



**bhg.**

**BHG in brief & strategy**



# BHG is through the restructuring phase and now ideally positioned for sustained **profitable growth**



1

## Strategy is delivering

- Five quarters of organic growth – last two double digit
- Profitability improved  
Nine consecutive quarters
- Leverage down to <2.5x

2

## Market tailwind

- Market conditions significantly stronger than two years ago
- AI creating new opportunities
- Online penetration of home & household still low

3

## New financial targets

- Time to raise the bar with new financial targets
- Accelerating growth and increasing profitability
- M&A back on the agenda as a key growth lever





# The **leading** consumer **E-commerce** company in the Nordics with clear strategy in place

Active on the Home & Household market – DIY, Furniture and Home Furnishing

**SEK 10bn**  
Net Sales 2025

**Three Business Areas**  
Covering complementary customer segments with tailored business models

**Decentralised Structure**  
Empowering local decision-making

**h bygghemma.se**

**77%** Nordics  
**23%** Rest of EU

**100+ Online Destinations**  
Lead categories through multi banner strategy

**Entrepreneurial Accountability**  
Ownership culture at every level

**chilli**

**NORDIC NEST**





# Built to lead the next phase of e-commerce

Market leader in DIY, Furniture and Home Furnishing

- Core strength in the Nordics, expanding in Europe
- Tech and data-driven operating model
- Positioned to capture structural shift from offline to online
- AI integrated across the business to drive efficiency and growth





# The Home & Household market is **large** and growing

## The Home & Household market



**Key demand drivers** support **continued recovery** in 2026, with **Sweden leading the way**

### Rising Disposable Income

Real disposable income expected to increase in 2026 driven by expansive fiscal policy across the Nordics

### More Money for Families

A Swedish two-child family may receive ~SEK 1,800 more per month from 2026 tax cuts and government measures

### Easier Path to Homeownership

Eased amortisation rules in 2026 reduce barriers for homebuyers, stimulating the Swedish housing market

### Structural Shift from Offline to Online

The shift from offline to online continues, fueled by AI – online penetration remains far from saturated





# All retail is about **price**, **choice** and **convenience** – online offers superior customer value in all three amplified by AI

## Price

### Lower prices

Lower fixed costs from online model

## Choice

### Wider assortment

Not limited by physical shelf space

## Convenience

### Always available

Bulky products delivered to your door, open 24/7

#### AI amplifies the benefit:

- **Dynamic pricing** optimized in real-time
- **Smarter procurement** and **demand forecasting**

#### AI amplifies the benefit:

- Personalized **product recommendations**
- **Visual search** and **smart filtering**

#### AI amplifies the benefit:

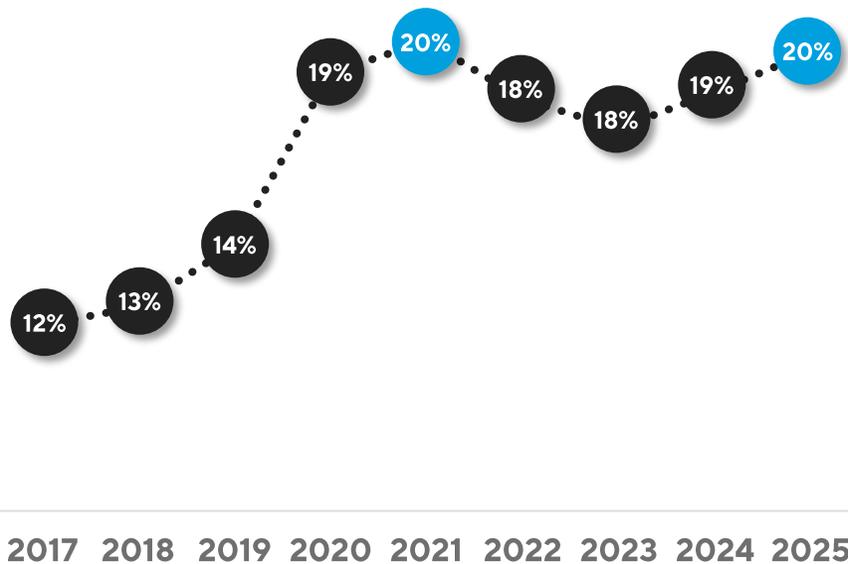
- AI chatbots for **instant advice**
- **Predictive delivery** and **smart logistics**





# Online penetration back on pandemic peak – structural drivers supporting further growth

Nordic Home & Household online penetration back at **pandemic peak**



## 1 Better Logistics & Faster Delivery

Logistics infrastructure closing the last-mile gap – removing a key barrier to online adoption



## 2 AI Shopping Tools

Personalised recommendations and visual tools accelerating the shift from browse to buy



## 3 A New Generation of Online Buyers

Digital-native cohorts entering peak spending years, lifting structural online share



## 4 More Products Available Online

Brands moving full catalogues online, expanding the addressable assortment for consumers

Source: Ecommerce Database. Nordic Home & Household categories.

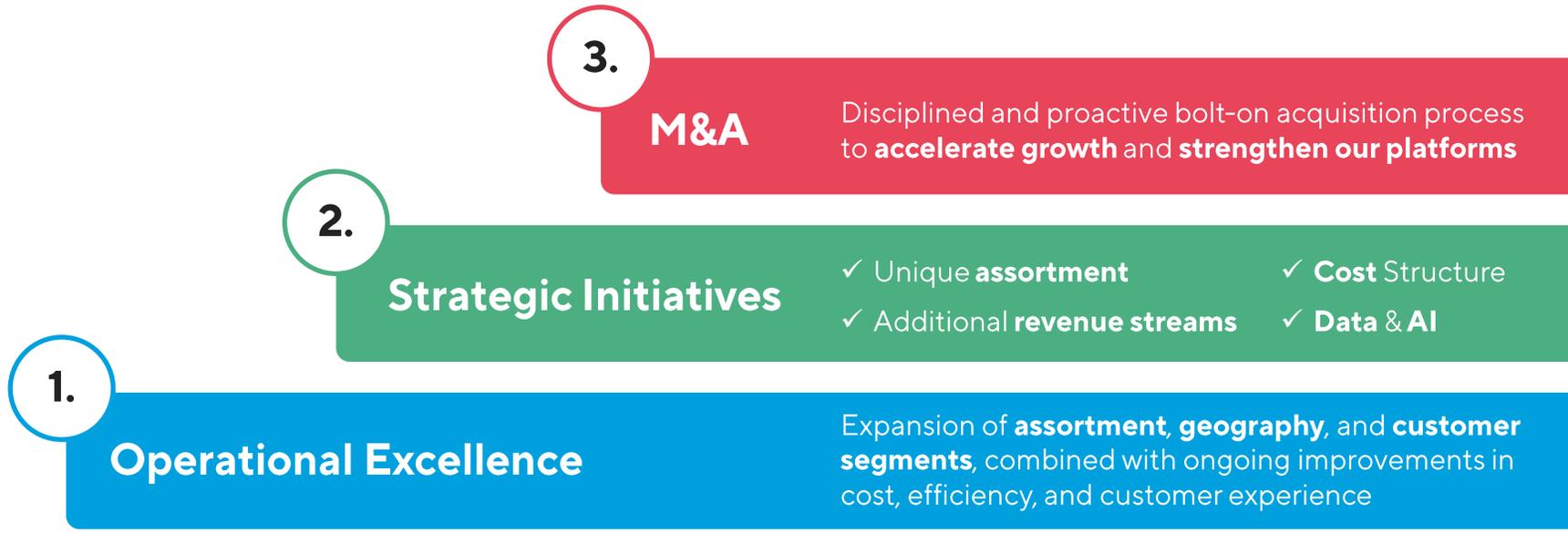




# BHG's strategy: Three layers of growth on top of a structurally growing market



Strategy to **grow more than the market** and **improve profitability**



*External factors* ▶

Increased **Online Penetration**

**Expanding Total Market**





# The group exists to support the platforms in delivering on the customer needs

Strategy, target setting & financial control

Best-practice sharing & cross-portfolio initiatives

M&A sourcing and execution

Appoint platform CEOs

Setting & co-driving strategic initiatives

Centres of excellence (e.g. online marketing, CTO, ESG)

BU leads category expertise & retail knowhow with CEO experience supporting platform leaders





# Why we win in our categories across business units

	<b>h bygghemma</b> <b>Home Improvement</b>	<b>chilli</b> <b>Value Home</b>	<b>NORDIC NEST</b> <b>Premium Living</b>
<b>Value proposition</b>	<ul style="list-style-type: none"> <li>• Unbeatable range of DIY products (~1m SKUs)</li> <li>• Best prices through price matching</li> </ul>	<ul style="list-style-type: none"> <li>• Unbeatable value in furniture</li> <li>• Short delivery times to customers</li> </ul>	<ul style="list-style-type: none"> <li>• Scaling Scandinavian design globally</li> <li>• Best prices through price matching</li> <li>• Superior customer experience</li> </ul>
<b>Business model</b>	<ul style="list-style-type: none"> <li>• Drop ship model enabling large assortment while capital effective</li> <li>• Low cost through online model</li> </ul>	<ul style="list-style-type: none"> <li>• Private label ensuring low cost</li> <li>• Stock keeping enabling best purchase price</li> <li>• Low cost through online model</li> </ul>	<ul style="list-style-type: none"> <li>• Low handling cost through automation (Autostore)</li> <li>• Low cost through online model</li> </ul>
<b>Geographic focus</b>	<b>Nordic focus</b>	<b>Nordic &amp; Eastern Europe</b>	<b>Global</b>





