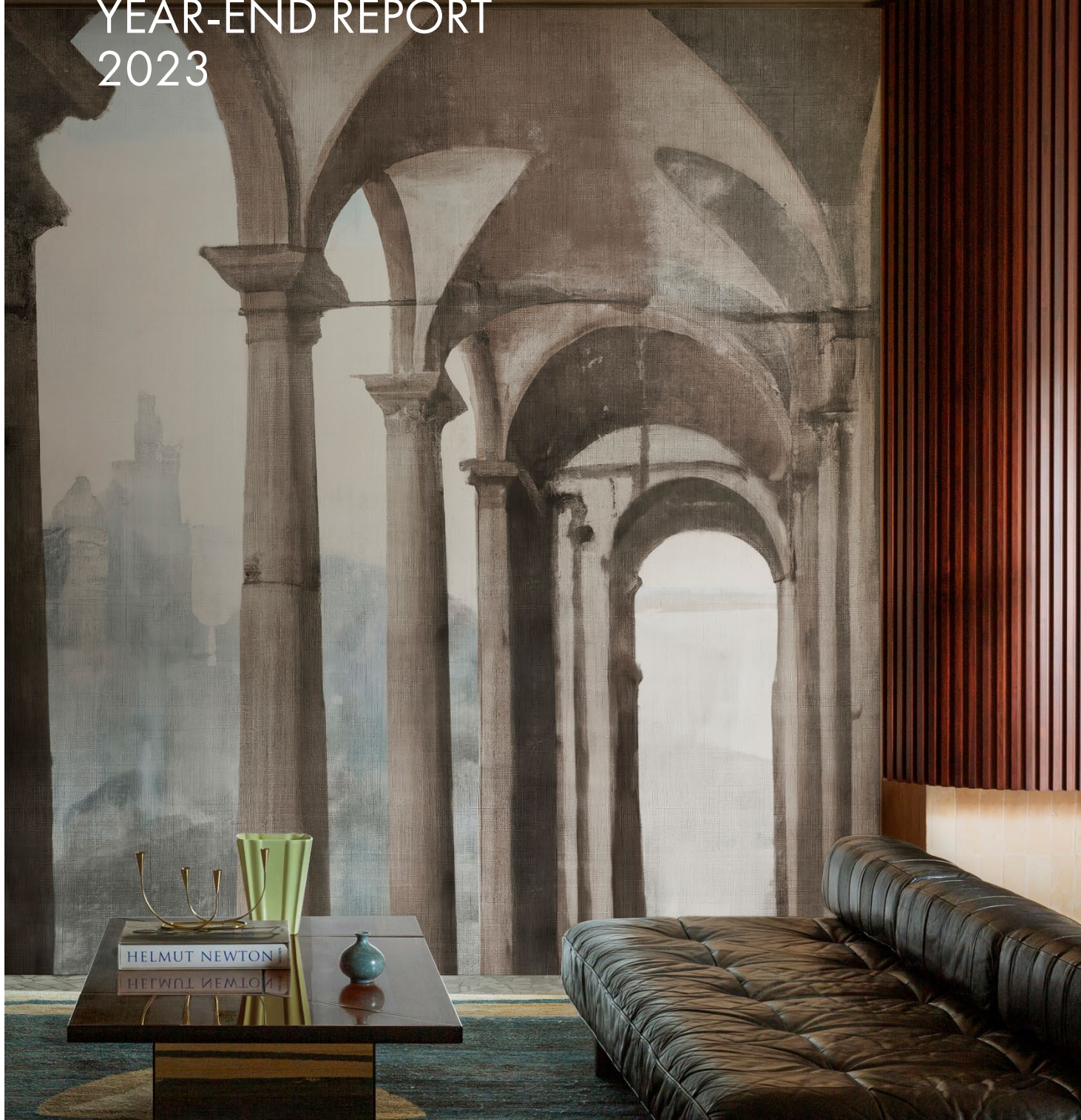


INTERIM REPORT

YEAR-END REPORT

2023



embellence
GROUP

Strong end to challenging year

Fourth quarter 2023

- Net sales amounted to MSEK 189.8 (176.9), up 7.3% (exchange rate effect +1.6%)
- EBITA amounted to MSEK 23.2 (14.7), up 57.8%
- Adjusted EBITA amounted to MSEK 23.2 (22.0), up 5.5%.
- Adjusted EBITA margin amounted to 12.2% (12.5)
- Net profit for the period amounted to MSEK 15.4 (9.9) and earnings per share for the period before dilution to SEK 0.68 (0.44)
- Operating cash flow amounted to MSEK 33.6 (16.0)
- The Board of Directors proposes to the AGM that no dividend be paid for the 2023 financial year

