



BE GROUP

INTERIM REPORT BE Group AB (publ)

January – June 2018

Improved underlying operating result and cash flow

Second quarter 2018

- Net sales increased by 14% to SEK 1,312 M (1,147).
- The underlying operating result increased to SEK 26 M (21).
- The underlying operating result and the operating result were affected by a provision for bad debt and inventory adjustment in the Baltics of SEK -12 M.
- The operating result also included items affecting comparability of SEK -16 M, no cash flow impact, related to the exit of the operation in Prerov, Czech Republic.*
- Operating result increased to SEK 22 M (-13).
- Result after tax increased to SEK 7 M (-14).
- Cash flow from operating activities increased to SEK 17 M (-49).
- Earnings per share increased to SEK 0.54 (-1.03).

The first six months of 2018

- Net sales increased by 11% to SEK 2,538 M (2,285).
- The underlying operating result increased to SEK 74 M (51).
- The underlying operating result and the operating result were affected by a provision for bad debt and inventory adjustment in the Baltics of SEK -12 M.
- The operating result also included items affecting comparability of SEK -16 M related to the exit of the operation in Prerov, Czech Republic.*
- Operating result increased to SEK 77 M (33).
- Result after tax increased to SEK 46 M (20).
- Cash flow from operating activities increased to SEK 16 M (-12).
- Earnings per share increased to SEK 3.57 (1.55).

Results overview	2018 Apr-Jun	2017 Apr-Jun	Change	2018 Jan-Jun	2017 Jan-Jun	Change
Tonnage, thousands of tonnes	102	94	8	200	192	8
Net sales, SEK M	1,312	1,147	165	2,538	2,285	253
Underlying operating result, SEK M	26	21	5	74	51	23
Operating result, SEK M	22	-13	35	77	33	44
Profit/loss for the period, SEK M	7	-14	21	46	20	26
Earnings per share, SEK ¹⁾	0.54	-1.03	1.57	3.57	1.55	2.02
Cash flow from operating activities, SEK M	17	-49	66	16	-12	28

¹⁾ Based on the average number of shares.

* Items affecting comparability is related to the exit of the operations in Prerov, Czech Republic, SEK -9 M is affecting the Group's consolidated statement of comprehensive income while SEK -7 M refers to translation differences from previous fiscal years.

BE Group, which is listed on the Nasdaq Stockholm exchange, is a trading and service company in steel, stainless steel and aluminium. BE Group offers efficient distribution and value-adding production services to customers primarily in the manufacturing and construction industries. In 2017, the Group reported sales of SEK 4.3 billion. BE Group has approximately 700 employees, with Sweden and Finland as its largest markets. The head office is located in Malmö, Sweden. Read more about BE Group at www.begroup.com.



Increased result and improvement measures

Statement from the CEO

During the second quarter of 2018, the Group delivered an underlying operating result that was 20 percent stronger than the same period in 2017. Adjusted for one-off costs in the Baltic operations of SEK -12 M during the quarter, the underlying operations result increased by 77 percent and amounted to SEK 38 M (21).

When excluding the measures taken in the Baltics and adding back items affecting comparability of SEK -16 M related to the exit of the remaining part of the operations in Prerov, Czech Republic, the result from the operating activities corresponds to SEK 50 M (29). The improvement is due to a mix of tonnage growth, price development, implemented improvement measures and a continuing focus on costs.

I can now confirm that we have reviewed all units and the employees have shown strong commitment and determination in this work. However, we remain focused on continuous improvements and still see potential in efficiency measures.

Tonnage and sales growth

Demand in our main markets remains strong. During the quarter, tonnage in business area Sweden & Poland grew by 14 percent and sales increased by 28 percent. In business area Finland & Baltics, the tough competition has continued, mainly in thin sheets, which constitutes a significant part of the business.

In spite of this, the tonnage delivered increased by 2 percent during the quarter and net sales increased by 9 percent, compared to last year. The positive earnings trend compensates for a marginal increase in working capital during the quarter and led to positive cash flow in the period.

Structural and organisational change

As mentioned above, we have decided to make an exit from the remaining part of the business in Prerov, Czech Republic. The market situation has now led us to the end of the road for this operation. It is anticipated that the exit will be completed before year end.

Outlook

Demand and price trends are expected to remain strong in the company's main markets in the next quarters. Customs duties on steel and the announced European protective measures have led to continuing price increases. We strongly believe that our ongoing improvement measures will continue to strengthen the Group.

