"The second quarter saw a clear improvement in both sales and profitability compared with the historically weak first quarter. By a significant decrease of our inventory of more than SEK 400 million during the quarter and by selling 20.1% of our holding in Furniture1, and thereby removing a put option and reducing our acquisition-related liabilities we have significantly strengthened our balance sheet."

Gustaf Öhrn,
President and CEO

Q2 2023

BHG Group AB (publ)
Nasdaq Stockholm

Interim report: 1 January-30 June 2023

Strong cash flow, lower cost base and a stronger balance sheet

– Cash flow and balance sheet improved significantly through SEK 410 million reduction in inventory in Q2

HIGHLIGHTS

1 April-30 June

- Net sales declined -10.9% to SEK 3,482.1 million (3,908.5). Organic growth was -10.8% and pro-forma organic growth was -10.7%
- Adjusted gross profit declined -7.9% to SEK 898.0 million (975.6), corresponding to an adjusted gross margin of 25.8% (25.0)
- Adjusted EBIT amounted to SEK 98.4 million (162.2), corresponding to an adjusted EBIT margin of 2.8% (4.2)
- Cash flow from operating activities amounted to SEK 766.8 million (-161.8)
- Earnings per share amounted to SEK 0.12 (1.44) before dilution and SEK 0.12 (1.43) after dilution

1 January-30 June

- Net sales declined -13.1% to SEK 6,099.6 million (7,019.1). Organic growth was -13.1% and pro-forma organic growth was -12.8%
- Adjusted gross profit declined -15.3% to SEK 1,539.3 million (1,817.3), corresponding to an adjusted gross margin of 25.2% (25.9)
- Adjusted EBIT amounted to SEK 29.5 million (296.4), corresponding to an adjusted EBIT margin of 0.5% (4.2)
- Cash flow from operating activities amounted to SEK 977.6 million (-40.1)
- Earnings per share amounted to SEK -0.54 (2.34) before dilution and SEK -0.54 (2.33) after dilution

Key events during the second quarter and after the period

- On 20 June 2023, it was announced that David Olhed would join BHG's executive management team as Group Chief Commercial Officer as of 30 June and that Sara Sterner, Head of HR, Communications and ESG was leaving BHG. Chief Technology Officer Martin Leo will take over responsibility for ESG and join BHG's executive management team.
- On 20 June 2023, it was also announced that BHG had successfully renegotiated its existing financing agreement in order to provide additional flexibility with respect to the Group's financial covenants.
- On 29 June 2023, BHG announced that it had reached an agreement with the founder of BHG's subsidiary Furniture1 UAB, whereby the company's founder would purchase 20.1% of the shares in Furniture1 UAB. As part of the transaction, the founder will refrain from exercising his put option on BHG. The Group's liabilities attributable to the put option, equivalent to SEK 470 million at current exchange rate (EUR 40 million), will be terminated. The agreement is conditional on approval by an Extraordinary General Meeting of BHG scheduled for 25 July 2023.

FINANCIAL SUMMARY

	Apr-Jun			Jan-Jun			Jan-Dec
SEKm (if not otherwise stated)	2023	2022	Δ%	2023	2022	Δ%	2022
Net sales	3,482.1	3,908.5	-10.9	6,099.6	7,019.1	-13.1	13,433.6
Gross profit	898.0	975.6	-7.9	1,539.3	1,817.3	-15.3	2,981.1
Gross margin (%)	25.8	25.0	0.8 p.p.	25.2	25.9	-0.7 p.p.	22.2
Adjusted gross profit*	898.0	975.6	-7.9	1,539.3	1,817.3	-15.3	3,368.3
Adjusted gross margin (%)	25.8	25.0	0.8 p.p.	25.2	25.9	-0.7 p.p.	25.1
Adjusted EBIT*	98.4	162.2	-39.3	29.5	296.4	-90.1	374.9
Adjusted EBIT margin (%)	2.8	4.2	-1.3 p.p.	0.5	4.2	-3.7 p.p.	2.8
Operating income	68.8	123.4	-44.2	-31.3	221.3	-114.2	-183.9
Operating margin (%)	2.0	3.2	-1.2 p.p.	-0.5	3.2	-3.7 p.p.	-1.4
Net profit for the period	23.1	193.5	-88.1	-92.9	304.7	-130.5	45.7
Earnings per share before dilution, SEK	0.12	1.44	-91.7	-0.54	2.34	-123.1	0.25
Earnings per share after dilution, SEK	0.12	1.43	-91.6	-0.54	2.33	-123.2	0.25
Cash flow from operating activites	766.8	-161.8	n/a	977.6	-40.1	n/a	-105.6
Net debt (+) / Net cash (-)	968.8	1,803.2	-46.3	968.8	1,803.2	-46.3	1,543.4

* Refer to "Relevant reconciliations of non-IFRS alternative performance measures (APMs)" on page 32 of this report for a more detailed description.

Comments by Gustaf Öhrn

President and CEO, BHG Group

I often tell the team that if you work in retail you have to be able to look in different directions simultaneously, watching where you currently stand while also looking toward the horizon. This may be more true now than ever. At the same time as we are experiencing the most challenging market we have seen in a long time, significant advancements are being made in tech and AI that will have a huge impact on the market in the future. We must be capable of being extremely active operationally in order to drive sales and margins, while at the same time being capable of understanding and adapting to a changing future. As we summarise the second quarter, I think we can be proud of both how we are managing the current situation and how we are planning for the future.

The second quarter saw a clear improvement in both sales and profitability compared with the historically weak first quarter. At the same time, we have noticed that consumers remain cautious about their purchasing decisions and we continue to see weak demand, primarily in our capital-intensive product categories such as windows, doors and floors. There is also still a "Corona rebalancing" at play, with customers prioritising consumption in the form of restaurant dining and travel over their homes. Despite the sequential improvement from the first to the second quarter, it is too early to declare that the market has reached its bottom, and uncertainty about inflation, interest rates and unemployment remains high. We are continuing to adapt the operation for a challenging autumn and what we believe will be a challenging 2024 when consumers will have less money to spend. Given these circumstances, I am happy that we were able to take several steps that improved the company's profitability, cash flow and balance sheet during the quarter and at the same time our three market leading segments all took market shares, positioning us well for future growth.

Reducing our inventory is the single most important measure to improve cash flow and strengthen the balance sheet in the short term. During the second quarter, we reduced our inventory with SEK 410 million, which means that we have reduced our inventory with SEK 509 million so far this year. This went faster than we predicted during the second quarter, and we are now ahead of our previously announced plan to reduce our inventory by SEK 600 million in 2023. We expect further reductions during the rest of the year, but this will take place gradually and not at the same pace as during the important outdoor season. In June, we announced our intention to sell 20.1% of our subsidiary Furniture1 to its founder in order to further strengthen our balance sheet. This will reduce our acquisition-related liabilities by EUR 40 million (equivalent to SEK 470 million at the current exchange rate).

We are actively implementing numerous measures to maximise our sales and margins, such as price communication, strategic pricing and internationalisation, while at the same time working purposefully to streamline our cost base, thereby increasing our profitability. The previously announced cost savings of SEK 150-200 million is continuing according to plan. In addition to direct cost reduction, these measures include work on structural measures such as consolidation of companies and functions as well as a review of our network of physical stores. Our strategic goal is to consolidate our operations into a smaller number of larger platforms in order to achieve economies of scale and provide a better customer offering. We are making investments in our largest platforms to enable and accelerate our consolidation journey and be in an even stronger position in the future.

With the measures that have been implemented/approved and planned, our assessment is that we have extremely good prospects for returning BHG to the profitability and cash flow we delivered in the years before the pandemic, as a first step. We will achieve this by working tirelessly to improve our margins, customer offering and conversion rate on a daily basis, continuing to focus on costs, and by structurally transforming BHG into a more efficient operation, in line with the strategy we launched in 2022 – always watching where we currently stand while also looking toward the horizon. The market is there. Our assessment is that the migration from brick-and-mortar to online shopping will continue in our categories, while the underlying trend of people being interested in their homes will continue to increase over the long term.

I would like to conclude by thanking our customers for their trust, our colleagues for their hard work and our 13,600 shareholders for their patience. I assure you that we will continue to work hard and tirelessly to ensure that BHG emerges from this challenging environment even stronger than before.

Malmö, 20 July 2023

Gustaf Öhrn
President and CEO, BHG Group

We make living easy!

We offer a broad array of products and services in our three segments: Home Improvement, Value Home, and Premium Living.

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

Sustainability

Sustainability is a long-term strategic focus area in order to accelerate the organisation's capabilities and drive a sustainable offering. By combining the UN Sustainable Development Goals (SDGs) with our materiality pyramid from 2020, we designed the following three overall targets:

Reducing CO_2 emissions by 50% by 2030*

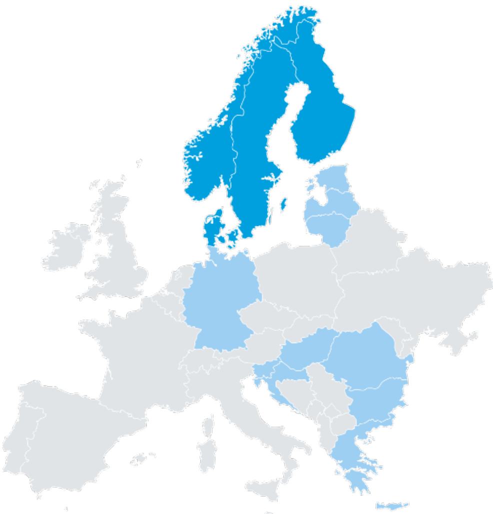
An equitable workplace and sustainable supply chain

Corporate governance and economic growth

2,200
employees

We put the customer first

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



Nordic home markets

Our presence in continental Europe

>1.9
million products

100+
online destinations

Home Improvement

bygghemma.se

Value Home

trademax.se

Premium Living

NORDIC NEST

Svenssons i Lammhult

Condensed consolidated information

	Apr-Jun			Jan-Jun			Jan-Dec
SEKm (if not otherwise stated)	2023	2022	Δ%	2023	2022	Δ%	2022
Net sales	3,482.1	3,908.5	-10.9	6,099.6	7,019.1	-13.1	13,433.6
Gross profit	898.0	975.6	-7.9	1,539.3	1,817.3	-15.3	2,981.1
Gross margin (%)	25.8	25.0	0.8 p.p.	25.2	25.9	-0.7 p.p.	22.2
Adjusted gross profit*	898.0	975.6	-7.9	1,539.3	1,817.3	-15.3	3,368.3
Adjusted gross margin (%)	25.8	25.0	0.8 p.p.	25.2	25.9	-0.7 p.p.	25.1
Adjusted EBITDA*	225.7	269.2	-16.2	285.7	501.6	-43.0	813.8
Adjusted EBITDA margin (%)	6.5	6.9	-0.4 p.p.	4.7	7.1	-2.5 p.p.	6.1
Adjusted EBIT*	98.4	162.2	-39.3	29.5	296.4	-90.1	374.9
Adjusted EBIT margin (%)	2.8	4.2	-1.3 p.p.	0.5	4.2	-3.7 p.p.	2.8
Items affecting comparability	-4.3	-13.7	-68.8	-10.2	-24.9	-58.9	-449.7
Operating income	68.8	123.4	-44.2	-31.3	221.3	-114.2	-183.9
Operating margin (%)	2.0	3.2	-1.2 p.p.	-0.5	3.2	-3.7 p.p.	-1.4
Net profit for the period	23.1	193.5	-88.1	-92.9	304.7	-130.5	45.7
Cash flow from operating activites	766.8	-161.8	n/a	977.6	-40.1	n/a	-105.6
Visits (thousands)	79,955	91,998	-13.1	162,193	191,316	-15.2	364,224
Orders (thousands)	1,220	1,266	-3.6	2,236	2,480	-9.8	5,171
Conversion rate (%)	1.5	1.4	0.1 p.p.	1.4	1.3	0.1 p.p.	1.4
Average order value (SEK)	2,914	3,013	-3.3	2,770	2,882	-3.9	2,626

* Refer to "Relevant reconciliations of non-IFRS alternative performance measures (APMs)" on page 32 of this report for a more detailed description.

