



BE GROUP

YEAR-END REPORT BE Group AB (publ)

January – December 2022

Fourth quarter 2022

- Net sales decreased by 3% to SEK 1,472 M (1,510)
- The underlying operating result amounted to SEK -50 M (135)
- The operating result amounted to SEK -119 M (158), including inventory gains and losses of SEK -69 M (23)
- Result after tax amounted to SEK -101 M (130)
- Cash flow from operating activities increased to SEK 152 M (-115)
- Earnings per share amounted to SEK -7.79 (10.00)

Full-year 2022

- Net sales increased by 28% to SEK 6,875 M (5,388)
- The underlying operating result amounted to SEK 488 M (529)
- The operating result amounted to SEK 418 M (621), including inventory gains and losses of SEK -70 M (92)
- Result after tax amounted to SEK 324 M (495)
- Cash flow from operating activities increased to SEK 204 M (32)
- Earnings per share amounted to SEK 24.96 (38.10)
- During the year, the assets of Hercules Rebar and the shares of Goodtech Solutions Manufacturing AB was acquired and Lecor Stålteknik was divested
- The Board of Directors proposes dividend of SEK 12 (12) per share for the financial year of 2022 to be paid in two installments; SEK 6 per share in April 2023 and SEK 6 per share in October 2023

"The prevailing business environment during the fourth quarter resulted in decreased demand. At the same time, steel prices have dropped sharply compared to before summer when larger purchases took place, which led to a significantly decreased gross margin. On the positive side is cash flow from operating activities, which amounted to SEK 152 M (-115), primarily related to freed up working capital through adjustment of inventory replenishment"

Peter Andersson, President and CEO

Results overview	2022 Oct-Dec	2021 Oct-Dec	Change	2022 Jan-Dec	2021 Jan-Dec	Change
Tonnage, thousands of tonnes	72	79	-7	320	342	-22
Net sales, SEK M	1,472	1,510	-38	6,875	5,388	1,487
Underlying operating result, SEK M	-50	135	-185	488	529	-41
Operating result, SEK M	-119	158	-277	418	621	-203
Profit/loss for the period, SEK M	-101	130	-231	324	495	-171
Earnings per share, SEK	-7.79	10.00	-17.79	24.96	38.10	-13.14
Cash flow from operating activities, SEK M	152	-115	267	204	32	172

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 2022, the Group reported sales of SEK 6.9 billion. BE Group has approximately 650 employees, with Sweden and Finland as its largest markets. The head office is located in Malmö, Sweden. Read more about BE Group at www.begroup.com.



”The prevailing business environment during the fourth quarter resulted in decreased demand”

Statement from the CEO

The prevailing business environment during the fourth quarter resulted in decreased demand. At the same time, steel prices have dropped sharply compared to before summer when larger purchases took place, which led to a significantly decreased gross margin. Net sales fell marginally by 3% to SEK 1,472 M (1,510) compared with the previous year while the underlying operating result decreased to SEK -50 M (135). Operating result, including inventory gains and losses, amounted to SEK -119 M (158).

Net sales in Business area Sweden & Poland increased with 4% in the quarter while the operating result decreased to SEK -15 M (96) which is explained by a decrease in gross margin and inventory losses of SEK 28 M. Net sales in Business area Finland & Baltics decreased with 9% in the quarter while the operating result decreased to SEK -98 M (84) which is also explained by a decrease in gross margin and inventory losses of SEK 39 M. Net sales for Sweden & Poland consist of 20% direct sales and has a larger share of contracted customers and long cooperations. The business for Finland & Baltics is shorter in its character and is therefore more affected by the material price decrease. Similarly, the result rose quicker during the year in Finland & Baltics when the prices rose rapidly in connection with Russia's invasion of Ukraine.

The joint venture, ArcelorMittal BE Group SSC AB, contributed negatively with SEK 2 M which is significantly weaker than the fourth quarter previous year when they contributed positively with SEK 25 M.

On the positive side is cash flow from operating activities, which amounted to SEK 152 M (-115), primarily related to freed up working capital through adjustment of inventory replenishment.

Net sales for full-year 2022 amounted to SEK 6,875 M (5,388) and the operating result, including inventory gains and losses, amounted to SEK 418 M (621), corresponding to an operating margin of 6.1% (11.5).

The surrounding world

The close-down of blast furnaces in Europe amounts to about 20% of the total capacity, at the same time that the real need has decreased by about 6%. This has so far resulted in longer lead times and increased spot prices. In the beginning of 2023, some steel producers had stopped the incoming orders in order to plan their capacity and not promise more than what can be produced. The conclusion is that the capacity reductions have worked. If no external events occur, it's reasonable to assume that the prices will be stabilized on the levels of today which is just above the lowest levels in the beginning of December. Analysis firms confirm the conclusion.

Regardless of external factors, a lot of steel is used even in bad times. BE Group will, just like usual, handle the situation with a focus on customers, hard work and a belief in our basic idea.

