



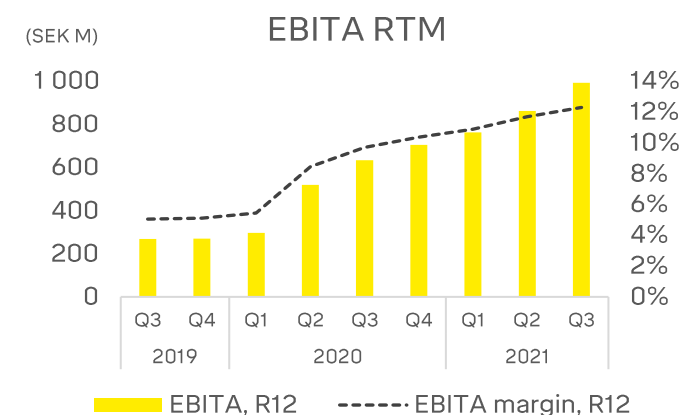
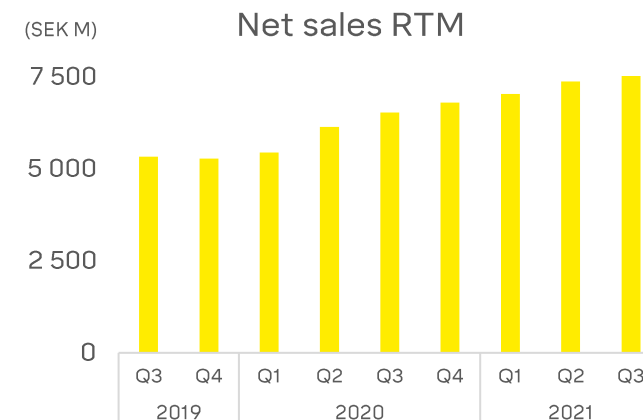
# Q3 Report 2021

October 19, 2021

Mattias Ankarberg, CEO  
Helena Nathorst, CFO

# Q3 2021: CONTINUED STRONG MOMENTUM

- Q3 net sales increased 9% (21%) to 2,400m (2,200m)
  - Continued growth momentum despite tough comps
  - Continued market share gains, now in declining market
  - Like-for-like sales increased 2%
  - E-com accounted for 18% of Group sales
- Increased gross margin and solid cost control gave continued strong scale effect
- EBITA increased to SEK 406 M (335)  
EBITA margin increased to 16.9% (15.2%)  
RTM EBITA margin increased to 12.3% (9.7% 2020)





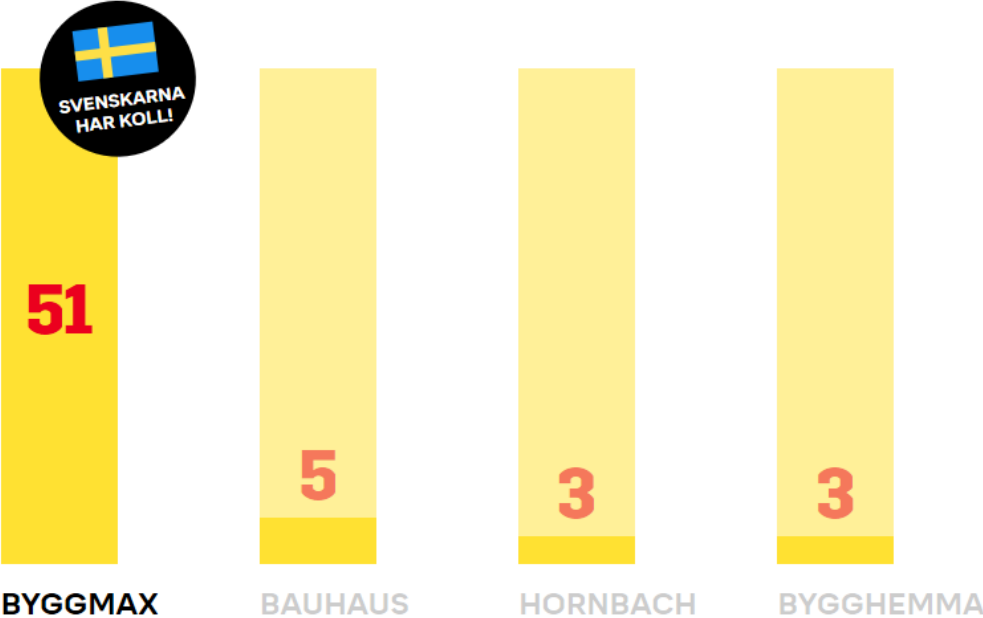
# KEY EVENTS

- Covid-19 situation – still precautions to operate in a responsible way
- Store portfolio further upgraded and 2 new stores opened in Q3 2021
- Completed acquisition of Norwegian tiles discounter Right Price Tiles, Aug 31
- Share buy-back program launched Sep 20, 2021



