



Q3 INTERIM REPORT JANUARY – SEPTEMBER 2019

BYGGMAX®

INCREASED SALES AND PROFIT IN THE LARGEST QUARTER



During the third quarter, the largest by sales, sales increased 6 percent and operating profit (EBITA) increased 19 percent. Bygghmax growth initiatives gave good results, gross margin was strong and cost control remained solid. Skånska Bygghvaror increased profit for the fifth consecutive quarter and also returned to growth.

Third quarter 2019:

- Net sales increased by 5.9 percent to SEK 1,813.1 M (1,712.7)
- Gross margin increased to 32.2 percent (30.7)
- EBITA excluding non recurring items² increased to SEK 220.4 M (185.7)¹ and corresponding EBITA margin was 12.2 percent (10.8)

For the first nine months, net sales increased 5.3 percent and EBITA excl. non recurring items increased to SEK 275.4 M (224.2). Earnings per share for the quarter amounts to 2.6 SEK and for the first nine months period to 2.6 SEK.



¹ IFRS 16 has affected EBITA with +0.3 percentage points in the third quarter 2019.

² Non recurring items only affect Q1 and Q2 2018.

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

Earnings overview

| | July - September | | January - September | | 12 months | Full year |
|---|------------------|---------|---------------------|---------|-------------------------------|-----------|
| | 2019 | 2018 | 2019 | 2018 | October 2018 – September 2019 | 2018 |
| Net sales, SEK M | 1,813.1 | 1,712.7 | 4,327.5 | 4,109.1 | 5,326.1 | 5,107.8 |
| Gross margin, percent | 32.2 | 30.7 | 31.8 | 30.7 | 31.7 | 30.8 |
| EBITA excluding non-recurring items, SEK M ^{1, 2} | 220.4 | 185.7 | 275.4 | 224.2 | 269.0 | 217.8 |
| EBITA excluding non-recurring items, margin percent ^{1, 2} | 12.2 | 10.8 | 6.4 | 5.5 | 5.1 | 4.3 |
| EBIT, SEK M ¹ | 210.5 | 175.8 | 245.7 | 204.4 | 229.4 | 188.1 |
| EBIT margin, percent ¹ | 11.6 | 10.3 | 5.7 | 5.0 | 4.3 | 3.7 |
| Profit after tax, SEK M ¹ | 155.7 | 133.7 | 161.4 | 152.0 | 147.0 | 137.6 |
| Earnings per share, SEK | 2.6 | 2.2 | 2.6 | 2.5 | 2.4 | 2.3 |
| Return on equity, percent | 10.8 | 10.2 | 11.2 | 11.1 | 10.1 | 10.2 |
| Cash flow from operating activities per share, SEK | -2.5 | 0.3 | 9.9 | 9.7 | 6.6 | 6.4 |
| Shareholders' equity per share, SEK | 25.0 | 22.5 | 25.0 | 22.5 | 25.0 | 22.1 |
| Number of stores at the end of the period | 174 | 161 | 174 | 161 | 174 | 163 |
| New stores opened during the period | 3 | 3 | 11 | 15 | 14 | 18 |

Note that profit after tax for the first nine months 2018 is affected by non-recurring items including tax effects, which occurred in Q1 and Q2 2018. Profit after tax excl. non-recurring items for the first nine months 2018 amounted to SEK 146.1 M. Profit after tax for the first nine months 2019 is affected by IFRS 16 which has had a negative effect of SEK 8.2 M on profit after tax.

Earnings overview, excl. IFRS 16

| | July - September | | January - September | | 12 months | Full year |
|---|------------------|-------|---------------------|-------|-------------------------------|-----------|
| | 2019 | 2018 | 2019 | 2018 | October 2018 – September 2019 | 2018 |
| EBITDA, excluding non-recurring costs, SEK M ¹ | 250.9 | 218.1 | 365.0 | 318.7 | 392.5 | 346.2 |
| EBITDA excluding non-recurring costs, margin percent ¹ | 13.8 | 12.7 | 8.4 | 7.8 | 7.4 | 6.8 |
| EBITA, excluding non-recurring costs, SEK M ¹ | 215.7 | 185.7 | 262.2 | 224.2 | 255.8 | 217.8 |
| EBITA, excluding non-recurring costs, margin percent ¹ | 11.9 | 10.8 | 6.1 | 5.5 | 4.8 | 4.3 |
| EBIT, SEK M ¹ | 205.8 | 175.8 | 232.4 | 204.4 | 216.2 | 188.1 |
| EBIT margin, percent ¹ | 11.4 | 10.3 | 5.4 | 5.0 | 4.1 | 3.7 |
| Profit after tax, SEK M ¹ | 158.3 | 133.7 | 169.7 | 152.0 | 155.3 | 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 nine months 2018 were positively affected by the reversal of settlement costs for four Bygghuset stores in Finland at an amount of SEK 6.2 M due to lower closure costs than the amount accrued in Q3 2017 and a capital gain of SEK 3.7 M, at the disposal of Skånska Bygghuset's Danish subsidiary Pavillon, which occurred during Q1 and Q2 2018. See also Note 8 on page 21.

² Including effects of IFRS 16 from January 2019, see also Accounting policies on page 11.

PRESIDENT'S COMMENTS

Increased sales and profit

During the third quarter, sales increased approximately 6 percent, operating profit (EBITA) increased 19 percent, and we made good progress on our strategic priorities. Bygghmax growth initiatives gave good results, Skånska Bygghvaror increased profitability for the fifth consecutive quarter and also returned to growth.

Sales in the third quarter increased 5.9 percent, driven by good growth in both Bygghmax and Skånska Bygghvaror. During the first nine months, sales increased 5.3 percent.

Gross margin for the quarter increased to a high 32.2 percent (30.7). The negative effect of timber prices that impacted last year's third quarter has been reversed. The gross margin was further strengthened by continued purchasing improvements and price/mix effects. Currency effects had a negative impact.

Cost control remained solid. The increase in costs for the quarter was mainly attributed to new Bygghmax stores. The efforts to increase our operational efficiency continues.

Profit for the quarter, measured as EBITA excl. non-recurring items, increased to SEK 220.4 M (185.7), and the EBITA margin increased 1.4 percentage points to 12.2 percent (10.8)². Excluding IFRS 16, EBITDA excl. non-rec. items was SEK 250.9 M (218.1). Year to date EBITA increased to SEK 275.4 M (224.2).

Still a cautious market

In the third quarter, the consumer market was still cautious. Weather effects were clearly positive compared to last year's hot summer. On the negative side, Swedish households' intent to renovate declined somewhat further in the second quarter, following a clear decline in the first quarter. Despite early signs of an improved Swedish housing market, the decline in number of detached houses sold continued in both the first and second quarter.³

In all we estimate that the Nordic consumer market for building materials was unchanged to somewhat lower (0 to -2 percent) in the third quarter, compared to the same period last year.

The market grew during last autumn, supported by mild weather, and for the fourth quarter we expect a negative development compared to last year. In the medium term, a stronger housing market would benefit the renovation market. Longer term, renovation needs are substantial for many years.

Larger and more efficient Bygghmax

The Bygghmax segment grew 6.1 percent in the quarter and Bygghmax continued to capture market share. Sales in comparable stores was flat (0.0 percent). Profit measured as EBITA increased to SEK 208.9 M (175.3). Gross margin increased and cost control remained strong.

Bygghmax growth initiatives have given good results. New stores, eleven year to date of which five of the small format, have been well received and non-comparable stores generated a 6 percent increase in sales. In the quarter, new stores had a positive impact on EBITA of SEK 4 M. Online sales increased and both our Garden departments and the Store 3.0 initiative contributed to sales growth. We can now see that Store 3.0 meets the expectations of sales growth of ca 3 percent per store, and a quick return on investment.

With good results from our small format stores, Garden departments and Store 3.0 conversions, we now have more options to drive profitable growth in the short and long term. While we plan to continue open new stores and grow our online sales, we will increasingly shift focus to upgrading existing stores. The Garden departments and Store 3.0 offers are still only in parts of the store portfolio (Garden in 21 stores or 13 percent of portfolio, Store 3.0 in 19 stores, or 12 percent).

