

BE Group Q1 2017 - Significantly improved operating result

- Net sales rose 16 percent to SEK 1,138 M (978).
- Tonnage excluding operations under restructuring increased by 9 percent.
- The operating result improved to SEK 46 M (-45)
- The underlying operating result improved to SEK 30 M (9).
- The profit after tax was SEK 34 M (-53).
- Cash flow from operating activities was SEK 37 M (51).
- Earnings per share amounted to SEK 2.58 (-4.07).

CEOs Message

During the first quarter of 2017, we could see the effects of both rising prices and underlying margin improvements. This has had a positive effect on sales, while a higher underlying gross margin has improved the underlying operating result to SEK 30 M (9). Gradually rising prices have provided favorable inventory effects in the form of inventory gains of SEK 16 M (-9) during the quarter, improving the operating result significantly to SEK 46 M (-45). Eliminated for non-recurring items of SEK -45 M last year, result improvement was SEK 46 M.

Market demand has increased, leading to tonnage growth in both Business Area Sweden & Poland, where shipped tonnage rose by 7 percent compared with last year, and Business Area Finland & Baltics, with a volume growth of as much as 11 percent. The tonnage has also been impacted positively by an increased number of tradingdays (3 pcs) compared with last year.

The positive result and good control of working capital has resulted in favorable cash flow. Over the quarter, operating activities generated positive cash flow of SEK 37 M (51), bringing the corresponding figure for the past 12 months to SEK 64 M. This means that the Company's net debt continues to decline and that the Company's financing costs are reduced.

Structural and organizational change

The structural process for the discontinuation of unprofitable units in the Czech Republic and Slovakia that began last year has essentially been completed. The sale of a property in Ostrava is primarily what remains.

During the quarter, Daniel Fäldt assumed the position as the Group's CFO.

Outlook

Prices now appear to have stabilized after the sharp rise towards the end of last year and in the first quarter of 2017. At the same time, the assessment is that market demand will remain good. The process of restructuring and improvement within the framework of the new organization is expected to progress as planned and gradually improve the Group's result compared with last year.

Anders Martinsson, President and CEO



For further information, please contact:

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.faltdt@begroup.com

On the 28th of April 2017, at 9:00 a.m., Anders Martinsson and Daniel Fäldt will comment on developments in a press and analyst conference. The conference may be followed via webcast or by phone (see information below).

If you wish to participate via webcast and/or ask questions at the press conference, please copy and paste the following link into your web browser to register online. Please be certain to copy the full link.

<http://edge.media-server.com/m/p/wysfssek>

The following telephone numbers can be used to participate in the presentation:

Sweden: +46 8 505 564 74

UK: +44 20 336 453 74

US: +1 855 753 22 30

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 am CET on April 27, 2017.

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 2016, the Group reported sales of SEK 3.9 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.