



BE GROUP

INTERIM REPORT BE Group AB (publ)

January – September 2023

Third quarter 2023

- Net sales decreased by 22% to SEK 1,187 M (1,514)
- The underlying operating result amounted to SEK 4 M (67)
- The operating result amounted to SEK -42 M (40), including inventory losses of SEK -40 M (-27) and items affecting comparability of SEK -6 M (-) due to restructuring
- Result after tax amounted to SEK -42 M (26)
- Cash flow from operating activities amounted to SEK -17 M (-183)
- Earnings per share amounted to SEK -3.27 (2.05)

First nine months 2023

- Net sales decreased by 23% to SEK 4,151 M (5,403)
- The underlying operating result amounted to SEK 47 M (538)
- The operating result amounted to SEK -15 M (537), including inventory losses of SEK -56 M (-1) and items affecting comparability of SEK -6 M (-)
- Result after tax amounted to SEK -26 M (425)
- Cash flow from operating activities increased to SEK 341 M (52)
- Earnings per share amounted to SEK -2.02 (32.76)
- A new credit agreement was signed with a credit facility of SEK 775 M
- Second part of the decided dividend, SEK 6 per share, is estimated to be paid on October 27

"The reason for the weak result is a continuous drop in prices and tonnage, which pressures the gross margin. The decline in tonnage originates exclusively from the Swedish part of the operations, which is mainly attributable to greater exposure to the construction sector"

Peter Andersson, President and CEO

Results overview	2023 Jul-Sep	2022 Jul-Sep	Change	2023 Jan-Sep	2022 Jan-Sep	Change
Tonnage, thousands of tonnes	64	68	-4	218	248	-30
Net sales, SEK M	1,187	1,514	-327	4,151	5,403	-1,252
Underlying operating result, SEK M	4	67	-63	47	538	-491
Operating result, SEK M	-42	40	-82	-15	537	-552
Profit/loss for the period, SEK M	-42	26	-68	-26	425	-451
Earnings per share, SEK	-3.27	2.05	-5.32	-2.02	32.76	-34.78
Cash flow from operating activities, SEK M	-17	-183	166	341	52	289

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.



”A lot of steel is needed even in worse times and now it is important to secure as many deals as possible at healthy margins”

Statement from the CEO

Market conditions remained difficult, particularly in the construction sector, causing net sales in the third quarter to decline by 22% to SEK 1,187 M (1,514). Combined with pressured gross margins, the underlying operating result decreased to SEK 4 M (67). Inventory losses amounted to SEK -40 M and, in addition, non-recurring costs of SEK -6 M were charged to earnings, meaning that the operating result amounted to SEK -42 M (40). Cash flow from operating activities amounted to SEK -17 M (-183) and net debt was at SEK 251 M (475). For the first nine months, cash flow amounted to SEK 341 M and over the past 12 months, it amounted to SEK 493 M.

Non-recurring costs relates to efficiency enhancement of the organization. Combined with cost rationalizations, this is expected to generate an annual savings effect of more than SEK 40 M. To enhance efficiency and reduce the distance between company management and its customers, I have during the quarter also assumed the role as MD for the Swedish operations.

The reason for the weak result is a continuous drop in prices and tonnage, which pressures the gross margin. The decline in tonnage originates exclusively from the Swedish part of the operations, which is mainly attributable to greater exposure to the construction sector.

Outlook

Demand in the fourth quarter is expected to be in line with the third

quarter. In general, few or no negative signals are coming from the industrial sector, while the construction sector is expected to continue at low levels of activity.

Spot prices have fallen into Q4 and, according to analyst firms, are expected to bottom out in November and then increase slightly into 2024. A lower price level does not reasonably work for steel producers and they are likely to further reduce their capacity if they do not get at least the current levels.

Our focus

When the market situation is tough, it is important to keep your head cool. A lot of steel is needed even in worse times and now it is important to secure as many deals as possible at healthy margins. This, together with the ongoing adaptation of the organization and costs, will in the long term result in a stronger BE Group. Our ambition for the company is to be profitable regardless of economic trends and external factors.

Peter Andersson
President and CEO

Bridge 2022-2023 operating result SEK M	Q1	Q2	Q3	Q4	Jan-Sep
Operating result 2022	184	313	40	-119	537
Reversal of inventory gains (-)/losses (+)	-4	-22	27	69	1
Underlying operating result 2022	180	291	67	-50	538
Change in sales	-50	-139	-43	-	-232
Change in underlying gross margin	-112	-126	-20	-	-258
Change in overhead costs	-8	7	0	-	-1
Underlying operating result 2023	10	33	4	-	47
Reversal of inventory gains (+)/losses (-)	-9	-7	-40	-	-56
Items affecting comparability	-	-	-6	-	-6
Operating result 2023	1	26	-42	-	-15

Comments on the report

Third quarter

The Group's consolidated net sales for the period decreased by -22 percent compared to last year and amounted to SEK 1,187 M (1,514). The decline is mainly attributable to falling steel prices and weak demand, particularly in the construction sector within Swedish operations and sales of long products, while demand from the manufacturing sector and OEM customers remains steady.

