

# BE Q1 2016



Interim report BE Group AB (publ) 2016 | Malmö, April 22, 2016

## Strong cash flow

### FIRST QUARTER 2016

- Net sales fell by 11 percent, amounting to SEK 978 M (1,104).
- The underlying operating result amounted to SEK 9 M (12).
- Operating result, affected by non recurring costs of SEK -45 M (0), amounted to SEK -45 M (10).
- The result after tax was SEK -53 M (0).
- Cash flow from operating activities was SEK 51 M (-54).
- Earnings per average number of shares amounted to SEK -0.20 (0.00).
- Decision to close the unprofitable parts of the operations in the Czech Republic and Slovakia.

### EVENTS AFTER THE END OF THE PERIOD

- A structural and organizational change will be implemented during the second quarter, with the aim of creating a transparent organization based on the company's business models.

### Overview of results

	2016 Jan-Mar	2015 Jan-Mar	Change
Tonnage, thousands of tonnes	103	108	-5
Net sales, SEK M	978	1,104	-126
Underlying operating profit/loss, SEK M	9	12	-3
Operating profit/loss, SEK M	-45	10	-55
Profit/loss for the period, SEK M	-53	0	-53
Earnings per share (SEK)	-0.20	0.00	-0.20
Cash flow from operating activities (SEK)	51	-54	105

**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 engineering sectors. In 2015, the Group reported sales of SEK 4.2 Bn. BE Group has about 770 employees, with Sweden and Finland as its largest markets. The head office is located in Malmö, Sweden. Read more about BE Group at [www.begroup.com](http://www.begroup.com).

## CEO's Message

### Comments on the period

Development in the first quarter was largely characterized by the sharp decline in steel prices that occurred at the end of 2015. The current price level is significantly lower than just a year ago. Generally lower prices, combined with sales in the Czech and Slovakian markets having declined by about 40 percent, mean that the Group's overall sales have fallen by 11 percent compared with the same quarter last year.

The decline in sales and continued losses, combined with the weak market outlook, has resulted in a decision to restructure the Group's operations in the Czech Republic and Slovakia. This entails that the operations in Slovakia will be closed, as will flat carbon steel and aluminium in the Czech Republic. The profitable part of our operations in the Czech Republic, which successfully supplies the market with cut round bars, is not affected by the change.

Shipped tonnage in the main markets Sweden and Finland are largely on the same level as last year, despite the fact that the quarter is seasonally affected by the Easter holiday, which unlike last year, occurred during the first quarter. With improved underlying margins and lower overheads we show a result in line with last year in these markets, despite lower prices.

In total, the quarter's underlying result decreased to SEK 9 M, compared with SEK 12 M last year. The decline is mainly due to a lower result in the Czech Republic and Slovakia. The sharp fall in prices in late 2015 led to inventory losses, totaling SEK -9 M in the first quarter of this year. Combined with non-recurring costs of SEK -45 M, mainly related to restructuring in the Czech Republic and Slovakia,

this means that we also reported a lower operating result. The Group shows a strong cash flow from operating activities during the first quarter, which means that the cash flow for the last twelve months is positive.

### Structure and organizational change

To improve conditions for a stronger and more profitable BE Group, we have, in addition to the cutbacks in the Czech Republic and Slovakia, also performed an organizational change in order to decentralizing responsibility for results on the basis of two new business units, Distribution and Production, on our main markets Sweden and Finland respectively. In concrete terms, this means that the business areas will be divided into business units focused on distribution and production respectively. The full measures were announced in April and are presented in the section Significant events after the end of the period, in this report.

With the changes in the Czech Republic and Slovakia and an organization that clearly reflects and supports our business models, we will improve the conditions for a stronger market position.

### Outlook

Looking ahead, the price situation appears to have stabilized following the sharp decline at the end of last year. Our assessment is that prices have reached bottom and that the trend going forward will be positive. At the same time, the view is that market demand will remain at the current level.

*Anders Martinsson, CEO and President*

### Bridge earnings trend 2015–2016, SEK M

	Q1	Q2	Q3	Q4
<b>Operating result 2015</b>	<b>10</b>	<b>10</b>	<b>-117</b>	<b>-17</b>
Inventory losses	2	2	3	5
Non recurring items	0	0	124	0
<b>Underlying operating result 2015</b>	<b>12</b>	<b>12</b>	<b>10</b>	<b>-12</b>
Tonnage, price and mix effects	-17	-	-	-
Underlying change in gross margin	7	-	-	-
Changes in overhead costs, etc.	7	-	-	-
<b>Underlying operating result 2016</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>
Inventory losses	-9	-	-	-
Non recurring items	-45	-	-	-
<b>Operating result 2016</b>	<b>-45</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Comments on the report

