

The background of the slide features a top-down view of several open paint cans in various colors including red, orange, yellow, and brown. In the upper right corner, a portion of a white color calibration chart with various color patches is visible.

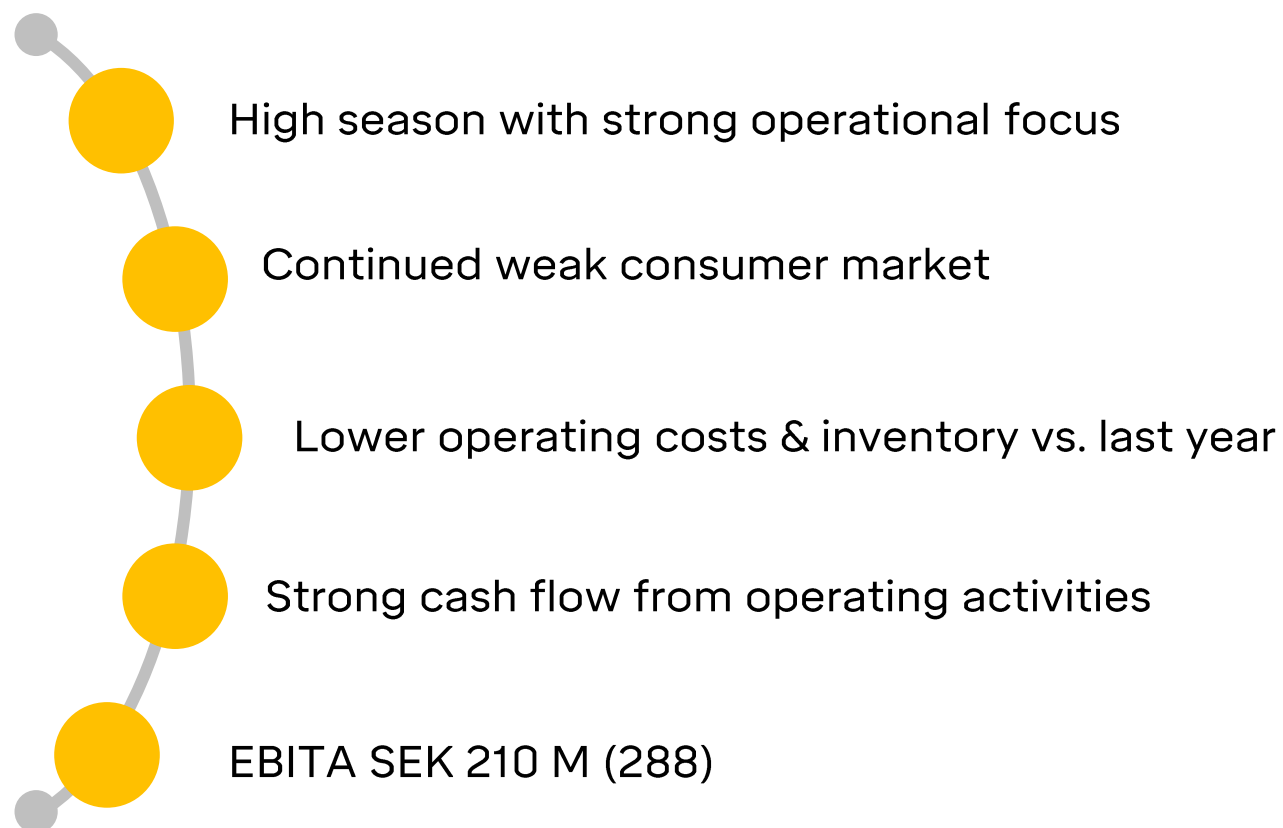
Q3 REPORT 2023

25 October 2023

Karl Sandlund, CEO
Helena Nathhorst, CFO

BYGGMAX®

Q3 2023: PROFITABLE BYGGMAX IN WEAK MARKET



	Q3 2023	Q2 2022
Net sales, SEK M	1,960	2,273
Net sales growth, %	-13.8%	-5.3%
EBITA SEK M	210	288
EBITA-margin, %	10.7%	12.7%
Net profit, SEK M	138	214

