

**IN THE FIRST QUARTER, BYGGMAX INCREASED NET SALES BY +6.1%**

## January 1 - March 31

- Net sales amounted to SEK 782.6 M (737.9), up 6.1 percent.
- Net sales for comparable stores increased 0.2 percent (increased 5.3).
- The gross margin was 30.3 percent (31.2).
- EBITDA amounted to a negative SEK 23.5 M (negative 24.2).
- The EBITDA margin was a negative 3.0 percent (negative 3.3).
- EBIT amounted to a negative SEK 61.9 M (negative 57.8).
- The loss after tax was SEK 51.6 M (loss 58.2).
- Earnings per share totaled a negative SEK 0.8 (negative 1.0).

## Significant events during January - March

- Two (six) new stores were opened, which included one Skånska Bygghvaror store in Sweden and one Skånska Bygghvaror store in Norway.

## Earnings overview

	FIRST QUARTER		12 MONTHS	FULL YEAR
	Jan-Mar 2017	Jan-Mar 2016	Apr 2016 - Mar 2017	2016
Net sales, SEK M	782.6	737.9	5,464.0	5,219.3
Gross margin, percent	30.3	31.2	30.4	30.6
EBITDA, excluding acquisition costs, SEK M	-23.5	-24.0	582.2	581.6 <sup>1</sup>
EBITDA, SEK M	-23.5	-24.2	582.0	581.3 <sup>1</sup>
EBITDA margin, percent	-3.0	-3.3	11.1	11.1 <sup>1</sup>
EBIT, SEK M	-61.9	-57.8	387.7	391.8 <sup>1</sup>
EBIT margin, SEK M	-7.9	-7.8	7.4	7.5 <sup>1</sup>
Profit after tax, SEK M	-51.6	-58.2	291.3	284.6
Earnings per share, SEK	-0.8	-1.0	4.8	4.7
Return on equity, percent	-4.0	-5.2	24.9	23.3
Cash flow from operating activities per share, SEK	-1.1	-1.4	5.8	5.5
Shareholders' equity per share, SEK	20.6	17.9	20.6	21.4
Number of stores at the end of the period	141	131	141	140
New stores opened during the period	2	6	10	15

<sup>1</sup> Earnings 12 months, and full year, 2016 were impacted by the revaluation of the earnout linked to the acquisition of Skånska Bygghvaror Group AB and part of the earnout for Buildor AB. The effect on other operating income totaled SEK 112.3 M. Earnings were also impacted by SEK -44.8 M goodwill impairment linked to the acquisition of Skånska Bygghvaror Group AB.

# PRESIDENT'S COMMENTS ON RESULTS

## Sales increased during the first quarter

Sales in the first quarter increased by 6.1 percent year-on-year, while sales in comparable stores were largely unchanged (increased 0.2 percent, compared with a 5.3 percent increase in the year-earlier period). In addition to challenging comparative figures, the sales trend for the quarter was negatively impacted by calendar effects (the preceding year had one more trading day due to leap year, and Easter fell in March). Our online sales continue to show good growth.

Sales for the Byggmax segment increased 6.5 percent during the quarter, and sales for Skånska Bygghvaror increased by 3.2 percent during the same period. February was the weakest sales month of the quarter.

## Gross margin and earnings

Profitability measured as EBITDA margin increased slightly compared with the preceding year. EBITDA margin was -3.0 percent for the quarter, compared with -3.3 percent for the year-earlier period.

The gross margin for the quarter was 0.9 percentage points lower year-on-year.

The gross margin for the Byggmax segment increased during the quarter. The gross margin was positively affected by the stronger NOK, but adversely impacted by mix-effects and rising costs for input goods. Retail prices have remained largely unchanged. The gross margin for Skånska Bygghvaror declined significantly during the quarter as a result of aggressive pricing, mix effects and rising costs for input goods. The effect of aggressive pricing is mainly attributed to orders placed during the fourth quarter 2016, but where products were delivered and sales recorded during the first quarter 2017. Skånska Bygghvaror has also taken measures to improve price and campaign management, which has resulted in positive effects in the first quarter.

Cost control was good during the first quarter, and we have taken measures to reduce costs in all companies in the Group. The Group's cost share of sales was lower during the first quarter than one year earlier.

## Market

The Swedish building supplies market grew 6.2 percent during the first two months of the year. According to Bygghvaruhandlarna, the Swedish market is negatively affected by the reduction in ROT (Repairs, Conversion and Extension) deductions, but positively affected by an increase in new housing production. Byggmax, which primarily targets consumers, has not substantially benefited from the positive affect of an increase in new-builds.

During the same period, the Norwegian market increased 3.7 percent and the Finnish market 0.9 percent. The Danish market was unchanged in January, 0.0 percent.

## Strategic business decisions

During the first quarter 2017, two new Skånska Bygghvaror stores opened. We have also announced five new Byggmax stores, and one Skånska Bygghvaror store, which will open in 2017.

