



**RECORD SALES, EBITA AND CASH FLOW –
ACCELERATED ORGANIC GROWTH TO 19 %**

Today's presenters

Mikael Olander
President and CEO



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

Martin Edblad
CFO



- **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 Q2 2018
 - Group
 - DIY segment
 - Home furnishing segment
 - Cash flow and financial position
- Summary
- Q&A



Agenda

■ Results highlights

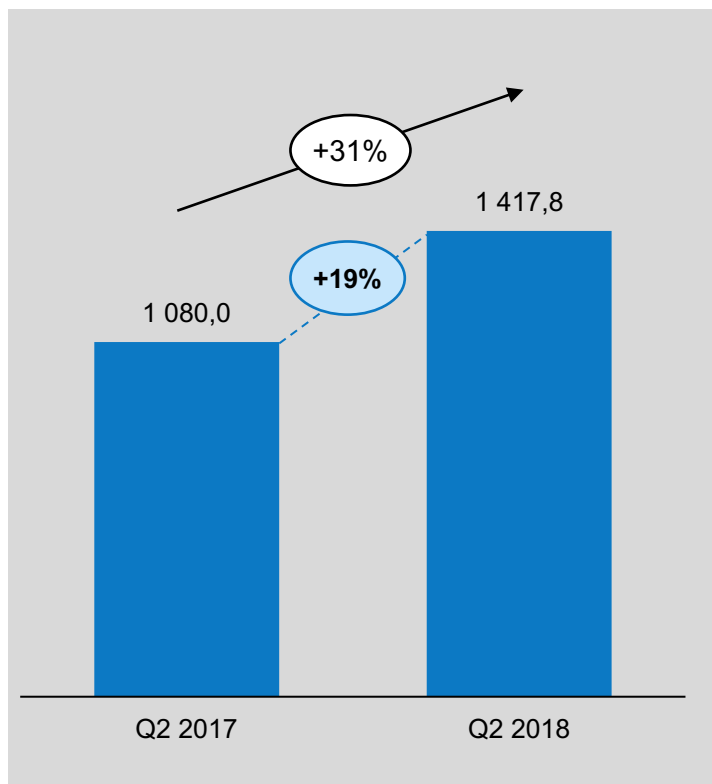
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Results highlights – accelerated organic growth

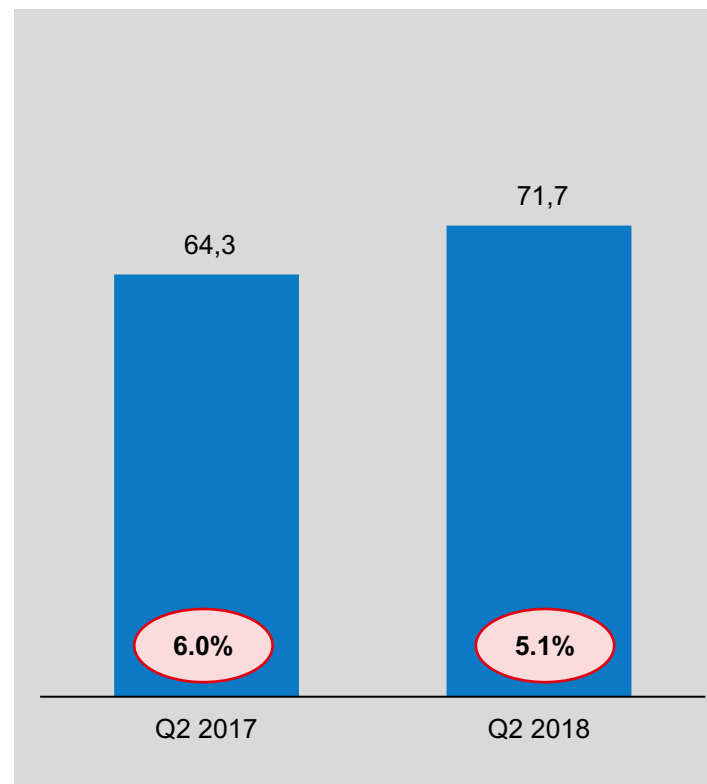
Strong sales growth: organic growth driven by DIY segment

Net sales (SEKm) ○ Organic growth



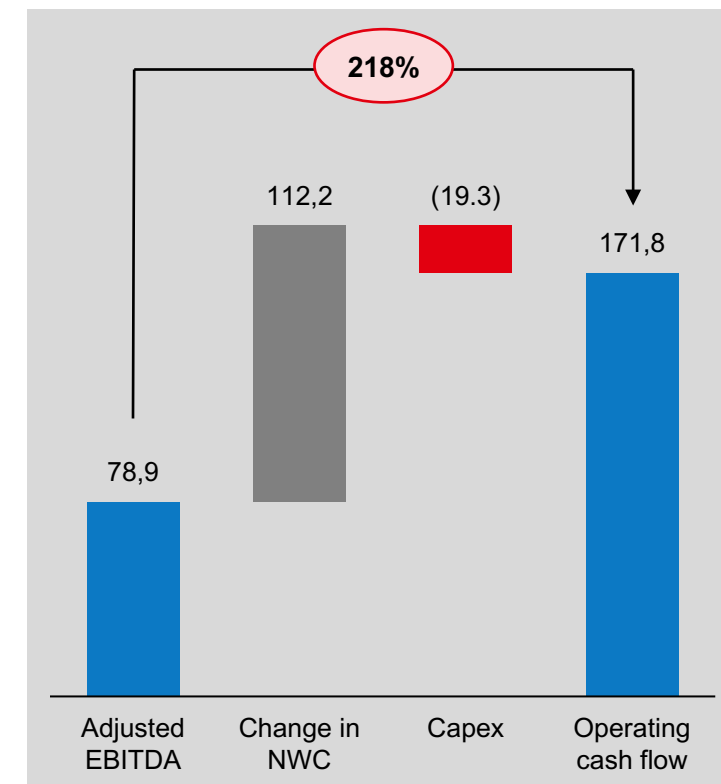
Increasing EBITA despite impacted by negative FX and higher polyethylene price

Adjusted EBITA (SEKm) ○ Adjusted EBITA margin



Strong operating cash flow: significantly outgrowing EBITDA

Q2 2018 (SEKm) ○ Cash conversion



Note: Adjusted EBITDA and Adjusted EBITA exclude Items affecting comparability, which totalled SEK 7.4 million (12.4) and were attributable to (i) acquisition costs of SEK 0.3 million (2.2) and (ii) integration costs of SEK 7.1 million (10.2) pertaining to the integration of Furniturebox.

