



BE GROUP

INTERIM REPORT BE Group AB (publ)

January – March 2019

Improved cash flow

First quarter 2019

- Net sales amounted to SEK 1,205 M (1,226).
- The underlying operating result amounted to SEK 40 M (48).
- The operating result amounted to SEK 34 M (55), including inventory losses of SEK -6 M (7).
- Result after tax amounted to SEK 20 M (39).
- Cash flow from operating activities increased to SEK 62 M (-1).
- Earnings per share amounted to SEK 1.56 (3.03).

Significant events after the end of the period

- Anders Martinsson has decided to resign as President and CEO of BE Group and will leave in mid-October. The recruitment process for a replacement has started.

Results overview	2019	2018	Change
	Jan-Mar	Jan-Mar	
Tonnage, thousands of tonnes	96	98	-2
Net sales, SEK M	1,205	1,226	-21
Underlying operating result, SEK M	40	48	-8
Operating result, SEK M	34	55	-21
Profit/loss for the period, SEK M	20	39	-19
Earnings per share, SEK	1.56	3.03	-1.47
Cash flow from operating activities, SEK M	62	-1	63

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 2018, the Group reported sales of SEK 4.8 billion. BE Group has approximately 670 employees, with Sweden and Finland as its largest markets. The head office is located in Malmö, Sweden. Read more about BE Group at www.be-group.com.



”Cash flow remained positive as a result of the positive earnings and good control of working capital”

Statement from the CEO

The business delivered a quarter with marginally lower sales compared to the same quarter last year and the underlying operating result decreased by SEK 8 M. During the quarter, we saw a weaker development mainly in the production business in Finland, the distribution business in the Baltics and Lecor Stålteknik where we have taken measures. The distribution business in Sweden also delivered a somewhat weaker result in the period as a result of an unfavourable channel and product mix. At the same time, the production businesses in Sweden and Poland were going strong in terms of both volume and profitability which partly compensated the lower result.

Steel prices generally remained stable in line with last quarter. However, what we see as a temporary decline in the price of aluminium and stainless steel resulted in inventory losses compared to gains last year.

Cash flow remained positive as a result of the positive earnings and good control of working capital. During the quarter, operating activities generated a positive cash flow of SEK 62 M (-1), of which SEK 20 M is an effect of the implementation of IFRS 16.

Outlook

Demand in the next quarter is expected to remain strong in the company's main markets. The steel prices are anticipated to stay at the same level as the first quarter and the prices of aluminium and stainless steel are expected to recover after the first quarter's decline.

Anders Martinsson
President and CEO

Bridge 2018-2019 operating result SEK M	Q1	Q2	Q3	Q4	Jan-Dec
Operating result 2018	55	22	33	22	132
Reversal of inventory gains (-)/losses (+)	-7	-12	-7	-1	-27
Items affecting comparability	-	16	-	-4	12
Underlying operating result 2018	48	26	26	17	117
Change in sales	-3	-	-	-	-
Change in underlying gross margin	-5	-	-	-	-
Change in overhead costs	0	-	-	-	-
Underlying operating result 2019	40	-	-	-	-
Reversal of inventory gains (+)/losses (-)	-6	-	-	-	-
Items affecting comparability	-	-	-	-	-
Operating result 2019	34	-	-	-	-

The operating result has been impacted by a total of SEK -12 M due to a provision for an anticipated bad debt and adjustment of inventory in the Baltics during Q2 2018. Items affecting comparability in Q2 2018 is related to the exit of the operations in Prerov, Czech Republic, SEK -9 M is affecting the Group's consolidated statement of comprehensive income while SEK -7 M refers to translation differences from previous fiscal years.

