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Long winter delays season start, impacts Bygghuset Group's sales negatively in the first quarter

Due to the cold and long winter weather, the season for outdoor home improvement projects has started later than in at least a decade. This has impacted the consumer market and Bygghuset Group's sales negatively, and Bygghuset Group's sales for the first quarter decreased ca -15%. Bygghuset has seen good sales in indoor categories, suggesting consumer interest for home improvement projects remains high. Historically, a late season start has not necessarily implied a poor sales development for the full year.

The long and cold winter has significantly delayed the start of the outdoor home improvement season. This has had a clear negative impact on the Nordic consumer market, particularly in March as the typical ramp-up into high season was postponed in line with the later arrival of spring.

In the first quarter 2018, Bygghuset Group's sales decreased ca 15% compared to the same period last year. Sales for the Bygghuset segment decreased ca 12%, and sales for Skånska Bygghuset decreased ca 36%. Skånska Bygghuset's sales development was significantly affected by the strategic shift towards "Garden Living" and reduced selling in less profitable categories.

– We have a great business, that we are improving further, but we have a seasonal business that is focused on outdoor projects and the outdoor season has started later than in over a decade, says Mattias Ankarberg, CEO of Bygghuset Group. We are happy to see good sales development in indoor categories, suggesting consumer interest for home improvement projects remains high, and we look forward to the outdoor season as spring arrives.

The first quarter is the Bygghuset Group's smallest (measured by sales), representing 14% of annual sales for the last five years. A late season start has historically not necessarily implied a poor sales development for the full year. Bygghuset Group does not rely on products with short life span, and a negative sales development in the first quarter does not imply a need for mark-downs and reduced gross margins in coming periods.

All numbers are preliminary and will be finalized during the normal financial reporting process. The financial report for the first quarter of 2018 will be published on April 20, 2018.

This information is information that Bygghuset Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of Pernilla Walfridsson, at 10:00 on April 3, 2018

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About Bygghuset Group

Bygghuset Group consists of Bygghuset, Skånska Bygghuset, and Buildor. For 2017, the Group's net sales was SEK 5.3 billion. Bygghuset Group is listed on Nasdaq since 2010.

Bygghuset was founded in 1993 and currently operates 88 stores in Sweden, 36 in Norway and 10 in Finland and e-commerce in all three countries. Bygghuset online offer consists of both the complete store assortment as well as an extensive range of online-exclusive products.

Since the very beginning, Bygghuset business concept has been discount DIY retailing, being the best price DIY retailer for consumers in need of high-quality construction materials. Bygghuset stores are located close to the customers homes and are equipped with a drive-in system enabling easy shopping, including the loading of products directly onto the customers vehicles.

During end 2015 and early 2016, Bygghuset Group acquired Skånska Bygghuset Group and Buildor AB. Skånska Bygghuset is a distance and e-commerce retailer of building projects and materials, with strong offers in e.g., conservatories and green houses. Skånska Bygghuset operates in Sweden, Norway, and Denmark, online and with a number of showroom stores. Buildor is a fast growing e-commerce retailer of home improvement products.