

BE Group interim report January – March 2023

First quarter

- Net sales decreased by 16% to SEK 1,558 M (1,845)
- The underlying operating result amounted to SEK 10 M (180)
- The operating result amounted to SEK 1 M (184), including inventory gains and losses of SEK -9 M (4)
- Result after tax amounted to SEK -3 M (148)
- Cash flow from operating activities increased to SEK 226 M (108)
- Earnings per share amounted to SEK -0.22 (11.41)

Statement from the CEO

In the first quarter, net sales decreased by 16 percent to SEK 1,558 M (1,845) and the underlying operating result was SEK 10 M (180). Inventory losses amounted to SEK -9 M (4) and consequently the operating result amounted to SEK 1 M (184). Release of working capital, primarily by adapting inventory levels, led to a strong cash flow from operating activities which amounted to SEK 226 M (108).

The result is to be seen in the light of the previous year's hoarding wave and price increase at the end of the first quarter as a consequence of Russia's invasion of Ukraine. Compared with the fourth quarter of the previous year, both net sales and gross margin rose. The storm, where spot prices rose 100% in the first half of the year and then declined 50% in the second half of 2022, is not probably not completely over, although it has clearly subsided. Business area Finland & Baltics is likely to have bottomed out, while business area Sweden & Poland, given somewhat different customer characteristics, may continue to have a little of a challenge a bit into the second quarter.

The surrounding world

Spot prices for long products fell somewhat in the first quarter but are now expected to increase some. Flat products rose in the first quarter and are expected to rise a bit more into the second quarter. This data is confirmed by analyst firms.

Demand in the future is expected to follow the economic development at large. The manufacturing industry is still going relatively strong while the construction segment has clearly declined. Nonetheless, a lot of steel is used even in bad times. I wrote this before and it still applies.

One of BE Group's strengths is the large spread in the customer base and it is always important to make the most of the situation. This will make things as good as they can be regardless of external factors.

Investment in the future

In the first quarter, the first beams were cut in the fully automated saw and machining line for long products at BE Group's Turku facility. The project is following the budget and schedule and the facility will be fully operational in the second quarter.



In the first quarter, the Board of BE Group also made a decision to upgrade business systems. In the long term, this will entail considerable rationalization and simplified integration with both customers and suppliers and represents a major step in the company's digitalization journey.

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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 2022, the Group reported sales of SEK 6.9 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.