



A strong finish to a record year

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)

Agenda

- Results highlights
- Business update
- Financial update Q4 2019
 - Group
 - DIY segment
 - Home Furnishing segment
 - Cash flow and financial position
- Summary
- Q&A



Agenda

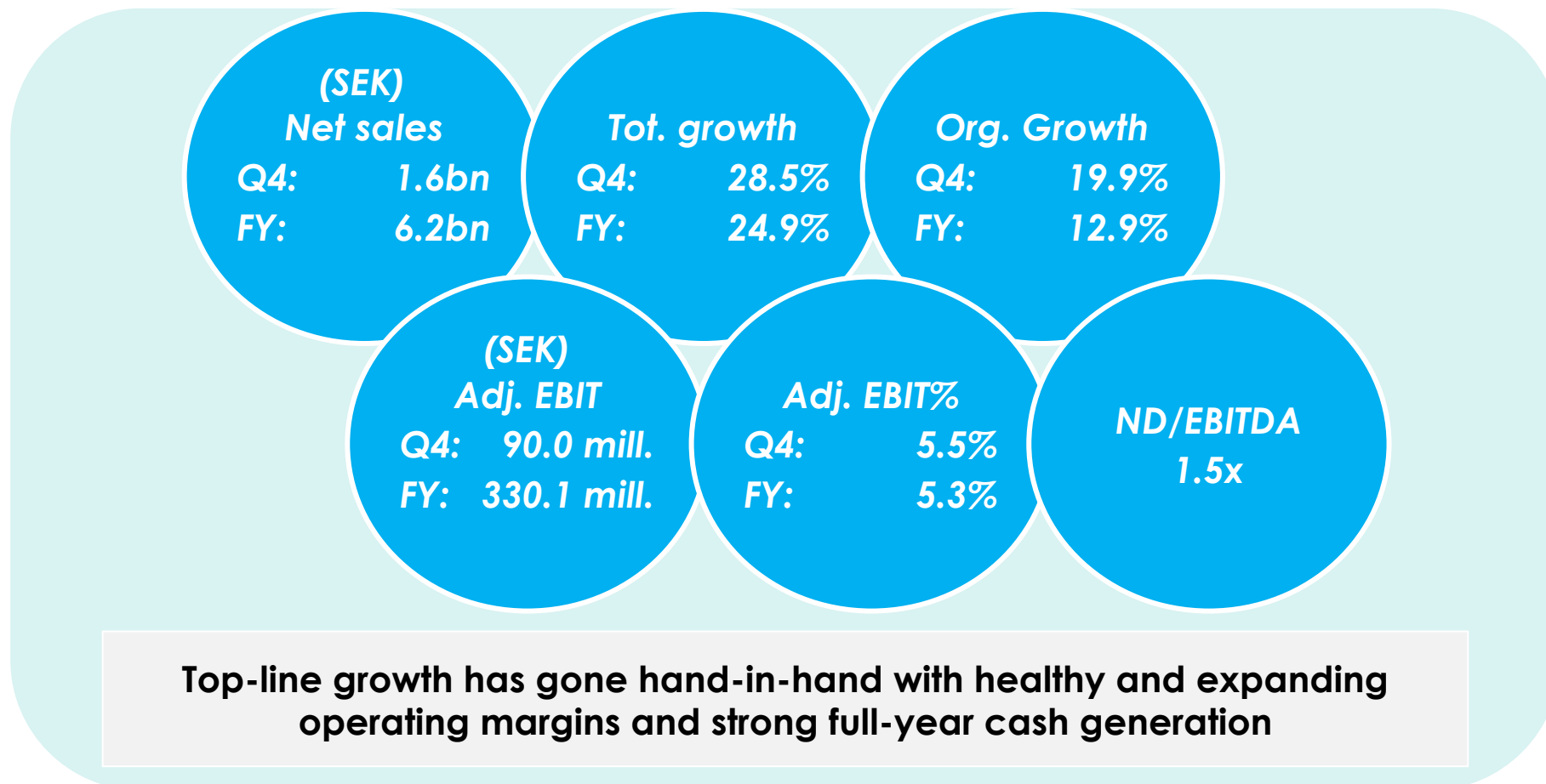
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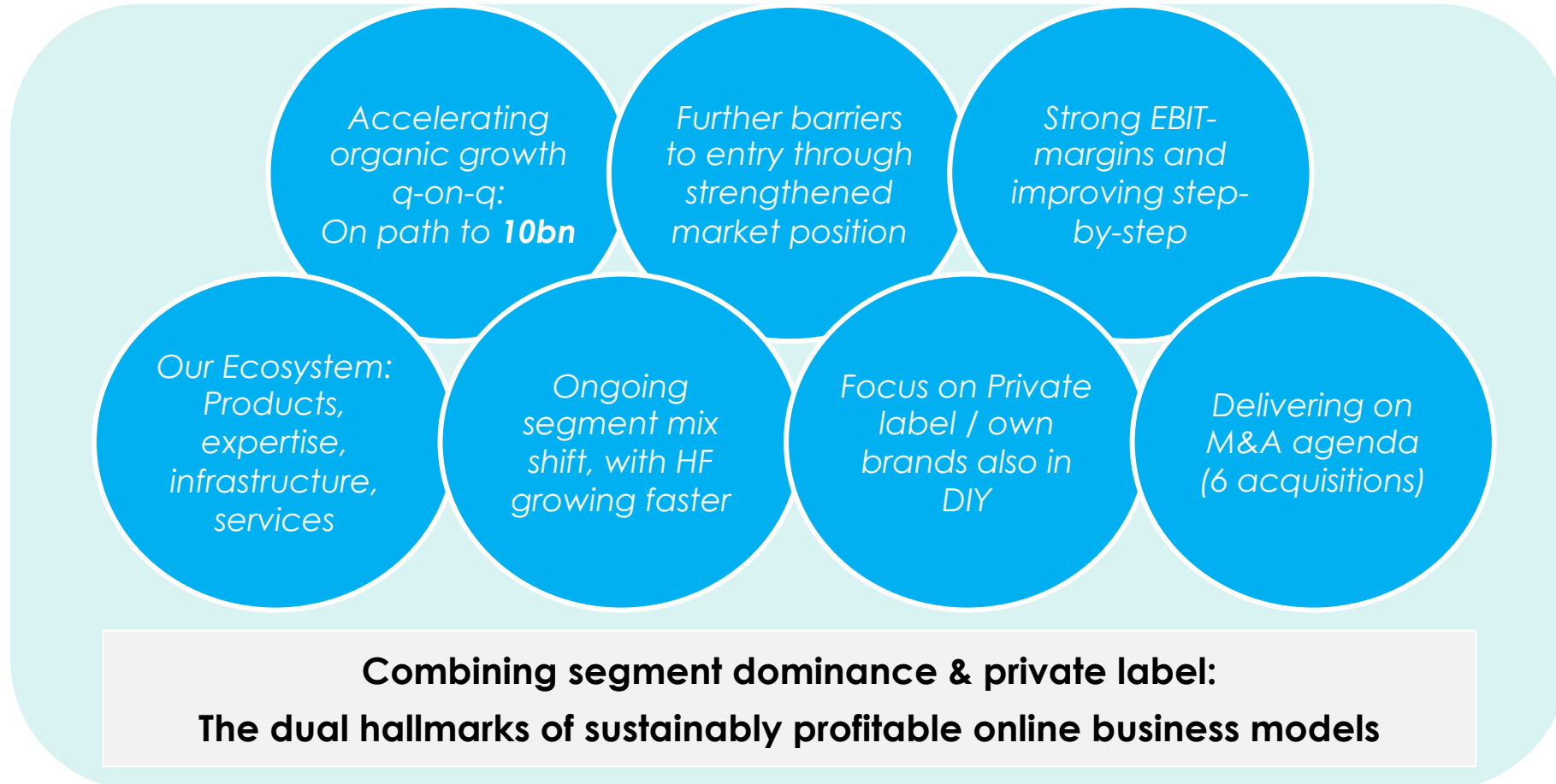
Select financial highlights

A strong finish to a record year



Select operating highlights

2019 saw the Group reinforce its position as the leading Nordic e-commerce company