# CLEAR AND LEADING DISCOUNT POSITION

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



Recognized for markets' lowest prices  
by several independent surveys also 2021



**BYGGMAX BILLIGST PÅ TERRASSEBORD 28X120**

Hos Byggmax får du de billigaste terrassebordene 28x120, ifølge VGs prisundersøkelse.

**VG**

Undersøkelsen ble publisert i VG i mai 2021.

**Test fakta**

**Verified**

Quality & Performance

**“HÄR FINNS SVERIGES BILLIGASTE TRÄDÄCK”**

**AFTONBLADET**

Undersökningen publicerades på aftonbladet.se i april 2021.

# MARKET SHARE GAINS CONTINUED

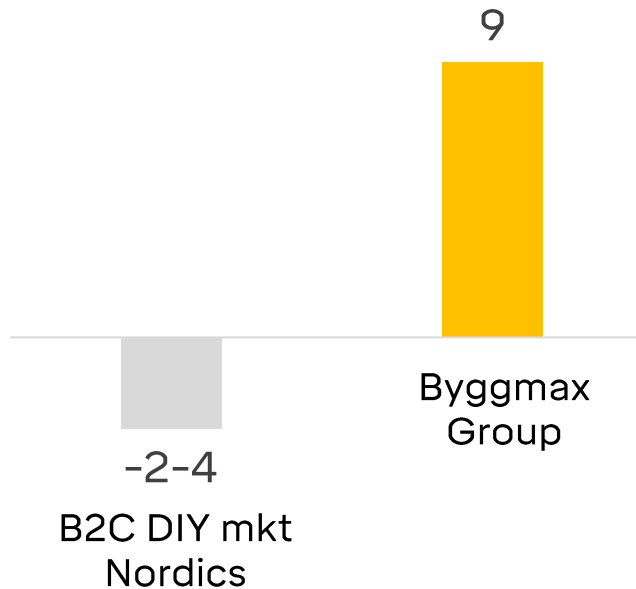
2020: Nordic B2C DIY market  
ca +20% (local currency)



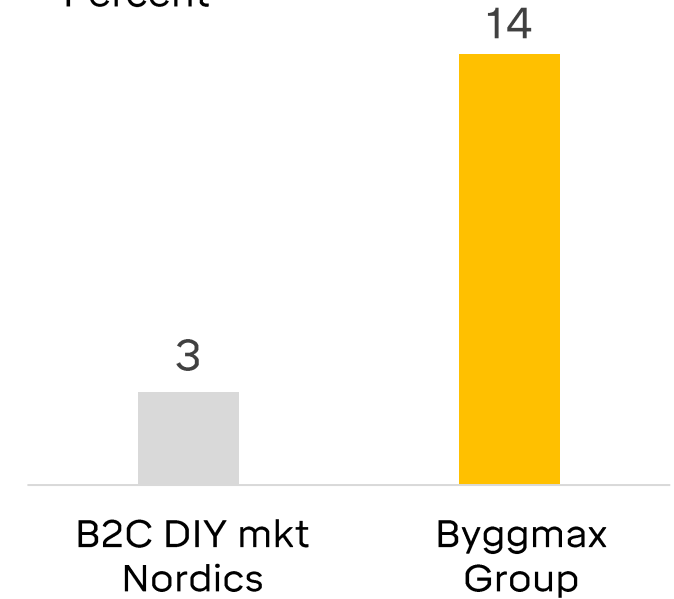
Q3 2021: New market situation,  
decline vs 2020 (growth vs 2019)

- “Stay home” effect decreased as pandemic restrictions removed
- Continued positive effect from increased consumer prices
- Record high housing market activity YTD 2021
- Market +8-10% vs Q3 2019

