

IN THE SECOND QUARTER, BYGGMAX INCREASED NET SALES BY +34%

April 1 - June 30

- Net sales amounted to SEK 1,738.7 M (1,294.6), up 34.3 percent. Pro forma net sales totaled SEK 1,584.0 M for the second quarter of 2015, corresponding to a pro forma net sales increase of 9.8 percent.
- Net sales for comparable stores increased 6.1 percent (10.3).
- The gross margin was 29.9 percent (29.3).
- EBITDA amounted to SEK 193.8 M (151.4). Pro forma EBITDA was SEK 192.8 M for the second quarter of 2015.
- The EBITDA margin was 11.1 percent (11.7). The pro forma EBITDA margin was 12.2 percent for the second quarter of 2015.
- EBIT amounted to SEK 159.2 M (130.8). Pro forma EBIT was SEK 169.3 M for the second quarter of 2015.
- The profit after tax was SEK 113.9 M (97.4).
- Earnings per share totaled SEK 1.9 (1.6).

Significant events during April - June

- Six (four) new stores were opened, including four Byggmax store in Sweden and two Byggmax stores in Norway.
- A total of six stores were converted to the Byggmax 2.0 concept during the second quarter.
- 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 Byggmax AB Daniel Juhlin, CEO Skånska Byggvaror Anders Johansson Eickhoff, CEO 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" a new store at Kungsgatan in central 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	SECOND QUARTER			12 MONTHS	FULL YEAR
	April-June 2016	April-June 2015	April-June 2015 pro forma ¹	July 1, 2015 - June 30, 2016	2015
Net sales, SEK M	1,738.7	1,294.6	1,584.0	4,743.2	4,131.1
Gross margin, percent	29.9	29.3	30.2	30.6	30.6
EBITDA, excluding acquisition costs, SEK M	194.0	151.7	193.1	440.7	425.5
EBITDA, SEK M	193.8	151.4	192.8	431.0	415.8
EBITDA margin, percent	11.1	11.7	12.2	9.1	10.1
EBIT, SEK M	159.2	130.8	169.3	318.4	331.7
EBIT margin, SEK M	9.2	10.1	10.7	6.7	8.0
Profit after tax, SEK M	113.9	97.4		234.9	259.8
Earnings per share, SEK	1.9	1.6		3.9	4.3
Return on equity, percent	10.5	9.7		23.0	23.7
Cash flow from operating activities per share, SEK	11.4	7.9		8.8	8.1
Shareholders' equity per share, SEK	17.7	16.0		17.7	18.8
Number of stores at the end of the period	137	117		137	119
New stores opened during the period	6	4		12	7

¹ April-June 2015 pro forma, see note 4

January 1 - June 30

- Net sales amounted to SEK 2,476.6 M (1,864.6), up 32.8 percent. Pro forma net sales totaled SEK 2,250.0 M for the first six months of 2015, corresponding to a pro forma net sales increase of 10.1 percent.
- Net sales for comparable stores increased 5.9 percent (14.8).
- The gross margin was 30.3 percent (30.2).
- EBITDA amounted to SEK 169.6 M (154.4). Pro forma EBITDA was SEK 175.6 M for the first six months of 2015.
- The EBITDA margin was 6.8 percent (8.3). The pro forma EBITDA margin was 7.8 percent for the first six months of 2015.
- EBIT amounted to SEK 101.4 M (114.7) Mkr. Pro forma EBIT was SEK 130.2 M for the first six months of 2015.
- The profit after tax was SEK 55.7 M (80.5).
- Earnings per share totaled SEK 0.9 (1.3).

Significant events during January - June

- A total of 12 (five) new stores were opened, including five Byggmax stores in Sweden, two Byggmax stores in Norway and five Skånska Byggvaror stores in Sweden.
- A total of 11 stores were converted to the Byggmax 2.0 concept during the first six 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.

Earnings overview

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

PRESIDENT'S COMMENTS ON RESULTS

Sales increased during the first quarter

Total sales increased 34 percent year-on-year, and growth in comparable stores was 6.1 percent. Pro forma sales rose 10 percent. The weakest month for the quarter was June. Sales through Byggmax online channel increased 54.5 percent, and sales in stores that had converted to Byggmax 2.0 had a positive impact.

Sales in Skånska Byggvaror were lower than expected due to increased demand, which could not be delivered on time. We expect to return to a normal level by the end of the next quarter.