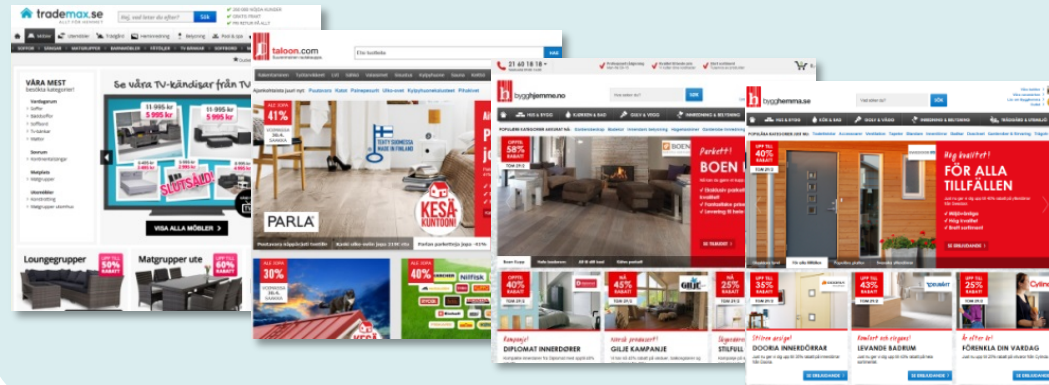
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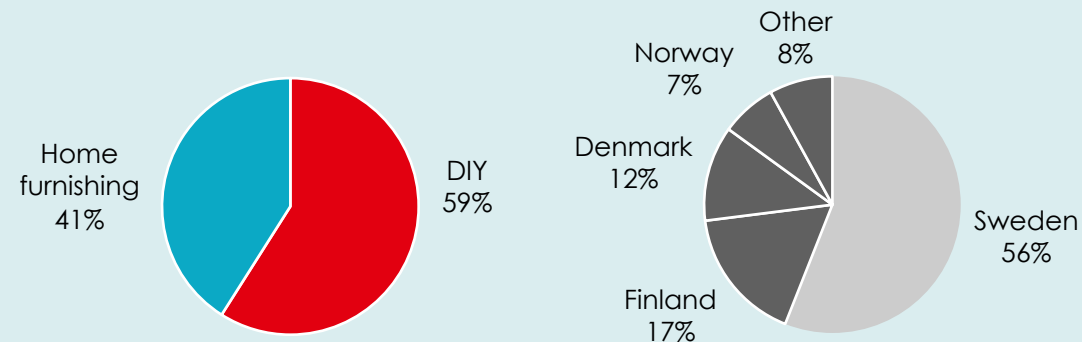


Bygghemma Group at a glance

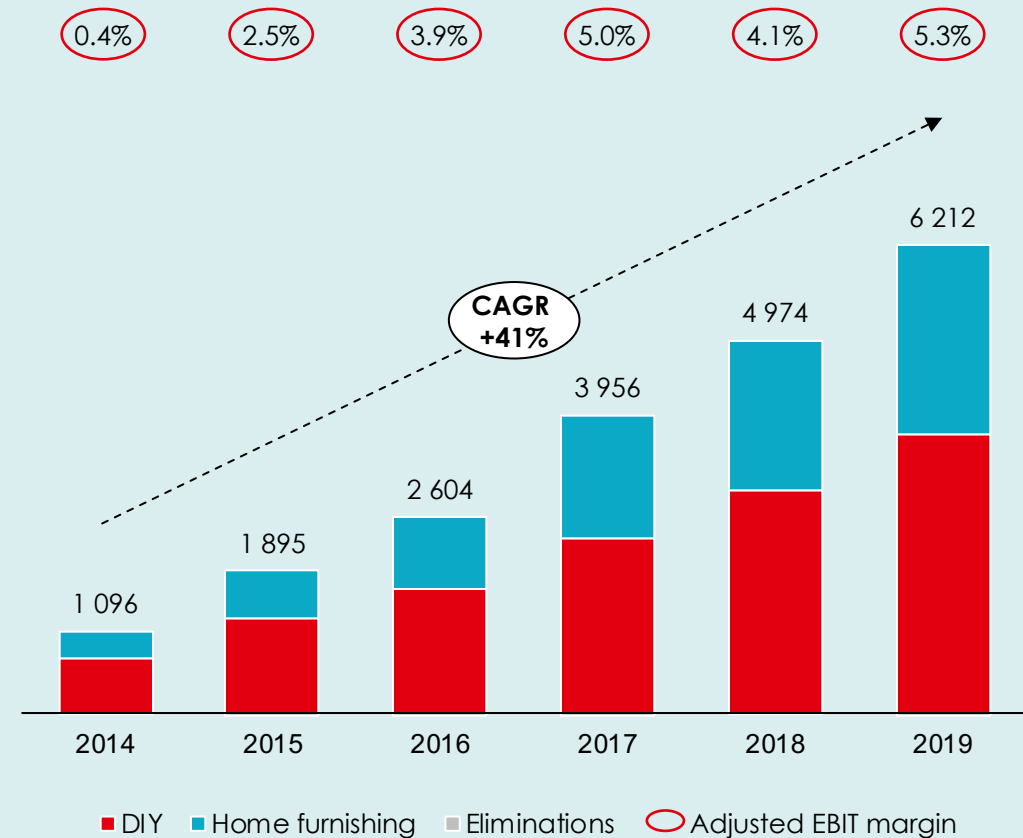
The clear Nordic online leader in home improvement



Net sales Jan-Dec 2019



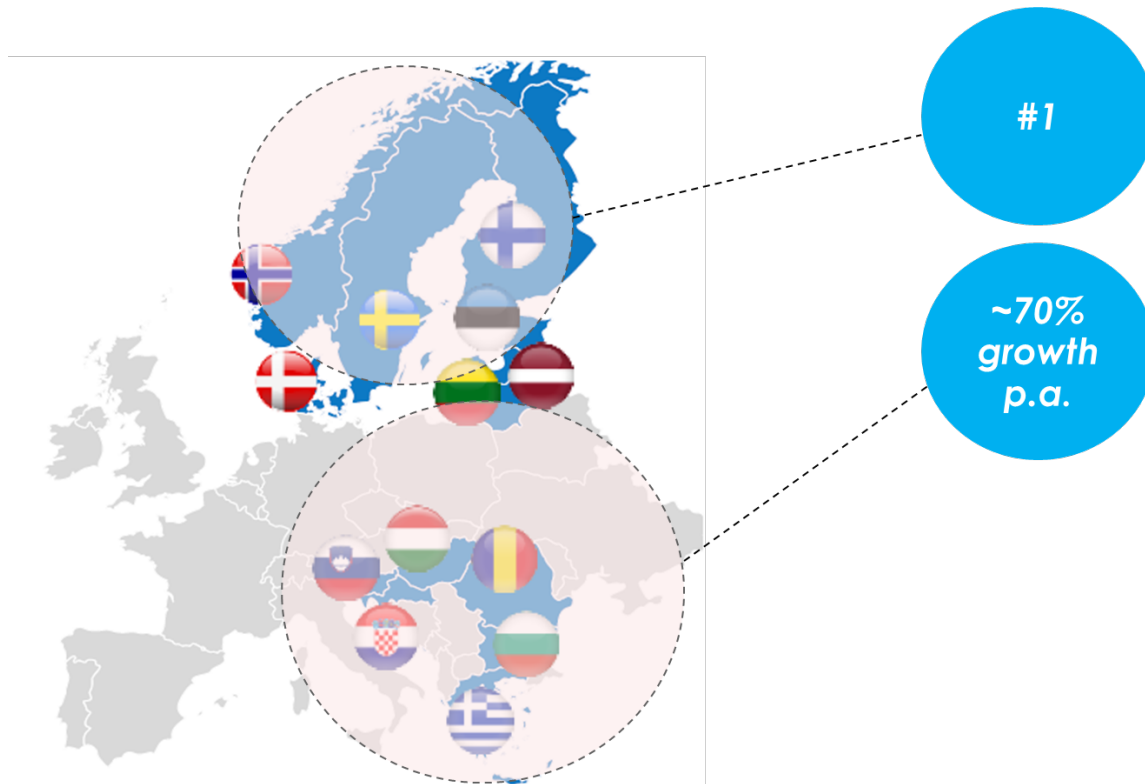
Significant scale and profitability



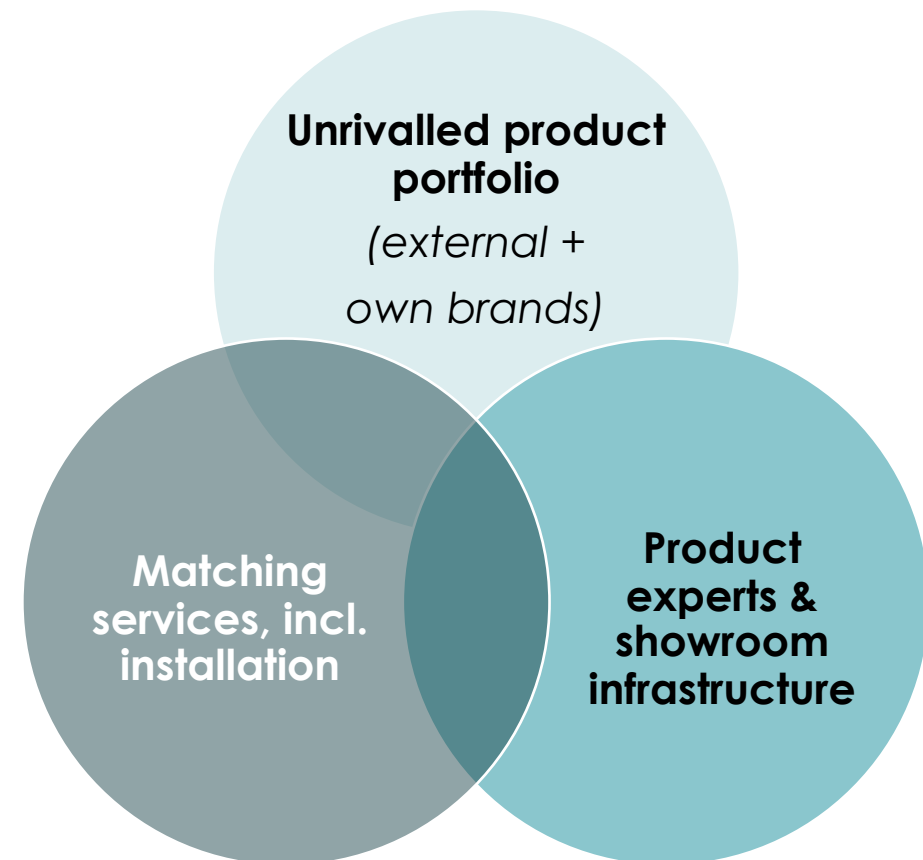
Note: Adjusted EBIT excludes Items affecting comparability.

