



Interim report January - March 2016

April 19, 2016

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Summary January – March 2016

In the first quarter, Byggmax's net sales increased 30 percent and new financial targets have been set

- Net sales amounted to SEK 737.9 M (570.0), up 29.5 percent. Pro forma net sales totaled SEK 666.0 M for the first quarter of 2015, corresponding to a pro forma net sales increase of 10.8 percent.
- Net sales for comparable stores rose 5.3 percent (up 12.0).
- The gross margin was 31.2 percent (32.2).
- EBITDA amounted to a negative SEK 24.2 M (positive: 3.0). Pro forma EBITDA was a negative SEK 17.2 M for the first quarter of 2015.
- The EBITDA margin was a negative 3.3 percent (positive 0.5). The pro forma EBITDA margin amounted to a negative 2.6 percent for the first quarter of 2015.
- The loss after tax was SEK 58.2 M (loss: 16.9).
- Earnings per share were a negative SEK 1.0 (neg: 0.3).

Summary January – March 2016

- Six (one) new stores were opened, which included one Byggmax store in Sweden and five Skånska Byggvaror stores in Sweden.
- A total of five stores were converted to the Byggmax 2.0 concept during the quarter.
- On January 4, 2016, Byggmax completed the acquisition of Skånska Byggvaror Group AB. Byggmax acquired Skånska Byggvaror for a total of SEK 936 M, and an earnout payment 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 with loans. In connection with this transaction, Anders Johansson Eickhoff, President of Skånska Byggvaror, joined the Group management of Byggmax Group.
- The Board of Directors has set new financial targets for Byggmax. These new financial targets mean that Byggmax net sales is to grow 15 percent per year over time, inclusive of acquisitions, and has to maintain an EBITDA margin of not less than 9 percent. The dividend should be not less than 50 percent of net profit.

Byggmax

Stores: Six new stores was opened in 2016 and openings are planned for ten to fifteen stores in 2016.

	Sweden	Norway	Finland	Skånska Byggvaror
Number of stores, Q1 2016	1	0	0	5
Planned openings, Q2 2016	3	2	0	0
Opened stores, 2016	1	0	0	5

Store network at March 31, 2016

The following stores were opened in 2016:

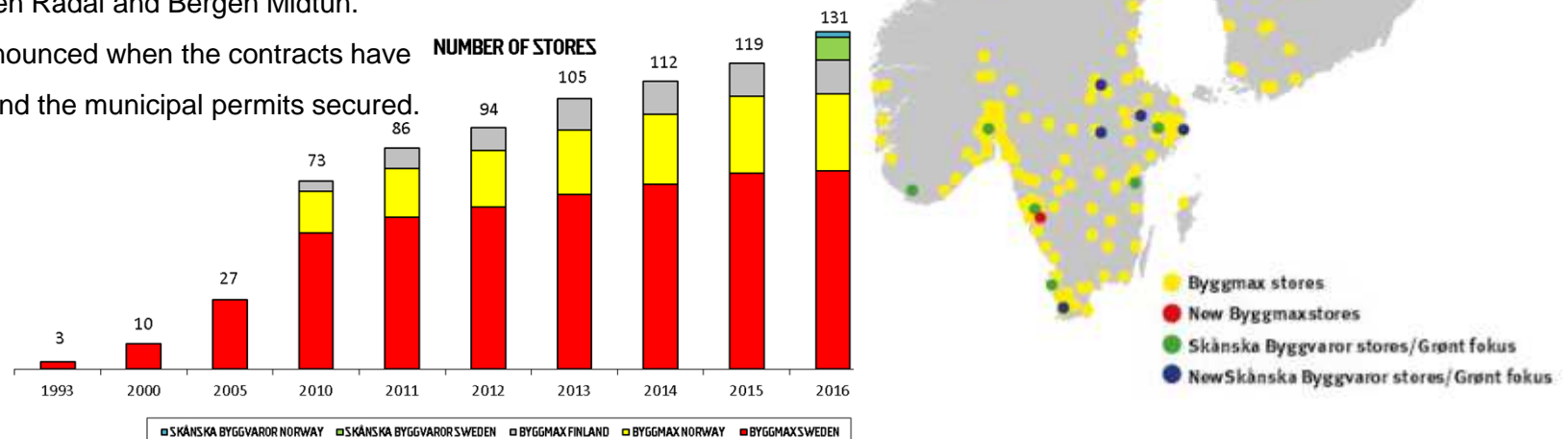
- Sweden: Kungälv
- Skånska Byggvaror: Falun, Malmö, Uppsala, Värmdö and Örebro

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

Sweden: Eurostop Arlandastad, Köping, Mora, Trelleborg and Åmål.

