BERGMAN & BEVING

Interim Report 1 April–31 December 2021

Third quarter (1 October–31 December 2021)

- Revenue rose by 7 percent to MSEK 1,163 (1,086).
- EBITA increased by 24 percent to MSEK 84 (68) and the EBITA margin improved to 7.2 percent (6.3).
- Net profit rose by 19 percent to MSEK 51 (43).

Nine months (1 April–31 December 2021)

- Revenue rose by 5 percent to MSEK 3,370 (3,196).
- EBITA increased by 23 percent to MSEK 243 (198) and the EBITA margin improved to 7.2 percent (6.2).
- Net profit rose by 21 percent to MSEK 149 (123).
- Earnings per share for the most recent 12-month period increased to SEK 7.15 (5.65) before dilution and SEK 7.10 (5.65) after dilution.
- Four acquisitions (Abtech, Albretsen, (3) Screen and Safety Technology) have been carried out, with total annual revenue of approximately MSEK 90.

	3 months			9 months			R12 months	Full-year
MSEK	**Oct–Dec 2021**	**Oct–Dec 2020**	**Δ %**	**Apr–Dec 2021**	**Apr–Dec 2020**	**Δ %**	**Jan–Dec 2021**	**2020/2021**
Revenue	1,163	1,086	*7*	3,370	3,196	*5*	4,485	4,311
EBITA	84	68	*24*	243	198	*23*	316	271
EBITA margin, percent	7.2	6.3		7.2	6.2		7.0	6.3
Profit after financial items	65	56	*16*	191	157	*22*	246	212
Net profit (after taxes)	51	43	*19*	149	123	*21*	192	166
Earnings per share before dilution, SEK	1.90	1.60		5.55	4.55		7.15	6.15
Earnings per share after dilution, SEK	1.85	1.60		5.50	4.55		7.10	6.15
P/WC, percent							22	20
Equity/assets ratio, percent							35	35
Number of employees at the end of the period	1,213	1,082	*12*	1,213	1,082	*12*	1,213	1,129

CEO's comments

The Group's positive performance continued during the third quarter of the financial year. We increased our earnings for the eighth consecutive quarter and delivered our highest quarterly earnings to date since the split in 2017. While organic growth in the quarter was low, this is not entirely accurate since the preceding year included non-recurring transactions related to breathing protection and disposable gloves driven by the pandemic. We have also increased our focus on transactions where we offer higher added value and have deliberately assigned a lower priority to lower-margin transactions. This has had a negative impact on our business volume, but a positive impact on the gross margin and earnings. I am proud that we delivered our highest gross margin to date as an independent company and that we have improved our operating margin (rolling 12 month) each quarter.

During the quarter, we faced challenges in the form of global supply disruptions. The challenges that arose have been handled extremely well by our companies and have had only a limited impact on the Group's overall delivery capacity. Thanks to our decentralised model, with a large share of responsibility and decision-making taken on by the individual companies, we have been able to offset rising costs for freight, raw materials and production. It is gratifying to see that our governance model, with entrepreneur-run companies close to the market, has proven to be capable of handling the situations that have arisen and create the conditions for long-term, profitable growth.

To date in the operating year, we have acquired four companies, including the add-on acquisition of Safety Technology (part of Cresto Group, which is included in the Workplace Safety division), which was carried out in the third quarter. The add-on acquisition of Safety Technology increased Cresto's presence in the UK and the US, in line with our ambition to grow our internationally competitive companies.

All divisions improved their earnings. The Tools & Consumables division continued its positive performance and increased its earnings by 43 percent, with Luna reporting the strongest improvement in earnings. This increase was enabled through revenue growth combined with a stronger margin, driven by changes in the mix, including increased sales of proprietary brands. The Workplace Safety division increased its profit by 5 percent, despite strong non-recurring sales of breathing protection and disposable gloves via the companies Zekler, Guide and Skydda in the preceding year. Building Materials improved its earnings by 67 percent, mainly as a result of increased revenue and lower costs in ESSVE and KGC.

In addition to the positive earnings trend, there is further improvement potential in all divisions. During the first half of the year, we established a plan to double the Group's operating profit in the next four to five years. The plan includes clearer decentralisation, an increased focus on profitability, intensified management by objectives and increasing our acquisition rate over time.

After my first eight months at the company, I believe we have the potential to continue boosting our earnings, profitability and cash flow in the coming quarters. As a first step, we have strengthened our decentralised governance model, under which each company is to have strategies and priorities adapted to its individual circumstances, based on each company's profitability and growth potential. Taken together, this determines the companies' strategic balance between profitability and earnings growth – a set of priorities refer to internally as "the focus model." Our management by objectives has been strengthened, and all companies have now established short, medium and long-term operational and financial targets that have been approved and will be followed up by the individual company's board of directors.

We will continue to implement improvement initiatives through our decentralised governance model, with clear objectives transformed into tangible action plans for each company covering organic growth, improved margins and working capital optimisation, with the aim that all of our companies will achieve the Group's profitability target. Given the prevailing circumstances, with long delivery times, we have been forced to selectively and temporarily increase our inventory levels to ensure our delivery capacity but are carrying out projects in parallel with this that, over time, will create the necessary conditions to optimise our working capital. I therefore anticipate a relative reduction in working capital over time, which along with increased earnings will improve our profitability and cash flow.

