

Interim Report 1 April–31 December 2020

Third quarter (1 October–31 December 2020)

- Revenue increased by 11 percent to MSEK 1,086 (976).
- EBITA increased by 84 percent to MSEK 68 (37) and the EBITA margin improved to 6.3 percent (3.8).
- Net profit rose by 139 percent to MSEK 43 (18) and earnings per share rose to SEK 1.60 (0.65).
- Cash flow from operating activities amounted to MSEK 142 (151).

Nine months (1 April–31 December 2020)

- Revenue increased by 8 percent to MSEK 3,196 (2,970).
- EBITA increased by 31 percent to MSEK 198 (151) and the EBITA margin improved to 6.2 percent (5.1).
- Net profit rose by 43 percent to MSEK 123 (86) and earnings per share rose to SEK 4.60 (3.20).
- Cash flow from operating activities increased to MSEK 408 (245).

Significant events since the start of the operating year

- The COVID-19 pandemic had a variety of effects on operations and demand has varied between segments and regions. Demand for personal protective equipment remained strong, as did demand from construction customers. Demand from industrial customers continued to recover during the quarter. It is difficult to predict how demand will develop in the future.
- Four acquisitions were completed, two of which after the end of the period, with total annual revenue of approximately MSEK 90.
- Alexander Wennnergren Helm stepped down from his role as Director.
- Charlotte Hansson was elected as a new Director at the Annual General Meeting on 26 August 2020.

MSEK	3 months			9 months			R12 months	Full-year
	Oct–Dec 2020	Oct–Dec 2019	Δ %	Apr–Dec 2020	Apr–Dec 2019	Δ %	Jan–Dec 2020	2019/2020
Revenue	1,086	976	11	3,196	2,970	8	4,286	4,060
EBITA	68	37	84	198	151	31	255	208
EBITA margin, percent	6.3	3.8		6.2	5.1		5.9	5.1
Profit after financial items	56	25	124	157	113	39	199	155
Net profit (after taxes)	43	18	139	123	86	43	153	116
Earnings per share before dilution, SEK	1.60	0.65		4.60	3.20		5.75	4.30
Earnings per share after dilution, SEK	1.60	0.65		4.60	3.20		5.75	4.30
P/WC, percent							19	16
Equity/assets ratio, percent							34	35
Number of employees at the end of the period	1,082	1,095	-1	1,082	1,095	-1	1,082	1,083

CEO's comments

Bergman & Beving continued its positive performance, which resulted in a significantly stronger quarter with favourable growth and improved earnings compared with the same period last year. Revenue increased by 15 percent in local currency, of which 12 percent was organic, which was a higher growth rate compared with earlier in the year. Operating profit (EBITA) increased by 84 percent to MSEK 68 and the operating margin improved to 6.3 percent. The operations also delivered a solid cash flow.

Since the outbreak of the pandemic, demand has varied significantly between segments and regions. In general, demand was higher than in the preceding year and many of our units strengthened their positions in the market. Demand for personal protective equipment remained strong, as did demand from construction customers. The recovery in demand from industrial customers continued during the quarter, as observed in the beginning of the autumn. We have not yet felt the effects of the pandemic's second wave and it is difficult to predict how demand will develop in the future.

The Workplace Safety division delivered a strong quarter with a favourable earnings performance. The improvement was primarily driven by the largest units, Skydda and Guide, but also by improved profitability in the smaller units. The Building Materials division also improved its results thanks to a favourable sales trend and cost control. One gratifying example is the growth in ESSVE Industry, where previous restructuring measures have had a positive impact. The Tools & Consumables division recovered, with a steady earnings improvement compared with previous periods during the year.

Our acquisitions contributed to the positive earnings performance during the quarter and so far this year. Thanks to our positive cash flow and our strong balance sheet, we stepped up our acquisition agenda and completed four attractive acquisitions. The intention is to complete additional value-generating acquisitions going forward and we have continuous discussions with several companies of interest.

Despite the uncertain market conditions and negative currency effect, the Group increased its earnings. This is rewarding and an effect of the continuous improvement efforts carried out in our various units. There is great potential in all of our divisions and we have considerable room for improvement. One prioritised focus area is to increase our value generation in order to strengthen our margins. We are continuing to work on our decentralised structure, with clear objectives and measures at each company. The units are working continuously on improvements to strengthen their competitiveness and leverage growth opportunities, whether organic or through acquisitions. All told, this gives me great hope for the future.

