

Q3 2023

Organic growth with
lower cost base
creates positive
leverage effect on
earnings



embellence
GROUP


BORÄSTAPETER


Cole & Son®
MADE IN THE HOME OF QUALITY INTERIOR DECORATION SINCE 1829

Wall&decò

pappelina®

ARTSCAPE.
WINDOW FILM DESIGN


BORÅS TAPETFABRIK


Today's presenters



Olle Svensk, CEO
Embellence Group since 2016



Karin Lidén, CFO
Embellence Group since 2023

A photograph of an interior room. The wall is covered in a light-colored, patterned wallpaper. In the foreground, there is a dark wooden chair and a round wooden table with a vase of dried flowers. In the background, a small table with a lamp is visible.

Embellence Group
acquires, owns and
develops strong brands
in interior decoration.

This is Embellence Group

Mission

Embellence Group's mission is to contribute to a more beautiful and more inspiring everyday life.

Vision

Embellence Group will be a leading House of Brands in interior decoration with a focus on premium brands in wallpaper, textiles, rugs and other interior decoration. Embellence Group will drive development in a changing wallpaper and interior decoration market.



BORÅSTAPETER



Cole & Son

Wall&decò

pappelina®

ARTSCAPE

WINDOW FILM DESIGN



BORÅS TAPETFABRIK

Highlights Q3

- Achieving strong organic growth, despite challenging environment
 - Net sales amounted to MSEK 183.2 (169.0), up 8,4%, underlying organic growth of 4.3%
 - Organic growth in all months during the quarter
- Lower fixed cost base creates leverage effect on EBITA
 - EBITA amounted to MSEK 26.5 (21)
 - No adjustments during the quarter
- Focus ahead
 - Prioritizing organic growth, improved cash flows and robust profitability
 - Ongoing focus on strengthen the offering and reducing costs through digital initiatives.



Key figures

	Q3 2023	Q3 2022	FY 2022
Net sales (MSEK)	183,2	169.0	720.1
EBITA (MSEK)	26,5	21.0	88.5
EBITA margin (%)	14.4	12.4	12.3
Adjusted EBITA (MSEK)	26.5	23.4	102.6
Adjusted EBITA margin (%)	14.4	13.8	14.3
Net profit for the period	13.2	20.7	57.4
Operating Cash flow	13.2	28.2	107.9

Net sales

Net sales for the quarter amounted to MSEK 183,2 (169,0), up 8,4% compared with the year-earlier period. Strongest growth in Rest of World, but all regions grow in the quarter.

Adjusted EBITA

Adjusted EBITA for the quarter amounted to MSEK 26,5 (12,4) which corresponds to a margin of 14,4%. Increased sales in combination with a lower cost base, creates leverage.

No adjustments made in this period.

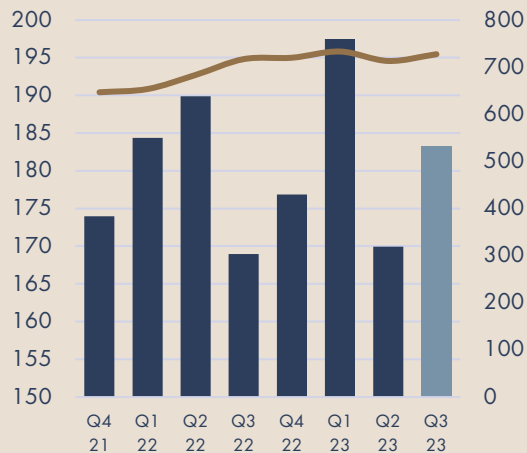
Operating cash flow

Operating cash flow was MSEK 13.2 a decrease compared to same quarter last year. The main reason is a negative change in the working capital. Accounts receivable has increased following sales growth.

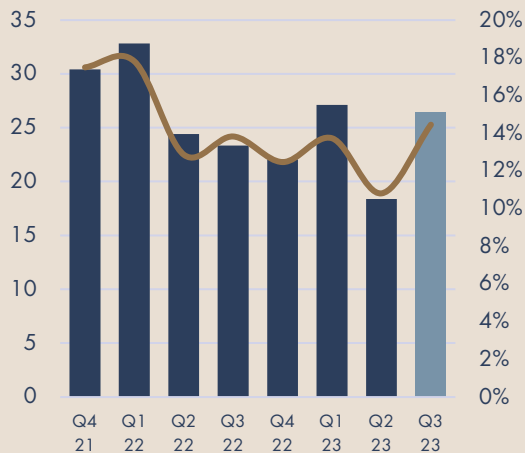


Key figures

NET SALES AND R12 (MSEK)



ADJ. EBITA (MSEK) & ADJ. EBITA-MARGIN (%)



64%

Share of premium
Q3 2023

Nordics:

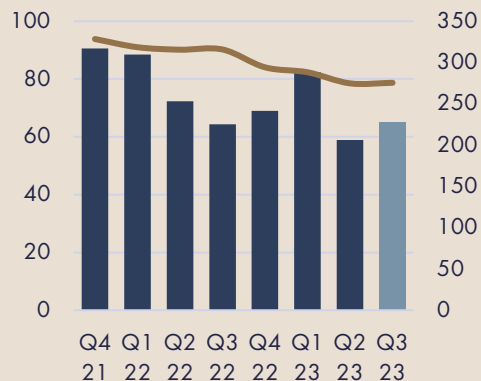
Stable sales and cost control improved earnings

