

INTERIM REPORT BE Group AB (publ)

January – June 2023

Second quarter 2023

- Net sales decreased by 31% to SEK 1,406 M (2,044)
- The underlying operating result amounted to SEK 33 M (291)
- The operating result amounted to SEK 26 M (313), including inventory gains and losses of SEK -7 M (22)
- Result after tax amounted to SEK 19 M (251)
- Cash flow from operating activities increased to SEK 132 M (127)
- Earnings per share amounted to SEK 1.47 (19.30)
- A new credit agreement has been signed with a credit facility of SEK 775 M

First six months 2023

- Net sales decreased by 24% to SEK 2,964 M (3,889)
- The underlying operating result amounted to SEK 43 M (471)
- The operating result amounted to SEK 27 M (497), including inventory gains and losses of SEK -16 M (26)
- Result after tax amounted to SEK 16 M (399)
- Cash flow from operating activities increased to SEK 358 M (235)
- Earnings per share amounted to SEK 1.25 (30.71)

"The reason for the weak result is, as in the last quarter, a decline in tonnage of 18% and a price reduction of 17% compared to the second quarter last year which pushed down the gross margin. The Group's main operations in Sweden and Finland has, as a consequence of changes in the surrounding world, lost significant turnover which led to the Group ending up on an unacceptably low profitability level. BE Group has increased focus on measures to enhance efficiency and margin. The ambition is that the company should be profitable regardless of the economic situation or factors from the surrounding world"

Peter Andersson, President and CEO

Results overview	2023 Apr-Jun	2022 Apr-Jun	Change	2023 Jan-Jun	2022 Jan-Jun	Change
Tonnage, thousands of tonnes	73	88	-15	154	180	-26
Net sales, SEK M	1,406	2,044	-638	2,964	3,889	-925
Underlying operating result, SEK M	33	291	-258	43	471	-428
Operating result, SEK M	26	313	-287	27	497	-470
Profit/loss for the period, SEK M	19	251	-232	16	399	-383
Earnings per share, SEK	1.47	19.30	-17.83	1.25	30.71	-29.46
Cash flow from operating activities, SEK M	132	127	5	358	235	123



”BE Group has increased focus on measures to enhance efficiency and margin”

Statement from the CEO

Reduced demand, mainly from the construction industry, led to a decrease in net sales of 31% during the second quarter to SEK 1,406 M (2,044). This, together with gross margins under pressure, led to a decrease in underlying operating result to SEK 33 M (291). Inventory losses amounted to SEK -7 M (22) and consequently the operating result amounted to SEK 26 M (313). However, the cash flow was strong and amounted to SEK 132 M (127) from operating activities, primarily by adapting inventory levels. For the first six months, cash flow amounted to SEK 358 M (235).

The reason for the weak result is, as in the last quarter, a decline in tonnage of 18% and a price reduction of 17% compared to the second quarter last year which pushed down the gross margin.

The Group’s main operations in Sweden and Finland has, as a consequence of changes in the surrounding world, lost significant turnover which led to the Group ending up on an unacceptably low profitability level. BE Group has increased focus on measures to enhance efficiency and margin. The ambition is that the company should be profitable regardless of the economic situation or factors from the surrounding world.

Outlook

Spot prices for long products fell somewhat in the second quarter and are expected to remain relatively stable from the current level in the third quarter. Flat products rose in the first quarter, peaking in April and then falling again. The price level in the third quarter is expected to be in line with the current price level, which is confirmed by analyst firms.

Demand in the third quarter is expected to overall be in line with the second quarter, adjusted for the holiday period. Given the tight market conditions, the gross margin is expected to remain under pressure.

Investment in the future

Decided investments are running according to plan and the fully automated saw and machining line for long products at BE Group’s Turku facility was finalized during the quarter.

In addition, decision has been made to invest in a transition to water-based paint at the Norrköping facility. The investment is of a minor nature but an important piece of the puzzle in our sustainability work. The investment leads to a significant increase in capacity, which strengthens the company’s offering in the form of shorter lead times. The project will be completed by the end of the year.

In May, it was announced that we had signed a cooperation agreement with SSAB regarding fossil-free steel for the Finnish market and in June, a new long-term credit agreement of SEK 775 M was signed with SEB. Different kind of investments, but nonetheless very important.

