



Interim report January-June 2013

July 15, 2013

Magnus Agervald and Pernilla Walfridsson

Summary January – June 2013

In June, Byggmax opened its 100th store

- Net sales amounted to SEK 976.0 M (958.0) in Q2 and SEK 1,407.9 M (1,409.4) for the first six months of the year.
- Net sales for comparable stores declined 2.5 percent (declined 1.9) in Q2 and declined 4.6 percent (rose 2.9) for the first six months of the year.
- EBIT totaled SEK 69.9 M (64.6) in Q2 and SEK 42.5 M (54.9) for the first six months of the year.
- The EBIT margin was 7.2 percent (6.7) in Q2 and 3.0 percent (3.9) for the first six months of the year.
- Earnings per share amounted to SEK 0.8 (0.7) per share in Q2 and SEK 0.4 (0.5) for the first six months of the year.

Summary January – June 2013

- Six (six) new stores were opened
- One (two) new stores were opened in the first quarter: One in Sweden
- Five (four) new stores were opened in the second quarter: Four in Sweden and one in Norway
- During the quarter, a number of key persons subscribed for warrants in accordance with the incentive program resolved on by the Annual General Meeting.
- The four pilot stores scheduled to be converted to the new Byggmax 2.0 concept have been converted. The next step is to evaluate the venture during the autumn and subsequently decide on a roll-out plan at existing stores. New stores being opened in Sweden will carry the new range.

Stores – 11-14 openings are planned for 2013

	Sweden	Norway	Finland
Number of stores, Q2 2013	4	1	0
Planned openings, Q3 2013	0	2-3	3-4
Planned openings, 2013	5-6	3-4	3-4

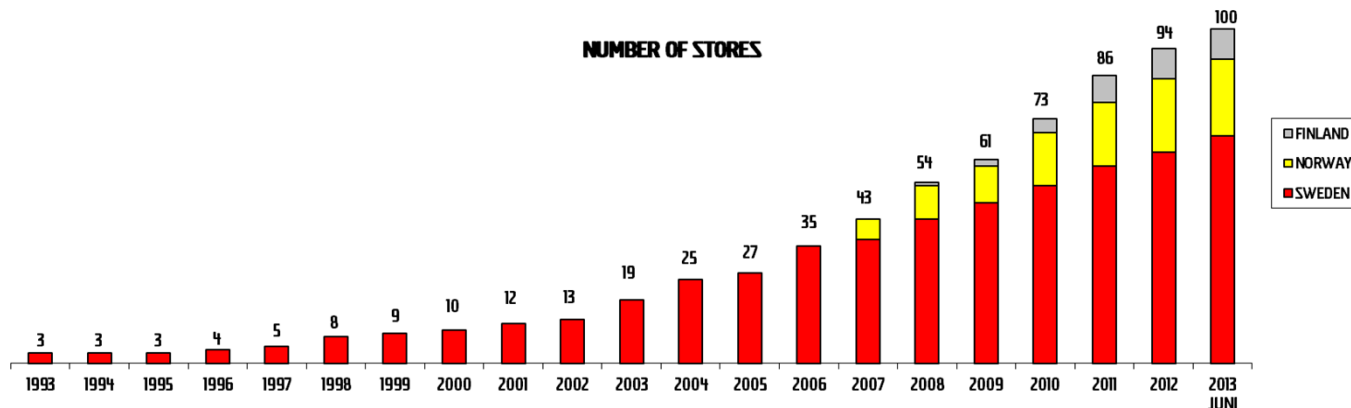
Store network at June 30, 2013

The following establishments have been announced:

- Sweden: Värmdö
- Norway: Haugenstua (Oslo) (July 5) and Larvik
- Finland: Kangasala, Seinäjoki, Esbo (July 12) and Tammerfors

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

Bygghmax plans to open 11-14 stores during 2013.