Continued increased profitability for Skånska Bygghvaror, now also return to growth

The transformation of Skånska Bygghvaror continued to give good effects. Profitability improved for the fifth consecutive quarter. Sales increased 8.8 percent compared to the same period last year, and EBITA excl. non-rec. items amounted to SEK 19.0 M (15.9). The sales trend has now turned positive, following a flat (+0.4 percent) development in the second quarter. Order intake in the period increased, driven by good growth in the core categories.

We remain focused on driving profitable growth through initiatives within the core assortment, sales and marketing, while continuing to improve efficiency.

Increasingly well positioned

In the third quarter, our peak season, we made good progress on our priorities and sales and profits increased well.

The financial results should of course be seen in the light of the challenging third quarter last year, with high timber prices and hot weather. We are still pleased to see strong earnings growth in a continued cautious market.

Market conditions will vary over time. Bygghmax is increasingly well positioned with our strong low price concept and more proven initiatives to drive profitable growth. I look forward to give more of Bygghmax to more customers in the future!



Mattias Ankarberg

President, Bygghmax Group AB (publ)
October 21, 2019



Sales and profits increased in the third quarter and we continued to make good progress on our strategic priorities.

¹ Earnings for the first nine months 2018 were positively affected by the reversal of settlement costs for four Bygghmax stores in Finland at an amount of SEK 6.2 M and a capital gain of SEK 3.7 M, on the disposal of Skånska Bygghvaror's Danish subsidiary Pavillon. See also Note 8 on page 21.

² IFRS 16 has affected EBITA with +0.3 percentage points in the third quarter 2019.

³ Data on consumer intent to renovate from National Institute of Economic Research (KI), data on house market from Statistics Sweden (SCB).

CONSOLIDATED SALES AND EARNINGS

July 1 – September 30 2019

Revenues

The operation's net sales totaled SEK 1,813.1 M (1,712.7), an increase of 5.9 percent. Net sales amounted to SEK 1,622.6 M (1,529.3) for Bygghmax, an increase of 6.1 percent. The Bygghmax segment represented 89 percent of the group net sales in the quarter. Net sales for Skånska Bygghvaror amounted to SEK 164.8 M (151.5), an increase of 8.8 percent, and SEK 25.8 M (32.0) for segment Other.

| Sales development per segment | Share of sales | Change |
|-------------------------------|----------------|------------|
| Bygghmax, percent | 89.5 | 6.1 |
| Skånska Bygghvaror, percent | 9.1 | 8.8 |
| Other, percent | 1.4 | -19.4 |
| Total, percent | 100.0 | 5.9 |

| Net sales increase of 6.1 percent for the Bygghmax segment was divided according to the following: | 2019 | 2018 |
|--|------------|-------------|
| Comparable stores, local currency, percent | 0.0 | -8.7 |
| Non comparable stores and other, local currency, percent | 6.0 | 5.5 |
| Exchange-rate effects, percent | 0.0 | 1.6 |
| Total, percent | 6.1 | -1.6 |

Net sales in the Bygghmax segment was mostly driven by new stores. Non comparable stores generated a sales increase of 6.0 percent.

| Net sales increase of 5.9 percent for the Group was divided according to the following: | 2019 | 2018 |
|---|------------|-------------|
| Comparable stores, local currency, percent | 0.6 | -12.6 |
| Non comparable stores and other, local currency, percent | 5.2 | 5.7 |
| Exchange-rate effects, percent | 0.0 | 1.4 |
| Total, percent | 5.9 | -5.5 |

Net sales for comparable stores for the Group increased by 0.6 percent in local currency.

The Group opened three (three) stores during the quarter. The total number of stores in the Group as of September 30, 2019 thereby amounted to 174 (161) of which Bygghmax stores amounted to 162 (148).

Gross margin

The gross margin amounted to 32.2 percent compared to 30.7 percent last year. The negative effect of timber prices that impacted last year's third quarter has been reversed, and the gross margin was further strengthened by continued purchasing improvements and price/mix effects. Exchange-rate developments affected the gross margin negatively.

Personnel cost and other external expenses

Personnel costs and other external expenses was affected by several factors, including effects of IFRS 16. The effect of IFRS 16 on other external expenses implied a decrease in costs by SEK 77.5 M for the period.

Excluding effects of IFRS 16 the costs for personnel and other external expenses increased by SEK 24.4 M. Compared to the year-earlier period, expenses were negatively affected by new stores opened after the third quarter 2018 by SEK 15.0 M (23.3).

Comparable costs, i.e. costs excluding new stores and non-recurring items, increased by SEK 9.4 M.

| Personnel cost and other external expenses, SEK M excl. IFRS 16: | |
|--|-------|
| Actuals Q3 2018 | 310.2 |
| Costs affected by new stores | 15.0 |
| Costs excluding new stores and non-recurring items | 9.4 |
| Actuals Q3 2019 | 334.6 |

Profit and loss

EBITA excluding non-recurring items¹, increased to SEK 220.4 M (185.7). IFRS 16 impacted EBITA positively with SEK 4.7 M. The EBITA margin increased to 12.2 percent (10.8). The IFRS 16 effect on the EBITA margin amounted to 0.3 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 250.9 M (218.1), corresponding to EBITDA margin of 13.8 (12.7).

Profit before tax

Profit before tax amounted to SEK 200.2 M including effects of IFRS 16. Profit before tax excluding effects of IFRS 16 amounted to SEK 203.5 M (168.4).

Net financial items amounted to an expense of SEK 10.2 M including the effects of IFRS 16. Net financial items excluding IFRS 16 amounted to an expense of SEK 2.2 M (expense: 7.3). IFRS 16 had a negative impact of SEK 8.0 M. Net financial items for the quarter were negatively impacted by exchange-rate effects of SEK 0.9 M (expense: 2.8).

Taxes

Taxes for the third quarter of 2019 totaled SEK 44.5 M including the effects of IFRS 16. Taxes excluding IFRS 16 amounted to SEK 45.2 M (expense 34.7). IFRS 16 had a positive impact of SEK 0.7 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 155.7 M including effects of IFRS 16. Profit after tax excluding IFRS 16 amounted to SEK 158.3 M (133.7).

IFRS 16 had a negative impact of SEK 2.6 M 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 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. Twelve Skånska Bygghvaror stores are included in comparable stores.

² Non recurring items only affect Q1 and Q2 2018.

CONSOLIDATED SALES AND EARNINGS

January 1 – September 30 2019

Revenues

The operation's net sales totaled SEK 4,327.5 M (4,109.1), an increase of 5.3 percent. Net sales amounted to SEK 3,835.6 M (3,597.6) for Bygghmax, an increase of 6.6 percent. Net sales for Skånska Bygghvaror amounted to SEK 422.6 M (420.1), a increase of 0.6 percent, and SEK 69.3 M (91.5) for segment Other.

| Sales development per segment | Share of sales | Change |
|-------------------------------|----------------|------------|
| Bygghmax, percent | 88.6 | 6.6 |
| Skånska Bygghvaror, percent | 9.8 | 0.6 |
| Other, percent | 1.6 | -24.3 |
| Total, percent | 100.0 | 5.0 |

| Net sales increase of 6.6 percent for the Bygghmax segment was divided according to the following: | 2019 | 2018 |
|--|------------|-------------|
| Comparable stores, local currency, percent | -0.2 | -8.0 |
| Non comparable stores and other, local currency, percent | 5.0 | 4.7 |
| Exchange-rate effects, percent | 0.0 | 1.6 |
| Total, percent | 6.6 | -1.6 |

Net sales in the Bygghmax segment was mostly driven by new stores. Net sales for comparable Bygghmax stores decreased by 0.2 percent in the first six months. Non comparable stores generated a sales increase of 5.0 percent.

| Net sales increase of 5.3 percent for the Group was divided according to the following: | 2019 | 2018 |
|---|------------|-------------|
| Comparable stores, local currency, percent | -0.2 | -12.0 |
| Non comparable stores and other, local currency, percent | 4.5 | 5.0 |
| Exchange-rate effects, percent | 0.5 | 0.9 |
| Total, percent | 5.3 | -6.0 |

Net sales for comparable stores for the Group decreased by 0.2 percent in local currency.

The Group opened eleven (15) stores during the period. The total number of stores in the Group as of September 30, 2019 thereby amounted to 174 (161) of which Bygghmax stores amounted to 162 (148).

