



Interim report January-June 2016

July 15, 2016

Magnus Agervald and Pernilla Walfridsson

Summary January-June 2016

In the second quarter, Byggmax's net sales increased 34 percent

- Net sales amounted to SEK 1,738.7 M (1,294.6), up 34.3 percent for the second quarter. Pro forma net sales totaled SEK 1,584.0 M for the second quarter of 2015, corresponding to a pro forma net sales increase of 9.8 percent. Net sales amounted to SEK 2,476.6 M (1,864.6) for the first six months, up 32.8 percent. Pro forma net sales totaled SEK 2,250.0 M for the first six months of 2015, corresponding to a pro forma net sales increase of 10.1 percent.
- Net sales for comparable stores rose 6.1 percent (up 10.3) for the second quarter and 5.9 percent (14.8) for the first six months.
- The gross margin was 29.9 percent (29.3) for the second quarter and 30.3 percent (30.2) for the first six months.
- EBITDA amounted to SEK 193.8 M (151.4) for the second quarter and SEK 169.6 M (154.4) for the first six months. Pro forma EBITDA was SEK 192.8 M for the second quarter of 2015 and SEK 175.6 M for the first six months.
- The EBITDA margin was 11.1 percent (11.7) for the second quarter and 6.8 percent (8.3) for the first six months. The pro forma EBITDA margin amounted to 12.2 percent for the second quarter of 2015 and 7.8 percent for the first six months.
- Profit after tax amounted to SEK 113.9 M (97.4) for the second quarter and SEK 55.7 M (80.5) for the first six months.
- Earnings per share totaled SEK 1.9 (1.6) for the second quarter and SEK 0.9 (1.3) for the first six months.

Summary January-June 2016

- A total of 12 (five) new stores were opened, including five Byggmax stores in Sweden, two Byggmax stores in Norway and five Skånska Byggvaror stores in Sweden.
- A total of 11 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 Byggmax Group management.
- During the first quarter, the Board of Directors set new financial targets for Byggmax. These new financial targets mean that Byggmax's net sales are to grow 15 percent per year over time, inclusive of acquisitions, and that Byggmax is to maintain an EBITDA margin of not less than 9 percent. The dividend should be not less than 50 percent of net profit.
- Changes were made to Byggmax Group management in April, following the acquisition of Buildor and Skånska Byggvaror. Byggmax Group management now comprises President and CEO Magnus Agervald, CFO Pernilla Walfridsson, CEO of Byggmax AB Daniel Juhlin, President of Skånska Byggvaror Anders Johansson Eickhoff, President of Buildor Jonatan Schwamberg, Purchasing Manager at Byggmax Group AB Per Haraldsson and IT Manager at Byggmax Group AB Erik Börjesson.

Summary January-June 2016

- During the second quarter, Mikael Norman and Ullrika Eliasson were elected as new Board members of Byggmax Group AB (publ) and Stig Notlöv declined re-election.
- Byggmax launched two new store concepts in June: “Byggmax +” at its store in Hisings Backa, Sweden, which aims to better meet the needs of professional tradesmen, and “Design Your Living” at the store on Kungsgatan in Stockholm, Sweden, where customers can make use of the services of interior designers offering guidance in everything from inspiration and choice of materials to construction services.

Byggmax

Stores: Total of 12 new stores opened in 2016 and openings planned for three additional stores in 2016.

	Sweden	Norway	Finland	Skånska Byggvaror
Number of stores, Q2 2016	4	2	0	0
Planned openings, Q3 2016	2	0	0	0
Opened stores, 2016	5	2	0	5

