

## BYGGMAX INCREASED NET SALES AND STARTED THE IMPLEMENTATION OF THE NEW STRATEGY

During the third quarter 2017, Byggmax Group increased net sales and started to execute the new strategy launched in June. Net sales increased by 2.5 percent, and profitability measured as EBITDA margin excluding non-recurring items declined by 0.5 percentage points. Sales and profitability increased for the Byggmax segment and decreased for Skånska Byggarvaror. Implementation of the new strategy has started according to plan. The new growth initiatives launched this summer, a Byggmax format for small towns and the Byggmax Garden concept, show positive indications and both initiatives will be expanded to more locations during 2018.

### July - September

- Net sales amounted to SEK 1,812.8 M (1,767.8), up 2.5 percent.
- Net sales for comparable stores increased 1.0 percent (0.3).
- The gross margin was 31.6 percent (31.4).
- EBITDA amounted to SEK 260.1 M (317.5). EBITDA excluding non-recurring items amounted to SEK 266.0 M (268.5)
- The EBITDA margin was 14.3 percent (18.0). EBITDA margin excluding non-recurring items was 14.7 (15.2) percent.
- EBIT amounted to SEK 221.0 M (235.3).
- The profit after tax was SEK 171.9 M (172.2).
- Earnings per share totaled SEK 2.8 (2.8).

### Significant events during July - September

- Three (two) new stores were opened, three Byggmax stores in Sweden.
- Byggmax Group has completed the earnouts with Buildor AB in advance to enable e-commerce synergies. This results in a positive non-recurring item of SEK 33.4 M.
- Byggmax has started the implementation of a new strategy in Finland and will close four stores in Q4 2017 and open one new store in spring 2018. This means a non-recurring cost of SEK 39.3 M affecting the profit. Sales in 2018 are expected to have a negative impact of SEK 55-60 M due to the closings.
- Oscar Tjärnberg has been appointed as new CEO of Skånska Byggarvaror. Oscar will start October 1, 2017.
- Benedicte Inversini has been appointed as country manager for Byggmax Norway and will be member of the Group Management Team.

### Earnings overview

Earnings overview	THIRD QUARTER	12 MONTHS	FULL YEAR	
	July-Sep 2017	July-Sep 2016	Oct, 2016 - Sep, 2017	2016
Net sales, SEK M	1,812.8	1,767.8	5,346.1	5,219.3
Gross margin, percent	31.6	31.4	30.8	30.6
EBITDA, excluding earnout and Finland close down costs, SEK M	266.0	268.5	483.6	469.0
EBITDA margin excluding earnout and Finland close down costs, percent	14,7	15,2	9,0	9,0
EBITDA, SEK M¹	260.1	317.5	541.0	581.3
EBITDA margin, percent¹	14.3	18.0	10.1	11.1
EBIT, SEK M¹	221.0	235.3	386.1	391.8
EBIT margin, SEK M¹	12.2	13.3	7.2	7.5
Profit after tax, SEK M¹	171.9	172.2	309.7	284.6
Earnings per share, SEK	2.8	2.8	5.1	4.7
Return on equity, percent	12.9	14.8	23.1	23.3
Cash flow from operating activities per share, SEK	-0.2	-0.4	5.1	5.5
Shareholders' equity per share, SEK	23.3	20.7	23.3	21.4
Number of stores at the end of the period	148	139	148	140
New stores opened during the period	3	2	9	15

<sup>1</sup> Earnings are positively affected by Buildor earnout for Q3 2017 SEK 33.4 M, 12 months SEK 36.7 M and full year 2016 SEK 3.3 M. Earnings for Q3 are negatively affected by the close down costs of four stores in Finland SEK -39.3 M. Earnings for Q3 2016 are positively affected by revaluation of part of the earnout linked to the acquisition of Skånska Byggarvaror Group AB SEK 49.1 M and full year 2016 SEK 109.1 M. Earnings for Q3 2016 and full year 2016 are negatively affected by an impairment of goodwill linked to the acquisition of Skånska Byggarvaror Group AB SEK -44.8 M.

## January - September

- Net sales amounted to SEK 4,371.2 M (4,244.4), up 3.0 percent.
- Net sales for comparable stores increased 0.3 percent (3.2).
- The gross margin was 31.0 percent (30.8).
- EBITDA amounted to SEK 446.8 M (487.2). EBITDA excluding non-recurring items amounted to SEK 452.7 M (438.1).
- The EBITDA margin was 10.2 percent (11.5). EBITDA margin excluding non-recurring items was 10.4 (10.3) percent.
- EBIT amounted to SEK 330.9 M (336.6).
- The profit after tax was SEK 252.9 M (227.9).
- Earnings per share totaled SEK 4.2 (3.8).

## Significant events during January - September

- A total of nine (14) new stores were opened, including five Byggmax stores in Sweden, one Byggmax store in Norway, one Skånska Byggvaror store in Sweden and two Skånska Byggvaror stores in Norway.
- Byggmax Group completed changes to Group management in April to better support the Group's operations and priorities.
- An expansion manager, Sarah König, has been appointed. Sarah 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 second quarter and 87,000 during the third quarter and further 6,000 warrants can be exercised for subscription through November 30, 2017.

## Earnings overview

	JANUARY - SEPTEMBER	
	Jan-Sep 2017	Jan-Sep 2016
Net sales, SEK M	4,371.2	4,244.4
Gross margin, percent	31.0	30.8
EBITDA, excluding earnout and Finland close down costs, SEK M	452.7	438.1
EBITDA margin excluding earnout and Finland close down costs, percent	10.4	10.3
EBITDA, SEK M <sup>1</sup>	446.8	487.2
EBITDA margin, percent <sup>1</sup>	10.2	11.5
EBIT, SEK M <sup>1</sup>	330.9	336.6
EBIT margin, SEK M <sup>1</sup>	7.6	7.9
Profit after tax, SEK M <sup>1</sup>	252.9	227.9
Earnings per share, SEK	4.2	3.8
Return on equity, percent	18.6	19.0
Cash flow from operating activities per share, SEK	9.4	9.6
Shareholders' equity per share, SEK	23.3	20.7
Number of stores at the end of the period	148	139
New stores opened during the period	9	14

<sup>1</sup> Earnings are positively affected by Buildor earnout for Jan-Sep 2017 SEK 33.4 M and negatively affected by the close down costs of four stores in Finland SEK -39.3 M. Earnings for Jan-Sep 2016 are positively affected by revaluation of part of the earnout linked to the acquisition of Skånska Byggvaror Group AB SEK 49.1 M and negatively affected by an impairment of goodwill linked to the acquisition of Skånska Byggvaror Group AB SEK -44.8 M.

