

Kamux Corporation

Interim Report

May 24, 2017 12:00

Kamux Corporation's Interim Report for January–March 2017

REVENUE AND ADJUSTED OPERATING PROFIT INCREASED

First quarter in brief

- The number of cars sold by Kamux increased by 13.8% to 9,698 cars (1–3/2016: 8,523)
- Kamux's revenue increased by 12.6%, totaling EUR 109.3 million (97.0)
- Gross profit increased by 5.4% to EUR 12.5 million (11.9) or 11,5% (12,3) of revenue
- Adjusted operating profit (EBIT) increased by 5.5% to EUR 4.6 million (4.4), or 4.3% (4.5) of revenue
- Earnings per share were EUR 0.07 (0.07)

Key figures

EUR million	1–3/2017	1–3/2016	Change, %	1–12/2016
Revenue	109.3	97.0	12.6%	404.8
Gross profit	12.5	11.9	5.4%	49.2
of revenue, %	11.5%	12.3%		12.2%
Operating profit (EBIT)	3.4	4.0	-13.5%	15.7
of revenue, %	3.1%	4.1%		3.9%
Adjusted operating profit*	4.6	4.4	5.5%	18.0
of revenue, %	4.3%	4.5%		4.4%
Revenue from integrated services	5.4	4.2	30.5%	19.3
of revenue, %	5.0%	4.3%		4.8%
Number of cars sold	9,698	8,523	13.8%	36,290
Gross profit per car sold, EUR	1,293	1,395	-7.4%	1,357
Same store sales growth, %	-6.9%	26.7%	-125.9%	12.2%
Net debt	26.1	23.3	12.4%	30.9
Inventory	48.1	40.2	19.6%	47.9
Inventory turnover, days	43.8	39.0	12.2%	43.1
Investments	0.3	0.1	157.3%	2.1
Average number of employees during the period	389	301	29.2%	343
Return on equity (ROE), %	38.8%	62.3%	-37.7%	43.8%
Return on capital employed (ROI), %	20.6%	28.9%	-28.6%	22.5%
Equity ratio, %	41.0%	32.7%	25.7%	36.9%
Basic earnings per share, EUR	0.07	0.07	-11.0%	0.29

* Operating profit adjusted for the costs related to the initial public offering, special items related to strategy planning, strategy implementation and geographical expansion, totaling EUR 1.2 million for the first quarter of 2017 (1–3/2016: EUR 0.4 million).

Outlook and financial targets

Kamux does not provide a short term outlook. In the medium term, the company's targets are to increase revenue to at least EUR 700 million in 2019 and the operating profit margin of 4–5% in 2019 and at least 5% in the long term.

CEO Juha Kalliokoski:

“Kamux continued strong growth and international expansion during the first quarter of 2017. Our revenue increased to EUR 109.3 million by 12.6%. Our adjusted operating profit (EBIT) increased to EUR 4.6 million with increase of 5.5%. The number of cars sold increased by 13.8% to 9,698 cars. The revenue from integrated services increased to EUR 5.4 million, representing 5.0% of the revenue. Our operating environment was challenging during the first quarter in Finland due to the uncertainty caused by the road transport report published by the Ministry of Transport and Communications. Taking this into account, I am satisfied with our performance during the first quarter.

In the beginning of the year we continued to expand our showroom network. In January, we celebrated the official opening of our new showroom in Nedderfeld, Germany, and in February, we opened a new showroom in Turku, Finland. We aim to open several new showrooms during 2017 in the countries where we operate. In Sweden, we focused on the further development of our business processes, and we believe this will support our Swedish operations during the rest of the year. In April, we made a significant recruitment when Mr. Olli Kilpi was appointed as our director of international operations. Kilpi has a long and diverse background in retail, including working as the CEO of McDonalds in Sweden and Norway as well as working for Henkel and Procter and Gamble. In 2017, we aim to strengthen our organization further particularly in the areas of digitalization and international expansion.

A cornerstone of our strategy is to grow profitably by opening new showrooms and increasing sales at current stores. Excellent customer experience is an important part of Kamux's operating model, and we aim to be a forerunner also in the area of digital customer experience. As a part of our digital strategy, we opened an online store in Finland in February.

After the reporting period, we started our journey as a publicly listed company on the pre-list of Nasdaq Helsinki on May 12, 2017, and trading of Kamux's share on the official list of Nasdaq Helsinki began on May 16, 2017. The objective of the listing is to support Kamux's growth strategy and international expansion, as well as increase Kamux's visibility in Finland and abroad. The listing is an important milestone in our journey to become the leading used car retailer in Europe.”

