

IN THE THIRD QUARTER, BYGGMAX INCREASED NET SALES BY +24%

July 1 - September 30

- Net sales amounted to SEK 1,767.8 M (1,427.3), up 23.9 percent. 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 for comparable stores decreased 0.3 percent (increased 13.5).
- The gross margin was 31.4 percent (30.0).
- EBITDA amounted to SEK 317.5 M (203.4). Pro forma EBITDA was SEK 231.2 M for the third quarter of 2015.
- The EBITDA margin was 18.0 percent (14.2). The pro forma EBITDA margin was 13.8 percent for the third quarter of 2015.
- EBIT amounted to SEK 235.3 M (181.6). Pro forma EBIT was SEK 206.5 M for the third quarter of 2015.
- The profit after tax was SEK 172.2 M (153.0).
- Earnings per share totaled SEK 2.8 (2.5).

Significant events during July - September

- Two (one) new stores were opened, two Byggmax stores in Sweden.
- During the quarter, Byggmax's President and CEO Magnus Agervald informed the Board of his intention to step down.
- Moreover, the Board of Byggmax Group AB (publ) appointed Mattias Ankarberg as Byggmax's new President effective November 14, 2016 during the quarter.

Earnings overview	THIRD QUARTER			12 MONTHS	FULL YEAR
	July-Sep 2016	July-Sep 2015	July-Sep 2015 pro forma ¹	Oct 1, 2015 - Sep 30, 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 ²	203.4	234.2	554.8 ²	425.5
EBITDA, SEK M	317.5 ²	203.4	231.2	545.2 ²	415.8
EBITDA margin, percent	18.0 ²	14.2	13.8	10.7 ²	10.1
EBIT, SEK M	235.3 ²	181.6	206.5	372.1 ²	331.7
EBIT margin, SEK M	13.3 ²	12.7	12.3	7.3 ²	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 equity, percent	14.8	14.6		21.4	23.7
Cash flow from operating activities per share, SEK	-0.4	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

¹ July-September 2015 pro forma, see note 4

² Earnings were impacted by revaluation of part of the earnout linked to the acquisition of Skånska Byggarvar Group AB, other operating income was impacted by SEK 49.1 M. Earnings were also impacted by an impairment of goodwill of SEK 44.8 M linked to the acquisition of Skånska Byggarvar Group AB.

January 1 - September 30

- Net sales amounted to SEK 4,244.4 M (3,291.8), 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 increased 3.2 percent (12.0).
- The gross margin was 30.8 percent (30.1).
- EBITDA amounted to SEK 487.2 M (357.8). Pro forma EBITDA was SEK 406.8 M for the first nine months of 2015.
- The EBITDA margin was 11.5 percent (10.9). The pro forma EBITDA margin was 10.4 percent for the first nine months of 2015.
- EBIT amounted to SEK 336.6 M (296.2) Mkr. Pro forma EBIT was SEK 336.6 M for the first nine months of 2015.
- The profit after tax was SEK 227.9 M (233.5).
- Earnings per share totaled SEK 3.8 (3.8).

Significant events during January - September

- A total of fourteen (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 nine months.
- 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 by loans. In connection with this transaction, Anders Johansson Eickhoff, President of Skånska Byggvaror, became a member of Byggmax Group management.
- The Board of Directors has 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 at least 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.
- 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.

Earnings overview

	JANUARY - SEPTEMBER		
	Jan-Sep 2016	Jan-Sep 2015	Jan-Sep 2015 proforma ¹
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 ²	358.1	410.2
EBITDA, SEK M	487.2 ²	357.8	406.8
EBITDA margin, percent	11.5 ²	10.9	10.4
EBIT, SEK M	336.6 ²	296.2	336.6
EBIT margin, SEK M	7.9 ²	9.0	8.6
Profit after tax, SEK M	227.9	233.5	
Earnings per share, SEK	3.8	3.8	
Return on equity, percent	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	

¹ January-September 2015 pro forma, see note 4

²Earnings were impacted by revaluation of part of the earnout linked to the acquisition of Skånska Byggvaror Group AB, other operating income was impacted by SEK 49.1 M. Earnings were also impacted by an impairment of goodwill of SEK 44.8 M linked to the acquisition of Skånska Byggvaror Group AB.

PRESIDENT'S COMMENTS ON RESULTS

Sales rose in the third quarter

Total sales increased 24 percent year-on-year, and growth in comparable stores was down 0.3 percent. Growth in comparable stores was down year-on-year due to lower market growth and tough comparative figures for 2015. Pro forma sales increased 5.7 percent. The weakest month for the quarter was July. Sales in stores that had converted to 2.0 had a positive impact.

The initiated cost measures have started to have an impact. Skånska Byggvaror has completed a reorganization and all companies in the group have trimmed their costs.

Due to a softer than expected performance in the third quarter, our assessment is that we will not pay all of the earnout for Skånska Byggvaror. We have revalued the earnout, which resulted in an increase in other operating income of SEK 49.1 M. Earnings were also impacted by an impairment of goodwill of SEK 44.8 M linked to the acquisition of Skånska Byggvaror Group AB. We continue to have strong belief in the long-term potential for Skånska Byggvaror.

Gross margin and price changes for products and input goods

The gross margin for the quarter was 1.1 percent higher than the pro forma margin in the third quarter of 2015. Gross margins in stores were positively impacted by mix effects, the 2.0 assortment is impacting the mix positively. Further, the NOK has strengthened in the quarter. Input goods' prices were in line with the year-earlier period and retail prices have remained largely unchanged, with certain variations in each country.

Market

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.

