



ELLOS GROUP
ellos Jotex home  room elpy

Ellos Group Q3 2024 Trading Update

Q3 2024 TRADING UPDATE

HIGHLIGHTS

- For Q3, there will not be a formal consolidated report for Ellos Group due to the bankruptcy filing of the top holding company in Sep. Instead we are providing this trading update. Figures are based on internal management accounts. On the last page, you can find a bridge between management accounts and consolidated accounts for the reference periods.
- **Significant events**
 - 26:th of July Ellos Group receives an acceleration notice for its 1.500 MSEK Senior Bond and its 250 MSEK Super Senior Bond
 - 30:th of July Ellos Group enters into a standstill agreement with the bondholders
 - 29:th of Aug The top holding company files for bankruptcy
 - 24:th of Sep Bondholders signs deal to acquire all shares in Ellos Group Nordic AB making them the new owners in the "new" Ellos Group.
 - 24:th of Sep New liquidity financing underwritten
 - 15:th of Oct Closing of the transaction where bondholders acquires the shares in Ellos Group Nordic AB
 - 15:th of Oct Settlement of the new liquidity financing of 158,8 MSEK
 - 28:th of Nov Significant reduction of Ellos Groups' debt level achieved with the finalization of the equitization of 780 MSEK of the 1.530 MSEK bond.

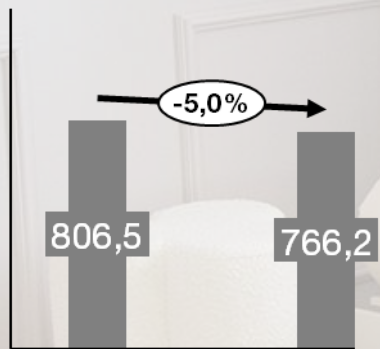
"With new supportive owners and a more appropriate capital structure we can now continue giving our customers attractive and affordable home furnishing and fashion products as a leading Nordic shopping destination," says Hans Ohlsson, CEO Ellos Group



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SALES

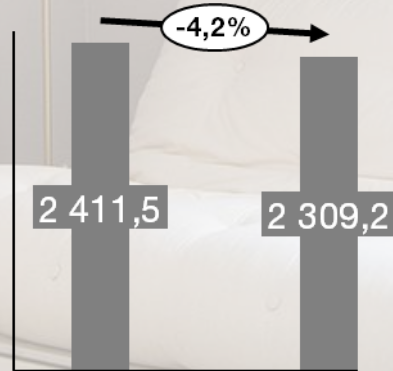
Sales Quarter



23-Act

24-Act

Sales YTD



23-Act

24-Act

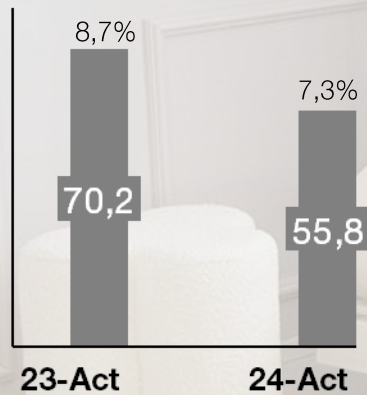
- It's clear that the purchasing power of the consumers has remained dampened during Q3 and that the interest rate cuts have yet to translate into increased customer demand.
- As for the market as a whole, Fashion is considerably stronger than the Home segment, despite of unfavorable weather conditions.
- Our view is that Ellos Group is defending or even increasing its market shares vs. the other main actors in the market.
- We remain cautiously optimistic about the market development and that the latest more significant interest rate cuts will take effect. Regardless of market development, Ellos Group is standing strong on its product offerings within both Fashion and Home Interior.



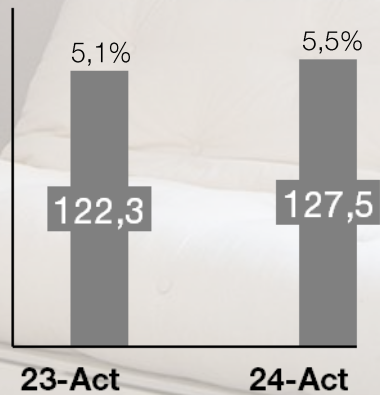
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ADJUSTED EBITA

