



Q1 INTERIM REPORT JANUARY - MARCH 2019

BYGGMAX®

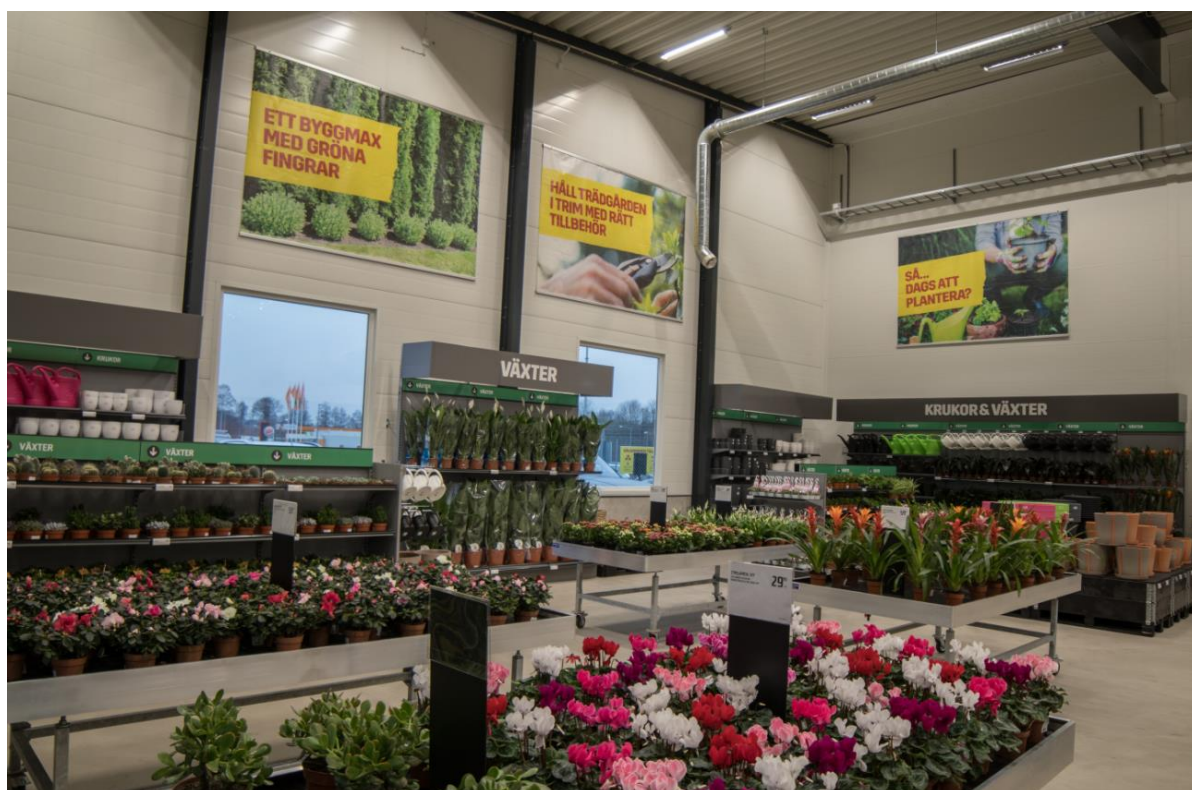
A POSITIVE START TO THE YEAR



The first quarter entailed a positive start to the year: sales and profitability increased, both gross margin and cost control were strong, the market grew and Bygghem continued to take market share. Weather conditions were better than previous year, although not as favorable as in 2017.

First quarter 2019:

- Net sales increased by 7.5 percent to SEK 715.4 M (665.2)
- Gross margin increased to 33.4 percent (32.0)
- EBITA margin excluding non recurring items increased to -10.9 percent (-14.6)¹



¹ IFRS 16 has affected EBITA with +0,6 percentage points in the first quarter 2019.

On this page, a brief summary of the quarter is presented along with selected information to provide examples of Bygghem Group's development.

Earnings overview

	January - March		12 months	Full year
	2019	2018	April 2018 – March 2019	2018
Net sales, SEK M	715.4	665.2	5,157.9	5,107.8
Gross margin, percent	33.4	32.0	31.0	30.8
EBITA excluding non-recurring items, SEK M ^{1, 2}	-77.8	-96.8	236.8	217.8
EBITA excluding non-recurring items, margin percent ^{1, 2}	-10.9	-14.6	4.6	4.3
EBIT, SEK M ¹	-87.7	-98.0	198.3	188.1
EBIT margin, percent ¹	-12.3	-14.7	3.8	3.7
Profit after tax, SEK M ¹	-81.0	-78.4	135.0	137.6
Earnings per share, SEK	-1.3	-1.3	2.2	2.3
Return on equity, percent	-6.2	-5.9	10.2	10.2
Cash flow from operating activities per share, SEK	-0.4	-1.2	7.1	6.4
Shareholders' equity per share, SEK	21.1	21.1	21.1	22.1
Number of stores at the end of the period	163	148	163	163
New stores opened during the period	0	1	17	18

Note that profit after tax for Q1 2018 is affected by non-recurring items including tax effects. Profit after tax excl. non-recurring items for Q1 2018 amounted to SEK -85.2 M. Profit after tax for Q1 2019 is affected by IFRS 16 which has had a negative effect of SEK 3.0 M on profit after tax.

Earnings overview, excl. IFRS 16

	January - March		12 months	Full year
	2019	2018	April 2018 – March 2019	2018
EBITDA, excluding non-recurring costs, SEK M ¹	-48.6	-66.2	363.8	346.2
EBITDA excluding non-recurring costs, margin percent ¹	-6.8	-10.0	7.1	6.8
EBITA, excluding non-recurring costs, SEK M ¹	-81.9	-96.8	232.7	217.8
EBITA, excluding non-recurring costs, margin percent ¹	-11.4	-14.6	4.5	4.3
EBIT, SEK M ¹	-91.8	-98.0	194.3	188.1
EBIT margin, percent ¹	-12.8	-14.7	3.8	3.7
Profit after tax, SEK M ¹	-78.1	-78.4	138.0	137.6

Key ratios excl. IFRS 16 have been calculated based on "Consolidated statement of comprehensive income excl. IFRS 16", see Appendix 1.

¹ Earnings for the first quarter of 2018 were positively affected by the reversal of settlement costs for four Bygghem stores in Finland at an amount of SEK 5.0 M due to lower closure costs than the amount reserved in Q3 2017. Earnings for Q1 2018 were positively affected by a capital gain of SEK 3.7 M, at the disposal of Skånska Bygghem's Danish subsidiary Pavillon. See also Note 8 on page 18 for non-recurring items in previous periods.

² Including effects of IFRS 16 from January 2019, see also Accounting policies on page 10.

PRESIDENT'S COMMENTS

Increased sales and profitability

The first quarter entailed a positive start to the year: sales and profitability increased, both gross margin and cost control were strong, the market grew and Byggmax continued to take market share. Weather conditions were better than the previous year, although not as favorable as in 2017.

The first quarter is the smallest of the year, and accounted for 13 percent of annual sales during last year. In the first quarter this year net sales increased by 7.5 percent. The increase was driven by the Byggmax segment, which grew 10.6 percent.

The gross margin for the quarter was strong and amounted to 33.4 percent (32.0). The gross margin was positively affected by price/mix effects.