Operating costs increased during the quarter, mainly due to the increase in the number of stores over the year and the investments Byggmax has made in e-commerce and the sale of services. Operating costs also increased as a result of the acquisition of Buildor and Skånska Byggvaror. We have begun to implement measures to reduce our costs, which we expect to yield results during the year.

In connection with the purchase of Skånska Byggvaror, the Byggmax Group has decided to amortize customer relationships and brands relating to the acquisition of Skånska Byggvaror. This had already been the practice at Skånska Byggvaror, and current amortization levels are a result of the updated acquisition analysis.

Gross margin and price changes for products and input goods

The gross margin for the quarter was 0.3 percent lower than the pro forma margin in the second quarter of 2015. Compared with last year, the gross margin in Norway declined due to exchange-rate effects. In addition, we are selling more direct delivery goods, which have a lower gross margin than the in-store product range. The price of input goods has increased year-on-year, mainly due to exchange-rate fluctuations. Retail prices have remained largely unchanged, with certain variations in each country.

Market

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

Strategic business decisions

Six new stores opened during the quarter: five Byggmax stores and one store under the new "Design Your Living" format. According to our assessment, we expect to open 10 Byggmax stores in 2016. The goal was to open 10-15 stores.

"Design Your Living" (DYL) is a store located on Kungsgatan in Stockholm, one of the city's largest shopping streets. At the "Design Your Living" store, interior designers provide customers with help in designing their homes and offices. Our designers use the Building Planner to calculate the amount of material and services needed to bring the customer's vision to life. The concept has been well received by our customers.

Byggmax upgrades store concept and increases store product range – Byggmax 2.0

Byggmax 2.0 stores continue to deliver promising sales increases and improved gross margins following conversion. A total of six 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 near future.

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 truck transports, as those will be replaced by boat transportation, which has lower CO₂ emissions. Our goal is to reduce our CO₂ emissions by 25 percent over the period from 2009 to 2020.

Outlook

The market trend is positive in Sweden, and the market is stronger than it has been for a long time. The markets in Norway and Finland are growing weakly. In the Finnish market, uncertainty continues regarding economic developments. Even Norway is showing a degree of uncertainty due to the low oil price. Our continued capture of market shares in our categories confirms the strength of the concepts in the Byggmax Group. With our low prices and considerable cost awareness, we remain on the side of the customer.

Magnus Agervald
President of Byggmax Group AB (publ)



In 2016, Byggmax has opened 12 new stores: five 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

April 1 - June 30

Revenues

The operation's net sales totaled SEK 1,738.7 M (1,294.6), up 34.3 percent. Operating revenue was SEK 1,742.3 M (1,298.6), up 34.2 percent. Net sales for comparable stores increased 6.1 percent in local currency. Operating income amounted to SEK 1,413.1 M (1,296.1) for Byggmax, SEK 296.2 M for Skånska Byggvaror and SEK 32.9 M (2.5) for Other. The increase in sales was influenced positively by the acquisitions. Online sales increased 54.5 percent year-on-year and sales in stores that had converted to Byggmax 2.0 had a positive impact. The weakest sales month of the quarter was June.

The sales increase of 34.3 percent was divided according to the following:

Comparable stores ¹ , local currency, percent	6.1
Non-comparable units and other, percent	30.3
Exchange-rate effects, percent	-2.1
Total, percent	34.3

The Group opened six (four) stores during the quarter: four Byggmax stores in Sweden and two Byggmax stores in Norway. The total number of stores in the Group as of June 30, 2016 thereby amounted to 137 (117).

EBIT

EBIT amounted to SEK 159.2 (130.8) M, corresponding to an EBIT margin of 9.2 percent (10.1). The gross margin was 29.9 percent, compared with 29.3 percent in the year-earlier period. Compared with last year, the gross margin in Norway declined due to exchange-rate effects. In addition, we are selling more online goods, which have a lower gross margin than the in-store product range.

Personnel costs and other external expenses increased a total of SEK 97.9 M. The increase in expenses compared with the year-earlier period was mainly attributable to costs linked to the acquired companies amounting to SEK 75.9 M (0.0).

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

EBIT was impacted by the amortization of customer relationships and brands totaling SEK 9.9 M identified in connection with the acquisition of Skånska Byggvaror.

Profit before tax

Profit before tax amounted to SEK 148.9 M (127.1). Net financial items amounted to a cost of SEK 10.3 M (cost 3.7). Net financial items for the quarter were negatively impacted by exchange-rate effects of SEK 2.5 M (negative 1.1) and increased borrowing as a result of the acquisitions.

