

BE Q1

BE GROUP INTERIM REPORT JANUARY – MARCH 2013

Kimmo Väkiparta, President and CEO
Torbjörn Clementz, CFO and Executive Vice President

Slide 1



Q1 – Weak quarter in comparison with last year

Financial Highlights

- Shipped tonnage decreased 18%
- Net sales decrease of 23%
- Operating result of SEK -17 M (41)
- Underlying operating result of SEK 14 M (51)



Market highlights

- Continued tough market with substantial decrease in demand vs 2012
- Deliveries per day gradually improved during the quarter
- Improvement seen from industrial customers

Operational highlights

- Negotiations on personnel reductions largely concluded
- Continued adaption to current market situation
- Good cost control
- Increase in production sales according to strategy
- Divestment of the operation in Czech Republic ongoing
- Inventory control supports cash flow

Personnel reduction programme in progress

- Adaption to current business situation and in order to improve competitiveness
- Negotiations largely concluded
- Expected to reduce number of employees by approximately 140
- Mainly Sweden including Group functions and Finland are affected
- Yearly savings of SEK 65 M with gradual impact from Q2 2013
- One-off costs of SEK 30 M provided in Q1
- Further reductions initiated in Czech Republic

FINANCIALS IN DETAIL

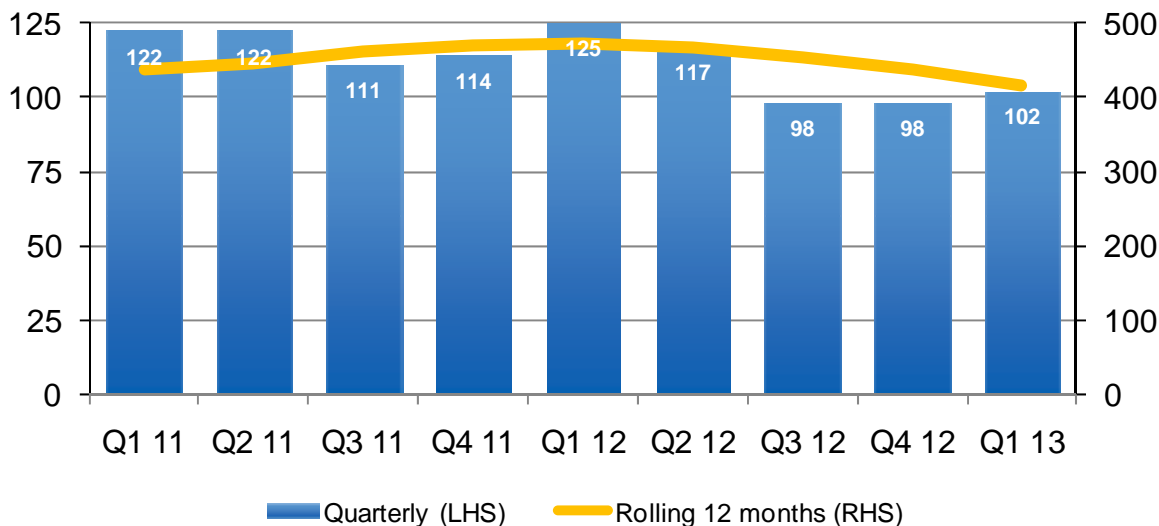
Slide 5



BE GROUP

Way below last year but signs of improved demand

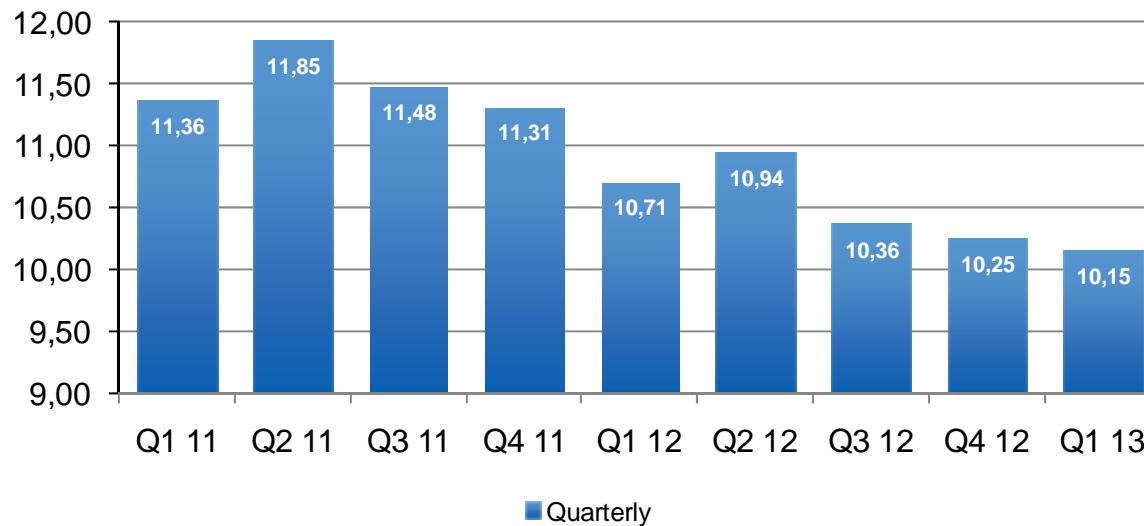
Tonnage ('000 tons)



