

# INTERIM REPORT – 6 MONTHS

## 1 April-30 September 2016

### Second quarter (1 July-30 September 2016)

- **Revenue** rose by 2 percent to MSEK 1,879 (1,839).
- **Operating profit** amounted to MSEK 131 (131), corresponding to an **operating margin** of 7.0 percent (7.1).
- **Profit after financial items** totalled MSEK 126 (126).
- **Net profit** amounted to MSEK 96 (96).
- **Earnings per share** totalled SEK 3.40 (3.40).
- **Cash flow from operating activities** amounted to MSEK 79 (57) and **cash flow per share** for the most recent 12-month period totalled SEK 17.70 (16.05).
- The **return on equity** for the most recent 12-month period was 14 percent (14).
- The **equity/assets ratio** at the end of the period was 51 percent (49).
- The **operational net loan liability** declined to MSEK 183 (451).
- **Acquisition of a successful sales company in the UK and Ireland** in order to strengthen the position of the Group's premium brands. Closing took place in early October 2016.

### Reporting period – 6 months (1 April-30 September 2016)

- **Revenue** rose by 3 percent to MSEK 4,014 (3,893).
- **Operating profit** increased by 2 percent to MSEK 264 (260) and **the operating margin** was 6.6 percent (6.7). Operating profit for the first quarter of the preceding year was impacted by non-recurring items totalling MSEK +15 and **the underlying earnings growth** for the reporting period thus amounted to 8 percent.
- **Profit after financial items** rose by 2 percent to MSEK 255 (250).
- **Net profit** increased by 3 percent to MSEK 195 (190).

### Events after the end of the reporting period

- **Acquisition of one of Norway's leading industrial resellers** with approximately MNOK 240 in revenue strengthened the Group's position as a supplier to Nordic industry. Closing is scheduled to take place in November 2016.

## B&amp;B TOOLS IN SUMMARY

	QUARTER			REPORTING PERIOD			FULL-YEAR		
	3 MONTHS ENDING 30 SEP			6 MONTHS ENDING 30 SEP			12 MONTHS ENDING 30 SEP		
	2016	2015	Change	2016	2015	Change	2016	2015	Change
Revenue, MSEK	1,879	1,839	+2%	4,014	3,893	+3%	7,942	7,914	0%
Operating profit, MSEK	131	131	0%	264	260	+2%	490	475	+3%
Profit after financial items, MSEK	126	126	0%	255	250	+2%	473	446	+6%
Net profit (after taxes), MSEK	96	96	0%	195	190	+3%	367	337	+9%
Earnings per share, SEK	3.40	3.40	0%	6.90	6.75	+2%	13.05	12.00	+9%
Operating margin	7.0%	7.1%		6.6%	6.7%		6.2%	6.0%	
Profit margin	6.7%	6.9%		6.4%	6.4%		6.0%	5.6%	
Return on equity							14%	14%	
Equity per share, SEK				94.30	88.25	+7%			
Equity/assets ratio				51%	49%				
Number of employees at the end of the period				2,598	2,697	-4%			

## PRESIDENT'S STATEMENT

The Group's revenue, measured in local currency, rose by 2 percent during the first six months of the 2016/17 financial year. Operating profit increased by 8 percent during the period (adjusted for non-recurring items totalling MSEK +15, which impacted operating profit for the first quarter of the preceding year). The construction and civil engineering sector continues to grow, while demand from the industry remains relatively weak. The earnings trend for TOOLS Sweden has been negative during the last quarter and we are now implementing measures to improve the future profitability.

A certain portion of our growth will come from acquisitions and we have completed two strategic acquisitions in recent months. Within Bergman & Beving, we acquired IQ Supplies – a successful sales company for our subsidiary Teng Tools, with sales in the UK and Ireland. This acquisition was fully in line with Bergman & Beving's strategy to strengthen the position of our premium brands. Within Momentum Group, we acquired Astrup Industrivarer – one of Norway's largest industrial resellers, with five branches in western Norway. This acquisition reaffirms Momentum Group's goal of being the best choice for customers when it comes to consumables and components for professional end users.

With a healthy cash flow and strong balance sheet, we are creating the right conditions for the long-term profitable growth of Bergman & Beving and Momentum Group – both through organic growth and with attractive new acquisition opportunities.

Stockholm, October 2016

**Ulf Lilius**  
President & CEO

## PROFIT AND REVENUE

### Second quarter (1 July-30 September 2016)

Revenue for the second quarter amounted to MSEK 1,879 (1,839). Exchange-rate translation effects had an impact of MSEK +6 (–31) on revenue. Revenue for comparable units, measured in local currency and adjusted for the number of trading days, rose by approximately 2 percent during the quarter.

Operating profit remained unchanged during the quarter compared with the preceding year at MSEK 131 (131). Exchange-rate translation effects had an impact of MSEK +0 (+0) on operating profit. The operating margin was 7.0 percent (7.1). Profit after financial items amounted to MSEK 126 (126) and net profit to MSEK 96 (96) for the quarter, corresponding to earnings per share of SEK 3.40 (3.40).

