



BE GROUP

INTERIM REPORT BE Group AB (publ)

January – September 2021

Third quarter 2021

- Net sales increased by 85% to SEK 1,375 M (744)
- The underlying operating result increased to SEK 193 M (14)
- Inventory gains and losses amounted to SEK 26 M (-10)
- The operating result increased to SEK 219 M (4)
- Result after tax increased to SEK 175 M (-4)
- Cash flow from operating activities increased to SEK 6 M (1)
- Earnings per share increased to SEK 13.49 (-0.32)

First nine months 2021

- Net sales increased by 39% to SEK 3,878 M (2,797)
- The underlying operating result increased to SEK 394 M (84)
- Inventory gains and losses amounted to SEK 69 M (-23) and items affecting comparability to SEK 0 M (-40)
- The operating result increased to SEK 463 M (21)
- Result after tax increased to SEK 365 M (-9)
- Cash flow from operating activities amounted to SEK 147 M (189)
- Earnings per share increased to SEK 28.10 (-0.73)

Results overview	2021	2020	Change	2021	2020	Change
	Jul-Sep	Jul-Sep		Jan-Sep	Jan-Sep	
Tonnage, thousands of tonnes	77	64	13	263	231	32
Net sales, SEK M	1,375	744	631	3,878	2,797	1,081
Underlying operating result, SEK M	193	14	179	394	84	310
Operating result, SEK M	219	4	215	463	21	442
Profit/loss for the period, SEK M	175	-4	179	365	-9	374
Earnings per share, SEK	13.49	-0.32	13.81	28.10	-0.73	28.83
Cash flow from operating activities, SEK M	6	1	5	147	189	-42

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 2020, the Group reported sales of SEK 3.7 billion. BE Group has approximately 630 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.



”BE Group once again provide a strong quarter”

Statement from the CEO

Normally, the third quarter is a weak quarter for BE Group, but continued higher demand combined with rising steel prices and higher gross margins means that BE Group once again provide a strong quarter. The operating margin amounted to 15.9%, which is by far the best since the stock exchange listing in 2006.

In relation to the corresponding quarter last year, sales increased by 85% and the underlying operating result ended up at SEK 193 M (14). Steel prices continued to rise and led to inventory gains of SEK 26 M, compared with inventory losses of SEK -10 M in the same period last year, and the operating result increased to SEK 219 M (4). Despite the sharp price increase, we continue to have good control of working capital and this led to a positive cash flow in the period.

Continued recovery

The market is continuing to recover and material prices that rose rapidly and by a lot at the end of last year have continued to rise throughout the year with a sharp increase in some product types in the third quarter. The recovery is evident in both the construction and manufacturing industries.

Counted in tonnage, the quarter’s increase is 21% compared to last year, but in relation to 2018, which was a good year in terms of tonnage, it is still a decrease by around 10% so there is absolutely room for continued

recovery. We are now seeing this recovery primarily among our larger customers.

Steel price trend

In total, steel prices will continue to increase in the fourth quarter, but in no way close to the price increases in the third quarter. Demand for steel is expected to be high in the coming year and the assessment is also that the transition to green steel production will require more sustainable prices for the steel producers. As prices stabilize, it is possible that a certain marginal contraction occurs when more expensive newly purchased material is sold.

Future outlook

Although we are humbly enjoying the good results for a short while, we are also continuing our hard work on constant and recurring improvements. The ambition is to continue to build a good company that is profitable in the long term with a stable foundation for the future by focusing on customer experience and sales culture. Commercial steel comprises standardized products and whoever offers the best customer experience within sustainability, competence, delivery performance and availability is on the forefront. The working name is in short customer experience. Another means of competition is service level, business integrity and proactivity. This is what we call sales culture.

