

INTERIM REPORT BE Group AB (publ)

January – June 2021

Second quarter 2021

- Net sales increased to SEK 1,403 M (935)
- The underlying operating result increased to SEK 133 M (28)
- Inventory gains and losses amounted to SEK 25 M (-2) and items affecting comparability to SEK 0 M (-5)
- The operating result increased to SEK 158 M (21)
- Result after tax increased to SEK 127 M (18)
- Cash flow from operating activities amounted to SEK 81 M (95)
- Earnings per share increased to SEK 9.74 (1.34)

First six months 2021

- Net sales increased to SEK 2,503 M (2,053)
- The underlying operating result increased to SEK 201 M (70)
- Inventory gains and losses amounted to SEK 43 M (-13) and items affecting comparability to SEK 0 M (-40)
- The operating result increased to SEK 244 M (17)
- Result after tax increased to SEK 190 M (-5)
- Cash flow from operating activities amounted to SEK 141 M (188)
- Earnings per share increased to SEK 14.62 (-0.40)

Results overview	2021	2020	Change	2021	2020	Change
	Apr-Jun	Apr-Jun		Jan-Jun	Jan-Jun	
Tonnage, thousands of tonnes	98	77	21	186	167	19
Net sales, SEK M	1,403	935	468	2,503	2,053	450
Underlying operating result, SEK M	133	28	105	201	70	131
Operating result, SEK M	158	21	137	244	17	227
Profit/loss for the period, SEK M	127	18	109	190	-5	195
Earnings per share, SEK	9.74	1.34	8.40	14.62	-0.40	15.02
Cash flow from operating activities, SEK M	81	95	-14	141	188	-47



”...rising steel prices and increased gross margins, means that BE Group provided very strong earnings for the second quarter”

Statement from the CEO

After last year's decline in the second and third quarters, demand gradually began increasing at the end of the year. An increase that continued in 2021 and which, combined with rising steel prices and increased gross margins, means that BE Group provided very strong earnings for the second quarter. The underlying operating margin amounted to 9.5 percent and is the best since the stock exchange listing in 2006.

Sales in the second quarter increased by 50 percent and the underlying operating result ended up at SEK 133 M (28). Sales for the first half of the year increased by 22 percent and the underlying operating result increased to SEK 201 M (70).

Steel prices are continuing to rise and led to inventory gains of SEK 25 M, compared with an inventory loss of SEK -2 M in the same period last year, and the operating result increased to SEK 158 M (21). For the first half of the year, inventory gains amounted to SEK 43 M (-13) and the operating result was SEK 244 M (17). In this context, it should be noted that the operating result in the first half of 2020 was charged with items affecting comparability of SEK -40 M concerning the centralization of the warehouse and production to Norrköping as well as the restructuring project in the Baltics.

Continued recovery

The market is continuing to recover and material prices that rose quickly and by a lot at the end of last year have continued to improve during both the first and second quarter. In our main markets, the recovery is clear in both the construction and manufacturing industry.

In terms of tonnage, the first half of the year is in line with 2019 and 7 percent below 2018 so there is definitely room for further recovery. More and more people are getting vaccinated and the hope is that the pandemic is beginning to near its end, but some uncertainty remains about how it may affect development in the future.

Steel price trend

Steel prices will continue to rise in the third quarter and possibly even the fourth quarter. Analyst firms have constantly been moving back their forecasts of when the peak will be reached. Demand is expected to be high in the coming year and a higher price level is supported by continued protective duties. The transition to sustainable production of steel will also demand a more sustainable price situation for the steel producers.

Future outlook

Records are made to be celebrated, and we will, but records are also made to be broken. We are tirelessly continuing to build a stable company that is profitable in the long term. Focus continued to be working on smaller and recurring improvements in every part of the company. In some cases, this involves digging where we stand and in some cases, it's about raking gently. The primary aim is nonetheless to improve the customers' experience of doing business with us. Among other things, this is about sustainability, expertise, delivery reliability, offering and availability, put simply a good customer experience.

