



BE GROUP

INTERIM REPORT BE Group AB (publ)

January – June 2020

Second quarter 2020

- Net sales amounted to SEK 935 M (1,193)
- The underlying operating result amounted to SEK 28 M (32)
- The quarter was affected by items affecting comparability of SEK -5 M (-) related to the centralization of warehouse and production operations in the Baltics
- The operating result amounted to SEK 21 M (32)
- Result after tax amounted to SEK 18 M (19)
- Cash flow from operating activities amounted to SEK 95 M (67)
- Earnings per share amounted to SEK 1.34 (1.44)

First six months 2020

- Net sales amounted to SEK 2,053 M (2,398)
- The underlying operating result amounted to SEK 70 M (72)
- The period was affected by items affecting comparability of SEK -40 M (-) related to centralization of warehouse and production operations in Sweden and the Baltics
- The operating result amounted to SEK 17 M (66)
- Result after tax amounted to SEK -5 M (39)
- Cash flow from operating activities amounted to SEK 188 M (129)
- Earnings per share amounted to SEK -0.40 (3.00)

Results overview	2020 Apr-Jun	2019 Apr-Jun	Change	2020 Jan-Jun	2019 Jan-Jun	Change
Tonnage, thousands of tonnes	77	92	-15	167	188	-21
Net sales, SEK M	935	1,193	-258	2,053	2,398	-345
Underlying operating result, SEK M	28	32	-4	70	72	-2
Operating result, SEK M	21	32	-11	17	66	-49
Profit/loss for the period, SEK M	18	19	-1	-5	39	-44
Earnings per share, SEK	1.34	1.44	-0.10	-0.40	3.00	-3.40
Cash flow from operating activities, SEK M	95	67	28	188	129	59

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.



”Improved gross margin and underlying result in line with last year”

Statement from the CEO

We entered the second quarter with great uncertainty due to the world’s reactions to the rapid spread of Covid-19. Overnight, some of our customers, mainly subcontractors to the automotive industry, lost 80 percent of their sales and our single largest customer announced with one day’s notice that they would temporarily shut-down their entire business. A lot of effort has been put into implementing measures, such as introducing a shortened work-week, renegotiating agreements, monitoring working capital and going through expenses.

Now as we sum up the second quarter and the first half of 2020, I still think that we succeeded well. All of the companies except Lecor Stålteknik are declining in sales, but on the other hand, all of the companies strengthened their gross margins, in some cases clearly. The underlying operating result amounted to SEK 28 M (32) for the quarter and SEK 70 M (72) for the first six months. In addition to the impact of Covid-19, this should be viewed in light of the decline in demand that began in the second quarter of 2019 and continued into 2020.

In the second quarter, we decided to restructure the operations in the Baltics. We will continue to be represented in all of the Baltic countries, but warehousing and production service are being consolidated to Estonia. One-off costs of approximately SEK 5 M were charged to the operating result in the second quarter and is expected to have a payback time of about 1 year.

Cash flow remained stable as a result of the positive earnings and good control of working capital. Operating activities generated SEK 95 M (67) during the quarter and SEK 188 M (129) for the first six months.

The future

The uncertainty regarding the effects of Covid-19 on the upcoming quarters remains. We are carefully monitoring the development and are prepared to take more and stronger measures if necessary, at the same time that we can shift into high gear at short notice to meet demand from both new and old customers.

We are continuing to focus on building a good company for the future. The automated production line in Norrköping is in full operation and fine-tuning is ongoing. The centralization of warehousing and production operations to Norrköping together with the closure of the warehouse in Malmö is proceeding according to plan. We have begun a restructuring of the operations in the Baltics and decided for some minor, but interesting, investments in Finland. We also decided to build and launch a new e-commerce portal. All of this leads to renewal and strengthening of the offering to the market at the same time that we are clearly reducing the operating costs.

Peter Andersson
President and CEO

Bridge 2019-2020 operating result SEK M	Q1	Q2	Q3	Q4	Jan-Jun
Operating result 2019	34	32	14	8	66
Reversal of inventory gains (-)/losses (+)	6	0	-1	1	6
Items affecting comparability	-	-	-	-	-
Underlying operating result 2019	40	32	13	9	72
Change in sales	-12	-35	-	-	-47
Change in underlying gross margin	21	12	-	-	33
Change in overhead costs	-7	19	-	-	12
Underlying operating result 2020	42	28	-	-	70
Reversal of inventory gains (+)/losses (-)	-11	-2	-	-	-13
Items affecting comparability	-35	-5	-	-	-40
Operating result 2020	-4	21	-	-	17

Comments on the report

Second quarter

Consolidated net sales for the period decreased by 22 percent compared to last year, amounting to SEK 935 M (1,193). The decrease is mainly attributable to the negative volume development in the Swedish operation as an effect of Covid-19 and lower steel prices. Gross profit amounted to SEK 138 M (164), with a gross margin of 14.7 percent (13.8). The operating result amounted to SEK 21 M (32), corresponding to an operating margin of 2.2 percent (2.7). Adjusted for inventory gains and losses of SEK -2 M (0) and items affecting comparability of SEK -5 M (-), the underlying operating result amounted to SEK 28 M (32). The underlying operating margin during the period was 3.0 percent (2.6) and the increase is mainly due to improved efficiency in the production operations, positive mix effects and cost savings.

First six months

During the first six months, the Group's net sales decreased by 14 percent compared to last year and amounted to SEK 2,053 M (2,398). Tonnage in business area Sweden & Poland decreased by 17 percent compared to last year, while Finland & Baltics delivered 5 percent less. Gross profit amounted to SEK 308 M (330) and the gross margin amounted to 15.0 percent (13.8).

