

FINANCIAL REPORT 2016/17

1 April 2016-31 March 2017

2016/17 financial year (1 April 2016-31 March 2017)

- **Revenue** increased by 6 percent to MSEK 8,272 (7,821).
- **Operating profit** amounted to MSEK 323 (486), corresponding to an **operating margin** of 3.9 percent (6.2).
- **Adjusted operating profit (excluding items affecting comparability)** totalled MSEK 471 (471), corresponding to an **adjusted operating margin** of 5.7 percent (6.0).
- **Net profit** amounted to MSEK 237 (362).
- **Earnings per share** totalled SEK 8.40 (12.90).
- **Cash flow from operating activities** amounted to MSEK 406 (493), corresponding to **cash flow per share** of SEK 14.45 SEK (17.55).
- **The return on working capital** was 17 percent (26) and the **return on equity** was 9 percent (15).
- The **operational net loan liability** amounted to MSEK 260 (220) and the **equity/assets ratio** at year-end was 49 percent (51).
- A **dividend** of SEK 5.00 (5.00) per share is proposed.

Fourth quarter (1 January-31 March 2017)

- **Revenue** rose by 10 percent to MSEK 2,126 (1,935).
- An **operating profit/loss** of MSEK –35 (111) was reported and the **operating margin** was –1.6 percent (5.7).
- **Adjusted operating profit (excluding items affecting comparability)** totalled MSEK 93 (111), corresponding to an **adjusted operating margin** of 4.4 percent (5.7).
- A **net profit/loss** of MSEK –28 (87) was reported.
- **B&B TOOLS' profit was charged with a restructuring reserve of MSEK –94 in the annual accounts for 2016/2017.** This reserve pertains primarily to the previously announced structural measures in TOOLS.
- **Preparations for the separate listing of the Momentum Group operating segment on Nasdaq Stockholm in 2017 continue according to plan.** Other items affecting comparability during the quarter amounting to MSEK –34 pertained to costs associated with the establishment of the two independent operating segments.

Events after the end of the financial year

- **Acquisition of Arbesko – the leading Nordic brand for safety and work footwear.** On 3 April 2017, the Bergman & Beving operating segment acquired all shares in Arbesko Gruppen AB. Arbesko is the leading Nordic brand for safety and work footwear.

B&B TOOLS IN SUMMARY

	QUARTER – 3 MOS ENDING 31 MAR			FULL-YEAR – 12 MOS ENDING 31 MAR		
	2017	2016	Change	2017	2016	Change
Revenue, MSEK	2,126	1,935	+10%	8,272	7,821	+6%
Operating profit/loss, MSEK	–35	111	–132%	323	486	–34%
of which, items affecting comparability	–128	–		–148	15	
Adjusted operating profit, MSEK	93	111	–16%	471	471	0%
Profit/loss after financial items, MSEK	–37	107	–135%	308	468	–34%
Net profit/loss (after taxes), MSEK	–28	87	–132%	237	362	–35%
Earnings per share, SEK	–1.00	3.10	–132%	8.40	12.90	–35%
Operating margin	–1.6%	5.7%		3.9%	6.2%	
Profit margin	–1.7%	5.5%		3.7%	6.0%	
Return on equity				9%	15%	
Equity per share, SEK				96.80	92.20	+5%
Equity/assets ratio				49%	51%	
Number of employees at the end of the period				2,638	2,623	+1%

PRESIDENT'S STATEMENT

As we summarise the 2016/2017 financial year, we look back at another year of improvements in the Group that create good conditions for the continued development. It is particularly gratifying to highlight Momentum Industrial, Teng Tools and ESSVE, all of which achieved operating margins of more than 10 percent. As we reported in earlier interim reports during the year, TOOLS has implemented and will continue to implement robust measures to improve profitability and growth – including a well customised store network, strengthened digital sales channels, improved product range coordination and the establishment of its own central warehouse. Thanks to the restructuring reserve of MSEK 94 recognised in the profit for the 2016/2017 financial year, we can now accelerate these structural measures. The measures will contribute to an increased margin in the current and upcoming operating years.

As part of the focus on our future development, we have taken steps during the year to create the conditions to split the Group into two separate listed companies. The past year included numerous measures in our operations focused on separating the Group's joint functions, mainly into logistics, IT and finance, which were divided between the B&B TOOLS Group's two operating segments. The purpose of the split and separate listing of the Momentum Group operating segment is to increase the Group's earnings growth through an even clearer focus on the development of leading brands and attractive market channels in profitable niches.

In recent years, we have substantially improved our basic prerequisites for growth and development. With our strong balance sheet and low debt, we were able to carry out a number of interesting corporate acquisitions during the year, including Astrup Industrivarer, IQ Supplies and AAK Safety. After the end of the financial year in April, the Bergman & Beving segment also acquired Arbesko, the leading Nordic brand of safety and work footwear. These acquisitions have strengthened our focus and the planned split of the Group could create new business and acquisition opportunities.

In conclusion, I would like to take this opportunity to extend my sincere thanks to all of our dedicated employees for your many outstanding efforts during the year. I would also like to thank our customers and business partners for continuing to believe in us. I look forward to an exciting new financial year in 2017/2018 for both Bergman & Beving and Momentum Group.

