



BE GROUP

# INTERIM REPORT BE Group AB (publ)

January – March 2018

## A strong start to the new year

### First quarter 2018

- Net sales increased by 8% to SEK 1,226 M (1,138).
- The underlying operating result increased to SEK 48 M (30).
- Operating result increased to SEK 55 M (46).
- Result after tax increased to SEK 39 M (34).
- Cash flow from operating activities amounted to SEK -1 M (37).
- Earnings per share increased to SEK 3.03 (2.58).

<b>Results overview</b>	<b>2018 Jan-Mar</b>	<b>2017 Jan-Mar</b>	<b>Change</b>
Tonnage, thousands of tonnes	98	98	0
Net sales, SEK M	1,226	1,138	88
Underlying operating result, SEK M	48	30	18
Operating result, SEK M	55	46	9
Profit/loss for the period, SEK M	39	34	5
Earnings per share, SEK <sup>1)</sup>	3.03	2.58	0.45
Cash flow from operating activities, SEK M	-1	37	-38

<sup>1)</sup> Based on the average number of shares.

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 manufacturing and construction industries. In 2017, the Group reported sales of SEK 4.3 billion. BE Group has approximately 700 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).



## Taken measures yield results

### Statement from the CEO

#### Comments on the period

During the first quarter 2018, the Group delivers the highest underlying operating result since the third quarter 2008. Positive effects have been achieved by both higher prices and improved underlying margin related to improvement measures taken. Higher sales and a higher underlying gross margin improve the underlying operating result in the quarter to SEK 48 M (30). With inventory gains of SEK 7 M (16) during the quarter, the operating result was SEK 55 M (46), corresponding to 4.5 percent (4.0) of net sales.

With this quarter's results, we show that we are heading in the right direction and that all the effort that the organization has put in is beginning to pay off.

#### Tonnage and sales growth

Demand in our main markets remain strong. During the quarter, we had growth in business area Sweden & Poland where the shipped tonnage increased by 5 percent compared with the previous year and net sales by a full 20 percent. In business area Finland & Baltics, competition has stiffened mainly in thin sheets, which constitutes a significant part of the business. During the quarter, this resulted in some lost volume and price pressure, but in spite of this, net sales increased in the business area by 5 percent compared to last year.

The positive development of the result compensates for an increase in working capital during the quarter, which leads to a neutral cash flow in the period.

In the past 12 months, although the inventory value increased due to price increases and volumes attributable to higher sales, we generated a cash flow from operating activities of SEK 57 M and the past three quarters of SEK 106 M. The net debt is thereby 5 percent lower than the same time last year and we are continuing to strengthen the balance sheet.

#### Development of the company

The positive trend for the company is continuing and we see good effects both from the closure of Eskilstuna and implemented improvement measures in Lecor.

The internal pace of change is gradually increasing as the organization continues to work on the strategy, launched in 2017, containing efficiency improvement measures and a strong focus on digitalization.

#### Outlook

Demand in the next quarter is expected to remain strong in the company's main markets. The turbulence that occurred on a macro level with regard to trade barriers has so far resulted in continued price increases.

We strongly believe that on-going improvement measures together with the completed closures of unprofitable operations will continue to strengthen the Group.

*Anders Martinsson, President and CEO*

Bridge 2017-2018 operating result SEK M	Q1	Q2	Q3	Q4	Jan-Dec
<b>Operating result 2017</b>	<b>46</b>	<b>-13</b>	<b>19</b>	<b>5</b>	<b>57</b>
Reversal of inventory gains (-)/losses (+)	-16	-8	3	-6	-27
Items affecting comparability	-	42	-	10	52
<b>Underlying operating result 2017</b>	<b>30</b>	<b>21</b>	<b>22</b>	<b>9</b>	<b>82</b>
Change in sales	13	-	-	-	-
Change in underlying gross margin	4	-	-	-	-
Change in overhead costs	1	-	-	-	-
<b>Underlying operating result 2018</b>	<b>48</b>	-	-	-	-
Reversal of inventory gains (+)/losses (-)	7	-	-	-	-
Items affecting comparability	-	-	-	-	-
<b>Operating result 2018</b>	<b>55</b>	-	-	-	-

