

BYGGMAX CONTINUES EXECUTION OF NEW STRATEGY ACCORDING TO PLAN

Execution of the new strategy continues according to plan. The Byggmax segment has come furthest, and execution of the strategic initiatives has positively contributed to the Byggmax segment's strong profitability improvement in 2017 (adjusted EBITDA margin +0.7%-points. Skånska Byggarvaror is in the middle of a transformation, and in the fourth quarter, the cost base is restructured.

Financial results for the fourth quarter are impacted by the execution of our strategic plan, a soft Nordic consumer market for building materials affected by early autumn weather, and the weaker NOK. In the quarter, sales decreased 2.5 percent, affected negatively by currency effects of -1.2%-points and the sales development in Skånska Byggarvaror impacting -2.4%-points mainly due to active decisions to reduce less profitable selling. EBITDA margin excluding non-recurring costs decreased 0.9 percent, significantly negatively impacted by the weaker NOK.

The underlying Byggmax business developed positively in the quarter, with increased sales, increased market share, and increased profitability.

October 1 - December 31

- Net sales amounted to SEK 950.2 M (974.9), down 2.5 percent.
- Net sales for comparable stores decreased 1.9 percent (decreased 9.1).
- The gross margin was 31.1 percent (29.8).
- EBITDA amounted to SEK -1.9 M (94.1). EBITDA excluding non-recurring¹ items amounted to SEK 22.1 M (30.9).
- The EBITDA margin was -0.2 percent (9.7). EBITDA margin excluding non-recurring items was 2.3 (3.2) percent.
- EBIT amounted to SEK -59.0 M (55.2).
- The profit after tax was SEK -58.3 M (56.8).
- Earnings per share totaled SEK -1.0 (0.9).

Significant events during October - December

- Three (one) new stores were opened, one Byggmax store in Sweden and two Byggmax stores in Norway.
- Oscar Rööf has been employed as CIO for Byggmax Group and becomes a member of the management group for Byggmax Group. Oscar will start in spring 2018.
- Four (zero) Byggmax stores were closed during the quarter in Finland. This in order to increase profitability in Finland as previously communicated. The quarter is positively affected by reversal of close down costs of SEK 8.3 M
- The fourth quarter was negatively affected by restructuring costs of SEK 49.4 M for Skånska Byggarvaror to focus on the core business "Garden Living" and reducing operating expenses.
- The Board of Directors proposes a dividend of SEK 2.5 (2.4) per share.

Earnings overview

	FOURTH QUARTER	
	Oct-Dec 2017	Oct-Dec 2016
Net sales, SEK M	950.2	974.9
Gross margin, percent	31.1	29.8
EBITDA, excluding non-recurring costs, SEK M	22.1	30.9
EBITDA margin excluding non-recurring costs, percent	2.3	3.2
EBITDA, SEK M ¹	-1.9	94.1
EBITDA margin, percent ¹	-0.2	9.7
EBIT, SEK M ¹	-59.0	55.2
EBIT margin, SEK M ¹	-6.2	5.7
Profit after tax, SEK M ¹	-58.3	56.8
Earnings per share, SEK	-1.0	0.9
Return on equity, percent	-4.2	4.4
Cash flow from operating activities per share, SEK	-4.3	-4.1
Shareholders' equity per share, SEK	22.3	21.4
Number of stores at the end of the period	147	140
New stores opened during the period	3	1

¹ Earnings for Q4 are positively affected by reversal of close down costs of four stores in Finland SEK 8.3 M, due to lower costs than accrued in Q3 2017. Earnings for Q4 2017 are negatively affected by restructuring costs for Skånska Byggarvaror -49.4, whereof SEK -32.3 M has affected EBITDA and SEK -17.1 M has affected depreciation. Earnings for Q4 2016 are positively affected by revaluation of the earnout linked to the acquisition of Skånska Byggarvaror Group AB and Buildor AB SEK 63.3 M.

January 1 - December 31

- Net sales amounted to SEK 5,321.4 M (5,219.3), up 2.0 percent.
- Net sales for comparable stores decreased 0.1 percent (+0.8).
- The gross margin was 31.0 percent (30.6).
- EBITDA amounted to SEK 444.9 M (581.3). EBITDA excluding non-recurring items amounted to SEK 474.8 M (469.0).
- The EBITDA margin was 8.4 percent (11.1). EBITDA margin excluding non-recurring items was 8.9 (9.0) percent.
- EBIT amounted to SEK 271.9 M (391.8).
- The profit after tax was SEK 194.6 M (284.6).
- Earnings per share totaled SEK 3.2 (4.7).

Significant events during January - December

- A total of 12 (15) new stores were opened during the year, including six Byggmax stores in Sweden, three Byggmax stores in Norway, one Skånska Byggarvaror store in Sweden and two Skånska Byggarvaror 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 took 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 organically 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 during fourth quarter.
- 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 to increase profitability and has closed four stores in Q4 2017 and will open one new store in spring 2018. This means a non-recurring cost of SEK 30.9 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 has started 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

	JANUARY - DECEMBER	
	Jan-Dec 2017	Jan-Dec 2016
Net sales, SEK M	5,321.4	5,219.3
Gross margin, percent	31.0	30.6
EBITDA, excluding non-recurring costs, SEK M	474.8	469.0
EBITDA margin excluding non-recurring costs, percent	8.9	9.0
EBITDA, SEK M ¹	444.9	581.3
EBITDA margin, percent ¹	8.4	11.1
EBIT, SEK M ¹	271.9	391.8
EBIT margin, SEK M ¹	5.1	7.5
Profit after tax, SEK M ¹	194.6	284.6
Earnings per share, SEK	3.2	4.7
Return on equity, percent	14.6	23.3
Cash flow from operating activities per share, SEK	5.0	5.5
Shareholders' equity per share, SEK	22.3	21.4
Number of stores at the end of the period	147	140
New stores opened during the period	12	15

¹ Earnings for 2017 are positively affected by Buildor earnout for SEK 33.4 M and negatively affected by the close down costs of four stores in Finland SEK -30.9 M. Earnings for 2017 are also negatively affected by restructuring costs for Skånska Byggarvaror -49.4, whereof SEK -32.3 M has affected EBITDA and SEK -17.1 M has affected depreciation. Earnings for 2016 are positively affected by revaluation of the earnout linked to the acquisition of Skånska Byggarvaror Group AB and Buildor AB SEK 112.3 M and negatively affected by an impairment of goodwill linked to the acquisition of Skånska Byggarvaror Group AB SEK -44.8 M.

