



BE GROUP

YEAR-END REPORT BE Group AB (publ)

January – December 2019

Fourth quarter 2019

- Net sales decreased by 15% to SEK 984 M (1,154)
- The underlying operating result amounted to SEK 9 M (17)
- The operating result amounted to SEK 8 M (22)
- Result after tax amounted to SEK 7 M (11)
- Cash flow from operating activities increased to SEK 85 M (80)
- Earnings per share amounted to SEK 0.57 (0.83)

Full-year 2019

- Net sales decreased by 9% to SEK 4,359 M (4,803)
- The underlying operating result amounted to SEK 94 M (117)
- The operating result amounted to SEK 88 M (132)
- Result after tax amounted to SEK 50 M (80)
- Cash flow from operating activities increased to SEK 200 M (86)
- Earnings per share amounted to SEK 3.87 (6.13)
- The Board of Directors proposes dividend of SEK 1.75 (1.75) per share for the financial year of 2019

Results overview	2019 Oct-Dec	2018 Oct-Dec	Change	2019 Jan-Dec	2018 Jan-Dec	Change
Tonnage, thousands of tonnes	77	93	-16	340	377	-37
Net sales, SEK M	984	1,154	-170	4,359	4,803	-444
Underlying operating result, SEK M	9	17	-8	94	117	-23
Operating result, SEK M	8	22	-14	88	132	-44
Profit/loss for the period, SEK M	7	11	-4	50	80	-30
Earnings per share, SEK	0.57	0.83	-0.26	3.87	6.13	-2.26
Cash flow from operating activities, SEK M	85	80	5	200	86	114

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 2019, the Group reported sales of SEK 4.4 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.



”Strong cash flow during the period and continued focus on efficiency improvements and investments”

Statement from the CEO

The weaker demand that characterized the second and third quarters continued during the last quarter of the year and net sales declined by 15 percent compared to last year. As a result of this, the underlying operating result decreased to SEK 9 M (16).

Relatively stable steel prices during the quarter generated a minor inventory loss of SEK 1 M, compared to an inventory gain of SEK 1 M the same period last year, and the operating result amounted to SEK 8 M (22).

On-going capacity adjustments to the lower demand together with effects of previously implemented structural measures mean that the number of employees continued to decrease during the quarter. Implemented efficiency improvements and other improvement measures have contributed to strengthening of the gross margin by 0.8 percentage points during the quarter compared to last year.

Tonnage and sales growth

During the quarter, business area Sweden & Poland had a negative tonnage growth as a result of continued declining demand from both the construction and manufacturing industries and sales decreased by 19 percent.

In business area Finland & Baltics, tough competition combined with weaker demand from major OEM customers led to a tonnage decrease of 9 percent, which resulted in a sales decrease of 9 percent compared to the same period last year.

However, the weaker operating result was compensated by a decrease in working capital, which generated a strong cash flow during the period.

Efficiency improvements and investments

The economic downturn that began earlier this year continued and strengthened. This means that focus on efficiency improvements and taking market shares continues to be prioritized. The previously communicated investments in Norrköping, totalling approximately SEK 60 M, are proceeding according to plan and will clearly strengthen the Group's competitiveness.

Peter Andersson
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	-15	-17	-22	-57
Change in underlying gross margin	-5	11	8	9	23
Change in overhead costs	0	10	-4	5	11
Underlying operating result 2019	40	32	13	9	94
Reversal of inventory gains (+)/losses (-)	-6	0	1	-1	-6
Items affecting comparability	-	-	-	-	-
Operating result 2019	34	32	14	8	88

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

Fourth quarter

Consolidated net sales for the period decreased by 15 percent compared to last year, amounting to SEK 984 M (1,154). The decrease is mainly attributable to negative organic growth of 17 percent. Price and mix effects of 1 percent and positive currency effects of 1 percent could only partly compensate for the declining demand in both business areas.