- Net sales 64.9 MSEK (64.3)
 - Demand in Sweden was the main driver
 - Launch of Borosan collection, a professional assortment
- Adjusted EBITA 8.1 MSEK (5.7)
 - The increase mainly due to the lower cost base



	Q3 2023	Q3 2022	FY 2022
Net sales (MSEK)	64,9	64.3	294.0
Adjusted EBITA (MSEK)	8,1	5.7	35.6
Adjusted EBITA margin (%)	12	9	12

NET SALES AND R12 (MSEK)



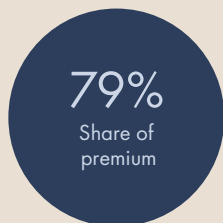
ADJ. EBITA (MSEK) & ADJ. EBITA-MARGIN (%)



Europe:

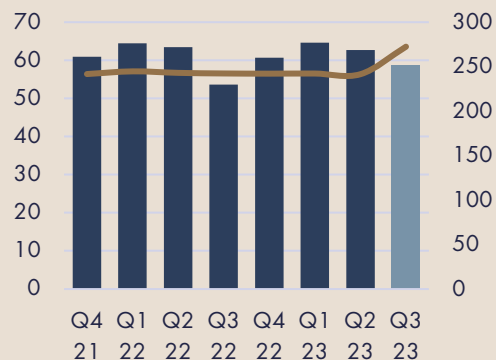
Growth with continued strong earnings

- Net sales 58.7 MSEK (53.6)
 - Strong growth in UK, Italy and France
- Adjusted EBITA 10.9 MSEK (9.2)
 - Due to increased sales and completed cost savings

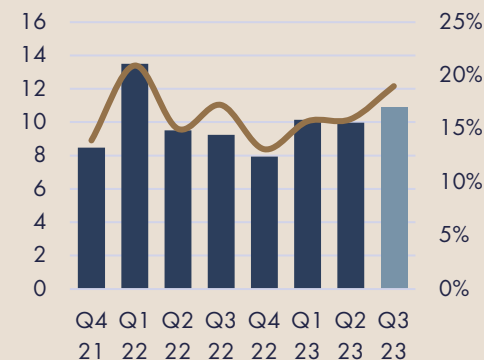


	Q3 2023	Q3 2022	FY 2022
Net sales (MSEK)	58,7	53,6	242.2
Adjusted EBITA (MSEK)	10,9	9,2	40.2
Adjusted EBITA margin (%)	19	17	17

NET SALES AND R12 (MSEK)



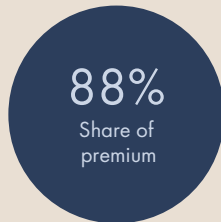
ADJ. EBITA (MSEK) & ADJ. EBITA-MARGIN (%)



Rest of World:

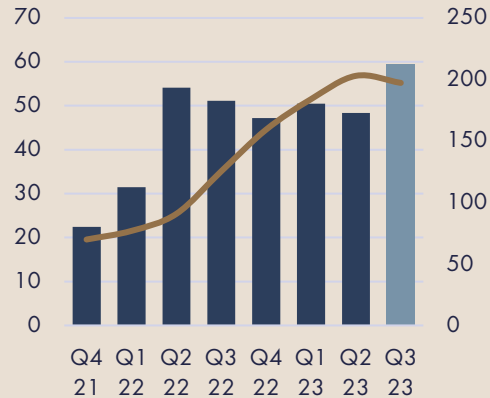
Strong growth and healthy profitability

- Net sales 59.6 MSEK (51.1)
 - Sales growth of 16.6 %
 - All major markets contributed
 - Single large deliveries in Hospitality
- Adjusted EBITA 7.5 MSEK (8.5)
 - Negative impacted by sales mix



	Q3 2023	Q3 2022	FY 2022
Net sales (MSEK)	59,6	51,1	183.9
Adjusted EBITA (MSEK)	7,5	8,5	26.8
Adjusted EBITA margin (%)	13	17	15

NET SALES AND R12 (MSEK)



ADJ. EBITA (MSEK) & ADJ. EBITA-MARGIN (%)



Summary

- Achieving strong organic growth, despite challenging environment
 - Net sales amounted to MSEK 183.2 (169.0), up 8,4%, underlying organic growth of 4.3%
- Lower fixed cost base creates leverage effect on EBITA
 - EBITA amounted to MSEK 26.5 (21)
- Focus ahead
 - Prioritizing organic growth, improved cash flows and profitability
 - Ongoing focus to strengthen the offering and reducing costs through digital initiatives.

→ We're building a high-quality company fuelled by passion and professionalism



A watercolor illustration of a three-story brick building facade. The building features a central entrance with a white door and a window above it, flanked by two large display windows. The ground floor has four storefronts, each with a purple awning that says "Cole & Son". The second floor has two large windows with red frames. The roof has several dormer windows. A central plaque above the entrance reads "1875". A white rectangular box is overlaid in the center of the image, containing the logo "Q & A embellence GROUP". The logo consists of "Q & A" in a large, dark blue serif font, "embellence" in a smaller, dark blue sans-serif font, and "GROUP" in a very small, dark blue sans-serif font below it. The scene is lively with people walking on the sidewalk, a dog, and a street lamp. The style is artistic and colorful.

1875

Q & A

embellence
GROUP

Cole & Son

Cole & Son

Cole & Son

Cole & Son

3

THANK YOU!