



Q2 Report 2020

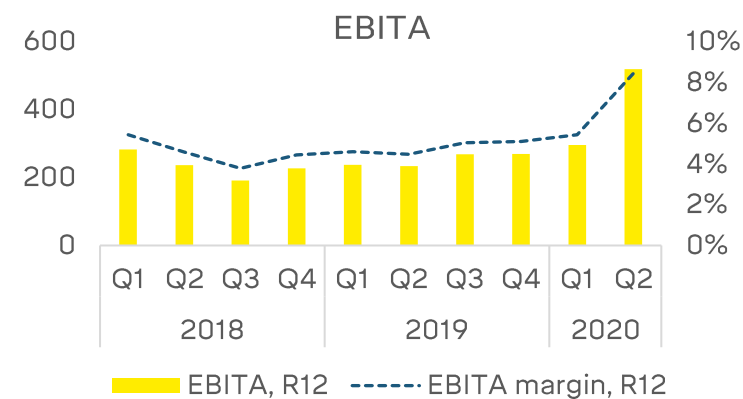
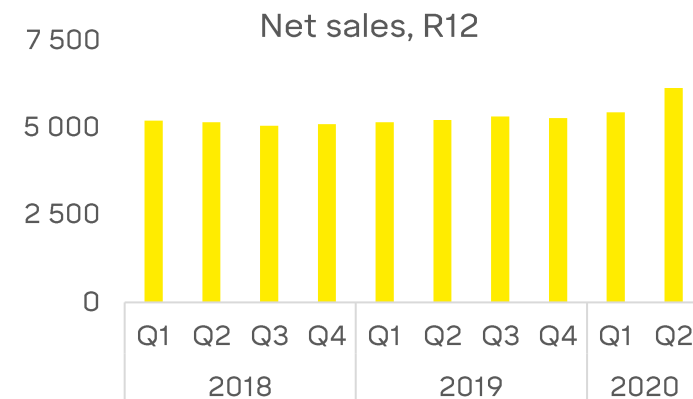
July 15, 2020

Mattias Ankarberg, CEO
Helena Nathhorst, CFO

BYGGMAX®

Q2 2020: BEST QUARTER IN HISTORY

- Health & safety remains top priority in covid-19 situation
- Net sales increased 39% to 2,499m (1,799m)
 - Like-for-like sales increased +39%
 - Exceptional market growth incl. a “stay home” effect
 - Own initiatives add 10% growth
 - Byggmax e-commerce grew 62%
- Increased gross margin and very strong cost control gave massive scale effects
- EBITA increased 224m to 357m (133m), EBITA margin doubled to 14.3% (7.4%), RTM EBITA margin improved to 8.5% (5.4% Q1 2020)
- Positive market outlook



KEY EVENTS

- Covid-19 situation – many precautions to operate in a responsible way
- Launched “pay from car” service
- Opened 6 new stores and communicated further 4 store openings for 2020
- Opened first format for small towns in Norway
- Awarded “lowest price” in VG price survey (Norway)



EXCEPTIONAL MARKET GROWTH

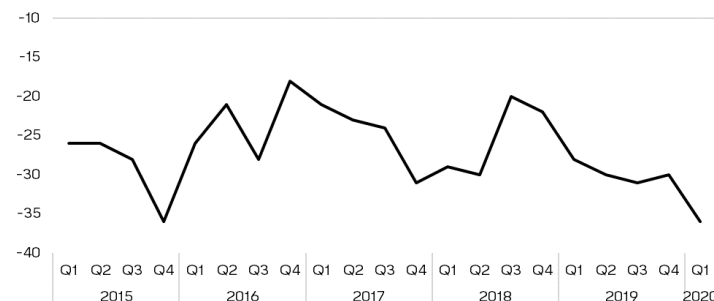
Exceptional market growth driven by “stay home” effect

- Very strong “stay home” effect during the covid-19 pandemic
- Early spring added to market growth
- Swedish housing market transactions continued to increase in Q1 2020, followed by a decrease during spring, and clear signs of recovery already in June
- We estimate that the Nordic consumer market for building materials increased very strongly, around 20-30%
- Market growth was strongest in April, followed by May, and still very good in June

