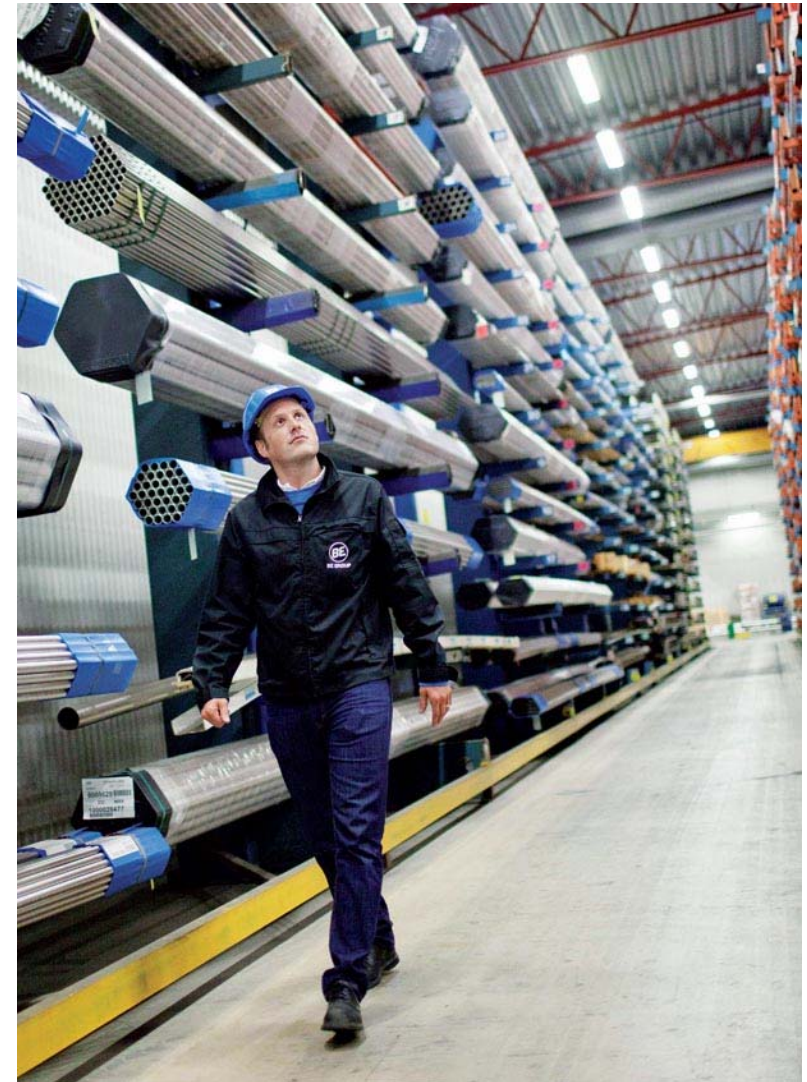


BE Q2

BE GROUP INTERIM REPORT JANUARY – JUNE 2015

Lars Engström, acting President and CEO
Andreas Karlsson, CFO

Slide 1



Q2 – Positive sales development on main markets

Financial highlights

- Net sales decreased by 1%
- Gross profit improved to SEK 144 M (137)
- Operating result (EBIT) of SEK 10 M (3)
- Net profit SEK -13 M (-7)

- Rights issue completed
- New credit agreement in place



Market situation

- Demand in the Swedish market in line or slightly up compared to Q2 2014
- Demand in the Finnish market somewhat lower than a year ago
- Steel prices continued slightly downwards during the quarter

Operational highlights

- Increased sales and shipped tonnage in both BA Sweden and BA Finland compared to Q2 2014
- Weak invoicing in the Czech and Slovak markets and for Lecor Stålteknik (Other Units)
- Gross margin in line with Q1 and improved compared to Q2 2014
- Costs in line with Q2 2014

