

**IN THE FIRST QUARTER, BYGGMAX INCREASED NET SALES BY +30%**

**AND NEW FINANCIAL TARGETS HAVE BEEN SET**

### January 1 - March 31

- Net sales amounted to SEK 737.9 M (570.0) up 29.5 percent. Pro forma net sales totaled SEK 666.0 M for the first quarter of 2015, corresponding to a pro forma net sales increase of 10.8 percent.
- Net sales for comparable stores increased 5.3 percent (increased 12.0).
- The gross margin was 31.2 percent (32.2).
- EBITDA amounted to a negative SEK 24.2 M (positive 3.0). Pro forma EBITDA was a negative SEK 17.2 M for the first quarter of 2015.
- The EBITDA margin was a negative 3.3 percent (positive 0.5). The pro forma EBITDA margin amounted to a negative SEK 2.6 M for the first quarter of 2015.
- The loss after tax was SEK 58.2 M (loss 16.9) Mkr.
- Earnings per share totaled SEK -1.0 (-0.3).

### Significant events during January - March

- Six (one) new stores were opened, which included one Byggmax store in Sweden and five Skånska Byggvaror stores in Sweden.
- A total of five stores were converted to the Byggmax 2.0 concept during the quarter.
- On January 4, 2016, Byggmax completed the acquisition of Skånska Byggvaror Group AB. Byggmax acquired Skånska Byggvaror for a total of SEK 936 M, and an earnout payment of SEK 110 M if EBITDA exceeds SEK 67 M in 2016, with a maximum payout if EBITDA amounts to SEK 79 M or higher. The acquisition is being financed by loans. In connection with this transaction, Anders Johansson Eickhoff, President of Skånska Byggvaror, became a member of Byggmax Group's Group management.
- The Board of Directors has set new financial targets for Byggmax. These new financial targets mean that Byggmax net sales is to grow 15 percent per year over time, inclusive of acquisitions, and has to maintain an EBITDA margin of not less than 9 percent. The dividend should be at least 50 percent of net profit.

### Earnings overview

	FIRST QUARTER			12 MONTHS	FULL YEAR
	Jan-Mar 2016	Jan-March 2015	Jan-Mar 2015 proforma <sup>1</sup>	Apr 1, 2015 - Mar 31, 2016	2015
Net sales, SEK M	737.9	570.0	666.0	4,299.1	4,131.1
Gross margin, percent	31.2	32.2	32.3	30.5	30.6
EBITDA, excluding acquisition costs, SEK M	-24.0	3.0	-17.2	398.4	425.5
EBITDA, SEK M	-24.2	3.0	-17.2	388.6	415.8
EBITDA margin, percent	-3.3	0.5	-2.6	9.0	10.1
EBIT, SEK M	-57.8	-16.1	-39.1	290.0	331.7
EBIT margin, SEK M	-7.8	-2.8	-5.9	6.7	8.0
Profit after tax, SEK M	-58.2	-16.9		218.4	259.8
Earnings per share, SEK	-1.0	-0.3		3.6	4.3
Return on equity, percent	-5.2	-1.6		20.6	23.7
Cash flow from operating activities per share, SEK	-1.4	1.5		5.2	8.1
Shareholders' equity per share, SEK	17.9	17.0		17.9	18.8
Number of stores at the end of the period	131	113		131	119
New stores opened during the period	6	1		6	7

<sup>1</sup> Jan-Mar 2015 proforma, see note 4

# PRESIDENT'S COMMENTS ON RESULTS

## Sales increased during the first quarter

Total sales increased 30 percent year-on-year, and growth in comparable units was 5.3 percent. Pro forma sales increased 11 percent. The weakest month for the quarter was March. Sales through the online store increased 45.0 percent, and sales in stores that had converted to Byggmax 2.0 had a positive impact. The sales trend was favorable in all countries, but the strongest increase in sales for comparable units was in Sweden.

Overheads increased during the quarter, mainly due to the increase in the number of stores over the year and the investments Byggmax has made in e-commerce and the sale of services. Overheads also increased as a result of the acquisition of Buildor and Skånska Byggvaror.

In connection with the acquisition of Skånska Byggvaror, the Byggmax Group has decided to amortize customer relationships and brands relating to the acquisition of Skånska Byggvaror. This had already been the practice at Skånska Byggvaror, and current amortization levels are a result of the acquisition and the updated acquisition analysis.

## Gross margin and price changes for products and input goods

The gross margin for the quarter was 1.0 percent lower year-on-year, and 1.1 percent lower than the pro forma figure for the first quarter of 2015. Compared with last year, the gross margin in Norway declined due to exchange-rate effects. In addition, we are selling more online goods with a lower gross margin than the in-store product range. The price of input goods has increased year-on-year, mainly due to exchange-rate fluctuations. Retail prices have remained largely unchanged, with certain variations in each country.

## Market

The Swedish building supplies market grew 8.3% during the first two months of the year. The Norwegian market increased 1.3% and the Finnish market posted growth of 0.5% during the same period. The reduction in the ROT (Repairs, Conversion and Extension) deduction in Sweden has not yet had any major impact on the market. The Norwegian market trended more weakly than in 2015 due to the low oil price and the Norwegian economy's dependence on oil.

## Strategic business decisions

Six new stores opened during the quarter – one Byggmax store and five Skånska Byggvaror stores. The goal for 2016 is to open 10-15 Byggmax stores and five Skånska Byggvaror stores. There is a risk that a heated property market will make it difficult for us to achieve 10-15 Byggmax stores at reasonable rental prices.

## New financial targets

The Board of Directors has set new financial targets for Byggmax. These new financial targets mean that Byggmax net sales is to grow 15 percent per year over time, inclusive of acquisitions, and has to maintain an EBITDA margin of not less than 9 percent. The dividend should be not less than 50 percent of net profit. The company's ambition, which is not a financial target, is to reach net sales of SEK 10 billion with an EBITDA margin of 10% in 2020. The financial targets were updated as a result of the acquisitions completed by Byggmax and as a consequence of the substantial expansion of e-commerce. These business activities have a lower level of profitability than Byggmax's other activities.

## Byggmax upgrades store concept and increases store product range – Byggmax 2.0

Byggmax 2.0 stores continue to deliver promising sales increases and improved gross margins following conversion. A total of five stores were converted during the quarter. Up until the start of the 2016 season, that is before May 2016, the aim is to convert all remaining stores into 2.0 stores.

