



Press release

July 18, 2019

BE Group Q2 2019 – Improved result and cash flow

Second quarter

- Net sales amounted to SEK 1,193 M (1,312)
- The underlying operating result increased to SEK 32 M (26)
- The operating result increased to SEK 32 M (22)
- Result after tax increased to SEK 19 M (7)
- Cash flow from operating activities increased to SEK 67 M (17)
- Earnings per share amounted to SEK 1.44 (0.54)
- Anders Martinsson decided to resign as President and CEO of BE Group

Statement from the CEO

In the second quarter, we saw a downturn in our main markets, primarily in the construction sector, but at the end of the quarter, also from subcontractors to the manufacturing industry. Some OEM customers have decreased orders to their subcontractors. However, we expect some recovery from this effect. The business subsequently provided lower sales compared to the same quarter last year.

In the quarter, we noted a somewhat stronger margin growth in the distribution businesses in Sweden and Finland while on-going measures in the Baltics and at Lecor Stålteknik have not yet had a full effect. It is pleasing that the production operations in Finland have now recovered after several weak quarters and delivers in line with last year. Steel prices generally remained stable and in line with the first quarter. However, what we projected to be a temporary decline in the price of aluminium and stainless steel in the previous quarter has now recovered and there were no inventory gains or losses in the quarter.

Cash flow remained strong 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 67 M and of SEK 129 M in the first six months.

Outlook

Demand in the third quarter is expected to be in line with the second quarter, adjusted for the vacation period. The steel prices are in general expected to remain on the same level as the second quarter.

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 July 18, 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/vo5hyrty>

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

Sweden: +46 8 566 426 51, PIN: 32319241#

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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 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 July 18, 2019.

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 manufacturing industries. 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.