



6 FEBRUARY 2025

Q4 2024 Report

Q4 Highlights

Strong finish of the year with good momentum entering 2025.

Net sales in Q4 was 205 SEKm (143), an increase of 44%, +42% organically. The second highest in Fractal history.

Partners were increasing their inventory levels to meet demand in the seasonally strong fourth quarter and ahead of expected stronger demand in 2025.

Sales out revenue was the highest ever recorded in a quarter, increasing by 12% with Black Friday, Christmas and other sales campaigns delivering strong results.

EBITDA increased to 29 SEKm (13), with an EBITDA margin of 14.2% (8.8). The higher result is mainly due to increased net sales.

Product margin decreased to 39.1% compared to 40.8% last year.

Net cash position of 51 SEKm (8) at end of quarter.

The reception of Fractal's new Refine computer chair and Scape gaming headset, that will be launched in Q2, has been very positive, marking a milestone in our growth journey.



Market Development & Demand

Upgrade demand driven by aging systems: End of Q4 marks five years since the pandemic-driven upgrade boom, with many gaming-PCs reaching the end of their lifecycle.

PC gaming demand rising: 35% of U.S. consumers considering tech purchases planned to buy a desktop PC for the holidays, up 9 percentage points from last year, reinforcing strong hardware demand.

Strong game releases fueling growth: Titles like Doom Dark Ages and Civilization 7 are expected to contribute to growth of the games market and further fuel hardware demand.

North & North XL win 'Best Overall PC Case 2024': Awarded by GamersNexus, the North series continues to set industry trends with its innovative wood-accented design, strengthening Fractal's position as a design leader in gaming hardware.

US tariffs are competition neutral: Fractal's exemption for cases is currently valid until May 31st 2025. As of February 4th we have 10% tariff on all products imported to the US. Tariffs on our product categories impact the entire industry equally and we have a plan with short- and long-term measures that will mitigate the impact.



Key Financials 2024

Net sales

- **698 SEKm** (773), down 9.7%. Meeting high comparison figures for full year 2023 with growth of 59%.
- **Successful product launches**, including two new product categories: the Refine gaming chair and the Scape headset.
- **Weaker market** and external conditions during the first three quarters of the year, but we end the year with a strong Q4.
- **14% organic CAGR** 2021–2024, mainly driven by our product portfolio expansion.

Product margin

- **40.3%** (40.8) slightly lower year-over-year.
- **Lower purchasing prices** and freight costs improved the product margin by +1.4 percentage points.
- **Currency effects** and sales discounts reduced the margin by -1.9 percentage points.

EBITDA

- **84 SEKm** (137), with an EBITDA margin of 12.0% (17.7).
- **EBITDA was impacted** by lower sales, increased marketing expenses, and higher personnel costs, aligning with our long-term strategic investments.

Financial position

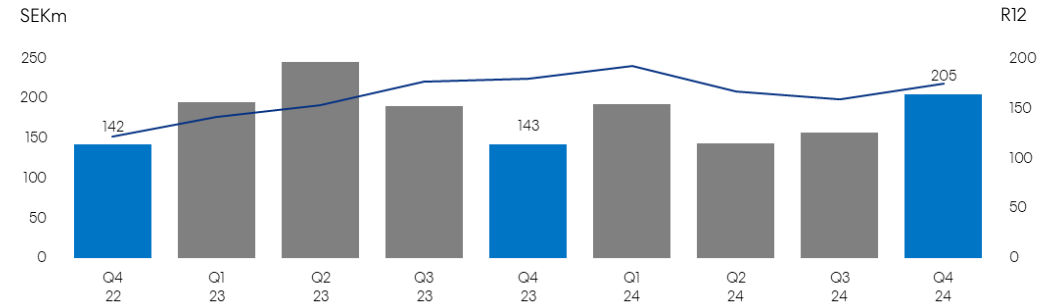
- **Net cash of 51 SEKm** (8), demonstrating a strong financial position that provides stability and flexibility to execute on our strategic growth agenda.
- **Equity ratio improved** to 62.8% (61.5).
- **Operating cash flow** 59 SEK (132) primarily impacted by lower EBITDA.

