



## 2022/Q1 Strengthened market share

Continued growth despite high comparative figures and a more challenging market



**Adam Schatz**  
President and CEO

## Today's presenters



**Jesper Flemme**  
CFO

# Agenda

- Q1 2022 highlights
- Business update
- Financial update
- Conclusions
- Q&A



# Agenda

- **Q1 2022 highlights**
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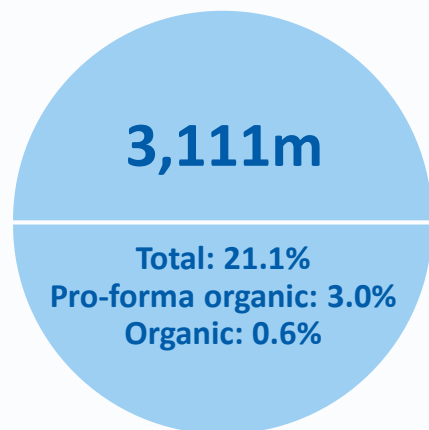


# Select financial highlights – Q1 2022

BHG GROUP Q1 2022

## Sales

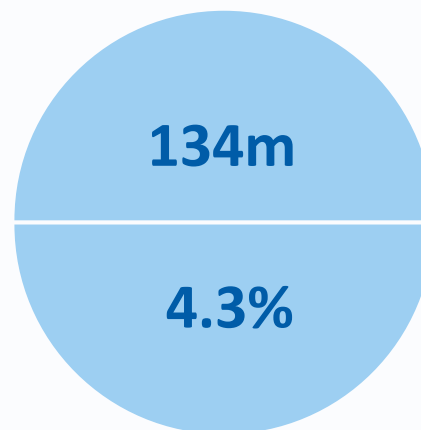
Net Sales (SEK)



Growth

## Earnings

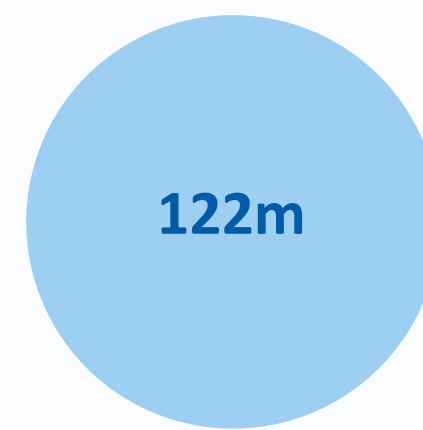
Adj. EBIT(SEK)



Adj. EBIT margin

## Cash flow

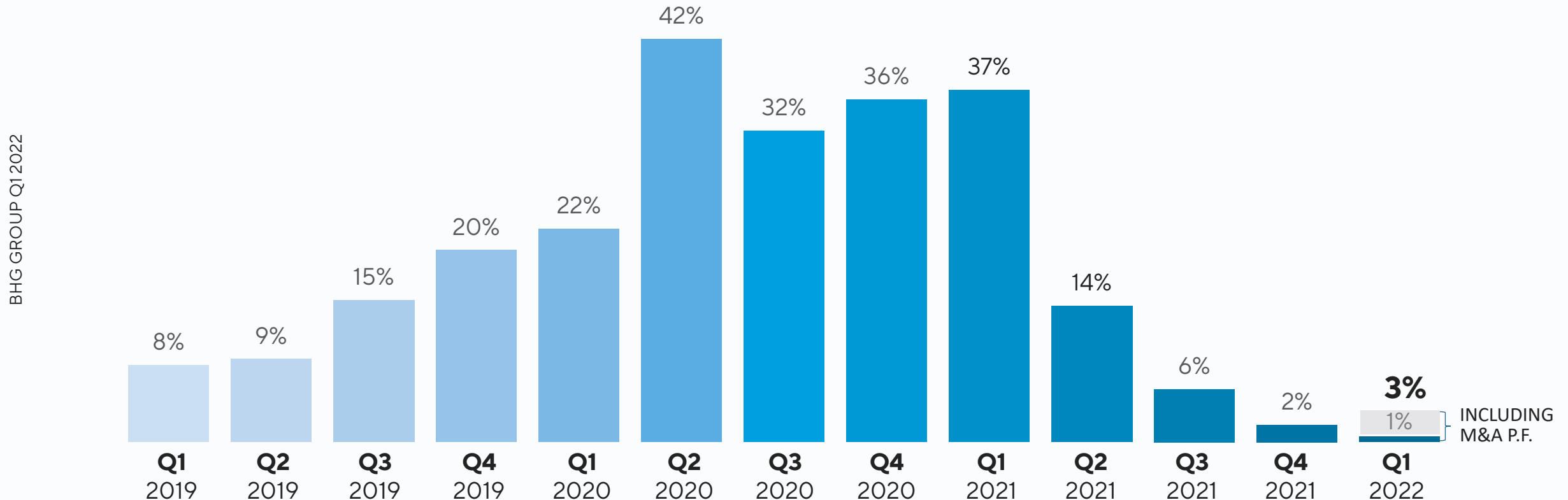
Cash flow from operating activities (SEK)



Continued growth despite high comparative figures and a weak market

# Organic growth despite high comparable figures

Y-on-Y development



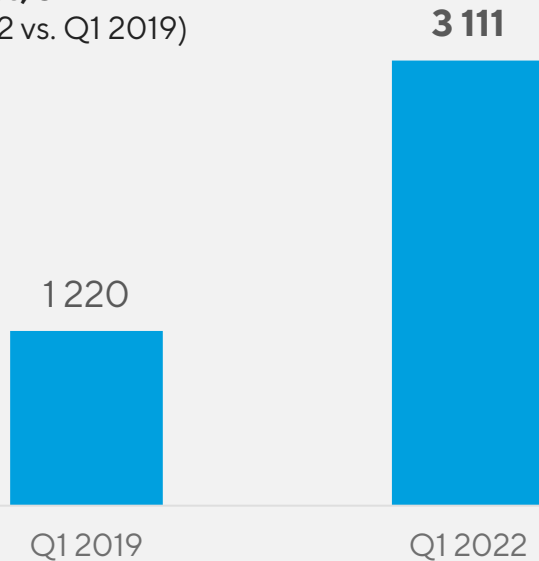
We have continued to grow despite exceptional comparable figures and a market which contracted in the quarter