Cost control remained strong and we are continuously improving our efficiency. Comparable costs, i.e., costs excl. new stores and non-recurring items, decreased SEK 11.8M.

Profitability for the quarter, measured as EBITA excluding non-recurring effects, improved to negative SEK 77.8 M (negative: 96.8), and the corresponding EBITA margin improved to negative 10.9 percent (negative: 14.6)². Reported according to last year's accounting principles (i.e. excluding IFRS 16) EBITDA excluding non-recurring items improved to negative SEK 48.6 M (negative: 66.2).

Positive market trend

The market continued to grow in the first quarter 2019. In the short term, the consumer market is significantly impacted by weather effects, which were positive. Compared to last year's long winter, this year's March saw a more normal ramp-up towards spring. Weather conditions were however far from as favorable as in 2017, when spring arrived early. In all we estimate that the Nordic consumer market for building materials increased 2–4 percent during the first quarter.

We continue to be optimistic on good market growth in 2019. According to the National Institute of Economic Research, the Swedish households' intent to renovate has continued to increase. We maintain our view that consumer interest for larger, more expensive projects is more cautious.

A stronger Byggmax, with many new stores

The Byggmax segment developed positively and continued to take market share. Sales increased 10.6 percent, the gross margin increased and comparable costs decreased. Profitability measured as EBITA excluding non-recurring items improved to a negative SEK 50.9 M (negative: 61.0).

Sales in comparable stores increased 3.1 percent. New stores opened in 2018 have started well, and non-comparable stores generated a 6.7 percent increase in sales. As planned, new stores impact profitability negatively during the first year after opening. In the first quarter, new stores added costs of SEK 18.1 M, and had a negative effect on EBITA of ca SEK 11 M.

During the first quarter we continued to develop our offering. We have upgraded to a modern e-commerce platform and strengthened our assortment within e.g., garden and timber. We continue to see positive sales indications for our Store 3.0 initiative and our price position remains strong, e.g., an independent survey in March showed that Byggmax offered the Swedish consumers the lowest prices for decking projects.

We continue to execute our strategy of focused growth and increased efficiency. For 2019, we plan to open 12 new stores, launch eight garden departments, upgrade 15 existing stores to 3.0 and to continue to develop our e-commerce.

Lower sales, but stable earnings and increased order intake for Skånska Byggvaror

In the first quarter Skånska Byggvaror's sales decreased 17.2 percent, despite increased order intake. The increase in order intake was driven by the core categories conservatories and greenhouses, while demand for other categories decreased following last year's changes to the commercial model. Sales decreased despite increased order intake as a larger share of orders received will be delivered after the end of the quarter. The major changes implemented in 2018, which resulted in increased gross margin and reduced costs, resulted in a somewhat improved profitability despite lower sales. In the quarter EBITA excluding non-recurring items amounted to negative SEK 25.4 M (negative: 27.1).

For 2019, focus is on building for profitable growth. We have positive indications from our growth initiatives within assortment, sales and marketing, and we expect positive effects during peak season, i.e., the second and third quarter.

An exciting spring season awaits

We are entering an exciting spring season. We will open new Byggmax stores, add garden departments, upgrade stores to 3.0 and meet customers with a stronger offering in both Byggmax and Skånska Byggvaror.

We continue to execute initiatives at a high pace, and regardless of market conditions Byggmax is well positioned with our increasingly strong low price concept. I look forward to give more of Byggmax to more customers in the future!



Mattias Ankarberg

President, Byggmax Group AB (publ)
April 17, 2019



The first quarter saw a positive start to the year. Sales and profitability increased and Byggmax continued to take market share.

¹ Earnings for the first quarter of 2018 were positively affected by the reversal of settlement costs for four Byggmax stores in Finland at an amount of SEK 5.0 M due to lower closure costs than the amount reserved in Q3 2017. Earnings for 2018 were also positively affected by a capital gain of SEK 3.7 M, on the disposal of Skånska Byggvaror's Danish subsidiary Pavillon. See also Note 8 on page 18 for non-recurring items in previous periods.

² IFRS 16 has affected EBITA in the first quarter of 2019 with +0.6 percentage points.

CONSOLIDATED SALES AND EARNINGS

January 1 – March 31

Revenues

The operation's net sales totaled SEK 715.4 M (665.2), an increase of 7.5 percent. Net sales amounted to SEK 641.3 M (579.7) for Bygghmax, an increase of 10.6 percent. The Bygghmax segment represented 90 percent of the group net sales in the quarter. Net sales for Skånska Bygghvaror amounted to SEK 55.7 M (67.3), a decrease of 17.2 percent, and SEK 18.3 M (18.2) for segment Other. The strongest sales month of the quarter was March.

Sales development per segment	Share of sales	Change
Bygghmax, percent	90.0	10.6
Skånska Bygghvaror, percent	7.5	-17.2
Other, percent	2.5	0.7
Total, percent	100.0	7.5

Net sales increase of 10.6 percent for the Bygghmax segment was divided according to the following:	2019	2018
Comparable stores, local currency, percent	3.1	-13.4
Non comparable stores and other, local currency, percent	6.7	2.7
Exchange-rate effects, percent	0.8	-0.6
Total, percent	10.6	-11.2

Net sales in the Bygghmax segment was mostly driven by new stores. Net sales for comparable Bygghmax stores increased by 3.1 percent in the quarter. Non comparable stores generated a sales increase of 6.7 percent.

Net sales increase of 7.5 percent for the Group was divided according to the following:	2019	2018
Comparable stores, local currency, percent	1.7	-16.9
Non comparable stores and other, local currency, percent	5.1	2.1
Exchange-rate effects, percent	0.8	-0.2
Total, percent	7.5	-15.0

Net sales for comparable stores for the Group increased by 1.7 percent in local currency.

The Group opened zero (one) stores during the quarter: The total number of stores in the Group as of March 31, 2019 thereby amounted to 163 (148) of which Bygghmax stores amounted to 151 (134).

Gross margin

The gross margin amounted to 33.4 percent compared to 32.0 percent last year. The gross margin was positively affected by price/mix effects. Exchange-rate developments affected the gross margin negatively.

Personnel cost and other external expenses

Comparable costs, i.e. costs excluding new stores and non-recurring items, decreased by SEK 11.8 M. We continue to increase our efficiency.

Personnel costs and other external expenses was affected by several factors, including effects of IFRS 16. The effect of IFRS 16 implied a decrease in costs by SEK 72.9 M for the period. See also page 11.

Excluding effects of IFRS 16 the costs for personnel and other external expenses increased by SEK 10.9 M. Compared to the year-earlier period, expenses were negatively affected by new stores opened after the first quarter 2018 by SEK 18.1 M (15.0).

Comparable costs, i.e. costs excluding new stores and non-recurring items, decreased by SEK 11.8 M.

Other external expenses were affected positively in Q1 2018 by SEK 4.6 M, attributable to closure costs for four Bygghmax stores in Finland.

Personnel cost and other external expenses, SEK M excl. IFRS 16:	
Actuals Q1 2018	277.8
Costs affected by new stores	18.1
Costs excluding new stores and non-recurring items	-11.8
Non-recurring items (Q1 2018)	4.6
Actuals Q1 2019	288.7

Profit and loss

EBITA excluding non-recurring items¹, increased to SEK -77.8 M (-96.8). IFRS 16 impacted EBITA positively with SEK 4.1 M. The EBITA margin increased to -10.9 percent (-14.6 percent). The IFRS 16 effect on the EBITA margin amounted to 0.6 percentage points.