- Tonnage 18% down vs last year
 - Sweden -25%
 - Finland -18%
 - CEE -9%
- Increasing pace in ton/day throughout the quarter

Continued weak price sentiment

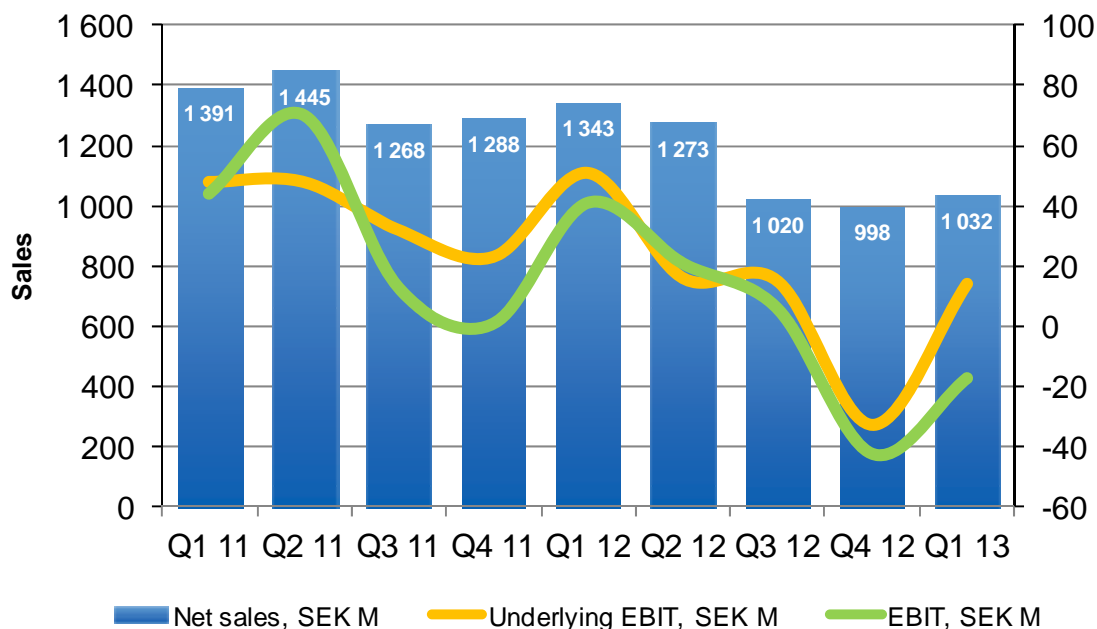
Average sales price (SEK/kg)



- Q1 average sales price decreased 3% vs Q1 2012 and were in line with Q4 2012, adjusted for currency effects

Lower tonnage and non-recurring items drove EBIT down

Sales, EBIT and uEBIT (SEK M)



- Net sales 23% down
 - Tonnage -18%
 - Price/mix -3%
 - Currency -2%
- EBIT of SEK -17 M (41) and uEBIT of SEK 14 M (51)
- Inventory losses SEK 2 M (10)
- Non-recurring costs of SEK 29 M
- Czech Republic classified as discontinued operation

