



7 MAY 2026

Q1 2026 Report

Q1 Highlights

Sharp market slowdown in Q1 driven by global memory shortages, with AI and data center demand pushing prices higher and leading to more cautious consumer behavior. Mitigation actions implemented.

Net sales in Q1 amounted to 138 SEKm (226), -39% YoY, -28% organic USD. Decline most pronounced in the case category but market position maintained.

Sales out decreased by 21%, with inventory adjustments in the distribution channel further amplifying short-term net sales fluctuations, a well-known dynamic in market cycles.

EBITDA amounted to 1.3 SEKm (37.3), with a margin of 1.0% (16.5), primarily impacted by lower sales. Product margin declining slightly to 39.1% (40.4) as positive effects from pricing and cost improvements were offset by FX and tariffs.

Operating cash flow amounted to 23.3 SEKm and the net cash position improved sequentially to 13.9 SEKm.

Mitigation actions initiated to adapt to lower market demand, including organizational restructuring affecting ~15 headcounts, reduced purchasing, and continued improvements in pricing, cost control and operational efficiency.

With a strong brand and product roadmap, we are well positioned to capture opportunities from pent-up demand as the market normalizes.



Market Development & Trends

PC market pressured by rising component costs

Global PC shipments grew modestly in Q1 (+3.2% YoY), but the outlook weakens into 2026 as higher system costs weigh on demand. This is driven by rising memory and storage prices amid AI-driven capacity shifts. Memory now stands at ~23% of system cost, at times exceeding CPU, increasing system price sensitivity.

Cost pressure reshaping consumer behavior

Higher component costs are pushing up overall system prices, forcing budget-conscious consumers to delay or scale back upgrades while driving more cautious purchasing behavior overall.

Strong engagement fueling pent-up demand

At the same time, the global gaming audience continues to expand, supported by new releases and growing player engagement. Platforms like Steam reached record levels in January (42 million concurrent users, ~5% YoY), reinforcing underlying demand and building pent-up demand as market conditions normalize.



Q1 Launches: Pop 2 Air & North Momentum

Pop 2 Air – Refined airflow performance

Builds on the success of the Pop series with an updated design focused on improved airflow, build experience, and overall performance.

- Built for entry- to mid-level systems with strong value proposition
- Mesh front for enhanced cooling performance
- Supports latest components and updated Type-C USB connectivity
- Early reviews highlight strong price-to-performance

North Momentum – Iconic design with enhanced cooling

Evolves one of the DIY market's most recognized cases by combining the signature design of the North series with upgraded airflow performance.

- Three high-performance fans for improved cooling and low noise
- Premium materials with a refined, modern aesthetic
- Strong appeal to both new builders and upgraders
- Early reception highlights balance of design, performance, and cooling



Scape awarded iF Design Award 2026

Recognized for design and innovation

Fractal's Scape gaming headset received the iF Design Award 2026, highlighting excellence in design, innovation, and functionality in a highly competitive category.

Expanding design leadership

The award highlights Fractal's ability to extend its design-driven approach into new categories, combining form, function, and everyday usability.

Strengthening category position

Scape reinforces Fractal's position in the audio segment and its capability to deliver premium, design-led products beyond its core offerings.



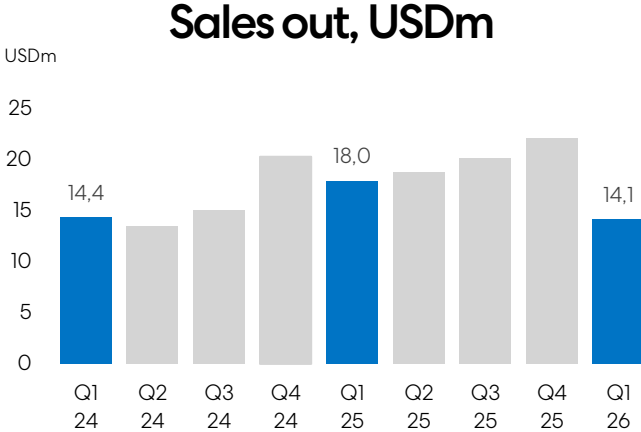
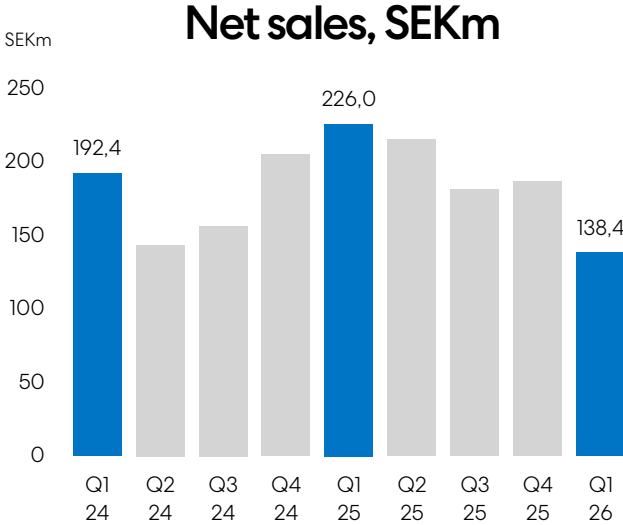
Net sales

Net sales growth: -38.7% | Organic growth in USD: -28.3% | Sales-out: -21.4%

Q1 2026 marked by a sharp broad-based market slowdown and cautious retailer behavior. Net sales declined to 138.4 SEKm (226.0), corresponding to 15.2 USDm (21.2). The decrease was driven by a significant slowdown in the gaming hardware market, impacted by memory component shortages.