Gross margin

The gross margin amounted to 31.8 percent compared to 30.7 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

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 226.4 M for the period. See also page 13.

Excluding effects of IFRS 16 the costs for personnel and other external expenses increased by SEK 66.0 M. Compared to the year-earlier period, expenses were negatively affected by new stores opened after the third quarter 2018 by SEK 56.4 M (61.0).

Comparable costs, i.e. costs excluding new stores and non-recurring items, increased by SEK 4.7 M. We continue to increase our efficiency.

Other external expenses were affected positively in the first nine months 2018 by SEK 4.8 M, attributable to closure costs for four Bygghmax stores in Finland.

| Personnel cost and other external expenses, SEK M excl. IFRS 16: | |
|--|---------|
| Actuals first nine months 2018 | 946.5 |
| Costs affected by new stores | 56.4 |
| Costs excluding new stores and non-recurring items | 4.7 |
| Non-recurring items (first six months 2018) | 4.8 |
| Actuals first nine months 2019 | 1,012.4 |

Profit and loss

EBITA excluding non-recurring items¹, increased to SEK 275.4 M (224.2). IFRS 16 impacted EBITA positively with SEK 13.2 M. The EBITA margin increased to 6.4 percent (5.5). The IFRS 16 effect on the EBITA margin amounted to 0.3 percentage points.

EBITDA excluding non-recurring items reported according to prior year's accounting principles, i.e. EBITDA excluding non-recurring items¹ and effects of IFRS 16 amounted to SEK 365.0 M (318.7), corresponding to EBITDA margin of 8.4 percent (7.8).

EBITA as well as EBITDA were positively affected by SEK 9.9 M related to reversal of settlement costs for four Bygghmax stores in Finland SEK 6.2 M, of which SEK 4.8 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 205.9 M including effects of IFRS 16. Profit before tax excluding effects of IFRS 16 amounted to SEK 216.5 M (186.2).

Net financial items amounted to an expense of SEK 39.7 M including the effects of IFRS 16. Net financial items excluding IFRS 16 amounted to an expense of SEK 15.9 M (expense: 18.2). IFRS 16 had a negative impact of SEK 23.8 M. Net financial items for the quarter were negatively impacted by exchange-rate effects of SEK 4.4 M (expense: 12.9).

Taxes

Taxes for the period totaled SEK 44.5 M including the effects of IFRS 16. Taxes excluding IFRS 16 amounted to an expense of SEK 46.8 M (expense: 34.2). IFRS 16 had a positive impact of SEK 2.3 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 161.4 M including effects of IFRS 16. Profit after tax excluding IFRS 16 amounted to SEK 169.7 M (152.0).

Effects of IFRS 16 amounted to SEK -8.2 M 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 nine months of 2018 were positively affected by the reversal of settlement costs for four Bygghmax stores in Finland at an amount of SEK 6.2 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, which occurred during Q1 and Q2 2018. See also Note 8 on page 21.

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. Twelve Skånska Bygghvaror stores are included in comparable stores.

REPORT ON THE BUSINESS SEGMENT

Skånska Byggvaror AB was acquired by Byggmax on January 4, 2016. The internal follow-up includes separate financial information for each brand, which is why segment information from the first quarter of 2016 is presented for three segments. These three segments are Byggmax, Skånska Byggvaror and Other. Other includes Buildor, intra-Group leasing of owned properties, a distribution company and the Parent Company Byggmax Group AB. No individual part of the Other segment represents such a material part that it forms a reportable segment, which is why we have chosen to aggregate them. The performance metric we use internally to follow up and evaluate operations is EBIT before depreciation/amortization and impairment of tangible and intangible fixed assets (EBITA). For more information see note 1.

BYGGMAX®

+ 6.1%

Net sales for the Byggmax segment posted a 6.1 percent year-on-year increase in the third quarter.

3

Three new Byggmax stores opened during the third quarter 2019.

Byggmax

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

Net sales increased by 6.1 percent during the third quarter to SEK 1,622.6 M (1,529.3). Three (three) new stores opened during the quarter. New stores have been well received and non-comparable stores generated 6.0 percent increase in sales. Online sales increased and both our Garden departments and the Store 3.0 initiative contributed to sales growth.

EBITA for the third quarter, excluding non-recurring items including the effects of IFRS 16, amounted to SEK 208.9 M (175.3). The EBITA margin for the quarter was 12.9 percent (11.4). Earnings for the quarter were positively affected by the effects of IFRS 16.

EBITA for the third quarter is affected by costs for new stores by SEK 15.0 M (23.5).

EBITDA for the quarter excluding IFRS 16 and non-recurring items amounted to SEK 236.4 M (204.5).

Net sales increased by 6.6 percent and EBITA excluding non-recurring items amounted to SEK 271.3 (236.8) for the first nine months.

Byggmax opened eleven new stores during the first nine months.

The increased profit in 2019 is due to increased revenue as well as increase in gross margin and continued strong cost control.



REPORT ON THE BUSINESS SEGMENT



+ 8.8%

5

Net sales for the Skånska Byggvaror segment posted a 8.8 percent year-on-year increase in the third quarter.

Profitability increased for the fifth consecutive quarter.

Skånska Byggvaror

Net sales increased by 8.8 percent in the quarter to SEK 164.8 M (151.5). Order intake in the period increased, driven by good growth in the core categories.

EBITA excluding non-recurring items amounted to SEK 19.0 M (15.9) in the quarter, corresponding to an EBITA margin of 10.9 percent (9.8) for the quarter. EBITA was marginally effected by IFRS 16. EBITA excluding the effects of IFRS 16 amounted to SEK 18.8 M (15.9) in the quarter, corresponding to an EBITA margin of 10.9 percent (9.8).

Profitability increased for the fifth consecutive quarter.

EBITDA excluding IFRS 16 and non-recurring items totaled SEK 21.4 M (18.5) in the quarter.

No new stores were opened in the first nine months of 2019. Consolidated EBIT was impacted for the quarter by the amortization of customer relationships and brands totaling SEK 9.9 M (9.9), which were identified in connection with the Byggmax Group's acquisition of Skånska Byggvaror Group AB. Amortization of customer relationships and brands amounted to SEK 29.7 M (29.7) for the first nine months.

For 2019, Skånska Byggvaror's focus is on increasing profitability and growth within the core business "Garden Living".

Net sales increased by 0.6 percent and EBITA excluding non-recurring items amounted to SEK 14.1 (-3.5) for the first nine months. We remain focused on driving profitable growth through initiatives within the core assortment, sales and marketing, while continuing to improve efficiency.

Segment Other

Net sales amounted to SEK 25.8 M (32.0) in the quarter.



Segment summary

| Amounts in SEK M | July – September | | January – September | | 12 months | Full year |
|--|------------------|---------|---------------------|---------|-------------------------------|-----------|
| | 2019 | 2018 | 2019 | 2018 | October 2018 – September 2019 | 2018 |
| Net sales from external customers | | | | | | |
| Byggmax | 1,622.6 | 1,529.3 | 3,835.6 | 3,597.6 | 4,718.5 | 4,480.5 |
| Skånska Byggvaror | 164.8 | 151.5 | 422.6 | 420.1 | 512.4 | 509.9 |
| Other | 25.8 | 32.0 | 69.3 | 91.5 | 95.2 | 117.4 |
| Total net sales | 1,813.1 | 1,712.7 | 4,327.5 | 4,109.2 | 5,326.1 | 5,107.8 |
| EBITA, excluding non-recurring items^{1, 2} | | | | | | |
| Byggmax | 208.9 | 175.3 | 271.3 | 236.8 | 267.9 | 233.3 |
| Skånska Byggvaror | 19.0 | 15.9 | 14.1 | -3.5 | 6.1 | -11.6 |
| Other | -7.5 | -5.5 | -10.1 | -9.1 | -4.9 | -4.0 |
| Total EBITA, excluding non-recurring items | 220.3 | 185.7 | 275.3 | 224.2 | 269.1 | 217.8 |
| EBITA margin, excluding non-recurring items, percent^{1, 2} | | | | | | |
| Byggmax | 12.9 | 11.4 | 7.1 | 6.6 | 5.7 | 5.2 |
| Skånska Byggvaror | 10.9 | 9.8 | 3.3 | -0.8 | 1.2 | -2.2 |
| Other | -2.5 | -1.9 | -1.2 | -1.0 | -0.4 | -0.4 |
| Total EBITA margin, excluding non-recurring items, percent | 12.2 | 10.8 | 6.4 | 5.5 | 5.1 | 4.3 |