Falling steel prices and mix effects had a negative impact on net sales of -21 percent. The tonnage decreased by -6 percent, of which business area Sweden & Poland saw a decrease of -17 percent while Finland & Baltics rose by 5 percent. Currency effects were positive at 5 percent.

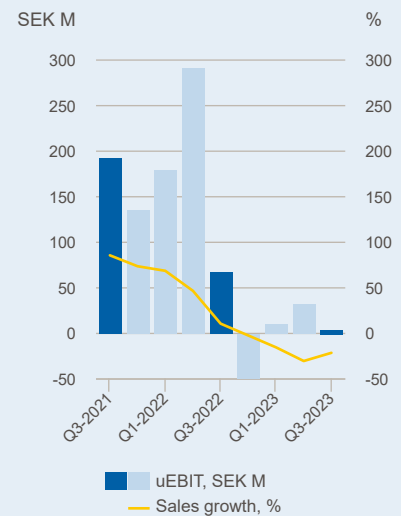
A downward price trend and lower demand contributed to a decrease in gross profit to SEK 99 M (173) which resulted in a gross margin of 8.3 percent (11.5). The operating result amounted to SEK -42 M (40), corresponding to an operating margin of -3.5 percent (2.6). Adjusted for inventory losses of SEK -40 M (-27) and items affecting comparability of SEK -6 M (-), the underlying operating result amounted to SEK 4 M (67). During the period, the underlying operating margin amounted to 0.3 percent (4.4).

First nine months

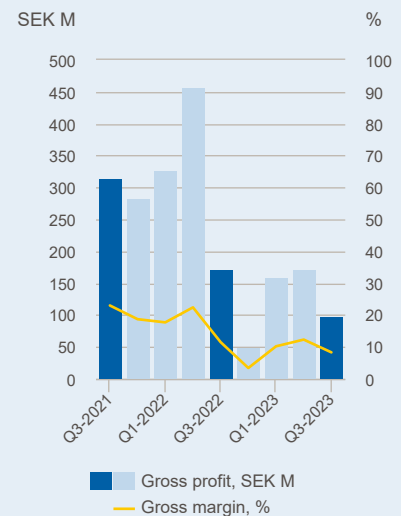
During the first nine months, the Group's net sales decreased by -23 percent compared to last year and amounted to SEK 4,151 M (5,403). This is explained by a negative organic tonnage growth of -14 percent, price and mix effects of -13 percent, partly compensated by positive currency effects of 5 percent. The organic tonnage growth in business area Sweden & Poland decreased by -17 percent and Finland & Baltics delivered -10 percent less. Sales of mainly long and flat products declined compared with the previous year. Gross profit amounted to SEK 430 M (958) with a gross margin of 10.4 percent (17.7).

The operating result amounted to SEK -15 M (537), corresponding to an operating margin of -0.4 percent (9.9). Adjusted for inventory losses of SEK -56 M (-1) and items affecting comparability of SEK -6 M (-), the underlying operating result amounted to SEK 47 M (538). During the period, the underlying operating margin amounted to 1.1 percent (10.0).

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.

Third quarter

Net sales decreased by -28 percent in the third quarter compared to last year and amounted to SEK 540 M (757). The decreased sales is explained by organic tonnage growth of -17 percent and price and mix effects of -12 percent. Sales of long products mainly decreased compared to last year. The operating result amounted to SEK -20 M (26). Adjusted for inventory losses of SEK -19 M (-15) and items affecting comparability of SEK -4 M (-), the underlying operating result amounted to SEK 3 M (41).

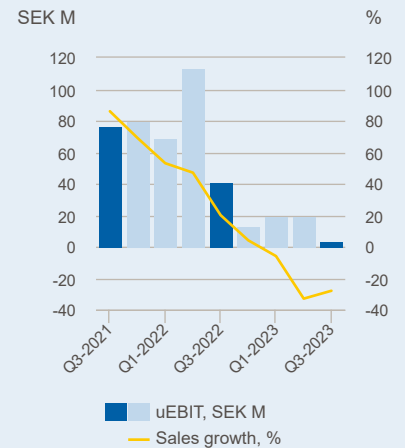
The Swedish operations provided a weak underlying operating result compared to last year as a result of reduced demand in the construction sector and declining steel prices which continued to pressure the gross margin. Our joint venture AMBE continued to provide a strong operating result as a consequence of high volumes and a strong gross margin.

In the Polish operations, the volume rose but the result was negative as a consequence of lower steel prices and a low gross margin.

First nine months

Net sales for the first nine months decreased by -23 percent compared to last year, amounting to SEK 2,020 M (2,631). The decline is explained by negative organic tonnage growth of -18 percent and price and mix effects of -5 percent. The decrease in tonnage is mainly explained by lower demand in the construction sector mainly affecting long products. Operating result amounted to SEK -7 M (232). Adjusted for inventory gains and losses of SEK -46 M (9) and items affecting comparability of SEK -4 M (-), the underlying operating result amounted to SEK 43 M (223).