Q4 Net sales

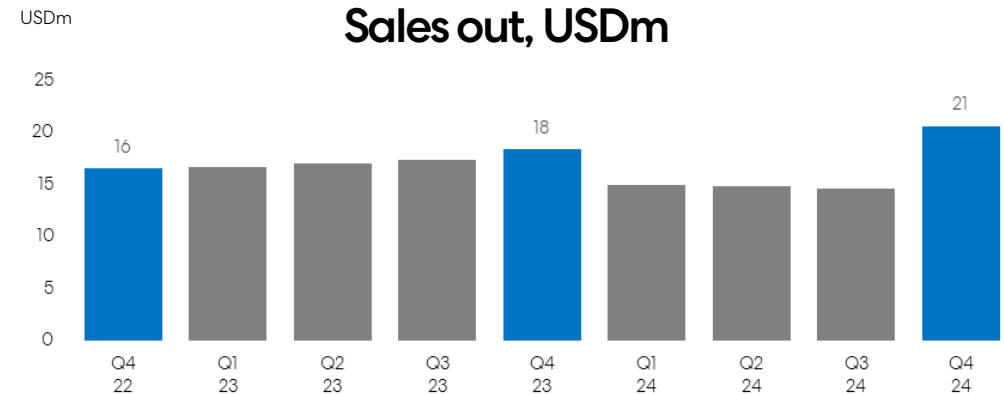
Q4 Net sales reached 205 SEKm (143), representing a 43.8% increase. Organic net sales increased to 19 USDm (13), up 42.0%.

- **Second-strongest quarter in Fractal’s history**, following the record set in Q2 2023.
- **Successful promotional campaigns** during Black Friday and Cyber Monday contributed to the high sales growth.
- North and North XL were awarded **‘Best Overall PC Case 2024’** by GamersNexus, driving additional sales.
- **Strong performance from Refine** computer chair added to the overall sales momentum.
- **Sales-out revenue** for tracked partners grew by 12.2% YoY, marking the **strongest result in Fractal’s history** to date.

Net sales, SEKm



Sales out, USDm



Q4 Segment development

Sales of cases accounted for 86% of total sales, a 5-percentage point decrease from the previous year, primarily an effect of the launch of the new Refine computer chair.

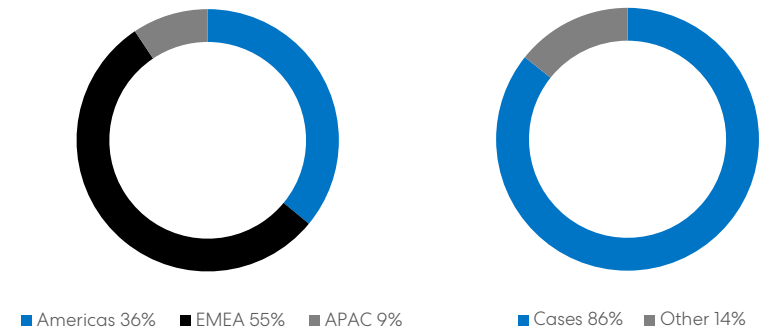
Total net sales of cases in Q4 amounted to 176 SEKm (130), representing a 35% increase. Other product category contributed 29 SEKm (12), marking a 140% growth, primarily driven by the success of Refine.

EMEA was the strongest-performing region, with net sales reaching 112 SEKm (63), an increase of 78%. EMEA's share of total sales grew to 55% (44), a 11-percentage point increase from the previous year, fueled by strong Amazon sales and sales of Refine.

Net sales in the Americas totaled 74 SEKm (59), a 26% increase, supported by successful Black Friday and promotional campaigns. The Americas represented 36% (41) of total sales.

APAC net sales amounted to 19 SEKm (21), with the region accounting for 9% (15) of total sales.

