BERGMAN & BEVING

Interim Report
1 April 2023 – 31 March 2024

15 May 2024

Magnus Söderlind – CEO
Peter Schön - CFO

HIGHLIGHTS
Fourth Quarter 2023/2024

- **Positive earnings trend continues, despite deteriorating market conditions**
- **Strong development in two out of three divisions**
- **No acquisition in the fourth quarter – one after the period**

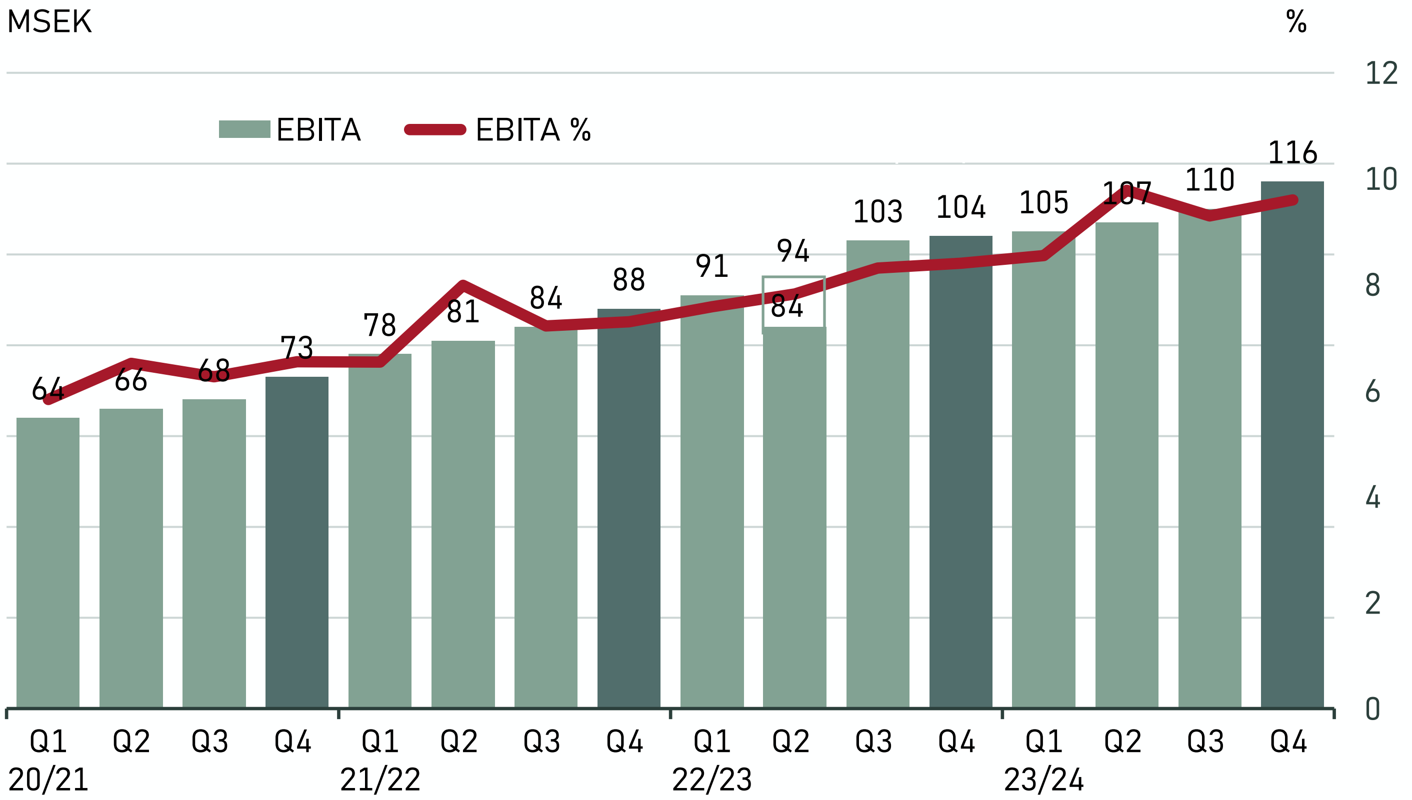
- **Revenue** MSEK 1,214 (1,237)
- **Gross margin** continued to strengthen to 48% (44%)
- Efficiency measures continues to **lower cost**
- **EBITA increased** by 12% to MSEK 116 (104)
- The **EBITA margin** improved to 9.6% (8.4)
- EBT amounted to MSEK 65 (69)
- **Solid cash flow** from operating activities – MSEK 101 (145)

ACQUISITIONS
1 April 2023 – 31 March 2024

		Division	Annual Revenue MSEK	EBITA %	P/WC %
Q1	Tema Norge	TC	45	>15	>45
	Elkington	BM	40	>15	>45
Q2	Itaab	BM	75	>15	>45
	Sandbergs	TC	60	>15	>45
Q3	Ateco	WS	50	>15	>45
	Orbital Fabrications	TC	180	>15	>45
Q4					
	Total		**450**		