Investment in the future

In the second quarter of 2023, a new, fully automated sawing and machining line for long products will be brought into operation at BE Group's Turku facility in Finland. In addition to considerable rationalization and efficiency enhancement, the investment will both strengthen and broaden BE Group's offering to new and existing customers. Regular transports between BE Group's other facilities mean that the investment is also intended to support markets outside Finland.

During the fourth quarter, BE Group moved its head office and sales office in the southern parts of Sweden to new, efficient, facilities in Malmö which also leads to rent savings.

Peter Andersson
President and CEO

Bridge 2021-2022 operating result SEK M	Q1	Q2	Q3	Q4	Jan-Dec
Operating result 2021	86	158	219	158	621
Reversal of inventory gains (-)/losses (+)	-18	-25	-26	-23	-92
Underlying operating result 2021	68	133	193	135	529
Change in sales	131	126	30	-7	280
Change in underlying gross margin	-1	45	-134	-153	-243
Change in overhead costs	-18	-13	-22	-25	-78
Underlying operating result 2022	180	291	67	-50	488
Reversal of inventory gains (+)/losses (-)	4	22	-27	-69	-70
Operating result 2022	184	313	40	-119	418

Comments on the report

Fourth quarter

The Group's consolidated net sales for the period decreased by 3 percent compared to last year, amounting to SEK 1,472 M (1,510). The decrease is explained by organic tonnage growth of -14 percent partly compensated by positive price and mix effects of 5 percent, currency effects of 5 percent and acquisition and divestment of 1 percent. The weaker economy combined with high inventories throughout the chain contributed to continued decline in demand and lower steel prices in the fourth quarter. Inventory sales to both the construction and manufacturing industries decreased while production sales to OEM customers remained stable.

Gross profit decreased to SEK 51 M (283) with a low gross margin of 3.4 percent (18.7). The operating result amounted to SEK -119 M (158), corresponding to an operating margin of -8.1 percent (10.4), of which inventory gains and losses of SEK -69 M (23). Lower demand and continued falling steel prices contributed to inventory losses and thus the deteriorated result. Adjusted for inventory gains and losses, the underlying operating result amounted to SEK -50 M (135) and the underlying operating margin to -3.4 percent (9.0).

Full-year 2022

During the year, the Group's net sales increased by 28 percent compared to last year and amounted to SEK 6,875 M (5,388). The sales growth is explained by positive price and mix effects of 32 percent, acquisitions of 3 percent and currency effects of 2 percent counteracted by organic tonnage growth of -9 percent.

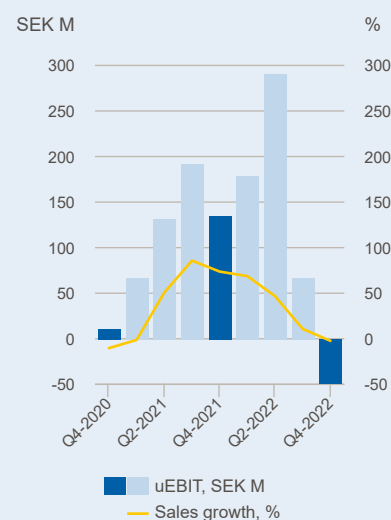
Gross profit amounted to SEK 1,009 M (1,102) with a gross margin of 14.7 percent (20.4).

The operating result amounted to SEK 418 M (621), corresponding to an operating margin of 6.1 percent (11.5). Adjusted for inventory gains and losses of SEK -70 M (92), the underlying operating result amounted to SEK 488 M (529). The underlying operating margin amounted to 7.1 percent (9.8).

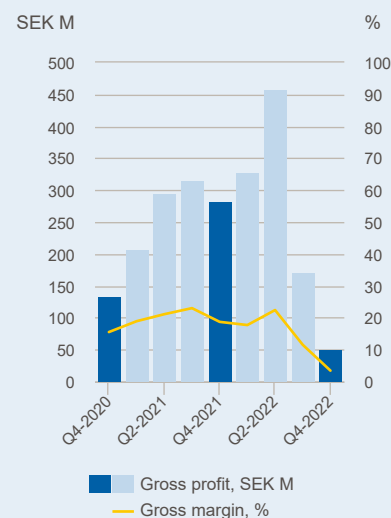
The sanctions directed at Russia, a shortage of input materials and rising energy costs caused considerable price increases among producers during the first six months. The current economic downturn and high inventory levels have, during the second half of the year, led to shorter delivery times and a dampening of price pressure from suppliers. Steel producers have adapted to lower market needs by reducing capacity.

BE Group is also affected directly and indirectly by higher fuel costs and energy prices, as well as the risk of shortages of electricity and gas. BE Group is closely monitoring developments and working continuously to reduce the negative impact on the business.

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, BE Group Produktion Arvika, the joint venture ArcelorMittal BE Group SSC AB as well as the Polish operation BE Group Poland. Lecor Stålteknik was divested on July 1, 2022.

