



bhg.

Company update and strategic focus areas

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Group CEO



bhg.

We make living easy

BHG Group at a glance

SEK **11.8**bn
Net sales,
2023

>**1.7** m
Products,
2023

Home
Improvement

Value Home

Premium Living

Three business areas

Decentralised structure

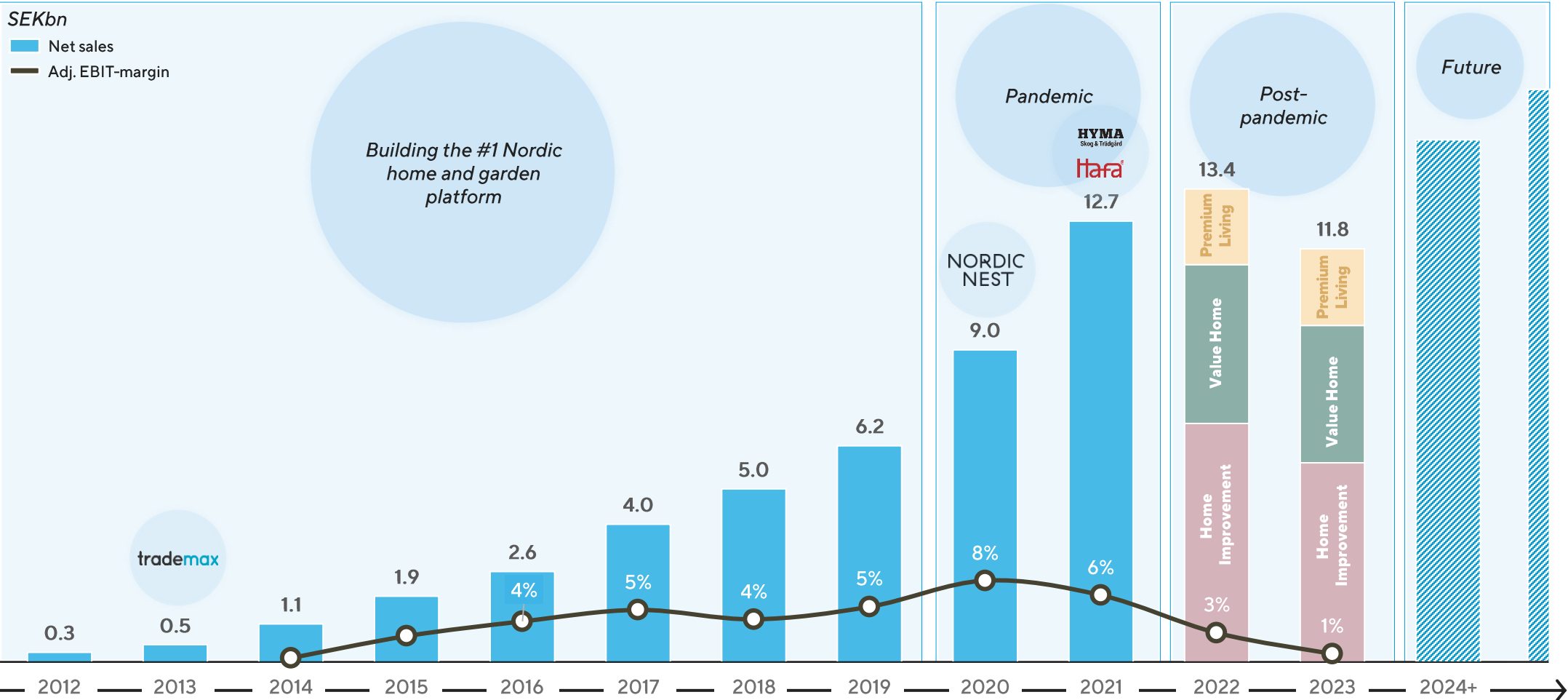
Entrepreneurial accountability

Leading online market positions

5%
L5Y avg. adj.
EBIT margin²⁾

~1,800
Employees

History of growth and profitability to continue



Prepared for market rebound

Significantly stronger company – executing on clear strategic plan in place since 2022

