

BE Q2 2017



Interim Report BE Group AB (publ) 2017 | Malmö, July 20, 2017

Continued and stable underlying operating result

SECOND QUARTER 2017

- Net sales increased by 10 percent to SEK 1,147 M (1,047), and by 15 percent excluding operations under restructuring.
- The underlying operating result was at the same level as last year at SEK 21 M (21), despite fewer trading days.
- The quarter was affected by non-recurring items of SEK -42 M related to the closure of the operations in Eskilstuna, the write-down of goodwill in Lecor and the reversal of part of the write-down of the participation in the joint venture ArcelorMittal BE Group SSC AB.
- The operating result amounted to SEK -13 M (31).
- The result after tax was SEK -14 M (19).
- Cash flow from operating activities amounted to SEK -49 M (36), mainly due to an increase in working capital explained by timing effects and higher price levels.
- Earnings per average number of shares outstanding amounted to SEK -1.03 (1.47).

THE FIRST SIX MONTHS OF 2017

- Net sales increased by 13 percent to SEK 2,285 M (2,025), excluding operations under restructuring, by 19 percent.
- The underlying operating result amounted to SEK 51 M (30). Non-recurring items amounted to SEK -42 M (-45).
- The operating result was SEK 33 M (-14).
- The result after tax amounted to SEK 20 M (-34).
- Cash flow from operating activities was SEK -12 M (87).
- Earnings per average number of shares outstanding amounted to SEK 1.55 (-2.60).

Results overview

	2017 Apr-Jun	2016 Apr-Jun	Change	2017 Jan-Jun	2016 Jan-Jun	Change
Tonnage, thousands of tonnes	94	105	-11	192	208	-16
Net sales, SEK M	1,147	1,047	100	2,285	2,025	260
Underlying operating result, SEK M	21	21	0	51	30	21
Operating result, SEK M	-13	31	-44	33	-14	47
Profit/loss for the period, SEK M	-14	19	-33	20	-34	54
Earnings per share, SEK ¹⁾	-1.03	1.47	-2.50	1.55	-2.60	4.15
Cash flow from operating activities, SEK M	-49	36	-85	-12	87	-99

¹⁾ Based on the average number of shares.

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 engineering sectors. In 2016, the Group reported sales of SEK 3.9 billion. BE Group has approximately 700 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.

Statement from the CEO

Comments on the period

In the second quarter of 2017, the effects of higher steel prices were observed. This has a positive effect on net sales, which rose by 15 percent compared with last year, excluding operations under restructuring. The underlying operating result was in line with last year at SEK 21 M (21), despite three fewer trading days. In addition to the increase in sales, the gradually rising prices gave inventory gains of SEK 8 M (10) during the quarter. The operating result, excluding non-recurring items of SEK -42 M, was in line with the same period last year at SEK 29 M (31).

Market demand has increased slightly. Sold tonnage, excluding operations under restructuring, was in line with the second quarter last year. Shipped tonnage for the first half of the year was 5 percent higher than last year, which is mainly attributable to Business Area Finland & Baltics.

Cash flow from operating activities in the second quarter amounted to SEK -49 M (36) and to SEK -12 M (87) for the first half of the year. The negative cash flow was largely generated by increased inventories and accounts receivable due to rising steel prices. The assessment is that cash flow will improve in the second half of 2017.

During the period, decisions were taken to write down goodwill in Lecor Stålteknik and to reverse part of the write-down in the joint venture that was made in 2015.

Structural and organizational change

The structural process for the discontinuation of unprofitable units in the Czech Republic and Slovakia that began last year has essentially been completed. The sale of a property in Ostrava was completed during the quarter and the liquidation of the company in Slovakia is in progress. The discontinuation of operations in Eskilstuna is proceeding according to plan. The operating result was affected by non-recurring items of SEK -45 M in the quarter, in line with what was communicated at the end of May.

Outlook

Steel prices are expected to continue rising slightly in the second half of the year, while demand, with the effects of the vacation period in July and August taken into account, is expected to remain at the current level. The process of restructuring and improvement within the framework of the new organization is expected to progress as planned, gradually improving the Group's results compared to last year.

Anders Martinsson, President and CEO

Bridge 2016–2017 operating result SEK M	Q1	Q2	Q3	Q4	2017 Jan-Jun
Operating result 2016	-45	31	26	4	-14
Reversal of inventory gains (-)/losses (+)	9	-10	-16	-11	-1
Non-recurring items	45	-	-	-	45
Underlying operating result 2016	9	21	10	-7	30
Change in sales	23	17			40
Change in underlying gross margin	5	-16			-11
Change in overhead costs	-7	-1			-8
Underlying operating result 2017	30	21			51
Reversal of inventory gains (+)/losses (-)	16	8			24
Non-recurring items	-	-42			-42
Operating result 2017	46	-13			33

Comments on the report

Second quarter

Compared to last year, consolidated net sales increased by 10 percent over the period, amounting to SEK 1,147 M (1,047). Excluding operations under restructuring, sales increased by 15 percent. The increase is mainly explained by positive price and mix effects of 18 percentage points. The positive price effect is due to significantly higher steel prices compared to last year.

