

ELLOS GROUP  
ellos Jotex home room elpy

ELLOS GROUP

**Roadshow Presentation**

*November 2023*



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# Today's presenters



**Hans Ohlsson**  
*Chief Executive Officer*



**Johan Stigson**  
*Chief Financial Officer*



# Agenda

- 1 Ellos Group recap and Q3 highlights**
- 2 Strategy overview and financial deep-dive
- 3 Appendix





# Ellos Group recap | The leading Nordic e-commerce group

The go-to player for the “*The midlife Woman*”<sup>1</sup>

ellos

Jotex

home room



**3.5bn**

Net sales (SEK)



**1.8bn**

Gross profit (SEK)



**51%**

Gross margin (%)



**252m**

Adj. EBITDA (SEK)

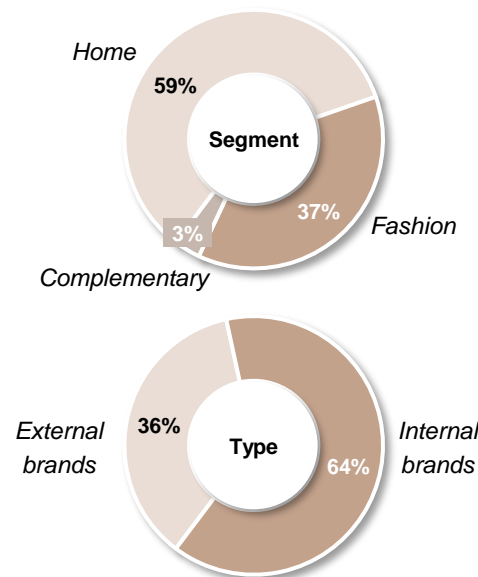


**3.1m**

Active customers<sup>2</sup>



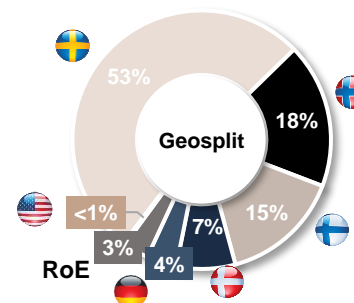
Revenue split<sup>1</sup>



Geographical presence



HQ and fulfilment  
 3PL centres  
 Core markets  
 Growth markets

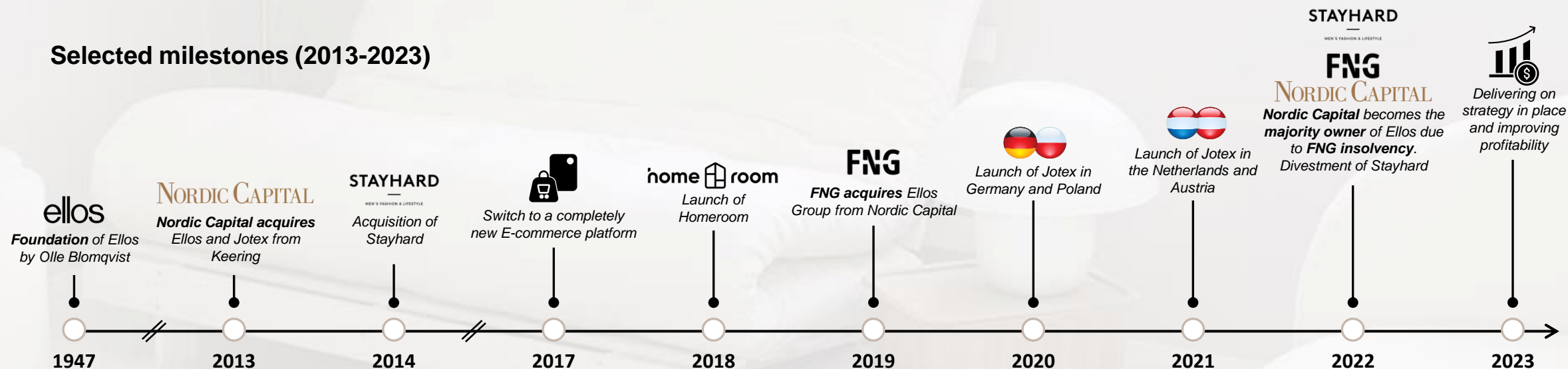


RoE

Notes: 1) LTM Q3 2023. 2) Active customer defined as a customer placing an order within the last 24 months.

# History recap | Joining forces anew with Nordic Capital

## Selected milestones (2013-2023)



"Nordic Capital is an established and active owner that have supported our growth and transformation for many years to become the leading Nordic region's e-commerce group. We look forward to continuing our collaboration and fuel future growth by leveraging our strong market position."

- Hans Ohlsson, CEO of Ellos Group



"We are, and have always been, impressed by Ellos Group's strategic position as a Nordic leader in its industry. As a responsible and active owner, Nordic Capital commits to continue to support the continued growth and success of Ellos Group."

- Robert Furuholm, Partner Nordic Capital Investment Advisory

**Creating exceptional shopping value for Nordic Women 30-60+**



# Q3 Highlights | Profitability focus continues to pay off

## ***Strong profitability improvement***

- We are delivering strong results, driven primarily by a stronger gross margin, lower marketing costs and lower operating costs. The gross margin increased 2.1 percentage points to 52.1 per cent, representing an increase in adjusted EBITA of over 100 per cent for the first nine months of the year. This is a clear sign that our focus on costs and profitability is having a real impact

## ***Focus on working capital and cash flow***

- As part of our cost focus, we are seeing continued efficiency improvements in both inventory and distribution, while also continuing to develop our business by adding new delivery services and focusing on improving lead times to the customer. In addition, our work with purchasing and good inventory management has created a healthy balance in inventory levels. Inventories are SEK 63.4 million lower as compared with last year. Cash flow from operating activities increased to SEK 16.9 million during the quarter

## ***Challenging market sentiment***

- It is also evident that consumer purchasing power remained dampened during the quarter by the interest rate situation, inflation and geopolitical developments. An unusually warm autumn also impacted demand for and sales of seasonal clothing, such as jackets and knitwear. The Swedish Trade Federation's E-commerce Indicator estimates that e-commerce in Sweden decreased 4 percent for the January – August period as compared with last year. Fashion and footwear continue to grow, while home furnishings and furniture decreased at least 15 per cent, according to the E-commerce Indicator. In view of this, Ellos Group's Fashion and Home offer remains strong

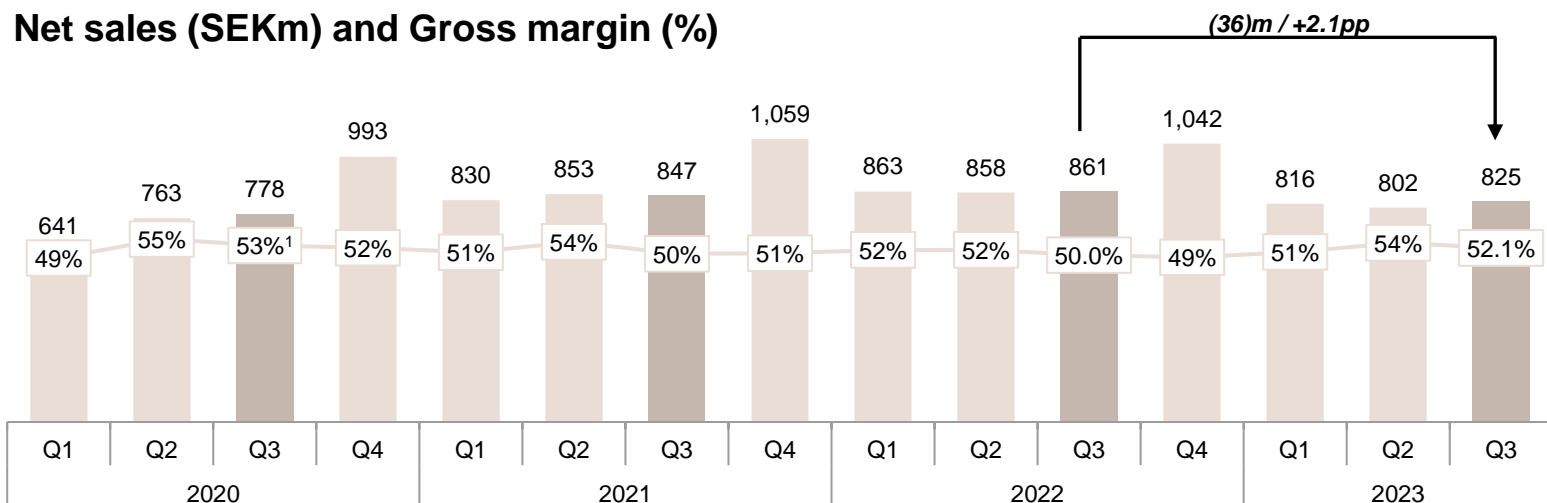
## ***Strong foundation in place***

- Ellos Group continues its unflagging efforts to lay a solid foundation for profitable growth. A strong customer focus, cost efficiency and inventory efficiency are high on our agenda in 2023, and we are closely monitoring market developments so that we can quickly adapt. As a leading e-commerce player with strong and valued home furnishing and fashion brands, we are well positioned to create value for our customers