PRESIDENT'S COMMENTS ON RESULTS

Sales development

Sales in the fourth quarter decreased 2.5 percent year-on-year and sales in comparable stores was down 1.9 percent (-9.1 percent in the same period 2016, +16.4 percent in the same period 2015). Sales development was negatively affected by currency effects of -1.2%-points and the sales development in Skånska Bygghvaror impacting sales -2.4%-points mainly due to active decisions to reduce less profitable selling.

Sales for the Byggmax segment (measured in local currency) increased, despite a soft Nordic consumer market for building materials and a negative effect on sales from the execution of our strategic plan. In the fourth quarter, Byggmax closed 4 stores in Finland and focused e-commerce on improving profitability rather than sales growth. Byggmax continues to take market share.

Sales for Skånska Bygghvaror decreased 19 percent, with sales development impacted by strong comparables (aggressive pricing in same period last year) and active decisions to start reduce less profitable selling in non-core categories. October was the weakest sales month in the quarter.

Gross margin and earnings

The gross margin for the quarter was 1.3 percentage points higher than the same period last year, despite significant negative impact of the weaker NOK.

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 significantly negatively affected by the weaker NOK. The gross margin for Skånska Bygghvaror increased significantly, positively affected by mix effects and pricing.

Cost share of sales increased in the quarter, negatively affected by decreased sales, store openings shifting towards later in the year and investments in strategic initiatives. We have continued to trim costs across the Group. Excluding non-recurring costs and costs related to new stores, costs decreased in the quarter.

Earnings for the quarter was significantly impacted by non-recurring costs (SEK 41 million). This is mainly related to restructuring of Skånska Bygghvaror (SEK 49.4 million, of which SEK 25.6 million in cash effect), which has a pay-off time is 2-2.5 years.

EBITDA excluding non-recurring costs for the quarter decreased 0.9 percentage points compared to the same period last year. EBITDA margin excluding non-recurring costs was flat for the Byggmax segment and decreased somewhat for Skånska Bygghvaror. EBITDA excluding non-recurring costs decreased for the Other segment, largely due to a changed purchase pattern between the quarters for our distribution company. Buildor developed positively.

The underlying Byggmax business developed positively in the quarter. The comparable business (excluding new stores, measured in local currency) increased sales, took market share, and increased profitability driven by both increased gross margins and lower cost share. New stores developed according to plan.

For 2017, the Byggmax segment sales increased 4 percent and EBITDA margin excluding non-recurring costs increased 0.7 percentage points, to a five-year high of 10.4 percent. The margin is positively impacted by execution of initiatives in our strategic plan. For Skånska Bygghvaror, sales decreased 11 percent and EBITDA margin excluding non-recurring costs decreased 4.9

percentage points to 1.9 percent. Skånska Bygghvaror's financial development is impacted by tough comparables, pricing and mix effects, and reduced investments in product development in earlier periods.

Market

The Nordic consumer market for building materials was soft during the fourth quarter, impacted negatively by the early arrival of autumn weather. The Swedish building supplies market increased 6.3 percent during October and November, but continued to be driven by an increase in new housing production. The consumer market, which Byggmax targets, was weak. During the same period, the Norwegian market decreased -2.9 percent and the Finnish market increased 2.6 percent.

Strategic business decisions

We launched an updated strategy in June, and implementation of our plan continues to be on track.

The Byggmax segment has come furthest in execution. Several strategic initiatives have contributed positively to the strong profitability improvement in 2017. We have closed and paused non-core Byggmax activities (such as Design Your Living, B2B sales, Byggmax+ and Proffsbygg), closed 4 unprofitable stores in Finland, and turned Byggmax e-commerce into profitability. We also have positive indications for new growth initiatives: a smaller Byggmax format for smaller towns, and a Byggmax garden concept.

For 2018, focus for the Byggmax segment will shift towards growth. We aim to open 20 new Byggmax stores (of which ca 5 small format) thereby doubling the historical expansion pace. We will also focus e-commerce on growth, now at good profitability, and plan to expand the Byggmax Garden concept to ca 10 more stores.

Skånska Bygghvaror is in the middle of a transformation towards a modern leader within "Garden Living", building on the existing profitable business of conservatories, green houses, etc. During the fourth quarter, we have put in place a new CEO, detailed the strategic plan, and restructured the cost base. 2018 will be a transformation for Skånska Bygghvaror. We expect decreased operational costs, decreased revenues as marketing of non-core categories is reduced, and to end the year with a stronger, more profitable core business.

Outlook

The Swedish consumer market continues to develop well over time and a normal development of modest positive growth is expected for the winter and spring. The Finnish market shows signs of returning to modest growth, while uncertainty remains regarding economic developments in Norway.

We remain focused on executing our strategic plan in 2018. While sales development will be negatively affected by e.g., completed store closures and the transformation of Skånska Bygghvaror to a more focused business, we look forward to bring more of Byggmax to more customers through fast store expansion, profitable e-commerce growth, and a first roll out of our garden concept.



Mattias Ankarberg
President, Byggmax Group AB (publ)

¹ Earnings for 2017 are positively affected by Buildor earnout SEK 33.4 M. Earnings for Q4 are positively affected by reversal of close down costs of four stores in Finland SEK 8.3 M, due to lower costs than accrued in Q3 2017. Earnings for Q4 2017 are negatively affected by restructuring costs for Skånska Bygghvaror -49.4, whereof SEK -32.3 M has affected EBITDA and SEK -17.1 M has affected depreciation. Earnings for Q4 2016 are positively affected by revaluation of the earnout linked to the acquisition of Skånska Bygghvaror Group AB and Buildor AB SEK 63.3 M and full year 2016 SEK 112.3 M. Earnings for full year 2016 are negatively affected by an impairment of goodwill linked to the acquisition of Skånska Bygghvaror Group AB SEK -44.8 M.

