BERGMAN & BEVING

Interim Report
1 April – 30 June 2024

16 July 2024

Magnus Söderlind – CEO
Peter Schön - CFO

HIGHLIGHTS
First Quarter 2024/2025

Improved results, profitability and cash flows

- **New division names** mark our expanded acquisition strategy
- **Acquisition ambition is unwavering**
  - One acquisition in the first quarter – one after the period

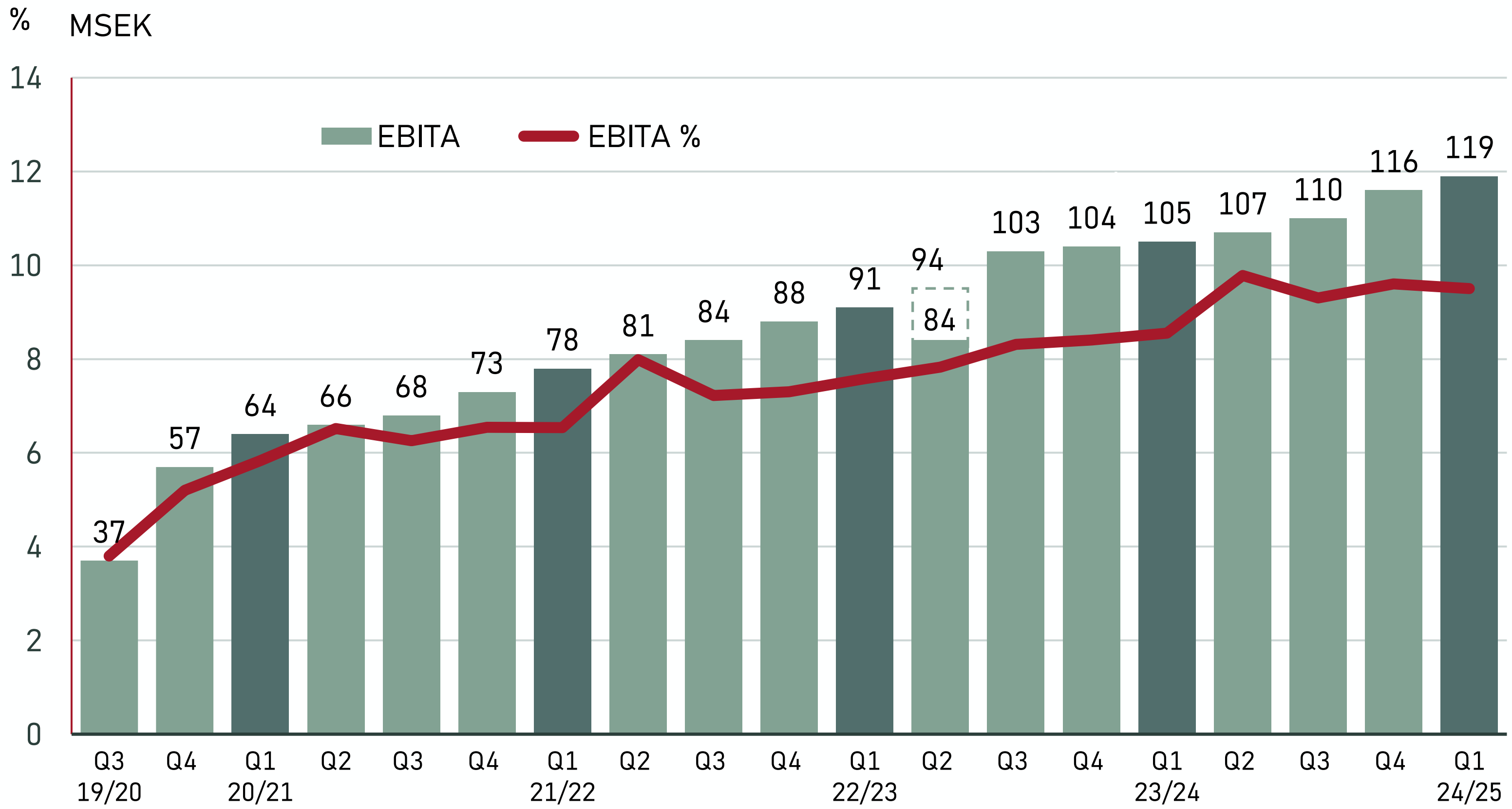
- **Revenue increased** by 2% to MSEK 1,253 (1,228)
- **Gross margin** continued to **strengthen** to 47% (46%)
- Continued cost control – **organic cost decreased**
- **EBITA increased** by 13% to MSEK 119 (105)
- The **EBITA margin improved** to 9.5% (8.6)
- **EBT increased** by 19% to MSEK 74 (62)
- **Profitability (P/WC) increased** to 27% (22)
- **Solid cash flow** from operating activities – MSEK 194 (179)

ACQUISITIONS

		Division	Annual Revenue MSEK	EBITA %	P/WC %	
Q1	Maskinab	Industrial Equipment	35	>15	>45	
Q2	Spraylat	Core Solutions	40	>15	>45	
	Total		75			