Peter Andersson
President and CEO

Bridge 2022-2023 operating result SEK M	Q1	Q2	Q3	Q4	Jan-Jun
Operating result 2022	184	313	40	-119	497
Reversal of inventory gains (-)/losses (+)	-4	-22	27	69	-26
Underlying operating result 2022	180	291	67	-50	471
Change in sales	-50	-139	-	-	-189
Change in underlying gross margin	-112	-126	-	-	-238
Change in overhead costs	-8	7	-	-	-1
Underlying operating result 2023	10	33	-	-	43
Reversal of inventory gains (+)/losses (-)	-9	-7	-	-	-16
Operating result 2023	1	26	-	-	27

Comments on the report

Second quarter

The Group's consolidated net sales for the period decreased by 31 percent compared to last year, amounting to SEK 1,406 M (2,044). The decline is explained by organic tonnage growth of -18 percent, price and mix effects of -17 percent and divestments of -1 percent, partly compensated by positive currency effects of 5 percent. The economic slowdown and rising interest rates have contributed to reduced demand and a sharp slowdown in the construction industry, while demand from the manufacturing industry and OEM customers remains stable.

Reduced demand and lower steel prices combined with the sale of high priced inventory, pressured gross profit to SEK 172 M (458) which resulted in a gross margin of 12.3 percent (22.4). The operating result amounted to SEK 26 M (312), corresponding to an operating margin of 1.9 percent (15.3). Adjusted for inventory gains and losses of SEK -7 M (22), the underlying operating result amounted to SEK 33 M (291). During the period, the underlying operating margin amounted to 2.4 percent (14.2).

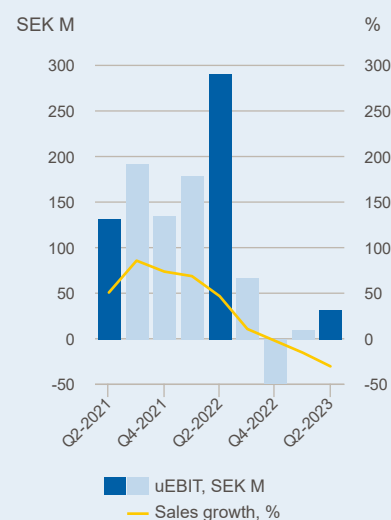
Steel prices in the second quarter were relatively stable, resulting in the gross margin improving by 2 percentage points compared with the first quarter.

First six months

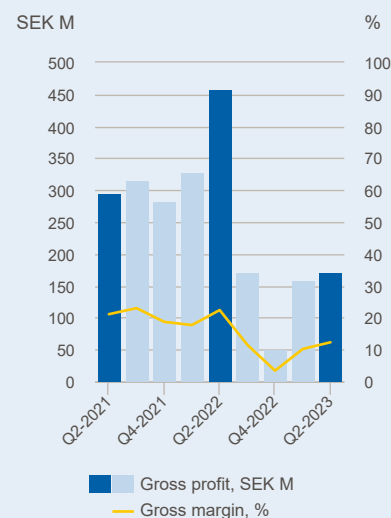
During the first six months, the Group's net sales decreased by 24 percent compared to last year and amounted to SEK 2,964 M (3,889). Tonnage in business area Sweden & Poland decreased organically by -24 percent and Finland & Baltics delivered -12 percent less. Gross profit amounted to SEK 331 M (785) and the gross margin amounted to 11.2 percent (20.2).

The operating result amounted to SEK 27 M (497), corresponding to an operating margin of 0.9 percent (12.8). Adjusted for inventory gains and losses of SEK -16 M (26), the underlying operating result amounted to SEK 43 M (471). During the period, the underlying operating margin amounted to 1.5 percent (12.1).

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, BE Group Produktion Arvika, the joint venture ArcelorMittal BE Group SSC AB as well as the Polish operation BE Group Poland. Lecor Stålteknik was divested on July 1, 2022.

Second quarter

Net sales decreased by 33 percent in the second quarter compared to last year and amounted to SEK 690 M (1,032). The decline is explained by organic tonnage growth of -24 percent, price and mix effects of -8 percent and acquisitions and divestments of -1 percent. The operating result amounted to SEK 11 M (130). Adjusted for inventory gains and losses of SEK -10 M (17), the underlying operating result amounted to SEK 20 M (113).