## Sustainability at Byggmax

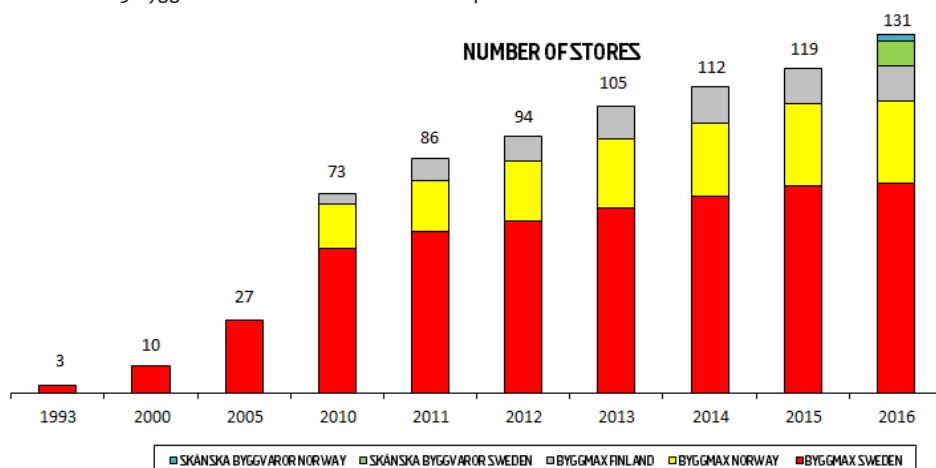
Sustainability is important for Byggmax and impacts our decisions. As part of efforts to preserve the environment, in particular from CO<sub>2</sub> emissions, Byggmax has decided to open a new distribution center in Gävle. The new distribution center in Gävle is about to be launched, and the plan is to begin deliveries from it in the second quarter. Our goal is to reduce carbon dioxide emissions with 25 percent over the period of 2009 to 2020.

## Outlook

The market trend is positive in Sweden, and the market is stronger than it has been for a long time. The markets in Norway and Finland are growing weakly. In the Finnish market, uncertainty continues regarding economic developments. Even Norway is showing a degree of uncertainty due to the low oil price. Our continued capture of market shares in our categories confirms the strength of the concepts in the Byggmax Group. With our low prices and considerable cost awareness, we remain on the side of the customer.



Magnus Agervald  
VD Byggmax Group AB (publ)



In 2016, Byggmax opened six new stores in Sweden: one Byggmax store and five Skånska Byggvaror stores. Following the acquisition, Skånska Byggvaror's existing stores are also included in the diagram for 2016. The image above shows how the store network has expanded since Byggmax was founded in 1993.



# CONSOLIDATED SALES AND EARNINGS

## January 1 - March 31

### Revenues

The operation's net sales totaled SEK 737.9 M (570.0), up 29.5 percent. Operating revenue was SEK 739.7 M (570.9), up 29.6 percent. Net sales for comparable stores increased 5.3 percent in local currency. Operating income at Byggmax amounted to SEK 615.2 M (569.6), to SEK 101.7 M at Skånska Byggarvaror and to SEK 22.9 M (1.3) at other. The increase in sales was influenced positively by the acquisitions. Sales on the website increased 45 percent year-on-year and sales in stores that had converted to Byggmax 2.0 impacted positively. The weakest sales month of the quarter was March.

**The sales increase of 29.5 percent was divided according to the following:**

Comparable stores <sup>1</sup> , local currency, percent	5.3
Non-comparable units and other, percent	26.1
Exchange-rate effects, percent	-2.0
<b>Summa, procent</b>	<b>29.5</b>

The Group opened six (one) stores during the quarter: one Byggmax store in Sweden and five Skånska Byggarvaror stores in Sweden. The total number of stores in the Group as of March 31, 2016 thereby amounted to 131 (113).

### EBIT

EBIT amounted to SEK -57.8 (-16.1) M, corresponding to an EBIT margin of -7.8 percent (-2.8). The gross margin was 31.2 percent compared with 32.2 percent in the year-earlier period. Compared with last year, the gross margin in Norway declined due to exchange-rate effects. In addition, we are selling more online goods with a lower gross margin than the in-store product range.

Personnel costs and other external expenses increased a total of SEK 74.6 M. The increase in expenses compared with the year-earlier period was mainly attributable to costs linked to the acquired companies amounting to SEK 59.8 M.

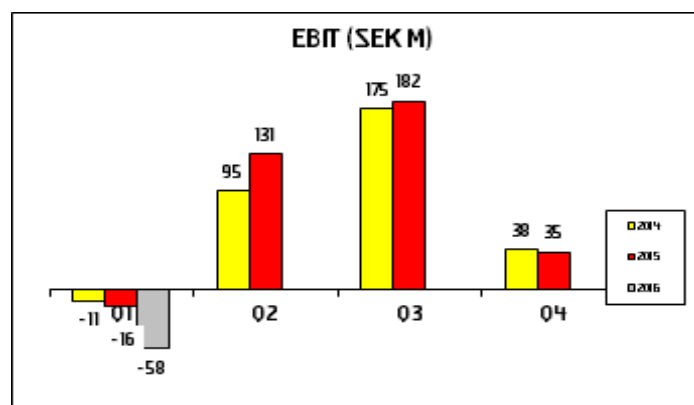
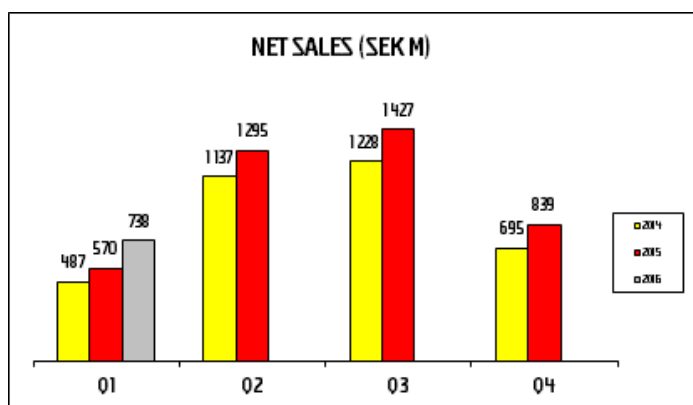
Personnel and other external expenses compared with the pro forma first quarter of 2015 increased SEK 22.9 M. The increase in expenses compared with the pro forma year-earlier period was mainly attributable to costs associated with new stores opened after the first quarter of 2015, amounting to SEK 13.6 M. The increase in costs during the quarter, other than for new stores, was attributable to expenses associated with the investments being made.

