



Year-end report January - December 2015

January 26, 2016

Magnus Agervald and Pernilla Walfridsson

Summary January – December 2015

In the fourth quarter, Byggmax's net sales increased 20.7 percent

- Net sales amounted to SEK 839,3 M (695.4), up 20.7 percent for the fourth quarter, and to SEK 4,131.1 M (3,547.2), up 16.5 percent for the full year.
- Net sales for comparable stores rose 16.4 percent (up 3.7) for the fourth quarter and rose 12.8 percent (rose 3.8) for the full year.
- The gross margin was 32.4 percent (32.5) for the fourth quarter and 30.6 percent (30.9) for the full year. For 2014, the gross margin was 31.1 percent including non-recurring items.
- EBIT amounted to SEK 44.8 M (37.9) for the fourth quarter, including acquisition costs, the EBIT was SEK 35.5 M. EBIT amounted to SEK 341.4 M (288.1) for the full year, including acquisition costs, the EBIT was SEK 331.7 M. For 2014, EBIT was SEK 296,8 M including non-recurring items.
- The EBIT margin was 5.3 percent (5.4) for the fourth quarter, including acquisition costs, EBIT margin amounted to 4.2 percent. EBIT margin amounted to 8.3 percent (8.4) for the full year, including acquisition costs, EBIT margin amounted to 8.0 percent.
- The profit after tax was SEK 35.6 M (30.8) for the fourth quarter, including acquisition costs, profit after tax amounted to SEK 26.3 M. The profit after tax was SEK 269.4 M (211.1) for the full year, including acquisition costs, profit after tax was SEK 259.8 M. For 2014, the profit after tax was SEK 217.9 M including non-recurring items.
- Earnings per share totaled SEK 0.6 (0.5), including acquisition costs, earnings per share was SEK 0.4. Earnings per share was 4.4 (3.6) for the full year, including acquisition costs, earnings per share was SEK 4.3.

Summary January – December 2015

- Seven (seven) new stores were opened: four in Sweden and three in Norway.
 - One new store was opened in the first quarter: one in Sweden
 - Four new stores were opened in the second quarter: two in Sweden and two in Norway.
 - One new store was opened in the third quarter: one in Norway
 - One new store was opened in the fourth quarter: one in Sweden
- 13 stores were converted to the Bygghmax 2.0 concept during the fourth quarter and 38 stores were converted during the full year.
- During the second quarter, Daniel Mühlbach and Hannele Kemppainen were elected as new Board members of Bygghmax Group AB (publ), while Fredrik Cappelen and Stefan Linder declined re-election.
- During the second quarter, a number of key individuals subscribed for warrants in accordance with the incentive program resolved on by the Annual General Meeting.
- The subsidiary Lännersta 14:1 AB, owning a property in Nacka, was sold during the third quarter. This generated a capital gain of SEK 11.8 M.

Summary January – December 2015

- On October 16 Byggmax signed an agreement with Buildor to acquire Buildor AB as of November 2, 2015. Byggmax acquires Buildor for a total of SEK 130 M, in a combination of initial price and earn-out. SEK 70 M is paid initially for a debt free company, and the earn-out is based on future sales and profits.
- In October, a new three-year banking agreement was signed with Svenska Handelsbanken AB. This agreement means that Byggmax does not need to pledge collateral in the form of subsidiaries or chattel mortgages.
- Byggmax took possession of the shares in Buildor AB on November 2.
- On November 4, Byggmax signed an agreement to acquire Skånska Byggvaror Group AB as of January 4, 2016. Byggmax is acquiring Skånska Byggvaror for a total of SEK 936 M, and an additional earn-out of SEK 110 M if EBITDA exceeds SEK 67 M in 2016, with a maximum payout if EBITDA amounts to SEK 79 M or higher. The acquisition is being financed by loans. The banking agreement for the acquisition financing was signed with Svenska Handelsbanken AB on November 2.
- The Board of Directors proposes a dividend of SEK 2.14 (2.6) per share.

Events after the close of the reporting period

- At the beginning of January, Byggmax completed the acquisition of Skånska Byggvaror Group AB. In connection with this transaction, Anders Johansson Eickhoff took up the position as President of Skånska Byggvaror and a member of Byggmax Group's management.

Byggmax

Stores: 7 new stores were opened in 2015 and openings are planned for 10-15 stores in 2016

	Sweden	Norway	Finland
Number of stores, Q4 2015	1	0	0
Planned openings, Q1 2016	1	0	0
Opened stores, 2015	4	3	0

