

RIDERS IN  E-COMMERCE

PIERCE

Interim Report

Q2 2024

August 23rd 2024



sledstore



Today's Presenters



Göran Dahlin
CEO



Fredrik Idestrom
CFO

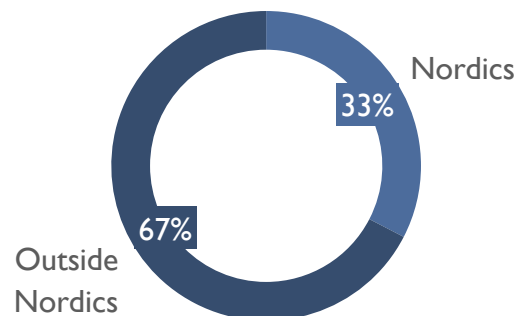
THIS IS PIERCE

Online leader in a fragmented market

- Pierce is a leading e-tailer in the European market for Gear, Parts and Accessories for motorcycle riding
- The total European market, which was estimated to some 100 bnSEK in 2021¹, is still fragmented and mainly served by physical retailers while well suited for ecommerce
- Pierce is the clear leader in the Offroad segment and one of the larger in the Onroad segment
- Pierce is the only true pan-European company in the market with local presence in 16 markets
- Pierce has a uniquely attractive assortment, offering a wide range of top brands with the largest range of own brands in the market
- Pierce has a turnover of approx. 1.5 bnSEK and has 330² employees across Europe

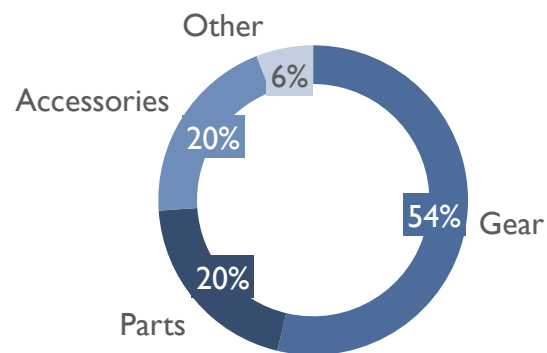
Pan-European company

Net revenue split, Q2 2024 LTM



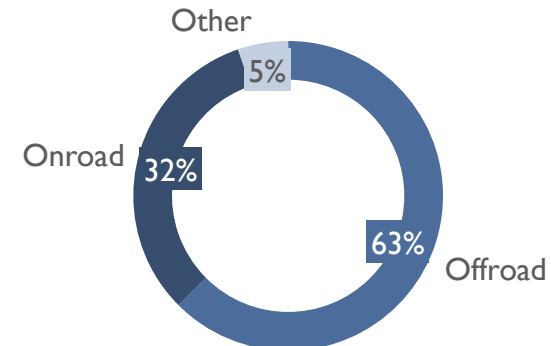
One-stop-shop offering

Net revenue split, Q2 2024 LTM



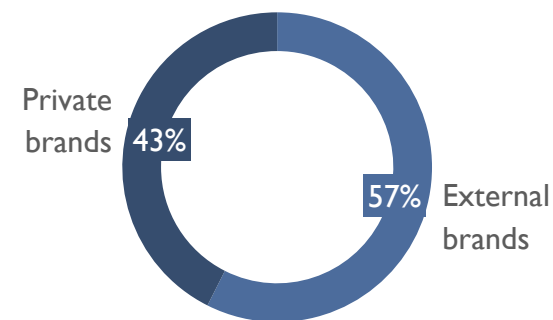
Motorcycle specialist

Net revenue split, Q2 2024 LTM



Strong private brands

Brand revenue split³, Q2 2024 LTM



1) ¹ Pierce Group AB prospectus, Rights Issue 2022, page 52. Market estimated to have declined in size since 2021 but no official market data is available. 2) Total headcount of which approximately 200 white-collar employees and 130 blue-collar employees. Blue-collar workers are employed in the warehouse 3) Net revenue, freight income and other fees.

Agenda

1. Q2 Summary

2. Financial update

3. Looking forward

4. Q&A



Q2 SUMMARY

Continued improvement, net revenue +3%

- Q2 normally the seasonally strongest quarter during the year
- Growth continued in the quarter supported by improving consumer sentiment, especially in the beginning of the quarter
- Looking ahead, we see the global geopolitical situation increasing the uncertainty of the consumer sentiment as well as in-freight prices

Continued underlying margin improvements

- Gross margin increased vs. last year with 2.0 ppt to 44.1%, mainly driven by price increases, lower shipping costs and reversal of obsolescence provisions

Adjusted EBIT

- Adjusted EBIT strengthened from 6 SEKm last year to 17 SEKm.
- Overhead costs were negatively impacted vs previous year from underlying inflationary pressure, FX and costs associated with execution of our strategy to modernize tech stack. The outcome of the restructuring program is in line with expectations which has mitigated these effects

Solid cash situation

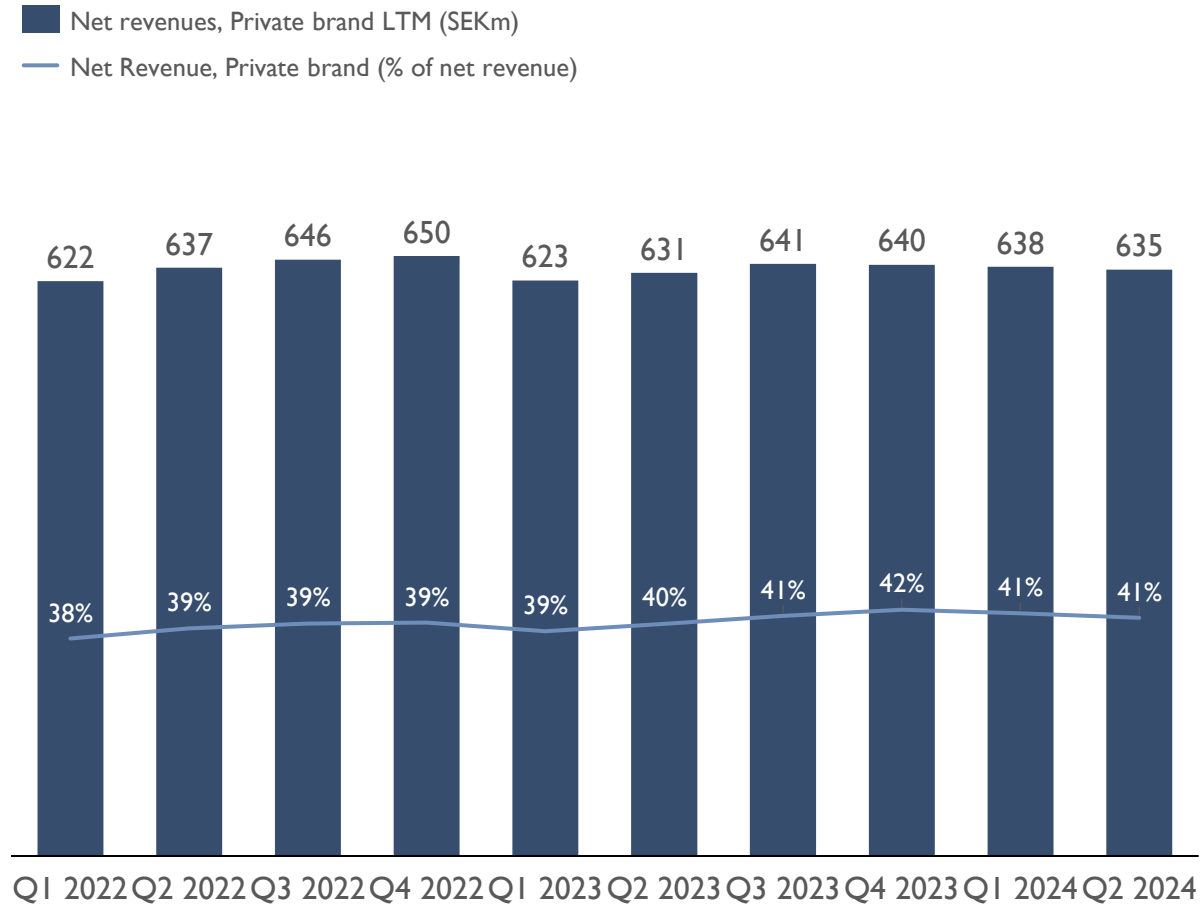
- Cash end of Q2 350 SEKm driven by focus on stock efficiency and slow-moving stock, as well as improvements resulting from our new operating model and way of working
- Stock levels expected to increase somewhat going forward due to seasonal effects, to ensure availability and capture growth opportunities

