ELLOS GROUP

FNG NORDIC AB (PUBL) GROUP

Press release, Borås 26 February 2021

# FNG NORDIC AB (PUBL) INTERIM REPORT JANUARY - DECEMBER 2020

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

## THE FOURTH QUARTER

- Net sales totalled SEK 993.3 million.
- The gross margin amounted to 52.1 %.
- The operating profit/loss amounted to SEK 75.5 million. The operating margin was 7.6%.
- Adjusted EBITA amounted to SEK 99.4 million. The adjusted EBITA margin stood at 10.0%.
- Adjusted EBITDA amounted to SEK 121.8 million. The adjusted EBITDA margin stood at 12.3%.
- Cash flow from operating activities amounted to SEK 89.4 million.
- Operating cash flow, that is, cash flow from operating activities and cash flow from investing activities, totalled SEK 72.1 million.
- Cash and cash equivalents amounted to SEK 320.7 million.

## FULL YEAR 2020

- Net sales totalled SEK 3,174.9 million.
- The gross margin amounted to 47.3%.
- The operating profit/loss amounted to SEK 58.0 million. The operating margin was 1.8%.
- Adjusted EBITA amounted to SEK 290.2 million. The adjusted EBITA margin stood at 9.1%.
- Adjusted EBITDA amounted to SEK 381.5 million. The adjusted EBITDA margin stood at 12.0%.
- Cash flow from operating activities amounted to SEK 131.4 million.
- Operating cash flow, that is, cash flow from operating activities and cash flow from investing activities, totalled SEK 95.1 million.
- Cash and cash equivalents amounted to SEK 320.7 million.

### Comment from the CEO of FNG Nordic AB (publ)

During the fourth quarter, Ellos Group continues the progress seen during the year, with significant increases in both sales and result. This development comprises the whole quarter with its peak during Black Week when sales increased by almost 50% despite lower discount levels than last year. During the year, we have welcomed many new customers and during Black Week alone, more than 100.000 new customers chose to purchase from one of our brands. Our web sites had more than 8 million visits during the week. The significant improvements made by Ellos Group in IT and Logistics to create a smooth, personal, and effortless shopping experience online, are one of the important explanations for this result. During the fourth quarter, the adjusted EBITA margin amoun ted to 10,0% and the adjusted EBITDA margin to 12,3%.

For the full year, sales increased by 18%. The development within the home segment has been very strong during the year, which has been noted for a longer period, but during 2020 the category has also increased due to the Covid-19 pandemic which has led to that many customers spend much time in their homes. Sports and Electronics have also been successful categories during the year. Clothes and fashion have been negatively impacted by Covid-19 as social activities with friends and family have been cancelled and fashion categories such as dresses and tops are not purchased to the same extent as before the pandemic. Swim wear has also been a challenge as travelling abroad has decreased severely. Even though casual comfortable clothes, together with sport and leisure have performed well during the year, this does not weigh up the drop in more party related fashion wear such as dresses and tops, together with swim and beach wear.

As 2020 was a very successful year, all employees were given an extraordinary bonus of 5 000 SEK. The cost for this bonus is taken in the fourth quarter. Adjusted EBITA for the full year amounts to 290,2 MSEK with a margin of 9,1%. Corresponding figures for adjusted EBITDA are 381,5 MSEK and 12,0%. While the business shows a strong result for the year, 2020 has also been a year in which we have looked ahead and implemented a number

of projects to strengthen the customer experience, our operative capability and given customers outside the Nordic region the possibility to purchase our products. In the beginning of the year, we launched a new function for financial services, Elpy, which is a digital, mobile and scalable platform which improves the customer experience when purchasing and paying for products. Elpy has also ensured that Stayhard and Homeroom now can generate income from financial services. In February we opened our new warehouse building in Borås for furniture and other large home products. The new warehouse has enabled a possibility for continued growth, more efficient ways of working, consolidation of warehouses, and a better service offer to our customer.

During the year, we have also launched new web sites for Ellos, Jotex, and Homeroom, which have led to that the customer get a faster, easier, and more inspiring user experience designed for the mobile. Customers are offered an improved user friendliness and personalization which improve the relevance for each customer. At the end of the year, we took an important step in our strategy when we launched one of our brands outside the Nordic region. The first step in this expansion was to launch Jotex in Germany and Poland in December 2020, and the Netherlands and Austria in the beginning of 2021. Based upon how the business have started, it looks very promising.

FNG Nordic AB is part of the Belgian FNG group. A number of the companies in Belgium and the Netherlands within the FNG group, filed for bankruptcy in July 2020. FNG Nordic AB and Ellos Group are not part of those proceedings. Due to the bankruptcies within the FNG group, the planned purchasing co-operation cannot be implemented. As a consequence, Ellos Group reserved 158,6 MSEK, corresponding to the pre-payment and entry fee paid. This is included in the operating profit but is treated as non-recurring item in the adjusted EBITA and adjusted EBITDA. The cash flow for the year is fully impacted by these payments.

Despite the mentioned payments, Ellos Group shows a positive operating cash flow for the full year, amounting to 95,1 MSEK. The Net debt decreases to 1 134 MSEK, meaning that liquidity is strong with an undrawn revolving credit facility and 320,7 MSEK in cash at hand.

With a strong year behind us as and a positive momentum, we look forward with excitement to the rest of 2021.

Paul Lembrechts, CEO of FNG Nordic AB (publ).

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*This information is information that FNG Nordic 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 26th of Feb 2021 at 18.00 CET.*

## ABOUT ELLOS GROUP

The Ellos Group, which includes Ellos, Jotex, Stayhard, and Homeroom, is the Nordic region's leading e-commerce group. 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, Sweden, and with operations in all Nordic countries, has around 550 employees. www.ellosgroup.com