

BE Q3 2017



Interim Report BE Group AB (publ) 2017 | Malmö, October 24, 2017

Strongly improved underlying operating result

THIRD QUARTER 2017

- Net sales increased by 9 percent to SEK 968 M (892), excluding operations under restructuring, by 10 percent.
- The underlying operating result increased to SEK 22 M (10).
- The operating result amounted to SEK 19 M (26).
- The result after tax was SEK 9 M (16).
- Cash flow from operating activities amounted to SEK 97 M (-12), explained by a decrease in working capital due to timing effects.
- Earnings per average number of shares amounted to SEK 0.72 (1.25).
- The discontinuation of the operations in Eskilstuna has essentially been completed.

THE FIRST NINE MONTHS OF 2017

- Net sales increased by 12 percent to SEK 3,253 M (2,917), excluding operations under restructuring, by 16 percent.
- The underlying operating result amounted to SEK 73 M (40).
- The operating result amounted to SEK 52 M (12). Excluding non-recurring items, the operating result amounted to SEK 94 M (57).
- The result after tax was SEK 29 M (-18).
- Cash flow from operating activities was SEK 85 M (75).
- Earnings per average number of shares amounted to SEK 2.27 (-1.36).

Results overview

	2017 Jul-Sep	2016 Jul-Sep	Change	2017 Jan-Sep	2016 Jan-Sep	Change
Tonnage, thousands of tonnes	82	81	1	274	289	-15
Net sales, SEK M	968	892	76	3,253	2,917	336
Underlying operating result, SEK M	22	10	12	73	40	33
Operating result, SEK M	19	26	-7	52	12	40
Profit/loss for the period, SEK M	9	16	-7	29	-18	47
Earnings per share, SEK ¹⁾	0.72	1.25	-0.53	2.27	-1.36	3.63
Cash flow from operating activities, SEK M	97	-12	109	85	75	10

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

The third quarter provided further evidence that BE Group is on the right track. Following a seasonal weak start to the quarter, an increase in net sales of 9 percent was achieved compared to last year, and the underlying result (uEBIT) improved to SEK 22 M (10). The improvement is primarily attributable to increased steel prices and improved profitability in our production operations. The sharp rise in steel prices that occurred in the second quarter was followed by a settling of prices for certain types of steel, resulting in inventory losses of SEK -3 M, compared with inventory gains of SEK 16 M in the same period last year. Consequently, the operating result (EBIT) weakened to SEK 19 M (26).

Structural and organizational change

The closure of the production unit in Eskilstuna is proceeding according to plan. The affected employees have

contributed in exemplary manner to a successful process, with the operating activities now having been discontinued. The discontinuation has been implemented within the framework of expenses of SEK -45 M charged in the second quarter.

Outlook

Demand is expected to remain favorable in the company's main markets. The Swedish and Finnish manufacturing sectors are developing well and we take a positive view of the future. Steel prices are again expected to increase slightly until the end of the year and, combined with ongoing improvement measures and the discontinuation of unprofitable operations, the Group's profitability is expected to develop positively. We therefore expect a substantial improvement in earnings in the fourth quarter compared with the previous year.

Anders Martinsson, President and CEO

Bridge 2016–2017 operating result SEK M

	Q1	Q2	Q3	Q4	Jan-Sep
Operating result 2016	-45	31	26	4	12
Reversal of inventory gains (-)/losses (+)	9	-10	-16	-11	-17
Non-recurring items	45	-	-	-	45
Underlying operating result 2016	9	21	10	-7	40
Change in sales	23	17	10		50
Change in underlying gross margin	5	-16	3		-8
Change in overhead costs	-7	-1	-1		-9
Underlying operating result 2017	30	21	22		73
Reversal of inventory gains (+)/losses (-)	16	8	-3		21
Non-recurring items	-	-42	-		-42
Operating result 2017	46	-13	19		52

Comments on the report

Third quarter

Compared to last year, consolidated net sales increased by 9 percent over the period, amounting to SEK 968 M (892). Excluding operations under restructuring, net sales increased by 10 percent. The increase is mainly explained by positive price and mix effects of 8 percentage points. The positive price effect is due to higher steel prices compared to last year.

