bygghemma GROUP

2018/Q1

Interim report 1 January-31 March 2018

RECORD-BREAKING FIRST-QUARTER SALES – ORGANIC GROWTH OF 15 PERCENT

HIGHLIGHTS

First quarter

- The Group's net sales rose 53.1 percent to SEK 1,025.1 million (669.7), of which the Group's organic growth accounted for 14.5 percent, driven by organic growth of 17.8 percent in the DIY segment
- The Group's adjusted gross profit* increased 63.9 percent to SEK 220.6 million (134.6), with an adjusted gross margin of 21.5 percent (20.1)
- The Group's adjusted EBITA** amounted to SEK 30.6 million (19.5), with an adjusted EBITA margin of 3.0 percent (2.9)
- The Group's operating income adjusted for items affecting comparability, primarily attributable to the Company's IPO, amounted to SEK 21.4 million (12.8). Adjusted operating margin improved to 2.1 percent (1.9). The Group's operating loss, including items affecting comparability of SEK 50.6 million (7.2), amounted to SEK -29.2 million (5.6)
- The net income amounted to SEK -55.0 million (-3.5). The negative result was totally related to items affecting comparability for the period
- Operating cash flow*** amounted to SEK 38.5 million (-10.3), corresponding to a cash conversion of 105 percent
- Cash flow from operating activities totalled SEK -18.1 million (-26.6)
- Earnings per share amounted to SEK -1.73 (-1.24) before dilution and SEK -1.73 (-1.24) after dilution

Key events during and after the period

- Bygghemma Group was listed on Nasdaq Stockholm Mid Cap on 27 March
- A new overall credit agreement was signed with SEB in conjunction with the listing
- An extraordinary general meeting adopted a new, long-term incentive ("LTIP") programme for some 60 key employees in the company

FINANCIAL SUMMARY

	Q1			Jan-Dec
SEKm (if not otherwise stated)	2018	2017	Δ%	2017
Net Sales	1,025.1	669.7	53.1	3,955.5
Adjusted gross profit*	220.6	134.6	63.9	855.2
Adjusted gross margin (%)	21.5	20.1	7.1	21.6
Adjusted EBITA**	30.6	19.5	57.2	197.0
Adjusted EBITA-margin (%)	3.0	2.9	2.7	5.0
Operating income	-29.2	5.6		91.5
Operating-margin (%)	-2.9	0.8		2.3
Net profit/loss for the period	-55.0	-3.5		28.7
Earnings per share before dilution, SEK	-1.73	-1.24		-3.99
Earnings per share after dilution, SEK	-1.73	-1.24		-3.99
Cash flow from operations	-18.1	-26.6	-32.1	141.1
Net debt	496.3	741.4	-33.1	804.1

* Adjusted for items affecting comparability (refer to "Relevant reconciliations of non-IFRS alternative performance measures (APM) for a more detailed description). Items affecting comparability impacting the gross profit amounted to SEK 7.5 million (2.6), attributable to the Furniturebox integration. Items affecting comparability impacting EBITA totalled SEK 50.6 million (7.2) and were attributable to (i) acquisition costs of SEK 0.6 million (4.6), (ii) integration costs of SEK 7.9 million (2.6), pertaining to the integration of Furniturebox, (iii) costs of SEK 11.4 million (-) associated to the long-term incentive programme for some 60 key employees in the Group launched in connection to the IPO and (iv) costs for the listing on Nasdaq Stockholm of 30.7 million (-).

** Adjusted EBITA is defined as operating income before depreciation and amortisation related to acquisitions and total items affecting comparability (described above).

*** Operating cash flow: Adjusted EBITDA including changes in working capital less investments in other non-current assets in the period. Cash conversion in percent: Operating cash flow / adjusted EBITDA (also refer to *"Definitions"* on page 27 in this report).

CEO’s comments on the result

Mikael Olander, President and CEO

During the first quarter of the year, we have continued to consolidate our position as the leading Nordic (and European) online-based player within home improvement, which includes DIY and home furnishings. This is our strongest first quarter to date, with more than SEK 1 billion in sales and our highest ever adjusted gross margin and EBITA level.

The sales growth during the quarter is the result of both organic growth – driven by a continued rapid increase in online penetration and a stable trend in the total Nordic overall market – combined with an active acquisition strategy, translating to increased market share for both segments in the Group.

The Group’s Swedish DIY operations grew steadily during the period, mainly driven by continued online penetration growth in the segment. The somewhat slow-moving Swedish housing market has not affected the demand for the Group’s Swedish businesses during the period. However, the strengthened economy in Finland, which is the Group’s second largest market, resulted in a higher growth rate in the Group’s Finnish operations.

Like the sector as a whole, our performance during the quarter was impacted by the unusually late arrival of spring and particularly by the record-low temperatures in all of our markets during March – our sales of outdoor furniture, for example, were down significantly year-on-year, which had a particularly noticeable impact on the Home Furnishing segment during the period.

In light of this, we are particularly proud to report our strongest first quarter to date in terms of sales, as well as underlying profitability. And on a personal note, I am particularly proud of reporting an adjusted EBITA significantly ahead of analyst consensus issued in connection to the IPO, more so we are naturally looking forward to the start of the spring season in the second quarter.

The acquisition of Furniturebox during the first quarter of 2017 has enabled us, along with our existing operations in the Home Furnishing segment (Trademax, Chilli and Kodin1), to assume a leading position in the Nordic online home furnishing market. We further strengthened this position through the acquisition of the Danish company MyHome Møbler during the second quarter as well as the acquisition of the Swedish company Wegot in the fourth quarter of 2017. In terms of online sales, we are now roughly double the size of our nearest competitor in Sweden, IKEA.

The integration project initiated during the second quarter of 2017 for the purpose of realising sales and cost synergies from the acquisition of Furniturebox, is nearly complete. As part of the project, Furniturebox has been fully integrated into Trademax and Chilli’s web platform, business system and warehouse management solution and the two organisations have been merged into one. So far, the integration work has proceeded according to plan and resulted in integration costs of SEK 7.9 million during the first quarter of 2018.

In addition to our operational projects, we also completed the listing of the Company on Nasdaq Stockholm during the first quarter. The offering attracted investors from the Nordic region, the UK, continental Europe and the US, and was oversubscribed multiple times. We would like to welcome our new investors to the Group and thank you for your confidence and faith in Bygghemma Group.

Our company employs many ambitious, hard-working and driven individuals. I feel privileged to be part of this team. Together, we look forward to continuing to deliver profitable growth in 2018, in line with our targets.

Stockholm, 27 April 2018

Mikael Olander

President and CEO, Bygghemma Group

Condensed consolidated financial information

SEKm (if not otherwise stated)	Q1 2018	Q1 2017	Δ%	Jan-Dec 2017
Net Sales	1,025.1	669.7	53.1	3,955.5
Gross profit	213.1	132.0	61.4	820.0
Gross margin (%)	20.8	19.7	5.5	20.7
Adjusted gross profit*	220.6	134.6	63.9	855.2
Adjusted gross margin (%)	21.5	20.1	7.1	21.6
Adjusted EBITDA*	36.5	23.2	57.7	219.7
Adjusted EBITDA-margin (%)	3.6	3.5	3.0	5.6
Adjusted EBITA**	30.6	19.5	57.2	197.0
Adjusted EBITA-margin (%)	3.0	2.9	2.7	5.0
Operating income	-29.2	5.6	-621.0	91.5
Operating-margin (%)	-2.9	0.8	-440.3	2.3
Net profit/loss for the period	-55.0	-3.5	1464.3	28.7
Cash flow from operations	-18.1	-26.6	-32.1	141.1
Visits (thousands)	25,355	18,320	38.4	91.7
Orders (thousands)	352	199	77.0	1.2
Conversion rate (%)	1.4	1.1	27.9	1.4
Average order value (SEK)	2,918	3,455	-15.5	3,153

* Adjusted for items affecting comparability of SEK 7.5 million (2.6), refer to "Relevant reconciliations of non-IFRS alternative performance measures (APM)" for a more detailed description.

