

**Positive effects of strategic initiatives,
late season start**



Q2 INTERIM REPORT JANUARY-JUNE 2018

BYGG max®

THE QUARTER IN BRIEF

During the second quarter, the implementation of the strategic plan continued at a high pace. We have so far this year opened twelve new Byggmax stores, ten Byggmax Garden departments, and continued to develop our e-commerce business. The initiatives to transform Skånska Byggvaror are executed according to plan.

The initiatives have created positive effects. The new stores have been well received and contribute significantly positively to Byggmax sales growth by the end of the quarter. We can now also conclude that the two growth initiatives launched during summer 2017, that is a smaller format for smaller towns and the Byggmax Garden department, will be a part of Byggmax's future offer.

The second quarter was however affected by challenging external factors. The late start to the season had a significant negative impact on sales in April, and raw material prices for timber increased substantially during spring which affected gross margin negatively. Byggmax Group's sales decreased 2.5 percent in the quarter, compared to the same period last year, and profitability measured as EBITDA decreased to SEK 168 M (210).

+ 11

Eleven new Byggmax stores opened in the quarter: eight in Sweden (Hälsjöfors, Ljusdal, Oskarshamn, Sala, Sollefteå, Sölvesborg, Tranås and Vallentuna, two in Norway (Karmøy and Oslo) and one in Finland (Karleby). So far this year, twelve new stores have been opened.

>20%

> 20 percent growth in Byggmax's online exclusive product categories, compared with the same period last year.

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Three Byggmax Garden departments opened in the quarter. Sölvesborg and Vallentuna in Sweden and Karleby in Finland. So far this year, ten Byggmax Garden departments have been opened.



April 1 – June 30

- Net sales amounted to SEK 1,731.2 M (1,775.8), down 2.5 percent.
- Net sales for comparable stores decreased 5.9 percent (down: 0.3).
- The gross margin decreased to 30.2 percent (30.6).
- EBITDA amounted to SEK 168.0 M (210.2). EBITDA excluding non-recurring items¹ amounted to SEK 166.8 M (210.2).
- EBITDA margin was 9.7 percent (11.8) . EBITDA margin excluding non-recurring items was 9.6 percent (11.8).
- EBIT amounted to SEK 126.6 M (171.8).
- Profit after tax was SEK 96.7 M (132.6).
- Earnings per share totaled SEK 1.6 (2.2).

Significant events during the quarter

- Eleven (four) new stores were opened, eight Bygghmax stores in Sweden, two Bygghmax stores in Norway and one Bygghmax store in Finland.

Earnings overview

	April – June		12 months	Full year
	2018	2017	July 2017 June 2018	2017
Net sales, SEK M	1,731.2	1,775.8	5,159.4	5,321.4
Gross margin, percent	30.2	30.6	31.1	31.0
EBITDA, excluding non-recurring costs, SEK M ¹	166.8	210.2	388.6	474.8
EBITDA margin excluding non-recurring costs, percent ¹	9.6	11.8	7.5	8.9
EBITDA, SEK M ¹	168.0	210.2	368.6	444.9
EBITDA margin, percent ¹	9.7	11.8	7.1	8.4
EBIT, SEK M ¹	126.6	171.8	190.6	271.9
EBIT margin, percent ¹	7.3	9.7	3.7	5.1
Profit after tax, SEK M ¹	96.7	132.6	131.9	194.6
Earnings per share, SEK	1.6	2.2	2.2	3.2
Return on equity, percent	7.7	10.6	10.6	14.6
Cash flow from operating activities per share, SEK	10.6	10.6	5.0	5.0
Shareholders'equity per share, SEK	20.3	20.4	20.3	22.3
Number of stores at the end of the period	159	145	159	147
New stores opened during the period	11	4	18	12

¹ Earnings for Q2 2018 were positively affected by the reversal of settlement costs for four Bygghmax stores in Finland an amount of SEK 1.2 M due to lower settlement costs than the amount reserved in Q3 2017. See also Note 8 on page 19 for non-recurring items in the previous quarter.

January 1 – June 30

- Net sales amounted to SEK 2,396.4 M (2,558.4), down 6.3 percent.
- Net sales for comparable stores decreased 9.6 percent (down: 0.1).
- The gross margin increased to 30.7 percent (30.5).
- EBITDA amounted to SEK 110.5 M (186.8). EBITDA excluding non-recurring items¹ amounted to SEK 100.5 M (186.8).
- EBITDA margin was 4.6 percent (7.3). EBITDA margin excluding non-recurring items was 4.2 percent (7.3).
- EBIT amounted to SEK 28.6 M (109.9).
- Profit after tax was SEK 18.3 M (81.0).
- Earnings per share totaled SEK 0.3 (1.3).

Significant events during the quarter

- Twelve (six) new stores were opened, eight Byggmax stores in Sweden, two Byggmax stores in Norway and two Byggmax stores in Finland.

Earnings overview

	January – June	
	2018	2017
Net sales, SEK M	2,396.4	2,558.4
Gross margin, percent	30.7	30.5
EBITDA, excluding non-recurring costs, SEK M ¹	100.5	186.8
EBITDA margin excluding non-recurring costs, percent ¹	4.2	7.3
EBITDA, SEK M ¹	110.5	186.8
EBITDA margin, percent ¹	4.6	7.3
EBIT, SEK M ¹	28.8	109.9
EBIT margin, percent ¹	1.2	4.3
Profit after tax, SEK M ¹	18.3	81.0
Earnings per share, SEK	0.3	1.3
Return on equity, percent	1.4	6.4
Cash flow from operating activities per share, SEK	9.4	9.5
Shareholders'equity per share, SEK	20.3	20.4
Number of stores at the end of the period	159	145
New stores opened during the period	12	6

¹ Earnings for the first six month 2018 were positively affected by the reversal of settlement costs for four Byggmax stores in Finland an amount of SEK 6.2 M due to lower settlement costs than the amount reserved in Q3 2017. Earnings for the first six month were also positively affected by a capital gain of SEK 3.7 M, at the disposal of Skånska Byggarvaror's Danish subsidiary Pavillon. See also Note 8 on page 19 for non-recurring items in the previous quarter.

PRESIDENT'S COMMENTS

Introduction

We continue to implement our strategic plan at a high pace. The initiatives to ramp up growth in the Byggmax segment are generating positive effects and the measures to transform Skånska Bygghvaror were implemented as planned.

Results in the quarter were however affected by challenging external factors. The long winter delayed the season start for outdoor projects until the end of April, and raw material prices for timber have increased significantly during spring which affected gross margin negatively.

