



## Q4 Report 2020

January 26, 2021

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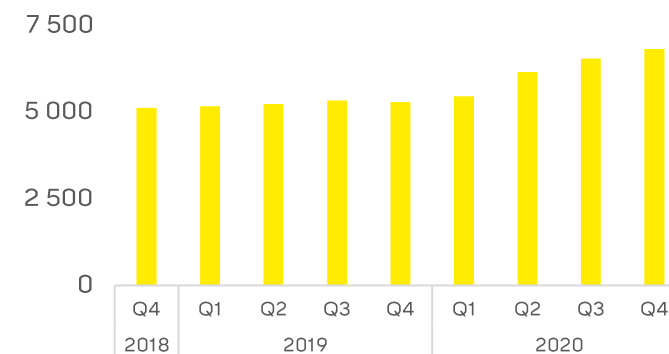
**BYGGMAX®**



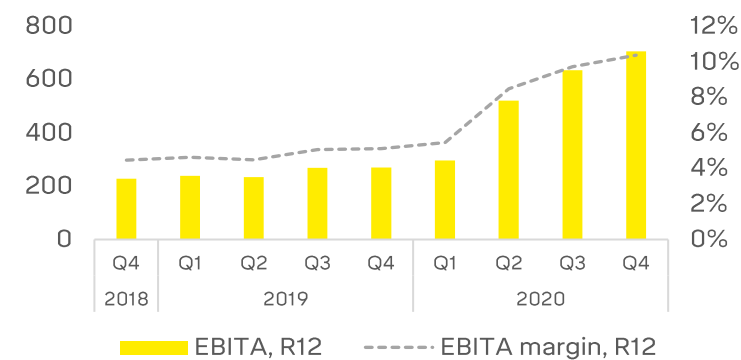
# Q4 2020: STRONG FINISH TO RECORD YEAR

- Health & safety remains top priority in covid-19 situation
- Q4 net sales increased 29% to 1,222m (950m)
  - Like-for-like sales increased 28%
  - Byggmax e-commerce grew 60%
- Increased gross margin and solid cost control gave continued strong scale effects
- EBITA increased to 65m (-6m),  
EBITA margin increased to 5.3% (-0.6%)
- 2020 net sales increased 29% to 6.8bn (5.3bn)  
Market share gains in strong market  
EBITA margin doubled to 10.4% (5.1%)

Net sales R12



EBITA



# KEY EVENTS

- Covid-19 situation – precautions to operate in a responsible way
- Opened 1 new store in Q4 2020
- Expansion to Denmark in 2021, through acquisition and own e-com



# STRONG MARKET GROWTH

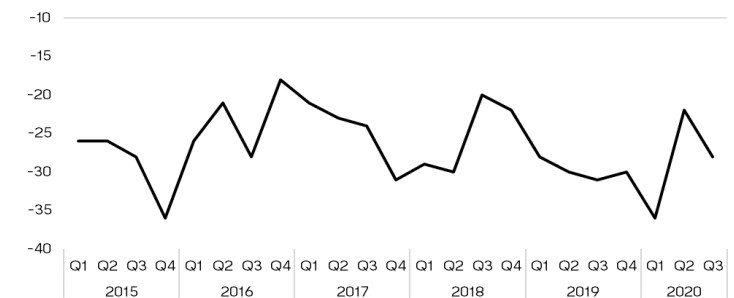
## Very good market growth & continued “stay home” effect

- Continued “stay home” effect during the covid-19 pandemic, although not as strong as in April and May
- Mild autumn created favorable weather effect in Q4
- Swedish housing market transactions increased 2020
- Recently published data on consumer market (by “Virke”, Federation of Norwegian Enterprise) supports estimate that the Nordic consumer market for building materials increased 15-20% during Q4, and 15-20% also for 2020

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



Intent to renovate, Sweden  
Index



# OWN INITIATIVES ADD PROFITABLE GROWTH



**Focused  
growth**

**Simple &  
efficient**

## Store upgrades

- "Store 3.0" 39% (19%) of portfolio end Q4, generate 6% per store
- Garden departments perform strongly 2020 (12% of portfolio)

