

# FINANCIAL REPORT 2017/18

1 April 2017-31 March 2018

## Financial year 2017/18 (1 April 2017-31 March 2018)

- **Revenue** increased by 4 percent to MSEK 5,616 (5,411).
- **Operating profit** amounted to MSEK 240 (65). **Adjusted operating profit (excluding items affecting comparability)** increased by 31 percent to MSEK 252 (193), corresponding to an **adjusted operating margin** of 4.5 percent (3.6).
- **The return on working capital (P/WC)** was 24 percent (21).
- **The return on equity** was 17 percent (4).
- **Profit after financial items** totalled MSEK 235 (54).
- **Net profit** amounted to MSEK 182 (42).
- **Earnings per share** totalled SEK 6.45 (1.50).
- The **operational net loan liability** amounted to MSEK 295 (263) and the **equity/assets ratio** at the end of the financial year was 42 percent (39).
- **A dividend** of SEK 2.60 per share is proposed.

## Fourth quarter (1 January-31 March 2018)

- **Revenue** increased by 3 percent to MSEK 1,437 (1,400).
- **Operating profit** amounted to MSEK 60 (-70). **Adjusted operating profit (excluding items affecting comparability)** increased by 27 percent to MSEK 61 (48), corresponding to an **adjusted operating margin** of 4.2 percent (3.4).
- **Profit after financial items** totalled MSEK 60 (-73).
- **Net profit** amounted to MSEK 46 (-56).
- **The acquisition of Reklamproffsen in Örebro in March 2018** strengthened Momentum Group's position as a leading supplier of workwear and profile clothing for industrial and service companies.

## After the end of the financial year

- **In April 2018, TriffiQ Företagsprofilering acquired all of the shares in Profilmakarna in Södertälje.** The acquisition enables the formation of a leading player in profile clothing, promotional products and workwear in Stockholm and Södertälje.

## PRESIDENT'S STATEMENT

### First year as an independent listed company

When the Board of Directors of what was then B&B TOOLS decided to propose that the Group be split into two independent listed companies – Bergman & Beving and Momentum Group – a year ago, the aim was to create increased shareholder value over time. This would provide each company with better opportunities to develop based on their own unique circumstances. For Momentum Group, this first financial year has been eventful, shown positive progress and we have taken several important steps on our journey of improvements toward sustainable profitability. Our sales and earnings trend has been positive for every quarter of the year, despite the impact of a total of seven fewer trading days than in the preceding financial year and the winding down of 15 less profitable sales units in TOOLS Sweden. In summary, growth in adjusted operating profit (excluding items affecting comparability) totalled approximately 30 percent for the full year and the operating margin was 4.5 percent.

The overall business situation was favourable for most of our businesses and we have strengthened our positions in our main markets in the Nordic region during the year. The earnings growth and improved operating margin were a result of the efficiency-enhancement efforts we have been implementing in several Group companies – combined with increased sales at improved gross margins. It feels particularly gratifying to note the positive earnings performance of TOOLS Sweden, which was enabled through improved efficiency in terms of logistics, purchasing and local presence during the year. In addition, the positive contribution of the companies we acquired, particularly in the area of workwear and profile clothing, was in line with our expectations.

#### *Business area Tools & Consumables*

Within the Tools & Consumables business area, TOOLS Finland delivered a favourable sales trend for the year, which contributed to a stronger operating margin. TOOLS Norway's performance was negatively impacted by comparatively lower overall demand in the market at the start of the year and by the implementation of a new business system in the operations. With the system implementation completed and a stabilised revenue and earnings trend toward the end of the year, our Norwegian operations are now ready to take the next step in the development of logistics, purchasing and sales. Our ambition is that this will generate improved margins going forward, in the same way as the measures taken in TOOLS Sweden.

Toward the end of the year, we acquired Reklamproffsen, a leading reseller of workwear and profile clothing in Örebro whose geographic coverage and expertise are a good complement to Mercus Yrkeskläder and TriffiQ Företagsprofilering. The companies in this area all reported healthy profitability for the year and will continue to be operated as independent niche companies in accordance with our philosophy of decentralised business responsibility.

#### *Business area Components & Services*

Momentum Industrial's targeted, consistent work related to its offering, sales, logistics and decentralised responsibility have contributed to a favourable and profitable organic sales trend during the year and the business surpassed SEK 1 billion in annual revenue for the first time. Momentum Industrial is also working actively to establish a presence in additional geographic locations in the Nordic region and established a new sales unit in Växjö during the year. We also continuously assess acquisition candidates in this area. Gigant was the company in what was then B&B TOOLS that was most affected by the split of the Group and has gradually strengthened its earnings performance toward the end of the year. Following the establishment of a new, jointly owned production company during the year and continued improvement measures, we expect to see a gradual margin increase during the 2018/19 financial year.

### A new exciting year in 2018/19

As we summarise the past year, I would like to conclude by thanking all of our dedicated employees for your many outstanding efforts – and our customers and business partners for your continued confidence. We will continue along the established path, with earnings growth combined with a decrease in the funds tied up in working capital in our existing units high on the agenda for increased profitability. We will also continue to adapt the measures taken in our various companies to their unique situation and opportunities. Customer proximity and the adaptation of our offerings, logistics and sales channels, both local and digital, as well as acquisitions of successful niche companies will enable us to continue to become "better than yesterday".

Stockholm, May 2018

**Ulf Lilius**

President & CEO

## MOMENTUM GROUP IN SUMMARY

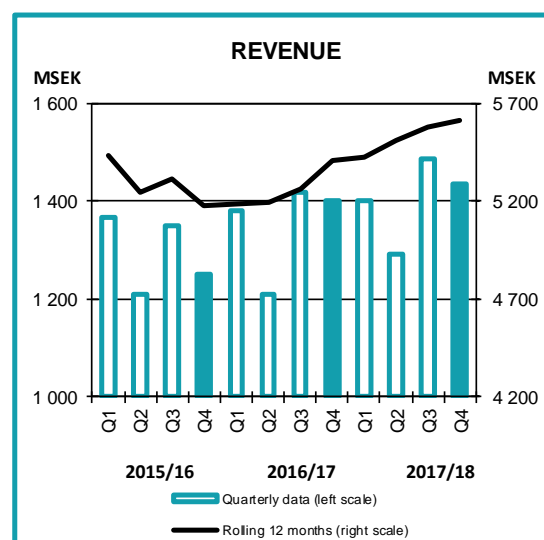
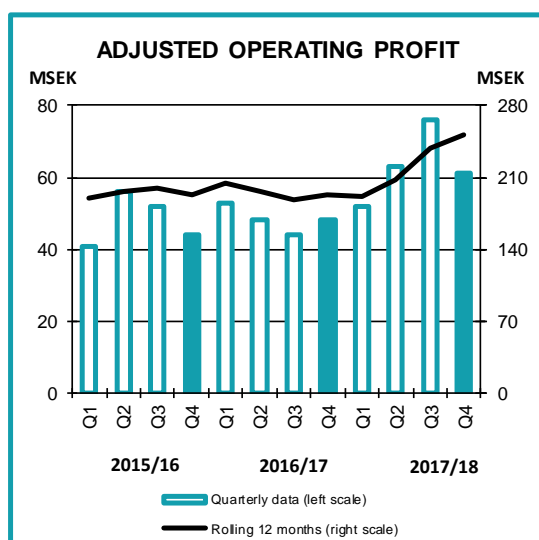
	QUARTER 3 MONTHS ENDING 31 MAR			FULL-YEAR 12 MONTHS ENDING 31 MAR		
	2018	2017	Δ	2018	2017	Δ
Revenue, MSEK	1,437	1,400	3%	5,616	5,411	4%
Operating profit, MSEK	60	-70	N/A	240	65	269%
<i>of which, items affecting comparability</i>	-1	-118		-12	-128	
Adjusted operating profit	61	48	27%	252	193	31%
Profit after financial items, MSEK	60	-73	N/A	235	54	335%
Net profit (after taxes), MSEK	46	-56	N/A	182	42	333%
Earnings per share, SEK	1.65	-1.95	N/A	6.45	1.50	330%
Operating margin	4.2%	-5.0%		4.3%	1.2%	
Adjusted operating margin	4.2%	3.4%		4.5%	3.6%	
Profit margin	4.2%	-5.2%		4.2%	1.0%	
Return on equity				17%	4%	
Equity per share, SEK				40.95	35.65	15%
Equity/assets ratio				42%	39%	
Adjusted equity/assets ratio				42%	40%	
Number of employees at the end of the period				1,647	1,660	-1%

## PROFIT AND REVENUE

### Fourth quarter (1 January-31 March 2018)

Revenue for the fourth quarter rose by 3 percent to MSEK 1,437 (1,400). Exchange-rate translation effects had an impact of MSEK +6 on revenue. Revenue for comparable units, measured in local currency and adjusted for the number of trading days, rose by 2 percent during the quarter. The quarter included a total of two fewer trading days than the corresponding quarter in the preceding financial year.