Financial performance

Sales in the second quarter decreased 2.5 percent year-on-year, and sales in comparable stores decreased 5.9 percent (down: 0.3 percent last year).

Sales for the Byggmax segment increased 0.8 percent. Following a negative sales development during a cold April, sales increased in May and June. New stores mainly opened towards the end of the quarter, and will therefore contribute to sales growth at an increasing pace. The sales development was negatively affected by the closure of four Finnish stores (completed in the fourth quarter 2017).

Sales for Skånska Bygghvaror decreased 22.5 percent, negatively affected by the shift towards Garden Living and the choice to decrease unprofitable sales, but were also impacted by the long winter.

The gross margin for the quarter decreased 0.4 percentage points year-on-year. The gross margin was negatively affected by significantly higher raw material prices for timber, which is Byggmax largest product category. Historically higher raw material prices have been reflected in consumer prices, after some delay. For the other product categories, the total gross margin increased compared to last year, positively impacted by purchasing improvements, pricing and mix effects. The gross margin was impacted positively by currency effects, positively by NOK and negatively by EUR.

Cost control was good in the second quarter. Costs for comparable stores decreased in the quarter. Total costs increased, driven by new stores.

Profitability measured as EBITDA¹ decreased to SEK 168 M compared to SEK 210 M during the same period last year. For the Byggmax segment, profitability decreased to SEK 152 M compared to SEK 176 M last year.

Market

The consumer market was affected by several factors during the second quarter. During April, the market decreased due to the long winter, which was followed by recovery in May and June. The market is also softened by more passive consumer behavior, likely affected by consumers' perceived uncertainty regarding future economic developments.

In total the Nordic market for DIY projects is estimated to have decreased by 2-4 percent during the second quarter, primarily negatively affected by the late season start.

Strategic business decisions

Cost efficiency continues to be core to the Byggmax business, and we have decreased comparable costs in five of the last six quarters. For the Byggmax segment, focus in 2018 is also increasingly on building for profitable growth.

We plan to double the expansion pace to 20 new Byggmax stores, of which about five in the smaller format for smaller towns, launch our garden concept in ten stores, and continue to develop our e-commerce.

The initiatives are implemented according to plan and we can now see positive effects. We have so far this year opened twelve stores, of which six in June, and by the end of the quarter new stores contribute substantially to our growth. We have so far this year also opened ten garden departments and four of the new stores are of the format for smaller towns. We are pleased to conclude that both these growth initiatives, which were launched during summer 2017, have been received well by the customers and give positive financial effects. Both initiatives are a part of our future offer, and roll out plans will be developed during autumn. We also continue to develop our e-commerce, and during the quarter the growth in Byggmax online exclusive categories exceeded 20 percent.

For Skånska Bygghvaror, 2018 is a transformation year towards becoming a modern leader within "Garden Living." During the second quarter, the transformation continued to be executed according to plan and gave positive effects. Gross margins have returned to historically high levels and the previously announced restructuring program starts to decrease costs in the second quarter. For 2018, we expect decreased costs, decreased revenue, and to end the year with a stronger, more profitable core business.

Outlook

During the six months of 2018, we have implemented strategic initiatives at a high pace which have generated positive effects. Over the same period, the market conditions have been challenging.

Although market conditions will vary over time, Byggmax is well positioned with our increasingly strong low price concept for both stores and e-commerce.

In addition, Byggmax growth opportunities remain good. Many Nordic towns still lack a low price alternative, our e-commerce complement our focused store assortment, and we have established a Byggmax concept to grow into the large market for garden products.

With a strong business concept, an entrepreneurial culture and good growth prospects, I look forward to giving more of Byggmax to more customers for many years.

Although market conditions will vary over time, Byggmax is well positioned with our increasingly strong low price concept for both stores and e-commerce.



Mattias Ankarberg

A handwritten signature in dark ink, appearing to read 'Mattias Ankarberg'.

President, Byggmax Group AB (publ)

July 16, 2018

¹ Earnings for Q2 2018 were positively affected by the reversal of settlement costs for four Byggmax stores in Finland an amount of SEK 1.2 M due to lower settlement costs than the amount reserved in Q3 2017.

Earnings for the first six months 2018 were positively affected by the reversal of settlement costs for four Byggmax stores in Finland an amount of SEK 6.2 M due to lower settlement costs than the amount reserved in Q3 2017. Earnings for the first six months were also positively affected by a capital gain of SEK 3.7 M, at the disposal of Skånska Bygghvaror's Danish subsidiary Pavillon. See also Note 8 on page 19 for non-recurring items in the previous quarter.

CONSOLIDATED SALES AND EARNINGS

April 1 - June 30

Revenues

The operation's net sales totaled SEK 1,731.2 M (1,775.8), down 2.5 percent. Total revenue was SEK 1,735.0 M (1,777.9), down 2.4 percent. Net sales for comparable stores decreased 5.9 percent in local currency.

Net sales amounted to SEK 1,488.6 M (1,477.1) for Bygghmax, SEK 201.3 M (259.8) for Skånska Bygghvaror and SEK 41.3 M (38.9) for Other. The weakest sales month of the quarter was April.

The sales decrease of 2.5 percent was divided according to the following:	
Comparable stores ² , local currency, percent	-5.9
Non-comparable units and other, percent	2.3
Exchange-rate effects, percent	1.2
Total, percent	-2.5

The Group opened eleven (four) stores during the quarter: eight Bygghmax stores in Sweden, two Bygghmax stores in Norway and one Bygghmax store in Finland. During the fourth quarter of 2017, four Bygghmax stores were closed in Finland. This was in order to increase profitability in Finland as previously communicated. The total number of stores in the Group as of June 30, 2018 thereby amounted to 159 (145).

EBIT

EBIT amounted to SEK 126.6 M (171.8), corresponding to an EBIT margin of 7.3 percent (9.7). The gross margin was 30.2 percent, compared with 30.6 percent in the year-earlier period. The gross margin was negatively affected by significantly higher raw material prices for timber, which is Bygghmax's largest product category. Historically higher raw material prices have been reflected in consumer prices, with some delay. For the other product categories, the total gross margin increased compared to last year, positively impacted by purchasing improvements, pricing and mix effects. The gross margin increased for the Skånska Bygghvaror segments.

Personnel costs and other external expenses increased with SEK 22.3 M (15.2). The increase in expenses compared with the year-earlier period was mainly attributable to costs associated with new stores opened after the second quarter of 2017, amounting to SEK 22.5 M (15.2).

EBITDA amounted to SEK 168.0 M (210.2), corresponding to an EBITDA margin of 9.7 percent (11.8). EBITDA had a positive impact of SEK 1.2 M from the reversal of closure costs for four stores in Finland.

