



DOUBLE-DIGIT SALES GROWTH DESPITE CHALLENGING TRADING CONDITIONS

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 (now Qliro Group) (2010-12)
- CFO of MTG's online business area (2004-10)

Agenda

- Results highlights
- Business update
- Financial update Q3 2018
 - Group
 - DIY segment
 - Home furnishing segment
 - Cash flow and financial position
- Summary
- Q&A



Agenda

■ Results highlights

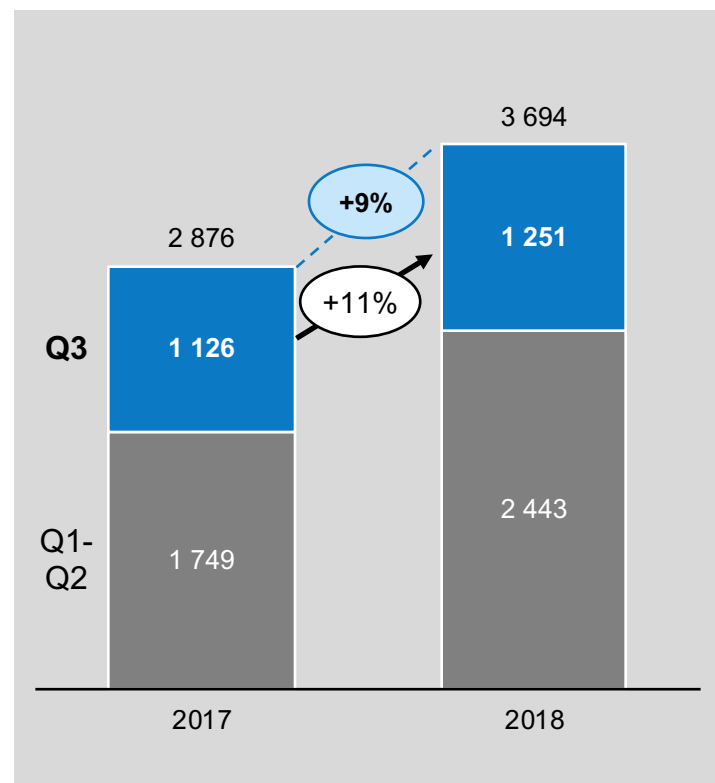
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Significant growth despite challenging environment

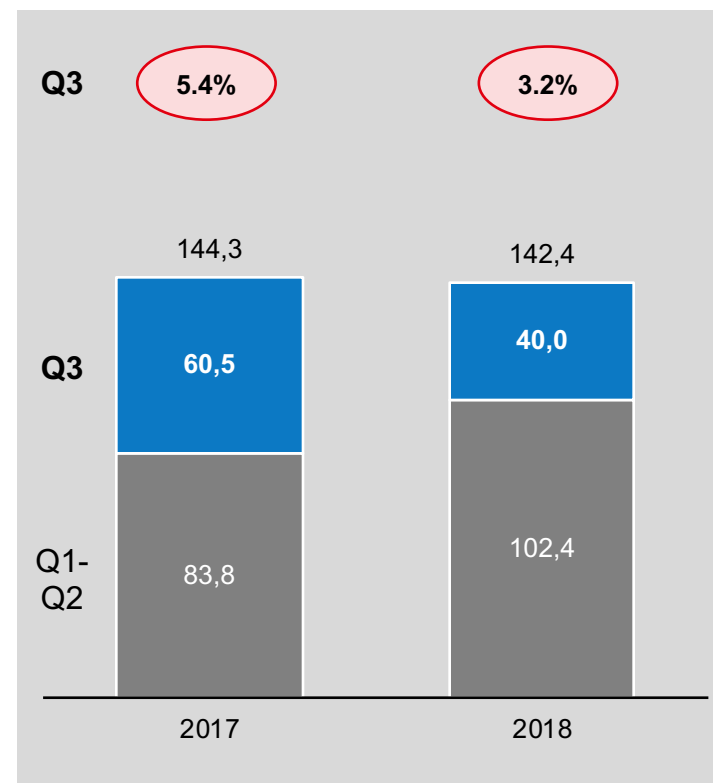
Sales growth continues to outperform the Nordic overall market

Net sales (SEKm) ○ Organic growth



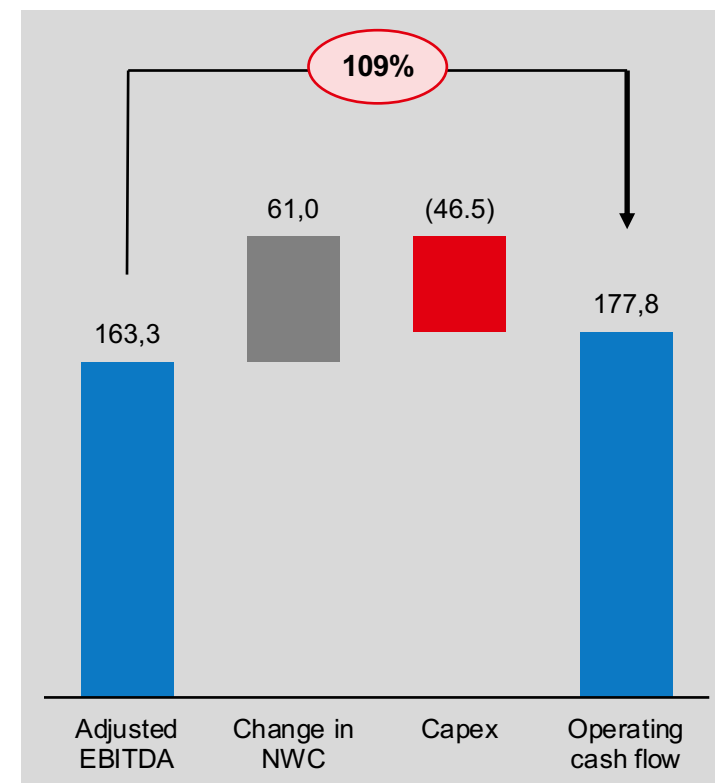
Flat EBITA Jan-Sep due to gross margin headwinds and strategic initiatives

Adjusted EBITA (SEKm) ○ Adjusted EBITA margin



Robust cash flow generation Jan-Sep, although seasonal timing effects in Q3

Jan-Sep 2018 (SEKm) ○ Cash conversion



Note: Items affecting comparability impacting EBITA totaled SEK 13.3 million (15.7) for the quarter and SEK 71.3 (35.3) for the first nine months and were attributable to (i) acquisition costs of SEK 0.7 million (1.8) for the quarter and SEK 1.7 million (8.6) for the first nine months, (ii) integration costs and costs related to the warehouse move of SEK 12.5 million (13.5) for the quarter and SEK 27.5 million (26.3) for the first nine months, (iii) costs of SEK 11.4 million (-) for the first nine months associated with the long-term incentive program launched in connection with the IPO and (iv) costs for the listing on Nasdaq of SEK 30.7 million (0.4)

