



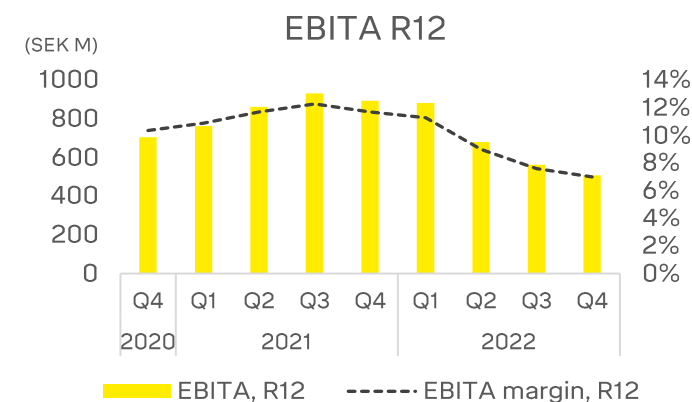
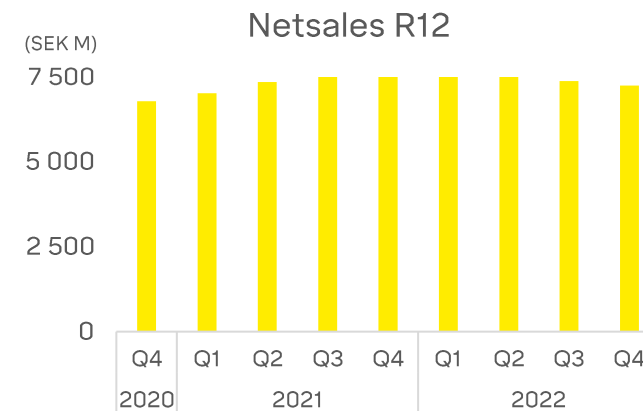
Q4 Report 2022

January 31, 2023

Mattias Ankarberg, CEO
Helena Nathorst, CFO

Q4 2022: STRONGER POSITION IN A TOUGH MARKET

- Q4 net sales decreased -10% (+7%) to 1,170 M (1,301)
 - Like-for-like sales decreased -15% (-6%)
 - E-com accounted for 20% of Group sales
 - New all-time-high in “smaller projects”
 - Continued market share gains
- All-time-high gross margin for a fourth quarter and continued very strong cost control
- Inventory further reduced, ending near last year’s level
- EBITA decreased to SEK -28 M (25)
EBITA margin decreased to -2.4% (1.9%)
- FY 2022 sales decreased -5% to SEK 7.3bn
EBITA decreased to SEK 509 M (895)
EBITA margin 7.0% (11.7%), reaching profitability target