Anders Martinsson
President and CEO

Bridge 2017-2018 operating result SEK M	Q1	Q2	Q3	Q4	Jan-Jun
Operating result 2017	46	-13	19	5	33
Reversal of inventory gains (-)/losses (+)	-16	-8	3	-6	-24
Items affecting comparability	-	42	-	10	42
Underlying operating result 2017	30	21	22	9	51
Change in sales	13	22	-	-	35
Change in underlying gross margin	4	-7	-	-	-3
Change in overhead costs	1	-10	-	-	-9
Underlying operating result 2018	48	26	-	-	74
Reversal of inventory gains (+)/losses (-)	7	12	-	-	19
Items affecting comparability	-	-16	-	-	-16
Operating result 2018	55	22	-	-	77

The "change in underlying gross margin" and "change in overhead costs" have been impacted by a total of SEK -12 M due to a provision for an anticipated bad debt and adjustment of inventory in the Baltics during the second quarter 2018.

Items affecting comparability is related to the exit of the operations in Prerov, Czech Republic, SEK -9 M is affecting the Group's consolidated statement of comprehensive income while SEK -7 M refers to translation differences from previous fiscal years.

Comments on the report

Second quarter

The Group's consolidated net sales increased by 14 percent compared to last year and amounted to SEK 1,312 M (1,147). The increase is mainly explained by an organic tonnage growth of 8 percent, positive price and mix effects of 3 percent and currency effects of 3 percent. The positive price effect is due to higher steel prices compared to last year.

Adjusted for inventory gains of SEK 12 M (8), the underlying operating result amounted to SEK 26 M (21). The underlying operating margin thereby increased somewhat to 2.0 percent (1.9).

The underlying operating result and the operating result were affected by one-off costs of SEK -12 M, caused by a provision for anticipated bad debt and adjustment of inventory in the Baltics.

Gross profit amounted to SEK 179 M (159), with a gross margin of 13.6 percent (13.8). Operating result amounted to SEK 22 M (-13), corresponding to an operating margin of 1.6 percent (-1.1).

In addition to the previously mentioned costs relating to the Baltics, a decision has also been taken to close the remaining operation in Prerov, Czech Republic. In spite of considerable measures taken, we cannot see any future for this operation. These structural measures mean that profit for the quarter has been impacted by items affecting comparability amounting to SEK -16 M, which will not have any negative effect on cash flow. SEK -7 M of this refers to translation differences, i.e. accumulated exchange rate differences recognized in equity. This means that SEK -7 M has already been included in the Group's comprehensive income in previous periods and reflected in equity.

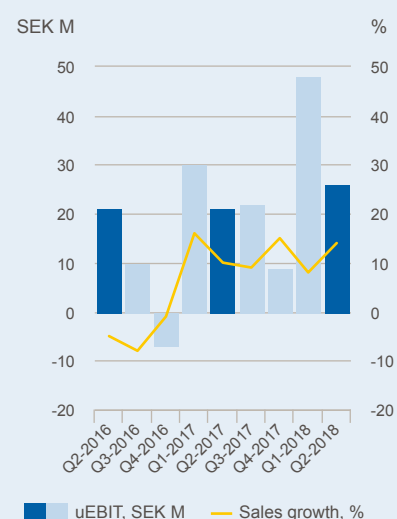
To summarise, the total effect on the quarter's operating result has been SEK -28 M in one-off costs, of which SEK -16 M has been classified as items affecting comparability and brought back in the calculation of underlying profit.

First six months

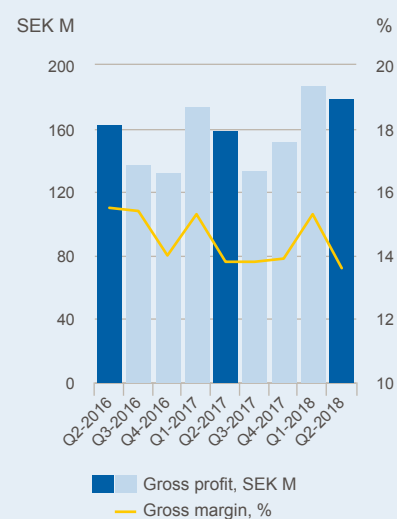
During the first six months, the Group's net sales increased by 11 percent compared to last year and amounted to SEK 2,538 M (2,285). Tonnage in business area Sweden & Poland exceeded last year by 9 percent, while Finland & Baltics delivered 1 percent less than last year. Higher average steel prices and mix effects had a positive effect of 4 percent on net sales. The price trend also led to inventory gains of SEK 19 M (24). Gross profit amounted to SEK 366 M (333), with a gross margin of 14.4 percent (14.6).

During the second quarter, the operating result was impacted by items affecting comparability of SEK -16 M relating to the exit of the remaining unprofitable operation in Prerov, Czech Republic. In spite of this, operating result amounted to SEK 77 M (33) for the first six months. The improvement in result is due to preserved gross margin while growing organically from a tonnage perspective by 4 percent and increasing net sales by 11 percent. Sales and administration costs have been kept at the same level as last year. Adjusted for items affecting comparability and inventory gains and losses, the underlying operating result increased to SEK 74 M (51). Operating margin amounted to 3.0 percent (1.4) and the underlying operating margin amounted to 2.9 percent (2.3).