Bygghemma Group Geographies & Ecosystem

Geographies and market position



Ecosystem



Launch of upgraded Corporate identity imminent

Our new Group brand

Say 'Bygghemma' and a majority of all people think of power tools and building materials. They think of hardware stores and compare us with the offline DIY crew. But Bygghemma Group is unlike any other DIY company. In fact, we're not a DIY company at all.

Our fastest growing segment is home furnishing, we offer a wide range of leisure products and we are currently pushing the boundaries by offering installation services online. We are a high-tech, data-driven family of dots, set out to 'make living easy' for our customers. And we offer products for the home.

So we set out to create a new corporate identity to better embody and reflect our Group's strong range of brands and online presence. A new vibrant profile that represents our vast offering today – without losing sight of our heritage. We are proud of our Bygghemma history and DNA.

Our solution is to rebrand as BHG. Matching our stock market ticker – staying connected to our history.



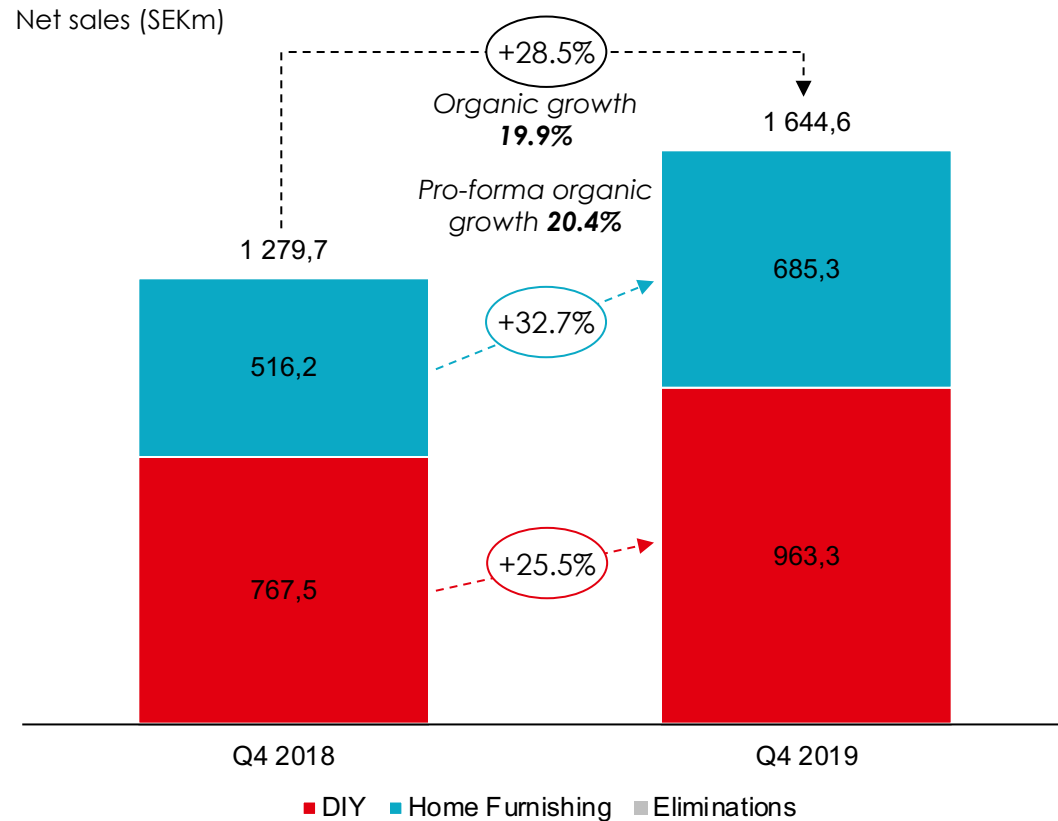
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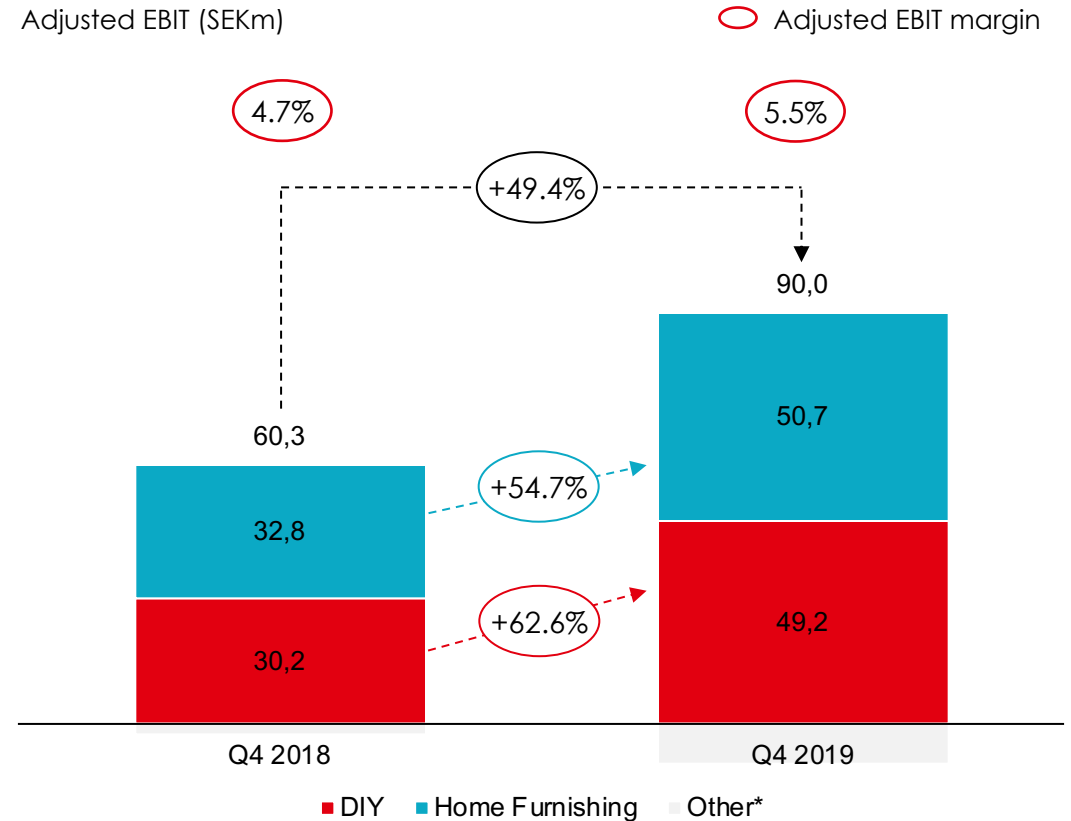


Strong growth and profit generation

Growth journey continues on the back of a strong performance in both segments



A leveraged P&L yields a robust bottom line delivery – both segments growing EBIT significantly in the year

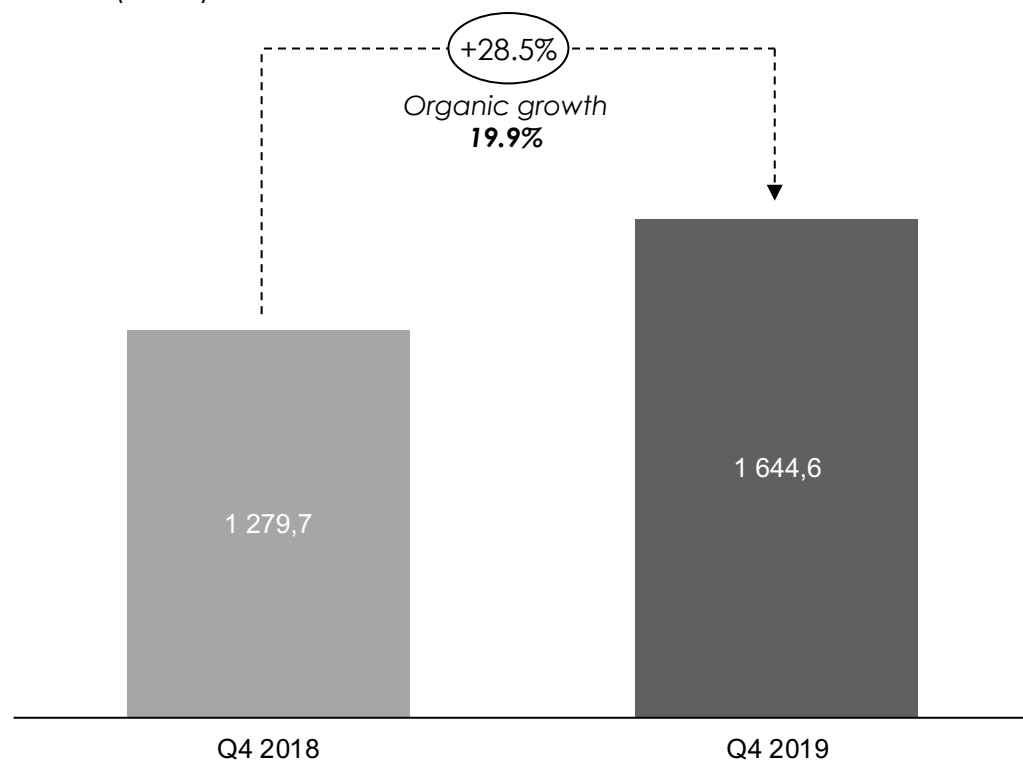


Note: Items affecting comparability amounted to SEK 0.0 million (6.6) in the quarter. Items affecting comparability amounted to SEK 7.5 million (77.9) YTD, of which SEK 5.8 million was attributable to the last-mile project and SEK 1.7 million to acquisition-related expenses
* The Group's other operations primarily consist of Group-wide functions and financing arrangements