Taxes

Tax revenues for the second quarter of 2016 totaled SEK 35.0 M (29.7).

CONSOLIDATED SALES AND EARNINGS

January 1 - June 30

Revenues

The operation's net sales totaled SEK 2,476.6 M (1,864.6), up 32.8 percent. Operating revenue was SEK 2,481.9 M (1,869.5), up 32.8 percent. Net sales for comparable stores increased 5.9 percent in local currency. Operating income amounted to SEK 2,028.3 M (1,865.9) for Byggmax, SEK 397.9 M for Skånska Byggvaror and SEK 55.7 M (3.6) for Other. The increase in sales was influenced positively by the acquisitions. Online sales increased 52.1 percent year-on-year and sales in stores that had converted to Byggmax 2.0 had a positive impact.

The sales increase of 32.8 percent was divided according to the following:

Comparable stores ¹ , local currency, percent	5.9
Non-comparable units and other, percent	29.0
Exchange-rate effects, percent	-2.1
Total, percent	32.8

The Group opened 12 (five) stores during the period: five Byggmax stores in Sweden, two Byggmax stores in Norway and five Skånska Byggvaror stores in Sweden. The total number of stores in the Group as of June 30, 2016 thereby amounted to 137 (117).

EBIT

EBIT amounted to SEK 101.4 (114.7) M, corresponding to an EBIT margin of 4.1 percent (6.2). The gross margin was 30.3 percent, compared with 30.2 percent in the year-earlier period. Compared with last year, the gross margin in Norway declined due to exchange-rate effects. In addition, we are selling more online goods, which have a lower gross margin than the in-store product range.

Personnel costs and other external expenses increased a total of SEK 172.5 M. The increase in expenses compared with the year-earlier period was mainly attributable to costs linked to the acquired companies amounting to SEK 135.7 M (0.0).

Personnel and other external expenses compared with the pro forma first six months of 2015 increased SEK 62.8 M. The increase in expenses compared with the pro forma year-earlier period was mainly attributable to costs associated with new stores opened after the second quarter of 2015, amounting to SEK 31.2 M. The increase in costs during the 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 19.8 M identified in connection with the acquisition of Skånska Byggvaror.

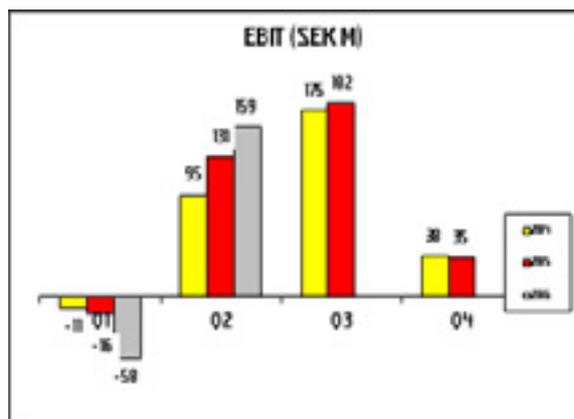
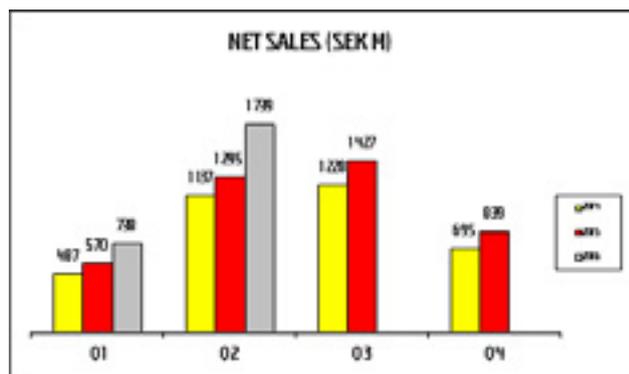
Profit before tax

Profit before tax amounted to SEK 74.3 M (105.1). Net financial items amounted to a cost of SEK 27.1 M (cost 9.6). Net financial items for the period were negatively impacted by exchange-rate effects of SEK 6.9 M (negative 4.8) 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 Byggvaror Group AB.

Taxes

Tax revenues for the second quarter of 2016 totaled SEK 18.7 M (24.6).

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 Byggvaror 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 4.

