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*“During the second quarter, we continued to implement our strategic plan to improve our profitability and competitiveness. Our strategy is working and yielding results. We strengthened our profitability year on year for the third quarter in a row. Thanks to the robust measures we took in 2023 and the first two quarters of 2024 to adapt our business to a challenging market situation, BHG is better positioned to achieve its growth and profitability targets.”*

*Gustaf Öhrn,  
President and CEO*

**Q2 2024**

BHG Group AB (publ)  
Nasdaq Stockholm

Interim report: 1 January-30 June 2024

## Continued improved profitability

– Thanks to implemented cost reductions and structural changes, we strengthened our profitability year on year for the third quarter in a row in a challenging market.

### HIGHLIGHTS

#### 1 April-30 June

- Net sales declined -22.0% to SEK 2,715.9 million (3,482.1). Organic growth was -13.5%
- Adjusted gross profit amounted to SEK 695.4 million (898.2), corresponding to an adjusted gross margin of 25.6% (25.8)
- Adjusted EBIT amounted to SEK 99.1 million (98.4), corresponding to an adjusted EBIT margin of 3.6% (2.8)
- Cash flow from operating activities amounted to SEK 327.8 million (766.8)
- Earnings per share amounted to SEK -0.57 (0.12) before dilution and SEK -0.57 (0.12) after dilution

#### 1 January-30 June

- Net sales declined -22.5% to SEK 4,724.6 million (6,099.6). Organic growth was -13.7%
- Adjusted gross profit amounted to SEK 1,230.1 million (1,539.3), corresponding to an adjusted gross margin of 26.0% (25.2)
- Adjusted EBIT amounted to SEK 98.5 million (29.5), corresponding to an adjusted EBIT margin of 2.1% (0.5)
- Cash flow from operating activities amounted to SEK 216.9 million (977.6)
- Earnings per share amounted to SEK -0.95 (-0.54) before dilution and SEK -0.95 (-0.54) after dilution

### FINANCIAL SUMMARY

#### Key events during the second quarter and after the period

- On 2 April, the resolutions of an extraordinary general meeting of BHG Group were announced – the election of Pernille Fabricius as a new Board member and the approval of the acquisition of Trendrum AB
- On 14 May, updated financial targets for BHG Group were announced in conjunction with BHG Group's first Capital Markets Day
- On 11 June, it was announced that LampGallerian had been consolidated into Nordic Nest Group and changed its name to Lightshop
- On 18 June, it was announced that BHG Group is consolidating its Nordic DIY business through Bygghemma Nordic and selling the Norwegian plumbing specialist Designkupp
- On 25 June, it was announced that BHG is significantly reducing its warehouse space following the consolidation and successful reduction of inventory and impairing part of its inventory by SEK 99 million

SEKm (if not otherwise stated)	Apr-Jun			Jan-Jun			Jan-Dec
	2024	2023	Δ	2024	2023	Δ	2023
Net sales	2,715.9	3,482.1	-22.0%	4,724.6	6,099.6	-22.5%	11,790.2
Gross profit	588.1	898.2	-310.1	1,122.8	1,539.5	-416.8	2,921.1
Gross margin (%)	21.7	25.8	-4.1 p.p.	23.8	25.2	-1.5 p.p.	24.8
Adjusted gross profit*	695.4	898.2	-202.8	1,230.1	1,539.5	-309.5	2,944.8
Adjusted gross margin (%)	25.6	25.8	-0.2 p.p.	26.0	25.2	0.8 p.p.	25.0
Adjusted EBIT*	99.1	98.4	0.7	98.5	29.5	69.1	96.7
Adjusted EBIT margin (%)	3.6	2.8	0.8 p.p.	2.1	0.5	1.6 p.p.	0.8
Operating income	-69.9	68.8	-138.7	-93.6	-31.3	-62.2	-1,374.2
Operating margin (%)	-2.6	2.0	-4.5 p.p.	-2.0	-0.5	-1.5 p.p.	-11.7
Net profit for the period	-93.2	23.1	-116.3	-158.7	-92.9	-65.8	-1,542.5
Earnings per share before dilution, SEK	-0.57	0.12	-0.69	-0.95	-0.54	-0.41	-8.73
Earnings per share after dilution, SEK	-0.57	0.12	-0.69	-0.95	-0.54	-0.41	-8.73
Cash flow from operating activities	327.8	766.8	-439.0	216.9	977.6	-760.7	1,550.2
Net debt (+) / Net cash (-)	1,161.2	968.8	192.4	1,161.2	968.8	192.4	1,129.7

\* Refer to "Relevant reconciliations of non-IFRS alternative performance measures (APMs)" on page 28 of this report for a more detailed description.

# Comments by Gustaf Öhrn

## President and CEO, BHG Group

During the second quarter, we continued to implement our strategic plan to strengthen BHG and improve our profitability. Our strategy is working and yielding results. We strengthened our profitability year on year for the third quarter in a row. Thanks to the robust measures we took in 2023 and the first two quarters of 2024 to adapt our business to a challenging market situation, BHG is better positioned as a company to achieve its growth and profitability targets. We are strategically, structurally, operationally and financially prepared to further improve on our leading position when demand in the market recovers.

The market continues to be challenging and we still expect this trend to continue throughout 2024. Consumer confidence has improved so far this year as a result of positive macro indications such as stabilised inflation and lowered interest rates, and we are seeing rising activity in the property market. At the same time, consumers have less money in their wallets now than a year ago. We expect a lag before more property transactions and the rise in consumer optimism results in stronger demand.

On 14 May, BHG arranged its first Capital Markets Day at Nordic Nest in Kalmar. We are grateful and delighted to report that many interested participants chose to attend this event. We also published our updated financial targets on the same day. We were very pleased with the day, which provided us with the opportunity to talk more about our strategic priorities moving forward and demonstrate Nordic Nest's fantastic operations and automated warehouse. We have essentially three strategic focus areas to strengthen profitability moving forward:

- **Growth initiatives:** We see opportunities for cost-efficient growth, primarily through international expansion, by selling our range in new marketplaces and by expanding the product range.
- **Consolidation:** Continuing to simplify our structure and achieve synergies through economies of scale from continued consolidation.
- **Efficiency:** Continuing to streamline and automate inventory handling, customer service and marketing as well as Group-wide contracts

We carried out and announced a number of initiatives in the second quarter within the framework of our strategic focus areas. **Growth initiatives** through the international expansion of Premium Living, driven by Nordic Nest, are continuing to progress well and sales growth in markets outside the Nordic region was significantly higher than in the Nordic region in the second quarter.

We are carrying out **consolidations** in all three business areas. We initiated the consolidation of our Nordic DIY operations through Bygghemma Nordic in Home Improvement and, in conjunction with this, announced the sale of the Norwegian plumbing specialist Designkupp as the company did not fit with our strategy. In Value Home, we are continuing the consolidation of Hemfint Group, which was announced in the first quarter. In Premium Living, we have consolidated Lightshop (formerly LampGallerian) in Nordic Nest's platform and infrastructure and gone live with KitchenTime and Lightshop on Nordic Nest's platform. Significantly reduced inventory levels – from a peak of SEK 3,177 million in the second quarter of 2022 to SEK 1,282 million at the end of the second quarter of 2024 – allowed us to reduce our warehouse space, leading to **efficiency** improvements in our inventory handling. In the second quarter, we reduced our warehouse space by 18,000 square metres in the Value Home business area and announced our plan to reduce our warehouse space by an additional 17,000 square metres in the third quarter this year and 10,000 square metres in the fourth quarter of 2025. Despite a successful reduction of inventory, BHG expects that certain goods, such as products with a limited service life or a limited warranty period, will not be sold at the current sales rate. As previously announced, an impairment of inventory of SEK 99 million was therefore implemented during the second quarter.

With the first two quarters of the year behind us, I am pleased to note that the robust measures we took in 2023 have had a substantial effect on our profitability and that we are continuing to implement our strategy in order to increase our scalability and synergy utilisation. Our strategy remains firm, and when demand recovers, we will be in an excellent position to further strengthen our market-leading position, customer offering and profitability.

Malmö, 18 July 2024

**Gustaf Öhrn,**  
President and CEO, BHG Group





# Condensed consolidated information

SEKm (if not otherwise stated)	Apr-Jun			Jan-Jun			Jan-Dec
	2024	2023	Δ	2024	2023	Δ	2023
Net sales	2,715.9	3,482.1	-22.0%	4,724.6	6,099.6	-22.5%	11,790.2
Gross profit	588.1	898.2	-310.1	1,122.8	1,539.5	-416.8	2,921.1
Gross margin (%)	21.7	25.8	-4.1 p.p.	23.8	25.2	-1.5 p.p.	24.8
Adjusted gross profit*	695.4	898.2	-202.8	1,230.1	1,539.5	-309.5	2,944.8
Adjusted gross margin (%)	25.6	25.8	-0.2 p.p.	26.0	25.2	0.8 p.p.	25.0
Adjusted EBITDA*	186.7	225.7	-39.0	279.9	285.7	-5.8	578.9
Adjusted EBITDA margin (%)	6.9	6.5	0.4 p.p.	5.9	4.7	1.2 p.p.	4.9
Adjusted EBIT*	99.1	98.4	0.7	98.5	29.5	69.1	96.7
Adjusted EBIT margin (%)	3.6	2.8	0.8 p.p.	2.1	0.5	1.6 p.p.	0.8
Items affecting comparability	-140.7	-4.3	-136.4	-140.7	-10.2	-130.5	-1,372.5
Operating income	-69.9	68.8	-138.7	-93.6	-31.3	-62.2	-1,374.2
Operating margin (%)	-2.6	2.0	-4.5 p.p.	-2.0	-0.5	-1.5 p.p.	-11.7
Net profit for the period	-93.2	23.1	-116.3	-158.7	-92.9	-65.8	-1,542.5
Cash flow from operating activities	327.8	766.8	-439.0	216.9	977.6	-760.7	1,550.2
Total order value	2,791.5	3,561.3	-21.6%	4,870.9	6,221.9	-21.7%	11,930.0
Orders (thousands)	1,029	1,217	-15.5%	1,879	2,233	-15.9%	4,716
Average order value (SEK)	2,714	2,925	-211	2,592	2,786	-194	2,529

\* Refer to "Relevant reconciliations of non-IFRS alternative performance measures (APMs)" on page 28 of this report for a more detailed description.

\*\* As a result of regulatory changes for the processing of personal data and changes in tools from third-party suppliers for gathering data on online traffic, the data collected during the quarter is not comparable with the year-earlier period. We are therefore no longer presenting data for online traffic ("Number of visits") and the conversion rate since this would result in a misleading and inaccurate view of the development over time.

## COMMENTS ON THE RESULT FOR THE PERIOD

### Second quarter of the year

For the third quarter in a row, we strengthened profitability year on year in a market that remains challenging. While we can see a number of positive indications from key macro factors, we expect there to be a lag before they have a substantial positive impact on demand. Moreover, consumers continue to have less disposable income now than a year ago. In addition to continued weak demand, the comparative sales trend in the quarter was impacted by extensive inventory sales in 2023.

Our initiatives to achieve geographic expansion outside our home markets are continuing to progress well, as are certain product categories. However, we are continuing to see a trend of weak underlying demand in several renovation- and capital-intensive product categories, such as doors, windows, floors and furniture.

We succeeded in reducing our fixed costs, depreciation, amortisation and direct selling expenses during the quarter, which means that we improved our profitability compared with last year, despite a weak market.

- The Group's net sales amounted to SEK 2,715.9 million (3,482.1) for the quarter. Total growth amounted to -22.0% and organic growth to -13.5%.
- Adjusted EBIT amounted to SEK 99.1 million (98.4) for the quarter, corresponding to an adjusted EBIT margin of 3.6% (2.8).

- Cash flow from operating activities amounted to SEK 327.8 million (766.8), in line with our usual seasonal variation. Strong demand during the outdoor season in the second quarter typically results in lower working capital due to the positive effects of inventory reductions as well as high accounts payable and VAT. Cash flow from operating activities in the same quarter last year was largely driven by the sharp reduction in inventories carried out by the Group.
- Total interest-bearing liabilities at the end of the quarter amounted to SEK 2,635.7 million, SEK 1,442.2 million lower than in the same period last year.

### Focus areas to strengthen profitability

As previously announced, our top priority for 2024 is to improve our profitability. Thanks to the measures taken in 2023 and so far this year, we are better positioned than we were a year ago. We have discontinued unprofitable businesses, cut costs and reduced our inventories. Our efforts to strengthen our profitability will continue in 2024, mainly prioritising the following focus areas: growth initiatives, consolidation and efficiency.

### Growth initiatives

We see opportunities for cost-efficient growth through international expansion, entering new marketplaces and expanding the product range.

During the second quarter, our initiatives to achieve geographic expansion outside our companies' home markets

continued to progress well, mainly driven by Premium Living and Nordic Nest.

### Consolidation

Continuing to simplify our structure and streamline through economies of scale from continued consolidation.

As announced in the second quarter, BHG will consolidate its Nordic DIY operations through the scalable platform Bygghemma Nordic going forward, with local one-stop-shop destinations within DIY in all Nordic countries. The consolidation is expected to lead to significant savings and synergies and the work will continue over the coming 15 months. In conjunction with the above, it was also announced that the Norwegian plumbing specialist Designkupp would be sold as it was not considered to be a strategic asset for BHG.

As announced in the first quarter before being approved by an extraordinary general meeting in April, the Value Home business area was strengthened through further consolidation. Two of BHG's current businesses, Hemfint Kristianstad AB with the site hemfint.se and Arc E-Commerce AB with the site Out1.se, are being consolidated. At the same time, Trendrum with the site trendrum.se was acquired. Together they will form Hemfint Group. This consolidation is expected to generate synergies through increased joint purchasing and, over time, by merging warehouses and logistics flows.

