

IN THE SECOND QUARTER, BYGGMAX INCREASED NET SALES BY 2.1% AND PROFIT (EBITDA) BY 8.5%

During the second quarter 2017, Byggmax Group increased sales and strengthened margins. The Group's selling increased 2.1% following strong comparable figures for the same period last year. EBITDA margin improved significantly to 11.8%, an increase by 0.7%-points (11.1% same period last year). In June, Byggmax Group presented a new strategy, and the implementation has started according to plan.

April 1 - June 30

- Net sales amounted to SEK 1,775.8 M (1,738.7), up 2.1 percent.
- Net sales for comparable stores decreased 0.3 percent (increased 6.1).
- The gross margin was 30.6 percent (29.9).
- EBITDA amounted to SEK 210.2 M (193.8).
- The EBITDA margin was 11.8 percent (11.1).
- EBIT amounted to SEK 171.8 M (159.2).
- The profit after tax was SEK 132.6 M (113.9).
- Earnings per share totaled SEK 2.2 (1.9).

Significant events during April - June

- Four (six) new stores were opened, including two Byggmax stores in Sweden, one Byggmax store in Norway and one Skånska Byggarvaror store in Norway.
- Byggmax Group completed changes to Group management in April to better support the Group's operations and priorities.
- An expansion manager, Sara König, has been appointed. Sara will take up her position in the autumn of 2017.
- During the second quarter, the Board of Directors set a new strategy and new financial targets. The new financial targets mean that net sales are to increase 10-15 percent per year over time. The EBITDA margin should be 9-10 percent. The dividend should be at least 50 percent of net profit.
- During the second quarter, a number of key individuals subscribed for warrants under the incentive program adopted by the General Meeting.
- During the second quarter, the subscription period commenced for the incentive program adopted in 2013. Employees of Byggmax subscribed for a total of 170,000 shares during the quarter and a further 92,000 warrants can be exercised for subscription through November 30, 2017.

Earnings overview

	SECOND QUARTER		12 MONTHS	FULL YEAR
	April-June 2017	April-June 2016	July 1, 2016 - June 30, 2017	2016
Net sales, SEK M	1,775.8	1,738.7	5,301.1	5,219.3
Gross margin, percent	30.6	29.9	30.7	30.6
EBITDA, excluding acquisition costs, SEK M	210.2	194.0	598.4 ¹	581.6 ¹
EBITDA, SEK M	210.2	193.8	598.4 ¹	581.3 ¹
EBITDA margin, percent	11.8	11.1	11.3 ¹	11.1 ¹
EBIT, SEK M	171.8	159.2	400.4 ¹	391.8 ¹
EBIT margin, SEK M	9.7	9.2	7.6 ¹	7.5 ¹
Profit after tax, SEK M	132.6	113.9	310.0	284.6
Earnings per share, SEK	2.2	1.9	5.1	4.7
Return on equity, percent	10.6	10.5	26.7	23.3
Cash flow from operating activities per share, SEK	10.6	11.4	4.9	5.5
Shareholders' equity per share, SEK	20.4	17.7	20.4	21.4
Number of stores at the end of the period	145	137	145	140
New stores opened during the period	4	6	9	15

¹ 12 months, and full-year earnings, 2016 were impacted by the revaluation of the earnout linked to the acquisition of Skånska Byggarvaror 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 Byggarvaror Group AB.

January 1 - June 30

- Net sales amounted to SEK 2,558.4 M (2,476.6), up 3.3 percent.
- Net sales for comparable stores decreased 0.1 percent (increased 5.9).
- The gross margin was 30.5 percent (30.3).
- EBITDA amounted to SEK 186.8 M (169.6).
- The EBITDA margin was 7.3 percent (6.8).
- EBIT amounted to SEK 109.9 M (101.4) Mkr.
- The profit after tax was SEK 81.0 M (55.7).
- Earnings per share totaled SEK 1.3 (0.9).

Significant events during January - June

- A total of six (twelve) new stores were opened, including two Byggmax stores in Sweden, one Byggmax store in Norway, one Skånska Byggarbetsforening store in Sweden and two Skånska Byggarbetsforening stores in Norway.

Earnings overview

	FIRST SIX MONTHS	
	Jan-June 2017	Jan-June 2016
Net sales, SEK M	2,558.4	2,476.6
Gross margin, percent	30.5	30.3
EBITDA, excluding acquisition costs, SEK M	186.8	169.9
EBITDA, SEK M	186.8	169.6
EBITDA margin, percent	7.3	6.8
EBIT, SEK M	109.9	101.4
EBIT margin, SEK M	4.3	4.1
Profit after tax, SEK M	81.0	55.7
Earnings per share, SEK	1.3	0.9
Return on equity, percent	6.4	5.0
Cash flow from operating activities per share, SEK	9.5	10.1
Shareholders' equity per share, SEK	20.4	17.7
Number of stores at the end of the period	145	137
New stores opened during the period	6	12

PRESIDENT'S COMMENTS ON RESULTS

Sales increased during the second quarter

Sales in the second quarter increased by 2.1 percent year-on-year. Sales in comparable stores decreased -0.3 percent, compared with a 6.1 percent increase in the year-earlier period. In addition to challenging comparative figures, the sales trend for the quarter was negatively impacted by cold weather and during April and May the market for building supplies decreased in both Sweden and Norway. We continue to take market shares, and our online sales continues to contribute to our growth.