CONTINUED POSITIVE EBITA TREND

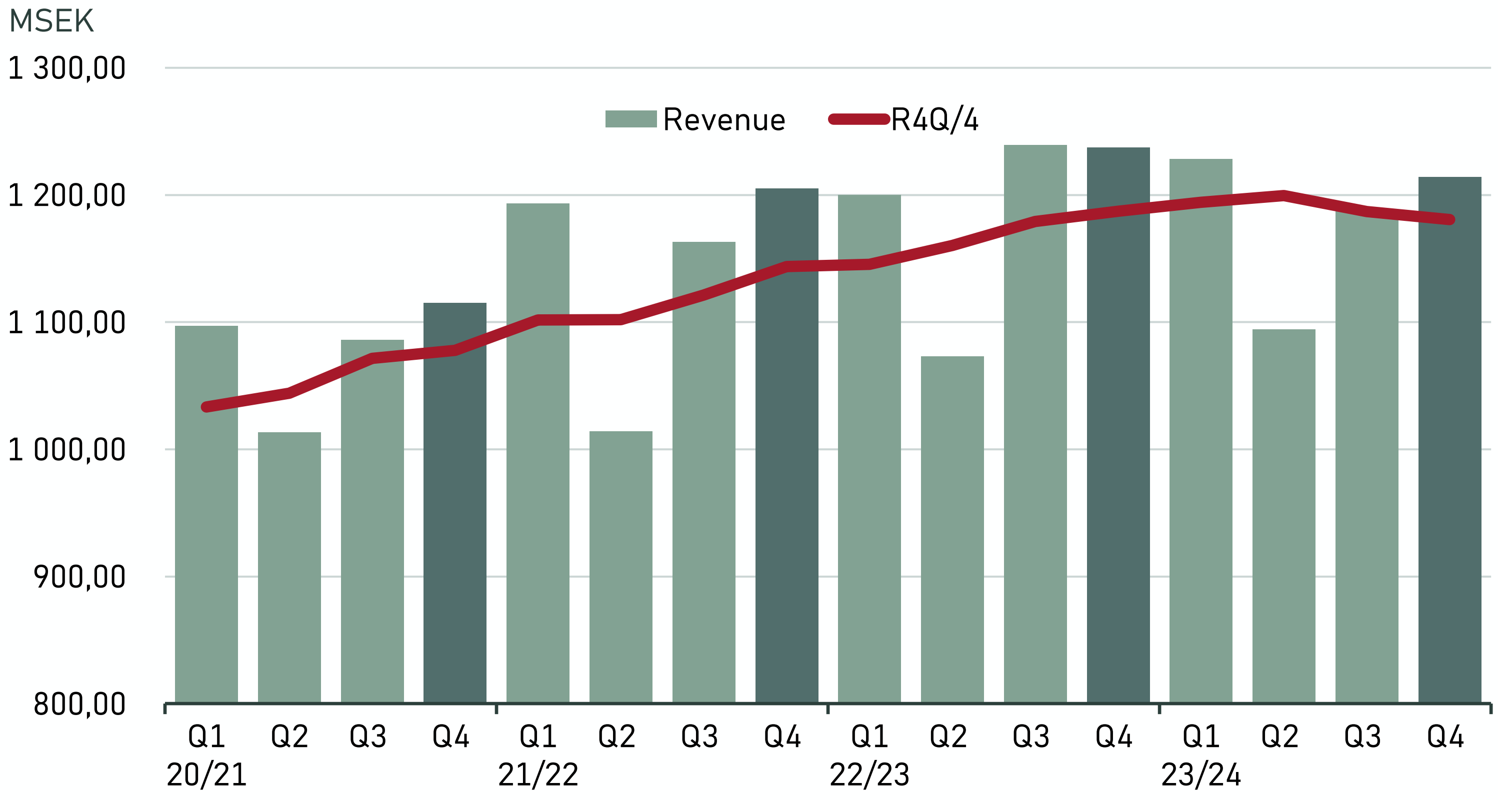
EBITA per quarter



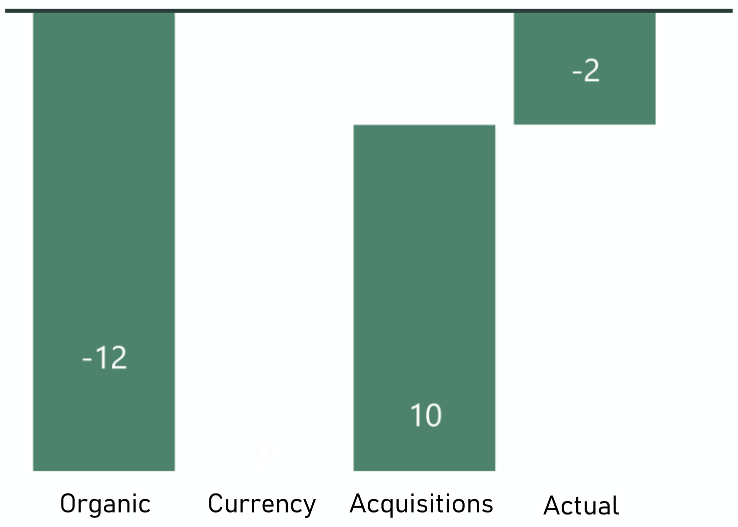
- **EBITA increased by 12 percent** to MSEK 116 (104)
- **EBITA margin improved to 9.6 percent** (8.4)
- **Improved Gross Margin 4 percentage units**
- **Organic expenses decreased**