Gross profit amounted to SEK 134 M (138), with a gross margin of 13.8 percent (15.4). The operating result amounted to SEK 19 M (26), with an operating margin of 2.0 percent (2.9). Adjusted for inventory gains and losses of SEK -3 M (16), the underlying operating profit amounted to SEK 22 M (10). The underlying operating margin for the period amounted to 2.2 percent (1.1).

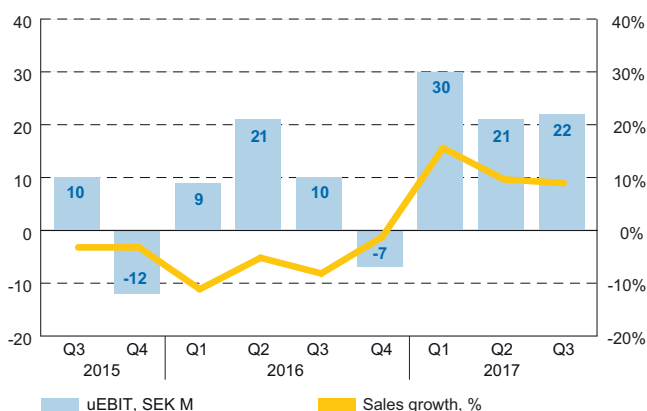
First nine months

During the first nine months of the year, consolidated net sales increased by 12 percent compared to last year and amounted to SEK 3,253 M (2,917). In business areas Sweden & Poland and Finland & Baltics, tonnage was higher than last year. The higher average steel prices have had a positive impact on net sales by 16 percentage points. The price trend also led to inventory gains of SEK 21 M (17).

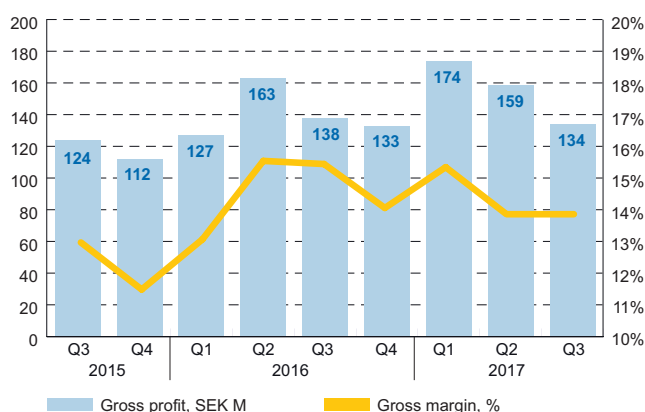
Gross profit amounted to SEK 467 M (428), with a gross margin of 14.4 percent (14.7). During the second quarter, the result was affected by non-recurring items of SEK -42 M (-45) that were mainly attributable to the previously announced plan for the discontinuation of the unprofitable operations in Eskilstuna. The operating result amounted to SEK 52 M (12), mainly attributable to increased net sales. Adjusted for non-recurring items, as well as inventory gains, and losses, the underlying operating result increased to SEK 73 M (40).

The operating margin amounted to 1.6 percent (0.4) and the underlying operating margin was 2.2 percent (1.4).

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 Group Produktion Eskilstuna and Lecor Stålteknik, as well as the Polish operations, BE Group Poland.

Third quarter

Net sales increased by 8 percent in the third quarter compared to last year, amounting to SEK 473 M (438). The operating result amounted to SEK 5 M (8) and, adjusted for inventory losses of SEK -2 M (7), the underlying operating result was SEK 7 M (1).