Gross profit amounted to SEK 138 M (152), with a stronger gross margin compared to last year of 14.0 percent (13.2). The operating result amounted to SEK 8 M (22), corresponding to an operating margin of 0.8 percent (1.9). Adjusted for inventory gains and losses of SEK -1 M (1) and items affecting comparability of SEK 0 M (4), the underlying operating result thereby amounted to SEK 9 M (17). The underlying operating margin during the period was 0.9 percent (1.4).

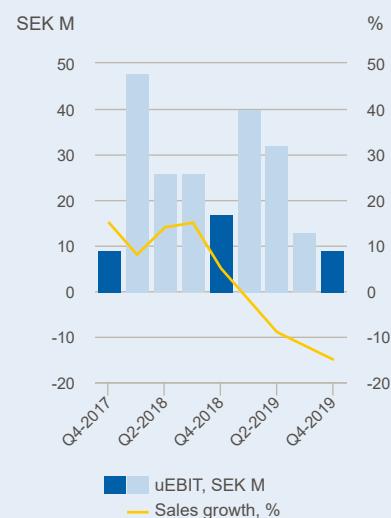
Full-year 2019

During the year, consolidated net sales decreased by 9 percent compared to last year, amounting to SEK 4,359 M (4,803). Tonnage in business area Sweden & Poland was below last year by 10 percent while Finland & Baltics delivered 9 percent less than last year. Price and mix effects negatively impacted net sales by 1 percent, which was partly compensated by positive currency effects of 2 percent. Inventory losses of SEK -6 M (27) affected the period.

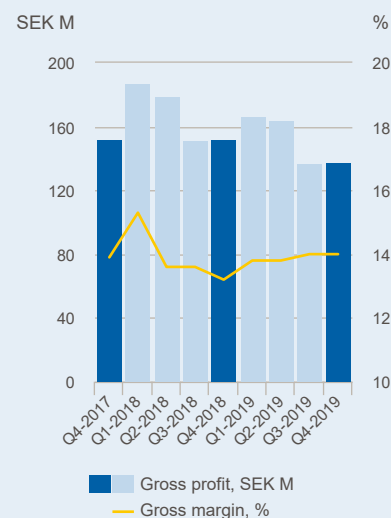
Gross profit amounted to SEK 605 M (669), with a gross margin of 13.9 percent (13.9). However, adjusted for inventory gains and losses and items affecting comparability, the gross margin increased to 14.0 percent (13.4).

The operating result amounted to SEK 88 M (132), mainly due to negative organic tonnage growth of 10 percent and net sales decrease of 9 percent. Sales and administration expenses are SEK 10 M lower than last year. Adjusted for inventory gains and losses and items affecting comparability, the underlying operating result amounted to SEK 94 M (117). The operating margin amounted to 2.0 percent (2.8) and the underlying operating margin was 2.1 percent (2.4).

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.

Fourth quarter

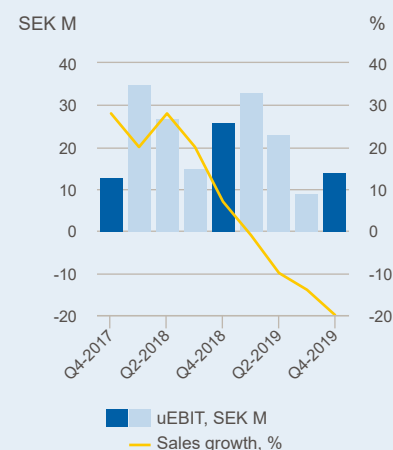
Net sales decreased by 20 percent in the fourth quarter compared to last year and amounted to SEK 489 M (607). The operating result amounted to SEK 12 M (30). Adjusted for inventory gains and losses and items affecting comparability of SEK -2 M (4), the underlying operating result amounted to SEK 14 M (26).