** Adjusted EBITA is defined as operating income before depreciation and amortisation related to acquisitions and total items affecting comparability, refer to "Relevant reconciliations of non-IFRS alternative performance measures (APM)" for a more detailed description.

COMMENTS ON THE RESULT FOR THE PERIOD 1 JANUARY-31 MARCH 2018

Sales during the period were driven by higher market shares for both segments in the Group, a continued increase in online penetration and acquisitions carried out and consolidated during the period.

Although the first and fourth quarters are normally the seasonally weakest quarters of the year for both business segments, the fourth quarter has grown stronger in recent years due to Black Friday and Cyber Monday, a trend that was once again confirmed in 2017. The seasonal variations in the first quarter were further intensified during the year as a result of the unusually late arrival of spring and the cold weather, particularly in March.

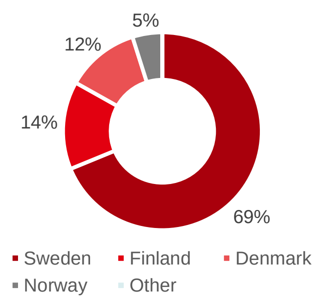
The Group's webstores received 25.4 million (18.3) visits during the quarter, generating 352 thousand (199) orders. Traffic from mobiles and tablets accounted for 64.6 percent (60.8) of the total number of visits to the Group's webstores, which translates to an increase of 6.3 percent compared to last year. Mobiles and tablets accounted for 58.3 percent (53.6) of visits in the DIY segment and 72.6 percent (69.1) of visits in the Home Furnishing segment.

The Group's average order value in the quarter amounted to SEK 2,918 (3,455), attributable to sales mix impacted by acquisitions during the preceding year.

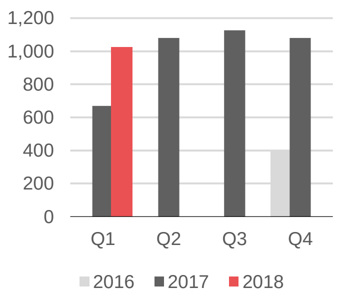
The Group's adjusted gross margin increased to 21.5 percent (20.1) during the period. The level of the adjusted gross margin was the result of a slightly stronger underlying trend in both segments and the fact that the companies acquired in 2017 had a higher gross margin than the Group's other operations.

Including items affecting comparability, the Group's gross margin amounted to 20.8 percent (19.7).

Distribution by country (%)



Net sales (SEKm)



The Group's adjusted sales and administration costs (defined as the difference between adjusted gross profit and adjusted EBITDA) amounted to SEK 184.1 million (111.4), corresponding to 18.0 percent (16.6) of net sales, primarily driven by acquisitions in 2017.

Including items affecting comparability for the period, sales and administration costs amounted to SEK 227.1 million (116.0).

Sales and administration costs and the gross margin were impacted by the fact that the companies acquired in the preceding year had a higher gross margin and cost structure than the Group in general, particularly Arredo and MyHome Møbler. However, these effects were largely offset, and hence the acquisitions did not have a noticeable impact on the Group's EBITA margin.

The Group's adjusted EBITA for the quarter amounted to SEK 30.6 million (19.5), the highest level to date for the period, corresponding to an adjusted EBITA margin of 3.0 percent (2.9).

The Group's operating income adjusted for items affecting comparability, primarily attributable to the Company's IPO, amounted to SEK 21.4 million (12.8). Adjusted operating margin improved to 2.1 percent (1.9). Including items affecting comparability, the Group posted an operating loss of SEK -29.2 million (5.6), corresponding to an operating margin or -2.9 percent (0.8). This loss was entirely attributable to items affecting comparability for the period totalling SEK 50.6 million (7.2).

The items affecting comparability charged to the first quarter were attributable to costs for the listing on Nasdaq Stockholm (SEK 30.7 million), the LTIP programme for key employees in the Group adopted at the general meeting of shareholders (SEK 11.4 million) and the restructuring and integration of Furniturebox (SEK 7.9 million).

Amortisation of acquisition-related intangible assets amounted to SEK 9.3 million (6.7) during the quarter and comprised amortisation of identified surplus values related to customer relationships and customer databases in acquired companies. No impairment requirement was identified for goodwill or other acquisition-related assets during the current or year-earlier period.

The Group's net financial items for the quarter amounted to SEK -39.7 million (-8.5), driven by prepaid interest expenses of SEK 22.9 million related to the company's previous financing arrangements, which were expensed in connection to the new financing arrangement with SEB. Interest expenses in the period amounted to SEK 12.2 million. As a result of the new share issue and signing of the new credit agreement in conjunction with the IPO, interest expenses will decrease significantly in the future.

The Group's loss before tax amounted to SEK -69.0 million (-2.9) for the period.

The loss after tax for the quarter totalled SEK -55.0 million (-3.5). The effective tax rate amounted to -20.3 percent (17.1), equivalent to SEK +14.0 million (-0.6), mainly due to non-deductible costs the period.

Refer to the respective business segments for additional comments.

KEY EVENTS DURING AND AFTER THE FIRST QUARTER OF 2018

Bygghemma Group First AB was listed on Nasdaq Stockholm Mid Cap on 27 March under the ticker BHG. The price per share in the offering was set at SEK 47.50, corresponding to a total value for the number of shares outstanding in Bygghemma Group of SEK 5,100 million.

The offering encompassed 29,647,660 shares, of which 7,368,421 were new shares issued by the company. The remaining 22,279,239 were offered by existing shareholders in the company in accordance with the provisions of the prospectus. The offering of new shares contributed gross proceeds of SEK 350 million and net proceeds of SEK 339 million to Bygghemma Group (after bank syndicate fees).

As of 31 March 2018, Bygghemma Group's largest shareholders were as follows: FSN Capital Shareholders (approximately 50 percent of shares), management group (approximately 10 percent of shares), Arbejdsmarkedets Tillægspension (ATP) (approximately 3 percent of shares) and Creades (approximately 2 percent of shares).

As of 31 March 2018, there was a total of 107,368,421 shares* and voting rights in Bygghemma Group.

* Also refer to *"Change in number of shares in the period"* on page 15 in this report.

In conjunction with the IPO, the company signed a new credit agreement with SEB for a total amount of approximately SEK 1,100 million (nominal amount), of which about SEK 500 million pertains to a long-term loan facility not subject to amortisation that is to be used to repay the Group's earlier loans, to cover the transaction costs arising in connection with the listing and for general business purposes. SEK 300 million pertains to an acquisition and investment facility, which will primarily be used to finance future acquisitions and related acquisition costs, SEK 240 million pertains to a revolving credit facility in the form of working capital financing and SEK 60 million pertains to a letter of credit.