Significant events during the quarter

- Magnus Welander was appointed new Chairman of Embellence Group AB

Significant events after the end of the quarter

- No significant events to report

MSEK	Oct-Dec 2023	Oct-Dec 2022	Full-year 2023	Full-year 2022
Group				
Net sales	189.8	176.9	740.5	720.1
EBITA	23.2	14.7	92.0	88.5
Adjusted EBITA*	23.2	22.0	95.1	102.6
Profit before tax	19.7	13.3	51.8	70.4
Net profit for the period	15.4	9.9	39.3	57.4
Operating cash flow	33.6	16.0	61.1	107.9
EBITA margin, %	12.2%	8.3%	12.4%	12.3%
Adjusted EBITA margin, %	12.2%	12.5%	12.8%	14.3%
Net debt	204.4	233.7	204.4	233.7
Net debt/EBITDA R12	1.7	2.1	1.7	2.1
Net debt/EBITDA R12 excl. IFRS 16 effects	1.5	1.7	1.5	1.7
Equity ratio, %	51.7%	46.8%	51.7%	46.8%
Earnings per share for the period before dilution (SEK)	0.68	0.44	1.74	2.57
Earnings per share for the period after dilution (SEK)	0.68	0.44	1.74	2.57
No. of employees	228	247	228	247

*EBITA excluding acquisition costs and restructuring costs.

Strong end to challenging year

Positive development for our major brands

Net sales for the fourth quarter amounted to MSEK 189.8 (176.9), up 7.3% compared with the year-earlier quarter. Most of the growth was organic growth since exchange rate effects only contributed 1.6%.

The Group's three main premium brands in the wallpaper category – Boråstapeter, Cole & Son and Wall&decò – all grew during the quarter. The smaller rugs brand Pappelina and Artscape (US) reported a weaker trend.

Full-year 2023 was a challenging 12 months, dominated by continued economic uncertainty, high prices for input materials and a shaky household durable goods market. Despite these markets challenges, we increased net sales for the year to MSEK 740.5 (720.1), up 2.8% compared with the preceding year. Acquisition and exchange rate effects accounted for 2.2% and 2.6% respectively. Organic sales declined by 2.0%.

The cost of input materials remains higher than a year ago. However, since mid-year the cost increases have slowed and are now beginning to normalise. We have successfully protected our margins for the various brands and regions while streamlining our Borås Tapetfabrik production unit. We also continued our strategic initiatives for future growth in product development and marketing.

During the quarter, adjusted EBITA was MSEK 23.2 (22.0), corresponding to an adjusted EBITA margin of 12.2% (12.5). The adjusted EBITA margin for the full year amounted to 12.8% (14.3), following a weak start to the first half of the year.

Strong end to the year in Nordics and Europe

Boråstapeter reported a strong quarter in Nordics, driven in part by the launch of a new professional collection. The positive trend also entailed high capacity utilisation for the production unit, Borås Tapetfabrik. However, Pappelina noted a weaker quarter. To increase focus on the brand's commercial activities, we employed Paulina Lundström, who has been responsible for the brand since 1 February. With her extensive experience of several brands in the interior design industry, including Bolon and Kinnarps Group, she is a valuable addition to Pappelina.

Europe also had good momentum at the end of the year, with Cole & Son and Wall&decò reporting healthy sales, driven by the major German and Italian markets. However, Cole & Son continues to face a challenging home market in the UK.



Rest of World noted sale decreases, impacted by the phase-out by Artscape of some of its previous product range in the market ahead of forthcoming launches in spring 2024.

Magnus Welander new Chairman of the Board

On 8 December, an Extraordinary General Meeting of Embellence Group was held and elected Magnus Welander as new Chairman of the Board. With his extensive experience in positions as CEO and chairman of brand-driven growth companies, such as Thule Group, Envirotainer and Mips, he will contribute valuable expertise to the company's future business development.

In conjunction with strategic discussions after 8 December, and as part of ensuring that Embellence Group's direction forward is clearly communicated to the investor community, the company has decided to hold a Capital Market Day on 21 May. The Capital Market Day will be held in Stockholm and we will announce more details at a later date.

Positive energy with many exciting new collections

As I look back on 2023, I can see that it was another year with major fluctuations and quite a few challenges in the market for consumer products. Even if times remain somewhat challenging – as a company we are entering the new year in a much stronger position than last year. All employees at Embellence Group have worked intensively with various initiatives to ensure that gross margins remain high. We have

achieved good results here and this will have a positive impact as sales increase, which continues to be our main focus.

Our earnings during the year also prove that having operations in different geographic markets, and across a range of markets and customer segments is a great strength. It contributes to healthy risk diversification and means we can improve our resilience to temporary downturns in certain specific niches or geographies. We are now ready to step up the pace further. Our ambition is to strengthen ourselves as a Group, to streamline our production and to build on our five strong brand companies where we see great potential.

We will present more on this later in the spring at our Capital Market Day.