The distribution business in Sweden delivered a weaker underlying operating result compared to last year. The volume decreased at the same time as our joint venture with Arcelor Mittal generated a weaker result. The production business in Sweden & Poland also showed weaker development and delivered a significantly lower underlying operating result. Lower volumes and margin pressure in some segments contributed to the development. Lecor Stålteknik delivered a result of SEK -2 M (-5).

Full-year 2019

Net sales decreased by 11 percent compared to last year and amounted to SEK 2,209 M (2,476). Operating result amounted to SEK 73 M (123). Adjusted for inventory gains and losses and items affecting comparability of SEK -5 M (19), the underlying operating result amounted to SEK 79 M (104). The result weakened mainly due to the declining sales volumes and tonnage decreased by 10 percent compared to 2018. Lecor Stålteknik delivered a result of SEK -11 M (-6).

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 States.

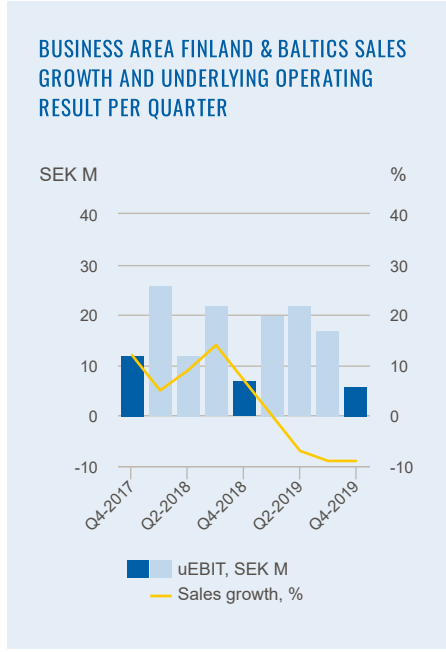
Fourth quarter

Compared to the fourth quarter last year, net sales were 9 percent lower and amounted to SEK 496 M (546). The tonnage was also lower compared to last year and contributed to the lower sales. The operating result amounted to SEK 7 M (8) mainly due to lower volumes. Adjusted for inventory gains of SEK 1 M (1), the underlying operating result decreased to SEK 6 M (7).

The distribution business in Finland provided a somewhat lower underlying operating result compared to last year. The lower tonnage was largely compensated by an improved underlying margin. The production business in Finland reported a slightly increased net sales at the same time as the underlying gross margin improved, mainly attributable to a particularly weak period last year. This resulted in an underlying operating result that was stronger than last year.

Full-year 2019

Net sales decreased by 6 percent compared to last year and amounted to SEK 2,157 M (2,299). The operating result amounted to SEK 65 M (81) and, adjusted for inventory gains, the underlying operating result decreased to SEK 65 M (68). The decline is largely attributable to the weaker volume development in the Finnish distribution business.



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 2018.

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 fourth quarter of the Parent Company, BE Group AB (publ), amounted to SEK 15 M (29) 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 -13 M (-17), SEK -7 M (-11) was allocated to the subsidiaries. Operating result amounted to SEK 2 M (11). For the full year, net sales amounted to SEK 97 M (108) and the operating result to SEK 44 M (50).

Net financial items for the quarter amounted to SEK 7 M (-5) mainly due to positive currency effects related to revaluation of loan in EUR. Profit before tax amounted to SEK 9 M (39) and profit after tax amounted to SEK 5 M (29). Investments in the Parent Company amounted to SEK 0 M (1). At the end of the period, cash and equivalents in the Parent Company increased to SEK 145 M (71).

Net financial items during the year amounted to SEK -3 M (2). Profit before tax amounted to SEK 48 M (85) and profit after tax was SEK 38 M (69). Investments in the Parent Company amounted to SEK 0 M (1).

Group

Net financial items and tax

The Group's consolidated net financial items in the fourth quarter amounted to SEK 5 M (-5) mainly due to positive currency effects related to revaluation of loan in EUR. 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 (-). Net financial items for the full year amounted to SEK -16 M (-16) and net interest was SEK -22 M (-12) of which SEK -11 M is related to leasing according to IFRS 16.

