



Q1 REPORT 2023

April 25, 2023

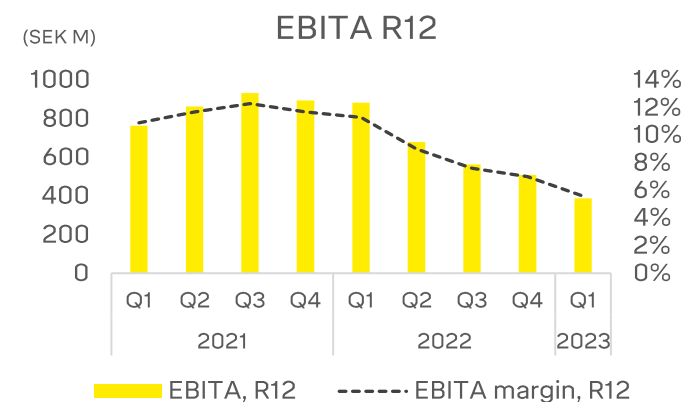
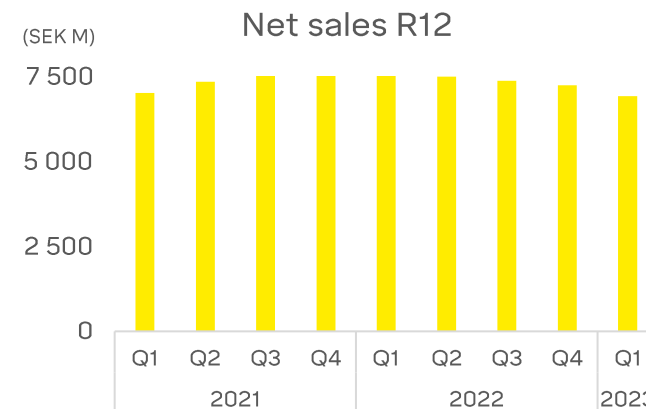
Mattias Ankarberg, CEO
Helena Nathhorst, CFO

BYGGMAX[®]

Q1 2023: SLOW START, AWAITING SPRING

Small quarter in line with our expectations: tough market, stronger Byggmax & more positive signs for high season

- Q1 net sales decreased -25% (+14%) to 952 M (1,271)
 - Like-for-like sales decreased -27% (+1%)
 - E-com accounted for 21% of Group sales
 - Continued tough consumer market and late spring
 - Continued market share gains
- Strong gross margin, second highest for a first quarter
- Strong cost control, operating costs below last year's level
- Strong inventory control, level slightly below last year despite more stores
- EBITA decreased to SEK -125 M (-4)
EBITA margin decreased to -13.2% (-0.3%)



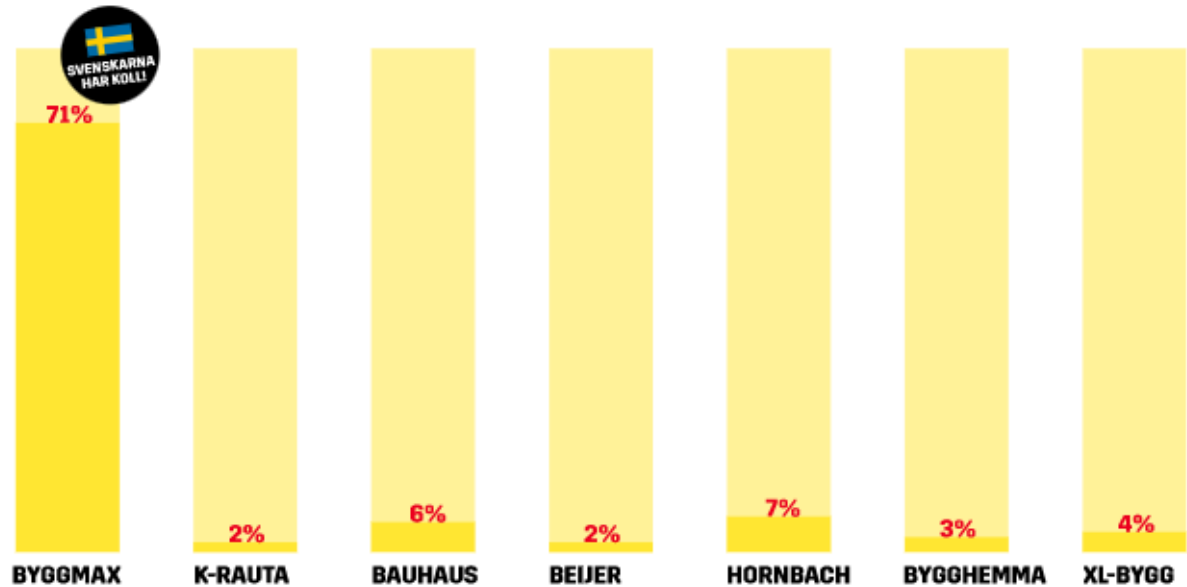
KEY EVENTS

- Store portfolio upgraded to 94% (81%) as Store 3.0
- 2 new stores opened during Q1 2023
- Karl Sandlund appointed new CEO of Bygghem Group in April (starting July 1, 2023)
- Mattias Ankarberg, current CEO, announced in February that he has decided to leave the company