COMMENTS ON THE RESULT FOR THE PERIOD

Second quarter of the year

The second quarter of the year saw a clear sequential improvement from a historically weak first quarter. Both sales and profitability improved significantly. However, the trend we saw in the first quarter continued, with weak underlying demand in several product categories, primarily capital-intensive categories, as well as price pressure in the market as a result of lower inventory levels. We sharply reduced our inventory during the second quarter, primarily through seasonal products, and we are now ahead of our original plan.

- The Group's net sales amounted to SEK 3,482.1 million (3,908.5) for the quarter. Total growth amounted to -10.9%, pro-forma organic growth to -10.7% and organic growth to -10.8%.
- Adjusted EBIT amounted to SEK 98.4 million (162.2) for the quarter, corresponding to an adjusted EBIT margin of 2.8% (4.2).
- Cash flow from operating activities improved significantly to SEK 766.8 million (-161.8) during the quarter, mainly driven by a positive development in working capital.

Measures to improve profitability

Given the challenging market that we experienced in recent quarters and that we expect to continue for the rest of this and next year, we have taken several forceful measures to streamline our cost base and mitigate inflation-driven cost increases. Our previously announced gross savings of SEK 150-200 million is continuing according to plan. Further actions are being taken in addition to these savings measures. We expect the majority of the savings to be realised during the second half of the year, since not all of the measures have had their full impact yet.

We continued to improve the efficiency of our inventory handling during the second quarter, and we are seeing a positive development in the form of lower costs, primarily as we reduce our inventory. In order to adapt our other fixed costs, we have also implemented rationalisations such as staff reductions and continued to consolidate our operations.

Our strategic ambition is to consolidate our companies into a smaller number of larger platforms and thereby achieve economies of scale and simplify our structure. We are making investments in our largest platforms to facilitate consolidation in the future and to enhance the customer experience on our websites. We are making investments in the Home Furnishing Nordic platform that are expected to be completed during the third quarter. These investments have entailed non-recurring costs of SEK 5.1 million so far this year. During the third quarter, we expect additional costs of approximately SEK 5 million for completing the change of platforms and costs of SEK 60-70 million as a result of the phase-out of existing systems. Overall, these measures are expected to result in cost savings in the form of approximately SEK 60-70 million in reduced depreciation and amortisation over the next three years.

We are making investments in the Home Improvement platform that are expected to be complete at the beginning of next year. These investments have entailed non-recurring costs of SEK 8.8 million during the first half of the year, and we expect additional costs of approximately SEK 11 million during the second half of the year.

Measures to improve cash flow and strengthen the balance sheet

The single most important measure to improve cash flow and strengthen our balance sheet is to reduce our inventory. Systematic work and clearly defined goals at the subsidiary level enabled us to reduce our inventory by SEK 410.2 million during the second quarter, primarily by selling off our seasonal products. We have reduced our inventory level every quarter since mid-2022. Overall, we have our reduced inventory by SEK 509.1 million so far this year and by SEK 827.3 million over the last four quarters. The pace of inventory reduction so far this year has been faster than our original plan. Our assessment is that we will be able to further reduce our inventory this year, but not as fast as during the second quarter. If we look beyond 2023, we see the potential to reduce our inventory further.

In addition to significantly improving our cash flow during the quarter, primarily by reducing inventory, we have taken additional measures to strengthen our balance sheet. In June, we also announced our intention to sell 20.1% of our subsidiary Furniture1 to its founder. The founder refrained from exercising his put option on BHG as part of the transaction. BHG's obligations related to the put option have now been terminated since the founder of Furniture1 is refraining from exercising it. The transaction will significantly reduce BHG's acquisition-related liabilities and eliminate the risk of a future cash flow effect of EUR 40 million (equivalent to SEK 470 million at the current exchange rate), with the condition of approval by the Extraordinary General Meeting scheduled for 25 July 2023, which would arise if the put option were exercised. Acquisition-related liabilities amounted to SEK 1,180.6 million at the end of the quarter, down SEK 606.2 million compared with the same time last year. Excluding the liability related to Furniture1, acquisition-related liabilities would have amounted to SEK 710.6 million. Provided that the sale of 20.1% of Furniture1 is approval at the Extraordinary General Meeting on 25 July 2023, the sale will affect the group's financial statements during the third quarter of 2023. In June, we also announced that we had successfully renegotiated our existing financing agreement in order to provide additional flexibility with respect to the Group's financial covenants.

The market

During the second quarter, we saw a sequential improvement in demand compared with a weak first quarter. Part of the improvement can be attributed to the late spring. Available consumer confidence data also shows a cautiously rising trend from the bottom level noted at the end of last year. We continue to experience a weak market despite this improvement, primarily in our capital-intensive product categories, as a result of factors including consumers having lower disposable income and a weaker housing and therefore renovation market.

Meanwhile, one sign of the times seems to be that customers are demanding affordable alternatives, and we have experienced strong demand for our private label range in several categories.

Available market data shows that Sweden and Norway performed worse than other Nordic markets. The same market data indicates that the Nordic region as a whole performed somewhat worse than the rest of Europe.

Our assessment is that the online market in our product categories is smaller than in the same period last year, but larger than before the outbreak of the pandemic. At the same time, our assessment is that we performed better than the market as a whole, thereby gaining market share.

Outlook

We saw improved demand and signs of a certain increase in the willingness to invest among consumers during the second quarter. At the same time, interest rate increases and inflation left consumers with less money compared with a year ago. We believe that it is too early to expect the favourable trend from the second quarter to continue. As a result of macro factors and potentially rising unemployment in the autumn, our fundamental scenario is still that the rest of 2023 and 2024 will be challenging.

High inventory levels in the market and continued weaker demand in some of our product categories have resulted in price pressure, and we expect this to continue until the inventory situation is normalised through reduced purchase volumes and inventories. We have already seen a significant decline in shipping costs for the part of the range purchased from Asia, and the Shanghai Containerized Freight Index is down significantly compared with a year ago. We are also seeing less pressure on production capacity, resulting in declining prices, as market players adjust their purchase volumes downward.

The difficult market situation will also present opportunities. As competitors are weakened, shut down or leave product categories, BHG will be able to advance its leading position.

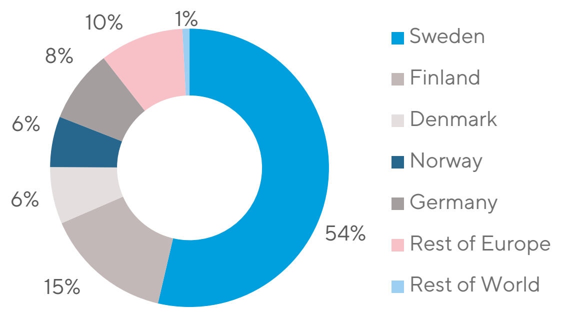
The assessment that our online markets can be expected to grow by approximately 15% annually over a business cycle remains firm. Our assessment is that the fundamental structural trends that have driven BHG's growth journey are continuing. We believe that the migration from brick-and-mortar to online shopping will continue in our categories for the foreseeable future, while at the same time interest in the home and thus in our categories continues to grow. For further information, refer to the Group's medium-term financial targets (page 9).

Acquisitions

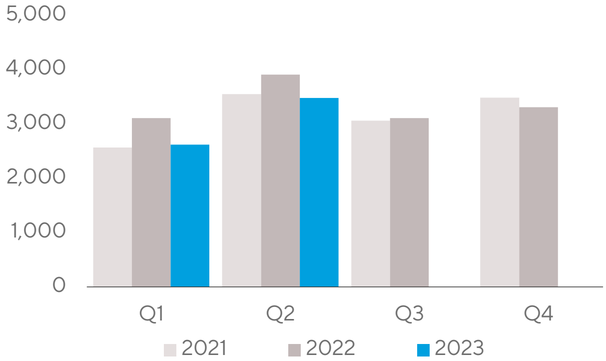
Acquisitions have been a core part of BHG's business model and success since the start and will remain an important part of the Group's development in the future. The rate of activity is lower due to the current market conditions, and acquisitions are currently not our primary focus.

Nonetheless, we are continuing to evaluate potential acquisition candidates and partnerships so that, when we are ready, we will be able to make bolt-on acquisitions that strengthen our offering in the Group's core areas.

Distribution of net sales by country (%), Apr-Jun 2023



Net sales (SEKm)



Net sales

The trend in net sales during the second quarter was better compared with the first, but was still affected by weaker demand than last year.

The second quarter is the seasonally strongest quarter for BHG, driven by the important garden and outdoor season. The garden category and outdoor furniture also performed better than the Group as a whole. Meanwhile, capital-intensive categories such as doors, windows and bathrooms performed worse.

Demand in the Nordic region was weaker than in other geographies, primarily driven by the Swedish market. Sales outside the Nordic region improved during the quarter, and now represent 19% of sales.

Net sales declined -10.9% to SEK 3,482.1 million (3,908.5) for the quarter and -13.1% to SEK 6,099.6 million (7,019.1) for the first half of the year. Organic growth was -10.8% for the quarter and -13.1% for the first half of the year, while pro-forma organic growth was -10.7% for the quarter and -12.8% for the first half of the year.

Net sales for the Home Improvement segment decreased -13.6% to SEK 1,766.1 million (2,045.1) for the quarter and -17.4% to SEK 2,963.4 million (3,588.4) for the first half of the year. Organic growth was -12.7% for the quarter and -16.7% for the first half of the year, while pro-forma organic growth was -12.7% for the quarter and -16.6% for the first half of the year.

Net sales for the Value Home segment decreased -10.7% to SEK 1,281.2 million (1,435.0) for the quarter and -12.1% to SEK 2,224.4 million (2,530.9) for the first half of the year. Organic growth was -10.6% for the quarter and -11.1% for the first half of the year, while pro-forma organic growth was -11.4% for the quarter and -12.5% for the first half of the year.

Net sales for the Premium Living segment decreased -3.7% to SEK 468.5 million (486.5) for the quarter and -5.3% to SEK 966.5 million (1,020.2) for the first half of the year. Organic growth was -3.7% for the quarter and -5.3% for the first half of the year, while pro-forma organic growth was -3.7% for the quarter and -5.3% for the first half of the year.

Gross margin

The adjusted product margin amounted to 38.3% (37.6) for the quarter and 38.1% (38.5) 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 25.8% (25.0) for the quarter and 25.2% (25.9) for the first half of the year.

- The improvement in the product margin iss due to the strong performance of our assortment of proprietary brands, which generally have a higher product margin, in all of our segments as well as a favourable category mix and the fact that we increased our shipping revenue from customers, which is recognised under net sales.
- Direct selling expenses improved mainly due to lower fulfilment costs and as a result of cost initiatives and rationalisation of warehouse staff as well as a decrease in warehouses following a sharp reduction in inventory. However, last-mile costs increased during the quarter compared with the same period last year, primarily driven by inflation-driven cost increases among suppliers. These were partially but not fully offset by higher shipping revenue from customers.

The Group carefully monitors the development of average order value (AOV) and focuses particularly on ensuring that the AOV for bulky products, which are sent on pallets, remains high. The average order value (AOV) for Home Improvement was lower in the second quarter, driven by mix effects as a result of declining sales in capital-intensive product categories such as doors and windows, while the AOV was higher in the quarter for both Value Home and Premium Living.

SG&A

Selling, general and administrative expenses (SG&A, defined as the difference between adjusted gross profit and adjusted EBITDA) amounted to SEK -680.1 million (-703.3) for the quarter, corresponding to 19.5% (18.0) of net sales, and to SEK 1,262.8 million (1,326.2) for the first half of the year, corresponding to 20.7% (18.9) of net sales.