18 CONSEQUTIVE QUARTER WITH EBITA INCREASE

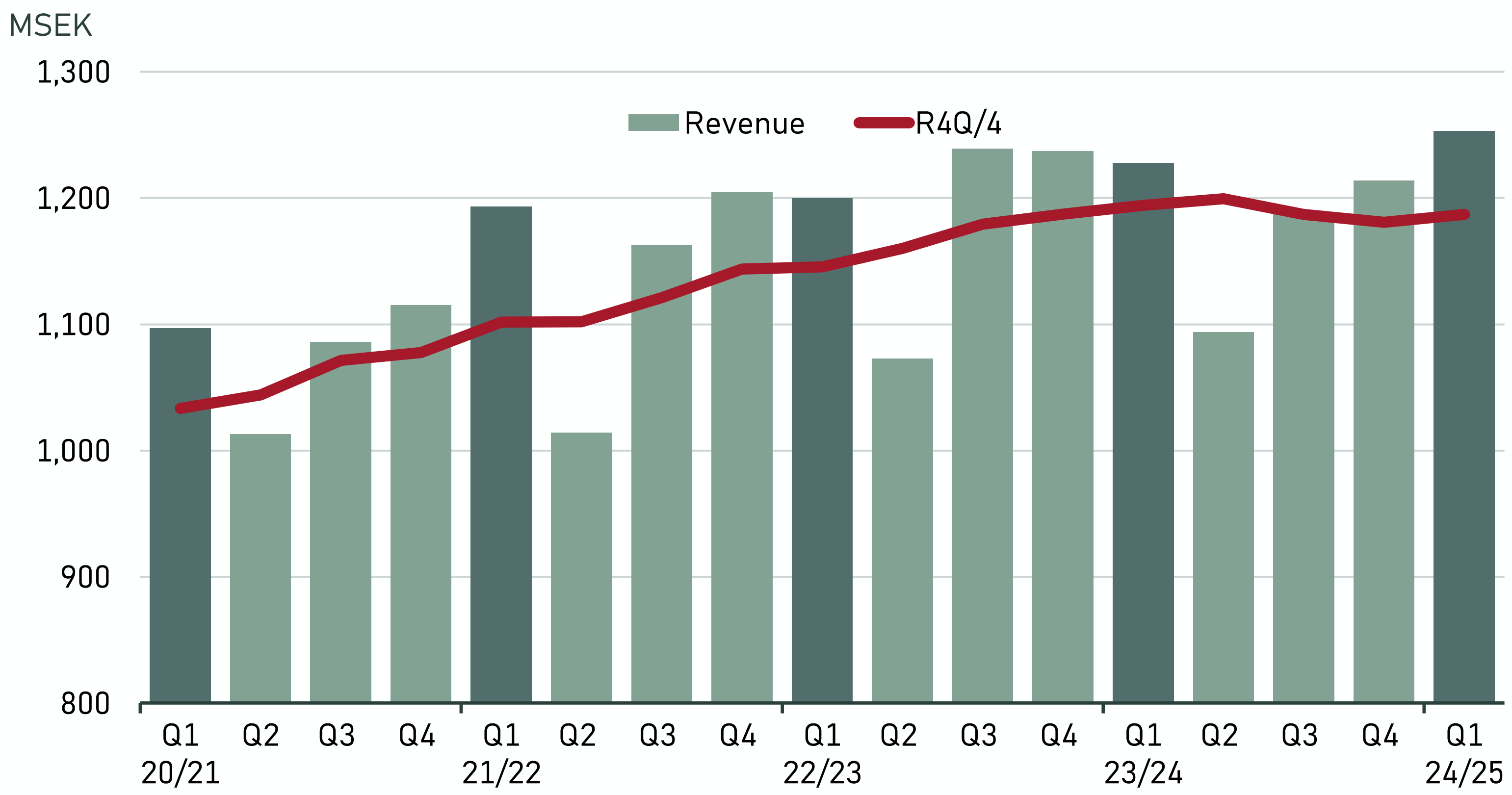
EBITA per quarter



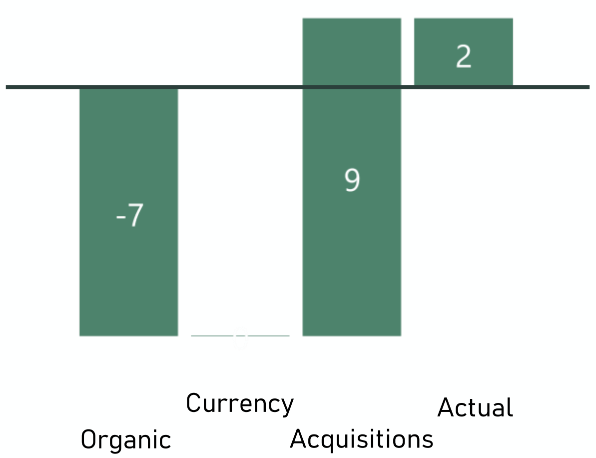
- **EBITA increased by 13 percent** to MSEK 119 (105)
  - **CAGR 30% EBITA** 18 quarters
- **EBITA margin improved to 9.5 percent** (8.6)
  - **EBITA margin improved ~1% PA**