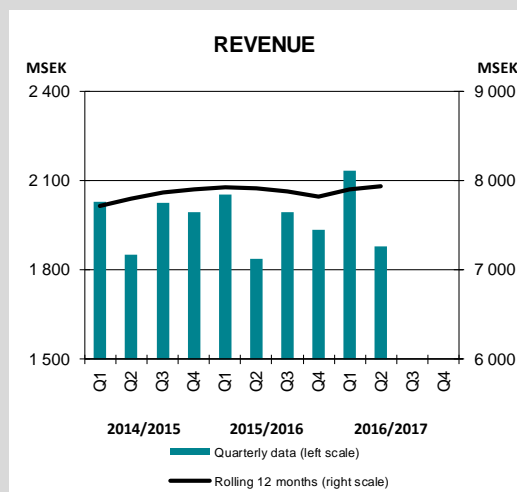
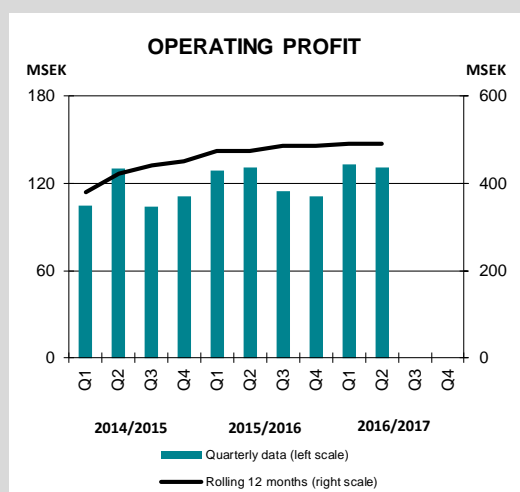
### Reporting period – 6 months (1 April-30 September 2016)

Revenue for the full reporting period amounted to MSEK 4,014 (3,893). Exchange-rate translation effects had an impact of MSEK –46 (–26) on revenue. For comparable units, measured in local currency and adjusted for the number of trading days, revenue rose by approximately 2 percent during the reporting period compared with the preceding year.

Operating profit for the reporting period rose by 2 percent to MSEK 264 (260). Operating profit for the first quarter of the preceding year was impacted by non-recurring items totalling MSEK +15 and the underlying earnings growth for the reporting period thus amounted to 8 percent. Operating profit was charged with depreciation and impairment losses of MSEK –13 (–13) on tangible non-current assets and amortisation and impairment losses of MSEK –3 (–1) on intangible non-current assets. Exchange-rate translation effects had a net impact of MSEK –3 (+3) on operating profit. The operating margin was 6.6 percent (6.7).

Profit after financial items rose by 2 percent to MSEK 255 (250) and net financial items amounted to MSEK –9 (–10). The profit margin was 6.4 percent (6.4). Net profit totalled MSEK 195 (190), corresponding to earnings per share of SEK 6.90 (6.75). Earnings per share for the most recent 12-month period amounted to SEK 13.05 (12.00).

### OPERATING PROFIT & REVENUE



## OPERATIONS

As of 1 April 2016, the B&B TOOLS Group comprises two operating segments – Bergman & Beving and Momentum Group – as well as shared administrative, logistics and IT functions.

### THE B&B TOOLS GROUP

MSEK	QUARTER (3 Mos)		REPORTING PERIOD (6 Mos)		FULL-YEAR (12 Mos)	
	JUL-SEP		APR-SEP		ROLLING 12 MOS	2015/2016
	2016	2015	2016	2015		
Revenue	1,879	1,839	4,014	3,893	7,942	7,821
Operating profit	131	131	264	260	490	486
Operating margin	7.0%	7.1%	6.6%	6.7%	6.2%	6.2%

**BERGMAN & BEVING**

Development of premium brands that offer innovation and quality to professional users in construction and industry.

**BERGMAN & BEVING**

MSEK	QUARTER (3 MOS)		REPORTING PERIOD (6 MOS)		FULL-YEAR (12 MOS)	
	JUL-SEP		APR-SEP		ROLLING 12 MOS	2015/ 2016
	2016	2015	2016	2015		
Revenue	883	883	1,895	1,838	3,704	3,647
Operating profit	76	70	159	146	287	274
Operating margin	8.6%	7.9%	8.4%	7.9%	7.7%	7.5%

Revenue for comparable units in the Bergman & Beving operating segment was unchanged<sup>1</sup> during the second quarter. Sales to customers in the area of construction materials continued to grow favourably and were boosted by higher market shares for several of the businesses in the segment. The stronger exchange rate for the NOK during the quarter had an overall positive impact. At the same time, the ongoing uncertain market trend for customers in Nordic industry generally had a negative impact, as did TOOLS' establishment of its own purchasing organisations following the reorganisation into new operating segments. Although this will have an adverse short-term effect on revenue, particularly for Luna, Skydda and Grunda, all units in both segments will ultimately increase their business strength. Work to establish Teng Tools, Cresto and FireSeal as independent business units in Bergman & Beving is proceeding according to plan.

Revenue for *ESSVE* increased by 11 percent<sup>1</sup> during the quarter, with a stronger position and continued favourable growth in sales to chain customers in the area of construction materials in all markets. Operating profit increased by approximately 30 percent during the quarter compared with the preceding year. *Skydda*'s revenue decreased by a total of 4 percent<sup>1</sup> during the quarter, with declining sales to industrial resellers such as TOOLS contributing negatively while demand from customers in the area of construction materials continued to increase. Proprietary product brands accounted for a larger portion of the unit's sales, resulting in stronger margins and an increase of 30 percent in operating profit.

*Luna*'s revenue declined by 4 percent<sup>1</sup> during the quarter, with lower demand in the industrial sector and a continued positive sales trend in the area of the construction materials trade. At the same time, the company's margins improved and operating profit for the business increased. *Grunda*'s revenue also decreased during the quarter (by approximately 6 percent<sup>1</sup>), particularly to TOOLS and other industrial resellers, which had a negative impact on the earnings trend.

