

Interim Report 1 April–30 September 2020

Second quarter (1 July–30 September 2020)

- Revenue increased by 4 percent to MSEK 1,013 (970).
- EBITA increased by 25 percent to MSEK 66 (53).
- Net profit rose by 33 percent to MSEK 40 (30).
- Earnings per share rose by 36 percent to SEK 1.50 (1.10).
- Cash flow from operating activities amounted to MSEK 133 (13).

Six months (1 April–30 September 2020)

- Revenue increased by 6 percent to MSEK 2,110 (1,994).
- EBITA increased by 14 percent to MSEK 130 (114).
- Net profit rose by 18 percent to MSEK 80 (68).
- Earnings per share rose by 20 percent to SEK 3.00 (2.50).
- Cash flow from operating activities amounted to MSEK 266 (94).

Significant events since the start of the operating year

- The COVID-19 pandemic had a variety of effects on operations during the first half of the year. Sales of personal protective equipment increased and construction-related sales improved. Industry-related sales were affected negatively, with a gradual recovery from the end of the first quarter. It is difficult to determine how significant the impact will be and how long the effects will linger.
- Charlotte Hansson was elected as a new Director at the Annual General Meeting on 26 August 2020.

MSEK	3 months			6 months			R12	Full-year
	Jul–Sep 2020	Jul–Sep 2019	Δ %	Apr–Sep 2020	Apr–Sep 2019	Δ %	Oct 2019– Sep 2020	
Revenue	1,013	970	4	2,110	1,994	6	4,176	4,060
EBITA	66	53	25	130	114	14	224	208
EBITA margin, percent	6.5	5.5		6.2	5.7		5.4	5.1
Profit after financial items	51	39	31	101	88	15	168	155
Net profit (after taxes)	40	30	33	80	68	18	128	116
Earnings per share before dilution, SEK	1.50	1.10	36	3.00	2.50	20	4.80	4.30
Earnings per share after dilution, SEK	1.50	1.10	36	3.00	2.50	20	4.80	4.30
P/WC, percent							17	16
Equity/assets ratio, percent							34	35
Number of employees at the end of the period	1,056	1,113	-5	1,056	1,113	-5	1,056	1,083

CEO's comments

Bergman & Beving performed well also during the second quarter and the Group posted its highest-ever quarterly results as an independent company, with positive contributions from all divisions. Revenue increased by 8 percent in local currency, of which 4 percent was organic. Operating profit (EBITA) increased by 25 percent to MSEK 66 and the operating margin improved to 6.5 percent. The business demonstrated its strength by delivering cash flow of MSEK 133.

Demand from industrial customers recovered gradually during the period as restrictions were eased, though the rate of recovery varied between regions. Demand from construction customers remained strong, as well as for personal protective equipment. At the same time, earnings were impacted by negative currency effects, primarily related to a weaker NOK.

The Group delivered organic growth for the third consecutive quarter. The pandemic forced a delay in the implementation of previously won customer contracts, but work on these is now well under way. Restructuring measures completed in the operations had a positive effect and we now have a better balance between income and expenses. Decentralising continued with a focus on the relevant profit centres and our various companies have implemented different measures on an ongoing basis to address their unique situations. Overall, it is satisfying that the divisions consistently improved their operating profit and strengthened their operating margins. Building Materials and Workplace Safety had a successful first half of the year, with high organic growth and a good earnings performance. It is gratifying that Tools & Consumables reversed the trend after the first quarter and once again improved its earnings despite weaker demand. Considering the special market conditions, the Group's overall performance was positive, even though we did not reach the long-term profitability level we are striving for. I would like to take this occasion to thank all employees for their commitment and outstanding contributions in these turbulent times.

Our long-term focus on investments in sales and marketing of our strong products and brands continued and we have advanced our positions, even in the current market. Acquisitions remain an important part of our strategy for growth and it is gratifying that the newly acquired companies contributed positively to the earnings performance. Our cash flow and strong financial position give us continued opportunity to act forward and we intend to complete more value-generating acquisitions going forward.

