

# BERGMAN & BEVING

Presentation – Year End Report 2019/2020

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# Introduction

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# Bergman & Beving develops, designs and acquires strong products and 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

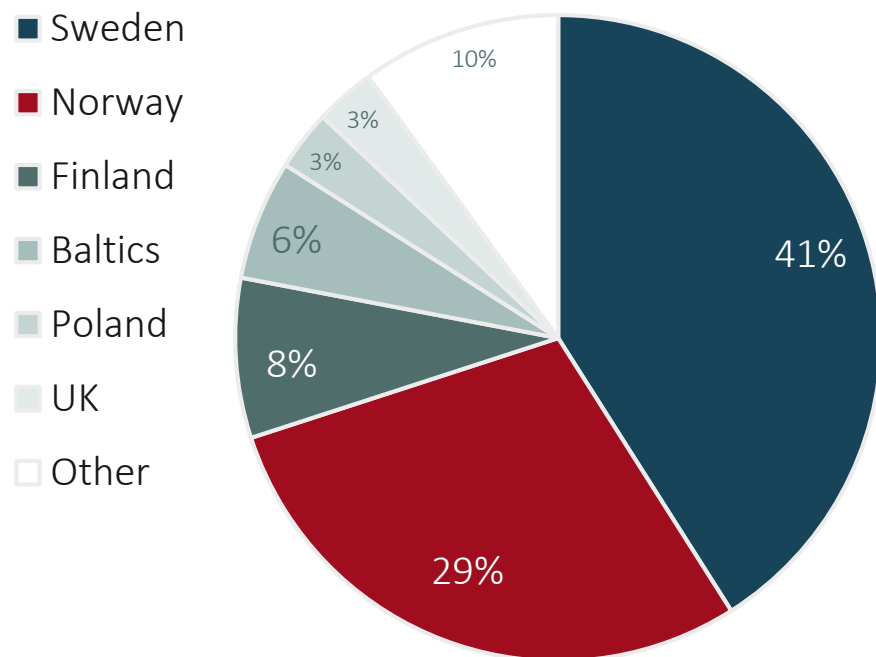
## Tools & Consumables



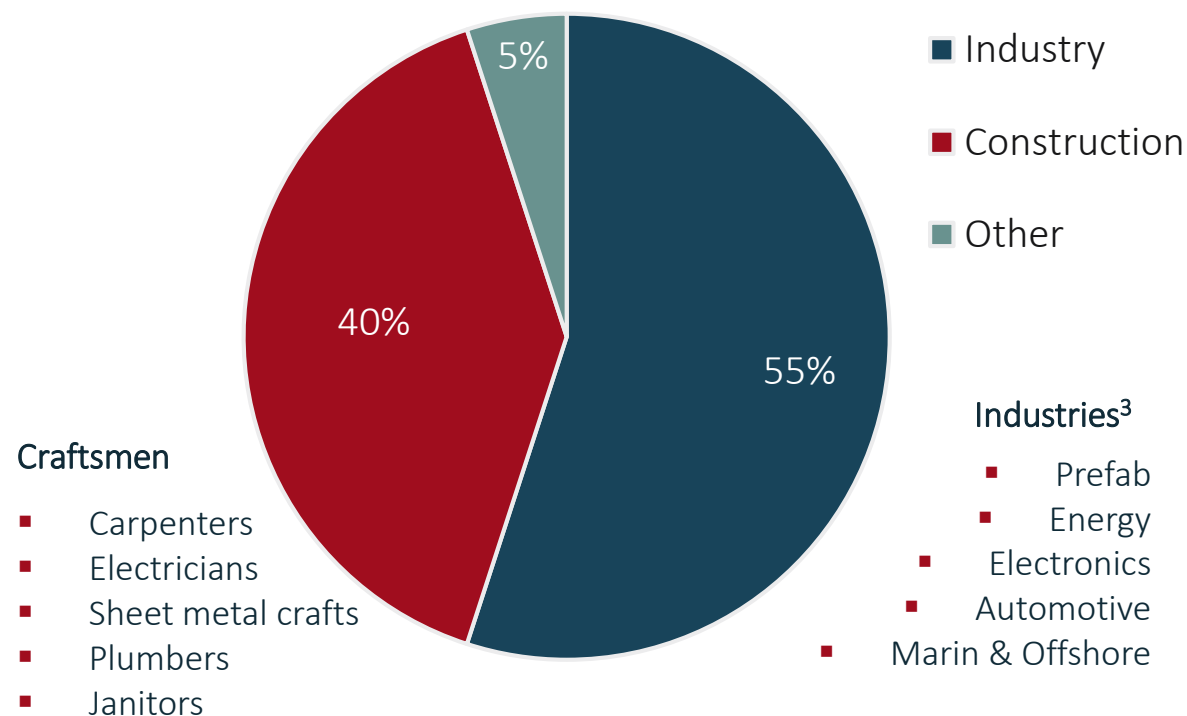
- Own proprietary brands 40%
- Market leading distributor in the Nordics of tools and consumables (Luna)
- Strong position in hand tools as well as tools and machinery used by sheet metal craftsmen

