

# Investor update

Byggmax Group  
 March 28, 2022

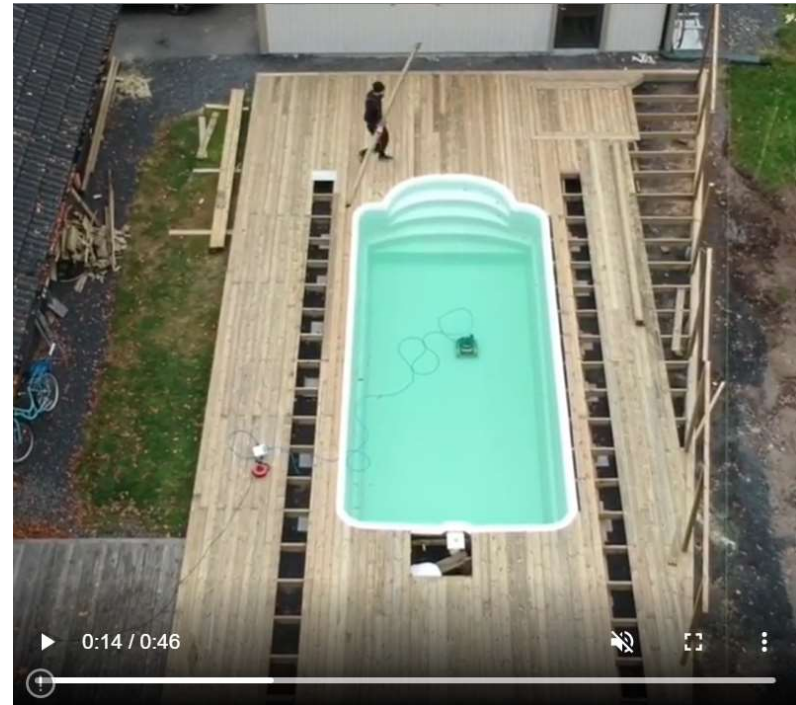
# AGENDA

Strategic update

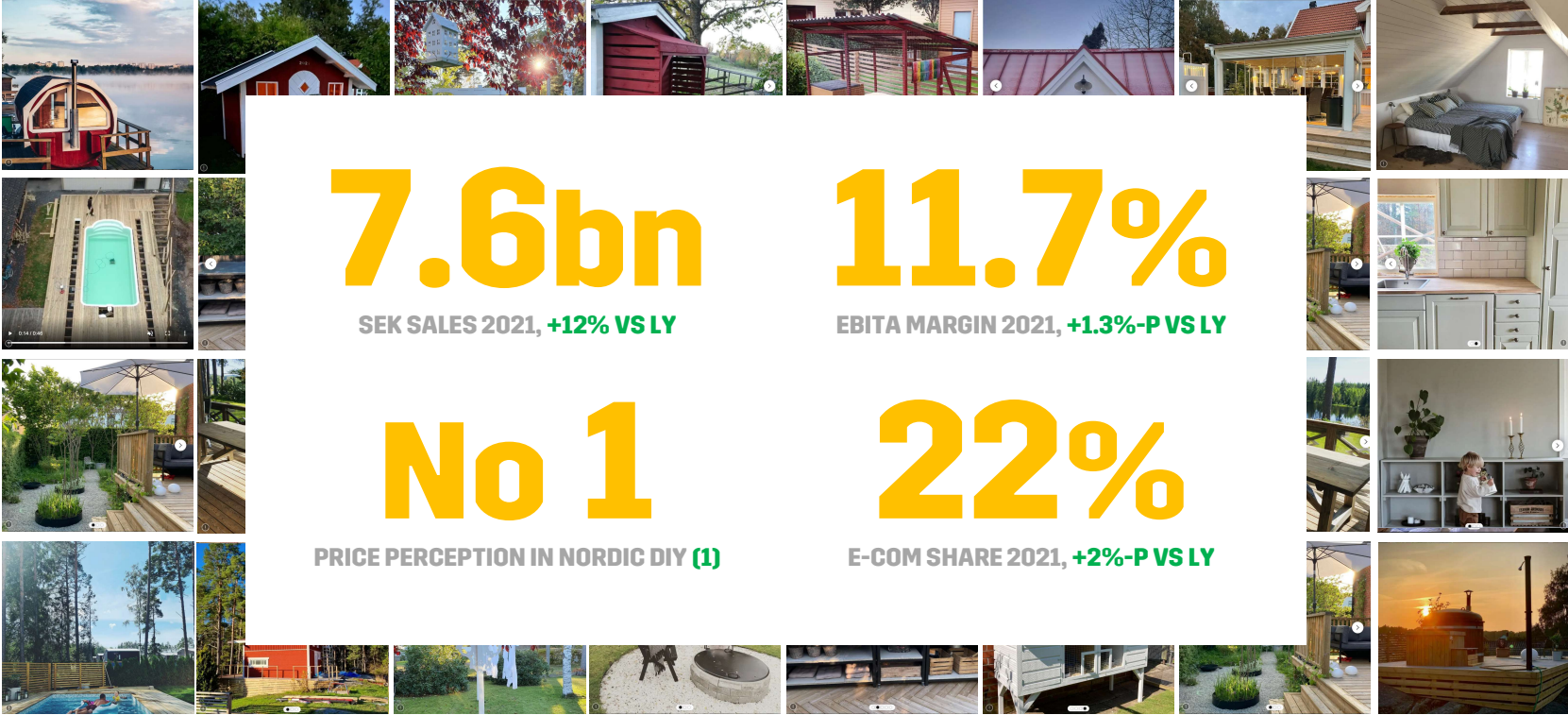
Our climate agenda

Goals & way forward

Q&A



# EVERYBODY HAS THE RIGHT TO A FANTASTIC HOME



**7.6bn**  
SEK SALES 2021, +12% VS LY

**11.7%**  
EBITA MARGIN 2021, +1.3%-P VS LY

**No 1**  
PRICE PERCEPTION IN NORDIC DIY (1)

**22%**  
E-COM SHARE 2021, +2%-P VS LY

# MAIN TAKEAWAYS

## MARCH 2021 Capital Markets Day

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Old mishaps fixed