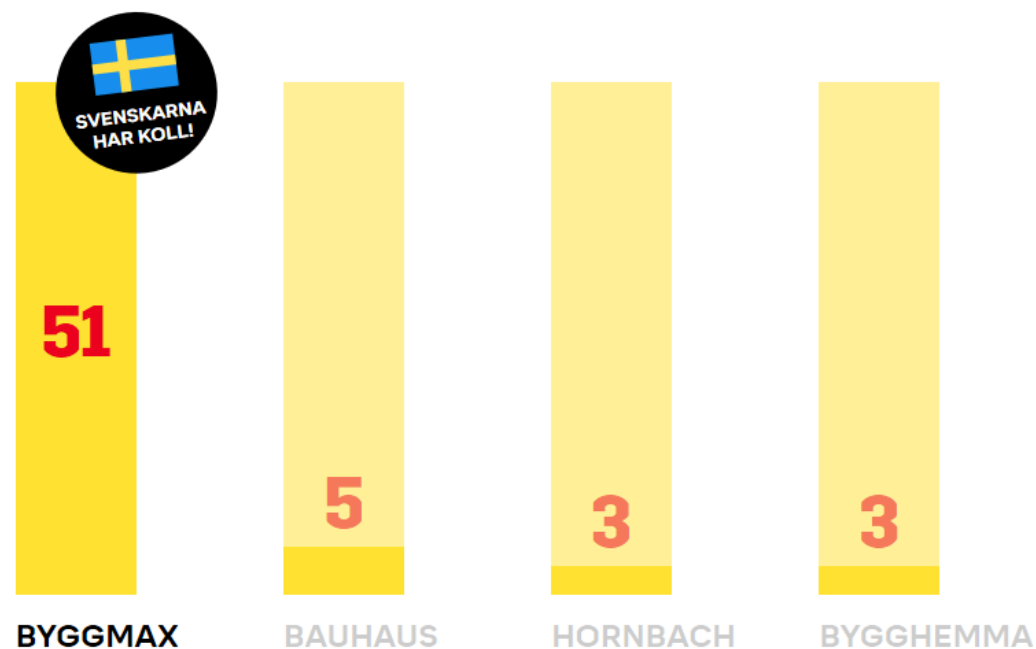
KEY EVENTS

- 4 new stores opened during Q4 2022
- Launch of Byggmax Studio, a new concept for decorative indoor categories, i.e., tiles, flooring, paint
- Store portfolio upgraded at record pace during recent year, to 91% (68%) of portfolio as Store 3.0
- Climate agenda milestone: first own circular timber beam in Byggmax stores
- Signed SEK 500 M sustainability-linked credit facility



CLEAR AND LEADING DISCOUNT POSITION

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



**“HÄR FINNS SVERIGES
BILLIGASTE TRÄDÄCK”**

AFTONBLADET

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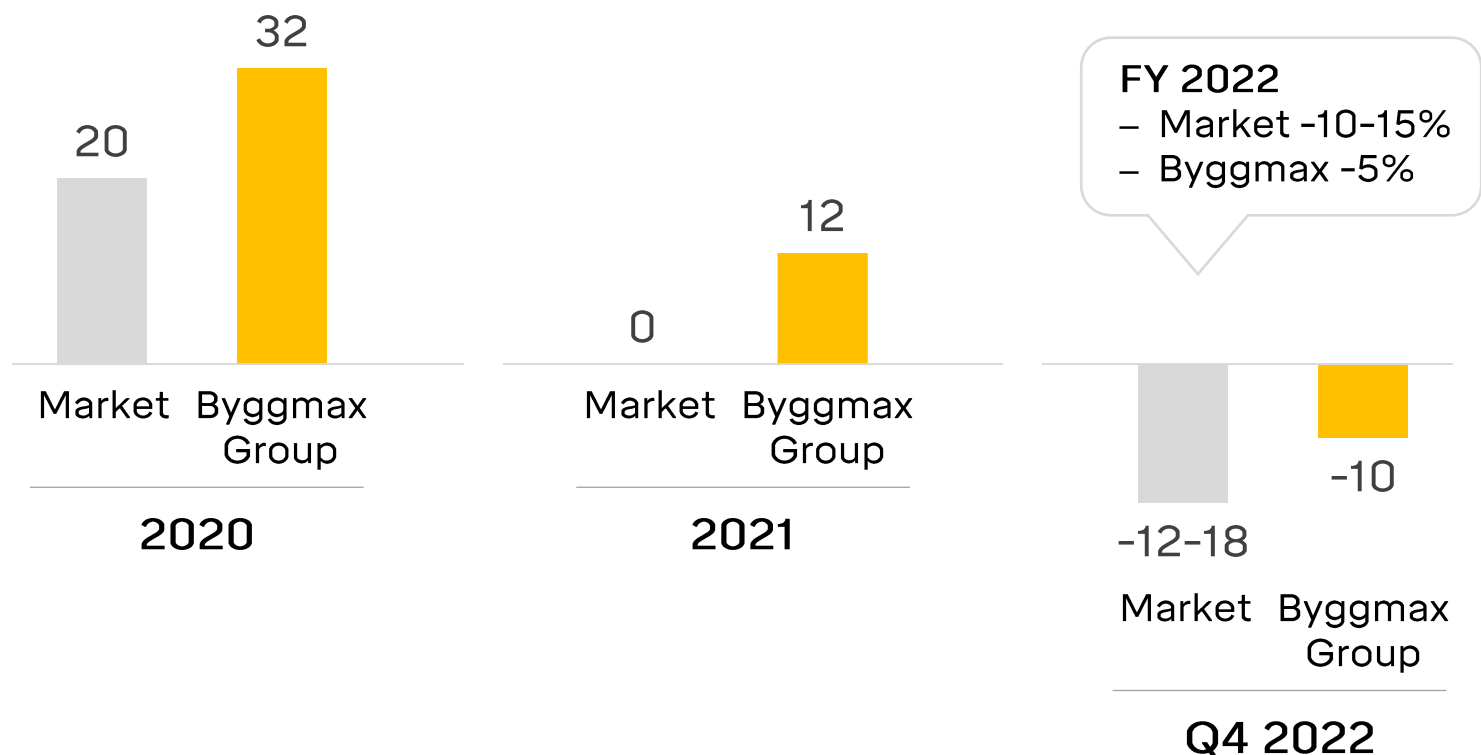
VG