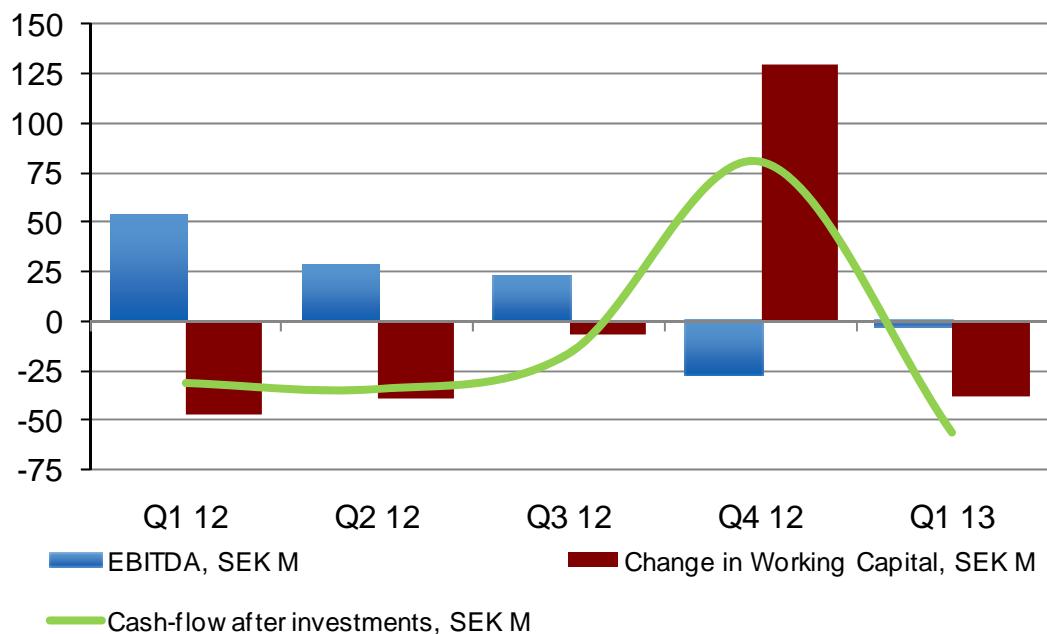


A Q1 with positive underlying EBIT again

<i>SEK M</i>	Q1 2013	Q1 2012	Change	Q4 2012
Net sales	1,032	1,343	-311	998
Underlying EBIT	14	51	-37	-33
<i>% of Sales</i>	1.4%	3.8%		-3.3%
Inventory gains/losses	-2	-10	8	-9
Non-recurring items	-29	-	-29	-
EBIT	-17	41	-58	-42
<i>% of Sales</i>	-1.7%	3.1%		-4.2%
Earnings before tax	-33	33	-66	-50
Earnings continuing operations	-24	24	-48	-39
Earnings discontinued operations	-3	-5	2	-1
Net earnings	-27	19	-46	-40
EPS (SEK)	-0.54	0.38	-0.92	-0.81

Working capital in good control

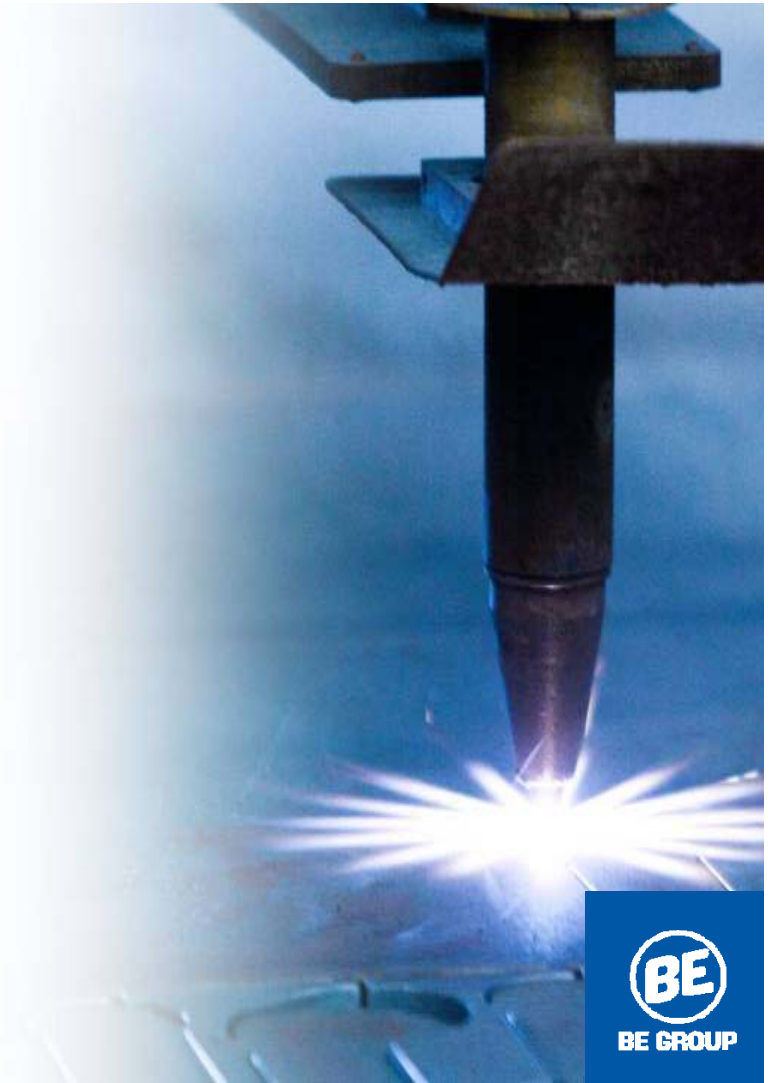
Cashflow (SEK M)