The operating result amounted to SEK 17 M (66), corresponding to an operating margin of 0.8 percent (2.7). Adjusted for inventory gains and losses of SEK -13 M (-6) and items affecting comparability of SEK -40 M (-), the underlying operating result amounted to SEK 70 M (72). The underlying operating margin amounted to 3.4 percent (3.0) during the period.

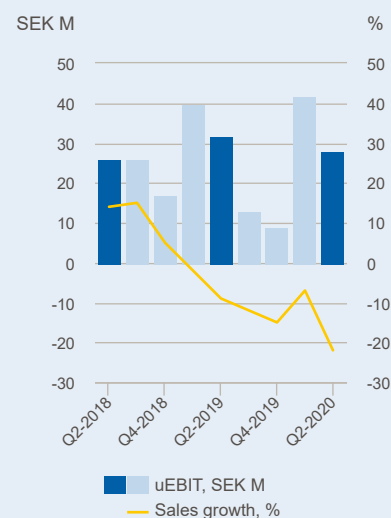
Covid-19 summary

The scope and duration of the on-going pandemic are not yet known, which means, as previously reported, that it is not possible to fully quantify its future impact on BE Group. The uncertain market situation has led BE Group to take several measures necessary to fend off the effects of Covid-19. This primarily concerned the operations in Sweden and the company made use of Government grants, such as the introduction of short-term lay-offs, for example. Government grants linked to Covid-19 contributed around SEK 5 M during the quarter and this grant is recognized as a cost-reduction of the items the grant pertains to. As a precautionary measure, the company has also applied for and been granted a deferral of tax payments of approximately SEK 30 M. All of the companies in the Group focus extensively on cost control, savings and efficiency enhancements and report developments to Group Management weekly.

Net sales were primarily negatively impacted by Covid-19 during the second quarter. The Swedish operations were negatively impacted by a lower demand from the manufacturing industry, mostly from subcontractors in the automotive industry. Generally speaking, our business is affected by how our customers and suppliers are affected by the situation and how they manage it. Some customers are pausing production and projects while others intend to continue at the same rate as before.

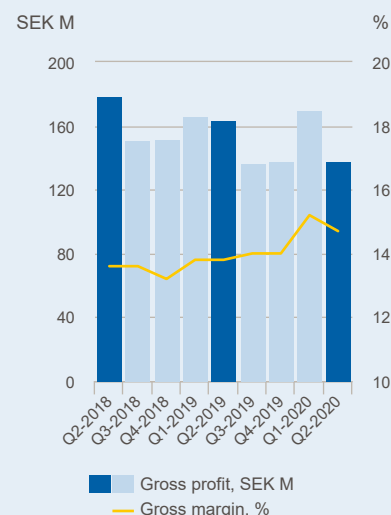
BE Group is monitoring the development closely and is prepared to take further steps where necessary to reduce the negative impact on the business. The company acts in accordance with decisions and recommendations from governments and authorities in the respective markets and with the health and well-being of its employees as a top priority.

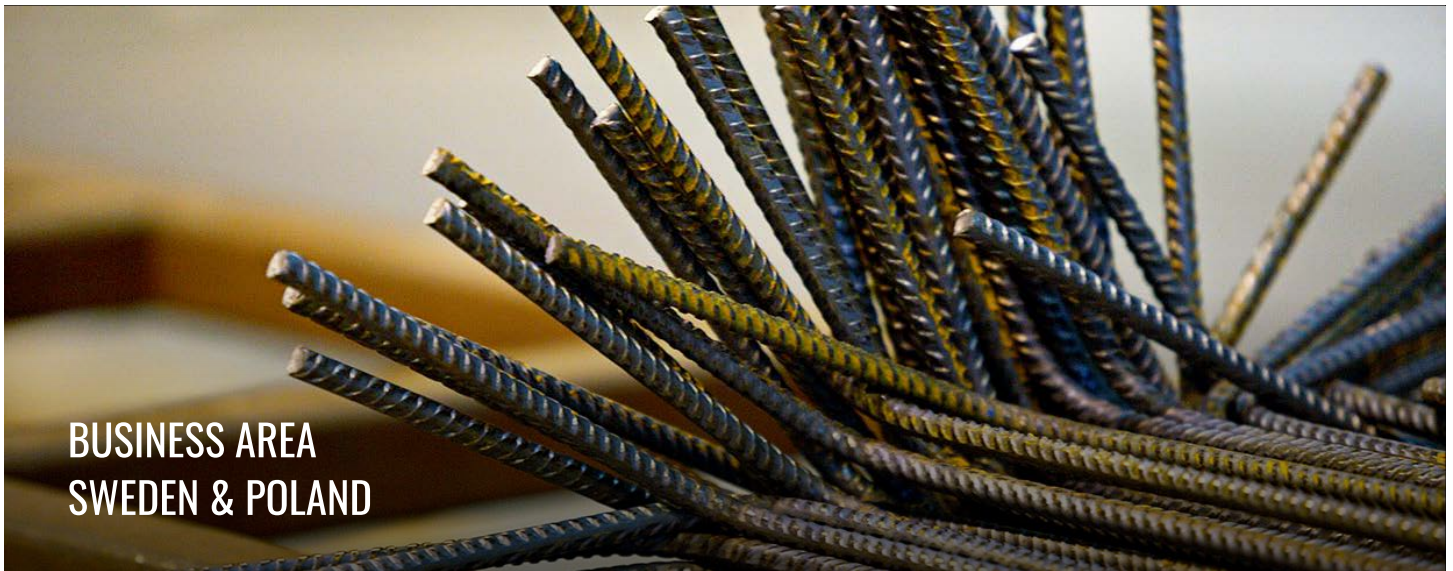
THE GROUP'S SALES GROWTH AND UNDERLYING OPERATING RESULT PER QUARTER



The comparative figures for 2018 are prepared according to previous accounting principles regarding leasing (IAS 17).

