



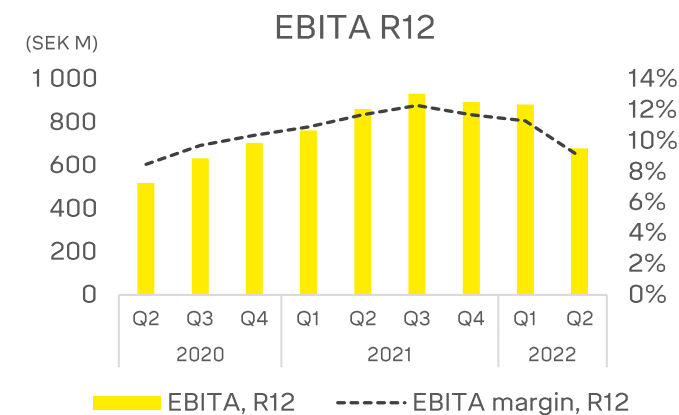
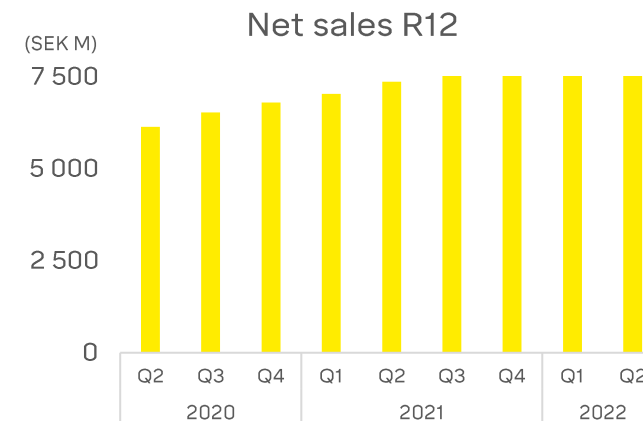
Q2 Report 2022

July 15, 2022

Mattias Ankarberg, CEO
Helena Nathorst, CFO

Q2 2022: GOOD QUARTER IN NEW MARKET SITUATION

- Q2 net sales decreased -10% (+13%) to 2,546m (2,833m)
 - Exceptional comparables from covid-19 peak
 - Like-for-like sales decreased -17% (+9%)
 - E-com accounted for 21% of Group sales
 - New all-time-high in “smaller projects” and e-com
 - Continued market share gains
- Strong gross margin, although below last year’s exceptional level, and continued strong cost control
- Supply situation in all good, supported by decision to increase inventory levels during high season
- EBITA decreased to SEK 254 M (456)
EBITA margin 10.0% (16.1%)
EBITA almost doubled vs. before covid-19 pandemic



