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*"Our sales development improved in the third quarter compared with the first half of the year, and we are seeing signs of a gradual increase in demand. The market remains challenging but the trend is positive. In the quarter we are also boosting our profitability significantly year on year"*

*Gustaf Öhrn,  
President and CEO*

**Q3 2024**

BHG Group AB (publ)  
Nasdaq Stockholm

Interim report: 1 January-30 September 2024

# Improved sales performance and significantly stronger profitability

– The sales development improved in the third quarter compared with the first half of the year, and we are seeing signs of a gradual increase in demand, while also boosting our profitability significantly year on year

## HIGHLIGHTS

### 1 July-30 September

- Net sales declined -17.7% to SEK 2,354.1 million (2,861.9). Organic growth was -9.8%
- Adjusted gross profit amounted to SEK 579.4 million (687.2), corresponding to an adjusted gross margin of 24.6% (24.0)
- Adjusted EBIT amounted to SEK 52.5 million (12.5), corresponding to an adjusted EBIT margin of 2.2% (0.4)
- Cash flow from operating activities amounted to SEK 103.3 million (223.7)
- Earnings per share amounted to SEK -0.37 (-7.3) before dilution and SEK -0.37 (-7.3) after dilution

### 1 January-30 September

- Net sales declined -21.0% to SEK 7,078.8 million (8,961.4). Organic growth was -12.6%
- Adjusted gross profit amounted to SEK 1,809.5 million (2,226.7), corresponding to an adjusted gross margin of 25.6% (24.8)
- Adjusted EBIT amounted to SEK 151.1 million (42.0), corresponding to an adjusted EBIT margin of 2.1% (0.5)
- Cash flow from operating activities amounted to SEK 320.2 million (1,201.3)
- Earnings per share amounted to SEK -1.32 (-7.84) before dilution and SEK -1.32 (-7.84) after dilution

## FINANCIAL SUMMARY

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

- The inventory consolidation process in Value Home has proceeded faster than planned, and we successfully reduced our warehouse space by 23,390 square metres (earlier 17,000 square metres communicated) in the third quarter and plan to cut a final 3,900 square metres (earlier 10,000 square metres communicated) in the fourth quarter of 2025.
- On October 10, Nordic Nest was awarded first prize in the Home and Household category during the Market Awards 2024. The selection of prize winners is based on a survey led by the magazine Market and the Center for retailing, Stockholm School of Economics.
- Work on Nordic Nest's warehouse automation continued according to plan during the quarter. The automation solution has been expanded to further automate previously manual workflows. This part of the automation solution will be deployed in the fourth quarter in time for the Group's all-important peak season, which will have a positive impact on efficiency.
- As part of consolidating the Nordic DIY business through the scalable platform Bygghemma Nordic in the Home Improvement business area, we implemented a new business system during the quarter to enable future consolidation and enhance the customer experience.

SEKm (if not otherwise stated)	Jul-Sep			Jan-Sep			Jan-Dec
	2024	2023	Δ	2024	2023	Δ	2023
Net sales	2,354.1	2,861.9	-17.7%	7,078.8	8,961.4	-21.0%	11,790.2
Gross profit	568.6	667.7	-99.1	1,691.4	2,207.2	-515.8	2,921.1
Gross margin (%)	24.2	23.3	0.8 p.p.	23.9	24.6	-0.7 p.p.	24.8
Adjusted gross profit*	579.4	687.2	-107.8	1,809.5	2,226.7	-417.2	2,944.8
Adjusted gross margin (%)	24.6	24.0	0.6 p.p.	25.6	24.8	0.7 p.p.	25.0
Adjusted EBIT*	52.5	12.5	40.0	151.1	42.0	109.1	96.7
Adjusted EBIT margin (%)	2.2	0.4	1.8 p.p.	2.1	0.5	1.7 p.p.	0.8
Operating income	-16.3	-1,299.3	1,283.0	-109.9	-1,330.6	1,220.8	-1,374.2
Operating margin (%)	-0.7	-45.4	44.7 p.p.	-1.6	-14.8	13.3 p.p.	-11.7
Net profit for the period	-55.6	-1,300.2	1,244.6	-214.3	-1,393.1	1,178.8	-1,542.5
Earnings per share before dilution, SEK	-0.37	-7.30	6.93	-1.32	-7.84	6.52	-8.73
Earnings per share after dilution, SEK	-0.37	-7.30	6.93	-1.32	-7.84	6.52	-8.73
Cash flow from operating activities	103.3	223.7	-120.4	320.2	1,201.3	-881.1	1,550.2
Net debt (+) / Net cash (-)	1,233.4	1,231.5	2.0	1,233.4	1,231.5	2.0	1,129.7

\* Refer to "Relevant reconciliations of non-IFRS alternative performance measures (APMs)" on page 30 of this report for a more detailed description.



# Comments by Gustaf Öhrn

## President and CEO, BHG Group

In recent quarters, we have seen positive signals from several macro factors, such as increased activity in the housing market, interest-rate cuts and stabilised inflation. While our assessment is that these factors are having a positive impact on demand in our categories, there has been a certain lag before their effects have been felt. The third quarter marked the first period in which we started to see signs of a positive impact on demand in many of our product categories that previously faced severe strain, and the sales rate in the third quarter improved compared with the first half of the year. Although the market remains challenging, we are seeing a positive trend. Based on the information currently available, our best assessment is that a broader recovery will take place in the first half of 2025.

Our strategic focus in 2023 and 2024 has been on adapting our operations to a challenging market situation in an effort to strengthen our profitability and ensuring that we command an even stronger position when the market rebounds. Thanks to the robust measures we have taken to consolidate and streamline our operations, we achieved a year-on-year improvement in profitability for the fourth consecutive quarter. BHG is now better positioned as a group to achieve its growth and profitability targets.

Since late 2022, we have been focused on implementing our Olympia strategy. Under this strategy, an initial key activity was to structure the Group into three business areas that brought together operations with similar business models and customer groups in an effort to create greater synergies. We have continued this journey by consolidating smaller businesses into larger platforms in each business area in order to increase our scalability and by divesting companies that were not strategically compatible. To further increase the efficiency and scalability of our business within these business areas, we have invested in IT infrastructure and automation, and carried out more joint procurement and purchasing. To strengthen the Group financially, we have adapted our cost and inventory levels to the prevailing market conditions, thereby improving our balance sheet and generating strong cash flow. We are strategically, structurally, operationally and financially prepared to further improve on our leading position when demand in the market recovers.

Our main tactical priority for 2024 is to strengthen our profitability and improve our sales performance. As previously communicated, we have essentially three strategic focus areas to strengthen profitability moving forward: **growth initiatives**, **consolidation** and **efficiency**.

We carried out a number of initiatives in the third quarter within the framework of our strategic focus areas. **Growth initiatives** through the international expansion of Premium Living, driven by Nordic Nest, are continuing to progress well and sales growth in markets outside the Nordic region is significantly higher than in the Nordic region in the third quarter. The robust measures taken in the Value Home business area in terms of product range, pricing, and cost and inventory reductions are beginning to yield results, and we noted a positive effect on sales and profitability in the quarter. We are carrying out **consolidations** in all three business areas. In Home Improvement, we are continuing the consolidation of our Nordic DIY business through Bygghemma. In Value Home, we are continuing the consolidation of Hemfint Group, which was announced in the first quarter. In Premium Living, we have consolidated KitchenTime and Lightshop into Nordic Nest's platform. Significantly reduced inventory levels – from a peak of SEK 3,177 million in the second quarter of 2022 to SEK 1,330 million at the end of the third quarter of 2024 – allowed us to reduce our warehouse space, leading to **efficiency** improvements in our inventory handling. In the second quarter, we reduced our warehouse space by 18,000 square metres in the Value Home business area and announced our plan to reduce our warehouse space by an additional 17,000 square metres in the third quarter this year and 10,000 square metres in the fourth quarter of 2025. The inventory consolidation process in Value Home has proceeded faster than planned, and we successfully reduced our warehouse space by 23,390 square metres in the third quarter and plan to further cut a final 3,900 square metres in the fourth quarter of 2025.



With the first three quarters of the year behind us, I am pleased to note that the robust measures we took in 2023 and to date in 2024 have had a substantial effect on our profitability and that we are continuing to implement our strategy in order to increase our scalability and synergy utilisation. Our strategy remains firm, and when demand recovers, we will be in an excellent position to further strengthen our market-leading position, customer offering and profitability.

Malmö, 24 October 2024

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



# Condensed consolidated information

SEKm (if not otherwise stated)	Jul-Sep			Jan-Sep			Jan-Dec
	2024	2023	Δ	2024	2023	Δ	2023
Net sales	2,354.1	2,861.9	-17.7%	7,078.8	8,961.4	-21.0%	11,790.2
Gross profit	568.6	667.7	-99.1	1,691.4	2,207.2	-515.8	2,921.1
Gross margin (%)	24.2	23.3	0.8 p.p.	23.9	24.6	-0.7 p.p.	24.8
Adjusted gross profit*	579.4	687.2	-107.8	1,809.5	2,226.7	-417.2	2,944.8
Adjusted gross margin (%)	24.6	24.0	0.6 p.p.	25.6	24.8	0.7 p.p.	25.0
Adjusted EBITDA*	138.4	139.1	-0.7	418.4	424.8	-6.5	578.9
Adjusted EBITDA margin (%)	5.9	4.9	1.0 p.p.	5.9	4.7	1.2 p.p.	4.9
Adjusted EBIT*	52.5	12.5	40.0	151.1	42.0	109.1	96.7
Adjusted EBIT margin (%)	2.2	0.4	1.8 p.p.	2.1	0.5	1.7 p.p.	0.8
Items affecting comparability	-45.0	-1,287.1	1,242.1	-185.7	-1,297.3	1,111.6	-1,372.5
Operating income	-16.3	-1,299.3	1,283.0	-109.9	-1,330.6	1,220.8	-1,374.2
Operating margin (%)	-0.7	-45.4	44.7 p.p.	-1.6	-14.8	13.3 p.p.	-11.7
Net profit for the period	-55.6	-1,300.2	1,244.6	-214.3	-1,393.1	1,178.8	-1,542.5
Cash flow from operating activities	103.3	223.7	-120.4	320.2	1,201.3	-881.1	1,550.2
Total order value	2,447.2	2,883.3	-15.1%	7,294.8	9,105.2	-19.9%	11,930.0
Orders (thousands)	962	1,106	-12.9%	2,814	3,339	-15.7%	4,716
Average order value (SEK)	2,543	2,608	-65	2,593	2,727	-134	2,529

\* Refer to "Relevant reconciliations of non-IFRS alternative performance measures (APMs)" on page 30 of this report for a more detailed description.

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

## COMMENTS ON THE RESULT FOR THE PERIOD

### Third quarter of the year

For the fourth quarter in a row, we strengthened our profitability year on year in a continued challenging market, and we began to see signs of a certain recovery in demand. The positive signals from macro factors that we have seen in recent quarters now appear to be starting to influence consumers' willingness to consume in our product categories.

During the quarter, we noted a slightly positive trend in previously strained renovation and capital-intensive product categories such as bathrooms, doors and windows. Moreover, our initiatives to achieve geographic expansion outside our home markets are continuing to make good progress. The robust measures taken in the Value Home business area in terms of product range, pricing, and cost and inventory reductions are beginning to yield results, and we noted a positive effect on sales and profitability in the quarter.

We significantly reduced our fixed costs, depreciation, amortisation and direct selling costs during the quarter, which means that we improved our profitability compared with last year, despite lower sales.

- The Group's net sales amounted to SEK 2,354.1 million (2,861.9) for the quarter. Total growth amounted to -17.7% and organic growth to -9.8%.
- Adjusted EBIT amounted to SEK 52.5 million (12.5) for the quarter, corresponding to an adjusted EBIT margin of 2.2% (0.4).

- Cash flow from operating activities was SEK 103.3 million (223.7) for the quarter, primarily driven by the Group's EBITDA and a small positive effect due to changes in working capital. Cash flow from operating activities in the same quarter last year was largely driven by the sharp reduction in inventories carried out by the Group in 2023. Cash flow for the period followed a more normal trend.
- Total interest-bearing liabilities at the end of the quarter amounted to SEK 2,583.8 million, SEK 543.0 million lower than in the same period last year.

### Focus areas to strengthen profitability

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

### Growth initiatives

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

During the third quarter, our initiatives to achieve geographic expansion outside our companies' home markets continued to progress well, mainly driven by Premium Living

and Nordic Nest. Furthermore, our efforts to shift the product range towards entry models and strengthen Value Home's price leadership in the furniture segment have been successful, and we are seeing increased sales, primarily in Sweden, which has been our focus market.

#### Consolidation

Simplifying our structure and streamline through economies of scale from continued consolidation. Consolidation projects are under way in all three business areas.

In Home Improvement, we are continuing to consolidate our Nordic DIY operations through the scalable platform Bygghemma Nordic, with local one-stop-shop destinations within DIY in all Nordic countries. During the quarter, we completed the implementation of a new business system in Bygghemma that will simplify new consolidations going forward. The consolidation is a major project that is expected to lead to significant savings and synergies, and the work will continue over the next 15–18 months as we balance the focus of our resources between structural measures and day-to-day operations.