Stockholm, May 2017

Ulf Lilius

President & CEO

PROFIT AND REVENUE

Fourth quarter (1 January-31 March 2017)

Revenue for the fourth quarter rose by 10 percent to MSEK 2,126 (1,935). Exchange-rate translation effects had an impact of MSEK +47 (–50) on revenue. Revenue for comparable units, measured in local currency and adjusted for the number of trading days, decreased by 1 percent during the quarter.

The operating profit/loss for the fourth quarter amounted to MSEK –35 (111). Adjusted for items affecting comparability, operating profit totalled MSEK 93 (111). Items affecting comparability amounted to approximately MSEK –128 for the quarter and pertained to the restructuring reserve of MSEK –94 recognised in the profit for 2016/17, mainly intended for the previously announced structural measures in TOOLS and will enable these measures to be accelerated, as well as costs of approximately MSEK –34 associated with the establishment of two independent operating segments ahead of a potential spin-off and separate listing of the Momentum Group segment. Exchange-rate translation effects had an impact of MSEK +2 (–1) on operating profit, net. The operating margin was –1.6 percent (5.7). Excluding items affecting comparability, the adjusted operating margin was 4.4 percent (5.7). The Group reported an operating profit/loss after financial items of MSEK –37 (107) and a net profit/loss of MSEK –28 (87) for the quarter, corresponding to earnings per share of SEK –1.00 (3.10).

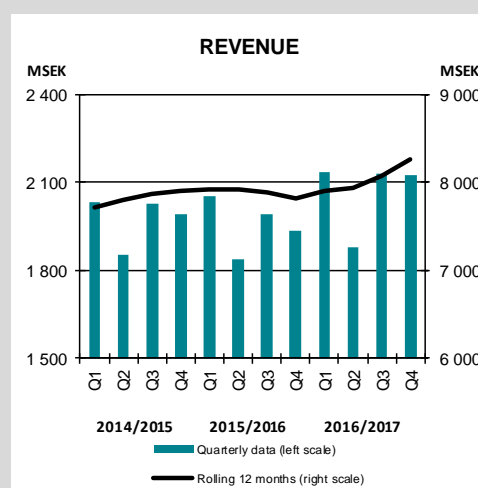
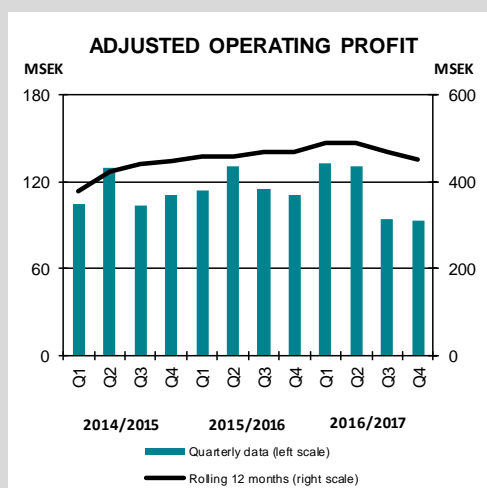
Financial year 2016/2017 (1 April 2016-31 March 2017)

Revenue for the full financial year increased by 6 percent to MSEK 8,272 (7,821). Exchange-rate translation effects had an impact of MSEK +54 (–117) on revenue. Revenue for comparable units, measured in local currency and adjusted for the number of trading days, was essentially unchanged during the financial year.

Operating profit for the financial year amounted to MSEK 323 (486). Adjusted operating profit (excluding items affecting comparability) totalled MSEK 471 (471). Items affecting comparability amounted to approximately MSEK –148 for the year and pertained to the restructuring reserve of MSEK –94 recognised in the profit for 2016/2017, which is described above, as well as costs of approximately MSEK –54 associated with the establishment of two independent operating segments ahead of a potential spin-off and separate listing of the Momentum Group segment. Operating profit was charged with depreciation and impairment losses of MSEK –27 (–24) on tangible non-current assets and amortisation and impairment losses of MSEK –12 (–4) on intangible non-current assets. Exchange-rate translation effects had a net impact of MSEK 3 (2) on operating profit. The operating margin was 3.9 percent (6.2). Excluding items affecting comparability, the adjusted operating margin was 5.7 percent (6.0).

Profit after financial items amounted to MSEK 308 (468) and net financial items to MSEK –15 (–18). The profit margin was 3.7 percent (6.0). Net profit totalled MSEK 237 (362), corresponding to earnings per share of SEK 8.40 (12.90).

ADJUSTED OPERATING PROFIT & REVENUE



OPERATIONS

The B&B TOOLS Group comprises two operating segments – Bergman & Beving and Momentum Group – as well as shared administrative, logistics and IT functions.