REVENUE DEVELOPMENT REFLECTS A FOCUS ON HIGH MARGIN BUSINESSES COMBINED WITH A WEAKER UNDERLYING MARKET

Revenue per quarter

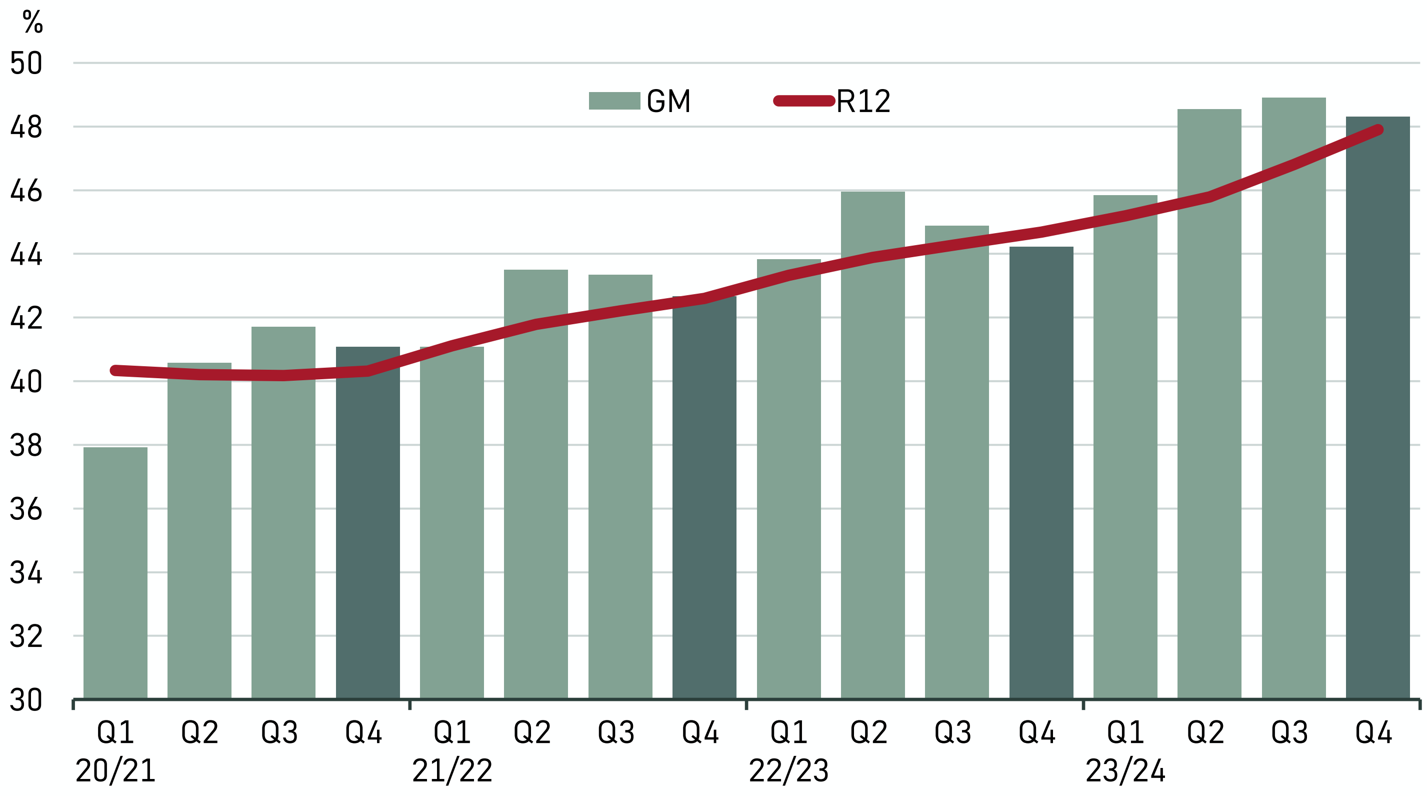


Quarterly Revenue Growth, %



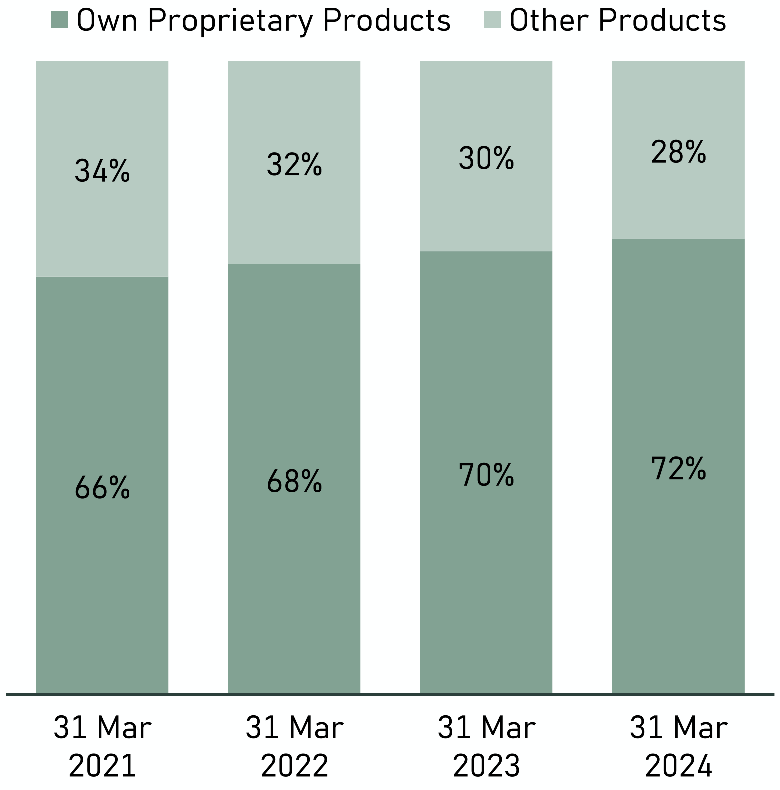
IMPROVED GROSS MARGIN