EBITDA excluding non-recurring items reported according to accounting principles prior year, i.e. EBITDA excluding non-recurring items¹ and effects of IFRS 16 amounted to SEK -48.6 M (-66.2), corresponding to EBITDA margin of -6.8 (-10.0 percent).

EBITA as well as EBITDA were positively affected by reversal of settlement costs for four Bygghmax stores in Finland SEK 5.0 M, of which SEK 4.6 M affects other external expenses, and by a capital gain of SEK 3.7 M at the disposal of Skånska Bygghvaror's Danish subsidiary Pavillion.

Profit before tax

Profit before tax amounted to SEK -102.5 M including effects of IFRS 16. Profit before tax excluding effects of IFRS 16 amounted to SEK -98.8 M (-99.9).

Net financial items amounted to an expense of SEK -14.8 M including effects of IFRS 16. Net financial items excluding IFRS 16 amounted to SEK -7.0 M (-1.9). The effects of IFRS 16 was SEK -7.8 M. Net financial items for the quarter were negatively impacted by exchange-rate effects of SEK -1.9 M (2.2).

Taxes

Taxes for the first quarter of 2019 totaled SEK 21.5 M including effects of IFRS 16. Taxes excluding IFRS 16 amounted to SEK 20.7 M (21.4). Effects of IFRS 16 amounted to SEK 0.8 M in 2019.

The tax rate has changed from 22.0 percent to 21.4 percent as of January 1 2019.

Profit after tax

Profit after tax amounted to SEK -81.0 M including effects of IFRS 16. Profit after tax excluding IFRS 16 amounted to SEK -78.1 M (-78.4).

Effects of IFRS 16 amounted to SEK -3.0 in 2019. Profit after tax is affected by interest as this is a higher share of the lease liability at the beginning than at the end of the lease period. Depreciation is linear.

¹ Earnings for the first quarter of 2018 were positively affected by the reversal of settlement costs for four Bygghmax stores in Finland at an amount of SEK 5.0 M due to lower closure costs than the amount accrued in Q3 2017. Other operative income and thus earnings for 2018 were also positively affected by a capital gain of SEK 3.7 M, on the disposal of Skånska Bygghvaror's Danish subsidiary Pavillion. See also Note 8 on page 18 for non-recurring items in previous periods.

² A store is considered comparable two calendar years after the web store or the physical store was opened. Stores that have been relocated within the same city is treated in the same way. Eleven Skånska Bygghvaror stores are included in comparable stores.

REPORT ON THE BUSINESS SEGMENT

Skånska Byggsvaror AB was acquired by Bygghmax 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 Bygghmax, Skånska Byggsvaror and Other. Other includes Buildor, intra-Group leasing of owned properties, a distribution company and the Parent Company Bygghmax 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 (EBITA). For more information see note 1.

BYGGMAX®

+ 10.6%

Net sales for the Bygghmax segment posted a 10.6 percent year-on-year increase in the first quarter.

8

Eight new Bygghmax stores are planned to open during the second quarter 2019.

Bygghmax

The Bygghmax segment includes Bygghmax AB and the branches Bygghmax Norge and Bygghmax AB Finland.

Net sales increased by 10.6 percent during the quarter to SEK 641.3 M (579.7). Zero (one) new stores opened during the quarter.

EBITA for the first quarter, excluding non-recurring items including effects of IFRS 16, amounted to SEK -50.9 M (-61.0). The EBITA margin for the quarter was -7.9 percent (-10.5). Earnings for the quarter were positively affected by effects of IFRS 16. EBITA during Q1 2019, excluding non-recurring costs and effects of IFRS16, amounted to SEK -54.8 (-61.0) M. EBITA margin excluding effects of IFRS 16 was -8.5 (-10.5) percent.

EBITA for Q1 is affected by costs for new stores by SEK 18.1 M (13.2). Other external costs were affected positively in Q1 2018 by reversal of closure costs of four stores in Finland by SEK 5.0 M.

EBITDA for the quarter excluding IFRS 16 and non-recurring items amounted to SEK -24.6 M (-33.4).



REPORT ON THE BUSINESS SEGMENT



Lower sales, but stable earnings and increased order intake for Skånska Byggvaror.

Skånska Byggvaror

Net sales decreased by 17.2 percent during the quarter to SEK 55.7 M (67.3).

Sales decreased during the quarter, although order intake increased driven by stronger demand in the core categories. Sales decreased as a larger share of orders will be delivered after the end of the quarter.

Total revenue for 2018 were also positively affected by a capital gain of SEK 3.7 M, on the disposal of Skånska Byggvaror's Danish subsidiary Pavillon.

EBITA excluding non-recurring items amounted to SEK -25.4 M (-27.1) during the quarter corresponding to an EBITA margin of -44.5 percent (-39.3) for the quarter. EBITA was marginally affected by effects of IFRS 16. EBITA excluding effects of IFRS 16 amounted to SEK -25.5 (-27.1) M, corresponding to a EBITA margin of -44.7 (-39.3) percent.

EBITDA excluding IFRS 16 and non-recurring items amounted to SEK -23.0 M (-24.5).

EBIT for the first quarter in 2018 was affected by costs for stores opened after the first quarter 2017 by SEK 1.8 M. In the first quarter 2019, no new stores were opened. 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 by Byggmax Group AB.

Focus for Skånska Byggvaror in 2019 will be to increase profitability within the core business "Garden living". Main sales periods will be Q2 and Q3.

Segment Other

Net sales was unchanged at SEK 18.3 M (18.2) during the period.



Segment summary

Amounts in SEK M	January - March		12 months	Full year
	2018	2018	April 2018 – March 2019	2018
Net sales from external customers				
Byggmax	641.3	579.7	4,542.1	4,480.5
Skånska Bygghvaror	55.7	67.3	498.3	509.9
Other	18.3	18.2	117.5	117.4
Total net sales	715.4	665.2	5,157.9	5,107.8
EBITA, excluding non-recurring items^{1, 2}				
Byggmax	-50.9	-61.0	243.4	233.3
Skånska Bygghvaror	-25.4	-27.1	-9.8	-11.6
Other	-1.6	-8.8	3.3	-4.0
Total EBITA, excluding non-recurring items	-77.8	-96.8	236.8	217.8
EBITA margin, excluding non-recurring items, percent^{1, 2}				
Byggmax	-7.9	-10.5	5.4	5.2
Skånska Bygghvaror	-44.5	-39.3	-1.9	-2.2
Other	-0.7	-3.7	0.3	-0.4
Total EBITA margin, excluding non-recurring items, percent	-10.9	-14.6	4.6	4.3

Segment summary, excl. IFRS 16

Amounts in SEK M	January - March		12 months	Full year
	2018	2018	April 2018 – March 2019	2018
EBITDA, excluding non-recurring items				
Byggmax	-24.6	-33.4	356.9	348.1
Skånska Bygghvaror	-23.0	-24.5	1.3	-0.2
Other	-1.0	-8.3	5.7	-1.6
Total EBITDA, excluding non-recurring items	-48.6	-66.2	363.8	346.2
EBITDA margin, excluding non-recurring items, percent				
Byggmax	-3.8	-5.8	7.8	7.8
Skånska Bygghvaror	-40.3	-35.6	0.3	0.0
Other	-0.4	-3.5	0.5	-0.1
Total EBITDA margin, excluding non-recurring items, percent	-6.8	-10.0	7.1	6.8
EBITA, excluding non-recurring items				
Byggmax	-54.8	-61.0	239.5	233.4
Skånska Bygghvaror	-25.5	-27.1	-10.0	-11.6
Other	-1.6	-8.8	3.3	-4.0
Total EBITA, excluding non-recurring items	-81.9	-96.8	232.7	217.8
EBITA margin, excluding non-recurring items, percent				
Byggmax	-8.5	-10.5	5.3	5.2
Skånska Bygghvaror	-44.7	-39.3	-1.9	-2.2
Other	-0.7	-3.7	0.3	-0.4
Total EBITA margin, excluding non-recurring items, percent	-11.4	-14.6	4.5	4.3

¹ Earnings for the first quarter of 2018 were positively affected by the reversal of settlement costs for four Byggmax stores in Finland at an amount of SEK 5.0 M due to lower closure costs than the amount reserved in Q3 2017. Earnings for Q1 2018 were 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 18 for non-recurring items in previous periods.