Sales for the Byggmax segment increased 4.6 percent during the quarter, and sales for Skånska Bygghvaror decreased by -12.3 percent during the same period. Skånska Bygghvaror's sales development was negatively impacted by strong comparable figures (related to new mortgage regulations in Sweden June 2016), cold weather, and reduced investments in product development in earlier periods. April was the weakest sales month of the quarter.

Gross margin and earnings

Profitability measured as EBITDA margin increased significantly compared with the preceding year. EBITDA margin was 11.8 percent for the quarter, compared with 11.1 percent for the year-earlier period.

The gross margin for the quarter was 0.7 percentage points higher year-on-year.

The gross margin for the Byggmax segment increased during the quarter. The gross margin was positively affected by purchasing improvements, and price and product mix management. In addition, the gross margin was positively affected by the stronger NOK, negatively by the stronger EUR and rising costs for input goods. Retail prices have remained largely unchanged, except somewhat higher prices in Norway on products impacted by higher input prices. The gross margin for Skånska Bygghvaror decreased as a result of mix effects, rising costs for input goods and currency effects.

Cost control was good during the second quarter. Cost share of sales was unchanged compared to the same period last year, and we have taken measures to reduce costs in all companies in the Group.

Market

The Swedish building supplies market decreased 1.6 percent during April and May. According to Bygghvaruhandlarna the Swedish market continues to be positively impacted by an increase in new housing production, although this does not substantially benefit Byggmax which primarily targets consumers.

During the same period, the Norwegian market decreased 5.4 percent and the Finnish market grew by 0.8 percent.

Strategic business decisions

During the second quarter 2017, four new stores opened: three Byggmax stores and one Skånska Bygghvaror showroom store.

We communicated our updated strategy in June. We will going forward focus on growing from the strong profitable core we have today, and further improve the operational models. Focus will be on organic growth through proven strengths within store expansion, e-commerce, and assortment development.

As part of this strategy, two initiatives are launched this summer. We are trialing a smaller store format in smaller towns, and a concept for the garden segment done the Byggmax way: convenient drive-in, quality products, and lowest prices.

Implementation of the new strategy has started according to plan. This includes:

- Opening of the Byggmax garden concept in two stores (Borlänge in June, Vellinge in July), with a positive first reception from our customers.
- Improving profitability in Finland. We have in July entered employee co-operation negotiations in seven stores. This may result in up to five stores being closed, and up to 30 employments terminated.
- Initiation of the transformation of Skånska Bygghvaror into a modern leader in garden living. We have reduced costs, improved price management, and reinstalled the product development organization. We are now investing in product development, and expect positive effects over time.

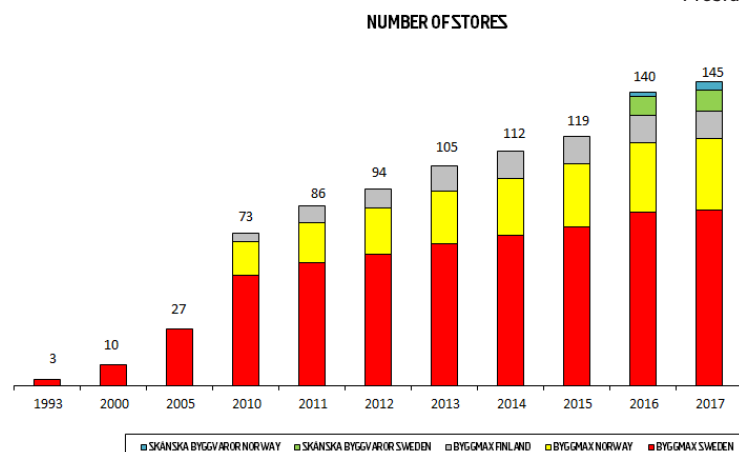
Outlook

The Swedish market showed strong growth during the first half of 2016, and following a weaker consumer market during the first half of 2017, a return to a more normal development of modest positive growth is expected in the second half of 2017. In both the Finnish and Norwegian markets, uncertainty remains regarding economic developments.

We plan to continue to grow through online sales and stores. We expect to meet our goal to open 8 to 12 new stores in 2017, and have so far communicated locations for 10 new stores this year. This includes two stores to trial the smaller Byggmax store format in smaller towns: Mariannelund in July, and Kalix in August.



Mattias Ankarberg
President, Byggmax Group AB (publ)



In 2017, Byggmax has opened six new stores: two Byggmax stores in Sweden, one Byggmax store in Norway, one Skånska Bygghvaror store in Sweden and two Skånska Bygghvaror stores 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

April 1 - June 30

Revenues

The operation's net sales totaled SEK 1,775.8 M (1,738.7), up 2.1 percent. Operating revenue was SEK 1,777.9 M (1,742.3), up 2.0 percent. Net sales for comparable stores decreased 0.3 percent in local currency. Operating income amounted to SEK 1,478.0 (1,413.1) for Byggmax, SEK 259.8 M (296.2) for Skånska Byggvaror and SEK 40.2 M (32.9) for Other. The weakest sales month of the quarter was April.

The sales increase of 2.1 percent was divided according to the following:

Comparable stores ¹ , local currency, percent	-0.3
Non-comparable units and other, percent	1.5
Exchange-rate effects, percent	0.9
Total, percent	2.1

The Group opened four (six) stores during the quarter: two Byggmax stores in Sweden, one Byggmax store in Norway, and one Skånska Byggvaror store in Norway. The total number of stores in the Group as of June 30, 2017 thereby amounted to 145 (137).

