

RUGVISTA

Earnings Call
2023 January - March

RugVista Group AB (publ)

Good profitability and progress on strategic initiatives

Continued good profitability

EBIT margin was 14.2% representing an increase of 2.6 percentage points vs last year.
EBIT was SEK 25.7 million representing an increase of 19.2% vs last year.

Challenging market affecting growth

Net revenue was SEK 180.3 million (-3.1% vs last year). Organic net revenue growth was -8.1%.
Consumer confidence stable, but at historically low levels.

Continued focus on cost efficiency

Gross margin was 62.6% (62.3%) with product margin improving but partly offset by higher shipping costs.
Marketing cost ratio was 31.6% (35.0%) with continued focus on efficiency.

Strong financial position maintained

Net cash of SEK 116 million and cash on hand of SEK 142 million.
Well stocked inventory position provides stability and flexibility in the uncertain macroenvironment.

Progress on strategic initiatives

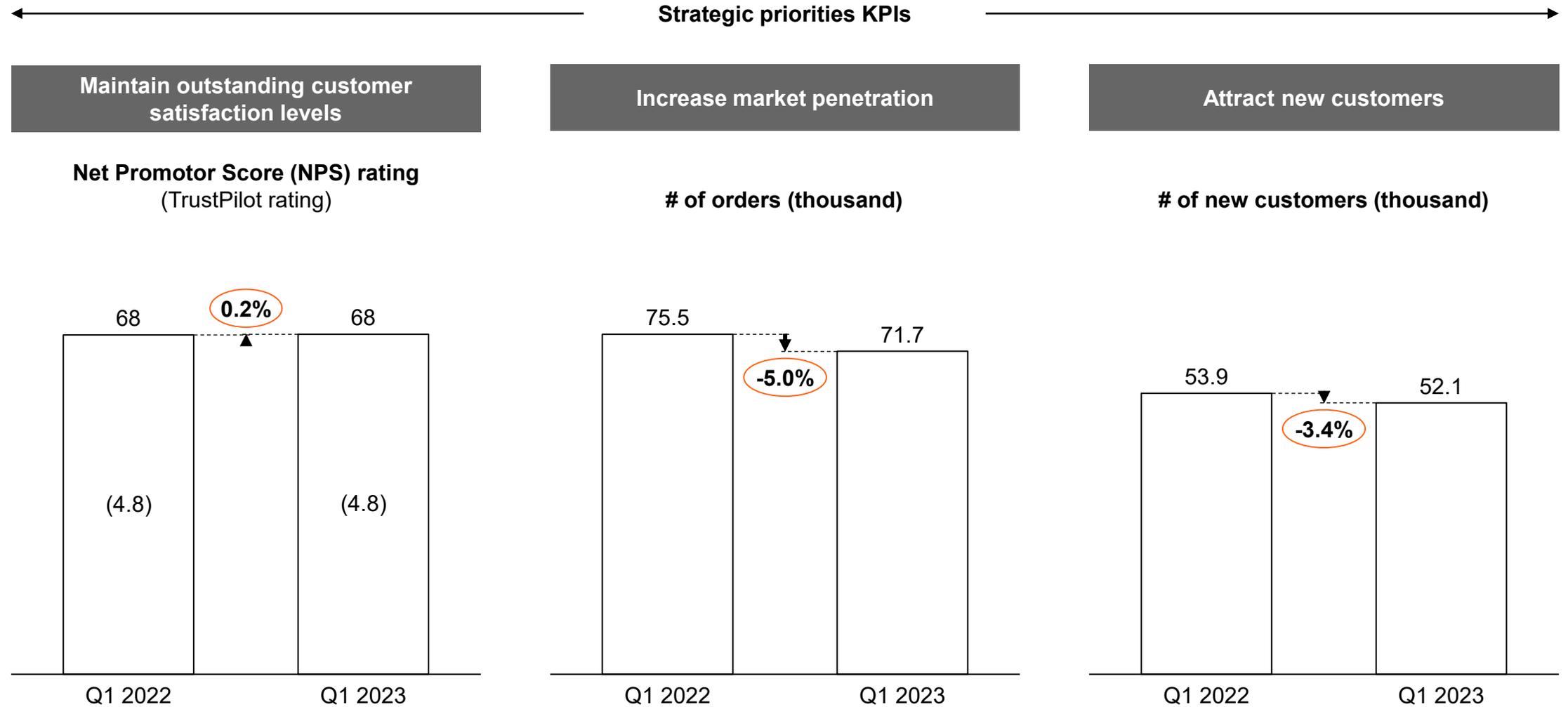
Assortment enhancements realized with introduction of more outdoor rugs and bathmat category.
Several milestones in development of e-commerce platform. All marketing channels activated for www.rugvista.at.
Outstanding customer satisfaction levels maintained with NPS-value of 68.

Business Update



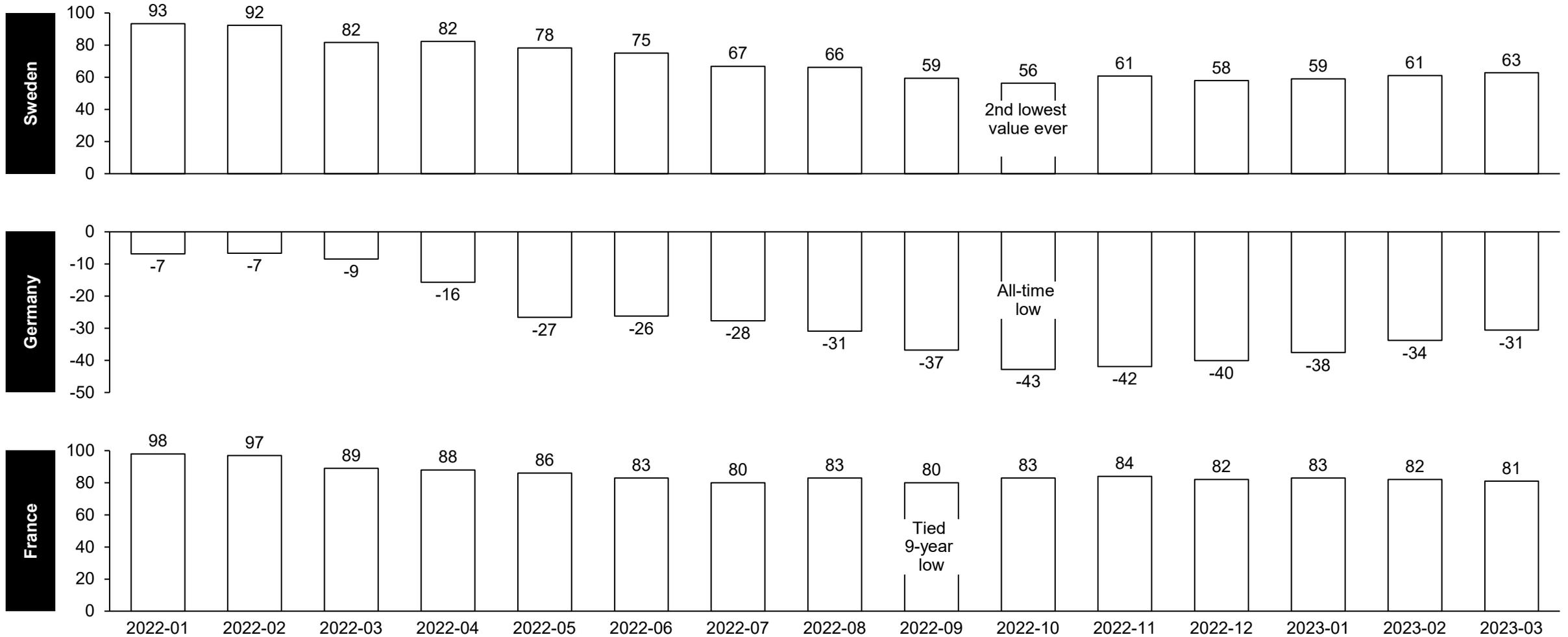
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Challenging market affecting growth related strategic KPIs



