



## First quarter 2020

- Net sales amounted to SEK 1,118 M (1,205)
- The underlying operating result amounted to SEK 42 M (40)
- The quarter was affected by items affecting comparability of SEK -35 M related to centralization of warehouse and production operations in Sweden
- The operating result amounted to SEK -4 M (34), including inventory losses of SEK -11 M (-6)
- Result after tax amounted to SEK -23 M (20)
- Cash flow from operating activities increased to SEK 93 M (62)
- Earnings per share amounted to SEK -1.75 (1.56)
- In March, the Board of Directors decided to withdraw the previously communicated proposal of dividend for the financial year of 2019

<b>Results overview</b>	<b>2020 Jan-Mar</b>	<b>2019 Jan-Mar</b>	<b>Change</b>
Tonnage, thousands of tonnes	90	96	-6
Net sales, SEK M	1,118	1,205	-87
Underlying operating result, SEK M	42	40	2
Operating result, SEK M	-4	34	-38
Profit/loss for the period, SEK M	-23	20	-43
Earnings per share, SEK	-1.75	1.56	-3.31
Cash flow from operating activities, SEK M	93	62	31

BE Group, which is listed on the Nasdaq Stockholm exchange, is a trading and service company in steel, stainless steel and aluminium. BE Group offers efficient distribution and value-adding production services to customers primarily in the construction and manufacturing industries. In 2019, the Group reported sales of SEK 4.4 billion. BE Group has approximately 650 employees, with Sweden and Finland as its largest markets. The head office is located in Malmö, Sweden. Read more about BE Group at [www.begroup.com](http://www.begroup.com).



”Improved underlying operating result and strong cash flow”

## Statement from the CEO

Sales in the first quarter of 2020 were slightly lower compared to the same quarter last year, but the underlying operating result improved slightly and amounted to SEK 42 M (40). Both sales and result should be seen in the light of the slowdown in demand that began in the second quarter of 2019 and continued throughout the second half of the year. Looking at individual months, sales in March were in line with last year.

In addition to inventory losses of SEK -11 M (-6), the operating result was negatively affected by one-off costs of SEK 35 M related to centralizing warehouse and production operations in Norrköping and closing the warehouse in Malmö, as we communicated in mid-March. The operating result after this amounted to SEK -4 M (34).

The positive underlying result and good control of working capital resulted in a strong cash flow of SEK 93 M (62) from current operations.

### The future

We are leaving a strong quarter behind us, but due to the rapid spread of Covid-19 and the enormous uncertainty at present, it is currently completely impossible to quantify the impact this will have on the business and the performance in future quarters and the full year 2020.

To fend off the lower demand that is coming, we have introduced shortened working week, renegotiated agreements and increased control over working capital and costs. We are prepared to take more and stronger measures while also being prepared to gear up at short notice and meet increasing demand from both new and old customers.

What we are doing at the same time is continuing to build a good company for the future. In addition to continuous improvements and adjustments in all parts of the business, the production investments in Norrköping are in their final phase and will soon be fully operational. The centralization of warehouse and production operations in Norrköping together with the closure of the warehouse in Malmö is proceeding according to plan. These measures will strengthen and renew what we offer the market while clearly reducing our ongoing costs.

Peter Andersson  
President and CEO

Bridge 2019-2020 operating result SEK M	Q1	Q2	Q3	Q4
<b>Operating result 2019</b>	<b>34</b>	<b>32</b>	<b>14</b>	<b>8</b>
Reversal of inventory gains (-)/losses (+)	6	0	-1	1
Items affecting comparability	-	-	-	-
<b>Underlying operating result 2019</b>	<b>40</b>	<b>32</b>	<b>13</b>	<b>9</b>
Change in sales	-12	-	-	-
Change in underlying gross margin	21	-	-	-
Change in overhead costs	-7	-	-	-
<b>Underlying operating result 2020</b>	<b>42</b>	<b>-</b>	<b>-</b>	<b>-</b>
Reversal of inventory gains (+)/losses (-)	-11	-	-	-
Items affecting comparability	-35	-	-	-
<b>Operating result 2020</b>	<b>-4</b>	<b>-</b>	<b>-</b>	<b>-</b>

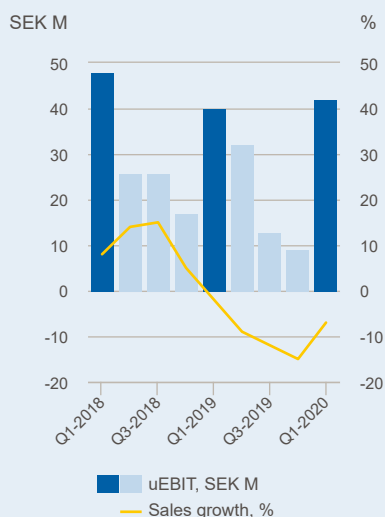
# Comments on the report

## First quarter

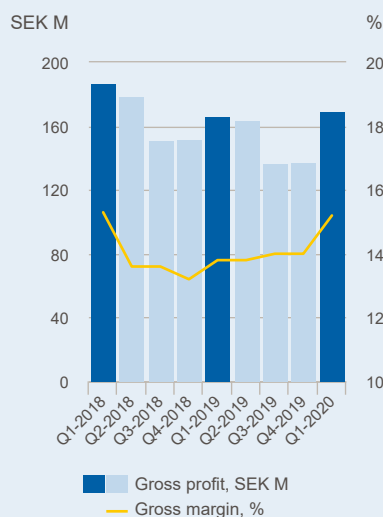
Consolidated net sales for the period decreased by 7 percent compared to last year, amounting to SEK 1,118 M (1,205). The decrease is mainly attributable to lower steel prices and the comparatively weaker development in the Swedish operation.