Peter Andersson
President and CEO

Bridge 2020-2021 operating result SEK M	Q1	Q2	Q3	Q4	Jan-Jun
Operating result 2020	-4	21	4	18	17
Reversal of inventory gains (-)/losses (+)	11	2	10	-6	13
Items affecting comparability	35	5	-	-	40
Underlying operating result 2020	42	28	14	12	70
Change in sales	-3	70	-	-	67
Change in underlying gross margin	16	66	-	-	82
Change in overhead costs	13	-31	-	-	-18
Underlying operating result 2021	68	133	-	-	201
Reversal of inventory gains (+)/losses (-)	18	25	-	-	43
Items affecting comparability	-	-	-	-	-
Operating result 2021	86	158	-	-	244

Comments on the report

Second quarter

Consolidated net sales for the period increased by 50 percent compared to last year, amounting to SEK 1,403 M (935). The increase is mainly explained by organic tonnage growth of 28 percent, positive price and mix effects of 25 percent and negative currency effects of -3 percent. Tonnage increased strongly compared to last year when the OEM customers and subcontractors to the automotive industry sharply reduced their operations in part of the second quarter as a result of the pandemic. The positive price effect is due to rising steel prices.

Increased volumes, higher steel prices and inventory gains contributed to an increased gross profit of SEK 296 M (138) corresponding to a gross margin of 21.1 percent (14.7). The operating result increased to SEK 158 M (21), corresponding to an operating margin of 11.3 percent (2.2). Adjusted for inventory gains and losses of SEK 25 M (-2) and items affecting comparability of SEK 0 M (-5), the underlying operating result increased to SEK 133 M (28). The underlying operating margin during the period increased to 9.5 percent (3.0) and the improvement is mainly explained by higher tonnage and improved gross margin.

First six months

During the first six months, the Group's net sales increased by 22 percent compared to last year and amounted to SEK 2,503 M (2,053). Tonnage in business area Sweden & Poland increased by 13 percent compared to last year, while Finland & Baltics delivered 10 percent more. Gross profit increased to SEK 503 M (308) and the gross margin improved to 20.1 percent (15.0).

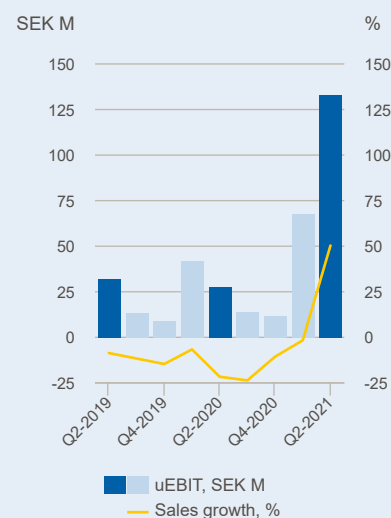
The operating result increased to SEK 244 M (17), corresponding to an operating margin of 9.7 percent (0.8). Adjusted for inventory gains and losses of SEK 43 M (-13) and items affecting comparability of SEK 0 M (-40), the underlying operating result increased to SEK 201 M (70). The underlying operating margin amounted to 8.0 percent (3.4) during the period.

Covid-19 summary

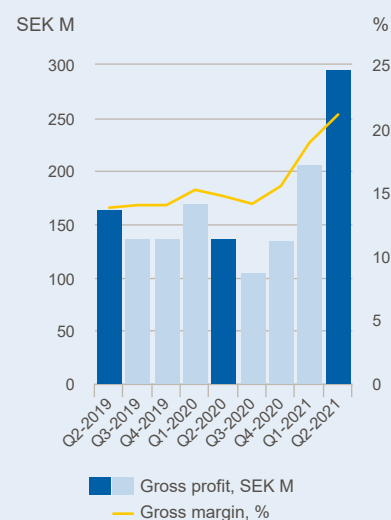
The pandemic continues to affect public health, economies and the financial situation worldwide and its full scope and duration is not yet known. The uncertain market situation has, during the past year, led BE Group to take several measures necessary to mitigate the effects of Covid-19. As the situation now gradually improves, the measures have been reduced. The Company has not received Government grants for the period after the end of February 2021 and the previous granted deferral of tax payments of approximately SEK 30 M was refunded in April 2021.

