

Interim Report 1 April–30 September 2021

Second quarter (1 July–30 September 2021)

- Revenue amounted to MSEK 1,014 (1,013).
- EBITA increased by 23 percent to MSEK 81 (66) and the EBITA margin improved to 8.0 percent (6.5).
- Net profit rose by 25 percent to MSEK 50 (40).
- Earnings per share increased to SEK 1.90 (1.45) before dilution and SEK 1.85 (1.45) after dilution.

Six months (1 April–30 September 2021)

- Revenue increased by 5 percent to MSEK 2,207 (2,110).
- EBITA increased by 22 percent to MSEK 159 (130) and the EBITA margin improved to 7.2 percent (6.2).
- Net profit rose by 23 percent to MSEK 98 (80).
- Earnings per share rose to SEK 3.65 (2.95).

Significant events since the start of the operating year

- Magnus Söderlind took over as President & CEO for Bergman & Beving AB on 1 May 2021.
- Three acquisitions have been carried out, with total annual revenue of approximately MSEK 70.
- Niklas Stenberg was elected as a new Director at the Annual General Meeting on 31 August 2021.

MSEK	3 months			6 months			R12 months	Full-year
	Jul–Sep 2021	Jul–Sep 2020	Δ %	Apr–Sep 2021	Apr–Sep 2020	Δ %	Oct 2020–Sep 2021	2020/2021
Revenue	1,014	1,013	0	2,207	2,110	5	4,408	4,311
EBITA	81	66	23	159	130	22	300	271
EBITA margin, percent	8.0	6.5		7.2	6.2		6.8	6.3
Profit after financial items	64	51	25	126	101	25	237	212
Net profit (after taxes)	50	40	25	98	80	23	184	166
Earnings per share before dilution, SEK	1.90	1.45		3.65	2.95		6.85	6.15
Earnings per share after dilution, SEK	1.85	1.45		3.65	2.95		6.85	6.15
P/WC, percent							21	20
Equity/assets ratio, percent							35	35
Number of employees at the end of the period	1,207	1,056	14	1,207	1,056	14	1,207	1,129

CEO's comments

The Group's positive performance continued during the second quarter of the financial year, and we delivered our highest quarterly earnings and operating margin since the split in 2017. Operating profit (EBITA) increased by 23 percent to MSEK 81 (66), and the operating margin improved to 8.0 (6.5) percent. A significant organic increase in earnings was noted, with previously acquired companies developing according to plan and making a positive contribution to the result for the quarter.

The Tools & Consumables division accounted for a significant improvement in earnings and operating margin during the quarter, primarily due to stronger earnings in Luna as a result of a recovery in demand from industrial customers as well as increased sales of proprietary brands. The Workplace Safety division also improved its earnings and operating margin. It was particularly gratifying to note that the division's largest unit, Skydda, was able to compensate for the positive effects of the pandemic in the preceding year and deliver earnings that were in line with the year-earlier period. At the same time, several of the division's product companies strengthened their earnings. Building Materials' performance was roughly on a par with the year-earlier period, despite a slightly weaker market, particularly for ESSVE.

During the first half of the year, we further strengthened our decentralisation, increased our focus on profitability and intensified our management by objectives. I believe that we have a strong management team in place who have what it takes to deliver on our ambition to double our operating profit within four to five years. Our priority going forward will be to increase our value generation in order to strengthen our margins and improve our profitability (P/WC). Our efforts during the first half of the year contributed to a higher margin and improved P/WC, despite our decision to selectively increase our inventory levels to safeguard our delivery capacity. We will continue to implement initiatives to improve our earnings through our decentralised governance model, with clear objectives transformed into tangible action plans for each company covering various areas, such as customers, product range, purchasing and inventories.

We have taken a step in the right direction, but there is further potential in all divisions, and demand in our main markets is expected to remain favourable. Along with our initiated improvement programmes, this gives me great confidence in our future, even though ongoing disruptions in supply chains and longer delivery times could impact the business situation. Our strong financial position gives us the opportunity to take a forward-looking approach in our companies and at the same time acquire highly profitable operations with strong positions in their niches.

Stockholm, October 2021

Magnus Söderlind
President & CEO

Profit and revenue

Second quarter (July–September 2021)

Revenue amounted to MSEK 1,014 (1,013). Revenue was unchanged in local currency, with a 4 percent organic decrease and 4 percent increase from acquisitions. Exchange-rate fluctuations had no impact on revenue.