Store network at June 30, 2016

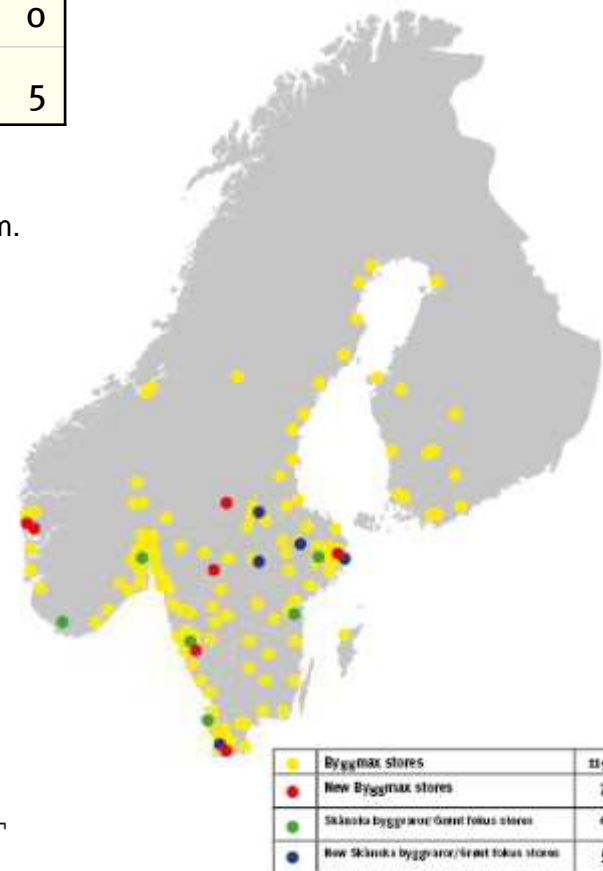
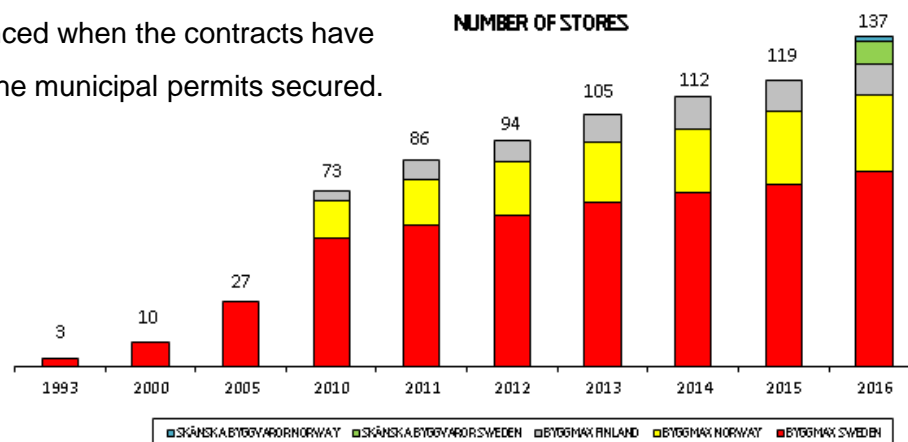
The following stores were opened in 2016:

- Sweden: Kungälv, Mora, Trelleborg, Åmål and "DYL – Desing Your Living" in Stockholm.
- Skånska Byggvaror: Falun, Malmö, Uppsala, Värmdö and Örebro
- Norway: Bergen Rådal and Bergen Midtun.

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

Sweden: Eurostop Arlandastad and Köping.

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



Two new concepts launched

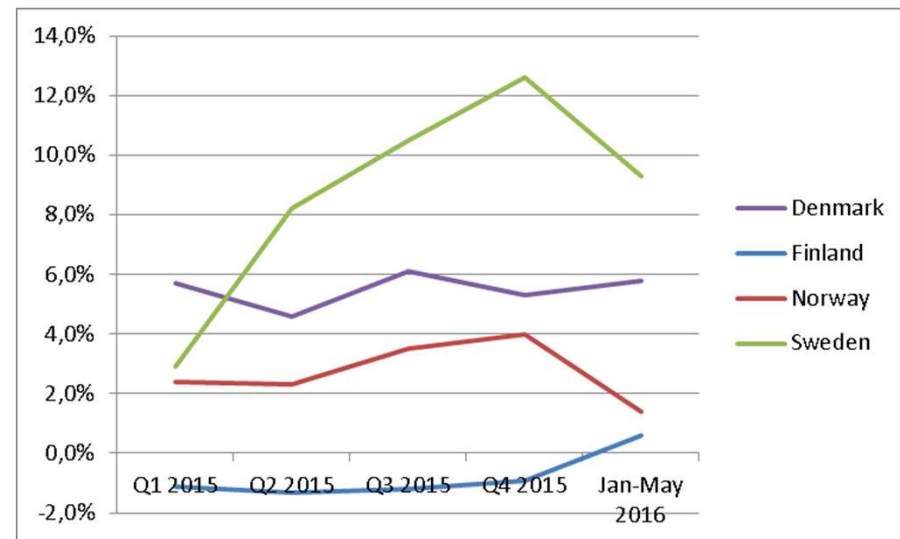
Byggmax launched two new store concepts in June.