Market review

Finland is Kamux's home market and also the company's largest business segment in terms of revenue. Kamux estimates that it maintained its market leadership in sales of used cars in Finland in the first quarter of 2017. In the first quarter of 2017 the market was impacted by the road transport report published by the Ministry of Transport and Communications on January 19, 2017 and the uncertainty caused by it. The report caused uncertainty related to vehicle taxation practice in the future, which had a negative effect on the sales of new and used cars. Kamux believes the Finnish market will grow during the rest of the year, based on an assumption that the market will recover as it was already visible in March.

Sweden is Kamux’s second largest market. The company estimates that it maintained its market position among the ten largest used cars retailers in Sweden in the first quarter of 2017. In Sweden, the market for both new and used cars experienced positive growth during the first quarter.

Kamux has operated in Germany slightly over a year now, and opened its second showroom in the Hamburg area at the end of 2016. The company estimates that Kamux’s market in the Hamburg area increased as compared to the previous quarter, albeit remaining at a very low level.

Revenue

Revenue increased by 12.6% compared to the corresponding period of the previous year and amounted to EUR 109.3 million (1–3/2016: 97.0). The increase in revenue was driven mainly by opening of new showrooms. The growth was fully organic. The share of Kamux’s integrated services revenue increased to EUR 5.4 million (4.2), or 5.0% of total revenue (4.3%).

The number of cars sold by Kamux in Finland, Sweden and Germany increased by 13.8% compared to the corresponding period of the previous year and amounted to 9,698 (8,523). The number of cars sold increased due to the opening of new showrooms. The revenue per sold car amounted to EUR 11,266 (11,383).

Revenue allocation

EUR million	1–3/2017	1–3/2016	1–12/2016
Sales of used cars	103.8	92.9	385.5
Financing fees and insurance commissions	4.5	3.4	15.8
Sales of Kamux Plus	0.9	0.8	3.5
Total	109.3	97.0	404.8

Result of operations

In the first quarter of 2017, Kamux’s gross profit increased by 5.4% compared to the corresponding period of the previous year and amounted to EUR 12.5 million (11.9). The adjusted operating profit increased by 5.5% and amounted to EUR 4.6 million (4.4) or 4.3% of the revenue. The increase in the adjusted operating profit was mainly due to the opening of new showrooms. The adjusted operating profit has been adjusted for costs related to the listing, as well as special items related to strategic planning, implementation of the strategy and geographical expansion. The adjustment items to the operating profit totaled EUR 1.2 million (0.4) for the first quarter. Kamux estimates it will pay a total of EUR 1.8 million in advisor and other expenses and fees related to the listing process and preparations for being listed on the stock exchange. Out of these expenses, a total of EUR 0.4 million was recognized in the first quarter. The remaining costs and fees of approximately EUR 1.4 million are estimated to be recognized in the interim report for the six months ending June 30, 2017. Kamux’s operating profit decreased 13.5% as compared to the previous year, amounting to EUR 3.4 million (4.0). The decrease was mainly due to the abovementioned costs related to the listing process and other special items.

The result before taxes for the first quarter amounted to EUR 3.3 million (3.7). The earnings per share amounted to EUR 0.07 (0.07).

Key figures of the business segments

EUR million	1–3/2017	1–3/2016	Change, %	1–12/2016
Revenue				
Finland	91.1	83.3	9.3%	343.2
Sweden	16.0	13.7	16.2%	60.9
Germany	5.3	2.2	142.5%	10.8
Segments total	112.4	99.3	13.2%	414.9
Group functions and eliminations	-3.1	-2.3	-38.1%	-10.1
Total	109.3	97.0	12.6%	404.8
Gross profit				
Finland	11.3	10.6	6.5%	44.1
Sweden	0.9	1.1	-18.7%	4.3
Germany	0.4	0.2	83.5%	0.8
Segments total	12.5	11.9	5.4%	49.2
Group functions and eliminations	-	-	-	-
Total	12.5	11.9	5.4%	49.2
Gross profit, % of revenue				
Finland	12.4%	12.7%	-2.6%	12.9%
Sweden	5.6%	8.0%	-30.0%	7.0%
Germany	6.7%	8.8%	-24.3%	7.7%
Segments total	11.2%	12.0%	-6.9%	11.9%
Group functions and eliminations	-	-	-	-
Total	11.2%	12.0%	-6.9%	11.9%
Operating profit				
Finland	6.0	5.5	9.3%	22.2
Sweden	-0.5	-0.5	-11.2%	-1.5
Germany	-0.4	-0.1	-442.6%	-0.7
Segments total	5.1	5.0	2.2%	20.0
Group functions and eliminations	-1.7	-1.0	-63.2%	-4.3
Total	3.4	4.0	-13.5%	15.7
Operating profit, % of revenue				
Finland	6.6%	6.6%	0.0%	6.5%
Sweden	-3.2%	-3.3%	4.2%	-2.4%
Germany	-8.1%	-3.6%	-123.8%	-6.7%
Segments total	4.5%	5.0%	-9.7%	4.8%
Group functions and eliminations	-	-	-	-
Total	3.1%	4.1%	-23.2%	3.9%