In Premium Living, we announced in the second quarter that Lightshop (formerly LampGallerian) had been consolidated in Nordic Nest's platform. KitchenTime was also migrated to Nordic Nest's technical platform in the first quarter and went live in early April.

### Efficiency

Continuing to streamline, partly by reducing warehouse space, automating inventory handling and developing the use of artificial intelligence in customer service, content and marketing.

As previously announced, consolidations and substantially lower inventory levels have enabled a reduction in warehouse space, which is expected to lead to reduced rental expenses of about SEK 38 million on an annual basis. Warehouse space is set to decrease by 45,000 square metres, mainly within the Value Home business area, in three stages. As a first step, the warehouse space outside Helsingborg was reduced by 18,000 square metres during the second quarter. As a second step, the warehouse space in southern Stockholm is planned to be reduced by 17,000 square metres in the third quarter. As a third step, the remaining warehouse of 10,000 square metres in southern Stockholm is planned to be completely vacated in the fourth quarter of 2025. Total cost savings when the above measures are implemented are estimated at approximately SEK 38 million on a rolling 12-month basis, attributable to depreciation of lease assets and interest expenses on lease liabilities. SEK 28 million of the cost savings will come from the measures that will be implemented in 2024 and thus have full effect in 2025.

We also reduced our last-mile costs in the second quarter, partly through better Group-wide agreements with our shipping partners.

### Reduced warehouse space and impairment of inventory

In connection with the consolidation of warehouse space, BHG carried out a comprehensive review of its inventory. From the peak level of SEK 3,177 million at the end of the second quarter of 2022, BHG reduced its inventory to SEK 1,282 million at the end of the second quarter of this year. This enabled BHG to reduce its warehouse space as early as in 2023 and to cut its costs by SEK 30 million on an annual basis. In conjunction with the consolidation of warehouse space, BHG carried out a comprehensive review of its inventory and, as a consequence, expects that certain goods will not be sold at the current rate due to their limited service life or warranty period. As previously announced, an impairment of inventory of SEK 99 million was implemented during the second quarter.

### The market

As in the first quarter, the second quarter was characterised by a continued challenging market. As a result of interest rate increases and inflation, consumers have less disposable income now than a year ago. However, the number of housing transactions has increased slightly from the low levels in the preceding year. These transactions should have a positive impact on demand in product categories related to renovation and furniture, even though there will be a lag before any impact on demand is noted and we are yet to see any clear increase.

Market data for the second quarter shows that the trend in Sweden and Denmark was weaker compared with the other Nordic markets. Demand for capital-intensive product categories remains sluggish as a result of consumers' strained finances, and expected household renovations in the next 12 months remain at a low level.

### Outlook

Several positive signals indicate a favourable market trend going forward, although it remains uncertain when a significant increase in demand will be seen. Our unchanged assessment is that all of 2024 will be challenging and that consumers will not see a significant change in disposable income in 2024 compared with 2023.

One positive signal that could bode well for demand going forward is a higher rate of activity in the housing market. If the number of housing transactions continues to increase, this has a positive impact on demand in our product categories over time. Furthermore, inflation has stabilised and initial interest rate cuts have been made, but it is still unclear how many cuts there will be going forward.

Our assessment is that there will be some imbalance in inventory levels in the market after the sharp reduction that took place in 2023. Companies have adapted their purchase volumes to a weaker market. We believe that there are still some product categories with continued high inventory levels, such as garden furniture, while inventory shortages can be expected in other product categories.

Shipping costs from Asia increased significantly in the quarter compared with the same period last year due to capacity shortages, which also led to delays. We expect this trend to continue into the third quarter, but beyond that the situation is more uncertain.

The difficult market situation will also present opportunities. As competitors are weakened, shut down or leave product categories – as we have seen in the past year, for example – BHG will be able to advance its leading position.

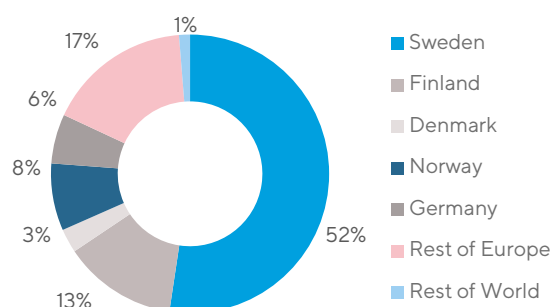
Our assessment is that the long-term fundamental structural trends that have driven BHG's growth journey are continuing. The structural shift from physical stores to online and penetration within the product categories and markets where we operate are still lower than in more mature product markets and geographies. For further information, refer to the Group's financial targets (page 7).

### Acquisitions

The rate of activity is lower due to the current market conditions, and acquisitions are currently not our primary focus.

We are continuing to evaluate potential acquisition opportunities and see potential for minor bolt-on acquisitions in our platforms in 2024. In January 2024, we carried out a minor bolt-on acquisition in Nordic Nest through an asset purchase transfer of the KitchenTime brand and inventory. We also conducted a bolt-on acquisition in the Value Home business area when Trendrum was acquired in March 2024 in connection with the creation of Hemfint Group.

### Distribution of net sales by country (%), Apr-Jun 2024



### Net sales

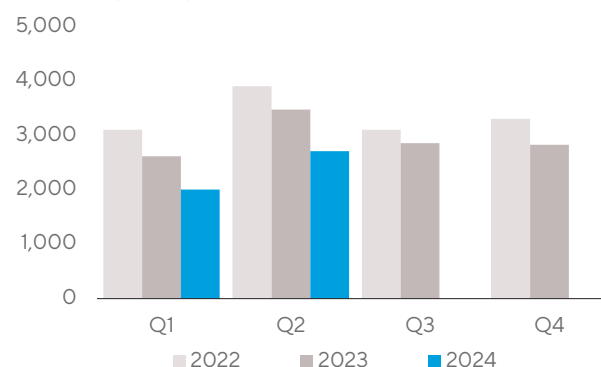
A continued challenging market as a result of weak demand impacted net sales in the second quarter. The year-on-year sales trend was also impacted by the major inventory sell-off carried out by BHG in the same period last year.

Our premium range performed well in international markets during the quarter. However, our performance was weaker in renovation-related and capital-intensive categories such as floors, doors, windows, bathrooms and furniture.

Sales growth in Denmark and Germany was weaker than in other geographic markets, driven by operations divested in the third quarter of 2023. However, organic growth in Germany was significantly better than the Group's total sales. Sales outside the Nordic region, excluding Germany, improved during the quarter, and now represent 13.5% of sales, compared with 10.6% in the same period last year.

Net sales declined -22.0% to SEK 2,715.9 million (3,482.1) for the quarter. Organic growth was -13.5%.

### Net sales (SEKm)



### Gross margin

The adjusted product margin amounted to 37.6% (38.3) for the quarter and 38.2% (38.1) for the first half of the year. The adjusted gross margin (that is, the margin after deductions for direct selling expenses, such as logistics, fulfilment, etc.) amounted to 25.6% (25.8) for the quarter and 26.0% (25.2) for the first half of the year.

- The weaker product margin in the quarter compared with the same period last year was primarily driven by the Value Home and Premium Living business areas. We are actually satisfied with the absolute product margin in Value Home, but given the weak market, it was difficult to maintain the same price model as last year. This was particularly the case for outdoor furniture, where several market players still have high inventory levels. The trend in Premium Living was mainly attributable to a mix shift towards furniture with lower product margins.
- Last-mile costs also improved, primarily through efficiencies and better Group-wide agreements with third-party suppliers. Fulfilment costs improved as a result of cost initiatives and rationalisation of warehouse staff as well as a decrease in the number of warehouses following a sharp reduction in inventory in 2023.

### SG&A

Selling, general and administrative expenses (SG&A, defined as total personnel costs and other external costs adjusted for items affecting comparability) amounted to SEK -509.0 million (-674.6) for the quarter, corresponding to 18.7% (19.4) of net sales, and to SEK -692.2 million (1,257.1) for the first half of the year, corresponding to 20.4% (20.6) of net sales.

Of the total reduction in SG&A of SEK 165.6 million in the quarter, SEK 71.6 million was attributable to divested operations and the remaining SEK 94.0 million to savings resulting from the extensive cost-cutting and structural measures taken in 2023 and to date this year.

### Earnings

The Group's adjusted EBIT amounted to SEK 99.1 million (98.4) for the quarter and SEK 98.5 million (29.5) for the first half of the year, corresponding to an adjusted EBIT margin of 3.6% (2.8) and 2.1% (0.5), respectively. Depreciation and amortisation of tangible and intangible assets amounted to SEK 148.1 million (153.4) for the quarter, of which SEK 84.7 million (89.6) pertains to amortisation of lease assets, and to SEK 260.3 million (307.9) for the first half of the year, of which

SEK 143.7 million (180.4) pertains to amortisation of lease assets.

The Group's operating income amounted to SEK -69.9 million (68.8) for the quarter, corresponding to an operating margin of -2.6% (2.0), and to SEK -93.6 million (-31.3) for the first half of the year, corresponding to an operating margin of -2.0% (-0.5).

Items affecting comparability amounted to SEK -140.7 million (-4.3) for the quarter and SEK -140.7 million (-10.2) for the first half of the year, of which SEK -99.1 million pertained to inventory impairment, SEK -21.2 million to impairment as a result of inventory consolidation and SEK -16.2 million to other impairment in connection with restructuring.

Amortisation and impairment of acquisition-related intangible assets amounted to SEK 24.1 million (25.3) for the quarter and SEK 47.2 million (50.6) for the first half of the year. 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.

The Group's net financial items amounted to SEK -44.8 million (-39.1) for the quarter and pertained to interest expenses amounting to SEK -45.0 million (-45.5) for the quarter, of which SEK -4.7 million (-6.3) are related to lease liabilities in accordance with IFRS 16. For the first half of the year, the Group's net financial items amounted to SEK -101.0 million (-85.5). Interest expenses amounted to SEK -95.8 million (-84.9), of which SEK -9.6 million (-13.1) pertained to lease liabilities in accordance with IFRS 16.

The Group's profit before tax was SEK -114.7 million (29.7) for the quarter and SEK -194.6 million (-116.8) for the first half of the year. Net income totalled SEK -93.2 million (23.1) for the quarter and SEK -158.7 million (-92.9) for the first half of the year. The effective tax rate was -18.8% (-22.3) for the quarter, corresponding to SEK 21.5 million (-6.6), and -18.4% (-20.5) for the first half of the year, corresponding to SEK 35.8 million (23.9).

### Cash flow and financial position

Cash flow from operating activities was SEK 327.8 million (766.8) for the quarter and SEK 216.9 million (977.6) for the first half of the year, primarily driven by a positive change due to changes in working capital and the Group's EBITDA. The positive development in working capital, in turn, was a result of BHG's continued success in reducing its inventories as well as BHG's seasonal profile. Strong demand during the outdoor season in the second quarter typically results in lower working capital due to the positive effects of inventory reductions as well as high accounts payable and VAT.

Cash flow from operating activities in the same quarter last year was largely driven by the sharp reduction in inventories carried out by the Group in 2023. Cash flow for the period followed a more normal trend.

Cash conversion (cash flow from operating activities in relation to adjusted EBITDA) was 169.9% (319.2) for the quarter and 63.1% (343.0) for the first half of the year.

The Group's cash flow from and to investing activities amounted to SEK 4.8 million (-195.5) for the quarter and SEK -25.8 million (-234.3) for the first half of the year, and during the period was mainly attributable to the divestment of Designkupp, the acquisition of KitchenTime and IT investments related to web platforms.

Cash flow to financing activities amounted to SEK -317.9 million (-133.1) for the quarter and SEK -237.8 million (-180.4) for the first half of the year and was primarily attributable to a drawdown of the Group's revolving credit facility of SEK 300.0 million and to a repayment of bank loans of SEK 500.0 million in conjunction with the commencement of the Group's new financing agreement, but also to repayments of lease liabilities and interest payments.

The Group's cash and cash equivalents at the end of the reporting period, compared with the beginning of the year, amounted to SEK 338.8 million (370.3).

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 1,161.2 million at the end of the period, compared with SEK 1,129.7 million at the beginning of the year, corresponding to net debt in relation to pro-forma adjusted EBITDAaL, LTM (see definition on page 39) of 4.51x, which is outside the range of the Group's medium-term capital structure target.

In conjunction with the commencement of the Group's new financing agreement, BHG's total credit facilities were reduced from SEK 3,300 million to SEK 2,300 million. The Group's unutilised credit facilities amounted to SEK 800 million at the end of the period, compared with SEK 1,800 million at the beginning of the year.

## FINANCIAL TARGETS

### Sales growth

Continue to deliver organic growth above the addressable market.

### Profitability

Return to an adjusted EBIT margin of 5%. Over time, further improve the adjusted EBIT margin to 7%.

### Capital structure

Objective to strengthen the balance sheet and operate with a net debt/EBITDA target of below 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.



2024/Q2

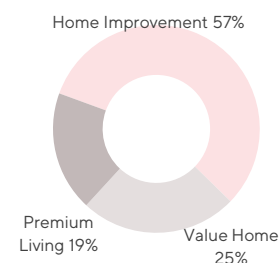


# Home Improvement

"In a market where demand remained subdued, a number of additional measures were implemented to reduce the cost base, reduce inventories and focus the business area's operations on its core areas – partly through the sale of Designkupp in Norway. The product margin strengthened compared with the same period last year, mainly driven by the consolidation of purchasing in the Group," says Mikael Hagman, Deputy CEO and Head of Home Improvement.

