



### Today's presenters

Martin Edblad
Acting President and CEO



- Bygghemma Group since 2012
- CFO of CDON Group (now Qliro Group, publ) (2010-12)
- CFO of MTG's online business area (2004-10)

### Adam Schatz CFO



- Bygghemma Group since 2019
- Axiell Group 2015-2019 (CFO, Head of Business Division)
- Gambro and Baxter 2008-2015 (Regional CFO, Head of UK & Ireland...); Teknoseed AB 2000-2008 (CEO); Goldman Sachs 1998-2000 (Analyst)



# Important clarifying information

- Bygghemma Group First AB applies IFRS 16 from 1 January, 2019
- The new accounting standard has had the following impact:
  - Increased the total assets by around SEK 360 million
  - Expected to have a positive EBITA and EBITDA effect of around SEK 7 million and SEK 90 million respectively on a FY basis
- As no pro-forma recalculation has been performed for 2018, and unless otherwise stated, comparisons with 2018 are made against figures for 2019, excluding the impact from IFRS 16



- Results highlights
- Business update
- Financial update Q1 2019
  - Group
  - DIY segment
  - Home Furnishing segment
  - Cash flow and financial position
- Summary
- Q&A





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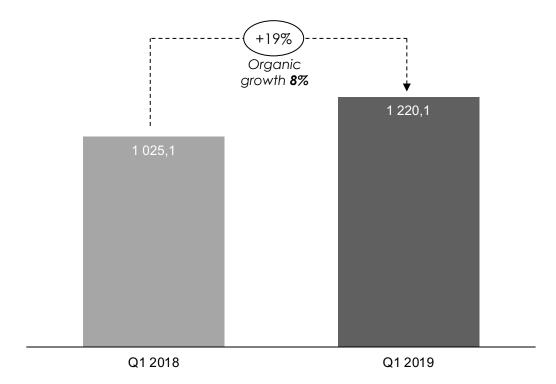




### Strong first quarter sales and margin improvement

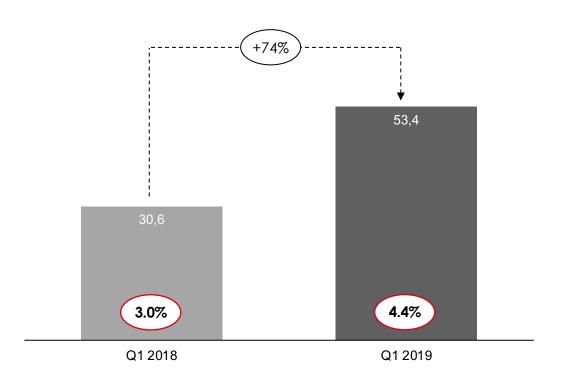
#### Sales growth continues to outperform the Nordic overall market

Net sales (SEKm)



### Highest first quarter results to date, driven by a record-high gross margin level

Adjusted EBITA (SEKm) — Adjusted EBITA margin



Note: Items affecting comparability impacting EBITA totalled SEK 7.2 million (50.6) for the quarter, related to (i) acquisition costs of SEK 1.4 million (0.6) and (ii) costs for establishment of own distribution network of SEK 5.8 million (-).



Results highlights

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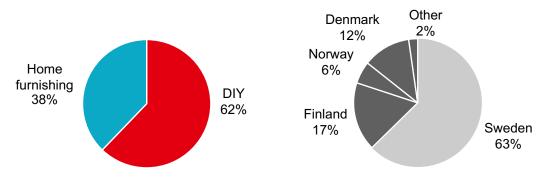


### Bygghemma Group at a glance

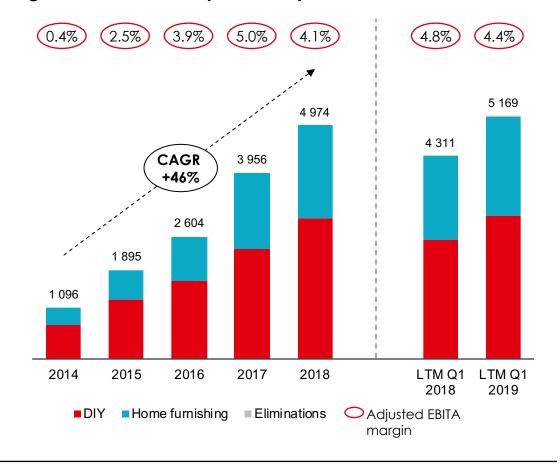
#### The clear Nordic online leader in home improvement



#### Net sales Jan-Dec 2018



#### Significant scale and profitability



Note: Adjusted EBITA excludes Items affecting comparability.