Gross margin per quarter

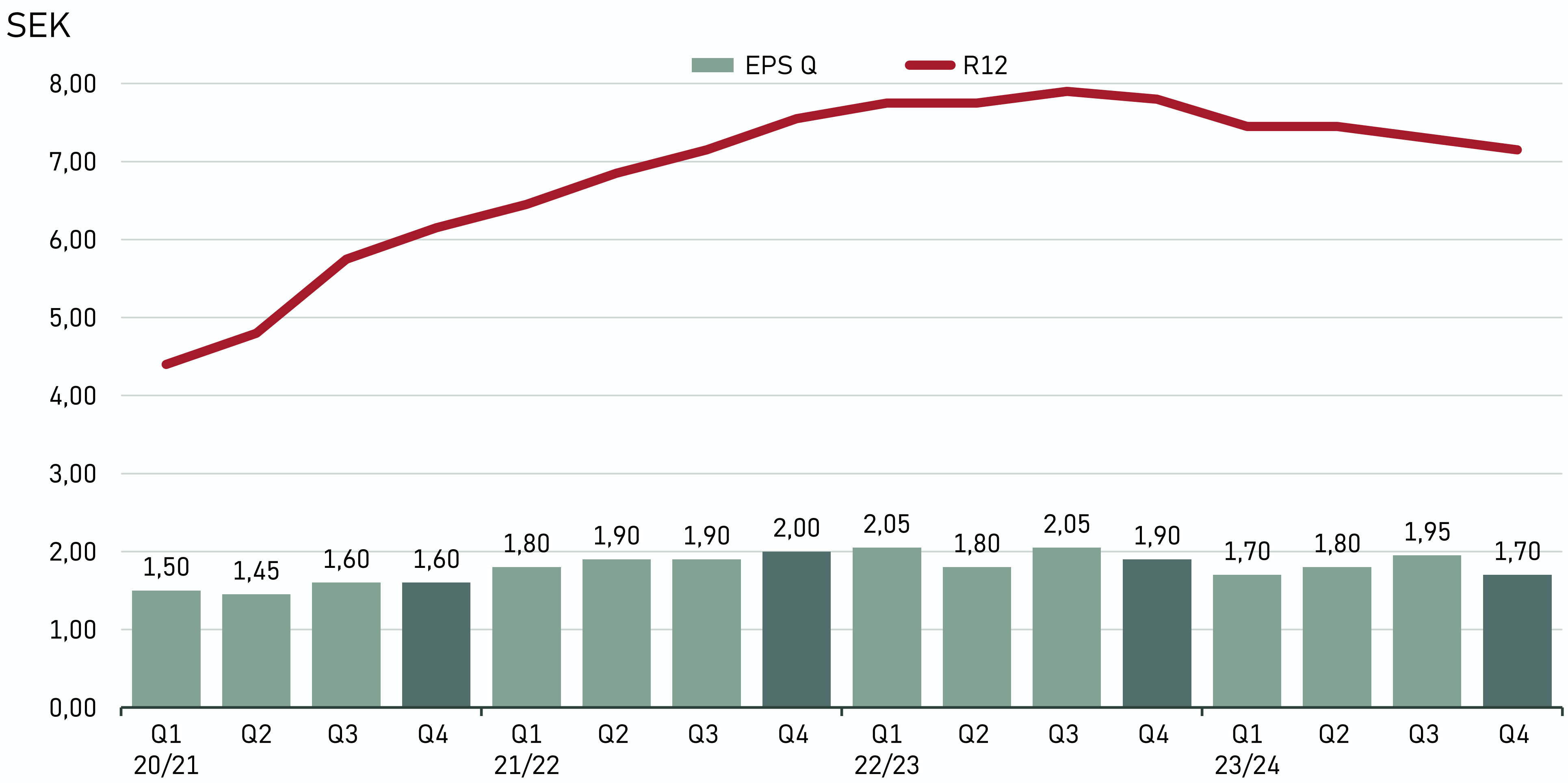


Revenue per type of products

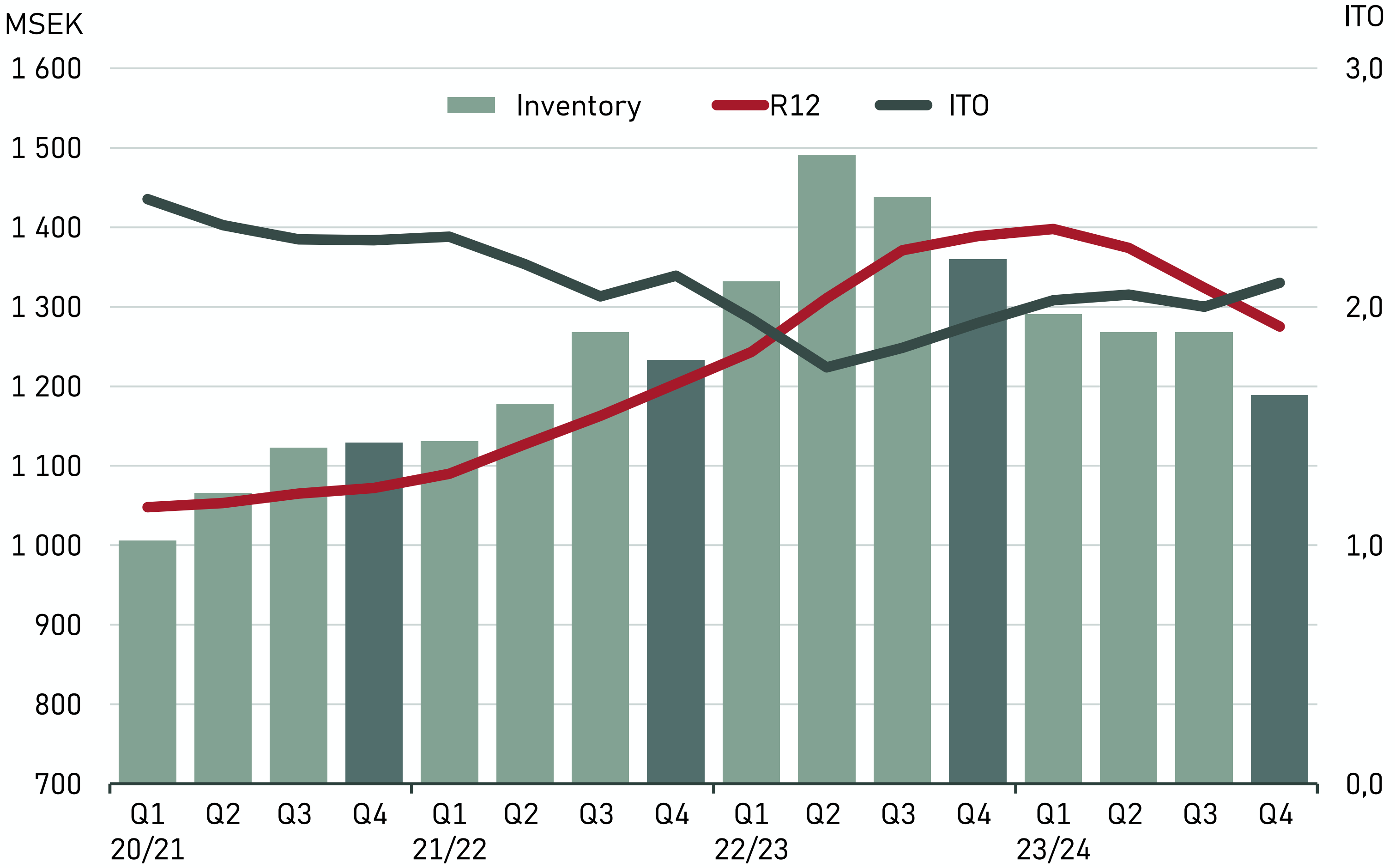
Full-year



EARNINGS PER SHARE

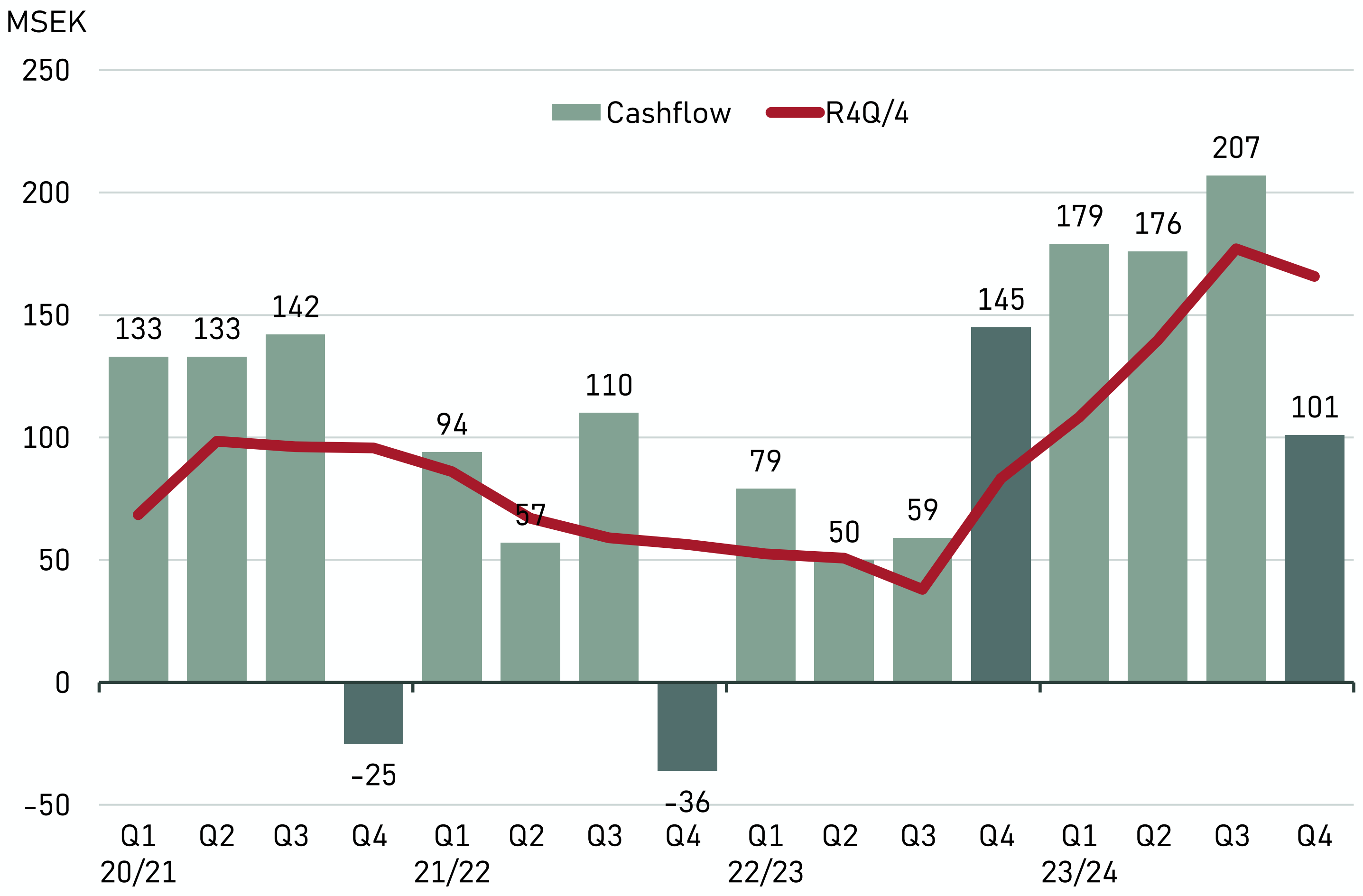


INVENTORY



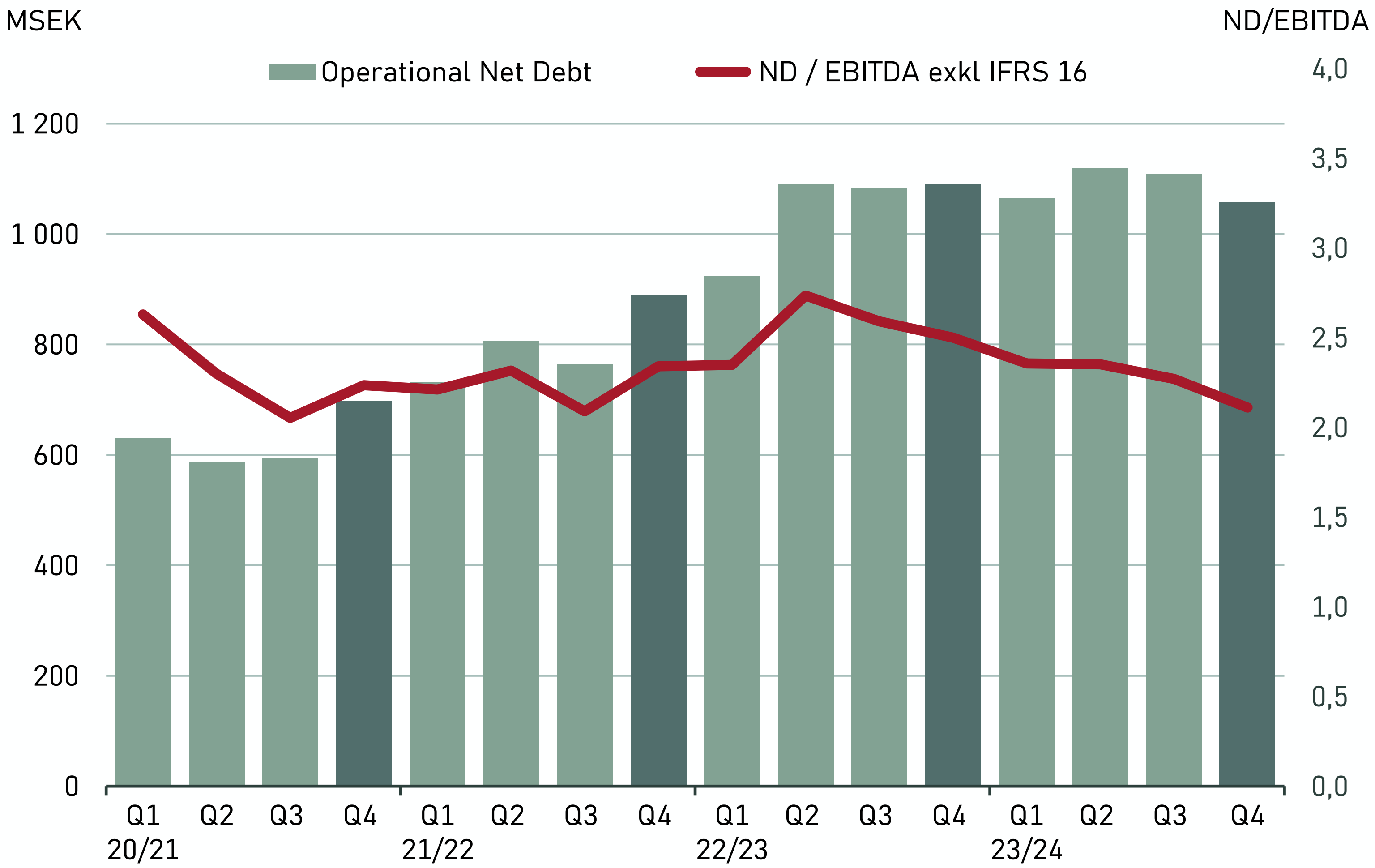
- **Inventory** amounted to MSEK 1,189 (1,360)
- **Decreased safety stock**
- **Decreased High volume – Low margin business**
- **Improved product mix** and **streamlining assortment in all companies**
- **ITO increased** despite decreased revenue
- **Organic Stock level** well below 20/21
- **ITO still not on "pre covid levels"** effected by pruning high volume low margin business

CASH FLOW FROM OPERATING ACTIVITIES



- **Cash flow** from operating activities **MSEK 101 (145)**
- **Seasonally weak Q4**
- **Improved profitability**
- **Reduced inventory levels**