Peter Andersson
President and CEO

Bridge 2020-2021 operating result SEK M	Q1	Q2	Q3	Q4	Jan-Sep
Operating result 2020	-4	21	4	18	21
Reversal of inventory gains (-)/losses (+)	11	2	10	-6	23
Items affecting comparability	35	5	-	-	40
Underlying operating result 2020	42	28	14	12	84
Change in sales	-3	70	97	-	164
Change in underlying gross margin	16	66	90	-	172
Change in overhead costs	13	-31	-8	-	-26
Underlying operating result 2021	68	133	193	-	394
Reversal of inventory gains (+)/losses (-)	18	25	26	-	69
Items affecting comparability	-	-	-	-	-
Operating result 2021	86	158	219	-	463

Comments on the report

Third quarter

The Group's consolidated net sales for the period increased by 85 percent compared to last year, amounting to SEK 1,375 M (744). The increase is mainly explained by organic tonnage growth of 21 percent, positive price and mix effects of 65 percent and negative currency effects of -1 percent. Tonnage increased strongly compared to last year when the OEM customers and subcontractors to the automotive industry sharply reduced their operations in part of the third quarter as a result of the pandemic. The positive price effect is due to sharply rising steel prices.

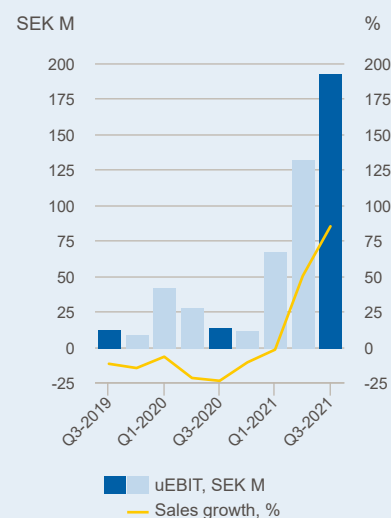
Increased volumes, high steel prices and inventory gains contributed to an increased gross profit of SEK 316 M (105) corresponding to a gross margin of 23.0 percent (14.1). The operating result increased to SEK 219 M (4), corresponding to an operating margin of 15.9 percent (0.5). Adjusted for inventory gains and losses of SEK 26 M (-10), the underlying operating result increased to SEK 193 M (14). The underlying operating margin during the period increased to 14.0 percent (1.8) and the improvement is explained by increased tonnage in combination with high steel prices and improved gross margin.

First nine months

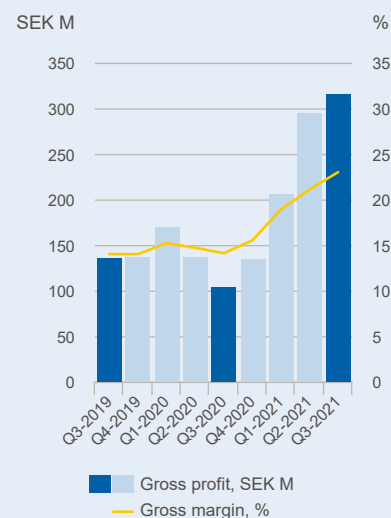
During the first nine months, the Group's net sales increased by 39 percent compared to last year and amounted to SEK 3,878 M (2,797). Tonnage in business area Sweden & Poland increased by 26 percent compared to last year, while Finland & Baltics delivered 17 percent more. Rising steel prices and mix effects have affected net sales positively by 27 percent and the price trend has resulted in inventory gains. Gross profit increased to SEK 819 M (413) with a gross margin of 21.1 percent (14.8).

The operating result increased to SEK 463 M (21), corresponding to an operating margin of 11.9 percent (0.7). Adjusted for inventory gains and losses of SEK 69 M (-23) and items affecting comparability of SEK 0 M (-40), the underlying operating result increased to SEK 394 M (84). The underlying operating margin amounted to 10.1 percent (3.0) during the period.

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



THE GROUP'S GROSS MARGIN AND GROSS PROFIT PER QUARTER





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.

Third quarter

Net sales increased by 86 percent in the third quarter compared to last year and amounted to SEK 629 M (338). The higher sales is explained by an increase in tonnage by 26 percent at the same time as steel prices were higher. The operating result increased to SEK 94 M (-8). Adjusted for inventory gains and losses of SEK 17 M (-4), the underlying operating result increased to SEK 77 M (-5).

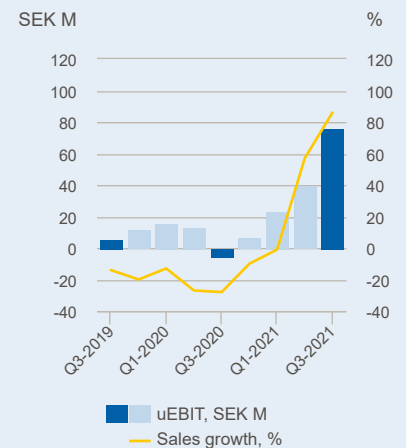
The Swedish operations delivered a strong underlying operating result compared to last year. The result development is mainly explained by increased demand from OEM customers and steel structure suppliers, higher steel prices and improved gross margin. Our joint venture AMBE provided a strong operating result due to increased demand and high prices on thin sheets and coils. In the Polish operations and Lecor Stålteknik, profitability improved as a result of higher occupancy.