### Q1 highlights

# Strengthened market position

# Positive momentum with record Q1 EBITA

# Assortment, mix and curation improvements

# Home Furnishing further strengthened

# Strong financial position

Two add-ons announced

- Number one European online retailer within home improvement
- Strengthened dominant Nordic position close to 30-percent online market share within both the DIY- and Home Furnishing retail segments
- 19% YoY growth and organic growth of 8%
- Adjusted EBITA of SEK 53,4 million, the highest level to date for the period

#### · Measures taken in terms of assortment, mix and curation during last year are bearing fruit

- Average order value increased 17% YoY improved unit economics from higher tickets
- Highest EBITA and EBITA margin ever (for the second consecutive quarter)
- Improving contribution levels and stronger organic growth (increased from 1.4% last quarter to 7.2% this quarter)

#### Financial targets reiterated

- Net debt / EBITDA in line with the target range
- VVSKupp.no the leading online pure-play DIY retailer in Norway
- Nordiska Fönster **leading online retailer in the value-for-money private label doors and windows** segment in Sweden



### Market position strengthened by two exciting add-ons



- Acquisition of Designkupp AS on 29 January Designkupp is the leading online retailer in Norway primarily focused on bathroom products, with sales in 2018 of approximately SEK 100 million
- The acquisition will strengthen Bygghemma's leading position in Norway considerably
- Considerable synergies identified going forward, providing a good basis for increased growth



- Acquisition of Nordiska Fönster on 1 March
- Nordiska Fönster is a leading online retailer in the value-for-money private label doors and windows segment in Sweden and had sales of SEK ~50 million in 2018
- Through the acquisition Bygghemma has consolidated its leading online position for windows and doors
- Synergies in purchasing, marketing etc.



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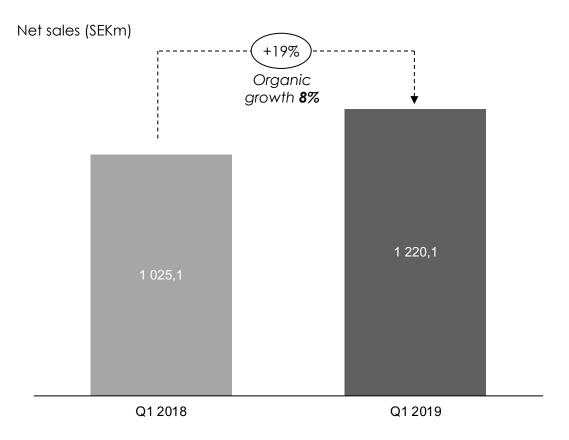