**MOMENTUM GROUP**

Leading market channels for industrial consumables, industrial components, service and maintenance for professional end users.

**MOMENTUM GROUP**

MSEK	QUARTER (3 MOS)		REPORTING PERIOD (6 MOS)		FULL-YEAR (12 MOS)	
	JUL-SEP		APR-SEP		ROLLING 12 MOS	2015/ 2016
	2016	2015	2016	2015		
Revenue	1,210	1,209	2,592	2,576	5,192	5,176
Operating profit	49	57	102	97	198	193
Operating margin	4.0%	4.7%	3.9%	3.8%	3.8%	3.7%

Revenue for comparable units in Momentum Group decreased by 1 percent<sup>1</sup> during the second quarter, with a continued uncertain economic situation in the industrial sector in all geographic markets. Operating profit for the whole segment declined by 15 percent during the quarter.

*TOOLS Sweden*'s revenue declined by approximately 3 percent<sup>1</sup> during the quarter, which had a negative impact on the earnings. *TOOLS Sweden* implements measures to improve the earnings trend and adapts the operations. The basic conditions to succeed with these efforts are favourable with a focus on profitable product areas and continued cost control. Revenue for *TOOLS Norway* increased by 4 percent<sup>1</sup> as the decline in the market has subsided during the quarter. Meanwhile, operating profit improved, with reduced costs and stronger margins. *TOOLS Finland* increased its revenue by approximately 2 percent<sup>1</sup> during the quarter as a result of stronger sales to major customers. The unit's reduction in costs, systematic pricing and focus on the core range had a positive impact on the earnings trend.

*Momentum Industrial*'s revenue declined by 3 percent<sup>1</sup> during the quarter, which reflected the underlying demand in the industrial market, particularly in Sweden. The operating margin continued to develop positively. *Gigant*'s total revenue decreased by 12 percent<sup>1</sup> during the quarter, which had a negative impact on the earnings trend, and measures are currently being implemented to adapt the operations to lower volumes. The proportion of sales made directly to end customers is gradually increasing for *Gigant*. With a focus on customers in the construction sector, *Mercus Yrkeskläder*'s revenue rose by 8 percent<sup>1</sup> during the quarter, with continued favourable profitability.

<sup>1</sup> Comparable units, measured in local currency and adjusted for the number of trading days this year compared with the preceding year.

### Group-wide and eliminations

Operating profit for “Group-wide” totalled MSEK 2 (12) for the reporting period. The Parent Company’s revenue amounted to MSEK 19 (21) and profit after financial items totalled MSEK 30 (296). These results do not include any Group contributions, intra-Group dividends or other corresponding items (year-earlier period: MSEK +254).

Eliminations for intra-Group inventory gains had a positive impact of MSEK +1 (+5) on earnings during the period.

## EMPLOYEES

At the end of the reporting period, the number of employees in the Group was 2,598, compared with 2,623 at the beginning of the financial year.

## CORPORATE ACQUISITIONS

In mid-September, the subsidiary Teng Tools UK entered into an agreement to acquire the operations of the sales company IQ Supplies. IQ Supplies is an exclusive distributor of Teng Tools’ proprietary products in the areas of hand tools and smart storage solutions for professional users. Since the 1980s, the company has achieved major success through its well-established distribution network of industrial and automotive parts resellers in the UK and Ireland. IQ Supplies generates annual revenue of just over MSEK 100 and has approximately 40 employees. The acquisition was carried out as a conveyance of assets and liabilities and closing took place on 3 October 2016. The acquisition is expected to have a marginally positive effect on B&B TOOLS’ earnings per share during the current financial year.

B&B TOOLS did not conduct any other corporate acquisitions during the reporting period.

After the end of the reporting period – in mid-October – TOOLS Norway entered into an agreement to acquire all shares in Astrup Industrivarer, one of Norway’s leading industrial resellers. Also refer to “Events after the end of the reporting period” below.

Adjusted for the Group’s current sales to these operations, the acquisitions of IQ Supplies and Astrup Industrivarer are expected to increase the Group’s annual revenue by approximately 3 percent.

## PROFITABILITY, CASH FLOW AND FINANCIAL POSITION

The Group’s profitability, measured as the return on working capital (P/WC), increased to 26 percent (25) for the most recent 12-month period. The return on capital employed for the corresponding period was 15 percent (14) and the return on equity was 14 percent (14).

Cash flow from operating activities before changes in working capital for the reporting period totalled MSEK 231 (242). Funds tied up in working capital rose by MSEK 5. During the period, the Group’s inventories increased by MSEK 4, while operating receivables increased by MSEK 61. Operating liabilities rose by MSEK 60. Accordingly, cash flow from operating activities for the period amounted to MSEK 226 (221).

Cash flow for the period was also impacted in a net amount of MSEK –36 (–25) pertaining to investments in and divestments of non-current assets, and a net amount of MSEK –6 (+20) pertaining to the acquisition and divestment of subsidiaries and other business units.

At the end of the reporting period, the Group’s operational net loan liability amounted to MSEK 183 (451). Interest-bearing liabilities totalled MSEK 230 (481), excluding expensed pension obligations of MSEK 608 (490). Liabilities to credit institutions amounted to MSEK 183 (451), net. Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 917 (649).