EBIT

EBIT amounted to SEK 171.8 (159.2) M, corresponding to an EBIT margin of 9.7 percent (9.2). The gross margin was 30.6 percent, compared with 29.9 percent in the year-earlier period. The gross margin for the Byggmax segment increased during the quarter. The gross margin was positively affected by purchasing improvements, and price and product mix management. In addition, the gross margin was positively affected by the stronger NOK, negatively by the stronger EUR and rising costs for input goods. Retail prices have remained largely unchanged. The gross margin for Skånska Byggvaror declined during the quarter as a result of currency changes, mix effects and rising costs for input goods.

Personnel costs and other external expenses increased a total of SEK 6.3 M. The increase in expenses compared with the year-earlier period was mainly attributable to costs associated with new stores opened after the second quarter of 2016, amounting to SEK 15.2 M (18.2). 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 210.2 (193.8 M), corresponding to an EBITDA margin of 11.8 percent (11.1). 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.

Profit before tax

Profit before tax amounted to SEK 172.1 M (148.9). Net financial items amounted to a revenue of SEK 0.3 M (cost 10.3). Net financial items for the quarter were positively impacted by exchange-rate effects of SEK 4.9 (negative 2.5). Net financial items were also impacted by the discount rate of interest on the earnout on Skånska Byggvaror Group AB and Buildor AB of SEK -0.8 M (-3.2).

Taxes

Tax costs for the second quarter of 2017 totaled SEK 39.5 M (35.0).

January 1 - June 30

Revenues

The operation's net sales totaled SEK 2,558.4 M (2,476.6), up 3.3 percent. Operating revenue was SEK 2,561.2 M (2,481.9), up 3.2 percent. Net sales for comparable stores decreased 0.1 percent in local currency. Operating income amounted to SEK 2,133.3 M (2,028.3) for Byggmax, SEK 364.7 M (397.9) for Skånska Byggvaror and SEK 63.3 M (55.7) for Other.

The sales increase of 3.3 percent was divided according to the following:

Comparable stores ¹ , local currency, percent	-0.1
Non-comparable units and other, percent	2.3
Exchange-rate effects, percent	1.2
Total, percent	3.3

The Group opened six (twelve) stores during the period: two Byggmax stores in Sweden, one Byggmax store in Norway, one Skånska Byggvaror store in Sweden and two Skånska Byggvaror stores in Norway. The total number of stores in the Group as of June 30, 2017 there by amounted to 145 (137).

EBIT

EBIT amounted to SEK 109.9 M (101.4), corresponding to an EBIT margin of 4.3 percent (4.1). The gross margin was 30.5 percent, compared with 30.3 percent in the year-earlier period. The gross margin for the Byggmax segment increased during the first six months. The gross margin was positively affected by the stronger NOK, but adversely impacted by higher costs for input goods. Retail prices have remained largely unchanged. The gross margin for Skånska Byggvaror declined during the period as a result of aggressive pricing, currency changes, mix effects and rising costs for input goods.

Personnel costs and other external expenses increased a total of SEK 11.1 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 26.7 M (31.2). 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 186.8 M (169.6), corresponding to an EBITDA margin of 7.3 percent (6.8). EBIT was impacted by the amortization of customer relationships and brands totaling SEK 19.8 M (19.8) identified in connection with the acquisition of Skånska Byggvaror.

Profit before tax

Profit before tax amounted to SEK 105.3 M (74.3). Net financial items amounted to a cost of SEK 4.6 M (cost 27.1). Net financial items for the period were positively impacted by exchange-rate effects of SEK 4.8 M (negative 6.9). 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. Net financial items were also impacted by the discount rate of interest on the earnout on Skånska Byggvaror Group AB and Buildor AB of SEK -1.6 M (-6.3).

Taxes

Tax costs for the first six month of 2017 totaled SEK 24.3 M (18.7).

¹A 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 is 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 4.6 percent during the second quarter to SEK 1,478.0 M (1,413.1) and 5.2 percent during the first six months to SEK 2,133.3 M (2,028.3). The gross margin for the Byggmax segment increased during the quarter. The gross margin was positively affected by purchasing improvements, and price and product mix management. In addition, the gross margin was positively affected by the stronger NOK, negatively by the stronger EUR and rising costs for input goods. Retail prices have remained largely unchanged. EBITDA amounted to SEK 176.0 M (146.5) for

the second quarter and to SEK 176.2 M (139.1) for the first six months. The EBITDA margin for the quarter was 11.9 percent (10.4) and 8.3 percent (6.9) for the first six months. Earnings for the second quarter were impacted by costs for stores opened after the second quarter of 2016, amounting to SEK 11.8 M (10.0). Earnings for the first six months were impacted by costs for stores opened after the first quarter of 2016, amounting to SEK 22.5 M (18.1).

