



Q4 REPORT 2024



Gustaf Öhrn, CEO

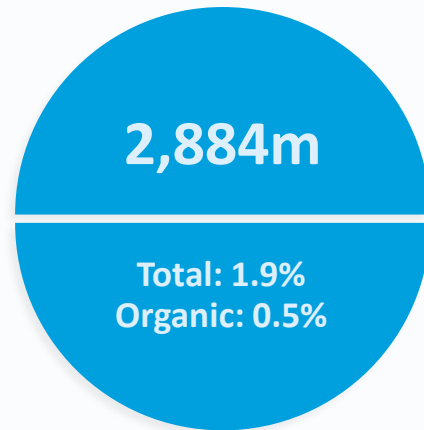


Jesper Flemme, CFO

Q4 2024 – Growth and improved profitability

SALES

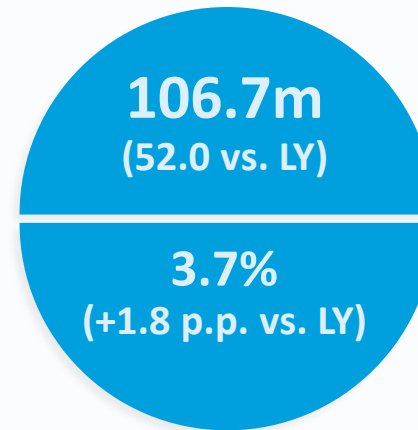
Net Sales (SEK)



Growth

EARNINGS

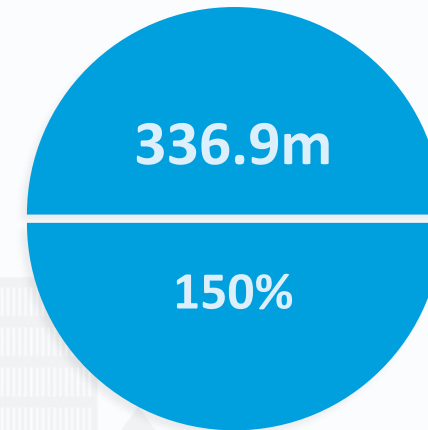
Adj. EBIT(SEK)



EBIT-margin

CASH FLOW

Cash flow from operating activities (SEK)



Cash conversion

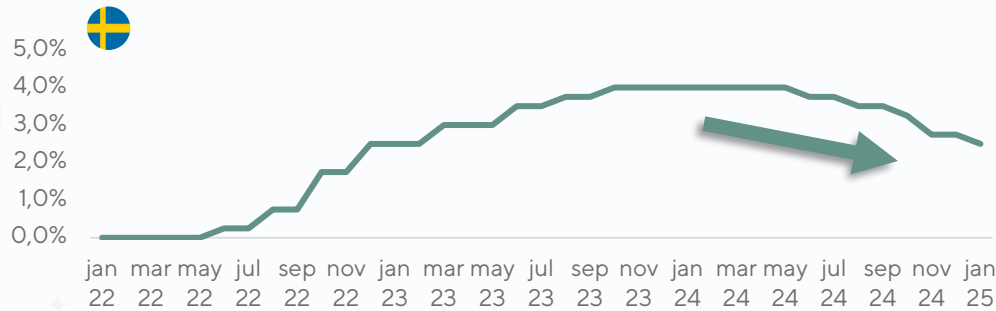
- Sales trend **gradually improved during 2024** with **growth in the fourth quarter**
- **Profitability improved** compared to previous year for the **fifth consecutive quarter**

Market still challenging but macro trend continues to improve

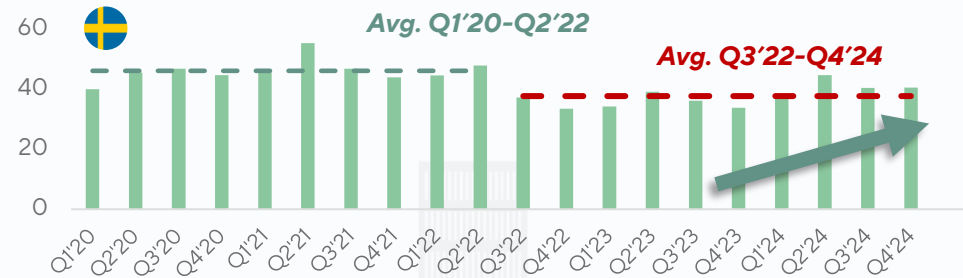
Positive signs in Swedish macro indicators where the **trend points towards an improving market**. Our assessment is that **Sweden (~50% of our sales) is ahead of other markets in terms of recovering demand**

Continued **geo-political uncertainty** makes it **difficult to estimate recovery speed** and we remain cautious about demand 2025 which we believe will **improve gradually** throughout the year

