

RECORD-BREAKING FIRST QUARTER SALES – Organic growth of 15 percent

Today's presenters

Mikael Olander President and CEO



Martin Edblad



- Bygghemma Group since 2012
- CEO of CDON Group (2000-12)
- Manager at Egmont (1995-00)
- Former member of the Swedish National Athletics decathlon team

- Bygghemma Group since 2012
- CFO of CDON Group (2010-12)
- Various financial positions at MTG, incl. CFO of MTG's online business area (2004-10)

Agenda

Results highlights

Business update

- Financial update Q1 2018
 - Group
 - DIY segment
 - Home furnishing segment
 - Cash flow and financial position
- Summary and financial targets
- Q&A



Agenda

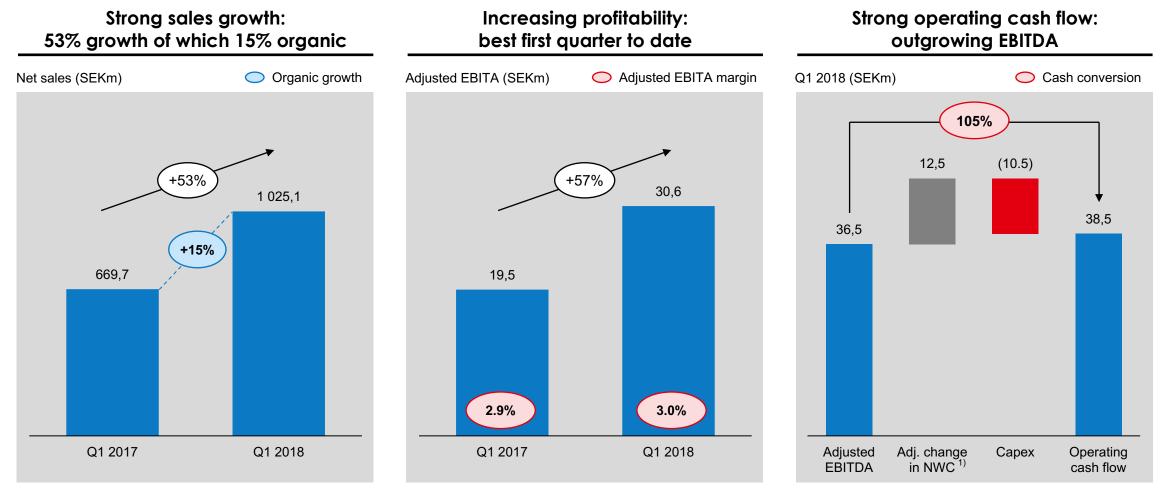
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Results highlights – strong start of 2018



Note: Adjusted EBITDA and Adjusted EBITA exclude Items affecting comparability, which totalled SEK 50.6 million (7.2) and were attributable to (i) acquisition costs of SEK 0.6 million (4.6), (ii) integration costs of SEK 7.9 million (2.6), pertaining to the integration of Furniturebox, (iii) costs of SEK 11.4 million (-) associated to the long-term incentive programme for some 60 key employees in the Group launched in connection to the IPO and (iv) costs for the listing on Nasdaq Stockholm of 30.7 million (-). 1) Change in NWC of 23.9 million adjusted for LTIP costs of 11.4 million.

Agenda

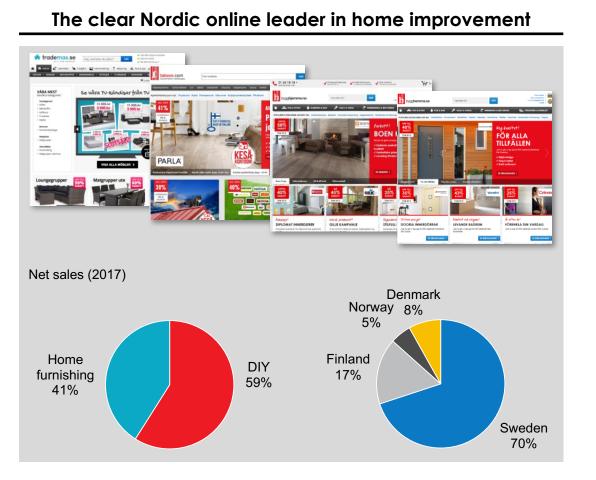
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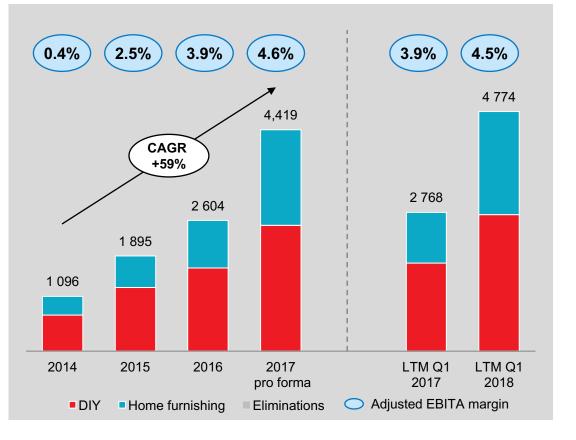
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Bygghemma Group at a glance

