

Byggmax expands to Denmark, with focus on e-commerce

Byggmax Group is entering the Danish market in January 2021 through a combination of e-commerce and acquisition of existing profitable stores. Byggmax Group acquires Næstved Lavpristræ A/S (“NLT”), a founder led discount DIY concept with sales of DKK ca 125m and ca 30 percent of sales from e-commerce. In addition a Byggmax branded e-commerce site for Denmark, offering additional product categories, will open during the first quarter 2021. The Denmark entry gives Byggmax a presence in all Nordic countries and a foothold for further expansion in Denmark.

Byggmax Group is a discount DIY retailer with sales of SEK 6.5bn, and a presence in Sweden, Norway and Finland. The Group operates 170 Byggmax stores and e-commerce accounts for 20% of Group’s sales. During 2020 Byggmax has continued the efforts to build a modern discount DIY concept, with upgraded stores close to the customers’ homes, integrated with a large e-commerce offer.

NLT operates four stores in Zealand and a fast growing e-commerce business that now accounts for almost 30 percent of sales, well above the market average. Much like Byggmax, the company is focused on “hard DIY”, i.e., building materials like timber, paint, stone, and tools, and sell mainly to consumers. The overlap in product categories and suppliers with Byggmax is high and Byggmax will be able to serve the Danish market through its existing supply chain and warehouse structure.

NLT has a solid track record of organic growth at good profitability. For the financial year 2020 the company expects sales of ca DKK 125m. Byggmax acquisition price corresponds to a maximum Enterprise Value of DKK 40m, of which DKK 20m in initial consideration and the remainder based on performance in 2021 and 2022.

“We are impressed by the business that Christian and Michael has built up, and it’s a great fit with Byggmax”, says Mattias Ankarberg, CEO of Byggmax Group. “We serve the same type of consumers with the same type of products. The low price value proposition is always strong, and we are big believers in an integrated model combining the best of stores and e-commerce. The Danish consumer is price conscious, which suits us well, and we look forward to work with Christian and Michael to both improve the NLT business and expand further in Denmark.”

Mattias Ankarberg adds: “We are expanding into our third market outside of Sweden and have been building up our knowledge on how best to do it. We are confident that an acquisition of a smaller Byggmax-like company and a large e-commerce focus is a recipe for success.”

Christian and Michael Ravn, founders and current owners of NLT, comments: “We are pleased to hand over the ownership of our business to Byggmax, who knows this retail segment and how to operate this type of business. Bringing in Byggmax as a growth focused owner is also positive for our employees. We look forward to bring the resources of a larger company to Denmark and speed up expansion with both e-commerce growth and new stores.”

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