

Q1

Presentation May 20, 2021

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Today's presenters



Olle Svensk
CEO

Embellence Group since 2016



Per 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)

Q1 highlights

- Delivering strong profitable growth
 - Net sales up with +16%
 - Adjusted EBITA 15,9%
- Strengthened brand portfolio through the acquisition of Pappelina AB
- Listing on Nasdaq First North Premier Growth Markets
- D2C launch for Cole&Son* and Perswall**

Q1 2021

* UK

**UK and Sweden

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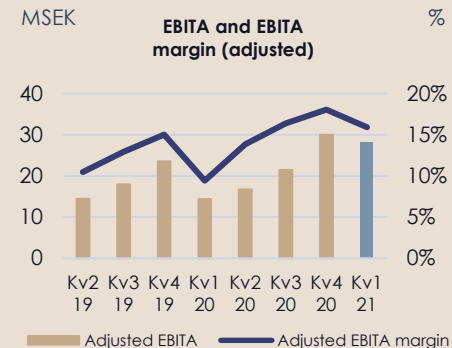
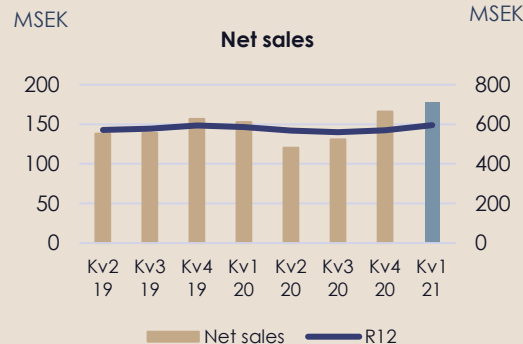


A strong start to the year

- Net sales up 16%
 - Organic, currency adjusted growth of 9.5 per cent.
- Adjusted EBITA up 96%*
 - primarily driven by organic and acquired growth but also by a higher share of premium sales
 - Cost reductions in production, sales and administration
 - No major currency impact on EBITA
- Operating cash flow
 - Improved by 13.4 MSEK mainly driven by an improved EBIT

KEY FIGURES

	Q1 2021	Q1 2020	R12M	2020
Net sales (MSEK)	177.5	152.5	594.8	569.9
Adjusted EBITA (MSEK)	28.2	14.4	96.3	82.4
Adjusted EBITA margin (%)	15,9%	9,4%	15,9%	14,5%
Operating Cash flow	12,9	-0,5	80,4	67,0