SEKm	Q2 2023	Q2 2024	Variance	
			Reported	Local currencies
Net Revenue	441	456	3%	2%
Private Brands	187	185	-2%	
Adjusted EBIT	6	17	10	
Adjusted EBIT %	1.5%	3.7%	2.2 ppt	
Net Profit	26	14	-12	
Operating Cash Flow	64	83	19	

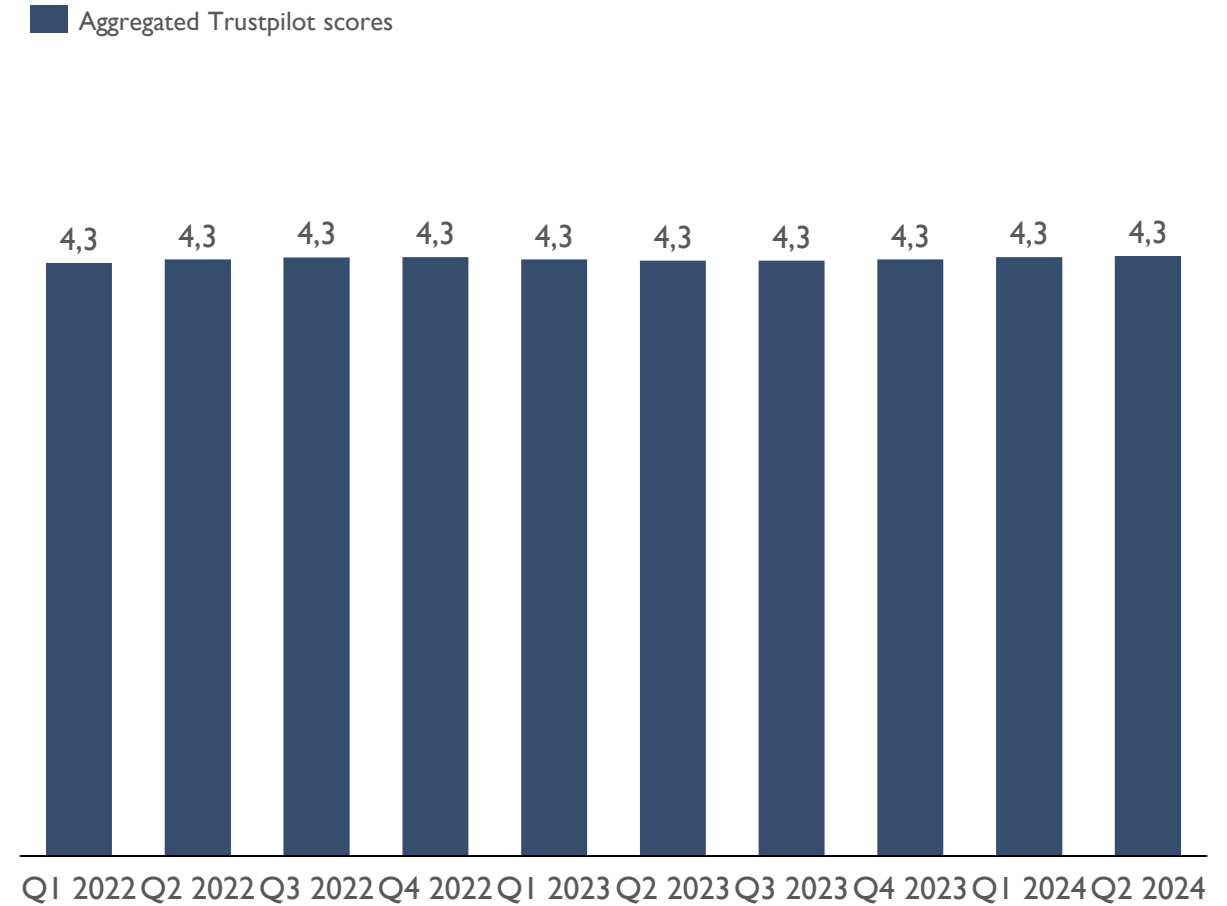


KPI HIGHLIGHTS LTM

Resilient private brand revenue

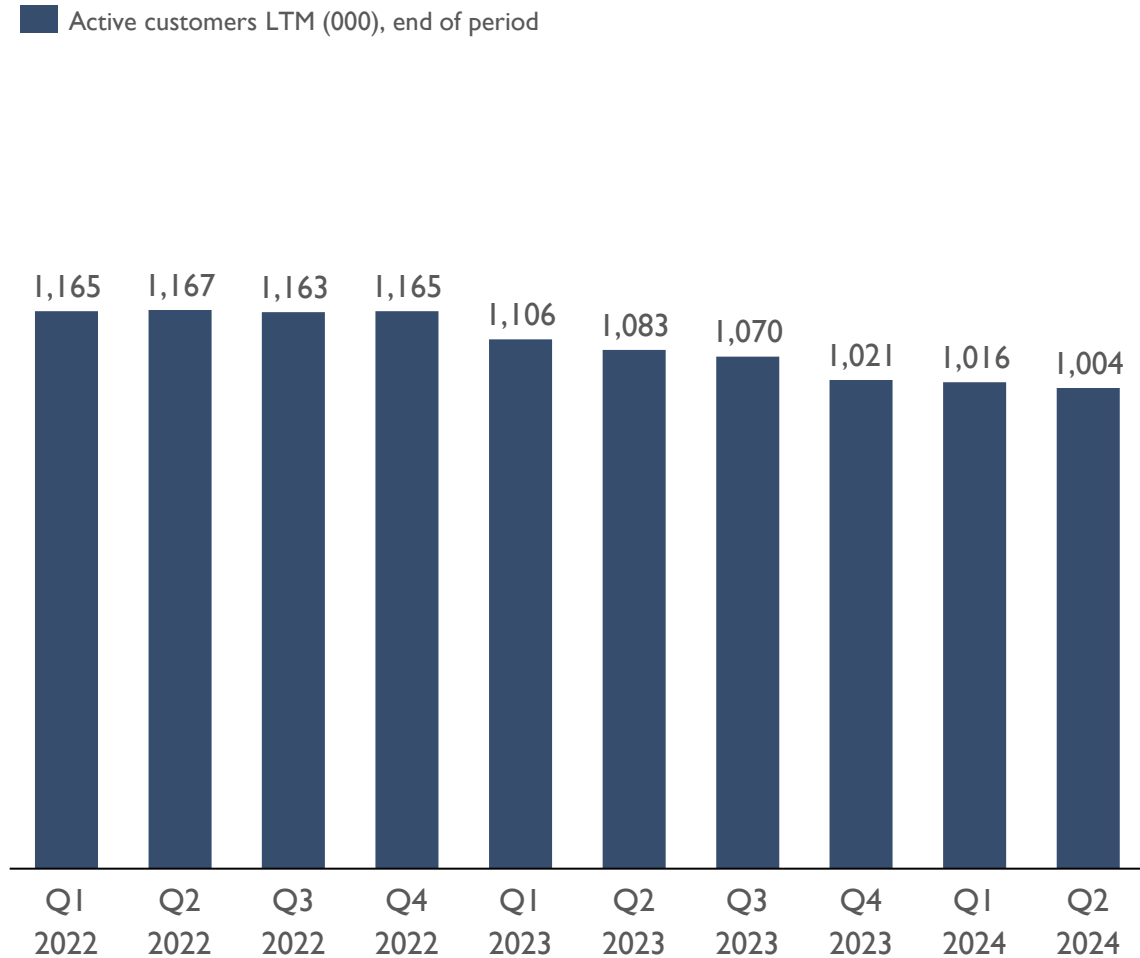


Stable Trustpilot score, 4.3/5.0