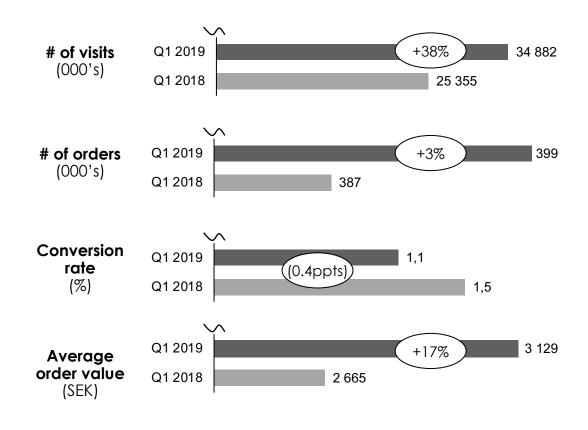


### Sales growth mainly driven by visits and AOV growth

#### FI, DK and NO continued to increase share of Group sales

#### oup sales Continued strong development in KPIs



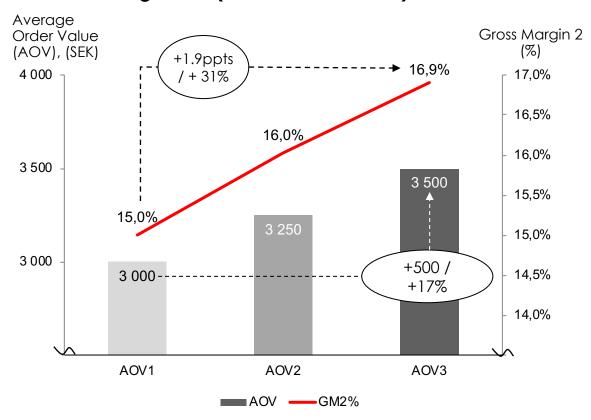




### Higher AOV translates to improved unit economics

Gross margin of different average orders values with same freight cost (assumed at SEK 400)





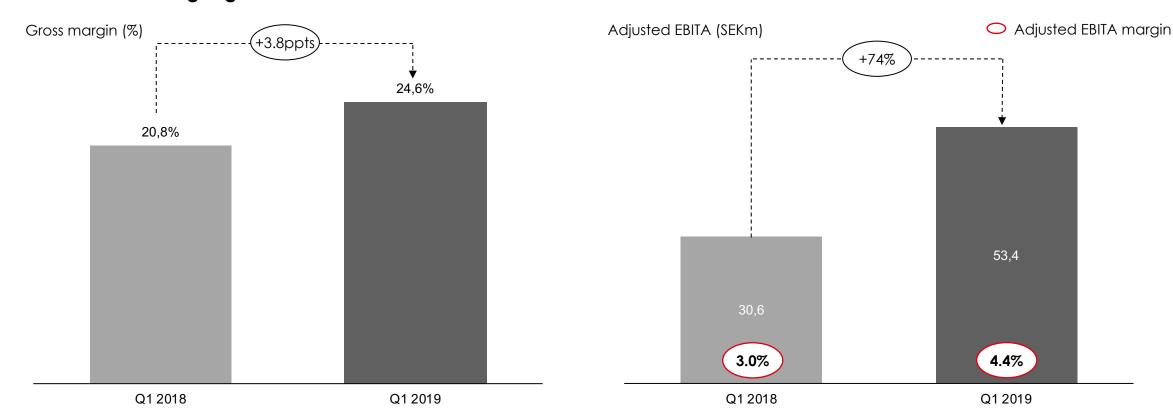
- Markedly improved unit economics when the average order value increases
- Examples, assuming a freight cost of 400 SEK and all other costs the same as a share of sales
- If the average order value increases from SEK 3,000 to SEK 3,250, then the fully loaded gross margin 2 increases by ~1 ppt
- If average order value increases from SEK 3,000 to SEK 3,500, then the fully loaded gross margin 2 increases by ~2 ppts
- When AOV increases by 17%, profit contribution increases by 31%



### Record-high gross margin and highest Q1 EBITA to date

Gross margin improved mainly due to higher margins within the Home Furnishing segment

Highest EBITA to date and improved EBITA margin



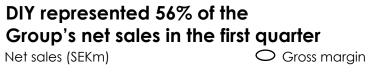
Note: Items affecting comparability impacting EBITA totalled SEK 7.2 million (50.6) for the quarter, related to (i) acquisition costs of SEK 1.4 million (0.6) and (ii) costs for establishment of own distribution network of SEK 5.8 million (-).