Gross profit amounted to SEK 170 M (166), with a stronger gross margin compared to last year of 15.2 percent (13.8). The operating result amounted to SEK -4 M (34), corresponding to an operating margin of -0.4 percent (2.8). Adjusted for inventory gains and losses of SEK -11 M (-6) and items affecting comparability of SEK -35 M, the underlying operating result amounted to SEK 42 M (40). The underlying operating margin during the period was 3.8 percent (3.3). The higher underlying operating result is mainly attributable to efficiency improvements and higher capacity utilization in the Finnish and Polish production operations and Lecor Stålteknik.

THE GROUP'S SALES GROWTH AND UNDERLYING OPERATING RESULT PER QUARTER



THE GROUP'S GROSS MARGIN AND GROSS PROFIT PER QUARTER



The comparative figures for 2018 are prepared according to previous accounting principles regarding leasing (IAS 17).

## BUSINESS AREA SWEDEN & POLAND

The business area includes the Group's operations in Sweden consisting of the companies BE Group Sverige and Lecor Stålteknik, as well as the Polish operation BE Group Poland.

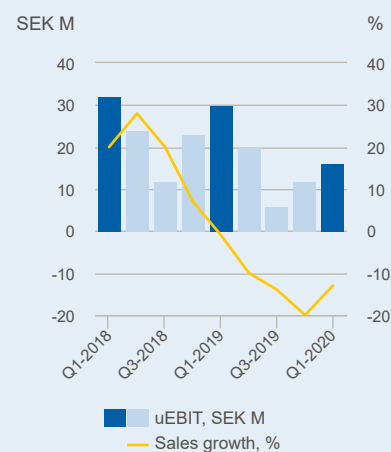
### First quarter

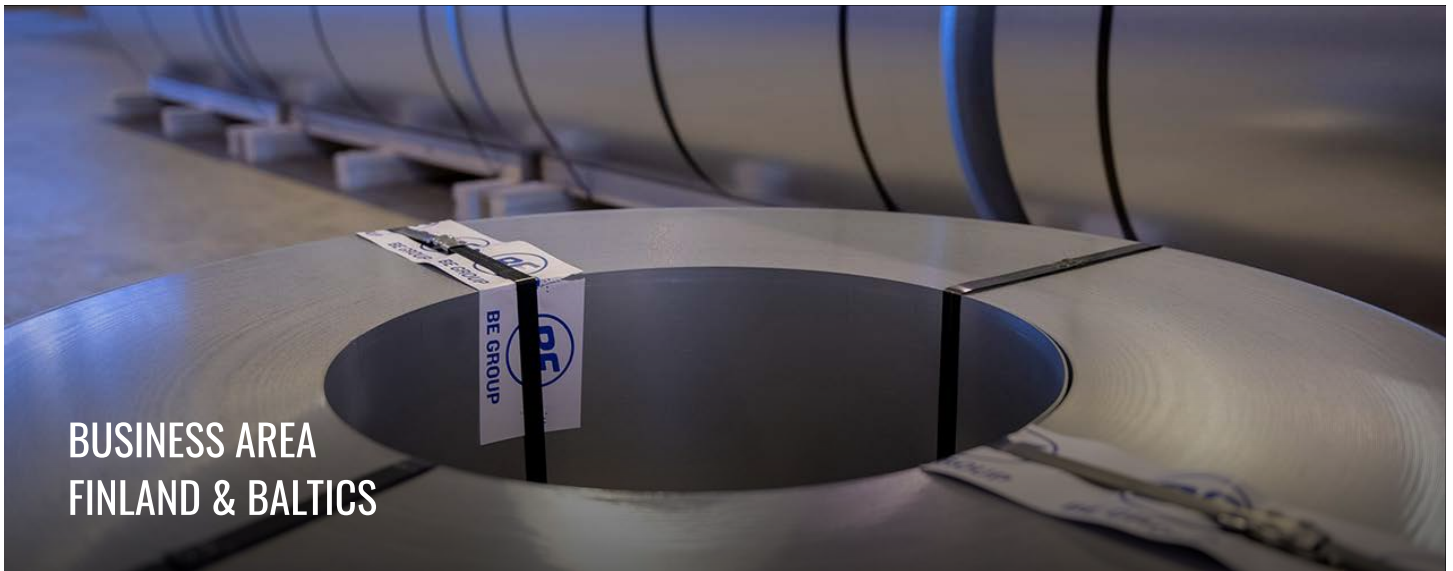
Net sales decreased by 13 percent in the first quarter compared to last year and amounted to SEK 558 M (643). The lower sales is attributable to a decrease in tonnage by 12 percent at the same time as the steel prices were lower. The operating result amounted to SEK -24 M (27) and was impacted by items affecting comparability of SEK -35 M, related to the decision to centralize warehouse and production operations in Norrköping and to close the warehouse in Malmö, which was communicated during the quarter. Adjusted for inventory gains and losses and items affecting comparability of SEK -35 M, the underlying operating result amounted to SEK 16 M (30).

BE Group Sweden delivered a weaker underlying operating result in comparison to last year. The volume decreased compared to a strong first quarter last year with high demand from the industry and higher steel prices.

The Polish operation and Lecor Stålteknik are showing improved profitability as a result of efficiency improvements and higher capacity utilization.

### BUSINESS AREA SWEDEN & POLAND, SALES GROWTH AND UNDERLYING OPERATING RESULT PER QUARTER





## BUSINESS AREA FINLAND & BALTICS

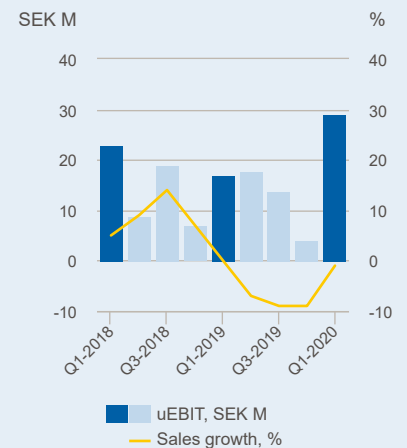
The business area includes the Group's operations in Finland and the three Baltic States.