SEKm	Business Segment					
	Cases Q4		Other Q4		Total Q4	
	2024	2023	2024	2023	2024	2023
Geographic market						
EMEA	91	55	21	8	112	63
Americas	69	57	5	2	74	59
APAC	15	18	4	3	19	21
Total net sales	176	130	29	12	205	143

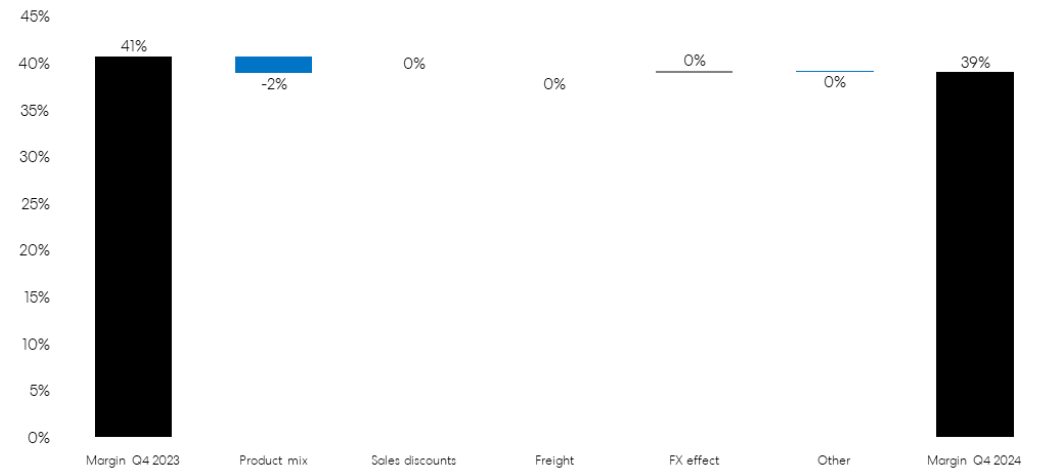
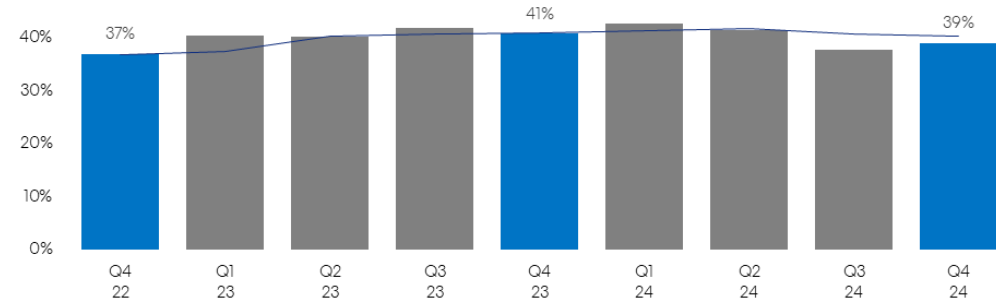


Q4 Product margin

The product result increased to 80 SEKm (58) and the product margin was 39.1% (40.8), a decrease of 1.7 percentage points.

- **One-off write-down** of older products within water cooling category, which reduced the margin by approximately 1.3 percentage points.
- **Slightly lower margins** within the case category reduced the margin by 0.6 percentage points.
- **Sales discounts** as a percentage of sales remained in line with expectations and the previous year.
- **Other factors**, such as currency effects, tariffs, freight costs, and sales discounts, had an overall marginal net effect on the product margin, resulting in a positive impact of approximately 0.2 percentage points.

Product margin (%)



Q4 Earnings and Cash flow

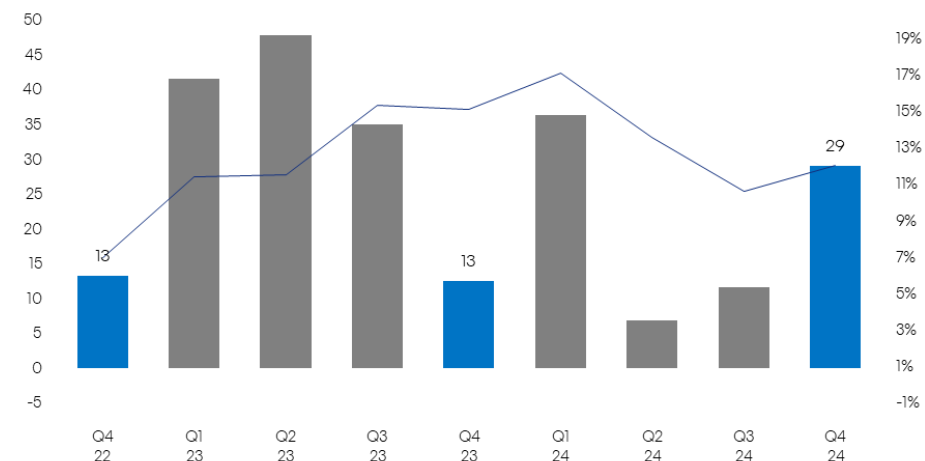
EBITDA increased to 29 SEKm (13), with an EBITDA margin of 14.2% (8.8).