Stockholm, October 2020

Pontus Boman
President & CEO

Profit and revenue

Second quarter (July–September 2020)

Revenue rose by 4 percent to MSEK 1,013 (970). Revenue increased by 8 percent in local currency, of which 4 percent was organic and 4 percent was from acquisitions. Exchange-rate fluctuations had a negative impact of 4 percent on revenue.

Demand from construction customers remained strong, while demand from industrial customers gradually recovered from low levels. However, the rate of recovery varied between regions and industries. At the same time, demand for personal protective equipment from the authorities as well as other customers was strong. Sales to new customers increased and investments in product development and broadening the customer portfolio continued.

EBITA for the second quarter increased 25 percent to MSEK 66 (53), corresponding to an EBITA margin of 6.5 percent (5.5).

Profit after financial items rose by 31 percent to MSEK 51 (39). Net profit rose by 33 percent to MSEK 40 (30), corresponding to an increase in earnings per share of 36 percent to SEK 1.50 (1.10).

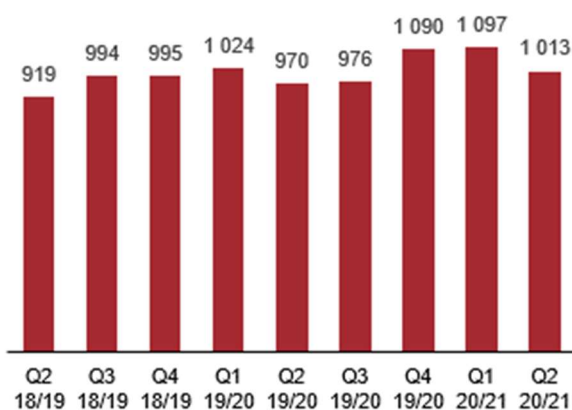
Six months (April–September 2020)

Revenue rose by 6 percent to MSEK 2,110 (1,994). Revenue increased by 10 percent in local currency, of which 4 percent was organic and 6 percent was from acquisitions. Exchange-rate fluctuations had a negative impact of 4 percent on revenue.

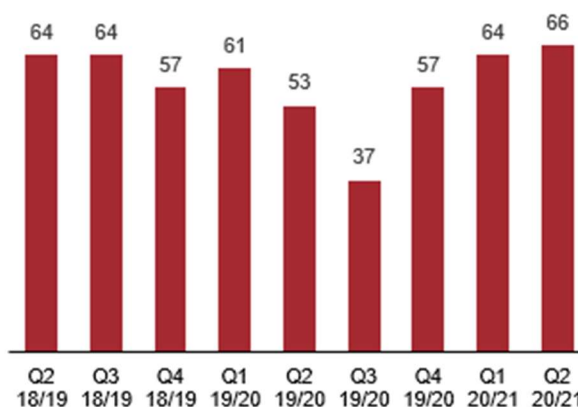
EBITA for the period increased by 14 percent and amounted to MSEK 130 (114), corresponding to an EBITA margin of 6.2 percent (5.7).

Profit after financial items rose by 15 percent to MSEK 101 (88). Net profit rose by 18 percent to MSEK 80 (68), corresponding to an increase of 20 percent in earnings per share to SEK 3.00 (2.50).

