"During the quarter, we strengthened our position, grew faster than the market and continued to gain market share. However, higher costs for purchasing, logistics and marketing as a result of geopolitical and macro-economic uncertainties impacted our profitability.

Our model – which combines organic initiatives, acquisitions and the creation of synergies – is a strength in challenging times. A more challenging market provides us with excellent opportunities to further advance our position."

Adam Schatz
President and CEO

Q1 2022

BHG Group AB (publ)
Nasdaq Stockholm

Interim report: 1 January-31 March 2022

Strengthened market share

– Continued growth despite high comparative figures and a more challenging market

HIGHLIGHTS

- Net sales increased 21.1% to SEK 3,110.6 million (2,567.8). Organic growth was 0.6% and pro-forma organic growth was 3.0%
- Gross profit increased 20.6% to SEK 841.7 million (697.8), with a gross margin of 27.1% (27.2)
- Adjusted EBIT amounted to SEK 134.2 million (183.7), corresponding to an adjusted EBIT margin of 4.3% (7.2)
- Cash flow from operating activities amounted to SEK 121.7 million (119.5)
- Earnings per share amounted to SEK 0.89 (0.97) before dilution and SEK 0.88 (0.96) after dilution

Key events during and after the period

- BHG Group's subsidiary Vitvaruexperten acquired 100% of Hemmy AB. 51% of the total consideration was paid in cash while the remainder was settled by the sellers receiving shares in the combined enterprise. Hemmy.se conducts online sales of consumer appliances, household appliances, and home and garden products in Sweden. The acquisition will broaden BHG's offering on Vitvaruexperten.com as well as on the Group's other relevant platforms. The acquisition will also enable further economies of scale in terms of purchasing, logistics and market strategies. Sales for Hemmy.se amounted to SEK 103 million in 2021.

FINANCIAL SUMMARY

	Jan-Mar			Jan-Dec
SEKm (if not otherwise stated)	2022	2021	Δ%	2021
Net sales	3,110.6	2,567.8	21.1	12,666.0
Gross profit	841.7	697.8	20.6	3,357.1
Gross margin (%)	27.1	27.2	-0.1 p.p.	26.5
Adjusted EBIT*	134.2	183.7	-27.0	812.7
Adjusted EBIT margin (%)	4.3	7.2	-2.8 p.p.	6.4
Earnings per share before dilution, SEK	0.89	0.97	-8.2	3.97
Earnings per share after dilution, SEK	0.88	0.96	-8.3	3.94
Cash flow from operating activites	121.7	119.5	1.8	-27.6
Net debt (+) / Net cash (-)	2,319.3	173.9	1233.5	2,251.3

* Refer to "Relevant reconciliations of non-IFRS alternative performance measures (APMs)" on page 29 of this report for a more detailed description.

Comments by Adam Schatz

President and CEO, BHG Group

The environment in which we operate was more uncertain than it has been for a long time, with Russia's invasion of Ukraine bringing war to Europe. My colleagues and I are appalled at this development and our thoughts are with the many people affected. In addition to BHG donating to the UNHCR, many individual contributions and efforts were made, not least by my colleagues in Eastern Europe who are closest to the conflict.

BHG is not directly affected from a business perspective since we have no employees, customers or important suppliers in Russia or Ukraine. However, we are affected indirectly by the war as a result of the increased uncertainty in the market on both the supply and demand sides. At the same time, we have good prospects for managing these challenges in important and business-critical areas:

- **Relevant supplies on hand:** Today, we are in a good position to manage supply bottlenecks, with relevant products for the important approaching outdoor season in stock. These products were procured at attractive prices.
- **Cost control, our broad range and price leadership** ensure that we are well equipped to effectively compensate for the risk of a potentially weaker market compared with last year.
- **Geographic and product expansion:** Our business is broader and more diversified than ever, leaving us less exposed to currency fluctuations because of a high degree of natural hedging through costs and revenues in the same currencies.

A weaker market provides us with promising opportunities to further advance our position. Despite high comparative figures (organic growth in the corresponding quarter last year having amounted to 37%), and in a market, both off- and online, which contracted during the first quarter, we delivered yet another quarter of growth and continued to strengthen our market position. Net sales amounted to SEK 3,110.6 million, up 21.1%, corresponding to pro-forma organic growth of 3.0% and organic growth of 0.6%. Pro-forma growth compared with 2019 (the time before the outbreak of the pandemic) exceeded 80% – clear confirmation that the long-term trend toward a higher market share for BHG is intact.

Our position in the Nordic region was further strengthened during the quarter, while our geographic expansion contributed to growth. The share of sales generated outside our traditional Nordic home markets amounted to 18.2% during the quarter, an increase of 3.8 percentage points compared with the corresponding quarter last year. Our rolling 12-month pro-forma sales amounted to SEK 14.2 billion. We are thus continuing to advance toward SEK 20 billion, which is one of our financial targets. Adjusted EBIT totalled SEK 134.2 million for the quarter, which we are not satisfied with. However, this should be viewed in light of a complicated supply situation and a weak market with intense competition, in which consumer prices do not yet fully reflect cost increases. Nevertheless, profitability improved gradually during the quarter as a result of the measures we took to respond to the complicated market situation.

M&A is an important tool for us, but it is more difficult for buyers and sellers to agree on a price in a market that has changed significantly over the last year, resulting in longer acquisition processes. We are in discussions with acquisition candidates who fit well into our strategy, and I am sure that we will make several acquisitions this year, while remaining disciplined and focused. So far in 2022, we have completed one bolt-on acquisition, in connection with the incorporation of Hemmy AB into Vitvaruexperten. At the same time, we can see that our model for integrating acquired businesses has been further professionalised. A good example is our largest acquisition so far, Nordic Nest, which has now been part of BHG for just over a year and is performing well. The acquisition of Nordic Nest also enabled the bolt-on acquisition of Svenssons i Lammhult. I recommend that you read more about this development in what is now our premium platform in furniture and home furnishings on page 14 of this report.

2022 is a special year for BHG: it has been ten years since the company was founded with the aim of becoming the leading online home improvement player in the Nordics. Entrepreneurship and profitable growth remain critical elements going forward, and we are convinced that our initiatives within Customer Centricity and ESG will further strengthen our position:

- **Customer Centricity** is equally a matter of improving our ability to fully utilise the data that flows through our systems to become even more relevant to our customers, and refining all parts of the value chain, not least through technology investments, to maximise customer satisfaction.
- We have set ambitious targets relating to **ESG**, including extensive reductions in CO_2 emissions, minimising resource consumption in our operations and having clear supplier requirements. Our sustainability efforts comprise both safeguarding our supplier and distribution networks and how to reach our goals for an equitable and inclusive workplace.

Now that we have reached the position as the leading online home improvement player in the Nordic region, the next step of our journey is further European expansion. We are focusing our business on succeeding every day – you can never afford to take your eye off the ball in e-commerce – while determinedly building a stronger BHG through our long-term investments. Thank you to our growing customer base, our dedicated employees and our shareholders, who support us as we move ahead!

Malmö, 27 April 2022
Adam Schatz, President and CEO, BHG Group

We make living easy!

We offer a broad ecosystem of products and services in home improvement (DIY and home furnishings). The operations are scalable, with balanced tied-up capital and efficient inventory levels.

The business model is based on building blocks such as the broadest product range in the market, price matching, a first-class online customer experience, the market's best professional service and support, and cost efficiency.

Sustainability

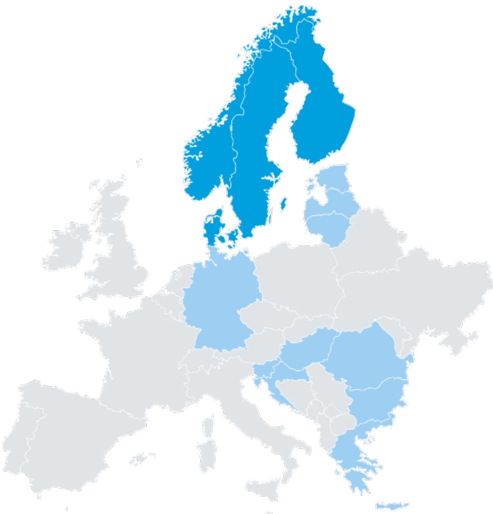
As the number 1 consumer e-commerce company in the Nordics we have a responsibility for the world and people around us. We strive to conduct our operations in an ethical, social and environmentally responsible manner. Sustainability for BHG means how we address those areas which we have largest impact upon and which we can influence.

Our short-term and long-term sustainability targets include reducing CO_2 emissions by 50% by 2030, reducing resource consumption in our own operations and having strict requirements for our suppliers.

Our sustainability programme also specifies targets for an equitable and inclusive workplace.

3,000+

number of employees



Nordic home markets

Our position in continental Europe

We put the customer first

With the customer as a starting point, we can anticipate wishes, needs and communication preferences. This is the basis for how our destinations and business units build long-lasting relationships with their customer groups.

>1.7

million products

100+

online destinations

Condensed consolidated information

SEKm (if not otherwise stated)	Jan-Mar 2022	Jan-Mar 2021	Δ%	Jan-Dec 2021
Net sales	3,110.6	2,567.8	21.1	12,666.0
Gross profit	841.7	697.8	20.6	3,357.1
Gross margin (%)	27.1	27.2	-0.1 p.p.	26.5
Adjusted EBITDA*	232.4	242.6	-4.2	1,104.6
Adjusted EBITDA margin (%)	7.5	9.4	-2.0 p.p.	8.7
Adjusted EBIT*	134.2	183.7	-27.0	812.7
Adjusted EBIT margin (%)	4.3	7.2	-2.8 p.p.	6.4
Cash flow from operating activites	121.7	119.5	1.8	-27.6
Visits (thousands)	99,318	101,829	-2.5	411,296
Orders (thousands)	1,214	1,145	6.0	5,247
Conversion rate (%)	1.2	1.1	0.1 p.p.	1.3
Average order value (SEK)	2,747	2,416	13.7	2,439

* Refer to "Relevant reconciliations of non-IFRS alternative performance measures (APMs)" on page 29 of this report for a more detailed description.

