



Q1 2024

Interim Report

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Interim Report

First quarter

- ▶ Net sales amounted to SEK 192.4 million (195.5).
- ▶ Product profit amounted to SEK 82.3 million (79.1), with a product margin of 42.8% (40.4).
- ▶ EBITDA amounted to SEK 36.4 million (41.6), corresponding to an EBITDA margin of 18.9% (21.3).
- ▶ EBIT amounted to SEK 30.6 million (36.5), corresponding to an EBIT margin of 15.9% (18.7).
- ▶ Operating cash flow amounted to SEK 18.3 million (58.8).
- ▶ Interest-bearing net debt was SEK -21.4 million (50.6).
- ▶ Earnings per share amounted to SEK 0.9 (0.9).
- ▶ No items affecting comparability for the quarter.

Amounts in SEKm	Q1		Δ %	Apr–Mar	Full year
	2024	2023		23/24	2023
Net sales	192.4	195.5	-1.6	770.1	773.3
Net sales, USDm	18.5	18.7	-1.1	72.6	72.8
Product profit	82.3	79.1	4.1	318.5	315.3
Product margin, %	42.8	40.4		41.4	40.8
EBITDA	36.4	41.6	-12.6	132.0	137.2
EBITDA margin	18.9	21.3		17.1	17.7
EBIT	30.6	36.5	-16.2	109.9	115.8
EBIT margin, %	15.9	18.7		14.3	15.0
Operating cash flow	18.3	58.8		91.0	131.6
Interest-bearing net debt	-21.4	50.6		-21.4	-7.9
Earnings per share, SEK	0.9	0.9		3.1	3.1
USD/SEK, average	10.4	10.4		10.6	10.6

CEO's comments

In line with our expectations, the first quarter of the year posted sales on a par with the preceding year despite high comparative figures from 2023 when we reported growth of 66% in the same period. We see demand for our products remaining at high levels, and we see excellent opportunities for growth in full-year 2024.

Over the short term, we are being affected by global turbulence, including the situation on the Red Sea, which over the past quarter led to delayed deliveries and a certain degree of restraint in the purchasing behavior of resellers in some regions. At the same time, the quarter benefited from sales of North XL, which was launched in March.

Sales of cases increased by 1.5% during the first quarter while total net sales decreased by 1.6% to SEK 192.4 million (195.5). All sales take place in USD and sales decreased organically by 1.1% to USD 18.5 million (18.7).

Sales from resellers to end consumers decreased by 4.5% organically, attributable to lower levels of sales of power supply units and water cooling systems. Sales of cases were on par compared to the year-earlier period, something we see as extra positive as longer shipping time from China caused restocking delays and consequently shortage of high runners at resellers in the beginning of the quarter.

EBITDA for the quarter amounted to SEK 36.4 million (41.6), corresponding to an EBITDA margin of 18.9% (21.3). The somewhat lower levels of earnings were due primarily to increased costs that were linked to our preparations for delivering on our growth initiatives, such as the expansion into new product categories. The product margin in the first quarter totaled 42.8% (40.4), which was the highest level ever. The improvement was largely due to a more advantageous product mix with a higher number of cases and lower shipping costs in the quarter compared with the year-earlier period. The positive margin performance in the quarter was also driven by lower purchase prices that were impacted by lower raw materials prices and successful negotiations as well as increased selling prices compared with the year-earlier period.

The record-high earnings performance in 2023 has given us a solid financial position and at the end of the quarter, Fractal had a net cash balance of SEK 21.4 million compared with net debt of SEK 50.6 million in the year-earlier period. Our robust finances provide us with the scope to pursue our strategic initiatives, with a clear objective of further advancing Fractal's global market position.

Comprehensive launch program to begin in June

As the new CEO since the start of the year, my overall task is to take Fractal to the next level in partnership with a strong global team. We are at the start of our journey of growth, and see excellent opportunities to create market-leading and distinctive products in both existing and entirely new categories based on Fractal's unique design philosophy and globally-established brand within high-performance gaming. At the end of the first quarter, we launched an addition to our

North product family: the North XL case, which offers the same groundbreaking design as the original, but in a larger format. The case has been well received, with over 50 positive reviews from trendsetting media and reviewers and more than 30 international awards.

We are now preparing for an intense period of launches, primarily during the second half of the year. The launches will start at the international Computex computer expo in June, with a launch period that continues up through September. In parallel, the work on expanded sales and marketing activities is continuing, including our extended partnership with Amazon in the US that will increase the availability of our products for American consumers. These activities also entailed continued efforts in the Fractal Creator Program marketing initiative, which generates positive exposure for our brand toward new customer segments through engaged gaming and brand ambassadors around the world via the Twitch streaming platform.

Outlook going forward

Despite a weaker economy and geopolitical uncertainty that is generally affecting consumer purchasing power in most markets, demand for gaming hardware remains healthy. Interest in esports and high-performance gaming is at very high levels and the gaming industry has historically been less sensitive to the economic cycle than many other industries. We are of the opinion that there is still a pent-up need for upgrades among gamers, and that the upgrade cycle for 2024 and 2025 ought to be stronger than in the previous year.