**Prisfall: Her får du
terrassebordene billigst nå**



CONTINUING TO OUTPERFORM THE MARKET

Percent, Nordic B2C market for building materials



Q4 2022: Tough market

- Consumer confidence from all time low to lower (!) in Nordics, driven by low intent for large purchases
- Housing market transactions continued to decrease
- More hesitant and more price conscious consumer
- Weather effects in line with last year
- Market below pre-pandemic level in Q3 and Q4 2022

 Bygghmaterialhandlarna  VIRKE

PROFITABLE GROWTH THROUGH PROVEN INITIATIVES

Store upgrades



Store 3.0 upgrade adds +6% sales per store: more categories, better quality experience

e-com



Extend online exclusive range & more convenient shopping alternatives

New stores



Organic expansion of three formats (small/mid/large) to reach new catchment areas

Add-on M&A



Geographic or category add-ons, fit with Bygghuset discount model & offer

Q4 2022: GROWTH INITIATIVES CONTINUED TO DELIVER

Store upgrades 91% (68%) of stores Q4 2022

- Upgrades to Store 3.0 at record pace, 91% (68%) of portfolio end Q4
- All-time-high also in Q4 2022 for several “smaller project” categories strengthened with Store 3.0, e.g., flooring, paint, storage

e-commerce 20% (22%) of Group sales RTM Q4 2022

- Bygghmax branded e-com -13% in Q4 vs LY
- Neg. impacted by larger projects, continued growth in smaller projects
- Larger online exclusive product range contributes to growth
- Fastest growth continued to come from “buy online, pick-up in store”

Store expansion +2%-p. Q4 2022

- 4 new stores opened in Q4 2022, all in Sweden
- Opened 13 new stores for 2022
- New organically opened Bygghmax stores add 2%-p. sales Q4 2022

Acquisitions +1%-p. Q4 2022

- Acquisition of Danish e-com company BygMax A/S, incl. as of Jan 2022



STRONG DEVELOPMENT IN RECENT YEARS' ADD-ON ACQUISITIONS



Financials (as announced)

- Sales DKK 125m (2020)
- Good profitability track record
- EV DKK 20m + max 20m

Description and development

- Byggmax-like business with four stores in Zeeland, ca 30% e-com
- Profit increased +50%, clear purchasing and assortment synergies
- Local relevance and competence for further Denmark expansion



- Sales NOK 300m (2020)
- EBITDA 34m (2020)
- EV NOK 175m + max 110m

- Norwegian low-price leader in tiles and bathroom projects
- Profit increased +50%, supply chain synergies and soft support
- Category expertise for tiles and bathroom expansion



- Sales DKK 93m (2021)
- Solid profitability track record
- EV DKK 38m + max 7m

- Danish e-com leader in low price building materials
- Solid development in tough e-com market 2022
- Assortment relevance for particularly Danish market

Strong development in recent years' add-on acquisitions

- Founder-led small/medium size businesses at attractive valuations
- Strong profit development supported by Byggmax supply chains synergies
- Supports more balanced Group sales footprint, adds competence for initiatives

BYGGMAX STUDIO: DECORATIVE DIY AT THE BEST PRICE

Byggmax Studio: decorative DIY at best price

- New concept for indoor renovation at the best price in the Swedish market, focused on tiles, also flooring, paint
- Tiles market in Sweden (and most of Nordics) largely served by primarily B2B (craftsmen) focused companies
- Right Price Tiles Norway sales NOK 300m at high profitability