Byggmax

The Byggmax segment includes Byggmax AB and the subsidiaries Byggmax Norge and Byggmax AB Finland. Operating income increased 9.0 percent during the second quarter to SEK 1,413.1 M (1,296.1) and 8.7 percent during the first half of the year to SEK 2,028.3 M (1,865.9). EBIT amounted to SEK 109.2 M (107.9) for the second quarter and SEK 67.1 M (72.4) for the first half of the year. Earnings were impacted by a lower gross margin in Norway due to exchange-rate effects. In addition, we are selling more online goods, which have a lower gross margin than the in-store product range. Earnings were also impacted by costs of SEK 18.1 M for stores opened after the second quarter of 2015. The EBIT margin was 7.7 percent (8.3) for the quarter and 3.3 percent (3.9) for the first half of the year.

Skånska Byggvaror

Operating income increased 8.7 percent to SEK 296.2 M during the second quarter and increased 11.1 percent to SEK 397.9 M during the first six months. EBIT amounted to positive SEK 43.6 M during the second quarter and SEK 21.4 M during the first six months. Earnings were also impacted by costs linked to stores opened after the second quarter of 2015 amounting to SEK 13.0 M. The EBIT margin amounted to 14.6 percent for the second quarter and 5.3 percent for first six months.

SEGMENT SUMMARY

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

CASH FLOW AND FINANCIAL POSITION

Cash flow and financial position

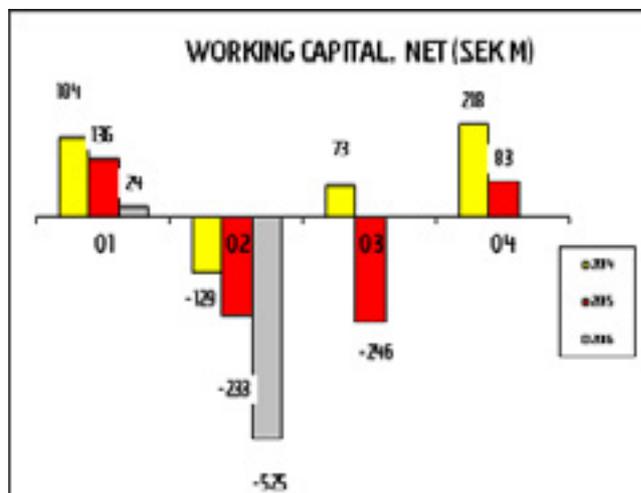
Cash flow from operating activities amounted to SEK 695.4 M (481.7) for the period April to June, down SEK 213.6 M year-on-year, and to SEK 612.1 M (571.9) the first six months. Cash flow was impacted by the acquisition of Buildor AB and the Skånska Byggvaror Group. Cash flow was also impacted by higher accounts payable due to calendar effects between the years linked to supplier payments. Inventory totaled SEK 931.1 M (720.5), up SEK 210.6 M. An inventory value of SEK 105.8 was added in conjunction with the acquisition of Skånska Byggvaror. Compared with the end of the year-earlier period, seven new Byggmax stores were added and the associated inventory amounted to SEK 38.8 M. Distribution inventory was SEK 32.2 M higher year-on-year.

At June 30, 2016, consolidated shareholders' equity amounted to SEK 1,074.9 M (971.4). Consolidated net debt was SEK 846.6 M (134.4), up SEK 712.2 M year-on-year. The higher net debt can be explained by the acquisition of Skånska Byggvaror, which has been financed via a bank loan with Svenska Handelsbanken. The equity/assets ratio amounted to 27.1 percent (42.5). Unutilized credits totaled SEK 400.0 M (290.1).

Investments during the second quarter amounted to SEK 57.5 M (49.4). Of these investments, SEK 26.0 M (12.2) pertained to investments in stores opened or stores to be opened during 2016 and SEK 12.2 M (7.1) to IT investments. Investments relating to the conversion of stores to the Byggmax 2.0 concept totaled SEK 11.7 M (16.5) for the second quarter. Investments during the first six months of 2016 amounted to SEK 117.9 M (101.2). Of these investments, SEK 44.3 M (15.4) pertained to investments in stores opened or stores to be opened during 2016 and SEK 18.3 M (10.8) to IT investments. Investments relating to the conversion of stores to the Byggmax 2.0 concept totaled SEK 36.7 M (41.0) for the six 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 from 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 17.0 M.



Acquisition of subsidiary

On January 4, 2016, Skånska Byggvaror Group AB (Corp. Reg. No. 556987-6849) was acquired with the aim of strengthening Byggmax's online store offering. Skånska Byggvaror 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 Byggvaror 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, meaning its full payout value, and discounted based on future payment dates. As of March 31, 2016, the discounted earnout amounted to SEK 103.9 M.