Q3 2021  
Percent



YTD 2021  
Percent



# GROWTH INITIATIVES CONTINUED TO DELIVER

## Store upgrades +6% per “Store 3.0”

- Store 3.0 at 54% (30%) of portfolio end Q3
- Add ca 6% sales per store

## e-commerce +4% Q3 2021

- Bygghmax branded e-com sales +4% despite very tough comps (+40%)
- Very strong growth in store assortment products continued
- Certain online exclusive categories suffered from supply chain disruptions

## Store expansion +3% Q3 2021

- 2 new stores opened Q3 2021, 9 new YTD
- In addition 12 new Right Price Tiles stores from completed acquisition
- New Bygghmax stores add 3% sales Q3 2021

## Acquisitions +4% Q3 2021

- Strong development in Danish Næstved Lavpristræ (“NLT”)
- Acquisition of Norwegian Right Price Tiles closed Aug 31, 2021



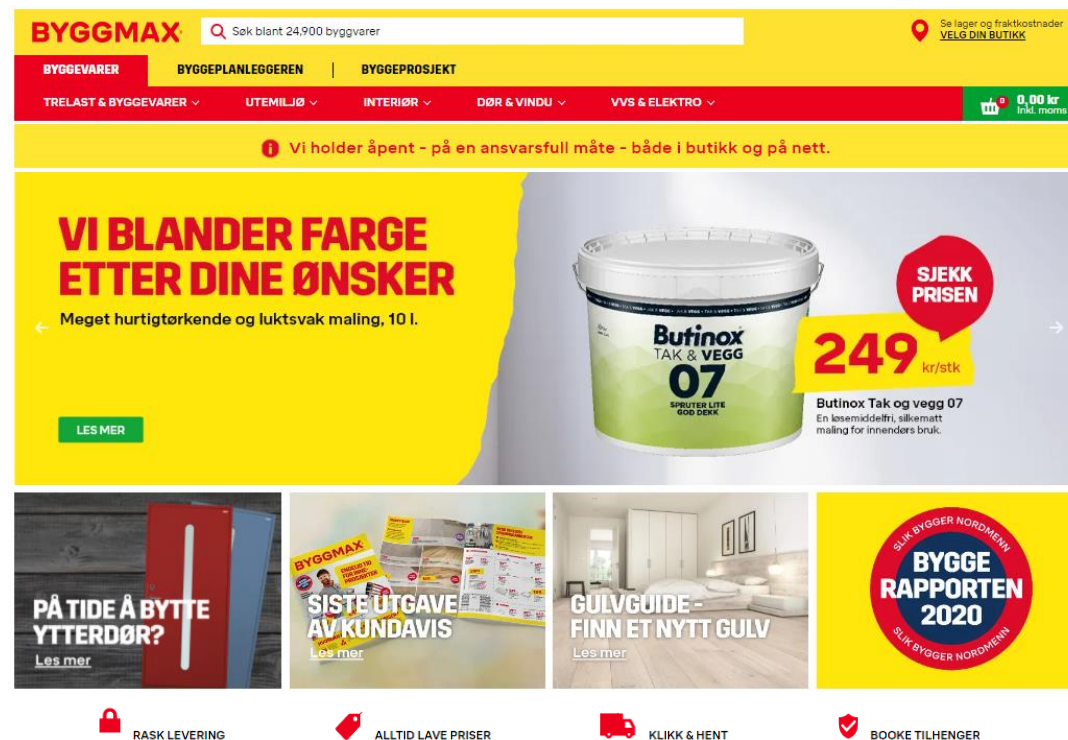
# CONTINUED E-COM GROWTH DESPITE TOUGH COMPARABLES

## Byggmax branded e-com sales +4% in Q3 2021

- Byggmax branded e-com sales +4% despite very tough comparables (+40%)
- Very strong growth in store assortment products continued, both collect@store and home delivery
- Sales of certain online exclusive categories suffered from supply chain disruptions, e.g., garden machines, sheds, only partly compensated by continued momentum in e.g., online exclusive flooring

## Byggmax stores enable faster e-com growth

- Fastest growth continue to come from collect@store (order online, pick up in store)
- e-com increase ca 15 percent in geography where new store is opened