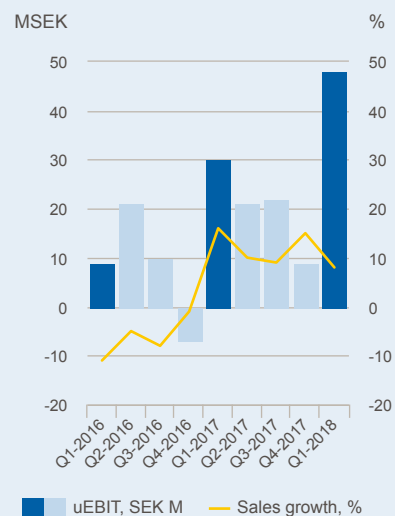
# Comments on the report

## First quarter

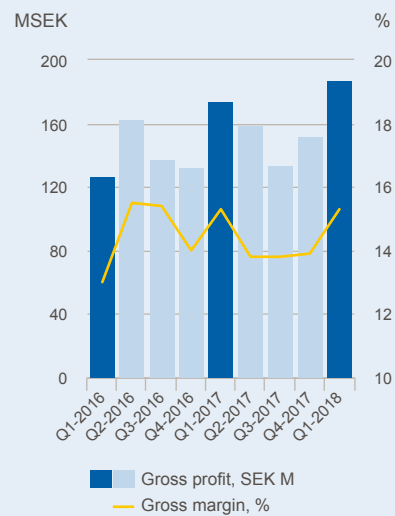
Consolidated net sales increased by 8 percent compared to last year and amounted to SEK 1,226 M (1,138). The increase is mainly due to positive price and mix effects of 6 percent and currency effects of 2 percent. The positive price effect is due to significantly higher steel prices compared with the previous year.

Gross profit amounted to SEK 187 M (174), with a gross margin of 15.3 percent (15.3). The operating result amounted to SEK 55 M (46), corresponding to an operating margin of 4.5 percent (4.0). Adjusted for inventory gains of SEK 7 M (16), the underlying operating result amounted to SEK 48 M (30). The underlying operating margin thereby increased to 3.9 percent (2.6). Both closure of the operations in Eskilstuna and measures taken in Lecor Stålteknik improve the operating result in the period.

### THE GROUP'S SALES GROWTH AND UNDERLYING OPERATING RESULT PER QUARTER



### THE GROUP'S GROSS MARGIN AND GROSS PROFIT PER QUARTER





## BUSINESS AREA SWEDEN & POLAND

The business area includes the Group's operations in Sweden consisting of the companies BE Group Sverige and Lecor Stålteknik, as well as the Polish operation BE Group Poland.

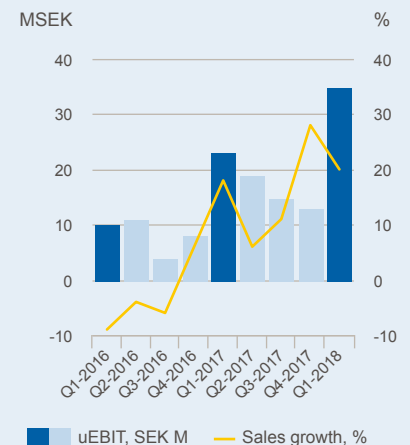
### First quarter

Net sales increased by 20 percent in the first quarter compared to last year and amounted to SEK 651 M (543). The operating result improved to SEK 39 M (31). Adjusted for inventory gains and losses of SEK 4 M (9), the underlying operating result amounted to SEK 35 M (23).

The distribution business in Sweden delivers a strongly improved underlying operating result mainly due to higher steel prices and a lower cost level. The volume was in line with the same period last year. Business unit Production Sweden & Poland also delivers a strongly improved underlying operating result. Volume growth, which leads to better capacity utilization, and a positive price and mix effect are the main contributors to this development.

The change measures taken regarding the organization and operational focus in Lecor Stålteknik mean that the company is now showing profitability in the quarter.

### BUSINESS AREA SWEDEN & POLAND, SALES GROWTH AND UNDERLYING OPERATING RESULT PER QUARTER\*



\*Comparative numbers have been restated with regards to BE Group Produktion Eskilstuna.



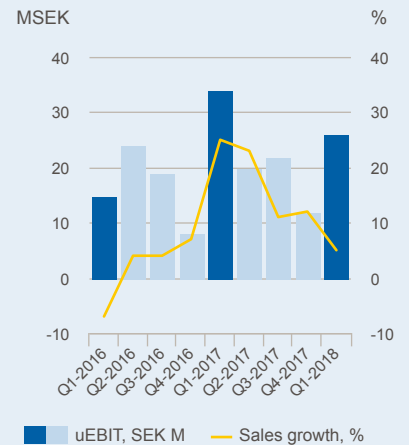
The business area includes the Group's operations in Finland and the three Baltic States.

### First quarter

Net sales increased by 5 percent in the first quarter compared to last year and amounted to SEK 565 M (539). Tonnage decreased by 5 percent compared with last year, which is mainly due to higher competition and price pressure on thin sheets. The operating result accordingly decreased to SEK 29 M (37). Adjusted for inventory gains of SEK 3 M (7), the underlying operating result amounted to SEK 26 M (30).

The distribution business in Finland delivered a weaker result in the period with lower volume and margin due to the described development in thin sheets. Business unit Production Finland and Business unit Distribution Baltics have higher net sales and deliver a profit in line with last year, mainly due to mix effects.