B&B TOOLS GROUP

MSEK	QUARTER		FULL-YEAR	
	3 MONTHS ENDING 31 MAR		2016/ 2017	2015/ 2016
	2017	2016		
Revenue	2,126	1,935	8,272	7,821
Operating profit/loss	-35	111	323	486
of which, items affecting comparability	-128	-	-148	+15
Adjusted operating profit	93	111	471	471
Operating margin	-1.6%	5.7%	3.9%	6.2%
Adjusted operating margin	4.4%	5.7%	5.7%	6.0%

BERGMAN & BEVING

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

BERGMAN & BEVING

MSEK	QUARTER		FULL-YEAR	
	3 MONTHS ENDING 31 MAR		2016/ 2017	2015/ 2016
	2017	2016		
Revenue	969	897	3,833	3,647
Operating profit	66	71	291	274
of which, items affecting comparability	-	-	-	-
Adjusted operating profit	66	71	291	274
Operating margin	6.8%	7.9%	7.6%	7.5%
Adjusted operating margin	6.8%	7.9%	7.6%	7.5%

Revenue for comparable units in the Bergman & Beving operating segment decreased by approximately 2 percent¹ during the fourth quarter, mainly due to TOOLS' direct purchases from other suppliers. Sales to other customers continued to grow favourably and were boosted by higher market shares for several of the operations in the segment. Price adjustments and increased sales of proprietary product brands during the quarter had an overall positive impact. The businesses in Bergman & Beving are making continuous investments in long-term product and brand development.

Revenue for ESSVE rose by 7 percent¹ during the quarter, with continued favourable growth in sales to chain customers in the area of construction materials in all geographic markets. Operating profit continued to increase and the operating margin was more than 10 percent. Skydda's revenue and operating profit decreased by approximately 6 percent¹ during the quarter, with a continued increase in demand from customers in the area of construction materials, while sales were impacted negatively by TOOLS' direct purchases from other suppliers. At the same time, the market position for Skydda's proprietary product brands was strengthened. The acquisition of AAK Safety earlier in the year had a positive impact on the performance of Cresto, which also captured market shares. Excluding AAK Safety, Cresto's revenue rose by 6 percent¹ during the quarter.

Luna's revenue decreased by 1 percent¹ during the quarter and its operating margin improved, with a continued increase in demand from the area of construction materials, while sales were negatively impacted by TOOLS' direct purchases from other suppliers. Revenue for Grunda decreased by nearly 10 percent¹ during the quarter, mainly due to a decline in sales to TOOLS and other industrial resellers. On 1 April 2017, Luna and Grunda were coordinated into a single product and sales organisation. Teng Tools continued to display a strong operating margin, despite weaker sales during the fourth quarter.

In preparation for the potential split of the B&B TOOLS Group into two independent companies, Appendix 1 presents a summary of the financial position of the Bergman & Beving operating segment as if it had been an independent company as of the end of the accounting period on 31 March 2017. Refer to pages 16-17.

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

MOMENTUM GROUP

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

MOMENTUM GROUP

MSEK	QUARTER		FULL-YEAR	
	3 MONTHS ENDING 31 MAR		2016/ 2017	2015/ 2016
	2017	2016		
Revenue	1,400	1,251	5,411	5,176
Operating profit/loss	-23	45	123	193
of which, items affecting comparability	-73	-	-73	-
Adjusted operating profit	50	45	196	193
Operating margin	-1.6%	3.6%	2.3%	3.7%
Adjusted operating margin	3.6%	3.6%	3.6%	3.7%

Revenue for comparable units in Momentum Group were largely unchanged² during the fourth quarter. The establishment of internal functions for purchasing, warehousing and logistics within TOOLS and Gigant had a positive impact on the performance of the operating area during the quarter. At the same time, costs associated with measures to improve long-term profitability, primarily in TOOLS Sweden, and the implementation of a new business system in TOOLS Norway had a negative impact on earnings. A restructuring reserve of MSEK -73, mainly pertaining to the previously announced structural measures in TOOLS, was recognised in the annual accounts for 2016/2017 and will allow these measures to be accelerated.

Revenue for *TOOLS Sweden* rose by approximately 2 percent² during the quarter. Combined with continued investments in digital sales channels and a stronger market position as a leading occupational health and safety (OHS) supplier, the implementation of measures with an increased focus on selected product areas, cost control and a reduction in the number of local units had a positive impact on underlying earnings during the quarter. Thanks to the aforementioned reserve, the Group will be able to accelerate this work and achieve earnings effects earlier than previously anticipated. Revenue for *TOOLS Norway* decreased by 3 percent² during the quarter and the business continued to adapt its cost levels to its declining volumes. The acquisition of Astrup Industrivarer earlier in the year had a positive impact on the business's performance. *TOOLS Finland* increased its revenue by approximately 9 percent² during the quarter and continued to deliver a favourable sales trend in terms of large customers. TOOLS Norway and TOOLS Finland will also be able to accelerate their improvement efforts as a result of the aforementioned reserve. Revenue for *Mercus Yrkeskläder* increased by 2 percent², with continued favourable demand from customers in the construction sector at all stores.

While *Momentum Industrial's* revenue decreased by 4 percent² during the quarter, its earnings trend remained favourable. A number of new customer agreements were signed or extended during the period. *Gigant's* total revenue increased by 4 percent² during the quarter. Measures to improve long-term profitability continued – with a focus on and increased demand in the area of direct sales to the industrial and construction sectors during the quarter.

In preparation for the potential split of the B&B TOOLS Group into two independent companies, Appendix 1 presents a summary of the financial position of the Momentum Group operating segment as if it had been an independent company as of the end of the accounting period on 31 March 2017. Refer to pages 16-17.

