bygghemma GROUP

2018/Q3

Interim report 1 January-30 September 2018

CONTINUED STRONG SALES GROWTH DESPITE CHALLENGING CONDITIONS

HIGHLIGHTS

Third quarter

- Net sales rose 11.1 percent to SEK 1,251.1 million (1,126.2), of which organic growth accounted for 8.6 percent, driven by organic growth of 14.1 percent in the DIY segment
- Adjusted gross profit* rose 4.1 percent to SEK 256.4 million (246.4), with an adjusted gross margin of 20.5 percent (21.9)
- Adjusted EBITA** (operating income before acquisition-related amortisations and write-downs, and items affecting comparability) amounted to SEK 40.0 million (60.5), with an adjusted EBITA margin of 3.2 percent (5.4)
- Higher raw material prices, weakened SEK (against the EUR and USD) and challenging weather conditions impacted EBITA in an amount of approximately SEK -25 million
- Operating income adjusted for items affecting comparability decreased to SEK 30.6 million (52.0), with an adjusted operating margin of 2.4 percent (4.6)
- Operating cash flow*** was SEK -43.9 million (37.0), driven by seasonal effects
- Net income amounted to SEK 24.2 million (17.3)
- Earnings per share amounted to SEK 0.23 (-0.80) before dilution and SEK 0.23 (-0.80) after dilution

1 January-30 September

- Net sales rose 28.4 percent to SEK 3,694.0 million (2,875.9), of which the Group's organic growth accounted for 14.2 percent, driven by organic growth of 18.8 percent in the DIY segment
- Adjusted gross profit* increased 27.2 percent to SEK 775.6 million (609.5), with an adjusted gross margin of 21.0 percent (21.2)
- Adjusted EBITA** amounted to SEK 142.4 million (144.3), with an adjusted EBITA margin of 3.9 percent (5.0)
- Operating income adjusted for items affecting comparability, among other attributable to the company's IPO, amounted to SEK 114.4 million (121.5), with an adjusted operating margin of 3.1 percent (4.2)
- Operating cash flow*** was SEK 177.9 million (184.5), corresponding to a cash conversion of 109 percent (117), in line with the Group's financial targets
- Net income amounted to SEK 1.3 million (36.9). The negative result was related to items affecting comparability
- Earnings per share amounted to SEK -0.53 (-2.65) before dilution and SEK -0.53 (-2.65) after dilution

Key events during and after the period

- Acquisition of 30 percent of Furniture1, the leading online home furnishings retailer in the Baltics and Eastern Europe • Acquisition of Edututor, a leading Finnish online retailer in grills, LED lightning and kitchen products • Announced the establishment of a proprietary distribution network in Sweden and completed the Furniturebox-integration

FINANCIAL SUMMARY

	Q3			Jan-Sep			Jan-Dec
SEKm (if not otherwise stated)	2018	2017	Δ%	2018	2017	Δ%	2017
Net Sales	1,251.1	1,126.2	11.1	3,694.0	2,875.9	28.4	3,955.5
Adjusted gross profit*	256.4	246.4	4.1	775.6	609.5	27.2	855.2
Adjusted gross margin (%)	20.5	21.9	-6.3	21.0	21.2	-0.9	21.6
Adjusted EBITA**	40.0	60.5	-33.9	142.4	144.3	-1.3	197.0
Adjusted EBITA-margin (%)	3.2	5.4	-40.5	3.9	5.0	-23.2	5.0
Operating income	17.4	36.3	-52.2	43.1	86.3	-50.0	91.5
Operating-margin (%)	1.4	3.2	-57.0	1.2	3.0	-61.1	2.3
Net profit/loss for the period	24.2	17.3	39.8	1.3	36.9	-96.5	28.7
Earnings per share before dilution, SEK	0.23	-0.80		-0.53	-2.65		-3.99
Earnings per share after dilution, SEK	0.23	-0.80		-0.53	-2.65		-3.99
Cash flow from operations	-46.7	10.5	-545.6	98.0	115.9	-15.5	141.1
Net debt	451.1	808.8	-44.2	451.1	808.8	-44.2	804.1

* Adjusted for items affecting comparability (refer to "Relevant reconciliations of non-IFRS alternative performance measures (APM)"). Items affecting comparability impacting gross profit amounted to SEK 11.7 million (11.5) for the quarter and SEK 26.3 million (23.8) for the first nine months and were attributable to the Furniturebox integration and warehouse move. Items affecting comparability impacting EBITA totaled SEK 13.3 million (15.7) for the quarter and SEK 71.3 (35.3) for the first nine months and were attributable to (i) acquisition costs of SEK 0.7 million (1.8) for the quarter and SEK 1.7 million (8.6) for the first nine months, (ii) integration costs and costs related to the warehouse move of SEK 12.5 million (13.5) for the quarter and SEK 27.5 million (26.3) for the first nine months, (iii) costs of SEK 11.4 million (-) for the first nine months associated with the long-term incentive program launched in connection with the IPO and (iv) costs for the listing on Nasdaq of SEK 30.7 million (0.4).

** 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 32 in this report).

CEO's comments on the quarter

During the third quarter, we continued to strengthen our position as the number one Nordic and European online-based player within home improvement, which includes DIY and Home Furnishing. We can also conclude that the increase in online penetration on the market as a whole continued, combined with a stable development in the overall Nordic market.

Our results for the period did however suffer from the warm weather conditions during July and August, both within DIY and Home Furnishing. Our revenue growth was despite this good, which led to that we can report our strongest third quarter to date, with more than SEK 1.2 billion in sales. The growth is primarily the result of strong organic growth within the DIY segment.

Our earnings were negatively impacted by external factors that affected EBITA in an amount of approximately SEK 25 million in the period, relating to negative FX (SEK vs. EUR and USD), higher raw material prices in the Home Furnishing division and the warm weather conditions.

The weakened SEK affected the Home Furnishing division, since the segment conducts its purchases in EUR and USD and a has majority of its sales in SEK. Typically, consumer prices are adjusted to higher purchase prices. However, as many of our main competitors are catalogue-based and typically hedge currency (as opposed to Bygghemma Group), price adjustments are generally imposed on the market with a seasonal delay, a trend that has also been confirmed by the price increases in the Autumn catalogues and allows to compensate for the higher purchase prices.

Mikael Olander, President and CEO

The acquisition of Furniturebox in the first half of 2017, along with our existing operations in the Home Furnishing segment, enabled us to assume a leading position in the Nordic online home furnishing market. We further strengthened this position in 2017 through the acquisition of MyHome Møbler and Wegot.

During the third quarter, we took another important step in the Home Furnishing division as we entered the fast-growing Baltic and Eastern European markets through the acquisition of 30 percent of the shares in Furniture1, with an option to acquire up to 80 percent. Furniture1 is the leading pure-play online furniture retailer in the region and has had a compound annual growth rate (CAGR) of 73 percent over the last three years and reported a turnover of approximately SEK 200 million for the period from September 2017 to August 2018 (LTM).

We see considerable synergies between our existing operations and Furniture1 with respect to purchasing, among other areas, since Bygghemma Group is one of the largest furniture buyers in the Baltics. We also see significant opportunities to develop the segment's sales model, since Furniture1 is at the forefront when it comes to web functionality and assortment. Furthermore, the company has made considerable progress in developing its logistics set-up, and manages last-mile deliveries through its own fleet of delivery vehicles in all its markets.

In September we also announced that we have now started to roll out our own last-mile operations in Sweden, which will allow us to establish a distribution network using our own trained drivers, with whom customers will be able to maintain ongoing contact while also having the possibility to digitally track their deliveries minute by minute, all the way to their door. Customers will also be offered evening and weekend deliveries as well as carry-in, removal and assembly services. The experiences from Furniture1 will be highly valuable as we continue to develop our delivery services in the Group.

Finally, the Furniturebox integration project, initiated during 2017 for the purpose of realising long-term sales and cost synergies, has now been completed. During the third quarter we completed the physical warehouse move, consolidating three of our satellite warehouses to our central warehouse in Helsingborg, which was also necessary for the last-mile project. During the warehouse move approximately 20 percent of the inventory had to be put offline for about four weeks, which negatively impacted sales for the Home Furnishing division in the third quarter. We are happy that the integration project is now completed, so that we can focus on growth again.