# PRESIDENT'S COMMENTS ON RESULTS

## Sales increased during the third quarter

Net sales in the third quarter increased by 2.5 percent year-on-year. Sales in comparable stores increased 1.0 percent, compared with a 0.3 percent decrease in the year-earlier period. The sales trend for the quarter was positively impacted by favorable weather in July and negatively by early arrival of autumn weather in September.

Net sales for the Byggmax segment increased 4.4 percent during the quarter and net sales for Skånska Byggvaror decreased by 9.6 percent during the same period. Byggmax comparable selling developed positively. Compared to previous year, total sales was negatively affected by new store openings shifting towards later in the year and e-commerce focus shifting from sales growth towards improving profitability.

Skånska Byggvaror's sales development was negatively impacted by strong comparable figures (a significant share of last spring's strong demand was delivered during Q3) and reduced investments in product development in earlier periods. September was the weakest sales month of the quarter.

## Gross margin and earnings

The financial results for the quarter were affected by non-recurring items, both this and last year<sup>1</sup>. Excluding non-recurring items, profitability measured as EBITDA margin decreased: 14.7 percent for the quarter, compared with 15.2 percent in the year-earlier period.

Profitability for the Byggmax segment increased somewhat in the quarter, and significantly for the year-to-date. Profitability for Skånska Byggvaror decreased in the quarter and year-to-date. Profitability for Skånska Byggvaror was negatively affected by lower sales and gross margin compared to previous year.

The gross margin for the quarter was 31.6 percent, compared to 31.4 percent the same period last 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. The gross margin was negatively affected by the weaker NOK and rising costs for input goods. The gross margin for Skånska Byggvaror decreased as a result of mix effects, rising costs for input goods and currency effects.

Cost control was good during the third quarter. Cost share of sales was negatively affected by store openings shifting towards later in the year and investments in strategic initiatives. We have in parallel continued to reduce costs in all companies in the Group.

## Market

The Swedish building supplies market increased 8.4 percent during July and August. According to industry associations the Swedish market continues to be positively impacted by an increase in new housing production and sales to professional builders. This does not substantially benefit Byggmax, which primarily targets consumers.

During the same period, the Norwegian market increased 1.7 percent and the Finnish market increased 2.2 percent.

## Strategic business decisions

During the third quarter 2017, three new stores opened: three Byggmax stores in Sweden. Nine stores have been opened during the year, and the expansion target of 8-12 stores is reached.

We communicated our updated strategy in June. We will going forward focus on growing from the strong profitable core we have today, and aim for both higher efficiency and faster organic growth. Implementation of the new strategy has started according to plan and includes:

- Improving profitability in Finland, including shifting the store footprint to strategically more favorable locations. We will close four stores during Q4 2017, and open a new store in Riihimäki, close to Helsinki, during spring 2018.
- Improving profitability of Byggmax e-commerce. Implementation of profit improvement actions is progressing according to plan and supported by integration with Buildor. We expect to reach satisfactory profitability during 2018, setting the basis for good profitable growth.
- Completed the first steps of the expected 18-24 month journey to transform Skånska Byggvaror into a modern leader in garden living. We have reduced costs, restarted investments in product development and recruited a new CEO in Oscar Tjärnberg, a proven leader within Scandinavian e-commerce.
- Positive indications for the Byggmax garden concept, launched in two stores this summer. We plan to expand the Garden concept to 8-10 more Byggmax stores during 2018.
- Positive indications for a Byggmax store format for smaller towns, launched in two stores this summer. We plan to expand the format to 3-5 more locations during 2018.

## Outlook

The Swedish consumer market continues to develop well over time and a normal development of modest positive growth is expected for the autumn and winter. In both the Finnish and Norwegian markets, uncertainty remains regarding economic developments.

The Byggmax segment is developing positively. Year-to-date, sales has increased 4.9 percent and EBITDA margin has increased by 0.8 percentage points. We have positive early indications for key growth initiatives – faster store expansion, profitable e-commerce growth and our garden concept – and we look forward to bringing more of Byggmax to more customers during 2018.

Skånska Byggvaror's sales and profitability has decreased during 2017. With reduced cost levels and a new CEO in place, we are investing in product development, further detailing the strategic plan, and expect positive financial effects over time.



Mattias Ankarberg  
President, Byggmax Group AB (publ)

<sup>1</sup> Earnings are positively affected by Buildor earnout for Q3 2017 SEK 33.4 M, 12 months SEK 36.7 M and full year 2016 SEK 3.3 M. Earnings for Q3 are negatively affected by the close down costs of four stores in Finland SEK -39.3 M. Earnings for Q3 2016 are positively affected by revaluation of part of the earnout linked to the acquisition of Skånska Byggvaror Group AB SEK 49.1 M and full year 2016 SEK 109.1 M. Earnings for Q3 2016 and full year 2016 are negatively affected by an impairment of goodwill linked to the acquisition of Skånska Byggvaror Group AB SEK -44.8 M.

# CONSOLIDATED SALES AND EARNINGS

## July - September

### Revenues

The operation's net sales totaled SEK 1,812.8 M (1,767.8), up 2.5 percent. Total revenue was SEK 1,849.8 M (1,824.3), up 1.4 percent. Net sales for comparable stores increased 1.0 percent in local currency. Net sales amounted to SEK 1,554.1 M (1,488.7) for Byggmax, SEK 227.1 M (251.3) for Skånska Byggarvar and SEK 31.6 M (27.9) for Other. The weakest sales month of the quarter was September.