As announced in the first quarter, the Value Home business area was strengthened through further consolidation. Two of BHG's current businesses, Hemfint with the site hemfint.se and Arc E-Commerce with the site Out1.se, are being consolidated. At the same time, Trendrum with the site trendrum.se was acquired. Together they will form Hemfint Group. During the third quarter, the focus was on rationalising and consolidating the organisation and consolidating the warehouse operations in Skåne.

In Premium Living, the consolidation of KitchenTime and Lightshop into Nordic Nest's platform was essentially completed in the second quarter.

#### Efficiency

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

As announced in the second quarter, consolidations and substantially lower inventory levels have enabled a reduction in warehouse space, which is expected to lead to reduced rental expenses of about SEK 38 million on an annual basis. Warehouse space is set to decrease by 45,000 square metres, mainly within the Value Home business area, in three stages. During the second quarter, the warehouse space outside Helsingborg was reduced by 18,000 square metres. As a second step, the warehouse space in southern Stockholm was reduced by 23,390 square metres in the third quarter. As a third step, the remaining warehouse space of 3,900 square metres in southern Stockholm is planned to be completely vacated in the fourth quarter of 2025. Total cost savings when the above measures are implemented are estimated at approximately SEK 38 million on a rolling 12-month basis, attributable to depreciation of lease assets and interest expenses on lease liabilities. SEK 28 million of the cost savings will come from the measures that will be implemented in 2024 and thus have full effect in 2025.

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

#### The market

While the market remains challenging, the third quarter was the first period in a long time during which we started to see signs of improved demand. As a result of recent interest-rate rate cuts and stabilised inflation, the consumer's disposable income is now roughly in line with the same period last year. We are also seeing increased activity in the housing market, albeit from a low level. During the quarter, we started to see a slightly positive trend in the previously strained renovation and capital-intensive product categories of bathrooms, doors, windows, floors and furniture. This indicates that consumers' willingness to invest and optimism are starting to return. Furthermore, we started to see traffic growth in our physical stores during the quarter, which has traditionally been an early indication of increased demand.

#### Outlook

In recent quarters, we have seen several positive signals indicating a favourable market trend going forward. In the third quarter, we began to see glimmers that these positive signals are starting to boost demand in some of our product categories that previously faced severe strain. Our unchanged assessment is that all of 2024 will be challenging. Based on the information currently available, we expect the market to gradually recover more broadly in the first half of 2025.

One positive signal that could bode well for demand going forward is a higher rate of activity in the housing market. If the number of housing transactions continues to increase, this should have a positive impact on demand in our product categories over time. Moreover, inflation has stabilised and interest rates have started to fall, with further cuts expected in the future.

While it is difficult to assess how the uncertain geopolitical situation will develop, it could pose a risk to demand going forward. Furthermore, some major European economies, such as Germany, are showing signs of a slowdown, which could have a negative impact on demand in our categories.

Shipping costs from Asia increased in the quarter compared with the same period last year due to increased demand and the geopolitical uncertainty in the Middle East. We expect this trend to continue into the fourth quarter, but beyond that the situation is more uncertain.

Our assessment is that the long-term fundamental structural trends that have driven BHG's growth journey are continuing. The structural shift from physical stores to online and penetration within the product categories and markets where we operate are still lower than in more mature product markets and geographies. For further information, refer to the Group's financial targets (page 8).

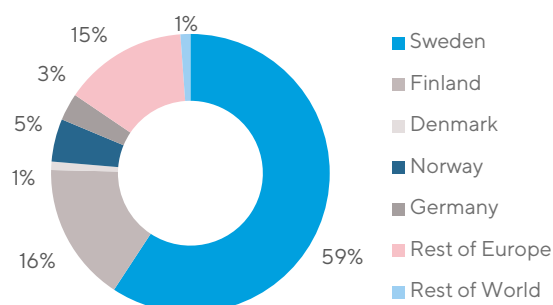
#### Acquisitions

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

We are continuing to evaluate potential acquisition opportunities and see potential for minor bolt-on acquisitions in our platforms in 2024. In January 2024, we carried out a minor bolt-on acquisition in Nordic Nest through an asset purchase transfer of the KitchenTime brand and inventory. We also conducted a bolt-on acquisition in the Value Home

business area when Trendrum was acquired in March 2024 in connection with the creation of Hemfint Group.

#### Distribution of net sales by country (%), Jul-Sep 2024



#### Net sales

The net sales trend in the third quarter improved compared with the first half of the year. The market remains challenging, but we are seeing positive signs in certain categories and geographic markets compared with earlier in the year.

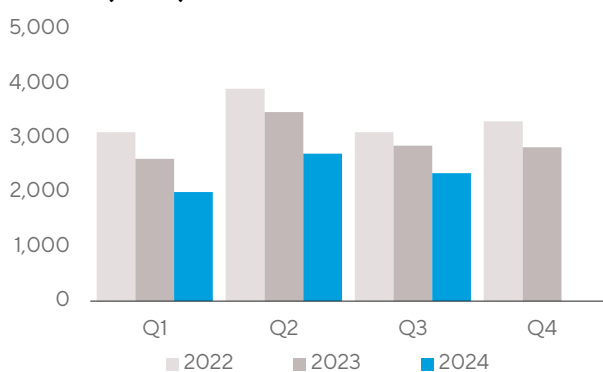
Our previously weak performance in renovation-related and capital-intensive categories such as floors, doors, windows, bathrooms and furniture improved in the third quarter.

In our main markets in the Nordics and Germany, we noted a sequential improvement in organic growth in the third quarter compared with the first half of the year. Sweden outperformed the other Nordic countries in terms of organic sales growth, and organic growth in Germany was also significantly better than the Group's total sales. Sales outside the Nordic region, excluding Germany, improved during the quarter, and now represent 15.5% of sales, compared with 13.1% in the same period last year.

Because of divested operations, the reported sales trend in Denmark and Germany was weaker than in other geographic markets.

Net sales declined -17.7% to SEK 2,354.1 million (2,861.9) for the quarter. Organic growth for the quarter was -9.8%.

#### Net sales (SEKm)



#### Gross margin

The adjusted product margin amounted to 37.1% (37.3) for the quarter and 37.9% (37.8) for the first nine months of the year.

The adjusted gross margin (that is, the margin after deductions for direct selling costs, such as logistics, fulfilment, etc.) increased to 24.6% (24.0) for the quarter and 25.6% (24.8) for the first nine months of the year.

- During the quarter, the adjusted product margin strengthened in Home Improvement, was in line with last year in Value Home, and improved slightly in Premium Living. The Group's slightly weaker adjusted product margin for the quarter compared with the same period last year was primarily driven by a mix shift, with Premium Living – which has a lower product margin than the Group in total – delivering a stronger sales performance than the other two business areas.
- Last-mile costs also improved, primarily through efficiencies and better Group-wide agreements with third-party suppliers.

#### SG&A

Selling, general and administrative expenses (SG&A, defined as total personnel costs and other external costs adjusted for items affecting comparability) amounted to SEK -440.2 million (-550.0) for the quarter, corresponding to 18.7% (19.2) of net sales, and to SEK -1,402.4 million (-1,807.1) for the first nine months of the year, corresponding to 19.8% (20.2) of net sales.

Of the total reduction in SG&A of SEK 109.8 million in the quarter, SEK 54.4 million was attributable to divested operations and the remaining SEK 55.5 million to savings resulting from the extensive cost-cutting and structural measures taken in 2023 and to date this year.

#### Earnings

The Group's adjusted EBIT amounted to SEK 52.5 million (12.5) for the quarter and SEK 151.1 million (42.0) for the first nine months of the year, corresponding to an adjusted EBIT margin of 2.2% (0.4) and 2.1% (0.5), respectively.

Depreciation, amortisation and impairment of tangible and intangible assets amounted to SEK 135.5 million (203.7) for the quarter, of which SEK 79.9 million (143.3) pertains to depreciation, amortisation and impairment of lease assets, and SEK 395.8 million (511.5) for the first nine months of the year, of which SEK 223.7 million (323.7) pertains to depreciation, amortisation and impairment of lease assets.

The Group's operating income amounted to SEK -16.3 million (-1,299.3) for the quarter, corresponding to an operating margin of -0.7% (-45.4), and SEK -109.9 million (-1,330.6) for the first nine months of the year, corresponding to an operating margin of -1.6% (-14.8).

Items affecting comparability amounted to SEK -45.0 million (-1,287.1) for the quarter and SEK -185.7 million (-1,297.3) for the first nine months of the year, of which in the quarter SEK -25.7 million pertains to impairment due to inventory consolidation, SEK -8.1 million to inventory consolidation and SEK -6.0 million to expenses for furloughed employees.

Amortisation and impairment of acquisition-related intangible assets amounted to SEK 23.9 million (24.7) for the quarter and SEK 71.1 million (75.3) for the first nine months of

the year. Amortisation pertained to identified surplus values related to customer relationships and customer databases in acquired companies. No impairment of goodwill or other assets was identified during the period.

The Group's net financial items amounted to SEK -55.0 million (-68.1) for the quarter and pertained to interest expenses amounting to SEK -43.1 million (-54.0) for the quarter, of which SEK -4.5 million (-6.0) are related to lease liabilities in accordance with IFRS 16. The Group's net financial items amounted to SEK -156.0 million (-153.6) for the first nine months of the year. Interest expenses amounted to SEK -138.9 million (-138.9), of which SEK -14.1 million (-19.1) pertained to lease liabilities in accordance with IFRS 16.

The Group's loss before tax amounted to SEK -71.3 million (-1,367.4) for the quarter and SEK -265.8 million (-1,484.2) for the first nine months of the year. The Group's net loss was SEK -55.6 million (-1,300.2) for the quarter and SEK -214.3 million (-1,393.1) for the first nine months of the year. The effective tax rate was -22.0% (-4.9) for the quarter, corresponding to SEK 15.7 million (67.2), and SEK -19.4% (-6.1) for the first nine months of the year, corresponding to SEK 51.5 million (91.1).

#### Cash flow and financial position

Cash flow from operating activities was SEK 103.3 million (223.7) for the quarter and SEK 320.2 million (1,201.3) for the first nine months of the year, primarily driven by the Group's EBITDA and a small positive effect due to changes in working capital. Due to a certain degree of caution in the build-up of inventory ahead of the Black Week period, the trend in working capital during the quarter deviated slightly from BHG's seasonal profile, which typically entails a negative change in working capital in the third quarter.

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

Cash conversion (pre-tax cash flow from operating activities less investments in non-current assets in relation to adjusted EBITDA) was 65.6% (137.0) for the quarter and 63.9% (275.6) for the first nine months of the year.

The Group's cash flow to investing activities amounted to SEK -30.9 million (-374.1) for the quarter and SEK -56.8 million (-608.4) for the first nine months of the year. During the period, this was mainly attributable to IT investments

related to technology platforms and acquisitions of shares in Nordic Nest Group.

Cash flow to financing activities amounted to SEK -126.1 million (-116.5) for the quarter and SEK -363.9 million (-296.9) for the first nine months 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 266.6 million (370.3).

The Group's net debt, which is defined as the Group's current and non-current interest-bearing liabilities to credit institutions, less cash and cash equivalents and investments in securities, etc., amounted to SEK 1,233.4 million at the end of the period, compared with SEK 1,129.7 million at the beginning of the year, corresponding to net debt in relation to pro-forma adjusted EBITDAaL, LTM (see definition on page 40) of 4.56x, which is above the Group's medium-term capital structure target.

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

#### FINANCIAL TARGETS

##### Sales growth

Continue to deliver organic growth above the addressable market.

##### Profitability

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

##### Capital structure

Objective to strengthen the balance sheet and operate with a net debt/EBITDA target of below 2.5x, subject to flexibility for strategic activities.

##### Dividend policy

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



2024/Q3

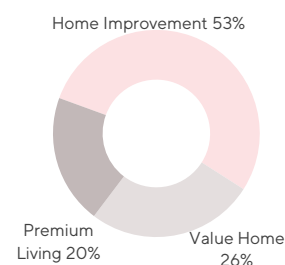


# Home Improvement

"In a slightly more receptive market, we saw positive trends in key categories such as bathrooms, doors and windows in the third quarter, which should be viewed as a signal that a recovery has begun. We continued to consolidate our smaller units into larger robust platforms during the third quarter in an effort to focus on capitalising on a recovering market," says Mikael Hagman, Deputy CEO and Head of Home Improvement.

- Net sales decreased -11.0% to SEK 1,264.6 million (1,420.1) for the quarter and -12.9% to SEK 3,818.4 million (4,382.9) for the first nine months of the year. Our previously weak performance in renovation-related and capital-intensive categories such as floors, doors, windows, bathrooms and furniture improved in the third quarter.
- Organic growth was -10.0% for the quarter and -12.5% for the first nine months of the year.
- The adjusted gross margin improved significantly to 23.0% (20.8) for the quarter and 23.8% (20.9) for the first nine months of the year.
- Adjusted EBIT amounted to SEK 37.7 million (27.3) for the quarter and SEK 108.7 million (41.4) for the first nine months of the year, corresponding to an adjusted EBIT margin of 3.0% (1.9) and 2.8% (0.9), respectively. The improvement in the EBIT margin for the quarter was mainly attributable to a higher product margin, which in turn was due to the consolidation of certain purchases within the Group and lower last-mile costs resulting from better Group-wide agreements.