Operating profit for the quarter totalled MSEK 60 (-70). Profit for the quarter includes items affecting comparability of MSEK -1 (-118), and adjusted operating profit amounted to MSEK 61 (48) – corresponding to an increase by 27 percent. MSEK 18 of the total restructuring reserve of MSEK 94, which was recognised in the annual accounts for 2016/17, was utilised during the quarter. Exchange-rate translation effects had a net impact of MSEK +1 (0) on operating profit. The adjusted operating margin (excluding items affecting comparability) was 4.2 percent (3.4). Profit after financial items totalled MSEK 60 (-73) and net profit amounted to MSEK 46 (-56) for the quarter.



### Financial year 2017/18 (1 April 2017-31 March 2018)

Revenue for the full financial year increased by 4 percent to MSEK 5,616 (5,411). Exchange-rate translation effects had an impact of MSEK +12 on revenue. For comparable units, measured in local currency and adjusted for the number of trading days, revenue rose by 2 percent. The financial year included a total of seven fewer trading days than the preceding year.

Operating profit for the financial year amounted to MSEK 240 (65). Adjusted operating profit (excluding items affecting comparability) rose by 31 percent to MSEK 252 (193). Items affecting comparability amounted to MSEK -12 for the year and pertained to costs associated with the spin-off of Momentum

Group from the B&B TOOLS Group and the Company's separate listing on Nasdaq Stockholm. MSEK 58 of the total restructuring reserve of MSEK 94, which was recognised in the annual accounts for 2016/17, was utilised during the year, primarily pertaining to the restructuring programme in the TOOLS businesses. The majority of the remaining restructuring reserve amounting to MSEK 36 pertains to provisions for future rental costs for unutilised premises and will be utilised over these leases' remaining terms. Operating profit was charged with depreciation and impairment losses of MSEK -18 (-15) on tangible non-current assets and amortisation and impairment losses of MSEK -19 (-7) on intangible non-current assets. Exchange-rate translation effects had a net impact of MSEK +1 (0) on operating profit. The adjusted operating margin (excluding items affecting comparability) was 4.5 percent (3.6).

Profit after financial items amounted to MSEK 235 (54) and net financial items to MSEK -5 (-11). Net profit totalled MSEK 182 (42), corresponding to earnings per share of SEK 6.45 (1.50).

## OPERATIONS

*The Momentum Group comprises two business areas – Tools & Consumables and Components & Services. Group-wide includes the Group's management, finance function, support functions (including internal communications, investor relations and legal affairs) and logistics operations in Sweden.*

As a whole, Momentum Group's main markets continued to display a favourable trend during the fourth quarter of the financial year, despite the lower number of trading days and a somewhat lower activity level in general due to the Easter holiday in March compared with the preceding year, not least in Norway. The industrial markets in Sweden and Finland continued to perform well, particularly in components and service. The activity level in the Norwegian industrial sector and the oil and gas market grew stronger toward the end of the financial year. The decline in activity in the Nordic construction market is still deemed not to have had any material impact on the sales trend for the quarter.

### The Momentum Group

MSEK	QUARTER		FULL-YEAR	
	JAN-MAR 2018	JAN-MAR 2017	2017/18	2016/17
Revenue	1,437	1,400	5,616	5,411
Operating profit	60	-70	240	65
<i>of which, items affecting comparability</i>	-1	-118	-12	-128
Adjusted operating profit	61	48	252	193
Operating margin	4.2%	-5.0%	4.3%	1.2%
Adjusted operating margin	4.2%	3.4%	4.5%	3.6%

### Business area Tools & Consumables

*This business area comprises TOOLS Sweden, TOOLS Norway, TOOLS Finland, Mercus Yrkeskläder, TriffiQ Företagsprofilering and Reklamproffsen, which offer products and services related to tools and industrial consumables as well as workwear and profile clothing for the industrial and construction sectors in the Nordic region.*

MSEK	QUARTER		FULL-YEAR	
	JAN-MAR 2018	JAN-MAR 2017	2017/18	2016/17
Revenue	1,120	1,107	4,423	4,269
Operating profit	27	-45	129	12
<i>of which, items affecting comparability</i>	0	-64	-5	-64
Adjusted operating profit	27	19	134	76
Operating margin	2.4%	-4.1%	2.9%	0.3%
Adjusted operating margin	2.4%	1.7%	3.0%	1.8%

Revenue in the *Tools & Consumables* business area remained largely unchanged<sup>1</sup> in the fourth quarter of the financial year. Acquisitions contributed approximately 3 percent to total revenue growth. Of the restructuring reserve utilised during the quarter, which amounted to MSEK 18, MSEK 11 pertained to the *Tools & Consumables* business area.

Revenue for *TOOLS Sweden* decreased by 8 percent<sup>1</sup> during the quarter compared with the preceding year, mainly due to the restructuring work ongoing in the operations, with an increased focus on selected customer groups and product areas, and to the winding down of 15 less profitable sales units in 2017. The underlying market for industrial consumables and tools for Swedish industry, infrastructure and the public sector remained favourable. The improvement activities designed to increase profitability, which were initiated in autumn 2016, had a positive impact on the earnings trend during the quarter and the operating margin amounted to 3.0 percent.

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

Revenue for *TOOLS Norway* increased by 6 percent<sup>2</sup> during the quarter, with continued stable demand in the industrial sector and the construction and civil engineering sectors. The oil price trend contributed positively to the increased activity level in the market. Along with the measures taken to improve efficiency and reduce costs, the increase in sales measured in NOK had a positive impact on the earnings trend.

*TOOLS Finland* increased its revenue by 8 percent<sup>2</sup> during the quarter and continued to deliver a favourable sales trend in most customer groups, including hydraulics and rolling bearings. Sound cost control and an increased focus on the core product range resulted in healthy volume expansion, which had a positive impact on the earnings trend.

Revenue for *Mercus Yrkeskläder* increased by 12 percent<sup>2</sup> during the quarter, with a positive sales trend in most sales units. Combined with a number of cost-saving measures, this favourable sales trend had a positive impact on the company's earnings performance. *TriffiQ Företagsprofilering* and *Reklamproffsen*, a subsidiary acquired in the fourth quarter, performed well and made a positive contribution to the business area's earnings during the quarter.

## Business area Components & Services

*This business area comprises Momentum Industrial and Gigant, which offer spare parts and service as well as workplace equipment for customers in the industrial sector in the Nordic region.*

MSEK	QUARTER		FULL-YEAR	
	JAN-MAR 2018	JAN-MAR 2017	2017/18	2016/17
Revenue	371	356	1,398	1,359
Operating profit	36	25	123	113
of which, items affecting comparability	-1	-8	-2	-8
Adjusted operating profit	37	33	125	121
Operating margin	9.7%	7.0%	8.8%	8.3%
Adjusted operating margin	10.0%	9.3%	8.9%	8.9%

Revenue in the *Components & Services* business area increased by 3 percent<sup>2</sup> during the fourth quarter of the financial year. Acquisitions contributed approximately 4 percent to total revenue growth. Of the restructuring reserve utilised during the quarter, which amounted to MSEK 18, MSEK 6 pertained to the *Components & Services* business area.