Bygghmax finalist in Swedish Lean Awards 2013

Being a company that works according to the Lean model involves working actively with resource efficiency and minimizing waste.

“We are proud to be in the final of the Swedish Lean Awards 2013. The concept behind lean forms part of our set of values, the Bygghmax Spirit. It is a source of pride among our employees, who apply this approach daily, and proof that we are proceeding in the right direction, although we are aware that it is a never-ending journey,” says Magnus Agervald, CEO of Bygghmax.

Bygghmax's focus on lean is an extension of the work that the company initiated at its inception 20 years ago and one of the reasons the company has been able to enjoy such strong growth in recent years and now has more than 100 stores.



Major training program completed

During the late autumn, winter and early spring, the store staff completed a major training program.

A total of about 5,000 man hours were spent on product-knowledge training.

In addition, a leadership training program was completed for all site managers with the aim of strengthening leadership and the approach in stores.



At the opening of the 100th store in Arvika, the world record for plank sawing was broken, when 100 people sawed off a 100-meter plank.



Financial information

July 15, 2013

Byggmax

Results trend

Earnings overview	April - June		January - June		12 months	Full year
	2013	2012	2013	2012	July 1. 2012 - June 30. 2013	2012
Net sales, SEK M	976.0	958.0	1,407.9	1,409.4	3,088.9	3,090.4
Gross margin, percent	29.4	28.7	29.5	28.9	30.5	30.2
EBIT, SEK M	69.9	64.6	42.5	54.9	239.7	252.2
EBIT margin, percent	7.2	6.7	3.0	3.9	7.8	8.2
Profit/loss after tax, SEK M	50.5	43.1	27.3	30.0	177.0	179.8
Earnings per share, SEK	0.8	0.7	0.4	0.5	2.9	3.0
Return on shareholders' equity	5.9	5.4	3.2	3.7	22.4	20.4
Cash flow from operating activities per shares, SEK	4.4	5.0	5.3	6.7	2.2	3.6
Shareholders' equity per share, SEK	13.5	12.6	14.6	12.6	13.5	15.1
Number of stores at the end of the period	100	92	100	92	100	94
New stores opened during the period	5	4	6	6	8	8

- Net sales increased by 1.9 percent in Q2
- The gross margin was 0.7 % higher than in Q2 the preceding year.
- Overheads increased during Q2 (SEK 5.4 M). This was mainly due to costs of SEK (12.7) M for stores opened after Q2 of 2012, increased staffing at its head office, and to costs for the implementation of Byggmax 2.0. Marketing costs were significantly lower year-on-year, SEK 12.3 M. These are expected to be in line with 2012 for the full year 2013.

Sales trend

The sales increase was divided according to the following:	April - June 2013	January - June 2012
Comparable stores, local currency, percent	-2.5	-4.6
Non-comparable units, percent	5.6	5.5
Currency effects, percent	-1.2	-1.0
Total, percent	1.9	-0.1

- The operation's net sales were SEK 976.0 M (958.0) in Q2, up 1.9 percent and for the first six months totaled SEK 1,407.9 M (1,409.4), down 0.1 percent.
- Net sales for comparable stores declined by 2.5 percent in local currency in Q2 and for the first six months declined by 4.6 percent.
- In Q2, net sales amounted to SEK 723.2 M (704.6) in Sweden and to SEK 252.9 M (253.4) in the other Nordic markets. For the first six months net sales amounted to SEK 1,049.5 M (1,042.4) in Sweden and to SEK 358.4 M (367.0) in the other Nordic markets.