### First quarter

Compared to the first quarter last year, net sales decreased marginally by 1 percent and amounted to SEK 562 M (565). Tonnage increased by 1 percent at the same time as the lower steel prices had a negative impact. The operating result increased to SEK 23 M (14) mainly due to a strong development in the Finnish operations. Adjusted for inventory losses of SEK -6 M (-3), the underlying operating result amounted to SEK 29 M (17).

The Finnish operations provided increased net sales and gross margin as well as a strong underlying operating result compared to last year, as a result of increased efficiency in the production operations and increased volume in a tough but growing market.

### BUSINESS AREA FINLAND & BALTICS SALES GROWTH AND UNDERLYING OPERATING RESULT PER QUARTER



# Parent Company & consolidated items

Parent Company & consolidated items include the Parent Company, Group eliminations and also parts of the Group's operations undergoing restructuring. For additional information see the Annual Report for 2019.

The effects regarding IFRS 16 were reported under Parent Company & consolidated items and have not been allocated to the two business areas.

Sales for the first quarter of the Parent Company, BE Group AB (publ), amounted to SEK 24 M (27) during the period and derived from intra-Group services. These intra-Group services mainly include central expenses for IT and business systems, the subsidiaries' use of the BE Group brand and Finance. These expenses are distributed and invoiced to all subsidiaries in the Group. In the result follow-up of the business areas, these intra-group expenses have been eliminated except for expenses for IT and business systems which are included in the result for the business areas since the first quarter 2020. Comparative numbers have been restated. Out of the total costs for the Parent Company, of SEK 12 M (14), SEK 10 M (11) was allocated to the subsidiaries. The operating result amounted to SEK 13 M (13).

Net financial items for the quarter amounted to SEK 15 M (-11). Profit before tax amounted to SEK 28 M (2) and profit after tax amounted to SEK 30 M (0). Investments in the Parent Company amounted to SEK 0 M (0). At the end of the period, cash and equivalents in the Parent Company amounted to SEK 17 M (127).

## Group

### Net financial items and tax

The Group's consolidated net financial items in the first quarter amounted to SEK -25 M (-6), mainly attributable to negative currency effects. Net interest amounted to SEK -5 M (-6). During the quarter, interest expenses related to leasing according to IFRS 16 amounted to SEK -3 M (-3).

Taxes for the first quarter amounted to SEK 6 M (-8). Profit after tax amounted to SEK -23 M (20).

### Cash flow

The Group's consolidated working capital amounted to SEK 520 M (568) at the end of the period and the average working capital tied-up for the first quarter was 11.9 percent (11.8). Cash flow from operating activities increased to SEK 93 M (62) during the quarter. Cash flow from investing activities amounted to SEK -7 M (-15). Cash flow after investments thus amounted to SEK 86 M (47).

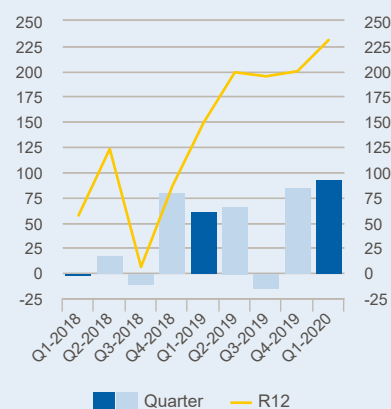
### Financial position and liquidity

At the end of the period, consolidated cash and cash equivalents, including overdraft facilities, amounted to SEK 195 M (237) and the interest-bearing net debt excl. IFRS 16 was SEK 322 M (418). Equity amounted to SEK 937 M (922) at the end of the period.

### Organization, structure and employees

The number of employees amounted to 635 compared to 661 at the same time last year. The average number of employees during the quarter amounted to 637 (664).

### THE GROUP'S CASH FLOW FROM OPERATING ACTIVITIES, SEK M



The comparative figures for 2018 are prepared according to previous accounting principles regarding leasing (IAS 17).

# Other information

## Significant events after the end of the period

No significant events have taken place after the end of the period.

## Transactions with related parties

No transactions took place between BE Group and related parties that had a material impact on the company's financial position and results.

## Annual General Meeting 2020

BE Group's Annual General Meeting will take place on April 29, 2020, at 4:00 pm in Malmö, Sweden. BE Group will take the necessary measures to reduce the risk of spreading the virus in connection with the Annual General Meeting. For example, food will not be served and customary speeches will be minimized. Updated information on any further measures taken will be published on the company's website [www.begroup.com](http://www.begroup.com).

## Proposed dividend

According to BE Group's dividend policy, the Group shall distribute at least 50 percent of profit after tax, over time. BE Group's financial positions and future outlook shall be taken into account in determining the payment of dividends. In March 2020, the Board of Directors decided to withdraw the previously communicated proposal to the Annual General Meeting concerning dividend of SEK 1.75 per share, in total approximately SEK 23 M. The Board's decision was taken in light of the prevailing conditions around the world with the insecurities about the possible future economic effects related to the outbreak of Covid-19 (coronavirus). The Board of Directors proposes that no dividend will be paid for the financial year of 2019.

## Proposed composition of the Board

The Nominating Committee has proposed re-election of Board members Jörgen Zahlin, Carina Andersson, Lars Olof Nilsson and Petter Stillström and new election of Mats O Paulsson. It is proposed that Jörgen Zahlin be re-elected as Chairman.

## Proposal for election of auditors

Based on the recommendation of the Audit Committee, the Nominating Committee proposes the re-election of the auditing firm Öhrlings PricewaterhouseCoopers AB as the Company's auditor.

## Significant risks and uncertainties

The BE Group is exposed through its operations to market risks and risks of a financial and operational nature. Within the companies of the Group, continuous processes are ongoing to identify existing risks and assess how these should be handled. The risk exposure is explained in the 2019 Annual Report, which was published in April 2020. For risks related to the consequences of Covid-19, see below.

### Risks related to Covid-19 and measures taken

The BE Group has seen only a limited impact on our business from Covid-19 during the first quarter. Generally speaking, our business is affected by how our customers and suppliers are affected by the situation and how they manage it. Some customers are pausing production and projects while others intend to continue at the same rate as before.