### BUSINESS AREA FINLAND & BALTICS SALES GROWTH AND UNDERLYING OPERATING RESULT PER QUARTER



# Parent Company & consolidated items

Parent Company & consolidated items include the Parent Company, Group eliminations and also parts of the Group's operations undergoing restructuring (BE Group Czech Republic, BE Group Slovakia, BE Group Produktion Eskilstuna and RTS Estonia) are reported under Parent Company & consolidated items. BE Group Produktion Eskilstuna has been reported under Parent Company and Group items since the fourth quarter of 2017. Comparative numbers have been restated.

The restructuring of these operations, approved by the Board of BE Group partly in the first quarter of 2016 and partly in the second quarter of 2017, are completed.

In total, the operations under reconstruction had sales of SEK 15 M (61) in the first quarter with an underlying operating result of SEK -1 M (-10).

First-quarter sales in the Parent Company, BE Group AB (publ), amounted to SEK 26 M (6) and derived from intra-Group services. The operating result amounted to SEK 13 M (-6).

Net financial items amounted to SEK -18 M (-2), which can largely be attributed to negative currency effects connected to the Company's loan in EUR. On a Group level, this effect is reallocated through hedging of net investments in foreign subsidiaries. The result before tax was SEK -5 M (-8) and the result after tax was SEK -4 M (-6). Investments in the Parent Company amounted to SEK 0 M (0). At the end of the period, cash and equivalents in the Parent Company amounted to SEK 5 M (18).

## Net financial items and tax

Consolidated net financial items in the first quarter amounted to SEK -4 M (-5), of which net interest accounted for SEK -3 M (-4). On an annual basis, consolidated net interest corresponded to 2.70 percent (3.25) of average interest-bearing net debt.

Taxes for the first quarter amounted to SEK -12 M (-7). Profit after tax improved to SEK 39 M (34) for the first quarter.

## Cash flow

Consolidated working capital amounted to SEK 554 M (502) at the end of the period and the average working capital tied-up for the first quarter was 10.7 percent (11.1). Cash flow from operating activities was SEK -1 M (37). The negative effect on the cash flow from the increase in working capital has largely been compensated by the operating result. The higher working capital is mainly an effect of higher inventories.

Cash flow from investing activities in the first quarter was SEK -6 M (-4). Cash flow after investments was thereby SEK -7 M (33).

## Financial position and liquidity

At the end of the period, consolidated cash and cash equivalents, including overdraft facilities, amounted to SEK 139 M (134) and the consolidated interest-bearing net debt was SEK 504 M (528). In the first quarter, the company repaid external interest-bearing debt in an amount of SEK 15 M (15).

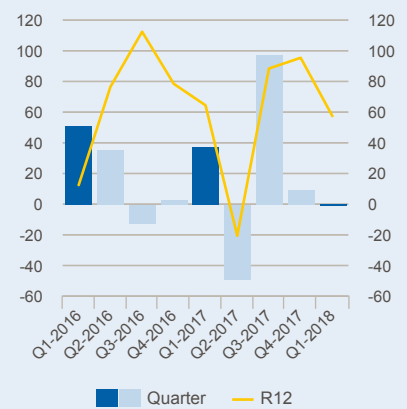
At the end of the period, equity amounted to SEK 852 M (804) and the net debt/equity ratio amounted to 59 percent (66).

Extensions of the company's existing credit agreements with Skandinaviska Enskilda Banken and Svenska Handelsbanken were signed during the period. The total facility amounts to SEK 800 M, including guarantee facilities, and expires March 2020.

## Organization, structure and employees

The number of employees decreased to 675 compared with 705 at the same time in the previous year. The decrease is mainly due to the restructuring done last year. The average number of employees during the first quarter amounted to 670 (708).

### THE GROUP'S CASH FLOW FROM OPERATING ACTIVITIES, SEK M



# Other information

## Significant events after the end of the period

No significant events have taken place after the end of the period.

## Transactions with related parties

No transactions took place between BE Group and related parties that had a material impact on the company's financial position and results.

## Annual General Meeting 2018

The Annual General Meeting of BE Group will be held on 26 April 2018, at 3:00 p.m. in Malmö, Sweden. Further information is available on the company's website.

## Proposed dividend

The Board of Directors proposes that no dividend will be paid for the financial year of 2017.

## Proposed composition of the Board

The Nominating Committee has proposed re-election of Board members Petter Stillström, Lars Olof Nilsson, Mikael Sjölund and Jörgen Zahlin and new election of Carina Andersson. It is proposed that Petter Stillström be re-elected as Chairman.

## Proposal for election of auditors

Based on the recommendation of the Audit Committee, the Nominating Committee proposes the re-election of the auditing firm Öhrlings PricewaterhouseCoopers AB as the Company's auditor.

## Significant risks and uncertainties

The financial risk exposure is explained in the 2017 Annual Report, which was published in March 2018. No new significant risks or uncertainties have arisen since that date.

## Accounting principles

The interim report was prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The Parent Company's interim report is prepared in compliance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities.