## E-commerce

- Bygghmax segment online sales +60% Q4, +50% YTD
- Larger assortment, upgraded site, better delivery options

## Store expansion

- 10 new stores opened as of Q4
- New stores add 4% sales YTD

## Skånska Byggvaror build-out

- Product development generates new product sales
- Strong effect of digital sales & marketing initiative

## Further efficiency improvements

- GM% increase +0.5pp 2020 (vs. last year's all-time-high)
- Strong cost control, 2020 OpEx +10% (-3%-p of sales)



**Own initiatives  
drive ca 10% sales  
growth 2020**

**Scale effects in  
GM% and Opex%**

# VERY STRONG ONLINE GROWTH

Byggmax e-com sales +60% in Q4 as investments continue to pay off

- Larger assortment, improved site, delivery options

Our model of integrating e-com and stores enabled faster growth

- “Order online, pick up in store” grew much faster than home delivery
- e-com sales typically increase 15 percent where new store is opened

Byggmax to launch “proactive track & trace” in Q1 2021 as first in Nordic DIY

- Byggmax aim to take 100% responsibility for reliable home deliveries
- Full customer visibility on delivery status
- Byggmax monitor all deliveries and proactively communicate any changes





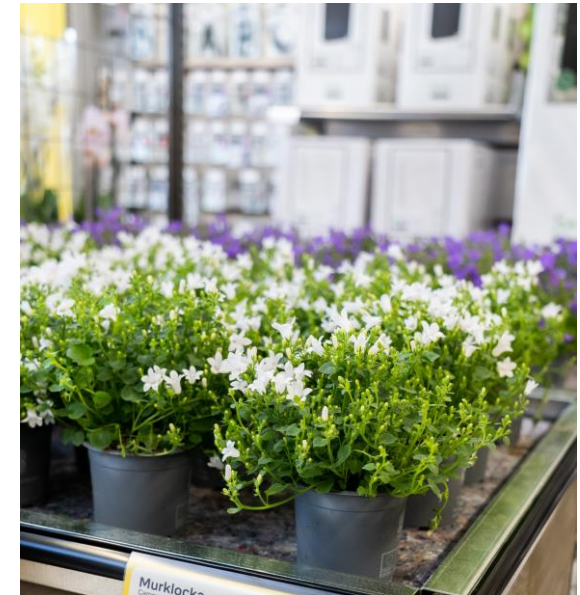
# UPGRADING TO “STORE 3.0” FORMATS



**Small town format**  
Upgraded “3.0” version  
launched 2020



**Regular format**  
“Store 3.0” launched Q4 2018  
Upgrades ongoing

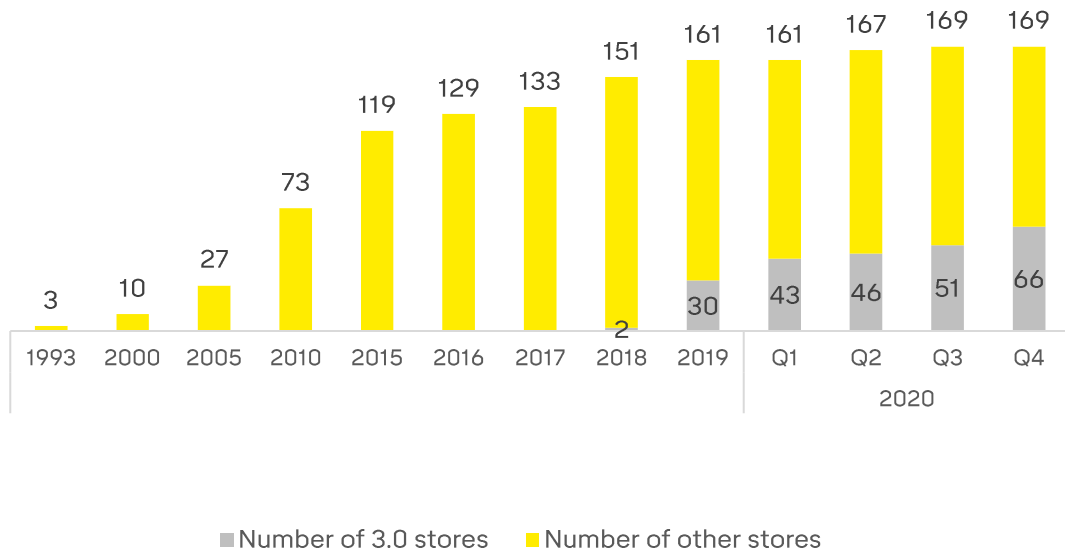


**Large format, incl. Garden**  
Upgraded “3.0” version  
launched 2020