REVENUE
MSEK

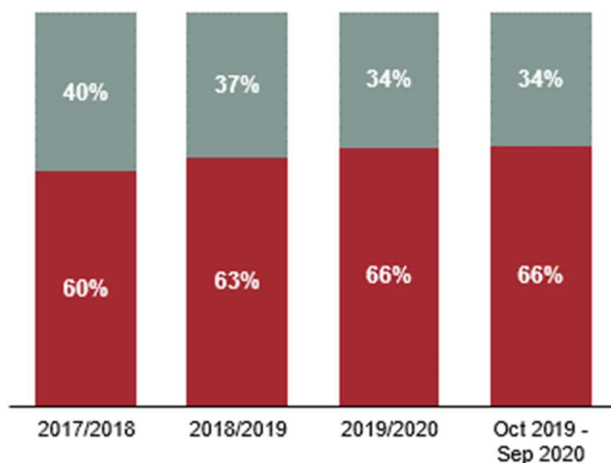


EBITA
MSEK



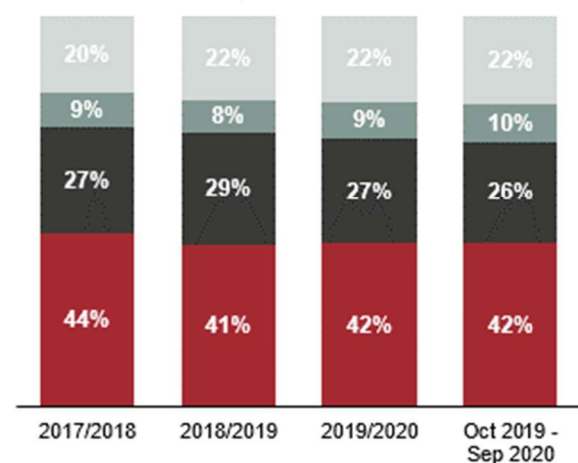
REVENUE PER TYPE OF BRAND
ROLLING 12 MONTHS

■ Own proprietary brands ■ Other brands



REVENUE PER COUNTRY
ROLLING 12 MONTHS

■ Sweden ■ Norway ■ Finland ■ Other countries



Performance by division

MSEK	3 months			6 months			R12	Full-year
	Jul–Sep 2020	Jul–Sep 2019	Δ %	Apr–Sep 2020	Apr–Sep 2019	Δ %	Oct 2019– Sep 2020	2019/2020
Revenue								
Building Materials	295	288	2	644	588	10	1,199	1,143
Workplace Safety	356	305	17	788	648	22	1,541	1,401
Tools & Consumables	371	390	-5	698	783	-11	1,480	1,565
Group-wide/eliminations	-9	-13		-20	-25		-44	-49
Total revenue	1,013	970	4	2,110	1,994	6	4,176	4,060
EBITA								
Building Materials	21	17	24	54	40	35	67	53
Workplace Safety	26	19	37	66	48	38	113	95
Tools & Consumables	20	18	11	13	30	-57	56	73
Group-wide/eliminations	-1	-1		-3	-4		-12	-13
Total EBITA	66	53	25	130	114	14	224	208
EBITA margin, percent								
Building Materials	7.1	5.9		8.4	6.8		5.6	4.6
Workplace Safety	7.3	6.2		8.4	7.4		7.3	6.8
Tools & Consumables	5.4	4.6		1.9	3.8		3.8	4.7
Total EBITA margin	6.5	5.5		6.2	5.7		5.4	5.1

Building Materials

Building Materials' revenue increased by 2 percent to MSEK 295 (288) and EBITA increased by 24 percent to MSEK 21 (17). Revenue for the first six months rose by 10 percent to MSEK 644 (588) and EBITA increased by 35 percent to MSEK 54 (40).

The construction season remained strong and demand in Sweden and Norway was higher than in the preceding year. Demand from industrial customers remained low, but gradually recovered. Sales volumes in combination with efficiency improvements in operations contributed to the strong earnings and all units within the division improved their earnings during the quarter. ESSVE had a favourable first half of the year, which contributed positively to the division's growth. The acquired units contributed positively as well.

Workplace Safety

Workplace Safety's revenue increased by 17 percent to MSEK 356 (305) and EBITA increased by 37 percent to MSEK 26 (19). Revenue for the first six months rose by 22 percent to MSEK 788 (648) and EBITA increased by 38 percent to MSEK 66 (48).

Demand for personal protective equipment remained strong. Skydda, Guide and Zekler continued to deliver personal protective equipment to best meet the needs in society and the increased volumes contributed to the positive earnings performance. Demand from industrial

customers remained at a lower level, however. Completed efficiency improvements in operations yielded the expected results. The newly acquired companies contributed to the positive growth.

Tools & Consumables

Tools & Consumables' revenue declined by 5 percent to MSEK 371 (390), while EBITA increased by 11 percent to MSEK 20 (18). Revenue for the first six months declined by 11 percent to MSEK 698 (783) and EBITA amounted to MSEK 13 (30).