*Momentum Industrial's* revenue increased by 10 percent<sup>2</sup> during the quarter, with growth in all regions and subsidiaries, partly due to sales of components and service to major industrial companies in, for example, the automotive sector and process industry. Operating profit for *Momentum Industrial* continued to develop positively and the operating margin for the quarter was over 12 percent. The unit's performance was impacted positively by its strong capacity utilisation in maintenance and repairs.

The restructuring work under way in *Gigant*, with a focus on direct sales to end customers, is proceeding according to plan, while sales via resellers displayed a negative trend during the quarter. In total, revenue declined by -3 percent<sup>3</sup> during the quarter. The measures implemented to reduce costs had a positive impact on earnings during the quarter. The establishment of a joint manufacturing company – *Elka Produkter* – together with its largest supplier, *Workplaces for Industries WFI*, during spring 2018 is expected to have a continued positive impact on efficiency and lower costs in the operations in the coming financial years.

## Group-wide and eliminations

An operating loss of MSEK -12 (-60) was reported for "Group-wide and eliminations" for the full financial year, of which items affecting comparability accounted for MSEK -5 (-56). Items affecting comparability in "Group-wide" for the year pertained to costs associated with the spin-off of *Momentum Group* from the *B&B TOOLS Group* and the Company's separate listing on Nasdaq Stockholm. The loss for the fourth quarter includes no items affecting comparability. Of the approximately MSEK 58 of the restructuring reserve utilised during the year, MSEK 8 pertained to "Group-wide".

The Parent Company's revenue for the financial year amounted to MSEK 22 (-) and the loss after financial items totalled MSEK -6 (-1). The net profit for the year of MSEK 75 includes Group contributions, intra-Group dividends and similar items totalling MSEK 131 (1).

## EMPLOYEES

At the end of the financial year, the number of employees in the Group amounted to 1,647, compared with 1,660 at the beginning of the year.

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

<sup>3</sup> Comparable units, adjusted for the establishment of the subsidiary *Elka Produkter AB* during the year, measured in local currency and adjusted for the number of trading days this year compared with the preceding year.



## CORPORATE ACQUISITIONS

Momentum Group conducted four corporate acquisitions during the financial year.

In early July 2017, Momentum Group signed an agreement to acquire 70 percent of the shares in TriffiQ Företagsprofilering AB ("TriffiQ"). For the remaining 30 percent of the shares in TriffiQ, an option arrangement exists which entitles Momentum Group to purchase the remaining shares. TriffiQ is a leading reseller of workwear and protective footwear in Stockholm. TriffiQ generates annual revenue of approximately MSEK 70 with favourable profitability and has 18 employees. Closing took place in September 2017.

Since 2007, TOOLS Sweden owns 30 percent of the shares in Knut Sehlns Industrivaruhus AB ("Sehlns"), a leading industrial reseller in Örnköldsvik, Sweden. In October 2017, TOOLS acquired the remaining 70 percent of the shares in Sehlns, which thus became a wholly owned subsidiary. Sehlns generates annual revenue of approximately MSEK 40 and has 14 employees. Sehlns has been part of TOOLS since the chain was formed in 2003. Closing took place in October 2017.

In an effort to strengthen its offering and competitiveness, Gigant established a joint manufacturing company – Elka Produkter AB ("Elka") – together with its largest supplier, Workplaces for Industries WFI ("WFI"), in autumn 2017. Gigant previously owned 40 percent of the shares in WFI, which were divested in connection with the acquisition of 70 percent of the shares in Elka. Closing on the shares in Elka took place in October 2017.

In March 2018, Momentum Group acquired 70 percent of the shares in Reklamproffsen Skandinavien AB ("Reklamproffsen"). For the remaining 30 percent of the shares in Reklamproffsen, an option arrangement exists which entitles Momentum Group to purchase the remaining shares. Reklamproffsen is a leading reseller of promotional products, including workwear and profile clothing, in Örebro and the surrounding area. Reklamproffsen generates annual revenue of approximately MSEK 35 with favourable profitability and has 12 employees. Closing took place in March 2018.

### *After the end of the financial year – Acquisition of Profilmakarna*

In April 2018, the subsidiary TriffiQ Företagsprofilering acquired all of the shares in Profilmakarna AB in Södertälje. The acquisition enables the formation of a leading player in profile clothing, promotional products and workwear in Stockholm and Södertälje. Profilmakarna generates annual revenue of approximately MSEK 25 and has eight employees. Closing took place in April 2018.

According to the preliminary acquisition analysis, the assets and liabilities included in the acquisitions during the financial year amounted to the following:

	Carrying amount on acquisition date	Adjustment to fair value	Fair value recognized in the Group
<b>Acquired assets:</b>			
Intangible non-current assets	-	37	37
Other non-current assets	1	-	1
Inventories	20	-	20
Other current assets	36	-	36
<b>Total assets</b>	<b>57</b>	<b>37</b>	<b>94</b>
<b>Acquired provisions and liabilities:</b>			
Deferred tax liability	0	-9	-9
Current operating liabilities	-36	-	-36
<b>Total provisions and liabilities</b>	<b>-36</b>	<b>-9</b>	<b>-45</b>
<b>Net of identified assets and liabilities</b>	<b>21</b>	<b>28</b>	<b>49</b>
Goodwill			40
Non-controlling interest <sup>1</sup>			-13
<b>Purchase consideration</b>			<b>76</b>
Less/Plus: Net cash in acquired companies <sup>2</sup>			-2
Less: Fair value of previous participation in associated company			-2
<b>Effect on consolidated cash and cash equivalents</b>			<b>72</b>

1) Non-controlling interest is calculated as the proportional share of the identified net assets.

2) Net of cash and cash equivalents and interest-bearing liabilities in the acquired businesses.

Refer to the summary of acquisitions completed since the 2015/16 financial year on page 14.

## PROFITABILITY, CASH FLOW AND FINANCIAL POSITION

The Group's profitability, measured as the return on working capital (P/WC), amounted to 24 percent (21) for financial year. The return on capital employed was 17 percent (4) and the return on equity was 17 percent (4). The return on adjusted capital employed totalled 18 percent (16), with adjustments for items affecting comparability and consideration for the Group's opportunities to apply net accounting to its balance with the internal bank of the former Parent Company, B&B TOOLS<sup>4</sup>.

<sup>4</sup> For the historical comparative figures, the Group was unable to apply net accounting to its share in the cash pool of its former Parent Company, B&B TOOLS AB, vis-à-vis its loans with B&B TOOLS AB's internal bank.

Cash flow from operating activities before changes in working capital for the financial year totalled MSEK 195 (148). Funds tied up in working capital rose by MSEK 103 (-29). During the year, inventories increased by MSEK 43 and operating receivables by MSEK 9. Operating liabilities decreased by MSEK 51. The change in working capital is primarily due to the restructuring of the TOOLS businesses during the year, in combination with the increased activity level. Accordingly, cash flow from operating activities for the year amounted to MSEK 92 (177), of which MSEK -8 (-13) was attributable to the fourth quarter.

Cash flow for the financial year was also impacted in a net amount of MSEK -36 (-67) pertaining to investments in and divestments of non-current assets, mainly investments in IT systems, and a net amount of MSEK -63 (-121) pertaining to acquisitions and divestments of subsidiaries and other business units.

At the end of the financial year, the Group's operational net loan liability amounted to MSEK 295 (263). Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 506. The equity/assets ratio at the end of the financial year was 42 percent, compared with 39 percent at the beginning of the year.

Equity per share, both before and after dilution, totalled SEK 40.95 at the end of the financial year, compared with SEK 35.65 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 22 percent.