Gross profit amounted to SEK 159 M (163), with a gross margin of 13.8 percent (15.5). The operating result amounted to SEK -13 M (31), with an operating margin of -1.1 percent (2.9). Adjusted for inventory gains of SEK 8 M (10) and non-recurring items of SEK -42 M, the underlying operating result was SEK 21 M (21). The underlying operating margin for the period amounted to 1.9 percent (2.0).

The non-recurring items totaling SEK -42 M that were recognized during the quarter primarily refer to the previously announced expense of SEK -45 M for discontinuing the operations in Eskilstuna.

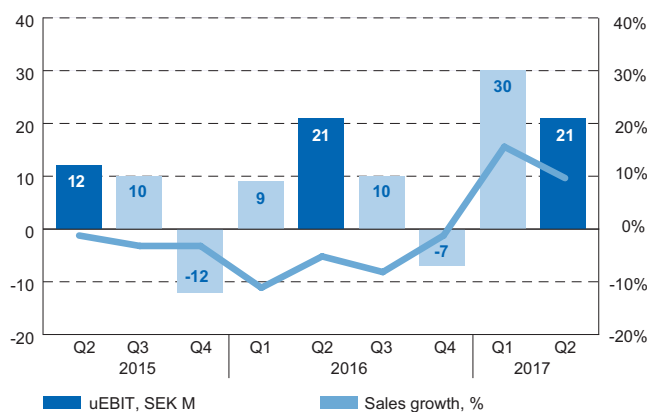
First six months

During the first half of the year, consolidated net sales increased by 13 percent compared to last year and amounted to SEK 2,285 M (2,025). In business areas Sweden & Poland and Finland & Baltics, tonnage was in line with, or greater than, last year. The higher average steel prices have had a positive impact on net sales by 18 percentage points. The price trend also led to inventory gains of SEK 24 M (1).

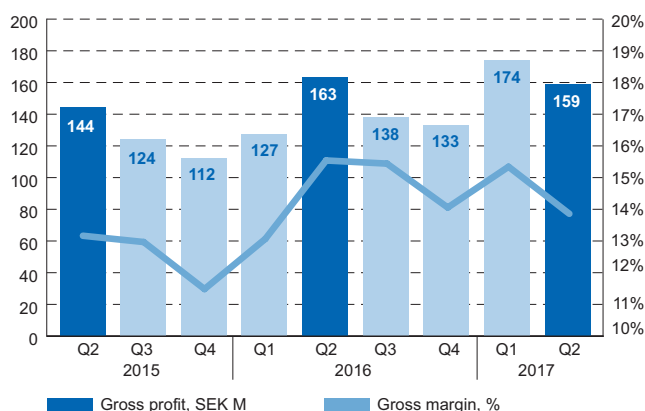
Gross profit amounted to SEK 333 M (290), with a gross margin of 14.6 percent (14.3). During the second quarter, the result was affected by non-recurring items of SEK -42 M that were mainly attributable to the previously announced plan for discontinuation of the unprofitable operations in Eskilstuna. Despite this, the operating result amounted to SEK 33 M (-14). The improvement in the result is attributable to a stronger gross margin, lower overhead costs and inventory gains. Adjusted for non-recurring items, as well as inventory gains and losses, the underlying operating result increased to SEK 51 M (30).

The operating margin amounted to 1.4 percent (-0.7) and the underlying operating margin was 2.3 percent (1.5).

The Group's underlying operating result and sales growth per quarter



The Group's gross profit and gross margin per quarter



Business area Sweden & Poland

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

Second quarter

Net sales increased by 7 percent in the second quarter compared to last year, amounting to SEK 565 M (531). The operating result amounted to SEK -34 M (13) and, adjusted for inventory gains of SEK 3 M (5) and non-recurring items of SEK -42 M, the underlying operating result was to SEK 5 M (8).

In Sweden, tonnage in the distribution business decreased slightly compared to the same period last year. This was mainly due to lower project sales of reinforcement steel for the construction industry compared to last year, when this product segment was particularly strong. However, operations show a significantly improved underlying operating result, mainly due to continued rising steel prices. Business unit Production Sweden & Poland

showed, despite an increase in sales, a slightly weaker result. The profitability issues are primarily associated with BE Group Produktion Eskilstuna and Lecor Stålteknik. The combined operating result for these two units amounted to SEK 13 M (-7) for the quarter. A number of measures have been taken to reverse the negative trend. As announced earlier in the quarter, the discontinuation of the operations in Eskilstuna has commenced and is progressing as planned. Non-recurring items of SEK -45 M for the discontinuation have been recognized, affecting the operating result during the quarter. Of this, SEK -8 M is estimated to affect cash flow. For Lecor Stålteknik, we can see that the measures implemented are starting to have some effect, with improved profitability and order intake.