# Strong growth journey over the past three-year period

Growing share of sales from mainland Europe

## Strong growth since 2019

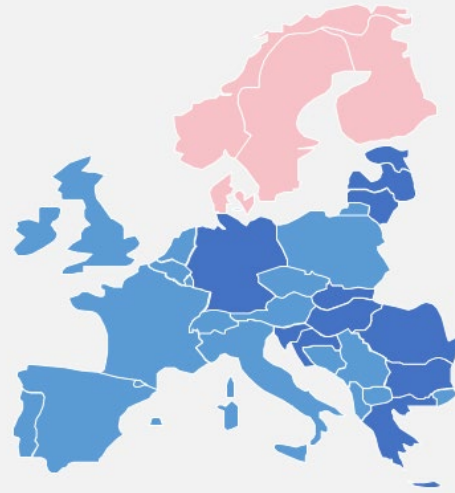
Net sales, SEKm  
(Q1 2022 vs. Q1 2019)



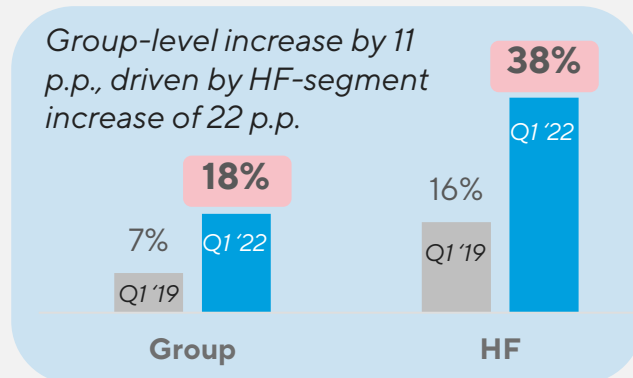
	Growth	CAGR
Total	+155%	37%
Pro-forma organic	+80%	22%
Organic	+51%	15%

## Growing presence in new geographies

Share of sales outside of the Nordics  
(Q1 2022 vs. Q1 2019)



Group-level increase by 11 p.p., driven by HF-segment increase of 22 p.p.



## Long-term growth trajectory is intact

**BHG's market share has increased in the quarter – as it has throughout the pandemic**

- Growth in quarter of ~20%
- Proforma growth in quarter of ~3%

**Home improvement market above pre-pandemic levels**

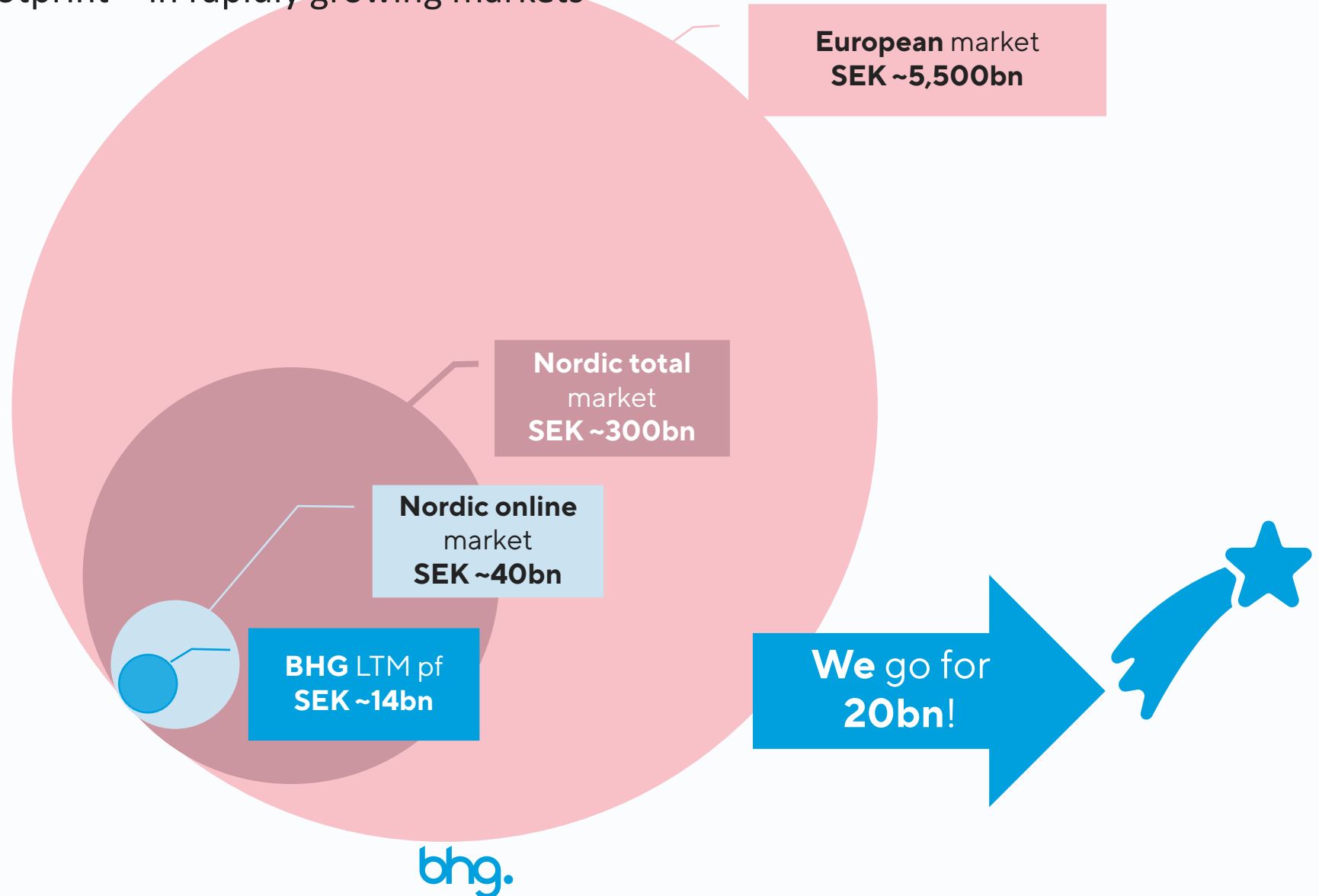
- However, we estimate that the Nordic B2C market contracted in the quarter

**We expect our online markets to grow by approximately 15% p.a. over a cycle**

- Online still relatively low share of total
- BHG the natural consolidator – and we now also have the European dimension in our sights

# BHG... plenty of room for sustained growth

Strong geographic footprint – in rapidly growing markets



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# Organic + M&A + Synergies

BHG - Clear value creation path

## Organic: 4 pillars

Drive share

Assortment

Digital Experience



Scale & Brands

Infrastructure

- Offline to Online
- Strengthened leadership position
- Category + geographic expansion