COMMENTS ON THE RESULT FOR THE PERIOD

First quarter of the year

The first quarter of the year was characterised by:

- Growth, strong cash flow generation and gradually improved, while still unsatisfactory, profitability. The Group's first quarter is seasonally the smallest, both in terms of net sales and EBIT.
- A complicated market situation on both the supply and demand sides: An already intricate operating environment was further complicated by Russia's invasion of Ukraine, which added cost increases and had a negative impact on demand, mainly in the Eastern European markets.
- The Group's net sales amounted to SEK 3,110.6 million for the quarter. Total growth amounted to 21.1%, pro-forma organic growth (meaning including the four acquisitions completed during the past twelve months) to 3.0% and organic growth to 0.6%.
- Adjusted EBIT amounted to SEK 134.2 million, corresponding to an adjusted EBIT margin of 4.3%. The EBIT margin improved sequentially during the quarter as a result of the measures that were continually taken to respond to the complicated market situation. Despite significant price rises for large parts of the range, the EBIT margin was negatively impacted by higher shipping, product, fulfilment and traffic generation costs.
- Cash flow from operating activities was SEK 121.7 million. Positive cash flow was achieved thanks to improved working capital, which is unusual given the seasonal nature of the Group's business, which is ordinarily characterised by declining working capital during the first quarter. Despite this, product availability is good as we approach the important outdoor season, since inventory has been secured to counteract disruptions in global supply chains.
- Continued progress on central initiatives was made during the quarter, including:
  - **Investments in the technology platform:** The main aim of these initiatives is to complement the customer offering and create a market-leading customer experience through further product range expansion and exchange between the operating units, geographic expansion of proprietary brands and by strengthening BHG's digital leadership and infrastructure. During the quarter, additional BHG units were connected to our proprietary platform for exchanging products among Group companies, and our customer data platform is being put into operation according to plan.
  - **Customer satisfaction:** A clear improvement has been achieved by consistently during two years stress the importance of customer satisfaction throughout the entire organisation and complementing this effort with technology investments. A continued focus on Customer Centricity ensures that the trajectory will continue.
  - **Structural changes:** The Group continues to move in the direction of larger operating units with critical mass, technological unification and fewer warehouses. The Group's Husqvarna warehouse was consolidated during the quarter. At the same time, the Bathlife and Nordiska Fönster organisations were grouped under Hafa, which also changed its name from Hafa Bathroom Group to Hafa Brand Group to reflect the broader platform for our proprietary brands within DIY.

The home improvement market

The overall home improvement market remains significantly larger than before the outbreak of the pandemic. However, our assessment is that the market contracted during the last three quarters compared with the peak that was reached during the first year of the pandemic. The market already began to face a slowdown back in the second quarter of 2021. This was partly the result of the comparison with the high demand during the first year of the Covid-19 pandemic and partly the normalisation of the consumption of services, which has been back at pre-pandemic levels for some time.

The total market was also adversely affected during the quarter by the conflict between Russia and Ukraine, even before Russia's actual invasion on 24 February 2022. Available market data indicate a particularly pronounced slowdown in Eastern Europe. In a Nordic context, the Danish and Finnish markets stand out as the weakest, while the Norwegian and Swedish markets did not deteriorate as significantly.

The market has been impacted for some time by disruptions in the global supply chain in the wake of the pandemic, and the war in Ukraine has exacerbated this development. Although the cost increases have begun to be reflected in higher consumer prices, mainly in furniture and home furnishing but also in DIY to some extent, our assessment is that consumer price increases will continue in the next quarters. As we announced in our earlier interim reports, we expect shipping costs to remain high and certain bottlenecks to continue during 2022, although they are unlikely to deteriorate further.

The market challenges mentioned above are affecting all players in Europe and our prospects for navigating the prevailing circumstances are good.

Outlook

Despite the weakness of the overall market during the quarter and the problems that are continuing to impact the product supply chain, our position in the Nordic region and our priority markets in continental Europe remains strong: Eastern Europe (through Furniture1) and Germany (through selected parts of the DIY segment, but particularly in the Home Furnishing segment through Nordic Nest and recently acquired AH-Trading).

Our size and approach of combining organic initiatives with acquisitions and leveraging synergies provide us with a major advantage, particularly in the prevailing market:

- *Rising external costs and continued logistical disruptions:* Our inventory is well supplied as we enter the outdoor season. Our inventory was procured at costs significantly below the costs prevailing in the market today.
- *Weaker demand:* We are able to target our customers with relevant offers thanks to our focus on price leadership and the breadth of our range. We also have a lower fixed cost basis than many of our competitors, and our market-leading digital position allows for efficient traffic generation.
- *Currency fluctuations:* We do not hedge currencies, but we have the ability to dynamically change prices frequently and easily, and moreover we have a substantial natural currency hedge, especially since the share of sales invoiced in EUR has increased significantly in recent years.
- *Thanks to our ability to continuously consolidate our markets through acquisitions*, we can continue to strengthen our business under all market conditions.

The Group does not publish any forecasts, but we can confirm that: 1) our comparative figures for the second half of 2022 will be lower than for the first half of 2022; 2) demand during the rest of the year is difficult to predict; and 3) we saw a sequential improvement in profitability during the first three months of the year.

The assessment that our online markets can be expected to grow by approximately 15% annually over a business cycle remains, and in addition to this base growth, the Group has good opportunities to execute on geographic initiatives, both organic and acquisition-related ones. For further information, refer to the Group's medium-term financial targets (page 8).

Acquisitions and integration

Acquisitions will remain an important tool going forward. Our strengthened integration team has been gathered together under our Programme Management Office (PMO) since the beginning of the year. Our PMO organisation works closely with our M&A organisation even before an acquisition is completed in order to ensure a successful integration of the acquired operations.

Many potential acquisition opportunities were evaluated during the quarter. However, as in the fourth quarter, we decided to discontinue a couple of advanced acquisition processes in which the sellers' valuation expectations did not, in our opinion, adequately reflect the prevailing market circumstances. A strong M&A pipeline – and a conviction that valuation expectations on the sell side are being ratcheted down – will ensure that our acquisition journey will continue in 2022.

Our focus for acquisitions centres around the home improvement market in the Nordic region and continental Europe. In this market, we are looking for:

- Acquisitions that accelerate our product range expansion and enable geographic expansion, including new platform acquisitions as well as category acquisitions that will be integrated with one of our main platforms over time.
- Acquisitions that facilitate synergies in the form of product assortment exchange, digital traffic generation, maximising the business insights obtained from the data flowing through our growing group of units, and economies of scale.

Completed acquisitions

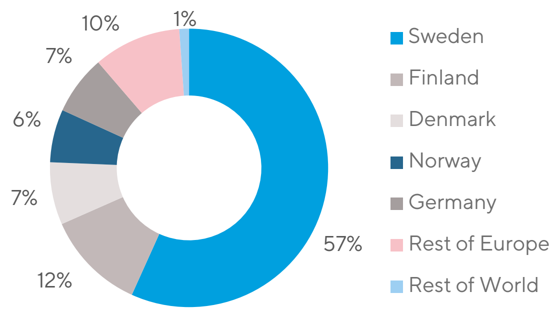
BHG Group's subsidiary Vitvaruexperten acquired 100% of Hemmy AB. 51% of the total consideration was paid in cash while the remainder was settled by the sellers receiving shares in the combined enterprise. Hemmy.se conducts online sales of consumer appliances, household appliances, and home and garden products in Sweden. The acquisition will broaden BHG's offering on Vitvaruexperten.com as well as on the Group's other relevant platforms. The acquisition will also enable further economies of scale in terms of purchasing, logistics and market strategies.

Currency effects

The Group does not hedge currency exposure, except for Hafa Brand Group (formerly Hafa Bathroom Group), which was acquired in the second quarter of 2021.

Exchange-rate fluctuations had a negative, albeit negligible, impact on operating income for the quarter.

Distribution of net sales by country (%), Jan-Mar 2022



Net sales

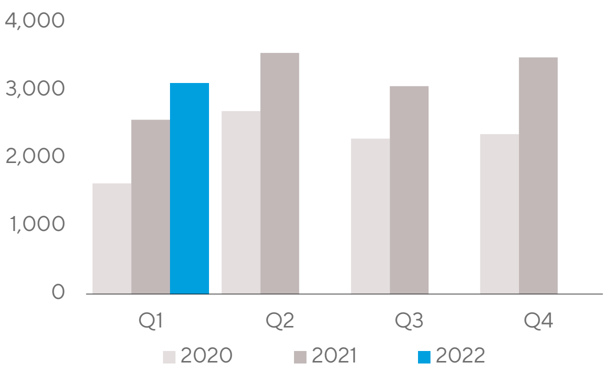
Both total growth and pro-forma growth (including the performance of recent acquisitions, which typically grow faster when they become part of the Group) were favourable, given the circumstances. Organic growth for the Group was impacted by high comparative figures and an overall market that contracted during the quarter.

Net sales increased 21.1% to SEK 3,110.6 million (2,567.8) for the quarter. Organic growth was 0.6% and pro-forma organic growth was 3.0%. Sales in continental Europe had the strongest performance, and the German market consolidated its position as BHG's third-largest geographic market.

Net sales in the DIY segment increased 20.0% during the quarter to SEK 1,667.0 million. Organic growth was 1.1% and pro-forma organic growth was 2.4%. The performance of the Swedish and Norwegian operations was stronger than the Finnish and Danish ones in relative terms, due to higher comparative figures and a weaker market in the latter, a situation similar to the developments during the second half of 2021.

Net sales for the Home Furnishing segment increased 22.8% during the quarter to SEK 1,455.3 million. Organic growth was 0.1% and pro-forma organic growth was 4.1%. Organic growth was largely driven by sales to customers in continental Europe, primarily via the segment's premium business.

Net sales (SEKm)



Gross margin

The product margin for the quarter was 39.7% (39.7). The reported gross margin (that is, the margin after deductions for direct selling expenses, such as logistics, fulfilment, etc.) amounted to 27.1% (27.2).

Overall, the gross margin development in the quarter was attributable to:

- Increases in the prices of raw materials and shipping rates that remained high as well as higher fulfilment costs, which were largely offset by the increases in consumer prices that were implemented.
  - The deterioration in product margins is largely attributable to the more limited ability to adjust prices in the DIY segment's portfolio of proprietary brands due to a competitive situation where there is a high number of smaller players with high levels of inventory. Significant price adjustments have been made in the Home Furnishing segment, which is also reflected in an improved product margin compared with the corresponding period last year.
  - The high fulfilment costs are a result of the Group's choice to enter the outdoor season with inventory levels that are higher than last year, in order to mitigate the bottlenecks that have occurred in global supply chains. Fulfilment costs are expected to decrease beginning in the second half of 2022.
- We expect continued price increases for the entire range, as the market as a whole adjusts consumer prices to reflect a higher cost base.

The Group carefully monitors the development of average order value (AOV) and focuses particularly on ensuring that the AOV for bulky products, which are sent on pallets, remains high. Essentially all of the operating units managed to maintain, or increase, their AOV during the quarter.

SG&A

Selling, general and administrative expenses (SG&A, defined as the difference between adjusted gross profit and adjusted EBITDA) amounted to SEK 609.3 million (455.2) for the quarter, corresponding to 19.6% (17.7) of net sales.