Main drivers of net sales:

- **Net sales** decline driven by weaker demand across categories, particularly within cases
- **Lower sales-out** driven by softer end-consumer demand
- **Retailer caution** led to lower and more volatile purchasing patterns during the quarter
- **Weaker USD** (9.1 vs. 10.7) negatively impacted reported SEK sales
- **Inventory adjustments** in the channel added to the decline in net sales



Segment and regional development

Segment development

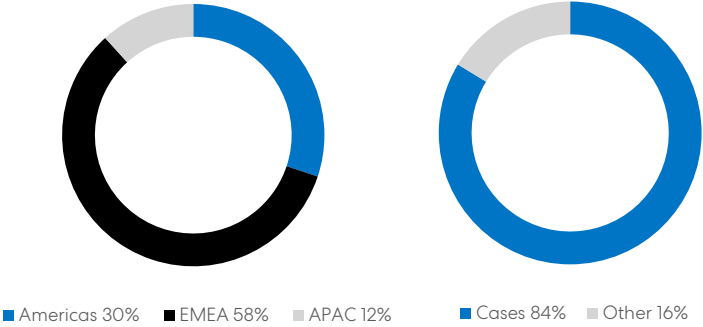
- **Cases remained** the largest category, accounting for 84% of total net sales, compared to 86% in the prior year
- **The case category** saw a significant decline, reflecting the broader market slowdown and inventory adjustments in the channel
- **Other category** declined, reflecting the weaker market environment, but increased its share of total net sales to 16%, as it was less impacted than cases, supported by contributions from gaming chairs and headsets

Regional development

- **EMEA remained** the largest region, accounting for 58% of total net sales
- **The Americas** accounted for 30% of total net sales, decreasing compared to prior periods, reflecting weaker demand and increased retailer caution
- **APAC accounted** for 12% of total net sales, with performance impacted by the broader market slowdown

Business Segment

SEKm	Cases Q1		Other Q1		Total Q1	
	2026	2025	2026	2025	2026	2025
Geographic market						
EMEA	65,5	90,2	15,0	23,0	80,5	113,2
Americas	37,7	82,4	4,0	5,1	41,7	87,5
APAC	12,7	22,2	3,5	3,0	16,2	25,3
Total net sales	115,9	194,8	22,5	31,1	138,4	226,0



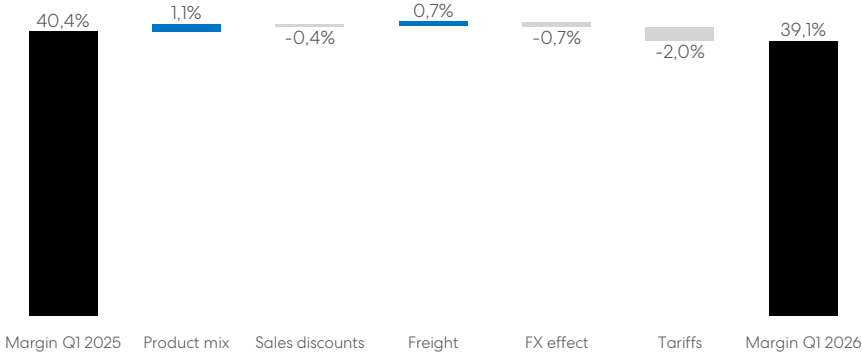
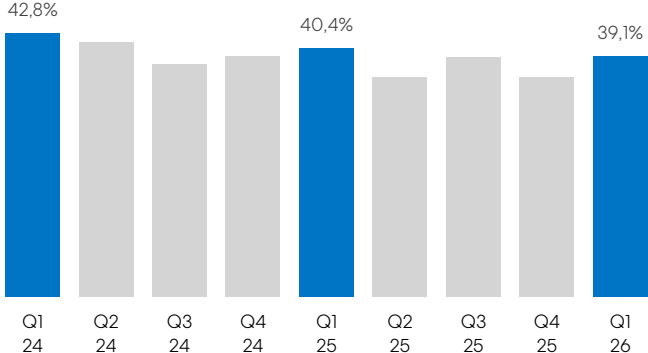
Product margin overview

Product profit amounted to 54.1 SEKm (91.3), corresponding to a product margin of 39.1% (40.4).