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

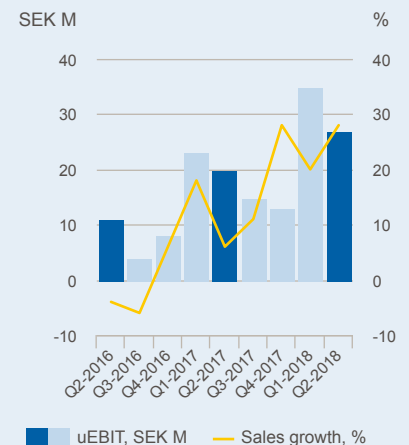
Net sales increased by 28 percent in the second quarter compared to last year and amounted to SEK 675 M (529). Operating result improved to SEK 34 M (27). Adjusted for inventory gains and losses of SEK 7 M (3) and items affecting comparability, the underlying operating result increased to SEK 27 M (20).

The distribution business in Sweden delivered an underlying operating result in line with last year. The volume increased but our joint venture with Arcelor Mittal generated weaker result than anticipated, while we also had some negative currency effects. Price pressure in thin sheets is the main cause of the lower profitability in our joint venture. Business unit Production Sweden & Poland shows good development and delivered an improved underlying operating result. Volume growth in both tonnage and sales is leading to better capacity utilisation. Positive price and mix effects have also contributed to the development.

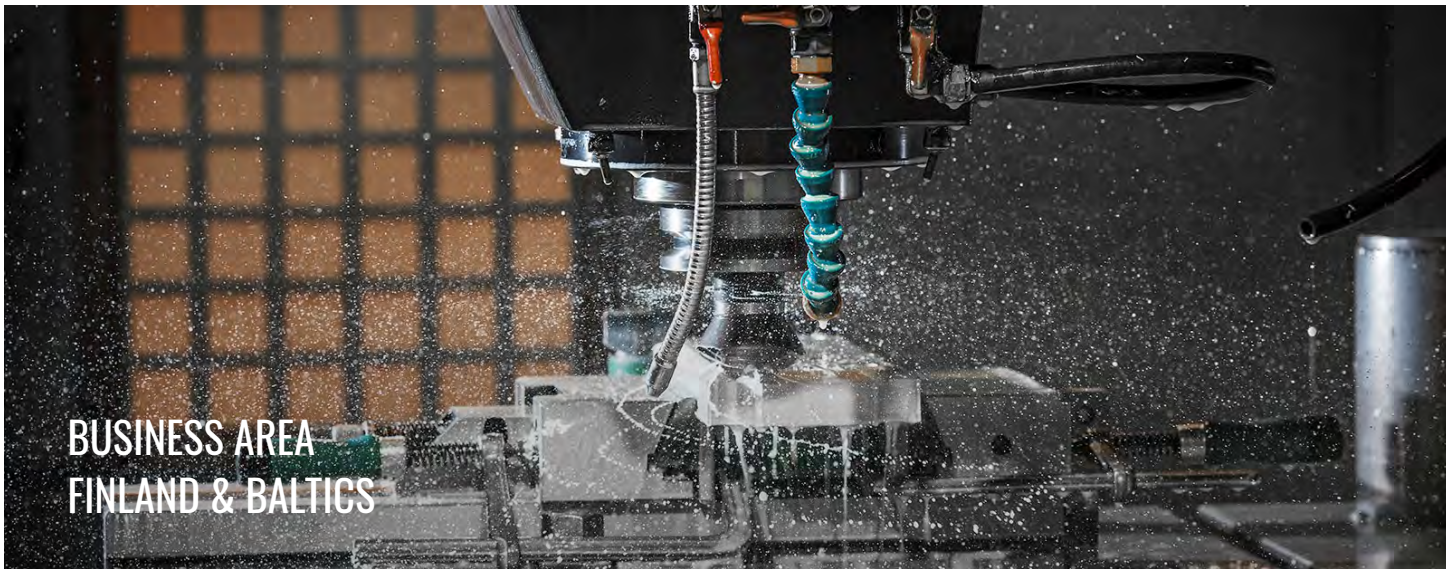
First six months

Net sales increased by 24 percent in the first six months compared with last year and amounted to SEK 1,326 M (1,072). Operating result amounted to SEK 74 M (-57). Adjusted for inventory gains and losses of SEK 11 M (15) and items affecting comparability, the underlying operating result amounted to SEK 63 M (42). The stronger result was mainly due to improvement measures in the production site in Norrköping and in Lecor. Tonnage increased by 9 percent compared with the same period in 2017.