FOCUS ON HIGH MARGIN BUSINESSES COMBINED WITH A WEAKER UNDERLYING MARKET

Revenue per quarter

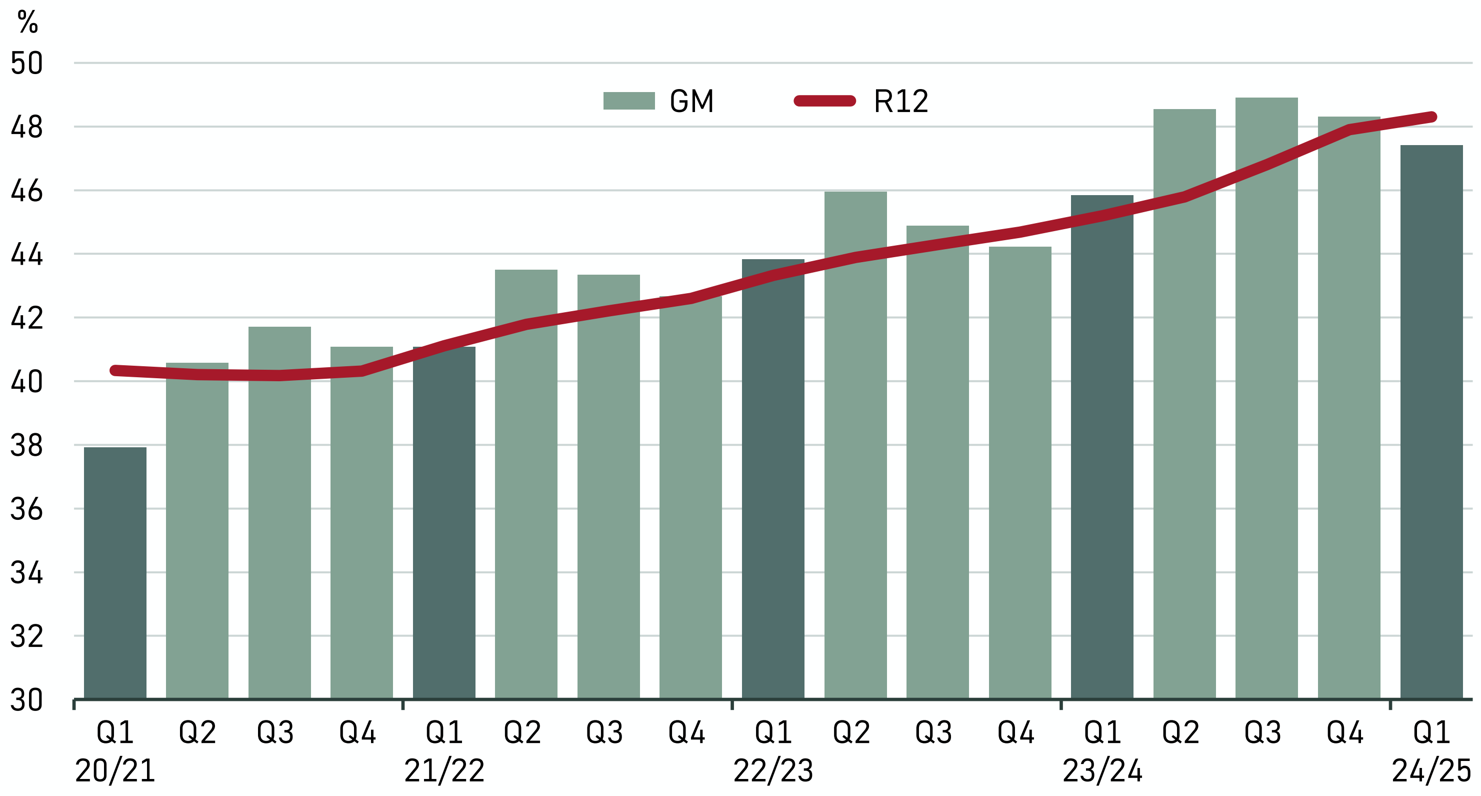


Quarterly Revenue Growth, %



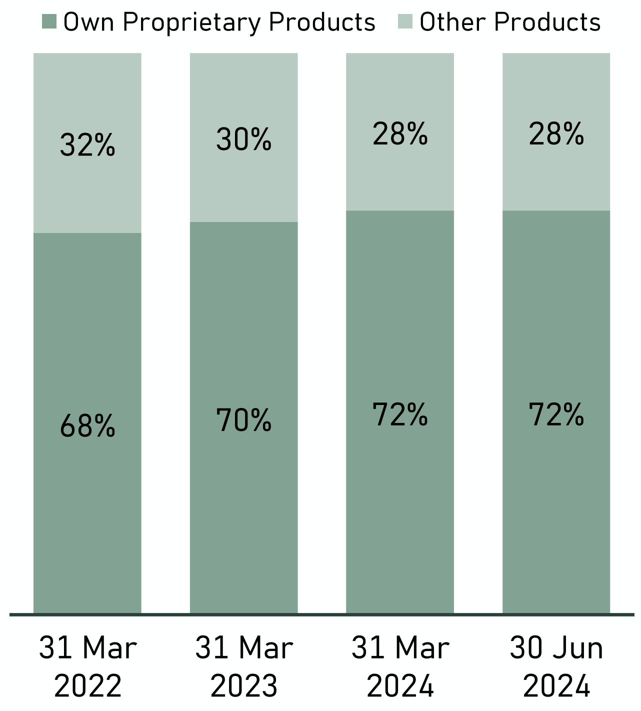
IMPROVED GROSS MARGIN