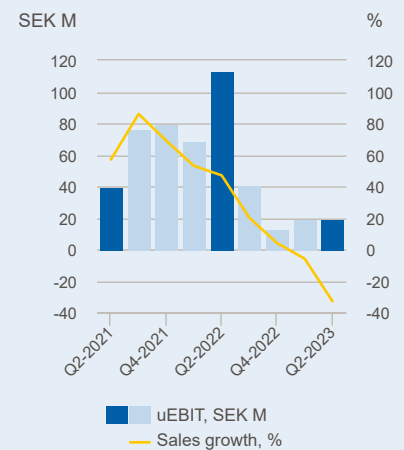
The Swedish operations provided a weak underlying operating result compared with the previous year, which is a direct consequence of a sharp decrease in demand in the construction industry and lower steel prices resulting in a gross margin under continued pressure. In the second quarter, there was a modest increase in steel prices compared with the first quarter, which led to a slightly better gross margin.

Our joint venture AMBE delivered slightly lower volumes and operating result. This was due to lower steel prices compared with the previous year. Slightly higher steel prices compared with the first quarter strengthened the gross margin.

First six months

Net sales for the first six months decreased by 21 percent compared to last year, amounting to SEK 1,480 M (1,874). The decline is explained by organic tonnage growth of -18 percent and price and mix effects of -3 percent. Operating result amounted to SEK 13 M (206). Adjusted for inventory gains and losses of SEK -28 M (24), the underlying operating result amounted to SEK 40 M (182).

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

Net sales decreased by 28 percent compared to the second quarter last year amounting to SEK 727 M (1,015). The decline is explained by price and mix effects of -27 percent and organic tonnage growth of -12 percent partly compensated by positive currency effects of 9 percent. The operating result amounted to SEK 16 M (187). Adjusted for inventory gains and losses of SEK 2 M (5), the underlying operating result amounted to SEK 12 M (181).

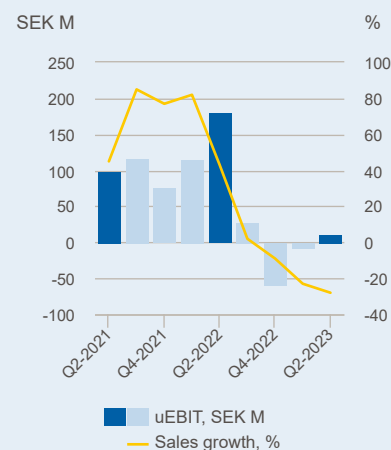
The Finnish operations generated a weak underlying operating result compared to last year as a consequence of significantly lower steel prices and a gross margin under continued pressure which is explained by high priced inventory being sold. Slightly higher steel prices compared to the last quarter contributed to a strengthened gross margin.

The Baltic operations provided a continued negative result, which is explained by low demand in combination with lower steel prices which put pressure on gross margin.

First six months

Net sales for the first six months decreased by 26 percent compared to last year, amounting to SEK 1,509 M (2,028). The decline is explained by price and mix effects of -20 percent and organic tonnage growth of -15 percent partly compensated by positive currency effects of 8 percent. The operating result amounted to SEK 19 M (299) and adjusted for inventory gains and losses of SEK 11 M (2), the underlying operating result amounted to SEK 6 M (297).

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 2022.

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

Sales for the second quarter of the Parent Company, BE Group AB (publ), amounted to SEK 35 M (30) during the period and derived from intra-Group services. These intra-Group services mainly include the subsidiaries' use of the BE Group brand and central expenses for IT 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 -18 M (-15), SEK 14 M (10) was allocated to the subsidiaries. The operating result amounted to SEK 17 M (15).

Net financial items for the quarter decreased to SEK 46 M (253) mainly attributable to lower dividend from subsidiaries. Profit before tax amounted to SEK 63 M (268) and profit after tax amounted to SEK 58 M (265). Investments in the Parent Company during the quarter amounted to SEK 0 M (0). At the end of the period, cash and equivalents in the Parent Company amounted to SEK 181 M (157).

Net financial items for the first six months amounted to SEK 49 M (256). Profit before tax amounted to SEK 81 M (287) and profit after tax was SEK 73 M (280). Investments in the Parent Company for the first six months 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 -4 M (-5), of which net interest amounted to SEK -7 M (-4). 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 -9 M (-7) and net interest to SEK -13 M (-7), of which SEK -5 M (-5) relates to IFRS 16.