Skånska Byggvaror

Operating income decreased 12.3 percent to SEK 259.8 M (296.2) during the second quarter and decreased 8.4 percent to SEK 364.7 M (397.9) during the first six months. The gross margin for Skånska Byggvaror declined during the period as a result of aggressive pricing, currency changes, mix effects and rising costs for input goods. EBITDA amounted to positive SEK 31.2 M (45.8) during the second quarter and positive SEK 11.7 M (27.2) during the first six months. The EBITDA margin was a positive 12.0 percent (positive 15.5) for the quarter and a positive 3.2 percent (positive 6.8) for the first six months. Earnings were also impacted by costs linked to stores opened after the second quarter of 2016 amounting to SEK 3.4 M (8.2). Earnings for the first six months were impacted by costs for stores opened after the first quarter of 2016, amounting to SEK 4.2 M (13.0). EBIT for the Group was impacted by the amortization of customer relationships and brands totaling SEK 19.8 M (19.8) for the first six months, identified in connection with the acquisition of Skånska Byggvaror Group AB.

SEGMENT SUMMARY

SEK M	April-June		Jan-June		12 months ¹	Jan-Dec ¹
	2017	2016	2017	2016	July 2016-June 2017	2016
Income from external customers						
Byggmax	1,478.0	1,413.1	2,133.3	2,028.3	4,436.6	4,331.6
Skånska Byggvaror	259.8	296.2	364.7	397.9	761.4	794.7
Other	40.2	32.9	63.3	55.7	229.3	221.7
Total income	1,777.9	1,742.3	2,561.2	2,481.9	5,427.3	5,348.0
EBITDA						
Byggmax	176.0	146.5	176.2	139.1	455.0	417.8
Skånska Byggvaror	31.2	45.8	11.7	27.2	38.8	54.4
Other	3.1	1.5	-1.1	3.3	104.7	109.2
Total EBITDA	210.2	193.8	186.8	169.6	598.4	581.3
EBITDA margin, percent²						
Byggmax	11.9	10.4	8.3	6.9	10.3	9.6
Skånska Byggvaror	12.0	15.4	3.2	6.8	5.1	6.8
Other	7.7	4.6	-1.8	6.0	45.7	49.3
Total EBITDA margin, percent	11.8	11.1	7.3	6.8	11.0	10.9

¹ 12 months, and full-year earnings, 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.

² EBITDA margin in "Segment summary" is calculated on total income.

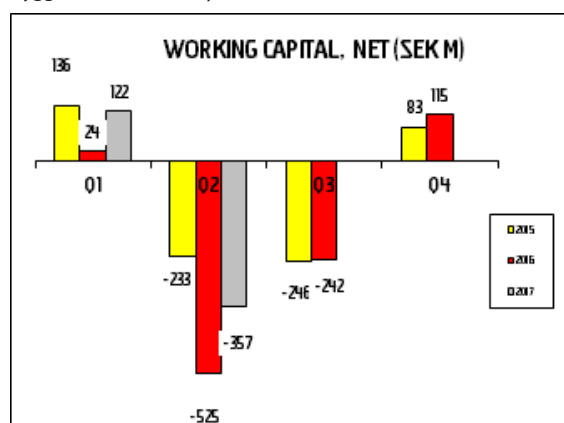
CASH FLOW AND FINANCIAL POSITION

Cash flow and financial position

Cash flow from operating activities amounted to SEK 645.0 M (695.4) for the period April to June, down SEK 50.4 M year-on-year, and to SEK 576.1 M (612.1) the first six months. Inventory totaled SEK 1,006.7 M (931.1), up SEK 75.6 M. Inventory for Skånska Byggvaror totaled to SEK 113.7 M (105.8). Compared with the end of the year-earlier period, six new Byggmax stores were added and the associated inventory amounted to SEK 32.3 M. Distribution inventory was SEK 27.3 M higher year-on-year.

At June 30, 2017, consolidated shareholders' equity amounted to SEK 1,243.1 M (1,074.9). Consolidated net debt was SEK 819.0 M (846.6), down SEK 27.6 M year-on-year. The equity/assets ratio amounted to 31.8 percent (27.1). Unutilized credits totaled SEK 587.7 M (400.0).

Investments during the second quarter amounted to SEK 51.6 M (57.5). Of these investments, SEK 11.7 M (26.5) pertained to investments in stores opened or stores to be opened during 2017 and SEK 7.5 M (12.2) to IT investments. Investments relating to the conversion of stores to the Byggmax 2.0 concept totaled SEK 11.7 M for the second quarter 2016. Investments during the first six months of 2017 amounted to SEK 78.5 M (117.9). Of these investments, SEK 14.7 M (44.8) pertained to investments in stores opened or stores to be opened during 2017 and SEK 19.3 M (18.3) to IT investments. Investments relating to the conversion of stores to the Byggmax 2.0 concept totaled SEK 36.7 M for the six months of 2016. Conversion to Byggmax 2.0 was completed in 2016.



New store openings

A total of six (twelve) new stores were opened during the period January to June 2017: two Byggmax stores in Sweden, one Byggmax store in Norway, one Skånska Byggvaror store in Sweden and two Skånska Byggvaror stores in Norway.

The store in Linköping, Sweden moved to new location and the store in Borlänge, Sweden added the garden concept to the store.

The following stores have been publicly announced and will be opened in 2017: Kalix, Mariannelund, Skene and Söderhamn, in Sweden. During July we will add the garden concept to the store in Vellinge, Sweden. We will test a concept adapted for smaller orders in Kalix and Mariannelund.

The Byggmax workforce

The number of employees (converted into full-time equivalents) totaled 1,094 (1,114) at the end of the period.