## SHARE STRUCTURE AND REPURCHASE OF OWN SHARES

At the end of the financial year, share capital totalled MSEK 57. The distribution by class of share was as follows:

CLASS OF SHARE	AS OF 31 MARCH 2018
Class A shares	1,062,436
Class B shares	27,202,980
<b>Total number of shares before repurchasing</b>	<b>28,265,416</b>
<i>Less: Repurchased Class B shares</i>	<i>-250,000</i>
<b>Total number of shares after repurchasing</b>	<b>28,015,416</b>

As of 31 March 2017, Momentum Group held no treasury shares. To be able to adapt the Group's capital structure, pay for future acquisitions of businesses and operations using treasury shares and secure the Company's obligations under its share-based incentive programmes, an Extraordinary General Meeting of Shareholders in Momentum Group AB on 28 November 2017 resolved to authorise the Board of Directors to resolve on the acquisition and conveyance of treasury shares. With the support of this authorisation, Momentum Group acquired 250,000 Class B treasury shares in December 2017. Accordingly, the number of Class B shares held in treasury as of 31 March 2018 amounted to 250,000, corresponding to 0.9 percent of the total number of shares and 0.7 percent of the total number of votes. Of the repurchased shares, 250,000 are reserved to cover the Company's obligations under the call option programme issued to senior management in December 2017 in accordance with the following.

The Extraordinary General Meeting of Shareholders in Momentum Group AB on 28 November 2017 also resolved on a share-based incentive programme with an issue of call options for repurchased Class B shares. In accordance with the resolution passed at the Meeting, 40 key individuals in senior positions in the Group were offered an opportunity to acquire a maximum of 250,000 call options, and the programme was fully subscribed. The call options have been conveyed at a price of SEK 9.60 per call option, equivalent to the market value of the options according to a valuation performed by Nordea Bank. The redemption price for the call options is SEK 121.60 per share. Each call option entitles the holder to acquire one repurchased Class B share during the redemption periods of 12-25 February and 12-25 May 2021, respectively.

The share price on 31 March 2018 was SEK 100.00 and the issued call options did not result in any dilution effect during the financial year. When fully exercised, the number of outstanding Class B shares will increase by 250,000, corresponding to 0.9 percent of the total number of shares and 0.7 percent of the total number of votes.

There have been no changes in the holding of treasury shares after the end of the financial year.

## TRANSACTIONS WITH RELATED PARTIES

An Extraordinary General Meeting of Shareholders in B&B TOOLS AB on 14 June 2017 approved the spin-off and separate listing of the subsidiary Momentum Group AB on Nasdaq Stockholm. Other than purchases of goods from companies in the Bergman & Beving Group (formerly B&B TOOLS), no transactions having a material impact on the Group's position or earnings occurred between Momentum Group and its related parties during the financial year.

## RISKS AND UNCERTAINTIES

Momentum Group's earnings, financial position and strategic position are impacted by a number of internal factors that are within the control of Momentum Group as well as a number of external factors where the Group's ability to influence the course of events is limited. The most important external risk factors for Momentum Group are the economic and market situation as well as the development in the number of employees in the industrial and construction sectors combined with structural changes and the competitive situation. The risk and uncertainties impacting the Group are the same as in earlier periods. For more information, refer to Note 8 in Momentum Group's Financial Report for 2016/17. The Parent Company is impacted indirectly by the above risks and uncertainties through its function in the Group.

## 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. In addition to the financial statements and associated notes, disclosures in accordance with IAS 34.16A are also presented in other sections of the Financial Report. 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 Momentum Group's Financial Report for 2016/17 have been applied. New and amended IFRS and IFRIC interpretations applicable as of the 2017/18 financial year have not had a material impact on the Group's financial reporting.

Momentum Group AB was registered with the Swedish Companies Registration Office on 8 August 2016 and was dormant until September 2016. On 25 September 2016, Momentum Group AB acquired 12 operating companies (directly or indirectly) from B&B TOOLS Invest AB. The final stages of the structuring of Momentum Group involved the transfer of the logistics and warehousing operations within B&B TOOLS Business Infrastructure AB to Momentum Group Services AB through a conveyance of assets and liabilities in March 2017. Since the operations have not historically formed a group according to the IFRS definition, there are no consolidated financial statements for the periods prior to March 2017. Accordingly, the historical information for the periods until 31 March 2017 has been prepared as combined financial statements for the reporting unit comprising Momentum Group AB and its associated subsidiaries.

### **New or amended IFRS that will be applied in coming periods**

A couple of new or amended IFRS will come into effect in the 2018/19 financial year and have not been applied in advance in the preparation of these financial statements. Work to analyse the impact of the implementation of IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* has proceeded according to plan during 2017/18. Prior to the implementation of IFRS 15, the Group has analysed the various revenue streams that exist in the operations. According to the Group's assessment, application of the standard will not have any impact on the Group's earnings or financial position other than expanded disclosure requirements in the financial statements. Based on the loss allowance approach according to IFRS 9, the Group has determined that the standard will not entail any further material impairments. Momentum Group's accounts receivable generally relate to customers with a good payment capacity, which is taken into account in the provision for expected credit losses. The conclusion from the analysis of the impact of IFRS 9 is that it will not have any impact on the Group's earnings or financial position.

IFRS 16 *Leases* will be applied from the 2019/20 financial year. IFRS 16 mainly affects the lessee and the principal effect is that leases which are currently reported as operational leases will be recognised in a manner similar to the current recognition of financial leases. As an operational lessee, Momentum Group will be affected by the implementation of IFRS 16. Monetary calculations of the effect of IFRS 16 and the choice of transitional methods have not yet been concluded.

## PERFORMANCE MEASURES – DEFINITIONS & CALCULATIONS

Momentum Group uses certain financial performance measures in its analysis of the operations and their performance that are not defined in accordance with IFRS. Momentum Group believes that these performance measures provide valuable information for the Company's Board of Directors, owners and investors, since they enable a more accurate assessment of current trends and the Company's performance when combined with other performance measures calculated in accordance with IFRS. Since not all listed companies calculate these financial performance measures in the same way, there is no guarantee that the information is comparable with other companies' performance measures of the same name. Hence, these financial performance measures must not be viewed as a replacement for those measures calculated in accordance with IFRS. For definitions and information on the calculation of certain financial performance measures, refer to pages 16-18.



## MOTIONS TO THE ANNUAL GENERAL MEETING ON 22 AUGUST 2018

Momentum Group AB's Annual General Meeting will be held on Wednesday, 22 August 2018, at 2:00 p.m. at IVA's Conference Centre, Grev Turegatan 16, Stockholm, Sweden.

The Board of Momentum Group AB proposes a dividend of SEK 2.60 per share, corresponding to a pay-out ratio of 40 percent of earnings per share. Taking into account the Class B shares repurchased by the Company, the proposed dividend corresponds to a total of approximately MSEK 73. The proposed dividend is in line with the Company's dividend policy, which states that 30-50 percent of earnings per share are to be distributed over a business cycle.

## EVENTS AFTER THE END OF THE FINANCIAL YEAR

### *Acquisition of Profilmakarna in Södertälje*

In April 2018, the subsidiary TriffiQ Företagsprofilering acquired all of the shares in Profilmakarna AB in Södertälje. The acquisition enables the formation of a leading player in profile clothing, promotional products and workwear in Stockholm and Södertälje. Profilmakarna generates annual revenue of approximately MSEK 25 and has eight employees. Closing took place in April 2018 and the acquisition is expected to have a marginal impact on Momentum Group's earnings per share.

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

Stockholm, 8 May 2018

### **Ulf Lilius**

President & CEO

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

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## Contact information

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## Dates for forthcoming financial information

**Presentation of Financial Report 2017/18** – Conference call today 8 May 2018 at 11:00 a.m. CET. Please visit [www.momentum.group](http://www.momentum.group) for information about telephone numbers and the link to the webcast.

**The Annual Report for the 2017/18 financial year** will be published at the end of June 2018 and will be available on the Company's website on the same date.