² Excluding effects of IFRS 16 until December 2018 and including effects of IFRS 16 from January 2019, see also Accounting policies on page 10.

CASH FLOW AND FINANCIAL POSITION

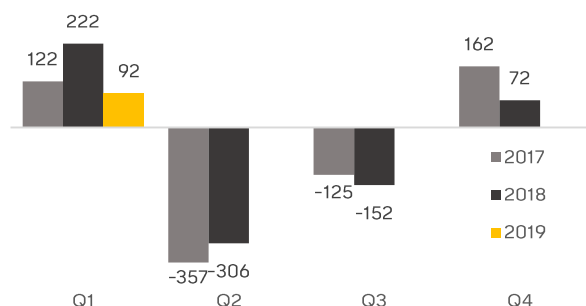
Cash flow and financial position

Cash flow from operating activities amounted to an outflow of SEK -26.7 M including effects of IFRS 16. Cash flow from operating activities excluding IFRS 16 amounted to SEK -91.7 M (-70.3) for the quarter, down SEK 21.4 M. The effects of IFRS 16 amounted to SEK -65.1 M. Cash flow from operating activities is positively affected with SEK 65.1 M (depreciation and interest), while cash flow from financing activities is negatively affected by amortization of the lease liability with the equivalent amount. Net cash flow in the period remains unaffected. Inventory totaled SEK 934.9 M (934.0), up SEK 0.9 M. Inventory for Skånska Byggsvaror totaled SEK 94.7 M (98.4). Compared with the end of the year-earlier period, 17 (ten) new Byggmax stores were added and the associated inventory amounted to SEK 80.6 M (48.5). Distribution inventory was SEK 14.8 M lower year-on-year.

At March 31, 2019, consolidated shareholders' equity amounted to SEK 1,288.0 M (1,284.7). Consolidated net debt was SEK 2,641.1 M including effects of IFRS 16. Net debt excluding IFRS 16 amounted to SEK 1,237.7 M (1,289.1), down SEK 51.4 M year-on-year excluding effects of IFRS 16. The group has implemented IFRS 16, which has affected the net debt by SEK 1,403.4 M as of March 31, 2019. The equity/assets ratio amounted to 25.0 percent including effects of IFRS 16. The equity/assets ratio excluding IFRS 16 amounted to 34.3 percent (34.1). The effects of IFRS 16 on the equity/assets ratio was 9.3 percentage points. Unutilized credits totaled SEK 155.2 M (193.7).

Investments during the quarter amounted to SEK 47.6 M (39.6), out of which, SEK 18.7 M (14.9) pertained to investments in stores opened during Q2 2019 or stores to be opened and SEK 6.6 M (6.9) pertained to IT investments.

WORKING CAPITAL (SEK M)



New store openings

A total of zero (one) new stores were opened during the period.

The following stores have been publicly announced and will be opened in 2019: Gislaved, Ljungby, Lund, Lycksele, Kumla, Simrishamn, Skara, Strängnäs and Älmhult in Sweden and Kongsberg and Slemmestad in Norway.

The store in Täby/Arninge will be moving to a new location in Q2.

The Byggmax workforce

The number of employees (converted into full-time equivalents) totaled 944 (944) 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 quarter. Profit before taxes for the quarter was SEK -5.3 M (-5.3).

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 renovation market has over time grown at approximately the same rate as GDP. In the short term the market is highly impacted by weather conditions as they determine the prerequisites for customers to conduct outdoor projects.

Many Nordic towns still lack a low price retail option, which creates a potential for Byggmax to continue organic growth through successful store expansion.



Stores	Sweden	Norway	Finland	Total
Byggmax	100	40	11	151
Skånska Byggsvaror	8	4	0	12
Opened 2019				
Byggmax	0	0	0	0
Total	108	44	11	163

Accounting policies

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 same accounting policies and measuring methods apply as in the 2018 Annual Report. The application of the accounting policies corresponds with the policies in the Annual Report for the fiscal year ending December 31, 2018, with the exception of the introduction on January 1, 2019 of IFRS 16 Leasing.

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. The Parent Company has not applied IFRS 16.

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.

The interim data on pages 1–23 comprises an integrated part of this financial report.

IFRS 16 Leasing

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, as well as the appurtenant interpretations IFRIC 4, SIC-15 and SIC-27. IFRS 16 requires assets and liabilities attributable to all lease contracts, excepting brief agreements or agreements regarding low-value assets, to be recognized in the balance sheet.

This report is based on the view that the lessee is entitled to use an asset for a specific period of time while also having an obligation to pay for this entitlement.

This will result in the majority of current operating leases being recognized in the balance sheet beginning 1 January 2019.

The Group has conducted a complete review of all lease contracts, in which information was collected and compiled as a basis for calculations and quantification in connection with conversion to IFRS 16. In the Group, leases primarily relate to store leases. In connection with the transition to IFRS 16, the majority of these leases will be recognized in the balance sheet as assets with a right of use and a financial liability. The Group has decided to apply partial retroactive application, which means that comparison figures do not need to be recalculated and that there is no impact on opening shareholders' equity.

The Group will apply the following practical solutions allowed under the standard:

- The same discount rate will be used for lease portfolios with similar attributes.
- Operating leases with a remaining lease term of 12 months are recognized as short-term leases.

Accounting policies Leases

The Group's leases pertain to premises. The terms and conditions are negotiated separately for each lease and include a number of different contractual terms.

Leases are recognized as right-of-use assets with a corresponding liability on the date the leased asset becomes available for use by the Group. Each lease payment breaks down into a debt repayment and a financial expense. The financial expense portion is allocated over the lease period so that an amount is recognized in every reporting period that corresponds to a fixed interest rate for the liability recognized in each period. Straight-line depreciation is applied to the right-of-use asset over the shorter of the asset's useful life and the term of the lease.

The lease period is defined as the date on which the lease starts until the first possible exit period.

Assets and liabilities that arise from leases are initially recognized at present value. Since this is the first report under IFRS 16, all right-of-use assets have been measured at the amount of the lease liability, with adjustment for prepaid lease payments attributable to the lease as of January 1, 2019.

The lease liability includes the present value of the following lease payments:

- Fixed payments
- Variable index-related lease payments

Lease payments are discounted using the incremental borrowing rate.

Right-of-use assets are measured at cost and include the following:

- The initial valuation of the lease liability
- Payments made at or prior to when the leased asset became available to the lessee.