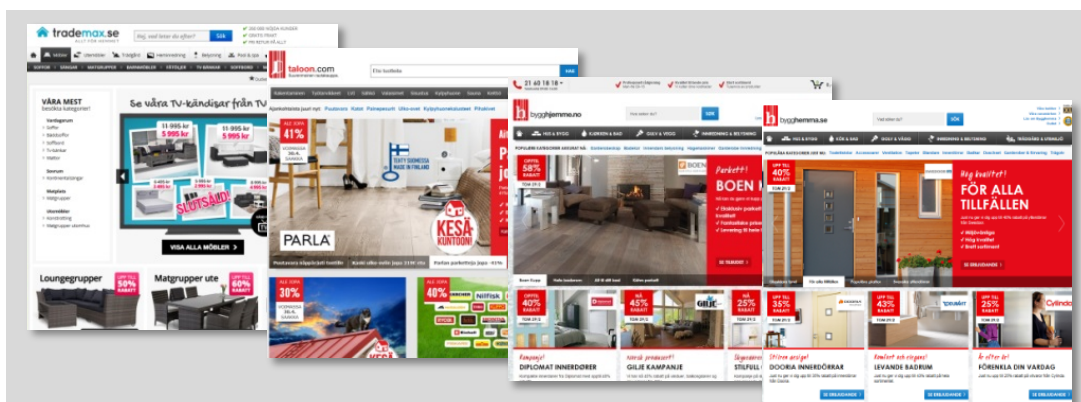
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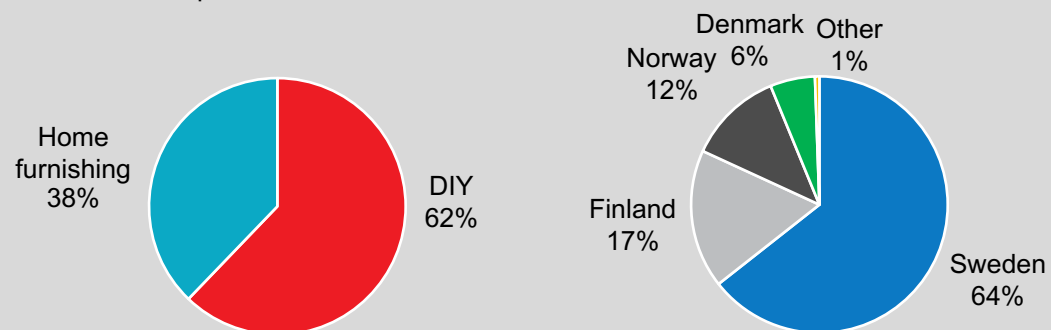


Bygghemma Group at a glance

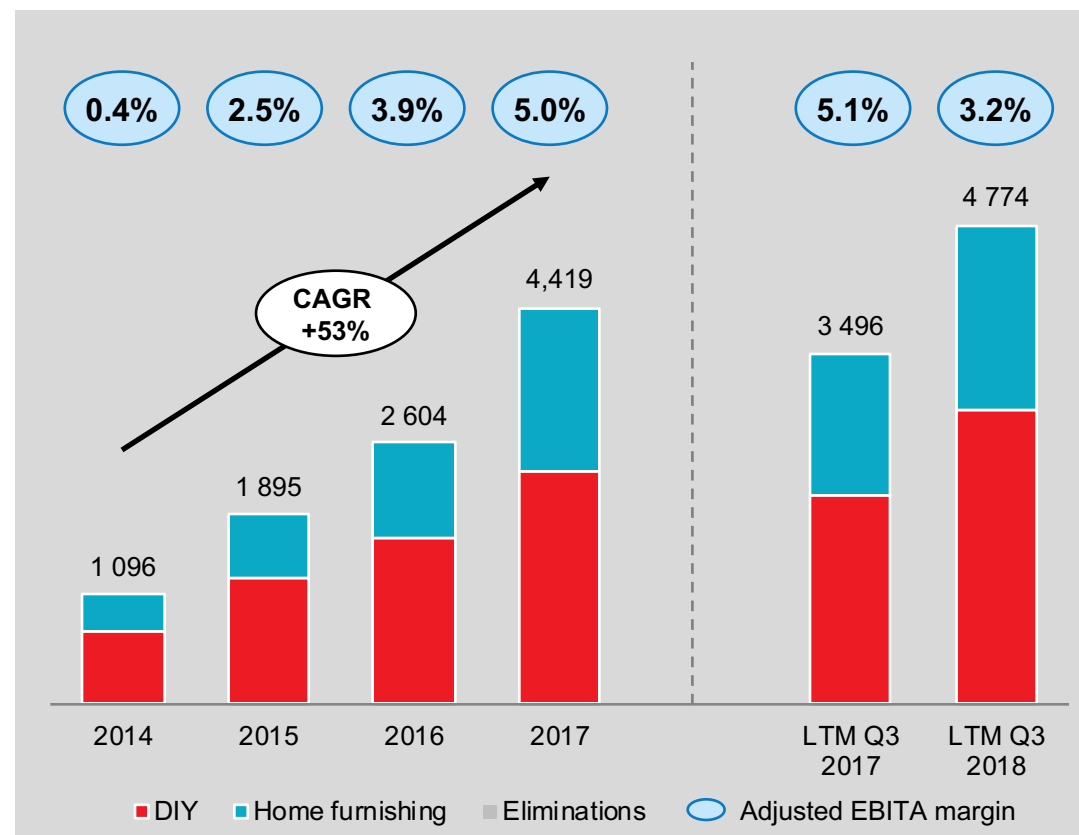
The clear Nordic online leader in home improvement



Net sales Jan-Sep 2018



Significant scale and profitability



Note: Adjusted EBITA excludes Items affecting comparability.

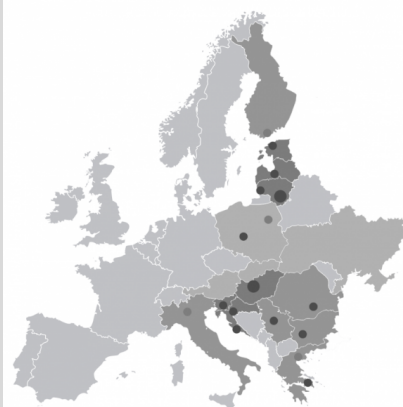
Q3 highlights

Double-digit growth for the Group	<ul style="list-style-type: none">▪ 11% YoY growth driven by +14% organic growth in DIY – significantly outperforming the Nordic market (which decreased by ~5% in the quarter), despite challenging weather
Last mile project	<ul style="list-style-type: none">▪ Bygghemma Group to establish own distribution network for last-mile deliveries within Home furnishing in Sweden <i>(for more info, see PR dated 28 Sep 2018)</i>
Integration of Furniturebox	<ul style="list-style-type: none">▪ The integration project (which was initiated in 2017) was completed in Q3▪ Home furnishing will now steer focus back to growth
Strong financial position	<ul style="list-style-type: none">▪ Financial targets reiterated▪ Net debt / EBITDA in line with the target range
Two add-ons announced	<ul style="list-style-type: none">▪ Furniture1 – entering the fast-growing Baltic and Eastern European markets▪ Edututor – further improving the leading online position in Finland
Normalisation of recent headwinds	<ul style="list-style-type: none">▪ Challenging weather conditions in Jul / Aug – back to normal in September▪ Adverse FX effects continues to impact Home furnishing – normalising in Q4

Market position strengthened by two exciting add-ons

FURNITURE1


- The leading pure-play online furniture retailer in the CEE region
- Last three year CAGR of 73%
- Reported LTM net sales of SEK ~200m¹⁾
- Sophisticated logistics set-up: manages last-mile deliveries through its own fleet of delivery vehicles in all its markets
- Considerable synergies identified going forward


edututor

- Leading online player in Finland with proprietary brands in grilling, LED lighting and kitchen products
- Acquisition to primarily strengthen category expertise and leadership
- Founded in 2010 and annual CAGR of 37% since then
- In 2017, the company had sales of approximately EUR 4.5m, with an operating profit of EUR ~0.1m