SELECTED FINANCIAL HIGHLIGHTS – Q3 2023

NET SALES R12

**SEK 6.3
BN**

—
-13% vs. 2022

SHARE OF E-
COMMERCE R12

19%

—
-1pp vs. 2022

CASH FLOW FROM
OPERATING
ACTIVITIES R12

**SEK
843M**

—
SEK +308 M vs. 2022

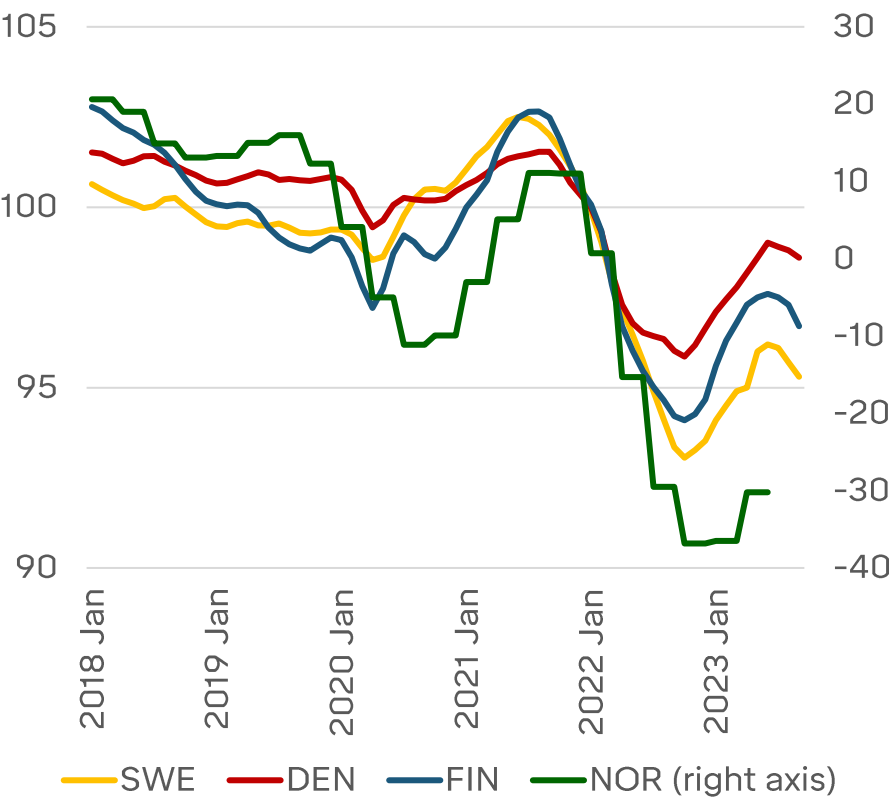
NET OF NEW STORES
R12

8

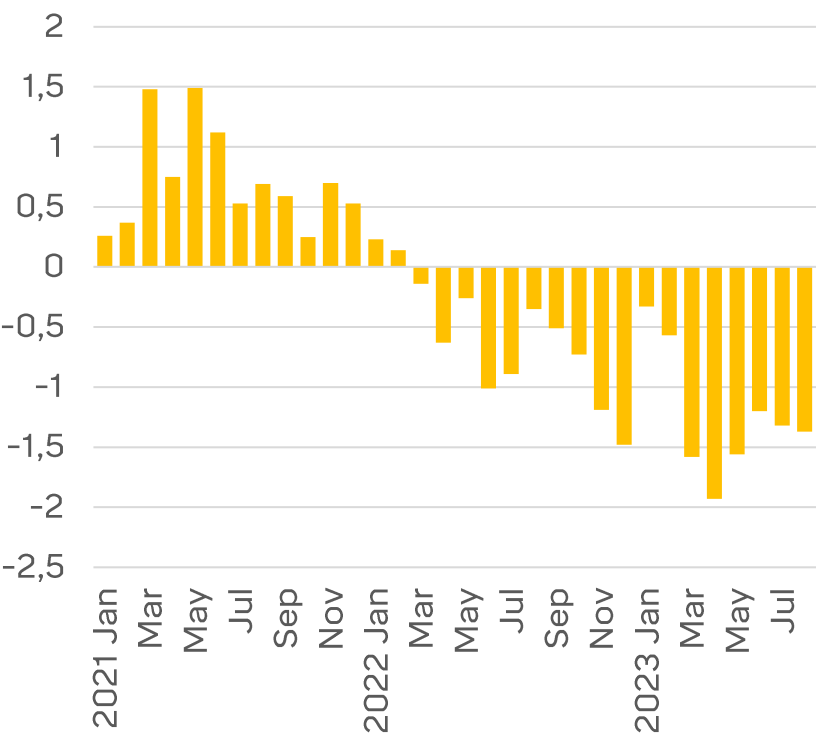
—
209 stores in
total

CONTINUED WEAK CONSUMER MARKET

Nordic consumer confidence – at historic low levels



Intent to renovate – Sweden



Continued hesitant consumer, particularly related to larger purchases