# AI will reshape customer interactions

BHG can leverage AI to drive growth, improve CX, and enable a low-cost structure

## Increasing convenience and conversion



AI will enable **advances in on-site recommendations** and **personalised guidance**, helping to ease the **purchase decision**

## BHG is well positioned to benefit

### Online-First DNA

**100% pure-play e-commerce since 2006.** Digital-native culture enables fast AI adoption

### Rich Data in Complex Categories

**1.7m+ SKUs across 100+ online destinations.** Deep product data supports AI in pricing, search and guidance

### Securing AI Readiness in Platforms

**Embedding AI across all platforms.** Building infrastructure, data pipelines and talent for AI readiness

### Scalable Multi Brand Platform & Co-funded Initiatives

**3 segments, 7 platforms – deploy once, scale everywhere.** AI initiatives co-funded by Group and rolled out across brands





# We are ready for the next phase of **value creation**

## Financially stronger

- 5 quarters of organic growth – last two **double digit**
- Profitability improved **Nine consecutive quarters**
- Leverage down to **sustainable levels**

## Structurally supported

- Structural **online penetration upside**
- Improving **Nordic macro environment**
- Stronger **housing and consumer outlook**

## Operationally scalable

- **Category leadership** in core verticals
- **Asset-light**, decentralised structure
- **AI accelerating** productivity and conversion

## Positioned to win

- **Above market growth**
- Margin expansion through **scale** and **efficiency**
- Re-activate **M&A as a disciplined growth lever**





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**Financial Perspective  
& Target**



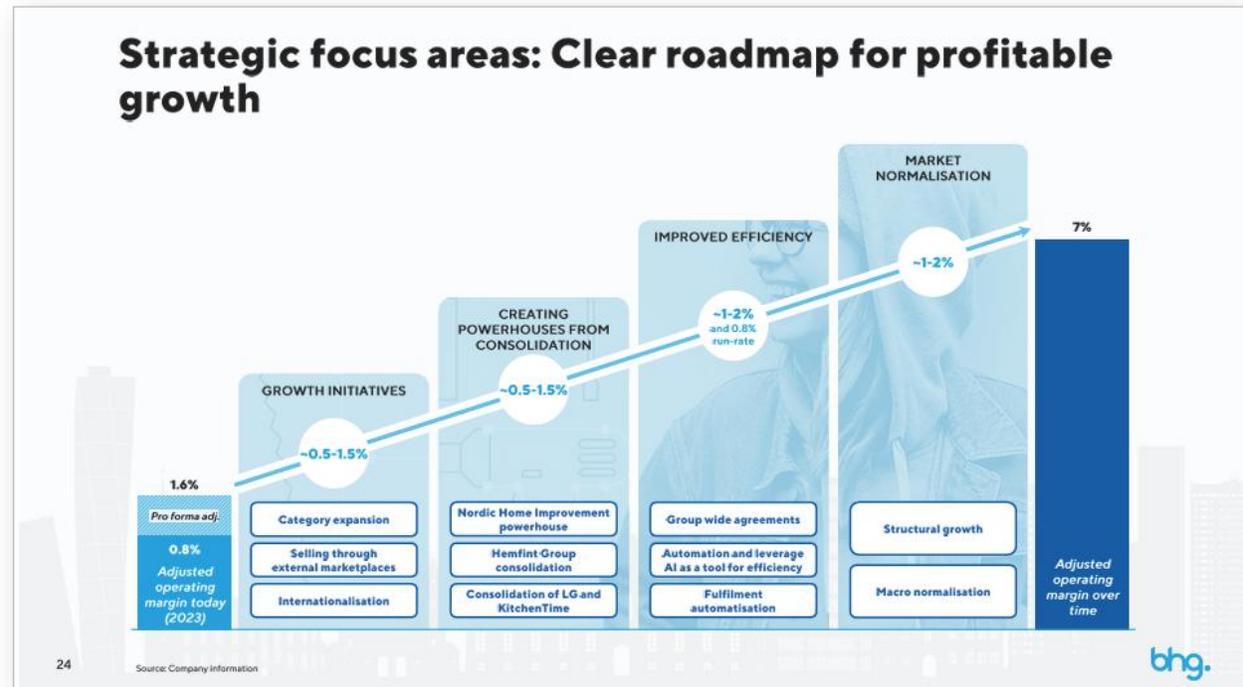


# What has happened since last CMD in 2024

**The market has normalised** – but it took longer than expected

**Profit has increased substantially** despite pressure on product margin from price transparency, driven by cost reductions that exceeded our initial plan – **SEK 555m**

