



# Interim report Q3

1 JANUARY–30 SEPTEMBER 2024

## Third quarter

- Net sales declined 4.1% to MSEK 624.3 (650.8)
- Comparable growth amounted to -3.6% (3.4)
- Gross profit declined 9.7% to MSEK 252.5 (279.7) and the gross margin decreased to 2.6 percentage points to 40.4% (43.0)
- Adjusted EBITA totalled MSEK 21.0 (42.9) and the adjusted EBITA margin was 3.4% (6.6)
- Operating profit amounted to MSEK 14.9 (38.0) and the operating margin to 2.4% (5.8)
- Net profit for the quarter was MSEK 4.2 (25.2)
- Cash flow from operating activities totalled MSEK -12.2 (131.2)
- Earnings per share before and after dilution amounted to SEK 0.13 (0.81)

## 1 January–30 September (the period)

- Net sales increased 0.7% to MSEK 1,810.1 (1,797.5)
- Comparable growth amounted to 0.5% (-4.5)
- Gross profit declined 4.2% to MSEK 742.4 (775.1) and the gross margin decreased to 2.1 percentage points to 41.0% (43.1)
- Adjusted EBITA totalled MSEK 15.7 (51.7) and the adjusted EBITA margin was 0.9% (2.9)
- The company's operating loss amounted to MSEK -6.5 (profit: 37.5) and the operating margin to -0.4% (2.1)
- The net loss for the period amounted to MSEK -35.9 (-0.1)
- Cash flow from operating activities totalled MSEK -4.2 (102.4)
- Earnings per share before and after dilution amounted to SEK -1.15 (-0.00)

## Significant events during and after the end of the quarter

- No significant events took place during or after the quarter

## Performance measures

MSEK	Q3		Jan-Sep		Oct-Sep	Jan-Dec
	2024	2023	2024	2023	23/24	2023
Net Sales	624.3	650.8	1,810.1	1,797.5	2,572.0	2,559.4
Sales growth, %	-4.1%	5.5%	0.7%	-2.6%	0.5%	-1.9%
Comparable growth, %	-3.6%	3.4%	0.5%	-4.5%	-	-3.2%
Gross profit	252.5	279.7	742.4	775.1	1,045.9	1,078.6
Gross margin, %	40.4%	43.0%	41.0%	43.1%	40.7%	42.1%
Adjusted EBITA	21.0	42.9	15.7	51.7	44.1	80.1
Adjusted EBITA-margin, %	3.4%	6.6%	0.9%	2.9%	1.7%	3.1%
Operating profit (EBIT)	14.9	38.0	-6.5	37.5	15.7	59.6
Cash flow from operating activities	-12.2	131.2	-4.2	102.4	153.2	259.7
Equity ratio	42.0%	42.5%	42.0%	42.5%	-	41.8%
Basic earnings (loss) per share, SEK	0.13	0.81	-1.15	-0.00	-	0.40
Members in loyalty club, thousand	3,382	3,212	3,382	3,212	-	3,254

## Focus on market share and efficiency in a cautious market

Now that we are entering our seasonally strongest quarter, we are leaving a challenging quarter behind us in which sales and earnings fell compared with the strong third quarter last year.

We are far from satisfied with the outcome for the quarter and can confirm that the consumer electronics market remains cautious and that a return to previous consumption patterns has taken longer than expected. The quarter also included a warm late summer that negatively impacted traffic to all of the Group's sales channels. Aside from external factors, we are also critical of our own performance and are continuing our efforts to strengthen and adapt our offering.

Sales declined 4.1% in the quarter to MSEK 624.3 (650.8). For the January to September period, sales increased 0.7% to MSEK 1,810.1 (1,797.5).

### **Intense campaign activity and conscious customers**

We are seeing cautious consumer behaviour in all markets, with weak consumption having a particularly negative impact on the consumer electronics market. This led to intensive campaign activity among most market players during the quarter. Our own campaign activities have been well received and we are continuing to see high demand for external brands during sales campaigns. Our ability to drive traffic in the current market climate is positive, but it comes at the expense of our gross margin. The gross margin declined 2.6 percentage points in the quarter and amounted to 40.4%. For the period, the gross margin declined 2.1 percentage points and amounted to 41.0%. In the current climate, we see the temporary shift in the product mix as a necessity to gain market share, while we are driving initiatives to strengthen the share of our own brands in the long term.

### **New offerings and cost base adapted for long-term value creation**

We are continuing our efforts to develop our customer offering and assist more customers in their everyday lives by means of technology. We have initiated a collaboration with EKO supermarket, where customers will have a new opportunity to experience Kjell's products through a smart, customised shop-in-shop. We have also expanded our range of charging products to help customers adapt to the EU Common Charger Directive, which will come into effect at the end of the



year. While the Directive will ultimately make things easier for consumers, it will initially create confusion.

Our efforts to adjust our cost base are taking effect. Store and central cost adaptations are yielding particularly favourable results despite continued inflation in the market. Operating expenses declined 1% in the quarter and increased 2.9% in the period. We are well positioned to capitalise on the market when consumption levels increase. At the same time, we also see that further adjustments and efficiency enhancements can be made that will benefit our long-term ambitions and margin targets.

### **Improved consumer confidence entering 2025**

Even if consumers have remained cautious in recent quarters, we are seeing macroeconomic indications of a gradual recovery in consumer confidence as we enter the fourth quarter and further into 2025. Our investments in charging, audio and network products are progressing positively and we are set to offer customers the ultimate technological solutions.

We continue to look forward to the underlying trend where rapid technological advancements are integrated into everyday life through improved 5G, AI, and IoT technology. With a well-positioned product range and dedicated colleagues, we see Kjell as the obvious destination for consumers' everyday tech needs.

Malmö,  
24 October 2024  
**Andreas Rylander**  
President and CEO

# Summary of the Group's financial performance

## Net sales

Net sales declined 4.1% to MSEK 624.3 (650.8) in the quarter and increased 0.7% to MSEK 1,810.1 (1,797.5) in the period. Comparable growth amounted to -3.6% (3.4) in the quarter and 0.5% (-4.5%) in the period.

Net sales in segment Sweden declined 5.6% to MSEK 453.2 (479.9) in the quarter and 0.2% to MSEK 1,297.8 (1,300.0) in the period. The decline in Sweden was mainly attributable to fewer transactions – while retaining sales per purchase – as a result of fewer visitors, especially at service points.

Net sales in Norway declined 2.5% to MSEK 100.8 (103.4) in the quarter and increased 4.6% to MSEK 279.2 (266.8) in the period. The decrease in the quarter was attributable to negative currency effects when translating to the accounting currency. However, the segment noted higher sales per purchase, both for the quarter and for the period, and more transactions compared with the year-earlier period.

Net sales for segment Denmark increased 4.2% to MSEK 70.3 (67.5) in the quarter. Sales increased 0.9% to MSEK 233.2 (231.0) in the period. The growth in Denmark for both the quarter and the period was attributable to higher sales per purchase, which was partly offset by negative currency effects when translating to the accounting currency.

## Operating expenses

Operating expenses declined 1.0% to MSEK 609.5 (615.5) in the quarter and increased 2.9% to MSEK 1,819.2 (1,768.0) in the period.