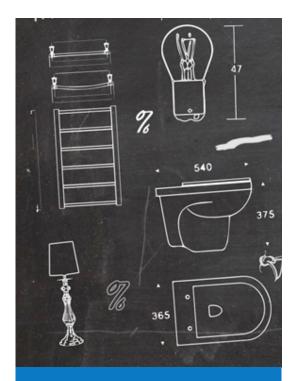


Significant scale and profitability



Note: Adjusted EBITA excludes Items affecting comparability

Our clear vision



Make home improvement simple







Unrivalled product offering

The most competitive prices

The best online shopping <u>experience</u> and expertise

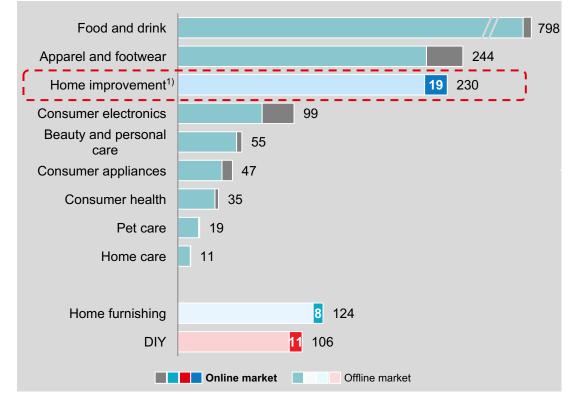
Bygghemma Group First AB (publ)

Proven, disruptive and winning model



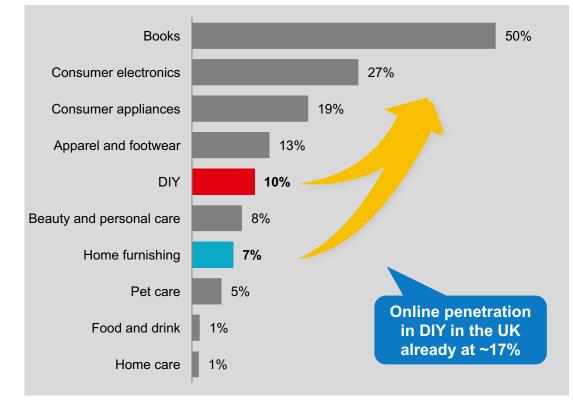
Sizable Nordic market opportunity

We target large Nordic retail categories...



Nordic retail market size by category in 2016 (SEKbn)

...with significant upside potential in online penetration



Nordic online penetration by category (2016)

1) Aggregation of DIY and Home furnishing categories. Note: Nordic includes Sweden, Denmark, Norway and Finland. Source: Arthur D. Little analysis; Books is based on data for Sweden including e-books, taken from Boken 2017.

Increasing online penetration drives future growth

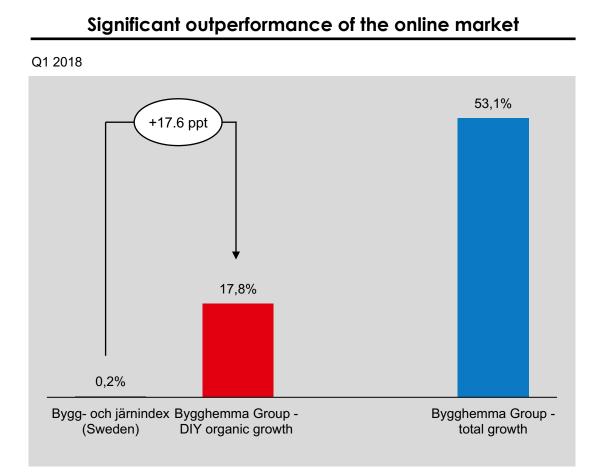
Nordic home improvement market (2016) Illustrative Nordic market size SEK ~230bn bygghemma h SEK ~69bn¹⁾ @ 30% online penetration Net sales SEK ~35bn¹⁾ SEK~10bn @ 15% online penetration SEK~19bn SEK 4.8bn²) @ 8% online penetration