**Leverage ahead of financial target**



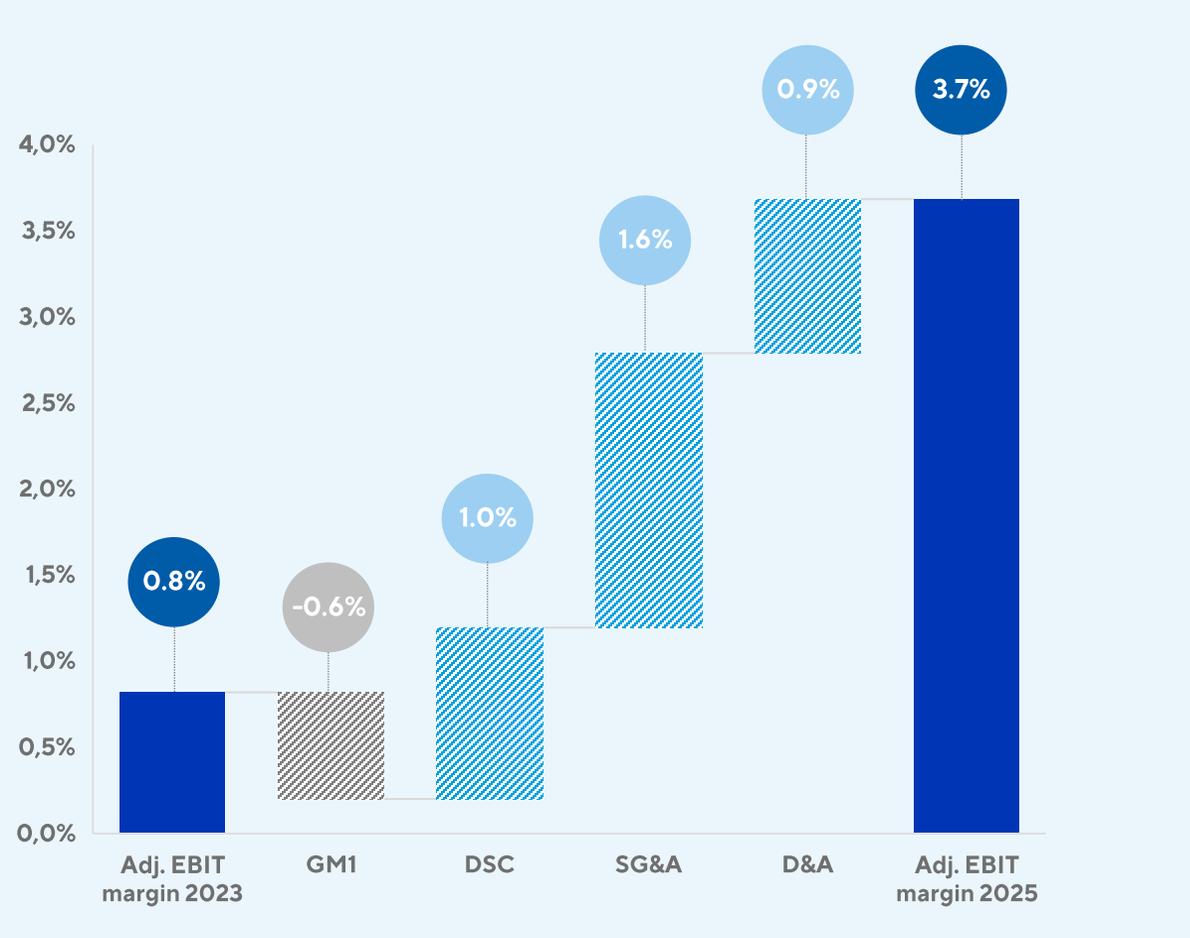
Presented at CMD 2024

Reduction in SG&A and D&A in FY 2025 compared with FY 2023

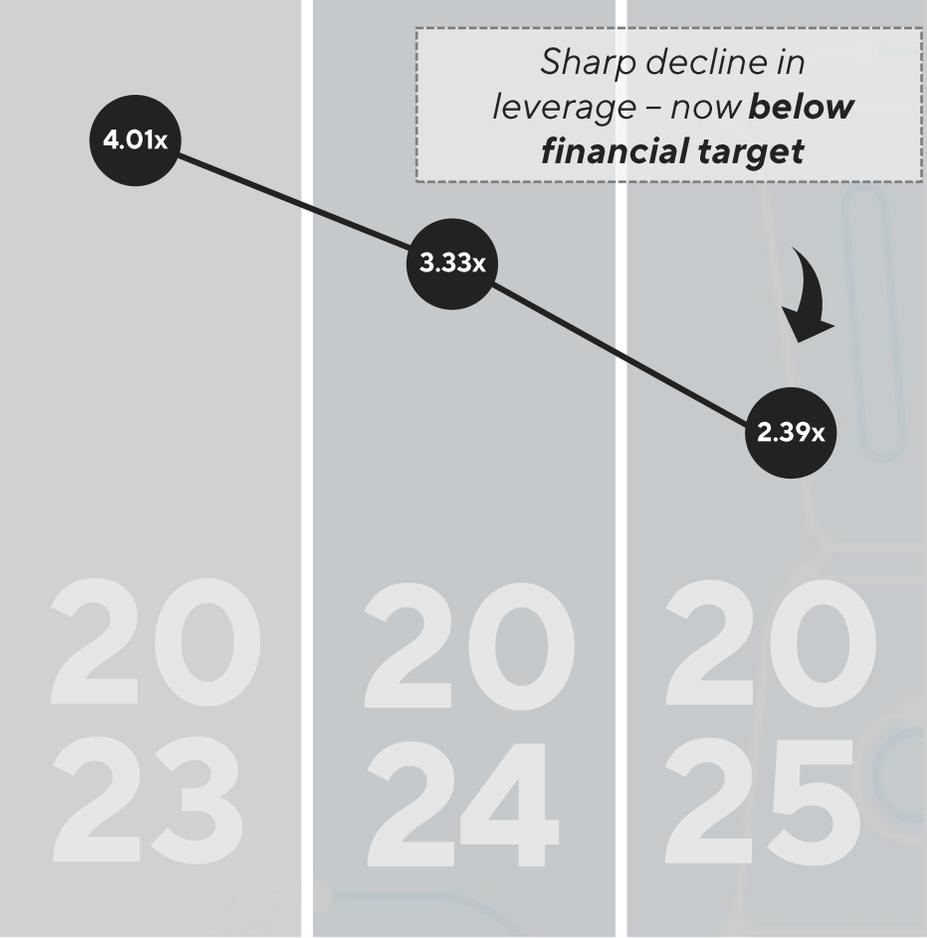




# What has happened since last CMD in 2024



Profitability

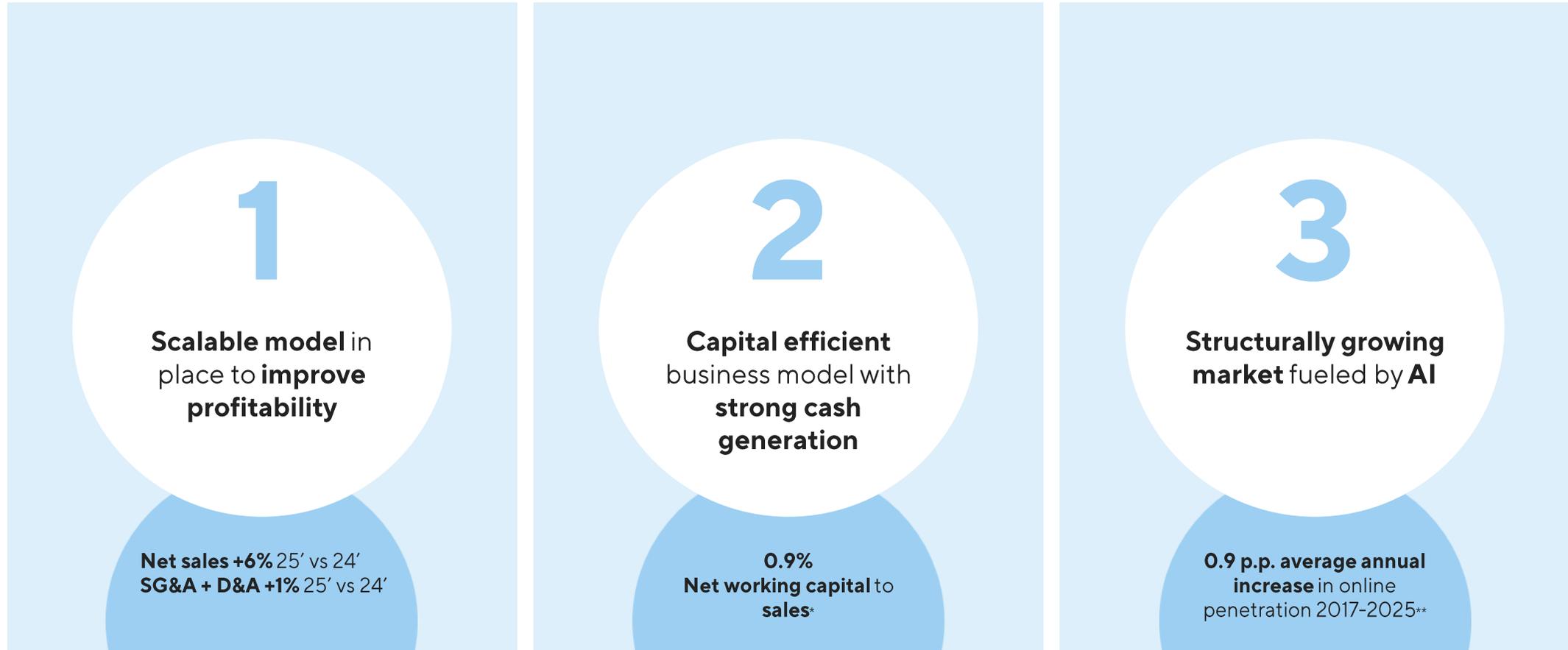


Leverage





# We have an attractive financial profile



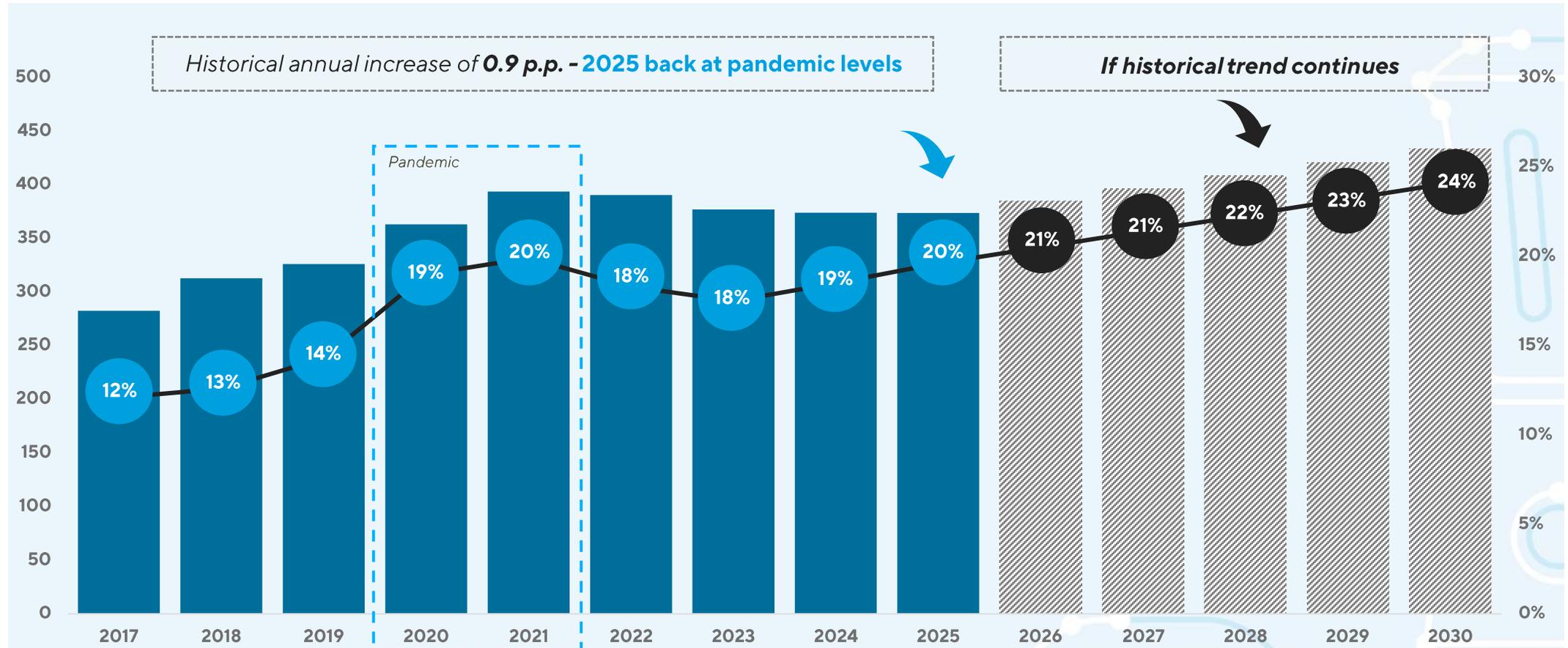
\* 12-month average working capital in relation to net sales for FY 2025