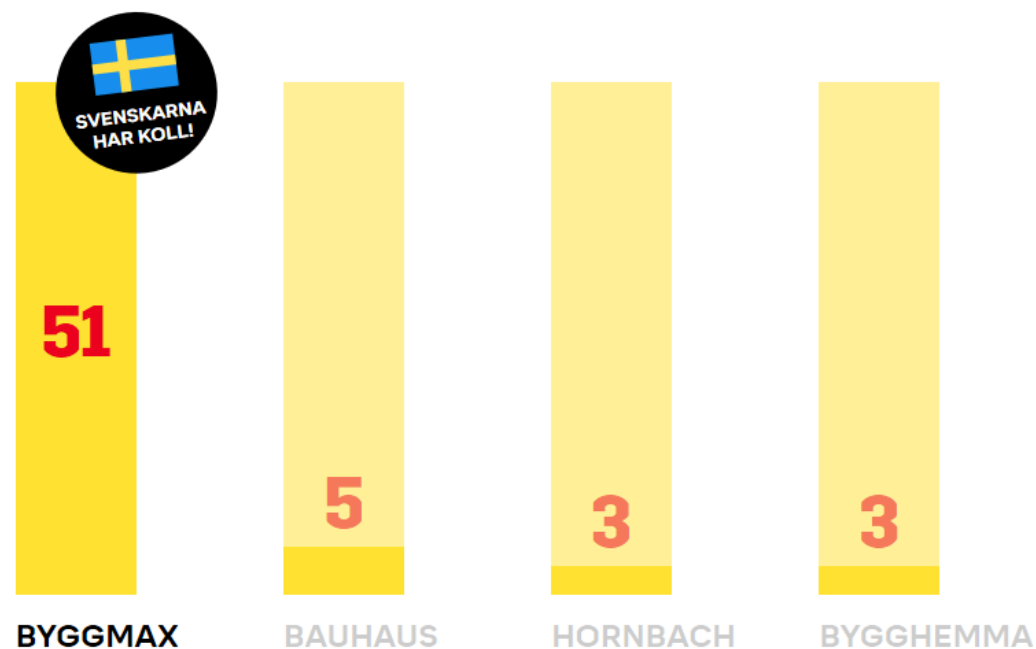
KEY EVENTS

- High season with clear operational focus
- 4 new stores opened and 4 store relocated during Q2 2022
- Store portfolio upgraded at record pace during recent year, to 89% (49%) of portfolio as Store 3.0
- First store in a compact format for retail parks opened in Marieberg outside Örebro (July, i.e., after Q2)



CLEAR AND LEADING DISCOUNT POSITION

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



**“HÄR FINNS SVERIGES
BILLIGASTE TRÄDÄCK”**

AFTONBLADET

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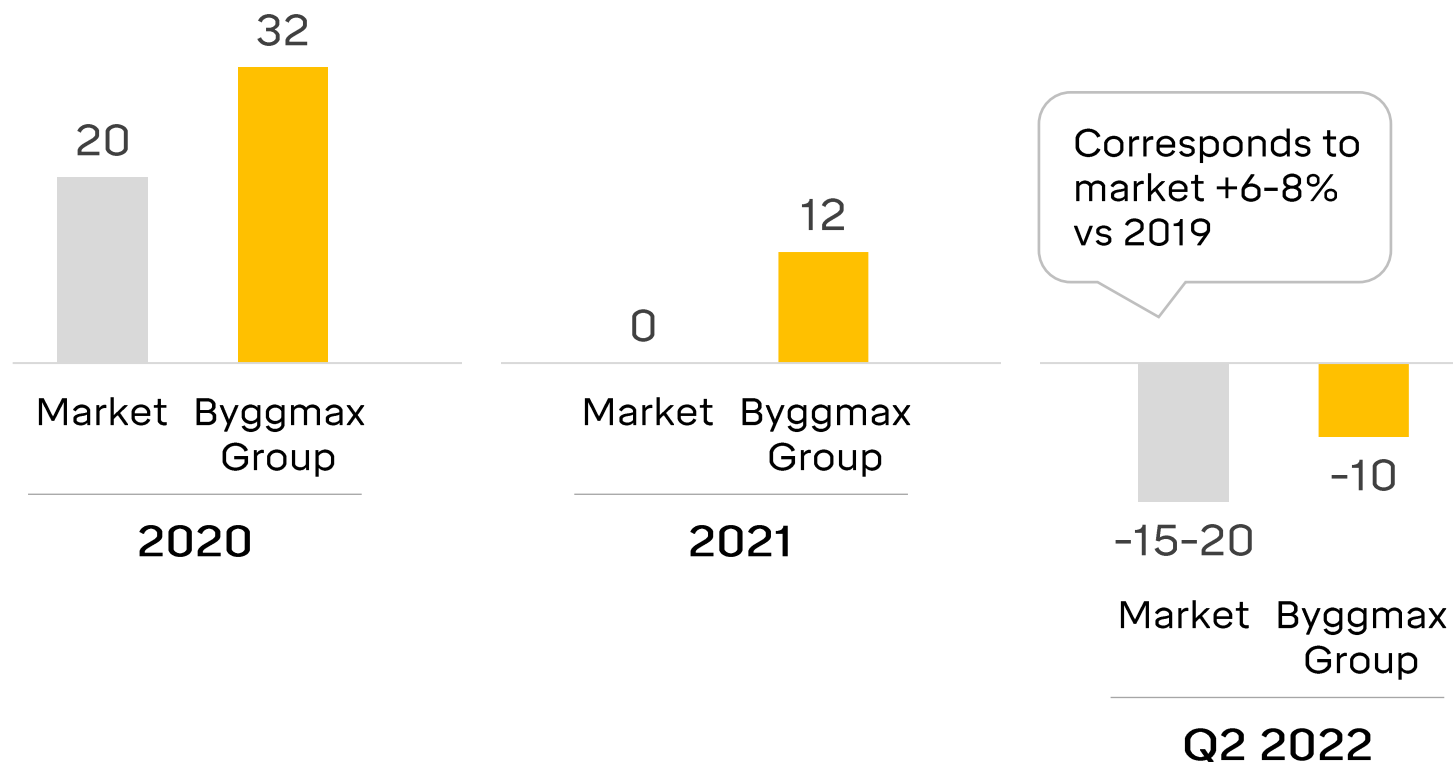
VG