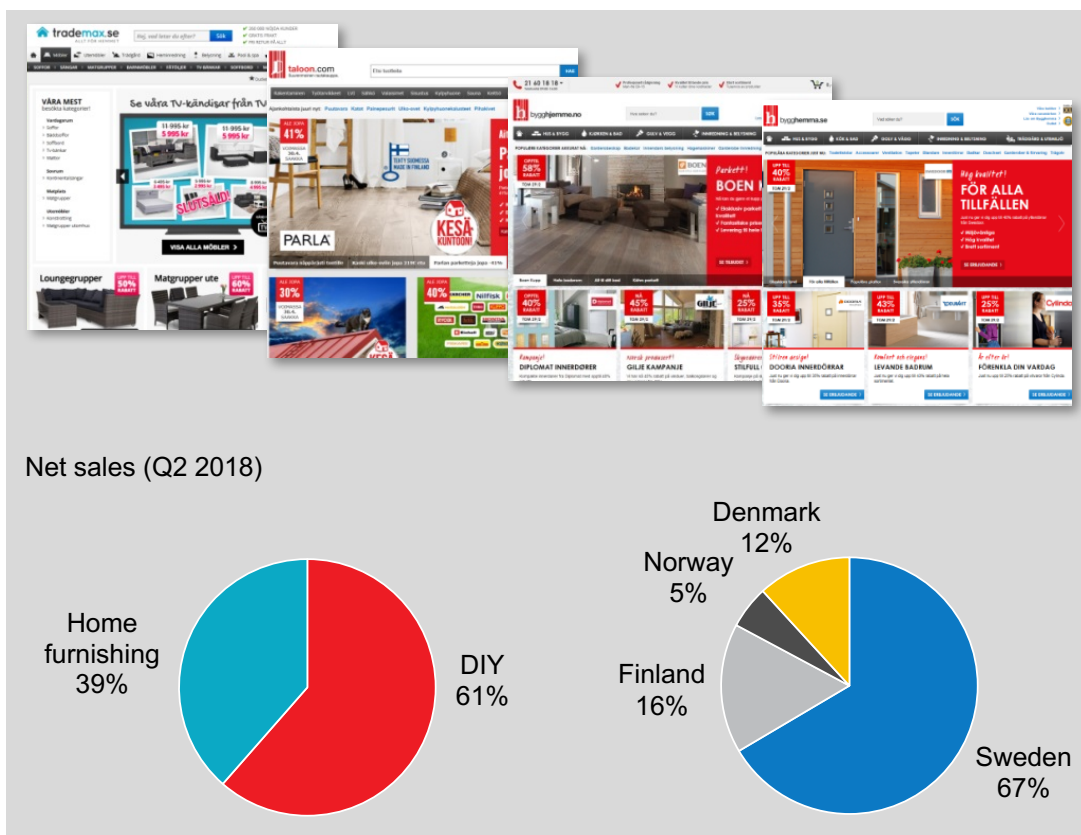
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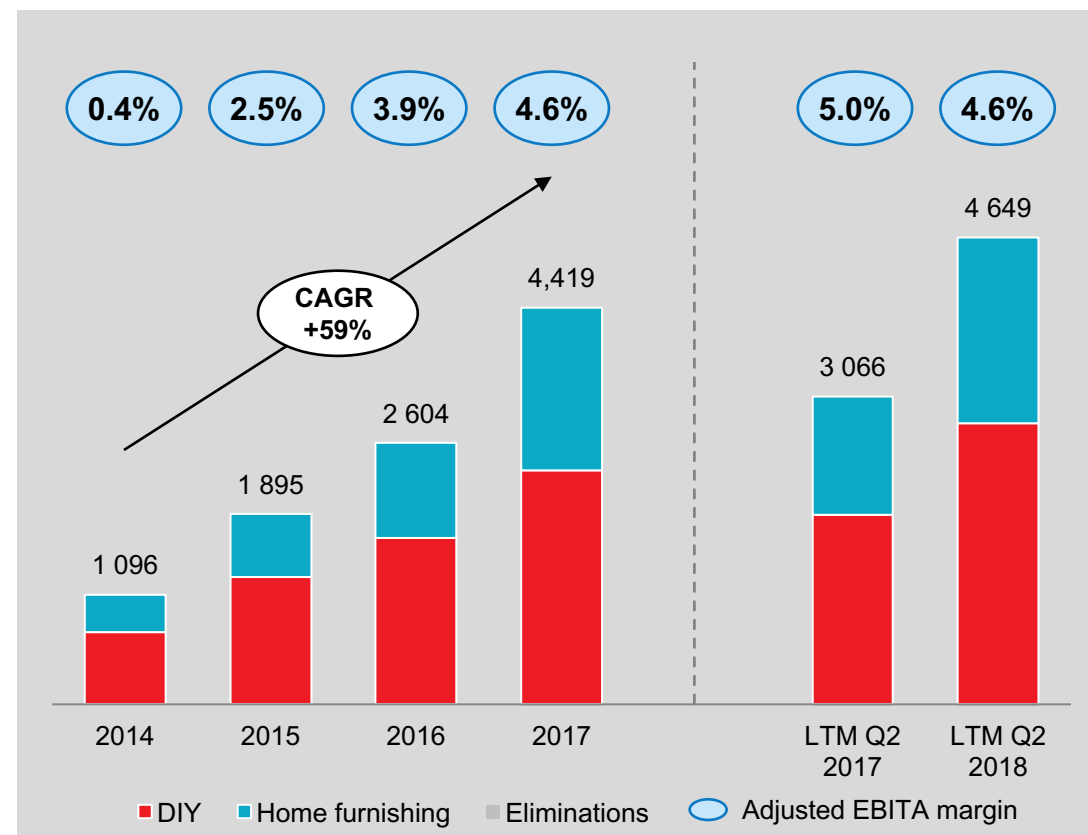


Bygghemma Group at a glance

The clear Nordic online leader in home improvement



Significant scale and profitability



Note: Adjusted EBITA excludes Items affecting comparability.

Business highlights for Q2

31%

Group net sales growth

19%

Group organic growth

24%

DIY organic growth

**STRONG TOPLINE
PERFORMANCE ACROSS
ALL COUNTRIES
– DIY IN PARTICULAR**



**INCREASED SERVICE
LEVELS FOR CUSTOMERS
– AS A RESULT OF
TARGETED EFFORTS AND
ONGOING INVESTMENTS**



**LAUNCH OF
INSTALLATION
SERVICES WITH
PROMISING RESULTS**



**FINANCIAL
TARGETS
REITERATED**

Negative margin impact of SEK -12m in home furnishing

- We report our highest adjusted EBITA to date, despite a negative impact of approximately SEK -12 million in the quarter

- The following factors impacted profitability:

1 Weakened SEK which has a short term negative impact on earnings for the Home furnishing division of approximately SEK -12 million, as the segment has its purchases in EUR and USD and a majority of sales in SEK

Typically consumer prices are adjusted to the higher purchase prices

However, as many of our main competitors are catalogue-based and typically hedge currency (as opposed to Bygghemma Group), price adjustments are generally being imposed on the market with a seasonal delay

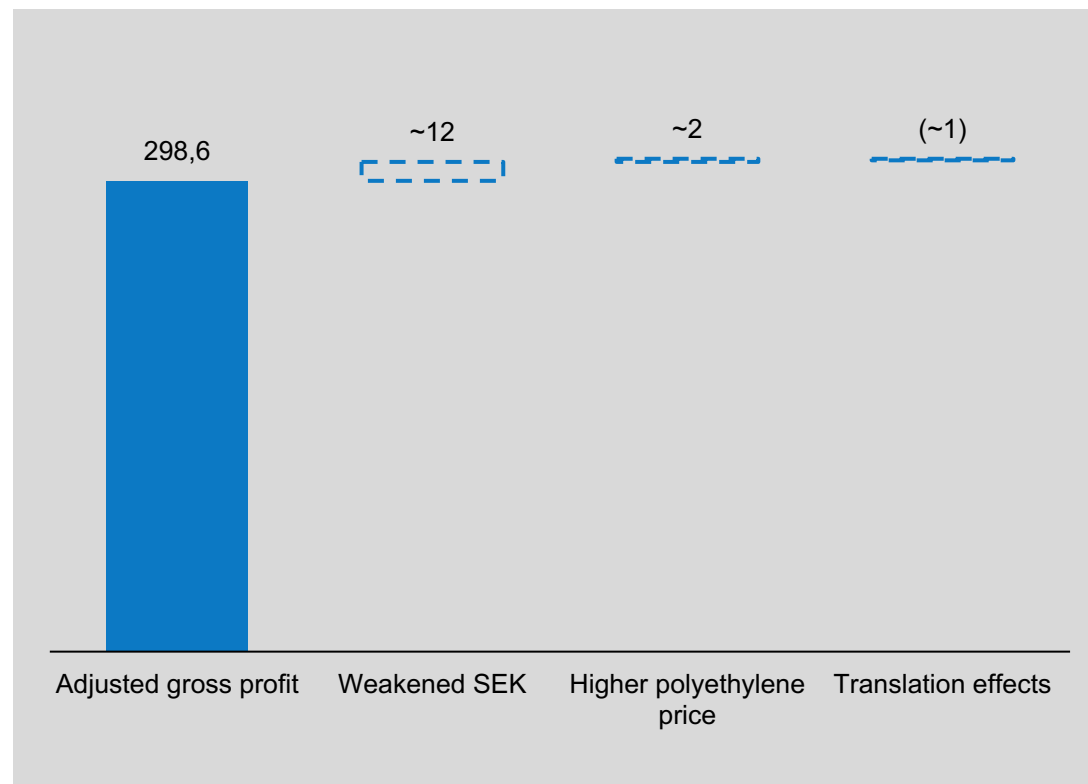
2 The inflated price of polyethylene has had a substantial negative effect on the raw material prices for the Home Furnishing division in the quarter