Byggmax modernized discount offer takes market share

New financial targets

- Sales SEK 10bn 2025
- 7-8% EBITA
- Net debt (ex IFRS16)/EBITDA <2.5x
- Dividend 50% of net income

## MARCH 2022 Investor update

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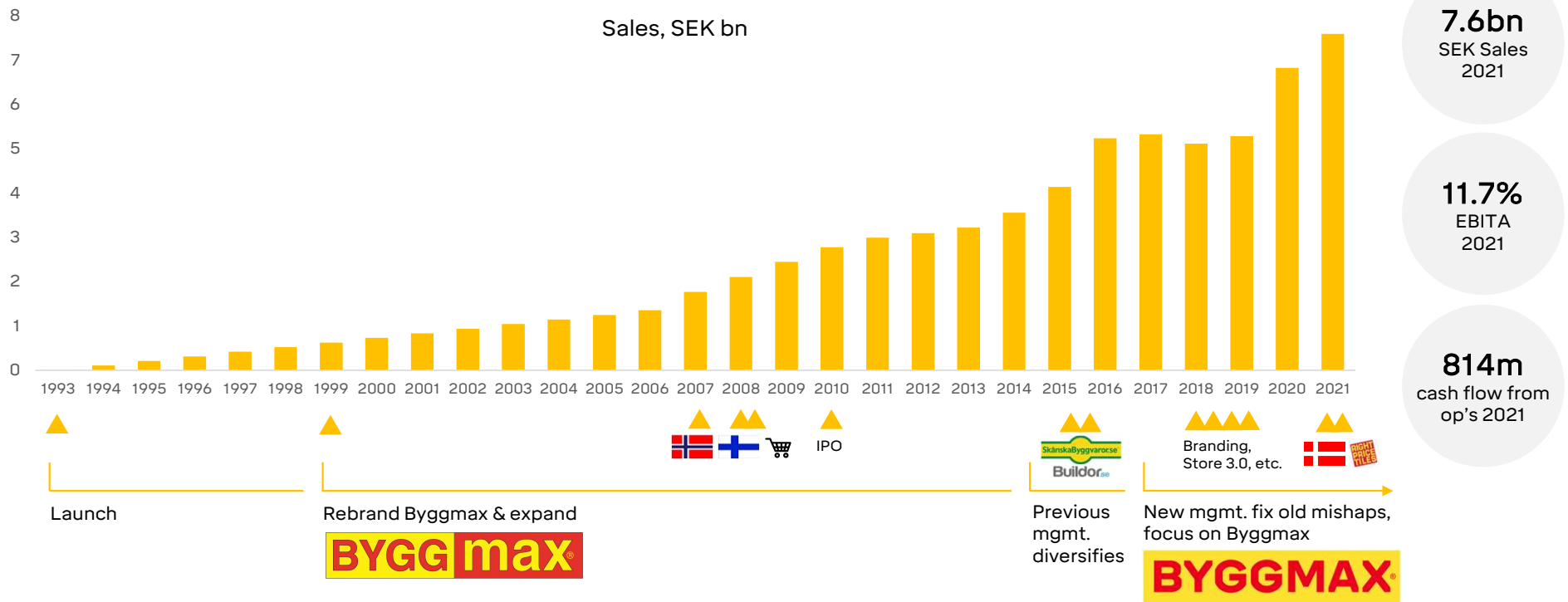
Market share gains continue

Acquisitions have generated more opportunities for organic growth

Transform Byggmax Group to positive climate impact (!)