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



CONTINUING TO OUTPERFORM THE MARKET

Percent, Nordic B2C DIY market



Q2 2022: Continued good market, in new situation

- Despite macro uncertainty, positive impact from increased role of the home and higher prices
- Negative weather effect from wintery April
- More hesitant and more price conscious consumer
- Decline vs LY for larger investments, e.g., green house, pool, conservatory

 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

Q2 2022: GROWTH INITIATIVES CONTINUED TO DELIVER

Store upgrades 89% (49%) of stores Q2 2022

- Upgrades to Store 3.0 at record pace, 89% (49%) of portfolio end Q2
- All-time-high sales in Q2 2022 of several “smaller project” categories strengthened with Store 3.0, e.g., garden, paint, flooring, storage

e-commerce 21% (23%) of Group sales RTM Q1 2022

- Growth in Bygghmax branded e-com in Sweden and Finland (where LY not impacted by store closures) despite very tough comparables (2x in 2 years)
- Larger online exclusive product range contributes to growth
- Fastest growth continued to come from “buy online, pick-up in store”

Store expansion +3%-p. Q2 2022

- 4 new stores opened in Q2 2022, 3 in Sweden and 1 in Norway
- Target of 15 new stores for 2022 (7 opened 2022 YTD)
- New organically opened Bygghmax stores add 3%-p. sales Q2 2022

Acquisitions +4%-p. Q2 2022

- Acquisition of less seasonal Norwegian Right Price Tiles closed Aug 31, '21
- Acquisition of Danish e-com company BygMax A/S, incl. as of Jan 1, 2022



NEW AMBITIOUS CLIMATE AGENDA LAUNCHED Q1 2022

Minimize emissions

Radically reduce emissions
from own operations:

-90% in 5 years
(by 2027 vs 2020)

Net zero value chain 2040

Byggmax Green Ventures

Develop, manufacture and sell
own circular products

- Fit with Byggmax offer
- Positive climate benefit
- Generate sales & profit

Do more good than harm

Potential for positive climate impact i.e., climate benefits from own circular products exceed remaining own emissions by 2023 and exceed remaining value chain emissions by 2030

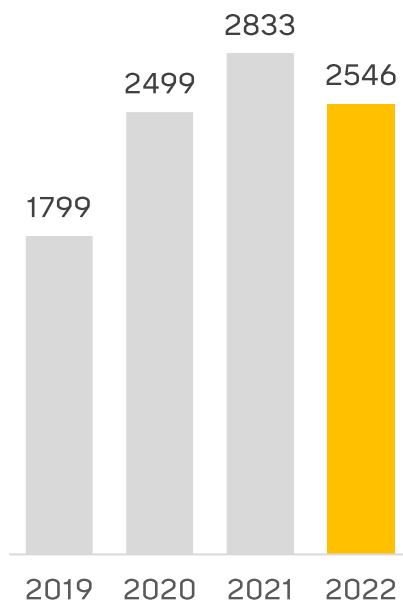
GREEN VENTURE #1: MORE WOOD

- Swedish start-up, two experienced founders
- Aim to produce timber beams out of cross-laminated timber scrap, today burned for heat
- Byggmax funds and anchors as main customer and part owner (option for majority stake)
- Potential to avoid GHG of 20-30,000 tons with current set-up (exceeds Byggmax own emissions)
- First products expected autumn 2022
- Three more investments under evaluation