The new credit agreement was entered into force on the day of the listing on Nasdaq Stockholm on 27 March 2018. The settlement of the old loans and the payment of new loans was however completed first on 3 April, why the old financing arrangement is classified as current liabilities in the consolidated statement of financial position in this report.

In conjunction with the extraordinary general meeting on 26 March, it was decided that no dividend would be paid for 2017.

The general meeting of shareholders also resolved in accordance with the Board's proposal regarding a long-term incentive programme for key employees in the Group.

A total of approximately 60 employees were offered an opportunity to participate in the programme, which comprises a maximum of 2,700,000 warrants, each of which entitles the holder to subscribe for one ordinary share in the company. The maximum number of warrants that may be allotted to the participants in the programme is to correspond to a maximum of 2.5 percent of the share capital and voting rights in the company after dilution immediately following the completion of the offering. The subscription price for shares through warrants amounts to 130 percent of the company's listing price, meaning SEK 61.75. The price for the warrants (warrant premium) has been calculated in accordance with the Black-Scholes pricing model. The company intends to subsidise 50 percent of the warrant premium, corresponding to approximately SEK 11.4 million, which has been charged to the first quarter.

More information about the programme is available at http://www.bygghemmagroup.com/investor-relations/corporate-governance/renumeration/.

FINANCIAL TARGETS

The medium term guidance remains unchanged:

Net sales growth

Increase net sales by an average of 20-25 percent per year over the medium term, with approximately 15 percent of this increase comprising organic growth. The company's objective is to reach net sales of SEK 10 billion over the medium term, including acquisitions.

Profitability and cash conversion

Gradually improve profitability to reach an adjusted EBITA margin of about 7 percent over the medium term. Achieve cash conversion* in line with adjusted EBITDA as a result of the business model.

Capital structure

Net debt in relation to rolling 12-month (LTM) EBITDA in the range of 1.5-2.5x, subject to flexibility for strategic activities.

Dividend policy

When free cash flow exceeds available investments in profitable growth, and provided that the capital structure target is met, the surplus will be distributed to shareholders.

* Operating cash flow over adjusted EBITDA in percent (also refer to *"Definitions"* on page 28 in this report).

DIY segment

- The segment's net sales increased 52.8 percent during the period, of which organic growth accounted for 17.8 percent
- The adjusted EBITA margin rose to 3.3 percent (2.5)
- The segment's profitability level during the period was impacted positively by higher sales volumes and an improved gross margin compared with the year-earlier period

	Q1			Jan-Dec
SEKm (if not otherwise stated)	2018	2017	Δ%	2017
Net Sales	607.2	397.3	52.8	2,342.2
Gross profit	123.6	73.8	67.6	468.4
Gross margin (%)	20.4	18.6	9.6	20.0
Adjusted gross profit	123.6	73.8	67.6	468.4
Adjusted gross margin (%)	20.4	18.6	9.6	20.0
Adjusted EBITA	20.3	9.8	106.4	114.4
Adjusted EBITA-margin (%)	3.3	2.5	35.0	4.9
Operating income	13.2	4.5	195.8	87.0
Operating margin (%)	2.2	1.1	93.5	3.7
Net profit/loss for the period	5.9	2.2	164.3	10.5
Visits (thousands)	14,020	11,192	25.3	51,938
Orders (thousands)	199	129	54.7	674
Conversion rate (%)	1.4	1.2	23.5	1.3
Average order value (SEK)	3,051	3,251	-6.2	3,394

COMMENTS ON DIY SEGMENT

As is the case for the sector in general, the first and fourth quarter are normally the weakest quarters in terms of sales for the DIY segment, while the second and third quarter are the seasonally strongest quarters of the year, driven by a larger share of home improvement projects during the lighter and warmer seasons of the year. However, the fourth quarter has grown stronger in recent years, partly due to Black Friday and Cyber Monday, a trend that was once again confirmed in 2017. This scenario, with lower sales in the first quarter than in the other quarters of the year, was further intensified this year due to the unusually late arrival of spring and the cold weather, particularly in March.

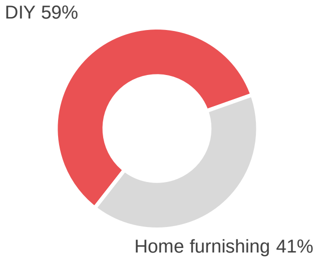
The business segment's net sales increased 52.8 percent to SEK 607.2 million (397.3) during the quarter, of which organic growth accounted for 17.8 percent.

DIY thus represented 59 percent of the Group's total net sales for the quarter.

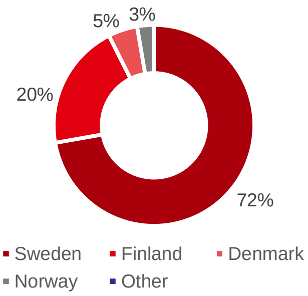
The development of the Swedish housing market after the introduction of a second repayment requirement (increased loan restrictions for private house-owners) has thus far not had any noticeable impact on Swedish sales in the DIY segment as a result of the steadily growing online penetration in the segment.

Management's assessment is that the operations in this business segment continued to gain market shares in all Nordic markets during the quarter. The strongest performance during the quarter could be seen in the white goods/kitchens product category, followed by bathrooms and flooring. The focus on categories has yielded positive results, partly due to the specialised knowledge and brand diversification that followed from a number of strategic

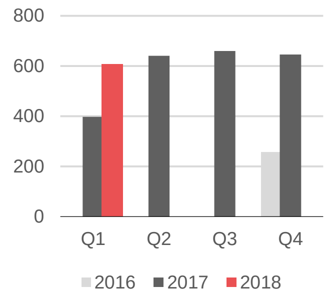
Net sales by segment Jan-Mar 2018



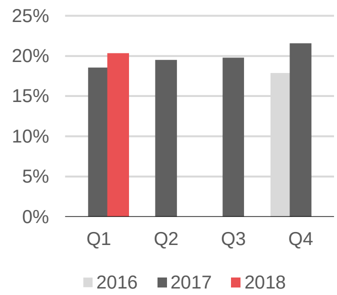
Distribution by country (%)



Net sales (SEKm)



Adjusted gross margin (%)



acquisitions in recent years, most recently through the acquisitions of Arredo and Vitvaruexperten in the second half of 2017.

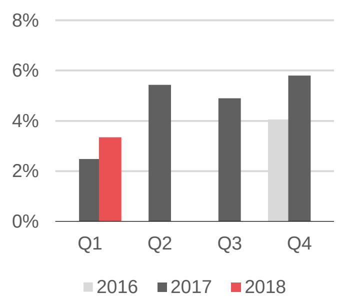
The Finnish market displayed the strongest performance in the quarter, with a growing sales trend during the period, primarily driven by a stronger trend in the overall Finnish market and focused work on the webstores, product range and pricing, which resulted in a higher conversion rate.

Adjusted EBITA rose 106.4 percent to SEK 20.3 million (9.8) during the quarter, with an adjusted EBITA margin of 3.3 percent (2.5).

Including items affecting comparability, the segment’s operating income increased 195.8 percent to SEK 13.2 million (4.5) during the quarter, with an operating margin of 2.2 percent (1.1).

Items affecting comparability attributable to the LTIP and IPO have not been allocated at the business segment level.