### Profit before tax

Profit before tax amounted to SEK -74.5 M (-22.0). Net financial items amounted to a cost of SEK 16.8 M (cost 5.9). Net financial items for the quarter were negatively impacted by exchange-rate effects of SEK 4.4 M (negative 3.7) and increased borrowing as a result of the acquisitions. Earnings were also impacted by a nonrecurring cost of SEK 3.9 M linked to the acquisition of Skånska Byggarvaror Group AB.

### Taxes

Tax revenues for the first quarter of 2016 totaled SEK 16.3 M (5.2).



<sup>1</sup>A comparable unit is considered comparable from the beginning of the second year following the opening of the online or physical store. Stores that are relocated to new premises in existing locations are treated in the same manner. Comparable stores includes two Skånska Byggarvaror stores.

# REPORT ON THE BUSINESS SEGMENT

Skånska Byggvaror AB was acquired by Byggmax on January 4, 2016. Due to the acquisition, the internal follow-up will include separate financial information for each brand, which is why segment information from the first quarter of 2016 will be presented for three segments.

These three segments are Byggmax, Skånska Byggvaror and Other. Other includes Buildor, intra-Group leasing of owned properties, a distribution company and the Parent Company Byggmax Group AB. No individual part of the Other segment represents such a material part that it forms a reportable segment, which is why we have chosen to aggregate them. The performance metric we use internally to follow-up and evaluate operations is EBIT before depreciation/amortization and impairment of tangible and intangible fixed assets (EBITDA). In 2015, operations were only followed up based on one reportable segment, Byggmax, which was included for the comparative period in accordance with the presentation format that will be used in 2016. For more information see note 4.

## Byggmax

The Byggmax segment includes Byggmax AB and the subsidiaries Byggmax Norge and Byggmax AB Finland. Operating income increased 8.0 percent during the first quarter to SEK 615.2 M (569.6). EBIT during the first quarter amounted to a negative SEK 42.1 M (negative 35.2). The fall in earnings can be partially explained by a lower gross margin in Norway due to exchange-rate effects. In addition, we are selling more online goods with a lower gross margin than the in-store product range. Earnings were also impacted by costs for stores opened after the first quarter of 2015 that amounted to SEK 8.8 M. The EBIT margin during the quarter was a negative 6.8 (neg: 6.2) percent.

## Skånska Byggvaror

Operating income increased 18.5 percent during the first quarter to SEK 101.7 M. EBIT during the first quarter amounted to a negative SEK 22.2 M. Earnings were also impacted by costs linked to stores opened after the first quarter of 2015 amounting to SEK 4.8 M. The EBIT margin during the quarter was a negative 21.8 percent.

## SEGMENT SUMMARY

MSEK	January – March	
	2016	2015
<b>Income from external customers</b>		
Byggmax	615.2	569.6
Skånska Byggvaror	101.7	–
Other	22.8	1.3
<b>Total income</b>	<b>739.7</b>	<b>570.9</b>
<b>EBITDA</b>		
Byggmax	-7.5	-5.1
Skånska Byggvaror	-18.5	–
Other	1.8	8.1
<b>Total</b>	<b>-24.2</b>	<b>3.0</b>



# CASH FLOW AND FINANCIAL POSITION

## Cash flow and financial position

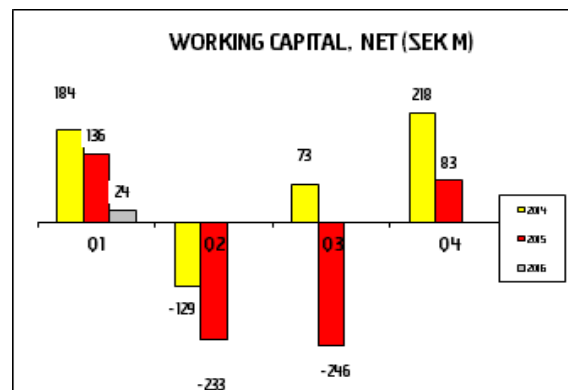
Cash flow from operating activities for the period January to March amounted to SEK -83.3 M (90.1), down SEK 173.4 M year-on-year. Cash flow for the first quarter of 2015 was impacted by calendar effects linked to supplier payments. Inventory totaled SEK 839.3 M (701.7), up SEK 137.6 M. An inventory value of SEK 103.7 was added in conjunction with the acquisition of Skånska Byggvaror. Compared with the end of the year-earlier period, six new Byggmax stores were added and the associated inventory amounted to SEK 28.3 M. Distribution inventory was SEK 18.1 M higher year-on-year.

At March 31, 2016, consolidated shareholders' equity amounted to SEK 1,087.2 M (1,031.4). Consolidated net debt was a negative SEK 1,335.0 M (neg: 413.3), up SEK 941.7 M year-on-year. The higher net debt can be explained by the acquisition of Skånska Byggvaror, which has been financed via a bank loan with Svenska Handelsbanken. The equity/assets ratio amounted to 29.5 percent (46.2). Unutilized credits totaled SEK 219.2 M (105.5).

Investments during the first quarter amounted to SEK 60.4 M (51.8). Of these investments, SEK 18.3 M (3.2) pertained to investments in stores opened or stores to be opened during 2016 and SEK 6.0 M (3.7) IT investments. Investments relating to the conversion of stores to the Byggmax 2.0 concept totaled SEK 24.0 M (24.5) for the first quarter.

During 2012-2013, in two principal cases, Swedish Customs decided to levy Byggmax for additional VAT charges, customs sanction fees, customs and anti-dumping duties. Byggmax and its subsidiaries have appealed these decisions and the subsequent judgements with different legal instances. Swedish Customs has, in turn, appealed against a judgement made by the Administrative Court. The current status of the cases is that the 2012 case was remanded to the Administrative Court for reconsideration, where it was decided to reject Byggmax's appeal. The Supreme Administrative Court decided against providing leave to appeal for the cases from 2013, which had been sent there for appeal by Byggmax's subsidiaries. For further historical information on these cases, please refer to the 2015 Annual Report and previous years.