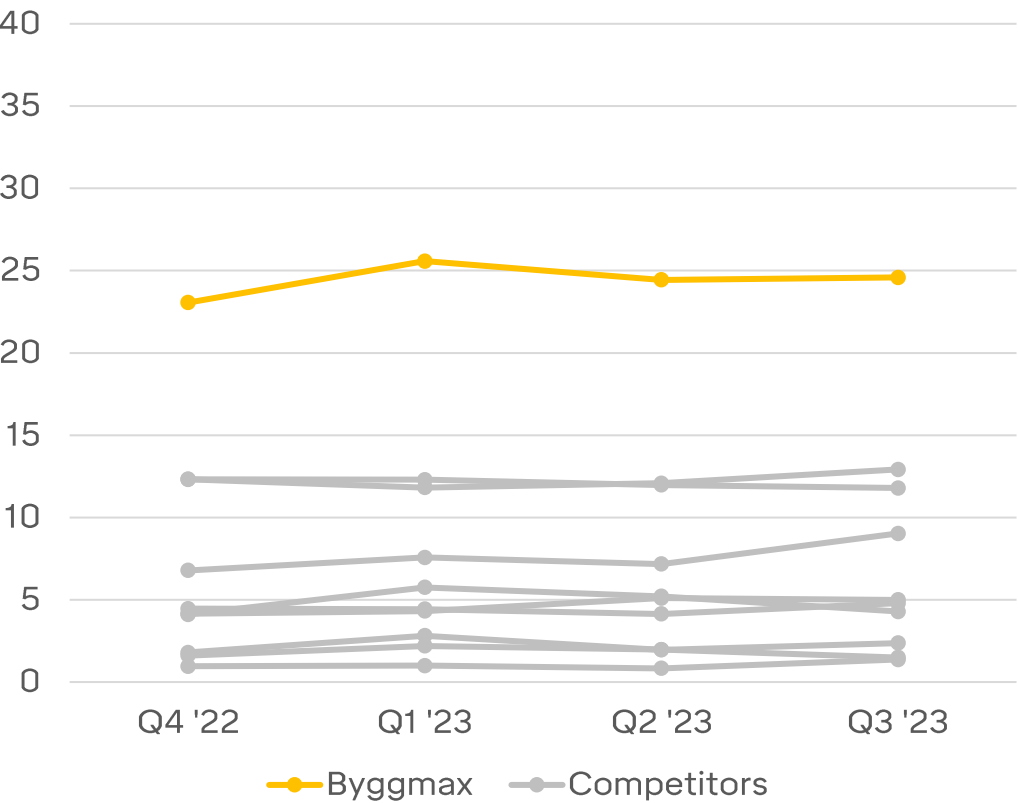
Market below pre-pandemic levels

Customer behaviors returning to pre-pandemic patterns

UNDISPUTED LOW PRICE LEADER



Price perception, Sweden



ACTIONS RIGHT NOW



Cost. Continuously securing industry's lowest operating cost



Inventory. Adjusting inventory levels to lower sales volume



Gross margin. Optimizing assortment and sourcing

CONTINUOUSLY SECURING INDUSTRY'S LOWEST OPERATING COST

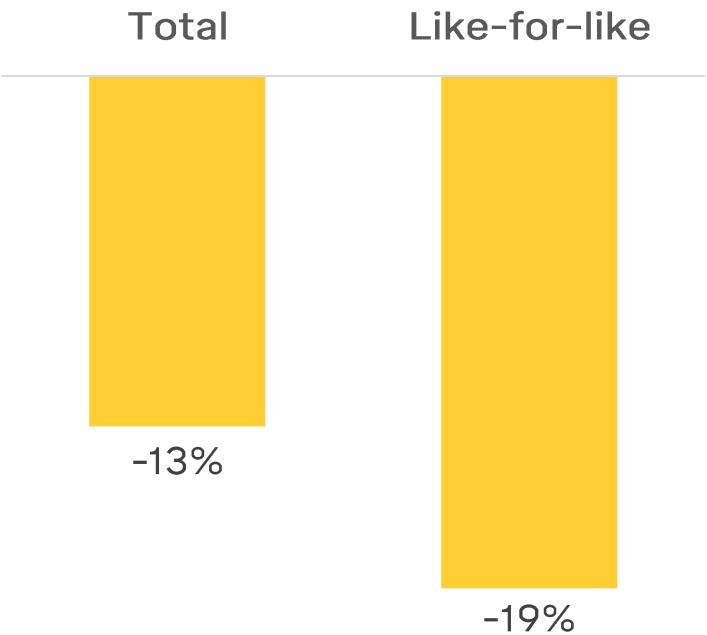
Development of operating cost Q3
2023 vs Q3 2022