House transactions, Sweden
Thousands, rolling 12 months, detached houses



Intent to renovate, Sweden
Index



IMPACT OF COVID-19 PANDEMIC

Fortunate position

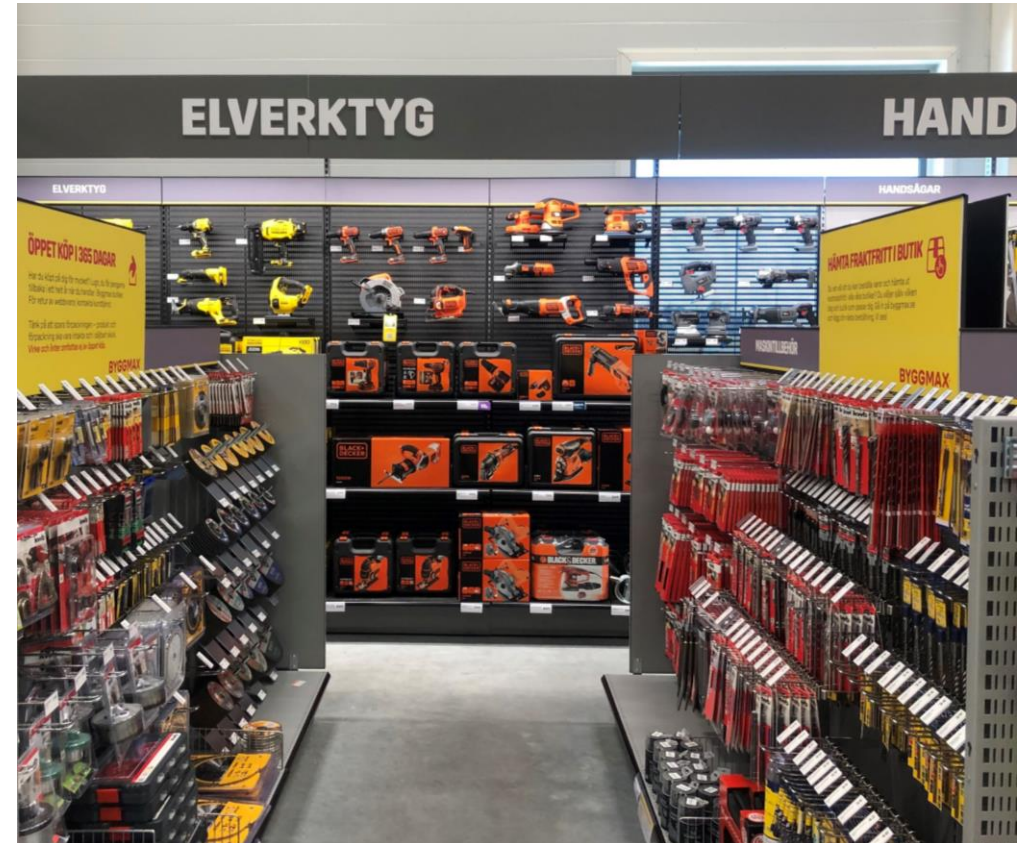
- Bygghmax stores located on free standing properties, concept built on self service, much shopping done outdoors

Precautions taken

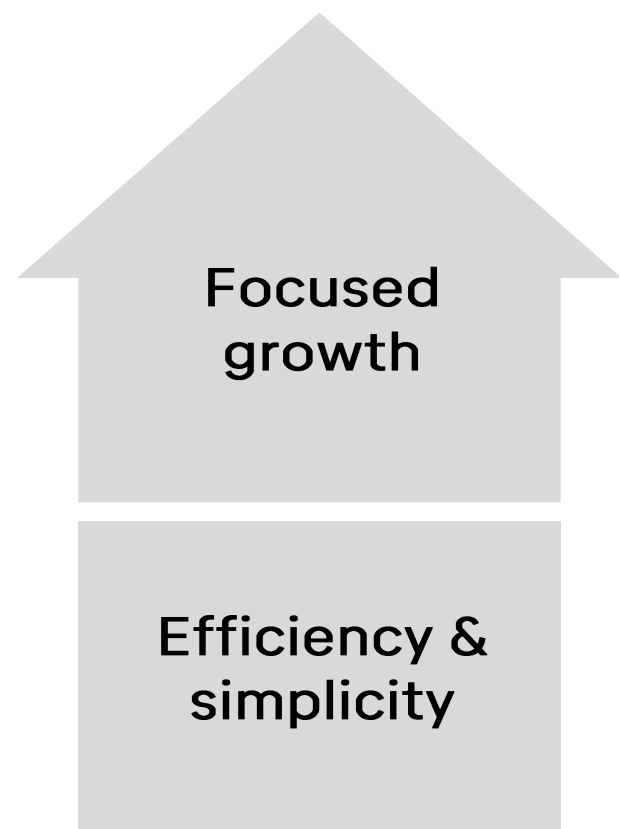
- Ensure health & safety of our staff, e.g., stricter hygiene routines, increased store cleaning frequency, cash point covers, canceled store opening and campaign events, etc.
- Ensure safe store environment for our customers, e.g., hand washing stations, info signs, distance markers, self check-out
- Promote e-commerce and home delivery
- Launched “pay from car” service in May 2020

