BERGMAN & BEVING

Interim Report 1 April–31 December 2019

Third quarter (1 October–31 December 2019)

- Revenue amounted to MSEK 976 (994).
- EBITA totalled MSEK 37 (64), corresponding to an EBITA margin of 3.8 percent (6.4).
- Net profit totalled MSEK 18 (45).
- Earnings per share amounted to SEK 0.65 (1.65).
- Cash flow from operating activities totalled MSEK 151 (110).

Nine months (1 April–31 December 2019)

- Revenue amounted to MSEK 2,970 (2,950).
- EBITA totalled MSEK 151 (192), corresponding to an EBITA margin of 5.1 percent (6.5).
- Net profit totalled MSEK 86 (131).
- Earnings per share amounted to SEK 3.20 (4.85).
- Return on working capital (P/WC) amounted to 17 percent (22).

Significant events since the start of the operating year

- Five acquisitions have been completed, one of which after the end of the period, with total annual revenue of approximately MSEK 270.
- Collaboration began with Sundström Safety AB through a jointly owned company with Bergman & Beving as the majority shareholder.
- Jörgen Wigh was elected as the new Chairman of the Board at the Annual General Meeting on 26 August 2019. Fredrik Börjesson and Alexander Wennergren Helm were elected as new directors.

	3 months			9 months			R12 months	Full-year
MSEK	**Oct-Dec 2019**	**Oct–Dec 2018**	**Δ %**	**Apr–Dec 2019**	**Apr–Dec 2018**	**Δ %**	**Jan–Dec 2019**	**2018/2019**
Revenue	976	994	*-2*	2,970	2,950	*1*	3,965	3,945
EBITA	37	64	*-42*	151	192	*-21*	208	249
EBITA margin, percent	3.8	6.4		5.1	6.5		5.2	6.3
Profit after financial items	25	58	*-57*	113	168	*-33*	161	216
Net profit (after taxes)	18	45	*-60*	86	131	*-34*	124	169
Earnings per share before dilution, SEK	0.65	1.65	*-61*	3.20	4.85	*-34*	4.60	6.25
Earnings per share after dilution, SEK	0.65	1.65	*-61*	3.20	4.85	*-34*	4.60	6.25
P/WC, percent							17	22
Equity/assets ratio, percent							35	43
Number of employees at the end of the period	1,095	1,030	*6*	1,095	1,030	*6*	1,095	1,031

Transition to IFRS 16 from 1 April 2019
As from 1 April 2019, the Group applies IFRS 16 Leases. The transition has been made using the modified retrospective approach, so comparative years are not restated.

CEO's comments

We experienced a weaker demand in our main markets due to the mild winter and the fact that customers reduced their inventories and were significantly more cautious in their purchasing. The lower revenue in combination with cost for restructuring effected the operating result negatively.

Our long-term focus on sales and marketing of our strong proprietary brands yielded result and the share of sales from proprietary products increased to 65 percent. We were also successful in the initiatives to broaden the customer base and we signed several new contracts during the period.

Our measures to counteract the effects of a weakened krona and raw material prices had the desired effect, and the gross margin improved compared with the last two quarters and is now back at the preceding year's level. Parallel with our growth initiatives our measures to reduce cost continued. To adapt the operations to the prevailing market conditions the measures were expanded to MSEK 100. Costs associated with carrying out these measures had a negative effect of approximately MSEK 16 on earnings for the quarter. Working capital decreased and cash flow from operating activities improved during the period.

We also continued our more forward-looking investments in innovation, geographic expansion and digitisation. During the quarter several new product concepts within the growth area Personal Protection Equipment were introduced to the market. Fireseal established a new sales company in the interesting US market in order to strengthen their local presence. We work hard to develop our companies and to boost our efficiency in a more decentralized structure. Ultimately, this will create the conditions to achieve our financial targets, even if our current profitability is well below our long-term goal. We will continue to focus intensely on sales, prioritising on our strong brands and investments for improved profitability.

Acquisitions remain an important part of our strategy for growth and after the end of the quarter, we acquired VIP Safety. The company is based in the Benelux countries and has annual revenue of approximately MSEK 40 with healthy profitability. The acquisition is part of our plan for the geographic expansion of our strong brands in the region.

Stockholm, February 2020

Pontus Boman

President & CEO

Profit and revenue

Third quarter (October–December 2019)

Revenue declined by 2 percent to MSEK 976 (994). For comparable units, revenue declined by 8 percent in local currency and acquisitions increased revenue by 6 percent.

