

BE Group Q1 2019 – Improved cash flow

First quarter

- Net sales amounted to SEK 1,205 M (1,226).
- The underlying operating result amounted to SEK 40 M (48).
- The operating result amounted to SEK 34 M (55), including inventory losses of SEK -6 M (7).
- Result after tax amounted to SEK 20 M (39).
- Cash flow from operating activities increased to SEK 62 M (-1).
- Earnings per share amounted to SEK 1.56 (3.03).

Statement from the CEO

The business delivered a quarter with marginally lower sales compared to the same quarter last year and the underlying operating result decreased by SEK 8 M. During the quarter, we saw a weaker development mainly in the production business in Finland, the distribution business in the Baltics and Lecor Ståltechnik where we have taken measures. The distribution business in Sweden also delivered a somewhat weaker result in the period as a result of an unfavourable channel and product mix. At the same time, the production businesses in Sweden and Poland were going strong in terms of both volume and profitability which partly compensated the lower result.

Steel prices generally remained stable in line with last quarter. However, what we see as a temporary decline in the price of aluminium and stainless steel resulted in inventory losses compared to gains last year.

Cash flow remained positive as a result of the positive earnings and good control of working capital. During the quarter, operating activities generated a positive cash flow of SEK 62 M (-1), of which SEK 20 M is an effect of the implementation of IFRS 16.

Outlook

Demand in the next quarter is expected to remain strong in the company's main markets. The steel prices are anticipated to stay at the same level as the first quarter and the prices of aluminium and stainless steel are expected to recover after the first quarter's decline.

Anders Martinsson, President and CEO



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On April 26, 2019, 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/rqndzdn6>

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

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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 2018, the Group reported sales of SEK 4.8 billion. BE Group has approximately 670 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.