Norway: Bergen Rådal and Bergen Midtun.

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



Acquisition of Skånska Byggvaror completed

- On January 4, 2016, Byggmax completed the acquisition of Skånska Byggvaror Group AB
- Byggmax acquired Skånska Byggvaror for a total of SEK 936 M, and an earnout payment 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 with loans. In connection with this transaction, Anders Johansson Eickhoff, President of Skånska Byggvaror, joined the Group management of Byggmax Group.



The Board of Directors has set new financial targets

- The Board of Directors has set new financial targets for Bygghem.
- The new financial targets mean that:
 - Bygghem net sales should grow 15 percent per year over time, inclusive of acquisitions
 - The EBITDA margin should be no less than 9 percent
 - The dividend should be not less than 50 percent of net profit
- The company's ambition, which is not a financial target, is to reach net sales of SEK 10 billion with an EBITDA margin of 10% in 2020.

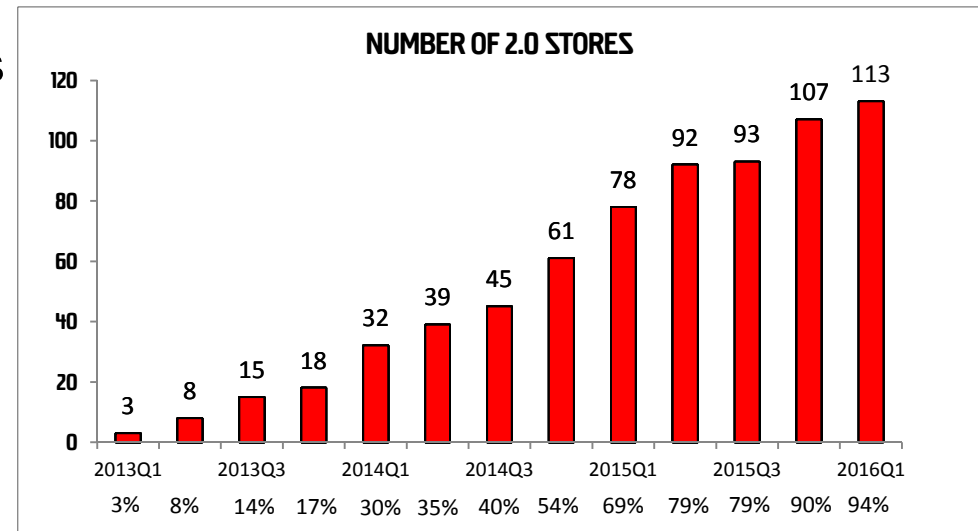


Five stores converted to 2.0

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. Five stores were converted during the quarter.

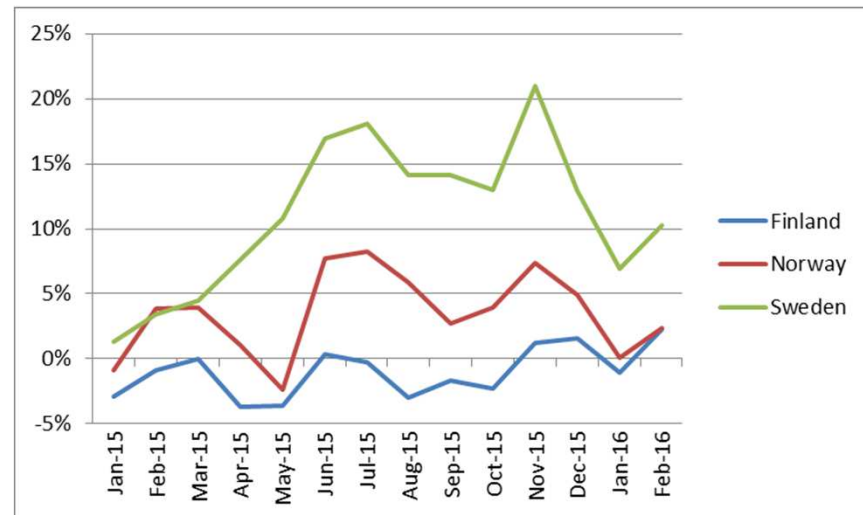
The plan for the second quarter of 2016 is to convert the remaining stores.