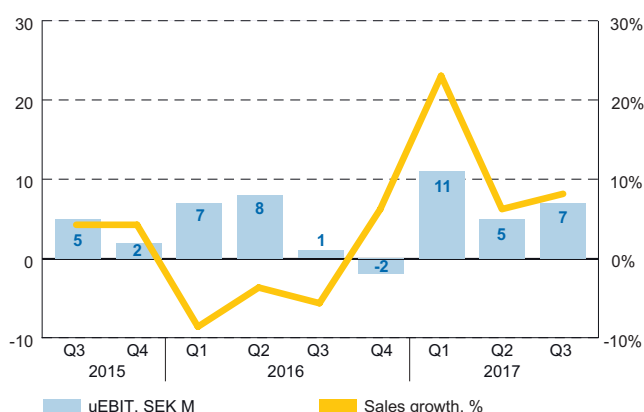
In Sweden, tonnage in the distribution business increased slightly compared to the same period last year. At the same time, operations show an improved underlying operating result, mainly due to rising steel prices. Business unit Production Sweden & Poland showed an improved result, driven by higher net sales and gross margin. The combined operating result for BE Group Produktion Eskilstuna and Lecor Stålteknik amounted to SEK -6 M (-9) for the quarter. The discontinuation of operations in Eskilstuna has essentially been completed. For Lecor Stålteknik, we can see that the measures implemented are starting to have some effect, with improved profitability.

First nine months

Compared to the same period last year, net sales increased by 12 percent in the first nine months of the year, amounting to SEK 1,630 M (1,451). The operating result amounted to SEK -9 M (23). Adjusted for inventory gains and losses and non-recurring items, the underlying operating result amounted to SEK 23 M (16). The operating result for BE Group Produktion Eskilstuna and Lecor Stålteknik amounted to SEK -75 M (-20), including non-recurring items of SEK -45 M (0).

Our joint venture, ArcelorMittal BE Group SSC AB continues to develop well, contributing SEK 1 M (3) to the operating result for the quarter and by SEK 10 M (5) for the first nine months of the year.

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.

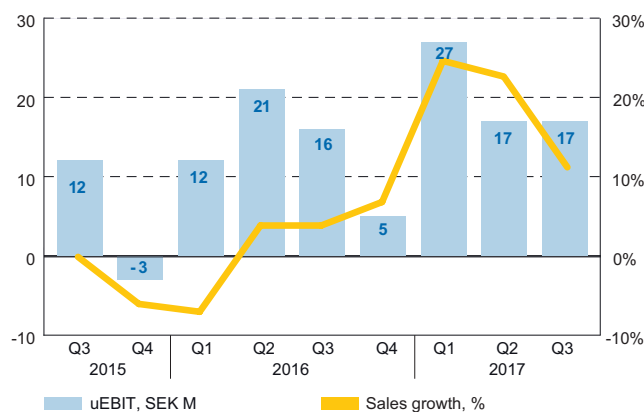
Third quarter

In comparison to the third quarter last year, net sales were 12 percent higher and amounted to SEK 489 M (439). The operating result decreased to SEK 16 M (26) mainly due to inventory losses of SEK -1 M (10). Adjusted for this effect, the underlying operating result improved to SEK 17 M (16). Tonnage increased by 3 percent compared to last year, which, together with higher average prices, contributed to the increased sales. Overhead costs are in line with last year and the increased sales.

First nine months

Net sales for the first nine months of the year increased by 20 percent compared to last year, amounting to SEK 1,604 M (1,339). The operating result improved to SEK 72 M (56) and, adjusted for inventory gains, the underlying operating result increased to SEK 61 M (49). The improvement is mainly attributable to increased sales volumes and a continued strong gross margin. Tonnage increased by 5 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 also parts of the Group's operations undergoing restructuring: BE Group Czech Republic, BE Group Slovakia and RTS Estonia.

The restructuring of these operations, approved by the Board of BE Group in the first quarter of 2016, is progressing. The settlement of SEK 22 M from the sale of the company's property in the Czech Republic were received during the quarter. The sale of the property has not affected the result.

In total, the operations under restructuring generated sales of SEK 10 M (19) in the third quarter, with an operating result of SEK -1 M (-3). The underlying operating result amounted to SEK -1 M (-2). Sales for the first nine months of the year amounted to SEK 33 M (142). The operating result amounted to SEK -6 M (-49).