Main margin drivers:

- **Tariffs had** a negative impact of approximately -2.0 pp
- **Currency transaction** effects negatively impacted the margin by approximately -0.7 pp
- **Higher sales discounts** related to campaign activity impacted the margin by approximately -0.4 pp
- **Improved product mix** contributed positively by approximately +1.1 pp, driven by higher-margin cases and lower share of Refine
- **Lower freight costs** contributed positively by approximately +0.7 pp

Product margin (%)



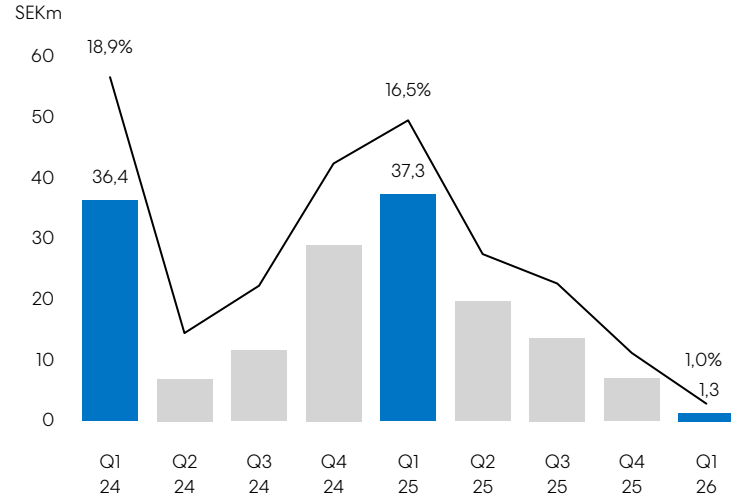
Profitability development

EBITDA for the quarter amounted to 1.3 SEKm, corresponding to an EBITDA margin of 1.0%, compared to 16.5% in the same quarter last year. EBIT was -5.8 million, reflecting depreciation and amortization in the quarter.

Key profitability drivers in the quarter:

- **Lower sales** volumes significantly impacted EBITDA, reflecting the weaker market environment
- **Currency translation** negatively impacted EBITDA through the conversion of USD-denominated revenues and costs into SEK
- **Higher operating** expenses, mainly driven by elevated inventory levels and related logistics costs, as inventory has not yet adjusted to the lower sales pace

EBITDA (SEKm) and margin (%)



Cash flow and financial position

Operating cash flow for the quarter amounted to 23.3 SEKm (72.7).

Cash flow in the quarter was supported by a positive change in net working capital of 33.6 SEKm, mainly reflecting lower accounts receivable and inventory levels, partly offset by reduced accounts payable.

Working capital development can vary between quarters depending on timing effects related to inventory and supplier payments.

At quarter-end, **net cash** amounted to 13.9 SEKm, compared to net debt of 3.3 at year-end. From April 1, the Group's credit facility was increased to 100 SEKm from 80 SEKm, providing additional financial flexibility.

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SEKm	2026	2025	25/26	2025
EBITDA	1,3	37,3	41,8	77,8
Change in NWC	33,6	42,7	-42,2	-33,1
Net tangible and intangible expenditure	-11,6	-7,3	-32,9	-28,6
Operating cash flow	23,3	72,7	-33,3	16,1

Summary

- **The gaming hardware market slowed significantly in Q1** due to global component shortages. Increased investments in AI and data centers increase prices for memory and storage, leading to more cautious purchasing behavior across the market.
- **Net sales amounted to 138 SEKm (226)**, corresponding to -39% YoY (-28% organic) while sales out decreased 21%. The decline was most pronounced for chassis, but our market position was maintained.
- **EBITDA amounted to 1.3 SEKm (37.3)**, with a margin of 1.0% (16.5), due to lower sales and slightly lower product margin of 39.1% (40.4).
- **The market slowdown has continued** in the beginning of Q2, with continued pressure on demand. We have taken decisive actions to adapt to current conditions and strengthen financial resilience.
- **Measures are decisive**, including organizational adjustments, reduced purchasing, and general cost reductions totalling approximately 40 SEKm during 2026. Around half relates to structural fixed costs. Restructuring costs of approximately 6 SEKm will be recognized in the second quarter.
- **A lower tariff burden** is, under current conditions, expected to contribute positively to product margins in the second half of the year. We see good potential for reimbursement of previously paid IEEPA tariffs of approximately USD 2 million.
- **Underlying demand for gaming remains strong**, supported by continued growth in the global player base and record engagement, including over 42 million concurrent users on Steam in January.
- **The current situation is driven by component shortages** and cautious purchasing behavior rather than structural demand weakness.
- **Historically, similar conditions have resulted in pent-up demand** that supports stronger sales when the market normalizes. Market imbalance is expected to persist through 2026.
- **With a well-positioned brand, product portfolio, and a strong launch roadmap** in the second half of the year, we are well positioned to capture opportunities ahead.





Q & A