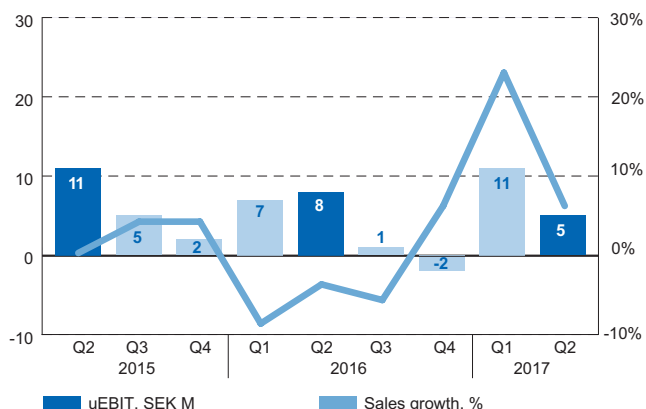
During the quarter, a decision was taken to write down remaining goodwill in Lecor, negatively impacting the operating result by SEK 17 M.

Our joint venture, ArcelorMittal BE Group SSC AB continues to develop well, contributing SEK 4 M (2) to the operating result for the quarter and by SEK 9 M (2) for the first half of the year. During the quarter, SEK 20 M of the write-down of SEK 50 M of the participation in the joint venture done in 2015, was reversed and impacted the operating result positively.

First six months

Compared to the same period last year, net sales increased by 14 percent in the first half of the year, amounting to SEK 1,157 M (1,013). The operating result was SEK -14 M (15). Adjusted for inventory gains and non-recurring items, the underlying operating result amounted to SEK 16 M (15). The result weakened slightly due to further deterioration in the profitability during the period of BE Group Produktion Eskilstuna, SEK -60 M (-7) including non-recurring items and Lecor Stålteknik, SEK -8 M (-3).

Business Area Sweden & Poland, underlying operating result and sales growth per quarter



Business Area Finland & Baltics

The business area comprises the Group's operations in Finland and the three Baltic countries.

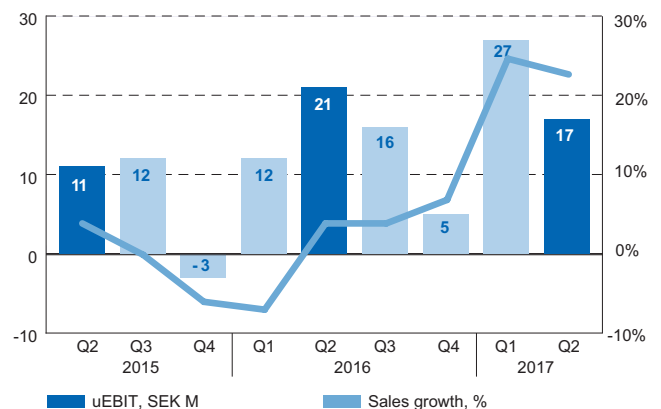
Second quarter

In comparison with the second quarter last year, net sales were 23 percent higher and amounted to SEK 576 M (470). However, the operating result deteriorated to SEK 22 M (25) mainly due to a higher proportion of shared Group expenses. Adjusted for inventory gains and losses of SEK 5 M (4), the underlying operating result deteriorated to SEK 17 M (21). Tonnage increased marginally compared to last year, which, combined with higher average prices and a positive currency effect, contributed to the increased sales. Overhead costs have increased as a result of increased sales and of currency effects when converting to Swedish kronor. The positive steel price trend led to inventory gains during the year, which improved the operating result.

First six months

Net sales for the first half of the year increased by 24 percent compared to last year, amounting to SEK 1,115 M (900). The operating result improved to SEK 56 M (30) and, adjusted for inventory losses and non-recurring items, the underlying operating result improved to SEK 44 M (33). The improvement is mainly attributable to increased sales volumes and a continued strong gross margin. Tonnage increased by 6 percent compared to the same period in 2016.

Business Area Finland & Baltics, underlying operating result and sales growth per quarter



The Parent Company and Consolidated items

Parent Company and Consolidated items include the Parent Company, Group eliminations and those parts of the Group's operations undergoing restructuring: BE Group Czech Republic BE Group Slovakia and RTS Estonia.

The restructuring, approved by the Board of BE Group in the first quarter of 2016, is proceeding according to plan. The sale of the company's property in the Czech Republic was finalized in April and the liquidation of

the Slovak company is in progress. The sale of the property has not affected the result.

In total, the operations under restructuring generated sales of SEK 11 M (60) in the second quarter, with an operating result of SEK -3 M (0). The underlying operating result amounted to SEK -3 M (-2). The result was affected by SEK -1 M due to an anticipated customer loss.

In the first half of the year, sales amounted to SEK 23 M (133). The operating result amounted to SEK -5 M (-46).

