

INTERIM REPORT – 9 MONTHS

1 April-31 December 2016

Third quarter (1 October-31 December 2016)

- **Revenue** rose by 7 percent to MSEK 2,132 (1,993).
- **Operating profit** amounted to MSEK 94 (115), corresponding to an **operating margin** of 4.4 percent (5.8).
- **Adjusted operating profit (excluding items affecting comparability)** totalled MSEK 113 (115), corresponding to an **adjusted operating margin** of 5.3 percent (5.8).
- **Net profit** amounted to MSEK 70 (85).
- **Earnings per share** totalled SEK 2.50 (3.05).
- **Cash flow from operating activities** amounted to MSEK 191 (207) and **cash flow per share** for the most recent 12-month period totalled SEK 17.35 (16.05).
- **Two strategic acquisitions carried out during the quarter** strengthened the Group's position as a supplier to the industrial and construction sectors in the Nordic region.
- **Preparations are under way for the separate listing of the Momentum Group operating segment on Nasdaq Stockholm in 2017.**

Reporting period – 9 months (1 April-31 December 2016)

- **Revenue** rose by 4 percent to MSEK 6,146 (5,886).
- **Operating profit** amounted to MSEK 358 (375) and the **operating margin** was 5.8 percent (6.4).
- **Adjusted operating profit (excluding items affecting comparability)** increased by 5 percent to MSEK 378 (360), corresponding to an **adjusted operating margin** of 6.2 percent (6.1).
- **Net profit** amounted to MSEK 265 (275).
- **The return on working capital** for the most recent 12-month period was 25 percent and the **return on equity** was 13 percent (14).
- The **equity/assets ratio** at the end of the period was 50 percent (52).
- The **operational net loan liability** declined to MSEK 175 (266).

B&B TOOLS IN SUMMARY

	QUARTER			REPORTING PERIOD			FULL-YEAR		
	3 MONTHS ENDING 31 DEC 2016	2015	Change	9 MONTHS ENDING 31 DEC 2016	2015	Change	12 MONTHS ENDING 31 DEC 2016	2015	Change
Revenue, MSEK	2,132	1,993	-7%	6,146	5,886	+4%	8,081	7,880	+3%
Operating profit, MSEK	94	115	-18%	358	375	-5%	469	486	-3%
<i>of which, items affecting comparability</i>	-19	-		-20	15		-20	15	
Adjusted operating profit	113	115	-2%	378	360	+5%	489	471	+4%
Profit after financial items, MSEK	90	111	-19%	345	361	-4%	452	461	-2%
Net profit (after taxes), MSEK	70	85	-18%	265	275	-4%	352	350	+1%
Earnings per share, SEK	2.50	3.05	-18%	9.40	9.80	-4%	12.50	12.50	+0%
Operating margin	4.4%	5.8%		5.8%	6.4%		5.8%	6.2%	
Profit margin	4.2%	5.6%		5.6%	6.1%		5.6%	5.9%	
Return on equity							13%	14%	
Equity per share, SEK				97.25	91.15	+7%			
Equity/assets ratio				50%	52%				
Number of employees at the end of the period				2,686	2,662	+1%			

PRESIDENT'S STATEMENT

Investing in the future with a focus on increased growth and profitability

The Group's revenue rose by 4 percent during the first nine months of the 2016/17 financial year. At the same time, operating profit increased by 5 percent (adjusted for items affecting comparability). During the financial year, we conducted a number of strategic acquisitions that have strengthened our operating segments for the future.

Within Bergman & Beving, the share of proprietary product brands is increasing, which is improving our margin and earnings trends, and we are also continuously investing in product development and brand building. Within Momentum Group, there is variation between the various businesses when it comes to profitability. The operating margin for Momentum Industrial remains strong, while TOOLS Sweden has implemented and will continue to implement robust measures in order to improve its profitability – including an adapted store network, the establishment of its own central warehouse and a realignment of its purchasing. The costs for these measures are being charged to the business' profit on an ongoing basis.

Preparations for a separate listing of Momentum Group

In late October 2016, the Board of Directors of B&B TOOLS decided to commence preparations for a separate listing of Momentum Group on Nasdaq Stockholm. The aim is to implement the listing during 2017. Over the course of the financial year, this work has involved a large number of activities and measures to enable a split of the Group, which will require all joint functions, particularly for logistics and IT, to be divided up between two separate and independent companies. So far, these measures have proceeded according to plan and resulted in costs affecting comparability of approximately MSEK 20 during the reporting period.