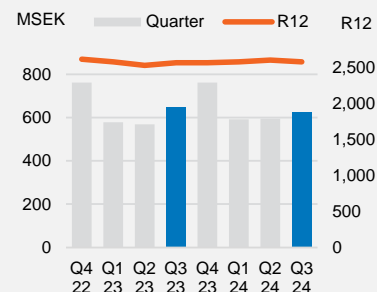
Costs of goods for resale increased 0.2% to MSEK 371.9 (371.0) in the quarter and 4.4% to MSEK 1,067.7 (1,022.4) in the period. Gross profit amounted to MSEK 252.5 (279.7) for the quarter, down 9.8%, and to MSEK 742.4 (775.1) for the period, down 4.2%. The gross margin amounted to 40.4% (43.0) for the quarter and 41.0% (43.1) for the period. The gross margin declined in the quarter and in the period, mainly as a result of a continued higher share of sales of external brands in relation to own brands as well as lower margins on both own brands and certain external brands.

Personnel costs amounted to MSEK 116.5 (118.7) for the quarter and to MSEK 377.3 (372.3) for the period, a decline of 1.9% in the quarter and an increase of 1.4% in the period. Despite general wage increases in all markets and increased employer contributions for young adults in Sweden during the period, the continued adaptation of costs in central functions and efficiency enhancements in the store network during the quarter yielded results.

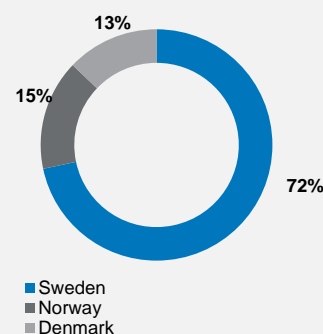
Items affecting comparability of MSEK 1.4 (-) were included in the quarter and MSEK 8.1 (-) in the period pertaining to restructuring costs.

Other external expenses amounted to MSEK 71.3 (78.5) for the quarter and to MSEK 224.1 (227.5) for the period, a decrease of 9.1% and 1.5%, respectively. The reduced cost level during the quarter was mainly due to the major market

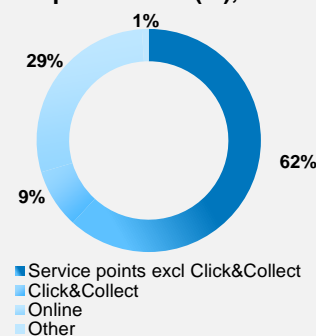
**Net sales (MSEK)**



**Net sales per segment (%), period**



**Sales<sup>1</sup> per channel (%), R12**



<sup>1</sup>Sales before deduction for customer loyalty bonuses

investments in our growth markets last year having been replaced by more cost-efficient solutions this year, as well as lower customer losses.

Other operating expenses amounted to MSEK 2.5 (0.0) for the quarter and MSEK 5.8 (5.1) for the period and consisted of currency losses. Other operating income amounted to MSEK 0.0 (2.8) for the quarter and MSEK 2.6 (8.0) for the period and primarily consisted of moving compensation related to the relocation of service points. Other operating income in the preceding year was primarily attributable to investment contributions in connection with relocations, the establishment of new service points and positive currency fluctuations. Total currency effects amounted to a net loss of MSEK 2.5 in the quarter, compared with profit of MSEK 2.6 in the same quarter last year. Total currency effects amounted to a net loss of MSEK 5.8 in the period, compared with a loss of MSEK 5.1 in the same period last year.

Total depreciation and amortisation amounted to MSEK 47.3 (47.3) for the quarter and to MSEK 144.2 (140.7) for the period, of which MSEK 4.7 (4.9) in the quarter and MSEK 14.1 (14.2) in the period pertained to amortisation of intangible assets arising from the acquisition of AV-Cables. Depreciation of right-of-use assets in accordance with IFRS 16 amounted to MSEK 32.5 (31.9) for the quarter and to MSEK 99.2 (95.1) for the period.

## Adjusted EBITA

The Group's adjusted EBITA amounted to MSEK 21.0 (42.9) for the quarter and to MSEK 15.7 (51.7) for the period.

## Operating profit

The Group posted an operating loss (EBIT) of MSEK 14.9 (38.0) for the quarter and MSEK -6.5 (37.5) for the period, corresponding to an operating margin of 2.4% (5.8) for the quarter and -0.4% (2.1) for the period.

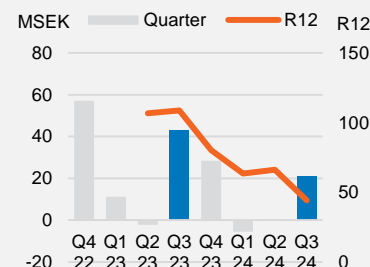
## Net financial items

The Group's net financial items amounted to MSEK -9.7 (-11.6) for the quarter and to MSEK -29.1 (-30.9) for the period. Net financial items include interest expenses pertaining to lease liabilities in an amount of MSEK 2.6 (2.2) for the quarter and MSEK 7.7 (6.7) for the period.

## Net loss for the period

Earnings amounted to MSEK 4.2 (25.2) for the quarter and to MSEK -35.9 (-0.1) for the period.

### Adjusted EBITA (MSEK)



### Adjusted EBITA margin

Period: 3.4% (6.6%)

## Cash flow and financial position

The company reported a negative cash flow in the third quarter as a result of lower earnings and increased working capital. The Group's cash flow from operating activities totalled MSEK -12.2 (131.2) for the quarter and MSEK -4.2 (102.4) for the period. The change in cash flow from operating activities in the quarter was mainly due to an increase in inventories and decline in accounts payable. The change in the period was mainly due to an increase in inventories. The increase in inventories took place from lower inventory levels, both at the beginning of the quarter and at the start of the year, and was a result of planned seasonal stockpiling ahead of the final quarter. The major deviation in cash flow between periods was attributable to successful inventory reduction, which generated a positive cash flow in the year-earlier period. Core working capital was lower at the end of the quarter, in absolute terms and as a share of net sales, compared with the preceding year, primarily as a result of higher accounts payable.

Cash flow from investing activities amounted to MSEK -2.7 (-3.7) for the quarter and to MSEK -12.3 (-19.0) for the period.

Cash flow from financing activities amounted to MSEK -34.7 (-71.9) for the quarter and MSEK -107.2 (-115.5) for the period. Cash flow for the quarter and for the period this year comprised the repayment of lease liabilities and bank financing according to plan.

The Group's cash and cash equivalents amounted to MSEK 71.8 at the end of the reporting period, compared with MSEK 196.3 at the beginning of the year.

The Group's financial net debt amounted to MSEK 428.5 (428.3) at the end of the quarter, compared with MSEK 312.6 at the beginning of the year, corresponding to financial net debt in relation to adjusted EBITDAaL (rolling 12 months) of 5.7 (3.0).

The Group's equity amounted to MSEK 983.0 at the end of the reporting period, compared with MSEK 1,009.2 at the beginning of the year.

## Significant events during and after the third quarter of 2024

- No significant events took place during or after the quarter

## Financial targets

The Group has the following financial targets:

### NET SALES

Net sales to reach at least SEK 4 billion by the 2025 financial year.

### PROFITABILITY

Adjusted EBITA margin of 8% in the medium term.

### CAPITAL STRUCTURE

Financial net debt in relation to adjusted EBITDAaL (rolling 12 months) should be below 2.5x.

### DIVIDEND POLICY

To pay a dividend of at least 60% of net profit, considering the Group's financial position, acquisition opportunities and future growth prospects.