Borås, February 2024

Olle Svensk
CEO Embellence Group AB

Group performance

Net sales

Net sales for the quarter amounted to MSEK 189.8 (176.9), up 7.3% compared with the year-earlier quarter. Exchange rate effects contributed +1.6%. The Nordics continued its positive trend from the preceding quarter and grew by 15.7% compared with the year-earlier quarter. Sales increased 7.1% in Europe. Sales in Rest of World declined by 4.7%.

Net sales for the full year amounted to MSEK 740.5 (720.1), up 2.8% compared with the year-earlier period. Acquisition and exchange rate effects accounted for 2.2% and 2.6% respectively. Organic sales declined by 2.0%.

Earnings

Adjusted EBITA for the quarter amounted to MSEK 23.2 (22.0). The earnings improvement was mainly due to an overall reduction in cost base as a result of previously completed efficiency improvements. A change in the product mix had a negative impact on the adjusted EBITA margin during the quarter. Adjusted EBITA margin amounted to 12.2% (12.5).

Net profit for the quarter amounted to MSEK 15.4 (9.9), resulting in earnings per share before dilution of SEK 0.68 (0.44).

Adjusted EBITA for the full year amounted to MSEK 95.1 (102.6). Adjusted EBITA margin for the full year amounted to 12.8% (14.3).

Net profit for the full year amounted to MSEK 39.3 (57.4), corresponding to earnings per share before dilution of SEK 1.74 (2.57). The decrease compared to the year-earlier period is due to a weaker first half of the year.

Net financial items

Net financial items for the quarter were MSEK 2.2 (3.5), mainly the result of exchange rate gains of MSEK 6.6 and interest expense during the quarter of MSEK -5.1.

Net financial items for the full year amounted to MSEK -18.1 (-0.6). The negative net financial items were mainly driven by a higher interest expense of MSEK -14.4 (-9.2). Net financial items for the year-earlier period contained an impairment of MSEK 16.9 on the earnout for Artscape.

Cash flow

Cash flow from operating activities for the quarter amounted to MSEK 33.6 (16.0). The improvement consists primarily of the strong operating profit combined with improved working

capital during the quarter. The previous quarter's high accounts receivable have been converted into cash funds.

Cash flow from investing activities for the quarter amounted to MSEK 0.0 (-4.0).

Cash flow from financing activities for the quarter amounted to MSEK -42.9 (-30.3), mainly the result of changes in bank overdraft facilities and repayment of lease liabilities and loans.

Cash flow for the quarter amounted to MSEK -9.3 (-18.3).

Cash flow for the full year totalled MSEK -29.5 (5.8).

Investments and divestments

The Group's investments in tangible and intangible assets amounted to MSEK 0.0 (-6.1).

Investments in tangible and intangible assets for the full year amounted to MSEK -12.7 (-16.2).

Financial position

The Group's total assets amounted to MSEK 801.8 (853.2) at the end of the quarter. The equity ratio was 51.7% (46.8) and cash and cash equivalents at the end of the quarter amounted to MSEK 37.9 (66.2). The Group's total net debt amounted to MSEK 204.4 (233.7) at the end of the quarter. At the end of the quarter, net debt/EBITDA (R12) was 1.7 times (2.1).

Net sales trend

MSEK	Oct-Dec 2023	%	Full-year	%
Net sales 2022	176.9		720.1	
Acquisitions	-	-	15.6	2.2
Organic growth	10.1	5.7	-14.2	-2.0
Currency	2.8	1.6	19.0	2.6
Net sales 2023	189.8	7.3	740.5	2.8

Net sales per segment

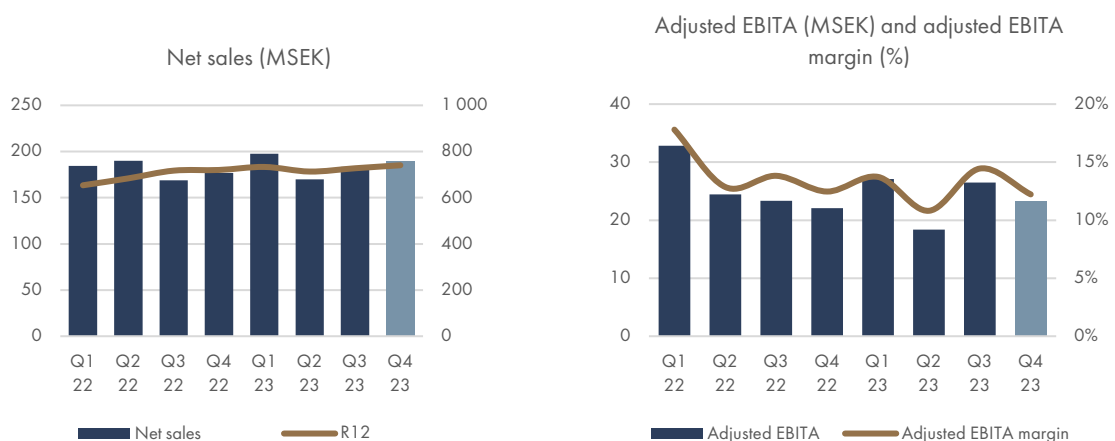
MSEK	Oct-Dec 2023	Oct-Dec 2022	Full-year 2023	Full-year 2022
Nordics	79.8	69.0	286.0	294.0
<i>of which premium</i>	31%	29%	31%	29%
Europe	65.0	60.7	251.0	242.2
<i>of which premium</i>	81%	86%	81%	84%
Rest of World	45.0	47.2	203.5	183.9
<i>of which premium</i>	89%	80%	91%	90%
Total	189.8	176.9	740.5	720.1

