



BE GROUP

YEAR-END REPORT BE Group AB (publ)

January – December 2017

Continued improvement of underlying operating result and cash flow

Fourth quarter 2017

- Net sales increased by 15 percent to SEK 1,095 M (953), 20 percent excluding operations under restructuring.
- The underlying operating result increased to SEK 9 M (-7).
- Operating result increased to SEK 5 M (4), including items affecting comparability of SEK -10 M (-).
- Result after tax was SEK -5 M (-2).
- Cash flow from operating activities increased to SEK 10 M (3).
- Earnings per share amounted to SEK -0.40 (-0.20).

Full-year 2017

- Net sales increased by 12 percent to SEK 4,348 M (3,870), 17 percent excluding operations under restructuring.
- The underlying operating result increased to SEK 82 M (33).
- The operating result increased to SEK 57 M (16). Items affecting comparability amounted to SEK -52 M (-45).
- Result after tax was SEK 24 M (-20).
- Cash flow from operating activities increased to SEK 95 M (78).
- Earnings per share increased to SEK 1.87 (-1.56).
- The Board of Directors proposes that no dividend (-) will be paid for the financial year of 2017.

Results overview	2017 Oct-Dec	2016 Oct-Dec	Change	2017 Jan-Dec	2016 Jan-Dec	Change
Tonnage, thousands of tonnes	89	85	4	363	374	-11
Net sales, SEK M	1,095	953	142	4,348	3,870	478
Underlying operating result, SEK M	9	-7	16	82	33	49
Operating result, SEK M	5	4	1	57	16	41
Profit/loss for the period, SEK M	-5	-2	-3	24	-20	44
Earnings per share, SEK ¹⁾	-0.40	-0.20	-0.20	1.87	-1.56	3.43
Cash flow from operating activities, SEK M	10	3	7	95	78	17

¹⁾ Based on the average number of shares.

BE Group, which is listed on the Nasdaq Stockholm exchange, is a trading and service company in steel, stainless steel and aluminium. BE Group offers efficient distribution and value-adding production services to customers primarily in the construction and engineering sectors. In 2017, the Group reported sales of SEK 4.3 billion. BE Group has approximately 700 employees, with Sweden and Finland as its largest markets. The head office is located in Malmö, Sweden. Read more about BE Group at www.begroup.com.



BE Group delivers a significantly improved underlying operating result and stronger cash flow

Statement from the CEO

Comments on the period

The fourth quarter saw a tonnage growth totalling 5 percent and sales growth of 15 percent. Higher demand in our main markets and generally higher price levels are the main factors contributing to this positive trend. The underlying operating result in the fourth quarter, which is always the weakest quarter during the year, improved to SEK 9 M compared with SEK -7 M the previous year. The distribution units are improving and the production units, mainly Norrköping, are also developing strongly.

It is also pleasing that the discontinuation of the production unit in Eskilstuna went better than planned. I thank the team for their good effort.

After the third quarter, when the prices stabilized somewhat, the year's positive price trend continued, leading to inventory gains of SEK 6 M (11). Despite lower inventory gains and items affecting comparability of SEK -10 M (-) being charged to profit, a positive operating result of SEK 5 M is being presented for the fourth quarter compared with SEK 4 M last year.

It is also positive that cash flow from operating activities continued to improve and amounted to SEK 10 M (3) during the quarter. As a result, the balance sheet is increasingly stronger and net debt decreased further to SEK 478 M (562).

Tonnage and sales growth

I am particularly satisfied with the tonnage growth of 11 percent in business area Sweden & Poland during the fourth quarter.

Finland & Baltics is in line with previous year but grew 4 percent for the full year.

For the year as a whole we have seen growth in both business areas which contributed to the sales growth of 20 percent for the quarter and 17 percent for the full year. Including operations under reconstructing, growth was 15 percent for the quarter and 12 percent for the full year.

Development of the company

The transformation of the company after several years of losses is continuing. Units with large losses in the Czech Republic, Slovakia and in Eskilstuna, Sweden have been closed and focus has been able to increasingly be placed on improving our units that serve Swedish and Finnish customers in the construction and manufacturing industries. Work on refining our customer offering together with strategic suppliers and optimizing our internal processes and equipment is continuing.

Outlook

Demand during the upcoming quarter is expected to remain strong in the company's main markets. At the same time steel prices are expected to remain at the same level as in the fourth quarter. On-going improvement measures together with the completed closure of unprofitable operations continue to strengthen the Group's profitability.