Group-wide and eliminations

An operating loss of MSEK -91 (-3) was reported for "Group-wide" for the financial year, of which items affecting comparability accounted for MSEK -75 MSEK (+15). Of the items affecting comparability in "Group-wide," approximately MSEK -53 pertains to costs for the relocation of logistics and division of IT systems in conjunction with the establishment of two independent operating segments ahead of a potential spin-off and separate listing of the Momentum Group segment and approximately MSEK -22 is included in the total restructuring reserve of MSEK -94, which was recognised in the annual accounts for 2016/17, mainly intended for the previously announced structural measures in TOOLS.

The Parent Company's revenue amounted to MSEK 40 (36) and profit after financial items to MSEK 95 (318). These results include Group contributions, intra-Group dividends and similar items totalling MSEK 96 (472).

Eliminations for intra-Group inventory gains had an impact of MSEK 1 (22) on earnings during the year.

EMPLOYEES

At the end of the financial year, the number of employees in the Group amounted to 2,638, compared with 2,623 at the beginning of the year.

² Comparable units, measured in local currency and adjusted for the number of trading days this year compared with the preceding year.

CORPORATE ACQUISITIONS

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

In mid-October, TOOLS Norway entered into an agreement to acquire all shares in Astrup Industrivarer AS, one of Norway's leading industrial resellers, with five branches in Bergen, Mongstad, Odda, Sotra and Ulsteinvik. The company, which was already a part of the TOOLS chain, offers industrial components, industrial consumables and related services for companies operating primarily in the maritime industry and energy area (such as oil and gas, hydro and wind power, and other forms of renewable energy). The acquisition is part of the Group's efforts to strengthen TOOLS' position as a leading supplier to Norwegian industry. Astrup Industrivarer generates annual revenue of approximately MNOK 240 and has some 50 employees. Closing took place in November 2016.

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

In early March, the subsidiary Rörick Elektriska Verkstad acquired all shares in Arboga Machine Tool AB. With a workshop in Arboga, Sweden, Arboga Machine Tool is a service company offering sales and repairs of ball screws and machine guarding systems as well as spindle repairs. Arboga Machine Tool generates annual revenue of approximately MSEK 10 and has five employees. Closing took place in early March 2017.

After the end of the financial year, in early April 2017, the Bergman & Beving operating segment acquired all shares in Arbesko Gruppen AB. Arbesko is the leading Nordic brand for safety and work footwear. Also refer to *Events after the end of the financial year* on page 7.

PROFITABILITY, CASH FLOW AND FINANCIAL POSITION

The Group's profitability, measured as the return on working capital (P/WC), amounted to 17 percent (26) for the financial year. The return on capital employed was 9 percent (14) and the return on equity was 9 percent (15).

Cash flow from operating activities before changes in working capital for the financial year amounted to MSEK 354 (416). Funds tied up in working capital decreased by MSEK 52. During the year, the Group's inventories increased by MSEK 23 and operating receivables by MSEK 111. Operating liabilities rose by MSEK 186. Accordingly, cash flow from operating activities for the year amounted to MSEK 406 (493).

Cash flow for the year was also impacted in a net amount of MSEK -84 (-55) pertaining to investments in and divestments of non-current assets, and a net amount of MSEK -213 (+19) pertaining to the acquisition and divestment of subsidiaries and other business units.

The Group's operational net loan liability at the end of the financial year amounted to MSEK 260 (217). Interest-bearing liabilities totalled MSEK 323 (282), excluding expensed pension obligations of MSEK 582 (536). Liabilities to credit institutions amounted to MSEK 260 (220), net. Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 841 (880).

The equity/assets ratio at the end of the financial year was 49 percent, compared with 51 percent at the beginning of the year.

Equity per share totalled SEK 96.80 at the end of the financial year, compared with SEK 92.20 at the beginning of the year. Equity per share after dilution totalled SEK 96.80 at the end of the financial year, compared with SEK 92.25 at the beginning of the year.

The Swedish tax rate, which also applies to the Parent Company, was 22 percent during the financial year. The Group's normalised tax rate, with its current geographic mix, is approximately 23 percent.

SHARE STRUCTURE AND REPURCHASE OF OWN SHARES

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

SHARE STRUCTURE

CLASS OF SHARE	AS OF 31 MARCH 2017
Class A shares	1,063,780
Class B shares	27,372,636
Total number of shares before repurchasing	28,436,416
Less: Repurchased Class B shares	-184,300
Total number of shares after repurchasing	28,252,116

As of 31 March 2016, the number of Class B shares held in treasury totalled 340,000. During the financial year, a total of 155,700 treasury shares were conveyed in connection with the exercise of the call options. Accordingly, the number of Class B shares held in treasury as of 31 March 2017 amounted to 184,300, corresponding to 0.6 percent of the total number of shares and 0.5 percent of the total number of votes. The quotient value of this holding at 31 March 2017 amounted to SEK 368,600. Of the total number of shares held in treasury, 182,300 are reserved to cover the Company's obligations in the two call option programmes issued to senior management in the Group in September 2013 and September 2014, respectively.