A number of measures have been implemented in the Group in the short term to counteract the effects, such as short-term lay-offs, renegotiated agreements and increased control of working capital and costs. The BE Group is also looking at other possible savings measures.

It is currently impossible to estimate the impact that Covid-19 may have on the company. BE Group is monitoring developments closely and is prepared to take further measures where necessary to reduce the negative impact on the business. The company acts in accordance with decisions and recommendations from governments and authorities in the respective markets and with the health and well-being of its employees as a top priority.

## Accounting principles

The interim report was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company's interim report is prepared in compliance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

Refer to the 2019 Annual Report for details of the Group's accounting principles and definitions of certain terms. The principles applied are unchanged in relation to the Annual Report. In other regards, the new standards and interpretations that have come into effect from the financial year 2020 have had no significant effect on the financial reporting.

# Future information

## Future reporting dates

BE Group AB (publ) intends to publish financial information on the following dates:

- The Interim Report for January–June 2020 will be published on July 16, 2020.
- The Interim Report for January–September 2020 will be published on October 21, 2020.
- The Year-End Report for 2020 will be published in January 2021.

Financial information is available in Swedish and English from BE Group's website and can be ordered by phone +46 (0) 40 38 42 00 or e-mail: [info@begroup.com](mailto:info@begroup.com).

*Malmö, April 9, 2020*

BE Group AB (publ)

**Peter Andersson**

*President and CEO*

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## Questions concerning this report may be directed to:

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*This report has not been reviewed by the company's auditors.*

This information is information that BE Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact persons set out above at 1 p.m. CET on April 9, 2020.



## Condensed consolidated income statement

(SEK M)	Note	2020 Jan-Mar	2019 Jan-Mar	2019 Full-year	Rolling 12 months
Net sales		1,118	1,205	4,359	4,272
Cost of goods sold	1	-948	-1,039	-3,754	-3,663
<b>Gross profit</b>		<b>170</b>	<b>166</b>	<b>605</b>	<b>609</b>
Selling expenses	1	-105	-100	-389	-394
Administrative expenses	1	-31	-33	-128	-126
Other operating income and expenses	2	-39	0	-3	-42
Participation in joint venture		1	1	3	3
<b>Operating profit/loss</b>		<b>-4</b>	<b>34</b>	<b>88</b>	<b>50</b>
Financial items		-25	-6	-16	-35
<b>Profit/loss before tax</b>		<b>-29</b>	<b>28</b>	<b>72</b>	<b>15</b>
Tax		6	-8	-22	-8
<b>Profit/loss for the period</b>		<b>-23</b>	<b>20</b>	<b>50</b>	<b>7</b>
Earnings per share		-1.75	1.56	3.87	0.57
Earnings per share before and after dilution		-1.75	1.56	3.87	0.57

## Consolidated statement of comprehensive income

(SEK M)	2020 Jan-Mar	2019 Jan-Mar	2019 Full-year	Rolling 12 months
<b>Profit/loss for the period</b>	<b>-23</b>	<b>20</b>	<b>50</b>	<b>7</b>
<b>Other comprehensive income</b>				
<b>Items that have, or may be, reclassified to profit/loss for the period</b>				
Translation differences	37	31	31	37
Hedging of net investments in foreign subsidiaries	0	-26	-36	-10
Tax attributable to items in other comprehensive income	0	5	8	3
<b>Total other comprehensive income</b>	<b>37</b>	<b>10</b>	<b>3</b>	<b>30</b>
<b>Comprehensive income for the period</b>	<b>14</b>	<b>30</b>	<b>53</b>	<b>37</b>

## Condensed consolidated balance sheet

(SEK M)	Note	2020 Mar 31	2019 Mar 31	2019 Dec 31
Goodwill		582	566	566
Other intangible assets		6	6	7
Tangible assets		93	107	89
Right of use assets		565	545	540
Investment in joint venture		112	114	110
Financial assets		0	0	0
Deferred tax assets		31	31	21
<b>Total non-current assets</b>		<b>1,389</b>	<b>1,369</b>	<b>1,333</b>
Inventories		646	657	642
Accounts receivable		583	624	387
Other receivables		40	43	57
Cash and equivalents		45	137	168
<b>Total current assets</b>		<b>1,314</b>	<b>1,461</b>	<b>1,254</b>
<b>Total assets</b>	3	<b>2,703</b>	<b>2,830</b>	<b>2,587</b>
<b>Equity</b>		<b>937</b>	<b>922</b>	<b>922</b>
Non-current interest-bearing liabilities		362	549	536
Non-current leasing liabilities		477	457	449
Provisions		0	0	0
Deferred tax liability		47	44	44
<b>Total non-current liabilities</b>		<b>886</b>	<b>1,050</b>	<b>1,029</b>
Current interest-bearing liabilities		5	6	6
Current leasing liabilities		90	89	92
Accounts payable		568	586	398
Other current liabilities		181	172	139
Other current provisions		36	5	1
<b>Total current liabilities</b>		<b>880</b>	<b>858</b>	<b>636</b>
<b>Total equity and liabilities</b>	3	<b>2,703</b>	<b>2,830</b>	<b>2,587</b>

## Condensed consolidated cash-flow statement

(SEK M)	2020 Jan-Mar	2019 Jan-Mar	2019 Full-year	Rolling 12 months
Operating result	-4	34	88	50
Adjustment for non-cash items	59	19	106	146
- of which, amortization/depreciation	29	28	113	114
- of which, other items	30	-9	-7	32
Interest paid/received and other financial items	-6	-6	-23	-23
Income tax paid	-3	1	-2	-6
Change in working capital	47	14	31	64
<b>Cash flow from operating activities</b>	<b>93</b>	<b>62</b>	<b>200</b>	<b>231</b>
Investments in intangible assets	0	0	0	0
Investments in tangible assets	-7	-2	-25	-30
Divestments of tangible assets	0	0	1	1
Other cash flow from investing activities	0	-13	-13	0
<b>Cash flow after investments</b>	<b>86</b>	<b>47</b>	<b>163</b>	<b>202</b>
Cash flow from financing activities <sup>1)</sup>	-213	-19	-104	-298
<b>Cash flow for the period</b>	<b>-127</b>	<b>28</b>	<b>59</b>	<b>-96</b>
Exchange-rate difference in cash and equivalents	4	1	1	4
<b>Change in cash and equivalents</b>	<b>-123</b>	<b>29</b>	<b>60</b>	<b>-92</b>

<sup>1)</sup> In the cash flow from financing activities for Full-year 2019 SEK -23 M relates to dividend paid for 2018.