## M&A

Consolidate markets

37

Acquisitions since 2012

- M&A is part of our DNA
- Proven track record and capabilities
- Highly fragmented market
- Category catalysts & Platforms

## Synergies

Accelerate platforms



- Synergy creation: Assortment, Governance, Tech / Data / Automation and infrastructure
- A strong home for bolt-ons

Select initiatives in quarter

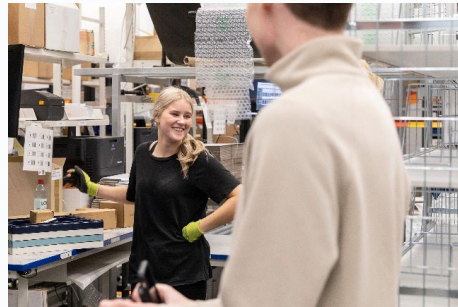
- Investing in technology to drive assortment exchange and Customer Centricity
- Continued improvements in Customer satisfaction

- Large deal flow
- One bolt-on acquisition in Q
- In final stages of updating map of German M&A landscape

- Strengthened integration team
- Svenssons integration all but completed and Hemmy on accelerated integration path

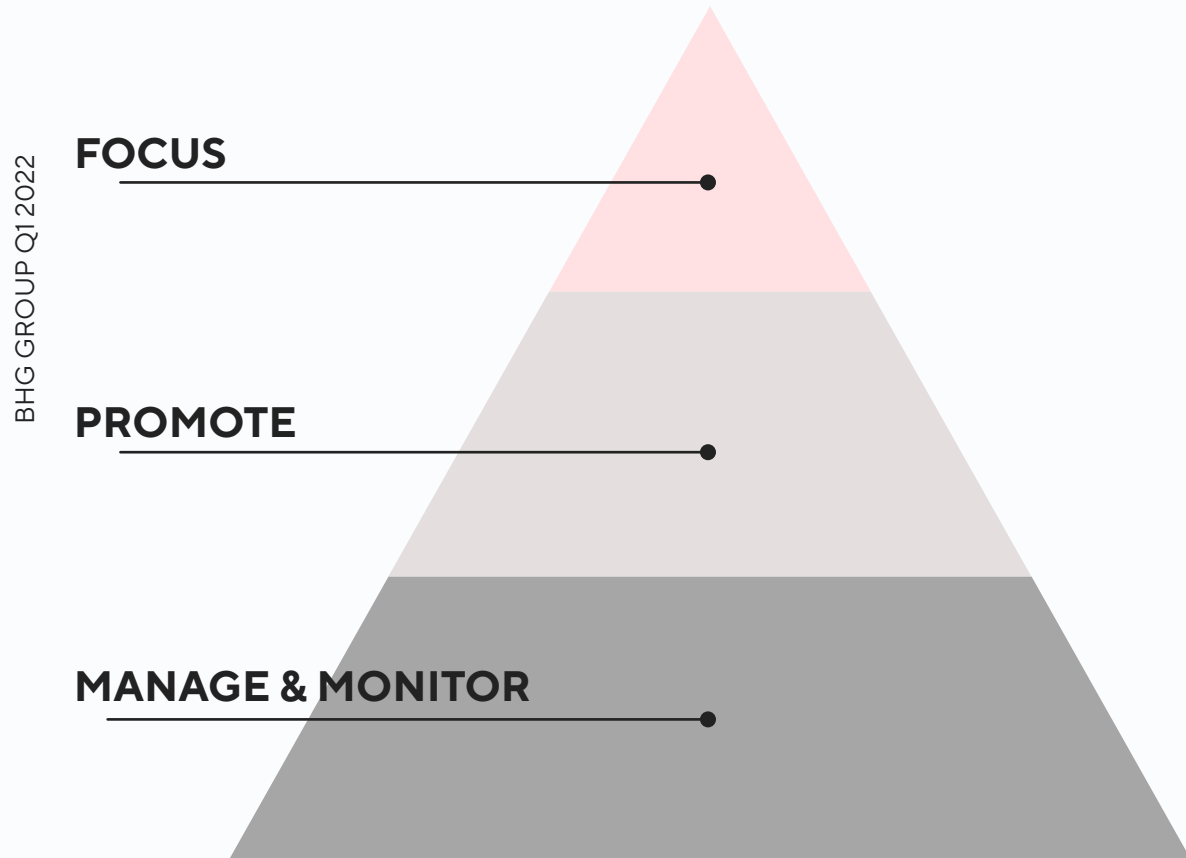
# Our premium Home furnishings and furniture platform: Nordic Nest Group

- Nordic Nest, our largest acquisition to date, has now been part of BHG for 5 quarters
- The Nordic Nest acquisition unlocked the bolt-on opportunity of Svenssons i Lammhult
- The combined business is developing well, under the leadership of the Nordic Nest team
- Almost all of the Svenssons value chain is now firmly integrated into the premium platform
- Next steps include:
  - **Profitable growth**, including through further penetration in Germany and additional geographic expansion
  - **Driving scalability and efficiency:**
    - Moving the Svenssons warehouse into the Nordic Nest one
    - Warehouse automation




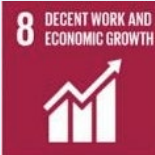
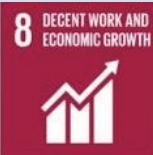