In April, we made changes to Group management. The Byggmax segment accounts for the vast majority of the Group's business. To better reflect the Group's operations and priorities, Byggmax Country Managers and the head of the Byggmax Marketing & Store concept are now part of Group management.

## Sustainability at Byggmax

Sustainability is important for Byggmax and impacts our decisions. As part of our efforts to preserve the environment, in particular from CO<sub>2</sub> emissions, Byggmax opened a new distribution center in Gävle during the second quarter of 2016. The center reduces the need for road freight, since this will be replaced with sea freight, which emits less CO<sub>2</sub>.

## Outlook

With low prices, cost consciousness, presence in several channels and a broad product range, we are on the side of the customer.

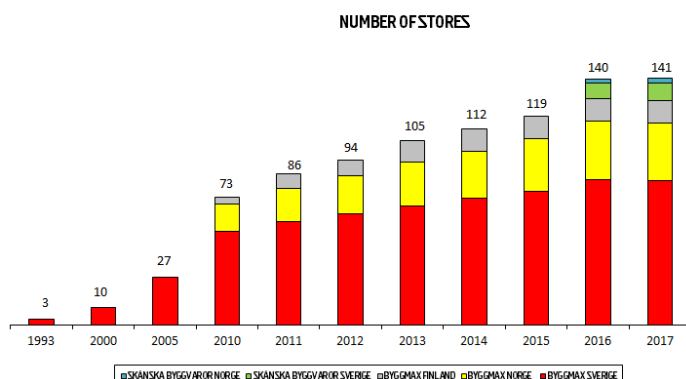
The market trend in Sweden is positive over time. The market showed strong growth during the first half 2016, ROT deductions have decreased during the first quarter 2017, and the trend in the consumer market will probably remain weak during the first half 2017. In both the Finnish and Norwegian market, uncertainty remains regarding economic developments. We continue to take market shares in our categories, which confirms the strength of the concepts in the Byggmax Group.

We plan to continue grow through online sales and stores, and aim to open 8 to 12 new stores in 2017.

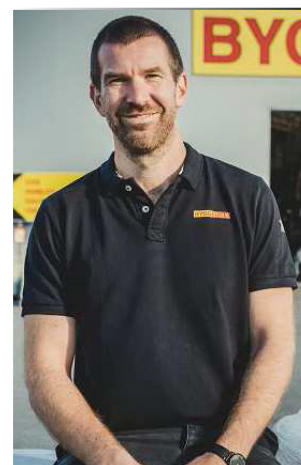
During the spring, we are updating the strategic plan for Byggmax Group, and this work is proceeding as planned. We will communicate the result of this work in June.



**Mattias Ankarberg**  
President, Byggmax Group AB (publ)



In 2017, Byggmax has opened two new stores: one Skånska Bygghvaror stores in Sweden and one Skånska Bygghvaror store in Norway. Following the acquisition, Skånska Bygghvaror'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 782.6 M (737.9), up 6.1 percent. Operating revenue was SEK 783.3 M (739.7), up 5.9 percent. Net sales for comparable stores increase 0.2 percent in local currency. Operating income amounted to SEK 655.2 M (615.2) for Byggmax, SEK 104.9 M (101.7) for Skånska Byggvaror and SEK 23.1 M (22.9) for Other. The weakest sales month of the quarter was

The sales increase of 6.1 percent was divided according to the following:	
Comparable stores <sup>1</sup> , local currency, percent	0.2
Non-comparable units and other, percent	4.2
Exchange-rate effects, percent	1.7
<b>Total, percent</b>	<b>6.1</b>

The Group opened two (six) stores during the quarter: One Skånska Byggvaror store in Sweden and one Skånska Byggvaror store in Norway. Design your living store was closed during the first quarter 2017. The total number of stores in the Group as of March 31, 2017 thereby amounted to 141 (131).

### EBIT

EBIT amounted to SEK -61.9 (-57.8) M, corresponding to an EBIT margin of -7.9 percent (-7.8). The gross margin was 30.3 percent, compared with 31.2 percent in the year-earlier period. The gross margin for the Byggmax segment increased during the quarter. The gross margin was positively affected by the stronger NOK, but adversely impacted by mix-effects and rising costs for input goods. Retail prices have remained largely unchanged. The gross margin for Skånska Byggvaror declined significantly during the quarter as a result of aggressive pricing, mix effects and rising costs for input goods.

Personnel costs and other external expenses increased a total of SEK 3.4 M. The increase in expenses compared with the year-earlier period was mainly attributable to costs associated with new stores opened after the first quarter of 2016, amounting to SEK 11.5 M. Other external expenses, excluding expenses for new stores, decreased, mainly due to good cost-control, and as a result of measures implemented to reduce costs in every company in the Group.

