



Interim report January-September 2012

October 26, 2012

Magnus Agervald and Pernilla Walfridsson

Summary January – September 2012

During the third quarter, Byggmax increased EBIT by SEK 4.9 M

- Net sales amounted to SEK 1,093.0 M (1,100.0) in Q3 and SEK 2,502.5 M (2,368.7) for the first nine months of the year.
- Net sales for comparable stores declined 5.7 percent (declined 5.3) in Q3 and declined 1.0 percent (declined 1.9) for the first nine months of the year.
- EBIT totaled SEK 161.5 M (156.6) in Q3 and SEK 216.4 M (227.2) for the first nine months of the year.
- The EBIT margin was 14.8 percent (14.2) in Q3 and 8.6 percent (9.6) for the first nine months of the year.
- Earnings per share amounted to SEK 1.9 (1.8) per share in Q3 and SEK 2.4 (2.4) for the first nine months of the year.

Summary January – September 2012

- Eight (thirteen) new stores were opened
 - Two (three) stores were opened in the first quarter: Two in Norway
 - Four (five) stores were opened in the second quarter: Three in Sweden and one in Norway
 - Two (five) stores were opened in the third quarter: One in Sweden and one in Finland
- Daniel Juhlin has taken up his position as the new Marketing and IT Manager

Bygghmax

Stores – 8 stores were opened in 2012, 10-15 openings are planned for 2013

	Sweden	Norway	Finland
Number of stores, Q3 2012	1	0	1
Planned openings, Q4 2012	0	0	0
Planned openings, 2012	4	3	1

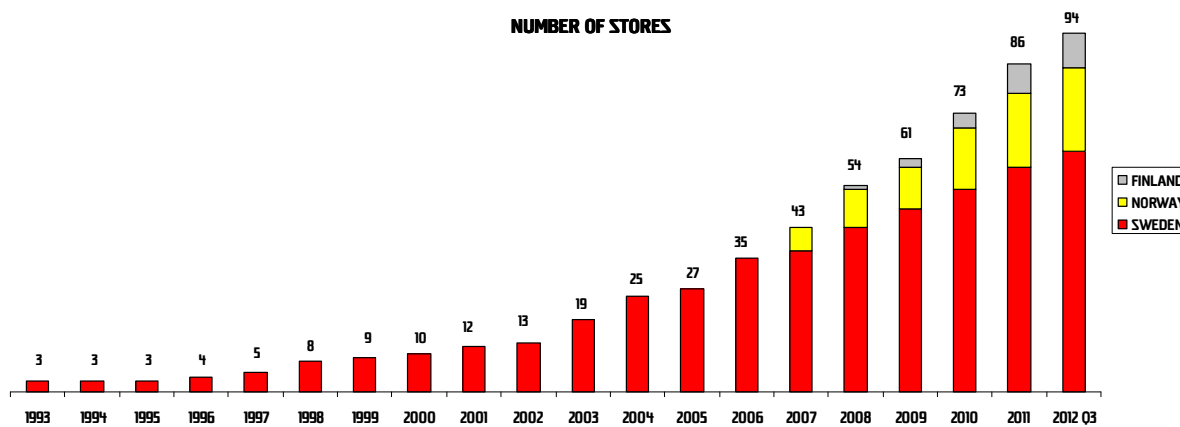
Store network at September 30, 2012

The following establishments have been announced:

- Sweden: Sisjön, Smedjebacken, Eslöv and Malmö
- Norway: Moss, Askim and Stord
- Finland: Oulu

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

Bygghmax plans to open 10-15 stores during 2013.



Byggmax

Byggmax wins price surveys

- Byggmax parquet flooring was rated “Best in test” in the quality survey performed by the independent Swedish test and research company Testfakta.
- Earlier in the year Byggmax won a number of price surveys.



FLERFALDIG TESTVINNARE

VÅRT STÄNDIGA MÅL är att ge dig låga priser på byggmaterial av bra kvalitet. Därför känns det extra roligt att kamma hem testvinster som bekräftar att vi lyckas med just det. Dessutom gör det underverk för motivationen att bli ännu bättre.