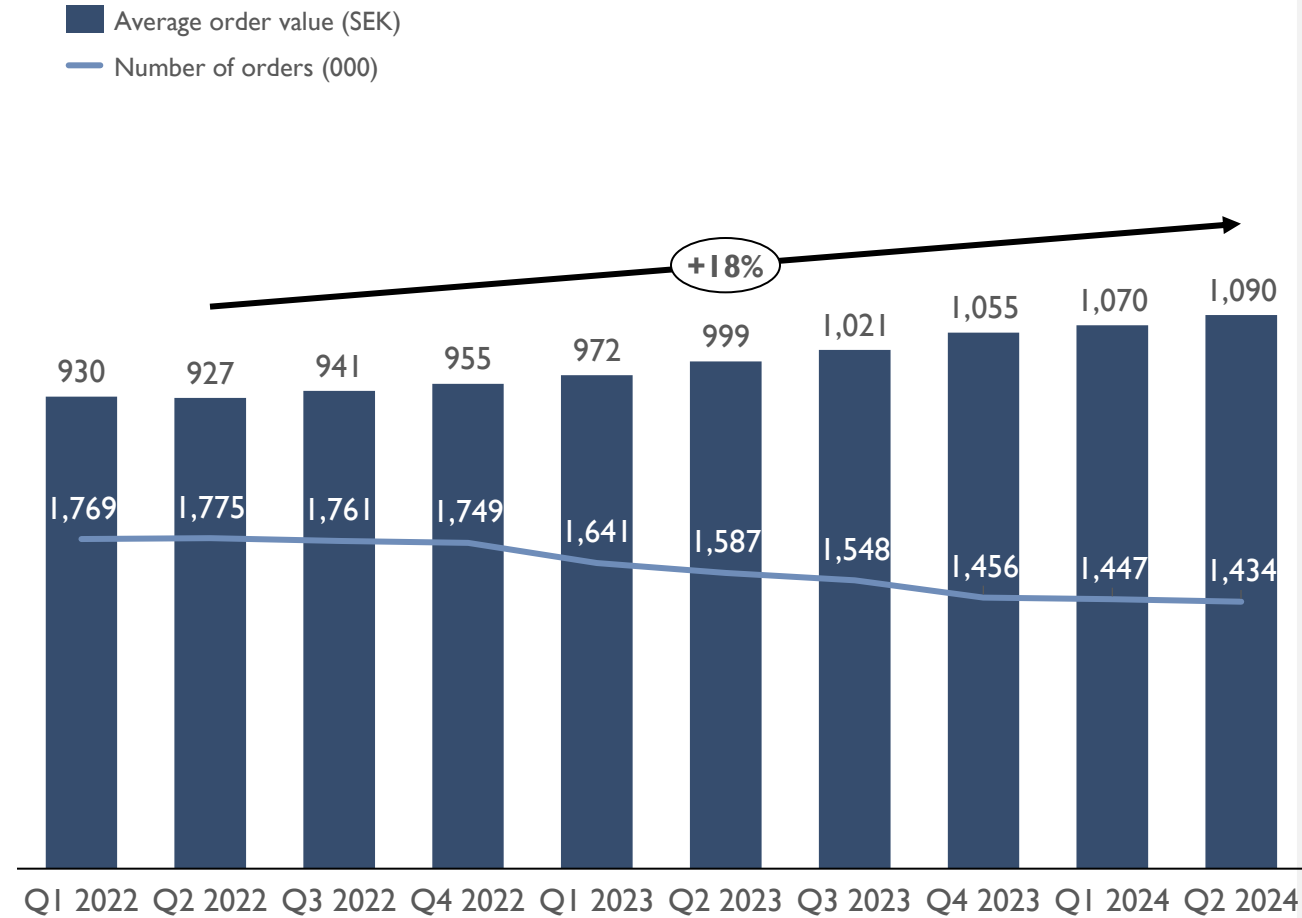


KPI HIGHLIGHTS LTM (CONTINUED)

Customer base continued to decline



But is offset by an increasing AOV



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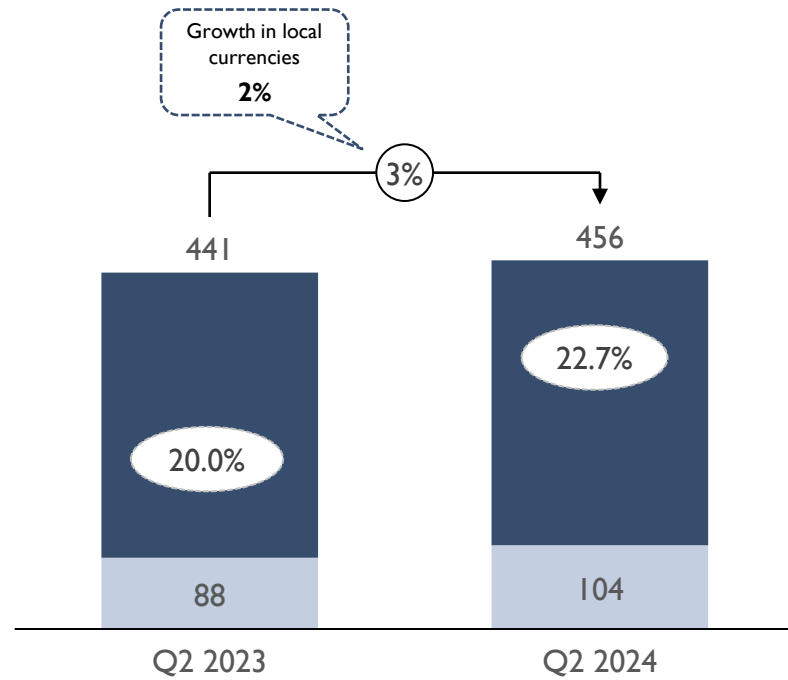
4. Q&A



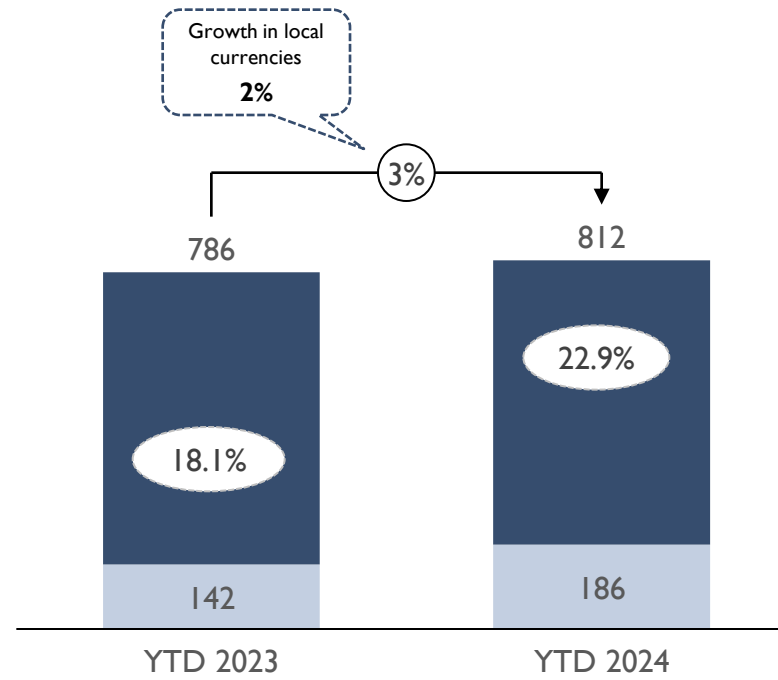
GROUP FINANCIALS

Revenue growth resumed

- Net revenue (SEKm)
- Profit after variable costs (SEKm)
- Profit after variable costs (%)