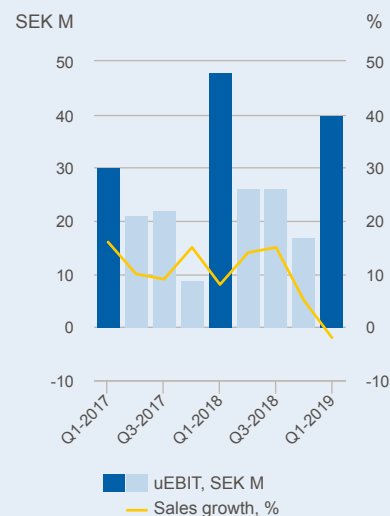
Comments on the report

First quarter

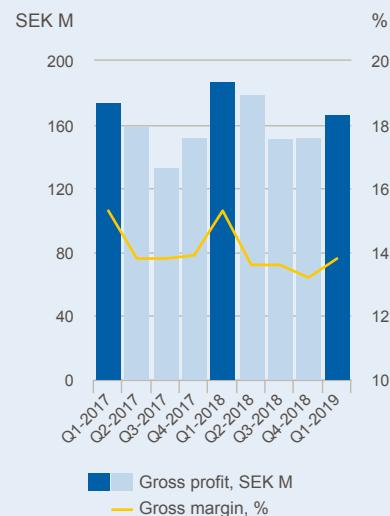
Consolidated net sales for the period decreased by 2 percent compared to last year, amounting to SEK 1,205 M (1,226). The decline is primarily attributable to the relatively weaker growth in the Baltic distribution business and Lecor Stålteknik.

Gross profit amounted to SEK 166 M (187), with a gross margin of 13.8 percent (15.3). The operating result amounted to SEK 34 M (55), corresponding to an operating margin of 2.8 percent (4.5). The earnings development is mainly due to the continued weak performance in the Finnish production unit, where corrective measures have been implemented. In addition, the Swedish distribution business delivered a lower result, which is explained by the first quarter in 2018 being comparatively strong. Adjusted for inventory gains and losses of SEK -6 M (7), the underlying operating result was SEK 40 M (48). The underlying operating margin during the period was 3.3 percent (3.9).

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.

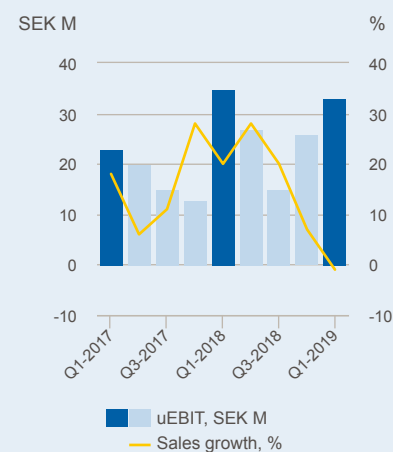
First quarter

Net sales decreased by 1 percent in the first quarter compared to last year and amounted to SEK 643 M (651). The operating result amounted to SEK 30 M (39). Adjusted for inventory gains and losses, the underlying operating result amounted to SEK 33 M (35).

Tonnage in business unit Distribution Sweden was slightly lower than the same period last year. Consequently, the business is showing an underlying operating result that is marginally lower, largely due to the first quarter of last year being comparatively strong with a favorable product mix and rising prices.

Business unit Production Sweden & Poland is continuing to show improved profitability, due to higher sales and an improved gross margin resulting from higher capacity utilization and positive price and mix effects. The result was improved mainly due to the continuous improvement work in the production unit in Norrköping. Poland is now also contributing positively during the quarter.

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



*BE Group Produktion Eskilstuna has been reported under Parent Company and Group items since the fourth quarter of 2017. Comparative numbers have been restated.



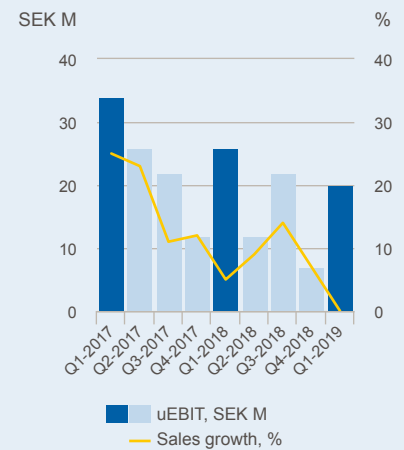
The business area includes the Group's operations in Finland and the three Baltic States.