Taxes for the second quarter amounted to SEK -3 M (-57). Profit after tax amounted to SEK 19 M (251) and was SEK 16 M (399) for the first six months.

Cash flow

The Group's consolidated working capital amounted to SEK 792 M (1,070) at the end of the period and the average working capital tied-up for the second quarter was 15.3 percent (12.2). The lower working capital is mainly attributable to decreased accounts receivable and the decreased inventory value, which amounted to SEK 999 M (1,396) at the end of the period. The decrease in inventory value is due to lower average prices and adjustment of inventory levels as a consequence of lower demand in the second quarter. Cash flow from operating activities increased to SEK 132 M (127) during the quarter and to SEK 358 M (235) for the first six months.

Cash flow from investing activities amounted to SEK -24 M (-23) for the quarter and to SEK -72 M (-29) for the first six months and mainly refers to the investment in the fully automated saw and machining line in Finland. Cash flow after investments increased to SEK 108 M (104) during the second quarter and to SEK 286 M (206) for the first six months.

Financial position and liquidity

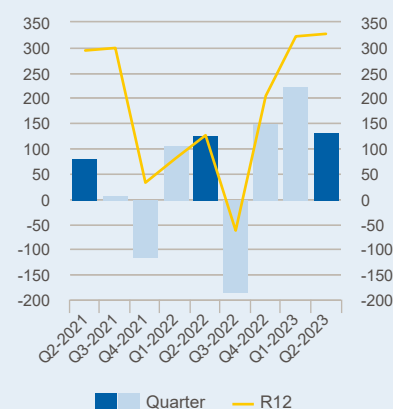
At the end of the period, consolidated cash and cash equivalents, including overdraft facilities, amounted to SEK 338 M (318) and the interest-bearing net debt excl. IFRS 16 was SEK 203 M (237). Equity amounted to SEK 1,536 M (1,688) at the end of the period.

During the second quarter, a new credit agreement was signed with a credit facility of SEK 775 M. The agreement has a maturity of three years with an option for extension by another two years. This ensures long-term financing of the company's operations.

Organization, structure and employees

The number of employees amounted to 696 compared to 667 at the same time last year. The average number of employees during the quarter amounted to 689 (665).

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 2022 Annual Report, which was published in March 2023.

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 2022 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 2023 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 2023 will be published on October 18, 2023
- The Year-end report 2023 will be published in January, 2024

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, 2023

BE Group AB (publ)

Jörgen Zahlin
Chairman of the Board

Monika Gutén
Member of the Board

Lars Olof Nilsson
Member of the Board

Mats O Paulsson
Member of the Board

Petter Stillström
Member of the Board

Ida Strömberg
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 Market Act. The information was submitted for publication through the agency of the contact persons set out above at 11:00 a.m. CET on July 13, 2023.

Condensed consolidated income statement

(SEK M)	Note	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year	Rolling 12 months
Net sales		1,406	2,044	2,964	3,889	6,875	5,950
Cost of goods sold	1	-1,234	-1,586	-2,633	-3,104	-5,866	-5,395
Gross profit		172	458	331	785	1,009	555
Selling expenses	1	-125	-130	-249	-252	-482	-479
Administrative expenses	1	-37	-33	-72	-62	-134	-144
Other operating income and expenses		5	-7	4	-7	-9	2
Participation in joint venture		11	25	13	33	34	14
Operating profit/loss		26	313	27	497	418	-52
Financial items		-4	-5	-9	-7	-18	-20
Profit/loss before tax		22	308	18	490	400	-72
Tax		-3	-57	-2	-91	-76	13
Profit/loss for the period		19	251	16	399	324	-59
Earnings per share (SEK)		1.47	19.30	1.25	30.71	24.96	-4.50
Earnings per share after dilution (SEK)		1.47	19.30	1.25	30.71	24.96	-4.50

Consolidated statement of comprehensive income

(SEK M)	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Mar	2022 Full-year	Rolling 12 months
Profit/loss for the period	19	251	16	399	324	-59
Other comprehensive income						
Items that may later be reclassified to profit/loss for the period						
Translation differences	30	25	39	32	56	63
Total other comprehensive income	30	25	39	32	56	63
Comprehensive income for the period	49	276	55	431	380	4