Store network at December 31, 2015

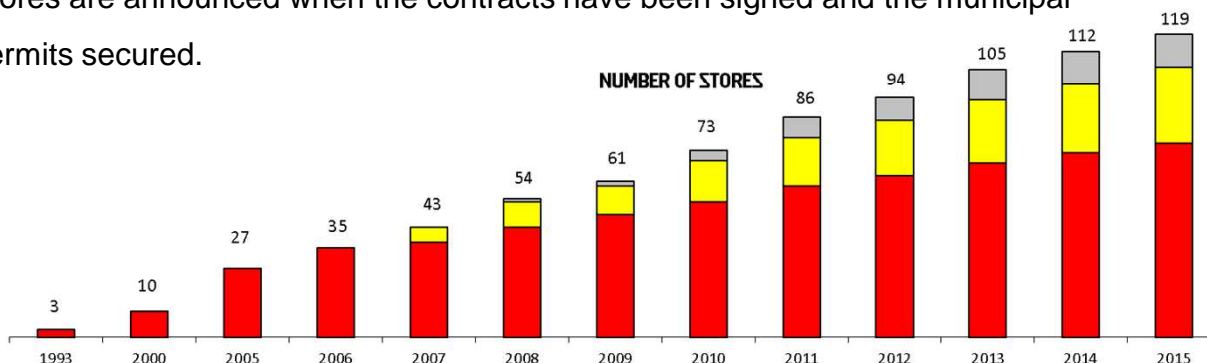
The following stores have been opened in 2015:

- Sweden: Falköping, Mariestad, Nacka and Vetlanda
- Norway: Drøbak, Halden and Krokstad Senter (Drammen)

The following stores have been announced and will be opened in 2016:

- Sweden: Eurostop Arlandastad (2016) and Kungälv
- Norway: Bergen Midtun and Bergen Rådal

Stores are announced when the contracts have been signed and the municipal permits secured.



Byggmax makes acquisitions within e-commerce

During the fourth quarter Byggmax announced two acquisitions, Buildor AB and Skånska Byggvaror AB.

The Buildor transaction was finalised in the quarter, and the Skånska Byggvaror acquisition was finalised in the beginning of 2016.

Both these companies are primarily operating within e-commerce. The Byggmax group's pro-forma share of on-line sales rose to 20% in the fourth quarter.

Pro-forma sales and EBITDA for 2015

Proforma 2015 excluding acquisition costs	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Acc 2015
Operating income	666,0	1 584,0	1 672,7	975,4	4 898,0
EBITDA	-17,2	192,8	231,2	68,6	475,4

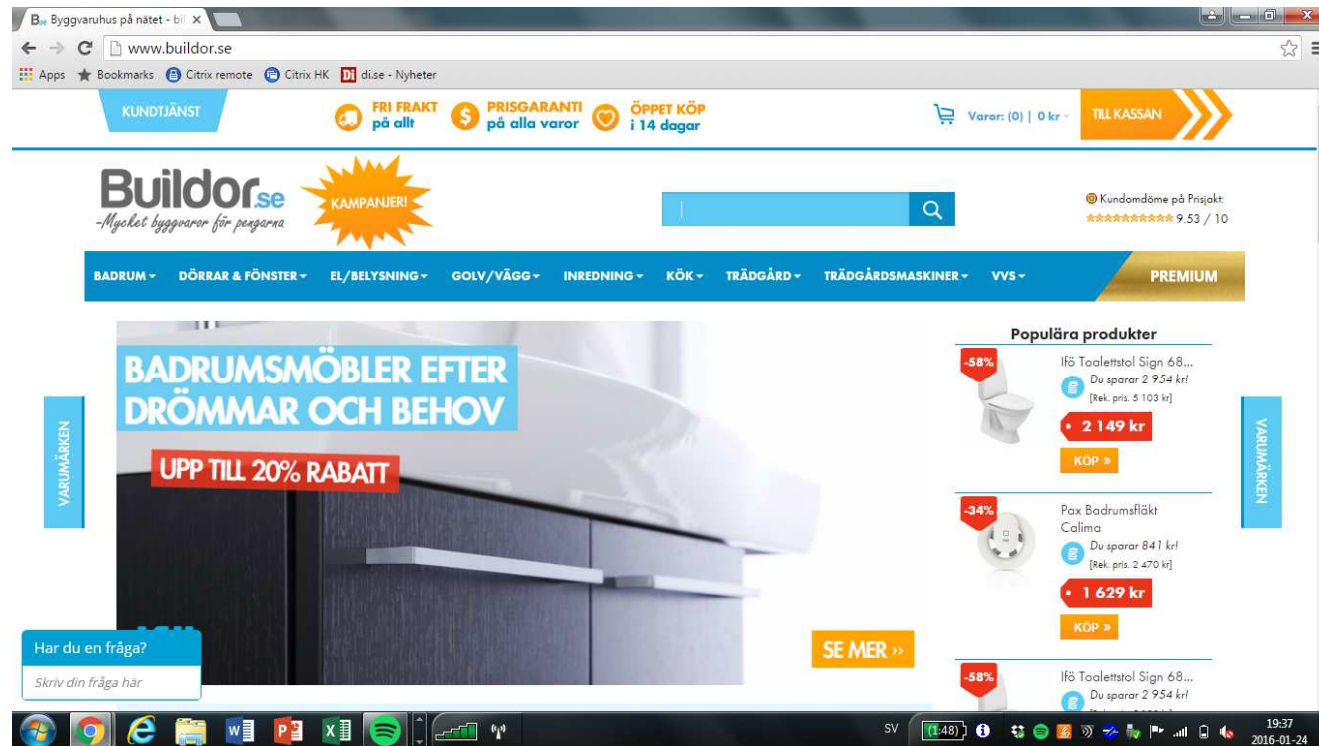
Short presentation of Buildor

Buildor is an on-line building materials retailer launched in 2013. The business idea is to offer a broad product range at competitive prices.