Segment summary, excl. IFRS 16

| Amounts in SEK M | July – September | | January – September | | 12 months | Full year |
|--|------------------|-------|---------------------|-------|-------------------------------|-----------|
| | 2019 | 2018 | 2019 | 2018 | October 2018 – September 2019 | 2018 |
| EBITDA, excluding non-recurring items | | | | | | |
| Byggmax | 236.4 | 204.5 | 351.9 | 321.6 | 378.3 | 348.1 |
| Skånska Byggvaror | 21.4 | 18.5 | 21.2 | 4.4 | 16.6 | -0.2 |
| Other | -6.8 | -4.9 | -8.1 | -7.4 | -2.3 | -1.6 |
| Total EBITDA, excluding non-recurring items | 250.9 | 218.1 | 365.0 | 318.7 | 392.6 | 346.2 |
| EBITDA margin, excluding non-recurring items, percent | | | | | | |
| Byggmax | 14.6 | 13.4 | 9.2 | 8.9 | 8.0 | 7.8 |
| Skånska Byggvaror | 12.3 | 11.5 | 4.9 | 1.0 | 3.1 | 0.0 |
| Other | -2.3 | -1.7 | -0.9 | -0.9 | -0.2 | -0.1 |
| Total EBITDA margin, excluding non-recurring items, percent | 13.8 | 12.7 | 8.4 | 7.8 | 7.4 | 6.8 |
| EBITA, excluding non-recurring items | | | | | | |
| Byggmax | 204.3 | 175.3 | 258.4 | 236.8 | 255.0 | 233.4 |
| Skånska Byggvaror | 18.8 | 15.9 | 13.8 | -3.5 | 5.8 | -11.5 |
| Other | -7.5 | -5.5 | -10.1 | -9.1 | -4.9 | -4.0 |
| Total EBITDA, excluding non-recurring items | 215.7 | 185.7 | 262.1 | 224.2 | 255.8 | 217.9 |
| EBITA margin, excluding non-recurring items, percent | | | | | | |
| Byggmax | 12.6 | 11.4 | 6.7 | 6.6 | 5.4 | 5.2 |
| Skånska Byggvaror | 10.9 | 9.8 | 3.2 | -0.8 | 1.1 | -2.2 |
| Other | -2.5 | -1.9 | -1.2 | -1.0 | -0.4 | -0.4 |
| Total EBITDA margin, excluding non-recurring items, percent | 11.9 | 10.8 | 6.1 | 5.5 | 4.8 | 4.3 |

¹ Earnings for the first nine months 2018 were positively affected by the reversal of settlement costs for four Byggmax stores in Finland at the amount of SEK 6.2 M due to lower closure costs than the amount accrued in Q3 2017 and by a capital gain of SEK 3.7 M, at the disposal of Skånska Byggvaror's subsidiary Pavillion, which occurred during Q1 and Q2 2018. See also Note 8 on page 21 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 11.

CASH FLOW AND FINANCIAL POSITION

Cash flow and financial position

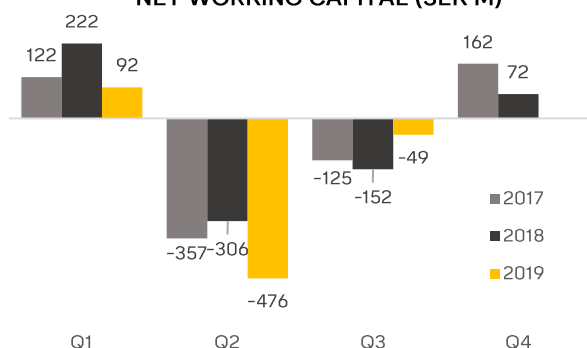
Cash flow from operating activities amounted to an outflow of SEK -155.4 M including effects of IFRS 16. Cash flow from operating activities excluding IFRS 16 amounted to SEK -224.9 M (18.4) for the period, down SEK 243.3 M year-on-year. The decrease is mostly related to a decrease in accounts payables. During the third quarter an increased share of the accounts payables have been prepaid compared to the same period last year. IFRS 16 had a negative impact of SEK -69.5 M. Cash flow from operating activities was positively affected with SEK 69.5 M (depreciation and interest), while cash flow from financing activities was negatively affected by amortization of the lease liability with the equivalent amount. Net cash flow in the period remained unaffected by IFRS 16. At the end of the period, inventory totaled SEK 1,009.9 M (949.5), up SEK 60.4 M year-on-year. Inventory for Skånska Byggvaror totaled SEK 56.3 M (69.1). Compared with the close of last year, 14 (18) new Byggmax stores were added and the associated inventory amounted to SEK 154.3 M (100.8). The distribution inventory was SEK 12.4 M higher year-on-year.

At September 30, 2019, consolidated shareholders' equity amounted to SEK 1,526.8 M (1,371.2). Consolidated net debt was SEK 2,228.5 M including effects of IFRS 16. Net debt excluding IFRS 16 amounted to SEK 821.4 M (871.3), down SEK 49.9 M year-on-year. IFRS 16 has affected the net debt by SEK 1,407.0 M as of September 30, 2019. The equity/assets ratio amounted to 29.5 percent including effects of IFRS 16. The equity/assets ratio excluding IFRS 16 amounted to 40.7 percent (36.2). The effects of IFRS 16 on the equity/assets ratio was 11.2 percentagepoints. Unutilized credits totaled SEK 557.8 M (496.7).

Investments during the quarter amounted to SEK 36.0 M (44.2), out of which, SEK 17.9 M (26.5) pertained to investments in stores opened during Q3 2019 and SEK 2.7 M (6.8) pertained to IT investments.

Investments during the first nine months amounted to SEK 129.7 M (148.0). Of these investments, SEK 49.6 M (78.4) pertained to investments in stores opened during the first nine months 2019 and SEK 12.2 M (16.8) pertained to IT investments.

NET WORKING CAPITAL (SEK M)



New store openings

A total of eleven (15) new stores were opened during the first nine months.

The following stores have opened during Q3 2019: Lund and Kumla in Sweden as well as Slemmestad in Norway.

The Byggmax workforce

The number of employees (converted into full-time equivalents) totaled 1,266 (1,235) 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 and SEK 0.2 M (0.2) for the first six months. The loss after financial items amounted to SEK 3.6 M (loss: 4.4) for the second quarter and a loss of SEK 15.2 M (loss: 14.8) for the first nine months.

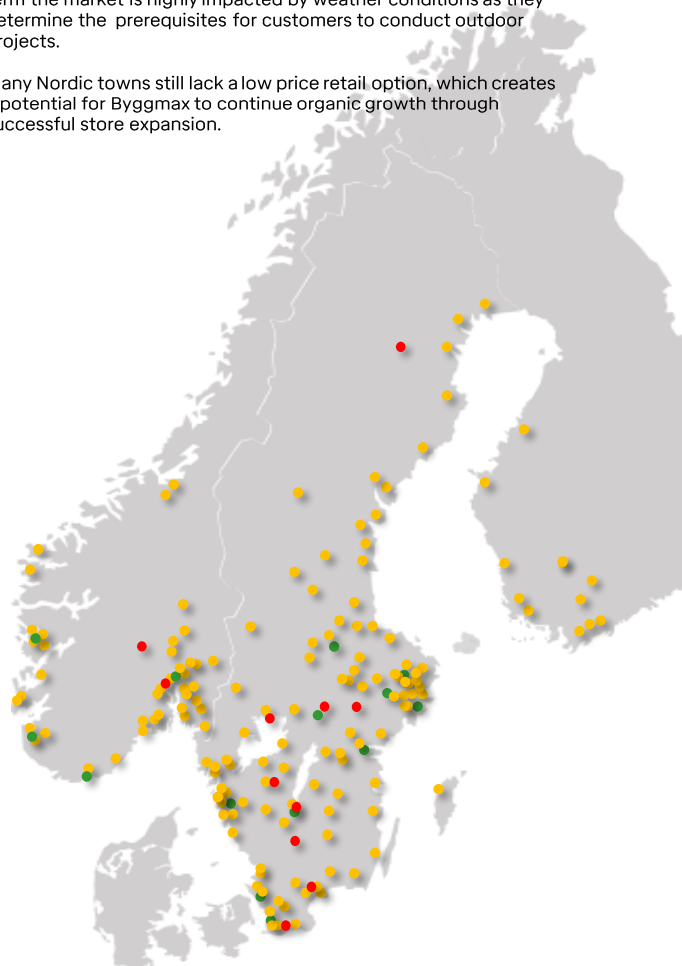
Events after the close of the reporting period

No significant events have occurred since the end of the reporting period.