The equity/assets ratio at the end of the reporting period was 51 percent, compared with 51 percent at the beginning of the financial year.

Equity per share totalled SEK 94.30 at the end of the reporting period, compared with SEK 92.20 at the beginning of the financial year. Equity per share after dilution totalled SEK 94.30 at the end of the reporting period, compared with SEK 92.25 at the beginning of the financial year.

## SHARE STRUCTURE AND REPURCHASE OF OWN SHARES

At the end of the reporting period, share capital totalled MSEK 56.9. The distribution by class of share is as follows:

### SHARE STRUCTURE

CLASS OF SHARE	AS OF 30 SEPTEMBER 2016
Class A shares	1,063,780
Class B shares	27,372,636
<b>Total number of shares before</b>	<b>28,436,416</b>
Less: Repurchased Class B shares	-290,400
<b>Total number of shares after repurchasing</b>	<b>28,146,016</b>

As of 31 March 2016, the number of Class B shares held in treasury totalled 340,000. During the reporting period, a total of 49,600 treasury shares were conveyed in connection with the exercise of call options. Accordingly, the number of Class B shares held in treasury as of 30 September 2016 amounted to 290,400, corresponding to 1.0 percent of the total number of shares and 0.8 percent of the total number of votes. Of the total number of shares held in treasury, 288,400 are reserved to cover the Company's obligations in the two call option programmes issued to senior management in the Group in September 2013 and September 2014, respectively.

The redemption price for call options issued in connection with the share-based incentive programme for 2013 is SEK 101.90 and the redemption period is from 12 September 2016 until 9 June 2017, inclusive. The redemption price for call options issued in connection with the share-based incentive programme for 2014 is SEK 176.50 and the redemption period is from 11 September 2017 until 8 June 2018, inclusive. The share price as of 30 September 2016 was SEK 191.50. For more information about the dilution effect of call options issued, refer to page 11.

There have been no changes in the holding of treasury shares after the end of the reporting period.

## TRANSACTIONS WITH RELATED PARTIES

No transactions having a material impact on the Group's position or earnings occurred between B&B TOOLS and its related parties during the reporting period.

## RISKS AND UNCERTAINTIES

During the reporting period, no significant changes occurred with respect to risks and uncertainties, for either the Group or the Parent Company. For information about the Group's risks and uncertainties, refer to page 25 of B&B TOOLS' Annual Report for 2015/2016.

## ACCOUNTING POLICIES

The Interim Report for the Group was prepared in accordance with IFRS and by applying IAS 34 *Interim Financial Reporting*, the Swedish Annual Accounts Act and the Swedish Securities Market Act. The Interim Report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which conforms to the provisions detailed in RFR 2 *Accounting for Legal Entities*.

The same accounting policies and bases of judgement as in the Annual Report for 2015/2016 have been applied.

## CALCULATION OF KEY FINANCIAL RATIOS AND DEFINITIONS

For information on the calculation of certain key financial ratios and definitions, refer to pages 13-14.

## EVENTS AFTER THE END OF THE REPORTING PERIOD

### *Acquisition of Astrup Industrivarer – one of Norway's leading industrial resellers*

In mid-October 2016, TOOLS Norway entered into an agreement to acquire all shares in Astrup Industrivarer AS, one of Norway's leading industrial resellers, with five branches in Bergen, Mongstad, Odda, Sotra and Ulsteinvik. The company offers industrial components, industrial consumables and related services for companies operating primarily in the maritime industry and energy area (such as oil and gas, hydro and wind power, and other forms of renewable energy). The acquisition is part of the Group's efforts to further strengthen TOOLS' position as a leading supplier to Norwegian industry. Astrup Industrivarer generates annual revenue of approximately MNOK 240 and has some 50 employees. Closing is scheduled to take place in November 2016, pending approval by the relevant authorities. The acquisition is expected to have a marginally positive effect on B&B TOOLS' earnings per share during the current financial year.

No other significant events affecting the Group have occurred after the end of the reporting period.

## AFFIRMATION

The Board of Directors and the President & CEO deem that this Semi-Annual Report provides a true and fair overview of the operations, position and earnings of the Parent Company and the Group, and that it describes the significant risks and uncertainty factors to which the Parent Company and the companies within the Group are exposed.

Stockholm, 28 October 2016

**Anders Börjesson**  
Chairman

**Roger Bergqvist**  
Director

**Fredrik Börjesson**  
Director

**Charlotte Hansson**  
Director

**Henrik Hedelius**  
Director

**Gunilla Spongh**  
Director

**Lillemor Svensson**  
Director – Employee Representative

**Anette Swanemar**  
Director – Employee Representative

**Ulf Lilius**  
President & Chief Executive Officer

This report has not been subject to special review by the company's auditors.

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## Contact information

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Mats Karlqvist, Head of Investor Relations, Tel: +46 70 660 31 32

Comprehensive contact information for B&B TOOLS and forthcoming information dates are presented on page 14.