BE Group is continuing to monitor the development closely and is prepared to take actions 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 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 increased by 57 percent in the second quarter compared to last year and amounted to SEK 702 M (447). The higher sales is explained by an increase in tonnage by 36 percent at the same time as steel prices were higher. The operating result increased to SEK 56 M (12). Adjusted for inventory gains and losses of SEK 16 M (-2), the underlying operating result increased to SEK 40 M (14).

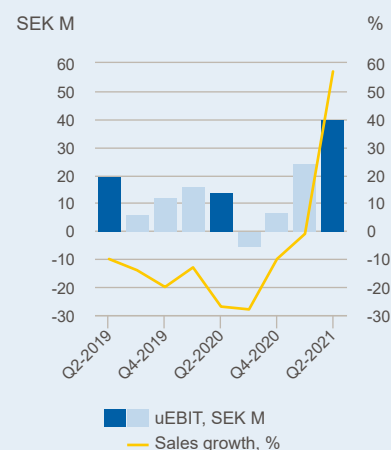
The Swedish operations delivered a stronger underlying operating result compared to last year with strong volume growth, mainly among OEM customers and steel structure suppliers. Our joint venture AMBE provided a strong operating result due to increased demand and high prices on thin sheets and coils.

In the Polish operations and Lecor Stålteknik, profitability declined as a result of deteriorated price and mix effect.

First six months

Net sales for the first six months increased by 25 percent compared to last year, amounting to SEK 1,252 M (1,005). Operating result increased to SEK 92 M (-13). Adjusted for inventory gains and losses of SEK 28 M (-7) and items affecting comparability of SEK 0 M (-35), the underlying operating result increased to SEK 64 M (30). Tonnage increased by 13 percent and the recovery was clear both within the construction and manufacturing industries.

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 increased by 45 percent and amounted to SEK 710 M (490). Sales growth is mainly explained by an increase in tonnage by 21 percent and higher steel prices. The operating result increased to SEK 108 M (10). Adjusted for inventory gains and losses of SEK 9 M (0) and items affecting comparability of SEK 0 M (-5), the underlying operating result increased to SEK 99 M (15).

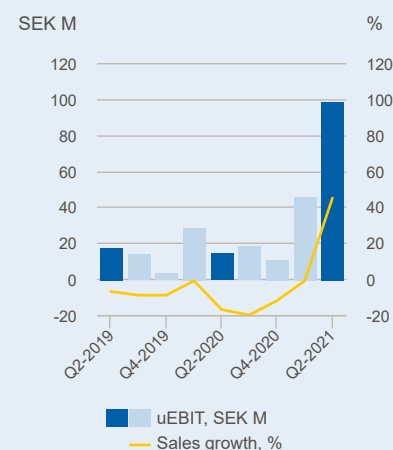
The Finnish operations provided a very strong underlying operating result compared to last year. The result development is explained by an increase in demand mainly from the manufacturing industry and higher steel prices.

The Baltic operations showed positive profitability through increased tonnage, higher steel prices and improved gross margin.

First six months

Net sales for the first six months increased by 20 percent compared to last year, amounting to SEK 1,266 M (1,052). The increase is mainly explained by organic tonnage growth of 10 percent, positive price and mix effects of 15 percent and negative currency effects of -5 percent. The operating result increased to SEK 160 M (33) and adjusted for inventory gains and losses of SEK 15 M (-6) and items affecting comparability of SEK 0 M (-5), the underlying operating result increased to SEK 145 M (44). This development is mainly attributable to increased gross margin and tonnage growth.

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 2020.

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 22 M (25) 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. Out of the total costs for the Parent Company, of SEK 12 M (11), SEK 9 M (8) was allocated to the subsidiaries. The operating result amounted to SEK 10 M (13).

Net financial items for the quarter amounted to SEK 0 M (8). Profit before tax amounted to SEK 10 M (21) and profit after tax amounted to SEK 8 M (17). Investments in the Parent Company amounted to SEK 2 M (0). At the end of the period, cash and equivalents in the Parent Company amounted to SEK 182 M (9).