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

Market developments

- The Swedish building supplies market grew 8.3% during the first two months of the year.
- The Norwegian market increased 1.3% and the Finnish market posted growth of 0.5% during the same period.
- The reduction in the ROT (Repairs, Conversion and Extension) deduction in Sweden has not yet had any major impact on the market.
- The Norwegian market trended more weakly than in 2015 due to the low oil price and the Norwegian economy's dependence on oil.

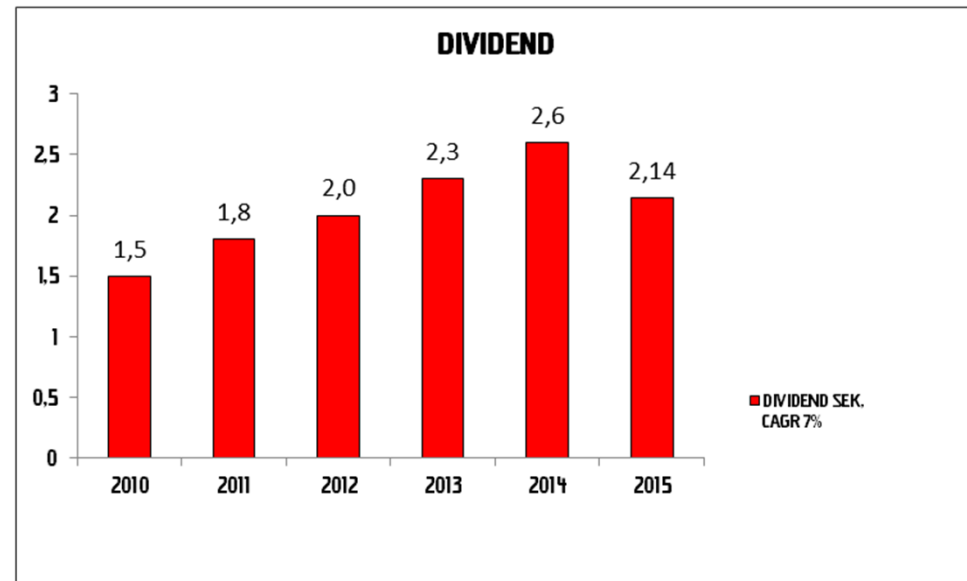


Source: Sweden – Statistiska centralbyrån, Norway- Statistik sentralbyrå och Finland - Statistiskcentralen

Byggmax

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

April 19, 2016

Results trend

Earnings overview	January - March		Jan-March Proforma	12 months April 2015 - March 2016	Full year 2015
	2016	2015			
Net sales, SEK M	737.9	570.0	666.0	4,299.1	4,131.1
Gross margin, percent	31.2	32.2	32.3	30.5	30.6
EBITDA, excluding acquisition costs, SEK M	-24.0	3.0	-17.2	398.4	425.5
EBITDA, SEK M	-24.2	3.0	-17.2	388.6	415.8
EBITDA margin, percent	-3.3	0.5	-2.6	9.0	10.1
EBIT, SEK M	-57.8	-16.1	-39.1	290.0	331.7
EBIT margin, SEK M	-7.8	-2.8	-5.9	6.7	8.0
Profit after tax, SEK M	-58.2	-16.9	-43.2	218.4	259.8
Earnings per share, SEK	-1.0	-0.3	-0.7	3.6	4.3
Return on shareholders' equity	-5.2	-1.6		20.6	23.7
Cash flow from operating activities per share, SEK	-1.4	1.5		5.2	8.1
Shareholders' equity per share, SEK	17.9	17.0		17.9	18.8
Number of stores at the end of the period	131	113		131	119
New stores opened during the period	6	1		6	7

- Net sales increased by 29.5 percent in Q1.
- Overheads increased during the first quarter, mainly due to the increase in the number of stores over the year and the investments Byggmax has made in e-commerce and the sale of services. Overheads also increased as a result of acquisition costs linked to Buildor and Skånska Byggvaror.