With a sense of great confidence, I look forward to the planned split of the Group into two independent, listed companies and I am convinced that the investments we are making will generate a positive return in the future. With a healthy cash flow and strong balance sheet, we have the right conditions for the long-term profitable growth of Bergman & Beving and Momentum Group through both organic growth and through acquisitions.

Stockholm, February 2017

Ulf Lilius

President & CEO

PROFIT AND REVENUE

Third quarter (1 October-31 December 2016)

Revenue for the third quarter amounted to MSEK 2,132 (1,993). Exchange-rate translation effects had an impact of MSEK +54 (–41) on revenue. Revenue for comparable units, measured in local currency and adjusted for the number of trading days, rose by approximately 1 percent during the quarter.

Operating profit for the quarter totalled MSEK 94 (115). Adjusted for items affecting comparability, operating profit was largely unchanged compared with the preceding year and amounted to MSEK 113 (115). Items affecting comparability for the quarter amounted to approximately MSEK 19 and pertained to costs associated with the establishment of two independent operating segments ahead of a potential spin-off and separate listing of the Momentum Group segment. Exchange-rate translation effects had a net impact of MSEK +4 (+0) on operating profit. The operating margin was 4.4 percent (5.8). Excluding items affecting comparability, the adjusted operating margin was 5.3 percent (5.8). Profit after financial items amounted to MSEK 90 (111) and net profit to MSEK 70 (85) for the quarter, corresponding to earnings per share of SEK 2.50 (3.05).

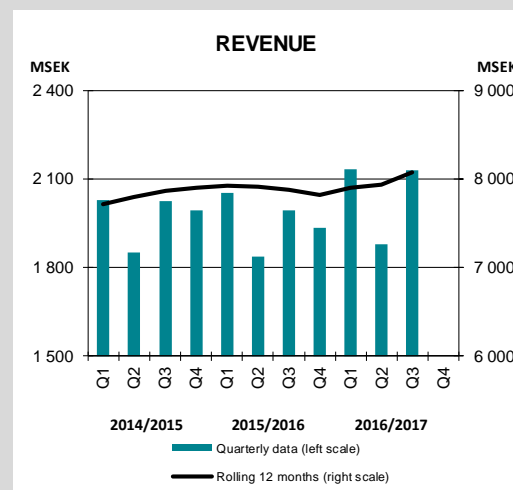
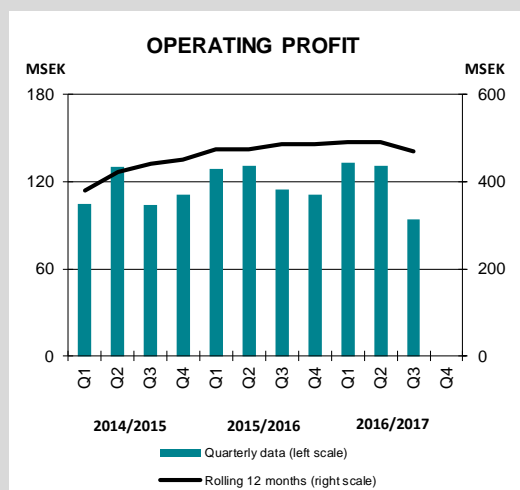
Reporting period – 9 months (1 April-31 December 2016)

Revenue for the full reporting period amounted to MSEK 6,146 (5,886). Exchange-rate translation effects had an impact of MSEK +7 (–67) on revenue. For comparable units, measured in local currency and adjusted for the number of trading days, revenue rose by approximately 1 percent during the reporting period compared with the preceding year.

Operating profit for the reporting period amounted to MSEK 358 (375). Adjusted operating profit (excluding items affecting comparability) rose by 5 percent to MSEK 378 (360). Items affecting comparability for the period amounted to approximately MSEK 20 and pertained to costs associated with the establishment of the two independent operating segments. Operating profit was charged with depreciation and impairment losses of MSEK –20 (–19) on tangible non-current assets and amortisation and impairment losses of MSEK –6 (–2) on intangible non-current assets. Exchange-rate translation effects had a net impact of MSEK 0 (+3) on operating profit. The operating margin was 5.8 percent (6.4). Excluding items affecting comparability, the adjusted operating margin was 6.2 percent (6.1).