The company has grown fast since 2013, with high customer satisfaction indices.

The last 12 months Buildor turnover was 55,6 MSEK, and the growth was more than 140% compared to 2014.

Buildors webpage



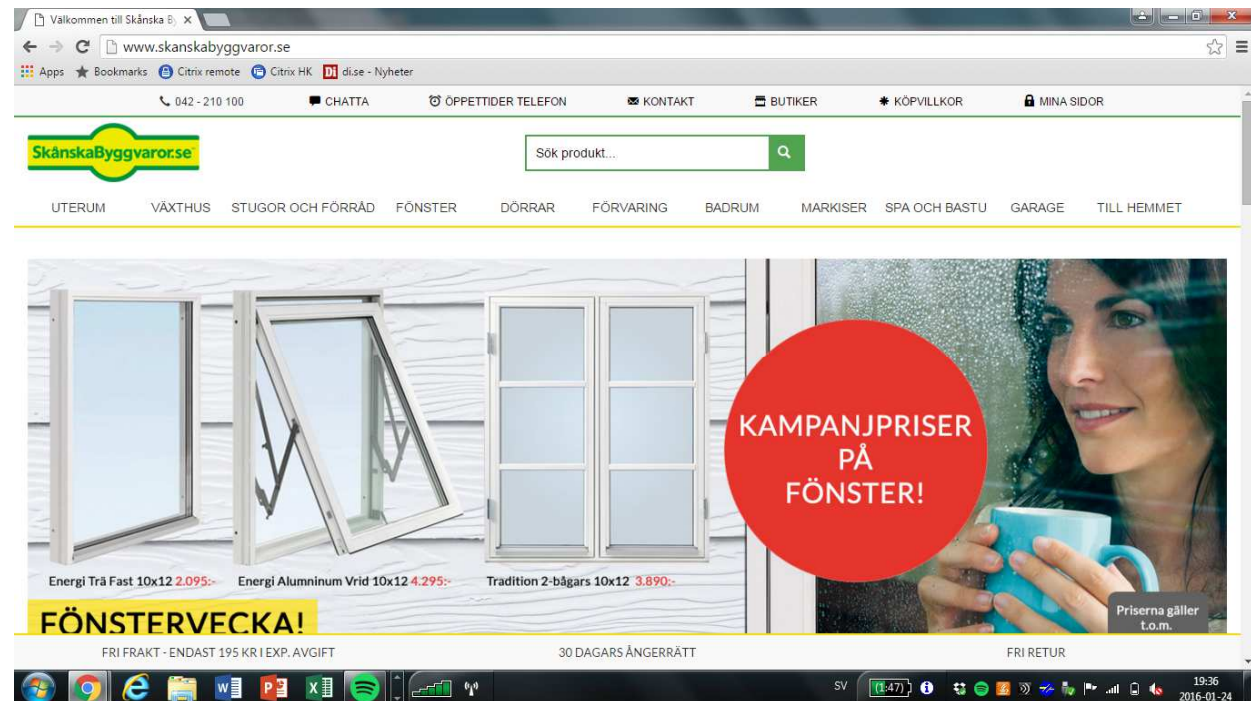
Short presentation of Skånska Byggvaror

Skånska Byggvaror is an online based retailer in the do-it-yourself market for refined building material.

The Company has operations in Sweden and Norway with an assortment focused on the building's interior and exterior environments, ranging from windows and doors to storage and conservatories.

The last 12 months Skånska Byggvaror had a turnover of 721 MSEK, a growth of 22%, and an EBITDA of 56 MSEK (excluding extra-ordinary items).

Hemsidan



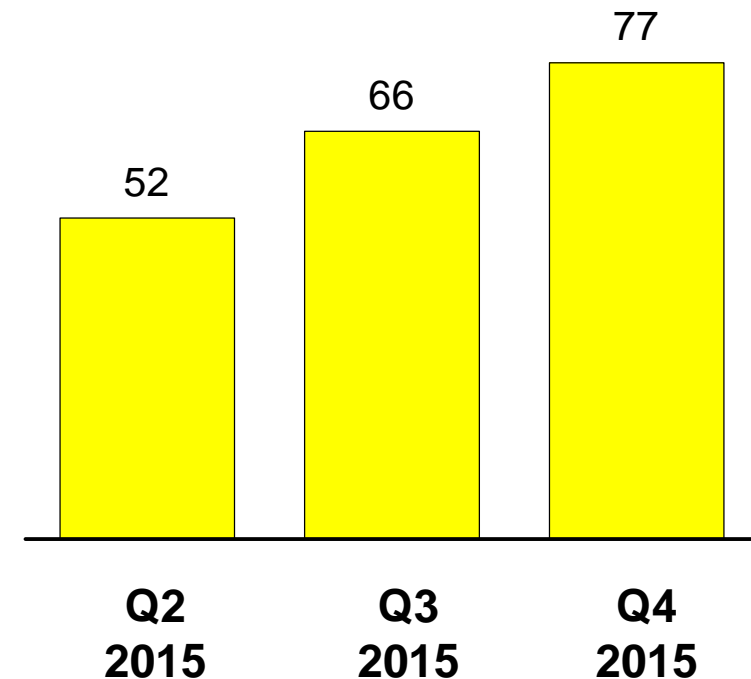
Accelerating growth in e-commerce

The assortment has increased, and now we have more than 20 000 SKUs in Sweden and Norway. Also in Finland the assortment is increasing.