Demand recovered during the second quarter but remained at a low level. Sales for Teng Tools in the UK and elsewhere in Europe, which were negatively affected by lockdowns, recovered gradually. Measures taken at the subsidiary Luna to adapt operations to the current market contributed to the earnings performance.

Group-wide and eliminations

Group-wide expenses and eliminations for the second quarter amounted to MSEK -1 (-1). Group-wide expenses for the first six months totalled MSEK -3 (-4).

The Parent Company's revenue amounted to MSEK 16 (17) and profit after financial items to MSEK 12 (15) for the period from April to September.

Employees

At the end of the period, the number of employees in the Group totalled 1,056, compared with 1,083 at the beginning of the financial year.

Corporate acquisitions

No acquisitions were completed during this financial year.

Liabilities for preliminary purchase considerations for acquisitions carried out in the last 12 months have increased by MSEK 13 after remeasurement and contingent consideration of MSEK 5 was paid for previous years' acquisitions.

Profitability, cash flow and financial position

Profitability, measured as the return on working capital (P/WC), amounted to 17 percent (16), compared with 16 percent for the entire 2019/2020 financial year. The return on equity was 8 percent, compared to 7 percent 2019/2020.

Cash flow from operating activities for the first six months totalled MSEK 266 (94).

Working capital decreased during the period by MSEK 53. The Group's inventories increased by MSEK 2, operating receivables increased by MSEK 24 and operating liabilities increased by MSEK 79.

Cash flow was charged with net investments in non-current assets in the amount of MSEK 31 (48) and MSEK 5 (179) pertaining to the acquisition of businesses. Investments in non-current assets consist primarily of new ERP systems and product development.

The Group's operational net loan liability at the end of the period amounted to MSEK 586 (629), excluding pension obligations of MSEK 766 (741) and lease liabilities according to IFRS 16 of MSEK 410 (468). Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 914 (370).

The equity/assets ratio was 34 percent (35).

Equity per share before and after dilution totalled SEK 59.75, compared with SEK 61.10 at the beginning of the year.

The Swedish tax rate, which is also the Parent Company's tax rate, is 21.4 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	-729,677		2.7	2.0
Total number of shares after repurchasing	26,706,739			

The share price on 30 September 2020 was SEK 86.90. The average number of treasury shares was 729,677 during the period and 729,677 at the end of the period. The average purchase price for the repurchased shares was SEK 88.86 per share.

CALL OPTION PROGRAMMES

Outstanding programmes	No. of options	Corresponding no. of shares	% of total shares	Redemption price	Redemption period
Call option programme 2017/2021	160,000	160,000	0.6%	118.10	14 Sep 2020–11 June 2021
Call option programme 2018/2022	210,000	210,000	0.8%	117.90	13 Sep 2021–10 June 2022
Call option programme 2019/2023	270,000	270,000	1.0%	107.50	12 Sep 2022–9 June 2023
Call option programme 2020/2024	244,000	244,000	0.9%	99.50	11 Sep 2023–7 June 2024

Call options issued for repurchased shares did not result in any dilution effect over the most recent 12-month period.

Events after the end of the quarter

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, 22 October 2020

Jörgen Wigh
Chairman

Fredrik Börjesson
Director

Charlotte Hansson
Director

Henrik Hedelius
Director

Malin Nordesjö
Director

Alexander Wennergren Helm
Director

Lillemor Backström
Director – employee representative

Anette Swanemar
Director – employee representative

Pontus Boman
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 22 October 2020.

Dates for forthcoming financial information

Interim Report 1 April–31 December 2020 will be published on 5 February 2021 at 7:45 a.m.

Financial Report 1 April 2020–31 March 2021 will be published on 12 May 2021 at 7:45 a.m.