We have also intensified our work related to acquisitions. The aim is to increase our acquisition rate, while also improving our profitability and cash flow. When conducting acquisitions, we prioritise leading product companies with offerings targeting niche needs in construction and industry and proven, strong earnings capacity, stable cash flows and growth potential. We also see continued opportunities to strengthen our existing companies through add-on acquisitions.

With initiated improvement programmes and anticipated favourable demand in our main markets, I look forward to the coming quarters with confidence.

Stockholm, February 2022

Magnus Söderlind
President & CEO

Profit and revenue

Third quarter (Oct–Dec 2021)

Revenue rose by 7 percent to MSEK 1,163 (1,086). Revenue increased by 5 percent in local currency, most of which was attributable to acquisitions. Exchange-rate fluctuations had a positive impact of 2 percent on revenue.

Demand from construction customers was stable, despite the continued negative impact of high prices and a shortage of important input products. Demand from industrial customers and demand for personal protective equipment was strong, which compensated for the temporary COVID-19-related deliveries in the preceding year. The disruptions in the supply chain continued, the Group's temporarily increased buffer inventories limited the negative impact on its delivery capacity. The margin continued to improve, despite higher product and freight costs.

EBITA for the third quarter increased by 24 percent to MSEK 84 (68) and the EBITA margin improved to 7.2 percent (6.3).

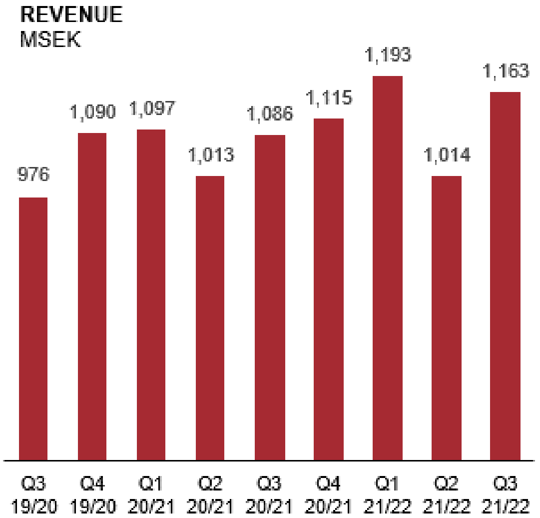
Profit after financial items rose by 16 percent to MSEK 65 (56). Net profit rose by 19 percent to MSEK 51 (43) and earnings per share rose to SEK 1.90 (1.60) before dilution.

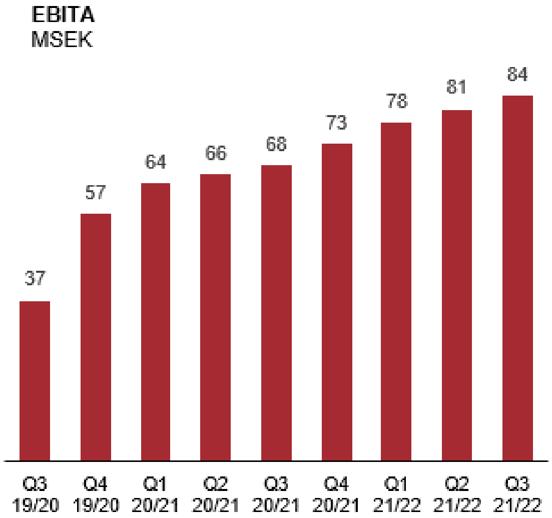
9 months (Apr–Dec 2021)

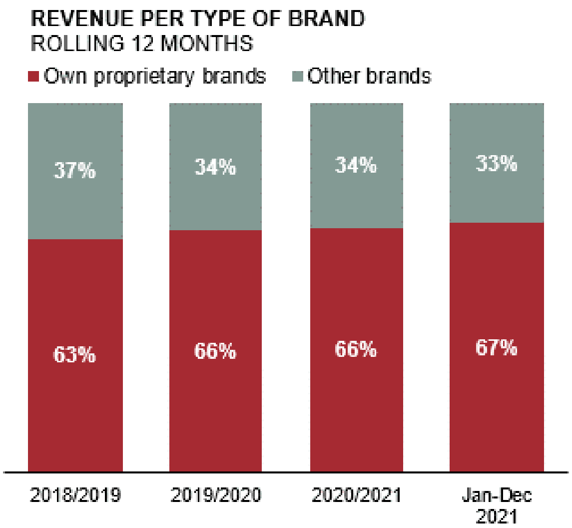
Revenue rose by 5 percent to MSEK 3,370 (3,196). Revenue increased by 4 percent in local currency, most of which was attributable to acquisitions. Exchange-rate fluctuations had a positive impact of 1 percent on revenue.

