



Byggmaterialhandlarna

The Association of Swedish Building Materials Merchants

**How is the
industry doing?**

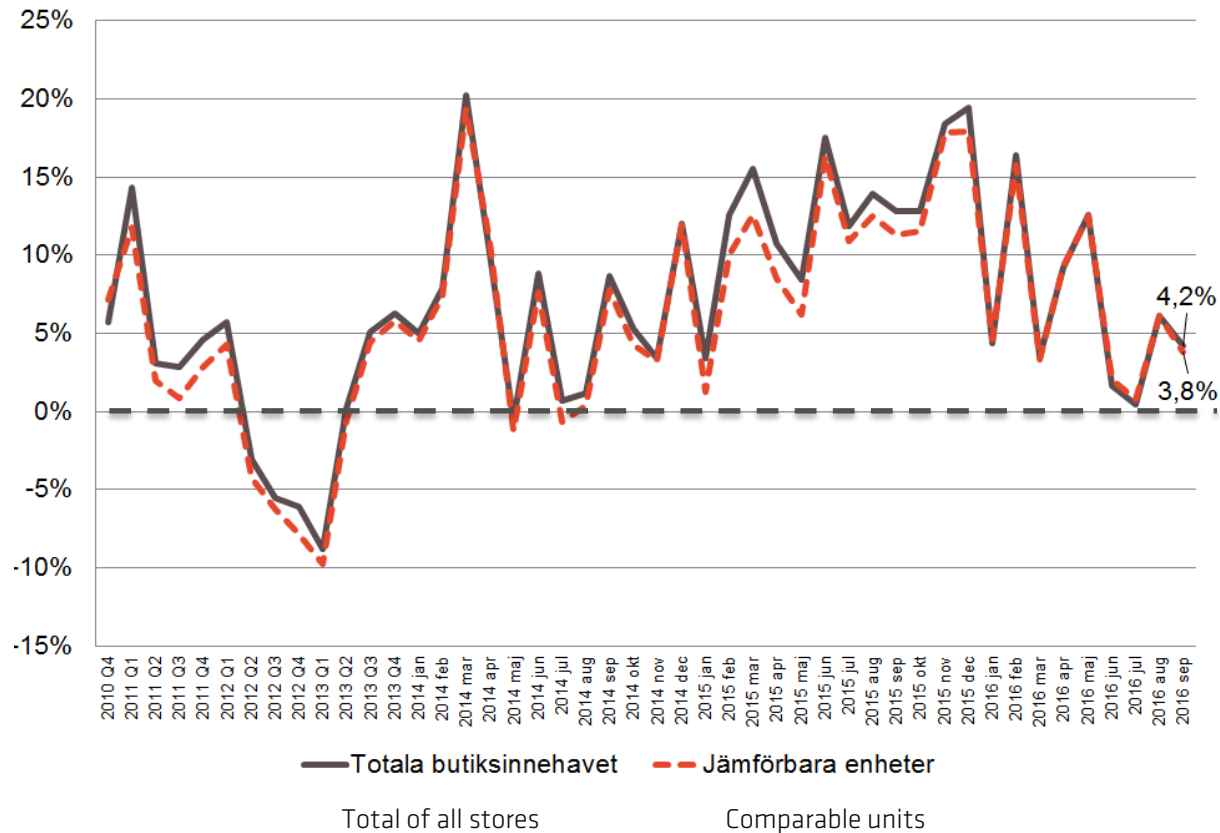
Bygg & Järnindex

Our own index that measures sales at building materials merchants,
now on a monthly basis.

Building on annual sales of around SEK 40 billion (€4,1 billion)