FINANCIALS IN DETAIL

Slide 4



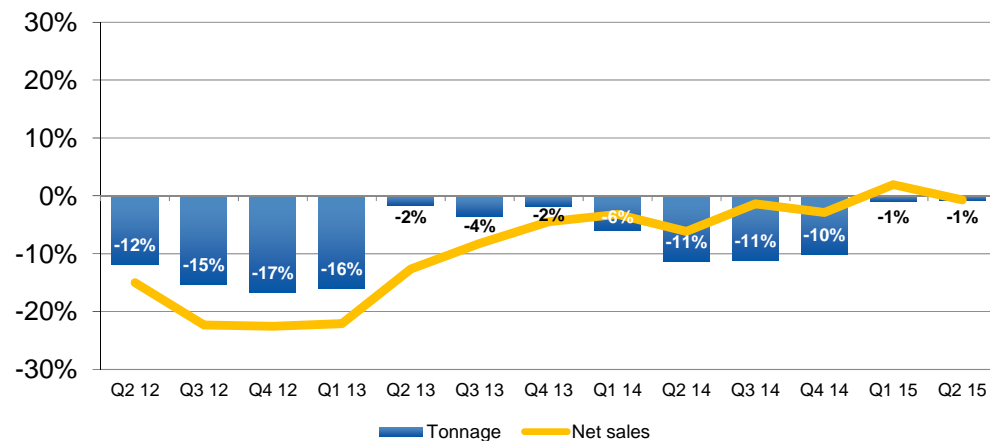
BE GROUP

Quarterly comparison to last year

SEK M	Q1	Q2	Q3	Q4	YTD
Net sales 2014	1 083	1 112			2 195
Net sales 2015	1 104	1 104			2 208
<i>Change</i>	<i>2%</i>	<i>-1%</i>			<i>1%</i>
Operating result 2014	13	3			16
Inventory losses	4	1			5
Non-recurring items	0	0			0
Underlying operating result 2014	17	4			21
Tonnage-, price- and mix effects	2	0			2
Change in underlying gross margin	-1	7			6
Change in overhead costs	-6	1			-5
Underlying operating result 2015	12	12			24
Inventory gains/losses	-2	-2			-4
Non-recurring items	0	0			0
Operating result 2015	10	10			20

Q2 tonnage – Sweden and Finland stronger than in Q2 2014

Growth in tonnage and sales (%)



- Sales in line with last year

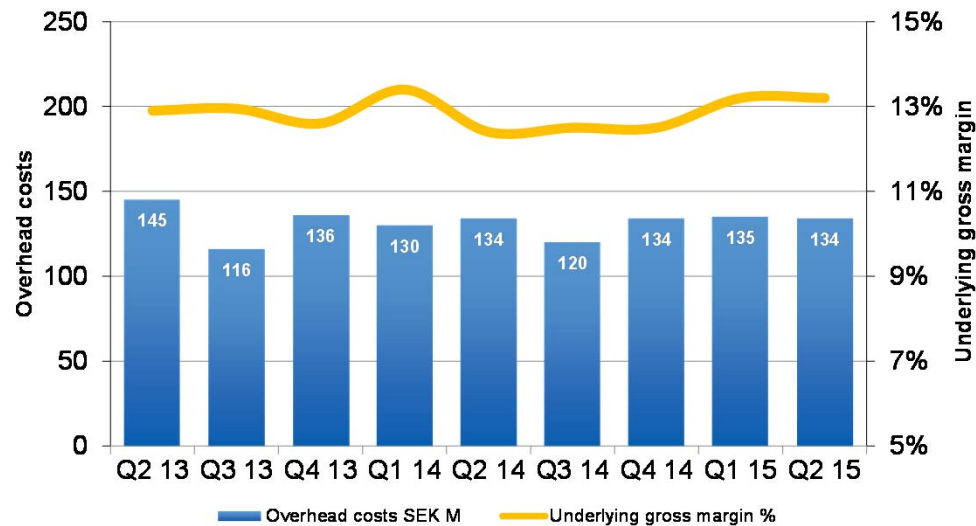
	<u>Q2</u>	<u>Jan-Jun</u>
Change in Net Sales	-1%	1%
▪ <i>Tonnage</i>	-1%	-1%
▪ <i>Price/Mix</i>	-1%	0%
▪ <i>Currency</i>	1%	2%

- Tonnage growth in main business areas

	<u>Q2</u>	<u>Jan-Jun</u>
Change in tonnage	-1%	-1%
▪ <i>Sweden</i>	+4%	+4%
▪ <i>Finland</i>	+3%	+5%
▪ <i>Other Units</i>	-21%	-20%

Underlying gross margin – Improvement compared to Q2 2014

Overhead costs (SEK M) and margin (%)