Condensed consolidated balance sheet

(SEK M)	Note	2023 Jun 30	2022 Jun 30	2022 Dec 31
Goodwill		599	572	583
Other intangible assets		6	9	7
Tangible assets		206	109	138
Right of use assets		511	545	494
Investment in joint venture		181	209	183
Financial assets		0	0	0
Deferred tax assets		12	4	6
Total non-current assets		1,515	1,448	1,411
Inventories		999	1,396	1,127
Accounts receivable		731	1,126	675
Other receivables		169	40	78
Cash and equivalents		188	168	50
Total current assets		2,087	2,730	1,930
Total assets	2	3,602	4,178	3,341
Equity		1,536	1,688	1,637
Non-current interest-bearing liabilities		391	398	406
Non-current leasing liabilities		414	445	405
Deferred tax liability		50	44	48
Total non-current liabilities		855	887	859
Current interest-bearing liabilities		0	8	1
Current leasing liabilities		103	102	94
Accounts payable		776	1,041	480
Other current liabilities		331	451	269
Other current provisions		1	1	1
Total current liabilities		1,211	1,603	845
Total equity and liabilities	2	3,602	4,178	3,341

Condensed consolidated cash-flow statement

(SEK M)	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year	Rolling 12 months
Operating result	26	313	27	497	418	-52
Adjustment for non-cash items	-50	20	-65	35	173	73
– of which, amortization/depreciation	32	29	61	56	115	120
– of which, other items ¹⁾	-82	-9	-126	-21	58	-47
Interest received	1	1	3	2	6	7
Interest paid	-8	-5	-16	-9	-23	-30
Income tax paid	-6	-9	-45	-11	-53	-87
Change in working capital	169	-193	454	-279	-317	416
Cash flow from operating activities	132	127	358	235	204	327
Acquisitions/divestments of subsidiaries	0	-9	0	-9	-7	2
Changes in intangible assets	0	0	0	0	-1	-1
Changes in tangible assets	-24	-14	-72	-20	-48	-100
Other cash flow from investing activities	0	0	0	0	0	0
Cash flow after investments	108	104	286	206	148	228
Cash flow from financing activities ¹⁾	-60	-56	-149	-94	-155	-210
Cash flow for the period	48	48	137	112	-7	18
Translation differences in cash and equivalents	1	1	1	2	3	2
Change in cash and equivalents	49	49	138	114	-4	20

¹⁾ The cash flow contains the total decided dividend of SEK -156 M to be paid for the financial year 2022, of which SEK -78 M was paid in April and SEK -78 M will be paid in October 2023.

Condensed statement of changes in equity

(SEK M)	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year	Rolling 12 months
Equity at beginning of period	1,643	1,568	1,637	1,413	1,413	1,688
Comprehensive income for the period	49	276	55	431	380	4
Dividend	-156	-156	-156	-156	-156	-156
Equity at end of period	1,536	1,688	1,536	1,688	1,637	1,536

Note 1 Amortizations and depreciations

(SEK M)	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year	Rolling 12 months
Amortization of intangible assets	1	1	2	2	4	4
Depreciation of tangible assets	6	4	11	10	21	22
Depreciation of right of use assets	25	24	48	44	90	94
Total amortizations and depreciations	32	29	61	56	115	120

Note 2 Valuation of financial assets and liabilities

Fair value for long-term borrowing corresponds in all material respects with the carrying amount as the borrowing runs at a variable interest rate and the own credit risk has not changed significantly. Fair value for other financial assets and liabilities corresponds in all material respects with the carrying amount as they are short-term and the discounting effect is not considered to be significant.

Segment reporting

Net sales by business area

(SEK M)	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year	Rolling 12 months
Sweden & Poland	690	1,032	1,480	1,874	3,408	3,014
Finland & Baltics	727	1,015	1,509	2,028	3,497	2,978
Parent Company & consolidated items	-11	-3	-25	-13	-30	-42
Group	1,406	2,044	2,964	3,889	6,875	5,950

Net sales by business area and product group

2023	Sweden & Poland		Finland & Baltics		Parent company & consolidated items		Total		Rolling 12 months
(SEK M)	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	
Long steel products	313	678	192	412	0	0	505	1,090	2,353
Flat steel products	273	567	378	769	0	0	651	1,336	2,563
Stainless steel	79	177	112	235	0	0	191	412	778
Aluminium	16	37	31	64	0	0	47	101	208
Other	9	21	14	29	-11	-25	12	25	48
Total	690	1,480	727	1,509	-11	-25	1,406	2,964	5,950

