



Interim report January-September 2011

October 19, 2011

Magnus Agervald and Pernilla Walfridsson

Summary January – September 2011

In the third quarter, Byggmax increased operating income by 5.6 percent and profit after tax increased to SEK 111.5 M.

- Net sales amounted to SEK 1,100.0 M (1,043.2) in Q3 and SEK 2,368.7 M (2,223.9) for the first nine months of the year.
- EBIT totaled SEK 156.6 M (165.4) in Q3 and SEK 227.2 M (236.9) for the first nine months of the year.
- The EBIT margin was 14.2 percent (15.9) in Q3 and 9.6 percent (10.7) for the first nine months of the year.
- Earnings per share amounted to SEK 1.8 (1.8) per share in Q3 and to SEK 2.4 (2.5) per share for the first nine months of the year.

Summary January – September 2011

- Thirteen (twelve) new stores were opened
 - Three (two) stores were opened in the first quarter: Borgå, Björneborg (Finland) and Lidköping (Sweden).
 - Five (five) stores were opened in the second quarter: Ängelholm, Avesta, Enköping, Bollnäs (Sweden) and Reso (Finland).
 - Five (five) stores were opened in the third quarter: Norrtälje (Sweden), Lillehammer, Arendal, Tiller/Trondheim (Norway) and Vanda (Finland).
- During the third quarter, Bygghmax Group AB sold its subsidiary Bygghmax Fastighetsutveckling 5 AB. This transaction had no impact on the company's earnings.
- During the second quarter, a number of key employees subscribed for options under the incentive program adopted by the Annual General Meeting.

Bygghem

Stores – Thirteen stores opened in the first nine months, 10-15 openings planned for 2012

	Sweden	Norway	Finland
Number of stores opened, Q3 2011	59	19	8
Planned openings, Q4 2011	0	0	0
Openings, 2011	6	3	4

Store network at September 30, 2011

The following establishments have been announced:

- Sweden: Ludvika opens in spring 2012

Opened in 2011: Lidköping, Bollnäs, Ängelholm, Avesta and Enköping.

- Norway: opened in 2011: Lillehammer, Arendal and Trondheim/Tiller

- Finland: opened in 2011: Vanda, Björneborg, Borgå and Reso (Åbo).

The stores will be announced when the contracts have been signed and the municipal permits are finalized.

Bygghem plans to open 10-15 stores next year.



Byggmax

Two distribution hubs merge into one

- Byggmax has two distribution hubs at present
 - The bulk goods hub in Uddevalla
 - The picking goods hub outside of Gothenburg.
- These 2 hubs are being merged into one hub in Lysekil
 - Excellent logistics with a deep-water harbor and railway with direct access from the hub
 - Scheduled shipping lines to Western Norway (Vestlandet).
- This means an improved delivery profile with more frequent store deliveries.
- Also in the future, the majority of goods will be delivered directly to the stores from the suppliers.



Byggmax

Broader marketing of the online selection starts

- The online selection, which is only available to order, was launched in April.
- Thus far, volumes have been modest and, up till now, the internal processes have been developed to manage more substantial volumes.
- In October, broader marketing started of the online selection in the Byggmax advertising circular, with extra pages dedicated to the new range.
- Marketing comprises part of normal marketing activities to keep costs low.
- Currently, a small portion of the online selection is shown in store, while in the future, the number of online products shown in store will probably increase.
- In the fourth quarter, the online selection will be launched in Norway.



1200 NYA VAROR TILL BYGGMAXPRISER

Nu finns 1200 nya produkter som beställningsvaror på Byggmax.se. De skickas från våra leverantörer direkt hem till dig. Leveranstiden varierar mellan 3 dagar upp till ca 3 veckor för måttbeställda fönster.

Vi utökar beställningssortimentet med fler varor under hösten, men du kan redan nu köpa kök, bänkskivor och badrumsmöbler till raskt låga priser på byggmax.se. Dessutom ingår frakten.