# 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.

# Year End Report 2019/2020

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# 1 April – 31 March 2020

## Fourth quarter

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- Revenue increased by 10 percent and amounted to MSEK 1,090 (995).
  - Comparable units in local currency increased by 2%
  - Acquisitions increased revenue by 9%
  - Exchange-rate fluctuations had a negative impact of 1%
- EBITA amounted to MSEK 57 (57) and was charged with restructuring expenses of MSEK 18.
  - EBITA excluding restructuring expenses amounted to MSEK 75 (57)
  - EBITA margin excluding restructuring expenses amounted to 6.9% (5.7)

## 12 months

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- Revenue increased by 3 percent and amounted to MSEK 4,060 (3,945).
  - Comparable units in local currency decreased by 3%
  - Acquisitions increased revenue by 6%
  - Exchange-rate fluctuations did not impact
- EBITA amounted to MSEK 208 (249) and was charged with restructuring expenses of MSEK 41.
  - EBITA excluding restructuring expenses amounted to MSEK 249 (249)
  - EBITA margin excluding restructuring expenses amounted to 6.1% (6.3)

## 1 April – 31 March 2020

- The year concluded with a healthy sales trend and Bergman & Beving reported its highest invoicing yet for a single quarter.
    - The revenue increased by 10 percent and after adjustments for acquisitions and currency effects the revenue increased by 2 percent.
  - Earnings were on a par with the preceding year and adjusted for items affecting comparability, earnings and the operating margin improved significantly.
  - The Covid-19 pandemic impacted the operations in a number of ways, with varying demand from our customers.
    - The demand from construction-related customers was relatively stable while demand from industry-related customers demonstrated a downward trend towards the end of the quarter.
    - At the same time, the demand for personal protective equipment was very strong and some of the companies have assisted the authorities with both purchasing and temporary deliveries of personal protective equipment.
  - Under the circumstances, our normal supplies have functioned smoothly without major disruptions in deliveries to our customers.
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## 1 April – 31 March 2020

- The previously announced measures for increased efficiency were carried out according to plan and are now implemented.
    - The measures have primarily consisted of staff reductions.
    - Costs connected to the implementation of the measures effected the result negatively in the quarter with approximately MSEK 18.
  
  - To mitigate the negative effects of reduced demand as a result of the Covid-19 pandemic and to adapt the business to new market conditions, the efficiency measures have been strengthened further.
    - The Group's decentralised business model means that each company prepares measures that are suited for its particular operations.
    - The measures are decided and implemented gradually in each company depending on how the market and the situation changes.
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## 1 April – 31 March 2020

- During a year marked by restructuring, we continued in parallel to make future-oriented investments in product development, sales and marketing of our strong brands.
    - The share of proprietary product brands increased to 66 percent, both as a result of organic improvements and through acquisitions.
  - Acquisitions remain an important part of our strategy for growth and five acquisitions were completed totalling approximately MSEK 270 in annual business volume.
  - The Covid-19 pandemic has created new uncertainty in the market.
    - We will maintain a high focus on the business and hard work, with initiatives to improve profitability and our efficiency in a more decentralised structure.
    - Ultimately, this will create the conditions to achieve our financial targets, even if our current profitability is far below our long-term goal.
  - The Group's financial position remains strong and we have a healthy level of financial readiness to address both challenges and opportunities.
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## Building Materials