## Condensed statement of changes in equity

(SEK M)	2020 Jan-Mar	2019 Jan-Mar	2019 Full-year	Rolling 12 months
<b>Equity at beginning of period</b>	<b>922</b>	<b>892</b>	<b>892</b>	<b>922</b>
Comprehensive income for the period	14	30	53	37
Dividend	-	-	-23	-23
<b>Equity at end of period</b>	<b>937</b>	<b>922</b>	<b>922</b>	<b>937</b>

## Note 1 Amortizations and depreciations

(SEK M)	2020 Jan-Mar	2019 Jan-Mar	2019 Full-year	Rolling 12 months
Amortization of intangible assets	1	1	2	2
Depreciation of tangible assets	6	7	27	26
Depreciation of right of use assets	22	20	84	86
<b>Total amortizations and depreciations</b>	<b>29</b>	<b>28</b>	<b>113</b>	<b>114</b>

## Note 2 Items affecting comparability

(SEK M)	2020 Jan-Mar	2019 Jan-Mar	2019 Full-year	Rolling 12 months
Restructuring expenses	-35	-	-	-35
<b>Total items affecting comparability</b>	<b>-35</b>	<b>-</b>	<b>-</b>	<b>-35</b>

## Note 3 Valuation of financial assets and liabilities

In all material respects fair value coincides with the carrying amount in the balance sheet for financial assets and liabilities.

The assessment of the fair value of the financial assets has been carried out in accordance with level 2, with the exception of cash and equivalents, which are valued in accordance with level 1. For additional information, see Note 31 in the 2019 Annual Report. No material changes have taken place in relation to the valuation as per December 31.

# Segment reporting

## Net sales by business area (SEK M)

	2020 Jan-Mar	2019 Jan-Mar	2019 Full-year	Rolling 12 months
Sweden & Poland	558	643	2,209	2,124
Finland & Baltics	562	565	2,157	2,154
Parent Company & consolidated items	-2	-3	-7	-6
<b>Group</b>	<b>1,118</b>	<b>1,205</b>	<b>4,359</b>	<b>4,272</b>

## Net sales by business area and product group

2020	Sweden & Poland	Finland & Baltics	Parent company & consolidated items	Total	
	2020 Jan-Mar	2020 Jan-Mar	2020 Jan-Mar	2020 Jan-Mar	Rolling 12 months
Long steel products	246	149	0	395	1,527
Flat steel products	175	275	0	450	1,685
Stainless steel	92	101	0	193	751
Aluminium	19	32	0	51	205
Other	26	5	-2	29	104
<b>Total</b>	<b>558</b>	<b>562</b>	<b>-2</b>	<b>1,118</b>	<b>4,272</b>

2019	Sweden & Poland	Finland & Baltics	Parent company & consolidated items	Total	
	2019 Jan-Mar	2019 Jan-Mar	2019 Jan-Mar	2019 Jan-Mar	2019 Full-year
Long steel products	290	150	0	440	1,572
Flat steel products	206	285	1	492	1,727
Stainless steel	102	92	0	194	752
Aluminium	22	32	-1	53	207
Other	23	6	-3	26	101
<b>Total</b>	<b>643</b>	<b>565</b>	<b>-3</b>	<b>1,205</b>	<b>4,359</b>

## Net sales by country based on customer's domicile (SEK M)

By country based on customer's domicile (SEK M)	2020 Jan-Mar	2019 Jan-Mar	2019 Full-year	Rolling 12 months
Sweden	542	631	2,156	2,067
Finland	505	482	1,872	1,895
Other	71	92	331	310
<b>Group</b>	<b>1,118</b>	<b>1,205</b>	<b>4,359</b>	<b>4,272</b>

## Shipped tonnage per segment (thousands of tonnes)

	2020 Jan-Mar	2019 Jan-Mar	2019 Full-year	Rolling 12 months
Sweden & Poland	44	50	168	162
Finland & Baltics	47	46	173	174
Parent Company & consolidated items	-1	0	-1	-2
<b>Group</b>	<b>90</b>	<b>96</b>	<b>340</b>	<b>334</b>

## Operating result (EBIT) per segment

(SEK M)	2020 Jan-Mar	2019 Jan-Mar	2019 Full-year	Rolling 12 months
Sweden & Poland	-24	27	61	10
Finland & Baltics	23	14	52	62
Parent Company & consolidated items	-3	-7	-26	-22
<b>Group</b>	<b>-4</b>	<b>34</b>	<b>88</b>	<b>50</b>

## Operating margin per segment

	2020 Jan-Mar	2019 Jan-Mar	2019 Full-year	Rolling 12 months
Sweden & Poland	-4.4%	4.2%	2.8%	0.5%
Finland & Baltics	4.1%	2.4%	2.4%	2.9%
Parent Company & consolidated items	neg	neg	neg	neg
<b>Group</b>	<b>-0.4%</b>	<b>2.8%</b>	<b>2.0%</b>	<b>1.2%</b>

## Underlying operating result (uEBIT) per segment <sup>1)</sup>

(SEK M)	2020 Jan-Mar	2019 Jan-Mar	2019 Full-year	Rolling 12 months
Sweden & Poland	16	30	67	53
Finland & Baltics	29	17	52	65
Parent Company & consolidated items	-3	-7	-26	-22
<b>Group</b>	<b>42</b>	<b>40</b>	<b>94</b>	<b>96</b>