**Interim Report (3 months) – 1 April-30 June 2018** will be published on 18 July 2018.

**Momentum Group AB's Annual General Meeting 2018** will be held in Stockholm on 22 August 2018.

**Interim Report (6 months) – 1 April-30 September 2018** will be published on 24 October 2018.

**Interim Report (9 months) – 1 April-31 December 2018** will be published on 8 February 2019.

**Financial Report 2018/19 – 1 April 2018-31 March 2019** will be published on 9 May 2019.

Visit [www.momentum.group](http://www.momentum.group) to subscribe for reports and press releases.

*The information in this report is such that Momentum Group 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 8:00 a.m. CET on 8 May 2018.*

*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.*

### Momentum Group AB (publ)

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## BUSINESS AREAS

### REVENUE BY BUSINESS AREA

MSEK	QUARTER		FULL-YEAR	
	JAN-MAR 2018	JAN-MAR 2017	2017/18	2016/17
Tools & Consumables	1,120	1,107	4,423	4,269
Components & Services	371	356	1,398	1,359
Group-wide	31	0	120	0
Eliminations	-85	-63	-325	-217
<b>Momentum Group</b>	<b>1,437</b>	<b>1,400</b>	<b>5,616</b>	<b>5,411</b>

### REVENUE BY QUARTER

MSEK	2017/18				2016/17			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Tools & Consumables	1,120	1,170	1,023	1,110	1,107	1,122	955	1,085
Components & Services	371	369	317	341	356	355	299	349
Group-wide	31	27	31	31	0	0	0	0
Eliminations	-85	-80	-78	-82	-63	-58	-44	-52
<b>Momentum Group</b>	<b>1,437</b>	<b>1,486</b>	<b>1,293</b>	<b>1,400</b>	<b>1,400</b>	<b>1,419</b>	<b>1,210</b>	<b>1,382</b>

### OPERATING PROFIT/LOSS BY BUSINESS AREA

MSEK	QUARTER		FULL-YEAR	
	JAN-MAR 2018	JAN-MAR 2017	2017/18	2016/17
Tools & Consumables	27	-45	129	12
Components & Services	36	25	123	113
Group-wide	-3	-47	-13	-58
Eliminations	0	-3	1	-2
<b>Momentum Group</b>	<b>60</b>	<b>-70</b>	<b>240</b>	<b>65</b>

### OPERATING PROFIT/LOSS BY QUARTER

MSEK	2017/18				2016/17			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Tools & Consumables	27	46	37	19	-45	13	20	24
Components & Services	36	32	29	26	25	30	29	29
Group-wide	-3	-1	-5	-4	-47	-11	0	0
Eliminations	0	-1	1	1	-3	2	-1	0
<b>Momentum Group</b>	<b>60</b>	<b>76</b>	<b>62</b>	<b>42</b>	<b>-70</b>	<b>34</b>	<b>48</b>	<b>53</b>

### ADJUSTED OPERATING PROFIT/LOSS BY BUSINESS AREA

MSEK	QUARTER		FULL-YEAR	
	JAN-MAR 2018	JAN-MAR 2017	2017/18	2016/17
Tools & Consumables	27	19	134	76
Components & Services	37	33	125	121
Group-wide	-3	-1	-8	-2
Eliminations	0	-3	1	-2
<b>Momentum Group</b>	<b>61</b>	<b>48</b>	<b>252</b>	<b>193</b>

## GROUP SUMMARY

### INCOME STATEMENT

MSEK	QUARTER		FULL-YEAR	
	JAN-MAR 2018	JAN-MAR 2017	2017/18	2016/17
Revenue	1,437	1,400	5,616	5,411
Shares of profit in associated companies	-	-2	2	-2
Other operating income	1	3	4	8
<b>Total operating income</b>	<b>1,438</b>	<b>1,401</b>	<b>5,622</b>	<b>5,417</b>
Cost of goods sold	-903	-908	-3,546	-3,460
Personnel costs	-291	-294	-1,125	-1,061
Depreciation, amortisation, impairment losses and reversal of impairment losses	-10	-8	-37	-22
Other operating expenses	-174	-261	-674	-809
<b>Total operating expenses</b>	<b>-1,378</b>	<b>-1,471</b>	<b>-5,382</b>	<b>-5,352</b>
<b>Operating profit</b>	<b>60</b>	<b>-70</b>	<b>240</b>	<b>65</b>
Financial income	2	0	2	2
Financial expenses	-2	-3	-7	-13
<b>Net financial items</b>	<b>0</b>	<b>-3</b>	<b>-5</b>	<b>-11</b>
<b>Profit after financial items</b>	<b>60</b>	<b>-73</b>	<b>235</b>	<b>54</b>
Taxes	-14	17	-53	-12
<b>Net profit</b>	<b>46</b>	<b>-56</b>	<b>182</b>	<b>42</b>
Of which, attributable to:				
Parent Company shareholders	46	-56	181	42
Non-controlling interest	0	-	1	-
Earnings per share, SEK				
- before dilution	1.65	-1.95	6.45	1.50
- after dilution	1.65	-1.95	6.45	1.50

### STATEMENT OF COMPREHENSIVE INCOME

MSEK	QUARTER		FULL-YEAR	
	JAN-MAR 2018	JAN-MAR 2017	2017/18	2016/17
Net profit	46	-56	182	42
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>				
<b>Components that will not be reclassified to net profit</b>				
Remeasurement of defined-benefit pension plans	-4	2	-4	0
Tax attributable to components that will not be reclassified	1	0	1	0
	-3	2	-3	0
<b>Components that will be reclassified to net profit</b>				
Translation differences	32	-6	30	26
Fair value changes for the year in cash-flow hedges	0	0	0	0
Tax attributable to components that will be reclassified	0	0	0	0
	32	-6	30	26
<b>Other comprehensive income for the period</b>	<b>29</b>	<b>-4</b>	<b>27</b>	<b>26</b>
<b>Total comprehensive income for the period</b>	<b>75</b>	<b>-60</b>	<b>209</b>	<b>68</b>
Of which, attributable to:				
Parent Company shareholders	75	-60	208	68
Non-controlling interest	0	-	1	-

## BALANCE SHEET

MSEK	31 MAR 2018	31 MAR 2017
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible non-current assets	627	533
Tangible non-current assets	61	64
Shares in associated companies	-	9
Financial investments	2	5
Deferred tax assets	24	27
<b>Total non-current assets</b>	<b>714</b>	<b>638</b>
<b>Current assets</b>		
Inventories	927	823
Accounts receivable	967	912
Other current receivables	116	109
Cash and cash equivalents	10	69
<b>Total current assets</b>	<b>2,020</b>	<b>1,913</b>
<b>TOTAL ASSETS</b>	<b>2,734</b>	<b>2,551</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity attributable to Parent Company shareholders	1,155	1,007
Non-controlling interest	15	-
<b>Total equity</b>	<b>1,170</b>	<b>1,007</b>
<b>Non-current liabilities</b>		
Non-current interest-bearing liabilities	103	150
Provisions for pensions	27	24
Other non-current liabilities and provisions	79	41
<b>Total non-current liabilities</b>	<b>209</b>	<b>215</b>
<b>Current liabilities</b>		
Current interest-bearing liabilities	202	182
Accounts payable	743	782
Other current liabilities	410	365
<b>Total current liabilities</b>	<b>1,355</b>	<b>1,329</b>
<b>TOTAL LIABILITIES</b>	<b>1,564</b>	<b>1,544</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,734</b>	<b>2,551</b>
Operational net loan liability	295	263

## STATEMENT OF CHANGES IN EQUITY

MSEK	Equity attributable to Parent Company shareholders				Non-controlling interest	Total equity
	Share capital	Reserves	Retained earnings, including net profit	Total		
<b>Closing equity, 31 March 2016</b>	-	-54	993	939	-	939
Net profit			42	42		42
Other comprehensive income		26	0	26		26
New share issue	57			57		57
Dividend			-10	-10		-10
Other transactions with owner <sup>1,2</sup>			-47	-47		-47
<b>Closing equity, 31 March 2017</b>	<b>57</b>	<b>-28</b>	<b>978</b>	<b>1,007</b>	<b>-</b>	<b>1,007</b>
Net profit for the period			181	181	1	182
Other comprehensive income		30	-3	27		27
Sale of call options			2	2		2
Repurchase of own shares			-27	-27		-27
Acquisition of partly owned subsidiaries			-	-	13	13
Contribution in partly owned subsidiaries			-	-	1	1
Option liability, acquisition <sup>3</sup>			-35	-35		-35
<b>Closing equity, 31 March 2018</b>	<b>57</b>	<b>2</b>	<b>1,096</b>	<b>1,155</b>	<b>15</b>	<b>1,170</b>

1) The Momentum Group has historically comprised the Momentum Group operating segment in the B&B TOOLS Group. However, some of the units that historically comprised part of the operating segment are not included in the Momentum Group. Net profit that is included in the historical combined income statement but does not impact Momentum Group's total assets is recognised as a transaction with the owner. For the 2016/17 financial year, net income from units not included in the Momentum Group amounted to MSEK 5.