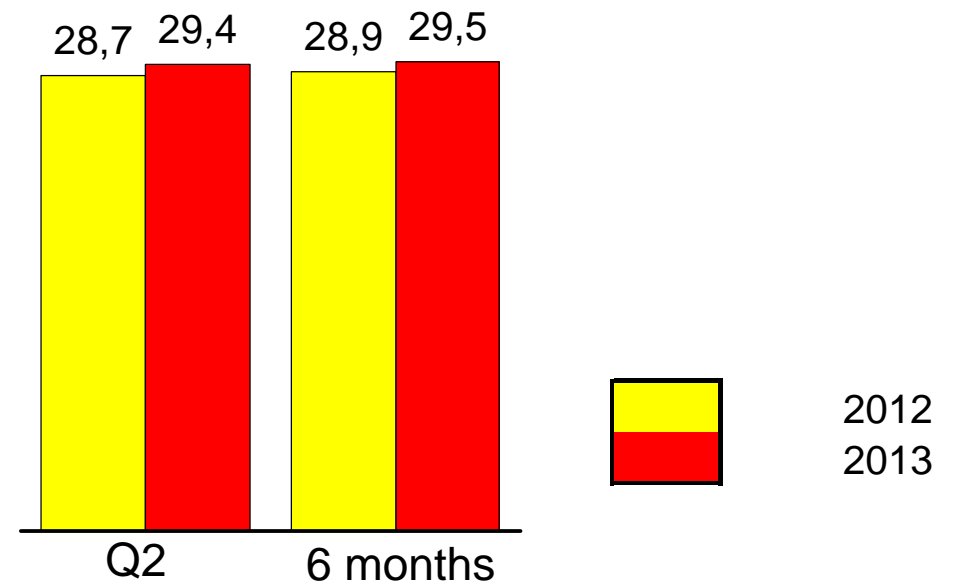
Gross margin

Q2

- Gross margin: 29.4 percent (28.7)
- The higher gross margin was driven by a larger share of cash payments than in the past, which also impacted accounts payable, and by an improved product mix

First six months of the year

- Gross margin: 29.5 percent (28.9)



Operating expenses

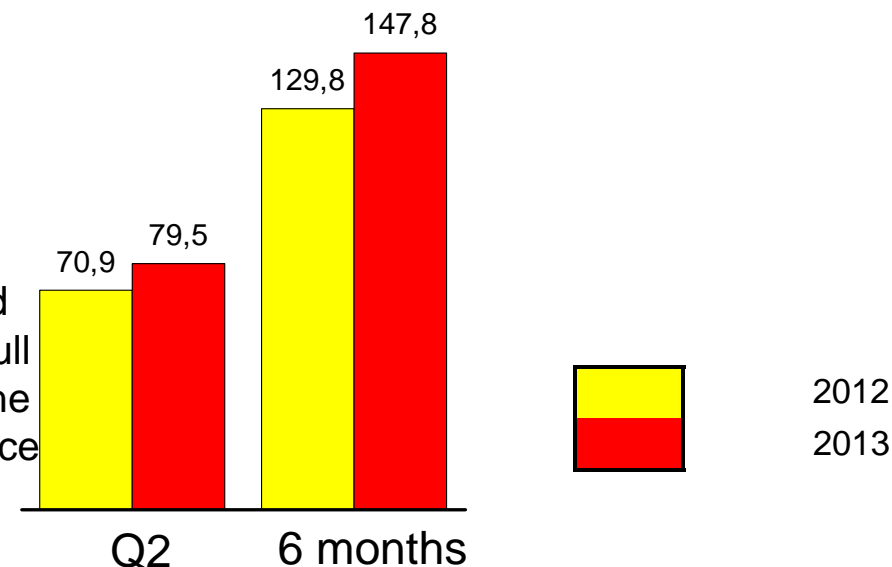
Q2

- Personnel and other operating expenses rose by SEK 5.4 M.
- This was primarily attributable to expenses of SEK 12.7 M for stores opened after Q2 2012.
- Marketing costs declined by SEK 12.3 M, compared with the second quarter of 2012. These are expected to be in line with 2012 for the full year 2013. Costs for Byggmax 2.0 amounted to SEK 1.6 M during the second quarter. Byggmax has also increased staffing at its head office mainly due to the e-commerce and web marketing activities.