Selected operating metrics

		
7 years	Scandinavia	200 000 visitors/week
		
50 000 customer	100 000 orders	15 employees



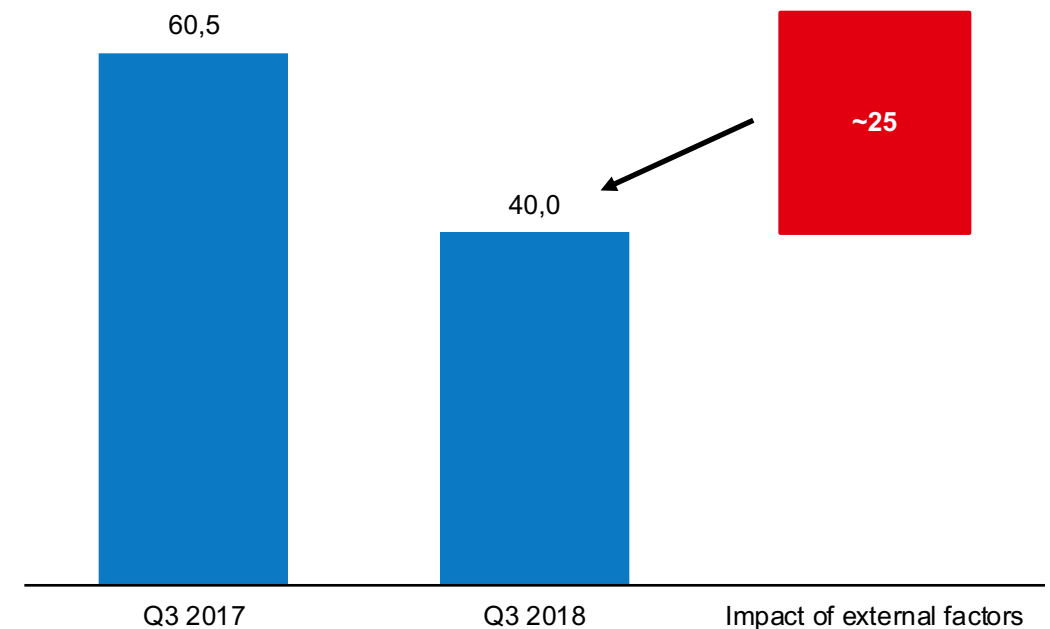
1) Period from September 2017 to August 2018.

EBITA was adversely impacted by external factors also in Q3

- External factors impacted EBITA by approximately SEK 25m in the period (from SEK -12m in Q2), of which SEK ~13 in the home furnishing segment and SEK ~12m in the DIY segment
- Main contributors were:
 - 1 Negative FX: SEK vs. EUR and USD**
The weakened SEK mainly affected the Home Furnishing division, since the segment conducts its purchases in EUR and USD and has a majority of its sales in SEK
 - 2 Higher raw material prices in the Home Furnishing division**
Typically, consumer prices are adjusted to 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 imposed on the market with a seasonal delay, a trend that has also been confirmed by the price increases in the Autumn catalogues
 - 3 Challenging weather conditions:** primarily impacted the DIY division in the period, especially within garden products and particularly within auto mowers
Back to normal in September

Illustrative impact on the Group's adjusted EBITA

Q3 2018



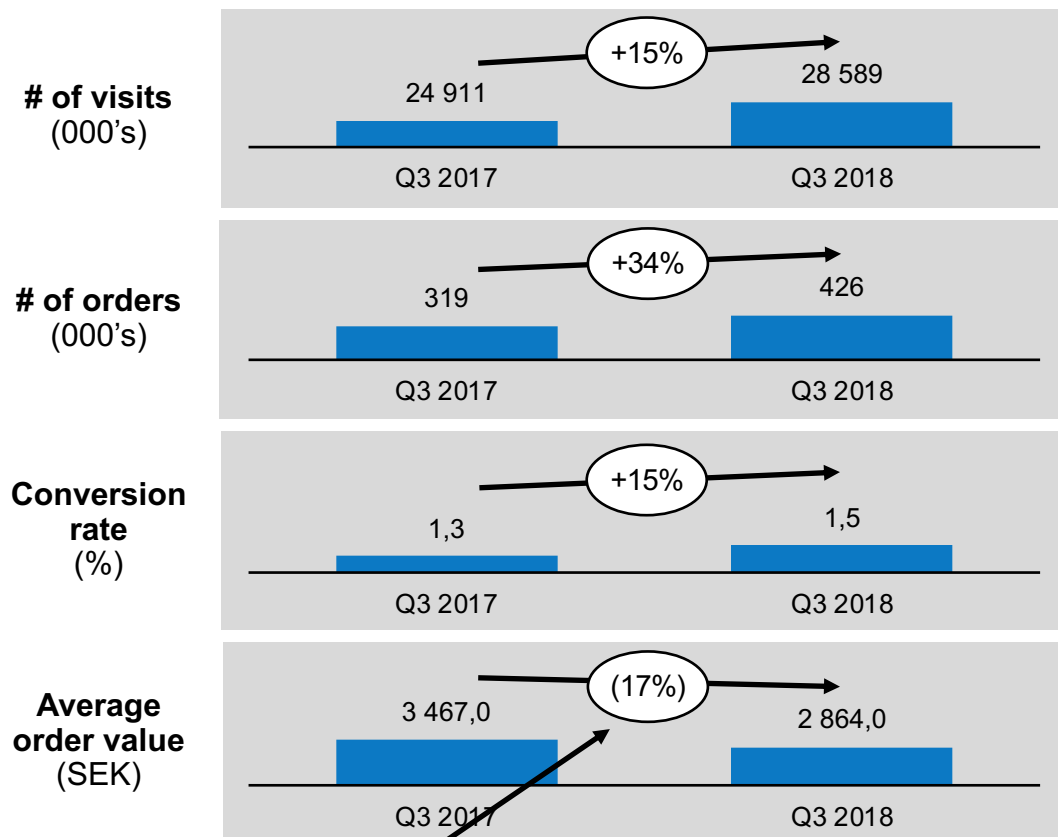
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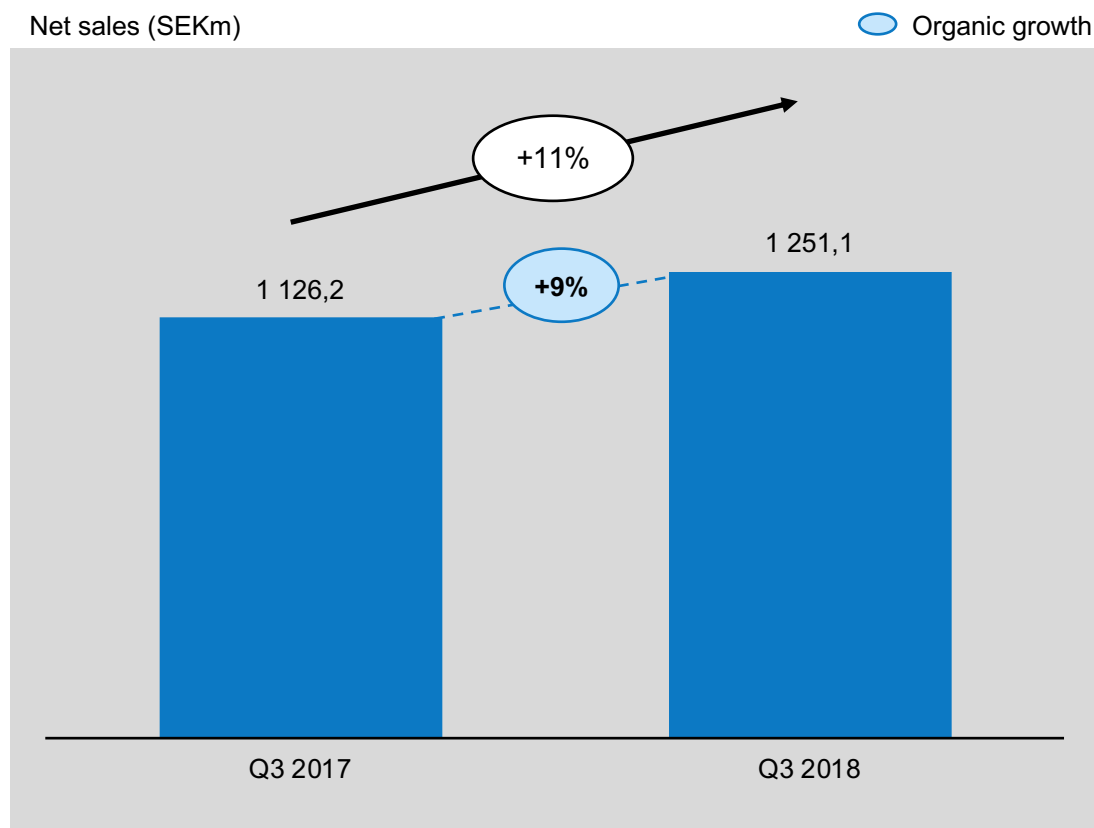
Net sales growth mainly driven by order growth

