

Interim report for the
second quarter 2021

embellence
GROUP

Today's presenters



Olle Svensk
CEO

Embellence Group since 2016



Pär Ihrskog
CFO

Embellence Group since 2019

This is Embellence Group

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



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.

A competitive brand platform



Boråstapeter

A classic, timeless brand that continuously develops to satisfy the market's interest in designs, colours and textures staying true to its roots



Cole & Son

With a commitment and passion for design excellence the Cole & Son studio continues to produce innovative and beautiful wallpapers



Wall&decò

A modern and innovative brand challenging the industry with extraordinary Italian design. Attracting architects, consumers and designers around the world



Perswall

An emerging Scandinavian lifestyle brand based on D2C business model targeting women in the ages 25-45.



Pappelina

An international brand in premium plastic rugs. Founded in 1999 by Lina Rickardsson.

Focus on 3 strategic areas

1

Continued leverage on premium

- Premium wallpaper expected to outperform the value segment
 - *Estimated underlying market growth of min 5%*

2

Further international growth; organic and through acquisitions

- Organic growth in Europe and ROW
- Add-on acquisitions of complementing premium brands

3

Develop closer relationships with customers, architects and designers through digital innovation

- Launch of D2C into new geographies
- Further investments in digital tools (e.g. Wonderwall or similar)

Q2 highlights

- Delivering strong profitable growth
 - Net sales up with +33% vs 2020 (+16% vs 2019)
 - Adjusted EBITA 14,3%
- Strong demand in all markets reflecting a surge in home-related spending, and a certain pent-up demand
- Temporarily supply and logistic constraints managed
- New Managing Director for Wall&decò, appointed, Christian Tomadini
- June 1st, launch of Boråstapeter Digital Flagship Store in Sweden

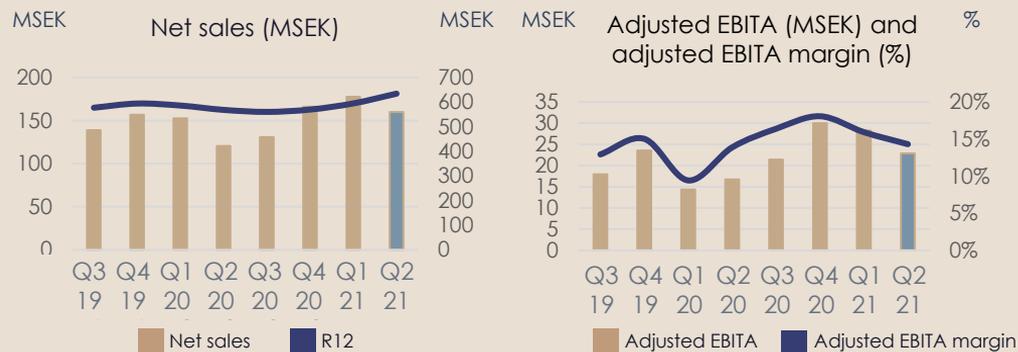


Demand continue to increase

- Net sales up 33%
 - Organic, currency adjusted growth of 21,1%.
- Adjusted EBITA up 37%*
 - primarily driven by organic and acquired growth but also by a higher share of premium sales
 - No major currency impact on EBITA
- Operating cash flow
 - Negatively affected by 11.4 MSEK, mainly driven by delayed tax payments related to Covid-19 support.