- Net sales decreased -12.2% to SEK 1,550.7 million (1,765.8) for the quarter and -13.8% to SEK 2,553.8 million (2,962.8) for the first half of the year. Demand was especially weak in the Swedish market. Renovation-related and capital-intensive categories such as bathrooms, windows and doors delivered the relatively weakest performance.
- Organic growth amounted to -11.9% in the quarter and -13.7% for the first half of the year.
- The adjusted gross margin amounted to 23.7% (21.3) for the quarter and 24.2% (21.0) for the first half of the year.
- Adjusted EBIT amounted to SEK 80.2 million (58.6) for the quarter and SEK 71.0 million (14.1) for the first half of the year, corresponding to an adjusted EBIT margin of 5.2% (3.3) and 2.8% (0.5), respectively. The improvement in the EBIT margin for the quarter was mainly attributable to a higher product margin, which in turn was due to improved purchasing as a result of the consolidation of certain purchases within the Group and lower last-mile costs resulting from better Group-wide agreements.

## Net sales by business area, Apr-Jun 2024



SEKm (if not otherwise stated)	Apr-Jun			Jan-Jun			Jan-Dec
	2024	2023	Δ	2024	2023	Δ	2023
Net sales	1,550.7	1,765.8	-12.2%	2,553.8	2,962.8	-13.8%	5,726.7
Gross profit	325.5	376.9	-51.4	576.7	623.0	-46.3	1,205.2
Gross margin (%)	21.0	21.3	-0.4 p.p.	22.6	21.0	1.6 p.p.	21.0
Adjusted gross profit	367.9	376.9	-9.0	619.1	623.0	-3.9	1,215.2
Adjusted gross margin (%)	23.7	21.3	2.4 p.p.	24.2	21.0	3.2 p.p.	21.2
Adjusted EBITDA	117.5	103.2	14.4	154.3	103.7	50.6	234.5
Adjusted EBITDA margin (%)	7.6	5.8	1.7 p.p.	6.0	3.5	2.5 p.p.	4.1
Adjusted EBIT	80.2	58.6	21.6	71.0	14.1	56.9	54.0
Adjusted EBIT margin (%)	5.2	3.3	1.9 p.p.	2.8	0.5	2.3 p.p.	0.9
Items affecting comparability	-33.3	-1.6	-31.7	-33.3	-1.9	-31.3	-68.1
Operating income	32.5	42.7	-10.2	8.9	-16.5	25.5	-71.5
Operating margin (%)	2.1	2.4	-0.3 p.p.	0.4	-0.6	0.9 p.p.	-1.2
Net profit for the period	6.7	5.4	1.3	-38.5	-61.4	22.8	-198.3
Total order value	1,598.0	1,772.6	-9.9%	2,633.5	3,013.0	-12.6%	5,755.1
Orders (thousands)	523	611	-14.4%	891	1,042	-14.5%	2,117
Average order value (SEK)	3,056	2,901	155	2,955	2,891	63	2,719



## COMMENTS ON HOME IMPROVEMENT

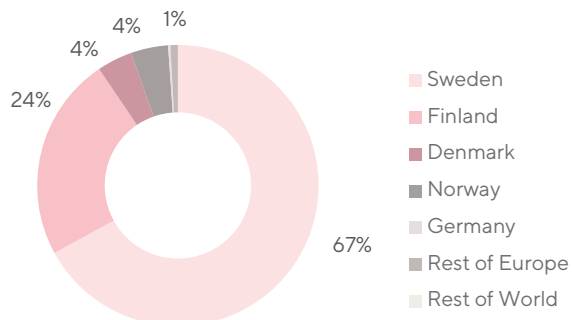
The Home Improvement business area accounted for 57% of the Group's total net sales for the quarter and 54% for the first half of the year. Home Improvement operates almost exclusively in the Nordic market, and it is mainly based on a drop shipping model with a low level of tied-up capital, with a broad product range and price matching. Sweden is its largest market, making up approximately two thirds of the business area's sales in the second quarter.

The leading brand in Home Improvement is Bygghemma.

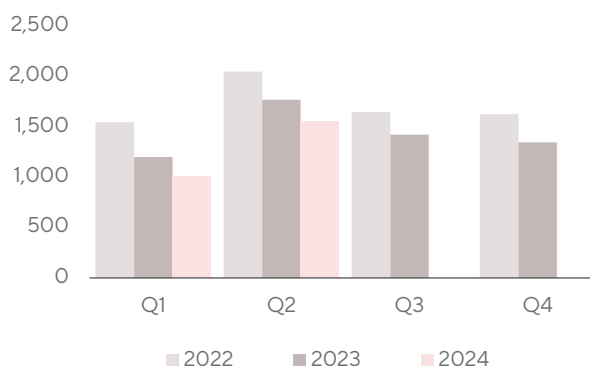
The focus is on:

- Fully leveraging the product range through all relevant sales channels and continuing to drive geographic expansion for the operations with strong positions in their home markets.
- Creating a Nordic DIY powerhouse with a shared organisation to achieve economies of scale and ultimately improve customer value. We invest in Bygghemma's tech platform in order to enable future consolidations and further lift the customer experience.
- Streamlining purchasing processes, increasing the share of sales from proprietary brands, which generally have higher margins, and broadening the range of additional services.

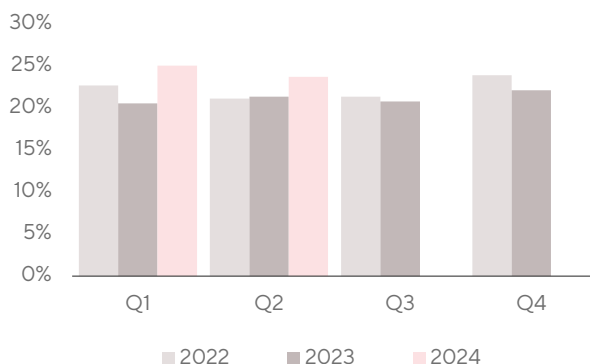
Distribution of net sales by country (%), Apr-Jun 2024



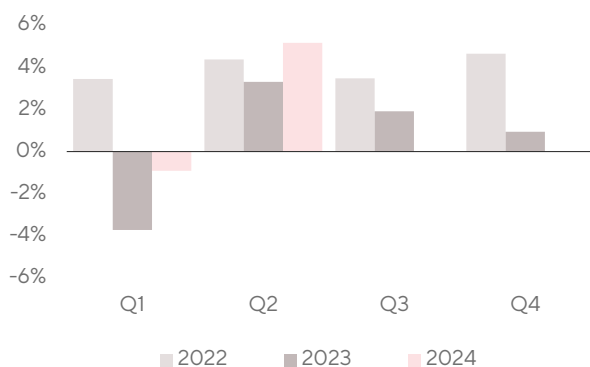
Net sales (SEKm)



Adjusted gross margin (%)



Adjusted EBIT margin (%)



2024/Q2

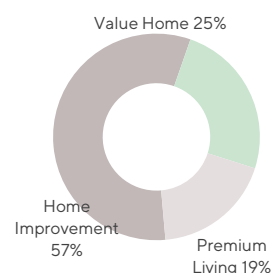


## Value Home

"During the second quarter, the purchasing and customer service functions were consolidated. We continued to reduce our warehouse space according to plan, and a further reduction will be made in the third quarter to lower our costs. At the same time, we focused on strengthening the availability of stocked products that were negatively impacted by imbalances following the sharp reduction in inventories in 2023. During the quarter, we also focused on strengthening the assortment and on improving and securing important supplier agreements ahead of the autumn season," says Christian Eriksson, Head of Value Home.

- Net sales decreased -47.5% to SEK 672.0 million (1,281.2) for the quarter and -46.8% to SEK 1,182.5 million (2,224.4) for the first half of the year.
- The business area's organic growth amounted to -23.7% in the quarter and -21.1% for the first half of the year.
- The adjusted gross margin amounted to 30.9% (31.7) for the quarter and 31.5% (30.8) for the first half of the year.
- Adjusted EBIT amounted to SEK 28.6 million (50.5) for the quarter and SEK 43.9 million (31.4) for the first half of the year, corresponding to an adjusted EBIT margin of 4.2% (3.9) and 3.7% (1.4), respectively. The EBIT margin for the quarter improved, mainly as a result of lower fixed costs and lower fulfilment costs.

### Net sales by business area, Apr-Jun 2024



SEKm (if not otherwise stated)	Apr-Jun			Jan-Jun			Jan-Dec
	2024	2023	Δ	2024	2023	Δ	2023
Net sales	672.0	1,281.2	-47.5%	1,182.5	2,224.4	-46.8%	3,941.4
Gross profit	161.9	406.3	-244.4	326.6	685.1	-358.5	1,196.4
Gross margin (%)	24.1	31.7	-7.6 p.p.	27.6	30.8	-3.2 p.p.	30.4
Adjusted gross profit	207.8	406.3	-198.4	372.6	685.1	-312.6	1,210.1
Adjusted gross margin (%)	30.9	31.7	-0.8 p.p.	31.5	30.8	0.7 p.p.	30.7
Adjusted EBITDA	58.6	116.8	-58.2	102.8	164.8	-62.1	284.0
Adjusted EBITDA margin (%)	8.7	9.1	-0.4 p.p.	8.7	7.4	1.3 p.p.	7.2
Adjusted EBIT	28.6	50.5	-21.9	43.9	31.4	12.5	49.5
Adjusted EBIT margin (%)	4.2	3.9	0.3 p.p.	3.7	1.4	2.3 p.p.	1.3
Items affecting comparability	-73.0	1.8	-74.8	-73.0	1.8	-74.8	-1,290.7
Operating income	-47.9	47.0	-94.9	-35.5	22.8	-58.3	-1,259.3
Operating margin (%)	-7.1	3.7	-10.8 p.p.	-3.0	1.0	-4.0 p.p.	-32.0
Net profit for the period	-48.7	21.7	-70.4	-63.6	-13.3	-50.4	-1,276.0
Total order value	650.9	1,260.5	-48.4%	1,155.8	2,173.9	-46.8%	3,822.9
Orders (thousands)	148	286	-48.1%	264	516	-48.9%	967
Average order value (SEK)	4,386	4,410	-24	4,384	4,213	171	3,954

## COMMENTS ON VALUE HOME

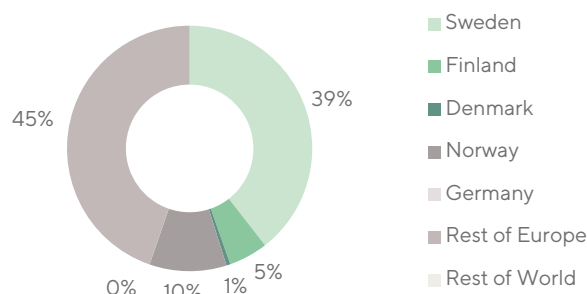
Net sales in the Value Home business area accounted for 25% of the Group's total net sales for the quarter and 25% for the first half of the year. Sales to customers from countries outside the Nordic region accounted for 35% of sales for the business area during the second quarter.

Value Home operates primarily in the Nordic and Eastern European markets. It is a value-driven model that focuses on offering competitive prices, enabled by private label products.

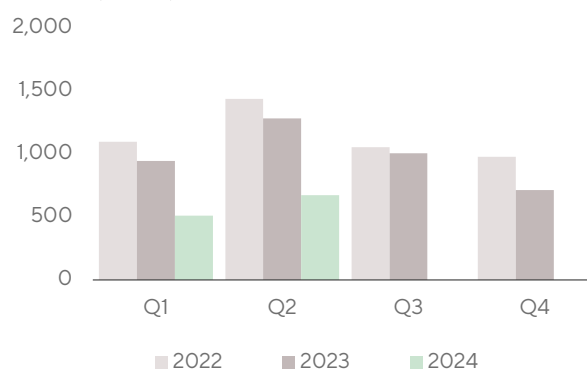
The focus continues to be on:

- Opening new sales channels through geographic expansion and marketplaces.
- Integration of the newly formed Hemfint Group.
- Building scalable platforms when it comes to technology, warehousing and organisation in order to maintain a competitive cost structure.
- Reversing the negative sales trend in the business area's furniture segment by shifting the assortment towards entry models and strengthening our price leadership.
- Strengthening the availability of stocked products that were negatively impacted by inventory imbalances following the sharp reduction in inventories carried out in 2023.