Parent Company

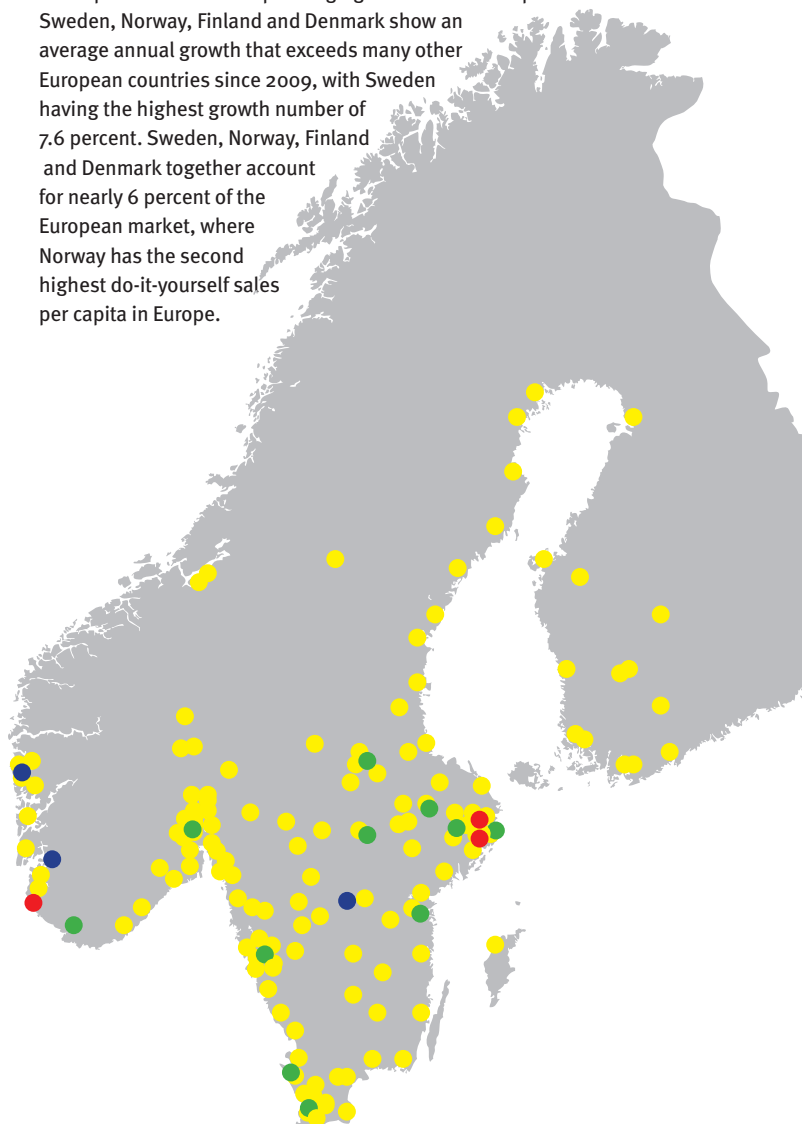
The Parent Company comprises a holding company. The Parent Company's sales amounted to SEK 0.1 M (0.1) for the second quarter and SEK 0.2 M (0.3) for the first six months. An expense of SEK 4.9 M (expense 5.9) after net financial was posted for the second quarter and an expense of SEK 9.4 M (expense 12.0) after net financial items was posted for the first six months.

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 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 EUR 112.8 billion (estimated do-it-yourself market size 2013) according to Mintel and is expected to grow by about 2 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.



●	Byggmax stores	128
●	New Byggmax stores	3
●	Skånska Byggvaror/Grønt fokus stores	11
●	New Skånska Byggvaror/Grønt fokus stores	3

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:

- Net sales to grow organically 10-15 percent per year over time.
- To have an EBITDA margin of at least 9-10 percent per year.
- To distribute at least 50 percent of net profit.

Strategies

Focus on organic growth based on existing strengths in store expansion, online shopping and range development. As part of this strategy, two tests were launched in 2017: a condensed store format for smaller locations and a garden concept in accordance with the Byggmax concept, with drive-in and an easy-to-buy, focused range of quality products and the market's lowest prices.

In conjunction with this, the financial targets have been updated to reflect raised ambitions. The target is organic growth of 10-15 percent per year, an EBITDA margin of 9-10 percent and a dividend of at least 50 percent of net profit.

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 14 stores: ten in Sweden and four in Norway.

¹ Previous financial targets were: • Net sales to grow 15 percent per year over time, including acquisitions. • To have an EBITDA margin of at least 9 percent per year. • To distribute at least 50 percent of net profit.

Ownership structure

Ownership	Number of shares	Holding (%)
Swedbank Robur fonder	5,649,996	9.28
Verdipapirfonde Odin Sverige	5,054,417	8.30
Nordea Investment Funds	4,593,181	7.54
Afa Försäkring	4,282,842	7.03
Carnegie fonder	3,344,150	5.49
Handelsbanken fonder	3,208,835	5.27
Evli Fund Management Co. Ltd.	1,978,817	3.25
Threadneedle Asset Management Ltd.	1,541,542	2.53
Försäkringsaktiebolaget, Avanza Pension	1,501,521	2.47
Didner & Gerge Fonder Aktiebolag	1,285,969	2.11
Total of the ten major shareholders	32,441,270	53.26
Total other shareholders	28,465,775	46.74
Total at June 30, 2016	60,907,045	100.00

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 competitors' strategies and their execution – Byggmax operates in a competitive market and the actions of the competitors 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 1-16 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.