In the Parent Company BE Group AB (publ), second-quarter sales, which consist of intra-Group services, amounted to SEK 18 M (6). The operating result amounted to SEK 2 M (-7).

Net financial items for the first half of the year amounted to SEK 25 M (-13) and were affected by Group-internal dividends. The result before tax amounted to SEK 21 M (-26) and the result after tax amounted to SEK 24 M (-20). Investments in the Parent Company amounted to SEK 0 M (0). At the end of the period, the Parent Company's cash and equivalents were SEK 0 M (70).

The value of the Parent Company's holdings in Lecor Stålteknik has been adjusted due to a decision to write down remaining goodwill. During the period, the value of the holdings in BE Group Produktion Eskilstuna has also been adjusted due to the plan to discontinue the operations.

Net financial items and tax

Consolidated net financial items for the second quarter amounted to an expense of SEK -6 M (-6), of which net interest accounted for SEK -4 M (-5). For the first half of the year, net financial items amounted to SEK -11 M (-14) and net interest to SEK -8 M (-10). On an annual basis, the Group's net interest was 3.0 percent (3.4) of the average interest-bearing net debt.

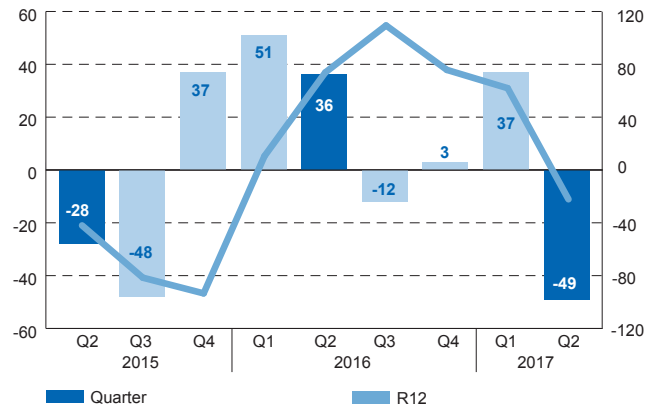
The tax for the second quarter amounted to SEK 5 M (-6). The result after tax for the second quarter deteriorated to SEK -14 M (19), including non-recurring items of SEK -42 M (0), and, for the first half of the year, to SEK 20 M (-34), including non-recurring items of SEK -42 M (-45).

Cash flow

Consolidated working capital at the end of the period amounted to SEK 588 M (454) and the average operating capital for the second quarter was 11.9 percent (11.0). Cash flow from operating activities amounted to SEK -49 M (36), and to SEK -12 M (87) for the first half of the year. The negative cash flow is mainly an effect of increased inventories and accounts receivable due to steel price increases. The assessment is that cash flow will improve in the second half of 2017.

Cash flow from investment activities amounted to SEK -1 M (-3) for the second quarter. Accordingly, cash flow after investments was SEK -50 M (33), and SEK -17 M (82) for the first half of the year.

The Group's cash flow from operating activities, SEK M



Financial position and liquidity

At the end of the period, consolidated cash and equivalents, including overdraft facilities, amounted to SEK 113 M (192) and consolidated interest-bearing net debt amounted to SEK 586 M (540).

At the end of the period, equity amounted to SEK 794 M (756) and the net debt/equity ratio was 74 percent (71).

Organization, structure and employees

The average number of employees decreased to 715 compared to 738 at the same time last year. The decrease is due primarily to the restructuring implemented last year. The average number of employees during the period amounted to 710 (756).

Significant events after the end of the period

No significant events have occurred after the end of the period.

Related party transactions

In 2015, the CEO acquired 60,000 put options from Traction. The options were valued according to an established model, and were acquired at market price. The options expire at the end of June 2017 and provide an opportunity to sell the underlying shares at a price of SEK 28.40 each. To date, no options have been exercised. BE Group is in no way a party to the agreements.

2017 Annual General Meeting

At BE Group's Annual General Meeting, which was held on April 27, 2017 Board members Petter Stillström, Charlotte Hansson, Lars Olof Nilsson, Esa Niemi, Mikael Sjölund, and Jörgen Zahlin were re-elected, with Petter Stillström also being re-elected as Chairman of the Board. The accounting firm Öhrlings PricewaterhouseCoopers AB was re-appointed as auditor for the Company. The Board's proposal regarding the appropriation of the company's earnings was approved by the Meeting and it was decided that no dividend would be paid for the past financial year. In accordance with the Board's proposal, the Annual General Meeting also adopted guidelines for remunerations to senior executives.

Additional information on the Board members and the Annual General Meeting is available from the company's website.

Significant risks and uncertainties

The financial risk exposure is explained in the 2016 Annual Report, which was published in March 2017. No new significant risks or uncertainties have arisen since that date.

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 was prepared in compliance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities.

Refer to the 2016 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 entered force from the

financial year 2017 have not had any major impact on the financial reporting.