Anders Martinsson, President and CEO

Bridge 2016-2017 operating result SEK M	Q1	Q2	Q3	Q4	Jan-Dec
Operating result 2016	-45	31	26	4	16
Reversal of inventory gains (-)/losses (+)	9	-10	-16	-11	-28
Items affecting comparability	45	-	-	-	45
Underlying operating result 2016	9	21	10	-7	33
Change in sales	23	17	10	18	68
Change in underlying gross margin	5	-16	3	3	-5
Change in overhead costs	-7	-1	-1	-5	-14
Underlying operating result 2017	30	21	22	9	82
Reversal of inventory gains (+)/losses (-)	16	8	-3	6	27
Items affecting comparability	-	-42	-	-10	-52
Operating result 2017	46	-13	19	5	57

Comments on the report

Fourth quarter

Consolidated net sales for the period increased by 15 percent compared with the previous year, amounting to SEK 1,095 M (953). Sales excluding operations under restructuring increased by 20 percent. The increase is due to a tonnage growth of 5 percent combined with positive price and mix effects of 10 percent. The positive price effect is due to higher steel prices compared with the previous year.

Gross profit amounted to SEK 152 M (133), with a gross margin of 13.9 percent (14.0). The operating result amounted to SEK 5 M (4), corresponding to an operating margin of 0.5 percent (0.4). Adjusted for inventory gains and losses of SEK 6 M (11) and items affecting comparability of SEK -10 M, the underlying operating result was SEK 9 M (-7). The underlying operating margin during the period was 0.8 percent (-0.7).

The closure of BE Group Produktion in Eskilstuna went better than originally planned and a part of the remaining provision has therefore been released. During the quarter, a review was also done of the remaining operation in the Czech Republic (Prerov) and based on the difficult competitive situation this operation is now experiencing, inventory has been adjusted to facilitate sales and a reduction of the inventory level. In addition, negotiations are ongoing between BE Group and the landlord regarding maintenance of a warehouse in Malmö during the remaining rental period. A provision for restoration in line with expected outcome of SEK -10 M has been booked during the quarter.

During the quarter, the above has resulted in items affecting comparability of SEK -10 M, but are estimated to have a marginally positive impact on cash flow once these measures have been completed.

Full-year 2017

During the year, consolidated net sales increased by 12 percent compared with the previous year, amounting to SEK 4,348 M (3,870). The tonnage in business areas Sweden & Poland and Finland & Baltics exceeded the level of the previous year. Higher average steel prices had a positive impact on net sales of 14 percent. The price trend also resulted in inventory gains of SEK 27 M (28).

Gross profit amounted to SEK 619 M (561), with a gross margin of 14.2 percent (14.5). Items affecting comparability of SEK -52 M were charged to profit for the year, mainly attributable to the closure of the unprofitable operation in Eskilstuna, inventory adjustment in the Czech Republic (Prerov) and maintenance of the warehouse in Malmö. In spite of this, the operating result amounted to SEK 57 M (16). The earnings improvement is attributable to higher net sales as a result of tonnage growth in the main markets and price and mix effects. Adjusted for items affecting comparability and inventory gains and losses, the underlying operating result increased to SEK 82 M (33).

The operating margin amounted to 1.3 percent (0.4) and the underlying operating margin was 1.9 percent (0.9).

THE GROUP'S SALES GROWTH AND UNDERLYING OPERATING RESULT PER QUARTER



THE GROUP'S GROSS MARGIN AND GROSS PROFIT PER QUARTER



BUSINESS AREA SWEDEN & POLAND

The business area includes the Group's operations in Sweden consisting of the companies BE Group Sverige and Lecor Stålteknik, as well as the Polish operation BE Group Poland. BE Group Produktion Eskilstuna has been reported under Parent Company and Group items since the fourth quarter of 2017. Comparative numbers have been restated.

Fourth quarter

Net sales increased by 27 percent in the fourth quarter compared with the previous year, amounting to SEK 568 M (445). The operating result amounted to SEK 6 M (12) and, adjusted for inventory gains of SEK 3 M (4) and items affecting comparability of SEK -10 M (-), the underlying operating result amounted to SEK 13 M (8).

In Sweden, the tonnage in the distribution business increased compared with the same period last year. At the same time, the operation is showing strongly improved underlying operating result, mainly due to the continued price increase of steel. Business unit Production Sweden & Poland is also presenting improved earnings due to higher sales and an improved margin resulting from higher capacity utilization as well as positive price and mix effects. On-going improvement measures for Lecor Stålteknik also contribute somewhat to the better profitability.

