Financial Report 1 April 2022–31 March 2023

Fourth quarter (1 January–31 March 2023)

- Revenue rose by 3 percent to MSEK 1,237 (1,205).
- EBITA increased by 18 percent to MSEK 104 (88) and the EBITA margin improved to 8.4 percent (7.3).
- Net profit rose by 2 percent to MSEK 54 (53).
- Cash flow from operating activities totalled MSEK 145 (-36).

12 months (1 April 2022–31 March 2023)

- Revenue rose by 4 percent to MSEK 4,749 (4,575).
- EBITA increased by 15 percent to MSEK 382 (331) and the EBITA margin improved to 8.0 percent (7.2).
- Net profit rose by 6 percent to MSEK 214 (202).
- Earnings per share for the 2022/2023 operating year increased to SEK 7.80 (7.55) before dilution.
- Cash flow from operating activities totalled MSEK 333 (225).
- Six acquisitions have been completed, one of which after the end of the period, with total annual revenue of approximately MSEK 380.
- The Board proposes a dividend of SEK 3.60 (3.40) per share.

	3 months			Full-year		
MSEK	**Jan–Mar 2023**	**Jan–Mar 2022**	**Δ %**	**31 Mar 2023**	**31 Mar 2022**	**Δ %**
Revenue	1,237	1,205	*3*	4,749	4,575	*4*
EBITA	104	88	*18*	382	331	*15*
EBITA margin, percent	8.4	7.3		8.0	7.2	
Profit after financial items	69	68	*1*	271	259	*5*
Net profit (after taxes)	54	53	*2*	214	202	*6*
Earnings per share before dilution, SEK	1.90	2.00		7.80	7.55	
Earnings per share after dilution, SEK	1.90	2.00		7.80	7.50	
P/WC, percent				21	22	
Cash flow from operating activities	145	-36	*n/a*	333	225	*48*
Equity/assets ratio, percent				39	36	
Number of employees at the end of the period	1,348	1,227	*10*	1,348	1,227	*10*

Unless otherwise stated, comparisons in brackets pertain to the corresponding period in the preceding year.

CEO's comments

Strong end to the operating year with increased earnings

It is gratifying to report yet another quarter with increased earnings, despite a global uncertainty. EBITA in the fourth quarter increased by 18 percent year on year to MSEK 104. The EBITA margin rose by 1.1 percentage points to 8.4 percent, mainly driven by profitable acquisitions, a higher share of sales of proprietary products and improved operational efficiency. Our focus on earnings growth ahead of revenue growth remains firm. We avoid volume-based transactions with insufficient profitability. This is one of the reasons that organic revenue declined by 6 percent in the quarter. The increase in earnings was delivered despite earnings being charged with non-recurring items affecting comparability during the quarter. Along with lower working capital, the increase in earnings resulted in a strong operational cash flow of MSEK 145.

Continued stable demand despite uncertain market

Despite high inflation, a continued weak SEK and economic uncertainty in the construction and industrial sectors, stable demand continued for our companies. Our operations focus on the professional market, and demand is mainly impacted by the number of employees in construction and industry in the Nordics, where the employment rate remains high. However, the companies' reseller customers continued to reduce their buffer inventories. This impacted sales for some of our units in the spring, but we are seeing signs that customers' inventory levels are starting to normalise.

Company-specific activities to increase profitability, earnings, the margin and cash flow

While the majority of our companies displayed profit growth during the quarter, we still have companies that are not delivering on our financial targets. In these operations, the focus is on improving our working capital efficiency and increasing the operating margin, which for some of our companies involves cost savings. The Group's like-for-like costs continued to decline, even though we were unable to fully compensate for cost increases as a result of inflation and higher purchasing prices. The cost savings we have initiated are gradually yielding results and we selectively chose to initiate additional measures during the quarter. We will continue to improve our working capital efficiency, mainly by reducing our inventory levels. This is expected to have a positive impact on cash flow during the coming quarters.

Acquisitions of market-leading niche companies continued

We acquired two additional companies during the fourth quarter and one after the end of the reporting period. Together, the companies contribute strong market positions in their respective niches and an annual revenue of approximately MSEK 175 and favourable profitability. The UK company A.T.E. Solutions and the Norwegian company Tema Norge are part of the Tools & Consumables division, while the Finnish company Kiilax is part of the Building Materials division. We look forward to supporting the companies to help them realise their growth potential.