# Stepping up our ESG commitments

**UN SDG and BHG Materiality**  
The starting point for ESG goals definition



**Our newly set ESG Targets**  
Clear targets in place against which we now execute

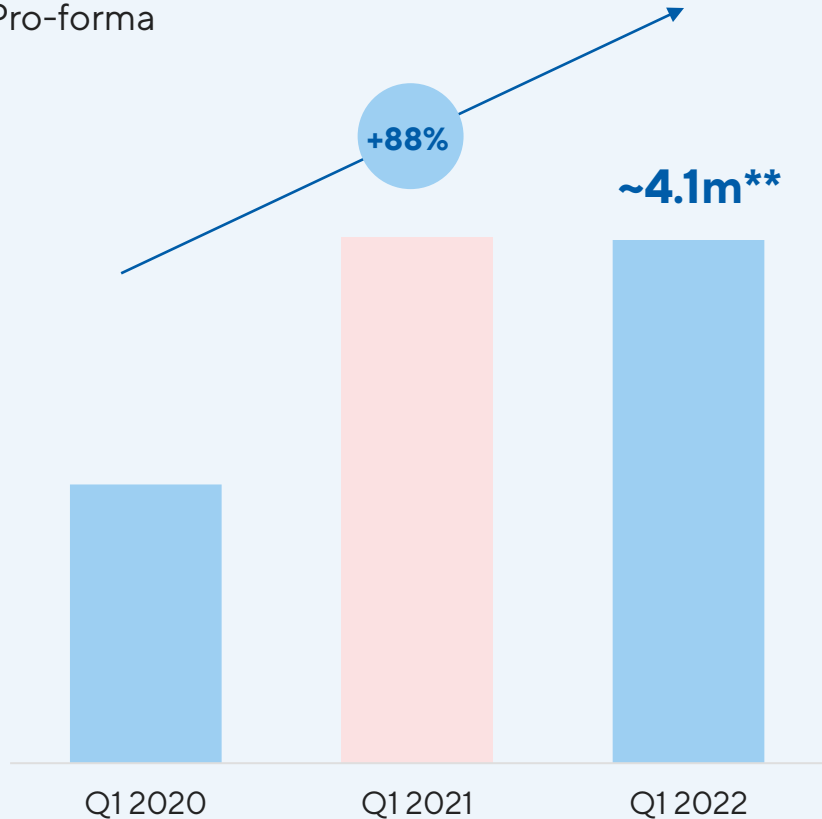
UN 2030 agenda	BHG Materiality	Select Targets (to 2025)
 	<ul style="list-style-type: none"> <li>Minimizing climate impact</li> </ul>	<ul style="list-style-type: none"> <li>Reducing scope 1+2 CO<sub>2</sub> emissions by 100%</li> <li>Promoting sustainable offer</li> </ul>
 	<ul style="list-style-type: none"> <li>Sustainable supply and distribution chains</li> </ul>	<ul style="list-style-type: none"> <li>100% of key suppliers evaluated and action plans implemented</li> </ul>
 	<ul style="list-style-type: none"> <li>Financial performance, economic growth</li> </ul>	<ul style="list-style-type: none"> <li>100% of BHG units best in class in terms of data protection</li> </ul>

# Maintained active customer base, despite pandemic highs of last year – and significant growth on 2-year basis

## Number of active customers\*

Pro-forma

BHG GROUP Q1 2022



Note: all customer metrics are pro-forma

\*At least one purchase made in the past 12 months.

\*\* Estimated based on customer data from units accounting for ~70% of total orders.

\*\*\* Marketing ROI = Gross margin per customer / Customer acquisition cost (CAC)

**~1.4**

Orders per  
active customer  
LTM in Q1 2022

**~50%**

Repeat orders as  
% of total in  
Q1 2022

**~3x**

LTM Marketing  
ROI\*\*\* in  
Q1 2022

## Investing in Customer Data Platform to create a leading customer experience

- During the quarter, the Finnish DIY platform launched the first iteration of the BHG CDP – promising results already seen
- Strong increase in number of active customers during 2020 and beginning of 2022 – reaching an estimated 4.1m in Q1 2022: Customer base maintained from pandemic highs and repeat orders increasing
- First order profitability and attractive marketing ROI

# Customer Centricity, single source of truth and the Customer Data Platform

## We make living easy

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**Trust and  
personalized experience**



**Data and insight driven  
communication**



*“We put the customer first through **personalized** and **data-driven communication** – making our brands the **preferred customer choice**, delivering **cross-brand experiences** and added value beyond price and assortment.”*



**“Go-to” place and  
brand loyalty**



**Synergies** between BHG brands  
and leveraging **cross-brand  
customer journeys**

# BHG at a glance – significant scale and profitability

BHG GROUP Q1 2022

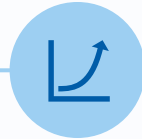
Sales CAGR 2014-LTM Q1'22

**>40%**



EBIT CAGR 2014-LTM Q1'22

**>100%**



EBIT margin LTM Q1'22

**5.8%**



Online destinations

**100+**



**WE MAKE LIVING EASY**

*#1 Nordic consumer e-commerce company,  
with a growing European presence*

**Two segments**

**DIY**

**HF**

Site visits LTM Q1'22

**~409m**



Orders LTM Q1'22

**~5.3m**



Countries with BHG presence

**24**



Number of SKUs

**>1.7m**



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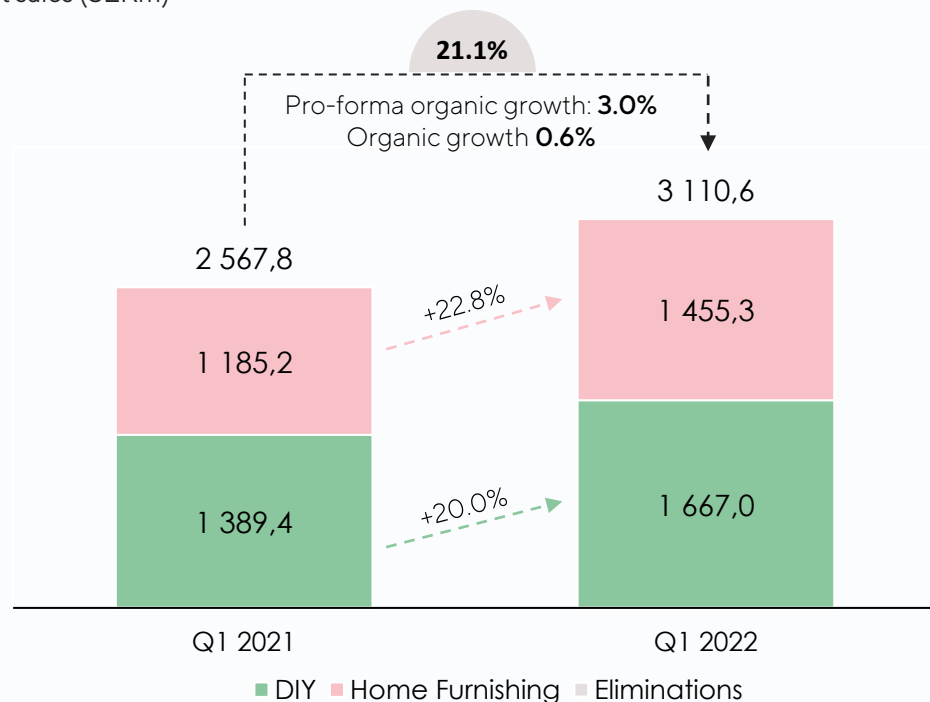