Sales trend

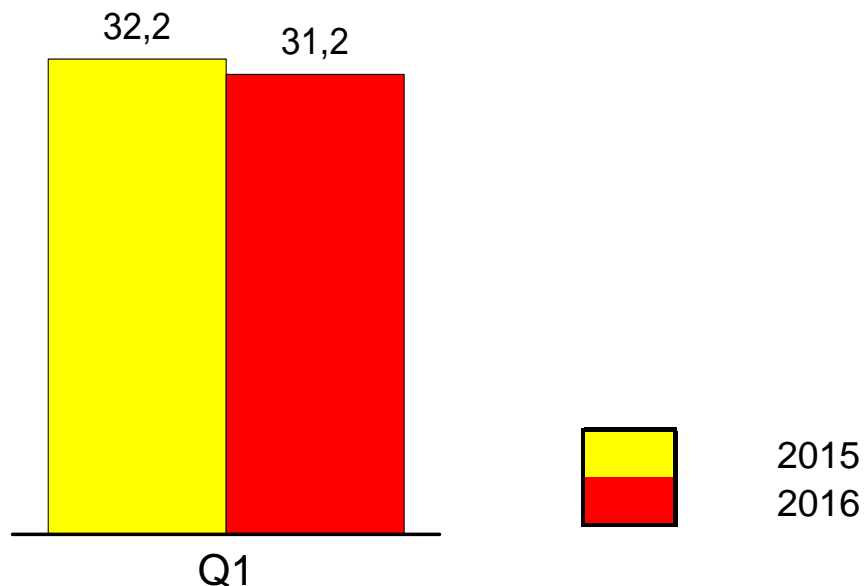
The sales increase was divided according to the following:	January – March 2016
Comparable stores, local currency, percent	5.3
Non-comparable stores and Other, percent	26.1
Currency effects, percent	-2.0
Total, percent	29.5

- The operation's net sales amounted to SEK 737.9 M (570.0) for the first quarter, up 29.5 percent.
- Net sales for comparable stores increased 5.3 percent (12.0) in local currency for the first quarter.
- Operating income at Byggmax amounted to SEK 615.2 M (569.6), to SEK 101.7 M at Skånska Byggvaror and to SEK 22.9 M (1.3) for the segment, Other.

Gross margin

First quarter

- The gross margin was 31.2 percent (32.2).
- The fall in earnings can be partially explained by a lower gross margin in Norway due to exchange-rate effects. In addition, Byggmax is selling more online goods with a lower gross margin than the in-store product range. The price of input goods has increased year-on-year, mainly due to exchange-rate fluctuations. Retail prices have remained largely unchanged, with certain variations in each country.

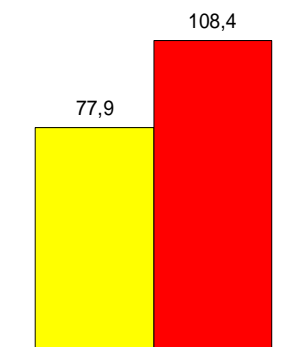


Operating expenses

First quarter

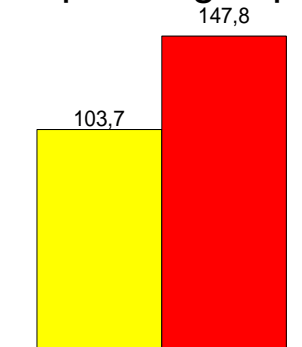
- Personnel costs and other external expenses rose a total of SEK 74.6 M.
- The increase in expenses compared with the year-earlier period was mainly attributable to costs linked to the acquired companies amounting to SEK 59.8 M.
- Personnel and other external expenses compared with the pro forma first quarter of 2015 increased SEK 22.9 M. The increase in expenses compared with the pro forma year-earlier period was mainly attributable to costs associated with new stores opened after the first quarter of 2015, amounting to SEK 13.6 M. The increase in costs during the quarter, other than for new stores, was attributable to expenses associated with the investments being made.

Personnel costs

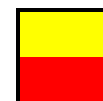


Q1

Other operating expenses



Q1



2015
2016

Byggmax

Segment

MSEK	January - March	
	2016	2015
Income from external customers		
Byggmax	615.2	569.6
Skånska Byggvaror	101.7	-
Other	22.8	1.3
Totalt income	739.7	570.9
EBITDA		
Byggmax	-7.5	-5.1
Skånska Byggvaror	-18.5	-
Other	1.8	8.1
Total	-24.2	3.0

As a result of the acquisition of Skånska Byggvaror has Byggmax updated the report on business segments. From the first quarter of 2016, segment information will be provided for the three segments Byggmax, Skånska Byggvaror and Other.