Net financial items for the first six months amounted to SEK 96 M (23). Profit before tax amounted to SEK 117 M (49) and profit after tax was SEK 113 M (47). Investments in the Parent Company amounted to SEK 3 M (0).

Group

Net financial items and tax

The Group's consolidated net financial items in the second quarter amounted to SEK -4 M (3), of which net interest amounted to SEK -3 M (-4). During the quarter, interest expenses related to leasing according to IFRS 16 amounted to SEK -2 M (-3). Net financial items for the first six months amounted to SEK -12 M (-22) and net interest to SEK -7 M (-9), of which SEK -5 M (-6) relates to IFRS 16.

Taxes for the second quarter amounted to SEK -27 M (-6). Profit after tax amounted to SEK 127 M (18) and was SEK 190 M (-5) for the first six months including items affecting comparability of SEK 0 M (-40).

Cash flow

The Group's consolidated working capital amounted to SEK 434 M (455) at the end of the period and the average working capital tied-up for the second quarter was 7.2 percent (13.0). Cash flow from operating activities amounted to SEK 81 M (95) during the quarter and to SEK 141 M (188) for the first six months. Cash flow from investing activities amounted to SEK -6 M (-6) during the quarter and SEK -9 M (-13) for the first six months. Cash flow after investments thus amounted to SEK 75 M (89) during the second quarter and SEK 132 M (175) for the first six months.

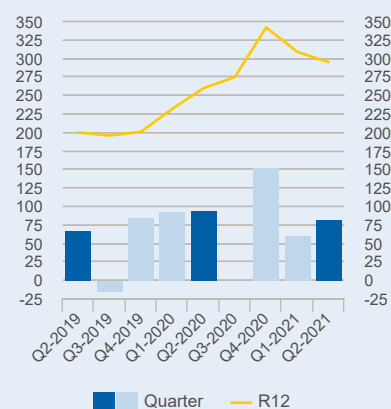
Financial position and liquidity

At the end of the period, consolidated cash and cash equivalents, including overdraft facilities, amounted to SEK 290 M (176) and the interest-bearing net debt excl. IFRS 16 was SEK 75 M (254). Equity amounted to SEK 1,101 M (921) at the end of the period.

Organization, structure and employees

The number of employees amounted to 623 compared to 640 at the same time last year. The average number of employees during the quarter amounted to 616 (637).

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.

Significant risks and uncertainties

Through its operations, BE Group is exposed to global macroeconomic factors, the competitive situation, structural changes in the market and the economy, as well as financial risks such as currency risks, interest risks, credit and counterparty risks. 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 2020 Annual Report, which was published in March 2021. For risks related to the consequences of Covid-19, see below.

Risks related to Covid-19 and measures taken

It is not possible to fully quantify the impact that Covid-19 may have on the company. BE Group is monitoring developments closely and is adjusting the measures that 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. 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 as cost reductions.

Refer to the 2020 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 2021 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 2021 will be published on October 21, 2021.
- The Year-end Report for 2021 will be published in January 2022.

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 13, 2021

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

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 6:30 p.m. CET on July 13, 2021.

Condensed consolidated income statement

(SEK M)	Note	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year	Rolling 12 months
Net sales		1,403	935	2,503	2,053	3,672	4,122
Cost of goods sold	1	-1,107	-797	-2,000	-1,745	-3,124	-3,379
Gross profit		296	138	503	308	548	743
Selling expenses	1	-119	-91	-219	-196	-371	-394
Administrative expenses	1	-32	-28	-58	-59	-110	-109
Other operating income and expenses	2	1	-1	0	-40	-35	5
Participation in joint venture		12	3	18	4	7	21
Operating profit/loss		158	21	244	17	39	266
Financial items		-4	3	-12	-22	-28	-18
Profit/loss before tax		154	24	232	-5	11	248
Tax		-27	-6	-42	0	-7	-49
Profit/loss for the period		127	18	190	-5	4	199
Earnings per share		9.74	1.34	14.62	-0.40	0.33	15.35
Earnings per share before and after dilution		9.74	1.34	14.62	-0.40	0.33	15.35