Online penetration levels at various stages hint to the market potential

1) Online market is estimated based on 2016 market size of SEK 230bn, applying an online penetration of 15% and 30%. 2) LTM Q1 2018. Source: Company data.

Q1 market development supports the online trend

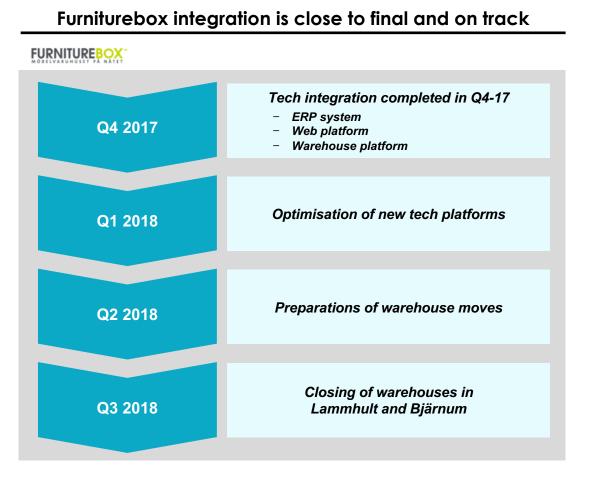
- Management estimates improved market shares in both segments during Q1 2018
- Swedish DIY operations grew steadily during the period, mainly driven by continued online penetration
- The somewhat slower Swedish housing market has not been reflected in the Group's Swedish businesses during the period
- On the other hand, the strengthened business cycle in Finland, which is the Group's second largest market, contributed to the strong growth in the Group's Finnish operations
- Like the sector as a whole, our performance during the quarter was impacted by the unusually late arrival of spring and particularly by the record-low temperatures in all of our markets during March
 - For example, sales of outdoor products decreased year-on-year which had a particularly noticeable impact on the home furnishing segment in the period



Source: Byggmaterialhandlarna and Company data.

Integration of Furniturebox according to plan

- Furniturebox was acquired in Q1 2017 to gain a leading position in the Nordic online home furnishing segment
- The integration project was initiated in Q2 2017 for the purpose of realising sales and cost synergies
 - Furniturebox to be fully integrated into Trademax and Chilli's web platform, business system and warehouse management solution and the organisations to be merged into one
- The integration process continued according to plan in Q1 and is expected to be completed during Q3
- Total integration costs of SEK ~15 million expected in 2018
 - SEK 7.9 million in Q1
 - SEK ~5 million is expected in Q2 and SEK ~2 million in Q3
- In connection with the web site change Furniturebox has experienced a decline in traffic of ~25%, which is normal for this type of operational project
 - The number of visitors is expected to return to normalised levels in the second half of 2018



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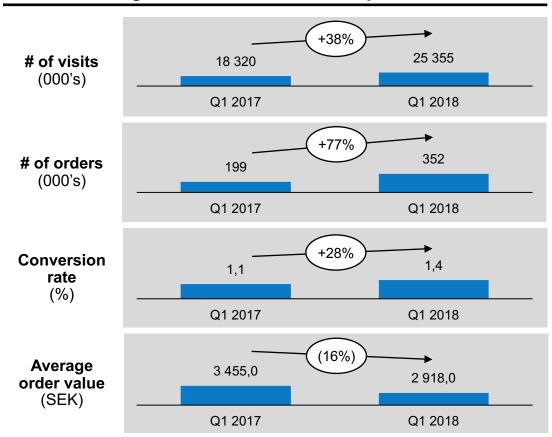
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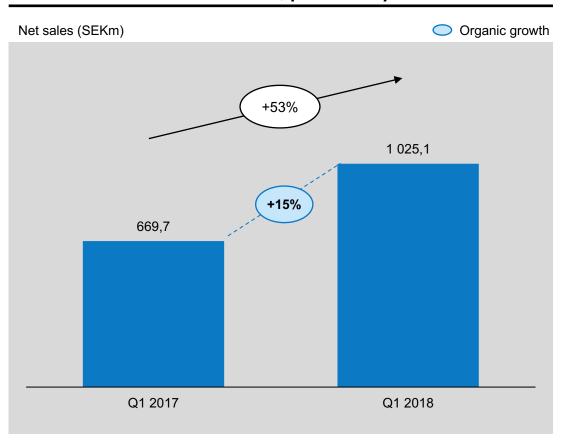