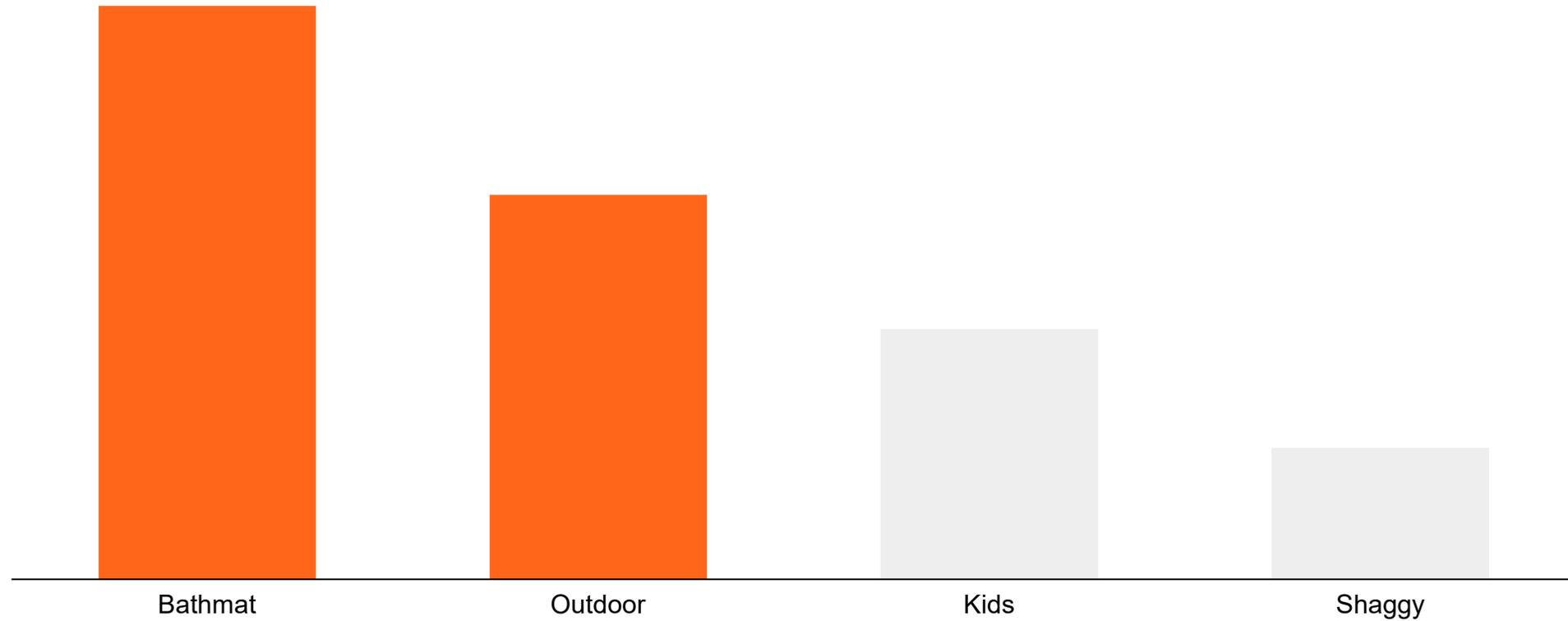
Consumer confidence stabilizing but remains weak