For the full-year 2024, we expect to return to more normal seasonal variations and we are seeing good opportunities for continued growth, but with weaker performance in the second quarter followed by a stronger second half with positive effects from our growth-driving initiatives, including the planned launch of our new products, expansion into new product categories and increased marketing and channel initiatives.

Jonas Holst, CEO
April 2024



MARKET POSITION

Top 3

GLOBAL REACH

50+ countries

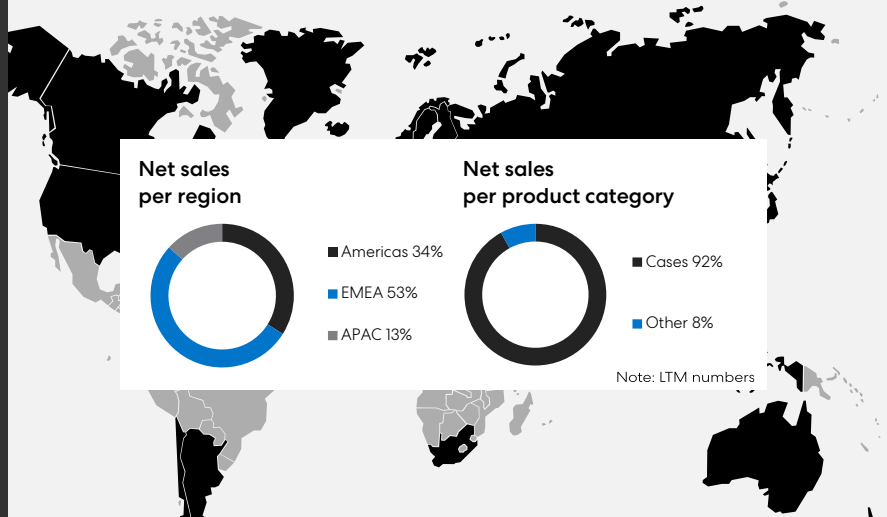
NUMBER OF EMPLOYEES

103

>6,000,000 products sold

Offices in Gothenburg / Dallas / Taipei / Dongguan

Founded 2010



This is Fractal

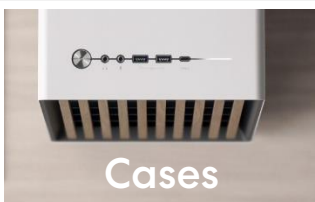
Founded in 2010, Fractal quickly became a pioneer that challenged the idea of what gaming products should look like using sleek and scaled-down design. Since then, we've grown into an international brand and an influential company within the premium segment of PC gaming products. Fractal products are available in over 50 countries in the attractive and ever-growing gaming market.

Our product categories are cases, power supply units, cooling products and fans for PC gaming computers. Fractal is a market leader for cases in several geographic markets: number one in the Nordics, number two in Japan, and a top three position globally. Our products are characterized by Scandinavian design, carefully considered materials and high quality.

From day one, we have achieved profitable growth by successfully combining design, performance and quality

demanding by consumers, while expanding our product range and geographic presence. Fractal is a leading, well-established brand with a strong premium position, something that has earned us a clear and strong position in relevant and influential communities. We have focused a great deal on the customer experience, for which our customer service and aftermarket department have received high praise in the industry.

We have identified several growth areas for continued profitability and development, through initiatives like broader and more innovative marketing, continued focus on geographic expansion and new markets. Our head office is based in Gothenburg (Sweden) with satellite offices in Dallas (the US), Dongguan (China) and Taipei (Taiwan).



Cases

Our cases are designed for users with high expectations, and stand out through their distinctive Scandinavian design, performance, and quality.



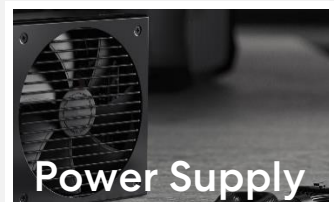
Fans

Our fans are available in every conceivable design, from the discreet and quiet 120 mm models to the powerful 180 mm models focused entirely on maximum airflow.



CPU coolers

Water cooling is a popular alternative and complement to fans, often for aesthetic reasons but perhaps primarily due to increased efficiency.



Power Supply

A high-performance power supply unit with the right strength and stability is the foundation for every successful build.



Market performance and trends

With a growing PC market and upcoming milestones in the hardware industry, in the first quarter we noted positive signals linked to our addressable market.

In the previous report, we could note that the global PC market had begun to grow again after two years of downturn, where in the first quarter we saw growth of 1.5% year-on-year with a total of 59.8 million units shipped. Sales showed positive signs and have begun to return to growth levels similar to those seen in the market before the pandemic, which could also indicate that a larger upgrade period can be expected in the PC sector. The analyst firm IDC estimates growth with an increase of 2.0% compared with 2023, which means a total of 365.4 million PC deliveries in 2024. CAGR is estimated to be 2.4%, meaning 292.2 million units up through 2028.