For the new accounting standards (IFRS 9 and IFRS 15) that are to take effect on January 1, 2018, the Group will complete the preliminary studies in the third quarter of 2017. The Group cannot currently estimate the effect of the new rules on the financial statements.

Future reporting dates

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

- The Interim Report for January-September will be published on October 24, 2017.
- The year-end report for 2017 will be published in February 2018.

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

The Board of Directors and the President hereby certify that this interim report provides an accurate overview of the operations, position and earnings of the Parent Company and the Group companies, and that it describes the material risks and uncertainties faced by the Parent Company and the Group companies.

Malmö, July 20, 2017

BE Group AB (publ)

Petter Stillström
Chairman of the Board

Charlotte Hansson
Board member

Lars Olof Nilsson
Board member

Jörgen Zahlin
Board member

Esa Niemi
Board member

Mikael Sjölund
Board member

Mikael Törnros
Employee Representative

Anders Martinsson
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 and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 7.45 am CET on July 20, 2017.

Report of review of interim financial information (interim report), prepared in accordance with IAS 34 and Chapter 9 of the Annual Accounts Act.

Introduction

We have reviewed the condensed interim financial information (interim report) of BE Group AB (publ) as of 30 June 2017 and the six-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, July 20, 2017

Öhrlings PricewaterhouseCoopers

Eva Carlsvi

Authorized Public Accountant
Lead Auditor

Tomas Hilmarsson

Authorized Public Accountant

Condensed consolidated income statement

(SEK M)	Note	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Full-year	Rolling 12 months
Net sales		1,147	1,047	2,285	2,025	3,870	4,130
Cost of goods sold	1	-988	-884	-1,952	-1,735	-3,309	-3,526
Gross profit		159	163	333	290	561	604
Selling expenses	1	-100	-104	-204	-204	-395	-395
Administrative expenses.	1	-34	-29	-64	-56	-111	-119
Other operating income and expenses	2	-42	-1	-41	-46	-47	-42
Participation in joint venture		4	2	9	2	8	15
Operating profit/loss		-13	31	33	-14	16	63
Financial items		-6	-6	-11	-14	-27	-24
Profit/loss before tax		-19	25	22	-28	-11	39
Tax		5	-6	-2	-6	-9	-5
Profit/loss for the period		-14	19	20	-34	-20	34
Earnings per share ¹⁾		-1.03	1.47	1.55	-2.60	-1.56	2.59
Earnings per share after dilution ¹⁾		-1.03	1.47	1.55	-2.60	-1.56	2.59

¹⁾Refers to the average number of shares.

Consolidated statement of comprehensive income

(SEK M)	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Full-year	Rolling 12 months
Profit/loss for the period	-14	19	20	-34	-20	34
Other comprehensive income						
Items that have or may be reclassified to profit/loss for the period						
Translation differences	8	8	6	13	20	13
Hedging of net investments in foreign subsidiaries	-5	-7	-4	-11	-18	-11
Tax attributable to items in other comprehensive income	1	2	1	3	4	2
Total other comprehensive income	4	3	3	5	6	4
Comprehensive income for the period	-10	22	23	-29	-14	38

Condensed consolidated balance sheet

(SEK M)	Note	2017 30 Jun	2016 30 Jun	2016 31 Dec
Goodwill		548	561	562
Other intangible assets		14	23	18
Tangible assets		110	175	156
Investment in joint venture		116	81	87
Financial assets		0	0	0
Deferred tax assets		69	50	51
Total non-current assets		857	890	874
Inventories		598	494	527
Accounts receivables		649	524	442
Other receivables		41	52	49
Cash and equivalents		13	92	27
Total current assets		1,301	1,162	1,045
Total assets	3	2,158	2,052	1,919
Equity		794	756	771
Non-current interest-bearing liabilities		543	575	527
Provisions		0	0	0
Deferred tax liability		43	42	43
Total non-current liabilities		586	617	570
Current interest-bearing liabilities		57	58	63
Accounts payables		519	437	375
Other current liabilities		181	178	136
Other current provisions		21	6	4
Total current liabilities		778	679	578
Total equity and liabilities	3	2,158	2,052	1,919
Contingent liabilities		11	16	17

Condensed consolidated cash-flow statement ¹⁾

(SEK M)	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Full-year	Rolling 12 months
Operating result	-13	31	33	-14	16	63
Adjustment for non-cash items	44	-5	55	51	60	64
– of which, amortization/depreciation	51	9	69	47	64	86
– of which, other items	-7	-14	-14	4	-4	-22
interest paid/received	-4	-5	-9	-12	-23	-20
Income tax paid	-11	-2	-13	-4	-9	-18
Change in working capital	-65	17	-78	66	34	-110
Cash flow from operating activities	-49	36	-12	87	78	-21
Investments in intangible assets	0	-1	0	-1	-2	-1
Investments in tangible assets	-1	-2	-5	-4	-8	-9
Other cash flow from investing activities	0	0	0	0	0	0
Cash flow after investments	-50	33	-17	82	68	-31
Cash flow from financing activities	28	-5	2	-23	-74	-49
Cash flow for the period	-22	28	-15	59	-6	-80
Exchange-rate difference in cash and equivalents	1	1	1	0	0	1
Change in cash and equivalents	-21	29	-14	59	-6	-79

¹⁾ The structure of the consolidated cash flow statement has been changed. Effective from January 1, 2017 the cash flow statement is based on the Operating result instead of Result before tax as previously. Comparative figures have, therefore, been restated.