## Parent Company

The object of the Parent Company's operations is to own and manage shares in subsidiaries and to provide intra-Group services.

The Parent Company's net sales amounted to MSEK 6.5 (5.1) for the quarter and MSEK 21.5 (17.3) for the period, and pertained entirely to intra-Group invoicing. Operating expenses amounted to MSEK 7.8 (6.1) for the quarter and MSEK 25.7 (20.5) for the period, and consisted of personnel costs of MSEK 6.2 (4.9) in the quarter and MSEK 20.9 (16.9) in the period. The management team has increased in number compared with the year-earlier quarter and period. Other external expenses comprised other operating expenses of MSEK 1.7 (1.1) for the quarter and MSEK 4.8 (3.5) for the period as well as depreciation and amortisation. The quarter and the period were charged with interest expenses of MSEK 7.2 (8.4) and MSEK 22.9 (20.7), respectively, for the Group's credit facility as a result of increased interest rates for financing in the period and falling rates in the quarter given the prevailing market conditions. A loss after financial items of MSEK -7.9 (-9.2) was reported for the quarter and MSEK -23.5 (-23.3) for the period.

Financial non-current assets amounted to MSEK 1,616.0 (1,611.1). Short-term receivables amounted to MSEK 167.0 (95.9), which largely consisted of inter-company transactions due to the cash pool.

Equity has declined during the year as a result of the net loss for the period. Long-term interest-bearing liabilities were in line with the preceding quarter. Other operating liabilities primarily related to inter-company transactions.

## The share

Kjell Group AB's (publ) share is listed on Nasdaq First North Growth Market under the ticker KJELL, with the ISIN SE0016797591. The highest and lowest share prices during the quarter were SEK 20.90 and SEK 16.65 on 23 July and 22 August, respectively.

A total of 751,844 shares were traded during the quarter, corresponding to a turnover rate of 2.4% during the measurement period.

As of 30 September 2024, Kjell Group AB (publ) had approximately 4,000 shareholders, the largest of which were FSN Capital (22.87%), Fosielund Holding (10.98%), Cervantes Capital (8.20%), AMF Pension & Fonder (6.14%) and Nordea Fonder (5.52%).

The number of shares in issue as of 30 September 2024 was 31,151,514, all of which were common shares.

During the quarter, Kjell Group's Nomination Committee was decided ahead of the 2025 Annual General Meeting.

For more information, visit [www.kjellgroup.com](http://www.kjellgroup.com)

## Condensed consolidated statement of profit or loss

TSEK	Note	Q3		Jan-Sep		Jan-Dec
		2024	2023	2024	2023	2023
<b>Operating income</b>						
Net sales	4	624,343	650,753	1,810,132	1,797,495	2,559,368
Other operating income		0	2,793	2,596	7,955	14,931
		<b>624,343</b>	<b>653,546</b>	<b>1,812,728</b>	<b>1,805,450</b>	<b>2,574,299</b>
<b>Operating expenses</b>						
Goods for resale		-371,890	-371,027	-1,067,708	-1,022,355	-1,480,729
Personnel costs		-116,458	-118,679	-377,344	-372,251	-516,386
Other external expenses		-71,330	-78,498	-224,132	-227,497	-319,004
Other operating expenses		-2,525	0	-5,823	-5,136	-5,136
Depreciation/amortisation of tangible and intangible assets		-47,269	-47,295	-144,193	-140,713	-193,415
<b>Operating profit</b>		<b>14,871</b>	<b>38,047</b>	<b>-6,472</b>	<b>37,498</b>	<b>59,629</b>
<b>Financial items</b>						
Financial income		648	238	1,901	391	1,965
Financial expenses		-10,315	-11,850	-31,022	-31,244	-43,464
<b>Net financial items</b>		<b>-9,667</b>	<b>-11,612</b>	<b>-29,121</b>	<b>-30,853</b>	<b>-41,499</b>
<b>Profit (loss) before tax</b>		<b>5,204</b>	<b>26,435</b>	<b>-35,593</b>	<b>6,645</b>	<b>18,130</b>
Income tax		-1,047	-1,223	-326	-6,783	-5,726
<b>Net profit (loss) for the period</b>		<b>4,157</b>	<b>25,212</b>	<b>-35,919</b>	<b>-138</b>	<b>12,404</b>
<b>Net profit (loss) for the period attributable to:</b>						
Parent Company's shareholders		4,157	25,212	-35,919	-138	12,404
<b>Net profit (loss) for the period</b>		<b>4,157</b>	<b>25,212</b>	<b>-35,919</b>	<b>-138</b>	<b>12,404</b>
<b>Earnings (loss) per share</b>						
Basic earnings (loss) per share, SEK	5	0.13	0.81	-1.15	-0,00	0.40
Diluted earnings (loss) per share, SEK	5	0.13	0.81	-1.15	-0,00	0.40

## Condensed consolidated statement of profit or loss and other comprehensive income

TSEK	Q3		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
<b>Net profit (loss) for the period</b>	<b>4,157</b>	<b>25,212</b>	<b>-35,919</b>	<b>-138</b>	<b>12,404</b>
<b>Other comprehensive income</b>					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Exchange differences of foreign operations	-3,846	-10,874	6,172	11,720	-5,315
<b>Other comprehensive income for the period</b>	<b>-3,846</b>	<b>-10,874</b>	<b>6,172</b>	<b>11,720</b>	<b>-5,315</b>
<b>Total comprehensive income for the period</b>	<b>311</b>	<b>14,338</b>	<b>-29,747</b>	<b>11,582</b>	<b>7,089</b>
<b>Comprehensive income for the period attributable to:</b>					
Parent Company's shareholders	311	14,338	-29,747	11,582	7,089
<b>Total comprehensive income for the period</b>	<b>311</b>	<b>14,338</b>	<b>-29,747</b>	<b>11,582</b>	<b>7,089</b>



## Condensed consolidated statement of financial position

TSEK	Note	30 Sep		31 Dec
		2024	2023	2023
<b>Assets</b>				
Intangible assets		1,334,427	1,366,638	1,346,967
Tangible assets		73,750	91,428	86,108
Right-of-use assets		225,837	244,214	258,856
Deferred tax assets		508	258	255
<b>Total non-current assets</b>		<b>1,634,522</b>	<b>1,702,538</b>	<b>1,692,186</b>
Inventory		520,602	500,764	437,410
Tax assets		32,667	26,459	17,542
Accounts receivable		28,783	29,692	23,882
Prepaid expenses and accrued income		50,582	35,574	48,826
Other receivables		982	2,599	955
Cash and cash equivalents		71,806	85,858	196,275
<b>Total current assets</b>		<b>705,422</b>	<b>680,946</b>	<b>724,890</b>
<b>Total assets</b>		<b>2,339,944</b>	<b>2,383,484</b>	<b>2,417,076</b>
<b>Equity</b>				
Share capital		515	515	515
Other contributed capital		463,010	458,428	459,439
Reserves		42,537	53,400	36,365
Retained earnings including net profit (loss) for the period		476,954	500,332	512,874
<b>Equity attributable to Parent Company's shareholders</b>		<b>983,016</b>	<b>1,012,675</b>	<b>1,009,193</b>
<b>Total equity</b>		<b>983,016</b>	<b>1,012,675</b>	<b>1,009,193</b>
<b>Liabilities</b>				
Non-current interest-bearing liabilities	6	482,805	494,372	493,503
Non-current lease liabilities		108,813	123,866	132,493
Other non-current liabilities		-	-	-
Deferred tax liabilities		119,903	127,672	122,252
<b>Total non-current liabilities</b>		<b>711,521</b>	<b>745,910</b>	<b>748,248</b>
Current interest-bearing liabilities	6	17,466	19,770	15,358
Current lease liabilities		101,456	104,311	107,518
Accounts payable		345,789	301,771	337,782
Tax liabilities		9,640	13,269	7,692
Other liabilities	6	59,515	66,693	77,209
Accrued expenses and deferred income		104,214	111,628	106,851
Provisions		7,327	7,457	7,225
<b>Total current liabilities</b>		<b>645,407</b>	<b>624,899</b>	<b>659,635</b>
<b>Total liabilities</b>		<b>1,356,928</b>	<b>1,370,809</b>	<b>1,407,883</b>
<b>Total equity and liabilities</b>		<b>2,339,944</b>	<b>2,383,484</b>	<b>2,417,076</b>