EBITDA excluding non-recurring items¹ amounted to SEK 166.8 M (210.2), corresponding to an EBITDA margin of 9.6 percent (11.8).

Profit before tax

Profit before tax amounted to SEK 117.6 M (172.1). Net financial items amounted to an expense of SEK 9.0 M (income: 0.3). Net financial items for the quarter were negatively impacted by exchange-rate effects of SEK 4.6 M (pos: 4.9).

Taxes

Tax costs for the second quarter of 2018 totaled SEK 20.9 M (costs: 39.5), positively affected with SEK 3.2 M by the revaluation of the deferred tax liability based on the tax rate when the debt is expected to be settled.

¹ Earnings for Q2 2018 were positively affected by the reversal of settlement costs for four Bygghmax stores in Finland an amount of SEK 1.2 M due to lower settlement costs than the amount reserved in Q3 2017. Earnings for the first six month 2018 were positively affected by the reversal of settlement costs for four Bygghmax stores in Finland an amount of SEK 6.2 M due to lower settlement costs than the amount reserved in Q3 2017. Earnings for the first six month were also positively affected by a capital gain of SEK 3.7 M, at the disposal of Skånska Bygghvaror's Danish subsidiary Pavillon. See also Note 8 on page 19 for non-recurring items in the previous quarter.

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 eleven Skånska Bygghvaror stores.

January 1 - June 30

Revenues

The operation's net sales totaled SEK 2,396.4 M (2,558.4), down 6.3 percent. Total revenue was SEK 2,407.9 M (2,561.2), down 6.0 percent. Operating revenues was positively affected by a capital gain on the divestment of Skånska Bygghvaror's Danish subsidiary Pavillon amounting to SEK 3.7 million. Net sales for comparable stores decreased 9.6 percent in local currency.

Net sales amounted to SEK 2,068.3 M (2,132.1) for Bygghmax, SEK 268.6 M (364.7) for Skånska Bygghvaror and SEK 59.5 M (61.6) for Other.

The sales decrease of 6.3 percent was divided according to the following:	
Comparable stores ² , local currency, percent	-9.6
Non-comparable units and other, percent	2.5
Exchange-rate effects, percent	0.7
Total, percent	-6.3

The Group opened twelve (six) stores during the first six month: eight Bygghmax stores in Sweden, two Bygghmax stores in Norway and two Bygghmax stores in Finland. During the fourth quarter 2017 four Bygghmax stores were closed in Finland. This was in order to increase profitability in Finland as previously communicated. The total number of stores in the Group as of June 30, 2018 thereby amounted to 159 (145).

EBIT

EBIT amounted to SEK 28.6 M (109.9), corresponding to an EBIT margin of 1.2 percent (4.3). The gross margin was 30.7 percent, compared with 30.5 percent in the year-earlier period. The gross margin was negatively affected by significantly higher raw material prices for timber, which is Bygghmax largest product category. Historically higher raw material prices have been reflected in consumer prices, with some delay. For the other product categories, the total gross margin increased compared to last year, positively impacted by purchasing improvements, pricing and mix effects. The gross margin increased for the Skånska Bygghvaror segments.

Personnel costs and other external expenses increased a total of SEK 39.1 M. The increase in expenses compared with the year-earlier period was mainly attributable to costs associated with new stores opened after the first quarter of 2017, amounting to SEK 37.7 M (26.7).

EBITDA amounted to negative SEK 110.5 M (186.8), corresponding to an EBITDA margin of 4.6 percent (7.3). EBITDA had a positive impact of SEK 6.2 M from the reversal of closure costs for four stores in Finland.

EBITDA excluding non-recurring items¹ amounted to SEK 100.5 M (186.8), corresponding to an EBITDA margin of 4.2 percent (7.3).

Profit before tax

Profit before tax amounted to SEK 17.7 M (105.3). Net financial items amounted to an expense of SEK 10.9 M (expense: 4.6). Net financial items for the first six month were negatively impacted by exchange-rate effects of SEK 2.3 M (pos: 4.8).

Taxes

Tax income for the first six month of 2018 totaled SEK 0.5 M (costs: 24.3), positively affected with SEK 3.2 M by the revaluation of the deferred tax liability based on the tax rate when the debt is expected to be settled.

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 och Filialen Byggmax AB Finland.

Net sales increased 0.8 percent during the quarter to SEK 1,488.6 M (1,477.1). Following a negative sales development during a cold April, sales increased in May and June. New stores mainly opened towards the end of the quarter, and therefore contribute to sales growth at an increasing pace. The sales development was negatively affected by the closure of four Finnish stores (completed in the fourth quarter 2017).

The gross margin was negatively affected by significantly higher raw material prices for timber, which is Byggmax largest product category. Historically higher raw material prices have been reflected in consumer prices, with some delay. For the other product categories, the total gross margin increased compared to last year, positively impacted by purchasing improvements, pricing and mix effects.

EBITDA amounted to SEK 151.8 M (176.0) for the quarter. The EBITDA margin for the quarter was 10.2 percent (11.9). Earnings for the quarter were impacted by costs for stores opened after the second quarter of 2017, amounting to SEK 22.5 M (11.8). EBITDA was affected positively in the quarter by reversal of accruals of SEK 1.2 M from the closure costs of four stores in Finland in 2017.

Net sales decreased 3.0 percent during the first six months to SEK 2,068.3 M (2,133.3).

EBITDA amounted to SEK 123.4 M (176.2) for the first six months. The EBITDA margin for the first six months was 6.0 percent (8.3). Earnings for the first six months were impacted by costs for stores opened after the first quarter of 2017, amounting to SEK 36.0 M (22.5). EBITDA was affected positively in the first six months by reversal of accruals of SEK 6.2 M from the closure costs of four stores in Finland in 2017.

“We can now conclude that both the growth initiatives launched during summer 2017, i.e., a smaller store format for smaller towns and Byggmax Garden departments, have been well received and will be a part of our future offer”
- Mattias Ankarberg,
CEO of Byggmax Group AB (publ)



REPORT ON THE BUSINESS SEGMENT



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Skånska Byggvaror

Net sales decreased 22.5 percent to SEK 201.3 M (259.8) during the quarter. Sales were adversely affected by the cold weather, but mainly due to the shift towards “Garden Living” and reduced unprofitable sales in categories outside the core. The gross margin in Skånska Byggvaror increased and was positively influenced by mix effects and pricing.