Market – potential for continued organic 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 Byggvaror | 8 | 4 | 0 | 12 |
| Opened 2019 | | | | |
| Byggmax | 9 | 2 | 0 | 11 |
| Total | 117 | 46 | 11 | 174 |

ACCOUNTING PRINCIPLES

Bygghmax 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 2018 Annual Report, Note 2.18. The Parent Company has not applied IFRS 16.

Refer to the Annual Report for the 2018 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 1–26 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 retrospective 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 balances 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.

Stockholm October 21, 2019

Mattias Ankarberg
President

Financial calendar

Year end report 2019 January 28, 2020

The 2020 Annual general meeting will be held on May 6, 2020 in Stockholm.

Auditor's report

Bygghmax Group AB (publ) reg.no. 556656-3531

Introduction

We have reviewed the condensed interim financial information (interim report) of Bygghmax Group AB (publ) as of 30 September 2019 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

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

Conclusion

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

Stockholm, October 21, 2019

Öhrlings PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorized Public Accountant

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 11.

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 | January - September 2019 excl. IFRS 16 | Effects of IFRS 16 January-September 2019 | January - September 2019 incl. IFRS 16 |
|--|--|---|--|
| REVENUE | | | |
| Net sales | 4,327.5 | | 4,327.5 |
| Other operating income | 2.2 | | 2.5 |
| Total revenue | 4,329.7 | | 4,329.7 |
| OPERATING EXPENSES | | | |
| Cost of goods sold | -2,952.2 | | -2,952.2 |
| Other external costs and operating expenses | -515.7 | 226.4 | -289.3 |
| Personnel costs | -496.8 | | -496.8 |
| Depreciation, amortization of tangible and intangible fixed assets | -132.5 | -213.2 | -345.7 |
| Total operating expense | -4,097.2 | 13.2 | -4,084.0 |
| EBIT | 232.4 | 13.2 | 245.6 |
| Profit/loss from financial items | -15.9 | -23.8 | -39.7 |
| Profit before tax | 216.5 | -10.6 | 205.9 |
| Income tax | -46.8 | 2.3 | -44.5 |
| Profit/loss for the period | 169.7 | -8.2 | 161.4 |

Effect of IFRS 16 on the P/L in the first nine months of 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 positively affected EBITA in an amount of SEK 13.2 M in the first nine months of 2019, corresponding to an increase of 0.3 percentage points. 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 8.2 M. The effect of SEK -8.2 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 | July - September | | January - September | | 12 months | Full year |
|---|------------------|----------|---------------------|----------|-------------------------------|-----------|
| | 2019 | 2018 | 2019 | 2018 | October 2018 – September 2019 | 2018 |
| REVENUE | | | | | | |
| Net sales | 1,813.1 | 1,712.7 | 4,327.5 | 4,109.1 | 5,326.1 | 5,107.8 |
| Other operating income | 1.8 | 2.5 | 2.2 | 14.0 | 3.8 | 15.7 |
| Total revenue | 1,814.9 | 1,715.3 | 4,329.7 | 4,123.2 | 5,329.9 | 5,123.4 |
| OPERATING EXPENSES | | | | | | |
| Cost of goods sold | -1,229.4 | -1,186.9 | -2,952.2 | -2,848.1 | -3,638.5 | -3,534.4 |
| Other external costs and operating expenses ¹ | -91.2 | -152.6 | -289.3 | -494.9 | -426.7 | -632.3 |
| Personnel costs | -166.0 | -157.5 | -496.8 | -451.5 | -645.8 | -600.6 |
| Depreciation, amortization of tangible and intangible fixed assets ¹ | -117.9 | -42.4 | -345.7 | -124.2 | -389.5 | -168.0 |
| Total operating expenses ¹ | -1,604.5 | -1,539.5 | -4,084.0 | -3,918.8 | -5,100.5 | -4,935.3 |
| EBIT ¹ | 210.5 | 175.8 | 245.7 | 204.4 | 229.4 | 188.1 |
| Profit/loss from financial items ¹ | -10.2 | -7.3 | -39.7 | -18.2 | -47.5 | -25.9 |
| Profit before tax | 200.2 | 168.4 | 205.9 | 186.2 | 181.9 | 162.2 |
| Income tax | -44.5 | -34.7 | -44.5 | -34.2 | -34.9 | -24.6 |
| Profit/loss for the period | 155.7 | 133.7 | 161.4 | 152.0 | 147.0 | 137.6 |
| 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 | 1.1 | -2.8 | 15.7 | 12.9 | 5.4 | 2.5 |
| Other comprehensive income for the period | 1.1 | -2.8 | 15.7 | 12.9 | 5.4 | 2.5 |
| Total comprehensive income for the period | 156.8 | 130.9 | 177.1 | 164.9 | 152.4 | 140.1 |
| Earnings per share before dilution, SEK | 2.6 | 2.2 | 2.6 | 2.5 | 2.4 | 2.3 |
| Earnings per share after dilution, SEK | 2.6 | 2.2 | 2.6 | 2.5 | 2.4 | 2.3 |
| Average number of shares, (thousand) | 60,999 | 60,999 | 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 | 60,999 | 60,999 |

2019 has been affected by IFRS 16. The outcome for 2018 is reported according to the same principles as in 2018 and does not include effects of IFRS 16. For the corresponding accounts excluding the 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 11.

Consolidated statement of financial position

| Amounts in SEK M | Note | September 30, 2019 | September 30, 2018 | December 31, 2018 |
|---|------|--------------------|--------------------|-------------------|
| ASSETS | | | | |
| FIXED ASSETS | | | | |
| Intangible fixed assets | | 2,124.2 | 2,165.3 | 2,154.3 |
| Tangible fixed assets ¹ | | 1,848.2 | 416.8 | 403.0 |
| Financial fixed assets | | 15.5 | 21.2 | 18.4 |
| Total fixed assets | | 3,987.9 | 2,603.3 | 2,575.8 |
| CURRENT ASSETS | | | | |
| Inventories | | 1,009.9 | 949.5 | 871.2 |
| Current receivables ¹ | | 129.6 | 148.6 | 167.0 |
| Cash and cash equivalents | | 46.0 | 87.1 | 52.5 |
| Assets held for sale | | 0.0 | 0.0 | 0.0 |
| Total current assets | | 1,185.5 | 1,185.2 | 1,090.7 |
| Total assets | | 5,173.4 | 3,788.4 | 3,666.4 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | |
| Shareholders' equity | | 1,526.8 | 1,371.2 | 1,346.4 |
| LIABILITIES | | | | |
| Borrowing from credit institutions ¹ | | 304.3 | 405.2 | 304.9 |
| Leasing liabilities – IFRS 16 | | 1,069.7 | 0.0 | 0.0 |
| Deferred tax liabilities | | 178.8 | 190.4 | 191.2 |
| Other long liabilities | | 0.9 | 0.9 | 0.9 |
| Long-term liabilities | | 1,553.7 | 596.5 | 497.0 |
| Borrowing from credit institutions ¹ | | 563.1 | 553.2 | 846.0 |
| Leasing liabilities – IFRS 16 | | 337.4 | 0.0 | 0.0 |
| Provisions | 6 | 4.5 | 14.0 | 8.5 |
| Accounts payable | | 860.7 | 925.3 | 748.4 |
| Current tax liabilities | | 0.0 | 0.0 | 0.0 |
| Derivatives | | 0.0 | 3.4 | 1.9 |
| Other liabilities | | 134.7 | 132.3 | 65.3 |
| Accrued expenses and deferred income | | 192.6 | 192.6 | 153.0 |
| Liabilities that are directly related to assets held for sale | | 0.0 | 0.0 | 0.0 |
| Current liabilities | | 2,093.0 | 1,820.8 | 1,823.1 |
| Total shareholders' equity and liabilities | | 5,173.4 | 3,788.4 | 3,666.4 |