Stockholm, February 2021

Pontus Boman
President & CEO

Profit and revenue

Third quarter (October–December 2020)

Revenue increased by 11 percent to MSEK 1,086 (976). Revenue increased by 15 percent in local currency, of which 12 percent was organic and 3 percent was from acquisitions. Exchange-rate fluctuations had a negative impact of 4 percent on revenue.

Demand from construction customers was favourable, while demand from industrial customers remained somewhat weaker than in the year-earlier period, despite a certain level of recovery. At the same time, demand for personal protective equipment was healthy. Investments in our strong products and brands, and in expanding our customer portfolio, continued to meet with success. Sales to new customers increased steadily, as did sales outside our main markets. The margin improved despite negative currency effects, primarily from a weak Norwegian krona.

EBITA for the third quarter increased by 84 percent to MSEK 68 (37) and the EBITA margin improved to 6.3 percent (3.8).

Profit after financial items rose by 124 percent to MSEK 56 (25). Net profit rose by 139 percent to MSEK 43 (18) and earnings per share rose to SEK 1.60 (0.65).

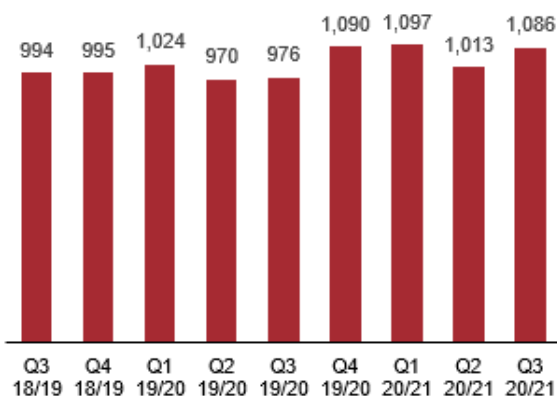
Nine months (April–December 2020)

Revenue rose by 8 percent to MSEK 3,196 (2,970). Revenue increased by 12 percent in local currency, of which 7 percent was organic and 5 percent was from acquisitions. Exchange-rate fluctuations had a negative impact of 4 percent on revenue.

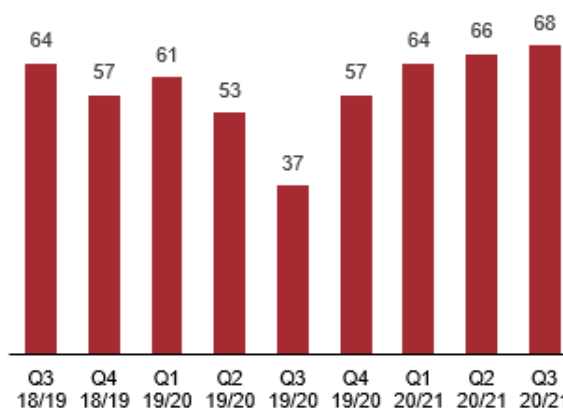
EBITA for the period increased by 31 percent to MSEK 198 (151) and the EBITA margin improved to 6.2 percent (5.1).

Profit after financial items rose by 39 percent to MSEK 157 (113). Net profit rose by 43 percent to MSEK 123 (86) and earnings per share rose to SEK 4.60 (3.20).