2022	Sweden & Poland		Finland & Baltics		Parent company & consolidated items		Total		2022 Full-year
(SEK M)	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	Apr-Jun	Jan-Jun	
Long steel products	568	964	299	598	0	0	867	1,562	2,825
Flat steel products	288	546	527	1,030	0	0	815	1,576	2,803
Stainless steel	117	238	141	289	0	0	258	527	893
Aluminium	22	57	42	92	0	0	64	149	256
Other	37	69	6	19	-3	-13	40	75	98
Total	1,032	1,874	1,015	2,028	-3	-13	2,044	3,889	6,875

Net sales by country based on customer 's domicile

(SEK M)	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year	Rolling 12 months
Sweden	648	1,011	1,387	1,836	3,261	2,812
Finland	655	918	1,352	1,812	3,162	2,702
Other	103	115	225	241	452	436
Group	1,406	2,044	2,964	3,889	6,875	5,950

Shipped tonnage per segment

(Thousands of tonnes)	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year	Rolling 12 months
Sweden & Poland	34	45	74	86	157	145
Finland & Baltics	38	44	81	95	164	150
Parent Company & consolidated items	1	-1	-1	-1	-1	-1
Group	73	88	154	180	320	294

Operating result (EBIT) per segment

(SEK M)	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year	Rolling 12 months
Sweden & Poland	11	130	13	206	217	24
Finland & Baltics	16	187	19	299	217	-63
Parent Company & consolidated items	-1	-4	-5	-8	-16	-13
Group	26	313	27	497	418	-52

Operating margin per segment

(SEK M)	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year	Rolling 12 months
Sweden & Poland	1.6%	12.6%	0.9%	11.0%	6.4%	0.8%
Finland & Baltics	2.2%	18.4%	1.2%	14.7%	6.2%	-2.1%
Parent Company & consolidated items	neg	neg	neg	neg	neg	neg
Group	1.9%	15.3%	0.9%	12.8%	6.1%	-0.9%

Underlying operating result (uEBIT) per segment ¹⁾

(SEK M)	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year	Rolling 12 months
Sweden & Poland	20	113	40	182	236	94
Finland & Baltics	12	181	6	297	267	-24
Parent Company & consolidated items	1	-3	-3	-8	-15	-10
Group	33	291	43	471	488	60

Underlying operating margin per segment ²⁾

(SEK M)	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year	Rolling 12 months
Sweden & Poland	3.0%	11.0%	2.7%	9.7%	6.9%	3.1%
Finland & Baltics	1.7%	17.9%	0.4%	14.6%	7.6%	-0.8%
Parent Company & consolidated items	neg	neg	neg	neg	neg	neg
Group	2.4%	14.2%	1.5%	12.1%	7.1%	1.0%

Depreciation per segment

(SEK M)	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year	Rolling 12 months
Sweden & Poland	3	3	6	6	12	12
Finland & Baltics	3	2	6	5	11	12
Parent Company & consolidated items	26	24	49	45	92	96
Group	32	29	61	56	115	120

Investments in tangible and intangible assets per segment

(SEK M)	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year	Rolling 12 months
Sweden & Poland	6	1	10	3	6	13
Finland & Baltics	18	13	62	17	47	92
Parent Company & consolidated items	0	0	0	0	0	0
Group	24	14	72	20	53	105