Strong net sales growth

Strong development in KPIs – Average order value distorted by recent M&A



Strong growth despite the unusually late arrival of spring and the cold weather, particularly in March





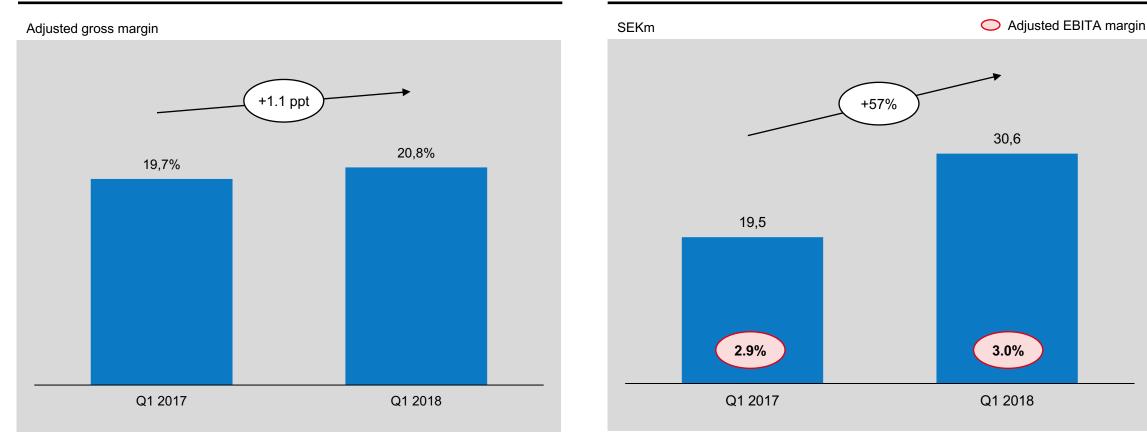
30,6

3.0%

Improved EBITA margin: operating leverage partly offset by cold weather

Increased underlying profitability – all time high for Q1

Adjusted gross profit increased by 61% compared to the same period last year, indicating scalability

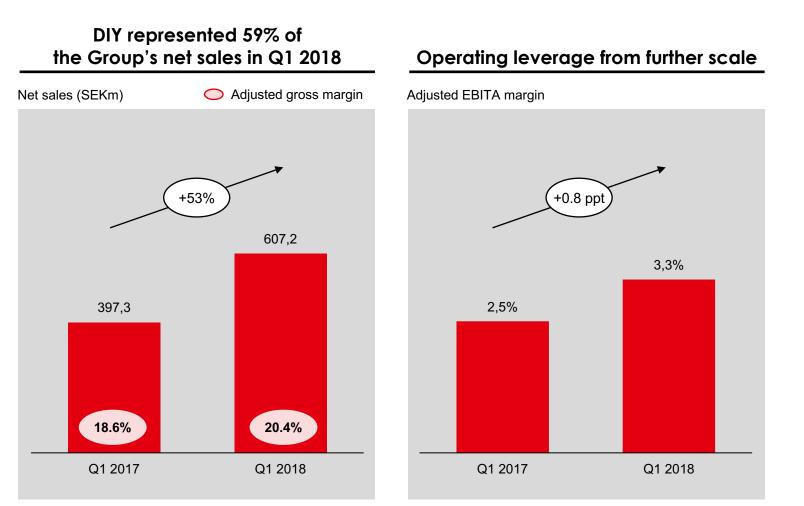


Note: Items affecting comparability impacted gross profit by SEK 7.5 million (2.6), attributable to the Furniturebox integration costs of SEK 7.9 million (2.6), attributable to (i) acquisition costs of SEK 0.6 million (4.6), (ii) integration costs of SEK 7.9 million (2.6), pertaining to the integration of Furniturebox, (iii) costs of SEK 11.4 million (-) associated the long-term incentive programme for some 60 key employees in the Group launched in connection to the IPO and (iv) costs for the listing on Nasdaq Stockholm of 30.7 million (-).