## Underlying operating margin per segment <sup>2)</sup>

	2020 Jan-Mar	2019 Jan-Mar	2019 Full-year	Rolling 12 months
Sweden & Poland	2.8%	4.6%	3.0%	2.5%
Finland & Baltics	5.1%	3.0%	2.4%	3.0%
Parent Company & consolidated items	neg	neg	neg	neg
<b>Group</b>	<b>3.8%</b>	<b>3.3%</b>	<b>2.1%</b>	<b>2.2%</b>

## Depreciation per segment

(SEK M)	2020 Jan-Mar	2019 Jan-Mar	2019 Full-year	Rolling 12 months
Sweden & Poland	3	3	13	13
Finland & Baltics	3	4	16	15
Parent Company & consolidated items	23	21	84	86
<b>Group</b>	<b>29</b>	<b>28</b>	<b>113</b>	<b>114</b>

## Investments in tangible and intangible assets per segment

(SEK M)	2020 Jan-Mar	2019 Jan-Mar	2019 Full-year	Rolling 12 months
Sweden & Poland	7	1	17	23
Finland & Baltics	0	1	7	6
Parent Company & consolidated items	0	0	1	1
<b>Group</b>	<b>7</b>	<b>2</b>	<b>25</b>	<b>30</b>

<sup>1)</sup> Operating profit/loss (EBIT) adjusted for inventory gains and losses and items affecting comparability. Inventory gains and losses are the differences between the cost of goods sold at acquisition value and the cost of goods sold at replacement cost. The Group's internal model is used to calculate inventory gains and losses and has not been subject for review by the Group's auditor.

<sup>2)</sup> Underlying operating result (uEBIT) as a percentage of net sales.

# Key data

(SEK M unless otherwise stated)	2020 Jan-Mar	2019 Jan-Mar	2019 Full-year	Rolling 12 months
Net sales	1,118	1,205	4,359	4,272
<b>Earnings measurements</b>				
Gross result	170	166	605	609
Underlying gross result	180	172	609	617
Operating result (EBIT)	-4	34	88	50
Underlying operating result (uEBIT)	42	40	94	96
<b>Margin measurements</b>				
Gross margin	15.2%	13.8%	13.9%	14.3%
Underlying gross margin	16.1%	14.2%	14.0%	14.5%
Operating margin	-0.4%	2.8%	2.0%	1.2%
Underlying operating margin	3.8%	3.3%	2.1%	2.3%
<b>Capital structure</b>				
Net debt excl. IFRS 16 <sup>1)</sup>	322	418	373	322
Net debt/equity ratio excl. IFRS 16 <sup>1)</sup>	34%	45%	40%	34%
Working capital at end of period	520	568	549	520
Working capital (average)	534	570	570	559
Capital employed (average) excl. IFRS 16 <sup>1)</sup>	1,389	1,459	1,466	1,442
Working capital tied-up	11.9%	11.8%	13.1%	13.1%
<b>Return</b>				
Return on capital employed excl. IFRS 16 <sup>1)</sup>	-1.2%	9.2%	5.6%	3.5%
<b>Per share data</b>				
Earnings per share (SEK)	-1.75	1.56	3.87	0.57
Earnings per share after dilution (SEK)	-1.75	1.56	3.87	0.57
Equity per share (SEK)	72.19	71.03	71.05	72.19
Cash flow from operating activities per share (SEK)	7.18	4.79	15.37	17.79
Shares outstanding at period end (thousands)	12,983	12,983	12,983	12,983
Number of shares (thousands) before and after dilution	12,983	12,983	12,983	12,983
<b>Growth</b>				
Sales growth	-7%	-2%	-9%	-11%
– of which organic tonnage growth	-5%	-2%	-10%	-11%
– of which price and mix changes	-3%	-2%	-1%	-1%
– of which currency effects	1%	2%	2%	1%
<b>Other</b>				
Average number of employees	637	664	652	648
Inventory gains and losses	-11	-6	-6	-11
Shipped tonnage (thousands of tonnes)	90	96	340	334

<sup>1)</sup> To visualize the development of BE Group's financial position, some information is in the key figure overview that is not defined in IFRS. A reconciliation/bridge between alternative performance measures used in this report and the closest IFRS measure is presented under Alternative performance measures.

## Condensed parent company income statement

(SEK M)	2020 Jan-Mar	2019 Jan-Mar	2019 Full-year	Rolling 12 months
Net sales	24	27	97	94
Administrative expenses	-12	-14	-53	-51
Other operating income and expenses	1	0	0	1
<b>Operating profit/loss</b>	<b>13</b>	<b>13</b>	<b>44</b>	<b>44</b>
Financial items	15	-11	-3	23
<b>Profit/loss after financial items</b>	<b>28</b>	<b>2</b>	<b>41</b>	<b>67</b>
Appropriations	-	-	7	7
<b>Profit/loss before tax</b>	<b>28</b>	<b>2</b>	<b>48</b>	<b>74</b>
Tax	2	-2	-10	-6
<b>Profit/loss for the period, or comprehensive income for the period</b>	<b>30</b>	<b>0</b>	<b>38</b>	<b>68</b>

## Condensed parent company balance sheet

(SEK M)	2020 Mar 31	2019 Mar 31	2019 Dec 31
Intangible assets	1	1	1
Tangible assets	0	1	0
Financial assets	914	998	914
<b>Total non-current assets</b>	<b>915</b>	<b>1,000</b>	<b>915</b>
Current receivables	206	162	252
Cash and equivalents	17	127	145
<b>Total current assets</b>	<b>223</b>	<b>289</b>	<b>397</b>
<b>Total assets</b>	<b>1,138</b>	<b>1,289</b>	<b>1,312</b>
<b>Equity</b>	<b>672</b>	<b>626</b>	<b>642</b>
<b>Non-current liabilities</b>	<b>350</b>	<b>538</b>	<b>536</b>
<b>Current liabilities</b>	<b>116</b>	<b>125</b>	<b>134</b>
<b>Total equity and liabilities</b>	<b>1,138</b>	<b>1,289</b>	<b>1,312</b>