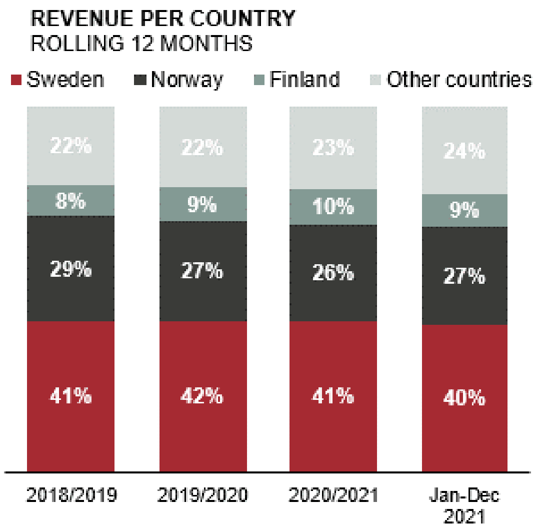
EBITA for the period increased by 23 percent to MSEK 243 (198) and the EBITA margin improved to 7.2 percent (6.2).

Profit after financial items rose by 22 percent to MSEK 191 (157). Net profit rose by 21 percent to MSEK 149 (123) and earnings per share rose to SEK 5.55 (4.55) before dilution.









BERGMAN & BEVING

Performance by division

MSEK	3 months Oct–Dec 2021	3 months Oct–Dec 2020	Δ %	9 months Apr–Dec 2021	9 months Apr–Dec 2020	Δ %	R12 months Jan–Dec 2021	Full-year 2020/2021
Revenue								
Building Materials	277	261	*6*	940	905	*4*	1,304	1,269
Workplace Safety	452	418	*8*	1,231	1,206	*2*	1,614	1,589
Tools & Consumables	444	420	*6*	1,228	1,118	*10*	1,605	1,495
Group-wide/eliminations	-10	-13		-29	-33		-38	-42
Total revenue	**1,163**	**1,086**	***7***	**3,370**	**3,196**	***5***	**4,485**	**4,311**
EBITA								
Building Materials	10	6	*67*	65	60	*8*	90	85
Workplace Safety	43	41	*5*	108	107	*1*	138	137
Tools & Consumables	33	23	*43*	78	36	*117*	99	57
Group-wide/eliminations	-2	-2		-8	-5		-11	-8
Total EBITA	**84**	**68**	***24***	**243**	**198**	***23***	**316**	**271**
EBITA margin, percent								
Building Materials	3.6	2.3		6.9	6.6		6.9	6.7
Workplace Safety	9.5	9.8		8.8	8.9		8.6	8.6
Tools & Consumables	7.4	5.5		6.4	3.2		6.2	3.8
Total EBITA margin	**7.2**	**6.3**		**7.2**	**6.2**		**7.0**	**6.3**

Building Materials

Building Materials' revenue increased by 6 percent to MSEK 277 (261) and EBITA rose by 67 percent to MSEK 10 (6). Revenue for the first nine months rose by 4 percent to MSEK 940 (905) and EBITA increased by 8 percent to MSEK 65 (60).

The construction market in Sweden and Norway displayed a positive trend, despite the general shortage of wood products and sheet materials. ESSVE and KGC in particular increased their earnings in the quarter, which is normally their weakest quarter in terms of seasonal effects, and ESSVE delivered a positive performance, partly because it had a better delivery capacity than its competitors. These results should also be viewed in light of the longer delivery times and disruptions in the supply chain, mainly from suppliers in Asia.

Workplace Safety

Workplace Safety's revenue increased by 8 percent to MSEK 452 (418) and EBITA increased by 5 percent to MSEK 43 (41). Revenue for the first nine months rose by 2 percent to MSEK 1,231 (1,206) and EBITA increased by 1 percent to MSEK 108 (107).

Sales of personal protective equipment were favourable overall, despite the fact that demand for breathing protection and protective gloves related to the pandemic was lower than in the preceding year.

Sales of fall protection products in Cresto and work shoes in Arbesko were also favourable and the units delivered healthy earnings increases.

Acquisitions carried out during the year delivered as expected and had a positive impact on the outcome for the year.

Tools & Consumables

Tools & Consumables' revenue increased by 6 percent to MSEK 444 (420) and EBITA rose by 43 percent to MSEK 33 (23). Revenue for the first nine months rose by 10 percent to MSEK 1,228 (1,118) and EBITA increased by 117 percent to MSEK 78 (36).

Demand remained favourable. Luna continued to replace unprofitable volume products with higher margin products. Most of the division's companies increased their earnings, despite challenging delivery situations.

Group-wide and eliminations

Group-wide expenses and eliminations for the third quarter amounted to MSEK 2 (2). Group-wide expenses for the first nine months totalled MSEK 8 (5).

The Parent Company's revenue amounted to MSEK 26 (24) and profit after financial items to MSEK 20 (17) for the April to December period.

Employees

At the end of the period, the number of employees in the Group totalled 1,213, compared with 1,129 at the beginning of the financial year. During the April to December period, 57 employees were gained via acquisitions.