Condensed statement of changes in equity

(SEK M)	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Full-year	Rolling 12 months
Equity at beginning of period	804	734	771	785	785	756
Comprehensive income for the period	-10	22	23	-29	-14	38
Equity at end of period	794	756	794	756	771	794

Notes

Note 1 Amortizations and depreciations

(SEK M)	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Full-year	Rolling 12 months
Amortization of intangible assets	3	2	5	5	10	10
Depreciation of tangible assets	8	10	18	20	40	38
Total amortizations and depreciations	11	12	23	25	50	48

Note 2 Non-recurring items

(SEK M)	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Full-year	Rolling 12 months
Restructuring expenses	-18	-	-18	-11	-11	-18
Write-down of tangible assets	-4	-	-4	-32	-32	-4
Write-downs of intangible assets	-1	-	-1	-2	-2	-1
Write-downs of current assets	-22	-	-22	-	-	-22
Reversal of write down of participation in joint venture	20	-	20	-	-	20
Write-downs of goodwill	-17	-	-17	-	-	-17
Total non-recurring items	-42	-	-42	-45	-45	-42

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 as defined by

IFRS 7.27 A, with the exception of cash and equivalents, which are valued in accordance with level 1. For additional information, see Note 31 in the 2016 Annual Report. No material changes have taken place in relation to the valuation as per December 31.

Segment reporting ¹⁾

Net sales per segment

(SEK M)	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Full-year	Rullande 12 mån
Sweden & Poland	565	531	1,157	1,013	1,941	2,085
Finland & Baltics	576	470	1,115	900	1,794	2,009
Parent Company and consolidated items	6	46	13	112	135	36
Group	1,147	1,047	2,285	2,025	3,870	4,130

Shipped tonnage per segment (thousands of tonnes)

	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Full-year	Rolling 12 months
Sweden & Poland	44	46	90	89	166	167
Finland & Baltics	51	50	103	97	185	191
Parent Company and consolidated items	-1	9	-1	22	23	0
Group	94	105	192	208	374	358

Operating profit/loss (EBIT) per segment

(SEK M)	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Full-year	Rolling 12 months
Sweden & Poland	-34	13	-14	15	25	-4
Finland & Baltics	22	25	56	30	68	94
Parent Company and consolidated items	-1	-7	-9	-59	-77	-27
Group	-13	31	33	-14	16	63

Operating margin per segment

	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Full-year	Rolling 12 months
Sweden & Poland	-6.1%	2.4%	-1.2%	1.5%	1.3%	-0.2%
Finland & Baltics	3.7%	5.3%	5.0%	3.4%	3.8%	4.6%
Parent Company and consolidated items	neg	neg	neg	neg	neg	neg
Group	-1.1%	2.9%	1.4%	-0.7%	0.4%	1.5%

¹⁾ A new organizational structure was introduced in April 2016. Comparative figures have therefore been restated.

Segment reporting ¹⁾

Underlying operating profit/loss (uEBIT) per segment ²⁾

(SEK M)	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Full-year	Rolling 12 months
Sweden & Poland	5	8	16	15	14	15
Finland & Baltics	17	21	44	33	54	65
Parent Company and consolidated items	-1	-8	-9	-18	-35	-26
Group	21	21	51	30	33	54

²⁾ Operating profit/loss (EBIT) adjusted for inventory gains and losses and non-recurring items. 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.

Underlying operating margin per segment ³⁾

	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Full-year	Rolling 12 months
Sweden & Poland	0.8%	1.6%	1.4%	1.5%	0.7%	0.7%
Finland & Baltics	2.9%	4.4%	3.9%	3.7%	3.0%	3.2%
Parent Company and consolidated items	neg	neg	neg	neg	neg	neg
Group	1.9%	2.0%	2.3%	1.5%	0.9%	1.3%

³⁾ Underlying operating result (uEBIT) as a percentage of net sales.

Depreciation per segment

(SEK M)	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Full-year	Rolling 12 months
Sweden & Poland	4	5	10	11	22	21
Finland & Baltics	4	5	8	9	17	16
Parent Company and consolidated items	3	2	5	5	11	11
Group	11	12	23	25	50	48

Investments in tangible and intangible assets per segment

(SEK M)	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Full-year	Rolling 12 months
Sweden & Poland	0	2	2	3	6	5
Finland & Baltics	1	1	3	2	3	4
Parent Company and consolidated items	0	0	0	0	1	1
Group	1	3	5	5	10	10

¹⁾ A new organizational structure was introduced in April 2016. Comparative figures have therefore been restated.