Adjusted EBITA per segment

MSEK	Oct-Dec 2023	Oct-Dec 2022	Full-year 2023	Full-year 2022
Nordics	8.9	8.4	31.7	35.6
Europe	11.4	7.9	42.4	40.2
Rest of World	2.9	5.7	21.0	26.8
Total	23.2	22.0	95.1	102.6

Cash flow

MSEK	Oct-Dec 2023	Oct-Dec 2022	Full-year 2023	Full-year 2022
Cash flow from operating activities	33.6	16.0	61.1	107.9
Cash flow from investing activities	0.0	-4.0	-12.7	-156.3
Cash flow from financing activities	-42.9	-30.3	-77.9	54.2
Cash flow for the period	-9.3	-18.3	-29.5	5.8



NORDICS: Continued positive trend

Net sales and earnings

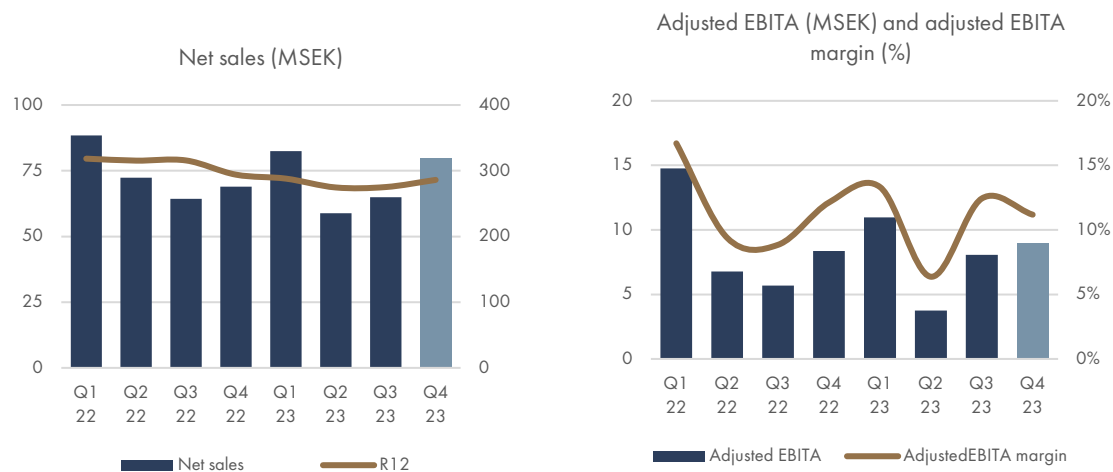
Net sales in the Nordics totalled MSEK 79.8 (69.0) corresponding to growth of 15.7%. Sales during the quarter were favourable, due in part to the launch of Boråstapeter's new professional collection. Growth should also be seen in the light of weak sales reported in the fourth quarter of 2022.

Adjusted EBITA was MSEK 8.9 (8.4), corresponding to an adjusted EBITA margin of 11% (12%). The slightly lower margin was primarily attributable to changes in the product mix.

The share of premium for the quarter totalled 31%, compared with 29% in the corresponding quarter of 2022.



MSEK	Oct-Dec 2023	Oct-Dec 2022	Full-year 2023	Full-year 2022
NORDICS				
Net sales	79.8	69.0	286.0	294.0
Adjusted EBITA	8.9	8.4	31.7	35.6
Adjusted EBITA margin	11%	12%	11%	12%
Share of premium	31%	29%	31%	29%



EUROPE:

Stable sales and strong margins

Net sales and earnings

Net sales in Europe totalled MSEK 65.0 (60.7). The increase was mainly driven by a positive development in the major markets of Italy and Germany.

Adjusted EBITA was MSEK 11.4 (7.9), corresponding to an adjusted EBITA margin of 17% (13). The improved EBITA margin was a direct consequence of increased sales and completed cost savings.

The share of premium for the quarter totalled 81%, compared with 86% in the year-earlier period.