In parallel with these processes, Byggmax has agreed on future compensation in a corresponding amount with the supplier that sold the products in question and on which general customs and anti-dumping duties were payable. Byggmax paid a total of SEK 23.2 M in customs and anti-dumping duties to Swedish Customs, while outstanding supplier receivables amount to SEK 18.4 M.



## Acquisition of subsidiary

On January 4, 2016, Skånska Byggvaror Group AB (Corp. Reg. No. 556987-6849) was acquired with the aim of strengthening Byggmax's online store offering. Skånska Byggvaror AB is a fast-growing e-commerce player with operations in Sweden, Norway and Denmark. The acquisition includes 100% of the shares in Skånska Byggvaror Group AB and has had the following effects on the consolidated balance sheet and cash and cash equivalents. A possible earnout of SEK 110.0 M was recorded, if EBITDA exceeds SEK 67 M in 2016, with a maximum payout if EBITDA reaches SEK 79 M or more. The earnout for the acquisition is valued at fair value, meaning its full payout value and discounted based on future payment dates. As of March 31, 2016, the discounted earnout amounted to SEK 103.9 M.

Since the acquisition date, Skånska Byggvaror Group AB has contributed SEK 101.7 M in sales and a negative SEK 22.2 M in EBIT. Goodwill resulted from the acquisition, and consists of synergy effects. The effect of deferred tax was also taken into account when making this adjustment. Intangible assets in the form of customer relationships and the brand were identified in connection with the acquisition. Byggmax amortizes these assets, and the annual cost is estimated at SEK 39.6 M for amortizations and SEK 8.7 M for deferred tax. The acquisition analysis is subject to a final adjustment one year after the date of acquisition.

# CASH FLOW AND FINANCIAL POSITION

## CONT.

Preliminary acquisition analysis Skånska Byggsvaror	Fair value, SEK M
Customer relationships	117.8
Brand	191.2
Intangible assets	0.0
Tangible assets	22.8
Deferred tax assets	0.0
Other long-term receivables	0.0
Inventories	58.9
Accounts receivable and other receivables	28.2
Cash and cash equivalents	39.0
Deferred tax	-1.0
Long-term liabilities	-172.5
Accounts payable and other liabilities	-127.5
Net assets acquired	156.9
Goodwill	687.7
Total purchase consideration	844.6
Unpaid part of purchase consideration	-101.9
Cash and cash equivalents at acquired company	-39.0
Change in the Group's cash and cash equivalents following the acquisition	-703.7

### New store openings

Six new stores were opened during the period January to March 2016: one Byggsmax store in Sweden and five Skånska Byggsvaror stores in Sweden.

The following Byggsmax stores have been publicly announced and will be opened in 2016: Eurostop Arlandastad, Köping, Mora, Trelleborg and Åmål in Sweden, Bergen Rådal and Bergen Midtun in Norway.

### The Byggsmax workforce

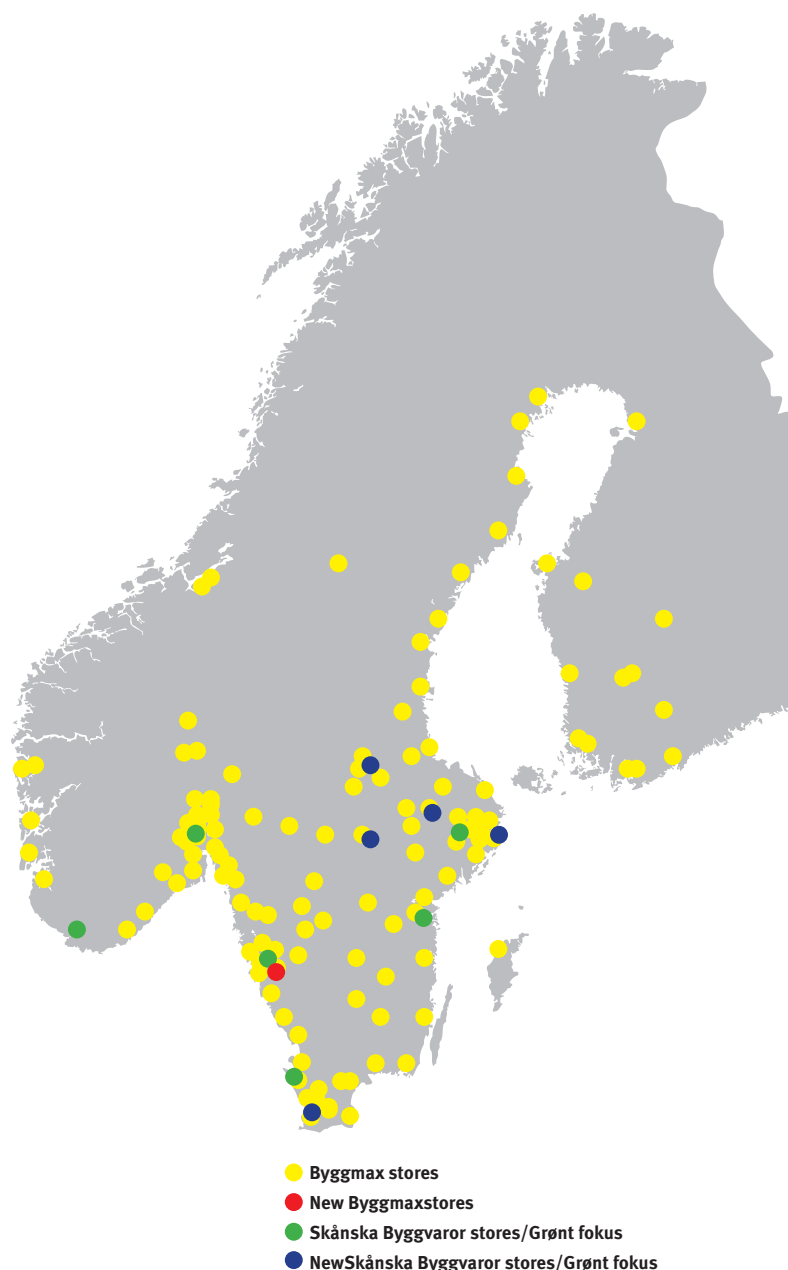
The number of employees, (converted into full-time equivalents) totaled 912 (644) at the end of the period. This increase in the number of employees can be explained by 184 employees at the acquired companies.