Positive financial impact

- Positive demand from “stay at home” effect
- Disruptions to operations and supply chain so far minor and manageable



FOCUS 2020 – Q2 UPDATE: OWN INITIATIVES ADD TO GROWTH



Store upgrades – exceed expectations

- "Store 3.0" performance in Q2 exceed expectations of 3% growth per store
- Strong development in Garden

E-commerce – very strong growth

- Larger assortment, upgraded site, better delivery options
- Customers increasingly digital

Store expansion – on track

- 6 new stores opened in Q2, 4 more to communicated for Q3/Q4 2020
- New stores continue to perform well

Skånska Byggvaror build-out – on track

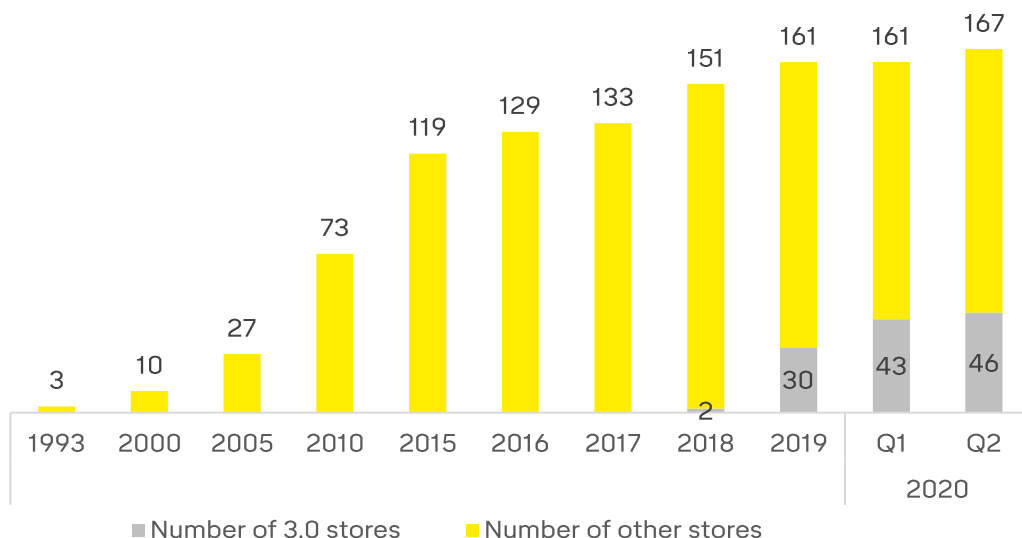
- Strong effect of product development and digital sales & marketing
- Positive financial trend continued

Further efficiency improvements – on track

- Continued strong cost control
- GM% remains strong

EXPANDING AND UPGRADING OUR STORE PORTFOLIO

Bygghmax store portfolio



Focus on new stores in Q2/Q3 and upgrades in Q4/Q1

- 6 new stores in Q2 2020, of which 4 in Sweden (Uppsala, Helsingborg, Nässjö, Boden) and 2 in Norway (Vestby Oslo, Grimstad)
- First store of format for smaller towns in Norway
- 3 new stores as 3.0 to 46 (28% of Bygghmax portfolio)
- 2 new stores with Garden department to 20 (12%)
- 3 new format for small towns to 16 (10%)
- No upgrades in Q2