\*\* Source: ECDB





# Online penetration on the rise



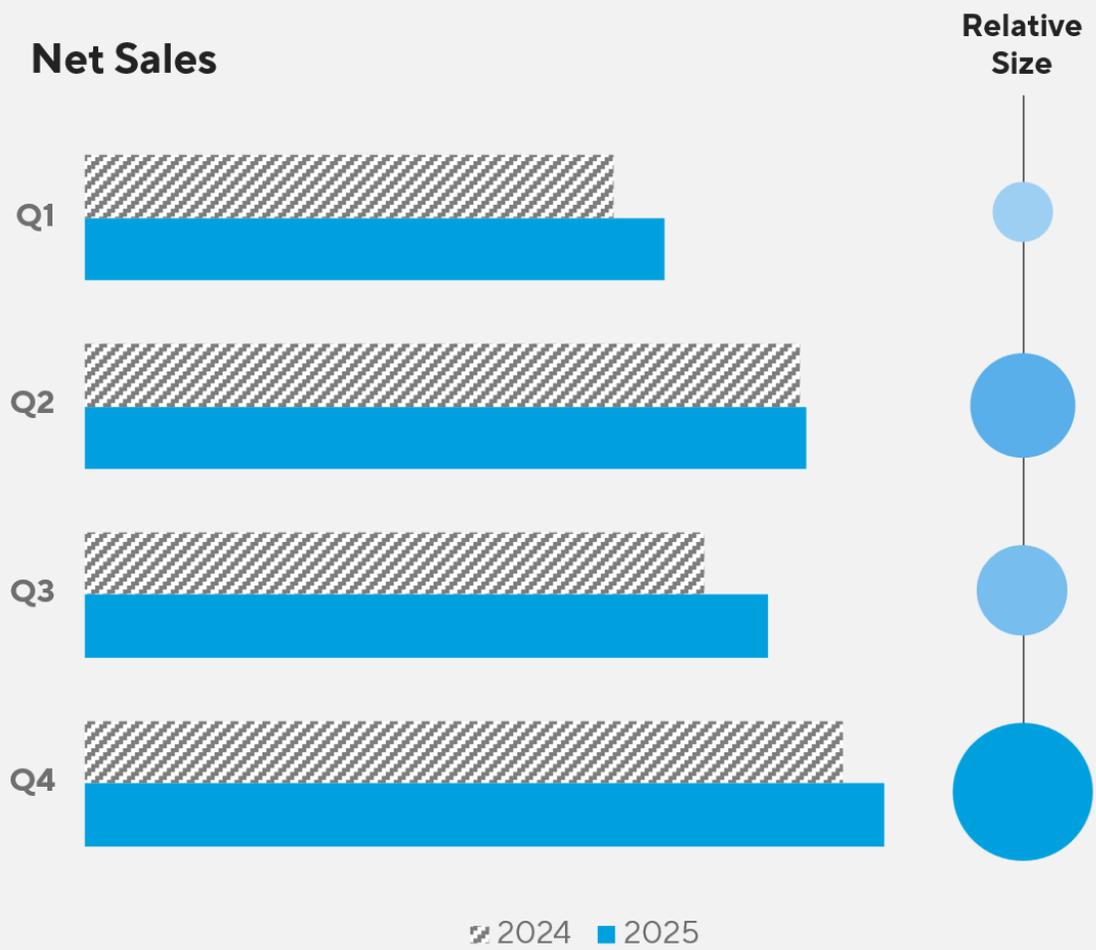
Source: ECDB



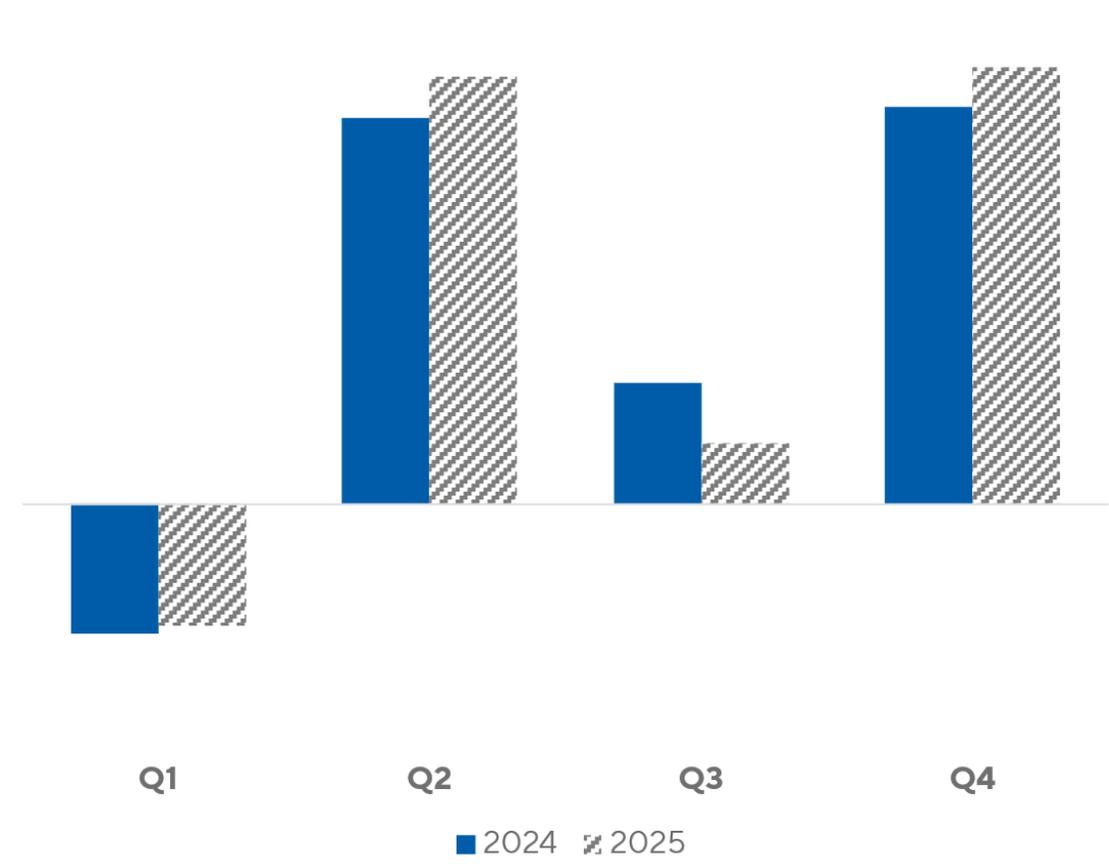


# BHG seasonality – Q2 and Q4 main yearly drivers

## Net Sales



## Cash Flow from Operating Activities





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

## Net Sales

**10–15%** annual **growth** over a business cycle through a combination of organic growth and acquisitions

## EBIT

An **adjusted EBIT margin** of **5%** in the short term, followed by an adjusted EBIT margin of **7%** in the medium term