Contact information

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Reporting by quarter

MSEK	2020/2021			2019/2020			2018/2019			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue										
Building Materials	295	349	318	237	288	300	275	227	251	302
Workplace Safety	356	432	403	350	305	343	335	369	300	351
Tools & Consumables	371	327	380	402	390	393	397	418	378	386
Group-wide/eliminations	-9	-11	-11	-13	-13	-12	-12	-20	-10	-2
Total revenue	1,013	1,097	1,090	976	970	1,024	995	994	919	1,037
EBITA										
Building Materials	21	33	16	-3	17	23	20	12	21	35
Workplace Safety	26	40	29	18	19	29	21	36	27	34
Tools & Consumables	20	-7	19	24	18	12	20	22	18	2
Group-wide/eliminations	-1	-2	-7	-2	-1	-3	-4	-6	-2	-7
Total EBITA	66	64	57	37	53	61	57	64	64	64
EBITA margin, percent										
Building Materials	7.1	9.5	5.0	-1.3	5.9	7.7	7.3	5.3	8.4	11.6
Workplace Safety	7.3	9.3	7.2	5.1	6.2	8.5	6.3	9.8	9.0	9.7
Tools & Consumables	5.4	-2.1	5.0	6.0	4.6	3.1	5.0	5.3	4.8	0.5
Total EBITA margin	6.5	5.8	5.2	3.8	5.5	6.0	5.7	6.4	7.0	6.2

Group summary

CONSOLIDATED INCOME STATEMENT	3 months		6 months		R12	Full-year
	Jul–Sep 2020	Jul–Sep 2019	Apr–Sep 2020	Apr–Sep 2019	months Oct 2019– Sep 2020	
MSEK						
Revenue	1,013	970	2,110	1,994	4,176	4,060
Other operating income	2	4	7	9	25	27
Total operating income	1,015	974	2,117	2,003	4,201	4,087
Cost of goods sold	-602	-571	-1,283	-1,175	-2,496	-2,388
Personnel costs	-175	-176	-358	-370	-767	-779
Depreciation, amortisation and impairment losses	-44	-41	-88	-79	-173	-164
Other operating expenses	-134	-137	-270	-273	-564	-567
Total operating expenses	-955	-925	-1,999	-1,897	-4,000	-3,898
Operating profit	60	49	118	106	201	189
Financial income and expenses	-9	-10	-17	-18	-33	-34
Profit after financial items	51	39	101	88	168	155
Taxes	-11	-9	-21	-20	-40	-39
Net profit	40	30	80	68	128	116
Of which, attributable to Parent Company shareholders	39	30	79	68	127	116
Of which, attributable to non-controlling interest	1	-	1	-	1	0
EBITA	66	53	130	114	224	208
Earnings per share before dilution, SEK	1.50	1.10	3.00	2.50	4.80	4.30
Earnings per share after dilution, SEK	1.50	1.10	3.00	2.50	4.80	4.30
Number of shares outstanding before dilution, '000	26,707	27,010	26,707	27,010	26,707	26,707
Weighted number of shares before dilution, '000	26,707	27,010	26,707	27,010	26,736	26,887
Weighted number of shares after dilution, '000	26,707	27,010	26,707	27,010	26,736	26,887

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3 months		6 months		R12	Full-year
	Jul–Sep 2020	Jul–Sep 2019	Apr–Sep 2020	Apr–Sep 2019	months Oct 2019– Sep 2020	
MSEK						
Net profit	40	30	80	68	128	116
Remeasurement of defined-benefit pension plans	-37	-56	-73	-96	-25	-48
Tax attributable to components that will not be reclassified	8	12	15	20	5	10
Components that will not be reclassified to net profit	-29	-44	-58	-76	-20	-38
Translation differences	-3	5	-27	7	-39	-5
Fair value changes for the year in cash-flow hedges	1	3	-3	0	3	6
Tax attributable to components that will be reclassified	0	-1	1	0	0	-1
Components that will be reclassified to net profit	-2	7	-29	7	-36	0
Other comprehensive income for the period	-31	-37	-87	-69	-56	-38
Total comprehensive income for the period	9	-7	-7	-1	72	78
Of which, attributable to Parent Company shareholders	8	-7	-8	-1	71	78
Of which, attributable to non-controlling interest	1	-	1	-	1	0