EBITDA amounted to SEK -23.5 (-24.2 M), corresponding to an EBITDA margin of -3.0 percent (-3.3). EBIT was impacted by the amortization of customer relationships and brands totaling SEK 9.9 M (9.9) identified in connection with the acquisition of Skånska Byggvaror Group AB.

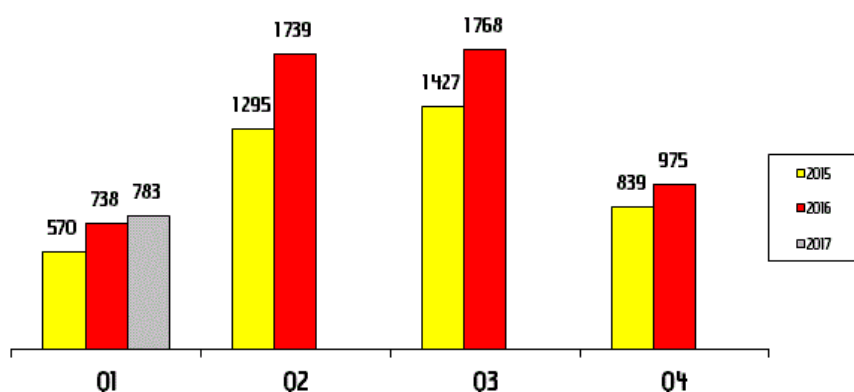
### Profit before tax

Profit before tax amounted to SEK -66.8 M (-74.5). Net financial items amounted to a cost of SEK 4.9 M (cost: 16.8). Net financial items for the quarter were negatively impacted by exchange-rate effects of SEK 0.1 M (negative 4.4). The preceding year's net financial items were negatively affected by a non-recurring item of SEK 3.9 M linked to the acquisition of Skånska Byggvaror Group AB and the discount rate on the earnout on Skånska Byggvaror Group AB and Buildor AB.

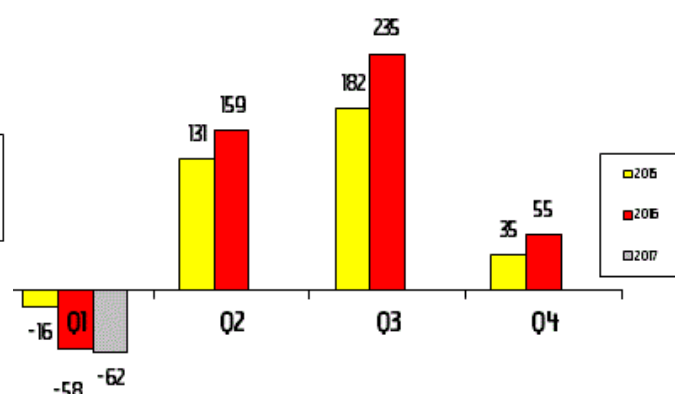
### Taxes

Tax revenue for the first quarter of 2017 totaled SEK 15.2M (16.3).

NET SALES (SEK M)



EBIT (SEK M)



<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 six Skånska Byggvaror stores.

# REPORT ON THE BUSINESS SEGMENT

Skånska Byggvaror AB was acquired by Byggmax on January 4, 2016. The internal follow-up includes 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). For more information see note 1.

## Byggmax

The Byggmax segment includes Byggmax AB and the subsidiaries Byggmax Norge and Byggmax AB Finland. Operating income increased 6.5 percent, to SEK 655.3 M (615.2), during the first quarter. The gross margin was positively affected by the stronger NOK, but adversely impacted by mix-effects and rising costs for input goods. Retail prices have remained largely unchanged. EBITDA amounted to SEK 0.2M (-7.5) for the first quarter. The EBITDA margin for the quarter was 0.0 percent (-1.2). Earnings were also impacted by costs for stores opened after the first quarter of 2016, amounting to SEK 10.7 M.

## Skånska Byggvaror

Operating income rose 3.2 percent to SEK 104.9 M (101.7) during the first quarter. The gross margin for Skånska Byggvaror declined significantly during the quarter as a result of aggressive pricing, mix effects and rising costs for input goods. EBITDA amounted to a negative SEK 19.5 M (negative 18.5) for the first quarter. Earnings were also impacted by costs for stores opened after the first quarter of 2016, amounting to SEK 0.8 M. The EBITDA margin was a negative 18.6 percent (negative 18.2) for the quarter. EBIT for the Group was impacted by the amortization of customer relationships and brands totaling SEK 9.9 M (9.9) for the quarter, identified in connection with the acquisition of Skånska Byggvaror Group AB.