Refer to the 2017 Annual Report for details of the Group's accounting principles and definitions of certain terms. The principles applied are unchanged in relation to the Annual Report with addition of the new accounting principles IFRS 9 and IFRS 15 that have entered into effect on January 1, 2018. These have been applied and in accordance with the assessment done during 2017 they have not had any major impact on the financial reporting. The information in the interim report have been adapted to the new standards.

For the new accounting principle, IFRS16, which enter into effect from January 1, 2019, the Group has completed the initial assessment but has not yet concluded the more detailed analysis. The Group will not apply the new standard in advance.

# Future information

## Future reporting dates

BE Group AB (publ) intends to publish financial information on the following dates:

- The Interim Report for January–June 2018 will be published on July 19, 2018.
- The Interim Report for January–September 2018 will be published on October 23, 2018.
- The Year-end Report for 2018 will be published in February 2019.

Financial information is available in Swedish and English from BE Group's website and can be ordered by phone +46 (0) 40 38 42 00 or e-mail: [info@begroup.com](mailto:info@begroup.com)

*Malmö, April 26, 2018*

BE Group AB (publ)

**Anders Martinsson**

*President and CEO*

## Questions concerning this report may be directed to:

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*This report has not been reviewed by the company's auditors.*

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 7.45 a.m. CET on April 26, 2018.



## Condensed consolidated income statement

(SEK M)	Note	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
Net sales		1,226	1,138	4,348	4,436
Cost of goods sold	1	-1,039	-964	-3,729	-3,804
<b>Gross profit</b>		<b>187</b>	<b>174</b>	<b>619</b>	<b>632</b>
Selling expenses	1	-102	-104	-395	-393
Administrative expenses	1	-29	-30	-123	-122
Other operating income and expenses	2	-3	1	-55	-59
Participation in joint venture		2	5	11	8
<b>Operating profit/loss</b>		<b>55</b>	<b>46</b>	<b>57</b>	<b>66</b>
Financial items		-4	-5	-23	-22
<b>Profit/loss before tax</b>		<b>51</b>	<b>41</b>	<b>34</b>	<b>44</b>
Tax		-12	-7	-10	-15
<b>Profit/loss for the period</b>		<b>39</b>	<b>34</b>	<b>24</b>	<b>29</b>
Earnings per share <sup>1)</sup>		3.03	2.58	1.87	2.32
Earnings per share before and after dilution <sup>1)</sup>		3.03	2.58	1.87	2.32

<sup>1)</sup> Refers to the average number shares.

## Consolidated statement of comprehensive income

(SEK M)	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
<b>Profit/loss for the period</b>	<b>39</b>	<b>34</b>	<b>24</b>	<b>29</b>
<b>Other comprehensive income</b>				
<b>Items that have, or may be, reclassified to profit/loss for the period</b>				
Translation differences	25	-2	16	43
Hedging of net investments in foreign subsidiaries	-18	1	-12	-31
Tax attributable to items in other comprehensive income	4	0	3	7
<b>Total other comprehensive income</b>	<b>11</b>	<b>-1</b>	<b>7</b>	<b>19</b>
<b>Comprehensive income for the period</b>	<b>50</b>	<b>33</b>	<b>31</b>	<b>48</b>

## Condensed consolidated balance sheet

(SEK M)	Note	2018 31 Mar	2018 31 Mar	2017 Dec 31
Goodwill		563	562	552
Other intangible assets		11	17	11
Tangible assets		115	149	115
Investment in joint venture		119	92	117
Financial assets		0	0	0
Deferred tax assets		57	56	56
<b>Total non-current assets</b>		<b>865</b>	<b>876</b>	<b>851</b>
Inventories		682	575	599
Accounts receivable		664	610	489
Other receivables		45	50	35
Cash and equivalents		39	34	61
<b>Total current assets</b>		<b>1,430</b>	<b>1,269</b>	<b>1,184</b>
<b>Total assets</b>	3	<b>2,295</b>	<b>2,145</b>	<b>2,035</b>
<b>Equity</b>		<b>852</b>	<b>804</b>	<b>802</b>
Non-current interest-bearing liabilities		537	508	519
Provisions		0	0	0
Deferred tax liability		45	43	43
<b>Total non-current liabilities</b>		<b>582</b>	<b>551</b>	<b>562</b>
Current interest-bearing liabilities		5	54	20
Accounts payable		660	551	479
Other current liabilities		177	182	152
Other current provisions		19	3	20
<b>Total current liabilities</b>		<b>861</b>	<b>790</b>	<b>671</b>
<b>Total equity and liabilities</b>	3	<b>2,295</b>	<b>2,145</b>	<b>2,035</b>
<b>Contingent liabilities</b>		<b>29</b>	<b>15</b>	<b>30</b>