### Events after the close of the reporting period

No significant events have occurred since the end of the reporting period.

### MARKET – POTENTIAL FOR FURTHER GROWTH

The Byggsmax Group conducts business in the Swedish, Norwegian, Finnish and Danish do-it-yourself market. The European do-it-yourself market's total turnover is approximately 112.8 billion euros (estimated do-it-yourself market size 2013) according to Mintel and is expected to grow by about two percent per year over the next five years compared with an average annual growth 2009-2013 at 2.2 percent. The corresponding figures for the same period in Sweden, Norway, Finland and Denmark show an average annual growth that exceeds many other European countries since 2009, with Sweden having the highest growth number of 7.6%. Sweden, Norway, Finland and Denmark together account for nearly 6% of the European market, where Norway has the second highest do-it-yourself sales per capita in Europe.



# THE BYGGMAX GROUP

## Byggmax in brief

### Business concept

Byggmax's business concept is to sell high-quality building supplies at the lowest price possible.

### Business model and key factors for success

Byggmax offers affordable high-quality products for the most common maintenance and DIY projects. Since the start in 1993, the organization has been characterized by the so-called "Byggmax concept" which has been decisive for the company's development. The concept is built on a limited product range, resource-efficient administration, strong company culture and a competitive and effective pricing strategy, as well as the stores, distinguished shape and design.

### Goals

Byggmax has determined its long term goals for the Group as follows:

- Nets sales to grow 15 percent per year over time, inclusive of acquisitions.
- To have an EBITDA margin of at least 9 percent a year.
- To distribute at least 50 percent of net profit.

### Strategies

Byggmax's strategy for achieving its financial goals is to expand the chain of stores in existing markets, to improve operating activities and to maintain continuous focus on business development.

To reach the financial goals, Byggmax has defined the following strategies:

- Expand the retail network for Byggmax and Skånska Byggvaror
- Expand the online assortment
- Strengthen the brands in the group
- Continue to drive efficiency within the organization
- Improve the purchasing conditions of goods and services
- Develop the offer, e.g. what we have done by offering construction services for a fixed price

### Byggmax organization

Byggmax has a resource-efficient organization with the majority of business activities managed centrally. Aside from the sales force, which is based in Byggmax stores, most business processes, including Byggmax's online sales, are managed functionwide across all stores by the head office in Solna, near Stockholm.

### Risks and uncertainties

A number of factors can impact Byggmax's earnings and operations. Most of these factors can be managed through internal procedures, while certain factors are largely governed by external circumstances. For a more detailed description of the Group's risks and risk management, refer to the Annual Report.

Apart from the risks described in the Annual Report, no material risks arose during the period.

### Seasonal fluctuations

The company's operations are affected by strong seasonal variations controlled by consumer demand for basic building supplies. Due to the weather's impact on demand, Byggmax's sales and cash flow are generally higher in the second and third quarters, when about two thirds of the company's sales are generated, while these usually decline in the fourth and first quarters. Although seasonal variations do not normally affect Byggmax's earnings and cash flow from year to year, earnings and cash flow may be impacted during the year by unusually harsh or mild weather conditions, or by excessive or insufficient precipitation. Byggmax endeavors to balance the seasonal effects by launching new products that are not as susceptible to seasonal variations.

## About Buildor.se

Buildor.se has been a part of the Byggmax family since October 2015. Buildor.se was launched in 2013 with the goal of making it easier and more pleasant to shop for building supplies. Buildor offers a broad range of varied product categories at the market's most competitive prices for building supplies and interior fittings online. It is just as important for us to provide fast and personal customer service as it is to ensure our employees have the requisite expertise regarding the products' function and accessories to be able to help customers in the most effective way. Another equally important aspect is offering lightning-fast deliveries, which is something Buildor is known for.

## About Skånska Byggvaror

Skånska Byggvaror has been a part of the Byggmax family since January 2016. Skånska Byggvaror was founded in 1965 and is an expansive and profitable online Nordic distance retailer of value-added building products for the DIY market.

Skånska Byggvaror offers a carefully selected and affordable product range to DIY customers, mainly through its web platform. The business model is characterized by a high number of products under its own brand, control of the value chain from product development to home delivery and a high level of service regardless of sales channel. Skånska Byggvaror has 11 stores: nine in Sweden and two in Norway.

<sup>1</sup> Previous financial targets were: • To achieve organic growth in excess of 15 percent of net sales per year by expanding the store network and increasing like-for-like sales. • To maintain an EBIT margin in relation to net sales of more than 11 percent.

## Ownership structure

Ownership	Number of shares	Holding (%)
Nordea Investment Funds	6,548,642	10.78
SEB Investment Management	5,148,325	8.48
Swedbank Robur fonder	4,704,041	7.74
JP Morgan Asset Management (UK) Ltd.	3,035,975	5.00
Norges Bank Investment Management	2,724,616	4.49
Schroder Investment Management North America, Inc.	2,400,000	3.95
Jarrton Management (Göran Peterson)	2,381,296	3.92
Threadneedle Asset Management Ltd.	2,274,415	3.74
Handelsbanken fonder	2,267,475	3.73
Skandinaviska Enskilda Banken AB (Denmark)	1,959,342	3.23
<b>Total of the ten major shareholders</b>	<b>33,444,127</b>	<b>55.06</b>
<b>Total other shareholders</b>	<b>27,292,918</b>	<b>44.94</b>
<b>Total at March 31, 2016</b>	<b>60,737,045</b>	<b>100.00</b>

## Value drivers

Byggmax's ability to create value through its business is impacted in the long and short term by various external and internal factors. A selection of these are listed below.

### Value drivers – short-term factors

- Trends in cost prices – cost prices impact Byggmax's margins. Historically, the market has passed on adjustments in cost prices to the end consumer.
- Competitors' pricing – Byggmax prices products based on the prices of the competition with the objective of always being the cheapest. Therefore, the pricing of competitors affects margins.
- Short-term trends in the DIY market – Byggmax operates in the DIY market and, accordingly, its trends impact the company.
- Weather – Byggmax sells many items for outdoor use and, accordingly, sales are impacted by the weather. Seasonal variations are clearly visible and the company has significantly higher turnover in spring, summer and early autumn.
- Availability of attractive store locations – The establishment of new stores is a key element of Byggmax's strategy in both the long and the short-term, thus making attractive store locations of key importance.

