

## Trading update: Unexpected slowdown in June leads to updated targets for 2021

**Desenio Group announces a trading update for the second quarter of 2021. Preliminary net sales in the second quarter 2021 in total amounted to SEK 268 million (253) and preliminary adjusted EBITA margin amounted to 11-12% (30%). Our updated target is to grow net sales by 15-25% and deliver adjusted EBITA margin around 20% for 2021. Mid and long-term financial targets remain unchanged.**

Towards the end of the quarter and at an accelerated pace, net sales have been impacted by greater than normal seasonality as a result of the ease of Covid-19 restrictions across Desenio Group's markets.

As communicated in the company description (published in connection with the listing) as well as the results for the first quarter 2021, The comparables for the second quarter are tough and we expected negative organic growth in Q2 this year.

While trading in April was broadly in line with our expectations, Desenio Group experienced a significant deterioration in traffic towards the end of May which further accelerated throughout June. Net sales in June was just over 50% of our expectations.

– The decrease in sales is due to easing of restrictions caused by the pandemic. Time spent in front of digital devices and thus the internet traffic decreased and also people became temporarily less inclined to decorate their homes when they finally got to go out, says Fredrik Palm, CEO of Desenio Group.

– We knew that relief and vaccination would have tangible negative effects on sales but underestimated the scope of it. This is an unusual occasion that we hopefully will not see again in the foreseeable future, continues Fredrik Palm.

As a result, Desenio Group has reduced expectations for the current financial year. Our updated target is to grow net sales by around 15-25% for 2021 (previous target was 35-40%). Consequently, we aim for adjusted EBITA margin of around 20% for 2021 (previous target was around 25%).

There is uncertainty of when customer behavior will return to more normal patterns, but we believe it will occur by the second half of the third quarter. Our mid and long-term financial targets remain unchanged[1].

Organic sales growth, hence excluding Poster Store, was 35% on average for the second quarter between 2019 and 2021.

– We are content with our historical growth rate. We are also convinced that the "new normal" regarding shopping behavior post-Covid and after the fluctuations caused by lockdowns and eases will support Desenio Group's growth, concludes Fredrik Palm, CEO of Desenio Group.

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# DESENIIO GROUP

The interim report for the second quarter of 2021 will be published on 18 August 2020.

Desenio Group's CEO Fredrik Palm will host a call on Thursday 8 July 2021 at 10.00 CET. To register for the call, please send an email to [elin.wedin@deseniogroup.com](mailto:elin.wedin@deseniogroup.com) before Thursday 8 July 2021 at 09.30 CET.

[1] As previously communicated, Desenio Group's goal is to achieve an annual sales growth of around 30%, potentially supplemented by add-on acquisitions, and an adjusted EBITA margin of approximately 25% in the medium term. In the long term, Desenio's goal is to achieve sales growth in line or slightly above the online market, and the adjusted EBITA margin is expected to approach 30%.

## About us

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Desenio Group is a Swedish, fast growing digital direct-to consumer company with a leading position as an online based provider of affordable wall art in Europe. The Company offers its customers a unique and curated assortment of over 6,000 designs as well as frames and accessories in 35 countries via 20 local websites. Leveraging a data-driven strategy both for the creation of art and for attracting new customers, Desenio has grown rapidly and profitably since 2015. Desenio's shares are publicly listed on First North Growth market under the ticker "DSNO" with FNCA Sweden AB as its Certified Adviser; [info@fnca.se](mailto:info@fnca.se), +46 8 528 00 399. Desenio Group's bonds are listed on Frankfurt Stock Exchange Open Market Quotation Board. For more information, please visit [www.deseniogroup.com](http://www.deseniogroup.com).

## For further information, please contact:

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*This information is information that Desenio Group is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2021-07-08 07:33 CEST.*

## Attachments

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[Trading update: Unexpected slowdown in June leads to updated targets for 2021](#)