REVENUE
MSEK

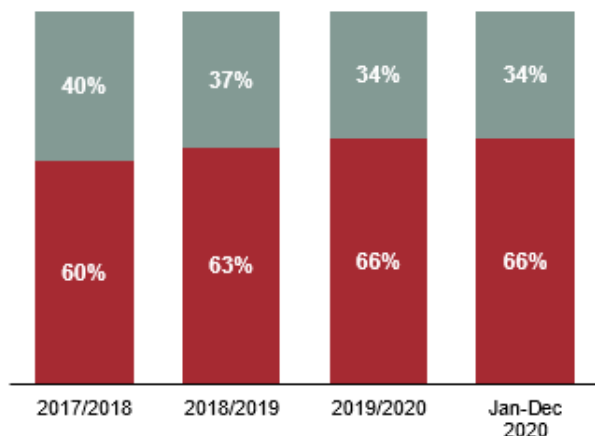


EBITA
MSEK



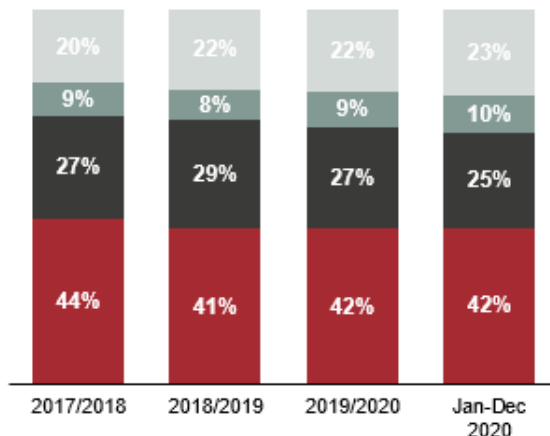
REVENUE PER TYPE OF BRAND
ROLLING 12 MONTHS

■ Own proprietary brands ■ Other brands



REVENUE PER COUNTRY
ROLLING 12 MONTHS

■ Sweden ■ Norway ■ Finland ■ Other countries



Performance by division

MSEK	3 months			9 months			R12	Full-year
	Oct–Dec 2020	Oct–Dec 2019	Δ %	Apr–Dec 2020	Apr–Dec 2019	Δ %	Jan–Dec 2020	2019/2020
Revenue								
Building Materials	261	237	10	905	825	10	1,223	1,143
Workplace Safety	418	350	19	1,206	998	21	1,609	1,401
Tools & Consumables	420	402	4	1,118	1,185	-6	1,498	1,565
Group-wide/eliminations	-13	-13		-33	-38		-44	-49
Total revenue	1,086	976	11	3,196	2,970	8	4,286	4,060
EBITA								
Building Materials	6	-3	n/a	60	37	62	76	53
Workplace Safety	41	18	128	107	66	62	136	95
Tools & Consumables	23	24	-4	36	54	-33	55	73
Group-wide/eliminations	-2	-2		-5	-6		-12	-13
Total EBITA	68	37	84	198	151	31	255	208
EBITA margin, percent								
Building Materials	2.3	-1.3		6.6	4.5		6.2	4.6
Workplace Safety	9.8	5.1		8.9	6.6		8.5	6.8
Tools & Consumables	5.5	6.0		3.2	4.6		3.7	4.7
Total EBITA margin	6.3	3.8		6.2	5.1		5.9	5.1

Building Materials

Building Materials' revenue increased by 10 percent to MSEK 261 (237) and EBITA increased to MSEK 6 (-3). Revenue for the first nine months rose by 10 percent to MSEK 905 (825) and EBITA increased by 62 percent to MSEK 60 (37).

The construction market remained strong in the normally weaker third quarter and demand in both Sweden and Norway was higher than in the preceding year. The margin improved despite the negative impact of a weak Norwegian krona and increased shipping costs. Sales growth in ESSVE Construction contributed to the earnings performance. However, earnings were temporarily charged with start-up costs for new ERP system. The measures introduced in ESSVE Industry were effective and the company improved its earnings. The fire protection companies BVS and Fireseal delivered good results.

Workplace Safety

Workplace Safety's revenue increased by 19 percent to MSEK 418 (350) and EBITA increased by 128 percent to MSEK 41 (18). Revenue for the first nine months rose by 21 percent to MSEK 1,206 (998) and EBITA increased by 62 percent to MSEK 107 (66).

Demand for personal protective equipment remained very strong and efforts to expand the customer portfolio yielded results. Seven of the division's eight business units improved their earnings and operating margins.

The largest units, Skydda and Guide, led this positive trend.

Tools & Consumables

Tools & Consumables' revenue rose by 4 percent to MSEK 420 (402) and EBITA totalled MSEK 23 (24). Revenue for the first nine months amounted to MSEK 1,118 (1,185) and EBITA to MSEK 36 (54).

Demand recovered during the third quarter. Teng Tools experienced favourable demand after a successful sales campaign and its earnings improved. The recovery in the largest unit, Luna, continued, with positive effects from the measures carried out. The implementation of secured customer contracts continued but has not yet had full effect.