## Key data – multi-quarter summary

(SEK M unless otherwise stated)	2020 Jan-Mar	2019 Oct-Dec	2019 Jul-Sep	2019 Apr-Jun	2019 Jan-Mar	2018 Oct-Dec	2018 Jul-Sep	2018 Apr-Jun	2018 Jan-Mar
Net sales	1,118	984	977	1,193	1,205	1,154	1,111	1,312	1,226
<b>Earnings measurements</b>									
Gross result	170	138	137	164	166	152	151	179	187
Underlying gross result	180	138	136	163	172	151	145	167	180
Operating result (EBIT)	-4	8	14	32	34	22	33	22	55
Underlying operating result (uEBIT)	42	9	13	32	40	17	26	26	48
<b>Margin measurements</b>									
Gross margin	15.2%	14.0%	14.0%	13.8%	13.8%	13.2%	13.6%	13.6%	15.3%
Underlying gross margin	16.1%	14.1%	13.9%	13.7%	14.2%	13.1%	13.0%	12.8%	14.7%
Operating margin	-0.4%	0.8%	1.5%	2.7%	2.8%	1.9%	3.0%	1.6%	4.5%
Underlying operating margin	3.8%	0.9%	1.4%	2.6%	3.3%	1.4%	2.4%	2.0%	3.9%
<b>Capital structure</b>									
Net debt excl. IFRS 16 <sup>1)</sup>	322	373	431	402	418	440	513	496	504
Net debt/equity ratio excl. IFRS 16 <sup>1)</sup>	34%	40%	46%	44%	45%	49%	58%	57%	59%
Working capital at end of period	520	549	608	553	568	572	617	575	554
Working capital (average)	534	578	580	560	570	594	596	565	523
Capital employed (average) excl. IFRS 16 <sup>1)</sup>	1,389	1,463	1,477	1,481	1,459	1,446	1,431	1,403	1,368
Working capital tied-up	11.9%	14.7%	14.8%	11.7%	11.8%	12.9%	13.4%	10.8%	10.7%
<b>Return</b>									
Return on capital employed excl. IFRS 16 <sup>1)</sup>	-1.2%	1.5%	4.0%	8.2%	9.2%	6.0%	9.4%	6.1%	16.2%
<b>Per share data</b>									
Earnings per share (SEK)	-1.75	0.57	0.30	1.44	1.56	0.83	1.73	0.54	3.03
Earnings per share after dilution (SEK)	-1.75	0.57	0.30	1.44	1.56	0.83	1.73	0.54	3.03
Equity per share (SEK)	72.19	71.05	71.80	71.00	71.03	68.67	67.92	66.48	65.65
Cash flow from operating activities per share (SEK)	7.18	6.50	-1.03	5.11	4.79	6.13	-0.74	1.29	-0.08
Shares outstanding at period end (thousands)	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983
Number of shares (thousands) before and after dilution	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983
<b>Growth</b>									
Sales growth	-7%	-15%	-12%	-9%	-2%	5%	15%	14%	8%
– of which organic tonnage growth	-5%	-17%	-11%	-9%	-2%	3%	4%	8%	0%
– of which price and mix changes	-3%	1%	-2%	-1%	-2%	-1%	6%	3%	6%
– of which currency effects	1%	1%	1%	1%	2%	3%	5%	3%	2%
<b>Other</b>									
Average number of employees	637	644	646	652	664	666	665	670	670
Inventory gains and losses	-11	-1	1	0	-6	1	7	12	7
Shipped tonnage (thousands of tonnes)	90	77	75	92	96	93	84	102	98

<sup>1)</sup> To visualize the development of BE Group's financial position, some information is in the key figure overview that is not defined in IFRS. A reconciliation/bridge between alternative performance measures used in this report and the closest IFRS measure is presented under Alternative performance measures.

The comparative figures for 2018 are prepared according to previous accounting principles regarding leasing (IAS 17).

## Alternative performance measures

The Group uses a number of alternative performance measures in its report. The alternative performance measures that BE Group considers significant are the following:

### Underlying operating result (uEBIT)

(SEK M)	2020 Jan-Mar	2019 Jan-Mar	2019 Full-year	Rolling 12 months
Operating result	-4	34	88	50
Reversal of inventory gains (-)/losses (+)	11	6	6	11
Adjustment for items affecting comparability	35	-	-	35
<b>Group</b>	<b>42</b>	<b>40</b>	<b>94</b>	<b>96</b>

### Working capital

(SEK M)	2020 Jan-Mar	2019 Jan-Mar	2019 Dec 31
Inventories	646	657	642
Accounts receivable	583	624	387
Other receivables	40	43	57
Deduction accounts payable	-568	-586	-398
Deduction other current liabilities	-181	-172	-139
Rounding	-	2	-
<b>Group</b>	<b>520</b>	<b>568</b>	<b>549</b>

Average working capital is an average for each period based on quarterly data.

### Net debt excl. IFRS 16

(SEK M)	2020 Jan-Mar	2019 Jan-Mar	2019 Dec 31
Non-current interest-bearing liabilities and leasing liabilities	839	1,006	985
Current interest-bearing liabilities and leasing liabilities	95	95	98
Deduction leasing liabilities	-567	-546	-541
Deduction financial assets	0	0	0
Deduction cash and equivalents	-45	-137	-168
Rounding	-	-	-1
<b>Group</b>	<b>322</b>	<b>418</b>	<b>373</b>

Net debt/equity ratio excl. IFRS 16 is calculated as net debt excl. IFRS 16 divided by Equity.

### Capital employed excl. IFRS 16

(SEK M)	2020 Jan-Mar	2019 Jan-Mar	2019 Dec 31
Equity excl. IFRS 16	942	922	927
Non-current interest-bearing liabilities and leasing liabilities	839	1,006	985
Current interest-bearing liabilities and leasing liabilities	95	95	98
Deduction leasing liabilities	-567	-546	-541
Rounding	-	-	-1
<b>Group</b>	<b>1,309</b>	<b>1,477</b>	<b>1,468</b>

Average capital employed excl. IFRS 16 is an average for each period based on quarterly data.

