



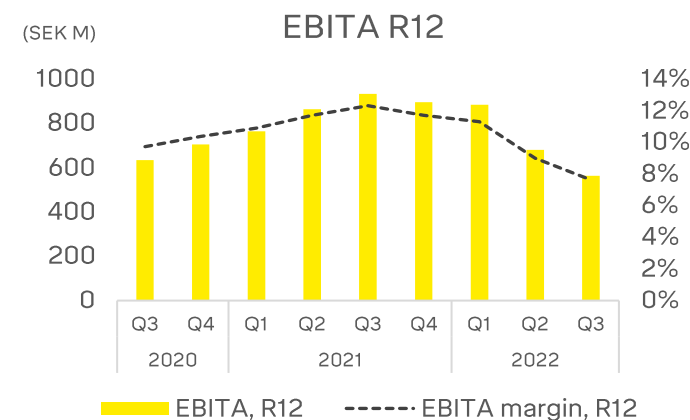
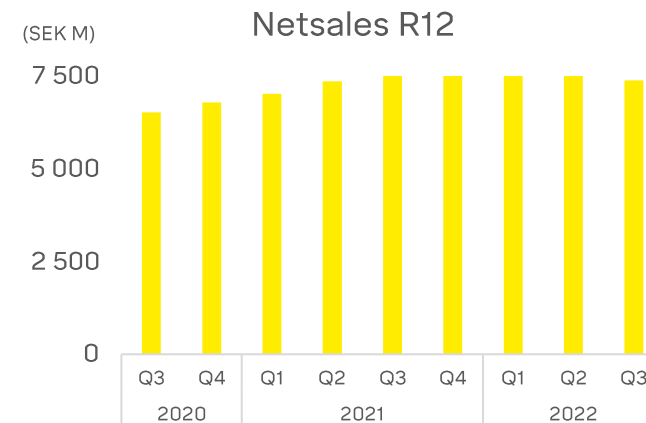
Q3 Report 2022

October 20, 2022

Mattias Ankarberg, CEO
Helena Nathorst, CFO

Q3 2022: GOOD QUARTER DESPITE TOUGH MARKET

- Q3 net sales decreased -5.3% (+9%) to 2,273 M (2,400)
 - Like-for-like sales decreased -11% (+2%)
 - E-com accounted for 21% of Group sales
 - New all-time-high in “smaller projects”
 - Continued market share gains
- Strong gross margin, almost at last year’s exceptional level, and continued strong cost control
- Supply situation in all good, inventory reduced according to plan by just over SEK 200 M during quarter
- EBITA decreased to SEK 288 M (406)
EBITA margin decreased to 12.7% (16.9%)
EBITA continued to be well above pre-pandemic levels