Consolidated statement of comprehensive income

(SEK M)	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year	Rolling 12 months
Profit/loss for the period	127	18	190	-5	4	199
Other comprehensive income						
Items that have, or may be, reclassified to profit/loss for the period						
Translation differences	-7	-34	6	4	-21	-19
Hedging of net investments in foreign subsidiaries	-	0	-	0	0	0
Tax attributable to items in other comprehensive income	-	0	-	0	0	0
Total other comprehensive income	-7	-34	6	4	-21	-19
Comprehensive income for the period	120	-16	196	-1	-17	180

Condensed consolidated balance sheet

(SEK M)	Note	2021 Jun 30	2020 Jun 30	2020 Dec 31
Goodwill		559	568	557
Other intangible assets		4	6	5
Tangible assets		88	91	89
Right of use assets		514	543	541
Investment in joint venture		136	114	117
Financial assets		0	0	0
Deferred tax assets		19	26	24
Total non-current assets		1,320	1,348	1,333
Inventories		559	556	501
Accounts receivable		755	432	376
Other receivables		34	33	42
Cash and equivalents		190	26	166
Total current assets		1,538	1,047	1,085
Total assets	3	2,858	2,395	2,418
Equity		1,101	921	905
Non-current interest-bearing liabilities		260	278	321
Non-current leasing liabilities		424	455	457
Provisions		0	0	0
Deferred tax liability		42	44	42
Total non-current liabilities		726	777	820
Current interest-bearing liabilities		6	2	1
Current leasing liabilities		90	91	84
Accounts payable		669	385	414
Other current liabilities		244	180	162
Other current provisions		22	39	32
Total current liabilities		1,031	697	693
Total equity and liabilities	3	2,858	2,395	2,418

Condensed consolidated cash-flow statement

(SEK M)	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year	Rolling 12 months
Operating result	158	21	244	17	39	266
Adjustment for non-cash items	11	28	32	87	134	79
– of which, amortization/depreciation	30	29	60	58	115	117
– of which, other items	-19	-1	-28	29	19	-38
Interest paid/received and other financial items	-4	-4	-8	-10	-21	-19
Income tax paid	-2	-4	-4	-7	-10	-7
Change in working capital	-82	54	-123	101	199	-25
Cash flow from operating activities	81	95	141	188	341	294
Investments in intangible assets	0	0	0	0	0	0
Investments in tangible assets	-6	-6	-9	-13	-21	-17
Divestments of tangible assets	0	0	0	0	0	0
Other cash flow from investing activities	0	0	0	0	0	0
Cash flow after investments	75	89	132	175	320	277
Cash flow from financing activities	-174	-104	-108	-317	-318	-109
Cash flow for the period	-99	-15	24	-142	2	168
Exchange-rate difference in cash and equivalents	-3	-4	0	0	-4	-4
Change in cash and equivalents	-102	-19	24	-142	-2	164

Condensed statement of changes in equity

(SEK M)	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year	Rolling 12 months
Equity at beginning of period	981	937	905	922	922	921
Comprehensive income for the period	120	-16	196	-1	-17	180
Dividend	-	-	-	-	-	-
Equity at end of period	1,101	921	1,101	921	905	1,101

Note 1 Amortizations and depreciations

(SEK M)	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year	Rolling 12 months
Amortization of intangible assets	1	0	2	1	3	4
Depreciation of tangible assets	6	6	12	12	23	23
Depreciation of right of use assets	23	23	46	45	89	90
Total amortizations and depreciations	30	29	60	58	115	117

Note 2 Items affecting comparability

(SEK M)	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 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 2020 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)	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year	Rolling 12 months
Sweden & Poland	702	447	1,252	1,005	1,782	2,029
Finland & Baltics	710	490	1,266	1,052	1,896	2,110
Parent Company & consolidated items	-9	-2	-15	-4	-6	-17
Group	1,403	935	2,503	2,053	3,672	4,122