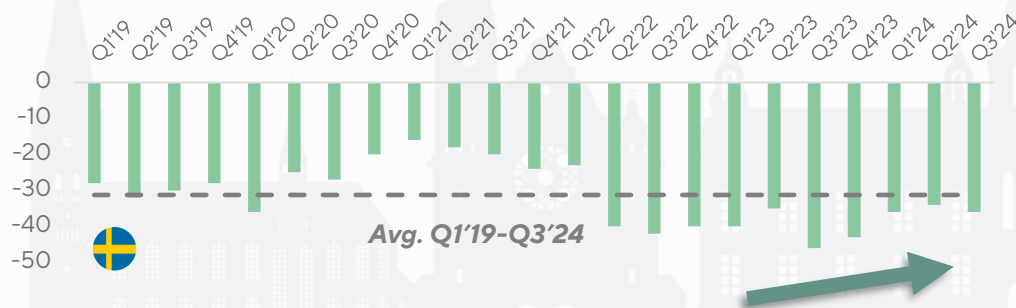
Interest rate (Sweden)



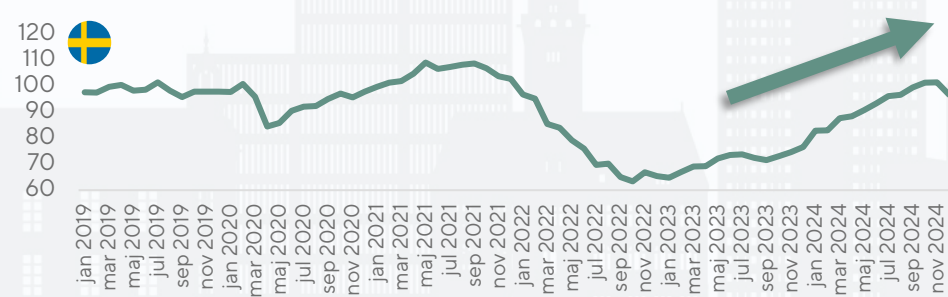
Housing transactions in Sweden, thousands



Intention to renovate within next 12 months (Sweden), Index

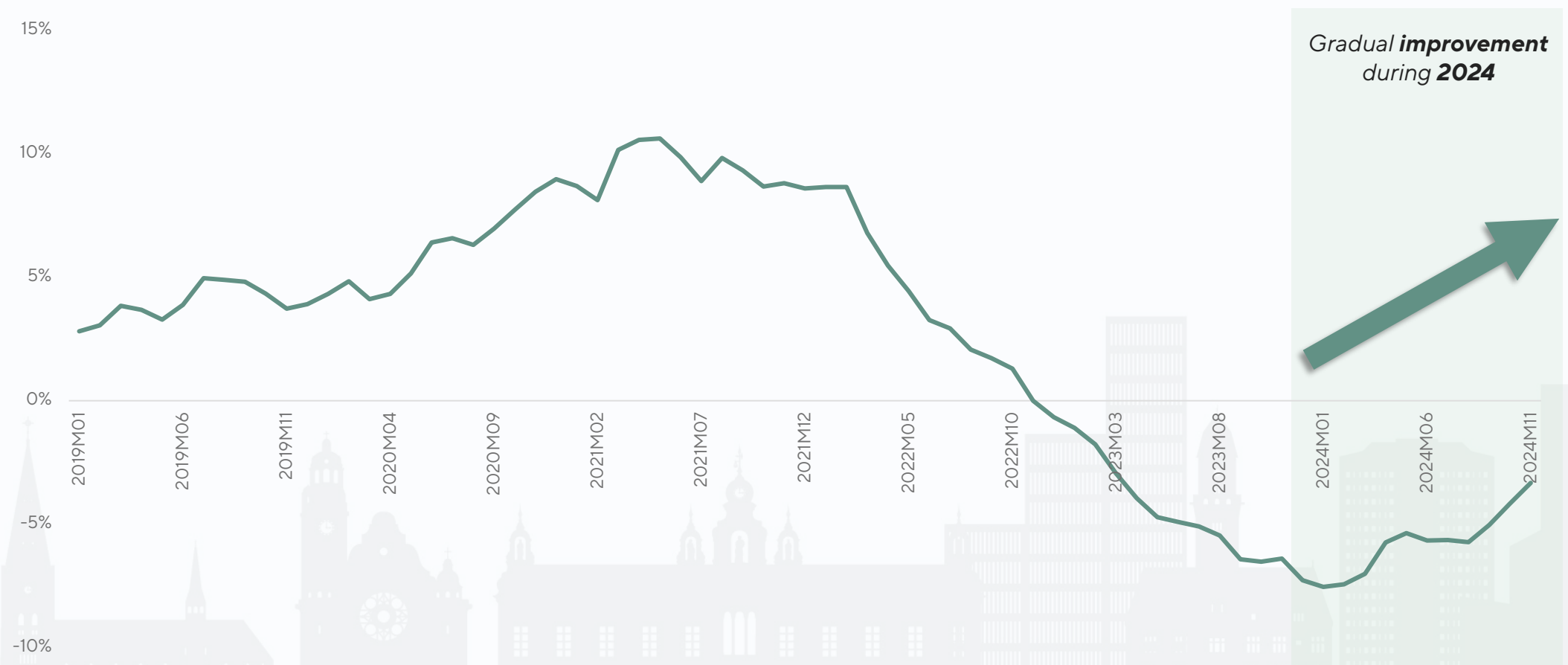


Consumer confidence, Index (Sweden)