### Group

#### Developments in the first quarter of 2016

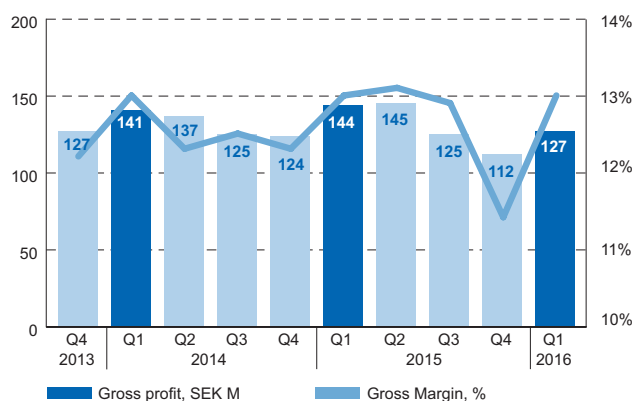
Compared with last year, consolidated net sales fell by 11 percent over the period, amounting to SEK 978 M (1,104). The decline is explained by a decrease in tonnage of 5 percentage points and negative price and mix effects of 6 percentage points. The lower tonnage is primarily a consequence of lower sales in the Czech Republic and Slovakia. The negative price effect is due to significantly lower steel prices compared with the previous year, largely due to the sharp decline in the final quarter of 2015.

Gross profit amounted to SEK 127 M (144), with a gross margin of 13.0 percent (13.0). The operating result amounted to SEK -45 M (10), with an operating margin of -4.6 percent (0.9). Adjusted for inventory losses of SEK -9 M (2) and non-recurring costs of SEK -45 M, the underlying operating result decreased to SEK 9 M (12).

The lower underlying result is a consequence of the decreased sales. Overhead costs and the underlying gross margin improved compared with last year.

Of the non recurring costs, SEK 36 M is related to the restructuring of the company's operations in the Czech Republic and Slovakia as described in more detail under the heading Other Units. Of the remainder, SEK 6 M is related to personnel cutbacks affecting a total of 10 people in various functions within the Group. The saving, which is estimated to be SEK 8 M on an annual basis, will be completed by the end of the year. The remaining non recurring costs of SEK 3 M is related to the closure of the Group's production operations in Estonia and are described under Business Area Finland.

The Group's gross profit and gross margin per quarter



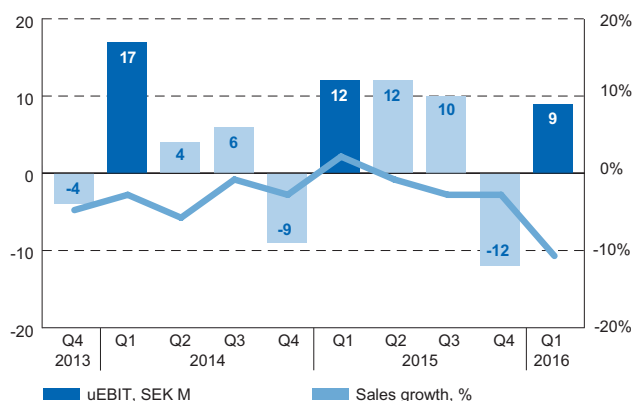
### Business Area Sweden

#### Developments in the first quarter of 2016

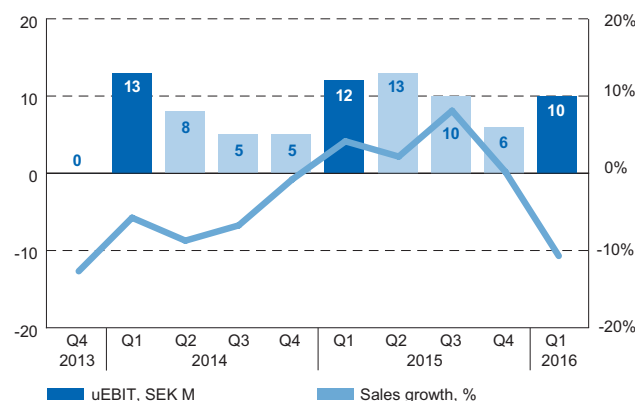
Net sales decreased by 11 percent compared with last year, amounting to SEK 430 M (485), mainly due to lower prices. Shipped tonnage decreased by 2 percent due to lower sales in March compared with the same period last year. In the company's view, this is a seasonal effect due to the Easter holiday which, unlike last year, occurred in the first quarter.

The operating result fell to SEK 6 M (12). Adjusted for inventory losses of SEK -1 M (0) and non recurring costs related to personnel cutbacks of SEK -3 M (0), the underlying operating result amounted to SEK 10 M (12). The decrease in the result is attributable entirely to the lower sales. Compared with last year, the gross margin was higher and operating expenses were lower.