SG&A was primarily impacted by increased costs for online marketing as a result of higher traffic generation costs, driven by market price increases for the cost per click (CPC). A large share of this increase was attributable to the normalisation of the unusually low CPC levels in the first year of the pandemic, but significantly weaker demand in the market has also meant stiffer competition. SG&A as a share of sales was also negatively affected by the date on which AH-Trading was consolidated. AH-Trading's range consists almost entirely of outdoor furniture and associated products, and the business is therefore highly seasonal.

The increase in SG&A in relation to net sales was also the result of: 1) the increase in the share of sales from proprietary brands, which requires a somewhat larger organisation and higher degree of online marketing; and 2) the fact that we are still in a phase where we are building the organisation and technology platform so that we can deliver growth combined with a high degree of customer satisfaction and increased customer loyalty. Customer satisfaction has also improved significantly over the last 18 months.

Earnings

The Group's adjusted EBIT amounted to SEK 134.2 million (183.7) for the quarter, corresponding to an adjusted EBIT margin of 4.3% (7.2). Depreciation and amortisation of tangible and intangible fixed assets amounted to SEK 98.6 million (58.6), of which SEK 68.3 million (41.4) is related to depreciation of leased fixed assets.

As previously mentioned, we decided to discontinue some advanced acquisition processes in new markets for us during the quarter. The related transaction costs constitute the majority of the costs of SEK 11.2 million recognised as items affecting comparability during the quarter.

The Group's operating income amounted to SEK 97.9 million (168.6) for the quarter, corresponding to an operating margin of 3.1% (6.6).

Amortisation of acquisition-related intangible assets amounted to SEK 25.1 million (15.2) for the quarter. Amortisation pertained to identified surplus values related to customer relationships and customer databases in acquired companies. No impairment of goodwill or other assets was identified during the period, or in the corresponding period of the preceding year.

The Group's net financial items amounted to SEK 30.5 million (-25.1) for the quarter, which included reassessed earn-outs of SEK +49.2 million. Interest expenses for the quarter amounted to SEK -17.0 million, of which SEK -4.8 million related to lease liabilities in accordance with IFRS 16.

The Group's profit before tax was SEK 128.4 million (143.4) for the quarter. Net income amounted to SEK 111.2 million (115.3) for the quarter. The effective tax rate was -13.4% (-19.6), corresponding to SEK -17.2 million (-28.2).

Cash flow and financial position

Cash flow from operating activities amounted to SEK 121.7 million (119.5) for the quarter, and was primarily driven by the Group's EBITDA as well as a positive impact from changes in working capital. The favourable development in working capital is a result of inventory build-ups during the period being offset by a corresponding increase in accounts payable.

Cash conversion (cash flow from operating activities in relation to adjusted EBITDA) was 75.7% (48.8).

The Group's cash flow to investing activities amounted to SEK -108.3 million (-173.2) for the quarter, and during the period was mainly attributable to the acquisition of Hemmy, disbursements for contingent considerations and liabilities for non-controlling interests related to acquisitions in previous periods as well as IT investments related to web platforms and logistics solutions.

Cash flow from financing activities amounted to SEK 208.2 million (1,677.0) for the quarter and was primarily attributable to the utilisation of the revolving credit facility, repayment of lease liabilities and interest paid.

The Group's cash and cash equivalents at the end of the reporting period, compared with the beginning of the year, amounted to SEK 504.4 million (273.5).

The Group's net debt, which is defined as the Group's current and non-current interest-bearing liabilities to credit institutions, less cash and cash equivalents and investments in securities, etc., amounted to SEK 2,319.3 million at the end of the period, compared with SEK 2,251.3 million at the beginning of the year, corresponding to net debt in relation to LTM adjusted EBITDA of 2.61x, which is outside the range of the Group's medium-term capital structure target. The Group's cash flow and working capital position follow a seasonal profile, with inventory build-ups primarily of outdoor furniture and leisure products during the first quarter prior to the peak season, followed by high sales and thus a high cash conversion during the seasonally strong second and third quarters. Although the Group's first quarter ordinarily means higher tied-up working capital, there was a departure from this pattern during the past quarter, when working capital decreased and cash flow was positive. Since the Group has good inventory levels as it enters the peak season, working capital should further improve during the next two quarters, which would free up significant cash flow. Further, the conditions for improved profitability are good, not least during the second half of 2022 when the comparative figures are lower. Both strong cash flow and improved profitability contributes to a reduced financial indebtedness.

The Group's unutilised credit facilities amounted to SEK 500.0 million at the end of the period, compared with SEK 800.0 million at the beginning of the year.

FINANCIAL TARGETS

Net sales

The Group's objective is to achieve net sales of SEK 20 billion over the medium term, including acquisitions. The target of SEK 20 billion in net sales is to be achieved by combining organic growth at least in line with the market, which is expected to grow by approximately 15% per year over a business cycle, with acquisitions, which are expected to add 5–10 percentage points of growth per year. The combination of organic and inorganic initiatives is expected to translate into growth in the range of 20–25% per year.

Profitability

The Group intends to continue conducting its operations in such a manner that growth goes hand in hand with healthy profitability. The profitability target is to achieve an adjusted EBIT margin of at least 7%.

Capital structure

To maintain net debt, excluding IFRS 16 effects, in relation to rolling 12-month (LTM) EBITDA in the range of 1.5-2.5x, subject to flexibility for strategic activities.

Dividend policy

When free cash flow exceeds available investments in profitable growth, and provided that the capital structure target is met, the surplus will be distributed to shareholders.

FURNITURE1 EU
GRILLIKAUPPA.COM
talotarvike.com
bygghjemme.no
myRANGECOOKER.se
BILJARD BOLAGET
hemfint.se
golvpoolen
taloon.com
RINKKA
Wigglekart.se
Duab
berry
PAISTA
Nordiska Fönster
Hemma KOMPANIET.se
BADSHOP.se
Chilli.se
trademax.se
vitvaruexperten.com
VIKING
LINOLEUM KOMPANIET
myOUTDOORKITCHEN.se
BYGGSHOP.se
Hemmy.se
eGRILLEN.se
KUURA
hobbyhallen.se
bygghemma.se
Hafa
FURNITUREBOX
westerbergs
Vinkylen.se
bhg. GROUP
My Home
Svenssons i Lammhult
NORO
Sleepo
NETRAUTA.FI
NORDIC NEST
BORDTENNISBOLAGET.SE
golvshop.se
HYLTE HUNTING & OUTDOOR
myScandiliving
hemochbastu.se
bathlife
LampGallerian
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En riktig maskinaffär på nätet
WEGOT
Ölkylen.se
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LOUNGEDREAMS.COM
vvskupp.no
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tvexperten.com
POLAR NIGHT.com
LED-VALOT.FI
POLARPUMPEN polarpumpen.se
KODIN1
hobbybox.fi
GARTENMOEBEL.DE
NORDICPROSTORE.com

A selection of our brands.

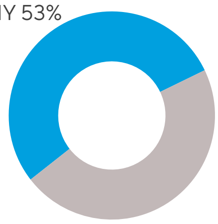
DIY segment

"In a market affected by the geopolitical and macro-economic uncertainty as well as a delayed start to the spring season, we have continued to gain market share and strengthen our position as the leading online player. We continue to invest in Customer Centricity, and customer satisfaction has further improved."

Mikael Hagman, Head of the DIY segment

- The segment continued to strengthen its leading Nordic position. In a quarter in which the DIY market shrank, the segment reported growth and thus increased its market share. Customer satisfaction also improved
- The segment's net sales rose 20.0% for the quarter, of which organic growth accounted for 1.1%. Pro-forma organic growth was 2.4%
- The gross margin for the quarter was 23.9% (25.6)
- Adjusted EBIT amounted to SEK 66.2 million (108.0) for the quarter, corresponding to an adjusted EBIT margin of 4.0% (7.8)
- The adjusted EBIT margin was negatively affected by the price adjustments that were implemented not being fully offset by higher product, shipping, inventory and traffic generation costs as well as IT, automation and organisation investments aimed at meeting and exceeding customer expectations.

Net sales by segment Jan-Mar 2022



	Jan-Mar			Jan-Dec
SEKm (if not otherwise stated)	2022	2021	Δ%	2021
Net sales	1,667.0	1,389.4	20.0	7,259.6
Gross profit	397.6	355.3	11.9	1,764.3
Gross margin (%)	23.9	25.6	-1.7 p.p.	24.3
Adjusted EBITDA	108.1	132.6	-18.5	681.7
Adjusted EBITDA margin (%)	6.5	9.5	-3.1 p.p.	9.4
Adjusted EBIT	66.2	108.0	-38.7	560.7
Adjusted EBIT margin (%)	4.0	7.8	-3.8 p.p.	7.7
Visits (thousands)	38,749	37,936	2.1	165,984
Orders (thousands)	548	486	12.8	2,373
Conversion rate (%)	1.4	1.3	0.1 p.p.	1.4
Average order value (SEK)	3,391	3,226	5.1	3,116

COMMENTS ON THE DIY SEGMENT

The DIY segment grew during the quarter, in an overall market that declined. The segment thus strengthened its leading Nordic position despite market complications related to supply chains, particularly high comparative figures and generally weaker demand.

Focus will continue to be directed to:

- Fully leveraging the product range through all relevant sales channels, an initiative supported by the Group's proprietary system for exchanging product information.
- Optimising prices and marketing based on weaker demand.
- Grouping the segment's operations around a smaller number of business units when it comes to technology platforms, warehouses and organisation in order to maintain a competitive cost structure.

These initiatives are supported by higher investments in the technology and data platform, and their ultimate aim is to drive a lower cost structure, make it possible to retain price leadership, while improving profitability and customer satisfaction.

An upgraded version of our customer data platform was put into operation in the Finnish DIY operation, and the Swedish DIY platform is next in line. A number of purchases from key suppliers were also consolidated to one of the Group's companies and its proprietary brands in the bathroom, door and window categories under Hafa Brand Group.

The segment's geographic sales mix performed in line with the last quarter of 2021, with the strongest outcome in the Swedish operations, followed by Norway. The Finnish and Danish operations, which had the highest comparative figures, delivered a weaker performance. The construction, door, window and bathroom categories showed healthy growth, while the garden category contracted due to a later start to the spring season.

The DIY segment accounted for 53% of the Group's total net sales for the quarter. Net sales increased 20.0% to SEK 1,667.0 million (1,389.4).

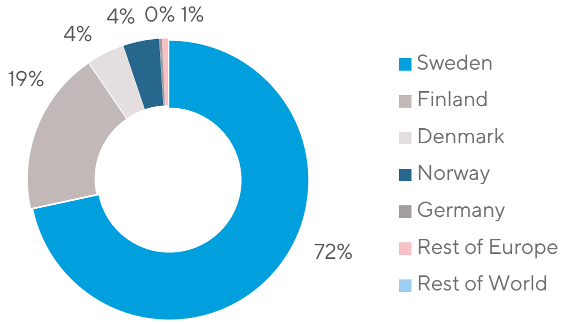
Adjusted EBIT for the quarter amounted to SEK 66.2 million (108.0), with an adjusted EBIT margin of 4.0% (7.8). The segment's adjusted EBIT margin gradually improved during the quarter.