Developed with Right Price Tiles Norway

- Best price – everyday low price, price guarantee (Byggmax)
- Stores in retail parks, free standing concept for decorative DIY projects i.e., tiles, flooring, paint, accessories
- Assisted advisory sales in store also acting as showroom
- Key products in stock, large range for home/store delivery
- Developed together with acquired Right Price Tiles

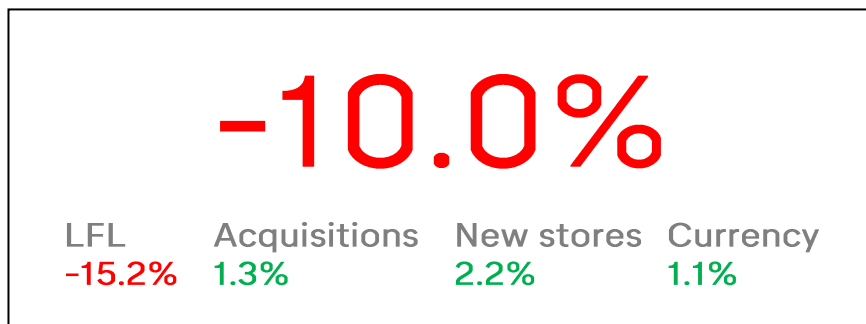
Two stores opened Q4 2022

- Opened in Linköping (Tornby) and Västerås (Hälla) Q4 2022
- Good start, tune-in 2023, ready for roll-out 2024