The Group's underlying EBIT and sales growth per quarter



Business Area Sweden's underlying EBIT and sales growth per quarter



## Business Area Finland

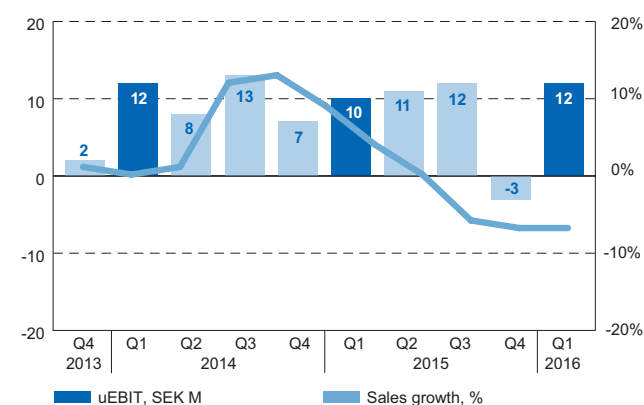
### Developments in the first quarter of 2016

Net sales fell 7 percent compared with last year, amounting to SEK 430 M (461). Shipped tonnage was unchanged, and the lower sales are therefore attributable to lower sales prices.

Operating result amounted to SEK 2 M (8) and, adjusted for inventory losses of SEK -5 M (-2) and non-recurring costs of SEK -5 (0), the underlying operating result improved to SEK 12 M (10). The improvement is a consequence of stronger underlying gross margin and lower overhead costs.

The non-recurring costs are attributable to personnel cutbacks and the closure of production operations in Rapla, Estonia. The production operations employ four people and the company generated sales of SEK 3 M in 2015, with an operating result of SEK -0.5 M. The distribution operations in Estonia are not affected by the decision.

Business Area Finland's underlying EBIT and sales growth per quarter



## Other Units

### Developments in the first quarter of 2016

Other Units consists of the operations in Poland, the Czech Republic and Slovakia, as well as the Swedish companies Lecor Stålteknik and BE Group Produktion Eskilstuna.

Compared with last year, Other Units' net sales fell 25 percent, amounting to SEK 134 M (178). The operating result weakened to SEK -46 M (-5). Adjusted for inventory losses of SEK -3 M (0) and non-recurring costs of SEK -36 M (0), the underlying operating result was SEK -7 M (-5).

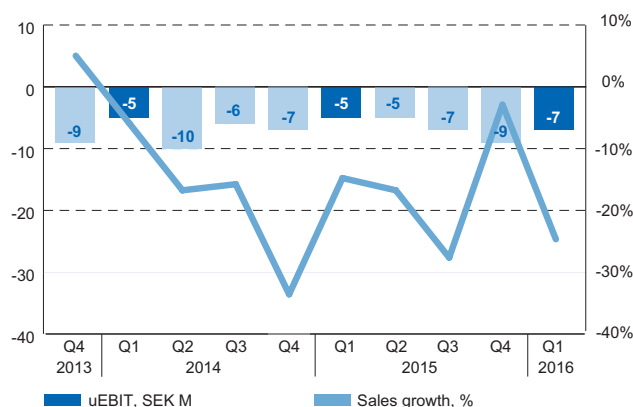
During the quarter, the Board of Directors of BE Group decided to restructure the operations in the Czech Republic and Slovakia. The markets in the Czech Republic and Slovakia have been developing negatively for several years and, despite taking measures to reach profitability, the Group's operations in the region continue to generate a loss. Sales in these markets were SEK 382 M in 2015 and the operating result was SEK -32 M, of which non-recurring costs amounted to SEK -20 M. Against this background and current weak market prospects, BE Group has decided to close the operations in Slovakia and to stop selling flat carbon steel and aluminium in the Czech

market. The operations in Prerov, in the Czech Republic, which provide the market with cut round bars, are not affected by the decision. The restructuring will affect approximately 40 employees and will improve the Group's operating result and reduce net debt.

During the first quarter, sales in the Czech Republic and Slovakia amounted to SEK 67 M (116) and operating result to SEK -43 M (-2). Non-recurring costs amounted to SEK -36 M (0), of which SEK -10 M are deemed to be cash expenditures.

Effective from the second quarter, the operations in the Czech Republic and Slovakia will be reported under the segment Consolidated items. The operations in Poland will, together with the Group's Swedish units, be reported in the segment Sweden and Poland. This means that the Other Units segment will cease.

Other units underlying EBIT and sales growth per quarter



## Net financial items and tax

Consolidated net financial items for the first quarter amounted to an expense of SEK -8 M (-10), of which the net interest expense accounted for SEK -5 M (-8). The lower net interest is due to net debt having been reduced and lower interest rate on the Company's interest bearing debt. On an annual basis, consolidated net interest corresponds to 3.2 percent (4.1) of interest bearing net debt.

Tax for the period amounted to SEK 0 M (0). The result after tax for the period was SEK -53 M (0).