Successful operating year

All in all, we can look back on a successful operating year in which we advanced our market positions, increased our earnings by 15 percent and improved our EBITA margin by nearly 1 percentage point. However, the year was not without its external challenges. We were forced to handle supply chain disruptions and compensate for increased material and production costs, which were at historically high levels. The construction and industrial sectors also faced growing economic uncertainty, although this did not have any major impact on demand. Overall, our companies strengthened their market share by securing new business and through more companies conducting successful market and product launches. Luna's external logistics provider was the target of an IT attack in the autumn that halted the company's deliveries for a number of days and resulted in a significant loss of earnings. However, I believe that in situations like these, our companies are able to adapt quickly to changing conditions thanks to the commitment of our employees and our decentralised governance model, which allows us to take rapid action close to our customers. During the year, we established tangible targets and activities for each company with a focus on earnings growth ahead of revenue, which resulted in a moderate increase in revenue. The year included a range of activities in our various companies based on our capital allocation model – or as we call it, The Focus Model. Along with increased cost control, our companies' efforts to change their product mix – not least to increase the share of proprietary products – had a positive impact on our margin performance. We also improved our efficiency and started reducing our buffer inventory, which strengthened our cash flow, not least in the fourth quarter. Five additional companies were also acquired during the year, with annual revenue of approximately MSEK 350 and profitability well above the Group's average.

Ambition of MSEK 500 in operating profit remains firm

Adjusted for the extraordinary loss of income in the second quarter due to the temporary suspension of Luna's deliveries, our earnings have increased for 13 consecutive quarters. Our prospects for improving the profitability, margins and cash flow of the Group's companies remain favourable. We have the capacity to continue to acquire highly profitable, niche companies with strong cash flow and growth opportunities, and we are still aiming to acquire four to six companies in the next operating year. I therefore believe that Bergman & Beving has good potential to continue to improve its earnings, and our ambition of reaching MSEK 500 in operating profit by the 2025/26 operating year remains firm.

Stockholm, May 2023

Magnus Söderlind
President & CEO

Profit and revenue

Fourth quarter (January–March 2023)

Revenue rose by 3 percent to MSEK 1,237 (1,205). Revenue decreased by 6 percent organically, mainly as a result of the phasing out of low-margin businesses in the wholesale operations, lower spring orders for ESSVE and a reduction of customer inventories. Acquired growth amounted to 8 percent and exchange-rate fluctuations had a positive impact of 1 percent on revenue.

EBITA for the fourth quarter increased by 18 percent to MSEK 104 (88) and the EBITA margin improved to 8.4 percent (7.3). The strong earnings were mainly attributable to operational improvements, acquisitions and the phasing out of less profitable businesses. Profit was impacted negatively by items affecting comparability of approximately MSEK 20 related to Skydda's operations in the Workplace Safety division. This was offset to a certain degree by the remeasurement of contingent additional purchase considerations in the division of MSEK 10.

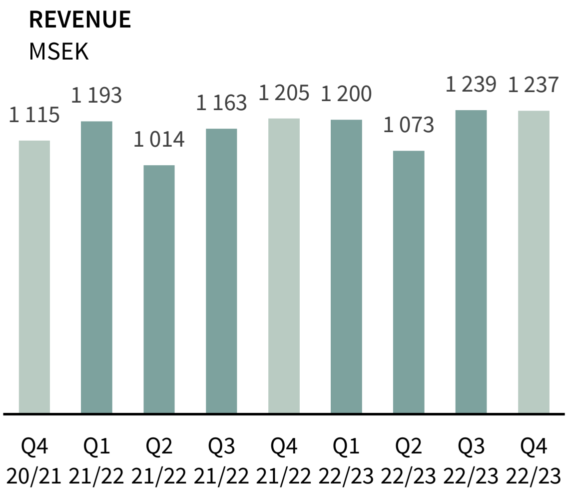
Profit after financial items increased to MSEK 69 (68). Financial expenses were negatively impacted by higher interest expenses for bank loans, extension fees for existing financing, a higher IFRS 16-related interest expense on a higher lease liability that now includes a logistics facility and the remeasurement of loans in foreign currency. Net profit rose by 2 percent to MSEK 54 (53) and earnings per share amounted to SEK 1.90 (2.00) before dilution.

