

BE Group Year-End Report 2019 – The Board of Directors proposes dividend of SEK 1.75 per share

Fourth quarter

- Net sales decreased by 15% to SEK 984 M (1,154)
- The underlying operating result amounted to SEK 9 M (17)
- The operating result amounted to SEK 8 M (22)
- Result after tax amounted to SEK 7 M (11)
- Cash flow from operating activities increased to SEK 85 M (80)
- Earnings per share amounted to SEK 0.57 (0.83)

Statement from the CEO

The weaker demand that characterized the second and third quarters continued during the last quarter of the year and net sales declined by 15 percent compared to last year. As a result of this, the underlying operating result decreased to SEK 9 M (16).

Relatively stable steel prices during the quarter generated a minor inventory loss of SEK 1 M, compared to an inventory gain of SEK 1 M the same period last year, and the operating result amounted to SEK 8 M (22).

On-going capacity adjustments to the lower demand together with effects of previously implemented structural measures mean that the number of employees continued to decrease during the quarter. Implemented efficiency improvements and other improvement measures have contributed to strengthening of the gross margin by 0.8 percentage points during the quarter compared to last year.

Tonnage and sales growth

During the quarter, business area Sweden & Poland had a negative tonnage growth as a result of continued declining demand from both the construction and manufacturing industries and sales decreased by 19 percent.

In business area Finland & Baltics, tough competition combined with weaker demand from major OEM customers led to a tonnage decrease of 9 percent, which resulted in a sales decrease of 9 percent compared to the same period last year.

However, the weaker operating result was compensated by a decrease in working capital, which generated a strong cash flow during the period.

Efficiency improvements and investments

The economic downturn that began earlier this year continued and strengthened. This means that focus on efficiency improvements and taking market shares continues to be prioritized. The previously communicated investments in Norrköping, totalling approximately SEK 60 M, are proceeding according to plan and will clearly strengthen the Group's competitiveness.

Peter Andersson, President and CEO



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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 manufacturing industries. 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.