2) On 25 September 2016, Momentum Group AB acquired 12 operating companies (directly and indirectly) from B&B TOOLS Invest AB. These internal acquisitions amounting to MSEK 615 were financed through a shareholders' contribution of MSEK 573 paid to Momentum Group AB by B&B TOOLS Invest AB and the remaining MSEK 42 through a loan raised via B&B TOOLS AB's internal bank. Since no net assets arose in the combined financial statements, the decrease in capital resulting from the raised loan is recognised as a transaction with the owner.

3) Refers to the value of call/put options in relation to the non-controlling interest in the acquired subsidiaries TriffiQ Företagsprofilering AB and Reklamproffsen Skandinavien AB, which entail that: a) Momentum Group is entitled to purchase the remaining shares from the shareholders (call option), and b) the shareholders are entitled to sell their shares to Momentum Group (put option). The call options expire during the 2020/21 financial year and can thereafter be extended for a period of one year at a time. The put options can be exercised until the 2019/20 financial year. The price of the options is dependent on certain results being achieved in the respective company.

## CASH-FLOW STATEMENT

MSEK	QUARTER		FULL-YEAR	
	JAN-MAR 2018	JAN-MAR 2017	2017/18	2016/17
<b>Operating activities</b>				
Operating activities before changes in working capital	36	8	195	148
Changes in working capital	-44	-21	-103	29
<b>Cash flow from operating activities</b>	<b>-8</b>	<b>-13</b>	<b>92</b>	<b>177</b>
<b>Investing activities</b>				
Acquisition of intangible and tangible non-current assets	-10	-27	-36	-67
Proceeds from sale of intangible and tangible non-current assets	0	0	0	0
Acquisition of subsidiaries and other business units	-22	-6	-72	-121
Proceeds from sale of financial non-current assets	-	-	9	-
<b>Cash flow from investing activities</b>	<b>-32</b>	<b>-33</b>	<b>-99</b>	<b>-188</b>
<b>Cash flow before financing</b>	<b>-40</b>	<b>-46</b>	<b>-7</b>	<b>-11</b>
<b>Financing activities</b>				
Financing activities	45	-298	-52	-448
<b>Cash flow for the period</b>	<b>5</b>	<b>-344</b>	<b>-59</b>	<b>-459</b>
Cash and cash equivalents at the beginning of the period	5	418	69	525
Exchange-rate differences in cash and cash equivalents	0	-5	0	3
<b>Cash and cash equivalents at the end of the period</b>	<b>10</b>	<b>69</b>	<b>10</b>	<b>69</b>

## FINANCIAL INSTRUMENTS

Momentum Group 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. The fair value of all of the Group's financial assets is estimated to correspond with their carrying amount. Liabilities measured at fair value comprise options issued in connection with the acquisition of equity instruments in partly owned subsidiaries, which are measured using discounted cash flow and are thus included in level 3 according to IFRS 13.

MSEK	31 MAR 2018	31 MAR 2017
<b>Financial assets measured at fair value</b>		
Shares and participations available for sale	1	1
<b>Financial assets measured at amortised cost</b>		
Long-term receivables	0	0
Accounts receivable	967	912
Cash and cash equivalents	10	69
<b>Total financial assets</b>	<b>978</b>	<b>982</b>
<b>Financial liabilities measured at fair value</b>		
Option liability	35	-
<b>Financial liabilities measured at amortised cost</b>		
Interest-bearing liabilities	305	332
Accounts payable	743	782
<b>Total financial liabilities</b>	<b>1,083</b>	<b>1,114</b>

## OPERATING SEGMENTS

The Group's operating segments comprise the Tools & Consumables and Components & Services business areas. The operating segments are consolidations of the operational organisation, as used by Group management and the Board of Directors to monitor operations. Group management, comprising the CEO and CFO, are the Group's chief operating decision makers.

**Tools & Consumables** comprises TOOLS Sweden, TOOLS Norway, TOOLS Finland, Mercus Yrkeskläder, TriffiQ Företagsprofilering and Reklamproffsen Skandinavien, which offer products and services related to tools and industrial consumables as well as workwear and profile clothing for the industrial, construction and public sectors in the Nordic region. **Components & Services** comprises Momentum Industrial and Gigant, which offer spare parts and service as well as workplace equipment for customers in the industrial sector in the Nordic region. **Group-wide** includes the Group's management, finance function, support functions and logistics operations in Sweden. The support functions include internal communications, investor relations and legal affairs. Financial income and expenses are not distributed by operating segment but rather are recognised in their entirety in Group-wide.

Intra-Group pricing between the operating segments occurs on market terms. The accounting policies are the same as those applied in the consolidated financial statements.



## OPERATING SEGMENTS – cont.

MSEK	APR 2017-MAR 2018 (12 MON)				
	Tools & Consumables	Components & Services	Group-wide	Eliminations	Group total
<b>Revenue</b>					
From external customers	4,413	1,201	2	-	<b>5,616</b>
From other segments	10	197	118	-325	-
<b>Total</b>	<b>4,423</b>	<b>1,398</b>	<b>120</b>	<b>-325</b>	<b>5,616</b>
Adjusted operating profit	134	125	-8	1	<b>252</b>
<i>Items affecting comparability</i>	-5	-2	-5	-	<b>-12</b>
<b>Operating profit/loss</b>	<b>129</b>	<b>123</b>	<b>-13</b>	<b>1</b>	<b>240</b>
Net financial items	-	-	-5	-	<b>-5</b>
<b>Profit/loss after financial items</b>	<b>129</b>	<b>123</b>	<b>-18</b>	<b>1</b>	<b>235</b>

MSEK	APR 2016-MAR 2017 (12 MON)				
	Tools & Consumables	Components & Services	Group-wide	Eliminations	Group total
<b>Revenue</b>					
From external customers	4,261	1,150	0	-	<b>5,411</b>
From other segments	8	209	0	-217	-
<b>Total</b>	<b>4,269</b>	<b>1,359</b>	<b>0</b>	<b>-217</b>	<b>5,411</b>
Adjusted operating profit	76	121	-2	-2	<b>193</b>
<i>Items affecting comparability</i>	-64	-8	-56	-	<b>-128</b>
<b>Operating profit/loss</b>	<b>12</b>	<b>113</b>	<b>-58</b>	<b>-2</b>	<b>65</b>
Net financial items	-	-	-11	-	<b>-11</b>
<b>Profit/loss after financial items</b>	<b>12</b>	<b>113</b>	<b>-69</b>	<b>-2</b>	<b>54</b>

## KEY PER-SHARE DATA

SEK	QUARTER		FULL-YEAR	
	JAN-MAR 2018	JAN-MAR 2017	2017/18	2016/17
Earnings before dilution	<b>1.65</b>	-1.95	<b>6.45</b>	1.50
Earnings after dilution	<b>1.65</b>	-1.95	<b>6.45</b>	1.50
Equity, at the end of the period			<b>40.95</b>	35.65
Equity after dilution, at the end of the period			<b>40.95</b>	35.65
<b>NUMBER OF SHARES OUTSTANDING IN THOUSANDS</b>				
Number of shares outstanding before dilution	<b>28,015</b>	28,265	<b>28,015</b>	28,265
Weighted number of shares outstanding before dilution	<b>28,015</b>	28,265	<b>28,203</b>	28,265
Weighted number of shares outstanding after dilution	<b>28,015</b>	28,265	<b>28,203</b>	28,265

## Weighted number of shares and dilution

Average number of shares outstanding before or after dilution. Shares held by Momentum Group at any given time are not included in the number of shares outstanding. Dilution effects arise due to any call options issued by the Company that can be settled using shares in share-based incentive programmes. In such cases, 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.