Full-year 2017

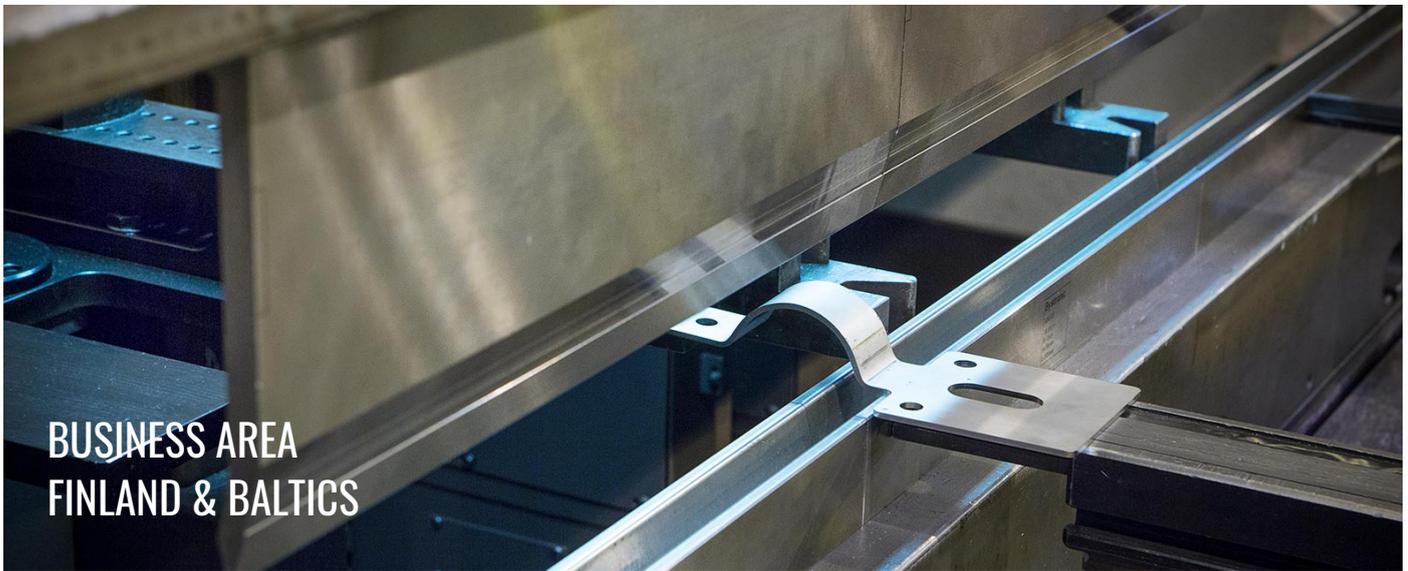
Net sales increased by 15 percent compared to the same period last year, and amounted to SEK 2,094 M (1,813). The operating result amounted to SEK 78 M (55). Adjusted for inventory gains and losses and items affecting comparability, the underlying operating result amounted to SEK 72 M (45).

The positive development in our joint venture ArcelorMittal BE Group SSC AB is continuing, which contributed SEK 11 M (8) to the operating result for the full year.

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



*Comparative numbers have been restated with regards to BE Group Produktion Eskilstuna.



BUSINESS AREA FINLAND & BALTICS

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

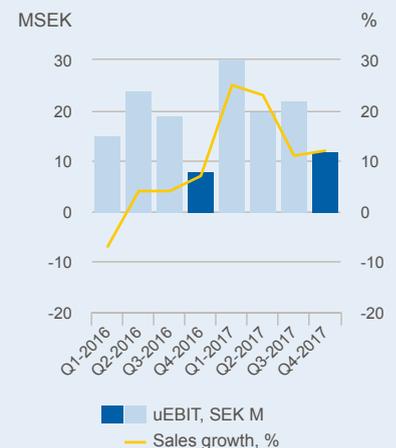
Fourth quarter

Compared to the fourth quarter last year, net sales were 12 percent higher and amounted to SEK 510 M (455). Operating profit improved somewhat to SEK 16 M (15), mainly due to price and mix effects. The underlying operating result amounted to SEK 12 M (8). Tonnage was in line with previous year, which together with higher average prices contributed to the higher sales.

Full-year 2017

Net sales increased by 18 percent compared to previous year, amounting to SEK 2,114 M (1,794). The operating result improved to SEK 105 M (80) and, adjusted for inventory gains and losses, the underlying operating result improved to SEK 89 M (66). The improvement is largely attributable to volume growth and favourable price and mix effects. Both the Construction and Manufacturing segments have the same positive development. Tonnage increased by 4 percent compared with the same period in 2016.

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



Parent Company & consolidated items

Parent Company & consolidated items include the Parent Company, Group eliminations and also parts of the Group's operations undergoing restructuring (BE Group Czech Republic, BE Group Slovakia, BE Group Produktion Eskilstuna and RTS Estonia) are reported under Parent Company & consolidated items. BE Group Produktion Eskilstuna has been reported under Parent Company and Group items since the fourth quarter of 2017. Comparative numbers have been restated.

The restructuring of these operations, approved by the Board of BE Group partly in the first quarter of 2016 and partly in the second quarter of 2017, are largely completed.

In total, the operations under reconstruction had sales of SEK 21 M (58) in the fourth quarter with an underlying operating result of SEK -3 M (-9). For the full year, the net sales amounted to SEK 158 M (289). The underlying operating result amounted to SEK -28 M (-29).