**The sales increase of 2.5 percent was divided according to the following:**

Comparable stores <sup>1</sup> , local currency, percent	1.0
Non-comparable units and other, percent	1.5
Exchange-rate effects, percent	0.0
<b>Total, percent</b>	<b>2.5</b>

The Group opened three (two) stores during the quarter: three Byggmax stores in Sweden. The total number of stores in the Group as of September 30, 2017 thereby amounted to 148 (139).

### EBIT

EBIT amounted to SEK 221.0 M (235.3), corresponding to an EBIT margin of 12.2 percent (13.3). The gross margin was 31.6 percent, compared with 31.4 percent in the year-earlier period. The gross margin for the Byggmax segment increased during the quarter. The gross margin was positively affected by improvements in purchasing and pricing and product mix. In addition the gross margin was negatively affected by the weaker NOK and increased prices on input goods and close down costs in Finland. The gross margin for Skånska Byggarvar declined during the quarter as a result of mix effects, rising costs for input goods and currency changes.

Personnel costs and other external expenses increased a total of SEK 55.8 M. The increase in expenses compared with the year-earlier period was mainly attributable to costs associated with new stores opened after the third quarter of 2016, amounting to SEK 11.9 M (16.7). Other external expenses had a negative impact of SEK 36.9 M from the close down of four stores in Finland.

EBITDA amounted to SEK 260.1 M (317.5), corresponding to an EBITDA margin of 14.3 percent (18.0). EBITDA was impacted by the completion of Buildor's earnout, which effected other operating income positively by SEK 33.4 M. Third quarter 2016 was EBITDA impacted by the revaluation of the earnout linked to the acquisition of Skånska Byggarvar, which affected other operating income positively by SEK 49.1 M. EBITDA excluding non-recurring items amounted to SEK 266.0 M (268.5), corresponding to an EBITDA margin of 14.7 percent (15.2).

EBIT for the third quarter 2016 were negatively affected by SEK 44.8 M for goodwill impairment linked to the acquisition of Skånska Byggarvar.

### Profit before tax

Profit before tax amounted to SEK 215.2 M (223.6). Net financial items amounted to a cost of SEK -5.8 M (-11.7). Net financial items for the quarter were negatively impacted by exchange-rate effects of SEK -1.8 M (-3.5). Net financial items were also impacted by the discount rate of interest on the earnout on Skånska Byggarvar Group AB and Buildor AB of SEK 0.0 M (-3.2).

### Taxes

Tax costs for the second quarter of 2017 totaled SEK 43.3 M (51.4).

<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 Byggarvar stores.

## January - September

### Revenues

The operation's net sales totaled SEK 4,371.2 M (4,244.4), up 3.0 percent. Total revenue was SEK 4,411.0 M (4,306.2), up 2.4 percent. Net sales for comparable stores increased 0.3 percent in local currency. Net sales amounted to SEK 3,686.1 M (3,512.8) for Byggmax, SEK 591.8 M (649.2) for Skånska Byggvaror and SEK 93.2 M (82.4) for Other.

**The sales increase of 3.0 percent was divided according to the following:**

Comparable stores <sup>1</sup> , local currency, percent	0.3
Non-comparable units and other, percent	2.0
Exchange-rate effects, percent	0.7
<b>Total, percent</b>	<b>3.0</b>

The Group opened nine (14) stores during the period: five 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 September 30, 2017 there by amounted to 148 (139).

### EBIT

EBIT amounted to SEK 330.9 M (336.6), corresponding to an EBIT margin of 7.6 percent (7.9). The gross margin was 31.0 percent, compared with 30.8 percent in the year-earlier period. The gross margin for the Byggmax segment increased during the first nine months. The gross margin was negatively affected by the weaker NOK, increased share e-commerce and higher costs for input goods. 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 66.9 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 38.5 M (54.1). Other external expenses were affected negatively in third quarter by SEK 36.9 M from the close down costs of four stores in Finland. 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 446.8 M (487.2), corresponding to an EBITDA margin of 10.2 percent (11.5). EBITDA for 2017 was impacted by the completion of Buildor's earnout, which effected other operating income positively by SEK 33.4 M. Third quarter 2016 was EBITDA impacted by the revaluation of the earnout linked to the acquisition of Skånska Byggvaror, which affected other operating income positively by SEK 49.1 M. EBITDA excluding non-recurring items amounted to SEK 452.7 M (438.1), corresponding to an EBITDA margin of 10.4 percent (10.3).

EBIT for the third quarter 2016 were negatively affected by SEK 44.8 M for goodwill impairment linked to the acquisition of Skånska Byggvaror.

### Profit before tax

Profit before tax amounted to SEK 320.5 M (297.9). Net financial items amounted to a cost of SEK -10.4 M (-38.7). Net financial items for the period were positively impacted by exchange-rate effects of SEK 3.0 M (negative 10.4). Previous year 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. 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 (-9.5).

### Taxes

Tax costs for the first nine months of 2017 totaled SEK 67.6 M (70.1).

# 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 branches Byggmax Norge and Byggmax AB Finland. Net sales increased 4.4 percent during the third quarter to SEK 1,554.1 M (1,488.7) and 4.9 percent during the first nine months to SEK 3,686.2 M (3,512.8). 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 negatively affected by the weaker NOK and rising costs for input goods. EBITDA amounted to SEK 216.3 M (242.7) for the third quarter and to SEK 392.6 M (381.7) for the first nine months. The EBITDA margin for

the quarter was 13.9 percent (16.3) and 10.6 percent (10.9) for the first nine months.

Other external expenses were affected negatively in third quarter by SEK 36.9 M from the close down costs of four stores in Finland.