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





BUSINESS AREA FINLAND & BALTICS

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

Third quarter

Net sales decreased by -14 percent compared to the third quarter last year and amounted to SEK 656 M (766). The decline is explained by negative price and mix effects of -30 percent partly compensated by positive currency effects of 11 percent and organic tonnage growth of 5 percent. Mainly, sales of long and flat products decreased compared to last year. The operating result amounted to SEK -20 M (16). Adjusted for inventory losses of SEK -21 M (-13) and items affecting comparability of SEK -2 M (-), the underlying operating result amounted to SEK 3 M (29).

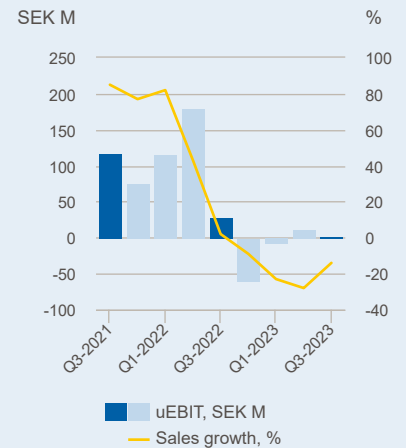
The Finnish operations generated a weak underlying operating result compared to last year as a result of lower steel prices and a pressured gross margin while volumes were unchanged.

Volumes increased in the Baltic operations but the result was negative as a result of declining steel prices and a low gross margin.

First nine months

Net sales for the first nine months decreased by -22 percent compared to last year, amounting to SEK 2,165 M (2,794). The decline is explained by negative price and mix effects of -21 percent and organic tonnage growth of -10 percent partly compensated by positive currency effects of 9 percent. Mainly, sales of long and flat products decreased compared to last year. The operating result amounted to SEK -1 M (315) and adjusted for inventory losses of SEK -10 M (-11) and items affecting comparability of SEK -2 M (-), the underlying operating result amounted to SEK 9 M (326).

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 2022.

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

Sales for the third quarter of the Parent Company, BE Group AB (publ), amounted to SEK 35 M (30) 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 -16 M (-14), SEK 14 M (10) was allocated to the subsidiaries. The operating result amounted to SEK 19 M (16). For the first nine months, net sales amounted to SEK 104 M (90) and the operating result to SEK 51 M (47).

Net financial items for the quarter amounted to SEK 44 M (7). Profit before tax amounted to SEK 63 M (23) and profit after tax amounted to SEK 59 M (19). Investments in the Parent Company amounted to SEK 0 M (0) for the quarter. At the end of the period, cash and equivalents in the Parent Company amounted to SEK 4 M (72).

Net financial items for the first nine months amounted to SEK 93 M (263). Profit before tax amounted to SEK 144 M (310) and profit after tax was SEK 132 M (299). Investments in the Parent Company amounted to SEK 0 M (0).

Group

Net financial items and tax

The Group's consolidated net financial items in the third quarter amounted to SEK -9 M (-6), of which net interest amounted to SEK -7 M (-5). During the quarter, interest expenses related to leasing according to IFRS 16 amounted to SEK -3 M (-3). Net financial items for the first nine months amounted to SEK -18 M (-13) and net interest to SEK -20 M (-12), of which SEK -8 M (-7) relates to leasing according to IFRS 16.

Taxes for the third quarter amounted to SEK 9 M (-8) and was SEK 7 M (-99) for the first nine months. Profit after tax amounted to SEK -42 M (26) and was SEK -26 M (425) for the first nine months.

Cash flow

The Group's consolidated working capital amounted to SEK 777 M (1,340) at the end of the period and the average working capital tied-up for the third quarter was 16.5 percent (19.9). The lower working capital is mainly attributable to decreased inventory value, which amounted to SEK 881 M (1,418) at the end of the period and decreased accounts receivable which amounted to SEK 710 M (934). The decrease in inventory value is due to lower average prices and adjustment of inventory levels as a consequence of lower demand. Cash flow from operating activities amounted to SEK -17 M (-183) during the quarter and to SEK 341 M (52) for the first nine months.

Cash flow from investing activities amounted to SEK -10 M (-21) for the third quarter and to SEK -82 M (-50) for the first nine months. Cash flow after investments thus amounted to SEK -27 M (-204) during the third quarter and increased to SEK 259 M (2) for the first nine months.

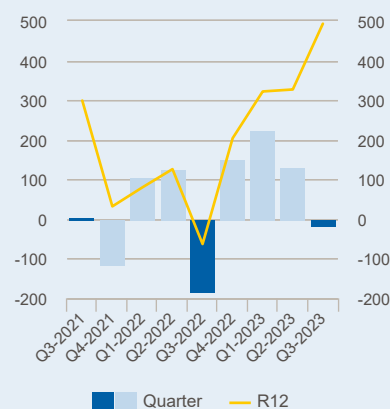
Financial position and liquidity

At the end of the period, consolidated cash and cash equivalents, including overdraft facilities, amounted to SEK 164 M (230) and the interest-bearing net debt excl. IFRS 16 was SEK 251 M (475). Equity amounted to SEK 1,477 M (1,731) at the end of the period.