Demand from construction customers remained favourable, although higher prices and a shortage of important input products had a negative impact. Demand from industrial customers was positive. Underlying demand for personal protective equipment remained strong, despite the fact that the preceding year included temporary COVID-19-related deliveries. Disruptions in the supply chain increased, but had a marginal impact on deliveries due to increased buffer inventories. Deliveries for new customer contracts continued, as did sales to new customers. The margin improved, despite higher product and freight costs.

EBITA for the second quarter increased by 23 percent to MSEK 81 (66) and the EBITA margin improved to 8.0 percent (6.5).

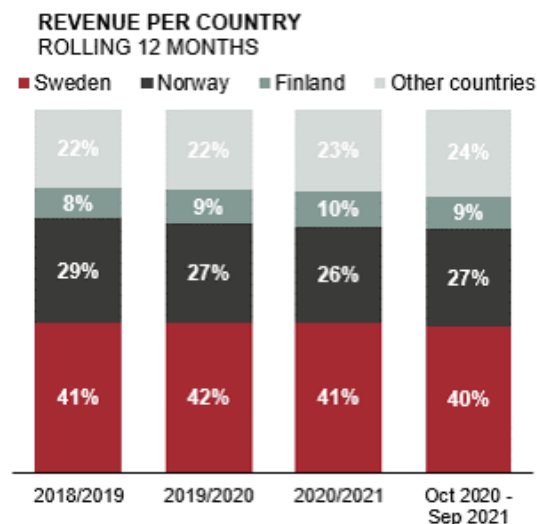
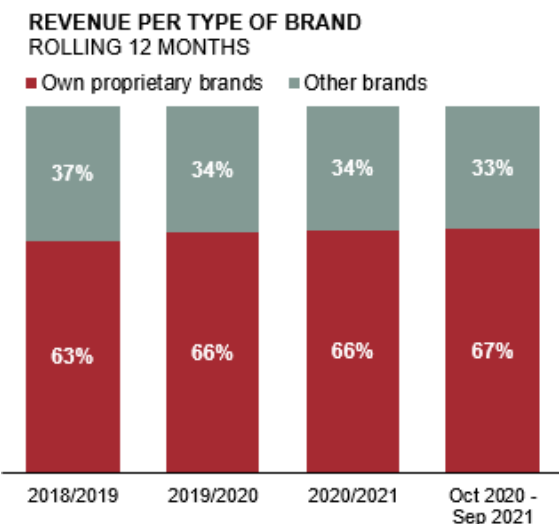
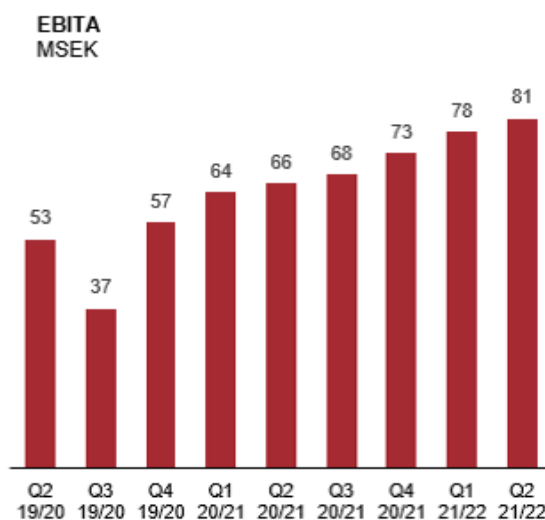
Profit after financial items rose by 25 percent to MSEK 64 (51). Net profit rose by 25 percent to MSEK 50 (40) and earnings per share rose to SEK 1.90 (1.45).

Six months (April–September 2021)

Revenue rose by 5 percent to MSEK 2,207 (2,110). Revenue increased by 5 percent in local currency, of which 5 percent was attributable to acquisitions. Exchange-rate fluctuations had no impact on revenue.

EBITA for the period increased by 22 percent and amounted to MSEK 159 (130), and the EBITA margin improved to 7.2 percent (6.2).

Profit after financial items rose by 25 percent to MSEK 126 (101). Net profit increased by 23 percent to MSEK 98 (80) and earnings per share rose to SEK 3.65 (2.95).