Previously announced cost cuts equivalent to SEK 150–200 million, which will partially affect SG&A, proceeded according to plan. In total, SG&A was negatively impacted by a negative currency effect of SEK 19.5 million during the quarter, approximately half of which affected salary-related costs. Investments in the Value Home and Home Improvement platforms amounted to approximately SEK 9 million for the quarter. Adjusted for effects from currency and platform investments, salary-related costs decreased by approximately SEK 15 million for the quarter year-over-year, although the implemented cost cuts have not yet had their full impact and despite inflation-driven cost increases primarily of salaries and rents.

The reduction in SG&A for the quarter compared with the previous year is primarily attributable to lower costs for online marketing. These lower costs are in turn attributable to the following factors: 1) marketing strategies developed by the Group's central team are beginning to have an impact on companies acquired in recent years; 2) effects from investments in the customer data platform; and 3) a continuation in the trend we have seen of declining costs for traffic generation measured as Cost Per Click (CPC).

Given the uncertainty regarding future demand, we are continuing to identify additional cost-saving measures.

Earnings

The Group's adjusted EBIT amounted to SEK 98.4 million (162.2) for the quarter and SEK 29.5 million (296.4) for the first half of the year, corresponding to an adjusted EBIT margin of 2.8% (4.2) and 0.5% (4.2), respectively. Amortisation of tangible and intangible assets amounted to SEK 153.4 million (132.1) for the quarter, of which SEK 89.6 million (74.2) pertains to amortisation of lease assets, and SEK 307.9 million (255.7) for the first half of the year, of which SEK 180.4 million (142.6) pertains to amortisation of lease assets.

The Group's operating income amounted to SEK 68.8 million (123.4) for the quarter, corresponding to an operating margin of 2.0% (3.2), and to SEK -31.3 million (221.3) for the first half of the year, corresponding to an operating margin of -0.5% (3.2).

Items affecting comparability amounted to SEK -4.3 million (-13.7) for the quarter and SEK -10.2 million (-24.9) for the first half of the year. These items pertain primarily to costs for incentive programmes as well as revenue received from the government electricity support scheme.

Amortisation and impairment of acquisition-related intangible assets amounted to SEK 25.3 million (25.1) for the quarter and SEK 50.6 million (50.2) 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 beyond what has been mentioned above, or in the corresponding period of the preceding year.

The Group's net financial items amounted to SEK -39.1 million (85.9) for the quarter and pertained to interest expenses amounting to SEK -45.0 million (-20.9) for the quarter, of which SEK -6.3 million (-5.1) 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 -85.5 million (116.5), which included reassessed earn-outs of SEK +2.5 million. Interest expenses amounted to SEK -84.4 million (-38.0), of which SEK -13.1 million (-9.9) pertained to lease liabilities in accordance with IFRS 16.

The Group's profit before tax was SEK 29.7 million (209.3) for the quarter and SEK -116.8 million (337.8) for the first half of the year. Net income totalled SEK 23.1 million (193.5) for the quarter and SEK -92.9 million (304.7) for the first half of the year. The effective tax rate was -22.3% (-7.6) for the quarter, corresponding to SEK -6.6 million (-15.8), and -20.5% (-9.8) for the first half of the year, corresponding to SEK 23.9 million (-33.1).

Currency effects

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

Exchange-rate fluctuations had some positive impact on operating income for the quarter.

Cash flow and financial position

Cash flow from operating activities was SEK 766.8 million (-161.8) for the quarter and SEK 977.6 million (-40.1) for the first half of the year, primarily driven by a positive effect from changes in working capital. The trend in working capital is in turn primarily a result of decreasing inventory levels in the period, but was also driven by the Group's utilisation of a temporary respite for the payment of employer's contributions, deducted tax and VAT.

Cash conversion (cash flow from operating activities in relation to adjusted EBITDA) was 319.2% (-54.7) for the quarter and 343.0% (5.7) for the first half of the year.

The Group's cash flow to investing activities amounted to SEK -195.5 million (-205.1) for the quarter and SEK -234.3 million (-313.4) for the first half of the year. During the period, this was mainly attributable to disbursements for contingent considerations related to acquisitions in previous periods as well as IT investments related to technology platforms.

Cash flow to and from financing activities amounted to SEK -133.1 million (389.2) for the quarter and SEK -180.4 million (597.4) for the first half of the year, and was primarily attributable 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 1,050.3 million (477.6).

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 968.8 million at the end of the period, compared with SEK 1,543.4 million at the beginning of the year, corresponding to net debt in relation to LTM adjusted EBITDA of 4.10x, which is outside the range of the Group's medium-term capital structure target.

Work to improve profitability and cash flow continues with the aim to return to the profitability and cash flow that BHG delivered in the years before the pandemic, as a first step.

The Group's unutilised credit facilities amounted to SEK 1,300.0 million at the end of the period, compared with SEK 1,300.0 million at the beginning of the year.

FINANCIAL TARGETS

Net sales

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

Profitability

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

Capital structure

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

Dividend policy

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

bhg.
GROUP

a selection of
our brands

MyRANGECOOKER.se
GULV&FLISE EKSPERTEN
LED-VALOT.FI
BADSHOP.se
vvskupp.no
hemochbastu.se
Duab
taloon.com
tvexperten.com
EGRILLEN.SE
vitvaruexperten.com
golvshop.se
MASKINklippet.se
En riktig maskinaffär på nätet
RINKKA
MyOUTDOORKITCHEN.se
Vinkylen.se
DOGGER
LINDSTRÖMS
Badrum, kakel, golv
NETRAUTA.FI
PAISTA
BYGGSHOP.se
Hemmy.se
NORO
frishop.dk
bygghemma.se
westerbergs
OUTL1
Hafa
Nordiska Fönster
golvpoolen
BAD KAKEL GOLV
POLARPUMPEN
HYLTE
HUNTING & OUTDOOR
bathlife

Chilli.se
berry
trademax.se
LOUNGEDREAMS.COM
My Home
MÖBLER
LampGallerian
KODIN 1
FURNITURE1 EU
FURNITUREBOX
hemfint.se
GARTENMOEBEL.DE

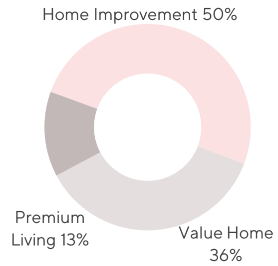
NORDIC NEST
Svenssons
i Lammhult
Sleepo

Home Improvement

"Despite continued weak demand during the second quarter, the Home Improvement segment successfully delivered an inventory reduction above our target as well as a higher product margin than last year. Demand continues to be better for products with low price points, but remains weak for products driven by extensive renovations and new construction. We are continuing the process of consolidating our operations to a smaller number of larger platforms and developing our offering in order to be in an even stronger position in the future," says Mikael Hagman, Deputy CEO and Head of the Home Improvement segment.

- Net sales decreased -13.6% to SEK 1,766.1 million (2,045.1) for the quarter and -17.4% to SEK 2,963.4 million (3,588.4) for the first half of the year. Demand was especially weak in the Swedish market. Capital-intensive categories such as bathrooms, windows and doors delivered the relatively weakest performance.
- Organic growth was -12.7% and -16.7% for the first half of the year, while pro-forma organic growth was -12.7% and -16.6% for the first half of the year.
- The adjusted gross margin amounted to 21.4% (21.1) for the quarter and 21.0% (21.8) for the first half of the year.
- Adjusted EBIT amounted to SEK 58.6 million (89.7) for the quarter and SEK 14.1 million (143.1) for the first half of the year, corresponding to an adjusted EBIT margin of 3.3% (4.4) and 0.5% (4.0), respectively. The EBIT margin was positively impacted by a stronger gross margin due to favourable mix effects and higher shipping revenue from customers, but was hampered by a loss of sales since fixed costs have not yet been adapted to the current demand situation.

Net sales by segment, Apr-Jun 2023



SEKm (if not otherwise stated)	Apr-Jun 2023	Apr-Jun 2022	Δ%	Jan-Jun 2023	Jan-Jun 2022	Δ%	Jan-Dec 2022
Net sales	1,766.1	2,045.1	-13.6	2,963.4	3,588.4	-17.4	6,856.3
Gross profit	377.1	431.8	-12.7	623.4	781.9	-20.3	1,387.0
Gross margin (%)	21.4	21.1	0.2 p.p.	21.0	21.8	-0.8 p.p.	20.2
Adjusted gross profit	377.1	431.8	-12.7	623.4	781.9	-20.3	1,521.0
Adjusted gross margin (%)	21.4	21.1	0.2 p.p.	21.0	21.8	-0.8 p.p.	22.2
Adjusted EBITDA	103.2	128.5	-19.7	103.7	216.6	-52.1	434.1
Adjusted EBITDA margin (%)	5.8	6.3	-0.4 p.p.	3.5	6.0	-2.5 p.p.	6.3
Adjusted EBIT	58.6	89.7	-34.7	14.1	143.1	-90.1	276.1
Adjusted EBIT margin (%)	3.3	4.4	-1.1 p.p.	0.5	4.0	-3.5 p.p.	4.0
Items affecting comparability	-1.6	-		-1.9	-2.1	-7.3	-148.3
Operating income	42.7	75.4	-43.4	-16.5	112.3	-114.7	67.1
Operating margin (%)	2.4	3.7	-1.3 p.p.	-0.6	3.1	-3.7 p.p.	1.0
Net profit for the period	5.4	130.1	-95.9	-61.4	201.7	-130.4	133.3
Visits (thousands)	31,264	34,776	-10.1	56,377	68,621	-17.8	128,523
Orders (thousands)	614	600	2.3	1,045	1,119	-6.7	2,256
Conversion rate (%)	2.0	1.7	0.2 p.p.	1.9	1.6	0.2 p.p.	1.8
Average order value (SEK)	2,878	3,321	-13.4	2,858	3,303	-13.5	3,020

COMMENTS ON THE HOME IMPROVEMENT SEGMENT

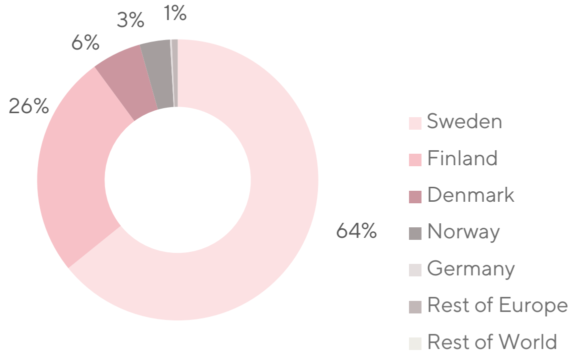
The Home Improvement segment accounted for 50% of the Group's total net sales for the quarter and 48% for the first half of the year. Home Improvement operates almost exclusively in the Nordic market, and it is mainly based on a drop shipping model with a low level of tied-up capital, with a broad product range and price matching. Sweden is its largest market, making up approximately two thirds of the segment's sales in the second quarter.

The leading brand in the segment is Bygghemma. Other brands in the segment include Netrauta, Hylte Jakt & Lantman, Hafa, Polarpumpen, Golvpoolen, Vitvaruexperten and Nordiska Fönster

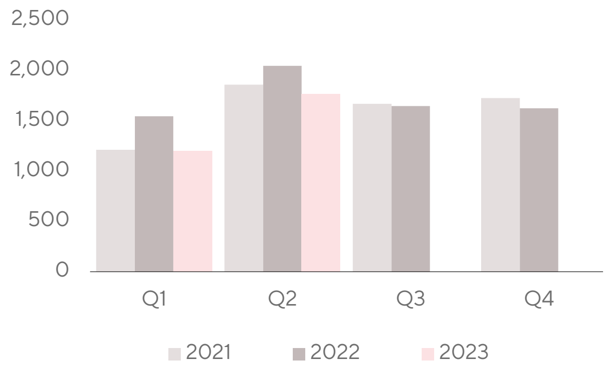
The focus is on:

- Grouping the segment's operations around a smaller number of business units with shared technology platforms, warehouses and organisation in order to maintain a competitive cost structure. We are currently investing in Bygghemma's technology platform in order to enable future consolidations and to improve the customer experience.
- Continuing to reduce inventory levels and making fulfilment more efficient in order to free up cash flow and adjust purchase volumes going forward as well as adjusting fixed costs in order to adapt the operation to weaker demand for some time to come.
- Fully leveraging the product range through all relevant sales channels, an initiative supported by the Group's proprietary system for exchanging product information, and continuing to drive geographic expansion for the operations with strong positions in their home markets.