Organization, structure and employees

The number of employees amounted to 689 compared to 646 at the same time last year. The average number of employees during the quarter amounted to 692 (656).

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.

Dividend

In accordance with the decision taken at BE Group's Annual General Meeting 2023, the second part of the dividend for 2022 of SEK 6 per share is estimated to be paid on October 27, 2023.

Nomination Committee

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

Annual General Meeting 2024

BE Group's Annual General Meeting will take place on April 18, 2024, at 4:00 pm in Malmö, Sweden. Further information will be published on the company's website.

Significant risks and uncertainties

Through its operations, BE Group is exposed to global macroeconomic factors, the competitive situation, structural changes in the market and the economy, as well as financial risks such as currency risks, interest risks, credit and counterparty risks. Within the companies of the Group, continuous processes are ongoing to identify existing risks and assess how these should be handled. The risk exposure is explained in the 2022 Annual Report, which was published in March 2023.

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 2022 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 2023 have had no significant effect on the financial reporting.

Future information

Future reporting dates

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

- The Year-end report 2023 will be published on January 25, 2024
- The Annual Report 2023 will be available at the end of March 2024
- The Interim Report for January-March 2024 will be published on April 18, 2024

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 18, 2023

BE Group AB (publ)

Peter Andersson

President and CEO

Questions concerning this report may be directed to:

Peter Andersson, President and CEO

Tel: +46 (0)706 53 76 55, e-mail: peter.andersson@begroup.com

Christoffer Franzén, CFO

Tel: +46 (0)705 46 90 05, e-mail: christoffer.franzen@begroup.com

BE Group AB (publ), Box 225, 201 22 Malmö, Sweden; Street address: Krusegatan 19B

Corp. Reg. No: 556578-4724, Tel: +46 (0)40 38 42 00

info@begroup.com, www.begroup.com

This report has been reviewed by the company's auditors.

This information is information that BE Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication through the agency of the contact persons set out above at 2:00 p.m. CEST on October 18, 2023.

Auditor's report

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

Introduction

We have reviewed the condensed interim financial information (interim report) of BE Group AB (publ) as of 30 September 2023 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

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

Conclusion

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

Malmö, October 18, 2023

Öhrlings PricewaterhouseCoopers AB

Cecilia Andrén Dorselius

Authorized Public Accountant

Partner in charge

Johan Rönnbäck

Authorized Public Accountant

Condensed consolidated income statement

(SEK M)	Note	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full-year	Rolling 12 months
Net sales		1,187	1,514	4,151	5,403	6,875	5,623
Cost of goods sold	1	-1,088	-1,341	-3,721	-4,445	-5,866	-5,142
Gross profit		99	173	430	958	1,009	481
Selling expenses	1	-107	-107	-356	-359	-482	-479
Administrative expenses	1	-30	-28	-102	-90	-134	-146
Other operating income and expenses	2	-11	-1	-7	-8	-9	-8
Participation in joint venture		7	3	20	36	34	18
Operating profit/loss		-42	40	-15	537	418	-134
Financial items		-9	-6	-18	-13	-18	-23
Profit/loss before tax		-51	34	-33	524	400	-157
Tax		9	-8	7	-99	-76	30
Profit/loss for the period		-42	26	-26	425	324	-127
Earnings per share (SEK)		-3.27	2.05	-2.02	32.76	24.96	-9.81
Earnings per share after dilution (SEK)		-3.27	2.05	-2.02	32.76	24.96	-9.81

Consolidated statement of comprehensive income

(SEK M)	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full-year	Rolling 12 months
Profit/loss for the period	-42	26	-26	425	324	-127
Other comprehensive income						
Items that may later be reclassified to profit/loss for the period						
Translation differences	-17	17	22	49	56	29
Total other comprehensive income	-17	17	22	49	56	29
Comprehensive income for the period	-59	43	-4	474	380	-98

Condensed consolidated balance sheet

(SEK M)	Note	2023 Sep 30	2022 Sep 30	2022 Dec 31
Goodwill		592	578	583
Other intangible assets		5	8	7
Tangible assets		205	130	138
Right of use assets		489	512	494
Investment in joint venture		188	198	183
Financial assets		0	0	0
Deferred tax assets		21	4	6
Total non-current assets		1,500	1,430	1,411
Inventories		881	1,418	1,127
Accounts receivable		710	934	675
Other receivables		149	23	78
Cash and equivalents		14	80	50
Total current assets		1,754	2,455	1,930
Total assets	3	3,254	3,885	3,341
Equity		1,477	1,731	1,637
Non-current interest-bearing liabilities		264	553	406
Non-current leasing liabilities		391	417	405
Deferred tax liability		49	47	48
Total non-current liabilities		704	1,017	859
Current interest-bearing liabilities		0	3	1
Current leasing liabilities		104	98	94
Accounts payable		627	692	480
Other current liabilities		336	343	269
Other current provisions		6	1	1
Total current liabilities		1,073	1,137	845
Total equity and liabilities	3	3,254	3,885	3,341