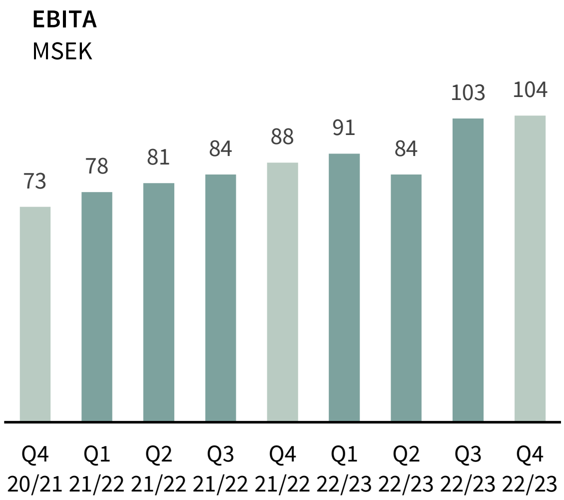
12 months (April 2022–Mars 2023)

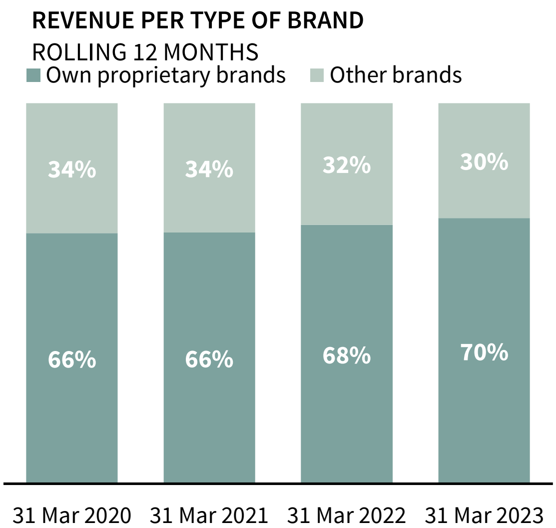
Revenue rose by 4 percent to MSEK 4,749 (4,575). Revenue decreased by 4 percent organically, while acquired growth amounted to 6 percent. Exchange-rate fluctuations had a positive impact of 2 percent on revenue.

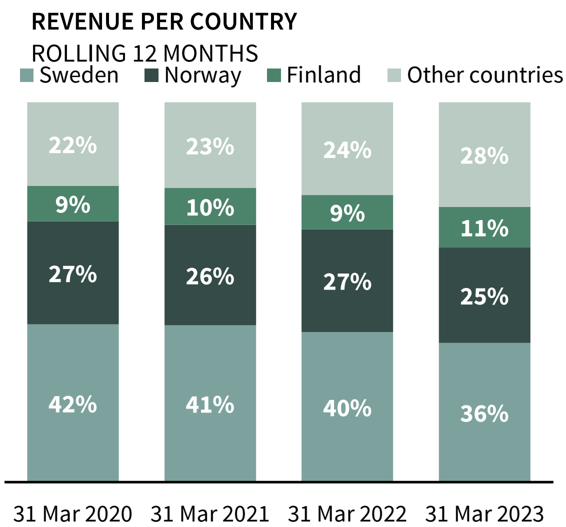
EBITA for the full year increased by 15 percent to MSEK 382 (331) and the EBITA margin improved to 8.0 percent (7.2).

Profit after financial items increased to MSEK 271 (259). Net profit rose by 6 percent to MSEK 214 (202) and earnings per share rose to SEK 7.80 (7.55) before dilution.









Performance by division

	3 months			Full-year		
MSEK	**Jan–Mar 2023**	**Jan–Mar 2022**	**Δ %**	**31 Mar 2023**	**31 Mar 2022**	**Δ %**
Revenue						
Building Materials	382	400	*–5*	1,379	1,340	*3*
Workplace Safety	425	402	*6*	1,656	1,633	*1*
Tools & Consumables	438	413	*6*	1,752	1,641	*7*
Group-wide/eliminations	–8	–10		–38	–39	
Total revenue	**1,237**	**1,205**	***3***	**4,749**	**4,575**	***4***
EBITA						
Building Materials	40	29	*38*	114	94	*21*
Workplace Safety	29	37	*–22*	152	145	*5*
Tools & Consumables	35	25	*40*	121	103	*17*
Group-wide/eliminations	0	–3		–5	–11	
Total EBITA	**104**	**88**	***18***	**382**	**331**	***15***
EBITA margin, percent						
Building Materials	10.5	7.3		8.3	7.0	
Workplace Safety	6.8	9.2		9.2	8.9	
Tools & Consumables	8.0	6.1		6.9	6.3	
Total EBITA margin	**8.4**	**7.3**		**8.0**	**7.2**	

Performance by division – fourth quarter

Building Materials

Building Materials' revenue amounted to MSEK 382 (400) and EBITA rose by 38 percent to MSEK 40 (29). The EBITA margin increased to 10.5 percent (7.3).