Share of the integrated services in all used cars sold by Kamux by segment

%	1–3/2017	1–3/2016	1–12/2016
Financing services			
Finland	45	47	47
Sweden	48	42	45
Germany	25	29	28
Insurance services			
Finland	47	56	52
Sweden	84	20	60
Kamux Plus			
Finland	17	20	20
Sweden	26	25	25

Finland

In Finland, Kamux’s revenue increased by 9.3% compared to the corresponding period of the previous year, amounting to EUR 91.1 million (83.3). The number of cars sold during the first three months of 2017 increased by 836, or 9.3% compared to the first quarter of 2016. The growth was mainly based on the sales of new showrooms.

In Finland, the revenue of the integrated services increased to EUR 4.9 million (3.9), or 5.4% of the revenue (4.7%). The Finland segment’s operating profit increased by 9.3% as compared to the corresponding period of the previous year, amounting to EUR 6.0 million (5.5), or 6.6% of the revenue (6.6%). During the first quarter, Kamux opened one new showroom in Turku, Finland, in February 2017.

Sweden

In Sweden, Kamux’s revenue increased by 16.2% compared to the corresponding period of the previous year, amounting to EUR 16.0 million (13.7). The number of cars sold during the first three months of 2017 increased by 92, or 9.9% compared to the first quarter of 2016. The growth was mainly due to the opening of a new showroom in 2016.

In Sweden, the revenue of the integrated services increased to EUR 0.4 million (0.2), or 2.8% of the revenue (1.7%). The Sweden segment’s operating loss was unchanged compared to the corresponding period of the previous year, amounting to EUR -0.5 million (-0.5). During the first quarter, Kamux continued to develop its business processes in Sweden. Kamux did not open new showrooms in Sweden during the first quarter.

Germany

In Germany, Kamux’s revenue increased by 142.5% compared to the corresponding period of the previous year, amounting to EUR 5.3 million (2.2). The number of cars sold during the first three months of 2017 increased by 247, or 144.4% compared to the first quarter of 2016. The growth was mainly due the new showroom opened in December 2016. During the first quarter, Kamux continued to develop its business processes in Germany, as well.

In Germany, the revenue of the integrated services increased to EUR 0.1 million (0.0), or 2.6% (1.3) of the revenue. The Germany segment's operating loss increased compared to the corresponding period of the previous year, amounting to EUR -0.4 million (-0.1). The increase in the operating loss was due to the increase in expenses as the company built the organization for future growth. The major event in Germany during the first quarter was the official opening in January 2017 of the showroom in Nedderfeld, which had started its operations in December 2016.

Consolidated balance sheet and financial position

The group's consolidated balance sheet amounted to EUR 77.7 million as of March 31, 2017 (78.4), of which total equity amounted to EUR 31.9 million. The amount of net debt was EUR 26.1 million (23.3), of which long term debt amounted to EUR 23.9 million (29.8). In the first quarter, the company issued a total of 91,522 new shares in share issues directed to the company's new key employee and the new members of the Board of Directors.

Kamux has entered into a five-year loan facility agreement of EUR 40 million with Nordea Bank AB (publ), Finnish Branch. The facility agreement includes a five-year term loan of EUR 30 million and a revolving credit facility of EUR 10 million. Of the revolving credit facility, EUR 7.5 million is available as a multi-currency facility that Kamux entered into in December 2016. After the review period, the loan facility agreement was amended on April 21, 2017 by increasing the amount of the revolving facility to EUR 20 million, and after the listing, the term loan of EUR 30 million will continue to be repaid in bi-annual installments of EUR 1.5 million. In addition to the revolving facility, Kamux has a lease guarantee facility of EUR 0.3 million.