It is estimated that the commercial PC market, which includes both the business and education sectors, will also undergo a major upgrade cycle that will peak in 2025. It is expected that the driving force will primarily be AI PCs, which will make their way to the market in 2024. As previously reported, this upgrade cycle also includes the consumer sector, where many people who purchased gaming PCs during the pandemic will now need to upgrade or replace their systems. AI gaming and increased interest in creating content are additional drivers.

On the component side, there is a great deal of talk about the eagerly-awaited RTX 50 graphics cards series from Nvidia, which – it is rumored – will be launched in the market as early as Q4 – a major event in our industry. Several media sources are pointing to rumors of a significant increase in performance – a full 70% compared with the preceding generation. Intel's continued venture in GPUs – Battlemage – is expected to launch this year. New generations of graphics cards are a key growth factor linked to customers' needs for upgrades, and will drive both purchases of individual components and purchases of completely new gaming PCs.

Major players in our market are talking about a strong second half of the year as regards growth. MSI estimates that motherboards, graphics cards and laptops will have double-digit growth in 2024. ASUS is somewhat more conservative, continuing to indicate challenging macroeconomic factors such as inflation and geopolitics, where it is believed that demand in the first half of the year will be in line with Q4 2023.

As regards the gaming market, the consulting firm Newzoo estimates that growth will be modest but consistent in 2024. Sales are expected to reach USD 189.3 billion, which means that the market is continuing to grow. CAGR up through 2026 is estimated to be 1.3%, which continues to indicate a resilient market with the PC gaming segment estimated to be one of the strongest segments owing to forthcoming innovations in the GPU and CPU markets specifically.

Helldivers 2, a game from the Swedish developer Arrowhead Game Studios, was launched on February 8 and took the market by storm with one million units sold during the first month alone. By mid-March, the game had over 450,000 active players on Steam and reached 8 million units sold. During the launch month, the game was the sixth most-played title in its genre on PC and PlayStation.

Helldivers 2 accounted for a full 4.8% of all users' gaming time on the PC and PlayStation platforms in February, with an average of 20.2 hours per gamer per week. In addition, over 21 million hours were spent streaming the game on Twitch and YouTube alone.

All together, Q1 offered positive signs linked to the PC market and gaming, with an expectation of growth driven by upcoming hardware releases and the need for upgrades in several customer segments.

Sources: Techspot, UDN, Taiwan News, Wedbush, IDC, NewZoo, SteamDB, Forbes, TechPowerUp.



Launches in Q1 2024: North XL

In late 2022, we launched the trailblazing North gaming case, which took both the market and reviewers by storm and shortly thereafter won the prestigious Red Dot award. In March, we expanded the North family with yet another variant: North XL. This product strengthens the North family's design innovation and success while North XL meets a growing need among our discerning customers and gaming communities.

The North XL design philosophy permits a stylistically clean integration of gaming hardware at home through a sophisticated, scaled-down appearance. The front panel is available in either FSC certified oak or walnut, and is complemented with carefully selected design details such as PU leather and elegant buttons in steel and brass. The North family is further proof of our efforts to challenge traditional stereotypes and offer an alternative in design-oriented gaming hardware that combines performance and a clearly Scandinavian expression.

The North family is targeted toward discerning gamers and enthusiasts who regard their gaming setups as a significant component of their home environment. Our design vocabulary, and our vision for gaming from a design perspective, are often oriented on a more mature customer group that values high performance alongside a sophisticated design where the case is an important component of their "setup". This unique position not only makes North XL and its family unique in the market, it also strengthens our brand position as a pioneer in innovative and market-leading design in the gaming hardware segment.

North XL was an immediate success, with strong and positive feedback from the market. The case has already received over 36 different awards from leading media and influencers around the world and has been very well received in our gaming communities. The launch is further proof of our unique position as regards design innovation, carefully prepared functionality and our capacity to continually raise the bar for design linked to gaming hardware.

FIRST QUARTER 2024

Financial performance

Net sales

The Group's net sales amounted to SEK 192.4 million (195.5), down 1.6%. All of Fractal's sales take place in USD and net sales amounted to USD 18.5 million (18.7), corresponding to an organic decrease of 1.1%. Sales were positively impacted by the successful North, Pop and Terra case series, which were among the best-selling products during the quarter. Sales in the case product category accounted for 94% (91) of total sales.

Earnings

Product profit amounted to SEK 82.3 million (79.1), corresponding to a product margin of 42.8% (40.4). The product margin increased by a total of around 2.4 percentage points compared with the year-earlier period.

A positive product mix had a positive impact of approximately 3.0 percentage points on the product margin, which was an effect of lower purchase prices that were impacted by lower raw materials prices and successful negotiations with product suppliers for several of our products in 2023.

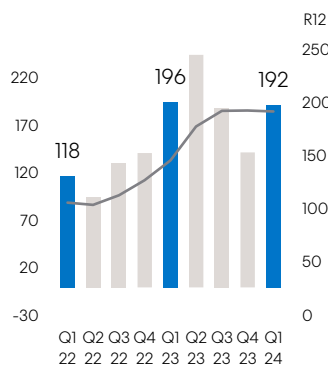
Lower shipping costs had a positive effect of approximately 2.3 percentage points on the product margin.