- “Byggmax +” offers an expansion of the product range at the store in Hisings Backa, Sweden, in order to better meet the needs of professional tradesmen.
- “Design Your Living” (DYL) is a store located on Kungsgatan in Stockholm, one of the city’s largest shopping streets. At the “Design Your Living” store, interior designers provide customers with help in designing their homes and offices. Our designers use the Building Planner to calculate the amount of material and services needed to bring the customer’s vision to life. The concept has been well received by our customers.



Market developments

- The Swedish building supplies market grew 9.3 percent during the first five months of the year.
- During the same period, the Norwegian market increased 1.4 percent and the Finnish market 0.6 percent.
- The Danish market increased 5.8 percent between January and April.
- The Norwegian market trended more weakly than in 2015 due to the low oil price and the Norwegian economy's dependence on oil.



Information regarding Denmark refer to January-April 2016

Source: Statistics Sweden, Statistics Norway, Statistics Finland and Statistics Denmark.



Financial information

July 15, 2016

Byggmax

Results trend

Earnings overview	April-June		April-June pro forma	12 months July 2015- June 2016	Full year 2015
	2016	2015			
Net sales, SEK M	1,738.7	1,294.6	1,584.0	4,743.2	4,131.1
Gross margin, percent	29.9	29.3	30.2	30.6	30.6
EBITDA, excluding acquisition costs, SEK M	194.0	151.7	193.1	440.7	425.5
EBITDA, SEK M	193.8	151.4	192.8	431.0	415.8
EBITDA margin, percent	11.1	11.7	12.2	9.1	10.1
EBIT, SEK M	159.2	130.8	169.3	318.4	331.7
EBIT margin, SEK M	9.2	10.1	10.7	6.7	8.0
Profit after tax, SEK M	113.9	97.4		234.9	259.8
Earnings per share, SEK	1.9	1.6		3.9	4.3
Return on shareholders' equity	10.5	9.7		23.0	23.7
Cash flow from operating activities per share, SEK	11.4	7.9		8.8	8.1
Shareholders' equity per share, SEK	17.7	16.0		17.7	18.8
Number of stores at the end of the period	137	117		137	119
New stores opened during the period	6	4		12	7

- EBITDA, excluding acquisition costs, amounted to SEK 194,0 M during the second quarter of 2016. This can be compared with SEK 193,1 M pro forma during the second quarter of 2015.

Results trend

Earnings overview	January-June		January-June pro forma
	2016	2015	
Net sales, SEK M	2,476.6	1,864.6	2,250.0
Gross margin, percent	30.3	30.2	30.8
EBITDA, excluding acquisition costs, SEK M	169.9	154.7	175.9
EBITDA, SEK M	169.6	154.4	175.6
EBITDA margin, percent	6.8	8.3	7.8
EBIT, SEK M	101.4	114.7	130.2
EBIT margin, SEK M	4.1	6.2	5.8
Profit after tax, SEK M	55.7	80.5	
Earnings per share, SEK	0.9	1.3	
Return on shareholders' equity	5.0	7.7	
Cash flow from operating activities per share, SEK	10.1	9.4	
Shareholders' equity per share, SEK	17.7	16.0	
Number of stores at the end of the period	137	117	
New stores opened during the period	12	5	

- EBITDA, excluding acquisition costs, amounted to SEK 169.9 M during the first half of 2016. This can be compared with SEK 175.9 M pro forma during the first half of 2015.