DIY segment

Organic growth of 18% and increased profitability

- Net sales increased by 52.8%, of which organic growth accounted for 17.8%
- Adjusted EBITA increased to 3.3% (2.5) positively impacted by higher sales volumes and an improved gross margin compared with the corresponding period last year
- Management's assessment is that the operations in this segment continued to gain market shares in all Nordic markets during the quarter driven by primarily online migration
- The strongest performance during the quarter was seen in the white goods/kitchens product category, followed by bathrooms and flooring
- The focus on category expertise has yielded positive results, partly due to the specialised knowledge and brand diversification that followed from a number of recent acquisitions

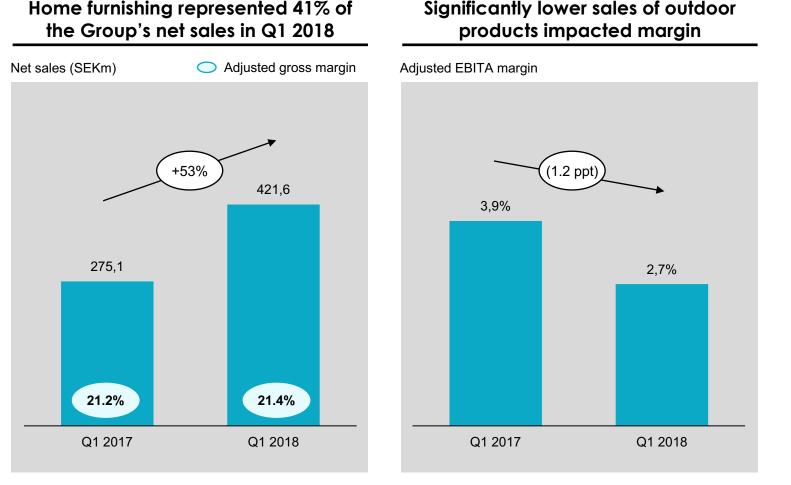


Note: Items affecting comparability attributable to the LTIP and IPO have not been allocated at the business segment level.

Home furnishing segment

Organic growth of 9% despite cold weather

- Net sales increased by 53.2%, of which organic growth accounted for 8.8%, despite being adversely impacted by significantly lower sales of outdoor products compared with the corresponding period last year due to the cold weather
- Management's assessment is that the business segment's operations gained market shares in all product categories and markets during the quarter driven by primarily online migration
- Adjusted gross margin rose to 23.2 percent (22.1), mainly driven by a higher gross margin on sales outside Sweden
- Integration of Furniturebox continued according to plan during Q1 2018 and is expected to be completed in Q3 2018

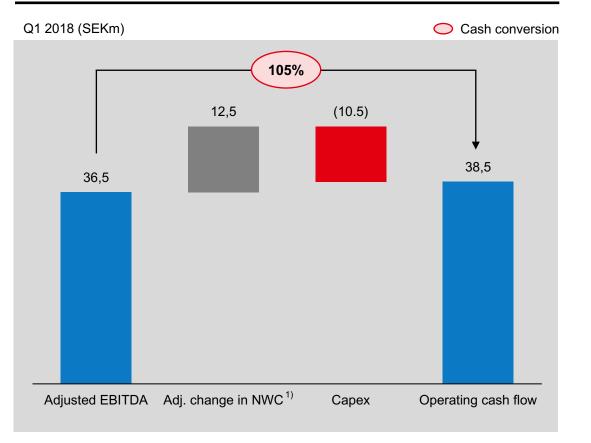


Note: Items affecting comparability attributable to the LTIP and IPO have not been allocated at the business segment level.