Polyethylene is one of the main raw materials used to produce beds and sofas and has impacted the Home furnishing division with an additional estimated SEK -2 million in the quarter








3 Partly offset by **positive FX impact of SEK ~1 million in translation effect** in the period, compared to constant exchange rates

Illustrative impact on the Group's adjusted gross profit

Q2 2018



On track to deliver on the financial targets

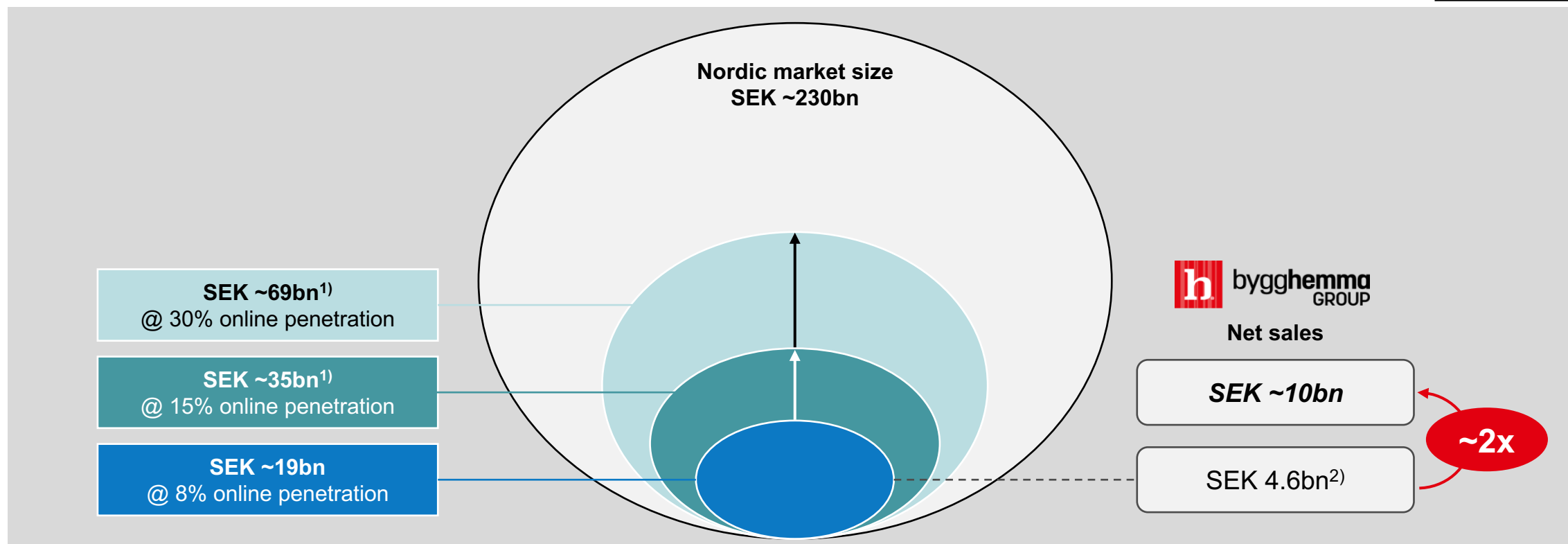
		H1 2018 actuals
Net sales growth	<ul style="list-style-type: none"> Bygghemma Group aims to grow net sales by 20 – 25% on average per year in the medium term, of which approximately 15% attributable to organic growth The Company's objective is to reach net sales of SEK 10 billion in the medium term including acquisitions 	<ul style="list-style-type: none"> ✓ Net sales growth of 40%  ✓ Organic growth of 17% 
Profitability and cash conversion	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> ✓ Adj. EBITA margin: 4.2%  ✓ Cash conversion: 190%  
Capital structure	<ul style="list-style-type: none"> Net debt in relation to LTM EBITDA in the range of 1.5 – 2.5x, subject to flexibility for strategic activities 	<ul style="list-style-type: none"> ✓ Net debt/EBITDA: 1.5x  
Dividend policy	<ul style="list-style-type: none"> 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 	

Increasing online penetration drives future growth

Online penetration levels at various stages hint to the market potential

Nordic home improvement market (2016)

Illustrative



1) Online market is estimated based on 2016 market size of SEK 230bn, applying an online penetration of 15% and 30%. 2) LTM Q2 2018. Source: Company data.

Why Bygghemma Group

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

Bygghemma Group is the clear Nordic online pure-play B2C 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