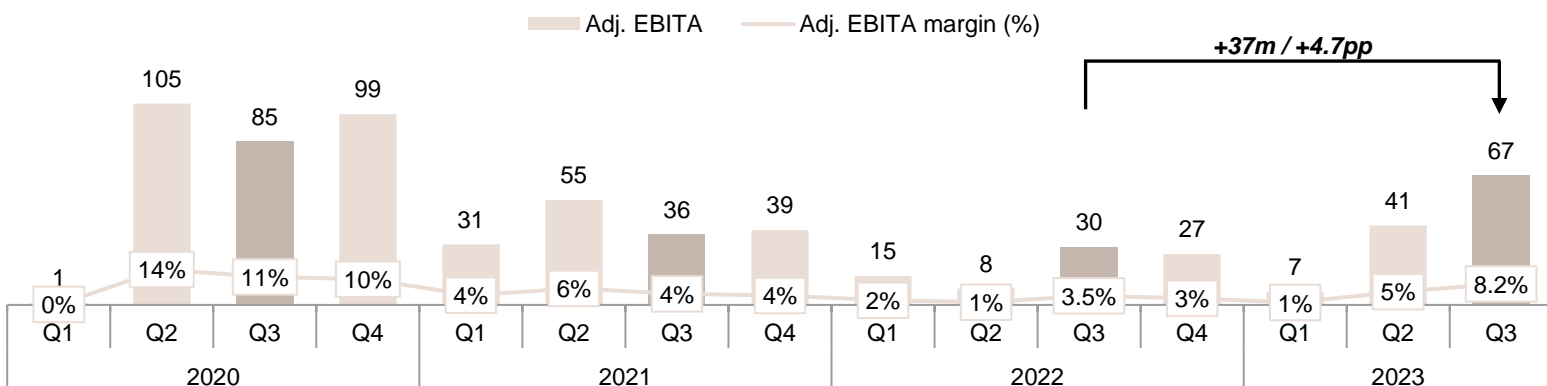


# Q3 | Net sales, gross margin, and Adj. EBITA development

## Net sales (SEKm) and Gross margin (%)



## Adj. EBITA (SEKm) and Adj. EBITA margin (%)



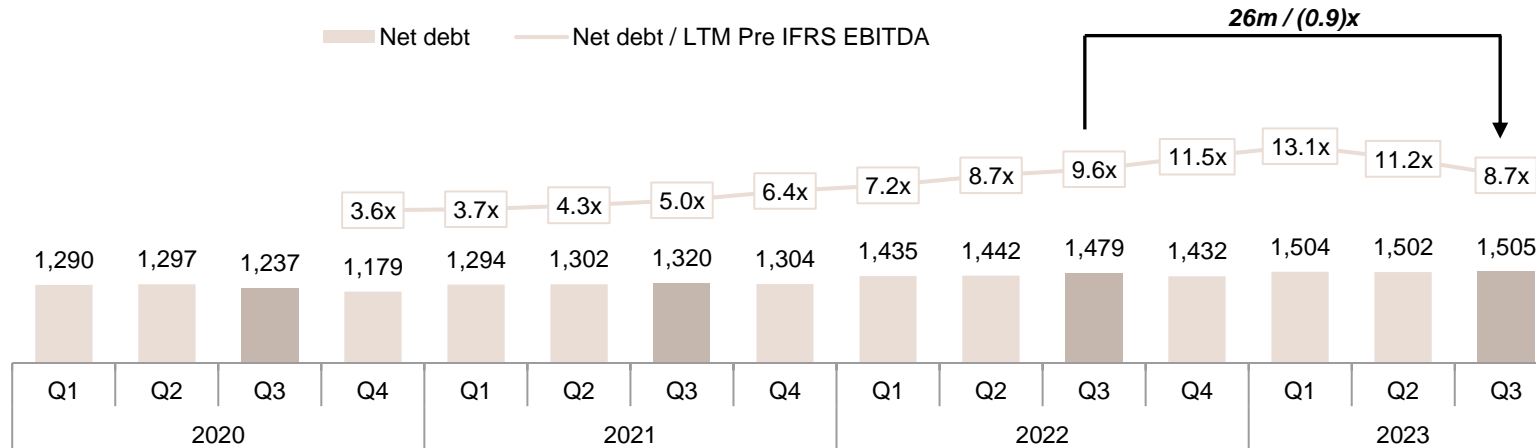
## Comments

- Net sales during Q3 decreased by 4.2% YoY driven by a negative market sentiment and dampened consumer purchasing power as well as the unusually warm September
- However, the gross margin saw an expansion of 2.1 percentage points primarily driven by a positive development within the merchandise margin
- Adj. EBITA saw an impressive growth of 122.8% YoY primarily driven by the positive gross margin development and lower selling expenses
- The lower selling expenses are primarily an effect of lower distribution costs and increased marketing cost efficiency. In relation to net sales, the selling expenses decreased by 2.8 percentage points
- The improved marketing cost efficiency is coming both from the mature markets in the Nordics and the new European markets
- Administration costs saw an increase of 6.0% partly due to reservations for variable salary components

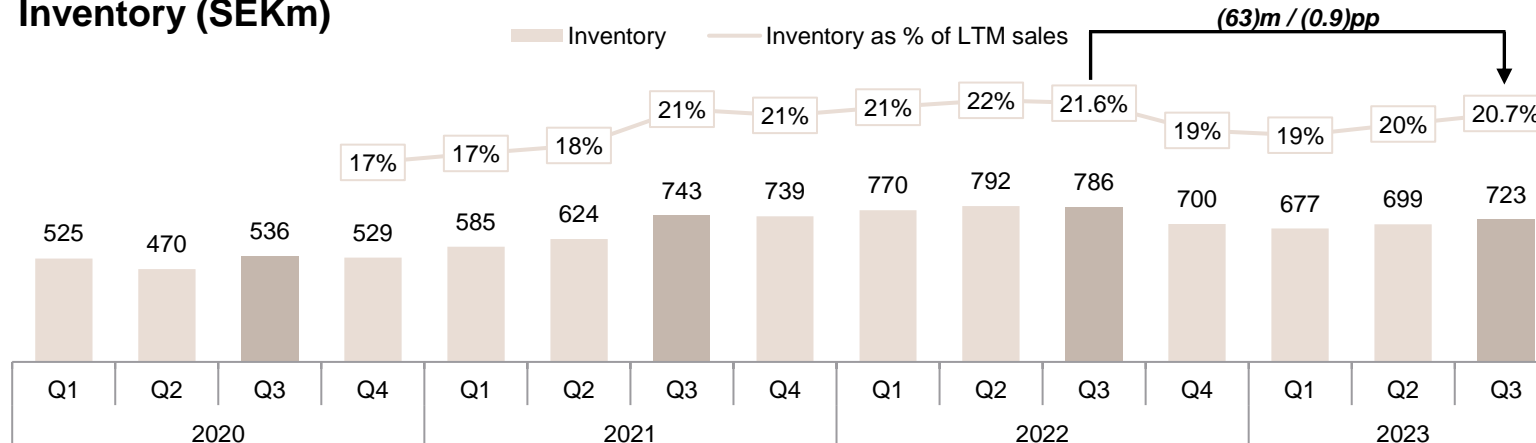


# Q3 | Net debt and inventory development

## Net debt (SEKm)<sup>1</sup>



## Inventory (SEKm)



## Comments

- The strong financial performance in Q3 contributed to a decrease in leverage of 0.9x YoY. Hence, the leverage has decreased by 4.4x from the end of Q1 2023
- Given the actions taken to reduce costs and focus on margin, we expect further deleveraging over the coming quarters as these initiatives are reflected with full effect
- The focus on working capital continued in Q3 with inventory at the end of the period being down approximately SEK 63.4m YoY
- Going forward, the focus is set on further improving inventory efficiency
- As Ellos is entering the important fourth quarter and the most hectic period including both Black Week and Christmas, there has been some inventory build-up – as is the normal seasonal phasing to facilitate a solid Q4 performance
- The inventory composition is healthy which primarily is attributable to the following:
  - Active stock management where “*slow-moving*” inventory is evaluated on an ongoing basis
  - A relatively large share of “*never out of style*” products within Fashion and particularly within Home
  - Relatively low “trend-risk” within both the Fashion and Home offering

Notes: Reported figures

1) Net leverage based on management accounts Pre IFRS EBITDA. Net debt include nominal bond volume.



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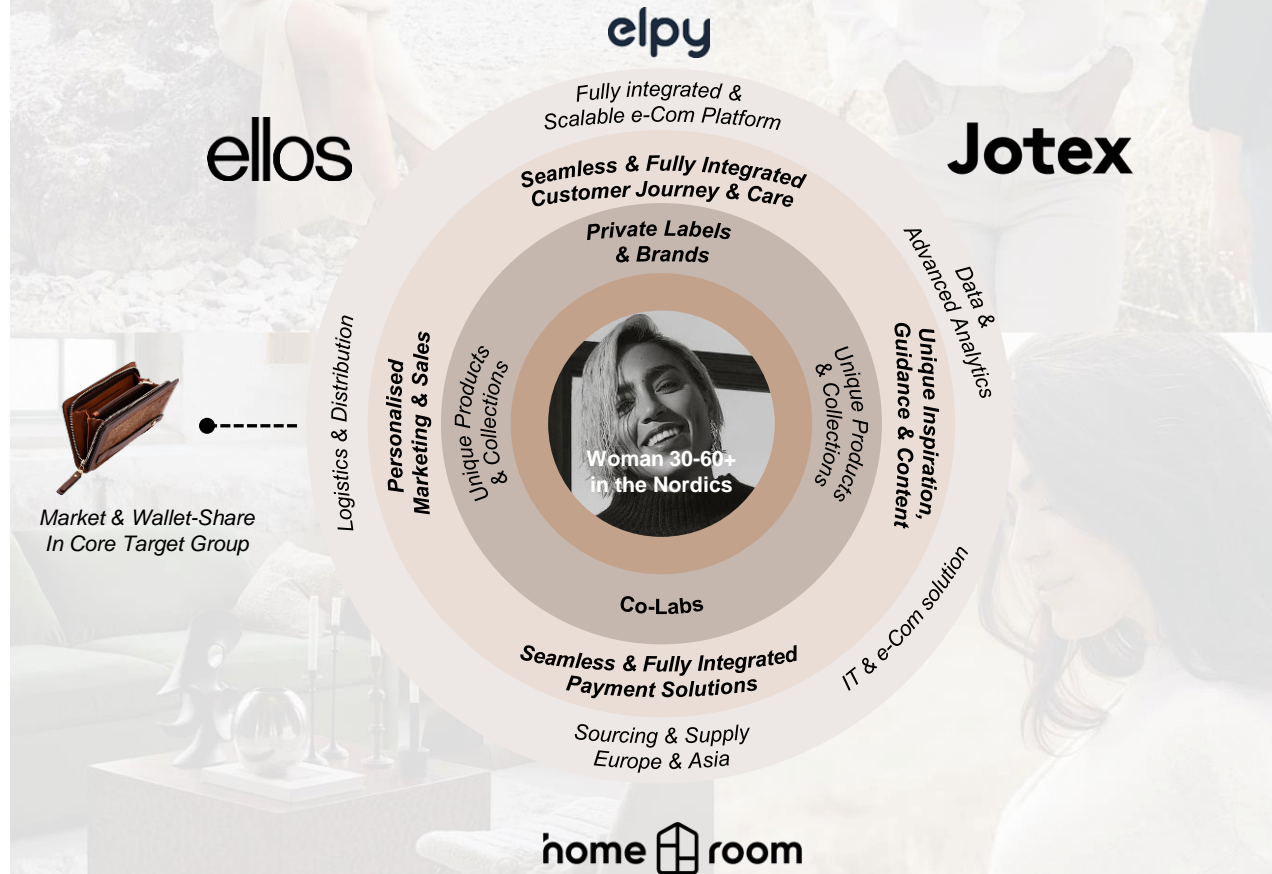