Strategic business decisions

Two new stores were opened during the quarter, both of which were Byggmax stores. According to our assessment, we expect to open ten Byggmax stores in 2016, including Design Your Living (DYL) stores. The goal was to open 10-15 stores. DYL is a store located on Kungsgatan in Stockholm, one of the city's largest shopping streets. At the DYL 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.

Byggmax upgrades the store concept and expands the store product range - Byggmax 2.0

Byggmax 2.0 stores continue to deliver promising sales increases and improved gross margins following conversion. No stores were converted during the quarter. This means that all stores have now been converted, with the exception of one store that will be relocated in the fourth quarter.

Sustainability at Byggmax

Sustainability is important for Byggmax and impacts our decisions. As part of efforts to preserve the environment, in particular from CO₂ emissions, Byggmax has opened a new distribution center in Gävle. This will reduce the need for road freight, since this will be replaced with sea freight, which emits less CO₂. Our goal is to reduce our CO₂ emissions by 25 percent over the period from 2009 to 2020.

Outlook

With our low prices and considerable cost awareness, presence in several channels and access to a broad product range, we are on the side of the customer. The market trend is positive in Sweden, but the market was very strong in the fourth quarter last year, and accordingly, Q4 market growth will probably be lower than it has been to date this year. In the Finnish market, uncertainty continues regarding economic developments. Even Norway is showing a degree of uncertainty due to the low oil price. We continue to capture of market share in our categories, which confirms the strength of the concepts in the Byggmax Group.

These will be my last comments as President of the Byggmax Group (publ). I would like to thank all employees, customers, suppliers and shareholders for an amazing partnership over my ten years at Byggmax. I am certain that Byggmax will continue to develop strongly under Mattias Ankarberg's leadership.

Magnus Agervald

President of Byggmax Group AB (publ)



In 2016, Byggmax has opened 14 new stores: seven Byggmax stores in Sweden, two Byggmax stores in Norway and five Skånska Byggvaror stores. Following the acquisition, Skånska Byggvaror's existing stores are also included in the diagram for 2016. The image above shows how the store network has expanded since Byggmax was founded in 1993.



CONSOLIDATED SALES AND EARNINGS

July 1 - September 30

Revenues

The operation's net sales totaled SEK 1,767.8 M (1,427.3), up 23.9 percent. Operating revenue was SEK 1,824.3 M (1,429.7), up 27.6 percent. Total operating income was impacted by the reversal of part of the earnout linked to the acquisition of Skånska Byggaror Group AB amounting to SEK 49.1 M. Net sales for comparable stores decreased 0.3 percent in local currency. Operating income amounted to SEK 1,495.7 M (1,428.5) for Byggmax, SEK 251.3 M for Skånska Byggaror and SEK 77.3 M (1.2) for Other. The increase in sales was influenced positively by the acquisitions. The weakest sales month of the quarter was July.

The sales increase of 23.9 percent was divided according to the following:

Comparable stores ¹ , local currency, percent	-0.3
Non-comparable units and other, percent	24.3
Exchange-rate effects, percent	-0.2
Total, percent	23.9

The Group opened two (one) stores during the quarter: two Byggmax stores in Sweden. The total number of stores in the Group as of September 30, 2016 thereby amounted to 139 (118).

EBIT

EBIT amounted to SEK 235.3 (181.6) M, corresponding to an EBIT margin of 13.3 percent (12.7). The gross margin was 31.4 percent, compared with 30.0 percent in the year-earlier period. 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.

Personnel costs and other external expenses increased 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 (0.0).

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.

EBIT was impacted by the amortization of customer relationships and brands totaling SEK 9.9 M identified in connection with the acquisition of Skånska Byggaror. Earnings were impacted by revaluation of part of the earnout linked to the acquisition of Skånska Byggaror Group AB, other operating income was impacted by SEK 49.1 M. Earnings were also impacted by an impairment of goodwill of SEK 44.8 M linked to the acquisition of Skånska Byggaror.

Profit before tax

Profit before tax amounted to SEK 223.6 M (199.7). Net financial items amounted to a cost of SEK 11.7 M (revenue: 18.1). Net financial items for the quarter were negatively impacted by exchange-rate effects of SEK 3.5 M (positive 6.4) and increased borrowing as a result of the acquisitions. The third quarter 2015 was positively impacted by the sale of the subsidiary Lännersta 14:1 AB, owning a property in Nacka, which generated a capital gain of SEK 11.8 M.

Taxes

Tax expenses for the third quarter of 2016 totaled SEK 51.4 M (46.6).

CONSOLIDATED SALES AND EARNINGS

January 1 - September 30

Revenues

The operation's net sales totaled SEK 4,244.4 M (3,291.8), up 28.9 percent. Operating revenue was SEK 4,306.2 M (3,299.2), up 30.5 percent. Total operating income was impacted by the reversal of part of the earnout linked to the acquisition of Skånska Byggaror Group AB amounting to SEK 49.1 M. Net sales for comparable stores increased 3.2 percent in local currency. Operating income amounted to SEK 3,524.0 M (3,294.4) for Byggmax, SEK 649.2 M for Skånska Byggaror and SEK 133.0 M (4.8) for Other. The increase in sales was influenced positively by the acquisitions.

The sales increase of 28.9 percent was divided according to the following:

Comparable stores ¹ , local currency, percent	3.2
Non-comparable units and other, percent	27.0
Exchange-rate effects, percent	-1.3
Total, percent	28.9

The Group opened fourteen (six) stores during the period: seven Byggmax stores in Sweden, two Byggmax stores in Norway and five Skånska Byggaror stores in Sweden. The total number of stores in the Group as of September 30, 2016 thereby amounted to 139 (118).