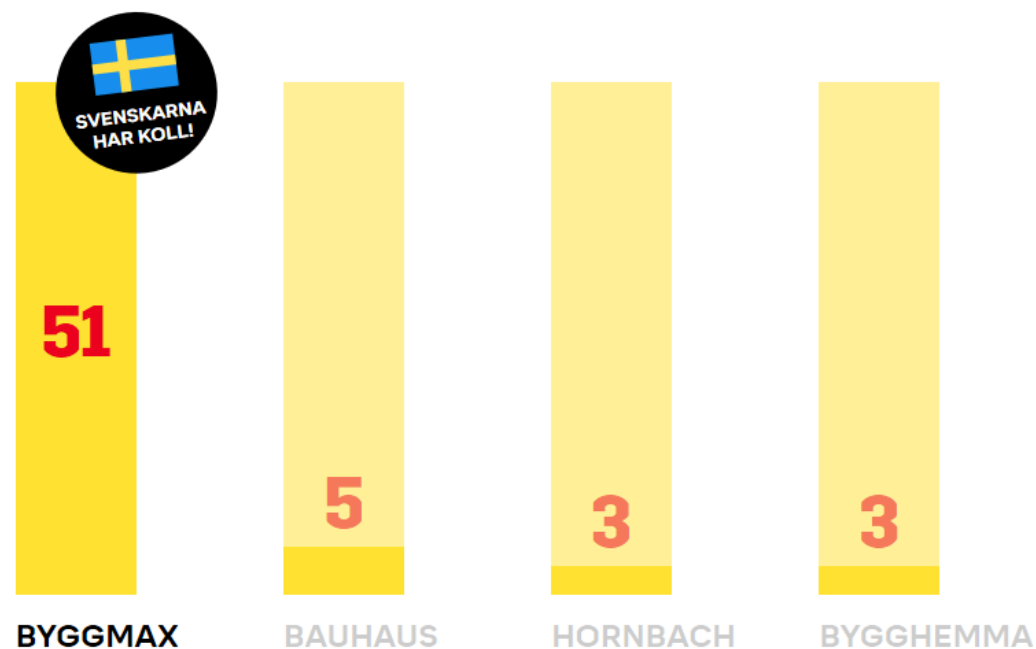
KEY EVENTS

- High season with clear operational focus
- 3 new stores opened during Q3 2022
- First store in new compact format for retail parks, in Marieberg outside Örebro
- First Bygghmax branded store in Denmark
- Store portfolio upgraded at record pace during recent year, to 89% (54%) of portfolio as Store 3.0



CLEAR AND LEADING DISCOUNT POSITION

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



**“HÄR FINNS SVERIGES
BILLIGASTE TRÄDÄCK”**

AFTONBLADET

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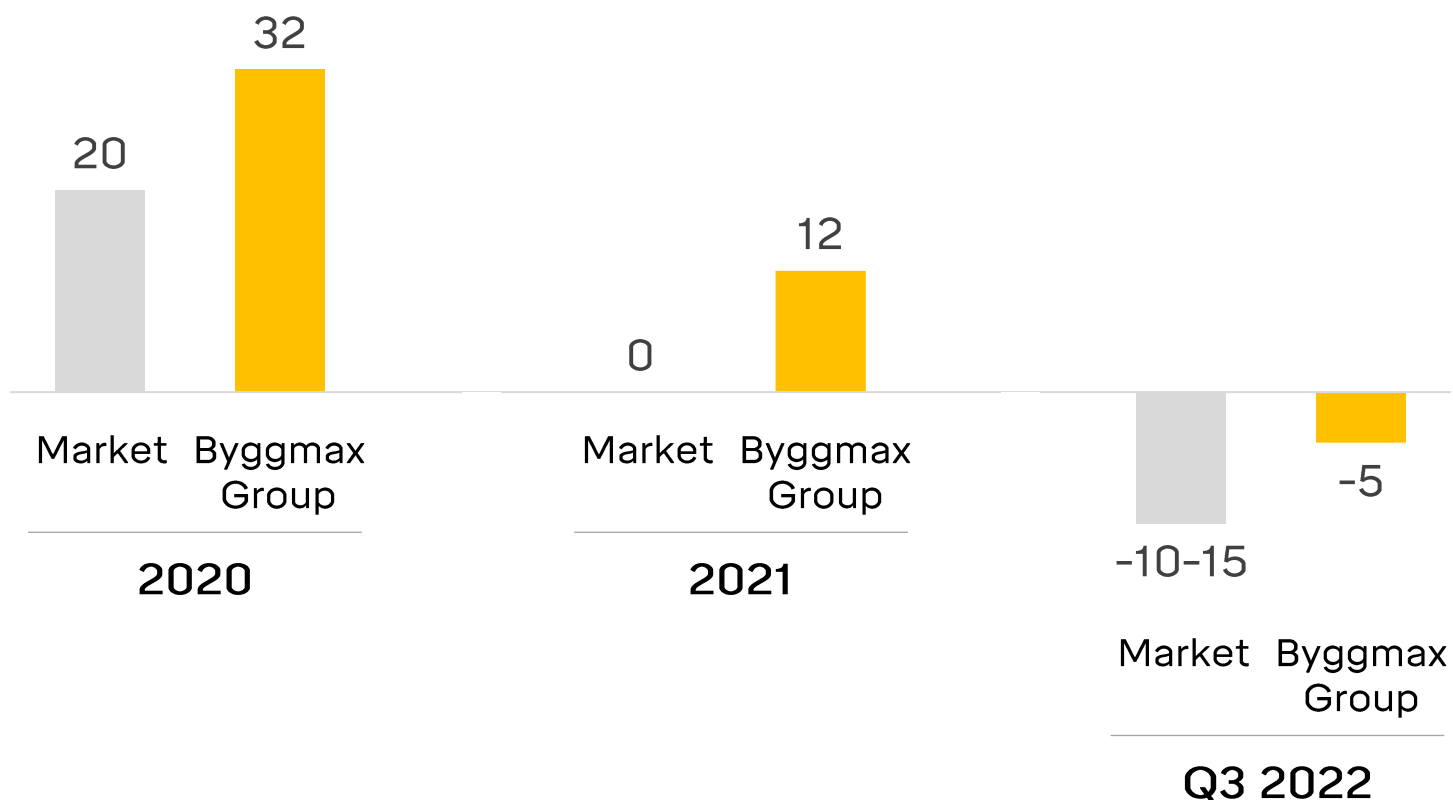
VG