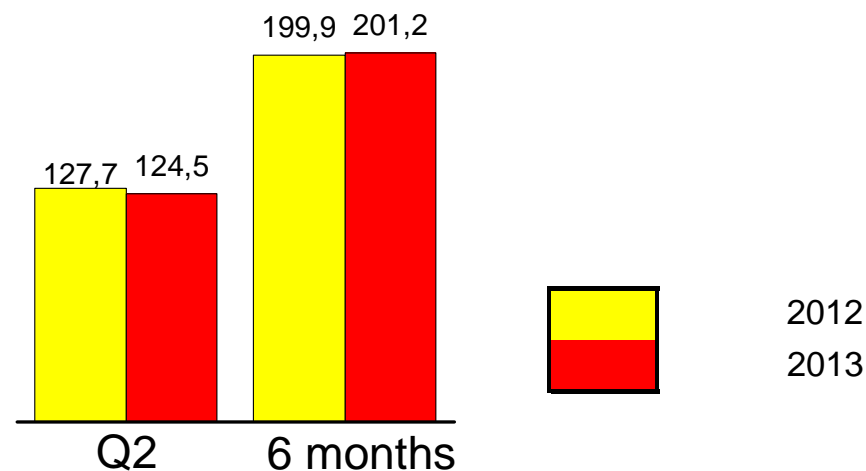
First six months of the year

- Personnel and other operating expenses rose by SEK 19.3 M.
- This was primarily attributable to expenses of SEK 20.0 M for stores opened after Q2 2012.
- Marketing costs declined by SEK 8.7 M, compared with the year-earlier period. These are expected to be in line with 2012 for the full year 2013. Costs for Byggmax 2.0 amounted to SEK 3.0 M during the first six months of the year. Byggmax has also increased staffing at its head office, mainly due to the e-commerce and web marketing activities.

Personnel expenses



Other operating expenses



Net financial items

Loss from financial items	April - June		January - June	
SEK M	2013	2012	2013	2012
Financial income				
Exchange-rate gains	2.8	0.8	3.4	4.4
Changes in fair value – interest swaps and currency derivatives	0.0	1.6	1.5	3.8
Interest income	0.0	0.0	0.0	0.0
Other financial income	0.0	0.0	0.0	0.0
Total financial income	2.8	2.4	4.9	8.2
Financial expenses				
Exchange-rate losses	-0.8	-2.5	-1.3	-5.0
Changes in fair value – interest swaps and currency derivatives	-1.5	0.0	-1.6	-6.1
- interest expenses, bank loans	-3.7	-3.6	-7.9	-8.6
- 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	-0.3	-0.5	-0.5	-1.0
Other financial expenses	-0.1	-0.1	-0.1	-0.1
Total financial expenses	-6.4	-6.7	-11.5	-20.9
Loss from financial items	-3.5	-4.3	-6.6	-12.7

- Net financial items improved by SEK 0.8 M in Q2, year-on-year.

Financial position and cash flow

Amounts in SEK M	April 1, 2013	April 1, 2012	January 1, 2013	January 1, 2012	July 1, 2012	January 1, 2012
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012	June 30, 2013	December 31, 2012
Cash flow from operating activities before changes in working capital	67.6	55.3	51.9	52.4	235.0	235.5
Changes in working capital	198.6	250.0	270.1	357.4	-102.3	-15.0
Cash flow from operating activities	266.3	305.3	321.9	409.8	132.7	220.5
Cash flow from investing activities	-46.9	-29.5	-62.5	-41.8	-105.9	-85.3
Cash flow from financing activities	-186.1	-262.5	-210.4	-328.1	-4.4	-122.2
Cash flow for the period	33.3	13.3	49.1	39.8	22.3	13.1
Cash and cash equivalents at the beginning of the period	39.4	37.0	23.6	10.5	50.3	10.5
Cash and cash equivalents at the end of the period	72.7	50.3	72.7	50.3	72.7	23.6

- Cash flow from operating activities for Q2 declined by SEK 39.0 M year-on-year. Cash flow was impacted by the fact that Byggmax paid its suppliers in cash to a greater extent than in the year-earlier period.