In the fourth quarter the e-commerce sales grew with 77%.

The pro-forma share of sales in e-commerce, including Skånska Byggvaror and Buildor, was 20% in the fourth quarter of 2015.

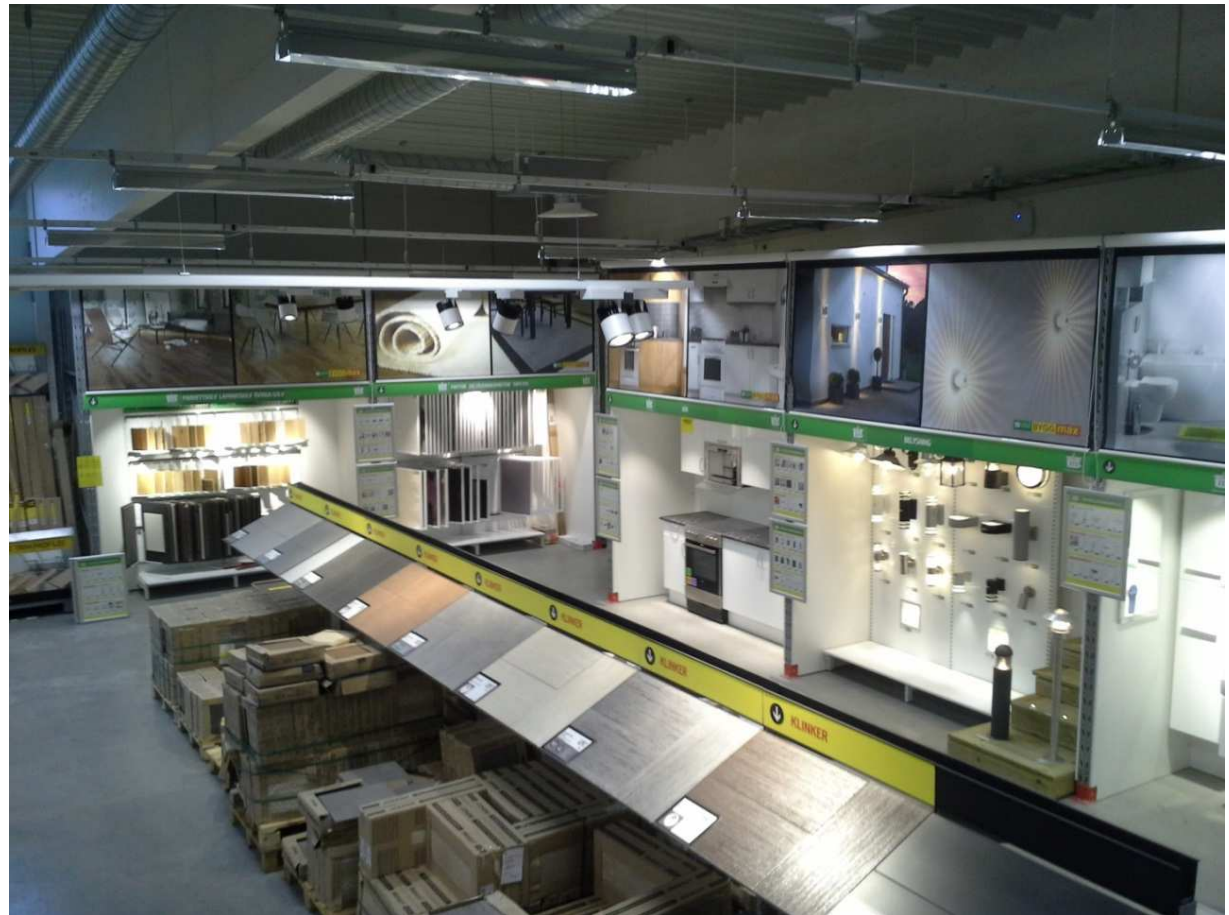
Sales growth, %,
compared to same quarter
2014



Byggmax continues to invest, which weigh on the margin

Byggmax has a number of investment areas: expansion in Finland, the online store and construction services.

In 2015, after depreciation and amortization, these areas resulted in a total charge of 2.3% on the EBIT margin. In other words, if these investments are disregarded, the EBIT margin would be 2.3% higher.