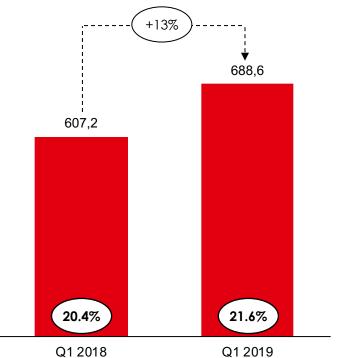


#### **DIY** segment

#### Continued increase in online market share

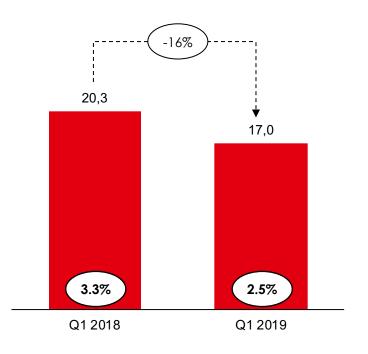
- Net sales increased by 13.4% continued healthy organic growth and well-performing acquisitions
- Focus on category leadership yielding results, fueled by specialised knowledge, brand expansion and strategic acquisitions (VVX, Edututor, NF)
- Continued market share gains in all Nordic markets during the quarter
- Kitchen/whitegoods, heavy construction and doors/windows categories performing the best
- Adjusted EBITA margin amounted to 2.5% – slightly lower than last year, mainly due to strong comparables last year and a negative calendar effects





#### Strong Q1 2018 EBITA and calendar effect in Q1 2019

Adjusted EBITA (SEKm) — Adjusted EBITA margin



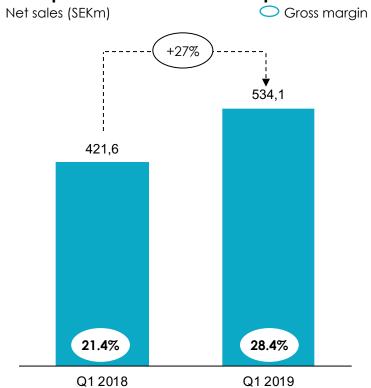


#### **Home Furnishing segment**

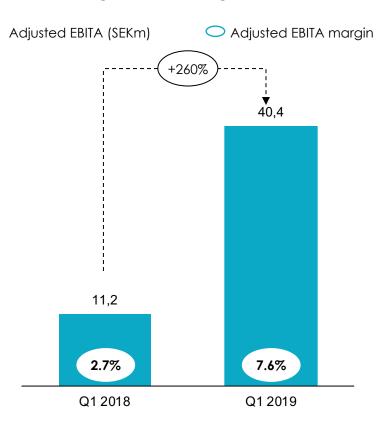
### Solid growth and record-high EBITA-margin

- Net sales increased by 26.7%, building on the positive momentum from the fourth quarter
- The division gained market shares in all product categories and geographical markets during the quarter compared with last year
- The roll-out of the last-mile operations continued according to plan, with a continued positive reception
- Adjusted EBITA-margin at a record-high 7.6% (2.7%), driven by successful assortment, mix and curation work on the back of normalised market conditions compared with last year