Performance by division

MSEK	3 months			6 months			R12	Full-year
	Jul–Sep 2021	Jul–Sep 2020	Δ %	Apr–Sep 2021	Apr–Sep 2020	Δ %	Oct 2020– Sep 2021	2020/2021
Revenue								
Building Materials	288	295	-2	663	644	3	1,288	1,269
Workplace Safety	351	356	-1	779	788	-1	1,580	1,589
Tools & Consumables	385	371	4	784	698	12	1,581	1,495
Group-wide/eliminations	-10	-9		-19	-20		-41	-42
Total revenue	1,014	1,013	0	2,207	2,110	5	4,408	4,311
EBITA								
Building Materials	21	21	0	55	54	2	86	85
Workplace Safety	29	26	12	65	66	-2	136	137
Tools & Consumables	31	20	55	45	13	246	89	57
Group-wide/eliminations	0	-1		-6	-3		-11	-8
Total EBITA	81	66	23	159	130	22	300	271
EBITA margin, percent								
Building Materials	7.3	7.1		8.3	8.4		6.7	6.7
Workplace Safety	8.3	7.3		8.3	8.4		8.6	8.6
Tools & Consumables	8.1	5.4		5.7	1.9		5.6	3.8
Total EBITA margin	8.0	6.5		7.2	6.2		6.8	6.3

Building Materials

Building Materials' revenue declined by 2 percent to MSEK 288 (295) and EBITA amounted to MSEK 21 (21). Revenue for the first six months rose by 3 percent to MSEK 663 (644) and EBITA increased by 2 percent to MSEK 55 (54).

The construction market remained favourable in both Sweden and Norway. However, a shortage of important input products and higher prices for these products had a negative impact on ESSVE's revenue. The division was able to maintain a good delivery capacity due to higher buffer inventories.

Workplace Safety

Workplace Safety's revenue declined by 1 percent to MSEK 351 (356) and EBITA increased by 12 percent to MSEK 29 (26). Revenue for the first six months decline by 1 percent to MSEK 779 (788) and EBITA declined by 2 percent to MSEK 65 (66).

Demand for personal protective equipment was strong, although sales of protective equipment related to COVID-19 were not as high as in the year-earlier period, which mainly impacted Skydda. The division's product companies increased their revenue.

Tools & Consumables

Tools & Consumables' revenue increased by 4 percent to MSEK 385 (371) and EBITA rose by 55 percent to MSEK 31 (20). Revenue for the first six months rose by 12 percent to MSEK 784 (698) and EBITA increased by 246 percent to MSEK 45 (13).

Demand was favourable, and most of the division's companies increased their earnings. Luna increased its earnings as a result of a larger share of proprietary products with higher margins.

Group-wide and eliminations

Group-wide expenses and eliminations for the second quarter amounted to MSEK 0 (1). Group-wide expenses for the first six months totalled MSEK 6 (3).

The Parent Company's revenue amounted to MSEK 18 (16) and profit after financial items to MSEK 12 (12) for the period from April to September.

Employees

At the end of the period, the number of employees in the Group totalled 1,207, compared with 1,129 at the beginning of the financial year. During the period from April to September, 43 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 that also provides advanced 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 AB.

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.

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.	51
Other non-current assets	9
Other assets	30
Deferred tax liability, net	11
Current liabilities	12
Acquired net assets	67
Goodwill	26
Purchase consideration	93
Less: Purchase consideration, unpaid	-9
Less: Cash and cash equivalents in acquired companies	-10
Net change in cash and cash equivalents	-74

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

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

No acquisition analyses were considered finalised during the first six months. Contingent considerations of MSEK 6 pertaining to previous years' acquisitions were paid.

Profitability, cash flow and financial position

Profitability, measured as the return on working capital (P/WC), increased to 21 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 six months totalled MSEK 151 (266). Working capital increased by MSEK 44 during the period, mainly due to selectively increased buffer inventories. Inventories rose by MSEK 42, operating receivables declined by MSEK 102 and operating liabilities declined by MSEK 104.

Cash flow was charged with net investments in non-current assets of MSEK 22 (31) and MSEK 80 (5) 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 806 (586), excluding pension obligations of MSEK 686 (766) and lease liabilities according to IFRS 16 of MSEK 373 (410). Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 704 (914).

The equity/assets ratio was 35 percent (34). Equity per share increased to SEK 65.25, 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	-921,677		3.4	2.5
Total number of shares after repurchasing	26,514,739			

The share price on 30 September 2021 was SEK 148.60. The average number of treasury shares was 929,277 during the period and 921,677 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	210,000	210,000	0.8%	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

During the period, 8,000 call options were redeemed in call option programme 2018/2022.

Call options issued for repurchased shares resulted in a slight dilution effect over the most recent 12-month period and the quarter.

