

# BYGGMAX<sup>®</sup>

## BYGGMAX CORPORATE OVERVIEW

A Journey of Efficiency and Growth

May 29<sup>th</sup>, 2024



# AGENDA

Company update

Strategic focus areas

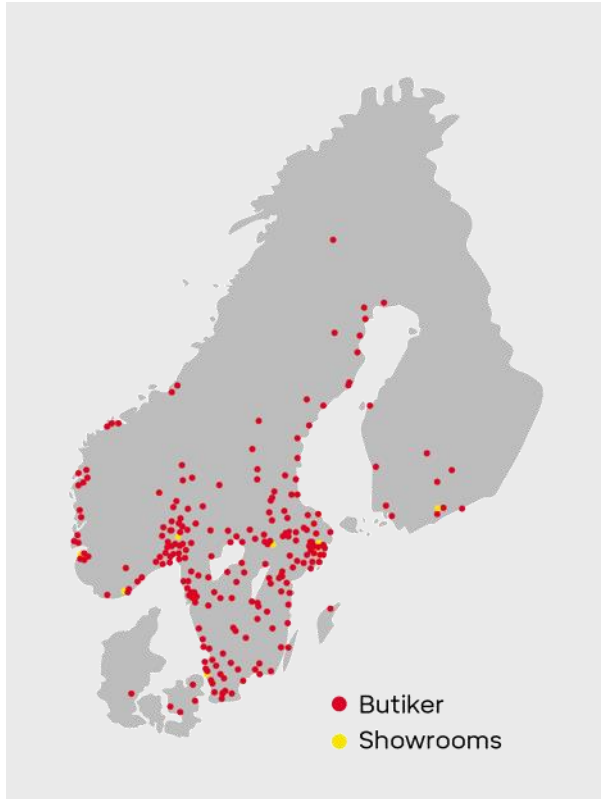
Financial perspective

Sum-up and Q&A



# EVERYBODY HAS THE RIGHT TO A FANTASTIC HOME

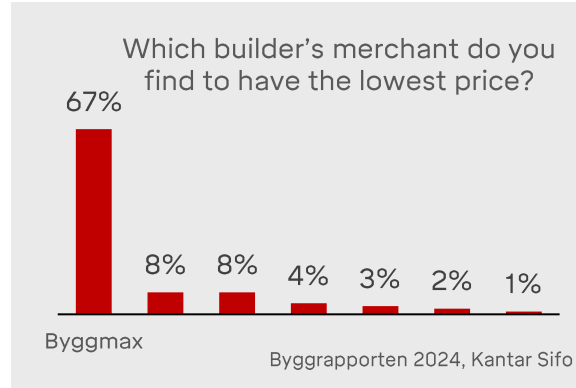
**Strong position**  
on attractive market