EBITDA amounted to SEK 10.4 M (31.2) during the quarter. The EBITDA margin was 5.1 percent (11.7) for the quarter. Earnings for the quarter were impacted by costs for stores opened after the second quarter of 2017, which amounted to SEK 0.0 M (3.4). EBIT for the Group was impacted by the amortization of customer relationships and brands totaling SEK 9.9 M (9.9) for the quarter, which were identified in connection with the acquisition of Skånska Byggvaror Group AB.

Net sales decreased 26.4 percent to SEK 268.6 M (364.7) during the first six months. The gross margin in Skånska Byggvaror increased and was positively influenced by mix effects and pricing.

EBITDA amounted to SEK 10.4 M (31.2) during the first six months. The EBITDA margin was 5.1 percent (11.7) for the first six months. Operating revenues were positively affected by a capital gain on the divestment of Skånska Byggvaror's Danish subsidiary Pavillon amounting to SEK 3.7 M. Earnings for the quarter were impacted by costs for stores opened after the first quarter of 2017, which amounted to SEK 1.8 M (4.2). EBIT for the Group was impacted by the amortization of customer relationships and brands totaling SEK 19.8 M (19.8) for the quarter.

For Skånska Byggvaror, 2018 is a conversion year to a modern leader in “Garden Living,” i.e. garden buildings such as the sunroom and greenhouse. The transformation has begun well: The Danish operations Pavillon has been sold, the gross margin is back at historically high levels, and the previously decided restructuring reduces costs starting in the second quarter.

“The transformation of Skånska Byggvaror continues to be executed according to plan. Gross margins are back at historically high levels and the previously decided restructuring start to decrease costs as of the second quarter”
- Oscar Tjärnberg, CEO Skånska Byggvaror



Segment summary

Amounts in SEK M	April - June		January - June		12 months	Full year
	2018	2017	2018	2017	July 2017 – June 2018	2017
Net sales from external customers						
Byggmax	1,488.6	1,477.1	2,068.3	2,132.1	4,427.3	4,491.1
Skånska Byggvaror	201.3	259.8	268.6	364.7	613.1	709.2
Other	41.3	38.9	59.5	61.6	119.0	121.1
Total net sales	1,731.2	1,775.8	2,396.4	2,558.4	5,159.4	5,321.4
EBITDA						
Byggmax	151.8	176.0	123.4	176.2	382.8	435.6
Skånska Byggvaror	10.4	31.2	-10.4	11.7	-40.8	-18.7
Other	5.8	3.1	-2.5	-1.1	26.6	27.9
Total EBITDA	168.0	210.2	110.5	186.8	368.6	444.9
EBITDA, excluding non-recurring items¹						
Byggmax	150.6	176.0	117.2	176.2	407.5	466.6
Skånska Byggvaror	10.4	31.2	-14.1	11.7	-12.1	13.6
Other	5.8	3.1	-2.5	-1.1	-6.8	-5.4
Total EBITDA, excluding non-recurring items	166.8	210.2	100.5	186.8	388.6	474.8
EBITDA margin, percent						
Byggmax	10.2	11.9	6.0	8.3	8.6	9.7
Skånska Byggvaror	5.1	11.7	-3.8	3.1	-6.5	-2.6
Other	1.7	1.0	-0.4	-0.2	2.4	2.6
Total EBITDA margin, percent	9.7	11.8	4.6	7.3	7.1	8.4
EBITDA margin, excluding non-recurring items, percent¹						
Byggmax	10.1	11.9	5.7	8.3	9.2	10.4
Skånska Byggvaror	5.1	11.7	-5.2	3.1	-1.9	1.9
Other	1.7	1.0	-0.4	-0.2	-0.6	-0.5
Total EBITDA margin, excluding non-recurring items, percent	9.6	11.8	4.2	7.3	7.5	8.9

¹ Earnings for Q2 2018 were positively affected by the reversal of settlement costs for four Byggmax stores in Finland an amount of SEK 1,2 M due to lower settlement costs than the amount reserved in Q3 2017. Earnings for the first six month 2018 were positively affected by the reversal of settlement costs for four Byggmax stores in Finland an amount of SEK 6.2 M due to lower settlement costs than the amount reserved in Q3 2017. Earnings for the first six month were also positively affected by a capital gain of SEK 3.7 M, at the disposal of Skånska Byggvaror's Danish subsidiary Pavillon. See also Note 8 on page 19 for non-recurring items in the previous quarter.

CASH FLOW AND FINANCIAL POSITION

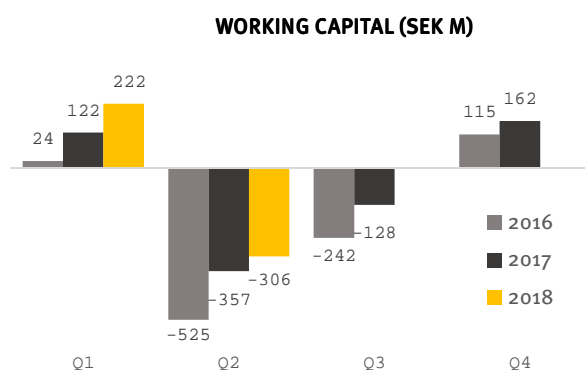
Cash flow and financial position

Cash flow from operating activities amounted to an inflow of SEK 646.2 M (inflow: 645.0) for the quarter, up SEK 1.2 M year-on-year and an inflow SEK 575.9 M (inflow: 576.1) for the first six months, down SEK 0.2 M. Inventory totaled SEK 1,038.0 M (1,006.7), up SEK 31.3 M. Inventory for Skånska Byggarvaror totaled SEK 84.3 M (113.7). Compared with the end of the year-earlier period, 20 (six) new Byggmax stores were added and the associated inventory amounted to SEK 99.1 M (32.3). Distribution inventory was SEK 21.7 M lower year-on-year.

At June 30, 2018, consolidated shareholders' equity amounted to SEK 1,240.3 M (1,243.1). Consolidated net debt was SEK 850.7 M (819.0), up SEK 32.0 M year-on-year. The equity/assets ratio amounted to 31.6 percent (31.8). Unutilized credits totaled SEK 516.4 M (587.7).

Investments during the second quarter amounted to SEK 64.2 M (51.6), out of which, SEK 37.0 M (11.7) pertained to investments in stores opened or stores to be opened during 2018 and SEK 3.2 M (7.5) to IT investments.

Investments during the first six months amounted to SEK 103.8 M (78.5). Of these investments, SEK 51.9 M (14.7) pertained to investments in stores opened or stores to be opened during 2018 and SEK 10.1 M (19.3) to IT investments.