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

Consolidated statement of changes in equity

| Amounts in SEK M | September 30, 2019 | September 30, 2018 | December 31, 2018 |
|--|--------------------|--------------------|-------------------|
| Opening balance at the beginning of the period | 1,346.4 | 1,358.8 | 1,358.8 |
| COMPREHENSIVE INCOME | | | |
| Translation differences | 15.7 | 12.9 | 2.5 |
| Profit/loss for the period | 161.4 | 152.0 | 137.6 |
| Total comprehensive income | 177.2 | 164.9 | 140.1 |
| TRANSACTIONS WITH SHAREHOLDERS | | | |
| Dividend to shareholders | 0.0 | -152.5 | -152.5 |
| Warrants and issue of new shares | 3.2 | 0.0 | -0.1 |
| Issue of warrants | 0.0 | -0.1 | 0.0 |
| Total transactions with shareholders | 3.2 | -152.5 | -152.6 |
| Shareholders' equity at the end of the period | 1,526.8 | 1,371.2 | 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 11.

Consolidated statement of cash flows

| Amounts in SEK M | July – September | | January – September | | 12 Months | Full Year |
|--|------------------|--------|---------------------|--------|-------------------------------|-----------|
| | 2019 | 2018 | 2019 | 2018 | October 2018 – September 2019 | 2018 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | |
| EBIT | 210.5 | 175.8 | 245.7 | 204.4 | 229.4 | 188.1 |
| Non-cash items | | | | | | |
| - Depreciation and amortization of tangible and intangible fixed assets ¹ | 118.0 | 42.4 | 345.7 | 124.2 | 389.5 | 168.0 |
| - Other non-cash items | -12.7 | 1.6 | 23.5 | -3.7 | 16.8 | -10.5 |
| Interest received | 2.4 | 3.4 | 8.8 | 12.6 | 9.5 | 13.3 |
| Interest paid ¹ | -14.4 | -9.2 | -50.3 | -26.2 | -60.4 | -36.2 |
| Tax paid | -21.3 | -43.4 | -62.0 | -60.4 | -63.1 | -61.5 |
| Cash flow from operating activities before changes in working capital | 282.5 | 170.5 | 511.4 | 250.9 | 521.7 | 261.2 |
| CHANGES IN WORKING CAPITAL | | | | | | |
| Increase/decrease in inventories and work in process | 155.1 | 93.6 | -132.9 | -61.5 | -61.9 | 9.5 |
| Increase/decrease in other current receivables | -2.6 | 42.9 | 17.6 | -0.6 | 20.2 | 2.0 |
| Increase/decrease in other current liabilities | -590.5 | -288.7 | 209.9 | 405.4 | -78.0 | 117.5 |
| Cash flow from operating activities | -155.4 | 18.4 | 606.0 | 594.3 | 402.0 | 390.3 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | | | |
| Investment in intangible fixed assets | -3.5 | -8.8 | -17.7 | -20.6 | -22.4 | -25.2 |
| Sales of intangible fixed assets | 0.0 | 0.0 | 0.2 | 0.0 | 0.2 | 0.0 |
| Investment in tangible fixed assets | -31.5 | -35.4 | -111.8 | -127.4 | -135.6 | -151.2 |
| Investment in other financial fixed assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Proceeds from sale of subsidiaries | 0.0 | 0.0 | 0.0 | 2.4 | 0.0 | 2.4 |
| Cash flow from investing activities | -35.0 | -44.2 | -129.4 | -145.6 | -157.9 | -174.1 |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | | | |
| Change in overdraft facilities | 205.8 | 28.8 | -280.3 | -248.6 | 43.2 | 75.0 |
| Issue of warrants | 0.0 | 0.0 | 0.0 | -0.1 | 0.0 | -0.1 |
| Divided to shareholders | 0.0 | 0.0 | 0.0 | -152.5 | 0.0 | -152.5 |
| Amortization of lease liability | -69.5 | 0.0 | -202.6 | 0.0 | -202.6 | 0.0 |
| Amortization of loans | 0.0 | 0.0 | -0.3 | -0.6 | -125.9 | -126.2 |
| Cash flow from financing activities | 136.3 | 28.8 | -483.2 | -401.7 | -285.3 | -203.8 |
| Cash flow from the period | -54.1 | 3.0 | 6.6 | 47.0 | -41.1 | 12.4 |
| Cash and cash equivalents at the beginning of the period | 100.1 | 84.1 | 52.5 | 40.1 | 87.1 | 40.1 |
| Cash and cash equivalents at the end of the period | 46.0 | 87.1 | 46.0 | 87.1 | 46.0 | 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 11.

Parent Company income statement

| Amounts in SEK M | | July – September | | January – September | | 12 Months | Full year |
|----------------------------------|------|------------------|------|---------------------|-------|-------------------------------|-----------|
| | Note | 2019 | 2018 | 2019 | 2018 | October 2018 – September 2019 | 2018 |
| 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 | | -1.9 | -1.3 | -5.3 | -7.1 | -6.6 | -8.5 |
| Personnel costs | | -0.1 | -0.2 | -0.5 | -0.5 | -0.7 | -0.7 |
| Total operating expenses | | -2.0 | -1.5 | -5.8 | -7.6 | -7.3 | -9.1 |
| EBIT | | -1.9 | -1.4 | -5.6 | -7.4 | -7.0 | -8.8 |
| Profit/loss from financial items | | -1.6 | -3.0 | -9.6 | -7.4 | 76.6 | 78.8 |
| Profit/loss before tax | | -3.6 | -4.4 | -15.2 | -14.8 | 69.5 | 70.0 |
| Tax on profit/loss | | 0.8 | 1.0 | 3.3 | 3.2 | 0.0 | 0.0 |
| Profit/loss for the period | | -2.8 | -3.5 | -12.0 | -11.5 | 69.5 | 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 | September 30, 2019 | September 30, 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 | | 1.6 | 5.7 | 92.9 |
| Total current assets | | 1.6 | 5.7 | 92.9 |
| Total assets | | 1,574.9 | 1,579.0 | 1,666.2 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | |
| Shareholders' equity | | 161.3 | 91.7 | 173.2 |
| Other long liabilities | | 304.3 | 405.2 | 304.9 |
| Current liabilities | | 1,109.3 | 1,082.2 | 1,188.1 |
| Total shareholders' equity and liabilities | | 1,574.9 | 1,579.0 | 1,666.2 |

Note 1 Segments

July – September

| REVENUE, SEK M | Byggmax | | Skånska Byggvaror | | Other | | Total | |
|--|---------|---------|-------------------|-------|-------|-------|---------|---------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Total net sales per segment | 1,623.9 | 1,530.9 | 173.1 | 161.6 | 295.9 | 289.9 | 2,092.9 | 1,982.3 |
| Net sales internal | 1.3 | 1.6 | 8.3 | 10.1 | 270.1 | 257.9 | 279.7 | 269.6 |
| Net sales external | 1,622.6 | 1,529.3 | 164.8 | 151.5 | 25.8 | 32.0 | 1,813.1 | 1,712.7 |
| EBITA excl. non-recurring items ¹ | 208.9 | 175.3 | 19.0 | 15.9 | -7.5 | -5.5 | 220.3 | 185.7 |
| EBITA margin, percent | 12.9 | 11.4 | 10.9 | 9.8 | -2.5 | -1.9 | 12.2 | 7.8 |
| Amortization | | | | | | | -9.9 | -9.9 |
| Financial income | | | | | | | 4.6 | 5.5 |
| Financial expenses ¹ | | | | | | | -14.9 | -12.8 |
| Profit/loss before tax excl. non-recurring items | | | | | | | 200.2 | 168.4 |

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.