Självklart kan du även köpa hela vårt butikssortiment med kranbilsleverans hem till dörren. Vi kör ut butiksvärnarna redan dagen efter du har köpt dem på byggmax.se

VD Magnus Agervald

GOLV & GOLVLIST > TRÄGOLV PARKETT

Fler parkettgolv på byggmax.se
Prover finns i våra butiker

279⁰⁰ /M²

ASK VITLACKAD
3-stav, 13,5mm, 5G-click 3,17m2/pkt

BESTÄLLNINGSVARA
Leveranstid: ca 1-2 veckor

KÖP VARA

VARUINFORMATION
PARKETTGOV

Våra utökade sortiment av parkettgolv som skickas direkt från leverantörerna gör det möjligt för oss att erbjuda ett brett sortiment på över 20 sorter.

All parkett är ytbehandlad med UV-lack eller olja för en slitstark yta som dessutom är omslipningsbar. Virket kommer från FSC certifierad skog och den höga kvaliteten säkras med optisk avläsning och kontroll av varje plank. Tack vare det patenterade G5 klicksystemet görs golvläggningen snabbt och enkelt.

Fler golv och mer information på www.byggmax.se

Fri frakt på beställningssortimentet

8 Beställningssortiment på www.byggmax.se

Bygghmax

Goal for number of stores increased from 130 to 155

- Bygghmax has raised the goal for the number of stores that can be opened in the existing countries to 155 (110-130)
 - Sweden from 60-70 to 85
 - Norway from 30-35 to 45
 - Finland from 20-25 to 25
- The stores opened in smaller locations have been successful
- Potential exists for greater store density in some larger locations



Byggmax

Financial objectives and dividend policy

- Byggmax's financial targets are:
 - Growth in excess of 15% per year
 - An EBIT margin in excess of 11%
- Dividend policy
 - Dividend of at least 50% of the preceding year's net profit
- Dividend of SEK 1.5 per share for 2010





Financial information

October 19, 2011

Bygghmax

Results trend

Earnings overview	July-September		January-September		12 months	Full year
	2011	2010	2011	2010	October 1, 2010 - September 30, 2011	2010
Net sales, SEK M	1,100.0	1,043.2	2,368.7	2,223.9	2,917.8	2,773.0
Gross margin, percent	30.4	30.3	29.7	29.7	29.7	29.7
EBIT, SEK M	156.6	165.4	227.2	236.9 (253.6 ¹)	265.0	274.8 (291.5 ¹)
EBIT margin, percent	14.2	15.9	9.6	10.7 (11.4 ¹)	9.1	9.9 (10.5 ¹)
Profit after tax, SEK M	111.5	111.0	148.8	152.1 (163.0 ¹)	168.8	172.2 (182.7 ¹)
Earnings per share, SEK	1.8	1.8	2.4	2.5 (2.7 ¹)	2.8	2.8 (3.0 ¹)
Return on shareholders' equity	14.8	16.5	19.1	28.5	21.9	31.7
Cash flow from operating activities per share	0.6	1.1	5.2	5.9	2.7	3.4
Shareholders' equity per share	13.4	12.0	13.4	12.6	13.4	12.3
Number of stores at the end of the period	86	73	86	73	86	73
New stores opened during the period	5	5	13	12	13	12

- Net sales rose 5.4 percent in Q3 and 6.5 percent for the first nine months
- The gross margin was lower than in the year-earlier period.
- Overheads increased in the third quarter, due primarily to the additional costs for stores opened after the third quarter of 2010.