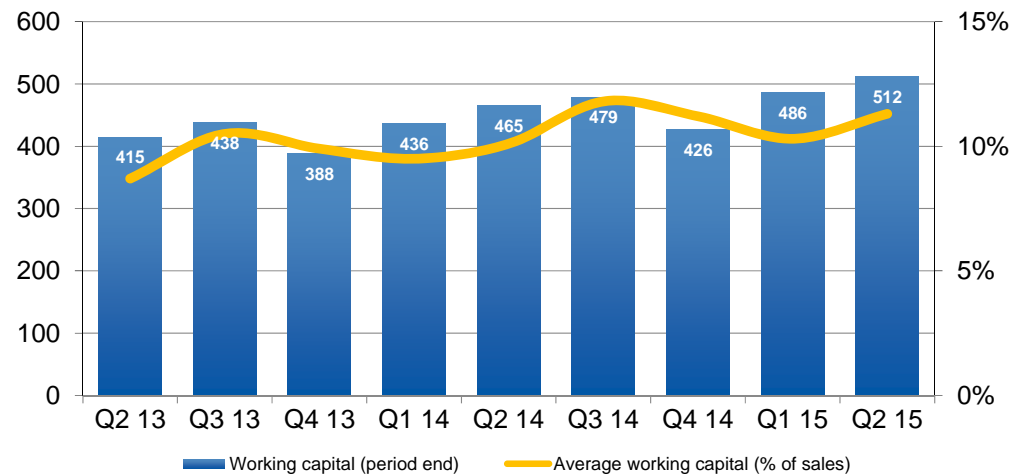


- Q2 underlying gross margin improved to 13.2% (12.4)
- YTD underlying gross margin 13.2% (12.9)
 - More sales in BA Sweden and BA Finland have positive effect on margin
 - Margin improvements continue to be a focus area in competitive market
- Sales and administration costs in line with last year
 - Currency affect comparison vs last year
 - Continued tight cost control



Working capital development

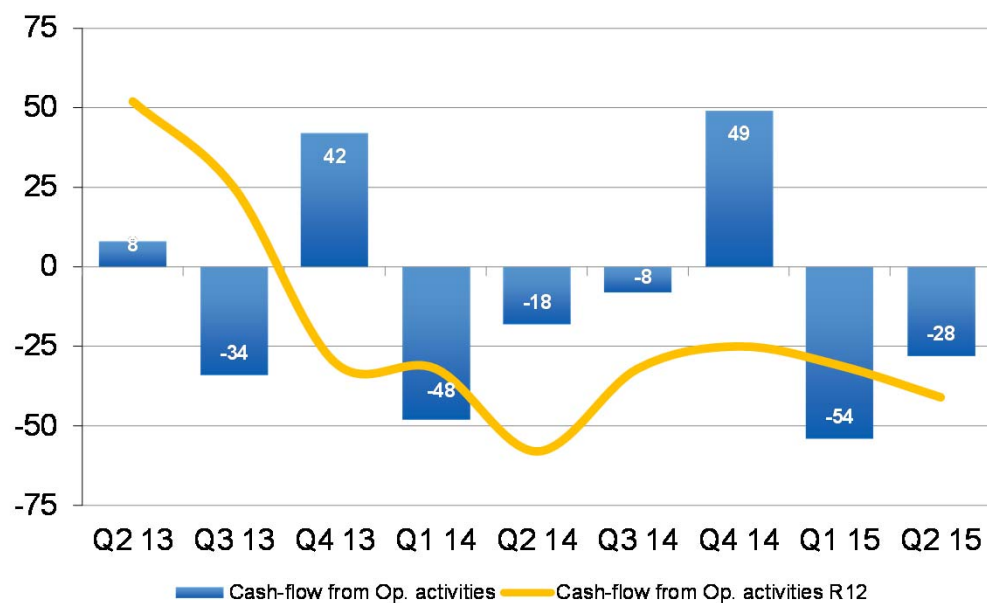
Working capital (SEK M)



- Period-end working capital increased by SEK 47 M compared to last year
- Stronger June-end increased A/R balance compared to last year
- Inventory levels on the way down
- Working capital tied-up 11.3% (10.1)

Cash-flow

Cash-flow from operating activities (SEK M)



- Q2 operating cash-flow of SEK -28 M (-18)
- Investment cash-flow of SEK -4 M (-2)
- Operating cash-flow R12 SEK -41 M
- Cash position strengthened by SEK 94 M from rights issue
- Net debt of SEK 590 M (776)

