# BERGMAN & BEVING

## Presentation Third Quarter 2022/2023

**2023-02-03**

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# 1 April – 31 December 2022

## Third quarter – October 1 – December 31, 2022

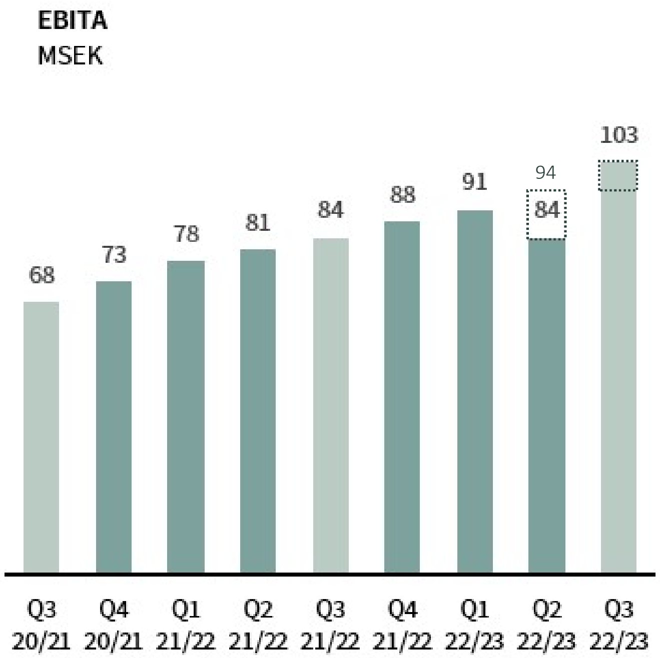
- Revenue rose by 7 % to 1,239 MSEK (1,163)
  - 4 % in local currency, 3 % organic decrease and 7 % increase by acquisition
  - Exchange-rate fluctuations had a postitive impact of 3 %
- EBITA increased by 23 % to MSEK 103 (84)
- EBITA margin improved to 8.3 % (7.2)
- All three divisions contributed to the earnings improvement
  - Majority of our 21 profit units improved the result
- Several of our companies won new contracts
- Luna Group – halted deliveries last quarter
  - The estimated effect on Q2 result was MSEK 10
  - Recovered approximately half of this during the quarter
- Aquired units contributed positively according to plan

## Nine months – April 1 – December 31, 2022

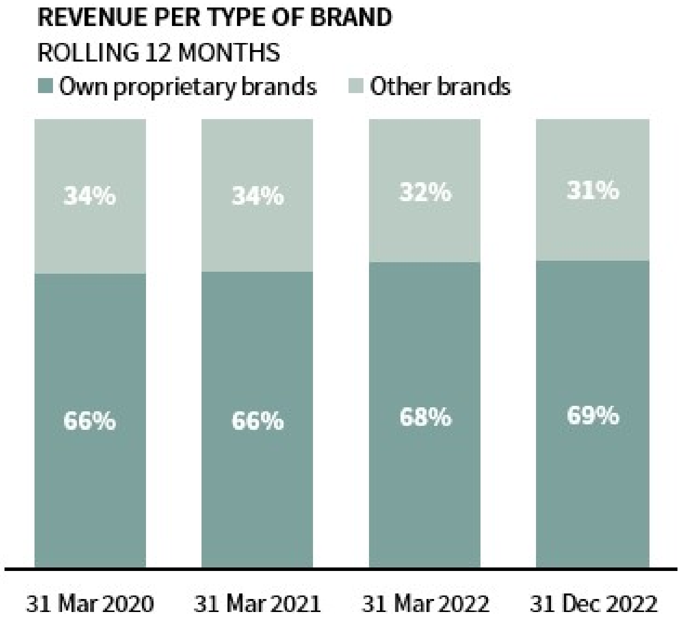
- Revenue increased by 4 % to MSEK 3,512 (3,370)
  - 1 % in local currency, 4 % organic decrease and 5 % increase by acquisition
  - Exchange-rate fluctuations had a positive impact of 3 %
- EBITA increased by 14 % till MSEK 278 (243)
- EBITA margin improved to 7.9 % (7.2)
- Earnings per share R12 months increased to SEK 7.90 (7.15)
- Three acquisitions have been carried out with a total annual revenue of approximately MSEK 200

# Historically high result

## Adjusted for 2:nd quarters extraordinary revenue loss, result has improved 12 quarters in a row




## Growth of own proprietary brand products



# Results per Business Area

# Building Materials – EBITA increased by 10 %

| MSEK | Three months | Nine months | FY 21/22 |
|---|---|---|---|
| Revenue | 298 | 997 | 1,340 |
| EBITA | 11 | 74 | 94 |
| EBITA margin (%) | 3.7 | 7.4 | 7.0 |


- Revenue increased 8 % and EBITA increased 10 % to MSEK 11 (10) in Q3
- Demand from construction customers remained stable with strong demand in Sweden and Norway
- Demand was weaker from customers in Finland, within Prefab as well as in the bricklaying and tiling segments
- ESSVE continued to increase its market share
- The companies within fire safety performed strongly in the quarter with approximately 50 % growth and healthy order book ahead of the fourth quarter

# Workplace Safety – EBITA increased 14 % and margin was 11.1 %

| MSEK | Three months | Nine months | FY 21/22 |
|---|---|---|---|
| Revenue | 442 | 1,231 | 1,633 |
| EBITA | 49 | 123 | 145 |
| EBITA margin (%) | 11.1 | 10.0 | 8.9 |

- Revenue MSEK 442 (452)
  - Low margin transactions were phased out, primarily within Skydda
- EBITA increased 14 % to MSEK 49 (43)
- EBITA margin increased to 11.1 % (9.5)
- Demand on personal protective equipment remained stable
  - Revenue negatively impacted by customers reductions of buffer inventories
  - Lower year-on-year winter sales
- Guide & Arbesko – new large customer agreements
- Fall protection and safety signs – continued strong growth during the quarter

# Tools & Consumables – EBITA increased 36 %

| MSEK | Three months | Nine months | FY 21/22 |
|---|---|---|---|
| Revenue | 509 | 1,314 | 1,641 |
| EBITA | 45 | 86 | 103 |
| EBITA margin (%) | 8.8 | 6.5 | 6.3 |

- Revenue increased 15 % to MSEK 509 (444)
  - Demand from industry customers was stable but customer reductions of inventory levels negatively impacted revenue
  - Luna continued its efforts to replace unprofitable volume products with products with higher added value
- EBITA increased 36 % to MSEK 45 (33)
- EBITA margin increased to 8.8 % (7.4)
- Most companies within the division continued to increase their earnings

# Future outlook

# MSEK 500 operating profit no later than FY 25/26 – Increase profitability, result and cash flow in all divisions

- Earnings growth ahead of revenue growth
  - Focus on deals with higher added value, down prioritizing deals with lower margins
- Cost savings through increased efficiency and profitability
  - Initiated cost saving measures has started to show result and during the quarter our companies implemented further measures
- Our companies continue to reduce inventory levels – expected cash flow effect first quarter next fiscal year
- Continue to acquire highly profitable companies in niche areas
  - Ambition to acquire four to six companies during the year remains
  - Financial strength, established relationships and the operational capacity