First quarter

Compared with the first quarter last year, net sales were unchanged and amounted to SEK 565 M (565). Tonnage was 6 percent lower but higher average steel prices and mix effects contributed to the preserved sales level. However, the operating result decreased to SEK 17 M (29) mainly due to a weaker development in Finland. Adjusted for inventory losses of SEK -3 M (3), the underlying operating result amounted to SEK 20 M (26).

Business unit Distribution Finland delivered an underlying result in line with last year and the tonnage volume was also at the same level. Business unit Production Finland showed marginally lower net sales while volume, gross margin and profit were lower than last year as a result of tough competition in the segment.

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; BE Group Czech Republic, BE Group Slovakia, BE Group Produktion Eskilstuna and RTS Estonia.

The restructuring of these operations, approved by the Board of BE Group partly in the first quarter of 2016 and in the second quarter of 2017, are completed. The exit from remaining business in Prerov, Czech Republic, is in all material aspects completed. In total, the operations under restructuring had sales of SEK 0 M (15) in the first quarter with an underlying operating result of SEK 0 M (-1).

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

Sales for the first quarter for the Parent Company, BE Group AB (publ), amounted to SEK 27 M (26) during the period and derived from intra-Group services. These intra-Group services mainly include licensing fees regarding the subsidiaries' use of the BE Group brand and central expenses for IT, Finance and Purchasing, etc. 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. Out of the total costs for the Parent Company, of SEK 14 M (14), SEK 11 M (11) was distributed to the subsidiaries. Operating result amounted to SEK 13 M (13).

Net financial items for the quarter amounted to SEK -11 M (-18). Profit before tax increased to SEK 2 M (-5) and profit after tax amounted to SEK 0 M (-4). Investments in the Parent Company amounted to SEK 0 M (0). At the end of the period, cash and equivalents in the Parent Company increased to SEK 127 M (5).

Group

Net financial items and tax

The Group's consolidated net financial items in the first quarter amounted to SEK -6 M (-4), of which net interest accounted for SEK -6 M (-3). During the quarter, interest expenses related to leasing according to IFRS 16 amounted to SEK -3 M (-).

Taxes for the first quarter amounted to SEK -8 M (-12). Profit after tax amounted to SEK 20 M (39).

Cash flow

The Group's consolidated working capital amounted to SEK 568 M (554) at the end of the period and the average working capital tied-up for the first quarter was 11.8 percent (10.7). Cash flow from operating activities increased to SEK 62 M (-1), of which SEK 20 M is an effect of the implementation of IFRS 16. Cash flow from investing activities was SEK -15 M (-6). Cash flow after investments therefore amounted to SEK 47 M (-7).

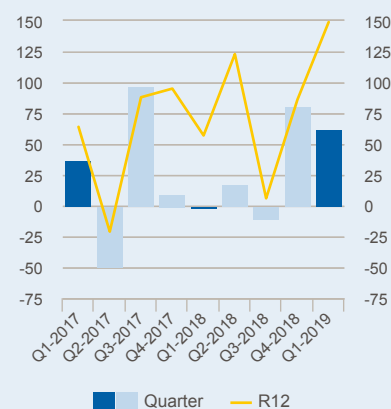
Financial position and liquidity

At the end of the period, consolidated cash and cash equivalents, including overdraft facilities, amounted to SEK 237 M (139) and the interest-bearing net debt excl. IFRS 16 was SEK 418 M (504). Equity amounted to SEK 922 M (852) at the end of the period.

Organization, structure and employees

The number of employees amounted to 661 compared with 675 at the same time last year. The average number of employees during the quarter amounted to 664 (670).

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



Other information

Significant events after the end of the period

Anders Martinsson has decided to resign as President and CEO of BE Group and will leave in mid-October. The recruitment process for a replacement has started.

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

Transactions with related parties

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

Annual General Meeting 2019

BE Group's Annual General Meeting will take place on April 25, 2019, at 3:00 p.m. in Malmö, Sweden. Further information is published on the company's website.