## SEGMENT SUMMARY

SEK M	Jan-March		12 months <sup>1</sup>	Jan-Dec <sup>1</sup>
	2017	2016	Apr 2016- Mar 2017	2016
<b>Income from external customers</b>				
Byggmax	655.3	615.2	4,371.7	4,331.6
Skånska Byggvaror	104.9	101.7	797.9	794.7
Other	23.1	22.8	222.0	221.7
<b>Total income</b>	<b>783.3</b>	<b>739.7</b>	<b>5,391.6</b>	<b>5,348.0</b>
<b>EBITDA</b>				
Byggmax	0.2	-7.5	425.5	417.8
Skånska Byggvaror	-19.5	-18.5	53.4	54.4
Other	-4.2	1.8	103.1	109.2
<b>Total</b>	<b>-23.5</b>	<b>-24.2</b>	<b>582.0</b>	<b>581.3</b>
<b>EBITDA margin, percent<sup>2</sup></b>				
Byggmax	0.0	-1.2	9.7	9.6
Skånska Byggvaror	-18.6	-18.2	6.7	6.8
Other	-18.2	7.9	46.4	49.3
<b>Total EBITDA margin, percent</b>	<b>-3.0</b>	<b>-3.3</b>	<b>10.8</b>	<b>10.9</b>

<sup>1</sup> Earnings 12 months, and full year, 2016 were impacted by the revaluation of the earnout linked to the acquisition of Skånska Byggvaror Group AB and part of the earnout for Buildor AB. The effect on other operating income totaled SEK 112.3 M. Earnings were also impacted by SEK -44.8 M goodwill impairment linked to the acquisition of Skånska Byggvaror Group AB.

<sup>2</sup> EBITDA margin in "Segment summary" is calculated on total income.



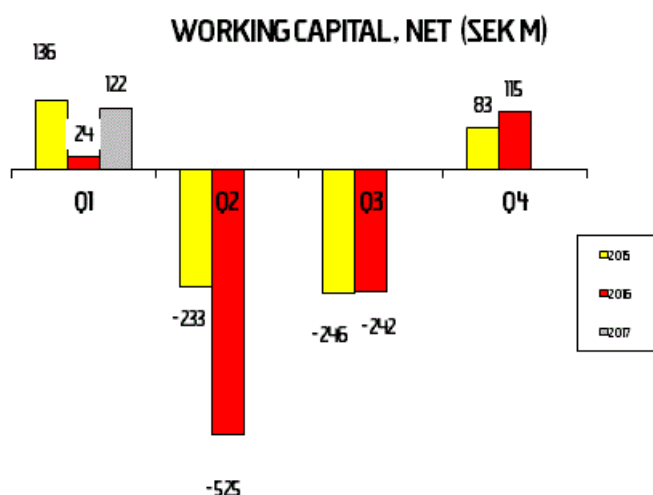
# CASH FLOW AND FINANCIAL POSITION

## Cash flow and financial position

Cash flow from operating activities amounted to SEK -37.0 M (negative: 50.6) for the period January to March, up SEK 13.6 M year-on-year. Inventory totaled SEK 920.5 M (839.3), up SEK 81.2 M. Inventory for Skånska Byggarvaror totaled to SEK 112.1 M (103.7). Compared with the end of the year-earlier period, ten new Byggmax stores were added and the associated inventory amounted to SEK 40.9 M. Distribution inventory was SEK 17.9 M higher year-on-year.

At March 31, 2017, consolidated shareholders' equity amounted to SEK 1,248.3 M (1,087.2). Consolidated net debt was SEK 1,278.6 M (debt: 1,335.0), down SEK 76.4 M year-on-year. The equity/assets ratio amounted to 33.3 percent (29.5). Unutilized credits totaled SEK 143.4 M (219.2).

Investments during the first quarter amounted to SEK 26.9 M (60.4). Of these investments, SEK 3.1 M (18.3) pertained to investments in stores opened or stores to be opened during 2017 and SEK 11.7 M (6.0) IT investments. Investments relating to the conversion of stores to the Byggmax 2.0 concept totaled SEK 24.0 M for the first quarter 2016.



## New store openings

A total of two (six) new stores were opened during the period January to March 2017: one Skånska Byggarvaror store in Sweden and one Skånska Byggarvaror store in Norway.

The following stores have been publicly announced and will be opened in 2017: Skene, Östhammar, Veddesta and Söderhamn in Sweden and Bryne in Norway. One Skånska Byggarvaror store is publicly announced to be opened in 2017; Bergen in Norway.

## The Byggmax workforce

The number of employees (converted into full-time equivalents) totaled 920 (912) at the end of the period.