VERY STRONG ONLINE GROWTH

E-commerce continues to be a top priority

Byggmax e-com sales +62% in Q2 2020 as last year's investments are paying off

- Larger assortment
- Improved site
- More delivery options

“Order online, pick-up in store” emerging as a preferred consumer alternative

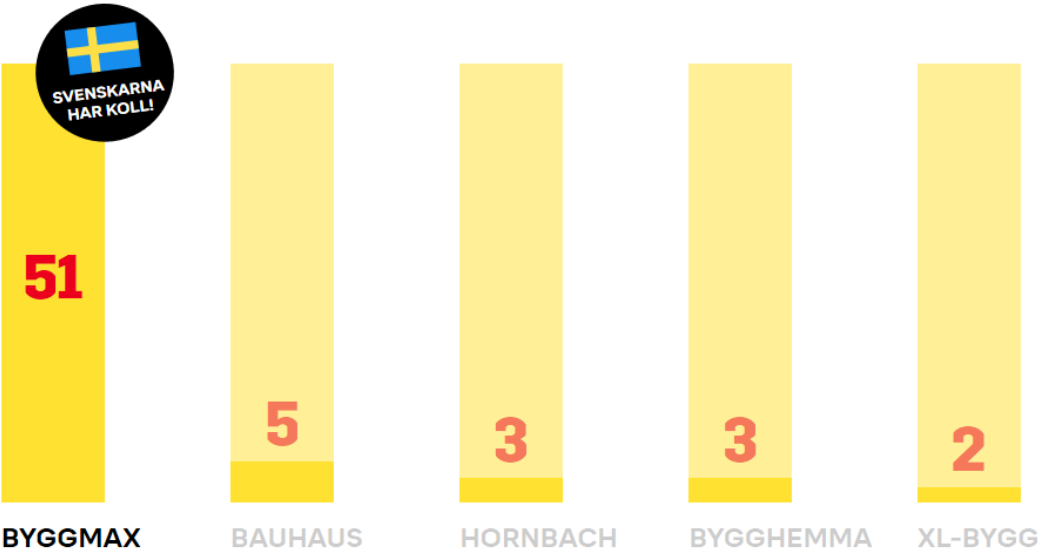
- Byggmax collect@store service increased to 14% of orders in Q2 (4%)
- Natural strength with 167 Byggmax stores

20% online share for Group RTM

The screenshot shows the Byggmax website homepage. At the top, there's a yellow header with the Byggmax logo, a search bar, and navigation links. Below the header, a red banner displays a promotion for red paint: "MER RÖDFÄRG FÖR PENGARNA" (More red paint for the money). The promotion features two buckets of "Extra prima Röd-färg" and a price tag of "399 kr". To the right of the paint buckets, it says "Röd-färg Premium Traditionell röd slämfärg av Premium kvalitet, 10 L. Art. 19853". Below the main banner, there are four smaller promotional tiles: "SÅ BYGGER SVENSKARNA BYGG RAPPORTEN 2020", "SENASTE REKLAMBLADET", "LYCKAS MED DITT GÖR DET SJÄLV PROJEKT", and "MÅTTANPASSADE FÖNSTER". At the bottom, there's a row of five icons with text: "SVENSKT TRÄ", "SNABBA LEVERANSER", "ALLTID LÅGA PRISER", "HÄMTA I BUTIK", and "BOKA SLÄPVAGN".

CONTINUED TO STRENGTHEN PRICE LEADERSHIP

VILKEN BYGGHANDEL UPPLÉVER DU HAR LÄGST PRIS?



LAVEST PRIS PÅ TERRASSEBORD

Hos Bygghemma får du de billigste terrassebordene til en god kvalitet, ifølge VGs prisundersøkelse.

Og VGs prisbørs viser at det er mye å spare. Sjekk denne tabellen:

	20 x 120 cu-imp	20 kvm terrasse	21 x 95 cu-imp	20 x 120 royal
1 Bygghemma	12,90 kr	2 141,40 kr	9,90 kr	22,95 kr
2 Bygghemma	13,90 kr	2 307,40 kr	10,90 kr	32,90 kr
3 XL Bygg	14,90 kr	2 473,40 kr	11,90 kr	30,90 kr
4 Ols Bygg	13,75 kr	2 282,50 kr	11,90 kr	28,90 kr
5 Monter	13,80 kr	2 290,80 kr	9,90 kr	31,90 kr
6 Carlsen Fritze	15,90 kr	2 839,40 kr	11,90 kr	27,90 kr
7 Bygghemma	13,90 kr	2 307,40 kr	11,90 kr	29,90 kr
8 Bauhaus	12,90 kr	2 141,40 kr	9,90 kr	29,90 kr
9 Maxbo	14,90 kr	2 473,40 kr	11,90 kr	29,90 kr
10 Bygghemma	15,90 kr	2 805,40 kr	11,90 kr	29,90 kr

*Dyk: Ståttidshalter er tatt med, men ikke fastholdt priser/valuter. ** Standard klasse 1. All over bakke. *** Utgangspunkt for 28x120-bord. Pris pr. m² x antall bord. **** Billigste variant 28 x 120 royal-impregneret, uansett farge eller produsent. Kilde: VG 29. mai 2020.