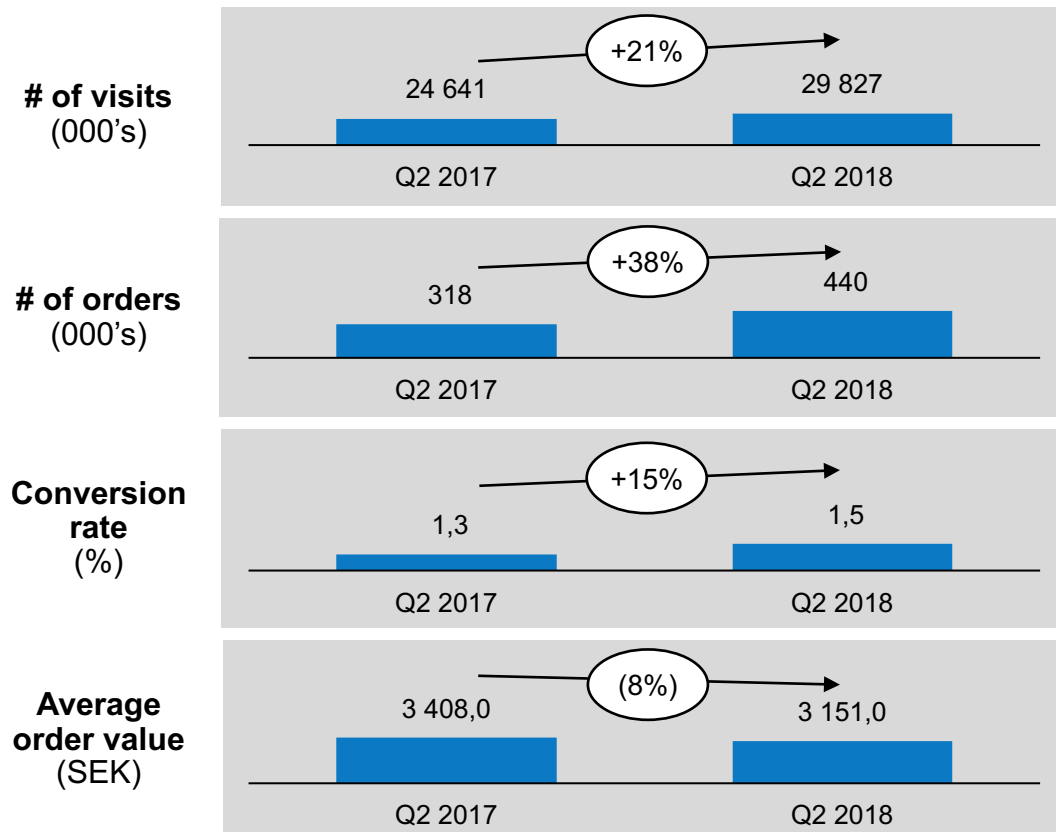
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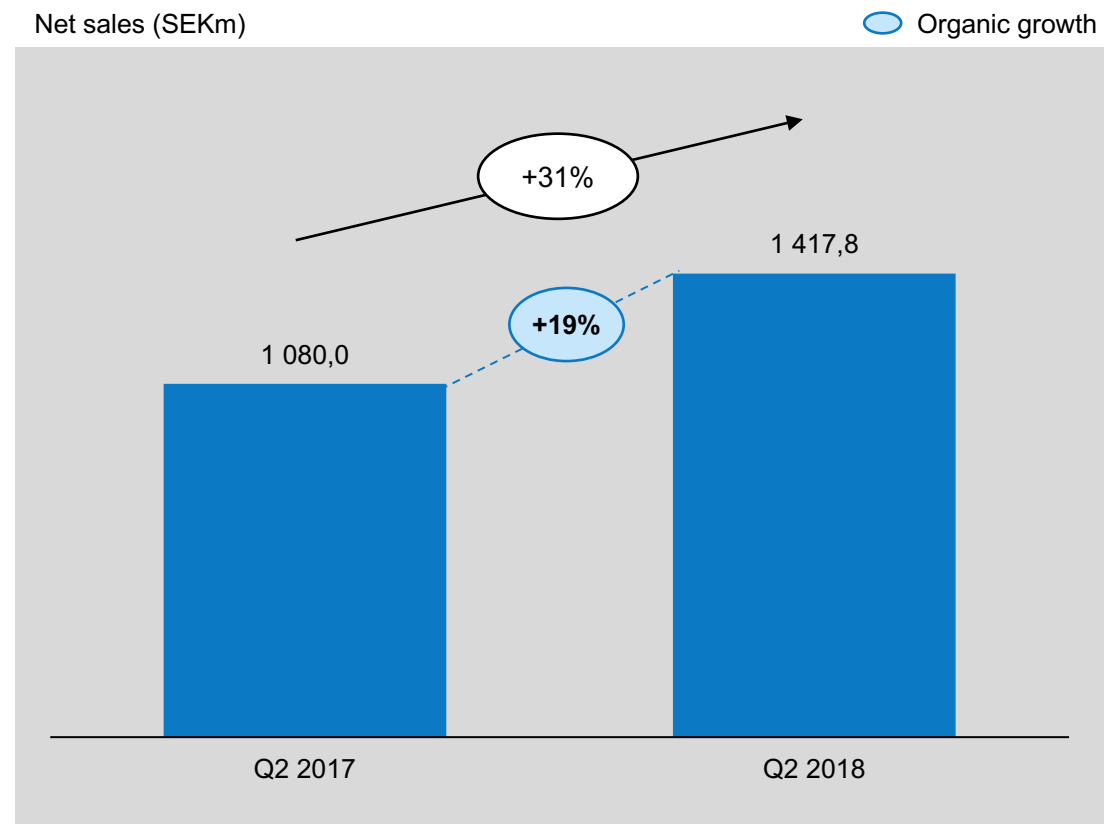


Net sales growth mainly driven by order growth

Continued strong development in KPIs
– conversion rate improving by 15% YoY

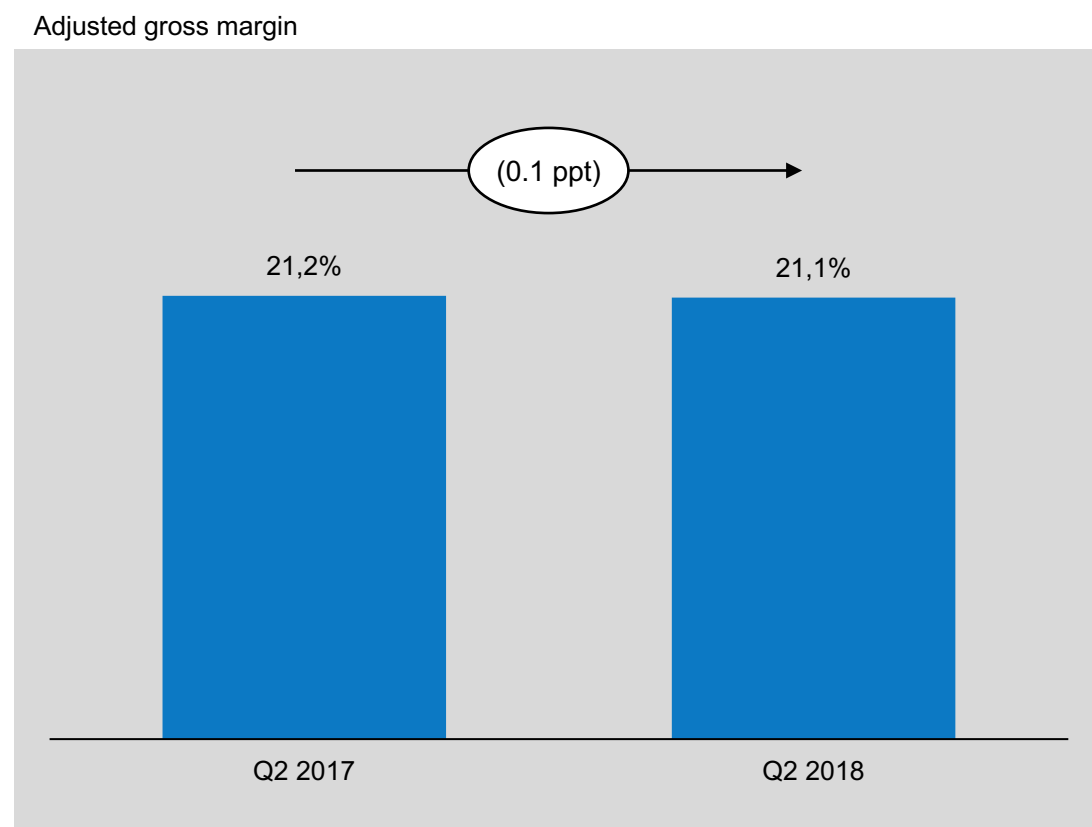


Strong growth mainly driven by online penetration
– FI, DK and NO outgrowing Sweden