Demand from customers in both the construction and manufacturing sectors was weaker than earlier in the year. At the same time, sales to new customers increased and investments in product development and broadening the customer portfolio continued. The gross margin, which had been negatively affected by currency and raw material prices, returned to the preceding year's level.

EBITA for the third quarter amounted to MSEK 37 (64), corresponding to an EBITA margin of 3.8 percent (6.4).

Earnings included extra costs of approximately MSEK 16 related to completed efficiency measures.

Profit after financial items totalled MSEK 25 (58). The introduction of IFRS 16 affected earnings negatively, since interest expenses increased. Net profit totalled MSEK 18 (45), corresponding to earnings per share of SEK 0.65 (1.65).

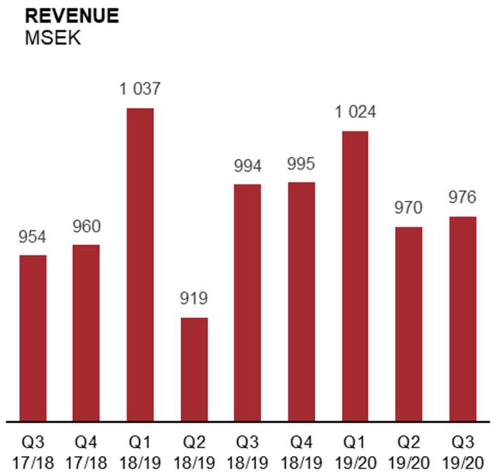
Nine months (April–December 2019)

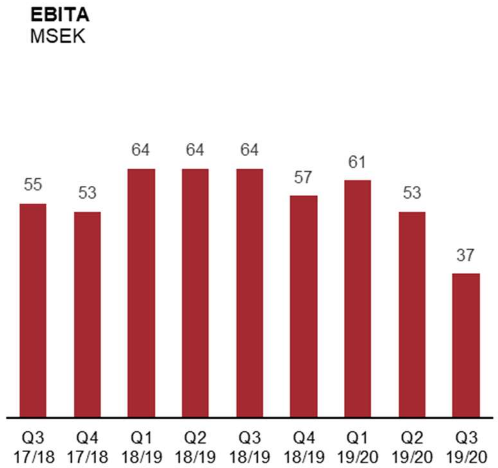
Revenue rose by 1 percent to MSEK 2,970 (2,950). For comparable units, revenue declined by 5 percent in local currency and acquisitions increased revenue by 5 percent. Exchange-rate fluctuations had a positive impact of 1 percent on revenue.

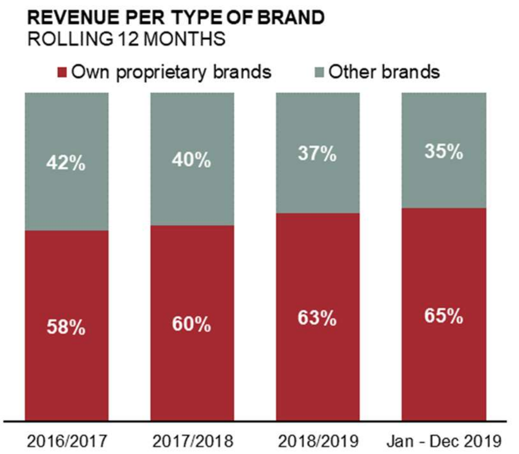
EBITA for the period amounted to MSEK 151 (192), corresponding to an EBITA margin of 5.1 percent (6.5).

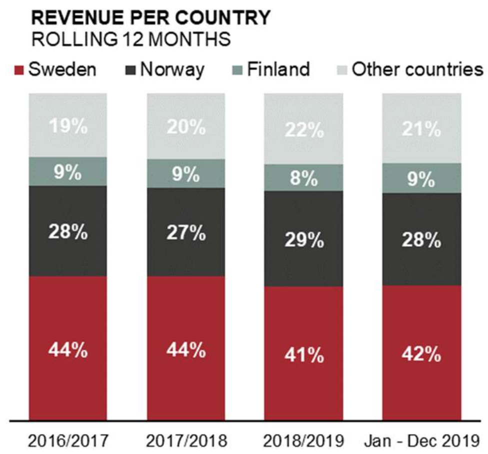
Earnings included extra costs of approximately MSEK 23 related to completed efficiency measures.