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.

Second quarter

Net sales decreased by 27 percent in the second quarter compared to last year and amounted to SEK 447 M (610). The lower sales is attributable to a decrease in tonnage by 22 percent at the same time as the steel prices were lower. The operating result amounted to SEK 12 M (20). Adjusted for inventory gains and losses of SEK -2 M (-1), the underlying operating result amounted to SEK 14 M (20).

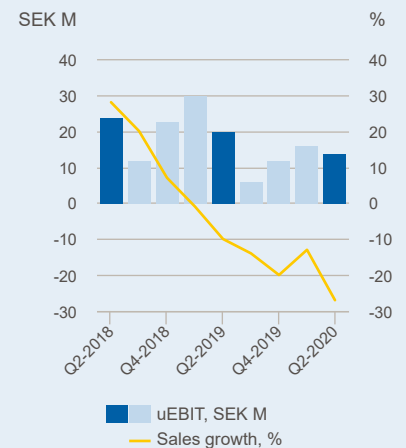
The Swedish operations provided a weaker underlying operating result compared to last year. The volume decreased considerably and is mainly due to lower demand from subcontractors in the automotive industry as a result of Covid-19. Due to efficiency enhancements and improved gross margin, our joint venture AMBE provided a higher operating result compared to last year, despite a lower volume and decline in demand from the automotive industry.

The Polish operation and Lecor Stålteknik are showing improved profitability as a result of efficiency improvements and higher capacity utilization.

First six months

Net sales for the first six months decreased by 20 percent compared to last year, amounting to SEK 1,005 M (1,253). Operating result amounted to SEK -13 M (46) and was impacted by items affecting comparability of SEK -35 M (-), related to the decision to centralize warehousing and production operations in Norrköping and to close the warehouse in Malmö, which was communicated during the first quarter. Adjusted for inventory gains and losses of SEK -7 M (-4) and items affecting comparability of SEK -35 M (-), the underlying operating result amounted to SEK 30 M (50). Profit decreased mainly due to declining volume in the Swedish operations and the effect of Covid-19.

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





BUSINESS AREA FINLAND & BALTICS

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

Second quarter

Compared to the second quarter last year, net sales were lower and amounted to SEK 490 M (585). Tonnage decreased by 12 percent and the lower steel prices contributed to sales decreasing by 16 percent. The operating result amounted to SEK 10 M (20) and was affected by items affecting comparability of SEK -5 M (-) related to the decision to centralize warehousing and production operations in the Baltics. Adjusted for inventory gains and losses of SEK 0 M (0) and items affecting comparability of SEK -5 M (-), the underlying operating result amounted to SEK 15 M (19).

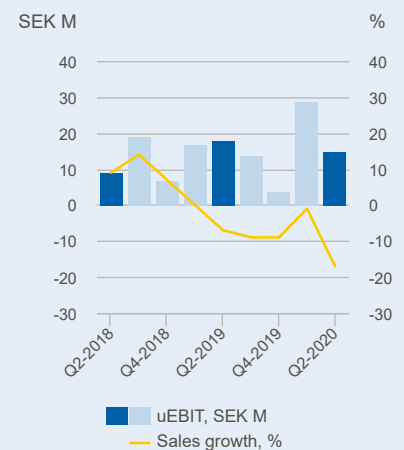
The Finnish operations delivered an underlying operating result in line with last year despite lower sales. Decreased tonnage and lower steel prices are compensated by a higher gross margin and efficiency in production operations.

The Baltic operations delivered a weak underlying operating result as a consequence of declining volume and Covid-19. During the second quarter, a decision was made to restructure the business. There will be representation in all of the Baltic countries, but warehousing and production service are being consolidated to Estonia.

First six months

Net sales for the first six months decreased by 9 percent compared to last year, amounting to SEK 1,052 M (1,150). The lower sales is explained by a decrease in tonnage of 5 percent at the same time as steel prices were lower. The operating result amounted to SEK 33 M (33) and adjusted for inventory gains and losses of SEK -6 M (-2) and items affecting comparability of SEK -5 M (-), the underlying operating result increased to SEK 44 M (35). This development is mainly attributable to an increased gross margin and efficiency in the production operations in Finland.

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. For additional information see the Annual Report for 2019.

The effects regarding IFRS 16 were reported under Parent Company & consolidated items and have not been allocated to the two business areas.

Sales for the second quarter of the Parent Company, BE Group AB (publ), amounted to SEK 25 M (27) during the period and derived from intra-Group services. These intra-Group services mainly include central expenses for IT and business systems, the subsidiaries' use of the BE Group brand and Finance. These expenses are distributed and invoiced to all subsidiaries in the Group. In the result follow-up of the business areas, these intra-group expenses have been eliminated except for expenses for IT and business systems which are included in the result for the business areas since the first quarter 2020. Comparative numbers have been restated. Out of the total costs for the Parent Company, of SEK 11 M (15), SEK 8 M (10) was allocated to the subsidiaries. The operating result amounted to SEK 13 M (12).