Profit after financial items amounted to MSEK 345 (361) and net financial items to MSEK –13 (–14). The profit margin was 5.6 percent (6.1). Net profit totalled MSEK 265 (275), corresponding to earnings per share of SEK 9.40 (9.80). Earnings per share for the most recent 12-month period amounted to SEK 12.50 (12.50).

OPERATING PROFIT AND 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 (9 MOS)		FULL-YEAR (12 MOS)	
	OCT-DEC		APR-DEC		ROLLING 12 MOS	2015/2016
	2016	2015	2016	2015		
Revenue	2,132	1,993	6,146	5,886	8,081	7,821
Operating profit	94	115	358	375	469	486
Operating margin	4.4%	5.8%	5.8%	6.4%	5.8%	6.2%

BERGMAN & BEVING

Premium brands that offer innovation and quality to professional users in construction and industry.

BERGMAN & BEVING

MSEK	QUARTER (3 MOS)		REPORTING PERIOD (9 MOS)		FULL-YEAR (12 MOS)	
	OCT-DEC		APR-DEC		ROLLING 12 MOS	2015/ 2016
	2016	2015	2016	2015		
Revenue	969	912	2,864	2,750	3,761	3,647
Operating profit	66	57	225	203	296	274
Operating margin	6.8%	6.3%	7.9%	7.4%	7.9%	7.5%

Revenue for comparable units in the Bergman & Beving operating segment increased by 1 percent¹ during the third 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. Price adjustments, the stronger exchange rate for the NOK and increased sales of proprietary product brands 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. The businesses in Bergman & Beving are making continuous investments in long-term product and brand development.

ESSVE's revenue increased by 8 percent¹ during the quarter, with continued favourable growth in sales to chain customers in the area of construction materials in all geographic markets and stronger market positions. Operating profit rose by more than 30 percent compared to the preceding year. Revenue for *Skydda* decreased by a total of 2 percent¹ during the quarter, with a continued increase in demand from customers in the area of construction materials, while sales were impacted negatively by TOOLS's direct purchases from other suppliers. Proprietary product brands accounted for a larger portion of the unit's sales, contributing to an increase of just over 15 percent in operating profit. The acquisition of IQ Supplies earlier in the year had a positive impact on *Teng Tools*' performance during the quarter and the gross margins improved.

Luna increased its revenue by 4 percent¹ during the quarter as a result of higher demand in both the industrial sector and the area of construction materials. At the same time, the company's margins improved and operating profit doubled during the quarter. *Grunda*'s revenue decreased by approximately 3 percent¹ during the quarter, mainly to TOOLS and other industrial resellers, which had a negative impact on the earnings trend. As of 1 April 2017, Luna and Grunda will be coordinated into a joint product and sales business.

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 (9 MOS)		FULL-YEAR (12 MOS)	
	OCT-DEC		APR-DEC		ROLLING 12 MOS	2015/ 2016
	2016	2015	2016	2015		
Revenue	1,419	1,349	4,011	3,925	5,262	5,176
Operating profit	44	51	146	148	191	193
Operating margin	3.1%	3.8%	3.6%	3.8%	3.6%	3.7%

Revenue for comparable units in Momentum Group remained unchanged¹ during the third quarter and the economic situation in the industrial sector remained uncertain in all geographic markets, despite a levelling off of the decline in the Norwegian offshore industry. Proactive purchasing efforts and the establishment of own purchasing organisations had a positive effect on the trend while costs associated with measures to boost long-term profitability, primarily within TOOLS Sweden and the implementation of a new business system in TOOLS Norway, had a negative impact on earnings.

TOOLS Sweden's revenue remained unchanged¹ during the quarter, which was deemed to be on par with the market trend for industrial resellers. TOOLS Sweden's measures to improve its earnings trend and adapt its operations are proceeding according to plan. The company has the necessary prerequisites to succeed with these efforts, with a focus on profitable product areas, continued cost control and a reduction in the number of local stores. Revenue for *TOOLS Norway* declined by 3 percent¹, which had a negative impact on operating profit. The acquisition of Astrup Industrivarer was finalised during the quarter. *TOOLS Finland* increased its revenue by 9 percent¹ during the quarter and continued favourable sales trend with respect to large customers. The business' reduction in costs, systematic pricing and focus on the core product range had a positive impact on the earnings trend.