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



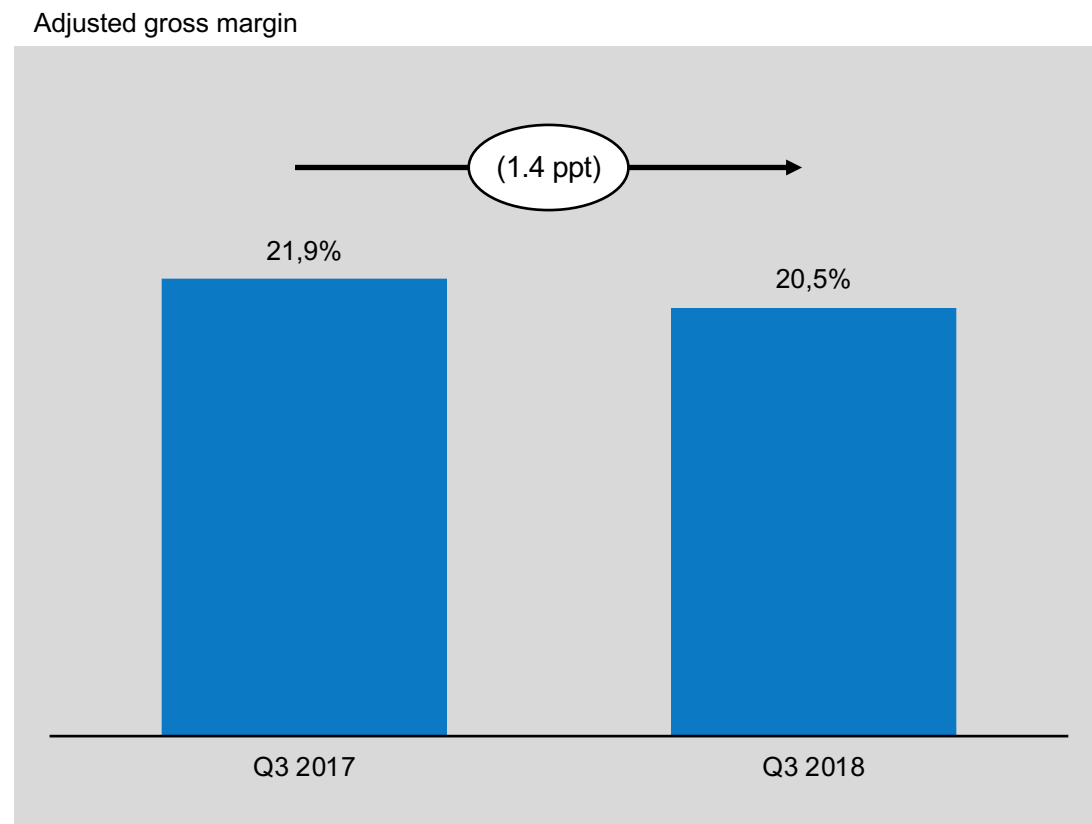
Affected by sales mix due to acquisitions