Adjusted EBITA margin (%)



Home furnishing segment

- The segment's net sales increased 53.2 percent during the quarter, of which organic growth accounted for 8.8 percent, despite being adversely impacted by significantly lower sales of outdoor furniture compared with the year-earlier period due to the cold weather
- The adjusted gross margin rose to 23.2 percent (22.1) during the quarter, mainly driven by a higher gross margin on sales outside Sweden
- The integration of Furniturebox proceeded according to plan and is expected to be completed during the third quarter 2018

	Q1			Jan-Dec
SEKm (if not otherwise stated)	2018	2017	Δ%	2017
Net Sales	421.6	275.1	53.2	1,628.9
Gross profit	90.3	58.3	55.0	354.0
Gross margin (%)	21.4	21.2	1.2	21.7
Adjusted gross profit	97.8	60.9	60.7	389.2
Adjusted gross margin (%)	23.2	22.1	4.9	23.9
Adjusted EBITA	11.2	10.9	3.2	84.9
Adjusted EBITA-margin (%)	2.7	3.9	-32.6	5.2
Operating income	0.5	2.4	-77.7	25.6
Operating margin (%)	0.1	0.9	-85.4	1.6
Net profit/loss for the period	-3.8	0.2	-2021.4	14.5
Visits (thousands)	11,335	7,128	59.0	39.7
Order (thousands)	153	70	118.1	569
Conversion rate (%)	1.3	1.0	37.1	1.4
Average order value	2,744	3,829	-28.3	2,868

COMMENTS ON THE HOME FURNISHING SEGMENT

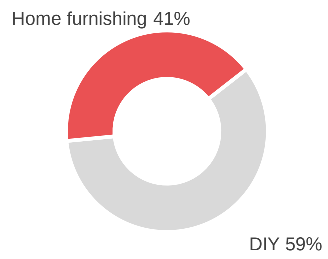
The second and third quarters are normally the strongest quarters in terms of sales in the Home Furnishing segment. The first and the fourth quarter are thus the seasonally weakest quarters of the year, mainly due to the sale of outdoor furniture in the segment during the spring and summer months. In 2018, sales of outdoor furniture, which normally begin in March, were delayed due to the unusually cold weather, resulting in significantly lower sales during the period.

The business segment's net sales increased 53.2 percent to SEK 421.6 million (275.1) during the quarter, of which organic growth accounted for 8.8 percent.

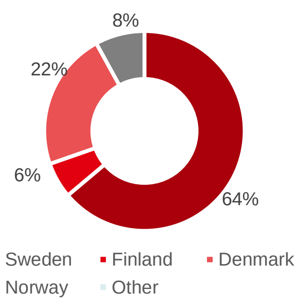
Management's assessment is that the business segment's operations gained market shares in all product categories and markets during the quarter. The Home Furnishing segment thus represented 41 percent of the Group's total net sales for the quarter.

Through the acquisition of Furniturebox, the Home Furnishing segment strengthened its leading position in the Nordic region during 2017. This position was further bolstered by the acquisition of MyHome Møbler in the second quarter and Wegot in the fourth quarter of 2017.

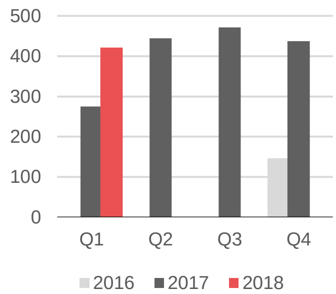
Net sales by segment Jan-Mar 2018



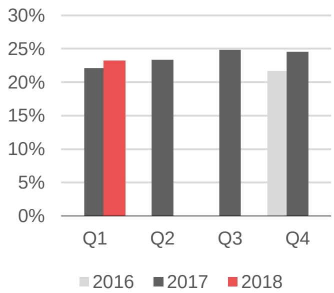
Distribution by country (%)



Net sales (SEKm)



Adjusted gross margin (%)



The comprehensive integration and consolidation work initiated in 2017, wherein Furniturebox was fully migrated to Trademax and Chilli's web platform, business system and warehouse management solution and the two organisations were merged into one, continued during the first quarter of 2018 and is expected to be completed in the third quarter of 2018.

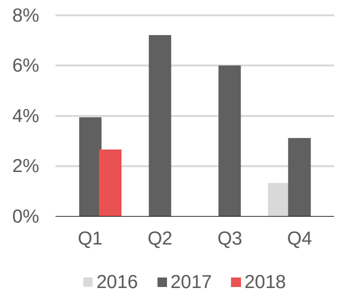
To date, the integration work, which is expected to generate total integration costs of approximately SEK 15 million in 2018, has proceeded according to plan and resulted in costs of SEK 7.9 million during the first quarter of 2018. Of the remaining integration costs SEK 5 million is expected to be charged to the second quarter and about SEK 2 million to the third quarter of 2018.

Adjusted EBITA rose 3.2 percent to SEK 11.2 million (10.9) during the quarter, with an adjusted EBITA margin of 2.7 percent (3.9) %, and was adversely impacted by primarily the weak sales of outdoor furniture during the period.

Including items affecting comparability, the segment's operating income amounted to SEK 0.5 million (2.4) during the quarter, with an operating margin of 0.1 percent (0.9).

Items affecting comparability attributable to the LTIP and IPO have not been allocated at the business segment level.

Adjusted EBITA margin (%)



Other

COMMENTS ON THE GROUP'S OTHER OPERATIONS

Net sales for the quarter amounted to SEK 0.1 million (5.1). The operating loss for the quarter totalled SEK -43.0 million (-1.2). The Group's other operations primarily consist of central Group functions. Accordingly, net sales consist in all material aspects of management fees. The operating income is primarily attributable to the costs associated with the listing on Nasdaq Stockholm.

CASH FLOW AND FINANCIAL POSITION

The Group's cash flow from operating activities during the quarter amounted to SEK -18.1 million (-26.6). Cash flow from operating activities was mainly driven by the Group's EBITDA during the period, by the Group's negative tied-up working capital and by a limited need for new investments and maintenance investments in the operating activities. The Group's negative tied-up working capital is the result of a high proportion of direct deliveries from suppliers, relatively limited inventory levels and low levels of accounts receivable (due to factoring without regress).

In all other respects, cash flow and working capital followed the seasonal profile, with inventory levels increasing during the first quarter prior to high-season sales, particularly of outdoor furniture, during the second and third quarters, and decreasing inventory levels and high cash conversion mainly during the second and third quarters, when sales of existing inventory primarily take place. During the first quarter inventory levels were increased by SEK 78.3 million in preparation for the outdoor furniture season mainly taking place in the second and third quarters.

The Group's cash flow to investing activities during the quarter amounted to SEK -22.4 million (-543.9) and was mainly attributable to payments of deferred earn-outs and additional earn-outs attributable to acquisitions in the 2014-2017 period. These totalled SEK -12.0 million (-2.0) during the period.

Cash flow from financing activities amounted to SEK 340.0 million (570.9) during the quarter and was attributable to the new share issue carried out during the period, in order to adjust the Group's capital structure to a level suitable for a listed environment, as well as to facilitate investments and continued expansion through M&A.

Operating cash flow amounted to SEK 38.5 million (-10.3) in the period, as a result of growth of adjusted EBITDA, a positive change in working capital as well as due the Group's low investment requirements. This corresponds to a cash conversion (in relation to EBITDA) of 105 percent, in line with financial target.

Compared with the beginning of the year, the Group's cash and cash equivalents at the end of the reporting period amounted to SEK 460.6 million (156.1) and were primarily attributable to the fact that the Group had built up inventories during the period, mainly of outdoor furniture for the coming spring and summer season, as well as due to earn-out payments related to acquisitions during the 2014-2017 period, as well as to the new share issue.