# Condensed consolidated statement of changes in equity

TSEK	Equity attributable to Parent Company's shareholders					Retained earnings incl. net profit (loss) for the period	Total equity
	Share capital	Other contributed capital	Translation reserve	Hedge reserve			
Balance at 1 Jan 2024	515	459,439	36,365	-	512,874	1,009,193	
<b>Transactions with owners of the company</b>							
Incentive programme		3,571				3,571	
Adjustment							
<b>Comprehensive income for the period</b>							
Net profit (loss) for the period	-	-	-	-	-35,919	-35,919	
Other comprehensive income for the period	-	-	6,172	-	-	6,172	
<b>Total comprehensive income for the period</b>	-	-	<b>6,172</b>	-	<b>-35,919</b>	<b>-29,747</b>	
<b>Closing balance 30 Sep 2024</b>	<b>515</b>	<b>463,010</b>	<b>42,537</b>	-	<b>476,954</b>	<b>983,016</b>	
Balance at 1 Jan 2023	515	456,111	41,680	-	500,470	998,776	
<b>Transactions with owners of the company</b>						-	
Incentive programme	-	2,317	-	-	-	2,317	
						-	
<b>Comprehensive income for the period</b>						-	
Net profit (loss) for the period	-	-	-	-	-138	-138	
Other comprehensive income for the period	-	-	11,720	-	-	11,720	
<b>Total comprehensive income for the period</b>	-	-	<b>11,720</b>	-	<b>-138</b>	<b>11,582</b>	
<b>Closing balance</b>	<b>515</b>	<b>458,428</b>	<b>53,400</b>	<b>0</b>	<b>500,332</b>	<b>1,012,675</b>	

## Condensed consolidated statement of cash flows

TSEK	Q3		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
<b>Cash flow from operating activities</b>					
Profit (loss) before tax	5,204	26,435	-35,593	6,645	18,130
Adjustments for non-cash items	48,765	46,422	152,042	135,300	190,022
Income tax paid	-3,857	-4,411	-16,499	-14,669	-14,540
	<b>50,112</b>	<b>68,446</b>	<b>99,950</b>	<b>127,276</b>	<b>193,612</b>
Increase (-)/decrease (+) in inventories	-30,424	6,060	-83,730	-15,192	47,355
Increase (-)/decrease (+) in operating receivables	-10,498	-9,370	-6,746	-3,506	-6,324
Increase (+)/decrease (-) in operating liabilities	-21,400	66,041	-13,630	-6,220	25,065
<b>Cash flow from operating activities</b>	<b>-12,210</b>	<b>131,177</b>	<b>-4,156</b>	<b>102,358</b>	<b>259,708</b>
<b>Investing activities</b>					
Acquisition of tangible assets	-616	-1,525	-4,374	-10,327	-12,899
Acquisition of intangible assets	-2,085	-2,160	-7,949	-8,718	-11,197
<b>Cash flow from investing activities</b>	<b>-2,701</b>	<b>-3,685</b>	<b>-12,323</b>	<b>-19,045</b>	<b>-24,096</b>
Proceeds of loans	204	-	614	33,326	33,326
Repayment of loans	-4,600	-35,375	-9,200	-42,326	-48,012
Repayment of lease liabilities	-30,271	-36,578	-98,582	-106,524	-140,468
<b>Cash flow from financing activities</b>	<b>-34,667</b>	<b>-71,953</b>	<b>-107,168</b>	<b>-115,524</b>	<b>-155,154</b>
<b>Cash flow for the period</b>	<b>-49,578</b>	<b>55,539</b>	<b>-123,647</b>	<b>-32,211</b>	<b>80,458</b>
Cash and cash equivalents at the beginning of the period	124,543	30,568	196,275	117,619	117,619
Exchange rate differences in cash and cash equivalents	-3,159	-249	-822	450	-1,802
<b>Cash and cash equivalents at the end of the period</b>	<b>71,806</b>	<b>85,858</b>	<b>71,806</b>	<b>85,858</b>	<b>196,275</b>

# Condensed notes to the financial statements

## Note 1 General information

Kjell Group AB (publ) (the “company”), Corp. Reg. No. 559115-8448, is a company with its registered offices in Malmö, Sweden. This consolidated interim report for the Group (the “Interim Report”) for the period January – September 2024 encompasses the Company and its subsidiaries, referred to jointly below as the “Group”. The Group’s consolidated accounting currency is SEK. All of the amounts are presented in thousands of SEK (TSEK), unless otherwise stated.

## Note 2 Accounting policies

This interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting* and the applicable provisions in the Swedish Annual Accounts Act, and should be read together with the Group’s annual report for 2023. The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act, *Interim Report*. This interim report does not contain all the information required for comprehensive reporting in accordance with IFRS. However, explanatory notes have been included to explain events and transactions that are material for understanding the changes in the Group’s financial position and performance. The accounting policies applied in this interim report are the same as those applied in the annual reports for 2023 for both the Group and the Parent Company. The Group did not apply any new IFRS or new interpretations published by the IFRS Interpretations Committee in advance. Issued standards and interpretations that have not yet come into effect are not expected to have any material impact on the Group.

## Note 3 Important estimates and judgements

The management of the Group makes estimates and assumptions about the future, and makes judgements on which accounting policies should be applied to the preparation of the financial statements. Estimates and judgements are reviewed continuously and assumptions are based on historical experience and other factors, including expectations of future events considered reasonable under the prevailing circumstances. The resulting accounting estimates will, by definition, seldom correspond to the actual results. The material estimates made by management when applying the Group’s accounting policies and the most important sources of uncertainty in the estimates are the same as those described in Note 32 of the Group’s annual report for 2023.

## Note 4 Revenue and operating segments

The Group’s operations are divided into operating segments based on the parts of the organisation monitored by the company’s chief operating decision maker, known as the management approach. For Kjell Group, this means that the Group’s operations are divided into three segments: Sweden, Norway and Denmark, which correspond to the operations in each country. The segments encompass sales via service points in Sweden and Norway and online-generated sales in all countries. Segment Denmark includes Danish online sales in Sweden. Segment Sweden includes costs for Group-wide functions, including the purchasing organisation in Shanghai, since this reflects how the segments are monitored internally by the Group. All revenue for the segments is from sales to external customers. The same accounting policies are applied to the segments as for the Group. The performance measure recognised for the segments is “Adjusted EBITA.” Information about each reportable segment is provided below.