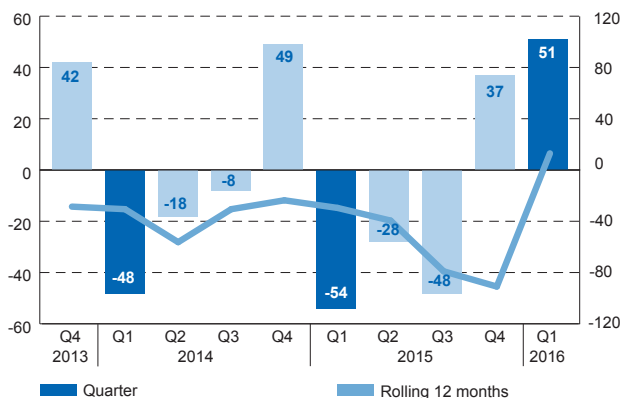
## Cash flow

At the end of the period, consolidated working capital amounted to SEK 464 M (486) and average working capital tied-up was 12.6 percent (10.3).

Cash flow after investments during the first quarter amounted to SEK 49 M (-58). Cash flow from investing activities amounted to SEK -2 M (-4) and from operating activities was SEK 51 M (-54). At the beginning of the quarter, accounts payable were unusually low, although the situation normalized during the quarter, generating a positive cash flow effect on working capital.

Over the past 12-month period, cash flow from operating activities amounted to SEK 12 M.

#### The Group's cash flow from operating activities in SEK M



#### Financial position and liquidity

At the end of the period, consolidated cash and equivalents, including overdraft facilities, amounted to SEK 163 M (110) and consolidated interest-bearing net debt amounted to SEK 565 M (804). During the first quarter, the company amortized external interest-bearing debt by SEK 17 M (0).

At the end of the period, equity totaled SEK 734 M (711), while the net debt/equity ratio improved to 77 percent (113).

#### Organization, structure and employees

The number of employees decreased to 755 compared with 774 at the start of the year and 761 at the corresponding time last year. The average number of employees during the period amounted to 765 (764).

#### Parent Company

Sales for the Parent Company, BE Group AB (publ), amounted to SEK 7 M (11) during the period and derived from intra Group services. The operating result amounted to SEK -6 M (-5), of which SEK -1 M (0) in non-recurring costs related to personnel cutbacks.

Net financial items amounted to SEK 5 M (26). The result before tax amounted to SEK -1 M (21) and the result after tax amounted to SEK 2 M (21).

Like last year, the Parent Company made no investments in intangible assets during the quarter. At the end of the period, the Parent Company's cash and equivalents were SEK 45 M (4).

#### Significant events after the end of the period

After the end of the period, BE Group decided to undertake a structural and organizational change aimed at creating a clearer organization on the basis of the Group's business models. As a consequence of this, and the ongoing restructuring of the Group's operations in the Czech Republic and Slovakia, the following changes will be implemented:

- Effective from the second quarter, Business Area Sweden will include the companies BE Poland, BE Produktion Eskilstuna and Lecor Stålteknik, and the name will change to Business Area Sweden and Poland.
- Business Area Finland and Baltics will change name to Business Area Finland and Baltics and will include, as previously, the Group's operations in Finland and the Baltic States.
- During the restructuring of the Group's operations in the Czech Republic and Slovakia, these operations will be reported under the Consolidated items segment.

- Group Management will consist of Anders Martinsson, Andreas Karlsson and Lasse Levola.

The Group's results will be reported according to the new segments effective from the second quarter of 2016.

#### Related party transactions

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

#### 2016 Annual General Meeting

The Annual General Meeting of BE Group will be held on April 28, 2016, at 3:00 p.m. in Malmö, Sweden. Further information will be published on the company's website.

#### Dividend proposal

The Board of Directors proposes that no dividend be paid for the 2015 financial year.

#### Proposal for reverse share split

The Board of Directors proposes that the Annual General Meeting resolves on a reverse share split of the company's shares, whereby 20 existing shares will be consolidated into 1 new share (reverse share split 1:20). The principal shareholder of the company, AB Traction, has, without compensation, committed to provide the number of shares required (rounding up) in order for the shareholding of all shareholders of the company to be evenly dividable by 20. The reverse share split is expected to occur in the latter part of May, assuming approval by the Annual General Meeting.

#### Proposed composition of the Board

The Nominating Committee has proposed re election of Charlotte Hansson, Lars Olof Nilsson, Petter Stillström and Jörgen Zahlin, and that Esa Niemi and Mikael Sjölund be newly elected. Roger Bergqvist has declined re-election.

It is proposed that Petter Stillström be re-elected as Chairman.

#### Proposal for election of auditors

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

#### Significant risks and uncertainties

The Group's risk exposure is explained in the 2015 Annual Report, which was published in April 2016. No new significant risks or uncertainties have arisen.

#### 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.

For details of the Group's accounting principles and definitions of certain terms, please refer to the 2015 Annual Report. The principles applied are unchanged in relation to those applied in the Annual Report.

In other regards, the new standards and interpretations that have entered into force effective from the 2016 financial year have had no major effect on the financial reporting.