Corporate acquisitions

On 1 April, Workplace Safety acquired all of the shares in the company group Abtech, consisting of Abtech Safety Ltd, Outreach Organisation Ltd and Outreach Rescue Medic Skills Ltd. Abtech is a leading supplier of personal fall protection and rescue equipment in the UK and also provides training and courses for the industrial sector and rescue specialists. The company group generates annual revenue of approximately MSEK 44 and is part of Cresto Group.

On 6 April, Tools & Consumables acquired all of the shares in H.M. Albretsen Verktøysikring AS. Albretsen develops and manufactures products and solutions within fall protection for tools. Albretsen generates revenue of approximately MSEK 20.

On 1 September, Workplace Safety acquired all of the shares in (3) Screen Tryck AB and the company is part of SIS Group. (3) Screen is a niche producer of workplace safety signage products. The acquisition brings unique production capabilities of patented products.

On 16 November, Workplace Safety acquired all of the shares in the UK company Safety Technology Ltd, including its US subsidiary Safety Technology USA LLC. Safety Technology is a specialised supplier of fall protection and rescue solutions with special emphasis on training in working at heights. The company group generates annual revenue of approximately MSEK 20 and is part of Cresto Group.

Bergman & Beving normally uses an acquisition model with a base consideration and a contingent consideration. The outcome of the contingent consideration depends on the future earnings of the acquired company.

The total purchase price allocation for the year's acquisitions:

Fair value of acquired assets and liabilities	**MSEK**
Customer relations, etc.	59
Other non-current assets	10
Other assets	40
Deferred tax liability, net	12
Current liabilities	17
Acquired net assets	**80**
Goodwill	31
Purchase consideration	111
Less: Purchase consideration, unpaid	-9
Less: Cash and cash equivalents in acquired companies	-11
Net change in cash and cash equivalents	-91

Acquisition-related transaction costs, which are recognised in other operating expenses in the income statement, amounted to MSEK 0. The unpaid purchase consideration of MSEK 9 is contingent and is estimated to amount to a maximum of MSEK 9.

Acquisition	**Closing**	**Rev. MSEK***	**No. of empl.***	**Division**
Abtech, UK	Apr 2021	44	34	Workplace Safety
Albretsen, Norway	Apr 2021	20	4	Tools & Consumables
(3) Screen, Sweden	Sep 2021	7	5	Workplace Safety
Safety Techn., UK	Nov 2021	20	14	Workplace Safety

*Refers to the situation assessed on a full-year basis on the date of acquisition.

Acquisition analyses older than 12 months are considered finalised. Contingent considerations of MSEK 6 pertaining to previous years' acquisitions were paid. Remeasurement of contingent considerations had a positive effect of MSEK 2 (2) on the period. The effect on earnings is recognised in Other operating income.

Profitability, cash flow and financial position

Profitability, measured as the return on working capital (P/WC), increased to 22 percent, compared with 20 percent for full-year 2020/2021. The return on equity was 11 percent, compared with 10 percent for full-year 2020/2021.

Cash flow from operating activities for the first nine months totalled MSEK 261 (408). Working capital increased by MSEK 37 during the period, mainly due to increased buffer inventories.

Cash flow was charged with net investments in non-current assets of MSEK 40 (53) and MSEK 97 (76) pertaining to the acquisition of businesses. Investments in non-current assets consist primarily of product development and production-related equipment.

The Group's operational net loan liability at the end of the period amounted to MSEK 765 (593), excluding pension obligations of MSEK 687 (754) and lease liabilities according to IFRS 16 of MSEK 372 (385). Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 745 (912).

The equity/assets ratio was 35 percent (34). Equity per share increased to SEK 67.70, compared with SEK 64.40 at the beginning of the year.

The Swedish tax rate, which is also the Parent Company's tax rate, was 20.6 percent. The Group's weighted average tax rate, with its current geographic mix, was approximately 22 percent.

Share structure and repurchase of shares

At the end of the period, share capital totalled MSEK 56.9 and was distributed by class of share as follows:

SHARE STRUCTURE

Class of share	No. of shares	No. of votes	% of capital	% of votes
Class A shares, 10 votes per share	1,062,436	10,624,360	3.9	28.7
Class B shares, 1 vote per share	26,373,980	26,373,980	96.1	71.3
Total number of shares before repurchasing	**27,436,416**	**36,998,340**	**100.0**	**100.0**
Of which, repurchased Class B shares	-913,677		3.3	2.5
Total number of shares after repurchasing	**26,522,739**			

The share price on 31 December 2021 was SEK 150.80. The average number of treasury shares was 924,581 during the period and 913,677 at the end of the period. The average purchase price for the repurchased shares was SEK 87.88 per share.

CALL OPTION PROGRAMMES

Outstanding programmes	No. of options	Corresponding no. of shares	% of total shares	Redemption price	Redemption period
Call option programme 2018/2022	114,000	114,000	0.4%	117.90	13 Sep 2021–10 Jun 2022
Call option programme 2019/2023	270,000	270,000	1.0%	107.50	12 Sep 2022–9 Jun 2023
Call option programme 2020/2024	244,000	244,000	0.9%	99.50	11 Sep 2023–7 Jun 2024
Call option programme 2021/2025	178,000	178,000	0.6%	197.30	16 Sep 2024–12 Jun 2025

Call options issued for repurchased shares resulted in an insignificant dilution effect.