Consumer confidence index across selected key markets



Bathmats and outdoor rugs represents opportunity to capture incremental demand

Indexed sub-category relative search volume importance¹



In-house designed bathmats supported by own campaign assets



Ocana
EUR 35-45



Cadiz
EUR 35



Thalassa
EUR 35



Zale
EUR 40



Riviera
EUR 35-45



Ocana
EUR 20



Neptun
EUR 20



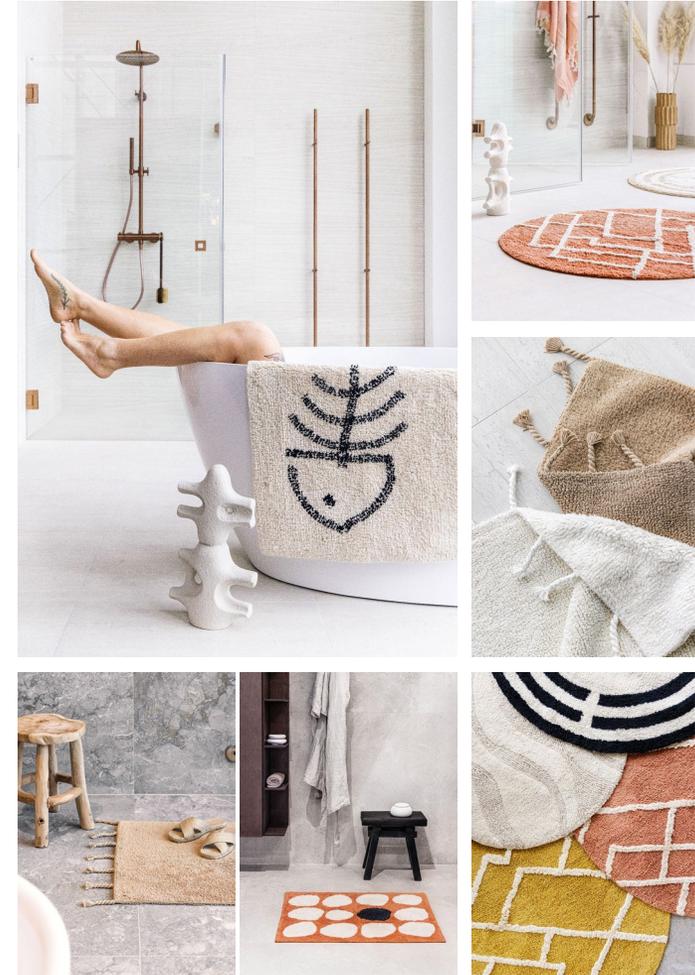
Atlantis
EUR 30



Chateau
EUR 35-50



Breeze
EUR 30-40



Outdoor assortment more than doubled



Nanga



Nenax



Kea



Kerala



Cherri



Starstruck



Zellige



Mikantos



Argyle



Line up



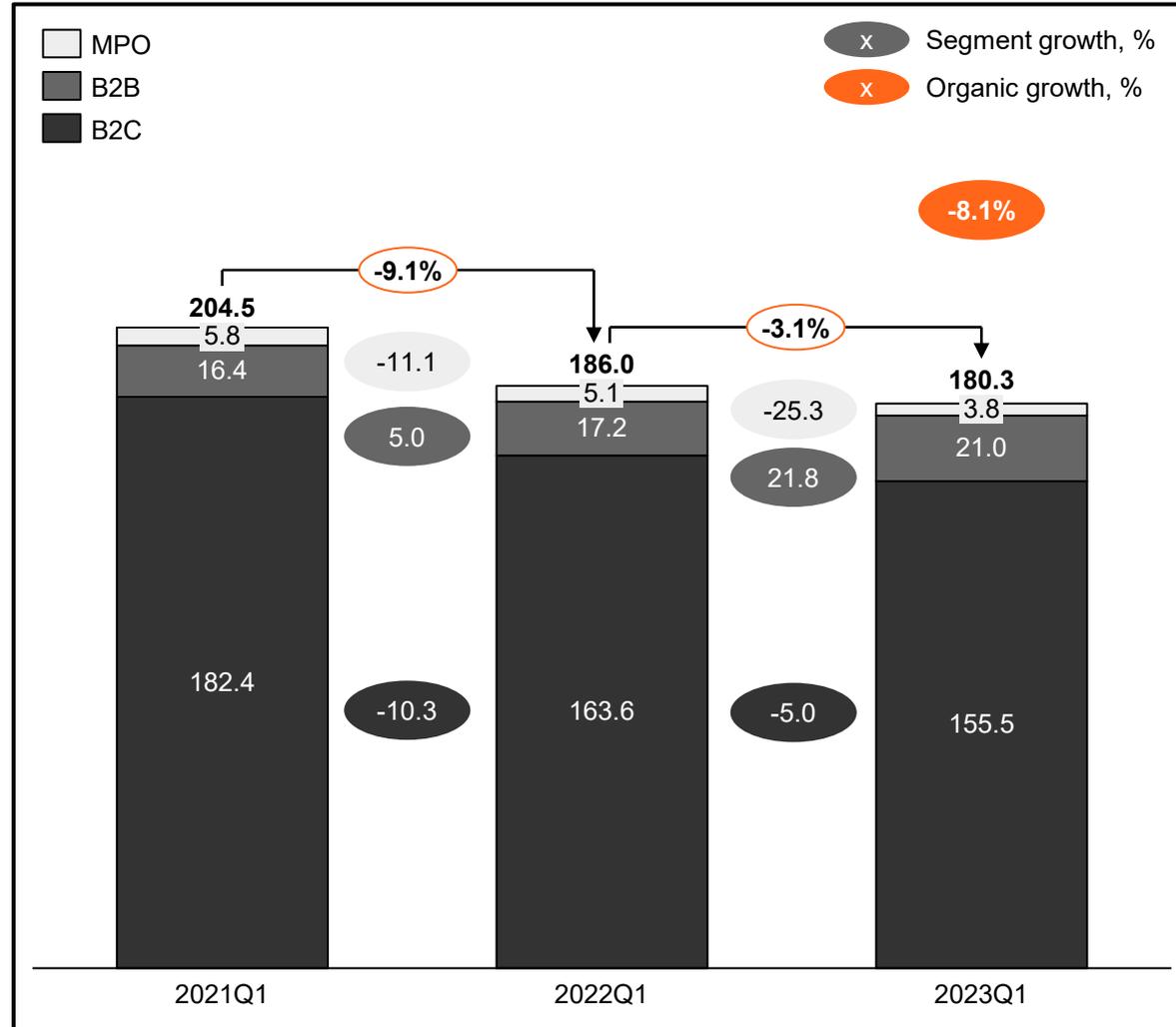
Financial Update

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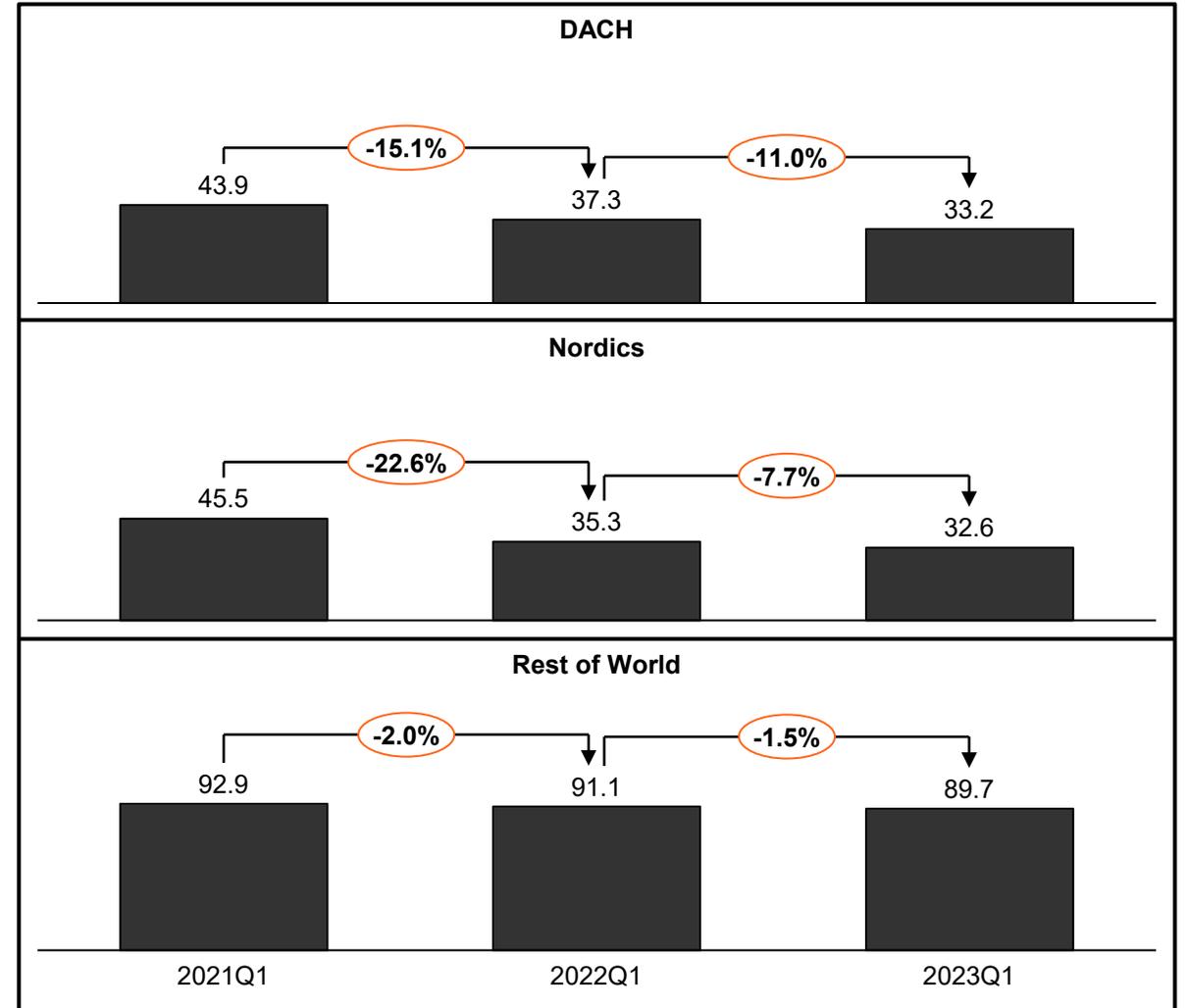