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



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



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

Second quarter

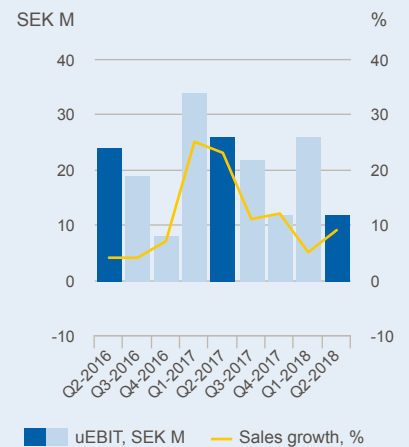
Net sales increased by 9 percent in the second quarter compared to last year and amounted to SEK 629 M (576). Tonnage increased by 2 percent compared to last year. Operating result decreased to SEK 18 M (31), mainly due to the previously mentioned negative effect in the Baltics of SEK -12 M. Adjusted for inventory gains of SEK 6 M (5), the underlying operating result amounted to SEK 12 M (26).

Business unit Distribution Finland delivered a weaker result in the period with lower volume and margin as a result of developments in thin sheets. Production Finland shows a growth in tonnage and increased net sales and delivered improved profit compared with last year, mainly due to price and mix effects.

First six months

Net sales increased by 7 percent in the first six months compared with last year and amounted to SEK 1,194 M (1,115). Operating result decreased to SEK 47 M (67) and adjusted for inventory losses and items affecting comparability, the underlying operating result weakened to SEK 39 M (56). The development is mainly due to previously mentioned effects in the Baltics. In addition to this, the distribution operation is still impacted by price pressure on thin sheets in the Finnish market, which had a negative effect on gross margin. Tonnage decreased by 1 percent compared with the same period in 2017.

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



Parent Company & consolidated items

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

The restructuring of these operations, approved by the Board of BE Group partly in the first quarter of 2016 and partly in the second quarter of 2017, are completed. In total, the operations under reconstruction had sales of SEK 13 M (47) in the second quarter with an underlying operating result of SEK -1 M (-9). For the first six months, net sales amounted to SEK 29 M (108) and the underlying operating result to SEK -2 M (-19).

Second quarter sales in the Parent Company, BE Group AB (publ), which consist of intra-Group services, amounted to SEK 26 M (18). Operating result amounted to SEK 13 M (2).

Net financial items in the first six months amounted to SEK 20 M (27). Profit before tax increased to SEK 33 M (29) and profit after tax was SEK 32 M (30). Investments in the Parent Company amounted to SEK 1 M (0). At the end of the period, cash and equivalents in the Parent Company amounted to SEK 36 M (0).

Group

Net financial items and tax

Consolidated net financial items in the second quarter amounted to SEK -4 M (-6), of which net interest accounted for SEK -3 M (-4). Net financial items for the first six months amounted to SEK -9 M (-11) and net interest amounted to SEK -7 M (-8). On an annual basis, consolidated net interest corresponded to 2.7 percent (3.0) of average interest-bearing net debt. Taxes for the second quarter amounted to SEK -10 M (-5).

Profit after tax increased to SEK 7 M (-14) including items affecting comparability of SEK -16 M (-42) in the second quarter and to SEK 46 M (20) for the first six months including items affecting comparability of SEK -26 M (-42).

Cash flow

Consolidated working capital amounted to SEK 575 M (588) at the end of the period and the average working capital tied-up for the second quarter was 10.8 percent (11.9).

Cash flow from operating activities amounted to SEK 17 M (-49) during the quarter and SEK 16 M (-12) for the first six months. Cash flow from investing activities was SEK -5 M (-1) for the second quarter and SEK -11 M (-5) for the first six months. Cash flow after investments therefore amounted to SEK 12 M (-50) in the second quarter and SEK 5 M (-17) for the first six months.

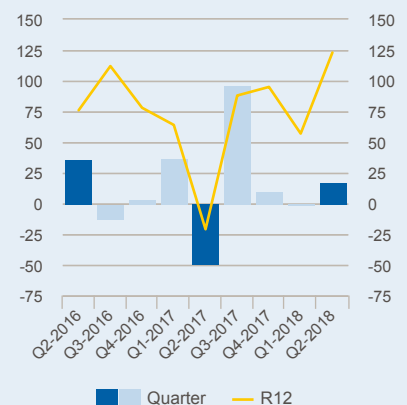
Financial position and liquidity

At the end of the period, consolidated cash and cash equivalents, including overdraft facilities, amounted to SEK 151 M (113) and the consolidated interest-bearing net debt was SEK 496 M (586). Equity amounted to SEK 863 M (794) at the end of the period and the net debt/equity ratio amounted to 57 percent (74).

Organization, structure and employees

The number of employees decreased to 664 compared with 715 at the same time in the previous year. The decrease is mainly due to the restructuring done last year. The average number of employees during the second quarter amounted to 670 (710).