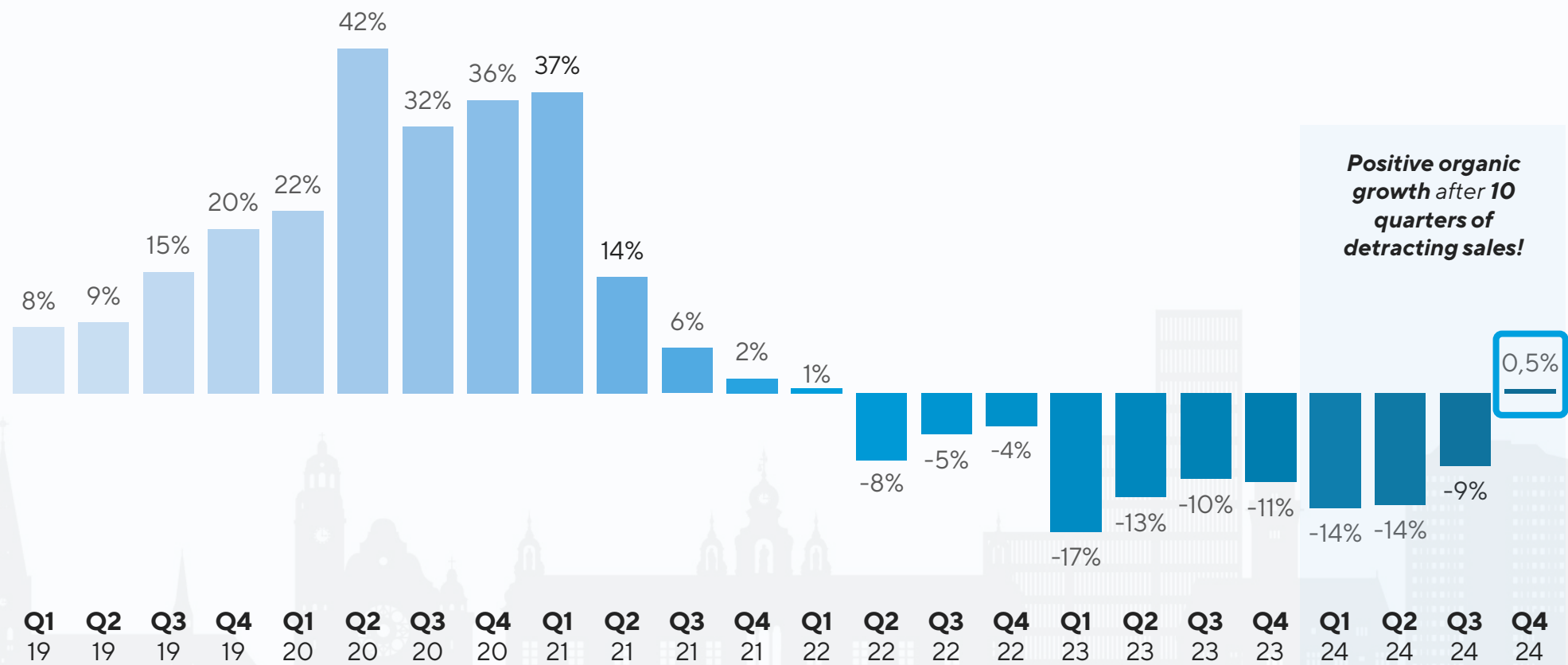
Statistics Sweden data gives indication of initiated recovery in our product categories in 2024

12 months rolling consumption Sweden, %



Source: SCB (Statistics Sweden), Detaljhandelns omsättning, löpande priser, index (2021=100) efter näringsgren SNI 2007 och månad - 47.5 butiker för heminredningsartiklar och husgeråd

Positive organic growth – not seen since Q1 2022



Positive organic growth after 10 quarters of detracting sales!