Net financial items for the quarter amounted to SEK 8 M (10). Profit before tax amounted to SEK 21 M (22) and profit after tax amounted to SEK 17 M (20). 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 9 M (136).

Net financial items for the first six months amounted to SEK 23 M (-1). Profit before tax amounted to SEK 49 M (24) and profit after tax was SEK 47 M (20). Investments in the Parent Company amounted to SEK 0 M (0).

Group

Net financial items and tax

The Group's consolidated net financial items in the second quarter amounted to SEK 3 M (-7), of which net interest amounted to SEK -4 M (-5). During the quarter, interest expenses related to leasing according to IFRS 16 amounted to SEK -3 M (-3). Net financial items for the first six months amounted to SEK -22 M (-13) and net interest amounted to SEK -9 M (-11) of which SEK -6 M is related to leasing according to IFRS 16.

Taxes for the second quarter amounted to SEK -6 M (-6). Profit after tax amounted to SEK 18 M (19) and was SEK -5 M (39) for the first six months including items affecting comparability of SEK -40 M (-).

Cash flow

The Group's consolidated working capital amounted to SEK 455 M (553) at the end of the period and the average working capital tied-up for the second quarter was 13.0 percent (11.7). Cash flow from operating activities amounted to SEK 95 M (67) during the quarter, of which SEK 22 M (20) refers to IFRS 16 and to SEK 188 M (129) for the first six months of which SEK 44 M (40) refers to IFRS 16. In addition to this, approximately SEK 30 M refers to a deferral of tax payments. Cash flow from investing activities amounted to SEK -6 M (-3) during the quarter and SEK -13 M (-18) for the first six months. Cash flow after investments thus amounted to SEK 89 M (64) during the second quarter and SEK 175 M (111) for the first six months.

Financial position and liquidity

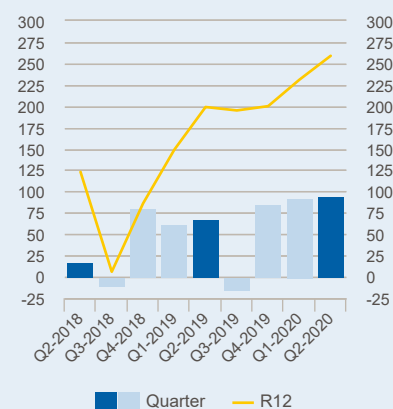
At the end of the period, consolidated cash and cash equivalents, including overdraft facilities, amounted to SEK 176 M (258) and the interest-bearing net debt excl. IFRS 16 was SEK 254 M (402). Equity amounted to SEK 921 M (922) at the end of the period.

To ensure the Group's liquidity buffer, several sources of financing have been evaluated and the assessment is that the need for liquidity has been met.

Organization, structure and employees

The number of employees amounted to 640 compared to 643 at the same time last year. The average number of employees during the quarter amounted to 637 (652).

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



The comparative figures for 2018 are prepared according to previous accounting principles regarding leasing (IAS 17).

The figures for 2019 and 2020 includes the effects of IFRS 16.

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.

Significant risks and uncertainties

BE Group is exposed through its operations to market risks and risks of a financial and operational nature. Within the companies of the Group, continuous processes are ongoing to identify existing risks and assess how these should be handled. The risk exposure is explained in the 2019 Annual Report, which was published in April 2020. For risks related to the consequences of Covid-19, see below.

Risks related to Covid-19 and measures taken

BE Group has seen a negative impact on the business from Covid-19 during the second quarter. Generally speaking, the business is affected by how our customers and suppliers are affected by the situation and how they manage it. Some customers are pausing production and projects while others intend to continue at the same rate as before.

A number of measures have been implemented in the Group in the short term to counteract the effects, such as Government grants, renegotiated agreements and increased control of working capital and costs. BE Group is also looking at other possible savings measures.

It is currently not possible to fully quantify the impact that Covid-19 may have on the company. BE Group is monitoring developments closely and is prepared to take further measures where necessary to reduce the negative impact on the business. The company acts in accordance with decisions and recommendations from governments and authorities in the respective markets and with the health and well-being of its employees as a top priority.

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.

Government grants are reported at fair value when there is reasonable assurance that the grant will be received and the conditions associated with the grant will be met. Government grants relating to costs are reported in the income statement. During the period, grants received have been reported as cost reductions.

Refer to the 2019 Annual Report for details of the Group's other accounting principles and definitions of certain terms. The principles applied are unchanged in relation to the Annual Report. In other regards, the new standards and interpretations that have come into effect from the financial year 2020 have had no significant effect on the financial reporting.

Future information

Future reporting dates

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

- The Interim Report for January–September 2020 will be published on October 21, 2020.
- The Year-End Report for 2020 will be published in January 2021.

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.

The Board of Directors and the President hereby certify that this interim report provides an accurate overview of the operations, position and earnings of the Parent Company and the Group companies, and that it describes the material risks and uncertainties faced by the Parent Company and the Group companies.

Malmö, July 16, 2020
BE Group AB (publ)

Jörgen Zahlin
Chairman of the Board

Carina Andersson
Member of the Board

Lars Olof Nilsson
Member of the Board

Mats O Paulsson
Member of the Board

Petter Stillström
Member of the Board

Mikael Törnros
Employee Representative

Peter Andersson
President and CEO

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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 and the Securities Markets Act. The information was submitted for publication through the agency of the contact persons set out above at 7.45 am CET on July 16, 2020.