Profit after financial items totalled MSEK 113 (168) and net profit amounted to MSEK 86 (131), corresponding to earnings per share of SEK 3.20 (4.85).









Performance by division

	3 months			9 months			R12 months	Full-year
MSEK	**Oct–Dec 2019**	**Oct–Dec 2018**	**∆ %**	**Apr–Dec 2019**	**Apr–Dec 2018**	**∆ %**	**Jan–Dec 2019**	**2018/2019**
Revenue								
Building Materials	237	227	*4*	825	780	*6*	1,100	1,055
Workplace Safety	350	369	*-5*	998	1,020	*-2*	1,333	1,355
Tools & Consumables	402	418	*-4*	1,185	1,182	*0*	1,582	1,579
Group-wide/eliminations	-13	-20		-38	-32		-50	-44
Total revenue	**976**	**994**	***-2***	**2,970**	**2,950**	***1***	**3,965**	**3,945**
EBITA								
Building Materials	-3	12	*-125*	37	68	*-46*	57	88
Workplace Safety	18	36	*-50*	66	97	*-32*	87	118
Tools & Consumables	24	22	*9*	54	42	*29*	74	62
Group-wide/eliminations	-2	-6		-6	-15		-10	-19
Total EBITA	**37**	**64**	***-42***	**151**	**192**	***-21***	**208**	**249**
EBITA margin, percent								
Building Materials	-1.3	5.3		4.5	8.7		5.2	8.3
Workplace Safety	5.1	9.8		6.6	9.5		6.5	8.7
Tools & Consumables	6.0	5.3		4.6	3.6		4.7	3.9
Total EBITA margin	**3.8**	**6.4**		**5.1**	**6.5**		**5.2**	**6.3**

Building Materials

Building Materials' revenue increased by 4 percent to MSEK 237 (227) and EBITA amounted to MSEK -3 (12). Revenue for the first nine months rose by 6 percent to MSEK 825 (780) and EBITA totalled MSEK 37 (68).

Overall, organic sales were lower than in the year-earlier period, with weak demand in both Sweden and Norway. The phaseout of a major chain customer had a negative impact on demand in Sweden. At the same time, an agreement was signed with a new chain customer that more than compensates for the loss in income. Demand from our customers in the telecom and automotive industries remained challenging. Gross margin growth was positive and returned to the preceding year's levels. Efficiency measures to improve profitability continued, which negatively impacted costs for the period in an amount of approximately MSEK 8.

Workplace Safety

Workplace Safety's revenue declined by 5 percent to MSEK 350 (369) and EBITA amounted to MSEK 18 (36). Revenue for the first nine months decreased to MSEK 998 (1,020) and EBITA totalled MSEK 66 (97).

A mild winter and overall low demand from customers in both the construction and manufacturing sectors had a negative effect on revenue.

Earnings were adversely impacted by the costs of new product launches and the establishment of Guide as a legal unit. Efficiency measures to improve profitability continued, which negatively impacted costs for the period in an amount of approximately MSEK 5.

Tools & Consumables

Tools & Consumables' revenue declined by 4 percent to MSEK 402 (418) and EBITA totalled MSEK 24 (22). Revenue for the first nine months remained essentially unchanged at MSEK 1,185 (1,182) and EBITA increased to MSEK 54 (42).

The division performed according to plan, with several new customer contracts during the period. The gross margin trend remained positive. Efficiency measures at the subsidiary Luna continued, which negatively impacted costs for the period in an amount of approximately MSEK 2.

Group-wide and eliminations

Group-wide expenses and eliminations for the third quarter amounted to MSEK -2 (-6). Group-wide expenses for the first nine months totalled MSEK -6 (-15). Efficiency measures negatively impacted costs for the period in an amount of approximately MSEK 1.

The Parent Company's revenue amounted to MSEK 25 (22) and profit after financial items to MSEK 22 (20) for the period.

Employees

At the end of the period, the number of employees in the Group amounted to 1,095, compared with 1,031 at the beginning of the financial year. During the period, 75 employees were gained via acquisitions.

Corporate acquisitions

On 1 April, Bergman & Beving acquired all shares in Bröderna Miller AB. The company is a leader in hardware fittings in Sweden and sells most of its products under its own Miller's brand in the Swedish market. The hardware fittings operations generate revenue of approximately MSEK 40 and have 11 employees.