Showroom ordering assortment

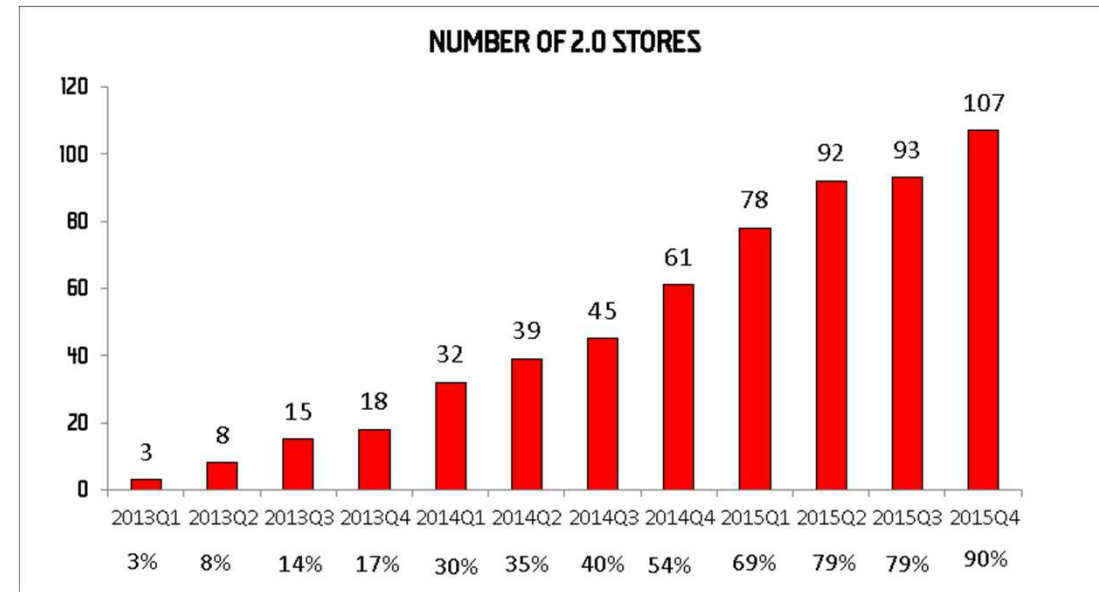
Byggmax

107 stores converted to 2.0

Byggmax 2.0 is an updated store concept, with more articles and clearer communication, utilizing the same sales area and with substantially improved sales control.

Byggmax 2.0 stores continue to deliver promising sales increases following conversion. 13 stores were converted during the quarter and 38 were converted in the full year.

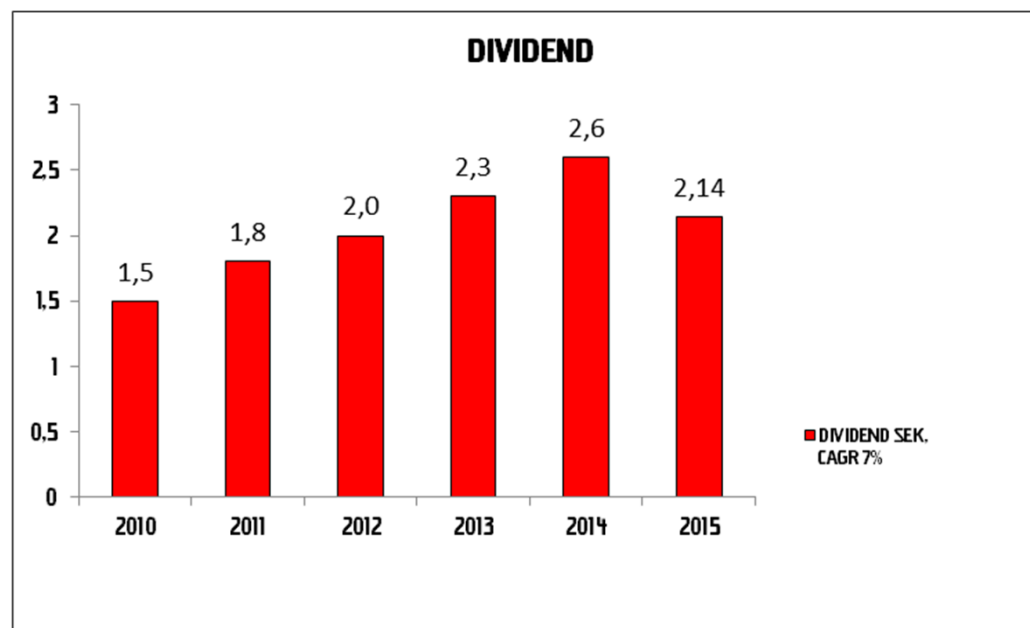
In the first quarter of 2016, the plan is to convert twelve stores.



The diagram above shows the number of stores using the 2.0 concept, as well as the proportion of the total number of stores.

The Board of Directors proposes a dividend of SEK 2.14 per share

- The Board of Directors proposes a dividend of SEK 2.14 (2.6) per share
- Byggmax dividend policy is to distribute at least 50 percent of net profits for the year





Financial information

January 26, 2016

Byggmax

Results trend

Earnings overview	October - December		January - December	
	2015	2014	2015	2014
Net sales, SEK M	839.3	695.4	4,131.1	3,547.2
Gross margin, percent	32.4	32.5	30.6	31.1
EBIT, SEK M, excluding acquisition costs	44.8	37.9	341.4	296.8
EBIT, SEK M	35.5	37.9	331.7	296.8
EBIT margin, percent	4.2	5.4	8.0	8.4
Profit after tax, SEK M	26.3	30.8	259.8	217.9
Earnings per share, SEK	0.4	0.5	4.3	3.6
Return on shareholders' equity	2.3	3.0	23.7	21.6
Cash flow from operating activities per share, SEK	-4.6	-1.4	8.1	5.1
Shareholders' equity per share, SEK	18.8	17.2	18.8	17.2
Number of stores at the end of the period	119	112	119	112
New stores opened during the period	1	0	7	7

- Net sales increased by 20.7 percent in Q4 and increased by 16.5 percent for the full year.
- Overheads increased during the quarter. This was mainly due to costs for stores opened after the fourth quarter of 2014, and acquisition cost and expenses associated with the investments being made.