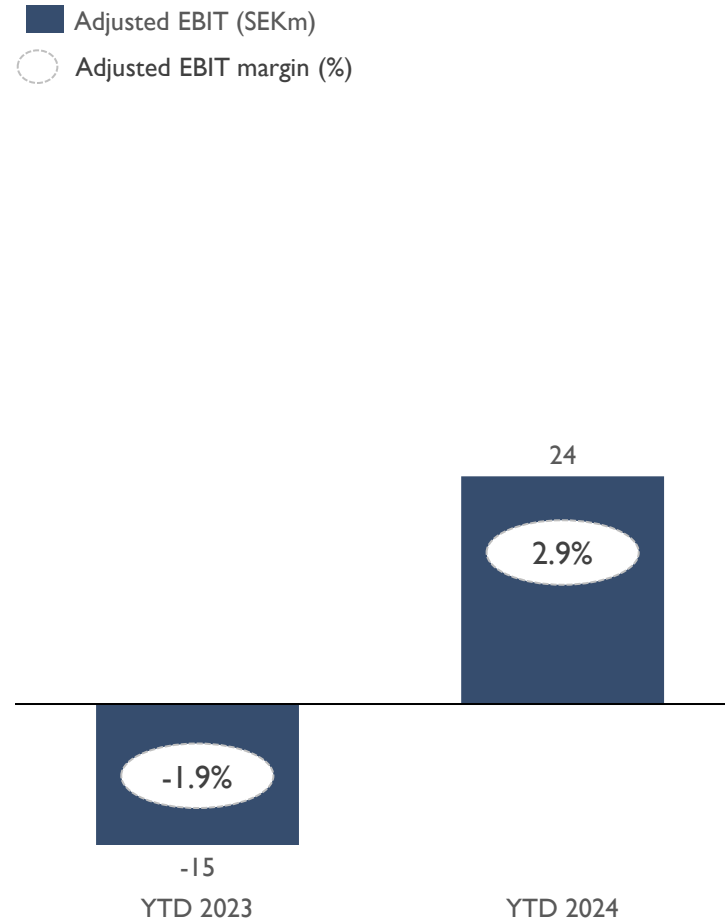
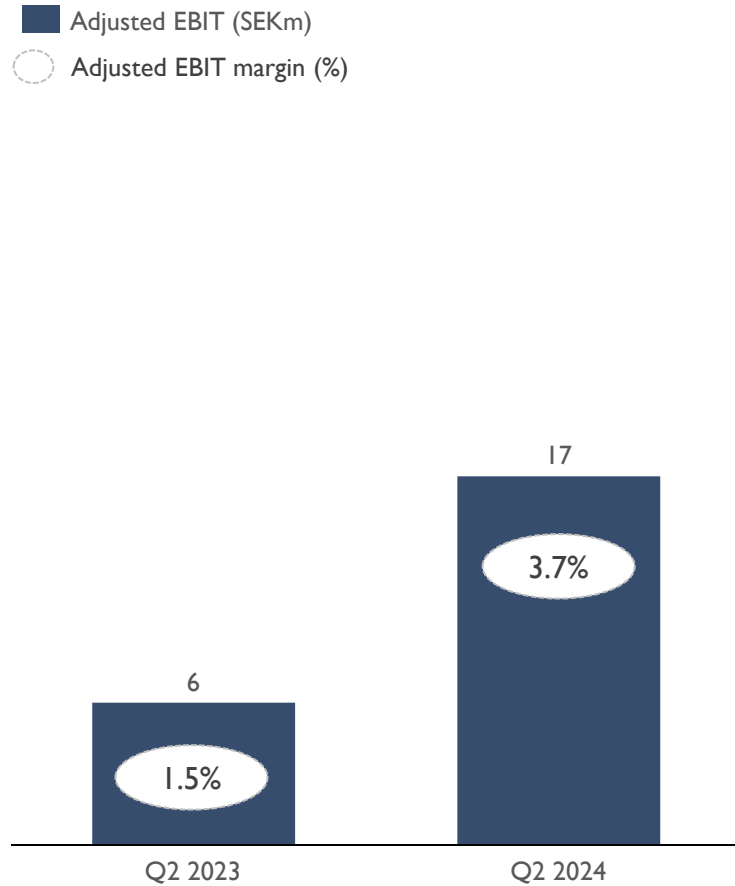
- Net revenue (SEKm)
- Profit after variable costs (SEKm)
- Profit after variable costs (%)



- Net revenue growth during Q2 by segment:
 - Offroad 6% and 4% in local currencies
 - Onroad 2% and 0% in local currencies
 - Onroad revenue share higher in Sweden
- Profit after valuable costs improved vs last year in both Offroad and Onroad segments

GROUP FINANCIALS

Continuous adjusted EBIT improvement

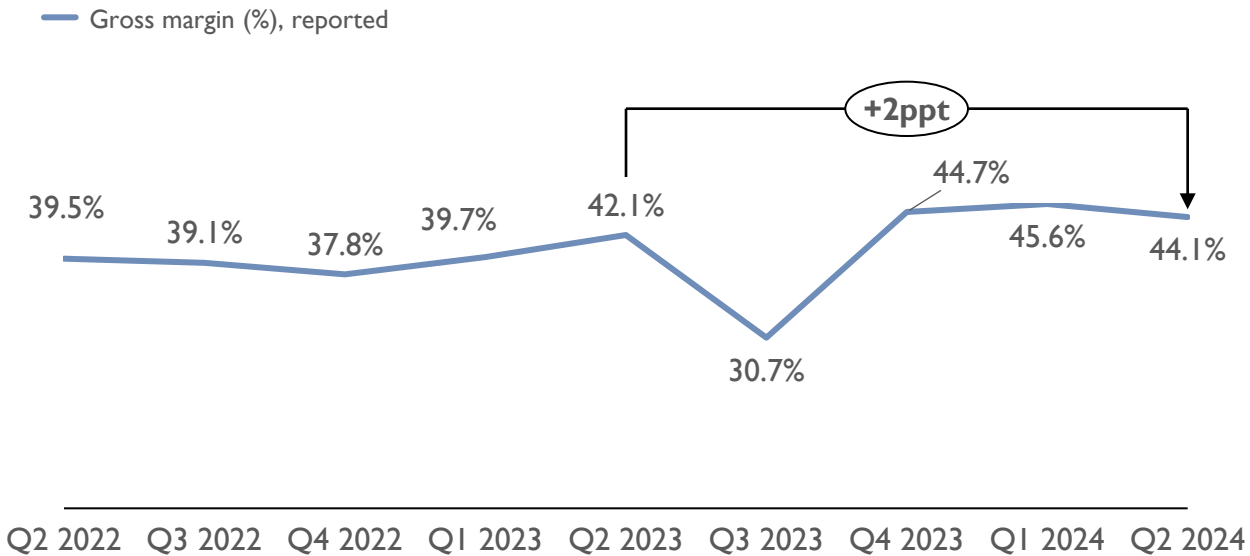


- Adjusted EBIT
 - Adjusted EBIT in Q2 2024 improved from 6 SEKm last year to 17 SEKm
 - Reversal of obsolescence related provisions has had a positive impact on Adj. EBIT of 3 SEKm in the quarter and 12 SEKm YTD 2024
- Overhead costs
 - Overhead costs negatively impacted vs previous year by underlying inflationary pressure, FX and execution of strategy to modernize tech stack
 - Outcome from operational efficiency program from 2023 in line with expectations and mitigating increases



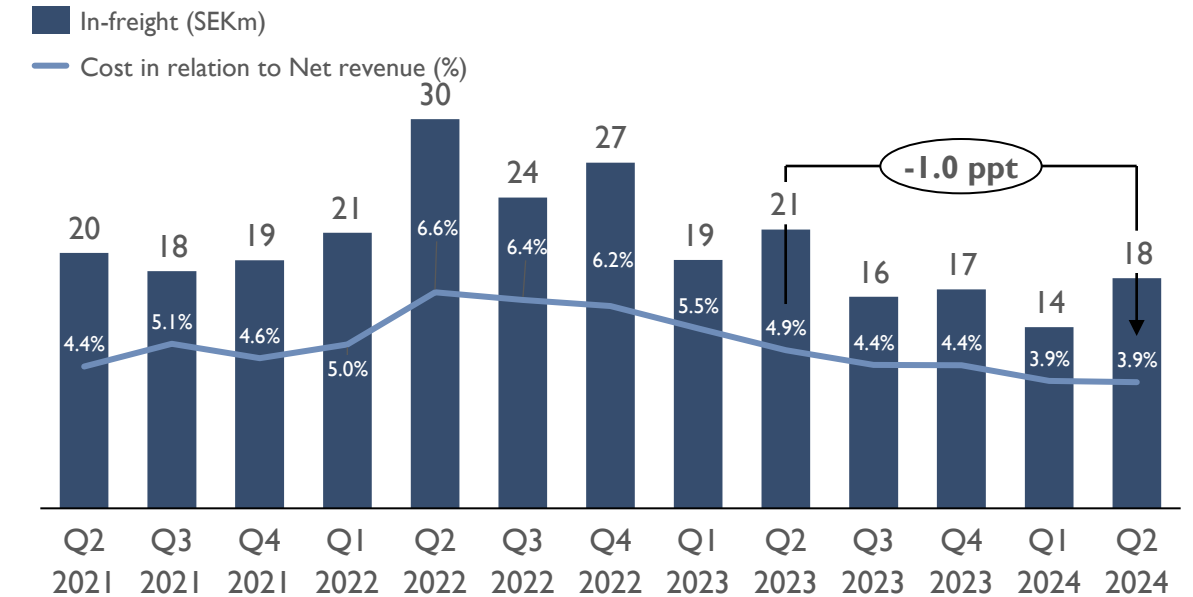
GROSS MARGIN

Trend shift in gross margin since Q2 2023



- Due to a strong cash position from end of 2022, our focus has gradually shifted from driving sales and generating cash to margin improvements.
- Q2 saw continued improvements in gross margin with an increase of 2.0 ppt vs last year to 44.1%, mainly driven by price increases, lower shipping costs and reversal of obsolescence provisions
- Q2 gross margin decreased with 1.5 ppt vs Q1 which relates to the significant positive impact from net reversal of mainly obsolescence provision in Q1