## REPORTING BY OPERATING SEGMENT

## REVENUE BY OPERATING SEGMENT

MSEK	QUARTER (3 MOS)		REPORTING PERIOD (6 MOS)		FULL-YEAR (12 MOS)	
	JUL-SEP		APR-SEP		ROLLING 12 MOS	2015/ 2016
	2016	2015	2016	2015		
Bergman & Beving	883	883	1,895	1,838	3,704	3,647
Momentum Group	1,210	1,209	2,592	2,567	5,192	5,176
Group-wide	137	135	283	274	553	544
Eliminations	-351	-388	-756	-795	-1,507	-1,546
<b>The B&amp;B TOOLS Group</b>	<b>1,879</b>	<b>1,839</b>	<b>4,014</b>	<b>3,893</b>	<b>7,942</b>	<b>7,821</b>

## REVENUE BY QUARTER

MSEK	2016/2017				2015/2016	
	Q2	Q1	Q4	Q3	Q2	Q1
Bergman & Beving	883	1,012	897	912	883	955
Momentum Group	1,210	1,382	1,251	1,349	1,209	1,367
Group-wide	137	146	131	139	135	139
Eliminations	-351	-405	-344	-407	-388	-407
<b>The B&amp;B TOOLS Group</b>	<b>1,879</b>	<b>2,135</b>	<b>1,935</b>	<b>1,993</b>	<b>1,839</b>	<b>2,054</b>

## OPERATING PROFIT BY OPERATING SEGMENT

MSEK	QUARTER (3 MOS)		REPORTING PERIOD (6 MOS)		FULL-YEAR (12 MOS)	
	JUL-SEP		APR-SEP		ROLLING 12 MOS	2015/ 2016
	2016	2015	2016	2015		
Bergman & Beving	76	70	159	146	287	274
Momentum Group	49	57	102	97	198	193
Group-wide	5	3	2	12	-13	-3
Eliminations	1	1	1	5	18	22
<b>The B&amp;B TOOLS Group</b>	<b>131</b>	<b>131</b>	<b>264</b>	<b>260</b>	<b>490</b>	<b>486</b>

## OPERATING PROFIT BY QUARTER

MSEK	2016/2017				2015/2016	
	Q2	Q1	Q4	Q3	Q2	Q1
Bergman & Beving	76	83	71	57	70	76
Momentum Group	49	53	45	51	57	40
Group-wide	5	-3	-15	0	3	9
Eliminations	1	0	10	7	1	4
<b>The B&amp;B TOOLS Group</b>	<b>131</b>	<b>133</b>	<b>111</b>	<b>115</b>	<b>131</b>	<b>129</b>



## GROUP SUMMARY

## CONSOLIDATED INCOME STATEMENT

MSEK	QUARTER (3 MOS)		REPORTING PERIOD (6 MOS)		FULL-YEAR (12 MOS)	
	JUL-SEP		APR-SEP		ROLLING	2015/
	2016	2015	2016	2015	12 MOS	2016
Revenue	1,879	1,839	4,014	3,893	7,942	7,821
Shares of profit in associated companies	0	0	0	0	0	0
Other operating income	3	11	3	21	16	34
<b>Total operating income</b>	<b>1,882</b>	<b>1,850</b>	<b>4,017</b>	<b>3,914</b>	<b>7,958</b>	<b>7,855</b>
Cost of goods sold	-1,104	-1,092	-2,369	-2,305	-4,662	-4,598
Personnel costs	-382	-370	-832	-807	-1,707	-1,682
Depreciation, amortisation, impairment losses and reversal of impairment losses	-8	-7	-16	-14	-30	-28
Other operating expenses	-257	-250	-536	-528	-1,069	-1,061
<b>Total operating expenses</b>	<b>-1,751</b>	<b>-1,719</b>	<b>-3,753</b>	<b>-3,654</b>	<b>-7,468</b>	<b>-7,369</b>
<b>Operating profit</b>	<b>131</b>	<b>131</b>	<b>264</b>	<b>260</b>	<b>490</b>	<b>486</b>
Financial income and expenses	-5	-5	-9	-10	-17	-18
<b>Profit after financial items</b>	<b>126</b>	<b>126</b>	<b>255</b>	<b>250</b>	<b>473</b>	<b>468</b>
Taxes	-30	-30	-60	-60	-106	-106
<b>Net profit</b>	<b>96</b>	<b>96</b>	<b>195</b>	<b>190</b>	<b>367</b>	<b>362</b>
Of which, attributable to:						
Parent Company shareholders	96	96	195	190	367	362
Earnings per share, SEK						
– Before dilution	3.40	3.40	6.90	6.75	13.05	12.90
– After dilution	3.40	3.40	6.90	6.75	13.00	12.85

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	QUARTER (3 MOS)		REPORTING PERIOD (6 MOS)		FULL-YEAR (12 MOS)	
	JUL-SEP		APR-SEP		ROLLING	2015/
	2016	2015	2016	2015	12 MOS	2016
<b>Net profit</b>	<b>96</b>	<b>96</b>	<b>195</b>	<b>190</b>	<b>367</b>	<b>362</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<i>Components that will not be reclassified to net profit</i>						
Remeasurement of defined-benefit pension plans	-43	55	-69	145	-120	94
Tax attributable to components that will not be reclassified	9	-12	15	-32	26	-21
	<b>-34</b>	<b>43</b>	<b>-54</b>	<b>113</b>	<b>-94</b>	<b>73</b>
<i>Components that will be reclassified to net profit</i>						
Translation differences	32	-31	54	-43	46	-51
Fair value changes for the year in cash-flow hedges	-5	1	-3	8	-19	-8
Tax attributable to components that will be reclassified	1	0	1	-3	5	1
	<b>28</b>	<b>-30</b>	<b>52</b>	<b>-38</b>	<b>32</b>	<b>-58</b>
<b>Other comprehensive income</b>	<b>-6</b>	<b>13</b>	<b>-2</b>	<b>75</b>	<b>-62</b>	<b>15</b>
<b>Total comprehensive income</b>	<b>90</b>	<b>109</b>	<b>193</b>	<b>265</b>	<b>305</b>	<b>377</b>
Of which, attributable to:						
Parent Company shareholders	90	109	193	265	305	377