Earnings for the third quarter were impacted by costs for stores opened after the third quarter of 2016, amounting to SEK 8.9 M (13.8) and earnings for the first nine months were impacted by costs for stores opened after the first quarter of 2016, amounting to SEK 31.4 M (35.6).

## Skånska Byggvaror

Net sales decreased 9.6 percent to SEK 227.1 M (251.3) during the third quarter and decreased 8.8 percent to SEK 591.8 M (649.2) during the first nine months. The gross margin for Skånska Byggvaror declined during the period as a result of currency changes, mix effects and rising costs for input goods. EBITDA amounted to positive SEK 7.2 M (31.6) during the third quarter and positive SEK 18.8 M (58.8) during the first nine months. The EBITDA margin was a positive 3.2 percent (12.6) for the quarter and a positive 3.2 percent (9.1) for the first nine months. Earnings were also impacted by costs linked to stores opened after the third quarter of 2016 amounting to SEK 2.9 M (18.5). Earnings for the first nine months were impacted by costs for stores opened after the first quarter of 2016, amounting to SEK 7.1 M (18.5). EBIT for the Group was impacted by the amortization of customer relationships and brands totaling SEK 19.8 M (19.8) for the first nine months, identified in connection with the acquisition of Skånska Byggvaror Group AB.

SEK M	July-September		Jan-September		12 months	Jan-Dec
	2017	2016	2017	2016	Oct 2016- Sep 2017	2016
<b>Net sales from external customers</b>						
Byggmax	1,554.1	1,488.7	3,686.2	3,512.8	4,491.5	4,318.1
Skånska Byggvaror	227.1	251.3	591.8	649.2	737.2	794.7
Other	31.6	27.8	93.2	82.4	117.4	106.5
<b>Total net sales</b>	<b>1,812.8</b>	<b>1,767.8</b>	<b>4,371.2</b>	<b>4,244.4</b>	<b>5,346.1</b>	<b>5,219.3</b>
<b>EBITDA</b>						
Byggmax	216.3	242.7	392.6	381.7	428.6	417.8
Skånska Byggvaror	7.2	31.6	18.8	58.8	14.4	54.4
Other <sup>1</sup>	36.6	43.3	35.4	46.6	98.0	109.2
<b>Total EBITDA</b>	<b>260.1</b>	<b>317.5</b>	<b>446.8</b>	<b>487.2</b>	<b>541.0</b>	<b>581.3</b>
<b>EBITDA margin, percent</b>						
Byggmax	13.9	16.3	10.6	10.9	9.5	9.7
Skånska Byggvaror	3.2	12.6	3.2	9.1	2.0	6.8
Other	115.6	155.4	38.0	56.6	83.5	102.4
<b>Total EBITDA margin, percent</b>	<b>14.3</b>	<b>17.4</b>	<b>10.2</b>	<b>11.5</b>	<b>10.1</b>	<b>11.1</b>
<b>EBITDA margin excluding non-recurring items, percent</b>						
Byggmax	16.4	16.3	11.7	10.9	10.4	9.7
Skånska Byggvaror	3.2	12.6	3.2	9.1	2.0	6.8
Other	10.1	-20.9	2.1	-3.0	1.1	-3.0
<b>Total EBITDA margin excluding non-recurring items, percent</b>	<b>14.7</b>	<b>15.2</b>	<b>10.4</b>	<b>10.3</b>	<b>9.0</b>	<b>9.0</b>

<sup>1</sup> Earnings are positively affected by Buildor earnout for Q3 2017 SEK 33.4 M, 12 months SEK 36.7 M and full year 2016 SEK 3.3 M. Earnings for Q3 are negatively affected by the close down costs of four stores in Finland SEK -39.3 M. Earnings for Q3 2016 are positively affected by revaluation of part of the earnout linked to the acquisition of Skånska Byggvaror Group AB SEK 49.1 M and full year 2016 SEK 109.1 M. Earnings for Q3 2016 and full year 2016 are negatively affected by an impairment of goodwill linked to the acquisition of Skånska Byggvaror Group AB SEK -44.8 M.

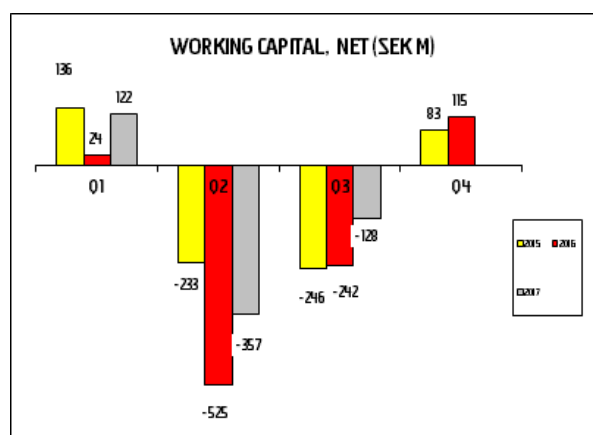
# CASH FLOW AND FINANCIAL POSITION

## Cash flow and financial position

Cash flow from operating activities amounted to SEK -12.7 M (-26.9) for the period July to September, up SEK 14.2 M year-on-year, and to SEK 563.4 M (585.2) the first nine months. Inventory totaled SEK 922.9 M (874.3), up SEK 48.6 M. Inventory for Skånska Bygghvaror totaled to SEK 90.3 M (89.7). Compared with the end of the year-earlier period, sju (eight) new Byggmax stores were added and the associated inventory amounted to SEK 28.1 M. Distribution inventory was SEK 14.5 M higher year-on-year.

At September 30, 2017, consolidated shareholders' equity amounted to SEK 1,419.7 M (1,256.1). Consolidated net debt was SEK 857.5 M (905.4), down SEK 47.9 M year-on-year. The equity/assets ratio amounted to 37.4 percent (33.4). Unutilized credits totaled SEK 642.7 M (562.1).