Taxes for the fourth quarter amounted to SEK -6 M (-6). Profit after tax amounted to SEK 7 M (11) and amounted to SEK 50 M (80) for the full year including items affecting comparability of SEK 0 M (-12).

Cash flow

The Group's consolidated working capital amounted to SEK 549 M (572) at the end of the period and the average working capital tied-up for the fourth quarter was 14.7 percent (12.9). Cash flow from operating activities amounted to SEK 85 M (80) during the quarter, of which SEK 20 M is an effect of the implementation of IFRS 16 and to SEK 200 M (86) for the full year, of which SEK 78 M is an effect of the implementation of IFRS 16. Cash flow from investing activities amounted to SEK -16 M (-10) for the fourth quarter and SEK -37 M (-32) for the full year. Cash flow after investments thus amounted to SEK 69 M (70) during the fourth quarter and SEK 163 M (54) for the full year.

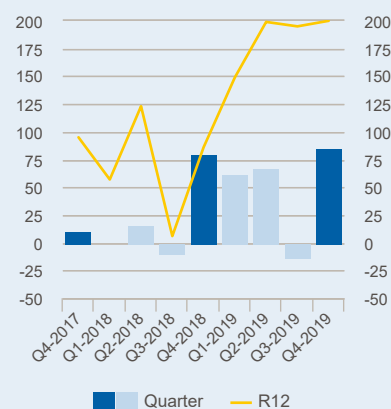
Financial position and liquidity

At the end of the period, consolidated cash and cash equivalents, including overdraft facilities, amounted to SEK 318 M (208) and the interest-bearing net debt excl. IFRS 16 was SEK 373 M (440). Equity amounted to SEK 922 M (892) at the end of the period and the net debt/equity ratio amounted to 40 percent (49).

Organization, structure and employees

The number of employees decreased to 639 compared to 667 at the same time last year. The decrease is mainly due to the restructuring implemented last year. The average number of employees during the year amounted to 652 (668).

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 apart from dividend paid to the parent company's shareholders according to decision taken at the Annual General Meeting 2019.

Annual General Meeting 2020

BE Group's Annual General Meeting will take place on April 29, 2020, 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 1.75 (1.75) to be paid for the financial year of 2019 which corresponds to approximately SEK 23 M.

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 leasing 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 percent.

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

IFRIC 23 clarifies how companies are to assess the manner in which a transaction is to be measured and recognized when there are uncertainties in income tax. The Group applies the new guidance as of January 1, 2019.

Future information

Future reporting dates

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

- The Annual Report for 2019 will be available in the beginning of April 2020.
- The Interim Report for January–March 2020 will be published on April 29, 2020.
- The Interim Report for January–June 2020 will be published on July 16, 2020.
- The Interim Report for January–September 2020 will be published on October 21, 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, January 30, 2020

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

Daniel Fäldt, CFO

Tel: +46 (0)705 60 31 75, e-mail: daniel.faltdt@begroup.com

BE Group AB (publ), Box 225, 201 22 Malmö, Sweden; Street address: Krangatan 4B

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

info@begroup.com, www.begroup.com

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

This information is information that BE Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication through the agency of the contact persons set out above at 7.45 a.m. CET on January 30, 2020.

Condensed consolidated income statement

(SEK M)	Note	2019 Okt-Dec	2018 Okt-Dec	2019 Full-year	2018 Full-year
Net sales		984	1,154	4,359	4,803
Cost of goods sold	1	-846	-1,002	-3,754	-4,134
Gross profit		138	152	605	669
Selling expenses	1	-98	-98	-389	-402
Administrative expenses	1	-34	-36	-128	-125
Other operating income and expenses	2	2	3	-3	-14
Participation in joint venture		0	1	3	4
Operating profit/loss		8	22	88	132
Financial items		5	-5	-16	-16
Profit/loss before tax		13	17	72	116
Tax		-6	-6	-22	-36
Profit/loss for the period		7	11	50	80
Earnings per share		0.57	0.83	3.87	6.13
Earnings per share before and after dilution		0.57	0.83	3.87	6.13