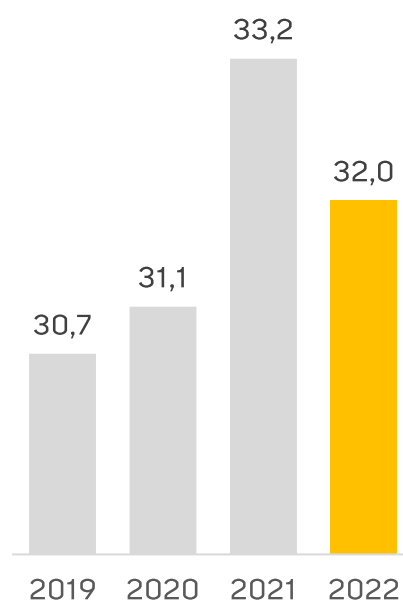


Q2 2022 FINANCIALS VS HISTORY

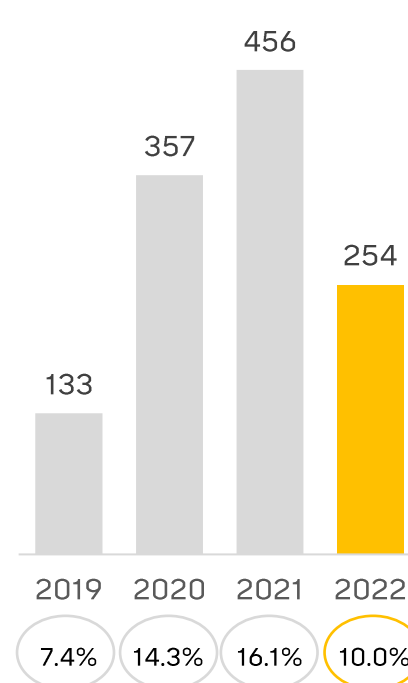
Net sales
Q2, SEK m



Gross margin
Q2, percent



EBITA
Q2, SEK m

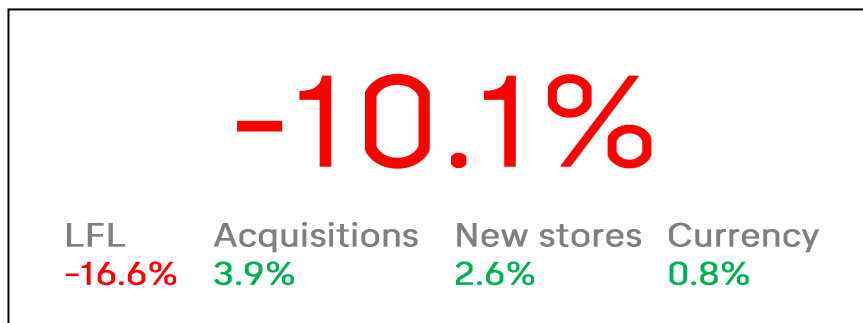


Q2 '22 strong vs history, but beaten by exceptional covid-19 quarters

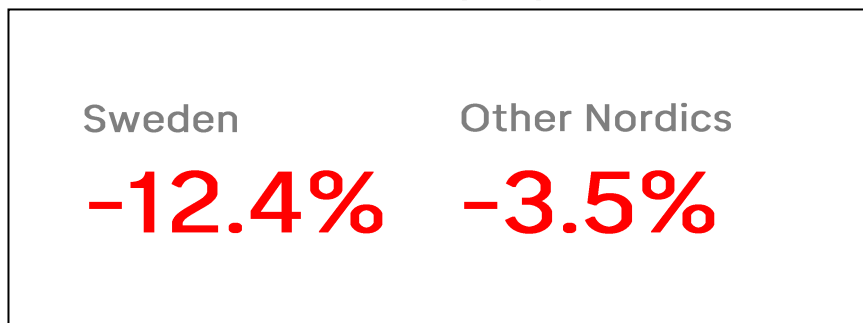
- LFL sales Q2 '21 vs '19 +51% (!) in peak “stay home” period. Q2 '22 LFL -17% vs LY, total +42% vs '19
- GM% Q2 '21 boosted by front loaded timber prices (consumer prices increasing before COGS) driving ca 150bps. GM% Q2 '22 second best in history
- EBITA Q2 2022 much below LY, close to double vs pre-pandemic