As a final point, I would like to thank our many ambitious, dedicated and driven employees for their hard work this quarter. I feel privileged to be part of this team. Together, we are looking forward to the continued delivery of profitable growth in 2018, in line with our targets.

Malmö, 29 October 2018

Mikael Olander

President and CEO, Bygghemma Group

Condensed consolidated financial information

	Q3			Jan-Sep			Jan-Dec
SEKm (if not otherwise stated)	2018	2017	Δ%	2018	2017	Δ%	2017
Net Sales	1,251.1	1,126.2	11.1	3,694.0	2,875.9	28.4	3,955.5
Gross profit	244.8	234.9	4.2	749.3	585.8	27.9	820.0
Gross margin (%)	19.6	20.9	-6.2	20.3	20.4	-0.4	20.7
Adjusted gross profit*	256.4	246.4	4.1	775.6	609.5	27.2	855.2
Adjusted gross margin (%)	20.5	21.9	-6.3	21.0	21.2	-0.9	21.6
Adjusted EBITDA*	47.9	66.1	-27.5	163.3	158.3	3.2	219.7
Adjusted EBITDA-margin (%)	3.8	5.9	-34.7	4.4	5.5	-19.7	5.6
Adjusted EBITA**	40.0	60.5	-33.9	142.4	144.3	-1.3	197.0
Adjusted EBITA-margin (%)	3.2	5.4	-40.5	3.9	5.0	-23.2	5.0
Operating income	17.4	36.3	-52.2	43.1	86.3	-50.0	91.5
Operating-margin (%)	1.4	3.2	-57.0	1.2	3.0	-61.1	2.3
Net profit/loss for the period	24.2	17.3	39.8	1.3	36.9	-96.5	28.7
Cash flow from operations	-46.7	10.5	-545.6	98.0	115.9	-15.5	141.1
Visits (thousands)	28,589	24,911	14.8	83,771	67,872	23.4	91,670
Orders (thousands)	426	319	33.8	1,279	836	53.0	1,244
Conversion rate (%)	1.5	1.3	16.6	1.5	1.2	24.0	1.4
Average order value (SEK)	2,864	3,467	-17.4	2,843	3,441	-17.4	3,153

* Adjusted for items affecting comparability of SEK 13.3 million (15.7) for the quarter and SEK 71.3 million (35.3) for the first nine months, 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 JULY-30 SEPTEMBER 2018

The strong underlying trend continued for the DIY segment during the third quarter, although the warm weather in our core markets was detrimental for the sale of garden products, in particular for the important automower category. The Home Furnishing division was also negatively affected by the weather, which impacted the sale of indoor furniture in the period, this was however partly offset by higher outdoor furniture sales. In addition, sales were negatively impacted due to that 20 percent of the segment's assortment had to be put offline due to the warehouse move of three of our satellite warehouses to our central warehouse in Helsingborg as part of the integration of Furniturebox.

Net sales rose 11.1 percent to SEK 1,251.1 million (1,126.2), of which organic growth accounted for 8.6 percent,

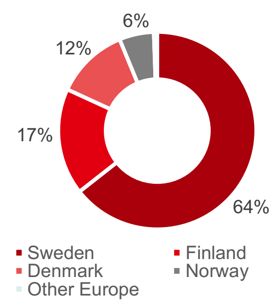
The Group's webstores received 28.6 million (24.9) visits during the quarter, generating 426 thousand (319) orders. Traffic from mobiles and tablets accounted for 67.5 percent (65.0) of the total number of visits to the Group's web-stores, translating to an increase of 3.2 percent compared with last year. Mobiles and tablets accounted for 62.9 percent (59.9) of visits in the DIY segment and 75.0 percent (71.2) of visits in the Home Furnishing segment.

The Group's average order value for the quarter was SEK 2,864 (3,467), a decrease primarily attributable to the impact of acquisitions on the sales mix during 2017.

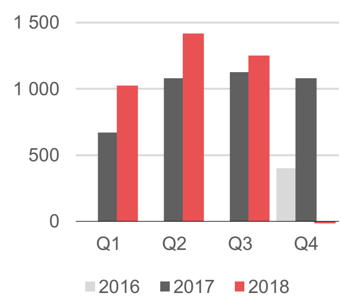
The Group's adjusted gross margin was 20.5 percent (21.9) for the period, mainly as an effect of lower margins with Home Furnishing segment, due to negative FX effects and raw higher material prices in the period.

Including items affecting comparability, the Group's gross margin was 19.6 percent (20.9).

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 208.5 million (180.3), corresponding to 16.7 percent (16.0) of net sales, driven in part by increased capacity requirements following the listing on Nasdaq Stockholm in March this year.

Including items affecting comparability for the period, sales and administration costs amounted to SEK 210.2 million (184.5).

The Group's adjusted EBITA for the quarter decreased to SEK 40.0 million (60.5), corresponding to an adjusted EBITA margin of 3.2 percent (5.4).

The decrease is mainly explained by external factors that impacted EBITA with approximately SEK 25 million during the quarter, Negative exchange rates had an impact of approximately SEK 11 million, higher raw material prices of approximately SEK 2 million and, for the DIY division, lower sales of approximately SEK 80 million during the period, as a consequence of the heat during July and August, translated to an EBITA-impact of approximately SEK 12 million.

The Group's operating income for the period adjusted for items affecting comparability amounted to SEK 30.6 million (52.0), with an adjusted operating margin of 2.4 percent (4.6). The items affecting comparability charged to the third quarter were attributable to acquisition-related costs of SEK 0.7 million (1.8) and to the warehouse move and integrations costs related to Furniturebox and the so called last-mile project, which amounted to SEK 12.5 million (13.5) for the period.

Including items affecting comparability, the Group posted an operating income of SEK 17.4 million (36.3), corresponding to an operating margin of 1.4 percent (3.2).

Amortisation of acquisition-related intangible assets amounted to SEK 9.4 million (8.5) for the quarter and comprised amortisation of identified surplus values related to customer relationships and customer databases in acquired companies. No impairment requirements were 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 -4.8 million (-14.0), attributable in part to the company's financing arrangements with SEB. Interest expenses for the period amounted to SEK -3.4 million.

The Group's profit before tax was SEK 12.5 million (22.3) for the period.

Net income for the quarter amounted to SEK 24.2 million (17.3). The effective tax rate was 93.5 percent (22.4), corresponding to SEK +11.7 million (-5.0), due to deferred tax liabilities being recalculated according to the new corporate tax rate of 20,6 being introduced in 2021.

COMMENTS ON THE RESULT FOR THE PERIOD 1 JANUARY-30 SEPTEMBER 2018

Sales for the nine-month period were driven by higher market shares for both of the Group's segments compared with last year, continued increase in online penetration for the market as a whole and acquisitions that were integrated and consolidated during the period.

Net sales rose 28.4 percent to SEK 3,694.0 million (2,875.9), of which the Group's organic growth accounted for 14.2 percent.

The Group's webstores received 83.8 million (67.9) visits during the first nine months, generating 1,279 thousand (836) orders. Traffic from mobiles and tablets accounted for 66.3 percent (63.0) of the total number of visits to the Group's webstores, translating to an increase of 5.2 percent compared with last year. Mobiles and tablets accounted for 61.2 percent (57.2) of visits in the DIY segment and 74.0 percent (70.4) of visits in the Home Furnishing segment.

The Group's average order value for the first nine months was SEK 2,843 (3,441). The lower average order value is primarily attributable to a changed sales mix, mainly as a result of acquisitions that were made in 2017.

The Group's adjusted gross margin amounted to 21.0 percent (21.2).

Including items affecting comparability, the Group's gross margin was 20.3 percent (20.4).

The Group's adjusted sales and administration costs (defined as the difference between adjusted gross profit and adjusted EBITDA) amounted to SEK 612.2 million (451.2), corresponding to 16.6 percent (15.7) of net sales, primarily driven by acquisitions in 2017 as well as increased capacity requirements following the listing on Nasdaq Stockholm in March this year.

Including items affecting comparability, sales and administration costs amounted to SEK 657.3 million (462.7) for the period.

Sales and administration costs and the gross margin for the first nine months 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. However, these effects were largely offset, and the acquisitions did not therefore have any noticeable impact on the Group's EBITA margin in the first nine-month period.

