



# **Interim report January-March 2013**

April 19, 2013

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## **Summary January – March 2013**

Byggmax captures market shares in a declining market.

- Net sales amounted to SEK 431.9 M (451.4) in Q1.
- Net sales for comparable stores declined 8.8 percent (+14.6) in Q1.
- EBIT totaled SEK -27.4 M (-9.6) in Q1.
- The EBIT margin was -6.4 percent (-2.1) in Q1.
- Earnings per share amounted to SEK -0.4 (-0.2) per share in Q1.

**Byggmax**

# **Summary January – March 2013**

- One (two) new store was opened
- First Byggmax 2.0 store completed in line with the new concept.

# Bygghmax

## Stores – 10-15 openings are planned for 2013

	Sweden	Norway	Finland
Number of stores, Q1 2013	1	0	0
Planned openings, Q2 2013	4	2-3	1
Planned openings, 2013	5-7	3-4	2-4

### Store network at March 31, 2013

The following establishments have been announced:

- Sweden: Karlskoga (opened), Torslanda, Sandviken, Härnösand and Arvika
- Norway: Askøy and Haugenstua (Oslo)
- Finland: Kangasala and Seinäjoki

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

## First Byggmax 2.0 store launched in Åkersberga

The first store has been completed under the new concept and is located in Åkersberga.

The store layout, display of goods and lighting have all been updated, a showroom for online goods added and, in addition, about 1,000 new products. The new challenge is to manage all of the above without changing the cost situation.

An additional three stores will be converted during the second quarter.

The concept will be refined during the selling season to be evaluated thereafter. We are convinced that this will be a boost for Byggmax.





# Byggmax

## Byggmax's website is the winner of the e-commerce category in *Internetworld's* top 100 comparison

Byggmax won the categories for Best Interim Report and best Investor Relations Website for Mid Cap companies in the *Listed Company of the Year* contest .

The motivation was as follows:

Byggmax's interim report comprises an informative President's comments with a concise description of the company and a clear explanation of the company's value drivers. With 18 of a possible 19 points, Byggmax was awarded the highest number of points of any company on the NASDAQ OMX Stockholm Mid Cap list and a second place among all companies in the Best Interim Report category.

The *Listed Company of the Year* contest is Sweden's largest competition in financial communication. It is arranged by Kanton with the Swedish Shareholders Association and NGM as main sponsors.



### 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 26 av 28 orter**  
I Matvaruprisers test under vecka 14 2012 där priset på en altan jämfördes var Byggmax vinnare på 26 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 = lägst 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**

## **The Board of Directors proposes a dividend of SEK 2.0 per share**

- The Board of Directors proposes a dividend of SEK 2.0 per share
- Byggmax dividend policy is to distribute at least 50 percent of net profits for the year





# Financial information

April 19, 2013



# Byggmax

## Results trend

Earnings overview	January - March		12 months	Full year
	2013	2012	April 1, 2012 - March 31, 2013	2012
Net sales, SEK M	431.9	451.4	3,070.8	3,090.4
Gross margin, percent	29.9	29.3	29.9	30.2
EBIT, SEK M	-27.4	-9.6	234.4	252.2
EBIT margin, percent	-6.4	-2.1	7.6	8.2
Profit/loss after tax, SEK M	-23.2	-13.0	169.6	179.8
Earnings per share, SEK	-0.4	-0.2	2.8	3.0
Return on shareholders' equity	-2.6	-1.6	19.7	20.4
Cash flow from operating activities per shares, SEK	0.9	1.7	2.8	3.6
Shareholders' equity per share, SEK	14.6	13.7	14.6	15.1
Number of stores at the end of the period	95	88	95	94
New stores opened during the period	1	2	7	8

- Net sales declined by 4.3 percent in Q1
- The gross margin was 0.6 % higher than in Q1 the preceding year.
- Operating costs increased during the first quarter, primarily due to costs for stores opened after the first quarter 2012. Other factors included higher costs for electricity and snow clearance, increased investment in content for the Byggmax website and costs for implementing Byggmax 2.0.