¹ Earnings overview excluding listing costs

Byggmax

Sales trend

The sales increase was divided according to the following:	Jul-Sep 2011	Jan - Sep 2011
Comparable stores, local currency, percent	-5.3	-2.9
Noncomparable units, percent	11.0	10.4
Exchange-rate effects, percent	-0.2	-0.9
Total, percent	5.6	6.6

- Operating income rose by 5.6 percent to SEK 1,101.5 M (1,043.4) in Q3, and by 6.6 percent to SEK 2,372.7 M (2,226.0) for the first nine months of 2011.
- Net sales for comparable stores declined 5.3 percent in local currency in Q3, and declined 2.9 percent during the first nine months of 2011.
- In Q3, net sales amounted to SEK 822.6 M (824.7) in Sweden and to SEK 277.4 M (218.5) in the other countries in the Nordic markets. For the first nine months of the year: in Sweden to SEK 1,824.3 M (1,782.4) and in other countries in the Nordic markets to SEK 544.5 M (441.5).

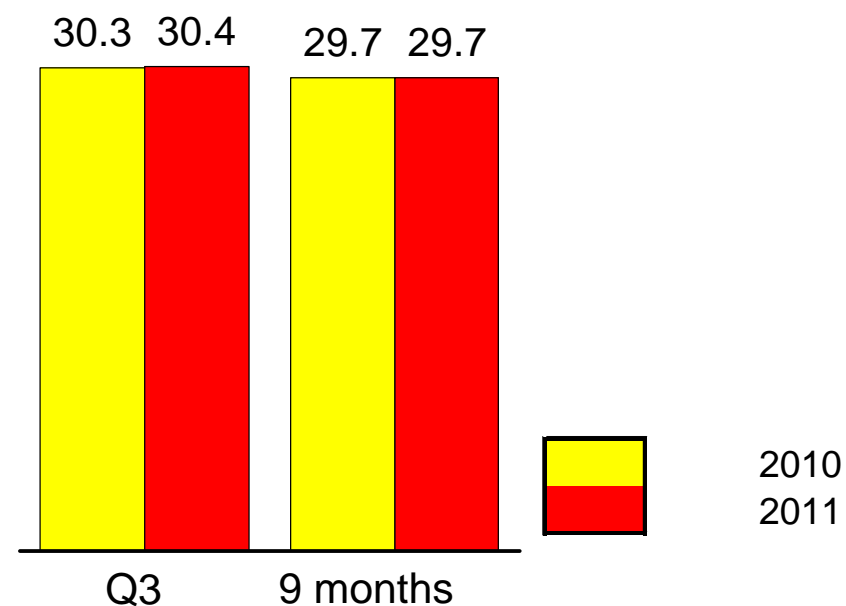
Gross margin

Q3

- The gross margin amounted to 30.4 percent (30.3)

First nine months of the year

- Gross margin 29.7 percent (29.7).



Operating expenses

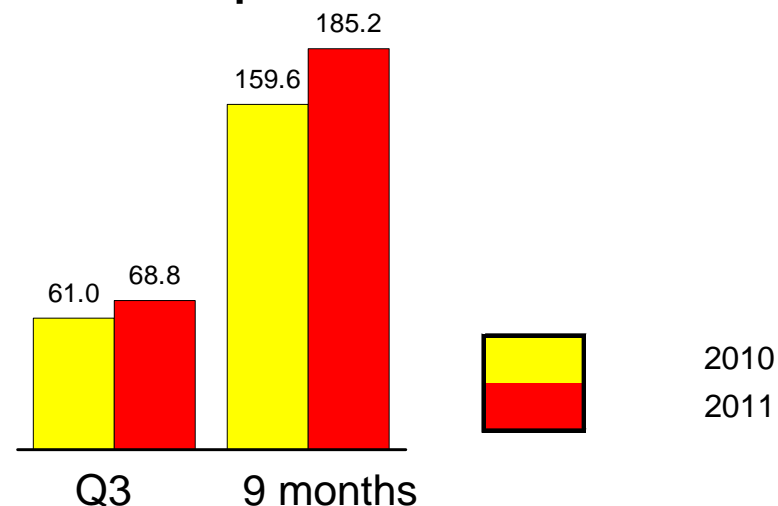
Q3

- Personnel costs and other operating expenses rose a total of SEK 26.6 M.
- This was primarily due to expenses (of SEK 19.7 M) for stores opened after the third quarter of 2010.
- Higher marketing costs, primarily costs of SEK 5.1 M associated with television commercials in Finland and the production of advertising commercials.