### Home furnishing represented 44% of the Group's net sales in the first quarter



#### **Record-high EBITA-margin**

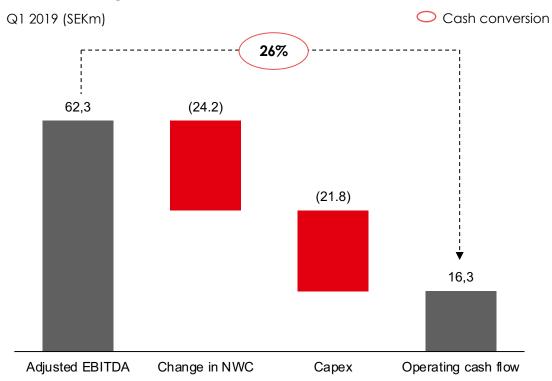




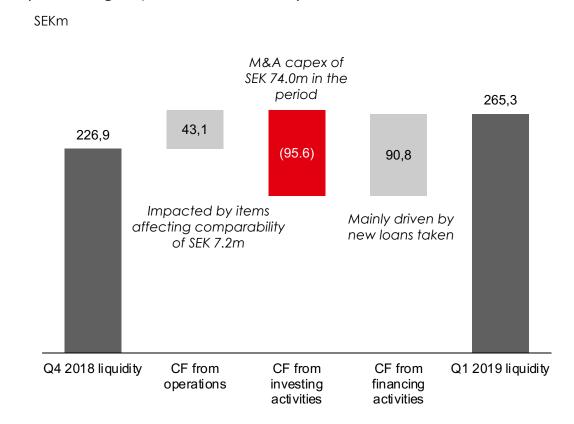
#### Cash flow and financial position

### Full-year cash flow conversion target remains 100%

### 26% cash conversion, affected by the inventory build-up before the high season in the second quarter



#### **Liquidity driven by strong operating cash flow** (including impact from IFRS 16)





# Cash flow and financial position Financial position remains solid

#### Overview of financial position

SEKm	31 Mar 2019
Interest bearing liabilities	1,518.5
Cash and cash equivalents	(265.3)
Adjustment lease liabilities	(364.6)
Adjustment for earn-outs and deferred payments	(350.0)
Adjustment for debt fees	5.3
Net debt / (net cash)	543.8
Q1 2019 LTM adjusted EBITDA	259.9
Net debt / LTM adjusted EBITDA	2.1x

- Net debt / EBITDA of 2.1x, in line with the financial target of 1.5 – 2.5x
- The Group's unutilised credit facilities amounted to SEK 286 million at the end of the period, compared with SEK 395 million at the beginning of the year
- Strong financial position to facilitate growth investments and continued M&A



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### Summary



- Positive momentum from the fourth quarter of 2018 continued
- Continued to consolidate position as the number one European online retailer within home improvement by further strengthening dominant Nordic position
- Highest first quarter results to date, driven by a recordhigh gross margin level
- Development within the Home Furnishing division was especially satisfying (27% growth; 7.6% EBITA margin)
- Measures taken in terms of assortment, mix and curation during last year are bearing fruit leverage from improved unit economics from higher tickets
- Own last-mile distribution network delivering as expected
- Two new exciting add-on acquisitions signed
- Mid-term financial targets reiterated



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#### Condensed consolidated financial information

		Q1			Jan-Dec
SEKm (if not otherwise stated)	2019	2019*	2018	$\Delta\%$	2018
Net sales	1,220.1	1,220.1	1,025.1	19.0	4,973.7
Gross profit	300.4	300.4	213.1	41.0	1,047.5
Gross margin (%)	24.6	24.6	20.8	18.4	21.1
Adjusted EBITDA**	85.9	62.3	36.5	70.5	231.1
Adjusted EBITDA margin (%)	7.0	5.1	3.6	43.3	4.6
Adjusted EBITA**	55.3	53.4	30.6	74.4	202.7
Adjusted EBITA margin (%)	4.5	4.4	3.0	46.5	4.1
Items affecting comparability	-7.2	-7.2	-50.6	-85.8	-77.9
Operating income	38.3	36.4	-29.2	-224.6	87.2
Operating margin (%)	3.1	3.0	-2.9	-204.6	1.8
Net profit/loss for the period	19.0	19.3	-55.0	-135.2	50.8
Cash flow from operations	43.1	21.8	-18.1	-220.3	120.5
Visits (thousands)	34,882	34,882	25,355	37.6	116,120
Orders (thousands)	399	399	387	3.1	1,735
Conversion rate (%)	1.1	1.1	1.5	-25.1	1.5
Average order value (SEK)	3,129	3,129	2,665	17.4	2,830

<sup>\*</sup> Adjusted for the effect of the implementation of IFRS 16, meaning that the numbers are fully comparable to the numbers reported for 2018.

<sup>\*\*</sup> Refer to "Relevant reconciliations of non-IFRS alternative performance measures (APM)" for a more detailed description.