First nine months

Net sales for the first nine months increased by 40 percent compared to last year, amounting to SEK 1,881 M (1,343). Sales growth is explained by increase in tonnage of 17 percent and higher steel prices. Operating result increased to SEK 186 M (-21).

Adjusted for inventory gains and losses of SEK 46 M (-11) and items affecting comparability of SEK 0 M (-35), the underlying operating result increased to SEK 141 M (25). The recovery in demand was clear both within the construction and manufacturing industries.

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 countries.

Third quarter

Compared to the third quarter last year, net sales increased by 85 percent to SEK 753 M (408). Sales growth is explained by an increase in tonnage by 17 percent at the same time as steel prices were higher. The operating result increased to SEK 126 M (13). Adjusted for inventory gains and losses of SEK 9 M (-6), the underlying operating result improved to SEK 117 M (19).

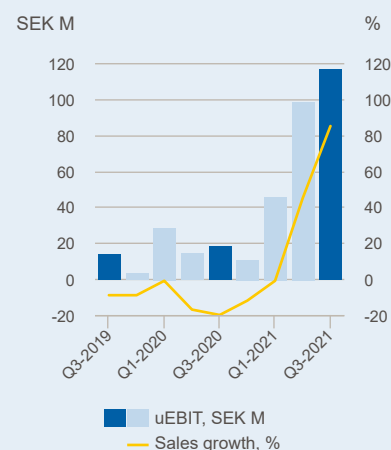
The Finnish operations provided a very strong underlying operating result compared to last year, despite limited availability of flat and thin products. The result development is explained by increased demand mainly from the manufacturing industry, higher steel prices and improved gross margin.

The Baltic operations provided a positive result through increased tonnage, higher steel prices and improved gross margin.

First nine months

Net sales for the first nine months increased by 38 percent compared to last year, amounting to SEK 2,019 M (1,460). The increase is explained by tonnage growth of 12 percent at the same time as steel prices were higher. The operating result increased to SEK 286 M (46) and adjusted for inventory gains and losses of SEK 24 M (-12) and items affecting comparability of SEK 0 M (-5), the underlying operating result increased to SEK 262 M (63). The development is attributable to high steel prices, strong gross margin and tonnage growth.

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 2020.

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 third quarter of the Parent Company, BE Group AB (publ), amounted to SEK 21 M (23) 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. Out of the total costs for the Parent Company, of SEK 10 M (9), SEK 9 M (9) was allocated to the subsidiaries. The operating result amounted to SEK 11 M (15). For the first nine months, net sales amounted to SEK 65 M (72) and the operating result to SEK 32 M (41).

Net financial items for the quarter amounted to SEK 1 M (-1). Profit before tax amounted to SEK 12 M (14) and profit after tax amounted to SEK 10 M (11). 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 171 M (88).

Net financial items for the first nine months amounted to SEK 97 M (22). Profit before tax amounted to SEK 129 M (63) and profit after tax was SEK 123 M (58). Investments in the Parent Company amounted to SEK 3 M (0).

Group

Net financial items and tax

The Group's consolidated net financial items in the third quarter amounted to SEK -5 M (-7), of which net interest amounted to SEK -3 M (-5). During the quarter, interest expenses related to leasing according to IFRS 16 amounted to SEK -2 M (-3). Net financial items for the first nine months amounted to SEK -17 M (-29) and net interest to SEK -11 M (-14), of which SEK -7 M (-9) is related to leasing according to IFRS 16.

Taxes for the third quarter amounted to SEK -39 M (-1). Profit after tax amounted to SEK 175 M (-4) and to SEK 365 M (-9) for the first nine months including items affecting comparability of SEK 0 M (-40).