Momentum Industrial's revenue declined by 3 percent¹ during the quarter, which was deemed to reflect the underlying demand in the industrial market, particularly in Sweden. The operating margin remained strong. *Gigant*'s total revenue decreased by 4 percent¹ during the quarter, which had a negative impact on the earnings trend, and the measures to adapt the operations to lower volumes continued – with an increased focus on direct sales to the industrial and construction sectors. With a focus on mobile trade customers, *Mercus Yrkeskläder*'s revenue rose by 7 percent¹ during the quarter, with continued favourable profitability.

¹ 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

The operating loss for “Group-wide” amounted to MSEK –16 (+12) for the reporting period, of which, items affecting comparability accounted for MSEK –20 (+15). Items affecting comparability for the period pertained to costs associated with the relocation of logistics operations and separation of IT systems in connection with the establishment of two independent operating segments ahead of a potential spin-off and separate listing of the Momentum Group segment. The Parent Company’s revenue amounted to MSEK 28 (31) and profit after financial items to MSEK 79 (311). These results include Group contributions, intra-Group dividends and similar items totalling MSEK 38 (254).

Eliminations for intra-Group inventory gains had a positive impact of MSEK +3 (+12) on earnings during the reporting period.

EMPLOYEES

At the end of the reporting period, the number of employees in the Group was 2,686, 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 in October 2016. The acquisition is expected to have a marginally positive effect on B&B TOOLS’ earnings per share during the current financial year.

In mid-October, 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 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 took place in November 2016. The acquisition is expected to have a marginally positive effect on B&B TOOLS’ earnings per share during the current financial year.

In December, the subsidiary Cresto AB entered into an agreement to acquire all of the shares in AAK Safety AS. AAK Safety is the leading fall protection specialist in Norway, with annual revenue of approximately MSEK 70 and some 30 employees. AAK Safety is a niche company specialising in fall protection, with sales of personal protective equipment, fixed fall protection systems and related services to customers in such areas as the energy, telecom, offshore and rescue equipment industries in Norway. Together, Cresto and AAK Safety form the leading fall protection specialist in the Nordic region, with combined annual revenue of just over MSEK 150 and approximately 70 employees. Closing took place in early February 2017. 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.

PROFITABILITY, CASH FLOW AND FINANCIAL POSITION

The Group’s profitability, measured as the return on working capital (P/WC), amounted to 25 percent (26) for the most recent 12-month period. The return on capital employed for the corresponding period was 14 percent (14) and the return on equity was 13 percent (14).

Cash flow from operating activities before changes in working capital for the reporting period totalled MSEK 313 (329). Funds tied up in working capital decreased by MSEK 104. During the period, inventories increased by MSEK 48, while operating receivables declined by MSEK 21. Operating liabilities rose by MSEK 131. Accordingly, cash flow from operating activities for the period amounted to MSEK 417 (428).

Cash flow for the period was also impacted in a net amount of MSEK –65 (–39) pertaining to investments in and divestments of non-current assets, and a net amount of MSEK –160 (+18) 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 175 (266). Interest-bearing liabilities totalled MSEK 248 (314), excluding expensed pension obligations of MSEK 596 (460). Liabilities to credit institutions amounted to MSEK 175 (266), net. Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 925 (834).

The equity/assets ratio at the end of the reporting period was 50 percent, compared with 51 percent at the beginning of the financial year.

Equity per share totalled SEK 97.25 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 97.25 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 31 DECEMBER 2016
Class A shares	1,063,780
Class B shares	27,372,636
Total number of shares before	28,436,416
Less: Repurchased Class B shares	-250,800
Total number of shares after repurchasing	28,185,616

As of 31 March 2016, the number of Class B shares held in treasury totalled 340,000. During the reporting period, a total of 89,200 treasury shares were conveyed in connection with the exercise of the call options. Accordingly, the number of Class B shares held in treasury as of 31 December 2016 amounted to 250,800, corresponding to 0.9 percent of the total number of shares and 0.7 percent of the total number of votes. Of the total number of shares held in treasury, 248,800 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. At 31 December 2016, the share price was SEK 191.00. 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

Board of Directors of Momentum Group

Following a number of changes in composition, the Board of Directors of the subsidiary Momentum Group AB comprises Fredrik Börjesson, Charlotte Hansson, Stefan Hedelius, Gunilla Spongh and Chairman Jörgen Wigh. The internal subsidiary Board of Directors for the Bergman & Beving operating segment comprises Chairman Anders Börjesson, Roger Bergqvist, Henrik Hedelius, Malin Nordesjö, Johan Sjö and Louise Undén.