**Store 3.0 – increased assortment and improved customer experience**  
**Upgrades generate 6% sales increase per store**

# INCREASINGLY UPGRADED PORTFOLIO

Bygghmax store portfolio



## Store 3.0 now 39% of portfolio

- 1 new store in Q4 2020, Sweden (Höör)
- Closed 1 store in Norway
- 1 new store as 3.0, and 14 upgrades to Store 3.0, to total 66 Store 3.0 (39% of Bygghmax portfolio)
- Portfolio includes 17 stores as format for small towns to (10%) and 20 large format stores that include Garden departments (12%)
- 7 new stores announced so far for 2021, incl. the first connected to a shopping center



# EXPANSION TO DENMARK

Denmark – increased potential for organic growth, and scale effects

- Denmark is good size DIY market and provides further growth opportunities
- Market good fit with Bygghjælp
  - Price conscious consumers, also in DIY
  - Good product overlap with Sweden
  - Competition similar to Sweden
- Possible to serve through Bygghjælp existing supply chain and warehouse structure



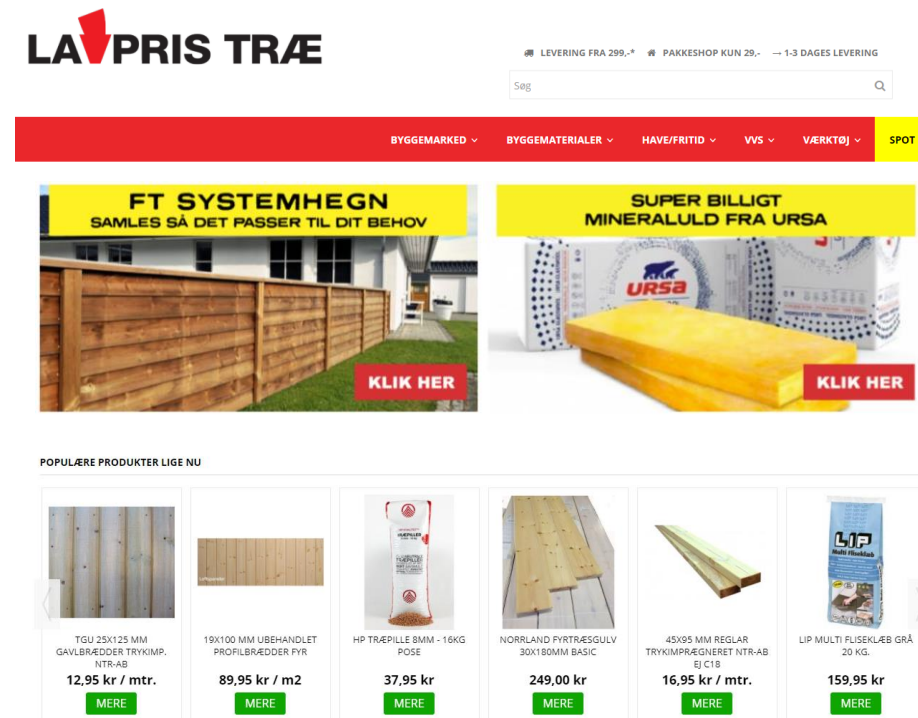
# ENTRY THROUGH E-COM AND EXISTING PROFITABLE BUSINESS

## Acquisition of Næstved Lavpristræ (“NLT”)

- Founder led DIY discount concept, sales of ca DKK 125m
- ca 30% of sales from e-com, 4 stores in Zealand
- “Hard DIY” offer , i.e., building materials like timber, paint, stone, and tools, and sell mainly to consumers
- Track record of organic growth at good profitability
- Maximum EV of DKK 40m: 20m in initial consideration, 20m based on performance in 2021 and 2022
- Reported as part of Byggmax segment as of Jan 2021