Fourth quarter

Net sales increased by 4 percent in the fourth quarter compared to last year and amounted to SEK 777 M (744). The higher sales is explained by positive price and mix effects of 14 percent, acquisitions and divestments of 2 percent counteracted by organic tonnage growth of -12 percent. The operating result amounted to SEK -15 M (96). Adjusted for inventory gains and losses of SEK -28 M (16), the underlying operating result amounted to SEK 13 M (80).

The Swedish operations provided a lower underlying operating result compared with the strong previous year, while profitability in the Polish operations was unchanged. Lower demand has led to falling steel prices and pressure on gross margins.

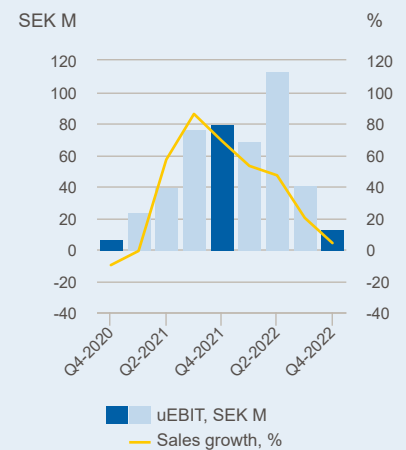
Our joint venture AMBE provided a lower operating result due to decreased demand and falling prices on thin sheets, which resulted in inventory losses leading to a negative contribution of SEK -2 M (25).

Full-year 2022

Net sales increased by 30 percent compared to last year, amounting to SEK 3,408 M (2,625). Sales growth is explained by positive price and mix effects of 35 percent, acquisitions and divestments of 5 percent counteracted by organic tonnage growth of -10 percent. Operating result amounted to SEK 217 M (282). Adjusted for inventory gains and losses of SEK -19 M (61), the underlying operating result increased to SEK 236 M (221).

During the first six months, the assets of Hercules Rebar was acquired. During the second half of the year, Goodtech Solutions Manufacturing AB, from now on BE Group Produktion Arvika, was acquired and Lecor Stålteknik was divested.

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



BUSINESS AREA FINLAND & BALTICS

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

Fourth quarter

Net sales amounted to SEK 703 M (771) which is a decrease by 9 percent compared to the fourth quarter last year. It is explained by organic tonnage growth of -15 percent and price and mix effects of -3 percent partly compensated by positive currency effects of 9 percent. The operating result amounted to SEK -98 M (84) and adjusted for inventory gains and losses of SEK -39 M (7), the underlying operating result amounted to SEK -59 M (77).

The Finnish operations delivered a negative underlying operating result. Lower demand combined with high inventory levels and falling steel prices resulted in inventory losses and a low gross margin.

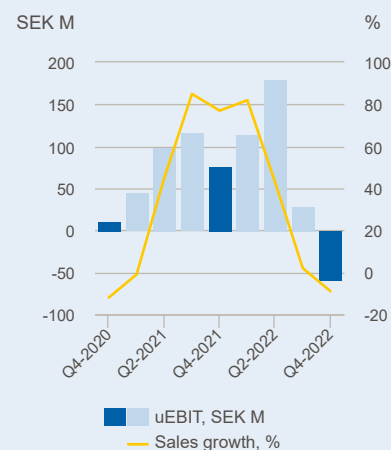
The Baltic operations also delivered a negative result as a consequence of low demand and falling steel prices.

Full-year 2022

Net sales increased by 25 percent compared to last year, amounting to SEK 3,497 M (2,790). The higher sales is explained by positive price and mix effects of 29 percent and currency effects of 5 percent counteracted by organic tonnage growth of -9 percent. The operating result amounted to SEK 217 M (370) and adjusted for inventory gains and losses of SEK -50 M (31), the underlying operating result amounted to SEK 267 M (339).

The Russian invasion of Ukraine led to sharply rising prices, a strong earnings trend and longer delivery times in the first six months. Reduced demand and high costs for incoming materials combined with falling steel prices have resulted in a low gross margin and a negative operating result in the second half of the year.

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



Parent Company & consolidated items

Parent Company & consolidated items include the Parent Company, Group eliminations and also parts of the Group's operations undergoing restructuring. For additional information see the Annual Report for 2021.

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

Sales for the fourth quarter of the Parent Company, BE Group AB (publ), amounted to SEK 58 M (39) during the period and derived from intra-Group services. These intra-Group services mainly include the subsidiaries' use of the BE Group brand and central expenses for IT and Finance. These expenses are distributed and invoiced to all subsidiaries in the Group. In the result follow-up of the business areas, these intra-group expenses have been eliminated except for expenses for IT and business systems. Out of the total costs for the Parent Company, of SEK -25 M (-11), SEK 25 M (8) was allocated to the subsidiaries. The operating result amounted to SEK 34 M (28) for the quarter. For the full-year, net sales amounted to SEK 148 M (104) and the operating result to SEK 81 M (60).