Peter Schön assumes the position of CFO

Peter Schön will assume his position as the new CFO of the B&B TOOLS Group on 1 March 2017. In conjunction with this, current CFO Eva Hemb will step down as Executive Vice President in the Group.

Acquisition of AAK Safety AS finalised in early February

The subsidiary Cresto AB finalised the acquisition of AAK Safety AS in early February 2017 (see “Corporate acquisitions” above).

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

ELECTION COMMITTEE FOR THE ELECTION OF THE BOARD OF DIRECTORS

In accordance with a resolution passed at the Annual General Meeting held in August 2016, the largest shareholders in terms of votes as of 31 December 2016 have been contacted and asked to appoint four members who, together with the Chairman of the Board, will form the Election Committee for the upcoming election of the Board of Directors. The Election Committee thus comprises Board Chairman Anders Börjesson, Marianne Flink (representative of Swedbank Robur funds), Tom Hedelius, Håkan Sandberg (representative of Handelsbankens Pensionskassa) and Per Trygg (representative of SEB Funds). Contact information for the Election Committee is available on B&B TOOLS’ website.

Stockholm, 8 February 2017

Ulf Lilius
President & CEO

This report has not been subject to special review by the Company’s auditors.

Contact information

Ulf Lilius, President & CEO, Tel: +46 10 454 77 00
Mats Karlqvist, Head of Investor Relations, Tel: +46 70 660 31 32

Complete contact information for B&B TOOLS is provided below and forthcoming information dates are presented on page 14.

B&B TOOLS AB (publ)

Mail address **PO Box 10024 SE-100 55 Stockholm Sweden**

Visit **Linnégatan 18 Stockholm**

Tel **+46 10 454 77 00** Fax **+46 10 454 77 01**

Org No **556034-8590** Reg office **Stockholm**

Web **www.bbtools.com**

REPORTING BY OPERATING SEGMENT

REVENUE BY OPERATING SEGMENT

MSEK	QUARTER (3 MOS)		REPORTING PERIOD (9 MOS)		FULL-YEAR (12 MOS)	
	OCT-DEC		APR-DEC		ROLLING 12 MOS	2015/ 2016
	2016	2015	2016	2015		
Bergman & Beving	969	912	2,864	2,750	3,761	3,647
Momentum Group	1,419	1,349	4,011	3,925	5,262	5,176
Group-wide	148	139	431	413	562	544
Eliminations	-404	-407	-1,160	-1,202	-1,504	-1,546
The B&B TOOLS Group	2,132	1,993	6,146	5,886	8,081	7,821

REVENUE BY QUARTER

MSEK	2016/2017		2015/2016				
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Bergman & Beving	969	883	1,012	897	912	883	955
Momentum Group	1,419	1,210	1,382	1,251	1,349	1,209	1,367
Group-wide	148	137	146	131	139	135	139
Eliminations	-404	-351	-405	-344	-407	-388	-407
The B&B TOOLS Group	2,132	1,879	2,135	1,935	1,993	1,839	2,054

OPERATING PROFIT BY OPERATING SEGMENT

MSEK	QUARTER (3 MOS)		REPORTING PERIOD (9 MOS)		FULL-YEAR (12 MOS)	
	OCT-DEC		APR-DEC		ROLLING 12 MOS	2015/ 2016
	2016	2015	2016	2015		
Bergman & Beving	66	57	225	203	296	274
Momentum Group	44	51	146	148	191	193
Group-wide	-18	0	-16	12	-31	-3
Eliminations	2	7	3	12	13	22
The B&B TOOLS Group	94	115	358	375	469	486

OPERATING PROFIT BY QUARTER

MSEK	2016/2017		2015/2016				
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Bergman & Beving	66	76	83	71	57	70	76
Momentum Group	44	49	53	45	51	57	40
Group-wide	-18	5	-3	-15	0	3	9
Eliminations	2	1	0	10	7	1	4
The B&B TOOLS Group	94	131	133	111	115	131	129