## Net sales by business area, Jul-Sep 2024



SEKm (if not otherwise stated)	Jul-Sep			Jan-Sep			Jan-Dec
	2024	2023	Δ	2024	2023	Δ	2023
Net sales	1,264.6	1,420.1	-11.0%	3,818.4	4,382.9	-12.9%	5,726.7
Gross profit	291.4	289.2	2.2	868.1	912.2	-44.1	1,205.2
Gross margin (%)	23.0	20.4	2.7 p.p.	22.7	20.8	1.9 p.p.	21.0
Adjusted gross profit	291.4	294.9	-3.5	910.5	918.0	-7.4	1,215.2
Adjusted gross margin (%)	23.0	20.8	2.3 p.p.	23.8	20.9	2.9 p.p.	21.2
Adjusted EBITDA	76.1	74.3	1.8	230.3	178.0	52.4	234.5
Adjusted EBITDA margin (%)	6.0	5.2	0.8 p.p.	6.0	4.1	2.0 p.p.	4.1
Adjusted EBIT	37.7	27.3	10.5	108.7	41.4	67.3	54.0
Adjusted EBIT margin (%)	3.0	1.9	1.1 p.p.	2.8	0.9	1.9 p.p.	0.9
Items affecting comparability	-0.7	-13.6	12.9	-34.0	-15.5	-18.4	-68.1
Operating income	22.8	-0.7	23.5	31.8	-17.2	49.0	-71.5
Operating margin (%)	1.8	-0.1	1.9 p.p.	0.8	-0.4	1.2 p.p.	-1.2
Net profit for the period	-4.9	-18.2	13.3	-43.5	-79.6	36.1	-198.3
Total order value	1,319.3	1,409.9	-6.4%	3,929.8	4,422.9	-11.1%	5,755.1
Orders (thousands)	494	536	-7.8%	1,416	1,578	-10.3%	2,117
Average order value (SEK)	2,671	2,631	40	2,775	2,803	-28	2,719

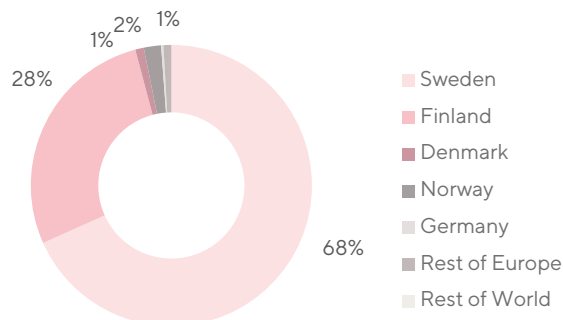
## COMMENTS ON HOME IMPROVEMENT

The Home Improvement business area accounted for 53% of the Group's total net sales for the quarter and 54% for the first nine months of the year. Home Improvement operates almost exclusively in the Nordic market, and is largely based on a drop shipping model with a low level of tied-up capital, featuring a broad product range and price matching. Sweden is its largest market, making up approximately two thirds of the business area's sales in the third quarter.

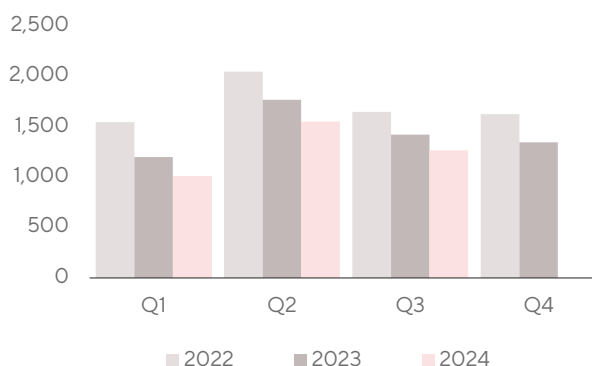
The leading brand in Home Improvement is Bygghemma. The focus is on:

- Creating a Nordic DIY powerhouse with a shared organisation to achieve economies of scale and improve customer value. During the quarter, we implemented a new business system in Bygghemma to enable future consolidations and further enhance the customer experience.
- Streamlining purchasing processes, in part through joint purchasing, increasing the share of sales from proprietary brands, which generally have higher margins, and broadening the range of additional services.
- Fully leveraging the product range through all relevant sales channels, in part through intercompany sales, and continuing to drive geographic expansion for the operations with strong positions in their home markets.

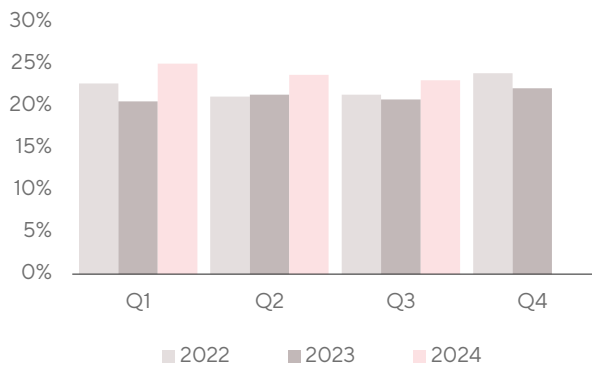
Distribution of net sales by country (%), Jul-Sep 2024



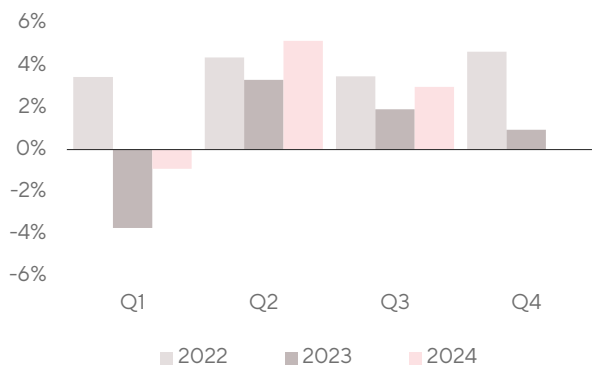
Net sales (SEKm)



Adjusted gross margin (%)



Adjusted EBIT margin (%)



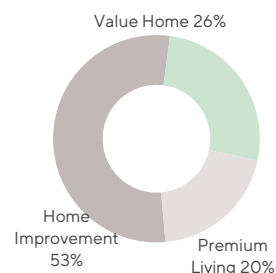


## Value Home

“During the third quarter, we completed the lion’s share of the business area’s inventory consolidation, which has further reduced our fixed costs and will enable more efficient logistics management going forward. We also focused on strengthening the product range and improving the availability of stocked products that were negatively impacted by imbalances following the sharp reduction in inventories in 2023,” says Christian Eriksson, Head of Value Home.

- Net sales decreased -38.1% to SEK 621.5 (1,004.0) for the quarter and -44.1% to SEK 1,804.0 million (3,228.4) for the first nine months of the year.
- The business area’s organic growth was -14.7% for the quarter and -19.1% for the first nine months of the year.
- The adjusted gross margin improved to 30.1% (29.5) for the quarter and 31.0% (30.4) for the first nine months of the year.
- Adjusted EBIT amounted to SEK 24.8 million (-3.6) for the quarter and SEK 68.7 million (27.9) for the first nine months of the year, corresponding to an adjusted EBIT margin of 4.0% (-0.4) and 3.8% (0.9), respectively. The significant improvement in the EBIT margin in the quarter improved was mainly the result of lower fixed costs and lower fulfilment costs.

### Net sales by business area, Jul-Sep 2024



SEKm (if not otherwise stated)	Jul-Sep			Jan-Sep			Jan-Dec
	2024	2023	Δ	2024	2023	Δ	2023
Net sales	621.5	1,004.0	-38.1%	1,804.0	3,228.4	-44.1%	3,941.4
Gross profit	181.0	282.5	-101.4	507.7	967.6	-459.9	1,196.4
Gross margin (%)	29.1	28.1	1.0 p.p.	28.1	30.0	-1.8 p.p.	30.4
Adjusted gross profit	187.3	296.2	-109.0	559.8	981.4	-421.5	1,210.1
Adjusted gross margin (%)	30.1	29.5	0.6 p.p.	31.0	30.4	0.6 p.p.	30.7
Adjusted EBITDA	51.8	59.3	-7.5	154.6	224.1	-69.5	284.0
Adjusted EBITDA margin (%)	8.3	5.9	2.4 p.p.	8.6	6.9	1.6 p.p.	7.2
Adjusted EBIT	24.8	-3.6	28.4	68.7	27.9	40.8	49.5
Adjusted EBIT margin (%)	4.0	-0.4	4.3 p.p.	3.8	0.9	2.9 p.p.	1.3
Items affecting comparability	-35.0	-1,269.8	1,234.8	-108.1	-1,268.0	1,160.0	-1,290.7
Operating income	-13.7	-1,278.0	1,264.3	-49.2	-1,255.2	1,206.0	-1,259.3
Operating margin (%)	-2.2	-127.3	125.1 p.p.	-2.7	-38.9	36.2 p.p.	-32.0
Net profit for the period	-24.2	-1,244.5	1,220.3	-87.8	-1,257.8	1,170.0	-1,276.0
Total order value	617.1	984.1	-37.3%	1,776.5	3,158.0	-43.7%	3,822.9
Orders (thousands)	138	244	-43.3%	393	760	-48.3%	967
Average order value (SEK)	4,457	4,030	427	4,523	4,154	369	3,954

## COMMENTS ON VALUE HOME

Net sales in the Value Home business area accounted for 26% of the Group's total net sales for the quarter and 25% for the first nine months of the year. Sales to customers from countries outside the Nordic region accounted for 40% of sales for the business area during the third quarter.

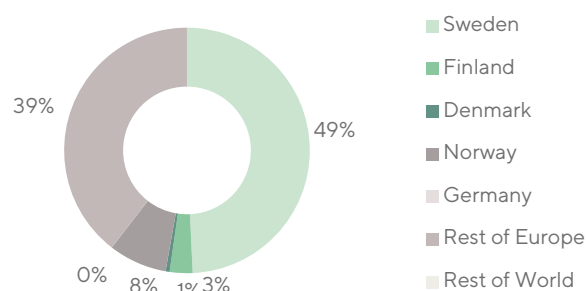
Value Home operates primarily in the Nordic and Eastern European markets. It is a value-driven model that focuses on offering competitive prices, enabled by private label products.

The robust measures taken in the Value Home business area in terms of product range, pricing, and cost and inventory reductions are beginning to yield results, and we noted a positive effect on sales and profitability in the quarter.

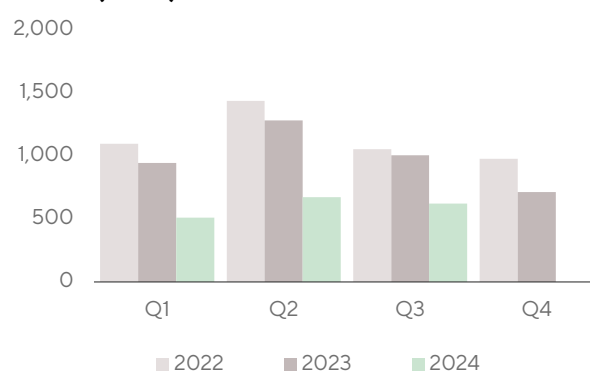
The focus continues to be on:

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

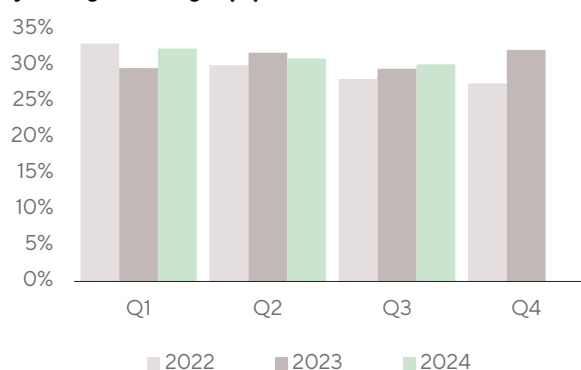
## Distribution of net sales by country (%), Jul-Sep 2024



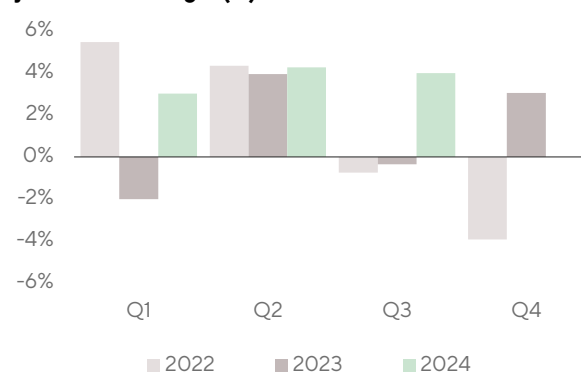
## Net sales (SEKm)



## Adjusted gross margin (%)



## Adjusted EBIT margin (%)



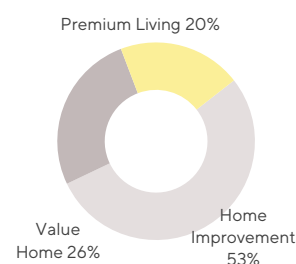


## Premium Living

“Our growth journey continued in the third quarter. The furniture category continued to perform well and was the category with the highest growth in the quarter. This higher growth in furniture put downward pressure on the gross margin, which had a certain negative impact on profitability. The warehouse automation in Kalmar continued according to plan during the quarter. The final phase of the project will be deployed at the beginning of the fourth quarter, which will have a positive impact on efficiency ahead of the important Black Friday period,” says Bank Bergström, Head of Premium Living.