Dividend

The Board of Directors proposes dividend of SEK 1.75 (-) to be paid for the financial year of 2018 which corresponds to approximately SEK 23 M.

Proposed composition of the Board

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

Proposal for election of auditors

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

Significant risks and uncertainties

The financial risk exposure is explained in the 2018 Annual Report, which was published in March 2019. 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 is prepared in compliance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

Refer to the 2018 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 with addition of the new accounting principle regarding IFRS 16 that entered into effect on January 1, 2019, and are described in the Annual Report 2018, under Accounting principles.

IFRS 16 Leases replaces existing IFRS related to recognition of leases, such as IAS 17 Leases and IFRIC 4 Determining Whether an Arrangement Contains a Lease. The Group applies the standard from January 1, 2019.

IFRS 16 mainly affects lessees and the central effect is that all leases that previously were recognized as operating leases are recognized in a way that is similar to the previous recognition of finance leases. This means that even for operating leases, assets and liabilities are recognized, with associated recognition of costs for depreciation and interest – in contrast to previous principles when no recognition was made of lease assets and related liabilities, and when the leasing fees were allocated to periods straight-line as a leasing cost. Except for recognition of the right of use asset and leasing liability for leases of minor value and contracts of a duration of no more than 12 months. The Group has chosen not to apply the exemption rules. The Group also applies the relief rule to inherit the earlier definition of leasing at the transition. This means that it is applied to all contracts entered into before January 1, 2019 identified as leases under IAS 17 and IFRIC 4.

At January 1, 2019, the Group reports rights of use, related to outstanding leasing commitments, of SEK 565 M and leasing liabilities of SEK 565 M. The effect of the introduction of IFRS 16 on the financial statements depends on future financial circumstances, including the Group's loan interest, the composition of the Group's leasing portfolio and the Group's assessment regarding whether or not they want to use any options to extend leases. The Group's EBITDA has improved at the same time that interest expenses have increased. The change is due to the costs for the operating leases previously being included in EBITDA, while amortization on rights of use and interest on the leading liability do not.

The Group applies the modified retroactive transition method, which means that the accumulated effect of the transition to IFRS 16 is recognized in the retained earnings in the opening balance at January 1, 2019. The effect in the retained earnings of the transition to IFRS 16 has no material impact to BE Group. No comparative figures will be restated.

The reconciliation between commitments regarding operating leases according to IAS 17 as of December 31, 2018 and the lease liability as of January 1, 2019 according to IFRS 16 is presented below. The weighted average marginal loan interest rate as of January 1, 2019 was 2%.

Commitments for operating leases at December 31, 2018	617
Discounting with application of the Group's marginal interest on loans	-50
Other adjustment	-2
Lease liability at January 1, 2019	565
Liabilities for finance leases at January 1, 2018	18

The lease liability at March 31, 2019, amounts to SEK 563 M, of which SEK 17 M corresponds to what was previously recognized as finance leases.

Future information

Future reporting dates

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

- The Interim Report for January–June 2019 will be published on July 18, 2019.
- The Interim Report for January–September 2019 will be published on October 24, 2019.
- The Year-End Report for 2019 will be published in January 2020.

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, April 25, 2019

BE Group AB (publ)

Anders Martinsson

President and CEO

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

<p>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 7.45 a.m. CET on April 25, 2019.</p>
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Condensed consolidated income statement

(SEK M)	Note	2019 Jan-Mar	2018 Jan-Mar	2018 Full-year	Rolling 12 months
Net sales		1,205	1,226	4,803	4,782
Cost of goods sold	1	-1,039	-1,039	-4,134	-4,134
Gross profit		166	187	669	648
Selling expenses	1	-100	-102	-402	-400
Administrative expenses	1	-33	-29	-125	-129
Other operating income and expenses	2	0	-3	-14	-11
Participation in joint venture		1	2	4	3
Operating profit/loss		34	55	132	111
Financial items		-6	-4	-16	-18
Profit/loss before tax		28	51	116	93
Tax		-8	-12	-36	-32
Profit/loss for the period		20	39	80	61
Earnings per share		1.56	3.03	6.13	4.66
Earnings per share before and after dilution		1.56	3.03	6.13	4.66