Gross margin per quarter

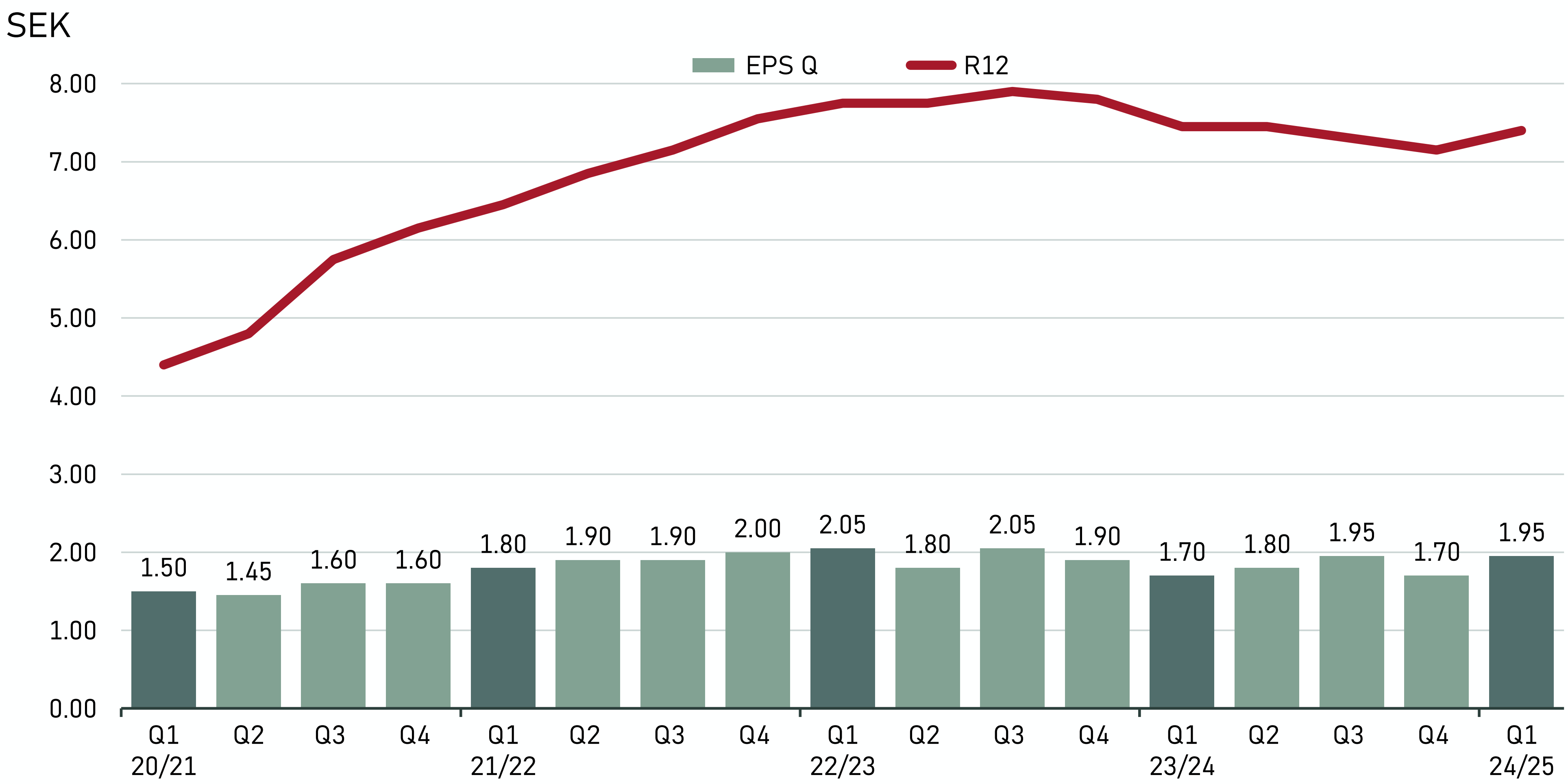


Revenue per type of products

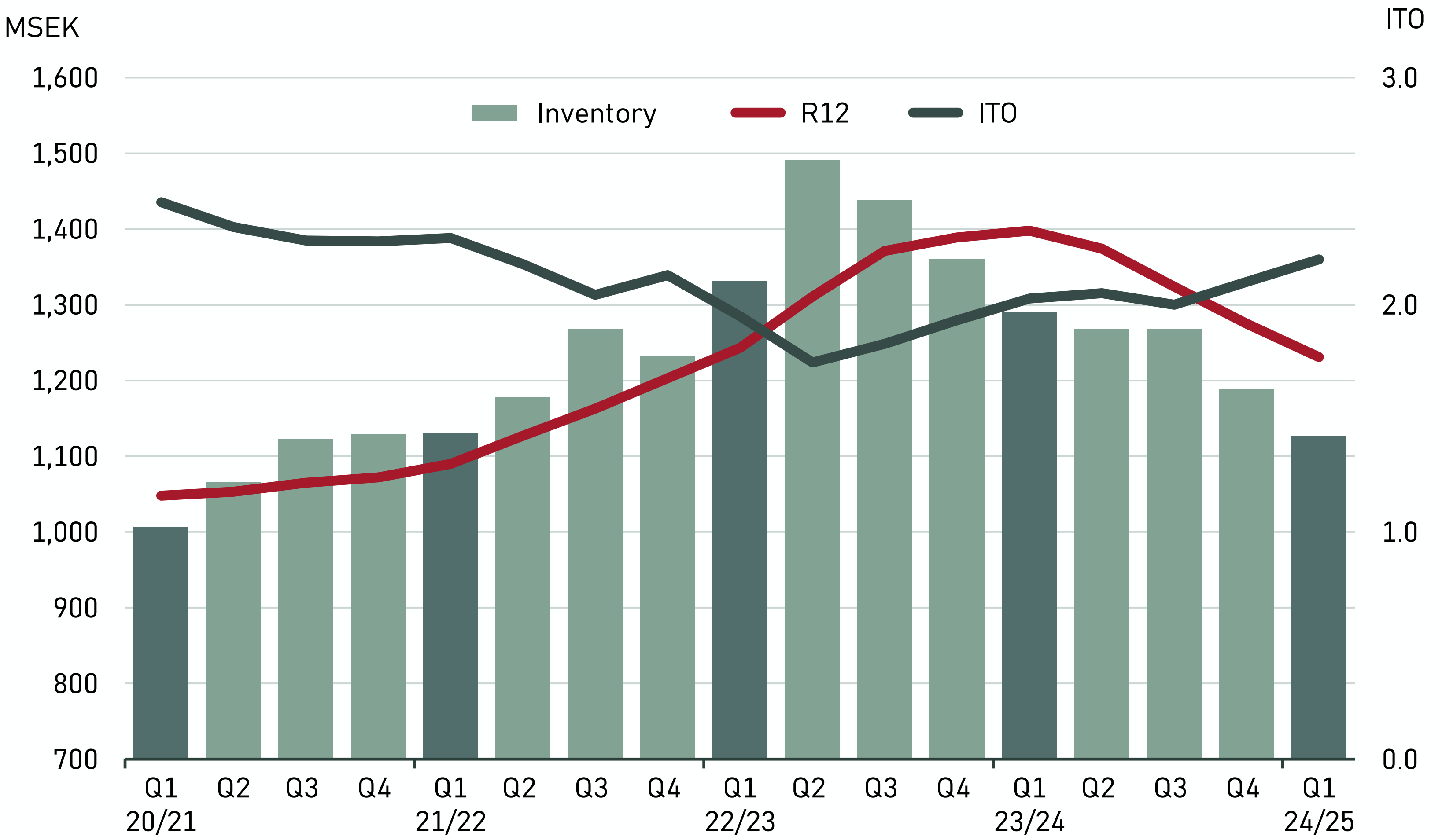
Rolling 12 months



EARNINGS PER SHARE

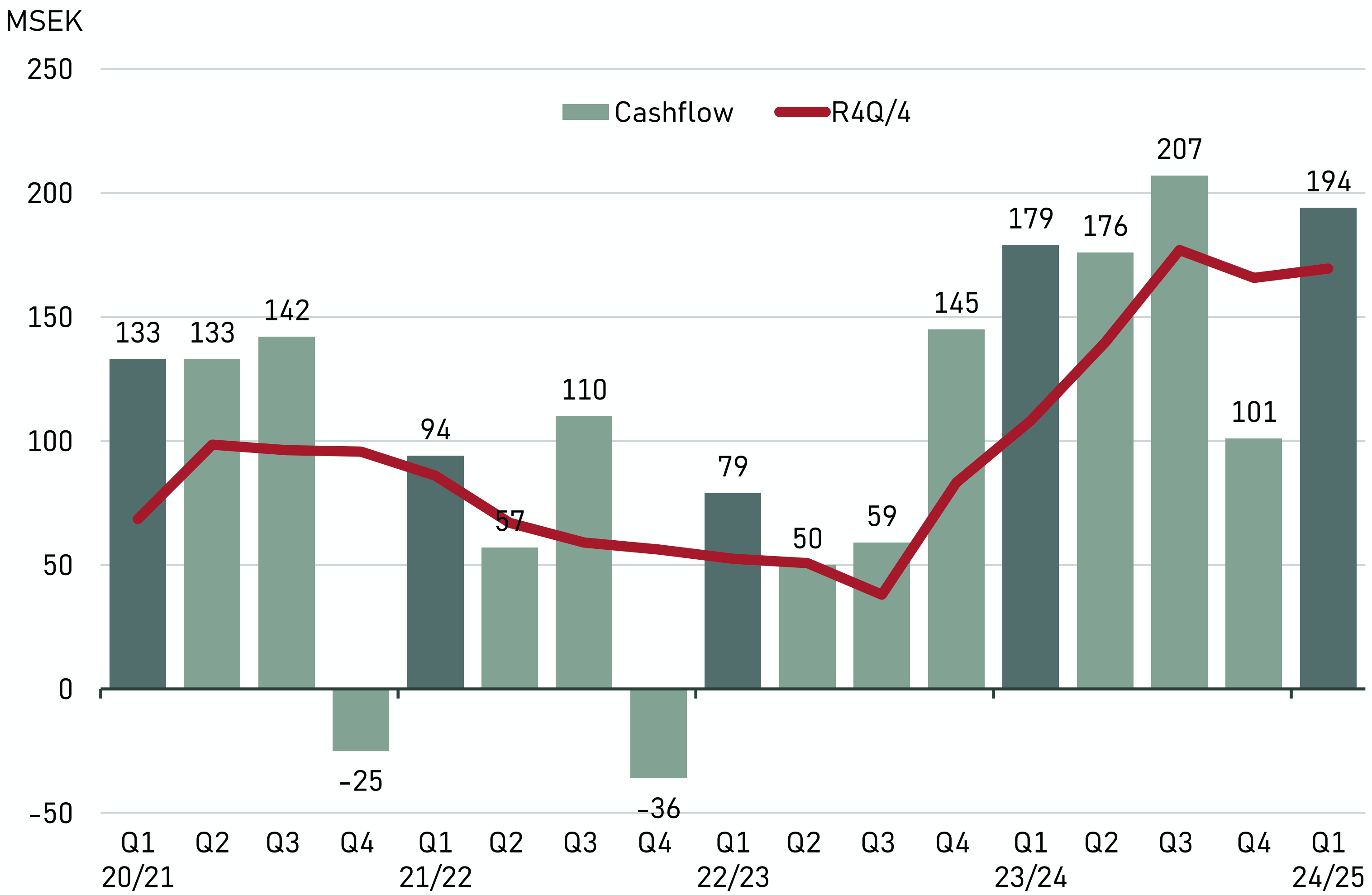


INVENTORY



