



Year-end report January-December 2013

January 24, 2014

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Summary January – December 2013

In the fourth quarter, Byggmax increased net sales 7.7 percent.

- Net sales amounted to SEK 633.2 M (587.9) in Q4 and SEK 3,216.4 M (3,090.4) for the full year.
- Net sales for comparable stores increased 2.9 percent (-9.4) in Q4 and declined 0.7 percent (down: 2.7) for the full year.
- EBIT totaled SEK 34.2 M (35.8) in Q4 and SEK 246.7 M (252.2) for the full year.
- The EBIT margin was 5.4 percent (6.1) in Q4 and 7.7 percent (8.2) for full year.
- Earnings per share amounted to SEK 0.4 (0.6) per share in Q4 and SEK 3.0 (3.0) for the full year.

Summary January – December 2013

- Eleven (eight) new stores were opened: five in Sweden, three in Norway and three in Finland
- During the second quarter, a number of key individuals subscribed for warrants under the incentive program resolved on by the Annual General Meeting.
- On July 3, 2013, the Romell Förvaltning AB property company was sold, which contained the property in Karlskoga. The divestment generated a positive earnings effect, which is not significant for the Group.
- The company announced an increase in the goal for the number of stores to be opened in existing markets from 155 to 180.
- The seven pilot stores were converted to the new Byggmax 2.0 concept. A decision was taken to convert an additional 30 stores to Byggmax 2.0 by the end of December 2014. New stores will open with the concept in place.
- Per Haraldsson has taken up his position as the new Sourcing and Supply Chain Manager.
- The new web platform was launched.
- The Board of Directors proposes a dividend of SEK 2.3 (2.0) per share.

Stores: 7-13 openings are planned for 2014

	Sweden	Norway	Finland
Number of stores, Q4 2013	0	0	0
Planned openings, Q1 2014	1	0	1
Opened stores, 2013	5	3	3

Store network at December 31, 2013

The following stores have been opened:

- Sweden: Arvika, Härnösand, Karlskoga, Sandviken and Torslanda
- Norway: Askoy, Haugenstua (Oslo) and Larvik
- Finland: Espoo, Kangasala and Seinäjoki

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

Byggmax plans to open 7-13 stores during 2014.



New web platform launched

A new web platform was launched during the quarter.

The new platform, which has a substantially raised performance to the previous platform, allows an expanded range on the website and simplifies navigation.

The screenshot displays the Bygghmax website interface. At the top, there's a navigation bar with 'Om Bygghmax', 'Logga in', and 'KUNDTJÄNST'. The main header features the Bygghmax logo, a 'Bra billiga Bygghvaror' banner, and several award icons. Below this is a search bar and a navigation menu with 'BYGGVAROR' and 'GÖR DET SJÄLV'. The main content area is titled 'TRÄGOLV' and includes a detailed description of the product range. A filter section allows users to refine their search by 'Träslag', 'Ytbehandling', 'Antal stavar', 'Tjocklek (mm)', and 'Typ av produkt'. Below the filters, there's a grid of product images and descriptions for various flooring options, each with a price and a 'Köp' button. On the right side, a shopping cart summary shows the total amount and a 'GÅ TILL KASSAN' button. At the bottom, there's a section for 'GOLVPROVER - PARKETT' and a list of 'MEST POPULÄRA BYGGVAROR'.

Byggmax draws up a new set of values

We gathered all permanent employees at a major conference on November 16-17, to draw up a new set of values.

The conference was a great success and generated a lot of energy and enthusiasm.



Three additional stores converted to 2.0

Byggmax 2.0 is an updated store concept with more articles, clearer communication while utilizing the same sales area and improved sales control.

Byggmax 2.0 stores continue to deliver promising sales increases following conversion. A further three stores were converted during the quarter.

Our aim is to convert an additional fifteen stores ahead of the peak season in 2014, in other words, by the end of April.

We then plan to convert another fifteen stores in autumn 2014.