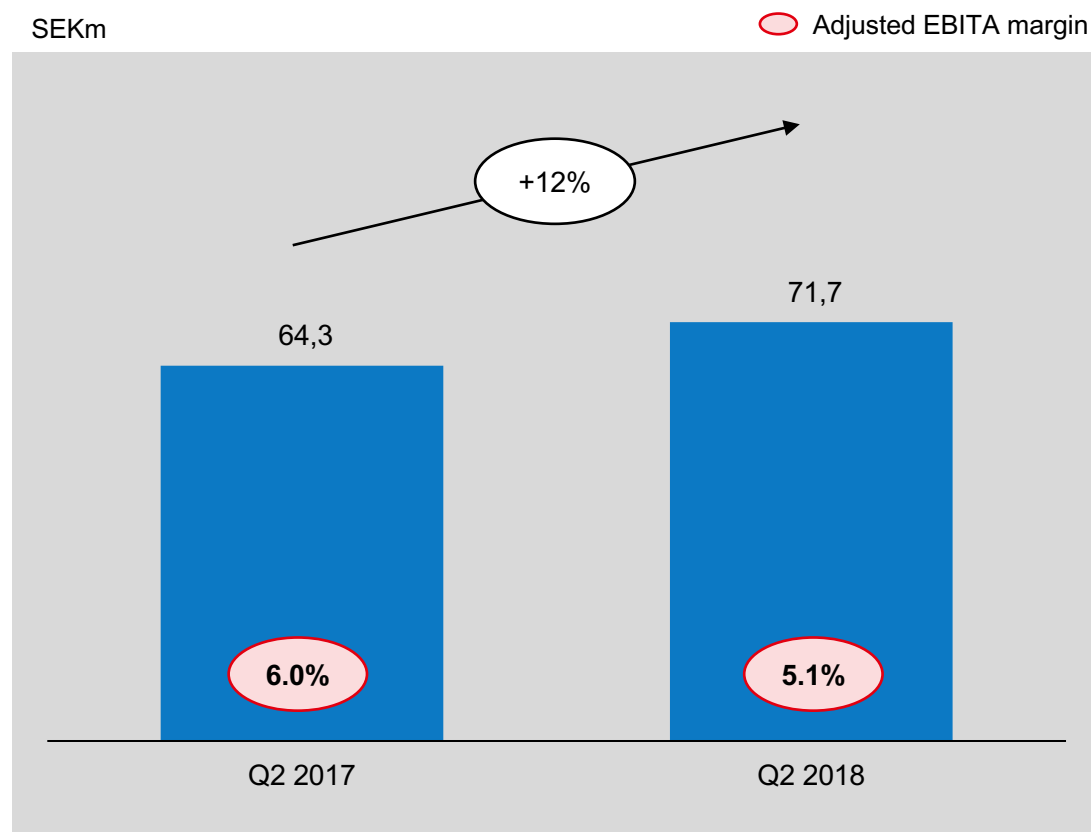


Increased adjusted EBITA – all time high for Q2

Gross margin was impacted by weakened SEK (vs. EUR and USD) and higher polyethylene price



EBITA margin impacted by SG&A investments in strategic initiatives, central HC needed for listing and by M&A

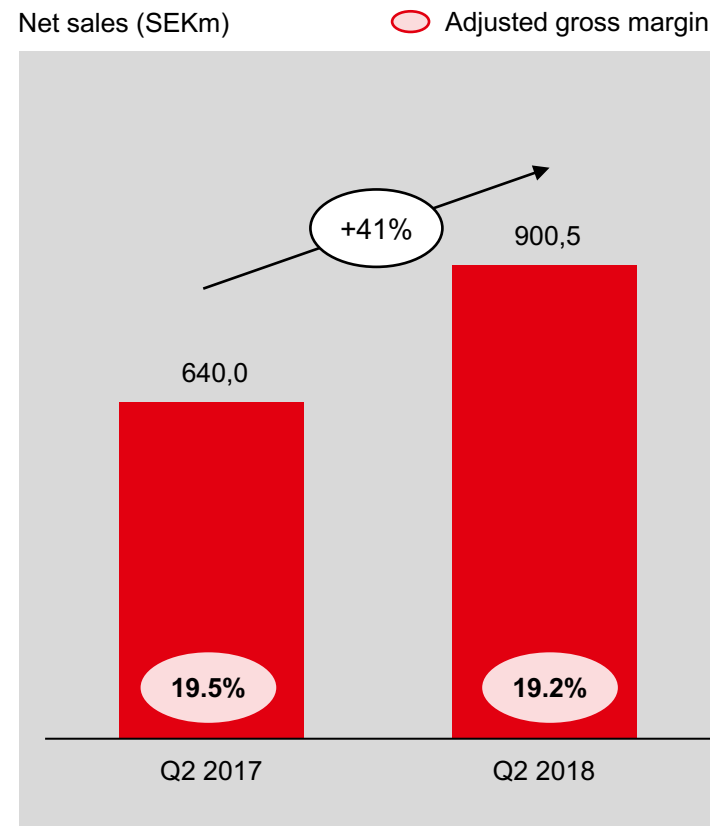


Note: Adjusted EBITDA and Adjusted EBITA are before Items affecting comparability, which totalled SEK 7.4 million (12.4) and were attributable to (i) acquisition costs of SEK 0.3 million (2.2), (ii) integration costs of SEK 7.1 million (10.2), pertaining to the integration of Furniturebox.

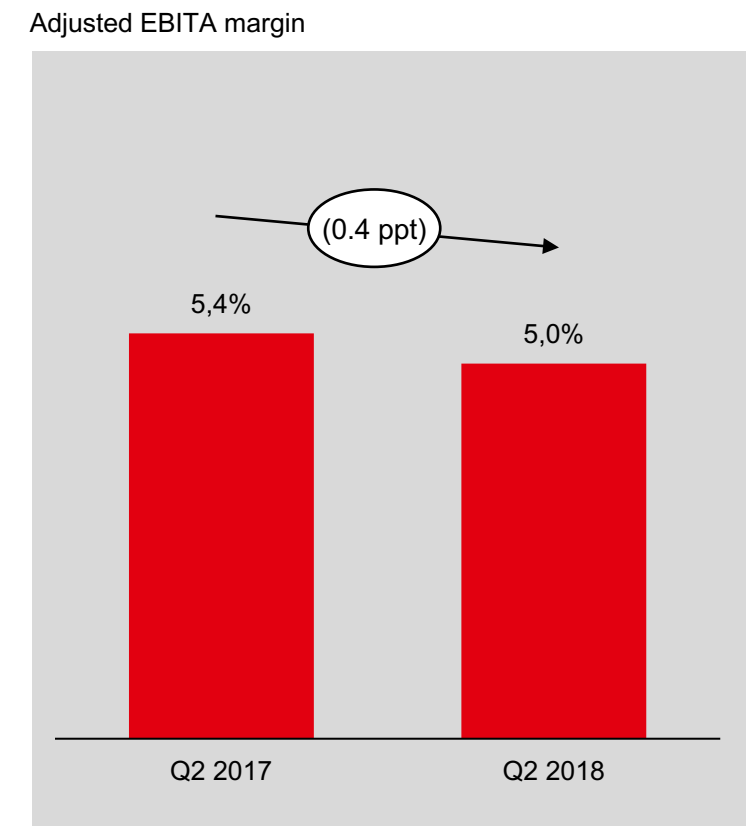
Accelerated organic growth to 24%

- Net sales increased by 40.7%, of which organic growth accounted for 23.9%
- Adjusted EBITA margin was 5.0% (5.4) the decrease was mainly driven by recent acquisitions and SG&A investments
- Despite cold weather in April, the second quarter has been favorable due to the relatively warm and sunny weather
- However the drought in the latter part of the quarter has significantly hampered the sales of garden machines, in particular robomowers
- The strongest performance in the quarter as well as for the first six months was seen in the kitchen/whitegoods product category, followed by heavy construction and doors/windows
- Launch of installation services of heat pumps and robomowers in the quarter, with promising results