Shipping costs in relation to revenues same as in Q1 2024

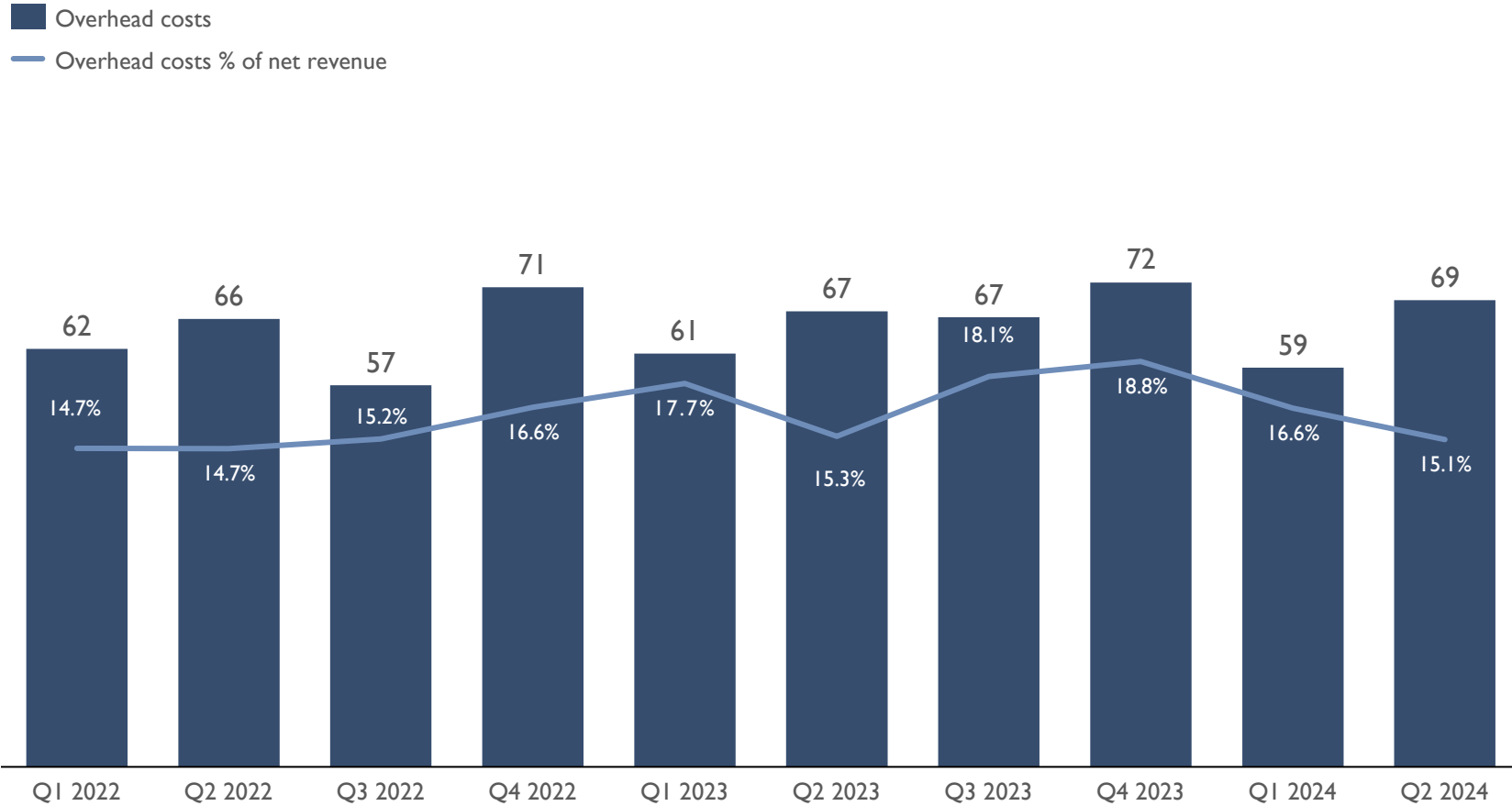


- We observed flat in-freight costs in Q2 2024 vs the previous quarter and a reduction of 1ppt vs the same quarter previous year as we continued to focus on selling off slow-moving inventory with higher associated in-freight costs.
- Market shipping rates from Asia for in-freight have generally been higher in 2024 YTD, especially in Q2, than in end 2023. They have also been more volatile.
- In-freight shipping prices impact cash and net working capital when inventory is purchased but are accounted for as costs of goods sold in the P&L at the point of sale - hence fluctuating shipping prices do not materialise in the P&L immediately.
- We foresee continuing volatility in market freight prices (but unclear nearterm trend in overall levels). We are taking active measures to limit the impact of volatility on actual (average) prices paid and manage any impact on future margins.



Note: The negative gross margin trend since 2021 primarily attributed to escalated shipping and supplier costs. The effect of these cost hikes have gradually been mitigated by passing them on to customers, initiated in Q1 2023. The significant drop in the margin during first half of 2022 was due to our focus on generating cash and reducing net debt.

OVERHEAD COSTS DEVELOPMENT

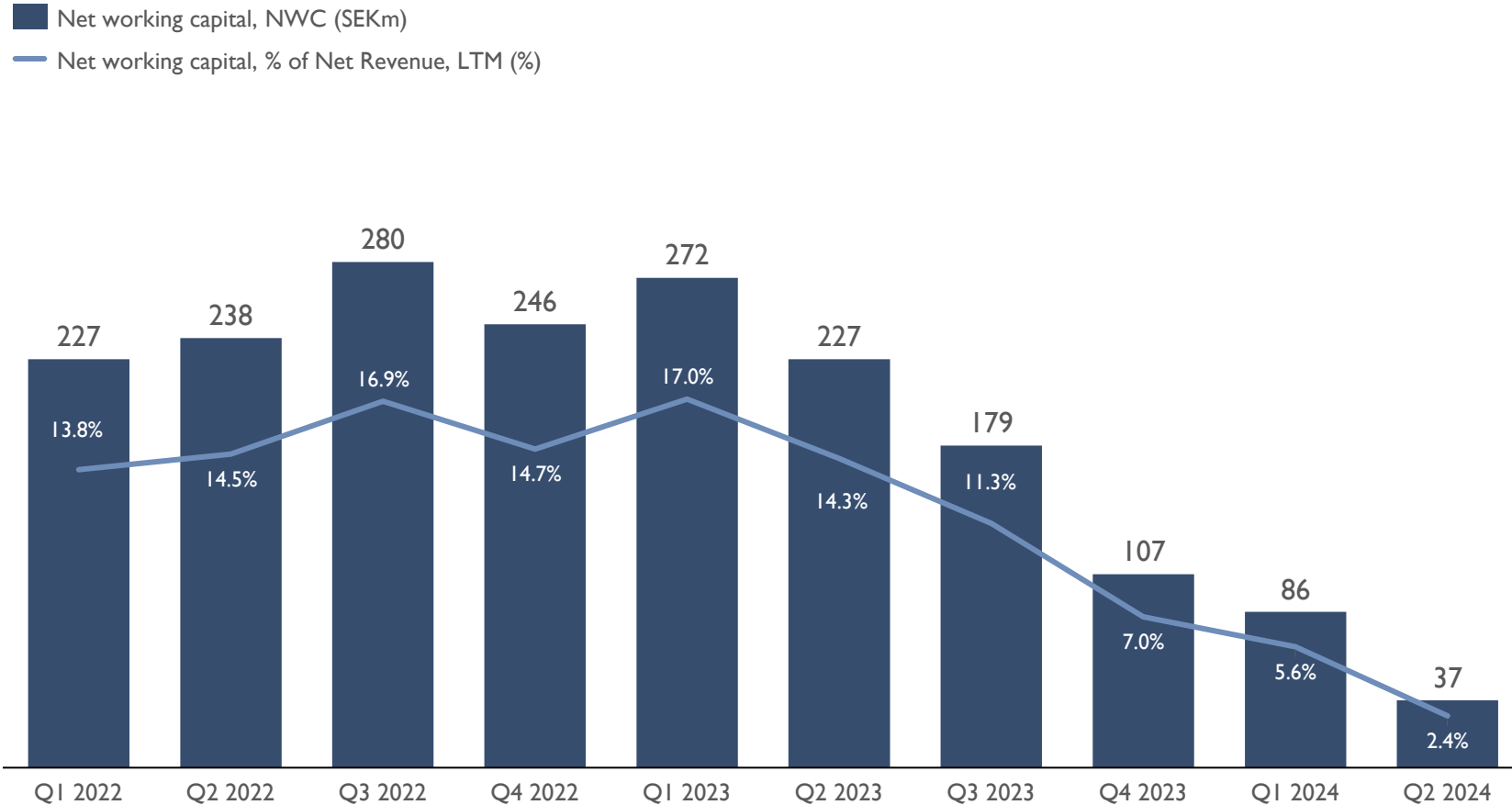


- Overhead costs impacted negatively vs previous year mainly by underlying inflationary pressure, FX and execution of our strategy to modernize the tech stack
- The outcome of the restructuring program is in line with expectations and has mitigated these effects



NET WORKING CAPITAL DEVELOPMENT

NWC decreased in Q2 2024 despite low season



- Net working capital (NWC) decreased Q2 2024 vs. Q2 2023 with SEKm 189:
 - Total inventory decreased with SEKm 152
- Due to seasonality, the NWC in relation to Revenue LTM should normally be lower in Q2 (end of high season) and Q4 (end of campaign season) compared with Q1 and Q3
- NWC at the end of the quarter was at a historically low level and is going forward likely to increase in support of seasonal fluctuations, the need to ensure product availability and to capture future growth opportunities.



