

## BE Group Q3 2020

### Third quarter

- Net sales decreased by 24% to SEK 744 M (977)
- The underlying operating result amounted to SEK 14 M (13)
- The operating result amounted to SEK 4 M (14)
- Result after tax amounted to SEK -4 M (4)
- Cash flow from operating activities amounted to SEK 1 M (-14)
- Earnings per share amounted to SEK -0.32 (0.30)

### Statement from the CEO

The third quarter is normally a weaker quarter for BE Group and this year was no exception. It feels as if the holiday period was more drawn out than usual and the market's recovery is and has been slow. In total, sales decreased by 24 percent during the quarter, but when we sum things up, we nonetheless achieved somewhat better underlying result than last year at SEK 14 M (13). This is the result of a higher gross margin in all of the companies and good cost control.

Good control of working capital also resulted in a cash flow of SEK 1 M (-14) in the quarter and generated a continued positive cash flow of SEK 189 M (115) for the first nine months.

In addition to the impact of Covid-19, this should be viewed in light of the decline in demand that already began in the second quarter of 2019 and continued into 2020.

#### *Recovery in manufacturing industry but decline in construction industry*

Right now, we are seeing a continuous recovery, but there is still extensive uncertainty about the effects of Covid-19 on future quarters. In our main markets, we can see a recovery in the manufacturing industry, while the construction industry is slowing down. We are carefully monitoring developments and are prepared to take the necessary measures, at the same time that we are prepared to shift into high gear at short notice to meet demand from both new and old customers.

The development in Sweden in the third quarter was somewhat dampened, partially by delivery problems caused by a small fire in the new production line and partially by start-up problems, as we only delivered from our Norrköping unit after the holiday period. The Finnish market has not been as affected by Covid-19, but the decline is nonetheless significant. Here, we are clearly compensating with a higher gross margin.

Although the third quarter was worse than expected for Lecor Stålteknik, the company have had a positive development during the year and, right now, we see no reason that this will not continue.



### *The future*

We are continuing to focus on building a good company with a solid foundation for the future. The investment in Norrköping is in full operation and the centralization of warehouse and production operations to Norrköping together with the closure of the warehouse in Malmö is largely completed. The restructuring in the Baltics is running according to plan and our e-commerce portal is expected to be finalized in the first quarter 2021.

Finally, I would like to express my gratitude to our employees. They have shown commitment, perseverance and flexibility in a different time. With everything else we are doing, this guarantees that we will come out stronger when the market turns around.

*Peter Andersson, President and CEO*

### **For further information, please contact:**

Peter Andersson, President and CEO

Tel: +46 706 53 76 55, email: [peter.andersson@begroup.com](mailto:peter.andersson@begroup.com)

Christoffer Franzén, CFO

Tel: +46 705 46 90 05, email: [christoffer.franzen@begroup.com](mailto:christoffer.franzen@begroup.com)

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 2.00 pm CET on October 21, 2020.

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