# Strategic initiatives | Pivoting towards a verticalized and personalised player targeting a clear customer group

2019 | Leading generic Nordic E-Commerce Platform

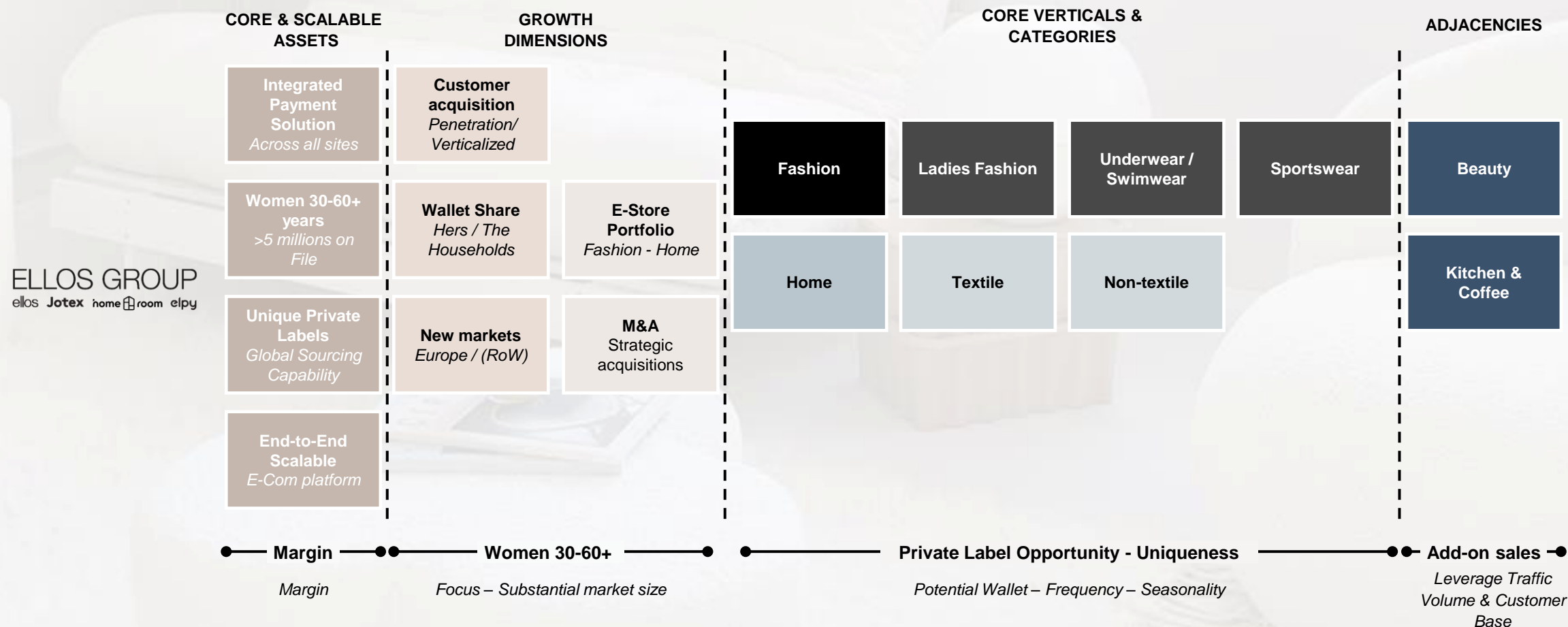


2023 | Verticalized platform for Nordic Women 30-60+





# Profitable Growth Strategy | Leveraging unique assets with focus on Core Customer Group and her potential wallet



# Strategic initiatives | Selected initiatives pursued since 2022

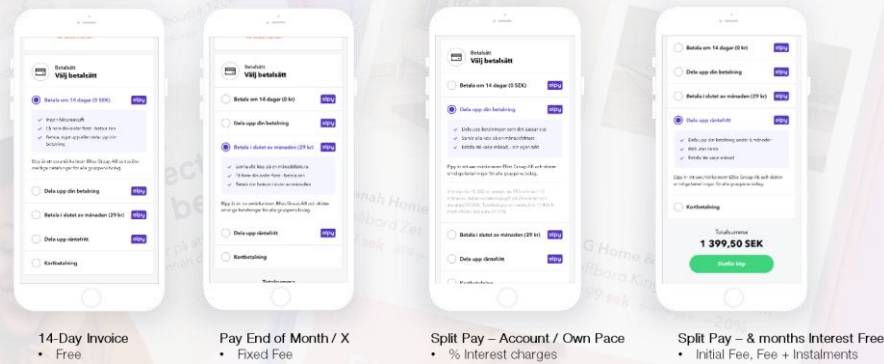
1	Focus on the core customer segment	✓	<ul style="list-style-type: none"> <li>Scale on Core Customer Segment, Women 30-60 years – and her total potential wallet</li> <li>We know Her / the Market Segment; &gt;5 million records on file / curation &amp; personalisation</li> <li>Divestment of Stayhard during 2022</li> </ul>
2	Verticalising of offering	✓	<ul style="list-style-type: none"> <li>Drive awareness, customer acquisition &amp; sales growth in Core Verticals &amp; Categories – uniqueness in offering (private label opportunity) catering to Her total wallet &amp; consumption (wallet distribution / frequency / seasonality)</li> <li>Margin – efficiency &amp; profitability throughout Verticals &amp; Core Categories</li> </ul>
3	Optimising cost efficiency	✓	<ul style="list-style-type: none"> <li>Long-term and sustainable initiatives to reduce cost-base and improve efficiency, including program in Marketing (see below); reviewing group functions / brands structure, processes &amp; operations and premises</li> <li>Actions 2022/23 to trim excess costs and renegotiate agreements to facilitate a long runway for profitability growth (i.e., personnel, stores, warehouse, translation, sms etc.)</li> </ul>
4	Focused program to improve marketing efficiency	✓	<ul style="list-style-type: none"> <li>Marketing program (2022-ongoing): (a) Focus (core customer/verticals) (b) Data driven customer acquisition, (c) Personalised, data driven &amp; automated marketing/CRM and (d) Fixed cost optimisation (Creative/Tech./Tools)</li> <li>Optimisations (market conditions) within Jotex Europe &amp; Homeroom</li> </ul>
5	Continuation of the Elpy offering	✓	<ul style="list-style-type: none"> <li>Consolidation of all payment solutions and financial services under the Elpy brand which has been rolled out incrementally across all Nordic Markets / Merchant Sites – including new offerings; i.e. interest free Split Pay and Pay end of a certain period</li> <li>Using Elpy as a gateway to the consumer base – to drive sales at connected merchant sites (Ellos, Jotex, Homeroom) and loyalty to Elpy</li> </ul>



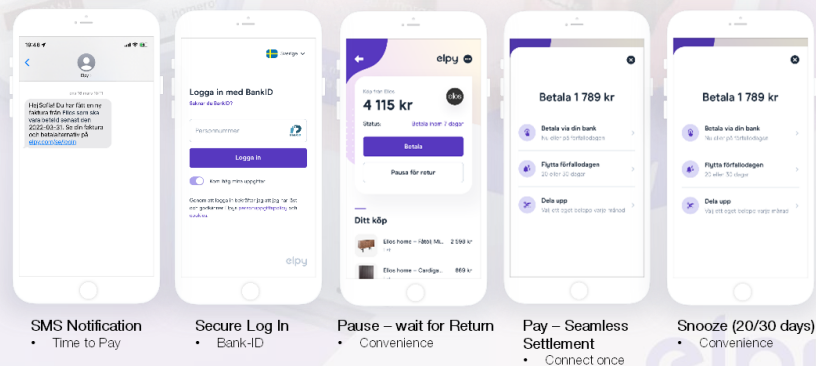


# Strategic initiatives | In-house developed digital payment solutions

## Buy-now-pay-later (“BNPL”) portfolio...

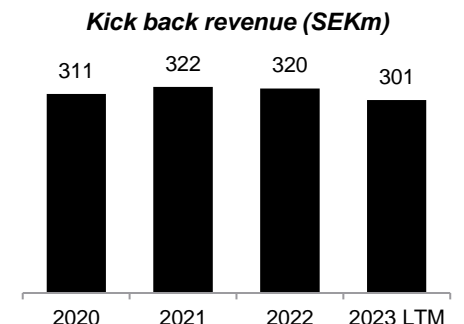
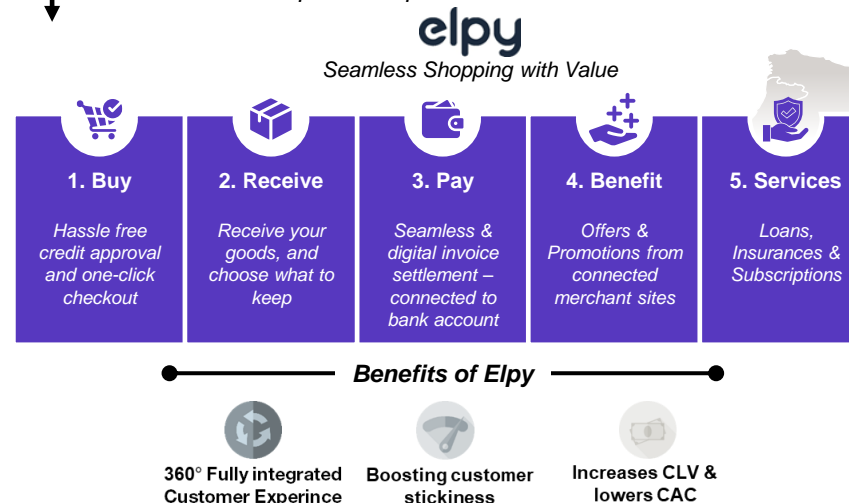
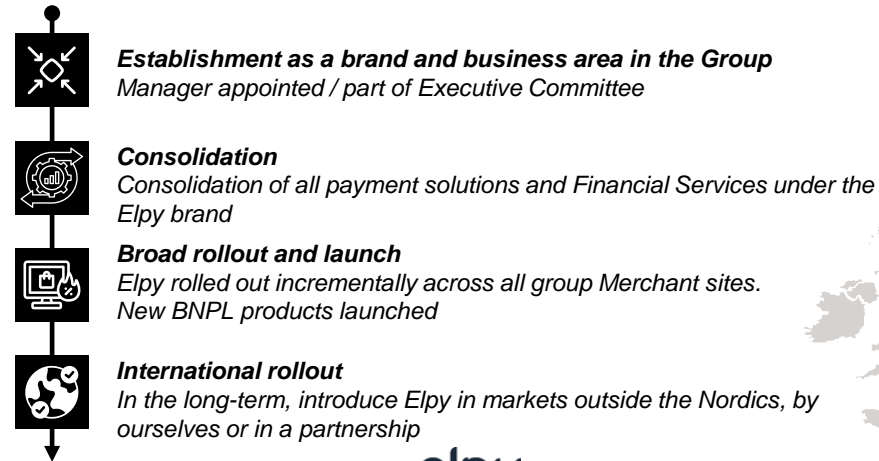


## ...enabling a digital & seamless settlement flow



Notes: Reported figures.