Currency effects had a negative effect on the product margin in the first quarter, which resulted in a decrease of 2.9 percentage points.

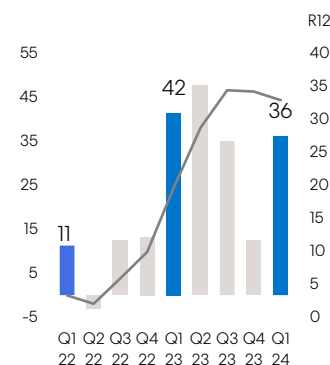
EBIT amounted to SEK 30.6 million (36.5), corresponding to an EBIT margin of 15.9% (18.7). Depreciation/amortization amounted to SEK -5.7 million (-5.1) and was mainly related to investments in product tools and capitalized development costs related to new product launches.

Earnings for the period amounted to SEK 26.6 million (27.0) and net financial items to SEK 3.0 million (-2.3). Tax on earnings for the period amounted to SEK -7.1 million (-7.2). Earnings per share amounted to SEK 0.9 (0.9).

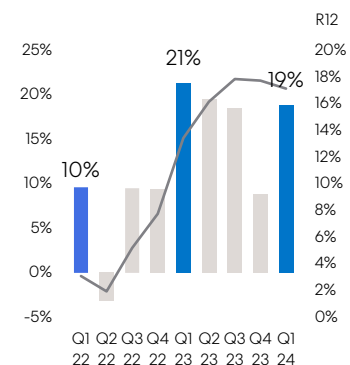
Net sales, SEKm



EBITDA, SEKm



EBITDA margin

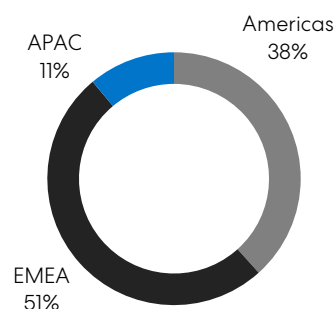


Geographic markets

The strongest region during the quarter was EMEA, with net sales of SEK 97.2 million (97.9). Net sales in the Americas amounted to SEK 73.8 million (71.3). APAC amounted to SEK 21.4 million (26.3).

Of total net sales, EMEA accounted for 50.6% (50.1), the Americas for 38.3% (36.5) and APAC for 11.1% (13.4).

Net sales, quarter



By geography (Americas, EMEA, APAC)

SEKm	Q1		Δ %	Apr–Mar	Full year
	2024	2023		2024	2023
Net sales Americas	73.8	71.3	3.5	261.5	259.0
Net sales Americas, USDm	7.1	6.8	3.3	24.7	24.4
Net sales EMEA	97.2	97.9	-0.6	406.4	407.0
Net sales EMEA, USDm	9.4	9.4	0.3	38.3	38.3
Net sales APAC	21.4	26.3	-18.9	102.3	107.3
Net sales APAC, USDm	2.1	2.5	-18.0	9.6	10.1



Financial position and cash flow

Financial position

At the end of the period, the Group's balance sheet total amounted to SEK 607.5 million (554.5) and inventory levels were SEK 123.0 million (109.4). Fractal regularly adjusts its inventory levels to more efficiently meet demand and optimize resource use.

Utilization of the bank overdraft facility amounted to SEK 10.4 million (17.8). The bank overdraft facility has a scope of SEK 110 million. The loan agreement includes financial covenants for the Group's net debt relative to EBITDA. Fractal has good headroom with respect to the covenants, which highlights Fractal's financial strength. Fractal's low overdraft facility utilization indicates a strong financial position, which benefits Fractal's financial stability and flexibility.

At the end of the period, Fractal had net cash of SEK 21.4 million, compared with an interest-bearing net debt of SEK 50.6 million at the end of 2023. Net working capital amounted to SEK 91.3 million (80.9) at the end of the period. The Group's equity amounted to SEK 394.0 million (305.2) and the equity ratio to 64.9% (55.0) at the end of the period.

Cash flow for the quarter

Cash flow from operating activities amounted to SEK 19.2 million (65.6), and has been strengthened since the fourth quarter of 2023 when cash flow totaled SEK -54.6 million and was related to payments for product purchases that were made earlier in the year in response to increased sales. Payment conditions for factory suppliers are long-term and favorable, where the outflow occurs much later than the inflow from customers. Fractal is routinely engaged in strengthening its cash flow.

Cash flow from investment activities amounted to SEK -4.6 million (-9.7) and was mainly related to the development of new products.

Cash flow from financing activities during the quarter amounted to SEK -3.1 million (-52.7) and was largely related to changes in other current interest-bearing liabilities.

Total cash flow in the quarter amounted to SEK 11.6 million (3.2).

Additional information

Important events during and after the quarter and period

On January 18, 2024, Fractal issued a press release announcing that Alexander Kahl had been appointed VP Global Sales starting February 1, 2024. Alexander comes from the role as VP and General Manager of Turtle Beach Asia and has many years of senior industry experience.