**Right assortment**  
store combined with e-com



**Best price**  
and quick & easy shopping

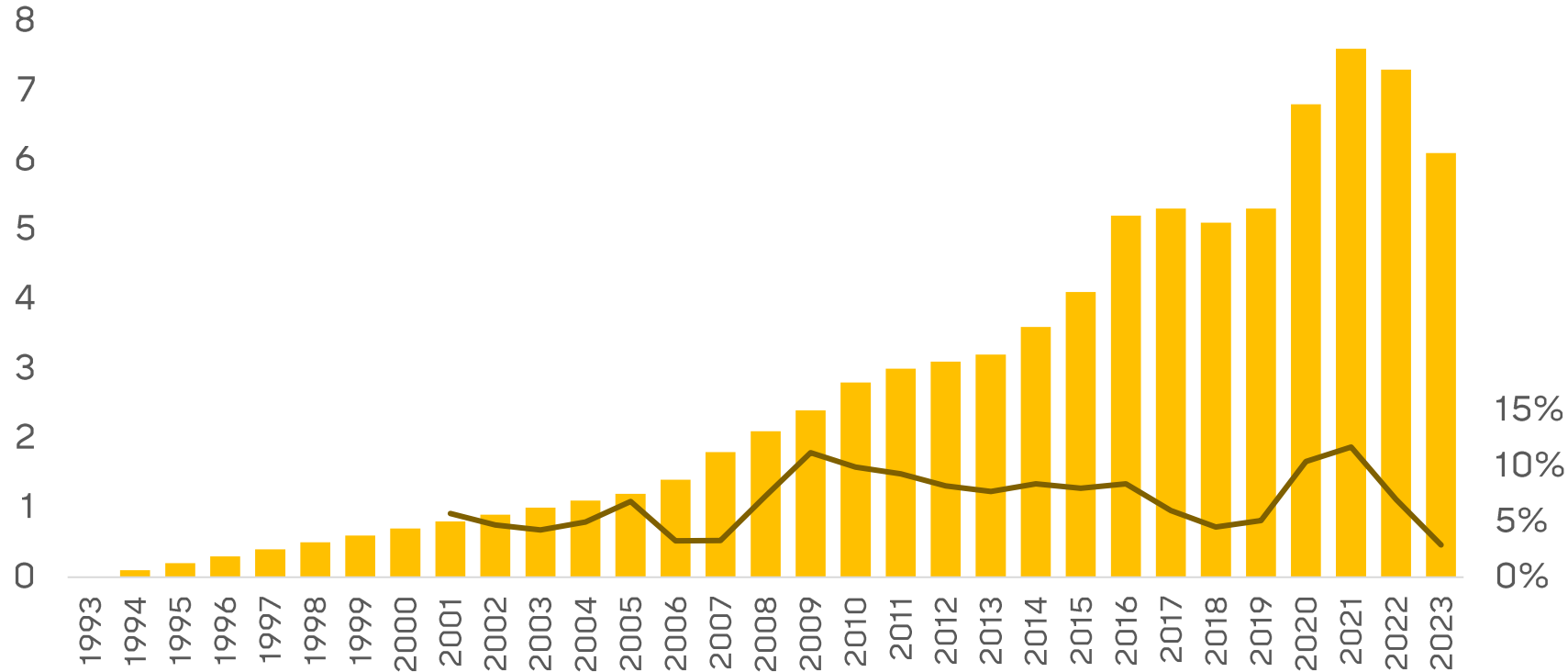


**We care**  
people, society, environment



# A JOURNEY OF EFFICIENCY AND GROWTH

Net sales, SEK billions  
EBITA-margin, percent



**4**  
markets

**212**  
stores

**18%**  
e-commerce share

**6.1**  
BSEK net sales

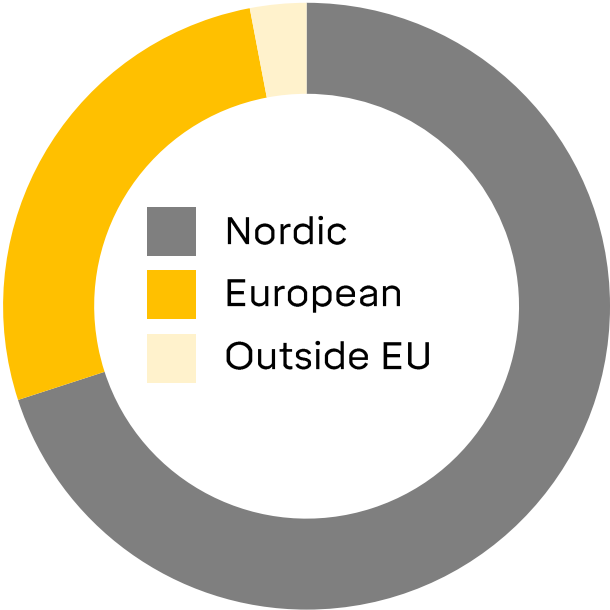
**176**  
MSEK EBITA

# THE BUILDING MATERIALS SECTOR DIFFERS FROM OTHER RETAIL INDUSTRIES

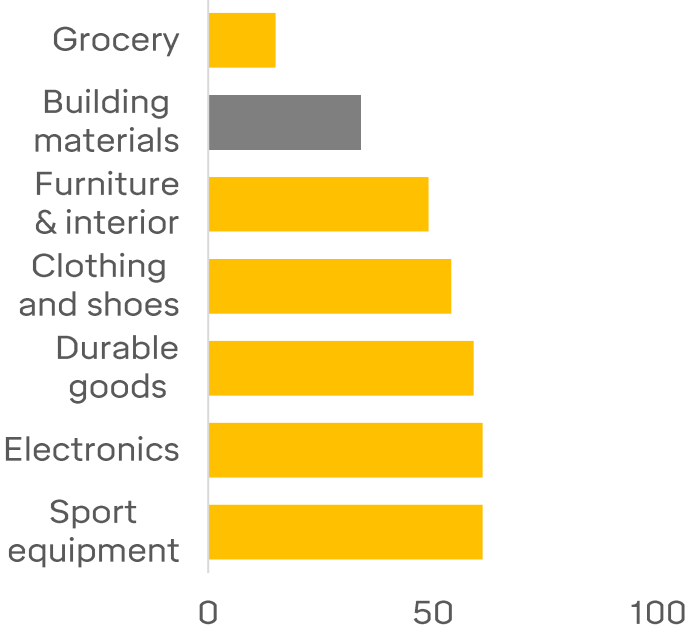
Low level of trends in the assortment



Large share of local suppliers



Omni important – low expected online share 2030



Source: Svensk Handel "Läget i handeln 2023"