The Group's adjusted EBITA for the first nine months amounted to SEK 142.4 million (144.3), corresponding to an adjusted EBITA margin of 3.9 percent (5.0).

The Group's operating income adjusted for items affecting comparability, primarily attributable to the company's initial public offering (IPO), amounted to SEK 114.4 million (121.5). The adjusted operating margin was 3.1 percent (4.2).

Including items affecting comparability, the Group posted operating income of SEK 43.1 million (86.3), corresponding to an operating margin of 1.2 percent (3.0). The items affecting comparability charged to the first nine months were attributable to costs for the listing on Nasdaq Stockholm (SEK 30.7 million), the long-term incentive programme (LTIP) for key employees in the Group, adopted at the general meeting of shareholders (SEK 11.4 million), the warehouse move and restructuring and integration of Furniturebox and the last-mile project (SEK 27.5 million) and other acquisition-related costs (SEK 1.7 million).

Amortisation of acquisition-related intangible assets amounted to SEK 28.0 million (22.8) for the first nine months 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 first nine months amounted to SEK -54.5 million (-37.3), driven by prepaid interest expenses of SEK 22.9 million related to the company's previous financing arrangements, which were expensed in connection with the new financing arrangement with SEB in the first quarter. Interest expenses attributable to the period amounted to SEK 20.2 million. Due to the new share issue and the signing of a new credit agreement in conjunction with the IPO in the first quarter, interest expenses have decreased significantly from the second quarter onwards.

The Group's profit before tax amounted to SEK -11.4 million (49.0) for the period.

Profit after tax totalled SEK 1.3 million (36.9). The effective tax rate was -114.9 percent (24.7), corresponding to SEK +12.7 million (-12.1), due to deferred tax liabilities being recalculated according to the new corporate tax rate of 20,6 being introduced in 2021.

Refer to the respective business segments for additional comments on the quarter and the nine-month period.

KEY EVENTS DURING AND AFTER THE THIRD QUARTER OF 2018

- In May 2018, the Helsinki Administrative Court determined that a subsidiary to Qliro Group (formerly CDON Group) did not pay correct VAT on Åland for the 2012 fiscal year for products that were sold to customers in Finland. Since 2012, there has also been a preliminary investigation pending in Finland against persons who held senior positions at the company in 2008-2014. Some of these people are currently employed at Bygghemma Group, including CEO Mikael Olander. Prosecutors in Finland have now, after the Administrative Court's verdict, chosen to also commence prosecution against these persons in relation to Qliro Group's VAT management on Åland.
- On 4 September the Patent and Market Court issued a court ruling in which Trademax Helsingborg AB has been summoned to pay SEK 4 million in market disruption fees. The ruling will be appealed and the fee has not been provided for in the accounts.
- On 5 September Bygghemma Group acquired 30 percent, and an option to acquire up to 80 percent, of the shares in Furniture1 UAB ("Furniture1"), the leading online pure-play retailer within furniture and interior decoration in the Baltics and Eastern Europe. The option to acquire up to 80 percent of the shares has no time limit. Furniture1 has had a CAGR of 73 percent over the last three years and reported a turnover of approximately SEK 200 million for the period from September 2017 to August 2018 (LTM). The company was founded in 2008 in Lithuania and currently has operations in Estonia, Latvia,

Lithuania, Croatia, Hungary, Bulgaria, Greece, Slovenia and Romania and has 100 employees. Furniture1 is fully consolidated from 1 September.

- On 8 September Bygghemma Group announced that it will establish its own distribution network for last-mile deliveries within its Home Furnishing business area in Sweden. The company's distribution is currently managed by a third party. Under the new model, which has recently been tested successfully in the Stockholm area, approximately 70 percent of products sold will be delivered to the homes of end customers within two days of being ordered. In order to facilitate this, a number of satellite warehouses have been consolidated to the segment's central warehouse in Helsingborg. The warehouse move, including the remaining costs for the integration of Furniturebox, the establishment of pick-up terminals and the expansion of the driver network is expected to generate transitional costs of approximately SEK 35 million in total, out of which SEK 13 million has been charged to the third quarter of 2018.
- On 23 October Bygghemma Group announced the acquisition of Edututor Oy, a leading online player in Finland with proprietary brands in grilling, LED lighting and kitchen products. The acquisition will strengthen Bygghemma's category expertise within these categories in Finland. Edututor was founded in 2010 and, since then, has had a CAGR of around 37 percent. The company conducts sales through a number of online stores, the largest of which are Grillikauppa.com, Led-Valot.fi and Paista.fi. In 2017, the company had sales of approximately EUR 4.5 million, with operating profit of around EUR 120 thousand.

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 32 of this report).

DIY segment

- The DIY segment's net sales increased 21.1 percent during the third quarter, of which organic growth accounted for 14.1 percent, despite the challenging weather conditions during July and August
- The adjusted EBITA margin was 4.5 percent (4.9) for the third quarter and 4.4 percent (4.5) for the first nine months
- The segment's EBITA level was negatively impacted during the third quarter by lower sales of garden products, primarily automowers, during the July and August period

	Q3			Jan-Sep			Jan-Dec
SEKm (if not otherwise stated)	2018	2017	∆%	2018	2017	∆%	2017
Net Sales	798.6	659.5	21.1	2,306.3	1,696.8	35.9	2,342.2
Gross profit	155.4	130.6	19.0	451.6	329.1	37.2	468.4
Gross margin (%)	19.5	19.8	-1.7	19.6	19.4	1.0	20.0
Adjusted gross profit	155.4	130.6	19.0	451.6	329.1	37.2	468.4
Adjusted gross margin (%)	19.5	19.8	-1.7	19.6	19.4	1.0	20.0
Adjusted EBITA	36.1	32.3	11.6	101.0	77.0	31.2	114.4
Adjusted EBITA-margin (%)	4.5	4.9	-7.9	4.4	4.5	-3.5	4.9
Operating income	29.2	25.1	16.5	79.9	57.5	38.9	87.0
Operating margin (%)	3.7	3.8	-3.8	3.5	3.4	2.2	3.7
Net profit/loss for the period	28.6	17.8	60.3	56.9	39.9	42.7	10.5
Visits (thousands)	17,584	14,626	20.2	49,851	40,613	22.7	51,938
Orders (thousands)	284	172	65.7	815	498	63.8	674
Conversion rate (%)	1.6	1.2	37.9	1.6	1.2	33.4	1.3
Average order value (SEK)	2,807	3,835	-26.8	2,792	3,471	-19.5	3,394

COMMENTS ON THE DIY SEGMENT

The third quarter was heavily impacted by the warm weather during July and August, which significantly hampered the sale of garden machines, particularly automowers, during the period. The estimated total sales impact for the segment in the quarter amounted to SEK 80 million, with a corresponding EBITA-impact of approximately SEK -12 million. Despite this, it was the strongest third quarter to date for the DIY division in terms of both sales and EBITA.

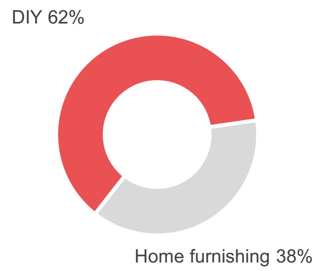
The segment's net sales increased 21.1 percent to SEK 798.6 million (659.5) in the quarter, driven by continued strong organic growth during the period. Net sales for the first nine months increased 35.9 percent to SEK 2,306.3 million (1,696.8).

The development of the Swedish housing market following the introduction of a second repayment requirement (increased loan restrictions for private home-owners) has not had any visible impact on Swedish sales in the DIY segment, which have been driven by the steadily growing online penetration, as well as by continuous operational improvements in terms of service, assortment and pricing.

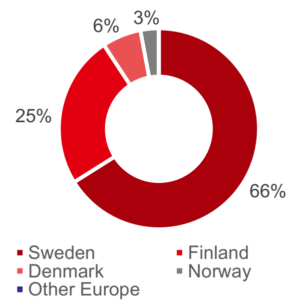
DIY accounted for 62 percent of the Group's total net sales for the first nine months.