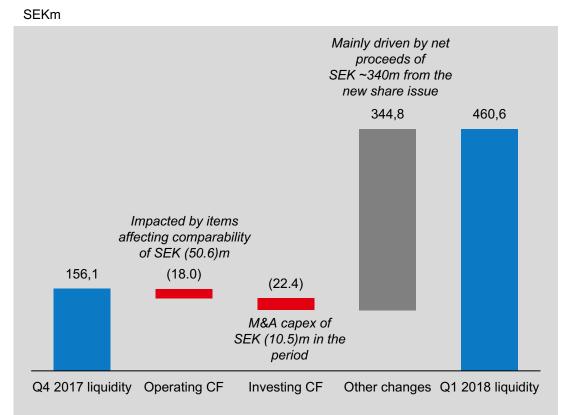
Cash flow and financial position

Strong operating cash flow: outgrowing EBITDA

Strong cash conversion despite inventory increase of SEK +78m to prepare for Q2 / Q3 sales



Cash flow for the period was distorted by items affecting comparability and the new share issue at IPO



Note: Debt refinancing occurred in early April, after the Q1 2018 period end date. 1) Change in NWC of 23.9 million adjusted for LTIP costs of 11.4 million.

Cash flow and financial position

Net debt / EBITDA in line with the financial target

Materially improved financial position following the IPO

SEKm	31 Mar 2018
Interest bearing liabilities	1,200.1
Cash and cash equivalents	(460.6)
Adjustment for earn-outs and deferred payments	(243.3)
Adjustment for debt fees	-
Net debt / (net cash)	496.3
LTM adjusted EBITDA	232.9
Net debt / LTM adjusted EBITDA	2.1x

- Materially reduced net debt and interest expense following the new share issue and refinancing in connection with the IPO
- Debt refinancing occurred in early April, i.e. after the Q1 2018 period end date
- The offering of new shares at IPO contributed gross proceeds of approximately SEK 350m and net proceeds of about SEK 340m to Bygghemma Group (after bank syndicate fees)
- New credit agreement with SEB for a total amount of SEK ~1,100m (nominal amount)
 - New term loan of SEK ~500m
 - New RCF of SEK 300m, of which SEK 240m pertains to a revolving credit facility in the form of working capital financing and SEK 60m pertains to a letter of credit
 - New acquisition facility of SEK 300m
- Annual interest rate of post IPO financing: IBOR + ~175 bps¹)

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Summary



Strong net sales growth in the quarter, total of +53% of which +15% organic growth

- Continued online penetration in Bygghemma Group's markets and management assesses improved market shares in both segments in the quarter
- The highest gross margin and EBITA margin for a first quarter to date¹⁾
- Integration of Furniturebox according to plan
- Completed the IPO on Nasdaq Stockholm in late March
- We look forward to deliver on our strategy for profitable growth in line with our mid-term financial targets

1) Adjusted for items affecting comparability, mainly related to the new LTIP and the IPO.

Financial targets and dividend policy

Net sales growth	 Bygghemma Group aims to grow net sales by 20 – 25% on average per year in the medium term, of which approximately 15% attributable to organic growth The Company's objective is to reach net sales of SEK 10 billion in the medium term including acquisitions
Profitability and cash conversion	 Gradually improve profitability to reach an adjusted EBITA margin of around 7% in the medium term Achieve cash conversion in line with adjusted EBITDA as a result of the business model
Capital structure	 Net debt in relation to LTM EBITDA in the range of 1.5 – 2.5x, subject to flexibility for strategic activities
Dividend policy	 When free cash flow exceeds available investments in profitable growth, and under the requirement that the capital structure target is met, the surplus will be distributed to shareholders



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Why Bygghemma Group

Targeting a large Nordic customer segment (home improvement market of SEK ~230bn in 2017E)

Bygghemma Group is the clear Nordic online leader with strong profitable growth potential

~100% growth is expected in the online channel of the home improvement market until 2020E

Categories well suited for online sales (attractive contribution margin per order + operating leverage)