Condensed consolidated cash-flow statement

(SEK M)	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full-year	Rolling 12 months
Operating result	-42	40	-15	537	418	-134
Adjustment for non-cash items	46	53	-59	88	173	144
– of which, amortization/depreciation	30	28	91	84	115	122
– of which, other items	16	25	-32	4	58	22
Interest received	2	2	5	4	6	7
Interest paid	-9	-6	-25	-15	-23	-33
Income tax paid	9	-21	-36	-32	-53	-57
Change in working capital ¹⁾	-23	-251	353	-530	-317	566
Cash flow from operating activities	-17	-183	341	52	204	493
Acquisitions/divestments of subsidiaries	0	2	0	-7	-7	0
Changes in intangible assets	0	-1	0	-1	-1	0
Changes in tangible assets	-10	-22	-82	-42	-48	-88
Other cash flow from investing activities	0	0	0	0	0	0
Cash flow after investments	-27	-204	259	2	148	405
Cash flow from financing activities ¹⁾	-147	116	-296	22	-155	-473
Cash flow for the period	-174	-88	-37	24	-7	-68
Translation differences in cash and equivalents	0	0	1	2	3	2
Change in cash and equivalents	-174	-88	-36	26	-4	-66

¹⁾ The cash flow for January – September 2023 contains the total decided dividend of SEK -156 M to be paid for the financial year 2022, of which SEK -78 M was paid in April and SEK -78 M will be paid in October 2023.

Condensed statement of changes in equity

(SEK M)	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full-year	Rolling 12 months
Equity at beginning of period	1,536	1,688	1,637	1,413	1,413	1,731
Comprehensive income for the period	-59	43	-4	474	380	-98
Dividend	0	-	-156	-156	-156	-156
Equity at end of period	1,477	1,731	1,477	1,731	1,637	1,477

Note 1 Amortizations and depreciations

(SEK M)	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full-year	Rolling 12 months
Amortization of intangible assets	1	1	3	3	4	4
Depreciation of tangible assets	6	5	17	15	21	23
Depreciation of right of use assets	23	22	71	66	90	95
Total amortizations and depreciations	30	28	91	84	115	122

Note 2 Items affecting comparability

(SEK M)	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full-year	Rolling 12 months
Restructuring expenses	-6	-	-6	-	-	-6
Total items affecting comparability	-6	-	-6	-	-	-6

Note 3 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)	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full-year	Rolling 12 months
Sweden & Poland	540	757	2,020	2,631	3,408	2,797
Finland & Baltics	656	766	2,165	2,794	3,497	2,868
Parent Company & consolidated items	-9	-9	-34	-22	-30	-42
Group	1,187	1,514	4,151	5,403	6,875	5,623

Net sales by business area and product group

2023	Sweden & Poland		Finland & Baltics		Parent company & consolidated items		Total		Rolling 12 months
(SEK M)	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	
Long steel products	248	926	188	600	0	0	436	1,526	2,129
Flat steel products	210	777	335	1,104	0	0	545	1,881	2,501
Stainless steel	59	236	93	328	0	0	152	564	743
Aluminium	16	53	28	93	0	0	44	146	202
Other	7	28	12	40	-9	-34	10	34	48
Total	540	2,020	656	2,165	-9	-34	1,187	4,151	5,623

2022	Sweden & Poland		Finland & Baltics		Parent company & consolidated items		Total		2022 Full-year
(SEK M)	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	Jul-Sep	Jan-Sep	
Long steel products	418	1,382	242	840	0	0	660	2,222	2,825
Flat steel products	235	781	372	1,402	0	0	607	2,183	2,803
Stainless steel	80	318	107	396	0	0	187	714	893
Aluminium	17	74	34	126	0	0	51	200	256
Other	7	76	11	30	-9	-22	9	84	98
Total	757	2,631	766	2,794	-9	-22	1,514	5,403	6,875

Net sales by country based on customer's domicile

(SEK M)	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full-year	Rolling 12 months
Sweden	511	735	1,898	2,571	3,261	2,588
Finland	583	699	1,935	2,511	3,162	2,586
Other	93	80	318	321	452	449
Group	1,187	1,514	4,151	5,403	6,875	5,623

Shipped tonnage per segment

(Thousands of tonnes)	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full-year	Rolling 12 months
Sweden & Poland	29	34	103	120	157	140
Finland & Baltics	36	34	117	129	164	152
Parent Company & consolidated items	-1	0	-2	-1	-1	-2
Group	64	68	218	248	320	290