Cash flow

The Group's consolidated working capital amounted to SEK 610 M (474) at the end of the period and the average working capital tied-up for the third quarter was 9.5 percent (15.6). Cash flow from operating activities amounted to SEK 6 M (1) during the quarter and to SEK 147 M (189) for the first nine months. The repayment of previously granted deferral of tax payments of approximately SEK 30 M affected cash flow negatively during the first nine months. Cash flow from investing activities amounted to SEK -6 M (-3) during the third quarter and SEK -15 M (-16) for the first nine months. Cash flow after investments thus amounted to SEK 0 M (-2) during the third quarter and SEK 132 M (173) for the first nine months.

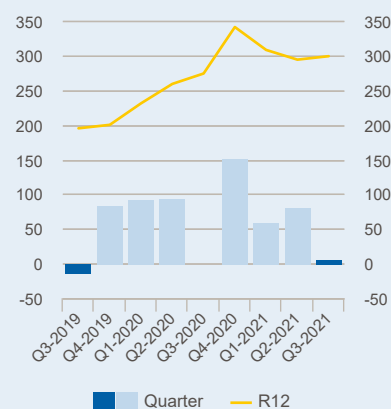
Financial position and liquidity

At the end of the period, consolidated cash and cash equivalents, including overdraft facilities, amounted to SEK 276 M (252) and the interest-bearing net debt excl. IFRS 16 was SEK 98 M (281). Equity amounted to SEK 1,281 M (920) at the end of the period.

Organization, structure and employees

The number of employees amounted to 627 compared to 632 at the same time last year. The average number of employees during the quarter amounted to 625 (636).

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



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.

Nomination Committee

In accordance with the company's procedures, a Nomination Committee has been appointed. The Nomination Committee consists of Petter Stillström (AB Traction), Alf Svedulf (Svedulf Fastighets AB), Johan Ahldin (The Pure Circle) and Jörgen Zahlin, Chairman of BE Group AB, who is also the convener for the Nomination Committee.

Annual General Meeting 2022

BE Group's Annual General Meeting will take place on April 21, 2022, at 4:00 pm in Malmö, Sweden. Further information will be published on the company's website.

Significant risks and uncertainties

Through its operations, BE Group is exposed to global macroeconomic factors, the competitive situation, structural changes in the market and the economy, as well as financial risks such as currency risks, interest risks, credit and counterparty risks. 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 2020 Annual Report, which was published in March 2021. For risks related to the consequences of Covid-19, see below.

Risks related to Covid-19 and measures taken

It is not possible to fully quantify the impact that Covid-19 may have on the company. BE Group is monitoring developments closely and is adjusting the measures that have been implemented in the Group in the short term to counteract the effects, such as Government grants, renegotiated agreements and increased control of working capital and costs. 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.

Government grants are reported at fair value when there is reasonable assurance that the grant will be received and the conditions associated with the grant will be met. Government grants relating to costs are reported in the income statement as cost reductions.

Refer to the 2020 Annual Report for details of the Group's other 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 2021 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 Year-end Report for 2021 will be published on January 27, 2022.
- The Annual Report for 2021 will be available in late March 2022.
- The Interim Report for January–March 2022 will be published on April 21, 2022.

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.

Malmö, October 21, 2021

BE Group AB (publ)

Peter Andersson

President and CEO

Questions concerning this report may be directed to:

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This report has 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 2:00 p.m. CET on October 21, 2021.

Auditor's report

BE Group AB (publ). reg. no. 556578-4724

Introduction

We have reviewed the condensed interim financial information (interim report) of BE Group AB (publ) as of 30 September 2021 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Malmö, October 21, 2021

Öhrlings PricewaterhouseCoopers AB

Eva Carlsvi

Authorized Public Accountant

Condensed consolidated income statement

(SEK M)	Note	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year	Rolling 12 months
Net sales		1,375	744	3,878	2,797	3,672	4,753
Cost of goods sold	1	-1,059	-639	-3,059	-2,384	-3,124	-3,799
Gross profit		316	105	819	413	548	954
Selling expenses	1	-93	-79	-312	-275	-371	-408
Administrative expenses	1	-25	-24	-83	-83	-110	-110
Other operating income and expenses	2	-1	1	-1	-39	-35	3
Participation in joint venture		22	1	40	5	7	42
Operating profit/loss		219	4	463	21	39	481
Financial items		-5	-7	-17	-29	-28	-16
Profit/loss before tax		214	-3	446	-8	11	465
Tax		-39	-1	-81	-1	-7	-87
Profit/loss for the period		175	-4	365	-9	4	378
Earnings per share		13.49	-0.32	28.10	-0.73	0.33	29.16
Earnings per share before and after dilution		13.49	-0.32	28.10	-0.73	0.33	29.16