On April 10, the Building Materials division acquired all shares in KGC Verktyg & Maskiner AB, with closing taking place on 1 May. KGC develops and sells quality tools and accessories for bricklayers and tilers under its own KGC brand. The business is primarily aimed at the Swedish market. The company generates revenue of approximately MSEK 80 and has 24 employees.

On 1 July, the Building Materials division acquired all shares in H&H Tuonti Oy. H&H is a niche supplier of collated fastening products under its own brand with complementary products and machines. H&H has a strong position with a well-established sales network of resellers in Finland. The company generates revenue of approximately MEUR 7 and has 21 employees.

On 30 September, Workplace Safety acquired all shares in Systemtextgruppen AB. Systemtext develops, designs and manufactures work-environment signs. The products are sold via resellers in the Nordic region. The company generates annual revenue of approximately MSEK 40 and has 19 employees.

The following analysis is preliminary.

Fair value of acquired assets and liabilities	MSEK
Customer relations	72
Other non-current assets	5
Other assets	112
Deferred tax liability, net	14
Current liabilities	40
Acquired net assets	**135**
Goodwill	76
Purchase consideration paid for shares	189
Additional purchase consideration	22
Less: Cash and cash equivalents in acquired companies	-7
Net change in cash and cash equivalents	-182

Acquisition-related transaction costs, which are recognised in other operating expenses in the income statement, amounted to MSEK 1. The additional purchase consideration is contingent and is estimated to amount to a maximum of MSEK 22.

Acquisition	Closing	Rev. MSEK*	No. of empl.*	Division
Miller, Sweden	April 2019	40	11	Tools & Consumables**
KGC, Sweden	May 2019	80	24	Building Materials
H&H Tuonti, Finland	July 2019	70	21	Building Materials
Systemtext, Sweden	Sep 2019	40	19	Workplace Safety

* Refers to the situation assessed on a full-year basis on the date of acquisition.
** The acquisition was made under Building Materials but transferred to Tools & Consumables during the quarter, with retroactive effect.

Profitability, cash flow and financial position

Profitability, measured as the return on working capital (P/WC), amounted to 17 percent (22). The return on equity was 8 percent (11).

Cash flow from operating activities for the first nine months totalled MSEK 245 (299). Working capital increased during the period by MSEK 2. The Group's inventories increased by MSEK 102 and operating receivables decreased by MSEK 180, while operating liabilities decreased by MSEK 80.

The cash flow was also impacted in an amount of MSEK -86 (-50) pertaining to investments and divestments of non-current assets and an amount of MSEK -182 (-70) pertaining to the acquisition and divestment of operations. The higher rate of investment was primarily attributable to investments in ERP, digitisation and product development.

The Group's operational net loan liability at the end of the period amounted to MSEK 579 (282), excluding pension obligations of MSEK 730 (652) and lease liabilities according to IFRS 16 of MSEK 477. Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 421 (518).

The equity/assets ratio was 35 percent (44). The lower equity/assets ratio is partially a result of the introduction of IFRS 16, as from the present financial year impacted the equity/assets ratio negatively by 4 percentage points.

Equity per share amounted to SEK 58.75, compared with SEK 61.35 at the beginning of the year. Equity per share after dilution totalled SEK 58.75, compared with SEK 61.35 at the beginning of the year.

The Swedish tax rate, which is also the Parent Company's tax rate, was lowered to 21.4 percent this year. The Group's weighted average tax rate, with its current geographic mix, was approximately 23 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 31 December 2019 was SEK 80.80. The average number of treasury shares was 489,166 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 Jun 2021
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 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

On February 3, Workplace Safety acquired VIP Safety. The company sells personal protective equipment (PPE) and working clothes in the Benelux area. The company has an annual turnover of approximately MSEK 40 and has 12 employees.

Election Committee for the election of the Board of Directors

In accordance with a resolution passed at the Annual General Meeting held in August 2019, the four largest shareholders in terms of votes as of 31 December 2019 have been contacted and asked to appoint members who, together with the Chairman of the Board, will form the Election Committee. The Election Committee thus comprises Chairman of the Board Jörgen Wigh, Anders Börjesson, Henrik Hedelius, Caroline Sjösten (appointed by Swedbank Robur Fonder) and Per Trygg (appointed by SEB Fonder). Contact information for the Election Committee is available on Bergman & Beving's website.

Stockholm, 7 February 2020

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. The information was submitted for publication, through the agency of the contact persons set out below, at 7:45 a.m. CET on 7 February 2020.