Net working capital amounted to EUR 41.4 million as at March 31, 2017 (31.3). The inventory amounted to EUR 48.1 million (40.2).

For the first quarter of 2017, Kamux's cash flow from operating activities amounted to EUR 4.8 million (0.7). Cash and cash equivalents at the end of the period amounted to EUR 0.9 million (6.6).

Equity ratio at the end of the period was 41.0% (32.7). Return on capital employed was 20.6% (28.9) and return on equity was 38.8% (62.3%).

Investments, research and development

Kamux's investments for January–March amounted to EUR 0.3 million (0.1), consisting mainly of investments in IT systems and ordinary maintenance investments in the showrooms. Kamux's business research and development costs are mainly related to expenses in further developing the company's retail concept and improving its business processes.

In 2017, Kamux will continue to invest in matters related to the opening of new showrooms, such as refurbishment, equipment and fixtures, as well as in digitalization projects, such as CRM/ERP system, analytics, information management and financial administration systems. The company will finance these investments with the existing cash and cash equivalents, cash flow from operations and, when necessary, bank overdrafts.

Personnel

In January–March 2017, Kamux's average number of employees amounted to 389 (301) in terms of full-time employees. Kamux recruited more than 100 people in the past 12 months. Recruiting more personnel are continued all the time to support Kamux's growth.

Average number of employees by segment

	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
Finland	312	249	280
Sweden	53	42	47
Germany	24	10	16
Total	389	301	343

Kamux's share and shareholders

As at March 31, 2017, Kamux's share capital amounted to EUR 80,000 and the number of its shares was 38,454,303. At the end of the review period, the company held 1,319,862 treasury shares, representing 3.4% of all shares.

After the review period, trading in Kamux's shares began on May 12, 2017 on the pre-list of Nasdaq Helsinki. Trading in Kamux's shares began on the official list of Nasdaq Helsinki on May 16, 2017. In the initial public offering, Kamux issued 2,852,853 new shares. The company raised EUR 20.5 million gross proceeds in the offering. The number of Kamux's shares increased to 41,307,156 shares and the number of the treasury shares held by the company is 1,319,862, or 3.2% of all shares. Kamux's management team and employees owned around 28% of the company immediately after the initial public offering.

Corporate Governance

On March 10, 2017 the company's shareholders elected Reija Laaksonen as a new member of the Board of Directors and on March 27, 2017, the company's shareholders elected Harri Sivula as a new member of the Board of Directors. Sivula's election was contingent on the execution of the initial public offering, and came into effect when trading in the company's share started trading on the pre-list of Nasdaq Helsinki. Laaksonen acts as the Head of digital at Fazer Confectionary. Sivula has most recently acted as the CEO of GS1 during 2015–2017 and as the CEO of Restel Oy during 2011–2014. In addition Sivula has various Board memberships, including Chairman of Tokmanni Group Oyj and member of the Boards of Atria Oyj, GS1 Finland and Makua Foods Oy.

Short-term risks and uncertainties

Kamux's revenue and operating profit have experienced strong growth in recent years. However, in the future Kamux's revenue and operating profit may increase more slowly or decrease compared to the historical performance.

Kamux's rapid and strong growth and business expansion during the past few years have set new standards and requirements for the scope and monitoring of internal guidelines and policies. Any failure in the implementation and monitoring of these guidelines or policies may lead to financial consequences and weaken Kamux's reputation.

Kamux's geographical expansion involves several risks, and any failure in recognizing suitable co-operation partners, recruiting new employees or achieving estimated benefits from internationalization may have a material adverse effect on Kamux. Furthermore, the company's success will depend on, inter alia, the company's management and other skilled employees, as well as its ability to recruit, develop, train, motivate and retain skilled employees. Kamux operates in the used car retail market and uncertain general economic conditions in the countries in which Kamux operates may have an adverse effect on Kamux's business, financial position and results of operations.

Kamux operates in a competitive and fragmented used car market, and competition may increase in the future.

Changes in car tax legislation or preparation of legislation may have a material adverse effect on the sales of new and used cars and on Kamux. Kamux's tax burden could increase as a result of changes to tax laws or their application or as a result of a tax audit.

Kamux's IT systems are pivotal to the company's operations, and they cover all the major areas of the business. Should the IT systems and services not operate as planned, this may disturb Kamux's operations and have an adverse effect on its business.