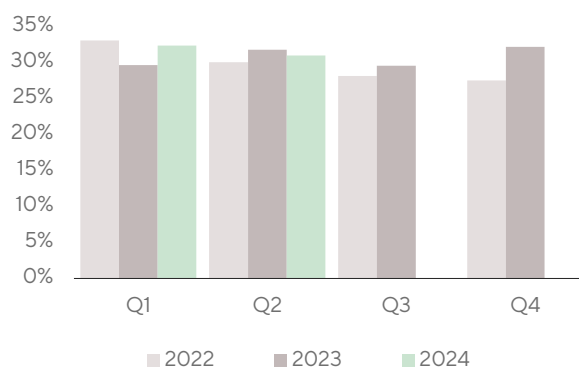
## Distribution of net sales by country (%), Apr-Jun 2024



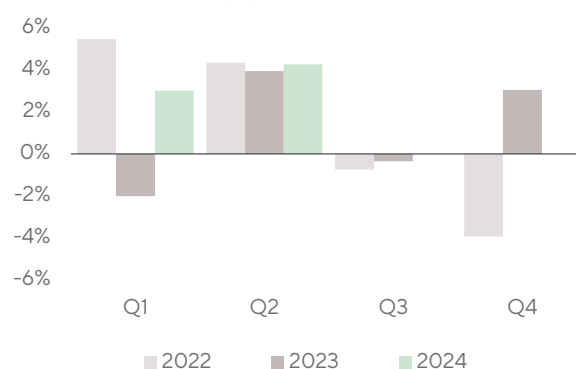
## Net sales (SEKm)



## Adjusted gross margin (%)



## Adjusted EBIT margin (%)



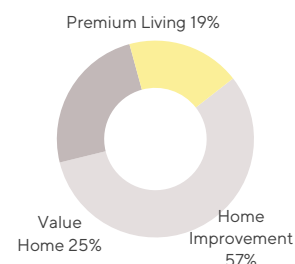


## Premium Living

“Sales in the second quarter were strong, up 9.1% year on year. Growth was noted across all markets, and in terms of categories the furniture category delivered the strongest performance. Furniture have a slightly lower gross margin, which affects profitability in the period. The new lighting destination Lightshop was launched during the quarter, thereby strengthening the customer offering in the business area by adding a lighting specialist in the premium segment. The market continued to see a high rate of campaign activity in some product categories, thus hampering gross margin levels.” says Bank Bergström, Head of Premium Living.

- Net sales increased 9.1% to SEK 511.0 million (468.5) for the quarter and 5.3% to SEK 1,017.4 million (966.5) for the first half of the year. Markets outside the Nordic region showed growth of 16% during the quarter.
- The business area’s organic growth amounted to 5.8% in the quarter and 1.5% for the first half of the year.
- The adjusted gross margin amounted to 24.0% (25.0) for the quarter and 23.9% (24.3) for the first half of the year.
- Adjusted EBIT amounted to SEK 4.6 million (9.2) for the quarter and SEK 11.2 million (21.1) for the first half of the year, corresponding to an adjusted EBIT margin of 0.9% (2.0) and 1.1% (2.2), respectively. The EBIT margin in the quarter declined slightly year on year, primarily due to a lower product margin, which in turn was mainly attributable to a mix shift towards the furniture category, with lower product margins.

### Net sales by business area, Apr-Jun 2024



SEKm (if not otherwise stated)	Apr-Jun			Jan-Jun			Jan-Dec	
	2024	2023	Δ	2024	2023	Δ	2023	
Net sales	511.0	468.5	9.1%	1,017.4	966.5	5.3%	2,201.2	
Gross profit	103.6	116.9	-13.3	224.4	235.0	-10.5	525.3	
Gross margin (%)	20.3	25.0	-4.7 p.p.	22.1	24.3	-2.3 p.p.	23.9	
Adjusted gross profit	122.6	116.9	5.7	243.4	235.0	8.5	525.3	
Adjusted gross margin (%)	24.0	25.0	-1.0 p.p.	23.9	24.3	-0.4 p.p.	23.9	
Adjusted EBITDA	24.3	25.0	-0.7	49.3	53.2	-3.9	135.8	
Adjusted EBITDA margin (%)	4.8	5.3	-0.6 p.p.	4.8	5.5	-0.7 p.p.	6.2	
Adjusted EBIT	4.6	9.2	-4.5	11.2	21.1	-9.9	70.9	
Adjusted EBITmargin (%)	0.9	2.0	-1.0 p.p.	1.1	2.2	-1.1 p.p.	3.2	
Items affecting comparability	-31.3	0.6	-31.9	-31.3	0.6	-31.9	0.6	
Operating income	-37.0	4.0	-41.1	-36.3	10.2	-46.5	48.6	
Operating margin (%)	-7.2	0.9	-8.1 p.p.	-3.6	1.1	-4.6 p.p.	2.2	
Net profit for the period	-40.4	2.0	-42.4	-45.6	3.0	-48.6	11.3	
Total order value	542.6	528.1	2.7%	1,081.6	1,035.0	4.5%	2,352.0	
Orders (thousands)	357	321	11.4%	724	675	7.2%	1,633	
Average order value (SEK)	1,519	1,647	-129	1,494	1,533	-39	1,440	





**COMMENTS ON PREMIUM LIVING**

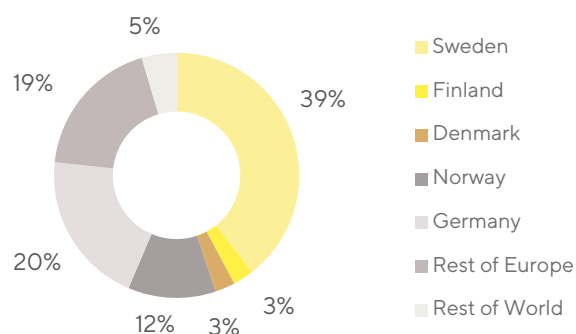
Net sales in the Premium Living business area accounted for 19% of the Group’s total net sales for the quarter and 21% for the first half of the year.

Premium Living has a premium position that is primarily based on stocking external brands, which internationalises Scandinavian design in scalable way from their Nordic base. From having almost exclusively focused on the Nordic markets until 2018, the business area has since successfully established a rapidly growing presence in the European market and in certain Asian markets. Sales to customers from countries outside the Nordic region accounted for nearly 39% of sales for Premium Living during the second quarter. The leading brand in the business area is Nordic Nest.

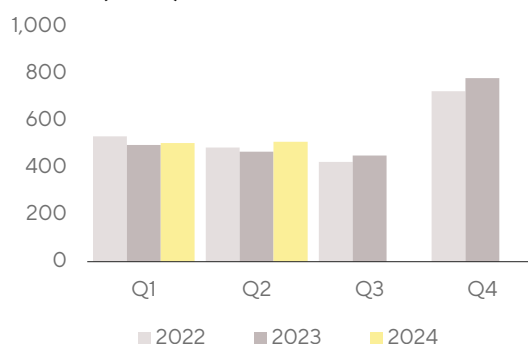
The focus continues to be on:

- Driving geographic growth for Nordic Nest.
- Continuing to develop Nordic Nest Group’s three category specialists. In furniture through Svenssons, in kitchen utensils and dining through KitchenTime and in lighting through Lightshop.
- Continuing efficiency work. Nordic Nest’s investment in a warehouse automation solution is divided into three phases which of the first was started in 2022 and the last will be finalized in second half of 2024.

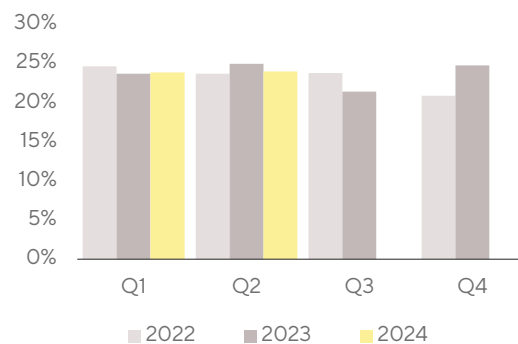
**Distribution of net sales by country (%), Apr-Jun 2024**



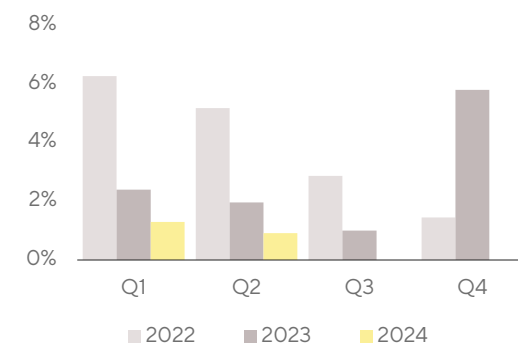
**Net sales (SEKm)**



**Adjusted gross margin (%)**



**Adjusted EBIT margin (%)**





# Other

## **THE BHG SHARE**

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

The share price at the beginning of the year was SEK 14.3. On the last day of trading in the period, the share price was SEK 16.5. The highest price paid, quoted in April, was SEK 20.5, and the lowest price paid, quoted in January, was SEK 12.4.

During the period, 73,417,169 BHG shares were traded, equivalent to a turnover rate of 41%.

As of 30 June, BHG had approximately 12,000 shareholders, of which the largest were Ferd AS (17.8%), Entrust Global (12.8%), Fidelity Investments (8.3%), Mikael Olander (5.0%) and the Fourth AP Fund (4.8%).

As of 30 June 2024, the number of shares issued was 179,233,563, all of which were ordinary shares.

## **PARENT COMPANY**

The Parent Company's net sales amounted to SEK 3.1 million (2.1) for the quarter and SEK 6.4 million (4.0) for the first half of the year. The Parent Company posted an operating loss of SEK -15.7 million (-20.4) for the quarter and SEK -29.1 million (-37.8) for the first half of the year. The Parent Company's cash and cash equivalents totalled SEK 87.9 million at the end of the reporting period, compared with SEK 42.5 million at the beginning of the year.

Malmö, 18 July 2024

**Christian Bubenheim**  
Chairman

**Kristian Eikre**  
Board member

**Joanna Hummel**  
Board member

**Pernille Fabricius**  
Board member

**Mikael Olander**  
Board member

**Negin Yeganegy**  
Board member

**Gustaf Öhrn**  
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 18 July 2024.

### CONTACT INFORMATION

For further information, visit [www.wearebhg.com](http://www.wearebhg.com) or contact:

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### CONFERENCE CALL IN CONNECTION WITH PUBLICATION OF THE INTERIM REPORT

Gustaf Öhrn, President and CEO, and Jesper Flemme, CFO, will hold a conference call at 10:00 a.m. on Thursday, 18 July in connection with the publication of the interim report.

The call will be held in English. Use the following link to participate in the webcast:

<https://ir.financialhearings.com/bhg-q2-report-2024>. There will be an opportunity to ask questions in writing at the webcast. If you wish to ask questions verbally during the conference call, please register via the following link: <https://conference.financialhearings.com/teleconference/?id=50048674>. Once you have registered you will receive a telephone number and conference ID to log in to the conference. There will be an opportunity to ask questions verbally at the webcast.



The presentation will be available from the Group's website:

<https://www.wearebhg.com/investors/presentations/>.

### INTERIM REPORTS ON [WWW.WEAREBHG.COM](http://WWW.WEAREBHG.COM)

The full quarterly report for the period January-June 2024 and previous quarterly and year-end reports are available at <https://www.wearebhg.com/investors/financial-reports/>

### FINANCIAL CALENDAR

24 October 2024

Interim report January-September 2024

# Condensed consolidated income statement

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Net sales	2,715.9	3,482.1	4,724.6	6,099.6	11,790.2
Other operating income	16.2	8.8	30.1	10.3	20.6
<b>Total net sales</b>	<b>2,732.1</b>	<b>3,490.9</b>	<b>4,754.7</b>	<b>6,109.8</b>	<b>11,810.9</b>
Cost of goods sold	-2,127.8	-2,583.8	-3,601.9	-4,560.0	-8,869.2
Personnel costs	-227.7	-285.6	-434.2	-565.1	-1,067.1
Other external costs and operating expenses	-298.0	-398.1	-544.6	-707.0	-1,354.7
Other operating expenses	-0.4	-1.0	-7.3	-1.2	-1,196.4
Depreciation and amortisation of tangible and intangible fixed assets	-148.1	-153.4	-260.3	-307.8	-697.7
<b>Operating income</b>	<b>-69.9</b>	<b>68.8</b>	<b>-93.6</b>	<b>-31.3</b>	<b>-1,374.2</b>
Profit/loss from financial items	-44.8	-39.1	-101.0	-85.5	-219.1
<b>Profit before tax</b>	<b>-114.7</b>	<b>29.7</b>	<b>-194.6</b>	<b>-116.8</b>	<b>-1,593.3</b>
Income tax	21.5	-6.6	35.8	23.9	50.9
<b>Profit for the period</b>	<b>-93.2</b>	<b>23.1</b>	<b>-158.7</b>	<b>-92.9</b>	<b>-1,542.5</b>
Attributable to:					
Equity holders of the parent	-102.3	21.8	-169.9	-96.1	-1,564.7
Non-controlling interest	9.1	1.3	11.1	3.1	22.2
<b>Net income for the period</b>	<b>-93.2</b>	<b>23.1</b>	<b>-158.7</b>	<b>-92.9</b>	<b>-1,542.5</b>
Earnings per share before dilution, SEK	-0.57	0.12	-0.95	-0.54	-8.73
Earnings per share after dilution, SEK	-0.57	0.12	-0.95	-0.54	-8.73

\* 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 and share savings programmes). At the end of the period, there was a total of 8,263,660 (5,500,660) warrants and share awards under the share saving programme outstanding, of which 0 (0) had a dilution effect during the quarter.