# Another quarter of growth and strengthened market position

**We further advanced our position in the quarter, despite a weak overall market**

Net sales (SEKm)

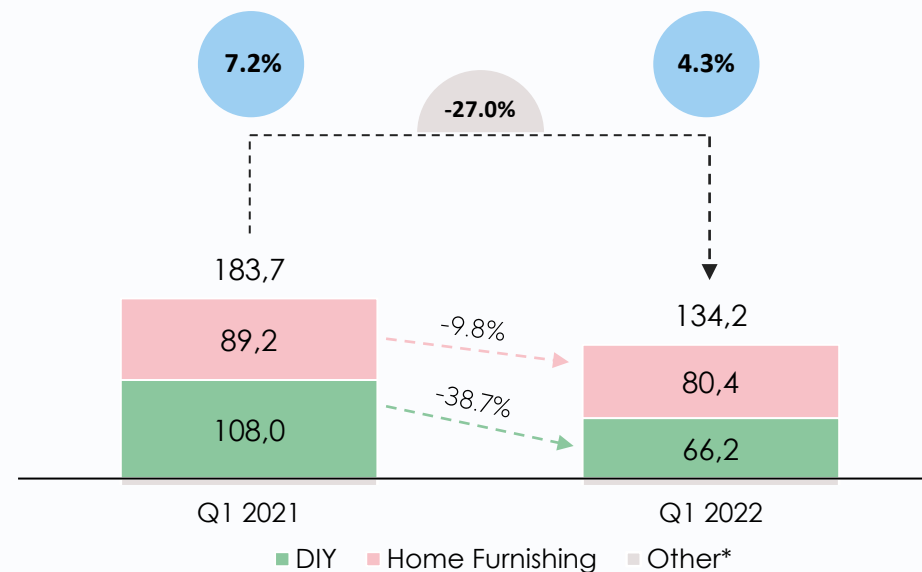
BHG GROUP Q1 2022



**EBIT margin impacted by complicated supply situation and a weak market with intense competition**

Adjusted EBIT (SEK)

Adjusted EBIT margin



Note: Items affecting comparability in the quarter amount to SEK 11.2 million, of which transaction costs constitute the majority.

\* The Group's other operations primarily consist of Group-wide functions and financing arrangements

# Both segments advance positions despite challenging markets

## DIY

Strengthened position, but unsatisfactory profitability

<b>Net sales</b>	<b>1,667m</b>	<b>Adj. EBIT</b>	<b>66.2m</b>
<i>P.f. growth</i>	2.4%	%	4.0%

- The segment grew during the quarter, in an overall market that declined, thus strengthened its leading Nordic position and further increased sales outside of the Nordics
- Profitability deteriorated particularly in units focused on proprietary brands operating in a fragmented market where several smaller competitors ran aggressive campaigns, likely to temporarily free up cash flow given current tough market conditions
- Delayed start to the spring season – Garden was clearly worst performing product category

## HF

Clear progress in returning to healthy profit generation

<b>Net sales</b>	<b>1,455m</b>	<b>Adj. EBIT</b>	<b>80.4m</b>
<i>P.f. growth</i>	4.1%	%	5.5%

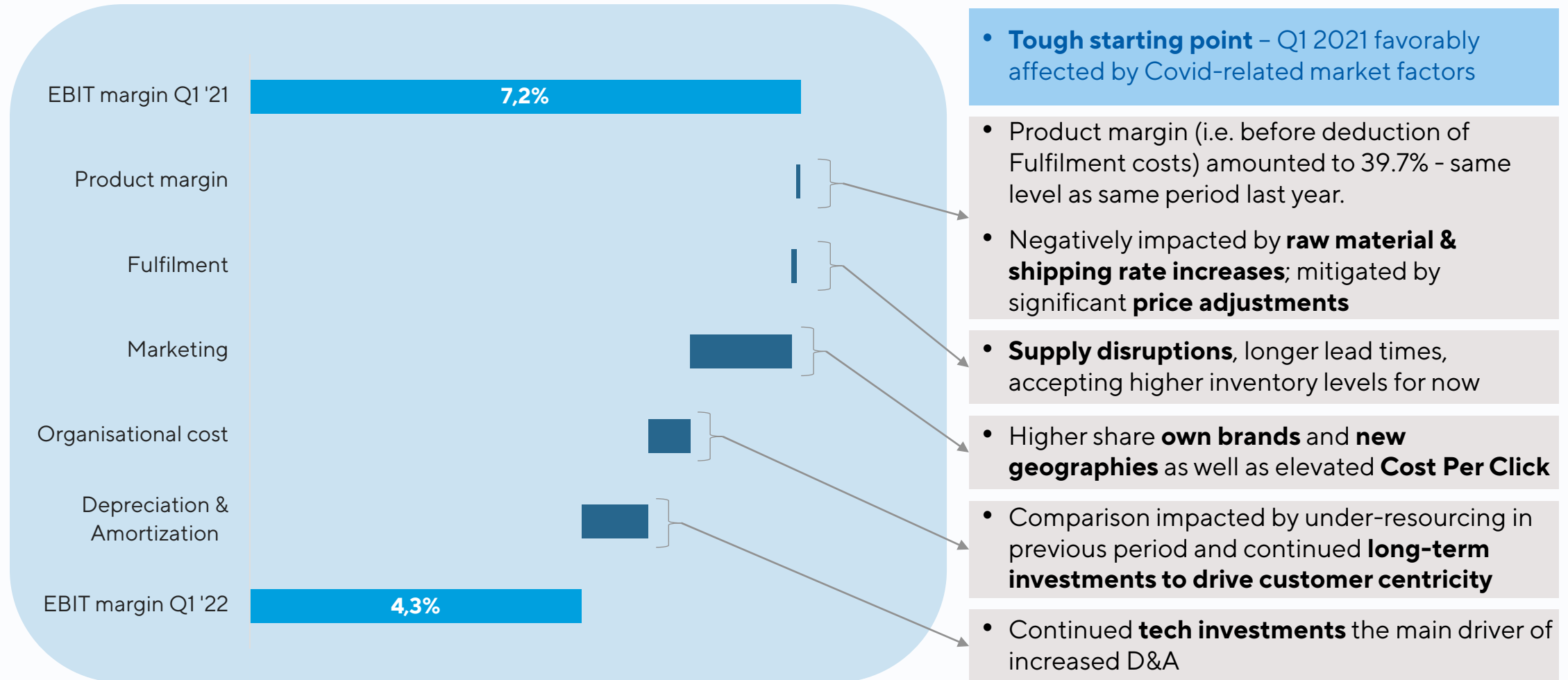
- From having almost pure Nordics focus until 2018, sales outside the Nordic region now account for more than one-third in the segment
- Russia's invasion of Ukraine had a negative impact on the Eastern European markets, resulting in a slow-down of growth
- Later start to the outdoor season had negative impact on the outdoor furniture category, especially in the category specialist AH-Trading
- Improved gross margin through significant price adjustments