Byggmax

Sales trend

The sales increase was divided according to the following:	October – December 2015	January – December 2015
Comparable stores, local currency, percent	16.4	12.8
Non-comparable units, percent	6.7	4.7
Currency effects, percent	-2.4	-1.1
Total, percent	20.7	16.5

- The operation's net sales amounted to SEK 839,3 M (695.4) for the fourth quarter, up 20.7 percent and SEK 4,131.1 M (3,547.2), up 16.5 percent for the full year.
- Net sales for comparable stores increased 16.4 percent (increased: 3.7) in local currency for the fourth quarter and increased 12.8 percent (increased: 3.8) for the full year.
- Net sales for the fourth quarter totaled SEK 621.8 M (507.8) in Sweden and SEK 217.5 M (187.6) in the other countries in the Nordic market. Net sales for the full year amounted to SEK 3,038.2 M (2,606.2) in Sweden and SEK 1,092,9 M (940.9) in the other Nordic markets.

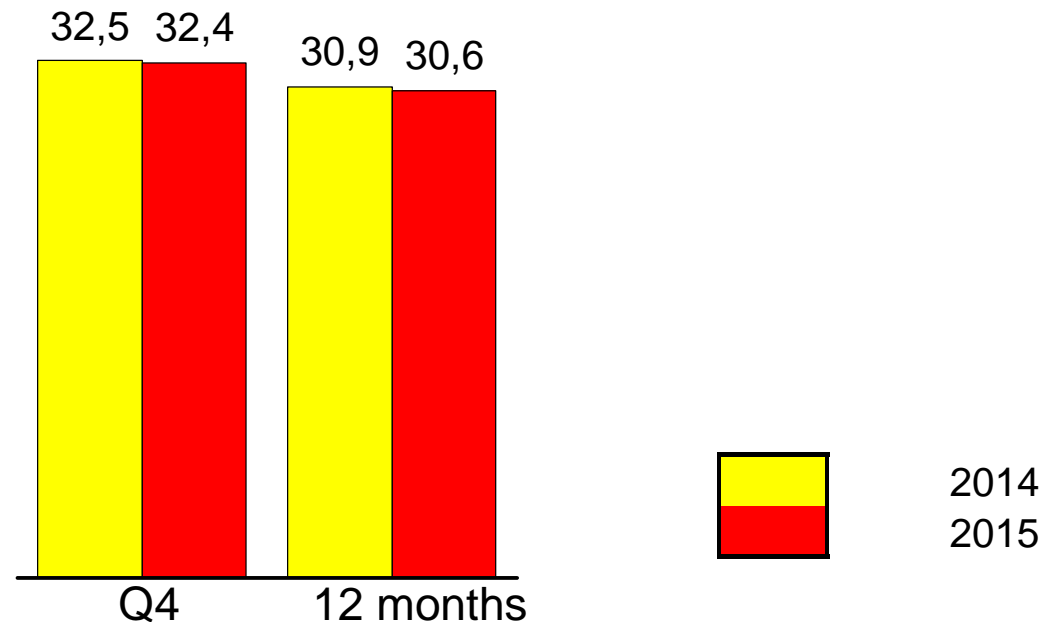
Gross margin

Fourth quarter

- The gross margin was 32.4 percent (32.5).

Full year

- The gross margin was 30.6 percent (30.9). For 2014, the gross margin was 31.1 percent including non-recurring items.



Byggmax

Operating expenses

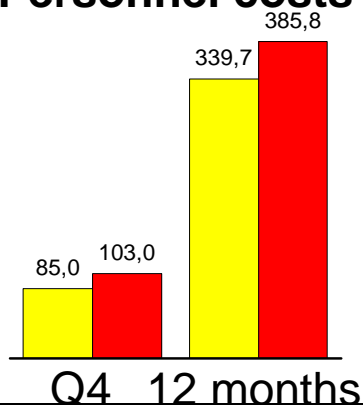
Fourth quarter

- Personnel costs and other external expenses rose a total of SEK 42.6 M.
- This was mainly attributable to expenses of SEK 9.6 M for stores opened after the fourth quarter of 2014.
- Acquisition costs for Skånska Byggvaror and Buildor amounted to SEK 9.3 M.
- Marketing costs are SEK 4.0 M higher than the corresponding quarter last year, which are partly attributable to the TV commercials used to market the Building Planner.
- The increase in costs during the quarter, other than for new stores and acquisition costs, was attributable to expenses associated with the investments being made, the online store and building services.