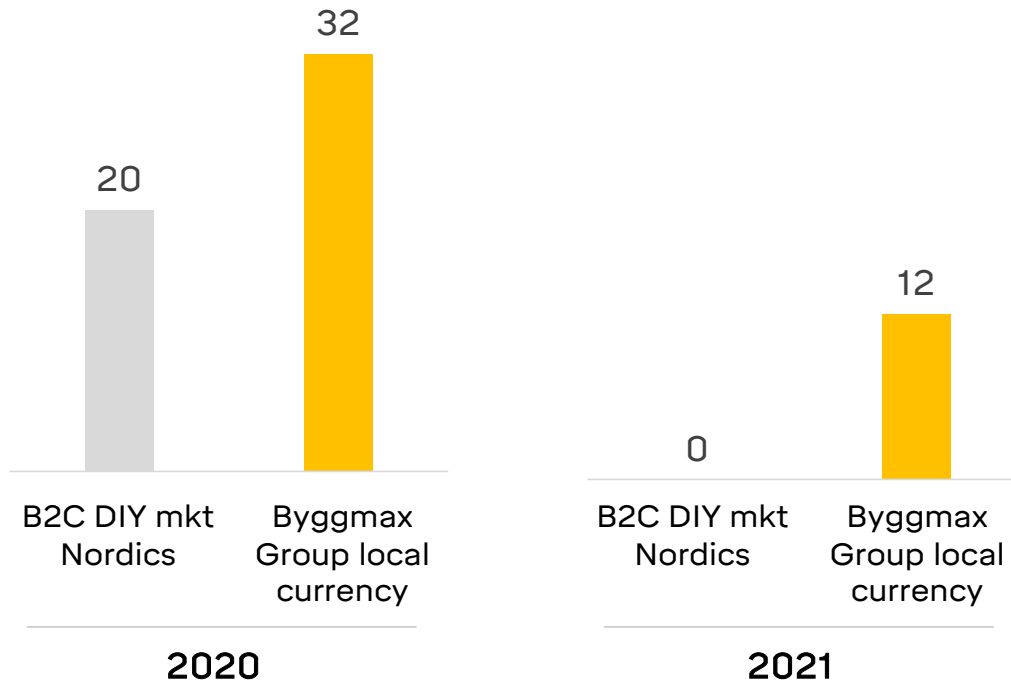
- Radically reduce emissions
- Green Ventures to produce own circular products

# SUCCESS STORY WITH NEW MOMENTUM



# OUTPERFORMING THE MARKET

Percent

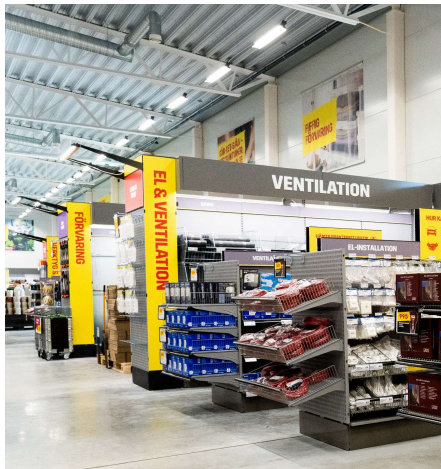


- Market boosted during covid-19 pandemic
- Market stabilized at new higher level during H2 2021
- Byggmax Group continues to take market share

 Byggmaterialhandlarna 

# GROWTH INITIATIVES CONTINUE TO DELIVER

## Store upgrades



- +6%** per “Store 3.0”
- Upgraded 68% of store portfolio end 2021 (39%)

## e-com



- 2x** e-com sales vs '19
- Bygghuset branded e-com +25% '21 (+50%)