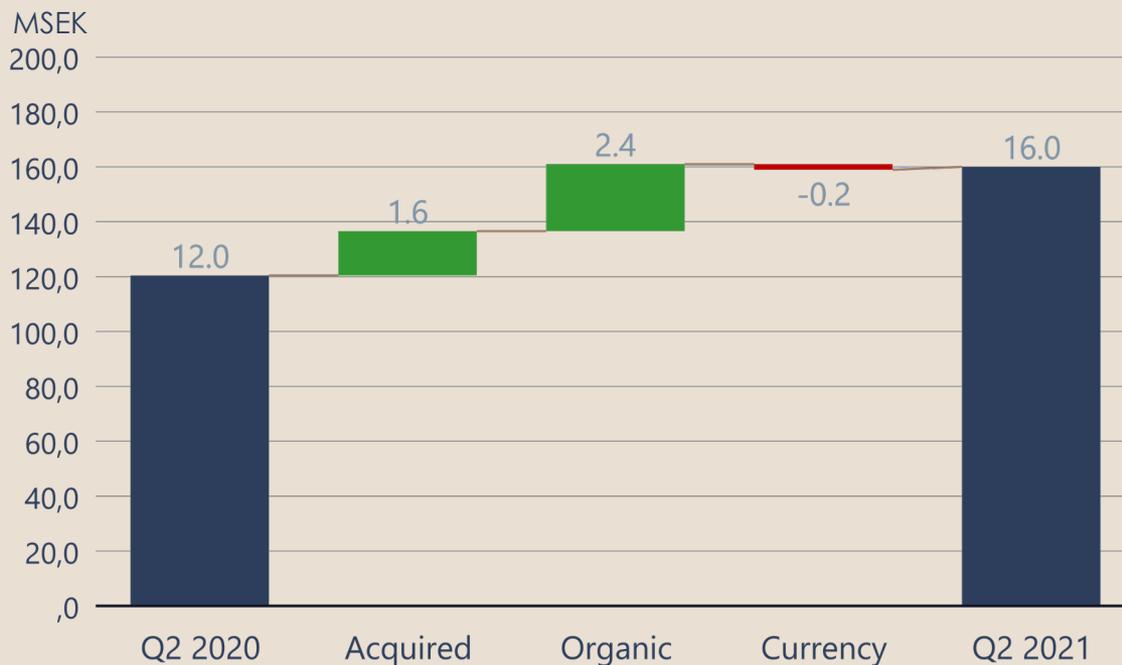
KEY FIGURES

	Q2 2021	Q2 2020	R12M	2020
Net sales (MSEK)	160.0	120.4	634.3	569.9
Adjusted EBITA (MSEK)	22.9	16.7	102.5	82.4
Adjusted EBITA margin (%)	14,3%	13,9%	16,2%	14,5%
Operating Cash flow	17,8	29,2	69,1	67,1



* Including costs of MSEK 1.7 MSEK for the quarter mainly related to the listing on Nasdaq First North Premier Growth Markets.

Increase in Group Net Sales driven by acquisitions and organic growth



Nordics:

Growth and digitalisation

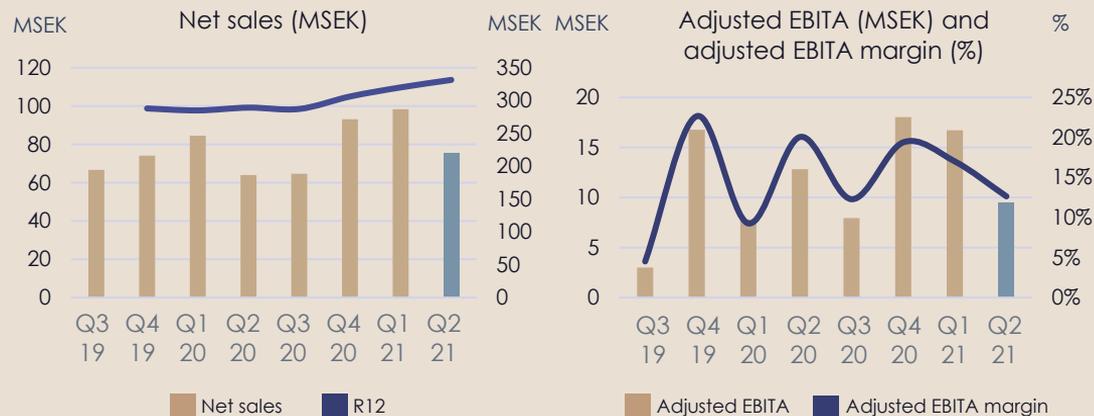
- Net sales up 18%.
 - From organic growth, and acquisition of Pappelina AB
- Adjusted EBITA 9,5 MSEK (12,8)
 - Decreased explained by Covid support Q2 2020, increases prices on input material in Q2 2021 and increased spending on digitalisation.

Share of
total sales
47%

Share of
premium
29%

KEY FIGURES

	Q2 2021	Q2 2020	R12M	2020
Net sales (MSEK)	75,4	63,9	331,4	306,1
Adjusted EBITA (MSEK)	9,5	12,8	52,2	46,6
Adjusted EBITA margin (%)	13%	20%	16%	15%



Q2 2021

Europe:

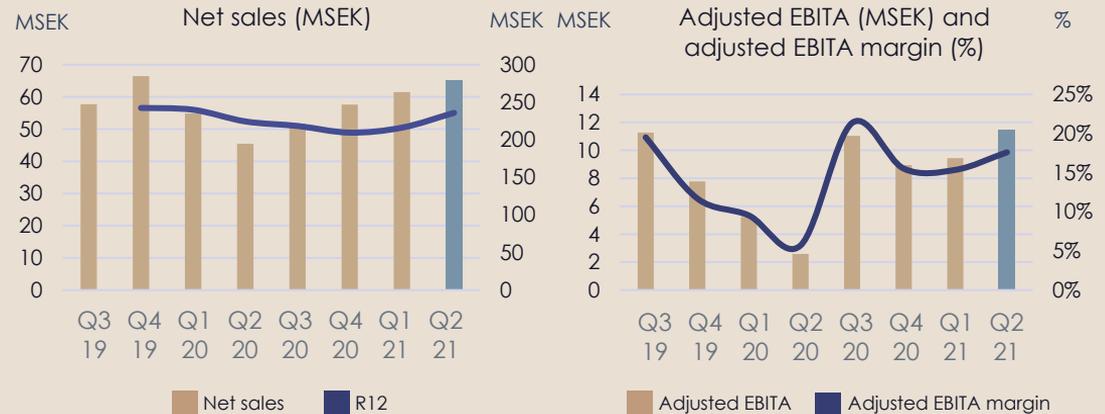
Strong, profitable growth, a 43% increase in net sales