New store openings

A total of twelve (six) new stores were opened during the period January to June 2018: eight Byggmax stores in Sweden, two Byggmax stores in Norway and two Byggmax stores in Finland.

The stores in Falkenberg and Kungsängen, Sweden, moved to a new location and the stores in Falun, Malmö, Staffanstorps, Visby and Värmdö in Sweden and Raisio and Turku in Finland added the garden concept.

The following stores have been publicly announced and will be opened in 2018: Malung, Ronneby and Södertälje in Sweden. The store in Motala, Sweden will be moved to a new location and then also be added the garden concept.

The Byggmax workforce

The number of employees (converted into full-time equivalents) totaled 1,125 (1,094) at the end of the period.

Parent Company

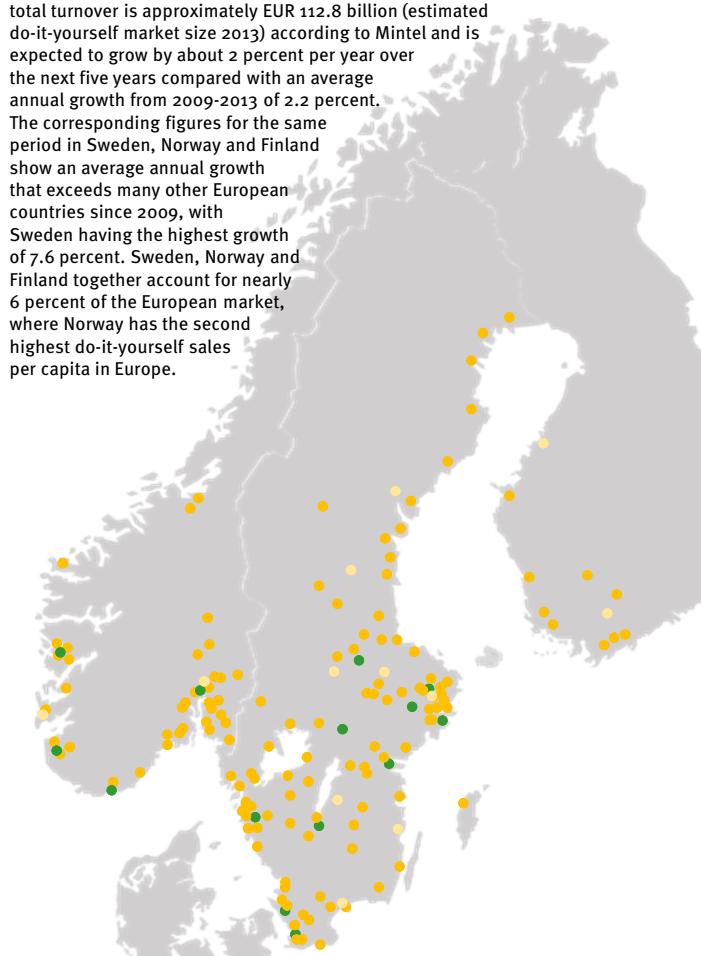
The Parent Company comprises a holding company. The Parent Company's sales amounted to SEK 0.1 M (0.1) for the second quarter and to SEK 0.2 M (0.2) for the first six months. Loss before taxes for the second quarter was SEK 5.0 M (Loss: 4.9) and for the first six months the loss was SEK 10.3 M (Loss: 9.4).

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 and Finnish 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 from 2009-2013 of 2.2 percent. The corresponding figures for the same period in Sweden, Norway and Finland show an average annual growth that exceeds many other European countries since 2009, with Sweden having the highest growth of 7.6 percent. Sweden, Norway and Finland together account for nearly 6 percent of the European market, where Norway has the second highest do-it-yourself sales per capita in Europe.



Stores	Sweden	Norway	Finland	Total
● Byggmax	88	36	9	133
● Skånska Byggarvaror	10	4	0	14
Opened 2018				
● Byggmax	8	2	2	12
● Skånska Byggarvaror	0	0	0	0
Total	106	40	11	159

Accounting policies

Byggmax Group AB (publ) applies International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting policies and calculation methods apply as for the 2017 Annual Report.

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 2.18 of the 2017 Annual Report.

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 2017 fiscal year.

The interim data on pages 1-21 comprises an integrated part of this financial report.

New standards from IASB

IFRS 15 Income from contracts with customers

Byggmax Group AB (publ) applies the International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups. The application of the accounting policies corresponds with the policies in the Annual Report for the fiscal year ending December 31, 2017, with the exception of the introduction on January 1, 2018 of IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments. However, the transition to IFRS 9 and IFRS 15 had no impact on the Group's performance and financial position.

The Parent Company's accounts have been prepared pursuant to the Annual Accounts Act and RFR 2 Accounting for Legal Entities.

The same accounting policies have been applied as for the Group except in those cases stated in the Parent Company's accounting policies section in the 2017 Annual Report, Note 2.18. From January 1, 2018, the Parent Company also applies IFRS 15 and IFRS 9, as set out in RFR 2. The transition had no impact on the Parent Company's performance and financial position.

Refer to the Annual Report for the 2017 fiscal year, notes 1-4, for a more detailed description of the accounting policies applied for the Group and the Parent Company in this interim report.

IFRS 9 Financial Instruments

IFRS 9 addresses the classification, measurement and recognition of financial assets and liabilities and introduces new hedge accounting rules. The complete version of IFRS 9 was issued in July 2014, and replaces the parts of IAS 39 relating to the classification and measurement of financial instruments, and introduces a new loss impairment model. The standard has been adopted by the EU.

IFRS 9 is applied by the Group from the fiscal year beginning on January 1, 2018. In accordance with the transition rules of the standard, the Group has not restated comparative figures for the 2017 fiscal year.

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

Stockholm, July 16, 2018

Anders Moberg
Chairman of the Board

Daniel Mühlbach
Board member

Hannele Kemppainen Board
member

Lottie Svedenstedt
Board member

Mikael Norman
Board member

Per Strömberg
Board member

Ullrika Eliasson
Board member

Mattias Ankarberg
President

Workshops were conducted in autumn of 2017 to discuss the classification and measurement of the Group's financial instruments. After these workshops, it was ascertained that the new classification and measurement rules would not significantly impact the Group's financial position on the transition date, since the regulations would not entail any changes as regards measurement of the financial instruments included in the consolidated balance sheet at that date.

IFRS 9 introduced a new impairment model that is based on expected credit losses, and which takes prospective information into account. However, no material effect has been identified from this, since customer losses have historically been extremely low, and our prospective assessment is that credit risk will remain low.

A project is in progress to analyze what additional information may be required to meet the disclosure requirements in the 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 a 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 company's auditors.

