



Interim report January - September 2016

October 19, 2016

Magnus Agervald and Pernilla Walfridsson

Summary January - September 2016

In the third quarter, Byggmax's net sales increased 24 percent

- Net sales amounted to SEK 1,767.8 M (1,427.3), up 23.9 percent for the third quarter. Pro forma net sales totaled SEK 1,672.7 M for the third quarter of 2015, corresponding to a pro forma net sales increase of 5.7 percent. Net sales amounted to SEK 4,244.4 M (3,291.8) for the first nine months, up 28.9 percent. Pro forma net sales totaled SEK 3,922.6 M for the first nine months of 2015, corresponding to a pro forma net sales increase of 8.2 percent.
- Net sales for comparable stores declined 0.3 percent (up 13.5) for the third quarter and rose 3.2 percent (12.0) for the first nine months.
- The gross margin was 31.4 percent (30.0) for the third quarter and 30.8 percent (30.1) for the first nine months.
- EBITDA amounted to SEK 317.5 M (203.4) for the third quarter and SEK 487.2 M (357.8) for the first nine months. Pro forma EBITDA was SEK 231.2 M for the third quarter of 2015 and SEK 406.8 M for the first nine months.
- The EBITDA margin was 18.0 percent (14.2) for the third quarter and 11.5 percent (10.9) for the first nine months. The pro forma EBITDA margin amounted to 13.8 percent for the third quarter of 2015 and 10.4 percent for the first nine months.
- Profit after tax amounted to SEK 172.2 M (153.0) for the third quarter and SEK 227.9 M (233.5) for the first nine months.
- Earnings per share totaled SEK 2.8 (2.5) for the third quarter and SEK 3.8 (3.8) for the first nine months.

Summary January - September 2016

- A total of 14 (six) new stores were opened, including seven Byggmax stores in Sweden, two Byggmax stores in Norway and five Skånska Byggvaror stores in Sweden.
- A total of eleven stores were converted to the Byggmax 2.0 concept during the first three quarters.
- During the quarter, Byggmax's President and CEO Magnus Agervald informed the Board of his intention to step down.
- During the quarter the Board of Byggmax Group AB (publ) appointed Mattias Ankarberg as Byggmax's new President effective November 14, 2016 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.

Summary January - September 2016

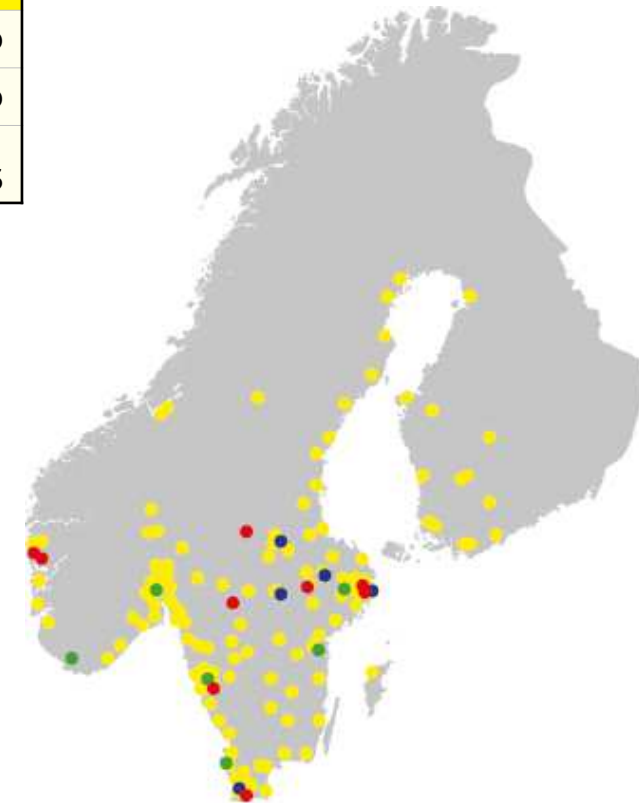
- Changes were made to Byggmax Group management in April, following the acquisition of Buildor and Skånska Byggvaror. Byggmax Group management now comprises President and CEO Magnus Agervald, CFO Pernilla Walfridsson, CEO of Byggmax AB Daniel Juhlin, President of Skånska Byggvaror Anders Johansson Eickhoff, President of Buildor Jonatan Schwamberg, Purchasing Manager at Byggmax Group AB Per Haraldsson and IT Manager at Byggmax Group AB Erik Börjesson.
- 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