# Byggmax

## Sales trend

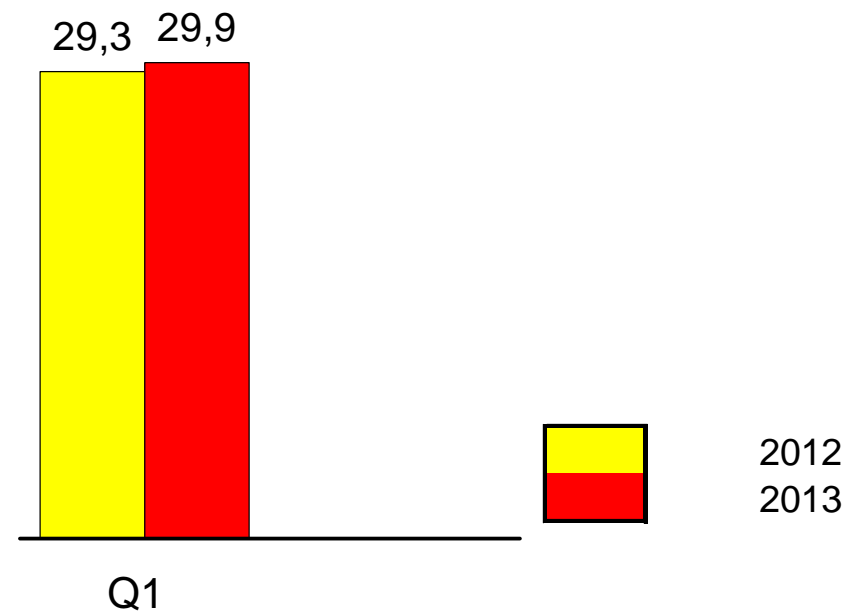
The sales increase was divided according to the following:	January - March 2013	January - March 2012
Comparable stores, local currency, percent	-8.8	14.6
Non-comparable units, percent	5.1	6.8
Currency effects, percent	-0.6	0.8
Total, percent	-4.3	22.2

- The operation's net sales were SEK 431.9 M (451.4) in Q4, down 4.3 percent.
- Net sales for comparable stores declined by 8.8 (+14.6) percent in local currency in Q1.
- In Q1, net sales amounted to SEK 326.4 M (337.9) in Sweden and to SEK 105.5 M (113.6) in the other Nordic markets.

## Gross margin

### Q1

- Gross margin 29.9 percent (29.3)
- The largest contributory factor to the higher gross margin is the reduction in purchase prices. At the end of the quarter, prices of certain key products were reduced as a way of investing in better prices.



## Operating expenses

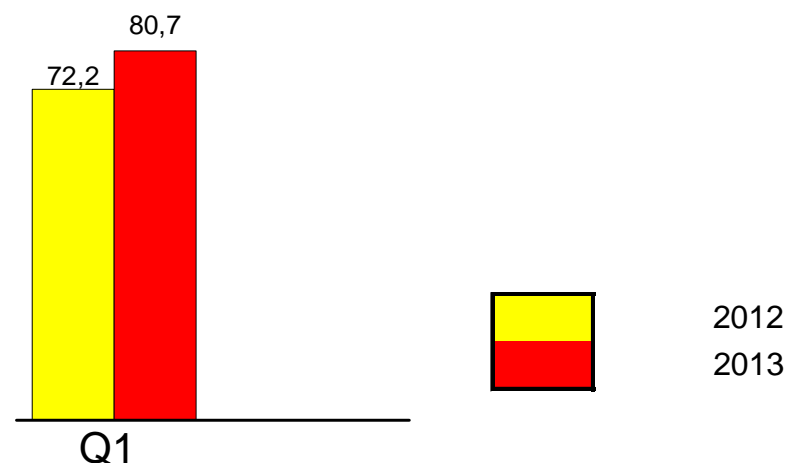
### Q1

- Personnel and other operating expenses rose by SEK 13.9 M.
- This was primarily attributable to expenses of SEK 7.4 M for stores opened after Q1 2012.
- Costs have been trimmed since the preceding year however, in parallel, costs for electricity and snow clearing increased SEK 1.7 million because of the weather, marketing costs increased SEK 3.6 M and costs attributable to Byggmax 2.0 were SEK 1.4 M in the first quarter. Byggmax has also increased its head office staff, primarily due to the e-commerce and web marketing initiatives.