In the Parent Company BE Group AB (publ), third quarter sales, which consist of intra-Group services, amounted to SEK 12 M (6). The operating result amounted to SEK -1 M (-5).

Net financial items for the first nine months of the year amounted to SEK 29 M (-26) and were affected by Group-internal dividends. The result before tax amounted to SEK 24 M (-44) and the result after tax amounted to SEK 26 M (-33). 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 123 M (22).

Net financial items and tax

Consolidated net financial items for the third quarter amounted to SEK -6 M (-7), of which net interest accounted for SEK -4 M (-5). For the first nine months of the year, net financial items amounted to SEK -17 M (-21) and net interest to SEK -13 M (-15). On an annual basis, consolidated net interest was 3.2 percent (3.4) of the average interest-bearing net debt.

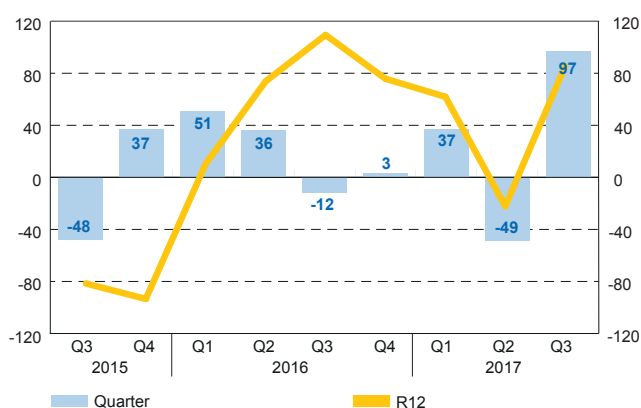
The tax for the third quarter amounted to SEK -4 M (-3). The result after tax for the third quarter decreased to SEK 9 M (16) and, for the first nine months of the year, amounted to SEK 29 M (-18), including non-recurring items of SEK -42 M (-45).

Cash flow

Consolidated working capital at the end of the period amounted to SEK 480 M (493) and average working capital tied-up in the third quarter was 13.8 percent (13.3). Cash flow from operating activities amounted to SEK 97 M (-12) for the quarter, and to SEK 85 M (75) for the first nine months of the year, which is explained by timing effects on working capital.

Cash flow from investment activities amounted to SEK 19 M (-2) for the third quarter, due to the sale of the property in the Czech Republic. Accordingly, cash flow after investments was SEK 116 M (-14), and SEK 99 M (68) for the first nine months 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 234 M (136) and consolidated interest-bearing net debt amounted to SEK 465 M (563).

At the end of the period, equity amounted to SEK 801 M (775) and the net debt/equity ratio was 58 percent (73).

Organization, structure and employees

The average number of employees decreased to 703 compared to 719 at the same time last year. The decrease is mainly due to completed and ongoing restructuring measures. The average number of employees during the year amounted to 709 (747).

Significant events after the end of the period

No significant events occurred 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.

Nominating Committee

In accordance with the company's procedures, a Nominating Committee has been appointed.

The Nominating Committee consists of Bengt Stillström (Traction), Martin Nilsson (Catella Fonder), Jan Andersson (Swedbank Robur Fonder) and Petter Stillström, Chairman of BE Group AB, who is also the convener for the Nominating Committee.

Annual General Meeting 2018

The Annual General Meeting of BE Group will take place on April 26, 2018, at 3:00 p.m. in Malmö, Sweden. Further information will be published on 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 completed its preliminary studies in the third quarter of 2017. The effect of the new rules on the financial statements will be assessed during the fourth quarter.

Future reporting dates

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

- The year-end report for 2017 will be published on February 2, 2018.
- The Annual Report for 2017 will be available in late March/beginning of April 2018.
- The Interim Report for January–March 2018 will be published on April 26, 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

Malmö, October 24, 2017

BE Group AB (publ)

Anders Martinsson

President and CEO

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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 and the Securities Markets Act. The information was submitted for publication through the agency of the contact persons set out above at 7.45 a.m. CET on October 24, 2017.