Net sales by business area and product group

2021	Sweden & Poland		Finland & Baltics		Parent company & consolidated items		Total		Rolling 12 months
	2021 Apr-Jun	2021 Jan-Jun	2021 Apr-Jun	2021 Jan-Jun	2021 Apr-Jun	2021 Jan-Jun	2021 Apr-Jun	2021 Jan-Jun	
Long steel products	355	620	202	352	0	0	557	972	1,587
Flat steel products	203	366	365	647	0	0	568	1,013	1,638
Stainless steel	95	176	92	178	0	0	187	354	609
Aluminium	21	39	39	69	0	0	60	108	185
Other	28	51	12	20	-9	-15	31	56	103
Total	702	1,252	710	1,266	-9	-15	1,403	2,503	4,122

2020	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	2020 Full-year
Long steel products	223	469	130	279	0	0	353	748	1,363
Flat steel products	117	292	236	511	0	0	353	803	1,428
Stainless steel	70	162	93	194	0	0	163	356	611
Aluminium	13	32	29	61	0	0	42	93	170
Other	24	50	2	7	-2	-4	24	53	100
Total	447	1,005	490	1,052	-2	-4	935	2,053	3,672

Net sales by country based on customer 's domicile

(SEK M)	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year	Rolling 12 months
Sweden	689	437	1,228	980	1,743	1,991
Finland	607	440	1,089	945	1,681	1,825
Other	107	58	186	128	248	306
Group	1,403	935	2,503	2,053	3,672	4,122

Shipped tonnage per segment

(Thousands of tonnes)	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year	Rolling 12 months
Sweden & Poland	49	36	90	80	144	154
Finland & Baltics	50	41	97	88	164	173
Parent Company & consolidated items	-1	0	-1	-1	-1	-1
Group	98	77	186	167	307	326

Operating result (EBIT) per segment

(SEK M)	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year	Rolling 12 months
Sweden & Poland	56	12	92	-13	-14	91
Finland & Baltics	108	10	160	33	63	190
Parent Company & consolidated items	-6	-1	-8	-3	-10	-15
Group	158	21	244	17	39	266

Operating margin per segment

	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year	Rolling 12 months
Sweden & Poland	8.0%	2.7%	7.4%	-1.2%	-0.8%	4.5%
Finland & Baltics	15.3%	2.0%	12.7%	3.2%	3.3%	9.0%
Parent Company & consolidated items	neg	neg	neg	neg	neg	neg
Group	11.3%	2.2%	9.7%	0.8%	1.1%	6.5%

Underlying operating result (uEBIT) per segment ¹⁾

(SEK M)	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year	Rolling 12 months
Sweden & Poland	40	14	64	30	32	66
Finland & Baltics	99	15	145	44	74	175
Parent Company & consolidated items	-6	-1	-8	-4	-10	-14
Group	133	28	201	70	96	227

Underlying operating margin per segment ²⁾

	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year	Rolling 12 months
Sweden & Poland	5.8%	3.0%	5.1%	3.0%	1.8%	3.3%
Finland & Baltics	14.0%	3.2%	11.5%	4.2%	3.9%	8.3%
Parent Company & consolidated items	neg	neg	neg	neg	neg	neg
Group	9.5%	3.0%	8.0%	3.4%	2.6%	5.5%

Depreciation per segment

(SEK M)	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year	Rolling 12 months
Sweden & Poland	5	3	8	6	13	15
Finland & Baltics	3	4	6	7	13	12
Parent Company & consolidated items	22	22	46	45	89	90
Group	30	29	60	58	115	117

Investments in tangible and intangible assets per segment

(SEK M)	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year	Rolling 12 months
Sweden & Poland	3	5	4	12	17	9
Finland & Baltics	1	1	2	1	2	3
Parent Company & consolidated items	2	0	3	0	2	5
Group	6	6	9	13	21	17