LEADING DISCOUNT POSITION CONFIRMED

VILKEN BYGGHANDEL UPPLEVER DU HA LÄGST PRIS?



Best price awards also Q1 2023
Bygghandel recognized as price leader by independent surveys in Sweden and Norway, Mar 2023

LÄGST PRIS!

“HÄR FINNS SVERIGES
BILLIGASTE TRÄDÄCK”
AFTONBLADET

Test
fakta
Verified
Quality & Performance

30
ÅR
1893 - 2023

BYGGMAX ER
BILLIGST – IGJEN!

LAVEST PRIS!

VIER BILLIGTS – IGJEN!

LAVEST PRIS!

BYGGMAX ER BILLIGST
IGJEN!

LAVEST PRIS!

BYGGMAX ER BILLIGST
PÅ TERRASSEBORD!

LAVEST PRIS!

761 KRONER BILLIGERE
ENN HOS KONKURRENT

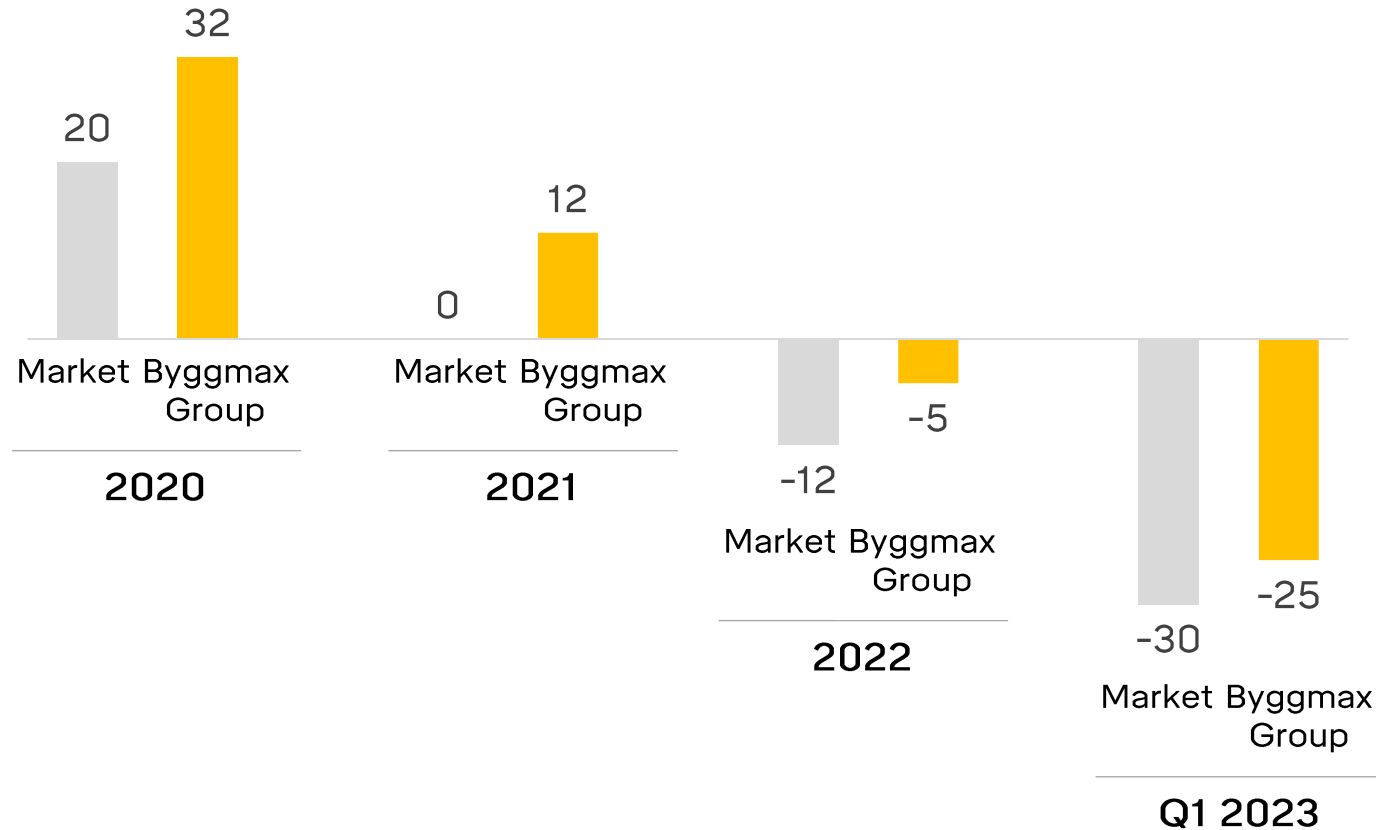
BYGGMAX	527,85 kr
Oslo BYGG	605,80 kr
Maiblo	926,80 kr
Bygghemmer	1289,90 kr