Key data

(SEK M unless otherwise stated)	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Full-year	Rolling 12 months
Net sales	1,147	1,047	2,285	2,025	3,870	4,130
Earnings measurements						
Gross profit/loss	159	163	333	290	561	604
Underlying gross profit/loss	152	153	315	289	536	562
Operating profit/loss (EBIT)	-13	31	33	-14	16	63
Underlying operating result (uEBIT)	21	21	51	30	33	54
Margin measurements						
Gross margin	13.8%	15.5%	14.6%	14.3%	14.5%	14.6%
Underlying gross margin	13.2%	14.6%	13.8%	14.3%	13.9%	13.6%
Operating margin	-1.1%	2.9%	1.4%	-0.7%	0.4%	1.5%
Underlying operating margin	1.9%	2.0%	2.3%	1.5%	0.9%	1.3%
Capital structure						
Net debt	586	540	586	540	562	586
Net debt/equity ratio	74%	71%	74%	71%	73%	74%
Working capital at end of period	588	454	588	454	506	588
Working capital (average)	545	459	532	481	488	509
Capital employed (average)	1,381	1,375	1,374	1,392	1,383	1,377
Working capital tied-up	11.9%	11.0%	11.6%	11.9%	12.6%	12.9%
Return						
Return on capital employed	-3.7%	9.0%	4.8%	-2.0%	1.2%	4.6%
Per share data ²⁾						
Earnings per share (SEK) ¹⁾	-1.03	1.47	1.55	-2.60	-1.56	2.59
Earnings per share after dilution (SEK) ¹⁾	-1.03	1.47	1.55	-2.60	-1.56	2.59
Equity per share (SEK)	61.19	58.19	61.19	58.19	59.41	61.19
Cash flow from operating activities per share (SEK) ¹⁾	-3.72	2.76	-0.90	6.68	6.02	-1.56
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 ¹⁾	12,983	12,983	12,983	12,983	12,983	12,983
Growth						
Sales growth	10%	-5%	13%	-8%	-7%	4%
– of which organic tonnage growth	-10%	-3%	-7%	-4%	-8%	-6%
– of which price and mix changes	18%	-2%	18%	-4%	0%	9%
– of which currency effects	2%	0%	2%	0%	1%	1%
Average number of employees	710	747	710	756	739	718
Inventory gains and losses	8	10	24	1	28	51
Shipped tonnage (thousands of tonnes)	94	105	192	208	374	358

¹⁾ Refers to average number of shares.

²⁾ A 1:20 reverse share split was carried out in May 2016. Comparative figures for 2016 and 2015 have been restated for this.

Condensed parent company income statement

(SEK M)	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Full-year	Rolling 12 months
Net sales	18	6	24	13	25	36
Administrative expenses	-16	-13	-28	-25	-51	-54
Other operating income and expenses	0	0	0	-1	0	1
Operating profit/loss	2	-7	-4	-13	-26	-17
Financial items	27	-18	25	-13	-50	-12
Profit/loss after financial items	29	-25	21	-26	-76	-29
Appropriations	-	-	-	-	9	9
Profit/loss before tax	29	-25	21	-26	-67	-20
Tax	1	3	3	6	10	7
Profit/loss for the period, or comprehensive income for the period	30	-22	24	-20	-57	-13

Condensed parent company balance sheet

(SEK M)	2017 30 Jun	2016 30 Jun	2016 31 Dec
Intangible assets	11	18	15
Tangible assets	0	0	0
Financial assets	1,027	1,107	1,084
Total non-current assets	1,038	1,125	1,099
Current receivables	187	133	206
Cash and equivalents	0	70	9
Total current assets	187	203	215
Total assets	1,225	1,328	1,314
Equity	582	595	558
Non-current liabilities	533	559	515
Current liabilities	110	174	241
Total equity and liabilities	1,225	1,328	1,314
Pledged assets	1,168	1,162	1,166
Contingent liabilities	83	49	52

