

Press release

April 20, 2021

BE Group Q1 2021

First quarter

- Net sales amounted to SEK 1,100 M (1,118)
- The underlying operating result increased to SEK 68 M (42)
- Inventory gains and losses amounted to SEK 18 M (-11) and items affecting comparability to SEK 0 M (-35)
- The operating result increased to SEK 86 M (-4)
- Result after tax increased to SEK 63 M (-23)
- Cash flow from operating activities amounted to SEK 60 M (93)
- Earnings per share increased to SEK 4.88 (-1.75)

Statement from the CEO

BE Group is having its best quarter in terms of earnings in more than ten years. In the previous year, BE Group showed that the possible descent in times of economic downturn had been reduced and in the first quarter, the company is clearly showing its potential under more favorable market conditions.

Sales in the first quarter of 2021 were in line with the same quarter last year, but the underlying operating result improved considerably and ended up at SEK 68 M (42). The background to this is higher gross margin and lower costs.

Rising steel prices during the quarter resulted in inventory gains of SEK 18 M, compared with inventory losses of SEK -11 M the same period last year, and the operating result amounted to SEK 86 M (-4). However, it should be noted that the operating result in the first quarter of 2020 was impacted by items affecting comparability of SEK -35 M concerning the centralization of the warehouse and production to Norrköping and closure of the warehouse in Malmö.

Continued recovery

The market is continuing to gradually recover and material prices that rose quickly and considerably at the end of last year has continued to rise during the quarter. In the main markets, the recovery is clear in both the construction and manufacturing industry. Our hope is that the pandemic is beginning to near its end, but the uncertainty about how it may affect 2021 remains.

Steel price trend

After a long period of somewhat low steel prices, they are now perceived by many to be high, but the steel producers would probably call today's prices more long-term sustainable.

European suppliers of automotive related products are fully booked into the third quarter and the alternative to importing steel to Europe is limited due to better prices and greater need outside Europe. This means rising steel prices in the second quarter and possibly also in the third quarter. Of course, this is on condition that the automotive industry utilizes its allocations.



BE Group is monitoring the market development carefully and making continuous adjustments.

Future outlook

The work of building a stable and long-term profitable company is continuing and in times when things are going well, it is important to not get comfortable and relax. After a number of years of scrimping and structural changes, the word comfortable is fortunately not a part of the company's DNA. Focus right now is on smaller and recurring improvements in every part of the company. The primary aim is to improve the customers' experience of doing business with us. Among other things, this is about expertise, delivery accuracy, offering and availability. The working name is simply customer experience.

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BE Group AB (publ), 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 2020, the Group reported sales of SEK 3.7 billion. BE Group has approximately 630 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.