High inflation

Market salary
increases

More stores

Upgraded
stores



Cost focus is part of Byggmax's DNA

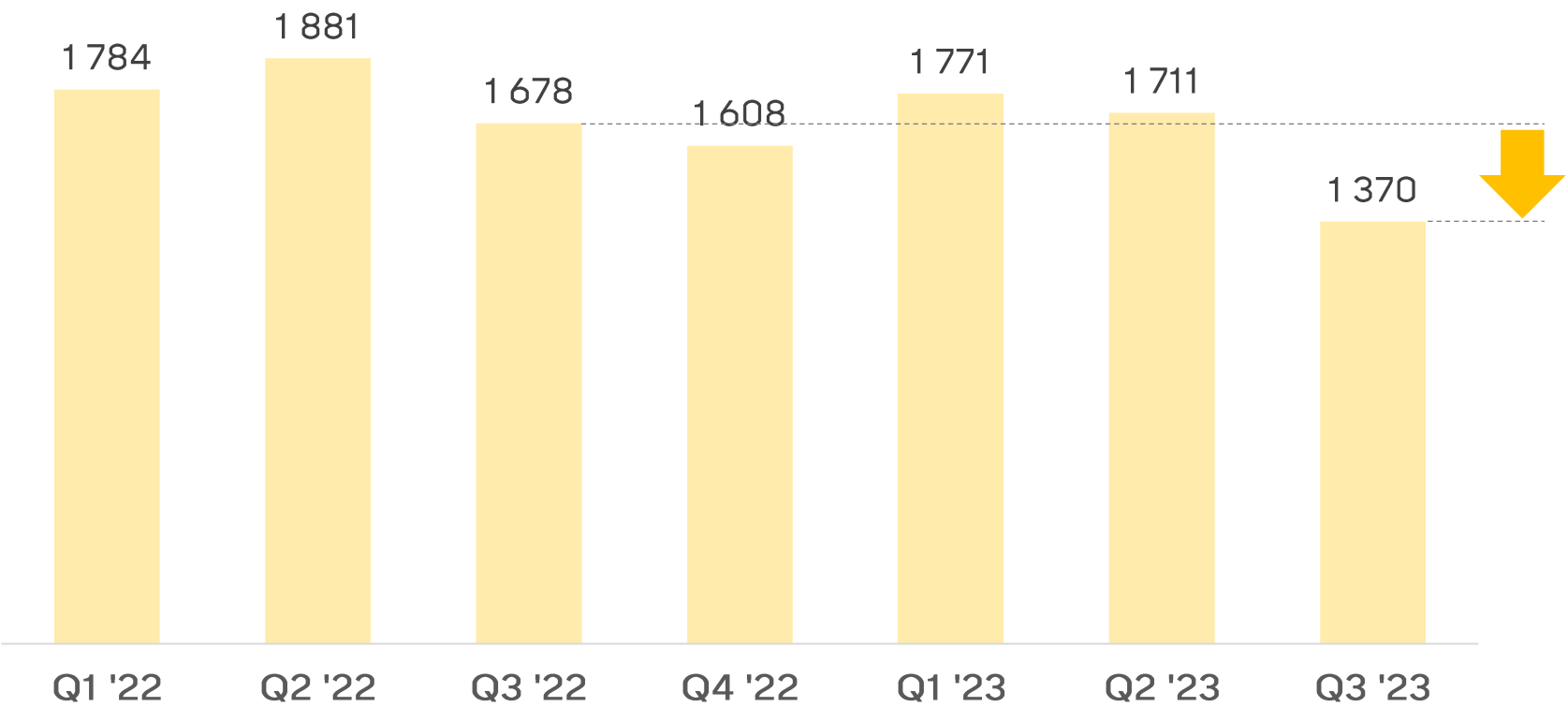
New more efficient ways of working –
planning, tools, procedures