EBIT

EBIT amounted to SEK 336.6 (296.2) M, corresponding to an EBIT margin of 7.9 percent (9.0). The gross margin was 30.8 percent, compared with 30.1 percent in the year-earlier period. 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.

Personnel costs and other external expenses increased 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 (0.0).

Personnel and other external expenses compared with the pro forma first nine months 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 period, other than for new stores, was attributable to expenses associated with the investments being made.

EBIT was impacted by the amortization of customer relationships and brands totaling SEK 29.7 M identified in connection with the acquisition of Skånska Byggaror. Earnings were impacted by revaluation of part of the earnout linked to the acquisition of Skånska Byggaror Group AB, other operating income was impacted by SEK 49.1 M. Earnings were also impacted by an impairment of goodwill of SEK 44.8 M linked to the acquisition of Skånska Byggaror.

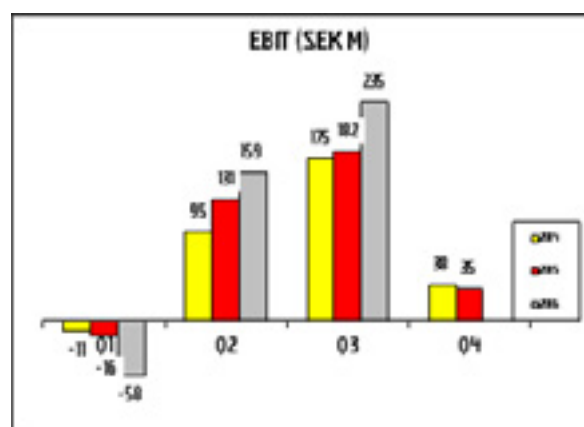
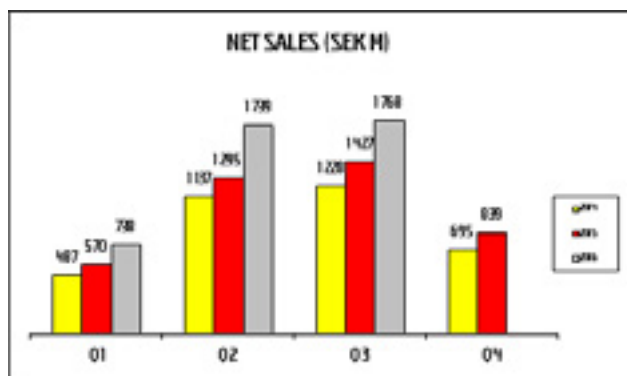
Profit before tax

Profit before tax amounted to SEK 297.9 M (304.7). Net financial items amounted to a cost of SEK 38.7 M (revenue: 8.5). Net financial items for the period were negatively impacted by exchange-rate effects of SEK 10.4 M (positive 1.6) and increased borrowing as a result of the acquisitions. Earnings were also impacted by a nonrecurring cost of SEK 3.9 M linked to the acquisition of Skånska Byggaror Group AB. The third quarter 2015 was positively impacted by the sale of the subsidiary Lännersta 14:1 AB, owning a property in Nacka, which generated a capital gain of SEK 11.8 M.

Taxes

Tax expenses for the first nine months of 2016 totaled SEK 70.1 M (expense: 71.2).

¹A comparable unit is considered comparable from the beginning of the second year following the opening of the online or physical store. Stores that are relocated to new premises in existing locations are treated in the same manner. Comparable stores includes two Skånska Byggaror stores.



REPORT ON THE BUSINESS SEGMENT

Skånska Byggvaror AB was acquired by Byggmax on January 4, 2016. Due to the acquisition, the internal follow-up will include separate financial information for each brand, which is why segment information from the first quarter of 2016 will be 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 (EBITDA). In 2015, operations were only followed up based on one reportable segment, Byggmax, which was included for the comparative period in accordance with the presentation format that will be used in 2016. For more information see note 1.

Byggmax

The Byggmax segment includes Byggmax AB and the subsidiaries Byggmax Norge and Byggmax AB Finland. Operating income increased 5.8 percent during the third quarter to SEK 1,495.7 M (1,428.5) and 4.7 percent during the first nine months of the year to SEK 3,524.0 M (3,294.4). EBIT amounted to SEK 203.7 M (160.4) for the third quarter and SEK 270.8 M (232.8) for the first nine months of the year. 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 and, in addition, we are selling more online goods with a lower gross margin than the in-store product range. Earnings were also impacted by costs of SEK 13.8 M for stores opened after the third quarter of 2015. The EBIT margin was 13.6 percent (11.2) for the quarter and 7.7 percent (7.1) for the first nine months of the year.

Skånska Byggvaror

Operating income increased 8.8 percent to SEK 251.3 M during the third quarter and increased 10.2 percent to SEK 649.2 M during the first nine months of the year. EBIT amounted to positive SEK 28.1 M during the third quarter and SEK 49.5 M during the first nine months of the year. Earnings were also impacted by costs linked to stores opened after the third quarter of 2015 amounting to SEK 18.5 M. The EBIT margin amounted to 11.1 percent for the third quarter and 7.6 percent for first nine months of the year.

