



Interim report January-March 2014

April 17, 2014

Magnus Agervald and Pernilla Walfridsson

Summary January-March 2014

In the first quarter, Byggmax increased net sales 12.8 percent.

- Net sales for the first quarter amounted to SEK 487.0 M (431.9)
- Net sales for comparable stores for the first quarter increased 7.6 percent (-8.8)
- EBIT amounted to SEK -20.0 M (-27.4) excluding non-recurring items and negative SEK -11.3 M including non-recurring items
- The EBIT margin for the first quarter was -2.3 percent (-6.4)
- Earnings per share for the first quarter totaled SEK -0.2 (-0.4) per share

Summary January-March 2014

- Two (one) new stores were opened: one in Sweden and one in Finland.
- A total of 12 stores were converted to the Byggmax 2.0 concept during the quarter.
- In March, Erik Börjesson assumed the position of IT Manager at Byggmax and became a new member of the Byggmax Group management.

Stores seven to ten openings planned for 2014

	Sweden	Norway	Finland
Number of stores, Q1 2014	1	0	1
Planned openings, Q2 2014	2	1	0
Opened stores, 2014	1	0	1

Store network at March 31, 2014

The following stores have been opened in 2014:

Sweden Värmdö

Finland Pirkkala (Tampere)

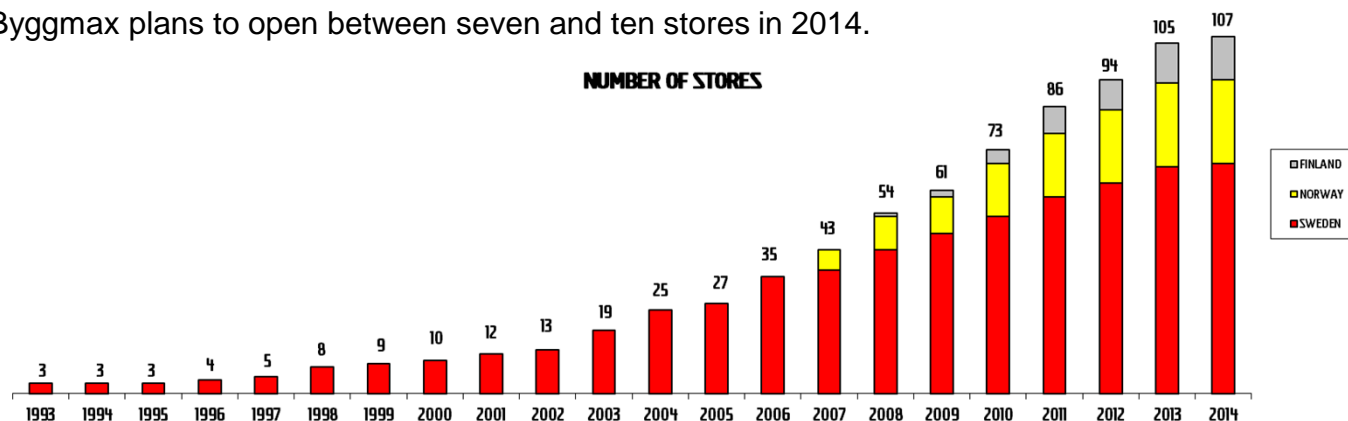
The following new store openings were publicly announced in 2014:

Sweden Katrineholm, Munkedal and Ullstämman (Linköping)

Norway Åsane (Bergen)

Stores are announced when the contracts have been signed and the municipal permits secured.

Byggmax plans to open between seven and ten stores in 2014.



Two store inaugurations during the quarter

We opened two stores during the quarter: one in Värmdö and one in Tampere. We believe both stores offer considerable potential.

Värmdö is one of the expansive areas in Stockholm.

Tampere is Finland's second largest city and the store is situated in a prime location.