CONSOLIDATED SALES AND EARNINGS

October 1 - December 31

Revenues

The operation's net sales totaled SEK 950.2 M (974.9), down 2.5 percent. Total revenue was SEK 949.8 M (1,041.8), down 8.8 percent. Net sales for comparable stores decreased 1.9 percent in local currency. Net sales amounted to SEK 804.9 M (805.3) for Byggmax, SEK 117.4 M (145.4) for Skånska Byggarvaror and SEK 27.8 M (24.1) for Other. The weakest sales month of the quarter was October.

The sales decrease of 2.5 percent was divided according to the following:	
Comparable stores ² , local currency, percent	-1.9
Non-comparable units and other, percent	0.6
Exchange-rate effects, percent	-1.2
Total, percent	-2.5

The Group opened three (one) stores during the quarter: one Byggmax store in Sweden and two Byggmax stores in Norway. Four (zero) Byggmax stores were closed during the quarter in Finland. This in order to increase profitability in Finland as previously communicated. The total number of stores in the Group as of December 31, 2017 thereby amounted to 147 (140).

EBIT

EBIT amounted to SEK -59.0 M (55.2), corresponding to an EBIT margin of -6.2 percent (5.7). The gross margin was 31.1 percent, compared with 29.8 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. The gross margin was significantly negatively affected by the weaker NOK. Sales prices has been more or less unchanged. The gross margin for Skånska Byggarvaror increased significantly, positively affected by mix effects and pricing.

Personnel costs and other external expenses increased a total of SEK 34.2 M. The increase in expenses compared with the year-earlier period was mainly attributable to costs associated with new stores opened after the fourth quarter of 2016, amounting to SEK 13.9 M (17.1). Other external expenses had a positive impact of SEK 8.3 M from reversal of close down costs of four stores in Finland and a negative impact from restructuring costs for Skånska Byggarvaror of SEK 32.3 M. Excluding non-recurring costs and costs related to new stores, costs decreased in the quarter.

EBITDA amounted to SEK -1.9 M (94.1), corresponding to an EBITDA margin of -0.2 percent (9.7). Reversal of close down costs in Finland affected EBITDA positively by SEK 8.3 M and negatively from restructuring costs Skånska Byggarvaror by SEK 32.3 M. EBITDA excluding non-recurring items amounted to SEK 22.1 M (30.9), corresponding to an EBITDA margin of 2.3 percent (3.2). Fourth quarter 2016 was EBITDA impacted by the revaluation of the earnout linked to the acquisition of Skånska Byggarvaror SEK 60.0 M and Buildor SEK 3.3 M, which affected other operating income positively by SEK 63.3 M.

EBIT was negatively affected by SEK 17.1 M, whereof SEK 7.2 M coming from Skånska Byggarvarors Danish subsidiary Pavillion och SEK 9.9 M coming from restructuring costs Skånska Byggarvaror.

Profit before tax

Profit before tax amounted to SEK -62.2 M (52.4). Net financial items amounted to a cost of SEK -3.2 M (-2.8). Net financial items for the quarter were positively impacted by exchange-rate effects of SEK 0.1 M (1.5). Net financial items were also impacted by the discount rate of interest on the earnout on Skånska Byggarvaror Group AB and Buildor AB of SEK 0.0 M (-2.2).

Taxes

Tax revenue for the fourth quarter of 2017 totaled SEK 3.9 M (4.4).

¹ Earnings for Q4 are positively affected by reversal of close down costs of four stores in Finland SEK 8.3 M, due to lower costs than accrued in Q3 2017. Earnings for Q4 2017 are negatively affected by restructuring costs for Skånska Byggarvaror -49.4, whereof SEK -32.3 M has affected EBITDA and SEK -17.1 M has affected depreciation. Earnings for Q4 2016 are positively affected by revaluation of the earnout linked to the acquisition of Skånska Byggarvaror Group AB and Buildor AB SEK 63.3 M.

² 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 Byggarvaror stores.

January 1 - December 31

Revenues

The operation's net sales totaled SEK 5,321.4 M (5,219.3), up 2.0 percent. Total revenue was SEK 5,360.8 M (5,348.0), up 0.2 percent. Net sales for comparable stores decreased 0.1 percent in local currency. Net sales amounted to SEK 4,491.1 M (4,318.1) for Byggmax, SEK 709.2 M (794.7) for Skånska Byggvaror and SEK 121.1 M (106.5) for Other.

The sales increase of 2.0 percent was divided according to the following:

Comparable stores ¹ , local currency, percent	-0.1
Non-comparable units and other, percent	1.7
Exchange-rate effects, percent	0.3
Total, percent	2.0

The Group opened 12 (15) stores during the period: six Byggmax stores in Sweden, three Byggmax store in Norway, one Skånska Byggvaror store in Sweden and two Skånska Byggvaror stores in Norway. Four (zero) Byggmax stores were closed during the quarter in Finland. The total number of stores in the Group as of December 31, 2017 there by amounted to 147 (140).

EBIT

EBIT amounted to SEK 271.9 M (391.8), corresponding to an EBIT margin of 5.1 percent (7.5). The gross margin for the Byggmax segment increased during the year. 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 101.1 M. The increase in expenses compared with the year-earlier period was mainly attributable to costs associated with new stores opened after the fourth quarter of 2016, amounting to SEK 52.5 M (71.2). Other external expenses were affected negatively by SEK 28.0 M from the close down costs of four stores in Finland and restructuring costs for Skånska Byggvaror of SEK 32.3 M to focus on the core business "Garden Living", strengthening digital skills and reducing operating expenses. Excluding non-recurring costs and costs related to new stores, costs decreased in the quarter.

EBITDA amounted to SEK 444.9 M (581.3), corresponding to an EBITDA margin of 8.4 percent (11.1). EBITDA for 2017 was impacted by the completion of Buildor's earnout, which effected other operating income positively by SEK 33.4 M. Close down costs in Finland affected EBITDA negatively by SEK 30.9 M and negatively from restructuring costs Skånska Byggvaror by SEK 32.3 M. In 2016 EBITDA was impacted by the revaluation of the earnout linked to the acquisition of Skånska Byggvaror SEK 109.0 M and Buildor SEK 3.3 M, which affected other operating income positively by SEK 112.3 M. EBITDA excluding non-recurring items amounted to SEK 474.8 M (469.0), corresponding to an EBITDA margin of 8.9 percent (9.0).

