

ELLOS GROUP

FNG NORDIC AB (PUBL) GROUP

Press release, Borås 31 August 2020

FNG NORDIC AB (PUBL) INTERIM REPORT JANUARY - JUNE 2020

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

THE SECOND QUARTER

- Net sales totalled SEK 763.1 million.
- The gross margin amounted to 54.7 %.
- The operating profit/loss amounted to SEK 105.7 million. The operating margin was 13.9%.
- Adjusted EBITA amounted to SEK 104.8 million. The adjusted EBITA margin stood at 13.7%.
- Adjusted EBITDA amounted to SEK 128.0 million. The adjusted EBITDA margin stood at 16.8%.
- Cash flow from operating activities amounted to SEK 13.6 million.
- Operating cash flow, that is, cash flow from operating activities and cash flow from investing activities, totalled SEK 8.2 million.
- Cash and cash equivalents amounted to SEK 202.7 million.

SIX MONTHS 2020

- Net sales totalled SEK 1,403.6 million.
- The gross margin amounted to 52.1%.
- The operating profit/loss amounted to SEK 81.0 million. The operating margin was 5.8%.
- Adjusted EBITA amounted to SEK 105.7 million. The adjusted EBITA margin stood at 7.5%.
- Adjusted EBITDA amounted to SEK 151.4 million. The adjusted EBITDA margin stood at 10.8%.
- Cash flow from operating activities amounted to SEK -37.0 million.
- Operating cash flow, that is, cash flow from operating activities and cash flow from investing activities, totalled SEK -52.0 million.
- Cash and cash equivalents amounted to SEK 202.7 million.

Comment from Paul Lembrechts, CEO FNG Nordic AB (publ)

Q2 became a strong quarter for Ellos Group as indicated in the Q1 report. Net sales landed at 763.1 MSEK with an adjusted EBITDA of 128.0 MSEK, representing an EBITDA-margin of 16.8%. As a reference, adjusted EBITDA for Q1 was 23.4 MSEK.

There are several factors behind this positive development. More than 280.000 new customers found our brands during Q2, which is an increase with 40% vs. the same period last year. Sales in Home Interior together with other products categories linked to people spending more time at home performed well during the quarter with significant growth rates. Sales of Shoes and Apparel gradually improved over the quarter. Actions regarding price reductions and marketing cost efficiency launched in Q1, where we saw positive effects already in April, continued over the quarter.

The Net Debt at the end of the quarter was 1,246 MSEK, meaning that the liquidity position remains solid with the Revolving Credit Facility still undrawn and 203 MSEK in Cash on hand.

The extended Sustainability report for 2019 was published on 8 June. We are proud to report progress in many areas; 87% sustainable cotton, 43% female managers and 98% coverage of supplier inspection protocols. At Ellos Group, sustainability is a natural and value-creating part of the daily business. A sustainable business approach with a long-term perspective challenges us to be innovative, curious and transparent, and creates value for our customers, employees, business partners, and owners, as well as for the communities in which we operate. We want to contribute to a better world for future generations and aspire to building a business that can be part of the solution.

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On 2 July, Ellos Group announced its intention to expand its business into Europe. At year end Jotex will launch in Germany, Holland and Belgium followed by Poland in early 2021. This is a continuation of recent year's success within home furnishing offer.

Launching our own brands outside the Nordic region is an important step in Ellos Group's strategy. With a scalable model, common commercial plan, shops online and unique product range, we can expand relatively simply into additional markets and add more brands in Europe.

For more information:

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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 31st of Aug 2020 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.

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