FI, DK and NO continued to outgrow Sweden

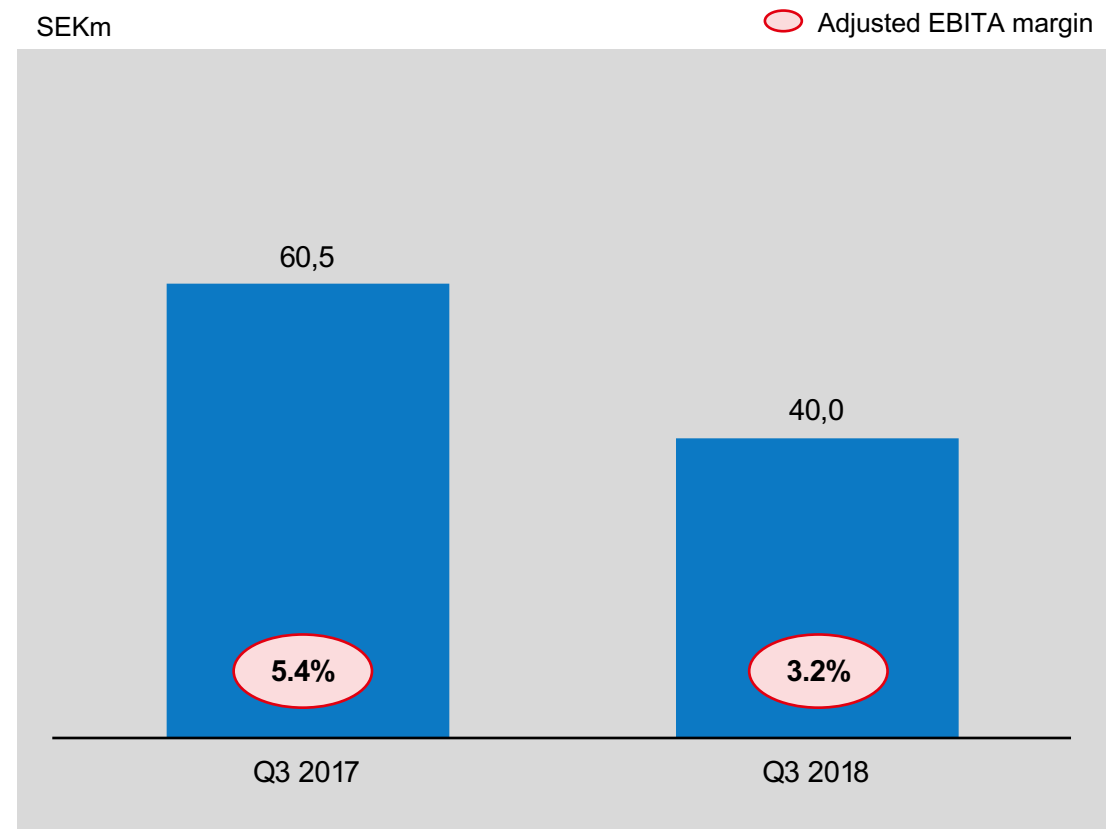


Investments to unlock future growth also impacted EBITA

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



EBITA also impacted by strategic initiatives and integration of recent M&A



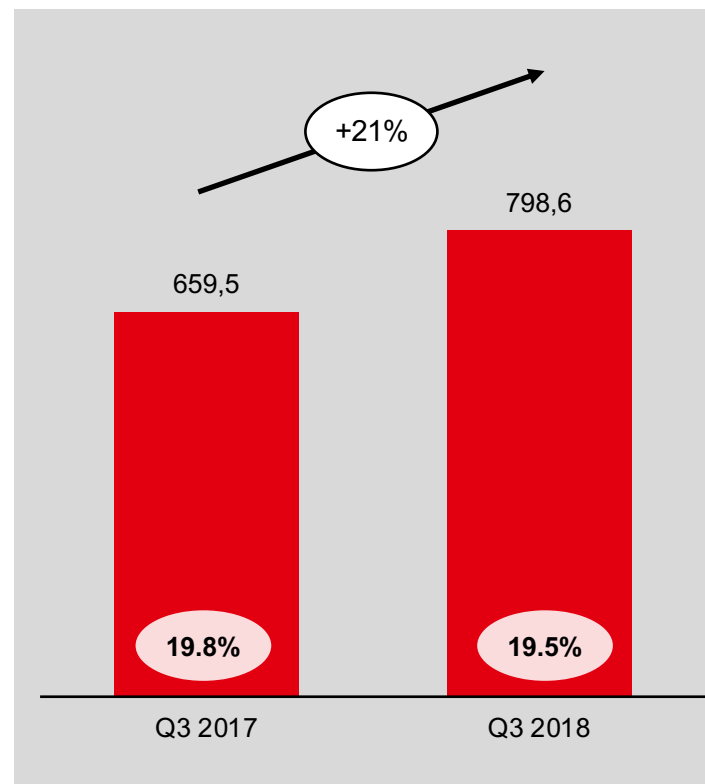
Note: Items affecting comparability impacting EBITA totaled SEK 13.3 million (15.7) for the quarter and were attributable to (i) acquisition costs of SEK 0.7 million (1.8) and (ii) integration costs and costs related to the warehouse move of SEK 12.5 million (13.5)

Continued outperformance of the overall market

- Net sales increased by 21.1%, of which organic growth accounted for 14.1%
- Adjusted EBITA margin was 4.5% (4.9), the decrease was mainly driven by lower gross margin and challenging trading conditions in the period (op. leverage)
- The third quarter was heavily impacted by the heat during July and August which significantly affected the sale of garden machines, particularly automowers
- The strongest performance was attributable to the kitchen/whitegoods product category, followed by heavy construction and doors/windows
- The focus on category leadership yielded positive results during the period, partly due to the specialised knowledge and brand expansion resulting from a number of strategic acquisitions in recent years, and most recently from the acquisitions of Arredo and Vitvaruexperten in 2017

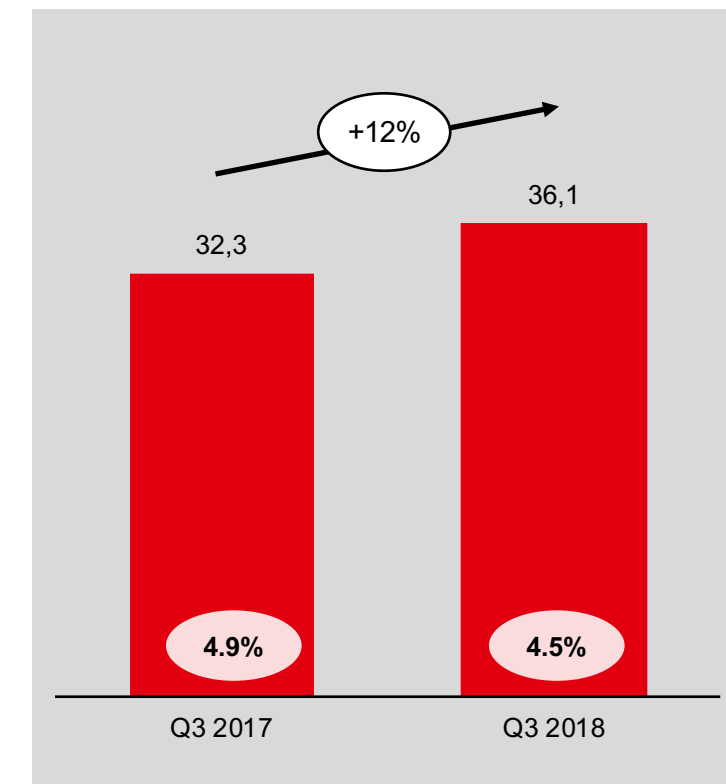
DIY represented 64% of the Group's net sales in the third quarter

Net sales (SEKm) ○ Adjusted gross margin



Solid EBITA growth of 12%

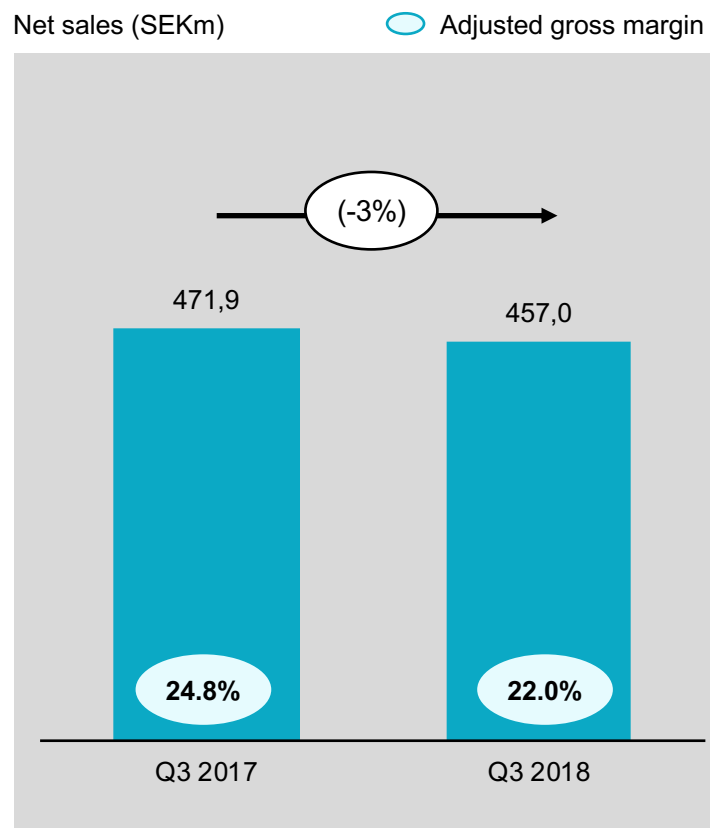
Adjusted EBITA (SEKm) ○ Adjusted EBITA margin