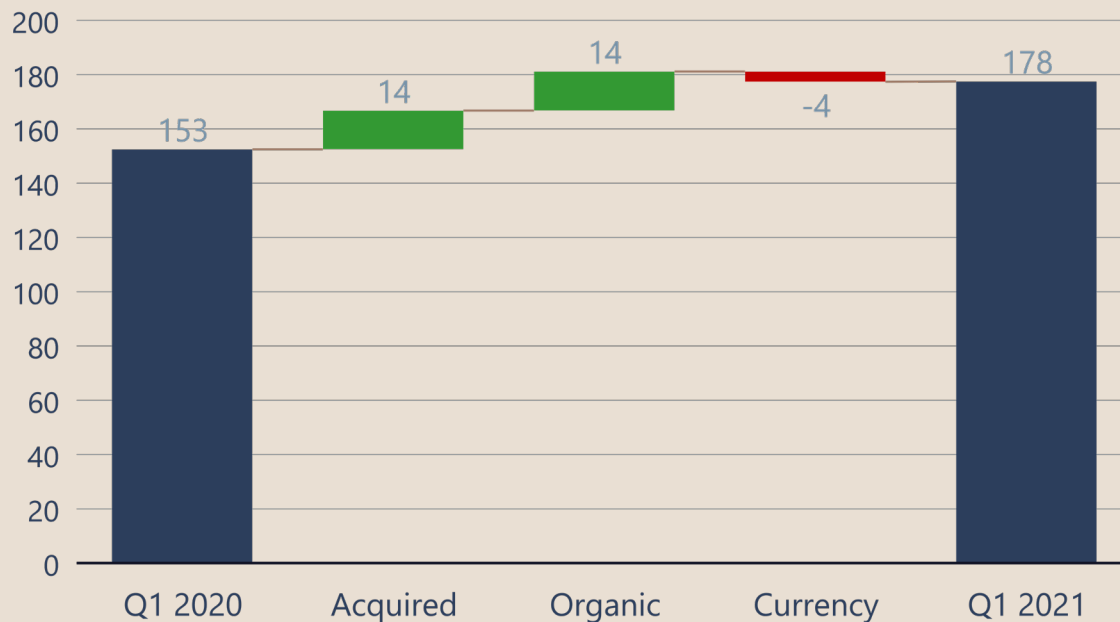
Q1 2021

* Including costs of MSEK 5.3 for the quarter related to the listing on Nasdaq First North Premier Growth Markets and cost related the acquisition of Pappelina.

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Increase in Group Net Sales driven by acquisitions and organic growth

MSEK



Q1 2021

Nordics: Growth and higher share of premium

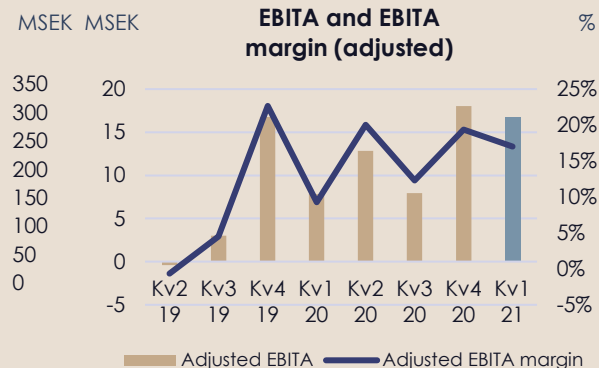
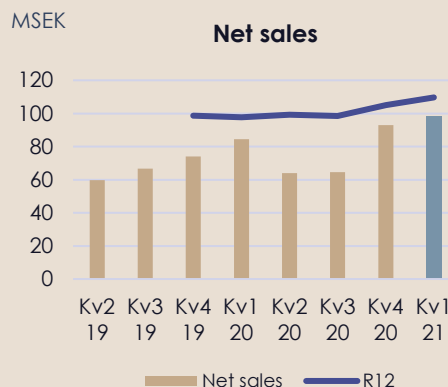
- Net sales up 16%.
 - From organic growth, and acquisition of Pappelina AB
- Adjusted EBITA up 108%.
 - Sales growth, cost reductions in production, and a higher share of premium sales.

of total sales
55%

Share of premium
28%

KEY FIGURES

	Q1 2021	Q1 2020	R12M	2020
Net sales (MSEK)	98,3	84,5	320,0	306,1
Adjusted EBITA (MSEK)	16,7	7,8	55,5	46,6
Adjusted EBITA margin (%)	17%	9%	17%	15%



Europe: Sales picking up in Europe

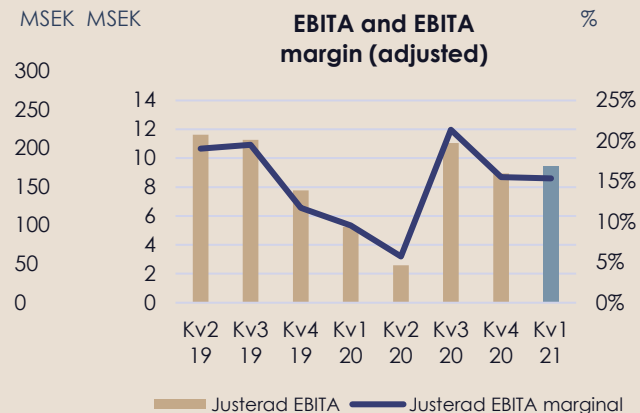
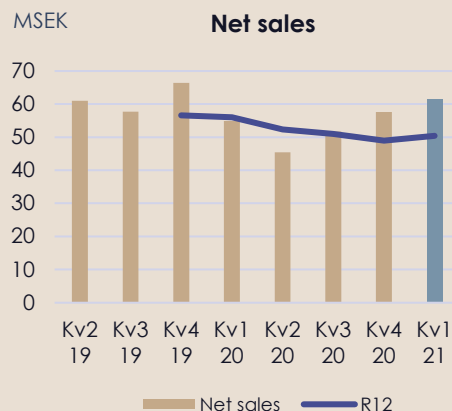
- Net sales up 12%.
 - Acquisition of Pappelina AB, but also partly from organic growth
- Adjusted EBITA up 81%.
 - Primarily driven by higher sales and add-on acquisition.

