

## BE Group initiates process to centralize warehouse and production operations to Norrköping and the closure of the warehouse in Malmö

BE Group is initiating a process to centralize warehouse and production operations in Sweden to the site in Norrköping. The intention, related to this change, is to close the warehouse in Malmö which will affect approximately 15 employees. MBL negotiations will start as soon as possible.

This change will lead to a stronger customer offering including, but not limited to, more complete deliveries, optimized production planning, more efficient use of material and logistics management with inbound and outbound deliveries to and from one warehouse. The centralization of the warehouse and production business also leads to cost savings of approximately SEK 15 M per year. The one-off cost is approximately SEK 35 M and will be charged to this quarter.

*- It is a difficult message that we are forced to deliver to our employees at the warehouse in Malmö. At the same time, I see the centralization as an important step to further strengthen BE Group's competitiveness. We will, as soon as possible, start MBL negotiations and will strive to handle the process as well as possible for everyone involved, says Peter Andersson, President and CEO of BE Group.*

During the spring of 2020, BE Group's new automated production line for processing of beams, bars and tubes will also be in operation. Investments and efficiency improvements in Norrköping and the centralization of warehouse and production operations will result in an annual profitability improvement of approximately SEK 30 M.

BE Group's sales organization and head office in Malmö will not be affected by the change. The ambition is that the process of centralizing the warehouse operations to Norrköping will be completed in August 2020.

### For further information, please contact:

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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 8.30 am CET on March 12, 2020.

*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 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](http://www.begroup.com).*