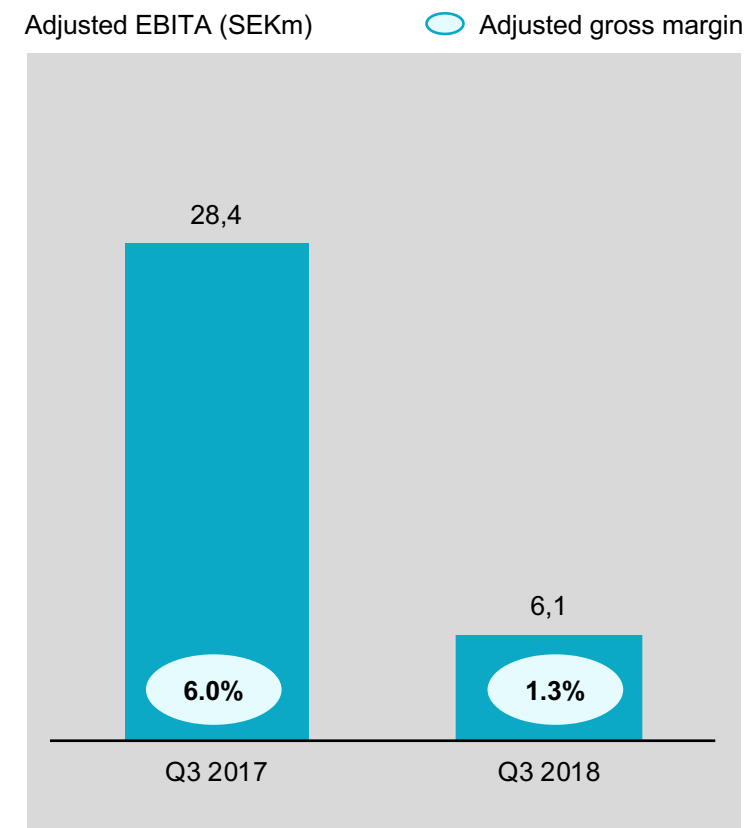
Sustained YTD market share gains despite headwinds

- Net sales decreased by 3.2 percent during the quarter, with organic growth of -2.4 percent, negatively affected by the weakened SEK (which impacted the pricing position in the period) and by the warehouse move (during which ~20% of the assortment was put offline for about four weeks)
- Despite negative external factors affecting the third quarter, the Home Furnishing division has gained market share in all product categories and markets during the nine-month period compared with last year
- The adjusted gross margin amounted to 22.0 percent (24.8) in the quarter, impacted by the negative FX development and increased raw material prices
- The integration of Furniturebox was completed during the quarter and the roll-out of last-mile fulfilment was initiated, as previously communicated