Så räkna kallt med testvinnande priser även i framtiden. :)

Vinnare på 28 av 28 orter
I Matvaruprisers test under vecka 14 2012 där priset på en altan jämfördes var Byggmax vinnare på 28 av 28 orter.

Vinnare i DN:s prisjämförelse
Byggmax utsågs till vinnare när Dagens Nyheter den 24 juni 2012 jämförde priset på material till en 6x3m stor altan med plasttak. Materialkostnaden hos Byggmax var 9 724 kr. Priset hos närmaste konkurrent var 12 146 kr, eller 25% dyrare.

Bäst golv i test
I Testfaktas parketttest den 31 aug 2012 där golv från 8 tillverkare jämfördes fick vårt nya golv, ek 3-stav, lackad, 14mm från Barlinek högst betyg på slitstyrka. Golvet blev även slutgiltigt testvinnare.

Byggmax = lågt pris enligt villapanelen
50% av männen samt 34% av kvinnorna i Vi i villas villapanel under maj 2012 förknippar Byggmax med låga priser. Motsvarande siffror för närmaste konkurrent var 6% respektive 7%.

Jämför själv priser på
byggmax.se

Byggmax

Top climber in “Årets Börsbolag” (“Listed Company of the Year”)

- The Årets Börsbolag survey evaluates the company's financial communication
- In this year's survey, Årets börsbolag 2011, Byggmax finished in third place
- Byggmax was the company that had raised its points score more than any other company evaluated since the preceding year's survey



Byggmax

Byggmax increases the store product range - Byggmax 2.0

The investment in our distribution hub means that store inventory levels have decreased and will further decline in the future.

The potential represented by the space thus created means that Byggmax can increase the product range of stores and thereby increase income per store.

During the next fiscal year, Byggmax will start the transition to Byggmax 2.0 with tests on stores in Sweden ahead of a definitive roll-out.

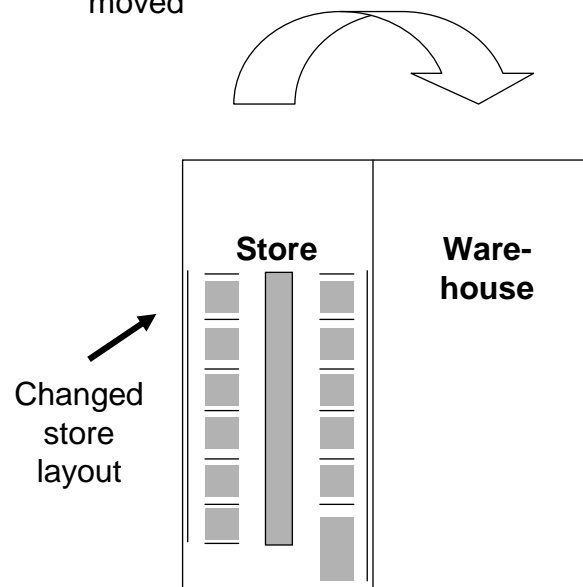
Testing will cover the increased product range as well as a new store layout with additional areas, such as “Paint”, and a makeover of the stores in terms of interior and lighting.

One of the goals is that customers will go to a specialist store, such as a Kitchen retailer when they wish to supplement Byggmax’s offering.

Yard

Lysekil has decreased the inventory levels, primarily in the Warehouse

Some products that currently are sold in the store are better suited to be sold in the warehouse (e.g. windows & doors) and will be moved





Financial information

October 26, 2012

Bygghmax

Results trend

Earnings overview	July - September		January - September		12 months	Full year
	2012	2011	2012	2011	Oct 1, 2011 - Sep 30, 2012	2011
Net sales, SEK M	1,093.1	1,100.0	2,502.5	2,368.7	3,120.8	2,987.1
Gross margin, percent	30.6	30.4	29.6	29.7	30.0	30.1
EBIT, SEK M	161.5	156.6	216.4	227.2	266.8	277.5
EBIT margin, percent	14.8	14.2	8.6	9.6	8.5	9.3
Profit/loss after tax, SEK M	113.5	111.5	143.5	148.8	176.9	182.2
Earnings per share, SEK	1.9	1.8	2.4	2.4	2.9	3.0
Return on shareholders' equity	13.8	14.8	16.7	19.1	21.0	22.9
Cash flow from operating activities per shares, SEK	-0.9	0.6	5.8	5.2	2.2	1.5
Shareholders' equity per share, SEK	14.4	13.4	14.4	13.4	14.4	13.9
Number of stores at the end of the period	94	86	94	86	94	86
New stores opened during the period	2	5	8	13	8	13

- Net sales declined by 0.6 percent in Q3
- The gross margin was 0.2% higher than in Q3 the preceding year.
- Overheads decreased in Q3. This was primarily attributable to costs for stores opened after Q3 2011 and marketing being brought forward compared with 2011.