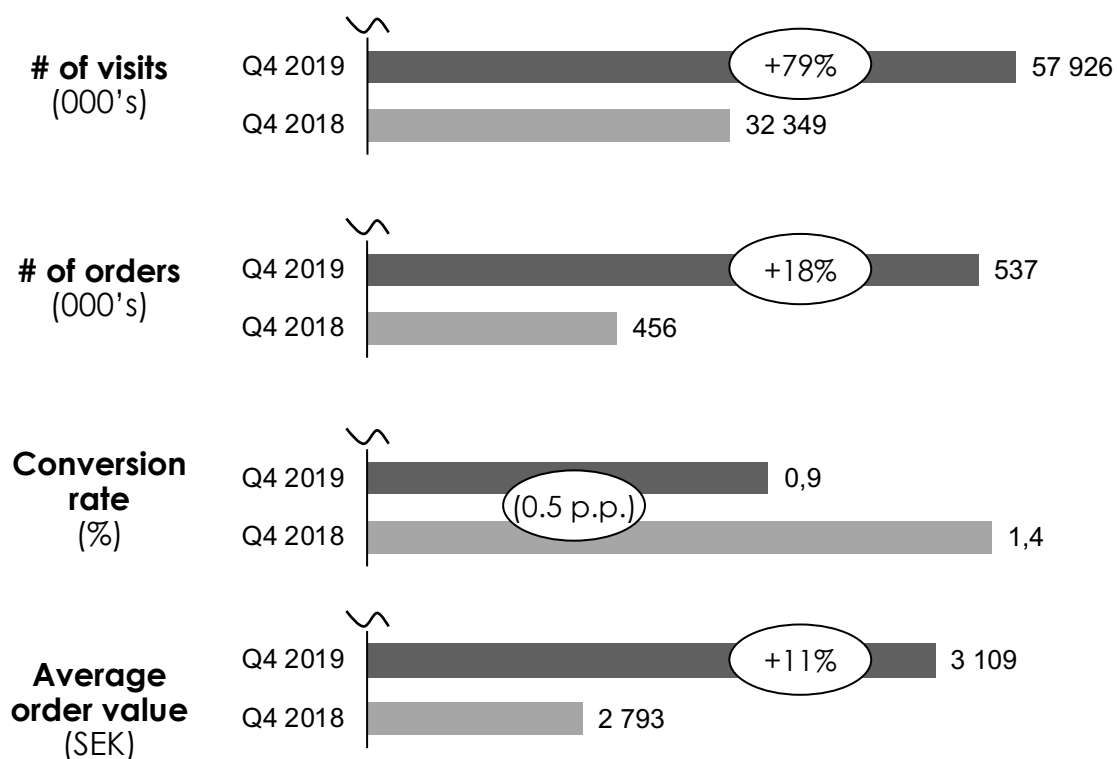
Sales mainly driven by visits and growth in AOV

Topline growth fueled by all geographies, the Nordic as well as the Eastern European ones

Net sales (SEKm)



Continued strong development in KPIs



Balanced geography and brand mix to optimize growth

The expansion of the DIY private label portfolio is a vehicle for growth across geographies

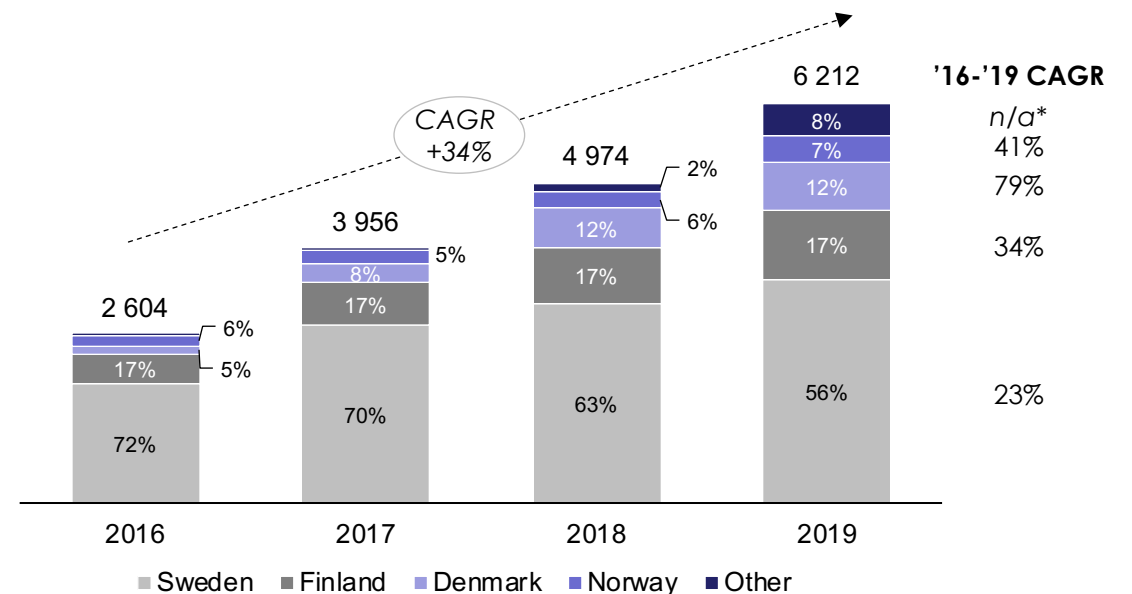
- The Group's own brands have successfully found their niches in multiple geographies (whereas most external brands are specific to each country)
- DIY private label growth pursued both organically and through acquisitions

Selection of DIY private label brands:

bathlife® ARREDO Nordiska Fönster myOUTDOORKITCHEN.se

Balanced geographic mix making sales less dependent on conditions in any one country

Bygghemma Group Net Sales by geography (SEKm)



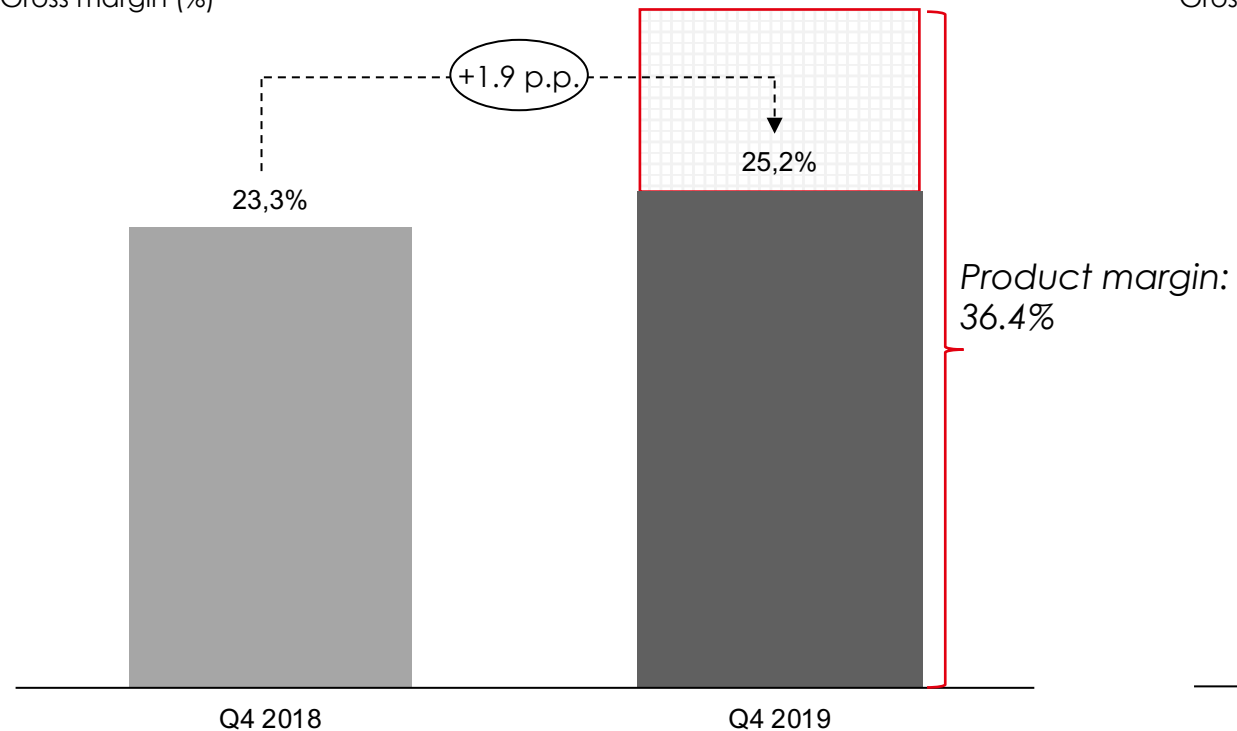
* Furniture 1 consolidated from September 2018, hence year over year comparison not meaningful