Dates for forthcoming financial information

Financial Report 2019/2020 – 1 April 2019–31 March 2020 will be published on 15 May 2020 at 7:45 a.m.

Interim Report 1 April–30 June 2020 will be published on 15 July 2020 at 7:45 a.m.

The 2020 Annual General Meeting will be held at IVA, Grev Turegatan 16 in Stockholm on 26 August at 4:00 p.m.

The 2019/2020 Annual Report will be published on Bergman & Beving's website in July.

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BERGMAN & BEVING

Reporting by quarter

	2019/2020			2018/2019				2017/2018			
MSEK	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue											
Building Materials	237	288	300	275	227	251	302	270	209	244	286
Workplace Safety	350	305	343	335	369	300	351	312	349	291	365
Tools & Consumables	402	390	393	397	418	378	386	378	397	367	362
Group-wide/eliminations	-13	-13	-12	-12	-20	-10	-2	0	-1	0	4
Total revenue	**976**	**970**	**1,024**	**995**	**994**	**919**	**1,037**	**960**	**954**	**902**	**1,017**
EBITA											
Building Materials	-3	17	23	20	12	21	35	25	6	23	38
Workplace Safety	18	19	29	21	36	27	34	27	39	22	15
Tools & Consumables	24	18	12	20	22	18	2	4	15	18	-15
Group-wide/eliminations	-2	-1	-3	-4	-6	-2	-7	-3	-5	-3	18
Total EBITA	**37**	**53**	**61**	**57**	**64**	**64**	**64**	**53**	**55**	**60**	**56**
EBITA margin, percent											
Building Materials	-1.3	5.9	7.7	7.3	5.3	8.4	11.6	9.3	2.9	9.4	13.3
Workplace Safety	5.1	6.2	8.5	6.3	9.8	9.0	9.7	8.7	11.2	7.6	4.1
Tools & Consumables	6.0	4.6	3.1	5.0	5.3	4.8	0.5	1.1	3.8	4.9	-4.1
Total EBITA margin	**3.8**	**5.5**	**6.0**	**5.7**	**6.4**	**7.0**	**6.2**	**5.5**	**5.8**	**6.7**	**5.5**

The acquisition of Miller's was made under Building Materials in April 2019 but transferred to Tools & Consumables during the third quarter, with retroactive effect. Comparative figures have been restated.

BERGMAN & BEVING

Group summary

CONSOLIDATED INCOME STATEMENT	3 months		9 months		R12 months	Full-year
MSEK	Oct–Dec 2019	Oct–Dec 2018	Apr–Dec 2019	Apr–Dec 2018	Jan–Dec 2019	2018/2019
Revenue	976	994	2,970	2,950	3,965	3,945
Other operating income	7	4	16	4	23	11
Total operating income	**983**	**998**	**2,986**	**2,954**	**3,988**	**3,956**
Cost of goods sold	-566	-573	-1,740	-1,705	-2,315	-2,280
Personnel costs	-200	-192	-570	-546	-768	-744
Depreciation, amortisation and impairment losses	-42	-7	-122	-23	-130	-31
Other operating expenses	-143	-165	-416	-498	-583	-665
Total operating expenses	**-951**	**-937**	**-2,848**	**-2,772**	**-3,796**	**-3,720**
Operating profit	**32**	**61**	**138**	**182**	**192**	**236**
Financial income and expenses	-7	-3	-25	-14	-31	-20
Profit after financial items	**25**	**58**	**113**	**168**	**161**	**216**
Taxes	-7	-13	-27	-37	-37	-47
Net profit	**18**	**45**	**86**	**131**	**124**	**169**
Of which, attributable to Parent Company shareholders	18	45	86	131	124	169
Of which, attributable to non-controlling interest	-	-	-	-	-	-
Earnings per share before dilution, SEK	0.65	1.65	3.20	4.85	4.60	6.25
Earnings per share after dilution, SEK	0.65	1.65	3.20	4.85	4.60	6.25
Number of shares outstanding before dilution, '000	26,707	27,010	26,707	27,010	26,707	27,010
Weighted number of shares before dilution, '000	26,822	27,010	26,947	27,010	26,963	27,010
Weighted number of shares after dilution, '000	26,822	27,010	26,947	27,010	26,963	27,010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME						
MSEK						
Net profit	**18**	**45**	**86**	**131**	**124**	**169**
Remeasurement of defined-benefit pension plans	15	-25	-81	-25	-72	-16
Tax attributable to components that will not be reclassified	-3	5	17	5	15	3
Components that will not be reclassified to net profit	**12**	**-20**	**-64**	**-20**	**-57**	**-13**
Translation differences	-13	-10	-6	-6	5	5
Fair value changes for the year in cash-flow hedges	3	16	3	15	-7	5
Tax attributable to components that will be reclassified	-1	-4	-1	-3	1	-1
Components that will be reclassified to net profit	**-11**	**2**	**-4**	**6**	**-1**	**9**
Other comprehensive income for the period	**1**	**-18**	**-68**	**-14**	**-58**	**-4**
Total comprehensive income for the period	**19**	**27**	**18**	**117**	**66**	**165**
Of which, attributable to Parent Company shareholders	19	27	18	117	66	165
Of which, attributable to non-controlling interest	-	-	-	-	-	-