Home furnishing represented 36% of the Group's net sales in the third quarter



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

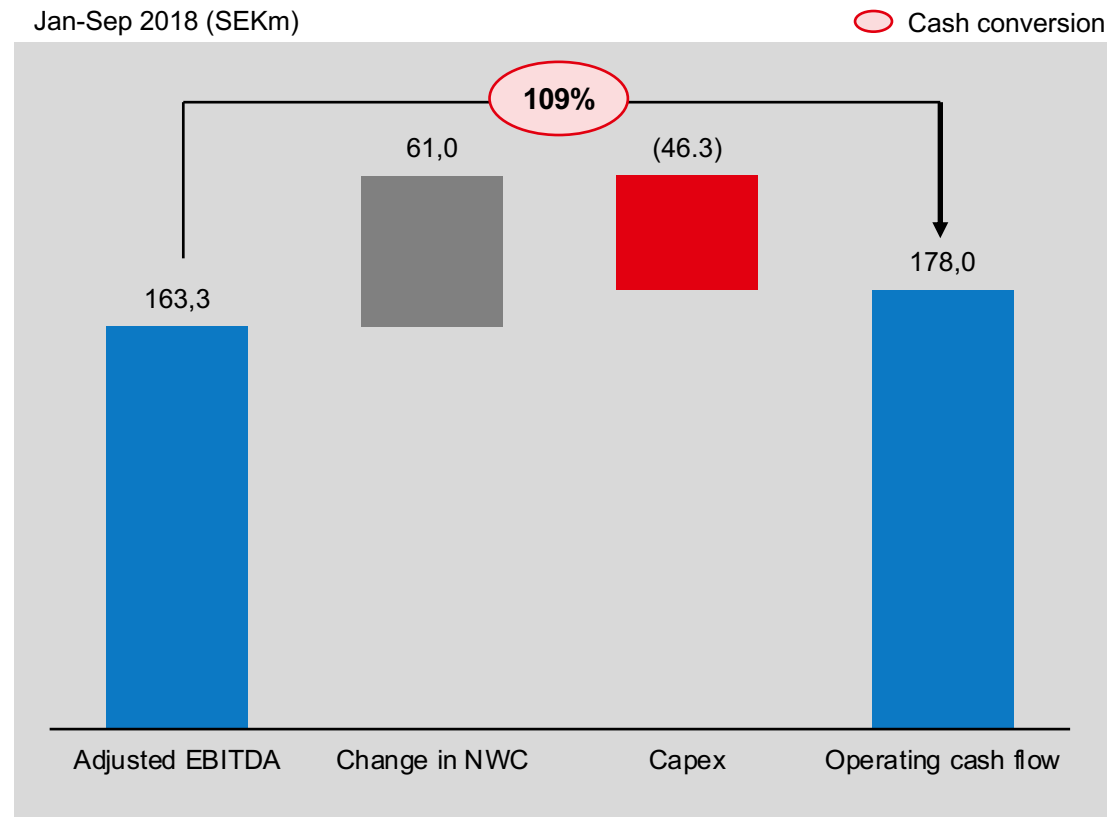


Cash flow and financial position

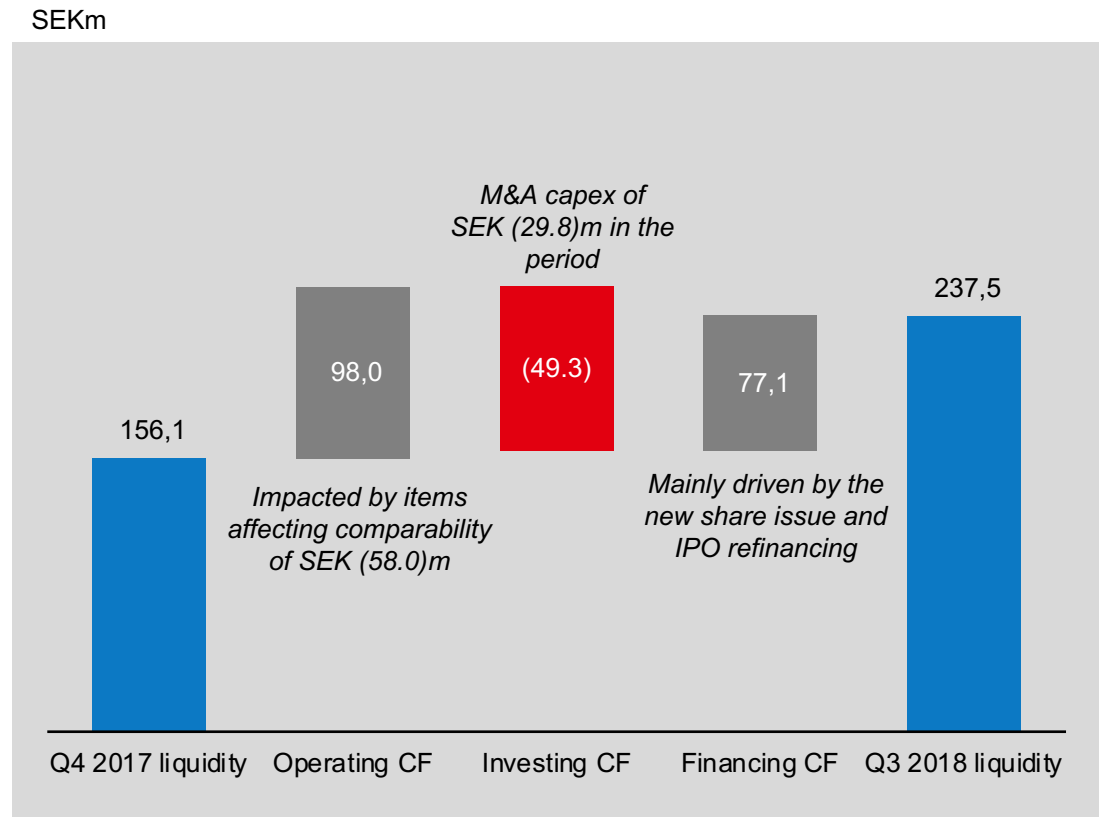
Q3 2018

Strong cash generation

Jan-Sep cash conversion exceeding the financial target – driven by release of NWC and low capex



Liquidity driven by strong operating cash flow



Financial position remains solid

Overview of financial position

SEKm	30 Sep 2018
Interest bearing liabilities	1,010.0
Cash and cash equivalents	(237.5)
Adjustment for earn-outs and deferred payments	(327.3)
Adjustment for debt fees	5.9
Net debt / (net cash)	451.1
LTM adjusted EBITDA	224.7
Net debt / LTM adjusted EBITDA	2.0x

- Net debt / EBITDA in line with the financial target of 1.5 – 2.5x
- The Group's unutilised credit facilities amounted to SEK 406.4 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



- Challenging quarter in many aspects – however clear signs that recent **headwinds are normalising**
- **Double-digit sales growth** in Q3 **despite adverse external factors**, growth driven by the DIY segment that continues to significantly outgrow the market
- **Market share gains** also in Home Furnishing Jan-Sep, making the Group well positioned for future growth
- Bygghemma Group to **establishes own distribution network** in Sweden
- **Two exciting add-on acquisitions signed**
- Integration of Furniturebox **completed**
- Mid-term financial targets reiterated

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Appendix

Condensed consolidated financial information

SEKm (if not otherwise stated)	Q3			Jan-Sep			Jan-Dec
	2018	2017	Δ%	2018	2017	Δ%	2017
Net Sales	1 251,1	1 126,2	11,1	3 694,0	2 875,9	28,4	3 955,5
Gross profit	244,8	234,9	4,2	749,3	585,8	27,9	820,0
Gross margin (%)	19,6	20,9	-6,2	20,3	20,4	-0,4	20,7
Adjusted gross profit*	256,4	246,4	4,1	775,6	609,5	27,2	855,2
Adjusted gross margin (%)	20,5	21,9	-6,3	21,0	21,2	-0,9	21,6
Adjusted EBITDA*	47,9	66,1	-27,5	163,3	158,3	3,2	219,7
Adjusted EBITDA-margin (%)	3,8	5,9	-34,7	4,4	5,5	-19,7	5,6
Adjusted EBITA**	40,0	60,5	-33,9	142,4	144,3	-1,3	197,0
Adjusted EBITA-margin (%)	3,2	5,4	-40,5	3,9	5,0	-23,2	5,0
Operating income	17,4	36,3	-52,2	43,1	86,3	-50,0	91,5
Operating-margin (%)	1,4	3,2	-57,0	1,2	3,0	-61,1	2,3
Net profit/loss for the period	24,2	17,3	39,8	1,3	36,9	-96,5	28,7
Cash flow from operations	-46,7	10,5	-545,6	98,0	115,9	-15,5	141,1
Visits (thousands)	28 589	24 911	14,8	83 771	67 872	23,4	91 670
Orders (thousands)	426	319	33,8	1 279	836	53,0	1 244
Conversion rate (%)	1,5	1,3	16,6	1,5	1,2	24,0	1,4
Average order value (SEK)	2 864	3 467	-17,4	2 843	3 441	-17,4	3 153

* Adjusted for items affecting comparability (refer to "Reconciliations of non-IFRS metrics"). Items affecting comparability impacting gross profit amounted to SEK 11.7 million (11.5) for the quarter and SEK 26.3 million (23.8) for the first nine months and were attributable to the Furniturebox integration and warehouse move. Items affecting comparability impacting EBITA totaled SEK 13.3 million (15.7) for the quarter and SEK 71.3 (35.3) for the first nine months and were attributable to (i) acquisition costs of SEK 0.7 million (1.8) for the quarter and SEK 1.7 million (8.6) for the first nine months, (ii) integration costs and costs related to the warehouse move of SEK 12.5 million (13.5) for the quarter and SEK 27.5 million (26.3) for the first nine months, (iii) costs of SEK 11.4 million (-) for the first nine months associated with the long-term incentive program launched in connection with the IPO and (iv) costs for the listing on Nasdaq of SEK 30.7 million (0.4).

** 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)	Q3			Jan-Sep			Jan-Dec
	2018	2017	Δ%	2018	2017	Δ%	2017
Net Sales	798,6	659,5	21,1	2 306,3	1 696,8	35,9	2 342,2
Gross profit	155,4	130,6	19,0	451,6	329,1	37,2	468,4
Gross margin (%)	19,5	19,8	-1,7	19,6	19,4	1,0	20,0
Adjusted gross profit	155,4	130,6	19,0	451,6	329,1	37,2	468,4
Adjusted gross margin (%)	19,5	19,8	-1,7	19,6	19,4	1,0	20,0
Adjusted EBITA	36,1	32,3	11,6	101,0	77,0	31,2	114,4
Adjusted EBITA-margin (%)	4,5	4,9	-7,9	4,4	4,5	-3,5	4,9
Operating income	29,2	25,1	16,5	79,9	57,5	38,9	87,0
Operating margin (%)	3,7	3,8	-3,8	3,5	3,4	2,2	3,7
Net profit/loss for the period	28,6	17,8	60,3	56,9	39,9	42,7	10,5
Visits (thousands)	17 584	14 626	20,2	49 851	40 613	22,7	51 938
Orders (thousands)	284	172	65,7	815	498	63,8	674
Conversion rate (%)	1,6	1,2	37,9	1,6	1,2	33,4	1,3
Average order value (SEK)	2 807	3 835	-26,8	2 792	3 471	-19,5	3 394

Home furnishing segment

SEKm (if not otherwise stated)	Q3			Jan-Sep			Jan-Dec
	2018	2017	Δ%	2018	2017	Δ%	2017
Net Sales	457,0	471,9	-3,2	1 402,6	1 191,4	17,7	1 628,9
Gross profit	88,7	105,7	-16,1	299,3	258,0	16,0	354,0
Gross margin (%)	19,4	22,4	-13,3	21,3	21,7	-1,5	21,7
Adjusted gross profit	100,4	117,1	-14,3	325,6	281,8	15,5	389,2
Adjusted gross margin (%)	22,0	24,8	-11,5	23,2	23,7	-1,9	23,9
Adjusted EBITA	6,1	28,4	-78,6	46,1	71,3	-35,4	84,9
Adjusted EBITA-margin (%)	1,3	6,0	-77,9	3,3	6,0	-45,1	5,2
Operating income	-9,8	11,8	-183,0	10,0	33,1	-69,9	25,6
Operating margin (%)	-2,1	2,5	-185,8	0,7	2,8	-74,4	1,6
Net profit/loss for the period	-2,4	7,3	-133,5	3,8	20,6	-81,8	14,5
Visits (thousands)	11 005	10 285	7,0	33 920	27 259	24,4	39 732
Order (thousands)	142	147	-3,3	464	338	37,2	569
Conversion rate (%)	1,3	1,4	-9,7	1,4	1,2	10,2	1,4
Average order value	2 978	3 038	-2,0	2 933	3 398	-13,7	2 868