Publisert på vg.no 29. mai 2020. Les hele undersøkelsen på vg.no

SPARE PENGER

12⁹⁰ /lm

Terrassebord 28x120 impregneret grønn Impr. kl. 1, ca 8,4 lm/m², NTR A/B

SJEKK PRISEN

22⁹⁵ /lm

Royal-impregneret Terrassebord 28x120 Ca 8,4 lm/m², NTR A/B

KLASSE 1

BYGGMAX

- Low price no 1 consumer criteria for choice of DIY store
- Bygghemma top ranked & test winner in VG terrace project price survey (Norway)

SKÅNSKA BYGGVAROR DEVELOPED VERY WELL

Growth initiatives gave strong results

- Digital sales and marketing
- Product development in core categories

Order intake increased strongly

Positive financial trend continued in Q2 2020

- Sustained positive sales momentum
- Continued profitability improvement

Focus remains on building for growth, i.e., growth initiatives within core business and continued efficiency trimming



SALES DEVELOPMENT Q2

	Bygghmax	Skånska Bygghvaror	Total
Share of Bygghmax Group sales Q2 2020	90.2%	9.8%	100%
Sales development Q2 2020 vs. Q2 2019	41.2% LFL 40.8% New stores 4.8%	21.3% LFL 26.3%	38.9% LFL 39.2% Currency -3.7%

Exceptional market sales driven by:

- “Stay home” effect during covid-19 pandemic
- Own initiatives add approximately 10% to growth, i.e. new stores, e-com, Store 3.0 upgrades, garden concept
- Benefit from position as price leader with stores close to customers and strong online presence

P&L Q2 2020

Financial report - incl. IFRS 16

	April-June		12 month
Mkr	2020	2019	July 2019- June 2020
Net sales	2 499	1 799	6 141
Other operating income	11	-1	23
Total revenue	2510	1 798	6 164
Cost of goods sold	-1 723	-1 247	-4 177
Other external costs and operating expenses	-114	-121	-365
Personnel costs	-210	-192	-672
Depreciation and amortization of tangible and intangible assets	-117	-116	-469
Total operating expenses	-2 163	-1 675	-5 684
EBIT	347	123	481

Byggmax Group

- Net sales in Q2 increased by 38.9 percent to SEK 2,499m
- Gross margin at 31.1 percent (30.7), impacted positively by product mix effects and negatively by currency
- Comparable costs i.e. personnel and other external costs excluding new stores, decreased by SEK 7m. Efficiency initiatives compensated for cost increase driven by volume and Covid-19 precautions. The decrease in comparable costs was mainly attributable to currency effects.
- EBITA increased to 357 (133m)
- EBITA margin increased to 14.3 (7.4)
- EBIT increased by SEK 224m to SEK 347m (123m)

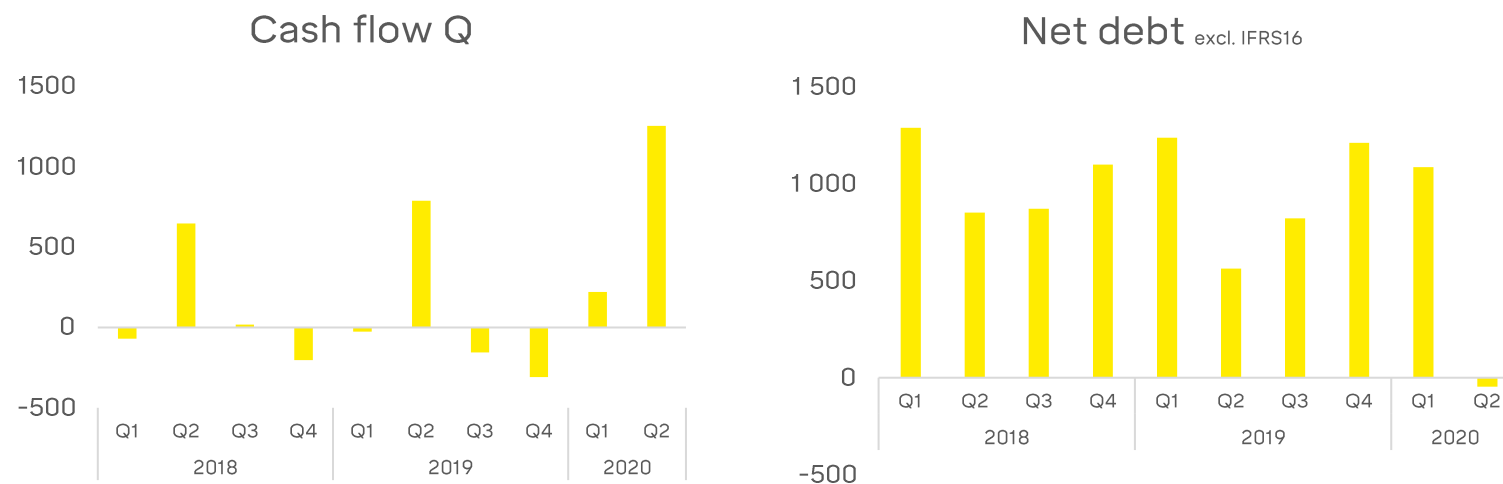
Byggmax (excl IFRS 16)