of total sales
35%

Share of premium
82%

KEY FIGURES

	Q1 2021	Q1 2020	R12M	2020
Net sales (MSEK)	61,5	54,9	216,2	209,6
Adjusted EBITA (MSEK)	9,4	5,2	32,0	27,8
Adjusted EBITA margin (%)	15%	10%	15%	13%



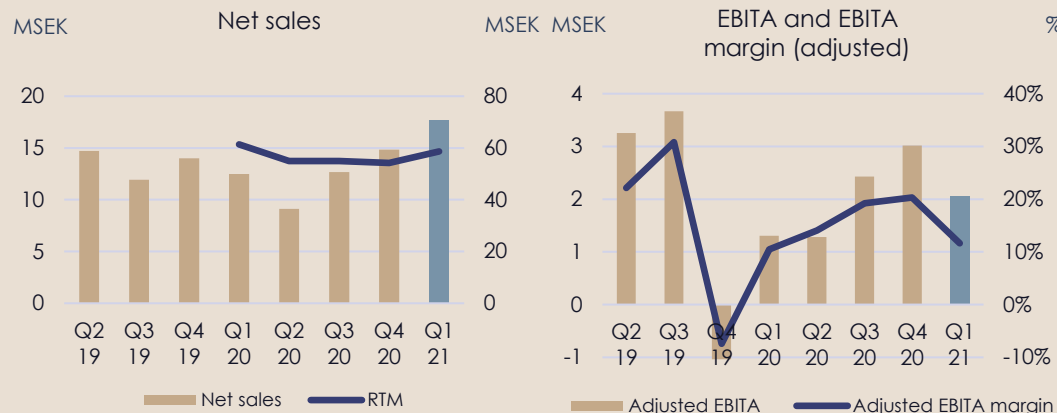
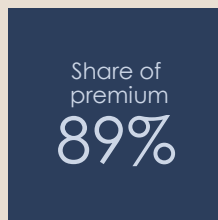
Rest of World:

Strong recovery after the COVID-19 effects of 2020

- Net sales up 34%.
 - Organic growth and acquisition of Pappelina AB.
- Adjusted EBITA up 62%.
 - Primarily driven by higher sales and add-on acquisition.

KEY FIGURES

	Q1 2021	Q1 2020	R12M	2020
Net sales (MSEK)	17,7	13,2	58,6	54,2
Adjusted EBITA (MSEK)	2,1	1,3	8,8	8,0
Adjusted EBITA margin (%)	12%	10%	15%	15%



Q1 2021

Financial targets



Net sales growth

SEK 1.2bn

Outcome Q1 2021

16,0%



Operating margin

≥ 15%

Outcome Q1 2021

15,9%



Leverage

**< 2.5x Net Debt /
EBITDA**

Outcome Q1 2021

1,4



Dividend policy

30-50% after tax

Outcome Q1 2021

N.A.

Q1 highlights

- Delivering strong profitable growth
 - Net sales up with +16%
 - Adjusted EBITA 15,9%
 - Share of premium sales 52%
- Strengthened brand portfolio through the acquisition of Pappelina AB
- Listing on Nasdaq First North Premier Growth Markets
- D2C launch for Cole&Son* and Perswall**

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Q&A

THANK YOU!