14 stores were opened in 2016 and one opening is planned for the fourth quarter of 2016.

	Sweden	Norway	Finland	Skånska Byggvaror
Number of stores, Q3 2016	2	0	0	0
Planned openings, Q4 2016	0	1	0	0
Opened stores, 2016	7	2	0	5

Store network at September 30, 2016



The following stores were opened in 2016:

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

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

Norway: Sandnes

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



●	Byggmax stores	119
●	New Byggmax stores	9
●	Skånska Byggvaror/Grönt fokus stores	6
●	New Skånska Byggvaror/Grönt fokus stores	5

Bygghmax

Mattias Ankarberg new CEO of Bygghmax group

Bygghmax recruits its new CEO from the apparel retail industry. Mattias Ankarberg has a professional background from fashion retailer H&M and as an advisor to a number of consumer companies

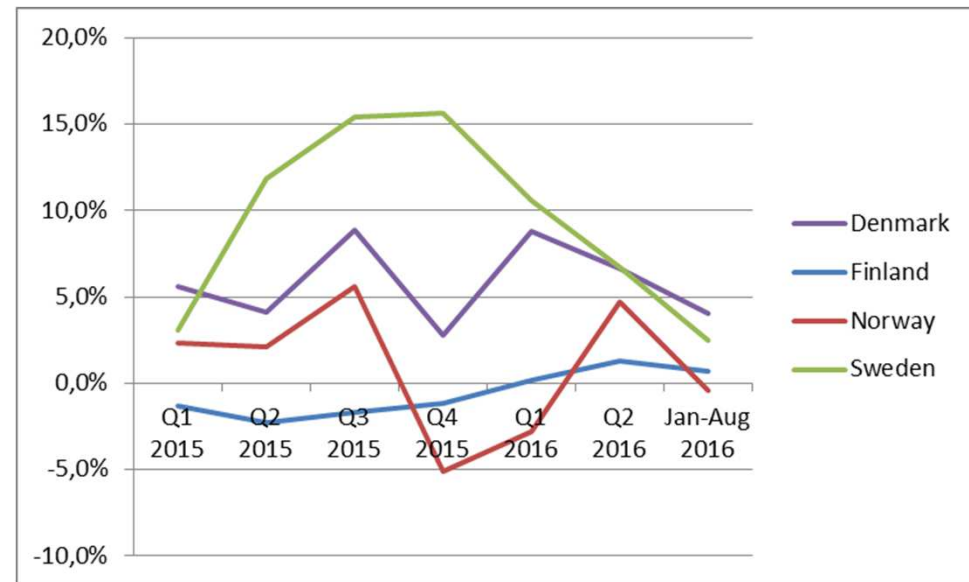
Mattias Ankarberg has for the last seven years worked at H&M, most recently as global head of sales and marketing. He has broad retail experience, including international expansion, e-commerce and realizing new ideas.

He has previously worked for McKinsey & Company in Sweden and USA as an advisor on similar topics.