Consolidated statement of comprehensive income

(SEK M)	2019 Jan-Mar	2018 Jan-Mar	2018 Full-year	Rolling 12 months
Profit/loss for the period	20	39	80	61
Other comprehensive income				
Items that have, or may be, reclassified to profit/loss for the period				
Translation differences	31	25	21	27
Hedging of net investments in foreign subsidiaries	-26	-18	-15	-23
Tax attributable to items in other comprehensive income	5	4	4	5
Total other comprehensive income	10	11	10	9
Comprehensive income for the period	30	50	90	70

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

Condensed consolidated balance sheet

(SEK M)	Note	2019 Mar 31	2018 Mar 31	2018 Dec 31
Goodwill		566	563	563
Other intangible assets		6	11	6
Tangible assets		107	115	111
Right of use assets		545	-	-
Investment in joint venture		114	119	113
Financial assets		0	0	0
Deferred tax assets		31	57	33
Total non-current assets		1,369	865	826
Inventories		657	682	651
Accounts receivable		624	664	470
Other receivables		43	45	63
Cash and equivalents		137	39	108
Total current assets		1,461	1,430	1,292
Total assets	3	2,830	2,295	2,118
Equity		922	852	892
Non-current interest-bearing liabilities		549	537	543
Non-current leasing liabilities		457	-	-
Provisions		0	0	0
Deferred tax liability		44	45	44
Total non-current liabilities		1,050	582	587
Current interest-bearing liabilities		6	5	5
Current leasing liabilities		89	-	-
Accounts payable		586	660	468
Other current liabilities		172	177	145
Other current provisions		5	19	21
Total current liabilities		858	861	639
Total equity and liabilities	3	2,830	2,295	2,118

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

Condensed consolidated cash-flow statement

(SEK M)	2019 Jan-Mar	2018 Jan-Mar	2018 Full-year	Rolling 12 months
Operating result	34	55	132	111
Adjustment for non-cash items	19	4	42	57
– of which, amortization/depreciation	28	9	38	57
– of which, other items	-9	-5	4	0
Interest paid/received and other financial items	-6	-4	-13	-15
Income tax paid	1	-5	-16	-10
Change in working capital	14	-51	-59	6
Cash flow from operating activities	62	-1	86	149
Investments in intangible assets	0	0	-2	-2
Investments in tangible assets	-2	-7	-32	-27
Divestments of tangible assets	0	0	2	2
Other cash flow from investing activities	-13	1	0	-14
Cash flow after investments	47	-7	54	108
Cash flow from financing activities	-19	-17	-10	-12
Cash flow for the period	28	-24	44	96
Exchange-rate difference in cash and equivalents	1	2	3	2
Change in cash and equivalents	29	-22	47	98

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

Condensed statement of changes in equity

(SEK M)	2019 Jan-Mar	2018 Jan-Mar	2018 Full-year	Rolling 12 months
Equity at beginning of period	892	802	802	852
Comprehensive income for the period	30	50	90	70
Equity at end of period	922	852	892	922

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

Note 1 Amortizations and depreciations

(SEK M)	2019 Jan-Mar	2018 Jan-Mar	2018 Full-year	Rolling 12 months
Amortization of intangible assets	1	2	9	8
Depreciation of tangible assets	7	7	29	29
Depreciation of right of use assets	20	-	-	20
Total amortizations and depreciations	28	9	38	57

Note 2 Items affecting comparability

(SEK M)	2019 Jan-Mar	2018 Jan-Mar	2018 Full-year	Rolling 12 months
Restructuring expenses	-	-	-12	-12
Total items affecting comparability	-	-	-12	-12

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 2018 Annual Report. No material changes have taken place in relation to the valuation as per December 31.

