

# ELLOS GROUP

Press release, Borås, 23 February 2024

## ELLOS GROUP AB (PUBL) INTERIM REPORT JANUARY - DECEMBER 2023

The interim report for Ellos Group AB (publ) is published today.

### THE FOURTH QUARTER 2023

- Net sales decreased by 4.7 % to SEK 993.6 (1 042.2) million. Organically, net sales decreased by 4.5 %.
- The gross margin increased to 51.8 (49.3) %.
- Adjusted EBITA increased to SEK 73.5 (26.5) million. The adjusted EBITA margin increased to 7.4 (2.5) %.
- The operating profit/loss increased to SEK 42.3 (-11.6) million. The operating margin increased to 4.3 (-1.1) %.
- Cash flow from operating activities amounted to SEK 157.2 (68.6) million.
- Inventories amounted to SEK 621.3 (699.9) million.

### FULL YEAR 2023

- Net sales decreased by 5.2 % to SEK 3 436.6 (3 624.0) million. Organically, net sales decreased by 3.26 %.
- The gross margin increased to 52.1 (50.5) %.
- Adjusted EBITA increased to SEK 188.9 (80.1) million. The adjusted EBITA margin increased to 5.5 (2.2) %.
- The operating profit/loss increased to SEK 82.9 (-40.3) million. The operating margin increased to 2.4 (-1.1) %.
- Cash flow from operating activities amounted to SEK 149.8 (-18.9) million.
- Inventories amounted to SEK 621.3 (699.9) million.

### Comment from the CEO of Ellos Group AB (publ)

#### STRONG FINISH AND EARNINGS IMPROVEMENT OF OVER 130 PER CENT FOR 2023

Ellos Group's focus in 2023 has been on sharpening our offer to our core customers - women in mid-life - in parallel with improving efficiency and profitability. The market was characterised by uncertainty throughout the year. It is therefore gratifying that Ellos Group is reporting a strong earnings improvement for 2023, with an adjusted EBITA of SEK 109 million - which is an increase of more than 130 per cent compared to 2022. We also reported strong financial development during the fourth quarter.

With subdued purchasing power, consumers have continued to tighten their purse strings. The Swedish Trade Federation's E-commerce Indicator estimates that e-commerce in Sweden decreased 8 per cent in 2023, and 10 per cent in December, as compared with last year. Sales during 'Black Week' and the Christmas shopping season were relatively weak. Sales development for fashion is in line with last year, while furniture and home furnishings decreased 38 per cent and 5 per cent, respectively.

In view of this, Ellos Group's Fashion and Home offer is strong, and our assessment is that we are continuing to gain market share. Our full-year sales fell 6 per cent year-on-year and amounted to just under SEK 3.4 billion. Fourth-quarter sales were 4.5 per cent lower than during last year's comparative quarter.

During the year's final quarter we saw strong demand for our Fashion offer. Our focus on underwear and swimwear has been successful, and we welcomed hundreds of thousands of new customers to our e-commerce platforms. We also saw a strong development in Kitchen and Household, a new area in 2023. This is proof that our strategy as a leading e-commerce player in fashion and home furnishings is working and delivering results.

We have continued to implement our strategy with a focus on our core customers, and have advanced our positions in several areas. We launched successful collections and collaborations and are particularly pleased with our collaboration with Pernilla Wahlgren, which will continue during 2024.

# ELLOS GROUP

During the year we worked intensively to consolidate our supplier base in order to achieve synergies and increase sustainability requirements in purchasing. A key parameter in this work has been increasing the share of certified materials to improve traceability and reduce environmental impact in the supply chain.

Our efforts to lower our distribution costs - including by developing a new transport monitoring system, adding new delivery options and managing freight charges - were successful during the year, producing improvements to net freight cost.

The strong earnings improvement for 2023 is mainly attributable to a higher gross margin, lower marketing costs and lower operational costs. Cost reduction has been a top priority in our Nordic and European markets, and this work will continue in 2024.

Cash flow was strong during the quarter, resulting in a net debt of SEK 1,366 million at year end. We closed 2023 with a well-balanced inventory position, providing us with favourable conditions for our attractive spring and summer product ranges.

We are entering 2024 on solid ground and with a continued focus on our core customers, cost efficiency and profitability. These are key focus areas in a market situation that remains uncertain. Despite some positive signs of subdued inflation, we are closely following market developments, not least given the prevailing geopolitical turmoil.

Ellos Group's broad-based business model on a fully integrated e-commerce platform is a strength, in both good and more challenging times. In the long-term perspective there are excellent conditions for growth and, as a leading e-commerce player with strong home furnishing and fashion brands, we are confident about the future.

Hans Ohlsson, CEO

For more information:  
Johan Stigson, CFO, Telephone. +46 (0)33 16 08 05.

---

*This information is information that Ellos Group AB (publ) is legally obliged to disclose in accordance with the EU Market Abuse Regulation and the Swedish Securities Market Act. Through the agency of the contact persons shown above, the information was released for publication on 23 February 2024 08.30 CET.*

## ABOUT ELLOS GROUP

The Ellos Group, which includes the e-stores Ellos, Jotex, Homeroom and payment brand Elpy, is a leading e-commerce group in the Nordic region. Working closely with our millions of customers, we are constantly striving to develop and offer attractive and sustainable fashion and household items for the entire family. Our focus is always on the customer. We continuously work to develop our business through innovation, creativity, and sustainability. The Ellos Group, headquartered in Borås, and with operations in all Nordic countries and selected European markets, has around 550 employees and sales of around SEK 3.4 billion.  
[www.ellosgroup.com](http://www.ellosgroup.com)