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)	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year	Rolling 12 months
Net sales	1,403	935	2,503	2,053	3,672	4,122
Earnings measurements						
Gross result	296	138	503	308	548	743
Underlying gross result	275	140	468	320	563	711
Operating result (EBIT)	158	21	244	17	39	266
Underlying operating result (uEBIT)	133	28	201	70	96	227
Margin measurements						
Gross margin	21.1%	14.7%	20.1%	15.0%	14.9%	18.0%
Underlying gross margin	19.6%	14.9%	18.7%	15.6%	15.3%	17.3%
Operating margin	11.3%	2.2%	9.7%	0.8%	1.1%	6.5%
Underlying operating margin	9.5%	3.0%	8.0%	3.4%	2.6%	5.5%
Capital structure						
Net debt excl. IFRS 16 ¹⁾	75	254	75	254	156	75
Net debt/equity ratio excl. IFRS 16 ¹⁾	7%	27%	7%	27%	17%	7%
Working capital at end of period	434	455	434	455	343	434
Working capital (average)	405	487	385	508	468	417
Capital employed (average) excl. IFRS 16 ¹⁾	1,387	1,258	1,336	1,328	1,305	1,567
Working capital tied-up	7.2%	13.0%	7.7%	12.4%	12.8%	10.1%
Return						
Return on capital employed excl. IFRS 16 ¹⁾	44.9%	5.8%	35.7%	1.8%	2.3%	16.3%
Per share data						
Earnings per share (SEK)	9.74	1.34	14.62	-0.40	0.33	15.35
Earnings per share after dilution (SEK)	9.74	1.34	14.62	-0.40	0.33	15.35
Equity per share (SEK)	84.82	70.92	84.82	70.92	69.73	84.82
Cash flow from operating activities per share (SEK)	6.24	7.32	10.86	14.50	26.28	22.64
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	50%	-22%	22%	-14%	-16%	3%
– of which organic tonnage growth	28%	-17%	12%	-10%	-10%	2%
– of which price and mix changes	25%	-5%	13%	-4%	-5%	3%
– of which currency effects	-3%	0%	-3%	0%	-1%	-2%
Other						
Average number of employees	616	637	616	638	633	631
Inventory gains and losses	25	-2	43	-13	-17	39
Shipped tonnage (thousands of tonnes)	98	77	186	167	307	326

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)	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year	Rolling 12 months
Net sales	22	25	44	49	79	74
Administrative expenses	-12	-11	-23	-23	-42	-42
Other operating income and expenses	0	-1	0	0	16	16
Operating profit/loss	10	13	21	26	53	48
Financial items	0	8	96	23	37	110
Profit/loss after financial items	10	21	117	49	90	158
Appropriations	-	-	-	-	-15	-15
Profit/loss before tax	10	21	117	49	75	143
Tax	-2	-4	-4	-2	-2	-4
Profit/loss for the period, or comprehensive income for the period	8	17	113	47	73	139

Condensed parent company balance sheet

(SEK M)	2021 Jun 30	2020 Jun 30	2020 Dec 31
Intangible assets	1	1	1
Tangible assets	5	0	2
Financial assets	903	908	906
Total non-current assets	909	909	909
Current receivables	79	191	108
Cash and equivalents	182	9	152
Total current assets	261	200	260
Total assets	1,170	1,109	1,169
Equity	828	689	715
Non-current liabilities	209	311	305
Current liabilities	133	109	149
Total equity and liabilities	1,170	1,109	1,169