Stockholm July 16, 2018

Mattias Ankarberg

President

Financial calendar

Q 3 report 2018

October 18, 2018

Consolidated statement of comprehensive income

Amount in SEK M	April- June		January – June		12 months July 2017 – June 2018	Full year
	2018	2017	2018	2017		2017
REVENUE						
Net sales	1,731.2	1,775.8	2,396.4	2,558.4	5,159.4	5,321.4
Other operating income	3.8	2.2	11.5	2.8	48.1	39.4
Total revenue	1,735.0	1,777.9	2,407.9	2,561.2	5,207.5	5,360.8
OPERATING EXPENSES						
Cost of goods sold	-1,208.6	-1,231.6	-1,661.2	-1,777.3	-3,555.5	-3,671.6
Other external costs and operating expenses	-194.4	-189.7	-342.3	-327.7	-700.5	-685.8
Personnel costs	-164.1	-146.4	-294.0	-269.5	-583.0	-558.5
Depreciation, amortization of tangible and intangible fixed assets	-41.4	-38.4	-81.9	-76.8	-178.0	-173.0
Total operating expenses	1,608.4	-1,606.1	-2,379.3	-2,451.3	-5,017.0	-5,089.0
EBIT	126.6	171.8	28.6	109.9	190.6	271.9
Profit/loss from financial items	-9.0	0.3	-10.9	-4.6	-19.9	-13.6
Profit before tax	117.6	172.1	17.7	105.3	170.7	258.2
Income tax	-20.9	-39.5	0.5	24.3	-38.8	-63.6
Profit/loss for the period	96.7	132.6	18.3	81.0	131.9	194.6
OTHER COMPREHENSIVE INCOME FOR THE PERIOD						
Items that will not be reclassified to profit or loss	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	0.0
ITEMS THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS						
Translation differences	11.4	-4.1	15.7	-6.3	14.3	-7.7
Other comprehensive income for the period	11.4	-4.1	15.7	-6.3	14.3	-7.7
Total comprehensive income for the period	108.1	128.5	34.0	74.7	146.1	186.9
Earnings per share before dilution, SEK	1.6	2.2	0.3	1.3	2.2	3.2
Earnings per share after dilution, SEK	1.6	2.2	0.3	1.3	2.2	3.2
Average number of shares, (thousand)	60,999	60,782	60,999	60,760	60,979	60,861
Number of shares at the end of the period, (thousand)	60,999	60,907	60,999	60,907	60,999	60,999

Consolidated statement of financial position

Amounts in SEK M	Note	June 30, 2018	June 30, 2017	December 31, 2017
ASSETS				
FIXED ASSETS				
Intangible fixed assets		2,171.6	2,214.9	2,188.6
Tangible fixed assets		412.2	380.4	358.5
Financial fixed assets		28.1	16.9	27.8
Total fixed assets		2,612.0	2,612.3	2,574.9
CURRENT ASSETS				
Inventories		1,038.0	1,006.7	879.6
Derivatives		0.0	4.4	1.3
Current receivables		189.8	223.4	149.0
Cash and cash equivalents		84.1	63.4	40.1
Assets held for sale		0.0	0.0	3.4
Total current assets		1,312.0	1,297.6	1,073.4
Total assets		3,924.0	3,909.9	3,648.3
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		1,240.3	1,243.1	1,358.8
LIABILITIES				
Borrowing from credit institutions		406.1	525.1	406.2
Deferred tax liabilities		192.5	196.9	200.5
Other long liabilities		0.9	0.6	0.5
Long-term liabilities		599.5	722.5	607.2
Borrowing from credit institutions		528.7	357.3	811.6
Provisions	6	19.2	0.0	63.2
Accounts payable		1,200.2	1,231.3	591.3
Current tax liabilities		0.0	0.0	7.3
Derivatives		2.0	0.0	0.0
Other liabilities		114.6	170.7	44.7
Accrued expenses and deferred income		219.4	185.0	160.0
Liabilities that are directly related to assets held for sale		0.0	0.0	4.1
Current liabilities		2,084.1	1,944.2	1,682.3
Total shareholders' equity and liabilities		3,924.0	3,909.9	3,648.3

Consolidated statement of changes in equity

Amounts in SEK M	June 30, 2018	June 30, 2017	December 31, 2017
Opening balance at the beginning of the period	1,358.8	1,248.3	1,302.2
COMPREHENSIVE INCOME			
Translation differences	15.7	-4.1	-7.7
Profit/loss for the period	18.3	132.6	194.6
Total comprehensive income	34.0	128.5	186.9
TRANSACTIONS WITH SHAREHOLDERS			
Dividend to shareholders	-152.5	-145.8	-145.8
Warrants and issue of new shares	0.0	0.0	11.1
Issue of warrants	-0.1	12.0	4.3
Total transactions with shareholders	-152.6	-133.8	-130.2
Shareholders' equity at the end of the period	1,240.3	1,243.1	1,358.8

Consolidated statement of cash flows

Amounts in SEK M	April- June		January - June		12 months	Full year
	2018	2017	2018	2017	July 2017 – June 2018	2017
CASH FLOW FROM OPERATING ACTIVITIES						
EBIT	126.6	171.8	28.6	109.9	190.6	271.9
Non-cash items						
- Depreciation and amortization of tangible and intangible fixed assets	41.4	38.4	81.9	76.8	178.0	173.0
- Other non-cash items	-2.1	-1.2	-5.4	-1.4	64.0	68.0
Interest received	4.0	4.7	9.2	7.3	16.3	14.4
Interest paid	-11.8	-7.1	-17.1	-15.7	-31.0	-29.6
Tax paid	-32.6	-41.1	-16.9	-48.4	-48.1	-79.6
Cash flow from operating activities before changes in working capital	125.5	165.6	80.3	128.6	369.8	418.1
CHANGES IN WORKING CAPITAL						
Increase/decrease in inventories and work in process	-97.4	-75.8	-155.1	-186.9	-33.0	-64.9
Increase/decrease in other current receivables	-13.9	-62.3	-43.5	-71.3	34.0	6.2
Increase/decrease in other current liabilities	632.0	617.5	694.1	705.7	-68.7	-57.1
Cash flow from operating activities	646.2	645.0	575.9	576.1	302.1	302.3
CASH FLOW FROM INVESTING ACTIVITIES						
Investment in intangible fixed assets	-3.8	-8.2	-11.8	-19.9	-27.3	-35.4
Investment in tangible fixed assets	-60.4	-43.4	-92.0	-58.6	-132.1	-98.7
Investment in other financial fixed assets	0.0	0.1	0.0	0.0	7.4	7.5
Investment in subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from sale of subsidiaries	0.0	0.0	2.4	0.0	2.4	0.0
Cash flow from investing activities	-64.2	-51.5	-101.4	-78.4	-149.5	-126.6
CASH FLOW FROM FINANCING ACTIVITIES						
Change in overdraft facilities	-407.0	-444.3	-277.7	-342.3	152.0	87.0
Issue of warrants	0.0	12.0	-0.1	11.9	3.1	14.9
Divided to shareholders	-152.5	-145.8	-152.5	-145.8	-152.5	-145.8
Borrowings	0.0	0.0	0.0	0.0	0.0	0.0
Amortization of loans	-0.6	0.0	-0.6	0.0	-126.5	-125.9
Cash flow from financing activities	-560.1	-578.1	430.5	-476.1	-124.0	-169.6
Cash flow from the period	21.9	15.4	44.0	21.5	28.6	6.1
Cash and cash equivalents at the beginning of the period	62.2	40.1	40.1	34.0	55.5	34.0
Cash and cash equivalents at the end of the period	84.1	55.5	84.1	55.5	84.1	40.1