EBIT was negatively affected by SEK 17.1 M, whereof SEK 7.2 M coming from Skånska Byggvarors Danish subsidiary Pavillion och SEK 9.9 M coming from restructuring costs Skånska Byggvaror. Profit before tax 2016 was 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 258.2 M (350.3). Net financial items amounted to a cost of SEK -13.6 M (-41.5). Net financial items for the period were positively impacted by exchange-rate effects of SEK 3.1 M (-9.0). 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 0.0 M (-11.7). 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.

Taxes

Tax costs for the year totaled SEK 63.6 M (65.7).

¹ Earnings for 2017 are positively affected by Buildor earnout for SEK 33.4 M and negatively affected by the close down costs of four stores in Finland SEK -30.9 M. Earnings for 2017 are also negatively affected by restructuring costs for Skånska Byggvaror -49.4, whereof SEK -32.3 M has affected EBITDA and SEK -17.1 M has affected depreciation. Earnings for 2016 are positively affected by revaluation of the earnout linked to the acquisition of Skånska Byggvaror Group AB and Buildor AB SEK 112.3 M and negatively affected by an impairment of goodwill linked to the acquisition of Skånska Byggvaror Group AB SEK -44.8 M.

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 decreased 0.1 percent during the quarter to SEK 804.9 M (805.3) and increased 4.0 percent during full year to SEK 4,491.1 M (4,318.1). 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 significantly negatively affected by the weaker NOK.

Four (zero) Byggmax stores were closed during the quarter in Finland. This in order to increase profitability in Finland as previously communicated.

EBITDA amounted to SEK 43.1 M (36.1) for the quarter and to SEK 435.6 M (417.8) for full year. The EBITDA margin for the quarter was 5.4 percent (4.5) and 9.7 percent (9.7) for full year. Other external expenses were affected positively in the quarter by reversal of accrual SEK 8.3 M from the close down costs of four stores in Finland. Total close down costs for the year is SEK 30.9 M. The actions to increase profitability are according to plan. Earnings for the year were impacted by costs for stores opened after the fourth quarter of 2016, amounting to SEK 43.3 M (48.7).

Skånska Byggvaror

Net sales decreased 19.3 percent to SEK 117.4 M (145.4) during the quarter and decreased 10.7 percent to SEK 709.2 M (794.7) during the year. The gross margin for Skånska Byggvaror increased significantly, positively affected by mix effects and pricing.

In the fourth quarter, Skånska Byggvaror's cost base is restructured. The restructuring impacts Byggmax Group's financial results for Q4 2017 with a non-recurring cost of SEK 49.4 million, of which ca half in cash effect. The largest non-recurring cost component is rent costs, coupled with reduced office, logistics, and showroom space. The actions taken have a pay-off time of 2-2.5 years, measured as annual cost savings in relation to non-recurring costs. These changes to reduce operational costs will have some impact in 2018, and full impact in 2019.

EBITDA amounted to negative SEK -37.5 M (-4.4) during the quarter and SEK -18.7 M (54.4) during the year. The EBITDA margin was a negative -32.5 percent (-3.0) for the quarter and -2.6 percent (6.8) for the year. Earnings for the year were impacted by costs for stores opened after the fourth quarter of 2016, amounting to SEK 9.2 M (22.4). EBITDA was negatively affected by restructuring costs of SEK 32.3 M. EBIT for the Group was impacted by the amortization of customer relationships and brands totaling SEK 17.1 M (9.9) for the quarter and SEK 46.8 M (39.6) for full year, identified in connection with the acquisition of Skånska Byggvaror Group AB.

SEGMENT SUMMARY

SEK M	October-December		January-December	
	2017	2016	2017	2016
Net sales from external customers				
Byggmax	804.9	805.3	4,491.1	4,318.1
Skånska Byggvaror	117.4	145.4	709.2	794.7
Other	27.8	24.1	121.1	106.5
Total net sales	950.2	974.9	5,321.4	5,219.3
EBITDA				
Byggmax	43.1	36.1	435.6	417.8
Skånska Byggvaror	-37.5	-4.4	-18.7	54.4
Other ¹	-7.5	62.5	27.9	109.2
Total EBITDA	-1.9	94.1	444.9	581.3
EBITDA, excluding non-recurring items				
Byggmax	34.8	36.1	466.6	417.8
Skånska Byggvaror	-5.2	-4.4	13.6	54.4
Other	-7.5	-0.7	-5.4	-3.1
Total EBITDA, excluding non-recurring items	22.1	30.9	474.8	469.0
EBITDA margin, percent				
Byggmax	5.4	4.5	9.7	9.7
Skånska Byggvaror	-32.5	-3.0	-2.6	6.8
Other	-3.4	27.0	2.6	11.5
Total EBITDA margin, percent	-0.2	9.7	8.4	11.1
EBITDA margin excluding non-recurring items, percent				
Byggmax	4.4	4.5	10.4	9.7
Skånska Byggvaror	-4.5	-3.0	1.9	6.8
Other	-3.4	-0.3	-0.5	-0.3
Total EBITDA margin excluding non-recurring items, percent	2.3	3.2	8.9	9.0

¹ Earnings for 2017 are positively affected by Buildor earnout SEK 33.4 M. Earnings for Q4 are positively affected by reversal of close down costs of four stores in Finland SEK 8.3 M, due to lower costs than accrued in Q3 2017. Earnings for Q4 2017 are negatively affected by restructuring costs for Skånska Byggvaror -49.4, whereof SEK -32.3 M has affected EBITDA and SEK -17.1 M has affected depreciation. Earnings for Q4 2016 are positively affected by revaluation of the earnout linked to the acquisition of Skånska Byggvaror Group AB and Buildor AB SEK 63.3 M and full year 2016 SEK 112.3 M. Earnings for 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

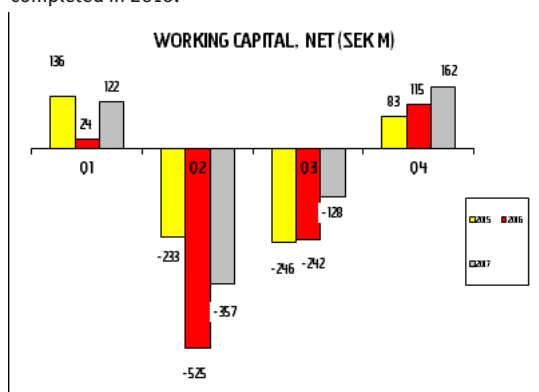
Cash flow and financial position

Cash flow from operating activities amounted to SEK -261,1 M (-249.7) for the quarter, down SEK 11.4 M year-on-year, and to SEK 302.3 M (335.5) for full year. Inventory totaled SEK 879.6 M (818.5), up SEK 61.1 M. Inventory for Skånska Byggarvaror totaled to SEK 69.9 M (76.7). Compared with the end of the year-earlier period, nine (ten) new Byggmax stores were added and the associated inventory amounted to SEK 40.5 M (43.0). Distribution inventory was SEK 50.2 M higher year-on-year.