### CONSOLIDATED BALANCE SHEET

MSEK	30 SEP 2016	30 SEP 2015	31 MAR 2016
<b>ASSETS</b>			
Intangible non-current assets	1,844	1,813	1,821
Tangible non-current assets	108	95	100
Financial non-current assets	6	6	5
Shares in associated companies	11	11	11
Deferred tax assets	105	115	88
Inventories	1,548	1,499	1,505
Accounts receivable	1,334	1,251	1,232
Other current receivables	217	233	216
Cash and cash equivalents	47	30	62
<b>Total assets</b>	<b>5,220</b>	<b>5,053</b>	<b>5,040</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	2,649	2,479	2,591
Non-current interest-bearing liabilities	100	250	150
Provisions for pensions	608	490	536
Other non-current liabilities and provisions	90	107	88
Current interest-bearing liabilities	130	231	132
Accounts payable	1,007	855	896
Other current liabilities	636	641	647
<b>Total equity and liabilities</b>	<b>5,220</b>	<b>5,053</b>	<b>5,040</b>
Operational net loan liability	183	451	220

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	30 SEP 2016	30 SEP 2015	31 MAR 2016
<b>Opening equity</b>	<b>2,591</b>	<b>2,326</b>	<b>2,326</b>
Dividend, Parent Company shareholders	-140	-112	-112
Sale of treasury shares in connection with redemption of share options	5	-	-
Total comprehensive income attributable to: Parent Company shareholders	193	265	377
<b>Closing equity</b>	<b>2,649</b>	<b>2,479</b>	<b>2,591</b>

## CONSOLIDATED CASH-FLOW STATEMENT

MSEK	QUARTER (3 MOS)		REPORTING PERIOD (6 MOS)		FULL-YEAR (12 MOS)	
	JUL-SEP		APR-SEP		ROLLING 12 MOS	2015/ 2016
	2016	2015	2016	2015		
Operating activities before changes in working capital	109	122	231	242	405	416
Changes in working capital	-30	-65	-5	-21	93	77
<b>Cash flow from operating activities</b>	<b>79</b>	<b>57</b>	<b>226</b>	<b>221</b>	<b>498</b>	<b>493</b>
Investments in intangible & tangible non-current assets	-18	-10	-36	-27	-66	-57
Proceeds from sale of intangible & tangible non-current assets	0	0	0	2	0	2
Acquisition of subsidiaries & other business units	0	-8	-6	-8	-9	-11
Proceeds from sale of subsidiaries & other business units	-	3	-	28	2	30
<b>Cash flow before financing</b>	<b>61</b>	<b>42</b>	<b>184</b>	<b>216</b>	<b>425</b>	<b>457</b>
Financing activities	-83	-61	-201	-236	-410	-445
<b>Cash flow for the period</b>	<b>-22</b>	<b>-19</b>	<b>-17</b>	<b>-20</b>	<b>15</b>	<b>12</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>68</b>	<b>54</b>	<b>62</b>	<b>57</b>	<b>30</b>	<b>57</b>
Exchange-rate differences in cash and cash equivalents	1	-5	2	-7	2	-7
<b>Cash and cash equivalents at the end of the period</b>	<b>47</b>	<b>30</b>	<b>47</b>	<b>30</b>	<b>47</b>	<b>62</b>

B&B TOOLS measures financial instruments at fair value or cost in the balance sheet depending on their classification. In addition to items in the financial net debt, financial instruments also include accounts receivable and accounts payable. According to IFRS 7, financial instruments measured at fair value in the balance sheet are included in level 2 of the fair value hierarchy. The carrying amounts for financial assets and liabilities correspond to fair value in all material respects.

## OPERATING SEGMENTS

MSEK	EXTERNAL REVENUE APR-SEP		REVENUE FROM INTERNAL CUSTOMERS APR-SEP		TOTAL REVENUE APR-SEP		OPERATING PROFIT APR-SEP	
	2016	2015	2016	2015	2016	2015	2016	2015
	Bergman & Beving	1,423	1,315	472	523	1,895	1,838	159
Momentum Group	2,588	2,573	4	3	2,592	2,576	102	97
<b>Total operating segments</b>	<b>4,011</b>	<b>3,888</b>	<b>476</b>	<b>526</b>	<b>4,487</b>	<b>4,414</b>	<b>261</b>	<b>243</b>
Group-wide	3	5	280	269	283	274	2	12
Eliminations	-	-	-756	-795	-756	-795	1	5
<b>The B&amp;B TOOLS Group</b>	<b>4,014</b>	<b>3,893</b>	<b>0</b>	<b>0</b>	<b>4,014</b>	<b>3,893</b>	<b>264</b>	<b>260</b>

The Group's operating segments are Bergman & Beving and Momentum Group. The operating segments are consolidations of the operational organisation, as used by Group management and the Board of Directors to monitor operations.

**Bergman & Beving** comprises product-owning businesses that develop premium brands that offer innovation and quality for professional users in construction and industry. **Momentum Group** comprises reseller businesses in TOOLS, Momentum Industrial, Gigant Arbetsplats and Mercus Yrkeskläder, which together form the Group's market channels for industrial consumables and industrial components for industry, construction and public administration in the Nordic region. **Group-wide** includes the Group's management, accounting, support functions, infrastructure operations and property management. The support functions include HR, internal communications, IR and legal affairs. The infrastructure operations comprise IT and Supply Chain.