Events after the end of the period

No significant changes occurred after the end of the quarter.

Election Committee for the election of the Board of Directors

In accordance with a resolution passed at the Annual General Meeting held in August 2021, the four largest shareholders in terms of votes as of 31 December 2021 have been contacted and asked to appoint members who, together with the Chairman of the Board, will form the Election Committee.

Accordingly, the Election Committee comprises Chairman of the Board Jörgen Wigh, Anders Börjesson, Henrik Hedelius, Johan Lannebo (representing Lannebo Fonder) and Caroline Sjösten (representing Swedbank Robur Fonder).

Contact information for the Election Committee is available on Bergman & Beving's website.

Stockholm, 9 February 2022

Magnus Söderlind
President & CEO

This report has not been subject to special review by the Company's auditors.

Other information

Publication

This information is information that Bergman & Beving AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, at 7:45 a.m. CET on 9 February 2022.

Dates for forthcoming financial information

Financial Report 1 April 2021–31 March 2022 will be published on 13 May 2022 at 7:45 a.m.

Interim Report 1 April–30 June 2022 will be published on 13 July 2022 at 7:45 a.m.

The 2022 Annual General Meeting will be held at IVA, Grev Turegatan 16 in Stockholm on 24 August 2022 at 4:00 p.m.

The 2021/2022 Annual Report will be published on Bergman & Beving's website in July.

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Reporting by quarter

	2021/2022			2020/2021				2019/2020			
MSEK	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue											
Building Materials	277	288	375	364	261	295	349	318	237	288	300
Workplace Safety	452	351	428	383	418	356	432	403	350	305	343
Tools & Consumables	444	385	399	377	420	371	327	380	402	390	393
Group-wide/eliminations	-10	-10	-9	-9	-13	-9	-11	-11	-13	-13	-12
Total revenue	**1,163**	**1,014**	**1,193**	**1,115**	**1,086**	**1,013**	**1,097**	**1,090**	**976**	**970**	**1,024**
EBITA											
Building Materials	10	21	34	25	6	21	33	16	-3	17	23
Workplace Safety	43	29	36	30	41	26	40	29	18	19	29
Tools & Consumables	33	31	14	21	23	20	-7	19	24	18	12
Group-wide/eliminations	-2	0	-6	-3	-2	-1	-2	-7	-2	-1	-3
Total EBITA	**84**	**81**	**78**	**73**	**68**	**66**	**64**	**57**	**37**	**53**	**61**
EBITA margin, percent											
Building Materials	3.6	7.3	9.1	6.9	2.3	7.1	9.5	5.0	-1.3	5.9	7.7
Workplace Safety	9.5	8.3	8.4	7.8	9.8	7.3	9.3	7.2	5.1	6.2	8.5
Tools & Consumables	7.4	8.1	3.5	5.6	5.5	5.4	-2.1	5.0	6.0	4.6	3.1
Total EBITA margin	**7.2**	**8.0**	**6.5**	**6.5**	**6.3**	**6.5**	**5.8**	**5.2**	**3.8**	**5.5**	**6.0**

Group summary

CONSOLIDATED INCOME STATEMENT	3 months		9 months		R12 months	Full-year
MSEK	Oct–Dec 2021	Oct–Dec 2020	Apr–Dec 2021	Apr–Dec 2020	Jan–Dec 2021	2020/2021
Revenue	1,163	1,086	3,370	3,196	4,485	4,311
Other operating income	5	4	6	11	10	15
Total operating income	**1,168**	**1,090**	**3,376**	**3,207**	**4,495**	**4,326**
Cost of goods sold	-659	-633	-1,934	-1,916	-2,591	-2,573
Personnel costs	-225	-206	-636	-564	-845	-773
Depreciation, amortisation and impairment losses	-51	-43	-150	-131	-198	-179
Other operating expenses	-158	-146	-438	-416	-576	-554
Total operating expenses	**-1,093**	**-1,028**	**-3,158**	**-3,027**	**-4,210**	**-4,079**
Operating profit	**75**	**62**	**218**	**180**	**285**	**247**
Financial income and expenses	-10	-6	-27	-23	-39	-35
Profit after financial items	**65**	**56**	**191**	**157**	**246**	**212**
Taxes	-14	-13	-42	-34	-54	-46
Net profit	**51**	**43**	**149**	**123**	**192**	**166**
Of which, attributable to Parent Company shareholders	50	42	147	121	190	164
Of which, attributable to non-controlling interest	1	1	2	2	2	2
EBITA	84	68	243	198	316	271
Earnings per share before dilution, SEK	1.90	1.60	5.55	4.55	7.15	6.15
Earnings per share after dilution, SEK	1.85	1.60	5.50	4.55	7.10	6.15
Number of shares outstanding before dilution, ‘000	26,523	26,507	26,523	26,507	26,523	26,507
Weighted number of shares before dilution, ‘000	26,521	26,562	26,512	26,659	26,511	26,621
Weighted number of shares after dilution, ‘000	26,712	26,562	26,702	26,659	26,665	26,621