## Capital structure

A **net debt/EBITDA** below **2x** measured at the end of each financial year

## 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





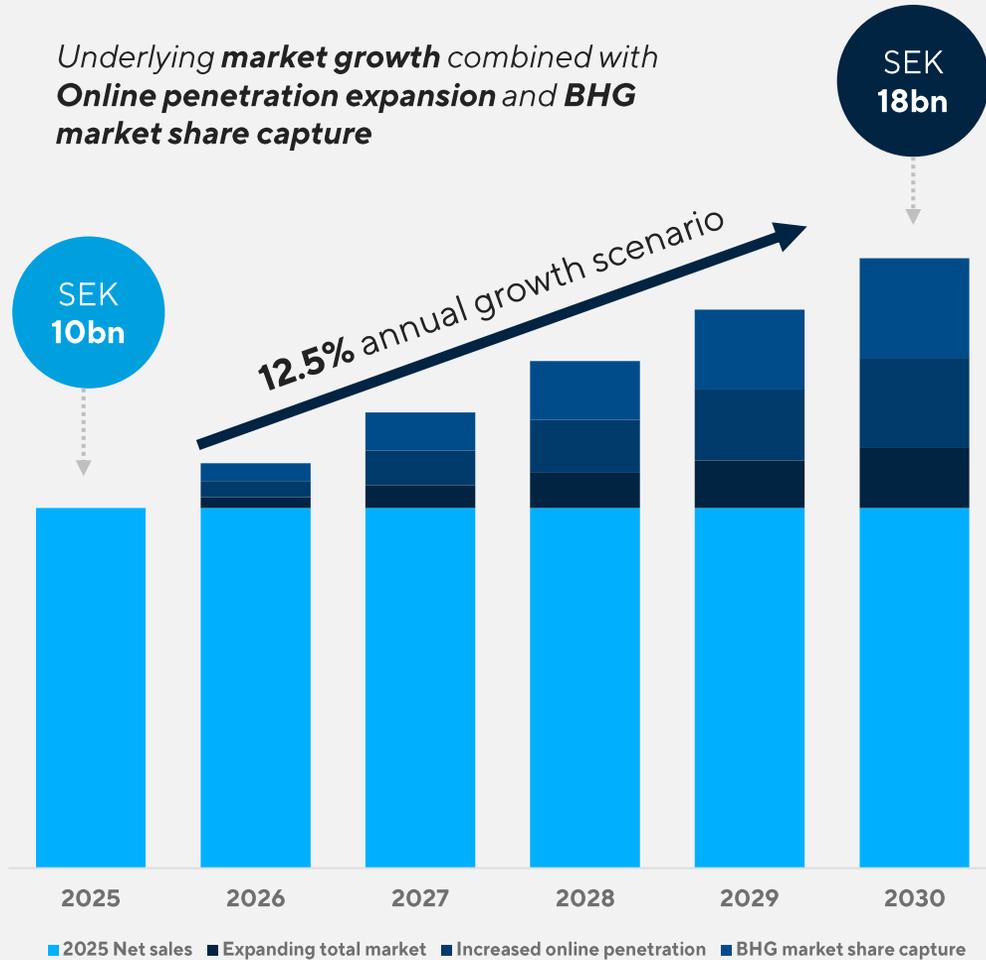
# Clear roadmap to reach **7% profitability**

	2025	Target	Movement
<b>Net Sales</b>	SEK 10.6bn		10-15% CAGR
<b>GM1 (%)</b>	37.4%	37.9-38.4%	0.5-1p.p.
<b>DSC (%)</b>	-12.0%	-11.5-11%	+0.5-1 p.p.
<b>SG&amp;A (%)</b>	-18.5%	-16.5-17%	+1.5-2 p.p.
<b>D&amp;A (%)</b>	-3.2%	-2.7-3.2%	+0-0.5 p.p.
<b>EBIT (%)</b>	<b>3.7%</b>	<b>7.0%</b>	<b>+3.3 p.p.</b>



# BHG growth formula

Underlying **market growth** combined with **Online penetration expansion** and **BHG market share capture**



Assuming an increase in online penetration in line with the historical annual increase of 0.9 p.p.

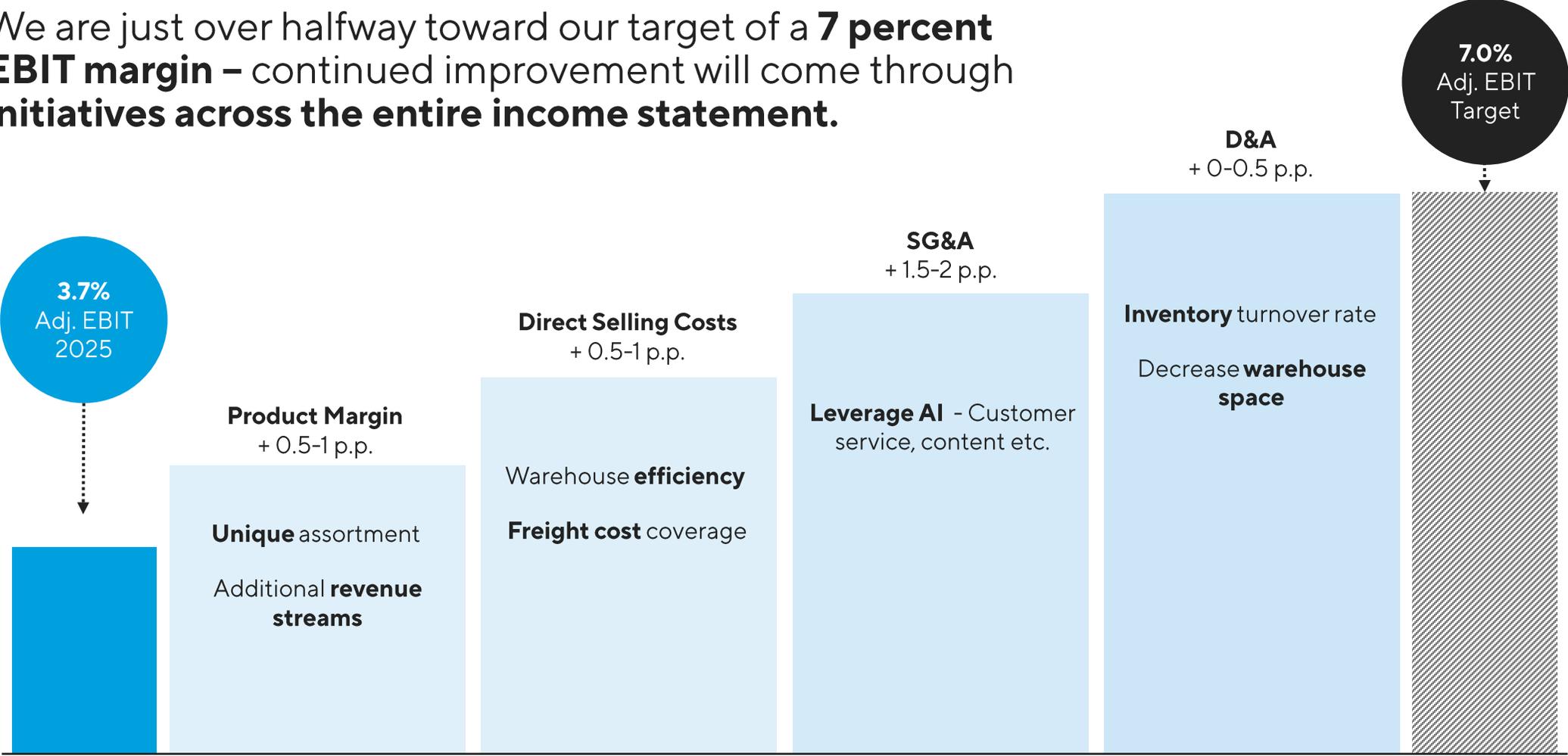
Annual growth contr.





# Clear initiatives to reach target EBIT

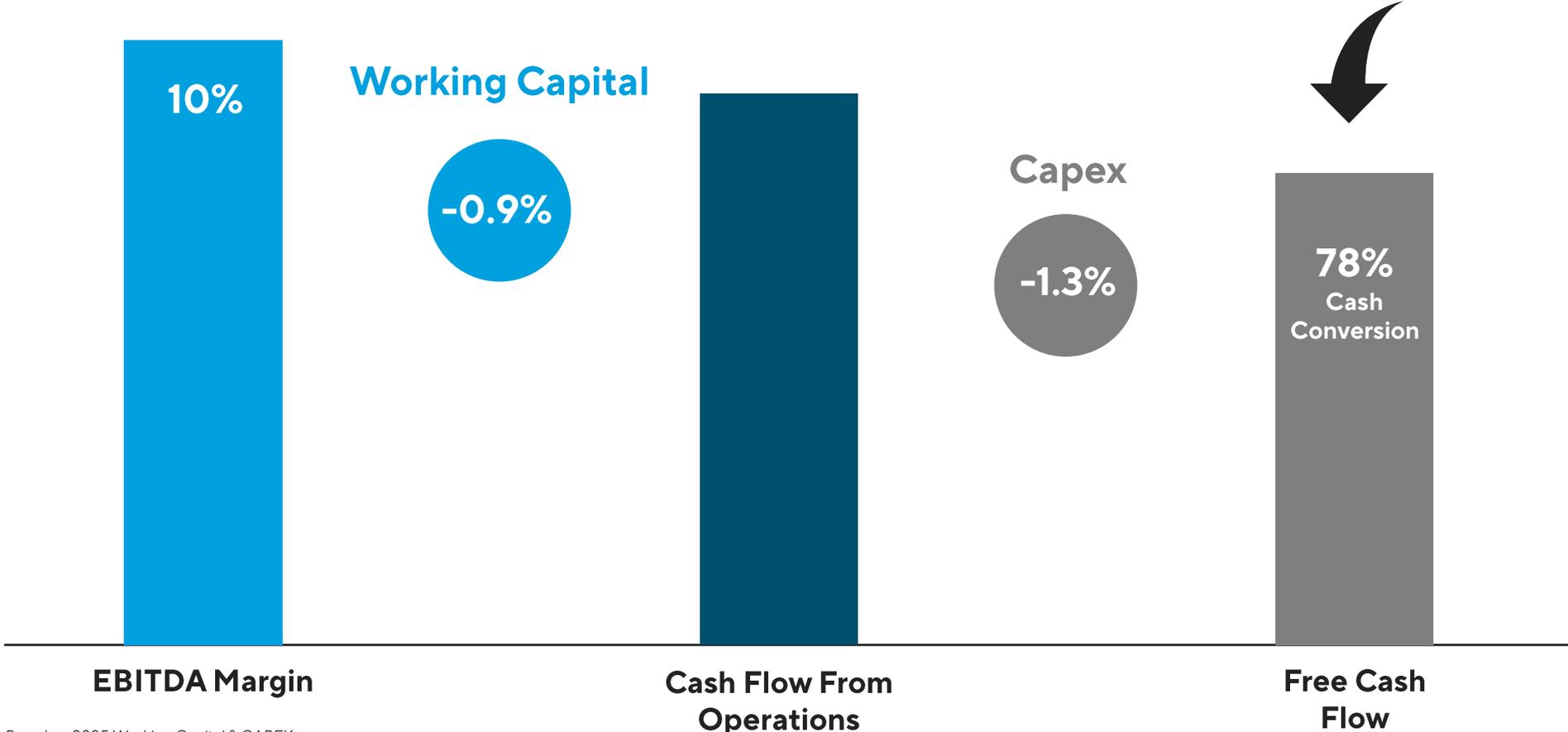
We are just over halfway toward our target of a **7 percent EBIT margin** – continued improvement will come through initiatives across the entire income statement.