Sales trend

The sales increase was divided according to the following:	April-June 2015	January-June 2016
Comparable stores, local currency, percent	6.1	5.9
Non-comparable stores and Other, percent	30.3	29.0
Currency effects, percent	-2.1	-2.1
Total, percent	34.3	32.8

- The operation's net sales amounted to SEK 1,738.7 M (1,294.6) for the second quarter, up 34.3 percent, and SEK 2,476.6 M (1,864.6) for the first six months, up 32.8 percent.
- Net sales for comparable stores increased 6.1 percent (13.9) in local currency for the second quarter and 5.9 percent (14.8) for the first six months.
- Operating income amounted to SEK 1,413.1 M (1,296.1) for Byggmax, SEK 296.2 M for Skånska Byggvaror and SEK 32.9 M (2.5) for Other.

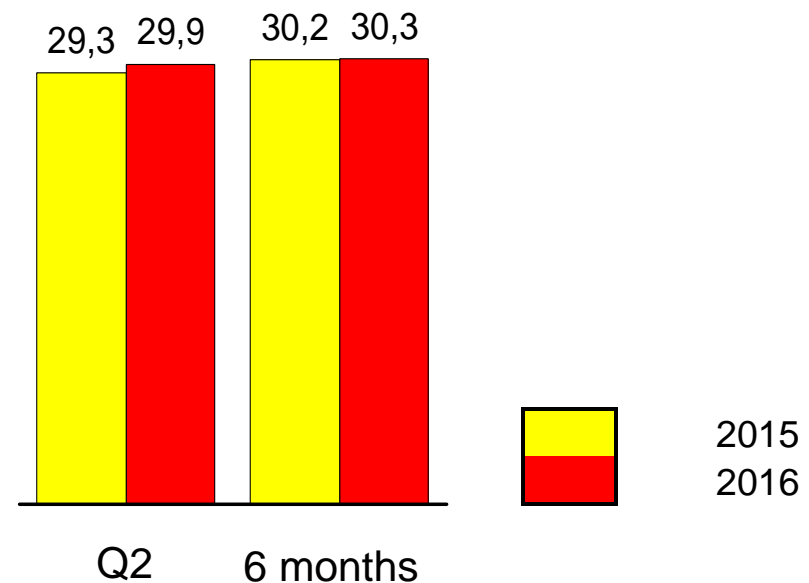
Gross margin

Second quarter

- The gross margin was 29.9 percent (29.3).
Pro forma gross margin was 30.2 percent.
- Compared with last year, the gross margin in Norway declined due to exchange-rate effects. In addition, we are selling more online goods with a lower gross margin than the in-store product range.

First six months

- The gross margin was 30.3 percent (30.2).
Pro forma gross margin was 30.8 percent.
- Compared with last year, the gross margin in Norway declined due to exchange-rate effects. In addition, we are selling more online goods with a lower gross margin than the in-store product range.



Operating expenses

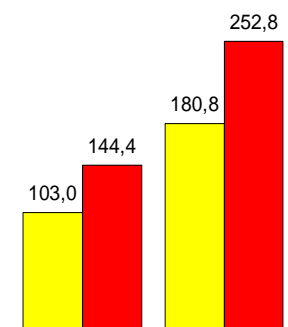
Second quarter

- Personnel costs and other external expenses rose a total of SEK 97.9 M.
- The increase in expenses compared with the year-earlier period was mainly attributable to costs linked to the acquired companies amounting to SEK 75.9 M.
- Personnel and other external expenses compared with the pro forma second quarter of 2015 increased SEK 39.9 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 second quarter of 2015, amounting to SEK 18.2 M. The increase in costs during the quarter, other than for new stores, was attributable to expenses associated with the investments being made.