Net financial items for the quarter amounted to SEK 3 M (1). Profit before tax amounted to SEK 76 M (153) and profit after tax amounted to SEK 61 M (121). At the end of the period, cash and equivalents in the Parent Company amounted to SEK 31 M (38).

Net financial items for the full-year amounted to SEK 266 M (98). Profit before tax amounted to SEK 386 M (282) and profit after tax was SEK 360 M (244). Investments in the Parent Company amounted to SEK 0 M (3).

Group

Net financial items and tax

The Group's consolidated net financial items in the fourth quarter amounted to SEK -5 M (0), of which net interest amounted to SEK -6 M (-3). During the quarter, interest expenses related to leasing according to IFRS 16 amounted to SEK -3 M (-2). Net financial items for the full-year amounted to SEK -18 M (-17) and net interest to SEK -18 M (-14), of which SEK -10 M (-10) relates to leasing according to IFRS 16.

Taxes for the fourth quarter amounted to SEK 23 M (-28). Profit after tax amounted to SEK -101 M (130) and was SEK 324 M (495) for the full-year.

Cash flow

The Group's consolidated working capital amounted to SEK 1,130 M (856) at the end of the period and the average working capital tied-up for the fourth quarter was 21.0 percent (12.1). The higher working capital is mainly explained by lower accounts payable as a result of reduced purchases and increased inventory value which by the end of the period amounted to SEK 1,127 M (1,033). The increased inventory value is caused by increased average prices, acquisitions and decreased demand in the second half of the year. Cash flow from operating activities amounted to SEK 152 M (-115) during the quarter and to SEK 204 M (32) for the full-year. Cash flow from investing activities amounted to SEK -6 M (-10) during the fourth quarter and SEK -56 M (-25) for the full-year. Cash flow after investments thus amounted to SEK 146 M (-125) during the fourth quarter and SEK 148 M (7) for the full-year.

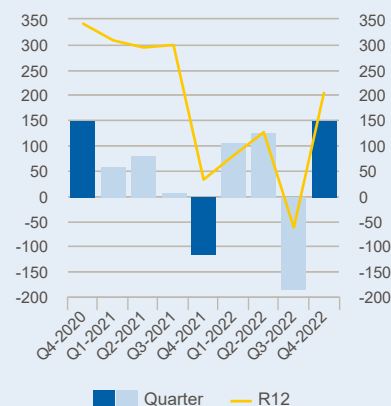
Financial position and liquidity

At the end of the period, consolidated cash and cash equivalents, including overdraft facilities, amounted to SEK 200 M (154) and the interest-bearing net debt excl. IFRS 16 was SEK 357 M (241). Equity amounted to SEK 1,637 M (1,413) at the end of the period.

Organization, structure and employees

The number of employees increased to 665 compared to 627 at the same time last year. The average number of employees during the year amounted to 654 (621).

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



Other information

Significant events after the end of the period

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

Transactions with related parties

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

Annual General Meeting 2023

BE Group's Annual General Meeting will take place on April 20, 2023, at 4:00 pm in Malmö, Sweden. Further information will be published on the company's website.

Dividend

According to BE Group's dividend policy, the Group will distribute at least 50 percent of profit after tax, over time. Dividends shall be distributed taking BE Group's financial position and prospects into account. The Board of Directors proposes dividend of SEK 12 (12) per share for the financial year of 2022 to be paid in two installments; SEK 6 per share in April 2023 and SEK 6 per share in October 2023 which corresponds to approximately SEK 156 M in total.

Significant risks and uncertainties

Through its operations, BE Group is exposed to global macroeconomic factors, the competitive situation, structural changes in the market and the economy, as well as financial risks such as currency risks, interest risks, credit and counterparty risks. Within the companies of the Group, continuous processes are ongoing to identify existing risks and assess how these should be handled. The risk exposure is explained in the 2021 Annual Report, which was published in March 2022. Risks related to the war in Ukraine is described below.

The war in Ukraine

As Russia and Ukraine are major producers of iron ore and other inputs and European manufacturers are importing parts of their coal needs from Russia, the war have had a major impact on the European steel market with high energy prices, lack of material and sharp price increases as a consequence. This has led to a change in the European steel market where alternative producers have replaced the need in the delivery chain and in that way stabilized market supply. BE Group is monitoring the development closely since the effect of sanctions and potentially other consequences connected to the war may affect the company's financial position.

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 2021 Annual Report for details of the Group's other accounting principles and definitions of certain terms. The principles applied are unchanged in relation to the Annual Report. In other regards, the new standards and interpretations that have come into effect from the financial year 2022 have had no significant effect on the financial reporting.

Future information

Future reporting dates

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

- The Annual Report for 2022 will be available in late March 2023
- The Interim Report for January–March 2023 will be published on April 20, 2023
- The Interim Report for January–June 2023 will be published on July 13, 2023
- The Interim Report for January–September 2023 will be published on October 18, 2023

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, January 26, 2023

BE Group AB (publ)

Peter Andersson

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 Market Act. The information was submitted for publication through the agency of the contact persons set out above at 2:00 p.m. CET on January 26, 2023.