Photo from store inauguration in Tampere

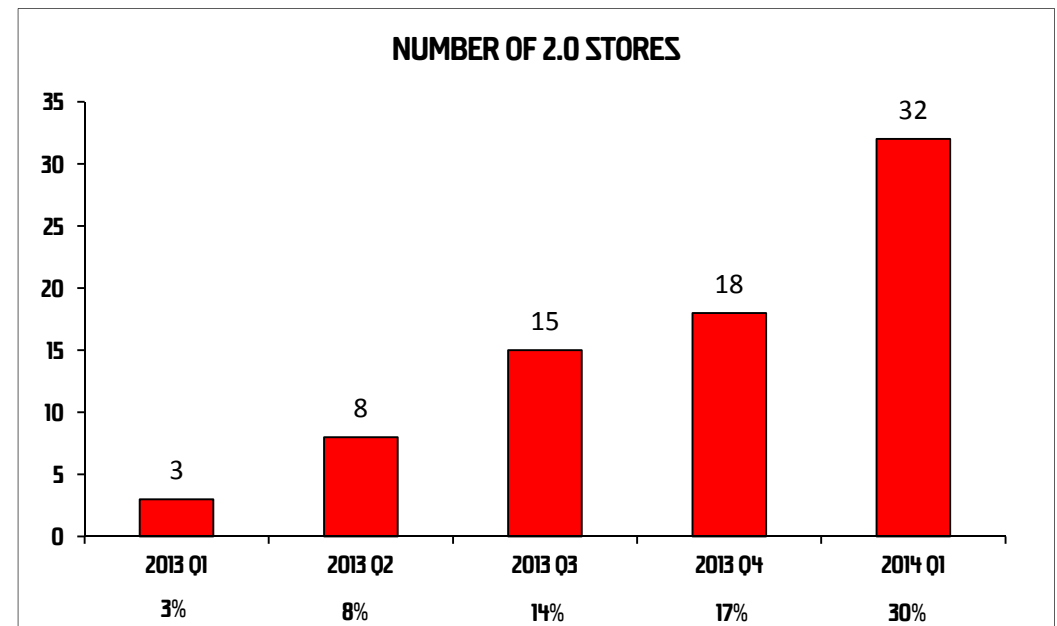
An additional 12 stores converted to 2.0

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

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

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

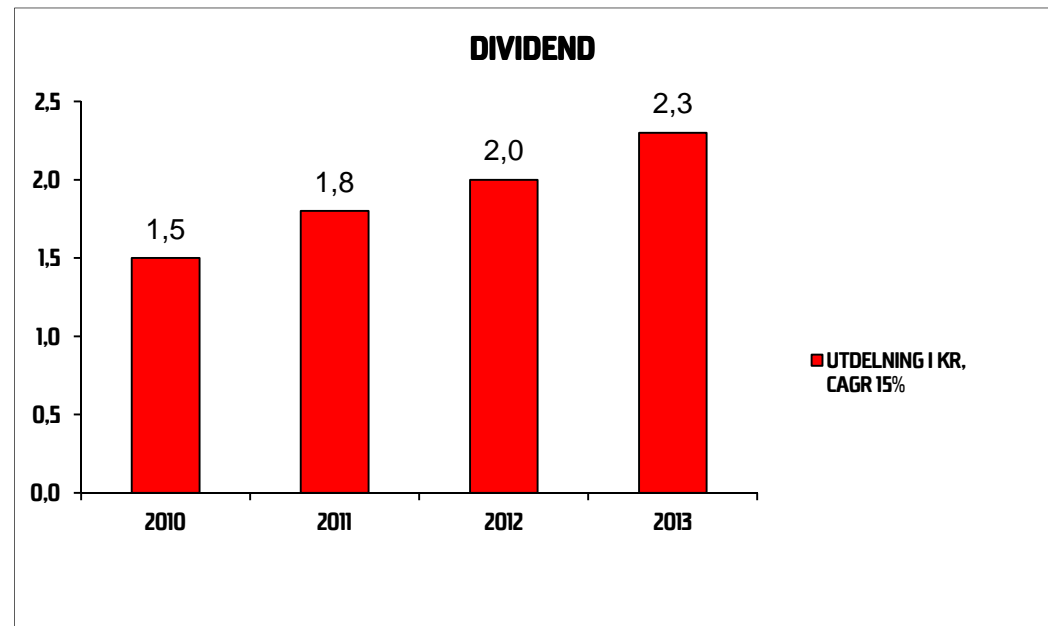
We then plan to convert another fifteen stores in autumn 2014.