## Condensed consolidated cash-flow statement

(SEK M)	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
Operating result	55	46	57	66
Adjustment for non-cash items	4	11	63	56
- of which, amortization/depreciation	9	18	74	65
- of which, other items	-5	-7	-11	-9
Interest paid/received and other financial items	-4	-5	-21	-20
Income tax paid	-5	-2	-19	-22
Change in working capital	-51	-13	15	-23
<b>Cash flow from operating activities</b>	<b>-1</b>	<b>37</b>	<b>95</b>	<b>57</b>
Investments in intangible assets	0	0	0	0
Investments in tangible assets	-7	-4	-22	-25
Divestments of tangible assets	0	0	27	27
Other cash flow from investing activities	1	0	0	1
<b>Cash flow after investments</b>	<b>-7</b>	<b>33</b>	<b>100</b>	<b>60</b>
Cash flow from financing activities	-17	-26	-69	-60
<b>Cash flow for the period</b>	<b>-24</b>	<b>7</b>	<b>31</b>	<b>0</b>
Exchange-rate difference in cash and equivalents	2	0	3	5
<b>Change in cash and equivalents</b>	<b>-22</b>	<b>7</b>	<b>34</b>	<b>5</b>

## Condensed statement of changes in equity

(SEK M)	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
<b>Equity at beginning of period</b>	<b>802</b>	<b>771</b>	<b>771</b>	<b>804</b>
Comprehensive income for the period	50	33	31	48
<b>Equity at end of period</b>	<b>852</b>	<b>804</b>	<b>802</b>	<b>852</b>

## Note 1 Amortizations and depreciations

(SEK M)	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
Amortization of intangible assets	2	2	8	8
Depreciation of tangible assets	7	10	33	30
<b>Total amortizations and depreciations</b>	<b>9</b>	<b>12</b>	<b>41</b>	<b>38</b>

## Note 2 Items affecting comparability

(SEK M)	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
Restructuring expenses	-	-	-28	-28
Write-down of tangible assets	-	-	-4	-4
Write-down of intangible assets	-	-	-1	-1
Write-down of current assets	-	-	-22	-22
Reversal of write-down of participation in joint venture	-	-	20	20
Write-down of goodwill	-	-	-17	-17
<b>Total items affecting comparability</b>	<b>-</b>	<b>-</b>	<b>-52</b>	<b>-52</b>

## Note 3 Valuation of financial assets and liabilities

In all material respects fair value coincides with the carrying amount in the balance sheet for financial assets and liabilities.

The assessment of the fair value of the financial assets has been carried out in accordance with level 2 as defined by IFRS 7.27 A, with the exception of cash and equivalents, which are valued in accordance with level 1. For additional information, see Note 31 in the 2017 Annual Report. No material changes have taken place in relation to the valuation as per December 31.

# Segment reporting

## Net sales per segment <sup>1)</sup>

(SEK M)	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
Sweden & Poland	651	543	2,094	2,202
Finland & Baltics	565	539	2,114	2,140
Parent Company and consolidated items	10	56	140	94
<b>Group</b>	<b>1,226</b>	<b>1,138</b>	<b>4,348</b>	<b>4,436</b>

Per product group (SEK M)	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
Long steel Products	425	364	1,436	1,497
Flat steel Products	473	437	1,673	1,709
Stainless steel	229	215	801	815
Aluminium	56	50	212	218
Other	43	72	226	197
<b>Group</b>	<b>1,226</b>	<b>1,138</b>	<b>4,348</b>	<b>4,436</b>

By country based on customer´s domicile (SEK M)	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
Sweden	641	582	2,170	2,229
Finland	467	449	1,756	1,774
Other	118	107	422	433
<b>Group</b>	<b>1,226</b>	<b>1,138</b>	<b>4,348</b>	<b>4,436</b>

## Shipped tonnage per segment (thousands of tonnes)

	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
Sweden & Poland	49	46	172	175
Finland & Baltics	49	52	191	188
Parent Company and consolidated items	0	0	0	0
<b>Group</b>	<b>98</b>	<b>98</b>	<b>363</b>	<b>363</b>

## Operating result (EBIT) per segment <sup>1)</sup>

(SEK M)	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
Sweden & Poland	39	31	78	86
Finland & Baltics	29	37	105	97
Parent Company and consolidated items	-13	-22	-126	-117
<b>Group</b>	<b>55</b>	<b>46</b>	<b>57</b>	<b>66</b>

## Operating margin per segment <sup>1)</sup>

	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
Sweden & Poland	6.1%	5.7%	3.7%	3.9%
Finland & Baltics	5.1%	6.9%	5.0%	4.5%
Parent Company and consolidated items	neg	neg	neg	neg
<b>Group</b>	<b>4.5%</b>	<b>4.0%</b>	<b>1.3%</b>	<b>1.5%</b>