# Condensed consolidated statement of comprehensive income

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Profit for the period	-93.2	23.1	-158.7	-92.9	-1,542.5
<b>Other comprehensive income</b>					
Items that are or may be reclassified to profit or loss					
Translation differences for the period	-11.6	59.9	21.4	66.1	-74.5
Reclassification of foreign currency differences to profit or loss for the period	5.9	-	5.9	-	-
<b>Other comprehensive income for the period</b>	<b>-5.7</b>	<b>59.9</b>	<b>27.3</b>	<b>66.1</b>	<b>-74.5</b>
<b>Total comprehensive income for the period</b>	<b>-98.9</b>	<b>83.0</b>	<b>-131.4</b>	<b>-26.9</b>	<b>-1,617.0</b>
<b>Total comprehensive income attributable to:</b>					
Parent Company shareholders	-105.6	79.0	-146.6	-33.5	-1,644.5
Non-controlling interest	6.7	4.0	15.2	6.6	27.6
<b>Total comprehensive income for the period</b>	<b>-98.9</b>	<b>83.0</b>	<b>-131.4</b>	<b>-26.9</b>	<b>-1,617.0</b>
<b>Shares outstanding at period's end</b>	<b>179,233,563</b>	<b>179,233,563</b>	<b>179,233,563</b>	<b>179,233,563</b>	<b>179,233,563</b>
<b>Average number of shares</b>					
Before dilution	179,233,563	179,233,563	179,233,563	179,233,563	179,233,563
After dilution	179,233,563	179,233,563	179,233,563	179,233,563	179,233,563

# Condensed consolidated statement of financial position

SEKm	30 Jun		31 Dec
	2024	2023	2023
<b>Non-current assets</b>			
Goodwill	5,953.5	6,540.1	5,899.7
Other intangible fixed assets	2,438.6	2,876.7	2,436.8
<b>Total intangible fixed assets</b>	<b>8,392.1</b>	<b>9,416.8</b>	<b>8,336.5</b>
Buildings and land	20.7	21.1	20.8
Leased fixed assets	581.9	913.0	615.0
Tangible fixed assets	99.6	146.1	124.6
Financial fixed assets	24.0	15.7	16.4
Deferred tax asset	87.6	116.5	92.3
<b>Total fixed assets</b>	<b>9,205.8</b>	<b>10,629.1</b>	<b>9,205.6</b>
<b>Current assets</b>			
Inventories	1,282.0	1,973.8	1,312.9
Current receivables	614.5	788.4	534.6
Cash and cash equivalents	338.8	1,050.3	370.3
<b>Total current assets</b>	<b>2,235.3</b>	<b>3,812.5</b>	<b>2,217.8</b>
<b>Total assets</b>	<b>11,441.2</b>	<b>14,441.5</b>	<b>11,423.3</b>
<b>Equity</b>			
Equity attributable to owners of the parent	6,137.6	7,539.4	6,342.6
Non-controlling interest	166.6	62.6	167.4
<b>Total equity</b>	<b>6,304.2</b>	<b>7,602.0</b>	<b>6,510.0</b>
<b>Non-current liabilities</b>			
Deferred tax liability	468.8	599.9	479.0
Other provisions	32.6	22.3	28.0
Non-current interest-bearing liabilities to credit institutions	1,494.9	2,002.4	1,495.5
Non-current lease liabilities	382.0	572.0	427.4
Non-current acquisition related interest-bearing liabilities	235.1	834.1	325.3
<b>Total non-current liabilities</b>	<b>2,613.4</b>	<b>4,030.7</b>	<b>2,755.1</b>
<b>Current liabilities</b>			
Current lease liabilities	250.8	322.8	259.7
Current acquisition related interest-bearing liabilities	272.7	346.5	48.9
Other current liabilities	2,000.0	2,139.5	1,849.5
<b>Total current liabilities</b>	<b>2,523.5</b>	<b>2,808.8</b>	<b>2,158.2</b>
<b>Total equity and liabilities</b>	<b>11,441.2</b>	<b>14,441.5</b>	<b>11,423.3</b>

# Condensed consolidated statement of cash flows

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
EBITDA	78.2	222.2	166.7	276.4	-676.6
Adjustments for items not included in cash flow*	24.0	-121.7	-14.4	-103.0	1,004.1
Income tax paid	-23.0	-0.9	-31.2	-86.9	-46.1
<b>Cash flow from operating activities before changes in working capital</b>	<b>79.2</b>	<b>99.6</b>	<b>121.1</b>	<b>86.5</b>	<b>281.4</b>
Changes in working capital	248.5	667.2	95.8	891.1	1,268.8
<b>Cash flow from operating activities</b>	<b>327.8</b>	<b>766.8</b>	<b>216.9</b>	<b>977.6</b>	<b>1,550.2</b>
Investments in operations	-28.9	-160.5	-40.9	-163.8	-467.1
Investments in other non-current assets	-33.7	-47.2	-71.4	-84.5	-184.5
Divestment of operations	65.0	6.7	74.5	6.7	-32.8
Divestment of other tangible fixed assets	0.3	1.7	6.9	2.2	3.6
Received interest	2.2	3.9	5.1	5.2	26.3
<b>Cash flow to/from investing activities</b>	<b>4.8</b>	<b>-195.5</b>	<b>-25.8</b>	<b>-234.3</b>	<b>-654.4</b>
New share issue	-	-	-	80.7	80.7
Loans taken	300.0	-	500.0	-	-
Amortisation of loans	-579.5	-88.2	-650.5	-177.1	-856.7
Issue of warrants	-	2.3	-	5.2	5.2
Interest paid	-37.2	-47.2	-86.0	-89.2	-203.9
Transactions with non-controlling interest	0.0	-	0.0	-	28.4
Dividends to non-controlling interests	-1.2	-	-1.2	-	-24.6
<b>Cash flow to/from financing activities</b>	<b>-317.9</b>	<b>-133.1</b>	<b>-237.8</b>	<b>-180.4</b>	<b>-970.9</b>
<b>Cash flow for the period</b>	<b>14.7</b>	<b>438.2</b>	<b>-46.7</b>	<b>562.9</b>	<b>-75.0</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>323.3</b>	<b>590.5</b>	<b>370.3</b>	<b>477.6</b>	<b>477.6</b>
Translation differences in cash and cash equivalents	0.8	21.6	15.2	9.7	-32.3
<b>Cash and cash equivalents at the end of the period</b>	<b>338.8</b>	<b>1,050.3</b>	<b>338.8</b>	<b>1,050.3</b>	<b>370.3</b>

\* Adjustments for non-cash items for full year 2023 consist of capital gains of SEK 1,117.1 million from the divestment of operations, a change of SEK -190.3 million in provisions for obsolescence, a change of SEK 6.4 million in other provisions and other items of SEK 70.9 million.

# Condensed consolidated statement of changes in equity

SEKm	30 Jun		31 Dec
	2024	2023	2023
<b>Opening balance</b>	<b>6,510.0</b>	<b>7,669.8</b>	<b>7,669.8</b>
Comprehensive income for the period	-131.4	-26.9	-1,617.0
Transactions with non-controlling interests	59.1	-	29.3
New share issues*	-	-0.7	-0.7
Issue of warrants	0.9	7.6	8.5
Dividends to non-controlling interests	-17.2	-	-24.6
Remeasurement of liabilities to non-controlling interests	-117.1	-47.8	444.8
<b>Closing balance</b>	<b>6,304.2</b>	<b>7,602.0</b>	<b>6,510.0</b>

\* The Group received proceeds of SEK 81.4 million for the shares issued on 30 December 2022 during the first quarter of 2023. Transaction costs of SEK 0.9 million and a tax effect of SEK -0.2 million were subsequently added, which resulted in a corresponding difference between the statement of changes in equity and the statement of cash flows.



# 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 2023 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 28–40 of this report.

The interim information on pages 1-15 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 being impacted by 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

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
<b>Net sales</b>					
Home Improvement	1,550.7	1,765.8	2,553.8	2,962.8	5,726.7
Value Home	672.0	1,281.2	1,182.5	2,224.4	3,941.4
Premium Living	511.0	468.5	1,017.4	966.5	2,201.2
<b>Total net sales</b>	<b>2,733.7</b>	<b>3,515.5</b>	<b>4,753.8</b>	<b>6,153.7</b>	<b>11,869.3</b>
Other*	9.4	9.6	19.1	18.1	32.1
Eliminations	-27.3	-43.1	-48.2	-72.2	-111.2
<b>Group consolidated total</b>	<b>2,715.9</b>	<b>3,482.1</b>	<b>4,724.6</b>	<b>6,099.6</b>	<b>11,790.2</b>
<b>Revenue from other segments</b>					
Home Improvement	1.6	1.7	2.8	3.7	6.6
Value Home	16.0	31.8	24.8	50.5	72.3
Premium Living	0.2	0.0	1.6	0.0	0.2
Other*	9.4	9.6	19.1	18.1	32.1
<b>Total</b>	<b>27.3</b>	<b>43.1</b>	<b>48.2</b>	<b>72.2</b>	<b>111.2</b>
SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
<b>Operating income and profit before tax</b>					
Home Improvement	32.5	42.7	8.9	-16.5	-71.5
Value Home	-47.9	47.0	-35.5	22.8	-1,259.3
Premium Living	-37.0	4.0	-36.3	10.2	48.6
<b>Total operating income</b>	<b>-52.4</b>	<b>93.7</b>	<b>-62.9</b>	<b>16.5</b>	<b>-1,282.2</b>
Other*	-17.5	-24.9	-30.7	-47.8	-92.0
<b>Group consolidated operating income</b>	<b>-69.9</b>	<b>68.8</b>	<b>-93.6</b>	<b>-31.3</b>	<b>-1,374.2</b>
Financial net	-44.8	-39.1	-101.0	-85.5	-219.1
<b>Group consolidated profit before tax</b>	<b>-114.7</b>	<b>29.7</b>	<b>-194.6</b>	<b>-116.8</b>	<b>-1,593.3</b>

\* 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.

Apr-Jun 2024										
SEKm	Home Improvement		Value Home		Premium living		Other	Elimination	Group	%
Sweden	1,040.8	67.1%	360.0	53.6%	227.4	44.5%	9.4	-25.7	1,612.0	59.4%
Finland	418.3	27.0%	23.3	3.5%	16.5	3.2%	-	-0.1	458.0	16.9%
Denmark	15.4	1.0%	3.0	0.4%	16.6	3.2%	-	-0.7	34.1	1.3%
Norway	56.4	3.6%	51.5	7.7%	51.8	10.1%	-	-	159.7	5.9%
Germany	4.2	0.3%	0.1	0.0%	81.8	16.0%	-	-	86.0	3.2%
Rest of Europe	15.7	1.0%	234.1	34.8%	93.3	18.3%	-	-0.8	342.2	12.6%
Rest of World	-	-	-	-	23.7	4.6%	-	-	23.7	0.9%
<b>Net sales</b>	<b>1,550.7</b>	<b>100%</b>	<b>672.0</b>	<b>100%</b>	<b>511.0</b>	<b>100%</b>	<b>9.4</b>	<b>-27.3</b>	<b>2,715.9</b>	<b>100%</b>

Apr-Jun 2023										
SEKm	Home Improvement		Value Home		Premium living		Other	Elimination	Group	%
Sweden	1,133.4	64.2%	536.0	41.8%	230.4	49.2%	9.6	-41.6	1,867.8	53.6%
Finland	454.2	25.7%	50.3	3.9%	12.8	2.7%	-	-0.4	516.9	14.8%
Denmark	101.0	5.7%	115.6	9.0%	13.3	2.8%	-	-	229.9	6.6%
Norway	61.7	3.5%	101.6	7.9%	41.3	8.8%	-	-	204.6	5.9%
Germany	3.6	0.2%	218.4	17.0%	73.2	15.6%	-	-	295.2	8.5%
Rest of Europe	12.0	0.7%	259.2	20.2%	69.0	14.7%	-	-1.0	339.2	9.7%
Rest of World	-	-	-	-	28.5	6.1%	-	-	28.5	0.8%
<b>Net sales</b>	<b>1,765.8</b>	<b>100%</b>	<b>1,281.2</b>	<b>100%</b>	<b>468.5</b>	<b>100%</b>	<b>9.6</b>	<b>-43.1</b>	<b>3,482.1</b>	<b>100%</b>

Jan-Jun 2024										
SEKm	Home Improvement		Value Home		Premium living		Other	Elimination	Group	%
Sweden	1,747.6	68.4%	574.4	48.6%	460.1	45.2%	19.1	-45.3	2,755.9	58.3%
Finland	649.0	25.4%	44.8	3.8%	29.3	2.9%	-	-0.3	722.9	15.3%
Denmark	28.0	1.1%	5.7	0.5%	27.5	2.7%	-	-0.7	60.5	1.3%
Norway	101.1	4.0%	94.2	8.0%	94.4	9.3%	-	-	289.8	6.1%
Germany	6.1	0.2%	0.1	0.0%	170.2	16.7%	-	-	176.3	3.7%
Rest of Europe	21.9	0.9%	463.3	39.2%	185.5	18.2%	-	-2.0	668.8	14.2%
Rest of World	-	-	-	-	50.3	4.9%	-	-	50.3	1.1%
<b>Net sales</b>	<b>2,553.8</b>	<b>100%</b>	<b>1,182.5</b>	<b>100%</b>	<b>1,017.4</b>	<b>100%</b>	<b>19.1</b>	<b>-48.2</b>	<b>4,724.6</b>	<b>100%</b>

Jan-Jun 2023										
SEKm	Home Improvement		Value Home		Premium living		Other	Elimination	Group	%
Sweden	1,936.7	65.4%	847.3	38.1%	457.5	47.3%	18.1	-69.2	3,190.3	52.3%
Finland	718.9	24.3%	95.2	4.3%	24.8	2.6%	-	-0.7	838.2	13.7%
Denmark	155.5	5.2%	241.0	10.8%	26.4	2.7%	-	-	422.9	6.9%
Norway	125.3	4.2%	188.0	8.5%	92.0	9.5%	-	-	405.3	6.6%
Germany	6.1	0.2%	345.9	15.6%	163.9	17.0%	-	-	515.8	8.5%
Rest of Europe	20.3	0.7%	507.0	22.8%	143.4	14.8%	-	-2.3	668.3	11.0%
Rest of World	-	-	-	-	58.6	6.1%	-	-	58.6	1.0%
<b>Net sales</b>	<b>2,962.8</b>	<b>100%</b>	<b>2,224.4</b>	<b>100%</b>	<b>966.5</b>	<b>100%</b>	<b>18.1</b>	<b>-72.2</b>	<b>6,099.6</b>	<b>100%</b>