Investments during the third quarter amounted to SEK 29.1 M (32.1). Of these investments, SEK 13.9 M (20.9) pertained to investments in stores opened or stores to be opened during 2017 and SEK 5.1 M (3.7) to IT investments. Investments relating to the conversion of stores to the Byggmax 2.0 concept totaled SEK 1.3 M for the third quarter 2016. Investments during the first nine months of 2017 amounted to SEK 107.6 M (150.0). Of these investments, SEK 28.6 M (65.7) pertained to investments in stores opened or stores to be opened during 2017 and SEK 25.0 M (22.0) to IT investments. Investments relating to the conversion of stores to the Byggmax 2.0 concept totaled SEK 38.0 M for the nine months of 2016. Conversion to Byggmax 2.0 was completed in 2016.



## New store openings

A total of nine (14) new stores were opened during the period January to September 2017: five Byggmax stores in Sweden, one Byggmax store in Norway, one Skånska Bygghvaror store in Sweden and two Skånska Bygghvaror stores in Norway.

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

The following stores have been publicly announced and will be opened in 2017: Ålesund and Eidsvoll in Norway.

The following stores have been publicly announced and will be open in 2018: Riihimäki in Finland.

## The Byggmax workforce

The number of employees (converted into full-time equivalents) totaled 1,245 (1,215) at the end of the period.

## Parent Company

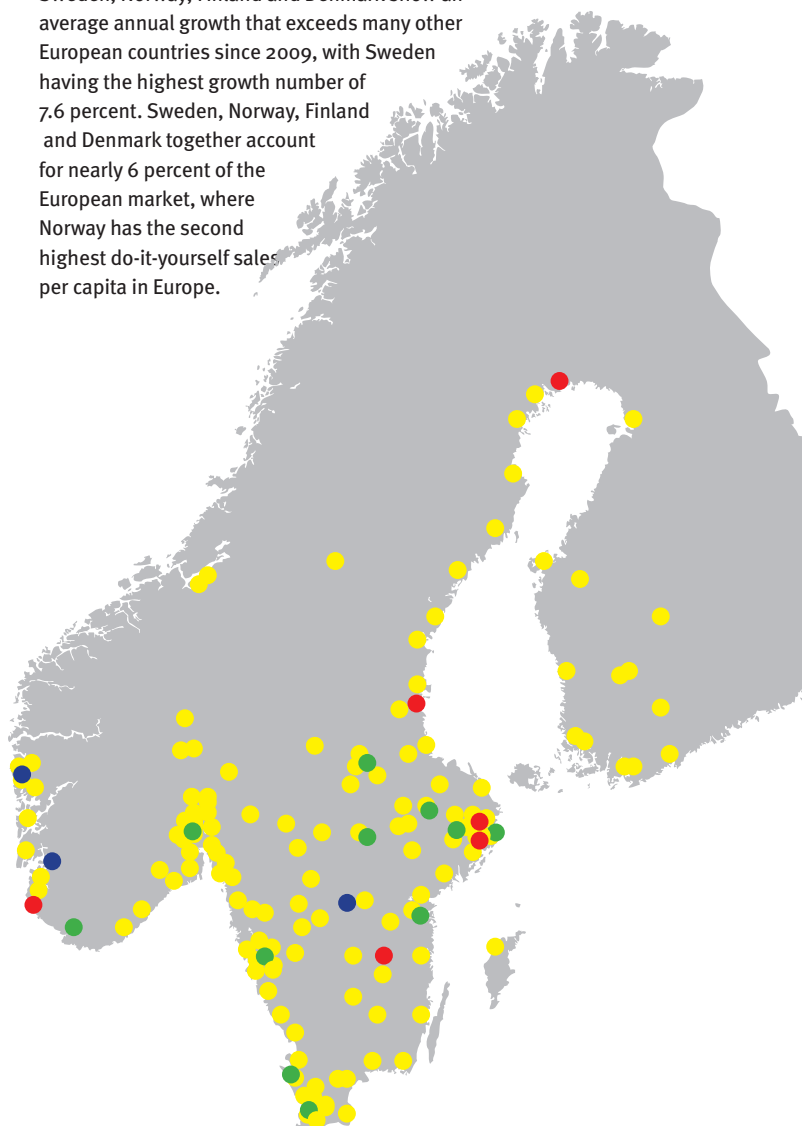
The Parent Company comprises a holding company. The Parent Company's sales amounted to SEK 0.1 M (0.1) for the third quarter and SEK 0.2 M (0.2) for the first nine months. Profit before taxes for the third quarter was SEK -4.0 M (-6.1) and for the first nine months SEK -13.4 M (-18.1).

## 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	6
●	Skånska Bygghvaror/Grønt fokus stores	11
●	New Skånska Bygghvaror/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:<sup>1</sup>

- 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.

<sup>1</sup> 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 (%)
Verdipapirfonde Odin Sverige	5,675,592	9.31
Swedbank Robur fonder	5,421,399	8.89
Afa Försäkring	4,793,242	7.86
Nordea Investment Funds	4,058,074	6.65
Carnegie fonder	3,474,150	5.70
Handelsbanken fonder	3,445,952	5.65
CI Investments, Inc.	2,029,000	3.33
Didner & Gerge Fonder Aktiebolag	1,807,477	2.96
Threadneedle Asset Management Ltd.	1,542,000	2.53
Försäkringsaktiebolaget, Avanza Pension	1,343,483	2.20
<b>Total of the ten major shareholders</b>	<b>33,590,369</b>	<b>55.07</b>
<b>Total other shareholders</b>	<b>27,402,676</b>	<b>44.93</b>
<b>Total at September 30, 2017</b>	<b>60,993,045</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 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. Same accounting principles and calculation methods apply as for the Annual Report 2016.

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 1-19 comprises an integrated part of this financial report.