Who we are
Strategic priorities
Where we focus
Foundation

STRATEGICALLY

We make living easy **Project Olympia**

Customer centricity • Customer offer expansion
Sustainability • Simplify

HOME IMPROVEMENT	VALUE HOME	PREMIUM LIVING
Home Improvement powerhouse	Profitability improvement	Internationalisation

Decentralised structure • Performance/“winning”-focused culture • Entrepreneurial culture and accountability

Actionable strategy defined

STRUCTURALLY

Q1'24

Consolidation
Several consolidations ongoing in our business units to increase economies of scale and improve customer value

Home Improvement <ul style="list-style-type: none"> Create Nordic DIY-powerhouses led by Bygghemma through consolidation of country organisations Localised offerings while consolidated support functions to improve scale and synergies Expected to take 18 months 	Value Home <ul style="list-style-type: none"> Creating a scalable private label platform in Hamfint Group by consolidating Hamford, Arc E-commerce and newly acquired Trendium Individual destinations, but support functions will be consolidated, thereby achieving efficiency gains 	Premium Living <ul style="list-style-type: none"> Integration of <i>KitchenTime</i> and <i>LampGallerian</i> into Nordic Home Group Creating category specialists in Furniture (overseas), Cooking & Dining (<i>KitchenTime</i>) and Lighting (<i>LampGallerian</i>) and increased economies of scale through shared backend
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Three business units formed

Consolidation

Divestments of non-core assets

OPERATIONALLY

Q1'24

Efficiency
We are executing several initiatives across our business units to improve efficiency

Fulfillment	Artificial Intelligence	Group wide agreements
<ul style="list-style-type: none"> Warehouse automation in Premium Living Leverage reduced inventory levels to decrease warehouse space in all BUs 	<ul style="list-style-type: none"> Leverage AI to support Customer service in select entities Using AI to generate content and improve marketing 	<ul style="list-style-type: none"> Leverage the Group's size to negotiate group wide agreements New agreements in place for last mile and payment solutions

Scalable solutions

Automation

Experienced management

Efficiency initiatives

FINANCIALLY

Delivering on announced improvement initiatives
Significant improvements achieved in 2023

Cash flow SEK 1.6bn Improvement of -1.7bn vs. 2022	Inventory reduction SEK 900m Above target of 600m	Cost reduction SEK 125m In line with target of 100-150m	Reduction in interest bearing liabilities SEK 1.6bn Focus on de-leveraging and stronger balance sheet
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Cost reductions

Inventory reduction

Strong cash flow

Reduction in net debt

Well-positioned for continued profitable growth

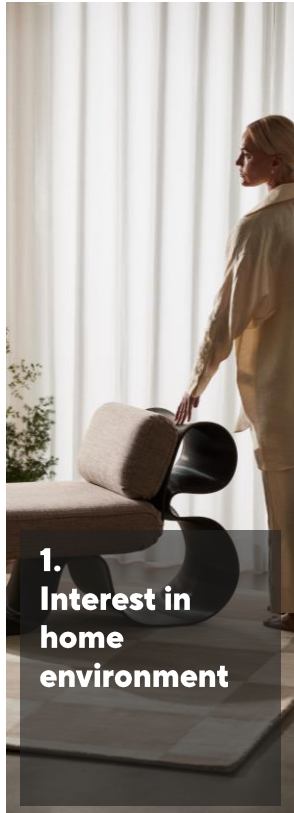




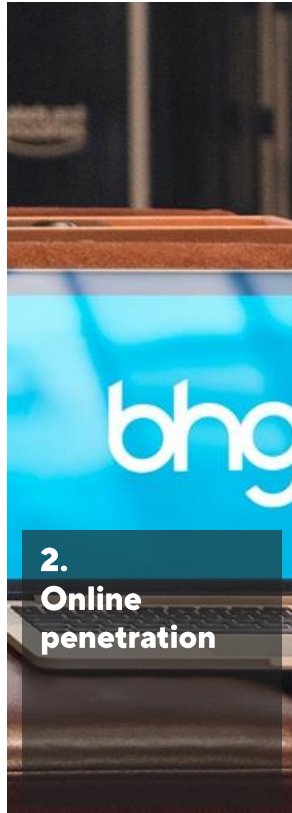
Our growing markets are driven by structural trends