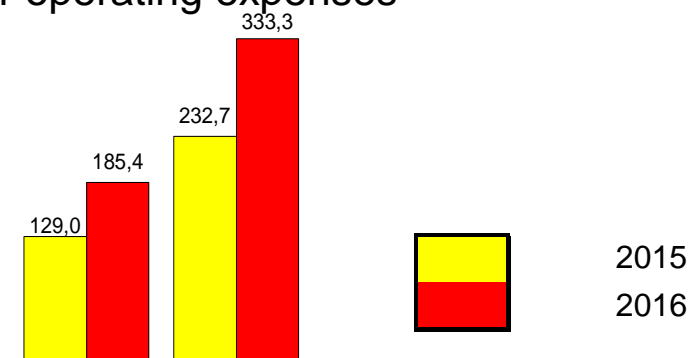
Six months

- Personnel costs and other external expenses rose a total of SEK 172.5 M.
- The increase in expenses compared with the year-earlier period was mainly attributable to costs linked to the acquired companies amounting to SEK 135.7 M.
- Personnel and other external expenses compared with the pro forma second quarter of 2015 increased SEK 62.8 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 second quarter of 2015, amounting to SEK 31.2 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



Other operating expenses



Q2 Six months

Q2 Six months

Byggmax

Segments

SEK M	April-June		January-June	
	2016	2015	2016	2015
Income from external customers				
Byggmax	1,413.1	1,296.1	2,028.3	1,865.9
Skånska Byggvaror	296.2	0.0	397.9	0.0
Other	32.9	2.5	55.7	3.6
Total income	1,742.3	1,298.6	2,481.9	1,869.5
EBITDA				
Byggmax	146.5	139.9	139.1	134.9
Skånska Byggvaror	45.8	0.0	27.2	0.0
Other	1.5	11.5	3.3	19.6
Total	193.8	151.4	169.6	154.4

As a result of the acquisition of Skånska Byggvaror, Byggmax has updated the report on its 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	April-June		January-June		Full year
SEK M	2016	2015	2016	2015	2015
Group					
Profit from participations in Group companies	0.0	0.0	0.0	0.0	11.8
Comprehensive income from participations in Group companies	0.0	0.0	0.0	0.0	11.8
Financial income					
Exchange-rate gains	1.7	0.9	2.7	3.1	8.5
Changes in fair value – interest swaps and currency derivatives	5.4	5.8	5.8	5.8	10.5
Interest income	0.8	0.0	1.0	0.2	0.1
Other financial income	0.0	0.0	0.0	0.0	0.0
Total financial income	7.9	6.7	9.5	9.1	19.1
Financial expenses					
Exchange-rate losses	-5.8	-4.8	-7.0	-5.9	-8.1
Changes in fair value – interest swaps and currency derivatives	-3.8	-2.9	-8.3	-7.8	-11.9
- interest expenses, bank loans	-4.8	-2.5	-14.6	-4.8	-6.2
- interest expenses, discount rate earnout	-3.2	0.0	-6.3	0.0	-0.8
- financial leasing, reversal of discounting effect	0.0	0.0	0.0	-0.1	-0.2
Other financial expenses	-0.6	-0.1	-0.2	-0.2	-1.5
Total financial expenses	-18.2	-10.4	-36.6	-18.7	-28.6
Profit/loss from financial items	-10.3	-3.7	-27.1	-9.6	2.4

- Net financial items for the quarter were negatively impacted by exchange-rate effects of SEK 2.5 M (neg. 1.1), the discounted earnout payment attributable to the acquisitions of Skånska Byggvaror and Buildor, and higher borrowing as a result of the acquisitions.

Financial position and cash flow

Amounts in SEK M	Apr 1, 2016- Jun 30, 2016	Apr 1, 2015- Jun 30, 2015	Jan 1, 2016- Jun 30, 2016	Jan 1, 2015- Jun 30, 2015	12 months July 1, 2015- Jun 30, 2016	Full year 2015
Cash flow from operating activities before changes in working capital	167.3	115.3	116.7	116.2	299.1	351.1
Changes in working capital	528.1	366.4	495.4	455.3	19.4	140.9
Cash flow from operating activities	695.4	481.7	612.1	571.5	318.5	491.9
Cash flow from investing activities	-57.5	-49.3	-821.7	-100.7	-916.5	-203.7
Cash flow from financing activities	-531.3	-414.3	332.8	-446.1	609.4	-286.8
Cash flow for the period	106.6	18.1	123.2	24.7	11.4	1.4
Cash and cash equivalents at the beginning of the period	40.5	29.1	23.9	22.5	29.1	22.5
Cash and cash equivalents at the end of the period	147.2	47.2	147.2	47.2	40.5	23.9