Sales trend

The sales increase was divided according to the following:	July-September 2012	Januari - September 2012
Comparable stores, local currency, percent	-5.7	-1.0
Non-comparable units, percent	6.2	6.8
Currency effects, percent	-1.1	-0.2
Total, percent	-0.5	5.7

- The operation's net sales were SEK 1,093.1 M (1,100.0) in Q3, down 0.6 percent and for the first nine months totaled SEK 2,502.5 M (2,368.7), up 5.6 percent.
- Net sales for comparable stores declined by 5.7 percent in local currency in Q3 and for the first nine months were down 1.0 percent.
- In Q3, net sales amounted to SEK 799.1 M (822.6) in Sweden and to SEK 294.0 M (277.4) in the other Nordic markets. For the first nine months net sales amounted to SEK 1,841.4 M (1,824.3) in Sweden and to SEK 661.0 M (544.5) in the other Nordic markets.

Byggmax

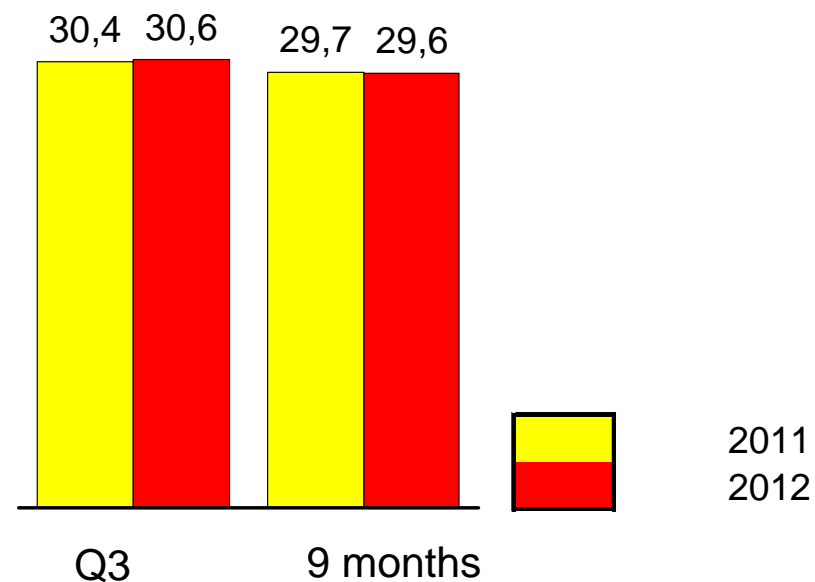
Gross margin

Q3

- Gross margin 30.6 percent (30.4)

First nine months of the year

- Gross margin 29.6 percent (29.7)



Operating expenses

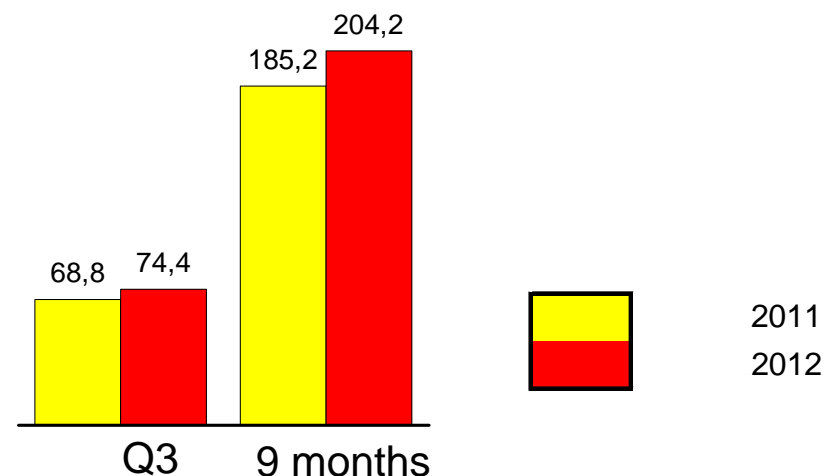
Q3

- Personnel and other operating expenses declined by SEK 5.9 M.
- This was primarily attributable to expenses of SEK 12.1 M for stores opened after Q3 2011.
- Marketing costs were SEK 14.3 M lower compared with the year-earlier period due to marketing being brought forward in 2012 compared with the year-earlier period.