The redemption price for call options issued in connection with the share-based incentive programme for 2013 was SEK 101.90 and the redemption period was from 12 September 2016 until 9 June 2017, inclusive. The redemption price for call options issued in connection with the share-based incentive programme for 2014 is SEK 176.50 and the redemption period is from 11 September 2017 until 8 June 2018, inclusive. At 31 March 2017, the share price was SEK 192.00. For more information about the dilution effect of call options issued, refer to page 12.

After the end of the financial year in April 2017, 13,300 additional shares held in treasury were conveyed in connection with the exercise of the remaining 13,300 call options issued to senior management in the Group in September 2013. This call option programme has thus been concluded. There have been no other changes in the holding of treasury shares after the end of the financial year.

TRANSACTIONS WITH RELATED PARTIES

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

RISKS AND UNCERTAINTIES

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

ACCOUNTING POLICIES

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

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

CALCULATION OF KEY FINANCIAL RATIOS AND DEFINITIONS

For information on the calculation of certain key financial ratios and definitions, refer to pages 14-15.

MOTIONS TO THE ANNUAL GENERAL MEETING ON 24 AUGUST 2017

B&B TOOLS' Annual General Meeting will be held on Thursday, 24 August 2017, at 4:30 p.m. at IVA's Conference Centre, Grev Turegatan 16, Stockholm, Sweden.

The Board of B&B TOOLS AB proposes a dividend of SEK 5.00 (5.00) per share. Taking into account the repurchased Class B shares held in treasury, the proposed dividend corresponds to a total of approximately MSEK 141 (140).

The Board also intends to propose that the Annual General Meeting resolve to authorise a repurchase of own shares. In brief, this proposal entails that the Annual General Meeting would authorise the Board, during the period until the next Annual General Meeting, to repurchase a maximum number of own shares through Nasdaq Stockholm so that the Company's holding of treasury shares at no time exceeds 10 percent of the total number of shares in the Company. This authorisation would enable the Board to use repurchased shares to pay for acquisitions or to sell the shares in a manner other than through Nasdaq

Stockholm in order to finance acquisitions and to fulfil the Company's obligations in connection with its share-based incentive programme for senior management.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

Acquisition of Arbesko

The Bergman & Beving operating segment acquired all shares in Arbesko Gruppen AB in early April. With its own product development and production operations in Sweden, Arbesko is one of the strongest brands of safety and work footwear in the Nordic region. Arbesko generates annual revenue of approximately MSEK 200 and has approximately 120 employees. Closing took place on 3 April 2017. The acquisition is expected to have a marginally positive effect on B&B TOOLS' earnings per share during the 2017/18 financial year.

No other significant events affecting the Group have occurred since the end of the financial year.

Stockholm, 9 May 2017

Ulf Lilius

President & CEO

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

Contact information

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Complete contact information for B&B TOOLS is provided below and forthcoming information dates are presented on page 15.

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REPORTING BY OPERATING SEGMENT

REVENUE BY OPERATING SEGMENT

MSEK	QUARTER (3 MOS)		FULL-YEAR (12 MOS)	
	JAN-MAR		2016/ 2017	2015/ 2016
	2017	2016		
Bergman & Beving	969	897	3,833	3,647
Momentum Group	1,400	1,251	5,411	5,176
Group-wide	181	131	612	544
Eliminations	-424	-344	-1,584	-1,546
The B&B TOOLS Group	2,126	1,935	8,272	7,821

REVENUE BY QUARTER

MSEK	2016/2017				2015/2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Bergman & Beving	969	969	883	1,012	897	912	883	955
Momentum Group	1,400	1,419	1,210	1,382	1,251	1,349	1,209	1,367
Group-wide	181	148	137	146	131	139	135	139
Eliminations	-424	-404	-351	-405	-344	-407	-388	-407
The B&B TOOLS Group	2,126	2,132	1,879	2,135	1,935	1,993	1,839	2,054

OPERATING PROFIT BY OPERATING SEGMENT

MSEK	QUARTER (3 MOS)		FULL-YEAR (12 MOS)	
	JAN-MAR		2016/ 2017	2015/ 2016
	2017	2016		
Bergman & Beving	66	71	291	274
Momentum Group	-23	45	123	193
Group-wide	-75	-15	-91	-3
Eliminations	-3	10	0	22
The B&B TOOLS Group	-35	111	323	486

OPERATING PROFIT BY QUARTER

MSEK	2016/2017				2015/2016			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Bergman & Beving	66	66	76	83	71	57	70	76
Momentum Group	-23	44	49	53	45	51	57	40
Group-wide	-75	-18	5	-3	-15	0	3	9
Eliminations	-3	2	1	0	10	7	1	4
The B&B TOOLS Group	-35	94	131	133	111	115	131	129