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



Other information

Significant events after the end of the period

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

Transactions with related parties

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

Annual General Meeting 2018

At BE Group's Annual General Meeting, which was held on April 26, 2018, Board members Petter Stillström, Lars Olof Nilsson, Mikael Sjölund and Jörgen Zahlin were re-elected and Carina Andersson was elected as a new Board member. Petter Stillström was also re-elected as Chairman of the Board. The accounting firm Öhrlings PricewaterhouseCoopers AB was re-appointed as auditor for the Company.

The Board's proposal regarding the appropriation of the company's earnings was approved by the Meeting and it was decided that no dividend would be paid for the past financial year.

In accordance with the Board's proposal, the Annual General Meeting also adopted guidelines for remunerations to senior executives.

The Annual General Meeting resolved, in accordance with the proposal of the Board of Directors, to authorize the Board to decide, on one or several occasions up to the Annual General Meeting 2019, on the transfer of the company's own shares, for the purpose of enabling BE Group to finance minor company acquisitions.

Additional information on the Board members and the Annual General Meeting is available from the company's website.

Significant risks and uncertainties

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

Accounting principles

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

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

In January 2016, IASB published a new leasing standard that will replace IAS 17 Leases and the associated interpretations IFRIC 4, SIC-15 and SIC-27. The standard requires that assets and liabilities attributable to all leases, with a few exceptions, are recognised in the balance sheet. The standard is applicable to financial years that begin on or after January 1, 2019. The group is at present performing a review and analysis of its leasing contracts so as to be able to calculate the quantitative effects of the implementation of IFRS 16 on the financial reports.

Future information

Future reporting dates

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

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

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

Malmö, July 19, 2018

BE Group AB (publ)

Petter Stillström
Chairman of the Board

Carina Andersson
Member of the Board

Lars Olof Nilsson
Member of the Board

Mikael Sjölund
Member of the Board

Jörgen Zahlin
Member of the Board

Mikael Törnros
Employee Representative

Anders Martinsson
President and CEO

Questions concerning this report may be directed to:

Anders Martinsson, President and CEO
Tel: +46 (0)706 21 02 22, e-mail: anders.martinsson@begroup.com

Daniel Fäldt, CFO
Tel: +46 (0)705 60 31 75, e-mail: daniel.faldt@begroup.com

BE Group AB (publ), Box 225, 201 22 Malmö, Sweden; Street address: Krangatan 4B
Corp. Reg. No: 556578-4724, Tel: +46 (0)40 38 42 00, Fax: +46 (0)40 38 41 11
info@begroup.com, www.begroup.com

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

This information is information that BE Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication through the agency of the contact persons set out above at 7.45 a.m. CET on July 19, 2018.

Condensed consolidated income statement

(SEK M)	Note	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Net sales		1,312	1,147	2,538	2,285	4,348	4,601
Cost of goods sold	1	-1,133	-988	-2,172	-1,952	-3,729	-3,949
Gross profit		179	159	366	333	619	652
Selling expenses	1	-110	-100	-212	-204	-395	-403
Administrative expenses	1	-32	-34	-61	-64	-123	-120
Other operating income and expenses	2	-16	-42	-19	-41	-55	-33
Participation in joint venture		1	4	3	9	11	5
Operating profit/loss		22	-13	77	33	57	101
Financial items		-5	-6	-9	-11	-23	-21
Profit/loss before tax		17	-19	68	22	34	80
Tax		-10	5	-22	-2	-10	-30
Profit/loss for the period		7	-14	46	20	24	50
Earnings per share ¹⁾		0.54	-1.03	3.57	1.55	1.87	3.89
Earnings per share before and after dilution ¹⁾		0.54	-1.03	3.57	1.55	1.87	3.89

¹⁾ Refers to the average number shares.

Consolidated statement of comprehensive income

(SEK M)	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Profit/loss for the period	7	-14	46	20	24	50
Other comprehensive income						
Items that have, or may be, reclassified to profit/loss for the period						
Translation differences	8	8	33	6	16	43
Hedging of net investments in foreign subsidiaries	-5	-5	-23	-4	-12	-31
Tax attributable to items in other comprehensive income	1	1	5	1	3	7
Total other comprehensive income	4	4	15	3	7	19
Comprehensive income for the period	11	-10	61	23	31	69

Condensed consolidated balance sheet

(SEK M)	Note	2018 Jun 30	2017 Jun 30	2017 Dec 31
Goodwill		566	548	552
Other intangible assets		11	14	11
Tangible assets		111	110	115
Investment in joint venture		120	116	117
Financial assets		0	0	0
Deferred tax assets		55	69	56
Total non-current assets		863	857	851
Inventories		697	598	599
Accounts receivable		663	649	489
Other receivables		49	41	35
Cash and equivalents		51	13	61
Total current assets		1,460	1,301	1,184
Total assets	3	2,323	2,158	2,035
Equity		863	794	802
Non-current interest-bearing liabilities		542	543	519
Provisions		0	0	0
Deferred tax liability		46	43	43
Total non-current liabilities		588	586	562
Current interest-bearing liabilities		5	57	20
Accounts payable		635	519	479
Other current liabilities		199	181	152
Other current provisions		33	21	20
Total current liabilities		872	778	671
Total equity and liabilities	3	2,323	2,158	2,035