Fourth-quarter sales in the Parent Company, BE Group AB (publ), amounted to SEK 56 M (6) which consists of intra-Group services. The operating result amounted to SEK 43 M (-8).

Net financial items during the year amounted to SEK -22 M (-50) and were affected by intra-Group dividends and adjustments of participations in subsidiaries. The result before tax was SEK 0 M (-67) and the result after tax was SEK -1 M (-57). Investments in the Parent Company amounted to SEK 0 M (0). At the end of the year, cash and equivalents in the Parent Company amounted to SEK 44 M (9).

Net financial items and tax

Consolidated net financial items in the fourth quarter amounted to SEK -6 M (-6), of which net interest accounted for SEK -4 M (-4). Net financial items for the full year amounted to SEK -23 M (-27) and net interest amounted to SEK -17 M (-19). On an annual basis, the Group's net interest corresponds to 3.2 percent (3.4) of the average interest-bearing net debt.

Taxes for the fourth quarter amounted to SEK -4 M (0). The result after tax decreased to SEK -5 M (-2) including items affecting comparability of SEK -10 M (0) for the fourth quarter and amounted to SEK 24 M (-20) for the full year including items affecting comparability of SEK -52 M (-45).

Cash flow

At the end of the period, consolidated working capital amounted to SEK 492 M (506) and average working capital tied-up for the fourth quarter was 11.1 percent (13.1). Cash flow from operating activities amounted to SEK 10 M (3) during the quarter and SEK 95 M (78) for the full year.

Cash flow from investing activities amounted to SEK -9 M (-3) for the fourth quarter and SEK 5 M (-10) for the full year. Cash flow after investments amounted to SEK 1 M (0) in the fourth quarter and SEK 100 M (68) for the full year.

Financial position and liquidity

At the end of the period, consolidated cash and equivalents, including overdraft facilities, were SEK 161 M (127) and consolidated interest-bearing net debt amounted to SEK 478 M (562).

At the end of the period, equity totalled SEK 802 M (771), while the debt/equity ratio was 60 percent (73).

Organization, structure and employees

The number of employees decreased to 665 compared with 711 at the same time in the previous year. The decrease is mainly due to the restructuring done in 2016 and 2017. The average number of employees during the year amounted to 700 (739).

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 2018

The Annual General Meeting of BE Group will be held on 26 April 2018, at 3:00 p.m. 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 made taking BE Group's financial position and prospects into account. BE Group reports a cash flow after investments of SEK 100 M (68) resulting in a reduced net debt of SEK 478 M (562) and gearing decreasing from 73 percent to 60 percent. The ambition is that BE Group will develop a stronger balance sheet in the long term to be able to utilize business opportunities and become an even stronger counter part in relation to the company's stakeholders. Against this background and despite expectations of continued good demand on the Group's main markets, the Board of Directors proposes that no dividend will be paid for the financial year of 2017.

Significant risks and uncertainties

The financial risk exposure is explained in the 2016 Annual Report, which was published in March 2017. No new significant risks or uncertainties have arisen since that date.

Accounting principles

The interim report was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company's interim report 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 2016 Annual Report for details of the Group's accounting principles and definitions of certain terms. The principles applied are unchanged in relation to the Annual Report. In other regards, the new standards and interpretations that have entered force effective from the financial year 2017 have not had any major impact on the financial reporting.

For the new accounting principles (IFRS 9 and IFRS 15) that enter into effect on 1 January 2018, the Group concluded the preliminary studies in the third quarter of 2017. The final assessment is that IFRS 15 will not have any material impact on the consolidated income statement. A company can choose between "full retroactivity" or prospective application with additional disclosures. The Group will use prospective application. For IFRS 9, the final assessment is that it will not have a material impact on the classification or measurement of the consolidated financial assets and liabilities. The new model for the calculation of credit loss reserves is based on expected credit losses instead of confirmed losses. The Group will apply the simplified method, which will entail earlier recognition of credit losses, but the effect is expected to be minor as the Group has historically had small credit losses.

The introduction of IFRS 16 will have an effect on the Group's financial reporting, but its extent is not yet evaluated.

Future information

Future reporting dates

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

- The Annual Report for 2017 will be available in late March/beginning of April 2018.
- The Interim Report for January–March 2018 will be published on April 26, 2018.
- The Interim Report for January–June 2018 will be published on July 19, 2018.
- The Interim Report for January–September 2018 will be published on October 23, 2018.