Status rights issue and new credit agreement

Rights issue

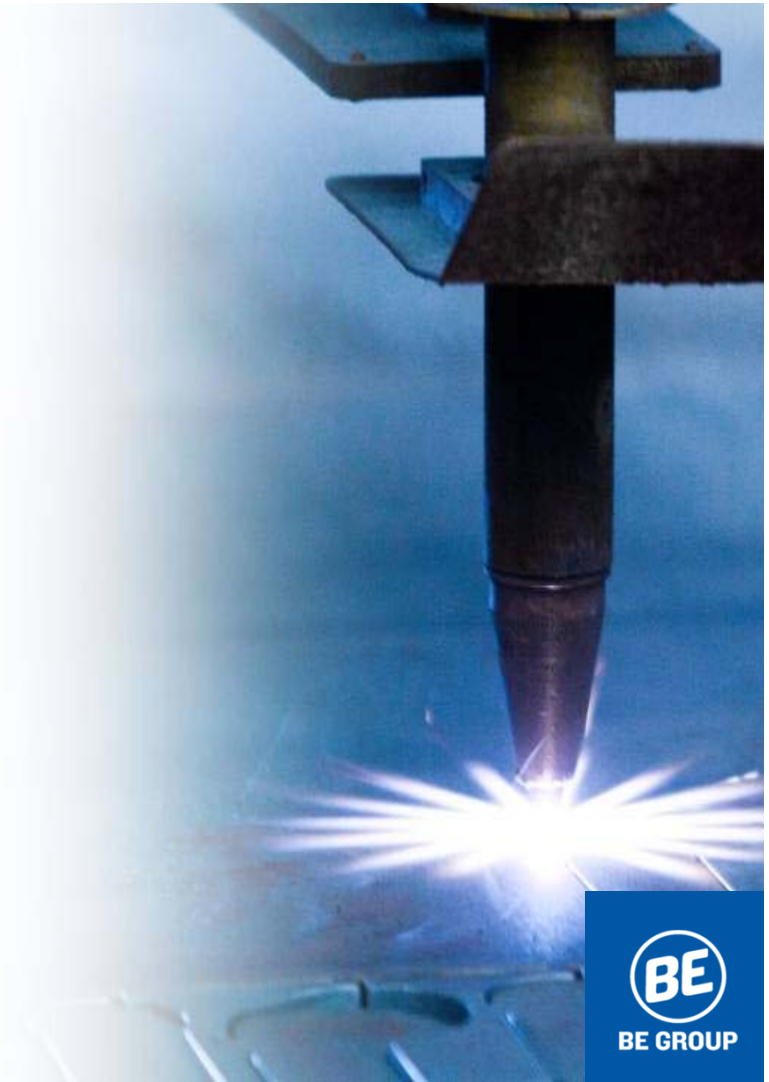
- Rights issue of net SEK 244 M completed
- The rights issue oversubscribed by 39%
- SEK 150 M used to reduce debt, remainder to strengthen cash position
- Strong balance sheet, gearing 63%
- Total amount of shares 260.2 M

Credit agreement

- New three-year credit agreement signed
- Utilization end of June 2015
- Total facility SEK 1,000 M
- Better terms, lower cost
- Approximately SEK 200 M of revolving credit facility remains unutilized