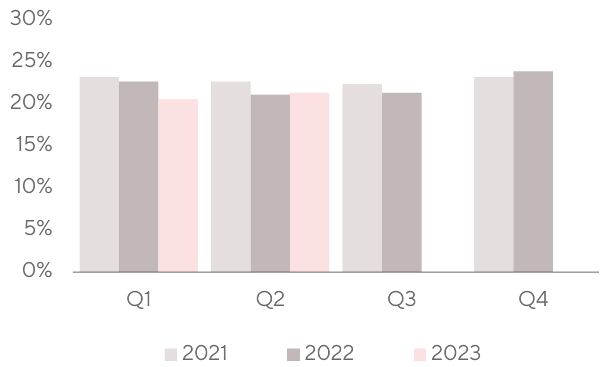
Distribution of net sales by country (%), Apr-Jun 2023



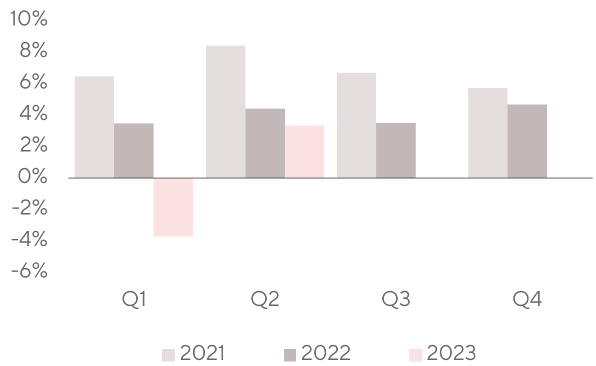
Net sales (SEKm)



Adjusted gross margin (%)



Adjusted EBIT margin (%)

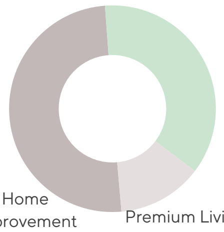


Value Home

"We saw some improvement in demand in Value Home during the second quarter. The dry and sunny spring had a positive impact on sales of outdoor furniture and leisure products, while sales of indoor products decreased. Our assessment is that we gained market share during the quarter, and that we are now somewhat ahead of schedule in our inventory reduction thanks to stronger sales. We will continue to focus on reducing costs, inventory and complexity, while simultaneously initiating sales in new channels and markets," says Christian Eriksson, Head of Value Home.

- Net sales decreased -10.7% to SEK 1,281.2 million (1,435.0) for the quarter and -12.1% to SEK 2,224.4 million (2,530.9) for the first half of the year. The Nordic market has been especially challenging.
- The segment's organic growth was -10.6% for the quarter and -11.1% for the first half of the year, while pro-forma organic growth was -11.4% for the quarter and -12.5% for the first half of the year.
- The adjusted gross margin amounted to 31.7% (30.0) for the quarter and 30.8% (31.3) for the first half of the year.
- Adjusted EBIT amounted to SEK 50.5 million (62.3) for the quarter and SEK 31.4 million (122.2) for the first half of the year, corresponding to an adjusted EBIT margin of 3.9% (4.3) and 1.4% (4.8), respectively. The EBIT margin was strengthened by an improved gross margin which was primarily due to a higher product margin as well as the impact of our savings initiatives for fulfilment costs, but it was weakened by fixed costs that have not yet been adapted to the current demand situation.

Net sales by segment, Apr-Jun 2023



	Apr-Jun			Jan-Jun			Jan-Dec
SEKm (if not otherwise stated)	2023	2022	Δ%	2023	2022	Δ%	2022
Net sales	1,281.2	1,435.0	-10.7	2,224.4	2,530.9	-12.1	4,558.7
Gross profit	406.2	430.4	-5.6	685.1	791.9	-13.5	1,113.4
Gross margin (%)	31.7	30.0	1.7 p.p.	30.8	31.3	-0.5 p.p.	24.4
Adjusted gross profit	406.2	430.4	-5.6	685.1	791.9	-13.5	1,355.1
Adjusted gross margin (%)	31.7	30.0	1.7 p.p.	30.8	31.3	-0.5 p.p.	29.7
Adjusted EBITDA	116.8	121.2	-3.6	164.8	235.6	-30.0	317.0
Adjusted EBITDA margin (%)	9.1	8.4	0.7 p.p.	7.4	9.3	-1.9 p.p.	7.0
Adjusted EBIT	50.5	62.3	-19.0	31.4	122.2	-74.3	76.0
Adjusted EBIT margin (%)	3.9	4.3	-0.4 p.p.	1.4	4.8	-3.4 p.p.	1.7
Items affecting comparability	1.8	-1.4	n/a	1.8	-1.4	n/a	-250.1
Operating income	47.0	55.8	-15.8	22.8	110.7	-79.4	-199.8
Operating margin (%)	3.7	3.9	-0.2 p.p.	1.0	4.4	-3.3 p.p.	-4.4
Net profit for the period	21.7	69.2	-68.7	-13.3	160.9	-108.2	-46.7
Visits (thousands)	32,028	42,508	-24.7	66,609	90,460	-26.4	155,953
Orders (thousands)	286	316	-9.6	516	607	-15.1	1,163
Conversion rate (%)	0.9	0.7	0.1 p.p.	0.8	0.7	0.1 p.p.	0.7
Average order value (SEK)	4,410	4,219	4.5	4,213	3,965	6.3	3,779

COMMENTS ON THE VALUE HOME SEGMENT

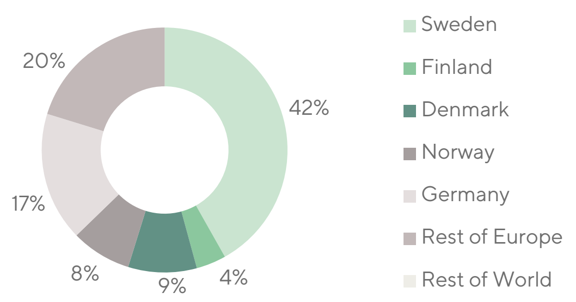
Net sales in the Value Home segment accounted for 36% of the Group's total net sales for the quarter and 36% for the first half of the year. Sales to customers from countries outside the Nordic region accounted for 37% of sales for the segment during the second quarter.

Value Home operates primarily in the Nordic, Eastern European and German markets. It is a value-driven model that focuses on offering competitive prices, enabled by private label products. Trademax is the leading brand in the Value Home segment. Other brands include Furniture1, Chilli.se, Furniturebox, MyHome, Lampgallerian and Hemfint.

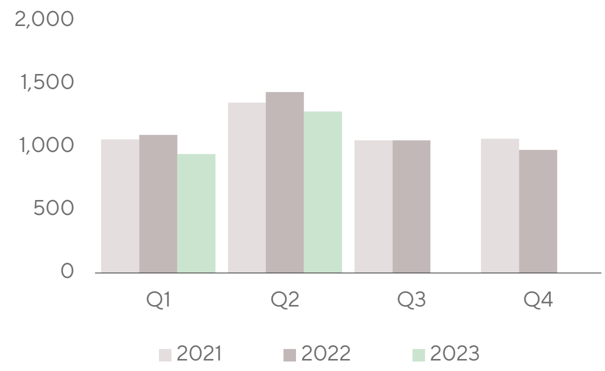
The focus continues to be on:

- Reducing inventory levels and making fulfilment more efficient in order to free up cash flow, and optimising the cost base by maximising product assortment exchange among relevant BHG units and adjusting purchase volumes going forward.
- Upgrading technology platforms to provide an improved customer experience on the website as well as reducing ongoing development costs. We invested mainly in the Trademax platform during the quarter.
- Grouping the segment's operations around a smaller number of business units when it comes to technology platforms, warehouses and organisation in order to maintain a competitive cost structure.

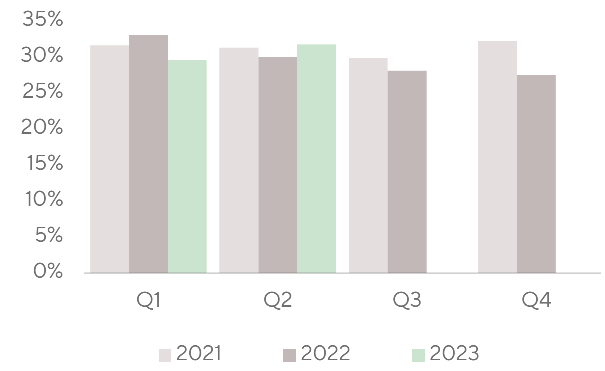
Distribution of net sales by country (%), Apr-Jun 2023



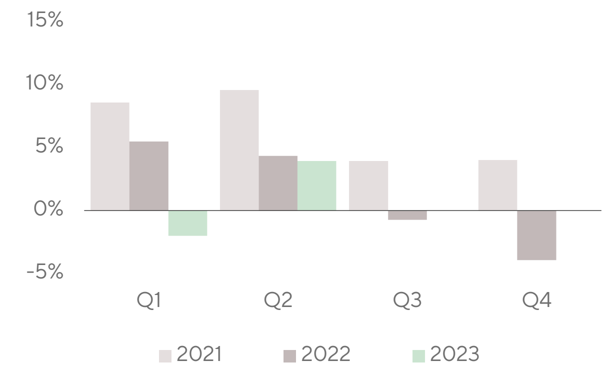
Net sales (SEKm)



Adjusted gross margin (%)



Adjusted EBIT margin (%)

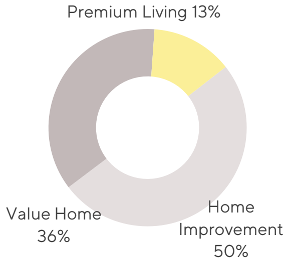


Premium Living

"The sales performance for the second quarter was stronger than for the first and on a par with the previous year's order intake for the period. Markets outside the Nordic region continue to perform the best, displaying growth in all European markets and with Germany and the UK showing the strongest growth. One of the categories that performed the best during the quarter is outdoor furniture, which got off to a slow start for the season. Several measures were taken during the quarter to reduce variable costs. A reduction in marketing costs in all of our markets had the most rapid effect. Finally, we can announce that our international expansion is continuing at full speed: new websites were launched in Italy, Greece, Portugal and China during the quarter. It's gratifying to see that so many customers have already found their way to us," concludes Bank Bergström, Head of the Premium Living segment.

- Net sales decreased -3.7% to SEK 468.5 million (486.5) for the quarter and -5.3% to SEK 966.5 million (1,020.2) for the first half of the year. Markets outside the Nordic region showed strong growth of 21.8% during the quarter.
- Organic growth was -3.7% for the quarter and -5.3% for the first half of the year, while pro-forma organic growth was -3.7% for the quarter and -5.3% for the first half of the year.
- The adjusted gross margin amounted to 25.0% (23.7) for the quarter and 24.3% (24.2) for the first half of the year.
- Adjusted EBIT amounted to SEK 9.2 million (25.2) for the quarter and SEK 21.1 million (58.5) for the first half of the year, corresponding to an adjusted EBIT margin of 2.0% (5.2) and 2.2% (5.7), respectively. Profitability was hampered primarily by fixed costs that have not been fully adjusted to lower sales. This was partly offset by an improved gross margin, which was primarily driven by an improved product margin and lower fulfilment costs as an effect of the previously implemented warehouse automation.

