

Sales Down for Systemax 2013

Written by Marco Attard
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Systemax Q4 2013 sales fall by -6.5% Y-o-Y to \$874.5 million as "outstanding" Industrial Products group performance fails to offset consumer and overall technology business declines.



"Our Technology Products business had a mixed performance, with our B2B operations in both Europe and N. America showing improved revenue trends on a sequential quarter basis, while our consumer business delivered disappointing results as it continues to face a very competitive environment," CEO Richard Leeds says.

The distributor describes Q4 2013 Technology increase in Europe as "modest," but fails to give actual numbers. In N. America the company shuttered a number of "under-performing" brick-and-mortar retail outlets, but does not give an exact amount.

One bright Systemax division is the Industrial Products division selling power tools and office equipment-- Q4 2013 sales grow up 26% Y-o-Y to bring "significant bottom line leverage."

As for full year 2013 consolidated sales are down by -5.4% to \$3.4 billion, with B2B channel sales growing by 2.3% to \$2.2bn and consumer channel sales reaching \$1.2bn with a -16.8% decline. Hitting the Systemax bottomline are valuation allowances for US tax assets worth \$20.5m.

"Going forward, the Industrial Products group is well positioned for future growth, the European business transition is progressing and we are poised to benefit from a more efficient operating model," Leeds concludes. "We still have more to do, and we are focused on expanding our B2B operations, while operating a consumer business that is profitable."

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