## Parent Company

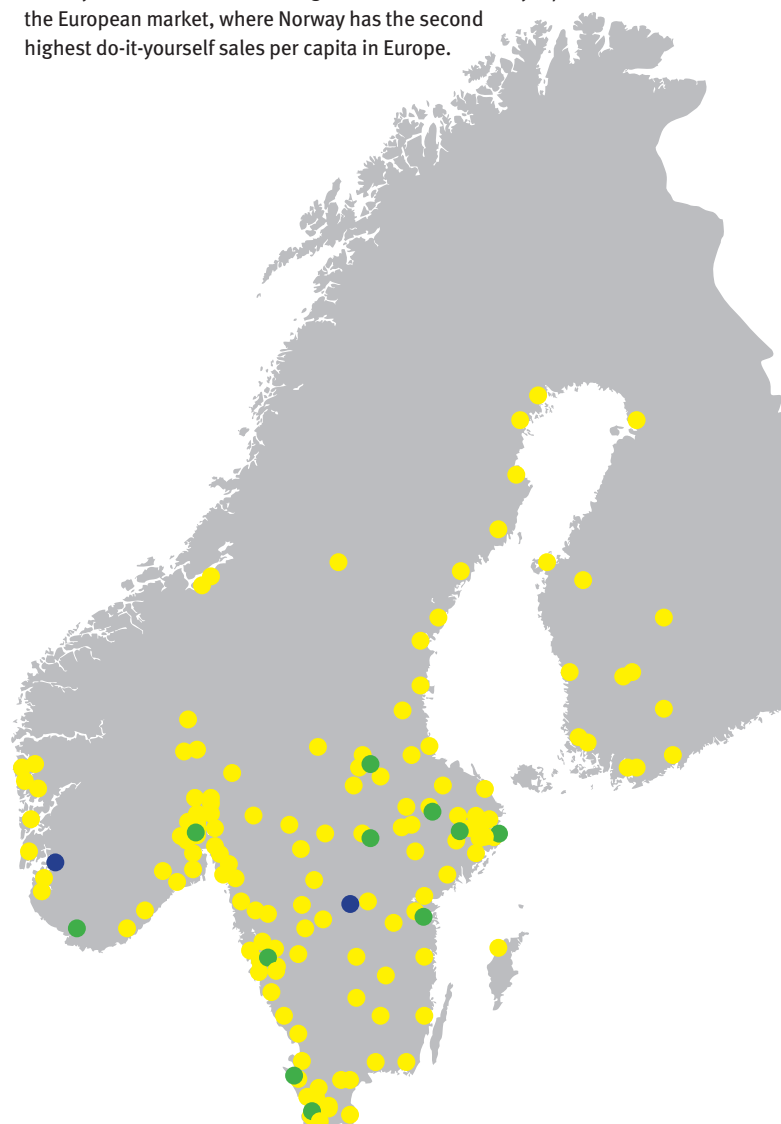
The Parent Company comprises a holding company. The Parent Company's sales amounted to SEK 0.1 M (0.1) for the first quarter. EBIT amounted to SEK -1.6 M (-1.7). Profit after financial items amounted to SEK -4.5 M (-6.1) for the first quarter.

## Events after the close of the reporting period

Byggmax Group completed changes to Group management to better support the Group's operations and priorities. The change came into force on April 15, 2017.

## Market - potential for further growth

The Byggmax 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 percent. Sweden, Norway, Finland and Denmark together account for nearly 6 percent of the European market, where Norway has the second highest do-it-yourself sales per capita in Europe.



<span style="color: yellow;">●</span>	Byggmax stores	128
<span style="color: red;">●</span>	New Byggmax stores	0
<span style="color: green;">●</span>	Skånska Byggarvaror/Grønt fokus stores	11
<span style="color: blue;">●</span>	New Skånska Byggarvaror/Grønt fokus stores	2

# 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 per 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. In addition to the office in Solna, Skånska Byggvaror has an office in Helsingborg.

## 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. During the end of 2016, Buildor was launched on the Norwegian market, Buildor.no.

## 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 thirteen: ten in Sweden and three in Norway.



## Ownership structure

Ownership	Number of shares	Holding (%)
Nordea Investment Funds	6,127,894	10.09
Swedbank Robur fonder	5,701,300	9.39
ODIN Forvaltning AS	3,739,417	6.16
Handelsbanken fonder	3,595,584	5.92
Carnegie fonder	3,344,150	5.51
Afa Försäkring	2,800,742	4.61
Evli Fund Management Co. Ltd.	1,678,817	2.76
Threadneedle Asset Management Ltd.	1,541,542	2.54
Försäkringsaktiebolaget, Avanza Pension	1,518,109	2.50
SEB Investment Management	1,024,465	1.69
<b>Total of the ten major shareholders</b>	<b>31,072,020</b>	<b>51.16</b>
<b>Total other shareholders</b>	<b>29,665,025</b>	<b>48.84</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 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 competitor's strategies and their execution – Byggmax operates in a competitive market and the actions of the competitor affect the Group.
- E-commerce trend in building materials – E-commerce comprises a significant portion of Byggmax's sales and is an area in which the Byggmax Group is investing.
- Trend in demand for sun rooms – Sun rooms represent an important product group for Skånska Byggvaror, one of the companies in the Byggmax 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 2016.