Condensed consolidated income statement

(SEK M)	Note	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Full-year	Rolling 12 months
Net sales		968	892	3,253	2,917	3,870	4,206
Cost of goods sold	1	-834	-754	-2,786	-2,489	-3,309	-3,606
Gross profit		134	138	467	428	561	600
Selling expenses	1	-89	-87	-293	-291	-395	-397
Administrative expenses	1	-26	-27	-90	-83	-111	-118
Other operating income and expenses	2	-1	-1	-42	-47	-47	-42
Participation in joint venture		1	3	10	5	8	13
Operating profit/loss		19	26	52	12	16	56
Financial items		-6	-7	-17	-21	-27	-23
Profit/loss before tax		13	19	35	-9	-11	33
Tax		-4	-3	-6	-9	-9	-6
Profit/loss for the period		9	16	29	-18	-20	27
Earnings per share ¹⁾		0.72	1.25	2.27	-1.36	-1.56	2.06
Earnings per share after dilution ¹⁾		0.72	1.25	2.27	-1.36	-1.56	2.06

¹⁾ Refers to the average number of shares.

Consolidated statement of comprehensive income

(SEK M)	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Full-year	Rolling 12 months
Profit/loss for the period	9	16	29	-18	-20	27
Other comprehensive income						
Items that have or may be reclassified to profit/loss for the period						
Translation differences	-6	10	0	23	20	-3
Hedging of net investments in foreign subsidiaries	5	-9	1	-20	-18	3
Tax attributable to items that have or may be reclassified to profit/loss for the period	-1	2	0	5	4	-1
Total other comprehensive income	-2	3	1	8	6	-1
Comprehensive income for the period	7	19	30	-10	-14	26

Condensed consolidated balance sheet

(SEK M)	Note	2017 30 Sep	2016 30 Sep	2016 31 Dec
Goodwill		545	563	562
Other intangible assets		12	21	18
Tangible assets		103	169	156
Investment in joint venture		117	84	87
Financial assets		0	0	0
Deferred tax assets		70	57	51
Total non-current assets		847	894	874
Inventories		604	540	527
Accounts receivable		602	537	442
Other receivables		43	49	49
Cash and equivalents		134	36	27
Total current assets		1,383	1,162	1,045
Total assets	3	2,230	2,056	1,919
Equity		801	775	771
Non-current interest-bearing liabilities		538	549	527
Provisions		0	0	0
Deferred tax liability		43	43	43
Total non-current liabilities		581	592	570
Current interest-bearing liabilities		61	51	63
Accounts payable		593	459	375
Other current liabilities		176	175	136
Other current provisions		18	4	4
Total current liabilities		848	689	578
Total equity and liabilities	3	2,230	2,056	1,919
Contingent liabilities		26	16	17

Condensed consolidated cash-flow statement ¹⁾

(SEK M)	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Full-year	Rolling 12 months
Operating result	19	26	52	12	16	56
Adjustment for non-cash items	1	3	57	54	60	63
– of which, amortization/depreciation	3	9	72	56	64	80
– of which, other items	-2	-6	-15	-2	-4	-17
Interest paid/received	-6	-6	-16	-18	-23	-21
Income tax paid	-5	-3	-18	-7	-9	-20
Change in working capital	88	-32	10	34	34	10
Cash flow from operating activities	97	-12	85	75	78	88
Investments in intangible assets	0	-1	0	-2	-2	0
Investments in tangible assets	-6	-1	-11	-5	-8	-14
Divestments of tangible assets	25	-	25	-	-	25
Other cash flow from investing activities	0	0	0	0	0	0
Cash flow after investments	116	-14	99	68	68	99
Cash flow from financing activities	5	-43	7	-66	-74	-1
Cash flow for the period	121	-57	106	2	-6	98
Exchange-rate difference in cash and equivalents	-1	1	0	1	0	-1
Change in cash and equivalents	120	-56	106	3	-6	97