The DIY segment continued to gain market shares in all Nordic markets during the quarter. The strongest performance for both the quarter and the first nine months was attributable to the kitchen/whitegoods product category, followed by heavy construction and doors/windows. The focus on category leadership yielded positive results during the period,

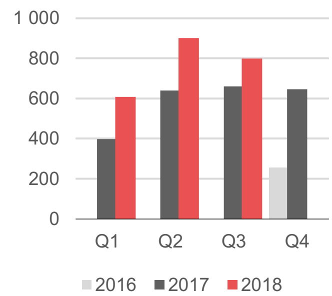
Net sales by segment Jan-Sep 2018



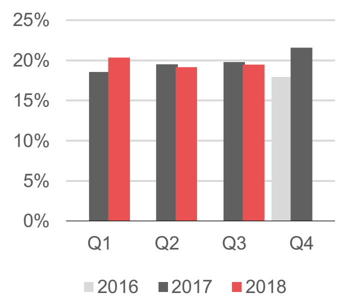
Distribution by country (%)



Net sales (SEKm)



Adjusted gross margin (%)



partly due to the specialised knowledge and brand expansion resulting from a number of strategic acquisitions in recent years, and most recently from the acquisitions of Arredo and Vitvaruexperten in 2017.

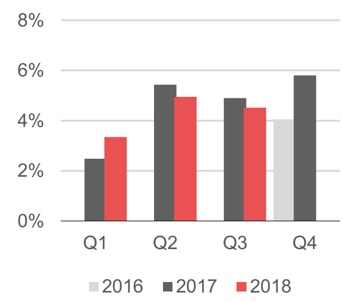
The segment's Finnish, Danish and Norwegian operations accounted for the strongest performance during the quarter, driven by a positive economic development in these markets in total, and by a rapidly increasing online penetration in particular, combined with focused work on the webstores, product range and pricing.

Adjusted EBITA rose 11.6 percent to SEK 36.1 million (32.3) during the quarter, with an adjusted EBITA margin of 4.5 percent (4.9). Adjusted EBITA for the first nine months was SEK 101.0 million (77.0) with an adjusted EBITA margin of 4.4 percent (4.5).

The segment's operating income, including items affecting comparability, increased 16.5 percent to SEK 29.2 million (25.1) during the quarter, with an operating margin of 3.7 percent (3.8). For the first nine months, operating income amounted to SEK 79.9 million (57.5), with an operating margin of 3.5 percent (3.4).

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

Adjusted EBITA margin (%)



Home Furnishing segment

- Net sales decreased by 3.2 percent during the third quarter, with organic growth of -2.4 percent. Net sales was negatively affected by the weakened SEK, which impacted the price positioning in the period and by the warehouse move during which approximately 20 percent of the assortment was put offline
- The adjusted EBITA-margin amounted to 1.3 percent (6.0) in the quarter, mainly impacted by negative FX-development but also by increased raw material prices compared to the same period previous year
- The integration of Furniturebox was completed during the third quarter and the roll-out of last-mile fulfilment was initiated.

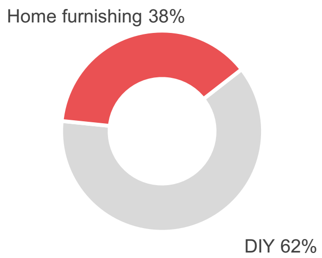
	Q3			Jan-Sep			Jan-Dec
SEKm (if not otherwise stated)	2018	2017	Δ%	2018	2017	Δ%	2017
Net Sales	457.0	471.9	-3.2	1,402.6	1,191.4	17.7	1,628.9
Gross profit	88.7	105.7	-16.1	299.3	258.0	16.0	354.0
Gross margin (%)	19.4	22.4	-13.3	21.3	21.7	-1.5	21.7
Adjusted gross profit	100.4	117.1	-14.3	325.6	281.8	15.5	389.2
Adjusted gross margin (%)	22.0	24.8	-11.5	23.2	23.7	-1.9	23.9
Adjusted EBITA	6.1	28.4	-78.6	46.1	71.3	-35.4	84.9
Adjusted EBITA-margin (%)	1.3	6.0	-77.9	3.3	6.0	-45.1	5.2
Operating income	-9.8	11.8	-183.0	10.0	33.1	-69.9	25.6
Operating margin (%)	-2.1	2.5	-185.8	0.7	2.8	-74.4	1.6
Net profit/loss for the period	-2.4	7.3	-133.5	3.8	20.6	-81.8	14.5
Visits (thousands)	11,005	10,285	7.0	33,920	27,259	24.4	39,732
Order (thousands)	142	147	-3.3	464	338	37.2	569
Conversion rate (%)	1.3	1.4	-9.7	1.4	1.2	10.2	1.4
Average order value	2,978	3,038	-2.0	2,933	3,398	-13.7	2,868

COMMENTS ON THE HOME FURNISHING SEGMENT

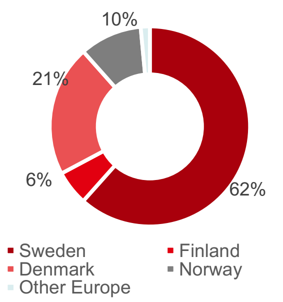
The Home Furnishing division was negatively affected by the warm weather, which impacted the sale of indoor furniture in the period. This was however partly offset by higher outdoor furniture sales. At the same time, a negative FX-development and higher raw material prices had a negative effect on the segment's price positioning in the period, further hampering sales.

The negative EBITA impact of approximately SEK 13 million in the quarter. There were two main factors affecting profitability: firstly, the weakened SEK, which had a short-term negative impact on earnings of approximately SEK 11 million in the period, since the segment conducts its purchases in EUR and USD and a majority of sales in SEK, and secondly, the higher polyethylene price, which is one of the main raw materials used to produce beds and sofas, which has impacted the Home Furnishing division in an amount of approximately SEK -2 million during the quarter. Typically, consumer prices are adjusted to the higher purchase prices. However, as many of the main competitors are catalogue-based and typically hedge currency (as opposed to Bygghemma Group), price adjustments are generally imposed on the market with a seasonal delay, a trend that has also been confirmed by the price increases in the Autumn catalogues and allows to compensate for the higher purchase prices.

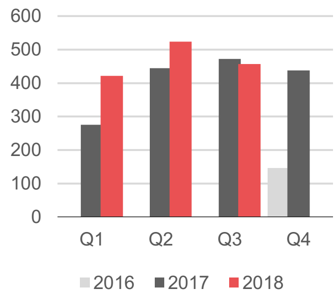
Net sales by segment Jan-Sep 2018



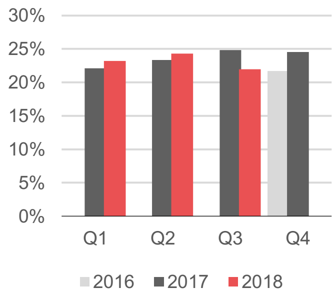
Distribution by country (%)



Net sales (SEKm)



Adjusted gross margin (%)



In total the segment's net sales decreased 3.2 percent to SEK 457.0 million (471.9) for the quarter and increased 17.7 percent to SEK 1,402.6 million (1,191.4) for the first nine months.

Despite negative external factors affecting the third quarter, the Home Furnishing division gained market share in all product categories and markets during the nine-month period compared with last year. The segment accounted for 38 percent of the Group's total net sales for the first nine months.

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 acquisitions of MyHome Møbler and Wegot in 2017. During the third quarter of 2018, Bygghemma Group completed the acquisition of 30 percent of the shares of Furniture1, with an option to acquire up to 80 percent. Furniture1 is the leading pure-play online furniture retailer in the Baltics and Eastern Europe and has had a CAGR of 73 percent over the last three years and reported a turnover of approximately SEK 200 million for the period from September 2017 to August 2018 (LTM).

The synergies between Bygghemma Group's Home Furnishing division and Furniture1 are considerable, related to combined purchase volumes and also to web development, assortment and service offering. In particular, Furniture1's advanced proprietary logistics and fulfilment set-up provides a valuable source of best practice since the rest of segment will be bringing last-mile deliveries inhouse.

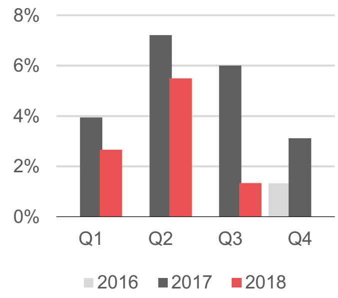
The comprehensive integration and consolidation work initiated in 2017, wherein Furniturebox has been fully migrated to Home Furnishing's common web platform, ERP system and central warehouse, and the two organisations merged into one, was completed during the third quarter, as planned, and generated total integration costs, including the last-mile project, of SEK 13 million during the third quarter. The warehouse move resulted in ~20 percent of the assortment being put offline during the third quarter, which hampered sales in the period. In connection to the web platform migration we also experienced a drop in traffic, which is typically the case before organic traffic stabilises again. This is expected to pick up during the fourth quarter, but has had a temporary negative effect on sales and profitability for Furniturebox in the period.