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



CONTINUING TO OUTPERFORM THE MARKET

Percent, Nordic B2C market for building materials



Q3 2022: Tough market

- Consumer confidence at all time low (!) in all Nordic countries, driven by low intent for large purchases
- Housing market transactions decreased vs last year
- More hesitant and more price conscious consumer
- Weather effects in line with last year
- Market somewhat below pre-pandemic level (Q3 '19)

 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

GROWTH INITIATIVES ENABLE A MORE RESILIENT SALES MIX

Examples

Large projects
("big ticket")



Decking, conservatory,
pool, green house, etc.

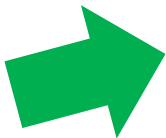
Sales trend
Q3 '22 vs Q3 '21



Smaller projects
("small ticket")



Garden, flooring, paint,
storage, installation, etc.



Energy savings
(smaller projects)



Heat pump, stove, sealing
tape, window, isolation, etc.



"From building materials to home improvement" since 2019
Store 3.0 and extended online range increase category footprint

Q3 2022: GROWTH INITIATIVES CONTINUED TO DELIVER

Store upgrades 89% (54%) of stores Q3 2022

- Upgrades to Store 3.0 at record pace, 89% (54%) of portfolio end Q3
- All-time-high in Q3 2022 (above pandemic!) for several “smaller project” categories strengthened with Store 3.0, e.g., garden, flooring, storage.

e-commerce 21% (22%) of Group sales RTM Q3 2022

- Bygghmax branded e-com -9% in Q3 vs LY, neg. impacted by larger projects
- Continued growth and all-time-high in smaller projects, despite comp's
- Larger online exclusive product range contributes to growth
- Fastest growth continued to come from “buy online, pick-up in store”

Store expansion +2%-p. Q3 2022

- 3 new stores opened in Q3 2022, 2 in Sweden and 1 in Denmark
- Expect 13 new stores for 2022 (9 opened 2022 YTD)
- New organically opened Bygghmax stores add 2%-p. sales Q3 2022

Acquisitions +3%-p. Q3 2022

- Acquisition of less seasonal Norwegian Right Price Tiles as of Aug 31, '21
- Acquisition of Danish e-com company BygMax A/S, incl. as of Jan 1, '22