The Group's net debt, which is defined as the Group's current and non-current interest-bearing liabilities to credit institutions less cash and cash equivalents and investments in securities, etc., amounted to SEK 496.3 million at the end of the quarter, compared to SEK 804.1 million at the beginning of the year, corresponding to net debt in relation to LTM adjusted EBITDA of 2.1x, which is in line with the Company's financial targets, reduced as a result of the new share issue during the period of SEK 343.3 million. The Group's other current and non-current interest-bearing liabilities consist of conditional and deferred additional earn-outs related to acquisitions, which are subject to an implicit interest expense related to the present value calculation of the same. These obligations amounted to SEK 243.3 million at the end of the quarter, compared with SEK 249.6 million at the beginning of the year (also refer to "Relevant reconciliations of non-IFRS alternative performance measures (APM)" for a more detailed description).

The Group's unutilised credit facilities amounted to SEK 180.0 million at the end of the period, compared with SEK 125.0 million at the beginning of the year.

Compared with the beginning of the year, the Group's total assets at the end of the reporting period amounted to SEK 4,852.4 million (4,418.9). This change is mainly attributable to the new share issue carried out during the period.

Compared with the beginning of the year, the Group's equity at the end of the reporting period amounted to SEK 2,675.0 million (2,375.1). This increase was attributable to the new share issue that was carried out during the period.

EMPLOYEES

The number of employees (measured as full-time equivalents, FTEs) amounted to 811 at the end of the period. The average number of employees (measured as FTEs) for the most recent 12-month period amounted to 665.

SEASONAL VARIATIONS

The Group's operations are impacted by seasonal variations affecting consumers' total demand, especially for building products and outdoor furniture. As a result of the effect of weather on demand, the Group's sales and cash flow are usually higher during the second and third quarters, when most (nearly 60 percent) of the Group's sales are normally generated, and are usually lower during the first and fourth quarters. Although seasonal variations normally do not affect the Group's relative profit and cash flow from year to year, profit and cash flow can be impacted during years with unusual harsh or mild weather conditions, or with very high or low downfall. Weather conditions can also have a significant impact on individual quarters, but usually even out over the full year.

PARENT COMPANY

The Parent Company's net sales for the quarter amounted to SEK 0.9 million (0.0). Bygghemma Group's CEO and CFO are employed by the Parent Company. The Parent Company posted an operating loss of SEK -26.4 million (0.0) for the quarter. This operating loss was mainly due to costs attributable to the listing on Nasdaq Stockholm during the period. The loss for the period amounted to SEK -21.4 million (0.0). The Parent Company's cash and cash equivalents totalled SEKm 354.8 at the end of the reporting period, compared with SEK 18.3 million at the beginning of the year.

ACCOUNTING POLICIES

This report has been prepared in accordance with the rules of IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) along with interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as endorsed by the European Commission for application within the EU. Recommendation RFR 1 Supplementary Accounting Rules for Groups from the Swedish Financial Reporting Board has also been applied in the preparation of these consolidated financial statements.

The interim information on page 1-11 is an integrated part of this financial report.

The Group applies the same accounting principles as stated in the Annual report for 2017, except for IFRS 9 and IFRS 15, which entered into force on January 1, 2018 without material effects on the group´s accounts. For a more detailed description of the accounting policies applied for the Group and the Parent Company in this interim report and the effects of the new standards IFRS 9 and IFRS 15, refer to Note 1-3 in the annual report for the 2017 financial year.

Apart from the risks described therein, the assessment is that there are no additional material risks.

The Group also applies the European Securities and Markets Authority's (ESMA) guidelines for alternative performance measures. Definitions of alternative performance measures are found in the relevant reconciliations on pages 30-32 of this report.

RISKS AND UNCERTAINTIES

There are several strategic, operational and financial risks and uncertainty factors that can affect the Group's financial result and position. Most risks can be managed through internal procedures, while others are driven to a greater extent by external factors. There are risks and uncertainties related to IT and management systems, suppliers, season and weather variations, and exchange rates, but other risks and uncertainties can also arise in the case of new competition, changed market conditions or changed consumer behaviour for online sales. The Group is also exposed to interest rate risk. For a more detailed description of the risks and uncertainties in the Group and the Parent Company, refer to Note 24 in the annual report. Apart from the risks described therein, the assessment is that there are no additional material risks.

RELATED-PARTY TRANSACTIONS

All transactions with related parties are based on appropriate market terms. For more information, see Note 4 in this report.

OTHER INFORMATION

No other information applies at the end of the quarter.

Stockholm, 27 April 2018

Mikael Olander

President and CEO

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

Bygghemma Group First AB
Hans Michelsensgatan 9
SE-211 20 Malmö
Corporate registration number: 559077-0763

This information is information that Bygghemma Group First AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out below, at 07.30 CET on 27 April 2018.

CONTACT INFORMATION

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FINANCIAL CALENDAR

20 July 2018	Interim report Jan-Jun
29 October 2018	Interim report Jan-Sep
31 January 2019	Year-end report

ABOUT BYGGHEMMA GROUP

Bygghemma Group is the leading online supplier of home improvement products in the Nordic region. We offer our customers a broad product range at attractive prices, with convenient home delivery. We conduct operations in two segments: DIY and Home Furnishing. DIY comprises sales of products from well-known brands for homes and gardens, and Home Furnishing comprises sales of furniture and home decor, mainly under proprietary brands. Bygghemma Group includes a wide range of webstores, such as Bygghemma, Trademax, Chilli and Furniturebox. Bygghemma Group had sales of SEK 4.0 billion in 2017, has its head office in Malmö and is listed on Nasdaq Stockholm Mid Cap.

Condensed consolidated income statement

	Q1		Jan-Dec
SEKm	2018	2017	2017
Net Sales	1,025.1	669.7	3,955.5
Other operating income	-	-	6.1
Total Net Sales	**1,025.1**	**669.7**	**3,961.7**
Cost of goods sold	-812.0	-537.6	-3,135.6
Personnel costs	-106.6	-53.5	-306.2
Other external costs and operating expenses	-117.0	-62.3	-373.5
Other operating expenses	-3.5	-0.2	-0.1
Depreciation and amortization of tangible and intangible fixed assets	-15.2	-10.4	-54.7
Operating income	**-29.2**	**5.6**	**91.5**
Profit/loss from financial items	-39.7	-8.5	-54.7
Profit before tax	**-69.0**	**-2.9**	**36.8**
Income tax	14.0	-0.6	-8.1
Profit/loss for the period	**-55.0**	**-3.5**	**28.7**
Attributable to:			
Equity holders of the parent	-55.0	-3.5	28.7
Net income for the period	**-55.0**	**-3.5**	**28.7**
Earnings per share before dilution, SEK	-1.73	-1.24	-3.99
Earnings per share after dilution, SEK	-1.73	-1.24	-3.99

* Earnings per share before and after dilution are impacted by preference shares. Formula for earnings per share: earnings per share = (profit for the period - interest on preference shares) / average number of ordinary shares outstanding.