The lower adjusted EBIT margin compared with the year-earlier period was mainly due to the following factors: 1) Exceptionally high profitability in the year-earlier period, 2) the negative impact of shipping, inventory and traffic generation costs, and 3) IT, automation and organisation investments aimed at enhancing customer satisfaction.

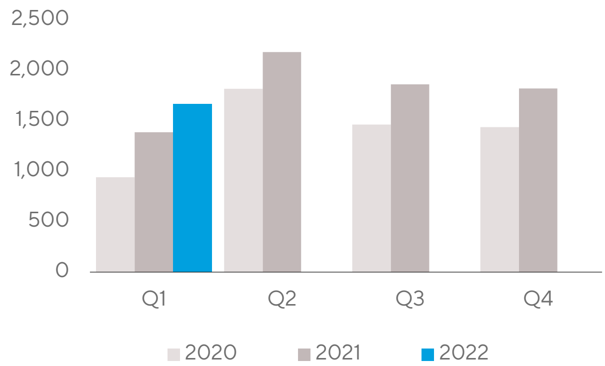
The adjusted EBIT margin deteriorated particularly in the part of the Group's operations focused on proprietary brands. This market is more fragmented than the market for external brands, and the large number of smaller competitors that operate in this market have run aggressive campaigns, likely with the aim of bringing down high inventory levels and freeing up cash flow.

The price scenario in the market improved gradually during the quarter, a development that we believe will continue, as a consequence of higher cost levels.

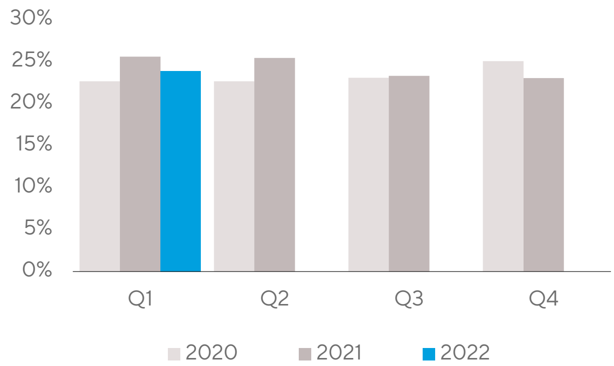
Distribution of net sales by country (%), Jan-Mar 2022



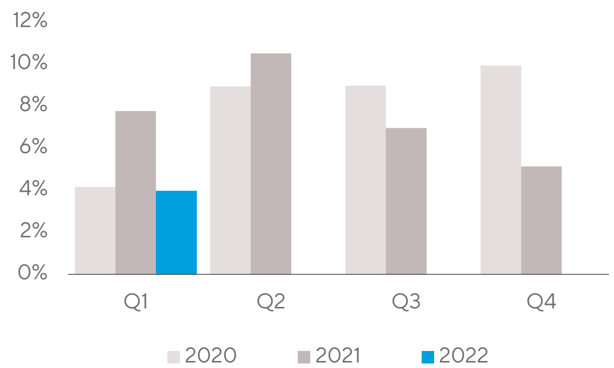
Net sales (SEKm)



Adjusted gross margin (%)



Adjusted EBIT margin (%)



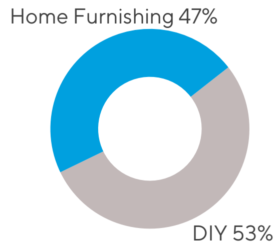
Home Furnishing segment

"Price increases were implemented in all markets, while the position of the segment in the important continental Europe market continued to strengthen during the quarter. With Furniture1, Nordic Nest and AH-Trading, we are carving out a strong position in Europe, while growth prospects in the Nordic region remain healthy."

Christian Eriksson, Head of the Home Furnishing segment

- Following the acquisitions of Nordic Nest, Svenssons i Lammhult and AH-Trading last year, the Home Furnishing segment increased considerably, with total growth of 22.8% for the quarter
- The segment's organic sales were in line with the corresponding quarter last year
- Pro-forma organic growth, which includes the strong performance of Svenssons i Lammhult (now part of Nordic Nest Group), amounted to 4.1% for the quarter
- The gross margin for the quarter was 30.5% (28.9) The improved gross margin is attributable to the price increases that were implemented to compensate for higher shipping and fulfillment costs
- Adjusted EBIT amounted to SEK 80.4 million (89.2) for the quarter, corresponding to an adjusted EBIT margin of 5.5% (7.5). Price increases completely compensated for high shipping and inventory costs. However, the adjusted EBIT margin was negatively affected by traffic generation costs as well as the date on which AH-Trading was acquired. AH-Trading's focus on outdoor furniture means that all of the profit for the operations is currently generated in the warmer months of the year

Net sales by segment, Jan-Mar 2022



	Jan-Mar			Jan-Dec
SEKm (if not otherwise stated)	2022	2021	Δ%	2021
Net sales	1,455.3	1,185.2	22.8	5,442.8
Gross profit	444.4	342.9	29.6	1,597.7
Gross margin (%)	30.5	28.9	1.6 p.p.	29.4
Adjusted EBITDA	136.4	123.2	10.7	494.0
Adjusted EBITDA margin (%)	9.4	10.4	-1.0 p.p.	9.1
Adjusted EBIT	80.4	89.2	-9.8	324.0
Adjusted EBITmargin (%)	5.5	7.5	-2.0 p.p.	6.0
Visits (thousands)	60,569	63,893	-5.2	245,312
Orders (thousands)	666	659	1.0	2,874
Conversion rate (%)	1.1	1.0	0.1 p.p.	1.2
Average order value (SEK)	2,217	1,820	21.8	1,880

COMMENTS ON THE HOME FURNISHING SEGMENT

The home furnishing market featured the same dynamics as in the second half of 2021 – weaker demand, higher traffic generation costs and continued disruptions in the global supply and logistics chains – but with one significant difference: the price adjustments in the market that we could discern during the fourth quarter have continued, and consumer prices are expected to rise further. Although the overall market contracted, the segment delivered a certain amount of pro-forma organic growth, driven by the premium segment, not least Svenssons i Lammhult, which was operationally consolidated into Nordic Nest.

Focus will continue to be directed to:

- Driving geographic growth in the operations, including Nordic Nest, that launched webshops in new geographies, continuing to invest in the Norwegian value-for-money market and optimising prices and marketing strategies.
- Maximising opportunities during the important outdoor season, not least assisted by recently acquired AH-Trading as well as product assortment exchange within the Nordic value-for-money platform, which has made it possible to offer a broader outdoor range to Danish customers.
- Gradually reduce inventory levels, which have entailed putting temporary extra inventory into use and thus driven higher fulfilment costs.
- Implementing an upgraded customer data platform in the Nordic value-for-money operation.

Just as in the DIY segment, these initiatives are supported by higher investments in the technology and data platform, and their ultimate aim is to drive a lower cost structure, enable retaining price leadership and improve profitability and customer satisfaction.

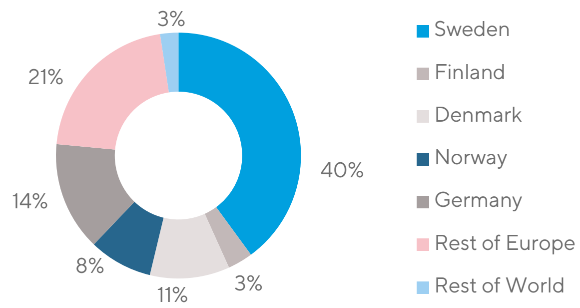
The segment's geographic sales mix performed in line with the last quarter of 2021, with sound growth in the segment's premium business. Russia's invasion of Ukraine had a negative impact on the Eastern European market, resulting in subdued growth for the segment. A later start to the outdoor season also had a negative impact on the outdoor furniture category.

Net sales in the Home Furnishing segment rose 22.8% to SEK 1,455.3 million (1,185.2) for the quarter, corresponding to 47% of the Group's total net sales.

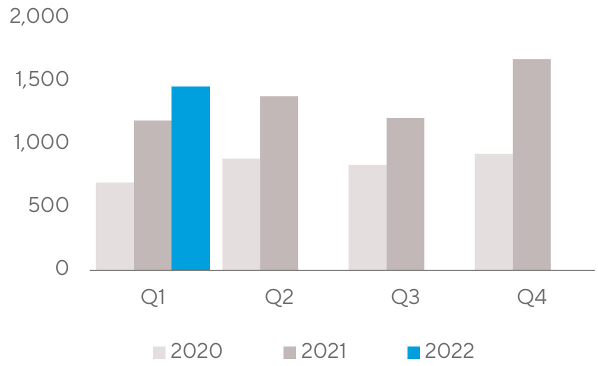
Adjusted EBIT for the quarter amounted to SEK 80.4 million (89.2), with an adjusted EBIT margin of 5.5% (7.5). Significant price adjustments were implemented during the quarter, which partially offset higher shipping, inventory and traffic generation costs. Profitability for the quarter was also negatively impacted by the date on which AH-Trading was acquired, since AH-Trading's focus on outdoor furniture means that the entire operation's profit is generated during the warmer months of the year. The segment's operating margin also improved gradually during the quarter.

From having almost exclusively focused on the Nordic markets until 2018, the segment has since successfully established a rapidly growing presence in continental Europe. Sales to customers from countries outside the Nordic region accounted for more than one-third of sales for the segment.

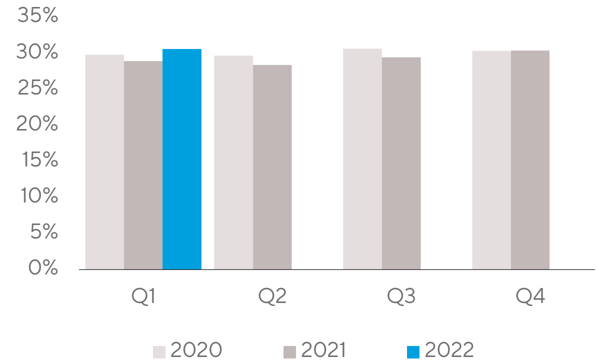
Distribution of net sales by country (%), Jan-Mar 2022



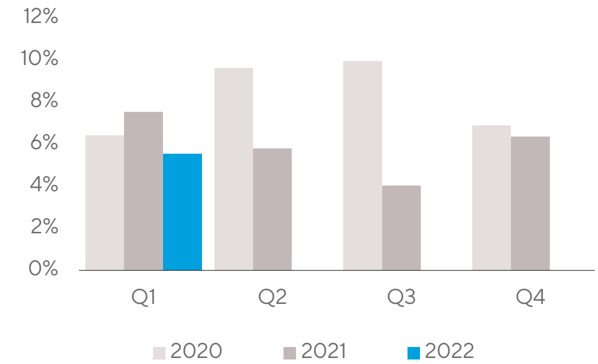
Net sales (SEKm)



Adjusted gross margin (%)



Adjusted EBIT margin (%)



Nordic Nest: The success continues

NORDIC NEST AND SVENSSONS I LAMMHULT – PART OF BHG'S JOURNEY OF GROWTH

BHG acquired Nordic Nest during the last quarter of 2020. The period since the first quarter of 2021, meaning beginning when the operation was consolidated into the Group, has been successful. Since the second quarter of 2021, Svenssons i Lammhult also forms part of Nordic Nest.