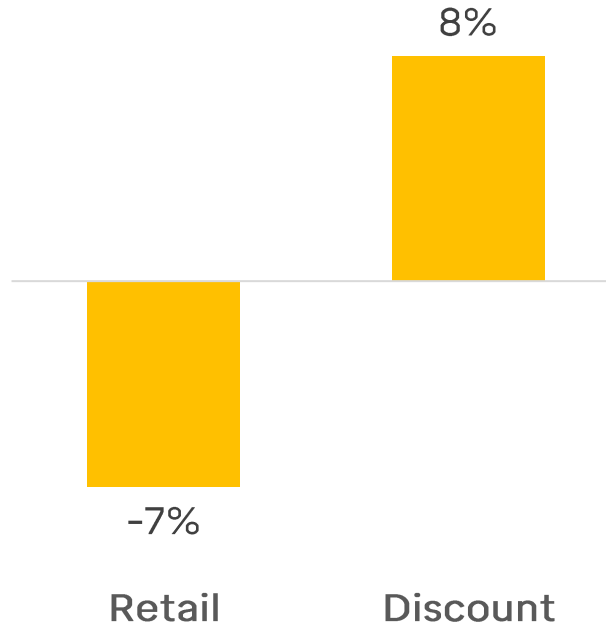
# GENERAL TREND TOWARDS DISCOUNT

## DEVELOPMENT OF DISCOUNT WITHIN RETAIL IN SWEDEN

Higher sales growth for long period of time  
CAGR, 2004-2022



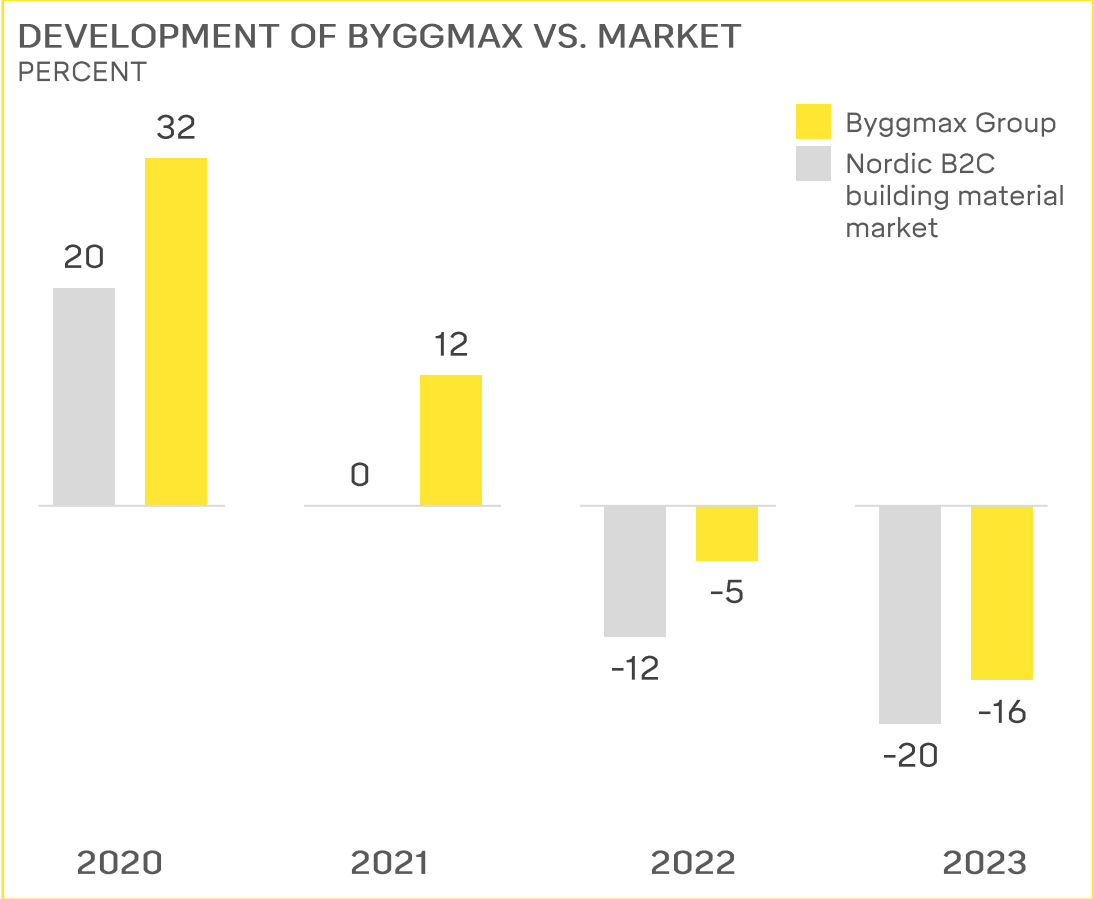
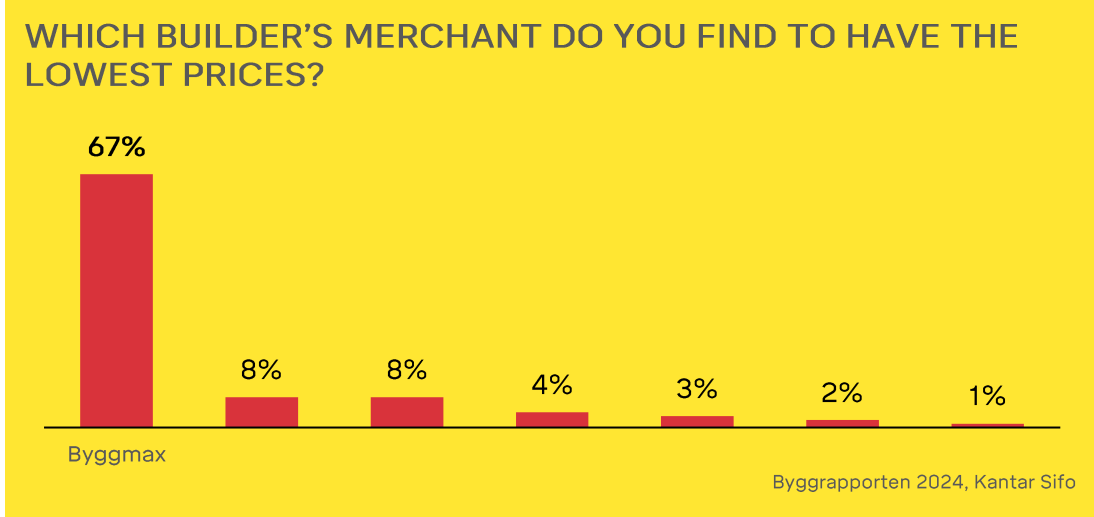
Stronger development of store portfolio  
No of stores 2022 vs. 2017



