

## **EMBELLENCE GROUP UPDATES GROWTH STRATEGY AND PRESENTS NEW LONG-TERM SALES GROWTH TARGET**

**At today's Capital Markets Day in Stockholm, Sweden, Embellence Group presents updated growth strategy and updated sales growth targets.**

### **A strategy focused on profitable organic growth of the group's strong brands**

Embellence Group management and board have decided to refocus the Company's growth efforts on the profitable organic sales growth of the five strong interior decoration brands in the company's portfolio.

The Boråstapeter, Cole & Son and Wall&Decò brands are all leading brands in the European premium wallpaper market and with growing global sales. The Pappelina brand has a strong niche position within premium rugs and Artscape is a leader in decorative window films in North America.

*"Our ambition is to be a leader in interior decoration with a focus on premium brands in wallpaper, complimented by other color and pattern driven interior decoration such as textiles and rugs. We are confident that our decentralized operating model, with our corporate focus to ensure the successful long-term development of each of our Brands, while respecting their identity and autonomy, is a winning formula. This is best achieved by the Brands owning the responsibility to design and market their interior decoration products at the highest quality, while utilizing the synergies from the Group's sourcing, manufacturing and IT competences as well as economies of scale.",* says Olle Svensk, CEO.

*"We believe that environments affect our thoughts and feelings, whether we are at home, at work or on the go. We at Embellence Group strive to better our surroundings through the power of design. With our long history of creating design icons and competence in future winning designs, we are convinced that we can add value and win market share in the market of premium high-quality pattern-based interior decoration, with a focus on wallpaper.",* continues Olle Svensk.

### **Updated long-term financial goals**

At the Embellence Group's IPO in March 2021, the company communicated sales targets that were contingent on significant M&A activity.

*"Although strong acquisitions with a clear strategic fit to our premium positioning in pattern-based interior decoration still is a logical way for us to grow Embellence Group, we are convinced that it is more value generating for us to focus more efforts on driving profitable growth of the great brands we already own. We therefore also see it as logical that we first of all communicate a new sales growth target based only organic growth and see possible M&A as something added on top and secondly update our financial reporting to better track the development of the brands.",* says Magnus Welander, Chairman of the Board since December 2023.

*"We have therefore decided to update the sales growth target to 1 Bio SEK by 2028. The EBITA-Margin target of >15%, dividend target level of 30-50% and leverage target of <2.5x EBITDA are kept."*

**Sales growth**

1 Bio SEK by 2028

*(Note: Target to be achieved with organic growth, while previous target of 1.2 Bio SEK by 2025 was contingent on aggressive M&A)*

**EBITA-margin**

>15% EBITA margin

*(same as before)*

**Dividend**

30-50% ordinary dividend, in relation to net income

*(same as before)*

**Leverage**

< 2.5x EBITDA, although a temporary increase may occur in connection with acquisitions.

*(same as before)*

**New long-term sustainability targets to be communicated Spring 2025**

Embellence Group will continue the dedicated long-term sustainability work that has been an integral part of the company's long-term way of operating. New ambitious long-term sustainability targets presented will be presented at the latest by April 2025.

*"Long-term sustainable and profitable organic growth will be our biggest focus", says Olle Svensk.*

*"We are convinced that the defined strategy is right for Embellence Group in terms of both capturing positive market trends and better utilizing our own ability to gain market share", concludes Olle Svensk.*

A more detailed presentation is available at the group's website [www.embellencegroup.com](http://www.embellencegroup.com) or on this link: <https://www.embellencegroup.se/media/xn3ckbjp/embellence-cmd-240521.pdf>

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### **About Embellence Group**

Embellence Group, founded in 1905, is a leading European company in interior decoration with a focus on premium brands in the wallpaper segment, complimented by other color and pattern driven interior decoration such as textiles and rugs. Our products are sold in more than 100 markets around the world.

At Embellence Group, we believe that environments affect our thoughts and feelings, whether we are at home, at work or on the go. Our ambition is to impact our surroundings through the power of the unique design that our brands Boråstapeter, Cole & Son, Wall&decò, Pappelina and Artscape offer.

Embellence Group is listed on Nasdaq First North Premier Growth Market. FNCA Sweden AB is appointed Certified Adviser, [info@fnca.se](mailto:info@fnca.se).

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