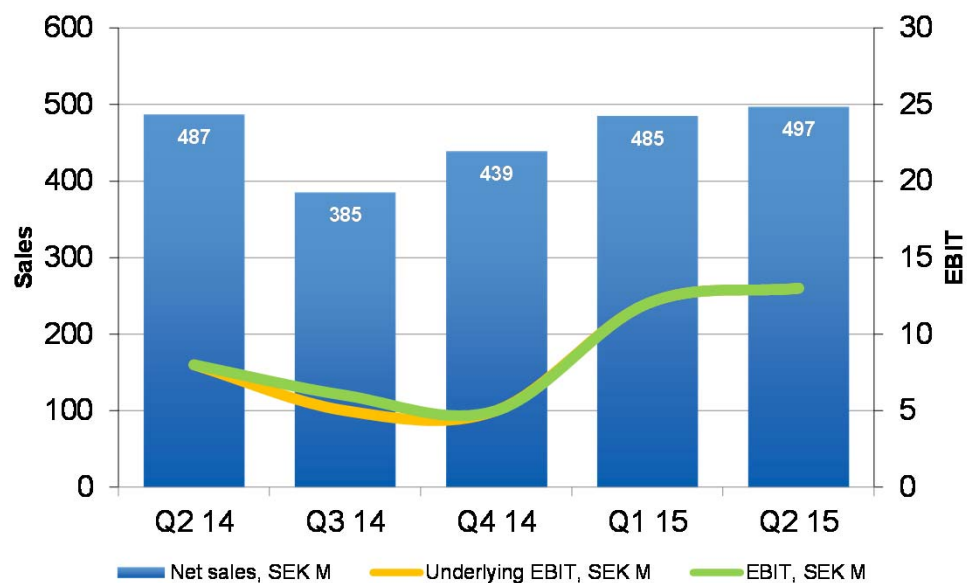
BUSINESS AREAS STATUS Q2 2015

Slide 11



BA Sweden – Sales growth compared to last year

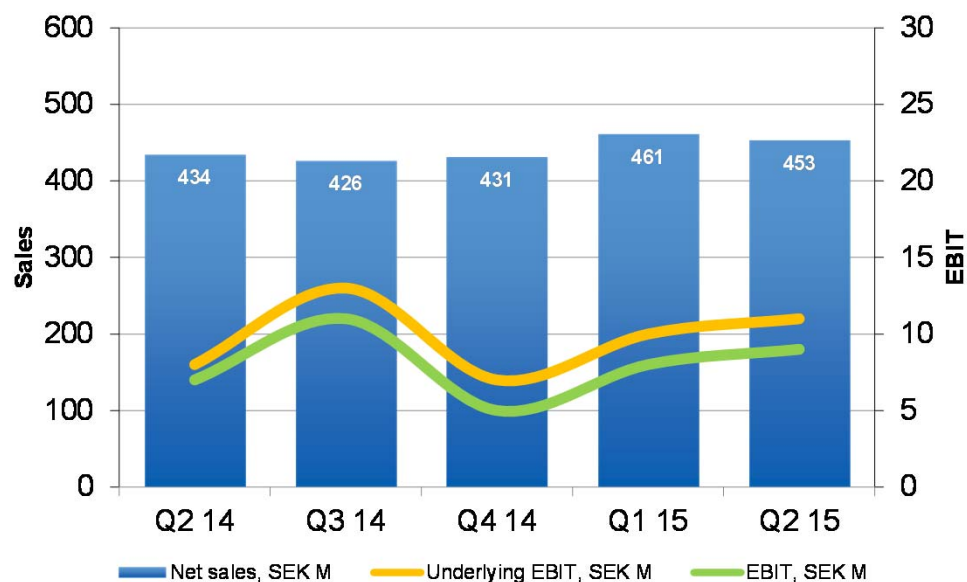
Sales, EBIT and uEBIT (SEK M)



- No or small improvement in market demand compared to last year
- Tonnage increased by 4% vs Q2 2014
- Net sales increased by 2%, stronger ending of June compared to last year
- EBIT of SEK 13 M (8) and uEBIT of SEK 13 M (8) in Q2 2015

BA Finland – Increased sales and market share

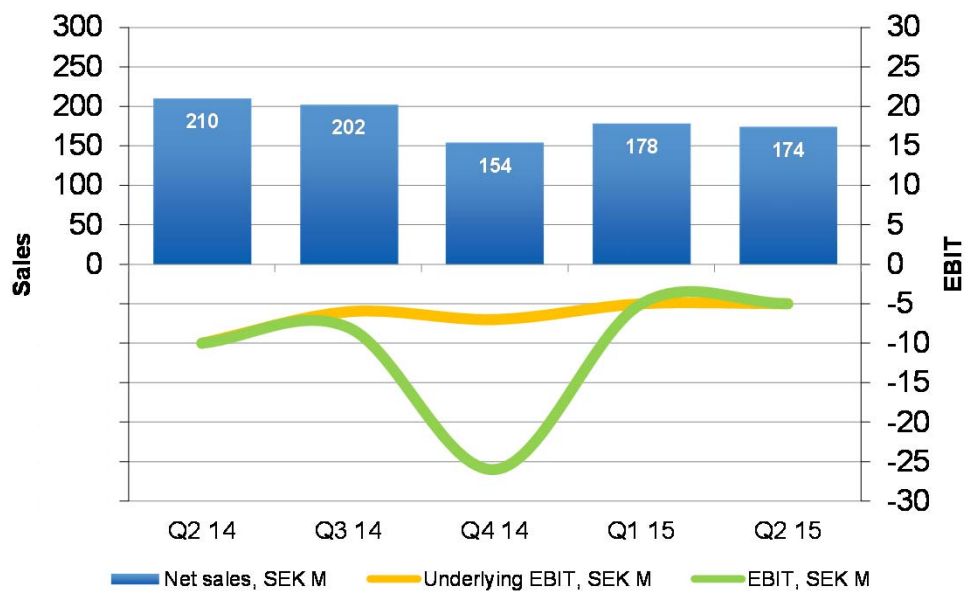
Sales, EBIT and uEBIT (SEK M)