Key data – multi-quarter summary

(SEK M unless otherwise stated)	2021 Apr-Jun	2021 Jan-Mar	2020 Oct-Dec	2020 Jul-Sep	2020 Apr-Jun	2020 Jan-Mar	2019 Oct-Dec	2019 Jul-Sep	2019 Apr-Jun
Net sales	1,403	1,100	875	744	935	1,118	984	977	1,193
Earnings measurements									
Gross result	296	207	135	105	138	170	138	137	164
Underlying gross result	275	193	129	114	140	180	138	136	163
Operating result (EBIT)	158	86	18	4	21	-4	8	14	32
Underlying operating result (uEBIT)	133	68	12	14	28	42	9	13	32
Margin measurements									
Gross margin	21.1%	18.9%	15.5%	14.1%	14.7%	15.2%	14.0%	14.0%	13.8%
Underlying gross margin	19.6%	17.5%	14.8%	15.3%	14.9%	16.1%	14.1%	13.9%	13.7%
Operating margin	11.3%	7.8%	2.1%	0.5%	2.2%	-0.4%	0.8%	1.5%	2.7%
Underlying operating margin	9.5%	6.1%	1.4%	1.8%	3.0%	3.8%	0.9%	1.4%	2.6%
Capital structure									
Net debt excl. IFRS 16 ¹⁾	75	124	156	281	254	322	373	431	402
Net debt/equity ratio excl. IFRS 16 ¹⁾	7%	13%	17%	30%	27%	34%	40%	46%	44%
Working capital at end of period	434	376	343	474	455	520	549	608	553
Working capital (average)	405	360	409	464	487	534	578	580	560
Capital employed (average) excl. IFRS 16 ¹⁾	1,387	1,318	1,272	1,258	1,258	1,389	1,463	1,477	1,481
Working capital tied-up	7.2%	8.2%	11.7%	15.6%	13.0%	11.9%	14.7%	14.8%	11.7%
Return									
Return on capital employed excl. IFRS 16 ¹⁾	44.9%	25.1%	5.1%	0.5%	5.8%	-1.2%	1.5%	4.0%	8.2%
Per share data									
Earnings per share (SEK)	9.74	4.88	1.06	-0.32	1.34	-1.75	0.57	0.30	1.44
Earnings per share after dilution (SEK)	9.74	4.88	1.06	-0.32	1.34	-1.75	0.57	0.30	1.44
Equity per share (SEK)	84.82	75.55	69.73	70.87	70.92	72.19	71.05	71.80	71.00
Cash flow from operating activities per share (SEK)	6.24	4.62	11.72	0.06	7.32	7.18	6.50	-1.03	5.11
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	50%	-2%	-11%	-24%	-22%	-7%	-15%	-12%	-9%
– of which organic tonnage growth	28%	-3%	-1%	-16%	-17%	-5%	-17%	-11%	-9%
– of which price and mix changes	25%	4%	-8%	-6%	-5%	-3%	1%	-2%	-1%
– of which currency effects	-3%	-3%	-2%	-2%	0%	1%	1%	1%	1%
Other									
Average number of employees	616	613	625	636	637	637	644	646	652
Inventory gains and losses	25	18	6	-10	-2	-11	-1	1	0
Shipped tonnage (thousands of tonnes)	98	88	76	64	77	90	77	75	92

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.

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)	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Full-year	Rolling 12 months
Operating result	158	21	244	17	39	266
Reversal of inventory gains (-)/losses (+)	-25	2	-43	13	17	-39
Adjustment for items affecting comparability	-	5	-	40	40	-
Group	133	28	201	70	96	227

Working capital

(SEK M)	2021 Jun 30	2020 Jun 30	2020 Dec 31
Inventories	559	556	501
Accounts receivable	755	432	376
Other receivables	34	33	42
Deduction accounts payable	-669	-385	-414
Deduction other current liabilities	-244	-180	-162
Rounding	-1	-1	-
Group	434	455	343

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

Net debt excl. IFRS 16

(SEK M)	2021 Jun 30	2020 Jun 30	2020 Dec 31
Non-current interest-bearing liabilities and leasing liabilities	684	733	778
Current interest-bearing liabilities and leasing liabilities	96	93	85
Deduction leasing liabilities	-514	-546	-541
Deduction financial assets	0	0	0
Deduction cash and equivalents	-190	-26	-166
Rounding	-1	-	-
Group	75	254	156

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)	2021 Jun 30	2020 Jun 30	2020 Dec 31
Equity excl. IFRS 16	1,107	926	912
Non-current interest-bearing liabilities and leasing liabilities	684	733	778
Current interest-bearing liabilities and leasing liabilities	96	93	85
Deduction leasing liabilities	-514	-546	-541
Rounding	-1	-	-
Group	1,372	1,206	1,234

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.
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.
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.

Please refer to the 2020 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 630 employees and sales of SEK 3.7 billion in 2020. 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. 630

Net sales

**SEK 3.7
billion**