- Net sales increased 5.9% to SEK 478.6 (452.0) for the quarter and 5.5% to SEK 1,496.1 million (1,418.5) for the first nine months of the year. Markets outside the Nordic region showed growth of 11% during the quarter.
- The business area’s organic growth was 1.2% for the quarter and 2.8% for the first nine months of the year.
- The adjusted gross margin amounted to 21.4% (21.4) for the quarter and 23.1% (23.4) for the first nine months of the year
- Adjusted EBIT amounted to SEK 3.4 million (4.5) for the quarter and SEK 14.6 million (25.6) for the first nine months of the year, corresponding to an adjusted EBIT margin of 0.7% (1.0) and 1.0% (1.8), respectively. The EBIT margin in the quarter declined slightly year on year, primarily due to a mix shift towards the furniture category, with lower gross margins, and to investments in warehouse automation, which are expected to yield efficiency gains during the seasonally important fourth quarter.

### Net sales by business area, Jul-Sep 2024



SEKm (if not otherwise stated)	Jul-Sep			Jan-Sep			Jan-Dec
	2024	2023	Δ	2024	2023	Δ	2023
Net sales	478.6	452.0	5.9%	1,496.1	1,418.5	5.5%	2,201.2
Gross profit	98.0	96.7	1.3	322.4	331.6	-9.3	525.3
Gross margin (%)	20.5	21.4	-0.9 p.p.	21.5	23.4	-1.8 p.p.	23.9
Adjusted gross profit	102.5	96.7	5.8	345.9	331.6	14.2	525.3
Adjusted gross margin (%)	21.4	21.4	0.0 p.p.	23.1	23.4	-0.3 p.p.	23.9
Adjusted EBITDA	23.4	20.7	2.7	72.7	73.9	-1.1	135.8
Adjusted EBITDA margin (%)	4.9	4.6	0.3 p.p.	4.9	5.2	-0.3 p.p.	6.2
Adjusted EBIT	3.4	4.5	-1.1	14.6	25.6	-11.0	70.9
Adjusted EBITmargin (%)	0.7	1.0	-0.3 p.p.	1.0	1.8	-0.8 p.p.	3.2
Items affecting comparability	-9.2	-	-9.2	-40.5	0.6	-41.1	0.6
Operating income	-12.1	-1.2	-10.9	-48.4	9.0	-57.4	48.6
Operating margin (%)	-2.5	-0.3	-2.3 p.p.	-3.2	0.6	-3.9 p.p.	2.2
Net profit for the period	-15.1	-8.7	-6.4	-60.8	-5.7	-55.0	11.3
Total order value	510.8	489.4	4.4%	1,588.4	1,524.3	4.2%	2,352.0
Orders (thousands)	330	325	1.4%	1,005	1,001	0.4%	1,633
Average order value (SEK)	1,548	1,504	44	1,581	1,523	58	1,440



**COMMENTS ON PREMIUM LIVING**

Net sales in the Premium Living business area accounted for 20% of the Group’s total net sales for the quarter and 21% for the first nine months of the year.

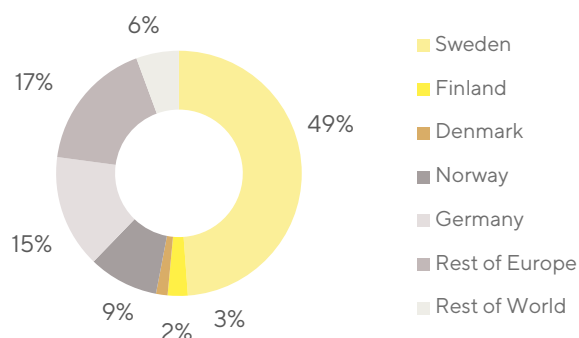
Premium Living has a premium position that is primarily based on stocking external brands, which internationalises Scandinavian design in scalable way from their Nordic base. From having almost exclusively focused on the Nordic markets until 2018, the business area has since successfully established a rapidly growing presence in the European market and in certain Asian markets. Sales to customers from countries outside the Nordic region accounted for nearly 38% of sales for Premium Living during the third quarter. The leading brand in the business area is Nordic Nest.

On October 10, Nordic Nest was awarded first prize in the Home and Household category during the Market Awards 2024. The selection of prize winners is based on a survey led by the magazine Market and the Center for retailing, Stockholm School of Economics.

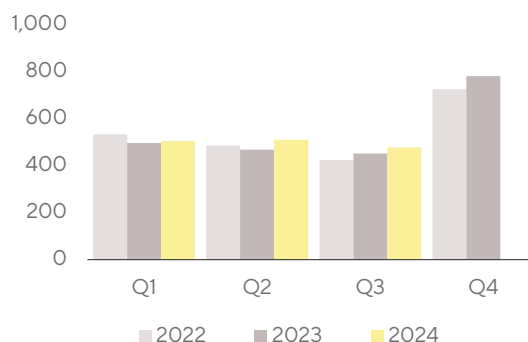
The focus continues to be on:

- Driving geographic growth for Nordic Nest.
- Continuing to develop Nordic Nest Group’s three category specialists: Svenssons in furniture, KitchenTime in cookware and cooking, and Lightshop in lighting.
- Continuing efficiency work. Nordic Nest’s investment in warehouse automation is divided into three phases that started in 2022, with the final phase to be completed at the beginning of the fourth quarter of 2024.

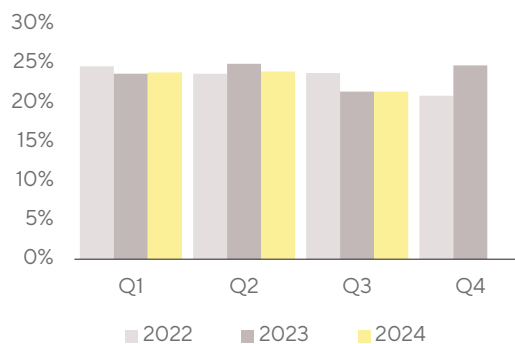
**Distribution of net sales by country (%), Jul-Sep 2024**



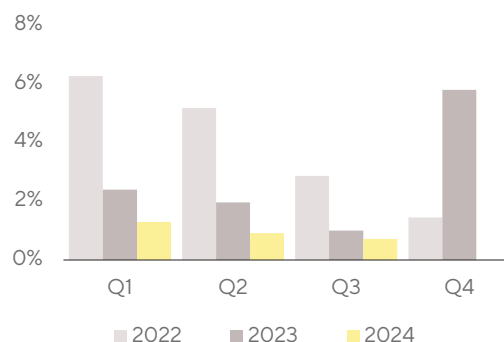
**Net sales (SEKm)**



**Adjusted gross margin (%)**



**Adjusted EBIT margin (%)**





# Other

## **THE BHG SHARE**

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

The share price at the beginning of the year was SEK 14.3. On the last day of trading in the period, the share price was SEK 15.3. The highest price paid, quoted in April, was SEK 20.5, and the lowest price paid, quoted in January, was SEK 12.4.

During the period, 112,596,766 BHG shares were traded, equivalent to a turnover rate of 63%.

As of 30 September, BHG had approximately 12,400 shareholders, of which the largest were Ferd AS (17.8%), Entrust Global (12.8%), Fidelity Investments (9.0%), Mikael Olander (5.0%) and the Fourth AP Fund (4.8%).

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

## **PARENT COMPANY**

The Parent Company's net sales amounted to SEK 2.3 million (1.7) for the quarter and SEK 8.7 million (5.7) for the first nine months of the year. The Parent Company posted an operating loss of SEK -12.5 million (-18.9) for the quarter and SEK -41.6 million (-56.7) for the first nine months of the year. The Parent Company's cash and cash equivalents totalled SEK 34.4 million at the end of the reporting period, compared with SEK 42.5 million at the beginning of the year.

Malmö, 24 October 2024

**Gustaf Öhrn**

President and CEO

**BHG Group AB (publ)**

Neptunigatan 1

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 24 October 2024.

**CONTACT INFORMATION**

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

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Jakob Nylin, Head of Investor Relations  
jakob.nylin@bhggroup.se  
+46 (0) 760-48 02 38



**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, 24 October 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-q3-report-2024>. There will be an opportunity to ask questions in writing at the webcast. If you wish to ask questions verbally during the conference call, please register via the following link: <https://conference.financialhearings.com/teleconference/?id=50048675>. 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 interim report for the period January-September 2024 and previous interim and year-end reports are available at <https://www.wearebhg.com/investors/financial-reports/>

**FINANCIAL CALENDAR**

29 January 2025	Year-end report January-December 2024
25 April 2025	Interim report January-March 2025
18 July 2025	Interim report January-June 2025
24 October 2025	Interim report January-September 2025
27 January 2026	Year-end report January-December 2025



# Auditor's report

Unofficial translation  
BHG Group AB, corp. reg. no. 559077-0763

## INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of BHG Group AB as of 30 September 2024 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö 24 October 2024  
Öhrlings PricewaterhouseCoopers AB

Eric Salander  
Authorized Public Accountant  
Auditor in charge

Vicky Johansson  
Authorized Public Accountant

# Condensed consolidated income statement

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Net sales	2,354.1	2,861.9	7,078.8	8,961.4	11,790.2
Other operating income	1.1	5.0	30.5	14.0	20.6
<b>Total net sales</b>	<b>2,355.2</b>	<b>2,866.9</b>	<b>7,109.2</b>	<b>8,975.5</b>	<b>11,810.9</b>
Cost of goods sold	-1,785.5	-2,194.2	-5,387.4	-6,754.2	-8,869.2
Personnel costs	-197.7	-247.3	-631.9	-812.4	-1,067.1
Other external costs and operating expenses	-248.5	-327.1	-793.1	-1,034.1	-1,354.7
Other operating expenses	-4.4	-1,193.9	-11.0	-1,193.9	-1,196.4
Depreciation and amortisation of tangible and intangible fixed assets	-135.5	-203.7	-395.8	-511.5	-697.7
<b>Operating income</b>	<b>-16.3</b>	<b>-1,299.3</b>	<b>-109.9</b>	<b>-1,330.6</b>	<b>-1,374.2</b>
Profit/loss from financial items	-55.0	-68.1	-156.0	-153.6	-219.1
<b>Profit before tax</b>	<b>-71.3</b>	<b>-1,367.4</b>	<b>-265.8</b>	<b>-1,484.2</b>	<b>-1,593.3</b>
Income tax	15.7	67.2	51.5	91.1	50.9
<b>Profit for the period</b>	<b>-55.6</b>	<b>-1,300.2</b>	<b>-214.3</b>	<b>-1,393.1</b>	<b>-1,542.5</b>
Attributable to:					
Equity holders of the parent	-67.2	-1,308.8	-237.1	-1,404.9	-1,564.7
Non-controlling interest	11.6	8.7	22.7	11.8	22.2
<b>Net income for the period</b>	<b>-55.6</b>	<b>-1,300.2</b>	<b>-214.3</b>	<b>-1,393.1</b>	<b>-1,542.5</b>
Earnings per share before dilution, SEK	-0.37	-7.30	-1.32	-7.84	-8.73
Earnings per share after dilution, SEK	-0.37	-7.30	-1.32	-7.84	-8.73

\* The formula for earnings per share is as follows: earnings per share = net profit/loss for the period/(average number of ordinary shares outstanding + dilution effect due to outstanding warrants and share savings programmes). At the end of the period, there was a total of 8,263,660 (8,263,660) warrants and share awards under the share saving programme outstanding, of which 0 (0) had a dilution effect during the quarter.



# Condensed consolidated statement of comprehensive income

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Profit for the period	-55.6	-1,300.2	-214.3	-1,393.1	-1,542.5
<b>Other comprehensive income</b>					
Items that are or may be reclassified to profit or loss					
Translation differences for the period	-6.0	-107.4	15.5	-41.4	-74.5
Reclassification of foreign currency differences to profit or loss for the period	-	-	5.9	-	-
<b>Other comprehensive income for the period</b>	<b>-6.0</b>	<b>-107.4</b>	<b>21.3</b>	<b>-41.4</b>	<b>-74.5</b>
<b>Total comprehensive income for the period</b>	<b>-61.5</b>	<b>-1,407.6</b>	<b>-193.0</b>	<b>-1,434.4</b>	<b>-1,617.0</b>
<b>Total comprehensive income attributable to:</b>					
Parent Company shareholders	-72.2	-1,423.6	-218.8	-1,457.1	-1,644.5
Non-controlling interest	10.6	16.0	25.8	22.6	27.6
<b>Total comprehensive income for the period</b>	<b>-61.5</b>	<b>-1,407.6</b>	<b>-193.0</b>	<b>-1,434.5</b>	<b>-1,617.0</b>
<b>Shares outstanding at period's end</b>	<b>179,233,563</b>	<b>179,233,563</b>	<b>179,233,563</b>	<b>179,233,563</b>	<b>179,233,563</b>
<b>Average number of shares</b>					
Before dilution	179,233,563	179,233,563	179,233,563	179,233,563	179,233,563
After dilution	179,233,563	179,233,563	179,233,563	179,233,563	179,233,563