Adjusted EBITA in the period amounted to SEK 6.1 million (28.4), with an adjusted EBITA margin of 1.3 percent (6.0). Adjusted EBITA for the first nine months was SEK 46.1 million (71.3), with an adjusted EBITA margin of 3.3 percent (6.0).

The segment's operating income, including items affecting comparability, amounted to SEK -9.8 million (11.8) for the quarter, with an operating margin of -2.1 percent (2.5). Operating income for the first nine months totalled SEK 10.0 million (33.1), with an operating margin of 0.7 percent (2.8).

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

Adjusted EBITA margin (%)



Other

COMMENTS ON THE GROUP'S OTHER OPERATIONS

Net sales amounted to SEK 5.6 million (5.9) for the quarter and to SEK 13.1 million (16.8) for the first nine months. Operating income totalled SEK -2.1 million (-0.5) for the quarter and SEK -46.7 million (-4.3) for the first nine months. The Group's other operations mainly comprise central Group functions. Accordingly, net sales consist in all material aspects of management fees. The operating loss for the first nine months is attributable to the costs associated with the listing on Nasdaq Stockholm in the first quarter.

CASH FLOW AND FINANCIAL POSITION

The Group's cash flow from operating activities for the quarter was SEK -46.7 million (10.5). For the nine-month period, cash flow from operating activities was SEK 98.0 million (115.9). Cash flow from operating activities was mainly driven by the EBITDA generated in the period, as well as by the Group's negative working capital position, which 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). The increase in net working capital in the period is the result of seasonally lower sales compared to the previous quarter.

The Group's cash flow and working capital levels follow a seasonal profile, with increasing inventory levels 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 quarter, due to the seasonally high sales levels and the corresponding reduction of inventory during that period.

The Group's cash flow to investing activities was SEK -44.3 million (4.4) for the quarter and SEK -93.7 million (-947.8) for the first nine months, mainly attributable to IT-investments related to the web-platform and logistical solution, as well as to deferred payments and earn-outs related to acquisitions during the 2014-2017 period. In addition, 30 percent of the shares in Furniture1 was acquired during the period (with an option to acquire up to 80 percent of the shares).

Cash flow from financing activities was SEK 31.0 million (3.2) for the quarter and SEK 71.6 million (923.0) for the first nine months, mainly attributable to the new share issue carried out in the first quarter to adjust the Group's capital structure to a level suitable for a listed environment, and to facilitate investments and continued expansion through acquisitions.

Operating cash flow was SEK -43.9 million (37.0) for the period, due to seasonal timing differences compared to last year, and SEK 177.9 million (184.5) for the first nine months, as a result of a combination of growth of adjusted EBITDA, positive change in working capital and the Group's low capex requirements. This corresponds to a cash conversion (in relation to adjusted EBITDA) of 109 percent (117) for the first nine months, in line with the company's mid-term financial targets.

Compared with the beginning of the year, the Group's cash and cash equivalents at the end of the reporting period amounted to SEK 237.5 million (143.8), primarily attributable to the fact that the Group generated positive cash flow during the nine-month period, mainly the result of increased negative tied-up working capital, cumulative EBITDA and limited capex requirements during the period.

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 451.1 million at the end of the quarter, compared with SEK 804.1 million at the beginning of the year, corresponding to net debt in relation to LTM adjusted EBITDA of 2.0x. This is in line with the company's mid-term financial targets, reduced by SEK 343.3 million as a result of the new share issue in the first quarter as well as by the cash flow generated during the first nine months.

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 327.3 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 406.4 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 4,841.7 million (4,323.0). This change is mainly attributable to the new share issue carried out during the first quarter.

Compared with the beginning of the year, the Group's equity at the end of the reporting period amounted to SEK 2,768.8 million (2,363.9). This increase was mainly attributable to the new share issue carried out during in the first quarter.

EMPLOYEES

The number of employees (measured as full-time equivalents, FTEs) was 977 at the end of the period. The average number of employees (measured as FTEs) for the most recent 12-month period was 898.

SEASONAL VARIATIONS

The Group's operations are impacted by seasonal variations affecting consumers' total demand, especially for building products and outdoor furniture. Due to the effect of weather on demand, the Group's sales and cash flow are usually higher in the second and third quarters when most (nearly 60 percent) of the Group's sales are normally generated, and lower in 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 may be impacted in years with extremely hot or cold weather conditions, or with very high or low downfall. Weather conditions may also have a significant impact on individual quarters, but usually even out over the full-year.

PARENT COMPANY

The Parent Company's net sales amounted to SEK 0.3 million (0.0) for the quarter and to SEK 2.2 million (0.0) for the first nine months. Bygghemma Group's CEO and CFO are employed by the Parent Company. The Parent Company posted an operating loss of SEK -1.7 million (-0.2) for the quarter and SEK -29.3 million (-0.6) for the first nine months. The loss was mainly due to costs attributable to the listing on Nasdaq Stockholm in the first quarter. The loss for the quarter amounted to SEK -0.8 million (-0.2) and the loss for the first nine months to SEK -29.4 million (-0.5). The Parent Company's cash and cash equivalents totalled SEK 10.5 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 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 in 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 pages 1-14 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 with no material effect 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 IFRS 9 and IFRS 15 standards, refer to Notes 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. The definitions of alternative performance measures can be found in the relevant reconciliations on pages 28-31 of this report.

Bygghemma is currently conducting a project preparing for the transition to IFRS 16. As a part of this work, Bygghemma has made the decision to apply the transitional provisions in IFRS 16 that allows that comparisons for periods before 1 January 2019 is not recalculated (the so called “modified retrospective approach”). The project to prepare the Group for IFRS 16 has not yet reached a phase where the Group is able to communicate an estimate of the nominal impact that the standard will have on the Group’s consolidated accounts.

RISKS AND UNCERTAINTIES

There are several strategic, operational and financial risks and uncertainty factors that can affect the Group’s financial results and position. Most risks can be managed through internal procedures, while others are largely driven by external factors. There are risks and uncertainties related to IT and management systems, suppliers, season and weather variations and exchange rates, while other risks and uncertainties may 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 faced by 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 period.

Malmö, 29 October 2018

Mikael Olander

Group CEO

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. The information was submitted for publication, through the agency of the contact persons set out below, at 07.00 CET on 29 October 2018.

TELECONFERENCE IN CONNECTION WITH PUBLICATION OF THE QUARTERLY REPORT

On Monday 29 October at 10:00 a.m. CET, Mikael Olander, President and CEO and Martin Edblad, CFO, will hold a conference call for the publication of the quarterly report. The call will be held in English. To participate, please call the following number: +46 (0) 8 566 426 91 or go to the weblink https://tv.streamfabriken.com/bygghemma-group-q3-2018. The presentation is available at Bygghemma Group's website: http://www.bygghemmagroup.com/investor-relations/presentations.

CONTACT INFORMATION

For further information, visit www.bygghemmagroup.se or contact:

Mikael Olander, President and CEO
mikael.olander@bygghemmagroup.se
+46 (0)708-19 43 00

Martin Edblad, CFO
martin.edblad@bygghemmagroup.se
+46 (0)734-24 68 51

Johan Hähnel, Head of Investor Relations
ir@bygghemmagroup.se
+46 (0)70-605 63 34

FINANCIAL CALENDAR

31 January 2019	Year-end report
15 May 2019	Annual General Meeting (in Malmö)

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 web-stores, 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.