SEKm	Home Improvement		Value Home		Premium living		Other	Elimination	Group	
		%		%		%				
Sweden	3,760.1	65.7%	1,489.4	37.8%	976.9	44.4%	32.1	-105.0	6,153.5	52.2%
Finland	1,383.6	24.2%	178.2	4.5%	59.9	2.7%	-	-1.2	1,620.4	13.7%
Denmark	282.0	4.9%	361.7	9.2%	61.3	2.8%	-	-	705.0	6.0%
Norway	241.1	4.2%	348.0	8.8%	233.4	10.6%	-	-	822.6	7.0%
Germany	12.6	0.2%	478.8	12.1%	383.7	17.4%	-	-	875.1	7.4%
Rest of Europe	47.2	0.8%	1,085.4	27.5%	364.8	16.6%	-	-4.9	1,492.5	12.7%
Rest of World	-	-	-	-	121.2	5.5%	-	-	121.2	1.0%
<b>Net sales</b>	<b>5,726.7</b>	<b>100%</b>	<b>3,941.4</b>	<b>100%</b>	<b>2,201.2</b>	<b>100%</b>	<b>32.1</b>	<b>-111.2</b>	<b>11,790.2</b>	<b>100%</b>

#### NOTE 4 BUSINESS COMBINATIONS

##### Acquisitions in 2024

- On 5 March, it was announced that BHG had acquired 67.5% of Trendrum AB (trendrum.se) for a consideration comprising 32.5% of the Group's holding in Arc E-Commerce AB and 16.3% of the holding in Hemfint. Ownership of these companies will be placed in a jointly owned, newly established holding company that forms Hemfint Group, of which 67.5% will be owned by BHG and 32.5% by a company jointly owned by, among others, the founders of Trendrum and Hemfint. After the transaction, 67.5% of Hemfint Group will thus be indirectly owned by BHG. Trendrum has a range of products aimed at the entry and lower mid-segment that fits well into the Value Home portfolio. Trendrum also further strengthens the Group's purchasing expertise through its many years of experience from making purchases directly from producers in Asia. The acquisition is recognised in the Value Home segment from 1 April.

2024

SEKm	Net identifiable assets and liabilities	Goodwill	Purchase price	Cash and cash equivalents	Contingent/deferred purchase price, vendor loans	Net cash flow
<b>Business combinations during 2024</b>						
Acquisition of shares in Trendrum AB*	-2.6	93.1	90.5	1.1	31.4	1.1
Acquisition of assets in KitchenTime AB	-	-	-	-	-	-30.0
<b>Acquisition of non-controlling interests</b>						
Acquisition of shares in Arc E-commerce AB	-	-	-	-	-	-12.0
	<b>-2.6</b>	<b>93.1</b>	<b>90.5</b>	<b>1.1</b>	<b>31.4</b>	<b>-40.9</b>

\* The purchase price for the acquisition of Trendrum consisted of shares in the subsidiaries Arc E-commerce AB and Hemfint Kristianstad AB as well as a liability for the put option issued to the minority shareholders that gives them the right to sell their holding in the sub-group Hemfint Group to BHG Group in the future. The Hemfint Group includes Arc E-commerce, Hemfint Kristianstad and Trendrum. BHG did not pay any cash consideration in connection with the acquisition of Trendrum

#### Revenue and profit/loss for the period for acquired company

Since the acquisition date, Trendrum has contributed SEK 45.5 million to the Group's revenue and SEK 5.3 million to the Group's profit/loss after tax. If Trendrum had been consolidated from the beginning of the financial year, it would have contributed SEK 95.1 million to the Group's revenue and SEK -7.7 million to the Group's profit/loss after tax.

#### NOTE 5 DIVESTMENT OF BUSINESSES

In the second quarter, BHG divested the Norwegian bathroom and kitchen accessories specialist Designkupp AS with the site www.vvskupp.no. The consideration amounted to NOK 71 million, corresponding to SEK 72 million on the transaction date. Designkupp had sales of NOK 125 million in 2023 with an EBIT margin of around 3%. The divestment gave rise to a capital gain of SEK 2.1 million, which was recognised in other operating revenue for the Group. The divestment also gave rise to positive cash flow of SEK 65 million after the deduction of cash and cash equivalents in the divested business.



## NOTE 6 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.

SEKm	30 Jun		31 Dec
	2024	2023	2023
<b>Reported value on the opening date</b>	<b>374.2</b>	<b>1,254.2</b>	<b>1,254.2</b>
Recognition in profit or loss	-5.7	7.1	7.1
Recognised in equity	120.0	83.0	-420.0
Utilised amount	-12.0	-163.7	-467.1
Acquisition value at cost	31.4	-	-
<b>Reported value on the closing date</b>	<b>507.9</b>	<b>1,180.6</b>	<b>374.2</b>

### Currency forwards

The Group recognises currency forwards at fair value, which as of 30 June 2024 was SEK 0.4 million (1.4), of which SEK 0.4 million (1.4) 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 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.

Other than the changes below, no significant changes to the Group's risks and uncertainties are deemed to have taken place compared with what is stated on pages 31-32 of the 2023 Annual Report.

### Dispute with minority owner

BHG has an ongoing dispute with the minority owner of 30.0% of the subsidiary IP-Agency Oy. The dispute concerns the calculation of the price that BHG is obliged to pay for the minority stake in IP-Agency under the put option issued in connection with BHG's acquisition of IP-Agency in 2021. Depending on the outcome of the dispute, the price for the shares could be between EUR 2.1 million and EUR 13.9 million.

# Condensed Parent Company income statement

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Net sales	3.1	2.1	6.4	4.0	7.9
<b>Total net sales</b>	<b>3.1</b>	<b>2.1</b>	<b>6.4</b>	<b>4.0</b>	<b>7.9</b>
Personnel cost	-11.7	-16.7	-25.1	-32.2	-58.0
Other external costs	-7.0	-5.8	-10.3	-9.4	-29.4
Depreciation and amortisation of tangible and intangible fixed assets	-0.1	-0.1	-0.1	-0.1	-0.3
<b>Operating income</b>	<b>-15.7</b>	<b>-20.4</b>	<b>-29.1</b>	<b>-37.8</b>	<b>-79.8</b>
Profit/loss from financial items	-18.5	-18.7	-39.0	-29.0	-92.6
Group contributions	-	-	-	-	110.0
<b>Profit/loss before tax</b>	<b>-34.2</b>	<b>-39.1</b>	<b>-68.0</b>	<b>-66.9</b>	<b>-62.4</b>
Income tax	6.9	8.1	13.8	13.8	-6.5
<b>Profit/loss for the period</b>	<b>-27.2</b>	<b>-31.0</b>	<b>-54.2</b>	<b>-53.1</b>	<b>-68.9</b>

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

SEKm	30 Jun		31 Dec
	2024	2023	2023
<b>Non-current assets</b>			
Other intangible fixed assets	0.4	0.6	0.5
<b>Total intangible fixed assets</b>	<b>0.4</b>	<b>0.6</b>	<b>0.5</b>
Financial fixed assets	15.1	-	7.4
Participations in Group companies	3,678.3	3,678.3	3,678.3
Long-term receivables from Group companies	4,764.5	4,805.5	4,805.5
Deferred tax asset	0.1	5.8	0.0
<b>Total fixed assets</b>	<b>8,458.3</b>	<b>8,490.2</b>	<b>8,491.7</b>
<b>Current assets</b>			
Short-term receivables	17.1	20.3	4.8
Short-term receivables from Group companies	44.3	193.6	104.9
Cash and cash equivalents	87.9	2.2	42.5
<b>Total current assets</b>	<b>149.3</b>	<b>216.0</b>	<b>152.2</b>
<b>Total assets</b>	<b>8,607.6</b>	<b>8,706.1</b>	<b>8,644.0</b>
<b>Equity</b>			
Restricted equity	5.4	5.4	5.4
Unrestricted equity	6,592.1	6,660.8	6,645.7
<b>Total equity</b>	<b>6,597.5</b>	<b>6,666.2</b>	<b>6,651.0</b>
<b>Untaxed reserves</b>	<b>-</b>	<b>20.0</b>	<b>-</b>
<b>Non-current liabilities</b>			
Other provisions	0.5	-	0.2
Long-term liabilities to Group companies	450.0	-	450.0
Non-current interest-bearing liabilities to credit institutions	1,494.9	1,983.3	1,495.5
<b>Total non-current liabilities</b>	<b>1,945.5</b>	<b>1,983.3</b>	<b>1,945.7</b>
<b>Current liabilities</b>			
Other current liabilities	64.7	36.6	47.2
<b>Total current liabilities</b>	<b>64.7</b>	<b>36.6</b>	<b>47.2</b>
<b>Total equity and liabilities</b>	<b>8,607.6</b>	<b>8,706.1</b>	<b>8,644.0</b>



## Key ratios

	2024			2023				
	Q2	Q1	Jan-Jun	Q4	Q3	Q2	Q1	Jan-Dec
<b>THE GROUP</b>								
Net sales growth (%)	-22.0	-23.3	-22.5	-14.5	-7.9	-10.9	-15.9	-12.2
Organic growth (%)	-13.5	-13.9	-13.7	-10.8	-10.4	-12.6	-17.0	-12.7
Adjusted gross profit beofre direct selling costs (%)	37.6	39.1	38.2	38.4	37.3	38.3	37.8	38.0
Adjusted gross profit (%)	25.6	26.6	26.0	25.4	24.0	25.8	24.5	25.0
Adjusted EBIT (%)	3.6	-0.0	2.1	1.9	0.4	2.8	-2.6	0.8
Earnings per share before dilution, SEK	-0.57	-0.38	-0.95	-0.89	-7.30	0.12	-0.66	-8.73
Earnings per share after dilution, SEK	-0.57	-0.38	-0.95	-0.89	-7.30	0.12	-0.66	-8.73
Equity/assets ratio %	55.1	56.1	55.1	57.0	55.0	52.6	52.7	57.0
Net debt (+) / Net cash (-)	1,161.2	1,376.7	1,161.2	1,129.7	1,231.5	968.8	1,429.3	1,129.7
Cash flow from operating activites (SEKm)	327.8	-110.8	216.9	348.9	223.7	766.8	210.8	1,550.2
Total order value (SEKm)	2,791.5	2,079.4	4,870.9	2,824.8	2,883.3	3,561.3	2,660.7	11,930.0
Orders (thousands)	1,029	851	1,879	1,377	1,106	1,217	1,016	4,716
Average order value (SEK)	2,714	2,445	2,592	2,051	2,608	2,925	2,619	2,529
<b>Home Improvement</b>								
Net sales growth (%)	-12.2	-16.2	-13.8	-17.1	-13.7	-13.7	-22.4	-16.5
Organic growth (%)	-11.9	-16.2	-13.7	-17.7	-15.3	-14.6	-22.9	-17.4
Adjusted gross profit beofre direct selling costs (%)	33.5	35.2	34.1	33.3	31.5	31.6	31.1	31.9
Adjusted gross profit (%)	23.7	25.0	24.2	22.1	20.8	21.3	20.6	21.2
Adjusted EBIT (%)	5.2	-0.9	2.8	0.9	1.9	3.3	-3.7	0.9
Total order value (SEKm)	1,598.0	1,035.5	2,633,478	1,332.2	1,409.9	1,772.6	1,240.4	5,755.1
Orders (thousands)	523	368	891	539	536	611	431	2,117
Average order value (SEK)	3,056	2,810	2,955	2,473	2,631	2,901	2,877	2,719
<b>Value Home</b>								
Net sales growth (%)	-47.5	-45.9	-46.8	-26.9	-4.6	-10.7	-13.9	-13.5
Organic growth (%)	-23.7	-17.6	-21.1	-13.4	-9.4	-14.1	-16.6	-13.5
Adjusted gross profit beofre direct selling costs (%)	45.4	46.4	45.8	46.2	45.4	46.2	44.4	45.6
Adjusted gross profit (%)	30.9	32.3	31.5	32.1	29.5	31.7	29.6	30.7
Adjusted EBIT (%)	4.2	3.0	3.7	3.0	-0.4	3.9	-2.0	1.3
Total order value (SEKm)	650.9	504.9	1,155,811	664.9	984.1	1,260.5	913.4	3,822.9
Orders (thousands)	148	115	264	207	244	286	230	967
Average order value (SEK)	4,386	4,383	4,384	3,218	4,030	4,410	3,969	3,954
<b>Premium Living</b>								
Net sales growth (%)	9.1	1.7	5.3	7.8	6.1	-3.7	-6.7	1.3
Organic growth (%)	5.8	-2.6	1.5	7.8	6.1	-3.7	-6.7	1.3
Adjusted gross profit beofre direct selling costs (%)	39.0	39.1	39.1	39.9	36.2	39.6	40.3	39.2
Adjusted gross profit (%)	24.0	23.9	23.9	24.7	21.4	25.0	23.7	23.9
Adjusted EBIT (%)	0.9	1.3	1.1	5.8	1.0	2.0	2.4	3.2
Total order value (SEKm)	542.6	539.1	1,081,635	827.7	489.4	528.1	506.9	2,352.0
Orders (thousands)	357	367	724	632	325	321	355	1,633
Average order value (SEK)	1,519	1,469	1,494	1,309	1,504	1,647	1,429	1,440