SALES DEVELOPMENT Q2 2022

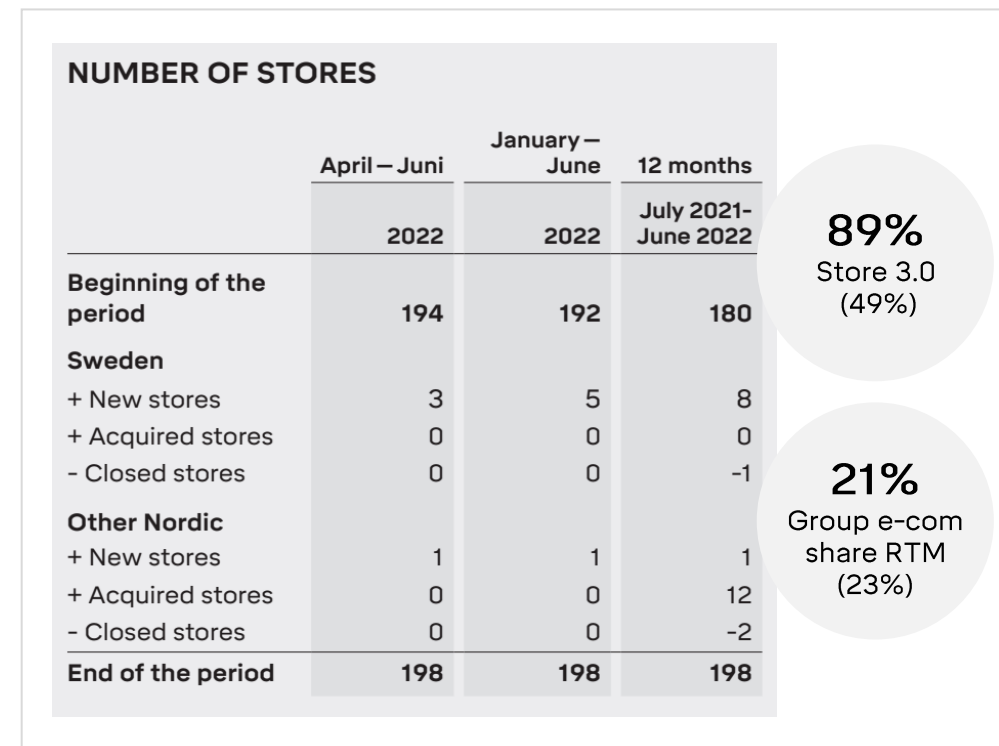
Sales development, Q2 2022 vs. 2021



Sales development by geography



Store portfolio and channel development



- Good quarter in new market situation with more cautious and price conscious customers. Cold April delayed outdoor projects
- Decrease vs. LY record level for products related to bigger investments in the home, e.g., green house, pool, conservatories, while Q2 2022 set new sales records for smaller projects e.g., garden, paint, flooring, storage
- New stores contributed with 2.6%, four new stores opened during the period and nine in the last 12 months
- Acquired Norwegian Right Price Tiles and BygMax A/S add 3.9% sales in the quarter