Byggmax Group AB (publ) has signed a new three-year agreement with Svenska Handelsbanken. The agreement implies an increase of the credit with SEK 150 M and slightly improved terms.

At December 31, 2017, consolidated shareholders' equity amounted to SEK 1,358.8 M (1,302.2). Consolidated net debt was SEK 1,177.6 M (1,182.8), down SEK 5.2 M year-on-year. The equity/assets ratio amounted to 37.2 percent (35.9). Unutilized credits totaled SEK 327.3 M (245.4).

Investments during the fourth quarter amounted to SEK 26.5 M (21.4). Of these investments, SEK 10.4 M (7.2) pertained to investments in stores opened or stores to be opened during 2017 and SEK 11.2 M (5.9) to IT investments. Investments for the full year 2017 amounted to SEK 134.1 M (171.4). Of these investments, SEK 38.9 M (72.8) pertained to investments in stores opened or stores to be opened during 2017 and SEK 37.3 M (27.9) to IT investments. Investments last year was affected by investments relating to the conversion of stores to the Byggmax 2.0 concept totaled SEK 38.0 M. Conversion to Byggmax 2.0 was completed in 2016.



New store openings

A total of 12 (15) new stores were opened during the period January to December 2017: six Byggmax stores in Sweden, two Byggmax stores in Norway, one Skånska Byggarvaror store in Sweden and two Skånska Byggarvaror stores in Norway.

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

Four stores in Finland has been closed during the quarter.

The following stores have been publicly announced and will be open in 2018: Ljusdal, Oskarshamn and Tranås in Sweden and Riihimäki in Finland.

The Byggmax workforce

The number of employees (converted into full-time equivalents) totaled 1,009 (981) at the end of the period.

Parent Company

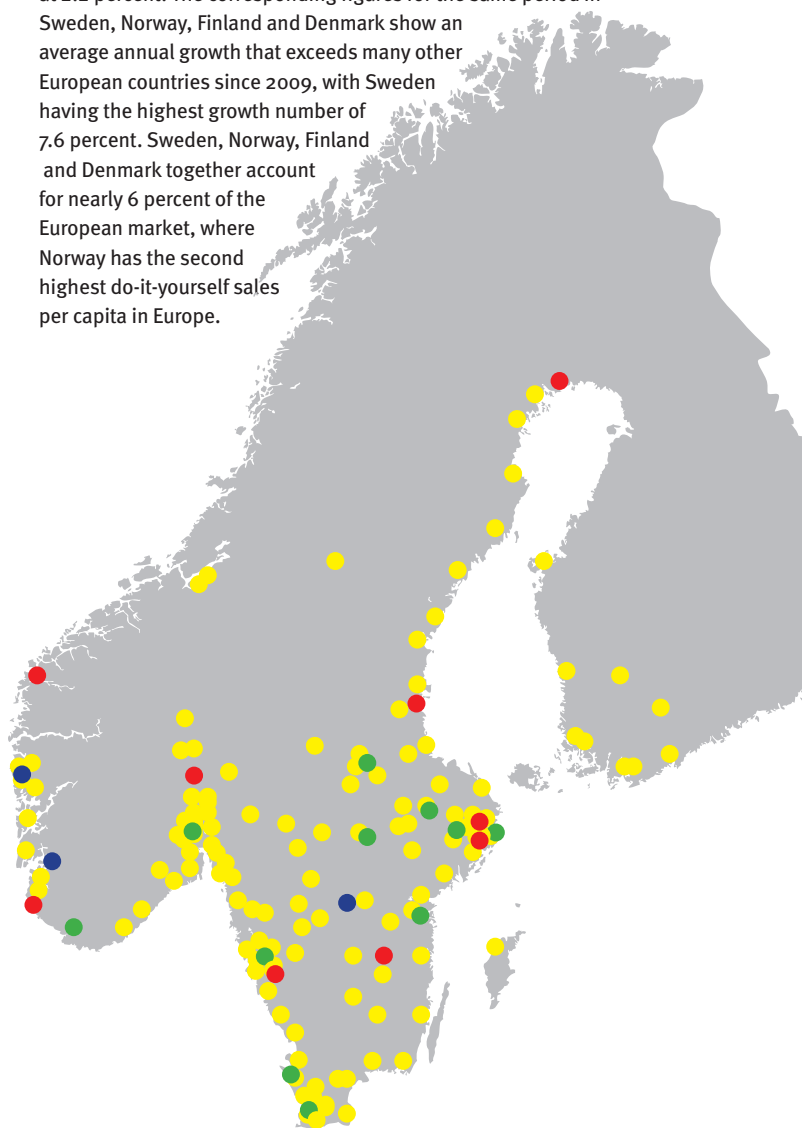
The Parent Company comprises a holding company. The Parent Company's sales amounted to SEK 0.1 M (0.1) for the fourth quarter and SEK 0.3 M (0.3) for the full year. Profit before taxes for the fourth quarter was SEK 163.3 M (157.8) and for the full year SEK 149.9 M (139.7). Profit is affected by anticipated dividend of SEK 150.0 M (140.0).