# Condensed consolidated statement of financial position

SEKm	30 Sep		31 Dec
	2024	2023	2023
<b>Non-current assets</b>			
Goodwill	5,951.1	5,917.7	5,899.7
Other intangible fixed assets	2,413.2	2,450.4	2,436.8
<b>Total intangible fixed assets</b>	<b>8,364.2</b>	<b>8,368.1</b>	<b>8,336.5</b>
Buildings and land	20.5	20.9	20.8
Leased fixed assets	518.6	720.8	615.0
Tangible fixed assets	92.2	110.4	124.6
Financial fixed assets	15.6	16.7	16.4
Deferred tax asset	84.3	93.7	92.3
<b>Total fixed assets</b>	<b>9,095.3</b>	<b>9,330.5</b>	<b>9,205.6</b>
<b>Current assets</b>			
Inventories	1,330.3	1,481.7	1,312.9
Current receivables	594.3	640.2	534.6
Cash and cash equivalents	266.6	768.5	370.3
<b>Total current assets</b>	<b>2,191.1</b>	<b>2,890.4</b>	<b>2,217.8</b>
<b>Total assets</b>	<b>11,286.4</b>	<b>12,220.9</b>	<b>11,423.3</b>
<b>Equity</b>			
Equity attributable to owners of the parent	6,057.4	6,546.0	6,342.6
Non-controlling interest	177.2	179.2	167.4
<b>Total equity</b>	<b>6,234.7</b>	<b>6,725.2</b>	<b>6,510.0</b>
<b>Non-current liabilities</b>			
Deferred tax liability	464.1	502.5	479.0
Other provisions	26.4	38.8	28.0
Non-current interest-bearing liabilities to credit institutions	1,495.5	1,989.4	1,495.5
Non-current lease liabilities	343.9	490.6	427.4
Non-current acquisition related interest-bearing liabilities	234.2	343.3	325.3
<b>Total non-current liabilities</b>	<b>2,564.1</b>	<b>3,364.6</b>	<b>2,755.1</b>
<b>Current liabilities</b>			
Current lease liabilities	238.3	277.0	259.7
Current acquisition related interest-bearing liabilities	271.9	26.5	48.9
Other current liabilities	1,977.5	1,827.7	1,849.5
<b>Total current liabilities</b>	<b>2,487.6</b>	<b>2,131.2</b>	<b>2,158.2</b>
<b>Total equity and liabilities</b>	<b>11,286.4</b>	<b>12,220.9</b>	<b>11,423.3</b>

# Condensed consolidated statement of cash flows

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
EBITDA	119.2	-1,095.6	285.9	-819.1	-676.6
Adjustments for items not included in cash flow*	-20.0	1,139.0	-34.4	1,036.0	1,004.1
Income tax paid	-15.9	-6.3	-47.1	-93.2	-46.1
<b>Cash flow from operating activities before changes in working capital</b>	<b>83.3</b>	<b>37.0</b>	<b>204.4</b>	<b>123.6</b>	<b>281.4</b>
Changes in working capital	20.1	186.7	115.9	1,077.8	1,268.8
<b>Cash flow from operating activities</b>	<b>103.3</b>	<b>223.7</b>	<b>320.2</b>	<b>1,201.3</b>	<b>1,550.2</b>
Investments in operations	-9.0	-303.3	-49.9	-467.1	-467.1
Investments in other non-current assets	-28.5	-39.0	-99.9	-123.5	-184.5
Divestment of operations	-	-39.5	74.5	-32.8	-32.8
Divestment of other tangible fixed assets	2.8	1.0	9.7	3.2	3.6
Received interest	3.7	6.6	8.8	11.8	26.3
<b>Cash flow to/from investing activities</b>	<b>-30.9</b>	<b>-374.1</b>	<b>-56.8</b>	<b>-608.4</b>	<b>-654.4</b>
New share issue	-	-	-	80.7	80.7
Loans taken	-	-	500.0	-	-
Amortisation of loans	-67.2	-77.5	-717.7	-254.6	-856.7
Issue of warrants	-	-	-	5.2	5.2
Interest paid	-42.8	-56.4	-128.9	-145.6	-203.9
Transactions with non-controlling interest	-	17.4	0.0	17.4	28.4
Dividends to non-controlling interests	-16.0	-	-17.2	-	-24.6
<b>Cash flow to/from financing activities</b>	<b>-126.1</b>	<b>-116.5</b>	<b>-363.9</b>	<b>-296.9</b>	<b>-970.9</b>
<b>Cash flow for the period</b>	<b>-53.7</b>	<b>-266.9</b>	<b>-100.4</b>	<b>296.0</b>	<b>-75.0</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>338.8</b>	<b>1,050.3</b>	<b>370.3</b>	<b>477.6</b>	<b>477.6</b>
Translation differences in cash and cash equivalents	-18.6	-14.9	-3.3	-5.1	-32.3
<b>Cash and cash equivalents at the end of the period</b>	<b>266.6</b>	<b>768.5</b>	<b>266.6</b>	<b>768.5</b>	<b>370.3</b>

\* Adjustments for non-cash items for the first nine months of the year amounts to a capital loss of SEK -11,7 million from the divestment of operations, a change of SEK -15,6 million in provisions for obsolescence/ inventory impairment, a change of SEK -3,0 million in other provisions and other items of SEK -4,2 million. For the full year 2023 it consist of capital gains of SEK 1,117.1 million from the divestment of operations, a change of SEK -190.3 million in provisions for obsolescence, a change of SEK 6.4 million in other provisions and other items of SEK 70.9 million.

# Condensed consolidated statement of changes in equity

SEKm	30 Sep		31 Dec
	2024	2023	2023
<b>Opening balance</b>	<b>6,510.0</b>	<b>7,669.8</b>	<b>7,669.8</b>
Comprehensive income for the period	-193.0	-1,434.4	-1,617.0
Transactions with non-controlling interests	59.1	29.3	29.3
New share issues*	-	-0.7	-0.7
Issue of warrants	1.2	8.1	8.5
Dividends to non-controlling interests	-17.2	-	-24.6
Remeasurement of liabilities to non-controlling interests	-125.4	453.2	444.8
<b>Closing balance</b>	<b>6,234.7</b>	<b>6,725.2</b>	<b>6,510.0</b>

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

# Notes

## NOTE 1 ACCOUNTING POLICIES

This report has been prepared by applying the rules of IAS 34 Interim Financial Reporting and applicable regulations contained in the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with Chapter 9 Interim Reports of the Swedish Annual Accounts Act. For the Group and the Parent Company, the same accounting policies and estimation techniques have been applied as in the 2023 Annual Report. The Group also applies the European Securities and Markets Authority's (ESMA) guidelines for alternative performance measures. Definitions of alternative performance measures can be found in the relevant reconciliations on pages 30-42 of this report.

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

## NOTE 2 SEASONAL VARIATIONS

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

## NOTE 3 SEGMENTS

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
<b>Net sales</b>					
Home Improvement	1,264.6	1,420.1	3,818.4	4,382.9	5,726.7
Value Home	621.5	1,004.0	1,804.0	3,228.4	3,941.4
Premium Living	478.6	452.0	1,496.1	1,418.5	2,201.2
<b>Total net sales</b>	<b>2,364.8</b>	<b>2,876.2</b>	<b>7,118.5</b>	<b>9,029.9</b>	<b>11,869.3</b>
Other*	7.9	7.0	27.0	25.1	32.1
Eliminations	-18.5	-21.3	-66.8	-93.5	-111.2
<b>Group consolidated total</b>	<b>2,354.1</b>	<b>2,861.9</b>	<b>7,078.8</b>	<b>8,961.4</b>	<b>11,790.2</b>
<b>Revenue from other segments</b>					
Home Improvement	0.8	1.5	3.6	5.1	6.6
Value Home	9.7	12.8	34.5	63.2	72.3
Premium Living	0.1	0.1	1.7	0.1	0.2
Other*	7.9	7.0	27.0	25.1	32.1
<b>Total</b>	<b>18.5</b>	<b>21.3</b>	<b>66.8</b>	<b>93.5</b>	<b>111.2</b>
SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
<b>Operating income and profit before tax</b>					
Home Improvement	22.8	-0.7	31.8	-17.2	-71.5
Value Home	-13.7	-1,278.0	-49.2	-1,255.2	-1,259.3
Premium Living	-12.1	-1.2	-48.4	9.0	48.6
<b>Total operating income</b>	<b>-2.9</b>	<b>-1,279.9</b>	<b>-65.8</b>	<b>-1,263.4</b>	<b>-1,282.2</b>
Other*	-13.4	-19.3	-44.1	-67.2	-92.0
<b>Group consolidated operating income</b>	<b>-16.3</b>	<b>-1,299.3</b>	<b>-109.9</b>	<b>-1,330.6</b>	<b>-1,374.2</b>
Financial net	-55.0	-68.1	-156.0	-153.6	-219.1
<b>Group consolidated profit before tax</b>	<b>-71.3</b>	<b>-1,367.4</b>	<b>-265.8</b>	<b>-1,484.2</b>	<b>-1,593.3</b>

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

Jul-Sep 2024										
SEKm	Home Improvement		Value Home		Premium living		Other	Elimination	Group	
		%		%		%				
Sweden	863.6	68.3%	306.2	49.3%	233.8	48.8%	7.9	-17.1	1,394.4	59.2%
Finland	348.7	27.6%	18.7	3.0%	12.6	2.6%	-	-0.2	379.9	16.1%
Denmark	12.4	1.0%	3.3	0.5%	7.3	1.5%	-	-0.1	22.9	1.0%
Norway	25.0	2.0%	47.8	7.7%	44.1	9.2%	-	-	117.0	5.0%
Germany	3.3	0.3%	0.0	0.0%	71.3	14.9%	-	-	74.7	3.2%
Rest of Europe	11.5	0.9%	245.5	39.5%	82.5	17.2%	-	-1.2	338.3	14.4%
Rest of World	-	-	-	-	27.0	5.6%	-	-	27.0	1.1%
<b>Net sales</b>	<b>1,264.6</b>	<b>100%</b>	<b>621.5</b>	<b>100%</b>	<b>478.6</b>	<b>100%</b>	<b>7.9</b>	<b>-18.5</b>	<b>2,354.1</b>	<b>100%</b>

Jul-Sep 2023										
SEKm	Home Improvement		Value Home		Premium living		Other	Elimination	Group	
		%		%		%				
Sweden	922.8	65.0%	360.7	35.9%	210.6	46.6%	7.0	-19.8	1,481.4	51.8%
Finland	348.6	24.5%	46.2	4.6%	13.5	3.0%	-	-0.4	407.9	14.3%
Denmark	71.8	5.1%	117.1	11.7%	14.3	3.2%	-	-	203.2	7.1%
Norway	58.4	4.1%	87.4	8.7%	51.0	11.3%	-	-	196.8	6.9%
Germany	3.0	0.2%	132.8	13.2%	60.9	13.5%	-	-	196.8	6.9%
Rest of Europe	15.5	1.1%	259.8	25.9%	75.2	16.6%	-	-1.2	349.2	12.2%
Rest of World	-	-	-	-	26.5	5.9%	-	-	26.5	0.9%
<b>Net sales</b>	<b>1,420.1</b>	<b>100%</b>	<b>1,004.0</b>	<b>100%</b>	<b>452.0</b>	<b>100%</b>	<b>7.0</b>	<b>-21.3</b>	<b>2,861.9</b>	<b>100%</b>

Jan-Sep 2024										
SEKm	Home Improvement		Value Home		Premium living		Other	Elimination	Group	
		%		%		%				
Sweden	2,611.3	68.4%	880.6	48.8%	693.9	46.4%	27.0	-62.4	4,150.3	58.6%
Finland	997.8	26.1%	63.5	3.5%	41.9	2.8%	-	-0.4	1,102.7	15.6%
Denmark	40.5	1.1%	9.0	0.5%	34.8	2.3%	-	-0.8	83.4	1.2%
Norway	126.2	3.3%	142.1	7.9%	138.6	9.3%	-	-	406.8	5.7%
Germany	9.4	0.2%	0.1	0.0%	241.5	16.1%	-	-	251.0	3.5%
Rest of Europe	33.4	0.9%	708.8	39.3%	268.1	17.9%	-	-3.1	1,007.2	14.2%
Rest of World	-	-	-	-	77.3	5.2%	-	-	77.3	1.1%
<b>Net sales</b>	<b>3,818.4</b>	<b>100%</b>	<b>1,804.0</b>	<b>100%</b>	<b>1,496.1</b>	<b>100%</b>	<b>27.0</b>	<b>-66.8</b>	<b>7,078.8</b>	<b>100%</b>

Jan-Sep 2023										
SEKm	Home Improvement		Value Home		Premium living		Other	Elimination	Group	
		%		%		%				
Sweden	2,859.5	65.2%	1,208.0	37.4%	668.1	47.1%	25.1	-89.0	4,671.8	52.1%
Finland	1,067.5	24.4%	141.4	4.4%	38.3	2.7%	-	-1.0	1,246.2	13.9%
Denmark	227.4	5.2%	358.0	11.1%	40.6	2.9%	-	-	626.0	7.0%
Norway	183.7	4.2%	275.5	8.5%	142.9	10.1%	-	-	602.1	6.7%
Germany	9.1	0.2%	478.7	14.8%	224.8	15.8%	-	-	712.6	8.0%
Rest of Europe	35.8	0.8%	766.8	23.8%	218.5	15.4%	-	-3.5	1,017.5	11.4%
Rest of World	-	-	-	-	85.2	6.0%	-	-	85.2	1.0%
<b>Net sales</b>	<b>4,382.9</b>	<b>100%</b>	<b>3,228.4</b>	<b>100%</b>	<b>1,418.5</b>	<b>100%</b>	<b>25.1</b>	<b>-93.5</b>	<b>8,961.4</b>	<b>100%</b>



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

#### NOTE 4 BUSINESS COMBINATIONS

##### Acquisitions in 2024

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

2024

SEKm	Net identifiable assets and liabilities	Goodwill	Purchase price	Cash and cash equivalents	Contingent/deferred purchase price, vendor loans	Net cash flow
<b>Business combinations during 2024</b>						
Acquisition of shares in Trendrum AB*	-2.6	93.1	90.5	1.1	31.4	1.1
Acquisition of assets in KitchenTime AB	-	-	-	-	-	-30.0
<b>Acquisition of non-controlling interests</b>						
Acquisition of shares in Arc E-commerce AB	-	-	-	-	-	-12.0
Acquisition of shares in Nordic Nest Group AB	-	-	-	-	-	-9.0
	<b>-2.6</b>	<b>93.1</b>	<b>90.5</b>	<b>1.1</b>	<b>31.4</b>	<b>-49.9</b>

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

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

Since the acquisition date, Trendrum has contributed SEK 84.9 million to the Group's revenue and SEK 6.2 million to the Group's profit/loss after tax. If Trendrum had been consolidated from the beginning of the financial year, it would have contributed SEK 136.4 million to the Group's revenue and SEK -6.7 million to the Group's profit/loss after tax.