Continued trajectory of improved gross margin

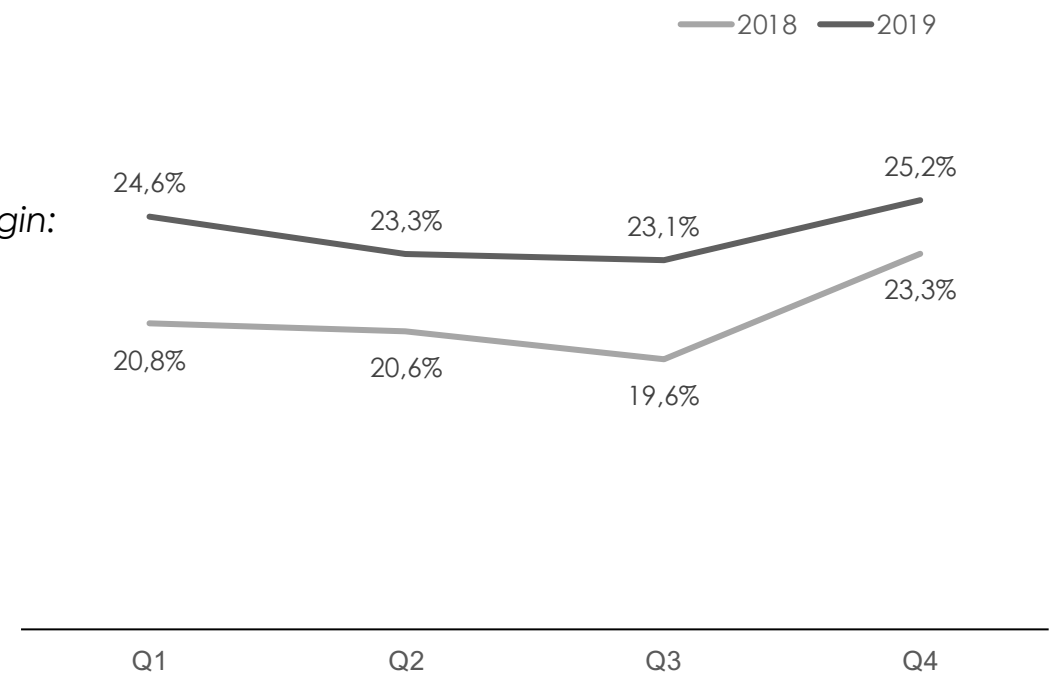
Gross margin favorably affected by uptick in AOV and strong growth in Home Furnishing and DIY private label portfolio

Margin trajectory the result of the improvement plan in Home Furnishing launched in the 2nd half of 2018 coupled with the boosted DIY private label share

Gross margin (%)



Gross margin (%)



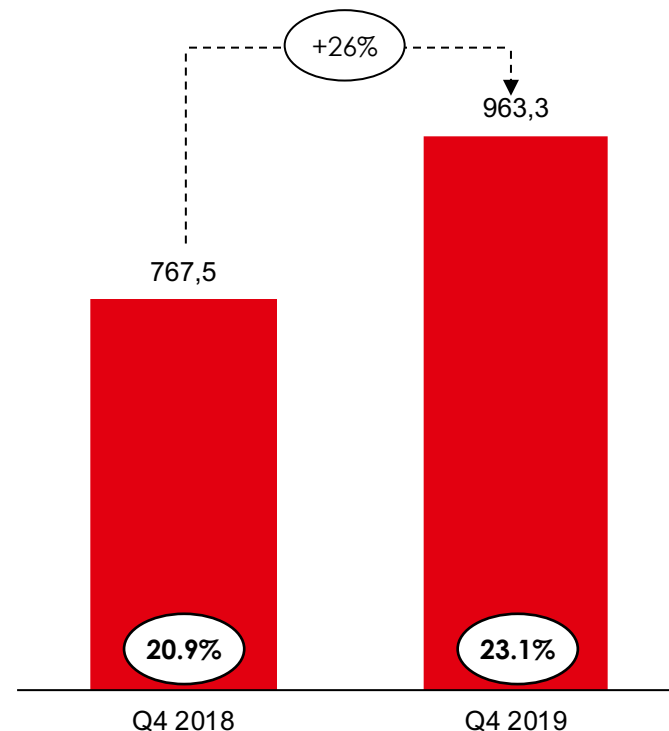
DIY segment

Consolidating leading Nordic online DIY position

- Net sales increased by 25.5% of which organic growth accounted for 13.8%, leading to further market share gains
- Well into double-digit growth in Sweden, Finland and Denmark in the period
- Favorable developments within the large portfolio of external brands – >350k SKUs and counting – but even faster growth for rapidly growing own brands – mix favorably impacting gross margin
- The BHG Ecosystem further expanded, with a wide reach of installation services, geographically and product category-wise
- Adjusted EBIT amounted SEK 49.2 million – an increase of 62.6%

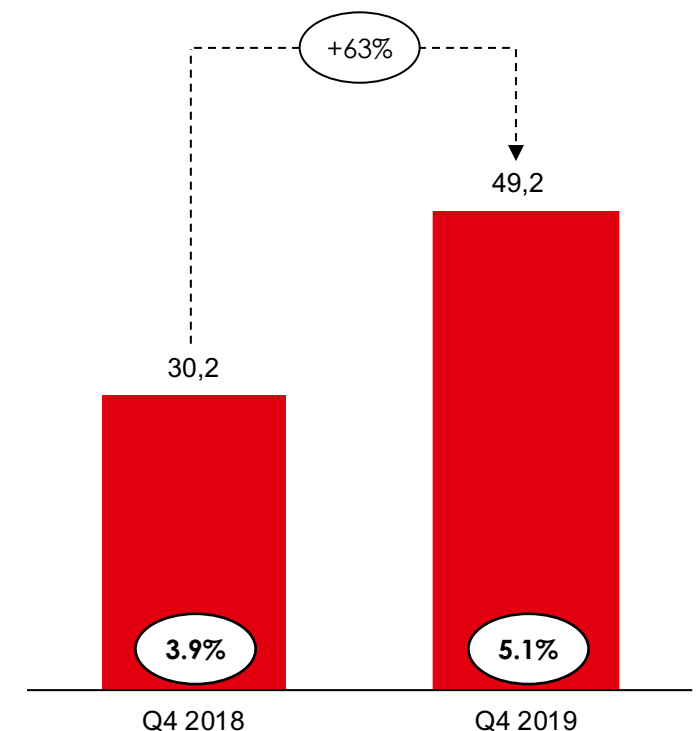
DIY represented 58% of the Group's net sales in the fourth quarter

Net sales (SEKm) ○ Gross margin



Solid growth in adjusted EBIT

Adjusted EBIT (SEKm) ○ Adjusted EBIT margin



Home Furnishing segment

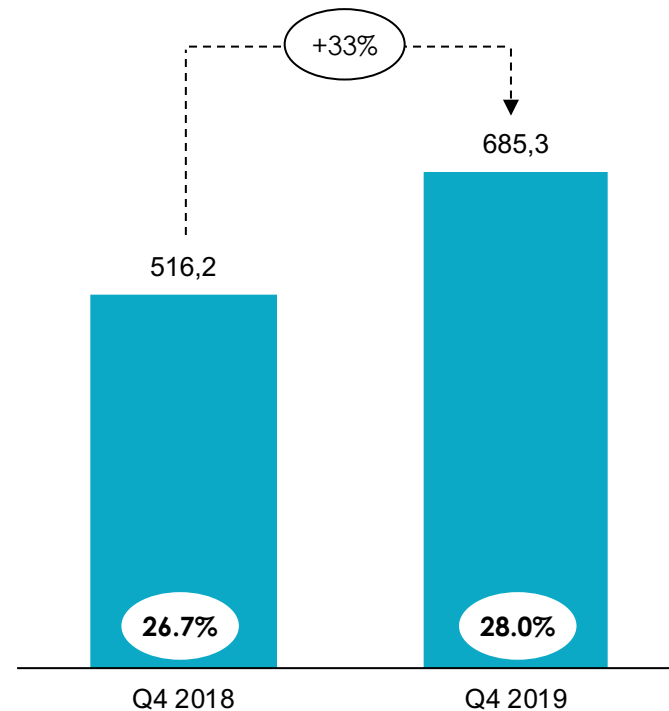
Strong and accelerating performance

- Net sales increased by 32.7%, on the back of accelerating organic growth and strong performance in recently acquired businesses
- Organic growth, at 28.9%, significantly outpaced the overall market, leading to a further strengthening of our position in the Nordic and Eastern European online home furnishing markets
- Strong growth boosted by the ongoing assortment expansion (>150k SKUs and counting)
- Last-mile logistics operations in Sweden in place in Stockholm and Gothenburg; further roll-out in progress
- Adjusted EBIT amounted to SEK 50.7 million – an increase of 54.7%