Financial information is available in Swedish and English from BE Group's website and can be ordered by phone +46 (0) 40 38 42 00 or e-mail: info@begroup.com

Malmö, February 1, 2018

BE Group AB (publ)

Anders Martinsson

President and CEO

Questions concerning this report may be directed to:

Anders Martinsson, President and CEO

Tel: +46 (0)706 21 02 22, e-mail: anders.martinsson@begroup.com

Daniel Fäldt, CFO

Tel: +46 (0)705 60 31 75, e-mail: daniel.faldt@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, Fax: +46 (0)40 38 41 11

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 February 1, 2018.

Condensed consolidated income statement

(SEK M)	Note	2017 Oct-Dec	2016 Oct-Dec	2017 Full-year	2016 Full-year
Net sales		1,095	953	4,348	3,870
Cost of goods sold	1	-943	-820	-3,729	-3,309
Gross profit		152	133	619	561
Selling expenses	1	-102	-104	-395	-395
Administrative expenses	1	-33	-28	-123	-111
Other operating income and expenses	2	-13	0	-55	-47
Participation in joint venture		1	3	11	8
Operating profit/loss		5	4	57	16
Financial items		-6	-6	-23	-27
Profit/loss before tax		-1	-2	34	-11
Tax		-4	0	-10	-9
Profit/loss for the period		-5	-2	24	-20
Earnings per share ¹⁾		-0.40	-0.20	1.87	-1.56
Earnings per share before and after dilution ¹⁾		-0.40	-0.20	1.87	-1.56

1) Refers to the average number of shares.

Consolidated statement of comprehensive income

(SEK M)	2017 Oct-Dec	2016 Oct-Dec	2017 Full-year	2016 Full-year
Profit/loss for the period	-5	-2	24	-20
Other comprehensive income				
Items that have, or may be, reclassified to profit/loss for the period				
Translation differences	16	-3	16	20
Hedging of net investments in foreign subsidiaries	-13	2	-12	-18
Tax attributable to items in other comprehensive income	3	-1	3	4
Total other comprehensive income	6	-2	7	6
Comprehensive income for the period	1	-4	31	-14

Condensed consolidated balance sheet

(SEK M)	Note	2017 Dec 31	2016 Dec 31
Goodwill		552	562
Other intangible assets		11	18
Tangible assets		115	156
Investment in joint venture		117	87
Financial assets		0	0
Deferred tax assets		56	51
Total non-current assets		851	874
Inventories		599	527
Accounts receivables		489	442
Other receivables		35	49
Cash and equivalents		61	27
Total current assets		1,184	1,045
Total assets	3	2,035	1,919
Equity		802	771
Non-current interest-bearing liabilities		519	527
Provisions		0	0
Deferred tax liability		43	43
Total non-current liabilities		562	570
Current interest-bearing liabilities		20	63
Accounts payables		479	375
Other current liabilities		152	136
Other current provisions		20	4
Total current liabilities		671	578
Total equity and liabilities	3	2,035	1,919
Contingent liabilities		30	17

Condensed consolidated cash-flow statement ¹⁾

(SEK M)	2017 Oct-Dec	2016 Oct-Dec	2017 Full-year	2016 Full-year
Operating result	5	4	57	16
Adjustment for non-cash items	6	6	63	60
– of which, amortization/depreciation	2	8	74	64
– of which, other items	4	-2	-11	-4
Interest paid/received	-5	-5	-21	-23
Income tax paid	-1	-2	-19	-9
Change in working capital	5	0	15	34
Cash flow from operating activities	10	3	95	78
Investments in intangible assets	0	0	0	-2
Investments in tangible assets	-11	-3	-22	-8
Divestments of tangible assets	2	-	27	-
Other cash flow from investing activities	0	0	0	0
Cash flow after investments	1	0	100	68
Cash flow from financing activities	-76	-8	-69	-74
Cash flow for the period	-75	-8	31	-6
Exchange-rate difference in cash and equivalents	3	-1	3	0
Change in cash and equivalents	-72	-9	34	-6

¹⁾ The structure of the consolidated cash flow statement has been changed. Effective from January 1, 2017 the cash flow statement is based on the Operating result instead of Result before tax as previously. Comparative figures have, therefore, been restated.

Condensed statement of changes in equity

(SEK M)	2017 Oct-Dec	2016 Oct-Dec	2017 Full-year	2016 Full-year
Equity at beginning of period	801	775	771	785
Comprehensive income for the period	1	-4	31	-14
Equity at end of period	802	771	802	771

Note 1 Amortizations and depreciations

(SEK M)	2017 Oct-Dec	2016 Oct-Dec	2017 Full-year	2016 Full-year
Amortization of intangible assets	1	2	8	10
Depreciation of tangible assets	7	11	33	40
Total amortizations and depreciations	8	13	41	50

Note 2 Items affecting comparability

(SEK M)	2017 Oct-Dec	2016 Oct-Dec	2017 Full-year	2016 Full-year
Restructuring expenses	-10	-	-28	-11
Write-down of tangible assets	-	-	-4	-32
Write-down of intangible assets	-	-	-1	-2
Write-down of current assets	-	-	-22	-
Reversal of write-down of participation in joint venture	-	-	20	-
Write-down of goodwill	-	-	-17	-
Total items affecting comparability	-10	-	-52	-45

Note 3 Valuation of financial assets and liabilities

In all material respects fair value coincides with the carrying amount in the balance sheet for financial assets and liabilities.