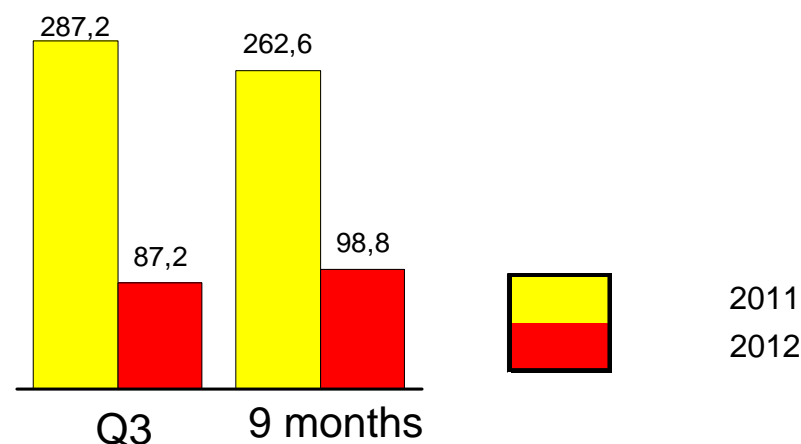
First nine months of the year

- Personnel and other operating expenses rose by SEK 43.5 M.
- This was primarily attributable to expenses of SEK 40.3 M for stores opened after Q3 2011.

Personnel expenses



Other operating expenses



Net financial items

Loss from financial items	July-September		January-September	
SEK M	2012	2011	2012	2011
Financial income				
Exchange-rate gains	2.6	1.5	7.0	3.9
Changes in fair value – interest swaps and currency derivatives	1.5	4.5	5.3	4.5
Interest income	0.0	-0.3	0.0	-0.1
Other financial income	0.0	0.0	0.0	0.0
Total financial income	4.2	5.6	12.4	8.4
Financial expenses				
Exchange-rate losses	-4.0	-4.4	-9.1	-9.7
Changes in fair value – interest swaps and currency derivatives	-0.6	0.0	-6.8	-5.3
- interest expenses, bank loans	-3.1	-2.8	-11.7	-12.7
- interest expenses, loans from related parties	0.0	0.0	0.0	0.0
- interest expenses, reversal of discounting effect on loans from related parties	0.0	0.0	0.0	0.0
- financial leasing, reversal of discounting effect	-0.5	-0.6	-1.5	-1.4
Other financial expenses	-0.3	-0.1	-0.4	-0.4
Total financial expenses	-8.5	-7.8	-29.4	-29.6
Loss from financial items	-4.3	-2.2	-17.0	-21.3

- Net financial items declined by SEK 2.1 M in Q3 year on year, which was primarily attributable to fair-value measurements of currency-hedging instruments.

Financial position and cash flow

Amounts in SEK M	July 1, 2012 September 30, 2012	July 1, 2011 September 30, 2011	January 1, 2012 September 30, 2012	January 1, 2011 September 30, 2011	October 1, 2011 September 30, 2012	January 1, 2011 December 31, 2011
Cash flow from operating activities before changes in working capital	143.4	150.7	195.8	167.3	241.6	213.1
Changes in working capital	-200.4	-114.9	157.1	146.8	-110.3	-120.6
Cash flow from operating activities	-57.0	35.8	352.8	314.0	131.3	92.5
Cash flow from investing activities	-14.9	20.2	-56.7	8.2	-74.1	-9.2
Cash flow from financing activities	78.7	-61.2	-249.4	-307.2	-35.9	-93.7
Cash flow for the period	6.9	-5.1	46.7	15.0	21.3	-10.4
Cash and cash equivalents at the beginning of the period	50.3	40.9	10.5	20.9	35.8	20.9
Cash and cash equivalents at the end of the period	57.2	35.8	57.2	35.8	57.2	10.5