More profitable and less sensitive to economic cycles  
EBIT margin

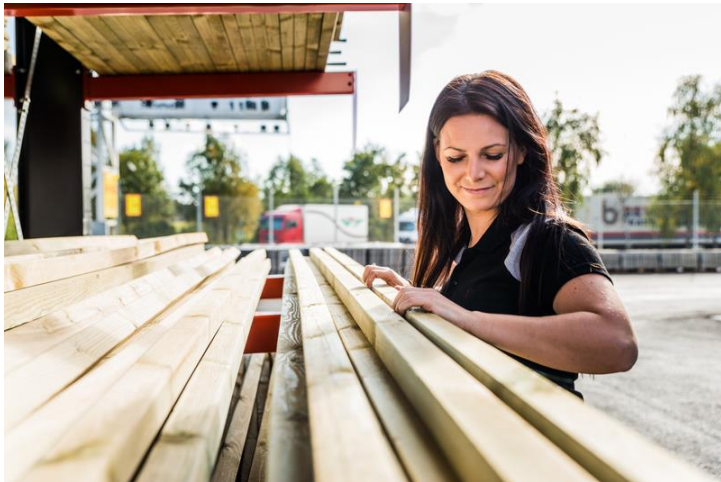


# A TRUE DISCOUNT RETAILER WITH STRONG POSITION AMONG CUSTOMERS



# WE CARE. ABOUT PEOPLE, SOCIETY AND THE ENVIRONMENT

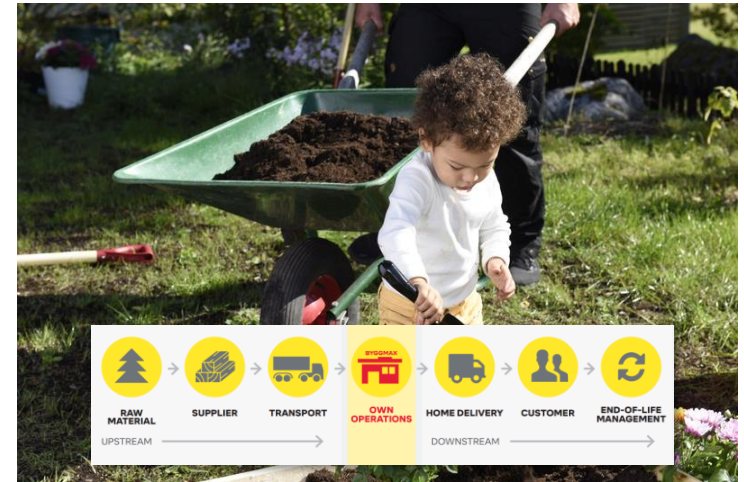
A culture based on strong values:  
Engagement, responsibility & change