BERGMAN & BEVING

CONSOLIDATED BALANCE SHEET

MSEK	31 December 2019	31 December 2018	31 March 2019
Assets			
Goodwill	1,547	1,468	1,472
Other intangible non-current assets	340	182	209
Tangible non-current assets	102	103	99
Right-of-use assets	473	-	-
Financial non-current assets	2	3	3
Deferred tax assets	101	81	79
Inventories	1,097	950	942
Accounts receivable	663	652	834
Other current receivables	161	173	127
Cash and cash equivalents	78	77	85
Total assets	**4,564**	**3,689**	**3,850**
Equity and liabilities			
Equity attributable to Parent Company shareholders	1,571	1,609	1,657
Non-controlling interest	13	-	-
Non-current interest-bearing liabilities	777	125	175
Provisions for pensions	730	652	646
Other non-current liabilities and provisions	155	119	120
Current interest-bearing liabilities	357	234	266
Accounts payable	579	535	580
Other current liabilities	382	415	406
Total equity and liabilities	**4,564**	**3,689**	**3,850**
Operational net loan liability	579	282	356

CONSOLIDATED STATEMENT OF EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS

MSEK	31 December 2019	31 December 2018	31 March 2019
Opening equity	**1,657**	**1,559**	**1,559**
Dividend	-81	-68	-68
Exercise and purchase of options for repurchased shares	2	1	1
Repurchase of own shares	-25	-	-
Total comprehensive income for the period	18	117	165
Closing equity	**1,571**	**1,609**	**1,657**

CONSOLIDATED CASH-FLOW STATEMENT	3 months		9 months		R12 months	Full-year
MSEK	Oct–Dec 2019	Oct–Dec 2018	Apr–Dec 2019	Apr–Dec 2018	Jan–Dec 2019	2018/2019
Operating activities before changes in working capital	81	75	247	220	287	260
Changes in working capital	70	35	-2	79	-83	-2
Cash flow from operating activities	**151**	**110**	**245**	**299**	**204**	**258**
Investments in intangible and tangible assets	-38	-26	-86	-50	-116	-80
Proceeds from sale of intangible and tangible assets	0	0	0	0	0	0
Acquisition of businesses	-3	-1	-182	-70	-180	-68
Cash flow before financing	**110**	**83**	**-23**	**179**	**-92**	**110**
Financing activities	-117	-86	14	-168	88	-94
Cash flow for the period	**-7**	**-3**	**-9**	**11**	**-4**	**16**
Cash and cash equivalents at the beginning of the period	**84**	**80**	**85**	**67**	**77**	**67**
Cash flow for the period	-7	-3	-9	11	-4	16
Exchange-rate differences in cash and cash equivalents	1	0	2	-1	5	2
Cash and cash equivalents at the end of the period	**78**	**77**	**78**	**77**	**78**	**85**

Compilation of key financial ratios

KEY FINANCIAL RATIOS	R12 months		
MSEK	31 December 2019	31 December 2018	31 March 2019
Revenue	3,965	3,910	3,945
EBITA	208	245	249
EBITA margin, percent	5.2	6.3	6.3
Operating profit	192	233	236
Operating margin, percent	4.8	6.0	6.0
Profit after financial items	161	213	216
Net profit	124	171	169
Profit margin, percent	4.1	5.4	5.5
Return on working capital (P/WC), percent	17	22	22
Return on capital employed, percent	6	9	9
Return on equity, percent	8	11	11
Operational net loan liability (closing balance)	579	282	356
Equity (closing balance)	1,584	1,609	1,657
Equity/assets ratio, percent	35	44	43
Number of employees at the end of the period	1,095	1,030	1,031
Key per-share data			
Earnings, SEK	4.60	6.35	6.25
Earnings after dilution, SEK	4.60	6.35	6.25
Cash flow from operating activities, SEK	7.55	10.30	9.60
Equity, SEK	58.75	59.55	61.35
Share price, SEK	80.80	84.70	106.60

From 1 April 2019, key ratios include right-of-use assets and lease liabilities according to IFRS 16. Comparative figures have not been restated.
Non-controlling interest is included when calculating key ratios.