Revenue was impacted by lower spring orders for ESSVE compared with the year-earlier period, when the company reported its highest levels to date. However, demand from the construction segment in Sweden and Norway remained stable. ESSVE delivered on a new contract, replacing a competing supplier to a construction chain in Sweden. Despite lower revenue, ESSVE continued to improve its earnings, and accounted for most of the division's improvement in earnings. Demand remained weak among customers in Finland, within Prefab and in the bricklaying and tiling segments.

Acquired units contributed positively and according to expectations.

For the full operating year, Building Materials' revenue increased to MSEK 1,379 (1,340) and EBITA rose by 21 percent to MSEK 114 (94). The EBITA margin increased to 8.3 percent (7.0).

Workplace Safety

Workplace Safety's revenue rose by 6 percent to MSEK 425 (402) and EBITA amounted to MSEK 29 (37). The EBITA margin was 6.8 percent (9.2).

Demand for personal protective equipment remained stable, and the size of customers' reductions in buffer inventories seemed to decrease towards the end of the quarter. The phase-out of less profitable businesses continued, mainly within Skydda, while Guide and Arbesko delivered on new customer contracts during the quarter. All units besides Skydda increased their revenue. This growth was particularly strong in fall protection and safety signs. Profit was impacted negatively by items affecting comparability of approximately MSEK 20 related to Skydda's operations, which primarily comprised impairment of inventories. At the same time, earnings were impacted positively in an amount of MSEK 10 from the remeasurement of contingent considerations, which is recognised in other operating income.

Acquired units contributed positively and according to expectations.

For the full operating year, Workplace Safety's revenue increased to MSEK 1,656 (1,633) and EBITA increased to MSEK 152 (145). The EBITA margin increased to 9.2 percent (8.9).

Tools & Consumables

Tools & Consumables' revenue increased by 6 percent to MSEK 438 (413) and EBITA rose by 40 percent to MSEK 35 (25). The EBITA margin increased to 8.0 percent (6.1).

Demand from the industrial segment was relatively stable, but customers' reductions in buffer inventories had a negative impact on revenue during the quarter.

Luna continued to phase out less profitable volume products and focus its operations on products with higher added value. This negatively impacted revenue but positively impacted profitability. The transition within Luna intensified during the quarter.

Acquired units contributed positively and according to expectations.

For the full operating year, Tools & Consumables' revenue increased by 7 percent to MSEK 1,752 (1,641) and EBITA rose by 17 percent to MSEK 121 (103). The EBITA margin increased to 6.9 percent (6.3).

Group-wide expenses and eliminations

Group-wide expenses and eliminations for the fourth quarter amounted to MSEK 0 (-3). Earnings were impacted positively by a capital gain of approximately MSEK 19 on the sale of land in connection with the construction of a new logistics facility, which was recognized in other operating income. This was fully offset by costs related to the relocation of Luna's and Skydda's logistics operations to the new facility, which in turn were recognized in operating expenses.

The Parent Company's revenue amounted to MSEK 37 (35) and profit after financial items amounted to MSEK 30 (22) for the full year. The item "Appropriations" includes Group contributions paid in a net amount of MSEK 29.

Employees

At the end of the period, the number of employees in the Group totalled 1,348, compared with 1,227 at the beginning of the financial year. During the year, 115 employees were gained via acquisitions.
The number of employees in the logistics operations increased by 36 in conjunction with the start-up of the new logistics centre.

Corporate acquisitions

On 1 April, Tools & Consumables acquired all of the shares in the Finnish company Retco Oy. Retco is one of Finland's leading players in mechanised and automated welding technology for general industry and has annual revenue of approximately MSEK 52.

On 1 June, Workplace Safety acquired all of the shares in Fallskyddspecialisterna i Heby AB. The company is a niche player in fall protection solutions specialising in inspections, installation, rental, and sales of products. The company generates annual revenue of approximately MSEK 23 and is part of Cresto Group.

On 15 August, Tools & Consumables acquired 80 percent of the shares in Polartherm Group Oy and its subsidiaries. Polartherm is a leading player within powerful, mobile heaters for certain niches within industry, construction, defence and aviation and has an annual revenue of approximately MSEK 127.

On 3 February, Tools & Consumables acquired all shares in A.T.E. Solutions Ltd. The company manufactures automated testing equipment and generates annual revenue of approximately MSEK 32. Its customers operate in various industries, including the defence, aviation and electric power industries.

On 23 February, Building Materials acquired 75 percent of the shares in Kiilax Oy. The company manufactures and sell primarily proprietary products to the construction market under the Kiilax brand, including the company's patented inspection hatches. The company generates annual revenue of approximately MSEK 100.