The diagram above shows the number of stores using the in 2.0 concept, as well as the proportion of the total number of stores.

Board proposes dividend of SEK 2.3 per share

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





Financial information

April 17, 2014

Byggmax

Results trend

Earnings overview	January - March		12 months	Full year
	2014	2013	Apr 1, 2013 - Mar 31, 2014	2013
Net sales, SEK M	487.0	431.9	3,271.5	3,216.4
Gross margin, percent	34.1	29.9	31.4	30.7
EBIT, SEK M	-11.3	-27.4	262.9	246.7
EBIT margin, percent	-2.3	-6.4	8.0	7.7
Profit/loss after tax, SEK M	-13.9	-23.2	193.3	184.0
Earnings per share, SEK	-0.2	-0.4	3.2	3.0
Return on shareholders' equity	-1.4	-2.6	21.0	19.5
Cash flow from operating activities per share, SEK	0.8	0.9	3.0	3.2
Shareholders' equity per share, SEK	15.8	14.6	15.8	16.0
Number of stores at the end of the period	107	95	107	105
New stores opened during the period	2	1	12	11

- Net sales increased 12.8 percent in the first quarter.
- The gross margin was 4.2 percent higher in the first quarter compared with the year-earlier period. Of this increase, 1.8 percent was attributable to a non-recurring item for the first quarter of 2014.
- Overheads increased during the first quarter, mainly due to costs for stores opened after the first quarter of 2013.

Sales trend

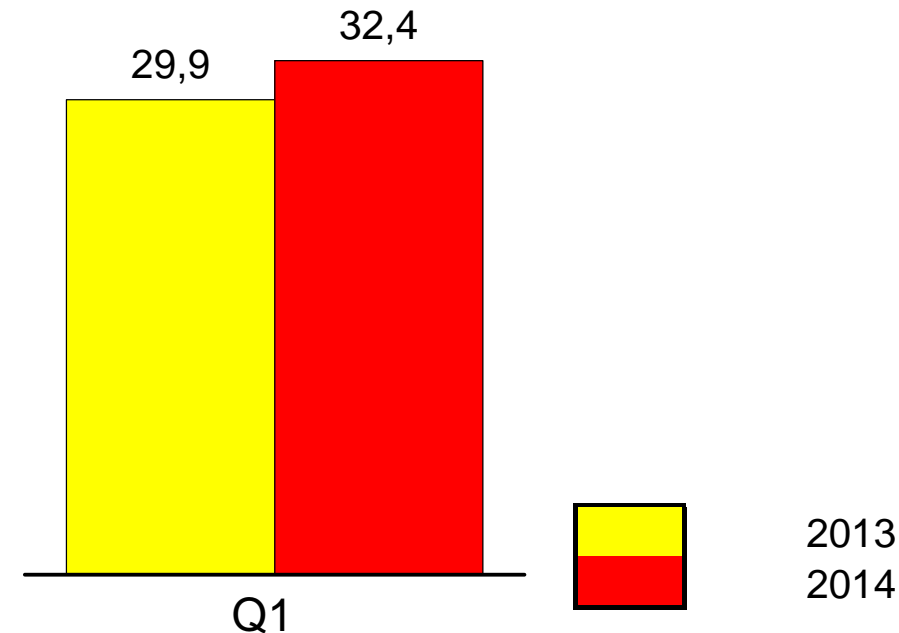
The sales increase was divided according to the following:	January - March 2014	January-March 2013
Comparable stores, local currency, percent	7.6	-8.8
Non-comparable units, percent	6.7	5.1
Currency effects, percent	-1.5	-0.6
Total, percent	12.8	-4.3

- The operation's net sales for the first quarter amounted to SEK 487.0 M (431.9), up 12.8 percent
- Net sales for comparable stores for the first quarter rose 7.6 percent in local currency
- Net sales for the first quarter totaled SEK 368.8 M (326.4) in Sweden and SEK 118.2 M (105.5) in other Nordic markets.