On the customers' side: High  
customer satisfaction scores



Sustainability: It should be easy to  
make good choices



# SIGNIFICANT INVESTMENTS MADE IN GROWTH LEVERS

Store upgrades



e-com



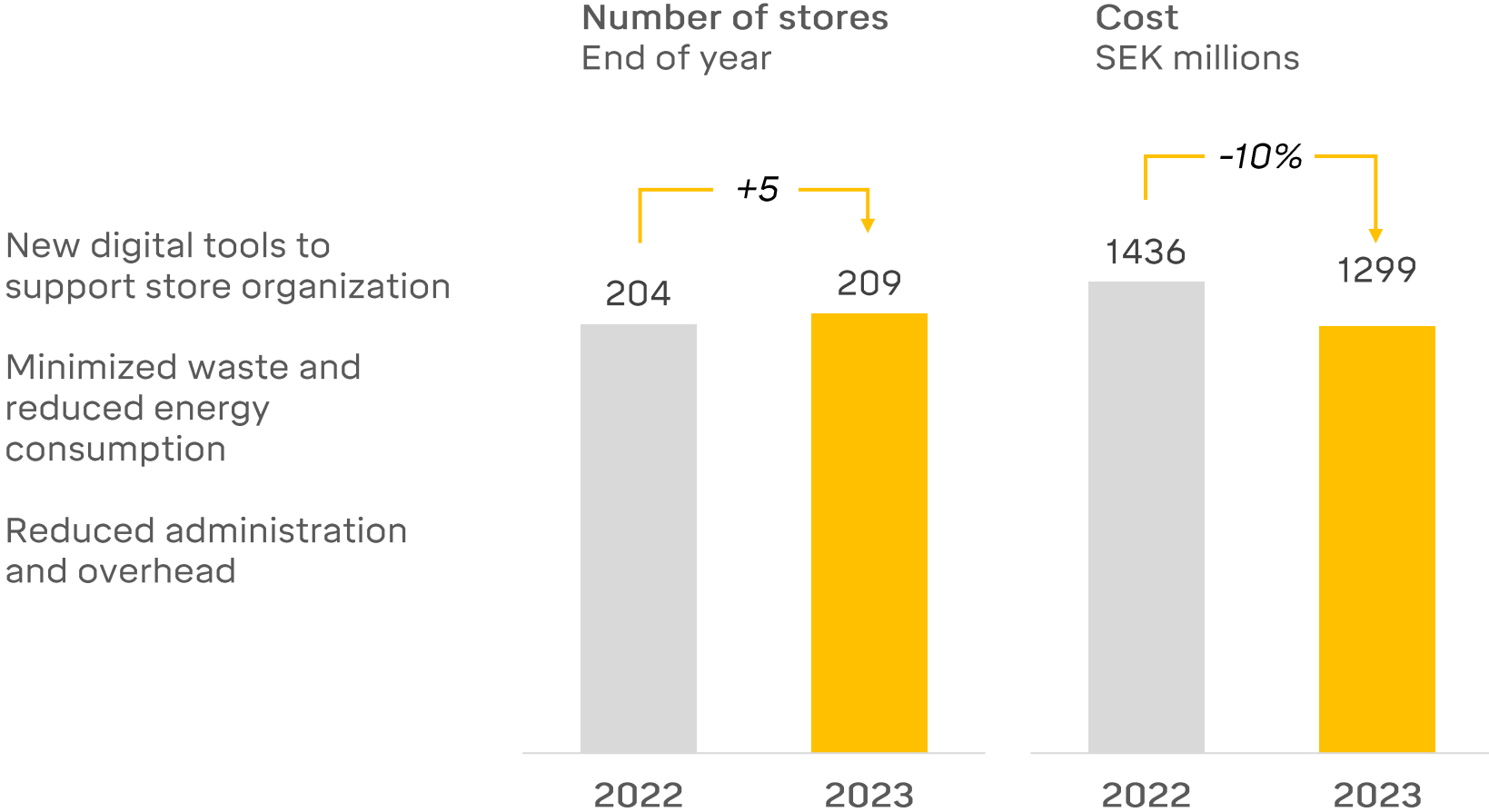
New stores



Add-on M&A



# OPERATIONAL EXCELLENCE TO SECURE LOWEST COST



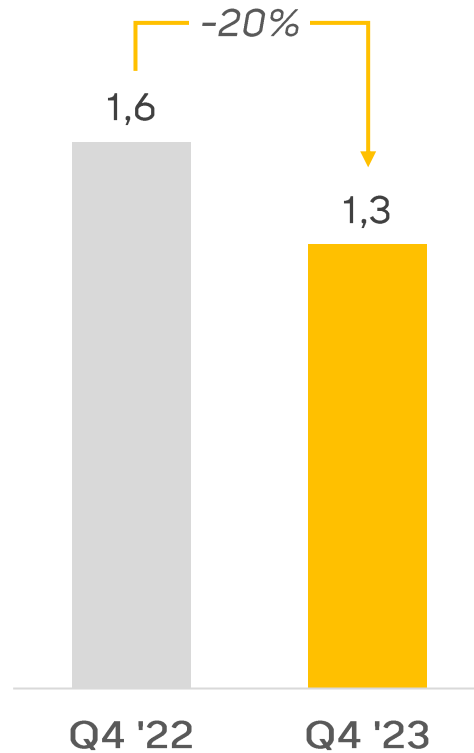
# OPTIMIZATION OF ASSORTMENT AND INVENTORY LEVELS

New tools and ways-of-working to optimize inventory level of each product

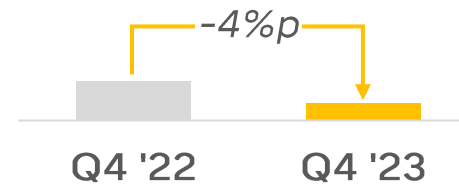
More efficient logistics flows

Improved in-store product availability

Inventory  
SEK billions



Products out-of-stock  
Percent



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# CLEAR ROADMAP FOR DELIVERING THE NEXT PHASE OF OUR JOURNEY – EMPHASIS ON ORGANIC GROWTH AND VALUE CREATION

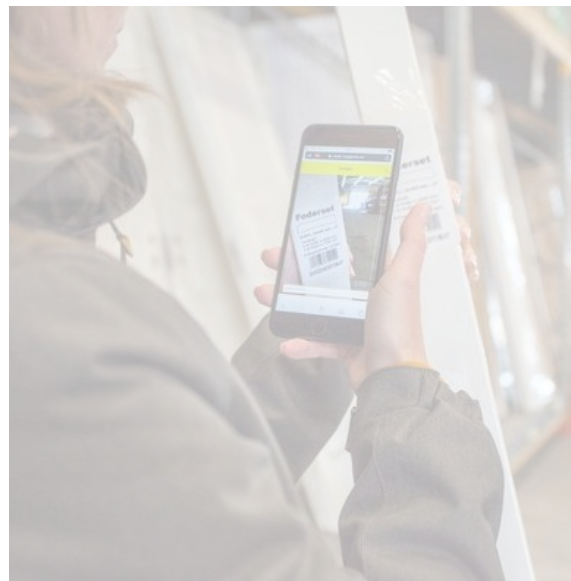
*Pandemic*

Commercial investments



*Post-pandemic*

Improved efficiency



*Future*

Full leverage



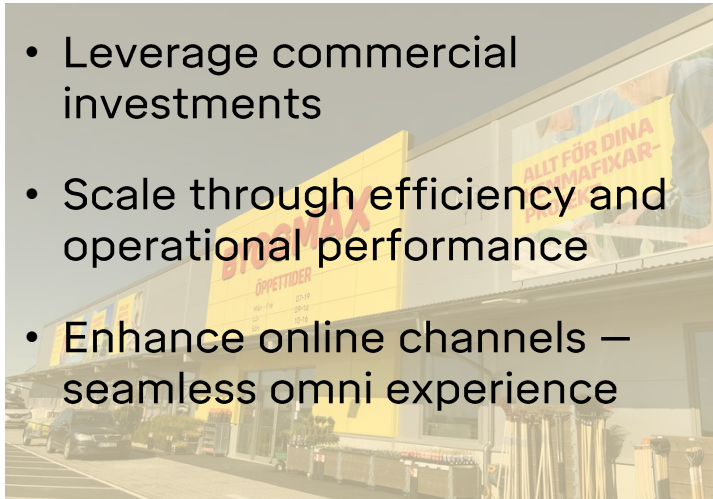
# SECURE PROFITABILITY AND GROWTH

## SIMPLIFY



- Focus on simplicity and the most efficient operations
- Increase efficiency in inventory and logistics
- Refine online assortment

## AMPLIFY



- Leverage commercial investments
- Scale through efficiency and operational performance
- Enhance online channels – seamless omni experience

## ELEVATE



- Capture potential in selective new categories
- Offer more customized products online
- More and better store locations

# PLAN DESIGNED TO REACH FINANCIAL TARGETS

## SALES GROWTH

- Growth exceeding market, implying at least 5 percent annual sales increase over a business cycle