| NET SALES PER GEOGRAPHY, SEK M | Sweden | | Other Nordic countries | | Total | |
|--------------------------------|---------|---------|------------------------|-------|---------|---------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Byggmax | 1,223.8 | 1,142.3 | 398.8 | 387.0 | 1,622.6 | 1,529.3 |
| Skånska Byggvaror | 124.9 | 115.5 | 39.9 | 36.0 | 164.8 | 151.5 |
| Others | 25.8 | 31.9 | 0.0 | 0.0 | 25.8 | 32.0 |
| Total net sales | 1,374.4 | 1,289.7 | 438.7 | 423.0 | 1,813.1 | 1,712.7 |

January – September

| REVENUE, SEK M | Byggmax | | Skånska Byggvaror | | Other | | Total | |
|--|---------|---------|-------------------|-------|-------|-------|---------|---------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Total net sales per segment | 3,839.4 | 3,602.3 | 434.8 | 433.4 | 861.9 | 869.9 | 5,136.1 | 4,905.5 |
| Net sales internal | 3.8 | 4.7 | 12.2 | 13.3 | 792.6 | 778.4 | 808.6 | 796.4 |
| Net sales external | 3,835.6 | 3,597.6 | 422.6 | 420.1 | 69.3 | 91.5 | 4,327.5 | 4,109.1 |
| EBITA excl. non-recurring items ¹ | 271.3 | 236.8 | 14.1 | -3.5 | -10.1 | -9.1 | 275.3 | 224.2 |
| EBITA margin, percent | 7.1 | 6.6 | 3.3 | -0.8 | -1.2 | -1.0 | 6.4 | 5.5 |
| Amortization | | | | | | | -29.7 | -29.7 |
| Financial income | | | | | | | 12.9 | 16.0 |
| Financial expenses ¹ | | | | | | | -52.6 | -34.1 |
| Profit/loss before tax excl. non-recurring items | | | | | | | 205.9 | 176.3 |

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.

¹ Excluding effects of IFRS 16 until December 2018 and including effects of IFRS 16 from January 2019, see also Accounting policies on page 11.

Note 1 Segments continued

January - September

| NET SALES PER GEOGRAPHY, SEK M | Sweden | | Other Nordic countries | | Total | |
|--------------------------------|---------|---------|------------------------|-------|---------|---------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Byggmax | 2,918.7 | 2,721.2 | 916.9 | 876.4 | 3,835.6 | 3,597.6 |
| Skånska Byggvaror | 322.1 | 332.9 | 100.5 | 87.2 | 422.6 | 420.1 |
| Others | 69.2 | 91.4 | 0.0 | 0.1 | 69.3 | 91.5 |
| Total net sales | 3,310.1 | 3,145.5 | 1,017.4 | 963.7 | 4,327.5 | 4,109.2 |

| ASSETS PER SEGMENT, SEK M Incl. IFRS 16 | Byggmax | | Skånska Byggvaror | | Others | | Total | |
|--|---------|---------|-------------------|---------|--------|-------|---------|---------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Total assets per segment ¹ | 4,353.9 | 2,571.2 | 940.0 | 1,064.4 | -120.5 | 152.8 | 5,173.4 | 3,788.5 |
| - of which fixed assets ¹ | 2,886.8 | 1,489.2 | 955.7 | 954.6 | 145.5 | 138.2 | 3,987.9 | 2,582.1 |

| ASSETS PER SEGMENT, SEK M Excl. IFRS 16 | Byggmax | | Skånska Byggvaror | | Others | | Total | |
|--|---------|---------|-------------------|---------|--------|-------|---------|---------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Total assets per segment | 2,995.1 | 2,571.2 | 900.1 | 1,604.4 | -120.5 | 152.8 | 3,774.7 | 3,788.5 |
| - of which fixed assets | 1,514.8 | 1,489.2 | 910.9 | 954.6 | 150.3 | 138.2 | 2,575.9 | 2,582.1 |

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 and 2019 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. The 2019 warrant program expires on December 9, 2024 and can be exercised from June 10, 2024.

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

| | 2019 |
|------------------------|---------|
| Total number | 920,000 |
| Price | 3.45 |
| Exercise price | 47.4 |
| Term | 5.5 |
| Number of participants | 9 |

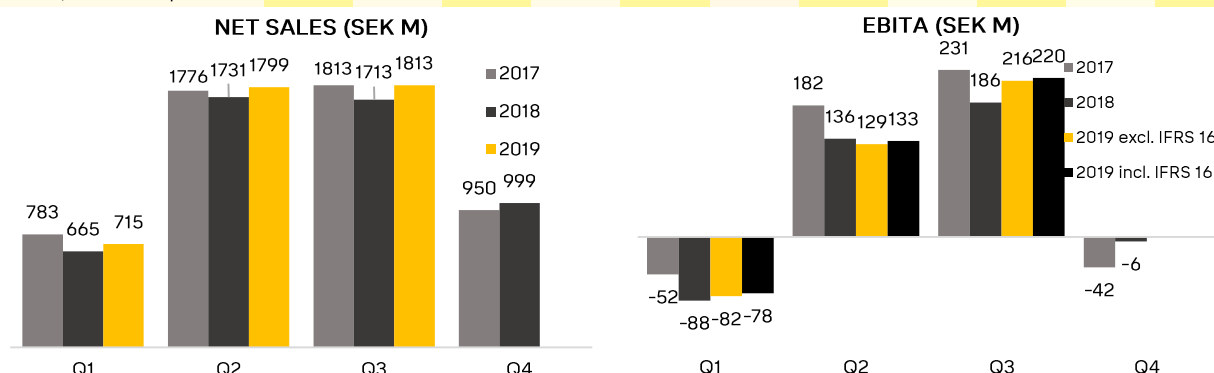
¹ Excluding effects of IFRS 16 until December 2018 and including effects of IFRS 16 from January 2019, see also Accounting policies on page 11.

Note 3 Income per quarter

| | 2017 | 2017 | 2017 | 2017 | 2018 | 2018 | 2018 | 2018 | 2019 | 2019 | 2019 |
|---|-------|---------|---------|-------|-------|---------|---------|-------|-------|---------|---------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| 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 | 1,799.0 | 1,813.1 |
| Gross margin, percent | 30.3 | 30.6 | 31.6 | 31.1 | 32.0 | 30.2 | 30.7 | 31.3 | 33.4 | 30.7 | 32.2 |
| 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 | 238.7 | 328.4 |
| EBITDA, SEK M ¹ | -23.5 | 210.2 | 260.1 | -1.9 | -57.5 | 168.0 | 218.1 | 27.5 | 24.3 | 238.7 | 328.4 |
| EBITDA margin, percent ¹ | -3.0 | 11.8 | 14.3 | -0.2 | -8.6 | 9.7 | 12.7 | 2.8 | 3.4 | 13.3 | 18.1 |
| EBITA, SEK M ¹ | -52.0 | 181.8 | 230.8 | -41.9 | -88.1 | 136.5 | 185.7 | -6.4 | -77.8 | 132.9 | 220.4 |
| EBITA margin, percent ¹ | -6.6 | 10.2 | 12.7 | -4.4 | -13.2 | 7.9 | 10.8 | -0.6 | -10.9 | 7.4 | 12.2 |
| EBIT, SEK M | -61.9 | 171.8 | 221.0 | -59.0 | -98.0 | 126.6 | 175.8 | -16.3 | -87.7 | 123.0 | 210.5 |
| EBIT margin, percent | -7.9 | 9.7 | 12.2 | -6.2 | -14.7 | 7.3 | 10.3 | -1.6 | -12.3 | 6.8 | 11.6 |
| Working capital, SEK M | 121.9 | -357.2 | -128.8 | 162.1 | 221.6 | -306.4 | -152.0 | 71.5 | 91.7 | -475.6 | -48.5 |
| Return on equity, percent | -4.0 | 10.6 | 12.9 | -4.2 | -5.9 | 7.7 | 10.2 | -1.1 | -6.2 | 6.6 | 10.8 |
| 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 | 12.9 | -2.5 |
| Shareholders' equity per share, SEK | 20.6 | 20.4 | 23.3 | 22.3 | 21.1 | 20.3 | 22.5 | 22.1 | 20.9 | 22.5 | 25.0 |
| Profit after tax per share | -0.8 | 2.2 | 2.8 | -1.0 | -1.3 | 1.6 | 2.2 | -0.2 | -1.3 | 1.4 | 2.6 |
| 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 | 37.1 | 29.4 |
| Number of stores | 141 | 145 | 148 | 147 | 148 | 159 | 161 | 163 | 163 | 171 | 174 |

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 | 2019 | 2019 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 |
| 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 | 162.7 | 250.9 |
| 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 | 9.0 | 13.8 |
| 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 | 128.3 | 215.7 |
| 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 | 7.1 | 11.9 |
| Profit/loss for the period | -51.6 | 132.6 | 171.9 | -58.3 | -78.4 | 96.7 | 133.7 | -14.4 | -78.1 | 89.4 | 158.3 |



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 Byggvaror to focus on the core business "Garden Living", strengthening digital skills and reducing operating expenses, SEK 4.6 M.

