

BE Group Q1 2020

First quarter

- Net sales amounted to SEK 1,118 M (1,205)
- The underlying operating result amounted to SEK 42 M (40)
- The quarter was affected by items affecting comparability of SEK -35 M related to centralization of warehouse and production operations in Sweden
- The operating result amounted to SEK -4 M (34), including inventory losses of SEK -11 M (-6)
- Result after tax amounted to SEK -23 M (20)
- Cash flow from operating activities increased to SEK 93 M (62)
- Earnings per share amounted to SEK -1.75 (1.56)
- In March, the Board of Directors decided to withdraw the previously communicated proposal of dividend for the financial year of 2019

Statement from the CEO

Sales in the first quarter of 2020 were slightly lower compared to the same quarter last year, but the underlying operating result improved slightly and amounted to SEK 42 M (40). Both sales and result should be seen in the light of the slowdown in demand that began in the second quarter of 2019 and continued throughout the second half of the year. Looking at individual months, sales in March were in line with last year.

In addition to inventory losses of SEK -11 M (-6), the operating result was negatively affected by one-off costs of SEK 35 M related to centralizing warehouse and production operations in Norrköping and closing the warehouse in Malmö, as we communicated in mid-March. The operating result after this amounted to SEK -4 M (34).

The positive underlying result and good control of working capital resulted in a strong cash flow of SEK 93 M (62) from current operations.

The future

We are leaving a strong quarter behind us, but due to the rapid spread of Covid-19 and the enormous uncertainty at present, it is currently completely impossible to quantify the impact this will have on the business and the performance in future quarters and the full year 2020.

To fend off the lower demand that is coming, we have introduced shortened working week, renegotiated agreements and increased control over working capital and costs. We are prepared to take more and stronger measures while also being prepared to gear up at short notice and meet increasing demand from both new and old customers.

What we are doing at the same time is continuing to build a good company for the future. In addition to continuous improvements and adjustments in all parts of the business, the production investments in Norrköping are in their final phase and will soon be fully operational. The centralization of warehouse and production operations in Norrköping



together with the closure of the warehouse in Malmö is proceeding according to plan. These measures will strengthen and renew what we offer the market while clearly reducing our ongoing costs.

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 engineering sectors. 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.