Segment reporting

Net sales

Sales by business area and product group	Sweden & Poland	Finland & Baltics	Parent company & consolidated items	Total	
	2019	2019	2019	2019	Rolling
	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	12 months
Long steel products	290	150	0	440	1,698
Flat steel products	206	285	1	492	1,888
Stainless steel	102	92	0	194	837
Aluminium	22	32	-1	53	226
Other	23	6	-3	26	133
Group	643	565	-3	1,205	4,782

Sales by business area and product group	Sweden & Poland	Finland & Baltics	Parent company & consolidated items	Total	
	2018	2018	2018	2018	2018
	Jan-Mar	Jan-Mar	Jan-Mar	Jan-Mar	Full-year
Long steel products	278	146	1	425	1,683
Flat steel products	191	283	-1	473	1,869
Stainless steel	118	99	12	229	872
Aluminium	22	31	3	56	229
Other	42	6	-5	43	150
Group	651	565	10	1,226	4,803

By country based on customer's domicile (SEK M)	2019 Jan-Mar	2018 Jan-Mar	2018 Full-year	Rolling 12 months
Sweden	631	641	2,431	2,433
Finland	482	467	1,935	1,961
Other	92	118	437	388
Group	1,205	1,226	4,803	4,782

Shipped tonnage per segment (thousands of tonnes)

	2019 Jan-Mar	2018 Jan-Mar	2018 Full-year	Rolling 12 months
Sweden & Poland	50	49	187	188
Finland & Baltics	46	49	190	187
Parent Company and consolidated items	0	0	0	0
Group	96	98	377	375

Operating result (EBIT) per segment

(SEK M)	2019 Jan-Mar	2018 Jan-Mar	2018 Full-year	Rolling 12 months
Sweden & Poland	30	39	123	114
Finland & Baltics	17	29	81	69
Parent Company and consolidated items	-13	-13	-72	-72
Group	34	55	132	111

Operating margin per segment

	2019 Jan-Mar	2018 Jan-Mar	2018 Full-year	Rolling 12 months
Sweden & Poland	4.6%	6.1%	5.0%	4.6%
Finland & Baltics	2.9%	5.1%	3.5%	3.0%
Parent Company and consolidated items	neg	neg	neg	neg
Group	2.8%	4.5%	2.8%	2.3%

Underlying operating result (uEBIT) per segment ¹⁾

(SEK M)	2019 Jan-Mar	2018 Jan-Mar	2018 Full-year	Rolling 12 months
Sweden & Poland	33	35	104	102
Finland & Baltics	20	26	68	62
Parent Company and consolidated items	-13	-13	-55	-55
Group	40	48	117	109

Underlying operating margin per segment ²⁾

	2019 Jan-Mar	2018 Jan-Mar	2018 Full-year	Rolling 12 months
Sweden & Poland	5.1%	5.4%	4.2%	4.1%
Finland & Baltics	3.5%	4.6%	2.9%	2.7%
Parent Company and consolidated items	neg	neg	neg	neg
Group	3.3%	3.9%	2.4%	2.3%

Depreciation per segment

(SEK M)	2019 Jan-Mar	2018 Jan-Mar	2018 Full-year	Rolling 12 months
Sweden & Poland	3	3	13	13
Finland & Baltics	4	4	18	18
Parent Company and consolidated items	21	2	7	26
Group	28	9	38	57

Investments in tangible and intangible assets per segment

(SEK M)	2019 Jan-Mar	2018 Jan-Mar	2018 Full-year	Rolling 12 months
Sweden & Poland	1	5	16	12
Finland & Baltics	1	2	18	17
Parent Company and consolidated items	0	0	1	0
Group	2	7	35	29

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.