Byggmax branded e-com site for Denmark offering additional product categories will launch Q1 2021

Entry creates foothold for future organic growth



# SKÅNSKA BYGGVAROR CONTINUED VERY WELL

Benefit from garden niche leadership and initiatives continue to give strong results

- Product development
- Digital sales and marketing

Strong increase in order intake Q4

Positive financial trend continued, 2020 record year also for Skånska Byggvaror

- Sustained sales momentum
- All-time-high profit and profitability





# SALES DEVELOPMENT Q4

	Bygghmax	Skånska Bygghvaror	Total
Share of Bygghmax Group sales Q4 2020	90.6%	9.4%	100%
Sales development Q4 2020 vs. Q4 2019	<b>29.0%</b> LFL 28.0%    New stores 4.0%	<b>25.6%</b> LFL 26.2%	<b>28.7%</b> LFL 27.8%    Currency -3.1%

- Good market growth and continued “Stay home” effect during covid-19 pandemic
- Own initiatives add approximately 10% growth, e.g., new stores, e-com, Store 3.0 upgrades

# P&L Q4 2020

Msek	Q4	
	2020	2019
Net sales	1 222	950
Other operating income	4	7
<b>Total revenue</b>	<b>1227</b>	<b>957</b>
Cost of goods sold	-798	-633
Other external costs and operating expenses	-79	-65
Personnel costs	-175	-156
Depreciation and amortization of tangible assets	-109	-109
<b>Total operating expenses</b>	<b>-1 162</b>	<b>-963</b>
<b>EBITA</b>	<b>65</b>	<b>-6</b>

## Byggmax Group

- Net sales in Q4 increased by 28.7 percent to SEK 1,222m
- Gross margin at 34.7 percent (33.3), positively impacted by scale effects from suppliers and logistics. Increased market prices in Norway, to compensate for currency movements, and positive product mix effects in Skånska Byggvaror, further strengthened the gross margin.
- Comparable costs, i.e., personnel and other external costs excluding new stores, increased by SEK 22m mainly due to higher personnel costs. These in turn driven by Covid-19, volume, and store upgrades. Cost share of sales decreased.
- Costs related to new stores amounted to SEK 12m (8).
- EBITA increased to SEK 65m (-6)
- EBITA margin increased to 5.3 percent (-0.6)

## Byggmax (excl IFRS 16)

- Net sales increased 29.0 percent to SEK 1,107m (858)
- EBITDA increased to SEK 94m (29)

## Skånska Byggvaror (excl IFRS 16)

- Net sales increased 25.6 percent to SEK 115m (91)
- EBITDA increased to SEK 4m (-2)

# P&L FY 2020

Msek	Full year	
	2020	2019
Net sales	6 801	5 277
Other operating income	26	10
<b>Total revenue</b>	<b>6827</b>	<b>5 287</b>
Cost of goods sold	-4 584	-3 586
Other external costs and operating expenses	-400	-354
Personnel costs	-707	-652
Depreciation and amortization of tangible assets	-430	-425
<b>Total operating expenses</b>	<b>-6 122</b>	<b>-5 017</b>
<b>EBITA</b>	<b>705</b>	<b>270</b>

## Byggmax Group

- 2020 FY net sales increased by 28.9 percent to SEK 6,801m (5,277)
- FY gross margin ended at 32.6 percent (32.1), positively affected by strong scale effects and product mix.
- Scale effects and continuous cost control. Comparable costs, defined as personnel and other external costs excluding new stores, increased by SEK 45m (9) while costs related to new stores amounted to SEK 56m (65).
- EBITA increased to SEK 705m (270)
- EBITA margin increased to 10.4 percent (5.1)