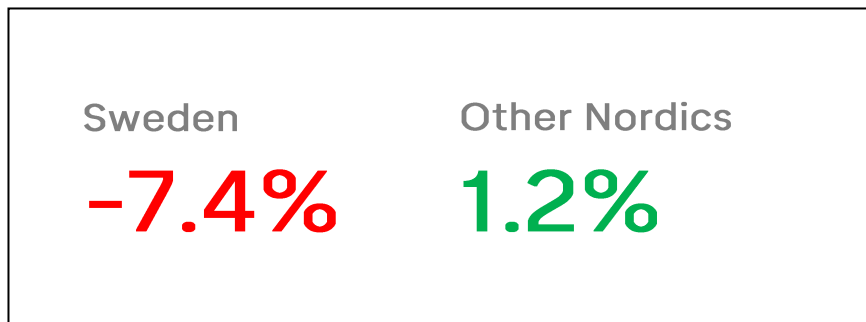


SALES DEVELOPMENT Q3 2022

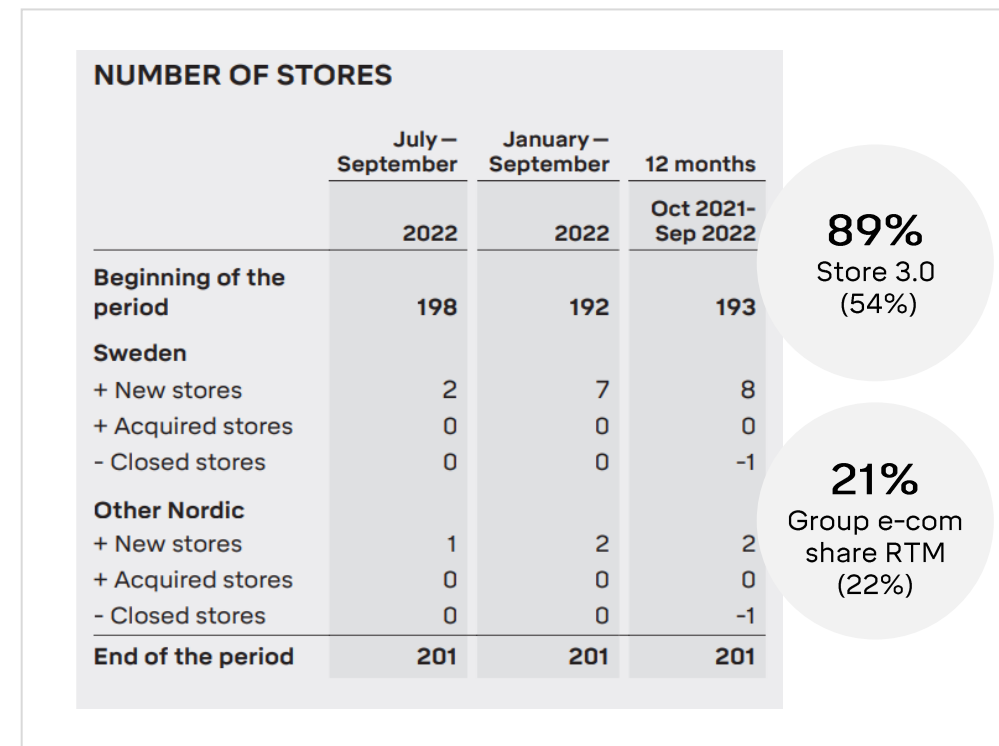
Sales development, Q3 2022 vs. 2021



Sales development by geography



Store portfolio and channel development



- Good quarter in tough market situation
- LFL down by 11.4%, decrease mainly in bigger investments categories, e.g., green house, pool, conservatories, strong sales figures for smaller projects e.g., garden, flooring, storage and energy saving
- New stores contributed with 2.3%, three new stores opened during the period and ten opened in the last 12 months
- Acquired Norwegian Right Price Tiles and BygMax A/S add 3.0% sales in the quarter