Jul-Sep TSEK	Sweden		Norway		Denmark		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Net sales	453,176	479,871	100,828	103,383	70,338	67,499	624,343	650,753
Depreciation excl.amortisation on intangible assets related to business combinations	33,392	34,464	8,597	7,521	517	454	42,506	42,439
<b>Adjusted EBITA</b>	<b>22,733</b>	<b>33,482</b>	<b>-3,324</b>	<b>3,395</b>	<b>1,582</b>	<b>6,027</b>	<b>20,991</b>	<b>42,904</b>
Amortisation on intangible assets related to business combinations							-4,763	-4,857
Items affecting comparability							-1,357	-
<b>Operating profit</b>							<b>14,871</b>	<b>38,047</b>
Net financial items							-9,667	-11,612
<b>Profit (loss) before tax</b>							<b>5,204</b>	<b>26,435</b>

Jan-Sep TSEK	Sweden		Norway		Denmark		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Net sales	1,297,763	1,299,645	279,173	266,813	233,195	231,037	1,810,132	1,797,495
Depreciation excl.amortisation on intangible assets related to business combinations	101,574	103,179	27,050	22,025	1,431	1,293	130,055	126,497
<b>Adjusted EBITA</b>	<b>8,425</b>	<b>31,172</b>	<b>-1,660</b>	<b>-1,595</b>	<b>8,966</b>	<b>22,137</b>	<b>15,731</b>	<b>51,714</b>
Amortisation on intangible assets related to business combinations							-14,138	-14,216
Items affecting comparability							-8,065	-
<b>Operating profit</b>							<b>-6,472</b>	<b>37,498</b>
Net financial items							-29,121	-30,853
<b>Profit (loss) before tax</b>							<b>-35,593</b>	<b>6,645</b>

## Note 5 Earnings per share

Earnings per share are calculated as net profit for the period divided by the weighted average number of shares during the period.

## Note 6 Fair value of financial instruments

The fair value of the liabilities in the Group's credit facility is estimated at TSEK 501,914 (516,804), compared with the carrying amount of TSEK 499,047 (514,142). The facility carries a floating interest rate plus a margin. Management estimates that there has been no change in credit margins since the loan agreement was signed that could have a material impact on the fair value of the loan. The difference between the fair value and the carrying amount of the bank facilities is thus primarily attributable to the carrying amount of the loan including transaction costs that remain to be amortised as part of the effective interest rate.

The fair value belongs to Level 2 of the fair value hierarchy. The carrying amounts of all other financial liabilities and financial assets are considered to be a reasonable estimate of their fair values.

## Note 7 Seasonal variations

The Group's operations are impacted by the effect of seasonal variations on demand and the Group's revenue also displays seasonal variations, with higher sales figures normally reported in the fourth quarter of the financial year compared with other quarters.

## Note 8 Risks and uncertainties

The development of the Group is increasingly being impacted by consumer behaviour in the markets where we operate. To ensure that we maintain a continually attractive offering to our customers and thereby ensure the company's competitiveness, the development of the business environment must be understood and monitored. The Group works continuously to identify, measure and manage risks that may arise in the business environment, the industry and the company. The aim is to avoid and minimise the impact of risk-related occurrences.

The Group carries out continuous efforts to assess its risk situation by systematically identifying strategic, operating and financial risks. The risks are identified, assessed and managed based on priority, which highlights the greatest negative impacts on the operations. The risk assessment then forms part of the strategic and operational management of the Group.

From both a short- and a long-term perspective, strategic risks mainly include risks associated with changes in the operating environment and increased competition, technology shifts and customer purchasing behaviour, market position, assortment and offering, and growth. Operating risks mainly comprise risks associated with purchasing, inventories, sustainability, IT systems, logistics and transportation, employees, leases, waste and regulatory risks. Financial risks comprise risks associated with currency exposure, interest-rate exposure and undercapitalisation.

The Group's Board of Directors and management have reviewed the development of these material risks and uncertainties since the publication of the annual report for 2023. At the time of publication of this interim report, the business environment continues to be characterised by geopolitical turbulence. The Group has no direct exposure to these markets. However, evaluations are continually being made of the potential negative impact on demand for the Group's products due to declining consumer confidence stemming from indirect effects such as higher energy prices, rising interest rates and increased inflation.

## Note 9 Other disclosures

### *Incentive programmes*

The AGM on 15 May 2024 introduced a long-term incentive programme (2024) in the form of a performance share savings programme. In order to participate in the long-term incentive programme, participants are required to acquire shares (known as "savings shares") in Kjell Group AB. Participants who retain their savings shares during the vesting period of about three years and remain an employee of Kjell & Company for the entire vesting period will be entitled to receive performance shares free of charge, on the condition that the performance criterion has been fulfilled. The performance criterion refers to the total shareholder return for the company's share during the vesting period of about three years, known as a "TSR criterion."

After final allotment, this will result in a dilution of approximately 0.97% of the total number of shares outstanding. The initial calculation of dilution on full allotment was estimated at 1.30%. The costs for the long-term incentive programme are estimated at approximately MSEK 2.2 excluding social security contributions of about MSEK 0.7. The initial calculation on full allotment amounted to MSEK 3.8, excluding social security contributions of approximately MSEK 1.7.

The long-term incentive programme is recognised in accordance with IFRS 2 *Share-based Payment*. Accordingly, the cost for the programme is recognised over the vesting period of approximately three years. For more information about the performance share savings programme 2024, refer to the minutes of the AGM at [www.kjellgroup.com](http://www.kjellgroup.com).

Kjell Group has two previously adopted performance share programmes (2023 and 2022) currently in effect. The total IFRS 2 cost for Kjell Group's performance share savings programme is reported under Equity. The performance share programme for 2021 was concluded during the period without allotment.

## Note 10 Significant events after the reporting date

No significant events took place during or after the period.

## Condensed Parent Company income statement

TSEK	Q3		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
<b>Net sales</b>					
Net sales	6,502	5,113	21,531	17,265	23,851
	<b>6,502</b>	<b>5,113</b>	<b>21,531</b>	<b>17,265</b>	<b>23,851</b>
<b>Operating expenses</b>					
Other external expenses	-1,687	-1,120	-4,796	-3,543	-5,112
Personnel costs	-6,156	-4,937	-20,898	-16,920	-26,097
Depreciation of tangible assets	-6	-3	-16	-10	-13
<b>Operating profit</b>	<b>-1,348</b>	<b>-947</b>	<b>-4,180</b>	<b>-3,208</b>	<b>-7,371</b>
<b>Financial items</b>					
Financial income	636	210	3,622	594	994
Financial expenses	-7,196	-8,421	-22,906	-20,660	-29,101
<b>Profit (loss) after financial items</b>	<b>-7,907</b>	<b>-9,158</b>	<b>-23,463</b>	<b>-23,274</b>	<b>-35,478</b>
Appropriations	-	-	-	-	25,300
<b>Profit (loss) before tax</b>	<b>-7,907</b>	<b>-9,158</b>	<b>-23,463</b>	<b>-23,274</b>	<b>-10,178</b>
Income tax	-	-	-143	-	1,686
<b>Profit (loss) for the period</b>	<b>-7,907</b>	<b>-9,158</b>	<b>-23,606</b>	<b>-23,274</b>	<b>-8,492</b>