Kamux believes that its brand and reputation among its customers are important for the company's success. Should Kamux fail to maintain its service level on an adequate level or an adverse event damage the company's reputation, this may have a significant adverse effect on Kamux.

The main principles of Kamux's risk management are described in the consolidated financial statements and on the website at www.kamux.com.

Events after the reporting period

Kamux's Annual General Meeting of shareholders held on April 12, 2017 approved the annual financial statements and discharged the members of the Board of Directors and the CEO from liability for the year 2016. The Annual General Meeting re-elected Matti Virtanen, Reija Laaksonen, David Nuutinen, Jokke Paananen and Vesa Uotila as members of the Board of Directors. In addition, the contingent election of as a Member of the Board was noted at the time when trading of the company's share on the pre-list of Nasdaq Helsinki began. Matti Virtanen was elected as Chairman of the Board of Directors. The Annual General Meeting elected PricewaterhouseCoopers Oy (Authorized Public Accountant firm) as the company's auditor. PricewaterhouseCoopers Oy appointed Janne Rajalahti, Authorized Public Accountant, as the auditor with principal responsibility.

The Annual General Meeting confirmed a dividend of EUR 0.06 per share to be distributed from the distributable funds for the year 2016 for each share outstanding as at the date of the resolution. The total amount of the dividends was EUR 2.2 million, and they were paid on April 25, 2017.

The Annual General Meeting authorized Kamux's Board of Directors to resolve on a directed share issue. Based on the authorization, new and/or existing shares may be issued in deviation from the shareholders' pre-emptive rights in one or more occasions, such that the total number of shares issued may not exceed 300,000. Shares may also be issued without consideration. The issued shares may be used for rewarding Kamux's key employees under the company's share-based incentive plan. The Board of Directors is authorized to decide on other terms of the share issue. The share issue authorization is valid until December 31, 2019.

The company issued a total of 26,100 new shares in a share issue directed to the company's new key employee. The shares were registered in the Finnish Trade Register on April 26, 2017.

The company's shareholders unanimously resolved on April 27, 2017 that the Chairman of the Board of Directors will receive an annual compensation of EUR 36,000 and the other members of the Board of Directors EUR 20,000 for performing their duties on the Board of Directors. No separate compensation will be paid for attending the meetings of the Board of Directors.

On April 27, 2017, the Board of Directors approved that the Company will pay Virtanen Consulting GmbH, a company controlled by Matti Virtanen, for the services provided in connection with the listing in the second quarter of 2017 a maximum of EUR 62,000 during the second quarter of 2017.

On May 3, 2016, the company's shareholders unanimously authorized the Board of Directors to resolve on a directed share issue against a consideration. Based on the authorization, a maximum of 6,000,000 new shares may be issued in deviation from the shareholders' pre-emptive rights on one or more occasions. The authorization granted to the company's Board of Director will be in effect until June 30, 2017, and it revoked the share issue authorization granted by the General Meeting of the Shareholders on December 22, 2015. Based on the authorization mentioned above, the company's Board of Directors resolved on an issue of new shares on May 11, 2017. The company issued a total of 2,852,853 new shares in the share issue, and the number of the shares increased to 41,307,156 shares.

After the review period, Kamux was listed on Nasdaq Helsinki. Trading in Kamux's shares commenced on the pre-list of Nasdaq Helsinki on May 12, 2017 and on the official list of Nasdaq Helsinki on May 16, 2017.

In May, the company opened new showrooms in Iisalmi and Espoo, both located in Finland.

Kamux Corporation's interim report for January–March 2017

Key accounting policies

This interim report has been prepared according to the IAS 34 - Interim Financial Reporting standard. The interim report is based on the same accounting policies and calculation methods as used in the financial statements for the year 2016, as well as on the new and updated IFRS standards described in the financial statements for the year 2016. However, the interim report does not include all the information and notes that are presented in the annual financial statements. As such, the interim report should be read together with the annual financial statements for the year 2016.

The figures presented in the interim report are independently rounded.

Preparing the interim report requires the management to make accounting estimates and judgments as well as assumptions that affect the application of the accounting principles and the carrying amounts of assets, liabilities, income and expenses. The actual outcomes may differ from these estimates and judgments. The most significant estimates made by the management relating to the group's accounting policies and uncertainties are the same as applied in the financial statements for the year 2016

The interim report is unaudited.