Consolidated statement of comprehensive income

(SEK M)	2019 Oct-Dec	2018 Oct-Dec	2019 Full-year	2018 Full-year
Profit/loss for the period	7	11	50	80
Other comprehensive income				
Items that have, or may be, reclassified to profit/loss for the period				
Translation differences	-17	-4	31	21
Hedging of net investments in foreign subsidiaries	0	3	-36	-15
Tax attributable to items in other comprehensive income	0	0	8	4
Total other comprehensive income	-17	-1	3	10
Comprehensive income for the period	-10	10	53	90

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

Condensed consolidated balance sheet

(SEK M)	Note	2019 Dec 31	2018 Dec 31
Goodwill		566	563
Other intangible assets		7	6
Tangible assets		89	111
Right of use assets		540	-
Investment in joint venture		110	113
Financial assets		0	0
Deferred tax assets		21	33
Total non-current assets		1,333	826
Inventories		642	651
Accounts receivable		387	470
Other receivables		57	63
Cash and equivalents		168	108
Total current assets		1,254	1,292
Total assets	3	2,587	2,118
Equity		922	892
Non-current interest-bearing liabilities		536	543
Non-current leasing liabilities		449	-
Provisions		0	0
Deferred tax liability		44	44
Total non-current liabilities		1,029	587
Current interest-bearing liabilities		6	5
Current leasing liabilities		92	-
Accounts payable		398	468
Other current liabilities		139	145
Other current provisions		1	21
Total current liabilities		636	639
Total equity and liabilities	3	2,587	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 Oct-Dec	2018 Oct-Dec	2019 Full-year	2018 Full-year
Operating result	8	22	88	132
Adjustment for non-cash items	33	-2	106	42
- of which, amortization/depreciation	27	10	113	38
- of which, other items	6	-12	-7	4
Interest paid/received and other financial items	-6	-4	-23	-13
Income tax paid	4	0	-2	-16
Change in working capital	46	64	31	-59
Cash flow from operating activities	85	80	200	86
Investments in intangible assets	0	-1	0	-2
Investments in tangible assets	-16	-7	-25	-32
Divestments of tangible assets	0	0	1	2
Other cash flow from investing activities	-	-2	-13	0
Cash flow after investments	69	70	163	54
Cash flow from financing activities ¹⁾	-18	-19	-104	-10
Cash flow for the period	51	51	59	44
Exchange-rate difference in cash and equivalents	-1	0	1	3
Change in cash and equivalents	50	51	60	47

¹⁾ In the cash flow from financing activities for Full-year 2019 SEK -23 M relates to dividend paid for 2018.

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 Oct-Dec	2018 Oct-Dec	2019 Full-year	2018 Full-year
Equity at beginning of period	932	882	892	802
Comprehensive income for the period	-10	10	53	90
Dividend	-	-	-23	-
Equity at end of period	922	892	922	892

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

Note 1 Amortizations and depreciations

(SEK M)	2019 Oct-Dec	2018 Oct-Dec	2019 Full-year	2018 Full-year
Amortization of intangible assets	0	3	2	9
Depreciation of tangible assets	6	7	27	29
Depreciation of right of use assets	21	-	84	-
Total amortizations and depreciations	27	10	113	38

Note 2 Items affecting comparability

(SEK M)	2019 Oct-Dec	2018 Oct-Dec	2019 Full-year	2018 Full-year
Restructuring expenses	-	4	-	-12
Total items affecting comparability	-	4	-	-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 by business area (SEK M)

	2019 Oct-Dec	2018 Oct-Dec	2019 Full-year	2018 Full-year
Sweden & Poland	489	607	2,209	2,476
Finland & Baltics	496	546	2,157	2,299
Parent Company & consolidated items	-1	1	-7	28
Group	984	1,154	4,359	4,803