Low-value leases are expensed straight line in profit or loss.

Effects on opening balance 2019

Amounts in SEK M	CB 2018- 12-31	Effects of IFRS 16 2019-01-01	OB 2019- 01-01
ASSETS			
FIXED ASSETS			
Intangible fixed assets	2,154.3		2,154.3
Tangible fixed assets	403.0	1,477.6	1,880.6
Financial fixed assets	18.4		18.4
Fixed assets	2,575.8	1,477.6	4,053.3
CURRENT ASSETS			
Inventories	871.2		871.2
Current receivables	167.0	-36.1	130.9
Cash and cash equivalents	52.5		52.5
Current assets	1,090.7	-36.1	1,054.6
TOTAL ASSETS	3,666.4	1,441.5	5,107.9
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	1,346.4		1,346.4
LIABILITIES			
Borrowing from credit institutions	304.9	1,132.3	1,437.2
Deferred tax liabilities	191.2		191.2
Other long liabilities	0.9		0.9
Long term liabilities	497.0	1,132.3	1,629.3
Borrowing from credit institutions	846.0	309.2	1,155.2
Provisions	8.5		8.5
Accounts payable	748.3		748.3
Derivatives	1.9		1.9
Other liabilities	65.3		65.3
Accrued expenses and deferred income	153.0		153.0
Current liabilities	1,823.1	309.2	2,132.2
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,666.4	1,441.5	5,107.9

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

This report has not been reviewed by the company auditors.

Stockholm April 17, 2019

Mattias Ankarberg
President

Financial calendar

Interim report Q2, 2019	July 15, 2019
Interim report Q3, 2019	October 21, 2019

The 2019 Annual general meeting will be held on May 9, 2019 in Stockholm.

The annual report will be available on www.byggmax.se from week 16, 2019

New financial goal as a result of IFRS 16

Impact of IFRS 16

The IFRS 16 accounting standard have been implemented from January 1, 2019. The majority of the company's lease agreements have been recognized in the balance sheet. In the Group, leases primarily related to store leases.

The effects on the carrying amounts are described on page 10.

Bygghmax has chosen to apply a method that means that comparative figures, in other words 2018, will not be restated. To facilitate for the reader, in 2019 the company will include some key performance indicators for 2019 excluding the effects of IFRS 16 in its interim reporting. This is for the purpose of comparability between the years.

Updated financial targets from 2019

As a result of IFRS 16, from 2019, the profitability target will be updated to an EBITA margin of 7-8 percent. The historic difference between EBITDA and EBITA has been around 2.5 percent. IFRS 16 entails a slightly positive effect on EBITA. Our ambitious targets for the operations remain unchanged and the profitability target is now formulated to comply with the new accounting policies that apply from 2019.

Amounts in SEK M	Q1 2019 excl IFRS 16	Effects of IFRS 16 Q1 2019	Q1 2019 incl IFRS 16
REVENUE			
Net sales	715.4		715.4
Other operating income	1.0		1.0
Total revenue	716.3		716.3
OPERATING EXPENSES			
Cost of goods sold	-476.2		-476.2
Other external costs and operating expenses	-149.6	72.9	-76.7
Personnel costs	-139.1		-139.1
Depreciation, amortization of tangible and intangible fixed assets	-43.2	-68.9	-112.1
Total operating expense	-808.1	4.1	-804.1
EBIT	-91.8	4.1	-87.8
Profit/loss from financial items	-7.0	-7.8	-14.8
Profit before tax	-98.8	-3.8	-102.6
Income tax	20.7	0.8	21,5
Profit/loss for the period	-78.1	-3.0	-81.0

Effect of IFRS 16 on the P/L in Q1 2019

Leases for store premises are no longer classified in profit or loss as lease rents, and are instead recognized as asset depreciation and interest expenses on the lease liability. This positively impacts the EBITDA metric and depreciation increases.

IFRS 16 has affected EBITA by SEK +4.1 M in the first quarter 2019 corresponding to percentage of 0.6. Given Bygghmax' sales pattern this percentage will decrease over the coming quarters and is estimated at 0.3 percentage points for the fiscal year 2019.

Profit and loss for the period has been negatively affected by SEK 3.0 M. The effect of SEK -3.0 M is explained by financial costs being a higher part of the lease debt at the beginning than at the end of the lease period while depreciation is linear.



Consolidated statement of comprehensive income

Amount in SEK M	January - March		12 months	Full year
	2019	2018	April 2018 – March 2019	2018
REVENUE				
Net sales	715.4	665.2	5,157.9	5,107.8
Other operating income	1.0	7.7	8.9	15.7
Total revenue	716.3	672.9	5,166.9	5,123.4
OPERATING EXPENSES				
Cost of goods sold	-476.2	-452.6	-3,558.0	-3,534.4
Other external costs and operating expenses ¹	-76.7	-147.9	-561.1	-632.3
Personnel costs	-139.1	-129.9	-609.8	-600.6
Depreciation, amortization of tangible and intangible fixed assets ¹	-112.0	-40.5	-239.6	-168.0
Total operating expenses ¹	-804.1	-770.9	-4,968.5	-4,935.3
EBIT ¹	-87.7	-98.0	198.3	188.1
Profit/loss from financial items ¹	-14.8	-1.9	-38.8	-25.9
Profit before tax	-102.5	-99.9	159.5	162.2
Income tax	21.5	21.4	-24.5	-24.6
Profit/loss for the period	-81.0	-78.4	135.0	137.6
OTHER COMPREHENSIVE INCOME FOR THE PERIOD				
Items that will not be reclassified to profit or loss ²	11.8	0.0	11.8	0.0
	11.8	0.0	11.8	0.0
ITEMS THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS				
Translation differences	10.9	4.4	9.1	2.5
Other comprehensive income for the period	10.9	4.4	9.1	2.5
Total comprehensive income for the period	-58.3	-74.1	155.8	140.1
Earnings per share before dilution, SEK	-1.3	-1.3	2.2	2.3
Earnings per share after dilution, SEK	-1.3	-1.3	2.2	2.3
Average number of shares, (thousand)	60,999	60,999	60,999	60,999
Number of shares at the end of the period, (thousand)	60,999	60,999	60,999	60,999

2019 has been affected by IFRS 16. Income statement for 2018 is reported according to the same principles as in 2018 and does not include effects of IFRS 16. For consolidated statement excluding effects of IFRS 16 for all periods see Appendix 1.

¹ Excluding effects of IFRS 16 until December 2018 and including effects of IFRS 16 from January 2019, see also Accounting policies on page 10.

² Pertains to the merger of three property holding companies with the wholly owned subsidiary Byggmax Fastighets Holding AB.