Key data – multi-quarter summary

(SEK M unless otherwise stated)	2017 Apr-Jun	2017 Jan-Mar	2016 Okt-Dec	2016 jul-sep	2016 Apr-Jun	2016 Jan-Mar	2015 Okt-Dec	2015 Jul-Sep	2015 Apr-Jun
Net sales	1,147	1,138	953	892	1,047	978	981	966	1,104
Earnings measurements									
Gross profit/loss	159	174	133	138	163	127	112	124	144
Underlying gross profit/loss	152	163	124	123	153	136	117	128	145
Operating profit/loss (EBIT)	-13	46	4	26	31	-45	-17	-117	10
Underlying operating result (uEBIT)	21	30	-7	10	21	9	-12	10	12
Margin measurements									
Gross margin	13.8%	15.3%	14.0%	15.4%	15.5%	13.0%	11.4%	12.9%	13.1%
Underlying gross margin	13.2%	14.3%	13.0%	13.8%	14.6%	13.9%	12.0%	13.2%	13.2%
Operating margin	-1.1%	4.0%	0.4%	2.9%	2.9%	-4.6%	-1.7%	-12.1%	1.0%
Underlying operating margin	1.9%	2.6%	-0.7%	1.1%	2.0%	1.0%	-1.2%	1.0%	1.1%
Capital structure									
Net debt	586	528	562	563	540	565	609	649	590
Net debt/equity ratio	74%	66%	73%	73%	71%	77%	78%	80%	63%
Working capital at end of period	588	502	506	493	454	464	525	575	512
Working capital (average)	545	504	499	473	459	495	551	544	499
Capital employed (average)	1,381	1,364	1,368	1,381	1,375	1,395	1,473	1,560	1,563
Working capital tied-up	11.9%	11.1%	13.1%	13.3%	11.0%	12.6%	14.0%	14.1%	11.3%
Return									
Return on capital employed	-3.7%	13.4%	1.2%	7.6%	9.0%	-12.8%	-4.6%	-30.1%	2.7%
Per share data ²⁾									
Earnings per share (SEK) ¹⁾	-1.03	2.58	-0.20	1.25	1.47	-4.07	-1.81	-10.23	-2.46
Earnings per share after dilution (SEK) ¹⁾	-1.03	2.58	-0.20	1.25	1.47	-4.07	-1.81	-10.23	-2.46
Equity per share (SEK)	61.19	61.93	59.41	59.67	58.19	56.54	60.44	62.56	72.63
Cash flow from operating activities per share (SEK) ¹⁾	-3.72	2.81	0.21	-0.89	2.76	3.91	-2.84	-3.65	-2.14
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 ¹⁾	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983	5,049
Growth									
Sales growth	10%	16%	-3%	-8%	-5%	-11%	-3%	-3%	-1%
– of which organic tonnage growth	-10%	-5%	-13%	-13%	-3%	-5%	1%	-3%	-1%
– of which price and mix changes	18%	20%	8%	5%	-2%	-6%	-4%	-1%	-1%
– of which currency effects	2%	1%	2%	0%	0%	0%	0%	1%	1%
Other									
Average number of employees	710	708	715	729	747	765	776	770	762
Inventory gains and losses	8	16	11	16	10	-9	-5	-3	-2
Shipped tonnage (thousands of tonnes)	94	98	85	81	105	103	97	93	108

¹⁾ Refers to average number of shares.

²⁾ A reverse share split 1:20 was carried out in May 2016. Comparative figures for 2016 and 2015 have been restated for this.

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)	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Full-year
Operating result	-13	31	33	-14	16
Deduction inventory gains	-8	-10	-24	-1	-28
Additions inventory losses	-	-	-	-	-
Adjustment for non-recurring items	42	-	42	45	45
Group	21	21	51	30	33

Net debt

(SEK M)	2017 30 Jun	2016 30 Jun	2016 31 Dec
Non-current interest-bearing liabilities	543	575	527
Current interest-bearing liabilities	57	58	63
Deduction financial assets	0	0	0
Deduction cash and equivalents	-13	-92	-27
Rounding	-1	-1	-1
Group	586	540	562

Net debt/equity ratio is calculated as net debt divided by equity.

Working capital

(SEK M)	2017 30 Jun	2016 30 Jun	2016 31 Dec
Inventories	598	494	527
Accounts receivable	649	524	442
Other receivables	41	52	49
Deduction accounts payable	-519	-437	-375
Deduction other current liabilities	-181	-178	-136
Rounding	-	-2	-1
Group	588	454	506

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

Capital employed

(SEK M)	2017 30 Jun	2016 30 Jun	2016 31 Dec
Equity	794	756	771
Non-current interest-bearing liabilities	543	575	527
Current interest-bearing liabilities	57	58	63
Rounding	1	-1	-
Group	1,395	1,388	1,361

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

Definitions of key data

Adjusted results measurements

Underlying gross profit/loss The underlying gross profit/loss is the reported gross profit adjusted for inventory gains and losses (deductions for gains and additions for losses).

Underlying operating profit/loss (uEBIT) Operating profit/loss (EBIT) before non-recurring items adjusted for inventory gains and losses (deductions for gains and additions for losses).

Adjusted margin measurements

Underlying gross margin Underlying gross profit/loss as a percentage of net sales.

Underlying operating margin Underlying operating profit/loss (uEBIT) as a percentage of net sales.

Capital structure

Net debt Interest-bearing liabilities less cash and equivalents and financial assets.

Net debt/equity ratio Net debt divided by equity.

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 Equity plus interest-bearing liabilities.

Capital employed (average) Equity plus interest-bearing liabilities. 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 Annually adjusted operating result, as a percentage of average capital employed.

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.

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.

Please refer to the 2016 annual report for other definitions of key data.