On January 9, Fractal published a press release announcing that the company would be expanding its direct import business in the US and expanding its sales channels to include Amazon.

In the final days of December 2023, an announcement was made that Fractal is once again to be excluded from tariffs on cases for sales to the US. The exclusion is in force until 31 May 2024.

Effects of war in Ukraine

Given the industry in which the Group operates, the conflict in Ukraine had no material impact on operations during the period.

Organization

On March 31, there were 110 (81) full-time employees, of whom 36 women (23) and 74 men (58). During the first quarter, the average number of employees in the organization was 109 (77), of whom 35 women (21) and 74 men (56).

Seasonal variations

Fractal has a seasonal business that is characterized by higher sales during the second half of the year due to traditional festivals. The first half of the year includes the Chinese New Year. The company's product purchasing is adapted to take into account this seasonal variation.

Parent Company

The Parent Company's operations comprise Group management services performed for the Group's companies. The Parent Company's net sales amounted to SEK 1.3 million (1.2) in the first quarter. Operating loss amounted to SEK -0.4 million (-0.2) and loss for the period to SEK 17 million (-0.2).

The share

At March 31, 2024, the number of shares in Fractal amounted to 29,119,500 (29,119,500). The largest shareholders were: Långholmen Holding AB (29.1%), Herenco Holding AB (14.3%), Mediuminvest AS (11.4%), TIN Ny Teknik (6.7%) and SEB Life International Assurance (4.7%).

Fractal's shares were allocated among 5,103 shareholders as of March 31, 2024.

Significant risks and uncertainties

Fractal has credit insurance for all its customers, but at present there is one customer without this insurance. The company is actively engaged in finding a solution to also insure this customer as soon as possible. Fractal is dependent on product launches progressing as planned and delays could potentially have a substantial impact on total sales volume. Changes in exchange rates, particularly USD/SEK, are very important for the Group's earnings as all sales as well as product purchasing take place in USD. Fractal is exposed to changes in raw material prices, primarily steel and plastic. The business is dependent on free global flows of goods, particularly between the major markets in North America and Europe and manufacturing in China. Further information about risks and uncertainties can be found in the annual report for 2022 and in the prospectus, which are available at www.fractal-design.com.

Accounting policies

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and RFR 1 Supplementary Accounting Rules for Groups. This interim report was prepared in accordance with IAS 34, Interim Financial Reporting, and applicable provisions in the Swedish Annual Accounts Act. Disclosures in accordance with IAS 34.16A are, in addition to the financial statements and accompanying notes, also presented in other parts of the interim report. The Parent Company's report is prepared in accordance with the regulations in RFR 2 Accounting for Legal Entities and Chapter 9 of the Swedish Annual Accounts Act.

Assurance of the Board of Directors and the CEO

The Board of Directors and the CEO give their assurance that the interim report gives a true and fair view of the development of the Group's and Parent Company's operations, financial position and results of operations and describes significant risks and uncertainties facing the Parent Company and the Group companies. This report has not been audited.

Stockholm, April 25, 2024

Magnus Yngen

Chairman of the Board

Patrick Söderlund

Board member

Gustav Thott

Board member

Pernilla Ekman

Board member

Ola Nilsson

Board member

Erik Stenberg

Board member

Hannes Wallin

Board member

Jonas Holst

CEO

Income statement, Group

SEKm	Q1		Apr–Mar	Full year
	2024	2023	23/24	2023
Net sales	192.4	195.5	770.1	773.3
Capitalized development expenditure	3.3	1.8	10.2	8.7
Other operating income	0.1	1.5	-1.1	0.2
Total revenue	195.7	198.7	779.3	782.2
Operating expenses				
Goods for resale	-110.1	-116.4	-451.6	-458.0
Other external expenses	-25.9	-22.1	-110.0	-106.1
Personnel expenses	-23.3	-18.6	-85.6	-80.9
Depreciation and impairment of tangible and intangible non-current assets	-5.7	-5.1	-22.1	-21.4
Total operating expenses	-165.1	-162.2	-669.3	-666.4
Operating profit	30.6	36.5	110.0	115.8
Finance income	4.0	-	5.1	1.1
Finance costs	-1.0	-2.3	-2.2	-3.5
Profit/loss after financial items	33.6	34.2	112.8	113.4
Income tax expense	-7.1	-7.2	-25.8	-25.9
Deferred tax liabilities	0.0	0.0	2.2	2.2
Profit for the period	26.6	27.0	89.2	89.6
Other comprehensive income				
Items that have been reclassified or can be reclassified to profit/loss for the period				
Foreign subsidiaries - foreign currency translation differences	0.0	0.1	-0.7	-0.6
Other comprehensive income for the period	0.0	0.1	-0.7	-0.6
Total comprehensive income for the period	26.6	27.1	88.5	89.0
Profit for the year attributable to:				
Parent Company's shareholders	26.6	27.0	89.2	89.6
Profit for the period	26.6	27.0	89.2	89.6
Total comprehensive income attributable to:				
Parent Company's shareholders	26.6	27.1	88.5	89.0
Total comprehensive income for the period	26.6	27.1	88.5	89.0
Average number of shares before dilution	29.1	29.1	29.1	29.1
Average number of shares after dilution	29.1	29.1	29.1	29.1
Earnings per share, SEK	0.9	0.9	3.1	3.1
Before and after dilution, SEK	0.9	0.9	3.1	3.1