## New stores



- 10** new stores 2021
- +3%-p. sales 2021
- New catchment areas

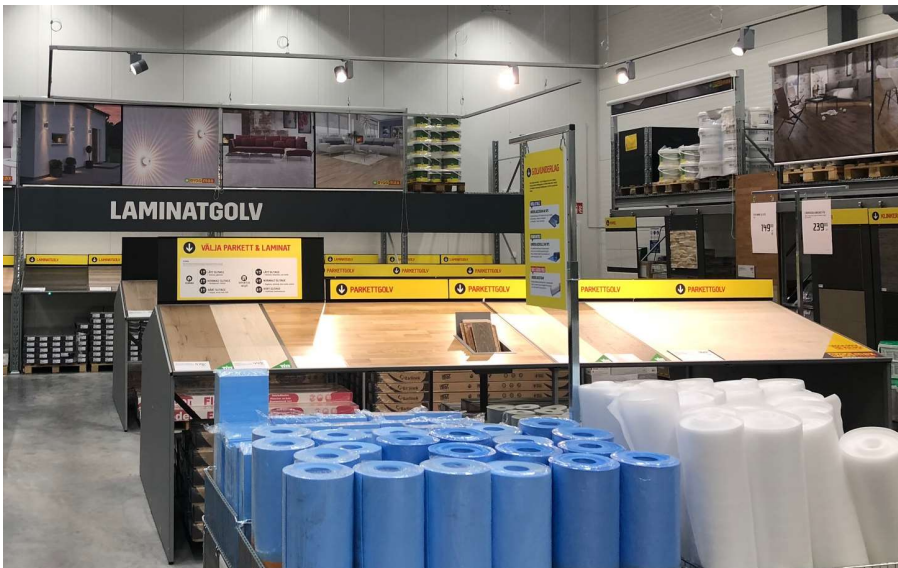
## Add-on M&A



- +4.5%-p.** sales 2021
- Danish profitable entry
- New category (tiles)

# MODERN DISCOUNT FEELS LIKE PREMIUM

New store 2017



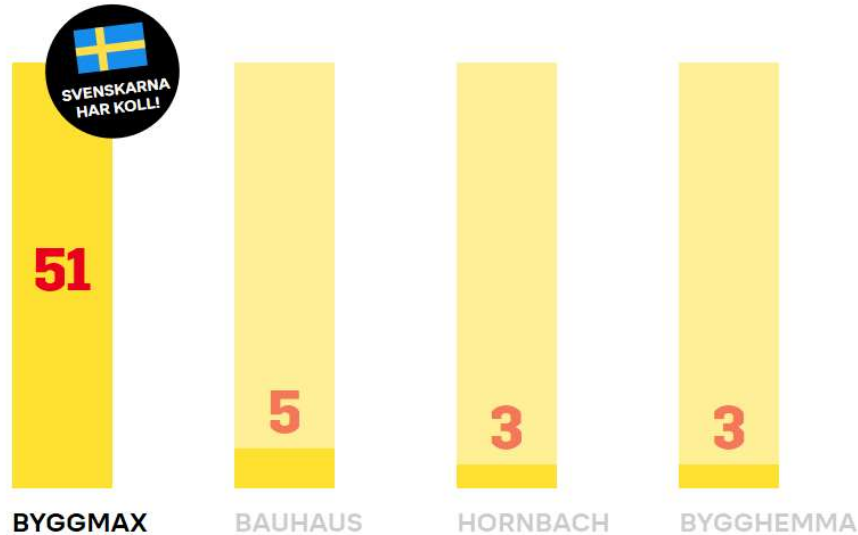
New store 2019



*Updated assortment \* Higher quality perception \* Still lowest price!*

# EVERYBODY LIKES THE UPGRADE

VILKEN BYGGHANDEL UPPLIVER DU HAR **LÄGST PRIS?**



## Adding "value for money"

Brand metrics, 2021 vs 2019

Service & knowledge	+5pp
Renowned brands	+4pp
Wide selection	+5pp
Good quality	+3pp
Priceworthy	+7pp

"HÄR FINNS SVERIGES BILLIGASTE TRÄDÄCK"

AFTONBLADET

Undersökningen publicerades på aftonbladet.se 7 april 2021.

BYGGMAX BILLIGST PÅ TERRASSEBORD 28X120

Hos Bygghuset får du de billigaste terrassbordena 28x120. Ifølge VGS prisundersökning.