Byggmax

Net financial items

Profit/loss from financial items SEK M	January - March		Full year
	2016	2015	2015
Group			
Profit from participations in Group companies	0.0	0.0	11.8
Comprehensive income from participations in Group companies	0.0	0.0	11.8
Financial income			
Exchange-rate gains	1.0	2.2	8.5
Changes in fair value – interest swaps and currency derivatives	0.4	0.0	10.5
Interest income	0.3	0.2	0.1
Other financial income	0.0	0.0	0.0
Total financial income	1.7	2.3	19.1
Financial expenses			
Exchange-rate losses	-1.3	-1.0	-8.1
Changes in fair value – interest swaps and currency derivatives	-4.5	-4.9	-11.9
- interest expenses, bank loans	-9.8	-2.3	-6.2
- Interest expense, discount rate earn-out	-3.2	0.0	-0.8
- financial leasing, reversal of discounting effect	0.0	0.0	-0.2
Other financial expenses	0.4	0.0	-1.5
Total financial expenses	-18.4	-8.3	-28.6
Profit/loss from financial items	-16.8	-5.9	2.4

- Net financial items for the quarter were negatively impacted by exchange-rate effects of SEK 4.4 M (negative 3,7) and increased borrowing as a result of the acquisitions. Earnings were also impacted by a non-recurring cost of SEK 3.9 M linked to the acquisition of Skånska Byggvaror Group AB, included in the row interest expenses, bank loan.

Financial position and cash flow

Amounts in SEK M	Jan 1, 2016 Mar 31 2016	Jan 1, 2015 Mar 31 2015	12 months Apr 1, 2015 – Mar 31, 2016	Full year 2015
Cash flow from operating activities before changes in working capital	-50.6	1.3	299.1	351.1
Changes in working capital	-32.7	88.8	19.4	140.9
Cash flow from operating activities	-83.3	90.1	318.5	491.9
Cash flow from investing activities	-764.2	-51.4	-916.5	-203.7
Cash flow from financing activities	864.1	-32.2	609.4	-286.8
Cash flow for the period	16.6	6.6	11.4	1.4
Cash and cash equivalents at the beginning of the period	23.9	22.5	29.1	22.5
Cash and cash equivalents at the end of the period	40.5	29.1	40.5	23.9

- Cash flow from operating activities for the first quarter decreased SEK 173.4 M year-on-year. Cash flow for the first quarter of 2015 was impacted by calendar effects linked to supplier payments.
- Investments relating to the conversion of stores to the Byggmax 2.0 concept totaled SEK 24.0 M (24.5) for the first quarter.
- The cash flow from investing activities was impacted with SEK 703.7 M by the acquisition of Skånska Byggvaror.



Condensed financial statements January – March 2016

April 19, 2016

Income statement

	Jan 01, 2016	Jan 01, 2015	Apr 01, 2015	Jan 01, 2015
Amounts in SEK M	Mar 31, 2016	Mar 31, 2015	Mar 31, 2016	Dec 31, 2015
Net sales	737.9	570.0	4,299.1	4,131.1
Other operating income	1.8	0.9	10.9	10.0
Operating income	739.7	570.9	4,309.9	4,141.1
Operating expenses				
Goods for sale	-507.7	-386.3	-2,989.7	-2,868.3
Other external and operating expenses	-147.8	-103.7	-515.3	-471.2
Personnel costs	-108.4	-77.9	-416.3	-385.8
Depreciation, amortization and impairment of intangible and tangible fixed assets	-33.6	-19.1	-98.6	-84.1
Total operating expenses	-797.5	-587.0	-4,019.9	-3,809.4
EBIT	-57.8	-16.1	290.0	331.7
Profit/loss financial items	-16.8	-5.9	-8.4	2.4
Profit before tax	-74.5	-22.0	281.6	334.1
Income tax	16.3	5.2	-63.2	-74.3
Profit for the period	-58.2	-16.9	218.4	259.8