Net sales by segment, Apr-Jun 2023



	Apr-Jun			Jan-Jun			Jan-Dec
SEKm (if not otherwise stated)	2023	2022	Δ%	2023	2022	Δ%	2022
Net sales	468.5	486.5	-3.7	966.5	1,020.2	-5.3	2,172.1
Gross profit	116.9	115.2	1.5	235.0	246.6	-4.7	487.8
Gross margin (%)	25.0	23.7	1.3 p.p.	24.3	24.2	0.1 p.p.	22.5
Adjusted gross profit	116.9	115.2	1.5	235.0	246.6	-4.7	499.4
Adjusted gross margin (%)	25.0	23.7	1.3 p.p.	24.3	24.2	0.1 p.p.	23.0
Adjusted EBITDA	25.0	34.0	-26.5	53.2	76.0	-30.0	119.4
Adjusted EBITDA margin (%)	5.3	7.0	-1.7 p.p.	5.5	7.4	-1.9 p.p.	5.5
Adjusted EBIT	9.2	25.2	-63.6	21.1	58.5	-64.0	81.2
Adjusted EBITmargin (%)	2.0	5.2	-3.2 p.p.	2.2	5.7	-3.6 p.p.	3.7
Items affecting comparability	0.6	-		0.6	-		-19.6
Operating income	4.0	19.4	-79.3	10.2	47.1	-78.3	38.7
Operating margin (%)	0.9	4.0	-3.1 p.p.	1.1	4.6	-3.6 p.p.	1.8
Net profit for the period	2.0	14.1	-86.0	3.0	36.0	-91.7	25.4
Visits (thousands)	16,663	14,714	13.2	39,208	32,236	21.6	79,748
Orders (thousands)	321	350	-8.4	675	753	-10.3	1,752
Conversion rate (%)	1.9	2.4	-0.5 p.p.	1.7	2.3	-0.6 p.p.	2.2
Average order value (SEK)	1,647	1,396	18.0	1,533	1,384	10.7	1,354

COMMENTS ON THE PREMIUM LIVING SEGMENT

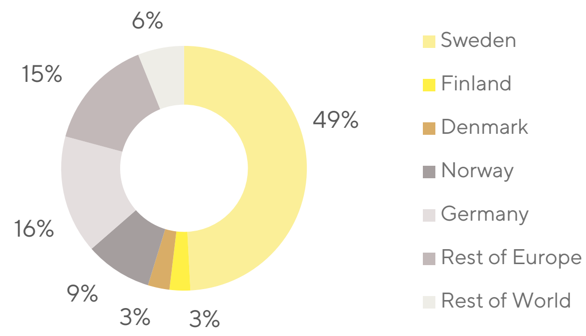
Net sales in the Premium Living segment accounted for 13% of the Group's total net sales for the quarter and 16% for the first half of the year.

Premium Living has a premium position that is primarily based on wholesale which internationalise Scandinavian design in a scalable way. From having almost exclusively focused on the Nordic markets until 2018, the segment has since successfully established a rapidly growing presence in continental Europe. Sales to customers from countries outside the Nordic region accounted for nearly 40% of sales for the segment during the first quarter. The leading brand in the segment is Nordic Nest, including Svenssons i Lammhult.

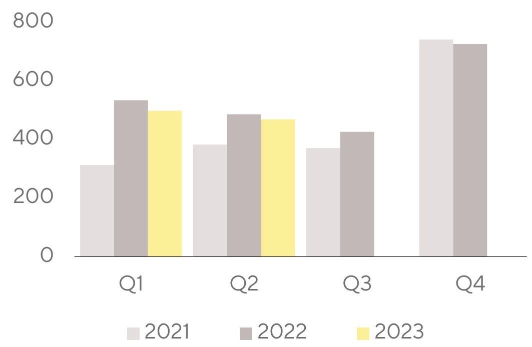
The focus continues to be on:

- Driving geographic growth for Nordic Nest
- Continuing efficiency work. Nordic Nest's warehouse automation solution, which was successfully deployed during the fourth quarter of 2022, is having an impact on the handling cost per order and the work continues.

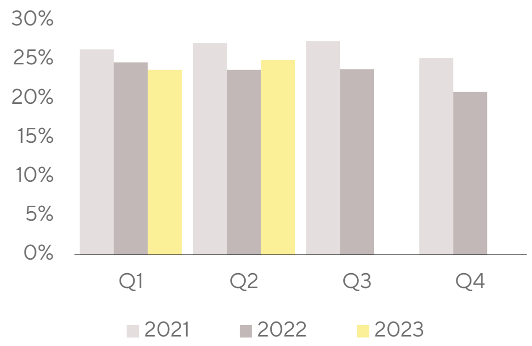
Distribution of net sales by country (%), Apr-Jun 2023



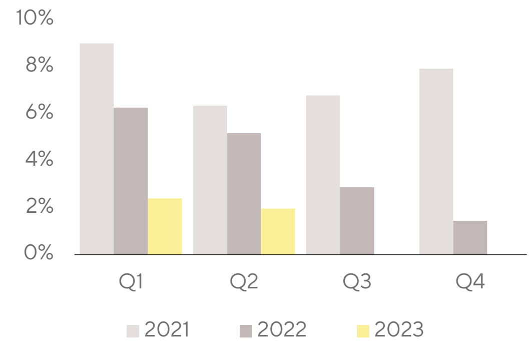
Net sales (SEKm)



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 18.7. On the last day of trading in the period, the share price was SEK 15.0. The highest price paid, quoted in January, was SEK 23.0, and the lowest price paid, quoted in April, was SEK 8.2.

During the period, 180,628,982 BHG shares were traded, equivalent to a turnover rate of 101%.

As of 30 June, BHG had approximately 13,600 shareholders, of which the largest were EQT (25.2%), Ferd AS (17.8%), Norges Bank (3.4%), Vitruvian Partners (3.4%) and Mikael Olander (3.0%).

As of 30 June 2023, 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 2.1 million (2.0) for the quarter and SEK 4.0 million (3.8) for the first half of the year. The Parent Company posted an operating loss of SEK -20.4 million (-25.4) for the quarter and SEK -37.8 million (-45.0) for the first half of the year. Outstanding incentive programmes were charged to Parent Company earnings for the quarter in an amount of SEK 0.0 million (-0.8). The Parent Company's cash and cash equivalents totalled SEK 2.2 million at the end of the reporting period, compared with SEK 8.9 million at the beginning of the year.

Malmö, 20 July 2023

Christian Bubenheim
Chairman

Kristian Eikre
Board member

Joanna Hummel
Board member

Vesa Koskinen
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 20 July 2023.

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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, 20 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-q2-2023. 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=200863. 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
The full quarterly report for the period January-June 2023 and previous quarterly and year-end reports are available at https://www.wearebhg.com/investors/financial-reports/

FINANCIAL CALENDAR

26 October 2023	Interim report January-September 2023
26 January 2024	Year-end report January-December 2023

Condensed consolidated income statement

	Apr-Jun		Jan-Jun		Jan-Dec
SEKm	2023	2022	2023	2022	2022
Net sales	3,482.1	3,908.5	6,099.6	7,019.1	13,433.6
Other operating income	8.8	0.1	10.3	15.7	17.1
Total net sales	**3,490.9**	**3,908.6**	**6,109.8**	**7,034.7**	**13,450.7**
Cost of goods sold	-2,584.0	-2,932.9	-4,560.2	-5,201.8	-10,452.5
Personnel costs	-285.6	-292.5	-565.1	-570.9	-1,142.3
Other external costs and operating expenses	-397.9	-424.5	-706.8	-778.3	-1,480.4
Other operating expenses	-1.0	-3.2	-1.1	-6.7	-10.8
Depreciation and amortisation of tangible and intangible fixed assets	-153.4	-132.1	-307.9	-255.7	-548.5
Operating income	**68.8**	**123.4**	**-31.3**	**221.3**	**-183.9**
Profit/loss from financial items	-39.1	85.9	-85.5	116.5	165.6
Profit before tax	**29.7**	**209.3**	**-116.8**	**337.8**	**-18.3**
Income tax	-6.6	-15.8	23.9	-33.1	64.1
Profit for the period	**23.1**	**193.5**	**-92.9**	**304.7**	**45.7**
Attributable to:					
Equity holders of the parent	21.8	191.0	-96.1	300.8	34.1
Non-controlling interest	1.3	2.5	3.1	3.9	11.7
Net income for the period	**23.1**	**193.5**	**-92.9**	**304.7**	**45.7**
Earnings per share before dilution, SEK	0.12	1.44	-0.54	2.34	0.25
Earnings per share after dilution, SEK	0.12	1.43	-0.54	2.33	0.25

* 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 5,500,660 (3,847,532) warrants and share awards under the share saving programme outstanding, of which 0 (118,563) had a dilution effect during the second quarter and 0 (468,861) had a dilution effect during the first half of the year.

Condensed consolidated statement of comprehensive income

	Apr-Jun		Jan-Jun		Jan-Dec
SEKm	2023	2022	2023	2022	2022
Profit for the period	23.1	193.5	-92.9	304.7	45.7
Other comprehensive income					
Items that subsequently could be reclassified to profit or loss					
Translation differences for the period	59.9	33.3	66.1	52.1	106.4
Other comprehensive income for the period	**59.9**	**33.3**	**66.1**	**52.1**	**106.4**
Total comprehensive income for the period	**83.0**	**226.8**	**-26.9**	**356.8**	**152.1**
Total comprehensive income attributable to:					
Parent Company shareholders	79.0	222.7	-33.5	350.9	136.2
Non-controlling interest	4.0	4.1	6.6	5.9	15.9
Total comprehensive income for the period	**83.0**	**226.8**	**-26.9**	**356.8**	**152.1**
Shares outstanding at period's end	**179,233,563**	**140,209,173**	**179,233,563**	**140,209,173**	**179,233,563**
Average number of shares					
Before dilution	179,233,563	133,003,264	179,233,563	128,434,877	136,793,019
After dilution	179,233,563	133,121,827	179,233,563	128,903,738	139,979,303

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

Condensed consolidated statement of financial position

	30 Jun		31 Dec
SEKm	2023	2022	2022
Non-current assets			
Goodwill	6,540.1	6,415.4	6,480.9
Other intangible fixed assets	2,876.7	2,909.7	2,879.2
Total intangible fixed assets	**9,416.8**	**9,325.1**	**9,360.1**
Buildings and land	21.1	22.0	21.5
Leased fixed assets	913.0	940.3	902.2
Tangible fixed assets	146.1	139.9	156.0
Financial fixed assets	15.7	13.3	15.1
Deferred tax asset	116.5	25.5	102.5
Total fixed assets	**10,629.1**	**10,466.1**	**10,557.5**
Current assets			
Inventories	1,973.8	3,176.9	2,482.9
Current receivables	788.4	622.7	763.4
Cash and cash equivalents	1,050.3	519.9	477.6
Total current assets	**3,812.5**	**4,319.6**	**3,723.9**
Total assets	**14,441.5**	**14,785.7**	**14,281.4**
Equity			
Equity attributable to owners of the parent	7,539.4	6,621.9	7,613.8
Non-controlling interest	62.6	50.2	56.0
Total equity	**7,602.0**	**6,672.2**	**7,669.8**
Non-current liabilities			
Deferred tax liability	599.9	632.2	605.2
Other provisions	22.3	31.1	22.1
Non-current interest-bearing liabilites to credit institutions	2,002.4	2,317.0	2,009.3
Non-current lease liabilities	572.0	617.9	566.3
Non-current acquistion related interest-bearing liabilities	834.1	1,363.1	816.7
Total non-current liabilities	**4,030.7**	**4,961.4**	**4,019.5**
Current liabilities			
Current lease liabilities	322.8	302.7	311.4
Current acquistion related interest-bearing liabilities	346.5	423.8	437.5
Other current liabilities	2,139.5	2,425.6	1,843.1
Total current liabilities	**2,808.8**	**3,152.1**	**2,592.0**
Total equity and liabilities	**14,441.5**	**14,785.7**	**14,281.4**