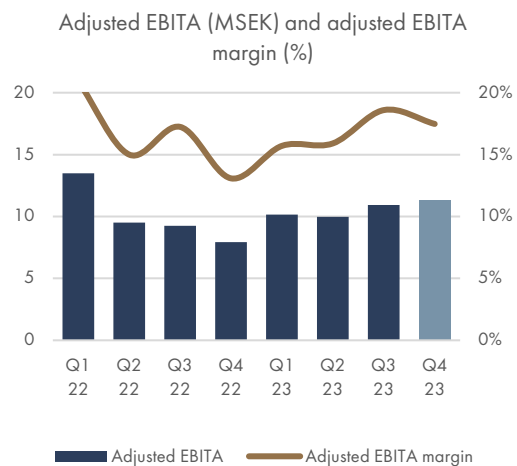
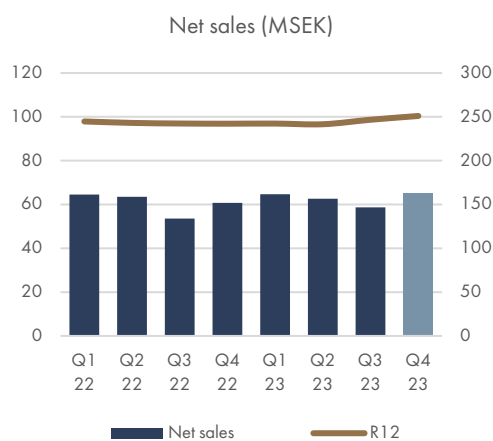
Net sales Q4

65.0
MSEK

% of total sales

34%

MSEK	Oct-Dec 2023	Oct-Dec 2022	Full-year 2023	Full-year 2022
EUROPE				
Net sales	65.0	60.7	251.0	242.2
Adjusted EBITA	11.4	7.9	42.4	40.2
Adjusted EBITA margin	17%	13%	17%	17%
Share of premium	81%	86%	81%	84%



REST OF WORLD:

Weaker sales and profitability in US

Net sales and earnings

Net sales in Rest of World amounted to MSEK 45.0 (47.2), down 4.7% compared with the year-earlier period. The weaker sales were mainly due to the phase-out by Artscape of some of its previous product range in the market ahead of forthcoming launches in spring 2024.

Adjusted EBITA amounted to MSEK 2.9 (5.7) and the adjusted EBITA margin was 6% (12), compared with the year-on-year quarter. The lower margin was primarily attributable to the weaker sales trend.

The share of premium for the quarter amounted to 89% (80).

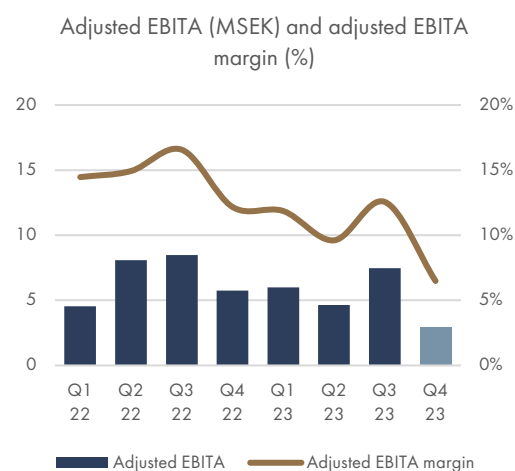
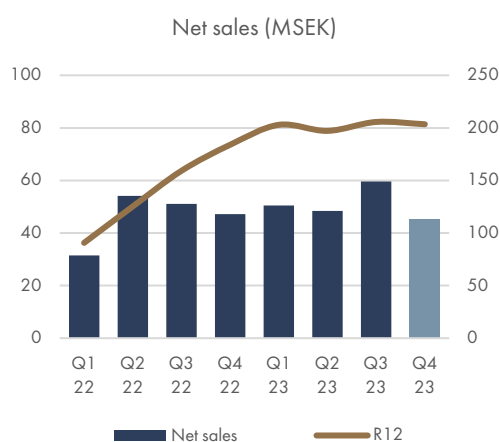
Net sales Q4

45.0
MSEK

% of total sales

24%

MSEK	Oct-Dec 2023	Oct-Dec 2022	Full-year 2023	Full-year 2022
REST OF WORLD				
Net sales	45.0	47.2	203.5	183.9
Adjusted EBITA	2.9	5.7	21.0	26.9
Adjusted EBITA margin	6%	12%	10%	15%
Share of premium	89%	80%	91%	90%



Other Group

Organisation

The number of FTEs on 31 December 2023 was 228 (247), of whom 120 (127) were women and 108 (120) men.

Related-party transactions

No related-party transactions took place.

Risks and uncertainties

Embellence Group works continuously to identify and manage the risks associated with the Group's operations. The company has a well-functioning risk-management process in place whereby risks are consolidated, reported and monitored by Group management. For a complete description of the risks impacting the company, refer to the 2022 Annual Report.

Seasonal variations

Some seasonal variations arise, with the first and fourth quarters normally tending to be slightly stronger.

Accounting policies

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. For the Parent Company, recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board was applied to the preparation of this interim report. Accounting policies and the basis of calculations are the same as the policies applied in the company's most recent annual report. The carrying amount is a good approximation of fair value for financial assets and liabilities.