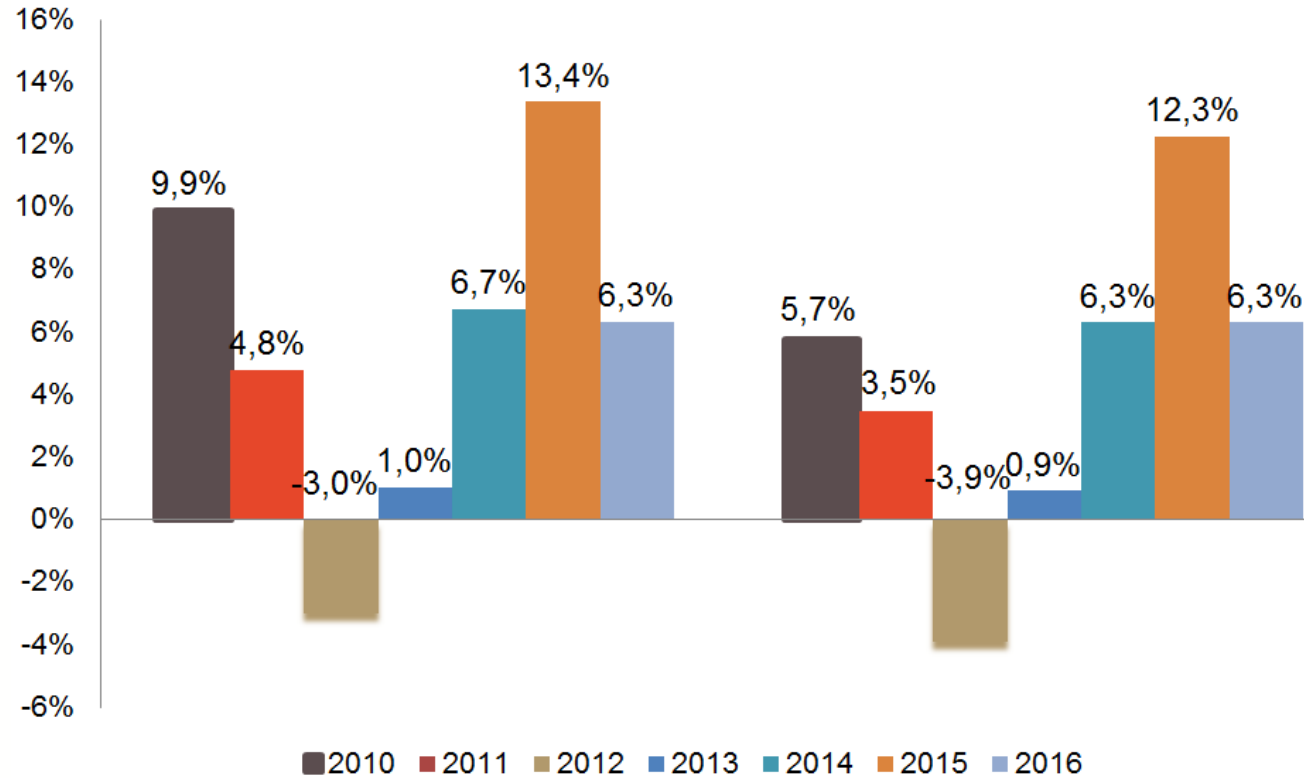
Our partner: HUI Research AB (research-based consultancy in retail
and hospitality).