Gross margin

First quarter

- The gross margin was 32.4 percent (29.9) excluding non-recurring items and 34.1 percent including non-recurring items
- The higher margin for the quarter was also attributable to the positive effects of the company's successful purchasing and product mix. During the period, management reviewed its assessment regarding the Group's obsolescence reserve, which gave rise to reversals of impairment losses on inventory amounting to SEK 8.7 M.

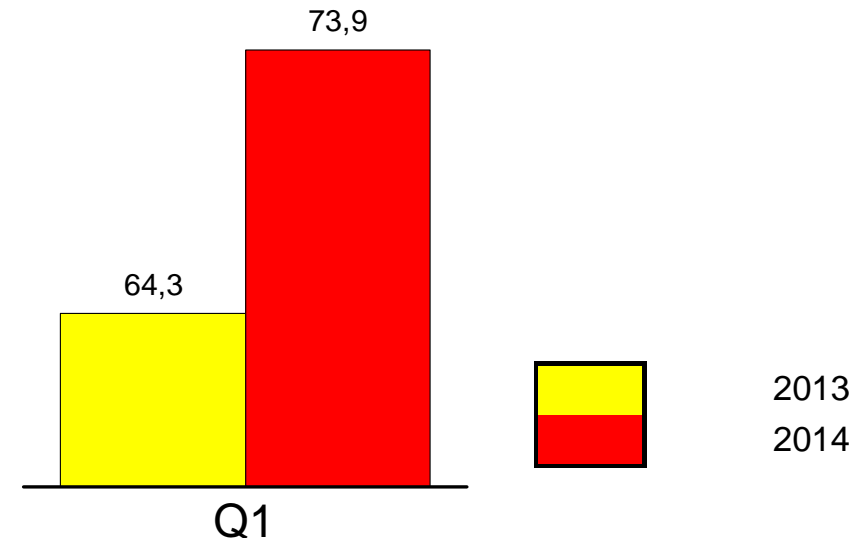


Operating expenses

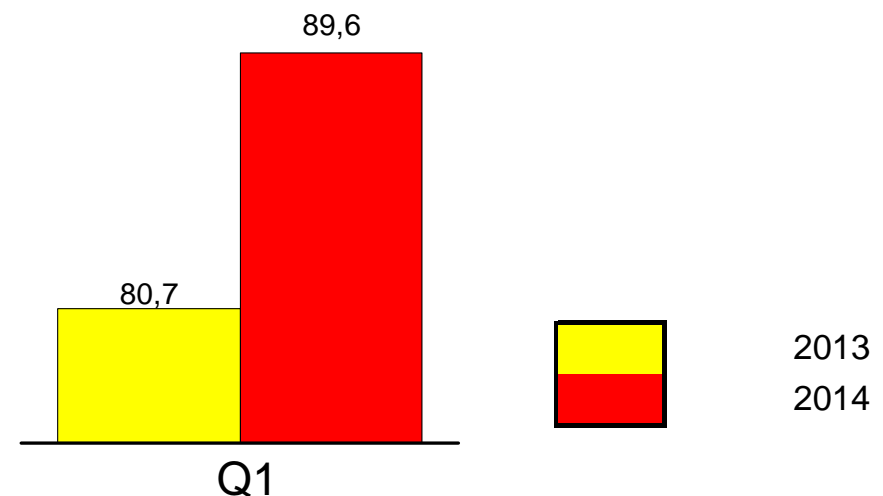
First quarter

- Personnel costs and other external expenses rose a total of SEK 18.7 M.
- This was mainly attributable to expenses of SEK 16.7 M for stores opened after the first quarter of 2013.
- The mild winter had a positive impact on electricity and snow removal costs, which resulted in a SEK 2.0 M reduction in expenses compared with the corresponding period in the preceding year.
- Investments related to the conversion to Byggmax 2.0 will be capitalized as of January 1, 2014, in accordance with the information previously provided.