## Byggmax (excl IFRS 16)

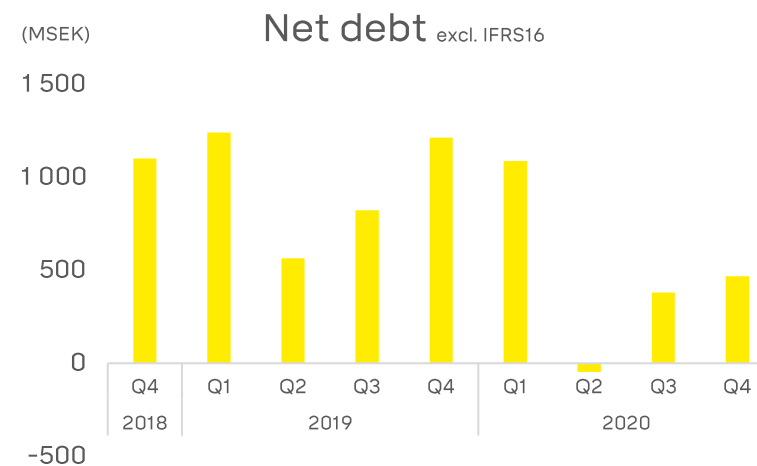
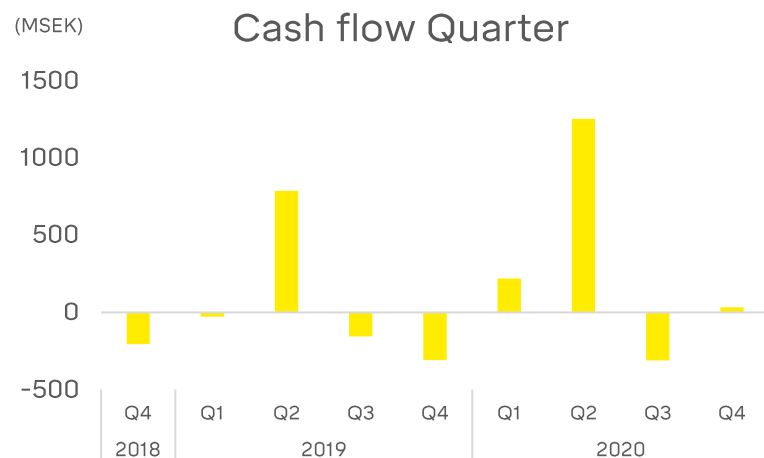
- Net sales increased 29.3 percent to SEK 6,158m (4,763)
- EBITDA increased to SEK 775m (378)

## Skånska Byggvaror (excl IFRS 16)

- Net sales increased 25.0 percent to SEK 643m (514)
- EBITDA increased to SEK 58m (19)



# CASH FLOW & NET DEBT



Cash flow from operating activities amounted to SEK 34m for the fourth quarter; an increase of SEK 342m compared to the same period last year.

Cash flow primarily driven by significant improvement in net sales and earnings development together with increased accounts payable following high volume, and improved inventory turnover.

Balance sheet strengthened with a net debt amounting to SEK 467m, to be compared with a net debt position at SEK 1,210m in December 2019 (excluding IFRS 16)

# READY FOR 2021

## 1 More attractive market

- Expect home to play larger role in consumers' lives than before pandemic
- For 2021, we expect market size above 2019, although below 2020

## 2 Stronger market position

- More up-to-date stores integrated with leading e-com – and best price
- Low-price continues to take share across retail
- Byggmax brand appreciated by more consumers than ever before

## 3 Growth initiatives much more to give

- Continue invest in e-com, store upgrades and new stores
- Build up Denmark & build out Skånska Byggvaror