Market developments

- The Swedish building supplies market grew 6.4 percent during the first eight months of the year.
- During the same period, the Norwegian market increased 0.7 percent and the Finnish market 0.7 percent.
- The Danish market increased 6.9 percent between January and July.
- 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 July 2016

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



Financial information

October 19, 2016

Byggmax

Results trend

Earnings overview	July - September		July-September pro-forma	12 months Oct 2015-Sep 2016	Full year
	2016	2015			
Net sales, SEK M	1,767.8	1,427.3	1,672.7	5,083.7	4,131.1
Gross margin, percent	31.4	30.0	30.3	31.0	30.6
EBITDA, excluding acquisition costs, SEK M	317.5	203.4	234.2	554.8	425.5
EBITDA, SEK M	317.5	203.4	231.2	545.2	415.8
EBITDA margin, percent	18.0	14.2	13.8	10.7	10.1
EBIT, SEK M	253.3	181.6	206.5	372.1	331.7
EBIT margin, SEK M	13.3	12.7	12.3	7.3	8.0
Profit after tax, SEK M	172.2	153.0		254.1	259.8
Earnings per share, SEK	2.8	2.5		4.2	4.3
Return on shareholders' equity	14.8	14.6		21.4	23.7
Cash flow from operating activities per share, SEK	-0.3	3.2		5.1	8.1
Shareholders' equity per share, SEK	20.7	18.4		20.7	18.8
Number of stores at the end of the period	139	118		139	119
New stores opened during the period	2	1		15	7

- EBITDA, excluding acquisition costs, amounted to SEK 317.5 M during the third quarter of 2016. This can be compared with SEK 234.2 M pro forma during the third quarter of 2015.
- Earnings were impacted by revaluation of part of the earnout linked to the acquisition of Skånska Byggvaror Group AB, the effect on other operating income was SEK 49.1 M. Earnings were also impacted by a SEK 44.8 M goodwill impairment linked to the acquisition of Skånska Byggvaror Group AB.
- EBIT for 2016 was impacted by the amortization of customer relationships and brands totaling SEK 9.9 M each quarter, which were identified in connection with the acquisition of Skånska Byggvaror.

Results trend

Earnings overview	January-September		Jan-Sep pro forma
	2016	2015	2015
Net sales, SEK M	4,244.4	3,291.8	3,922.6
Gross margin, percent	30.8	30.1	30.6
EBITDA, excluding acquisition costs, SEK M	487.5	258.1	410.2
EBITDA, SEK M	487.2	357.8	406.8
EBITDA margin, percent	11.5	10.9	10.4
EBIT, SEK M	336.6	296.2	336.6
EBIT margin, SEK M	7.9	9.0	8.6
Profit after tax, SEK M	227.9	233.5	
Earnings per share, SEK	3.8	3.8	
Return on shareholders' equity	19.0	21.6	
Cash flow from operating activities per share, SEK	9.6	12.7	
Shareholders' equity per share, SEK	20.7	18,4	
Number of stores at the end of the period	139	118	
New stores opened during the period	14	6	

- EBITDA, excluding acquisition costs, amounted to SEK 487.5 M during the first nine months of 2016. This can be compared with SEK 410.2 M pro forma during the first nine months of 2015.

Sales trend

The sales increase was divided according to the following:	July - September 2016	January - September 2016
Comparable stores, local currency, percent	-0.3	3.2
Non-comparable stores and Other, percent	24.3	27.0
Currency effects, percent	-0.2	-1.3
Total, percent	23.9	28.9

- The operation's net sales amounted to SEK 1,767.8 M (1,427.3) for the third quarter, up 23.9 percent, and SEK 4,244.4 M (3,291.8) for the first nine months, up 28.9 percent.
- Net sales for comparable stores increased -0.3 percent (13.5) in local currency for the third quarter and 3.2 percent (12.0) for the first nine months.
- Operating income amounted to SEK 1,495.7 M (1,428.5) for Byggmax, SEK 251.3 M for Skånska Byggvaror and SEK 77.3 M (1.2) for Other.