Condensed consolidated income statement

(SEK M)	Note	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year	Rolling 12 months
Net sales		935	1,193	2,053	2,398	4,359	4,014
Cost of goods sold	1	-797	-1,029	-1,745	-2,068	-3,754	-3,431
Gross profit		138	164	308	330	605	583
Selling expenses	1	-91	-100	-196	-200	-389	-385
Administrative expenses	1	-28	-33	-59	-66	-128	-121
Other operating income and expenses	2	-1	0	-40	0	-3	-43
Participation in joint venture		3	1	4	2	3	5
Operating profit/loss		21	32	17	66	88	39
Financial items		3	-7	-22	-13	-16	-25
Profit/loss before tax		24	25	-5	53	72	14
Tax		-6	-6	0	-14	-22	-8
Profit/loss for the period		18	19	-5	39	50	6
Earnings per share		1.34	1.44	-0.40	3.00	3.87	0.47
Earnings per share before and after dilution		1.34	1.44	-0.40	3.00	3.87	0.47

Consolidated statement of comprehensive income

(SEK M)	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year	Rolling 12 months
Profit/loss for the period	18	19	-5	39	50	6
Other comprehensive income						
Items that have, or may be, reclassified to profit/loss for the period						
Translation differences	-34	8	4	39	31	-4
Hedging of net investments in foreign subsidiaries	0	-6	0	-32	-36	-4
Tax attributable to items in other comprehensive income	0	2	0	7	8	1
Total other comprehensive income	-34	4	4	14	3	-7
Comprehensive income for the period	-16	23	-1	53	53	-1

Condensed consolidated balance sheet

(SEK M)	Note	2020 Jun 30	2019 Jun 30	2019 Dec 31
Goodwill		568	569	566
Other intangible assets		6	5	7
Tangible assets		91	103	89
Right of use assets		543	524	540
Investment in joint venture		114	115	110
Financial assets		0	0	0
Deferred tax assets		26	30	21
Total non-current assets		1,348	1,346	1,333
Inventories		556	665	642
Accounts receivable		432	603	387
Other receivables		33	44	57
Cash and equivalents		26	158	168
Total current assets		1,047	1,470	1,254
Total assets	3	2,395	2,816	2,587
Equity		921	922	922
Non-current interest-bearing liabilities		278	555	536
Non-current leasing liabilities		455	437	449
Provisions		0	0	0
Deferred tax liability		44	45	44
Total non-current liabilities		777	1,037	1,029
Current interest-bearing liabilities		2	5	6
Current leasing liabilities		91	90	92
Accounts payable		385	586	398
Other current liabilities		180	172	139
Other current provisions		39	4	1
Total current liabilities		697	857	636
Total equity and liabilities	3	2,395	2,816	2,587

Condensed consolidated cash-flow statement

(SEK M)	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year	Rolling 12 months
Operating result	21	32	17	66	88	39
Adjustment for non-cash items	28	26	87	45	106	148
- of which, amortization/depreciation	29	29	58	57	113	114
- of which, other items	-1	-3	29	-12	-7	34
Interest paid/received and other financial items	-4	-5	-10	-11	-23	-22
Income tax paid	-4	-5	-7	-4	-2	-5
Change in working capital	54	19	101	33	31	99
Cash flow from operating activities	95	67	188	129	200	259
Investments in intangible assets	0	0	0	0	0	0
Investments in tangible assets	-6	-3	-13	-5	-25	-33
Divestments of tangible assets	0	0	0	0	1	1
Other cash flow from investing activities	0	0	0	-13	-13	0
Cash flow after investments	89	64	175	111	163	227
Cash flow from financing activities ¹⁾	-104	-44	-317	-63	-104	-358
Cash flow for the period	-15	20	-142	48	59	-131
Exchange-rate difference in cash and equivalents	-4	1	0	2	1	-1
Change in cash and equivalents	-19	21	-142	50	60	-132

¹⁾ In the cash flow from financing activities for 2019 SEK -23 M relates to dividend paid for 2018.

Condensed statement of changes in equity

(SEK M)	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year	Rolling 12 months
Equity at beginning of period	937	922	922	892	892	922
Comprehensive income for the period	-16	23	-1	53	53	-1
Dividend	0	-23	0	-23	-23	0
Equity at end of period	921	922	921	922	922	921

Note 1 Amortizations and depreciations

(SEK M)	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year	Rolling 12 months
Amortization of intangible assets	0	0	1	1	2	2
Depreciation of tangible assets	6	7	12	14	27	25
Depreciation of right of use assets	23	22	45	42	84	87
Total amortizations and depreciations	29	29	58	57	113	114

Note 2 Items affecting comparability

(SEK M)	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year	Rolling 12 months
Restructuring expenses	-5	-	-40	-	-	-40
Total items affecting comparability	-5	-	-40	-	-	-40

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, with the exception of cash and equivalents, which are valued in accordance with level 1. For additional information, see Note 31 in the 2019 Annual Report. No material changes have taken place in relation to the valuation as per December 31.