Since the acquisition date, Skånska Byggvaror Group AB has contributed SEK 397.9 M in sales and SEK 21.4 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.

CASH FLOW AND FINANCIAL POSITION

CONT.

Preliminary acquisition analysis Skånska Byggvaror	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 12 new stores were opened during the period January to June 2016: five Byggmax stores in Sweden, two Byggmax stores in Norway and five Skånska Byggvaror stores in Sweden.

The following Byggmax stores have been publicly announced and will be opened in 2016: Eurostop Arlandastad and Köping in Sweden.

The Byggmax workforce

The number of employees (converted into full-time equivalents) totaled 1,114 (790) at the end of the period. This increase in the number of employees can be explained by 217 employees at the acquired companies.

Parent Company

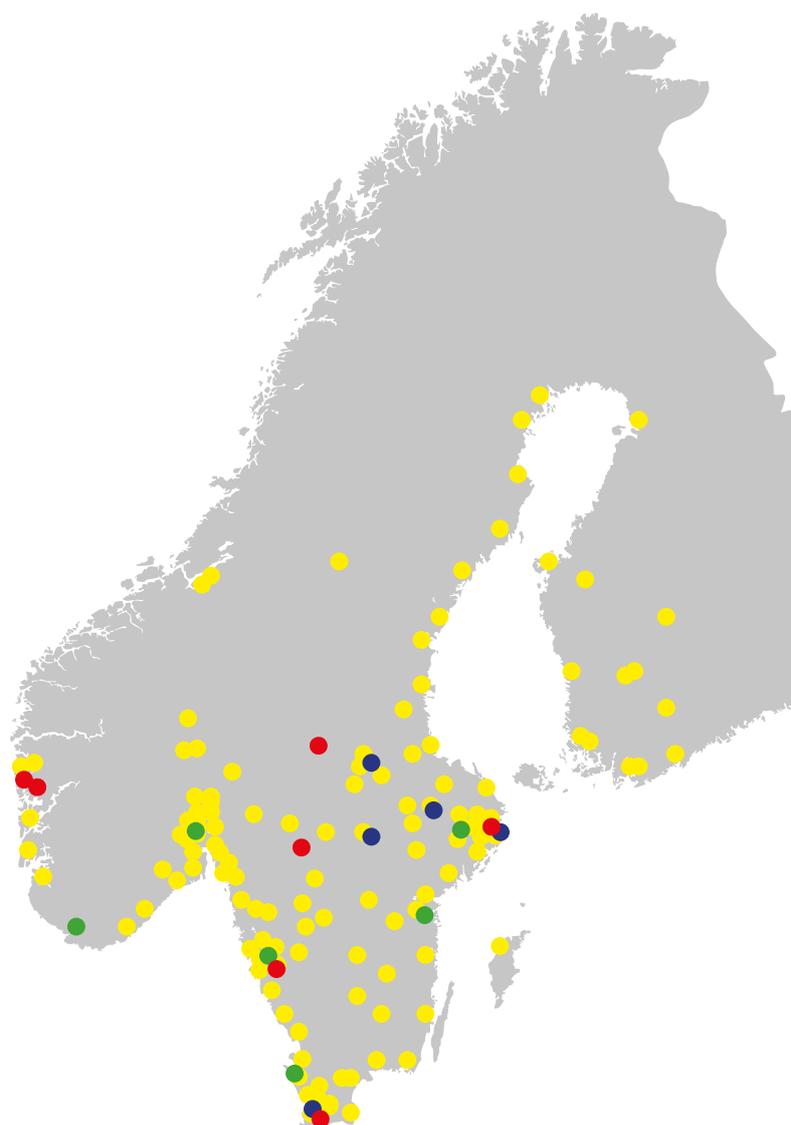
The Parent Company comprises a holding company. The Parent Company's sales amounted to SEK 0.1 M (0.1) for the second quarter and SEK 0.3 M (0.3) for the first six months. An expense of SEK 5.9 M (expense 4.3) after net financial was posted for the second quarter and an expense of SEK 12.0 M (6.9) after net financial items was posted for the first six months.