## Future reporting dates

BE Group AB (publ) intends to publish financial information for 2016 on the following dates:

- The Interim Report for January-June 2016 will be published on July 20, 2016
- The Interim Report for January-September 2016 will be published on October 25, 2016
- The Year-end Report for 2016 will be published in February 2017

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

*Malmö, April 22, 2016,  
BE Group AB (publ)*



**Anders Martinsson**  
*President and CEO*

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

This interim report presents information that BE Group AB (publ) is required to disclose pursuant to the Swedish Securities Exchange and Clearing Operations Act and/or the Swedish Financial Instruments Trading Act. This information was submitted for publication on April 22, 2016 at 7.45 a.m. CET.

## Condensed consolidated income statement

(SEK M)	Note	2016 Jan-Mar	2015 Jan-Mar	2015 Full-year	Rolling 12 months
Net sales		978	1,104	4,155	4,029
Cost of goods sold	1	-851	-960	-3,631	-3,522
<b>Gross profit</b>		<b>127</b>	<b>144</b>	<b>524</b>	<b>507</b>
Selling expenses	1	-100	-108	-415	-407
Administrative expenses	1	-27	-27	-102	-102
Other operating income and expenses	2	-45	0	-123	-168
Participation in joint venture		0	1	2	1
<b>Operating profit/loss</b>		<b>-45</b>	<b>10</b>	<b>-114</b>	<b>-169</b>
Financial items		-8	-10	-48	-46
<b>Profit/loss before tax</b>		<b>-53</b>	<b>0</b>	<b>-162</b>	<b>-215</b>
Tax		0	0	-7	-7
<b>Profit/loss for the period</b>		<b>-53</b>	<b>0</b>	<b>-169</b>	<b>-222</b>
Earnings per share <sup>1)</sup>		-0.20	0.00	-0.97	-1.01
Earnings per share after dilution <sup>1)</sup>		-0.20	0.00	-0.97	-1.01

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

## Consolidated statement of comprehensive income

(SEK M)	2016 Jan-Mar	2015 Jan-Mar	2015 Full-year	Rolling 12 months
<b>Profit/loss for the period</b>	<b>-53</b>	<b>0</b>	<b>-169</b>	<b>-222</b>
<b>Other comprehensive income</b>				
<b>Items that have, or may be, reclassified to profit/loss for the period</b>				
Translation differences	5	-11	-17	-1
Hedging of net investments in foreign subsidiaries	-4	9	15	2
Tax attributable to items in other comprehensive income	1	-2	-3	0
<b>Total other comprehensive income</b>	<b>2</b>	<b>-4</b>	<b>-5</b>	<b>1</b>
<b>Comprehensive income for the period</b>	<b>-51</b>	<b>-4</b>	<b>-174</b>	<b>-221</b>

## Condensed consolidated balance sheet

(SEK M)	Note	2016 31 Mar	2015 31 Mar	2015 31 Dec
Goodwill		559	613	558
Other intangible assets		25	41	29
Tangible assets		187	241	199
Investment in joint venture		79	128	79
Financial assets		0	0	0
Deferred tax assets		45	50	42
<b>Total non-current assets</b>		<b>895</b>	<b>1,073</b>	<b>907</b>
Inventories		535	584	546
Accounts receivables		469	596	409
Other receivables		59	74	66
Cash and equivalents		63	10	33
<b>Total current assets</b>		<b>1,126</b>	<b>1,264</b>	<b>1,054</b>
<b>Total assets</b>	3	<b>2,021</b>	<b>2,337</b>	<b>1,961</b>
<b>Equity</b>		<b>734</b>	<b>711</b>	<b>785</b>
Non-current interest-bearing liabilities		567	713	565
Provisions		0	0	0
Deferred tax liability		42	43	41
<b>Total non-current liabilities</b>		<b>609</b>	<b>756</b>	<b>606</b>
Current interest-bearing liabilities		61	102	77
Accounts payables		444	610	353
Other current liabilities		155	155	140
Other current provisions		18	3	0
<b>Total current liabilities</b>		<b>678</b>	<b>870</b>	<b>570</b>
<b>Total equity and liabilities</b>	3	<b>2,021</b>	<b>2,337</b>	<b>1,961</b>
<b>Contingent liabilities</b>		<b>19</b>	<b>35</b>	<b>21</b>



## Condensed consolidated cash-flow statement

(SEK M)	2016 Jan-Mar	2015 Jan-Mar	2015 Full-year	Rolling 12 months
Profit/loss before tax	-53	0	-162	-215
Adjustment for non-cash items	57	15	186	228
Income tax paid	-2	-4	-7	-5
Change in working capital	49	-65	-110	4
<b>Cash flow from operating activities</b>	<b>51</b>	<b>-54</b>	<b>-93</b>	<b>12</b>
Investments in intangible assets	0	0	0	0
Investments in tangible assets	-2	-4	-16	-14
Other cash flow from investing activities	0	0	0	0
<b>Cash flow after investments</b>	<b>49</b>	<b>-58</b>	<b>-109</b>	<b>-2</b>
Cash flow from financing activities	-18	-3	71	56
<b>Cash flow for the period</b>	<b>31</b>	<b>-61</b>	<b>-38</b>	<b>54</b>
Exchange-rate difference in cash and equivalents	-1	-2	-2	-1
<b>Change in cash and equivalents</b>	<b>30</b>	<b>-63</b>	<b>-40</b>	<b>53</b>