- Cash flow from operating activities for the second quarter increased by SEK 213.6 M. The cash flow was impacted by Buildor AB and the Skånska Byggvaror Group, as well as higher accounts payable due to calendar effects on supplier payments between the years.
- Investments relating to the conversion of stores to the Byggmax 2.0 concept totaled SEK 11.7 M (16.5) for the second quarter and SEK 35.7 M (41.0) for the first six months.
- Cash flow from investments for the first six months was impacted by the acquisition of Skånska Byggvaror in an amount of SEK 703.7 M.



Condensed financial statements January-June 2016

July 15, 2016

Income statement

	Apr 1, 2016-	Apr 1, 2015-	Jan 1, 2016-	Jan 1, 2015-	Jul 1, 2015-	Jan 1, 2015-
Amounts in SEK M	Jun 30, 2016	Jun 30, 2015	Jun 30, 2016	Jun 30, 2015	Jun 30, 2016	Dec 31, 2015
Net sales	1,738.7	1,294.6	2,476.6	1,864.6	4,743.2	4,131.1
Other operating income	3.5	4.0	5.3	4.9	10.4	10.0
Operating income	1,742.3	1,298.6	2,481.9	1,869.5	4,753.6	4,141.1
Operating expenses						
Goods for sale	-1,218.6	-915.2	-1,726.3	-1,301.5	-3,293.1	-2,868.3
Other external and operating expenses	-185.4	-129.0	-333.3	-232.7	-571.7	-471.2
Personnel costs	-144.4	-103.0	-252.8	-180.8	-457.8	-385.8
Depreciation, amortization and impairment of intangible and tangible fixed assets	-34.6	-20.6	-68.2	-39.7	-112.6	-84.1
Total operating expenses	-1,583.1	-1,167.8	-2,380.5	-1,754.8	-4,435.2	-3,809.4
EBIT	159.2	130.8	101.4	114.7	318.4	331.7
Profit/loss from financial items	-10.3	-3.7	-27.1	-9.6	-15.1	2.4
Profit/loss before tax	148.9	127.1	74.3	105.1	303.3	334.1
Income tax	-35.0	-29.7	-18.7	-24.6	-68.4	-74.3
Profit/loss for the period	113.9	97.4	55.7	80.5	234.9	259.8

Byggmax

Balance sheet

Amounts in SEK M	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015	Amounts in SEK M	Jun 30, 2016	Jun 30, 2015	Dec 31, 2015
ASSETS				SHAREHOLDERS' EQUITY AND LIABILITIES			
Fixed assets				Shareholders' equity	1,074.9	971.4	1,142.0
Intangible fixed assets	2,287.4	1,087.0	1,215.7	Liabilities			
Tangible fixed assets	374.0	324.4	286.6	Borrowing from credit institutions	800.2	0.5	0.1
Financial fixed assets	22.7	23.1	25.0	Deferred tax liabilities	188.1	94.8	105.8
Total fixed assets	2,684.1	1,434.5	1,527.2	Other long-term liabilities	46.2	0.0	42.9
Current assets				Long-term liabilities	1,034.6	95.3	148.7
Inventories	931.1	720.5	666.1	Borrowing from credit institutions	201.3	189.0	350.9
Derivatives	0.0	0.0	0.0	Accounts payable	1,222.0	860.4	520.3
Current receivables	191.6	78.2	109.3	Current tax liabilities	12.8	3.4	18.4
Cash and cash equivalents	155.0	55.1	31.7	Derivatives	3.8	0.7	0.1
Total current assets	1,277.6	853.8	807.1	Other liabilities	224.3	52.3	34.4
TOTAL ASSETS	3,961.8	2,288.3	2,334.4	Accrued expenses and deferred income	188.2	115.8	119.6
				Current liabilities	1,852.3	1,221.6	1,043.7
				TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,961.8	2,288.3	2,334.4
				Pledged assets – Shares in subsidiaries	0.0	1,234.6	0.0
				Pledged assets – Chattel mortgages	0.0	120.0	0.0
				Pledged assets – Blocked funds	7.8	7.9	7.7
				Contingent liabilities	None	None	None