Parent Company income statement

Amounts in SEK M	Note	April- June		January - June		12 months July 2017 – June 2018	Full year 2017
		2018	2017	2018	2017		
REVENUE							
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		-2.2	-2.0	-5.9	-3.6	-11.0	-8.7
Personnel costs		-0.2	-0.2	-0.3	-0.3	-0.4	-0.4
Total operating expenses		-2.4	-2.1	-6.1	-3.8	-11.4	-9.1
EBIT		-2.3	-2.1	-6.0	-3.7	-11.1	-8.8
Profit/loss from financial items		-2.7	-2.8	-4.4	-5.8	160.1	158.7
Profit/loss before tax		-5.0	-4.9	-10.3	-9.4	149.0	149.9
Tax on profit/loss		1.1	1.1	2.3	2.1	0.2	0.0
Profit/loss for the period		-3.9	-3.8	-8.1	-7.3	149.2	149.9

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

Amount in SEK M	Note	June 30, 2018	June 30, 2017	Full year 2017
ASSETS				
Fixed assets				
Financial fixed assets		1,573.3	1,606.6	1,573.3
Total fixed assets		1,573.3	1,606.6	1,573.3
Current assets		5.6	4.5	173.8
Total current assets		5.6	4.5	173.8
Total assets		1,578.9	1,611.2	1,747.1
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		95.1	94.5	255.7
Other long liabilities		406.1	525.0	406.1
Current liabilities		1,077.7	991.7	1,085.3
Total shareholders' equity and liabilities		1,578.9	1,611.2	1,747.1

Note 1 Segments

April - June

REVENUE, SEK M	Byggmax		Skånska Byggvaror		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Total net sales per segment	1,490.2	1,478.3	202.9	266.7	340.6	323.8	2,033.7	2,068.8
Net sales internal	1.6	1.2	1.7	6.9	299.3	284.9	302.5	293.1
Net sales external	1,488.6	1,477.1	201.3	259.8	41.3	38.9	1,731.2	1,775.8
EBITDA	151.8	176.0	10.4	31.2	5.8	3.1	168.0	210.2
EBITDA margin, percent	10.2	11.7	5.1	11.7	1.7	1.0	9.7	11.8
Amortization and depreciation							-41.4	-38.4
Financial income							4.4	7.4
Financial expenses							-13.4	-7.1
Profit/loss before tax							117.6	172.1

NET SALES PER GEOGRAPHY, SEK M	Sweden		Other Nordic countries		Total	
	2018	2017	2018	2017	2018	2017
Byggmax	1,128.3	1,092.2	360.4	384.9	1,488.6	1,477.1
Skånska Byggvaror	159.9	204.0	41.4	55.8	201.3	259.8
Others	41.3	38.8	0.0	0.1	41.3	38.9
Total net sales	1,329.5	1,335.0	401.7	440.7	1,731.2	1,775.8

January - June

REVENUE, SEK M	Byggmax		Skånska Byggvaror		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Total net sales per segment	2,071.4	2,134.0	271.8	372.4	580.0	528.4	2,923.2	3,034.9
Net sales internal	3.1	2.0	3.2	7.8	520.5	466.8	526.8	476.5
Net sales external	2,068.3	2,132.1	268.6	364.7	59.5	61.6	2,396.4	2,558.4
EBITDA	123.4	176.2	-10.4	11.7	-2.5	-1.1	110.5	186.8
EBITDA margin, percent	6.0	8.3	-3.8	3.1	-0.4	-0.2	4.6	7.3
Amortization and depreciation							-81.9	-76.8
Financial income							10.4	12.9
Financial expenses							-21.3	-17.5
Profit/loss before tax							17.7	105.3

January - June

NET SALES PER GEOGRAPHY, SEK M	Sweden		Other Nordic countries		Total	
	2018	2017	2018	2017	2018	2017
Bygghmax	1,578.8	1,585.5	489.5	546.6	2,068.3	2,132.1
Skånska Bygghvaror	217.4	292.9	51.2	71.7	268.6	364.7
Others	59.5	61.5	0.0	0.1	59.5	61.6
Total net sales	1,855.7	1,939.9	540.7	618.4	2,396.4	2,558.4

ASSETS PER SEGMENT	Bygghmax		Skånska Bygghvaror		Others		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Total assets per segment	2,670.9	2,553.5	1,104.4	1,243.3	148.7	113.1	3,924.0	3,909.9
- of which fixed assets	1,480.7	1,434.4	964.8	1,022.1	138.4	138.9	2,583.9	2,595.4

Note 2 Disclosures about transactions with related parties

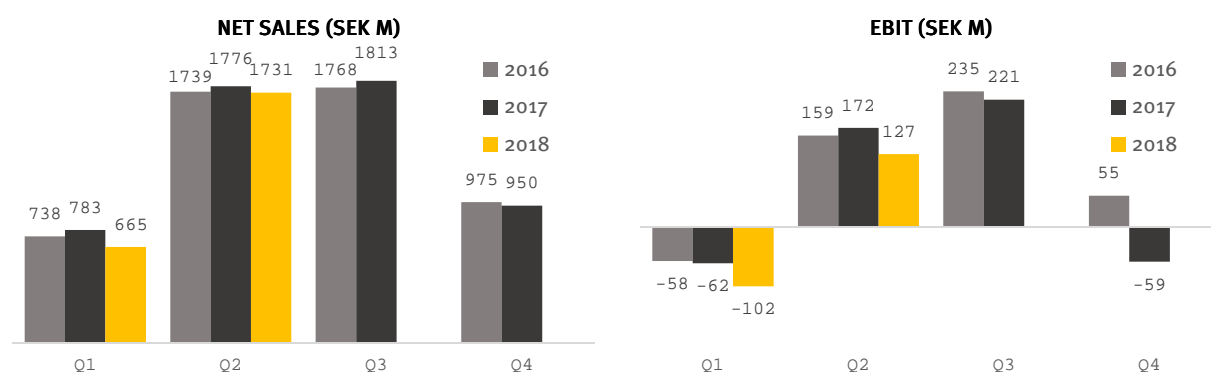
No transactions occurred between Bygghmax and related parties that could significantly impact the company's position and results.