## Condensed statement of changes in equity

(SEK M)	2016 Jan-Mar	2015 Jan-Mar	2015 Full-year	Rolling 12 months
<b>Equity at beginning of period</b>	<b>785</b>	<b>715</b>	<b>715</b>	<b>711</b>
Comprehensive income for the period	-51	-4	-174	-221
New share issue <sup>1)</sup>	-	-	244	244
<b>Equity at end of period</b>	<b>734</b>	<b>711</b>	<b>785</b>	<b>734</b>

<sup>1)</sup> After deduction of transaction costs.

## Notes

### Not 1 Amortizations and depreciations

(SEK M)	2016 Jan-Mar	2015 Jan-Mar	2015 Full-year	Rolling 12 months
Amortization of intangible assets	3	6	18	15
Depreciation of tangible assets	10	11	44	43
<b>Total amortizations and depreciations</b>	<b>13</b>	<b>17</b>	<b>62</b>	<b>58</b>

### Not 2 Non-recurring items

(SEK M)	2016 Jan-Mar	2015 Jan-Mar	2015 Full-year	Rolling 12 months
Restructuring expenses	-16	-	-	-16
Write-down of tangible assets	-9	-	-20	-29
Write-downs of intangible assets	-2	-	-	-2
Write-down of participation in joint venture	-	-	-50	-50
Write-downs of goodwill	-	-	-54	-54
Write-downs of current assets	-18	-	-	-18
<b>Total non-recurring items</b>	<b>-45</b>	<b>-</b>	<b>-124</b>	<b>-169</b>

### Not 3 Valuation of financial assets and liabilities

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

The assessment of the fair value of the financial assets has been carried out in accordance with level 2 as defined by

IFRS 7.27 A, with the exception of cash and equivalents, which are valued in accordance with level 1. For additional information, see Note 31 in the 2015 Annual Report. No material changes have taken place in relation to the valuation as per December 31.

## Segment reporting

### Net sales per segment

(SEK M)	2016 Jan-Mar	2015 Jan-Mar	2015 Full-year	Rolling 12 months
Sweden	430	485	1,837	1,782
Finland	430	461	1,745	1,714
Other units	134	178	648	604
Parent Company and consolidated items	-16	-20	-75	-71
<b>Group</b>	<b>978</b>	<b>1,104</b>	<b>4,155</b>	<b>4,029</b>

### Shipped tonnage per segment (thousands of tonnes)

(SEK M)	2016 Jan-Mar	2015 Jan-Mar	2015 Full-year	Rolling 12 months
Sweden	43	43	167	167
Finland	47	47	178	178
Other units	15	20	69	64
Parent Company and consolidated items	-2	-2	-8	-8
<b>Group</b>	<b>103</b>	<b>108</b>	<b>406</b>	<b>401</b>

### Operating profit/loss (EBIT) per segment

(SEK M)	2016 Jan-Mar	2015 Jan-Mar	2015 Full-year	Rolling 12 months
Sweden	6	12	-12	-18
Finland	2	8	21	15
Other units	-46	-5	-100	-141
Parent Company and consolidated items	-7	-5	-23	-25
<b>Group</b>	<b>-45</b>	<b>10</b>	<b>-114</b>	<b>-169</b>

### Operating margin per segment

(SEK M)	2016 Jan-Mar	2015 Jan-Mar	2015 Full-year	Rolling 12 months
Sweden	1.3%	2.4%	-0.6%	-1.0%
Finland	0.6%	1.7%	1.2%	0.9%
Other units	-34.6%	-2.7%	-15.4%	-23.4%
<b>Group</b>	<b>-4.6%</b>	<b>0.9%</b>	<b>-2.8%</b>	<b>-4.2%</b>

## Segment reporting

### Underlying operating profit/loss (uEBIT) per segment <sup>1)</sup>

(SEK M)	2016 Jan-Mar	2015 Jan-Mar	2015 Full-year	Rolling 12 months
Sweden	10	12	41	39
Finland	12	10	30	32
Other units	-7	-5	-26	-28
Parent Company and consolidated items	-6	-5	-23	-24
<b>Group</b>	<b>9</b>	<b>12</b>	<b>22</b>	<b>19</b>

<sup>1)</sup> Operating profit/loss (EBIT) adjusted for inventory gains and losses and non-recurring items. 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.