Auditor's report

Bygghemma First Holding AB reg. no. 559077-0763

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Bygghemma Group First as of 30 September 2018 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö, 29 October 2018

Öhrlings PricewaterhouseCoopers AB

Eva Carlsvi

Authorized Public Accountant

Condensed consolidated income statement

	Q3		Jan-Sep		Jan-Dec
SEKm	2018	2017	2018	2017	2017
Net Sales	1,251.1	1,126.2	3,694.0	2,875.9	3,955.5
Other operating income	0.3	2.9	-	3.7	6.1
Total Net Sales	**1,251.4**	**1,129.0**	**3,694.0**	**2,879.5**	**3,961.7**
Cost of goods sold	-1,006.3	-891.3	-2,944.7	-2,290.1	-3,135.6
Personnel costs	-96.5	-84.7	-305.5	-211.4	-306.2
Other external costs and operating expenses	-113.9	-102.7	-347.0	-255.0	-373.5
Other operating expenses	-0.0	-	-4.8	-	-0.1
Depreciation and amortization of tangible and intangible fixed assets	-17.2	-14.1	-48.9	-36.8	-54.7
Operating income	**17.4**	**36.3**	**43.1**	**86.3**	**91.5**
Profit/loss from financial items	-4.8	-14.0	-54.5	-37.3	-54.7
Profit before tax	**12.5**	**22.3**	**-11.4**	**49.0**	**36.8**
Income tax	11.7	-5.0	12.7	-12.1	-8.1
Profit/loss for the period	**24.2**	**17.3**	**1.3**	**36.9**	**28.7**
Attributable to:					
Equity holders of the parent	24.2	17.3	1.2	36.9	28.7
Non-controlling interest	0.1	-	0.1	-	-
Net income for the period	**24.2**	**17.3**	**1.3**	**36.9**	**28.7**
Earnings per share before dilution, SEK	0.23	-0.80	-0.53	-2.65	-3.99
Earnings per share after dilution, SEK	0.23	-0.80	-0.53	-2.65	-3.99

Condensed consolidated statement of comprehensive income

	Q3		Jan-Sep		Jan-Dec
SEKm	2018	2017	2018	2017	2017
Profit or loss for the period	24.2	17.3	1.3	36.9	28.7
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Translation differences for the period	-6.3	-2.0	9.9	-3.6	2.1
Other comprehensive income for ther period	**-6.3**	**-2.0**	**9.9**	**-3.6**	**2.1**
Total comprehensive income for ther period	**17.9**	**15.4**	**11.2**	**33.3**	**30.8**
Total comprehensive income attributable to:					
Parent company shareholders	18.9	15.4	12.2	33.3	30.8
Non-controlling interest	-1.0	-	-1.0	-	-
Total comprehensive income for the period	**17.9**	**15.4**	**11.2**	**33.3**	**30.8**
Shares outstanding at period's end					
Before dilution	107,368,421	570,138	107,368,421	570,138	572,068
After dilution	107,368,421	570,138	107,368,421	570,138	572,068
Average number of shares					
Before dilution	107,368,421	47,498,163	91,919,797	41,973,857	47,720,820
After dilution	107,368,421	47,498,163	91,919,797	41,973,857	47,720,820

CHANGE IN NUMBER OF SHARES IN THE PERIOD

As part of the preparations for the IPO, an Extraordinary General Meeting on 9 February 2018 resolved to implement a 1:84 stock split, which increased the number of shares in the company from 2,371,927 to 199,241,868. In connection with this split, the share capital of the company was increased by SEK 18,975.416 through a bonus issue without issuing new shares. The same meeting subsequently resolved to reduce the share capital by SEK 2,895.984 by withdrawing 241,332 series A ordinary shares without repayment to the shareholders. Furthermore, the meeting resolved to convert 20,641,649 series B01 preference shares to series A ordinary shares. The company thereafter had 199,000,536 shares outstanding of various series (68,474,609 series A ordinary shares and 130,525,927 preference shares of different series) and share capital of SEK 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 following settlement of the preference share structure in connection with the IPO, but prior to the offering that formed part of the IPO.

On 26 March 2018, an Extraordinary General Meeting resolved to convert 31,525,391 preference shares of different series into exactly 100,000,000 ordinary shares. At the same time, the meeting 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 to subsequently increase the share capital through a bonus issue of SEK 1,800,000 without issuing new shares. Following these decisions, the company’s shares outstanding amounted to 100,000,000 ordinary shares and the share capital to exactly SEK 3,000,000.

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

Condensed consolidated statement of financial position

	30 Sep		31 Dec
SEKm	2018	2017	2017
Non-current assets			
Goodwill	2,567.7	2,376.7	2,451.1
Other intangible fixed assets	1,214.9	1,117.2	1,166.3
Total intangible fixed assets	**3,782.6**	**3,493.8**	**3,617.4**
Buildings and land	11.2	10.6	10.8
Tangible fixed assets	23.0	21.4	21.4
Financial fixed assets	5.6	4.2	4.5
Deferred tax asset	15.2	8.0	15.5
Total fixed assets	**3,837.5**	**3,538.1**	**3,669.6**
Current assets			
Inventories	485.4	459.5	400.4
Current receivables	281.3	181.6	192.8
Cash and cash equivalents	237.5	143.8	156.1
Total current assets	**1,004.2**	**784.9**	**749.3**
Total assets	**4,841.7**	**4,323.0**	**4,418.9**
Equity			
Equity attributable to owners of the parent	2,737.0	2,363.9	2,375.1
Non-controlling interest	31.8	-	-
Total equity	**2,768.8**	**2,363.9**	**2,375.1**
Non-current liabilities			
Deferred tax asset	246.7	244.1	259.0
Other provisions	2.6	1.8	1.4
Non-current interest bearing liabilites to credit institutions	682.7	883.3	893.3
Other non-current liabilities	303.7	166.8	212.7
Total non-current liabilities	**1,235.8**	**1,296.0**	**1,366.4**
Current liabilities			
Short term interest bearing loans to credit institutions	-	45.1	44.2
Other interest bearing liabilities	23.6	10.4	36.9
Other current liabilities	813.6	607.5	596.4
Total current liabilities	**837.2**	**663.0**	**677.5**
Total shareholders' equity and liabilities	**4,841.7**	**4,323.0**	**4,418.9**

Condensed consolidated statement of cash flows

	Q3		Jan-Sep		Jan-Dec
SEKm	2018	2017	2018	2017	2017
Cash flow from operating activities before changes in working capital	28.3	33.4	37.0	70.8	67.3
Changes in working capital	-75.1	-22.9	61.0	45.1	73.7
Cash flow from operations	**-46.7**	**10.5**	**98.0**	**115.9**	**141.1**
Investments in operations	-27.6	10.5	-47.3	-928.9	-731.7
Investments in other non-current assets	-16.8	-6.2	-46.5	-18.9	-28.6
Divestment of operations	0.1	-	0.1	-	-
Divestment of other tangible fixed assets	0.0	-	0.1	-	0.1
Cash flow to/from investing activities	**-44.3**	**4.4**	**-93.7**	**-947.8**	**-760.1**
New share issue	-	3.2	345.2	630.1	425.6
Loans taken	31.2	-	682.0	365.8	401.3
Amortization of loans	-0.2	-0.0	-960.3	-85.6	-106.2
Issue of warrants	0.1	-	4.6	-	-
Transactions with non-controlling interest	-	-	-	12.7	-
Dividends to shareholders	0.1	0.1	0.1	0.1	0.1
Cash flow to/from financing activities	**31.0**	**3.2**	**71.6**	**923.0**	**720.8**
Cash flow for the period	**-60.0**	**18.0**	**75.9**	**91.1**	**101.7**
Cash and cash equivalents at the beginning of the period	**299.9**	**126.3**	**156.1**	**53.3**	**53.3**
Translation differences in cash and cash equivalents	-2.4	-0.5	5.5	-0.6	1.0
Cash and cash equivalents at the end of the period	**237.5**	**143.8**	**237.5**	**143.8**	**156.1**

Condensed consolidated statement of changes in equity

	30 Sep		31 Dec
SEKm	2018	2017	2017
Opening balance	2,375.1	1,700.6	1,700.6
Comprehensive income for the period	11.2	33.3	30.8
Acquisitions of partly-owned subsidiaries	32.7	-	-
New share issue	345.2	630.1	643.6
Issue of warrants	4.6	-	-
Closing balance	2,768.8	2,363.9	2,375.1

* Transaction-related costs of approximately SEK 8.1 million (SEK 6.3 million after tax) attributable to 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