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 2016 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 24, 2017

Mattias Ankarberg  
President, Byggmax Group AB (publ)

## Financial calendar

Interim report, second quarter 2017	July 17, 2017
Interim report, third quarter 2017	October 18, 2017

Annual General Meeting  
The 2016 Annual General Meeting will be held on May 10, 2017 in Stockholm.

The Annual Report is available on our website:  
[www.byggmax.com](http://www.byggmax.com) from the week beginning April 17, 2017.

## Consolidated summary of comprehensive income

Amount in SEK M		Jan - March	12 months	Jan-Dec
	Note	2017	2016	Apr 2016- Mar 2017
Operating income				
Net sales		782.6	737.9	5,264.0
Other operating income		0.7	1.8	127.6
Total operating income	1	783.3	739.7	5391.6
Operating expenses				
Goods for sale		-545.7	-507.7	-3,661.5
Other external costs and operating expenses		-137.9	-147.8	-606.7
Personnel costs		-123.1	-108.4	-541.4
Depreciation, amortization of tangible and intangible fixed assets		-38.4	-33.6	-194.3
Total operating expenses		-845.2	-797.5	-5,003.9
EBIT		-61.9	-57.8	387.7
Profit/loss from financial items		-4.9	-16.8	-29.7
Profit before tax		-66.8	-74.5	358.0
Income tax		15.2	16.3	-66.7
Profit/loss for the period		-51.6	-58.2	291.3
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		-2.2	3.1	6.5
Other comprehensive income for the period		-2.2	3.1	6.5
Total comprehensive income for the period		-53.8	-55.1	297.7
Earnings per share before dilution, SEK		-0.8	-1.0	4.8
Earnings per share after dilution, SEK		-0.8	-0.9	4.7
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, 2017	March 31, 2016	December 31, 2016
<b>ASSETS</b>				
Fixed assets				
Intangible fixed assets		2,221.0	2,291.7	2,222.3
Tangible fixed assets		364.0	344.2	375.7
Financial fixed assets		19.4	24.7	21.0
Total fixed assets		2,604.5	2,660.6	2,619.0
Current assets				
Inventories		920.5	839.3	818.5
Derivatives		0.0	0.0	0.2
Current receivables		170.2	141.4	150.9
Cash and cash equivalents		48.1	48.3	41.9
Total current assets		1,138.7	1,029.0	1,011.5
<b>TOTAL ASSETS</b>		<b>3,743.2</b>	<b>3,689.5</b>	<b>3,630.5</b>

Amounts in SEK M	Note	March 31, 2017	March 31, 2016	December 31, 2016
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Shareholders' equity		1,248.3	1,087.2	1,302.2
<b>LIABILITIES</b>				
Borrowing from credit institutions		525.1	800.6	525.1
Deferred tax liabilities		198.9	190.2	201.3
Long-term liabilities		0.6	45.4	47.3
Long-term liabilities		724.6	1,036.2	773.7
Borrowing from credit institutions		801.6	602.7	699.6
Accounts payable		692.4	638.1	630.7
Current tax liabilities		0.0	0.0	20.8
Derivatives		-0.1	6.6	0.3
Other liabilities		119.2	161.9	62.3
Accrued expenses and deferred income		157.2	156.8	141.0
Current liabilities		1,770.3	1,566.1	1,554.7
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>3,743.2</b>	<b>3,689.5</b>	<b>3,630.5</b>
Pledged assets - Shares in subsidiaries		0.0	0.0	0.0
Pledged assets - Chattel mortgages		0.0	0.0	0.0
Pledged assets - Blocked funds		8.0	7.7	7.9
Contingent liabilities		None	None	None

## Consolidated statement of changes in shareholders' equity

Amounts in SEK M	Note	March 31, 2017	March 31, 2016	December 31, 2016
Opening balance at the beginning of the period		1,302.2	1,142.0	1,142.0
<b>COMPREHENSIVE INCOME</b>				
Translation differences		-2.2	3.1	11.8
Profit for the period		-51.6	-58.2	284.6
Total comprehensive income		-53.8	-55.1	296.3
<b>TRANSACTIONS WITH SHAREHOLDERS</b>				
Dividend to shareholders		0.0	0.0	-130.0
Issue of warrants		0.0	0.0	-6.5
Total transactions with shareholders		0.0	0.0	-136.5
Shareholders' equity at the end of the period		1,248.3	1,087.2	1,302.2