VGS

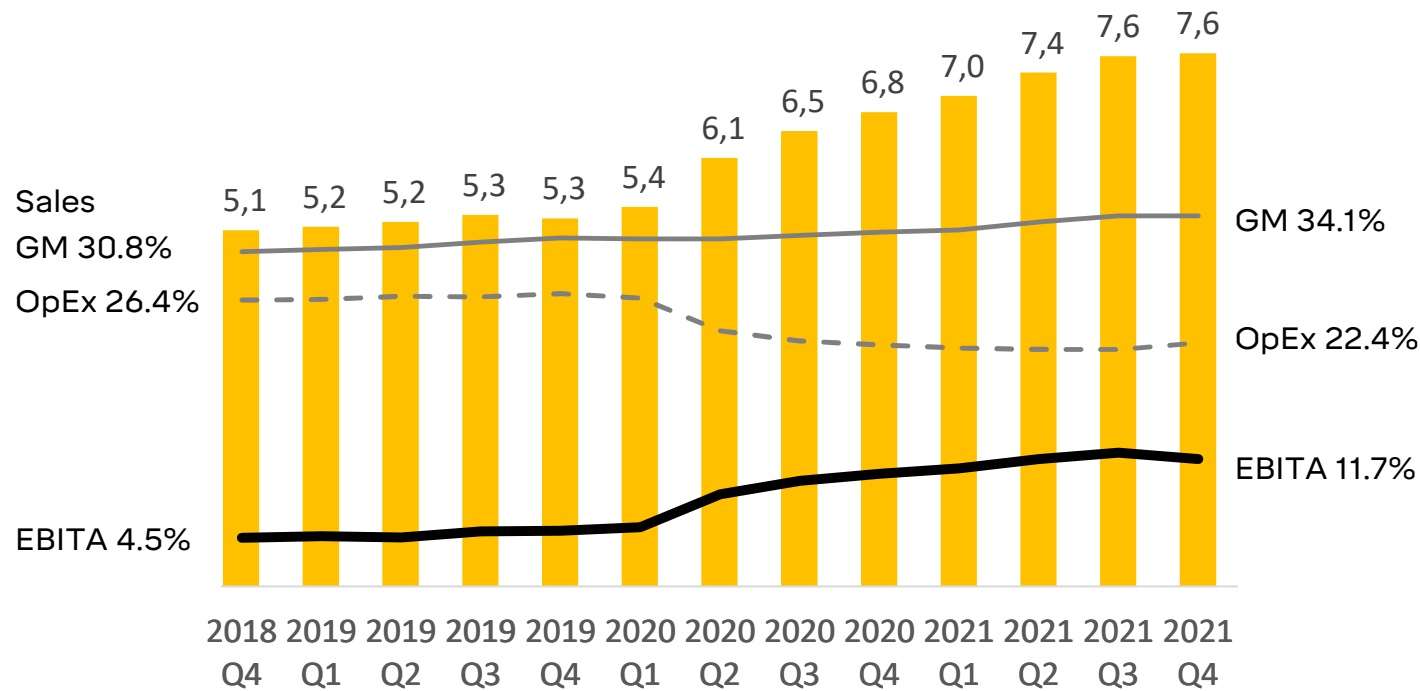
Undersökningen publicerades på vgs.se 1 maj 2021.