SEGMENT SUMMARY

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	3,299.2
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

CASH FLOW AND FINANCIAL POSITION

Cash flow and financial position

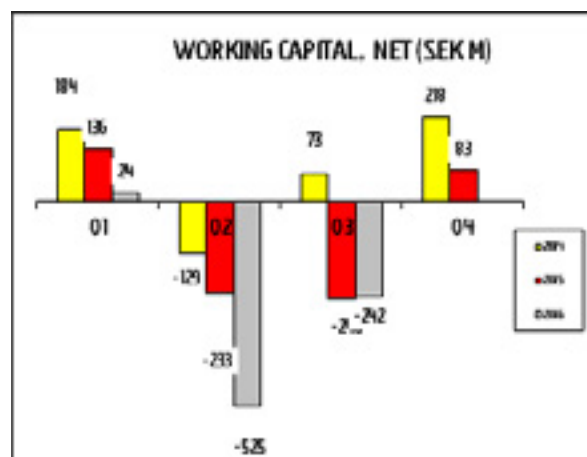
Cash flow from operating activities amounted to SEK -26.9 M (196.6) for the period July to September, down SEK 223.5 M year-on-year, and to SEK 585.2 M (768.5) the first nine months. Cash flow from operating activities for the third quarter down by SEK 223.5 M. The cash flow was impacted by Buildor AB and the Skånska Byggarvar Group, cash flow for the period was also affected by the allocation of accounts payable between the quarters. Inventory totaled SEK 874.3 M (689.4), up SEK 184.9 M. Inventory for Skånska Byggarvar totaled to SEK 89.7 M. Compared with the end of the year-earlier period, eight new Byggmax stores were added and the associated inventory amounted to SEK 44.1 M. Distribution inventory was SEK 47.8 M higher year-on-year.

At September 30, 2016, consolidated shareholders' equity amounted to SEK 1,256.1 M (1,184.4). Consolidated net debt was SEK 905.4 M (receivables: 66.2), up SEK 971.6 M year-on-year. The higher net debt can be explained by the acquisition of Skånska Byggarvar, which has been financed via a bank loan with Svenska Handelsbanken. The equity/assets ratio amounted to 33.4 percent (46.1). Unutilized credits totaled SEK 562.1 M (400.0).

Investments during the third quarter amounted to SEK 32.1 M (26.5). Of these investments, SEK 20.9 M (13.2) pertained to investments in stores opened or stores to be opened during 2016 and SEK 3.7 M (2.5) to IT investments. Investments relating to the conversion of stores to the Byggmax 2.0 concept totaled SEK 1.3 M (3.4) for the third quarter. Investments during the first nine months of 2016 amounted to SEK 150.0 M (127.7). Of these investments, SEK 65.7 M (28.6) pertained to investments in stores opened or stores to be opened during 2016 and SEK 22.0 M (13.3) to IT investments. Investments relating to the conversion of stores to the Byggmax 2.0 concept totaled SEK 38.0 M (44.4) for the first nine months of 2016.

During 2012-2013, in two principal cases, Swedish Customs decided to levy Byggmax for additional VAT charges, customs sanction fees, customs and anti-dumping duties. Byggmax and its subsidiaries have appealed these decisions and the subsequent judgements with different legal instances. Swedish Customs has, in turn, appealed against a judgement made by the Administrative Court. The current status of the cases is that the 2012 case was remanded to the Administrative Court for reconsideration, where it was decided to reject Byggmax's appeal. The Supreme Administrative Court decided against providing leave to appeal for the cases for 2013, which had been sent there for appeal by Byggmax's subsidiaries. For further historical information on these cases, please refer to the 2015 Annual Report and previous years.

In parallel with these processes, Byggmax has agreed on future compensation in a corresponding amount with the supplier that sold the products in question and on which general customs and anti-dumping duties were payable. Byggmax paid a total of SEK 23.2 M in customs and anti-dumping duties to Swedish Customs, while outstanding supplier receivables amount to SEK 16.8 M.



Acquisition of subsidiary

On January 4, 2016, Skånska Byggarvar Group AB (Corp. Reg. No. 556987-6849) was acquired with the aim of strengthening Byggmax's online store offering. Skånska Byggarvar AB is a fast-growing e-commerce player with operations in Sweden, Norway and Denmark. The acquisition includes 100 percent of the shares in Skånska Byggarvar Group AB and has had the following effects on the consolidated balance sheet and cash and cash equivalents. A possible earnout of SEK 110.0 M was recorded, if EBITDA exceeds SEK 67 M in 2016, with a maximum payout if EBITDA reaches SEK 79 M or more. The earnout for the acquisition is valued at fair value and discounted based on future payment dates. It was noted during the quarter that SEK 50 M will not be regulated based on the actual result forecast for Skånska Byggarvar Group AB. As a consequence of this, SEK 49.1 M, which comprises the discounted value of the earnout, payment of which has been assessed as unlikely, has been recognized as other operating income. As of September 30, 2016, the discounted earnout amounted to SEK 58.9 M.

Since the acquisition date, Skånska Byggarvar Group AB has contributed SEK 649.2 M in sales and SEK 49.5 M in EBIT. Goodwill resulted from the acquisition, and consists of synergy effects. The effect of deferred tax was also taken into account when making this adjustment. Intangible assets in the form of customer relationships and the brand were identified in connection with the acquisition. Byggmax amortizes these assets, and the annual cost is estimated at SEK 39.6 M for amortizations and SEK 8.7 M for deferred tax. The acquisition analysis is subject to a final adjustment one year after the date of acquisition.

A lower earnings forecast for the company compared with that used at the acquisition date. This used estimated future cash flows based on the 2016 business plan and forecasts for the period from 2016 to 2021. The forecasts were based on a number of principal assumptions concerning future growth and EBIT margins. After the forecast period, an estimated growth rate of 2 percent has been used for the cash-generating unit and, for the impairment test, a WACC of 10.7 percent has been used. This resulted in a SEK 44.8 M impairment which impacted earnings.

CASH FLOW AND FINANCIAL POSITION

CONT.