Consolidated statement of comprehensive income

EUR million	1–3/2017	1–3/2016	1–12/2016
Revenue	109.3	97.0	404.8
Other operating income	0.2	0.0	1.1
Materials and services	-96.9	-85.2	-356.6
Personnel costs	-5.0	-4.6	-19.9
Other operating expenses	-3.9	-3.2	-12.8
Depreciation and amortization	-0.2	-0.1	-0.8
Operating profit	3.4	4.0	15.7
Finance costs	-0.1	-0.3	-1.0
Profit before income tax	3.3	3.7	14.6
Income tax	-0.9	-0.9	-3.6
Profit for the period	2.4	2.8	11.0
Other comprehensive income			
Items that maybe subsequently reclassified to profit or loss			
Translation differences	0.0	0.0	0.0
Other comprehensive income for the period, net of tax	0.0	0.0	0.0
Total comprehensive income for the period	2.4	2.8	11.0
Profit for the period attributable to			
Owners of the Company	2.4	2.8	11.0
Total comprehensive income for the period attributable to			
Owners of the Company	2.4	2.8	11.0
Earnings per share for profit attributable to Owners of the Company			
Earnings per share, basic and diluted, EUR	0.07	0.07	0.29

Consolidated balance sheet

EUR million	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
ASSETS			
Non-current assets			
Intangible assets	1.0	0.6	1.0
Goodwill	13.6	13.6	13.6
Property, plant and equipment	1.8	0.9	1.7
Other receivables	0.0	0.0	0.0
Deferred tax assets	0.3	0.2	0.3
Total non-current assets	16.7	15.3	16.6
Current assets			
Inventories	48.1	40.2	47.9
Trade and other receivables	10.1	8.6	11.4
Current tax assets	1.8	0.0	1.8
Cash and cash equivalents	0.9	6.6	0.7
Total current assets	61.0	55.5	61.8
TOTAL ASSETS	77.7	70.7	78.4
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	0.1	0.1	0.1
Share Issue	0.2	0.5	0.0
Reserve for invested unrestricted equity	4.4	0.9	4.1
Translation differences	0.1	0.1	0.1
Retained earnings	24.7	18.8	13.7
Profit for the period	2.4	2.8	11.0
Total equity attributable to owners of the company	31.9	23.1	28.9
LIABILITIES			
Non-current liabilities			
Borrowings	23.9	29.8	25.4
Derivative financial instruments	0.1	0.2	0.1
Provisions	0.4	0.0	0.4
Total non-current liabilities	24.3	30.0	25.8
Current liabilities			
Borrowings	3.2	0.0	6.3
Trade and other payables	13.0	13.2	12.3
Provisions	1.8	1.4	1.7
Current income tax liabilities	3.5	3.1	3.4
Total current liabilities	21.5	17.6	23.7
Total liabilities	45.8	47.6	49.5
TOTAL EQUITY AND LIABILITIES	77.7	70.7	78.4

Consolidated statement of changes in equity

	Share capital	Share Issue	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total equity
EUR million						
Equity as at Jan 1, 2017	0.1		4.1	0.1	24.7	28.9
Profit for the period					2.4	2.4
Other comprehensive income				0.0		0.0
Total comprehensive income				0.0	2.4	2.4
Transactions with owners:						
Share issue		0.2	0.3			0.5
Equity as at Mar 31, 2017	0.1	0.2	4.4	0.1	27.1	31.9
Equity as at Jan 1, 2016	0.1		0.9	0.1	20.3	21.3
Profit for the period					2.8	2.8
Other comprehensive income				0.0		0.0
Total comprehensive income				0.0	2.8	2.8
Transactions with owners:						
Share issue		0.5				0.5
Dividends to shareholders					-1.5	-1.5
Equity at Mar 31, 2016	0.1	0.5	0.9	0.1	21.6	23.1