## Underlying operating result (uEBIT) per segment <sup>1) 2)</sup>

(SEK M)	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
Sweden & Poland	35	23	72	85
Finland & Baltics	26	30	89	85
Parent Company and consolidated items	-13	-23	-79	-70
<b>Group</b>	<b>48</b>	<b>30</b>	<b>82</b>	<b>100</b>

## Underlying operating margin per segment <sup>1) 3)</sup>

	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
Sweden & Poland	5.4%	4.2%	3.4%	3.8%
Finland & Baltics	4.6%	5.6%	4.2%	4.0%
Parent Company and consolidated items	neg	neg	neg	neg
<b>Group</b>	<b>3.9%</b>	<b>2.6%</b>	<b>1.9%</b>	<b>2.2%</b>

## Depreciation per segment <sup>1)</sup>

(SEK M)	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
Sweden & Poland	3	4	14	13
Finland & Baltics	4	4	16	16
Parent Company and consolidated items	2	4	11	9
<b>Group</b>	<b>9</b>	<b>12</b>	<b>41</b>	<b>38</b>

## Investments in tangible and intangible assets per segment <sup>1)</sup>

(SEK M)	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
Sweden & Poland	5	2	10	13
Finland & Baltics	2	2	12	12
Parent Company and consolidated items	0	0	0	0
<b>Group</b>	<b>7</b>	<b>4</b>	<b>22</b>	<b>25</b>

<sup>1)</sup> BE Group Eskilstuna is reported under Parent Company and consolidated items since the fourth quarter of 2017. Comparative numbers have been restated.

<sup>2)</sup> Operating profit/loss (EBIT) adjusted for inventory gains and losses and items affecting comparability. Inventory gains and losses are the differences between the cost of goods sold at acquisition value and the cost of goods sold at replacement cost. The Group's internal model is used to calculate inventory gains and losses and has not been subject for review by the Group's auditor.

<sup>3)</sup> Underlying operating result (uEBIT) as a percentage of net sales.

# Key data

(SEK M unless otherwise stated)	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
Net sales	1,226	1,138	4,348	4,436
<b>Earnings measurements</b>				
Gross result	187	174	619	632
Underlying gross result	180	163	596	613
Operating result (EBIT)	55	46	57	66
Underlying operating result (uEBIT)	48	30	82	100
<b>Margin measurements</b>				
Gross margin	15.3%	15.3%	14.2%	14.3%
Underlying gross margin	14.7%	14.3%	13.7%	13.8%
Operating margin	4.5%	4.0%	1.3%	1.5%
Underlying operating margin	3.9%	2.6%	1.9%	2.2%
<b>Capital structure</b>				
Net debt	504	528	478	504
Net debt/equity ratio	59%	66%	60%	59%
Working capital at end of period	554	502	492	554
Working capital (average)	523	504	514	523
Capital employed (average)	1,368	1,364	1,373	1,380
Working capital tied-up	10.7%	11.1%	11.8%	11.8%
<b>Return</b>				
Return on capital employed	16.2%	13.4%	4.2%	4.9%
<b>Per share data</b>				
Earnings per share (SEK) <sup>1)</sup>	3.03	2.58	1.87	2.32
Earnings per share after dilution (SEK) <sup>1)</sup>	3.03	2.58	1.87	2.32
Equity per share (SEK)	65.65	61.93	61.77	65.65
Cash flow from operating activities per share (SEK) <sup>1)</sup>	-0.08	2.81	7.35	4.46
Shares outstanding at period end (thousands)	12,983	12,983	12,983	12,983
Number of shares (thousands) before and after dilution <sup>1)</sup>	12,983	12,983	12,983	12,983
<b>Growth</b>				
Sales growth	8%	16%	12%	10%
– of which organic tonnage growth	0%	-5%	-3%	-2%
– of which price and mix changes	6%	20%	14%	11%
– of which currency effects	2%	1%	1%	1%
<b>Other</b>				
Average number of employees	670	708	700	693
Inventory gains and losses	7	16	27	18
Shipped tonnage (thousands of tonnes)	98	98	363	363

<sup>1)</sup> Refers to average number of shares.

## Condensed parent company income statement

(SEK M)	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
Net sales	26	6	92	112
Administrative expenses	-14	-12	-54	-56
Other operating income and expenses	1	0	0	1
<b>Operating profit/loss</b>	<b>13</b>	<b>-6</b>	<b>38</b>	<b>57</b>
Financial items	-18	-2	-22	-38
<b>Profit/loss after financial items</b>	<b>-5</b>	<b>-8</b>	<b>16</b>	<b>19</b>
Appropriations	-	-	-16	-16
<b>Profit/loss before tax</b>	<b>-5</b>	<b>-8</b>	<b>0</b>	<b>3</b>
Tax	1	2	-1	-2
<b>Profit/loss for the period, or comprehensive income for the period</b>	<b>-4</b>	<b>-6</b>	<b>-1</b>	<b>1</b>

