MAR 2024	3 MONTHS JAN - MAR 2023
OPERATING PROFIT/LOSS, MSEK		
Profit/loss before tax	-105.6	-76.6
Financial items	-102.2	-59.8
Operating profit/loss	-3.4	-16.8

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

	3 MONTHS JAN - MAR 2024	3 MONTHS JAN - MAR 2023
OPERATING MARGIN, %		
Operating profit/loss, in MSEK	-3.4	-16.8
Net sales, in MSEK	770.0	816.4
Operating margin	-0.4	-2.1

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

	3 MONTHS JAN - MAR 2024	3 MONTHS JAN - MAR 2023
ADJUSTED CASH FLOW FROM OPERATIONS, MSEK		
Cash flow from operations	-252.3	-48.8
Pledging of cash and cash equivalents	144.3	0.0
Adjusted cash flow from operations	-108.0	-48.8

Early in the year, we entered into a new operational financing agreement in terms of a super senior bond of SEK 250 million. The proceeds of the bond were used to fully refinance the previous revolving credit facility, of which SEK 144.3 million was used as security for issued bank guarantees, among other things. Accordingly, cash flow for the period was negatively impacted by a corresponding amount.

	2024-03-31	2023-03-31	2023-12-31
NET DEBT, MSEK			
Interest-bearing liabilities, long-term, excluding pension liabilities and lease liabilities	1 745.8	1 483.1	1 492.6
Interest-bearing liabilities, short-term	0.0	162.8	24.7
Cash and cash equivalents	-101.5	-158.8	-151.1
Net debt	1 644.3	1 487.1	1 366.2

Net debt/net asset comprises interest-bearing liabilities excluding pension liabilities, lease liabilities and liabilities to group companies. The SEK 144.3 million used as collateral for the group's bank guarantees and FX derivatives are reported as other current receivables and are thus excluded from the above statement. If these funds had been included, the net debt would have been SEK 1 500.0 million.

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.

Adjusted cash flow from operations: Cash flow from operations adjusted for the effect that cash and cash equivalents have been pledged and booked as other short-term receivables

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 cash equivalents 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 8 May 2024

The Board of Directors

FUTURE REPORTINGS AND EVENTS

Annual general meeting
Interim report second quarter 2024

16 May 2024
23 August 2024

The interim report will be published and available at Ellos Groups website, www.ellogroup.com. 8 May 2024

FOR FURTHER INFORMATION

CFO: Johan Stigson
Tel. +46 (0)33 16 08 05

This is information that Ellos Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation.
The information was submitted for publication, through the agency of the contact person set out above,
at 08.30 CEST on May 8, 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.ellogroup.com