Operating result (EBIT) per segment

(SEK M)	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full-year	Rolling 12 months
Sweden & Poland	-20	26	-7	232	217	-22
Finland & Baltics	-20	16	-1	315	217	-99
Parent Company & consolidated items	-2	-2	-7	-10	-16	-13
Group	-42	40	-15	537	418	-134

Operating margin per segment

	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full-year	Rolling 12 months
Sweden & Poland	-3.6%	3.4%	-0.3%	8.8%	6.4%	-0.8%
Finland & Baltics	-3.0%	2.2%	0.0%	11.3%	6.2%	-3.5%
Parent Company & consolidated items	neg	neg	neg	neg	neg	neg
Group	-3.5%	2.6%	-0.4%	9.9%	6.1%	-2.4%

Underlying operating result (uEBIT) per segment ¹⁾

(SEK M)	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full-year	Rolling 12 months
Sweden & Poland	3	41	43	223	236	56
Finland & Baltics	3	29	9	326	267	-50
Parent Company & consolidated items	-2	-3	-5	-11	-15	-9
Group	4	67	47	538	488	-3

Underlying operating margin per segment ²⁾

	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full-year	Rolling 12 months
Sweden & Poland	0.5%	5.5%	2.1%	8.5%	6.9%	2.0%
Finland & Baltics	0.5%	3.7%	0.4%	11.7%	7.6%	-1.7%
Parent Company & consolidated items	neg	neg	neg	neg	neg	neg
Group	0.3%	4.4%	1.1%	10.0%	7.1%	-0.1%

Depreciation per segment

(SEK M)	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full-year	Rolling 12 months
Sweden & Poland	3	3	9	9	12	12
Finland & Baltics	3	2	9	7	11	13
Parent Company & consolidated items	24	23	73	68	92	97
Group	30	28	91	84	115	122

Investments in tangible and intangible assets per segment

(SEK M)	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full-year	Rolling 12 months
Sweden & Poland	4	1	14	4	6	16
Finland & Baltics	6	21	68	38	47	77
Parent Company & consolidated items	0	0	0	0	0	0
Group	10	22	82	42	53	93

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)	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full-year	Rolling 12 months
Net sales	1,187	1,514	4,151	5,403	6,875	5,623
Earnings measurements						
Gross result	99	173	430	958	1,009	481
Underlying gross result	134	197	475	965	1,075	585
Operating result (EBIT)	-42	40	-15	537	418	-134
Underlying operating result (uEBIT)	4	67	47	538	488	-3
Margin measurements						
Gross margin	8.3%	11.5%	10.4%	17.7%	14.7%	8.5%
Underlying gross margin	11.3%	13.0%	11.5%	17.9%	15.6%	10.4%
Operating margin	-3.5%	2.6%	-0.4%	9.9%	6.1%	-2.4%
Underlying operating margin	0.3%	4.4%	1.1%	10.0%	7.1%	-0.1%
Capital structure						
Net debt excl. IFRS 16 ¹⁾	251	475	251	475	357	251
Net debt/equity ratio excl. IFRS 16 ¹⁾	16.9%	27.4%	16.9%	27.4%	21.7%	16.9%
Working capital at end of period	777	1,340	777	1,340	1,130	777
Working capital (average)	784	1,204	908	1,046	1,064	993
Capital employed (average) excl. IFRS 16 ¹⁾	1,842	2,197	1,932	1,991	2,003	2,005
Working capital tied-up	16.5%	19.9%	16.4%	14.5%	15.5%	17.7%
Return						
Return on capital employed excl. IFRS 16 ¹⁾	-9.5%	6.8%	-1.5%	35.4%	20.3%	-7.1%
Per share data						
Earnings per share (SEK)	-3.27	2.05	-2.02	32.76	24.96	-9.81
Earnings per share after dilution (SEK)	-3.27	2.05	-2.02	32.76	24.96	-9.81
Equity per share (SEK)	113.75	133.30	113.75	133.30	126.11	113.75
Cash flow from operating activities per share (SEK)	-1.31	-14.14	26.23	4.00	15.72	37.98
Shares outstanding at period end (thousands)	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
Growth						
Sales growth	-22%	10%	-23%	39%	28%	-19%
– of which organic tonnage growth	-6%	-15%	-14%	-8%	-9%	-14%
– of which price and mix changes	-21%	19%	-13%	42%	32%	-10%
– of which currency effects	5%	3%	5%	2%	2%	5%
– of which acquisitions	0%	4%	0%	3%	3%	1%
– of which divestments	0%	-1%	-1%	0%	0%	-1%
Other						
Average number of employees	692	656	683	651	654	676
Inventory gains and losses	-40	-27	-56	-1	-70	-125
Shipped tonnage (thousands of tonnes)	64	68	218	248	320	290

