

# BERGMAN & BEVING

Presentation – Third Quarter

# Introduction

## Bergman & Beving develops, acquires and provides strong brands for the manufacturing and construction sectors

### Building Materials



- Own proprietary brands 95%
- Market leading in the Nordics in fastening products and fastening solutions
- Strong position in soft fire sealing systems, tilings bricklaying and grouting

### Workplace Safety



- Own proprietary brands 70%
- Market leading in the Nordics in protective shoes, gloves, fall protection and distribution of personal protective equipment (SKYDDA)
- Significant position in technical protection, work clothes and work environment signs

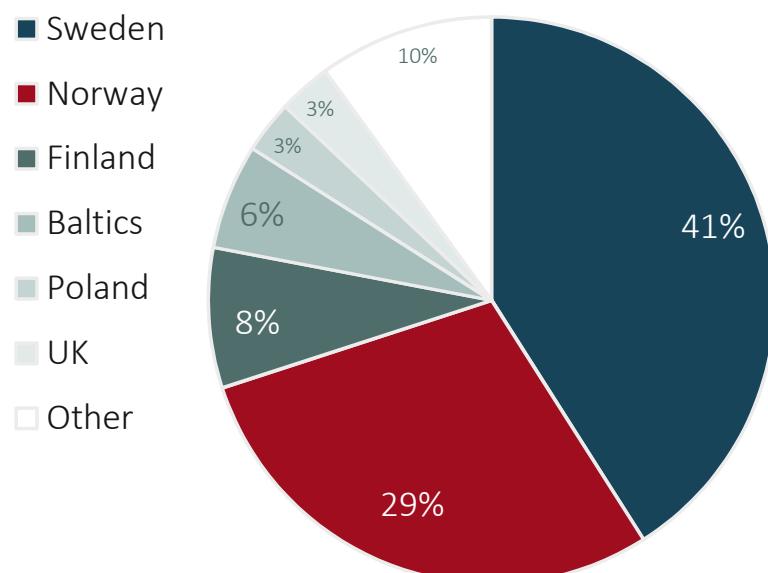
### Tools & Consumables



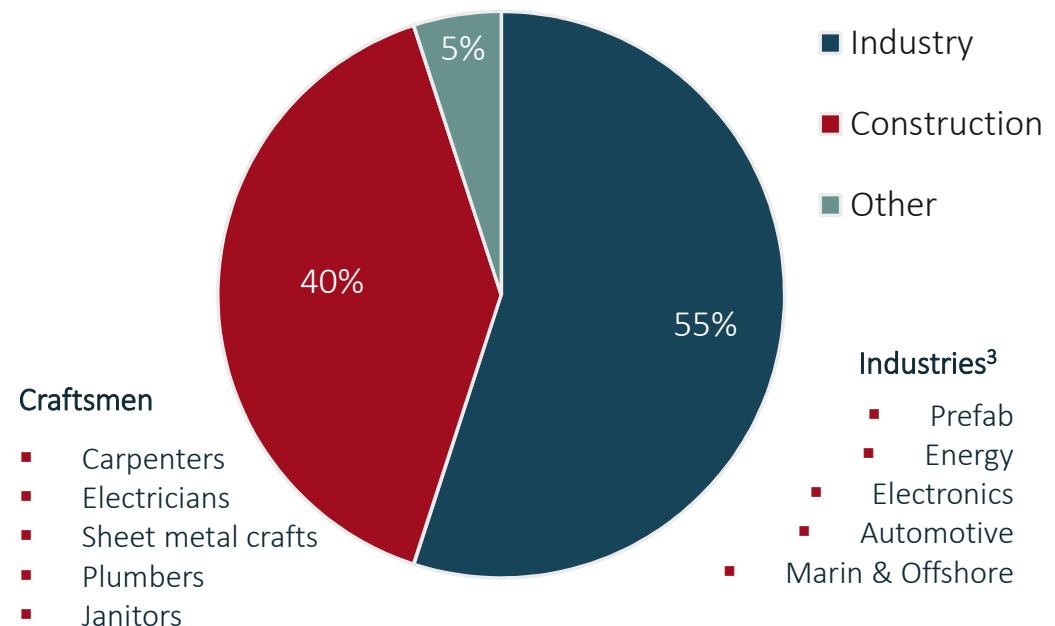
- Own proprietary brands 40%
- Market leading distributor in the Nordics of tools and consumables (Luna)
- Strong position in hand tools as well as tools and machinery used by sheet metal craftsmen

# Revenue per geography and customer segment 2018/2019

## Revenue by geography 2018/2019<sup>1</sup>



## Revenue by customer segment 2018/2019<sup>2</sup>



Note: 1) Based on customers' domicile. 2) Refers to the proportion of external revenue, rounded to the nearest five percent. 3) Other industries classified as general industry.