The assessment of the fair value of the financial assets has been carried out in accordance with level 2 as defined by IFRS 7.27 A, with the exception of cash and equivalents, which are valued in accordance with level 1. For additional information, see Note 31 in the 2016 Annual Report. No material changes have taken place in relation to the valuation as per December 31.

Segment reporting

Net sales per segment ¹⁾

(SEK M)	2017 Oct-Dec	2016 Oct-Dec	2017 Full-year	2016 Full-year
Sweden & Poland	568	445	2,094	1,813
Finland & Baltics	510	455	2,114	1,794
Parent Company and consolidated items	17	53	140	263
Group	1,095	953	4,348	3,870

Shipped tonnage per segment (thousands of tonnes)

	2017 Oct-Dec	2016 Oct-Dec	2017 Full-year	2016 Full-year
Sweden & Poland	45	41	172	166
Finland & Baltics	44	45	191	185
Parent Company and consolidated items	0	-1	0	23
Group	89	85	363	374

Operating profit/loss (EBIT) per segment ¹⁾

(SEK M)	2017 Oct-Dec	2016 Oct-Dec	2017 Full-year	2016 Full-year
Sweden & Poland	6	12	78	55
Finland & Baltics	16	15	105	80
Parent Company and consolidated items	-17	-23	-126	-119
Group	5	4	57	16

Operating margin per segment ¹⁾

	2017 Oct-Dec	2016 Oct-Dec	2017 Full-year	2016 Full-year
Sweden & Poland	1.1%	2.7%	3.7%	3.0%
Finland & Baltics	3.1%	3.3%	5.0%	4.4%
Parent Company and consolidated items	neg	neg	neg	neg
Group	0.5%	0.4%	1.3%	0.4%

Underlying operating profit/loss (uEBIT) per segment ^{1) 2)}

(SEK M)	2017 Oct-Dec	2016 Oct-Dec	2017 Full-year	2016 Full-year
Sweden & Poland	13	8	72	45
Finland & Baltics	12	8	89	66
Parent Company and consolidated items	-16	-23	-79	-78
Group	9	-7	82	33

Underlying operating margin per segment ^{1) 3)}

	2017 Oct-Dec	2016 Oct-Dec	2017 Full-year	2016 Full-year
Sweden & Poland	2.5%	1.8%	3.4%	2.5%
Finland & Baltics	2.1%	1.8%	4.2%	3.7%
Parent Company and consolidated items	neg	neg	neg	neg
Group	0.8%	-0.7%	1.9%	0.9%

Depreciation per segment ¹⁾

(SEK M)	2017 Oct-Dec	2016 Oct-Dec	2017 Full-year	2016 Full-year
Sweden & Poland	3	4	14	17
Finland & Baltics	4	4	16	17
Parent Company and consolidated items	1	5	11	16
Group	8	13	41	50

Investments in tangible and intangible assets per segment ¹⁾

(SEK M)	2017 Oct-Dec	2016 Oct-Dec	2017 Full-year	2016 Full-year
Sweden & Poland	5	1	10	4
Finland & Baltics	6	0	12	3
Parent Company and consolidated items	0	2	0	3
Group	11	3	22	10

¹⁾ BE Group Eskilstuna is reported under Parent Company and consolidated items since the fourth quarter of 2017. Comparative numbers have been restated.

²⁾ 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.

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

Key data

(SEK M unless otherwise stated)	2017 Oct-Dec	2016 Oct-Dec	2017 Full-year	2016 Full-year
Net sales	1,095	953	4,348	3,870
Earnings measurements				
Gross profit/loss	152	133	619	561
Underlying gross profit/loss	145	124	596	536
Operating profit/loss (EBIT)	5	4	57	16
Underlying operating result (uEBIT)	9	-7	82	33
Margin measurements				
Gross margin	13.9%	14.0%	14.2%	14.5%
Underlying gross margin	13.2%	13.0%	13.7%	13.9%
Operating margin	0.5%	0.4%	1.3%	0.4%
Underlying operating margin	0.8%	-0.7%	1.9%	0.9%
Capital structure				
Net debt	478	562	478	562
Net debt/equity ratio	60%	73%	60%	73%
Working capital at end of period	492	506	492	506
Working capital (average)	486	499	514	488
Capital employed (average)	1,371	1,368	1,373	1,383
Working capital tied-up	11.1%	13.1%	11.8%	12.6%
Return				
Return on capital employed	1.7%	1.2%	4.2%	1.2%
Per share data				
Earnings per share (SEK) ¹⁾	-0.40	-0.20	1.87	-1.56
Earnings per share after dilution (SEK) ¹⁾	-0.40	-0.20	1.87	-1.56
Equity per share (SEK)	61.77	59.41	61.77	59.41
Cash flow from operating activities per share (SEK) ¹⁾	0.78	0.21	7.35	5.99
Shares outstanding at period end (thousands)	12,983	12,983	12,983	12,983
Number of shares (thousands) before and after dilution ¹⁾	12,983	12,983	12,983	12,983
Growth				
Sales growth	15%	-3%	12%	-7%
– of which organic tonnage growth	5%	-13%	-3%	-8%
– of which price and mix changes	10%	8%	14%	0%
– of which currency effects	0%	2%	1%	1%
Other				
Average number of employees	684	715	700	739
Inventory gains and losses	6	11	27	28
Shipped tonnage (thousands of tonnes)	89	85	363	374