	Q3		Jan-Sep		Jan-Dec
SEKm	2018	2017	2018	2017	2017
Net Sales					
DIY	798.6	659.5	2,306.3	1,696.8	2,342.2
Home Furnishings	457.0	471.9	1,402.6	1,191.4	1,628.9
Total net sales	**1,255.6**	**1,131.5**	**3,708.9**	**2,888.2**	**3,971.1**
Other	5.6	5.9	13.1	16.8	19.1
Eliminations	-10.1	-11.2	-28.0	-29.2	-34.7
Group consolidated total	**1,251.1**	**1,126.2**	**3,694.0**	**2,875.9**	**3,955.5**
Revenue from other segments					
DIY	1.0	2.6	5.5	5.0	7.2
Home Furnishings	3.5	2.7	9.4	7.4	8.3
Other	5.6	5.9	13.1	16.8	19.1
Total	**10.1**	**11.2**	**28.0**	**29.2**	**34.7**

	Q3		Jan-Sep		Jan-Dec
SEKm	2018	2017	2018	2017	2017
Operating income and profit before tax					
DIY	29.2	25.1	79.9	57.5	87.0
Home Furnishings	-9.8	11.8	10.0	33.1	25.6
Total operating income	**19.5**	**36.9**	**89.8**	**90.6**	**112.5**
Other	-2.1	-0.5	-46.7	-4.3	-21.0
Group consolidated operating income	**17.4**	**36.3**	**43.1**	**86.3**	**91.5**
Financial net	-4.8	-14.0	-54.5	-37.3	-54.7
Group consolidated profit before tax	**12.5**	**22.3**	**-11.4**	**49.0**	**36.8**

NOTE 2 DISCLOSURES ON ACQUISITIONS

All purchase price allocations are considered preliminary until management has ultimately adopted the applied valuation assumptions behind the allocation. This is done at the latest 12 months after the acquisition date.

Net sales and profit/loss for the period for acquired companies

Since consolidation, the acquisitions have contributed with SEK 20.5 million to the Group's net sales and SEK 0.5 million to the Group's profit/loss for the period. If the acquisitions had been consolidated for the whole financial year, they would have contributed SEK 163.1 million to the Group's net sales and SEK -3.1 million to the Group's profit/loss for the period.

Acquisition of Furniture1 UAB

On 5 September, 2018, Furniture1 UAB ("Furniture1"), a leading online pure-play home furnishings retailer in the Baltics and Eastern Europe, was acquired with the aim of entering the rapidly growing home furnishings e-commerce markets in this region, as well as to reap synergies from joint purchases and operational development – not least within last-mile logistics where Furniture1 is at the forefront in the industry. Furniture1 was founded in 2008 in Lithuania and currently has operations in Estonia, Latvia, Lithuania, Croatia, Hungary, Bulgaria, Greece, Slovenia and Romania and 100 employees. The acquisition includes 30 percent of the shares in Furniture1 UAB and an option to acquire up to 80 percent of the shares in the company. The option to acquire up to 80 percent of the shares has no time limit. Furniture1 is fully consolidated within the home furnishing segment and has affected the consolidated balance sheet and cash and cash equivalents as set out below.

SEKm	
Acquisition of Furniture1 UAB	
Net assets at time of acquisition	
Trademarks	37.5
Customer relationships	9.8
Tangible fixed assets	2.4
Financial fixed assets	0.0
Inventory	5.0
Accounts receivable	11.2
Other receivables	7.9
Cash and cash equivalents	12.5
Deferred tax lliability	-7.6
Accounts payable	-18.3
Other liabilities	-27.7
Net identifiable assets and liabilities	**48.8**
Non-controlling interest	-32.8
Goodwill	109.9
Total purchase consideration	**125.9**
Unpaid part of the purchase consideration	94.7
Change in the Group's cash and cash equivalents following the acquisition	**-31.2**

NOTE 3 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 of 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 by 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.

	30 Sep		31 Dec
SEKm	2018	2017	2017
Fair value on the opening date	**249.6**	**96.7**	**96.7**
Recognition in profit or loss	8.6	1.5	5.1
Utilized amount	-26.6	-41.1	-41.1
Acquisition value at cost	95.7	120.1	188.9
Fair value on the closing date	**327.3**	**177.2**	**249.6**

NOTE 4 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 commercial terms, on an arm’s length basis.

Transactions with the owners

During the year, the company implemented several new share issues, which contributed total equity of SEK 343 million.

Condensed Parent Company income statement

	Q3		Jan-Sep		Jan-Dec
SEKm	2018	2017	2018	2017	2017
Net Sales	0.3	-	2.2	-	0.9
Total net sales	**0.3**	**-**	**2.2**	**-**	**0.9**
Personnel cost	-0.9	-	-13.8	-	-1.5
Other external costs	-1.1	-0.2	-17.7	-0.6	-17.5
Operating income	**-1.7**	**-0.2**	**-29.3**	**-0.6**	**-18.1**
Profit/loss from financial items	0.9	0.0	-0.1	0.1	0.2
Appropriations	-	-	-	-	18.2
Profit before tax	**-0.8**	**-0.2**	**-29.4**	**-0.5**	**0.3**
Income tax	0.2	0.0	6.5	0.1	-0.1
Profit/loss for the period	**-0.6**	**-0.1**	**-23.0**	**-0.4**	**0.2**

A statement of other comprehensive income has not been prepared since the Parent Company did not conduct any transactions recognised as other comprehensive income.

Condensed Parent Company balance sheet

	30 Sep		31 Dec
SEKm	2018	2017	2017
Non-current assets			
Participations in Group companies	2,691.6	2,347.1	2,352.1
Long term receivables from Group companies	29.0	5.0	5.0
Deferred tax asset	-	0.0	-
Total fixed assets	**2,720.6**	**2,352.1**	**2,357.1**
Current assets			
Short term receivables	9.3	0.1	2.2
Short term receivables from Group companies	0.2	-	18.2
Cash and cash equivalents	10.5	9.8	18.3
Total current assets	**20.0**	**10.0**	**38.7**
Total assets	**2,740.6**	**2,362.1**	**2,395.8**
Equity			
Restricted equtiy	3.2	2.4	2.4
Unrestriced equity	2,699.3	2,359.1	2,373.2
Total equity	**2,702.5**	**2,361.5**	**2,375.6**
Non-current liabilities			
Non-current interest bearing liabilites to credit institutions	30.0	-	-
Total non-current liabilities	**30.0**	**-**	**-**
Current liabilities			
Other current liabilities	8.1	0.6	20.2
Total current liabilities	**8.1**	**0.6**	**20.2**
Total shareholders' equity and liabilities	**2,740.6**	**2,362.1**	**2,395.8**

Key ratios

	2018				2017				
	Q3	Q2	Q1	Jan-Sep	Q4	Q3	Q2	Q1	Jan-Dec
THE GROUP									
Adjusted total expenses	-225.8	-236.1	-199.3	-661.2	-202.2	-194.4	-171.8	-121.8	-690.2
Adjusted EBITA-margin %	3.2	5.1	3.0	3.9	4.9	5.4	6.0	2.9	5.0
Adjusted gross profit	256.4	298.6	220.6	775.6	245.7	246.4	228.5	134.6	855.2
Adjusted gross margin %	20.5	21.1	21.5	21.0	22.8	21.9	21.2	20.1	21.6
Equity/asset ratio %	57.2	57.1	55.1	57.2	53.7	54.7	53.4	57.5	53.7
Net debt (+) / Net cash (-)	451.1	357.5	496.3	451.1	804.1	808.8	826.4	741.4	804.1
Cash flow from operations (SEKm)	-46.7	162.8	-18.1	98.0	25.2	10.5	132.0	-26.6	141.1
Earnings per share (SEK)	0.23	0.30	-1.73	-0.53	-1.37	-0.80	-0.62	-1.24	-3.99
Visits (thousands)	28,589	29,827	25,355	83,771	23,799	24,911	24,641	18,320	91,670
Orders (thousands)	426	465	387	1,279	408	319	318	199	1,244
Average order value (SEK)	2,864	2,974	2,665	2,843	2,563	3,467	3,408	3,455	3,153
DIY									
Visits (thousands)	17,584	18,247	14,020	49,851	11,326	14,626	14,795	11,192	51,938
Orders (thousands)	284	302	229	815	177	172	198	129	674
Average order value (SEK)	2,807	2,922	2,604	2,792	3,177	3,835	3,298	3,251	3,394
Home Furnishings									
Visits (thousands)	11,005	11,579	11,335	33,920	12,473	10,285	9,846	7,128	39,732
Orders (thousands)	142	163	159	464	231	147	121	70	569
Average order value (SEK)	2,978	3,071	2,752	2,933	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