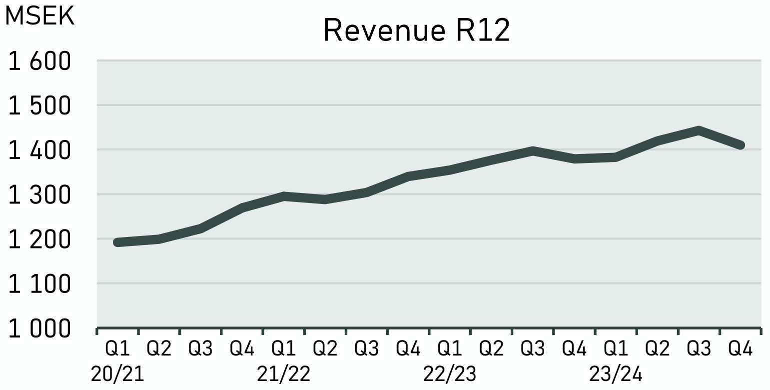
NET DEBT

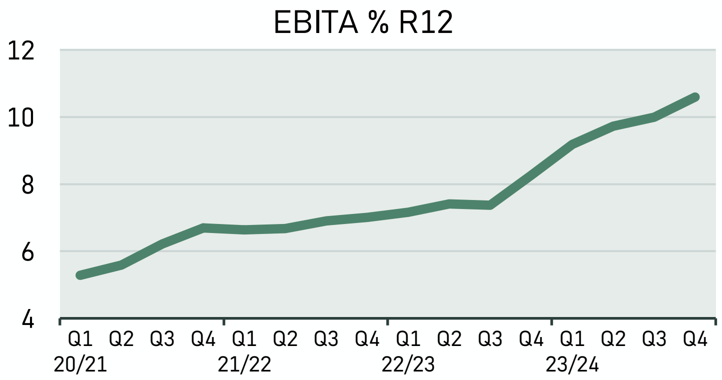


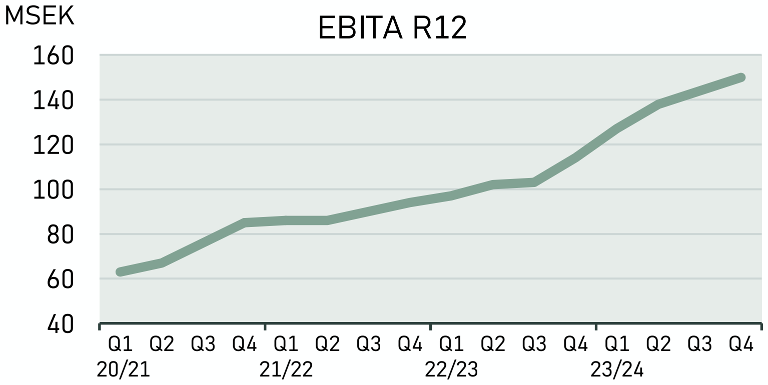
- **Operational net debt** MSEK 1,057 (1,090)
- **NetDebt/EBITDA** continues to decrease
- Acquisitions add MSEK 450 in yearly revenues
- **Strong underlying cash flow**
- Acquisitions target remains intact

Building Materials
All-time high profit margin

- **Demand from customers** in commercial buildings and infrastructure remained stabil, residential still weak
- **Revenue** decreased by 9 percent to MSEK 349 (382)
- **EBITA** increased by 15 percent to MSEK 46 (40)
- **EBITA margin** improved to 13.2 percent (10.5)
- **Improved efficiency and acquisitions** main reason behind improvement