Focus on profitability and challenging market negatively affecting growth

Group net revenue – Quarter¹
SEK million

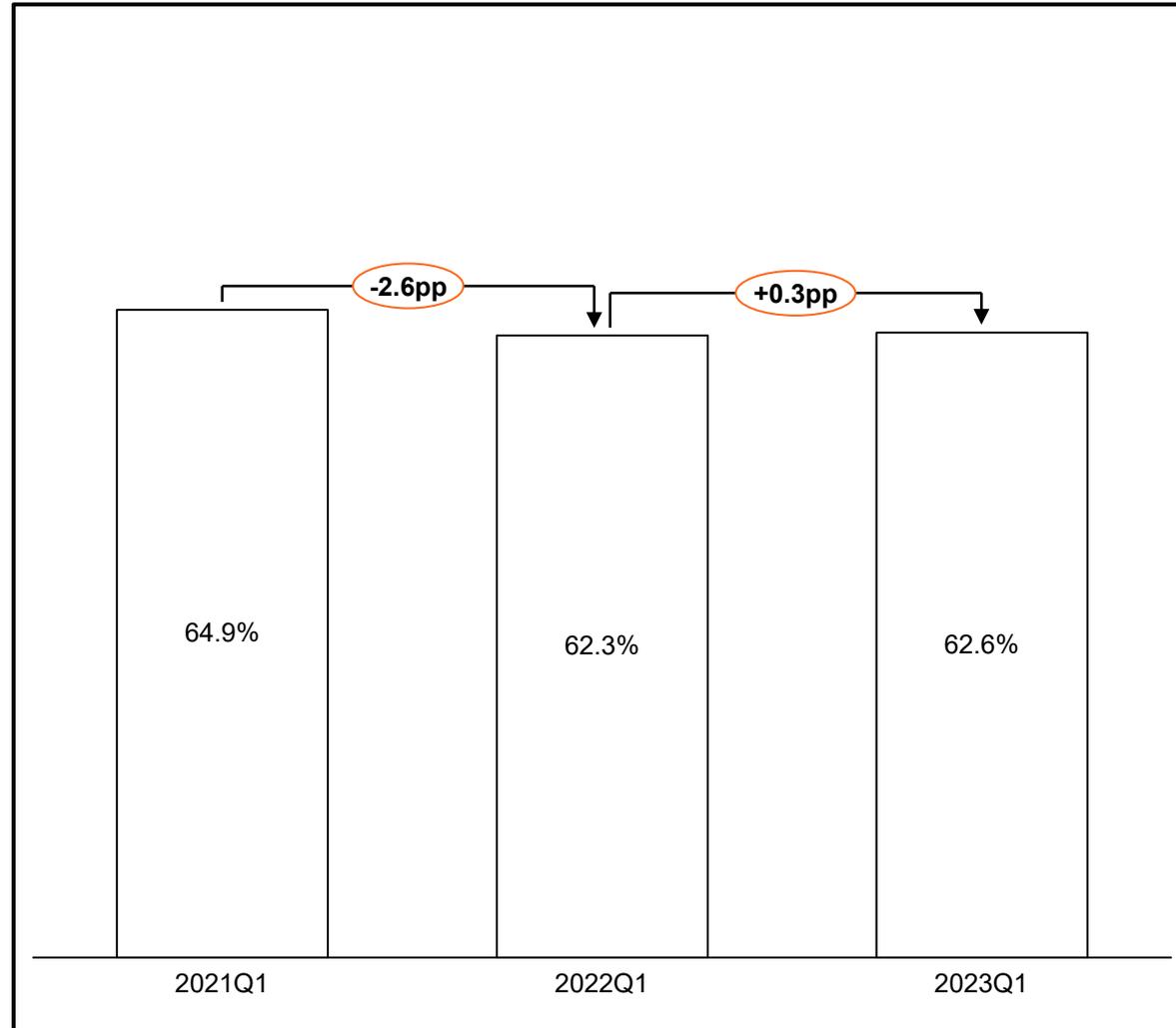


Net revenue B2C by region – Quarter
SEK million

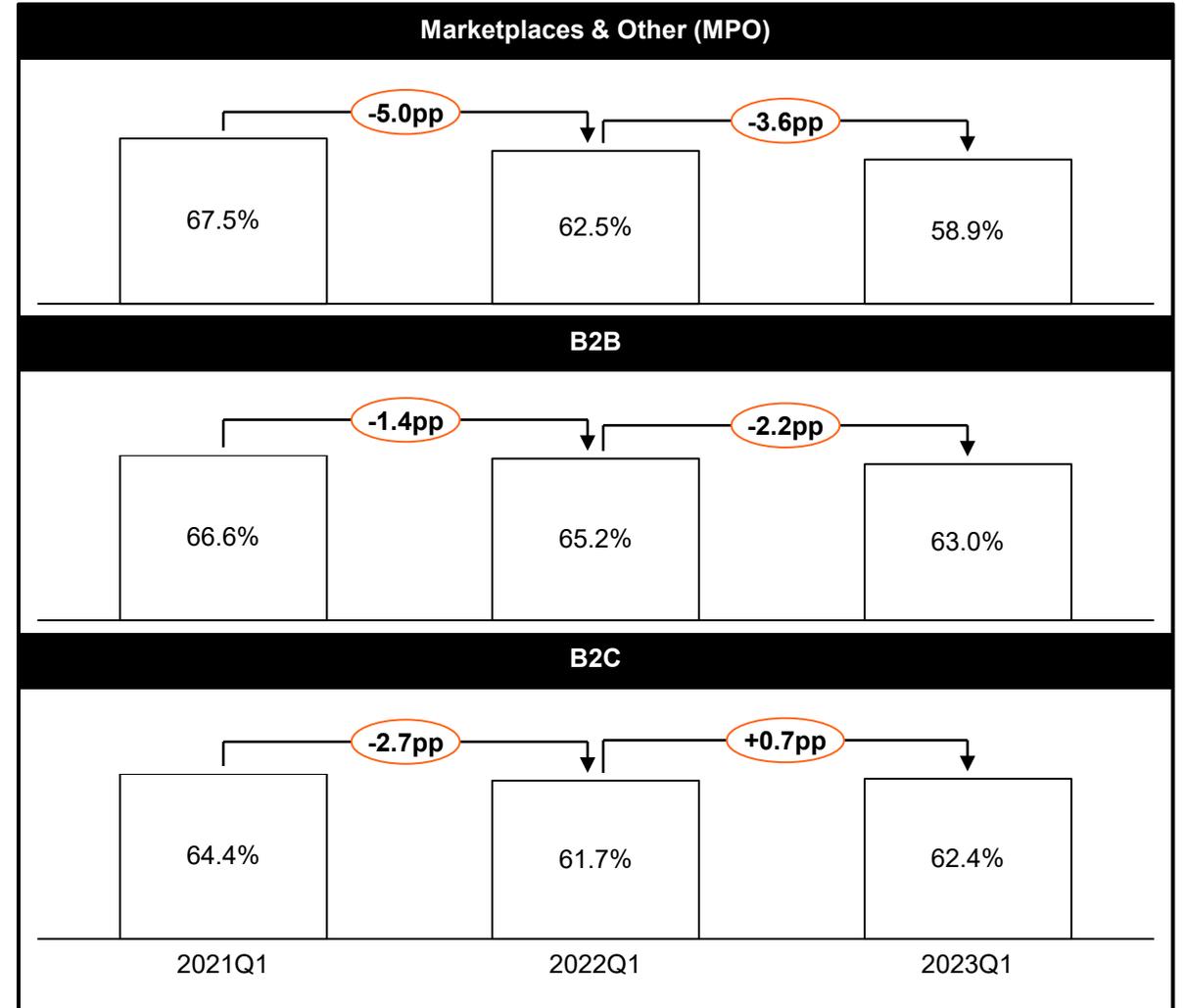


Stable gross margin despite higher freight costs

Gross margin – Group
% of net revenue



Gross Margin – Segments
% of net revenue

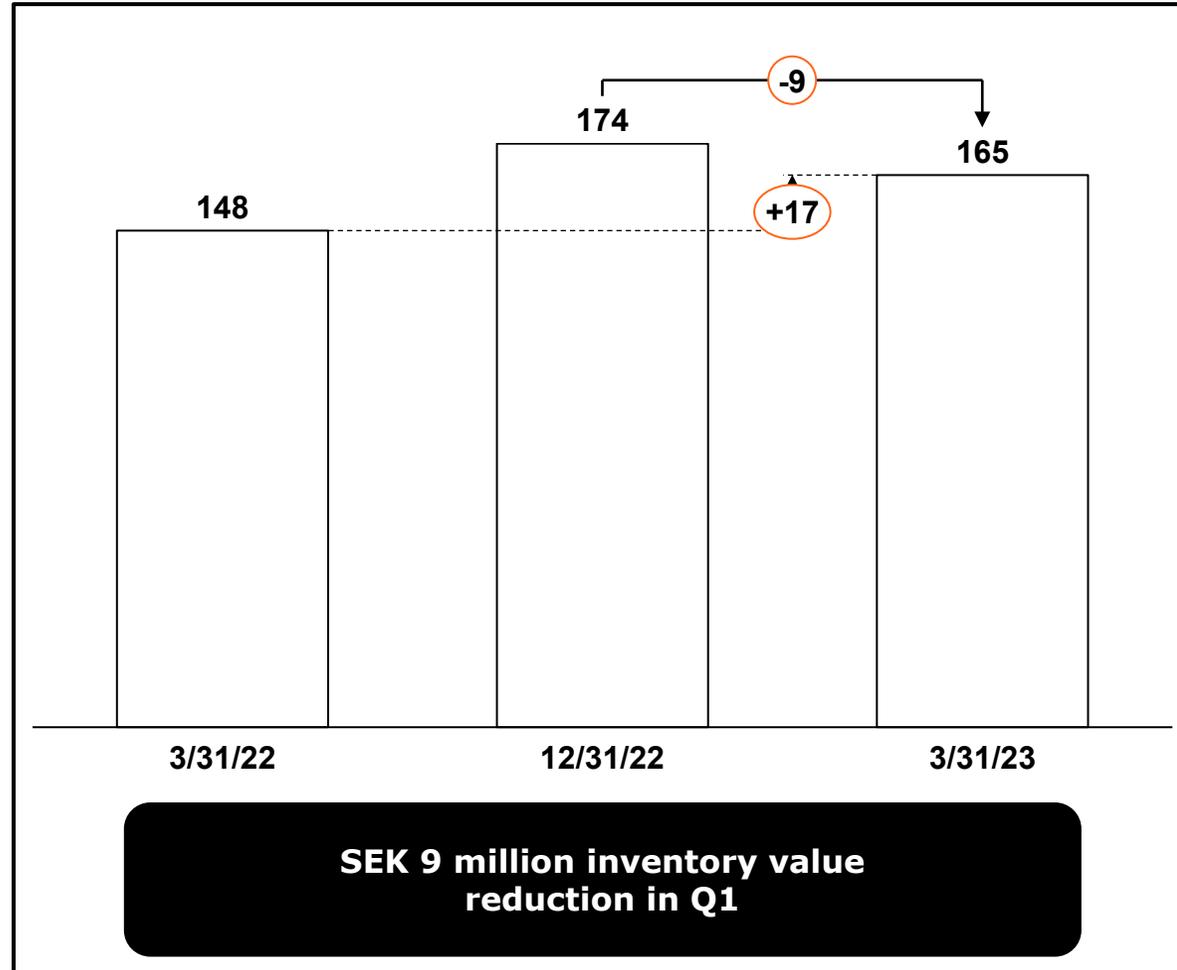


Increased profitability driven by improved marketing efficiency

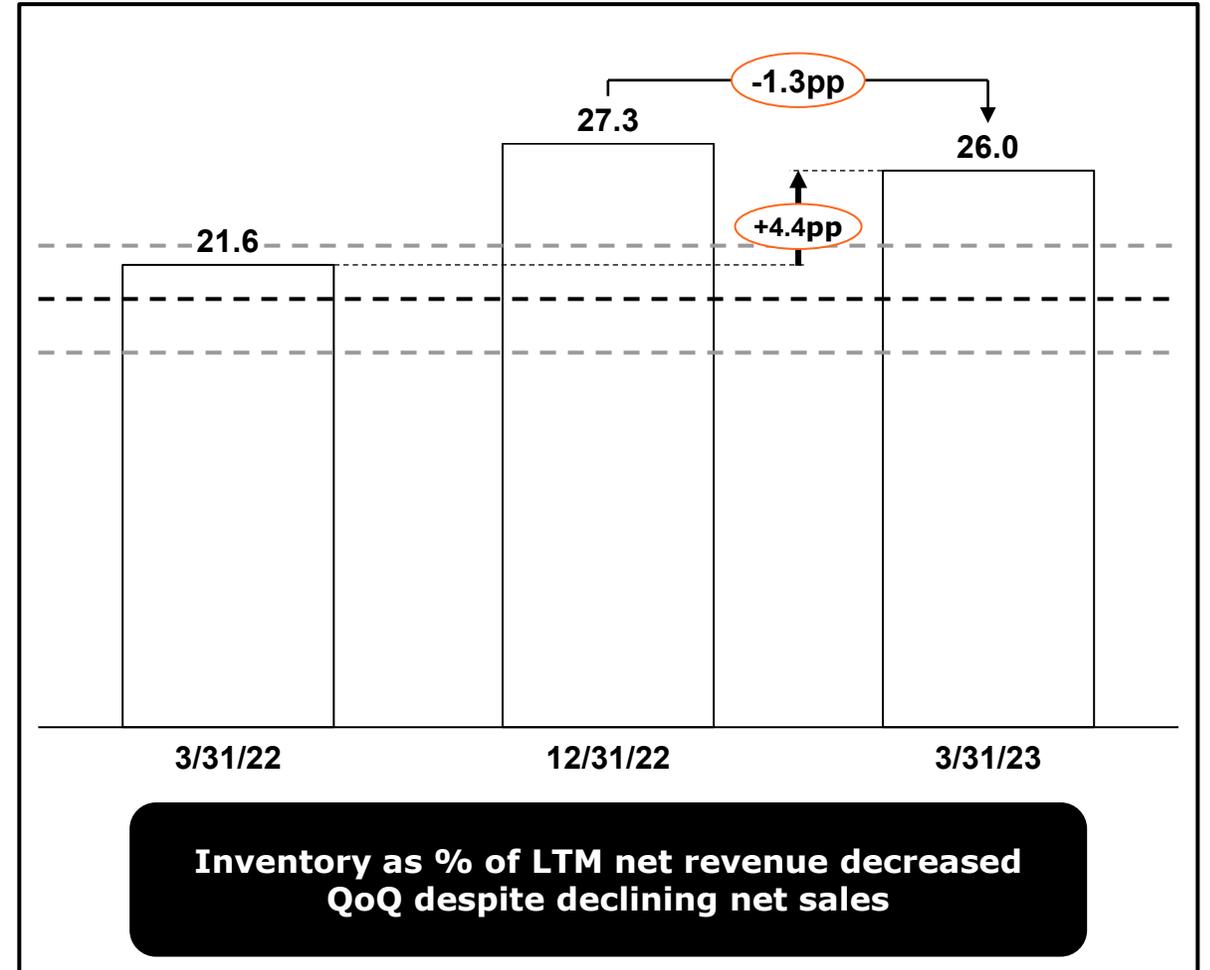
Cost ratios & margins Percent of net revenue	Q1				
	2021	2022	2023	Δ '23 vs '22	
Goods for resale	-35.3%	-37.9%	-37.6%	+0.3pp	Cost ratio down due to the 2022 Q3 price adjustment and driven up by USD/EUR appreciation and higher shipping costs.
Other external expenses	-36.6%	-39.2%	-35.9%	+3.3pp	Continued focus on marketing efficiency.
Personnel expenses	-8.0%	-9.1%	-9.9%	-0.8pp	Negative scale effect, wage increases and recruiting costs.
Other operating expenses	0.0%	-0.9%	-0.9%	0.0pp	
Depreciation & Amortization	-1.0%	-1.5%	-1.7%	-0.2pp	Mainly driven by increased rent for right-of-use assets.
EBIT	19.4%	11.6%	14.2%	+2.6pp	
Adjusted EBIT¹	19.4%	11.6%	14.2%	+2.6pp	