DIY represented 61% of the Group's net sales in Q2 2018



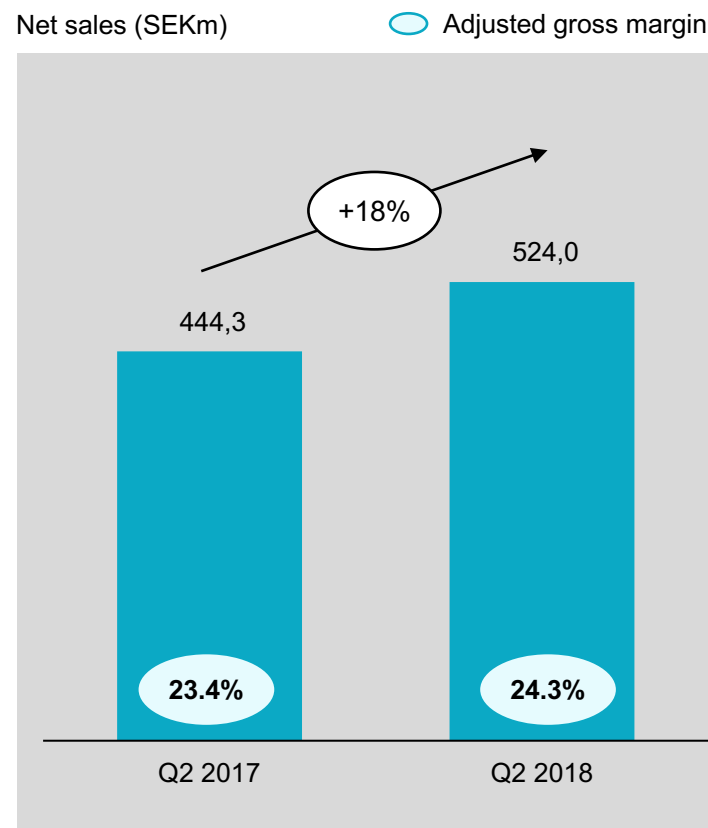
EBITA impacted by acquisitions and SG&A investments in strategic initiatives



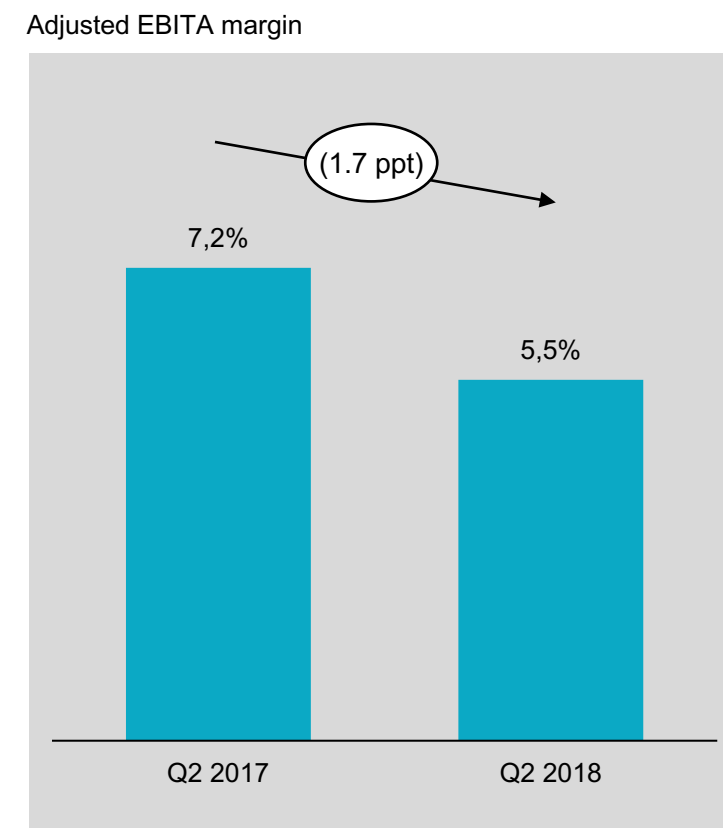
Organic growth of 9% despite external factors

- Net sales increased by 17.9%, of which organic growth accounted for 8.8%, hampered by pricing efforts to offset higher purchase prices driven by the weakened SEK in the period
- In the second quarter, after April, outdoor furniture sales were improved considerably, however total segment sales were impacted by lower indoor furniture sales instead, due to the unusually warm and sunny weather in the period
- Adjusted gross margin rose to 24.3 percent (23.4), despite being impacted by weakened SEK (vs. EUR and USD) and higher polyethylene price
- Integration of Furniturebox continued according to plan and is expected to be completed in Q3 2018