BERGMAN & BEVING

Parent Company summary

INCOME STATEMENT	3 months		9 months		R12 months	Full-year
MSEK	**Oct–Dec 2019**	**Oct–Dec 2018**	**Apr–Dec 2019**	**Apr–Dec 2018**	**Jan–Dec 2019**	**2018/2019**
Revenue	8	8	25	22	33	30
Other operating income	-	0	0	-	0	-
Total operating income	**8**	**8**	**25**	**22**	**33**	**30**
Operating expenses	-10	-11	-31	-27	-40	-36
Operating loss	**-2**	**-3**	**-6**	**-5**	**-7**	**-6**
Financial income and expenses	9	8	28	25	37	34
Profit after financial items	**7**	**5**	**22**	**20**	**30**	**28**
Appropriations	-	-	-	-	30	30
Profit before taxes	**7**	**5**	**22**	**20**	**60**	**58**
Taxes	-2	-1	-5	-4	-14	-13
Net profit	**5**	**4**	**17**	**16**	**46**	**45**

STATEMENT OF COMPREHENSIVE INCOME	3 months		9 months		R12 months	Full-year
MSEK	**Oct–Dec 2019**	**Oct–Dec 2018**	**Apr–Dec 2019**	**Apr–Dec 2018**	**Jan–Dec 2019**	**2018/2019**
Net profit	**5**	**4**	**17**	**16**	**46**	**45**
Fair value changes for the year in cash-flow hedges	3	16	3	15	-6	6
Taxes attributable to other comprehensive income	-1	-4	-1	-3	1	-1
Components that will be reclassified to net profit	**2**	**12**	**2**	**12**	**-5**	**5**
Other comprehensive income for the period	**2**	**12**	**2**	**12**	**-5**	**5**
Total comprehensive income for the period	**7**	**16**	**19**	**28**	**41**	**50**

BALANCE SHEET			
MSEK	**31 December 2019**	**31 December 2018**	**31 March 2019**
Assets			
Intangible non-current assets	0	0	0
Tangible non-current assets	3	0	0
Financial non-current assets	2,455	2,341	2,330
Current receivables	463	288	452
Cash and cash equivalents	0	0	0
Total assets	**2,921**	**2,629**	**2,782**
Equity, provisions and liabilities			
Equity	1,247	1,311	1,332
Untaxed reserves	246	226	246
Provisions	40	43	40
Non-current liabilities	420	125	175
Current liabilities	968	924	989
Total equity, provisions and liabilities	**2,921**	**2,629**	**2,782**

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 2018/2019, with the exception of the changed accounting policies described below. 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 2019 or later

IFRS has issued a new standard (IFRS 16) that took effect on 1 January 2019 and is applied by Bergman & Beving as of 1 April 2019. This standard is described in more detail in Note 1 Accounting policies of the Annual Report for 2018/2019. A brief description of the effects for Bergman & Beving as of 1 April 2019 is presented below.

IFRS 16 Leases

The standard introduces a single lessee accounting model requiring lessees to recognise a right-of-use asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments. The previous principle of only a straight-line expense for operating leases in profit or loss has been replaced with instead recognising expenses for depreciation and interest in profit or loss and a non-current asset (right-of-use asset) and an interest-bearing lease liability in the balance sheet.

IFRS 16 Leases replaces the existing IFRS related to the recognition of leases (IAS 17, etc.). The Group applies the relief rule of “inheriting” the former definition of leases on transition. This means that the Group applies IFRS 16 to all leases that were signed prior to 1 April 2019 and that were identified as leases under the earlier principles.