FINANCIAL POSITION

Debt-free, net cash positive and a solid equity position

SEKm (unless stated otherwise)	31 Dec 2023	30 Jun 2024
Interest-bearing liabilities ¹	-	-
Cash and cash equivalents	222	350
Net debt excl. IFRS 16	-222	-350
Equity	627	668

¹ Interest-bearing liabilities does not include leasing liabilities.

- Cash positive since new share issue in 2022.
- Solid equity position of SEKm 668.



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PIERCE 2.0

Our vision is to become the unquestionable leading e-tailer of the European market of gear, accessories, and parts for motorcycle riding.

SUPPORTED BY 7 STRATEGIC PILLARS

- To achieve **absolute leadership** in the **Offroad** segment and **profitable growth** in the **Onroad** segment
- To have the highest **customer loyalty** in the industry
- To create a simple and powerful **go-to-market approach**
- To be the best in the industry in **pricing and purchasing**
- To have market-leading **value-for-money own brands**
- A modern and scalable **tech stack**
- A lean, fast and agile **organisation**



2024 will be a year of transformation where we lay the foundation for Pierce being a prosperous company many years ahead.

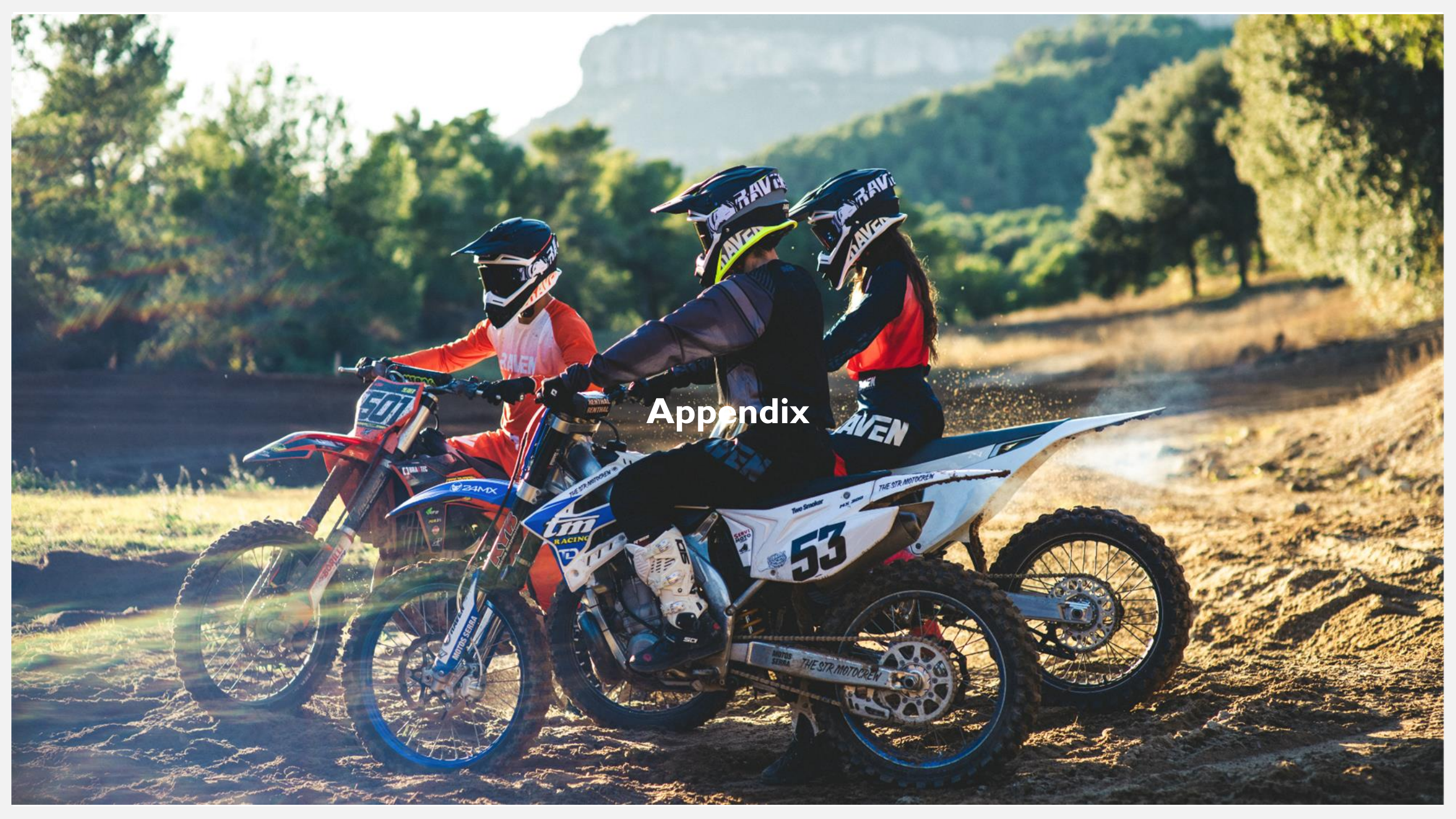


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Appendix

Q2 SUMMARY – PROFIT AND LOSS

SEKm (unless stated otherwise)	Q2 2023					Q2 2024				
	Offroad	Onroad	Other	Intra-group costs ¹	Total	Offroad	Onroad	Other	Intra-group costs ¹	Total
Net Revenue	248	183	10	-	441	264	186	6	-	456
<i>Growth (y/y) (%)</i>	2%	-7%	-4%	-%	-2%	6%	2%	-40%	-%	3%
Gross Profit	111	71	4	0	186	124	76	3	-1	201
<i>Gross margin (%)</i>	44.8%	38.9%	40.6%	-%	42.1%	46.9%	40.6%	44.7%	-%	44.1%
Variable sales- and distribution costs	-52	-43	-2	-	-98	-55	-41	-2	-	-98
<i>Variable sales- and distribution costs (%)</i>	-21.1%	-23.5%	-23.0%	-%	-22.1%	-20.7%	-22.3%	-26.5%	-%	-21.4%
Profit after variable costs	59	28	2	0	88	69	34	1	-1	104
<i>Profit after variable costs (%)</i>	23.7%	15.4%	17.6%	-%	20.0%	26.2%	18.4%	18.2%	-%	22.7%
Overhead costs					-67					-69
<i>Overhead costs (%)</i>					-15.3%					-15.1%
Adjusted EBITDA					21					35
<i>Adjusted EBITDA margin (%)</i>					4.7%					7.6%
Depreciation, amortisation and impairment					-14					-18
<i>D&A (% of net revenue)</i>					-3.2%					-3.9%
Adjusted EBIT					6					17
<i>Adjusted EBIT margin (%)</i>					1.5%					3.7%
Items affecting comparability (IAC)					-4					0
<i>IAC (% of net revenue)</i>					-0.9%					-0.0%

¹ Intra-group costs, consists of exchange rate revaluation of net working capital items which are not divided between segments.