Home furnishing represented 39% of the Group's net sales in Q2 2018



EBITA margin impacted by lower gross profit in Sweden and recent M&A

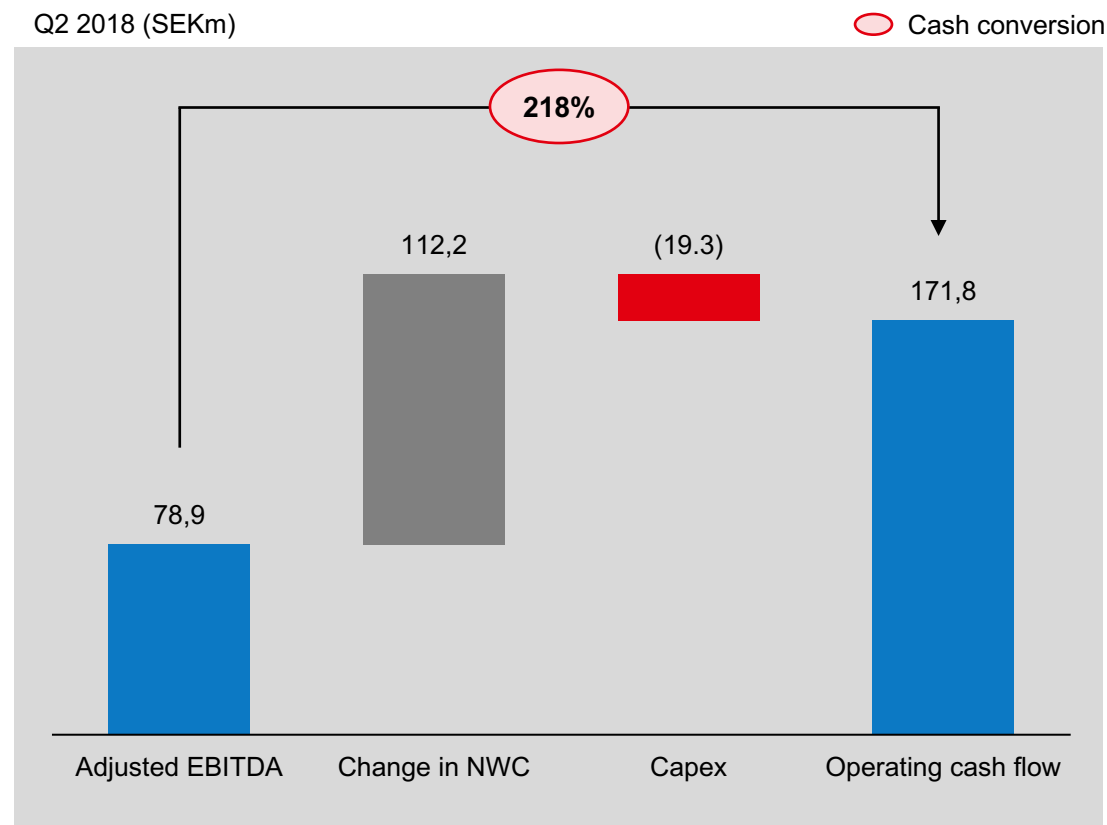


Cash flow and financial position

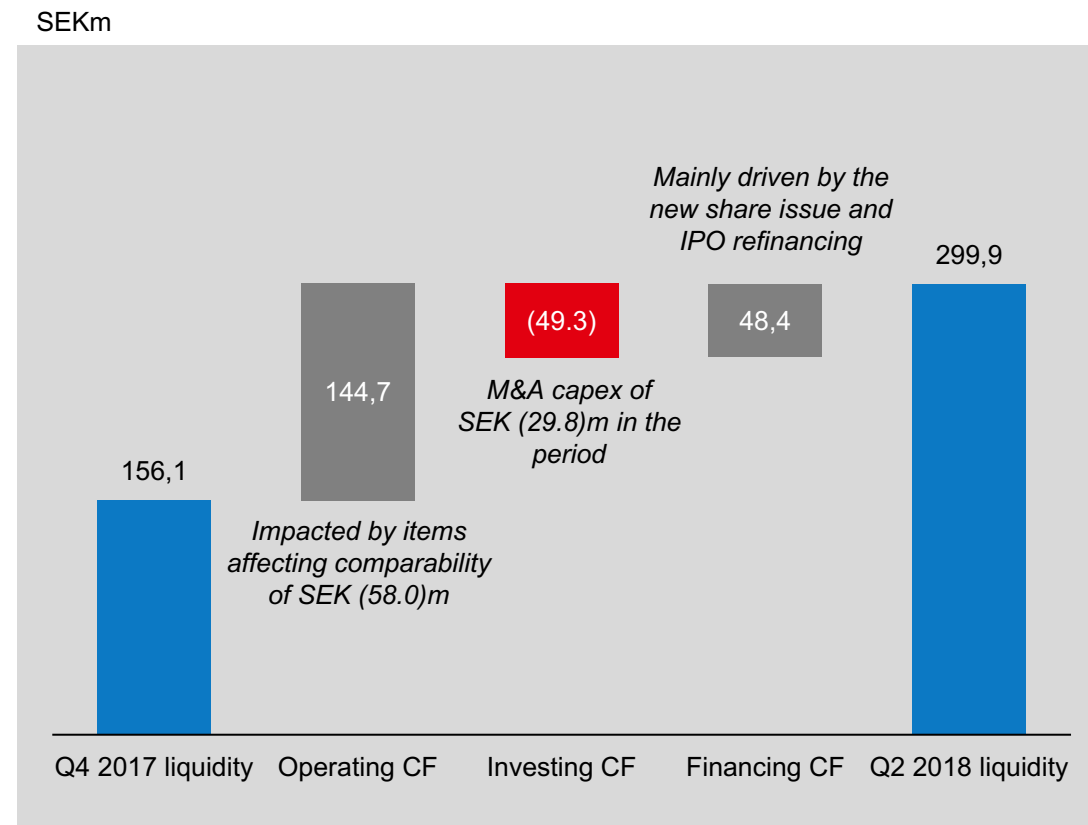
Q2 2018

Cash conversion of 218% in Q2

Cash conversion exceeding the financial target
– driven by release of NWC and low capex



Liquidity driven by strong operating cash flow



Net debt / EBITDA of 1.5x at the end of quarter

Strong financial position

SEKm	30 Jun 2018
Interest bearing liabilities	894.9
Cash and cash equivalents	(299.9)
Adjustment for earn-outs and deferred payments	(243.8)
Adjustment for debt fees	6.2
Net debt / (net cash)	357.5
LTM adjusted EBITDA	242.9
Net debt / LTM adjusted EBITDA	1.5x

- 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
- The Group's unutilised credit facilities amounted to SEK 180.0 million at the end of the period, compared with SEK 125.0 million at the beginning of the year
- Strong financial position to facilitate growth investments and continued M&A

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Summary



- We are proud to report our strongest quarter ever with more than SEK 1.4 billion in net sales, our highest adjusted EBITA to date and record strong operating cash flow
- Accelerated organic growth to 19% mainly driven by order growth as well as improved online penetration – this further testaments our model and strong concept
- The DIY division showed stellar performance across the board, with improved growth rates in all markets and had organic growth of 24% in Q2
- Weakened SEK (vs. EUR and USD) and higher polyethylene price have impacted margins
- We look forward to deliver on our strategy for profitable growth in line with our mid-term financial targets

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Appendix

Condensed consolidated financial information

SEKm (if not otherwise stated)	Q2			Jan-Jun			Jan-Dec
	2018	2017	Δ%	2018	2017	Δ%	2017
Net Sales	1,417.8	1,080.0	31.3	2,442.9	1,749.7	39.6	3,955.5
Gross profit	291.5	218.8	33.2	504.6	350.8	43.8	820.0
Gross margin (%)	20.6	20.3	1.5	20.7	20.1	3.0	20.7
Adjusted gross profit*	298.6	228.5	30.6	519.2	363.1	43.0	855.2
Adjusted gross margin (%)	21.1	21.2	-0.5	21.3	20.8	2.4	21.6
Adjusted EBITDA*	78.9	69.1	14.2	115.5	92.3	25.1	219.7
Adjusted EBITDA-margin (%)	5.6	6.4	-13.0	4.7	5.3	-10.4	5.6
Adjusted EBITA**	71.7	64.3	11.5	102.4	83.8	22.1	197.0
Adjusted EBITA-margin (%)	5.1	6.0	-15.0	4.2	4.8	-12.5	5.0
Operating income	55.0	44.3	24.0	25.8	50.0	-48.4	91.5
Operating-margin (%)	3.9	4.1	-5.5	1.1	2.9	-63.0	2.3
Net profit/loss for the period	32.1	23.1	39.0	-22.9	19.6	-217.2	28.7
Cash flow from operations	162.8	132.0	23.3	144.7	105.4	37.3	141.1
Visits (thousands)	29,827	24,641	21.0	55,182	42,961	28.4	91.7
Orders (thousands)	440	318	38.2	792	517	53.1	1.2
Conversion rate (%)	1.5	1.3	14.1	1.4	1.2	19.2	1.4
Average order value (SEK)	3,151	3,408	-7.5	3,048	3,426	-11.0	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 EBITA 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 (-).

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

DIY segment

SEKm (if not otherwise stated)	Q2			Jan-Jun			Jan-Dec
	2018	2017	Δ%	2018	2017	Δ%	2017
Net Sales	900.5	640.0	40.7	1,507.7	1,037.3	45.3	2,342.2
Gross profit	172.6	124.8	38.3	296.2	198.5	49.2	468.4
Gross margin (%)	19.2	19.5	-1.7	19.6	19.1	2.6	20.0
Adjusted gross profit	172.6	124.8	38.3	296.2	198.5	49.2	468.4
Adjusted gross margin (%)	19.2	19.5	-1.7	19.6	19.1	2.6	20.0
Adjusted EBITA	44.6	34.8	28.1	64.9	44.6	45.4	114.4
Adjusted EBITA-margin (%)	5.0	5.4	-8.9	4.3	4.3	0.0	4.9
Operating income	37.4	27.9	33.9	50.6	32.4	56.3	87.0
Operating margin (%)	4.2	4.4	-4.8	3.4	3.1	7.5	3.7
Net profit/loss for the period	22.4	19.8	13.2	28.3	22.0	28.4	10.5
Visits (thousands)	18,247	14,795	23.3	32,267	25,987	24.2	51,938
Orders (thousands)	280	198	41.7	479	326	46.8	674
Conversion rate (%)	1.5	1.3	14.9	1.5	1.3	18.3	1.3
Average order value (SEK)	3,192	3,298	-3.2	3,133	3,279	-4.4	3,394