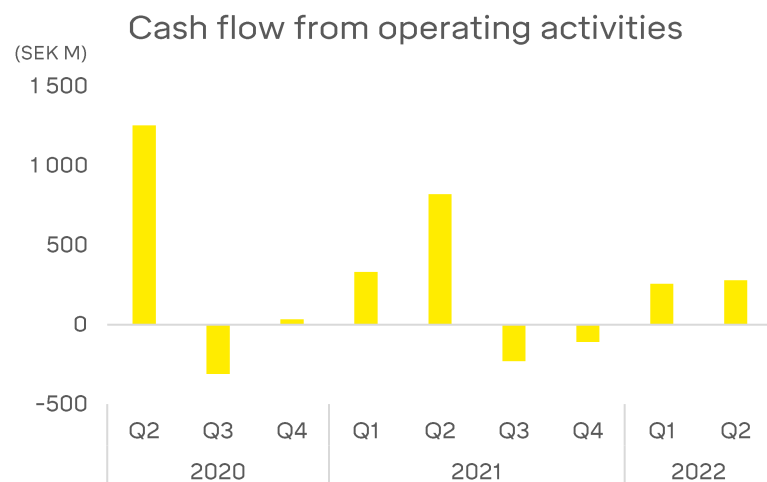
P&L Q2 2022

SEK M	2022	2021
Net sales	2 546	2 833
Other operating income	8	1
Total revenue	2 553	2 834
Cost of goods sold	-1 730	-1 892
Other external costs and operating expenses	-195	-141
Personnel costs	-238	-230
Depreciation and amortization of tangible assets	-150	-125
Total operating expenses	-2 314	-2 388
EBIT	240	446
Amortization of intangible fixed assets related to acquired surplus values	14	10
EBITA	254	456

Byggmax Group

- Net sales in Q2 decreased by -10.1 percent to SEK 2,546 M (2,833).
- Gross margin decreased to 32.0 percent (33.2). The gross margin was impacted positively by the acquisition of Right Price Tiles, while last year's gross margin was impacted by consumer market prices for timber rising earlier than input prices (COGS).
- Continued strong focus on cost control. Costs related to new and acquired stores amounted to SEK 42 M (24). Comparable costs increased by SEK 20 M (24). The increase is related to electricity costs, exchange-rate effects and relocations of 4 stores.
- EBITA decreased to SEK 254 M (456)
- EBITA margin decreased to 10.0 percent (16.1)

CASH FLOW & NET DEBT



Cash flow from operating activities amounted to SEK 280 M for Q2 2022, a decrease of SEK 541 M compared to Q2 2021. The change in cash flow from operating activities is mainly attributable to changes in inventory and accounts payable and a decrease in EBIT

Inventory at SEK 1 881 m (1 322) driven by new stores, acquisitions, price effects and a strategic decision to mitigate delays and disruptions in the supply situation during high season

Net debt amounted to SEK 891 M excluding IFRS16 (-200). Increase driven by increased inventory levels, investments in growth initiatives, shareholder distribution and M&A activities

GOOD PROGRESS VS FINANCIAL TARGETS

	Targets	Q2 2022	Comment
Sales <small>RTM</small>	SEK 10bn 2025	SEK 7.5bn	SEK 7.4bn Q2 2021
EBITA margin <small>RTM</small>	7-8%	9.0%	11.7% Q2 2021
Net debt / EBITDA <small>RTM EBITDA, ex. IFRS16</small>	<2.5x	1.1x	-0.2x Q2 2021
Dividend <small>Share of net income</small>	50%	39%	SEK 4.00 per share
CO2e <small>In own operations, vs 2020 From transportation, vs 2010</small>	Science-based <small>-90% Own. em. 2027 -70% transport 2030</small>	On track <small>+13% -41%</small>	New targets & Green Ventures

STRONG POSITION IN NEW MARKET SITUATION

Bygghmax position more relevant than ever

- Financial results stabilized at a new higher level than before the pandemic during several quarters
- More hesitant and price conscious consumer makes our lowest price proposition stronger than ever
- Continued market share gains also in Q2 2022

Well performing own growth initiatives

- New sales records in Q2 2022 for both several prioritized product categories and e-commerce
- All growth initiatives – upgraded stores, e-com, new stores, add-on acquisitions – have much more to give

Towards positive climate impact

- Radically reduce own emissions
- First circular timber beams autumn 2022
- Evaluate further Green Venture investments



Q&A



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