BYGGMAX BILLIGST PÅ
TERRASSEBORD 28X120

LAVEST PRIS!

CONTINUING TO OUTPERFORM THE MARKET

Percent, Nordic B2C market for building materials



Q1 2023: Tough market with very strong comps

- Continued hesitant consumer particularly for larger projects
- In addition, negative weather effect from unusually cold and wet March (late spring)
- Very strong comparables, with Q1s 2020-2022 boosted by covid-19 and early spring – market decline 2022 started Q2
- Consumer confidence increased for first time in a year, although still very low
- Housing market transactions continued to decrease, although less steeply
- Market clearly below pre-pandemic level in Q1 2023

 Byggmaterialhandlarna  VIRKE

TOP PRIORITY UPDATE – Q1 2023

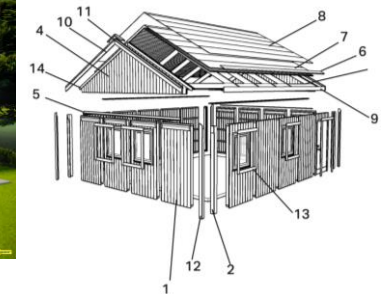
Priorities 2023: be max ready when market picks up

- 1 Take market share and increase competitiveness**
 - Lowest price position confirmed in both Sweden and Norway
 - Continued market share gains
 - Continued efficiency gains: lower operating costs vs. LY, inventory level somewhat below LY despite more stores
- 2 Tune in new growth initiatives**
 - Optimizing newly launched Byggmax Studio (indoor renovation focused on tiles), to get ready to scale up
 - New: e-com concept for customer specific small buildings
- 3 Capture new opportunities**
 - Increased opportunities for store locations, suppliers, M&A
 - Opportunities continuously evaluated by management

NEW INITIATIVE: CUSTOMIZED COMPLEMENTARY BUILDINGS AT THE BEST PRICE

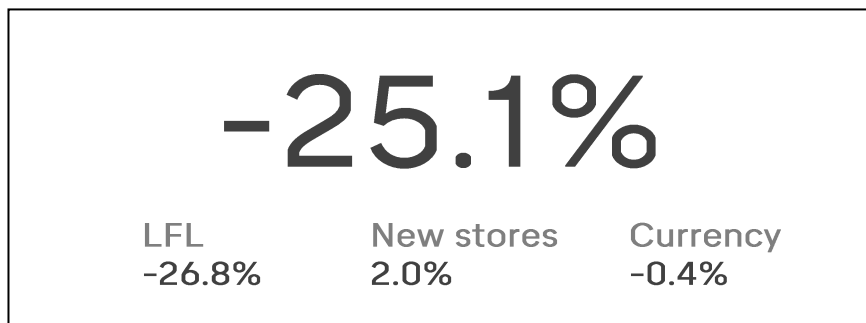
Complete small buildings: high customization, quick and easy assembly, attractive price

- Customer using online configuration tool to design a personalized building based on modules and options
- Home delivery of modular building package, that can be assembled by two DIY-ers in two days
- Priced ca 20-40% below competition, i.e., vs. standardized alternatives (no possibility for customization)
- Cost efficiency enabled by modular construction, established sourcing channels, own logistics and IT set-up
- Ambition 2023: tune in concept through limited assortment in Swedish market under Skånska Byggvaror brand (match customer base, capabilities), expand offering over time
- Nordic market for complementary buildings ca SEK 4bn