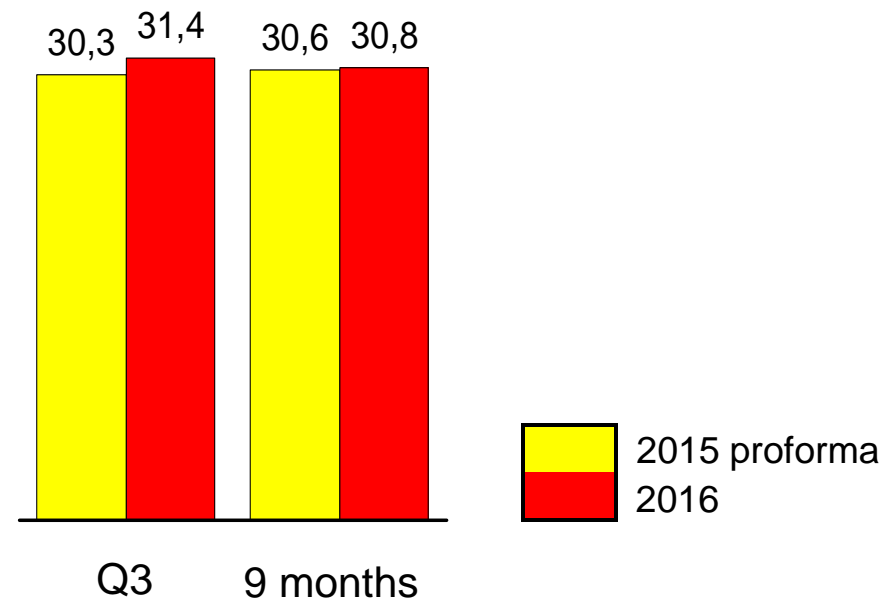
Gross margin

Third quarter

- The gross margin was 31.4 percent (30.0).
Pro forma gross margin was 30.3 percent.
- Gross margins on the in-store product range were positively impacted by mix effects. The NOK strengthened at the end of the quarter, which positively impacted gross margins. In addition, we are selling more online goods with a lower gross margin than the in-store product range.

First nine months

- The gross margin was 30.8 percent (30.1).
Pro forma gross margin was 30.6 percent.
- Gross margins on the in-store product range were positively impacted by mix effects. In addition, we are selling more online goods with a lower gross margin than the in-store product range.



Operating expenses

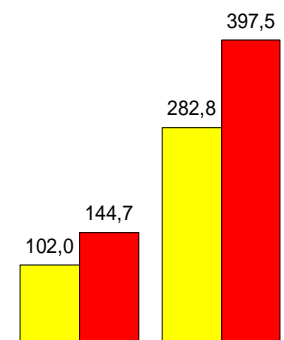
Third quarter

- Personnel costs and other external expenses rose a total of SEK 67,4 M.
- The increase in expenses compared with the year-earlier period was mainly attributable to costs linked to the acquired companies amounting to SEK 65.2 M.
- Personnel and other external expenses compared with the pro forma third quarter of 2015 increased SEK 16.7 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 third quarter of 2015, amounting to SEK 19.4 M.

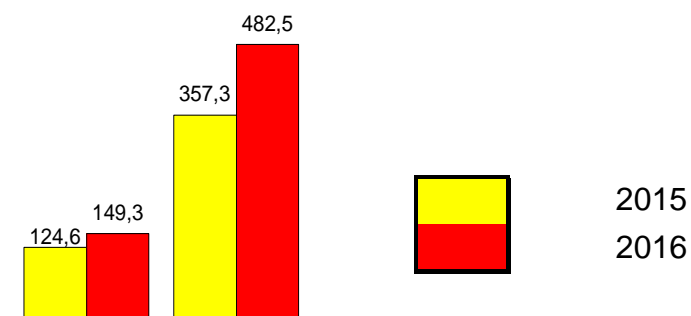
Nine months

- Personnel costs and other external expenses rose a total of SEK 239.9 M.
- The increase in expenses compared with the year-earlier period was mainly attributable to costs linked to the acquired companies amounting to SEK 200.9 M.
- Personnel and other external expenses compared with the pro forma third quarter of 2015 increased SEK 79.5 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 third quarter of 2015, amounting to SEK 54.1 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