### New standards from IASB

IFRS 15 *Revenue from contracts with customers* is the new standard for revenue recognition. IFRS 15 replaces IAS 18 Revenue and IAS 11 Entrepreneurial Agreement and shall be applied from the date of fiscal year commencing January 1, 2018. IFRS 15 is based on the principle that revenue is reported when the customer gain control of the sold item or service - a principle that replaces the previous principle that revenue is reported when risks and benefits have passed to the buyer. A company can choose from "Full retrospective approach" or "Modified approach" with additional information. Byggmax Group will choose the Modified approach. During the year, the Byggmax Group analyzed the effects of introduction IFRS 15 on the financial reports. The Byggmax Group's main revenue comes from sales of goods and analysis shows that IFRS 15 does not indicate a significant change compared to the present accounting applicable to IAS 18. Therefore, the transition is deemed to have no effect.

IFRS 9 *Financial Instruments* come into force for the fiscal year beginning January 1, 2018, replacing IAS 39 Financial Instruments: Accounting and Valuation. IFRS 9 introduces new rules, including the classification and valuation of financial instruments, impairment of financial instruments and hedge accounting. The standard is approved by the EU.

In terms of classification and valuation, these new rules are not expected to affect the reported values in the financial statements. Primarily, the Group has financial assets that are reported at amortised cost and will be reported in accordance with this assumption also in accordance with IFRS 9.

The preliminary assessment regarding impairment is that the reservation for expected future losses will change, but it has not yet been quantified.

Although the Group has not yet conducted a detailed evaluation of the debt instruments currently classified as available-for-sale financial assets, they appear to meet the fair value of other comprehensive income based on the company's business model for these assets. The Group is expected to be ready for analysis and quantification during the fourth quarter. The Group does not intend to apply IFRS 9 prematurely.

None of the changes in standards and interpretations published by the IASB or IFRIC in 2017 have had any impact on the Byggmax Group's financial reporting,

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

Stockholm October 18, 2017

Mattias Ankarberg  
President

**Financial calender**

Year-end report 2017                      January 25, 2018

The 2017 Annual General meeting will be held on May 9, 2018 in Stockholm.

## Auditor's report

### Introduction

We have reviewed the condensed interim financial information (interim report) of Byggmax Group AB (Publ) as of 30 September 2017 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, October 18, 2017

Öhrlings PricewaterhouseCoopers AB

Ann-Christine Hägglund  
Authorized Public Accountant

## Consolidated statement of comprehensive income

Amount in SEK M		July - Sep		Jan - Sep		12 months	Jan - Dec
	Note	2017	2016	2017	2016	Oct 2016 - Sep 2017	2016
Revenue							
Net sales	1	1,812.8	1,767.8	4,371.2	4,244.4	5,346.1	5,219.3
Other operating income		37.0	56.5	39.8	61.8	106.7	128.7
Total Revenue		1,849.8	1,824.3	4,411.0	4,306.2	5,452.8	5,348.0
Operating expenses							
Goods for sale		-1,239.9	-1,212.7	-3,017.2	-2,939.0	-3,701.7	-3,623.4
Other external costs and operating expenses		-200.0	-149.3	-527.7	-482.5	-661.7	-616.6
Personnel costs		-149.8	-144.7	-419.3	-397.5	-548.4	-526.7
Depreciation, amortization of tangible and intangible fixed assets	7	-39.1	-82.3	-115.9	-150.5	-154.9	-189.5
Total operating expenses		-1,628.8	-1,589.0	-4,080.1	-3,969.6	-5,066.7	-4,956.2
EBIT		221.0	235.3	330.9	336.6	386.1	391.8
Profit/loss from financial items		-5.8	-11.7	-10.4	-38.7	-13.2	-41.5
Profit before tax		215.2	223.6	320.5	297.9	372.9	350.3
Income tax		-43.3	-51.4	-67.6	-70.1	-63.2	-65.7
Profit/loss for the period		171.9	172.2	252.9	227.9	309.7	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
Items that may be subsequently reclassified to profit or loss		0.0	0.0	0.0	0.0	0.0	0.0
Translation differences		1.4	9.0	-4.9	16.0	-9.1	11.8
Other comprehensive income for the period		1.4	9.0	-4.9	16.0	-9.1	11.8
Total comprehensive income for the period		173.3	181.2	248.0	243.8	300.5	296.4
Earnings per share before dilution, SEK		2.8	2.8	4.2	3.8	5.1	4.7
Earnings per share after dilution, SEK		2.8	2.8	4.2	3.7	5.1	4.6
Average number of shares, (thousands)		60,925	60,737	60,815	60,737	60,748	60,737
Number of shares at the end of the period, (thousands)		60,993	60,737	60,993	60,737	60,993	60,737

## Consolidated statement of financial position

Amounts in SEK M	Note	September 30, 2017	September 30, 2016	December 31, 2016
<b>ASSETS</b>				
Fixed assets				
Intangible fixed assets		2,205.8	2,230.9	2,222.3
Tangible fixed assets		378.8	386.5	375.7
Financial fixed assets		17.8	22.0	21.0
Total fixed assets		2,602.4	2,639.3	2,619.0
Current assets				
Inventories		922.9	874.3	818.5
Derivatives		0.0	0.0	0.2
Current receivables		201.3	194.0	150.9
Cash and cash equivalents		69.8	53.4	41.9
Total current assets		1,194.1	1,121.6	1,011.5
<b>TOTAL ASSETS</b>		<b>3,796.5</b>	<b>3,760.9</b>	<b>3,630.5</b>

Amounts in SEK M	Note	September 30, 2017	September 30, 2016	December 31, 2016
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Shareholders' equity		1,419.7	1,256.1	1,302.2
<b>LIABILITIES</b>				
Borrowing from credit institutions		525.1	800.2	525.1
Deferred tax liabilities		195.9	185.5	201.3
Other long liabilities		0.6	47.0	47.3
Long-term liabilities		721.6	1,032.7	773.7
Borrowing from credit institutions		402.3	158.5	699.6
Provisions	6	39.3	0.0	0.0
Accounts payable		892.1	928.8	630.7
Current tax liabilities		23.8	52.4	20.8
Derivatives		0.0	3.7	0.3
Other liabilities		129.0	164.2	62.3
Accrued expenses and deferred income		168.9	164.4	141.0
Current liabilities		1,655.2	1,472.1	1,554.7
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>3,796.5</b>	<b>3,760.9</b>	<b>3,630.5</b>