GROUP SUMMARY

CONSOLIDATED INCOME STATEMENT

MSEK	QUARTER (3 MOS)		FULL-YEAR (12 MOS)	
	JAN-MAR 2017	2016	2016/ 2017	2015/ 2016
Revenue	2,126	1,935	8,272	7,821
Shares of profit in associated companies	-2	0	-2	0
Other operating income	0	2	8	34
Total operating income	2,124	1,937	8,278	7,855
Cost of goods sold	-1,264	-1,131	-4,875	-4,598
Personnel costs	-492	-434	-1,797	-1,682
Depreciation, amortisation, impairment losses and reversal of impairment losses	-13	-7	-39	-28
Other operating expenses	-390	-254	-1,244	-1,061
Total operating expenses	-2,159	-1,826	-7,955	-7,369
Operating profit/loss	-35	111	323	486
Financial income and expenses	-2	-4	-15	-18
Profit/loss after financial items	-37	107	308	468
Taxes	9	-20	-71	-106
Net profit/loss	-28	87	237	362
Of which, attributable to:				
Parent Company shareholders	-28	87	237	362
Earnings per share, SEK				
– Before dilution	-1.00	3.10	8.40	12.90
– After dilution	-1.00	3.10	8.40	12.85

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MSEK	QUARTER (3 MOS)		FULL-YEAR (12 MOS)	
	JAN-MAR 2017	2016	2016/ 2017	2015/ 2016
Net profit/loss	-28	87	237	362
OTHER COMPREHENSIVE INCOME				
<i>Components that will not be reclassified to net profit</i>				
Remeasurement of defined-benefit pension plans	16	-73	-36	94
Tax attributable to components that will not be reclassified	-3	16	8	-21
	13	-57	-28	73
<i>Components that will be reclassified to net profit</i>				
Translation differences	-4	8	43	-51
Fair value changes for the year in cash-flow hedges	2	-11	6	-8
Tax attributable to components that will be reclassified	0	3	-1	1
	-2	0	48	-58
Other comprehensive income	11	-57	20	15
Total comprehensive income	-17	30	257	377
Of which, attributable to:				
Parent Company shareholders	-17	30	257	377

CONSOLIDATED BALANCE SHEET

MSEK	31 MAR 2017	31 MAR 2016
ASSETS		
Intangible non-current assets	2,023	1,821
Tangible non-current assets	112	100
Financial non-current assets	8	5
Shares in associated companies	9	11
Deferred tax assets	104	88
Inventories	1,595	1,505
Accounts receivable	1,451	1,232
Other current receivables	205	216
Cash and cash equivalents	63	62
Total assets	5,570	5,040
EQUITY AND LIABILITIES		
Equity	2,724	2,591
Non-current interest-bearing liabilities	200	150
Provisions for pensions	582	536
Other non-current liabilities and provisions	129	88
Current interest-bearing liabilities	123	132
Accounts payable	1,046	896
Other current liabilities	766	647
Total equity and liabilities	5,570	5,040
Operational net loan liability	260	220

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

MSEK	31 MAR 2017	31 MAR 2016
Opening equity	2,591	2,326
Dividend, Parent Company shareholders	-140	-112
Sale of treasury shares in connection with redemption of share options	16	-
Total comprehensive income attributable to: Parent Company shareholders	257	377
Closing equity	2,724	2,591

CONSOLIDATED CASH-FLOW STATEMENT

	QUARTER (3 MOS)		FULL-YEAR (12 MOS)	
	JAN-MAR 2017	2016	2016/ 2017	2015/ 2016
MSEK				
Operating activities before changes in working capital	41	87	354	416
Changes in working capital	-52	-22	52	77
Cash flow from operating activities	-11	65	406	493
Investments in intangible and tangible non-current assets	-19	-16	-84	-57
Proceeds from sale of intangible and tangible non-current assets	0	0	0	2
Acquisition of subsidiaries and other business units	-53	0	-213	-11
Proceeds from sale of subsidiaries and other business units	-	1	-	30
Cash flow before financing	-83	50	109	457
Financing activities	75	-36	-109	-445
Cash flow for the period	-8	14	0	12
Cash and cash equivalents at the beginning of the period	73	48	62	57
Exchange-rate differences in cash and cash equivalents	-2	0	1	-7
Cash and cash equivalents at the end of the period	63	62	63	62

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

OPERATING SEGMENTS

MSEK	EXTERNAL REVENUE		REVENUE FROM INTERNAL CUSTOMERS		REVENUE		OPERATING PROFIT	
	2016/ 2017	2015/ 2016	2016/ 2017	2015/ 2016	2016/ 2017	2015/ 2016	2016/ 2017	2015/ 2016
Bergman & Beving	2,865	2,643	968	1,004	3,833	3,647	291	274
Momentum Group	5,401	5,169	10	7	5,411	5,176	123	193
Total operating segments	8,266	7,812	978	1,011	9,244	8,823	414	467
Group-wide	6	9	606	535	612	544	-91	-3
Eliminations	-	-	-1,584	-1,546	-1,584	-1,546	0	22
The B&B TOOLS Group	8,272	7,821	0	0	8,272	7,821	323	486

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

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

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

KEY PER-SHARE DATA³

SEK	QUARTER (3 MOS)		FULL-YEAR (12 MOS)	
	JAN-MAR 2017	2016	2016/ 2017	2015/ 2016
Earnings before dilution	-1.00	3.10	8.40	12.90
Earnings after dilution	-1.00	3.10	8.40	12.85
Equity, at the end of the period			96.80	92.20
Equity after dilution, at the end of the period			96.80	92.25
NUMBER OF SHARES OUTSTANDING IN THOUSANDS				
Number of shares outstanding before dilution	28,252	28,096	28,252	28,096
Weighted number of shares outstanding before dilution	28,203	28,096	28,143	28,096
Weighted number of shares outstanding after dilution	28,259	28,131	28,208	28,127

³ Dilution effect based on issued and outstanding call options on repurchased Class B shares as of 31 March 2017.