## Strategic initiatives





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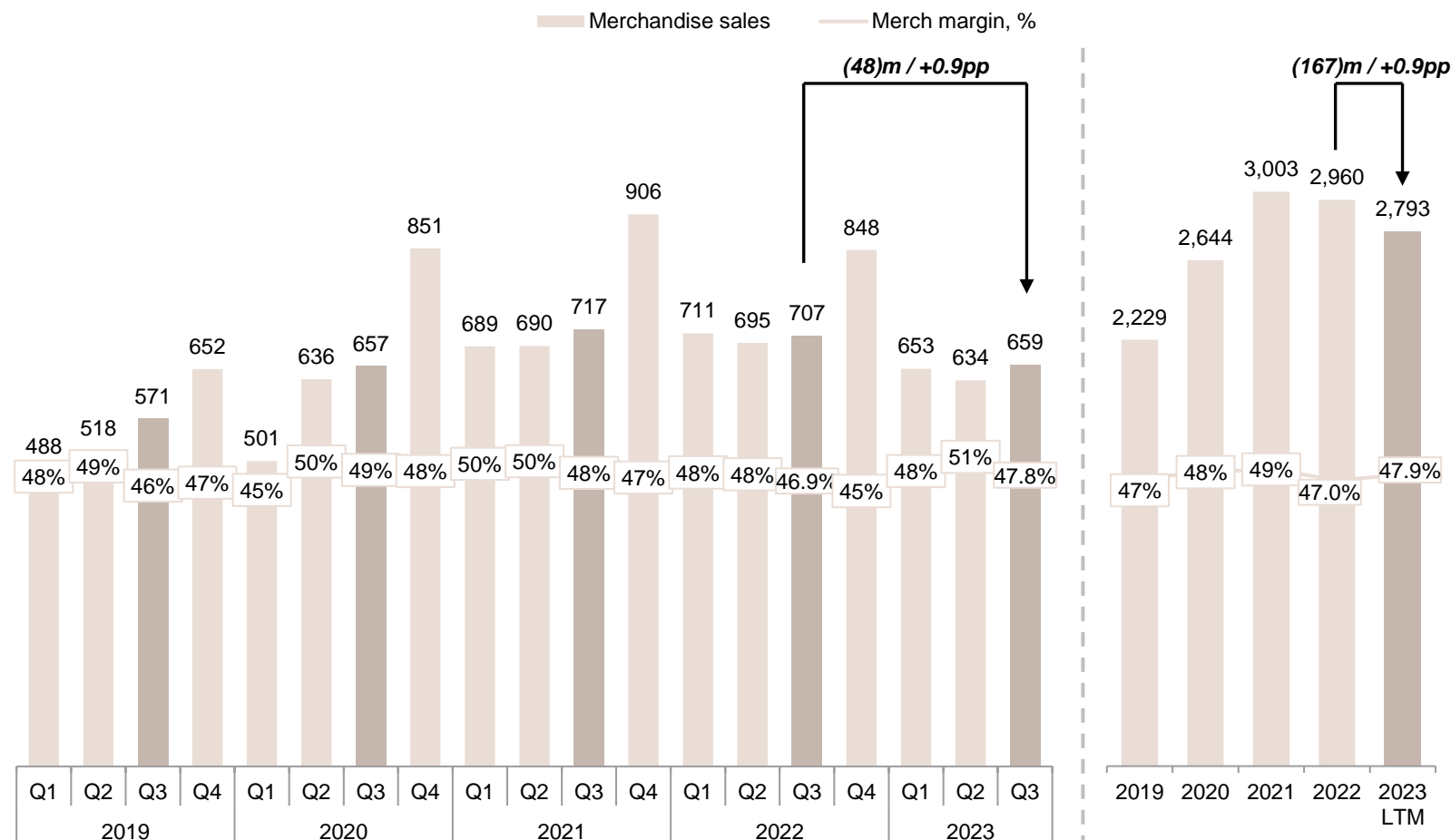
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# Underlying profitability and stability in the core business | The merchandise margin showcase pricing power

## Development of merchandise sales (SEKm) and merchandise margin (%)



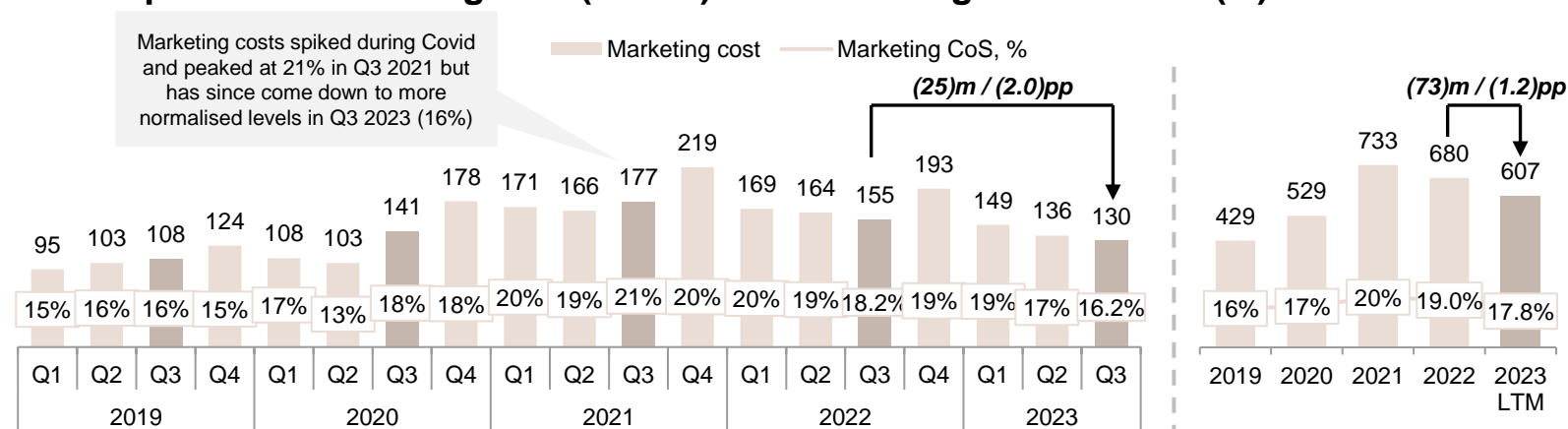
## Comments

- The main revenue driver for Ellos Group is the merchandise sales through its own web sites – averaging approximately 82% of the total sales 2019-LTM Q3 2023
- The merchandise margin has over time remained consistent but has during 2023 seen a positive trend and ultimately served as a significant driver behind the profitability improvement YoY. The divestment of Stayhard has further been margin-accretive due to Stayhard possessing a lower merchandise margin
- The recent margin increase is a testimony of Ellos Group's pricing power, especially in the current market environment where inflationary pressure as well as general market competition is high. The high share of internal brands is also providing some protection with lower price transparency
- The merchandise margin can be described by a mix of product sales where own brands has a significantly higher margin than external brands. Ellos Group has also been successful in compensating for negative currency effects primarily due to the weakening SEK vs USD
- The merchandise margin is affected by discounts which in the period has been lower than the previous year
- Over a year, the merchandise margin tends to be lower in Q4 due to Black Week and Christmas shopping resulting in higher campaign pressure with discounts and price reductions



# Development in select variables (1/3) | Cost control and efficiency in combination with market normalisation is paying off

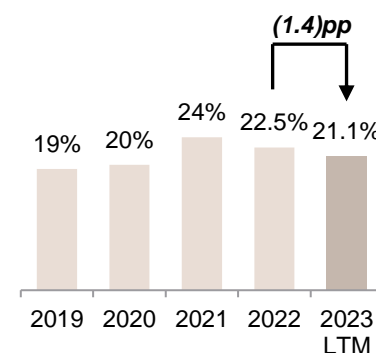
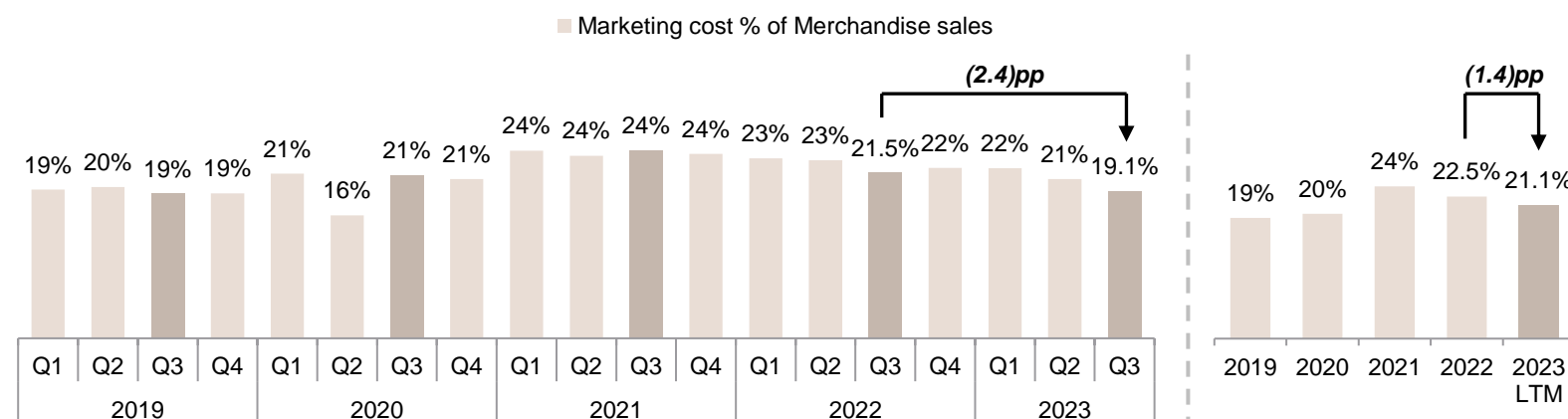
## Development of marketing cost (SEKm) and marketing cost of sales (%)



## Comments

- As part of the strategy that has been implemented during 2022, there is an extra focus on marketing costs. In essence, today's strategy focuses on putting additional emphasis on effectiveness through e.g., increased data driven targeting across channels
- During the last years marketing costs has also been affected by the geographic expansion of Jotex Europe and Homeroom, both with elevated marketing costs well exceeding the rest of the group, to build brand awareness and customer file
- The focus on cost effective marketing, coupled with less marketing spend for Jotex Europe and Homeroom, has shown results. Marketing costs are down c. SEK 73m on an LTM basis (or 1.2pp lower marketing costs to sales), where Q1-Q3 2023 has delivered c. SEK 20-28m lower marketing costs per quarter (or 1.2-2.1pp decrease in marketing costs to sales)
- Actions taken on the marketing costs side make us confident that we will continue to see more effective sales generation and we anticipate to return to pre-Covid levels in terms of marketing cost to sales
- Comparing marketing cost towards the merchandise sales provides additional proof of that our targeted marketing approach is effective, as it indicates less marketing for the sales generated
- During 2023 we have sequentially rolled out our new CDP<sup>1</sup> which will give us the technical ability to continue our track towards even more data driven, personalised and automated marketing efforts based on first party data in our own and external channels

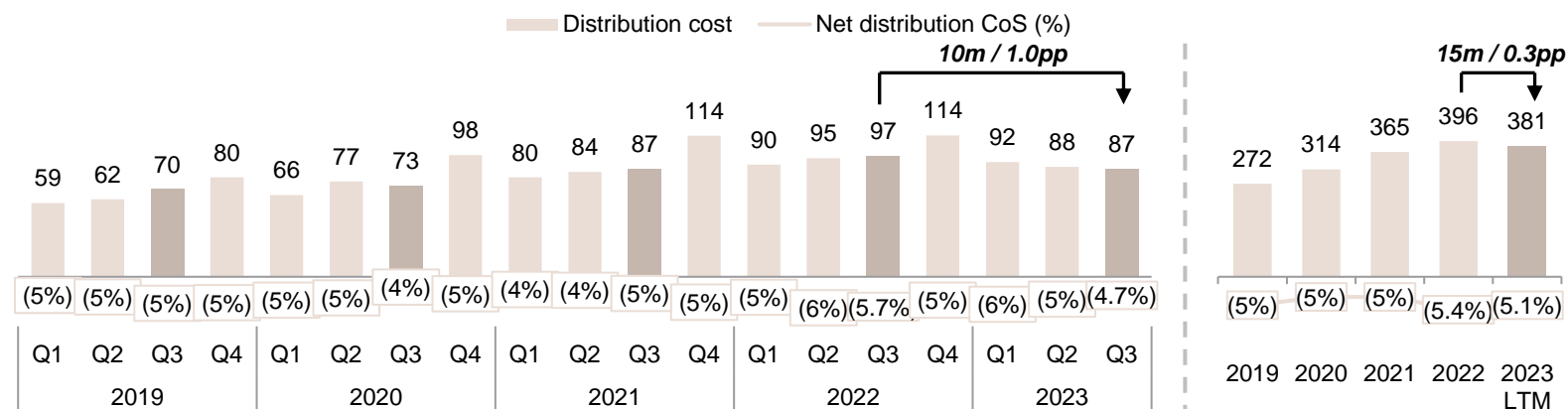
## Development of marketing cost vs merchandise sales