P&L

SEKm	Q3		Jan-Sep		Jan-Dec
	2018	2017	2018	2017	2017
Net Sales	1 251,1	1 126,2	3 694,0	2 875,9	3 955,5
Other operating income	0,3	2,9	-	3,7	6,1
Total Net Sales	1 251,4	1 129,0	3 694,0	2 879,5	3 961,7
Cost of goods sold	-1 006,3	-891,3	-2 944,7	-2 290,1	-3 135,6
Personnel costs	-96,5	-84,7	-305,5	-211,4	-306,2
Other external costs and operating expenses	-113,9	-102,7	-347,0	-255,0	-373,5
	-0,0	-	-4,8	-	-0,1
Depreciation and amortization of tangible and intangible fixed assets	-17,2	-14,1	-48,9	-36,8	-54,7
Operating income	17,4	36,3	43,1	86,3	91,5
Profit/loss from financial items	-4,8	-14,0	-54,5	-37,3	-54,7
Profit before tax	12,5	22,3	-11,4	49,0	36,8
Income tax	11,7	-5,0	12,7	-12,1	-8,1
Profit/loss for the period	24,2	17,3	1,3	36,9	28,7
Attributable to:					
Equity holders of the parent	24,2	17,3	1,2	36,9	28,7
Non-controlling interest	0,1	-	0,1	-	-
Net income for the period	24,2	17,3	1,3	36,9	28,7
Earnings per share before dilution, SEK	0,23	-0,80	-0,53	-2,65	-3,99
Earnings per share after dilution, SEK	0,23	-0,80	-0,53	-2,65	-3,99

Balance sheet

SEKm	30 Sep		31 Dec
	2018	2017	2017
Non-current assets			
Goodwill	2 567,7	2 376,7	2 451,1
Other intangible fixed assets	1 214,9	1 117,2	1 166,3
Total intangible fixed assets	3 782,6	3 493,8	3 617,4
Buildings and land	11,2	10,6	10,8
Tangible fixed assets	23,0	21,4	21,4
Financial fixed assets	5,6	4,2	4,5
Deferred tax asset	15,2	8,0	15,5
Total fixed assets	3 837,5	3 538,1	3 669,6
Current assets			
Inventories	485,4	459,5	400,4
Current receivables	281,3	181,6	192,8
Cash and cash equivalents	237,5	143,8	156,1
Total current assets	1 004,2	784,9	749,3
Total assets	4 841,7	4 323,0	4 418,9
Equity			
Equity attributable to owners of the parent	2 737,0	2 363,9	2 375,1
Non-controlling interest	31,8	-	-
Total equity	2 768,8	2 363,9	2 375,1
Non-current liabilities			
Deferred tax asset	246,7	244,1	259,0
Other provisions	2,6	1,8	1,4
Non-current interest bearing liabilities to credit institutions	682,7	883,3	893,3
Other non-current liabilities	303,7	166,8	212,7
Total non-current liabilities	1 235,8	1 296,0	1 366,4
Current liabilities			
Short term interest bearing loans to credit institutions	-	45,1	44,2
Other interest bearing liabilities	23,6	10,4	36,9
Other current liabilities	813,6	607,5	596,4
Total current liabilities	837,2	663,0	677,5
Total shareholders' equity and liabilities	4 841,7	4 323,0	4 418,9

Consolidated statement of cash flows

SEKm	Q3		Jan-Sep		Jan-Dec
	2018	2017	2018	2017	2017
Cash flow from operating activities before changes in working capital	28,3	33,4	37,0	70,8	67,3
Changes in working capital	-75,1	-22,9	61,0	45,1	73,7
Cash flow from operations	-46,7	10,5	98,0	115,9	141,1
Investments in operations	-27,6	10,5	-47,3	-928,9	-731,7
Investments in other non-current assets	-16,8	-6,2	-46,5	-18,9	-28,6
Divestment of operations	0,1	-	0,1	-	-
Divestment of other tangible fixed assets	0,0	-	0,1	-	0,1
Cash flow to/from investing activities	-44,3	4,4	-93,7	-947,8	-760,1
New share issue	-	3,2	345,2	630,1	425,6
Loans taken	31,2	-	682,0	365,8	401,3
Amortization of loans	-0,2	-0,0	-960,3	-85,6	-106,2
Issue of warrants	0,1	-	4,6	-	-
Transactions with non-controlling interest	-	-	-	12,7	-
Dividends to shareholders	0,1	0,1	0,1	0,1	0,1
Cash flow to/from financing activities	31,0	3,2	71,6	923,0	720,8
Cash flow for the period	-60,0	18,0	75,9	91,1	101,7
Cash and cash equivalents at the beginning of the period	299,9	126,3	156,1	53,3	53,3
Translation differences in cash and cash equivalents	-2,4	-0,5	5,5	-0,6	1,0
Cash and cash equivalents at the end of the period	237,5	143,8	237,5	143,8	156,1

Reconciliation of non-IFRS metrics

SEKm	Q3		Jan-Sep		Jan-Dec
	2018	2017	2018	2017	2017
Operating income	17,4	36,3	43,1	86,3	91,5
Depreciation and amortization of acquisition related intangible fixed assets	9,4	8,5	28,0	22,8	32,1
EBITA	26,7	44,8	71,1	109,1	123,6
EBITA (%)	2,1	4,0	1,9	3,8	3,1
Acquisition-related costs	0,7	1,8	1,7	8,6	10,0
Integration costs and costs related to warehouse move	12,5	13,5	27,5	26,3	44,7
Costs related to LTIP	-	-	11,4	-	-
Costs related to the process for expanding the shareholder base	-	0,4	30,7	0,4	18,8
Total items affecting comparability	13,3	15,7	71,3	35,3	73,5
Adjusted EBITA	40,0	60,5	142,4	144,3	197,0
Adjusted EBITA (%)	3,2	5,4	3,9	5,0	5,0
Depreciation and amortization of tangible and intangible fixed assets	7,9	5,5	20,9	14,0	22,6
Adjusted EBITDA	47,9	66,1	163,3	158,3	219,7
Adjusted EBITDA (%)	3,8	5,9	4,4	5,5	5,6
Net Sales	1 251,1	1 126,2	3 694,0	2 875,9	3 955,5
Cost of goods sold	-1 006,3	-891,3	-2 944,7	-2 290,1	-3 135,6
Gross profit	244,8	234,9	749,3	585,8	820,0
Gross profit (%)	19,6	20,9	20,3	20,4	20,7
Integration costs and costs related to warehouse move	11,7	11,5	26,3	23,8	35,2
Adjusted gross profit	256,4	246,4	775,6	609,5	855,2
Adjusted gross profit (%)	20,5	21,9	21,0	21,2	21,6