Financial calendar

Interim report, third quarter 2017 October 18, 2017

The Board of Directors and the President certify that the six-month report provides an accurate overview of the Group's and Parent Company's operations, position and performance, as well as describing significant risks and instability factors faced by the Parent Company and companies in the Group.

Stockholm, July 17 2017

Anders Moberg
Chairman of the Board

Daniel Mühlbach
Board member

Hannele Kemppainen
Board member

Karin Hygrell Jonsson
Board member

Lottie Svedenstedt
Board member

Mikael Norman
Board member

Ullrika Eliasson
Board member

Mattias Ankarberg
President

Consolidated summary of comprehensive income

Amount in SEK M		Apr - June		Jan - June		12 months	Jan - Dec
	Note	2017	2016	2017	2016	July 2016 - June 2017	2016
Operating income							
Net sales		1,775.8	1,738.7	2,558.4	2,476.6	5,301.1	5,219.3
Other operating income		2.2	3.5	2.8	5.3	126.2	128.7
Total operating income	1	1,777.9	1,742.3	2,561.2	2,481.9	5,427.3	5,348.0
Operating expenses							
Goods for sale		-1,231.6	-1,218.6	-1,777.3	-1,726.3	-3,674.4	-3,623.4
Other external costs and operating expenses		-189.7	-185.4	-327.7	-333.3	-611.0	-616.6
Personnel costs		-146.4	-144.4	-269.5	-252.8	-543.4	-526.7
Depreciation, amortization of tangible and intangible fixed assets		-38.4	-34.6	-76.8	-68.2	-198.1	-189.5
Total operating expenses		-1,606.1	-1,583.1	-2,451.4	-2,380.5	-5,026.9	-4,956.2
EBIT		171.8	159.2	109.9	101.4	400.4	391.8
Profit/loss from financial items		0.3	-10.3	-4.6	-27.1	-19.1	-41.5
Profit before tax		172.1	148.9	105.3	74.3	381.3	350.3
Income tax		-39.5	-35.0	-24.3	-18.7	-71.3	-65.7
Profit/loss for the period		132.6	113.9	-81.0	55.7	310.0	284.6
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
		0.0	0.0	0.0	0.0	0.0	0.0
Items that may be subsequently reclassified to profit or loss							
Translation differences		-4.1	3.8	-6.3	7.0	-1.5	11.8
Other comprehensive income for the period		-4.1	3.8	-6.3	7.0	-1.5	11.8
Total comprehensive income for the period		128.5	117.7	74.7	62.6	308.5	296.4
Earnings per share before dilution, SEK		2.2	1.9	1.3	0.9	5.1	4.7
Earnings per share after dilution, SEK		2.2	1.8	1.3	0.9	5.1	4.6
Average number of shares, (thousands)		60,782	60,737	60,760	60,737	60,748	60,737
Number of shares at the end of the period, (thousands)		60,907	60,737	60,907	60,737	60,907	60,737

Consolidated summary of statement of financial position

Amounts in SEK M	Note	June 30, 2017	June 30, 2016	December 31, 2016
ASSETS				
Fixed assets				
Intangible fixed assets		2,214.9	2,287.4	2,222.3
Tangible fixed assets		380.4	374.0	375.7
Financial fixed assets		16.9	22.7	21.0
Total fixed assets		2,612.3	2,684.1	2,619.0
Current assets				
Inventories		1,006.7	931.1	818.5
Derivatives		4.4	0.0	0.2
Current receivables		223.1	191.6	150.9
Cash and cash equivalents		63.4	155.0	41.9
Total current assets		1,297.6	1,277.6	1,011.5
TOTAL ASSETS		3,909.9	3,961.8	3,630.5

Amounts in SEK M	Note	June 30, 2017	June 30, 2016	December 31, 2016
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		1,243.1	1,074.9	1,302.2
LIABILITIES				
Borrowing from credit institutions		525.1	800.2	525.1
Deferred tax liabilities		196.9	188.1	201.3
Other long liabilities		0.6	46.2	47.3
Long-term liabilities		722.5	1,034.6	773.7
Borrowing from credit institutions		357.3	201.3	699.6
Accounts payable		1,231.3	1,222.0	630.7
Current tax liabilities		0.0	12.8	20.8
Derivatives		0.0	3.8	0.3
Other liabilities		170.7	224.3	62.3
Accrued expenses and deferred income		185.0	188.2	141.0
Current liabilities		1,944.2	1,852.3	1,554.7
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,909.9	3,961.8	3,630.5

Consolidated statement of changes in shareholders' equity

Amounts in SEK M	Note	June 30, 2017	June 30, 2016	December 31, 2016
Opening balance at the beginning of the period		1,248.3	1,142.3	1,142.0
COMPREHENSIVE INCOME				
Translation differences		-4.1	7.0	11.8
Profit for the period		132.6	55.7	284.6
Total comprehensive income		128.5	62.6	296.3
TRANSACTIONS WITH SHAREHOLDERS				
Dividend to shareholders		-145.8	-130.0	-130.0
Issue of warrents		12.0	0.0	-6.5
Total transactions with shareholders		-133.8	-130.0	-136.5
Shareholders' equity at the end of the period		1,243.1	1,074.9	1,302.2