- Cash flow from operating activities in Q3 declined SEK 92.8 M year on year. This was principally attributable to higher inventory levels and lower accounts payable. The accounts payable is lower due to lower purchases in the third quarter and due to shorter credit periods for purchases of goods, primarily from Asia, than Byggmax's average credit periods.
- Cash flow from investing activities was impacted by Byggmax's decision to invest in equipment that had previously been leased. New leasing declined from SEK 44.3 M for the first nine months in Q3, 2011 to SEK 2.5 M for the first nine months in 2012.



Condensed financial statements January – September 2012

October 26, 2012

Byggmax

Income statement

Amounts in SEK M	Jul 1, 2012	Jul 1, 2011	Jan 1, 2012	Jan 1, 2011	Oct 1, 2011	Jan 1, 2011
	Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Sep 30, 2011	Sep 30, 2012	Dec 31, 2011
Net sales	1,093.1	1,100.0	2,502.5	2,368.7	3,120.8	2,987.1
Other operating income	2.5	1.5	5.3	3.9	6.4	5.0
Operating income	1,095.6	1,101.5	2,570.8	2,372.7	3,127.2	2,992.1
Operating expenses						
Goods for sale	-758.6	-765.3	-1,761.2	-1,664.9	-2,184.3	-2,088.0
Other external and operating expenses	-87.2	-98.8	-287.2	-262.6	-358.4	-333.9
Personnel costs	-74.4	-68.8	-204.2	-185.2	-266.1	-247.1
Depreciation, amortization and impairment of tangible and intangible fixed assets	-13.8	-12.1	-38.8	-32.8	-51.6	-45.6
Total operating expenses	-934.1	-945.0	-2,291.3	-2,145.5	-2,860.4	-2,714.6
EBIT	161.5	156.6	216.4	227.2	266.8	277.5
Loss after financial items	-4.3	-2.2	-17.0	-21.3	-21.6	-25.8
Profit before tax	157.2	154.4	199.4	205.9	245.1	251.6
Income tax	-43.7	-42.9	-55.9	-57.1	-68.2	-69.5
Profit/loss for the period	113.5	111.5	143.5	148.8	176.9	182.2

Byggmax

Balance sheet

Amounts in SEK M	Sep 30, 2012	Sep 30, 2011	Dec 31, 2011	Amounts in SEK M	Sep 30, 2012	Sep 30, 2011	Dec 31, 2011
ASSETS				SHAREHOLDERS' EQUITY AND LIABILITIES			
Fixed assets				Shareholders' equity	876.5	810.9	844.4
Intangible fixed assets	1,077.7	1,069.9	1,072.6	Liabilities			
Tangible fixed assets	153.1	143.0	140.5	Borrowing from credit institutions	21.1	168.3	166.3
Financial fixed assets	5.5	18.4	5.1	Deferred tax liabilities	64.8	53.6	64.5
Total fixed assets	1,236.3	1,231.2	1,218.2	Long-term liabilities	85.9	221.9	230.8
Current assets				Borrowing from credit institutions	349.7	123.3	344.0
Inventories	491.1	417.8	424.9	Accounts payable	454.4	492.0	268.9
Derivatives	0.0	0.0	0.6	Current tax liabilities	17.9	27.1	4.5
Current receivables	99.3	87.1	99.1	Derivative instruments	0.8	2.2	0.0
Cash and cash equivalents	69.5	39.7	22.8	Other liabilities	43.8	38.4	12.6
Total current assets	659.9	544.6	547.5	Accrued expenses and prepaid income	67.3	60.0	60.6
TOTAL ASSETS	1,896.2	1,775.8	1,765.8	Current liabilities	933.8	743.0	690.6
				TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,896.2	1,775.8	1,765.8
				Pledged assets - Shares in subsidiaries	995.2	820.0	845.6
				Pledged assets – Chattel mortgages	120.0	120.0	120.0
				Pledged assets – Blocked funds	12.3	3.8	12.3
				Contingent liabilities	None	None	None