Sales trend compared with the same period in the prior year



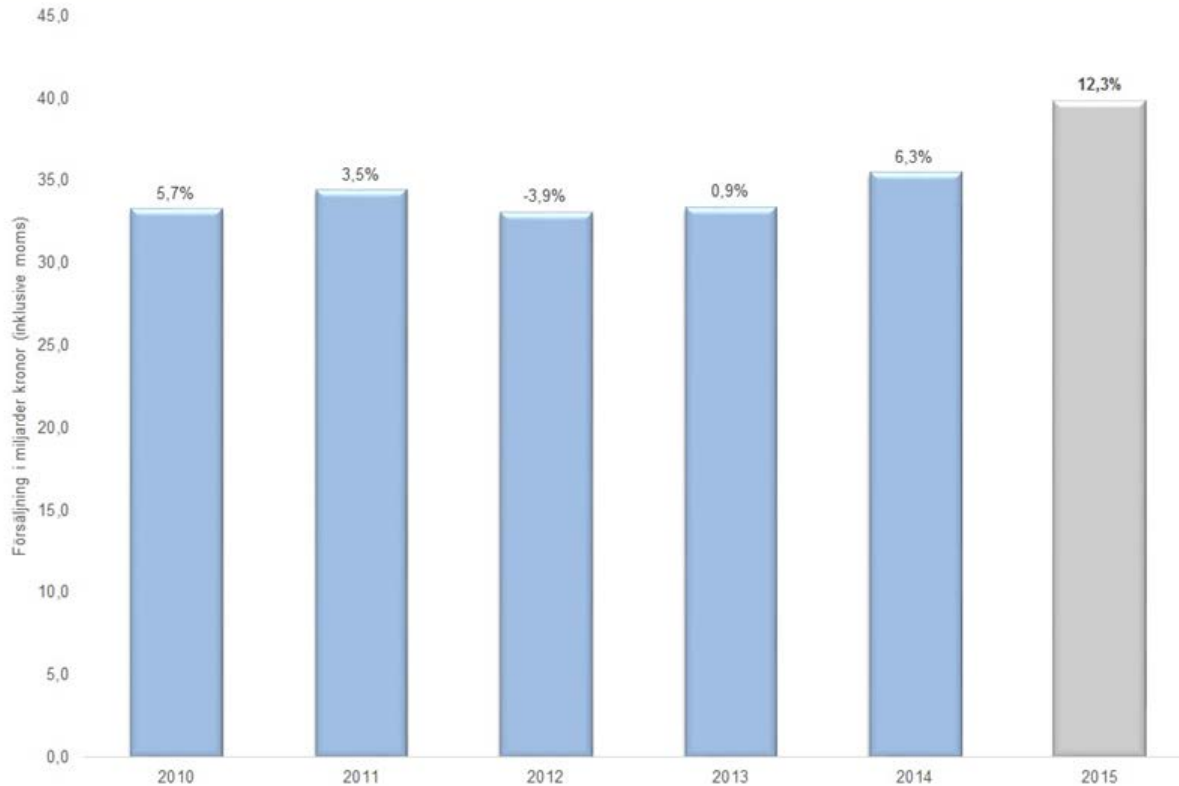
Total of all stores

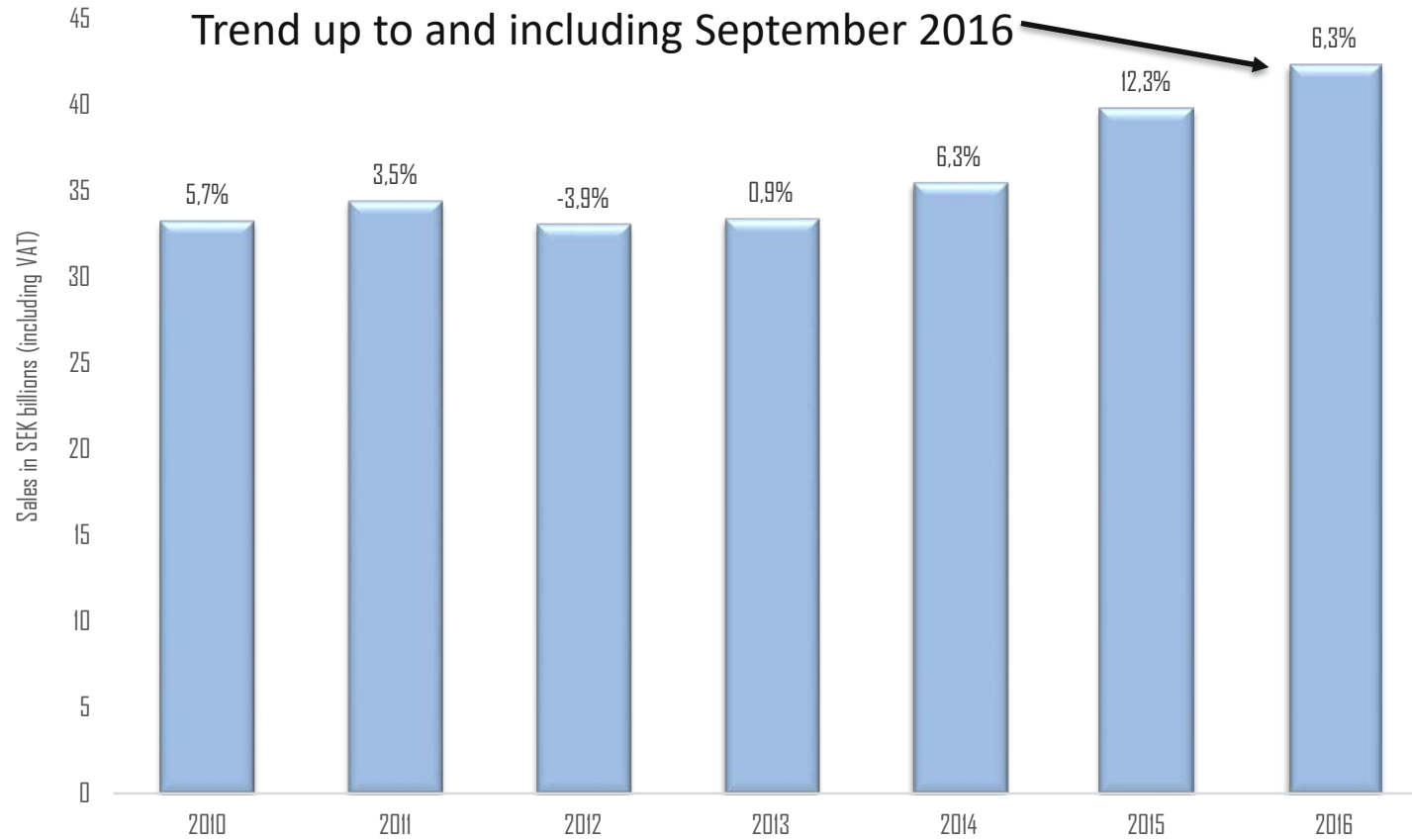
Comparable units



Annual sales (SEK bn) and sales trend (%) measured by comparable units and at current prices