Group-wide and eliminations

Group-wide expenses and eliminations for the third quarter amounted to MSEK 2 (2). Group-wide expenses and eliminations for the first nine months amounted to MSEK 5 (6).

The Parent Company's revenue amounted to MSEK 24 (25) and profit after financial items amounted to MSEK 17 (22) for the period.

Employees

At the end of the period, the number of employees in the Group totalled 1,082, compared with 1,083 at the beginning of the financial year. During the period, 22 employees were gained via acquisitions.

Corporate acquisitions

On 1 December, Workplace Safety acquired all shares in JO Safety A/S. JO Safety is a leading supplier of safety and workplace signs, with its largest market in Denmark. The company generates annual revenue of approximately MSEK 45 and has 22 employees.

On 4 December, the Building Materials division acquired all shares in Atricon AB. The company has an interesting patent portfolio in lightweight wall mounting. The company generates annual revenue of approximately MSEK 2, consisting primarily of licensing revenue.

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.

Preliminary acquisition analyses for the year's acquisitions:

Fair value of acquired assets and liabilities	MSEK
Customer relations, etc.	21
Other non-current assets	8
Other assets	18
Deferred tax liability, net	5
Current liabilities	7
Acquired net assets	35
Goodwill	20
Purchase consideration	55
Less: Purchase consideration, unpaid	-5
Less: Cash and cash equivalents in acquired companies	-6
Net change in cash and cash equivalents	-44

Acquisition-related transaction costs, which are recognised in other operating expenses in the income statement, amounted to MSEK 0. Unpaid purchase consideration is not contingent and will be paid.

Acquisition	Closing	Rev. MSEK*	No. of empl.*	Division
JO Safety, Denmark	Dec 2020	45	22	Workplace Safety
Atricon, Sweden	Dec 2020	2	-	Building Materials

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

Liabilities for preliminary purchase considerations for acquisitions carried out in the last 12 months have increased by MSEK 17 after remeasurement.

Acquisition analyses older than 12 months are considered finalised. Contingent considerations of MSEK 32 pertaining to previous years' acquisitions were paid. Remeasurement of contingent considerations had a positive effect of MSEK 2 (-) on the period. The effect on earnings is recognised in Other operating income.

Profitability, cash flow and financial position

Profitability, measured as the return on working capital (P/WC), amounted to 19 percent, compared with 16 percent for the full 2019/2020 financial year. The return on equity increased to 9 percent, compared with 7 percent in 2019/2020.

Cash flow from operating activities for the first nine months totalled MSEK 408 (245). Working capital decreased during the period by MSEK 106. The Group's inventories increased by MSEK 63, operating receivables decreased by MSEK 95 and operating liabilities increased by MSEK 74.

Cash flow was charged with net investments in non-current assets in the amount of MSEK 53 (86) and MSEK 76 (182) pertaining to the acquisition of businesses. Investments in non-current assets consist primarily of new IT systems and product development.

The Group's operational net loan liability at the end of the period amounted to MSEK 593 (579), excluding pension obligations of MSEK 754 (730) and lease liabilities according to IFRS 16 of MSEK 385 (477). Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 912 (421).

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

Equity per share before and after dilution totalled SEK 60.40, compared with SEK 61.10 at the beginning of the year.

The Swedish tax rate, which is also the Parent Company's tax rate, was 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	-929,677		3.4	2.5
Total number of shares after repurchasing	26,506,739			

The share price on 31 December 2020 was SEK 98.40. The average number of treasury shares was 777,825 during the period and 929,677 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 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 option programme 2020/2024	244,000	244,000	0.9%	99.50	11 Sep 2023–7 Jun 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

On 1 January 2021, the Workplace Safety division acquired SAFE TIME, spol. s r.o. in Slovakia. The company manufactures and sells personal fall protection equipment and installed fall arrest systems. The company generates annual revenue of approximately MSEK 10.

On 1 February 2021, the Tools & Consumables division acquired Germ AB. The company develops and manufactures equipment for professional and environmentally friendly handling of lubricants and liquids. The company generates annual revenue of approximately MSEK 35.