1) Refers to average number of shares.

Condensed parent company income statement

(SEK M)	2017 Oct-Dec	2016 Oct-Dec	2017 Full-year	2016 Full-year
Net sales	56	6	92	25
Administrative expenses	-13	-14	-54	-51
Other operating income and expenses	0	0	0	0
Operating profit/loss	43	-8	38	-26
Financial items	-51	-24	-22	-50
Profit/loss after financial items	-8	-32	16	-76
Appropriations	-16	9	-16	9
Profit/loss before tax	-24	-23	0	-67
Tax	-3	-1	-1	10
Profit/loss for the period, or comprehensive income for the period	-27	-24	-1	-57

Condensed parent company balance sheet

(SEK M)	2017 Dec 31	2016 Dec 31
Intangible assets	8	15
Tangible assets	0	0
Financial assets	1,016	1,083
Total non-current assets	1,024	1,098
Current receivables	213	207
Cash and equivalents	44	9
Total current assets	257	216
Total assets	1,281	1,314
Equity	557	558
Non-current liabilities	512	515
Current liabilities	212	241
Total equity and liabilities	1,281	1,314
Pledged assets	1,172	1,166
Contingent liabilities	26	52

Key data – multi-quarter summary

(SEK M unless otherwise stated)	2017 Oct-Dec	2017 Jul-Sep	2017 Apr-Jun	2017 Jan-Mar	2016 Oct-Dec	2016 Jul-Sep	2016 Apr-Jun	2016 Jan-Mar	2015 Oct-Dec
Net sales	1,095	968	1,147	1,138	953	892	1,047	978	981
Earnings measurements									
Gross profit/loss	152	134	159	174	133	138	163	127	112
Underlying gross profit/loss	145	136	152	163	124	123	153	136	117
Operating profit/loss (EBIT)	5	19	-13	46	4	26	31	-45	-17
Underlying operating result (uEBIT)	9	22	21	30	-7	10	21	9	-12
Margin measurements									
Gross margin	13.9%	13.8%	13.8%	15.3%	14.0%	15.4%	15.5%	13.0%	11.4%
Underlying gross margin	13.2%	14.0%	13.2%	14.3%	13.0%	13.8%	14.6%	13.9%	12.0%
Operating margin	0.5%	2.0%	-1.1%	4.0%	0.4%	2.9%	2.9%	-4.6%	-1.7%
Underlying operating margin	0.8%	2.2%	1.9%	2.6%	-0.7%	1.1%	2.0%	1.0%	-1.2%
Capital structure									
Net debt	478	465	586	528	562	563	540	565	609
Net debt/equity ratio	60%	58%	74%	66%	73%	73%	71%	77%	78%
Working capital at end of period	492	480	588	502	506	493	454	464	525
Working capital (average)	486	534	545	504	499	473	459	495	551
Capital employed (average)	1,371	1,397	1,381	1,364	1,368	1,381	1,375	1,395	1,473
Working capital tied-up	11.1%	13.8%	11.9%	11.1%	13.1%	13.3%	11.0%	12.6%	14.0%
Return									
Return on capital employed	1.7%	5.4%	-3.7%	13.4%	1.2%	7.6%	9.0%	-12.8%	-4.6%
Per share data ²⁾									
Earnings per share (SEK) ¹⁾	-0.40	0.72	-1.03	2.58	-0.20	1.25	1.47	-4.07	-1.81
Earnings per share after dilution (SEK) ¹⁾	-0.40	0.72	-1.03	2.58	-0.20	1.25	1.47	-4.07	-1.81
Equity per share (SEK)	61.77	61.70	61.19	61.93	59.41	59.67	58.19	56.54	60.44
Cash flow from operating activities per share (SEK) ¹⁾	0.78	7.48	-3.72	2.81	0.21	-0.89	2.76	3.91	-2.84
Shares outstanding at period end (thousands)	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983
Number of shares (thousands) before and after dilution ¹⁾	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983
Growth									
Sales growth	15%	9%	10%	16%	-3%	-8%	-5%	-11%	-3%
– of which organic tonnage growth	5%	1%	-10%	-5%	-13%	-13%	-3%	-5%	1%
– of which price and mix changes	10%	8%	18%	20%	8%	5%	-2%	-6%	-4%
– of which currency effects	0%	0%	2%	1%	2%	0%	0%	0%	0%
Other									
Average number of employees	684	709	710	708	715	729	747	765	776
Inventory gains and losses	6	-3	8	16	11	16	10	-9	-5
Shipped tonnage (thousands of tonnes)	89	82	94	98	85	81	105	103	97