## Condensed Parent Company balance sheet

TSEK	Not	30 Sep		31 Dec
		2024	2023	2023
<b>Assets</b>				
<b>Non-current assets</b>				
<b>Tangible assets</b>				
Machinery and equipment		33	22	19
<b>Total Tangible assets</b>		<b>33</b>	<b>22</b>	<b>19</b>
<b>Financial non-current assets</b>				
Participation in group companies		1,611,226	1,610,702	1,610,967
Deferred tax assets		4,784	422	4,784
<b>Total financial non-current assets</b>		<b>1,616,010</b>	<b>1,611,124</b>	<b>1,615,751</b>
<b>Total non-current assets</b>		<b>1,616,043</b>	<b>1,611,146</b>	<b>1,615,770</b>
<b>Current assets</b>				
Account receivables		-	-	8
Current receivables from group companies		153,128	82,169	29,046
Prepaid expenses and accrued income		1,804	1,649	1,607
Other receivables		2	23	1
Tax receivables		12,039	12,039	6,622
<b>Total current receivables</b>		<b>166,973</b>	<b>95,880</b>	<b>37,284</b>
Cash and cash equivalents		36,040	40,199	124,399
<b>Total current assets</b>		<b>203,013</b>	<b>136,079</b>	<b>161,683</b>
<b>Total assets</b>		<b>1,819,056</b>	<b>1,747,225</b>	<b>1,777,453</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
<b>Restricted equity</b>				
Share capital		515	515	515
<b>Non-restricted equity</b>				
Share premium reserve		1,091,433	1,091,433	1,091,433
Retained earnings		59,457	63,750	64,759
Profit (loss) for the period		-23,606	-23,274	-8,492
<b>Total equity</b>		<b>1,127,799</b>	<b>1,132,424</b>	<b>1,148,215</b>
<b>Untaxed reserves</b>				
Tax allocation reserves		13,575	9,275	13,575
<b>Total untaxed reserves</b>		<b>13,575</b>	<b>9,275</b>	<b>13,575</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Non-current interest-bearing liabilities	6	421,562	429,943	430,148
<b>Total non-current liabilities</b>		<b>421,562</b>	<b>429,943</b>	<b>430,148</b>
<b>Current liabilities</b>				
Current interest-bearing liabilities	6	9,200	9,200	9,200
Accounts payable		964	356	807
Current liabilities to group companies		232,461	153,469	164,156
Other current liabilities		3,127	2,360	2,223
Tax liabilities		3,920	7,203	3,286
Accrued expenses and deferred income		6,448	2,995	5,843
<b>Total current liabilities</b>		<b>256,120</b>	<b>175,583</b>	<b>185,515</b>
<b>Total equity and liabilities</b>		<b>1,819,056</b>	<b>1,747,225</b>	<b>1,777,453</b>



The Board of Directors and CEO give their assurance that the interim report provides a fair review of the development of the Group's and Parent Company's operations, profit and financial position and describes the material risks and uncertainty factors faced by the Parent Company and the companies included in the Group.

**Malmö, 24 October 2024**

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**Jan Friedman**  
Chairperson of the Board

**Simon Larsson**  
Board member

**Ingrid Jonasson Blank**  
Deputy Chairperson of the Board

**Fredrik Dahnelius**  
Board member

**Joel Eklund**  
Board member

**Sandra Gadd**  
Board member

**Ola Burmark**  
Board member

**Andreas Rylander**  
CEO

The information in this interim report has not been reviewed by the company's auditors.

## Selected financial information

MSEK	Q3		Oct-Sep	Jan-Dec
	2024	2023	23/24	2023
Members in loyalty club, thousand	3,382	3,212	3,382	3,254
Net sales	624.3	650.8	2,572.0	2,559.4
Sales growth, %	-4.1%	5.5%	0.5%	-1.9%
Comparable growth, %	-3.6%	3.4%	0.4%	-3.2%
Gross profit	252.5	279.7	1,045.9	1,078.6
Gross margin, %	40.4%	43.0%	40.7%	42.1%
Adjusted EBITA	21.0	42.9	44.1	80.1
Adjusted EBITA margin, %	3.4%	6.6%	1.7%	3.1%
Items affecting comparability	1.4	-	9.6	1.5
Cash flow from operating activities	-12.2	131.2	153.2	259.7
Working capital	107.1	94.3	-	-8.1
Core working capital	203.6	228.7	-	123.5
Financial net debt	428.5	428.3	-	312.6
Financial net debt/Adjusted EBITDAaL	5.7	2.9	-	2.8
Equity ratio, %	42.0%	42.5%	-	41.8%
Investments	-2.7	-3.7	-17.4	-24.1
Number of outstanding shares before dilution	31,151,514	31,151,514	31,151,514	31,151,514
Number of outstanding shares after dilution	31,151,514	31,151,514	31,151,514	31,151,514
Average number of outstanding shares before dilution	31,151,514	31,151,514	31,151,514	31,151,514
Average number of outstanding shares after dilution	31,151,514	31,151,514	31,151,514	31,151,514

## Quarterly data

MSEK	Q2 23	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24
Net sales	568.5	650.8	761.9	591.4	594.4	624.3
Gross profit	243.9	279.7	303.5	247.6	242.4	252.5
Gross margin, %	42.9%	43.0%	39.8%	41.9%	40.8%	40.4%
Adjusted EBITA	-2.3	42.9	28.4	-5.6	0.3	21.0
Adjusted EBITA margin, %	-0.4%	6.6%	3.7%	-0.9%	0.1%	3.4%
Cash flow from operating activities	-9.1	131.2	157.4	-5.0	13.0	-12.2
Working capital	148.1	94.3	-8.1	25.0	42.1	107.1
Core working capital	291.8	228.7	123.5	158.4	168.4	203.6
Investments	-6.6	-3.7	-5.1	-3.8	-5.9	-2.7

## Reconciliation of alternative performance measures

Certain information in this report used by management and analysts to assess the company's performance has not been prepared in accordance with International Financial Reporting Standards (IFRS). Management is of the opinion that this information makes it easier for investors to analyse the Group's performance for the reasons stated below. These measures are not a substitute for or better than financial measures reported in accordance with IFRS and should be presented together with such measures. Note that the Group's definitions of these measures may differ from other companies' definitions of the same name. Investors are encouraged not to place undue reliance on these alternative performance measures.

### ADJUSTED EBITA

Management has presented the performance measure of adjusted EBITA because it monitors this performance measure at Group level and believes that this measure is relevant for understanding the Group's financial performance.

Adjusted EBITA is calculated by adjusting net profit for the period so that it excludes the impact of tax, net financial items, amortisation and impairment of intangible assets arising in connection with business combinations and items affecting comparability.