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

Key data

(SEK M unless otherwise stated)	2019 Jan-Mar	2018 Jan-Mar	2018 Full-year	Rolling 12 months
Net sales	1,205	1,226	4,803	4,782
Earnings measurements				
Gross result	166	187	669	648
Underlying gross result	172	180	643	635
Operating result (EBIT)	34	55	132	111
Underlying operating result (uEBIT)	40	48	117	109
Margin measurements				
Gross margin	13.8%	15.3%	13.9%	13.6%
Underlying gross margin	14.2%	14.7%	13.4%	13.3%
Operating margin	2.8%	4.5%	2.8%	2.3%
Underlying operating margin	3.3%	3.9%	2.4%	2.3%
Capital structure				
Net debt excl. IFRS 16 ¹⁾	418	504	440	418
Net debt/equity ratio excl. IFRS 16 ¹⁾	45%	59%	49%	45%
Working capital at end of period	568	554	572	568
Working capital (average)	570	523	562	577
Capital employed (average) excl. IFRS 16 ¹⁾	1,459	1,368	1,408	1,435
Working capital tied-up	11.8%	10.7%	11.7%	12.1%
Return				
Return on capital employed excl. IFRS 16 ¹⁾	9.2%	16.2%	9.4%	7.7%
Per share data				
Earnings per share (SEK)	1.56	3.03	6.13	4.66
Earnings per share after dilution (SEK)	1.56	3.03	6.13	4.66
Equity per share (SEK)	71.03	65.65	68.67	71.03
Cash flow from operating activities per share (SEK)	4.79	-0.08	6.60	11.47
Shares outstanding at period end (thousands)	12,983	12,983	12,983	12,983
Number of shares (thousands) before and after dilution	12,983	12,983	12,983	12,983
Growth				
Sales growth	-2%	8%	10%	8%
- of which organic tonnage growth	-2%	0%	4%	3%
- of which price and mix changes	-2%	6%	3%	2%
- of which currency effects	2%	2%	3%	3%
Other				
Average number of employees	664	670	668	667
Inventory gains and losses	-6	7	27	14
Shipped tonnage (thousands of tonnes)	96	98	377	375

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)	2019 Jan-Mar	2018 Jan-Mar	2018 Full-year	Rolling 12 months
Net sales	27	26	108	109
Administrative expenses	-14	-14	-58	-58
Other operating income and expenses	0	1	0	-1
Operating profit/loss	13	13	50	50
Financial items	-11	-18	2	9
Profit/loss after financial items	2	-5	52	59
Appropriations	-	-	33	33
Profit/loss before tax	2	-5	85	92
Tax	-2	1	-16	-19
Profit/loss for the period, or comprehensive income for the period	0	-4	69	73

Condensed parent company balance sheet

(SEK M)	2019 Mar 31	2018 Mar 31	2018 Dec 31
Intangible assets	1	6	1
Tangible assets	1	0	1
Financial assets	998	1,018	997
Total non-current assets	1,000	1,024	999
Current receivables	162	122	200
Cash and equivalents	127	5	71
Total current assets	289	127	271
Total assets	1,289	1,151	1,270
Equity	626	553	626
Non-current liabilities	538	531	531
Current liabilities	125	67	113
Total equity and liabilities	1,289	1,151	1,270