Reduced overhead and external spend

Early transition to “low season set-up”

INVENTORY REDUCED BY MORE THAN SEK 300 MILLION (18%)

Inventory level by end of quarter
SEK millions



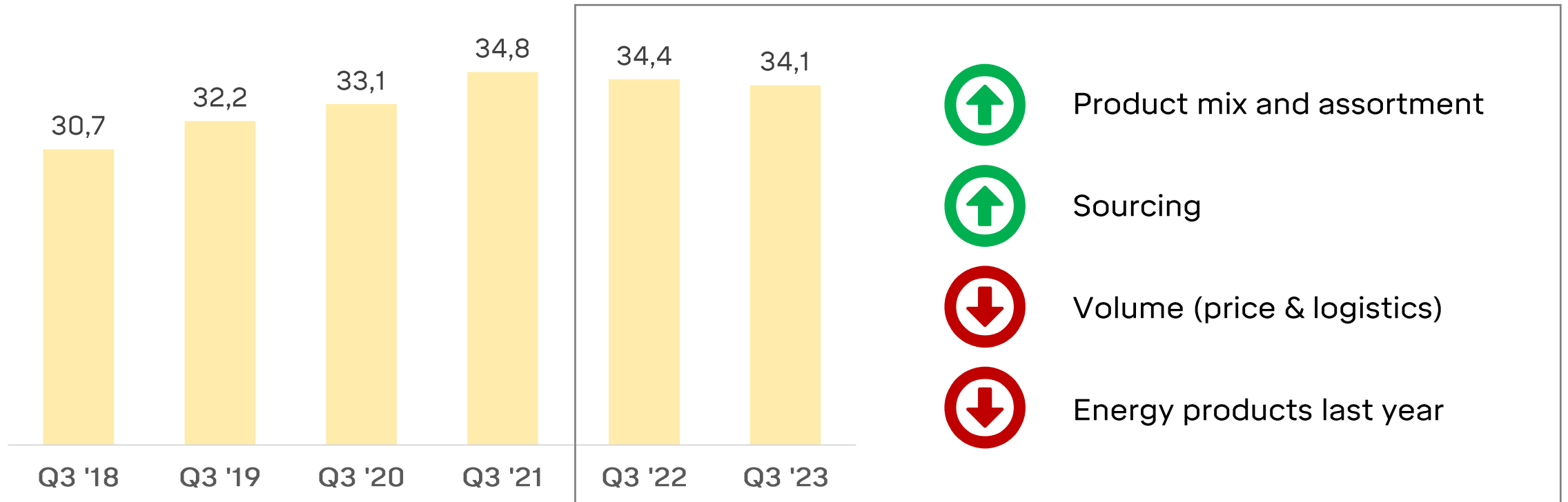
Adjusting inventory levels to lower sales volume

Improved logistics set-ups

Optimization of assortment

STRONG GROSS MARGIN IN WEAK MARKET

Percent



SALES DEVELOPMENT Q3 2023

Sales development, Q3 2023 vs. 2022

-13.8%

LFL
-15.5%

New stores
1.8%

Currency
+0.2%

Sales development by geography

Sweden

-14.5%

Other Nordics

-13.9%

Store portfolio and channel development

NUMBER OF STORES

	July – September 2023	January – September 2023	12 months Oct 2022 – Sep 2023
Beginning of the period	210	204	201
Sweden			
+ New stores	1	4	8
+ Acquired stores	0	0	0
– Closed stores	0	0	0
Other Nordic			
+ New stores	0	3	3
+ Acquired stores	0	0	0
– Closed stores	-2	-2	-3
End of the period	209	209	209

19%
Group e-com
share R12
(21%)

- Sales decline on a continued weak market, still with good performance on smaller projects
- New stores contributed with 1.8%, one new store opened during the period. 11 opened and three closed in the last 12 months