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	124
●	New Byggmax stores	9
●	Skånska Byggarvaror/Grønt fokus stores	11
●	New Skånska Byggarvaror/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:¹

- 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 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 (%)
Odin Förvaltning AS	5,675,592	9.30
Swedbank Robur fonder	5,208,091	8.54
Afa Försäkring	5,172,442	8.48
CI Investments, Inc.	3,071,000	5.03
Handelsbanken fonder	2,483,417	4.07
Carnegie fonder	2,464,150	4.04
Didner & Gerge Fonder Aktiebolag	1,855,000	3.04
Försäkringsaktiebolaget, Avanza Pension	1,764,017	2.89
Fidelity Funds - Nordic Funds	1,622,052	2.66
Old Mutual Global Investors (UK) Ltd.	1,462,000	2.40
Total of the ten major shareholders	30,777,761	50.46
Total other shareholders	30,221,284	49.54
Total at December 31, 2017	60,999,045	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. 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 Income from contracts with customers

IFRS 15 entails new requirements for accounting of revenue and replaces IAS 18 Revenue, IAS 11 Entrepreneurial Agreement and several related interpretations. The new standard provides more detailed guidance in many areas that previously did not appear in current IFRS, including how to report agreements with multiple performance commitments, variable pricing, customer return, etc. The standard has been adopted by the EU.

IFRS 15 is applied by the Group for the fiscal year beginning January 1, 2018. The Group has chosen to apply the standard retroactively, that is to say, also report the comparative year 2017 in accordance with IFRS 15.

During 2017, workshops were held where discussions were held to identify potential differences between current accounting principles and IFRS 15. Based on what has emerged, follow-ups and analyses have been conducted based on the five-step model in IFRS 15. Where potential differences have been identified, in-depth analysis has been carried out by conversion effects to IFRS 15. Following analysis, the assessment is that there are no material differences between today's applied accounting principles and the guidance on the allocation of prices in IFRS 15. Like current principles, product sales will be reported when the risk transition passes, which according to the analysis made also meets the criteria for transferring control in IFRS 15.

The Group has also analyzed the handling of returns as well as discounts to customers and has found that current application is in line with IFRS 15. Revenues from returnable products are also reported today, as only the amount of compensation that the Group expects to be entitled to is reported as revenue. Thus, no revenue recognition for products or goods that is expected to be returned. Furthermore, a liability is reported for the estimated amount of repayment.

The final assessment is that the introduction of IFRS 15 will not have any material impact on the Group's financial position. Thus, the Group has no effect on applying IFRS 15 as of 2017-01-01, which will involve an adjustment of shareholders' equity at the beginning of the 2017 comparative year or the profit and loss account for 2017.

IFRS 9 Financial Instruments

IFRS 9 deals with the classification, valuation and reporting of financial assets and liabilities and introduces new rules for hedge accounting. The full version of IFRS 9 was issued in July 2014. It replaces those parts of IAS 39 that deal with the classification and valuation of financial instruments and introduces a new write-down model. The standard has been adopted by the EU. IFRS 9 will be applied by the Group for the fiscal year beginning January 1, 2018. The Group will not calculate comparative figures for the 2017 financial year, in accordance with the transitional rules of the Standard.

During the fall of 2017, workshops were conducted in which discussions were held regarding the classification and valuation of the Group's financial instruments. After completion of workshops, it has been found that the new classification and valuation rules will not significantly affect the Group's financial position at the transition date, as the regulations will not change the valuation of the financial instruments contained in the consolidated balance sheet at this time.

IFRS 9 introduces a new write-down model based on expected loan losses, which takes into account forward-looking information. However, some material effects of this have not been identified since historical losses have been very low and our forward-looking assessment is that credit risk remains low.

A project is underway to analyze what additional information may be required to fulfill the disclosure requirements in revised IFRS 7.

IFRS 16 Leases

IFRS 16 "Leases" was published in January 2016 by the IASB. The standard has been adopted by the EU and will replace IAS 17 Leases and associated interpretations IFRIC 4, SIC-15 and SIC-27. IFRS 16 requires that assets and liabilities attributable to all leases, with the exception of short-term contracts or low value assets, are recognized in the balance sheet. This accounting is based on the view that the lessee has a right to use an asset during a specific period of time and at the same time an obligation to pay for this right. This means that most of the Group's current operating leases will be reported in the balance sheet from January 1, 2019. The Group has begun work on analyzing the impact of IFRS 16 on the Group's financial reports. The Group is working on a complete review of all leases, where information is gathered and compiled as basis for calculations and quantification in connection with conversion to IFRS 16. The Group primarily finds leases for rental of stores. In connection with the transition to IFRS 16, the majority of these agreements will be reported in the balance sheet as a non-current asset and a financial liability.

The Group has not yet decided which transitional option to apply; either full retroactive application or partial retroactive application (which means that comparisons need not to be reconsidered).

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.

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

Stockholm January 25, 2018

Mattias Ankarberg
President

Financial calendar

Q1 report 2018	April 20, 2018
Q2 report 2018	July 16, 2018
Q3 report 2018	October 18, 2018

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

The annual report will be available on www.byggmax.se from week 16, 2018.

Consolidated statement of comprehensive income

Amount in SEK M		Oct - Dec		Jan-Dec	
	Note	2017	2016	2017	2016
Revenue					
Net sales	1	950.2	974.9	5,321.4	5,219.3
Other operating income		-0.4	66.9	39.4	128.7
Total Revenue		949.8	1,041.8	5,360.8	5,348.0
Operating expenses					
Cost of goods sold		-654.4	-684.4	-3,671.6	-3,623.4
Other external costs and operating expenses		-158.2	-134.1	-685.8	-616.6
Personnel costs		-139.2	-129.1	-558.5	-526.7
Depreciation, amortization of tangible and intangible fixed assets	7	-57.1	-39.0	-173.0	-189.5
Total operating expenses		-1,008.8	-986.6	-5,089.0	-4,956.2
EBIT	8	-59.0	55.2	271.9	391.8
Profit/loss from financial items		-3.2	-2.8	-13.6	-41.5
Profit before tax		-62.2	52.4	258.2	350.3
Income tax		3.9	4.4	-63.6	-65.7
Profit/loss for the period		-58.3	56.8	194.6	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
Items that may be subsequently reclassified to profit or loss					
Translation differences		-2.8	-4.2	-7.7	11.8
Other comprehensive income for the period		-2.8	-4.2	-7.7	11.8
Total comprehensive income for the period		-61.1	52.5	186.9	296.4
Earnings per share before dilution, SEK		-1.0	0.9	3.2	4.7
Earnings per share after dilution, SEK		-1.0	0.9	3.2	4.6
Average number of shares, (thousands)		60,995	60,737	60,861	60,737
Number of shares at the end of the period, (thousands)		60,999	60,737	60,999	60,737