Consolidated statement of financial position

Amounts in SEK M	Note	March 31, 2019	March 31, 2018	December 31, 2018
ASSETS				
FIXED ASSETS				
Intangible fixed assets		2,146.5	2,181.2	2,154.3
Tangible fixed assets ¹		1,866.7	375.3	403.0
Financial fixed assets		19.3	28.6	18.4
Total fixed assets		4,032.5	2,585.1	2,575.8
CURRENT ASSETS				
Inventories		934.9	934.0	871.2
Current receivables ¹		121.0	182.0	167.0
Cash and cash equivalents		71.6	62.2	52.5
Assets held for sale		0.0	0.0	0.0
Total current assets		1,127.5	1,178.2	1,090.7
Total assets		5,160.0	3,763.2	3,666.4
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		1,288.0	1,284.7	1,346.4
LIABILITIES				
Borrowing from credit institutions ¹		1,405.7	406.1	304.9
Deferred tax liabilities		184.5	203.1	191.2
Other long liabilities		0.9	0.9	0.9
Long-term liabilities		1,591.1	610.1	497.0
Borrowing from credit institutions ¹		1,307.0	945.2	846.0
Provisions	6	0.0	28.1	8.5
Accounts payable		703.4	641.5	748.4
Current tax liabilities		7.1	0.0	0.0
Derivatives		2.6	0.8	1.9
Other liabilities		60.0	61.0	65.3
Accrued expenses and deferred income		200.8	191.8	153.0
Liabilities that are directly related to assets held for sale		0.0	0.0	0.0
Current liabilities		2,280.9	1,868.4	1,823.1
Total shareholders' equity and liabilities		5,160.0	3,763.2	3,666.4

2019 has been affected by IFRS 16. Income statement for 2018 is reported according to the same principles as in 2018 and does not include effects of IFRS 16. For consolidated statement excluding effects of IFRS 16 for all periods see Appendix 2.

Consolidated statement of changes in equity

Amounts in SEK M	March 31, 2019	March 31, 2018	December 31, 2018
Opening balance at the beginning of the period	1,346.4	1,358.8	1,358.8
COMPREHENSIVE INCOME			
Merger gain/loss ²	11.8	0.0	0.0
Translation differences	10.9	4.4	2.5
Profit/loss for the period	-81.0	-78.4	137.6
Total comprehensive income	-58.3	-74.1	140.1
TRANSACTIONS WITH SHAREHOLDERS			
Dividend to shareholders	0.0	0.0	-152.5
Warrants and issue of new shares	0.0	0.0	-0.1
Issue of warrants	0.0	-0.1	0.0
Total transactions with shareholders	0.0	-0.1	-152.6
Shareholders' equity at the end of the period	1,288.0	1,284.7	1,346.4

¹ Excluding effects of IFRS 16 until December 2018 and including effects of IFRS 16 from January 2019, see also Accounting policies on page 10.

² Pertains to the merger of three property holding companies with the wholly owned subsidiary Byggmax Fastighets Holding AB.

Consolidated statement of cash flows

Amounts in SEK M	January – March		12 Months	Full Year
	2019	2018	April 2018 – March 2019	2018
CASH FLOW FROM OPERATING ACTIVITIES				
EBIT	-87.7	-98.0	198.3	188.1
Non-cash items				
- Depreciation and amortization of tangible and intangible fixed assets ¹	112.0	40.5	239.6	168.0
- Other non-cash items	28.8	-3.2	21.5	-10.5
Interest received	2.6	5.2	10.7	13.3
Interest paid ¹	-17.0	-5.3	-47.9	-36.2
Tax paid	-15.3	15.6	-92.4	-61.5
Cash flow from operating activities before changes in working capital	23.4	-45.2	329.8	261.2
CHANGES IN WORKING CAPITAL				
Increase/decrease in inventories and work in process	-64.7	-57.7	2.5	9.5
Increase/decrease in other current receivables	29.3	-29.6	60.9	2.0
Increase/decrease in other current liabilities	-2.9	62.1	52.5	117.5
Cash flow from operating activities	-26.7	-70.3	433.9	390.3
CASH FLOW FROM INVESTING ACTIVITIES				
Investment in intangible fixed assets	-7.9	-8.0	-25.1	-25.2
Investment in tangible fixed assets	-39.7	-31.6	-159.3	-151.2
Investment in other financial fixed assets	0.0	0.0	0.0	0.0
Proceeds from sale of subsidiaries	0.0	2.4	0.0	2.4
Cash flow from investing activities	-47.6	-37.2	-184.5	-174.1
CASH FLOW FROM FINANCING ACTIVITIES				
Change in overdraft facilities	309.8	129.7	255.1	75.0
Issue of warrants	0.0	-0.1	0.0	-0.1
Dividend to shareholders	0.0	0.0	-152.5	-152.5
Amortization of lease liability	-65.1	0.0	-65.1	0.0
Amortization of loans	-151.5	0.0	-277.7	-126.2
Cash flow from financing activities	93.3	129.6	-240.1	-203.8
Cash flow from the period	19.0	22.1	9.3	12.4
Cash and cash equivalents at the beginning of the period	52.5	40.1	62.2	40.1
Cash and cash equivalents at the end of the period	71.6	62.2	71.6	52.5

¹ Excluding effects of IFRS 16 until December 2018 and including effects of IFRS 16 from January 2019, see also Accounting policies on page 10.

Parent Company income statement

Amounts in SEK M	Note	January - March		12 Months	Full year
		2019	2018	April 2018 – March 2019	2018
REVENUE					
Operating income		0.1	0.1	0.3	0.3
Total revenue		0.1	0.1	0.3	0.3
OPERATINGEXPENSES					
Other external expenses		-1.5	-3.6	-6.3	-8.5
Personnel costs		-0.1	-0.1	-0.7	-0.7
Total operating expenses		-1.6	-3.7	-7.0	-9.1
EBIT		-1.5	-3.7	-6.7	-8.8
Profit/loss from financial items		-3.8	-1.7	76.7	78.8
Profit/loss before tax		-5.3	-5.3	70.0	70.0
Tax on profit/loss		1.1	1.2	0.0	0.0
Profit/loss for the period		-4.2	-4.2	70.0	70.0

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	March 31, 2019	March 31, 2018	December 31, 2018
ASSETS				
Fixed assets				
Financial fixed assets		1,573.3	1,573.3	1,573.3
Total fixed assets		1,573.3	1,573.3	1,573.3
Current assets		92.6	155.0	92.9
Total current assets		92.6	155.0	92.9
Total assets		1,665.9	1,728.3	1,666.2
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		168.9	251.5	173.2
Other long liabilities		340.9	406.1	304.9
Current liabilities		1,156.1	1,070.7	1,188.1
Total shareholders' equity and liabilities		1,665.9	1,728.3	1,666.2

Note 1 Segments

January – March

REVENUE, SEK M	Byggmax		Skånska Byggvaror		Other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Total net sales per segment	642.6	581.2	57.0	68.9	234.3	239.4	933.9	889.5
Net sales internal	1.3	1.5	1.3	1.6	216.0	221.2	218.5	224.3
Net sales external	641.3	579.7	55.7	67.3	18.3	18.2	715.4	665.2
EBITDA ¹	43.0	-28.4	-17.8	-20.8	-1.0	-8.3	24.3	-57.5
EBITDA margin, percent	6.7	-4.9	-31.2	-30.2	-0.4	-3.5	3.4	-8.6
Amortization and depreciation ¹							-112.0	-40.5
Financial income							2.6	4.1
Financial expenses ¹							-17.4	-6.0
Profit/loss before tax							-102.5	-99.9

2019 has been affected by IFRS 16. Income statement for 2018 is reported according to the same principles as in 2018 and does not include effects of IFRS 16.