Home furnishing segment

SEKm (if not otherwise stated)	Q2			Jan-Jun			Jan-Dec
	2018	2017	Δ%	2018	2017	Δ%	2017
Net Sales	524.0	444.3	17.9	945.6	719.5	31.4	1,628.9
Gross profit	120.3	94.1	27.9	210.6	152.3	38.3	354.0
Gross margin (%)	23.0	21.2	8.5	22.3	21.2	5.2	21.7
Adjusted gross profit	127.4	103.8	22.8	225.2	164.6	36.8	389.2
Adjusted gross margin (%)	24.3	23.4	4.1	23.8	22.9	4.1	23.9
Adjusted EBITA	28.8	32.1	-10.2	40.0	42.9	-6.8	84.9
Adjusted EBITA-margin (%)	5.5	7.2	-23.9	4.2	6.0	-29.1	5.2
Operating income	19.2	18.9	1.4	19.7	21.3	-7.3	25.6
Operating margin (%)	3.7	4.3	-14.0	2.1	3.0	-29.5	1.6
Net profit/loss for the period	10.0	13.1	-23.6	6.2	13.3	-53.5	14.5
Visits (thousands)	11,579	9,846	17.6	22,915	16,974	35.0	39,732
Order (thousands)	160	121	32.3	312	191	63.8	569
Conversion rate (%)	1.4	1.2	12.5	1.4	1.1	21.3	1.4
Average order value	3,080	3,588	-14.2	2,916	3,676	-20.7	2,868

P&L

SEKm	Q2		Jan-Jun		Jan-Dec
	2018	2017	2018	2017	2017
Net Sales	1,417.8	1,080.0	2,442.9	1,749.7	3,955.5
Other operating income	-	1.1	-	0.8	6.1
Total Net Sales	1,417.8	1,081.1	2,442.9	1,750.5	3,961.7
Cost of goods sold	-1,126.4	-861.2	-1,938.3	-1,398.8	-3,135.6
Personnel costs	-102.4	-73.2	-209.0	-126.7	-306.2
Other external costs and operating expenses	-116.1	-90.0	-233.1	-152.3	-373.5
	-1.5	-	-5.0	-	-0.1
Depreciation and amortization of tangible and intangible fixed assets	-16.5	-12.3	-31.7	-22.7	-54.7
Operating income	55.0	44.3	25.8	50.0	91.5
Profit/loss from financial items	-9.9	-14.8	-49.7	-23.3	-54.7
Profit before tax	45.1	29.5	-23.9	26.6	36.8
Income tax	-13.0	-6.5	1.0	-7.1	-8.1
Profit/loss for the period	32.1	23.1	-22.9	19.6	28.7
Attributable to:					
Equity holders of the parent	32.1	23.1	-22.9	19.6	28.7
Net income for the period	32.1	23.1	-22.9	19.6	28.7
Earnings per share before dilution, SEK	0.30	-0.62	-0.87	-1.78	-3.99
Earnings per share after dilution, SEK	0.30	-0.62	-0.87	-1.78	-3.99

Balance sheet

SEKm	30 Jun		31 Dec
	2018	2017	2017
Non-current assets			
Goodwill	2,462.4	2,353.5	2,451.1
Other intangible fixed assets	1,169.1	1,124.0	1,166.3
Total intangible fixed assets	3,631.5	3,477.5	3,617.4
Buildings and land	11.3	10.8	10.8
Tangible fixed assets	22.1	22.2	21.4
Financial fixed assets	5.6	2.6	4.5
Deferred tax asset	15.3	6.8	15.5
Total fixed assets	3,685.8	3,519.8	3,669.6
Current assets			
Inventories	502.4	484.1	400.4
Current receivables	268.6	181.7	192.8
Cash and cash equivalents	299.9	126.3	156.1
Total current assets	1,071.0	792.1	749.3
Total assets	4,756.8	4,311.8	4,418.9
Equity			
Equity attributable to owners of the parent	2,717.6	2,301.7	2,375.1
Total equity	2,717.6	2,301.7	2,375.1
Non-current liabilities			
Deferred tax asset	255.8	245.8	259.0
Other provisions	2.6	2.0	1.4
Non-current interest bearing liabilities to credit institutions	651.1	882.5	893.3
Other non-current liabilities	220.1	136.8	212.7
Total non-current liabilities	1,129.6	1,267.0	1,366.4
Current liabilities			
Short term interest bearing loans to credit institutions	-	45.2	44.2
Other interest bearing liabilities	23.7	14.0	36.9
Other current liabilities	886.0	684.0	596.4
Total current liabilities	909.6	743.2	677.5
Total shareholders' equity and liabilities	4,756.8	4,311.8	4,418.9

Consolidated statement of cash flows

SEKm	Q2		Jan-Jun		Jan-Dec
	2018	2017	2018	2017	2017
Cash flow from operating activities before changes in working capital	50.6	35.9	8.6	37.4	67.3
Changes in working capital	112.2	96.2	136.1	68.0	73.7
Cash flow from operations	162.8	132.0	144.7	105.4	141.1
Investments in operations	-7.7	-400.8	-19.7	-939.4	-731.7
Investments in other non-current assets	-19.3	-7.4	-29.8	-12.7	-28.6
Divestment of other tangible fixed assets	0.0	-	0.1	-	0.1
Cash flow to/from investing activities	-27.0	-408.2	-49.3	-952.2	-760.1
New share issue	1.9	186.0	345.2	626.9	425.6
Loans taken	650.8	235.8	650.8	365.8	401.3
Amortization of loans	-956.8	-85.5	-960.0	-85.5	-106.2
Issue of warrants	4.6	-	4.6	-	-
Transactions with non-controlling interest	-	12.7	-	12.7	-
Dividends to shareholders	-	-	-	-	0.1
Cash flow to/from financing activities	-299.5	348.9	40.5	919.8	720.8
Cash flow for the period	-163.7	72.8	135.9	73.1	101.7
Cash and cash equivalents at the beginning of the period	460.6	53.6	156.1	53.3	53.3
Translation differences in cash and cash equivalents	3.1	-0.1	7.9	-0.1	1.0
Cash and cash equivalents at the end of the period	299.9	126.3	299.9	126.3	156.1

Reconciliation on non-IFRS metrics

SEKm	Q2		Jan-Jun		Jan-Dec
	2018	2017	2018	2017	2017
Operating income	55.0	44.3	25.8	50.0	91.5
Depreciation and amortization of intangible fixed assets	9.3	7.6	18.6	14.3	32.1
EBITA	64.3	51.9	44.4	64.2	123.6
Acquisition-related costs	0.3	2.2	0.9	6.8	10.0
Integration costs	7.1	10.2	15.0	12.8	44.7
Costs related to LTIP	-	-	11.4	-	-
Costs related to the process for expanding the shareholder base	-	-	30.7	-	18.8
Total items affecting comparability	7.4	12.4	58.0	19.6	73.5
Adjusted EBITA	71.7	64.3	102.4	83.8	197.0
Depreciation and amortization of tangible and intangible fixed assets	7.2	4.8	13.1	8.4	22.6
Adjusted EBITDA	78.9	69.1	115.5	92.3	219.7
Net Sales	1,417.8	1,080.0	2,442.9	1,749.7	3,955.5
Cost of goods sold	-1,126.4	-861.2	-1,938.3	-1,398.8	-3,135.6
Gross profit	291.5	218.8	504.6	350.8	820.0
Integration costs	7.1	9.7	14.6	12.3	35.2
Adjusted gross profit	298.6	228.5	519.2	363.1	855.2