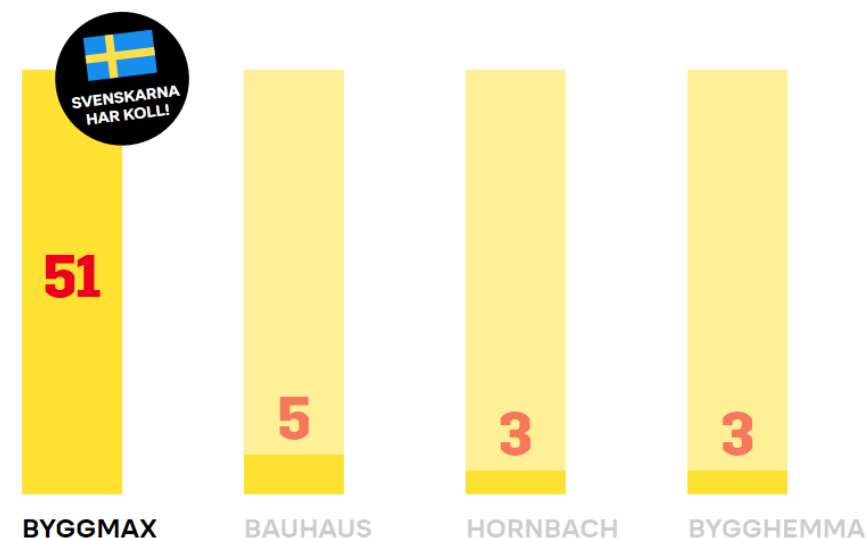
## 4 Strong ability to convert additional sales into profit

- In 2020, sales increased 29 percent and EBITA 260 percent
- Scale effects, new tech solutions and cost-conscious culture are key

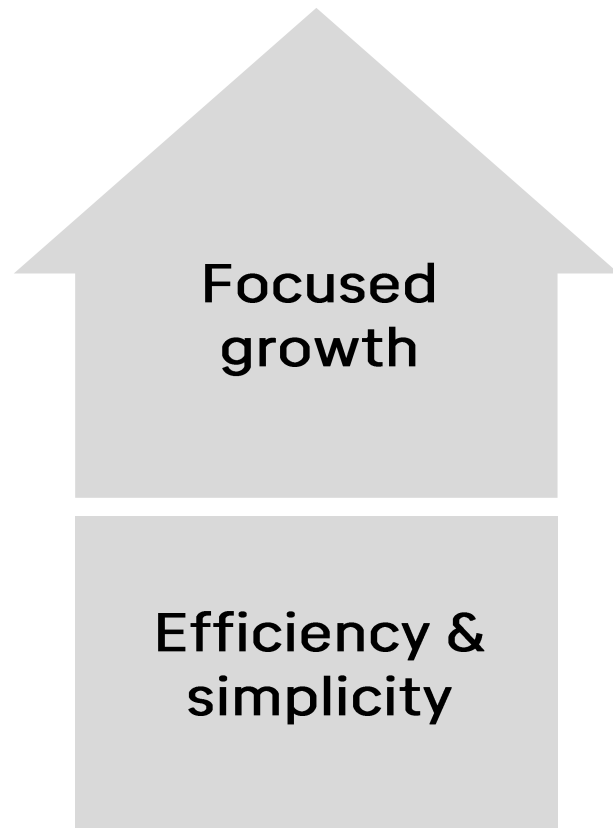
## 5 Strong balance sheet

- Enables both investing in growth and pay dividend
- Board already proposed dividend of SEK 2.75 per share, to be paid 2021

VILKEN BYGGHANDEL UPPLEVER DU HAR LÄGST PRIS?



# FOCUS 2021 – OUR INITIATIVES HAVE MUCH MORE TO GIVE



## Store upgrades

- Continue upgrade existing stores to Store 3.0
- Reach ca 60% of portfolio by end 2021 (39% 2020)

## E-commerce growth

- Continue increase assortment and improve customer experience
- Launch Byggmax branded e-com site for Denmark in Q1 2021

## Store expansion

- Expansion with three formats: small town, regular, large incl. Garden
- 12 new stores planned for 2021

## Skånska Byggvaror build-out

- Extend range of garden buildings
- Further initiatives within digital sales and marketing

## Further efficiency improvements

- Supported by new tools and technology



# SAVE THE DATE – CAPITAL MARKET EVENT

Byggmax Group to hold capital market event,  
and share more about our initiatives and  
growth journey ahead

Save the date – digital event March 23, 2021

Details will follow separately





# Q&A





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