# Forward looking – Cash Conversion

*Cash flow available to fund growth through acquisitions*



*Based on 2025 Working Capital & CAPEX*





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Strategy deep dive 1 –  
**Operational Excellence**





# One operating playbook, scalable economics across leading online destinations

## Shared value levers across all BHG platforms

- Customer acquisition / Customer retention
- Sourcing, Logistics and Supply Chain
- Customer Experience and Customer Satisfaction
- Asset light, efficient and scalable business models

## How BHG captures value as a Group:

- Group specialists, supporting operating entities
- Benchmarking and Best Practise across a wide selection of KPI
- Cross company collaboration
- Scale for group wide agreements

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## Aggregated Data, Driving actions:

- 269 million Site Visits (2025)
- Over 1.7 million Products for sale (SKUs)
- +100 Online destination

## Actions resulting in Competitive Advantage:

- +1.4 p.p. growth in Unique assortment sales share (2025 vs 2024)
- Cross-platform transactions: SEK 568m (2025)

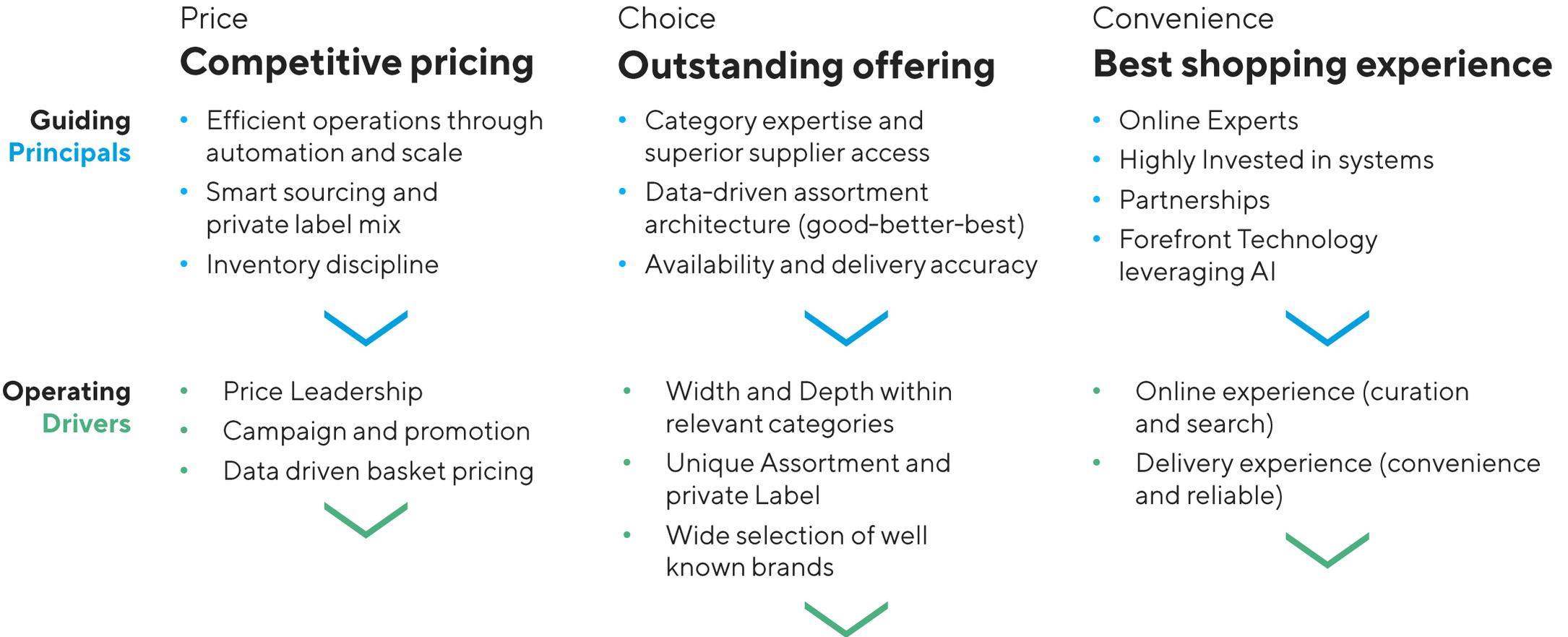
## Leveraging Group Scale

- Group wide Agreements: Payments, Home Deliveries.
- Oversea's Shipping





# Customer Focused Operating Targets for BHG





# Where we grow, Category and Geography

## Operational Growth focus

### Category Expansion Core, Adjacent and New



Data Driven  
Category  
Expansion

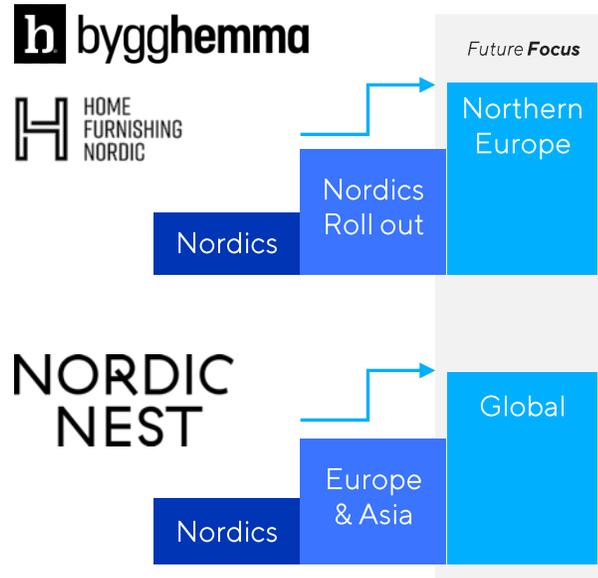


Multiplying  
Customer Touch  
Points



Utilising cost and  
leverage, for additional  
competitive advantage

### Geography

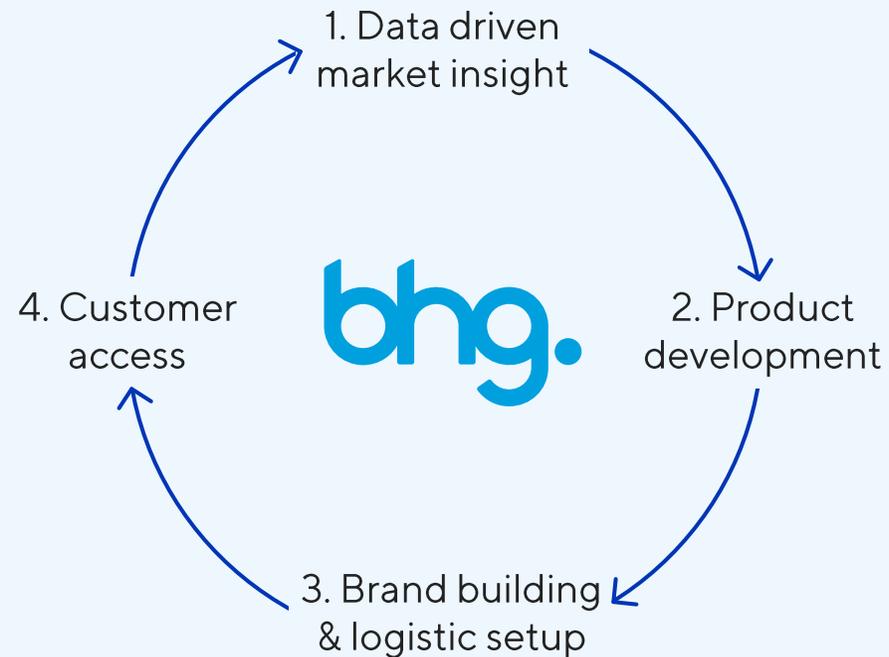




# Cross platform product development in BHG

BHG is pulling ahead by combining **unique assortment** with **market leading destinations** at superior scale