Net sales by business area and product group

2019	Sweden & Poland		Finland & Baltics		Parent company & consolidated items		Total	
	2019 Oct-Dec	2019 Full-year	2019 Oct-Dec	2019 Full-year	2019 Oct-Dec	2019 Full-year	2019 Oct-Dec	2019 Full-year
Long steel products	231	1,013	130	560	0	-1	361	1,572
Flat steel products	136	665	240	1,062	0	0	376	1,727
Stainless steel	84	370	91	382	0	0	175	752
Aluminium	17	76	35	136	-5	-5	47	207
Other	21	85	0	17	4	-1	25	101
Total	489	2,209	496	2,157	-1	-7	984	4,359

2018	Sweden & Poland		Finland & Baltics		Parent company & consolidated items		Total	
	2018 Oct-Dec	2018 Full-year	2018 Oct-Dec	2018 Full-year	2018 Oct-Dec	2018 Full-year	2018 Oct-Dec	2018 Full-year
Long steel products	277	1,096	139	587	0	0	416	1,683
Flat steel products	186	730	266	1,139	0	0	452	1,869
Stainless steel	94	418	107	423	3	31	204	872
Aluminium	23	88	38	135	-8	6	53	229
Other	27	144	-4	15	6	-9	29	150
Total	607	2,476	546	2,299	1	28	1,154	4,803

Net sales by country based on customer's domicile (SEK M)

By country based on customer's domicile (SEK M)	2019 Oct-Dec	2018 Oct-Dec	2019 Full-year	2018 Full-year
Sweden	477	594	2,156	2,431
Finland	441	463	1,872	1,935
Other	66	97	331	437
Group	984	1,154	4,359	4,803

Shipped tonnage per segment (thousands of tonnes)

	2019 Oct-Dec	2018 Oct-Dec	2019 Full-year	2018 Full-year
Sweden & Poland	37	49	168	187
Finland & Baltics	40	44	173	190
Parent Company & consolidated items	0	0	-1	0
Group	77	93	340	377

Operating result (EBIT) per segment

(SEK M)	2019 Oct-Dec	2018 Oct-Dec	2019 Full-year	2018 Full-year
Sweden & Poland	12	30	73	123
Finland & Baltics	7	8	65	81
Parent Company & consolidated items	-11	-16	-50	-72
Group	8	22	88	132

Operating margin per segment

	2019 Oct-Dec	2018 Oct-Dec	2019 Full-year	2018 Full-year
Sweden & Poland	2.5%	4.9%	3.3%	5.0%
Finland & Baltics	1.3%	1.5%	3.0%	3.5%
Parent Company & consolidated items	neg	neg	neg	neg
Group	0.8%	1.9%	2.0%	2.8%

Underlying operating result (uEBIT) per segment ¹⁾

(SEK M)	2019 Oct-Dec	2018 Oct-Dec	2019 Full-year	2018 Full-year
Sweden & Poland	14	26	79	104
Finland & Baltics	6	7	65	68
Parent Company & consolidated items	-11	-16	-50	-55
Group	9	17	94	117

Underlying operating margin per segment ²⁾

	2019 Oct-Dec	2018 Oct-Dec	2019 Full-year	2018 Full-year
Sweden & Poland	2.9%	4.3%	3.6%	4.2%
Finland & Baltics	1.1%	1.2%	3.0%	2.9%
Parent Company & consolidated items	neg	neg	neg	neg
Group	0.9%	1.4%	2.1%	2.4%

Depreciation per segment

(SEK M)	2019 Oct-Dec	2018 Oct-Dec	2019 Full-year	2018 Full-year
Sweden & Poland	3	3	13	13
Finland & Baltics	3	5	16	18
Parent Company & consolidated items	21	2	84	7
Group	27	10	113	38