Intra-Group pricing between the operating segments occurs on market terms. As a result of the current operating segments (which were introduced on 1 April 2016), no material changes occurred with respect to assets in the operating segments compared with the most recent Annual Report. The accounting policies are the same as those applied in the consolidated financial statements.

KEY PER-SHARE DATA<sup>2</sup>

SEK	QUARTER (3 MOS)		REPORTING PERIOD (6 MOS)		FULL-YEAR (12 MOS)	
	JUL-SEP		APR-SEP		ROLLING 12 MOS	2015/ 2016
	2016	2015	2016	2015		
Earnings before dilution	3.40	3.40	6.90	6.75	13.05	12.90
Earnings after dilution	3.40	3.40	6.90	6.75	13.00	12.85
Equity, at the end of the period			94.30	88.25		92.20
Equity after dilution, at the end of the period			94.30	88.25		92.25
<b>NUMBER OF SHARES OUTSTANDING IN THOUSANDS</b>						
Number of shares outstanding before dilution	28,146	28,096	28,146	28,096	28,146	28,096
Weighted number of shares outstanding before dilution	28,096	28,096	28,096	28,096	28,096	28,096
Weighted number of shares outstanding after dilution	28,168	28,123	28,165	28,130	28,149	28,127

2

Dilution effect based on the issued call options on repurchased Class B shares as of 30 September 2016.

3 months	0.3%	6 months	0.2%	Rolling 12 months	0.2%	2015/2016	0.1%
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## PARENT COMPANY SUMMARY

## INCOME STATEMENT

MSEK	QUARTER (3 MOS)		REPORTING PERIOD (6 MOS)		FULL-YEAR (12 MOS)	
	JUL-SEP		APR-SEP		ROLLING 12 MOS	2015/ 2016
	2016	2015	2016	2015		
Revenue	10	10	19	21	34	36
Other operating income	0	0	0	0	0	0
<b>Total operating income</b>	<b>10</b>	<b>10</b>	<b>19</b>	<b>21</b>	<b>34</b>	<b>36</b>
Operating expenses	-11	-11	-22	-11	-45	-34
<b>Operating profit</b>	<b>-1</b>	<b>-1</b>	<b>-3</b>	<b>10</b>	<b>-11</b>	<b>2</b>
Financial income and expenses	17	270	33	286	63	316
<b>Profit after financial items</b>	<b>16</b>	<b>269</b>	<b>30</b>	<b>296</b>	<b>52</b>	<b>318</b>
Appropriations	-	-	-	-	157	157
<b>Profit before taxes</b>	<b>16</b>	<b>269</b>	<b>30</b>	<b>296</b>	<b>209</b>	<b>475</b>
Taxes	-4	-4	-7	-11	-46	-50
<b>Net profit</b>	<b>12</b>	<b>265</b>	<b>23</b>	<b>285</b>	<b>163</b>	<b>425</b>

## STATEMENT OF COMPREHENSIVE INCOME

MSEK	QUARTER (3 MOS)		REPORTING PERIOD (6 MOS)		FULL-YEAR (12 MOS)	
	JUL-SEP		APR-SEP		ROLLING 12 MOS	2015/ 2016
	2016	2015	2016	2015		
<b>Net profit</b>	<b>12</b>	<b>265</b>	<b>23</b>	<b>285</b>	<b>163</b>	<b>425</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<i>Components that will not be reclassified to net profit</i>	-	-	-	-	-	-
<i>Components that will be reclassified to net profit</i>						
Fair value changes for the year in cash-flow hedges	-5	1	-3	8	-19	-8
Taxes attributable to other comprehensive income	1	0	1	-3	5	1
<b>Other comprehensive income</b>	<b>-4</b>	<b>1</b>	<b>-2</b>	<b>5</b>	<b>-14</b>	<b>-7</b>
<b>Total comprehensive income</b>	<b>8</b>	<b>266</b>	<b>21</b>	<b>290</b>	<b>149</b>	<b>418</b>

## BALANCE SHEET

MSEK	30 SEP 2016	30 SEP 2015	31 MAR 2016
<b>ASSETS</b>			
Intangible non-current assets	0	0	0
Tangible non-current assets	0	1	0
Financial non-current assets	3,402	3,587	3,408
Current receivables	289	307	510
Cash and cash equivalents	0	0	0
<b>Total assets</b>	<b>3,691</b>	<b>3,895</b>	<b>3,918</b>
<b>EQUITY, PROVISIONS AND LIABILITIES</b>			
Equity	2,098	2,084	2,212
Untaxed reserves	268	206	268
Provisions	45	49	45
Non-current liabilities	160	341	210
Current liabilities	1,120	1,215	1,183
<b>Total equity, provisions and liabilities</b>	<b>3,691</b>	<b>3,895</b>	<b>3,918</b>