Consolidated cash flow statement

Amounts in SEK M	Note	Apr - June		Jan - June		12 months	Jan - Dec
		2017	2016	2017	2016	July 2016 - June 2017	2016
Cash flow from operating activities							
EBIT		171.8	159.2	109.9	101.4	400.4	391.8
Non-cash items							
- Depreciation/amortization of tangible and intangible fixed assets		38.4	34.6	76.8	69.1	197.2	189.5
- Other non-cash items		-1.2	1.8	-1.4	5.5	1.1	8.1
Interest received		4.7	6.2	7.3	7.5	13.7	13.9
Interest paid		-7.1	-15.2	-15.7	-30.8	-40.1	-55.2
Tax paid		-41.1	-19.3	-48.4	-36.0	-73.3	-60.8
Cash flow from operating activities before changes in working capital		165.6	167.3	128.6	116.7	499.1	487.3
Changes in working capital							
Increase/decrease in inventories and work in process		-75.8	-89.3	-186.9	-202.1	-79.0	-94.2
Increase/decrease in other current receivables		-62.3	-56.2	-71.3	-55.8	-25.9	-10.4
Increase/decrease in other current liabilities		617.5	673.5	705.7	753.3	-94.7	-47.2
Cash flow from operating activities		645.0	695.4	576.1	612.1	299.5	335.5
Cash flow from investing activities							
Investment in intangible fixed assets		-8.2	-6.7	-19.9	-12.7	-29.6	-22.4
Investment in tangible fixed assets		-43.4	-50.8	-58.6	-105.2	-102.5	-149.1
Divestment of tangible fixed assets		0.0	0.0	0.0	0.0	0.0	0.0
Investment in other financial fixed assets		0.1	0.0	0.1	-0.1	0.0	-0.2
Investment in subsidiaries		0.0	0.0	0.0	-703.7	0.0	-703.7
Proceeds from sale of subsidiaries		0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities		-51.5	-57.5	-78.4	-821.7	-132.1	-875.4
Cash flow from financing activities							
Change in overdraft facilities		-444.3	-400.8	-342.3	-164.0	32.3	210.6
Issue of warrants	2	12.0	0.0	11.9	0.0	5.5	-6.5
Dividend to shareholders		-145.8	-130.0	-145.8	-130.0	-145.8	-130.0
Borrowings		0.0	0.0	0.0	800.0	0.0	800.0
Amortization of loans		0.0	-0.5	0.0	-173.2	-151.0	-324.3
Cash flow from financing activities		-578.1	-531.3	-476.1	332.8	-259.0	549.9
Cash flow for the period		15.4	106.6	21.5	123.2	-91.6	10.1
Cash and cash equivalents at the beginning of the period ¹		40.1	40.5	34.0	23.9	147.2	23.9
Cash and cash equivalents at the end of the period ¹		55.5	147.2	55.5	147.2	55.5	34.0

¹ Note that cash and cash equivalents in the cash flow are adjusted for restricted bank funds SEK 7.8 M.

Parent Company income statement

Amounts in SEK M	Note	Apr- June		Jan - June		12 months July 2016 - June 2017	Jan - Dec 2016
		2017	2016	2017	2016		
Operating income		0.1	0.1	0.2	0.2	0.3	0.3
Total operating income		0.1	0.1	0.2	0.2	0.3	0.3
Operating expenses							
Other external expenses		-2.0	-1.8	-3.6	-3.5	-7.4	-7.3
Personnel costs		-0.2	-0.1	-0.3	-0.2	-1.3	-1.2
Total operating expenses		-2.1	-2.0	-3.8	-3.7	-8.7	-8.6
EBIT		-2.1	-1.9	-3.7	-3.6	-8.4	-8.3
Profit from financial items		-2.8	-4.0	-5.8	-8.5	150.6	148.0
Profit/loss before tax		-4.9	-5.9	-9.4	-12.0	142.3	139.7
Tax on profit/loss		1.1	1.3	2.1	2.6	-0.6	0.0
Profit for the period		-3.8	-4.6	-7.3	9.4	141.7	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	June 30, 2017	June 30, 2017	December 31, 2016
ASSETS				
Fixed assets				
Financial fixed assets		1,606.6	1,711.9	1,605.0
Total fixed assets		1,606.6	1,711.9	1,605.0
Current assets		4.5	5.9	164.7
Total current assets		4.5	5.9	164.7
TOTAL ASSETS		1,611.2	1,717.8	1,769.7

Amounts in SEK M	Note	June 30, 2016	June 30, 2015	December 31, 2015
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		94.5	91.3	240.3
Other long liabilities		525.0	845.1	571.7
Current liabilities		991.7	781.5	957.7
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,611.2	1,717.8	1,769.7

Notes to the interim report

Note 1 Segments

April - June, 2017

INCOME, SEK M	Byggmax	Skånska Byggvaror	Other	Total
Total income per segment	1,479.2	266.7	325.3	2,071.3
Income from Group customers per segment	1.2	6.9	285.2	293.3
Income from external customers	1,478.0	259.8	40.2	1,777.9

Loss before amortization and depreciation	176.0	31.2	3.1	210.2
Operating margin before amortization and depreciation	11.9	12.0	7.7	11.8
Amortization and depreciation				-38.4
Financial income				7.4
Financial expenses				-7.1
Profit before tax				172.1