Personnel costs



Other operating expenses



Net financial items

Loss from financial items	January - March	
SEK M	2014	2013
Group		
Profit/loss from participations in Group companies	0.0	0.0
Comprehensive income from participations in Group companies	0.0	0.0
Financial income		
Exchange-rate gains	1.7	0.6
Changes in fair value – interest swaps and currency derivatives	0.2	1.5
Interest income	0.1	0.0
Other financial income	0.0	0.0
Total financial income	2.0	2.1
Financial expenses		
Exchange-rate losses	-0.5	-0.5
Changes in fair value – interest swaps and currency derivatives	-3.6	-0.1
- interest expenses, bank loans	-4.5	-4.3
- financial leasing, reversal of discounting effect	-0.1	-0.3
Other financial expenses	-0.3	-0.1
Total financial expenses	-9.0	-5.2
Loss from financial items	-7.0	-3.0

- Net financial items are impacted by the fair value assessment of hedging instruments.

Financial position and cash flow

Amounts in SEK M	Jan 1, 2014 Mar 31, 2014	Jan 1, 2013 Mar 31, 2013	Apr 1, 2013 Mar 31, 2014	Jan 1, 2013 Dec 31, 2013
Cash flow from operating activities before changes in working capital	4.9	-15.8	267.6	246.9
Changes in working capital	40.8	71.5	85.1	-54.5
Cash flow from operating activities	45.7	55.7	182.5	192.5
Cash flow from investing activities	-41.9	-15.6	-108.4	-82.1
Cash flow from financing activities	3.4	-24.3	-81.6	-109.2
Cash flow for the period	7.2	15.8	-7.5	1.1
Cash and cash equivalents at the beginning of the period	24.7	23.6	39.4	23.6
Cash and cash equivalents at the end of the period	31.9	39.4	31.9	24.7

- Cash flow from operating activities for the first quarter declined SEK 10.0 M compared with the year-earlier period.
- Cash flow was impacted by investments of SEK 18.0 M in stores converted to the Byggmax 2.0 concept.



Condensed financial statements January-March 2014

April 17, 2014

Income statement

Amounts in SEK M	Jan 1, 2014	Jan 1, 2013	Apr 1, 2013	Jan 1, 2013
	Mar 31, 2014	Mar 31, 2013	Mar 31, 2014	Dec 31, 2013
Net sales	487.0	431.9	3,271.5	3,216.4
Other operating income	1.5	1.5	6.5	6.6
Operating income	488.4	433.4	3,278.0	3,223.0
Operating expenses				
Goods for sale	-320.7	-302.5	-2,245.8	-2,227.6
Other external and operating expenses	-89.6	-80.7	-391.2	-382.2
Personnel costs	-73.9	-64.3	-318.8	-309.1
Depreciation, amortization and impairment of tangible and intangible fixed assets	-15.4	-13.4	-59.4	-57.4
Total operating expenses	-499.7	-460.9	-3,015.1	-2,976.3
EBIT	-11.3	-27.4	262.9	246.7
Loss after financial items	-7.0	-3.0	-12.7	-8.7
Profit before tax	-18.2	-30.5	250.2	237.9
Income tax	4.3	7.2	-56.9	-53.9
Profit/loss for the period	-13.9	-23.2	193.3	184.0

Byggmax

Balance sheet

Amounts in SEK M	Mar 31, 2014	Mar 31, 2013	Dec 31, 2013	Amounts in SEK M	Mar 31, 2014	Mar 31, 2013	Dec 31, 2013
ASSETS				SHAREHOLDERS' EQUITY AND LIABILITIES			
Fixed assets				Shareholders' equity	956.9	887.7	970.0
Intangible fixed assets	1,081.5	1,079.3	1,081.4	Liabilities			
Tangible fixed assets	220.9	174.6	194.0	Borrowing from credit institutions	4.5	13.0	5.8
Financial fixed assets	24.9	27.4	24.2	Deferred tax liabilities	78.6	65.4	78.4
Total fixed assets	1,327.2	1,281.2	1,299.6	Long-term liabilities	83.2	78.4	84.1
Current assets				Borrowing from credit institutions	509.1	462.7	504.3
Inventories	628.2	479.0	538.3	Accounts payable	420.8	374.5	284.7
Derivatives	0.0	1.9	0.8	Current tax liabilities	0.0	0.0	0.0
Current receivables	83.0	79.0	73.0	Derivatives	2.7	0.0	0.0
Cash and cash equivalents	40.3	49.0	33.1	Other liabilities	16.2	16.5	24.9
Total current assets	751.5	609.0	645.2	Accrued expenses and prepaid income	89.9	70.4	76.7
TOTAL ASSETS	2,078.8	1,890.2	1,944.8	Current liabilities	1,038.7	924.1	890.7
				TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,078.8	1,890.2	1,944.8
				Pledged assets - Shares in subsidiaries	1,090.3	1,000.0	1,100.2
				Pledged assets – Chattel mortgages	120.0	120.0	120.0
				Pledged assets – Blocked funds	8.4	9.7	8.4
				Contingent liabilities	None	None	None