3 months	0.2%	2016/17	0.2%	2015/2016	0.1%
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PARENT COMPANY SUMMARY

INCOME STATEMENT

MSEK	QUARTER (3 MOS)		FULL-YEAR (12 MOS)	
	JAN-MAR 2017	2016	2016/ 2017	2015/ 2016
Revenue	12	5	40	36
Other operating income	–	0	–	0
Total operating income	12	5	40	36
Operating expenses	–15	–13	–52	–34
Operating profit/loss	–3	–8	–12	2
Financial income and expenses	19	15	107	316
Profit after financial items	16	7	95	318
Appropriations	62	157	62	157
Profit before taxes	78	164	157	475
Taxes	–18	–36	–27	–50
Net profit	60	128	130	425

STATEMENT OF COMPREHENSIVE INCOME

MSEK	QUARTER (3 MONTHS)		FULL-YEAR (12 MONTHS)	
	JAN-MAR 2017	2016	2016/ 2017	2015/ 2016
Net profit	60	128	130	425
OTHER COMPREHENSIVE INCOME				
<i>Components that will not be reclassified to net profit</i>	–	–	–	–
<i>Components that will be reclassified to net profit</i>				
Fair value changes for the year in cash-flow hedges	2	–11	6	–8
Taxes attributable to other comprehensive income	0	3	–1	1
Other comprehensive income	2	–8	5	–7
Total comprehensive income	62	120	135	418

BALANCE SHEET

MSEK	31 MAR 2017	31 MAR 2016
ASSETS		
Intangible non-current assets	0	0
Tangible non-current assets	0	0
Financial non-current assets	2,989	3,408
Current receivables	646	510
Cash and cash equivalents	1	0
Total assets	3,636	3,918
EQUITY, PROVISIONS AND LIABILITIES		
Equity	2,223	2,212
Untaxed reserves	264	268
Provisions	45	45
Non-current liabilities	260	210
Current liabilities	844	1,183
Total equity, provisions and liabilities	3,636	3,918

COMPILATION OF KEY FINANCIAL RATIOS

KEY FINANCIAL RATIOS

	12 MONTHS ENDING			
	31 MAR 2017	31 MAR 2016	31 MAR 2015	31 MAR 2014
Revenue, MSEK	8,272	7,821	7,903	7,648
Operating profit, MSEK	323	486	450	340
Adjusted operating profit, MSEK	471	471	450	340
EBITA, MSEK	327	486	450	340
Profit after financial items, MSEK	308	468	408	286
Net profit, MSEK	237	362	306	214
Operating margin	3.9%	6.2%	5.7%	4.4%
Profit margin	3.7%	6.0%	5.2%	3.7%
Return on working capital (P/WC)	17%	26%	24%	19%
Return on capital employed	9%	14%	13%	10%
Return on equity	9%	15%	14%	10%
Operational net loan liability (closing balance), MSEK	260	220	533	822
Equity (closing balance), MSEK	2,724	2,591	2,326	2,203
Equity/assets ratio	49%	51%	45%	43%
Number of employees at the end of the period	2,638	2,623	2,682	2,655

KEY PER-SHARE DATA

Earnings, SEK	8.40	12.90	10.90	7.60
Earnings after dilution, SEK	8.40	12.85	10.85	7.60
Cash flow from operating activities, SEK	14.45	17.55	11.75	7.45
Equity, SEK	96.80	92.20	82.80	78.40
Share price, SEK	192.00	149.50	141.00	119.00

CALCULATION OF KEY FINANCIAL RATIOS AND DEFINITIONS

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

CHANGE IN REVENUE

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

CHANGE IN REVENUE FOR:	QUARTER (3 MOS) – JAN-MAR		FULL-YEAR (12 MOS)	
	2017	2016	2016/2017	2015/2016
Comparable units in local currency	–1.0%	1.5%	0.5%	0.1%
Currency effects	2.3%	–2.5%	0.7%	–1.4%
Number of trading days	5.6%	–2.1%	2.6%	0.2%
Other units	3.0%	0.2%	2.0%	0.1%
TOTAL – CHANGE	9.9%	–2.9%	5.8%	–1.0%

ADJUSTED OPERATING PROFIT

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

MSEK	QUARTER (3 MOS) – JAN-MAR		FULL-YEAR (12 MOS)	
	2017	2016	2016/2017	2015/2016
ADJUSTED OPERATING PROFIT	93	111	471	471
Restructuring programme	–94	–	–94	–
Establishment of two independent operating segments	–34	–	–54	–
Other items affecting comparability	–	–	–	15
OPERATING PROFIT/LOSS	–35	111	323	486

RETURN ON WORKING CAPITAL (P/WC)

B&B TOOLS' profitability target is for each unit in the Group to achieve profitability of at least 45 percent, measured as rolling 12-month EBITA (P) as a percentage of average 12-month working capital (WC), defined as inventories plus accounts receivable less accounts payable.