CONSOLIDATED BALANCE SHEET

MSEK	30 September 2020	30 September 2019	31 March 2020
Assets			
Goodwill	1,573	1,546	1,570
Other intangible non-current assets	392	308	385
Tangible non-current assets	100	107	102
Right-of-use assets	403	465	455
Financial non-current assets	3	2	3
Deferred tax assets	104	102	89
Inventories	1,066	1,028	1,077
Accounts receivable	845	796	855
Other current receivables	152	148	131
Cash and cash equivalents	113	84	90
Total assets	4,751	4,586	4,757
Equity and liabilities			
Equity attributable to Parent Company shareholders	1,584	1,577	1,631
Non-controlling interest	14	13	12
Non-current interest-bearing liabilities	708	728	862
Provisions for pensions	766	741	695
Other non-current liabilities and provisions	139	134	170
Current interest-bearing liabilities	401	453	383
Accounts payable	541	485	583
Other current liabilities	598	455	421
Total equity and liabilities	4,751	4,586	4,757
Operational net loan liability	586	629	695

CONSOLIDATED STATEMENT OF EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS

MSEK	30 September 2020	30 September 2019	31 March 2020
Opening equity	1,631	1,657	1,657
Dividend	-40	-81	-81
Exercise and purchase of options for repurchased shares	1	2	2
Repurchase of own shares	-	-	-25
Total comprehensive income for the period	-8	-1	78
Closing equity	1,584	1,577	1,631

CONSOLIDATED CASH-FLOW STATEMENT	3 months		6 months		R12	Full-year
	Jul–Sep 2020	Jul–Sep 2019	Apr–Sep 2020	Apr–Sep 2019	months Oct 2019– Sep 2020	2019/2020
MSEK						
Operating activities before changes in working capital	107	68	213	166	372	325
Changes in working capital	26	-55	53	-72	22	-103
Cash flow from operating activities	133	13	266	94	394	222
Investments in intangible and tangible assets	-14	-23	-32	-48	-106	-122
Proceeds from sale of intangible and tangible assets	1	0	1	0	2	1
Acquisition of businesses	-1	-71	-5	-179	-33	-207
Cash flow before financing	119	-81	230	-133	257	-106
Financing activities	-116	65	-200	131	-224	107
Cash flow for the period	3	-16	30	-2	33	1
Cash and cash equivalents at the beginning of the period	111	99	90	85	84	85
Cash flow for the period	3	-16	30	-2	33	1
Exchange-rate differences in cash and cash equivalents	-1	1	-7	1	-4	4
Cash and cash equivalents at the end of the period	113	84	113	84	113	90

Compilation of key financial ratios

KEY FINANCIAL RATIOS	R12 months		
	30 September 2020	30 September 2019	31 March 2020
MSEK			
Revenue	4,176	3,983	4,060
EBITA	224	235	208
EBITA margin, percent	5.4	5.9	5.1
Operating profit	201	221	189
Operating margin, percent	4.8	5.5	4.7
Profit after financial items	168	193	155
Net profit	128	151	116
Profit margin, percent	4.0	4.8	3.8
Return on working capital (P/WC), percent	17	20	16
Return on capital employed, percent	6	8	6
Return on equity, percent	8	9	7
Operational net loan liability (closing balance)	586	629	695
Equity (closing balance)	1,598	1,590	1,643
Equity/assets ratio, percent	34	35	35
Number of employees at the end of the period	1,056	1,113	1,083
Key per-share data			
Earnings, SEK	4.80	5.60	4.30
Earnings after dilution, SEK	4.80	5.60	4.30
Cash flow from operating activities, SEK	14.75	6.05	8.25
Equity, SEK	59.75	58.85	61.10
Share price, SEK	86.90	83.80	50.30

Non-controlling interest is included when calculating key ratios.