EBITA Quarter



EBITA YTD

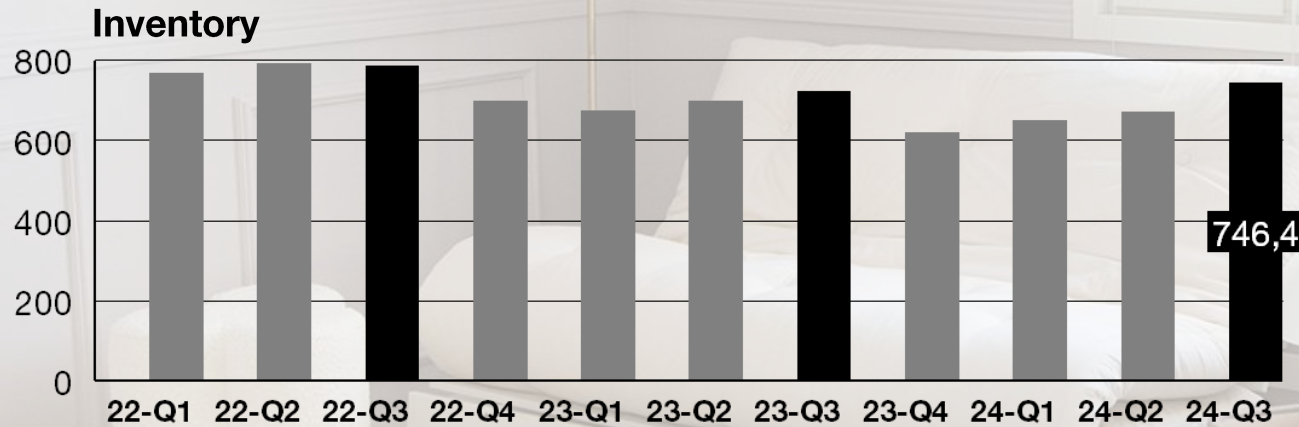


- Following 5 consecutive quarters in a row with increasing profits, Q3 came in lower mainly due to lower sales volumes.
- On an accumulated basis, we are 5m ahead of last year in terms of EBITA, despite of ~100m lower sales. This is achieved through more efficient processes and cost control all through the P&L, such as;
 - Improved net distribution cost
 - Higher supplier discounts
 - Lower product & supply chain quality deviations
 - Improved customer engagement processes → lower cost for customer relations
 - Higher efficiency in the Warehouse / Logistics

Source: Management accounts

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INVENTORY & NET DEBT



- A normal seasonal build up of inventory during Q3 will ensure a good stock availability during the important Black Week and Christmas shopping periods in Q4. Inventory is up 23,9 MSEK and 3,3% compared to the same quarter last year.

Net Financial Debt*

SEKm	Sep 30:th 2024	28:th Nov 2024	
Senior Bond	1 500,0	750,0	Tranche A in reinstated Bond
Super Senior Bonds	250,0	413,8	Tranche B in reinstated bond
Cash	-19,5	-182,2	
Cash Collateral	-168,6	-167,3	Not booked as a net debt item in the BS
Net Financial Debt incl. Cash Collateral	1 561,9	814,3	

- After the settlement of the liquidity bond and the equitization of 780 MSEK of the super senior debt, the Ellos Group Net Debt amounts to 814 MSEK.

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INCOME STATEMENT OVERVIEW

SEKm	Q3-23	Q3-24	YTD Q3-23	YTD Q3-24
Sales	806,5	766,2	2 411,5	2 309,2
COGS	-477,6	-449,3	-1 434,2	-1 351,5
Gross Profit	328,9	316,9	977,3	957,7
Selling Expenses	-181,6	-178,4	-590,2	-560,1
Administration Expenses	-88,4	-87,8	-287,2	-289,4
Other Income	11,3	5,2	22,3	19,3
EBITA Management Accounts	70,2	55,8	122,3	127,5
Gross Profit	40,8%	41,4%	40,5%	41,5%
Selling Expenses % of Sales	-22,5%	-23,3%	-24,5%	-24,3%
Administration Expenses % of Sales	-11,0%	-11,5%	-11,9%	-12,5%
EBITA % of Sales	8,7%	7,3%	5,1%	5,5%

Sales

Includes Fashion and Home sales (net of discount and returns), delivery fees, sales through non owned channels, other revenue partly related to store-based sales and income from Financial Services

COGS

Merchandise COGS include purchase cost, inbound freight and customs fees. Distribution is the cost for transporting the parcels to the customers. Warehouse costs include staff managing inbound / outbound and repackaging. Other relates primarily to store COGS, product samples, supplier discounts etc.

Selling expenses

Includes marketing cost, picking and packing, call centre, marketing staff and other costs, e.g. store related costs

Administration expenses

Includes OH (Finance / HR / IT), white collar logistics staff, returns and sourcing, office rental costs, Group management and other costs

Other income

Mainly relates to recoveries from an historical non-performing loan book

EBITA

Please see the EBITA bridge on the following page for explanations on management accounts and reported / consolidated figures

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EBITA BRIDGE

Bridge Consolidated accounts <--> Management accounts

	(MSEK)	Q3-23	Q3-24	YTD Q3-23	YTD Q3-24
Operating Profit		43,7	N/A	40,6	N/A
Amortisation of acquisition-related intangible assets		23,6		70,9	
Non recurring cost		0,0		3,9	
Adjusted EBITA		67,3	N/A	115,4	N/A
Interest on NPL-portfolio		1,9		4,8	
Group Consolidation Valuation Entries		-1,8		-2,2	
Other / Currency		2,8		4,2	
EBITA Management Accounts		70,2		122,3	

As presented in the Ellos Group AB Quarterly reports / Consolidated Accounts

Reported in Financial Income in the Consolidated Accounts
FX-valuations not done in the mgm accounts
Different FX-rates used for consolidation



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