Condensed consolidated cash-flow statement

(SEK M)	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Operating result	22	-13	77	33	57	101
Adjustment for non-cash items	30	44	34	55	63	42
- of which, amortization/depreciation	10	51	19	69	74	24
- of which, other items	20	-7	15	-14	-11	18
Interest paid/received and other financial items	-2	-4	-6	-9	-21	-18
Income tax paid	-6	-11	-11	-13	-19	-17
Change in working capital	-27	-65	-78	-78	15	15
Cash flow from operating activities	17	-49	16	-12	95	123
Investments in intangible assets	-1	0	-1	0	0	-1
Investments in tangible assets	-6	-1	-13	-5	-22	-30
Divestments of tangible assets	2	0	2	0	27	29
Other cash flow from investing activities	0	0	1	0	0	1
Cash flow after investments	12	-50	5	-17	100	122
Cash flow from financing activities	-1	28	-18	2	-69	-89
Cash flow for the period	11	-22	-13	-15	31	33
Exchange-rate difference in cash and equivalents	1	1	3	1	3	5
Change in cash and equivalents	12	-21	-10	-14	34	38

Condensed statement of changes in equity

(SEK M)	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Equity at beginning of period	852	804	802	771	771	794
Comprehensive income for the period	11	-10	61	23	31	69
Equity at end of period	863	794	863	794	802	863

Note 1 Amortizations and depreciations

(SEK M)	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Amortization of intangible assets	2	3	4	5	8	7
Depreciation of tangible assets	8	8	15	18	33	30
Total amortizations and depreciations	10	11	19	23	41	37

Note 2 Items affecting comparability

(SEK M)	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Restructuring expenses	-16	-18	-16	-18	-28	-26
Write-down of tangible assets	-	-4	-	-4	-4	-
Write-down of intangible assets	-	-1	-	-1	-1	-
Write-down of current assets	-	-22	-	-22	-22	-
Reversal of write-down of participation in joint venture	-	20	-	20	20	-
Write-down of goodwill	-	-17	-	-17	-17	-
Total items affecting comparability	-16	-42	-16	-42	-52	-26

Note 3 Valuation of financial assets and liabilities

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

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

Segment reporting

Net sales per segment ¹⁾

Per segment (SEK M)	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Sweden & Poland	675	529	1,326	1,072	2,094	2,348
Finland & Baltics	629	576	1,194	1,115	2,114	2,193
Parent Company and consolidated items	8	42	18	98	140	60
Group	1,312	1,147	2,538	2,285	4,348	4,601

Per product group (SEK M)	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Long steel Products	458	363	883	727	1,436	1,592
Flat steel Products	513	441	986	878	1,673	1,781
Stainless steel	230	233	459	448	801	812
Aluminium	64	56	120	106	212	226
Other	47	54	90	126	226	190
Group	1,312	1,147	2,538	2,285	4,348	4,601

By country based on customer´s domicile (SEK M)	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Sweden	666	555	1,307	1,137	2,170	2,340
Finland	524	472	991	921	1,756	1,826
Other	122	120	240	227	422	435
Group	1,312	1,147	2,538	2,285	4,348	4,601

Shipped tonnage per segment (thousands of tonnes)

	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Sweden & Poland	49	44	98	90	172	180
Finland & Baltics	52	51	101	103	191	189
Parent Company and consolidated items	1	-1	1	-1	0	2
Group	102	94	200	192	363	371

Operating result (EBIT) per segment ¹⁾

(SEK M)	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Sweden & Poland	34	27	74	57	78	95
Finland & Baltics	18	31	47	67	105	85
Parent Company and consolidated items	-30	-71	-44	-91	-126	-79
Group	22	-13	77	33	57	101

Operating margin per segment ¹⁾

	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Sweden & Poland	5.1%	5.0%	5.6%	5.3%	3.7%	4.0%
Finland & Baltics	2.9%	5.3%	3.9%	6.0%	5.0%	3.9%
Parent Company and consolidated items	neg	neg	neg	neg	neg	neg
Group	1.6%	-1.1%	3.0%	1.4%	1.3%	2.2%

Underlying operating result (uEBIT) per segment ^{1) 2)}

(SEK M)	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Sweden & Poland	27	20	63	42	72	93
Finland & Baltics	12	26	39	56	89	72
Parent Company and consolidated items	-13	-25	-28	-47	-79	-60
Group	26	21	74	51	82	105