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)	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full-year	Rolling 12 months
Net sales	35	30	104	90	148	162
Administrative expenses	-16	-14	-53	-43	-68	-78
Other operating income and expenses	0	0	0	0	1	1
Operating profit/loss	19	16	51	47	81	85
Financial items	44	7	93	263	266	96
Profit/loss after financial items	63	23	144	310	347	181
Appropriations	-	-	-	-	39	39
Profit/loss before tax	63	23	144	310	386	220
Tax	-4	-4	-12	-11	-26	-27
Profit/loss for the period, or comprehensive income for the period	59	19	132	299	360	193

Condensed parent company balance sheet

(SEK M)	2023 Sep 30	2022 Sep 30	2022 Dec 31
Intangible assets	2	3	3
Tangible assets	0	0	0
Financial assets	873	868	873
Total non-current assets	875	871	876
Current receivables	408	249	377
Cash and equivalents	4	72	31
Total current assets	412	321	408
Total assets	1,287	1,192	1,284
Equity	1,139	1,102	1,163
Non-current liabilities	0	39	39
Current liabilities	148	51	82
Total equity and liabilities	1,287	1,192	1,284

Total decided dividend for the financial year 2022 amounts to SEK 156 M, of which SEK 78 M was paid in April and SEK 78 M will be paid in October 2023.

Key data – multi-quarter summary

(SEK M unless otherwise stated)	2023	2023	2023	2022	2022	2022	2022	2021	2021
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Net sales	1,187	1,406	1,558	1,472	1,514	2,044	1,845	1,510	1,375
Earnings measurements									
Gross result	99	172	159	51	173	458	327	283	316
Underlying gross result	134	181	160	110	197	446	322	269	301
Operating result (EBIT)	-42	26	1	-119	40	313	184	158	219
Underlying operating result (uEBIT)	4	33	10	-50	67	291	180	135	193
Margin measurements									
Gross margin	8.3%	12.3%	10.2%	3.4%	11.5%	22.4%	17.7%	18.7%	23.0%
Underlying gross margin	11.3%	12.8%	10.3%	7.4%	13.0%	21.8%	17.5%	17.8%	21.9%
Operating margin	-3.5%	1.9%	0.0%	-8.1%	2.6%	15.3%	10.0%	10.4%	15.9%
Underlying operating margin	0.3%	2.4%	0.6%	-3.4%	4.4%	14.2%	9.8%	9.0%	14.0%
Capital structure									
Net debt excl. IFRS 16 ¹⁾	251	203	204	357	475	237	159	241	98
Net debt/equity ratio excl. IFRS 16 ¹⁾	16.9%	13.2%	12.4%	21.7%	27.4%	14.0%	10.1%	17.0%	7.6%
Working capital at end of period	777	792	931	1,130	1,340	1,070	920	856	610
Working capital (average)	784	861	1,031	1,234	1,204	996	889	734	523
Capital employed (average) excl. IFRS 16 ¹⁾	1,842	1,964	2,023	2,173	2,197	1,977	1,785	1,639	1,467
Working capital tied-up	16.5%	15.3%	16.5%	21.0%	19.9%	12.2%	12.0%	12.1%	9.5%
Return									
Return on capital employed excl. IFRS 16 ¹⁾	-9.5%	4.9%	-0.4%	-22.3%	6.8%	62.6%	40.9%	38.3%	59.1%
Per share data									
Earnings per share (SEK)	-3.27	1.47	-0.22	-7.79	2.05	19.30	11.41	10.00	13.49
Earnings per share after dilution (SEK)	-3.27	1.47	-0.22	-7.79	2.05	19.30	11.41	10.00	13.49
Equity per share (SEK)	113.75	118.32	126.57	126.11	133.30	130.04	120.80	108.84	98.68
Cash flow from operating activities per share (SEK)	-1.31	10.16	17.37	11.75	-14.14	9.79	8.35	-8.87	0.50
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	-22%	-31%	-16%	-3%	10%	46%	68%	73%	85%
– of which organic tonnage growth	-6%	-18%	-15%	-14%	-15%	-14%	4%	4%	21%
– of which price and mix changes	-21%	-17%	-5%	5%	19%	54%	62%	70%	65%
– of which currency effects	5%	5%	4%	5%	3%	2%	2%	-1%	-1%
– of which acquisitions	0%	0%	1%	3%	4%	4%	-	-	-
– of which divestments	0%	-1%	-1%	-2%	-1%	-	-	-	-
Other									
Average number of employees	692	689	674	656	656	665	645	627	625
Inventory gains and losses	-40	-7	-9	-69	-27	22	4	23	26
Shipped tonnage (thousands of tonnes)	64	73	81	72	68	88	92	79	77

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)	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full-year	Rolling 12 months
Operating result	-42	40	-15	537	418	-134
Reversal of inventory gains (-)/losses (+)	40	27	56	1	70	125
Adjustment for items affecting comparability	6	-	6	-	-	6
Group	4	67	47	538	488	-3

Working capital

(SEK M)	2023 Sep 30	2022 Sep 30	2022 Dec 31
Inventories	881	1,418	1,127
Accounts receivable	710	934	675
Other receivables	149	23	78
Deduction accounts payable	-627	-692	-480
Deduction other current liabilities	-336	-343	-269
Rounding	-	-	-1
Group	777	1,340	1,130