Balance sheet, Group

SEKm	Mar 31, 2024	Mar 31, 2023	31 Dec 2023
ASSETS			
Non-current assets			
Goodwill	210.2	210.2	210.2
Capitalised development costs	41.8	31.4	38.9
Property, plant and equipment	39.0	43.9	42.0
Right-of-use assets	12.3	11.8	11.0
Deferred Tax Asset	0.0	0.0	-
Total non-current assets	303.3	297.2	302.0
Current assets			
Inventories	123.0	109.4	159.6
Accounts receivable	137.4	128.1	107.9
Prepaid expenses and accrued income	8.3	7.1	4.3
Other receivables	3.7	5.5	2.9
Cash and cash equivalents	31.9	7.2	20.4
Total current assets	304.2	257.3	295.0
TOTAL ASSETS	607.5	554.5	597.1
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	0.5	0.5	0.5
Share premium	178.4	178.0	178.4
Reserves	-0.6	0.1	-0.6
Retained earnings including profit/loss for the period	215.7	126.6	189.2
Equity attributable to the Parent Company's shareholders	394.0	305.2	367.5
Total equity	394.0	305.2	367.5
Non-current liabilities			
Long-term lease liabilities	7.9	8.0	6.8
Provisions	5.1	4.0	5.0
Deferred tax liabilities	4.6	6.6	4.5
Total non-current liabilities	17.6	18.6	16.2
Current liabilities			
Overdraft facility	10.4	17.8	2.5
Other short term interest-bearing liabilities	-	40.0	10.0
Current lease liabilities	4.4	3.7	4.1
Accounts payable	145.9	145.5	158.7
Tax liabilities	10.1	5.1	9.8
Other liabilities	2.1	1.6	2.1
Accrued expenses and prepaid income	23.0	17.0	26.2
Total current liabilities	195.9	230.7	213.4
TOTAL EQUITY AND LIABILITIES	607.5	554.5	597.1

Cash flow, Group

SEKm	Q1		Apr–Mar	Full year
	2024	2023	23/24	2023
Cash flows from operating activities				
Profit/loss after financial items	33.6	34.2	112.8	113.4
Adjustments for items not included in cash flow	5.9	5.5	23.3	22.9
Income tax paid	-6.8	-1.1	-18.8	-13.1
	32.7	38.7	117.3	123.2
Increase (+)/Decrease (-) of inventories	36.6	17.4	-13.5	-32.8
Increase (+)/Decrease (-) of operating receivables	-34.1	-27.7	-10.6	-4.2
Increase (+)/Decrease (-) of operating liabilities	-16.0	37.3	6.9	60.2
Net cash from operating activities	19.2	65.6	100.0	146.4
Cash flows from investing activities				
Acquisition of property, plant and equipment	-0.5	-7.1	-8.4	-15.0
Acquisition intangible assets	-4.1	-2.6	-15.3	-13.8
Net cash used in investing activities	-4.6	-9.7	-23.7	-28.9
Cash flows from financing activities				
Net change other short term interest-bearing liabilities	-10.0	40.0	-40.0	10.0
Net change, bank overdraft facility	8.0	-91.7	-7.4	-107.1
Repayment of borrowings	-1.1	-0.9	-4.1	-4.0
Net cash used in financing activities	-3.1	-52.7	-51.5	-101.1
Net increase in cash and cash equivalents	11.6	3.2	24.8	16.5
Cash and cash equivalents at start of period	20.4	3.9	7.2	3.9
Effects of movements in exchange rates on cash held	-	-0.0	-0.0	-0.0
Cash and cash equivalents at end of period	31.9	7.2	31.9	20.4

Change in equity, Group

Amounts in SEKm	Share capital	Share premium	Reserves	Retained earnings including profit/loss for the year	Total	Non-controlling interest	Total equity
Balance at 2023-01-01	0,5	178,0	-0,0	99,7	278,2	-	278,2
Profit for the period				27,0	27,0		27,0
Translation differences			0,1		0,1		0,1
Total comprehensive income for the period			0,1	27,0	27,1		27,1
Premium paid when issuing stock options		-			-		-
Balance at 2023-03-31	0,5	178,0	0,1	126,6	305,2	-	305,2
Balance at 2024-01-01	0,5	178,4	-0,6	189,2	367,5	-	367,5
Profit for the period				26,6	26,6		26,6
Translation differences			0,0		0,0		0,0
Total comprehensive income for the period			0,0	26,6	26,6		26,6
Premium paid when issuing stock options		-			-		-
Balance at 2024-03-31	0,5	178,4	-0,6	215,7	394,0	-	394,0