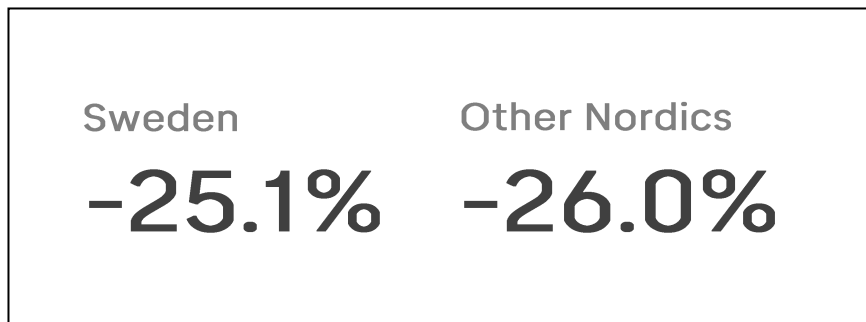


SALES DEVELOPMENT Q1 2023

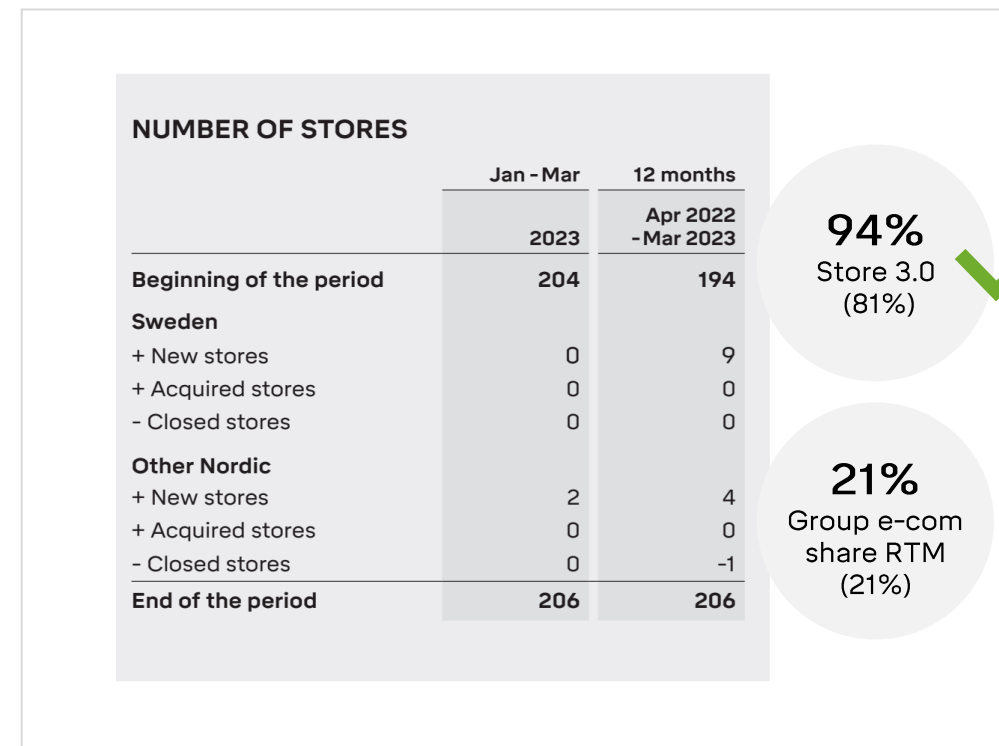
Sales development, Q1 2023 vs. 2022



Sales development by geography



Store portfolio and channel development



- Sales decline back of an as expected continued very weak consumer market, tough comparables, and in addition a late spring
- New stores contributed with 2.0%, two new stores opened during the period. 13 opened and one closed in the last 12 months
- 94 % of Byggmax stores are upgraded. All stores with long term rental agreements and not under renegotiation are upgraded in accordance with plan.