Significant events during the quarter

The Extraordinary General Meeting of Embellence Group AB resolved in accordance with the shareholder group's proposal to re-elect the existing Board members Karin Dennford, Anneli Kansbod, Henrik Nyqvist and Christina Ståhl and to elect Magnus Welander as a new member of the Board. The Meeting also resolved in accordance with the shareholder group's proposal to elect Magnus Welander as new Chairman of the Board.

Dividend

The Board of Directors proposes to the AGM that no dividend be paid for the 2023 financial year.

Significant events after the end of the quarter

No significant events to report.

Audit

This report was not subject to review by the Group's auditors.

Parent Company

Fourth quarter 2023

The Parent Company's net sales amounted to MSEK 3.3 (3.5). Net profit for the period after tax amounted to MSEK 68.4 (28.0).

Full-year 2023

The Parent Company's net sales amounted to MSEK 13.2 (13.4). Net profit for the period after tax amounted to MSEK 142.7 (7.0).

Signatures and assurance

The undersigned assure that the interim report provides a fair review of the Parent Company and the Group's operations, financial position and earnings and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Borås, 21 February 2024

Magnus Welander
Chairman

Olof Svensk
CEO

Karin Dennford

Anneli Kansbod

Henrik Nyqvist

Christina Ståhl

Condensed consolidated income statement

MSEK	October-December		Full-year	
	2023	2022	2023	2022
Net sales	189.8	176.9	740.5	720.1
Cost of goods sold	-80.2	-71.1	-308.0	-296.9
Gross profit	109.6	105.8	432.5	423.2
Selling and administrative expenses	-92.2	-96.8	-364.2	-355.0
Other operating income	1.1	1.2	5.2	7.2
Other operating expenses	-1.0	-0.4	-3.6	-4.4
Operating profit	17.5	9.8	69.9	71.0
Net financial items	2.2	3.5	-18.1	-0.6
Profit before tax	19.7	13.3	51.8	70.4
Tax	-4.3	-3.4	-12.5	-13.0
Net profit for the period	15.4	9.9	39.3	57.4
Earnings per share for the period before dilution¹⁾ (SEK)	0.68	0.44	1.74	2.57
Earnings per share for the period after dilution¹⁾ (SEK)	0.68	0.44	1.74	2.57
Other comprehensive income				
Actuarial gains and losses after tax	-0.1	0.6	-0.1	0.6
Translation differences	-26.4	-12.1	-5.0	26.9
Total other comprehensive income	-26.5	-11.5	-5.1	27.5
Comprehensive income for the period	-11.1	-1.6	34.2	84.9

¹⁾ Refer to Note 1 on page 21.

Condensed consolidated balance sheet

MSEK	31 December	
	2023	2022
Assets		
Intangible non-current assets	358.5	381.8
Tangible non-current assets	74.5	72.5
Right-of-use assets	54.8	67.6
Deferred tax assets	5.0	1.9
Financial non-current assets	3.2	2.7
Total non-current assets	496.0	526.5
Inventories	136.4	129.5
Accounts receivable	93.4	98.9
Current tax assets	11.8	6.4
Other receivables	4.6	7.5
Prepaid expenses and accrued income	21.7	18.2
Cash and cash equivalents	37.9	66.2
Total current assets	305.8	326.7
Total assets	801.8	853.2

Condensed consolidated balance sheet (cont.)

MSEK	31 December	
	2023	2022
EQUITY AND LIABILITIES		
Share capital	56.5	56.5
Other contributed capital	84.4	84.7
Reserves	24.4	29.5
Retained earnings, including net profit for the year	249.6	228.4
Equity attributable to Parent Company shareholders	414.9	399.1
Provisions for pensions	6.6	5.9
Deferred tax liabilities	16.6	15.4
Other non-current interest-bearing liabilities	57.4	97.0
Lease liabilities	42.8	53.3
Other non-current liabilities	0.0	0.0
Total non-current liabilities	123.4	171.6
Other current interest-bearing liabilities	36.4	14.8
Bank overdraft facility	90.6	117.9
Lease liabilities	15.1	16.9
Accounts payable	53.3	48.9
Other current liabilities	20.2	28.5
Accrued expenses and deferred income	47.9	55.5
Total current liabilities	263.5	282.5
Total liabilities	386.9	454.1
Total equity and liabilities	801.8	853.2

Indebtedness

MSEK	31 December	
	2023	2022
Lease liabilities	57.9	70.3
Bank overdraft facility	90.6	117.9
Other interest-bearing receivables and liabilities	93.8	111.7
Gross debt	242.3	299.9
Cash and cash equivalents	-37.9	-66.2
Net debt	204.4	233.7
EBITDA	118.5	112.3
Net debt / EBITDA (R12)	1.7	2.1
Net debt / EBITDA excl. IFRS 16 effects (R12)	1.5	1.7
Equity ratio	51.7%	46.8%
Quota value per share (SEK)	2.5	2.5