Q3 Nine months

Q3 Nine months

Byggmax

Segments

SEK M	July - September		January - September	
	2016	2015	2016	2015
Income from external customers				
Byggmax	1,495.7	1,428.5	3,524.0	3,294.4
Skånska Byggvaror	251.3	0.0	649.2	0.0
Other	77.3	1.2	133.0	4.8
Total income	1,824.3	1,429.7	4,306.2	3,299.8
EBITDA				
Byggmax	242.7	193.7	381.7	328.6
Skånska Byggvaror	31.6	0.0	58.8	0.0
Other	43.3	9.7	46.6	29.2
Total	317.5	203.4	487.2	357.8

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	July - September		January - September		Full year
SEK M	2016	2015	2016	2015	2015
Group					
Profit from participations in Group companies	0.0	11.8	0.0	11.8	11.8
Comprehensive income from participations in Group companies	0.0	11.8	0.0	11.8	11.8
Financial income					
Exchange-rate gains	1.5	3.1	4.2	6.2	8.5
Changes in fair value – interest swaps and currency derivatives	2.8	4.5	8.5	10.2	10.5
Interest income	0.3	0.0	1.3	0.2	0.1
Other financial income	0.0	0.0	0.0	0.0	0.0
Total financial income	4.5	7.6	14.0	16.6	19.1
Financial expenses					
Exchange-rate losses	-6.3	-1.2	-13.4	-7.1	-8.1
Changes in fair value – interest swaps and currency derivatives	-1.4	0.0	-9.8	-7.8	-11.9
- interest expenses, bank loans	-4.8	0.2	-19.5	-4.6	-6.2
- interest expenses, discount rate earnout	-3.2	0.0	-9.5	0.0	-0.8
- financial leasing, reversal of discounting effect	0.0	0.0	0.0	-0.1	-0.2
Other financial expenses	-0.4	-0.1	-0.7	-0.3	-1.5
Total financial expenses	-16.2	-1.3	-52.7	-19.9	-28.6
Profit/loss from financial items	-11.7	18.1	-38.7	8.5	2.4

- Net financial items for the quarter were impacted by exchange-rate effects of SEK -3.5 M (pos. 6.4), 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	Jul 1, 2016- Sep 30, 2016	Jul 1, 2015- Sep 30, 2015	Jan 1, 2016- Sep 30, 2016	Jan 1, 2015- Sep 30, 2015	12 months Oct 1, 2015- Sep 30, 2016	Full year 2015
Cash flow from operating activities before changes in working capital	294.3	190.3	411.0	306.9	455.2	351.1
Changes in working capital	-321.2	6.4	174.2	461.7	-146.5	140.9
Cash flow from operating activities	-26.9	196.6	585.2	768.5	308.6	491.9
Cash flow from investing activities	-32.2	4.9	-853.9	-95.8	-961.8	-203.7
Cash flow from financing activities	42.6	12.6	290.2	-433.9	437.3	-286.8
Cash flow for the period	-101.7	214.2	21.5	238.9	-215.9	1.4
Cash and cash equivalents at the beginning of the period	147.2	47.2	23.9	22.5	261.4	22.5
Cash and cash equivalents at the end of the period	45.5	261.4	45.5	261.4	45.5	23.9

- Cash flow from operating activities for the third quarter down by SEK 223.5 M. The cash flow was impacted by Buildor AB and the Skånska Byggvaror Group, cash flow for the period was also affected by the allocation of accounts payable between the quarters.
- Investments relating to the conversion of stores to the Byggmax 2.0 concept totaled SEK 1.3 M (3.4) for the third quarter and SEK 38.0 M (44.4) for the first nine months.
- Cash flow from investments for the first nine months was impacted by the acquisition of Skånska Byggvaror in an amount of SEK 703.7 M.