- Net sales increased 41.2 percent to SEK 2,254m (1,597m)
- EBITDA increased by SEK 206m to 348m (142m)

Skånska Byggvaror(excl IFRS 16)

- Net sales increased 21.3 percent to SEK 245m (202m)
- EBITDA increased by SEK 18m to 41 (23m)

CASH FLOW & NET DEBT



Cash flow from operating activities amounted to SEK 1,254m for the second quarter, movements driven by:

- strong net sales and earnings development
- increased accounts payable

Strengthened balance sheet. Net cash position SEK 47m compared to net debt SEK 563m in June 2019.

POSITIVE MARKET OUTLOOK

Home improvement strongly boosted by “stay home” effect during Q2

- Consumers working from home
- “Staycation” instead of travelling
- Early spring added to growth

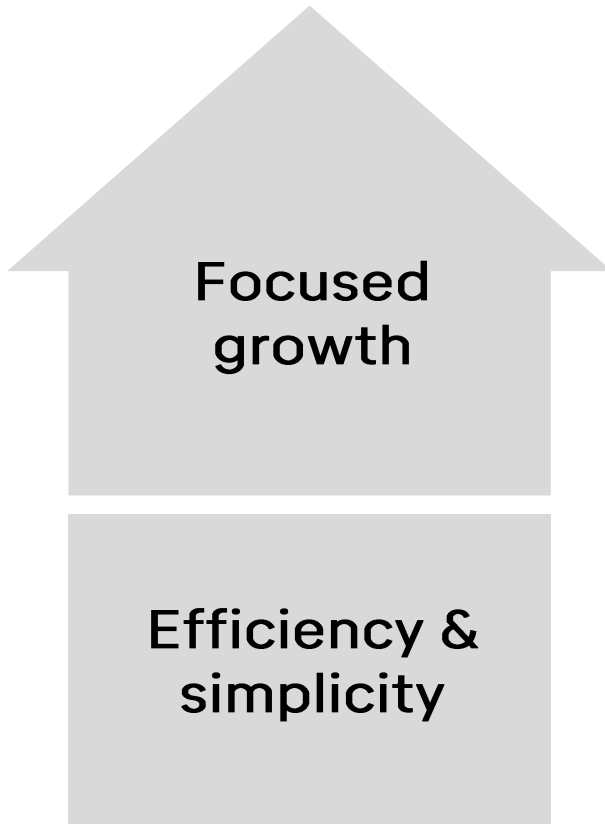
Expect “staycation” to continue boost demand in Q3

Housing market in Sweden seem to be back to growth as of end Q2 2020

Consumer shift in behavior, towards staycation, should to some extent continue beyond this year



FOCUS 2020 – CONTINUE PROFITABLE GROWTH



Store upgrades

- Convert additional 15-20 Byggmax stores to 3.0
- Store 3.0 close to 40% of portfolio by end 2020 (28% Q2 2020)

E-commerce growth

- Continue increase assortment and improve customer experience

Store expansion

- Add 4 more Byggmax stores in Q3/Q4, to total of 10 in 2020

Skånska Byggvaror build-out

- Initiatives within core assortment and digital sales and marketing

Further efficiency improvements

- Supported by new tools and technology

Q&A



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