# Interim Report Q3

# 1 April – 31 December 2019

## Third quarter

- Revenue amounted to MSEK 976 (994)
  - Corresponding for comparable units in local currency decreased by 8%
  - Acquisitions increased revenue by 6%
- EBITA amounted to MSEK 37 (64) corresponding to an EBITA margin of 3.8 % (6.4)
  - EBITA includes additional costs of approximately MSEK 16 related to implemented cost reduction activities

## Nine months

- Revenue amounted to MSEK 2,970 (2,950)
  - Corresponding for comparable units in local currency decreased by 5%
  - Acquisitions increased revenue by 5%
- EBITA amounted to MSEK 151 (192) corresponding to an EBITA margin of 5.1% (6.5)
  - EBITA includes additional costs of approximately MSEK 23 related to implemented cost reduction activities

## 1 April – 31 December 2019

- We experienced lower demand for our products on our main markets during the period which have suffered negatively from a warm winter in combination with customers lowering their inventories and being more careful regarding procurement.
  - The lower revenue in combination with restructuring costs effected the operating margin negatively.
- Our long-term focus on sales and marketing of our prioritized brands increased the sales of our own proprietary brands to 65% of total revenue.
- We have also broadened our customer base and several new contracts have been signed during the period.

## 1 April – 31 December 2019

- Our measures to counteract the effects of a weakened krona and increased raw material prices, have had a positive effect.
  - The gross margin increased in comparison to the latest two quarters and is now back on the level of last year.
- In parallel with initiatives for growth we continued with our planned structural measures.
  - To adopt the business to the current market situation the cost reduction activities has been increased to MSEK 100.
  - Costs connected to the implementation of these activities have effected the result negatively in the quarter with approximately MSEK 16.
- Working Capital decreased and the operating cash flow increased during the quarter.

## 1 April – 31 December 2019

- We consistently continued our investments in innovation, international expansion and digitalization.
  - We launched several new product concepts within the PPE area (personal protective equipment).
  - Fireseal established a sales company on the US market to strengthen its local presence.
- We work hard to develop our companies and to increase the efficiency in a more decentralized structure.
  - In the long run this gives us possibilities to reach our financial targets even though the present profitability is far from our long term ambitions.
  - We will keep high focus on sales and prioritize our own proprietary brands and focus on activities to increase our profitability.
- Acquisitions remain an important part of our strategy for growth and 3rd of February VIP Safety was acquired.
  - The company is situated in Benelux and has an annual revenue of approximately MSEK 40 with a healthy profitability.
  - The acquisition is a part of our strategy to grow internationally with our own proprietary brands in the region.

## Building Materials

MSEK	Three months	Nine months	Year 18/19
Revenue	237	825	1,055
EBITA	-3	37	88
EBITA margin (%)	-1.3%	4.5%	8.3%



- In total the organic sales was lower than previous year with a low demand in both Sweden and Norway.
  - The phase out of a large chain store customer in Sweden effected the demand negatively.
  - A new contract was at the same time signed with another large chain store customer that more then compensates for the decrease in revenue.
  - The demand from our customers within the telecom and automotive industry continued to be weak.
- The gross margin is now back on the levels of last year.
- Measures to increase profitability continued which effected the costs negatively in the period with approximately MSEK 8.

# Workplace Safety

MSEK	Three months	Nine months	Year 18/19
Revenue	350	998	1,355
EBITA	18	66	118
EBITA margin (%)	5.1%	6.6%	8.7%



- A warm winter in combination with a lower demand in general from customers within both construction and industry sector effected the revenue negatively.
- The result was negatively effected by the launching costs for new products as well as establishing Guide as new legal entity.
- Measures to improve profitability continued and effected the costs with approximately MSEK 5.

## Tools & Consumables

MSEK	Three months	Nine months	Year 18/19
Revenue	402	1,185	1,579
EBITA	24	54	62
EBITA margin (%)	6.0%	4.6%	3.9%



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**LIMIT**  
measuring technology

**LUNA GROUP LINDAHL & NERMARK**

**MARELD**  
PRO LIGHTING\*

**TENG TOOLS**

**Luna**

**LIDÉN**  
WEIGHING

**UVECO**

**BELANO MASKIN AB**

- The business area developed according to plan, with several new customer contracts.
- Gross margin continued to develop in a positive way.
- The measures within Luna Group continues which effected the costs with approximately MSEK 2 in the period.