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3 months		9 months		R12 months	Full-year
MSEK	Oct–Dec 2021	Oct–Dec 2020	Apr–Dec 2021	Apr–Dec 2020	Jan–Dec 2021	2020/2021
Net profit	**51**	**43**	**149**	**123**	**192**	**166**
Remeasurement of defined-benefit pension plans	0	15	0	-58	53	-5
Tax attributable to components that will not be reclassified	0	-3	0	12	-11	1
Components that will not be reclassified to net profit	**0**	**12**	**0**	**-46**	**42**	**-4**
Translation differences	13	-22	9	-49	31	-27
Fair value changes for the year in cash-flow hedges	-3	-2	1	-5	-3	-9
Tax attributable to components that will be reclassified	1	0	0	1	1	2
Components that will be reclassified to net profit	**11**	**-24**	**10**	**-53**	**29**	**-34**
Other comprehensive income	**11**	**-12**	**10**	**-99**	**71**	**-38**
Total comprehensive income for the period	**62**	**31**	**159**	**24**	**263**	**128**
Of which, attributable to Parent Company shareholders	61	30	157	22	261	126
Of which, attributable to non-controlling interest	1	1	2	2	2	2

CONSOLIDATED BALANCE SHEET

MSEK	31 December 2021	31 December 2020	31 March 2021
Assets			
Goodwill	1,642	1,591	1,609
Other intangible non-current assets	462	415	425
Tangible non-current assets	115	107	102
Right-of-use assets	364	378	390
Financial non-current assets	5	2	5
Deferred tax assets	95	101	91
Inventories	1,268	1,123	1,129
Accounts receivable	819	720	950
Other current receivables	175	162	101
Cash and cash equivalents	152	125	139
Total assets	**5,097**	**4,724**	**4,941**
Equity and liabilities			
Equity attributable to Parent Company shareholders	1,778	1,597	1,701
Non-controlling interest	16	14	14
Non-current interest-bearing liabilities	923	721	855
Provisions for pensions	687	754	692
Other non-current liabilities and provisions	140	153	136
Current interest-bearing liabilities	366	382	378
Accounts payable	594	554	609
Other current liabilities	593	549	556
Total equity and liabilities	**5,097**	**4,724**	**4,941**
Operational net loan liability	765	593	697

CONSOLIDATED STATEMENT OF EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS

MSEK	31 December 2021	31 December 2020	31 March 2021
Opening equity	**1,701**	**1,631**	**1,631**
Dividend	-80	-40	-40
Exercise and purchase of options for repurchased shares	0	1	1
Repurchase of own shares	–	-17	-17
Total comprehensive income for the period	157	22	126
Closing equity	**1,778**	**1,597**	**1,701**

CONSOLIDATED CASH-FLOW STATEMENT	3 months		9 months		R12 months	Full-year
MSEK	Oct–Dec 2021	Oct–Dec 2020	Apr–Dec 2021	Apr–Dec 2020	Jan–Dec 2021	2020/2021
Operating activities before changes in working capital	103	89	298	302	389	393
Changes in working capital	7	53	-37	106	-153	-10
Cash flow from operating activities	**110**	**142**	**261**	**408**	**236**	**383**
Investments in intangible and tangible assets	-18	-22	-40	-54	-57	-71
Proceeds from sale of intangible and tangible assets	0	0	0	1	0	1
Acquisition of businesses	-17	-71	-97	-76	-133	-112
Divestment of businesses	–	–	–	–	5	5
Cash flow before financing	**75**	**49**	**124**	**279**	**51**	**206**
Financing activities	-84	-30	-113	-230	-30	-147
Cash flow for the period	**-9**	**19**	**11**	**49**	**21**	**59**
Cash and cash equivalents at the beginning of the period	**160**	**113**	**139**	**90**	**125**	**90**
Cash flow for the period	-9	19	11	49	21	59
Exchange-rate differences in cash and cash equivalents	1	-7	2	-14	6	-10
Cash and cash equivalents at the end of the period	**152**	**125**	**152**	**125**	**152**	**139**

Compilation of key financial ratios

KEY FINANCIAL RATIOS	R12 months		
MSEK	31 December 2021	31 December 2020	31 March 2021
Revenue	4,485	4,286	4,311
EBITA	316	255	271
EBITA margin, percent	7.0	5.9	6.3
Operating profit	285	231	247
Operating margin, percent	6.4	5.4	5.7
Profit after financial items	246	199	212
Net profit	192	153	166
Profit margin, percent	5.5	4.6	4.9
Return on working capital (P/WC), percent	22	19	20
Return on capital employed, percent	8	7	7
Return on equity, percent	11	9	10
Operational net loan liability (closing balance)	765	593	697
Equity (closing balance)	1,794	1,611	1,715
Equity/assets ratio, percent	35	34	35
Number of employees at the end of the period	1,213	1,082	1,129
Key per-share data			
Earnings, SEK	7.15	5.65	6.15
Earnings after dilution, SEK	7.10	5.65	6.15
Cash flow from operating activities, SEK	8.90	14.45	14.40
Equity, SEK	67.70	60.40	64.40
Share price, SEK	150.80	98.40	121.40