## Customer driven product development cycle



# Together, Bygghemma and Hafa have found a modern way to approach **customer driven product development**

## 1. Data driven market insight (Bygghemma)



- **Market leader within Bathroom**, with an **unbeatable range** from small to larger renovations including installation services. **More than 10 times the size** in bathroom offer vs closest competitor.
- **>2.6m customer sessions** to our site monthly captures **customer trends and preferences (in-house data)**: Colors, Sizes, Product types, Price points, and Basket crossover sales
- In-house digital team analyzing **customer behaviors (external data)**

## 2. Product Development (Hafa)



- In-house **engineering capabilities & test laboratories**
- Input from **2,000+ external customers**
- Well-established **global network with 300+ suppliers**
- **Compliance with market approvals and standards**
- **Design protection and patented solutions**

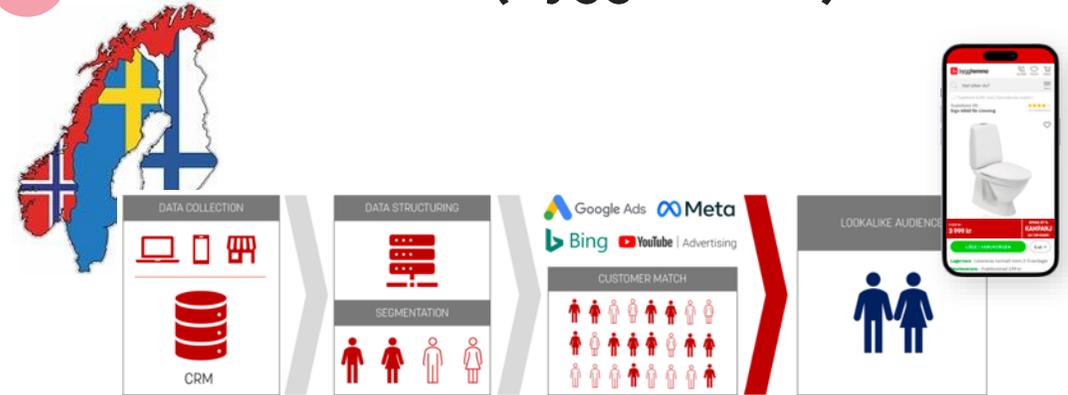
# Our combined core capabilities enable us to rapidly present an attractive offering to the market

## 3. Brand building & logistics (Hafa)



- **60+ years experience in bathroom brand building**
- **Marketing team** serving **12 different brands** (whereof 3 BHG exclusive brands – unique assortment)
- **State of art photo studio** and **premium marketing channels**
- **50,000 sqm modern warehouse** with **daily deliveries** to all Nordic countries

## 4. Customer access (Bygghemma)



- **Market leading digital sales channel** with supporting showrooms
- **Full market coverage** with tailormade logistics
- Sophisticated control of sales & marketing with **>80% shopping impression shares** and **highly advanced pricing tools**
- **Strong and efficient sales channel.**



# In addition, the model enable us to unlock new types of commercial synergies

Hafa®

Product development

Brand building

h bygghemma.se

Data driven market insight

Customer access

New coherent **design concept** for **bathroom** and **kitchen** launched



 westerbergs

**BHG** direct sales model **benefit all**

- Full control over the **customer proposition**
- More **competitive pricing** vs. traditional retail
- **Attractive margins** with no intermediaries
- Fast go-to-market and **rapid adaption to new trends**





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Strategy Deep dive 2 –  
**Strategic initiatives**





# Group identifies and co-drives strategic initiatives to increase competitiveness of our platforms

Strategic areas to improve competitiveness | Initiatives identified and led by Group | Focus areas vary over time

## 2019–2021 >

- M&A
- Marketing and traffic acquisition

## 2022–2025 >

- Strategy
- Consolidation
- Group wide agreements
- Harmonized tech selections
- Cost & Inventory reduction
- P&L per Country and geography

## 2026–

- Increased Share of Unique assortment
- AI & Data
- Cost structure
- Additional revenue streams



# Four strategic priorities to strengthen platform competitiveness



1

## Unique assortment

Improve **pricing power** and ensure **uniqueness** – even more important in a **changing AI landscape**

2

## AI & Data

Further leverage AI and our large amounts of data do drive **growth, efficiency** and **customer experience**

3

## Cost structure

An **efficient cost structure** enables the **best customer offer** – part of how BHG sustains **market leadership**

4

## Additional revenue streams

Several potential additional revenue streams to explore





# Unique assortment drives pricing power, protects margins and builds lasting competitive advantage

## Benefits of Unique Assortment

1

### No middlemen – better pricing

Direct sourcing improves pricing and margins

2

### Avoid direct price competition

Unique assortment not directly comparable to other products

3

### Differentiation through uniqueness

Unique products strengthen the brand and customer proposition

**Target: +10 p.p. unique share**

Increase share of unique assortment sales by 10 percentage points





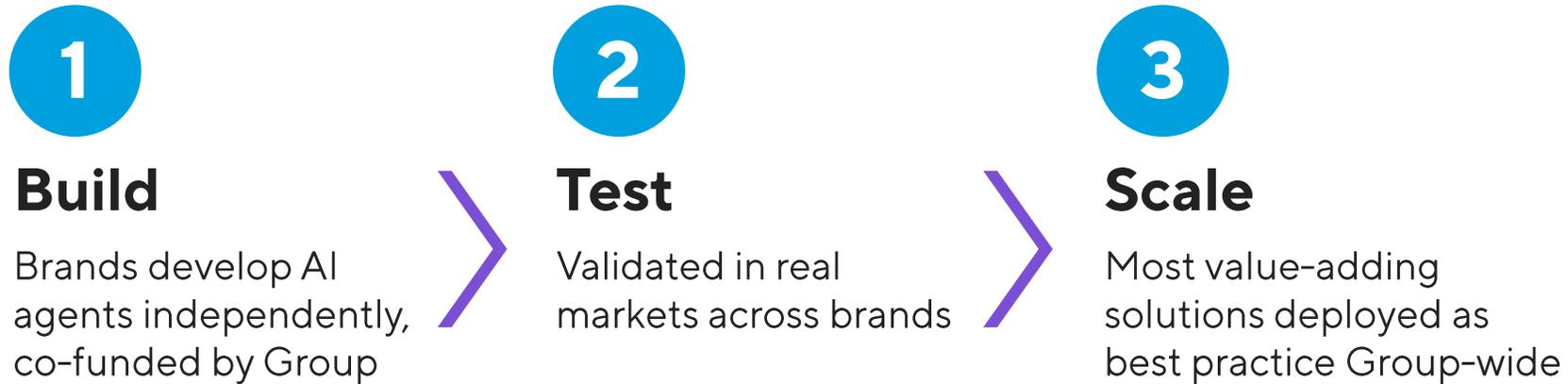
# AI & Data: Leveraging six focus areas to drive growth, efficiency and customer experience

Focus area	Value drivers	Use case examples
<b>Customer Service Automation</b>	Efficiency, CX	AI chatbots, automated returns handling
<b>Automation &amp; Agents</b>	Efficiency	Product & supplier onboarding automation
<b>Conversion optimization</b>	Growth, CX	Personalised recommendations, dynamic pricing
<b>BI &amp; Advanced Analytics</b>	Growth, Efficiency	Demand forecasting, customer analysis, margin optimisation
<b>LLM-Search Readiness</b>	Growth	Visibility in new channels
<b>Cross Platform Data</b>	Growth and CX	Provide relevant offer to customer journey