Condensed financial statements

January – June 2013

July 15, 2013

Byggmax

Income statement

Amounts in SEK M	April 1, 2013 June 30, 2013	April 1, 2012 June 30, 2012	January 1, 2013 June 30, 2013	January 1, 2012 June 30, 2012	July 1, 2012 June 31, 2013	January 1, 2012 December 31, 2012
Net sales	976.0	958.0	1,407.9	1,409.4	3,088.9	3,090.4
Other operating income	1.8	1.8	3.4	2.8	7.8	7.2
Operating income	977.9	959.8	1,411.3	1,412.2	3,096.7	3,097.6
Operating expenses						
Goods for sale	-689.5	-683.5	-992.0	-1,002.6	-2,148.0	-2,158.6
Other external and operating expenses	-124.5	-127.7	-201.2	-199.9	-366.1	-360.9
Personnel costs	-79.5	-70.9	-147.8	-129.8	-288.6	-272.6
Depreciation, amortization and impairment of tangible and intangible fixed assets	-14.5	-13.1	-27.9	-25.0	-56.2	-53.4
Total operating expenses	-908.0	-895.2	-1,368.8	-1,357.3	-2,856.9	-2,845.4
EBIT	69.9	64.6	42.5	54.9	239.7	252.2
Loss after financial items	-3.5	-4.3	-6.6	-12.7	-14.5	-20.7
Profit before tax	66.4	60.3	35.9	42.2	225.2	231.5
Income tax	-15.8	-17.2	-8.6	-12.2	-48.2	-51.7
Profit/loss for the period	50.5	43.1	27.3	30.0	177.0	179.8

Byggmax

Balance sheet

Amounts in SEK M	June 30, 2013	June 30, 2012	Dec 31, 2012	Amounts in SEK M	June 30, 2013	June 30, 2012	Dec 31, 2012
ASSETS				SHAREHOLDERS' EQUITY AND LIABILITIES			
Fixed assets				Shareholders' equity	818.3	764.2	914.2
Intangible fixed assets	1,081.6	1,077.7	1,078.9				
Tangible fixed assets	205.7	153.8	174.8	Liabilities			
Financial fixed assets	24.3	5.9	12.8	Borrowing from credit institutions	9.8	26.0	17.2
Total fixed assets	1,311.5	1,237.4	1,266.5	Deferred tax liabilities	65.5	64.9	65.2
				Long-term liabilities	75.3	90.9	82.4
Current assets							
Inventories	571.4	518.1	465.8	Borrowing from credit institutions	400.9	267.7	483.5
Derivatives	0.4	0.0	0.5	Accounts payable	630.5	709.9	278.7
Current receivables	95.5	116.0	86.8	Current tax liabilities	0.0	0.0	3.8
Cash and cash equivalents	81.2	62.7	33.9	Derivatives	0.0	1.7	0.0
Total current assets	748.5	696.8	587.0	Other liabilities	41.0	24.4	20.7
				Accrued expenses and prepaid income	94.0	75.3	70.3
TOTAL ASSETS	2,060.0	1,934.2	1,853.5	Current liabilities	1,166.4	1,079.0	856.9
				TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,060.0	1,934.2	1,853.5
				Pledged assets - Shares in subsidiaries	1,055.0	880.5	1,022.9
				Pledged assets – Chattel mortgages	120.0	120.0	120.0
				Pledged assets – Blocked funds	8.5	12.4	10.3
				Contingent liabilities	None	None	None