Condensed consolidated statement of comprehensive income

	Q1		Jan-Dec
SEKm	2018	2017	2017
Profit of loss for the period	-55.0	-3.5	28.7
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Translation differences for the period	12.2	-0.4	2.1
Other comprehensive income for ther period	**12.2**	**-0.4**	**2.1**
Total comprehensive income for ther period	**-42.8**	**-3.9**	**30.8**
Total comprehensive income attributable to:			
Parent company shareholders	-42.8	-3.9	30.8
Total comprehensive income for the period	**-42.8**	**-3.9**	**30.8**
Shares outstanding at period's end			
Before dilution	107,368,421	527,108	572,068
After dilution	107,368,421	527,108	572,068
Average number of shares			
Before dilution	61,022,381	37,195,314	47,720,820
After dilution	61,022,381	37,195,314	47,720,820

CHANGE IN NUMBER OF SHARES IN THE PERIOD

As part of the IPO preparations, an extra general meeting on February 9, 2018 resolved to split all shares in the Company 1:84, which made the number of shares in the Company increased from 2,371,927 shares to 199,241,868 shares. In connection with this split, an increase of the share capital of SEK 18,975.416 was also made through a bonus issue without issuance of new shares. At the same meeting, it was also resolved to reduce the share capital by SEK 2,895.984 by redemption of 241,332 ordinary shares of series A without repayment to the shareholders. Furthermore, it was resolved to convert 20,641,649 preference shares of series B01 to ordinary shares of series A. Thereafter the Company had 199,000,536 outstanding shares of various series (68,474,609 ordinary shares of series A Series and 130,525,927 preference shares of different series) and a share capital of 2,388 006.432. The overall purpose of these transactions was to enable the Company to have exactly 100,000,000 ordinary shares of one and the same series, after the settlement of the preference share structure in connection with the IPO, but prior to the offering that formed part of the IPO.

On March 26, 2018, an extra general meeting resolved to convert 31,525,391 preference shares of different series to receive exactly 100,000,000 ordinary shares. At the same time, it was resolved to reduce the share capital by SEK 1,188,006 by withdrawing all of the Company's remaining 99,00,536 preference shares of different series without repayment to the shareholders, and subsequently carry out an increase of the share capital through a bonus issue of SEK 1,800,000, without issuing new shares. Following these actions, the Company's outstanding shares amounted to 100,000,000 ordinary shares and the share capital amounted to exactly SEK 3,000,000.

Bygghemma Group First AB was listed on Nasdaq Stockholm Mid Cap on 27 March under the ticker BHG. In conjunction with the listing 7,368,421 new shares were issued by the Company. Consequently, as of 31 March 2018, the total number of shares in the company totalled 107,368,421.

Condensed consolidated statement of financial position

SEKm	31 Mar 2018	31 Mar 2017	31 dec 2017
Non-current assets			
Goodwill	2,455.8	2,217.9	2,451.1
Other intangible fixed assets	1,162.7	998.9	1,166.3
Total intangible fixed assets	**3,618.5**	**3,216.8**	**3,617.4**
Buildings and land	11.2	10.7	10.8
Tangible fixed assets	22.9	16.3	21.4
Financial fixed assets	4.9	1.7	4.5
Deferred tax asset	15.7	7.5	15.5
Total fixed assets	**3,673.2**	**3,253.1**	**3,669.6**
Current assets			
Inventories	478.7	288.6	400.4
Current receivables	240.0	121.6	192.8
Cash and cash equivalents	460.6	53.6	156.1
Total current assets	**1,179.2**	**463.8**	**749.3**
Total assets	**4,852.4**	**3,716.9**	**4,418.9**
Equity			
Equity attributable to owners of the parent	2,675.0	2,137.6	2,375.1
Total equity	**2,675.0**	**2,137.6**	**2,375.1**
Non-current liabilities			
Deferred tax asset	257.4	217.6	259.0
Other provisions	1.5	2.0	1.4
Non-current interest bearing liabilites	-	0.0	-
Non-current interest bearing liabilites to credit institutions	-	769.0	893.3
Other non-current liabilities	217.6	59.4	212.7
Total non-current liabilities	**476.5**	**1,048.0**	**1,366.4**
Current liabilities			
Short term interest bearing loans to credit institutions	956.9	3.4	44.2
Other interest bearing liabilities	25.7	35.5	36.9
Other current liabilities	718.3	492.3	596.4
Total current liabilities	**1,700.8**	**531.3**	**677.5**
Total shareholders' equity and liabilities	**4,852.4**	**3,716.9**	**4,418.9**

Condensed consolidated statement of cash flows

	Q1		Jan-Dec
SEKm	2018	2017	2017
Cash flow from operating activities before changes in working capital	-42.0	1.6	67.3
Changes in working capital	23.9	-28.2	73.7
Cash flow from operations	**-18.1**	**-26.6**	**141.1**
Investments in operations	-12.0	-538.6	-731.7
Investments in other non-current assets	-10.5	-5.3	-28.6
Divestment of other tangible fixed assets	0.1	-	0.1
Cash flow to/from investing activities	**-22.4**	**-543.9**	**-760.1**
New share issue	343.3	441.0	425.6
Net change in loans	-	130.0	401.3
Amortization of loans	-3.3	-0.0	-106.2
Dividends to shareholders	-	-	0.1
Cash flow to/from financing activities	**340.0**	**570.9**	**720.8**
Cash flow for the period	**299.5**	**0.4**	**101.7**
Cash and cash equivalents at the beginning of the pe	**156.1**	**53.3**	**53.3**
Translation differences in cash and cash equivalents	4.8	-0.1	1.0
Cash and cash equivalents at the end of the period	**460.5**	**53.6**	**156.1**

Condensed consolidated statement of changes in equity

	31 Mar		31 dec
SEKm	2018	2017	2017
Opening balance	2,374.5	1,700.6	1,700.6
Comprehensive income for the period	-42.8	-3.9	30.8
New share issue	343.3	441.0	643.6
Closing balance	2,675.0	2,137.6	2,375.1

* Transaction related costs of approximately SEK 10.5 million (SEK 8.2 million after tax) attributable the new share issue of common stock is reported net after tax directly in shareholder's equity, as a reduction of the share issue amount.

Notes

NOTE 1 SEGMENTS

SEKm	Q1 2018	Q1 2017	Jan-Dec 2017
Net Sales			
DIY	607.2	397.3	2,342.2
Home Furnishings	421.6	275.1	1,628.9
Total net sales	**1,028.8**	**672.4**	**3,971.1**
Other	0.1	5.1	19.1
Eliminations	-3.9	-7.9	-34.7
Group consolidated total	**1,025.1**	**669.7**	**3,955.5**
Revenue from other segments			
DIY	2.1	1.3	7.2
Home Furnishings	1.7	1.4	8.3
Other	0.1	5.1	19.1
Total	**3.9**	**7.9**	**34.7**

SEKm	Q1 2018	Q1 2017	Jan-Dec 2017
Operating income and profit before tax			
DIY	13.2	4.5	87.0
Home Furnishings	0.5	2.4	25.6
Total operating income	**13.8**	**6.8**	**112.5**
Other	-43.0	-1.2	-21.0
Group consolidated operating income	**-29.2**	**5.6**	**91.5**
Financial net	-39.7	-8.5	-54.7
Group consolidated profit before tax	**-69.0**	**-2.9**	**36.8**

NOTE 2 FAIR VALUE

Classification of financial assets and liabilities

Contingent earn-outs and liabilities to non-controlling interests are included in Level 3 of the valuation hierarchy. Apart from contingent earn-outs and liabilities to non-controlling interests, the carrying amount corresponds to the fair value for all financial instruments recognised in the statement of financial position.