Verified Quality & Performance

# DEMONSTRATED SCALE EFFECTS

RTM figures, SEK bn



Sales growth driven by both market and market share gains

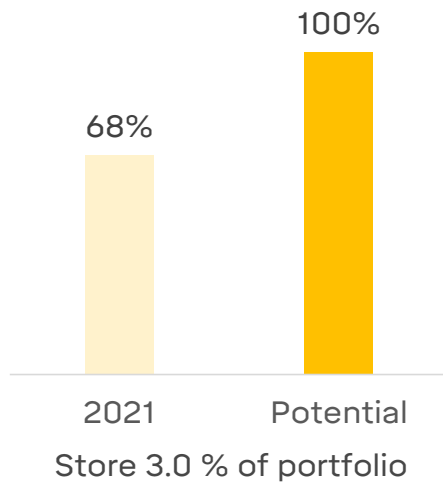
GM% structurally at new level

Strong track record of cost control

Continuous strong cash generation

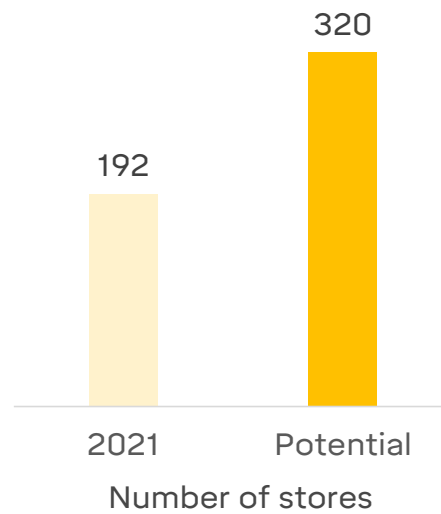
# ORGANIC GROWTH POTENTIAL IN ONGOING INITIATIVES: SEK 5BN

## Store upgrades



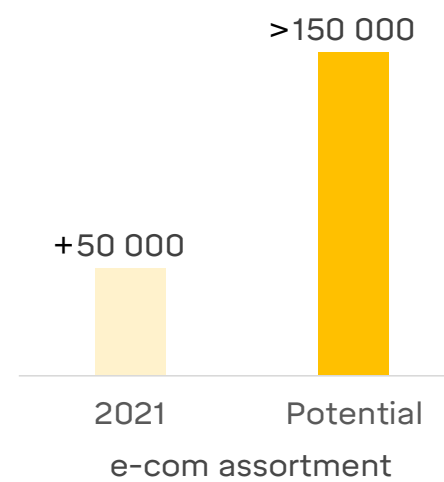
SEK ~150-200 m

## Store expansion



SEK 3-4 bn

## e-commerce



SEK ~1.5 bn

**SEK ca 5bn**  
potential in proven  
Bygghem initiatives

Momentum on store  
upgrades, new stores  
and e-com growth

Broader footprint incl.  
2021 acquisitions  
enables further growth

- Four countries
- More categories
- New formats

Add-on M&A at right  
opportunity

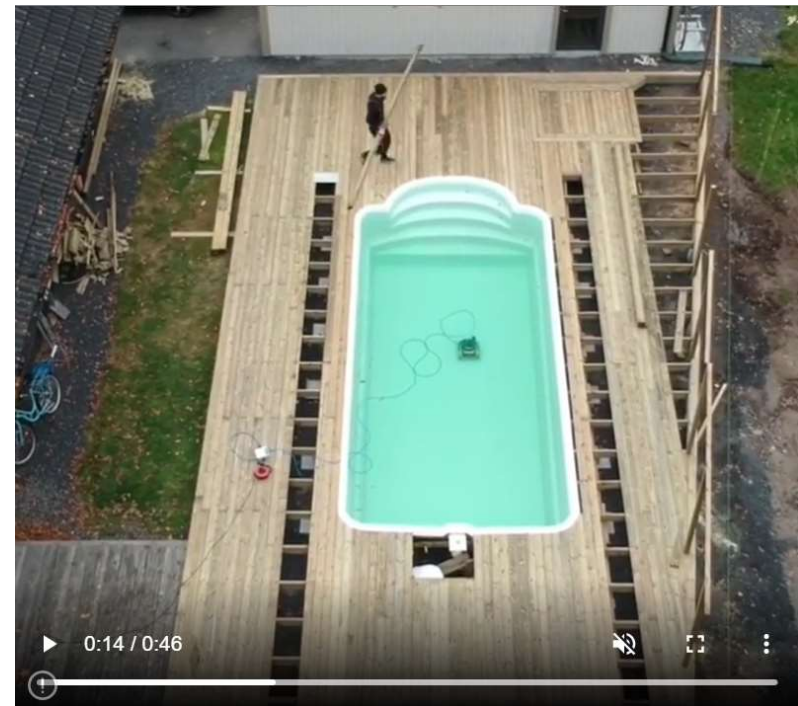
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## OPPORTUNITY TO LEAD

66%

of DIY-ers would appreciate being able to make more sustainable choices

5%

of global retail revenues have targets aligned with the Paris agreement

# TWO INITIATIVES TO DO OUR PART, AND MORE

## Minimize emissions

Radically reduce emissions  
from own operations:

**-90% in 5 years**  
(by 2027 vs 2020)

Net zero value chain 2040

## Byggmax Green Ventures

Develop, manufacture and sell  
own circular products

- Fit with Byggmax offer
- Positive climate benefit
- Generate sales & profit

## Do more good than harm

Potential for positive climate impact i.e., climate benefits from own circular products exceed remaining own emissions by 2023 and exceed remaining value chain emissions by 2030

# AMBITIOUS TARGETS FOR MINIMIZING EMISSIONS

**Own emissions**  
Scope 1 & 2  
*New!*

Reduce GHG emissions from own operations, vs. base year 2020, by **-90% in 5 years** (until 2027)

**Transportation**  
Part of Scope 3

Reduce GHG per transported ton, vs. base year 2010, by **-70% by 2030**

**Value chain**  
Scope 1, 2, 3  
*New!*

**Net zero** value chain emissions (Scope 1, 2 & 3) by **2040**

## Our approach

- “First things first” hierarchy
- Impact own value chain (no offsets)
- Data driven and validated



# PROGRESS UNDERWAY

## Own emissions

Scope 1 & 2

*New!*

## Electrification & renewable energy

- 100% electric forklifts 2025 (2021: 48%)
- 90% renewable energy 2027 (2021: 72%)

## Transportation

Part of Scope 3

## Logistics optimization & vehicle efficiency

- Higher fill rates & optimized routes
- Higher boat share & truck engine efficiency

## Value chain

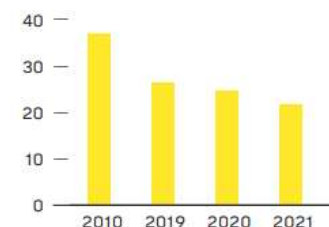
Scope 1, 2, 3

*New!*

## Supplier and product development

- Product GHG data asked of all suppliers
- Climate agenda in category strategies

CO<sub>2</sub>e-UTSLÄPP PER  
TRANSPORTERAT TON GODS



# LAUNCH BYGGMAX GREEN VENTURES

## Byggmax Green Ventures

Develop, manufacture and sell own circular products

- Fit with Byggmax offer
- Positive climate benefit
- Generate sales & profit

Invest in fully or partly owned entities

First investment made

Three more investments under review & more entrepreneurs welcomed

Current opportunities have potential to meet or exceed Group profitability target