CONSOLIDATED FINANCIAL INFORMATION

SEKm (unless stated otherwise)	2022	2023 Q2	2024 LTM
Net Revenue	1,670	1,537	1,563
<i>Growth (y/y) (%)</i>	5%	-8%	-1%
<i>Growth in local currencies (y/y) (%)</i>	1%	-13%	-5%
<i>Growth in private brand sales (y/y) (%)</i>	7%	-1%	1%
Gross Profit	657	607	648
<i>Gross margin (%)</i>	39.3%	39.5%	41.4%
Variable sales- and distribution costs	-405	-351	-348
<i>Variable sales- and distribution costs (%)</i>	-24.2%	-22.8%	-22.3%
Profit after variable costs	252	256	300
<i>Profit after variable costs (%)</i>	15.1%	16.7%	19.2%
Overhead costs	-256	-267	-266
<i>Overhead costs (%)</i>	-15.3%	-17.4%	-17.0%
Adjusted EBITDA	-4	-11	34
<i>Adjusted EBITDA margin (%)</i>	-0.2%	-0.7%	2.1%
Depreciation, amortisation and impairment	-49	-75	-80
<i>D&A (% of net revenue)</i>	-3.0%	-4.9%	-5.1%
Adjusted EBIT	-53	-69	-30
<i>Adjusted EBIT margin (%)</i>	-3.2%	-4.5%	-1.9%
Items affecting comparability (IAC)	-15	-42	-38
<i>IAC (% of net revenue)</i>	-0.9%	-2.7%	-2.5%



SEGMENT FINANCIAL INFORMATION

SEKm (unless stated otherwise)	2022	2023 Q2	2024 LTM
Offroad			
Net Revenue	999	952	977
<i>Growth (yly) (%)</i>	3%	-5%	1%
Gross Profit	412	393	424
<i>Gross margin (%)</i>	41.2%	41.3%	43.4%
Variable sales- and distribution costs	-235	-205	-209
<i>Variable sales- and distribution costs (%)</i>	-23.5%	-21.5%	-21.4%
Profit after variable costs¹	177	188	215
<i>Profit after variable costs (%)</i>	17.7%	19.8%	22.0%
Onroad			
Net Revenue	569	496	504
<i>Growth (yly) (%)</i>	14%	-13%	-4%
Gross Profit	208	178	188
<i>Gross margin (%)</i>	36.6%	35.9%	37.4%
Variable sales- and distribution costs	-142	-122	-119
<i>Variable sales- and distribution costs (%)</i>	-24.9%	-24.7%	-23.7%
Profit after variable costs¹	66	55	69
<i>Profit after variable costs (%)</i>	11.6%	11.2%	13.7%
Other			
Net Revenue	102	89	82
<i>Growth (yly) (%)</i>	-14%	-13%	-11%
Gross Profit	41	37	37
<i>Gross margin (%)</i>	40.1%	41.1%	44.8%
Variable sales- and distribution costs	-28	-23	-19
<i>Variable sales- and distribution costs (%)</i>	-27.7%	-25.9%	-23.5%
Profit after variable costs¹	13	14	17
<i>Profit after variable costs (%)</i>	12.4%	15.2%	21.3%

1) Excluding intra-group costs, which are not allocated on segments, of SEKm -4, SEKm -1 and SEKm -1 respectively. Intra-group costs refers to exchange rate revaluation of net working capital items that are not divided between segments.



QUARTERLY CONSOLIDATED FINANCIAL INFORMATION

SEKm (unless stated otherwise)	2022					2023					2024		
	Q1	Q2	Q3	Q4	FY22	Q1	Q2	Q3	Q4	FY23	Q1	Q2	Q2 LTM
Net Revenue	420	450	373	427	1,670	345	441	369	382	1,537	356	456	1,563
Growth (yly) (%)	14%	0%	3%	3%	5%	-18%	-2%	-1%	-10%	-8%	-22%	3%	-1%
Growth in local currencies (yly) (%)	10%	-3%	0%	-3%	1%	-22%	-7%	-9%	-15%	-13%	-23%	2%	-5%
Growth in private brand sales (yly) (%)	9%	9%	7%	3%	7%	-15%	5%	7%	-1%	-1%	-2%	-2%	1%
Gross Profit¹	172	178	146	161	657	137	186	113	171	607	162	201	648
Gross margin (%)	41.0%	39.5%	39.1%	37.8%	39.3%	39.7%	42.1%	30.7%	44.7%	39.5%	45.6%	44.1%	41.4%
Variable sales- and distribution costs	-110	-109	-85	-101	-405	-83	-98	-79	-91	-351	-80	-98	-348
Variable sales- and distribution costs (%)	-26.1%	-24.2%	-22.8%	-23.7%	-24.2%	-24.1%	-22.1%	-21.4%	-23.8%	-22.8%	-22.5%	-21.4%	-22.3%
Profit after variable costs	62	69	60	60	252	54	88	34	80	256	82	104	300
Profit after variable costs (%)	14.9%	15.3%	16.2%	14.0%	15.1%	15.6%	20.0%	9.3%	20.9%	16.7%	23.1%	22.7%	19.2%
Overhead costs	-62	-66	-57	-71	-256	-61	-67	-67	-72	-267	-59	-69	-266
Overhead costs (%)	-14.7%	-14.7%	-15.2%	-16.6%	-15.3%	-17.7%	-15.3%	-18.1%	-18.8%	-17.4%	-16.6%	-15.1%	-17.0%
Adjusted EBITDA	1	3	4	-11	-4	-7	21	-32	8	-11	23	35	34
Adjusted EBITDA margin (%)	0.1%	0.6%	1.1%	-2.6%	-0.2%	-2.1%	4.7%	-8.7%	2.1%	-0.7%	6.5%	7.6%	2.1%
Depreciation, amortisation and impairment	-13	-12	-13	-12	-49	-14	-14	-15	-32	-75	-16	-18	-80
D&A (% of net revenue)	-3.0%	-2.7%	-3.4%	-2.8%	-3.0%	-4.0%	-3.2%	-3.9%	-8.4%	-4.9%	-4.4%	-3.9%	-5.1%
Adjusted EBIT	-12	-9	-9	-23	-53	-21	6	-47	-7	-69	7	17	-30
Adjusted EBIT margin (%)	-2.9%	-2.1%	-2.4%	-5.4%	-3.2%	-6.2%	1.5%	-12.7%	-1.9%	-4.5%	2.0%	3.7%	-1.9%
Items affecting comparability (IAC)	-	-1	-6	-8	-15	0	-4	-1	-38	-42	0	0	-38
IAC (% of net revenue)	-%	-0.3%	-1.6%	1.9%	-0.9%	-0.0%	-0.9%	-0.2%	-9.8%	-2.7%	-0.0%	0.0%	-2.5%
¹ Revaluation of working capital items	-1	-2	-2	2	-3	-	-	-1	-	1	-1	-1	-3
Number of orders (000)	462	483	371	433	1,749	354	429	332	342	1,456	344	416	1,434
Average order value (AOV) (SEK)	910	933	1,004	985	955	974	1,028	1,110	1,119	1,055	1,034	1,097	1,090
Net revenue from private brands	171	179	138	161	650	145	187	148	160	640	142	185	635
Active customers, LTM (000)	1,165	1,167	1,163	1,165	1,165	1,106	1,083	1,070	1,021	1,021	1,016	1,004	1,004

1) Exchange rate revaluation of working capital items are included in cost of goods sold.



QUARTERLY SEGMENT FINANCIAL INFORMATION

SEKm (unless stated otherwise)	2022					2023					2024		
	Q1	Q2	Q3	Q4	FY22	Q1	Q2	Q3	Q4	FY23	Q1	Q2	Q2 LTM
Offroad													
Net Revenue	241	243	233	282	999	207	248	238	258	952	217	264	977
<i>Growth (y/y) (%)</i>	9%	-9%	3%	8%	3%	-14%	2%	3%	-9%	-5%	5%	6%	1%
Gross Profit	103	103	95	110	412	86	111	76	120	393	104	124	424
<i>Gross margin (%)</i>	42.8%	42.5%	40.7%	39.1%	41.2%	41.5%	44.8%	31.9%	46.5%	41.3%	48.0%	46.9%	43.4%
Variable sales- and distribution costs	-63	-58	-50	-63	-235	-46	-52	-48	-59	-205	-48	-55	-209
<i>Variable sales- and distribution costs (%)</i>	-26.1%	-23.9%	-21.6%	-22.5%	-23.5%	-22.3%	-21.1%	-20.0%	-22.8%	-21.5%	-22.1%	-20.7%	-21.4%
Profit after variable costs¹	40	45	45	47	177	40	59	28	61	188	56	69	215
<i>Profit after variable costs (%)</i>	16.7%	18.7%	19.1%	16.6%	17.7%	19.2%	23.7%	11.9%	23.7%	19.8%	25.9%	26.2%	22.0%
Onroad													
Net Revenue	134	197	131	107	569	102	183	124	87	496	106	186	504
<i>Growth (y/y) (%)</i>	33%	14%	2%	8%	14%	-24%	-7%	-5%	-19%	-13%	4%	2%	-4%
Gross Profit	50	73	49	36	208	37	71	36	34	178	42	76	188
<i>Gross margin (%)</i>	37.5%	37.2%	37.4%	33.2%	36.6%	35.8%	38.9%	29.2%	38.9%	35.9%	39.8%	40.6%	37.4%
Variable sales- and distribution costs	-34	-48	-32	-28	-142	-26	-43	-30	-23	-122	-25	-41	-119
<i>Variable sales- and distribution costs (%)</i>	-25.0%	-24.5%	-24.8%	-25.7%	-24.9%	-25.6%	-23.5%	-24.2%	-26.8%	-24.7%	-23.1%	-22.3%	-23.7%
Profit after variable costs¹	17	25	16	8	66	10	28	6	11	55	18	34	69
<i>Profit after variable costs (%)</i>	12.4%	12.7%	12.6%	7.5%	11.6%	10.2%	15.4%	5.0%	12.1%	11.2%	16.8%	18.4%	13.7%
Other													
Net Revenue	45	10	9	38	102	35	10	6	37	89	32	6	82
<i>Growth (y/y) (%)</i>	-4%	-5%	22%	-30%	-14%	-22%	-4%	-29%	-1%	-13%	-9%	-40%	-11%
Gross Profit	20	4	4	14	41	14	4	2	17	37	16	3	37
<i>Gross margin (%)</i>	43.9%	36.2%	39.6%	36.6%	40.1%	40.1%	40.6%	24.4%	45.1%	41.1%	48.6%	44.7%	44.8%
Variable sales- and distribution costs	-13	-3	-2	-10	-28	-11	-2	-1	-9	-23	-8	-2	-19
<i>Variable sales- and distribution costs (%)</i>	-28.9%	-25.0%	-25.7%	-27.4%	-27.7%	-30.3%	-23.0%	-18.1%	-23.8%	-25.9%	-23.7%	-26.5%	-23.5%
Profit after variable costs¹	7	1	1	3	13	3	2	0	8	14	8	1	17
<i>Profit after variable costs (%)</i>	15.0%	11.2%	13.9%	9.2%	12.4%	9.8%	17.6%	6.3%	21.3%	15.2%	24.9%	18.2%	21.3%