## Condensed parent company balance sheet

(SEK M)	2018 Mar 31	2017 Mar 31	2017 Dec 31
Intangible assets	6	13	8
Tangible assets	0	0	0
Financial assets	1,018	1,086	1,016
<b>Total non-current assets</b>	<b>1,024</b>	<b>1,099</b>	<b>1,024</b>
Current receivables	122	154	213
Cash and equivalents	5	18	44
<b>Total current assets</b>	<b>127</b>	<b>172</b>	<b>257</b>
<b>Total assets</b>	<b>1,151</b>	<b>1,271</b>	<b>1,281</b>
<b>Equity</b>	<b>553</b>	<b>552</b>	<b>557</b>
<b>Non-current liabilities</b>	<b>531</b>	<b>497</b>	<b>512</b>
<b>Current liabilities</b>	<b>67</b>	<b>222</b>	<b>212</b>
<b>Total equity and liabilities</b>	<b>1,151</b>	<b>1,271</b>	<b>1,281</b>
<b>Pledged assets</b>	<b>1,182</b>	<b>1,165</b>	<b>1,172</b>
<b>Contingent liabilities</b>	<b>14</b>	<b>39</b>	<b>26</b>



## Key data – multi-quarter summary

(SEK M unless otherwise stated)	2018 Jan-Mar	2017 Oct-Dec	2017 Jul-Sep	2017 Apr-Jun	2017 Jan-Mar	2016 Oct-Dec	2016 Jul-Sep	2016 Apr-Jun	2016 Jan-Mar
Net sales	1,226	1,095	968	1,147	1,138	953	892	1,047	978
<b>Earnings measurements</b>									
Gross result	187	152	134	159	174	133	138	163	127
Underlying gross result	180	145	136	152	163	124	123	153	136
Operating result (EBIT)	55	5	19	-13	46	4	26	31	-45
Underlying operating result (uEBIT)	48	9	22	21	30	-7	10	21	9
<b>Margin measurements</b>									
Gross margin	15.3%	13.9%	13.8%	13.8%	15.3%	14.0%	15.4%	15.5%	13.0%
Underlying gross margin	14.7%	13.2%	14.0%	13.2%	14.3%	13.0%	13.8%	14.6%	13.9%
Operating margin	4.5%	0.5%	2.0%	-1.1%	4.0%	0.4%	2.9%	2.9%	-4.6%
Underlying operating margin	3.9%	0.8%	2.2%	1.9%	2.6%	-0.7%	1.1%	2.0%	1.0%
<b>Capital structure</b>									
Net debt	504	478	465	586	528	562	563	540	565
Net debt/equity ratio	59%	60%	58%	74%	66%	73%	73%	71%	77%
Working capital at end of period	554	492	480	588	502	506	493	454	464
Working capital (average)	523	486	534	545	504	499	473	459	495
Capital employed (average)	1,368	1,371	1,397	1,381	1,364	1,368	1,381	1,375	1,395
Working capital tied-up	10.7%	11.1%	13.8%	11.9%	11.1%	13.1%	13.3%	11.0%	12.6%
<b>Return</b>									
Return on capital employed	16.2%	1.7%	5.4%	-3.7%	13.4%	1.2%	7.6%	9.0%	-12.8%
<b>Per share data <sup>2)</sup></b>									
Earnings per share (SEK) <sup>1)</sup>	3.03	-0.40	0.72	-1.03	2.58	-0.20	1.25	1.47	-4.07
Earnings per share after dilution (SEK) <sup>1)</sup>	3.03	-0.40	0.72	-1.03	2.58	-0.20	1.25	1.47	-4.07
Equity per share (SEK)	65.65	61.77	61.70	61.19	61.93	59.41	59.67	58.19	56.54
Cash flow from operating activities per share (SEK) <sup>1)</sup>	-0.08	0.78	7.48	-3.72	2.81	0.21	-0.89	2.76	3.91
Shares outstanding at period end (thousands)	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983
Number of shares (thousands) before and after dilution <sup>1)</sup>	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983
<b>Growth</b>									
Sales growth	8%	15%	9%	10%	16%	-3%	-8%	-5%	-11%
– of which organic tonnage growth	0%	5%	1%	-10%	-5%	-13%	-13%	-3%	-5%
– of which price and mix changes	6%	10%	8%	18%	20%	8%	5%	-2%	-6%
– of which currency effects	2%	0%	0%	2%	1%	2%	0%	0%	0%
<b>Other</b>									
Average number of employees	670	684	709	710	708	715	729	747	765
Inventory gains and losses	7	6	-3	8	16	11	16	10	-9
Shipped tonnage (thousands of tonnes)	98	89	82	94	98	85	81	105	103

<sup>1)</sup> Refers to average number of shares.

<sup>2)</sup> A 1:20 reverse share split was carried out in 2016. Comparative figures for 2016 have been restated for this.