### Underlying operating margin per segment

(SEK M)	2016 Jan-Mar	2015 Jan-Mar	2015 Full-year	Rolling 12 months
Sweden	2.2%	2.4%	2.2%	2.2%
Finland	2.8%	2.2%	1.7%	1.9%
Other units	-5.2%	-2.6%	-3.9%	-4.6%
<b>Group</b>	<b>1.0%</b>	<b>1.1%</b>	<b>0.5%</b>	<b>0.5%</b>

### Depreciation per segment

(SEK M)	2016 Jan-Mar	2015 Jan-Mar	2015 Full-year	Rolling 12 months
Sweden	3	3	13	13
Finland	4	5	20	19
Other units	4	4	15	15
Parent Company and consolidated items	2	5	14	11
<b>Group</b>	<b>13</b>	<b>17</b>	<b>62</b>	<b>58</b>

### Investments in tangible and intangible assets per segment

(SEK M)	2016 Jan-Mar	2015 Jan-Mar	2015 Full-year	Rolling 12 months
Sweden	1	1	4	4
Finland	1	3	9	7
Other units	0	0	3	3
Parent Company and consolidated items	-	0	0	0
<b>Group</b>	<b>2</b>	<b>4</b>	<b>16</b>	<b>14</b>

## Key data

(SEK M unless otherwise stated)	2016 Jan-Mar	2015 Jan-Mar	2015 Full-year	Rolling 12 months
<b>Earnings measurements</b>				
Operating profit/loss (EBIT)	-45	10	-114	-169
<b>Margin measurements</b>				
Gross margin	13.0%	13.0%	12.6%	12.6%
Operating margin	-4.6%	0.9%	-2.8%	-4.2%
<b>Capital structure</b>				
Net debt	565	804	609	565
Net debt/equity ratio	77%	113%	78%	77%
Equity/assets ratio	36%	30%	40%	36%
Working capital (average)	495	456	505	513
Capital employed (average)	1,395	1,534	1,523	1,487
Working capital tied-up	12.6%	10.3%	12.2%	12.7%
<b>Return</b>				
Return on capital employed	-12.8%	2.5%	-7.5%	-11.3%
Return on equity	-27.9%	-0.2%	-21.3%	-27.8%
<b>Per share data</b>				
Earnings per share (SEK) <sup>1)</sup>	-0.20	0.00	-0.97	-1.01
Earnings per share after dilution (SEK) <sup>1)</sup>	-0.20	0.00	-0.97	-1.01
Equity per share (SEK)	2.83	9.58	3.02	2.83
Cash flow from operating activities per share (SEK) <sup>1)</sup>	0.20	-0.73	-0.36	0.05
Shares outstanding at period end (thousands)	259,664	74,190	259,664	259,664
Average number of shares (thousands)	259,664	74,190	173,625	219,993
Diluted average number of shares (thousands)	259,664	74,190	173,625	219,993
<b>Other</b>				
Average number of employees	765	764	768	766

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

## Supplementary disclosures

(SEK M unless otherwise stated)	2016 Jan-Mar	2015 Jan-Mar	2015 Full-year	Rolling 12 months
<b>Sales by main products</b>				
Long steel	310	346	1,284	1,248
Flat steel	382	447	1,645	1,580
<i>Total commercial steel</i>	692	793	2,929	2,828
Stainless steel	177	202	780	755
Aluminium	47	52	194	189
Other	62	57	252	257
<b>Total sales</b>	<b>978</b>	<b>1,104</b>	<b>4,155</b>	<b>4,029</b>
<b>Growth</b>				
Sales growth	-11%	2%	-1%	-4%
– organic tonnage growth	-5%	-1%	-1%	-2%
– price and mix changes	-6%	0%	-2%	-3%
– currency effects	0%	3%	2%	1%
<b>Adjusted earnings measurements</b>				
Underlying operating profit/loss (uEBIT)	9	12	22	19
<b>Adjusted margin measurements</b>				
Underlying gross margin	13.9%	13.2%	12.9%	13.1%
Underlying operating margin	1.0%	1.1%	0.5%	0.5%
<b>Adjusted capital structure</b>				
Net debt/underlying EBITDA (multiple)	-	-	7.3	7.4
<b>Other</b>				
Inventory gains and losses	-9	-2	-12	-19
Shipped tonnage (thousands of tonnes)	103	108	406	401

## Condensed parent company income statement

(SEK M)	2016 Jan-Mar	2015 Jan-Mar	2015 Full-year	Rolling 12 months
Net sales	7	11	34	30
Administrative expenses	-12	-16	-57	-53
Other operating income and expenses	-1	0	0	-1
<b>Operating profit/loss</b>	<b>-6</b>	<b>-5</b>	<b>-23</b>	<b>-24</b>
Financial items	5	26	-219	-240
<b>Profit/loss after financial items</b>	<b>-1</b>	<b>21</b>	<b>-242</b>	<b>-264</b>
Appropriations	-	-	12	12
<b>Profit/loss before tax</b>	<b>-1</b>	<b>21</b>	<b>-230</b>	<b>-252</b>
Tax	3	0	6	9
<b>Profit/loss for the period, or comprehensive income for the period</b>	<b>2</b>	<b>21</b>	<b>-224</b>	<b>-243</b>