1) Excluding intra-group costs, which are not allocated on segments. Intra-group costs refers to exchange rate revaluation of net working capital items that are not divided between segments. See previous slide, row "Revaluation for working capital items" for quarterly details.



QUARTERLY CONSOLIDATED NET WORKING CAPITAL

SEKm (unless stated otherwise)	2022		2023			2024	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Physical stock	414	420	401	317	283	274	233
Goods in transit	74	44	58	60	61	58	74
Inventory	488	464	459	377	344	332	307
Working capital assets	20	30	28	20	14	25	27
Working capital liabilities	-262	-223	-260	-219	-251	-270	-297
Net working capital	246	272	227	179	107	86	37
As % of net revenue LTM	14.7%	17.0%	14.3%	11.3%	7.0%	5.6%	2.4%
Stock turnover ¹	2.1x	2.1x	2.1x	2.6x	2.7x	2.8x	3x
Inventory % of net revenue LTM	29.2%	29.1%	28.9%	23.8%	22.4%	21.5%	19.7%

1) Defined as cost of goods sold LTM divided by end of quarter inventory.



CONDENSED CONSOLIDATED STATEMENT OF PROFIT/LOSS

SEKm	Apr-Jun		Jan-Jun		Jul 2023-	Jan-Dec
	2024	2023	2024	2023	Jun 2024	2023
Net revenue	456	441	812	786	1,563	1,537
Cost of goods sold	-255	-255	-448	-463	-915	-930
Gross profit	201	186	364	323	648	607
Sales and distribution costs	-137	-136	-253	-254	-505	-505
Administration costs	-47	-49	-90	-90	-211	-212
Other operating income- and expenses	0	1	3	2	3	-1
Operating profit	17	2	24	-19	-68	-111
Financial net	-2	25	16	33	-5	13
Profit/loss before tax	14	27	40	14	-73	-98
Tax	-1	-1	-1	0	1	2
Profit/loss for the period	14	26	39	15	-72	-96



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEKm	30 Jun 2024	30 Jun 2023	31 Dec 2023
Intangible assets	295	341	310
Property, plant and equipment	14	15	15
Right-of-use assets	47	67	53
Financial assets	5	4	3
Deferred tax assets	7	5	8
Total non-current assets	367	431	389
Inventory	307	459	344
Other current assets	29	41	15
Cash and cash equivalents	350	179	222
Total current assets	687	678	582
Total assets	1,054	1,110	970
Total equity	668	739	627
Leasing liabilities	17	38	24
Deferred tax liabilities	26	27	26
Provisions	0	0	0
Total non-current liabilities	43	65	51
Leasing liabilities	30	30	30
Trade payables	99	89	81
Other current liabilities	214	187	181
Total current liabilities	343	306	292
Total equity and liabilities	1,054	1,110	970



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

SEKm	NOTE	Apr-Jun		Jan-Jun		Jul 2023-	Jan-Dec
		2024	2023	2024	2023	Jun 2024	2023
Operating profit	A	17	2	24	-19	-68	-111
Adjustments for non-cash items	B	19	15	40	34	129	122
Paid interest		-1	-1	-2	-3	-4	-5
Received interest		2	0	4	0	6	3
Realised currency derivatives		1	1	2	4	7	9
Paid/received tax		-1	-1	-2	-1	3	3
Cash flow from operating activities before changes in net working capital		37	17	65	15	72	21
Changes in net working capital	C	57	56	93	34	165	105
Cash flow from operating activities		93	73	158	48	237	127
Investing activities							
Investments in non-current assets	D	0	-2	-2	-3	-6	-8
Paid/received blocked funds		-2	0	-2	0	-2	0
Cash flow from investing activities		-3	-2	-4	-3	-8	-8
Financing activities							
Share issue costs		0	-	0	-	0	-
Change in utilised credit facility		-	-	-	-	-	-
Repayment of liabilities to credit institutions ¹		-	-	-	-	-	-
Repayment of leasing liabilities	E	-7	-7	-14	-14	-29	-28
Cash flow from financing activities		-7	-7	-14	-14	-29	-28
Cash flow for the period		83	64	140	31	200	91
Cash and cash equivalents at the beginning of period		278	105	222	136	179	136
Exchange rate difference		-11	10	-12	12	-29	-4
Cash and cash equivalents end of period		350	179	350	179	350	222
Operating cash flow before IFRS 16 interest	A+B+C+D+E	84	65	141	31	191	81
Interest IFRS 16		-1	-1	-1	-2	-3	-3
Operating cash flow		83	64	140	30	188	78

1) Including capitalised interest expenses.



RECONCILIATION OF ADJUSTED FINANCIALS

SEKm	Apr-Jun		Jan-Jun		Jul 2023-	Jan-Dec
	2024	2023	2024	2023	Jun 2024	2023
Net revenue	456	441	812	786	1,563	1,537
Cost of goods sold	-255	-255	-448	-463	-915	-930
Variable sales- and distribution costs	-98	-98	-178	-181	-348	-351
Other costs ¹	-87	-86	-162	-161	-368	-367
Operating profit (EBIT)	17	2	24	-19	-68	-111
Reconciliation of adj. EBIT and adj. EBITDA						
Operating profit (EBIT)	17	2	24	-19	-68	-111
IAC related to:						
IPO-costs	-	-	-	-	-	-
Restructuring expenses	0	-3	0	-3	-21	-25
Share-based payments	0	-1	0	-1	0	-1
Share-based payments (social costs)	0	-	0	-	0	0
Goodwill impairment	-	-	-	-	-17	-17
Other costs (XO)	-	0	-	0	-	0
Adjusted operating profit (EBIT)	17	6	24	-15	-30	-69
Adjusted EBIT margin (%)	3.7%	1.5%	2.9%	-1.9%	-1.9%	-4.5%
Depreciation	-9	-8	-17	-16	-34	-33
Amortisation	-9	-6	-17	-12	-30	-25
Goodwill impairment	-	-	-	-	-17	-17
<i>(of which PPA amortisations included in adjusted EBIT)</i>	-2	0	-3	0	-21	-18
Adjusted EBITDA	35	21	58	13	34	-11
Adjusted EBITDA margin (%)	7.6%	4.7%	7.1%	1.7%	2.1%	-0.7%

1) Other costs mainly consist of non-variable sales- and distribution costs, administration costs and other operating expenses/income.



Pierce Group's mid to long term financial targets

Financial targets

- **Net revenue growth:** In the medium to long term (3-5 years), organically outgrow the European online market for motorcycle gear, accessories and parts.
- **Adjusted operating margin (EBIT):** In the medium to long term (3-5 years), achieve an adjusted operating margin (EBIT) of 5-8%.
- **Capital structure:** Net debt/ EBITDA * not exceeding 2.0x, subject to temporary flexibility for strategic initiatives.
- **Dividend policy:** Over the next few years, the Company plans to use free cashflows** for continued development*** and does not intend to pay dividends to shareholders.

* Net debt in relation to last twelve month adjusted EBITDA, excluding IFRS 16 effects.

** Free cashflow refers to cashflow from ongoing operations and investment activities.

*** Development means investments in, for instance, IT-hardware, IT-development, expansion of distribution warehouse, marketing, customer acquisitions, business acquisitions and acquisitions of net assets.



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