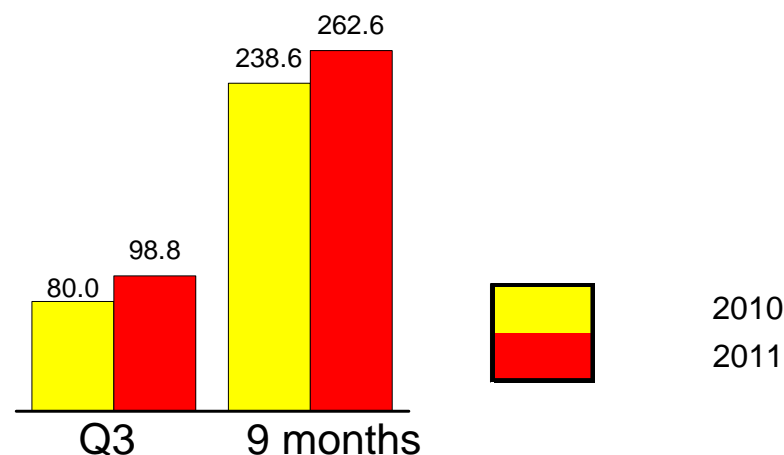
First nine months of the year

- Personnel costs and other operating expenses rose a total of SEK 49.6 M.
- This was primarily due to expenses (of SEK 54.8 M) for stores not opened in the corresponding period of 2010.
- Higher marketing costs, primarily costs of SEK 10.4 M associated with television commercials in Finland and the production of advertising commercials.
- The outcome for the first nine months in 2010 was charged with expenses connected to the stock exchange listing (amounting to SEK 16.7 M).

Personnel expenses



Other operating expenses



Financial items

Loss from financial items	July-September		January-September	
SEK M	2011	2010	2011	2010
Financial Income				
Exchange-rate gains	1.5	1.2	3.9	4.9
Changes in fair value - interest swaps	4.5	0.3	4.5	2.8
Interest income	-0.3	0.2	-0.1	0.6
Other financial income	-0.0	0.0	0.0	0.0
Total	5.6	1.8	8.4	8.3
Financial expenses				
Exchange-rate losses	-4.4	-5.1	-9.7	-9.3
Changes in fair value - interest swaps	0.0	0.1	-5.3	2.3
- interest expenses, bank loans	-2.8	-2.5	-12.7	-15.2
- interest expenses, loans from related parties	0.0	0.0	0.0	-14.1
- interest expenses, reversal of discounting effect on loans from related parties	0.0	0.0	0.0	-2.0
- financial leasing, reversal of discounting effect	-0.6	-0.5	-1.4	-1.4
Other financial expenses	-0.1	0.0	-0.4	-0.1
Total	-7.8	-8.1	-29.6	-39.7
Loss from financial items	-2.2	-6.3	-21.3	-31.4

Financial position and cash flow

Amounts in SEK M	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	12 months	Jan - Dec
	2011	2010	2011	2010	October 1, 2010 - September 30, 2011	2010
Cash flow from operating activities before changes in working capital	150.7	167.5	167.3	228.6	180.3	241.6
Changes in working capital	-114.9	-99.1	146.8	128.5	-15.0	-33.2
Cash flow from operating activities	35.8	68.4	314.0	357.1	165.3	208.4
Cash flow from investing activities	20.2	-12.4	8.2	-30.6	4.1	-34.7
Cash flow from financing activities	-61.2	-72.3	-307.2	326.1	-162.2	-181.1
Cash flow for the period	-5.1	-16.3	15.0	0.4	7.2	-7.4
Cash and cash equivalents at the beginning of the period	40.9	44.9	20.9	28.2	28.6	28.2
Cash and cash equivalents at the end of the period	35.8	28.6	35.8	28.6	35.8	20.9

- Cash flow from operating activities for the third quarter decreased by SEK 32.6 M compared with the year-earlier period. This is mainly due to lower operating income, higher charged provisional tax during the year and reduced tax liability. The good result in 2009 has affected the preliminary tax calculation for 2011.