	Q3		Jan-Sep		Jan-Dec
SEKm	2018	2017	2018	2017	2017
Operating income	17.4	36.3	43.1	86.3	91.5
Depreciation and amortization of acquisition related intangible fixed assets	9.4	8.5	28.0	22.8	32.1
EBITA	**26.7**	**44.8**	**71.1**	**109.1**	**123.6**
EBITA (%)	**2.1**	**4.0**	**1.9**	**3.8**	**3.1**
Acquisition-related costs	0.7	1.8	1.7	8.6	10.0
Integration costs and costs related to warehouse move	12.5	13.5	27.5	26.3	44.7
Costs related to LTIP	-	-	11.4	-	-
Costs related to the process for expanding the shareholder base	-	0.4	30.7	0.4	18.8
Total items affecting comparability	**13.3**	**15.7**	**71.3**	**35.3**	**73.5**
Adjusted EBITA	**40.0**	**60.5**	**142.4**	**144.3**	**197.0**
Adjusted EBITA (%)	**3.2**	**5.4**	**3.9**	**5.0**	**5.0**
Depreciation and amortization of tangible and intangible fixed assets	7.9	5.5	20.9	14.0	22.6
Adjusted EBITDA	**47.9**	**66.1**	**163.3**	**158.3**	**219.7**
Adjusted EBITDA (%)	**3.8**	**5.9**	**4.4**	**5.5**	**5.6**
Net Sales	1,251.1	1,126.2	3,694.0	2,875.9	3,955.5
Cost of goods sold	-1,006.3	-891.3	-2,944.7	-2,290.1	-3,135.6
Gross profit	**244.8**	**234.9**	**749.3**	**585.8**	**820.0**
Gross profit (%)	**19.6**	**20.9**	**20.3**	**20.4**	**20.7**
Integration costs and costs related to warehouse move	11.7	11.5	26.3	23.8	35.2
Adjusted gross profit	**256.4**	**246.4**	**775.6**	**609.5**	**855.2**
Adjusted gross profit (%)	**20.5**	**21.9**	**21.0**	**21.2**	**21.6**

DIY segment

	Q3		Jan-Sep		Jan-Dec
SEKm	2018	2017	2018	2017	2017
Operating income	29.2	25.1	79.9	57.5	87.0
Depreciation and amortization of acquisition related intangible fixed assets	6.8	6.3	20.5	16.9	23.8
EBITA	**36.1**	**31.4**	**100.4**	**74.4**	**110.8**
EBITA (%)	**4.5**	**4.8**	**4.4**	**4.4**	**4.7**
Acquisition-related costs	-	1.0	0.6	2.6	3.6
Total items affecting comparability	**-**	**1.0**	**0.6**	**2.6**	**3.6**
Adjusted EBITA	**36.1**	**32.3**	**101.0**	**77.0**	**114.4**
Adjusted EBITA (%)	**4.5**	**4.9**	**4.4**	**4.5**	**4.9**
Depreciation and amortization of tangible and intangible fixed assets	5.2	3.5	14.2	8.8	12.4
Adjusted EBITDA	**41.2**	**35.9**	**115.2**	**85.7**	**126.7**
Adjusted EBITDA (%)	**5.2**	**5.4**	**5.0**	**5.1**	**5.4**
Net Sales	798.6	659.5	2,306.3	1,696.8	2,342.2
Cost of goods sold	-643.2	-528.9	-1,854.7	-1,367.7	-1,873.8
Gross profit	**155.4**	**130.6**	**451.6**	**329.1**	**468.4**
Gross profit (%)	**19.5**	**19.8**	**19.6**	**19.4**	**20.0**
Adjusted gross profit	**155.4**	**130.6**	**451.6**	**329.1**	**468.4**
Adjusted gross profit (%)	**19.5**	**19.8**	**19.6**	**19.4**	**20.0**

Home Furnishing segment

	Q3		Jan-Sep		Jan-Dec
SEKm	2018	2017	2018	2017	2017
Operating income	-9.8	11.8	10.0	33.1	25.6
Depreciation and amortization of acquisition related intangible fixed assets	2.5	2.3	7.5	5.9	8.2
EBITA	**-7.2**	**14.0**	**17.4**	**39.0**	**33.8**
EBITA (%)	**-1.6**	**3.0**	**1.2**	**3.3**	**2.1**
Acquisition-related costs	0.7	0.9	1.1	6.0	6.4
Integration costs and costs related to warehouse move	12.5	13.5	27.5	26.3	44.7
Total items affecting comparability	**13.3**	**14.3**	**28.6**	**32.3**	**51.1**
Adjusted EBITA	**6.1**	**28.4**	**46.1**	**71.3**	**84.9**
Adjusted EBITA (%)	**1.3**	**6.0**	**3.3**	**6.0**	**5.2**
Depreciation and amortization of tangible and intangible fixed assets	2.7	2.0	6.7	5.2	10.3
Adjusted EBITDA	**8.7**	**30.4**	**52.8**	**76.5**	**95.2**
Adjusted EBITDA (%)	**1.9**	**6.4**	**3.8**	**6.4**	**5.8**
Net sales	457.0	471.9	1,402.6	1,191.4	1,628.9
Cost of goods sold	-368.3	-366.2	-1,103.3	-933.4	-1,275.0
Gross profit	**88.7**	**105.7**	**299.3**	**258.0**	**354.0**
Gross Profit (%)	**19.4**	**22.4**	**21.3**	**21.7**	**21.7**
Integration costs and costs related to warehouse move	11.7	11.5	26.3	23.8	35.2
Adjusted gross profit	**100.4**	**117.1**	**325.6**	**281.8**	**389.2**
Adjusted gross profit (%)	**22.0**	**24.8**	**23.2**	**23.7**	**23.9**

NET DEBT/NET CASH

Management calculates total net debt/net cash as the Group's non-current and current interest-bearing liabilities to credit institutions less cash and cash equivalents, investments in securities and transaction fees, excluding other non-current and current interest-bearing liabilities. 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 and uncertain with to their actual outcome.

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 pertained to a long-term loan facility not subject to amortisation that was used to repay the Group's earlier loans, to cover the transaction costs that arose in connection with the listing and for general business purposes. SEK 300 million pertained to an acquisition and investment facility, which will primarily be used to finance future acquisitions and acquisition-related costs, SEK 240 million pertained to a revolving credit facility in the form of working capital financing, and SEK 60 million pertained to a letter of credit financing.

Following the proceeds of the new share issue in connection with the IPO, net debt totalled SEK 496.3 million at the end of the first quarter, corresponding to net debt in relation to LTM adjusted EBITDA of 2.1x. At the end of the second quarter, net debt amounted to SEK 357.5 million, corresponding to net debt in relation to LTM adjusted EBITDA of 1.5x and at the end of the third quarter net debt amounted to SEK 451.1 million, corresponding to a net debt in relation to LTM adjusted EBITDA of 2.0x. 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 327.3 million at the end of the quarter, compared with SEK 249.6 million at the beginning of the year.

	30 Sep		31 Dec
SEKm	2018	2017	2017
Non-current interest bearing debt	986.4	1,050.1	1,105.9
Shor-term interest bearing debt	23.6	55.5	81.1
Total interest bearing debt	**1,010.0**	**1,105.6**	**1,187.1**
Cash and cash equivalents	-237.5	-143.8	-156.1
Adjustment of earnouts and deferred payments	-327.3	-177.2	-249.6
Adjustment transaction costs	5.9	24.2	22.7
Net debt (+) / Net cash (-)	**451.1**	**808.8**	**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	Earnings before interest, tax and acquisition-related amortisations and impairments.	Together with EBITDA, EBITA provides an image of the profit generated by operating activities.
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 relate to events and transactions whose impact on earnings are important to note when the financial results for the period are compared with previous periods. Items affecting comparability include costs of advisory services in connection with acquisitions, costs resulting from strategic decisions and significant restructuring of operations, capital gains and losses on divestments, material impairment losses and other material non-recurring costs and revenue. Items affecting comparability are reported separately to illustrate the performance of the underlying operations.	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), 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 consolidated comparative data for a 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.