The Group applies the modified retrospective approach, which entails that the opening balance is adjusted in an amount corresponding to the accumulated effect of the initial application of the standard on the initial application date and that comparative years are not restated. The Group has chosen to exclude short-term leases with a term of 12 months or less and leases where the underlying asset has a low value. Lease payments for these leases are recognised on a straight-line basis over the term of the lease. For open-ended leases for office and warehouse premises, the Group has determined that, based on experience and past history, a five-year time horizon can generally be used, even if the formal lease term is shorter than five years.

The standard has had the following effects on the balance sheet as of 1 April 2019: Non-current assets (recognised as right-of-use assets) increased by MSEK 479; the impact on other current receivables was marginally negative; non-current interest-bearing liabilities increased by MSEK 366; and current interest-bearing liabilities increased by MSEK 113. Dividing the lease liability into depreciation and interest has a positive impact on operating profit (EBITA) and a negative impact on net financial items. The main payment is not recognised as financing activities and reduces the cash flow from financing activities, with a corresponding increase in cash flow from operating activities. The interest portion of the lease payments will remain cash flow from operating activities and be included in net financial items, paid.

Depreciation of right-of-use assets amounted to MSEK 30 for the third quarter and MSEK 89 accumulated. The average borrowing rate amounted to just over 2 percent and affected interest expenses in an amount of MSEK 3 during the quarter and MSEK 8 accumulated. Lease liabilities according to IFRS 16 amounted to MSEK 477 at the end of the period. Financing activities in the cash-flow statement were charged an accumulated MSEK 85 for lease liability payments and cash flow from operating activities increased, with adjustments for depreciation of right-of-use assets.

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 2019**	**Oct–Dec 2018**	**Apr–Dec 2019**	**Apr–Dec 2018**	**Jan–Dec 2019**	**2018/2019**
Sweden	408	404	1,231	1,216	1,648	1,633
Norway	257	293	821	856	1,116	1,151
Finland	96	72	278	249	354	325
Other countries	215	225	640	629	847	836
Revenue	**976**	**994**	**2,970**	**2,950**	**3,965**	**3,945**

3. 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, except for the increasing risk for cyber-attack. For information about the Group's risks and uncertainties, refer to page 38 of Bergman & Beving's Annual Report for 2018/2019.

4. 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.

5. Alternative performance measures

Bergman & Beving AB 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 2019**	**Oct–Dec 2018**	**Apr–Dec 2019**	**Apr–Dec 2018**
Comparable units in local currency	-8	-1	-5	-2
Currency effects	0	2	1	3
Acquisitions/divestments	6	3	5	2
Total – change	**-2**	**4**	**1**	**3**

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 2019**	**Oct–Dec 2018**	**Apr–Dec 2019**	**Apr–Dec 2018**	**Jan–Dec 2019**	**2018/2019**
EBITA	**37**	**64**	**151**	**192**	**208**	**249**
Depreciation and amortisation in connection with acquisitions	-5	-3	-13	-10	-16	-13
Operating profit	**32**	**61**	**138**	**182**	**192**	**236**

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 2019	Jan–Dec 2018	2018/2019
EBITA (P)	**208**	**245**	**249**
Average working capital (WC)			
Inventories	999	884	898
Accounts receivable	743	719	737
Accounts payable	-525	-497	-513
Total – average WC	**1,217**	**1,106**	**1,122**
P/WC, percent	**17**	**22**	**22**

6. 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 attributable to Parent Company shareholders 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

- Bergman & Beving develops, acquires and markets leading 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.
- We offer the subsidiaries financial resources and competence within brand development.
- Bergman & Beving currently comprises numerous strong brands for the manufacturing and construction sectors.
- Through our brands, we are represented in more than 25 countries with over 5,000 sales outlets.

Strategy

Bergman & Beving aims to be a leader in selected niches in the manufacturing and construction sectors, where its brands and high level of expertise are important differentiators.

Bergman & Beving strives to build and develop a portfolio comprising a wide variety of individual brands that achieve leading positions in their selected niches.

The following units/brands are included in the Company's divisions:

Building Materials

ESSVE, FireSeal, H&H Tuonti, KGC, BVS Brannvernsystemer AS

Workplace Safety

Arbesko Skomakare sedan 1839, AAK Safety, Cresto, Guide, VIP safety, L.Brador, Skydda, Systemtext, Zekler

Tools & Consumables

Belano Maskin AB, Uveco, Lidén Weighing, Lindahl & Nermark, Miller's Beslag sedan 1903, Luna Group, Limit, Mareld Pro Lighting, Teng Tools, Luna