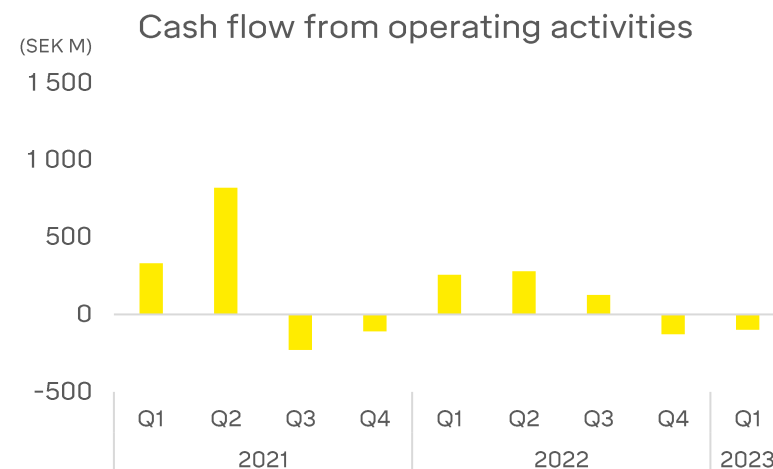
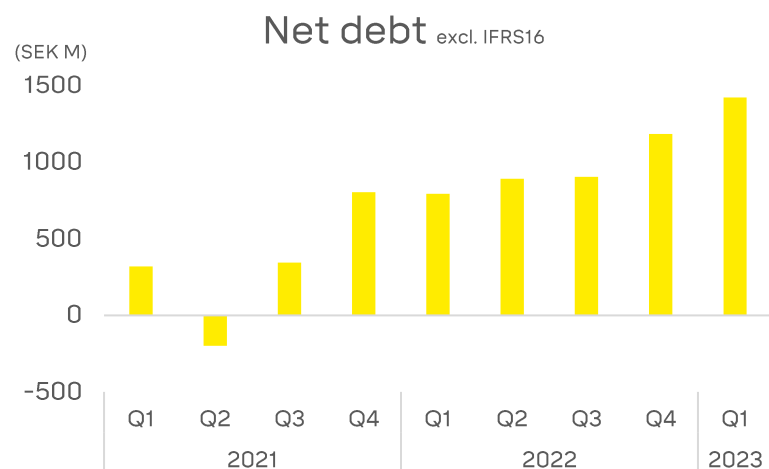
P&L Q1 2023

SEK M	2023	2022
Net sales	952	1 271
Other operating income	12	10
Total revenue	964	1 281
Cost of goods sold	-625	-819
Other external costs and operating expenses	-135	-152
Personnel costs	-187	-183
Depreciation and amortization of tangible assets	-156	-145
Total operating expenses	-1 103	-1 300
EBIT	-139	-18
Amortization of intangible fixed assets related to acquired surplus values	14	14
EBITA	-125	-4

Byggmax Group

- Net sales in Q1 decreased by -25.1 percent to SEK 952 M (1,271).
- Gross margin decreased to 34.4 percent (35.5), a historically high margin. Gross margin positively impacted by lower input prices for raw material related product categories and an improved product mix, while increased campaign activity from competitors impacted negatively.
- Strong cost control, total operating costs decreased by 14 M. Comparable costs decreased by SEK 25 M (+19). Cost base has been adjusted to meet high inflation and the decrease of net sales, through electricity efficiency actions, reduced staffing in stores and a lower rate of development projects. Costs related to new stores amounted to SEK 11 M (50).
- EBITA decreased to SEK -125 M (-4)
- EBITA margin decreased to -13.2 percent (-0.3)

CASH FLOW & NET DEBT



Cash flow from operating activities amounted to SEK -98 M for Q1 2023, a decrease of SEK -354 M compared to Q1 2022. The change in cash flow primarily driven by a lower EBIT in the period, decreased accounts payables and earlier payment of tax vs last year.

Net debt amounted to SEK 1,421 M excluding IFRS16 (792). Seasonally and historical net debt development between Q4 and Q1 affected by late spring.

NEW CEO ANNOUNCED: KARL SANDLUND



Board of Directors announced on Apr 16 appointment of Karl Sandlund as new President and CEO

- Karl joins from a role as COO of AcadeMedia
- Previously several leading positions at SAS, most recently Chief Commercial Officer and interim CEO
- Started career at McKinsey & Company
- Holds M.Sc. in Industrial Engineering and Management from Linköping University

Karl will take up his position July 1, 2023

Mattias Ankarberg, current President and CEO, informed the Board of Directors in February that he has decided to leave the company for another role

SUMMARY & OUTLOOK: READY FOR SPRING

Q1 2023 a small quarter in line with our expectations

- Tough consumer market with very low activity for larger projects (expected), plus unusually cold and wet March (not expected)
- Very strong comparables, with Q1s 2020-2022 boosted by covid-19 and early spring
- Stronger Bygghem: market share gains, strong levels for GM%, cost, inventory

More positive signs for the coming high season

- Easter sales in Bygghem stores in Denmark and southern Sweden, where weather was more similar to last year, was at or above last year's level
- Macro bright spots in Q1, e.g., consumer confidence increased for first time in a year, although still at very low levels
- Easier comparables ahead particularly H2, market started declining after Q1 last year
- Bygghem ready with upgraded stores, stronger e-com offer and lowest prices

Priorities remain: get maximum ready for when market picks up

1. Take market share and increase competitiveness
2. Tune in new growth initiatives
3. Capture new opportunities



Q&A

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