Condensed consolidated income statement

(SEK M)	Note	2022 Oct-Dec	2021 Oct-Dec	2022 Full-year	2021 Full-year
Net sales		1,472	1,510	6,875	5,388
Cost of goods sold	1	-1,421	-1,227	-5,866	-4,286
Gross profit		51	283	1,009	1,102
Selling expenses	1	-123	-106	-482	-418
Administrative expenses	1	-44	-27	-134	-110
Other operating income and expenses		-1	-17	-9	-18
Participation in joint venture		-2	25	34	65
Operating profit/loss		-119	158	418	621
Financial items		-5	0	-18	-17
Profit/loss before tax		-124	158	400	604
Tax		23	-28	-76	-109
Profit/loss for the period		-101	130	324	495
Earnings per share (SEK)		-7.79	10.00	24.96	38.10
Earnings per share after dilution (SEK)		-7.79	10.00	24.96	38.10

Consolidated statement of comprehensive income

(SEK M)	2022 Oct-Dec	2021 Oct-Dec	2022 Full-year	2021 Full-year
Profit/loss for the period	-101	130	324	495
Other comprehensive income				
Items that may later be reclassified to profit/loss for the period				
Translation differences	7	2	56	13
Total other comprehensive income	7	2	56	13
Comprehensive income for the period	-94	132	380	508

Condensed consolidated balance sheet

(SEK M)	Note	2022 Dec 31	2021 Dec 31
Goodwill		583	561
Other intangible assets		7	9
Tangible assets		138	90
Right of use assets		494	479
Investment in joint venture		183	182
Financial assets		0	0
Deferred tax assets		6	5
Total non-current assets		1,411	1,326
Inventories		1,127	1,033
Accounts receivable		675	653
Other receivables		78	39
Cash and equivalents		50	54
Total current assets		1,930	1,779
Total assets	2	3,341	3,105
Equity		1,637	1,413
Non-current interest-bearing liabilities		406	287
Non-current leasing liabilities		405	394
Deferred tax liability		48	42
Total non-current liabilities		859	723
Current interest-bearing liabilities		1	8
Current leasing liabilities		94	87
Accounts payable		480	641
Other current liabilities		269	229
Other current provisions		1	4
Total current liabilities		845	969
Total equity and liabilities	2	3,341	3,105

Condensed consolidated cash-flow statement

(SEK M)	2022 Oct-Dec	2021 Oct-Dec	2022 Full-year	2021 Full-year
Operating result	-119	158	418	621
Adjustment for non-cash items	85	-8	173	28
– of which, amortization/depreciation	31	29	115	118
– of which, other items	54	-37	58	-90
Interest received	2	0	6	2
Interest paid	-8	-3	-23	-17
Income tax paid	-21	-60	-53	-67
Change in working capital	213	-202	-317	-535
Cash flow from operating activities	152	-115	204	32
Acquisitions/divestments of subsidiaries	0	–	-7	–
Changes in intangible assets	0	-1	-1	-1
Changes in tangible assets	-6	-9	-48	-24
Other cash flow from investing activities	0	0	0	0
Cash flow after investments	146	-125	148	7
Cash flow from financing activities ¹⁾	-177	-2	-155	-121
Cash flow for the period	-31	-127	-7	-114
Translation differences in cash and equivalents	1	5	3	2
Change in cash and equivalents	-30	-122	-4	-112

¹⁾ In the cash flow from financing activities for the full-year 2022 SEK -156 M relates to dividend paid for 2021.

Condensed statement of changes in equity

(SEK M)	2022 Oct-Dec	2021 Oct-Dec	2022 Full-year	2021 Full-year
Equity at beginning of period	1,731	1,281	1,413	905
Comprehensive income for the period	-94	132	380	508
Dividend	–	–	-156	–
Equity at end of period	1,637	1,413	1,637	1,413

Note 1 Amortizations and depreciations

(SEK M)	2022 Oct-Dec	2021 Oct-Dec	2022 Full-year	2021 Full-year
Amortization of intangible assets	1	0	4	2
Depreciation of tangible assets	6	6	21	23
Depreciation of right of use assets	24	23	90	93
Total amortizations and depreciations	31	29	115	118

Note 2 Valuation of financial assets and liabilities

Fair value for long-term borrowing corresponds in all material respects with the carrying amount as the borrowing runs at a variable interest rate and the own credit risk has not changed significantly. Fair value for other financial assets and liabilities corresponds in all material respects with the carrying amount as they are short-term and the discounting effect is not considered to be significant.