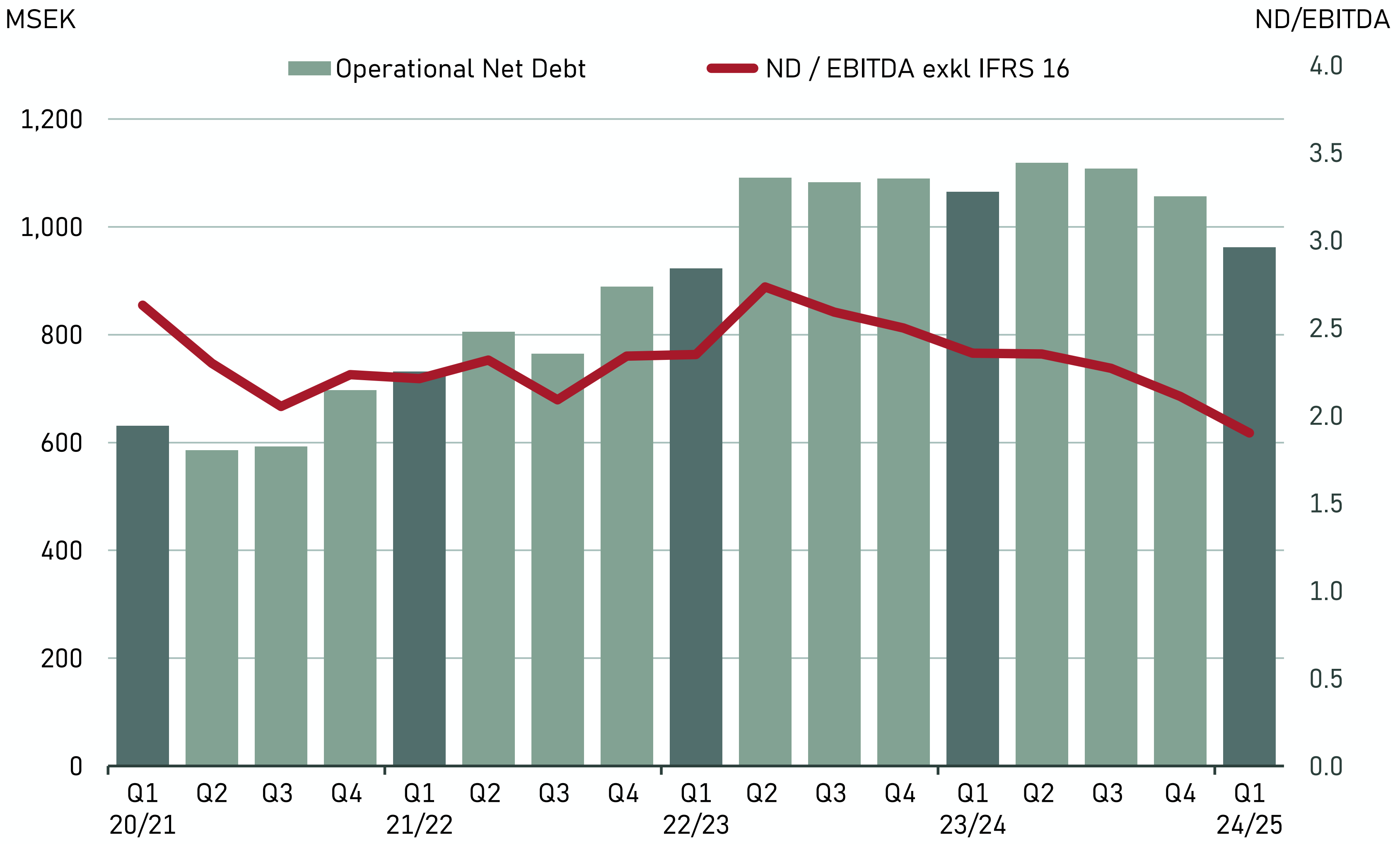
- **Inventory** amounted to MSEK 1,127 (1,291)
- **Organic** inventory reduction (230 MSEK R12)
  - Covid Safety stock
  - Decrease High volume low margin business
  - Improved product mix
- **ITO still not on “pre covid levels”**
- **Reduction will continue but in lower pace**

CASH FLOW FROM OPERATING ACTIVITIES



- **Cash flow** from operating activities **MSEK 194 (179)**
- **Improved profitability**
- **Reduced inventory levels**