### Personnel expenses



### Other operating expenses



# Byggmax

## Net financial items

Loss from financial items	January - March	
SEK M	2013	2012
Financial income		
Exchange-rate gains	0.6	3.5
Changes in fair value – interest swaps and currency derivatives	1.5	2.2
Interest income	0.0	0.0
Other financial income	0.0	0.0
Total financial income	2.1	5.7
Financial expenses		
Exchange-rate losses	-0.5	-2.5
Changes in fair value – interest swaps and currency derivatives	-0.1	-6.1
- interest expenses, bank loans	-4.3	-5.0
- interest expenses, loans from related parties	0.0	0.0
- interest expenses, reversal of discounting effect on loans from related parties	0.0	0.0
- financial leasing, reversal of discounting effect	-0.3	-0.5
Other financial expenses	-0.1	0.0
Total financial expenses	-5.2	-14.2
Loss from financial items	-3.0	-8.4

- Net financial items improved by SEK 5.4 M in Q1 year on year, which was primarily attributable to fair-value measurements of currency-hedging instruments.



# Byggmax

## Financial position and cash flow

Amounts in SEK M	January 1, 2013 March 31, 2013	January 1, 2012 March 31, 2012	April 1, 2012 March 31, 2013	January 1, 2012 December 31, 2012
Cash flow from operating activities before changes in working capital	-15.8	-2.9	222.7	235.5
Changes in working capital	71.5	107.4	-50.9	-15.0
Cash flow from operating activities	55.7	104.5	171.8	220.5
Cash flow from investing activities	-15.6	-12.3	-88.6	-85.3
Cash flow from financing activities	-24.3	-65.6	-80.8	-122.2
Cash flow for the period	15.8	26.5	2.4	13.1
Cash and cash equivalents at the beginning of the period	23.6	10.5	37.0	10.5
Cash and cash equivalents at the end of the period	39.4	37.0	39.4	23.6

- Cash flow from operating activities for Q1 declined by SEK 48.8 M year-on-year.
- Cash flow for the first quarter 2012 was impacted by a higher accounts payable compared with the same period in 2011, this was due to Byggmax paying suppliers early against a discount for an extended period in the fourth quarter in 2011.



# **Condensed financial statements January – March 2013**

April 19, 2013

# Byggmax

## Income statement

Amounts in SEK M	January 1, 2013	January 1, 2012	April 1, 2012	January 1, 2012
	March 31, 2013	March 31, 2012	March 31, 2013	December 31, 2012
Net sales	431.9	451.4	3,070.8	3,090.4
Other operating income	1.5	1.0	7.7	7.2
Operating income	433.4	452.4	3,078.6	3,097.6
Operating expenses				
Goods for sale	-302.5	-319.1	-2,142.0	-2,158.6
Other external and operating expenses	-80.7	-72.2	-369.3	-360.9
Personnel costs	-64.3	-58.8	-278.0	-272.6
Depreciation, amortization and impairment of tangible and intangible fixed assets	-13.4	-11.9	-54.9	-53.4
Total operating expenses	-460.9	-462.0	-2,844.2	-2,845.4
EBIT	-27.4	-9.6	234.7	252.2
Loss after financial items	-3.0	-8.4	-15.3	-20.7
Profit before tax	-30.5	-18.0	219.1	231.5
Income tax	7.2	5.0	-49.6	-51.7
Profit/loss for the period	-23.2	-13.0	169.6	179.8

# Byggmax

## Balance sheet

Amounts in SEK M	March 31, 2013	March 31, 2012	Dec 31, 2012	Amounts in SEK M	March 31, 2013	March 31, 2012	Dec 31, 2012
<b>ASSETS</b>				<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Fixed assets				Shareholders' equity	887.7	830.5	914.2
Intangible fixed assets	1,079.3	1,073.9	1,078.9				
Tangible fixed assets	174.6	140.8	174.8	Liabilities			
Financial fixed assets	27.4	6.2	12.8	Borrowing from credit institutions	13.0	161.2	17.2
<b>Total fixed assets</b>	<b>1,281.2</b>	<b>1,221.0</b>	<b>1,266.5</b>	Deferred tax liabilities	65.4	64.8	65.2
				<b>Long-term liabilities</b>	<b>78.4</b>	<b>226.0</b>	<b>82.4</b>
Current assets							
Inventories	479.0	471.3	465.8	Borrowing from credit institutions	462.7	285.1	483.5
Derivatives	1.9	0.0	0.5	Accounts payable	374.5	392.4	278.7
Current receivables	79.0	88.1	86.8	Current tax liabilities	0.0	0.0	3.8
Cash and cash equivalents	49.0	49.4	33.9	Derivatives	0.0	3.3	0.0
<b>Total current assets</b>	<b>609.0</b>	<b>608.8</b>	<b>587.0</b>	Other liabilities	16.5	17.4	20.7
				Accrued expenses and prepaid income	70.4	75.1	70.3
<b>TOTAL ASSETS</b>	<b>1,890.2</b>	<b>1,829.7</b>	<b>1,853.5</b>	<b>Current liabilities</b>	<b>924.1</b>	<b>773.2</b>	<b>856.9</b>
				<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,890.2</b>	<b>1,829.7</b>	<b>1,853.5</b>
				Pledged assets - Shares in subsidiaries	1,000.0	743.6	1,022.9
				Pledged assets – Chattel mortgages	120.0	120.0	120.0
				Pledged assets – Blocked funds	9.7	12.3	10.3
				Contingent liabilities	None	None	None