Segment reporting

Net sales by business area

(SEK M)	2022 Oct-Dec	2021 Oct-Dec	2022 Full-year	2021 Full-year
Sweden & Poland	777	744	3,408	2,625
Finland & Baltics	703	771	3,497	2,790
Parent Company & consolidated items	-8	-5	-30	-27
Group	1,472	1,510	6,875	5,388

Net sales by business area and product group

2022	Sweden & Poland		Finland & Baltics		Parent company & consolidated items		Total	
(SEK M)	2022 Oct-Dec	2022 Full-year	2022 Oct-Dec	2022 Full-year	2022 Oct-Dec	2022 Full-year	2022 Oct-Dec	2022 Full-year
Long steel products	391	1,773	212	1,052	0	0	603	2,825
Flat steel products	275	1,056	345	1,747	0	0	620	2,803
Stainless steel	79	397	100	496	0	0	179	893
Aluminium	21	95	35	161	0	0	56	256
Other	11	87	11	41	-8	-30	14	98
Total	777	3,408	703	3,497	-8	-30	1,472	6,875

2021	Sweden & Poland		Finland & Baltics		Parent company & consolidated items		Total	
(SEK M)	2021 Oct-Dec	2021 Full-year	2021 Oct-Dec	2021 Full-year	2021 Oct-Dec	2021 Full-year	2021 Oct-Dec	2021 Full-year
Long steel products	353	1,285	233	796	0	0	586	2,081
Flat steel products	246	808	379	1,405	0	0	625	2,213
Stainless steel	90	348	116	409	0	0	206	757
Aluminium	22	78	35	141	0	0	57	219
Other	33	106	8	39	-5	-27	36	118
Total	744	2,625	771	2,790	-5	-27	1,510	5,388

Net sales by country based on customer's domicile

(SEK M)	2022 Oct-Dec	2021 Oct-Dec	2022 Full-year	2021 Full-year
Sweden	690	731	3,261	2,575
Finland	651	693	3,162	2,442
Other	131	86	452	371
Group	1,472	1,510	6,875	5,388

Shipped tonnage per segment

(Thousands of tonnes)	2022 Oct-Dec	2021 Oct-Dec	2022 Full-year	2021 Full-year
Sweden & Poland	37	38	157	164
Finland & Baltics	35	41	164	180
Parent Company & consolidated items	0	0	-1	-2
Group	72	79	320	342

Operating result (EBIT) per segment

(SEK M)	2022 Oct-Dec	2021 Oct-Dec	2022 Full-year	2021 Full-year
Sweden & Poland	-15	96	217	282
Finland & Baltics	-98	84	217	370
Parent Company & consolidated items	-6	-22	-16	-31
Group	-119	158	418	621

Operating margin per segment

(SEK M)	2022 Oct-Dec	2021 Oct-Dec	2022 Full-year	2021 Full-year
Sweden & Poland	-2.0%	12.8%	6.4%	10.7%
Finland & Baltics	-14.0%	10.9%	6.2%	13.2%
Parent Company & consolidated items	neg	neg	neg	neg
Group	-8.1%	10.4%	6.1%	11.5%

Underlying operating result (uEBIT) per segment ¹⁾

(SEK M)	2022 Oct-Dec	2021 Oct-Dec	2022 Full-year	2021 Full-year
Sweden & Poland	13	80	236	221
Finland & Baltics	-59	77	267	339
Parent Company & consolidated items	-4	-22	-15	-31
Group	-50	135	488	529

Underlying operating margin per segment ²⁾

(SEK M)	2022 Oct-Dec	2021 Oct-Dec	2022 Full-year	2021 Full-year
Sweden & Poland	1.7%	10.8%	6.9%	8.4%
Finland & Baltics	-8.3%	10.0%	7.6%	12.1%
Parent Company & consolidated items	neg	neg	neg	neg
Group	-3.4%	9.0%	7.1%	9.8%

Depreciation per segment

(SEK M)	2022 Oct-Dec	2021 Oct-Dec	2022 Full-year	2021 Full-year
Sweden & Poland	3	4	12	16
Finland & Baltics	4	3	11	11
Parent Company & consolidated items	24	22	92	91
Group	31	29	115	118

Investments in tangible and intangible assets per segment

(SEK M)	2022 Oct-Dec	2021 Oct-Dec	2022 Full-year	2021 Full-year
Sweden & Poland	2	4	6	12
Finland & Baltics	9	6	47	11
Parent Company & consolidated items	0	0	0	3
Group	11	10	53	26