Election Committee for the election of the Board of Directors

In accordance with a resolution passed at the Annual General Meeting held in August 2020, the four largest shareholders in terms of votes as of 31 December 2020 have been contacted and asked to appoint members who, together with the Chairman of the Board, will form the Election Committee. Accordingly, the Election Committee comprises Chairman of the Board Jörgen Wigh, Anders Börjesson, Henrik Hedelius, Johan Lannebo (representing Lannebo Fonder) and Caroline Sjösten (representing Swedbank Robur Fonder). Contact information for the Election Committee is available on Bergman & Beving's website.

Stockholm, 5 February 2021

Pontus Boman
President & CEO

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

Other information

Publication

This information is information that Bergman & Beving AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, at 7:45 a.m. CET on 5 February 2021.

Dates for forthcoming financial information

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

Interim Report 1 April–30 June 2021 will be published on 14 July 2021 at 7:45 a.m.

The 2021 Annual General Meeting will be held at IVA, Grev Turegatan 16 in Stockholm on 31 August 2021 at 4:00 p.m.

The 2020/2021 Annual Report will be published on Bergman & Beving's website in July.

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Reporting by quarter

MSEK	2020/2021				2019/2020				2018/2019			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	
Revenue												
Building Materials	261	295	349	318	237	288	300	275	227	251	302	
Workplace Safety	418	356	432	403	350	305	343	335	369	300	351	
Tools & Consumables	420	371	327	380	402	390	393	397	418	378	386	
Group-wide/eliminations	-13	-9	-11	-11	-13	-13	-12	-12	-20	-10	-2	
Total revenue	1,086	1,013	1,097	1,090	976	970	1,024	995	994	919	1,037	
EBITA												
Building Materials	6	21	33	16	-3	17	23	20	12	21	35	
Workplace Safety	41	26	40	29	18	19	29	21	36	27	34	
Tools & Consumables	23	20	-7	19	24	18	12	20	22	18	2	
Group-wide/eliminations	-2	-1	-2	-7	-2	-1	-3	-4	-6	-2	-7	
Total EBITA	68	66	64	57	37	53	61	57	64	64	64	
EBITA margin, percent												
Building Materials	2.3	7.1	9.5	5.0	-1.3	5.9	7.7	7.3	5.3	8.4	11.6	
Workplace Safety	9.8	7.3	9.3	7.2	5.1	6.2	8.5	6.3	9.8	9.0	9.7	
Tools & Consumables	5.5	5.4	-2.1	5.0	6.0	4.6	3.1	5.0	5.3	4.8	0.5	
Total EBITA margin	6.3	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		9 months		R12	Full-year
	Oct–Dec 2020	Oct–Dec 2019	Apr–Dec 2020	Apr–Dec 2019	months Jan–Dec 2020	
MSEK						
Revenue	1,086	976	3,196	2,970	4,286	4,060
Other operating income	4	7	11	16	22	27
Total operating income	1,090	983	3,207	2,986	4,308	4,087
Cost of goods sold	-633	-566	-1,916	-1,740	-2,564	-2,388
Personnel costs	-206	-200	-564	-570	-773	-779
Depreciation, amortisation and impairment losses	-43	-42	-131	-122	-173	-164
Other operating expenses	-146	-143	-416	-416	-567	-567
Total operating expenses	-1,028	-951	-3,027	-2,848	-4,077	-3,898
Operating profit	62	32	180	138	231	189
Financial income and expenses	-6	-7	-23	-25	-32	-34
Profit after financial items	56	25	157	113	199	155
Taxes	-13	-7	-34	-27	-46	-39
Net profit	43	18	123	86	153	116
Of which, attributable to Parent Company shareholders	42	18	121	86	151	116
Of which, attributable to non-controlling interest	1	-	2	-	2	0
EBITA	68	37	198	151	255	208
Earnings per share before dilution, SEK	1.60	0.65	4.60	3.20	5.75	4.30
Earnings per share after dilution, SEK	1.60	0.65	4.60	3.20	5.75	4.30
Number of shares outstanding before dilution, '000	26,507	26,707	26,507	26,707	26,507	26,707
Weighted number of shares before dilution, '000	26,562	26,822	26,659	26,947	26,671	26,887
Weighted number of shares after dilution, '000	26,562	26,822	26,659	26,947	26,671	26,887