MSEK	Three months	12 months	Year 18/19
Revenue	318	1,143	1,055
EBITA <sup>1</sup>	24	73	88
EBITA margin (%) <sup>1</sup>	7.5	6.4	8.3

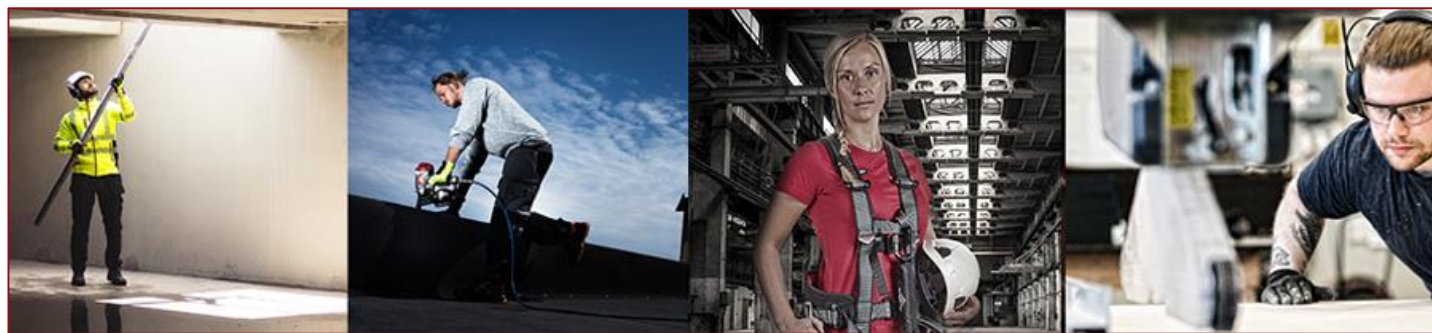


- The construction season had a strong start and the demand in Sweden and Norway during the first months of the quarter was higher than in the preceding year.
- The shutdown in Norway due to the Covid-19 pandemic had a negative effect on demand.
- The demand from customers in the telecom and automotive industries was substantially lower due to the Covid-19 pandemic.
- Efficiency measures to improve profitability were completed, which negatively impacted earnings for the period in an amount of approximately MSEK 8 and MSEK 20 for the full year.

Note: 1) Underlying excluding costs for efficiency measures.

# Workplace Safety

MSEK	Three months	12 months	Year 18/19
Revenue	403	1,401	1,355
EBITA <sup>1</sup>	36	109	118
EBITA margin (%) <sup>1</sup>	8.9	7.8	8.7



- The underlying demand for personal protective equipment was strong despite the negative effect of a mild winter.
- During the end of the quarter, some of the companies assisted the authorities with both purchasing and temporary deliveries of personal protective equipment to best meet needs in society arising from Covid-19.
- Efficiency measures to improve profitability were completed, which negatively impacted earnings for the period in an amount of approximately MSEK 7 and MSEK 14 for the full year.

Note: 1) Underlying excluding costs for efficiency measures.

## Tools & Consumables

MSEK	Three months	12 months	Year 18/19
Revenue	380	1,565	1,579
EBITA <sup>1</sup>	22	80	62
EBITA margin (%) <sup>1</sup>	5.8	5.1	3.9

- Companies in the division initially developed according to plan, but in the end of the quarter they faced significantly reduced demand due to the Covid-19 pandemic.
- Efficiency measures at the subsidiary Luna negatively impacted earnings for the period in an amount of approximately MSEK 3 and MSEK 7 for the full year.
- Additional measures were initiated to adapt the business to the market situation.



MILLER'S  
BESLAG SEDAN 1903



LUNA GROUP LINDAHL & NERMARK

MARELD  
PRO LIGHTING\*



Luna

LIDÉN  
WEIGHING

UVECO

BELANO MASKIN AB

Note: 1) Underlying excluding costs for efficiency measures.