Events after the close of the reporting period

No significant events have occurred since 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	7
●	Skånska Byggvaror/Grønt fokus stores	6
●	New Skånska Byggvaror/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	6,610,394	10.88
SEB Investment Management	5,981,538	9.85
Swedbank Robur fonder	4,783,641	7.88
Handelsbanken fonder	3,311,524	5.45
Threadneedle Asset Management Ltd.	3,091,033	5.09
JP Morgan Asset Management (UK) Ltd.	3,035,975	5.00
Schroder Investment Management North America, Inc.	2,400,000	3.95
Jarrton Management (Göran Peterson)	2,381,296	3.92
Carnegie fonder	2,143,935	3.53
T. Rowe Price International Ltd.	1,768,997	2.91
Total of the ten major shareholders	35,508,333	58.46
Total other shareholders	25,228,712	41.54
Total at June 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

The Board of Directors and the President certify that the six-month report provides an accurate overview of the Group's and Parent Company's operations, position and performance, as well as describing significant risks and instability factors faced by the Parent Company and companies in the Group.

Stockholm, July 15 2016

Anders Moberg
Chairman of the Board

Daniel Mühlbach
Board member

Hannele Kemppainen
Board member

Karin Hygrell Jonsson
Board member

Lottie Svedenstedt
Board member

Mikael Norman
Board member

Ullrika Eliasson
Board member

Magnus Agervald
President

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 1-15 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, July 15, 2016

Magnus Agervald
President, Byggmax Group AB (publ)

This report has not been reviewed by the company's auditors.

Financial calendar

Interim reports

– third quarter 2016 - October 19, 2016.

Consolidated summary of comprehensive income

Amount in SEK M	Note	Apr - June		Jan - June		12 months	Jan - Dec
		2016	2015	2016	2015	July 2015 - June 2016	2015
Operating income							
Net sales		1,738.7	1,294.6	2,476.6	1,864.6	4,743.2	4,131.1
Other operating income		3.5	4.0	5.3	4.9	10.4	10.0
Total operating income	1	1,742.3	1,298.6	2,481.9	1,869.5	4,753.6	4,141.1
Operating expenses							
Goods for sale		-1,218.6	-915.2	-1,726.3	-1,301.5	-3,293.1	-2,868.3
Other external costs and operating expenses		-185.4	-129.0	-333.3	-232.7	-571.7	-471.2
Personnel costs		-144.4	-103.0	-252.8	-180.8	-457.8	-385.8
Depreciation, amortization of tangible and intangible fixed assets		-34.6	-20.6	-68.2	-39.7	-112.6	-84.1
Total operating expenses		-1,583.1	-1,167.8	-2,380.5	-1,754.8	-4,435.2	-3,809.4
EBIT		159.2	130.8	101.4	114.7	318.4	331.7
Profit/loss from financial items		-10.3	-3.7	-27.1	-9.6	-15.1	2.4
Profit before tax		148.9	127.1	74.3	105.1	303.3	334.1
Income tax		-35.0	-29.7	-18.7	-24.6	-68.4	-74.3
Profit/loss for the period		113.9	97.4	55.7	80.5	234.9	259.8
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		3.8	-4.0	7.0	-3.3	-0.9	-11.1
Other comprehensive income for the period		3.8	-4.0	7.0	-3.3	-0.9	-11.1
Total comprehensive income for the period		117.7	93.4	62.6	77.3	234.1	248.7
Earnings per share before dilution, SEK		1.9	1.6	0.9	1.3	3.9	4.3
Earnings per share after dilution, SEK		1.8	1.6	0.9	1.3	3.8	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	June 30, 2016	June 30, 2015	December 31, 2015
ASSETS				
Fixed assets				
Intangible fixed assets		2,287.4	1,087.0	1,215.7
Tangible fixed assets		374.0	324.4	286.6
Financial fixed assets		22.7	23.1	25.0
Total fixed assets		2,684.1	1,434.5	1,527.2
Current assets				
Inventories		931.1	720.5	666.1
Derivatives		0.0	0.0	0.0
Current receivables		191.6	78.2	109.3
Cash and cash equivalents		155.0	55.1	31.7
Total current assets		1,277.6	853.8	807.1
TOTAL ASSETS		3,961.8	2,288.3	2,334.4

Amounts in SEK M	Note	June 30, 2016	June 30, 2015	December 31, 2015
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		1,074.9	971.4	1,142.0
LIABILITIES				
Borrowing from credit institutions		800.2	0.5	0.1
Deferred tax liabilities		188.1	94.8	105.8
Other long liabilities		46.2	0.0	42.9
Long-term liabilities		1,034.6	95.3	148.7
Borrowing from credit institutions		201.3	189.0	350.9
Accounts payable		1,222.0	860.4	520.3
Current tax liabilities		12.8	3.4	18.4
Derivatives		3.8	0.7	0.1
Other liabilities		224.3	52.3	34.4
Accrued expenses and deferred income		188.2	115.8	119.6
Current liabilities		1,852.3	1,221.6	1,043.7
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		3,961.8	2,288.3	2,334.4
Pledged assets - Shares in subsidiaries		0.0	1,234.6	0.0
Pledged assets - Chattel mortgages		0.0	120.0	0.0
Pledged assets - Blocked funds		7.8	7.9	7.7
Contingent liabilities		None	None	None