Segment reporting

Net sales by business area

(SEK M)	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year	Rolling 12 months
Sweden & Poland	447	610	1,005	1,253	2,209	1,961
Finland & Baltics	490	585	1,052	1,150	2,157	2,059
Parent Company & consolidated items	-2	-2	-4	-5	-7	-6
Group	935	1,193	2,053	2,398	4,359	4,014

Net sales by business area and product group

(SEK M)	Sweden & Poland		Finland & Baltics		Parent company & consolidated items		Total		Rolling 12 months
	2020 Apr-Jun	2020 Jan-Jun	2020 Apr-Jun	2020 Jan-Jun	2020 Apr-Jun	2020 Jan-Jun	2020 Apr-Jun	2020 Jan-Jun	
Long steel products	223	469	130	279	0	0	353	748	1,453
Flat steel products	117	292	236	511	0	0	353	803	1,563
Stainless steel	70	162	93	194	0	0	163	356	706
Aluminium	13	32	29	61	0	0	42	93	190
Other	24	50	2	7	-2	-4	24	53	102
Total	447	1,005	490	1,052	-2	-4	935	2,053	4,014

(SEK M)	Sweden & Poland		Finland & Baltics		Parent company & consolidated items		Total		2019 Full-year
	2019 Apr-Jun	2019 Jan-Jun	2019 Apr-Jun	2019 Jan-Jun	2019 Apr-Jun	2019 Jan-Jun	2019 Apr-Jun	2019 Jan-Jun	
Long steel products	274	564	153	303	0	0	427	867	1,572
Flat steel products	188	394	288	573	-1	0	475	967	1,727
Stainless steel	105	207	103	195	0	0	208	402	752
Aluminium	21	43	35	67	1	0	57	110	207
Other	22	45	6	12	-2	-5	26	52	101
Total	610	1,253	585	1,150	-2	-5	1,193	2,398	4,359

Net sales by country based on customer's domicile

(SEK M)	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year	Rolling 12 months
Sweden	437	593	980	1,224	2,156	1,912
Finland	440	496	945	978	1,872	1,839
Other	58	104	128	196	331	263
Group	935	1,193	2,053	2,398	4,359	4,014

Shipped tonnage per segment

(Thousands of tonnes)	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year	Rolling 12 months
Sweden & Poland	36	45	80	95	168	153
Finland & Baltics	41	47	88	93	173	168
Parent Company & consolidated items	0	0	-1	0	-1	-2
Group	77	92	167	188	340	319

Operating result (EBIT) per segment

(SEK M)	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year	Rolling 12 months
Sweden & Poland	12	20	-13	46	61	2
Finland & Baltics	10	20	33	33	52	53
Parent Company & consolidated items	-1	-8	-3	-13	-26	-16
Group	21	32	17	66	88	39

Operating margin per segment

	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year	Rolling 12 months
Sweden & Poland	2.7%	3.2%	-1.2%	3.7%	2.8%	0.1%
Finland & Baltics	2.0%	3.3%	3.2%	2.8%	2.4%	2.6%
Parent Company & consolidated items	neg	neg	neg	neg	neg	neg
Group	2.2%	2.7%	0.8%	2.7%	2.0%	1.0%

Underlying operating result (uEBIT) per segment ¹⁾

(SEK M)	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year	Rolling 12 months
Sweden & Poland	14	20	30	50	67	47
Finland & Baltics	15	19	44	35	52	62
Parent Company & consolidated items	-1	-7	-4	-13	-26	-17
Group	28	32	70	72	94	92

Underlying operating margin per segment ²⁾

	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year	Rolling 12 months
Sweden & Poland	3.0%	3.2%	3.0%	4.0%	3.0%	2.4%
Finland & Baltics	3.2%	3.2%	4.2%	3.1%	2.4%	3.0%
Parent Company & consolidated items	neg	neg	neg	neg	neg	neg
Group	3.0%	2.6%	3.4%	3.0%	2.1%	2.3%

Depreciation per segment

(SEK M)	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year	Rolling 12 months
Sweden & Poland	3	3	6	6	13	13
Finland & Baltics	4	5	7	9	16	14
Parent Company & consolidated items	22	21	45	42	84	87
Group	29	29	58	57	113	114

Investments in tangible and intangible assets per segment

(SEK M)	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year	Rolling 12 months
Sweden & Poland	5	2	12	3	17	26
Finland & Baltics	1	2	1	3	7	5
Parent Company & consolidated items	0	0	0	-1	1	2
Group	6	4	13	5	25	33

¹⁾ 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.

²⁾ Underlying operating result (uEBIT) as a percentage of net sales.

Key data

(SEK M unless otherwise stated)	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year	Rolling 12 months
Net sales	935	1,193	2,053	2,398	4,359	4,014
Earnings measurements						
Gross result	138	164	308	330	605	583
Underlying gross result	140	163	320	335	609	594
Operating result (EBIT)	21	32	17	66	88	39
Underlying operating result (uEBIT)	28	32	70	72	94	92
Margin measurements						
Gross margin	14.7%	13.8%	15.0%	13.8%	13.9%	14.5%
Underlying gross margin	14.9%	13.7%	15.6%	14.0%	14.0%	14.8%
Operating margin	2.2%	2.7%	0.8%	2.7%	2.0%	1.0%
Underlying operating margin	3.0%	2.6%	3.4%	3.0%	2.1%	2.3%
Capital structure						
Net debt excl. IFRS 16 ¹⁾	254	402	254	402	373	254
Net debt/equity ratio excl. IFRS 16 ¹⁾	27%	44%	27%	44%	40%	27%
Working capital at end of period	455	553	455	553	549	455
Working capital (average)	487	560	508	564	570	537
Capital employed (average) excl. IFRS 16 ¹⁾	1,258	1,481	1,328	1,467	1,466	1,391
Working capital tied-up	13.0%	11.7%	12.4%	11.8%	13.1%	13.4%
Return						
Return on capital employed excl. IFRS 16 ¹⁾	5.8%	8.2%	1.8%	8.5%	5.6%	2.3%
Per share data						
Earnings per share (SEK)	1.34	1.44	-0.40	3.00	3.87	0.47
Earnings per share after dilution (SEK)	1.34	1.44	-0.40	3.00	3.87	0.47
Equity per share (SEK)	70.92	71.00	70.92	71.00	71.05	70.92
Cash flow from operating activities per share (SEK)	7.32	5.11	14.50	9.90	15.37	19.99
Shares outstanding at period end (thousands)	12,983	12,983	12,983	12,983	12,983	12,983
Number of shares (thousands) before and after dilution	12,983	12,983	12,983	12,983	12,983	12,983
Growth						
Sales growth	-22%	-9%	-14%	-6%	-9%	-14%
– of which organic tonnage growth	-17%	-9%	-10%	-6%	-10%	-12%
– of which price and mix changes	-5%	-1%	-4%	-1%	-1%	-2%
– of which currency effects	0%	1%	0%	1%	2%	0%
Other						
Average number of employees	637	652	638	657	652	644
Inventory gains and losses	-2	0	-13	-6	-6	-13
Shipped tonnage (thousands of tonnes)	77	92	167	188	340	319