## EBITA MARGIN

- The EBITA margin should be at least 7 percent per year

## LEVERAGE

- Net debt excl. IFRS 16/ EBITDA R12 shall not be more than 2.5x

## DIVIDEND

- Distribute 50 percent of net profit, considering the financial position

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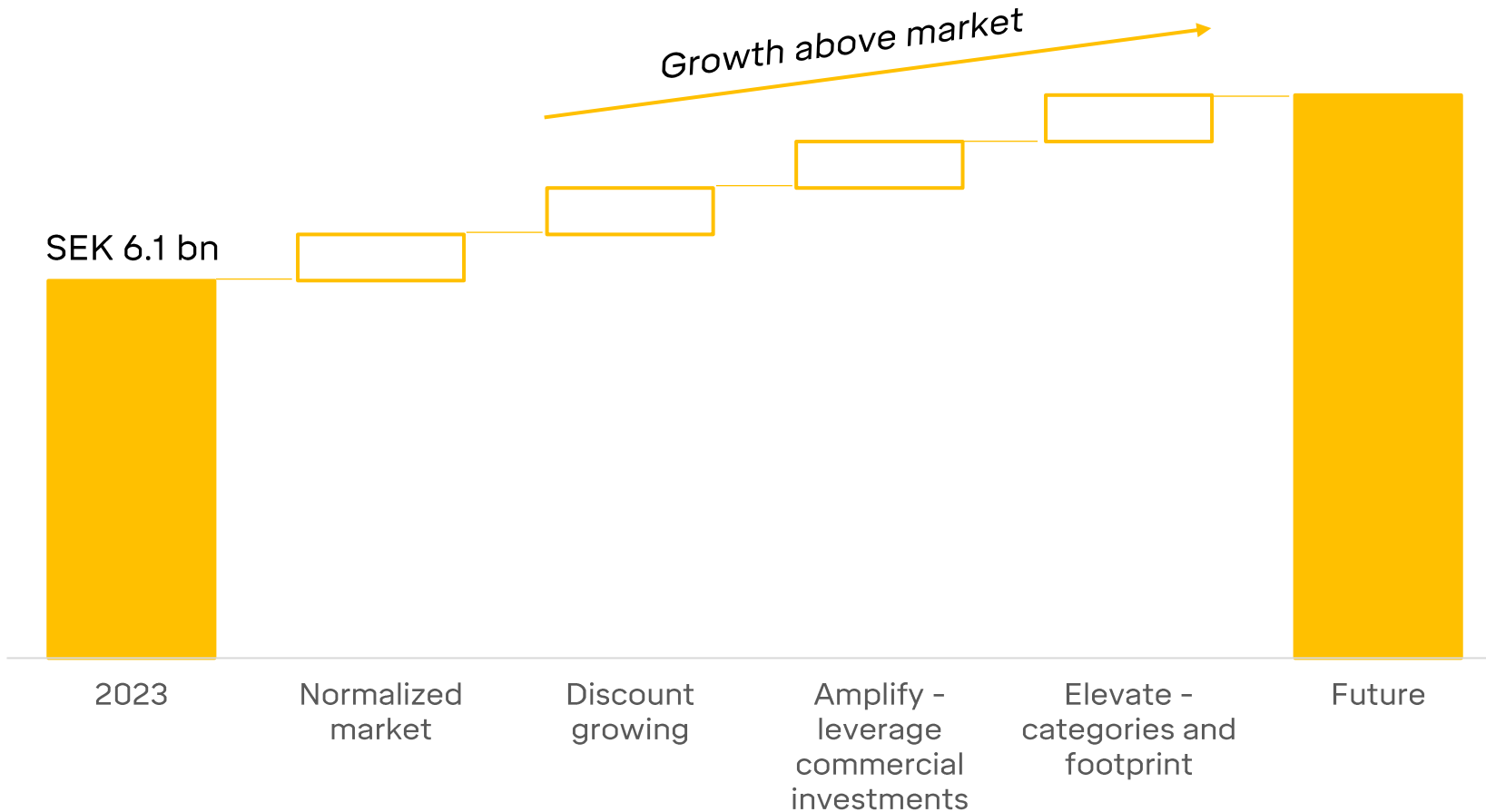
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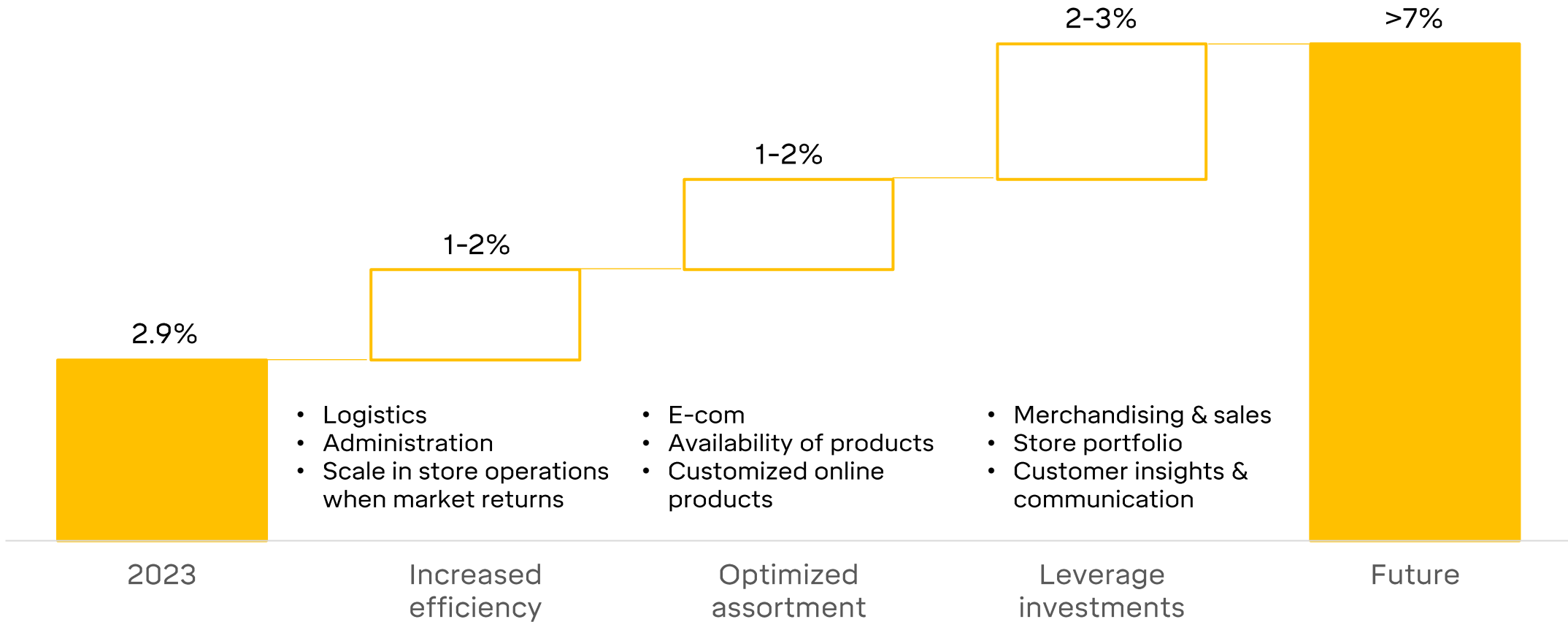
# POTENTIAL TO CONTINUE GROW SALES BEYOND THE MARKET