The acquisition of Svenssons i Lammhult strengthened Nordic Nest's position as a destination with a complete premium range for a Scandinavian home. The successful range concentrating on table décor and decorative items was supplemented by a broad range of furniture from the most popular brands and the most iconic products in Scandinavian furniture history.

THE WORLD'S BEST CUSTOMER EXPERIENCE – THE MOST IMPORTANT GOAL FOR NORDIC NEST

The customer has always been the focus for the team at Nordic Nest. The strong financial performance of recent years was made possible thanks to a 100% focus on the customer experience. The customer experience includes obvious aspects such as the range the customer demands, the right price every day and good delivery precision. However, what really makes the difference is the interaction with the customer, how we always act to create the best possible experience in daily dialogue. During the first quarter of 2022, Nordic Nest took some major steps forward to create the same focus in both destinations, through day-to-day work as well as organisational development, where Nordic Nest added the position of Head of Customer Care, with overall responsibility for the customer experience at both Nordic Nest and Svenssons i Lammhult. In addition to the obvious benefits of an improved customer experience, it also produces efficiency improvements and cost synergies between the companies.

INVESTMENTS IN AUTOMATION FOR MORE EFFICIENT FLOWS

Significant progress was made during the first quarter with respect to the future automation solution being implemented in Kalmar. The investment will enable even faster deliveries and a more efficient workflow. The first part of the automation is expected to be put into operation at the beginning of the fourth quarter of 2022. In parallel with the implementation of the automation solution, work is in progress to consolidate Svenssons i Lammhult's warehouse and logistics operations, which are currently run by an external partner, into the existing warehouse in Kalmar.

Having the warehouse and logistics in one location facilitates a better customer experience and lower costs per order processed. This also means significantly greater opportunities to share the range between the two destinations, which in turn is an important driver for continued growth.

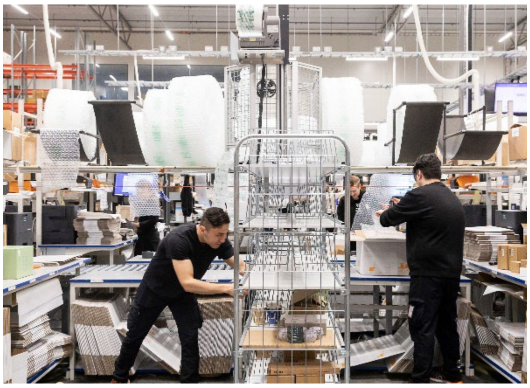
GEOGRAPHIC EXPANSION

Demand for Scandinavian design and home furnishings is high throughout the world. Nordic Nest has had a broad presence outside Sweden for a long time, with weekly deliveries to more than 70 countries and websites in ten different languages.

Continued geographic expansion is an important strategic area for the next few years. Nordic Nest launched Polish and Japanese websites at the end of the first quarter of 2022. There are good prospects in the future for additional sites in local languages for both Nordic Nest and Svenssons i Lammhult, which to date only has a website in Swedish.

NORDIC NEST

Svenssons i Lammhult



Other

THE BHG SHARE

The BHG Group AB (publ) share is listed on Nasdaq Stockholm Large Cap under the ticker BHG with the ISIN code SE0010948588.

The share price at the beginning of the year was SEK 95.6. On the last day of trading in the period, the share price was SEK 62.5. The highest price paid, quoted in January, was SEK 100.9, and the lowest price paid, quoted in March, was SEK 62.5.

During the period, 46,349,645 BHG shares were traded, equivalent to a turnover rate of 37%.

As per 31 March, BHG had approximately 11,000 shareholders, of which the largest were EQT (21.5%), Capital Group (8.0%), Handelsbanken Fonder (5.2%), Swedbank Robur Fonder (4.9%) and Lannebo Fonder (3.6%).

As of 31 March 2022, the number of shares issued was 123,815,730, all of which were ordinary shares.

PARENT COMPANY

The Parent Company's net sales for the quarter amounted to SEK 1.8 million (0.4). The Parent Company posted an operating loss of SEK -19.6 million (-13.0) for the quarter. Outstanding incentive programmes were charged to Parent Company earnings for the quarter in an amount of SEK -1.4 million (-1.4). The Parent Company's cash and cash equivalents totalled SEK 10.6 million at the end of the reporting period, compared with SEK 0.0 million at the beginning of the year.

Malmö, 27 April 2022

Adam Schatz
President and CEO

This report has not been audited by the company's auditors.

BHG Group AB (publ)
Hans Michelsensgatan 9
SE-211 20 Malmö. Sweden
Corporate registration number: 559077-0763

This information is information that BHG Group AB 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 below, at 7:00 a.m. CEST on 27 April 2022.

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CONFERENCE CALL IN CONNECTION WITH PUBLICATION OF THE QUARTERLY REPORT

Adam Schatz, President and CEO, and Jesper Flemme, CFO, will hold a conference call at 10:00 a.m. on Wednesday, 27 April in connection with the publication of the interim report. The call will be held in English. To participate, please call
+46856642703 or visit https://tv.streamfabriken.com/bhg-q1-2022.
The presentation will be available from the Group's website:
https://www.wearebhg.com/investors/presentations/.

QUARTERLY REPORTS ON WWW.WEAREBHG.COM

The full interim report for the period January-March 2022 and previous quarterly and year-end reports are available at https://www.wearebhg.com/investors/financial-reports/

FINANCIAL CALENDAR

5 May 2022	Annual General Meeting (Malmö)
20 July 2022	Interim report January-June 2022
27 October 2022	Interim report January-September 2022

Condensed consolidated income statement

	Jan-Mar		Jan-Dec
SEKm	2022	2021	2021
Net sales	3,110.6	2,567.8	12,666.0
Other operating income	15.6	0.1	15.6
Total net sales	**3,126.2**	**2,567.9**	**12,681.6**
Cost of goods sold	-2,268.8	-1,870.0	-9,308.9
Personnel costs	-278.4	-198.9	-981.7
Other external costs and operating expenses	-353.8	-251.9	-1,304.0
Other operating expenses	-3.5	-4.7	-5.0
Depreciation and amortisation of tangible and intangible fixed assets	-123.7	-73.8	-371.5
Operating income	**97.9**	**168.6**	**710.6**
Profit/loss from financial items	30.5	-25.1	-79.7
Profit before tax	**128.4**	**143.4**	**630.9**
Income tax	-17.2	-28.2	-140.1
Profit for the period	**111.2**	**115.3**	**490.8**
Attributable to:			
Equity holders of the parent	109.8	112.7	480.9
Non-controlling interest	1.4	2.6	9.9
Net income for the period	**111.2**	**115.3**	**490.8**
Earnings per share before dilution, SEK	0.89	0.97	3.97
Earnings per share after dilution, SEK	0.88	0.96	3.94

* The formula for earnings per share is as follows: earnings per share = net profit/loss for the period/(average number of ordinary shares outstanding + dilution effect due to outstanding warrants). At the end of the period, there was a total of 3,847,532 (2,647,526) warrants outstanding, of which 677,496 (1,526,698) had a dilution effect during the quarter.

Condensed consolidated statement of comprehensive income

SEKm	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Profit for the period	111.2	115.3	490.8
Other comprehensive income			
Items that subsequently could be reclassified to profit or loss			
Translation differences for the period	18.8	15.7	18.3
Other comprehensive income for the period	**18.8**	**15.7**	**18.3**
Total comprehensive income for the period	**130.0**	**131.0**	**509.1**
Total comprehensive income attributable to:			
Parent Company shareholders	128.2	127.7	498.5
Non-controlling interest	1.8	3.3	10.6
Total comprehensive income for the period	**130.0**	**131.0**	**509.1**
Shares outstanding at period's end	**123,815,730**	**120,928,437**	**123,815,730**
Average number of shares			
Before dilution	123,815,730	116,190,988	120,986,410
After dilution	124,488,289	117,717,686	122,143,798

* The average number of shares before and after dilution differs because the exercise price for one of the outstanding employee warrant programmes is less than the average share price during the quarter.

Condensed consolidated statement of financial position

	31 Mar		31 Dec
SEKm	2022	2021	2021
Non-current assets			
Goodwill	6,385.7	4,787.4	6,318.7
Other intangible fixed assets	2,900.8	1,837.3	2,893.3
Total intangible fixed assets	**9,286.5**	**6,624.7**	**9,212.0**
Buildings and land	22.1	10.2	21.9
Leased fixed assets	918.2	618.0	893.3
Tangible fixed assets	140.4	73.0	136.3
Financial fixed assets	12.8	10.1	13.1
Deferred tax asset	23.9	19.2	26.4
Total fixed assets	**10,403.8**	**7,355.1**	**10,302.9**
Current assets			
Inventories	2,940.0	1,254.5	2,431.5
Current receivables	534.4	422.5	604.4
Cash and cash equivalents	504.4	1,934.7	273.5
Total current assets	**3,978.8**	**3,611.6**	**3,309.4**
Total assets	**14,382.6**	**10,966.8**	**13,612.3**
Equity			
Equity attributable to owners of the parent	5,297.4	4,587.2	5,211.9
Non-controlling interest	46.2	39.1	44.4
Total equity	**5,343.6**	**4,626.3**	**5,256.3**
Non-current liabilities			
Deferred tax liability	634.7	379.3	636.7
Other provisions	27.2	31.6	43.2
Non-current interest-bearing liabilites to credit institutions	2,816.9	2,028.4	2,517.2
Non-current lease liabilities	619.8	449.4	622.0
Non-current acquistion related interest-bearing liabilities	1,929.5	1,234.8	1,883.5
Total non-current liabilities	**6,028.1**	**4,123.5**	**5,702.6**
Current liabilities			
Current interest-bearing liabilities to credit institutions	-	75.0	-
Current lease liabilities	279.1	164.0	256.7
Current acquistion related interest-bearing liabilities	205.5	138.2	238.1
Other current liabilities	2,526.3	1,839.8	2,158.6
Total current liabilities	**3,010.9**	**2,217.0**	**2,653.4**
Total equity and liabilities	**14,382.6**	**10,966.8**	**13,612.3**