Events after the end of the period

No significant changes occurred after the end of the quarter.

Affirmation

The Board of Directors and the President & CEO affirm that this interim report provides a true and fair overview of the operations, position and earnings of the Parent Company and the Group, and that it describes the material risks and uncertainties to which the Parent Company and the companies within the Group are exposed.

Stockholm, 20 October 2021

Jörgen Wigh

Chairman

Fredrik Börjesson

Director

Charlotte Hansson

Director

Henrik Hedelius

Director

Malin Nordesjö

Director

Niklas Stenberg

Director

Christian Sigurdson

Director – employee representative

Anette Swanemar

Director – employee representative

Magnus Söderlind

President & CEO

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

Other information

Publication

The information in this report is such that Bergman & Beving AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out below, at 7:45 a.m. CET on 20 October 2021.

Dates for forthcoming financial information

Interim Report 1 April–31 December 2021 will be published on 9 February 2022 at 7:45 a.m.

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

Contact information

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Reporting by quarter

MSEK	2021/2022		2020/2021				2019/2020			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue										
Building Materials	288	375	364	261	295	349	318	237	288	300
Workplace Safety	351	428	383	418	356	432	403	350	305	343
Tools & Consumables	385	399	377	420	371	327	380	402	390	393
Group-wide/eliminations	-10	-9	-9	-13	-9	-11	-11	-13	-13	-12
Total revenue	1,014	1,193	1,115	1,086	1,013	1,097	1,090	976	970	1,024
EBITA										
Building Materials	21	34	25	6	21	33	16	-3	17	23
Workplace Safety	29	36	30	41	26	40	29	18	19	29
Tools & Consumables	31	14	21	23	20	-7	19	24	18	12
Group-wide/eliminations	0	-6	-3	-2	-1	-2	-7	-2	-1	-3
Total EBITA	81	78	73	68	66	64	57	37	53	61
EBITA margin, percent										
Building Materials	7.3	9.1	6.9	2.3	7.1	9.5	5.0	-1.3	5.9	7.7
Workplace Safety	8.3	8.4	7.8	9.8	7.3	9.3	7.2	5.1	6.2	8.5
Tools & Consumables	8.1	3.5	5.6	5.5	5.4	-2.1	5.0	6.0	4.6	3.1
Total EBITA margin	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		6 months		R12	Full-year
	Jul–Sep 2021	Jul–Sep 2020	Apr–Sep 2021	Apr–Sep 2020	months Oct 2020– Sep 2021	
MSEK						
Revenue	1,014	1,013	2,207	2,110	4,408	4,311
Other operating income	0	2	1	7	9	15
Total operating income	1,014	1,015	2,208	2,117	4,417	4,326
Cost of goods sold	-573	-602	-1,275	-1,283	-2,565	-2,573
Personnel costs	-192	-175	-411	-358	-826	-773
Depreciation, amortisation and impairment losses	-50	-44	-99	-88	-190	-179
Other operating expenses	-126	-134	-280	-270	-564	-554
Total operating expenses	-941	-955	-2,065	-1,999	-4,145	-4,079
Operating profit	73	60	143	118	272	247
Financial income and expenses	-9	-9	-17	-17	-35	-35
Profit after financial items	64	51	126	101	237	212
Taxes	-14	-11	-28	-21	-53	-46
Net profit	50	40	98	80	184	166
Of which, attributable to Parent Company shareholders	50	39	97	79	182	164
Of which, attributable to non-controlling interest	0	1	1	1	2	2
EBITA	81	66	159	130	300	271
Earnings per share before dilution, SEK	1.90	1.45	3.65	2.95	6.85	6.15
Earnings per share after dilution, SEK	1.85	1.45	3.65	2.95	6.85	6.15
Number of shares outstanding before dilution, '000	26,515	26,707	26,515	26,707	26,515	26,507
Weighted number of shares before dilution, '000	26,514	26,707	26,514	26,707	26,528	26,621
Weighted number of shares after dilution, '000	26,749	26,707	26,702	26,707	26,612	26,621