Condensed consolidated cash-flow statement

MSEK	October-December		Full-year	
	2023	2022	2023	2022
OPERATING ACTIVITIES				
Operating profit	17.5	9.8	69.9	71.0
<i>Adjustments for non-cash items</i>				
Depreciation and amortisation	8.9	11.2	45.1	41.3
Other	-8.2	0.4	-2.9	2.3
Total	18.2	21.4	112.1	114.6
Interest received	1.4	0.9	1.1	0.2
Interest paid	-5.1	-3.8	-18.7	-12.7
Tax paid	-3.6	-5.1	-16.9	-18.6
Cash flow from operating activities before changes in working capital	10.9	13.4	77.6	83.5
Cash flow from changes in working capital	22.7	2.6	-16.5	24.4
Cash flow from operating activities	33.6	16.0	61.1	107.9
INVESTING ACTIVITIES				
Acquisition of tangible and intangible assets	0.0	-6.1	-12.7	-16.2
Acquisition of companies, less acquired cash and cash equivalents	0.0	2.1	0.0	-140.1
Cash flow from investing activities	0.0	-4.0	-12.7	-156.3
FINANCING ACTIVITIES				
Change in bank overdraft facilities	-34.3	-17.6	-27.4	1.9
Repayment of lease liabilities	-4.9	-4.7	-16.4	-12.6
New borrowing	0.0	0.0	0.0	94.5
Repayment of loans	-3.7	-8.0	-15.7	-11.9
Option premiums repaid/received	0.0	0.0	-0.3	0.3
Dividend	0.0	0.0	-18.1	-18.0
Cash flow from financing activities	-42.9	-30.3	-77.9	54.2
Cash flow for the period	-9.3	-18.3	-29.5	5.8
Cash and cash equivalents at beginning of period	48.8	86.4	66.2	58.0
Exchange rate differences in cash and cash equivalents	-1.6	-1.9	1.2	2.4
Cash and cash equivalents at end of period	37.9	66.2	37.9	66.2

Consolidated statement of changes in equity

MSEK	2023
Opening equity 1 Jan 2023	399.1
Net profit for the period	39.3
Other comprehensive income	-5.1
Dividend	-18.1
Option premiums repaid	-0.3
Closing balance 31 Dec 2023	414.9

MSEK	2022
Opening balance 1 Jan 2022	293.4
Net profit for the period	57.4
Other comprehensive income	27.6
Issue in kind	38.5
Dividend	-18.1
Option premiums received	0.3
Closing balance 31 Dec 2022	399.1

Condensed Parent Company income statement

MSEK	October-December		Full-year	
	2023	2022	2023	2022
Net sales	3.3	3.5	13.2	13.4
Administrative expenses	-4.3	-9.3	-24.3	-25.4
Operating loss	-1.0	-5.8	-11.1	-12.0
Net financial items	27.6	2.7	104.8	-18.2
Profit/loss after financial items	26.6	-3.1	93.7	-30.2
Group contributions	64.2	45.6	64.2	45.6
Other appropriations	-9.5	-5.1	-9.5	-5.1
Profit before tax	81.3	37.4	148.4	10.3
Tax	-12.9	-9.4	-5.7	-3.3
Net profit for the period	68.4	28.0	142.7	7.0

Condensed Parent Company balance sheet

MSEK	31 December	
	2023	2022
ASSETS		
Intangible non-current assets	0.9	1.4
Deferred tax assets	0.4	0.3
Financial non-current assets	617.4	617.0
Total non-current assets	618.7	618.7
Current tax assets	-	-
Other receivables	0.4	0.2
Prepaid expenses and accrued income	1.0	1.4
Cash and cash equivalents	-	-
Total current assets	1.4	1.6
Total assets	620.1	620.3

MSEK	31 December	
	2023	2022
EQUITY AND LIABILITIES		
Share capital	56.5	56.5
Statutory reserve	10.0	10.0
Share premium reserve	101.9	102.2
Retained earnings, including net profit for the year	160.9	36.3
Equity attributable to Parent Company shareholders	329.3	205.0
Untaxed reserves	17.6	8.1
Provisions for pensions	1.5	1.1
Other non-current interest-bearing liabilities	57.4	97.0
Other non-current liabilities	-	-
Total non-current liabilities	58.9	98.1
Other current interest-bearing liabilities	36.4	14.8
Bank overdraft facility	90.5	117.9
Accounts payable	1.1	0.5
Liabilities to Group companies	78.2	162.6
Other current liabilities	3.6	5.6
Accrued expenses and deferred income	4.5	7.7
Total current liabilities	214.3	309.1
Total liabilities	273.2	407.2
Total equity and liabilities	620.1	620.3

Quarterly overview

Quarterly data, Group

MSEK	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Net sales	184.4	189.9	169.0	176.9	197.5	169.9	183.2	189.8
Adjusted EBITA	32.8	24.4	23.4	22.0	27.1	18.4	26.5	23.2
Adjusted EBITA margin, %	17.8%	12.8%	13.8%	12.5%	13.7%	10.8%	14.4%	12.2%
Share of premium, %	57%	65%	67%	62%	63%	69%	64%	61%