Condensed consolidated statement of cash flows

	Jan-Mar		Jan-Dec
SEKm	2022	2021	2021
EBITDA	221.2	242.6	1,081.2
Adjustments for items not included in cash flow	-17.8	6.6	2.4
Income tax paid	-103.2	-36.2	-105.6
Cash flow from operating activities before changes in working capital	**100.3**	**213.0**	**978.1**
Changes in working capital	21.3	-93.5	-1,005.7
Cash flow from operating activites	**121.7**	**119.5**	**-27.6**
Investments in operations	-54.3	-136.0	-1,610.9
Redemption of loan to seller upon acquisition of operations	-6.9	-	-65.0
Investments in other non-current assets	-48.9	-37.4	-193.7
Divestment of operations	0.6	-	-0.0
Divestment of other tangible fixed assets	0.7	0.2	12.4
Received interest	0.5	0.1	1.8
Cash flow to/from investing activities	**-108.3**	**-173.2**	**-1,855.4**
New share issue	-	1,715.8	1,719.4
Loans taken*	300.0	160.0	2,650.1
Amortisation of loans	-74.3	-190.3	-2,479.6
Issue of warrants	0.1	-	21.6
Interest paid	-17.6	-8.5	-54.8
Dividends to non-controlling interests	-	-	-5.1
Cash flow to/from financing activities	**208.2**	**1,677.0**	**1,851.7**
Cash flow for the period	**221.6**	**1,623.3**	**-31.2**
Cash and cash equivalents at the beginning of the period	**273.5**	**299.0**	**299.0**
Translation differences in cash and cash equivalents	9.3	12.4	5.8
Cash and cash equivalents at the end of the period	**504.4**	**1,934.7**	**273.5**

* Cash flow from interest-bearing loans raised is recognised for full-year 2021 after deductions for transaction expenses of SEK 9.9 million.

Condensed consolidated statement of changes in equity

	31 Mar		31 Dec
SEKm	2022	2021	2021
Opening balance	**5,256.3**	**2,823.0**	**2,823.0**
Comprehensive income for the period	130.0	131.0	509.1
New share issues*	-	1,715.8	2,123.7
Issue of warrants	2.2	0.8	17.5
Dividends to non-controlling interests	-	-	-5.1
Remeasurement of liabilities to non-controlling interests	-44.9	-44.3	-211.9
Closing balance	**5,343.6**	**4,626.3**	**5,256.3**

* The proceeds for the comparative periods from the new issue are recognised net after a deduction for transaction costs of SEK 20.6 million for the quarter, and SEK 21.4 for full-year 2021, respectively.

Notes

NOTE 1 ACCOUNTING POLICIES

This report has been prepared by applying the rules of IAS 34 Interim Financial Reporting and applicable regulations contained in the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 Interim Reports of the Swedish Annual Accounts Act. For the Group and the Parent Company, the same accounting policies and estimation techniques have been applied as in the 2021 annual report.

The Group also applies the European Securities and Markets Authority's (ESMA) guidelines for alternative performance measures. Definitions of alternative performance measures can be found in the relevant reconciliations on pages 29–33 of this report.

The interim information on pages 1–16 is an integrated part of this financial report.

NOTE 2 SEASONAL VARIATIONS

The Group's operations are impacted by seasonal variations' effect on demand, especially for building products and outdoor furniture. Due to the effect of weather on demand, the Group's sales and cash flow are usually highest in the second quarter. The third and fourth quarters are generally equal in terms of sales, with demand in the third quarter benefiting from the impact of the weather and demand in the fourth quarter growing as the importance of Black Week increased. Demand, and consequently the Group's sales, have historically been lowest in the first quarter. Although seasonal variations do not normally affect the Group's relative earnings and cash flow from year to year, earnings and cash flow may be impacted in years with extremely mild or severe weather conditions, or with very high or low rainfall. Weather conditions may also have a significant impact on individual quarters.

NOTE 3 SEGMENTS

	Jan-Mar		Jan-Dec
SEKm	2022	2021	2021
Net sales			
DIY	1,667.0	1,389.4	7,259.6
Home Furnishing	1,455.3	1,185.2	5,442.8
Total net sales	**3,122.4**	**2,574.6**	**12,702.4**
Other*	6.6	5.0	24.9
Eliminations	-18.4	-11.8	-61.3
Group consolidated total	**3,110.6**	**2,567.8**	**12,666.0**
Revenue from other segments			
DIY	2.1	1.7	9.8
Home Furnishing	9.7	5.1	26.6
Other*	6.6	5.0	24.9
Total	**18.4**	**11.8**	**61.3**

	Jan-Mar		Jan-Dec
SEKm	2022	2021	2021
Operating income and profit before tax			
DIY	49.4	100.0	516.6
Home Furnishing	70.1	81.9	289.4
Total operating income	**119.4**	**181.9**	**806.0**
Other*	-21.5	-13.4	-95.4
Group consolidated operating income	**97.9**	**168.6**	**710.6**
Financial net	30.5	-25.1	-79.7
Group consolidated profit before tax	**128.4**	**143.4**	**630.9**

* The Group's other operations primarily consist of Group-wide functions and financing arrangements. Accordingly, net sales consist in all material aspects of management fees.

	Jan-Mar 2022				
SEKm	DIY	Home Furnishing	Other	Elim-ination	Group
Sweden	1,194.2	581.0	6.6	-16.6	1,765.2
Finland	314.1	48.2	-	-0.0	362.2
Denmark	72.4	153.3	-	-	225.7
Norway	69.6	121.9	-	-	191.4
Germany	5.2	208.8	-	-	213.9
Rest of Europe	11.7	307.2	-	-1.8	317.0
Rest of World	-	35.0	-	-	35.0
Net sales	**1,667.0**	**1,455.3**	**6.6**	**-18.4**	**3,110.6**

	Jan-Mar 2021				
SEKm	DIY	Home Furnishing	Other	Elim-ination	Group
Sweden	947.4	506.8	5.0	-10.8	1,448.4
Finland	268.1	42.0	-	-0.0	310.1
Denmark	102.9	168.2	-	-	271.1
Norway	62.2	106.4	-	-	168.6
Rest of Europe	8.9	331.5	-	-1.1	339.3
Rest of World	-	30.3	-	-	30.3
Net sales	**1,389.4**	**1,185.2**	**5.0**	**-11.8**	**2,567.8**

	Full-year 2021				
SEKm	DIY	Home Furnishing	Other	Elim-ination	Group
Sweden	4,943.1	2,363.2	24.9	-51.8	7,279.3
Finland	1,599.3	191.5	-	-3.5	1,787.4
Denmark	392.8	655.4	-	-	1,048.2
Norway	268.9	532.4	-	-	801.3
Rest of Europe	55.6	1,563.6	-	-6.1	1,613.1
Rest of World	-	136.7	-	-	136.7
Net sales	**7,259.6**	**5,442.8**	**24.9**	**-61.3**	**12,666.0**

NOTE 4 DISCLOSURES ON ACQUISITIONS

Acquisitions in 2022

- On 23 February, the Group announced that an agreement had been entered into to acquire up to 100% of the shares in Hemmy AB (Hemmy.se). Hemmy.se conducts online sales of consumer appliances, household appliances, and home and garden products in Sweden. The acquisition will broaden BHG's offering on Vitvaruexperten.com as well as on the Group's other relevant platforms. The acquisition will also enable further economies of scale in terms of purchasing, logistics and market strategies. Sales in 2021 amounted to SEK 103 million and EBIT to SEK -1.4 million. The acquisition is recognised in the DIY segment from 1 March.

	2022					
SEKm	**Net identifiable assets and liabilities**	**Goodwill**	**Purchase price**	**Cash and cash equivalents**	**Contingent/ deferred purchase price, vendor loans**	**Net cash flow**
Business combinations during 2022						
Acqusition of shares in Hemmy AB	8.0	76.0	**84.1**	0.5	62.7	**-20.8**
Acquisition of non-controlling interests						
Acquisition of shares in Camola ApS	-	-	**-**	-	-	**-12.0**
Acquisition of shares in Vitvaruexperten.com Nordic AB	-	-	**-**	-	-	**-3.9**
Contingent consideration						
Additional purchase price, Arredo Holding AB	-	-	**-**	-	-	**-0.9**
Additional purchase price, Edututor Oy	-	-	**-**	-	-	**-16.8**
	8.0	**76.0**	**84.1**	**0.5**	**62.7**	**-54.3**

Revenue and profit/loss for the period for acquired companies

Since the acquisition date, the acquisition has contributed SEK 6.8 million to the Group's revenue and SEK -0.1 million to the Group's profit/loss after tax. If the acquisition had been consolidated from the beginning of the financial year, it would have contributed SEK 19.6 million to the Group's revenue and SEK -1.6 million to the Group's profit/loss after tax.

NOTE 5 FAIR VALUE

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position comprise acquisition-related liabilities and currency forwards. The carrying amount for all financial assets and financial liabilities is deemed to be a reasonable approximation of the fair values of the items.

Acquisition-related interest-bearing liabilities

Acquisition-related interest-bearing liabilities pertain to contingent and deferred considerations attributable to the Group's acquisitions and liabilities to non-controlling interests. These are included in Level 3 of the valuation hierarchy, meaning the level applicable for assets and liabilities that are considered illiquid and difficult to value, and for which inputs for measuring fair value are unobservable inputs in the market. The fair value of contingent considerations is calculated by discounting future cash flows with a risk-adjusted discount interest rate. Expected cash flows are forecast using probable scenarios for future EBITDA levels, amounts that will result from various outcomes and the probability of those outcomes. The table below shows the carrying amounts for the Group's acquisition-related interest-bearing liabilities.

	31 Mar	
SEKm	2022	2021
Reported value on the opening date	**2,121.7**	**1,023.3**
Recognition in profit or loss	-47.1	7.2
Recognised in equity	53.0	55.0
Utilised amount	-33.5	-8.4
Acquisition value at cost	40.9	295.9
Reported value on the closing date	**2,135.0**	**1,373.0**

Currency forwards

The Group recognises currency forwards at fair value, which as of 31 March 2022 was SEK 0.0 million (0.0), of which SEK 1.5 million (0.0) comprised assets and SEK 0.0 million (0.0) comprised liabilities for the Group. The currency forwards are measured based on a discount comprising the difference between the contracted forward rate and the actual forward rate for a currency forward maturing on the same date. This measurement is included in Level 2 of the valuation hierarchy.

NOTE 6 RELATED-PARTY TRANSACTIONS

Transactions between BHG Group AB and its subsidiaries have been eliminated in the consolidated financial statements. All transactions between related parties have been conducted on commercial terms, on an arm's length basis.