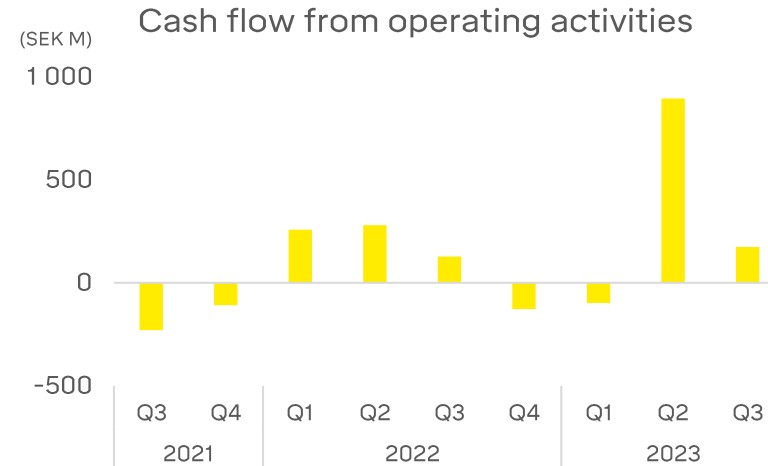
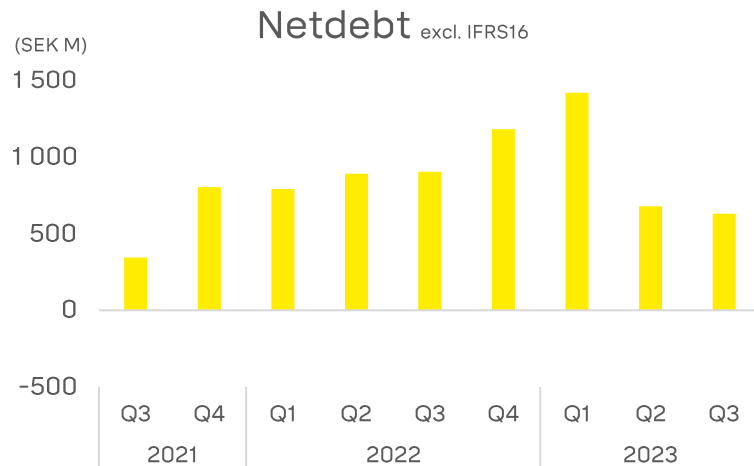
P&L Q3 2023 - STRONG OPERATIONAL FOCUS

SEK M	2023	2022
Net sales	1,960	2,273
Other operating income	12	8
Total revenue	1,972	2,281
Cost of goods sold	-1,292	-1,491
Other external costs and operating expenses	-110	-155
Personnel costs	-204	-206
Depreciation and amortization of tangible assets	-171	-156
Total operating expenses	-1,777	-2,008
EBIT	196	274
Amortization of intangible fixed assets related to acquired surplus values	14	14
EBITA	210	288

Bygghmax Group

- Net sales in Q3 decreased by -13.8 percent to SEK 1,960 M (2,273).
- The gross margin was 34.1 percent, close to the corresponding quarter last year (34.4). Positive product margin impact offset by negative scale effect on volume and logistics.
- Personnel cost and other operating expenses decreased by SEK 48 M. Strong operational focus remains, cost base have been adjusted to meet lower sales volumes, primarily through more efficient ways of working with staffing and administration. Operating expenses includes two closures, costs related to new stores amounts to SEK 7 M. The comparable costs, i.e. costs excluding new stores and closures, decreased by SEK 68 M.
- EBITA decreased to SEK 210 M (288)
- EBITA margin decreased to 10.7 percent (12.7)

CASH FLOW & NET DEBT



Cash flow from operating activities amounted to SEK 174 M for Q3 2023, an increase of SEK 47 M compared to Q3 2022. Effects from market decline on EBIT in the period compensated by actions on working capital and inventory levels.

Net debt amounted to SEK 630 M excluding IFRS16 (904). Decrease driven by the strong cash flow activities in the quarter from opex improvements, decreased inventory levels combined with reduced investment activity.

SUMMARY: PROFITABLE BYGGMAX IN WEAK MARKET



Weak market

- Continued weak market, especially related to larger projects
- Byggmax undisputed low price



Actions

- Strong delivery on key actions; secure lowest cost, adjusting inventory and optimization of assortment



Financials

- Lower cost, despite inflation and more stores
- Strong cash flow from adjusted inventory and capex activity
- EBITA SEK 210 M, 10.7 percent



Priorities remain

- Byggmax ready with upgraded stores, strong e-com offer and lowest prices
- Sourcing structure enables quick ramp-up when market returns

A young child in a blue and white striped shirt stands on a small wooden stool, holding a yellow paint roller. An adult, seen from the back, is also painting the wall with a yellow roller. The wall is partially covered in bright yellow paint, with some white areas still visible. The scene is brightly lit, creating soft shadows.

BYGGMAX®

Q&A