- Market demand slightly down vs last year
- Tonnage increased by 3% compared to Q2 2014
- Net sales increased by 4% including positive currency effect of 3%
- EBIT of SEK 9 M (7) and uEBIT of SEK 11 M (8) in Q2 2015

Other Units – Challenging conditions in Central Europe continues

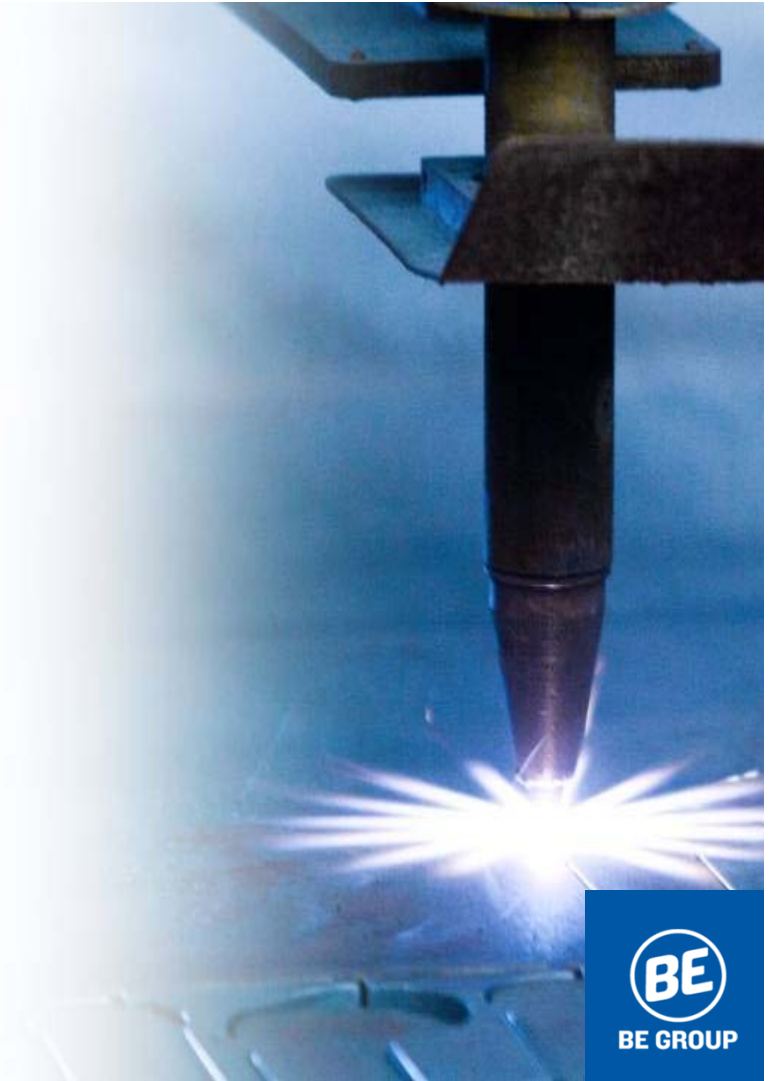
Sales, EBIT and uEBIT (SEK M)



- Challenging market in Central Europe
- Tonnage down 21%, driven by lower sales on Czech and Slovak markets vs Q2 2014
- Weak first half for Lecor, but with good ending
- Net sales decreased by 18%
- EBIT of SEK -5 M (-10) and uEBIT of SEK -5 M (-10) in Q2 2015

OUTLOOK

Slide 15



Current business situation and outlook

- Demand expected to remain on current level adjusted for normal seasonal pattern
- Steel prices are continuing slightly downwards
- Structural changes in the market continue to give opportunities for BE Group