NOTE 7 RISKS AND UNCERTAINTIES

There are several strategic, operational and financial risks and uncertainties that can affect the Group's financial results and position. Most risks can be managed through internal procedures, while others are largely driven by external factors. There are risks and uncertainties related to IT and management systems, suppliers, season and weather variations and exchange rates, while other risks and uncertainties may also arise in the case of new competition, changed market conditions or changed consumer behaviour for online sales. The Group is also exposed to interest-rate risk.

During the past 12 months, the Group has strengthened its systems and processes in order to minimise risks related to cyber security.

For a more detailed description of the risks and uncertainties faced by the Group and the Parent Company, refer to Note 26 in the 2021 annual report. Apart from the risks described therein, the assessment is that there are no additional material risks.

NOTE 8 RUSSIA'S INVASION OF UKRAINE

The war is raging on the borders of the EU at the time this report is published. BHG has only insignificant exposure to Russia, Belarus and Ukraine in terms of sales to customers in these countries from the Group's e-commerce platforms. BHG furthermore has no subsidiaries in these countries, nor any significant direct exposure related to suppliers in Russia, Belarus or Ukraine. However, in the current situation it is difficult to assess the war's indirect impact on GDP growth, inflation, global supply chains and – ultimately – consumers' optimism and demand for the Group's products.

NOTE 9 CONSEQUENCES OF THE COVID-19 PANDEMIC

The Covid-19 pandemic led to consumers travelling less and spending more time at home. During the pandemic, consumers therefore chose to invest more in their homes and to make their purchases to a greater extent online rather than in physical stores. Since BHG sells home improvement products online, this changed customer behaviour during the pandemic led to increased demand for BHG's products, resulting in high sales. The consequences of the Covid-19 pandemic have thus had a major impact on BHG's historic comparative figures. BHG's strong position in home improvement products online in the Nordics should continue to benefit the company going forward. We still consider it probable that the increased online penetration that has occurred during the pandemic will remain and, accordingly, that the market for BHG's products has become larger than before the pandemic.

BHG has had a close cooperation with its suppliers during the pandemic to ensure deliveries and expanded inventory to minimise the risk of goods shortages. However, the market has been impacted for some time by disruptions in the global logistics and supply chains in the wake of the pandemic, resulting in, for example, higher shipping costs. We expect certain bottlenecks to remain in 2022.

Now that the Covid-19 restrictions have been completely or partially lifted, the consumption of services that were not available during the pandemic has increased and demand for products has decreased. As a result, competition for customers in BHG's categories has intensified. As the largest online pure-play in the Nordic region, we have a strong position to navigate a more complicated supply and demand situation.

Condensed Parent Company income statement

	Jan-Mar		Jan-Dec
SEKm	2022	2021	2021
Net sales	1.8	0.4	2.6
Total net sales	**1.8**	**0.4**	**2.6**
Personnel cost	-11.5	-11.8	-63.1
Other external costs	-8.4	-1.5	-30.4
Other operating expenses	-1.5	-	-
Depreciation and amortisation of tangible and intangible fixed assets	-0.1	-0.1	-0.2
Operating income	**-19.6**	**-13.0**	**-91.1**
Profit/loss from financial items	6.6	-3.1	18.0
Group contributions	-	-	76.0
Profit/loss before tax	**-13.0**	**-16.1**	**2.9**
Income tax	2.3	7.6	-4.7
Profit/loss for the period	**-10.6**	**-8.5**	**-1.8**

A statement of other comprehensive income has not been prepared since the Parent Company did not conduct any transactions recognised as other comprehensive income.

Condensed Parent Company balance sheet

	31 Mar		31 Dec
SEKm	2022	2021	2021
Non-current assets			
Other intangible fixed assets	0.8	0.7	0.8
Total intangible fixed assets	**0.8**	**0.7**	**0.8**
Participations in Group companies	3,678.3	2,691.6	3,678.3
Long-term receivables from Group companies	4,005.0	1,325.0	3,690.0
Total fixed assets	**7,684.1**	**4,017.3**	**7,369.1**
Current assets			
Short-term receivables	12.4	5.5	7.2
Short-term receivables from Group companies	63.7	5.8	124.2
Cash and cash equivalents	10.6	1,544.9	-
Total current assets	**86.7**	**1,556.2**	**131.3**
Total assets	**7,770.8**	**5,573.5**	**7,500.4**
Equity			
Restricted equity	3.7	3.6	3.7
Unrestriced equity	4,923.4	4,516.3	4,933.3
Total equity	**4,927.1**	**4,520.0**	**4,937.0**
Untaxed reserves	**28.6**	**28.6**	**28.6**
Non-current interest-bearing liabilites to credit institutions	2,793.2	997.4	2,492.3
Total non-current liabilities	**2,793.2**	**997.4**	**2,492.3**
Current liabilities			
Other current liabilities	21.9	27.5	42.5
Total current liabilities	**21.9**	**27.5**	**42.5**
Total equity and liabilities	**7,770.8**	**5,573.5**	**7,500.4**

Key ratios

	2022	2021				
	Q1	Q4	Q3	Q2	Q1	Jan-Dec
THE GROUP						
Net sales growth (%)	21.1	48.1	33.6	31.8	57.7	41.2
Organic growth (%)	0.6	1.8	5.5	14.1	36.5	12.8
Proforma organic growth (%)	3.0	9.3	10.2	16.8	42.7	17.9
Gross profit beofre direct selling costs (%)	39.7	39.5	38.3	39.0	39.7	39.1
Gross profit (%)	27.1	26.6	25.8	26.6	27.2	26.5
Adjusted EBIT (%)	4.3	5.3	5.4	7.8	7.2	6.4
Earnings per share before dilution, SEK	0.89	0.93	0.50	1.63	0.97	3.97
Earnings per share after dilution, SEK	0.88	0.92	0.49	1.62	0.96	3.94
Equity/assets ratio %	37.2	38.6	38.4	44.7	42.2	38.6
Net debt (+) / Net cash (-)	2,319.3	2,251.3	1,854.3	509.2	173.9	2,251.3
Cash flow from operating activites (SEKm)	121.7	-251.2	-232.0	336.1	119.5	-27.6
Visits (thousands)	99,318	106,202	94,710	108,555	101,829	411,296
Orders (thousands)	1,214	1,644	1,182	1,276	1,145	5,247
Average order value (SEK)	2,747	2,093	2,545	2,808	2,416	2,439
DIY						
Net sales growth (%)	20.0	26.7	27.2	20.1	47.6	28.2
Organic growth (%)	1.1	2.3	10.1	14.9	44.8	15.4
Proforma organic growth (%)	2.4	3.3	9.5	13.4	43.3	14.6
Gross profit beofre direct selling costs (%)	34.4	33.5	34.0	35.8	35.1	34.6
Gross profit (%)	23.9	23.0	23.3	25.4	25.6	24.3
Adjusted EBIT (%)	4.0	5.1	7.0	10.5	7.8	7.7
Visits (thousands)	38,749	36,389	41,309	50,349	37,936	165,984
Orders (thousands)	548	652	587	648	486	2,373
Average order value (SEK)	3,391	2,688	3,065	3,511	3,226	3,116
Home Furnishing						
Net sales growth (%)	22.8	81.3	44.6	55.6	70.6	63.1
Organic growth (%)	0.1	1.0	-2.4	12.3	25.4	8.2
Proforma organic growth (%)	4.1	16.8	11.1	22.6	41.5	22.3
Gross profit beofre direct selling costs (%)	45.4	46.0	44.6	44.1	44.9	45.0
Gross profit (%)	30.5	30.4	29.4	28.4	28.9	29.4
Adjusted EBIT (%)	5.5	6.4	4.0	5.8	7.5	6.0
Visits (thousands)	60,569	69,813	53,401	58,205	63,893	245,312
Orders (thousands)	666	992	595	627	659	2,874
Average order value (SEK)	2,217	1,702	2,032	2,082	1,820	1,880

Relevant reconciliations of non-IFRS alternative performance measures (APMs)

Some of the data stated in this report, as used by management and analysts for assessing the Group's development, is not defined in accordance with IFRS. Management is of the opinion that this data makes it easier for investors to analyse the Group's development, for the reasons stated below. Investors should regard this data as a complement rather than a replacement for financial information presented in accordance with IFRS. The Group's definitions of these performance measures may differ from similarly named measures reported by other companies.

ADJUSTED EBIT, ADJUSTED EBITDA AND ADJUSTED GROSS PROFIT

Adjusted EBIT corresponds to operating income excluding amortisation of acquisition-related intangible assets, gains/losses on sales of fixed assets and, where applicable, items affecting comparability. In other words, adjusted EBIT, in accordance with the accounting rules, includes all depreciation and amortisation of tangible and intangible assets attributable to the business. The difference between adjusted EBIT and EBIT is that the amortisation which arises as a result of the accounting treatment of purchase price allocations in conjunction with acquisitions is added back to adjusted EBIT.

Using the estimation technique for adjusted EBIT facilitates the understanding of the Group's earnings and profit, since adjusted EBIT provides a correct picture of the Group's operating income, without deduction of the accounting-related amortisation arising due to the acquisition analyses in conjunction with the acquisitions (which are not related to the underlying operations). Furthermore, the measure simplifies peer comp analysis of companies that do not make acquisitions, while analysis and assessment of acquisition candidates becomes clearer and more transparent, since their EBIT contribution will then correspond to their actual contribution to the Group after consolidation. It is also important to note that the effect of acquisitions is already reflected in the Group's capital structure and net debt, in accordance with generally accepted accounting practices.

Adjusted gross profit and adjusted EBITDA correspond to gross profit and EBITDA adjusted for items affecting comparability.