- Cashflow from operating activities SEK -46 M (-15)
- Investments of SEK 11 M (16)
- Working capital tied-up 9% (8)
- Net debt of SEK 822 M (806) – gearing 128% (98%)

BUSINESS AREAS STATUS Q1 2013

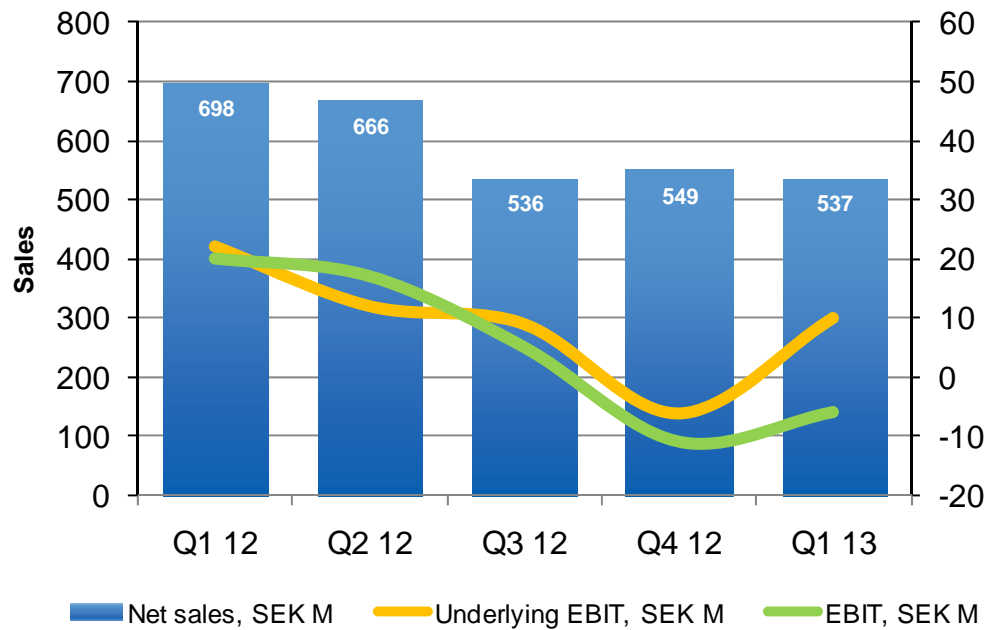
Slide 11



BA Sweden – Continued improved gross margin in distribution business



Sales, EBIT and uEBIT (SEK M)