Consolidated statement of comprehensive income

(SEK M)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year	Rolling 12 months
Profit/loss for the period	175	-4	365	-9	4	378
Other comprehensive income						
Items that have, or may be, reclassified to profit/loss for the period						
Translation differences	5	3	11	7	-21	-17
Hedging of net investments in foreign subsidiaries	-	0	-	0	0	0
Tax attributable to items in other comprehensive income	-	0	-	0	0	0
Total other comprehensive income	5	3	11	7	-21	-17
Comprehensive income for the period	180	-1	376	-2	-17	361

Condensed consolidated balance sheet

(SEK M)	Note	2021 Sep 30	2020 Sep 30	2020 Dec 31
Goodwill		561	569	557
Other intangible assets		8	5	5
Tangible assets		86	91	89
Right of use assets		501	550	541
Investment in joint venture		157	115	117
Financial assets		0	0	0
Deferred tax assets		15	27	24
Total non-current assets		1,328	1,357	1,333
Inventories		770	553	501
Accounts receivable		866	450	376
Other receivables		34	42	42
Cash and equivalents		176	102	166
Total current assets		1,846	1,147	1,085
Total assets	3	3,174	2,504	2,418
Equity		1,281	920	905
Non-current interest-bearing liabilities		266	382	321
Non-current leasing liabilities		413	460	457
Provisions		0	0	0
Deferred tax liability		41	44	42
Total non-current liabilities		720	886	820
Current interest-bearing liabilities		9	1	1
Current leasing liabilities		88	90	84
Accounts payable		783	402	414
Other current liabilities		277	169	162
Other current provisions		16	36	32
Total current liabilities		1,173	698	693
Total equity and liabilities	3	3,174	2,504	2,418

Condensed consolidated cash-flow statement

(SEK M)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year	Rolling 12 months
Operating result	219	4	463	21	39	481
Adjustment for non-cash items	4	25	36	112	134	58
– of which, amortization/depreciation	29	28	89	86	115	118
– of which, other items	-25	-3	-53	26	19	-60
Interest paid/received and other financial items	-4	-6	-12	-16	-21	-17
Income tax paid	-3	-3	-7	-10	-10	-7
Change in working capital	-210	-19	-333	82	199	-216
Cash flow from operating activities	6	1	147	189	341	299
Investments in intangible assets	0	0	0	0	0	0
Investments in tangible assets	-7	-3	-16	-16	-21	-21
Divestments of tangible assets	1	0	1	0	0	1
Other cash flow from investing activities	0	0	0	0	0	0
Cash flow after investments	0	-2	132	173	320	279
Cash flow from financing activities	-11	78	-119	-239	-318	-198
Cash flow for the period	-11	76	13	-66	2	81
Exchange-rate difference in cash and equivalents	-3	0	-3	0	-4	-7
Change in cash and equivalents	-14	76	10	-66	-2	74

Condensed statement of changes in equity

(SEK M)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year	Rolling 12 months
Equity at beginning of period	1,101	921	905	922	922	920
Comprehensive income for the period	180	-1	376	-2	-17	361
Dividend	-	-	-	-	-	-
Equity at end of period	1,281	920	1,281	920	905	1,281

Note 1 Amortizations and depreciations

(SEK M)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year	Rolling 12 months
Amortization of intangible assets	0	1	2	2	3	3
Depreciation of tangible assets	5	5	17	17	23	23
Depreciation of right of use assets	24	22	70	67	89	92
Total amortizations and depreciations	29	28	89	86	115	118

Note 2 Items affecting comparability

(SEK M)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year	Rolling 12 months
Restructuring expenses	-	-	-	-40	-40	-
Total items affecting comparability	-	-	-	-40	-40	-

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 2020 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)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year	Rolling 12 months
Sweden & Poland	629	338	1,881	1,343	1,782	2,320
Finland & Baltics	753	408	2,019	1,460	1,896	2,455
Parent Company & consolidated items	-7	-2	-22	-6	-6	-22
Group	1,375	744	3,878	2,797	3,672	4,753