NET SALES PER GEOGRAPHY, SEK M	Sweden		Other Nordic countries		Total	
	2019	2018	2019	2018	2019	2018
Byggmax	497.4	450.6	143.9	129.1	641.3	579.7
Skånska Byggvaror	46.4	57.5	9.3	9.8	55.7	67.3
Others	18.3	18.2	0.0	0.0	18.3	18.2
Total net sales	562.1	526.2	153.2	138.9	715.4	665.2

ASSETS PER SEGMENT Incl. IFRS 16	Byggmax		Skånska Byggvaror		Others		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Total assets per segment ¹	3,975.6	2,153.6	908.3	1,113.8	276.1	495.8	5,160.0	3,763.2
- of which fixed assets ¹	2,895.6	1,443.6	986.7	974.3	150.3	138.6	4,032.5	2,556.4

ASSETS PER SEGMENT Excl. IFRS 16	Byggmax		Skånska Byggvaror		Others		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Total assets per segment	2,625.1	2,153.6	858.4	1,113.8	276.1	495.8	3,759.6	3,763.2
- of which fixed assets	1,503.8	1,443.6	931.9	974.3	150.3	138.5	2,586.0	2,556.4

Note 2 Disclosures about transactions with related parties

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

The 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 in the warrants program have entered into a pre-emption agreement. The 2017 warrant program expires on December 7, 2020 and can be exercised from June 8, 2020.

	2017
Total number	954,000
Price	4.37
Exercise price	67.5
Term	3.5
Number of participants	26

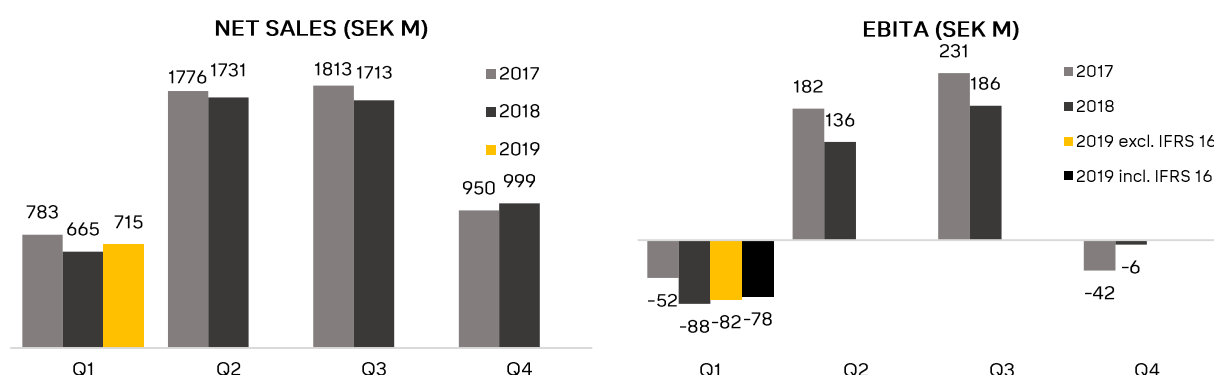
¹ Excluding effects of IFRS 16 until December 2018 and including effects of IFRS 16 from January 2019, see also Accounting policies on page 10.

Note 3 Income per quarter

	2017	2017	2017	2017	2018	2018	2018	2018	2019
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net sales, SEK M	782.6	1,775.8	1,812.8	950.2	665.2	1,731.2	1,712.7	998.6	715.4
Gross margin, percent	30.3	30.6	31.6	31.1	32.0	30.2	30.7	31.3	33.4
EBITDA, excluding non-recurring costs, SEK M ¹	-23.5	210.2	266.0	22.1	-62.5	166.8	218.1	27.5	24.3
EBITDA, SEK M ¹	-23.5	210.2	260.1	-1.9	-57.5	168.0	218.1	27.5	24.3
EBITDA margin, percent ¹	-3.0	11.8	14.3	-0.2	-8.6	9.7	12.7	2.8	3.4
EBITA, SEK M ¹	-52.0	181.8	230.8	-41.9	-88.1	136.5	185.7	-6.4	-77.8
EBITA margin, percent ¹	-6.6	10.2	12.7	-4.4	-13.2	7.9	10.8	-0.6	-10.9
EBIT, SEK M	-61.9	171.8	221.0	-59.0	-98.0	126.6	175.8	-16.3	-87.7
EBIT margin, percent	-7.9	9.7	12.2	-6.2	-14.7	7.3	10.3	-1.6	-12.3
Working capital, SEK M	121.9	-357.2	-128.8	162.1	221.6	-306.4	-152.0	71.5	91.7
Return on equity, percent	-4.0	10.6	12.9	-4.2	-5.9	7.7	10.2	-1.1	-6.2
Cash flow from operating activities per share, SEK	-1.1	10.6	-0.2	-4.3	-1.2	10.6	0.3	-3.3	-0.4
Shareholders' equity per share, SEK	20.6	20.4	23.3	22.3	21.1	20.3	22.5	22.1	21.1
Profit after tax per share	-0.8	2.2	2.8	-1.0	-1.3	1.6	2.2	-0.2	-1.3
Share price at the end of the period	61.5	61.3	68.5	55.0	41.5	39.0	36.4	32.0	30.6
Number of stores	141	145	148	147	148	159	161	163	163

2019 has been affected by IFRS 16. Reported periods prior up until December 2018 does not include effects of IFRS 16.

Excl. IFRS 16	2017	2017	2017	2017	2018	2018	2018	2018	2019
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
EBITDA, excluding non recurring costs, SEK M	-23.5	210.2	266.0	22.1	-66.2	166.8	218.1	27.5	-48.6
EBITDA margin, excluding non recurring items, percent	-3.0	11.8	14.7	2.3	-10.0	9.6	12.7	2.8	-6.8
EBITA, excluding non recurring items, SEK M	-52.0	181.8	236.7	-0.8	-96.8	135.3	185.7	-6.4	-81.9
EBITA margin, excluding non recurring items, percent	-6.6	10.2	13.1	-0.1	-14.6	7.8	10.8	-0.6	-11.4
Profit/loss for the period	-51.6	132.6	171.9	-58.3	-78.4	96.7	133.7	-14.4	-78.1



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 restructuring costs for Skånska Bygghvaror to focus on the core business "Garden Living", strengthening digital skills and reducing operating expenses, SEK 7.1 M.

Note 7 Depreciation

Depreciation includes depreciation of customer relations and brand for Skånska Bygghvaror with SEK 9.9 M (9.9) for the quarter.

¹ Excluding effects of IFRS 16 until December 2018 and including effects of IFRS 16 from January 2019, see also Accounting policies on page 10.

Note 8 Effect of non-recurring items

	January - March		12 Months	Full year
	2019	2018	April 2018 – March 2019	2018
Closure cost for four stores in Finland ¹	0.0	5.0	1.2	6.2
Restructuring cost Skånska Byggvaror EBITDA	0.0	3.7	0.0	3.7
Total EBITDA effect	0.0	8.7	1.2	9.9
Total EBIT effect	0.0	8.7	1.2	9.9

¹ Of which SEK 4,6 M is included in other external expenses.