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## Cash-flow statement

Amounts in SEK M	Jan 1, 2013 Mar 31, 2013	Jan 1, 2012 Mar 31, 2012	Apr 1, 2012 Mar 31, 2013	Jan 1, 2012 Dec 31, 2012
Cash flow from operating activities				
EBIT	-27.4	-9.6	234.4	252.2
Non-cash items				
- Depreciation/amortization of tangible and intangible fixed assets	13.4	11.4	52.8	50.9
- Other non-cash items	-1.3	0.1	1.0	2.4
Interest received	0.6	3.6	6.3	9.2
Interest paid	-5.1	-8.0	-26.9	-29.8
Tax paid	4.0	-0.4	-44.9	-49.4
Cash flow from operating activities before changes in working capital	-15.8	-2.9	222.7	235.5
Changes in working capital				
Increase/decrease in inventories and work in progress	-13.4	-47.1	-7.3	-41.0
Increase/decrease in other current receivables	-6.9	11.8	-16.5	2.2
Increase/decrease in other current liabilities	91.8	142.7	-27.1	23.8
Cash flow from operating activities	55.7	104.5	171.8	220.5



# Cash-flow statement continued

Amounts in SEK M	Jan 1, 2013 Mar 31, 2013	Jan 1, 2012 Mar 31, 2012	Apr 1, 2012 Mar 31, 2013	Jan 1, 2012 Dec 31, 2012
Cash flow from investing activities				
Investment in intangible fixed assets	-2.7	-3.1	-13.9	-14.3
Investment in tangible fixed assets	-13.5	-9.1	-55.5	-50.6
Divestment of tangible fixed assets	0.0	-0.1	-0.1	-0.1
Increase/decrease in current financial investments	0.0	0.0	0.0	0.0
Investment in other financial fixed assets	0.6	0.0	2.7	2.0
Investment in subsidiaries	0.0	0.0	-22.3	-22.3
Proceeds from sale of subsidiaries	0.0	0.0	0.0	0.0
Cash flow from investing activities	-15.6	-12.3	-88.6	-85.3
Cash flow from financing activities				
New issue	0.0	0.0	0.0	0.0
Change in overdraft facility	-18.4	-58.5	226.2	186.2
Dividend to shareholders	0.0	0.0	-109.3	-109.3
Amortization of loans	-5.8	-7.1	-197.7	-199.0
Cash flow from financing activities	-24.3	-65.6	-80.8	-122.2
Cash flow for the period	15.8	-26.5	2.4	13.1
Cash and cash equivalents at the beginning of the period	23.6	10.5	37.0	10.5
Cash and cash equivalents at the end of the period	39.4	37.0	39.4	23.6

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

# Byggmax

## Largest shareholders at March 31, 2012

Name/Address	Number of shares	Holding (%)
ALTOR 2003 S.À.R.L.	21,720,908	35.76
Lannebo fonder	5,299,919	8.73
Zamgate Investments (Stig Notlöv)	3,078,042	5.07
Schroder Investment Management North America, Inc.	2,497,084	4.11
Jarrton Management (Göran Peterson)	2,381,296	3.92
ÖRESUND, INVESTMENT AB	2,122,948	3.50
HANDELSBANKEN FONDER AB RE JPMEL	1,953,769	3.22
Norges Bank Investment Management	1,742,210	2.87
Uslane Holdings (Lars Lindberg)	1,715,000	2.82
Swedbank Robur fonder	1,308,745	2.15
<b>Total ten largest shareholders (grouped by shareholders) – based on holding</b>	<b>43,819,921</b>	<b>72.15</b>
Total other shareholders	16,917,124	27.85
Total, March 31, 2013	60,737,045	100.0