# Group structure enables multi-brand AI piloting with **rapid scaling of proven solutions**





# Cost structure is a core competitive advantage – enabling best-in-class customer offers while protecting margins

## Price pressure demands discipline

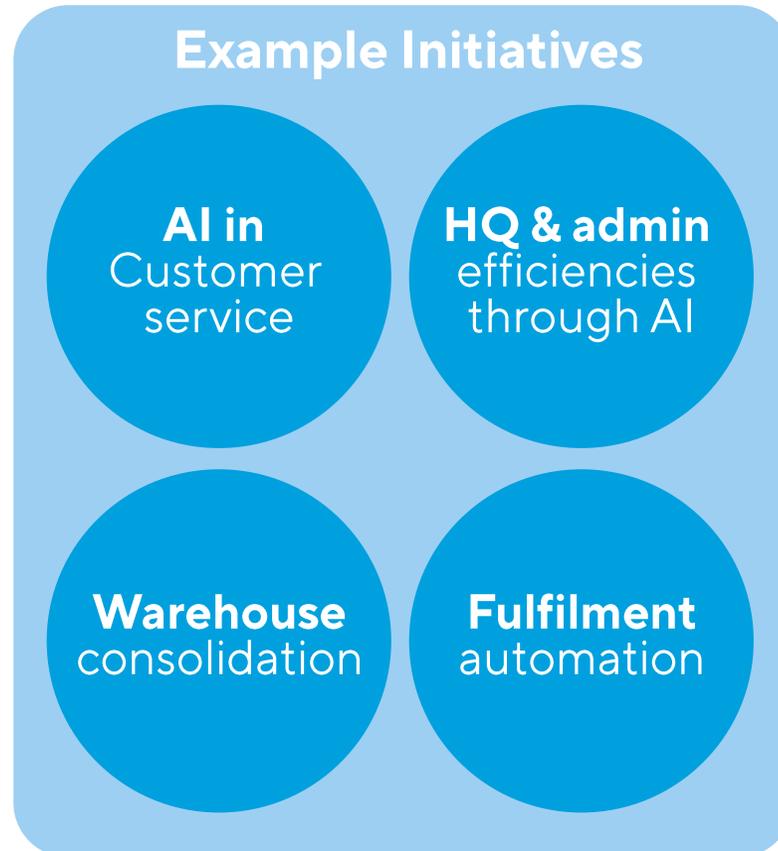
Low cost is a critical competitive advantage in a market with continuous price pressure

## Low cost creates strategic flexibility

Enables best customer offer while protecting margins and sustaining leadership

## Governance secures competitiveness

Clear targets, rigorous follow-up and continuous benchmarking





# Case study: Transforming customer service through AI

## Up to 20% cost reduction in Customer service

~SEK 200m cost base with significant efficiency potential through automation and AI



## AI-powered tools

Chatbots, co-pilots and virtual assistants boost agent productivity



## Always-on, scalable support

Flexible outsourcing and AI tools enable rapid scaling during peak seasons

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## Scalable across BHG Group

Proven solutions shared group-wide, learnings expanding into other functions





# Several potential **additional revenue streams** to explore – leveraging BHG's traffic

## Monetising scale and ecosystem strengths

250m+ annual visits and deep supplier network enable high-margin revenue beyond product sales

## Diversification reduces margin dependency

Additional revenue streams lower product margin dependency and strengthen profitability

## Focused execution on proven opportunities

Scaling Retail Media and optimising Postage Income as structured, recurring streams

### Example

# +1.2 p.p.

freight income in relation to sales  
2025 vs. 2023





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Strategy deep dive 3 –  
**M&A**



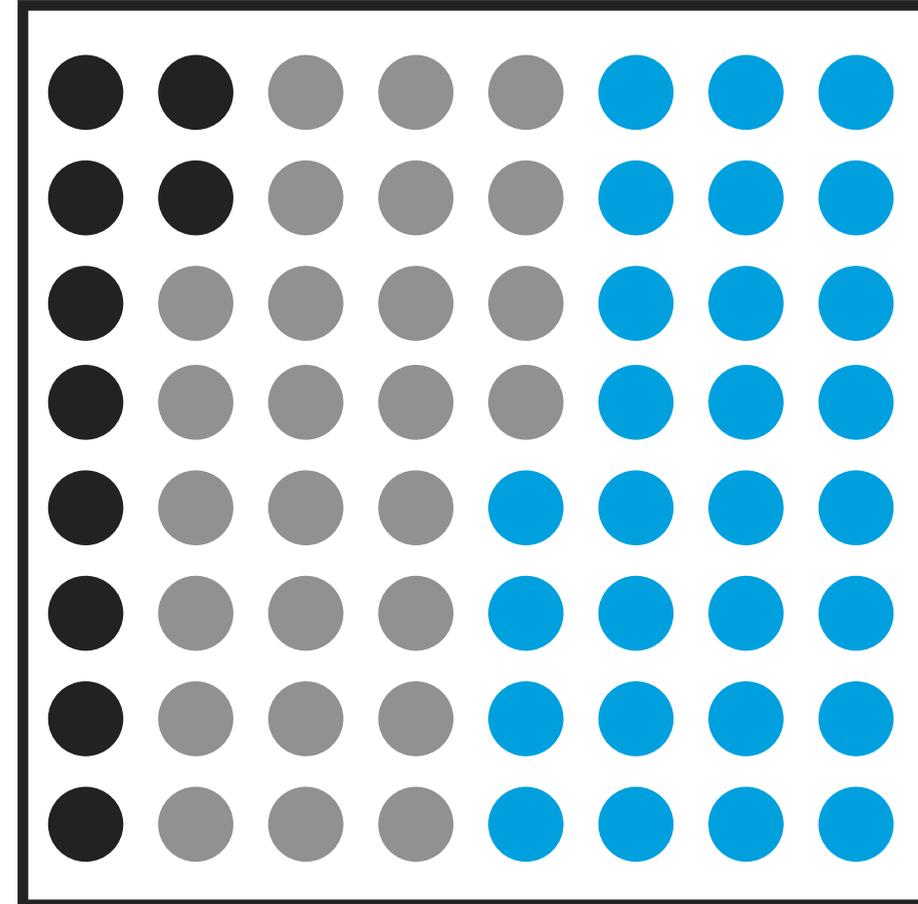


Share **acquired organic revenue 2025**



We have **long and proven track-record** in **acquisitions** – in 2025, acquisitions made since 2012 accounted for **84% of sales**

*Illustrative*



- Bygghemma
- Acquired entities sales the year prior to BHG acquisition
- Growth during BHG ownership





# M&A strengthens our platforms by adding assortment, own brands and scale – **directly supporting the path to 7% EBIT margin**





# A proven strategy in the bathroom category



## Past execution of M&A in the bathroom category



# BHG M&A playbook

**Focus on bolt-on** acquisitions to existing platforms that **strengthens our offering** with limited risk

**Proactive process in place** with high degree of financial discipline and focus on **several predefined criteria's**

## Criteria

### Strategic

- **Sweden or Nordics**
- **Category**  
*Expand and strengthen leadership*
- **Unique** assortment  
*Private label and own brands*

### Financial

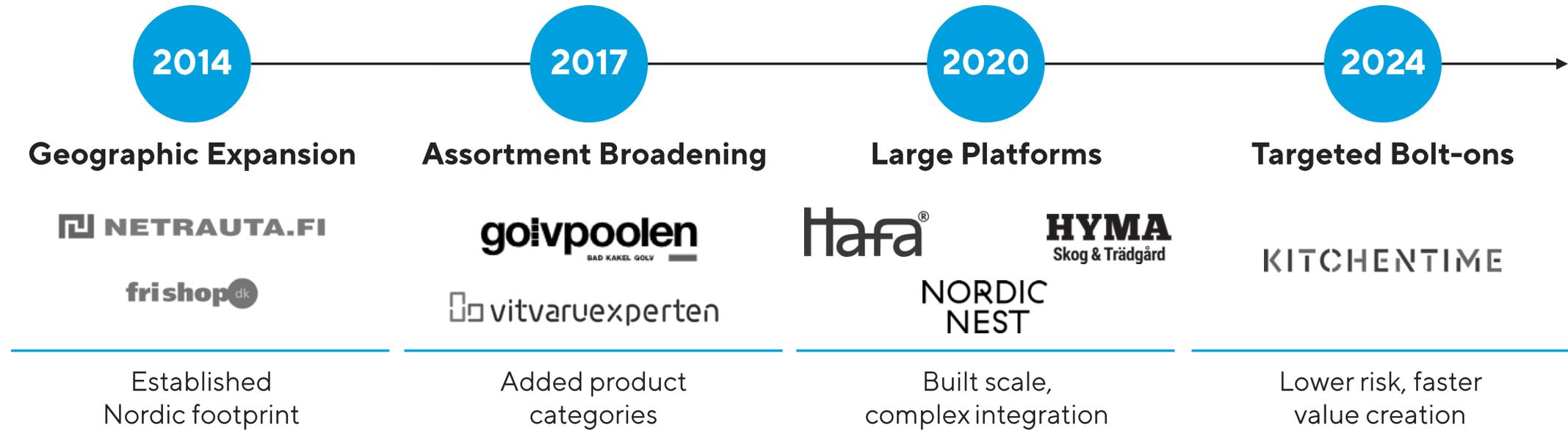
- **Growth** ahead of **market CAGR**
- **Margin accretive**
- Clear **synergies**  
*Further strengthen Group scalability*

### Operational

- **Online first**
- Align with **platform infrastructure**  
*Leverage existing tech & operations*
- **Management** to build on  
*Leadership to sustain growth*



# Our M&A approach has evolved – we have learnt from the past



## Key learning: smaller, targeted bolt-ons create value faster and with lower risk

Our M&A approach has shifted from large platform acquisitions towards focused bolt-on deals that strengthen assortment within existing platforms – reducing complexity and accelerating integration.





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**Concluding remarks**



# We are ready for the next phase of **value creation**

## Financially stronger

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## Structurally supported

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