# 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	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
<b>Operating income</b>	<b>-69.9</b>	<b>68.8</b>	<b>-93.6</b>	<b>-31.3</b>	<b>-1,374.2</b>
Inventory impairment	99.1	-	99.1	-	-
Salary expense for gardening leave	7.1	2.8	7.1	3.1	7.6
Costs related to LTIP	-	4.4	-	10.0	10.4
Acquisition-related costs	1.4	2.0	1.4	2.0	4.0
Arbitration costs	2.8	-	2.8	-	-
Restructuring costs	6.1	-	6.1	-	33.3
Impairment due to restructuring	16.2	-	16.2	-	138.7
Impairment due to warehouse consolidation	21.2	-	21.2	-	-
Impairment IT platform	-	-	-	-	65.6
Capital gain/ loss disposal of operations	-2.1	-	-2.1	-	1,117.7
Gain from renegotiation of lease agreement	-11.0	-	-11.0	-	-
Received electricity support for business	-	-4.9	-	-4.9	-4.9
<b>Total items affecting comparability</b>	<b>140.7</b>	<b>4.3</b>	<b>140.7</b>	<b>10.2</b>	<b>1,372.5</b>
Amortisation of acquisition-related intangible fixed assets	24.1	25.3	47.2	50.6	98.4
Scrapping of acquired brands when sites are discontinued	4.1	-	4.1	-	-
<b>Adjusted EBIT</b>	<b>99.1</b>	<b>98.4</b>	<b>98.5</b>	<b>29.5</b>	<b>96.7</b>
<b>Adjusted EBIT (%)</b>	<b>3.6</b>	<b>2.8</b>	<b>2.1</b>	<b>0.5</b>	<b>0.8</b>
Depreciation and amortisation of tangible and intangible fixed assets	89.8	128.2	178.8	257.3	487.0
Gain/loss from sale of fixed assets	-2.2	-0.9	2.6	-1.0	-4.8
<b>Adjusted EBITDA</b>	<b>186.7</b>	<b>225.7</b>	<b>279.9</b>	<b>285.7</b>	<b>578.9</b>
<b>Adjusted EBITDA (%)</b>	<b>6.9</b>	<b>6.5</b>	<b>5.9</b>	<b>4.7</b>	<b>4.9</b>

**Reconciliation between gross profit & adjusted gross profit**

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Net sales	2,715.9	3,482.1	4,724.6	6,099.6	11,790.2
Cost of goods	-1,802.6	-2,148.0	-3,025.7	-3,775.4	-7,332.3
<b>Gross profit before direct selling costs</b>	<b>913.2</b>	<b>1,334.0</b>	<b>1,699.0</b>	<b>2,324.1</b>	<b>4,457.9</b>
<b>Gross profit before direct selling costs (%)</b>	<b>33.6</b>	<b>38.3</b>	<b>36.0</b>	<b>38.1</b>	<b>37.8</b>
Direct selling costs	-325.1	-435.8	-576.2	-784.6	-1,536.9
<b>Gross profit</b>	<b>588.1</b>	<b>898.2</b>	<b>1,122.8</b>	<b>1,539.5</b>	<b>2,921.1</b>
<b>Gross profit (%)</b>	<b>21.7</b>	<b>25.8</b>	<b>23.8</b>	<b>25.2</b>	<b>24.8</b>
Inventory impairment	99.1	-	99.1	-	-
Restructuring costs	6.8	-	6.8	-	-
Impairment due to restructuring	1.6	-	1.6	-	20.0
<b>Adjusted gross profit before direct selling costs</b>	<b>1,020.7</b>	<b>1,334.0</b>	<b>1,806.5</b>	<b>2,324.1</b>	<b>4,477.9</b>
<b>Adjusted gross profit before direct selling costs (%)</b>	<b>37.6</b>	<b>38.3</b>	<b>38.2</b>	<b>38.1</b>	<b>38.0</b>
Impairment due to restructuring	0.1	-	0.1	-	0.9
Gain from renegotiation of lease agreement	-0.3	-	-0.3	-	-
Restructuring costs	-	-	-	-	2.9
<b>Adjusted gross profit</b>	<b>695.4</b>	<b>898.2</b>	<b>1,230.1</b>	<b>1,539.5</b>	<b>2,944.8</b>
<b>Adjusted gross profit (%)</b>	<b>25.6</b>	<b>25.8</b>	<b>26.0</b>	<b>25.2</b>	<b>25.0</b>

**Reconciliation of organic growth**

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
<b>Net sales comparative period</b>	<b>3,482.1</b>	<b>3,908.5</b>	<b>6,099.6</b>	<b>7,019.1</b>	<b>13,433.6</b>
Currency effect	-11.1	89.3	-9.9	136.9	247.6
Effect acquired companies	43.5	-	43.5	-	13.0
Effect divested companies	-327.2	-21.5	-573.2	-46.1	-203.0
Organic growth	-471.4	-494.2	-835.3	-1,010.3	-1,701.0
<b>Net sales current period</b>	<b>2,715.9</b>	<b>3,482.1</b>	<b>4,724.6</b>	<b>6,099.6</b>	<b>11,790.2</b>
<b>Organic growth (%)</b>	<b>-13.5</b>	<b>-12.6</b>	<b>-13.7</b>	<b>-14.4</b>	<b>-12.7</b>

**Reconciliation of selling, general and administrative expenses (SG&A)**

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Personnel costs	-227.7	-285.6	-434.2	-565.1	-1,067.1
Other external costs and operating expenses	-298.0	-398.1	-544.6	-707.0	-1,354.7
<b>Total personnel costs and other external costs and operating expenses</b>	<b>-525.7</b>	<b>-683.8</b>	<b>-978.9</b>	<b>-1,272.2</b>	<b>-2,421.9</b>
Adjustment items affecting comparability related to personnel costs	11.0	6.8	11.0	12.8	30.0
Adjustment items affecting comparability related to other external costs and operating expenses	5.7	2.3	5.7	2.3	21.3
<b>Selling, general and administrative expenses (SG&amp;A)</b>	<b>-509.0</b>	<b>-674.6</b>	<b>-962.2</b>	<b>-1,257.1</b>	<b>-2,370.5</b>



## Home Improvement

### Reconciliation between operating income & adjusted EBITDA

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
<b>Operating income</b>	<b>32.5</b>	<b>42.7</b>	<b>8.9</b>	<b>-16.5</b>	<b>-71.5</b>
Inventory impairment	41.1	-	41.1	-	-
Salary expense for gardening leave	2.6	2.1	2.6	2.4	7.0
Costs related to LTIP	-	-	-	-	-
Acquisition-related costs	-	2.0	-	2.0	4.0
Restructuring costs	-	-	-	-	10.9
Impairment due to restructuring	3.0	-	3.0	-	48.8
Impairment IT platform	-	-	-	-	-
Capital gain/ loss disposal of operations	-2.5	-	-2.5	-	-
Gain from renegotiation of lease agreement	-11.0	-	-11.0	-	-
Received electricity support for business	-	-2.5	-	-2.5	-2.5
<b>Total items affecting comparability</b>	<b>33.3</b>	<b>1.6</b>	<b>33.3</b>	<b>1.9</b>	<b>68.1</b>
Amortisation of acquisition-related intangible fixed assets	14.4	14.4	28.8	28.7	57.4
Scrapping of acquired brands when sites are discontinued	-	-	-	-	-
<b>Adjusted EBIT</b>	<b>80.2</b>	<b>58.6</b>	<b>71.0</b>	<b>14.1</b>	<b>54.0</b>
<b>Adjusted EBIT (%)</b>	<b>5.2</b>	<b>3.3</b>	<b>2.8</b>	<b>0.5</b>	<b>0.9</b>
Depreciation and amortisation of tangible and intangible fixed assets	38.8	44.7	78.0	89.7	177.2
Gain/loss from sale of fixed assets	-1.5	-0.1	5.3	-0.1	3.3
<b>Adjusted EBITDA</b>	<b>117.5</b>	<b>103.2</b>	<b>154.3</b>	<b>103.7</b>	<b>234.5</b>
<b>Adjusted EBITDA (%)</b>	<b>7.6</b>	<b>5.8</b>	<b>6.0</b>	<b>3.5</b>	<b>4.1</b>

### Reconciliation between gross profit & adjusted gross profit

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Net sales	1,550.7	1,765.8	2,553.8	2,962.8	5,726.7
Cost of goods	-1,074.2	-1,207.4	-1,724.7	-2,032.5	-3,908.0
<b>Gross profit before direct selling costs</b>	<b>476.5</b>	<b>558.5</b>	<b>829.2</b>	<b>930.3</b>	<b>1,818.7</b>
<b>Gross profit before direct selling costs (%)</b>	<b>30.7</b>	<b>31.6</b>	<b>32.5</b>	<b>31.4</b>	<b>31.8</b>
Direct selling costs	-151.0	-181.5	-252.5	-307.3	-613.4
<b>Gross profit</b>	<b>325.5</b>	<b>376.9</b>	<b>576.7</b>	<b>623.0</b>	<b>1,205.2</b>
<b>Gross profit (%)</b>	<b>21.0</b>	<b>21.3</b>	<b>22.6</b>	<b>21.0</b>	<b>21.0</b>
Inventory impairment	41.1	-	41.1	-	-
Impairment due to restructuring	1.6	-	1.6	-	6.2
<b>Adjusted gross profit before direct selling costs</b>	<b>519.2</b>	<b>558.5</b>	<b>871.9</b>	<b>930.3</b>	<b>1,824.9</b>
<b>Adjusted gross profit before direct selling costs (%)</b>	<b>33.5</b>	<b>31.6</b>	<b>34.1</b>	<b>31.4</b>	<b>31.9</b>
Gain from renegotiation of lease agreement	-0.3	-	-0.3	-	-
<b>Adjusted gross profit</b>	<b>367.9</b>	<b>376.9</b>	<b>619.1</b>	<b>623.0</b>	<b>1,215.2</b>
<b>Adjusted gross profit (%)</b>	<b>23.7</b>	<b>21.3</b>	<b>24.2</b>	<b>21.0</b>	<b>21.2</b>



### Reconciliation of organic growth

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
<b>Net sales comparative period</b>	<b>1,765.8</b>	<b>2,045.1</b>	<b>2,962.8</b>	<b>3,588.4</b>	<b>6,856.3</b>
Currency effect	-4.2	40.8	-3.6	58.8	110.5
Effect acquired companies	-	-	-	-	13.0
Effect divested companies	-	-21.5	-	-46.1	-63.0
Organic growth	-211.0	-298.5	-405.4	-638.3	-1,190.1
<b>Net sales current period</b>	<b>1,550.7</b>	<b>1,765.8</b>	<b>2,553.8</b>	<b>2,962.8</b>	<b>5,726.7</b>
<b>Organic growth (%)</b>	<b>-11.9</b>	<b>-14.6</b>	<b>-13.7</b>	<b>-17.8</b>	<b>-17.4</b>

### Reconciliation of selling, general and administrative expenses (SG&A)

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Personnel costs	-121.7	-130.2	-231.4	-259.6	-492.2
Other external costs and operating expenses	-132.4	-149.6	-239.3	-266.3	-506.3
<b>Total personnel costs and other external costs and operating expenses</b>	<b>-254.0</b>	<b>-279.8</b>	<b>-470.7</b>	<b>-525.9</b>	<b>-998.5</b>
Adjustment items affecting comparability related to personnel costs	2.6	2.1	2.6	2.4	12.3
Adjustment items affecting comparability related to other external costs and operating expenses	0.7	2.0	0.7	2.0	5.5
<b>Selling, general and administrative expenses (SG&amp;A)</b>	<b>-250.8</b>	<b>-275.8</b>	<b>-467.5</b>	<b>-521.5</b>	<b>-980.7</b>



## Value Home

## Reconciliation between operating income &amp; adjusted EBITDA

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
<b>Operating income</b>	<b>-47.9</b>	<b>47.0</b>	<b>-35.5</b>	<b>22.8</b>	<b>-1,259.3</b>
Inventory impairment	45.9	-	45.9	-	-
Salary expense for gardening leave	4.5	-	4.5	-	-
Acquisition-related costs	1.4	-	1.4	-	-
Restructuring costs	-	-	-	-	19.4
Impairment due to restructuring	-	-	-	-	90.0
Impairment due to warehouse consolidation	21.2	-	21.2	-	-
Impairment IT platform	-	-	-	-	65.6
Capital gain/ loss disposal of operations	-	-	-	-	1,117.5
Received electricity support for business	-	-1.8	-	-1.8	-1.8
<b>Total items affecting comparability</b>	<b>73.0</b>	<b>-1.8</b>	<b>73.0</b>	<b>-1.8</b>	<b>1,290.7</b>
Amortisation of acquisition-related intangible fixed assets	3.4	5.2	6.4	10.4	18.1
<b>Adjusted EBIT</b>	<b>28.6</b>	<b>50.5</b>	<b>43.9</b>	<b>31.4</b>	<b>49.5</b>
<b>Adjusted EBIT (%)</b>	<b>4.2</b>	<b>3.9</b>	<b>3.7</b>	<b>1.4</b>	<b>1.3</b>
Depreciation and amortisation of tangible and intangible fixed assets	30.7	67.2	61.5	134.4	242.7
Gain/loss from sale of fixed assets	-0.7	-0.8	-2.7	-1.0	-8.2
<b>Adjusted EBITDA</b>	<b>58.6</b>	<b>116.8</b>	<b>102.8</b>	<b>164.8</b>	<b>284.0</b>
<b>Adjusted EBITDA (%)</b>	<b>8.7</b>	<b>9.1</b>	<b>8.7</b>	<b>7.4</b>	<b>7.2</b>