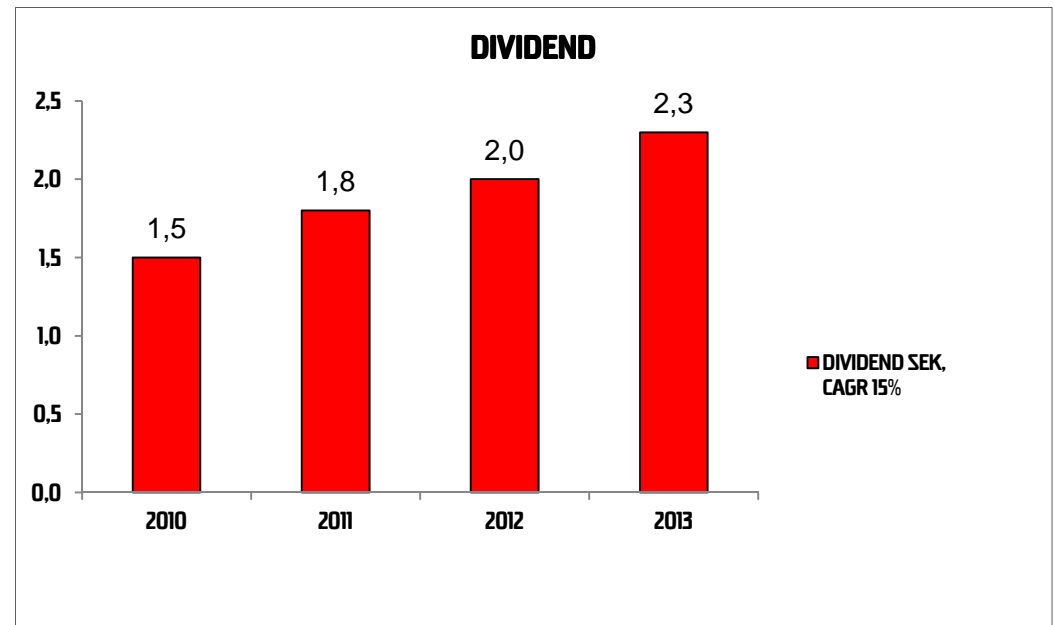


The image above shows the number of stores that have the 2.0 concept and their proportion of the total number of stores.

Byggmax

The Board of Directors proposes a dividend of SEK 2.3 per share

- The Board of Directors proposes a dividend of SEK 2.3 (2.0) per share
- Byggmax dividend policy is to distribute at least 50 percent of net profits for the year





Financial information

January 24, 2014

Results trend

Earnings overview	October - December		January - December	
	2013	2012	2013	2012
Net sales, SEK M	633.2	587.9	3,216.4	3,090.4
Gross margin, percent	32.6	32.4	30.7	30.2
EBIT, SEK M	34.2	35.8	246.7	252.2
EBIT margin, percent	5.4	6.1	7.7	8.2
Profit/loss after tax, SEK M	25.9	36.2	184.0	179.8
Earnings per share, SEK	0.4	0.6	3.0	3.0
Return on shareholders' equity	2.7	4.0	19.5	20.4
Cash flow from operating activities per share, SEK	-2.8	-2.2	3.2	3.6
Shareholders' equity per share, SEK	16.0	15.1	16.0	15.1
Number of stores at the end of the period	105	94	105	94
New stores opened during the period	0	0	11	8

- Net sales increased by 7.7 percent in Q4
- The gross margin was 0.2% higher than in Q4 the preceding year.
- Overheads increased in Q4. This was primarily attributable to costs for stores opened after Q4 2012, increased staffing at head office and expenses for Byggmax 2.0.

Sales trend

The sales increase was divided according to the following:	October-December 2013	January-December 2013
Comparable stores, local currency, percent	2.9	-0.7
Non-comparable units, percent	6.9	6.0
Currency effects, percent	-2.1	-1.2
Total, percent	7.7	4.1

- The operation's net sales were SEK 633.2 M (587.9) in Q4, up 7.7 percent and for the full year totaled SEK 3,216.1 M (3,090.4), up 4.1 percent.
- Net sales for comparable stores increased 2.9 percent in local currency in Q4 and for the full year were down 0.7 percent.
- In Q4, net sales amounted to SEK 457.4 M (421.6) in Sweden and to SEK 175.8 M (166.3) in the other Nordic markets. For the full year net sales amounted to SEK 2,363.0 M (2,263.1) in Sweden and to SEK 853.4 M (827.3) in the other Nordic markets.