Strong conversion of EBITDA into operating cash flow



Condensed consolidated financial information

	Q1			Jan-Dec
SEKm (if not otherwise stated)	2018	2017	Δ %	2017
Net Sales	1,025.1	669.7	53.1	3,955.5
Gross profit	213.1	132.0	61.4	820.0
Gross margin (%)	20.8	19.7	5.5	20.7
Adjusted gross profit*	220.6	134.6	63.9	855.2
Adjusted gross margin (%)	21.5	20.1	7.1	21.6
Adjusted EBITDA*	36.5	23.2	57.7	219.7
Adjusted EBITDA-margin (%)	3.6	3.5	3.0	5.6
Adjusted EBITA**	30.6	19.5	57.2	197.0
Adjusted EBITA-margin (%)	3.0	2.9	2.7	5.0
Operating income	-29.2	5.6	-621.0	91.5
Operating-margin (%)	-2.9	0.8	-440.3	2.3
Net profit/loss for the period	-55.0	-3.5	1464.3	28.7
Cash flow from operations	-18.0	-26.6	-32.5	141.1
Visits (thousands)	25,355	18,320	38.4	91.7
Orders (thousands)	352	199	77.0	1.2
Conversion rate (%)	1.4	1.1	27.9	1.4
Average order value (SEK)	2,918	3,455	-15.5	3,153

* Adjusted for items affecting comparability (refer to "Relevant reconciliations of non-IFRS alternative performance measures (APM) for a more detailed description). Items affecting comparability impacting the gross profit amounted to SEK 7.5 million (2.6), attributable to the Furniturebox integration. Items affecting comparability impacting the gross profit amounted to SEK 7.5 million (2.6), attributable to the Furniturebox integration. Items affecting comparability impacting the gross profit amounted to SEK 7.5 million (2.6), attributable to the Furniturebox integration costs of SEK 7.9 million (2.6), pertaining to the integration of Furniturebox, (iii) costs of SEK 11.4 million (-) associated to the long-term incentive programme for some 60 key employees in the Group launched in connection to the IPO and (iv) costs for the listing on Nasdaq Stockholm of 30.7 million (-).

** Adjusted EBITA is defined as operating income before depreciation and amortisation related to acquisitions and total items affecting comparability (described above).

DIY segment

	Q	1		Jan-Dec
SEKm (if not otherwise stated)	2018	2017	Δ %	2017
Net Sales	607.2	397.3	52.8	2,342.2
Gross profit	123.6	73.8	67.6	468.4
Gross margin (%)	20.4	18.6	9.6	20.0
Adjusted gross profit	123.6	73.8	67.6	468.4
Adjusted gross margin (%)	20.4	18.6	9.6	20.0
Adjusted EBITA	20.3	9.8	106.4	114.4
Adjusted EBITA-margin (%)	3.3	2.5	35.0	4.9
Operating income	13.2	4.5	195.8	87.0
Operating margin (%)	2.2	1.1	93.5	3.7
Net profit/loss for the period	5.9	2.2	164.3	10.5
	4.4.000	4.4.400		5 4 000
Visits (thousands)	14,020	11,192	25.3	51,938
Orders (thousands)	199	129	54.7	674
Conversion rate (%)	1.4	1.2	23.5	1.3
Average order value (SEK)	3,051	3,251	-6.2	3,394

Home furnishing segment

	Q	1		Jan-Dec
SEKm (if not otherwise stated)	2018	2017	Δ %	2017
Net Sales	421.6	275.1	53.2	1,628.9
Gross profit	90.3	58.3	55.0	354.0
Gross margin (%)	21.4	21.2	1.2	21.7
Adjusted gross profit	97.8	60.9	60.7	389.2
Adjusted gross margin (%)	23.2	22.1	4.9	23.9
Adjusted EBITA	11.2	10.9	3.2	84.9
Adjusted EBITA-margin (%)	2.7	3.9	-32.6	5.2
Operating income	0.5	2.4	-77.7	25.6
Operating margin (%)	0.1	0.9	-85.4	1.6
Net profit/loss for the period	-3.8	0.2	-2021.4	14.5
	44.005	7 400	50.0	00.7
Visits (thousands)	11,335	7,128	59.0	39.7
Order (thousands)	153	70	118.1	569
Conversion rate (%)	1.3	1.0	37.1	1.4
Average order value	2,744	3,829	-28.3	2,868

P&L

	Q1	Jan-Dec	
SEKm	2018	2017	2017
Net Sales	1,025.1	669.7	3,955.5
Other operating income	-	-	6.1
Total Net Sales	1,025.1	669.7	3,961.7
Cost of goods sold	-812.0	-537.6	-3,135.6
Personnel costs	-106.6	-53.5	-306.2
Other external costs and operating expenses	-117.0	-62.3	-373.5
Other operating expenses	-3.5	-0.2	-0.1
Depreciation and amortization of tangible and intangible fixed assets	-15.2	-10.4	-54.7
Operating income	-29.2	5.6	91.5
Profit/loss from financial items	-39.7	-8.5	-54.7
Profit before tax	-69.0	-2.9	36.8
Income tax	14.0	-0.6	-8.1
Profit/loss for the period	-55.0	-3.5	28.7
Attributable to:			
Equity holders of the parent	-55.0	-3.5	28.7
Net income for the period	-55.0	-3.5	28.7
Earnings per share before dilution, SEK	-1.73	-1.24	-3.99
Earnings per share after dilution, SEK	-1.73	-1.24	-3.99