Consolidated statement of financial position

Amounts in SEK M	Note	December 31, 2017	December 31, 2016
ASSETS			
Fixed assets			
Intangible fixed assets		2,188.6	2,222.3
Tangible fixed assets		358.5	375.7
Financial fixed assets		27.8	21.0
Total fixed assets		2,574.9	2,619.0
Current assets			
Inventories		879.6	818.5
Derivatives		1.3	0.2
Current receivables		149.0	150.9
Cash and cash equivalents		40.1	41.9
Assets held for sale		3.4	0.0
Total current assets		1,073.4	1,011.5
TOTAL ASSETS		3,648.3	3,630.5

Amounts in SEK M	Note	December 31, 2017	December 31, 2016
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity		1,358.8	1,302.2
LIABILITIES			
Borrowing from credit institutions		406.2	525.1
Deferred tax liabilities		200.5	201.3
Other long liabilities		0.5	47.3
Long-term liabilities		607.2	773.7
Borrowing from credit institutions		811.6	699.6
Provisions	6	63.2	0.0
Accounts payable		591.3	630.7
Current tax liabilities		7.3	20.8
Derivatives		0.0	0.3
Other liabilities		44.7	62.3
Accrued expenses and deferred income		160.0	141.0
Liabilities that are directly related to assets held for sale		4.1	0.0
Current liabilities		1,682.3	1,554.7
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,648.3	3,630.5

Consolidated statement of changes in equity

Amounts in SEK M	Note	December 31, 2017	December 31, 2016
Opening balance at the beginning of the period		1,302.2	1,142.0
COMPREHENSIVE INCOME			
Translation differences		-7.7	11.8
Profit for the period		194.6	284.6
Total comprehensive income		186.9	296.3
TRANSACTIONS WITH SHAREHOLDERS			
Dividend to shareholders		-145.8	-130.0
Warrants and issue of new shares		11.1	0.0
Issue of warrants	2	4.3	-6.5
Total transactions with shareholders		-130.2	-136.5
Shareholders' equity at the end of the period		1,358.8	1,302.2

Consolidated statement of cash flows

Amounts in SEK M	Note	Oct - Dec		Jan - Dec	
		2017	2016	2017	2016
Cash flow from operating activities					
EBIT		-59.0	55.2	271.9	391.8
Non-cash items					
- Depreciation/amortization of tangible and intangible fixed assets		57.1	39.0	173.0	189.5
- Other non-cash items		28.0	-2.1	68.0	8.1
Interest received		1.7	3.9	14.4	13.9
Interest paid		-6.2	-8.8	-29.6	-55.2
Tax paid		-9.7	-10.9	-79.6	-60.8
Cash flow from operating activities before changes in working capital		11.8	76.2	418.1	487.3
Changes in working capital					
Increase/decrease in inventories and work in process		30.6	48.5	-64.9	-94.2
Increase/decrease in other current receivables		62.3	50.2	6.2	-10.4
Increase/decrease in other current liabilities		-365.9	-424.7	-57.1	-47.2
Cash flow from operating activities		-261.1	-249.7	302.3	335.5
Cash flow from investing activities					
Investment in intangible fixed assets		-10.4	-5.9	-35.4	-22.4
Investment in tangible fixed assets		-16.1	-15.6	-98.7	-149.1
Divestment of tangible fixed assets		0.0	0.0	0.0	0.0
Investment in other financial fixed assets		-0.4	0.0	7.5	-0.2
Investment in subsidiaries		0.0	0.0	0.0	-703.7
Proceeds from sale of subsidiaries		0.0	0.0	0.0	0.0
Cash flow from investing activities		-26.8	-21.5	-126.6	-875.4
Cash flow from financing activities					
Change in overdraft facilities		334.4	316.7	87.0	210.6
Issue of warrants	2	-0.3	-6.4	14.9	-6.5
Dividend to shareholders		0.0	0.0	-145.8	-130.0
Borrowings		0.0	0.0	0.0	800.0
Amortization of loans		-75.9	-50.5	-125.9	-324.3
Cash flow from financing activities		258.2	259.8	-169.6	549.9
Cash flow for the period		-29.7	-11.4	6.1	10.1
Cash and cash equivalents at the beginning of the period		69.8	45.5	34.0	23.9
Cash and cash equivalents at the end of the period ¹		40.1	34.0	40.1	34.0

Parent Company income statement

Amounts in SEK M	Note	Oct - Dec		Jan - Dec	
		2017	2016	2017	2016
Operating income		0.1	0.1	0.3	0.3
Total revenue		0.1	0.1	0.3	0.3
Operating expenses					
Other external expenses		-3.6	-1.8	-8.7	-7.3
Personnel costs		-0.1	-0.6	-0.4	-1.2
Total operating expenses		-3.8	-2.4	-9.1	-8.6
EBIT		-3.7	-2.4	-8.8	-8.3
Profit/Loss from financial items		167.0	160.2	158.7	148.0
Profit/loss before tax		163.3	157.8	149.9	139.7
Tax on profit/loss		-3.0	-4.0	0.0	0.0
Profit/loss for the period		160.4	153.8	149.9	139.7

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

Parent Company balance sheet

Amounts in SEK M	Note	December 31, 2017	December 31, 2016
ASSETS			
Fixed assets			
Financial fixed assets		1,573.3	1,605.0
Total fixed assets		1,573.3	1,605.0
Current assets		173.8	164.7
Total current assets		173.8	164.7
TOTAL ASSETS		1,747.1	1,769.7

Amounts in SEK M	Note	December 31, 2017	December 31, 2016
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity		255.7	240.3
Other long liabilities		406.1	571.7
Current liabilities		1,085.3	957.7
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,747.1	1,769.7