Underlying operating margin per segment ^{1) 3)}

	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Sweden & Poland	4.1%	3.7%	4.7%	3.9%	3.4%	3.9%
Finland & Baltics	2.0%	4.5%	3.2%	5.0%	4.2%	3.3%
Parent Company and consolidated items	neg	neg	neg	neg	neg	neg
Group	2.0%	1.9%	2.9%	2.3%	1.9%	2.3%

Depreciation per segment ¹⁾

(SEK M)	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Sweden & Poland	3	4	6	8	14	12
Finland & Baltics	5	4	9	8	16	17
Parent Company and consolidated items	2	3	4	7	11	8
Group	10	11	19	23	41	37

Investments in tangible and intangible assets per segment ¹⁾

(SEK M)	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Sweden & Poland	4	0	9	2	10	17
Finland & Baltics	3	1	5	3	12	14
Parent Company and consolidated items	0	0	0	0	0	0
Group	7	1	14	5	22	31

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

²⁾ 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.

³⁾ Underlying operating result (uEBIT) as a percentage of net sales.

Key data

(SEK M unless otherwise stated)	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Net sales	1,312	1,147	2,538	2,285	4,348	4,601
Earnings measurements						
Gross result	179	159	366	333	619	652
Underlying gross result	167	152	347	315	596	628
Operating result (EBIT)	22	-13	77	33	57	101
Underlying operating result (uEBIT)	26	21	74	51	82	105
Margin measurements						
Gross margin	13.6%	13.8%	14.4%	14.6%	14.2%	14.2%
Underlying gross margin	12.8%	13.2%	13.7%	13.8%	13.7%	13.7%
Operating margin	1.6%	-1.1%	3.0%	1.4%	1.3%	2.2%
Underlying operating margin	2.0%	1.9%	2.9%	2.3%	1.9%	2.3%
Capital structure						
Net debt	496	586	496	586	478	496
Net debt/equity ratio	57%	74%	57%	74%	60%	57%
Working capital at end of period	575	588	575	588	492	575
Working capital (average)	565	545	540	532	514	538
Capital employed (average)	1,403	1,381	1,382	1,374	1,373	1,388
Working capital tied-up	10.8%	11.9%	10.6%	11.6%	11.8%	2.9%
Return						
Return on capital employed	6.1%	-3.7%	11.1%	4.8%	4.2%	7.3%
Per share data						
Earnings per share (SEK) ¹⁾	0.54	-1.03	3.57	1.55	1.87	3.89
Earnings per share after dilution (SEK) ¹⁾	0.54	-1.03	3.57	1.55	1.87	3.89
Equity per share (SEK)	66.48	61.19	66.48	61.19	61.77	66.48
Cash flow from operating activities per share (SEK) ¹⁾	1.29	-3.72	1.21	-0.90	7.35	9.52
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 ¹⁾	12,983	12,983	12,983	12,983	12,983	12,983
Growth						
Sales growth	14%	10%	11%	13%	12%	11%
– of which organic tonnage growth	8%	-10%	4%	-7%	-3%	3%
– of which price and mix changes	3%	18%	4%	18%	14%	6%
– of which currency effects	3%	2%	3%	2%	1%	2%
Other						
Average number of employees	670	710	668	710	700	684
Inventory gains and losses	12	8	19	24	27	22
Shipped tonnage (thousands of tonnes)	102	94	200	192	363	371

¹⁾ Refers to average number of shares.

Condensed parent company income statement

(SEK M)	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Net sales	26	18	52	24	92	120
Administrative expenses	-13	-16	-27	-28	-54	-53
Other operating income and expenses	0	0	1	0	0	1
Operating profit/loss	13	2	26	-4	38	68
Financial items	20	27	2	25	-22	-45
Profit/loss after financial items	33	29	28	21	16	23
Appropriations	-	-	-	-	-16	-16
Profit/loss before tax	33	29	28	21	0	7
Tax	-1	1	0	3	-1	-4
Profit/loss for the period, or comprehensive income for the period	32	30	28	24	-1	3

Condensed parent company balance sheet

(SEK M)	2018 Jun 30	2017 Jun 30	2017 Dec 31
Intangible assets	4	11	8
Tangible assets	1	0	0
Financial assets	1,017	1,027	1,016
Total non-current assets	1,022	1,038	1,024
Current receivables	155	187	213
Cash and equivalents	36	0	44
Total current assets	191	187	257
Total assets	1,213	1,225	1,281
Equity	585	582	557
Non-current liabilities	537	533	512
Current liabilities	91	110	212
Total equity and liabilities	1,213	1,225	1,281