Current focus areas

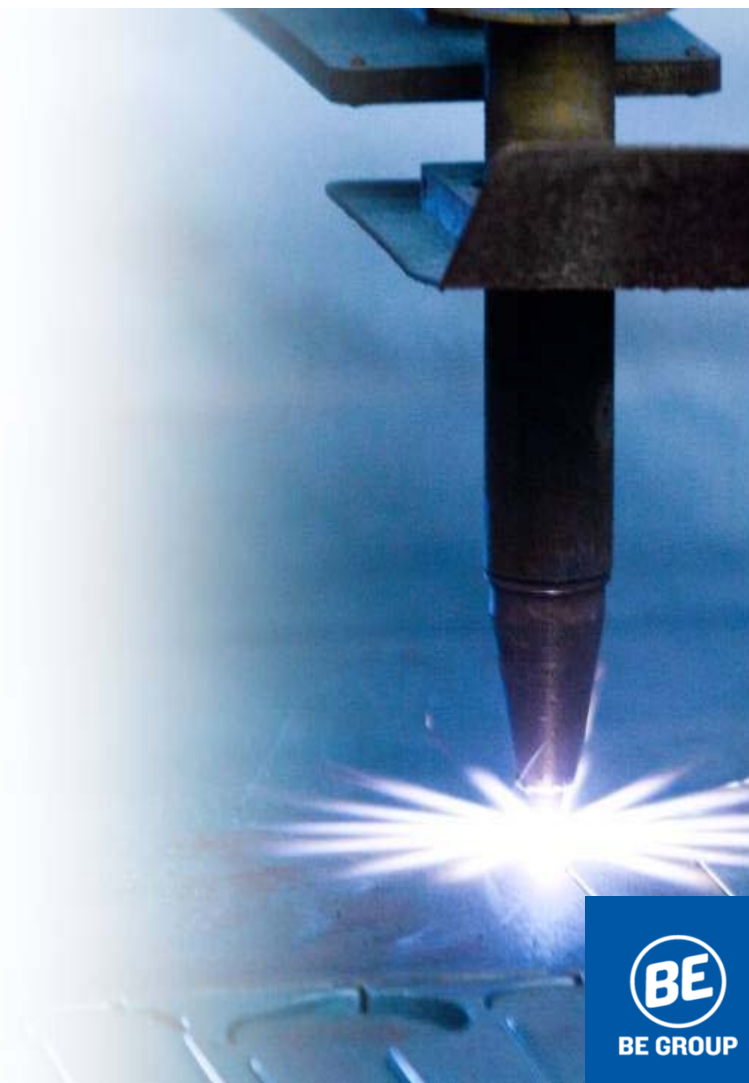
- Build on strong position on main markets
- Active sales work
- Margin improvements
- Cost control
- Turn Other Units profitable





APPENDIX FINANCIAL INFORMATION

Slide 19

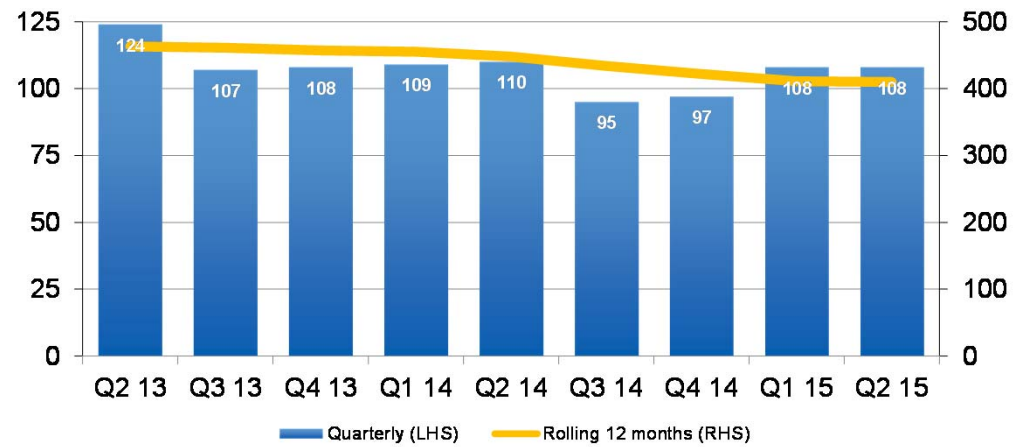


Appendix: Financial summary

	2014				2015		FY
	Q1	Q2	Q3	Q4	Q1	Q2	2014
Tonnage	109	110	95	97	108	108	411
Net sales	1,083	1,112	998	1,009	1,104	1,104	4,202
Underlying EBIT	17	4	6	-9	12	12	18
<i>% of sales</i>	<i>1.5%</i>	<i>0.3%</i>	<i>0.6%</i>	<i>-0.9%</i>	<i>1.1%</i>	<i>1.1%</i>	<i>0.4%</i>
EBIT	13	3	-3	-30	10	10	-17
<i>% of sales</i>	<i>1.2%</i>	<i>0.3%</i>	<i>-0.3%</i>	<i>-3.0%</i>	<i>0.9%</i>	<i>1.0%</i>	<i>-0.4%</i>
Net earnings	-5	-7	-16	-45	0	-13	-73
Earnings/share ¹	-0.10	-0.10	-0.22	-0.61	0.00	-0.12	-1.07
Cash-flow ²	-48	-20	-8	46	-58	-32	-30
Working capital ³	436	465	479	426	486	512	426