Consolidated statement of cash flows

EUR million	1–3/2017	1–3/2016	1–12/2016
Cash flows from operating activities			
Profit for the period	2.4	2.8	11.0
Adjustments for:			
Depreciation and amortization	0.2	0.1	0.8
Finance costs	0.1	0.3	1.0
Change in provisions	0.1	0.1	0.8
Write-down of inventories	0.0	0.0	0.3
Income taxes	0.9	0.9	3.6
Other non-cash items	0.0	-0.0	0.1
Changes in working capital:			
Change in trade receivables and other receivables	1.6	-2.2	-5.1
Change in trade payables and other payables	0.7	2.1	2.7
Change in inventories	-0.2	-4.0	-12.2
Interests paid	-0.2	-0.2	-0.7
Other financial items, net	-0.1	-0.2	-0.2
Income taxes paid	-0.8	0.9	-3.2
Net cash flow inflow (outflow) from operating activities	4.8	0.7	-1.1
Cash flows from investing activities			
Investments in property, plant and equipment	-0.2	-0.1	-1.5
Investments in intangible assets	-0.1	-0.0	-0.7
Net cash (outflow) from investing activities	-0.3	-0.1	-2.1
Cash flows from financing activities			
Proceeds from share issues	0.3	0.5	3.2
Purchase of treasury shares	-	-	-5.2
Proceeds from bank loans	-	30.0	43.4
Repayments of bank loans	-4.6	-25.3	-36.9
Dividends paid	-	-	-1.5
Net cash inflow (outflow) from financing activities	-4.3	5.1	3.1
Net decrease/increase in cash and cash equivalents	0.2	5.7	-0.1
Cash and cash equivalents at the beginning of the period	0.7	0.8	0.8
Effects of exchange rate changes on cash and cash equivalents	0.0	0.0	-0.0
Cash and cash equivalents at the end of period	0.9	6.6	0.7

EUR million	Finland	Sweden	Germany	Segments total	Group functions	Eliminations	Group
1–12/2016							
Revenue	343.2	60.9	10.8	414.9		-10.1	404.8
internal		9.6	0.6	10.1		-10.1	
external	343.2	51.3	10.3	404.8			404.8
Gross profit	44.1	4.3	0.8	49.2			49.2
EBITDA	22.8	-1.3	-0.7	20.8	-4.3		16.5
Depreciation and amortization	-0.6	-0.1	0.0	-0.8	0.0		-0.8
Operating profit	22.2	-1.5	-0.7	20.0	-4.3		15.7
Finance costs							-1.0
Profit before income tax							14.6

Net working capital

EUR million	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
Inventories	48.1	40.2	47.9
Trade and other receivables	10.1	8.6	11.4
Current income tax receivables	1.8	0.0	1.8
Trade and other payables	-13.0	-13.2	-12.3
Provisions	-2.1	-1.4	-2.0
Current income tax liabilities	-3.5	-3.1	-3.4
Net working capital	41.4	31.3	43.3

Borrowings and net debt

EUR million	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
Non-current			
Bank loans	23.9	29.8	25.4
Total non-current borrowings	23.9	29.8	25.4
Current			
Bank loans	3.0	0.0	5.0
Bank overdrafts	0.2	0.0	1.3
Total current borrowings	3.2	0.0	6.3
Total borrowings	27.1	29.8	31.7
Less cash and cash equivalents	-0.9	-6.6	-0.7
Net debt	26.1	23.3	30.9

Lease obligations and other commitments

Operating lease commitments

The future minimum lease payments under non-cancellable operating leases

EUR million	Mar 31, 2017	Mar 31, 2016	Dec 31, 2016
No later than 1 year	5.4	4.1	5.0
Later than 1 year and no later than 5 years	11.8	8.4	11.8
Later than 5 years	0.7	1.1	1.0
Total	17.9	13.6	17.8

Loans for which guarantees and mortgages have been given

EUR million	Mar 31, 2017	Mar 31, 2016	Dec 12, 2016
Loans	27.1	29.8	31.7
guarantees given against loans	104.0	63.0	104.0

Other commitments

EUR thousand	Mar 31, 2017	Mar 31, 2016	Dec 12, 2016
Rent and other payment guarantees	0.3	0.3	0.3

Related party transactions

EUR million	1–3/2017	1–3/2016	1–12/2016
Sales of used cars	-	0.0	0.2
Purchases of used cars and lease expenses	-0.2	-0.2	-0.7

On January 5, 2017, the company entered into a consulting agreement with DN Advisory Oy, which is controlled by David Nuutinen. The company purchases from DN Advisory Oy consulting services related to the development and management of the company's operations in Sweden for EUR 7,500 per month.

On January 30, 2017, the company issued a total of 52,174 new shares in a share issue directed to a new member of the company's management. The shares were registered in the Finnish Trade Register on February 14, 2017.

On March 27, 2017, the company issued a total of 39,348 new shares in a share issue directed to the new members of the company's Board of Directors. The shares were registered in the Finnish Trade Register on April 20, 2017.