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 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Full-year	Rolling 12 months
Equity at beginning of period	794	756	771	785	785	775
Comprehensive income for the period	7	19	30	-10	-14	26
Equity at end of period	801	775	801	775	771	801

Notes

Note 1 Amortizations and depreciations

(SEK M)	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Full-year	Rolling 12 months
Amortization of intangible assets	2	3	7	8	10	9
Depreciation of tangible assets	8	9	26	29	40	37
Total amortizations and depreciations	10	12	33	37	50	46

Note 2 Non-recurring items

(SEK M)	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Full-year	Rolling 12 months
Restructuring expenses	-	-	-18	-11	-11	-18
Write-down of tangible assets	-	-	-4	-32	-32	-4
Write-down of intangible assets	-	-	-1	-2	-2	-1
Write-down of current assets	-	-	-22	-	-	-22
Reversal of write-down of participation in joint venture	-	-	20	-	-	20
Write-down of goodwill	-	-	-17	-	-	-17
Total non-recurring items	-	-	-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 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Full-year	Rolling 12 months
Sweden & Poland	473	438	1,630	1,451	1,941	2,120
Finland & Baltics	489	439	1,604	1,339	1,794	2,059
Parent Company and consolidated items	6	15	19	127	135	27
Group	968	892	3,253	2,917	3,870	4,206

Shipped tonnage per segment (thousands of tonnes)

	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Full-year	Rolling 12 months
Sweden & Poland	37	36	127	125	166	168
Finland & Baltics	44	43	147	140	185	192
Parent Company and consolidated items	1	2	0	24	23	-1
Group	82	81	274	289	374	359

Operating profit/loss (EBIT) per segment

(SEK M)	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Full-year	Rolling 12 months
Sweden & Poland	5	8	-9	23	25	-7
Finland & Baltics	16	26	72	56	68	84
Parent Company and consolidated items	-2	-8	-11	-67	-77	-21
Group	19	26	52	12	16	56

Operating margin per segment

	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Full-year	Rolling 12 months
Sweden & Poland	1.1%	1.7%	-0.5%	1.6%	1.3%	-0.3%
Finland & Baltics	3.4%	5.9%	4.5%	4.2%	3.8%	4.1%
Parent Company and consolidated items	neg	neg	neg	neg	neg	neg
Group	2.0%	2.9%	1.6%	0.4%	0.4%	1.3%

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 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Full-year	Rolling 12 months
Sweden & Poland	7	1	23	16	14	21
Finland & Baltics	17	16	61	49	54	66
Parent Company and consolidated items	-2	-7	-11	-25	-35	-21
Group	22	10	73	40	33	66

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 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Full-year	Rolling 12 months
Sweden & Poland	1.5%	0.3%	1.4%	1.1%	0.7%	1.0%
Finland & Baltics	3.6%	3.6%	3.8%	3.6%	3.0%	3.2%
Parent Company and consolidated items	neg	neg	neg	neg	neg	neg
Group	2.2%	1.1%	2.2%	1.4%	0.9%	1.6%

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

Depreciation per segment

(SEK M)	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Full-year	Rolling 12 months
Sweden & Poland	5	5	15	16	22	21
Finland & Baltics	4	4	12	13	17	16
Parent Company and consolidated items	1	3	6	8	11	9
Group	10	12	33	37	50	46

Investments in tangible and intangible assets per segment

(SEK M)	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Full-year	Rolling 12 months
Sweden & Poland	3	1	5	4	6	7
Finland & Baltics	3	1	6	3	3	6
Parent Company and consolidated items	0	0	0	0	1	1
Group	6	2	11	7	10	14