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)	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year	Rolling 12 months
Net sales	1,406	2,044	2,964	3,889	6,875	5,950
Earnings measurements						
Gross result	172	458	331	785	1,009	555
Underlying gross result	181	446	341	768	1,075	648
Operating result (EBIT)	26	313	27	497	418	-52
Underlying operating result (uEBIT)	33	291	43	471	488	60
Margin measurements						
Gross margin	12.3%	22.4%	11.2%	20.2%	14.7%	9.3%
Underlying gross margin	12.8%	21.8%	11.5%	19.7%	15.6%	10.9%
Operating margin	1.9%	15.3%	0.9%	12.8%	6.1%	-0.9%
Underlying operating margin	2.4%	14.2%	1.5%	12.1%	7.1%	1.0%
Capital structure						
Net debt excl. IFRS 16 ¹⁾	203	237	203	237	357	203
Net debt/equity ratio excl. IFRS 16 ¹⁾	13.2%	14.0%	13.2%	14.0%	21.7%	13.2%
Working capital at end of period	792	1,070	792	1,070	1,130	792
Working capital (average)	861	996	951	949	1,064	1,052
Capital employed (average) excl. IFRS 16 ¹⁾	1,964	1,977	1,994	1,890	2,003	2,075
Working capital tied-up	15.3%	12.2%	16.0%	12.2%	15.5%	17.7%
Return						
Return on capital employed excl. IFRS 16 ¹⁾	4.9%	62.6%	2.2%	52.0%	20.3%	-3.1%
Per share data						
Earnings per share (SEK)	1.47	19.30	1.25	30.71	24.96	-4.50
Earnings per share after dilution (SEK)	1.47	19.30	1.25	30.71	24.96	-4.50
Equity per share (SEK)	118.32	130.04	118.32	130.04	126.11	118.32
Cash flow from operating activities per share (SEK)	10.16	9.79	27.54	18.13	15.72	25.12
Shares outstanding at period end (thousands)	12,983	12,983	12,983	12,983	12,983	12,983
Average number of shares (thousands)	12,983	12,983	12,983	12,983	12,983	12,983
Growth						
Sales growth	-31%	46%	-24%	55%	28%	-12%
– of which organic tonnage growth	-18%	-14%	-17%	-5%	-9%	-16%
– of which price and mix changes	-17%	54%	-10%	57%	32%	-1%
– of which currency effects	5%	2%	4%	2%	2%	4%
– of which acquisitions	0%	4%	0%	1%	3%	2%
– of which divestments	-1%	-	-1%	-	0%	-1%
Other						
Average number of employees	689	665	681	652	654	671
Inventory gains and losses	-7	22	-16	26	-70	-112
Shipped tonnage (thousands of tonnes)	73	88	154	180	320	294

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)	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year	Rolling 12 months
Net sales	35	30	69	60	148	157
Administrative expenses	-18	-15	-37	-29	-68	-76
Other operating income and expenses	0	0	0	0	1	1
Operating profit/loss	17	15	32	31	81	82
Financial items	46	253	49	256	266	59
Profit/loss after financial items	63	268	81	287	347	141
Appropriations	-	-	-	-	39	39
Profit/loss before tax	63	268	81	287	386	180
Tax	-5	-3	-8	-7	-26	-27
Profit/loss for the period, or comprehensive income for the period	58	265	73	280	360	153

Condensed parent company balance sheet

(SEK M)	2023 Jun 30	2022 Jun 30	2022 Dec 31
Intangible assets	2	4	3
Tangible assets	0	0	0
Financial assets	874	881	873
Total non-current assets	876	885	876
Current receivables	172	145	377
Cash and equivalents	181	157	31
Total current assets	353	302	408
Total assets	1,229	1,187	1,284
Equity	1,080	1,083	1,163
Non-current liabilities	-	39	39
Current liabilities	149	65	82
Total equity and liabilities	1,229	1,187	1,284

Total decided dividend for the financial year 2022 amounts to SEK 156 M, of which SEK 78 M was paid in April and SEK 78 M will be paid in October 2023.