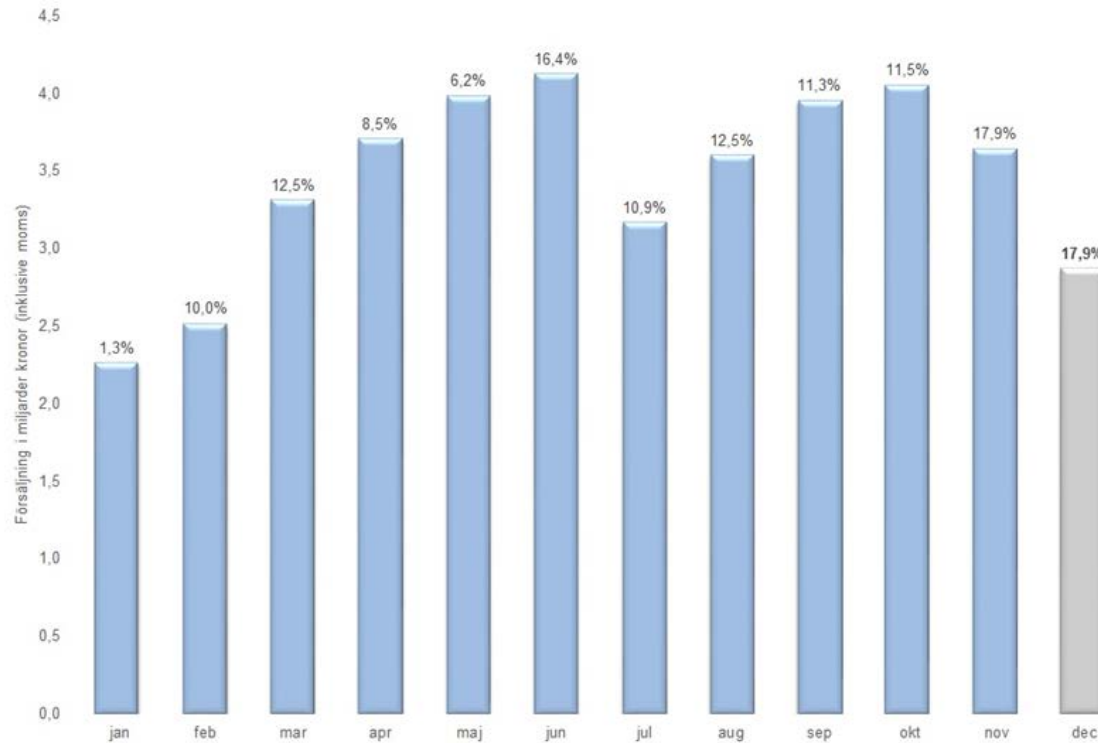
Sales in
SEK
billions
incl.
VAT



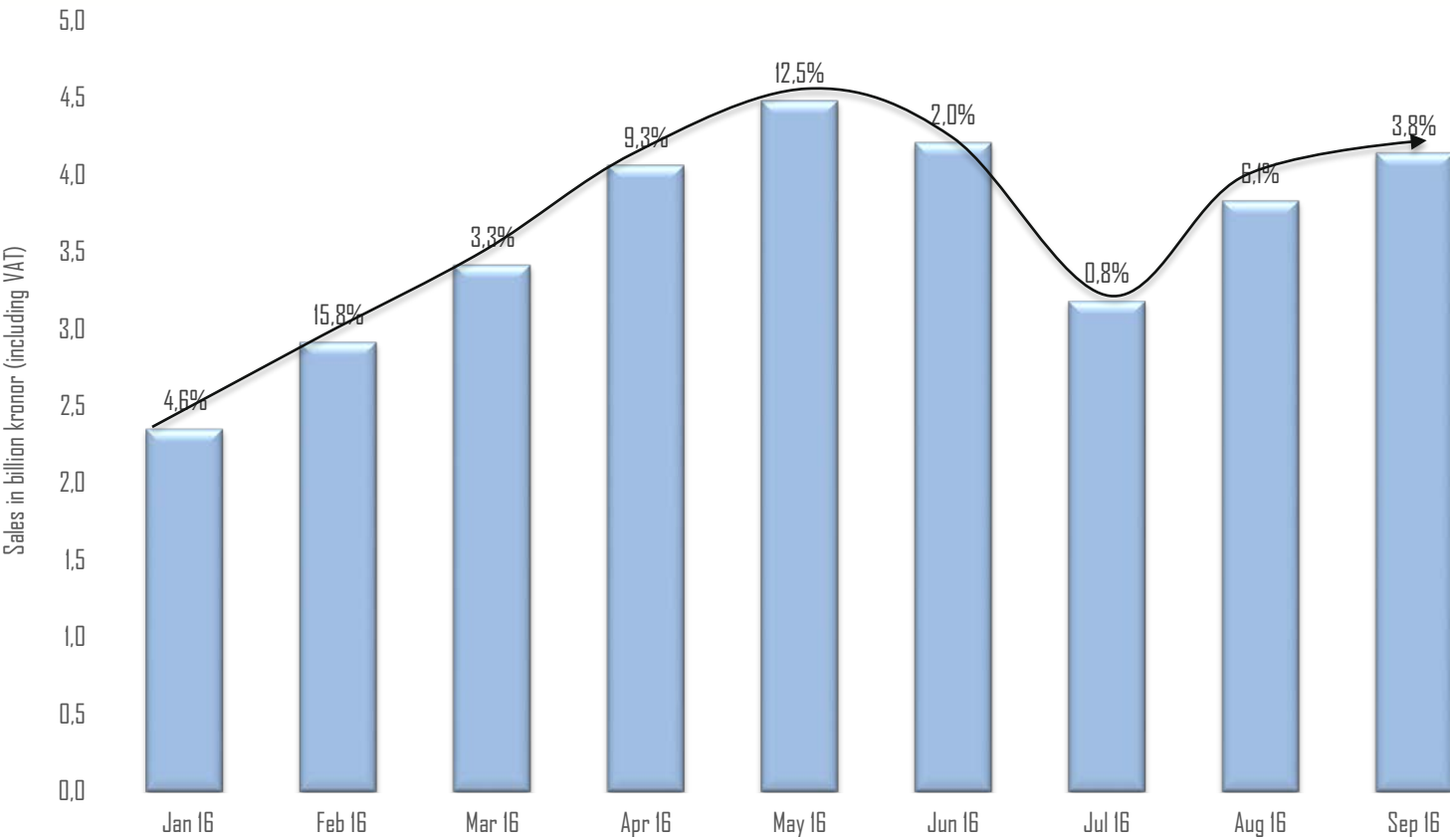


Monthly sales (SEK bn) and sales trend (%) measured by comparable units and at current prices

2015



2016



Wood products sep 2015 – sep 2016

2015 sep	2015 okt	2015 nov	2015 dec	2016 jan	2016 feb	2016 mars	2016 apr	2016 maj	2016 jun	2016 jul	2016 aug	2016 sep
6,6%	18,9%	26,9%	32,7%	3,8%	21,8%	-2,8%	6,8%	14,0%	1,2%	-0,5%	4,1%	9,1%

Wood products 2013 – 2016 (sep)

2013	2014	2015	2016
2,1%	19,8%	16,3%	5,9%

What are we facing October – December?