Preliminary acquisition analysis Skånska Byggsvaror	Fair value, SEK M
Customer relationships	117.8
Brand	191.2
Intangible assets	0.0
Tangible assets	22.8
Deferred tax assets	0.0
Other long-term receivables	0.0
Inventories	58.9
Accounts receivable and other receivables	28.2
Cash and cash equivalents	39.0
Deferred tax	-1.0
Long-term liabilities	-172.5
Accounts payable and other liabilities	-127.5
Net assets acquired	156.9
Goodwill	687.7
Total purchase consideration	844.6
Unpaid part of purchase consideration	-101.9
Cash and cash equivalents at acquired company	-39.0
Change in the Group's cash and cash equivalents following the acquisition	-703.7

New store openings

A total of fourteen new stores were opened during the period January to September 2016: seven Byggmax stores in Sweden, two Byggmax stores in Norway and five Skånska Byggsvaror stores in Sweden.

The following Byggmax stores have been publicly announced and will be opened in 2016: Sandnes in Norway.

The Byggmax workforce

The number of employees (converted into full-time equivalents) totaled 1,215 (900) at the end of the period. This increase in the number of employees can be explained by 222 employees at the acquired companies.

Parent Company

The Parent Company comprises a holding company. The Parent Company's sales amounted to SEK 0.1 M (0.1) for the third quarter and SEK 0.2 M (0.2) for the first nine months. An expense of SEK 6.1 M (expense 1.1) after net financial was posted for the third quarter and an expense of SEK 18.1 M (expense 8.0) after net financial items was posted for the first nine months.

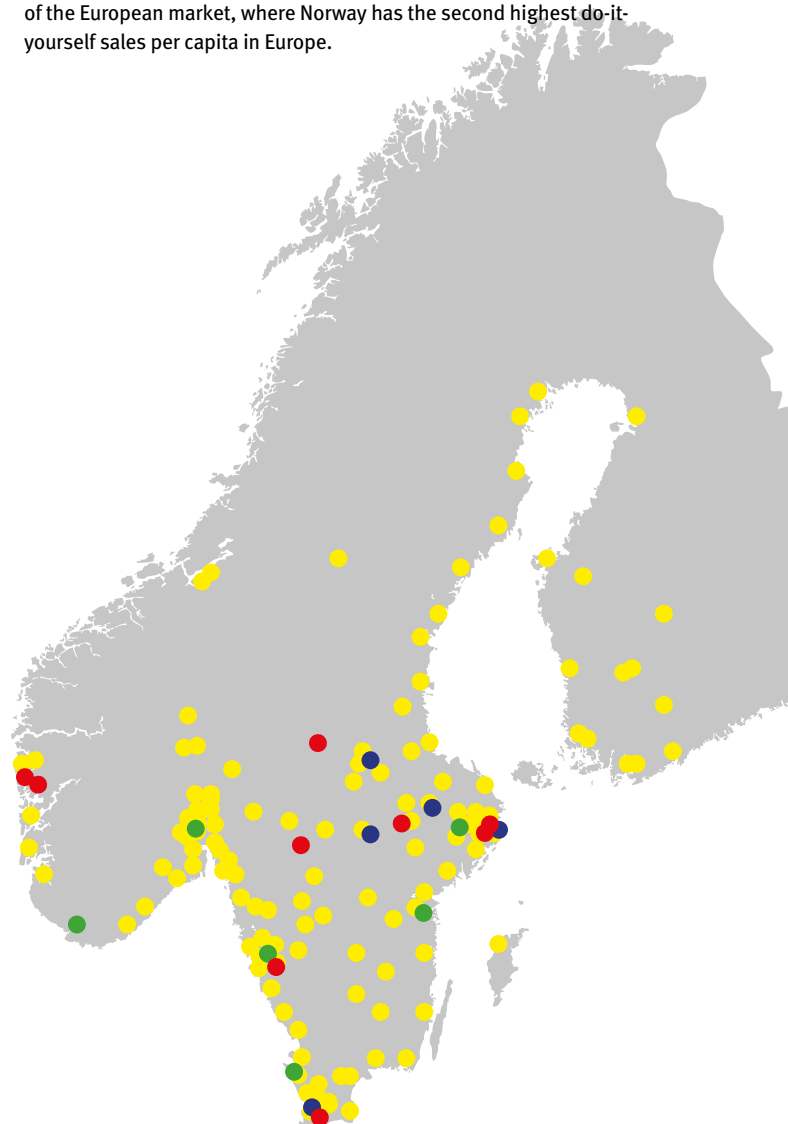
¹As stated in the description on page 6, the total earnout has been revalued by an amount of SEK 49.1 M and a SEK 44.1 M impairment applied to goodwill.

Events after the close of the reporting period

Erik Börjesson, head of IT, has terminated his position in Byggmax after the end of the reporting period.

MARKET – POTENTIAL FOR FURTHER GROWTH

The Byggmax Group conducts business in the Swedish, Norwegian, Finnish and Danish do-it-yourself market. The European do-it-yourself market's total turnover is approximately 112.8 billion euros (estimated do-it-yourself market size 2013) according to Mintel and is expected to grow by about two percent per year over the next five years compared with an average annual growth 2009-2013 at 2.2 percent. The corresponding figures for the same period in Sweden, Norway, Finland and Denmark show an average annual growth that exceeds many other European countries since 2009, with Sweden having the highest growth number of 7.6 percent. Sweden, Norway, Finland and Denmark together account for nearly 6 percent of the European market, where Norway has the second highest do-it-yourself sales per capita in Europe.