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3 months		9 months		R12	Full-year
	Oct–Dec 2020	Oct–Dec 2019	Apr–Dec 2020	Apr–Dec 2019	months Jan–Dec 2020	
MSEK						
Net profit	43	18	123	86	153	116
Remeasurement of defined-benefit pension plans	15	15	-58	-81	-25	-48
Tax attributable to components that will not be reclassified	-3	-3	12	17	5	10
Components that will not be reclassified to net profit	12	12	-46	-64	-20	-38
Translation differences	-22	-13	-49	-6	-48	-5
Fair value changes for the year in cash-flow hedges	-2	3	-5	3	-2	6
Tax attributable to components that will be reclassified	0	-1	1	-1	1	-1
Components that will be reclassified to net profit	-24	-11	-53	-4	-49	0
Other comprehensive income	-12	1	-99	-68	-69	-38
Total comprehensive income for the period	31	19	24	18	84	78
Of which, attributable to Parent Company shareholders	30	19	22	18	82	78
Of which, attributable to non-controlling interest	1	-	2	-	2	0

CONSOLIDATED BALANCE SHEET

MSEK	31 December 2020	31 December 2019	31 March 2020
Assets			
Goodwill	1,591	1,547	1,570
Other intangible non-current assets	415	340	385
Tangible non-current assets	107	102	102
Right-of-use assets	378	473	455
Financial non-current assets	2	2	3
Deferred tax assets	101	101	89
Inventories	1,123	1,097	1,077
Accounts receivable	720	663	855
Other current receivables	162	161	131
Cash and cash equivalents	125	78	90
Total assets	4,724	4,564	4,757
Equity and liabilities			
Equity attributable to Parent Company shareholders	1,597	1,571	1,631
Non-controlling interest	14	13	12
Non-current interest-bearing liabilities	721	777	862
Provisions for pensions	754	730	695
Other non-current liabilities and provisions	153	155	170
Current interest-bearing liabilities	382	357	383
Accounts payable	554	579	583
Other current liabilities	549	382	421
Total equity and liabilities	4,724	4,564	4,757
Operational net loan liability	593	579	695

CONSOLIDATED STATEMENT OF EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS

MSEK	31 December 2020	31 December 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	-17	-25	-25
Total comprehensive income for the period	22	18	78
Closing equity	1,597	1,571	1,631

CONSOLIDATED CASH-FLOW STATEMENT	3 months		9 months		R12	Full-year
	Oct–Dec 2020	Oct–Dec 2019	Apr–Dec 2020	Apr–Dec 2019	months Jan–Dec 2020	2019/2020
MSEK						
Operating activities before changes in working capital	89	81	302	247	380	325
Changes in working capital	53	70	106	-2	5	-103
Cash flow from operating activities	142	151	408	245	385	222
Investments in intangible and tangible assets	-22	-38	-54	-86	-90	-122
Proceeds from sale of intangible and tangible assets	0	0	1	0	2	1
Acquisition of businesses	-71	-3	-76	-182	-101	-207
Cash flow before financing	49	110	279	-23	196	-106
Financing activities	-30	-117	-230	14	-137	107
Cash flow for the period	19	-7	49	-9	59	1
Cash and cash equivalents at the beginning of the period	113	84	90	85	78	85
Cash flow for the period	19	-7	49	-9	59	1
Exchange-rate differences in cash and cash equivalents	-7	1	-14	2	-12	4
Cash and cash equivalents at the end of the period	125	78	125	78	125	90

Compilation of key financial ratios

KEY FINANCIAL RATIOS	R12 months		
	31 December 2020	31 December 2019	31 March 2020
MSEK			
Revenue	4,286	3,965	4,060
EBITA	255	208	208
EBITA margin, percent	5.9	5.2	5.1
Operating profit	231	192	189
Operating margin, percent	5.4	4.8	4.7
Profit after financial items	199	161	155
Net profit	153	124	116
Profit margin, percent	4.6	4.1	3.8
Return on working capital (P/WC), percent	19	17	16
Return on capital employed, percent	7	6	6
Return on equity, percent	9	8	7
Operational net loan liability (closing balance)	593	579	695
Equity (closing balance)	1,611	1,584	1,643
Equity/assets ratio, percent	34	35	35
Number of employees at the end of the period	1,082	1,095	1,083
Key per-share data			
Earnings, SEK	5.75	4.60	4.30
Earnings after dilution, SEK	5.75	4.60	4.30
Cash flow from operating activities, SEK	14.45	7.55	8.25
Equity, SEK	60.40	58.75	61.10
Share price, SEK	98.40	80.80	50.30

Non-controlling interest is included when calculating key ratios.