Investments in tangible and intangible assets per segment

(SEK M)	2019 Oct-Dec	2018 Oct-Dec	2019 Full-year	2018 Full-year
Sweden & Poland	13	6	17	16
Finland & Baltics	2	3	7	18
Parent Company & consolidated items	1	0	1	1
Group	16	9	25	35

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 Oct-Dec	2018 Oct-Dec	2019 Full-year	2018 Full-year
Net sales	984	1,154	4,359	4,803
Earnings measurements				
Gross result	138	152	605	669
Underlying gross result	138	151	609	643
Operating result (EBIT)	8	22	88	132
Underlying operating result (uEBIT)	9	17	94	117
Margin measurements				
Gross margin	14.0%	13.2%	13.9%	13.9%
Underlying gross margin	14.1%	13.1%	14.0%	13.4%
Operating margin	0.8%	1.9%	2.0%	2.8%
Underlying operating margin	0.9%	1.4%	2.1%	2.4%
Capital structure				
Net debt excl. IFRS 16 ¹⁾	373	440	373	440
Net debt/equity ratio excl. IFRS 16 ¹⁾	40%	49%	40%	49%
Working capital at end of period	549	572	549	572
Working capital (average)	578	594	570	562
Capital employed (average) excl. IFRS 16 ¹⁾	1,463	1,446	1,466	1,408
Working capital tied-up	14.7%	12.9%	13.1%	11.7%
Return				
Return on capital employed excl. IFRS 16 ¹⁾	1.5%	6.0%	5.6%	9.4%
Per share data				
Earnings per share (SEK)	0.57	0.83	3.87	6.13
Earnings per share after dilution (SEK)	0.57	0.83	3.87	6.13
Equity per share (SEK)	71.05	68.67	71.05	68.67
Cash flow from operating activities per share (SEK)	6.50	6.13	15.37	6.60
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	-15%	5%	-9%	10%
– of which organic tonnage growth	-17%	3%	-10%	4%
– of which price and mix changes	1%	-1%	-1%	3%
– of which currency effects	1%	3%	2%	3%
Other				
Average number of employees	644	666	652	668
Inventory gains and losses	-1	1	-6	27
Shipped tonnage (thousands of tonnes)	77	93	340	377

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 Oct-Dec	2018 Oct-Dec	2019 Full-year	2018 Full-year
Net sales	15	29	97	108
Administrative expenses	-13	-17	-53	-58
Other operating income and expenses	0	-1	0	0
Operating profit/loss	2	11	44	50
Financial items	7	-5	-3	2
Profit/loss after financial items	9	6	41	52
Appropriations	-	33	7	33
Profit/loss before tax	9	39	48	85
Tax	-4	-10	-10	-16
Profit/loss for the period, or comprehensive income for the period	5	29	38	69

Condensed parent company balance sheet

(SEK M)	2019 Dec 31	2018 Dec 31
Intangible assets	1	1
Tangible assets	0	1
Financial assets	914	997
Total non-current assets	915	999
Current receivables	252	200
Cash and equivalents	145	71
Total current assets	397	271
Total assets	1,312	1,270
Equity	642	626
Non-current liabilities	536	531
Current liabilities	134	113
Total equity and liabilities	1,312	1,270