Growth in the quarter was driven by improved demand and geographic expansion

Categories

- **Recovery** in previously subdued, **capital-intensive categories** such as **Windows & Doors**
- **Home interior** in the Premium segment

Geography

- **Return to growth** in our largest markets **Sweden & Finland**
- Strong sales in **Germany** despite **market challenges**

We are pleased to conclude that we've done what we said we would do during 2023 & 2024

2023 & 2024



We've **consolidated** units into **scalable platforms**



We've **reduced fixed cost**



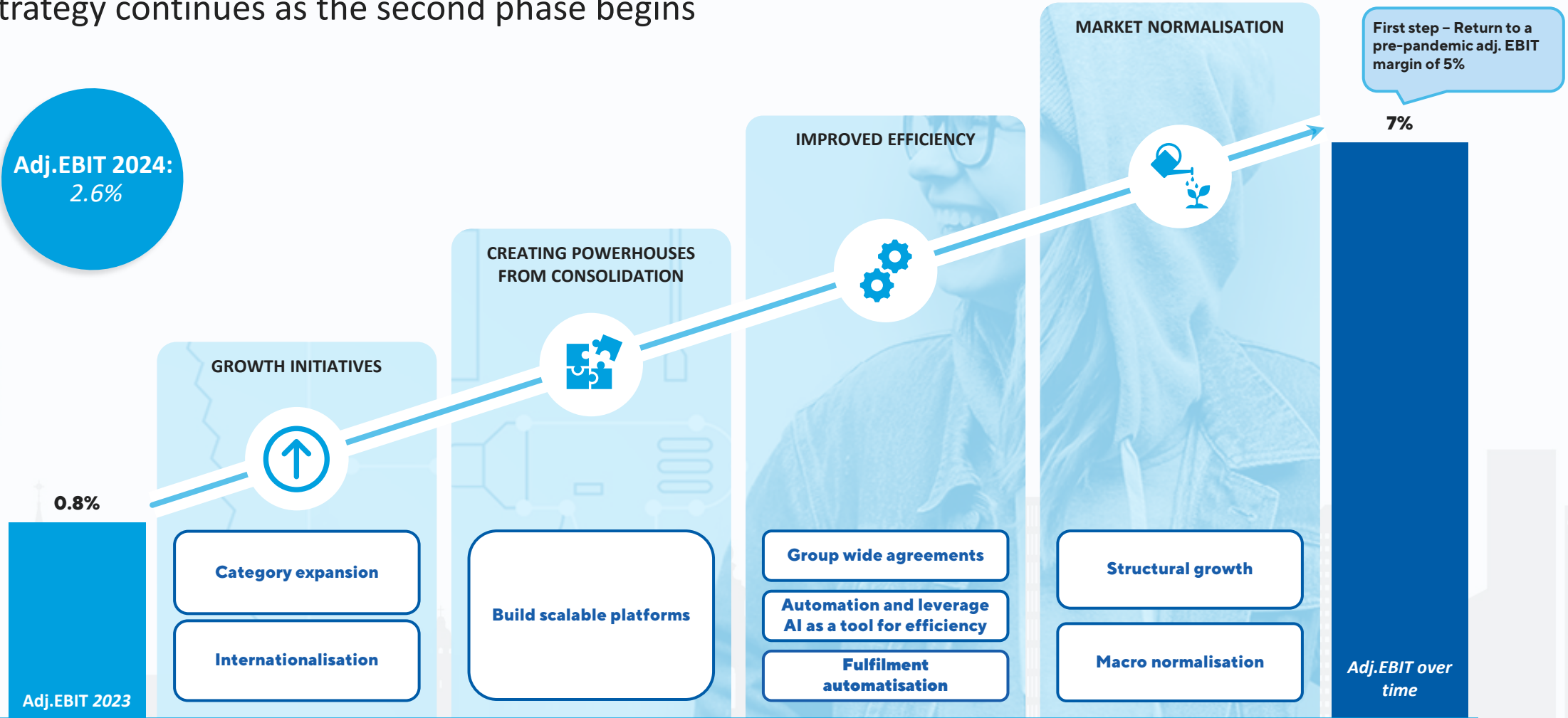
We've drastically **reduced inventory** levels and **improved our balance sheet**

Phase 1 in finalization – structure in place and we're prepared for market rebound

Clear roadmap for profitable growth

Strategy continues as the second phase begins

Adj.EBIT 2024:
2.6%



First step – Return to a pre-pandemic adj. EBIT margin of 5%

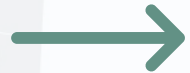
Source: Company information

The journey continues with the same focus and hard work

2025 and beyond



Growth initiatives to **increase our market share**



Cost control to ensure **increased profits**



Customer first in everything we do

Financially: we have significantly reduced our cost base, inventory levels and int. bearing liabilities from the peak