Key ratios

Byggmax has reviewed its terminology for alternative key ratios due to the guidelines from the European Securities and Markets Authority (ESMA). 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, earn out 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 excluding IFRS 16:	EBITDA excluding IFRS 16 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) excluding IFRS 16 as EBIT from continuing operations excluding depreciation/amortization and impairment of tangible and intangible fixed assets and leasing as defined by IFRS 16.
EBITDA margin:	EBITDA divided by net sales
EBITA:	EBITA is a ratio that the Group considers to be relevant for investors to understand earnings generated before goodwill. The Group defines earnings before interest, tax and amortization (EBITA) as EBIT from continuing operations excluding depreciation/amortization of goodwill, customer relations and brand.
EBITA excluding IFRS 16:	EBITA excluding IFRS 16 is a ratio that the Group considers to be relevant for investors to understand earnings generated before goodwill. The Group defines earnings before interest, tax and amortization (EBITA) as EBIT excluding IFRS 16 from continuing operations excluding effects of leasing costs as defined by IFRS 16 excluding depreciation/amortization of goodwill, customer relations and brand.
EBITA margin:	EBITA 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.

Key ratios continued

Ratios	Definition
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 persons set out below, at 8:00 a.m. on April 17, 2019.

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.walfridsson@byggmax.se

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

Bygghmax Group AB (publ)
Box 6063, SE-171 06 Solna
Sweden

Visiting address: Armégatan 38

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

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 business 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 Group¹:

- Organic sales growth of 10 to 15 percent per year.
- The EBITA margin should be 7-8 percent per year¹
- 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. As a result of IFRS 16, we have updated the formulation of our profitability target as follows: an EBITA margin of 7-8 percent.

Strategies

Focus on organic growth based on existing strengths in store expansion, e-commerce and assortment development. To exemplify this strategy: in the summer of 2017, two tests were launched. The first was a condensed store format for smaller locations, and the second 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. Both build on Byggmax existing strengths, and are now proven and part of our future offer.

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 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, see 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.

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 a particular strong presence within "Garden Living" categories, i.e., conservatories, green houses, and other garden buildings.

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.

BYGGMAX®

Buildor.se
-Mycket byggvaror för pengarna

SkånskaByggvaror.se™

¹ From 2019 our profitability target has been updated as a result of IFRS 16 from EBITDA margin 9-10 percent per year to EBITA margin 7-8 percent per year.

Value drivers

Bygghmax'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 Bygghmax's margins. Historically, the market has passed on adjustments in cost prices to the end consumer.
- Competitors' pricing – Bygghmax 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 – Bygghmax operates in the DIY market and, accordingly, its trends impact the company.
- Weather – Bygghmax 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 Bygghmax'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 Bygghmax culture plays a key role in the company's success and its retention is a key factor for continued success.
- The ability to implement the company'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 Bygghmax 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 – Bygghmax 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 – Bygghmax's strategy is to become the largest operator in the low-price segment in the Nordic region. Long-term trends are therefore important.
- Strategies of the competitors and their implementation thereof – Bygghmax operates in a competitive market and the actions of the competitors affect the Group.
- Trend in demand for sun rooms – Sun rooms represent an important product group for Skånska Byggvaror, one of the companies in the Bygghmax Group.
- E-commerce trend in building materials – E-commerce comprises a significant portion of Bygghmax's sales and is an area in which the Bygghmax Group is investing.
- Sustainable development – Sustainability is important for Bygghmax as it impacts the Group's decisions.

Ownership structure

Ownership	Number of shares	Holding (%)
CI Investments, Inc.	6,211,000	10.18
ODIN Forvaltning AS	5,934,476	9.73
Afa Försäkring	5,172,442	8.48
FIL Gestion SASU	3,364,000	5.51
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	3,247,054	5.32
Alantra Asset Management SGIIC SA	2,968,000	4.87
UNIONEN-SVENSKA	2,400,000	3.93
Swedbank Robur fonder	2,007,068	3.29
Didner & Gerge Fonder Aktiebolag	1,880,000	3.08
Handelsbanken fonder	1,600,000	2.62
Total of the ten major shareholders	34,784,040	57.02
Total other shareholders	26,215,005	42.98
Total, March 31, 2019	60,999,045	100.00

Consolidated statement of comprehensive income excl. IFRS 16

Amount in SEK M	January - March		12 months	Full year
	2019	2018	April 2018 – March 2019	2018
REVENUE				
Net sales	715.4	665.2	5,157.9	5,107.8
Other operating income	1.0	7.7	8.9	15.7
Total revenue	716.3	672.9	5,166.9	5,123.4
OPERATING EXPENSES				
Cost of goods sold	-476.2	-452.6	-3,558.0	-3,534.4
Other external costs and operating expenses	-149.6	-147.9	-634.0	-632.3
Personnel costs	-139.1	-129.9	-609.8	-600.6
Depreciation, amortization of tangible and intangible fixed assets	-43.2	-40.5	-170.7	-168.0
Total operating expenses	-808.1	-770.9	-4,972.6	-4,935.3
EBIT	-91.8	-98.0	194.3	188.1
Profit/loss from financial items	-7.0	-1.9	-31.0	-25.9
Profit before tax	-98.8	-99.9	163.2	162.2
Income tax	20.7	21.4	-25.3	-24.6
Profit/loss for the period	-78.1	-78.4	138.0	137.6
OTHER COMPREHENSIVE INCOME FOR THE PERIOD				
Items that will not be reclassified to profit or loss	11.8	0.0	11.8	0.0
	11.8	0.0	11.8	0.0
ITEMS THAT MAY BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS				
Translation differences	10.9	4.4	9.1	2.5
Other comprehensive income for the period	10.9	4.4	9.1	2.5
Total comprehensive income for the period	-55.4	-74.1	158.8	140.1
Earnings per share before dilution, SEK	-1.3	-1.3	2.3	2.3
Earnings per share after dilution, SEK	-1.3	-1.3	2.3	2.3
Average number of shares, (thousand)	60,999	60,999	60,999	60,999
Number of shares at the end of the period, (thousand)	60,999	60,999	60,999	60,999

Consolidated statement of financial position excl. IFRS 16

Amounts in SEK M	Note	March 31, 2019	March 31, 2018	December 31, 2018
ASSETS				
FIXED ASSETS				
Intangible fixed assets		2,146.5	2,181.2	2,154.3
Tangible fixed assets		421.0	375.3	403.0
Financial fixed assets		18.5	28.6	18.4
Total fixed assets		2,586.0	2,585.1	2,575.8
CURRENT ASSETS				
Inventories		934.9	934.0	871.2
Derivatives		0.0	0.0	0.0
Current receivables		167.1	182.0	167.0
Cash and cash equivalents		71.6	62.2	52.5
Assets held for sale		0.0	0.0	0.0
Total current assets		1,173.6	1,178.2	1,090.7
Total assets		3,759.6	3,763.2	3,666.4
SHAREHOLDERS'EQUITY AND LIABILITIES				
Shareholders' equity		1,291.0	1,284.7	1,346.4
LIABILITIES				
Borrowing from credit institutions		304.9	406.1	304.9
Deferred tax liabilities		184.5	203.1	191.2
Other long liabilities		0.9	0.9	0.9
Long-term liabilities		490.3	610.1	497.0
Borrowing from credit institutions		1,004.3	945.2	846.0
Provisions	6	7.1	28.1	8.5
Accounts payable		703.4	641.5	748.4
Current tax liabilities		0.0	0.0	0.0
Derivatives		2.6	0.8	1.9
Other liabilities		60.0	61.0	65.3
Accrued expenses and deferred income		200.8	191.8	153.0
Liabilities that are directly related to assets held for sale		0.0	0.0	0.0
Current liabilities		1,978.3	1,868.4	1,823.1
Total shareholders' equity and liabilities		3,759.6	3,763.2	3,666.4

BYGGMAX®