Condensed consolidated statement of cash flows

	Apr-Jun		Jan-Jun		Jan-Dec
SEKm	2023	2022	2023	2022	2022
EBITDA	221.4	255.5	275.5	476.7	369.2
Adjustments for items not included in cash flow	-120.9	15.0	-102.1	-2.8	369.2
Income tax paid	-0.9	-64.2	-86.9	-167.4	-216.2
Cash flow from operating activities before changes in working capital	**99.6**	**206.2**	**86.5**	**306.5**	**522.2**
Changes in working capital	667.2	-368.0	891.1	-346.6	-627.9
Cash flow from operating activites	**766.8**	**-161.8**	**977.6**	**-40.1**	**-105.6**
Investments in operations	-160.5	-156.6	-163.8	-210.9	-257.7
Redemption of loan to seller upon acquisition of operations	-	-	-	-6.9	-6.9
Investments in other non-current assets	-47.2	-49.6	-84.5	-98.5	-198.6
Divestment of operations	6.7	-	6.7	0.6	0.6
Divestment of other tangible fixed assets	1.7	0.2	2.2	0.9	2.0
Received interest	3.9	0.9	5.2	1.4	5.8
Cash flow to/from investing activities	**-195.5**	**-205.1**	**-234.3**	**-313.4**	**-454.9**
New share issue	-	989.4	80.7	989.4	1,693.8
Loans taken	-	-	-	300.0	800.0
Amortisation of loans	-88.2	-576.2	-177.1	-650.5	-1,619.7
Issue of warrants	2.3	-	5.2	0.1	1.0
Interest paid	-47.2	-21.9	-89.2	-39.5	-99.5
Dividends to non-controlling interests	-	-2.1	-	-2.1	-10.5
Cash flow to/from financing activities	**-133.1**	**389.2**	**-180.4**	**597.4**	**765.1**
Cash flow for the period	**438.2**	**22.3**	**562.9**	**243.9**	**204.6**
Cash and cash equivalents at the beginning of the period	**590.5**	**504.4**	**477.6**	**273.5**	**273.5**
Translation differences in cash and cash equivalents	21.6	-6.8	9.7	2.5	-0.5
Cash and cash equivalents at the end of the period	**1,050.3**	**519.9**	**1,050.3**	**519.9**	**477.6**

Condensed consolidated statement of changes in equity

	30 Jun		31 Dec
SEKm	2023	2022	2022
Opening balance	**7,669.8**	**5,256.3**	**5,256.3**
Comprehensive income for the period	-26.9	356.8	152.1
New share issue to non-controlling interests*	-	-	22.5
New share issues**	-0.7	989.4	1,775.2
Issue of warrants	7.6	4.3	8.5
Dividends to non-controlling interests	-	-2.1	-12.6
Remeasurement of liabilities to non-controlling interests	-47.8	67.4	467.8
Closing balance	**7,602.0**	**6,672.2**	**7,669.8**

* In connection with the acquisition of Hemmy AB, the subsidiary VVEX Group AB issued shares to the seller as part of the purchase consideration.

** The proceeds from the new issue for 2022 are recognised net after a deduction for transaction costs of SEK 31.2 million for the full year and a tax effect of SEK -6.4 million. The new issues in the fourth quarter of 2022 were carried out in two stages: a first issue of 39,024,390 shares on 6 December 2022 and a second issue of 3,972,097 shares on 30 December 2022 after a resolution by the Extraordinary General Meeting. 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 2022 Annual Report. The Group received support in accordance with the Ordinance on Electricity Support for Businesses (2023:223) during the quarter. The support is recognised as Other operating income.

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 32-40 of this report.

The interim information on pages 1-17 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

	Apr-Jun		Jan-Jun		Jan-Dec
SEKm	2023	2022	2023	2022	2022
Net sales					
Home Improvement	1,766.1	2,045.1	2,963.4	3,588.4	6,856.3
Value Home	1,281.2	1,435.0	2,224.4	2,530.9	4,558.7
Premium Living	468.5	486.5	966.5	1,020.2	2,172.1
Total net sales	**3,515.8**	**3,966.6**	**6,154.3**	**7,139.5**	**13,587.2**
Other*	9.6	7.8	18.1	14.5	30.4
Eliminations	-43.4	-65.9	-72.8	-134.9	-183.9
Group consolidated total	**3,482.1**	**3,908.5**	**6,099.6**	**7,019.1**	**13,433.6**
Revenue from other segments					
Home Improvement	2.0	2.8	4.2	4.0	9.4
Value Home	31.8	55.3	50.5	116.5	144.1
Premium Living	0.0	-	0.0	-	-
Other*	9.6	7.8	18.1	14.5	30.4
Total	**43.4**	**65.9**	**72.8**	**134.9**	**183.9**

	Apr-Jun		Jan-Jun		Jan-Dec
SEKm	2023	2022	2023	2022	2022
Operating income and profit before tax					
Home Improvement	42.7	75.4	-16.5	112.3	67.1
Value Home	47.0	55.8	22.8	110.7	-199.8
Premium Living	4.0	19.4	10.2	47.1	38.7
Total operating income	**93.7**	**150.7**	**16.5**	**270.1**	**-93.9**
Other*	-24.9	-27.3	-47.8	-48.8	-89.9
Group consolidated operating income	**68.8**	**123.4**	**-31.3**	**221.3**	**-183.9**
Financial net	-39.1	85.9	-85.5	116.5	165.6
Group consolidated profit before tax	**29.7**	**209.3**	**-116.8**	**337.8**	**-18.3**

* 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 2023									
SEKm	Home Improve-ment	%	Value Home	%	Premium living	%	Other	Elim-ination	Group	%
Sweden	1,133.7	64.2%	536.0	41.8%	230.4	49.2%	9.6	-41.9	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%
Net sales	**1,766.1**	**100%**	**1,281.2**	**100%**	**468.5**	**100%**	**9.6**	**-43.4**	**3,482.1**	**100%**

SEKm	Apr-Jun 2022 Home Improve-ment	%	Value Home	%	Premium living	%	Other	Elim-ination	Group	%
Sweden	1,360.4	66.5%	666.5	46.4%	269.1	55.3%	7.8	-64.0	2,239.8	57.3%
Finland	488.2	23.9%	38.4	2.7%	10.1	2.1%	-	-0.0	536.7	13.7%
Denmark	106.3	5.2%	130.4	9.1%	11.4	2.3%	-	-	248.1	6.3%
Norway	72.8	3.6%	81.5	5.7%	55.7	11.5%	-	-	210.0	5.4%
Germany	5.3	0.3%	260.2	18.1%	63.0	12.9%	-	-	328.5	8.4%
Rest of Europe	11.9	0.6%	258.1	18.0%	51.4	10.6%	-	-1.9	319.5	8.2%
Rest of World	-	-	-	-	25.8	5.3%	-	-	25.8	0.7%
Net sales	**2,045.1**	**100%**	**1,435.0**	**100%**	**486.5**	**100%**	**7.8**	**-65.9**	**3,908.5**	**100%**

SEKm	Jan-Jun 2023 Home Improve-ment	%	Value Home	%	Premium living	%	Other	Elim-ination	Group	%
Sweden	1,937.3	65.4%	847.3	38.1%	457.5	47.3%	18.1	-69.8	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%
Net sales	**2,963.4**	**100%**	**2,224.4**	**100%**	**966.5**	**100%**	**18.1**	**-72.8**	**6,099.6**	**100%**

SEKm	Jan-Jun 2022 Home Improve-ment	%	Value Home	%	Premium living	%	Other	Elim-ination	Group	%
Sweden	2,430.9	67.7%	1,148.5	45.4%	542.4	53.2%	14.5	-131.2	4,005.0	57.1%
Finland	802.3	22.4%	74.0	2.9%	22.6	2.2%	-	-0.0	898.9	12.8%
Denmark	178.7	5.0%	271.6	10.7%	23.6	2.3%	-	-	473.8	6.8%
Norway	142.4	4.0%	143.7	5.7%	115.3	11.3%	-	-	401.4	5.7%
Germany	10.5	0.3%	389.3	15.4%	142.6	14.0%	-	-	542.4	7.7%
Rest of Europe	23.6	0.7%	503.8	19.9%	112.9	11.1%	-	-3.7	636.6	9.1%
Rest of World	-	-	-	-	60.9	6.0%	-	-	60.9	0.9%
Net sales	**3,588.4**	**100%**	**2,530.9**	**100%**	**1,020.2**	**100%**	**14.5**	**-134.9**	**7,019.1**	**100%**

SEKm	Full-year 2022 Home Improve-ment	%	Value Home	%	Premium living	%	Other	Elim-ination	Group	%
Sweden	4,624.1	67.4%	1,760.4	38.6%	1,080.1	49.7%	30.4	-176.6	7,318.4	54.5%
Finland	1,580.9	23.1%	222.9	4.9%	50.6	2.3%	-	-0.6	1,853.9	13.8%
Denmark	311.3	4.5%	520.9	11.4%	49.7	2.3%	-	-	881.8	6.6%
Norway	281.9	4.1%	428.1	9.4%	270.5	12.5%	-	-	980.5	7.3%
Germany	16.8	0.2%	538.2	11.8%	337.3	15.5%	-	-0.6	891.6	6.6%
Rest of Europe	41.3	0.6%	1,088.1	23.9%	261.5	12.0%	-	-6.2	1,384.7	10.3%
Rest of World	-	-	-	-	122.6	5.6%	-	-	122.6	0.9%
Net sales	**6,856.3**	**100%**	**4,558.7**	**100%**	**2,172.1**	**100%**	**30.4**	**-183.9**	**13,433.6**	**100%**

NOTE 4 DISCLOSURES ON ACQUISITIONS

SEKm	2023					
	Net identifiable assets and liabilities	Goodwill	Purchase price	Cash and cash equivalents	Contingent/ deferred purchase price, vendor loans	Net cash flow
Contingent consideration						
Additional purchase price, Navitek Oy	-	-	**-**	-	-	**-3.2**
Additional purchase price, Hyma Skog & Trädgård AB	-	-	**-**	-	-	**-134.0**
Additional purchase price, Lindström & Sondén AB	-	-	**-**	-	-	**-11.8**
Additional purchase price, E. Svenssons i Lammhult AB	-	-	**-**	-	-	**-13.1**
Additional purchase price, Nordiska Fönster i Ängelholm AB	-	-	**-**	-	-	**-1.5**
	-	**-**	**-**	**-**	**-**	**-163.7**

NOTE 5 FAIR VALUE

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

Acquisition-related interest-bearing liabilities

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

	30 Jun		31 Dec
SEKm	2023	2022	2022
Reported value on the opening date	**1,254.2**	**2,121.7**	**2,121.7**
Recognition in profit or loss	7.1	-162.3	-271.6
Recognised in equity	83.0	-38.3	-414.9
Utilised amount	-163.7	-175.1	-222.0
Acquisition value at cost	-	40.9	41.0
Reported value on the closing date	**1,180.6**	**1,786.8**	**1,254.2**

Currency forwards

The Group recognises currency forwards at fair value, which as of 30 June 2023 was SEK 1.4 million (1.3), of which SEK 1.4 million (1.3) comprised assets and SEK 0.0 million (0.0) comprised liabilities for the Group. The currency forwards are measured based on a discount comprising the difference between the contracted forward rate and the actual forward rate for a currency forward maturing on the same date. This measurement is included in Level 2 of the valuation hierarchy.

NOTE 6 RELATED-PARTY TRANSACTIONS

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

NOTE 7 RISKS AND UNCERTAINTIES

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

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

For a more detailed description of the risks and uncertainties faced by the Group and the Parent Company, refer to pages 31-32 of the 2022 Annual Report.

Renegotiated loan terms

As stated on page 32 of the 2022 Annual Report, BHG made the assessment that it could not be precluded that profitability could reach a level in 2023 whereby BHG would risk not meeting the terms of the financial covenants in the Group's credit facilities. As of 30 June 2023, the Group had fulfilled the financial covenants in its credit facilities. As previously described on page 2 of this report, on 20 June 2023 BHG reached an agreement with its lenders that means that existing financial covenants concerning the leverage ratio and interest coverage ratio have been replaced by new financial covenants concerning earnings and liquidity during the period from 30 June 2023 through 31 March 2024. During the relief period, the pricing of the loans will be adjusted while BHG will pledge certain tangible assets as collateral.