- Stronger growth than the market**
- Discount growing
  - Full leverage of commercial investments
  - New sales potential by developing selective categories
  - Expand footprint

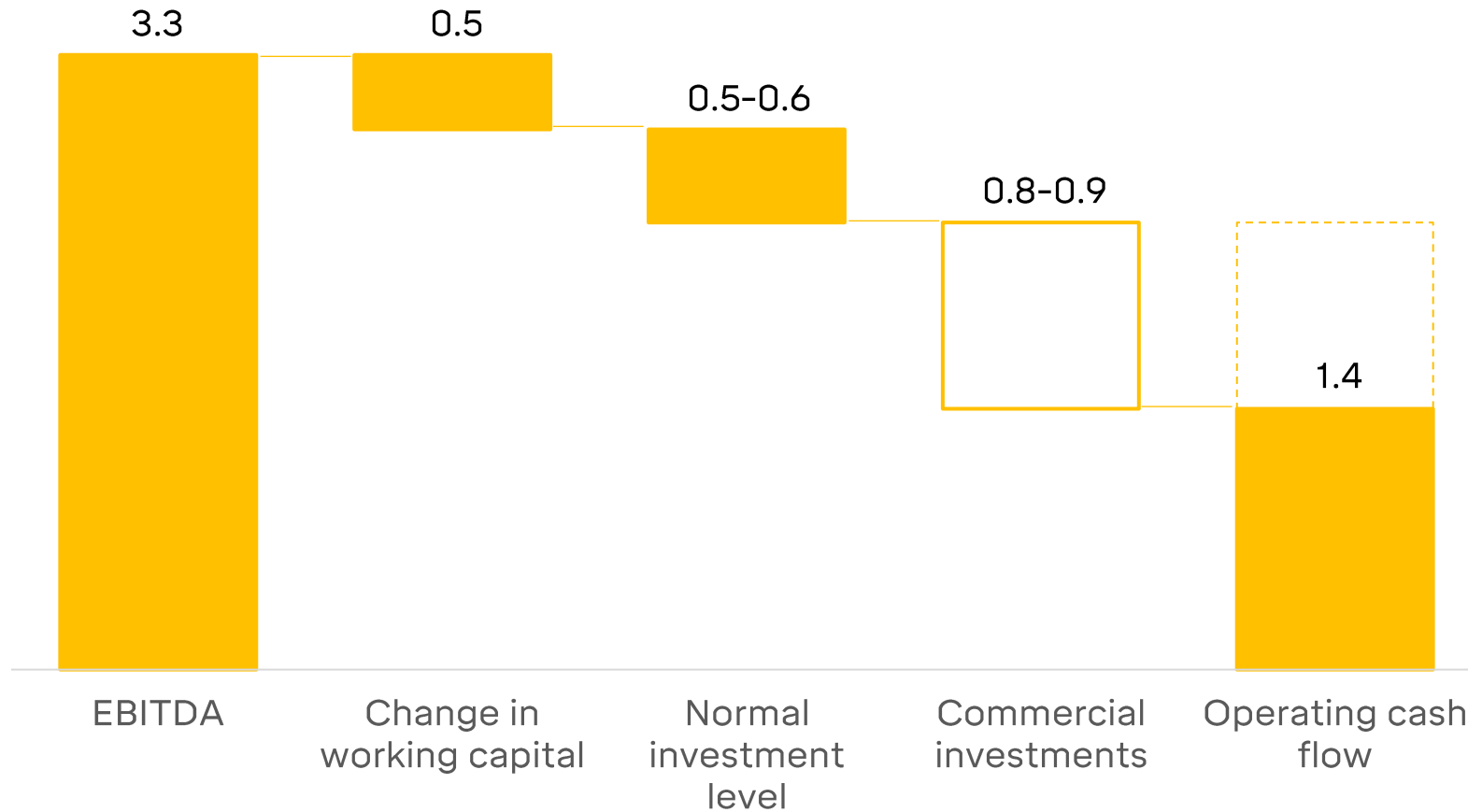
# THE JOURNEY TOWARD OUR PROFITABILITY TARGET

## EBITA MARGIN



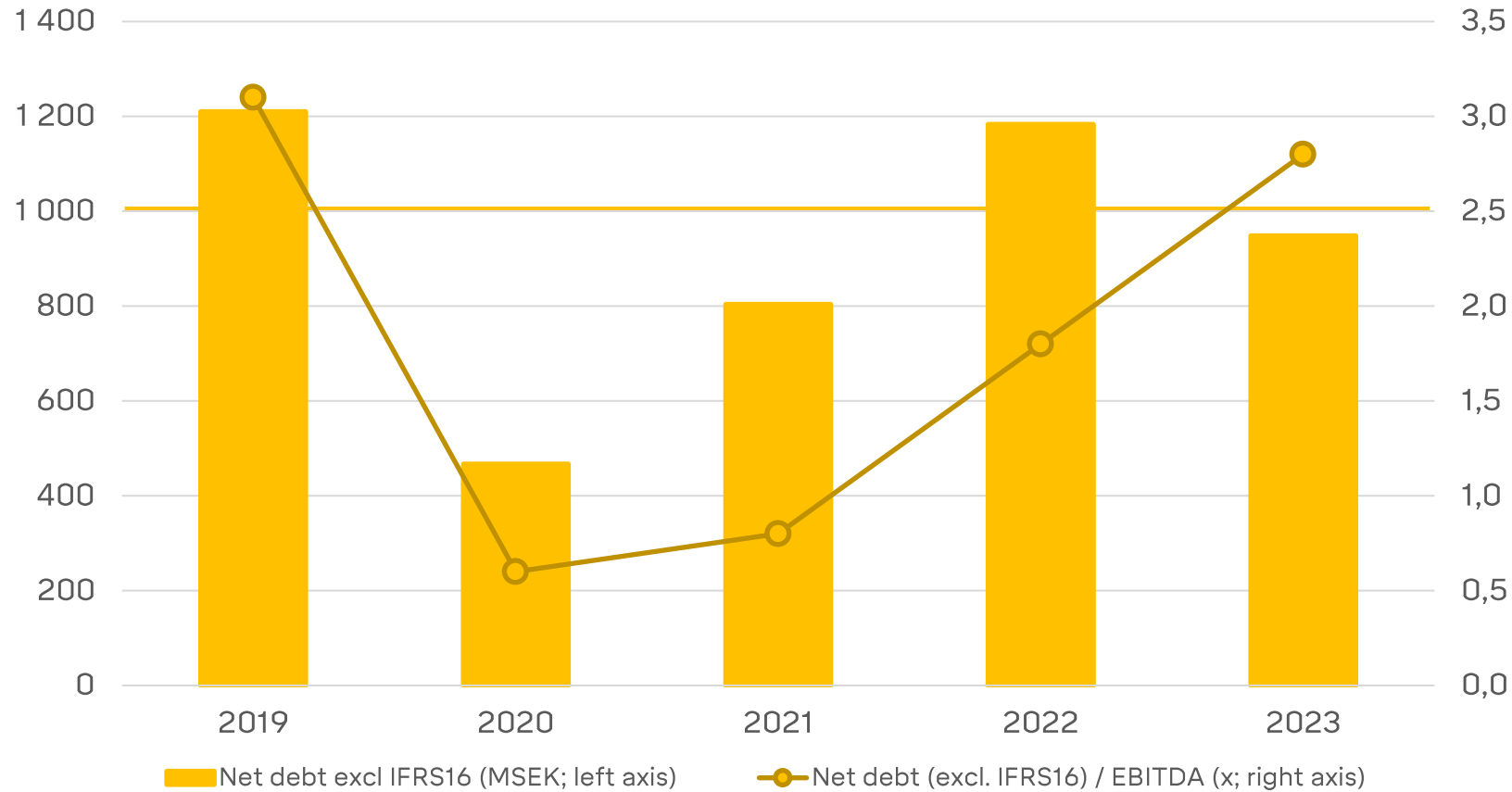
# STRONG CASH GENERATION ENABLING DIVIDENDS AND GROWTH

## CUMULATIVE EBITDA AND CASH ALLOCATION 2019-2023; SEK BILLIONS



- Strong cash conversion
- Limited capex needs in normal operations
- Enabling dividends to shareholders

# A PRIMARY FOCUS IS TO CONTINUE STRENGTHENING BALANCE SHEET



Adapted capex level,  
optimized inventory and cost  
control will reduce leverage

Net debt excl. IFRS 16/  
EBITDA R12 shall not be  
more than 2.5x

# FINANCIAL PERSPECTIVE

A primary focus near-term is to continue strengthening balance sheet

Revenue potential with substantial scale effects and high conversion from sales to results when market normalizes

Ambition to continue to grow profitable beyond the market – efficient business model with high cash generation enables both growth and dividends to shareholders

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# READY FOR THE FUTURE



Updated targets confirming ambition to secure profitable growth and value creation

Clear roadmap to achieve targets built on three pillars – Simplify, Amplify, Elevate

Bygghuset is ready to handle substantially increased volumes, providing opportunities for both dividends to shareholders and investment in growth

**BYGGMAX**

VAR SMART HANDLA BILLIGT