## Consolidated statement of changes in equity

Amounts in SEK M	Note	September 30, 2017	September 30, 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		-4.9	16.0	11.8
Profit for the period		252.9	227.9	284.6
Total comprehensive income		248.0	243.8	296.3
<b>TRANSACTIONS WITH SHAREHOLDERS</b>				
Dividend to shareholders		-145.8	-130.0	-130.0
Warrants and issue of new shares		11.0	0.0	0.0
Issue of warrants	2	4.3	0.0	-6.5
Total transactions with shareholders		-130.5	-130.0	-136.5
Shareholders' equity at the end of the period		1,419.7	1,256.1	1,302.2

## Consolidated statement of cash flows

Amounts in SEK M	Note	Jul - Sep		Jan - Sep		12 months Oct 2016 - Sep 2017	Jan - Dec 2016
		2017	2016	2017	2016		
Cash flow from operating activities							
EBIT		221.0	235.3	330.9	336.6	386.1	391.8
Non-cash items							
- Depreciation/amortization of tangible and intangible fixed assets		39.1	81.4	115.9	150.5	154.9	189.5
- Other non-cash items		41.4	4.6	40.0	10.2	37.9	8.1
Interest received		5.4	2.6	12.7	10.1	16.5	13.9
Interest paid		-7.8	-15.6	-23.4	-46.4	-32.2	-55.2
Tax paid		-21.4	-14.0	-69.9	-49.9	-80.7	-60.8
Cash flow from operating activities before changes in working capital		277.7	294.3	406.2	411.0	482.4	487.3
Changes in working capital							
Increase/decrease in inventories and work in process		91.4	59.5	-95.5	-142.7	-47.0	-94.2
Increase/decrease in other current receivables		15.2	-4.9	-56.1	-60.6	-5.9	-10.4
Increase/decrease in other current liabilities		-397.0	-375.8	308.7	377.5	-115.9	-47.2
Cash flow from operating activities		-12.7	-26.9	563.4	585.2	313.6	335.5
Cash flow from investing activities							
Investment in intangible fixed assets		-5.1	-3.7	-25.0	-16.5	-30.9	-22.4
Investment in tangible fixed assets		-24.0	-28.3	-82.6	-133.5	-98.2	-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		7.8	-0.1	7.9	-0.2	7.9	-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		-21.3	-32.2	-99.7	-853.9	-121.2	-875.4
Cash flow from financing activities							
Change in overdraft facilities		95.0	57.9	-247.3	-106.1	69.4	210.6
Issue of warrants	2	3.3	0.0	15.2	0.0	8.9	-6.5
Dividend to shareholders		0.0	0.0	-145.8	-130.0	-145.8	-130.0
Borrowings		0.0	0.0	0.0	800.0	0.0	800.0
Amortization of loans		-50.0	-100.5	-50.0	-273.7	-100.5	-324.3
Cash flow from financing activities		48.3	-42.6	-427.8	290.2	-168.1	549.9
Cash flow for the period		14.3	-101.7	35.8	21.5	24.4	10.1
Cash and cash equivalents at the beginning of the period		55.5	147.2	34.0	23.9	45.5	23.9
Cash and cash equivalents at the end of the period <sup>1</sup>		69.8	45.5	69.8	45.5	69.8	34.0

## Parent Company income statement

Amounts in SEK M	Note	Jul - Sep		Jan - Sep		12 months Oct 2016 - Sep 2017	Jan - Dec 2016
		2017	2016	2017	2016		
Operating income		0.1	0.1	0.2	0.2	0.3	0.3
Total revenue		0.1	0.1	0.2	0.2	0.3	0.3
Operating expenses							
Other external expenses		-1.5	-2.0	-5.1	-5.5	-6.9	-7.3
Personnel costs		0.0	-0.4	-0.3	-0.6	-0.9	-1.2
Total operating expenses		-1.6	-2.4	-5.4	-6.1	-7.8	-8.6
EBIT		-1.5	-2.4	-5.1	-5.9	-7.5	-8.3
Profit/Loss from financial items		-2.5	-3.8	-8.3	-12.2	151.9	148.0
Profit/loss before tax		-4.0	-6.1	-13.4	-18.1	144.4	139.7
Tax on profit/loss		0.9	1.3	3.0	4.0	-1.0	0.0
Profit/loss for the period		-3.1	-4.8	-10.5	-14.1	143.3	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	September 30, 2017	September 30, 2016	December 31, 2016
<b>ASSETS</b>				
Fixed assets				
Financial fixed assets		1,573.3	1,666.0	1,605.0
Total fixed assets		1,573.3	1,666.0	1,605.0
Current assets		4.6	6.8	164.7
Total current assets		4.6	6.8	164.7
<b>TOTAL ASSETS</b>		<b>1,577.9</b>	<b>1,672.8</b>	<b>1,769.7</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
Shareholders' equity		95.0	86.5	240.3
Other long liabilities		525.0	795.9	571.7
Current liabilities		957.9	790.4	957.7
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,577.9</b>	<b>1,672.8</b>	<b>1,769.7</b>

# Notes to the interim report

## Note 1 Segments

### July - September, 2017

REVENUE, SEK M	Byggmax		Skånska Byggvaror		Other		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Total net sales per segment	1,567.3	1,492.5	236.9	253.6	307.5	261.7	2,111.7	2,007.9
Net sales internal	13.2	3.9	9.8	2.3	275.9	233.9	298.9	240.1
Net sales external	1,554.1	1,488.7	227.1	251.3	31.6	27.8	1,812.8	1,767.8

EBITDA	216.3	242.7	7.2	31.6	36.6	43.3	260.1	317.5
Operating margin before amortization and depreciation	13.9	16.3	3.2	12.6	115.6	155.4	14.3	18.0
Amortization and depreciation							-39.1	-82.3
Financial income							6.2	4.5
Financial expenses							-12.0	-16.2
Profit/Loss before tax							215.2	223.6