## Across both segments

- Temporarily high fulfillment and online marketing costs being addressed – Pricing adjustments in progress

# EBIT margin bridge 2021 Q1 → 2022 Q1

BHG GROUP Q1 2022



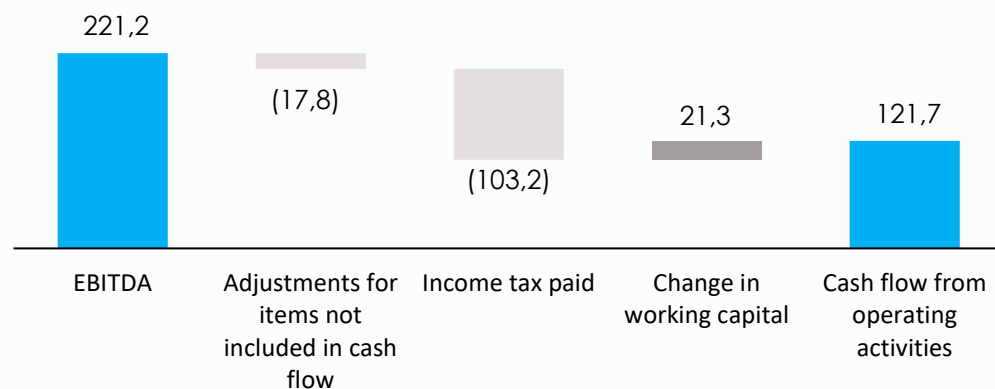
# Healthy cash generation in the quarter

## Cash flow and financial position

**Cash flow from operating activities primarily driven by the Group's EBITDA as well as a positive impact from changes in working capital**

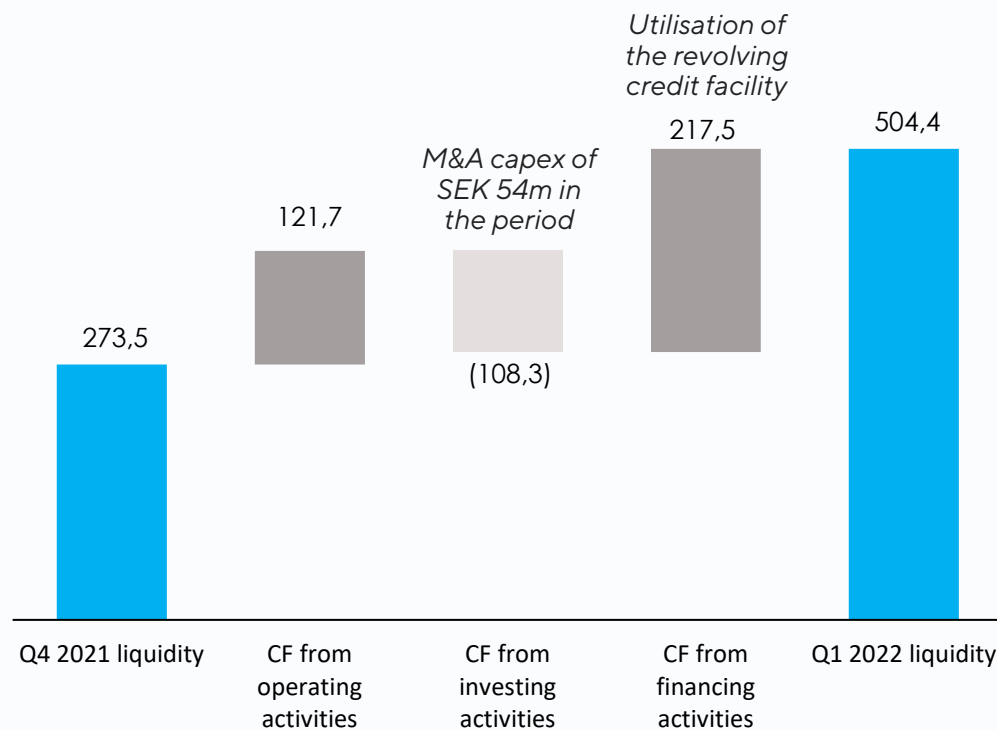
Jan-Mar 2022 (SEKm)

BHG GROUP Q1 2022



**Liquidity mainly driven by cash flow from operating and financing activities**

SEKm



# BHG's financial position remains robust

## Cash flow and financial position

### Overview of financial position

SEKm	31 Mar 2022
Interest bearing liabilities	5,850.8
Cash and cash equivalents	(504.4)
Adjustment lease liabilities	(899.0)
Adjustment for earn-outs and deferred payments	(2,135.0)
Adjustment transaction costs	6.8
<b>Net debt / (Net cash)</b>	<b>2,319.3</b>

Q1 2022 LTM adjusted EBITDA\*  
(excl. impact from IFRS 16)

890.3

**Net debt / LTM adjusted EBITDA**

**2.6x**

- Net debt / EBITDA of 2.6x, just outside financial target of 1.5-2.5x
- The Group's unutilised credit facilities amounted to SEK 500 million at the end of the period, compared with SEK 800 million at the beginning of the year

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# Temporary market headwinds provide an opportunity to extend BHGs leading position

BHG GROUP Q1 2022

## Prevailing market challenges

### Currency fluctuations

### Rising external costs and continued logistical disruptions

### Significantly higher demand than pre-pandemic (new level established), but weaker than in pandemic peak

### M&A and synergies

## The BHG advantage








- Geographic expansion → a higher degree of natural hedge than ever, >40% of Q1 revenues generated in other currencies than the SEK

- Product margins holding up well
- Price increases underway
- Relevant supplies on hand