Consolidated statement of changes in shareholders' equity

Amounts in SEK M	Note	June 30, 2016	June 30, 2015	December 31, 2015
Opening balance at the beginning of the period		1,142.3	1,047.6	1,047.6
COMPREHENSIVE INCOME				
Translation differences		7.0	-3.3	-11.0
Profit for the period		55.7	80.5	259.8
Total comprehensive income		62.6	77.3	248.8
TRANSACTIONS WITH SHAREHOLDERS				
Dividend to shareholders		-130.0	-157.9	-157.9
Issue of warrents		0.0	4.4	3.6
Total transactions with shareholders		-130.0	-153.5	-154.0
Shareholders' equity at the end of the period		1,074.9	971.4	1,142.0

Consolidated cash flow statement

Amounts in SEK M	Note	Apr - June		Jan - June		12 months	Jan - Dec
		2016	2015	2016	2015	July 2015 - June 2016	2015
Cash flow from operating activities							
EBIT		159.2	130.8	101.4	114.3	290.0	331.7
Non-cash items							
- Depreciation/amortization of tangible and intangible fixed assets		34.6	20.6	69.1	39.7	100.7	85.4
- Other non-cash items		1.8	-4.3	5.5	-3.1	-4.0	-6.5
Interest received		6.2	1.0	7.5	3.3	7.6	8.7
Interest paid		-15.2	-7.5	-30.8	-10.9	-28.9	-16.7
Tax paid		-19.3	-25.3	-36.0	-27.1	-66.3	-51.5
Cash flow from operating activities before changes in working capital		167.3	115.3	116.7	116.2	299.1	351.1
Changes in working capital							
Increase/decrease in inventories and work in process		-89.3	-16.2	-202.1	-106.4	-81.6	-59.0
Increase/decrease in other current receivables		-56.2	5.4	-55.8	20.6	11.1	25.9
Increase/decrease in other current liabilities		673.5	377.3	753.3	541.1	89.9	174.0
Cash flow from operating activities		695.4	481.7	612.1	571.5	318.5	491.9
Cash flow from investing activities							
Investment in intangible fixed assets		-6.7	-7.6	-12.7	-11.3	-25.2	-22.8
Investment in tangible fixed assets		-50.8	-41.8	-105.2	-89.9	-147.6	-141.4
Divestment of tangible fixed assets		0.0	0.0	0.0	0.0	0.0	0.0
Investment in other financial fixed assets		0.0	0.0	-0.1	0.5	0.2	0.7
Investment in subsidiaries		0.0	0.0	-703.7	0.0	-775.8	-72.1
Proceeds from sale of subsidiaries		0.0	0.0	0.0	0.0	31.8	31.8
Cash flow from investing activities		-57.5	-49.3	-821.7	-100.7	-916.5	-203.7
Cash flow from financing activities							
Change in overdraft facilities		-400.8	-259.6	-164.0	-290.9	139.8	-128.3
Issue of warrants	2	0.0	4.4	0.0	4.4	3.9	3.9
Dividend to shareholders		-130.0	-157.9	-130.0	-157.9	-157.9	-157.9
Borrowings		0.0	0.0	800.0	0.0	800.0	0.0
Amortization of loans		-0.5	-1.3	-173.2	-1.7	-176.3	-4.4
Cash flow from financing activities		-531.3	-414.3	332.8	-446.1	609.4	-286.8
Cash flow for the period		106.6	18.1	123.2	24.7	11.4	1.4
Cash and cash equivalents at the beginning of the period ¹		40.5	29.1	23.9	22.5	29.1	22.5
Cash and cash equivalents at the end of the period ¹		147.2	47.2	147.2	47.2	40.5	23.9

¹ Note that cash and cash equivalents in the cash flow are adjusted for restricted bank funds SEK 7.8 M.