Key data – multi-quarter summary

(SEK M unless otherwise stated)	2019 Jan-Mar	2018 Oct-Dec	2018 Jul-Sep	2018 Apr-Jun	2018 Jan-Mar	2017 Oct-Dec	2017 Jul-Sep	2017 Apr-Jun	2017 Jan-Mar
Net sales	1,205	1,154	1,111	1,312	1,226	1,095	968	1,147	1,138
Earnings measurements									
Gross result	166	152	151	179	187	152	134	159	174
Underlying gross result	172	151	145	167	180	145	136	152	163
Operating result (EBIT)	34	22	33	22	55	5	19	-13	46
Underlying operating result (uEBIT)	40	17	26	26	48	9	22	21	30
Margin measurements									
Gross margin	13.8%	13.2%	13.6%	13.6%	15.3%	13.9%	13.8%	13.8%	15.3%
Underlying gross margin	14.2%	13.1%	13.0%	12.8%	14.7%	13.2%	14.0%	13.2%	14.3%
Operating margin	2.8%	1.9%	3.0%	1.6%	4.5%	0.5%	2.0%	-1.1%	4.0%
Underlying operating margin	3.3%	1.4%	2.4%	2.0%	3.9%	0.8%	2.2%	1.9%	2.6%
Capital structure									
Net debt excl. IFRS 16 ¹⁾	418	440	513	496	504	478	465	586	528
Net debt/equity ratio excl. IFRS 16 ¹⁾	45%	49%	58%	57%	59%	60%	58%	74%	66%
Working capital at end of period	568	572	617	575	554	492	480	588	502
Working capital (average)	570	594	596	565	523	486	534	545	504
Capital employed (average) excl. IFRS 16 ¹⁾	1,459	1,446	1,431	1,403	1,368	1,371	1,397	1,381	1,364
Working capital tied-up	11.8%	12.9%	13.4%	10.8%	10.7%	11.1%	13.8%	11.9%	11.1%
Return									
Return on capital employed excl. IFRS 16 ¹⁾	9.2%	6.0%	9.4%	6.1%	16.2%	1.7%	5.4%	-3.7%	13.4%
Per share data									
Earnings per share (SEK)	1.56	0.83	1.73	0.54	3.03	-0.40	0.72	-1.03	2.58
Earnings per share after dilution (SEK)	1.56	0.83	1.73	0.54	3.03	-0.40	0.72	-1.03	2.58
Equity per share (SEK)	71.03	68.67	67.92	66.48	65.65	61.77	61.70	61.19	61.93
Cash flow from operating activities per share (SEK)	4.79	6.13	-0.74	1.29	-0.08	0.78	7.48	-3.72	2.81
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	-2%	5%	15%	14%	8%	15%	9%	10%	16%
- of which organic tonnage growth	-2%	3%	4%	8%	0%	5%	1%	-10%	-5%
- of which price and mix changes	-2%	-1%	6%	3%	6%	10%	8%	18%	20%
- of which currency effects	2%	3%	5%	3%	2%	0%	0%	2%	1%
Other									
Average number of employees	664	666	665	670	670	684	709	710	708
Inventory gains and losses	-6	1	7	12	7	6	-3	8	16
Shipped tonnage (thousands of tonnes)	96	93	84	102	98	89	82	94	98

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)	2019 Jan-Mar	2018 Jan-Mar	2018 Full-year	Rolling 12 months
Operating result	34	55	132	111
Reversal of inventory gains (-)/losses (+)	6	-7	-27	-14
Adjustment for items affecting comparability	-	-	12	12
Group	40	48	117	109

Working capital

(SEK M)	2019 Jan-Mar	2018 Jan-Mar	2018 Dec 31
Inventories	657	682	651
Accounts receivable	624	664	470
Other receivables	43	45	63
Deduction accounts payable	-586	-660	-468
Deduction other current liabilities	-172	-177	-145
Rounding	2	-	1
Group	568	554	572

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

Net debt excl. IFRS 16

(SEK M)	2019 Jan-Mar	2018 Jan-Mar	2018 Dec 31
Non-current interest-bearing liabilities and leasing liabilities	1,006	537	543
Current interest-bearing liabilities and leasing liabilities	95	5	5
Deduction leasing liabilities	-546	-	-
Deduction financial assets	0	0	0
Deduction cash and equivalents	-137	-39	-108
Rounding	-	1	-
Group	418	504	440

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)	2019 Jan-Mar	2018 Jan-Mar	2018 Dec 31
Equity	922	852	892
Non-current interest-bearing liabilities and leasing liabilities	1,006	537	543
Current interest-bearing liabilities and leasing liabilities	95	5	5
Deduction leasing liabilities	-546	-	-
Rounding	-	1	-
Group	1,477	1,395	1,440

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. Replaces previous concept "non-recurring items".

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 less cash and equivalents and financial assets.
Net debt/equity ratio excl. IFRS 16	Net debt excl. IFRS 16 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 excl. IFRS 16	Equity plus interest-bearing liabilities excl. leasing liabilities.
Capital employed (average) excl. IFRS 16	Equity plus interest-bearing liabilities excl. leasing 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 excl. IFRS 16	Annually adjusted operating result, 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 2018 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 manufacturing and construction 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 670 employees and sales of SEK 4.8 billion in 2018. 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. 670

Net sales

SEK 4.8 billion