GROUP SUMMARY

CONSOLIDATED INCOME STATEMENT

MSEK	QUARTER (3 MOS)		REPORTING PERIOD (9 MOS)		FULL-YEAR (12 MOS)	
	OCT-DEC		APR-DEC		ROLLING 12 MOS	2015/ 2016
	2016	2015	2016	2015		
Revenue	2,132	1,993	6,146	5,886	8,081	7,821
Shares of profit in associated companies	0	0	0	0	0	0
Other operating income	5	11	8	32	10	34
Total operating income	2,137	2,004	6,154	5,918	8,091	7,855
Cost of goods sold	-1,242	-1,162	-3,611	-3,467	-4,742	-4,598
Personnel costs	-473	-441	-1,305	-1,248	-1,739	-1,682
Depreciation, amortisation, impairment losses and reversal of impairment losses	-10	-7	-26	-21	-33	-28
Other operating expenses	-318	-279	-854	-807	-1,108	-1,061
Total operating expenses	-2,043	-1,889	-5,796	-5,543	-7,622	-7,369
Operating profit	94	115	358	375	469	486
Financial income and expenses	-4	-4	-13	-14	-17	-18
Profit after financial items	90	111	345	361	452	468
Taxes	-20	-26	-80	-86	-100	-106
Net profit	70	85	265	275	352	362
Of which, attributable to:						
Parent Company shareholders	70	85	265	275	352	362
Earnings per share, SEK						
– Before dilution	2.50	3.05	9.40	9.80	12.50	12.90
– After dilution	2.50	3.00	9.40	9.75	12.50	12.85

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	QUARTER (3 MOS)		REPORTING PERIOD (9 MOS)		FULL-YEAR (12 MOS)	
	OCT-DEC		APR-DEC		ROLLING 12 MOS	2015/ 2016
	2016	2015	2016	2015		
Net profit	70	85	265	275	352	362
OTHER COMPREHENSIVE INCOME						
<i>Components that will not be reclassified to net profit</i>						
Remeasurement of defined-benefit pension plans	17	22	-52	167	-125	94
Tax attributable to components that will not be reclassified	-4	-5	11	-37	27	-21
	13	17	-41	130	-98	73
<i>Components that will be reclassified to net profit</i>						
Translation differences	-7	-16	47	-59	55	-51
Fair value changes for the year in cash-flow hedges	7	-5	4	3	-7	-8
Tax attributable to components that will be reclassified	-2	1	-1	-2	2	1
	-2	-20	50	-58	50	-58
Other comprehensive income	11	-3	9	72	-48	15
Total comprehensive income	81	82	274	347	304	377
Of which, attributable to:						
Parent Company shareholders	81	82	274	347	304	377

CONSOLIDATED BALANCE SHEET

MSEK	31 DEC 2016	31 DEC 2015	31 MAR 2016
ASSETS			
Intangible non-current assets	1,952	1,815	1,821
Tangible non-current assets	120	97	100
Financial non-current assets	7	6	5
Shares in associated companies	11	12	11
Deferred tax assets	98	113	88
Inventories	1,640	1,504	1,505
Accounts receivable	1,273	1,121	1,232
Other current receivables	247	234	216
Cash and cash equivalents	73	48	62
Total assets	5,421	4,950	5,040
EQUITY AND LIABILITIES			
Equity	2,734	2,561	2,591
Non-current interest-bearing liabilities	100	200	150
Provisions for pensions	596	460	536
Other non-current liabilities and provisions	96	111	88
Current interest-bearing liabilities	148	114	132
Accounts payable	1,021	833	896
Other current liabilities	726	671	647
Total equity and liabilities	5,421	4,950	5,040
Operational net loan liability	175	266	220

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	31 DEC 2016	31 DEC 2015	31 MAR 2016
Opening equity	2,591	2,326	2,326
Dividend, Parent Company shareholders	-140	-112	-112
Sale of treasury shares in connection with redemption of share options	9	-	-
Total comprehensive income attributable to: Parent Company shareholders	274	347	377
Closing equity	2,734	2,561	2,591