## Reconciliation between gross profit &amp; adjusted gross profit

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Net sales	672.0	1,281.2	1,182.5	2,224.4	3,941.4
Cost of goods	-413.0	-689.1	-686.3	-1,213.1	-2,158.2
<b>Gross profit before direct selling costs</b>	<b>259.1</b>	<b>592.1</b>	<b>496.2</b>	<b>1,011.3</b>	<b>1,783.3</b>
<b>Gross profit before direct selling costs (%)</b>	<b>38.6</b>	<b>46.2</b>	<b>42.0</b>	<b>45.5</b>	<b>45.2</b>
Direct selling costs	-97.2	-185.8	-169.5	-326.1	-586.9
<b>Gross profit</b>	<b>161.9</b>	<b>406.3</b>	<b>326.6</b>	<b>685.1</b>	<b>1,196.4</b>
<b>Gross profit (%)</b>	<b>24.1</b>	<b>31.7</b>	<b>27.6</b>	<b>30.8</b>	<b>30.4</b>
Inventory impairment	45.9	-	45.9	-	-
Impairment due to restructuring	-	-	-	-	13.7
<b>Adjusted gross profit before direct selling costs</b>	<b>305.0</b>	<b>592.1</b>	<b>542.1</b>	<b>1,011.3</b>	<b>1,797.0</b>
<b>Adjusted gross profit before direct selling costs (%)</b>	<b>45.4</b>	<b>46.2</b>	<b>45.8</b>	<b>45.5</b>	<b>45.6</b>
<b>Adjusted gross profit</b>	<b>207.8</b>	<b>406.3</b>	<b>372.6</b>	<b>685.1</b>	<b>1,210.1</b>
<b>Adjusted gross profit (%)</b>	<b>30.9</b>	<b>31.7</b>	<b>31.5</b>	<b>30.8</b>	<b>30.7</b>

**Reconciliation of organic growth**

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
<b>Net sales comparative period</b>	<b>1,281.2</b>	<b>1,435.0</b>	<b>2,224.4</b>	<b>2,530.9</b>	<b>4,558.7</b>
Currency effect	-6.9	48.4	-6.3	78.1	137.1
Effect acquired companies	43.5	-	43.5	-	-
Effect divested companies	-327.2	-	-573.2	-	-139.9
Transfer of business between segments	-15.3	-	-36.7	-	-
Organic growth	-303.3	-202.2	-469.2	-384.6	-614.4
<b>Net sales current period</b>	<b>672.0</b>	<b>1,281.2</b>	<b>1,182.5</b>	<b>2,224.4</b>	<b>3,941.4</b>
<b>Organic growth (%)</b>	<b>-23.7</b>	<b>-14.1</b>	<b>-21.1</b>	<b>-15.2</b>	<b>-13.5</b>

**Reconciliation of selling, general and administrative expenses (SG&A)**

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Personnel costs	-54.1	-98.4	-102.3	-193.5	-356.1
Other external costs and operating expenses	-101.0	-191.1	-182.9	-328.0	-594.3
<b>Total personnel costs and other external costs and operating expenses</b>	<b>-155.1</b>	<b>-289.5</b>	<b>-285.3</b>	<b>-521.5</b>	<b>-950.4</b>
Adjustment items affecting comparability related to personnel costs	4.5	-	4.5	-	7.4
Adjustment items affecting comparability related to other external costs and operating expenses	1.4	-	1.4	-	12.0
<b>Selling, general and administrative expenses (SG&amp;A)</b>	<b>-149.2</b>	<b>-289.5</b>	<b>-279.4</b>	<b>-521.5</b>	<b>-931.0</b>



## Premium Living

### Reconciliation between operating income & adjusted EBITDA

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
<b>Operating income</b>	<b>-37.0</b>	<b>4.0</b>	<b>-36.3</b>	<b>10.2</b>	<b>48.6</b>
Inventory impairment	12.0	-	12.0	-	-
Restructuring costs	6.1	-	6.1	-	-
Impairment due to restructuring	13.2	-	13.2	-	-
Received electricity support for business	-	-0.6	-	-0.6	-0.6
<b>Total items affecting comparability</b>	<b>31.3</b>	<b>-0.6</b>	<b>31.3</b>	<b>-0.6</b>	<b>-0.6</b>
Amortisation of acquisition-related intangible fixed assets	6.3	5.7	12.0	11.4	22.9
Scrapping of acquired brands when sites are discontinued	4.1	-	4.1	-	-
<b>Adjusted EBIT</b>	<b>4.6</b>	<b>9.2</b>	<b>11.2</b>	<b>21.1</b>	<b>70.9</b>
<b>Adjusted EBIT (%)</b>	<b>0.9</b>	<b>2.0</b>	<b>1.1</b>	<b>2.2</b>	<b>3.2</b>
Depreciation and amortisation of tangible and intangible fixed assets	19.6	15.8	38.2	32.0	64.8
Gain/loss from sale of fixed assets	-	-	0.0	0.1	0.1
<b>Adjusted EBITDA</b>	<b>24.3</b>	<b>25.0</b>	<b>49.3</b>	<b>53.2</b>	<b>135.8</b>
<b>Adjusted EBITDA (%)</b>	<b>4.8</b>	<b>5.3</b>	<b>4.8</b>	<b>5.5</b>	<b>6.2</b>

### Reconciliation between gross profit & adjusted gross profit

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Net sales	511.0	468.5	1,017.4	966.5	2,201.2
Cost of goods	-330.5	-283.2	-638.8	-580.4	-1,339.3
<b>Gross profit before direct selling costs</b>	<b>180.5</b>	<b>185.3</b>	<b>378.7</b>	<b>386.1</b>	<b>861.9</b>
<b>Gross profit before direct selling costs (%)</b>	<b>35.3</b>	<b>39.6</b>	<b>37.2</b>	<b>39.9</b>	<b>39.2</b>
Direct selling costs	-76.9	-68.4	-154.2	-151.2	-336.6
<b>Gross profit</b>	<b>103.6</b>	<b>116.9</b>	<b>224.4</b>	<b>235.0</b>	<b>525.3</b>
<b>Gross profit (%)</b>	<b>20.3</b>	<b>25.0</b>	<b>22.1</b>	<b>24.3</b>	<b>23.9</b>
Inventory impairment	12.0	-	12.0	-	-
Restructuring costs	6.8	-	6.8	-	-
<b>Adjusted gross profit before direct selling costs</b>	<b>199.4</b>	<b>185.3</b>	<b>397.5</b>	<b>386.1</b>	<b>861.9</b>
<b>Adjusted gross profit before direct selling costs (%)</b>	<b>39.0</b>	<b>39.6</b>	<b>39.1</b>	<b>39.9</b>	<b>39.2</b>
Impairment due to restructuring	0.1	-	0.1	-	-
<b>Adjusted gross profit</b>	<b>122.6</b>	<b>116.9</b>	<b>243.4</b>	<b>235.0</b>	<b>525.3</b>
<b>Adjusted gross profit (%)</b>	<b>24.0</b>	<b>25.0</b>	<b>23.9</b>	<b>24.3</b>	<b>23.9</b>



### Reconciliation of organic growth

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
<b>Net sales comparative period</b>	<b>468.5</b>	<b>486.5</b>	<b>966.5</b>	<b>1,020.2</b>	<b>2,172.1</b>
Transfer of business between segments	15.3	-	36.7	-	-
Organic growth	27.3	-18.1	14.2	-53.7	29.1
<b>Net sales current period</b>	<b>511.0</b>	<b>468.5</b>	<b>1,017.4</b>	<b>966.5</b>	<b>2,201.2</b>
<b>Organic growth (%)</b>	<b>5.8</b>	<b>-3.7</b>	<b>1.5</b>	<b>-5.3</b>	<b>1.3</b>

### Reconciliation of selling, general and administrative expenses (SG&A)

SEKm	Apr-Jun		Jan-Jun		Jan-Dec
	2024	2023	2024	2023	2023
Personnel costs	-43.4	-36.7	-81.6	-72.2	-154.6
Other external costs and operating expenses	-59.6	-55.3	-117.2	-109.6	-234.9
<b>Total personnel costs and other external costs and operating expenses</b>	<b>-103.0</b>	<b>-92.0</b>	<b>-198.8</b>	<b>-181.7</b>	<b>-389.5</b>
Adjustment items affecting comparability related to personnel costs	3.9	-	3.9	-	-
Adjustment items affecting comparability related to other external costs and operating expenses	0.8	-	0.8	-	-
<b>Selling, general and administrative expenses (SG&amp;A)</b>	<b>-98.3</b>	<b>-92.0</b>	<b>-194.1</b>	<b>-181.7</b>	<b>-389.5</b>



## 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 acquisition-related liabilities, which are subject to an implicit interest expense. Lease liabilities reflect the balance sheet effects of IFRS 16.

SEKm	30 Jun		31 Dec
	2024	2023	2023
Non-current interest-bearing liabilities	2,112.1	3,408.5	2,248.2
Short-term interest-bearing liabilities	523.5	669.3	308.7
<b>Total interest-bearing liabilities</b>	<b>2,635.7</b>	<b>4,077.9</b>	<b>2,556.8</b>
Cash and cash equivalents	-338.8	-1,050.3	-370.3
Adjustment lease liabilities	-632.8	-894.9	-687.1
Adjustment of acquisition related liabilities	-507.9	-1,180.6	-374.2
Adjustment transaction costs	5.1	16.7	4.5
<b>Net debt (+) / Net cash (-)</b>	<b>1,161.2</b>	<b>968.8</b>	<b>1,129.7</b>
Adjusted EBITDAaL Pro forma, LTM	257.6	206.7	236.8
<b>Net debt (+) / Net cash (-) in relation to adjusted EBITDAaL Pro forma, LTM</b>	<b>4.51x</b>	<b>4.69x</b>	<b>4.77x</b>
<b>Adjusted EBITDAaL Pro forma, LTM</b>			
Adjusted EBITDA, LTM	573.1	598.0	578.9
Adjustment for IFRS 16	-291.5	-361.6	-360.2
Adjustment for result attributed to legal minority interest*	-41.7	-29.6	-44.8
Pro forma adjustment for acquired/divested businesses	17.6	-0.0	63.0
<b>Adjusted EBITDAaL Pro forma, LTM</b>	<b>257.6</b>	<b>206.7</b>	<b>236.8</b>

\* Since 1 January 2024, BHG has excluded earnings related to the legal minority stake from the calculation of pro-forma adjusted EBITDAaL, LTM. For more information, refer to the definitions of performance measures on page 39.

# Definitions

<b>Performance measure</b>	<b>Definition</b>	<b>Reasoning</b>
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. Sessions only related to consumers with consent of cookies.	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 gross margin before direct selling costs ("product margin")	Adjusted 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.
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	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 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.



Performance measure	Definition	Reasoning
Pro-forma adjusted EBITDAaL, LTM	<p>LTM adjusted EBIT with the following adjustments:</p> <ul style="list-style-type: none"> <li>less depreciation of right-of-use assets and interest on lease liabilities under IFRS 16 (or “Adjusted EBITDA after leases”),</li> <li>less net profit/loss for the period attributable to legal minority stakes in subsidiaries, regardless of whether or not the Group recognises a net profit/loss for the period for the minority stake (for the Group’s policies for the recognition of put options to non-controlling interests, refer to section 2.3.3. in Note 2 of the Annual Report),</li> <li>plus Adjusted EBITDAaL for acquired operations as though the acquired operations had been included in the consolidated income statement for the entire LTM period but not for the comparative period (pro-forma adjustment). For divested operations, a corresponding adjustment is made, meaning that adjusted EBITDAaL for the divested companies is excluded as though the divested companies were not included in the consolidated income statement for the entire LTM period but were included in the comparative period.</li> </ul>	<p>Pro-forma adjusted EBITDAaL, LTM is a performance measure used to facilitate transparency and comparisons between periods by excluding items affecting comparability, correcting for acquired and divested operations and net profit/loss for the period attributable to legal minority stakes in subsidiaries, and including all leases as an operating expense rather than as depreciation/amortisation and interest in accordance with IFRS 16. The performance measure is also used as a denominator for Net debt (+) / Net cash (-) in relation to Pro-forma adjusted EBITDAaL, LTM.</p> <p>As of 1 January 2024, BHG has adjusted the definition of the measure by now deducting net profit/loss for the period attributable to legal minority interests in subsidiaries. Previously, BHG adjusted for acquired and divested operations and the current amendment makes the calculation more consistent. Furthermore, the new definition is in line with the calculation of the Group’s fulfilment of the covenants in the financing agreement</p>
Selling, general and administrative expenses (SG&A)	Total personnel costs and other external costs adjusted for items affecting comparability.	The measure is relevant for showing costs for sales and administration during the period, thereby giving an indication of the efficiency of the company’s operations.
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.

<b>Performance measure</b>	<b>Definition</b>	<b>Reasoning</b>
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/Net cash	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/Net cash is a measure that shows the Group's interest-bearing net debt to financial institutions.
Net debt/Net cash in relation to Pro-forma adjusted EBITDAaL, LTM	Net debt/Net cash divided by Pro-forma adjusted EBITDAaL, LTM	Net debt/Net cash in relation to Pro-forma adjusted EBITDAaL, LTM describes the Company's ability to repay its debts with profit generated by operating activities.
Organic growth	Refers to growth for comparable operations compared with the preceding year. Organic growth is calculated as changes in net sales after adjustment for currency effect and the effect of acquired and divested operations.  Organic growth (%) = Organic growth / Net sales for the comparative period.	Organic growth is a measure that enables the Group to monitor underlying net sales growth, excluding the effects of currency, acquisitions, and divestments.  As of 1 January 2024, BHG has adjusted the definition of the key figure by now adjusting for currency effects in accordance with ESMA's guidance. The comparative figures have been recalculated.
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.

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