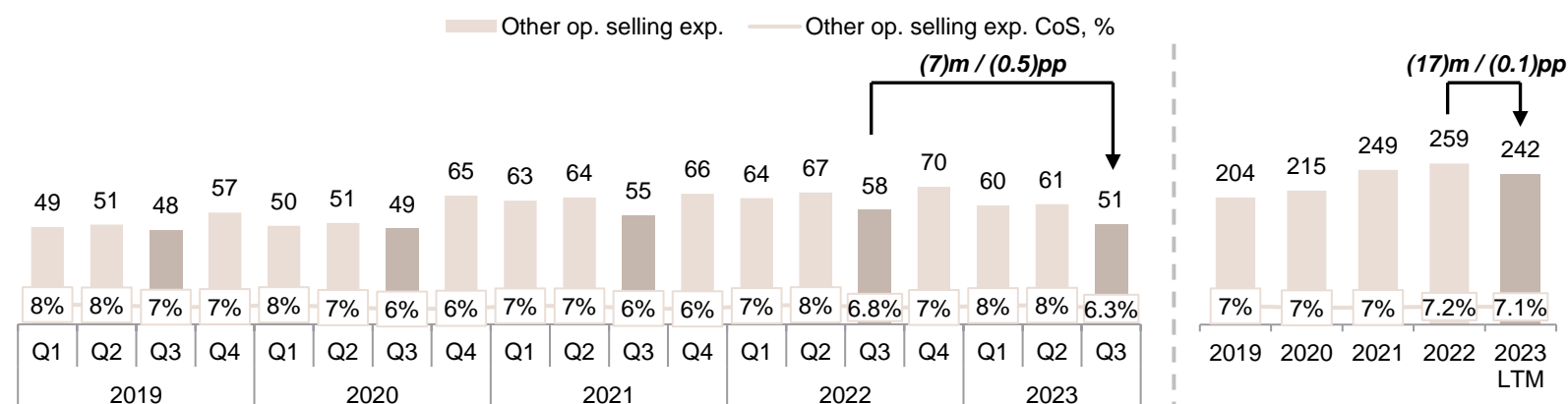


# Development in select variables (2/3) | Distribution costs normalising and efficiency in other operating selling expenses

## Development of distribution cost (SEKm) and net distribution cost of sales (%)<sup>1</sup>



## Development of other operating selling expenses in SEKm and % of sales

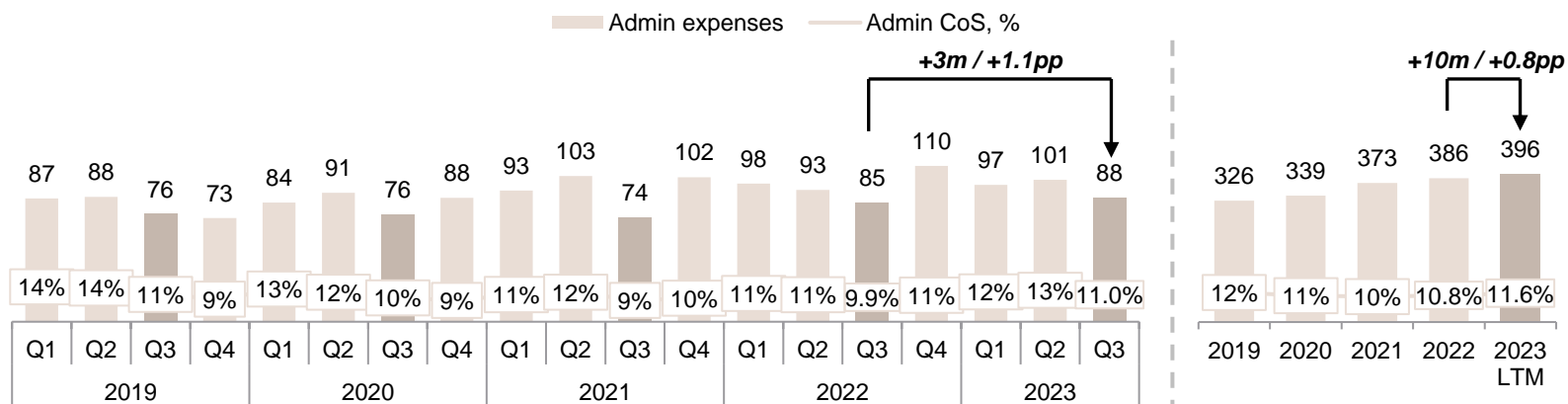


## Comments

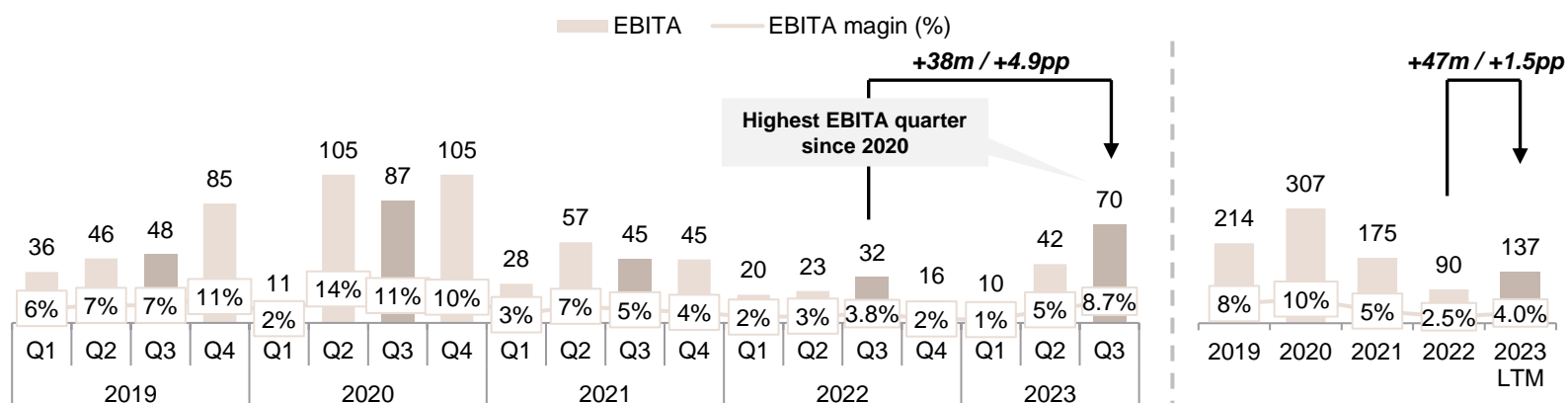
- Distribution costs mainly relate to outbound transportation and has decreased by 1.0pp YoY on the back of external factors such as lower fuel prices and internal initiatives such as taking on new shipping actors/options in the check out and increased focus on the sales mix, e.g., bulky products in the European markets
- We have put efforts into managing both shipping income and distribution costs. We have centralised the management so that the same team is managing both income and cost in relation to the parcel distribution so that we clearly can follow the profitability option by option. To technically enable this, we have implemented a system where we can match the distribution cost/invoices with the delivery option so we can differentiate prices at a very granular level. This together with other technical developments enables us to improve net distribution costs
- Other operating selling expenses include, amongst other, picking & packing and call centre. Other operating selling expenses have decreased 0.5pp YoY and is attributable to lower cost in e.g., both picking & packing and call centre
- Closedown of the Ellos Home stores also plays favourable in other selling expenses. The store in Kristianstad closed in the beginning of 2023 and the only remaining Ellos Home store in Gothenburg will close at the end of 2023. After that, the only brick and mortar store we will have is the Outlet store in connection to our warehouse in Borås. This store, however, has a very clear target; to sell overstock and returns that we are not able to sell online again

# Development in select variables (3/3) | Admin expenses under control and an overall strong EBITA result over the last quarters

## Development of admin expenses (SEKm) and admin cost of sales (%)



## EBITA (SEKm) and EBITA margin (%) development



## Comments

- Admin expenses includes, among others, product, finance, HR, IT, GM&A, returns handling, office premises, and other. Of these costs, several are relatively fixed
- YoY and LTM admin expenses have increased slightly, which is mainly attributable to provisions for variable salary components, but also to some extent the higher inflationary environment
- The result of our ability to optimise the organisation can be seen in the EBITA figures, where Q3 2023 is our best quarter since the end of 2020
- The strong Q3 2023 figures follows a strong Q2 2023, which is the first quarter with real impact from our initiatives. The Q2 2023 EBITA was the best quarterly margin seen over the last two years at that date



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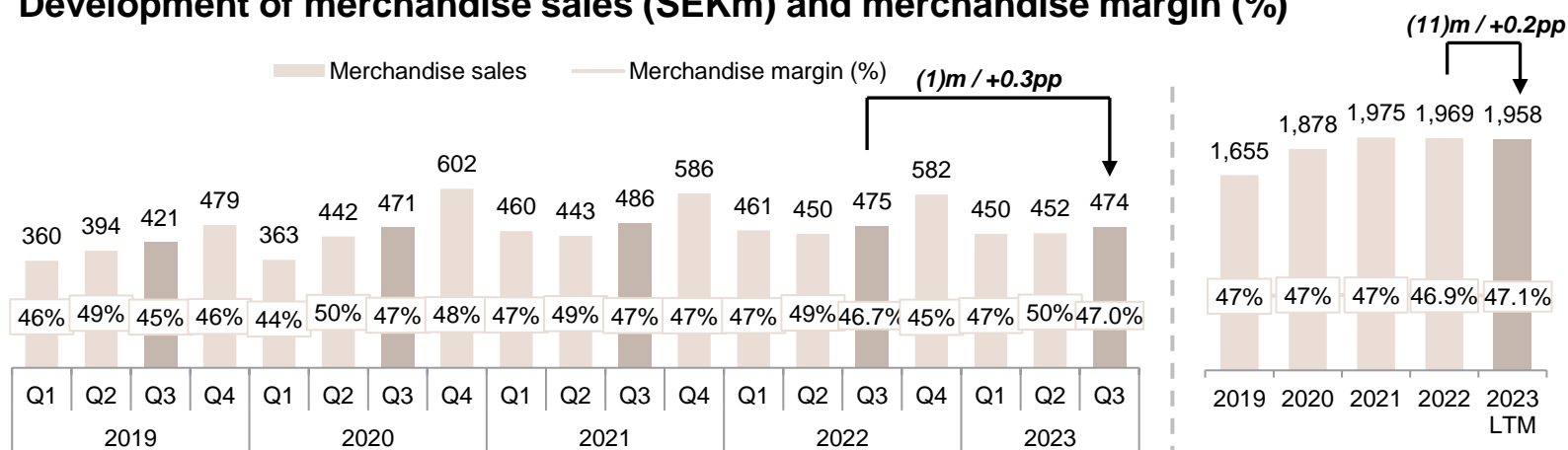
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# Core brand deep-dive (1/2) | ellos has consequently delivered stable operational performance, as shown in the financial figures