Operating cash flow improved to 17 SEKm (-56), mainly driven by higher EBITDA and a positive working capital effect. Lower inventory and higher payables contributed positively, while higher accounts receivable due to strong Q4 sales had a negative impact.

Net investments amounted to -18 SEKm (-11), mainly for product development.

Net cash position increased to 51 SEKm (8), with zero utilization of the bank overdraft facility.

SEKm **EBITDA (SEKm) and EBITDA-margin R12 (%)** R12



SEKm	Q4		Jan—Dec	
	2024	2023	2024	2023
EBITDA	29	13	84	137
Change in NWC	6	-57	6	23
Net tangible and intangible expenditure	-18	-11	-31	-29
Operating cash flow	17	-56	59	132
Cash conversion %	59%	-447%	70%	96%

Income statement

Total revenue in Q4 amounted to 210 SEKm, an increase of 43.3%.

Goods for resale as a percentage of sales was negatively impacted by a one-off write-down of older products within the water cooler category and a slightly unfavorable product mix. However, currency effects, tariffs, freight costs, and sales discounts had a minor positive net impact.

Other external expenses increased compared to last year, primarily due to variable costs, including kickbacks.

Strategic hires and annual salary revisions contributed to the increase in personnel expenses.

Finance net improved, driven by a positive USD/SEK effect and no utilization of the overdraft facility.

SEKm	Q4		Jan—Dec	
	2024	2023	2024	2023
Net sales	205,2	142,6	697,9	773,3
Capitalized development expenditure	4,8	2,8	13,6	8,7
Other operating income	0,0	1,0	0,6	0,2
Total revenue	210,0	146,5	712,2	782,2
Operating expenses				
Goods for resale	-124,4	-85,4	-417,8	-458,0
Other external expenses	-30,8	-25,3	-113,2	-106,1
Personnel expenses	-25,7	-23,2	-97,3	-80,9
Depreciation and impairment of tangible and intangible non-current assets	-7,7	-5,8	-25,4	-21,4
Total operating expenses	-188,6	-139,7	-653,6	-666,4
Operating profit	21,4	6,8	58,6	115,8
Finance income	5,2	0,1	4,2	1,1
Finance costs	-0,2	-2,7	-2,4	-3,5
Profit/loss after financial items	26,3	4,2	60,4	113,4
Income tax expense	-6,0	-3,0	-13,8	-25,9
Deferred tax liabilities	0,9	2,0	1,1	2,2
Profit for the period	21,2	3,2	47,7	89,6

Summary

- **Strong finish of the year**, entering 2025 with good momentum.
- **Net sales 9.7% lower in FY 2024** meeting very high comparison figures 2023 (+59%).
- **Partners increasing their stock** levels ahead of expected stronger demand in 2025.
- **Slightly lower product margin** of 40.3%, down 0.5 percentage points
- **EBITDA margin of 12.0%** for FY 2024, down 5.7 percentage points vs. 2023, following lower net sales and product margin.
- **Very positive reception of Refine** gaming chair and our new case Era 2, as well as big interest for Scape gaming headset. Beginning of a shift in Fractal's global brand and market position.
- **Our strong financial position** gives us the opportunity to pursue our strategic initiatives and to further advance our position in the market.
- **Increased demand expected** in 2025 supported by key PC component launches and new game titles.
- **US tariffs on computer cases are competition neutral** and we have a plan with short- and long-term measures to mitigate the effect.
- **We see good potential to drive profitable growth in 2025 and beyond** supported by our new product launches, expansion into new product categories and increased marketing and channel initiatives.