●	Byggmax stores	119
●	New Byggmax stores	9
●	Skånska Byggsvaror/Grønt fokus stores	6
●	New Skånska Byggsvaror/Grønt fokus stores	5

THE BYGGMAX GROUP

Byggmax in brief

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 organization 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 determined its long-term goals for the Group as follows:

- Nets sales to grow 15 percent per year over time, inclusive of acquisitions.
- To have an EBITDA margin of at least 9 percent per year.
- To distribute at least 50 percent of net profit.

Strategies

Byggmax's strategy for achieving its financial goals is to expand the chain of stores in existing markets, to improve operating activities and to maintain continuous focus on business development.

To reach the financial goals, Byggmax has defined the following strategies:

- Expand the retail network for Byggmax and Skånska Byggvaror
- Expand the online assortment
- Strengthen the brands in the Group
- Continue to drive efficiency within the organization
- Improve the purchasing conditions of goods and services
- Develop the offer, e.g. what we have done by offering construction services for a fixed price

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 functionwide 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, refer to 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. It is just as important for us to provide fast and personal customer service as it is to ensure our employees have the requisite expertise regarding the products' function and accessories to be able to help customers in the most effective way. Another equally important aspect is offering lightning-fast deliveries, which is something Buildor is known for.

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 expansive and profitable online Nordic distance retailer of value-added building products for the DIY market.

Skånska Byggvaror offers a carefully selected and affordable product range to DIY customers, mainly through its web platform. The business model is characterized by a high number of products under its own brand, control of the value chain from product development to home delivery and a high level of service regardless of sales channel. Skånska Byggvaror has 11 stores: nine in Sweden and two in Norway.

¹ Previous financial targets were: • To achieve organic growth in excess of 15 percent of net sales per year by expanding the store network and increasing like-for-like sales. • To maintain an EBIT margin in relation to net sales of more than 11 percent.

Ownership structure

Ownership	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
JP Morgan 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.	1,514,542	2.54
Total of the ten major shareholders	35,360,061	58.22
Total other shareholders	25,376,984	41.78
Total at September 30, 2016	60,737,045	100.00

Value drivers

Byggmax'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 Byggmax's margins. Historically, the market has passed on adjustments in cost prices to the end consumer.
- Competitors' pricing – Byggmax 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 – Byggmax operates in the DIY market and, accordingly, its trends impact the company.
- Weather – Byggmax 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 Byggmax'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 Byggmax culture plays a key role in the company's success and its retention is a key factor for continued success.
- The ability to execute the Group'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 Byggmax 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 – Byggmax 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 – Byggmax's strategy is to become the largest operator in the low-price segment in the Nordic region. Long-term trends are therefore important.
- The competition's strategies and their execution – Byggmax operates in a competitive market and the actions of the competition affect the Group.
- E-commerce trend in building materials – E-commerce comprises a significant portion of Byggmax's sales and is an area in which the Byggmax Group is investing.
- Trend in demand for sun rooms – Sun rooms represent an important product group for Skånska Byggvaror, one of the companies in the Byggmax Group.

Accounting policies

Byggmax Group AB (publ) applies 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 Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups.

The Parent Company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The same accounting policies were applied for the Parent Company as for the Group, except in the cases stated under Parent Company accounting policies in Note 2.16 of the Annual Report for 2015.

For a more detailed description of the accounting policies applied for the Group and the Parent Company in this interim report, refer to Notes 1-4 of the Annual Report for the 2015 fiscal year.

The interim data on pages 1-18 comprises an integrated part of this financial report.

All of the figures listed above and below in parentheses refer to the corresponding period or date in the preceding year.

Stockholm, October 19, 2016

Magnus Agervald
President, Byggmax Group AB (publ)

Financial calendar

Year-end report 2016

Januari 24, 2017

Annual General Meeting

The 2016 Annual General Meeting will be held on May 10, 2017 in Stockholm.

Report of Review of Interim Financial Information

Introduction

We have reviewed the condensed interim financial information (interim report) of Byggmax Group AB (publ) as of 30 September 2016 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, 19 oktober 2016

Öhrlings PricewaterhouseCoopers AB

Ann-Christine Hägglund
Authorized Public Accountant

Consolidated summary of comprehensive income

Amount in SEK M	Note	Jul - Sep		Jan - Sep		12 months	Jan - Dec
		2016	2015	2016	2015	Oct 2015 - Sep 2016	2015
Operating income							
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
Total operating income	1	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 costs 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 of tangible and intangible 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 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
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
Items that may be subsequently reclassified to profit or loss		0.0	0.0	0.0	0.0	0.0	0.0
Translation differences		9.0	-5.5	16.0	-8.7	13.7	-11.1
Other comprehensive income for the period		9.0	-5.5	16.0	-8.7	13.7	-11.1
Total comprehensive income for the period		181.2	147.5	243.8	224.8	267.8	248.7
Earnings per share before dilution, SEK		2.8	2.5	3.8	3.8	4.2	4.3
Earnings per share after dilution, SEK		2.8	2.5	3.7	3.8	4.1	4.2
Average number of shares, thousands		60,737	60,737	60,737	60,737	60,737	60,737
Number of shares at the end of the period, thousands		60,737	60,737	60,737	60,737	60,737	60,737

Consolidated summary of statement of financial position

Amounts in SEK M	Note	September 30, 2016	September 30, 2015	December 31, 2015
ASSETS				
Fixed assets				
Intangible fixed assets		2,230.9	1,086.1	1,215.7
Tangible fixed assets		386.5	281.0	286.6
Financial fixed assets		22.0	22.2	25.0
Total fixed assets		2,639.3	1,389.2	1,527.2
Current assets				
Inventories		874.3	689.4	666.1
Derivatives		0.0	3.7	0.0
Current receivables		194.0	76.2	109.3
Cash and cash equivalents		53.4	269.7	31.7
Total current assets		1,121.6	1,039.0	807.1
TOTAL ASSETS		3,760.9	2,428.3	2,334.4