### OPERATING PROFIT (EBIT), EBIT MARGIN, EBITA, EBITA MARGIN, ADJUSTED EBITA, ADJUSTED EBITA MARGIN, EBITDA, ADJUSTED EBITDA AND ADJUSTED EBITDAAL

	Q3		Oct-Sep	Jan-Dec
	2024	2023	23/24	2023
<b>TSEK</b>				
Profit (loss) for the period	4,157	25,212	-23,377	12,404
Income tax	1,047	1,223	-731	5,726
Net financial items	9,667	11,612	39,767	41,499
<b>Operating profit (EBIT)</b>	<b>14,871</b>	<b>38,047</b>	<b>15,659</b>	<b>59,629</b>
Amortisation on intangible assets related to business combinations	4,763	4,857	18,871	18,949
<b>EBITA</b>	<b>19,634</b>	<b>42,904</b>	<b>34,530</b>	<b>78,578</b>
Depreciation excl. amortisation on intangible assets related to business combinations	42,506	42,439	178,020	174,466
<b>EBITDA</b>	<b>62,140</b>	<b>85,343</b>	<b>212,550</b>	<b>253,044</b>
<b>EBITA</b>	<b>19,634</b>	<b>42,904</b>	<b>34,530</b>	<b>78,578</b>
Items affecting comparability	1,357	-	9,610	1,545
<b>Adjusted EBITA</b>	<b>20,991</b>	<b>42,904</b>	<b>44,140</b>	<b>80,123</b>
<b>EBITDA</b>	<b>62,140</b>	<b>85,343</b>	<b>212,550</b>	<b>253,044</b>
Items affecting comparability	1,357	-	9,610	1,545
<b>Adjusted EBITDA</b>	<b>63,497</b>	<b>85,343</b>	<b>222,160</b>	<b>254,589</b>
Depreciation right-of-use assets	-32,486	-31,846	-136,867	-132,798
Interest on lease liabilities	-2,553	-2,202	-10,126	-9,126
<b>Adjusted EBITDAaL</b>	<b>28,458</b>	<b>51,295</b>	<b>75,167</b>	<b>112,661</b>
<b>Net sales</b>	<b>624,343</b>	<b>650,753</b>	<b>2,572,005</b>	<b>2,559,368</b>
<b>EBIT-margin, %</b>	<b>2.4%</b>	<b>5.8%</b>	<b>0.6%</b>	<b>2.3%</b>
<b>Adjusted EBITA margin, %</b>	<b>3.4%</b>	<b>6.6%</b>	<b>1.7%</b>	<b>3.1%</b>

### ITEMS AFFECTING COMPARABILITY

Income and cost items that are presented separately due to their nature and amounts. Items affecting comparability are used by management to explain fluctuations in historical profitability. The quarter and the period include items affecting comparability of MSEK 1.4 (-) and MSEK 8.1 (-), respectively, for restructuring costs.

**NET SALES GROWTH**

%	Q3		Oct-Sep	Jan-Dec
	2024	2023	23/24	2023
Net sales current period	624,343	650,753	2,572,005	2,559,368
Net sales preceeding period	650,753	616,958	2,559,458	2,607,929
Net sales growth, %	-4.1%	5.5%	0.5%	-1.9%

**COMPARABLE GROWTH**

TSEK	Q3		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
<i>Comparable sales comparative period</i>					
Recognised net sales comparative period	650 753	616 958	1 797 495	1 845 966	2 607 929
Adjustment for returns and loyalty programme comparative period	2 643	2 552	2 654	2 302	8 492
Revenue new and closed service points and other channels	-5 718	-3 457	-17 873	-6 708	-13 164
<b>Total comparable sales comparative period</b>	<b>647 678</b>	<b>616 053</b>	<b>1 782 276</b>	<b>1 841 560</b>	<b>2 603 257</b>
<i>Comparable sales current period</i>					
Recognised net sales current period	624 343	650 753	1 810 132	1 797 495	2 559 368
Costs for returns and loyalty programme current period	2 258	2 655	3 657	2 700	8 707
Revenue new and closed service points and other channels	-10 013	-9 653	-31 108	-33 183	-43 256
Currency effects	7 941	-6 540	9 305	-8 435	-5 593
<b>Total comparable sales current period</b>	<b>624 529</b>	<b>637 215</b>	<b>1 791 986</b>	<b>1 758 577</b>	<b>2 519 226</b>
Total comparable sales comparative period	647 678	616 053	1 782 276	1 841 560	2 603 257
Total comparable sales current period	624 529	637 215	1 791 986	1 758 577	2 519 226
Comparable growth, %	-3,6%	3,4%	0,5%	-4,5%	-3,2%

**GROSS PROFIT AND GROSS MARGIN**

TSEK	Q3		Oct-Sep	Jan-Dec
	2024	2023	23/24	2023
Net sales	624,343	650,753	2,559,458	2,559,368
Goods for resale	-371,889	-371,027	-1,474,082	-1,480,729
<b>Gross Profit</b>	<b>252,454</b>	<b>279,726</b>	<b>1,085,376</b>	<b>1,078,639</b>
Gross Profit	252,454	279,726	1,085,376	1,078,639
Net sales	624,343	650,753	2,559,458	2,559,368
<b>Gross margin, %</b>	<b>40.4%</b>	<b>43.0%</b>	<b>42.4%</b>	<b>42.1%</b>

**NET DEBT, FINANCIAL NET DEBT AND FINANCIAL NET DEBT/ADJUSTED EBITDAaL**

TSEK	30 Sep		31 Dec
	2024	2023	2023
Non-current interest bearing liabilities	482,805	494,372	493,503
Current interest bearing liabilities	17,466	19,770	15,358
<b>Interest bearing liabilities</b>	<b>500,271</b>	<b>514,142</b>	<b>508,861</b>
Cash and cash equivalents	-71,806	-85,858	-196,275
<b>Net financial debt</b>	<b>428,465</b>	<b>428,284</b>	<b>312,586</b>
Non-current lease liabilities	108,813	123,866	132,493
Current lease liabilities	101,456	104,311	107,518
<b>Lease liabilities</b>	<b>210,269</b>	<b>228,177</b>	<b>240,011</b>
<b>Total interest bearing liabilities</b>	<b>500,271</b>	<b>514,142</b>	<b>508,861</b>
<b>Total lease liabilities</b>	<b>210,269</b>	<b>228,177</b>	<b>240,011</b>
<b>Total financial liabilities</b>	<b>710,540</b>	<b>742,319</b>	<b>748,872</b>
Cash and cash equivalents	-71,806	-85,858	-196,275
<b>Net debt</b>	<b>638,734</b>	<b>656,461</b>	<b>552,597</b>
<b>Net financial debt</b>	<b>428,465</b>	<b>428,284</b>	<b>312,586</b>
Adjusted EBITDAaL, R12	75,167	141,088	112,661
<b>Net financial debt/Adjusted EBITDAaL, times</b>	<b>5.7</b>	<b>3.0</b>	<b>2.8</b>

**WORKING CAPITAL**

TSEK	30 Sep		31 Dec
	2024	2023	2023
Current assets	705,422	680,946	724,890
Cash and cash equivalents	-71,806	-85,858	-196,275
Current liabilities excl. interest bearing liabilities and lease liabilities	-526,485	-500,818	-536,759
<b>Working capital</b>	<b>107,131</b>	<b>94,270</b>	<b>-8,144</b>
<b>Current liabilities excl. interest bearing liabilities and lease liabilities</b>			
Accounts payable	345,789	301,771	337,782
Tax liabilities	9,640	13,269	7,692
Other liabilities	59,515	66,693	77,209
Accrued expenses and deferred income	104,214	111,628	106,851
Provisions	7,327	7,457	7,225
<b>Total</b>	<b>526,485</b>	<b>500,818</b>	<b>536,759</b>

**CORE WORKING CAPITAL**

TSEK	30 Sep		31 Dec
	2024	2023	2023
Inventory	520,602	500,764	437,410
Accounts receivable	28,783	29,692	23,882
Accounts payable	-345,789	-301,771	-337,782
<b>Core working capital</b>	<b>203,596</b>	<b>228,685</b>	<b>123,510</b>