Parent Company income statement

Amounts in SEK M	Note	Apr- June		Jan - June		12 months	Jan - Dec
		2016	2015	2016	2015	July 2015 - June 2016	2015
Operating income		0.1	0.1	0.2	0.1	0.3	0.3
Total operating income		0.1	0.1	0.2	0.1	0.3	0.3
Operating expenses							
Other external expenses		-1.8	-2.2	-3.5	-3.3	-16.3	-15.8
Personnel costs		-0.1	-0.1	-0.2	-0.1	-0.9	-0.8
Total operating expenses		-2.0	-2.2	-3.7	-3.4	-17.2	-16.6
EBIT		-1.9	-2.2	-3.6	-3.2	-16.9	-16.3
Profit from financial items		-4.0	-2.1	-8.5	-3.7	143.8	146.6
Profit/loss before tax		-5.9	-4.3	-12.0	-6.9	126.9	130.4
Tax on profit/loss		1.3	0.9	2.6	1.5	0.8	0.0
Profit for the period		-4.6	-3.3	9.4	-5.4	127.7	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	June 30, 2016	June 30, 2015	December 31, 2015
ASSETS				
Fixed assets				
Financial fixed assets		1,711.9	712.1	861.0
Total fixed assets		1,711.9	712.1	861.0
Current assets		5.9	173.1	154.2
Total current assets		5.9	173.1	154.2
TOTAL ASSETS		1,717.8	885.1	1,015.3

Amounts in SEK M	Note	June 30, 2016	June 30, 2015	December 31, 2015
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity		91.3	94.9	230.6
Other long liabilities		845.1	0.0	42.9
Current liabilities		781.5	790.3	741.7
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,717.8	885.1	1,015.3
Pledged assets		None	358.0	None
Contingent liabilities		None	None	None

Notes to the interim report

Note 1 Segments

April - June, 2016

INCOME, SEK M	Byggmax	Skånska Byggvaror	Other	Total
Total income per segment	1,413.2	297.6	273.5	1,984.3
Income from Group customers per segment	0,1	1.4	240.6	242.1
Income from external customers	1,413.1	296.2	32.9	1,742.3

Loss before amortization and depreciation	146.5	45.8	1.5	193.8
Operating margin before amortization and depreciation	10,4%	15,4%	4,6%	11,1%
Amortization and depreciation				-34.6
Financial income				7.9
Financial expenses				-18.2
Profit before tax				148.9

January - June, 2016

INCOME, SEK M	Byggmax	Skånska Byggvaror	Other	Total
Total income per segment	2,028.4	399.3	458.5	2,886.2
Income from Group customers per segment	0.1	1.4	402.8	404.3
Income from external customers	2,028.3	397.9	55.7	2,481.9

Loss before amortization and depreciation	139.1	27.2	3.3	169.6
Operating margin before amortization and depreciation	6,9%	6,8%	6,0%	6,8%
Amortization and depreciation				-68.2
Financial income				9.5
Financial expenses				-36.6
Profit before tax				74.3

ASSETS PER SEGMENT:	Byggmax	Skånska Byggvaror	Other	Total
Total assets per segment	2,444.5	228.7	1,288.5	3,961.8

LIABILITIES PER SEGMENT:	Byggmax	Skånska Byggvaror	Other	Total
Total liabilities per segment:	2,444.5	228.7	1,288.5	3,961.8

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
	2014	2014	2014	2014	2015	2015	2015	2015	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
Gross margin, percent	34.1	28.9	31.1	32.5	32.2	29.3	30.0	32.4	31.2	29.9
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
EBITDA, SEK M	4.1	112.4	193.1	56.8	3.0	151.4	203.4	58.0	-24.2	193.8
EBITDA margin, percent	0.8	9.9	15.7	8.2	0.5	11.7	14.2	6.9	-3.3	11.1
EBIT, SEK M	-11.3	95.1	175.0	37.9	-16.1	130.8	181.6	35.5	-57.8	159.2
EBIT margin, percent	-2.3	8.4	14.3	5.4	-2.8	10.1	12.7	4.2	-7.8	9.2
Working capital, SEK M	184.3	-129.4	72.9	217.8	136.1	-233.2	-246.4	82.8	23.8	-524.5
Return on equity, percent	-1.4	7.7	13.6	3.0	-1.6	9.7	14.6	2.3	-5.2	10.5
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
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
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
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
Number of stores	107	110	112	112	113	117	118	119	131	137

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	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Full year 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 med nettoomsättningen.
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	Räntabilitet på eget kapital är ett mått som koncernen betraktar som viktigt för en investerare som vill kunna jämföra sin investering med alternativa investeringar. Koncernen definierar räntabilitet på eget kapital som resultat efter skatt dividerat med genomsnittligt eget kapital.
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 July 15, 2016.

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