CONSOLIDATED CASH-FLOW STATEMENT

MSEK	QUARTER (3 MOS)		REPORTING PERIOD (9 MOS)		FULL-YEAR (12 MOS)	
	OCT-DEC		APR-DEC		ROLLING 12 MOS	2015/ 2016
	2016	2015	2016	2015		
Operating activities before changes in working capital	82	87	313	329	400	416
Changes in working capital	109	120	104	99	82	77
Cash flow from operating activities	191	207	417	428	482	493
Investments in intangible and tangible non-current assets	-29	-14	-65	-41	-81	-57
Proceeds from sale of intangible & tangible non-current assets	0	0	0	2	0	2
Acquisition of subsidiaries and other business units	-154	-3	-160	-11	-160	-11
Proceeds from sale of subsidiaries and other business units	-	1	-	29	1	30
Cash flow before financing	8	191	192	407	242	457
Financing activities	17	-173	-184	-409	-220	-445
Cash flow for the period	25	18	8	-2	22	12
Cash and cash equivalents at the beginning of the period	47	30	62	57	48	57
Exchange-rate differences in cash and cash equivalents	1	0	3	-7	3	-7
Cash and cash equivalents at the end of the period	73	48	73	48	73	62

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-DEC		REVENUE FROM INTERNAL CUSTOMERS APR-DEC		TOTAL REVENUE APR-DEC		OPERATING PROFIT APR-DEC	
	2016	2015	2016	2015	2016	2015	2016	2015
	Bergman & Beving	2,137	1,959	727	791	2,864	2,750	225
Momentum Group	4,003	3,920	8	5	4,011	3,925	146	148
Total operating segments	6,140	5,879	735	796	6,875	6,675	371	351
Group-wide	6	7	425	406	431	413	-16	12
Eliminations	-	-	-1,160	-1,202	-1,160	-1,202	3	12
The B&B TOOLS Group	6,146	5,886	0	0	6,146	5,886	358	375

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 DATA²

SEK	QUARTER (3 MOS)		REPORTING PERIOD (9 MOS)		FULL-YEAR (12 MOS)	
	OCT-DEC		APR-DEC		ROLLING 12 MOS	2015/ 2016
	2016	2015	2016	2015		
Earnings before dilution	2.50	3.05	9.40	9.80	12.50	12.90
Earnings after dilution	2.50	3.00	9.40	9.75	12.50	12.85
Equity, at the end of the period			97.25	91.15		92.20
Equity after dilution, at the end of the period			97.25	91.15		92.25
NUMBER OF SHARES OUTSTANDING IN THOUSANDS						
Number of shares outstanding before dilution	28,186	28,096	28,186	28,096	28,186	28,096
Weighted number of shares outstanding before dilution	28,169	28,096	28,122	28,096	28,116	28,096
Weighted number of shares outstanding after dilution	28,236	28,120	28,189	28,127	28,180	28,127

2

Dilution effect based on issued and outstanding call options on repurchased Class B shares as of 31 December 2016.

3 months	0.2%	9 months	0.2%	Rolling 12 months	0.2%	2015/2016	0.1%
----------	------	----------	------	-------------------	------	-----------	------

PARENT COMPANY SUMMARY

INCOME STATEMENT

	QUARTER (3 MOS)		REPORTING PERIOD (9 MOS)		FULL-YEAR (12 MOS)	
	OCT-DEC		APR-DEC		ROLLING	2015/
MSEK	2016	2015	2016	2015	12 MOS	2016
Revenue	9	10	28	31	33	36
Other operating income	0	0	0	0	0	0
Total operating income	9	10	28	31	33	36
Operating expenses	-15	-10	-37	-21	-50	-34
Operating profit	-6	0	-9	10	-17	2
Financial income and expenses	55	15	88	301	103	316
Profit after financial items	49	15	79	311	86	318
Appropriations	-	-	-	-	157	157
Profit before taxes	49	15	79	311	243	475
Taxes	-2	-3	-9	-14	-45	-50
Net profit	47	12	70	297	198	425

STATEMENT OF COMPREHENSIVE INCOME

	QUARTER (3 MOS)		REPORTING PERIOD (9 MOS)		FULL-YEAR (12 MOS)	
	OCT-DEC		APR-DEC		ROLLING	2015/
MSEK	2016	2015	2016	2015	12 MOS	2016
Net profit	47	12	70	297	198	425
OTHER COMPREHENSIVE INCOME						
<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	7	-5	4	3	-7	-8
Taxes attributable to other comprehensive income	-2	1	-1	-2	2	1
Other comprehensive income	5	-4	3	1	-5	-7
Total comprehensive income	52	8	73	298	193	418