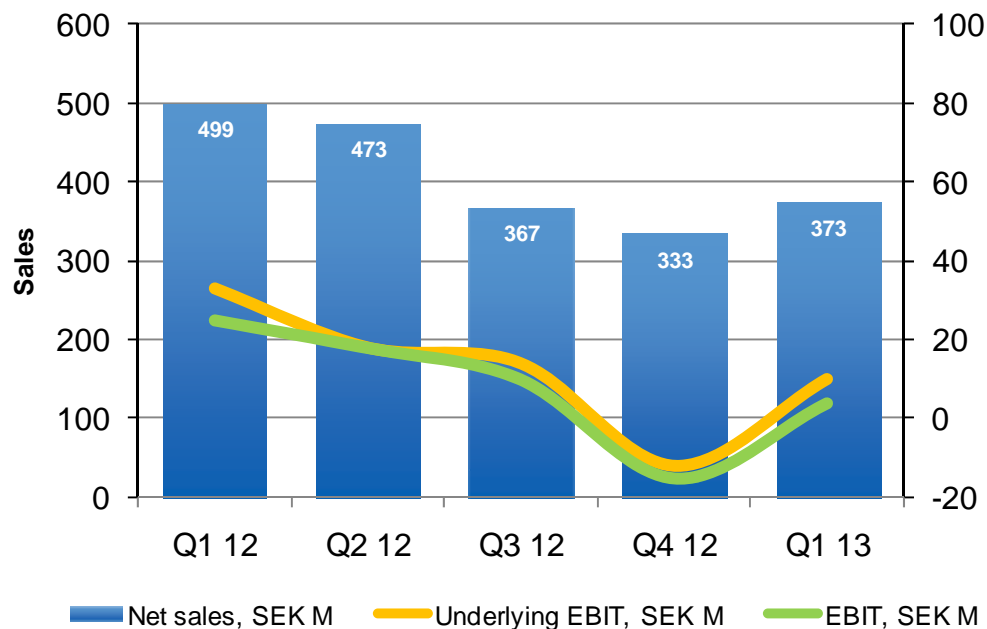


- Net sales decreased with 23% and tonnage decreased by 25%
- Demand from industrial customers gradually strengthened during the quarter
- Continued improved gross margin in distribution business
- EBIT of SEK -6 M (20) and uEBIT of SEK 10 M (22)



BA Finland – Slowly in the right direction

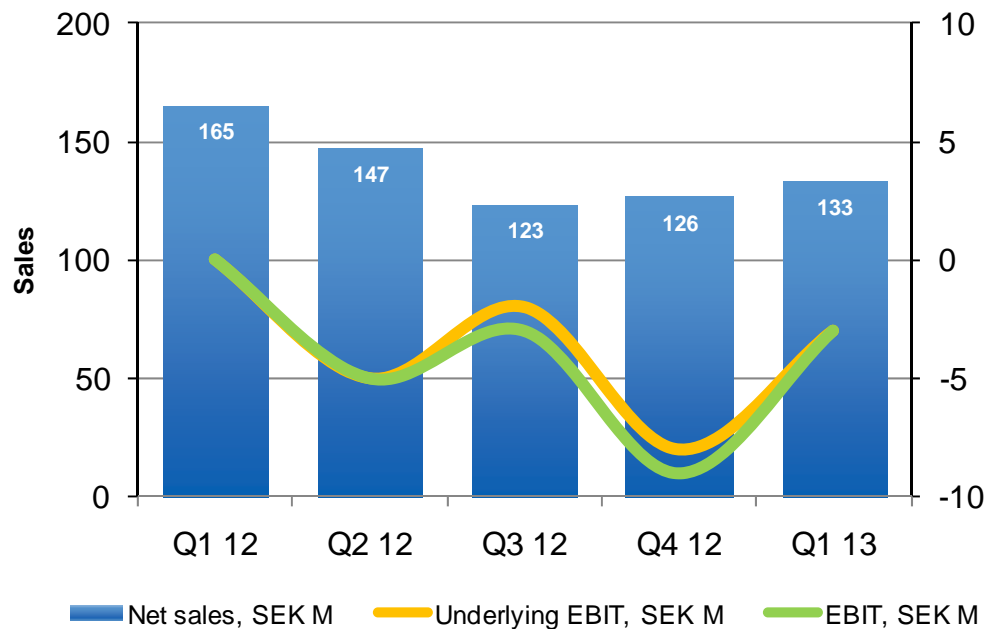
Sales, EBIT and uEBIT (SEK M)



- Net sales decreased with 25%
- Tonnage decrease by 18%
- Demand improvement vs Q4 2012 in the engineering sector
- Sales prices in Euro down 7% vs Q4 2012 mainly due to shifts in the production mix
- EBIT of SEK 4 M (25) and uEBIT of SEK 10 M (33)
- Increase in production service share to 51%

BA CEE – Still tough environment

Sales, EBIT and uEBIT (SEK M)



- Continued weak general economic trend
- Decrease in net sales of 20% with tonnage decrease of 9%
- Continued price pressure in Central Europe affects margin
- EBIT of SEK -3 M (0), mainly from Polish operations
- Continued work with improving profitability in Poland
- Czech Republic classified as discontinued operation and is not included in the BA's figures

OUTLOOK

Slide 15



Current business situation and outlook

- Advance planning with regard to customers need is generally short-term
- Based on signals from customers we expect demand during Q2 to continue to improve gradually
- Sales prices expected to fall in the second quarter
- Cost structure will improve and contribute to improved competitiveness



Current focus areas

- Generate growth with customer and supplier cooperation
- Improve capacity utilization
- Improve cost control even more
- Efficient working capital utilization
- Turnaround loss-makers



Our vision

BE Group shall be the most:

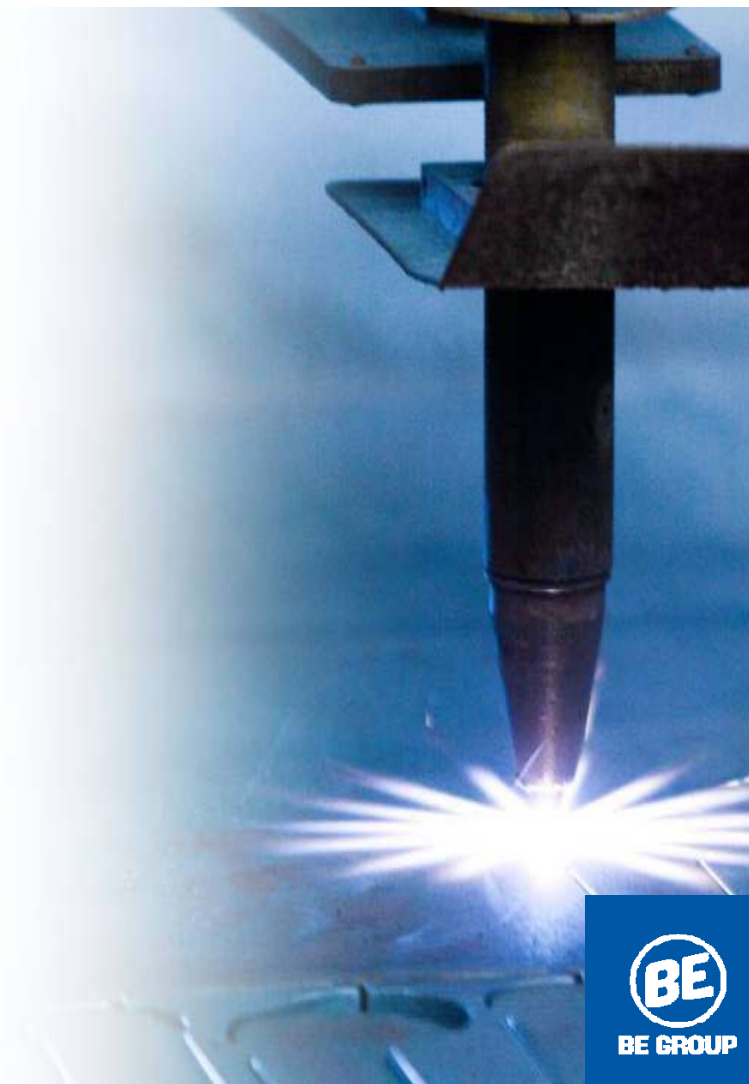
- Professional**
- Successful**
- Respected**

steel service company



APPENDIX FINANCIAL INFORMATION

Slide 20



Appendix: Financial summary

	2012				2013	Full year	
	Q1	Q2	Q3	Q4	Q1	2011	2012
Tonnage	125	117	98	98	102	469	438
Net Sales	1,343	1,273	1,020	998	1,032	5,392	4,634
Underlying EBIT	51	16	15	-33	14	157	49
<i>% of Sales</i>	3.8%	1.2%	1.5%	-3.3%	1.4%	2.9%	1.1%
EBIT	41	21	6	-42	-17	128	26
<i>% of Sales</i>	3.1%	1.7%	0.6%	-4.2%	-1.7%	2.4%	0.6%
Earnings cont. operations	24	8	-5	-39	-24	55	-12
Earnings disc. Operations	-5	-8	-85	-1	-3	-35	-99
Net earnings	19	0	-90	-40	-27	20	-111
Earnings/share ¹	0.38	0.01	-1.83	-0.81	-0.54	0.41	-2.25
Cash flow ²	-31	-34	-16	81	-56	76	0
Working Capital ³	473	493	446	325	378	430	325
Underlying EBITA	4.1%	1.6%	1.8%	-2.8%	1.8%	3.2%	1.4%
Underlying ROOC	26.9%	9.2%	9.3%	-16.7%	11.2%	19.6%	8.3%