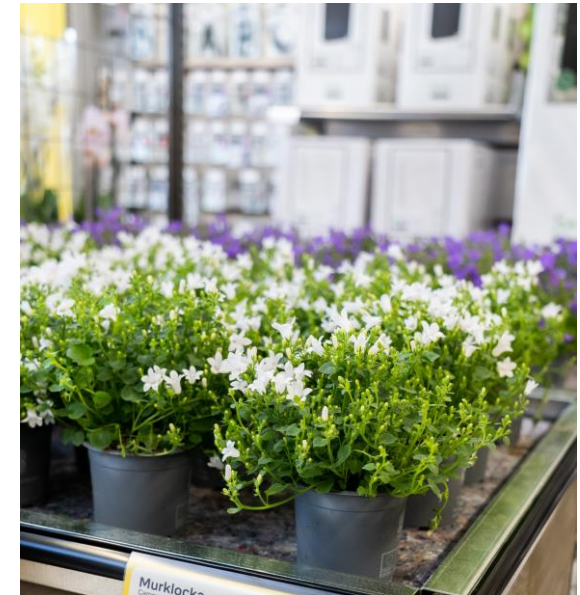
# STORE UPGRADES GENERATES CA 6% SALES PER STORE



**Small town format**  
Upgraded "3.0" version  
launched 2020



**Regular format (incl. Garden)**  
"Store 3.0" launched Q4 2018  
Upgrades ongoing



**Large format (& large Garden)**  
Upgraded "3.0" version  
launched 2020

**Store 3.0 – more product categories and improved quality experience**  
**Upgrades generate ca 6% sales increase per store**



# LOTS OF RUNWAY LEFT FOR MORE UPGRADES

Byggmax store portfolio



## Store 3.0 now 54% of portfolio

- 2 new Byggmax stores opened in Q3 2021: Lindesberg, Tullinge (Sweden), 1 closed (Norway)
- 8 upgrades in Q3 2021 to Store 3.0, total 97 Store 3.0 (54% of Byggmax portfolio)
- Garden departments in 74 stores (41%), of which 22 large Garden departments (large format)
- Portfolio includes 20 stores of format for small towns (11%) and 22 large format stores (12%)
- In addition to Byggmax stores, 12 new stores from acquired Right Price Tiles added in Q3
- Expect 1 additional new store in Q4 (Sweden), and 1 relocation in Q4 (Sweden)

# STRONG START IN DENMARK

Denmark entered Jan 2021 through acquisition of Næstved Lavpristræ (“NLT”)

- Founder led DIY discount concept
- Sales of ca DKK 125m 2020
- ca 30% of sales from e-com, 4 stores

Expectations of good fit with the Bygghmax concept have been realized

- Possible to serve through Bygghmax existing supply chain and warehouse structure
- Increasing share of assortment from Bygghmax, driving sales and GM%

Strong development 2021, with future plans

- Strong performance 2021 YTD with both strong e-com growth and good profitability
- Further expansion planned



# INCREASED PROFITABILITY FOR SKÅNSKA BYGGVAROR

Following very strong sales growth during the first half year (+31%), sales decreased -15% in Q3

Despite this, profitability improved driven by an increasingly strong and profitable product portfolio, generating higher gross margins

Order intake increased again during the last month of the quarter

Focus forwards on continuing executing growth initiatives: product development, digital sales & marketing, expansion in Norway and Finland



**8%**

SKÅNSKA BYGGVAROR  
OF GROUP SALES Q3 2021

**18%**

TOTAL GROUP E-COM  
OF GROUP SALES Q3 2021



# SALES DEVELOPMENT Q3

|                                      | Byggmax   | Skånska Byggvaror           | Total                                   |
|--------------------------------------|---|-----------------------------|---|
| Share of Byggmax Group sales Q3 2021 | 92.2%   | 7.8%                        | 100%                                    |
| Sales development Q3 2021 vs. 2020   | <b>11.5%</b><br>LFL 4.3%   Acquisition 4.0%   New stores 3.4% | <b>-14.8%</b><br>LFL -15.1% | <b>9.1%</b><br>LFL 2.3%   Currency 0.2% |

- Continued growth momentum despite tough comparables and a declining market
- Strong sales growth from Byggmax own initiatives i.e., e-com, store upgrades, new stores
- Acquired Denmark NLT and Right Price Tiles business adds 4.0% to the segment in the quarter
- Skånska Byggvaror +12.4% YTD
- Currency of 0.2% mainly due to movements in NOK