COST REDUCTION*
FY 2024 vs. FY 2023

**SEK
433m**

INVENTORY REDUCTION**
Q4 2024 vs. Peak Q2 2022

**SEK
2.1bn**

CASH FLOW***
Q3 2022 to Q4 2024

**SEK
2.1bn**

INT. BEARING LIABILITIES
REDUCTION
Q4 2024 vs. Peak Q2 2022

**SEK
2.2bn**

We have delivered on what we said we would do

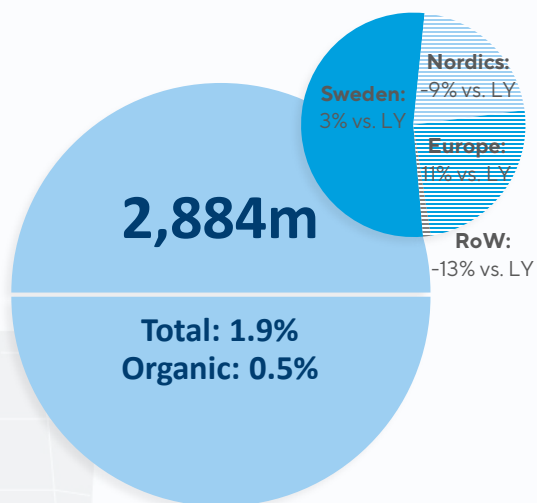
* Whereof SEK 215m related to acquired/divested operations

** Whereof SEK ~0.7bn related to acquired/divested operations

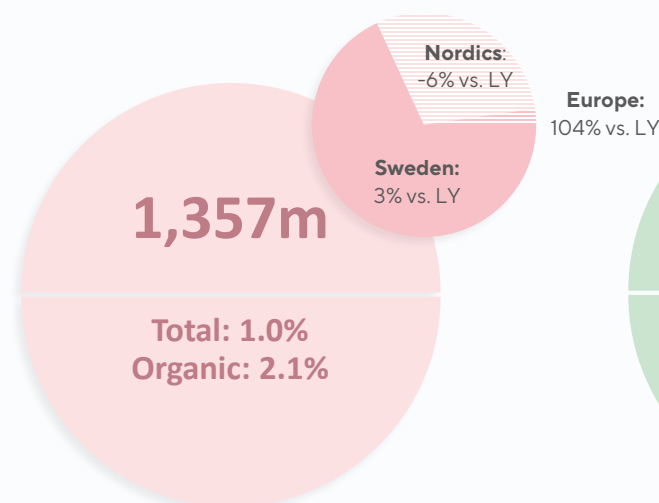
*** Cash flow from operating activities

Growth driven by our actions and gradual market normalisation

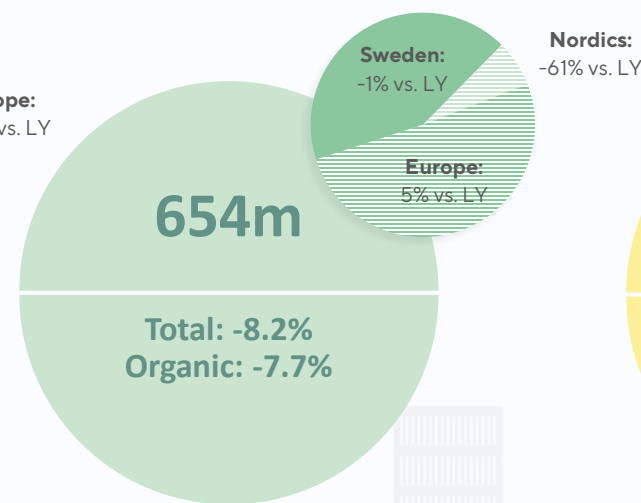
BHG Group



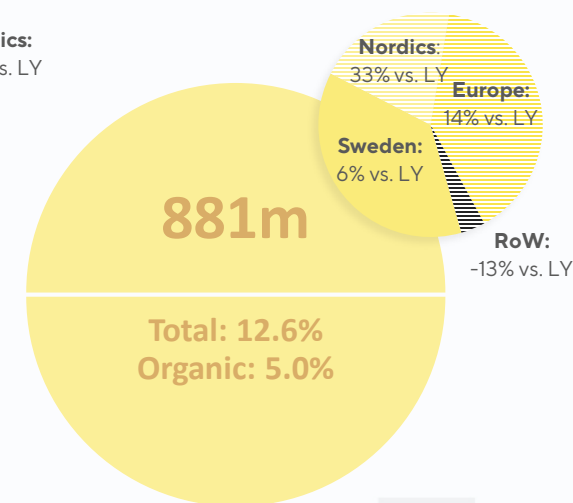
Home Improvement



Value Home



Premium Living



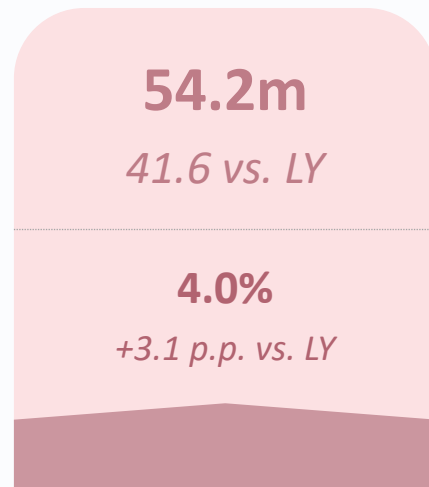
- **Growth** in our two largest markets – **Sweden** and **Finland** along with strong performance in **Germany**
- Performance in Sweden and Finland was mainly driven by **growth in previously strained, capital-intensive product categories**