The 2015 and 2017 Annual General Meetings resolved to introduce warrant programs for senior executives and other key staff at Bygghmax. 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 in the warrants program have entered into a pre-emption agreement. The 2015 warrant program expires on November 30, 2018 and can be exercised from May 30, 2018. The 2017 warrant program expires on December 7, 2020 and can be exercised from June 8, 2020.

	2015	2017
Total number	386,000	984,000
Price	3.98	4.37
Exercise price	66.4	67.5
Term	3.5	3.5
Number of participants	13	28

Note 3 Income per quarter

	2016	2016	2016	2016	2017	2017	2017	2017	2018	2018
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Net sales, SEK M	737.9	1,738.7	1,767.8	974.9	782.6	1,775.8	1,812.8	950.2	665.2	1,731.2
Gross margin, percent	31.2	29.9	31.4	29.8	30.3	30.6	31.6	31.1	32.0	30.2
EBITDA, excluding non-recurring costs, SEK M	-24.0	194.0	317.5	94.1	-23.5	210.2	266.0	22.1	-62.5	166.8
EBITDA, SEK M	-24.2	193.8	317.5	94.1	-23.5	210.2	260.1	-1.9	-57.5	168.0
EBITDA margin, percent	-3.3	11.1	18.0	9.7	-3.0	11.8	14.3	-0.2	-8.6	9.7
EBIT, SEK M	-57.8	159.2	235.3	55.2	-61.9	171.8	221.0	-59.0	-98.0	126.6
EBIT margin, percent	-7.8	9.2	13.3	5.7	-7.9	9.7	12.2	-6.2	-14.7	7.3
Working capital, SEK M	23.8	-524.5	-241.6	114.6	121.9	-357.2	-128.8	162.1	221.6	-306.4
Return on equity, percent	-5.2	10.5	14.8	4.4	-4.0	10.6	12.9	-4.2	-5.9	7.7
Cash flow from operating activities per share, SEK	-1.4	11.4	-0.4	-4.1	-1.1	10.6	-0.2	-4.3	-1.2	10.6
Shareholders' equity per share, SEK	17.9	17.7	20.7	21.4	20.6	20.4	23.3	22.3	21.1	20.3
Profit after tax per share	-1.0	1.9	2.8	0.9	-0.8	2.2	2.8	-1.0	-1.3	1.6
Share price at the end of the period	74.5	64.3	64.8	63.0	61.5	61.3	68.5	55.0	41.5	45.5
Number of stores	131	137	139	140	141	145	148	147	148	159



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 restructuring costs for Skånska Byggarvar to focus on the core business "Garden Living", strengthening digital skills and reducing operating expenses, SEK 19.2 M

Note 7 Depreciation

Depreciation includes depreciation of customer relations and brand for Skånska Byggarvar with SEK 19.8 M (19.8) for the first six months of 2018.

Note 8 Effect of non-recurring items

	April - June		January - June		12 months	Full year
	2018	2017	2018	2017	July 2017 – June 2018	2017
Earn out Buildor 2017	0.0	0.0	0.0	0.0	33.4	33.4
Closure cost for four stores in Finland	1.2	0.0	6.2	0.0	-24.7	-30.9
Restructuring cost Skånska Byggaror EBITDA	0.0	0.0	3.7	0.0	-28.6	-32.3
Total EBITDA effect	1.2	0.0	9.9	0.0	-20.0	-29.8
Impairment Skånska Byggaror	0.0	0.0	0.0	0.0	-7.2	-7.2
Restructure cost Skånska Byggaror Depreciation	0.0	0.0	0.0	0.0	-9.9	-9.9
Total EBIT effect	1.2	0.0	9.9	0.0	-37.1	-46.9

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/>)

Financial Key ratios

Definition

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

Definition of market-specific ratios and figures

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 Bygghmax Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 8:00 a.m. on July 16, 2018.

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THE BYGGMAX GROUP

Byggmax in brief

Byggmax Group consists of Byggmax, Buildor and Skånska Byggvaror. The first Byggmax store opened the doors 1993 and 17 years later, 2010, Byggmax Group's stock was listed on the Stockholm Stock Exchange. Byggmax has operations in Sweden, Norway and Finland.

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 established the following long-term goals for the Group:

- Organic sales growth of 10 to 15 percent per year.
- The EBITDA margin should be 9 to 10 percent per year.
- Distribute at least 50 percent of net profit.

The company's long-term financial targets were updated in connection with the launch of an updated strategy in June 2017. To realize the strategy, a number of initiatives to increase efficiency and the rate of growth were implemented in 2017 and will be implemented in 2018. The ambition of the Byggmax Group is to achieve these new financial targets in 2019.

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 in 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.

With internal product development and carefully selected suppliers, Skånska Byggvaror creates attractive products sold under its own brands. The path from idea to launch is and has always been short. This gives Skånska Byggvaror unique control over the assortment, in areas including quality, design and value. Since 2012, Skånska Byggvaror has successfully sold its products in Norway through the Grønt Fokus brand.



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.

Ownership structure

Ownership	Number of shares	Holding (%)
Odin Forvaltning AS	5,875,592	9.63
Afa Försäkring	5,172,442	8.48
Handelsbanken fonder	3,463,920	5.68
Alantra Asset Management SGIIC SA	3,390,000	5.56
FIL Gestion SASU /Fidelity Nordic Fund	3,363,914	5.51
CI Investments, Inc.	3,097,000	5.08
Försäkringsaktiebolaget, Avanza Pension	2,622,753	4.30
Swedbank Robur fonder	2,407,068	3.95
Old Mutual Global Investors (UK) Ltd.	2,156,000	3.53
Didner & Gerge Fonder Aktiebolag	1,855,000	3.04
Total of the ten major shareholders	33,403,689	54.76
Total other shareholders	27,595,356	45.24
Total at June 30, 2018	60,999,045	100.00

BYGG max[®]