# Definitions of key data

## Adjusted results measurements

Underlying gross result	The underlying gross result is the reported gross result adjusted for inventory gains and losses (deductions for gains and additions for losses).
Underlying operating result (uEBIT)	Operating result (EBIT) before items affecting comparability adjusted for inventory gains and losses (deductions for gains and additions for losses).
Items affecting comparability	Items that do not have any link to the normal operations of the Group or that are of a non-recurring nature, where a reporting together with other items in the consolidated comprehensive income statement would have given a comparison distortion effect that would have made it difficult to judge the development of the ordinary operations for an outside viewer.

## Adjusted margin measurements

Underlying gross margin	Underlying gross result as a percentage of net sales.
Underlying operating margin	Underlying operating result (uEBIT) as a percentage of net sales.

## Capital structure

Net debt excl. IFRS 16	Interest-bearing liabilities excluding leasing liabilities acc. to IFRS 16 less cash and equivalents and financial assets.
Net debt/equity ratio excl. IFRS 16	Net debt excl. IFRS 16 divided by equity excl. IFRS 16.
Working capital	Inventories and current receivables less current liabilities, excluding provisions and interest-bearing liabilities.
Working capital (average)	Inventories and current receivables less current liabilities, excluding provisions and interest-bearing liabilities. This measure represents an average for each period based on quarterly data.
Capital employed excl. IFRS 16	Equity excl. IFRS 16 plus interest-bearing liabilities excl. leasing liabilities acc. to IFRS 16.
Capital employed (average) excl. IFRS 16	Equity excl. IFRS 16 plus interest-bearing liabilities excl. leasing liabilities acc. to IFRS 16. This measure represents an average for each period based on quarterly data.
Working capital tied-up	Average working capital, as a percentage of annually adjusted net sales.

## Return on capital

Return on capital employed excl. IFRS 16	Annually adjusted operating result excl. IFRS 16, as a percentage of average capital employed excl. IFRS 16.
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## Per share data

Earnings per share	Profit/loss for the period divided by the average number of shares outstanding during the period.
Equity per share	Equity divided by the number of shares outstanding at the end of the period.
Cash flow per share from operating activities	Cash flow from operating activities divided by the average number of shares for the period.
Shares outstanding at the end of the period	Shares outstanding at the end of the period adjusted for rights issues and share splits.
Average number of shares	Weighted average number of shares outstanding during the period, adjusted for rights issued and share splits.

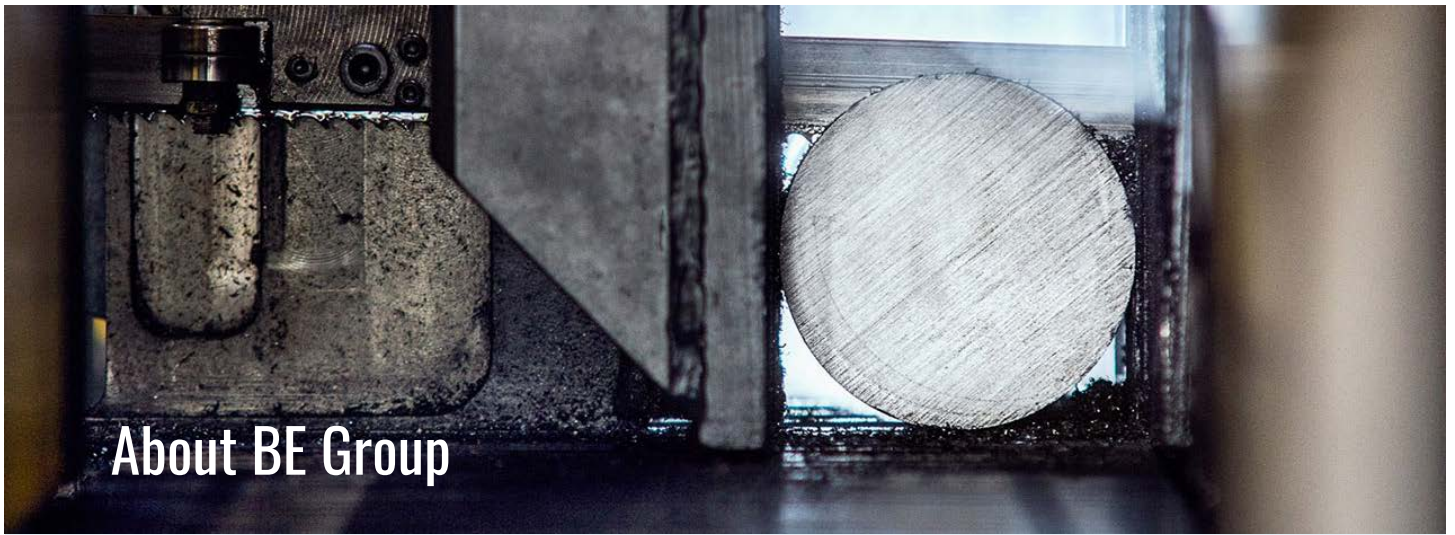
## Growth

Sales growth	Change in net sales from the preceding period in percent.
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## Other

Inventory gains and losses	The difference between the cost of goods sold at acquisition value and the cost of goods sold at replacement cost.
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Please refer to the 2019 annual report for other definitions of key data.



## About BE Group

### A leading steel service company in Northern Europe

**BE Group is a trading and service company in the steel and metal industry. Customers mainly operate in the construction and manufacturing industries in Sweden, Finland and the Baltic States, where BE Group is one of the market's leading actors.**

With extensive expertise and efficient processes in purchasing, logistics and production, BE Group offers inventory sales, production service and direct deliveries to customers based on their specific needs for steel and metal products. BE Group has approximately 650 employees and sales of SEK 4.4 billion in 2019. The head office is located in Malmö, Sweden.

#### BUSINESS IDEA

BE Group is an independent efficient distributor of steel, stainless steel, aluminum and value adding services to Nordic manufacturing and construction companies.

Number of employees

**approx. 650**

Net sales

**SEK 4.4 billion**