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

Key data

(SEK M unless otherwise stated)	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Full-year	Rolling 12 months
Net sales	968	892	3,253	2,917	3,870	4,206
Earnings measurements						
Gross profit/loss	134	138	467	428	561	600
Underlying gross profit/loss	136	123	451	412	536	575
Operating profit/loss (EBIT)	19	26	52	12	16	56
Underlying operating result (uEBIT)	22	10	73	40	33	66
Margin measurements						
Gross margin	13.8%	15.4%	14.4%	14.7%	14.5%	14.3%
Underlying gross margin	14.0%	13.8%	13.9%	14.1%	13.9%	13.7%
Operating margin	2.0%	2.9%	1.6%	0.4%	0.4%	1.3%
Underlying operating margin	2.2%	1.1%	2.2%	1.4%	0.9%	1.6%
Capital structure						
Net debt	465	563	465	563	562	465
Net debt/equity ratio	58%	73%	58%	73%	73%	58%
Working capital at end of period	480	493	480	493	506	480
Working capital (average)	534	473	519	484	488	514
Capital employed (average)	1,397	1,381	1,381	1,388	1,383	1,379
Working capital tied-up	13.8%	13.3%	12.0%	12.4%	12.6%	3.1%
Return						
Return on capital employed	5.4%	7.6%	5.0%	1.2%	1.2%	4.0%
Per share data						
Earnings per share (SEK) ¹⁾	0.72	1.25	2.27	-1.36	-1.56	2.06
Earnings per share after dilution (SEK) ¹⁾	0.72	1.25	2.27	-1.36	-1.56	2.06
Equity per share (SEK)	61.70	59.67	61.70	59.67	59.41	61.70
Cash flow from operating activities per share (SEK) ¹⁾	7.48	-0.89	6.57	5.79	6.02	6.81
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	9%	-8%	12%	-8%	-7%	8%
– of which organic tonnage growth	1%	-13%	-5%	-6%	-8%	-7%
– of which price and mix changes	8%	5%	16%	-2%	0%	14%
– of which currency effects	0%	0%	1%	0%	1%	1%
Average number of employees	709	729	709	747	739	711
Inventory gains and losses	-3	16	21	17	28	32
Shipped tonnage (thousands of tonnes)	82	81	274	289	374	359

¹⁾ Refers to average number of shares.

Condensed parent company income statement

(SEK M)	2017 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Full-year	Rolling 12 months
Net sales	12	6	36	19	25	42
Administrative expenses	-13	-12	-41	-37	-51	-55
Other operating income and expenses	0	1	0	0	0	0
Operating profit/loss	-1	-5	-5	-18	-26	-13
Financial items	4	-13	29	-26	-50	5
Profit/loss after financial items	3	-18	24	-44	-76	-8
Appropriations	-	-	-	-	9	9
Profit/loss before tax	3	-18	24	-44	-67	1
Tax	-1	5	2	11	10	1
Profit/loss for the period, or comprehensive income for the period	2	-13	26	-33	-57	2

Condensed parent company balance sheet

(SEK M)	2017 30 Sep	2016 30 Sep	2016 31 Dec
Intangible assets	9	16	15
Tangible assets	0	0	0
Financial assets	1,035	1,105	1,084
Total non-current assets	1,044	1,121	1,099
Current receivables	175	158	206
Cash and equivalents	123	22	9
Total current assets	298	180	215
Total assets	1,342	1,301	1,314
Equity	584	582	558
Non-current liabilities	529	535	515
Current liabilities	229	184	241
Total equity and liabilities	1,342	1,301	1,314
Pledged assets	1,166	1,167	1,166
Contingent liabilities	66	65	52