The fifth consecutive quarter with improved profitability

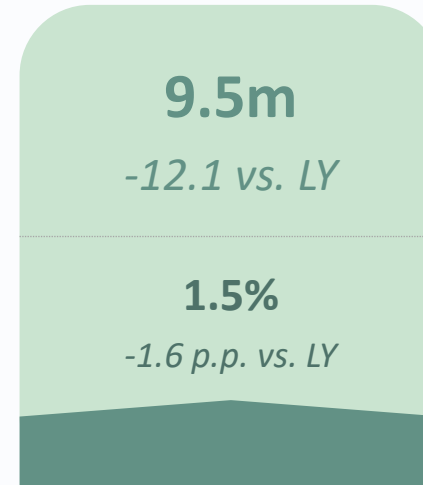
BHG Group



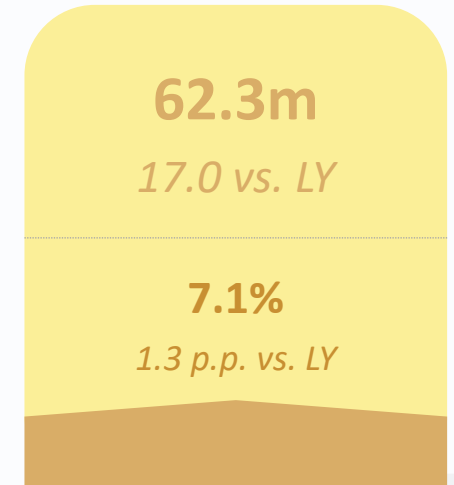
Home Improvement



Value Home



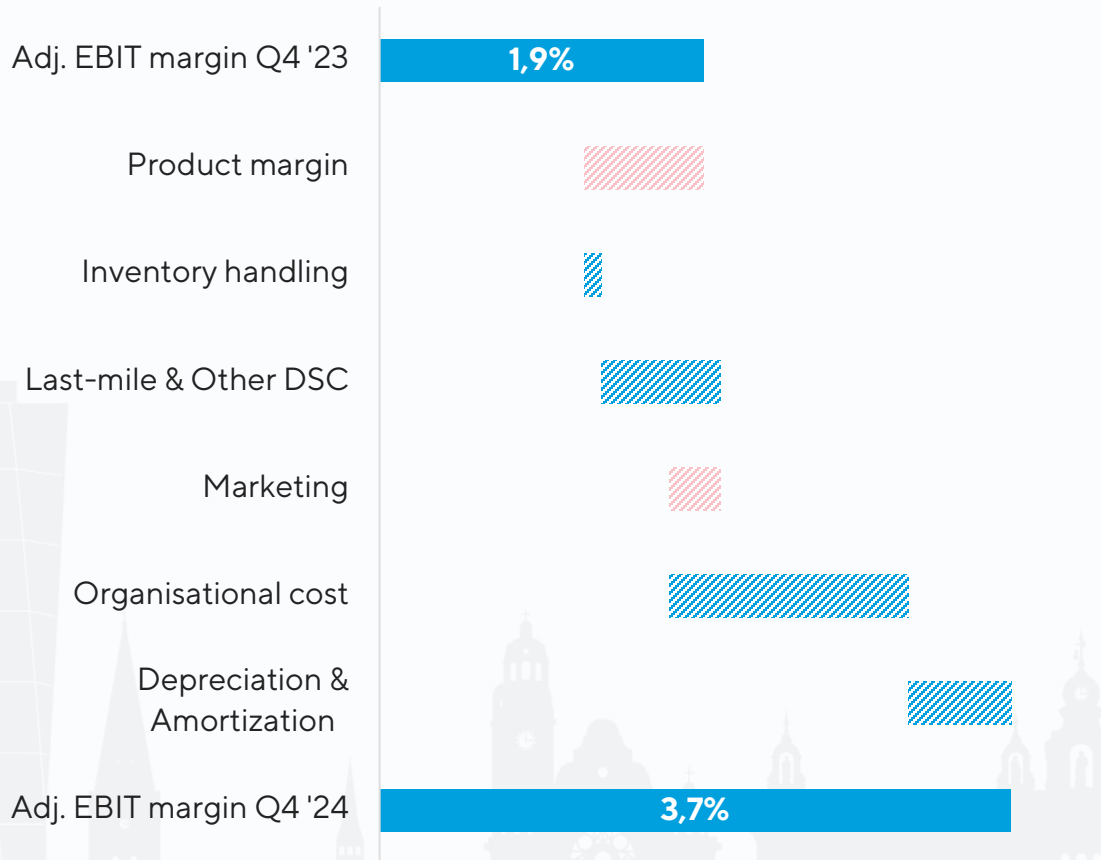
Premium Living



Substantially **improved profitability** due to reduced fixed costs, depreciation, amortization and direct selling costs