Parent Company summary

INCOME STATEMENT	3 months		9 months		R12 months	Full-year
MSEK	Oct–Dec 2021	Oct–Dec 2020	Apr–Dec 2021	Apr–Dec 2020	Jan–Dec 2021	2020/2021
Revenue	8	8	26	24	34	32
Other operating income	–	–	–	0	0	0
Total operating income	**8**	**8**	**26**	**24**	**34**	**32**
Operating expenses	-12	-12	-40	-36	-47	-43
Operating loss	**-4**	**-4**	**-14**	**-12**	**-13**	**-11**
Financial income and expenses	12	9	34	29	42	37
Profit after financial items	**8**	**5**	**20**	**17**	**29**	**26**
Appropriations	–	–	–	–	-1	-1
Profit before taxes	**8**	**5**	**20**	**17**	**28**	**25**
Taxes	-2	-1	-5	-4	-1	0
Net profit	**6**	**4**	**15**	**13**	**27**	**25**

STATEMENT OF COMPREHENSIVE INCOME	3 months		9 months		R12 months	Full-year
MSEK	Oct–Dec 2021	Oct–Dec 2020	Apr–Dec 2021	Apr–Dec 2020	Jan–Dec 2021	2020/2021
Net profit	**6**	**4**	**15**	**13**	**27**	**25**
Fair value changes for the year in cash-flow hedges	-3	-2	1	-5	-3	-9
Taxes attributable to other comprehensive income	1	0	0	1	1	2
Components that will be reclassified to net profit	**-2**	**-2**	**1**	**-4**	**-2**	**-7**
Other comprehensive income	**-2**	**-2**	**1**	**-4**	**-2**	**-7**
Total comprehensive income for the period	**4**	**2**	**16**	**9**	**25**	**18**

BALANCE SHEET			
MSEK	31 December 2021	31 December 2020	31 March 2021
Assets			
Intangible non-current assets	0	0	0
Tangible non-current assets	2	3	2
Financial non-current assets	2,529	2,443	2,451
Current receivables	632	556	635
Cash and cash equivalents	0	0	0
Total assets	**3,163**	**3,002**	**3,088**
Equity, provisions and liabilities			
Equity	1,151	1,206	1,215
Untaxed reserves	46	165	46
Provisions	36	38	36
Non-current liabilities	660	430	560
Current liabilities	1,270	1,163	1,231
Total equity, provisions and liabilities	**3,163**	**3,002**	**3,088**

Notes

1. Accounting policies

This Interim Report was prepared in accordance with IFRS and by applying IAS 34, Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Securities Market Act. The Interim Report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which conforms to the provisions detailed in RFR 2 Accounting for Legal Entities.

The same accounting policies and bases of judgement have been applied in this Interim Report as in the Annual Report for 2020/2021. Disclosures are provided in the financial statements and accompanying notes as well as other sections of the interim report.

New or amended accounting standards which take effect in 2021 or later

A number of new and amended IFRS have not yet come into effect and have not been applied in advance in the preparation of this financial statement. The amended IFRS to be applied in the future are not expected to have any material impact on the Group's financial statements.

2. Revenue per geographic area

The Group primarily conducts operations in Sweden, Norway and Finland and revenue presented for the geographic markets is based on the domicile of the customers.

	3 months		9 months		R12 months	Full-year
MSEK	**Oct–Dec 2021**	**Oct–Dec 2020**	**Apr–Dec 2021**	**Apr–Dec 2020**	**Jan–Dec 2021**	**2020/2021**
Sweden	473	449	1,358	1,330	1,808	1,780
Norway	289	263	868	809	1,198	1,139
Finland	104	107	304	320	402	418
Other countries	297	267	840	737	1,077	974
Revenue	**1,163**	**1,086**	**3,370**	**3,196**	**4,485**	**4,311**

3. Leases

Leases under IFRS 16 have the following effect on the consolidated balance sheet or income statement.

MSEK	31 December 2021	31 December 2020	31 March 2021
Right-of-use assets	364	378	390
Non-current lease liabilities	255	286	289
Current lease liabilities	117	99	108

	3 months		9 months		R12 months	Full-year
MSEK	**Oct–Dec 2021**	**Oct–Dec 2020**	**Apr–Dec 2021**	**Apr–Dec 2020**	**Jan–Dec 2021**	**2020/2021**
Depreciation of right-of-use assets	-30	-27	-89	-86	-117	-114
Interest on lease liabilities	-2	-2	-6	-7	-8	-9

IFRS 16 will not affect operational follow-up or follow-up of earnings from the divisions.

4. Risks and uncertainties

During the financial year, no significant changes occurred with respect to risks and uncertainties, for either the Group or the Parent Company. For information about these risks and uncertainties, refer to pages 50–53 of Bergman & Beving's Annual Report for 2020/2021.