# DIY segment

	Q1				Jan-Dec
SEKm (if not otherwise stated)	2019	2019*	2018	$\Delta\%$	2018
Net sales	688.6	688.6	607.2	13.4	3,073.8
Gross profit	148.9	148.9	123.6	20.5	612.1
Gross margin (%)	21.6	21.6	20.4	6.2	19.9
Adjusted EBITDA	32.4	22.9	24.3	-5.8	150.2
Adjusted EBITDAmargin (%)	4.7	3.3	4.0	-16.9	4.9
Adjusted EBITA	18.2	17.0	20.3	-16.1	131.2
Adjusted EBITAmargin (%)	2.6	2.5	3.3	-26.0	4.3
Items affecting comparability	-1.4	-1.4	-0.3	450.9	-0.9
Operating income	9.7	8.5	13.2	-35.4	102.9
Operating margin (%)	1.4	1.2	2.2	-43.0	3.3
Net profit/loss for the period	0.3	0.5	5.9	-91.5	12.5
Visits (thousands)	17,337	17,337	14,020	23.7	65,762
Orders (thousands)	231	231	229	1.1	1,099
Conversion rate (%)	1.3	1.3	1.6	-18.2	1.7
Average order value (SEK)	3,102	3,102	2,604	19.1	2,746



# Home Furnishing segment

	Q1				Jan-Dec
SEKm (if not otherwise stated)	2019	2019*	2018	$\Delta\%$	2018
Net sales	534.1	534.1	421.6	26.7	1,918.8
Gross profit	151.7	151.7	90.3	68.0	437.2
Gross margin (%)	28.4	28.4	21.4	32.6	22.8
Adjusted EBITDA	57.5	43.4	13.1	230.1	88.3
Adjusted EBITDA margin (%)	10.8	8.1	3.1	160.6	4.6
Adjusted EBITA	41.1	40.4	11.2	260.1	78.8
Adjusted EBITA margin (%)	7.7	7.6	2.7	184.2	4.1
Items affecting comparability	-5.8	-5.8	-8.2	-29.5	-34.9
Operating income	32.6	31.9	0.5	5956.9	33.7
Operating margin (%)	6.1	6.0	0.1	4681.0	1.8
Net profit/loss for the period	23.3	23.4	-3.8	-711.2	41.0
Visits (thousands)	17,545	17,545	11,335	54.8	50,358
Order (thousands)	168	168	159	5.9	636
Conversion rate (%)	1.0	1.0	1.4	-31.6	1.3
Average order value	3,166	3,166	2,752	15.1	2,976



### P&L

	C	Jan-Dec	
SEKm	2019	2018	2018
Net sales	1,220.1	1,025.1	4,973.7
Other operating income	0.1	-	0.0
Total net sales	1,220.1	1,025.1	4,973.7
Cost of goods sold	-919.7	-812.0	-3,926.2
Personnel costs	-107.2	-106.6	-420.4
Other external costs and operating expenses	-111.2	-117.0	-469.6
Other operating expenses	-3.3	-3.5	-4.4
Depreciation and amortisation of tangible and intangible fixed assets	-40.6	-15.2	-65.8
Operating income	38.3	-29.2	87.2
Profit/loss from financial items	-12.4	-39.7	-39.9
Profit before tax	25.9	-69.0	47.3
Income tax	-6.9	14.0	3.5
Profit/loss for the period	19.0	-55.0	50.8
Attributable to:			
Equity holders of the parent	18.1	-55.0	49.9
Non-controlling interest	0.8	-	0.9
Net income for the period	19.0	-55.0	50.8
Earnings per share before dilution, SEK	0.17	-1.73	0.00
Earnings per share after dilution, SEK	0.17	-1.73	0.00