Measurement of fair value

The fair value of contingent earn-outs and liabilities to non-controlling interests is calculated by discounting future cash flows with a risk-adjusted discount interest rate. Expected cash flows are forecast using probable scenarios for future EBITDA levels, amounts that will result from various outcomes and the probability of those outcomes.

	31 Mar		31 dec
SEKm	2018	2017	2017
Fair value on the opening date	**249.6**	**96.7**	**96.7**
Recognition in profit or loss	5.7	0.2	5.1
Utilized amount	-12.0	-2.0	-41.1
Acquisition value at cost	-	-	188.9
Fair value on the closing date	**243.3**	**94.9**	**249.6**

NOTE 3 RELATED-PARTY TRANSACTIONS

Transactions between Bygghemma Group First AB and its subsidiaries, which are related to Bygghemma Group First AB, have been eliminated in the consolidated financial statements.

All transactions between related parties have been conducted on market conditions and at an arm’s length.

Transactions with the owners

During the year, the company carried out a number of new share issues, which contributed total equity of SEK 343 million.

Condensed Parent Company income statement

	Q1		Jan-Dec
SEKm	2018	2017	2017
Net Sales	0.9	-	0.9
Total net sales	**0.9**	**-**	**0.9**
Personnel cost	-11.2	-	-1.5
Other external costs	-16.1	-0.0	-17.5
Operating income	**-26.4**	**-0.0**	**-18.1**
Profit/loss from financial items	-1.0	0.0	0.2
Appropriations	-	-	18.2
Profit before tax	**-27.5**	**0.0**	**0.3**
Income tax	6.0	-0.0	-0.1
Profit/loss for the period	**-21.4**	**0.0**	**0.2**

A statement of other comprehensive income has not been prepared since the Parent Company has not conducted any transactions to be recognised as other comprehensive income.

Condensed Parent Company balance sheet

	31 Mar		31 dec
SEKm	2018	2017	2017
Non-current assets			
Participations in Group companies	2,352.1	2,164.1	2,352.1
Long term receivables from Group companies	13.9	5.0	5.0
Deferred tax asset	-	0.0	-
Total fixed assets	**2,366.0**	**2,169.1**	**2,357.1**
Current assets			
Short term receivables	10.7	0.0	2.2
Short term receivables	-	-	18.2
Cash and cash equivalents	354.8	3.7	18.3
Total current assets	**365.5**	**3.7**	**38.7**
Total assets	**2,731.5**	**2,172.8**	**2,395.8**
Equity			
Restricted equtiy	3.2	2.2	2.4
Unrestriced equity	2,694.3	2,170.6	2,373.2
Total equity	**2,697.5**	**2,172.8**	**2,375.6**
Current liabilities			
Other current liabilities	33.9	0.1	20.2
Total current liabilities	**33.9**	**0.1**	**20.2**
Total shareholders' equity and liabilities	**2,731.5**	**2,172.8**	**2,395.8**

Key ratios

	2018	2017				
	Q1	Q4	Q3	Q2	Q1	Jan-Dec
THE GROUP						
Total expenses	-242.3	-229.0	-198.6	-174.5	-126.4	-728.5
Adjusted EBITA-margin %	3.0	4.9	5.4	6.0	2.9	5.0
Adjusted gross profit	220.6	245.7	246.4	228.5	134.6	855.2
Adjusted gross margin %	21.5	22.8	21.9	21.2	20.1	21.6
Equity/asset ratio %	55.1	53.7	54.7	53.4	57.5	53.7
Net debt (+) / Net cash (-)	496.3	804.1	808.8	826.4	741.4	804.1
Cash flow from operations (SEKm)	-18.1	25.2	8.9	133.6	-26.6	141.1
Earnings per share (SEK)	-1.73	-1.37	-0.80	-0.62	-1.24	-3.99
Visits (thousands)	25,355	23,799	24,911	24,641	18,320	91,670
Orders (thousands)	352	408	319	318	199	1,244
Average order value (SEK)	2,918	2,563	3,467	3,408	3,455	3,153
DIY						
Visits (thousands)	14,020	11,326	14,626	14,795	11,192	51,938
Orders (thousands)	199	177	172	198	129	674
Average order value (SEK)	3,051	3,177	3,835	3,298	3,251	3,394
Home Furnishings						
Visits (thousands)	11,335	12,473	10,285	9,846	7,128	39,732
Orders (thousands)	153	231	147	121	70	569
Average order value (SEK)	2,744	2,094	3,038	3,588	3,829	2,868

Relevant reconciliations of non-IFRS alternative performance measures (APM)

Some of the data stated in this report, as used by management and analysts for assessing the Group's development, is not defined in accordance with IFRS. Management is of the opinion that this data makes it easier for investors to analyse the Group's development, for the reasons stated below. Investors should regard this data as a complement rather than a replacement for financial information presented in accordance with IFRS. Bygghemma Group's definitions of these performance measures may differ from similarly named measures reported by other companies.

ADJUSTED EBITA, ADJUSTED EBITDA AND ADJUSTED GROSS PROFIT

Management uses adjusted EBITA and adjusted EBITDA to monitor the Group's underlying earnings capacity and profitability. Adjusted EBITA corresponds to operating income adjusted for amortisation and impairment losses on acquisition-related intangible assets and items affecting comparability. Adjusted EBITDA corresponds to adjusted EBITA adjusted for depreciation, amortisation and impairment losses on tangible and intangible assets.

Group

	Q1		Jan-Dec
SEKm	2018	2017	2017
Operating income	-29.2	5.6	91.5
Depreciation and amortization of intangible fixed assets	9.3	6.7	32.1
EBITA	**-19.9**	**12.3**	**123.6**
Acquisition-related costs	0.6	4.6	10.0
Integration costs	7.9	2.6	44.7
Costs related to LTIP	11.4	-	-
Costs related to the process for expanding the shareholde	30.7	-	18.8
Total items affecting comparability	**50.6**	**7.2**	**73.5**
Adjusted EBITA	30.6	19.5	197.0
Depreciation and amortization of tangible and intangible fixed assets	5.9	3.7	22.6
Adjusted EBITDA	**36.5**	**23.2**	**219.7**
Net Sales	1,025.1	669.7	3,955.5
Cost of goods sold	-812.0	-537.6	-3,135.6
Gross profit	**213.1**	**132.0**	**820.0**
Integration costs	7.5	2.6	35.2
Adjusted gross profit	**220.6**	**134.6**	**855.2**

DIY segment

SEKm	Q1 2018	Q1 2017	Jan-Dec 2017
Operating income	13.2	4.5	87.0
Depreciation and amortization of intangible fixed assets	6.8	5.2	23.8
EBITA	**20.1**	**9.7**	**110.8**
Acquisition-related costs	0.3	0.2	3.6
Total items affecting comparability	**0.3**	**0.2**	**3.6**
Adjusted EBITA	20.3	9.8	114.4
Depreciation and amortization of tangible and intangible fixed assets	4.0	2.3	12.4
Adjusted EBITDA	**24.3**	**12.1**	**126.7**
Net Sales	607.2	397.3	2,342.2
Cost of goods sold	-483.6	-323.5	-1,873.8
Gross profit	**123.6**	**73.8**	**468.4**
Adjusted gross profit	**123.6**	**73.8**	**468.4**