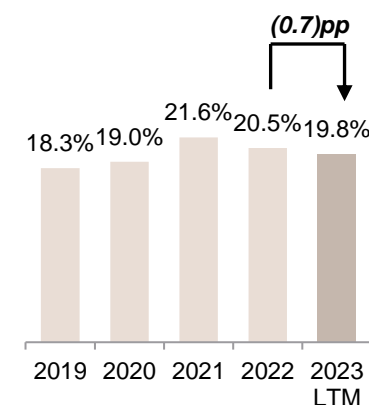
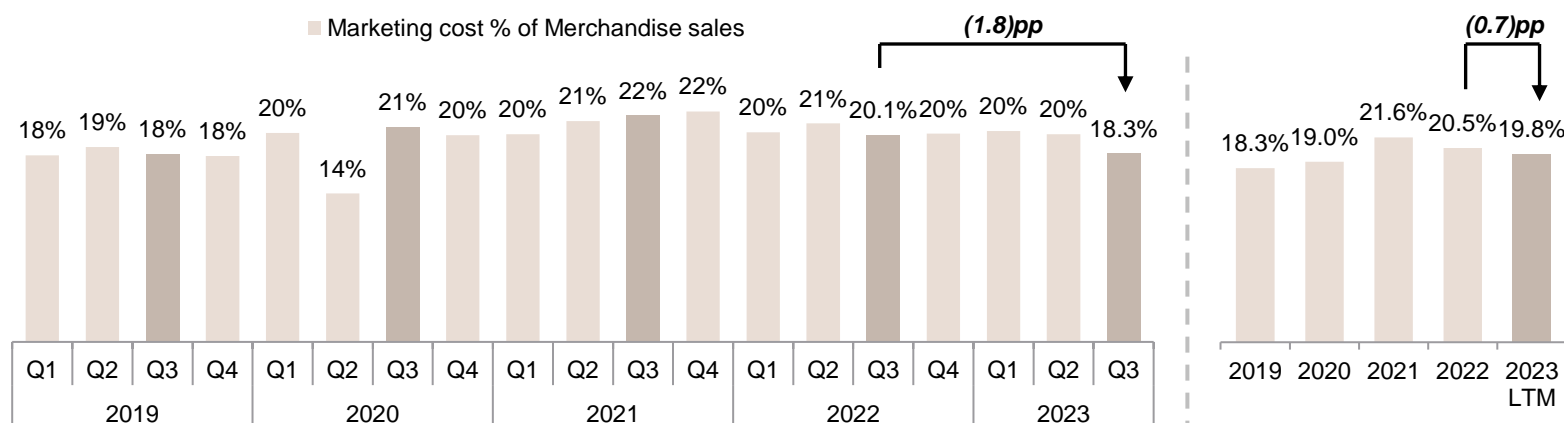
## Development of merchandise sales (SEKm) and merchandise margin (%)



## Comments

- ellos has maintained a stable merchandise margin development since 2019 with an average margin of 47%. This development has primarily been driven by robust cost control and efficient pricing strategies
- Although experiencing industry-wide challenges such as a higher level of inflation and competitive pressures, ellos has been able to adjust prices accordingly emphasising its strong pricing power
- ellos has also been successful in compensating for the negative currency effects primarily due to the weakening SEK vs USD
- ellos marketing CoS also illustrates the level of maturity that exists within Ellos Group's core business (ellos and Jotex Nordics) given that the two brands already are well-established and require relatively less marketing costs to generate new sales

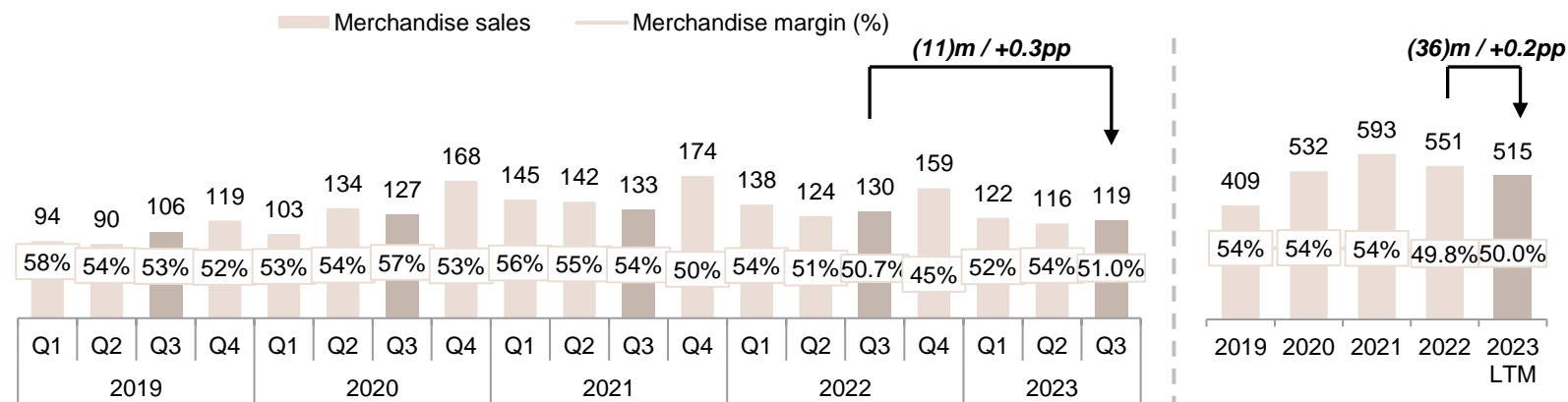
## Development of marketing cost vs merchandise sales



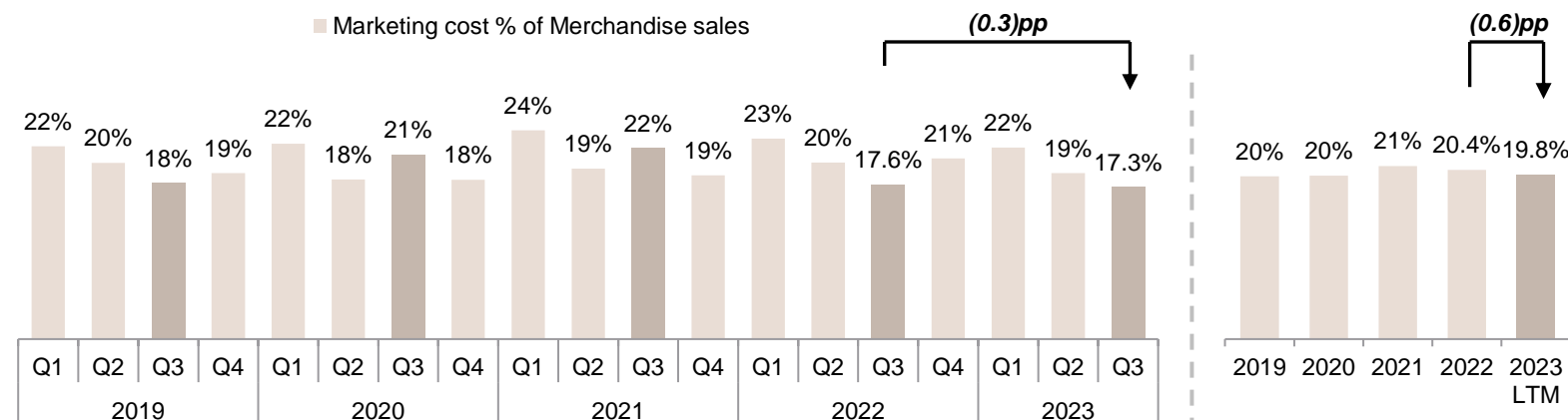


# Core brand deep-dive (2/2) | Jotex Nordic's deliver consistent operational performance

## Development of merchandise sales (SEKm) and merchandise margin (%)



## Development of marketing cost vs merchandise sales



## Comments

- The merchandise margin within Jotex's operations has through a historical perspective remained somewhat higher with an historical average of 52%. This is primarily due to only offering internal brands/products
- Although facing negative currency effects primarily as consequence of the weakening SEK vs USD, Jotex Nordic's has been successful in their efforts to compensate these headwinds over time
- In terms of marketing costs there is a significant importance to analyse Jotex's Nordic and European operations separately. This is due to Jotex in the Nordics being a significantly more established brand and thus requiring less marketing expenses to generate revenue
- In comparison, during 2022 Jotex in the Nordics had a marketing vs merchandise sales of 20% while its European division's same metric totalled to 45%
- However, with a distinct focus on cost effective marketing going forward, the spread within the two divisions is expected to decrease as the brands matures in Europe



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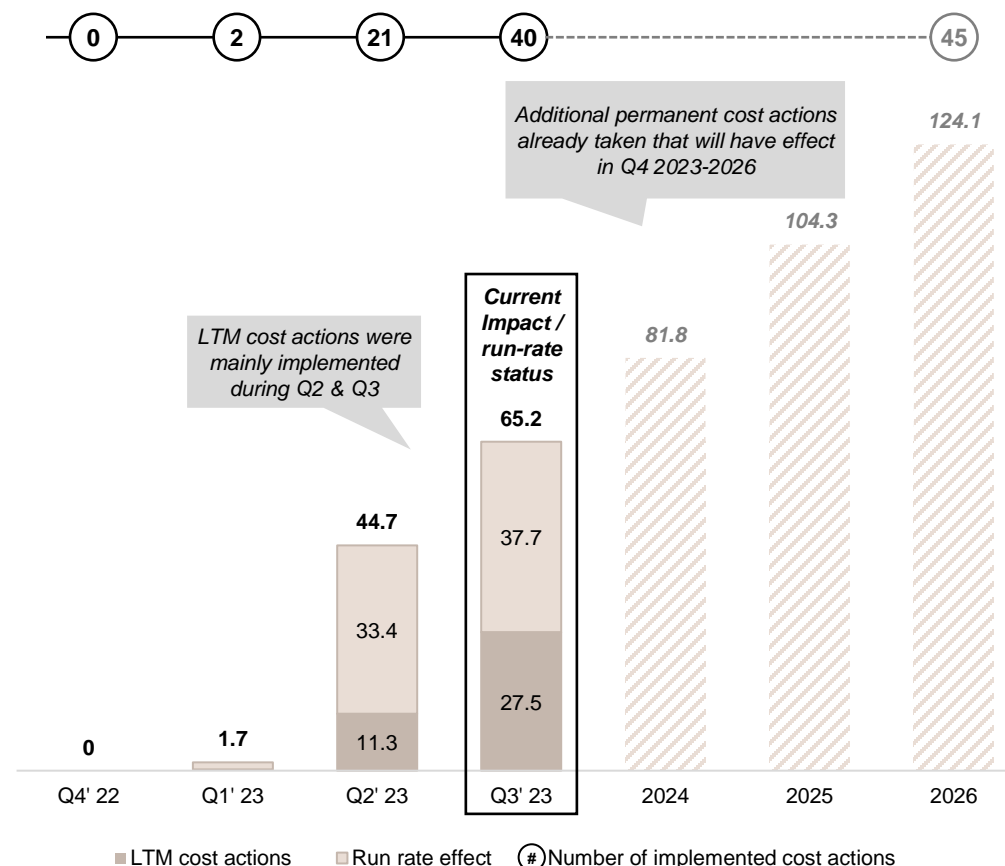