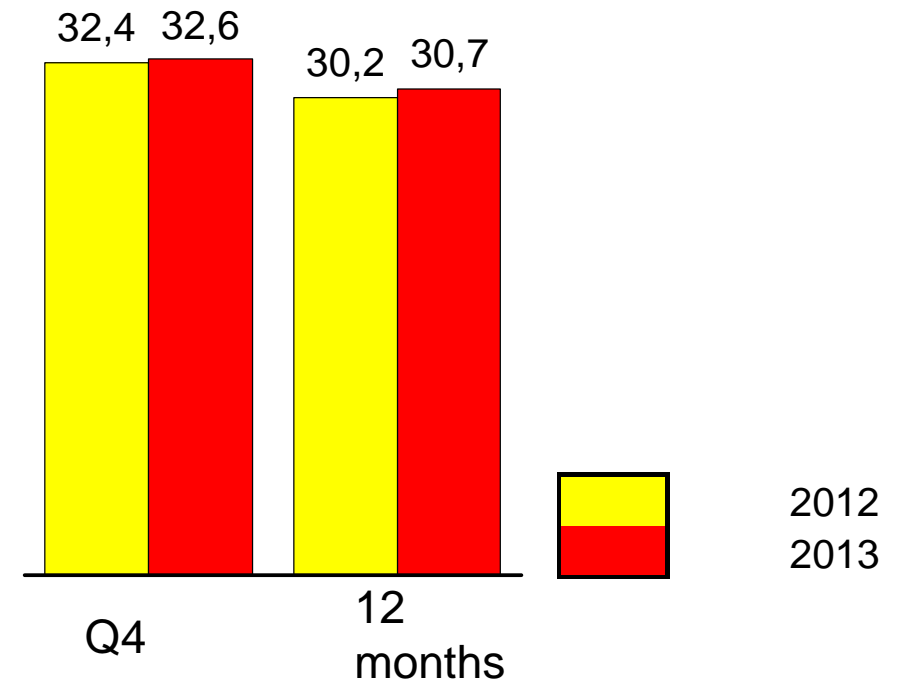
Gross margin

Q4

- Gross margin 32.6 percent (32.4)

Full year

- Gross margin 30.7 percent (30.2)



Operating expenses

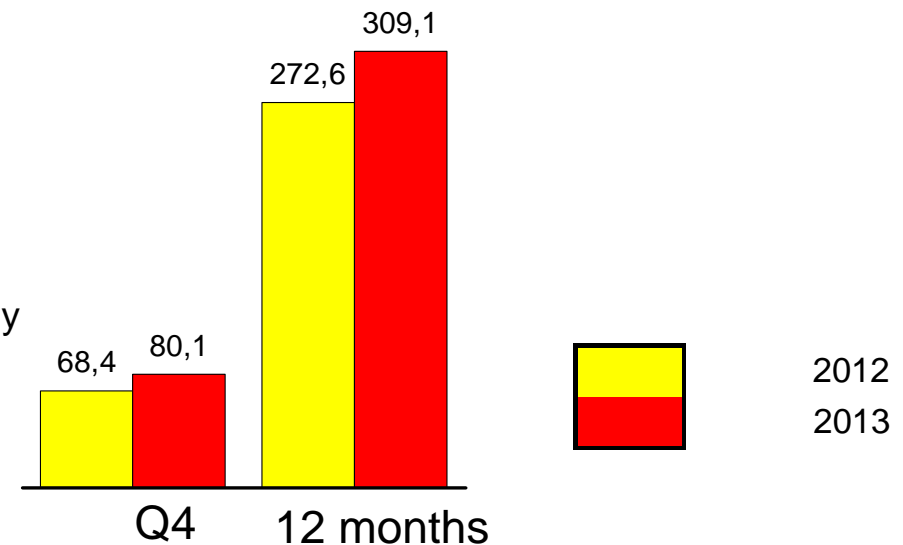
Q4

- Personnel and other operating expenses rose by SEK 17.7 M.
- This was primarily attributable to expenses of SEK 11.6 M for stores opened in 2013.
- Byggmax also increased the number of staff at its head office, principally due to the e-commerce and web marketing initiatives.
- Expenses for Byggmax 2.0 totaled SEK 2.3 M in the fourth quarter. The expenses were attributable to store conversions and general project costs.