Cash-flow statement

Amounts in SEK M	Jan 1, 2014 Mar 31, 2014	Jan 1, 2013 Mar 31, 2013	Apr 1, 2013 Mar 31, 2014	Jan 1, 2013 Dec 31, 2013
Cash flow from operating activities				
EBIT	-11.3	-27.4	262.9	246.7
Non-cash items				
- Depreciation/amortization of tangible and intangible fixed assets	15.4	13.4	59.4	57.4
- Other non-cash items	0.4	-1.3	-1.0	-2.7
Interest received	1.9	0.6	11.6	10.3
Interest paid	-5.4	-5.1	-20.0	-19.7
Tax paid	3.8	4.0	-45.3	-45.1
Cash flow from operating activities before changes in working capital	4.9	-15.8	267.6	246.9
Changes in working capital				
Increase/decrease in inventories and work in progress	-92.5	-13.4	-151.6	-72.5
Increase/decrease in other current receivables	-7.2	-6.9	1.1	1.3
Increase/decrease in other current liabilities	140.5	91.8	65.4	16.7
Cash flow from operating activities	45.7	55.7	182.5	192.5

Cash-flow statement, continued

Amounts in SEK M	Jan 1, 2014	Jan 1, 2013	Apr 1, 2013	Jan 1, 2013
	Mar 31, 2014	Mar 31, 2013	Mar 31, 2014	Dec 31, 2013
Cash flow from investing activities				
Investment in intangible fixed assets	-2.6	-2.7	-12.3	-12.3
Investment in tangible fixed assets	-39.1	-13.5	-107.9	-82.3
Divestment of tangible fixed assets	-0.1	0.0	-0.1	0.0
Investment in other financial fixed assets	0.0	0.6	1.2	1.9
Investment in subsidiaries	0.0	0.0	0.0	0.0
Proceeds from sale of subsidiaries	0.0	0.0	10.7	10.7
Cash flow from investing activities	-41.9	-15.6	-108.4	-82.1
Cash flow from financing activities				
Change in overdraft facility	7.4	-18.4	57.2	31.4
Dividend to shareholders	0.0	0.0	-121.5	-121.5
Amortization of loans	-4.0	-5.8	-17.3	-19.1
Cash flow from financing activities	3.4	-24.3	-81.6	-109.2
Cash flow for the period	7.2	15.8	-7.5	1.1
Cash and cash equivalents at the beginning of the period	24.7	23.6	39.4	23.6
Cash and cash equivalents at the end of the period	31.9	39.4	31.9	24.7

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

Largest shareholders at March 31, 2014

The ten largest shareholders		
Name/Address	Number of shares	Holding (%)
ALTOR 2003 S.À.R.L.	11,920,908	19.63
Nordea Investment Funds	4,160,171	6.85
Lannebo fonder	3,162,901	5.21
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
Ulslane (Lars Lindberg)	1,715,000	2.82
Handelsbanken Fonder AB	1,663,278	2.74
Zamgate Investments (Stig Notlöv)	1,618,135	2.66
Swedbank Robur fonder	1,516,766	2.50
Total ten largest shareholders (grouped by shareholders) – based on holding	33,613,767	55.34
Total other shareholders	27,123,278	44.66
Total, March 31, 2014	60,737,045	100.00