Home furnishing represented 42% of the Group's net sales in the fourth quarter

Net sales (SEKm)

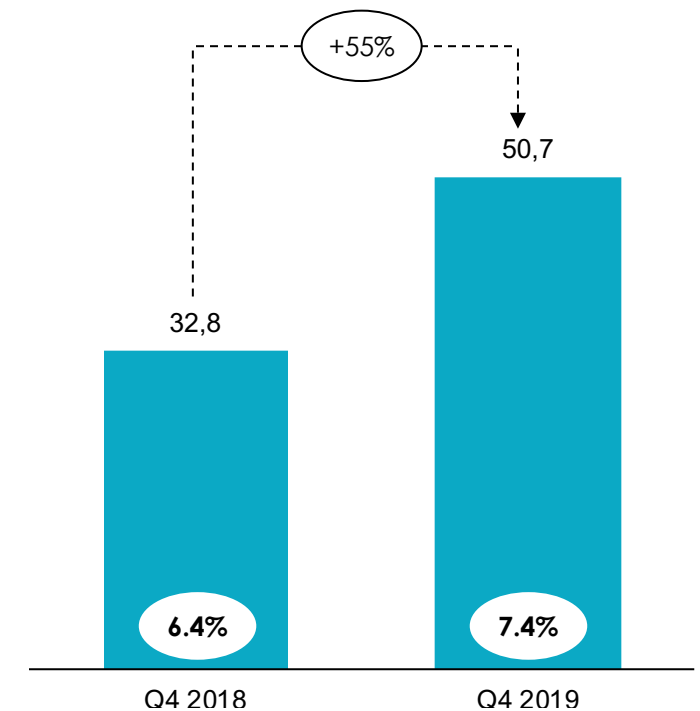
Gross margin



Solid growth in adjusted EBIT

Adjusted EBIT (SEKm)

Adjusted EBIT margin

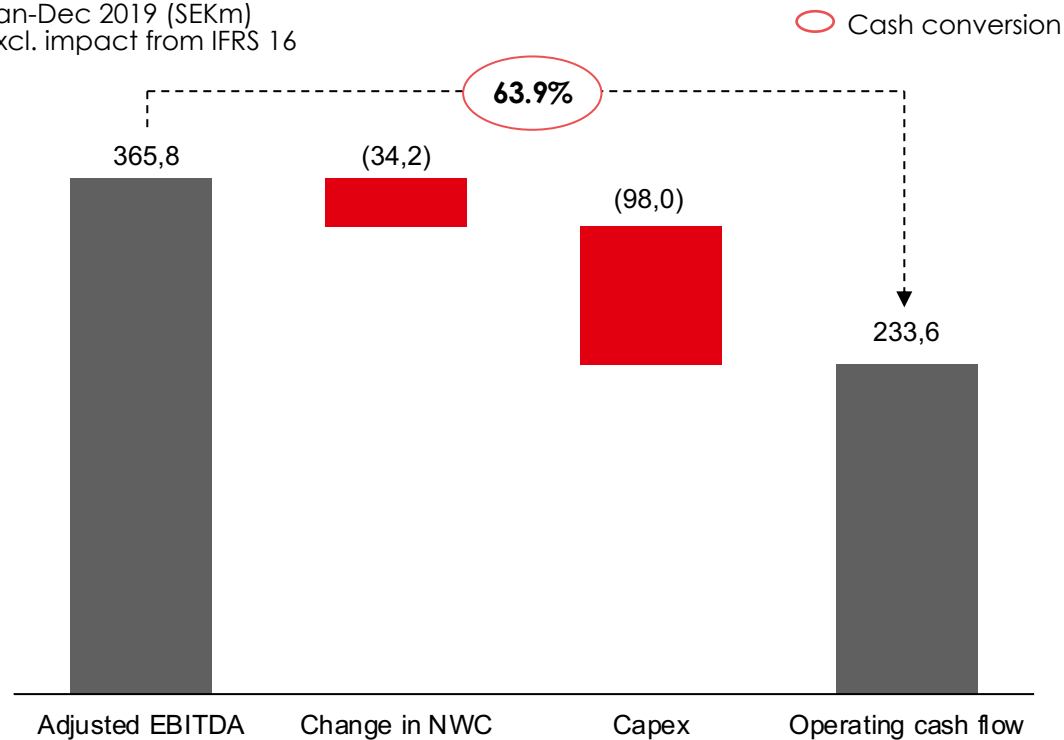


Cash flow and financial position

Continued healthy full-year cash generation

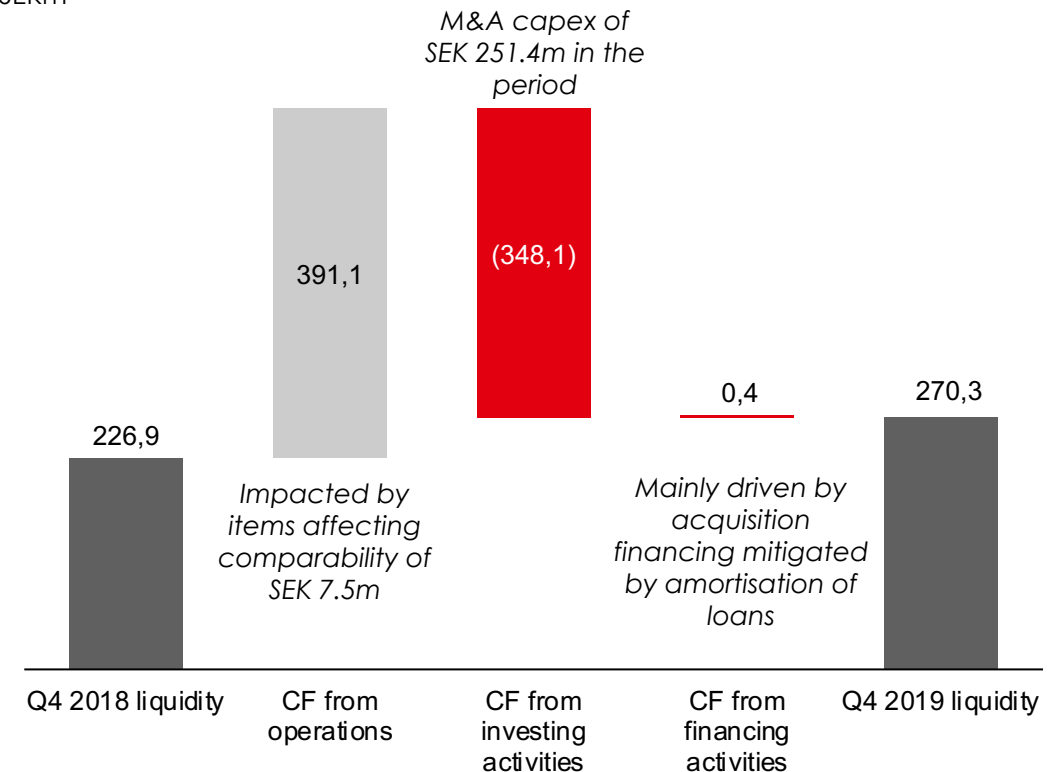
64% cash conversion: Rapid increase in the DIY share of private label, including inorganic, increasing NWC

Jan-Dec 2019 (SEKm)
Excl. impact from IFRS 16



Full-year liquidity driven by strong operating cash flow

SEKm



Cash flow and financial position

Financial position remains solid

Overview of financial position

SEKm	31 Dec 2019
Interest bearing liabilities	1,826.7
Cash and cash equivalents	(270.3)
Adjustment lease liabilities	(458.5)
Adjustment for earn-outs and deferred payments	(554.5)
Adjustment transaction costs	4.3
Net debt / (net cash)	547.6
Q4 2019 LTM adjusted EBITDA (excl. impact from IFRS 16)	365.8
Net debt / LTM adjusted EBITDA	1.5x