5. Transactions with related parties

No transactions having a material impact on the Group's position or earnings occurred between Bergman & Beving and its related parties during the financial year.

6. Alternative performance measures

Bergman & Beving uses certain financial performance measures in its analysis of the operations and their performance that are not calculated in accordance with IFRS. The Company believes that these performance measures provide valuable information for investors, since they enable a more accurate assessment of current trends when combined with other key financial ratios calculated in accordance with IFRS. Since listed companies do not always calculate these performance measures ratios in the same way, there is no guarantee that the information is comparable with other companies' performance measures of the same name.

Change in revenue

Comparable units refer to sales in local currency from units that were part of the Group during the current period and the entire corresponding period in the preceding year.

	3 months		9 months	
Percentage change in revenue for:	**Oct–Dec 2021**	**Oct–Dec 2020**	**Apr–Dec 2021**	**Apr–Dec 2020**
Comparable units in local currency	0	12	0	7
Currency effects	2	-4	1	-4
Acquisitions/divestments	5	3	4	5
Total – change	**7**	**11**	**5**	**8**

EBITA

Operating profit for the period before impairment of goodwill and amortisation and impairment of other intangible assets in connection with corporate acquisitions and equivalent transactions.

	3 months		9 months		R12 months	Full-year
MSEK	**Oct–Dec 2021**	**Oct–Dec 2020**	**Apr–Dec 2021**	**Apr–Dec 2020**	**Jan–Dec 2021**	**2020/2021**
EBITA	**84**	**68**	**243**	**198**	**316**	**271**
Depreciation and amortisation in connection with acquisitions	-9	-6	-25	-18	-31	-24
Operating loss	**75**	**62**	**218**	**180**	**285**	**247**

Return on working capital (P/WC)

Bergman & Beving's profitability target is for each unit in the Group to achieve profitability of at least 45 percent, measured as EBITA (P) for the rolling 12-month period as a percentage of average 12 months' working capital (WC), defined as inventories plus accounts receivable less accounts payable.

MSEK	**Jan–Dec 2021**	**Jan–Dec 2020**	**2020/2021**
EBITA (P)	**316**	**255**	**271**
Average working capital (WC)			
Inventories	1,163	1,065	1,072
Accounts receivable	833	775	801
Accounts payable	-554	-522	-528
Total – average WC	**1,442**	**1,318**	**1,345**
P/WC, percent	**22**	**19**	**20**

7. Other definitions

Return on equity

Net profit for the rolling 12-month period divided by average equity.

Return on capital employed

Profit after financial items plus financial expenses for the rolling 12-month period divided by the average balance-sheet total less non-interest-bearing liabilities.

EBITA margin

EBITA for the period as a percentage of revenue.

Equity per share

Equity divided by the weighted number of shares at the end of the period.

Cash flow per share

Cash flow for the rolling 12-month period from operating activities divided by the weighted number of shares.

Operational net loan liability

Interest-bearing liabilities excluding lease liabilities and provisions for pensions less cash and cash equivalents.

Earnings per share

Net profit attributable to the Parent Company shareholders divided by the weighted number of shares.

Operating margin

Operating profit for the period as a percentage of revenue.

Equity/assets ratio

Equity as a percentage of the balance-sheet total.

Profit margin

Net profit after financial items as a percentage of revenue.

Weighted number of shares

Average number of shares outstanding before or after dilution. Shares held by Bergman & Beving are not included in the number of shares outstanding. Dilution effects arise due to call options that can be settled using shares in share-based incentive programmes. The call options have a dilution effect when the average share price during the period is higher than the redemption price of the call options.

Bergman & Beving in brief

- We acquire and develop leading companies with niche products and brands within the manufacturing and construction sectors.
- Through our products, we are represented in over 4,000 sales outlets in more than 25 countries.
- Our main markets are Sweden, Norway and Finland, which account for approximately 75 percent of revenue.
- We aim to be a sustainable company where we actively work to create long-term value for society and our shareholders while limiting the impact of our operations on the environment.
- The subsidiaries in the Group are operated with decentralised business responsibility, with a focus on simplicity, responsibility and freedom.

Strategy

Bergman & Beving aims to be northern Europe's leading niche supplier of sustainable and value-creating products and services to the manufacturing and construction sectors.

Bergman & Beving's companies target professional users and offer leading niche products and brands with potential for local and international growth.

Our companies work with both innovations and continual improvements of existing offerings in order to best meet the needs of our ideal target groups and thereby strengthen their market position.

Each company conducts its operations under its own responsibility with a large degree of freedom, and we rely on our decentralised governance model, where each company develops, markets and sells their products and brands based on local conditions and as close to the customer as possible in the markets where they operate.

Our companies and product brands

Building Materials	Workplace Safety	Tools & Consumables
ESSVE, Flammatex branngardiner, FireSeal, H&H, KGC	Abtech Safety, Arbesko, Guide, Zekler, Cresto, Resq, Jo safety, L.Brador, Systemtext	Germ, Luna, Limit, H.M. Albretsen, Miller's, Mareld, Teng Tools