### Value drivers – long-term factors

- The ability to maintain the strong corporate culture – The Byggmax culture plays a key role in the company's success and its retention is a key factor for continued success.
- The ability to execute the Group's strategy and business concept – Maintaining stringency levels in the product range and pricing as well as continuing to trim the organization through continuous improvements comprise a few of the key elements for success.
- The ability to renew the concept and strategies when needed – The Byggmax concept has remained much the same since it was founded in 1993. However, the concept has developed over time and new ideas have been tested and incorporated or discarded.
- Long-term development of the DIY market – Byggmax operates in the DIY market and its long-term trend is important.

- Trends in the attractiveness of the low-price segment in the DIY market – Byggmax's strategy is to become the largest operator in the low-price segment in the Nordic region. Long-term trends are therefore important.

- The competition's strategies and their execution – Byggmax operates in a competitive market and the actions of the competition affect the Group.

## Accounting policies

Byggmax Group AB (publ) applies International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The same accounting policies were applied for the Parent Company as for the Group, except in the cases stated under Parent Company accounting policies in Note 2.16 of the Annual Report for 2015.

For a more detailed description of the accounting policies applied for the Group and the Parent Company in this interim report, refer to Notes 1-4 of the Annual Report for the 2015 fiscal year.

The interim data on pages 1-15 comprises an integrated part of this financial report.

All of the figures listed above and below in parentheses refer to the corresponding period or date in the preceding year.

This report has not been reviewed by the company's auditors.

Stockholm, April 19, 2016

Magnus Agervald  
President, Byggmax Group AB (publ)

## Financial calendar

### Interim reports

- second quarter 2016 - July 15, 2016
- third quarter 2016 - October 19, 2016.

### Annual General Meeting

The 2016 Annual General Meeting (AGM) will be held on May 10, 2016 in Stockholm, Sweden. The Annual Report will be available on our website [www.byggmax.com](http://www.byggmax.com) from the week beginning April 18, 2016.



# Consolidated summary of comprehensive income

Amount in SEK M		Jan - March	12 months	Jan - Dec
	Note	2016	2015	Apr 2015 - Mar 2016
Operating income				
Net Sales		737.9	570.0	4,299.1
Other operating income		1.8	0.9	10.9
Total operating income	1	739.7	570.9	4,309.9
Operating expenses				
Goods for sale		-507.7	-386.3	-2,989.7
Other external costs and operating expenses		-147.8	-103.7	-515.3
Personnel costs		-108.4	-77.9	-416.3
Depreciation, amortization of tangible and intangible fixed assets		-33.6	-19.1	-98.6
Total operating expenses		-797.5	-587.0	-4,019.9
EBIT		-57.8	-16.1	290.0
Profit/Loss from financial items		-16.8	-5.9	-8.4
Profit before tax		-74.5	-22.0	281.6
Income tax		16.3	5.2	-63.2
Profit/loss for the period		-58.2	-16.9	218.4
Other comprehensive income for the period				
Items that will not be reclassified to profit or loss		0.0	0.0	0.0
		0.0	0.0	0.0
Items that may be subsequently reclassified to profit or loss				
Translation differences		3.1	0.7	-8.7
Other comprehensive income for the period		3.1	0.7	-8.7
Total comprehensive income for the period		-55.1	-16.2	209.8
Earnings per share before dilution, SEK		-1.0	-0.3	3.6
Earnings per share after dilution, SEK		-0.9	-0.3	3.5
Average number of shares, (thousands)		60,737	60,737	60,737
Number of shares at the end of the period, (thousands)		60,737	60,737	60,737

## Consolidated summary of statement of financial position

Amounts in SEK M	note	March 31, 2016	March 31, 2015	December 31, 2015
<b>ASSETS</b>				
Fixed assets				
Intangible fixed assets		2,291.7	1,083.2	1,215.7
Tangible fixed assets		344.2	299.0	286.6
Financial fixed assets		24.7	25.1	25.0
Total fixed assets		2,660.6	1,407.3	1,527.2
Current assets				
Inventories		839.3	701.7	666.1
Derivatives		0.0	0.0	0.0
Current receivables		141.4	85.5	109.3
Cash and cash equivalents		48.3	37.0	31.7
Total current assets		1,029.0	824.2	807.1
<b>TOTAL ASSETS</b>		<b>3,689.5</b>	<b>2,231.5</b>	<b>2,334.4</b>

Amounts in SEK M	Note	March 31, 2016	March 31, 2015	December 31, 2015
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Shareholders' equity		1,087.2	1,031.4	1,142.0
<b>LIABILITIES</b>				
Borrowing from credit institutions		800.6	1.2	0.1
Deferred tax liabilities		190.2	95.1	105.8
Other long liabilities		45.4	0.0	42.9
Long-term liabilities		1,036.2	96.3	148.7
Borrowing from credit institutions		602.7	449.1	350.9
Accounts payable		638.1	525.3	520.3
Current tax liabilities		0.0	0.0	18.4
Derivatives		6.6	3.6	0.1
Other liabilities		161.9	27.0	34.4
Accrued expenses and deferred income		156.8	98.9	119.6
Current liabilities		1,566.1	1,103.9	1,043.7
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>3,689.5</b>	<b>2,231.5</b>	<b>2,334.4</b>
Pledged assets - Shares in subsidiaries		0.0	1,133.3	0.0
Pledged assets - Chattel mortgages		0.0	120.0	0.0
Pledged assets - Blocked funds		7.7	7.9	7.7
Contingent liabilities		None	None	None

## Consolidated statement of changes in shareholders' equity

Amounts in SEK M	Note	March 31, 2016	March 31, 2015	December 31, 2015
Opening balance at the beginning of the period		1,142.0	1,047.6	1,047.6
<b>COMPREHENSIVE INCOME</b>				
Translation differences		3.1	0.7	-11.0
Profit for the period		-58.2	-16.9	259.8
Total comprehensive income		-55.1	-16.2	248.8
<b>TRANSACTIONS WITH SHAREHOLDERS</b>				
Dividend to shareholders		0.0	0.0	-157.9
Issue of warrents		0.0	0.0	3.6
Total transactions with shareholders		0.0	0.0	-154.0
Shareholders' equity at the end of the period		1,087.2	1,031.4	1,142.0