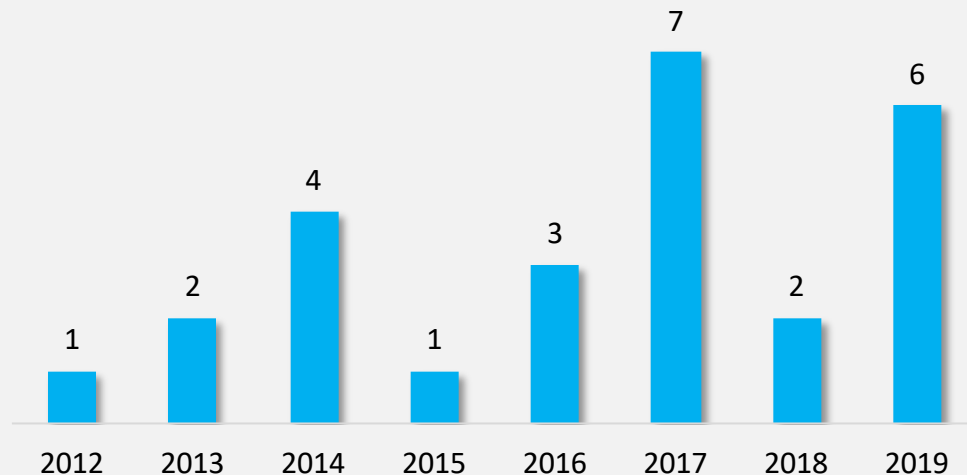
- Net debt / EBITDA of 1.5x, within financial target of 1.5 – 2.5x
- The Group's unutilised credit facilities amounted to SEK 577 million at the end of the period, compared with SEK 395 million at the beginning of the year
- Strong financial position to facilitate growth investments and continued M&A...
- ...and in the fourth quarter, we announced a doubling of the acquisition and CAPEX facility, from SEK 300 million to SEK 600 million

Acquisitions: A core part of the Group's strategy

BHG's lead in the Nordics gives us a strong position to counter competitors' efforts with further M&A – accelerating and firming up our category leadership and fueling our critical mass

Strong M&A track record – 26 acquisitions in last 8 years

acquisitions per year



Six acquisitions completed in 2019

Lindström & Söndén AB
- kvalitetsbad til lavpris

- Five **category catalysts** added (i.e. businesses that significantly strengthen the Group's presence within a given category)
- One platform acquisition to strengthen **geographic foothold** in Norway
- Three of the acquisitions further expand the Group's **private label** portfolio

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Q4 Summary

Accelerating growth

- Net sales reached SEK 1,645 million: an increase of 28.5%
- **19.9% organic growth** – highest level reported during the year

Strong gross margin

- **Gross margin** reached an **all-year high** during the quarter (25.2%) driven by structural increase in AOV, cost and process efficiencies, strong growth of the Home Furnishing segment and the DIY private label portfolio

Robust bottom line delivery

- **Highest fourth-quarter EBIT to date**
- EBIT growing 49% to reach SEK 90 million (5.5% EBIT margin)

Solid financial position

- **Financial targets reiterated**
- In strong position to follow through on M&A agenda

Continuing to build DIY private label content

- Continuing to **build private label** content within DIY both **organically** – with brands such as Bathlife, Arredo and Nordiska Fönster – and through the **acquisition** of Lindström & Sondén

Strengthened value proposition

- Significantly strengthened value proposition – **BHG Ecosystem** – through broadest product assortment in our market, physical infrastructure and further roll-out of installation services

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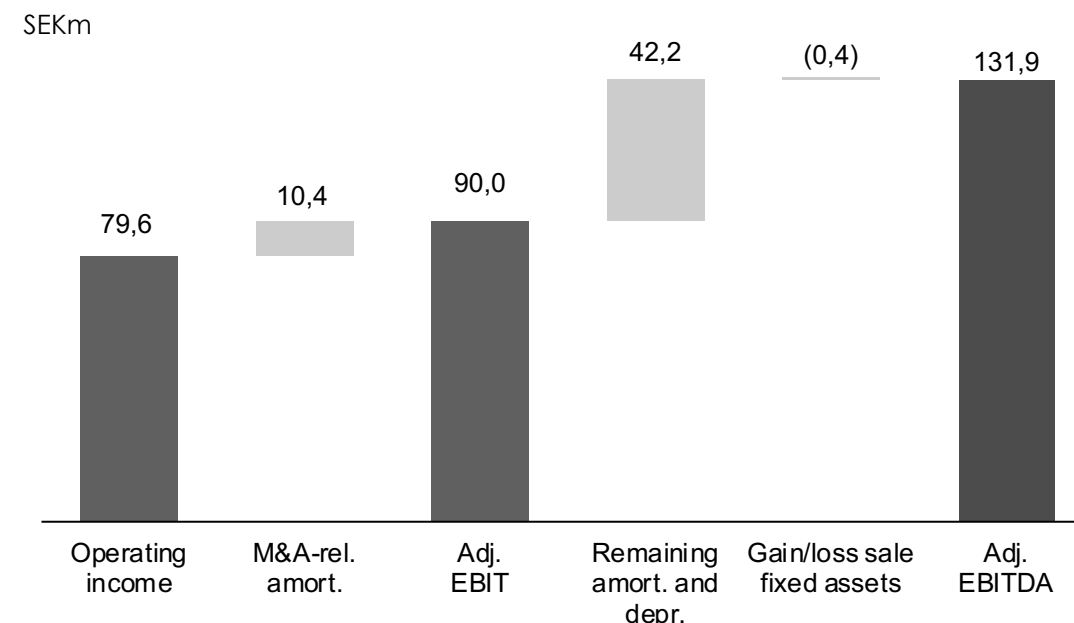


Appendix

Note on adjusted EBIT

- As of the Q2 2019-report, Bygghemma Group introduces the measure adjusted EBIT to further clarify the Group's underlying profit generation and profitability. Adjusted EBIT replaces the term that was previously used; adjusted EBITA.
- Adjusted EBIT corresponds to operating income adjusted for amortisation and impairment losses on acquisition-related intangible assets and items affecting comparability.¹
- By using the measure Adjusted EBIT, Bygghemma Group simplifies the analysis of the Group's profit generation and profitability.²
- It is also important to note that the effect of acquisitions is already reflected in the Group's capital structure and net debt, in accordance with generally accepted accounting practices.

Components in Q4-2019 adjusted EBIT and adjusted EBITDA



Note: (1) In other words, adjusted EBIT includes all depreciation and amortisation arising from the ongoing business (which was also the case for the term used earlier, adjusted EBITA). The difference between adjusted EBIT and EBIT is that the amortisation which arises as a result of the accounting treatment of purchase price allocations in conjunction with acquisitions is added back to adjusted EBIT. (2) The Adjusted EBIT measure provides a correct picture of the Group's operating results, since it excludes the accounting-related amortisation which arises from purchase price allocations in conjunction with acquisitions. Further, the measure simplifies peer comp analysis of companies which do not make acquisitions and makes the analysis of acquisition opportunities clearer and more transparent, since the anticipated operating EBIT-contribution of acquisition opportunities then corresponds to their actual EBIT contribution post consolidation.

Condensed consolidated financial information

SEKm (if not otherwise stated)	Q4				Jan-Dec			
	2019	2019*	2018	Δ%	2019	2019*	2018	Δ%
Net sales	1,644.6	1,644.6	1,279.7	28.5	6,212.5	6,212.5	4,973.7	24.9
Gross profit	414.3	414.3	298.2	39.0	1,490.5	1,490.5	1,047.5	42.3
Gross margin (%)	25.2	25.2	23.3	1.9 p.p.	24.0	24.0	21.1	2.9 p.p.
Adjusted EBITDA***	131.9	99.7	67.8	47.2	475.3	365.8	231.1	58.3
Adjusted EBITDA margin (%)	8.0	6.1	5.3	0.8 p.p.	7.7	5.9	4.6	1.2 p.p.
Adjusted EBIT***	90.0	87.5	60.3	45.2	330.1	321.7	202.7	58.7
Adjusted EBIT margin (%)	5.5	5.3	4.7	0.6 p.p.	5.3	5.2	4.1	1.1 p.p.
Items affecting comparability	0.0	0.0	-6.6	n/a	-7.5	-7.5	-77.9	-90.4
Operating income	79.6	77.1	44.1	74.8	282.0	273.6	87.2	213.7
Operating margin (%)	4.8	4.7	3.4	1.2 p.p.	4.5	4.4	1.8	2.7 p.p.
Net profit/loss for the period	64.1	64.3	50.5	27.2	179.9	180.9	55.0	228.8
Cash flow from operating activities	46.6	2.2	20.7	-90.2	391.1	276.1	120.5	129.1
Visits (thousands)	57,926	57,926	32,349	79.1	184,398	184,398	116,120	58.8
Orders (thousands)	537	537	456	17.8	1,940	1,940	1,735	11.8
Conversion rate (%)	0.9	0.9	1.4	-0.5 p.p.	1.1	1.1	1.5	-0.4 p.p.
Average order value (SEK)	3,109	3,109	2,793	11.3	3,227	3,227	2,830	14.0

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

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

DIY segment

SEKm (if not otherwise stated)	Q4				Jan-Dec			
	2019	2019*	2018	Δ%	2019	2019*	2018	Δ%
Net sales	963.3	963.3	767.5	25.5	3,700.8	3,700.8	3,073.8	20.4
Gross profit	222.9	222.9	160.5	38.9	794.3	794.3	612.1	29.8
Gross margin (%)	23.1	23.1	20.9	2.2 p.p.	21.5	21.5	19.9	1.5 p.p.
Adjusted EBITDA	69.0	55.1	35.0	57.5	235.4	190.4	150.2	26.8
Adjusted EBITDA margin (%)	7.2	5.7	4.6	1.2 p.p.	6.4	5.1	4.9	0.3 p.p.
Adjusted EBIT	49.2	47.6	30.2	57.4	167.9	162.9	131.2	24.2
Adjusted EBIT margin (%)	5.1	4.9	3.9	1.0 p.p.	4.5	4.4	4.3	0.1 p.p.
Items affecting comparability	0.0	0.0	-0.3	n/a	-1.4	-1.4	-0.9	63.3
Operating income	41.5	39.9	23.1	73.1	136.9	131.9	102.9	28.1
Operating margin (%)	4.3	4.1	3.0	1.1 p.p.	3.7	3.6	3.3	0.2 p.p.
Net profit/loss for the period	-10.4	-10.2	-43.6	-76.5	28.1	28.9	15.8	83.0
Visits (thousands)	25,362	25,362	15,911	59.4	86,473	86,473	65,762	31.5
Orders (thousands)	310	310	284	9.0	1,141	1,141	1,099	3.8
Conversion rate (%)	1.2	1.2	1.8	-0.6 p.p.	1.3	1.3	1.7	-0.4 p.p.
Average order value (SEK)	3,128	3,128	2,611	19.8	3,255	3,255	2,746	18.5