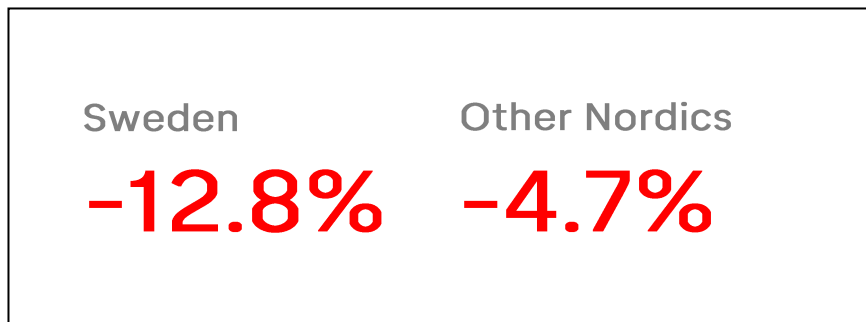


SALES DEVELOPMENT Q4 2022

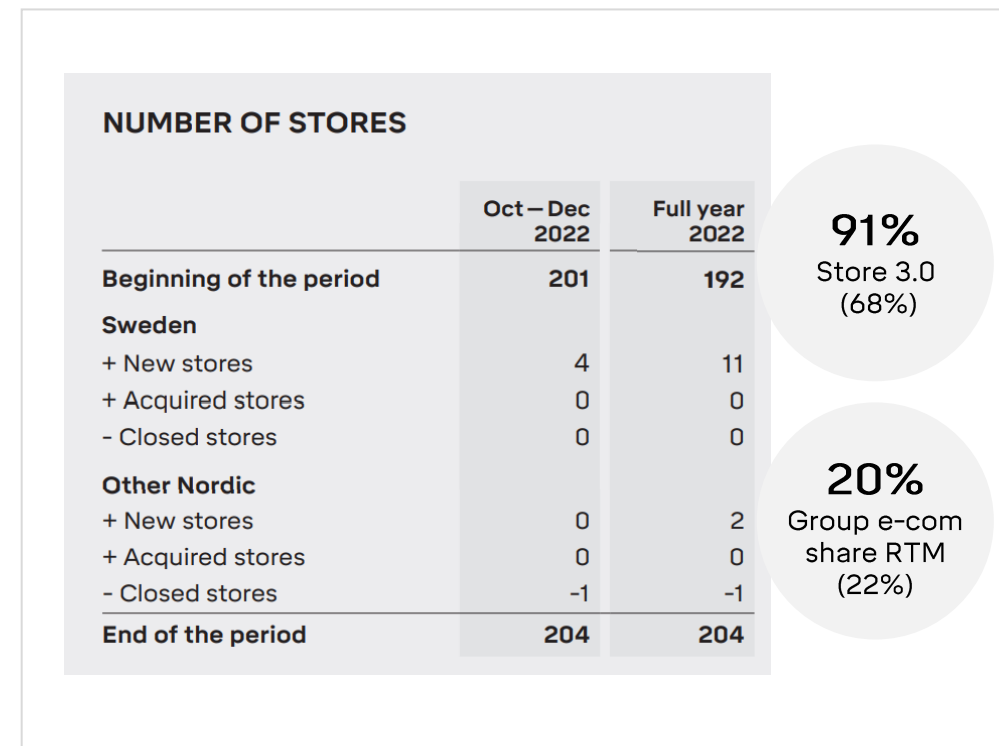
Sales development, Q4 2022 vs. 2021



Sales development by geography



Store portfolio and channel development



- Products related to smaller projects (e.g., flooring and storage) and energy related products continued to increase. Continued decline of products related to larger projects (e.g., timber and sheet materials).
- New stores contributed with 2.2%, four new stores opened during the period and 13 opened in the last 12 months
- Acquired BygMax A/S add 1.3% sales in the quarter

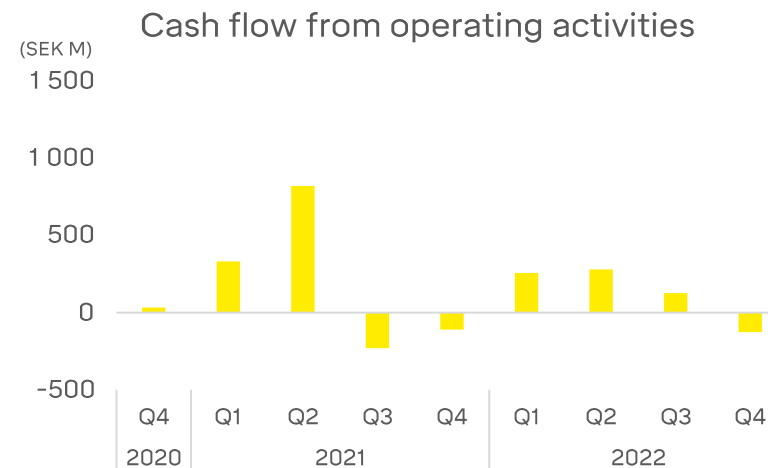
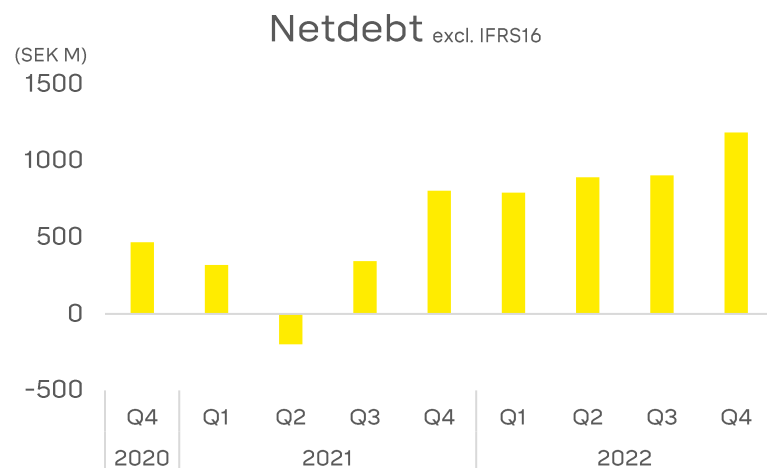
P&L Q4 2022

SEK M	2022	2021
Net sales	1 170	1 301
Other operating income	11	10
Total revenue	1 182	1 311
Cost of goods sold	-758	-849
Other external costs and operating expenses	-107	-115
Personnel costs	-200	-193
Depreciation and amortization of tangible assets	-159	-143
Total operating expenses	-1 224	-1 299
EBIT	-42	12
Amortization of intangible fixed assets related to acquired surplus values	14	14
EBITA	-28	25