#### NOTE 5 DIVESTMENT OF BUSINESSES

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

**NOTE 6 FAIR VALUE**

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

**Acquisition-related interest-bearing liabilities**

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

SEKm	30 Sep		31 Dec
	2024	2023	2023
<b>Reported value on the opening date</b>	<b>374.2</b>	<b>1,254.2</b>	<b>1,254.2</b>
Recognition in profit or loss	-5.6	7.1	7.1
Recognised in equity	127.1	-424.4	-420.0
Utilised amount	-21.0	-467.1	-467.1
Acquisition value at cost	31.4	-	-
<b>Reported value on the closing date</b>	<b>506.1</b>	<b>369.8</b>	<b>374.2</b>

**Currency forwards**

The Group recognises currency forwards at fair value, which as of 30 September 2024 was SEK 0.4 million (0.2), of which SEK 0.0 million (0.2) comprised assets and SEK 0.4 million (0.0) comprised liabilities for the Group. The currency forwards are measured based on a discount comprising the difference between the contracted forward rate and the actual forward rate for a currency forward maturing on the same date. This measurement is included in Level 2 of the valuation hierarchy.

**NOTE 7 RELATED-PARTY TRANSACTIONS**

During the quarter, Board member Joanna Hummel received remuneration of SEK 134,887 for consultancy services relating to strategy development in Home Furnishing Nordic AB. As of June 2024, she is also a member of the Board of Directors of the subsidiary Nordic Nest Group AB and receives an annual director fee of SEK 150,000 for this work.

**NOTE 8 RISKS AND UNCERTAINTIES**

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

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

**Dispute with minority owner**

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

# Condensed Parent Company income statement

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Net sales	2.3	1.7	8.7	5.7	7.9
<b>Total net sales</b>	<b>2.3</b>	<b>1.7</b>	<b>8.7</b>	<b>5.7</b>	<b>7.9</b>
Personnel cost	-10.6	-11.8	-35.8	-44.0	-58.0
Other external costs	-4.1	-8.7	-14.4	-18.1	-29.4
Depreciation and amortisation of tangible and intangible fixed assets	-0.1	-0.1	-0.2	-0.2	-0.3
<b>Operating income</b>	<b>-12.5</b>	<b>-18.9</b>	<b>-41.6</b>	<b>-56.7</b>	<b>-79.8</b>
Profit/loss from financial items	-21.9	-31.9	-60.9	-60.9	-92.6
Group contributions	-	-	-	-	110.0
<b>Profit/loss before tax</b>	<b>-34.4</b>	<b>-50.7</b>	<b>-102.4</b>	<b>-117.6</b>	<b>-62.4</b>
Income tax	7.0	9.7	20.8	23.5	-6.5
<b>Profit/loss for the period</b>	<b>-27.4</b>	<b>-41.0</b>	<b>-81.6</b>	<b>-94.1</b>	<b>-68.9</b>

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

# Condensed Parent Company balance sheet

SEKm	30 Sep		31 Dec
	2024	2023	2023
<b>Non-current assets</b>			
Other intangible fixed assets	0.3	0.5	0.5
<b>Total intangible fixed assets</b>	<b>0.3</b>	<b>0.5</b>	<b>0.5</b>
Financial fixed assets	7.6	7.7	7.4
Participations in Group companies	3,678.3	3,678.3	3,678.3
Long-term receivables from Group companies	4,764.5	4,805.5	4,805.5
Deferred tax asset	0.1	5.8	0.0
<b>Total fixed assets</b>	<b>8,450.8</b>	<b>8,497.8</b>	<b>8,491.7</b>
<b>Current assets</b>			
Short-term receivables	24.4	28.3	4.8
Short-term receivables from Group companies	66.6	119.1	104.9
Cash and cash equivalents	34.4	33.6	42.5
<b>Total current assets</b>	<b>125.4</b>	<b>181.0</b>	<b>152.2</b>
<b>Total assets</b>	<b>8,576.1</b>	<b>8,678.7</b>	<b>8,644.0</b>
<b>Equity</b>			
Restricted equity	5.4	5.4	5.4
Unrestricted equity	6,565.0	6,620.2	6,645.7
<b>Total equity</b>	<b>6,570.4</b>	<b>6,625.5</b>	<b>6,651.0</b>
<b>Untaxed reserves</b>	-	<b>20.0</b>	-
<b>Non-current liabilities</b>			
Other provisions	0.6	0.1	0.2
Long-term liabilities to Group companies	450.0	-	450.0
Non-current interest-bearing liabilities to credit institutions	1,495.5	1,989.4	1,495.5
<b>Total non-current liabilities</b>	<b>1,946.1</b>	<b>1,989.5</b>	<b>1,945.7</b>
<b>Current liabilities</b>			
Other current liabilities	59.7	43.7	47.2
<b>Total current liabilities</b>	<b>59.7</b>	<b>43.7</b>	<b>47.2</b>
<b>Total equity and liabilities</b>	<b>8,576.1</b>	<b>8,678.7</b>	<b>8,644.0</b>

## Key ratios

	2024				2023				
	Q3	Q2	Q1	Jan-Sep	Q4	Q3	Q2	Q1	Jan-Dec
<b>THE GROUP</b>									
Net sales growth (%)	-17.7	-22.0	-23.3	-21.0	-14.5	-7.9	-10.9	-15.9	-12.2
Organic growth (%)	-9.8	-13.5	-13.9	-12.6	-10.8	-10.4	-12.6	-17.0	-12.7
Adjusted gross profit beofre direct selling costs (%)	37.1	37.6	39.1	37.9	38.4	37.3	38.3	37.8	38.0
Adjusted gross profit (%)	24.6	25.6	26.6	25.6	25.4	24.0	25.8	24.5	25.0
Adjusted EBIT (%)	2.2	3.6	-0.0	2.1	1.9	0.4	2.8	-2.6	0.8
Earnings per share before dilution, SEK	-0.37	-0.57	-0.38	-1.32	-0.89	-7.30	0.12	-0.66	-8.73
Earnings per share after dilution, SEK	-0.37	-0.57	-0.38	-1.32	-0.89	-7.30	0.12	-0.66	-8.73
Equity/assets ratio %	55.2	55.1	56.1	55.2	57.0	55.0	52.6	52.7	57.0
Net debt (+) / Net cash (-)	1,233.4	1,161.2	1,376.7	1,233.4	1,129.7	1,231.5	968.8	1,429.3	1,129.7
Cash flow from operating activites (SEKm)	103.3	327.8	-110.8	320.2	348.9	223.7	766.8	210.8	1,550.2
Total order value (SEKm)	2,447.2	2,768.1	2,079.4	7,294.8	2,824.8	2,883.3	3,561.3	2,660.7	11,930.0
Orders (thousands)	962	1,001	851	2,814	1,377	1,106	1,217	1,016	4,716
Average order value (SEK)	2,543	2,766	2,445	2,593	2,051	2,608	2,925	2,619	2,529
<b>Home Improvement</b>									
Net sales growth (%)	-11.0	-12.2	-16.2	-12.9	-17.1	-13.7	-13.7	-22.4	-16.5
Organic growth (%)	-10.0	-11.9	-16.2	-12.5	-17.7	-15.3	-14.6	-22.9	-17.4
Adjusted gross profit beofre direct selling costs (%)	33.2	33.5	35.2	33.8	33.3	31.5	31.6	31.1	31.9
Adjusted gross profit (%)	23.0	23.7	25.0	23.8	22.1	20.8	21.3	20.6	21.2
Adjusted EBIT (%)	3.0	5.2	-0.9	2.8	0.9	1.9	3.3	-3.7	0.9
Total order value (SEKm)	1,319.3	1,575.1	1,035.5	3,929.8	1,332.2	1,409.9	1,772.6	1,240.4	5,755.1
Orders (thousands)	494	554	368	1,416	539	536	611	431	2,117
Average order value (SEK)	2,671	2,844	2,810	2,775	2,473	2,631	2,901	2,877	2,719
<b>Value Home</b>									
Net sales growth (%)	-38.1	-47.5	-45.9	-44.1	-26.9	-4.6	-10.7	-13.9	-13.5
Organic growth (%)	-14.7	-23.7	-17.6	-19.1	-13.4	-9.4	-14.1	-16.6	-13.5
Adjusted gross profit beofre direct selling costs (%)	45.3	45.4	46.4	45.7	46.2	45.4	46.2	44.4	45.6
Adjusted gross profit (%)	30.1	30.9	32.3	31.0	32.1	29.5	31.7	29.6	30.7
Adjusted EBIT (%)	4.0	4.2	3.0	3.8	3.0	-0.4	3.9	-2.0	1.3
Total order value (SEKm)	617.1	654.5	504.9	1,776.5	664.9	984.1	1,260.5	913.4	3,822.9
Orders (thousands)	138	139	115	393	207	244	286	230	967
Average order value (SEK)	4,457	4,706	4,383	4,523	3,218	4,030	4,410	3,969	3,954
<b>Premium Living</b>									
Net sales growth (%)	5.9	9.1	1.7	5.5	7.8	6.1	-3.7	-6.7	1.3
Organic growth (%)	1.2	5.8	-2.6	2.8	7.8	6.1	-3.7	-6.7	1.3
Adjusted gross profit beofre direct selling costs (%)	36.4	39.0	39.1	38.2	39.9	36.2	39.6	40.3	39.2
Adjusted gross profit (%)	21.4	24.0	23.9	23.1	24.7	21.4	25.0	23.7	23.9
Adjusted EBIT (%)	0.7	0.9	1.3	1.0	5.8	1.0	2.0	2.4	3.2
Total order value (SEKm)	510.8	538.5	539.1	1,588.4	827.7	489.4	528.1	506.9	2,352.0
Orders (thousands)	330	308	367	1,005	632	325	321	355	1,633
Average order value (SEK)	1,548	1,750	1,469	1,581	1,309	1,504	1,647	1,429	1,440



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

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

## **ADJUSTED EBIT, ADJUSTED EBITDA AND ADJUSTED GROSS PROFIT**

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

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

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



## Group

### Reconciliation between operating income & adjusted EBITDA

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
<b>Operating income</b>	<b>-16.3</b>	<b>-1,299.3</b>	<b>-109.9</b>	<b>-1,330.6</b>	<b>-1,374.2</b>
Inventory impairment	0.0	-	99.1	-	-
Salary expense for gardening leave	6.0	0.4	13.1	3.5	7.6
Costs related to LTIP	-	0.4	-	10.4	10.4
Acquisition-related costs	-	2.0	1.4	4.0	4.0
Disputes	4.5	-	7.3	-	-
Restructuring costs	-	21.5	6.1	21.5	33.3
Impairment due to restructuring	0.7	79.3	17.0	79.3	138.7
Impairment due to warehouse consolidation	25.7	-	46.9	-	-
Impairment IT platform	-	65.6	-	65.6	65.6
Warehouse consolidation	8.1	-	8.1	-	-
Capital gain/ loss disposal	-	1,117.8	-2.1	1,117.8	1,117.7
Gain from renegotiation of lease agreement	-0.1	-	-11.1	-	-
Received electricity support for business	-	-	-	-4.9	-4.9
<b>Total items affecting comparability</b>	<b>45.0</b>	<b>1,287.1</b>	<b>185.7</b>	<b>1,297.3</b>	<b>1,372.5</b>
Amortisation of acquisition-related intangible fixed assets	23.9	24.7	71.1	75.3	98.4
Scrapping of acquired brands when sites are discontinued	-	-	4.1	-	-
<b>Adjusted EBIT</b>	<b>52.5</b>	<b>12.5</b>	<b>151.1</b>	<b>42.0</b>	<b>96.7</b>
<b>Adjusted EBIT (%)</b>	<b>2.2</b>	<b>0.4</b>	<b>2.1</b>	<b>0.5</b>	<b>0.8</b>
Depreciation and amortisation of tangible and intangible fixed assets	85.9	125.2	264.8	382.5	487.0
Gain/loss from sale of fixed assets	-0.0	1.4	2.5	0.4	-4.8
<b>Adjusted EBITDA</b>	<b>138.4</b>	<b>139.1</b>	<b>418.4</b>	<b>424.8</b>	<b>578.9</b>
<b>Adjusted EBITDA (%)</b>	<b>5.9</b>	<b>4.9</b>	<b>5.9</b>	<b>4.7</b>	<b>4.9</b>