Notes to the interim report

Note 1 Segments

October - December, 2017

REVENUE, SEK M	Byggmax		Skånska Byggvaror		Other		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Total net sales per segment	794.2	801.7	115.6	145.9	223.8	231.9	1,133.6	1,179.5
Net sales internal	-10.8	-3.7	-1.8	0.4	196.0	207.8	183.4	204.6
Net sales external	804.9	805.3	117.4	145.4	27.8	24.1	950.2	974.9
EBITDA	43.1	36.1	-37.5	-4.4	-7.5	62.5	-1.9	94.1
Operating margin before amortization and depreciation	5.4	4.5	-32.5	-3.0	-3.4	27.0	-0.2	9.7
Amortization and depreciation							-57.1	-39.0
Financial income							3.5	6.4
Financial expenses							-6.7	-9.1
Profit/Loss before tax							-62.2	52.4

January - December, 2017

REVENUE, SEK M	Byggmax		Skånska Byggvaror		Other		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Total net sales per segment	4,495.5	4,318.4	725.0	798.8	1,059.8	950.7	6,280.2	6,067.9
Net sales internal	4.4	0.3	15.7	4.1	938.7	844.2	958.8	848.6
Net sales external	4,491.1	4,318.1	709.2	794.7	121.1	106.5	5,321.4	5,219.3
EBITDA	435.6	417.8	-18.7	54.4	27.9	109.2	444.9	581.3
Operating margin before amortization and depreciation	9.7	9.7	-2.6	6.8	2.6	11.5	8.4	11.1
Amortization and depreciation							-173.0	-189.5
Financial income							22.6	20.4
Financial expenses							-36.2	-61.9
Profit/Loss before tax							258.2	350.3

ASSETS PER SEGMENT:	Byggmax		Skånska Byggvaror		Other		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Total assets per segment	1,958.7	1,876.2	1,075.5	1,143.2	614.1	611.1	3,648.3	3,630.5
- of which fixed assets	1,427.9	1,423.4	980.6	1,036.5	138.6	138.1	2,547.0	2,598.0

Note 2 Disclosures about transactions with related parties

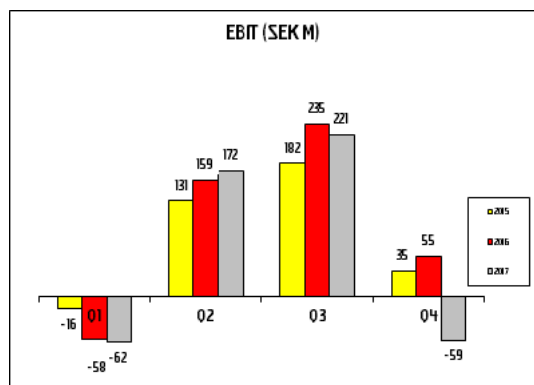
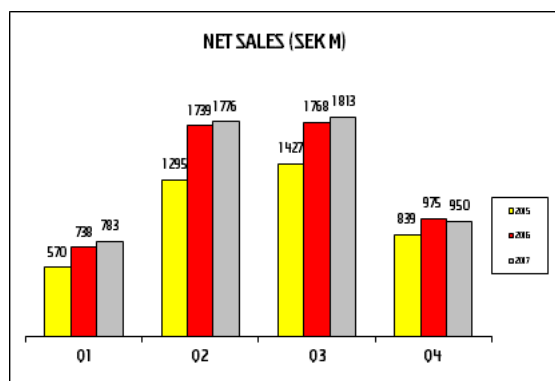
No transactions occurred between Byggmax and related parties that could significantly impact the Company's position and results.

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 and expired on November 30, 2017. Employees of Byggmax Group subscribed for a total of 262,000 shares during the second, third and fourth quarter 2017. Subscription of shares has increased share capital with SEK 87 K and share premium with SEK 11.1 M. The 2015 warrant program expires on November 30, 2018 and can be exercised from May 30, 2018. The 2017 warrant program expires on December 07, 2020 and can be exercised from June 8, 2020.

	2013	2015	2017
Total number	0	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	0	17	29

Note 3 Income per quarter

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
	2015	2015	2015	2015	2016	2016	2016	2016	2017	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	950.2
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	31.1
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 ¹	94.1 ¹	-23.5	210.2	266.0	22.1
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	260.1	-1.9
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	14.3	-0.2
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	221.0	-59.0
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	12.2	-6.2
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	162.1
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	-4.2
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	-4.3
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	22.3
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	-1.0
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	55.0
Number of stores	113	117	118	119	131	137	139	140	141	145	148	147



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 30.9 million, of which SEK 2.1 M affected the cost of goods and SEK 28.0 M, affected personnel cost and other external expenses. Provisions also include restructuring costs for Skånska Byggarvar to focus on the core business "Garden Living", strengthening digital skills and reducing operating expenses. Total amount is SEK 32.3 M which also affects personnel cost and other external expenses during the fourth quarter.

Note 7 Depreciation

Depreciation includes depreciation of customer relations and brand for Skånska Byggarvar with SEK 9.9 M (9.9) for the fourth quarter of 2017 and SEK 39.6 M (29.6) for full year 2017. Depreciation also include SEK 7.2 M coming from Skånska Byggarvars Danish subsidiary Pavillion.

Note 8 Effect of non-recurring items	October - December		January - December	
	2017	2016	2017	2016
Earn out Buildor 2017	0.0	0.0	33.4	0.0
Earn out SKBV and Buildor 2016	0.0	63.3	0.0	112.3
Closure cost for four stores in Finland	8.3	0.0	-30.9	0.0
Restructuring cost Skånska Byggarvaror EBITDA	-32.3	0.0	-32.3	0.0
Total EBITDA effect	-24.0	63.3	-29.8	112.3
Impairment Skånska Byggarvaror	-7.2	0.0	-7.2	-44.8
Restructure cost Skånska Byggarvaror Depreciation	-9.9	0.0	-9.9	0.0
Total EBIT effect	-41.1	63.3	-46.9	67.5

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 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.

EBIT margin:

EBIT dividerat 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

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 January 25, 2018.

Contacts

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

Mattias Ankarberg, President

Tel: +46 (0)76 11 90 985

E-mail: mattias.ankarberg@byggmax.se

Pernilla Valfridsson, CFO

Tel: +46 (0)76 11 90 040

E-mail: pernilla.valfridsson@byggmax.se

Background information about Byggmax and press photos are available at www.byggmax.com.

Byggmax Group AB (publ)

Box 6063, SE-171 06 Solna

Sweden

Visiting address: Armégatan 40

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

E-mail: info@byggmax.se

Corporate Registration Number: 556656-3531

Registered office: Solna