- Broadest product range in the market
- Price leadership
- Cost control

- Driving geographic expansion and consolidation

# Q1 Summary

<b>Growth journey continues</b>		<ul style="list-style-type: none"> <li>✓ Total growth exceeded 20% - we grew in a temporarily contracting market</li> <li>✓ LTM sales amounted to SEK 13.2bn</li> </ul>
<b>Leading online position strengthened; Nordics and the European continent</b>		<ul style="list-style-type: none"> <li>✓ Leading online Nordic position further strengthened</li> <li>✓ Strongest growth in premium furniture and Germany (3<sup>rd</sup> largest geography)</li> </ul>
<b>Temporary headwinds from tough Markets; mitigating actions having effect</b>		<ul style="list-style-type: none"> <li>✓ Supply disruptions and demand complications – like what we experienced in Q3 – adversely impacted performance</li> <li>✓ Likely turbulent for another few quarters, but mitigating actions biting</li> </ul>
<b>Execution on organic growth initiatives in full swing</b>		<ul style="list-style-type: none"> <li>✓ Significant investments to lay grounds for Customer Centricity, Sustainability and Scalability for the future</li> </ul>
<b>M&amp;A and PMI tools well honed – and 2022 pipeline strong</b>		<ul style="list-style-type: none"> <li>✓ Transaction and PMI teams working seamlessly together</li> <li>✓ Integrations of newly acquired bolt-ons in advanced execution</li> <li>✓ One bolt completed in quarter; more to come</li> </ul>
<b>We raised the bar in 2021 – new targets – and are well on our way!</b>		<ul style="list-style-type: none"> <li>✓ LTM proforma net sales = SEK 14.2bn</li> <li>✓ The journey towards 20bn is well underway!</li> </ul>
<b>Building a European champion</b>		<ul style="list-style-type: none"> <li>✓ Further clear and present mainland EU opportunities – organic and M&amp;A</li> </ul>





## Appendix

BHG GROUP Q1 2022



27/04/2022

# Condensed consolidated financial information

BHG GROUP Q1 2022

SEKm (if not otherwise stated)	Jan-Mar		Δ%	Jan-Dec
	2022	2021		2021
Net sales	3,110.6	2,567.8	21.1	12,666.0
Gross profit	841.7	697.8	20.6	3,357.1
Gross margin (%)	27.1	27.2	-0.1 p.p.	26.5
Adjusted EBITDA*	232.4	242.6	-4.2	1,104.6
Adjusted EBITDA margin (%)	7.5	9.4	-2.0 p.p.	8.7
Adjusted EBIT*	134.2	183.7	-27.0	812.7
Adjusted EBIT margin (%)	4.3	7.2	-2.8 p.p.	6.4
Cash flow from operating activities	121.7	119.5	1.8	-27.6
Visits (thousands)	99,318	101,829	-2.5	411,296
Orders (thousands)	1,214	1,145	6.0	5,247
Conversion rate (%)	1.2	1.1	0.1 p.p.	1.3
Average order value (SEK)	2,747	2,416	13.7	2,439

\* Refer to “Relevant reconciliations of non-IFRS alternative performance measures (APM)” for a more detailed description.

# DIY segment

SEKm (if not otherwise stated)	Jan-Mar		Δ%	Jan-Dec
	2022	2021		2021
Net sales	1,667.0	1,389.4	20.0	7,259.6
Gross profit	397.6	355.3	11.9	1,764.3
Gross margin (%)	23.9	25.6	-1.7 p.p.	24.3
Adjusted EBITDA	108.1	132.6	-18.5	681.7
Adjusted EBITDA margin (%)	6.5	9.5	-3.1 p.p.	9.4
Adjusted EBIT	66.2	108.0	-38.7	560.7
Adjusted EBIT margin (%)	4.0	7.8	-3.8 p.p.	7.7
Visits (thousands)	38,749	37,936	2.1	165,984
Orders (thousands)	548	486	12.8	2,373
Conversion rate (%)	1.4	1.3	0.1 p.p.	1.4
Average order value (SEK)	3,391	3,226	5.1	3,116

# Home Furnishing segment

SEKm (if not otherwise stated)	Jan-Mar		Δ%	Jan-Dec
	2022	2021		2021
Net sales	1,455.3	1,185.2	22.8	5,442.8
Gross profit	444.4	342.9	29.6	1,597.7
Gross margin (%)	30.5	28.9	1.6 p.p.	29.4
Adjusted EBITDA	136.4	123.2	10.7	494.0
Adjusted EBITDA margin (%)	9.4	10.4	-1.0 p.p.	9.1
Adjusted EBIT	80.4	89.2	-9.8	324.0
Adjusted EBITmargin (%)	5.5	7.5	-2.0 p.p.	6.0
Visits (thousands)	60,569	63,893	-5.2	245,312
Orders (thousands)	666	659	1.0	2,874
Conversion rate (%)	1.1	1.0	0.1 p.p.	1.2
Average order value (SEK)	2,217	1,820	21.8	1,880

# P&L

BHG GROUP Q1 2022

SEKm	Jan-Mar		Jan-Dec
	2022	2021	2021
Net sales	3,110.6	2,567.8	12,666.0
Other operating income	15.6	0.1	15.6
<b>Total net sales</b>	<b>3,126.2</b>	<b>2,567.9</b>	<b>12,681.6</b>
Cost of goods sold	-2,268.8	-1,870.0	-9,308.9
Personnel costs	-278.4	-198.9	-981.7
Other external costs and operating expenses	-353.8	-251.9	-1,304.0
Other operating expenses	-3.5	-4.7	-5.0
Depreciation and amortisation of tangible and intangible fixed assets	-123.7	-73.8	-371.5
<b>Operating income</b>	<b>97.9</b>	<b>168.6</b>	<b>710.6</b>
Profit/loss from financial items	30.5	-25.1	-79.7
<b>Profit before tax</b>	<b>128.4</b>	<b>143.4</b>	<b>630.9</b>
Income tax	-17.2	-28.2	-140.1
<b>Profit for the period</b>	<b>111.2</b>	<b>115.3</b>	<b>490.8</b>
Attributable to:			
Equity holders of the parent	109.8	112.7	480.9
Non-controlling interest	1.4	2.6	9.9
<b>Net income for the period</b>	<b>111.2</b>	<b>115.3</b>	<b>490.8</b>
Earnings per share before dilution, SEK	0.89	0.97	3.97
Earnings per share after dilution, SEK	0.88	0.96	3.94