Inventory decreasing but still above target range

Inventory value
SEK million

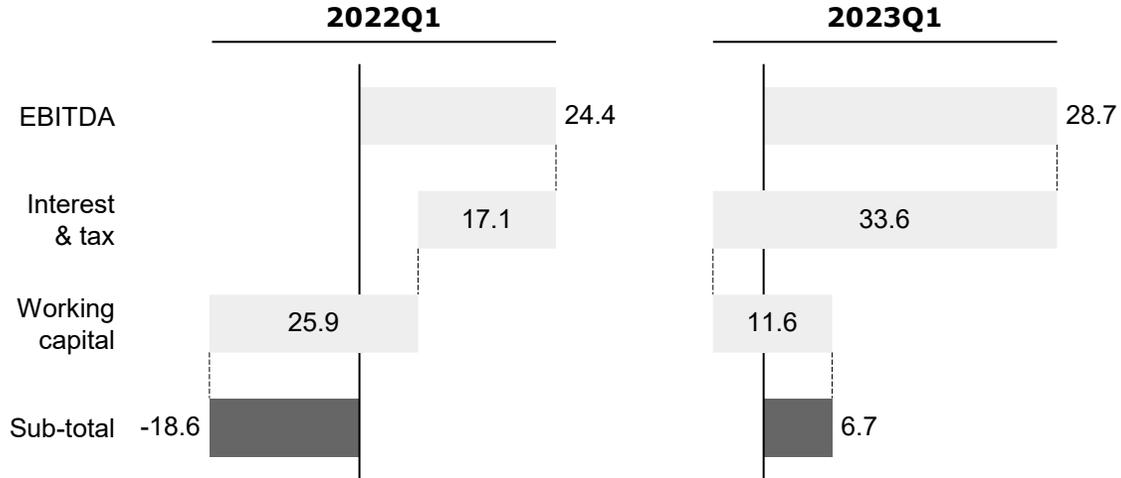


Inventory as share of LTM¹ net revenue
Percent

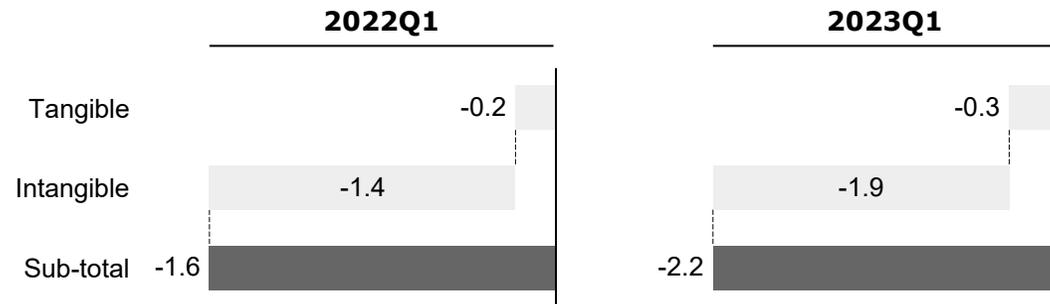


Net cash position further improved

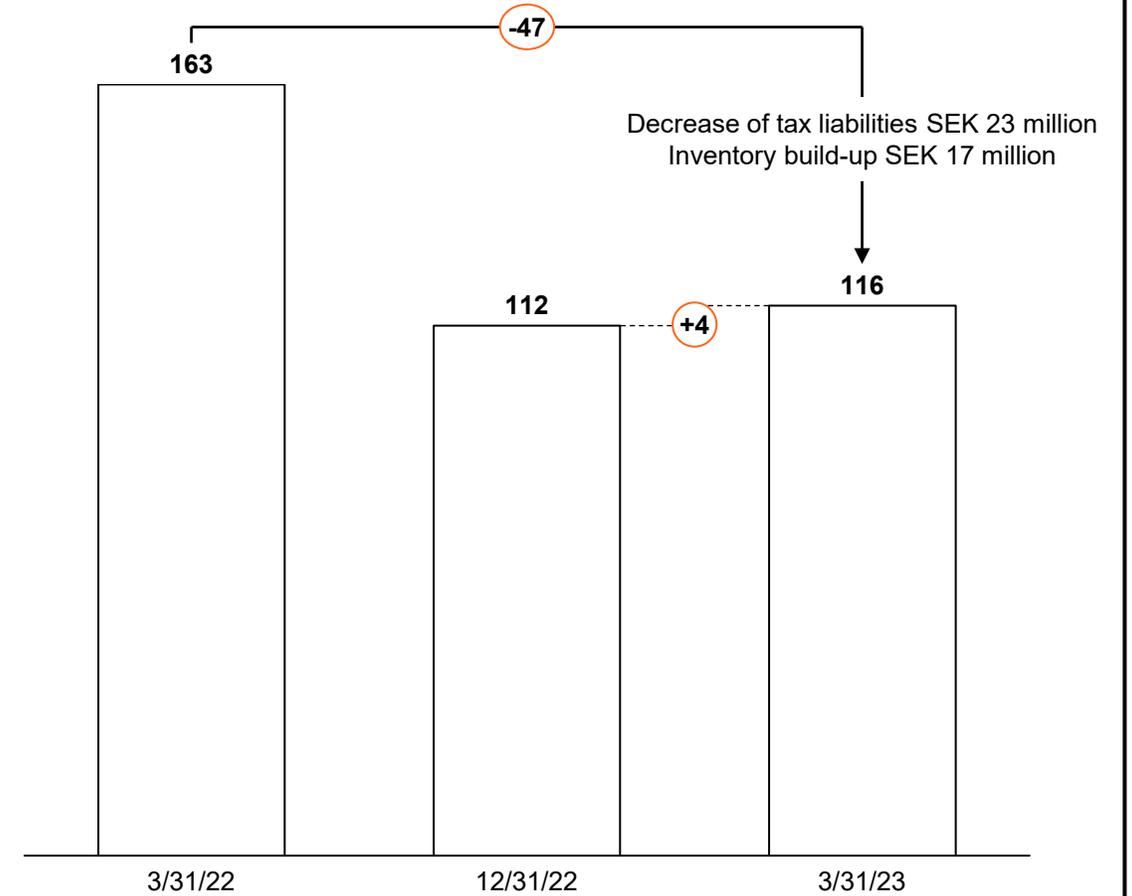
Cash flow from operating activities SEK million



Cash flow from investing activities SEK million



Net cash position SEK million



Well positioned to continue navigating uncertain 2023 outlook

Solid financial performance considering challenging market conditions

- Net revenue declined -3.1% to SEK 180.3 million driven by tough market and focus on profitability.
 - Gross margin was 62.6% (62.3%) with product margin improving but partly offset by higher shipping costs.
 - EBIT margin was 14.2% representing an increase of 2.6 percentage points vs last year.
 - EBIT was SEK 25.7 million representing an increase of 19.2% vs last year.
-

Strong financial position maintained

- SEK 116 million net cash position, SEK 142 million cash-on-hand, and no debt to financial institutions.
 - SEK 165 million in inventory (26.0% of LTM net revenue) providing stability and flexibility.
 - SEK 1.50 per share (SEK 31.2 million in total) in proposed dividend.