¹⁾ To visualize the development of BE Group's financial position, some information is in the key figure overview that is not defined in IFRS. A reconciliation/bridge between alternative performance measures used in this report and the closest IFRS measure is presented under Alternative performance measures.

Condensed parent company income statement

(SEK M)	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year	Rolling 12 months
Net sales	25	27	49	54	97	92
Administrative expenses	-11	-15	-23	-29	-53	-47
Other operating income and expenses	-1	0	0	0	0	0
Operating profit/loss	13	12	26	25	44	45
Financial items	8	10	23	-1	-3	21
Profit/loss after financial items	21	22	49	24	41	66
Appropriations	-	-	-	-	7	7
Profit/loss before tax	21	22	49	24	48	73
Tax	-4	-2	-2	-4	-10	-8
Profit/loss for the period, or comprehensive income for the period	17	20	47	20	38	65

Condensed parent company balance sheet

(SEK M)	2020 Jun 30	2019 Jun 30	2019 Dec 31
Intangible assets	1	0	1
Tangible assets	0	1	0
Financial assets	908	994	914
Total non-current assets	909	995	915
Current receivables	191	166	252
Cash and equivalents	9	136	145
Total current assets	200	302	397
Total assets	1,109	1,297	1,312
Equity	689	624	642
Non-current liabilities	311	544	536
Current liabilities	109	129	134
Total equity and liabilities	1,109	1,297	1,312

Key data – multi-quarter summary

(SEK M unless otherwise stated)	2020 Apr-Jun	2020 Jan-Mar	2019 Oct-Dec	2019 Jul-Sep	2019 Apr-Jun	2019 Jan-Mar	2018 Oct-Dec	2018 Jul-Sep	2018 Apr-Jun
Net sales	935	1,118	984	977	1,193	1,205	1,154	1,111	1,312
Earnings measurements									
Gross result	138	170	138	137	164	166	152	151	179
Underlying gross result	140	180	138	136	163	172	151	145	167
Operating result (EBIT)	21	-4	8	14	32	34	22	33	22
Underlying operating result (uEBIT)	28	42	9	13	32	40	17	26	26
Margin measurements									
Gross margin	14.7%	15.2%	14.0%	14.0%	13.8%	13.8%	13.2%	13.6%	13.6%
Underlying gross margin	14.9%	16.1%	14.1%	13.9%	13.7%	14.2%	13.1%	13.0%	12.8%
Operating margin	2.2%	-0.4%	0.8%	1.5%	2.7%	2.8%	1.9%	3.0%	1.6%
Underlying operating margin	3.0%	3.8%	0.9%	1.4%	2.6%	3.3%	1.4%	2.4%	2.0%
Capital structure									
Net debt excl. IFRS 16 ¹⁾	254	322	373	431	402	418	440	513	496
Net debt/equity ratio excl. IFRS 16 ¹⁾	27%	34%	40%	46%	44%	45%	49%	58%	57%
Working capital at end of period	455	520	549	608	553	568	572	617	575
Working capital (average)	487	534	578	580	560	570	594	596	565
Capital employed (average) excl. IFRS 16 ¹⁾	1,258	1,389	1,463	1,477	1,481	1,459	1,446	1,431	1,403
Working capital tied-up	13.0%	11.9%	14.7%	14.8%	11.7%	11.8%	12.9%	13.4%	10.8%
Return									
Return on capital employed excl. IFRS 16 ¹⁾	5.8%	-1.2%	1.5%	4.0%	8.2%	9.2%	6.0%	9.4%	6.1%
Per share data									
Earnings per share (SEK)	1.34	-1.75	0.57	0.30	1.44	1.56	0.83	1.73	0.54
Earnings per share after dilution (SEK)	1.34	-1.75	0.57	0.30	1.44	1.56	0.83	1.73	0.54
Equity per share (SEK)	70.92	72.19	71.05	71.80	71.00	71.03	68.67	67.92	66.48
Cash flow from operating activities per share (SEK)	7.32	7.18	6.50	-1.03	5.11	4.79	6.13	-0.74	1.29
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	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983
Growth									
Sales growth	-22%	-7%	-15%	-12%	-9%	-2%	5%	15%	14%
– of which organic tonnage growth	-17%	-5%	-17%	-11%	-9%	-2%	3%	4%	8%
– of which price and mix changes	-5%	-3%	1%	-2%	-1%	-2%	-1%	6%	3%
– of which currency effects	0%	1%	1%	1%	1%	2%	3%	5%	3%
Other									
Average number of employees	637	637	644	646	652	664	666	665	670
Inventory gains and losses	-2	-11	-1	1	0	-6	1	7	12
Shipped tonnage (thousands of tonnes)	77	90	77	75	92	96	93	84	102

¹⁾ To visualize the development of BE Group's financial position, some information is in the key figure overview that is not defined in IFRS. A reconciliation/bridge between alternative performance measures used in this report and the closest IFRS measure is presented under Alternative performance measures.