Net sales by business area and product group

2021	Sweden & Poland		Finland & Baltics		Parent company & consolidated items		Total		Rolling 12 months
	2021 Jul-Sep	2021 Jan-Sep	2021 Jul-Sep	2021 Jan-Sep	2021 Jul-Sep	2021 Jan-Sep	2021 Jul-Sep	2021 Jan-Sep	
Long steel products	312	932	211	563	0	0	523	1,495	1,833
Flat steel products	196	562	379	1,026	0	0	575	1,588	1,928
Stainless steel	82	258	115	293	0	0	197	551	680
Aluminium	17	56	37	106	0	0	54	162	200
Other	22	73	11	31	-7	-22	26	82	112
Total	629	1,881	753	2,019	-7	-22	1,375	3,878	4,753

2020	Sweden & Poland		Finland & Baltics		Parent company & consolidated items		Total		2020 Full-year
	2020 Jul-Sep	2020 Jan-Sep	2020 Jul-Sep	2020 Jan-Sep	2020 Jul-Sep	2020 Jan-Sep	2020 Jul-Sep	2020 Jan-Sep	
Long steel products	167	636	110	389	0	0	277	1,025	1,363
Flat steel products	95	387	190	701	0	0	285	1,088	1,428
Stainless steel	49	211	77	271	0	0	126	482	611
Aluminium	12	44	27	88	0	0	39	132	170
Other	15	65	4	11	-2	-6	17	70	100
Total	338	1,343	408	1,460	-2	-6	744	2,797	3,672

Net sales by country based on customer's domicile

(SEK M)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year	Rolling 12 months
Sweden	615	333	1,844	1,312	1,743	2,275
Finland	660	362	1,749	1,307	1,681	2,123
Other	100	49	285	178	248	355
Group	1,375	744	3,878	2,797	3,672	4,753

Shipped tonnage per segment

(Thousands of tonnes)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year	Rolling 12 months
Sweden & Poland	36	28	126	108	144	162
Finland & Baltics	42	36	139	124	164	179
Parent Company & consolidated items	-1	0	-2	-1	-1	-2
Group	77	64	263	231	307	339

Operating result (EBIT) per segment

(SEK M)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Jun	2020 Full-year	Rolling 12 months
Sweden & Poland	94	-8	186	-21	-14	193
Finland & Baltics	126	13	286	46	63	303
Parent Company & consolidated items	-1	-1	-9	-4	-10	-15
Group	219	4	463	21	39	481

Operating margin per segment

	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year	Rolling 12 months
Sweden & Poland	14.9%	-2.5%	9.9%	-1.6%	-0.8%	8.3%
Finland & Baltics	16.6%	3.1%	14.1%	3.1%	3.3%	12.3%
Parent Company & consolidated items	neg	neg	neg	neg	neg	neg
Group	15.9%	0.5%	11.9%	0.7%	1.1%	10.1%

Underlying operating result (uEBIT) per segment ¹⁾

(SEK M)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year	Rolling 12 months
Sweden & Poland	77	-5	141	25	32	148
Finland & Baltics	117	19	262	63	74	273
Parent Company & consolidated items	-1	0	-9	-4	-10	-15
Group	193	14	394	84	96	406

Underlying operating margin per segment ²⁾

	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year	Rolling 12 months
Sweden & Poland	12.1%	-1.4%	7.5%	1.9%	1.8%	6.4%
Finland & Baltics	15.5%	4.5%	13.0%	4.3%	3.9%	11.1%
Parent Company & consolidated items	neg	neg	neg	neg	neg	neg
Group	14.0%	1.8%	10.1%	3.0%	2.6%	8.5%

Depreciation per segment

(SEK M)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year	Rolling 12 months
Sweden & Poland	4	3	12	9	13	16
Finland & Baltics	2	3	8	10	13	11
Parent Company & consolidated items	23	22	69	67	89	91
Group	29	28	89	86	115	118

Investments in tangible and intangible assets per segment

(SEK M)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year	Rolling 12 months
Sweden & Poland	4	3	8	15	17	10
Finland & Baltics	3	0	5	1	2	6
Parent Company & consolidated items	0	0	3	0	2	5
Group	7	3	16	16	21	21

¹⁾ 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.

²⁾ Underlying operating result (uEBIT) as a percentage of net sales.