Key data – multi-quarter summary

(SEK M unless otherwise stated)	2023 Apr-Jun	2023 Jan-Mar	2022 Oct-Dec	2022 Jul-Sep	2022 Apr-Jun	2022 Jan-Mar	2021 Oct-Dec	2021 Jul-Sep	2021 Apr-Jun
Net sales	1,406	1,558	1,472	1,514	2,044	1,845	1,510	1,375	1,403
Earnings measurements									
Gross result	172	159	51	173	458	327	283	316	296
Underlying gross result	181	160	110	197	446	322	269	301	275
Operating result (EBIT)	26	1	-119	40	313	184	158	219	158
Underlying operating result (uEBIT)	33	10	-50	67	291	180	135	193	133
Margin measurements									
Gross margin	12.3%	10.2%	3.4%	11.5%	22.4%	17.7%	18.7%	23.0%	21.1%
Underlying gross margin	12.8%	10.3%	7.4%	13.0%	21.8%	17.5%	17.8%	21.9%	19.6%
Operating margin	1.9%	0.0%	-8.1%	2.6%	15.3%	10.0%	10.4%	15.9%	11.3%
Underlying operating margin	2.4%	0.6%	-3.4%	4.4%	14.2%	9.8%	9.0%	14.0%	9.5%
Capital structure									
Net debt excl. IFRS 16 ¹⁾	203	204	357	475	237	159	241	98	75
Net debt/equity ratio excl. IFRS 16 ¹⁾	13.2%	12.4%	21.7%	27.4%	14.0%	10.1%	17.0%	7.6%	6.7%
Working capital at end of period	792	931	1,130	1,340	1,070	920	856	610	434
Working capital (average)	861	1,031	1,234	1,204	996	889	734	523	405
Capital employed (average) excl. IFRS 16 ¹⁾	1,964	2,023	2,173	2,197	1,977	1,785	1,639	1,467	1,387
Working capital tied-up	15.3%	16.5%	21.0%	19.9%	12.2%	12.0%	12.1%	9.5%	7.2%
Return									
Return on capital employed excl. IFRS 16 ¹⁾	4.9%	-0.4%	-22.3%	6.8%	62.6%	40.9%	38.3%	59.1%	44.9%
Per share data									
Earnings per share (SEK)	1.47	-0.22	-7.79	2.05	19.30	11.41	10.00	13.49	9.74
Earnings per share after dilution (SEK)	1.47	-0.22	-7.79	2.05	19.30	11.41	10.00	13.49	9.74
Equity per share (SEK)	118.32	126.57	126.11	133.30	130.04	120.80	108.84	98.68	84.82
Cash flow from operating activities per share (SEK)	10.16	17.37	11.75	-14.14	9.79	8.35	-8.87	0.50	6.24
Shares outstanding at period end (thousands)	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983
Average number of shares (thousands)	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983
Growth									
Sales growth	-31%	-16%	-3%	10%	46%	68%	73%	85%	50%
– of which organic tonnage growth	-18%	-15%	-14%	-15%	-14%	4%	4%	21%	28%
– of which price and mix changes	-17%	-5%	5%	19%	54%	62%	70%	65%	25%
– of which currency effects	5%	4%	5%	3%	2%	2%	-1%	-1%	-3%
– of which acquisitions	0%	1%	3%	4%	4%	-	-	-	-
– of which divestments	-1%	-1%	-2%	-1%	-	-	-	-	-
Other									
Average number of employees	689	674	656	656	665	645	627	625	616
Inventory gains and losses	-7	-9	-69	-27	22	4	23	26	25
Shipped tonnage (thousands of tonnes)	73	81	72	68	88	92	79	77	98

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)	2023 Apr-Jun	2022 Apr-Jun	2023 Jan-Jun	2022 Jan-Jun	2022 Full-year	Rolling 12 months
Operating result	26	313	27	497	418	-52
Reversal of inventory gains (-)/losses (+)	7	-22	16	-26	70	112
Adjustment for items affecting comparability	-	-	-	-	-	-
Group	33	291	43	471	488	60

Working capital

(SEK M)	2023 Jun 30	2022 Jun 30	2022 Dec 31
Inventories	999	1,396	1,127
Accounts receivable	731	1,126	675
Other receivables	169	40	78
Deduction accounts payable	-776	-1,041	-480
Deduction other current liabilities	-331	-451	-269
Rounding	-	-	-1
Group	792	1,070	1,130

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

Net debt excl. IFRS 16

(SEK M)	2023 Jun 30	2022 Jun 30	2022 Dec 31
Non-current interest-bearing liabilities and leasing liabilities	805	843	811
Current interest-bearing liabilities and leasing liabilities	103	110	95
Deduction leasing liabilities	-517	-547	-499
Deduction financial assets	0	0	0
Deduction cash and equivalents	-188	-168	-50
Rounding	-	-1	-
Group	203	237	357

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)	2023 Jun 30	2022 Jun 30	2022 Dec 31
Equity excl. IFRS 16	1,544	1,695	1,645
Non-current interest-bearing liabilities and leasing liabilities	805	843	811
Current interest-bearing liabilities and leasing liabilities	103	110	95
Deduction leasing liabilities	-517	-547	-499
Rounding	-	-	-
Group	1,935	2,101	2,052

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 published 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 published 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 (before and after dilution) 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 2022 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 6.9 billion in 2022. The head office is located in Malmö, Sweden.

Number of employees

approx. 650

Net sales

**SEK 6.9
billion**

BUSINESS IDEA

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

- 
- Sales
● Production
● Warehouse