Momentum Group held 250,000 Class B shares as of 31 March 2018 and has issued 250,000 call options for these treasury shares. Since the average share price is lower than the redemption price of SEK 121.60 per call option, no dilution effect existed as of 31 March 2018. Refer also to page 7.

## ACQUISITIONS

Corporate acquisitions carried out since the 2015/16 financial year are distributed between the Momentum Group's business areas as follows:

ACQUISITION	TIME (possession taken)	REVENUE <sup>1</sup>	NO. OF EMPLOYEES <sup>1</sup>	BUSINESS AREA
AB Carl A. Nilssons El. Rep.verkstad, SE	September 2015	MSEK 20	13	Components & Services
Tønsberg Maskinforretning AS, NO	April 2016	MNOK 20	10	Tools & Consumables
Astrup Industrivarer AS, NO	November 2016	MNOK 240	50	Tools & Consumables
Arboga Machine Tool AB, SE	March 2017	MSEK 10	5	Components & Services
TriffiQ Företagsprofilering AB <sup>2</sup> , SE	September 2017	MSEK 70	18	Tools & Consumables
AB Knut Sehlins Industrivaruhus, SE	October 2017	MSEK 40	14	Tools & Consumables
Elka Produkter AB <sup>2</sup> , SE	October 2017	- <sup>3</sup>	10	Components & Services
Reklamproffsen Skandinavien AB <sup>2</sup> , SE	March 2018	MSEK 35	12	Tools & Consumables
<b>After the end of the financial year</b>				
Profilmakarna AB, SE	April 2018	MSEK 25	8	Tools & Consumables

1) Refers to information for the full year on the date of acquisition.

2) Momentum Group owns 70 percent of the shares in each company.

3) The current operations of Elka Produkter AB were established in autumn 2017. Accordingly, there is no full-year information available regarding comparable revenue.

## PARENT COMPANY SUMMARY

Momentum Group AB was registered with the Swedish Companies Registration Office on 8 August 2016.

### INCOME STATEMENT

MSEK	QUARTER		FULL-YEAR	
	JAN-MAR 2018	JAN-MAR 2017	2017/18	2016/17
Revenue	6	0	22	0
Other operating income	0	0	0	0
<b>Total operating income</b>	<b>6</b>	<b>0</b>	<b>22</b>	<b>0</b>
Operating expenses	-11	-7	-43	-8
<b>Operating profit/loss</b>	<b>-5</b>	<b>-7</b>	<b>-21</b>	<b>-8</b>
Financial income and expenses	3	7	15	7
<b>Profit/loss after financial items</b>	<b>-2</b>	<b>0</b>	<b>-6</b>	<b>-1</b>
Appropriations	102	1	102	1
<b>Profit before taxes</b>	<b>100</b>	<b>1</b>	<b>96</b>	<b>0</b>
Taxes	-22	0	-21	0
<b>Net profit</b>	<b>78</b>	<b>1</b>	<b>75</b>	<b>0</b>

### STATEMENT OF COMPREHENSIVE INCOME

MSEK	QUARTER		FULL-YEAR	
	JAN-MAR 2018	JAN-MAR 2017	2017/18	2016/17
Net profit	78	1	75	0
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>				
<b>Components that will not be reclassified to net profit</b>	-	-	-	-
<b>Components that will be reclassified to net profit</b>	-	-	-	-
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>78</b>	<b>1</b>	<b>75</b>	<b>0</b>

### BALANCE SHEET

MSEK	31 MAR 2018	31 MAR 2017
<b>ASSETS</b>		
Intangible non-current assets	0	0
Tangible non-current assets	-	-
Financial non-current assets	862	810
Current receivables	405	93
Cash and cash equivalents	-	-
<b>Total assets</b>	<b>1,267</b>	<b>903</b>
<b>EQUITY, PROVISIONS AND LIABILITIES</b>		
Equity	680	630
Untaxed reserves	29	-
Provisions	-	-
Non-current liabilities	102	150
Current liabilities	456	123
<b>Total equity, provisions and liabilities</b>	<b>1,267</b>	<b>903</b>

## PERFORMANCE MEASURES – DEFINITIONS & CALCULATIONS

Certain performance measures presented below are calculated in accordance with IFRS and others are so-called alternative performance measures that Momentum Group considers to be important in forming an understanding of its operations. The derivation of the alternative performance measures is also presented in the tables. Insofar as the performance measures are used and commented on by business area (operating segment), the derivation of the performance measures is also presented at this level.

	12 MONTHS ENDING			
	31 MAR 2018	31 MAR 2017	31 MAR 2016	31 MAR 2015
<b>IFRS PERFORMANCE MEASURES</b>				
Net profit, MSEK	182	42	139	140
Earnings per share, SEK	6.45	1.50	4.95	4.95
<b>ALTERNATIVE PERFORMANCE MEASURES</b>				
<i>Performance measures related to the income statement</i>				
Revenue, MSEK	5,616	5,411	5,176	5,351
Operating profit, MSEK	240	65	193	198
Adjusted operating profit, MSEK	252	193	193	198
Profit after financial items, MSEK	235	54	182	181
Operating margin, %	4.3%	1.2%	3.7%	3.7%
Adjusted operating margin, %	4.5%	3.6%	3.7%	3.7%
Profit margin, %	4.2%	1.0%	3.5%	3.4%
<i>Performance measures related to profitability</i>				
Return on working capital (P/WC), %	24%	21%	19%	17%
Return on capital employed, %	17%	4%	12%	11%
Return on adjusted capital employed, %	18%	16%	15%	14%
Return on equity, %	17%	4%	14%	13%
<i>Performance measures related to financial position</i>				
Operational net loan liability (closing balance), MSEK	295	263	117	382
Equity (closing balance)*, MSEK	1,155	1,007	939	980
Equity/assets ratio, %	42%	39%	35%	36%
Adjusted equity/assets ratio, %	42%	40%	43%	42%
<i>Other performance measures</i>				
Number of employees at the end of the period	1,647	1,660	1,573	1,618
Share price at the end of the period, SEK	100.00	-	-	-

\* Refers to equity attributable to Parent Company shareholders

### DEFINITIONS OF PERFORMANCE MEASURES

#### Revenue

Own invoicing, commission-based revenue from commission sales and side revenue.

#### Operating profit

Profit before financial items and tax.

#### Adjusted operating profit

Operating profit adjusted for items affecting comparability.

#### Operating margin, %

Operating profit relative to revenue.

#### Adjusted operating margin, %

Adjusted operating profit as a percentage of revenue.

#### Profit margin, %

Profit after financial items as a percentage of revenue.

#### Return on working capital (P/WC), %

Adjusted operating profit for the most recent 12-month period divided by average working capital measured as total working capital (accounts receivable and inventories less accounts payable) at the end of each month for the most recent 12-month period and the opening balance at the start of the period divided by 13.

#### Return on capital employed, %

Operating profit plus financial income for the most recent 12-month period divided by average capital employed measured as the balance-sheet total less non-interest-bearing liabilities and provisions at the end of the most recent four quarters and the opening balance at the start of the period divided by five.