Key data – multi-quarter summary

(SEK M unless otherwise stated)	2019 Oct-Dec	2019 Jul-Sep	2019 Apr-Jun	2019 Jan-Mar	2018 Oct-Dec	2018 Jul-Sep	2018 Apr-Jun	2018 Jan-Mar	2017 Oct-Dec
Net sales	984	977	1,193	1,205	1,154	1,111	1,312	1,226	1,095
Earnings measurements									
Gross result	138	137	164	166	152	151	179	187	152
Underlying gross result	138	136	163	172	151	145	167	180	145
Operating result (EBIT)	8	14	32	34	22	33	22	55	5
Underlying operating result (uEBIT)	9	13	32	40	17	26	26	48	9
Margin measurements									
Gross margin	14.0%	14.0%	13.8%	13.8%	13.2%	13.6%	13.6%	15.3%	13.9%
Underlying gross margin	14.1%	13.9%	13.7%	14.2%	13.1%	13.0%	12.8%	14.7%	13.2%
Operating margin	0.8%	1.5%	2.7%	2.8%	1.9%	3.0%	1.6%	4.5%	0.5%
Underlying operating margin	0.9%	1.4%	2.6%	3.3%	1.4%	2.4%	2.0%	3.9%	0.8%
Capital structure									
Net debt excl. IFRS 16 ¹⁾	373	431	402	418	440	513	496	504	478
Net debt/equity ratio excl. IFRS 16 ¹⁾	40%	46%	44%	45%	49%	58%	57%	59%	60%
Working capital at end of period	549	608	553	568	572	617	575	554	492
Working capital (average)	578	580	560	570	594	596	565	523	486
Capital employed (average) excl. IFRS 16 ¹⁾	1,463	1,477	1,481	1,459	1,446	1,431	1,403	1,368	1,371
Working capital tied-up	14.7%	14.8%	11.7%	11.8%	12.9%	13.4%	10.8%	10.7%	11.1%
Return									
Return on capital employed excl. IFRS 16 ¹⁾	1.5%	4.0%	8.2%	9.2%	6.0%	9.4%	6.1%	16.2%	1.7%
Per share data									
Earnings per share (SEK)	0.57	0.30	1.44	1.56	0.83	1.73	0.54	3.03	-0.40
Earnings per share after dilution (SEK)	0.57	0.30	1.44	1.56	0.83	1.73	0.54	3.03	-0.40
Equity per share (SEK)	71.05	71.80	71.00	71.03	68.67	67.92	66.48	65.65	61.77
Cash flow from operating activities per share (SEK)	6.50	-1.03	5.11	4.79	6.13	-0.74	1.29	-0.08	0.78
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	-15%	-12%	-9%	-2%	5%	15%	14%	8%	15%
- of which organic tonnage growth	-17%	-11%	-9%	-2%	3%	4%	8%	0%	5%
- of which price and mix changes	1%	-2%	-1%	-2%	-1%	6%	3%	6%	10%
- of which currency effects	1%	1%	1%	2%	3%	5%	3%	2%	0%
Other									
Average number of employees	644	646	652	664	666	665	670	670	684
Inventory gains and losses	-1	1	0	-6	1	7	12	7	6
Shipped tonnage (thousands of tonnes)	77	75	92	96	93	84	102	98	89

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 Oct-Dec	2018 Oct-Dec	2019 Full-year	2018 Full-year
Operating result	8	22	88	132
Reversal of inventory gains (-)/losses (+)	1	-1	6	-27
Adjustment for items affecting comparability	-	-4	-	12
Group	9	17	94	117

Working capital

(SEK M)	2019 Dec 31	2018 Dec 31
Inventories	642	651
Accounts receivable	387	470
Other receivables	57	63
Deduction accounts payable	-398	-468
Deduction other current liabilities	-139	-145
Rounding	-	1
Group	549	572

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

Net debt excl. IFRS 16

(SEK M)	2019 Dec 31	2018 Dec 31
Non-current interest-bearing liabilities and leasing liabilities	985	543
Current interest-bearing liabilities and leasing liabilities	98	5
Deduction leasing liabilities	-541	-
Deduction financial assets	0	0
Deduction cash and equivalents	-168	-108
Rounding	-1	-
Group	373	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 Dec 31	2018 Dec 31
Equity excl. IFRS 16	927	892
Non-current interest-bearing liabilities and leasing liabilities	985	543
Current interest-bearing liabilities and leasing liabilities	98	5
Deduction leasing liabilities	-541	-
Rounding	-1	-
Group	1,468	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 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 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 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 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 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 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 4.4 billion in 2019. 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. 650

Net sales

SEK 4.4 billion