**INVESTMENTS**

TSEK	Q3		Oct-Sep	Jan-Dec
	2024	2023	23/24	2023
Acquisition of tangible assets	-616	-1,525	-6,946	-12,899
Acquisition of intangible assets	-2,085	-2,160	-10,428	-11,197
<b>Investments</b>	<b>-2,701</b>	<b>-3,685</b>	<b>-17,374</b>	<b>-24,096</b>

**EQUITY/ASSETS RATIO**

%	30 Sep		31 Dec
	2024	2023	2023
Total equity	983,016	1,012,675	1,009,193
Total assets	2,339,944	2,383,484	2,417,076
<b>Equity ratio, %</b>	<b>42.0%</b>	<b>42.5%</b>	<b>41.8%</b>

## Definitions – Alternative performance measures

Earnings measures	Definition	Reason why the earnings measure is used
Gross margin, %	Gross profit divided by net sales.	The gross margin shows the company's profitability after the costs of goods for resale, which facilitates a comparison of the average gross margin on goods sold over time.
Gross profit	Net sales less costs of goods for resale.	The company's gross profit shows the amount that remains for financing other expenses after goods for resale have been sold.
Core working capital	Inventories plus accounts receivable less accounts payable.	This performance measure shows the business's tied-up capital for sales of goods.
EBIT margin, %	EBIT divided by net sales.	The performance measure shows the company's profitability generated by the operating activities after amortisation, depreciation and impairment.
EBITA	Operating profit before amortisation and impairment of intangible assets arising in connection with business combinations.	EBITA provides an overview of the profit generated in the operations before amortisation and impairment of intangible assets arising in connection with business combinations, which provides a more comparable performance measure over time.
EBITA margin, %	EBITA divided by net sales.	This performance measure shows the company's profitability from the operating activities before amortisation and impairment of intangible assets arising in connection with business combinations.
EBITDA	Profit before tax, financial items, amortisation, depreciation and impairment.	EBITDA provides an overview of the profit generated in the operations before amortisation, depreciation and impairment, which provides a more comparable performance measure over time.
Financial net debt	Net debt excluding current and non-current lease liabilities.	Used to monitor the debt trend and evaluate the level of refinancing requirements.
Financial net debt/Adjusted EBITDAaL (multiple)	Financial net debt in relation to 12 months' adjusted EBITDAaL.	This performance measure illustrates the company's capacity to repay its debts. Management uses the performance measure to monitor the level of financial gearing.
Investments	Acquisitions of tangible and intangible assets.	This performance measure describes the company's continuous investments in the operations.

Adjusted EBITA	EBITA excluding items affecting comparability.	<p>Management has presented the performance measure of adjusted EBITA because it monitors this performance measure and believes that this measure is relevant for understanding the Group's financial results.</p> <p>The measure shows the financial results of the operations without the effect of material cost or income items that impact comparability over time, as described under the heading "Items affecting comparability."</p>
Adjusted EBITA margin, %	EBITA excluding items affecting comparability divided by net sales.	This performance measure shows the company's profitability from the operating activities excluding items affecting comparability and amortisation and impairment of intangible assets arising in connection with business combinations, which enables a comparison with the underlying operating profitability.
Adjusted EBITDA	EBITDA excluding items affecting comparability.	This measure indicates the company's underlying profit generated by the operating activities before amortisation, depreciation and impairment excluding items affecting comparability, which provides a more comparable performance measure over time.
Adjusted EBITDAaL	Adjusted EBITDA less amortisation, depreciation and interest expenses related to leases under IFRS 16 plus adjusted EBITDAaL for the periods in which acquired companies were not included in the Group's consolidated financial statements for the relevant period.	Adjusted EBITDAaL is used as the denominator in financial net debt/adjusted EBITDAaL for monitoring financial gearing.
Comparable growth, %	The change in comparable sales between the current and comparative period in which comparable sales are sales in comparable units and channels, excluding currency translation effects. Comparable units and channels are sales units and channels that were operational for the current and comparative period.	The measure facilitates a comparison of net sales over time by excluding revenue from sales units and channels that were not operational for corresponding periods, adjusted for currency effects. The measure makes it possible to evaluate sales growth in existing channels.
Items affecting comparability	Income and cost items that are presented separately due to their nature and amounts. All items that are included are larger and material in certain periods and smaller or non-existent in other periods.	Items affecting comparability are used by management to explain fluctuations in historical profitability. Presenting and specifying items affecting comparability separately makes it possible for readers of the financial statements to understand and evaluate the adjustments



		made by management when presenting adjusted EBITA. Taking into account items affecting comparability increases comparability and thus understanding of the Group's financial performance.
Net sales growth, %	Net sales for the current period in relation to net sales for the relevant comparative period, expressed as a percentage.	The measure makes it possible to analyse the Group's total net sales growth and compare it in relation to the market as a whole and competitors.
Net debt	The total of current and non-current interest-bearing liabilities and current and non-current lease liabilities less cash and cash equivalents.	Net debt illustrates the company's total indebtedness.
Working capital	Total current assets excluding cash and cash equivalents, less total current liabilities excluding interest-bearing and lease liabilities.	The measure is used to analyse the company's short-term tied-up capital.
Operating profit (EBIT)	Operating profit (EBIT) refers to the company's net sales and other operating income less goods for resale, personnel costs, other external expenses, other operating expenses, and depreciation, amortisation and impairment of tangible and intangible assets.	The measure indicates the company's underlying profit generated by the operating activities.
Equity/assets ratio, %	Total equity divided by total assets.	This performance measure describes the company's long-term payment capacity.

## Definitions – Operating performance measures

### Operating performance measures

### Definition

Number of customer club members	Number of unique individuals who actively choose to be a member of Kjell & Company's customer club.
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### WEBCAST IN CONNECTION WITH THE PUBLICATION OF THE INTERIM REPORT

Andreas Rylander, President and CEO, and Thomas Pehrsson, CFO, will hold a webcast in connection with the publication of the interim report at 10:00 a.m. on 24 October 2024. To participate in the conference, follow the link <https://ir.financialhearings.com/kjell-group-q3-report-2024>

The presentation material is available on the Group's website:  
<https://www.kjellgroup.com/investerare/finansIELla-rapporter/>.



### INTERIM REPORTS

The complete interim report for the period January – September 2024 and earlier reports are available on [www.kjellgroup.com](http://www.kjellgroup.com).



### FINANCIAL CALENDAR

Forthcoming reports:

Fourth quarter 2024	13 February 2025
Annual Report 2024	15 April 2025
First quarter 2025	24 April 2025
Second quarter 2025	18 July 2025
Third quarter 2025	22 October 2025

# Kjell & Company

*This is the type of information that Kjell Group AB (publ) is obligated to disclose pursuant to the EU Market Abuse Regulation. The information was issued for publication through the agency of the contact persons set out below on 24 October 2024 at 7:00 a.m. CEST.*



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Kjell Group offers the most comprehensive assortment of electronic accessories on the market. The company operates online in Sweden, Norway, and Denmark, as well as through 146 service points, including 115 in Sweden and 31 in Norway. Headquartered in Malmö, the company generated SEK 2.6 billion in revenue in 2023.

With Kjell & Company's customer club, which boasts over 3 million members, and its Danish subsidiary AV-Cables, the Group has a unique understanding of people's technology needs. Approximately 1,200 employees work every day to improve lives through technology.

Learn more at [kjell.com](http://kjell.com) or [kjellgroup.com](http://kjellgroup.com)

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