Amounts in SEK M	Note	September 30, 2016	September 30, 2015	December 31, 2015
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		1,256.1	1,118.4	1,142.0
LIABILITIES				
Borrowing from credit institutions		800.2	0.2	0.1
Deferred tax liabilities		185.5	94.4	105.8
Long-term liabilities		47.0	0.0	42.9
Long-term liabilities		1,032.7	94.6	148.7
Borrowing from credit institutions		158.5	203.3	350.9
Accounts payable		928.8	813.7	520.3
Current tax liabilities		52.4	37.9	18.4
Derivatives		3.7	0.0	0.1
Other liabilities		164.2	56.7	34.4
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

Consolidated statement of changes in shareholders' equity

Amounts in SEK M	Note	September 30, 2016	September 30, 2015	December 31, 2015
Opening balance at the beginning of the period		1,142.0	1,047.6	1,047.6
COMPREHENSIVE INCOME				
Translation differences		16.0	-8.7	-11.0
Profit for the period		227.9	233.5	259.8
Total comprehensive income		243.8	224.8	248.8
TRANSACTIONS WITH SHAREHOLDERS				
Dividend to shareholders		-130.0	-157.9	-157.9
Issue of warrents		0.0	3.9	3.6
Total transactions with shareholders		-130.0	-154.0	-154.0
Shareholders' equity at the end of the period		1,256.1	1,118.4	1,142.0

Consolidated cash flow statement

Amounts in SEK M	Note	Jul - Sep		Jan - Sep		12 months	Jan - Dec
		2016	2015	2016	2015	Oct 2015 - Sep 2016	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 tangible and intangible 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 process		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 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
Investment in subsidiaries		0.0	0.0	-703.7	0.0	-775.8	-72.1
Proceeds from 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 facilities		57.9	14.2	-106.1	-276.7	42.3	-128.3
Issue of warrants	2	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 ¹		147.2	47.2	23.9	22.5	261.4	22.5
Cash and cash equivalents at the end of the period ¹		45.5	261.4	45.5	261.4	45.5	23.9

¹ Note that cash and cash equivalents in the cash flow are adjusted for restricted bank funds SEK 7.9 M.

Parent Company income statement

Amounts in SEK M	Note	July - Sep		Jan - Sep		12 months	Jan - Dec
		2016	2015	2016	2015	Oct 2015 - Sep 2016	2015
Operating income		0.1	0.1	0.2	0.2	0.3	0.3
Total operating income		0.1	0.1	0.2	0.2	0.3	0.3
Operating expenses							
Other external expenses		-2.0	-1.3	-5.5	-4.6	-16.7	-15.8
Personnel costs		-0.4	-0.1	-0.6	-0.2	-1.2	-0.8
Total operating expenses		-2.4	-1.4	-6.1	-4.8	-17.9	-16.6
EBIT		-2.4	-1.3	-5.9	-4.6	-17.6	-16.3
Profit from financial items		-3.8	0.3	-12.2	-3.4	137.8	146.6
Profit/loss before tax		-6.1	-1.1	-18.1	-8.0	120.2	130.4
Tax on profit/loss		1.3	0.2	4.0	1.8	2.2	0.0
Profit for the period		-4.8	-0.8	-14.1	-6.2	122.4	130.4

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

Amounts in SEK M	Note	September 30, 2016	September 30, 2015	December 31, 2015
ASSETS				
Fixed assets				
Financial fixed assets		1,666.0	712.1	861.0
Total fixed assets		1,666.0	712.1	861.0
Current assets		6.8	3.6	154.2
Total current assets		6.8	3.6	154.2
TOTAL ASSETS		1,672.8	715.6	1,015.3

Amounts in SEK M	Note	September 30, 2016	September 30, 2015	December 31, 2015
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		86.5	94.0	230.6
Other long liabilities		795.9	0.0	42.9
Current liabilities		790.4	621.6	741.7
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,672.8	715.6	1,015.3
Pledged assets		None	358.0	None
Contingent liabilities		None	None	None

Notes to the interim report

Note 1 Segments

July - September, 2016

INCOME, SEK M	Byggmax	Skånska Byggvaror	Other	Total
Total income per segment	1,499.6	253.6	311.3	2,064.6
Income from Group customers per segment	4.0	2.3	234.0	240.3
Income from external customers	1,495.7	251.3	77.3	1,824.3
Loss before amortization and depreciation	242.7	31.6	43.3	317.5
Operating margin before amortization and depreciation	16.2%	12.6%	56.0%	17.4%
Amortization and depreciation				-82.3
Financial income				4.5
Financial expenses				-16.2
Profit before tax				223.6

January - September, 2016

INCOME, SEK M	Byggmax	Skånska Byggvaror	Other	Total
Total income per segment	3,528.0	652.9	769.8	4,950.8
Income from Group customers per segment	4.1	3.7	636.8	644.6
Income from external customers	3,524.0	649.2	133.0	4,306.2
Loss before amortization and depreciation	381.7	58.8	46.6	487.2
Operating margin before amortization and depreciation	10.8%	9.1%	35.0%	11.3%
Amortization and depreciation				-150.5
Financial income				14.0
Financial expenses				-52.7
Profit before tax				297.9

ASSETS PER SEGMENT:	Byggmax	Skånska Byggvaror	Other	Total
Total assets per segment	2,443.6	214.3	1,103.0	3,760.9

LIABILITIES PER SEGMENT:	Byggmax	Skånska Byggvaror	Other	Total
Total liabilities per segment:	2,443.6	214.3	1,103.0	3,760.9

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 2013 and 2015 annual general meetings resolved to introduce warrants programs for senior executives and other key staff at Byggmax. The warrants were priced at market value, which was 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 price shown in the table below. The participants of the warrants program have entered into a pre-emption agreement. The 2013 warrant program expires on November 11, 2017 and can be exercised from May 30, 2017. The 2015 warrant program expires on November 30, 2018 and can be exercised from May 30, 2018.