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

Net debt excl. IFRS 16

(SEK M)	2023 Sep 30	2022 Sep 30	2022 Dec 31
Non-current interest-bearing liabilities and leasing liabilities	655	970	811
Current interest-bearing liabilities and leasing liabilities	104	101	95
Deduction leasing liabilities	-495	-515	-499
Deduction financial assets	0	0	0
Deduction cash and equivalents	-14	-80	-50
Rounding	1	-1	-
Group	251	475	357

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)	2023 Sep 30	2022 Sep 30	2022 Dec 31
Equity excl. IFRS 16	1,484	1,738	1,645
Non-current interest-bearing liabilities and leasing liabilities	655	970	811
Current interest-bearing liabilities and leasing liabilities	104	101	95
Deduction leasing liabilities	-495	-515	-499
Rounding	1	-	-
Group	1,749	2,294	2,052

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 2022 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

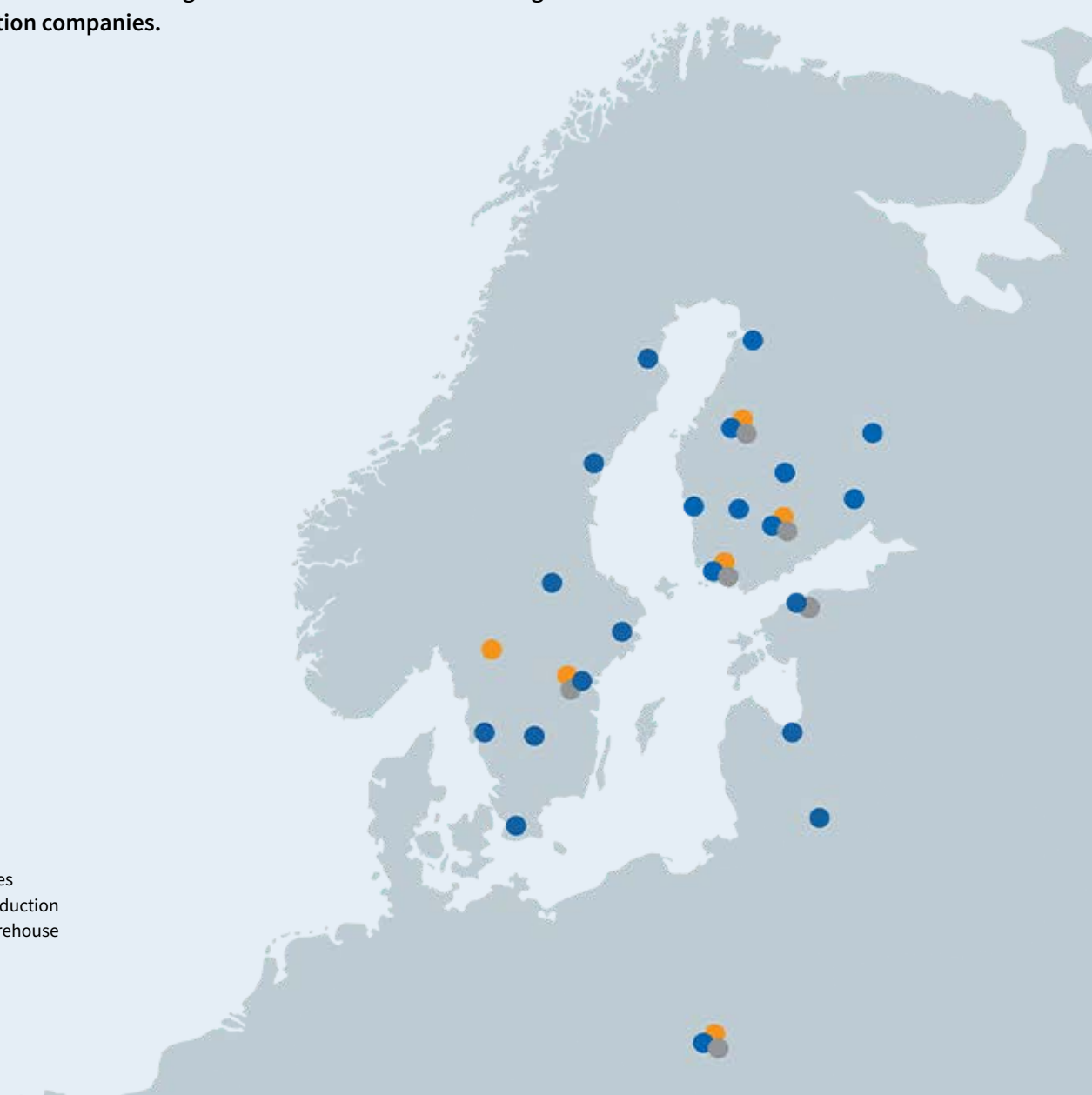
approx. 650

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