# Cost initiatives | Permanent cost actions already showing impact – with the full effect yet to be seen

## Cost initiatives description

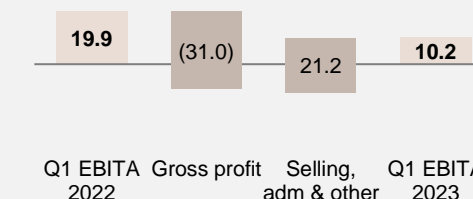
- Operational efficiency is important and key to both increase and defend the margin. As a result of our strategy, we have acted and focused on costs deemed unnecessary to run the business efficiently to return to higher profitability
- Permanent cost actions implemented up until, and including Q3 2023, amounted to SEK 65.2m on a run-rate basis, where the actual P&L impact amounted to SEK 27.5m
  - We have slimmed down the organisation with regards to employees, positively impacting our figures with SEK 4m in LTM Q3 2023, where the full impact is estimated at SEK 17m
  - Non-employee costs include, amongst other, more efficient translation processes, group common buying and consolidation of suppliers, brick and mortar store close down, savings in fixed marketing cost such as Influencer marketing and creative costs, etc – these actions have affected our result positively with c. SEK 24m and the full impact is c. SEK 48m annually
- Additional permanent cost actions have been taken and are being implemented, and on a run-rate basis the total permanent cost savings are estimated to amount to SEK 82m in 2024, SEK 104m in 2025 and SEK 124m in 2026. It is mainly the purchasing initiative that is spread out over time which also take time before effect is obtained
- With the actions taken, we believe we are in a good position to leverage Ellos Group position as the leading e-com player and our focus on profitable growth continues with undiminished strength

## Cost actions – financial impact (SEKm)

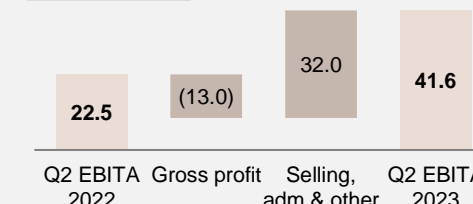


## Initiatives already showing:

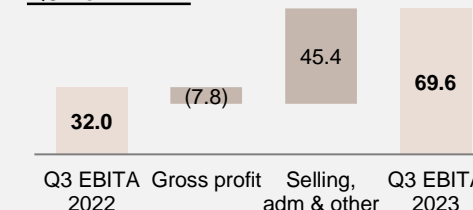
### Q1 YoY EBITA



### Q2 YoY EBITA

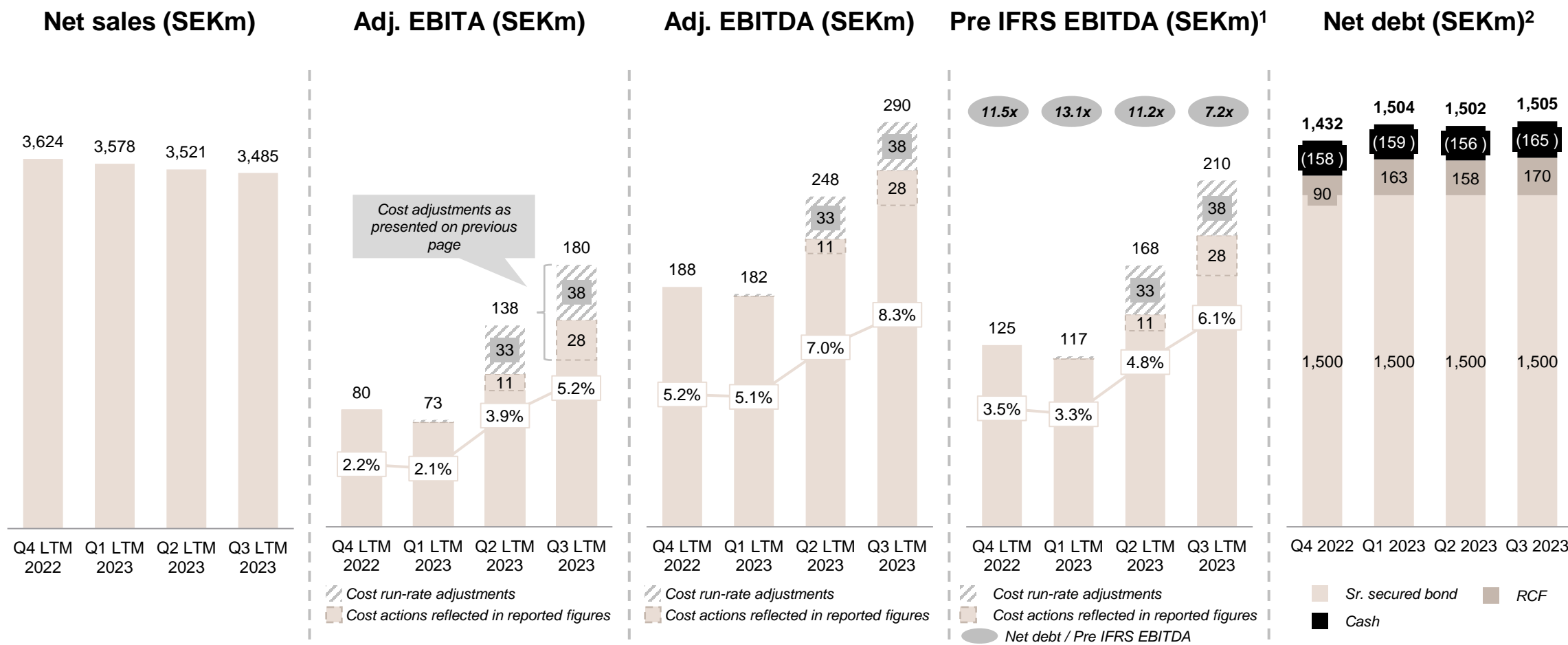


### Q3 YoY EBITA



**The YoY Q1-Q3 trend clearly support that our initiatives are effective – the GP is improving and combined with good cost control, the EBITA impact is evident**

















# Financial development | Actions taken starting to being reflected in the financial figures, with additional upside to be realised



Notes: Reported figures if not otherwise stated.  
 1) Management accounts. 2) Net debt include nominal bond volume.



# Closing remarks | Transitioning to a verticalized e-commerce specialist with an adjusted cost base to support profitability

<i>KPIs</i>	ELLOS GROUP in 2019 <sup>1</sup>	ELLOS GROUP in Q3 2023	Δ since bond issue	Ellos Group '2.0'
 Company positioning	<i>"The leading Nordic E-Commerce Platform"</i>	<i>"Exceptional shopping value for Nordic Women 30-60+"</i>	<i>n.a.</i>	<i>n.a.</i>
 Net sales	SEK 2,623m	SEK 3,485m		
 Pre IFRS EBITDA	SEK 230m	SEK 210m <sup>2</sup>		
 Pre IFRS EBITDA margin	8.8%	6.1% <sup>2</sup>		
 Geographic presence	5 markets	>7 markets		
 Active customers <sup>3</sup>	2.1 million <sup>4</sup>	3.1 million		

Notes: 1) LTM Q1 2019. As presented in the Inaugural bond issue documentation.

2) Management accounts. Pre IFRS EBITDA including run-rate adjustments. 3) Active customer defined as a customer placing an order within the last 24 months. 4) As of Q3 2019 excluding Stayhard.



Q&A  
-  
Thank you!



# Agenda

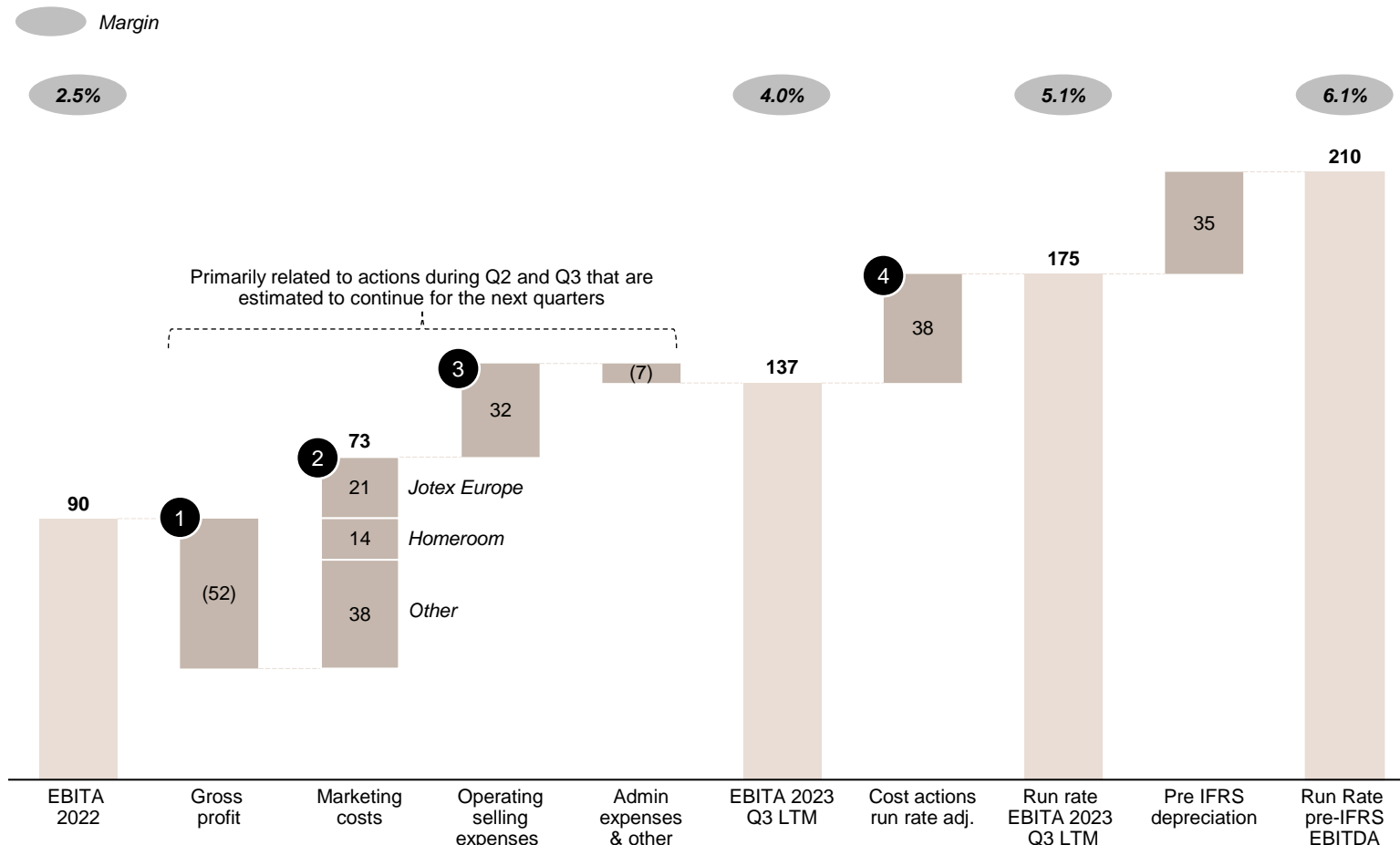
- 1 Ellos Group recap and Q3 highlights
- 2 Strategy overview and financial deep-dive
- 3 **Appendix**