#### Balance sheet

	31	31 Dec	
SEKm	2019	2018	2018
Non-current assets			
Goodwill	2,671.5	2,455.8	2,590.7
Other intangible fixed assets	1,260.2	1,162.7	1,225.3
Total intangible fixed assets	3,931.8	3,618.5	3,815.9
Buildings and land	11.4	11.2	11.3
Leased fixed assets	351.0	-	-
Tangible fixed assets	25.2	22.9	22.9
Financial fixed assets	5.0	4.9	5.4
Deferred tax asset	9.0	15.7	6.0
Total fixed assets	4,333.4	3,673.2	3,861.5
Current assets			
Inventories	608.9	478.7	504.9
Current receivables	247.2	240.0	258.6
Cash and cash equivalents	265.3	460.6	226.9
Total current assets	1,121.3	1,179.2	990.4
Total assets	5,454.7	4,852.4	4,851.9
Equity			
Equity attributable to owners of the parent	2,798.1	2,675.0	2,783.1
Non-controlling interest	32.6	-	31.3
Total equity	2,830.6	2,675.0	2,814.4
Non-current liabilities			
Deferred tax liability	239.4	257.4	234.3
Other provisions	1.8	1.5	1.9
Non-current interest-bearing liabilities to credit	803.9	-	694.9
institutions Non-current lease liabilities	274.6	_	
Other non-current liabilities	298.7	217.6	278.3
Total non-current liabilities	1,618.3	476.5	1,209.5
	,-		,
Current liabilities			
Short term interest-bearing loans to credit institutions	-	956.9	-
Current lease liabilities	90.0	-	-
Other interest-bearing liabilities	51.3	25.7	42.0
Other current liabilities	864.4	718.3	786.0
Total current liabilities	1,005.7	1,700.8	828.1
Total shareholders' equity and liabilities	5,454.7	4,852.4	4,851.9



#### Consolidated statement of cash flows

	Q	1	Jan-Dec
SEKm	2019	2018	2018
Cash flow from operating activities before changes in working capital	67.4	-42.0	97.8
Changes in working capital	-24.2	23.9	22.7
Cash flow from operations	43.1	-18.1	120.5
Investments in operations	-74.0	-12.0	-58.9
Investments in other non-current assets	-21.8	-10.4	-68.1
Divestment of other tangible fixed assets	0.2	0.1	0.1
Cash flow to/from investing activities	-95.6	-22.3	-126.8
New share issue	-	343.3	343.4
Loans taken	108.6	-	693.9
Amortisation of loans	-21.4	-3.3	-968.5
Issue of warrants	-	-	4.6
Dividends to shareholders	-	-	0.1
Cash flow to/from financing activities	87.2	340.0	73.5
Cash flow for the period	34.8	299.6	67.3
Cash and cash equivalents at the beginning of the period	226.9	156.1	156.1
Translation differences in cash and cash equivalents	3.6	4.8	3.6
Cash and cash equivalents at the end of the period	265.3	460.6	226.9



### Reconciliation of non-IFRS metrics

		Q1		Jan-Dec
SEKm	2019	2019*	2018	2018
Operating income	38.3	36.4	-29.2	87.2
Depreciation and amortisation of acquisition-related intangible fixed assets	9.8	9.8	9.3	37.5
EBITA	48.1	46.2	-19.9	124.8
EBITA (%)	3.9	3.8	-1.9	2.5
Acquisition-related costs	1.4	1.4	0.6	2.0
Integration costs and costs related to warehouse move	-	-	7.9	27.5
Costs in connection with the establishment of own distribution network	5.8	5.8	-	6.3
Costs related to LTIP	-	-	11.4	11.4
Costs related to the process for expanding the shareholder base	-	-	30.7	30.7
Total items affecting comparability	7.2	7.2	50.6	77.9
Adjusted EBITA	55.3	53.4	30.6	202.7
Adjusted EBITA (%)	4.5	4.4	3.0	4.1
Depreciation and amortisation of tangible and intangible fixed assets	30.7	8.9	5.9	28.4
Adjusted EBITDA	85.9	62.3	36.5	231.1
Adjusted EBITDA (%)	7.0	5.1	3.6	4.6
Net sales	1,220.1	1,220.1	1,025.1	4,973.7
Cost of goods sold	-919.7	-919.7	-812.0	-3,926.2
Gross profit	300.4	300.4	213.1	1,047.5
Gross profit (%)	24.6	24.6	20.8	21.1
Integration costs and costs related to warehouse move	-	-	7.5	26.3
Costs in connection with the establishment of own distribution network	5.2	5.2	-	4.2
Adjusted gross profit	305.6	305.6	220.6	1,077.9
Adjusted gross profit (%)	25.0	25.0	21.5	21.7