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3 months		6 months		R12	Full-year
	Jul–Sep 2021	Jul–Sep 2020	Apr–Sep 2021	Apr–Sep 2020	months Oct 2020– Sep 2021	
MSEK						
Net profit	50	40	98	80	184	166
Remeasurement of defined-benefit pension plans	0	-37	0	-73	68	-5
Tax attributable to components that will not be reclassified	0	8	0	15	-14	1
Components that will not be reclassified to net profit	0	-29	0	-58	54	-4
Translation differences	4	-3	-4	-27	-4	-27
Fair value changes for the year in cash-flow hedges	-1	1	4	-3	-2	-9
Tax attributable to components that will be reclassified	0	0	-1	1	0	2
Components that will be reclassified to net profit	3	-2	-1	-29	-6	-34
Other comprehensive income	3	-31	-1	-87	48	-38
Total comprehensive income for the period	53	9	97	-7	232	128
Of which, attributable to Parent Company shareholders	53	8	96	-8	230	126
Of which, attributable to non-controlling interest	0	1	1	1	2	2

CONSOLIDATED BALANCE SHEET

MSEK	30 September 2021	30 September 2020	31 March 2021
Assets			
Goodwill	1,633	1,573	1,609
Other intangible non-current assets	456	392	425
Tangible non-current assets	112	100	102
Right-of-use assets	365	403	390
Financial non-current assets	5	3	5
Deferred tax assets	93	104	91
Inventories	1,178	1,066	1,129
Accounts receivable	837	845	950
Other current receivables	149	152	101
Cash and cash equivalents	160	113	139
Total assets	4,988	4,751	4,941
Equity and liabilities			
Equity attributable to Parent Company shareholders	1,716	1,584	1,701
Non-controlling interest	15	14	14
Non-current interest-bearing liabilities	960	708	855
Provisions for pensions	686	766	692
Other non-current liabilities and provisions	139	139	136
Current interest-bearing liabilities	379	401	378
Accounts payable	516	541	609
Other current liabilities	577	598	556
Total equity and liabilities	4,988	4,751	4,941
Operational net loan liability	806	586	697

CONSOLIDATED STATEMENT OF EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS

MSEK	30 September 2021	30 September 2020	31 March 2021
Opening equity	1,701	1,631	1,631
Dividend	-80	-40	-40
Exercise and purchase of options for repurchased shares	-1	1	1
Repurchase of own shares	-	-	-17
Total comprehensive income for the period	96	-8	126
Closing equity	1,716	1,584	1,701

CONSOLIDATED CASH-FLOW STATEMENT	3 months		6 months		R12	Full-year
	Jul–Sep 2021	Jul–Sep 2020	Apr–Sep 2021	Apr–Sep 2020	months Oct 2020– Sep 2021	2020/2021
MSEK						
Operating activities before changes in working capital	89	107	195	213	375	393
Changes in working capital	-32	26	-44	53	-107	-10
Cash flow from operating activities	57	133	151	266	268	383
Investments in intangible and tangible assets	-9	-14	-22	-32	-61	-71
Proceeds from sale of intangible and tangible assets	0	1	0	1	0	1
Acquisition of businesses	-8	-1	-80	-5	-187	-112
Divestment of businesses	–	–	–	–	5	5
Cash flow before financing	40	119	49	230	25	206
Financing activities	-28	-116	-29	-200	24	-147
Cash flow for the period	12	3	20	30	49	59
Cash and cash equivalents at the beginning of the period	148	111	139	90	113	90
Cash flow for the period	12	3	20	30	49	59
Exchange-rate differences in cash and cash equivalents	0	-1	1	-7	-2	-10
Cash and cash equivalents at the end of the period	160	113	160	113	160	139

Compilation of key financial ratios

KEY FINANCIAL RATIOS	R12 months		
	30 September 2021	30 September 2020	31 March 2021
MSEK			
Revenue	4,408	4,176	4,311
EBITA	300	224	271
EBITA margin, percent	6.8	5.4	6.3
Operating profit	272	201	247
Operating margin, percent	6.2	4.8	5.7
Profit after financial items	237	168	212
Net profit	184	128	166
Profit margin, percent	5.4	4.0	4.9
Return on working capital (P/WC), percent	21	17	20
Return on capital employed, percent	8	6	7
Return on equity, percent	11	8	10
Operational net loan liability (closing balance)	806	586	697
Equity (closing balance)	1,731	1,598	1,715
Equity/assets ratio, percent	35	34	35
Number of employees at the end of the period	1,207	1,056	1,129
Key per-share data			
Earnings, SEK	6.85	4.80	6.15
Earnings after dilution, SEK	6.85	4.80	6.15
Cash flow from operating activities, SEK	10.10	14.75	14.40
Equity, SEK	65.25	59.75	64.40
Share price, SEK	148.60	86.90	121.40