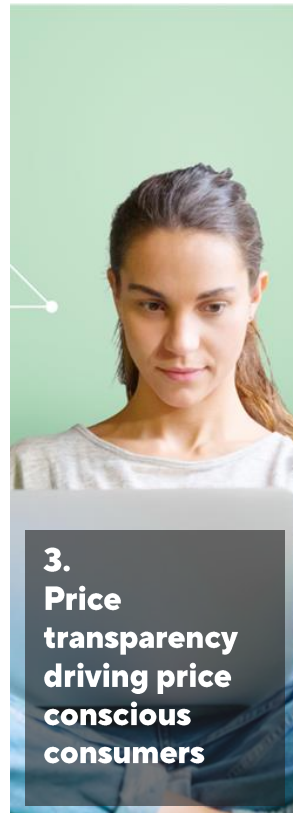
1. Well positioned to capture long-term structural market trends



1. Interest in home environment



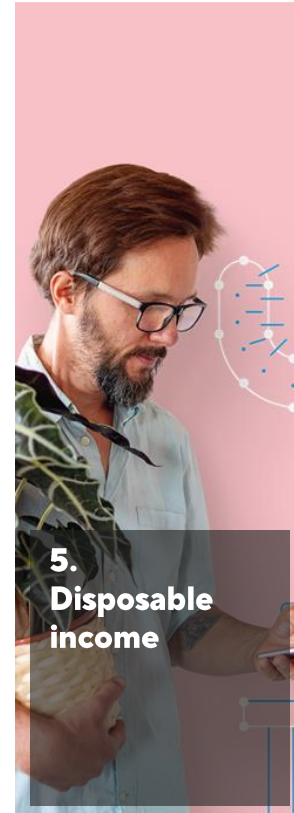
2. Online penetration



3. Price transparency driving price conscious consumers



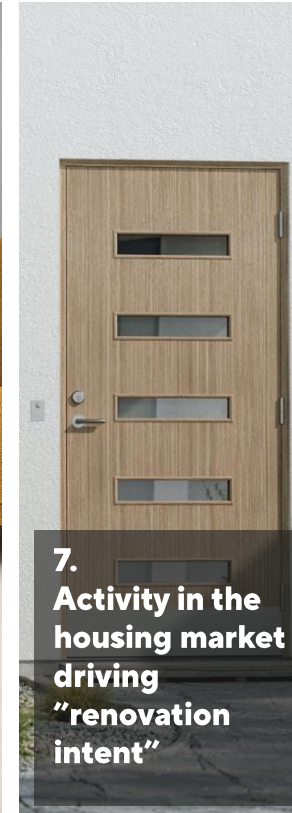
4. Destinations and niche sites



5. Disposable income



6. Consumer confidence



7. Activity in the housing market driving "renovation intent"



2. Capitalising on normalising macro environment



BHG Group offers a competitive value proposition

Unique attractions both for customers and brands

3. Superior customer value proposition



Why customers choose BHG Group

- ✓ **Price**
Best-in-class prices driven by lean and low fixed cost structure
- ✓ **Choice**
Broad and deep offering by combining generalist and specialist retailers under one umbrella
- ✓ **Convenience**
Appealing convenience with home delivery of bulky items
- ✓ **Service**
Exceptional after purchase services, with best-in-class customer service

4. Need-to-be destination for suppliers



Why brands choose BHG Group

- ✓ Large platforms give **strong visibility** to suppliers
- ✓ **Significant market share** on a group-level making it a need-to-be destinations for brands that want to remain relevant
- ✓ **Enabler for internationalisation**