The total credit facilities amount to SEK 3,300 million divided between a term loan, a revolving credit facility and a bank overdraft facility, of which SEK 2,000 million had been utilised as of 30 June 2023. The current facilities expire in May 2025, with the option for BHG to extend them until May 2026. Other than the above, 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 2022 Annual Report.

Condensed Parent Company income statement

	Apr-Jun		Jan-Jun		Jan-Dec
SEKm	2023	2022	2023	2022	2022
Net sales	2.1	2.0	4.0	3.8	8.3
Total net sales	**2.1**	**2.0**	**4.0**	**3.8**	**8.3**
Personnel cost	-16.7	-13.1	-32.2	-24.6	-56.3
Other external costs	-5.8	-14.2	-9.4	-22.6	-33.1
Other operating expenses	-	-	-	-1.5	-1.5
Depreciation and amortisation of tangible and intangible fixed assets	-0.1	-0.1	-0.1	-0.1	-0.2
Operating income	**-20.4**	**-25.4**	**-37.8**	**-45.0**	**-82.9**
Profit/loss from financial items	-18.7	4.6	-29.0	11.2	5.3
Group contributions	-	-	-	-	83.6
Profit/loss before tax	**-39.1**	**-20.8**	**-66.9**	**-33.8**	**6.0**
Income tax	8.1	4.5	13.8	6.8	-0.3
Profit/loss for the period	**-31.0**	**-16.4**	**-53.1**	**-27.0**	**5.7**

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

	30 Jun		31 Dec
SEKm	2023	2022	2022
Non-current assets			
Other intangible fixed assets	0.6	0.8	0.7
Total intangible fixed assets	**0.6**	**0.8**	**0.7**
Participations in Group companies	3,678.3	3,678.3	3,678.3
Long-term receivables from Group companies	4,805.5	4,455.5	4,805.5
Deferred tax asset	5.8	-	0.1
Total fixed assets	**8,490.2**	**8,134.6**	**8,484.6**
Current assets			
Short-term receivables	20.3	25.0	112.4
Short-term receivables from Group companies	193.6	60.9	145.7
Cash and cash equivalents	2.2	19.2	8.9
Total current assets	**216.0**	**105.2**	**267.1**
Total assets	**8,706.1**	**8,239.8**	**8,751.7**
Equity			
Restricted equity	5.4	4.2	5.4
Unrestriced equity	6,660.8	5,896.8	6,714.7
Total equity	**6,666.2**	**5,901.0**	**6,720.0**
Untaxed reserves	**20.0**	**28.6**	**20.0**
Non-current interest-bearing liabilites to credit institutions	1,983.3	2,294.0	1,988.2
Total non-current liabilities	**1,983.3**	**2,294.0**	**1,988.2**
Current liabilities			
Other current liabilities	36.6	16.2	23.4
Total current liabilities	**36.6**	**16.2**	**23.4**
Total equity and liabilities	**8,706.1**	**8,239.8**	**8,751.7**

Key ratios

	2023			2022				
	Q2	Q1	Jan-Jun	Q4	Q3	Q2	Q1	Jan-Dec
THE GROUP								
Net sales growth (%)	-10.9	-15.9	-13.1	-5.1	1.5	10.1	21.1	6.1
Organic growth (%)	-10.8	-16.8	-13.1	-3.7	-5.3	-8.1	0.6	-5.0
Proforma organic growth (%)	-10.7	-15.5	-12.8	-5.5	-6.8	-7.4	3.0	-4.5
Adjusted gross profit beofre direct selling costs (%)	38.3	37.8	38.1	37.6	37.3	37.6	39.7	38.0
Adjusted gross profit (%)	25.8	24.5	25.2	24.3	24.0	25.0	27.1	25.1
Adjusted EBIT (%)	2.8	-2.6	0.5	0.9	1.5	4.2	4.3	2.8
Earnings per share before dilution, SEK	0.12	-0.66	-0.54	-1.20	-0.62	1.44	0.89	0.25
Earnings per share after dilution, SEK	0.12	-0.66	-0.54	-1.20	-0.62	1.43	0.88	0.25
Equity/assets ratio %	52.6	52.7	52.6	53.7	46.3	45.1	37.2	53.7
Net debt (+) / Net cash (-)	968.8	1,429.3	968.8	1,543.4	2,129.8	1,803.2	2,319.3	1,543.4
Cash flow from operating activites (SEKm)	766.8	210.8	977.6	67.5	-133.0	-161.8	121.7	-105.6
Visits (thousands)	79,955	82,238	162,193	91,857	81,051	91,998	99,318	364,224
Orders (thousands)	1,220	1,016	2,236	1,529	1,162	1,266	1,214	5,171
Average order value (SEK)	2,914	2,599	2,770	2,131	2,731	3,013	2,746	2,626
Home Improvement								
Net sales growth (%)	-13.6	-22.4	-17.4	-5.9	-1.3	10.0	27.4	6.1
Organic growth (%)	-12.7	-22.1	-16.7	-7.8	-7.9	-7.3	0.6	-5.2
Proforma organic growth (%)	-12.7	-21.8	-16.6	-7.2	-7.4	-7.4	6.5	-4.5
Adjusted gross profit beofre direct selling costs (%)	31.6	31.1	31.4	33.9	31.7	31.4	32.4	32.3
Adjusted gross profit (%)	21.4	20.6	21.0	23.9	21.4	21.1	22.7	22.2
Adjusted EBIT (%)	3.3	-3.7	0.5	4.7	3.5	4.4	3.5	4.0
Visits (thousands)	31,264	25,113	56,377	28,719	31,183	34,776	33,844	128,523
Orders (thousands)	614	431	1,045	590	546	600	519	2,256
Average order value (SEK)	2,878	2,830	2,858	2,485	3,018	3,321	3,282	3,020
Value Home								
Net sales growth (%)	-10.7	-13.9	-12.1	-8.4	-0.1	6.2	3.3	0.6
Organic growth (%)	-10.6	-14.4	-11.1	3.0	-8.3	-15.7	6.6	-2.6
Proforma organic growth (%)	-11.4	-13.9	-12.5	-7.5	-13.6	-12.6	-8.5	-10.8
Adjusted gross profit beofre direct selling costs (%)	46.2	44.4	45.5	43.2	44.9	44.5	47.2	45.0
Adjusted gross profit (%)	31.7	29.6	30.8	27.4	28.1	30.0	33.0	29.7
Adjusted EBIT (%)	3.9	-2.0	1.4	-3.9	-0.7	4.3	5.5	1.7
Visits (thousands)	32,028	34,581	66,609	32,541	32,952	42,508	47,952	155,953
Orders (thousands)	286	230	516	283	273	316	291	1,163
Average order value (SEK)	4,410	3,969	4,213	3,391	3,765	4,219	3,690	3,779
Premium Living								
Net sales growth (%)	-3.7	-6.7	-5.3	-2.1	14.9	27.0	70.3	20.1
Organic growth (%)	-3.7	-6.7	-5.3	-2.1	14.9	14.1	26.9	-14.5
Proforma organic growth (%)	-3.7	-6.7	-5.3	-2.1	14.9	18.2	36.9	13.5
Adjusted gross profit beofre direct selling costs (%)	39.6	40.3	39.9	37.6	39.0	38.8	40.9	39.0
Adjusted gross profit (%)	25.0	23.7	24.3	20.9	23.8	23.7	24.6	23.0
Adjusted EBIT (%)	2.0	2.4	2.2	1.4	2.9	5.2	6.3	3.7
Visits (thousands)	16,663	22,544	39,208	30,597	16,915	14,714	17,522	79,748
Orders (thousands)	321	355	675	656	344	350	403	1,752
Average order value (SEK)	1,647	1,429	1,533	1,267	1,454	1,396	1,373	1,354

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 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Operating income	**68.8**	**123.4**	**-31.3**	**221.3**	**-183.9**
Costs related to LTIP	4.4	-	10.0	-	-
Donation UNHCR	-	-	-	1.5	1.5
Acquisition-related costs	2.0	4.3	2.0	11.9	12.9
Warehouse consolidation	-	-	-	2.1	2.1
Strategy work	-	9.4	-	9.4	12.5
Inventory impairment	-	-	-	-	375.8
Salary expense for gardening leave	2.8	-	3.1	-	21.9
Impairment and restoreation costs when closing stores	-	-	-	-	7.8
Disposal of intangible assets when liquidating operations	-	-	-	-	5.1
Impairment of inventory when liquidating operations	-	-	-	-	10.1
Recieved electricity support for business	-4.9	-	-4.9	-	-
Total items affecting comparability	**4.3**	**13.7**	**10.2**	**24.9**	**449.7**
Amortisation of acquisition-related intangible fixed assets	25.3	25.1	50.6	50.2	100.6
Scrapping of acquired brands when sites are discontinued	-	-	-	-	8.6
Adjusted EBIT	**98.4**	**162.2**	**29.5**	**296.4**	**374.9**
Adjusted EBIT (%)	**2.8**	**4.2**	**0.5**	**4.2**	**2.8**
Depreciation and amortisation of tangible and intangible fixed assets	128.1	107.0	257.3	205.5	438.7
Gain/loss from sale of fixed assets	-0.8	-0.0	-1.0	-0.4	0.2
Adjusted EBITDA	**225.7**	**269.2**	**285.7**	**501.6**	**813.8**
Adjusted EBITDA (%)	**6.5**	**6.9**	**4.7**	**7.1**	**6.1**

Reconciliation between gross profit & adjusted gross profit

SEKm	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Net sales	3,482.1	3,908.5	6,099.6	7,019.1	13,433.6
Cost of goods	-2,148.0	-2,440.8	-3,775.4	-4,317.8	-8,717.4
Gross profit before direct selling costs	**1,334.0**	**1,467.7**	**2,324.1**	**2,701.2**	**4,716.3**
Gross profit before direct selling costs (%)	**38.3**	**37.6**	**38.1**	**38.5**	**35.1**
Direct selling costs	-436.0	-492.1	-784.8	-883.9	-1,735.2
Gross profit	**898.0**	**975.6**	**1,539.3**	**1,817.3**	**2,981.1**
Gross profit (%)	**25.8**	**25.0**	**25.2**	**25.9**	**22.2**
Inventory impairment	-	-	-	-	375.8
Impairment and restoreation costs when closing stores	-	-	-	-	1.3
Impairment of inventory when liquidating operations	-	-	-	-	10.1
Adjusted gross profit before direct selling costs	**1,334.0**	**1,467.7**	**2,324.1**	**2,701.2**	**5,103.5**
Adjusted gross profit before direct selling costs (%)	**38.3**	**37.6**	**38.1**	**38.5**	**38.0**
Adjusted gross profit	**898.0**	**975.6**	**1,539.3**	**1,817.3**	**3,368.3**
Adjusted gross profit (%)	**25.8**	**25.0**	**25.2**	**25.9**	**25.1**

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

	Apr-Jun		Jan-Jun		Jan-Dec
SEKm	2023	2022	2023	2022	2022
Adjusted EBITDA	225.7	269.2	285.7	501.6	813.8
Adjusted gross profit	898.0	975.6	1,539.3	1,817.3	3,368.3
Difference between adjusted gross profit and adjusted EBITDA	**-672.4**	**-706.4**	**-1,253.6**	**-1,315.7**	**-2,554.5**
Adjustment other operating income	-8.8	-0.1	-10.3	-15.7	-17.1
Adjustment other operating expenses	1.0	3.2	1.1	6.7	10.8
Adjustment donation UNHCR*	-	-	-	-1.5	-1.5
Selling, general and administrative expenses (SG&A)	**-680.1**	**-703.3**	**-1,262.8**	**-1,326.2**	**-2,562.3**

* The donation has been recognised under Other operating expenses, and has been identified by BHG as an item affecting comparability.