Key data – multi-quarter summary

(SEK M unless otherwise stated)	2018 Apr-Jun	2018 Jan-Mar	2017 Oct-Dec	2017 Jul-Sep	2017 Apr-Jun	2017 Jan-Mar	2016 Oct-Dec	2016 Jul-Sep	2016 Apr-Jun
Net sales	1,312	1,226	1,095	968	1,147	1,138	953	892	1,047
Earnings measurements									
Gross result	179	187	152	134	159	174	133	138	163
Underlying gross result	167	180	145	136	152	163	124	123	153
Operating result (EBIT)	22	55	5	19	-13	46	4	26	31
Underlying operating result (uEBIT)	26	48	9	22	21	30	-7	10	21
Margin measurements									
Gross margin	13.6%	15.3%	13.9%	13.8%	13.8%	15.3%	14.0%	15.4%	15.5%
Underlying gross margin	12.8%	14.7%	13.2%	14.0%	13.2%	14.3%	13.0%	13.8%	14.6%
Operating margin	1.6%	4.5%	0.5%	2.0%	-1.1%	4.0%	0.4%	2.9%	2.9%
Underlying operating margin	2.0%	3.9%	0.8%	2.2%	1.9%	2.6%	-0.7%	1.1%	2.0%
Capital structure									
Net debt	496	504	478	465	586	528	562	563	540
Net debt/equity ratio	57%	59%	60%	58%	74%	66%	73%	73%	71%
Working capital at end of period	575	554	492	480	588	502	506	493	454
Working capital (average)	565	523	486	534	545	504	499	473	459
Capital employed (average)	1,403	1,368	1,371	1,397	1,381	1,364	1,368	1,381	1,375
Working capital tied-up	10.8%	10.7%	11.1%	13.8%	11.9%	11.1%	13.1%	13.3%	11.0%
Return									
Return on capital employed	6.1%	16.2%	1.7%	5.4%	-3.7%	13.4%	1.2%	7.6%	9.0%
Per share data ²⁾									
Earnings per share (SEK) ¹⁾	0.54	3.03	-0.40	0.72	-1.03	2.58	-0.20	1.25	1.47
Earnings per share after dilution (SEK) ¹⁾	0.54	3.03	-0.40	0.72	-1.03	2.58	-0.20	1.25	1.47
Equity per share (SEK)	66.48	65.65	61.77	61.70	61.19	61.93	59.41	59.67	58.19
Cash flow from operating activities per share (SEK) ¹⁾	1.29	-0.08	0.78	7.48	-3.72	2.81	0.21	-0.89	2.76
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 ¹⁾	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983	12,983
Growth									
Sales growth	14%	8%	15%	9%	10%	16%	-3%	-8%	-5%
– of which organic tonnage growth	8%	0%	5%	1%	-10%	-5%	-13%	-13%	-3%
– of which price and mix changes	3%	6%	10%	8%	18%	20%	8%	5%	-2%
– of which currency effects	3%	2%	0%	0%	2%	1%	2%	0%	0%
Other									
Average number of employees	670	670	684	709	710	708	715	729	747
Inventory gains and losses	12	7	6	-3	8	16	11	16	10
Shipped tonnage (thousands of tonnes)	102	98	89	82	94	98	85	81	105

¹⁾ Refers to average number of shares.

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

Alternative performance measures

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

Underlying operating result (uEBIT)

(SEK M)	2018 Apr-Jun	2017 Apr-Jun	2018 Jan-Jun	2017 Jan-Jun	2017 Full-year	Rolling 12 months
Operating result	22	-13	77	33	57	101
Reversal of inventory gains (-)/losses (+)	-12	-8	-19	-24	-27	-22
Adjustment for items affecting comparability	16	42	16	42	52	26
Group	26	21	74	51	82	105

Net debt

(SEK M)	2018 Jun 30	2017 Jun 30	2017 Dec 31
Non-current interest-bearing liabilities	542	543	519
Current interest-bearing liabilities	5	57	20
Deduction financial assets	0	0	0
Deduction cash and equivalents	-51	-13	-61
Rounding	-	-1	-
Group	496	586	478

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

Working capital

(SEK M)	2018 Jun 30	2017 Jun 30	2017 Dec 31
Inventories	697	598	599
Accounts receivable	663	649	489
Other receivables	49	41	35
Deduction accounts payable	-635	-519	-479
Deduction other current liabilities	-199	-181	-152
Rounding	-	-	-
Group	575	588	492

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

Capital employed

(SEK M)	2018 Jun 30	2017 Jun 30	2017 Dec 31
Equity	863	794	802
Non-current interest-bearing liabilities	542	543	519
Current interest-bearing liabilities	5	57	20
Rounding	-	1	-
Group	1,410	1,395	1,341

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

Definitions of key data

Adjusted results measurements

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

Adjusted margin measurements

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

Capital structure

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

Return on capital

Return on capital employed	Annually adjusted operating result, as a percentage of average capital employed.
----------------------------	--

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 2017 annual report for other definitions of key data.



About BE Group

A leading steel service company in Northern Europe

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

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

BUSINESS IDEA

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

Number of employees

approx. 700

Net sales

SEK 4,3 billion