Byggmax

Balance sheet

Amounts in SEK M	Mar 31, 2016	Mar 31, 2015	Dec 31, 2015	Amounts in SEK M	Mar 31, 2016	Mar 31, 2015	Dec 31, 2015
ASSETS				SHAREHOLDERS' EQUITY AND LIABILITIES			
Fixed assets				Shareholders' equity	1,087.2	1,031.4	1,142.0
Intangible fixed assets	2,291.7	1,083.2	1,215.7	Liabilities			
Tangible fixed assets	344.2	299.0	286.6	Borrowing from credit institutions	800.6	1.2	0.1
Financial fixed assets	24.7	25.1	25.0	Deferred tax liabilities	190.2	95.1	105.8
Total fixed assets	2,660.6	1,407.3	1,527.2	Other long liabilities	45.4	0.0	42.9
Current assets				Long-term liabilities	1,036.2	96.3	148.7
Inventories	839.3	701.7	666.1	Borrowing from credit institutions	602.7	449.1	350.9
Derivatives	0.0	0.0	0.0	Accounts payable	638.1	525.3	520.3
Current receivables	141.4	85.5	109.3	Current tax liabilities	0.0	0.0	18.4
Cash and cash equivalents	48.3	37.0	31.7	Derivatives	6.6	3.6	0.1
Total current assets	1,029.0	824.2	807.1	Other liabilities	161.9	27.0	34.4
TOTAL ASSETS	3,689.5	2,231.5	2,334.4	Accrued expenses and deferred income	156.8	98.9	119.6
				Current liabilities	1,566.1	1,103.9	1,043.7
				TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,689.5	2,231.5	2,334.4
				Pledged assets – Shares in subsidiaries	0.0	1,133.3	0.0
				Pledged assets – Chattel mortgages	0.0	120.0	0.0
				Pledged assets – Blocked funds	7.7	7.9	7.7
				Contingent liabilities	None	None	None

Cash-flow statement

Amounts in SEK M	Jan 1, 2016 - Mar 31, 2016	Jan 1, 2015 - Mar 31, 2015	12 months Apr 2015 - Mar 2016	Full year 2015
Cash flow from operating activities				
EBIT	-57.8	-16.1	290.0	331.7
Non-cash items				
-Depreciation/amortization and impairment of intangible and tangible fixed assets	34.4	19.1	100.7	85.4
- Other non-cash items	3.7	1.2	-4.0	-6.5
Interest received	1.3	2.3	7.6	8.7
Interest paid	-15.6	-3.4	-28.9	-16.7
Tax paid	-16.7	-1.8	-66.3	-51.5
Cash flow from operating activities before changes in working capital	-50.6	1.3	299.1	351.1
Changes in working capital				
Increase/decrease in inventories and work in progress	-112.8	-90.2	-81.6	-59.0
Increase/decrease in other current receivables	0.4	15.2	11.1	25.9
Increase/decrease in other current liabilities	79.7	163.8	89.9	174.0
Cash flow from operating activities	-83.3	90.1	318.5	491.9

Cash-flow statement, continued

Amounts in SEK M	Jan 1, 2016 - Mar 31, 2016	Jan 1, 2015 - Mar 31, 2015	12 months Apr 2015 - Mar 2016	Full year 2015
Cash flow from investing activities				
Investment in intangible fixed assets	-6.0	-3.7	-25.2	-22.8
Investment in tangible fixed assets	-54.4	-48.2	-147.6	-141.4
Divestment of tangible fixed assets	0.0	0.0	0.0	0.0
Investment in other financial fixed assets	0.0	0.5	0.2	0.7
Investments in subsidiaries	-703.7	0.0	-775.8	-72.1
Proceeds from the sale of subsidiaries	0.0	0.0	31.8	31.8
Cash flow from investing activities	-764.2	-51.4	-916.5	-203.7
Cash flow from financing activities				
Change in overdraft facility	236.8	-31.3	139.8	-128.3
Issue of warrants	0.0	0.0	3.9	3.9
Dividend to shareholders	0.0	0.0	-157.9	-157.9
Borrowings	800.0	0.0	800.0	
Amortization of loans	-172.7	-0.9	-176.3	-4.4
Cash flow from financing activities	864.1	-32.2	609.4	-286.8
Cash flow for the period	16.6	6.6	11.4	1.4
Cash and cash equivalents at the beginning of the period	23.9	22.5	29.1	22.5
Cash and cash equivalents at the end of the period	40.5	29.1	40.5	23.9

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

Largest shareholders at March 31, 2016

Name	Number of shares	Holding (%)
Nordea Investment Funds	6,548,642	10.78
SEB Investment Management	5,148,325	8.48
Swedbank Robur fonder	4,704,041	7.74
JPMorgan Asset Management (UK) Ltd.	3,035,975	5.00
Norges Bank Investment Management	2,724,616	4.49
Schroder Investment Management North America, Inc.	2,400,000	3.95
Jarrton Management (Göran Peterson)	2,381,296	3.92
Threadneedle Asset Management Ltd.	2,274,415	3.74
Handelsbanken fonder	2,267,475	3.73
Skandinaviska Enskilda Banken AB (Denmark)	1,959,342	3.23
Total ten largest shareholders (grouped by shareholders) - based on holding	33,444,127	55.06
Total other shareholders	27,292,918	44.94
Total, March 31, 2016	60,737,045	100.00