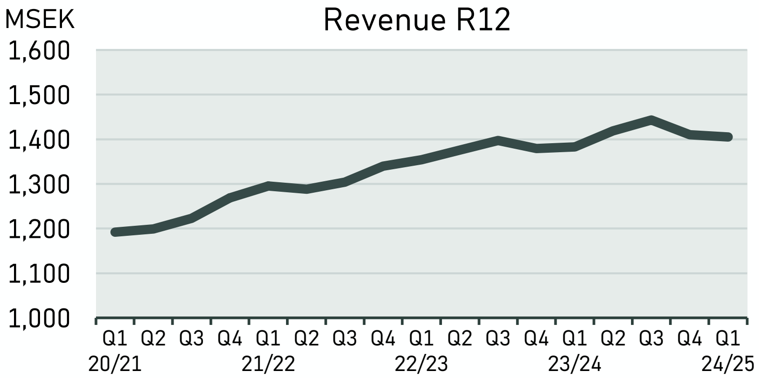
NET DEBT

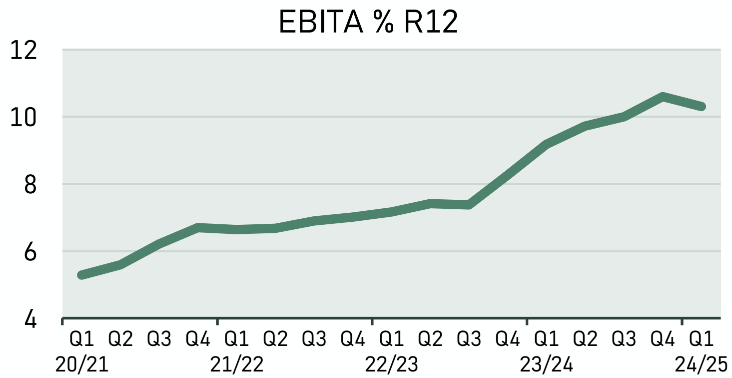


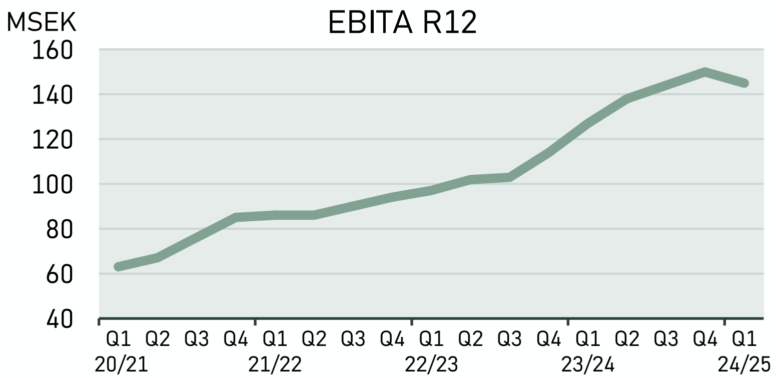
- **Operational net debt** MSEK 962 (1,065)
- **Net Debt/EBITDA** continues to decrease
- Strong underlying **cash flow**
- **Acquisition** target remains intact

Core Solutions (ex Building Materials)
Demand effects

- Several companies faces a **weaker demand including Essve**
- Newly acquired **Itaab** and **Elkington strong top line growth**
- **Acquired Spraylat** July 1
- **Revenue** MSEK 388 (393)
- **EBITA** MSEK 45 (50)
- **EBITA margin** 11.6 percent (12.7)



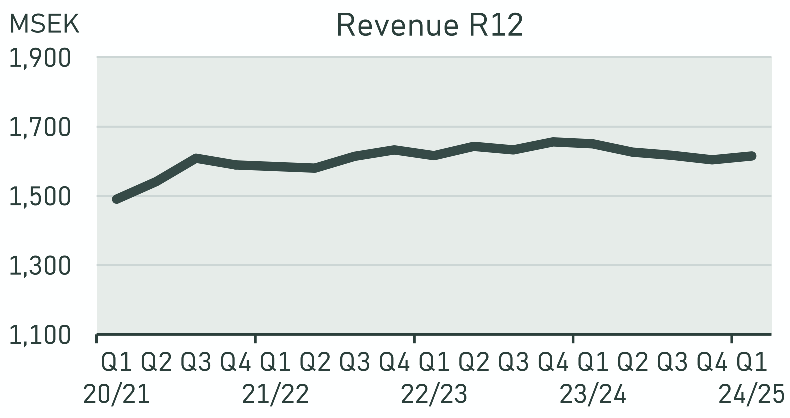


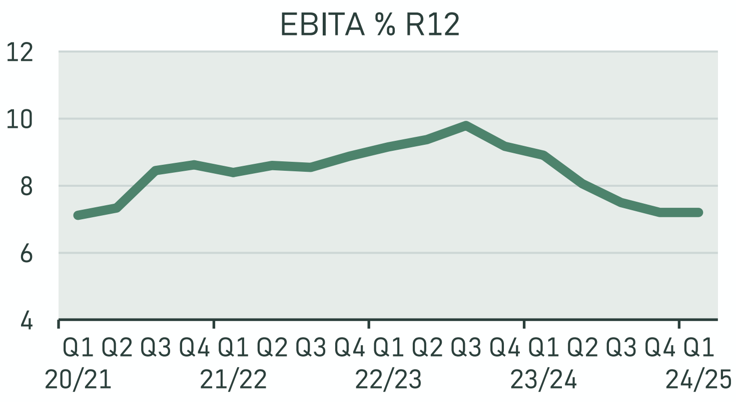


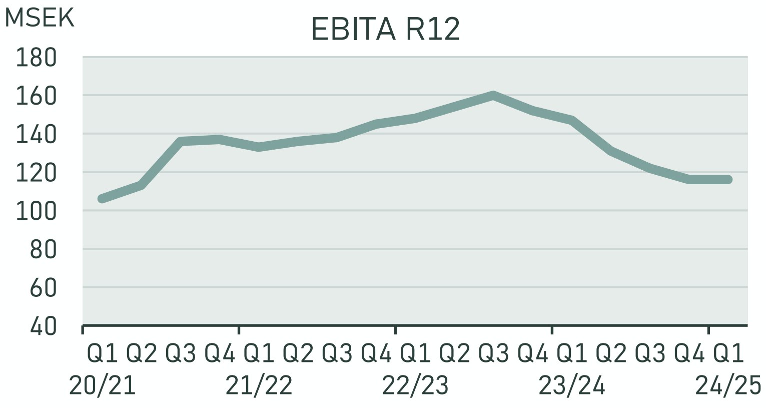
Safety Technology (ex Workplace Safety)
On par with last year