Condensed financial statements January – September 2011

October 19, 2011

Income statement

Amounts in SEK M	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	12 months	Jan-Dec
	2011	2010	2011	2010	October 1, 2011- September 30, 2011	2010
Net sales	1,100.0	1,043.2	2,368.7	2,223.9	2,917.8	2,773.0
Other operating income	1.5	0.2	3.9	2.1	4.9	3.1
Operating income	1,101.5	1,043.4	2,372.7	2,226.0	2,922.8	2,776.1
Operating expenses						
Goods for sale	-765.3	-726.9	-1,664.9	-1,562.4	-2,050.7	-1,948.2
Other external and operating expenses	-98.8	-80.0	-262.6	-238.6	-323.2	-299.1
Personnel costs	-68.8	-61.0	-185.2	-159.6	-240.3	-214.7
Depreciation, amortization and impairment of tangible and intangible fixed assets	-12.1	-10.1	-32.8	-28.5	-43.5	-39.2
Total operating expenses	-945.0	-878.0	-2,145.5	-1,989.1	-2,657.8	-2,501.3
EBIT	156.6	165.4	227.2	236.9	265.0	274.8
Loss after financial items	-2.2	-6.3	-21.3	-31.4	-27.2	-37.4
Profit before tax	154.4	159.1	205.9	205.5	237.8	237.4
Income tax	-42.9	-48.1	-57.1	-53.4	-69.0	-65.2
Profit for the period	111.5	111.0	148.8	152.1	168.8	172.2

Byggmax

Balance sheet

Amount in SEK M	September 2011	September 2010		September 2011	September 2010
ASSETS			SHAREHOLDERS' EQUITY AND LIABILITIES		
Fixed assets			Shareholders' equity	810.9	728.4
Intangible fixed assets	1,069.9	1,062.6			
Tangible fixed assets	143.0	128.4	Liabilities		
Financial fixed assets	18.4	11.8	Borrowing from credit institutions	168.3	278.7
Total fixed assets	1,231.2	1,202.8	Deferred tax liabilities	53.6	39.9
			Long-term liabilities	221.9	318.6
Current assets					
Inventories	417.8	364.0	Borrowing from credit institutions	123.3	49.5
Derivatives	0.0	5.8	Accounts payable	492.0	453.9
Current receivables	87.1	92.1	Current tax liabilities	27.1	69.6
Cash and cash equivalents	39.7	41.8	Derivative instruments	2.2	5.1
Total current assets	544.6	503.8	Other liabilities	38.4	31.4
			Accrued expenses and deferred income	60.0	50.1
TOTAL ASSETS	1,775.8	1,706.6	Current liabilities	743.0	659.6
			TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,775.8	1,706.6
			Pledged assets - shares in subsidiaries	820.0	635.4
			Pledged assets - chattel mortgages	120.0	120.0
			Contingent liabilities	None	None