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

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Net sales	2,354.1	2,861.9	7,078.8	8,961.4	11,790.2
Cost of goods	-1,485.5	-1,815.1	-4,511.2	-5,590.5	-7,332.3
<b>Gross profit before direct selling costs</b>	<b>868.6</b>	<b>1,046.8</b>	<b>2,567.6</b>	<b>3,370.9</b>	<b>4,457.9</b>
<b>Gross profit before direct selling costs (%)</b>	<b>36.9</b>	<b>36.6</b>	<b>36.3</b>	<b>37.6</b>	<b>37.8</b>
Direct selling costs	-300.0	-379.1	-876.2	-1,163.7	-1,536.9
<b>Gross profit</b>	<b>568.6</b>	<b>667.7</b>	<b>1,691.4</b>	<b>2,207.2</b>	<b>2,921.1</b>
<b>Gross profit (%)</b>	<b>24.2</b>	<b>23.3</b>	<b>23.9</b>	<b>24.6</b>	<b>24.8</b>
Inventory impairment	0.0	-	99.1	-	-
Restructuring costs	-	-	6.8	-	-
Impairment due to restructuring	-	19.5	1.6	19.5	20.0
Warehouse consolidation	4.8	-	4.8	-	-
<b>Adjusted gross profit before direct selling costs</b>	<b>873.5</b>	<b>1,066.3</b>	<b>2,679.9</b>	<b>3,390.4</b>	<b>4,477.9</b>
<b>Adjusted gross profit before direct selling costs (%)</b>	<b>37.1</b>	<b>37.3</b>	<b>37.9</b>	<b>37.8</b>	<b>38.0</b>
Impairment due to restructuring	1.4	-	0.1	-	0.9
Gain from renegotiation of lease agreement	-	-	-0.3	-	-
Restructuring costs	-0.0	-	-	-	2.9
Disputes	4.5	-	4.5	-	-
<b>Adjusted gross profit</b>	<b>579.4</b>	<b>687.2</b>	<b>1,809.5</b>	<b>2,226.7</b>	<b>2,944.8</b>
<b>Adjusted gross profit (%)</b>	<b>24.6</b>	<b>24.0</b>	<b>25.6</b>	<b>24.8</b>	<b>25.0</b>

**Reconciliation of organic growth**

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
<b>Net sales comparative period</b>	<b>2,861.9</b>	<b>3,106.7</b>	<b>8,961.4</b>	<b>10,125.7</b>	<b>13,433.6</b>
Currency effect	-23.9	91.4	-33.8	228.3	247.6
Effect acquired companies	62.4	-	123.0	-	13.0
Effect divested companies	-265.1	-14.5	-838.3	-60.6	-203.0
Organic growth	-281.2	-321.6	-1,133.6	-1,331.9	-1,701.0
<b>Net sales current period</b>	<b>2,354.1</b>	<b>2,861.9</b>	<b>7,078.8</b>	<b>8,961.4</b>	<b>11,790.2</b>
<b>Organic growth (%)</b>	<b>-9.8</b>	<b>-10.4</b>	<b>-12.6</b>	<b>-13.2</b>	<b>-12.7</b>

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

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Personnel costs	-197.7	-247.3	-631.9	-812.4	-1,067.1
Other external costs and operating expenses	-248.5	-327.1	-793.1	-1,034.1	-1,354.7
<b>Total personnel costs and other external costs and operating expenses</b>	<b>-446.1</b>	<b>-574.4</b>	<b>-1,425.0</b>	<b>-1,846.5</b>	<b>-2,421.9</b>
Adjustment items affecting comparability related to personnel costs	6.0	7.4	17.0	20.2	30.0
Adjustment items affecting comparability related to other external costs and operating expenses	0.0	17.0	5.7	19.3	21.3
<b>Selling, general and administrative expenses (SG&amp;A)</b>	<b>-440.2</b>	<b>-550.0</b>	<b>-1,402.4</b>	<b>-1,807.1</b>	<b>-2,370.5</b>





## Home Improvement

### Reconciliation between operating income & adjusted EBITDA

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
<b>Operating income</b>	<b>22.8</b>	<b>-0.7</b>	<b>31.8</b>	<b>-17.2</b>	<b>-71.5</b>
Inventory impairment	0.0	-	41.2	-	-
Salary expense for gardening leave	0.0	0.4	2.6	2.9	7.0
Acquisition-related costs	-	2.0	-	4.0	4.0
Restructuring costs	-	-0.5	-	-0.5	10.9
Impairment due to restructuring	0.7	11.7	3.8	11.7	48.8
Impairment IT platform	-	-	-	-	-
Warehouse consolidation	-	-	-	-	-
Capital gain/ loss disposal	-	-	-2.5	-	-
Gain from renegotiation of lease agreement	-0.1	-	-11.1	-	-
Received electricity support for business	-	-	-	-2.5	-2.5
<b>Total items affecting comparability</b>	<b>0.7</b>	<b>13.6</b>	<b>34.0</b>	<b>15.5</b>	<b>68.1</b>
Amortisation of acquisition-related intangible fixed assets	14.2	14.4	43.0	43.1	57.4
Scrapping of acquired brands when sites are discontinued	-	-	-	-	-
<b>Adjusted EBIT</b>	<b>37.7</b>	<b>27.3</b>	<b>108.7</b>	<b>41.4</b>	<b>54.0</b>
<b>Adjusted EBIT (%)</b>	<b>3.0</b>	<b>1.9</b>	<b>2.8</b>	<b>0.9</b>	<b>0.9</b>
Depreciation and amortisation of tangible and intangible fixed assets	37.8	43.7	115.8	133.5	177.2
Gain/loss from sale of fixed assets	0.5	3.2	5.8	3.1	3.3
<b>Adjusted EBITDA</b>	<b>76.1</b>	<b>74.3</b>	<b>230.3</b>	<b>178.0</b>	<b>234.5</b>
<b>Adjusted EBITDA (%)</b>	<b>6.0</b>	<b>5.2</b>	<b>6.0</b>	<b>4.1</b>	<b>4.1</b>

### Reconciliation between gross profit & adjusted gross profit

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Net sales	1,264.6	1,420.1	3,818.4	4,382.9	5,726.7
Cost of goods	-845.4	-978.7	-2,570.0	-3,011.1	-3,908.0
<b>Gross profit before direct selling costs</b>	<b>419.2</b>	<b>441.5</b>	<b>1,248.4</b>	<b>1,371.8</b>	<b>1,818.7</b>
<b>Gross profit before direct selling costs (%)</b>	<b>33.2</b>	<b>31.1</b>	<b>32.7</b>	<b>31.3</b>	<b>31.8</b>
Direct selling costs	-127.8	-152.3	-380.3	-459.6	-613.4
<b>Gross profit</b>	<b>291.4</b>	<b>289.2</b>	<b>868.1</b>	<b>912.2</b>	<b>1,205.2</b>
<b>Gross profit (%)</b>	<b>23.0</b>	<b>20.4</b>	<b>22.7</b>	<b>20.8</b>	<b>21.0</b>
Inventory impairment	0.0	-	41.2	-	-
Impairment due to restructuring	-	5.7	1.6	5.7	6.2
<b>Adjusted gross profit before direct selling costs</b>	<b>419.3</b>	<b>447.2</b>	<b>1,291.1</b>	<b>1,377.5</b>	<b>1,824.9</b>
<b>Adjusted gross profit before direct selling costs (%)</b>	<b>33.2</b>	<b>31.5</b>	<b>33.8</b>	<b>31.4</b>	<b>31.9</b>
Gain from renegotiation of lease agreement	-0.0	-	-0.3	-	-
<b>Adjusted gross profit</b>	<b>291.4</b>	<b>294.9</b>	<b>910.5</b>	<b>918.0</b>	<b>1,215.2</b>
<b>Adjusted gross profit (%)</b>	<b>23.0</b>	<b>20.8</b>	<b>23.8</b>	<b>20.9</b>	<b>21.2</b>



### Reconciliation of organic growth

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
<b>Net sales comparative period</b>	<b>1,420.1</b>	<b>1,646.5</b>	<b>4,382.9</b>	<b>5,234.8</b>	<b>6,856.3</b>
Currency effect	-13.0	40.0	-16.5	98.8	110.5
Effect acquired companies	-	-	-	-	13.0
Effect divested companies	-	-14.5	-	-60.6	-63.0
Organic growth	-142.5	-251.8	-547.9	-890.1	-1,190.1
<b>Net sales current period</b>	<b>1,264.6</b>	<b>1,420.1</b>	<b>3,818.4</b>	<b>4,382.9</b>	<b>5,726.7</b>
<b>Organic growth (%)</b>	<b>-10.0</b>	<b>-15.3</b>	<b>-12.5</b>	<b>-17.0</b>	<b>-17.4</b>

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

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Personnel costs	-106.2	-105.6	-337.7	-365.2	-492.2
Other external costs and operating expenses	-108.9	-115.2	-348.2	-381.5	-506.3
<b>Total personnel costs and other external costs and operating expenses</b>	<b>-215.2</b>	<b>-220.8</b>	<b>-685.9</b>	<b>-746.7</b>	<b>-998.5</b>
Adjustment items affecting comparability related to personnel costs	0.0	0.4	2.6	2.9	12.3
Adjustment items affecting comparability related to other external costs and operating expenses	0.0	1.5	0.7	3.5	5.5
<b>Selling, general and administrative expenses (SG&amp;A)</b>	<b>-215.2</b>	<b>-218.9</b>	<b>-682.6</b>	<b>-740.4</b>	<b>-980.7</b>



## Value Home

### Reconciliation between operating income & adjusted EBITDA

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
<b>Operating income</b>	<b>-13.7</b>	<b>-1,278.0</b>	<b>-49.2</b>	<b>-1,255.2</b>	<b>-1,259.3</b>
Inventory impairment	-	-	45.9	-	-
Salary expense for gardening leave	1.2	-	5.7	-	-
Acquisition-related costs	-	-	1.4	-	-
Restructuring costs	-	19.0	-	19.0	19.4
Impairment due to restructuring	-	67.6	-	67.6	90.0
Impairment due to warehouse consolidation	25.7	-	46.9	-	-
Impairment IT platform	-	65.6	-	65.6	65.6
Warehouse consolidation	8.1	-	8.1	-	-
Capital gain/ loss disposal	-	1,117.6	-	1,117.6	1,117.5
Received electricity support for business	-	-	-	-1.8	-1.8
<b>Total items affecting comparability</b>	<b>35.0</b>	<b>1,269.8</b>	<b>108.1</b>	<b>1,268.0</b>	<b>1,290.7</b>
Amortisation of acquisition-related intangible fixed assets	3.4	4.6	9.8	15.0	18.1
<b>Adjusted EBIT</b>	<b>24.8</b>	<b>-3.6</b>	<b>68.7</b>	<b>27.9</b>	<b>49.5</b>
<b>Adjusted EBIT (%)</b>	<b>4.0</b>	<b>-0.4</b>	<b>3.8</b>	<b>0.9</b>	<b>1.3</b>
Depreciation and amortisation of tangible and intangible fixed assets	27.8	64.7	89.3	199.1	242.7
Gain/loss from sale of fixed assets	-0.7	-1.8	-3.4	-2.8	-8.2
<b>Adjusted EBITDA</b>	<b>51.8</b>	<b>59.3</b>	<b>154.6</b>	<b>224.1</b>	<b>284.0</b>
<b>Adjusted EBITDA (%)</b>	<b>8.3</b>	<b>5.9</b>	<b>8.6</b>	<b>6.9</b>	<b>7.2</b>

### Reconciliation between gross profit & adjusted gross profit

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Net sales	621.5	1,004.0	1,804.0	3,228.4	3,941.4
Cost of goods	-344.6	-561.8	-1,031.0	-1,774.9	-2,158.2
<b>Gross profit before direct selling costs</b>	<b>276.9</b>	<b>442.3</b>	<b>773.1</b>	<b>1,453.6</b>	<b>1,783.3</b>
<b>Gross profit before direct selling costs (%)</b>	<b>44.6</b>	<b>44.0</b>	<b>42.9</b>	<b>45.0</b>	<b>45.2</b>
Direct selling costs	-95.9	-159.8	-265.4	-485.9	-586.9
<b>Gross profit</b>	<b>181.0</b>	<b>282.5</b>	<b>507.7</b>	<b>967.6</b>	<b>1,196.4</b>
<b>Gross profit (%)</b>	<b>29.1</b>	<b>28.1</b>	<b>28.1</b>	<b>30.0</b>	<b>30.4</b>
Inventory impairment	-	-	45.9	-	-
Impairment due to restructuring	-	13.8	-	13.8	13.7
Warehouse consolidation	4.8	-	4.8	-	-
<b>Adjusted gross profit before direct selling costs</b>	<b>281.7</b>	<b>456.0</b>	<b>823.9</b>	<b>1,467.3</b>	<b>1,797.0</b>
<b>Adjusted gross profit before direct selling costs (%)</b>	<b>45.3</b>	<b>45.4</b>	<b>45.7</b>	<b>45.4</b>	<b>45.6</b>
Impairment due to warehouse consolidation	1.4	-	1.4	-	-
<b>Adjusted gross profit</b>	<b>187.3</b>	<b>296.2</b>	<b>559.8</b>	<b>981.4</b>	<b>1,210.1</b>
<b>Adjusted gross profit (%)</b>	<b>30.1</b>	<b>29.5</b>	<b>31.0</b>	<b>30.4</b>	<b>30.7</b>