Strong profitability in Premium Living combined with **positive development in Home Improvement**

EBIT margin bridge 2023 Q4 → 2024 Q4

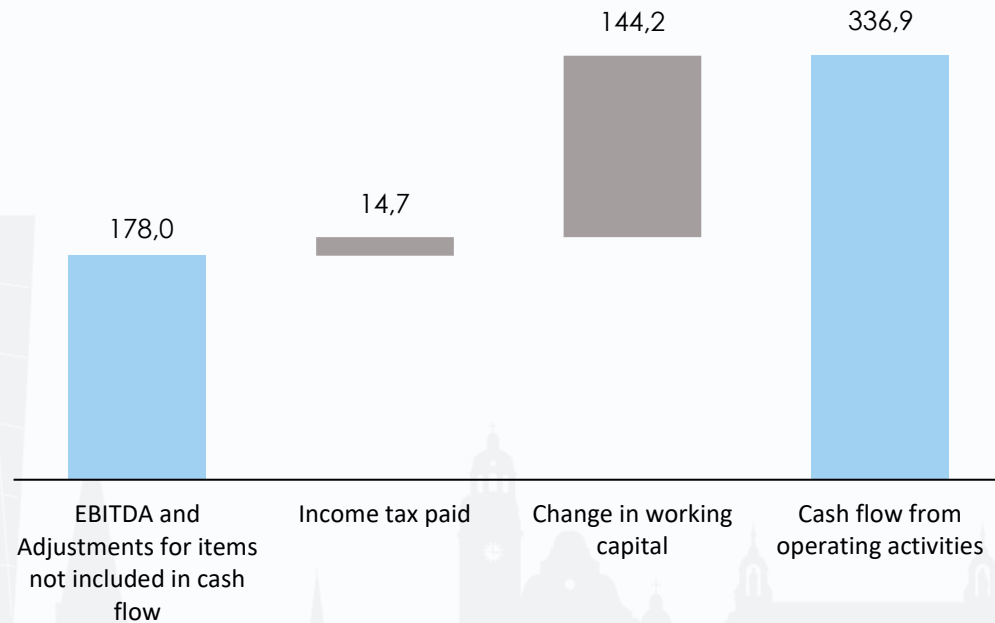


- **EBIT margin in the quarter improved by 1.8 percentage points** compared to last year
- Lower product margin was primarily driven by a **long Black Friday campaign period** and negative **currency effects**
- Improved **last-mile costs**, primarily as a result of efficiencies and better **Group-wide agreements with third-party suppliers**, and improved fulfilment costs
- **SG&A improved with 1.1 p.p. in the quarter** compared to 2023. Of the total reduction in SG&A of SEK 20.0 million in the quarter, SEK 6.3 million was attributable to divested operations and the remaining **SEK 13.7 million to savings resulting from the extensive cost-cutting and structural measures taken in 2023 and 2024**

Solid Cash Flow

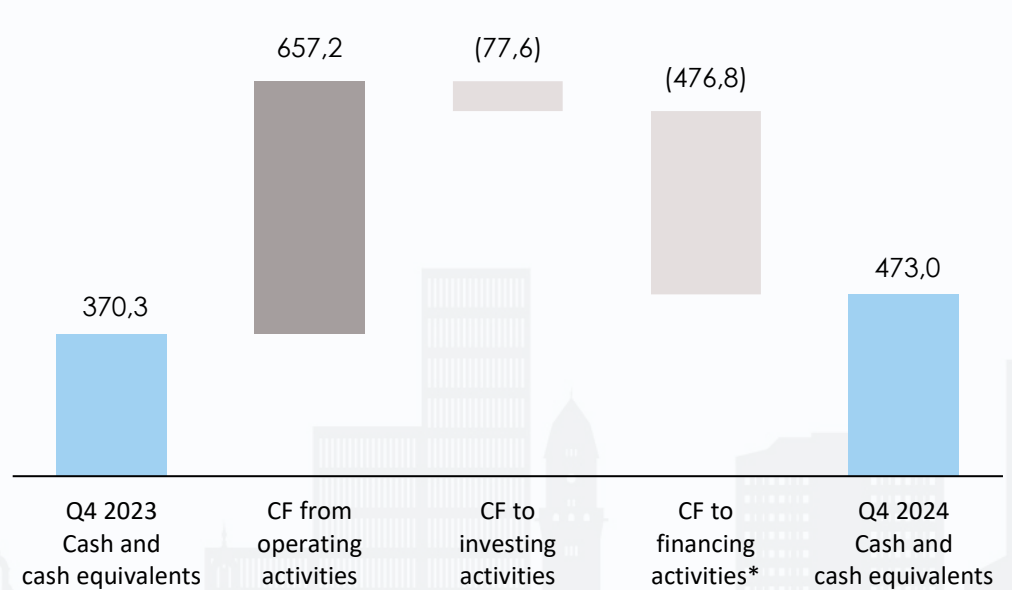
Working capital in line with seasonal profile