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

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

Key data

(SEK M unless otherwise stated)	2022 Oct-Dec	2021 Oct-Dec	2022 Full-year	2021 Full-year
Net sales	1,472	1,510	6,875	5,388
Earnings measurements				
Gross result	51	283	1,009	1,102
Underlying gross result	110	269	1,075	1,038
Operating result (EBIT)	-119	158	418	621
Underlying operating result (uEBIT)	-50	135	488	529
Margin measurements				
Gross margin	3.4%	18.7%	14.7%	20.4%
Underlying gross margin	7.4%	17.8%	15.6%	19.3%
Operating margin	-8.1%	10.4%	6.1%	11.5%
Underlying operating margin	-3.4%	9.0%	7.1%	9.8%
Capital structure				
Net debt excl. IFRS 16 ¹⁾	357	241	357	241
Net debt/equity ratio excl. IFRS 16 ¹⁾	21.7%	17.0%	21.7%	17.0%
Working capital at end of period	1,130	856	1,130	856
Working capital (average)	1,234	734	1,064	524
Capital employed (average) excl. IFRS 16 ¹⁾	2,173	1,639	2,003	1,457
Working capital tied-up	21.0%	12.1%	15.5%	9.7%
Return				
Return on capital employed excl. IFRS 16 ¹⁾	-22.3%	38.3%	20.3%	42.0%
Per share data				
Earnings per share (SEK)	-7.79	10.00	24.96	38.10
Earnings per share after dilution (SEK)	-7.79	10.00	24.96	38.10
Equity per share (SEK)	126.11	108.84	126.11	108.84
Cash flow from operating activities per share (SEK)	11.75	-8.87	15.72	2.49
Shares outstanding at period end (thousands)	12,983	12,983	12,983	12,983
Average number of shares (thousands)	12,983	12,983	12,983	12,983
Growth				
Sales growth	-3%	73%	28%	47%
– of which organic tonnage growth	-14%	4%	-9%	11%
– of which price and mix changes	5%	70%	32%	38%
– of which currency effects	5%	-1%	2%	-2%
– of which acquisitions	3%	-	3%	-
– of which divestments	-2%	-	0%	-
Other				
Average number of employees	656	627	654	621
Inventory gains and losses	-69	23	-70	92
Shipped tonnage (thousands of tonnes)	72	79	320	342

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)	2022 Oct-Dec	2021 Oct-Dec	2022 Full-year	2021 Full-year
Net sales	58	39	148	104
Administrative expenses	-25	-11	-68	-44
Other operating income and expenses	1	0	1	0
Operating profit/loss	34	28	81	60
Financial items	3	1	266	98
Profit/loss after financial items	37	29	347	158
Appropriations	39	124	39	124
Profit/loss before tax	76	153	386	282
Tax	-15	-32	-26	-38
Profit/loss for the period, or comprehensive income for the period	61	121	360	244

Condensed parent company balance sheet

(SEK M)	2022 Dec 31	2021 Dec 31
Intangible assets	3	5
Tangible assets	0	0
Financial assets	873	880
Total non-current assets	876	885
Current receivables	377	353
Cash and equivalents	31	38
Total current assets	408	391
Total assets	1,284	1,276
Equity	1,163	959
Non-current liabilities	39	226
Current liabilities	82	91
Total equity and liabilities	1,284	1,276

Key data – multi-quarter summary

(SEK M unless otherwise stated)	2022 Oct-Dec	2022 Jul-Sep	2022 Apr-Jun	2022 Jan-Mar	2021 Oct-Dec	2021 Jul-Sep	2021 Apr-Jun	2021 Jan-Mar	2020 Oct-Dec
Net sales	1,472	1,514	2,044	1,845	1,510	1,375	1,403	1,100	875
Earnings measurements									
Gross result	51	173	458	327	283	316	296	207	135
Underlying gross result	110	197	446	322	269	301	275	193	129
Operating result (EBIT)	-119	40	313	184	158	219	158	86	18
Underlying operating result (uEBIT)	-50	67	291	180	135	193	133	68	12
Margin measurements									
Gross margin	3.4%	11.5%	22.4%	17.7%	18.7%	23.0%	21.1%	18.9%	15.5%
Underlying gross margin	7.4%	13.0%	21.8%	17.5%	17.8%	21.9%	19.6%	17.5%	14.8%
Operating margin	-8.1%	2.6%	15.3%	10.0%	10.4%	15.9%	11.3%	7.8%	2.1%
Underlying operating margin	-3.4%	4.4%	14.2%	9.8%	9.0%	14.0%	9.5%	6.1%	1.4%
Capital structure									
Net debt excl. IFRS 16 ¹⁾	357	475	237	159	241	98	75	124	156
Net debt/equity ratio excl. IFRS 16 ¹⁾	21.7%	27.4%	14.0%	10.1%	17.0%	7.6%	6.7%	12.6%	17.0%
Working capital at end of period	1,130	1,340	1,070	920	856	610	434	376	343
Working capital (average)	1,234	1,204	996	889	734	523	405	360	409
Capital employed (average) excl. IFRS 16 ¹⁾	2,173	2,197	1,977	1,785	1,639	1,467	1,387	1,318	1,272
Working capital tied-up	21.0%	19.9%	12.2%	12.0%	12.1%	9.5%	7.2%	8.2%	11.7%
Return									
Return on capital employed excl. IFRS 16 ¹⁾	-22.3%	6.8%	62.6%	40.9%	38.3%	59.1%	44.9%	25.1%	5.1%
Per share data									
Earnings per share (SEK)	-7.79	2.05	19.30	11.41	10.00	13.49	9.74	4.88	1.06
Earnings per share after dilution (SEK)	-7.79	2.05	19.30	11.41	10.00	13.49	9.74	4.88	1.06
Equity per share (SEK)	126.11	133.30	130.04	120.80	108.84	98.68	84.82	75.55	69.73
Cash flow from operating activities per share (SEK)	11.75	-14.14	9.79	8.35	-8.87	0.50	6.24	4.62	11.72
Shares outstanding at period end (thousands)	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983
Average number of shares (thousands)	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983
Growth									
Sales growth	-3%	10%	46%	68%	73%	85%	50%	-2%	-11%
– of which organic tonnage growth	-14%	-15%	-14%	4%	4%	21%	28%	-3%	-1%
– of which price and mix changes	5%	19%	54%	62%	70%	65%	25%	4%	-8%
– of which currency effects	5%	3%	2%	2%	-1%	-1%	-3%	-3%	-2%
– of which acquisitions	3%	4%	4%	-	-	-	-	-	-
– of which divestments	-2%	-1%	-	-	-	-	-	-	-
Other									
Average number of employees	656	656	665	645	627	625	616	613	625
Inventory gains and losses	-69	-27	22	4	23	26	25	18	6
Shipped tonnage (thousands of tonnes)	72	68	88	92	79	77	98	88	76