# Balance sheet

SEKm	31 Mar		31 Dec
	2022	2021	2021
<b>Non-current assets</b>			
Goodwill	6,385.7	4,787.4	6,318.7
Other intangible fixed assets	2,900.8	1,837.3	2,893.3
<b>Total intangible fixed assets</b>	<b>9,286.5</b>	<b>6,624.7</b>	<b>9,212.0</b>
Buildings and land	22.1	10.2	21.9
Leased fixed assets	918.2	618.0	893.3
Tangible fixed assets	140.4	73.0	136.3
Financial fixed assets	12.8	10.1	13.1
Deferred tax asset	23.9	19.2	26.4
<b>Total fixed assets</b>	<b>10,403.8</b>	<b>7,355.1</b>	<b>10,302.9</b>
<b>Current assets</b>			
Inventories	2,940.0	1,254.5	2,431.5
Current receivables	534.4	422.5	604.4
Cash and cash equivalents	504.4	1,934.7	273.5
<b>Total current assets</b>	<b>3,978.8</b>	<b>3,611.6</b>	<b>3,309.4</b>
<b>Total assets</b>	<b>14,382.6</b>	<b>10,966.8</b>	<b>13,612.3</b>
<b>Equity</b>			
Equity attributable to owners of the parent	5,297.4	4,587.2	5,211.9
Non-controlling interest	46.2	39.1	44.4
<b>Total equity</b>	<b>5,343.6</b>	<b>4,626.3</b>	<b>5,256.3</b>
<b>Non-current liabilities</b>			
Deferred tax liability	634.7	379.3	636.7
Other provisions	27.2	31.6	43.2
Non-current interest-bearing liabilities to credit institutions	2,816.9	2,028.4	2,517.2
Non-current lease liabilities	619.8	449.4	622.0
Non-current acquisition related interest-bearing liabilities	1,929.5	1,234.8	1,883.5
<b>Total non-current liabilities</b>	<b>6,028.1</b>	<b>4,123.5</b>	<b>5,702.6</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities to credit institutions	-	75.0	-
Current lease liabilities	279.1	164.0	256.7
Current acquisition related interest-bearing liabilities	205.5	138.2	238.1
Other current liabilities	2,526.3	1,839.8	2,158.6
<b>Total current liabilities</b>	<b>3,010.9</b>	<b>2,217.0</b>	<b>2,653.4</b>
<b>Total equity and liabilities</b>	<b>14,382.6</b>	<b>10,966.8</b>	<b>13,612.3</b>

# Consolidated statement of cash flows

BHG GROUP Q1 2022

SEKm	Jan-Mar		Jan-Dec
	2022	2021	2021
EBITDA	221.2	242.6	1,081.2
Adjustments for items not included in cash flow	-17.8	6.6	2.4
Income tax paid	-103.2	-36.2	-105.6
<b>Cash flow from operating activities before changes in working capital</b>	<b>100.3</b>	<b>213.0</b>	<b>978.1</b>
Changes in working capital	21.3	-93.5	-1,005.7
<b>Cash flow from operating activities</b>	<b>121.7</b>	<b>119.5</b>	<b>-27.6</b>
Investments in operations	-54.3	-136.0	-1,610.9
Redemption of loan to seller upon acquisition of operations	-6.9	-	-65.0
Investments in other non-current assets	-48.9	-37.4	-193.7
Divestment of operations	0.6	-	-0.0
Divestment of other tangible fixed assets	0.7	0.2	12.4
Received interest	0.5	0.1	1.8
<b>Cash flow to/from investing activities</b>	<b>-108.3</b>	<b>-173.2</b>	<b>-1,855.4</b>
New share issue	-	1,715.8	1,719.4
Loans taken*	300.0	160.0	2,650.1
Amortisation of loans	-74.3	-190.3	-2,479.6
Issue of warrants	0.1	-	21.6
Interest paid	-17.6	-8.5	-54.8
Dividends to non-controlling interests	-	-	-5.1
<b>Cash flow to/from financing activities</b>	<b>208.2</b>	<b>1,677.0</b>	<b>1,851.7</b>
<b>Cash flow for the period</b>	<b>221.6</b>	<b>1,623.3</b>	<b>-31.2</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>273.5</b>	<b>299.0</b>	<b>299.0</b>
Translation differences in cash and cash equivalents	9.3	12.4	5.8
<b>Cash and cash equivalents at the end of the period</b>	<b>504.4</b>	<b>1,934.7</b>	<b>273.5</b>

\* Cash flow from interest-bearing loans raised is recognised for full-year 2021 after deductions for transaction expenses of SEK 9.9 million.

# Reconciliation of non-IFRS metrics

BHG GROUP Q1 2022

SEKm	Jan-Mar		Jan-Dec
	2022	2021	2021
<b>Operating income</b>	<b>97.9</b>	<b>168.6</b>	<b>710.6</b>
Donation UNHCR	1.5	-	-
Acquisition-related costs	7.6	-	23.4
Warehouse consolidation	2.1	-	-
<b>Total items affecting comparability</b>	<b>11.2</b>	<b>-</b>	<b>23.4</b>
Amortisation and impairment of acquisition-related intangible fixed assets	25.1	15.2	78.7
<b>Adjusted EBIT</b>	<b>134.2</b>	<b>183.7</b>	<b>812.7</b>
<b>Adjusted EBIT (%)</b>	<b>4.3</b>	<b>7.2</b>	<b>6.4</b>
Depreciation and amortisation of tangible and intangible fixed assets	98.6	58.6	292.8
Gain/loss from sale of fixed assets	-0.4	0.2	-0.8
<b>Adjusted EBITDA</b>	<b>232.4</b>	<b>242.6</b>	<b>1,104.6</b>
<b>Adjusted EBITDA (%)</b>	<b>7.5</b>	<b>9.4</b>	<b>8.7</b>
SEKm	Jan-Mar		Jan-Dec
	2022	2021	2021
Net sales	3,110.6	2,567.8	12,666.0
Cost of goods	-1,877.0	-1,548.2	-7,710.4
<b>Gross profit before direct selling costs</b>	<b>1,233.5</b>	<b>1,019.6</b>	<b>4,955.6</b>
<b>Gross profit before direct selling costs (%)</b>	<b>39.7</b>	<b>39.7</b>	<b>39.1</b>
Direct selling costs	-391.8	-321.8	-1,598.5
<b>Gross profit</b>	<b>841.7</b>	<b>697.8</b>	<b>3,357.1</b>
<b>Gross profit (%)</b>	<b>27.1</b>	<b>27.2</b>	<b>26.5</b>
<b>Adjusted gross profit</b>	<b>841.7</b>	<b>697.8</b>	<b>3,357.1</b>
<b>Adjusted gross profit (%)</b>	<b>27.1</b>	<b>27.2</b>	<b>26.5</b>



bing.