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 purchase price allocations for the acquisitions over the past 12 months:

Fair value of acquired assets and liabilities	MSEK
Customer relations, etc.	169
Other non-current assets	17
Other assets	202
Deferred tax liability, net	34
Current liabilities	57
Acquired net assets	**297**
Goodwill	139
Non-controlling interest	−31
Purchase considerations	405
Less: Purchase considerations, unpaid	−94
Less: Cash and cash equivalents in acquired companies	−59
Net change in cash and cash equivalents	−252

The unpaid purchase considerations of MSEK 94 are contingent and are estimated to amount to a maximum of MSEK 94. The contingent considerations will fall due within three years.

Acquisition analyses older than 12 months are considered finalised.

Acquisition	Closing	Rev. MSEK*	No. of empl.*	Division
Retco, Finland	Apr 2022	52	9	Tools & Consumables
Fallskyddspec., Sweden	Jun 2022	23	8	Workplace Safety
Polartherm, Finland	Aug 2022	127	57	Tools & Consumables
A.T.E. Solutions, UK	Feb 2023	32	17	Tools & Consumables
Kiilax, Finland	Feb 2023	100	24	Building Materials

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

Acquisition-related transaction costs for the year's acquisitions, which are recognised in other operating expenses in the income statement, amounted to MSEK 5 (1) and mainly comprised stamp duties related to foreign acquisitions.

Considerations of MSEK 3 pertaining to previous years' acquisitions were paid during the year. Remeasurement of contingent considerations had a positive effect of MSEK 17 (6) on the operating year, of which MSEK 10 (4) during the quarter. 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 21 percent (22). The return on equity was 10 percent (11).

Cash flow from operating activities for the full year totalled MSEK 333 (225). Working capital increased by MSEK 56 during the same period, mainly due to higher buffer inventories.

Cash flow was charged with net investments in non-current assets of MSEK 45 (51) and MSEK 255 (137) pertaining to acquisitions. Investments in non-current assets consist primarily of product development and production-related equipment.

The Group's operational net loan liability at the end of the period amounted to MSEK 1,090 (889), excluding expensed pension obligations of MSEK 490 (608) and lease liabilities according to IFRS 16 of MSEK 437 (366). The increase in lease liabilities was attributable to the new logistics facility for Luna and Skydda. Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 946 (618). An extended acquisition credit of MSEK 500 was raised during the year.

Financial income and expenses amounted MSEK -23 (-12) in the quarter and MSEK -68 (-39) for the full year. Of which, net financial expenses related to bank loans in the Group totalled MSEK -15 (-3) in the quarter and MSEK -35 (-14) for the full year.

The equity/assets ratio was 39 percent (36). Equity per share increased to SEK 84.35, compared with SEK 72.85 at the beginning of the year.

The Swedish tax rate, which is also the Parent Company's tax rate, was 20.6 percent. The Group's weighted average tax rate, with its current geographic mix, was approximately 21 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	−861,677		3.1	2.3
Total number of shares after repurchasing	**26,574,739**			

The share price as of 31 March 2023 was SEK 128.40. The average number of treasury shares was 876,838 during the period and 861,677 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 2019/2023	95,000	95,000	0.3%	107.50	12 Sep 2022–9 Jun 2023
Call option programme 2020/2024	244,000	244,000	0.9%	99.50	11 Sep 2023–7 Jun 2024
Call option programme 2021/2025	178,000	178,000	0.6%	197.30	16 Sep 2024–12 Jun 2025
Call option programme 2022/2026	210,000	210,000	0.8%	106.10	9 Sep 2025–5 Jun 2026

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

Events after the end of the period

On 3 April 2023, the Tools & Consumables division acquired all shares in Tema Norge AS. The company is a leading player in Norway in orbital welding and mechanized welding technology and generates annual revenue of approximately MNOK 45.

Annual General Meeting

The Annual General Meeting (AGM) of Bergman & Beving AB will be held on Thursday, 24 August 2023, at 4:00 p.m. CEST at IVA Conference Centre, Grev Turegatan 16, Stockholm. The notice of the AGM will be published in July and will be available at www.bergmanbeving.com.

Stockholm, 12 May 2023

Magnus Söderlind
President & CEO

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

Other information

Publication

This information is information that Bergman & Beving AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out below, at 7:45 a.m. CEST on 12 May 2023.