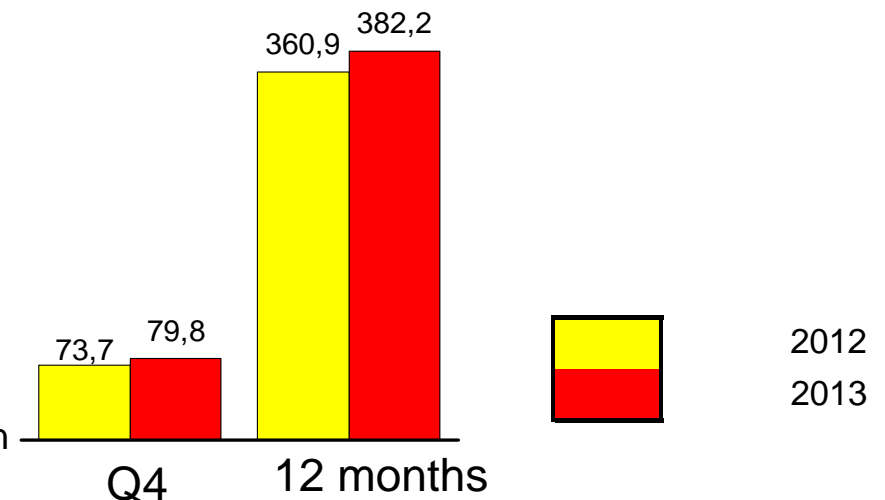
Full year

- Personnel and other operating expenses rose by SEK 57.8 M.
- This was primarily attributable to expenses of SEK 47.9 M for stores opened after Q4 2012.
- Expenses for Byggmax 2.0 totaled SEK 6.5 M in 2013. The expenses were attributable to store conversions and general project costs. In total, Byggmax has 18 concept 2.0 stores, seven converted stores and eleven new stores from 2013.

Personnel expenses



Other operating expenses



Net financial items

Loss from financial items	October-December		January-December	
SEK M	2013	2012	2013	2012
Group				
Profit/loss from participations in Group companies	0.0	0.0	0.4	0.0
Comprehensive income from participations in Group companies	0.0	0.0	0.4	0.0
Financial income				
Exchange-rate gains	1.4	1.5	8.7	8.5
Changes in fair value – interest swaps and currency derivatives	0.4	1.3	3.2	6.6
Interest income	0.2	0.7	0.0	0.7
Other financial income	0.0	0.0	0.0	0.0
Total financial income	2.0	3.5	11.9	15.9
Financial expenses				
Exchange-rate losses	0.1	-2.1	-3.9	-11.2
Changes in fair value – interest swaps and currency derivatives	-1.8	0.0	-1.6	-6.8
- interest expenses, bank loans	-3.7	-4.5	-10.7	-16.2
- financial leasing, reversal of discounting effect	-0.3	-0.5	-0.8	-2.0
Other financial expenses	-0.1	-0.1	-0.3	-0.4
Total financial expenses	-5.7	-7.2	-17.3	-36.6
Loss from financial items	-3.7	-3.6	-8.7	-20.7

- Net financial items in line with the same quarter in 2012.

Financial position and cash flow

Amounts in SEK M	Oct 1, 2013	Oct 1, 2012	Jan 1, 2013	Jan 1, 2012
	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
Cash flow from operating activities before changes in working capital	42.8	39.7	246.9	235.5
Changes in working capital	-210.4	-172.0	-54.5	-15.0
Cash flow from operating activities	-167.6	-132.2	192.5	220.5
Cash flow from investing activities	-14.8	-28.6	-82.1	-85.3
Cash flow from financing activities	174.4	127.2	-109.2	-122.2
Cash flow for the period	-8.0	-33.6	1.1	13.1
Cash and cash equivalents at the beginning of the period	32.7	57.2	23.6	10.5
Cash and cash equivalents at the end of the period	24.7	23.6	24.7	23.6

- Cash flow from operating activities for Q4 decreased by SEK 34.9 M year-on-year.



Condensed financial statements January – December 2013

January 24, 2014

Byggmax

Income statement

Amounts in SEK M	Oct 1, 2013	Oct 1, 2012	Jan 1, 2013	Jan 1, 2012
	Dec 31, 2013	Dec 31, 2012	Dec 31, 2013	Dec 31, 2012
Net sales	633.2	587.9	3,216.4	3,090.4
Other operating income	1.7	1.9	6.6	7.2
Operating income	634.9	589.8	3,223.0	3,097.6
Operating expenses				
Goods for sale	-426.8	-397.4	-2,227.6	-2,158.6
Other external and operating expenses	-79.8	-73.7	-382.2	-360.9
Personnel costs	-80.1	-68.4	-309.1	-272.6
Depreciation, amortization and impairment of tangible and intangible fixed assets	-14.0	-14.5	-57.4	-53.4
Total operating expenses	-600.7	-554.0	-2,976.3	-2,845.4
EBIT	34.2	35.8	246.7	252.2
Loss after financial items	-3.7	-3.6	-8.7	-20.7
Profit before tax	30.6	32.1	237.9	231.5
Income tax	-4.6	4.1	-53.9	-51.7
Profit/loss for the period	25.9	36.2	184.0	179.8