Home Improvement

Reconciliation between operating income & adjusted EBITDA

	Apr-Jun		Jan-Jun		Jan-Dec
SEKm	2023	2022	2023	2022	2022
Operating income	**42.7**	**75.4**	**-16.5**	**112.3**	**67.1**
Warehouse consolidation	-	-	-	2.1	2.1
Inventory impairment	-	-	-	-	131.6
Salary expense for gardening leave	2.1	-	2.4	-	6.5
Impairment and restoreation costs when closing stores	-	-	-	-	1.8
Disposal of intangible assets when liquidating operations	-	-	-	-	5.1
Impairment of inventory when liquidating operations	-	-	-	-	1.2
Recieved electricity support for business	-2.5	-	-2.5	-	-
Total items affecting comparability	**1.6**	**-**	**1.9**	**2.1**	**148.3**
Amortisation of acquisition-related intangible fixed assets	14.4	14.4	28.7	28.7	57.5
Scrapping of acquired brands when sites are discontinued	-	-	-	-	3.2
Adjusted EBIT	**58.6**	**89.7**	**14.1**	**143.1**	**276.1**
Adjusted EBIT (%)	**3.3**	**4.4**	**0.5**	**4.0**	**4.0**
Depreciation and amortisation of tangible and intangible fixed assets	44.6	38.8	89.7	73.6	157.7
Gain/loss from sale of fixed assets	-0.0	0.0	-0.1	-0.1	0.3
Adjusted EBITDA	**103.2**	**128.5**	**103.7**	**216.6**	**434.1**
Adjusted EBITDA (%)	**5.8**	**6.3**	**3.5**	**6.0**	**6.3**

Reconciliation between gross profit & adjusted gross profit

	Apr-Jun		Jan-Jun		Jan-Dec
SEKm	2023	2022	2023	2022	2022
Net sales	1,766.1	2,045.1	2,963.4	3,588.4	6,856.3
Cost of goods	-1,207.4	-1,403.5	-2,032.5	-2,447.3	-4,776.7
Gross profit before direct selling costs	**558.8**	**641.6**	**930.9**	**1,141.1**	**2,079.6**
Gross profit before direct selling costs (%)	**31.6**	**31.4**	**31.4**	**31.8**	**30.3**
Direct selling costs	-181.7	-209.7	-307.5	-359.2	-692.6
Gross profit	**377.1**	**431.8**	**623.4**	**781.9**	**1,387.0**
Gross profit (%)	**21.4**	**21.1**	**21.0**	**21.8**	**20.2**
Inventory impairment	-	-	-	-	131.6
Impairment and restoreation costs when closing stores	-	-	-	-	1.3
Impairment of inventory when liquidating operations	-	-	-	-	1.2
Adjusted gross profit before direct selling costs	**558.8**	**641.6**	**930.9**	**1,141.1**	**2,213.7**
Adjusted gross profit before direct selling costs (%)	**31.6**	**31.4**	**31.4**	**31.8**	**32.3**
Adjusted gross profit	**377.1**	**431.8**	**623.4**	**781.9**	**1,521.0**
Adjusted gross profit (%)	**21.4**	**21.1**	**21.0**	**21.8**	**22.2**

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

	Apr-Jun		Jan-Jun		Jan-Dec
SEKm	2023	2022	2023	2022	2022
Adjusted EBITDA	103.2	128.5	103.7	216.6	434.1
Adjusted gross profit	377.1	431.8	623.4	781.9	1,521.0
Difference between adjusted gross profit and adjusted EBITDA	**-273.9**	**-303.3**	**-519.7**	**-565.3**	**-1,086.9**
Adjustment other operating income	-5.5	-0.1	-5.7	-5.3	-5.5
Adjustment other operating expenses	-0.3	0.0	-0.3	0.0	4.8
Selling, general and administrative expenses (SG&A)	**-279.7**	**-303.4**	**-525.7**	**-570.5**	**-1,087.7**

Value Home

Reconciliation between operating income & adjusted EBITDA

	Apr-Jun		Jan-Jun		Jan-Dec
SEKm	2023	2022	2023	2022	2022
Operating income	**47.0**	**55.8**	**22.8**	**110.7**	**-199.8**
Acquisition-related costs	-	1.4	-	1.4	2.3
Inventory impairment	-	-	-	-	232.7
Salary expense for gardening leave	-	-	-	-	1.3
Impairment and restoreation costs when closing stores	-	-	-	-	4.9
Impairment of inventory when liquidating operations	-	-	-	-	8.9
Recieved electricity support for business	-1.8	-	-1.8	-	-
Total items affecting comparability	**-1.8**	**1.4**	**-1.8**	**1.4**	**250.1**
Amortisation of acquisition-related intangible fixed assets	5.2	5.0	10.4	10.1	20.3
Scrapping of acquired brands when sites are discontinued	-	-	-	-	5.3
Adjusted EBIT	**50.5**	**62.3**	**31.4**	**122.2**	**76.0**
Adjusted EBIT (%)	**3.9**	**4.3**	**1.4**	**4.8**	**1.7**
Depreciation and amortisation of tangible and intangible fixed assets	67.2	59.0	134.4	113.7	241.1
Gain/loss from sale of fixed assets	-0.8	-0.0	-1.0	-0.3	-0.1
Adjusted EBITDA	**116.8**	**121.2**	**164.8**	**235.6**	**317.0**
Adjusted EBITDA (%)	**9.1**	**8.4**	**7.4**	**9.3**	**7.0**

Reconciliation between gross profit & adjusted gross profit

	Apr-Jun		Jan-Jun		Jan-Dec
SEKm	2023	2022	2023	2022	2022
Net sales	1,281.2	1,435.0	2,224.4	2,530.9	4,558.7
Cost of goods	-689.1	-796.5	-1,213.1	-1,375.6	-2,750.8
Gross profit before direct selling costs	**592.1**	**638.5**	**1,011.3**	**1,155.4**	**1,807.9**
Gross profit before direct selling costs (%)	**46.2**	**44.5**	**45.5**	**45.6**	**39.7**
Direct selling costs	-185.9	-208.1	-326.1	-363.5	-694.5
Gross profit	**406.2**	**430.4**	**685.1**	**791.9**	**1,113.4**
Gross profit (%)	**31.7**	**30.0**	**30.8**	**31.3**	**24.4**
Inventory impairment	-	-	-	-	232.7
Impairment of inventory when liquidating operations	-	-	-	-	8.9
Adjusted gross profit before direct selling costs	**592.1**	**638.5**	**1,011.3**	**1,155.4**	**2,049.6**
Adjusted gross profit before direct selling costs (%)	**46.2**	**44.5**	**45.5**	**45.6**	**45.0**
Adjusted gross profit	**406.2**	**430.4**	**685.1**	**791.9**	**1,355.1**
Adjusted gross profit (%)	**31.7**	**30.0**	**30.8**	**31.3**	**29.7**

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

	Apr-Jun		Jan-Jun		Jan-Dec
SEKm	2023	2022	2023	2022	2022
Adjusted EBITDA	116.8	121.2	164.8	235.6	317.0
Adjusted gross profit	406.2	430.4	685.1	791.9	1,355.1
Difference between adjusted gross profit and adjusted EBITDA	**-289.4**	**-309.2**	**-520.3**	**-556.3**	**-1,038.1**
Adjustment other operating income	-2.8	0.0	-4.0	-10.4	-11.5
Adjustment other operating expenses	0.0	-0.0	0.0	0.1	0.8
Selling, general and administrative expenses (SG&A)	**-292.1**	**-309.2**	**-524.3**	**-566.6**	**-1,048.8**

Premium Living

Reconciliation between operating income & adjusted EBITDA

	Apr-Jun		Jan-Jun		Jan-Dec
SEKm	2023	2022	2023	2022	2022
Operating income	**4.0**	**19.4**	**10.2**	**47.1**	**38.7**
Inventory impairment	-	-	-	-	11.5
Salary expense for gardening leave	-	-	-	-	7.0
Impairment and restoreation costs when closing stores	-	-	-	-	1.1
Recieved electricity support for business	-0.6	-	-0.6	-	-
Total items affecting comparability	**-0.6**	**-**	**-0.6**	**-**	**19.6**
Amortisation of acquisition-related intangible fixed assets	5.7	5.7	11.4	11.4	22.9
Adjusted EBIT	**9.2**	**25.2**	**21.1**	**58.5**	**81.2**
Adjusted EBIT (%)	**2.0**	**5.2**	**2.2**	**5.7**	**3.7**
Depreciation and amortisation of tangible and intangible fixed assets	15.8	8.8	32.0	17.4	38.1
Gain/loss from sale of fixed assets	-	-	0.1	-	-
Adjusted EBITDA	**25.0**	**34.0**	**53.2**	**76.0**	**119.4**
Adjusted EBITDA (%)	**5.3**	**7.0**	**5.5**	**7.4**	**5.5**

Reconciliation between gross profit & adjusted gross profit

	Apr-Jun		Jan-Jun		Jan-Dec
SEKm	2023	2022	2023	2022	2022
Net sales	468.5	486.5	966.5	1,020.2	2,172.1
Cost of goods	-283.2	-297.5	-580.4	-612.9	-1,337.3
Gross profit before direct selling costs	**185.3**	**189.0**	**386.1**	**407.3**	**834.9**
Gross profit before direct selling costs (%)	**39.6**	**38.8**	**39.9**	**39.9**	**38.4**
Direct selling costs	-68.4	-73.8	-151.2	-160.7	-347.1
Gross profit	**116.9**	**115.2**	**235.0**	**246.6**	**487.8**
Gross profit (%)	**25.0**	**23.7**	**24.3**	**24.2**	**22.5**
Inventory impairment	-	-	-	-	11.5
Adjusted gross profit before direct selling costs	**185.3**	**189.0**	**386.1**	**407.3**	**846.4**
Adjusted gross profit before direct selling costs (%)	**39.6**	**38.8**	**39.9**	**39.9**	**39.0**
Adjusted gross profit	**116.9**	**115.2**	**235.0**	**246.6**	**499.4**
Adjusted gross profit (%)	**25.0**	**23.7**	**24.3**	**24.2**	**23.0**

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

	Apr-Jun		Jan-Jun		Jan-Dec
SEKm	2023	2022	2023	2022	2022
Adjusted EBITDA	25.0	34.0	53.2	76.0	119.4
Adjusted gross profit	116.9	115.2	235.0	246.6	499.4
Difference between adjusted gross profit and adjusted EBITDA	**-92.0**	**-81.3**	**-181.7**	**-170.7**	**-380.0**
Adjustment other operating income	-0.6	-2.4	-0.6	-3.0	-7.4
Adjustment other operating expenses	-	-2.4	0.1	-3.0	-7.4
Selling, general and administrative expenses (SG&A)	**-92.5**	**-86.0**	**-182.2**	**-176.7**	**-394.8**

NET DEBT/NET CASH

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

	30 Jun		31 Dec
SEKm	2023	2022	2022
Non-current interest-bearing debt	3,408.5	4,298.0	3,392.2
Short-term interest-bearing debt	669.3	726.5	748.9
Total interest-bearing debt	**4,077.9**	**5,024.5**	**4,141.1**
Cash and cash equivalents	-1,050.3	-519.9	-477.6
Adjustment lease liabilities	-894.9	-920.6	-877.7
Adjustment of earn-outs and deferred payments	-1,180.6	-1,786.8	-1,254.2
Adjustment transaction costs	16.7	6.0	11.8
Net debt (+) / Net cash (-)	**968.8**	**1,803.2**	**1,543.4**
LTM EBITDA ex. IFRS16*	236.3	727.6	491.2
Net debt (+) / Net cash (-) in relation to LTM EBITDA	**4.10x**	**2.48x**	**3.14x**

* LTM EBITDA excluding IFRS 16 including pro-forma (meaning including the three acquisitions made in the last 12 months).

Definitions

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

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

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