Key data

(SEK M unless otherwise stated)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year	Rolling 12 months
Net sales	1,375	744	3,878	2,797	3,672	4,753
Earnings measurements						
Gross result	316	105	819	413	548	954
Underlying gross result	301	114	769	434	563	898
Operating result (EBIT)	219	4	463	21	39	481
Underlying operating result (uEBIT)	193	14	394	84	96	406
Margin measurements						
Gross margin	23.0%	14.1%	21.1%	14.8%	14.9%	20.1%
Underlying gross margin	21.9%	15.3%	19.8%	15.5%	15.3%	18.9%
Operating margin	15.9%	0.5%	11.9%	0.7%	1.1%	10.1%
Underlying operating margin	14.0%	1.8%	10.1%	3.0%	2.6%	8.5%
Capital structure						
Net debt excl. IFRS 16 ¹⁾	98	281	98	281	156	98
Net debt/equity ratio excl. IFRS 16 ¹⁾	8%	30%	8%	30%	17%	8%
Working capital at end of period	610	474	610	474	343	610
Working capital (average)	523	464	441	499	468	448
Capital employed (average) excl. IFRS 16 ¹⁾	1,467	1,258	1,393	1,323	1,305	1,376
Working capital tied-up	9.5%	15.6%	8.5%	13.4%	12.8%	9.4%
Return						
Return on capital employed excl. IFRS 16 ¹⁾	59.1%	0.5%	43.6%	1.3%	2.3%	34.3%
Per share data						
Earnings per share (SEK)	13.49	-0.32	28.10	-0.73	0.33	29.16
Earnings per share after dilution (SEK)	13.49	-0.32	28.10	-0.73	0.33	29.16
Equity per share (SEK)	98.68	70.87	98.68	70.87	69.73	98.68
Cash flow from operating activities per share (SEK)	0.50	0.06	11.36	14.56	26.28	23.08
Shares outstanding at period end (thousands)	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
Growth						
Sales growth	85%	-24%	39%	-17%	-16%	26%
– of which organic tonnage growth	21%	-16%	14%	-11%	-10%	10%
– of which price and mix changes	65%	-6%	27%	-5%	-5%	18%
– of which currency effects	-1%	-2%	-2%	-1%	-1%	-2%
Other						
Average number of employees	625	636	619	636	633	628
Inventory gains and losses	26	-10	69	-23	-17	75
Shipped tonnage (thousands of tonnes)	77	64	263	231	307	339

¹⁾ 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)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year	Rolling 12 months
Net sales	21	23	65	72	79	72
Administrative expenses	-10	-9	-33	-32	-42	-43
Other operating income and expenses	0	1	0	1	16	15
Operating profit/loss	11	15	32	41	53	44
Financial items	1	-1	97	22	37	112
Profit/loss after financial items	12	14	129	63	90	156
Appropriations	-	-	-	-	-15	-15
Profit/loss before tax	12	14	129	63	75	141
Tax	-2	-3	-6	-5	-2	-3
Profit/loss for the period, or comprehensive income for the period	10	11	123	58	73	138

Condensed parent company balance sheet

(SEK M)	2021 Sep 30	2020 Sep 30	2020 Dec 31
Intangible assets	5	1	1
Tangible assets	0	0	2
Financial assets	900	905	906
Total non-current assets	905	906	909
Current receivables	96	167	108
Cash and equivalents	171	88	152
Total current assets	267	255	260
Total assets	1,172	1,161	1,169
Equity	838	699	715
Non-current liabilities	210	312	305
Current liabilities	124	150	149
Total equity and liabilities	1,172	1,161	1,169