Dates for forthcoming financial information

- **Interim Report 1 April–30 June 2023** will be published at 7:45 a.m. CEST on 14 July 2023.
- **The 2023 Annual General Meeting** will be held on 24 August 2023 at 4:00 p.m. CEST at IVA Conference Centre, Grev Turegatan 16, Stockholm.
- **Interim Report 1 April–30 September 2023** will be published at 7:45 a.m. CEST on 19 October 2023.
- **Interim Report 1 April–31 December 2023** will be presented at 7:45 a.m. CET on 9 February 2024.
- **The 2022/2023 Annual Report** will be published on Bergman & Beving's website in July.

Contact information

Magnus Söderlind, President and CEO, Tel: +46 10 454 77 00
Peter Schön, CFO, Tel: +46 70 339 89 99

Visit www.bergmanbeving.com to download reports, presentations and press releases.

Reporting by quarter

	2022/2023				2021/2022			
MSEK	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Kv2**	**Q1**
Revenue								
Building Materials	382	298	310	389	400	277	288	375
Workplace Safety	425	442	378	411	402	452	351	428
Tools & Consumables	438	509	395	410	413	444	385	399
Group-wide/eliminations	–8	−10	−10	−10	−10	−10	−10	−9
Total revenue	**1,237**	**1,239**	**1,073**	**1,200**	**1,205**	**1,163**	**1,014**	**1,193**
EBITA								
Building Materials	40	11	26	37	29	10	21	34
Workplace Safety	29	49	35	39	37	43	29	36
Tools & Consumables	35	45	24	17	25	33	31	14
Group-wide/eliminations	0	−2	−1	−2	−3	−2	0	−6
Total EBITA	**104**	**103**	**84**	**91**	**88**	**84**	**81**	**78**
EBITA margin, percent								
Building Materials	10.5	3.7	8.4	9.5	7.3	3.6	7.3	9.1
Workplace Safety	6.8	11.1	9.3	9.5	9.2	9.5	8.3	8.4
Tools & Consumables	8.0	8.8	6.1	4.1	6.1	7.4	8.1	3.5
Total EBITA margin	**8.4**	**8.3**	**7.8**	**7.6**	**7.3**	**7.2**	**8.0**	**6.5**

Group summary

CONSOLIDATED INCOME STATEMENT	3 months		Full-year	
MSEK	**Jan–Mar 2023**	**Jan–Mar 2022**	**31 Mar 2023**	**31 Mar 2022**
Revenue	1,237	1,205	4,749	4,575
Other operating income	33	5	44	11
Total operating income	**1,270**	**1,210**	**4,793**	**4,586**
Cost of goods sold	–690	–691	–2,627	–2,625
Personnel costs	–235	–219	–931	–855
Depreciation, amortisation and impairment losses	–62	–55	–232	–205
Other operating expenses	–191	–165	–664	–603
Total operating expenses	**–1,178**	**–1,130**	**–4,454**	–4,288
Operating profit	**92**	**80**	**339**	**298**
Financial income and expenses	–23	–12	–68	–39
Profit after financial items	**69**	**68**	**271**	**259**
Taxes	–15	–15	–57	–57
Net profit	**54**	**53**	**214**	**202**
Of which, attributable to Parent Company shareholders	50	53	207	200
Of which, attributable to non-controlling interest	4	0	7	2
EBITA	104	88	382	331
Earnings per share before dilution, SEK	1.90	2.00	7.80	7.55
Earnings per share after dilution, SEK	1.90	2.00	7.80	7.50
Number of shares outstanding before dilution, '000	26,575	26,523	26,575	26,523
Weighted number of shares before dilution, '000	26,569	26,523	26,560	26,515
Weighted number of shares after dilution, '000	26,652	26,655	26,586	26,690

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	3 months		Full-year	
MSEK	**Jan–Mar 2023**	**Jan–Mar 2022**	**31 Mar 2023**	**31 Mar 2022**
Net profit	**54**	**53**	**214**	**202**
Remeasurement of defined-benefit pension plans	–18	81	120	81
Tax attributable to components that will not be reclassified	3	–17	–25	–17
Components that will not be reclassified to net profit	**–15**	**64**	**95**	**64**
Translation differences	–1	21	44	30
Fair value changes for the year in cash-flow hedges	5	–1	6	0
Tax attributable to components that will be reclassified	–1	0	–1	0
Components that will be reclassified to net profit	**3**	**20**	**49**	**30**
Other comprehensive income	**–12**	**84**	**144**	**94**
Total comprehensive income for the period	**42**	**137**	**358**	**296**
Of which, attributable to Parent Company shareholders	38	137	350	294
Of which, attributable to non-controlling interest	4	0	8	2