- Net sales up 43%.
 - A general recover in demand after Covid 19 pandemic and from Acquisition of Pappelina AB.
- Adjusted EBITA quadrupled, ending up at 11,5 MSEK.
 - Primarily driven by higher sales and add-on acquisition.



KEY FIGURES

	Q2 2021	Q2 2020	R12M	2020
Net sales (MSEK)	65,1	45,4	235,8	209,6
Adjusted EBITA (MSEK)	11,5	2,6	40,9	27,8
Adjusted EBITA margin (%)	18%	6%	17%	13%



Rest of World:

Strong growth due to increased activity in the US and in the hospitality* segment

- Net sales up 76%.
 - A general recover from Covid 19 pandemic. Increased demand in especially in USA and in the hospitality segment. Positive effect from acquisition of Pappelina AB.
- Adjusted EBITA up 46%.
 - Primarily driven by higher sales and add-on acquisition.

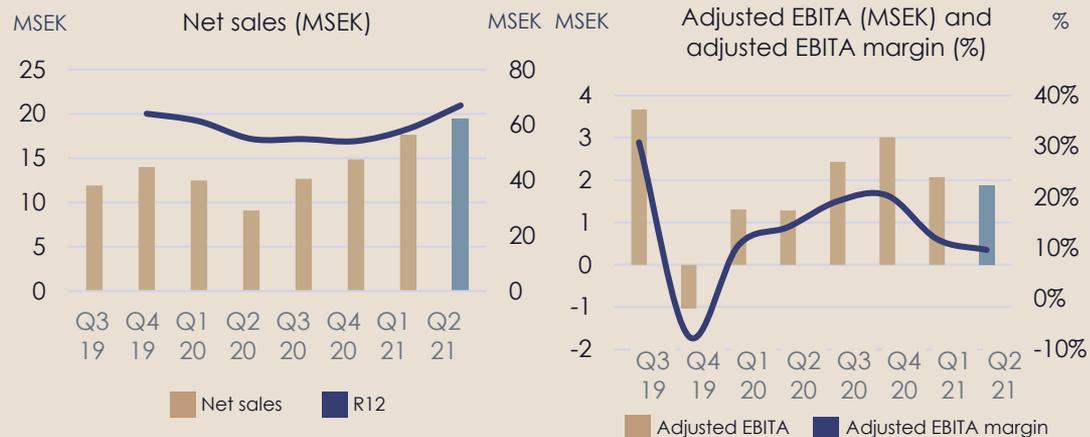
Share of total sales
12%

Share of premium
84%

* Comprises hotels, restaurants and cafés

KEY FIGURES

	Q2 2021	Q2 2020	R12M	2020
Net sales (MSEK)	19,5	11,1	67,1	54,2
Adjusted EBITA (MSEK)	1,9	1,3	9,4	8,0
Adjusted EBITA margin (%)	10%	12%	14%	15%



Financial targets



Net sales growth
SEK 1.2bn

Outcome Q2 2021
32.9%

Outcome H1 2021
23.6%



Operating margin
 $\geq 15\%$

Outcome Q2 2021
13.3%*

Outcome H1 2021
13.1%*



Leverage
 $< 2.5x$ Net Debt /
EBITDA

Outcome Q2 2021
1.1



Dividend policy
30-50% after tax

Outcome Q2 2021
N.A.

Highlights

- Second quarter:
 - Delivering strong profitable growth versus 2020 and 2019
 - Gradually improved activity level from Hospitality sector
 - New Managing Director for Wall&decò, Christian Tomadini
 - Launch of Boråstapeter Digital Flagship Store
- First six months
 - In line with 5-year plan to grow revenue to 1,2 BSEK with solid profitability
 - Strong demand in all markets reflecting a surge in home-related spending, and a certain pent-up demand
 - High activity level in Digitalization and to improve our Sustainability offering



Boråstapeter
Poppy Flow, launch in Oct-21

Q&A

THANK YOU!