Condensed financial statements January - September 2016

October 19, 2016

Byggmax

Income statement

	Jul 1, 2016-	Jul 1, 2015-	Jan 1, 2016-	Jan 1, 2015-	Oct 1, 2015-	Jan 1, 2015-
Amounts in SEK M	Sep 30, 2016	Sep 30, 2015	Sep 30, 2016	Sep 30, 2015	Sep 30, 2016	Dec 31, 2015
Net sales	1,767.8	1,427.3	4,244.4	3,291.8	5,083.7	4,131.1
Other operating income	56.5	2.5	61.8	7.4	64.5	10.0
Operating income	1,824.3	1,429.7	4,306.2	3,299.2	5,148.2	4,141.1
Operating expenses						
Goods for sale	-1,212.7	-999.7	-2,939.0	-2,301.2	-3,506.1	-2,868.3
Other external and operating expenses	-149.3	-124.6	-482.5	-357.3	-596.4	-471.2
Personnel costs	-144.7	-102.0	-397.5	-282.8	-500.5	-385.8
Depreciation, amortization and impairment of intangible and tangible fixed assets	-82.3	-21.8	-150.5	-61.6	-173.1	-84.1
Total operating expenses	-1,589.0	-1,248.2	-3,969.6	-3,002.9	-4,776.1	-3,809.4
EBIT	235.3	181.6	336.6	296.2	372.1	331.7
Profit/loss from financial items	-11.7	18.1	-38.7	8.5	-44.8	2.4
Profit/loss before tax	223.6	199.7	297.9	304.7	327.3	334.1
Income tax	-51.4	-46.6	-70.1	-71.2	-73.2	-74.3
Profit/loss for the period	172.2	153.0	227.9	233.5	254.1	259.8

Byggmax

Balance sheet

Amounts in SEK M	Sep 30, 2016	Sep 30, 2015	Dec 31, 2015	Amounts in SEK M	Sep 30, 2016	Sep 30, 2015	Dec 31, 2015
ASSETS				SHAREHOLDERS' EQUITY AND LIABILITIES			
Fixed assets				Shareholders' equity	1,256.1	1,118.4	1,142.0
Intangible fixed assets	2,230.9	1,086.1	1,215.7	Liabilities			
Tangible fixed assets	386.5	281.0	286.6	Borrowing from credit institutions	800.2	0.2	0.1
Financial fixed assets	22.0	22.2	25.0	Deferred tax liabilities	185.5	94.4	105.8
Total fixed assets	2,639.3	1,389.2	1,527.2	Other long-term liabilities	47.0	0.0	42.9
Current assets				Long-term liabilities	1,032.7	94.6	148.7
Inventories	874.3	689.4	666.1	Borrowing from credit institutions	158.5	203.3	350.9
Derivatives	0.0	3.7	0.0	Accounts payable	928.8	813.7	520.3
Current receivables	194.0	76.2	109.3	Current tax liabilities	52.4	37.9	18.4
Cash and cash equivalents	53.4	269.7	31.7	Derivatives	3.7	0.0	0.1
Total current assets	1,121.6	1,039.0	807.1	Other liabilities	164.2	56.7	34.4
TOTAL ASSETS	3,760.9	2,428.3	2,334.4	Accrued expenses and deferred income	164.4	103.7	119.6
				Current liabilities	1,472.1	1,215.3	1,043.7
				TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,760.9	2,428.3	2,334.4
				Pledged assets – Shares in subsidiaries	0.0	1,382.4	0.0
				Pledged assets – Chattel mortgages	0.0	120.0	0.0
				Pledged assets – Blocked funds	7.9	8.3	7.7
				Contingent liabilities	None	None	None