## Consolidated cash flow statement

Amounts in SEK M		Jan-March	12 months	Jan-Dec
	Note	2017	Apr 2016- Mar 2017	2016
Cash flow from operating activities				
EBIT		-61.9	-57.8	387.7
Non-cash items				
- Depreciation/amortization of tangible and intangible fixed assets		38.4	34.4	193.5
- Other non-cash items		-0.2	3.7	4.2
Interest received		2.5	1.3	15.2
Interest paid		-8.5	-15.6	-48.1
Tax paid		-7.4	-16.7	-51.6
Cash flow from operating activities before changes in working capital		-37.0	-50.6	500.9
Changes in working capital				
Increase/decrease in inventories and work in process		-111.1	-112.8	-92.5
Increase/decrease in other current receivables		-9.0	0.4	-19.8
Increase/decrease in other current liabilities		88.2	79.7	-38.8
Cash flow from operating activities		-68.9	-83.3	349.9
Cash flow from investing activities				
Investment in intangible fixed assets		-11.7	-6.0	-28.1
Investment in tangible fixed assets		-15.2	-54.4	-109.8
Divestment of tangible fixed assets		0.0	0.0	0.0
Investment in other financial fixed assets		-0.1	0.0	-0.2
Investment in subsidiaries		0.0	-703.7	0.0
Proceeds from sale of subsidiaries		0.0	0.0	0.0
Cash flow from investing activities		-27.0	-764.2	-138.1
Cash flow from financing activities				
Change in overdraft facilities		102.0	236.8	75.8
Issue of warrants	2	-0.1	0.0	-6.5
Dividend to shareholders		0.0	0.0	-130.0
Borrowings		0.0	800.0	0.0
Amortization of loans		0.0	-172.7	-151.5
Cash flow from financing activities		101.9	864.1	-212.2
Cash flow for the period		6.1	16.6	-0.4
Cash and cash equivalents at the beginning of the period <sup>1</sup>		34.0	23.9	40.5
Cash and cash equivalents at the end of the period <sup>1</sup>		40.1	40.5	40.1

<sup>1</sup> Note that cash and cash equivalents in the cash flow are adjusted for restricted bank funds SEK 8.0 M.

## Parent Company income statement

Amounts in SEK M	Note	Jan-March 2017	Jan-March 2016	12 months Apr 2016- Mar 2017	Jan - Dec 2016
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		-1.6	-1.7	-7.2	-7.3
Personnel costs		-0.1	-0.1	-1.3	-1.2
Total operating expenses		-1.7	-1.7	-8.5	-8.6
EBIT		-1.6	-1.7	-8.2	-8.3
Profit from financial items		-2.9	-4.4	149.5	148.0
Profit/loss before tax		-4.5	-6.1	141.3	139.7
Tax on profit/loss		1.0	1.3	-0.3	0.0
Profit for the period		-3.5	-4.7	140.9	139.7

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, 2017	March 31, 2016	December 31, 2016
<b>ASSETS</b>				
Fixed assets				
Financial fixed assets		1,605.8	1,708.8	1,605.0
Total fixed assets		1,605.8	1,708.8	1,605.0
Current assets		165.4	157.0	164.7
Total current assets		165.4	157.0	164.7
<b>TOTAL ASSETS</b>		<b>1,771.2</b>	<b>1,865.8</b>	<b>1,769.7</b>
<b>Amounts in SEK M</b>	<b>Note</b>	<b>March 31, 2017</b>	<b>March 31, 2016</b>	<b>December 31, 2016</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Shareholders' equity		236.8	225.9	240.3
Other long liabilities		525.0	844.3	571.7
Current liabilities		1,009.4	795.7	957.7
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,771.2</b>	<b>1,865.8</b>	<b>1,769.7</b>
Pledged assets		None	None	None
Contingent liabilities		None	None	None

# Notes to the interim report

## Note 1 Segments

### January - March, 2017

INCOME, SEK M	Byggmax	Skånska Byggvaror	Other	Total
Total income per segment	656.0	105.8	205.2	966.9
Income from Group customers per segment	0.7	0.9	182.1	183.7
Income from external customers	655.3	104.9	23.1	783.3

Profit/loss before amortization and depreciation	0.2	-19.5	-4.2	-23.5
Operating margin before amortization and depreciation	0.0	-18.6	-18.3	-3.0
Amortization and depreciation				-38.4
Financial income				5.5
Financial expenses				-10.4
Profit before tax				-66.8

ASSETS PER SEGMENT:	Byggmax	Skånska Byggvaror	Other	Total
Total assets per segment	1,954.4	212.4	1,576.4	3,743.2

LIABILITIES PER SEGMENT:	Byggmax	Skånska Byggvaror	Other	Total
Total liabilities per segment	1,954.4	212.4	1,576.4	3,743.2

### January - March 2016

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	0.0	0.0	162.2	162.2
Income from external customers	615.2	101.7	22.8	739.7

Profit/loss before amortization and depreciation	-7.5	-18.5	1.8	-24.2
Operating margin before amortization and depreciation	-1.2	-18.2	7.9	-3.3
Amortization and depreciation				-33.6
Financial income				1.7
Financial expenses				-18.4
Profit before tax				-74.5

