

## BE Group Q1 2018 – A strong start to the new year

### First quarter

- Net sales increased by 8% to SEK 1,226 M (1,138).
- The underlying operating result increased to SEK 48 M (30).
- Operating result increased to SEK 55 M (46).
- Result after tax increased to SEK 39 M (34).
- Cash flow from operating activities amounted to SEK -1 M (37).
- Earnings per share increased to SEK 3.03 (2.58).

### Statement from the CEO

#### *Comments on the period*

During the first quarter 2018, the Group delivers the highest underlying operating result since the third quarter 2008. Positive effects have been achieved by both higher prices and improved underlying margin related to improvement measures taken. Higher sales and a higher underlying gross margin improve the underlying operating result in the quarter to SEK 48 M (30). With inventory gains of SEK 7 M (16) during the quarter, the operating result was SEK 55 M (46), corresponding to 4.5 percent (4.0) of net sales.

With this quarter's results, we show that we are heading in the right direction and that all the effort that the organization has put in is beginning to pay off.

#### *Tonnage and sales growth*

Demand in our main markets remain strong. During the quarter, we had growth in business area Sweden & Poland where the shipped tonnage increased by 5 percent compared with the previous year and net sales by a full 20 percent. In business area Finland & Baltics, competition has stiffened mainly in thin sheets, which constitutes a significant part of the business. During the quarter, this resulted in some lost volume and price pressure, but in spite of this, net sales increased in the business area by 5 percent compared to last year.

The positive development of the result compensates for an increase in working capital during the quarter, which leads to a neutral cash flow in the period.

In the past 12 months, although the inventory value increased due to price increases and volumes attributable to higher sales, we generated a cash flow from operating activities of SEK 57 M and the past three quarters of SEK 106 M. The net debt is thereby 5 percent lower than the same time last year and we are continuing to strengthen the balance sheet.

#### *Development of the company*

The positive trend for the company is continuing and we see good effects both from the closure of Eskilstuna and implemented improvement measures in Lecor.

The internal pace of change is gradually increasing as the organization continues to work on the strategy, launched in 2017, containing efficiency improvement measures and a strong focus on digitalization.



### Outlook

Demand in the next quarter is expected to remain strong in the company's main markets. The turbulence that occurred on a macro level with regard to trade barriers has so far resulted in continued price increases.

We strongly believe that on-going improvement measures together with the completed closures of unprofitable operations will continue to strengthen the Group.

*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.faldt@begroup.com

On April 27, 2018, 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/sa9kb5mr>

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. The information was submitted for publication, through the agency of the contact persons set out above, at 7.45 am CET on April 26, 2018

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