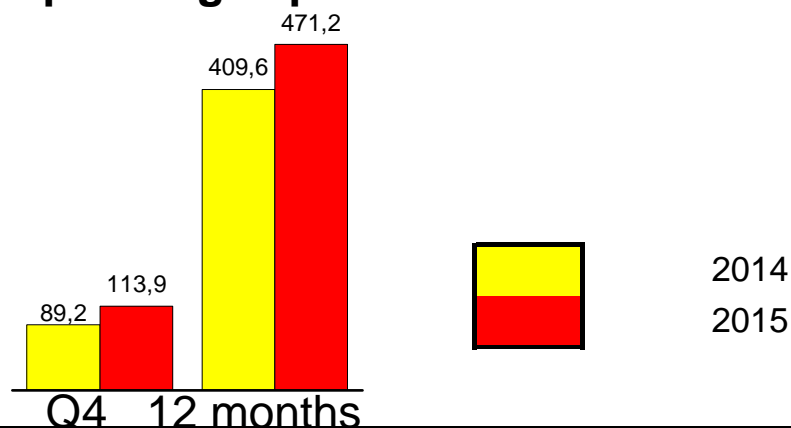
Full year

- Personnel costs and other external expenses rose a total of SEK 107.6 M.
- This was mainly attributable to expenses of SEK 35.7 M for stores opened after the fourth quarter of 2014 and acquisition costs for Skånska Byggvaror and Buildor amounted to SEK 9.6 M.
- The increase in costs during the quarter, other than for new stores and acquisition costs, was attributable to expenses associated with the investments being made, the online store and building services.

Personnel costs



Other operating expenses



Net financial items

Profit/loss from financial items SEK M	October - December		January - December	
	2015	2014	2015	2014
Group				
Profit from participations in Group companies	0.0	0.0	11.8	0.0
Comprehensive income from participations in Group companies	0.0	0.0	11.8	0.0
Financial income				
Exchange-rate gains	2.3	1.5	8.5	7.2
Changes in fair value – interest swaps and currency derivatives	0.3	2.5	10.5	8.1
Interest income	0.0	0.1	0.0	-0.4
Other financial income	0.0	0.1	0.1	0.1
Total financial income	2.5	4.1	19.1	15.0
Financial expenses				
Exchange-rate losses	-1.0	-1.0	-8.1	-11.0
Changes in fair value – interest swaps and currency derivatives	-4.1	-0.1	-11.9	-7.6
- interest expenses, bank loans	-1.6	-1.4	-6.2	-9.0
- Interest expense, discount rate earn-out	-0.8	0.0	-0.8	0.0
- financial leasing, reversal of discounting effect	0.0	-0.1	-0.2	-0.4
Other financial expenses	-1.2	0.0	-1.5	-0.5
Total financial expenses	-8.6	-2.7	-28.6	-28.6
Profit/loss from financial items	-6.1	1.4	2.4	-13.6

- Net financial items for the quarter were negative impacted by exchange-rate effects of SEK 2.5 M (positive: 2.8) and negative SEK 0.9 M (negative 3.3) for the full year.
- The subsidiary Lännersta 14:1 AB, owning a property in Nacka, was sold during the third quarter. This generated a capital gain of SEK 11.8 M.

Financial position and cash flow

Amounts in SEK M	Oct 1, 2015 Dec 31 2015	Oct 1, 2014 Dec 31 2014	Jan 1, 2015 Dec 31, 2015	Jan 1, 2014 Dec 31, 2014
Cash flow from operating activities before changes in working capital	44.2	53.9	351.1	309.0
Changes in working capital	-320.8	-136.6	140.9	2.1
Cash flow from operating activities	-276.6	-82.7	491.9	311.1
Cash flow from investing activities	-107.9	-49.3	-203.7	-147.1
Cash flow from financing activities	147.1	121.5	-286.8	-166.2
Cash flow for the period	-237.5	-10.5	1.4	-2.2
Cash and cash equivalents at the beginning of the period	261.4	33.0	22.5	24.7
Cash and cash equivalents at the end of the period	23.9	22.5	23.9	22.5

- Cash flow from operating activities for the fourth quarter decreased SEK 193.9 M and for the 12-month fiscal year increased SEK 180.8 M year-on-year. This was attributable to Bygghmax reducing the proportion of invoices paid in cash in the third quarter and many invoices were instead paid in the fourth quarter.
- Investments relating to the conversion of stores to the Bygghmax 2.0 concept totaled SEK 16.9 M (21.7) for the fourth quarter and SEK 61.2 M (50.4) for the full year.



Condensed financial statements January – December 2015

January 26, 2016

Income statement

	Oct 01, 2015	Oct 01, 2014	Jan 01, 2015	Jan 01, 2014
Amounts in SEK M	Dec 31, 2015	Dec 31, 2014	Dec 31, 2015	Dec 31, 2014
Net sales	839.3	695.4	4,131.1	3,547.2
Other operating income	2.7	4.9	10.0	12.2
Operating income	842.0	700.3	4,141.1	3,559.4
Operating expenses				
Goods for sale	-567.1	-469.4	-2,868.3	-2,443.6
Other external and operating expenses	-113.9	-89.2	-471.2	-409.6
Personnel costs	-103.0	-85.0	-385.8	-339.7
Depreciation, amortization and impairment of intangible and tangible fixed assets	-22.5	-18.9	-84.1	-69.6
Total operating expenses	-806.5	-662.4	-3,809.4	-3,262.6
EBIT	35.5	37.9	331.7	296.8
Profit/loss financial items	-6.1	1.4	2.4	-13.6
Profit before tax	29.4	39.3	334.1	283.2
Income tax	-3.1	-8.4	-74.3	-65.2
Profit for the period	26.3	30.8	259.8	217.9