## Consolidated cash flow statement

Amounts in SEK M		Jan - March		12 months	Jan - Dec
	Note	2016	2015	Apr 2015 - Mar 2016	2015
Cash flow from operating activities					
EBIT		-57.8	-16.1	290.0	331.7
Non-cash items					
- Depreciation/amortization of tangible and intangible fixed assets		34.4	19.1	100.7	85.4
- Other non-cash items		3.7	1.2	-4.0	-6.5
Interest received		1.3	2.3	7.6	8.7
Interest paid		-15.6	-3.4	-28.9	-16.7
Tax paid		-16.7	-1.8	-66.3	-51.5
Cash flow from operating activities before changes in working capital		-50.6	1.3	299.1	351.1
Changes in working capital					
Increase/decrease in inventories and work in process		-112.8	-90.2	-81.6	-59.0
Increase/decrease in other current receivables		0.4	15.2	11.1	25.9
Increase/decrease in other current liabilities		79.7	163.8	89.9	174.0
Cash flow from operating activities		-83.3	90.1	318.5	491.9
Cash flow from investing activities					
Investment in intangible fixed assets		-6.0	-3.7	-25.2	-22.8
Investment in tangible fixed assets		-54.4	-48.2	-147.6	-141.4
Divestment of tangible fixed assets		0.0	0.0	0.0	0.0
Investment in other financial fixed assets		0.0	0.5	0.2	0.7
Investment in subsidiaries		-703.7	0.0	-775.8	-72.1
Proceeds from sale of subsidiaries		0.0	0.0	31.8	31.8
Cash flow from investing activities		-764.2	-51.4	-916.5	-203.7
Cash flow from financing activities					
Change in overdraft facilities		236.8	-31.3	139.8	-128.3
Issue of warrants	2	0.0	0.0	3.9	3.9
Dividend to shareholders		0.0	0.0	-157.9	-157.9
Borrowings		800.0	0.0	800.0	0.0
Amortization of loans		-172.7	-0.9	-176.3	-4.4
Cash flow from financing activities		864.1	-32.2	609.4	-286.8
Cash flow for the period		16.6	6.6	11.4	1.4
Cash and cash equivalents at the beginning of the period <sup>1</sup>		23.9	22.5	29.1	22.5
Cash and cash equivalents at the end of the period <sup>1</sup>		40.5	29.1	40.5	23.9

<sup>1</sup> Note that cash and cash equivalents in the cash flow are adjusted for restricted bank funds SEK 7,7 M.

## Parent Company income statement

Amounts in SEK M	Note	Jan - March 2016	Jan - March 2015	12 months Apr 2015 - Mar 2016	Jan - Dec 2015
Operating income		0.1	0.1	0.3	0.3
Total operating income		0.1	0.1	0.3	0.3
Operating expenses					
Other external expenses		-1.7	-1.0	-16.3	-15.8
Personnel costs		-0.1	-0.1	-0.9	-0.8
Total operating expenses		-1.7	-1.1	-17.2	-16.6
EBIT		-1.7	-1.1	-16.9	-16.3
Profit from financial items		-4.4	-1.6	143.8	146.6
Profit/loss before tax		-6.1	-2.6	126.9	130.4
Tax on profit/loss		1.3	0.6	0.8	0.0
Profit for the period		-4.7	-2.1	127.7	130.4

No statement of other comprehensive income was prepared since the company recognized no transactions under other comprehensive income. Accordingly, the profit for the period corresponds with the comprehensive income for the period.

## Parent Company balance sheet

Amounts in SEK M	Note	March 31, 2016	March 31, 2015	December 31, 2015
<b>ASSETS</b>				
Fixed assets				
Financial fixed assets		1,708.8	712.1	861.0
Total fixed assets		1,708.8	712.1	861.0
Current assets		157.0	172.3	154.2
Total current assets		157.0	172.3	154.2
<b>TOTAL ASSETS</b>		<b>1,865.8</b>	<b>884.4</b>	<b>1,015.3</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Shareholders' equity		225.9	256.1	230.6
Other long liabilities		844.3	0.0	42.9
Current liabilities		795.7	628.2	741.7
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,865.8</b>	<b>884.4</b>	<b>1,015.3</b>
Pledged assets		None	358.0	None
Contingent liabilities		None	None	None

## Notes to the interim report

### Note 1

INCOME, SEK M	Byggmax	Skånska Byggvaror	Other	Total
Total income per segment	615.2	101.7	185.0	901.9
Income from Group customers per segment	-0.1	–	-162.2	-162.2
Income from external customers	615.2	101.7	22.8	739.7

Loss before amortization and depreciation	-7.5	-18.5	1.8	-24.2
Operating margin before amortization and depreciation	-1.2%	-18.2%	8.0%	-3.3%
Amortization and depreciation				-33.6
Financial income				1.7
Financial expenses				-22.2
Loss before tax				-78.3

ASSETS PER SEGMENT:	Byggmax	Skånska Byggvaror	Other	Total
Total assets per segment	1,794.8	215.2	1,679.5	3,689.5

LIABILITIES PER SEGMENT:	Byggmax	Skånska Byggvaror	Other	Total
Total liabilities per segment:	1,794.8	215.2	1,679.5	3,689.5

### Note 2 Disclosures about transactions with related parties

No transactions occurred between Byggmax and related parties that could significantly impact the Company's position and results.

The 2013 and 2015 annual general meetings resolved to introduce warrants programs for senior executives and other key staff at Byggmax. The warrants were priced at market value, which was based on a valuation made by an independent party. Each warrant entitles its holder to subscribe for one share in the company at the exercise price shown in the table below. The participants of the warrants program have entered into a pre-emption agreement. The 2013 warrant program expires on November 11, 2017 and can be exercised from May 30, 2017. The 2015 warrant program expires on November 30, 2018 and can be exercised from May 30, 2018.