# Profitability summary | Strong margin development on the back of cost actions and profitability optimisations

## Bridge – 2022 EBITA to Q3 LTM pre IFRS EBITDA (SEKm)



- 1 Despite inflationary pressure, negative currency effects and negative sales growth, Ellos has been able to minimise the gross profit impact by e.g. price increases, discount management and improved sea freight rates
  - 2 Significant improvements has been made for more efficient marketing efforts throughout, whilst the group has slowed down its marketing investments in Jotex Europe and Homeroom
  - 3 Operational improvements and efficiencies span the whole organisation, e.g. initiatives in the distribution area around delivery options, pricing and service offer has yielded results
  - 4 The cost actions implemented primarily in Q2 and Q3 are yet to be fully reflected in the LTM figures and will for the upcoming period provide a persistent cost reduction for the group
- Following the updated strategy with an increased focus on profitability, the group has during Q2 and Q3 proven the ability to deliver margins that are back to pre-covid levels. These results comes from a combination of the permanent cost actions program and other profitability optimisations in the group that will be reflected in the P&L both in the short and longer term



# Reported financial statements | Income Statement

Amount in SEKm	3 MONTHS JUL - SEP 2023	3 MONTHS JUL - SEP 2022	9 MONTHS JAN - SEP 2023	9 MONTHS JAN - SEP 2022
Net sales	824.5	860.8	2,443.0	2,581.8
Cost of goods sold	-394.8	-430.6	-1,167.5	-1,264.6
<b>Gross profit</b>	<b>429.7</b>	<b>430.2</b>	<b>1,275.5</b>	<b>1,317.2</b>
Selling expenses	-292.4	-329.5	-918.0	-1,013.8
Administrative expenses	-100.3	-94.6	-325.4	-303.3
Other income	15.4	2.1	26.2	7.1
Other costs	-8.7	-11.9	-17.7	-35.8
<b>Operating profit/loss</b>	<b>43.7</b>	<b>-3.7</b>	<b>40.6</b>	<b>-28.6</b>
<b>Financial items</b>				
Financial income	2.0	2.7	8.6	13.1
Financial costs	-49.3	-47.1	-211.9	-157.0
<b>Financial items</b>	<b>-47.3</b>	<b>-44.4</b>	<b>-203.3</b>	<b>-143.9</b>
<b>Profit/loss before tax</b>	<b>-3.6</b>	<b>-48.1</b>	<b>-162.7</b>	<b>-172.5</b>
Income tax	-15.7	0.6	-11.1	2.4
<b>Profit/loss for the period</b>	<b>-19.3</b>	<b>-47.5</b>	<b>-173.8</b>	<b>-170.1</b>

# Reported financial statements | Balance Sheet (1/2)

Amounts in SEKm	2023-09-30	2022-09-30	2022-12-31
<b>Assets</b>			
<b>Non-current assets</b>			
Goodwill	677.0	677.0	677.0
Trademarks	445.3	445.3	445.3
Customer relationships	299.5	394.1	370.4
Development expenditure	87.5	95.5	94.5
Right-of-use assets	462.0	512.4	495.8
Equipment tools fixtures and fittings	52.7	54.0	53.9
Investments in leased property	64.7	69.9	68.4
Construction in progress within property plant and equipment	0.0	2.3	3.1
Non-current receivables	7.5	7.2	6.7
Deferred tax assets	24.7	24.9	27.6
<b>Total non-current assets</b>	<b>2,120.9</b>	<b>2,282.6</b>	<b>2,242.7</b>
<b>Current assets</b>			
Inventories	722.5	785.9	699.9
Return assets	13.4	13.2	16.3
Accrued income	31.8	30.5	33.3
Trade receivables	56.4	47.7	62.5
Current tax assets	70.9	100.4	53.0
Derivate instruments	28.6	120.6	35.5
Other current receivables	21.5	19.1	15.3
Prepaid expenses	43.9	28.5	36.4
Cash & cash equivalents	164.6	155.7	157.5
<b>Total current assets</b>	<b>1,153.6</b>	<b>1,301.6</b>	<b>1,109.7</b>
<b>Total assets</b>	<b>3,274.5</b>	<b>3,584.2</b>	<b>3,352.4</b>



# Reported financial statements | Balance Sheet (2/2)

Amounts in SEKm	2023-09-30	2022-09-30	2022-12-31
<b>Equity and Liabilities</b>			
<b>Equity attributable to parent company's shareholders</b>			
Share capital	0.5	0.5	0.5
Additional paid-in capital	683.2	679.9	683.2
Reserves	-21.0	36.9	-41.4
Retained earnings including the profit/loss for the year	-1,157.5	-876.5	-994.8
<b>Total Equity</b>	<b>-494.8</b>	<b>-159.2</b>	<b>-352.5</b>
<b>Non-current liabilities</b>			
Bond issue	0.0	1,476.7	1,479.9
Long-term lease liabilities	399.3	446.5	431.8
Other long-term liabilities	0.0	9.0	0.0
Deferred tax liabilities	155.9	188.7	170.7
Provision for endowment insurance pensions	9.6	0.0	8.6
Provision for pensions	99.8	133.7	113.3
<b>Total non-current liabilities</b>	<b>664.6</b>	<b>2,254.6</b>	<b>2,204.3</b>
<b>Current liabilities</b>			
Bond issue	1,489.4	0.0	0.0
Interest-bearing liabilities	170.0	134.6	89.5
Current lease liabilities	69.7	69.4	68.7
Trade payables	276.9	321.4	341.3
Current liabilities to Group companies	613.1	0.0	539.7
Current tax liabilities	45.1	42.1	31.2
Other provisions	2.4	477.6	6.1
Derivatives	31.8	40.2	48.0
Other current liabilities	145.2	126.3	125.3
Repayment liability	29.6	29.2	32.2
Accrued expenses	231.5	248.1	218.7
<b>Total current liabilities</b>	<b>3,104.7</b>	<b>1,488.9</b>	<b>1,500.6</b>
<b>Total liabilities</b>	<b>3,769.3</b>	<b>3,743.5</b>	<b>3,704.9</b>
<b>Total Equity and Liabilities</b>	<b>3,274.5</b>	<b>3,584.2</b>	<b>3,352.4</b>

# Reported financial statements | Cash Flow Statement

Amounts in SEKm	3 MONTHS JUL - SEP 2023	3 MONTHS JUL - SEP 2022	9 MONTHS JAN - SEP 2023	9 MONTHS JAN - SEP 2022
<b><i>Cash flow from operating activities</i></b>				
Cash-flow from operations before changes in working capital	36.3	5.3	31.0	-31.6
Cash-flow from changes in working capital	-19.4	-5.7	-38.4	-55.9
<b>Cash-flow from operations</b>	<b>16.9</b>	<b>-0.4</b>	<b>-7.4</b>	<b>-87.5</b>
<b><i>Cash flow from investing activities</i></b>				
Acquisition of intangible fixed assets	-4.3	-4.8	-14.8	-19.4
Acquisition of tangible fixed assets	-0.2	-1.6	-3.7	-8.1
Acquisition of financial fixed assets	-0.2	-0.3	-0.7	-0.9
<b>Cash flow from investments</b>	<b>-4.7</b>	<b>-6.7</b>	<b>-19.2</b>	<b>-28.4</b>
<b><i>Cash flow from financing activities</i></b>				
Payment of warrants	0.0	-14.6	0.0	-14.6
Payment of lease liabilities	-15.7	-15.0	-46.8	-44.7
Change of revolving credit	11.8	35.7	80.5	134.6
<b>Cash flow from financing</b>	<b>-3.9</b>	<b>6.1</b>	<b>33.7</b>	<b>75.3</b>
Cash-flow for the period	8.3	-1.0	7.1	-40.6
Cash and cash equivalents at beginning of period	156.3	156.7	157.5	196.3
Exchange rate difference in liquid assets	0.0	0.0	0.0	0.0
<b>Cash and cash equivalents at end of period</b>	<b>164.6</b>	<b>155.7</b>	<b>164.6</b>	<b>155.7</b>




# Management Accounts | Ellos Group High Level P&L

Management accounts, SEKm	2020	2021	2022	2023 LTM		YTD 2022	YTD 2023
<b>Total sales</b>	<b>3,197.1</b>	<b>3,631.9</b>	<b>3,581.6</b>	<b>3,417.2</b>		<b>2,555.9</b>	<b>2,391.5</b>
COGS	-1,539.1	-1,783.7	-1,801.2	-1,688.6		-1,273.0	-1,160.4
<b>Gross Profit</b>	<b>1,658.0</b>	<b>1,848.3</b>	<b>1,780.4</b>	<b>1,728.6</b>		<b>1,282.9</b>	<b>1,231.2</b>
Selling Expenses	-1,057.9	-1,346.2	-1,335.4	-1,230.0		-958.9	-853.5
- Of which Marketing Cost	-529.0	-733.0	-680.4	-607.3		-487.4	-414.3
- Of which Operating Selling Expenses	-528.9	-613.2	-655.0	-622.7		-471.5	-439.2
Administration Expenses	-339.4	-372.7	-386.1	-396.0		-275.6	-285.5
Other Income	46.1	45.3	31.3	34.5		26.0	29.2
<b>EBITA</b>	<b>306.8</b>	<b>174.7</b>	<b>90.2</b>	<b>137.1</b>		<b>74.5</b>	<b>121.4</b>
Pre IFRS 16 depreciation	24.4	29.2	34.5	35.3		25.8	26.5
<b>Pre IFRS EBITDA</b>	<b>331.2</b>	<b>203.8</b>	<b>124.7</b>	<b>172.4</b>		<b>100.2</b>	<b>147.9</b>

Bridge from management accounts EBITA to reported Adj. EBITA	2020	2021	2022	2023 LTM		YTD 2022	YTD 2023
<b>EBITA</b>	<b>306.8</b>	<b>174.7</b>	<b>90.2</b>	<b>137.1</b>		<b>74.5</b>	<b>121.4</b>
- Interest on NPL-Portfolio <sup>1</sup>	8.4	7.5	6.9	6.0		5.8	4.8
- Group Consolidation Valuation Entries <sup>2</sup>	0.4	0.6	0.0	-15.6		13.4	-2.2
- Other / Currency Effects <sup>3</sup>	7.8	5.3	3.2	4.9		1.6	3.3
<b>Reported Adj. EBITA</b>	<b>290.2</b>	<b>161.3</b>	<b>80.1</b>	<b>141.9</b>		<b>53.7</b>	<b>115.4</b>

Notes: 1) Reported in Financial Income in Consolidated Accounts. 2) FX-valuations not prepared in the management accounts. 3) Management accounts aggregated using yearly FX-rates and historical years has been recalculated.



ELLOS GROUP

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