Cash flow statement

Amounts in SEK M	Apr 1, 2016- Jun 30, 2016	Apr 1, 2015- Jun 30, 2015	Jan 1, 2016- Jun 30, 2016	Jan 1, 2015- Jun 30, 2015	12 months Jul 2015- Jun 2016	Full year 2015
Cash flow from operating activities						
EBIT	159.2	130.8	101.4	114.3	290.0	331.7
Non-cash items						
-Depreciation/amortization of intangible and tangible fixed assets	34.6	20.6	69.1	39.7	100.7	85.4
- Other non-cash items	1.8	-4.3	5.5	-3.1	-4.0	-6.5
Interest received	6.2	1.0	7.5	3.3	7.6	8.7
Interest paid	-15.2	-7.5	-30.8	-10.9	-28.9	-16.7
Tax paid	-19.3	-25.3	-36.0	-27.1	-66.3	-51.5
Cash flow from operating activities before changes in working capital	167.3	115.3	116.7	116.2	299.1	351.1
Changes in working capital						
Increase/decrease in inventories and work in progress	-89.3	-16.2	-202.1	-106.4	-81.6	-59.0
Increase/decrease in other current receivables	-56.2	5.4	-55.8	20.6	11.1	25.9
Increase/decrease in other current liabilities	673.5	377.3	753.3	541.1	89.9	174.0
Cash flow from operating activities	695.4	481.7	612.1	571.5	318.5	491.9

Cash flow statement, continued

Amounts in SEK M	Apr 1, 2016- Jun 30, 2016	Apr 1, 2015- Jun 30, 2015	Jan 1, 2016- Jun 30, 2016	Jan 1, 2015- Jun 30, 2015	12 months Jul 2015-Jun 2016	Full year 2015
Cash flow from investing activities						
Investment in intangible fixed assets	-6.7	-7.6	-12.7	-11.3	-25.2	-22.8
Investment in tangible fixed assets	-50.8	-41.8	-105.2	-89.9	-147.6	-141.4
Divestment of tangible fixed assets	0.0	0.0	0.0	0.0	0.0	0.0
Investment in other financial fixed assets	0.0	0.0	-0.1	0.5	0.2	0.7
Investments in subsidiaries	0.0	0.0	-703.7	0.0	-775.8	-72.1
Proceeds from the sale of subsidiaries	0.0	0.0	0.0	0.0	31.8	31.8
Cash flow from investing activities	-57.5	-49.3	-821.7	-100.7	-916.5	-203.7
Cash flow from financing activities						
Change in overdraft facility	-400.8	-259.6	-164.0	-290.9	139.8	-128.3
Issue of warrants	0.0	4.4	0.0	4.4	3.9	3.9
Dividend to shareholders	-130.0	-157.9	-130.0	-157.9	-157.9	-157.9
Borrowings	0.0	0.0	800.0	0.0	800.0	0.0
Amortization of loans	-0.5	-1.3	-173.2	-1.7	-176.3	-4.4
Cash flow from financing activities	-531.3	-414.3	332.8	-446.1	609.4	-286.8
Cash flow for the period	106.6	18.1	123.2	24.7	11.4	1.4
Cash and cash equivalents at the beginning of the period	40.5	29.1	23.9	22.5	29.1	22.5
Cash and cash equivalents at the end of the period	147.2	47.2	147.2	47.2	40.5	23.9

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

Largest shareholders at June 30, 2016

Name	Number of shares	Holding (%)
Nordea Investment Funds	6 610 394	10,88
SEB Investment Management	5 981 538	9,85
Swedbank Robur fonder	4 783 641	7,88
Handelsbanken fonder	3 311 524	5,45
Threadneedle Asset Management Ltd.	3 091 033	5,09
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	2 143 935	3,53
T. Rowe Price International Ltd.	1 768 997	2,91
Total ten largest shareholders (grouped by shareholders) - based on holding	35 508 333	58,46
Total other shareholders	25 228 712	41,54
Total, June 30, 2016	60 737 045	100,00