Byggmax

Balance sheet

Amounts in SEK M	Dec 31, 2015	Dec 31, 2014	Amounts in SEK M	Dec 31, 2015	Dec 31, 2014
ASSETS			SHAREHOLDERS' EQUITY AND LIABILITIES		
Fixed assets			Shareholders' equity	1,142.0	1,047.6
Intangible fixed assets	1,215.7	1,082.6			
Tangible fixed assets	286.6	267.4	Liabilities		
Financial fixed assets	25.0	25.5	Borrowing from credit institutions	0.1	1.8
Total fixed assets	1,527.2	1,375.5	Deferred tax liabilities	105.8	95.6
			Other long liabilities	42.9	0.0
Current assets			Long-term liabilities	148.7	97.4
Inventories	666.1	612.7	Borrowing from credit institutions	350.9	480.5
Derivatives	0.0	1.3	Accounts payable	520.3	370.4
Current receivables	109.3	99.1	Current tax liabilities	18.4	6.7
Cash and cash equivalents	31.7	30.9	Derivatives	0.1	0.0
Total current assets	807.1	744.0	Other liabilities	34.4	29.1
TOTAL ASSETS	2,334.4	2,119.5	Accrued expenses and deferred income	119.6	87.8
			Current liabilities	1,043.7	974.5
			TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,334.4	2,119.5
			Pledged assets – Shares in subsidiaries	0.0	1,147.4
			Pledged assets – Chattel mortgages	0.0	120.0
			Pledged assets – Blocked funds	7.7	8.4
			Contingent liabilities	None	None

Cash-flow statement

Amounts in SEK M	Oct 1, 2015 - Dec 30, 2015	Oct 1, 2014 - Dec 30 2014	Jan 1, 2015 - Dec 31, 2015	Jan 1, 2014 - Dec 31, 2014
Cash flow from operating activities				
EBIT	35.5	37.9	331.7	296.8
Non-cash items				
-Depreciation/amortization and impairment of intangible and tangible fixed assets	23.8	18.9	85.4	69.6
- Other non-cash items	-0.3	-0.6	-6.5	1.4
Interest received	2.2	1.6	8.7	6.9
Interest paid	-4.5	-2.6	-16.7	-21.0
Tax paid	-12.5	-1.3	-51.5	-44.6
Cash flow from operating activities before changes in working capital	44.2	53.9	351.1	309.0
Changes in working capital				
Increase/decrease in inventories and work in progress	16.8	21.7	-59.0	-78.3
Increase/decrease in other current receivables	-24.3	-12.2	25.9	-20.5
Increase/decrease in other current liabilities	-313.3	-146.1	174.0	100.9
Cash flow from operating activities	-276.6	-82.7	491.9	311.1

Cash-flow statement, continued

Amounts in SEK M	Oct 1, 2015 - Dec 31, 2015	Oct 1, 2014 - Dec 31, 2014	Jan 1, 2015 - Dec 31, 2015	Jan 1, 2014 - Dec 31, 2014
Cash flow from investing activities				
Investment in intangible fixed assets	-9.0	-4.6	-22.8	-12.0
Investment in tangible fixed assets	-27.4	-44.4	-141.4	-134.5
Divestment of tangible fixed assets	0.0	-0.5	0.0	-0.6
Investment in other financial fixed assets	0.6	0.1	0.7	0.0
Investments in subsidiaries	-72.1	0.0	-72.1	0.0
Proceeds from the sale of subsidiaries	0.0	0.0	31.8	0.0
Cash flow from investing activities	-107.9	-49.3	-203.7	-147.1
Cash flow from financing activities				
Change in overdraft facility	148.4	123.2	-128.3	-16.7
Issue of warrants	0.0	0.0	3.9	0.0
Dividend to shareholders	0.0	0.0	-157.9	-139.7
Amortization of loans	-1.3	-1.7	-4.4	-9.8
Cash flow from financing activities	147.1	121.5	-286.8	-166.2
Cash flow for the period	-237.5	-10.5	1.4	-2.2
Cash and cash equivalents at the beginning of the period	261.4	33.0	22.5	24.7
Cash and cash equivalents at the end of the period	23.9	22.5	23.9	22.5

Note that cash and cash equivalents in the cash flow are adjusted for blocked bank funds

Largest shareholders at December 31, 2015

Name	Number of shares	Holding (%)
Nordea Investment Funds	6 406 178	10,55
Swedbank Robur fonder	5 322 418	8,76
SEB Investment Management	4 859 045	8,00
JPMorgan Asset Management (UK) Ltd.	3 035 975	5,00
Schroder Investment Management North America, Inc.	2 400 000	3,95
Jarrton Management (Göran Peterson)	2 381 296	3,92
Carnegie fonder	1 789 297	2,95
Threadneedle Asset Management Ltd.	1 717 050	2,83
FIL Investment Advisors (UK) Ltd	1 693 352	2,79
T. Rowe Price International Ltd.	1 683 132	2,77
Total ten largest shareholders (grouped by shareholders) – based on holding	31 287 743	51,51
Total other shareholders	29 449 302	48,49
Total, December 31, 2015	60 737 045	100,00