## COMPILATION OF KEY FINANCIAL RATIOS

### KEY FINANCIAL RATIOS

	12 MONTHS ENDING			
	30 SEP 2016	31 MAR 2016	31 MAR 2015	31 MAR 2014
Revenue, MSEK	7,942	7,821	7,903	7,648
Operating profit, MSEK	490	486	450	340
Operating profit before amortisation of acquisition-related intangible non-current assets, MSEK	490	486	450	340
Profit after financial items, MSEK	473	468	408	286
Net profit, MSEK	367	362	306	214
Operating margin	6.2%	6.2%	5.7%	4.4%
Profit margin	6.0%	6.0%	5.2%	3.7%
Return on working capital (P/WC)	26%	26%	24%	19%
Return on capital employed	15%	14%	13%	10%
Return on equity	14%	15%	14%	10%
Operational net loan liability (closing balance), MSEK	183	220	533	822
Equity (closing balance), MSEK	2,649	2,591	2,326	2,203
Equity/assets ratio	51%	51%	45%	43%
Number of employees at the end of the period	2,598	2,623	2,682	2,655

### KEY PER-SHARE DATA

	12 MONTHS ENDING			
	30 SEP 2016	31 MAR 2016	31 MAR 2015	31 MAR 2014
Earnings, SEK	13.05	12.90	10.90	7.60
Earnings after dilution, SEK	13.00	12.85	10.85	7.60
Cash flow from operating activities, SEK	17.70	17.55	11.75	7.45
Equity, SEK	94.30	92.20	82.80	78.40
Share price, SEK	191.50	149.50	141.00	119.00

## CALCULATION OF KEY FINANCIAL RATIOS AND DEFINITIONS

B&B TOOLS AB uses certain key financial ratios in its analysis of the operations and their performance that are not calculated in accordance with IFRS. The Company believes that these key financial ratios provide valuable information for investors, since they enable a more accurate assessment of current trends when combined with other key financial ratios calculated in accordance with IFRS. Since listed companies do not always calculate these key financial ratios in the same way, there is no guarantee that the information is comparable with other companies' key financial ratios of the same name.

### RETURN ON WORKING CAPITAL (P/WC)

B&B TOOLS' profitability target is for each unit in the Group to achieve profitability of at least 45 percent, measured as operating profit (P) for the rolling 12-month period before amortisation of acquisition-related intangible non-current assets as a percentage of average 12 months' working capital (WC), defined as inventories plus accounts receivable less accounts payable.

	ROLLING 12 MONTHS ENDING	
	30 SEP 2016	30 SEP 2015
<b>OPERATING PROFIT BEFORE AMORTISATION OF ACQUISITION-RELATED INTANGIBLE NON-CURRENT ASSETS (P), MSEK</b>	<b>490</b>	<b>475</b>
<b>Average working capital (WC)</b>		
Inventories, MSEK	1,497	1,538
Accounts receivable, MSEK	1,239	1,202
Accounts payable, MSEK	-883	-844
<b>TOTAL – AVERAGE WC</b>	<b>1,853</b>	<b>1,896</b>
<b>P/WC</b>	<b>26%</b>	<b>25%</b>

### CHANGE IN REVENUE

Comparable units refer to sales in local currency from units that were part of the Group during the current period and the entire corresponding period in the preceding year. Trading days refer to sales in local currency depending on the difference in the number of trading days compared with the comparative period. Other units refer to the acquisition or divestment of units during the corresponding period.

CHANGE IN REVENUE FOR:	QUARTER (3 MOS) – JUL-SEP		REPORTING PERIOD (6 MOS) – APR-SEP	
	2016	2015	2016	2015
Comparable units in local currency	1.6%	1.0%	2.1%	0.4%
Currency effects	0.3%	-1.6%	-1.2%	-0.7%
Number of trading days	–	–	1.8%	0.6%
Other units	0.4%	–	0.4%	–
<b>TOTAL – CHANGE</b>	<b>2.3%</b>	<b>-0.6%</b>	<b>3.1%</b>	<b>0.3%</b>

## OTHER DEFINITIONS

### Cash flow per share

Cash flow for the rolling 12-month period from operating activities divided by the weighted number of shares.

### Earnings per share

Net profit for the period attributable to the Parent Company shareholders divided by the weighted number of shares.

### Equity per share

Equity attributable to Parent Company shareholders divided by the number of shares at the end of the period.

### Equity/assets ratio

Equity as a percentage of the balance-sheet total.

### Operating margin

Operating profit for the period as a percentage of revenue.

### Operating profit before amortisation of acquisition-related intangible non-current assets

Operating profit for the period before impairment of goodwill and amortisation and impairment of other intangible assets arising in connection with corporate acquisitions and equivalent transactions.

### Operational net loan liability

Interest-bearing liabilities excluding provisions for pensions less cash and cash equivalents.

### Profit margin

Profit after financial items as a percentage of revenue.

### Return on capital employed

Profit after financial items plus financial expenses for the rolling 12-month period divided by the average balance-sheet total less non-interest-bearing liabilities.

### Return on equity

Net profit for the rolling 12-month period divided by average equity.

### Weighted number of shares

Average number of shares outstanding before or after dilution. Shares held by B&B TOOLS are not included in the number of shares outstanding. Dilution effects arise due to call options that can be settled using shares in share-based incentive programmes. The call options have a dilution effect when the average share price during the period is higher than the redemption price of the call options.

## Dates for forthcoming financial information

**Interim Report 9 months – 1 April-31 December 2016** will be presented on 8 February 2017.

**Financial Report 2016/2017 – 1 April 2016-31 March 2017** will be presented on 9 May 2017.

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*The information in this report is such that B&B TOOLS 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 persons set out above, at 7:45 a.m. CET on 28 October 2016.*

*This document is in all respects a translation of the Swedish original Interim Report. In the event of any differences between this translation and the Swedish original, the latter shall prevail.*

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