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Well positioned to face continued uncertain 2023 outlook

- Adapted fixed cost base, cost efficiency focus, and strong financial position provides stability in uncertain environment.
- Assortment expansions to capture incremental demand from important sub-categories.
- Look forward to improved shopping experience as new web-shop deployed in additional markets.

A high-angle photograph of a person standing on a patterned rug. The person is wearing a tan, belted, button-up outfit and white sandals with a large square buckle. They are holding a bouquet of green flowers. To the left is a large, round, woven straw hat. The rug has a geometric pattern in shades of blue, tan, and white. A semi-transparent white banner with the text 'Q&A' is overlaid across the center of the image.

Q&A

Additional information

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Financial calendar

Activity	Date	Conference call
AGM 2023	25 May 2023	
Capital Markets Day	25 May 2023	
Interim report January-June 2023	17 August 2023	09:00-10:00 CEST
Interim report January-September 2023	9 November 2023	09:00-10:00 CET
Year-end report 2023	8 February 2024	09:00-10:00 CET

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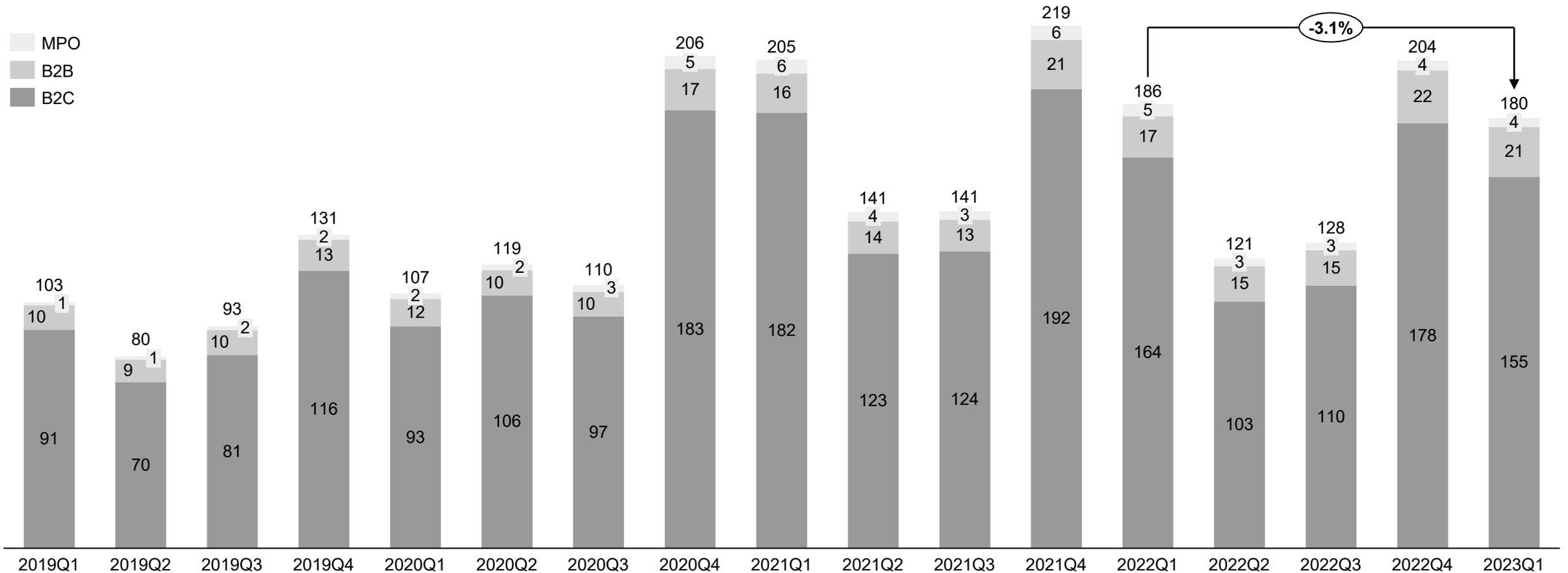
Headquarters and visitor address