	2013	2015
Total number	562,000	1,116,000
Price	2.24	3.98
Exercise price	42.8	66.4
Term	4.5	3.5
Number of participants	13	21



### Note 3 Income per quarter

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	2014	2014	2014	2014	2015	2015	2015	2015	2016
Net Sales, SEK M	487.0	1,136.7	1,228.1	695.4	570.0	1,294.6	1,427.3	839.3	737.9
Gross margin, percent	34.1	28.9	31.1	32.5	32.2	29.3	30.0	32.4	31.2
EBITDA, excluding acquisition costs, SEK M	4.1	112.4	193.1	56.8	3.0	151.7	203.4	67.3	-24.0
EBITDA, SEK M	4.1	112.4	193.1	56.8	3.0	151.4	203.4	58.0	-24.2
EBITDA margin, percent	0.8	9.9	15.7	8.2	0.5	11.7	14.2	6.9	-3.3
EBIT, SEK M	-11.3	95.1	175.0	37.9	-16.1	130.8	181.6	35.5	-57.8
EBIT margin, percent	-2.3	8.4	14.3	5.4	-2.8	10.1	12.7	4.2	-7.8
Working capital, SEK M	184.3	-129.4	72.9	217.8	136.1	-233.2	-246.4	82.8	23.8
Return on equity, percent	-1.4	7.7	13.6	3.0	-1.6	9.7	14.6	2.3	-5.2
Cash flow from operating activities per share, SEK	0.8	6.6	-0.9	-1.4	1.5	7.9	3.2	-4.6	-1.4
Shareholders' equity per share, SEK	15.8	14.6	16.8	17.2	17.0	16.0	18.4	18.8	17.9
Profit after tax per share	-0.2	1.2	2.1	0.5	-0.3	1.6	2.5	0.4	-1.0
Share price at the end of the period	49.3	56.3	46.6	52.0	60.3	56.0	76.0	87.0	74.5
Number of stores	107	110	112	112	113	117	118	119	131

### Note 4 Acquisitions

The Byggmax Group acquired Buildor AB on November 1, 2015, and Skånska Byggvaror on January 4, 2016. In its year-end report for 2015, Byggmax AB prepared financial pro forma information for Q1-Q4 2015, providing details of the outcome if the merger of Byggmax, Buildor and Skånska Byggvaror had taken place by January 1, 2015. The financial pro forma information included has been taken from the financial information in Byggmax's year-end report for the year ending December 31, 2015, as well as from Buildor and Skånska Byggvaror's annual accounts for the year ending December 31, 2015. The information is reported to illustrate the financial impact of the proposed merger of the companies and their operations. The financial information as of December 31, 2015 has been subject to a review by the company's auditors. The financial pro forma information was prepared based on International Financial Reporting Standards (IFRS) and listing costs to a value of SEK 10.1 M have been excluded. Acquisition costs at Byggmax amounting to SEK 0.3 M in the second quarter and SEK 9.3 M in the fourth quarter have also been excluded. Listing costs at Skånska Byggvaror amounting to SEK 3.0 M in the third quarter and SEK 7.1 M in the fourth quarter have been excluded.

### Proforma profit/loss Byggmax Group including Skånska Byggvaror and Buildor

Amount in SEK M	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Full year 2015
Operating income					
Net Sales	666.0	1,584.0	1,672.7	975.4	4,898.0
Other operating income	0.9	4.0	2.5	2.7	10.1
Total operating income	666.9	1,588.0	1,675.2	978.0	4,908.1
Operating expenses					
Goods for sale	-450.8	-1,105.3	-1,166.6	-659.4	-3,382.1
Other external costs and operating expenses	-136.1	-162.0	-153.0	-125.9	-577.0
Personnel costs	-97.3	-128.0	-124.3	-124.1	-473.6
Depreciation, amortization of tangible and intangible fixed assets	-22.0	-23.5	-24.8	-25.1	-95.3
Total operating expenses	-706.1	-1,418.7	-1,468.7	-934.5	-4,528.0
EBIT, excluding acquisition costs	-39.1	169.3	206.5	43.5	380.1
Acquisition cost	0.0	-0.3	-3.0	-16.4	-19.7
EBIT, including acquisition costs	-39.1	169.0	203.5	27.1	360.4

## Note 5 Fair value disclosures pertaining to financial instruments

The fair value of financial liabilities and assets is estimated as equal to their carrying amounts. All external loans have an interest period of three months, meaning that the carrying amount closely corresponds to fair value.

## Note 6 Financial instruments

Byggmax only holds derivative instruments measured at fair value in its financial statements. These instruments are measured at fair value in profit or loss. The value of the derivative instruments is based on observable data for the asset or liability, i.e. level 2. No reclassifications between the various levels took place during the period.

Byggmax is obliged to make the information in this interim report public in accordance with the Securities Market Act, the Financial Instruments Trading Act or rules established by the stock exchange. This information was sent for publication on April 19, 2016 at 8 a.m.

## Definition of key ratios and figures

Ratios	Definition
Shareholders' equity per share:	Shareholders' equity divided by the number of shares on the balance-sheet date
Cash flow from operating activities per share:	Cash flow from operations in relation to the number of shares outstanding at the balance-sheet date
Earnings per share:	Profit after tax in relation to the number of shares outstanding at the end of the accounting period
Return on equity:	Earnings after tax divided by average equity
Working capital:	Working capital assets (inventories, current receivables) less working capital liabilities (accounts payable, current tax liabilities, other liabilities, accrued expenses and prepaid income)
EBIT margin:	EBIT/net sales
Equity/assets ratio:	Shareholders' equity/total assets

## Definition of market specific ratios and figures

Ratios	Definition
Gross margin:	(Net sales less goods for sale) in relation to net sales
Comparable stores:	A comparable unit is considered comparable from the beginning of the second year following the opening of the online or physical store. Stores relocated to new premises in an existing location are treated in the same manner.

### Contacts

For further information, please contact the following individuals by telephone at + 46 (0)8 514 930 60 or by calling the direct numbers listed below:

#### Magnus Agervald, President

Tel: +46 (0)76 11 90 020

E-mail: magnus.agervald@byggmax.se

#### Pernilla Walfridsson, CFO

Tel: +46 (0)76 11 90 040

E-mail: pernilla.walfridsson@byggmax.se

Background information about Byggmax and press photos are available at [www.byggmax.com](http://www.byggmax.com).

Byggmax Group AB (publ)

Box 6063, SE-171 06 Solna

Sweden

Visiting address: Armégatan 40

Tel: +46 (0)8 514 930 60, fax: +46 (0)8 514 930 79

E-mail: [info@byggmax.se](mailto:info@byggmax.se)

Corporate Registration Number: 556656-3531

Registered office: Solna