# P&L Q3 2021

| SEK M  | 2021          | 2020          |
|--|---------------|---------------|
| Net sales  | 2 400         | 2 200         |
| Other operating income                           | 6             | 8             |
| <b>Total revenue</b>                             | <b>2406</b>   | <b>2 208</b>  |
| Cost of goods sold                               | -1 564        | -1 471        |
| Other external costs and operating expenses      | -121          | -112          |
| Personnel costs                                  | -198          | -182          |
| Depreciation and amortization of tangible assets | -118          | -109          |
| <b>Total operating expenses</b>                  | <b>-2 001</b> | <b>-1 874</b> |
| <b>EBITA</b>                                     | <b>406</b>    | <b>335</b>    |

## Byggmax Group

- Net sales in Q3 increased by 9.1 percent to SEK 2,400 M (2,200)
- Gross margin increased to 34.8 percent (33.1), positively impacted by favorable mix effects and scale for segment Byggmax and Skånska Byggvaror.
- Strong cost control as the increase in costs is related to new stores and acquired businesses. Costs related to new and acquired stores amounted to SEK 32 M. Comparable costs increased by SEK 2 M (21).
- EBITA increased to SEK 406 M (335)
- EBITA margin increased to 16.9 percent (15.2)

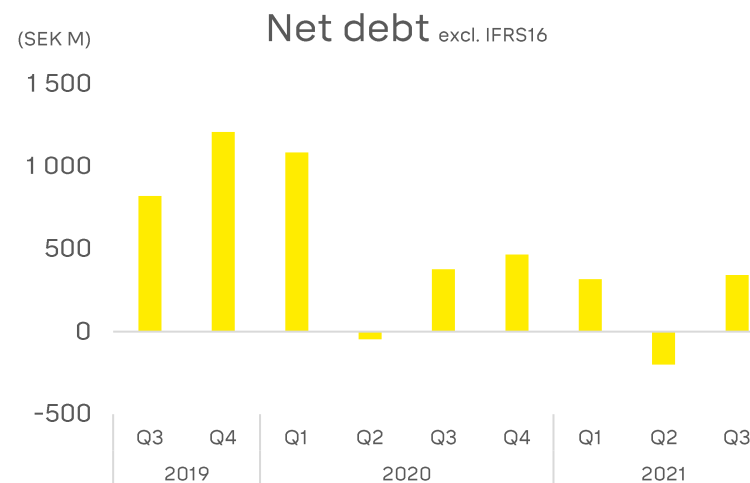
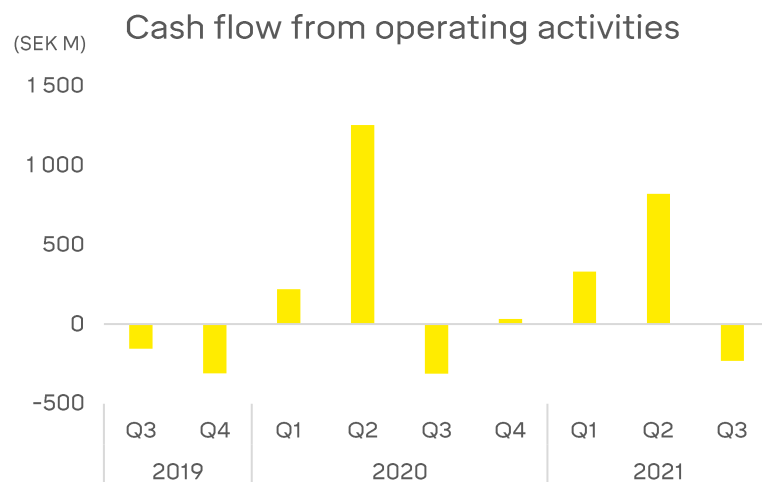
## Segment Byggmax (excl. IFRS 16)

- Net sales increased 11.5 percent to SEK 2,213 M (1,984)
- EBITDA increased to SEK 404 M (332)

## Segment Skånska Byggvaror (excl. IFRS 16)

- Net sales decreased 14.8 percent to SEK 191 M (224)
- EBITDA increased to SEK 35 M (33)

# CASH FLOW & NET DEBT



Cash flow from operating activities amounted to SEK -230 M for the quarter, an increase of SEK 81 M compared to the same period last year.

The change in cash flow from operations mainly attributable to an increase in EBIT.