Cash-flow statement

Amounts in SEK M	Jul 1, 2012 Sep 30, 2012	Jul 1, 2011 Sep 30, 2011	Jan 1, 2012 Sep 30, 2012	Jan 1, 2011 Sep 30, 2011	Oct 1, 2011 Sep 30, 2012	Jan 1, 2011 Dec 31, 2011
Cash flow from operating activities						
EBIT	161.5	156.6	216.4	227.2	266.8	277.5
Non-cash items						
- Depreciation/amortization of tangible and intangible fixed assets	13.8	12.1	38.4	32.8	51.1	45.6
- Other non-cash items	-1.0	0.3	-0,7	1.4	0.2	2.3
Interest received	2.7	1.2	7.0	4.9	8.1	6.0
Interest paid	-7.9	-7.8	-22.6	-25.4	-30.9	-33.7
Tax paid	-25.7	-11.6	-42.7	-73.6	-53.6	-84.5
Cash flow from operating activities before changes in working capital	143.4	150.7	195.8	167.3	241.6	213.1
Changes in working capital						
Increase/decrease in inventories and work in progress	35.2	37.9	-67.9	-87.6	-73.3	-93.0
Increase/decrease in other current receivables	8.5	-12.7	1.6	-29.7	-12.1	-43.4
Increase/decrease in other current liabilities	-244.1	-140.1	223.4	264.1	-24.9	15.8
Cash flow from operating activities	-57.0	35.8	352.8	314.0	131.3	92.5

Cash-flow statement continued

Amounts in SEK M	Jul 1, 2012 Sep 30, 2012	Jul 1, 2011 Sep 30, 2011	Jan 1, 2012 Sep 30, 2012	Jan 1, 2011 Sep 30, 2011	Oct 1, 2011 Sep 30, 2012	Jan 1, 2011 Dec 31, 2011
Cash flow from investing activities						
Investment in intangible fixed assets	-2.1	-2.8	-10.9	-9.4	-15.2	-13.7
Investment in tangible fixed assets	-12.8	-6.8	-45.7	-18.6	-50.1	-23.0
Divestment of tangible fixed assets	0.0	0.0	-0.1	-0.1	-0.1	-0.1
Investment in other financial fixed assets	0.1	3.0	0.0	9.4	8.5	0.9
Investment in subsidiaries	0.0	0.0	0.0	0.0	-0.2	-0.2
Proceeds from sale of subsidiaries	0.0	26.8	0.0	26.8	0.0	26.8
Cash flow from investing activities	-14.9	20.2	-56.7	8.2	-74.1	-9.2
Cash flow from financing activities						
New issue	0.0	0.0	0.0	3.8	0.0	3.8
Change in overdraft facility	254.8	25.2	50.2	-121.2	270.5	99.1
Dividend to shareholders	0.0	0.0	-109.3	-91.1	-109.3	-91.1
Amortization of loans	-176.1	-86.4	-190.3	-98.8	-197.0	-105.5
Cash flow from financing activities	78.7	-61.2	-249.4	-307.2	-35.9	-93.7
Cash flow for the period	6.9	-5.1	46.7	15.0	21.3	-10.4
Cash and cash equivalents at the beginning of the period	50.3	40.9	10.5	20.9	35.8	20.9
Cash and cash equivalents at the end of the period	57.2	35.8	57.2	35.8	57.2	10.5

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

Largest shareholders at September 30, 2012

Name/Address	Number of shares	Holding (%)
ALTOR 2003 Sarl	21 720 908	35,76
Lannebo fonder	6 035 227	9,94
ZAMGATE INVESTMENTS (Stig Notlöv)	3 078 042	5,07
Schroder Investment Management North America, Inc.	2 497 084	4,11
Handelsbanken fonder	2 434 396	4,01
JARRTON MANAGEMENT (Göran Peterson)	2 381 296	3,92
ÖRESUND, INVESTMENT AB	1 912 914	3,15
Norges Bank Investment Management	1 742 210	2,87
ULSLANE (Lars Lindberg)	1 715 000	2,82
T. Rowe Price International Ltd.	1 089 764	1,79
Total ten largest shareholders (grouped by shareholders) – based on holding	44 606 841	73,44
Total other shareholders	16 130 204	26,56
Total, September 30, 2012	60 737 045	100,00