After the reporting period the company issued a total of 26,100 new shares in a share issue directed to a new key member of the company's management. The shares were registered in the Finnish Trade Register on April 26, 2017. In addition the Board of Directors approved on April 27, 2017 that the Company will pay Virtanen Consulting GmbH, a company controlled by Matti Virtanen, for the services provided in connection with the listing in the second quarter of 2017 a maximum of EUR 62,000 during the second quarter of 2017.

Calculation of key figures and alternative performance measures

Kamux presents alternative performance measures as additional information to performance measures presented in the consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows prepared in accordance with IFRS. In Kamux's view, the alternative performance measures provide significant additional information related to Kamux's results of operations, financial position and cash flows, and they are widely utilized by analysts, investors and other parties.

The alternative performance measures should not be considered separately from measures under IFRS or as substitutes for corresponding measures under IFRS. All companies do not calculate alternative performance measures in a uniform way and therefore the alternative performance measures presented by Kamux may not be comparable with similarly named measures presented by other companies.

Reconciliation of adjusted operating profit

EUR million	1-3/2017	1-3/2016	1-12/2016
Operating profit (EBIT)	3.4	4.0	15.7
Costs relating to the listing	0.4	0.4	1.2
Strategic investigations	0.6	-	0.6
Special items relating to geographical expansion	0.2	0.0	0.2
Share-based payments	-	-	0.3
Total adjusting items	1.2	0.4	2.3
Adjusted operating profit (EBIT)	4.6	4.4	18.0

Gross profit	=	Revenue + Other operating income - Materials and services
Earnings before interest, tax, depreciation, and amortization (EBITDA)	=	Operating profit + Depreciation and amortization
Adjusted operating profit (EBIT)	=	Operating profit adjusted for costs relating to the listing, special items relating to strategic planning and strategy implementation, special items relating to geographical expansion of business and cash-settled share-based payments related to redemption of treasury shares.
Net debt	=	Non-current borrowings + Current borrowings - Cash and cash equivalents
Financial debt	=	Non-current borrowings + Current borrowings
Same store sales growth	= 100 * ($\frac{\text{Car sales same store showrooms}}{\text{Car sales of same store showrooms of the previous year}} - 1$)
		<i>New showrooms are included in the calculation when they have been open for 13 months and, therefore, the first time the showroom is included in the measure is its 25th operating month.</i>
Inventory turnover	= 365 *	$\frac{\text{Inventories (average for 12 months)}}{\text{Materials and services (rolling 12 months)}}$
Return on equity (ROE)	= 100 *	$\frac{\text{Profit for the period (rolling 12 months)}}{\text{Equity (average for 12 months)}}$
Return on capital employed (ROI)	= 100 *	$\frac{\text{Profit for the period} + \text{Finance costs (rolling 12 months)}}{\text{Equity} + \text{Financial debt (average for 12 months)}}$
Equity ratio	= 100 *	$\frac{\text{Equity}}{\text{Balance sheet total} - \text{Advance payments received}}$
Gearing	= 100 *	$\frac{\text{Net debt}}{\text{Equity}}$
Earnings per share, basic	=	$\frac{\text{Profit for the period (attributable to owners of the Company)}}{\text{Weighted average number of outstanding shares adjusted for share issue for the period}}$
Net working capital	=	Inventories + Trade and other receivables + Current income tax receivables - Trade and other payables - Current income tax liabilities - Non-current and current provisions

Publication schedule for financial reporting in 2017

Kamux will publish its financial reports in 2017 as follows:

Interim report for January–June 2017 on Thursday August 24, 2017.

Interim report for January–September 2017 on Thursday November 23, 2017.

Interim report conference call

Kamux will hold an interim report conference call today on May 24, 2017 at 15:00 (Finnish time). The interim report will be presented by CEO Juha Kalliokoski and CFO Tapio Arimo. Participants are requested to call in and register a few minutes prior to the start of the conference call at <https://praecomspark.webex.com/praecomspark/onstage/g.php?MTID=e50a5daac7d7a72ac9fe399c6aae1dc6f>.

The numbers are: UK call-in toll number: +44-203-478-5289, Finland toll: +358 9 3158 4349 and Sweden toll: +46 8 5051 3563.

Global call-in numbers:

<https://praecomspark.webex.com/praecomspark/globalcallin.php?serviceType=EC&ED=534514682&tollFree=0>.

The conference access code is: 842 758 004.

In Hämeenlinna on May 24, 2017

Kamux Corporation

The Board of Directors

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