Parent Company summary

INCOME STATEMENT	3 months		6 months		R12	Full-year
	Jul–Sep 2020	Jul–Sep 2019	Apr–Sep 2020	Apr–Sep 2019	months Oct 2019– Sep 2020	
MSEK						
Revenue	8	8	16	17	31	32
Other operating income	0	0	0	0	0	0
Total operating income	8	8	16	17	31	32
Operating expenses	-12	-10	-24	-21	-46	-43
Operating loss	-4	-2	-8	-4	-15	-11
Financial income and expenses	11	10	20	19	38	37
Profit after financial items	7	8	12	15	23	26
Appropriations	-	-	-	-	-6	-6
Profit before taxes	7	8	12	15	17	20
Taxes	-2	-2	-3	-4	1	0
Net profit	5	6	9	11	18	20

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3 months		6 months		R12	Full-year
	Jul–Sep 2020	Jul–Sep 2019	Apr–Sep 2020	Apr–Sep 2019	months Oct 2019– Sep 2020	
MSEK						
Net profit	5	6	9	11	18	20
Fair value changes for the year in cash-flow hedges	1	3	-3	0	3	6
Taxes attributable to other comprehensive income	0	-1	1	0	0	-1
Components that will be reclassified to net profit	1	2	-2	0	3	5
Other comprehensive income for the period	1	2	-2	0	3	5
Total comprehensive income for the period	6	8	7	11	21	25

BALANCE SHEET	30 September 2020		30 September 2019		31 March 2020	
MSEK						
Assets						
Intangible non-current assets		0		0		0
Tangible non-current assets		3		3		3
Financial non-current assets		2,448		2,457		2,450
Current receivables		455		429		577
Cash and cash equivalents		0		0		0
Total assets		2,906		2,889		3,030
Equity, provisions and liabilities						
Equity		1,221		1,264		1,253
Untaxed reserves		165		246		165
Provisions		39		39		40
Non-current liabilities		400		380		510
Current liabilities		1,081		960		1,062
Total equity, provisions and liabilities		2,906		2,889		3,030

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 2019/2020. 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 2020 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	Full-year
	Jul–Sep 2020	Jul–Sep 2019	Apr–Sep 2020	Apr–Sep 2019	months Oct 2019– Sep 2020	
Sweden	407	386	881	823	1,741	1,683
Norway	274	268	546	564	1,083	1,101
Finland	105	103	214	182	414	382
Other countries	227	213	469	425	938	894
Revenue	1,013	970	2,110	1,994	4,176	4,060

3. Leases

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

MSEK	30 September 2020	30 September 2019	31 March 2020
Right-of-use assets		403	465
Non-current lease liabilities		308	348
Current lease liabilities		102	120

MSEK	3 months		6 months		R12	Full-year
	Jul–Sep 2020	Jul–Sep 2019	Apr–Sep 2020	Apr–Sep 2019	months Oct 2019– Sep 2020	
Depreciation of right-of-use assets	-29	-30	-59	-59	-118	-118
Interest on lease liabilities	-2	-2	-5	-5	-11	-11

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

4. Risks and uncertainties

Bergman & Beving has been affected by the COVID-19 outbreak in several ways and there is a risk that these may lead to a financial impact on the Group. Bergman & Beving's decentralised structure, geographic spread and diversified product portfolio have balanced the risks well so far. Given the uncertain situation, it is not currently possible to estimate all of the potential impact on Bergman & Beving.

Other risks and uncertainties for the Group and the Parent Company remain unchanged. For information about these risks and uncertainties, refer to page 48 of Bergman & Beving's Annual Report for 2019/2020.

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 2020	Jul–Sep 2019	Apr–Sep 2020	Apr–Sep 2019
Comparable units in local currency	4	-1	4	-4
Currency effects	-4	1	-4	1
Acquisitions/divestments	4	6	6	5
Total – change	4	6	6	2

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 2020	Jul–Sep 2019	Apr–Sep 2020	Apr–Sep 2019	Oct 2019–Sep 2020	2019/2020
EBITA	66	53	130	114	224	208
Depreciation and amortisation in connection with acquisitions	-6	-4	-12	-8	-23	-19
Operating profit	60	49	118	106	201	189

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 2019–Sep 2020	Oct 2018–Sep 2019	2019/2020
EBITA (P)	224	235	208
Average working capital (WC)			
Inventories	1,053	958	1,030
Accounts receivable	777	746	764
Accounts payable	-513	-520	-527
Total – average WC	1,317	1,184	1,267
P/WC, percent	17	20	16

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 divided by the weighted number of shares.