January - June, 2017

INCOME, SEK M	Byggmax	Skånska Byggvaror	Other	Total
Total income per segment	2,135.2	372.4	530.5	3,038.2
Income from Group customers per segment	2.0	7.8	467.3	477.0
Income from external customers	2,133.3	364.7	63.3	2,561.2

EBITDA	176.2	11.7	-1.1	186.8
Operating margin before amortization and depreciation	8.3	3.2	-1.8	7.3
Amortization and depreciation				-76.8
Financial income				12.9
Financial expenses				-17.5
Profit before tax				105.3

ASSETS PER SEGMENT:	Byggmax	Skånska Byggvaror	Other	Total
Total assets per segment	2,455.9	263.7	1,190.3	3,909.9
- of which fixed assets	878.0	42.6	1,674.8	2,595.4

Note 2 Disclosures about transactions with related parties

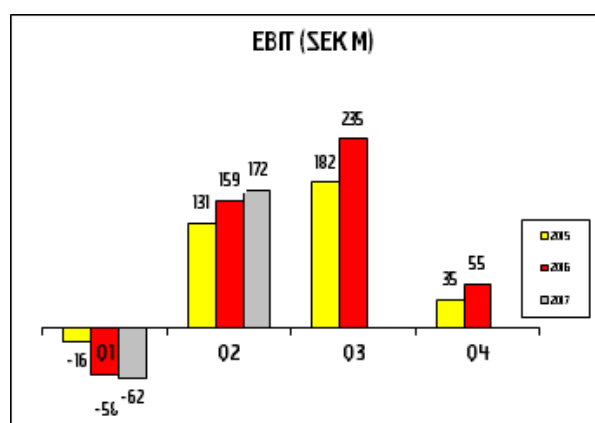
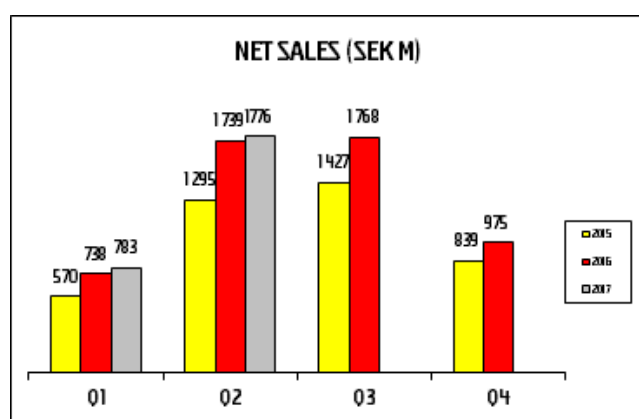
No transactions occurred between Byggmax and related parties that could significantly impact the Company's position and results.

The 2013, 2015 and 2017 Annual General Meetings resolved to introduce warrant programs for senior executives and other key staff at Byggmax. The warrants are priced at market value, which is 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 prices shown in the table below. The participants of the warrants program have entered into a pre-emption agreement. On May 30, 2017, the exercise period for the 2013 warrant program commenced. Employees of Byggmax Group subscribed for a total of 170,000 shares during the second quarter and a further 92,000 warrants can be exercised for subscription through November 30, 2017. The 2015 warrant program expires on November 30, 2018 and can be exercised from May 30, 2018. The 2017 warrant program expires on November 30, 2017 and can be exercised from June 8, 2020.

	2013	2015	2017
Total number	92,000	488,000	1,087,000
Price	2.24	3.98	4.37
Exercise price	42.8	66.4	67.5
Term	4.5	3.5	3.5
Number of participants	5	17	31

Note 3 Income per quarter

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	2015	2015	2015	2015	2016	2016	2016	2016	2017	2017
Net sales, SEK M	570.0		1,427.3	839.3	737.9	1,738.7	1,767.8	974.9	782.6	1,775.8
Gross margin, percent	32.2	29.3	30.0	32.4	31.2	29.9	31.4	29.8	30.3	30.6
EBITDA, excluding acquisition costs, SEK M	3.0	151.7	203.4	67.3	-24.0	194.0	317.5 ¹	94.1 ¹	-23.5	210.2
EBITDA, SEK M	3.0	151.4	203.4	58.0	-24.2	193.8	317.5 ¹	94.1 ¹	-23.5	210.2
EBITDA margin, percent	0.5	11.7	14.2	6.9	-3.3	11.1	18.0 ¹	9.7 ¹	-3.0	11.8
EBIT, SEK M	-16.1	130.8	181.6	35.5	-57.8	159.2	235.3 ¹	55.2 ¹	-61.9	171.8
EBIT margin, percent	-2.8	10.1	12.7	4.2	-7.8	9.2	13.3 ¹	5.7 ¹	-7.9	9.7
Working capital, SEK M	136.1	-233.2	-246.4	82.8	23.8	-524.5	-241.6	114.6	121.9	-357.2
Return on equity, percent	-1.6	9.7	14.6	2.3	-5.2	10.5	14.8	4.4	-4.0	10.6
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	10.6
Shareholders' equity per share, SEK	17.0	16.0	18.4	18.8	17.9	17.7	20.7	21.4	20.6	20.4
Profit after tax per share	-0.3	1.6	2.5	0.4	-1.0	1.9	2.8	0.9	-0.8	2.2
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	61.3
Number of stores	113	117	118	119	131	137	139	140	141	145



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 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 Bygghmax 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 July 17, 2017.

Contacts

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