## GREEN VENTURE #1: MORE WOOD

Swedish start-up, two experienced founders

Aim to produce timber beams out of cross-laminated timber scrap, today burned for heat

Byggmax funds and anchors as main customer and part owner

- Initial investment SEK 7m
- Option for majority stake

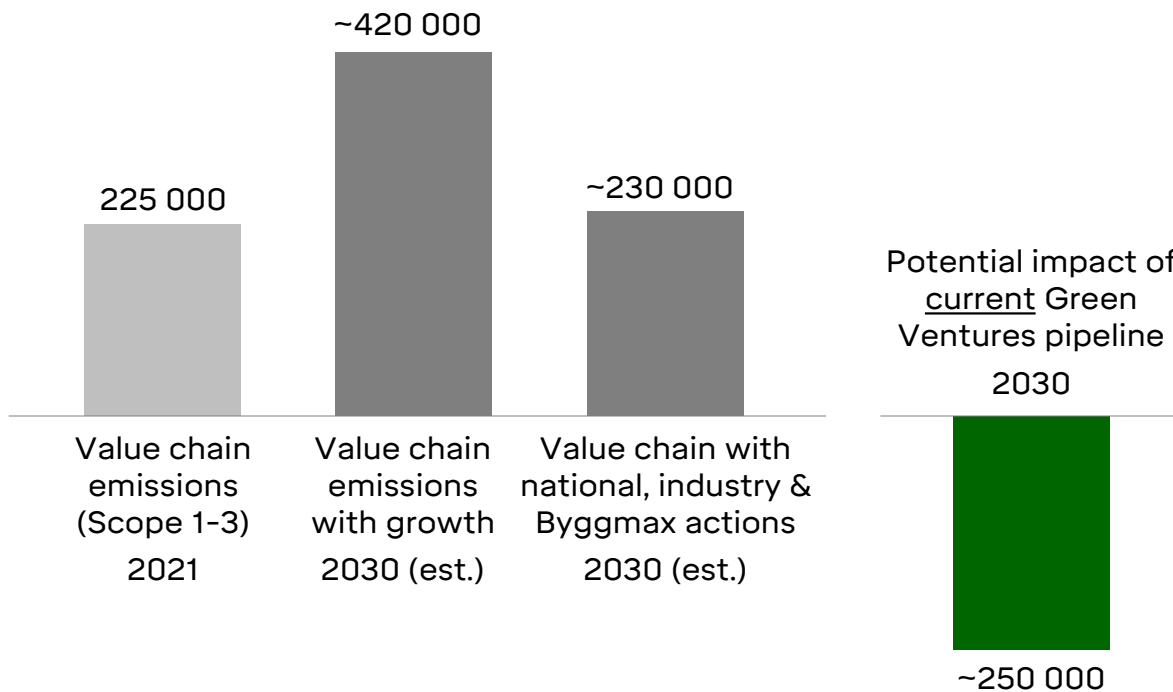
Potential to avoid GHG of 20-30,000 tons with current set-up (exceeds Byggmax own emissions)

First products expected autumn 2022



# GREEN VENTURES POTENTIAL TO EXCEED VALUE CHAIN EMISSIONS

GHG emissions, tons



Own emissions, Scope 1 & 2, very small share of total (<3%)

- Own emissions/sales as many major retailers
- Production of DIY goods very GHG intense: steel, concrete, timber 68%

Potential for positive climate impact, i.e., Green Ventures' climate benefits to exceed

- Own emissions by 2023
- Remaining value chain emissions by 2030

# OUR CLIMATE AGENDA



Byggmax part of the climate solution

First things first – radically reduce emissions from own operations, minimize in full value chain

Launch Byggmax Green Ventures to produce climate friendly products

- Part also of product solution
- Impact sales & profits positively

We are convinced combining low prices and high climate ambitions drives a stronger brand and business