BALANCE SHEET

MSEK	31 DEC 2016	31 DEC 2015	31 MAR 2016
ASSETS			
Intangible non-current assets	0	0	0
Tangible non-current assets	0	1	0
Financial non-current assets	3,430	3,557	3,408
Current receivables	233	250	510
Cash and cash equivalents	0	0	0
Total assets	3,663	3,808	3,918
EQUITY, PROVISIONS AND LIABILITIES			
Equity	2,153	2,092	2,212
Untaxed reserves	268	206	268
Provisions	45	47	45
Non-current liabilities	160	291	210
Current liabilities	1,037	1,172	1,183
Total equity, provisions and liabilities	3,663	3,808	3,918

COMPILATION OF KEY FINANCIAL RATIOS

KEY FINANCIAL RATIOS

	12 MONTHS ENDING			
	31 DEC 2016	31 MAR 2016	31 MAR 2015	31 MAR 2014
Revenue, MSEK	8,081	7,821	7,903	7,648
Operating profit, MSEK	469	486	450	340
Adjusted operating profit, MSEK	489	471	450	340
EBITA, MSEK	471	486	450	340
Profit after financial items, MSEK	452	468	408	286
Net profit, MSEK	352	362	306	214
Operating margin	5.8%	6.2%	5.7%	4.4%
Profit margin	5.6%	6.0%	5.2%	3.7%
Return on working capital (P/WC)	25%	26%	24%	19%
Return on capital employed	14%	14%	13%	10%
Return on equity	13%	15%	14%	10%
Operational net loan liability (closing balance), MSEK	175	220	533	822
Equity (closing balance), MSEK	2,734	2,591	2,326	2,203
Equity/assets ratio	50%	51%	45%	43%
Number of employees at the end of the period	2,686	2,623	2,682	2,655

KEY PER-SHARE DATA

Earnings, SEK	12.50	12.90	10.90	7.60
Earnings after dilution, SEK	12.50	12.85	10.85	7.60
Cash flow from operating activities, SEK	17.35	17.55	11.75	7.45
Equity, SEK	97.25	92.20	82.80	78.40
Share price, SEK	191.00	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.

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 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) – OCT-DEC		REPORTING PERIOD (9 MOS) – APR-DEC	
	2016	2015	2016	2015
Comparable units in local currency	1.3%	-1.5%	0.9%	-0.3%
Currency effects	2.7%	-2.0%	0.2%	-1.1%
Number of trading days	1.6%	1.5%	1.7%	0.9%
Other units	1.4%	0.3%	1.6%	-0.1%
TOTAL – CHANGE	7.0%	-1.7%	4.4%	-0.4%

ADJUSTED OPERATING PROFIT

Operating profit for the period adjusted for items affecting comparability. Items affecting comparability include revenue and expenses that do not arise regularly in the operating activities. Costs affecting comparability for the period include costs for establishing two independent operating segments and items affecting comparability for the comparative period include revenue from the sale of properties and conveyance of a pension obligation.

MSEK	QUARTER (3 MOS) – OCT-DEC		REPORTING PERIOD (9 MOS) – APR-DEC	
	2016	2015	2016	2015
ADJUSTED OPERATING PROFIT	113	115	378	360
Costs for establishment of two independent operating segments	-19	-	-20	-
Other items affecting comparability	-	-	-	15
OPERATING PROFIT	94	115	358	375

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 rolling 12-month EBITA (P) as a percentage of average 12-month working capital (WC), defined as inventories plus accounts receivable less accounts payable.

	ROLLING 12 MONTHS ENDING	
	31 DEC 2016	31 DEC 2015
EBITA (P), MSEK	471	486
Average working capital (WC)		
Inventories, MSEK	1,522	1,529
Accounts receivable, MSEK	1,251	1,187
Accounts payable, MSEK	-921	-832
TOTAL – AVERAGE WC	1,852	1,884
P/WC	25%	26%

OTHER DEFINITIONS**Adjusted operating margin**

Operating profit for the period excluding items affecting comparability as a percentage of revenue.

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.

EBITA

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.

Equity/assets ratio

Equity as a percentage of the balance-sheet total.

Equity per share

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

Operational net loan liability

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

Operating margin

Operating profit for the period as a percentage of revenue.

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

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

The Annual Report for the 2016/2017 financial year will be distributed to shareholders who have so requested in mid-July 2017 and will be available at the Company's office and website as of the same date.

B&B TOOLS AB's 2017 Annual General Meeting will be held in Stockholm on 24 August 2017.

Visit www.bbtools.com to order reports and press releases.

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. The information was submitted for publication, through the agency of the contact persons set out above, at 12:15 p.m. CET on 8 February 2017.

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.