**Reconciliation of organic growth**

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
<b>Net sales comparative period</b>	<b>1,004.0</b>	<b>1,052.1</b>	<b>3,228.4</b>	<b>3,583.1</b>	<b>4,558.7</b>
Currency effect	-10.9	51.3	-17.2	129.4	137.1
Effect acquired companies	41.3	-	84.9	-	-
Effect divested companies	-243.9	-	-817.1	-	-139.9
Transfer of business between segments	-21.2	-	-57.9	-	-
Organic growth	-147.9	-99.4	-617.0	-484.0	-614.4
<b>Net sales current period</b>	<b>621.5</b>	<b>1,004.0</b>	<b>1,804.0</b>	<b>3,228.4</b>	<b>3,941.4</b>
<b>Organic growth (%)</b>	<b>-14.7</b>	<b>-9.4</b>	<b>-19.1</b>	<b>-13.5</b>	<b>-13.5</b>

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

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Personnel costs	-47.0	-98.9	-149.4	-292.4	-356.1
Other external costs and operating expenses	-89.0	-160.7	-271.9	-488.7	-594.3
<b>Total personnel costs and other external costs and operating expenses</b>	<b>-136.0</b>	<b>-259.6</b>	<b>-421.3</b>	<b>-781.1</b>	<b>-950.4</b>
Adjustment items affecting comparability related to personnel costs	1.2	7.0	5.7	7.0	7.4
Adjustment items affecting comparability related to other external costs and operating expenses	-	12.0	1.4	12.0	12.0
<b>Selling, general and administrative expenses (SG&amp;A)</b>	<b>-134.7</b>	<b>-240.6</b>	<b>-414.1</b>	<b>-762.1</b>	<b>-931.0</b>



## Premium Living

### Reconciliation between operating income & adjusted EBITDA

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
<b>Operating income</b>	<b>-12.1</b>	<b>-1.2</b>	<b>-48.4</b>	<b>9.0</b>	<b>48.6</b>
Inventory impairment	-	-	12.0	-	-
Salary expense for gardening leave	4.7	-	4.7	-	-
Disputes	4.5	-	4.5	-	-
Restructuring costs	-	-	6.1	-	-
Impairment due to restructuring	-	-	13.2	-	-
Received electricity support for business	-	-	-	-0.6	-0.6
<b>Total items affecting comparability</b>	<b>9.2</b>	<b>-</b>	<b>40.5</b>	<b>-0.6</b>	<b>-0.6</b>
Amortisation of acquisition-related intangible fixed assets	6.3	5.7	18.3	17.2	22.9
Scrapping of acquired brands when sites are discontinued	-	-	4.1	-	-
<b>Adjusted EBIT</b>	<b>3.4</b>	<b>4.5</b>	<b>14.6</b>	<b>25.6</b>	<b>70.9</b>
<b>Adjusted EBIT (%)</b>	<b>0.7</b>	<b>1.0</b>	<b>1.0</b>	<b>1.8</b>	<b>3.2</b>
Depreciation and amortisation of tangible and intangible fixed assets	19.8	16.1	58.0	48.2	64.8
Gain/loss from sale of fixed assets	0.2	-	0.2	0.1	0.1
<b>Adjusted EBITDA</b>	<b>23.4</b>	<b>20.7</b>	<b>72.7</b>	<b>73.9</b>	<b>135.8</b>
<b>Adjusted EBITDA (%)</b>	<b>4.9</b>	<b>4.6</b>	<b>4.9</b>	<b>5.2</b>	<b>6.2</b>

### Reconciliation between gross profit & adjusted gross profit

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Net sales	478.6	452.0	1,496.1	1,418.5	2,201.2
Cost of goods	-304.4	-288.3	-943.2	-868.7	-1,339.3
<b>Gross profit before direct selling costs</b>	<b>174.2</b>	<b>163.7</b>	<b>552.9</b>	<b>549.8</b>	<b>861.9</b>
<b>Gross profit before direct selling costs (%)</b>	<b>36.4</b>	<b>36.2</b>	<b>37.0</b>	<b>38.8</b>	<b>39.2</b>
Direct selling costs	-76.3	-67.0	-230.5	-218.2	-336.6
<b>Gross profit</b>	<b>98.0</b>	<b>96.7</b>	<b>322.4</b>	<b>331.6</b>	<b>525.3</b>
<b>Gross profit (%)</b>	<b>20.5</b>	<b>21.4</b>	<b>21.5</b>	<b>23.4</b>	<b>23.9</b>
Inventory impairment	-	-	12.0	-	-
Restructuring costs	-	-	6.8	-	-
<b>Adjusted gross profit before direct selling costs</b>	<b>174.2</b>	<b>163.7</b>	<b>571.7</b>	<b>549.8</b>	<b>861.9</b>
<b>Adjusted gross profit before direct selling costs (%)</b>	<b>36.4</b>	<b>36.2</b>	<b>38.2</b>	<b>38.8</b>	<b>39.2</b>
Impairment due to restructuring	-	-	0.1	-	-
Disputes	4.5	-	4.5	-	-
<b>Adjusted gross profit</b>	<b>102.5</b>	<b>96.7</b>	<b>345.9</b>	<b>331.6</b>	<b>525.3</b>
<b>Adjusted gross profit (%)</b>	<b>21.4</b>	<b>21.4</b>	<b>23.1</b>	<b>23.4</b>	<b>23.9</b>



### Reconciliation of organic growth

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
<b>Net sales comparative period</b>	<b>452.0</b>	<b>426.1</b>	<b>1,418.5</b>	<b>1,446.3</b>	<b>2,172.1</b>
Effect acquired companies	21.1	-	38.1	-	-
Effect divested companies	-21.2	-	-57.9	-	-
Transfer of business between segments	21.2	-	57.9	-	-
Organic growth	5.5	26.0	39.4	-27.8	29.1
<b>Net sales current period</b>	<b>478.6</b>	<b>452.0</b>	<b>1,496.1</b>	<b>1,418.5</b>	<b>2,201.2</b>
<b>Organic growth (%)</b>	<b>1.2</b>	<b>6.1</b>	<b>2.8</b>	<b>-1.9</b>	<b>1.3</b>

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

SEKm	Jul-Sep		Jan-Sep		Jan-Dec
	2024	2023	2024	2023	2023
Personnel costs	-35.6	-31.5	-117.2	-103.7	-154.6
Other external costs and operating expenses	-48.4	-44.5	-165.6	-154.1	-234.9
<b>Total personnel costs and other external costs and operating expenses</b>	<b>-84.0</b>	<b>-76.0</b>	<b>-282.7</b>	<b>-257.8</b>	<b>-389.5</b>
Adjustment items affecting comparability related to personnel costs	4.7	-	8.7	-	-
Adjustment items affecting comparability related to other external costs and operating expenses	-	-	0.8	-	-
<b>Selling, general and administrative expenses (SG&amp;A)</b>	<b>-79.2</b>	<b>-76.0</b>	<b>-273.3</b>	<b>-257.8</b>	<b>-389.5</b>



## NET DEBT/NET CASH

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

SEKm	30 Sep		31 Dec
	2024	2023	2023
Non-current interest-bearing liabilities	2,073.6	2,823.3	2,248.2
Short-term interest-bearing liabilities	510.2	303.5	308.7
<b>Total interest-bearing liabilities</b>	<b>2,583.8</b>	<b>3,126.8</b>	<b>2,556.8</b>
Cash and cash equivalents	-266.6	-768.5	-370.3
Adjustment lease liabilities	-582.2	-767.6	-687.1
Adjustment of acquisition related liabilities	-506.1	-369.8	-374.2
Adjustment transaction costs	4.5	10.6	4.5
<b>Net debt (+) / Net cash (-)</b>	<b>1,233.4</b>	<b>1,231.5</b>	<b>1,129.7</b>
Adjusted EBITDAaL Pro forma, LTM	270.7	287.6	236.8
<b>Net debt (+) / Net cash (-) in relation to adjusted EBITDAaL Pro forma, LTM</b>	<b>4.56x</b>	<b>4.28x</b>	<b>4.77x</b>
<b>Adjusted EBITDAaL Pro forma, LTM</b>			
Adjusted EBITDA, LTM	572.4	574.2	578.9
Adjustment for IFRS 16	-252.6	-374.0	-360.2
Adjustment for result attributed to legal minority interest*	-45.3	-31.0	-44.8
Pro forma adjustment for acquired/divested businesses	-3.8	118.4	63.0
<b>Adjusted EBITDAaL Pro forma, LTM</b>	<b>270.7</b>	<b>287.6</b>	<b>236.8</b>

\* Since 1 January 2024, BHG has excluded earnings related to the legal minority stake from the calculation of pro-forma adjusted EBITDAaL, LTM. For more information, refer to the definitions of performance measures on page 40.



# 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. Sessions only related to consumers with consent of cookies.	This performance measure is used to measure customer activity.
Number of orders	Number of orders placed during the period in question.	This performance measure is used to measure customer activity.
Gross margin	Gross profit as a percentage of net sales.	Gross margin gives an indication of the contribution margin as a share of net sales.
Gross margin before direct selling costs	Gross profit before direct selling costs – primarily postage and fulfilment – as a percentage of net sales.	An additional margin measure, complementing the fully loaded gross margin measure, allowing for further transparency.
Gross profit	Net sales less cost of goods sold. Gross profit includes costs directly attributable to goods sold, such as warehouse and transportation costs. Gross profit includes items affecting comparability.	Gross profit gives an indication of the contribution margin in the operations.
EBIT	Earnings before interest, tax and acquisition-related amortisation and impairment.	Together with EBITDA, EBIT provides an indication of the profit generated by operating activities.
EBITDA	Operating income before depreciation, amortisation, impairment, financial net and tax.	EBITDA provides a general indication as to the profit generated in the operations before depreciation, amortisation and impairment.
EBITDA margin	EBITDA as a percentage of net sales.	In combination with net sales growth, the EBITDA margin is a useful performance measure for monitoring value creation.
EBIT margin	EBIT as a percentage of net sales.	In combination with net sales growth, the EBIT margin is a useful performance measure for monitoring value creation.
Average order value (AOV)	Total order value (meaning Internet sales, postage income and other related services) divided by the number of orders.	Average order value is a useful indication of revenue generation.
Investments	Investments in tangible and intangible fixed assets.	Investments provide an indication of total investments in tangible and intangible assets.
Adjusted gross margin	Adjusted gross profit as a percentage of net sales.	Adjusted gross margin gives an indication of the contribution margin as a share of net sales.
Adjusted gross margin before direct selling costs ("Product margin")	Adjusted gross profit before direct selling costs – primarily postage and fulfilment – as a percentage of net sales.	An additional margin measure, complementing the fully loaded gross margin measure, allowing for further transparency.
Adjusted EBITDA	EBITDA excluding items affecting comparability.	This performance measure provides an indication of the profit generated by the Group's operating activities.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales.	This performance measure is relevant to creating an understanding of the operational profitability generated by the business.
Adjusted EBIT	Adjusted EBIT corresponds to operating profit adjusted for amortisation and impairment losses on acquisition-related intangible assets, gain/loss from sale of fixed assets and, from time to time, items affecting comparability.	This performance measure provides an indication of the profit generated by the Group's operating activities.
Adjusted EBIT margin	Adjusted EBIT as a percentage of net sales.	This performance measure provides an indication of the profit generated by the Group's operating activities.



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

Performance measure	Definition	Reasoning
Net debt/Net cash	The sum of interest-bearing liabilities, excluding lease liabilities and earn-outs, less cash and cash equivalents, investments in securities, etc. and prepaid borrowing costs.	Net debt/Net cash is a measure that shows the Group's interest-bearing net debt to financial institutions.
Net debt/Net cash in relation to Pro-forma adjusted EBITDAaL, LTM	Net debt/Net cash divided by Pro-forma adjusted EBITDAaL, LTM	Net debt/Net cash in relation to Pro-forma adjusted EBITDAaL, LTM describes the Company's ability to repay its debts with profit generated by operating activities.
Organic growth	Refers to growth for comparable operations compared with the preceding year. Organic growth is calculated as changes in net sales after adjustment for currency effect and the effect of acquired and divested operations.  Organic growth (%) = Organic growth / Net sales for the comparative period.	Organic growth is a measure that enables the Group to monitor underlying net sales growth, excluding the effects of currency, acquisitions, and divestments.  As of 1 January 2024, BHG has adjusted the definition of the key figure by now adjusting for currency effects in accordance with ESMA's guidance. The comparative figures have been recalculated.
Working capital	Inventories and non-interest-bearing current assets less non-interest-bearing current liabilities.	Working capital provides an indication of the Group's short-term financial capacity, since it gives an indication as to whether the Group's short-term assets are sufficient to cover its current liabilities.
Operating margin (EBIT margin)	EBIT as a percentage of net sales.	In combination with net sales growth, operating margin is a useful measure for monitoring value creation.
Equity/assets ratio	Equity, including non-controlling interests, as a percentage of total assets.	This performance measure reflects the company's financial position and thus its long-term solvency. A favourable equity/assets ratio and strong financial position enable the Group to handle periods with a weak economic situation and provide the financial strength for growth. A lower equity/assets ratio entails a higher financial risk, but also higher financial leverage.
Total order value	The total SEK value of orders placed during the period before deduction of cancelled orders.	Total order value is used to measure customer activity and as an indication of revenue generation.

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