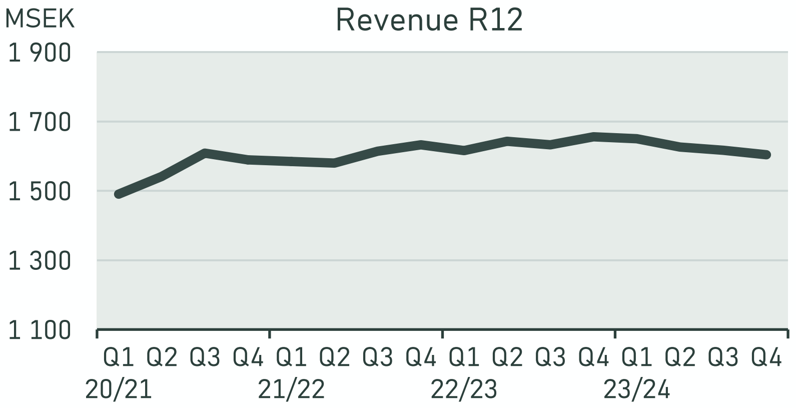


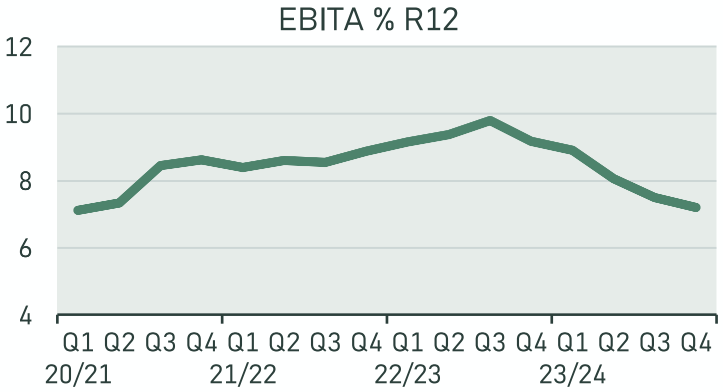


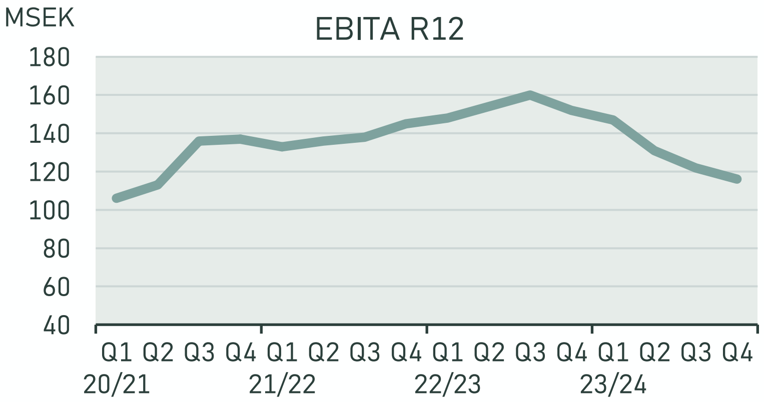
Workplace Safety
Weak demand from Nordic industrial reseller

- **Weaker demand**, especially for companies delivering to retailers
- **Revenue** MSEK 412 (425)
- **EBITA** MSEK 23 (29)
- **EBITA margin** 5.6 percent (6.8)
- **Additional cost-saving** measures were implemented
- Change in division leadership

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

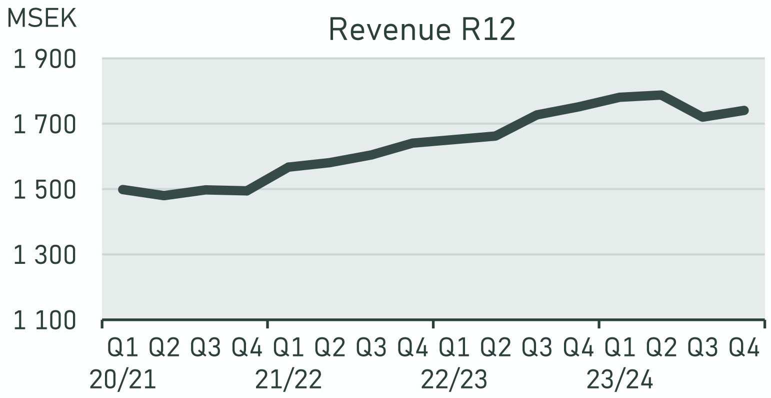


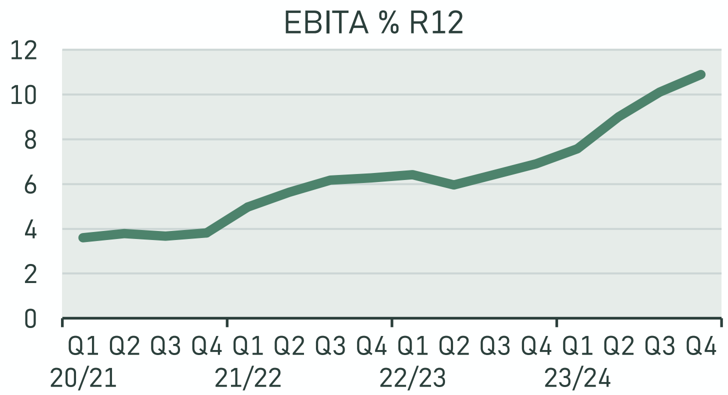


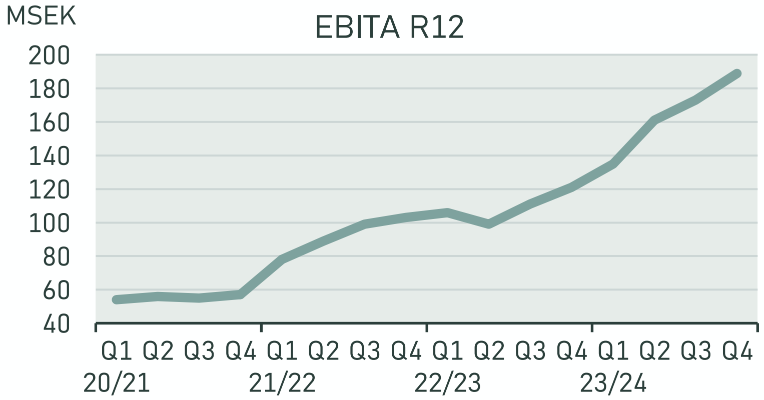


Tools & Consumables
All-time-high result

- **Industry customers demand weaker** during the quarter
- **Revenue** MSEK 459 (438)
- **EBITA** increased by 46 percent to MSEK 51 (35)
- **EBITA margin** 11.1 percent (8.0)
- The profit and margin improvement is primarily related to acquired companies
- **Luna** cost measures more than compensated for lower revenue. **Result well above** previous year







GROUP TARGETS

EBIT	**500 MSEK** latest FY2526
EBIT-margin	**>10%** latest FY2526
P/ WC	**45%** latest FY2627

"500/ten/45"

30–50%	DIVIDEND SHARE NET PROFIT
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** for 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

- Increase **liquidity**
  - **Stock** (ITO) back to 'pre-corona' levels
  - Cautious **asset investments**
- Tight **Cost Control** (COS%)
- **Gross margin** protection

Contact

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Calendar

16 July 2024

Financial Report
1 April 2023–30 June 2024 will be published

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