Slide 21

¹ Earnings per share after dilution

² Cash flow after investments

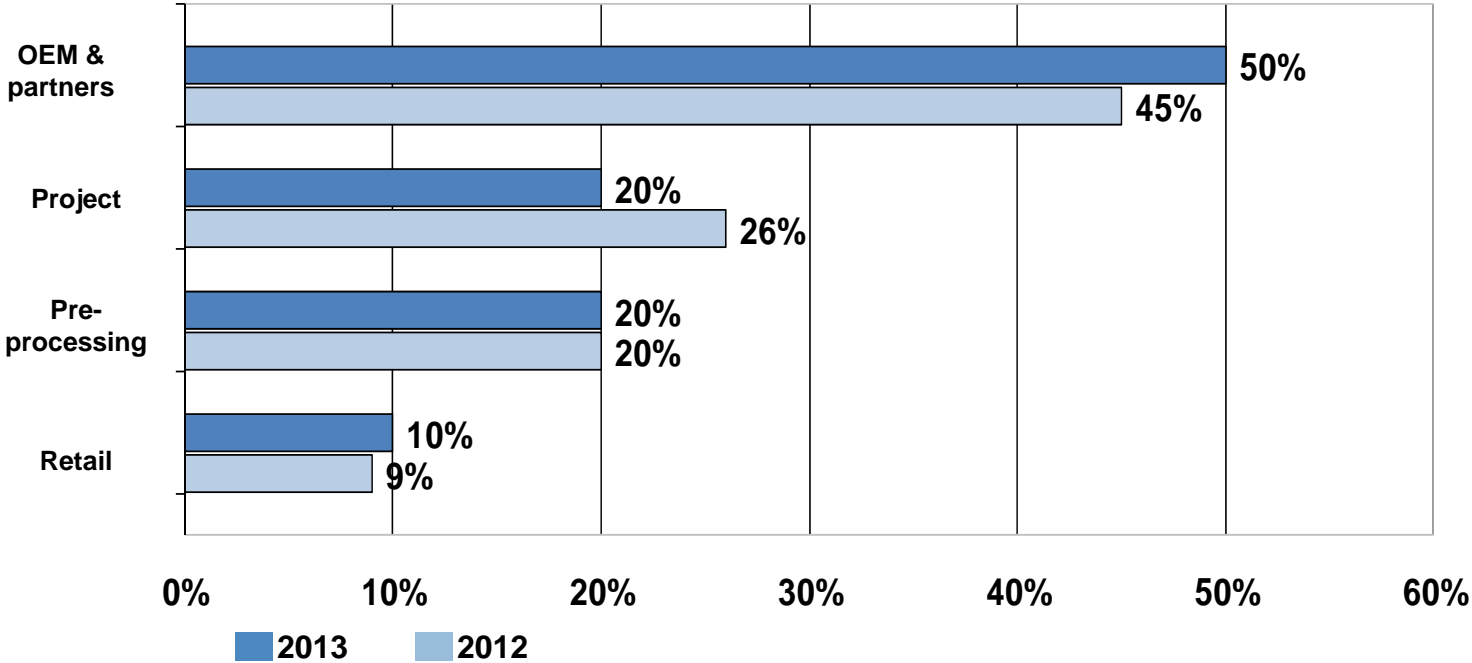
³ Period end working capital



BE GROUP

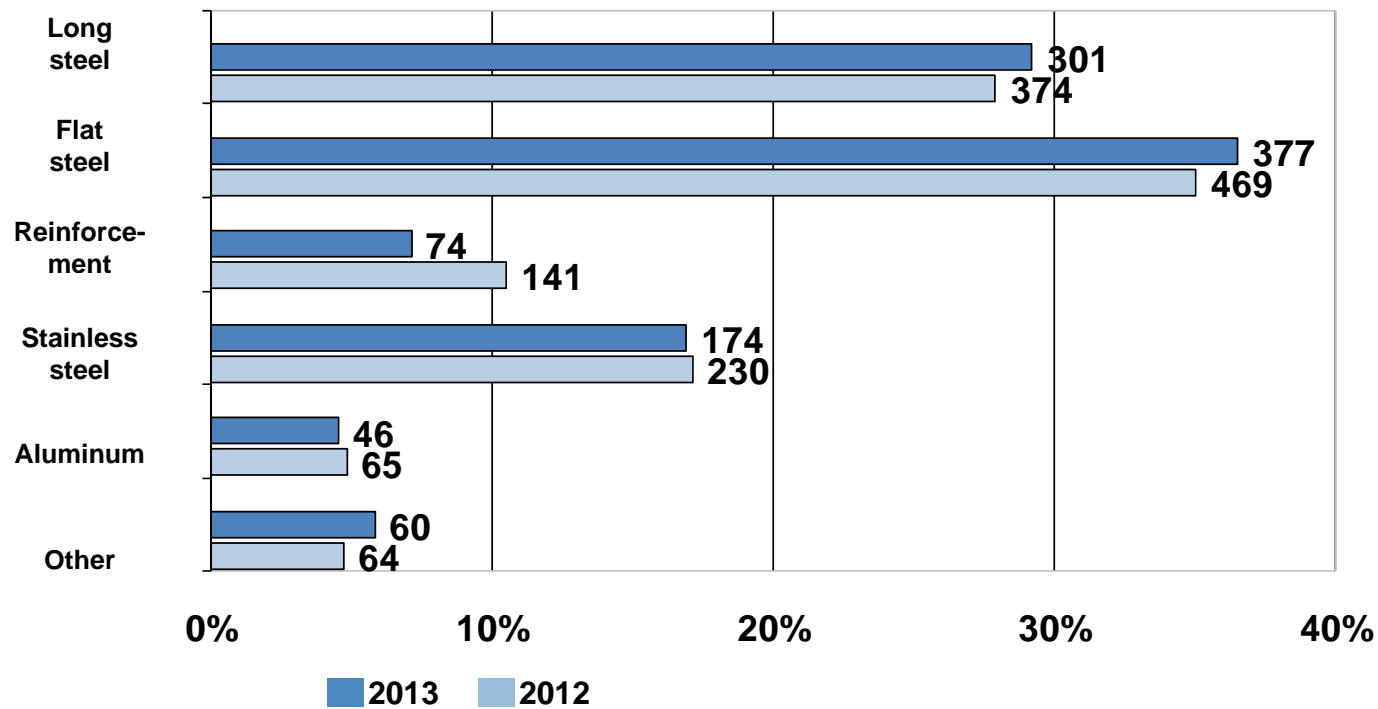
Appendix: Sales per customer segment