- October -15 11.5%
- November -15 17.9%
- December -15 17.9%

This year's challenge in Q4

What are we facing October – December?	%	Cumulative up to and including September	
October -15	11.5		
November -15	17.9	2015	10.3%
<u>December -15</u>	<u>17.9</u>	<u>2016</u>	<u>6.3%</u>
Q4 2015	15.4	Q4 -16	?

My forecast for 2016

+ 3-4%

The future



What's happening in the industry?

- Consolidation
- Service offerings (e.g. fully assembled)
- Tougher competition
- Lower profitability (from 2.5-5%)
- Growth in e-commerce



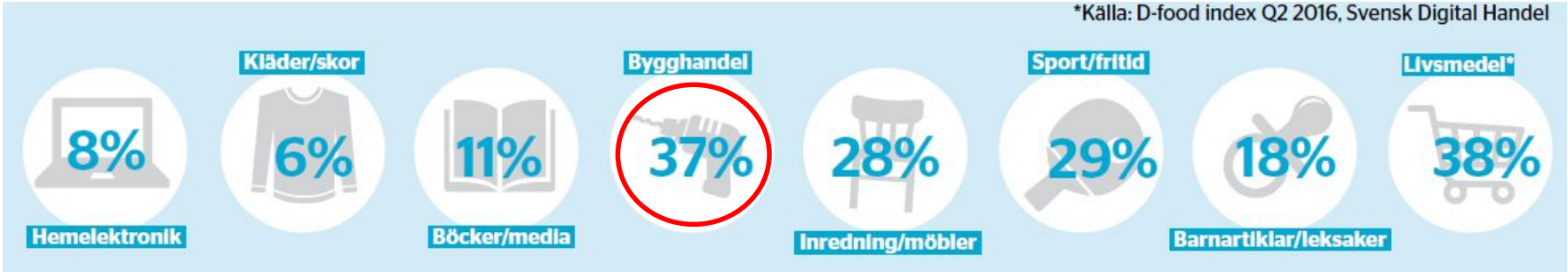


New customer behaviour

- Greater digitalisation (e-commerce +37% Q2)
- Shortage of time, not money
- 24 – 7