	2013	2015
Total number	562,000	1,116,000
Price	2.24	3.98
Exercise price	42.8	66.4
Term	4.5	3.5
Number of participants	13	21

Note 3 Income per quarter

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	2014	2014	2014	2014	2015	2015	2015	2015	2016	2016	2016
Net sales, SEK M	487.0	1,136.7	1,228.1	695.4	570.0	1,294.6	1,427.3	839.3	737.9	1,738.7	1,767.8
Gross margin, percent	34.1	28.9	31.1	32.5	32.2	29.3	30.0	32.4	31.2	29.9	31.4
EBITDA, excluding acquisition costs, SEK M	4.1	112.4	193.1	56.8	3.0	151.7	203.4	67.3	-24.0	194.0	317.5
EBITDA, SEK M	4.1	112.4	193.1	56.8	3.0	151.4	203.4	58.0	-24.2	193.8	317.5
EBITDA margin, percent	0.8	9.9	15.7	8.2	0.5	11.7	14.2	6.9	-3.3	11.1	18.0
EBIT, SEK M	-11.3	95.1	175.0	37.9	-16.1	130.8	181.6	35.5	-57.8	159.2	235.3
EBIT margin, percent	-2.3	8.4	14.3	5.4	-2.8	10.1	12.7	4.2	-7.8	9.2	13.3
Working capital, SEK M	184.3	-129.4	72.9	217.8	136.1	-233.2	-246.4	82.8	23.8	-524.5	-241.6
Return on equity, percent	-1.4	7.7	13.6	3.0	-1.6	9.7	14.6	2.3	-5.2	10.5	14.8
Cash flow from operating activities per share, SEK	0.8	6.6	-0.9	-1.4	1.5	7.9	3.2	-4.6	-1.4	11.4	-0.4
Shareholders' equity per share, SEK	15.8	14.6	16.8	17.2	17.0	16.0	18.4	18.8	17.9	17.7	20.7
Profit after tax per share	-0.2	1.2	2.1	0.5	-0.3	1.6	2.5	0.4	-1.0	1.9	2.8
Share price at the end of the period	49.3	56.3	46.6	52.0	60.3	56.0	76.0	87.0	74.5	64.3	64.8
Number of stores	107	110	112	112	113	117	118	119	131	137	139

Note 4 Acquisitions

The Byggmax Group acquired Buildor AB on November 1, 2015, and Skånska Byggvaror on January 4, 2016. In its year-end report for 2015, Byggmax AB prepared financial pro forma information for Q1-Q4 2015, providing details of the outcome if the merger of Byggmax, Buildor and Skånska Byggvaror had taken place by January 1, 2015. The financial pro forma information included has been taken from the financial information in Byggmax's year-end report for the year ending December 31, 2015, as well as from Buildor and Skånska Byggvaror's annual accounts for the year ending December 31, 2015. The information is reported to illustrate the financial impact of the proposed merger of the companies and their operations. The financial information as of December 31, 2015 has been subject to a review by the company's auditors. The financial pro forma information was prepared based on International Financial Reporting Standards (IFRS) and listing costs to a value of SEK 10.1 M have been excluded. Acquisition costs at Byggmax amounting to SEK 0.3 M in the second quarter and SEK 9.3 M in the fourth quarter have also been excluded. Listing costs at Skånska Byggvaror amounting to SEK 3.0 M in the third quarter and SEK 7.1 M in the fourth quarter have been excluded.

Pro forma profit/loss Byggmax Group including Skånska Byggvaror and Buildor

Amount in SEK M	Full year				
	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015
Operating income					
Net sales	666.0	1,584.0	1,672.7	975.4	4,898.0
Other operating income	0.9	4.0	2.5	2.7	10.1
Total operating income	666.9	1,588.0	1,675.2	978.0	4,908.1
Operating expenses					
Goods for sale	-450.8	-1,105.3	-1,166.6	-659.4	-3,382.1
Other external costs and operating expenses	-136.1	-162.0	-153.0	-125.9	-577.0
Personnel costs	-97.3	-128.0	-124.3	-124.1	-473.6
Depreciation, amortization of tangible and intangible fixed assets	-22.0	-23.5	-24.8	-25.1	-95.3
Total operating expenses	-706.1	-1,418.7	-1,468.7	-934.5	-4,528.0
EBIT, excluding acquisition costs	-39.1	169.3	206.5	43.5	380.1
Acquisition cost	0.0	-0.3	-3.0	-16.4	-19.7
EBIT, including acquisition costs	-39.1	169.0	203.5	27.1	360.4

Note 5 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 6 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 based on observable data for the asset or liability, i.e. level 2. No reclassifications between the various levels took place during the period.

Key ratios

Byggmax has reviewed its terminology for alternative key ratios due to the new guidelines from the European Securities and Markets Authority (ESMA). It has not been deemed necessary to change the key ratios. The Byggmax Group uses the alternative key ratios EBITDA, working capital, return on equity and net debt. 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.

Financial key ratios

Key ratio	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 seeking to understand earnings generation 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 margin	EBITDA dividerat by net sales
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.
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

Ratio	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.

This information is information that Byggmax Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 a.m. on October 19, 2016.

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