Q1 – Share of total sales (%)



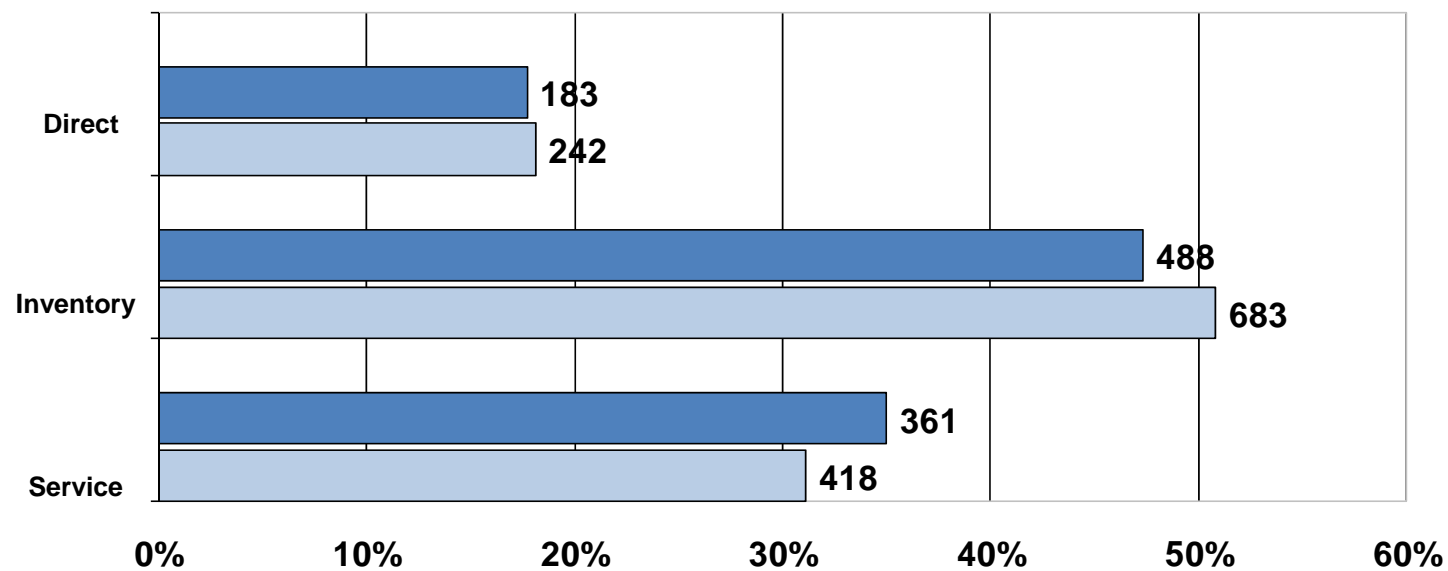
Appendix: Sales per product area

Q1 – Share of total sales (MSEK)



Appendix: Sales per channel

Q1 – Share of total sales (MSEK)



Sales outside scope of channels not included

■ 2013 ■ 2012