## Condensed parent company balance sheet

(SEK M)	2016 31 Mar	2015 31 Mar	2015 31 Dec
Intangible assets	19	30	21
Tangible assets	0	0	0
Financial assets	1,113	1,190	1,109
<b>Total non-current assets</b>	<b>1,132</b>	<b>1,220</b>	<b>1,130</b>
Current receivables	133	293	181
Cash and equivalents	45	4	13
<b>Total current assets</b>	<b>178</b>	<b>297</b>	<b>194</b>
<b>Total assets</b>	<b>1,310</b>	<b>1,517</b>	<b>1,324</b>
<b>Equity</b>	<b>617</b>	<b>616</b>	<b>615</b>
<b>Non-current liabilities</b>	<b>551</b>	<b>689</b>	<b>546</b>
<b>Current liabilities</b>	<b>142</b>	<b>212</b>	<b>163</b>
<b>Total equity and liabilities</b>	<b>1,310</b>	<b>1,517</b>	<b>1,324</b>
<b>Pledged assets</b>	<b>1,158</b>	<b>1,317</b>	<b>1,156</b>
<b>Contingent liabilities</b>	<b>64</b>	<b>88</b>	<b>46</b>

## Key data – multi-quarter summary

(SEK M unless otherwise stated)	2016 Jan-Mar	2015 Okt-Dec	2015 Jul-Sep	2015 Apr-Jun	2015 Jan-Mar	2014 Okt-Dec	2014 Jul-Sep	2014 Apr-Jun	2014 Jan-Mar
Net sales	978	981	966	1,104	1,104	1,009	998	1,112	1,083
<b>Earnings measurements</b>									
Operating profit/loss (EBIT)	-45	-17	-117	10	10	-30	-3	3	13
Underlying operating profit/loss (uEBIT)	9	-12	10	12	12	-9	6	4	17
<b>Margin measurements</b>									
Operating margin	-4.6%	-1.7%	-12.1%	1.0%	0.9%	-3.0%	-0.3%	0.3%	1.2%
Underlying operating margin	1.0%	-1.2%	1.0%	1.1%	1.1%	-0.9%	0.6%	0.3%	1.5%
<b>Capital structure</b>									
Net debt	565	609	649	590	804	754	785	776	743
Net debt/equity ratio	77%	78%	80%	63%	113%	105%	104%	101%	96%
Equity/assets ratio	36%	40%	36%	40%	30%	32%	32%	33%	33%
Capital employed (average)	1,395	1,473	1,560	1,563	1,534	1,567	1,600	1,617	1,581
Working capital tied-up	12.6%	14.0%	14.1%	11.3%	10.3%	11.2%	11.8%	10.1%	9.5%
<b>Return</b>									
Return on capital employed	-12.8%	-4.6%	-30.1%	2.7%	2.5%	-7.8%	-0.5%	0.7%	3.2%
Return on equity	-27.9%	-11.7%	-60.5%	-6.0%	-0.2%	-24.4%	-8.3%	-3.9%	-2.7%
<b>Per share data</b>									
Earnings per share (SEK) <sup>1)</sup>	-0.20	-0.09	-0.51	-0.12	0.00	-0.61	-0.22	-0.10	-0.10
Equity per share (SEK)	2.83	3.02	3.13	3.63	9.58	9.64	10.18	10.39	10.46
Cash flow from operating activities per share (SEK) <sup>1)</sup>	0.20	0.14	-0.18	-0.11	-0.73	0.66	-0.11	-0.24	-0.65
<b>Other</b>									
Average number of employees	765	776	770	762	764	766	769	787	804
Inventory gains and losses	-9	-5	-3	-2	-2	-1	0	-1	-4
Shipped tonnage (thousands of tonnes)	103	97	93	108	108	97	95	110	109

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



## Definitions of key data

### SUPPLEMENTARY DISCLOSURES

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#### Growth

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Sales growth	Change in net sales from the preceding period in percent.
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#### Adjusted earnings measurements

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Underlying operating profit/loss (uEBIT)	Operating profit/loss (EBIT) before non-recurring items adjusted for inventory gains and losses (deductions for gains and additions for losses).
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#### Adjusted margin measurements

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Underlying gross margin	Underlying gross profit as a percentage of net sales. The underlying gross profit is the reported gross profit adjusted for inventory gains and losses (deductions for gains and additions for losses).
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Underlying operating margin	Underlying operating profit/loss (uEBIT) as a percentage of net sales.
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#### Adjusted capital structure

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Net debt/underlying EBITDA	Annualized net debt divided by underlying EBITDA. Underlying EBITDA is EBITDA before non-recurring items and adjusted for inventory gains and losses (deductions for gains and additions for losses). EBITDA is operating result before depreciation and amortization.
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#### Per share data

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

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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 2015 annual report for other definitions of key data