Key data – multi-quarter summary

(SEK M unless otherwise stated)	2017 Jul-Sep	2017 Apr-Jun	2017 Jan-Mar	2016 Oct-Dec	2016 Jul-Sep	2016 Apr-Jun	2016 Jan-Mar	2015 Oct-Dec	2015 Jul-Sep
Net sales	968	1,147	1,138	953	892	1,047	978	981	966
Earnings measurements									
Gross profit/loss	134	159	174	133	138	163	127	112	124
Underlying gross profit/loss	136	152	163	124	123	153	136	117	128
Operating profit/loss (EBIT)	19	-13	46	4	26	31	-45	-17	-117
Underlying operating result (uEBIT)	22	21	30	-7	10	21	9	-12	10
Margin measurements									
Gross margin	13.8%	13.8%	15.3%	14.0%	15.4%	15.5%	13.0%	11.4%	12.9%
Underlying gross margin	14.0%	13.2%	14.3%	13.0%	13.8%	14.6%	13.9%	12.0%	13.2%
Operating margin	2.0%	-1.1%	4.0%	0.4%	2.9%	2.9%	-4.6%	-1.7%	-12.1%
Underlying operating margin	2.2%	1.9%	2.6%	-0.7%	1.1%	2.0%	1.0%	-1.2%	1.0%
Capital structure									
Net debt	465	586	528	562	563	540	565	609	649
Net debt/equity ratio	58%	74%	66%	73%	73%	71%	77%	78%	80%
Working capital at end of period	480	588	502	506	493	454	464	525	575
Working capital (average)	534	545	504	499	473	459	495	551	544
Capital employed (average)	1,397	1,381	1,364	1,368	1,381	1,375	1,395	1,473	1,560
Working capital tied-up	13.8%	11.9%	11.1%	13.1%	13.3%	11.0%	12.6%	14.0%	14.1%
Return									
Return on capital employed	5.4%	-3.7%	13.4%	1.2%	7.6%	9.0%	-12.8%	-4.6%	-30.1%
Per share data ²⁾									
Earnings per share (SEK) ¹⁾	0.72	-1.03	2.58	-0.20	1.25	1.47	-4.07	-1.81	-10.23
Earnings per share after dilution (SEK) ¹⁾	0.72	-1.03	2.58	-0.20	1.25	1.47	-4.07	-1.81	-10.23
Equity per share (SEK)	61.70	61.19	61.93	59.41	59.67	58.19	56.54	60.44	62.56
Cash flow from operating activities per share (SEK) ¹⁾	7.48	-3.72	2.81	0.21	-0.89	2.76	3.91	-2.84	-3.65
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	12,983
Growth									
Sales growth	9%	10%	16%	-3%	-8%	-5%	-11%	-3%	-3%
– of which organic tonnage growth	1%	-10%	-5%	-13%	-13%	-3%	-5%	1%	-3%
– of which price and mix changes	8%	18%	20%	8%	5%	-2%	-6%	-4%	-1%
– of which currency effects	0%	2%	1%	2%	0%	0%	0%	0%	1%
Other									
Average number of employees	709	710	708	715	729	747	765	776	770
Inventory gains and losses	-3	8	16	11	16	10	-9	-5	-3
Shipped tonnage (thousands of tonnes)	82	94	98	85	81	105	103	97	93

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.

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 Jul-Sep	2016 Jul-Sep	2017 Jan-Sep	2016 Jan-Sep	2016 Full-year
Operating result	19	26	52	12	16
Reversal of inventory gains (-)/losses (+)	3	-16	-21	-17	-28
Adjustment for non-recurring items	-	-	42	45	45
Group	22	10	73	40	33

Net debt

(SEK M)	2017 30 Sep	2016 30 Sep	2016 31 Dec
Non-current interest-bearing liabilities	538	549	527
Current interest-bearing liabilities	61	51	63
Deduction financial assets	0	0	0
Deduction cash and equivalents	-134	-36	-27
Rounding	-	-1	-1
Group	465	563	562

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

Working capital

(SEK M)	2017 30 Sep	2016 30 Sep	2016 31 Dec
Inventories	604	540	527
Accounts receivable	602	537	442
Other receivables	43	49	49
Deduction accounts payable	-593	-459	-375
Deduction other current liabilities	-176	-175	-136
Rounding	-	-2	-1
Group	480	493	506

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

Capital employed

(SEK M)	2017 30 Sep	2016 30 Sep	2016 31 Dec
Equity	801	775	771
Non-current interest-bearing liabilities	538	549	527
Current interest-bearing liabilities	61	51	63
Rounding	-	-1	-
Group	1,400	1,374	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.