### January - September, 2017

REVENUE, SEK M	Byggmax		Skånska Byggvaror		Other		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Total net sales per segment	3,701.3	3,516.8	609.4	652.9	835.9	718.8	5,146.6	4,888.5
Net sales internal	15.1	4.0	17.6	3.7	742.7	636.4	775.4	644.1
Net sales external	3,686.2	3,512.8	591.8	649.2	93.2	82.4	4,371.2	4,244.4

EBITDA	392.6	381.7	18.8	58.8	35.4	46.6	446.8	487.2
Operating margin before amortization and depreciation	10.6	10.9	3.2	9.1	38.0	56.6	10.2	11.5
Amortization and depreciation							-115.9	-150.5
Financial income							19.1	14.0
Financial expenses							-29.5	-52.7
Profit/Loss before tax							320.5	297.9

ASSETS PER SEGMENT:	Byggmax		Skånska Byggvaror		Other		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Total assets per segment	2,236.4	2,341.7	1,193.0	1,223.5	367.1	195.7	3,796.5	3,960.9
- of which fixed assets	1,435.9	1,430.1	1,009.9	1,049.2	138.8	138.0	2,584.6	2,617.4

## Note 2 Disclosures about transactions with related parties

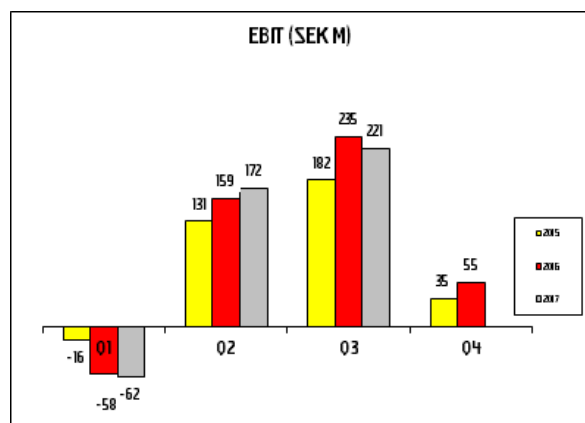
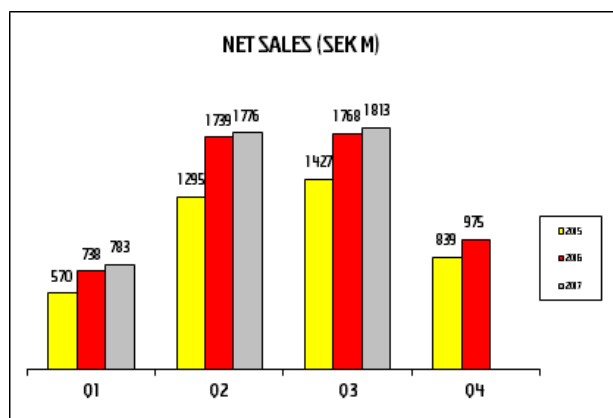
No transactions occurred between Byggmax and related parties that could significantly impact the Company's position and results.

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 256,000 shares during the second and quarter and further 6,000 warrants can be exercised for subscription through November 30, 2017. Subscription of shares has increased share capital with SEK 85 K and share premium with SEK 10.9 M. 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	6,000	488,000	1,007,000
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	1	17	29

### Note 3 Income per quarter

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	2015	2015	2015	2015	2016	2016	2016	2016	2017	2017	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	1,775.8	1,1812.8
Gross margin, percent	32.2	29.3	30.0	32.4	31.2	29.9	31.4	29.8	30.3	30.6	31.6
EBITDA, excluding acquisition costs, earnout and close down costs Finland 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	210.2	266.0
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	210.2	260.1
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	11.8	14.3
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	171.8	221.0
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	9.7	12.2
Working capital, SEK M	136.1	-233.2	-246.4	82.8	23.8	-524.5	-241.6	114.6	121.9	-357.2	-128.8
Return on equity, percent	-1.6	9.7	14.6	2.3	-5.2	10.5	14.8	4.4	-4.0	10.6	12.9
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	-0.2
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	23.3
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	2.8
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	61.3	68.5
Number of stores	113	117	118	119	131	137	139	140	141	145	148



### 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 attributable to level 2 (observable data for the asset or liability) and is based on the daily rate at closing day. No reclassifications between the various levels took place during the period.

### Note 6 Provisions

Provisions consist of estimated close down costs for four Byggmax stores in Finland. The total amount amounts to SEK 39.3 million, of which SEK 2.3 M affected the cost of goods and SEK 36.9 M, affected personnel cost and other external expenses.

### Note 7 Depreciation

Depreciation includes depreciation of customer relations and brand for Skånska Byggvaror with SEK 9.9 M for the third quarter of 2017 and SEK 9.9 M for 2016. The first nine months includes SEK 29.7 M for 2017 and SEK 29.7 M for 2016.

## Key ratios

Byggmax has reviewed its terminology for alternative key ratios due to the 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, EBIT working capital, return on equity, net debt and equity/assets ratio. 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. See link (<http://om.byggmax.se/en/investors/financial-statistics/>)

## Definitions of key figures

### Financial Key ratios

Net sales for comparable stores:

### Definition

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 to understand earnings generated 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 excluding non-recurring items:

EBITDA excluding non-recurring items is a measure that the Group regards as relevant to an investor who wishes to understand the profit from current operations, excluding the impact on non-recurring items. The Group defines non-recurring items in the report as acquisition costs, earnout and close down costs for four stores in Finland. These items are not included in the ordinary business transactions and the amounts are of significant size and thus affect earnings and key ratios.

EBITDA margin:

EBITDA dividerat by net sales

EBIT:

EBIT is a ratio that the Group considers to be relevant for investors to understand the net earnings from revenue and operating expenses without consider capital costs and taxes. The Group defines earnings before interest, tax (EBIT) as operating profit.

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

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

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 October 18, 2017.

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