¹⁾ Refers to average number of shares.

²⁾ A 1:20 reverse share split was carried out in May 2016. Comparative figures for 2016 and 2015 have been restated for this.

Alternative performance measures

The Group uses a number of alternative performance measures in its report. The alternative performance measures that BE Group considers significant are the following:

Underlying operating result (uEBIT)

(SEK M)	2017 Oct-Dec	2016 Oct-Dec	2017 Full-year	2016 Full-year
Operating result	5	4	57	16
Reversal of inventory gains (-)/losses (+)	-6	-11	-27	-28
Adjustment for items affecting comparability	10	-	52	45
Group	9	-7	82	33

Net debt

(SEK M)	2017 31 Dec	2016 31 Dec
Non-current interest-bearing liabilities	519	527
Current interest-bearing liabilities	20	63
Deduction financial assets	0	0
Deduction cash and equivalents	-61	-27
Rounding	-	-1
Group	478	562

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

Working capital

(SEK M)	2017 31 Dec	2016 31 Dec
Inventories	599	527
Accounts receivable	489	442
Other receivables	35	49
Deduction accounts payable	-479	-375
Deduction other current liabilities	-152	-136
Rounding	-	-1
Group	492	506

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

Capital employed

(SEK M)	2017 31 Dec	2016 31 Dec
Equity	802	771
Non-current interest-bearing liabilities	519	527
Current interest-bearing liabilities	20	63
Rounding	-	-
Group	1,341	1,361

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

Definitions of key data

Adjusted results measurements

Underlying gross profit/loss	The underlying gross profit/loss is the reported gross profit adjusted for inventory gains and losses (deductions for gains and additions for losses).
------------------------------	--

Underlying operating profit/loss (uEBIT)	Operating profit/loss (EBIT) before items affecting comparability adjusted for inventory gains and losses (deductions for gains and additions for losses).
--	--

Adjusted margin measurements

Underlying gross margin	Underlying gross profit/loss as a percentage of net sales.
-------------------------	--

Underlying operating margin	Underlying operating profit/loss (uEBIT) as a percentage of net sales.
-----------------------------	--

Capital structure

Net debt	Interest-bearing liabilities less cash and equivalents and financial assets.
----------	--

Net debt/equity ratio	Net debt divided by equity.
-----------------------	-----------------------------

Working capital	Inventories and current receivables less current liabilities, excluding provisions and interest-bearing liabilities.
-----------------	--

Working capital (average)	Inventories and current receivables less current liabilities, excluding provisions and interest-bearing liabilities. This measure represents an average for each period based on quarterly data.
---------------------------	--

Capital employed	Equity plus interest-bearing liabilities.
------------------	---

Capital employed (average)	Equity plus interest-bearing liabilities. This measure represents an average for each period based on quarterly data.
----------------------------	---

Working capital tied-up	Average working capital, as a percentage of annually adjusted net sales.
-------------------------	--

Return on capital

Return on capital employed	Annually adjusted operating result, as a percentage of average capital employed.
----------------------------	--

Per share data

Earnings per share	Profit/loss for the period divided by the average number of shares outstanding during the period.
--------------------	---

Equity per share	Equity divided by the number of shares outstanding at the end of the period.
------------------	--

Cash flow per share from operating activities	Cash flow from operating activities divided by the average number of shares for the period.
---	---

Shares outstanding at the end of the period	Shares outstanding at the end of the period adjusted for rights issues and share splits.
---	--

Average number of shares	Weighted average number of shares outstanding during the period, adjusted for rights issued and share splits.
--------------------------	---

Growth

Sales growth	Change in net sales from the preceding period in percent.
--------------	---

Other

Inventory gains and losses	The difference between the cost of goods sold at acquisition value and the cost of goods sold at replacement cost.
----------------------------	--

Please refer to the 2016 annual report for other definitions of key data.



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 engineering and construction sectors 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 700 employees and sales of SEK 4.3 billion in 2017. 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. 700

Net sales

4,3 Mdkr