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Balance sheet

Amounts in SEK M	Dec 31, 2013	Dec 31, 2012	Amounts in SEK M	Dec 31, 2013	Dec 31, 2012
ASSETS			SHAREHOLDERS' EQUITY AND LIABILITIES		
Fixed assets			Shareholders' equity	970.0	914.2
Intangible fixed assets	1,081.4	1,078.9	Liabilities		
Tangible fixed assets	194.0	174.8	Borrowing from credit institutions	5.8	17.2
Financial fixed assets	24.2	12.8	Deferred tax liabilities	78.4	65.2
Total fixed assets	1,299.6	1,266.5	Long-term liabilities	84.1	82.4
Current assets			Borrowing from credit institutions	504.3	483.5
Inventories	538.3	465.8	Accounts payable	284.7	278.7
Derivatives	0.8	0.5	Current tax liabilities	0.0	3.8
Current receivables	73.0	86.8	Derivatives	0.0	0.0
Cash and cash equivalents	33.1	33.9	Other liabilities	24.9	20.7
Total current assets	645.2	587.0	Accrued expenses and prepaid income	76.7	70.3
TOTAL ASSETS	1,944.8	1,853.5	Current liabilities	890.7	856.9
			TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	1,944.8	1,853.5
			Pledged assets - Shares in subsidiaries	1,100.2	1,022.9
			Pledged assets – Chattel mortgages	120.0	120.0
			Pledged assets – Blocked funds	8.4	10.3
			Contingent liabilities	None	None

Cash-flow statement

Amounts in SEK M	Oct 1, 2013 Dec 31, 2013	Oct 1, 2012 Dec 31, 2012	Jan 1, 2013 Dec 31, 2013	Jan 1, 2012 Dec 31, 2012
Cash flow from operating activities				
EBIT	34.2	35.8	246.7	252.2
Non-cash items				
- Depreciation/amortization of tangible and intangible fixed assets	14.0	12.5	57.4	50.9
- Other non-cash items	-1.2	3.1	-2.7	2.4
Interest received	1.6	2.2	10.3	9.2
Interest paid	-4.0	-7.2	-19.7	-29.8
Tax paid	-1.9	-6.6	-45.1	-49.4
Cash flow from operating activities before changes in working capital	42.8	39.7	246.9	235.5
Changes in working capital				
Increase/decrease in inventories and work in progress	14.8	26.9	-72.5	-41.0
Increase/decrease in other current receivables	-1.7	0.6	1.3	2.2
Increase/decrease in other current liabilities	-223.5	-199.5	16.7	23.8
Cash flow from operating activities	-167.6	-132.2	192.5	220.5

Cash-flow statement continued

Amounts in SEK M	Oct 1, 2013 Dec 31, 2013	Oct 1, 2012 Dec 31, 2012	Jan 1, 2013 Dec 31, 2013	Jan 1, 2012 Dec 31, 2012
Cash flow from investing activities				
Investment in intangible fixed assets	-2.5	-3.4	-12.3	-14.3
Investment in tangible fixed assets	-12.3	-4.9	-82.3	-50.6
Divestment of tangible fixed assets	0.0	0.0	0.0	-0.1
Investment in other financial fixed assets	0.0	2.0	1.9	2.0
Investment in subsidiaries	0.0	-22.3	0.0	-22.3
Proceeds from sale of subsidiaries	0.0	0.0	10.7	0.0
Cash flow from investing activities	-14.8	-28.6	-82.1	-85.3
Cash flow from financing activities				
Change in overdraft facility	178.0	135.9	31.4	186.2
Dividend to shareholders	0.0	0.0	-121.5	-109.3
Amortization of loans	-3.6	-8.7	-19.1	-199.0
Cash flow from financing activities	174.4	127.2	-109.2	-122.2
Cash flow for the period	-8.0	-33.6	1.1	13.1
Cash and cash equivalents at the beginning of the period	32.7	57.2	23.6	10.5
Cash and cash equivalents at the end of the period	24.7	23.6	24.7	23.6

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

Largest shareholders at December 31, 2013

Name/Address	Number of shares	Holding (%)
ALTOR 2003 S.À.R.L.	11,920,908	19.63
Nordea Investment Funds	5,199,190	8.56
Lannebo fonder	3,822,279	6.29
Norges Bank Investment Management	3,075,312	5.06
Schroder Investment Management North America, Inc.	2,400,000	3.95
Jarrton Management (Göran Peterson)	2,381,296	3.92
Öresund Investment AB	1,952,039	3.21
Uslane (Lars Lindberg)	1,715,000	2.82
Zamgate Investments (Stig Notlöv)	1,618,135	2.66
Swedbank Robur fonder	1,308,745	2.15
Total ten largest shareholders (grouped by shareholders) – based on holding	35,392,904	58.27
Total other shareholders	25,344,141	41.73
Total, December 31, 2013	60,737,045	100.00