Oct-Dec 2024 (SEKm)



Stable development in liquidity

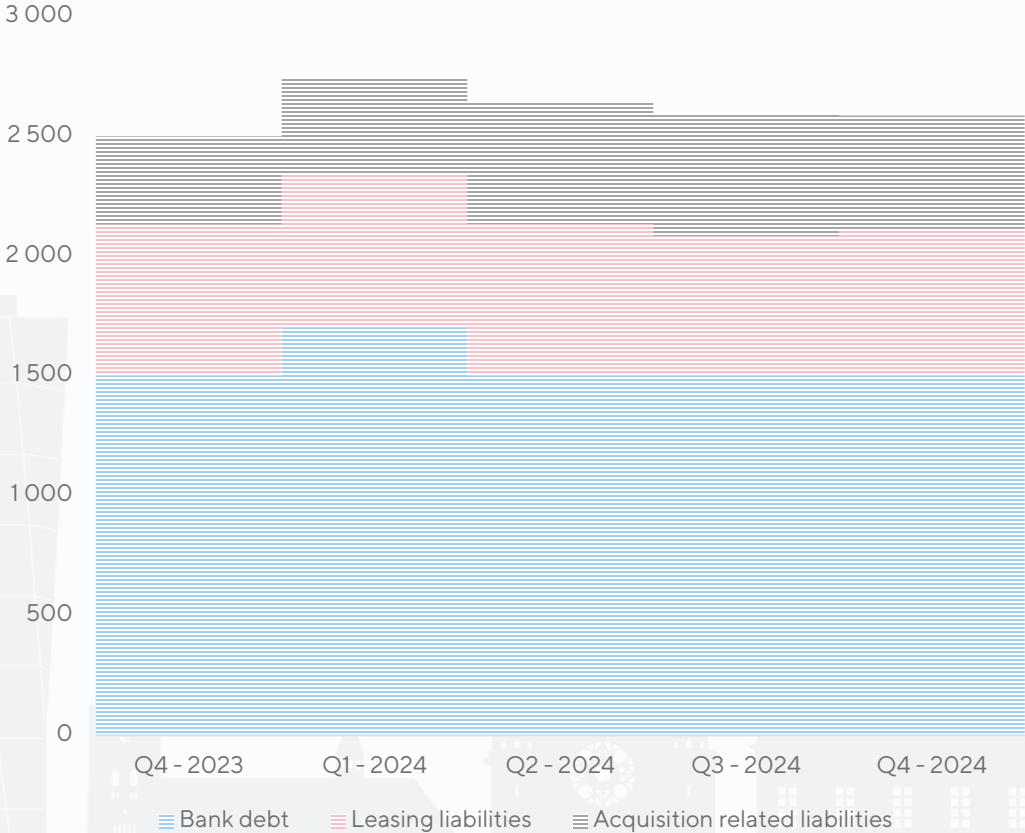
SEKm



* Including translation differences

Leverage

Interest-bearing liabilities & Cash



Net debt

1,027.0m

=

3.33x

EBITDAaL LTM

308.1m

- **Improved profitability** key to drive **deleveraging** going forward
- Total facilities **reduced from SEK 3.3bn to SEK 2.3bn**, where of SEK 0.8bn unutilised
- Acquisition related liabilities amounts to **479m** whereof **280m** short-term

Summary

- Macro trend remains positive – **primarily in Sweden** which we assess is ahead of the curve in terms of recovery. We are **optimistic but cautious about 2025** – a gradual recovery expected
- Sales trend improved during the year with **growth in the fourth quarter – not seen since Q1 2022**
- The **fifth** consecutive quarter with **improved profitability**
- **We have done what we said we would do** – now the implementation of our **strategy continues in 2025**. We are **well prepared for market rebound**

A photograph of a dining table and chairs. The table is round and made of dark wood. On the table, there is a white plate, a white bowl, and a glass. The chairs have a grey fabric seat and backrest and a dark wood frame. The floor is made of light-colored wood. A large blue circle is overlaid on the right side of the image, containing the white text 'bhg.'. The background shows a wooden floor and a white textured rug.

bhg.