Parent Company

Income statement

SEKm	Q1		Apr–Mar	Full year
	2024	2023	23/24	2023
Net sales	1.4	1.2	5.1	4.9
Other operating income	-	-0.0	-0.0	-0.0
	1.4	1.2	5.1	4.9
Operating expenses				
Other external expenses	-0.4	-0.3	-1.7	-1.6
Personnel expenses	-1.4	-1.1	-5.0	-4.7
	-1.8	-1.4	-6.7	-6.3
Operating profit	-0.4	-0.2	-1.5	-1.3
<i>Net financial income and expenses</i>				
Text	0.0	-	0.0	0.0
Finance costs	-0.0	-0.0	-0.0	-0.0
Profit/loss after financial items	-0.4	-0.2	-1.5	-1.3
Appropriations	-	-	21.9	21.9
Net income before taxes	-0.4	-0.2	20.4	20.6
Income tax expense	-	-	-4.5	-4.5
Deferred tax liabilities	0.0	0.0	0.0	-0.0
Profit for the period	-0.3	-0.2	15.9	16.1

The Parent Company has no items that are recognized as other comprehensive income. Total comprehensive income is therefore the same as net profit for the period.

Balance sheet

SEKm	Mar 31, 2024	Mar 31, 2023	31 Dec 2023
ASSETS			
Non-current assets			
Shares in group companies	271.4	271.4	271.4
Deferred Tax Asset	0.0	0.0	-
Total non-current assets	271.5	271.4	271.4
Current assets			
Receivables from group companies	0.6	0.6	-
Other receivables	0.0	2.2	0.0
Prepaid expenses and accrued income	0.5	0.4	0.2
Cash and cash equivalents	0.1	0.2	1.7
Total current assets	1.2	3.5	2.0
TOTAL ASSETS	272.7	275.0	273.4
EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity			
Share capital	0.5	0.5	0.5
Total restricted equity	0.5	0.5	0.5
Non-restricted equity			
Share premium	178.4	178.0	178.4
Retained earnings	72.3	56.2	56.2
Profit for the period	-0.3	-0.2	16.1
Total non-restricted equity	250.4	234.0	250.7
Shareholders' equity	250.9	234.5	251.2
Untaxed reserves	15.6	26.0	15.6
Current liabilities			
Debt to group companies	1.4	13.0	1.0
Accounts payable	0.1	0.0	0.0
Tax liabilities	2.3	0.1	2.7
Other liabilities	0.3	0.3	0.5
Accrued expenses and prepaid income	2.1	0.9	2.4
Total current liabilities	6.2	14.5	6.6
TOTAL EQUITY AND LIABILITIES	272.7	275.0	273.4

Operating segment and revenue distribution

Fractal monitors net sales and product profit by product category. Sales are also monitored by geography, for which separate disclosures are provided in the report.

Note 1 – Net sales and earnings by segment

SEKm	Q1		Apr–Mar	Full year
	2024	2023	23/24	2023
Net sales	192.4	195.5	770.1	773.3
- Cases	179.8	177.3	708.1	705.6
- Other	12.6	18.2	62.0	67.6
Product profit	82.3	79.1	318.5	315.3
- Cases	77.5	71.5	296.6	290.6
- Other	4.8	7.6	21.9	24.7
Capitalized development expenditure	3.3	1.8	10.2	8.7
Other operating income	0.1	1.5	-1.1	0.2
Other external expenses	-25.9	-22.1	-110.0	-106.1
Personnel expenses	-23.3	-18.6	-85.6	-80.9
Depreciation and impairment of tangible and intangible non-current assets	-5.7	-5.1	-22.1	-21.4
Operating profit	30.6	36.5	109.9	115.8
Finance income	4.0	-	5.1	1.1
Finance costs	-1.0	-2.3	-2.2	-3.5
Net financial income and expenses	3.0	-2.3	2.9	-2.4
Net income before taxes	33.6	34.2	112.8	113.4

Note 2 – Distribution of revenue

The Group generates revenue primarily from the sale of premium PC gaming products in the form of cases, power supply units, cooling products and fans. Sales are made to distributors, resellers and system integrators and purchases are made from contracted manufacturers. Ownership of the sold products normally transfers to the customer on physical delivery of each product. Other revenue mainly consists of currency exchange differences regarding sales and purchases and are not included in the table below, which describes the nature of the revenue streams.

Disaggregation of revenue from agreements with customers

The disaggregation of net sales in product areas, geographic markets and time of reporting is summarized below. Product areas and geographic markets coincide with those mentioned in the segment reporting.

Group	Cases		Other		Total	
	Jan–Mar		Jan–Mar		Jan–Mar	
SEKm	2024	2023	2024	2023	2024	2023
Geographic market						
Americas	72.4	69.0	1.4	2.3	73.8	71.3
EMEA	89.3	88.7	7.9	9.2	97.2	97.9
APAC	18.1	19.7	3.2	6.7	21.4	26.3
Time of revenue recognition						
Goods recognized at a point in time	179.8	177.3	12.6	18.2	192.4	195.5
Goods and services recognized over time	-	-	-	-	-	-
Total net sales	179.8	177.3	12.6	18.2	192.4	195.5

Note 3 – Financial instruments at fair value

The Group's financial instruments are recognized at amortized cost. The carrying amount offers a reasonable estimate of fair value.