Note 7 Depreciation

Depreciation includes depreciation of customer relations and brand for Skånska Byggvaror with SEK 29.7 M (29.7) for the first nine months.

¹ Excluding effects of IFRS 16 until December 2018 and including effects of IFRS 16 from January 2019, see also Accounting policies on page 11.

² Non recurring items only affect Q1 and Q2 2018.

Note 8 Effect of non-recurring items

| | July – September | | January – September | | 12 Months | Full year |
|--|------------------|------------|---------------------|------------|-------------------------------|------------|
| | 2019 | 2018 | 2019 | 2018 | October 2018 – September 2019 | 2018 |
| Closure cost for four stores in Finland ¹ | 0.0 | 0.0 | 0.0 | 6.2 | 0.0 | 6.2 |
| Restructuring cost Skånska Byggarvaror EBITDA | 0.0 | 0.0 | 0.0 | 3.7 | 0.0 | 3.7 |
| Total EBITDA effect | 0.0 | 0.0 | 0.0 | 9.9 | 0.0 | 9.9 |
| Total EBIT effect | 0.0 | 0.0 | 0.0 | 9.9 | 0.0 | 9.9 |

¹ Of which SEK 4.8 M is included in the first six months 2018.

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. |

Contacts

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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. 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. 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.

In conjunction with this, the financial targets have been updated to reflect a higher ambition. The target is organic growth of 10-15% per year, an EBITA margin of 7-8%, and a dividend of at least 50% 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 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 Bygghvaror, 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 (%) |
|---|------------------|-------------|
| RBC INVESTOR SERVICES TRUST | 6,298,743 | 10.33 |
| VERDIPAPIRFONDE ODIN SVERIGE | 5,934,476 | 9.73 |
| Afa Försäkring | 5,202,442 | 8.53 |
| FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION | 3,803,021 | 6.23 |
| BROWN BROTHERS HARRIMAN/LUX | 3,363,914 | 5.51 |
| UNIONEN | 2,400,000 | 3.93 |
| FÖRSÄKRINGSBOLAGET PRI | 1,797,576 | 2.95 |
| Carnegie fonder | 1,573,143 | 2.58 |
| Didner & Gerge Fonder Aktiebolag | 1,511,313 | 2.48 |
| AMF – Försäkring och Fonder | 1,504,395 | 2.47 |
| Summan av de tio största ägarna | 33,389,023 | 54.74 |
| Summa övriga ägare | 27,610,022 | 45.26 |
| Summa 2019-09-30 | 60,999,045 | 100.00 |

Consolidated statement of comprehensive income excl. IFRS 16

| Amount in SEK M | July - September | | January - September | | 12 months | Full year |
|--|------------------|----------|---------------------|----------|----------------------------------|-----------|
| | 2019 | 2018 | 2019 | 2018 | October 2018 – September 2019 | 2018 |
| REVENUE | | | | | | |
| Net sales | 1,813.1 | 1,712.7 | 4,327.5 | 4,109.1 | 5,326.1 | 5,107.8 |
| Other operating income | 1.8 | 2.5 | 2.2 | 14.0 | 3.8 | 15.7 |
| Total revenue | 1,814.9 | 1,715.3 | 4,329.7 | 4,123.2 | 5,329.9 | 5,123.4 |
| OPERATING EXPENSES | | | | | | |
| Cost of goods sold | -1,229.4 | -1,186.9 | -2,952.2 | 2,848.1 | -3,638.5 | -3,534.4 |
| Other external costs and operating expenses | -168.6 | -152.6 | -515.7 | -494.9 | -653.1 | -632.3 |
| Personnel costs | -166.0 | -157.5 | -496.8 | -451.5 | -645.8 | -600.6 |
| Depreciation, amortization of tangible and intangible fixed assets | -45.1 | -42.4 | -132.5 | -124.2 | -176.3 | -168.0 |
| Total operating expenses | -1,609.1 | -1,539.5 | -4,097.2 | -3,918.8 | -5,113.8 | -4,935.3 |
| EBIT | 205.8 | 175.8 | 232.4 | 204.4 | 216.2 | 188.1 |
| Profit/loss from financial items | -2.2 | -7.3 | -15.9 | -18.2 | -23.7 | -25.9 |
| Profit before tax | 203.5 | 168.4 | 216.5 | 186.2 | 192.5 | 162.2 |
| Income tax | -45.2 | -34.7 | -46.8 | -34.2 | -37.2 | -24.6 |
| Profit/loss for the period | 158.3 | 133.7 | 169.7 | 152.0 | 155.3 | 137.6 |
| 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 | 1.1 | -2.8 | 15.8 | 12.9 | 5.4 | 2.5 |
| Other comprehensive income for the period | 1.1 | -2.8 | 15.8 | 12.9 | 5.4 | 2.5 |
| Total comprehensive income for the period | 159.4 | 130.9 | 185.3 | 164.9 | 160.7 | 140.1 |
| Earnings per share before dilution, SEK | 2.6 | 2.2 | 2.8 | 2.5 | 2.5 | 2.3 |
| Earnings per share after dilution, SEK | 2.6 | 2.2 | 2.8 | 2.5 | 2.5 | 2.3 |
| Average number of shares, (thousand) | 60,999 | 60,999 | 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 | 60,999 | 60,999 |

Consolidated statement of financial position excl. IFRS 16

| Amounts in SEK M | Note | September 30, 2019 | September 30, 2018 | September 31, 2018 |
|---|------|--------------------|--------------------|--------------------|
| ASSETS | | | | |
| FIXED ASSETS | | | | |
| Intangible fixed assets | | 2,124.2 | 2,165.3 | 2,154.3 |
| Tangible fixed assets | | 433.7 | 416.8 | 403.0 |
| Financial fixed assets | | 13.2 | 21.2 | 18.4 |
| Total fixed assets | | 2,571.2 | 2,603.3 | 2,575.8 |
| CURRENT ASSETS | | | | |
| Inventories | | 1,009.9 | 949.5 | 871.2 |
| Current receivables | | 147.6 | 148.6 | 167.0 |
| Cash and cash equivalents | | 46.0 | 87.1 | 52.5 |
| Assets held for sale | | 0.0 | 0.0 | 0.0 |
| Total current assets | | 1,203.5 | 1,185.2 | 1,090.7 |
| Total assets | | 3,774.7 | 3,788.4 | 3,666.4 |
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | | |
| Shareholders' equity | | 1,535.1 | 1,371.2 | 1,346.4 |
| LIABILITIES | | | | |
| Borrowing from credit institutions | | 304.3 | 405.2 | 304.9 |
| Deferred tax liabilities | | 178.8 | 190.4 | 191.2 |
| Other long liabilities | | 0.9 | 0.9 | 0.9 |
| Long-term liabilities | | 484.0 | 596.5 | 497.0 |
| Borrowing from credit institutions | | 563.1 | 553.2 | 846.0 |
| Provisions | 6 | 4.5 | 14.0 | 8.5 |
| Accounts payable | | 860.7 | 925.3 | 748.4 |
| Current tax liabilities | | 0.0 | 0.0 | 0.0 |
| Derivatives | | 0.0 | 3.4 | 1.9 |
| Other liabilities | | 134.7 | 132.3 | 65.3 |
| Accrued expenses and deferred income | | 192.6 | 192.6 | 153.0 |
| Liabilities that are directly related to assets held for sale | | 0.0 | 0.0 | 0.0 |
| Current liabilities | | 1,755.6 | 1,820.8 | 1,823.1 |
| Total shareholders' equity and liabilities | | 3,774.7 | 3,788.4 | 3,666.4 |

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