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)	2022 Oct-Dec	2021 Oct-Dec	2022 Full-year	2021 Full-year
Operating result	-119	158	418	621
Reversal of inventory gains (-)/losses (+)	69	-23	70	-92
Adjustment for items affecting comparability	-	-	-	-
Group	-50	135	488	529

Working capital

(SEK M)	2022 Dec 31	2021 Dec 31
Inventories	1,127	1,033
Accounts receivable	675	653
Other receivables	78	39
Deduction accounts payable	-480	-641
Deduction other current liabilities	-269	-229
Rounding	-1	1
Group	1,130	856

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

Net debt excl. IFRS 16

(SEK M)	2022 Dec 31	2021 Dec 31
Non-current interest-bearing liabilities and leasing liabilities	811	681
Current interest-bearing liabilities and leasing liabilities	95	95
Deduction leasing liabilities	-499	-481
Deduction financial assets	0	0
Deduction cash and equivalents	-50	-54
Rounding	-	-
Group	357	241

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)	2022 Dec 31	2021 Dec 31
Equity excl. IFRS 16	1,645	1,420
Non-current interest-bearing liabilities and leasing liabilities	811	681
Current interest-bearing liabilities and leasing liabilities	95	95
Deduction leasing liabilities	-499	-481
Rounding	-	1
Group	2,052	1,716

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

Definitions of key data

Adjusted results measurements	
Underlying gross result	The underlying gross result is the reported gross result adjusted for inventory gains and losses (deductions for gains and additions for losses).
Underlying operating result (uEBIT)	Operating result (EBIT) before items affecting comparability adjusted for inventory gains and losses (deductions for gains and additions for losses).
Items affecting comparability	Items that do not have any link to the normal operations of the Group or that are of a non-recurring nature, where a reporting together with other items in the consolidated comprehensive income statement would have given a comparison distortion effect that would have made it difficult to judge the development of the ordinary operations for an outside viewer.
Adjusted margin measurements	
Underlying gross margin	Underlying gross result as a percentage of net sales.
Underlying operating margin	Underlying operating result (uEBIT) as a percentage of net sales.
Capital structure	
Net debt excl. IFRS 16	Interest-bearing liabilities excluding leasing liabilities acc. to IFRS 16 less cash and equivalents and financial assets.
Net debt/equity ratio excl. IFRS 16	Net debt excl. IFRS 16 divided by equity excl. IFRS 16.
Working capital	Inventories and current receivables less current liabilities, excluding provisions and interest-bearing liabilities.
Working capital (average)	Inventories and current receivables less current liabilities, excluding provisions and interest-bearing liabilities. This measure represents an average for each period based on published quarterly data.
Capital employed excl. IFRS 16	Equity excl. IFRS 16 plus interest-bearing liabilities excl. leasing liabilities acc. to IFRS 16.
Capital employed (average) excl. IFRS 16	Equity excl. IFRS 16 plus interest-bearing liabilities excl. leasing liabilities acc. to IFRS 16. This measure represents an average for each period based on published quarterly data.
Working capital tied-up	Average working capital, as a percentage of annually adjusted net sales.
Return on capital	
Return on capital employed excl. IFRS 16	Annually adjusted operating result excl. IFRS 16, as a percentage of average capital employed excl. IFRS 16.
Per share data	
Earnings per share	Profit/loss for the period divided by the average number of shares (before and after dilution) 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 2021 annual report for other definitions of key data.

About BE Group

A leading steel service company in Northern Europe

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

With extensive expertise and efficient processes in purchasing, logistics and production, BE Group offers inventory sales, production service and direct deliveries to customers based on their specific needs for steel and metal products. BE Group has approximately 650 employees and sales of SEK 6.9 billion in 2022. The head office is located in Malmö, Sweden.

Number of employees

approx. 650

Net sales

**SEK 6.9
billion**

BUSINESS IDEA

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

- 
- Sales
 - Production
 - Warehouse