Parent Company summary

INCOME STATEMENT	3 months		6 months		R12	Full-year
	Jul–Sep 2021	Jul–Sep 2020	Apr–Sep 2021	Apr–Sep 2020	months Oct 2020– Sep 2021	
MSEK						
Revenue	10	8	18	16	34	32
Other operating income	–	0	–	0	0	0
Total operating income	10	8	18	16	34	32
Operating expenses	-12	-12	-28	-24	-47	-43
Operating profit	-2	-4	-10	-8	-13	-11
Financial income and expenses	11	11	22	20	39	37
Profit after financial items	9	7	12	12	26	26
Appropriations	–	–	–	–	-1	-1
Profit before taxes	9	7	12	12	25	25
Taxes	-2	-2	-3	-3	0	0
Net profit	7	5	9	9	25	25

STATEMENT OF COMPREHENSIVE INCOME	3 months		6 months		R12	Full-year
	Jul–Sep 2021	Jul–Sep 2020	Apr–Sep 2021	Apr–Sep 2020	months Oct 2020– Sep 2021	
MSEK						
Net profit	7	5	9	9	25	25
Fair value changes for the year in cash-flow hedges	-1	1	4	-3	-2	-9
Taxes attributable to other comprehensive income	0	0	-1	1	0	2
Components that will be reclassified to net profit	-1	1	3	-2	-2	-7
Other comprehensive income	-1	1	3	-2	-2	-7
Total comprehensive income for the period	6	6	12	7	23	18

BALANCE SHEET

MSEK	30 September 2021	30 September 2020	31 March 2021
Assets			
Intangible non-current assets		0	0
Tangible non-current assets		2	2
Financial non-current assets		2,489	2,448
Current receivables		619	455
Cash and cash equivalents		0	0
Total assets		3,110	2,906
Equity, provisions and liabilities			
Equity		1,146	1,221
Untaxed reserves		46	165
Provisions		36	39
Non-current liabilities		690	400
Current liabilities		1,192	1,081
Total equity, provisions and liabilities		3,110	2,906

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.

MSEK	3 months		6 months		R12 months	Full-year
	Jul–Sep 2021	Jul–Sep 2020	Apr–Sep 2021	Apr–Sep 2020	Oct 2020–Sep 2021	2020/2021
Sweden	402	407	886	881	1,785	1,780
Norway	268	274	579	546	1,172	1,139
Finland	92	105	200	214	404	418
Other countries	252	227	542	469	1,047	974
Revenue	1,014	1,013	2,207	2,110	4,408	4,311

3. Leases

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

MSEK	30 September 2021	30 September 2020	31 March 2021
Right-of-use assets		365	403
Non-current lease liabilities		261	308
Current lease liabilities		112	102

MSEK	3 months		6 months		R12 months	Full-year
	Jul–Sep 2021	Jul–Sep 2020	Apr–Sep 2021	Apr–Sep 2020	Oct 2020–Sep 2021	2020/2021
Depreciation of right-of-use assets	-31	-29	-59	-59	-114	-114
Interest on lease liabilities	-2	-2	-4	-5	-8	-9

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

4. Risks and uncertainties

Bergman & Beving is following the development of the ongoing COVID-19 pandemic carefully in order to implement any measures necessary to reduce the impact on the Group.

Other risks and uncertainties for the Group and the Parent Company remain unchanged. 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.

Percentage change in revenue for:	3 months		6 months	
	Jul–Sep 2021	Jul–Sep 2020	Apr–Sep 2021	Apr–Sep 2020
Comparable units in local currency	-4	4	0	4
Currency effects	0	-4	0	-4
Acquisitions/divestments	4	4	5	6
Total – change	0	4	5	6

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.

MSEK	3 months		6 months		R12 months	Full-year
	Jul–Sep 2021	Jul–Sep 2020	Apr–Sep 2021	Apr–Sep 2020	Oct 2020–Sep 2021	2020/2021
EBITA	81	66	159	130	300	271
Depreciation and amortisation in connection with acquisitions	-8	-6	-16	-12	-28	-24
Operating profit	73	60	143	118	272	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	Oct 2020–Sep 2021	Oct 2019–Sep 2020	2020/2021
EBITA (P)	300	224	271
Average working capital (WC)			
Inventories	1,127	1,053	1,072
Accounts receivable	827	777	801
Accounts payable	-544	-513	-528
Total – average WC	1,410	1,317	1,345
P/WC, percent	21	17	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
    	         	      