Quarterly data per segment

MSEK	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Net sales per segment								
Nordics	88.4	72.4	64.3	69.0	82.4	58.9	64.9	79.8
Europe	64.5	63.4	53.6	60.7	64.6	62.7	58.7	65.0
Rest of World	31.5	54.1	51.1	47.2	50.5	48.3	59.6	45.0
TOTAL	184.4	189.9	169.0	176.9	197.5	169.9	183.2	189.8

MSEK	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Adjusted EBITA per segment								
Nordics	14.8	6.7	5.7	8.4	11.0	3.8	8.1	8.9
Europe	13.5	9.6	9.2	7.9	10.1	10.0	10.9	11.4
Rest of World	4.6	8.1	8.5	5.7	6.0	4.6	7.5	2.9
Total adjusted EBITA	32.8	24.4	23.4	22.0	27.1	18.4	26.5	23.2
Items affecting comparability	-2.1	-2.4	-2.4	-7.3	0.0	-3.2	0.0	0.0
EBITA	30.7	22.0	21.0	14.7	27.1	15.2	26.5	23.2
Impairment of intangible assets	-2.9	-4.7	-4.9	-5.0	-5.2	-5.5	-5.6	-5.7
Total EBIT	27.8	17.3	16.1	9.8	21.9	9.7	20.9	17.5

Notes

Note 1 Earnings per share

SEK	Oct-Dec 2023	Oct-Dec 2022	Full-year 2023	Full-year 2022
Net profit for the period				
Earnings per share before dilution	0.68	0.44	1.74	2.57
Earnings per share after dilution	0.68	0.44	1.74	2.57
Performance measures used in the calculation of earnings per share before and after dilution (MSEK)				
Net profit for the period	15.4	9.9	39.3	57.4
<i>Profit above is attributable to Parent Company shareholders in its entirety.</i>				
Weighted average number of shares before and after dilution				
<i>Before dilution</i>				
Weighted average number of ordinary shares for calculation of earnings per share before dilution	22,583,877	22,583,877	22,583,877	22,321,154
<i>Warrants</i>				
Adjustment for calculation of earnings per share after dilution attributable to warrants	0	0	0	0
<i>After dilution</i>				
Weighted average number of ordinary shares and potential ordinary shares used as denominator for calculation of earnings per share after dilution	22,583,877	22,583,877	22,583,877	22,321,154

Definitions

Share of premium

Net sales of premium products divided by total net sales.

Number of employees

Total number of employees included on Embellence Group's payroll at the end of the period.

Gross margin premium

Gross profit from premium products divided by net sales of premium products.

Gross profit premium

Net sales less costs of goods sold for premium products.

EBITA

(Earnings before interest, taxes and amortisation).

Operating profit/loss before impairment of intangible assets.

EBITA margin

EBITA divided by net sales.

EBITDA

(Earnings before interest, taxes, depreciation and amortisation). Operating profit/loss before depreciation and amortisation.

Adjusted EBITA

EBITA adjusted for items affecting comparability.

Adjusted EBITA margin

Adjusted EBITA divided by net sales.

Items affecting comparability

Material costs that impact comparability of accounting periods. These items include, but are not limited to, restructuring costs, listing costs, acquisition costs and losses in connection with divestments of operations.

Net debt

The sum of non-current interest-bearing liabilities, non-current lease liabilities, current interest-bearing liabilities, current lease liabilities, liabilities and receivables against Group companies and bank overdraft minus cash and cash equivalents.

Net debt/EBITDA

Net debt divided by EBITDA, rolling 12 months.

Net debt/EBITDA excl. IFRS 16

Net debt divided by EBITDA, rolling 12 months, excluding lease liabilities, interest and impairments under IFRS 16.

Net sales currency effect

Translation effects based on current exchange rates compared with exchange rates for the year-earlier period.

Net sales – organic growth

Change in net sales after adjustments for net sales that have arisen from acquired or divested operations, in constant currencies.

Premium sales

Wallpaper for which the end consumer pays more than SEK 700 per roll.

Artscape's products and the majority of Pappelina's product range.

Earnings per share in SEK

Profit after tax divided by the normal number of shares.

Earnings per share in SEK after dilution

Earnings after tax divided by the average number of shares outstanding during the period plus the number of shares that would have been issued as an effect of the ongoing incentive programmes.

Equity ratio

Equity attributable to Parent Company shareholders as a percentage of total assets.

About Embellence Group AB

Embellence Group acquires, owns and develops strong brands in wallpaper, textiles, rugs and other interior decoration.

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Financial calendar

Q1 2024 – 7 May
2024 Annual General Meeting – 8 May
Capital Market Day – 21 May
Q2 2024 – 18 July
Q3 2024 – 24 October
Q4 2024 – 20 February 2025