RugVista Group AB (publ)

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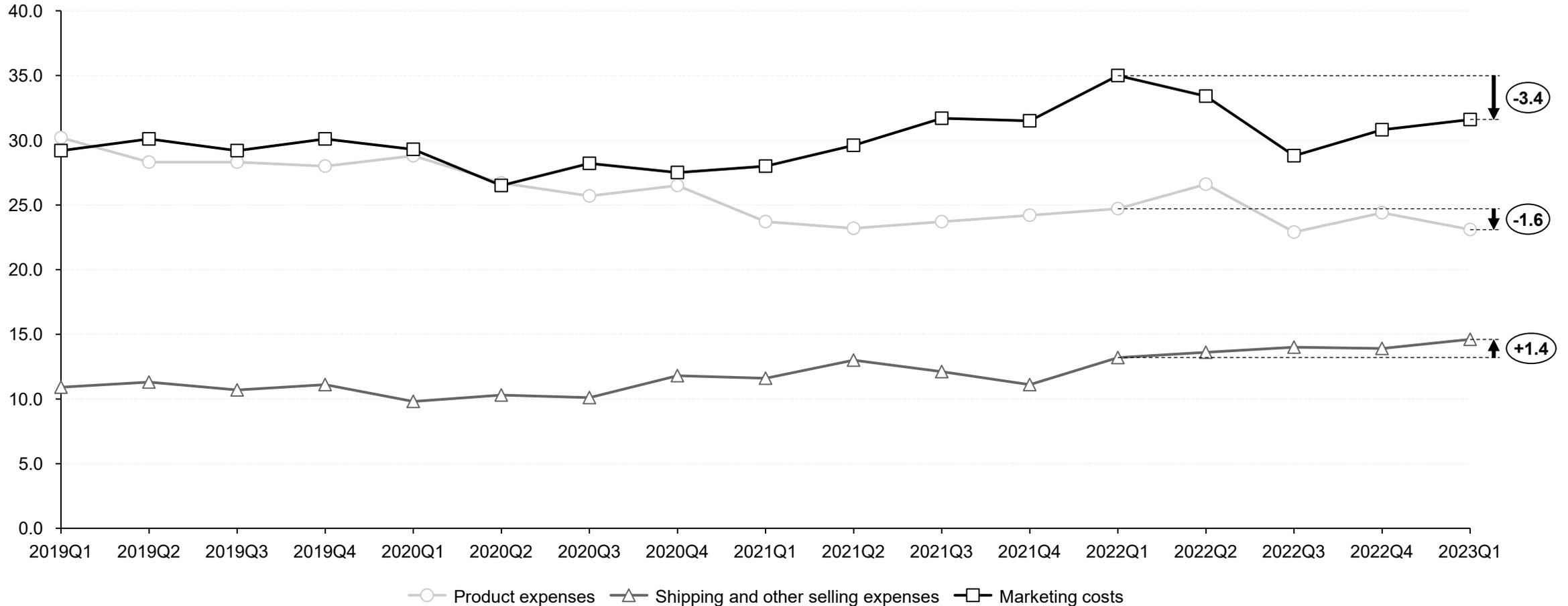
Historical quarterly information – net revenue

Quarterly net revenue by segment
SEK million



Historical quarterly information – selected cost items

Quarterly development selected cost items
Percent of net revenue



Introduction to what we are aiming to achieve

Strategic initiatives

Win the key European markets,

e.g., enhanced localization and invest into building a known and preferred brand over time.

Showcase our assortment,

e.g., emphasize our exclusive products, more inspirational & informative content, and improve website usability.

Be world-class in everything we do,

e.g., more tools & processes to steer and optimize commercial as well as operational performance.

Capture selected marketplace opportunities,

e.g., scale Amazon business through assortment optimization and leveraging available tools.

Vision

To become the *Center of Gravity* for the European rug industry

**Continue to ensure high customer satisfaction ratings
Leverage data & technology to fuel the initiatives**

About RugVista Group AB (publ)

Introduction

Rugvista Group is one of the leading European direct-to-consumer online platforms within carpet and rug sales through its online stores, available in 20 different languages, using the Rugvista and Carpetvista brands.

The company was founded in 2005 and offers a broad and relevant range of quality design and traditional carpets and rugs. Rugvista Group offers its EU based customers free deliveries and returns free of charge.

The Group's operations are divided into three segments: B2C, B2B, and Marketplaces & Other (MPO). The B2C segment represents the consumer market and is the Company's core segment.

Purpose and vision

RugVista Group's purpose is ***to help people to a home they love.***

RugVista Group has defined three visions, each of which has a clear ambition.

- *Business*
To be the center of gravity for the European rug industry.
- *Sustainability*
To lead the rug industry towards a socially and environmentally sustainable future.
- *People*
To attract, motivate, and retain extraordinary people.

Strengths and competitive advantages

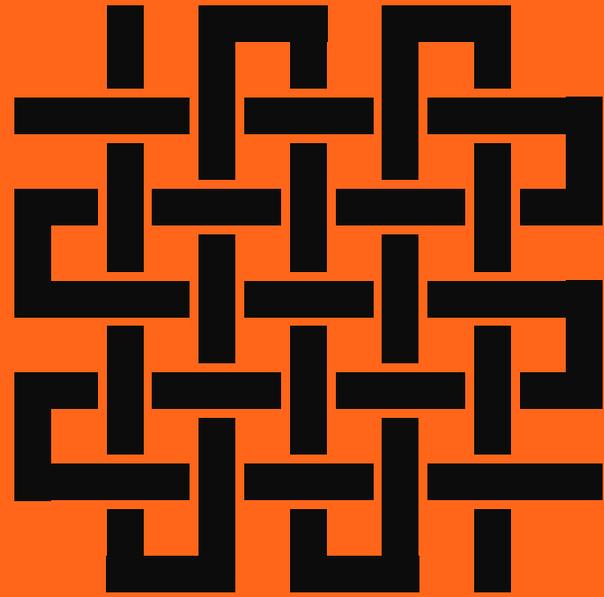
Rugvista Group considers itself having several strengths and competitive advantages which contributes to the Group's ability to realize strategic objectives and reaching financial targets.

- Large European rug market with strong momentum for online sales.
- Attractive position on a market in which size is important.
- Large and growing customer base in Europe.
- Product expertise and assortment.
- Data-driven operational platform.
- Financial profile combining growth and profitability.
- A well-qualified Board of Directors and management team with extensive and relevant experience.

Financial targets

The Board of Directors has adopted the following financial targets for the medium to long term:

- Rugvista Group targets to organically grow net revenues by approximately 20 percent per year.
- Rugvista Group targets to maintain an EBIT margin of at least 15 percent.
- Rugvista Group targets to invest resources into growth and developing the business. In addition, Rugvista Group aims to pay out up to 50 percent of annual net profits in dividends to shareholders.



RUGVISTA

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