Group

Reconciliation between operating income & adjusted EBITDA

SEKm	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Operating income	**97.9**	**168.6**	**710.6**
Donation UNHCR	1.5	-	-
Acquisition-related costs	7.6	-	23.4
Warehouse consolidation	2.1	-	-
Total items affecting comparability	**11.2**	**-**	**23.4**
Amortisation and impairment of acquisition-related intangible fixed assets	25.1	15.2	78.7
Adjusted EBIT	**134.2**	**183.7**	**812.7**
Adjusted EBIT (%)	**4.3**	**7.2**	**6.4**
Depreciation and amortisation of tangible and intangible fixed assets	98.6	58.6	292.8
Gain/loss from sale of fixed assets	-0.4	0.2	-0.8
Adjusted EBITDA	**232.4**	**242.6**	**1,104.6**
Adjusted EBITDA (%)	**7.5**	**9.4**	**8.7**

Reconciliation between gross profit & adjusted gross profit

SEKm	Jan-Mar 2022	Jan-Mar 2021	Jan-Dec 2021
Net sales	3,110.6	2,567.8	12,666.0
Cost of goods	-1,877.0	-1,548.2	-7,710.4
Gross profit before direct selling costs	**1,233.5**	**1,019.6**	**4,955.6**
Gross profit before direct selling costs (%)	**39.7**	**39.7**	**39.1**
Direct selling costs	-391.8	-321.8	-1,598.5
Gross profit	**841.7**	**697.8**	**3,357.1**
Gross profit (%)	**27.1**	**27.2**	**26.5**
Adjusted gross profit	**841.7**	**697.8**	**3,357.1**
Adjusted gross profit (%)	**27.1**	**27.2**	**26.5**

DIY segment

Reconciliation between operating income & adjusted EBITDA

	Jan-Mar		Jan-Dec
SEKm	2022	2021	2021
Operating income	**49.4**	**100.0**	**516.6**
Warehouse consolidation	2.1	-	-
Total items affecting comparability	**2.1**	**-**	**-**
Amortisation and impairment of acquisition-related intangible fixed assets	14.8	7.9	44.1
Adjusted EBIT	**66.2**	**108.0**	**560.7**
Adjusted EBIT (%)	**4.0**	**7.8**	**7.7**
Depreciation and amortisation of tangible and intangible fixed assets	41.9	24.4	122.0
Gain/loss from sale of fixed assets	-0.1	0.2	-1.0
Adjusted EBITDA	**108.1**	**132.6**	**681.7**
Adjusted EBITDA (%)	**6.5**	**9.5**	**9.4**

Reconciliation between gross profit & adjusted gross profit

	Jan-Mar		Jan-Dec
SEKm	2022	2021	2021
Net sales	1,667.0	1,389.4	7,259.6
Cost of goods	-1,093.9	-902.0	-4,747.2
Gross profit before direct selling costs	**573.2**	**487.4**	**2,512.4**
Gross profit before direct selling costs (%)	**34.4**	**35.1**	**34.6**
Direct selling costs	-175.6	-132.1	-748.1
Gross profit	**397.6**	**355.3**	**1,764.3**
Gross profit (%)	**23.9**	**25.6**	**24.3**
Adjusted gross profit	**397.6**	**355.3**	**1,764.3**
Adjusted gross profit (%)	**23.9**	**25.6**	**24.3**

Home Furnishing segment

Reconciliation between operating income & adjusted EBITDA

	Jan-Mar		Jan-Dec
SEKm	2022	2021	2021
Operating income	**70.1**	**81.9**	**289.4**
Total items affecting comparability	**-**	**-**	**-**
Amortisation and impairment of acquisition-related intangible fixed assets	10.3	7.2	34.6
Adjusted EBIT	**80.4**	**89.2**	**324.0**
Adjusted EBIT (%)	**5.5**	**7.5**	**6.0**
Depreciation and amortisation of tangible and intangible fixed assets	56.3	34.0	169.8
Gain/loss from sale of fixed assets	-0.3	-0.0	0.2
Adjusted EBITDA	**136.4**	**123.2**	**494.0**
Adjusted EBITDA (%)	**9.4**	**10.4**	**9.1**

Reconciliation between gross profit & adjusted gross profit

	Jan-Mar		Jan-Dec
SEKm	2022	2021	2021
Net sales	1,455.3	1,185.2	5,442.8
Cost of goods	-794.8	-652.5	-2,994.7
Gross profit before direct selling costs	**660.5**	**532.7**	**2,448.1**
Gross profit before direct selling costs (%)	**45.4**	**44.9**	**45.0**
Direct selling costs	-216.1	-189.8	-850.4
Gross profit	**444.4**	**342.9**	**1,597.7**
Gross profit (%)	**30.5**	**28.9**	**29.4**
Adjusted gross profit	**444.4**	**342.9**	**1,597.7**
Adjusted gross profit (%)	**30.5**	**28.9**	**29.4**

NET DEBT/NET CASH

Management is of the opinion that because the Group's actual net debt/net cash corresponds to the Group's non-current and current interest-bearing liabilities to credit institutions less cash and cash equivalents, investments in securities, etc. and transaction fees, other non-current and current interest-bearing liabilities should be excluded. The Group's other non-current and current interest-bearing liabilities consist of contingent and deferred earn-outs related to acquisitions, which are subject to an implicit interest expense. Lease liabilities reflect the balance sheet effects of IFRS 16.

	31 Mar		31 Dec
SEKm	2022	2021	2021
Non-current interest-bearing debt	5,366.2	3,712.6	5,022.7
Short-term interest-bearing debt	484.6	377.2	494.8
Total interest-bearing debt	**5,850.8**	**4,089.8**	**5,517.6**
Cash and cash equivalents	-504.4	-1,934.7	-273.5
Adjustment lease liabilities	-899.0	-613.4	-878.7
Adjustment of earn-outs and deferred payments	-2,135.0	-1,373.0	-2,121.7
Adjustment transaction costs	6.8	5.2	7.7
Net debt (+) / Net cash (-)	**2,319.3**	**173.9**	**2,251.3**
LTM EBITDA ex. IFRS16	890.3	973.8	963.4
Net debt (+) / Net cash (-) in relation to LTM EBITDA	**2.61x**	**0.18x**	**2.34x**

Definitions

Performance measure	Definition	Reasoning
Share turnover rate	Number of shares traded during the period divided by the weighted-average number of shares outstanding before dilution.	The share turnover rate shows the rate at which shares in BHG Group AB are bought and sold through trading on NASDAQ Stockholm.
Number of visits	Number of visits to the Group's webstores during the period in question.	This performance measure is used to measure customer activity.
Number of orders	Number of orders placed during the period in question.	This performance measure is used to measure customer activity.
Gross margin	Gross profit as a percentage of net sales.	Gross margin gives an indication of the contribution margin as a share of net sales.
Gross margin before direct selling costs	Gross profit before direct selling costs – primarily postage and fulfilment – as a percentage of net sales.	An additional margin measure, complementing the fully loaded gross margin measure, allowing for further transparency.
Gross profit	Net sales less cost of goods sold. Gross profit includes costs directly attributable to goods sold, such as warehouse and transportation costs. Gross profit includes items affecting comparability.	Gross profit gives an indication of the contribution margin in the operations.
EBIT	Earnings before interest, tax and acquisition-related amortisation and impairment.	Together with EBITDA, EBIT provides an indication of the profit generated by operating activities.
EBITDA	Operating income before depreciation, amortisation, impairment, financial net and tax.	EBITDA provides a general indication as to the profit generated in the operations before depreciation, amortisation and impairment.
EBITDA margin	EBITDA as a percentage of net sales.	In combination with net sales growth, the EBITDA margin is a useful performance measure for monitoring value creation.
EBIT margin	EBIT as a percentage of net sales.	In combination with net sales growth, the EBIT margin is a useful performance measure for monitoring value creation.
Average order value (AOV)	Total order value (meaning Internet sales, postage income and other related services) divided by the number of orders.	Average order value is a useful indication of revenue generation.
Investments	Investments in tangible and intangible fixed assets.	Investments provide an indication of total investments in tangible and intangible assets.
Adjusted gross margin	Adjusted gross profit as a percentage of net sales.	Adjusted gross margin gives an indication of the contribution margin as a share of net sales.
Adjusted EBIT	Adjusted EBIT corresponds to operating profit adjusted for amortisation and impairment losses on acquisition-related intangible assets, gain/loss from sale of fixed assets and, from time to time, items affecting comparability.	This performance measure provides an indication of the profit generated by the Group's operating activities.
Adjusted EBITDA	EBITDA excluding items affecting comparability.	This performance measure provides an indication of the profit generated by the Group's operating activities.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales.	This performance measure is relevant to creating an understanding of the operational profitability generated by the business.
Adjusted EBIT margin	Adjusted EBIT as a percentage of net sales.	This performance measure provides an indication of the profit generated by the Group's operating activities.
Adjusted selling, general and administrative expenses	The difference between adjusted gross profit and adjusted EBITDA, which excludes other specified items.	Selling, general and administrative expenses provide an indication of operating expenses, excluding cost of goods sold, thereby giving an indication of the efficiency of the Group's operations.

Performance measure	Definition	Reasoning
Adjusted gross profit	Net sales less cost of goods sold. Adjusted gross profit includes costs directly attributable to goods sold, such as warehouse and transportation costs. Adjusted gross profit excluding items affecting comparability.	Adjusted gross profit gives an indication of the contribution margin in the operations.
Items affecting comparability	Items affecting comparability relate to events and transactions whose impact on earnings are important to note when the financial results for the period are compared with previous periods. Items affecting comparability include costs of advisory services in connection with acquisitions, costs resulting from strategic decisions and significant restructuring of operations, capital gains and losses on divestments, material impairment losses and other material non-recurring costs and revenue.	Items affecting comparability is a term used to describe items which, when excluded, show the Group's earnings excluding items which, by nature, are of a non-recurring nature in the operating activities.
Cash conversion	Pre-tax cash flow from operating activities less investments in non-current assets (capex) as a percentage of adjusted EBITDA.	Operating cash conversion enables the Group to monitor management of its ongoing investments and working capital.
Net sales growth	Annual growth in net sales calculated as a comparison with the preceding year and expressed as a percentage.	Net sales growth provides a measure for the Group to compare growth between various periods and in relation to the overall market and competitors.
Net debt	The sum of interest-bearing liabilities, excluding lease liabilities and earn-outs, less cash and cash equivalents, investments in securities, etc. and prepaid borrowing costs.	Net debt is a measure that shows the Group's interest-bearing net debt to financial institutions.
Organic growth	Refers to growth for comparable webstores and showrooms compared with the preceding year, including units with consolidated comparative data for a full calendar year, meaning changes in net sales after adjustment for acquired net sales in accordance with the above definition.	Organic growth is a measure that enables the Group to monitor underlying net sales growth, excluding the effects of acquisitions.
Pro-forma organic growth	Refers to growth for comparable webstores and showrooms compared with the preceding year, including all current units comprising the Group, meaning including year-on-year growth of recent acquisitions.	Pro-forma organic growth is a measure which includes the growth rates of recently acquired companies since joining the Group. This measure thus includes the effect of sales synergies as a result of acquisitions.
Working capital	Inventories and non-interest-bearing current assets less non-interest-bearing current liabilities.	Working capital provides an indication of the Group's short-term financial capacity, since it gives an indication as to whether the Group's short-term assets are sufficient to cover its current liabilities.
Operating margin (EBIT margin)	EBIT as a percentage of net sales.	In combination with net sales growth, operating margin is a useful measure for monitoring value creation.
Equity/assets ratio	Equity, including non-controlling interests, as a percentage of total assets.	This performance measure reflects the company's financial position and thus its long-term solvency. A favourable equity/assets ratio and strong financial position enable the Group to handle periods with a weak economic situation and provide the financial strength for growth. A lower equity/assets ratio entails a higher financial risk, but also higher financial leverage.