Growth in e-commerce Q2 2016

*Källa: D-food index Q2 2016, Svensk Digital Handel



Home electronics

Clothes/Shoes

Books/Media

Building Materials

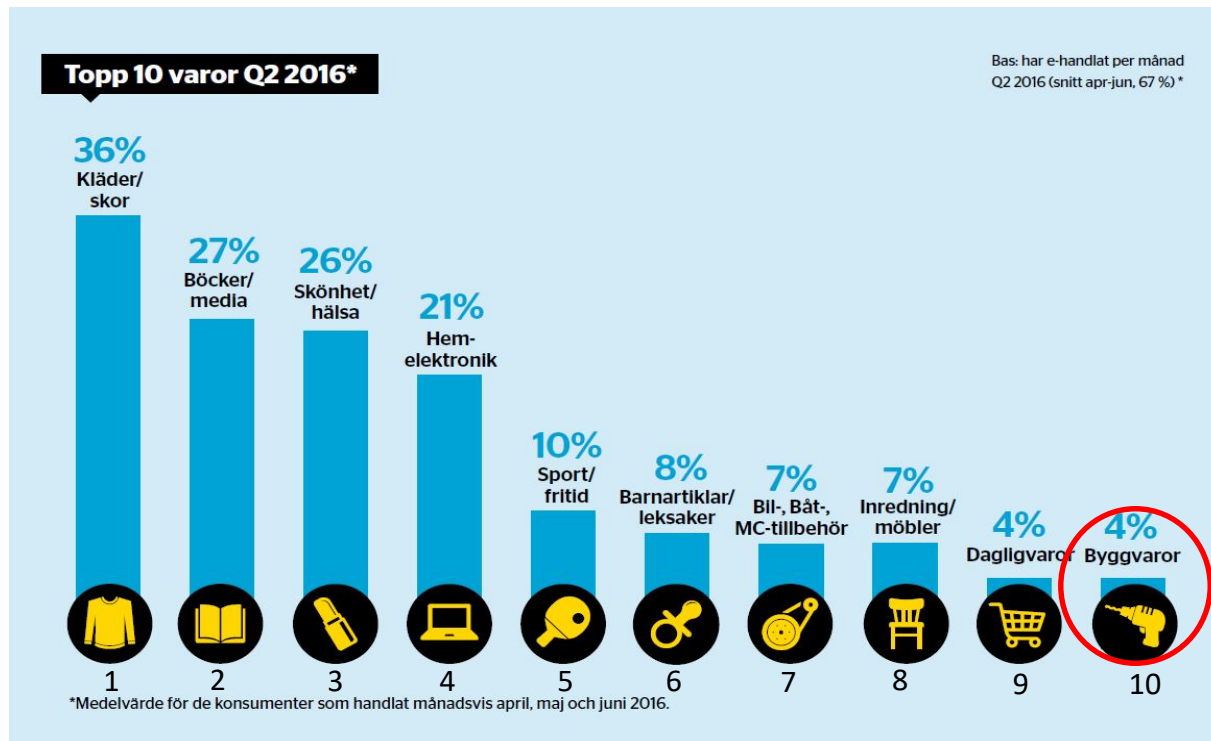
Home furnishings/Furniture

Sport/Leisure

Toys/Games

Food

Top 10 goods



Basis: Has shopped online each month Q2 2016 (average Apr-Jun, 67%)*

1.Clothes 2.Books/Media 3.Health/Beauty 4. Home electronics 5.Sport/Leisure 6.Toys/Games 7.Car/motorbike/boat accessories 8.Furniture 9.Food 10.Building materials

* Average for consumers who had made purchases in April, May and June 2016

19 per cent of Swedes used their mobile phone to shop online in March. Estimates suggest that in total, consumers bought goods worth SEK 3.2m using their mobiles in March, which means around 27 per cent of all purchases made online were carried out using mobile phones.

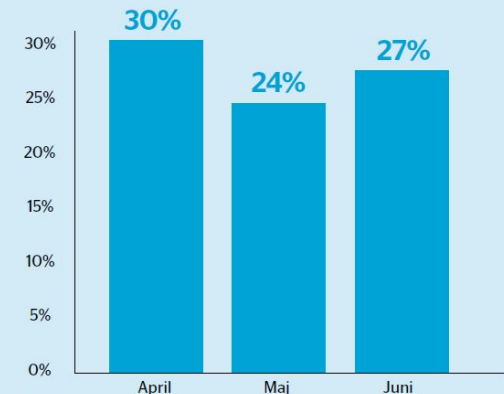
* Average value for consumers who had made purchases in April, May and June 2016.

Share of online purchases made by mobile phone

Var fjärde e-handelsköp av varor sker nu via mobil

Bas: har e-handlat per månad Q2 2016 (snitt apr-jun, 67%)*

Andel av e-handelsköpen av varor där avslutet sker med mobiltelefon



Beräkning:

Har e-handlat (67%) x internetpenetration (95%) x svenskar 18-79 år (7 264 000) x antal avslut via mobilen (0,7) = 3,2 miljoner avslut.

19 procent av svenskarna e-handlade varor med sin mobiltelefon i mars. Sammanlagt uppskattar konsumenterna att de gjorde 3,2 miljoner avslut med mobilen i mars, vilket innebär att cirka 27 procent av alla e-handlade köp genomfördes med mobiltelefon.

*Medelvärde för de konsumenter som handlat månadsvis april, maj och juni 2016.

E-commerce by mobile

One in four purchases is made on a mobile phone!

Calculation:

Shopped online (67%) x internet penetration (95%) x Swedes aged 18-79 (7,264,000) x number of purchases by mobile phone (0.7) = 3.2 million purchases

We are becoming more and more mobile

- Omnichannel, big data, responsiveness
- Rapid growth of mobile e-commerce
- Major focus on digitalisation



Thank you for listening
Any questions?