The comparative figures for 2018 are prepared according to previous accounting principles regarding leasing (IAS 17).

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)	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Full-year	Rolling 12 months
Operating result	21	32	17	66	88	39
Reversal of inventory gains (-)/losses (+)	2	0	13	6	6	13
Adjustment for items affecting comparability	5	-	40	-	-	40
Group	28	32	70	72	94	92

Working capital

(SEK M)	2020 Jun 30	2019 Jun 30	2019 Dec 31
Inventories	556	665	642
Accounts receivable	432	603	387
Other receivables	33	44	57
Deduction accounts payable	-385	-586	-398
Deduction other current liabilities	-180	-172	-139
Rounding	-1	-1	-
Group	455	553	549

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

Net debt excl. IFRS 16

(SEK M)	2020 Jun 30	2019 Jun 30	2019 Dec 31
Non-current interest-bearing liabilities and leasing liabilities	733	992	985
Current interest-bearing liabilities and leasing liabilities	93	95	98
Deduction leasing liabilities	-546	-527	-541
Deduction financial assets	0	0	0
Deduction cash and equivalents	-26	-158	-168
Rounding	-	-	-1
Group	254	402	373

Net debt/equity ratio excl. IFRS 16 is calculated as net debt excl. IFRS 16 divided by Equity.

Capital employed excl. IFRS 16

(SEK M)	2020 Jun 30	2019 Jun 30	2019 Dec 31
Equity excl. IFRS 16	926	924	927
Non-current interest-bearing liabilities and leasing liabilities	733	992	985
Current interest-bearing liabilities and leasing liabilities	93	95	98
Deduction leasing liabilities	-546	-527	-541
Rounding	-	-1	-1
Group	1,206	1,483	1,468

Average capital employed excl. IFRS 16 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.

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 excl. IFRS 16	Interest-bearing liabilities excluding leasing liabilities acc. to IFRS 16 less cash and equivalents and financial assets.
Net debt/equity ratio excl. IFRS 16	Net debt excl. IFRS 16 divided by equity excl. IFRS 16.
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 excl. IFRS 16	Equity excl. IFRS 16 plus interest-bearing liabilities excl. leasing liabilities acc. to IFRS 16.
Capital employed (average) excl. IFRS 16	Equity excl. IFRS 16 plus interest-bearing liabilities excl. leasing liabilities acc. to IFRS 16. 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 excl. IFRS 16	Annually adjusted operating result excl. IFRS 16, as a percentage of average capital employed excl. IFRS 16.
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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.

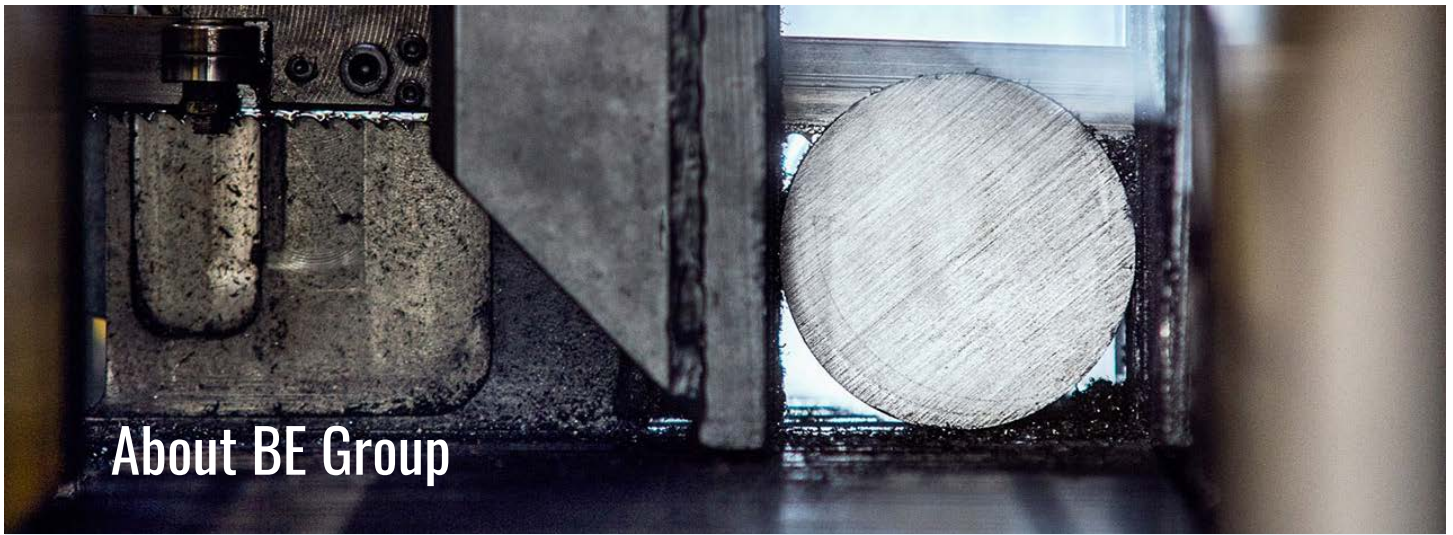
Growth

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 2019 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 construction and manufacturing 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 650 employees and sales of SEK 4.4 billion in 2019. 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. 650

Net sales

SEK 4.4 billion

