

## BE Group Q3 2017 – Strongly improved underlying operating result

- Net sales increased by 9 percent to SEK 968 M (892), excluding operations under restructuring, by 10 percent.
- The underlying operating result increased to SEK 22 M (10).
- The operating result amounted to SEK 19 M (26).
- The result after tax was SEK 9 M (16).
- Cash flow from operating activities amounted to SEK 97 M (-12), explained by a decrease in working capital due to timing effects.
- Earnings per average number of shares amounted to SEK 0.72 (1.25).
- The discontinuation of the operations in Eskilstuna has essentially been completed.

### CEOs Message

The third quarter provided further evidence that BE Group is on the right track. Following a seasonal weak start to the quarter, an increase in net sales of 9 percent was achieved compared to last year, and the underlying result (uEBIT) improved to SEK 22 M (10). The improvement is primarily attributable to increased steel prices and improved profitability in our production operations. The sharp rise in steel prices that occurred in the second quarter was followed by a settling of prices for certain types of steel, resulting in inventory losses of SEK -3 M, compared with inventory gains of SEK 16 M in the same period last year. Consequently, the operating result (EBIT) weakened to SEK 19 M (26).

### Structural and organizational change

The closure of the production unit in Eskilstuna is proceeding according to plan. The affected employees have contributed in exemplary manner to a successful process, with the operating activities now having been discontinued. The discontinuation has been implemented within the framework of expenses of SEK -45 M charged in the second quarter.

### Outlook

Demand is expected to remain favorable in the company's main markets. The Swedish and Finnish manufacturing sectors are developing well and we take a positive view of the future. Steel prices are again expected to increase slightly until the end of the year and, combined with ongoing improvement measures and the discontinuation of unprofitable operations, the Group's profitability is expected to develop positively. We therefore expect a substantial improvement in earnings in the fourth quarter compared with the previous year.

*Anders Martinsson, President and CEO*



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On October 24, 2017, at 9:00 am, 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.

<https://edge.media-server.com/m6/p/pd5z9hum>

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

Sweden: +46 8 505 564 74

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US: +1 855 753 22 30

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