Balance sheet

	31 Mar		31 dec
EKm	2018	2017	2017
n-current assets			
oodwill	2,455.8	2,217.9	2,451.1
ther intangible fixed assets	1,162.7	998.9	1,166.3
tal intangible fixed assets	3,618.5	3,216.8	3,617.4
ildings and land	11.2	10.7	10.8
angible fixed assets	22.9	16.3	21.4
nancial fixed assets	4.9	1.7	4.5
ferred tax asset	15.7	7.5	15.5
al fixed assets	3,673.2	3,253.1	3,669.6
rent assets			
entories	478.7	288.6	400.4
rrent receivables	240.0	121.6	192.8
sh and cash equivalents	460.6	53.6	156.1
tal current assets	1,179.2	463.8	749.3
al assets	4,852.4	3,716.9	4,418.9
lity			
uity attributable to owners of the parent	2,675.0	2,137.6	2,375.1
al equity	2,675.0	2,137.6	2,375.1
n-current liabilities			
erred tax asset	257.4	217.6	259.0
er provisions	1.5	2.0	1.4
n-current interest bearing liabilites	-	0.0	-
n-current interest bearing liabilites to credit institutions	-	769.0	893.3
er non-current liabilities	217.6	59.4	212.7
al non-current liabilities	476.5	1,048.0	1,366.4
rrent liabilities			
ort term interest bearing loans to credit institutions	956.9	3.4	44.2
er interest bearing liabilities	25.7	35.5	36.9
er current liabilities	718.3	492.3	596.4
al current liabilities	1,700.8	531.3	677.5
al shareholders' equity and liabilities	4,852.4	3,716.9	4,418.9

Consolidated statement of cash flows

	Q	1	Jan-Dec
SEKm	2018	2017	2017
Cash flow from operating activities before changes in working capital	-41.8	1.6	67.3
Changes in working capital	23.9	-28.2	73.7
Cash flow from operations	-18.0	-26.6	141.1
Investments in operations	-12.0	-538.6	-731.7
Investments in other non-current assets	-10.5	-5.3	-28.6
Divestment of other tangible fixed assets	0.1	-	0.1
Cash flow to/from investing activities	-22.4	-543.9	-760.1
New share issue	343.3	441.0	425.6
Net change in loans	-	130.0	401.3
Amortization of loans	-3.3	-0.0	-106.2
Dividends to shareholders	-	-	0.1
Cash flow to/from financing activities	340.0	570.9	720.8
Cash flow for the period	299.6	0.4	101.7
Cash and cash equivalents at the beginning of the pe	156.1	53.3	53.3
Translation differences in cash and cash equivalents	4.8	-0.1	1.0
Cash and cash equivalents at the end of the period	460.6	53.6	156.1

Reconciliation on non-IFRS metrics

	Q1		Jan-Dec
SEKm	2018	2017	2017
Operating income	-29.2	5.6	91.5
Depreciation and amortization of intangible fixed assets	9.3	6.7	32.1
EBITA	-19.9	12.3	123.6
Acquisition-related costs	0.6	4.6	10.0
Integration costs	7.9	2.6	44.7
Costs related to LTIP	11.4	-	-
Costs related to the process for expanding the shareholde	30.7	-	18.8
Total items affecting comparability	50.6	7.2	73.5
Adjusted EBITA	30.6	19.5	197.0
Depreciation and amortization of tangible and intangible fixed assets	5.9	3.7	22.6
Adjusted EBITDA	36.5	23.2	219.7
Net Sales	1,025.1	669.7	3,955.5
Cost of goods sold	-812.0	-537.6	-3,135.6
Gross profit	213.1	132.0	820.0
Integration costs	7.5	2.6	35.2
Adjusted gross profit	220.6	134.6	855.2