Cash flow statement

Amounts in SEK M	Jul 1, 2016- Sep 30, 2016	Jul 1, 2015- Sep 30, 2015	Jan 1, 2016- Sep 30, 2016	Jan 1, 2015- Sep 30, 2015	12 months Oct 2015- Sep 2016	Full year 2015
Cash flow from operating activities						
EBIT	235.3	181.6	336.6	296.2	372.1	331.7
Non-cash items						
-Depreciation/amortization of intangible and tangible fixed assets	81.4	21.8	150.5	61.6	174.3	85.4
- Other non-cash items	4.6	-3.1	10.2	-6.2	9.9	-6.5
Interest received	2.6	3.1	10.1	6.4	12.3	8.7
Interest paid	-15.6	-1.3	-46.4	-12.1	-51.0	-16.7
Tax paid	-14.0	-11.9	-49.9	-39.0	-62.4	-51.5
Cash flow from operating activities before changes in working capital	294.3	190.3	411.0	306.9	455.2	351.1
Changes in working capital						
Increase/decrease in inventories and work in progress	59.5	30.6	-142.7	-75.8	-125.8	-59.0
Increase/decrease in other current receivables	-4.9	29.6	-60.6	50.2	-84.9	25.9
Increase/decrease in other current liabilities	-375.8	-53.8	377.5	487.3	64.2	174.0
Cash flow from operating activities	-26.9	196.6	585.2	768.5	308.6	491.9

Cash flow statement, continued

Amounts in SEK M	Jul 1, 2016- Sep 30, 2016	Jul 1, 2015- Sep 30, 2015	Jan 1, 2016- Sep 30, 2016	Jan 1, 2015- Sep 30, 2015	12 months Oct 2015-Sep 2016	Full year 2015
Cash flow from investing activities						
Investment in intangible fixed assets	-3.7	-2.5	-16.5	-13.7	-25.5	-22.8
Investment in tangible fixed assets	-28.3	-24.0	-133.5	-114.0	-160.9	-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	-0.1	-0.4	-0.2	0.1	0.4	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	31.8	0.0	31.8	0.0	31.8
Cash flow from investing activities	-32.2	4.9	-853.9	-95.8	-961.8	-203.7
Cash flow from financing activities						
Change in overdraft facility	57.9	14.2	-106.1	-276.7	42.3	-128.3
Issue of warrants	0.0	-0.6	0.0	3.9	0.0	3.9
Dividend to shareholders	0.0	0.0	-130.0	-157.9	-130.0	-157.9
Borrowings	0.0	0.0	800.0	0.0	800.0	0.0
Amortization of loans	-100.5	-1.0	-273.7	-3.1	-275.0	-4.4
Cash flow from financing activities	-42.6	12.6	290.2	-433.9	437.3	-286.8
Cash flow for the period	-101.7	214.2	21.5	238.9	-215.9	1.4
Cash and cash equivalents at the beginning of the period	147.2	47.2	23.9	22.5	261.4	22.5
Cash and cash equivalents at the end of the period	45.5	261.4	45.5	261.4	45.5	23.9

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

September 2016

Largest shareholders at September 30, 2016

Name	Number of shares	Holding (%)
Nordea Investment Funds	6 715 894	11,06
SEB Investment Management	5 982 604	9,85
Swedbank Robur fonder	5 876 132	9,67
Handelsbanken fonder	3 469 722	5,71
JPMorgan Asset Management (UK) Ltd.	3 035 975	5,00
Schroder Investment Management North America, Inc.	2 400 000	3,95
Carnegie fonder	2 389 150	3,93
Jarrton Management (Göran Peterson)	2 381 296	3,92
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	1 567 746	2,58
Threadneedle Asset Management Ltd.	1 541 542	2,54
Total ten largest shareholders (grouped by shareholders) - based on holding	35 360 061	58,22
Total other shareholders	25 376 984	41,78
Total, September 30, 2016	60 737 045	100,00