Key data – multi-quarter summary

(SEK M unless otherwise stated)	2021 Jul-Sep	2021 Apr-Jun	2021 Jan-Mar	2020 Oct-Dec	2020 Jul-Sep	2020 Apr-Jun	2020 Jan-Mar	2019 Oct-Dec	2019 Jul-Sep
Net sales	1,375	1,403	1,100	875	744	935	1,118	984	977
Earnings measurements									
Gross result	316	296	207	135	105	138	170	138	137
Underlying gross result	301	275	193	129	114	140	180	138	136
Operating result (EBIT)	219	158	86	18	4	21	-4	8	14
Underlying operating result (uEBIT)	193	133	68	12	14	28	42	9	13
Margin measurements									
Gross margin	23.0%	21.1%	18.9%	15.5%	14.1%	14.7%	15.2%	14.0%	14.0%
Underlying gross margin	21.9%	19.6%	17.5%	14.8%	15.3%	14.9%	16.1%	14.1%	13.9%
Operating margin	15.9%	11.3%	7.8%	2.1%	0.5%	2.2%	-0.4%	0.8%	1.5%
Underlying operating margin	14.0%	9.5%	6.1%	1.4%	1.8%	3.0%	3.8%	0.9%	1.4%
Capital structure									
Net debt excl. IFRS 16 ¹⁾	98	75	124	156	281	254	322	373	431
Net debt/equity ratio excl. IFRS 16 ¹⁾	8%	7%	13%	17%	30%	27%	34%	40%	46%
Working capital at end of period	610	434	376	343	474	455	520	549	608
Working capital (average)	523	405	360	409	464	487	534	578	580
Capital employed (average) excl. IFRS 16 ¹⁾	1,467	1,387	1,318	1,272	1,258	1,258	1,389	1,463	1,477
Working capital tied-up	9.5%	7.2%	8.2%	11.7%	15.6%	13.0%	11.9%	14.7%	14.8%
Return									
Return on capital employed excl. IFRS 16 ¹⁾	59.1%	44.9%	25.1%	5.1%	0.5%	5.8%	-1.2%	1.5%	4.0%
Per share data									
Earnings per share (SEK)	13.49	9.74	4.88	1.06	-0.32	1.34	-1.75	0.57	0.30
Earnings per share after dilution (SEK)	13.49	9.74	4.88	1.06	-0.32	1.34	-1.75	0.57	0.30
Equity per share (SEK)	98.68	84.82	75.55	69.73	70.87	70.92	72.19	71.05	71.80
Cash flow from operating activities per share (SEK)	0.50	6.24	4.62	11.72	0.06	7.32	7.18	6.50	-1.03
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
Growth									
Sales growth	85%	50%	-2%	-11%	-24%	-22%	-7%	-15%	-12%
– of which organic tonnage growth	21%	28%	-3%	-1%	-16%	-17%	-5%	-17%	-11%
– of which price and mix changes	65%	25%	4%	-8%	-6%	-5%	-3%	1%	-2%
– of which currency effects	-1%	-3%	-3%	-2%	-2%	0%	1%	1%	1%
Other									
Average number of employees	625	616	613	625	636	637	637	644	646
Inventory gains and losses	26	25	18	6	-10	-2	-11	-1	1
Shipped tonnage (thousands of tonnes)	77	98	88	76	64	77	90	77	75

¹⁾ 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.

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)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Full-year	Rolling 12 months
Operating result	219	4	463	21	39	481
Reversal of inventory gains (-)/losses (+)	-26	10	-69	23	17	-75
Adjustment for items affecting comparability	-	-	-	40	40	-
Group	193	14	394	84	96	406

Working capital

(SEK M)	2021 Sep 30	2020 Sep 30	2020 Dec 31
Inventories	770	553	501
Accounts receivable	866	450	376
Other receivables	34	42	42
Deduction accounts payable	-783	-402	-414
Deduction other current liabilities	-277	-169	-162
Rounding	-	-	-
Group	610	474	343

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

Net debt excl. IFRS 16

(SEK M)	2021 Sep 30	2020 Sep 30	2020 Dec 31
Non-current interest-bearing liabilities and leasing liabilities	679	842	778
Current interest-bearing liabilities and leasing liabilities	97	91	85
Deduction leasing liabilities	-501	-550	-541
Deduction financial assets	0	0	0
Deduction cash and equivalents	-176	-102	-166
Rounding	-1	-	-
Group	98	281	156

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)	2021 Sep 30	2020 Sep 30	2020 Dec 31
Equity excl. IFRS 16	1,287	926	912
Non-current interest-bearing liabilities and leasing liabilities	679	842	778
Current interest-bearing liabilities and leasing liabilities	97	91	85
Deduction leasing liabilities	-501	-550	-541
Rounding	-	-	-
Group	1,562	1,309	1,234

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 2020 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 630 employees and sales of SEK 3.7 billion in 2020. 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. 630

Net sales

**SEK 3.7
billion**