Byggmax Group

- Net sales in Q4 decreased by -10.0 percent to SEK 1,170 M (1,301).
- Gross margin increased to 35.2 percent (34.8). The gross margin was impacted positively by improved product mix effects
- Continued strong focus on cost control. Costs related to new and acquired stores amounted to SEK 16 M (52). Comparable costs decreased by SEK -14 M (1). Inflationary cost such as electricity and exchange-rate effects were balanced by adjusting cost and development projects.
- EBITA decreased to SEK -28 M (25)
- EBITA margin decreased to -2.4 percent (1.9)

CASH FLOW & NET DEBT



Cash flow from operating activities amounted to SEK -127 M for Q4 2022, a decrease of SEK -18 M compared to Q4 2021. Seasonality, in combination with decisions to further decrease inventory levels at year-end, has had a positive impact on the cash flow from operating activities.

Net debt amounted to SEK 1,183 M excluding IFRS16 (804).

PERFORMANCE VS FINANCIAL TARGETS

	Targets	Q4 2022	Comment
Sales RTM	SEK 10bn 2025	SEK 7.3bn	SEK 7.6bn Q4 2021
EBITA margin RTM	7-8%	7.0%	11.7% Q4 2021
Net debt / EBITDA RTM EBITDA, ex. IFRS16	<2.5x	1.8x	0.8x Q4 2021
Dividend Share of net income	50%	39%	SEK 4.00 per share paid out 2022
CO2e In own operations, vs 2020 From transportation, vs 2010	Science-based -90% Own. em. 2027 -70% transport 2030	On track +13% -41%	New targets & Green Ventures

BOARD OF DIRECTORS' RECOMMENDATION ON DIVIDEND

The current environment means both low visibility on demand for larger renovation projects and many opportunities for add-on acquisitions

The Board of Directors have decided to increase strategic flexibility and deviate from the dividend policy, and recommends not to pay any dividend for 2023, i.e., SEK 0 (4.00) per share

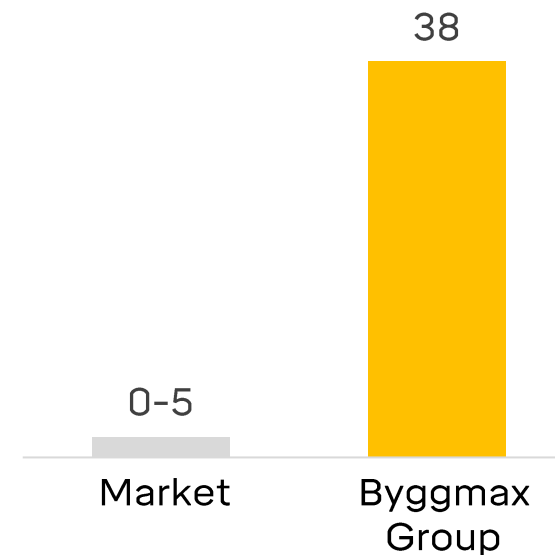


SUMMARIZING 2022: STRONGER IN A TOUGHER MARKET

Development 2022

- **Further market share gains**
supported by clear price leadership
- **Increased competitiveness**
sales records for small projects, GM% near all-time-high, strong cost control and strong inventory management
- **Well-performing add-on acquisitions**
further improve our sales footprint
- **Reach profitability target**
at EBITA 7.0%, in a tough market
- **Very low market demand for larger projects**
with hesitant consumers in tough and uncertain macro

Sales development 2022 vs 2019,
i.e., vs. pre-pandemic levels
Percent, Nordic B2C market



GETTING EVEN STRONGER IN 2023

Clear priorities for 2023: maximum ready when market picks up

- 1 Continue take market share and increase competitiveness**
Low-price leader, upgraded stores, 8-10 new stores, online range, efficiency gains
- 2 Tune in new growth initiatives**
Byggmax Studio, second new (e-com) initiative in new category in spring
- 3 Capture new opportunities in new environment**
Store locations, new suppliers, and particularly add-on acquisitions

Market outlook: tough Q1, better for summer

- Very low activity for large projects H2 2022, seemingly driven by both less real spending power and “wait-and-see” behavior in macro uncertainty
- Expect continued weak market Q1 2023, in addition to tough comps
- Current consumer behavior show increased interest for spring and summer projects, suggesting positive trend shift as of Q2/Q3

Q&A



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