Home Furnishing segment

SEKm (if not otherwise stated)	Q4				Jan-Dec			
	2019	2019*	2018	Δ%	2019	2019*	2018	Δ%
Net sales	685.3	685.3	516.2	32.7	2,533.1	2,533.1	1,918.8	32.0
Gross profit	191.7	191.7	137.9	39.0	697.5	697.5	437.2	59.6
Gross margin (%)	28.0	28.0	26.7	1.3 p.p.	27.5	27.5	22.8	4.8 p.p.
Adjusted EBITDA	72.6	54.4	35.5	53.4	262.7	198.2	88.3	124.5
Adjusted EBITDA margin (%)	10.6	7.9	6.9	1.1 p.p.	10.4	7.8	4.6	3.2 p.p.
Adjusted EBIT	50.7	49.7	32.8	51.7	185.0	181.7	78.8	130.4
Adjusted EBIT margin (%)	7.4	7.3	6.4	0.9 p.p.	7.3	7.2	4.1	3.1 p.p.
Items affecting comparability	-	-	-6.3	-100.0	-6.0	-6.0	-34.9	-82.7
Operating income	47.9	47.0	23.8	97.7	168.0	164.6	33.7	388.2
Operating margin (%)	7.0	6.9	4.6	2.3 p.p.	6.6	6.5	1.8	4.7 p.p.
Net profit/loss for the period	-14.2	-14.2	37.4	-137.8	74.6	74.8	41.9	78.7
Visits (thousands)	32,564	32,564	16,438	98.1	97,925	97,925	50,358	94.5
Order (thousands)	228	228	172	32.2	799	799	636	25.7
Conversion rate (%)	0.7	0.7	1.0	-0.3 p.p.	0.8	0.8	1.3	-0.4 p.p.
Average order value	3,082	3,082	3,092	-0.3	3,188	3,188	2,976	7.1

P&L

SEKm	Q4		Jan-Dec	
	2019	2018	2019	2018
Net sales	1,644.6	1,279.7	6,212.5	4,973.7
Other operating income	2.4	0.5	0.3	0.0
Total net sales	1,647.0	1,280.2	6,212.7	4,973.7
Cost of goods sold	-1,230.3	-981.6	-4,721.9	-3,926.2
Personnel costs	-144.2	-114.9	-493.4	-420.4
Other external costs and operating expenses	-140.5	-122.6	-525.5	-469.6
Other operating expenses	0.2	-0.1	-4.9	-4.4
Depreciation and amortisation of tangible and intangible fixed assets	-52.6	-16.9	-185.0	-65.8
Operating income	79.6	44.1	282.0	87.2
Profit/loss from financial items	-2.4	15.6	-48.9	-35.7
Profit/loss before tax	77.2	59.7	233.1	51.5
Income tax	-13.1	-9.2	-53.2	3.5
Profit/loss for the period	64.1	50.5	179.9	55.0
Attributable to:				
Equity holders of the parent	62.6	49.7	176.2	54.1
Non-controlling interest	1.5	0.8	3.6	0.9
Net income for the period	64.1	50.5	179.9	55.0
Earnings per share before dilution, SEK	0.58	0.46	1.64	0.04
Earnings per share after dilution, SEK	0.58	0.46	1.64	0.04

Balance sheet

SEKm	31 Dec	
	2019	2018
Non-current assets		
Goodwill	2,896.7	2,590.7
Other intangible fixed assets	1,293.6	1,225.3
Total intangible fixed assets	4,190.2	3,815.9
Buildings and land	10.7	11.3
Leased fixed assets	459.2	-
Tangible fixed assets	39.8	22.9
Financial fixed assets	6.6	5.4
Deferred tax asset	13.5	6.0
Total fixed assets	4,720.1	3,861.5
Current assets		
Inventories	668.4	504.9
Current receivables	359.5	258.6
Cash and cash equivalents	270.3	226.9
Total current assets	1,298.1	990.4
Total assets	6,018.2	4,851.9
Equity		
Equity attributable to owners of the parent	2,889.7	2,783.1
Non-controlling interest	35.4	31.3
Total equity	2,925.1	2,814.4
Non-current liabilities		
Deferred tax liability	249.6	234.3
Other provisions	23.0	1.9
Non-current interest-bearing liabilities to credit institutions	813.6	694.9
Non-current lease liabilities	339.7	-
Other non-current liabilities	507.0	278.3
Total non-current liabilities	1,933.0	1,209.5
Current liabilities		
Current lease liabilities	118.9	-
Other interest-bearing liabilities	47.5	42.0
Other current liabilities	993.8	786.0
Total current liabilities	1,160.1	828.1
Total equity and liabilities	6,018.2	4,851.9

Consolidated statement of cash flows

SEKm	Q4		Jan-Dec	
	2019	2018	2019	2018
Cash flow from operating activities before changes in working capital	120.4	59.1	410.2	97.8
Changes in working capital	-73.8	-38.3	-19.2	22.7
Cash flow from operating activities	46.6	20.7	391.1	120.5
Investments in operations	-77.9	-11.5	-251.4	-58.9
Investments in other non-current assets	-33.3	-21.6	-98.0	-68.1
Divestment of other tangible fixed assets	0.9	0.0	1.3	0.1
Cash flow to/from investing activities	-110.2	-33.1	-348.1	-126.8
New share issue	-	-	-	343.4
Loans taken	77.7	11.9	307.4	693.9
Amortisation of loans	-44.4	-8.2	-315.7	-968.5
Issue of warrants	-	-	6.0	4.6
Dividend	-	0.0	-	0.1
Cash flow to/from financing activities	33.3	3.7	-2.4	73.5
Cash flow for the period	-30.3	-8.7	40.6	67.3
Cash and cash equivalents at the beginning of the period	307.1	237.5	226.9	156.1
Translation differences in cash and cash equivalents	-6.5	-1.9	2.8	3.6
Cash and cash equivalents at the end of the period	270.3	226.9	270.3	226.9

Reconciliation of non-IFRS metrics

SEKm	Q4			Jan-Dec		
	2019	2019*	2018	2019	2019*	2018
Operating income	79.6	77.1	44.1	282.0	273.6	87.2
Acquisition-related costs	-0.0	-0.0	0.4	1.7	1.7	2.0
Integration costs and costs related to warehouse move	-	-	-	-	-	27.5
Last-mile project	-	-	6.3	5.8	5.8	6.3
Costs related to LTIP	-	-	-	-	-	11.4
Costs related to the process for expanding the shareholder base	-	-	-	-	-	30.7
Total items affecting comparability	-0.0	-0.0	6.6	7.5	7.5	77.9
Amortisation and impairment of acquisition-related intangible fixed assets	10.4	10.4	9.6	40.6	40.6	37.5
Adjusted EBIT	90.0	87.5	60.3	330.1	321.7	202.7
Adjusted EBIT (%)	5.5	5.3	4.7	5.3	5.2	4.1
Depreciation and amortisation of tangible and intangible fixed assets	42.2	12.3	7.4	144.4	42.9	28.3
Gain/loss from sale of fixed assets	-0.4	-0.1	0.1	0.8	1.2	0.1
Adjusted EBITDA	131.9	99.7	67.8	475.3	365.8	231.1
Adjusted EBITDA (%)	8.0	6.1	5.3	7.7	5.9	4.6
Net sales	1,644.6	1,644.6	1,279.7	6,212.5	6,212.5	4,973.7
Cost of goods	-1,046.7	-1,046.7	-826.0	-4,023.8	-4,023.8	-3,314.1
Gross profit before direct selling costs	598.0	598.0	453.7	2,188.6	2,188.6	1,659.6
Gross profit before direct selling costs (%)	36.4	36.4	35.5	35.2	35.2	33.4
Direct selling costs	-183.7	-183.7	-155.5	-698.1	-698.1	-612.1
Gross profit	414.3	414.3	298.2	1,490.5	1,490.5	1,047.5
Gross profit (%)	25.2	25.2	23.3	24.0	24.0	21.1
Integration costs and costs related to warehouse move	-	-	-	-	-	26.3
Last-mile project	-	-	4.2	5.2	5.2	4.2
Adjusted gross profit	414.3	414.3	302.3	1,495.7	1,495.7	1,077.9
Adjusted gross profit (%)	25.2	25.2	23.6	24.1	24.1	21.7