## Alternative performance measures

The Group uses a number of alternative performance measures in its report. The alternative performance measures that BE Group considers significant are the following:

### Underlying operating result (uEBIT)

(SEK M)	2018 Jan-Mar	2017 Jan-Mar	2017 Full-year	Rolling 12 months
Operating result	55	46	57	66
Reversal of inventory gains (-)/losses (+)	-7	-16	-27	-18
Adjustment for items affecting comparability	-	-	52	52
<b>Group</b>	<b>48</b>	<b>30</b>	<b>82</b>	<b>100</b>

### Net debt

(SEK M)	2018 Jan-Mar	2017 Jan-Mar	2017 31 Dec
Non-current interest-bearing liabilities	537	508	519
Current interest-bearing liabilities	5	54	20
Deduction financial assets	0	0	0
Deduction cash and equivalents	-39	-34	-61
Rounding	1	-	-
<b>Group</b>	<b>504</b>	<b>528</b>	<b>478</b>

Net debt/equity ratio is calculated as net debt divided by Equity.

### Working capital

(SEK M)	2018 Jan-Mar	2017 Jan-Mar	2017 31 Dec
Inventories	682	575	599
Accounts receivable	664	610	489
Other receivables	45	50	35
Deduction accounts payable	-660	-551	-479
Deduction other current liabilities	-177	-182	-152
Rounding	-	-	-
<b>Group</b>	<b>554</b>	<b>502</b>	<b>492</b>

Average working capital is an average for each period based on quarterly data.

### Capital employed

(SEK M)	2018 Jan-Mar	2017 Jan-Mar	2017 31 Dec
Equity	852	804	802
Non-current interest-bearing liabilities	537	508	519
Current interest-bearing liabilities	5	54	20
Rounding	1	1	-
<b>Group</b>	<b>1,395</b>	<b>1,367</b>	<b>1,341</b>

Average capital employed is an average for each period based on quarterly data.

## Definitions of key data

### Adjusted results measurements

Underlying gross result	The underlying gross result is the reported gross result adjusted for inventory gains and losses (deductions for gains and additions for losses).
Underlying operating result (uEBIT)	Operating result (EBIT) before items affecting comparability adjusted for inventory gains and losses (deductions for gains and additions for losses).
Items affecting comparability	Items that do not have any link to the normal operations of the Group or that are of a non-recurring nature, where a reporting together with other items in the consolidated comprehensive income statement would have given a comparison distortion effect that would have made it difficult to judge the development of the ordinary operations for an outside viewer. Replaces previous concept "non-recurring items".

### Adjusted margin measurements

Underlying gross margin	Underlying gross result as a percentage of net sales.
Underlying operating margin	Underlying operating result (uEBIT) as a percentage of net sales.

### Capital structure

Net debt	Interest-bearing liabilities less cash and equivalents and financial assets.
Net debt/equity ratio	Net debt divided by equity.
Working capital	Inventories and current receivables less current liabilities, excluding provisions and interest-bearing liabilities.
Working capital (average)	Inventories and current receivables less current liabilities, excluding provisions and interest-bearing liabilities. This measure represents an average for each period based on quarterly data.
Capital employed	Equity plus interest-bearing liabilities.
Capital employed (average)	Equity plus interest-bearing liabilities. This measure represents an average for each period based on quarterly data.
Working capital tied-up	Average working capital, as a percentage of annually adjusted net sales.

### Return on capital

Return on capital employed	Annually adjusted operating result, as a percentage of average capital employed.
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### Per share data

Earnings per share	Profit/loss for the period divided by the average number of shares outstanding during the period.
Equity per share	Equity divided by the number of shares outstanding at the end of the period.
Cash flow per share from operating activities	Cash flow from operating activities divided by the average number of shares for the period.
Shares outstanding at the end of the period	Shares outstanding at the end of the period adjusted for rights issues and share splits.
Average number of shares	Weighted average number of shares outstanding during the period, adjusted for rights issued and share splits.

### Growth

Sales growth	Change in net sales from the preceding period in percent.
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### Other

Inventory gains and losses	The difference between the cost of goods sold at acquisition value and the cost of goods sold at replacement cost.
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Please refer to the 2017 annual report for other definitions of key data.



## About BE Group

### A leading steel service company in Northern Europe

**BE Group is a trading and service company in the steel and metal industry. Customers mainly operate in the manufacturing and construction industries in Sweden, Finland and the Baltic States, where BE Group is one of the market's leading actors.**

With extensive expertise and efficient processes in purchasing, logistics and production, BE Group offers inventory sales, production service and direct deliveries to customers based on their specific needs for steel and metal products. BE Group has approximately 700 employees and sales of SEK 4.3 billion in 2017. The head office is located in Malmö, Sweden.

#### BUSINESS IDEA

**BE Group is an independent efficient distributor of steel, stainless steel, aluminum and value adding services to Nordic manufacturing and construction companies.**

Number of employees

**approx. 700**

Net sales

**4,3 Mdkr**