Home furnishing segment

SEKm	Q1 2018	Q1 2017	Jan-Dec 2017
Operating income	0.5	2.4	25.6
Depreciation and amortization of intangible fixed assets	2.5	1.5	8.2
EBITA	**3.0**	**3.9**	**33.8**
Acquisition-related costs	0.3	4.4	6.4
Integration costs	7.9	2.6	44.7
Total items affecting comparability	**8.2**	**7.0**	**51.1**
Adjusted EBITA	11.2	10.9	84.9
Depreciation and amortization of tangible and intangible fixed assets	1.9	1.4	10.3
Adjusted EBITDA	**13.1**	**12.2**	**95.2**
Net sales	421.6	275.1	1,628.9
Cost of goods sold	-331.3	-216.9	-1,275.0
Gross profit	**90.3**	**58.3**	**354.0**
Integration costs	7.5	2.6	35.2
Adjusted gross profit	**97.8**	**60.9**	**389.2**

NET DEBT/NET CASH

Management is of the opinion that because the Group's actual net debt/net cash corresponds to the Group's non-current and current interest-bearing liabilities to credit institutions less cash and cash equivalents, investments in securities, etc. and transaction fees, other non-current and current interest-bearing liabilities should be excluded. The Group's other non-current and current interest-bearing liabilities consist of contingent and deferred earn-outs related to acquisitions, which are subject to an implicit interest expense.

In conjunction with the IPO, the company signed a new credit agreement with SEB for a total amount of approximately SEK 1,100 million (nominal amount), of which about SEK 500 million pertains to a long-term loan facility not subject to amortisation that is to be used to repay the Group's earlier loans, to cover the transaction costs arising in connection with the listing and for general business purposes. SEK 300 million pertains to an acquisition and investment facility, which will primarily be used to finance future acquisitions and related acquisition costs, SEK 240 million pertains to a revolving credit facility in the form of working capital financing and SEK 60 million pertains to a letter of credit.

Following the proceeds of the new share issue during the period, net debt totalled SEK 496.3 million at the end of the period (corresponding to net debt in relation to LTM adjusted EBITDA of 2.1x). The Group's other current and non-current interest-bearing liabilities consist of conditional and deferred additional earn-outs related to acquisitions, which are subject to an implicit interest expense related to the present value calculation of the same. These obligations amounted to SEK 243.3 million at the end of the quarter, compared with SEK 249.6 million at the beginning of the year.

	31 Mar		31 dec
SEKm	2018	2017	2017
Non-current interest bearing debt	217.6	828.3	1,105.9
Shor-term interest bearing debt	982.5	39.0	81.1
Total interest bearing debt	**1,200.1**	**867.3**	**1,187.1**
Cash and cash equivalents	-460.6	-53.6	-156.1
Adjustment of earnouts and deferred payments	-243.3	-94.9	-249.6
Adjustment transaction costs	-	22.5	22.7
Net debt (+) / Net cash (-)	**496.3**	**741.4**	**804.1**

Definitions

Performance measure	Definition	Reasoning
Number of visits	Number of visits to the Group's webstores during the period in question.	This performance measure is used to measure customer activity.
Number of orders	Number of orders placed during the period in question.	This performance measure is used to measure customer activity.
Gross margin	Gross profit as a percentage of net sales.	Gross margin gives an indication of the contribution margin as a share of net sales.
Gross profit	Net sales less cost of goods sold. Gross profit includes costs directly attributable to goods sold, such as warehouse and transportation costs. Gross profit does not include items affecting comparability.	Gross profit gives an indication of the contribution margin in the operations.
EBITA	Operating income before depreciation, amortisation, financial items and tax.	EBITA provides a general indication as to the profit generated in the operations before depreciation and amortisation.
EBITA margin	EBITA as a percentage of net sales.	In combination with net sales growth, EBITA margin is a useful performance measure for monitoring value creation.
EBITDA	Operating income before depreciation, amortisation, impairment, financial net and tax.	EBITDA provides a general indication as to the profit generated in the operations before depreciation, amortisation and impairment.
EBITDA margin	EBITDA as a percentage of net sales.	In combination with net sales growth, EBITDA margin is a useful performance measure for monitoring value creation.
Average order value (AOV)	Total order value (meaning Internet sales, postage income and other related services) divided by the number of orders.	Average order value is a useful indication of revenue generation.
Investments	Investments in tangible and intangible fixed assets.	Investments provide an indication of total investments in tangible and intangible assets.
Adjusted gross margin	Adjusted gross profit as a percentage of net sales.	Adjusted gross margin gives an indication of the contribution margin as a share of net sales.
Adjusted gross profit	Net sales less cost of goods sold. Adjusted gross profit includes costs directly attributable to goods sold, such as warehouse and transportation costs. Adjusted gross profit excludes items affecting comparability.	Adjusted gross profit gives an indication of the contribution margin in the operations.
Adjusted EBITA	EBITA excluding items affecting comparability.	This performance measure provides an indication of the profit generated by the company's operating activities.
Adjusted EBITA margin	Adjusted EBITA as a percentage of net sales.	This performance measure provides an indication of the profit generated by the company's operating activities.
Adjusted EBITDA	EBITDA excluding items affecting comparability.	This performance measure provides an indication of the profit generated by the company's operating activities.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales.	This performance measure is relevant to creating an understanding of the operational profitability generated by the business.
Adjusted sales and administration costs	The difference between adjusted gross profit and adjusted EBITDA, which excludes other specified items.	Sales and administration costs provide an indication of operating expenses, excluding cost of goods sold, thereby giving an indication of the efficiency of the company's operations.
Adjusted sales and administration costs/net sales	Adjusted sales and administration costs as a percentage of net sales.	Provides an indication of operating expenses as a percentage of net sales, thereby giving an indication of operating leverage.

Items affecting comparability	Items affecting comparability pertain to events and transactions whose impact on earnings is important to note when the financial results for the period are compared with previous periods and include: capital gains and loss on divestments, costs related to material downsizing, restructuring with action plans designed to restructure a major part of the operations, material impairment losses and other material non-recurring costs and revenue.	Items affecting comparability is a term used to describe items which, when excluded, show the company's earnings excluding items which, by nature, are of a non-recurring nature in the operating activities.
Cash conversion	Operating cash flow from operating activities as a percentage of adjusted EBITDA	Operating cash conversion enables the company to monitor management of its ongoing investments and working capital.
Net sales growth	Annual growth in net sales calculated as a comparison with the preceding year and expressed as a percentage.	Net sales growth provides a measure for the company to compare growth between various periods and in relation to the overall market and competitors.
Net debt	The sum of interest-bearing liabilities less cash and cash equivalents.	Net debt is a measure that shows the company's total debt.
Operating cash flow	Adjusted EBITDA including changes in working capital (Δ working capital), adjusted for the provision of the LTIP in current liabilities in the period, and less investments in non-current assets (capex).	Operating cash flow is used to monitor cash flow in the operations.
Organic growth	Refers to growth for comparable webstores and showrooms compared with the preceding year, including units with comparative data for the full calendar year, meaning changes in net sales after adjustment for acquired net sales in accordance with the above definition.	Organic growth is a measure that enables the company to monitor underlying net sales growth, excluding the effects of acquisitions.
Working capital	Inventories and non-interest bearing current assets less non-interest bearing current liabilities.	Working capital provides an indication of the company's short-term financial capacity, since it gives an indication as to whether the company's short-term assets are sufficient to cover its current liabilities.
Operating margin (EBIT margin)	EBIT as a percentage of net sales.	In combination with net sales growth, operating margin is a useful measure in order to monitor value creation.