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	262,000	488,000
Price	2.24	3.98
Exercise price	42.8	66.4
Term	4.5	3.5
Number of participants	12	17

## Note 3 Income per quarter

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
	2015	2015	2015	2015	2016	2016	2016	2016	2017
Net sales, SEK M	570.0	1,294.6	1,427.3	839.3	737.9	1,738.7	1,767.8	974.9	782.6
Gross margin, percent	32.2	29.3	30.0	32.4	31.2	29.9	31.4	29.8	30.3
EBITDA, excluding acquisition costs, SEK M	3.0	151.7	203.4	67.3	-24.0	194.0	317.5 <sup>1</sup>	94.1 <sup>1</sup>	-23.5
EBITDA, SEK M	3.0	151.4	203.4	58.0	-24.2	193.8	317.5 <sup>1</sup>	94.1 <sup>1</sup>	-23.5
EBITDA margin, percent	0.5	11.7	14.2	6.9	-3.3	11.1	18.0 <sup>1</sup>	9.7 <sup>1</sup>	-3.0
EBIT, SEK M	-16.1	130.8	181.6	35.5	-57.8	159.2	235.3 <sup>1</sup>	55.2 <sup>1</sup>	-61.9
EBIT margin, percent	-2.8	10.1	12.7	4.2	-7.8	9.2	13.3 <sup>1</sup>	5.7 <sup>1</sup>	-7.9
Working capital, SEK M	136.1	-233.2	-246.4	82.8	23.8	-524.5	-241.6	114.6	121.9
Return on equity, percent	-1.6	9.7	14.6	2.3	-5.2	10.5	14.8	4.4	-4.0
Cash flow from operating activities per share, SEK	1.5	7.9	3.2	-4.6	-1.4	11.4	-0.4	-4.1	-1.1
Shareholders' equity per share, SEK	17.0	16.0	18.4	18.8	17.9	17.7	20.7	21.4	20.6
Profit after tax per share	-0.3	1.6	2.5	0.4	-1.0	1.9	2.8	0.9	-0.8
Share price at the end of the period	60.3	56.0	76.0	87.0	74.5	64.3	64.8	63.0	61.5
Number of stores	113	117	118	119	131	137	139	140	141

## Note 4 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 5 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.



## Key ratios

Byggmax has reviewed its terminology for alternative key ratios due to the new guidelines from the European Securities and Markets Authority (ESMA). It has not been deemed necessary to change the key ratios. The Byggmax Group uses the alternative key ratios EBITDA, working capital, return on equity and net debt. The Group believes that these key ratios can be utilized by users of the financial statements as a supplement in assessing the possibility of dividends, making strategic investments, evaluating profitability and assessing the Group's ability to meet its financial commitments. Byggmax reports alternative key ratios to describe the operations' underlying profitability and to improve comparability between reporting periods and industries. The Group's definitions are unchanged compared with prior periods.

Calculation of alternative key data is available at [www.byggmax.com](http://www.byggmax.com) under financial statistics.

## Financial key ratios

Key ratio	Definition
Net sales for comparable stores	Net sales for comparable stores is an important industry-specific ratio for the organic increase in sales. The ratio is a good tool for investors who want to compare sales increases for different companies in the industry. The Group defines this as sales for stores that are comparable.
EBITDA	EBITDA is a ratio that the Group considers to be relevant for investors seeking to understand earnings generation before investments in fixed assets. The Group defines earnings before interest, tax, depreciation and amortization (EBITDA) as EBIT from continuing operations excluding depreciation/amortization and impairment of tangible and intangible fixed assets.
EBITDA margin	EBITDA dividerat by net sales
EBIT margin	EBIT divided by net sales
Earnings per share	Profit after tax divided by the average number of shares outstanding at the end of the period
Cash flow from operating activities per share	Cash flow from operating activities for the period divided by the number of shares outstanding on the balance-sheet date
Return on equity	Return on equity is a ratio that the Group considers to be relevant for investors seeking to compare their investments with alternative investments. The Group defines return on equity as profit after tax divided by average shareholders' equity.
Working capital	Working capital is a ratio that the Group considers to be relevant for creditors and investors seeking to compare the amount of capital required by the Group to finance the operating activities. The Group defines working capital as items on the assets side (inventories, current receivables) less items on the liabilities side (accounts payable, current income tax liabilities, other liabilities, accrued expenses and deferred income).
Net debt	Net debt is a ratio that the Group considers to be relevant for creditors who want to see the scope of the Group's total liabilities situation. The Group defines net debt as interest-bearing liabilities less cash and cash equivalents.
Equity/assets ratio	Equity/assets ratio is a ratio that the Group considers to be important to creditors who want to understand the Group's long-term solvency. The Group defines the equity/assets ratio as shareholders' equity divided by total assets.

## Definition of market-specific ratios and figures

Ratio	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.

This information is information that Byggmax Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 a.m. on April 24, 2017.

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