CONSOLIDATED BALANCE SHEET

MSEK	31 Mar 2023	31 Mar 2022
Assets		
Goodwill	1,815	1,667
Other intangible non-current assets	604	468
Tangible non-current assets	140	126
Right-of-use assets	441	359
Financial non-current assets	5	5
Deferred tax assets	34	66
Inventory	1,360	1,233
Accounts receivable	969	1,042
Other current receivables	161	147
Cash and cash equivalents	220	182
Total assets	**5,749**	**5,295**
Equity and liabilities		
Equity attributable to Parent Company shareholders	2,181	1,915
Non-controlling interest	59	17
Non-current interest-bearing liabilities	1,362	1,030
Provisions for pensions	490	608
Other non-current liabilities and provisions	207	137
Current interest-bearing liabilities	385	407
Accounts payable	487	584
Other current liabilities	578	597
Total equity and liabilities	**5,749**	**5,295**
Operational net loan liability	1,090	889

CONSOLIDATED STATEMENT OF EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS

MSEK	31 Mar 2023	31 Mar 2022
Opening equity	**1,915**	**1,701**
Dividend	–90	–80
Exercise and purchase of options for repurchased shares	6	0
Total comprehensive income for the period	350	294
Closing equity	**2,181**	**1,915**

CONSOLIDATED CASH-FLOW STATEMENT	3 months		Full-year	
MSEK	Jan–Mar 2023	Jan–Mar 2022	31 Mar 2023	31 Mar 2022
Operating activities before changes in working capital	93	106	389	404
Changes in working capital	52	–142	–56	–179
Cash flow from operating activities	**145**	**–36**	**333**	**225**
Investments in intangible and tangible assets	–6	–11	–45	–51
Proceeds from sale of intangible and tangible assets	0	0	0	0
Acquisition of businesses	–111	–40	–255	–137
Divestment of businesses	19	–	19	–
Cash flow before financing	**47**	**–87**	**52**	**37**
Financing activities	-25	114	-25	1
Cash flow for the period	**22**	**27**	**27**	**38**
Cash and cash equivalents at the beginning of the period	**196**	**152**	**182**	**139**
Cash flow for the period	22	27	27	38
Exchange-rate differences in cash and cash equivalents	2	3	11	5
Cash and cash equivalents at the end of the period	**220**	**182**	**220**	**182**

Compilation of key financial ratios

KEY FINANCIAL RATIOS	Full-year	
MSEK	31 Mar 2023	31 Mar 2022
Revenue	4,749	4,575
EBITA	382	331
EBITA margin, percent	8.0	7.2
Operating profit	339	298
Operating margin, percent	7.1	6.5
Profit after financial items	271	259
Net profit	214	202
Profit margin, percent	5.7	5.7
Return on working capital (P/WC), percent	21	22
Return on capital employed, percent	8	8
Return on equity, percent	10	11
Operational net loan liability (closing balance)	1,090	889
Operational net debt/equity ratio	0.5	0.5
Equity (closing balance)	2,240	1,932
Equity/assets ratio, percent	39	36
Number of employees at the end of the period	1,348	1,227
Key per-share data		
Earnings before dilution, SEK	7.80	7.55
Earnings after dilution, SEK	7.80	7.50
Cash flow from operating activities, SEK	12.55	8.50
Equity, SEK	84.35	72.85
Share price, SEK	128.40	141.40

Parent Company summary

INCOME STATEMENT	3 months		Full-year	
MSEK	Jan–Mar 2023	Jan–Mar 2022	31 Mar 2023	31 Mar 2022
Revenue	9	9	37	35
Other operating income	0	–	0	–
Total operating income	**9**	**9**	**37**	**35**
Operating expenses	–17	–15	–54	–55
Operating loss	**–8**	**–6**	**–17**	**–20**
Financial income and expenses	13	8	47	42
Profit after financial items	**5**	**2**	**30**	**22**
Appropriations	15	24	15	24
Profit before taxes	**20**	**26**	**45**	**46**
Taxes	4	3	–1	–2
Net profit	**24**	**29**	**44**	**44**

STATEMENT OF COMPREHENSIVE INCOME	3 months		Full-year	
MSEK	Jan–Mar 2023	Jan–Mar 2022	31 Mar 2023	31 Mar 2022
Net profit	**24**	**29**	**44**	**44**
Fair value changes for the year in cash-flow hedges	5	–1	6	0
Taxes attributable to other comprehensive income	–1	0	–1	0
Components that will be reclassified to net profit	**4**	**–1**	**5**	**0**
Other comprehensive income	**4**	**–1**	**5**	**0**
Total comprehensive income for the period	**28**	**28**	**49**	**44**