Parent Company summary

INCOME STATEMENT	3 months		9 months		R12 months	Full-year
	Oct–Dec 2020	Oct–Dec 2019	Apr–Dec 2020	Apr–Dec 2019	Jan–Dec 2020	2019/2020
MSEK						
Revenue	8	8	24	25	31	32
Other operating income	-	-	0	0	0	0
Total operating income	8	8	24	25	31	32
Operating expenses	-12	-10	-36	-31	-48	-43
Operating loss	-4	-2	-12	-6	-17	-11
Financial income and expenses	9	9	29	28	38	37
Profit after financial items	5	7	17	22	21	26
Appropriations	-	-	-	-	-6	-6
Profit before taxes	5	7	17	22	15	20
Taxes	-1	-2	-4	-5	1	0
Net profit	4	5	13	17	16	20

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3 months		9 months		R12 months	Full-year
	Oct–Dec 2020	Oct–Dec 2019	Apr–Dec 2020	Apr–Dec 2019	Jan–Dec 2020	2019/2020
MSEK						
Net profit	4	5	13	17	16	20
Fair value changes for the year in cash-flow hedges	-2	3	-5	3	-2	6
Taxes attributable to other comprehensive income	0	-1	1	-1	1	-1
Components that will be reclassified to net profit	-2	2	-4	2	-1	5
Other comprehensive income	-2	2	-4	2	-1	5
Total comprehensive income for the period	2	7	9	19	15	25

BALANCE SHEET	31 December 2020	31 December 2019	31 March 2020
MSEK			
Assets			
Intangible non-current assets		0	0
Tangible non-current assets		3	3
Financial non-current assets		2,443	2,455
Current receivables		556	463
Cash and cash equivalents		0	0
Total assets		3,002	2,921
Equity, provisions and liabilities			
Equity		1,206	1,247
Untaxed reserves		165	246
Provisions		38	40
Non-current liabilities		430	420
Current liabilities		1,163	968
Total equity, provisions and liabilities		3,002	2,921

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		9 months		R12 months	Full-year
	Oct–Dec 2020	Oct–Dec 2019	Apr–Dec 2020	Apr–Dec 2019	Jan–Dec 2020	2019/2020
Sweden	449	408	1,330	1,231	1,782	1,683
Norway	263	257	809	821	1,089	1,101
Finland	107	96	320	278	424	382
Other countries	267	215	737	640	991	894
Revenue	1,086	976	3,196	2,970	4,286	4,060

3. Leases

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

MSEK	31 December 2020	31 December 2019	31 March 2020
Right-of-use assets		378	477
Non-current lease liabilities		286	357
Current lease liabilities		99	120

MSEK	3 months		9 months		R12 months	Full-year
	Oct–Dec 2020	Oct–Dec 2019	Apr–Dec 2020	Apr–Dec 2019	Jan–Dec 2020	2019/2020
Depreciation of right-of-use assets	-27	-30	-86	-89	-115	-118
Interest on lease liabilities	-2	-3	-7	-8	-10	-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 of the pandemic 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		9 months	
	Oct–Dec 2020	Oct–Dec 2019	Apr–Dec 2020	Apr–Dec 2019
Comparable units in local currency	12	-8	7	-5
Currency effects	-4	0	-4	1
Acquisitions/divestments	3	6	5	5
Total – change	11	-2	8	1

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		9 months		R12 months	Full-year
	Oct–Dec 2020	Oct–Dec 2019	Apr–Dec 2020	Apr–Dec 2019	Jan–Dec 2020	2019/2020
EBITA	68	37	198	151	255	208
Depreciation and amortisation in connection with acquisitions	-6	-5	-18	-13	-24	-19
Operating profit	62	32	180	138	231	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	Jan–Dec 2020	Jan–Dec 2019	2019/2020
EBITA (P)	255	208	208
Average working capital (WC)			
Inventories	1,065	999	1,030
Accounts receivable	775	743	764
Accounts payable	-522	-525	-527
Total – average WC	1,318	1,217	1,267
P/WC, percent	19	17	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
 	  	 
  	  	 
	 	