Definitions

This report contains key financial figures in accordance with the framework applied by Fractal, which is based on IFRS. In addition, other key figures (alternative performance measures) are used by management and other stakeholders to analyze trends and the performance of the Group's operations that cannot be identified or derived from the financial statements. Fractal's stakeholders should not regard these alternative performance measures as a substitute, but rather as a complement to the financial statements which are prepared in accordance with IFRS. A list of definitions and key figures used and referred to in this report is presented below.

Non-IFRS metrics	Description	Justification for the use of metrics
Net sales, USD million	Amounts invoiced in USD relating to sales, adjusted for distributor and reseller discounts that are also denominated in other currencies.	Fractal's sales are invoiced in full in USD. The purpose of presenting the key figure is to present the organic growth for the Group.
Product profit	Net sales less goods for resale.	Demonstrates product profitability of the core business.
Product margin, %	Product profit in relation to net sales.	Demonstrates product profitability of the core business in relation to net sales.
Operating profit (EBIT)	Fractal's reported operating profit (EBIT).	Operating profit (EBIT) is a performance metric that along with EBITDA, shows the earnings generated by the day-to-day activities.
Operating margin (EBIT margin), %	Operating profit (EBIT) in relation to net sales.	Enables comparisons of profitability irrespective of capital structure or tax situation.
EBITDA	Operating profit (EBIT) with a reduction of depreciation and impairment of tangible and intangible non-current assets.	EBITDA together with operating profit (EBIT) provides an overall picture of the generation of earnings from the day-to-day activities.
EBITDA margin, %	EBITDA in relation to net sales.	This key figure is used for analysis of the generation of earnings by Fractal.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability.	Adjusted EBITDA is a performance metric that is considered relevant to the understanding of Fractal's financial performance from the day-to-day activities. This metric shows the financial performance of the day-to-day activities without any influence from significant cost or income items that affect the possibility of making comparisons over time, as described under "items affecting comparability" below.
Adjusted EBITDA margin, %	Adjusted EBITDA in relation to net sales.	Adjusted EBITDA margin is a key figure that is considered relevant to understanding Fractal's financial performance from the day-to-day activities without any impact from significant cost or income items that affect the ability to make comparisons over time.
Items affecting comparability	Income and cost items that are reported separately as a result of their nature and amount.	Items affecting comparability are used to explain differences in the historical profit/loss. Separate reporting and specification of items affecting comparability enables readers of the financial statements to understand and evaluate the adjustments made in the presentation of adjusted operating profit (adjusted EBIT) and adjusted EBITDA.
Net working capital	Net working capital is calculated as net working capital assets less net working capital liabilities. Net working capital assets are calculated as the sum of inventories, accounts receivable and prepaid expenses and accrued income as well as other receivables. Net working capital liabilities are calculated as the sum of accounts payable and tax liabilities, accrued expenses and prepaid income as well as other liabilities.	This metric shows how much net working capital is tied up in Fractal's business.
Operating cash flow	EBITDA less acquisition of property, plant and equipment and capitalized development expenditure and adjustments for changes in inventories, operating receivables and operating liabilities.	Operating cash flow is used by Fractal as a metric for how much cash flow the business generates.
Cash conversion, %	Operating cash flow in relation to EBITDA.	Fractal uses this key ratio to monitor how effectively the Group manages ongoing investments and net working capital.

Non-IFRS metrics	Description	Justification for the use of metrics
Interest-bearing net debt	Interest-bearing debt less cash and cash equivalents. Interest-bearing debt consists of the sum of overdraft facility, and debt to Group companies.	Shows organic business growth during the period compared to the preceding period.
USD/SEK, average	Net sales in SEK million in relation to net sales in USD million.	The average USD/SEK exchange rate has a significant impact on company net sales and operating profit.
Net sales growth, %	Growth in net sales for the period, calculated as an increase in net sales compared to the preceding year, expressed as a percentage.	Shows change in net sales for the business during the period compared to the preceding period.
Organic net sales growth, %	Growth in net sales in USD million for the period, calculated as the change in net sales in USD million compared to the preceding year, expressed as a percentage.	Shows organic business growth during the period compared to the preceding period.
Equity ratio	Equity in relation to total assets	Shows how large a share of assets are financed by equity and can be used as an indicator of the company's ability to pay over the long term.
Key Performance Indicators (KPIs)		
Sales out, USD sellers to end consumers (Sales Out), USD	Sales out measured in USD, reported by Fractal's resellers.	Sales out measured in USD is used by Fractal as an indicator of the underlying demand for the company's products.

Financial calendar

Annual General Meeting
Interim report, January–June 2024
Interim report, January–September 2024

May 21, 2024
August 15, 2024
October 24, 2024

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