Cash-flow statement

Amounts in SEK M	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	12 months	Jan-Dec
	2011	2010	2011	2010	October 1, 2010- September 30, 2011	2010
Cash flow from operating activities						
EBIT	156.6	165.4	227.2	236.9	265.0	274.8
Non-cash items						
- Depreciation/amortization of tangible and intangible fixed assets	12.1	10.3	32.8	28.4	43.3	38.9
- Capital gains from divestment of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
- Other non-cash items	0.3	-0.8	1.4	-2.4	2.0	-1.8
Interest received	1.2	1.5	4.9	6.5	5.2	6.8
Interest paid	-7.8	-8.2	-25.4	-26.9	-30.8	-32.3
Tax paid	-11.6	-0.8	-73.6	-14.0	-104.5	-44.8
Cash flow from operating activities before changes in working capital	150.7	167.5	167.3	228.6	180.3	241.6
Changes in working capital						
Increase/decrease in inventories and work in progress	37.9	14.2	-87.6	-67.0	-74.4	-53.8
Increase/decrease in other current receivables	-12.7	-10.8	-29.7	8.1	-3.9	34.0
Increase/decrease in other current liabilities	-140.1	-102.5	264.1	187.4	63.3	-13.4
Cash flow from operating activities	35.8	68.4	314.0	357.1	165.3	208.4

Cash-flow statement continued

Amounts in SEK M	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	12 months	Jan-Dec
	2011	2010	2011	2010	October 1, 2010- September 30, 2011	2010
Cash flow from investing activities						
Investment in intangible fixed assets	-2.8	-2.4	-9.4	-4.2	-12.2	-7.0
Investment in tangible fixed assets	-6.8	-10.0	-18.6	-23.1	-20.0	-24.5
Divestment of tangible fixed assets	0.0	0.0	-0.1	1.0	-0.1	0.9
Acquisition of financial fixed assets	0.0	0.0	0.0	0.1	0.0	0.0
Investment in other financial fixed assets	3.0	0.0	9.4	-10.6	9.5	-10.4
Investment in subsidiaries	0.0	0.0	0.0	6.2	0.0	6.2
Proceeds from sale of subsidiaries	26.8	0.0	26.8	0.0	26.8	0.0
Cash flow from investing activities	20.2	-12.4	8.2	-30.6	4.1	-34.7
Cash flow from financing activities						
New share issue/ share premium reserve	0.0	0.0	3.8	0.0	3.8	0.0
Change in overdraft facility	25.2	-66.9	-121.2	23.3	29.7	174.2
Borrowings	0.0	0.0	0.0	249.7	0.0	249.7
Shareholders' dividends paid	0.0	0.0	-91.1	0.0	-91.1	0.0
Amortization of loans	-86.4	-5.4	-98.8	-599.2	-104.6	-605.0
Cash flow from financing activities	-61.2	-72.3	-307.2	326.1	-162.2	-181.1
Cash flow for the period	-5.1	-16.3	15.0	0.4	7.2	-7.4
Cash and cash equivalents at the beginning of the period	40.9	44.9	20.9	28.2	28.6	28.2
Cash and cash equivalents at the end of the period	35.8	28.6	35.8	28.6	35.8	20.9

¹ Note that cash and cash equivalents in the cash flow are adjusted for blocked bank funds

Largest shareholders at September 30, 2011

Name/Address	Number of shares	Holding (%)
ALTOR 2003 Sarl	21 720 908	35,76%
Lannebo fonder	3 817 227	6,28%
ZAMGATE INVESTMENTS (Stig Notlöv)	3 078 042	5,07%
Schroder Investment Management North America, Inc./New York	2 795 000	4,60%
JARRTON MANAGEMENT (Göran Peterson)	2 381 296	3,92%
Swedbank Robur fonder	1 791 892	2,95%
LIVFÖRSÄKRINGSAB SKANDIA (PUBL)	1 623 015	2,67%
GAM London Ltd.	1 528 150	2,52%
ULSLANE HOLDINGS (Lars Lindberg)	1 363 910	2,25%
Schroder Investment Management Ltd./London	1 097 169	1,81%
Total ten largest shareholders (grouped by shareholders) – based on holding	41 196 609	67,83%
Total other shareholders	19 540 436	32,17%
Total, September 30, 2011	60 737 045	100.00%