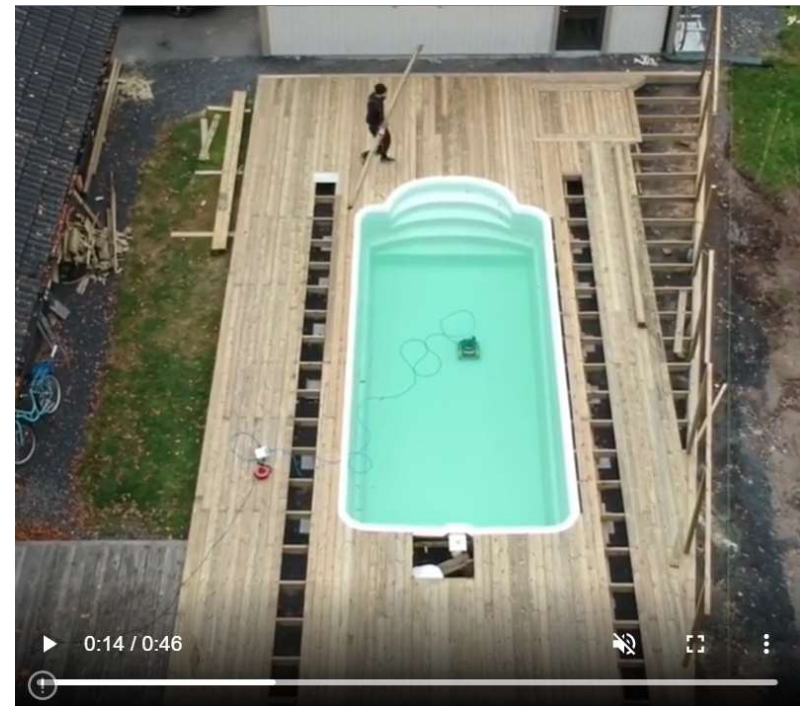
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# EVERYBODY HAS THE RIGHT TO A FANTASTIC HOME




**Modern discounter taking share**

No 1 discounter in SEK 120bn Nordic DIY market

Byggmax modern discount offer drives market share gains

Successful in four markets

+




**Positive climate impact**

Future proofing our business: minimize emissions & do more climate good than harm

Byggmax Green Ventures to produce circular DIY products, sold through Byggmax channels

=



**Sustainable profitable growth**

Profitable growth through proven initiatives, add-on M&A and cost leadership

Strong cash generation to fund growth, Green Venture investments and dividends

## TRENDING ABOVE FINANCIAL TARGETS

	Targets	FY 2021	Comment
<b>Sales</b> RTM	SEK 10bn 2025	SEK 7.6bn	SEK 6.8bn FY 2020
<b>EBITA margin</b> RTM	7-8%	11.7%	10.4% FY 2020
<b>Net debt / EBITDA</b> RTM EBITDA, ex. IFRS16	<2.5x	0.8x	0.6x Q4 2020
<b>Dividend</b> Share of net income	50%	35%	SEK 2.75/share 2020 SEK 4.00/share 2021
<b>CO2e</b> In own operations, vs 2020 From transportation, vs 2010	Science-based -90% Own. em. 2027 -70% transport 2030	On track +13% -41%	<b>New</b> targets & Green Ventures

# FULL STEAM AHEAD 2022

## Positive market outlook

- DIY market larger post vs. pre pandemic (not as during)
- Accelerating shift to discount as prices increase

## Record high growth activity

- Upgrade store portfolio to “Store 3.0” at record pace
- Improve our e-com offer, building on momentum
- Aim for 15 new stores incl. two new formats
- Add-on acquisitions that fit in – Danish e-com pioneer BygMax A/S Jan 2022

## Towards positive climate impact

- Radically reduce own emissions
- First circular timber beams autumn 2022
- Review further Green Venture investments



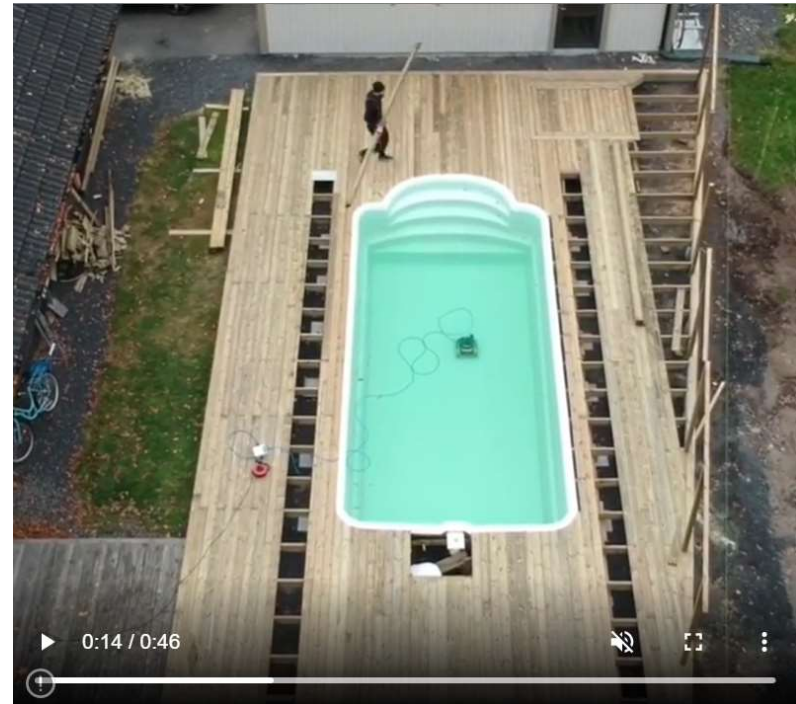
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**Q&A**



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