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Cash-flow statement

Amounts in SEK M	April 1, 2013 June 30, 2013	April 1, 2012 June 30, 2012	January 1, 2013 June 30, 2013	January 1, 2012 June 30, 2012	July 1, 2012 June 30, 2013	January 1, 2012 December 31, 2012
Cash flow from operating activities						
EBIT	69.9	64.6	42.5	54.9	239.7	252.2
Non-cash items						
- Depreciation/amortization of tangible and intangible fixed assets	14.5	13.1	27.9	24.5	54.2	50.9
- Other non-cash items	1.5	0.1	0.2	0.2	2.3	2.4
Interest received	2.8	0.8	3.4	4.4	8.3	9.2
Interest paid	-4.8	-6.7	-9.9	-14.8	-25.0	-29.8
Tax paid	-16.2	-16.6	-12.2	-17.0	-44.5	-49.4
Cash flow from operating activities before changes in working capital	67.6	55.3	51.9	52.4	235.0	235.5
Changes in working capital						
Increase/decrease in inventories and work in progress	-93.0	-56.0	-106.4	-103.1	-44.3	-41.0
Increase/decrease in other current receivables	-12.4	-18.6	-19.3	-6.9	-10.2	2.2
Increase/decrease in other current liabilities	304.0	324.7	395.8	467.4	-47.8	23.8
Cash flow from operating activities	266.3	305.3	321.9	409.8	132.7	220.5

Cash-flow statement continued

Amounts in SEK M	April 1, 2013 June 30, 2013	April 1, 2012 June 30, 2012	January 1, 2013 June 30, 2013	January 1, 2012 June 30, 2012	July 1, 2012 June 30, 2013	January 1, 2012 December 31, 2012
Cash flow from investing activities						
Investment in intangible fixed assets	-4.8	-5.7	-7.5	-8.8	-13.0	-14.3
Investment in tangible fixed assets	-43.2	-23.8	-56.7	-32.9	-74.4	-50.6
Divestment of tangible fixed assets	0.0	0.0	0.0	-0.1	-0.1	-0.1
Investment in other financial fixed assets	1.2	0.0	1.8	0.0	3.9	2.0
Investment in subsidiaries	0.0	0.0	0.0	0.0	-22.3	-22.3
Proceeds from sale of subsidiaries	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-46.9	-29.5	-62.5	-41.8	-105.9	-85.3
Cash flow from financing activities						
Change in overdraft facility	-59.2	-146.1	-77.7	-206.4	313.1	186.2
Dividend to shareholders	-121.5	-109.3	-121.5	-109.3	-121.5	-109.3
Amortization of loans	-5.4	-7.1	-11.2	-14.2	-196.0	-199.0
Cash flow from financing activities	-186.1	-262.5	-210.4	-328.1	-4.4	-122.2
Cash flow for the period	33.3	13.3	49.1	39.8	22.3	13.1
Cash and cash equivalents at the beginning of the period	39.4	37.0	23.6	10.5	50.3	10.5
Cash and cash equivalents at the end of the period	72.7	50.3	72.7	50.3	72.7	23.6

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

Largest shareholders at June 30, 2012

Name/Address	Number of shares	Holding (%)
ALTOR 2003 S.Å.R.L.	21,720,908	35.76
Lannebo fonder	4,254,945	7.01
Zamgate Investments (Stig Notlöv)	3,078,042	5.07
ÖRESUND, INVESTMENT AB	2,441,261	4.02
Schroder Investment Management North America, Inc.	2,400,000	3.95
Jarrton Management (Göran Peterson)	2,381,296	3.92
Norges Bank Investment Management	1,743,647	2.87
Ulslane Holdings (Lars Lindberg)	1,715,000	2.82
Swedbank Robur fonder	1,308,745	2.15
FJÄRDE AP-FONDEN	1,129,241	1.86
Total ten largest shareholders (grouped by shareholders) – based on holding	42,173,085	69.44
Total other shareholders	18,563,960	30.56
Total, June 30, 2013	60,737,045	100.00