- **Five out of seven increase profits**
- **Skydda efficiency measures** and **product phase out** have effects but **underlying market slow**
- **Revenue** increased by 3 percent to MSEK 416 (405)
- **EBITA** MSEK 34 (34)
- **EBITA margin** 8.2 percent (8.4)

CRESTO GROUP EXPECT MORE
SIS GROUP SAFETY & INDUSTRIAL SIGNAGE
ateco
GUIDE THE RIGHT GLOVES
ARBESKO Skomakare sedan 1839
SKYDDA PROTECTING PEOPLE
ZEKLER

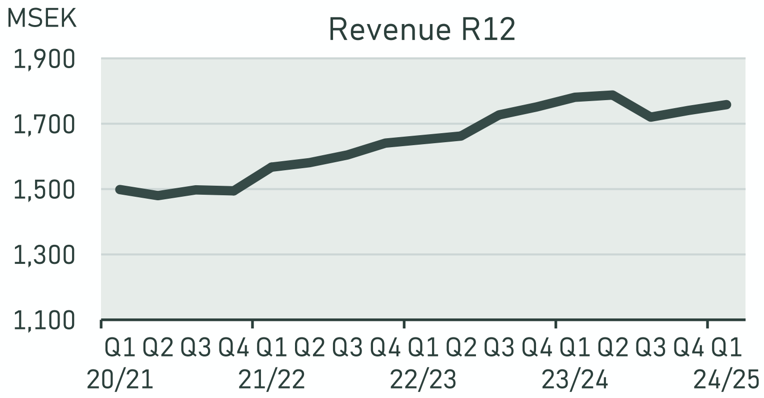


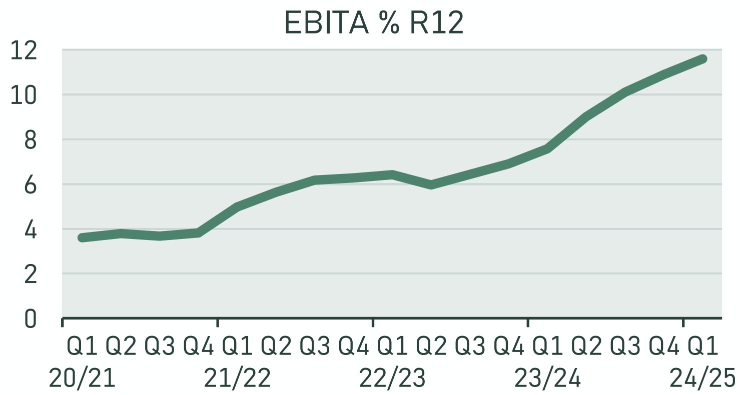


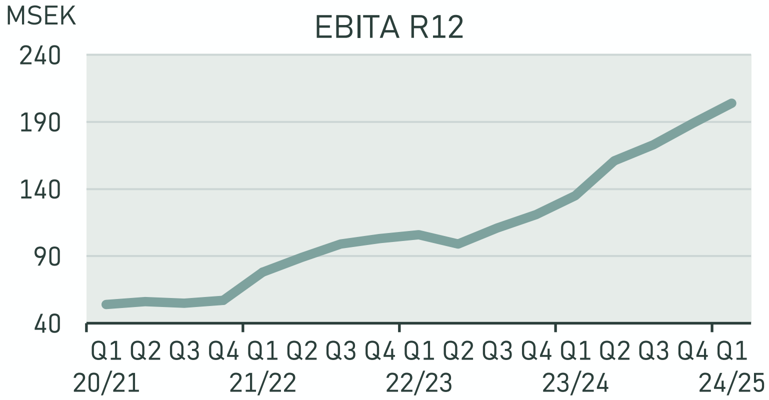


Industrial Equipment (ex Tools & Consumables)
All-time-high result

- **Nordic industry customers demand stabile** but on a **lower level**
- The profit and margin improvement is primarily related to acquired companies
    - **Maskinab** acquired April 1
- **Luna efficiency measures** and **product phase out** have effects but **underlying market slow**
- **Revenue** increased by 4 percent to MSEK 457 (439)
- **EBITA** increased by 48 percent to MSEK 46 (31)
- **EBITA margin** 10.1 percent (7.1)







GROUP TARGETS

EBIT	**500 MSEK** latest FY2526
EBIT-margin	**>10%** latest FY2526
P/ WC	**45%** latest FY2627
30–50%	DIVIDEND SHARE NET PROFIT

"500/ten/45"

50–80	COMBINED ANNUAL EARNINGS MSEK ACQUISITIONS PA
75%	PERCENTAGE OWN PRODUCTS latest FY2526

HOW TO REACH ‘500/ten/45’

WHAT WE ALWAYS DO

- **Profit expansion over revenue expansion**
- **B&B Focus Model** steering capital allocation
- **Company-by-company strategy, goals and activities**
- Group support – **B&B Tool Box**
- **Acquisition** of highly profitable B2B companies with leading position in expansive niches

CURRENT GROUP THEMES

- **Strengthen Cash Flow**
  - **Stock** (ITO) back to ‘pre-corona’ levels
  - Cautious **asset investments**
- **Tight Cost Control** (COS%)
- **Gross margin protection**

Contact

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Calendar

29 August 2024
Annual General Meeting 2024

23 October 2024
Interim Report 1 April – 30 September 2024

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