Strong balance sheet with a net debt amounting to SEK 344 M excluding IFRS16, to be compared with a net debt position of SEK 367 M in Q3 2020. Net debt position takes account for the acquisitions in 2021, Norwegian Right Price Tiles and Danish NLT.



# SHARE BUY-BACK PROGRAM LAUNCHED

- Board of Directors decided to exercise the authorization granted by the AGM and initiate repurchases of own shares
- Max amount SEK 200 million, max 5% of outstanding shares (3,049,000)
- Acquisition of shares may be carried out from Sep 20, 2021 to the 2022 AGM
- Intention that repurchased shares are withdrawn through a reduction in the share capital (AGM decides)
- Max amount SEK 200 million corresponds to SEK 3.28 per outstanding share (at time of program initiation, 61m shares)



# PERFORMANCE VS. FINANCIAL TARGETS

|   | Targets       | RTM Q3 2021 | Comment                               |
|---|---------------|-------------|---------------------------------------|
| <b>Sales</b><br>RTM   | SEK 10bn 2025 | SEK 7.6bn   | SEK 6.5bn RTMQ3 '20                   |
| <b>EBITA margin</b><br>RTM                                  | 7-8%          | 12.3%       | 9.7% RTM Q3 '20                       |
| <b>Net debt / EBITDA</b><br>RTM EBITDA, ex. IFRS16          | <2.5x         | 0.3x        | 0.5x Q3 2020                          |
| <b>Dividend</b><br>Share of net income                      | 50%           | 35%         | SEK 2.75 per share<br>+200m buy-backs |
| <b>CO2</b><br>From goods transports,<br>per ton km vs. 2010 | -70% 2030     | -32%        | FY 2020                               |

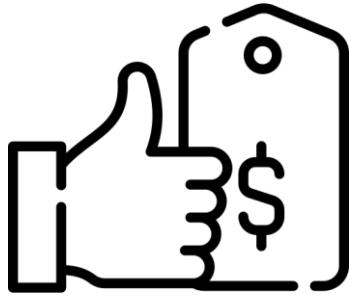
# LEARNINGS FROM THE PANDEMIC YEARS

- 1. DIY market boosted during covid pandemic, benefitting also us**
  - Nordic consumer market for building materials ca +22% RTM Q3 2021 vs 2019
- 2. Bygghmax Group taken a lot of market share – sales +43% vs market +22%**
  - Bygghmax Group's sales +43% RTM Q3 2021 vs 2019
  - Confirms strength of our modern discount concept
- 3. We are now successful in new categories, e-commerce and new countries**
  - Bygghmax branded e-com and sales of garden products 2x since before pandemic
  - Very strong trend also for smaller DIY projects, e.g., storage, fastening, electricity and tools
  - Turned around Finland 2019 (historically unprofitable) and successfully entered Denmark 2021
- 4. We have strengthened our leading discount position**
  - Remain no 1 hard DIY discounter in the Nordics
  - Bygghmax also increasingly associated with quality, relevant assortment and good service
- 5. We realize big scale effects from increased sales – EBITA margin doubled**
  - EBITA margin RTM Q3 2021 more than doubled to 12.3 percent, compared to 5.1 percent 2019



# FAVORABLE MARKET TRENDS

Discount



**Accelerating**

Further acceleration  
of shift to discount with  
higher DIY consumer prices

The home



**New level**

Home plays larger role  
post covid-19 pandemic  
Many new DIYers in pandemic

e-commerce



**Accelerating**

Many new e-com  
consumers during  
covid-19 pandemic

# MOVING FORWARD: CLEAR FOCUS AND POSITIVE OUTLOOK

**We remain focused on our proven organic growth initiatives, that all have much more to give**

- Bygghmax towards “Modern discounter for today’s DIY-ers” – more categories, higher quality, best of stores & e-com – and still best price!
- Focus remains on organic growth initiatives, all with much more to give
- Continue store upgrades (increased efforts 2021), e-com (increased efforts 2021), and add new stores in white spots (expect 10 new 2021)
- Add-on acquisitions at appropriate opportunity

**Macro trends provide support, reiterate market view**

- Accelerating shift to discount as consumer market prices increase
- Role of the home increases, more consumers working partly from home
- Many new DIYers and many new e-com customers during pandemic
- Reiterate our market view: DIY market larger post vs. pre covid-19 pandemic, although not as large as during the pandemic



**Q&A**



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