	ROLLING 12 MONTHS ENDING	
	31 MAR 2017	31 MAR 2016
EBITA (P), MSEK	327	486
Average working capital (WC)		
Inventories, MSEK	1,550	1,514
Accounts receivable, MSEK	1,304	1,200
Accounts payable, MSEK	-956	-841
TOTAL – AVERAGE WC	1,898	1,873
P/WC	17%	26%

OTHER DEFINITIONS**Adjusted operating margin**

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

Cash flow per share

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

Earnings per share

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

EBITA

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

Equity per share

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

Equity/assets ratio

Equity as a percentage of the balance-sheet total.

Operating margin

Operating profit for the period as a percentage of revenue.

Operational net loan liability

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

Profit margin

Profit after financial items as a percentage of revenue.

Return on capital employed

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

Return on equity

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

Weighted number of shares

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

Dates for forthcoming financial information

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

Interim Report (3 months) – 1 April-30 June 2017 will be presented on 20 July 2017.

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

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

The information in this report is such that B&B TOOLS AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 12:45 p.m. CET on 9 May 2017.

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

APPENDIX 1 –**Financial information for Momentum Group and Bergman & Beving in summary**

The following tables present selected financial information for the 2014/2015, 2015/2016 and 2016/2017 financial years for Momentum Group and B&B TOOLS excluding Momentum Group (“Bergman & Beving”). The information in the tables presented below does not constitute financial statements in accordance with the International Financial Reporting Standards (“IFRS”) as adopted by the EU and is thus not necessarily comparable with similar calculations in other companies and has certain limitations as an analytical tool. The information should only be viewed as providing an indication of the financial positions of Momentum Group and Bergman & Beving if they had been independent companies as of the end of the accounting period on 31 March 2017 and may therefore deviate from the segment reporting presented in other sections of B&B TOOLS’ Financial Report. Comments on relevant deviations are included below. The financial statements for Bergman & Beving comprise the difference between the financial information for B&B TOOLS and Momentum Group adjusted for internal transactions and business.

For definitions, refer to other sections of B&B TOOLS’ Financial Report.

MOMENTUM GROUP**SELECTED INCOME STATEMENT ITEMS FOR MOMENTUM GROUP – SUMMARY**

<i>MSEK</i>	2016/2017	2015/2016	2014/2015
Revenue	5,411	5,176	5,351
Other operating income	6	6	6
Total operating expenses	-5,352	-4,989	-5,159
Operating profit	65	193	198
Adjusted operating profit	193	193	198
Restructuring programme [item affecting comparability]	-94	–	–
Establishment of two independent operating segments – Momentum Groups share [item affecting comparability]	-34	–	–
Operating profit	65	193	198

SELECTED BALANCE SHEET ITEMS FOR MOMENTUM GROUP – SUMMARY

<i>MSEK</i>	31 MAR 2017
ASSETS	
Working capital assets (inventories and accounts receivable)	1,735
Cash and cash equivalents	69
Other assets	747
Total assets	2,551
EQUITY AND LIABILITIES	
Equity	1,007
Interest-bearing liabilities	332
Provisions for pensions	24
Accounts payable	782
Other liabilities	406
Total equity and liabilities	2,551
Operational net loan liability	263

KEY FINANCIAL RATIOS

	2016/2017	2015/2016	2014/2015
Operating margin, %	1.2%	3.7%	3.7%
Adjusted operating margin, %	3.6%	3.7%	3.7%
Number of employees at the end of the period	1,620	1,573	1,618

APPENDIX 1 – cont.

BERGMAN & BEVING

SELECTED INCOME STATEMENT ITEMS FOR THE BERGMAN & BEVING GROUP – SUMMARY

MSEK	2016/2017	2015/2016	2014/2015
Revenue	3,833	3,647	3,620
Other operating income	0	0	0
Total operating expenses	-3,542	-3,373	-3,339
Operating profit – Bergman & Beving	291	274	281
Group-wide	-33	-3	-26
Eliminations	0	22	-3
Operating profit – B&B TOOLS excluding Momentum Group	258	293	252
Adjusted operating profit – B&B TOOLS excluding Momentum Group	278	278	251
Establishment of two independent operating segment	-20	–	–
Other items affecting comparability	–	15	1
Operating profit – B&B TOOLS excluding Momentum Group	258	293	252

SELECTED BALANCE SHEET ITEMS FOR BERGMAN & BEVING – SUMMARY

MSEK	31 MAR 2017
ASSETS	
Working capital assets	1,629
Cash and cash equivalents	97
Other assets	1,829
Total assets	3,555
EQUITY AND LIABILITIES	
Equity	1,817
Interest-bearing liabilities	93
Provisions for pensions	548
Accounts payable	507
Other liabilities	590
Total equity and liabilities	3,555
Operational net loan liability	-3

KEY FINANCIAL RATIOS

	2016/2017	2015/2016	2014/2015
Operating margin – Bergman & Beving, %	7.6%	7.5%	7.8%
Operating margin – B&B TOOLS excluding Momentum Group, %	6.7%	8.0%	7.0%
Adjusted operating margin – B&B TOOLS excluding Momentum Group, %	7.3%	7.6%	6.9%
Number of employees at the end of the period – Bergman & Beving	1,018	1,050	1,064