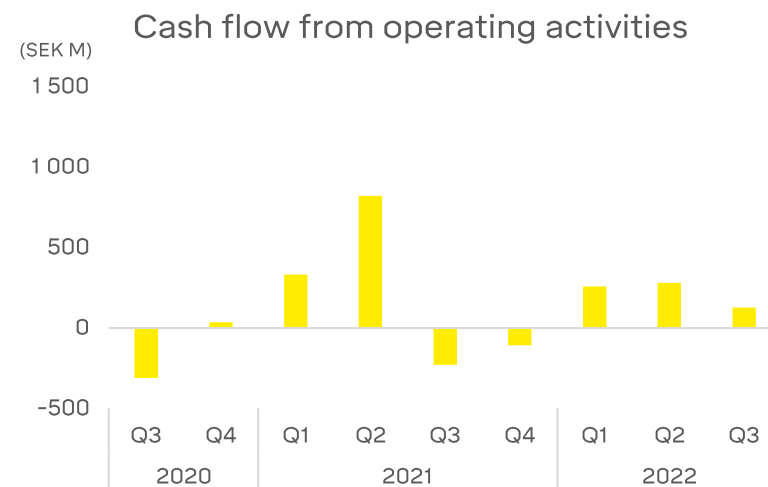
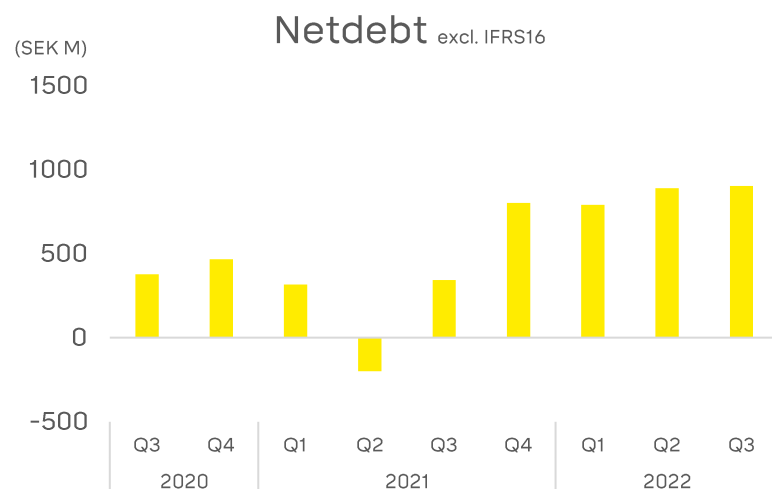
P&L Q3 2022

SEK M	2022	2021
Net sales	2 273	2 400
Other operating income	8	6
Total revenue	2 281	2 406
Cost of goods sold	-1 491	-1 564
Other external costs and operating expenses	-155	-121
Personnel costs	-206	-198
Depreciation and amortization of tangible assets	-156	-129
Total operating expenses	-2 008	-2 012
EBIT	274	395
Amortization of intangible fixed assets related to acquired surplus values	14	11
EBITA	288	406

Byggmax Group

- Net sales in Q3 decreased by -5.3 percent to SEK 2,273 M (2,400).
- Gross margin decreased to 34.4 percent (34.8). The gross margin was impacted positively by improved product mix effects, while last year's gross margin was impacted by consumer market prices increasing ahead of raw material prices.
- Continued strong focus on cost control. Costs related to new and acquired stores amounted to SEK 30 M (32). Comparable costs increased by SEK 14 M (2). The increase is mainly related to electricity costs and exchange-rate effects.
- EBITA decreased to SEK 288 M (406)
- EBITA margin decreased to 12.7 percent (16.9)

CASH FLOW & NET DEBT



Cash flow from operating activities amounted to SEK 127 M for Q3 2022, an increase of SEK 357 M compared to Q3 2021. The positive change in cash flow from operating activities is mainly attributable to strategic decisions to decrease the inventory.

Net debt amounted to SEK 904 M excluding IFRS16 (344). Increase driven by investments in growth initiatives, inventory, shareholder distribution and M&A activities.

SOLID PERFORMANCE VS FINANCIAL TARGETS

	Targets	Q3 2022	Comment
Sales <small>RTM</small>	SEK 10bn 2025	SEK 7.4bn	SEK 7.6bn Q3 2021
EBITA margin <small>RTM</small>	7-8%	7.6%	12.3% Q3 2021
Net debt / EBITDA <small>RTM EBITDA, ex. IFRS16</small>	<2.5x	1.3x	0.3x Q3 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 continue to be well above pre-pandemic level
- More price conscious consumer favors price leader Bygghmax
- Continued market share gains

Long term strategy & short term flexibility

- Strong financial position enables continued long term strategy: proven growth initiatives, efficiency gains, positive climate impact
- Increased flexibility short term, to invest resources in right areas when market grows – adapt costs, inventory and investments

New opportunities in tough times

- Higher interest in Bygghmax than maybe ever, from e.g., new store locations, acquisition opportunities, new suppliers & brands
- Can use tougher times to become even stronger and fully ready when market returns to growth



Q&A



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