Operating margin

Operating profit for the period as a percentage of revenue.

Equity/assets ratio

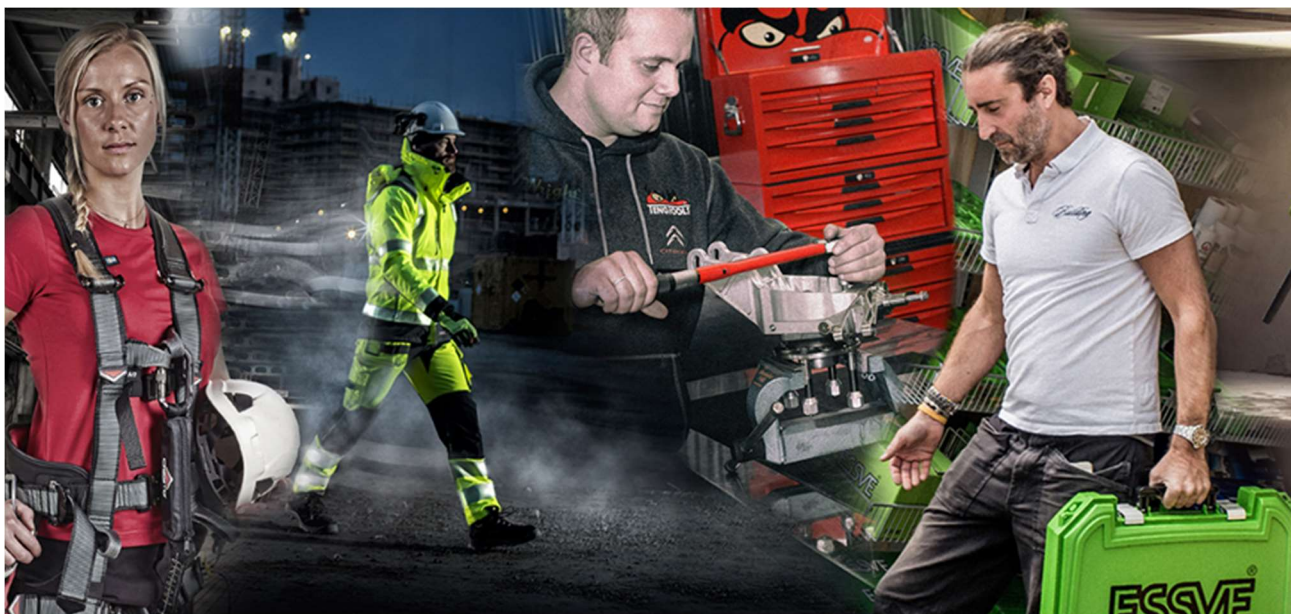
Equity as a percentage of the balance-sheet total.

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 develop, design and acquire strong products and brands for the manufacturing and construction sectors.
- The subsidiaries in the Group are operated with decentralised business responsibility, with a focus on simplicity, responsibility and freedom.
- Bergman & Beving currently comprises around 20 premium brands for the manufacturing and construction sectors.
- Through our brands, we are represented in more than 25 countries with over 4,000 sales outlets.
- Our main markets are Sweden, Norway and Finland, which account for approximately 80 percent of revenue.

Strategy

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

Bergman & Beving consists of a portfolio of strong brands with potential for growth through proprietary products and international expansion. Focus on strong brands and high-quality sustainable proprietary products is central to our strategies.

Each subsidiary conducts its operations under its own responsibility with a large degree of freedom and we rely on our decentralised organisation to develop, market and sell our products and brands.

We strive to leverage our strong position in the Nordic region to create growth for new concepts and to spread our national incumbent brands.

Our main product brands

Building Materials



Workplace Safety



Tools & Consumables