BALANCE SHEET

MSEK	31 Mar 2023	31 Mar 2022
Assets		
Intangible non-current assets	–	0
Tangible non-current assets	2	2
Financial non-current assets	2,583	2,540
Current receivables	1,121	840
Cash and cash equivalents	1	1
Total assets	**3,707**	**3,383**
Equity, provisions and liabilities		
Equity	1,144	1,179
Untaxed reserves	6	49
Provisions	43	40
Non-current liabilities	1,283	780
Current liabilities	1,231	1,335
Total equity, provisions and liabilities	**3,707**	**3,383**

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 2021/2022. 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 coming periods

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

2. Revenue per geographic area

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

	3 months		Full-year	
MSEK	**Jan–Mar 2023**	**Jan–Mar 2022**	**31 Mar 2023**	**31 Mar 2022**
Sweden	439	450	1,737	1,808
Norway	305	366	1,195	1,234
Finland	141	109	507	414
Other countries	352	280	1,310	1,119
Revenue	**1,237**	**1,205**	**4,749**	**4,575**

3. Leases

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

MSEK	**31 Mar 2023**	**31 Mar 2022**
Right-of-use assets	441	359
Non-current lease liabilities	297	243
Current lease liabilities	140	123

	3 months		Full-year	
MSEK	**Jan–Mar 2023**	**Jan–Mar 2022**	**31 Mar 2023**	**31 Mar 2022**
Depreciation of right-of-use assets	–35	–34	–135	–123
Interest on lease liabilities	–3	–2	–9	–8

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

The increase of Right-of-use assets and Lease liabilities are mainly from the new logistics facility. The new lease agreement increased the interest expense from IFRS 16 with MSEK 1 in the quarter.

4. Risks and uncertainties

The uncertain geopolitical situation, the general conditions and inflation have intensified, but have had a marginal impact on the Group to date. Following the IT attack on Luna's logistics provider in the second quarter, a further review of Bergman & Beving's own IT security was carried out, and the Group's security is considered adequate. Otherwise, no significant changes occurred during the financial year with respect to risks and uncertainties, for either the Group or the Parent Company. For information about these risks and uncertainties, refer to pages 58–61 of Bergman & Beving's Annual Report for 2021/2022.

5. Transactions with related parties

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

6. Alternative performance measures

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

Change in revenue

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

	3 months		Full-year	
Percentage change in revenue for:	**Jan–Mar 2023**	**Jan–Mar 2022**	**31 Mar 2023**	**31 Mar 2022**
Comparable units in local currency	–6	1	–4	0
Currency effects	1	3	2	1
Acquisitions/divestments	8	4	6	5
Total – change	**3**	**8**	**4**	**6**

EBITA

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

	3 months		Full-year	
MSEK	**Jan–Mar 2023**	**Jan–Mar 2022**	**31 Mar 2023**	**31 Mar 2022**
EBITA	**104**	**88**	**382**	**331**
Depreciation and amortisation in connection with acquisitions	–12	–8	–43	–33
Operating profit	**–92**	**80**	**339**	**298**

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.

	Full-year	
MSEK	**31 Mar 2023**	**31 Mar 2022**
EBITA (P)	**382**	**331**
Average working capital (WC)		
Inventory	1,389	1,203
Accounts receivable	924	869
Accounts payable	–516	–562
Total – average WC	**1,797**	**1,510**
P/WC, percent	**21**	**22**

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.

Operational net debt/equity ratio

Operational net loan liability divided by equity.

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's vision is to be a leading niche supplier of productive, safe and sustainable solutions to companies.
- Our strategy is to attract, acquire and, over the long term, develop leading companies in expansive niches that deliver productive, safe and sustainable solutions to the industrial and construction sectors. When building companies, we draw on over 100 years of experience in acquisitions and developing sustainable, profitable companies.
- Our decentralised governance model means that we strive for leading positions through organic growth and add-on acquisitions in existing niches and through acquisitions in new niches.
- Through our products, we are represented in over 4,000 sales outlets in more than 25 countries.
- Our primary market is the Nordic region, which accounts for approximately 80 percent of revenue, and our proprietary products account for 70 percent of our revenue.
- We aim to be a sustainable company where we actively work to limit the effect of our operations on the environment and simultaneously create long-term value for society and shareholders.
- The subsidiaries in the Group are operated with decentralised business responsibility, with a focus on simplicity, responsibility and freedom, efficiency, openness and a willingness to change. Each company conducts its operations under its own responsibility with a large degree of freedom, and we rely on our decentralised governance model, where each company develops its own strategies and goals.

Our companies