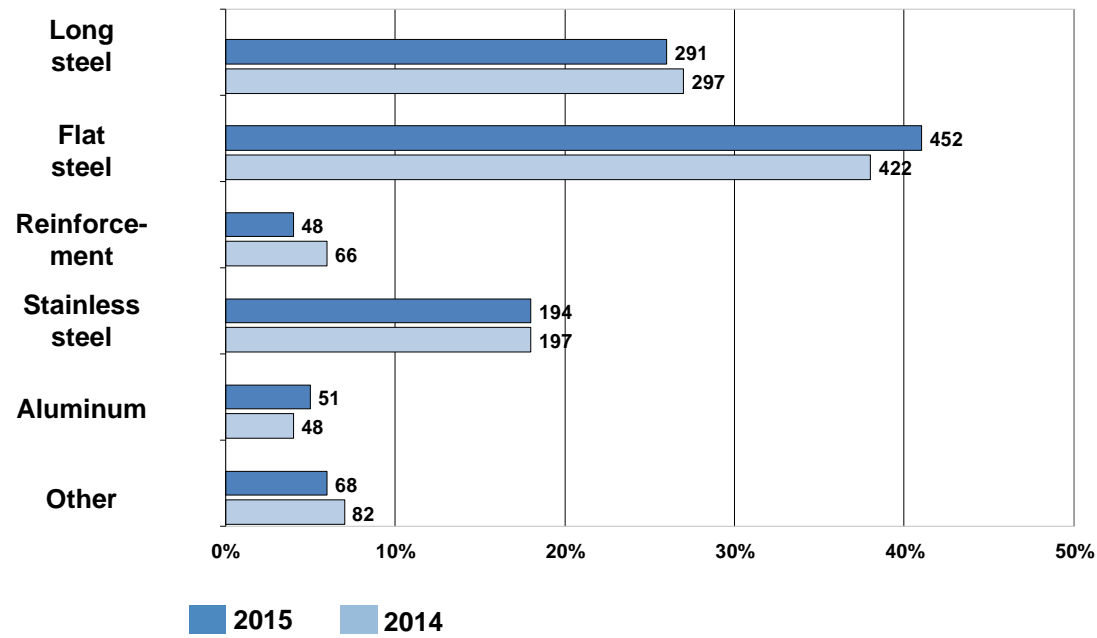
Appendix: Tonnage development

Tonnage ('000 tons)



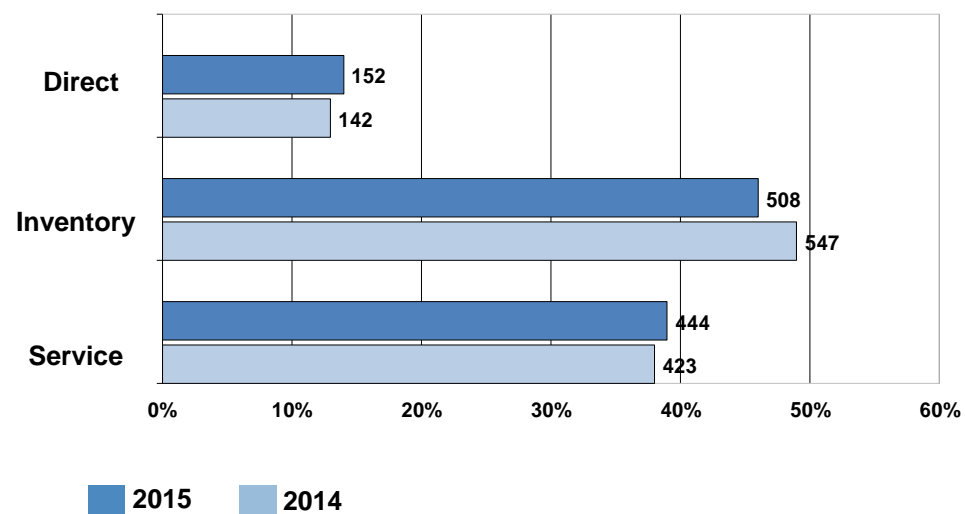
Appendix: Sales per product area

Q2 – Share of total sales (MSEK)



Appendix: Sales per channel

Q2 – Share of total sales (MSEK)



Note: Sales outside scope of channels not included