Group functions further enhancing daily operations

	→	Central group functions including Centre of excellence (IT, online marketing, ESG etc.)
	→	Securing well incentivised and experienced management
	→	Sharing best practises
	→	Operationally experienced group management supporting and securing governance
	→	Drive structural improvements – consolidations and initiatives to realise synergies and economies of scale
	→	Strategy and M&A support
	→	Capital allocations
	→	External communication

Applied on three profitable business areas

Home Improvement

Creating a Powerhouse from consolidation



bygghemma.se

HYMA
Skog & Trädgård

SEK **5.7bn**
Net sales 2023

Margin **0.9%**
Adj. EBIT 2023

Value Home

Profitability improvement



hemfint Group

trademax

FURNITURE1 | EU

SEK **3.9bn**
Net sales 2023

Margin **1.3%**
Adj. EBIT 2023

Premium Living

International growth



NORDIC NEST GROUP

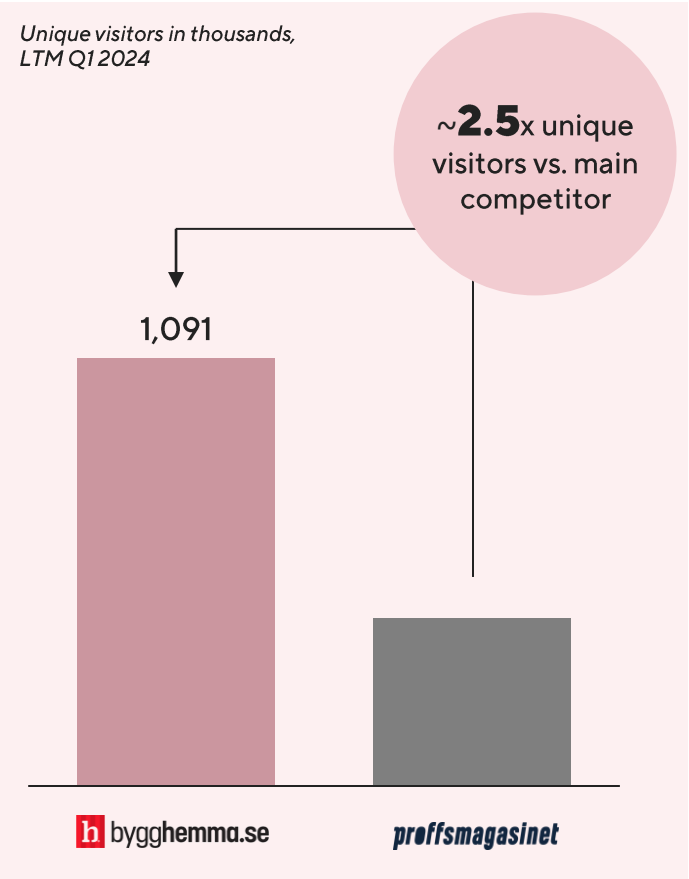
SEK **2.2bn**
Net sales 2023

Margin **3.2%**
Adj. EBIT 2023

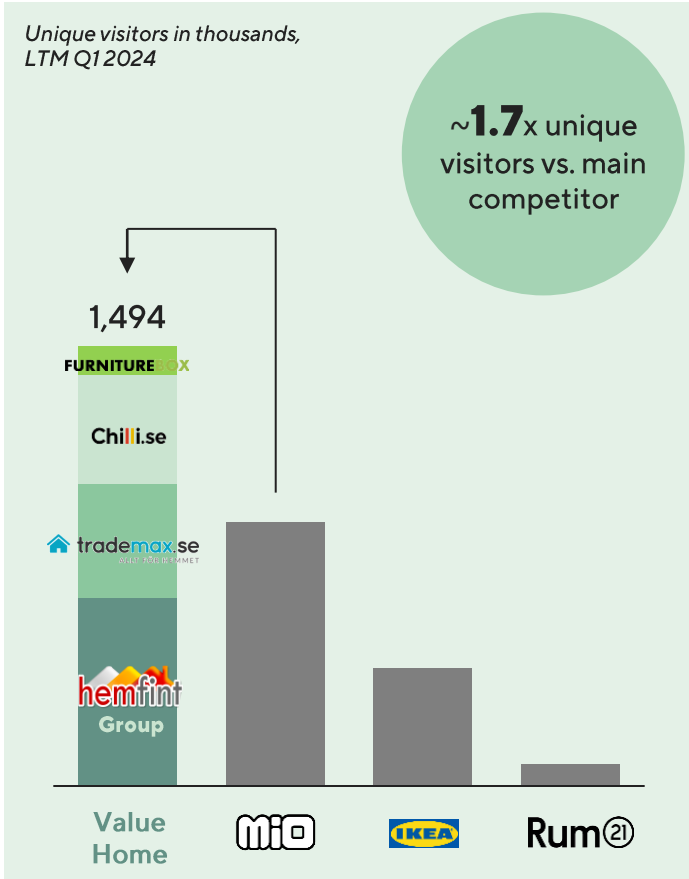
Market-leading online positions

Well-positioned to capitalise as the market rebounds

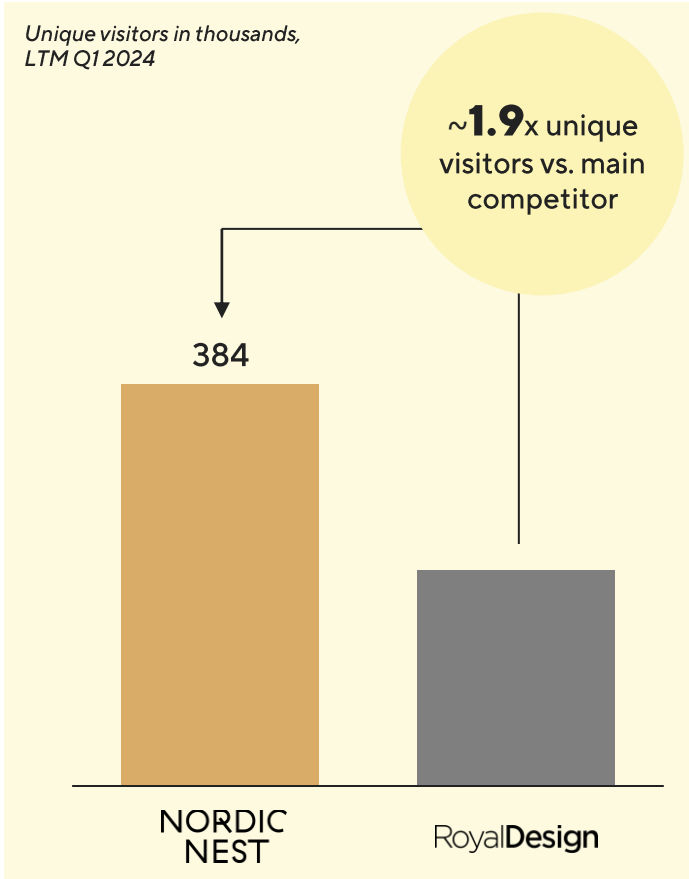
Home Improvement



Value Home



Premium Living



We are confident in our plans to reach our updated financial targets

NET SALES GROWTH



- Continue to deliver organic growth above the addressable market

PROFITABILITY



- Return to an adjusted EBIT margin of 5%
- Over time, further improve 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 under the requirement that the capital structure target is met, the surplus will be distributed to shareholders

Notes: Note: The Company's financial targets set forth above constitute forward-looking information that is subject to considerable uncertainty. The financial targets are based upon a number of assumptions relating to, among others, the development of the Company's industry, business, results of operations and financial condition. Company's business, results of operations and financial condition, and the development of the industry and the macroeconomic environment in which the Company operates, may differ materially from, and be more negative than, those assumed by the Company's when preparing the financial targets set out above. As a result, the Company's ability to reach these financial targets is subject to uncertainties and contingencies, some of which are beyond its control, and no assurance can be given that the Company will be able to reach these targets or that the Company's financial condition or results of operations will not be materially different from these financial targets

Strategic focus areas: Clear roadmap for profitable growth

- Group wide
- Home Improvement
- Value Home
- Premium Living