**Return on adjusted capital employed, %**

Adjusted operating profit plus financial income for the most recent 12-month period divided by average adjusted capital employed measured as the balance-sheet total less non-interest-bearing liabilities and provisions as well as cash vis-a-vis the former Parent Company, B&B TOOLS AB, at the end of the most recent four quarters and the opening balance at the start of the period divided by five.

**Return on equity, %**

Net profit for the most recent 12-month period divided by average equity measured as total equity attributable to Parent Company shareholders at the end of the most recent four quarters and the opening balance at the start of the period divided by five.

**Operational net loan liability (closing balance)**

Operational net loan liability measured as non-current interest-bearing liabilities and current interest-bearing liabilities less cash and cash equivalents at the end of the period.

**Equity/assets ratio, %**

Equity attributable to Parent Company shareholders as a percentage of the balance-sheet total at the end of the period.

**Adjusted equity/assets ratio, %**

Equity attributable to Parent Company shareholders as a percentage of the balance-sheet total less cash vis-a-vis the former Parent Company, B&B TOOLS AB, at the end of the period.

**Earnings per share, SEK**

Net profit attributable to the Parent Company shareholders divided by the weighted number of shares. IFRS performance measure.

**DERIVATION OF ALTERNATIVE PERFORMANCE MEASURES**

M SEK	12 MONTHS ENDING			
	31 MAR 2018	31 MAR 2017	31 MAR 2016	31 MAR 2015
<b>ADJUSTED OPERATING PROFIT</b>				
Operating profit	240	65	193	198
<i>Items affecting comparability</i>				
Restructuring expenses	-	94	-	-
Split and listing expenses	12	34	-	-
<b>Adjusted operating profit</b>	<b>252</b>	<b>193</b>	<b>193</b>	<b>198</b>
<i>Per segment: Tools &amp; Consumables</i>				
Operating profit	129	12	72	75
Items affecting comparability	5	64	-	-
<b>Adjusted operating profit – Tools &amp; Consumables</b>	<b>134</b>	<b>76</b>	<b>72</b>	<b>75</b>
<i>Per segment: Components &amp; Services</i>				
Operating profit	123	113	120	121
Items affecting comparability	2	8	-	-
<b>Adjusted operating profit – Components &amp; Services</b>	<b>125</b>	<b>121</b>	<b>120</b>	<b>121</b>
<i>Group-wide, including eliminations</i>				
Operating profit/loss	-12	-60	1	2
Items affecting comparability	5	56	-	-
<b>Adjusted operating profit/loss – Group-wide, including eliminations</b>	<b>-7</b>	<b>-4</b>	<b>1</b>	<b>2</b>

M SEK	12 MONTHS ENDING			
	31 MAR 2018	31 MAR 2017	31 MAR 2016	31 MAR 2015
<b>WORKING CAPITAL</b>				
<i>Average operating assets</i>				
Average inventories	884	823	814	882
Average accounts receivable	895	821	780	832
<b>Total average operating assets</b>	<b>1,779</b>	<b>1,644</b>	<b>1,594</b>	<b>1,714</b>
<i>Average operating liabilities</i>				
Average accounts payable	-732	-709	-583	-538
<b>Total average operating liabilities</b>	<b>-732</b>	<b>-709</b>	<b>-583</b>	<b>-538</b>
<b>Average working capital</b>	<b>1,047</b>	<b>935</b>	<b>1,011</b>	<b>1,176</b>
Adjusted operating profit	252	193	193	198
<b>Return on working capital (P/WC), %</b>	<b>24%</b>	<b>21%</b>	<b>19%</b>	<b>17%</b>

M SEK	12 MONTHS ENDING			
	31 MAR 2018	31 MAR 2017	31 MAR 2016	31 MAR 2015
<b>CAPITAL EMPLOYED</b>				
Average balance-sheet total	2,619	2,719	2,651	2,761
Average non-interest-bearing liabilities and provisions				
Average non-interest-bearing non-current liabilities	-57	-14	-4	-3
Average non-interest-bearing current liabilities	-1,149	-1,073	-948	-904
<b>Total average non-interest-bearing liabilities and provisions</b>	<b>-1,206</b>	<b>-1,087</b>	<b>-952</b>	<b>-907</b>
<b>Average capital employed</b>	<b>1,413</b>	<b>1,632</b>	<b>1,699</b>	<b>1,854</b>
Operating profit	240	65	193	198
Financial income	2	2	3	4
<b>Total operating profit + financial income</b>	<b>242</b>	<b>67</b>	<b>196</b>	<b>202</b>
<b>Return on capital employed, %</b>	<b>17%</b>	<b>4%</b>	<b>12%</b>	<b>11%</b>

M SEK	12 MONTHS ENDING			
	31 MAR 2018	31 MAR 2017	31 MAR 2016	31 MAR 2015
<b>ADJUSTED CAPITAL EMPLOYED</b>				
Average capital employed	1,413	1,632	1,699	1,854
Average cash vis-a-vis B&B TOOLS AB	-11	-380	-420	-373
<b>Average adjusted capital employed</b>	<b>1,402</b>	<b>1,252</b>	<b>1,279</b>	<b>1,481</b>
Adjusted operating profit	252	193	193	198
Financial income	2	2	3	4
<b>Total adjusted operating profit + financial income</b>	<b>254</b>	<b>195</b>	<b>196</b>	<b>202</b>
<b>Return on adjusted capital employed, %</b>	<b>18%</b>	<b>16%</b>	<b>15%</b>	<b>14%</b>

M SEK	12 MONTHS ENDING			
	31 MAR 2018	31 MAR 2017	31 MAR 2016	31 MAR 2015
<b>RETURN ON EQUITY</b>				
Average equity*	1,070	1,008	984	1,050
Net profit*	181	42	139	140
<b>Return on equity, %</b>	<b>17%</b>	<b>4%</b>	<b>14%</b>	<b>13%</b>

\* Refers to equity and earnings attributable to Parent Company shareholders.

M SEK	12 MONTHS ENDING			
	31 MAR 2018	31 MAR 2017	31 MAR 2016	31 MAR 2015
<b>OPERATIONAL NET LOAN LIABILITY (CLOSING BALANCE)</b>				
Non-current interest-bearing liabilities	103	150	639	746
Current interest-bearing liabilities	202	182	3	8
Cash and cash equivalents	-10	-69	-525	-372
<b>Operational net loan liability (closing balance)</b>	<b>295</b>	<b>263</b>	<b>117</b>	<b>382</b>

M SEK	12 MONTHS ENDING			
	31 MAR 2018	31 MAR 2017	31 MAR 2016	31 MAR 2015
<b>BALANCE-SHEET TOTAL</b>				
Balance-sheet total (closing balance)	2,734	2,551	2,694	2,727
Cash vis-a-vis B&B TOOLS AB (closing balance)	-	-56	-520	-368
<b>Adjusted balance-sheet total</b>	<b>2,734</b>	<b>2,495</b>	<b>2,174</b>	<b>2,359</b>
Equity (closing balance)*	1,155	1,007	939	980
<b>Equity/assets ratio, %</b>	<b>42%</b>	<b>39%</b>	<b>35%</b>	<b>36%</b>
<b>Adjusted equity/assets ratio, %</b>	<b>42%</b>	<b>40%</b>	<b>43%</b>	<b>42%</b>

\* Refers to equity attributable to Parent Company shareholders.

### 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 the effect on sales in local currency depending on the difference the number of trading days compared with the comparative period. Other units refer to acquisitions or divestments of units during the corresponding period.

	QUARTER		FULL-YEAR	
	JAN-MAR 2018	JAN-MAR 2017	2017/18	2016/17
<b>Change in revenue for:</b>				
Comparable units in local currency	1.7%	0.1%	2.1%	-0.5%
Currency effects	0.5%	2.3%	0.2%	0.7%
Number of trading days	-2.5%	5.6%	-2.7%	2.6%
Other units	3.0%	4.1%	4.2%	1.7%
<b>Total change</b>	<b>2.7%</b>	<b>12.1%</b>	<b>3.8%</b>	<b>4.5%</b>