

BERGMAN & BEVING

Presentation – Fourth Quarter

Introduction

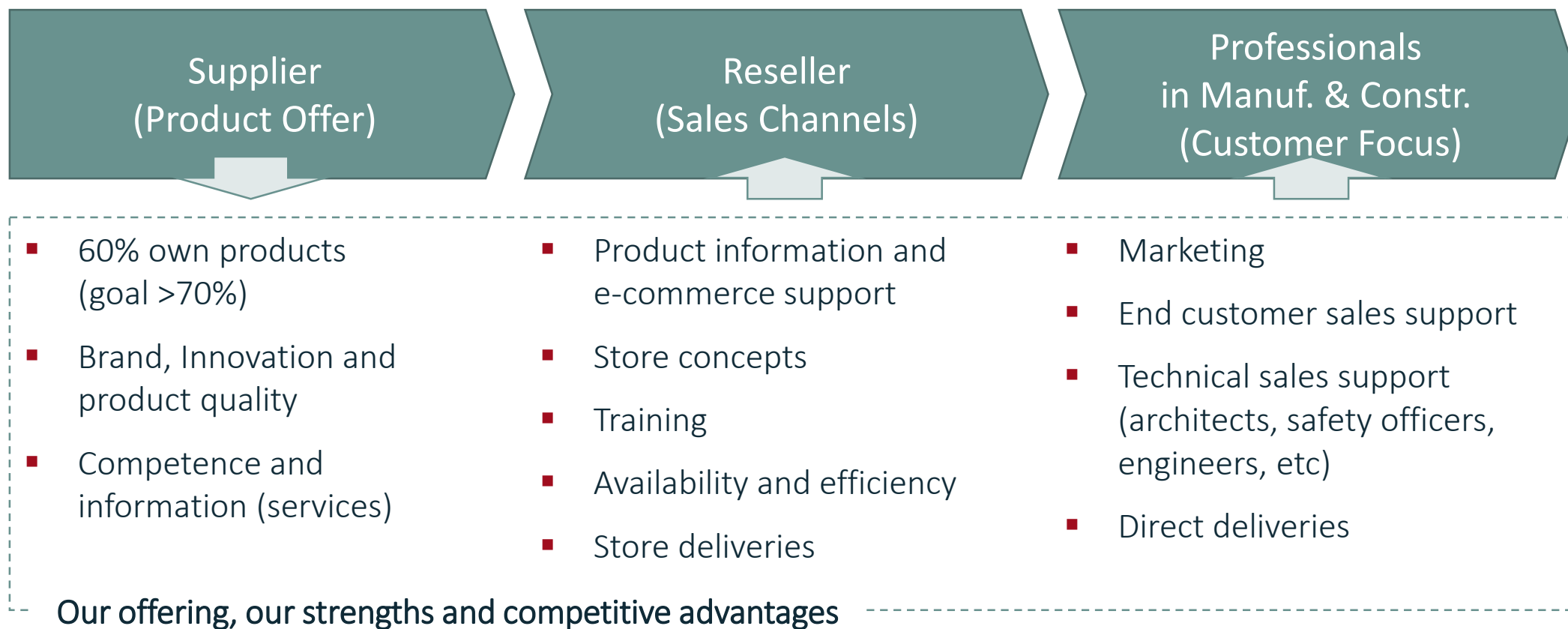
About Bergman & Beving

- Bergman & Beving develops and provides leading brands for professionals within manufacturing and construction
- The group consists of the brands ESSVE, Fireseal, Arbesko, Guide, Cresto, Zekler, L. Brador, Teng Tools, Limit, Mareld, Luna and Skydda
- Through our strong brands, we are represented in over 25 countries with over 5000 point of sales
- Our main markets are Sweden, Norway and Finland
- The group turnover is about 3800 MSEK and has 1000 employees
- Our subsidiaries are run with decentralised business management



Business model

Bergman & Beving develops and provides leading brands for Manufacturing & Construction Professionals



Interim Report Q4

1 April – 31 March 2018

Fourth Quarter

- Revenue amounted to MSEK 960 (968)
 - Measured in local currency and adjusted for number of trading days +1%
 - Comparable units -5%
 - Revenue in the fourth quarter of the preceding year include a build-up of inventories in the TOOLS chain, which had a negative impact on the comparative figures
 - Excluding the expected decrease in sales to the TOOLS chain, sales have increased
- EBITA amounted to MSEK 53 (46) corresponding to an EBITA margin of 5.5 percent (4.8)

Twelve months

- Revenue amounted to MSEK 3 833 (3 834)
 - Measured in local currency and adjusted for number of trading days +3%
 - Comparable units -5%
 - Excluding the expected decrease in sales to the TOOLS chain, sales have increased
 - EBITA amounted to MSEK 224 (260) corresponding to an EBITA margin of 5.8 percent (6.8)
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1 April – 31 March 2018

- The result in the last quarter was strengthened compared with the same period last year
 - EBITA amounted to MSEK 53 (46)
 - Our share of proprietary brands continued to increase during the quarter and amounts to 60 percent
 - The phaseout of products with low margins and a steady increase in the share of proprietary product brands created conditions for an improved margin
 - We experienced mixed signals from our main markets during the quarter
 - Demand from industrial customers in the Nordic region remained favorable, while the construction market slowed
 - We estimate that demand will remain stable as a reduction in new housing development is balanced by increases in other segments
 - As planned, demand from the manufacturing sector was impacted by lower sales to the TOOLS chain, while sales to other industry-related customers developed positively
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1 April – 31 March 2018

- Workplace Safety continued to develop positively with improved results in the quarter
 - Operating margin in Building Materials improved significantly compared with the low level in the third quarter
 - Restructuring of Tools & Consumables continued, and the outsourcing of the subsidiary Luna's logistics was completed according to plan
 - Delivery problems experienced in connection with the adjustment of the logistics solution impacted the quarter negatively
 - The situation, however, improved considerably toward the end of the period
 - The restructuring efforts carried out during the year has improved conditions in our operations and are expected to have a positive impact on profitability during the next financial year
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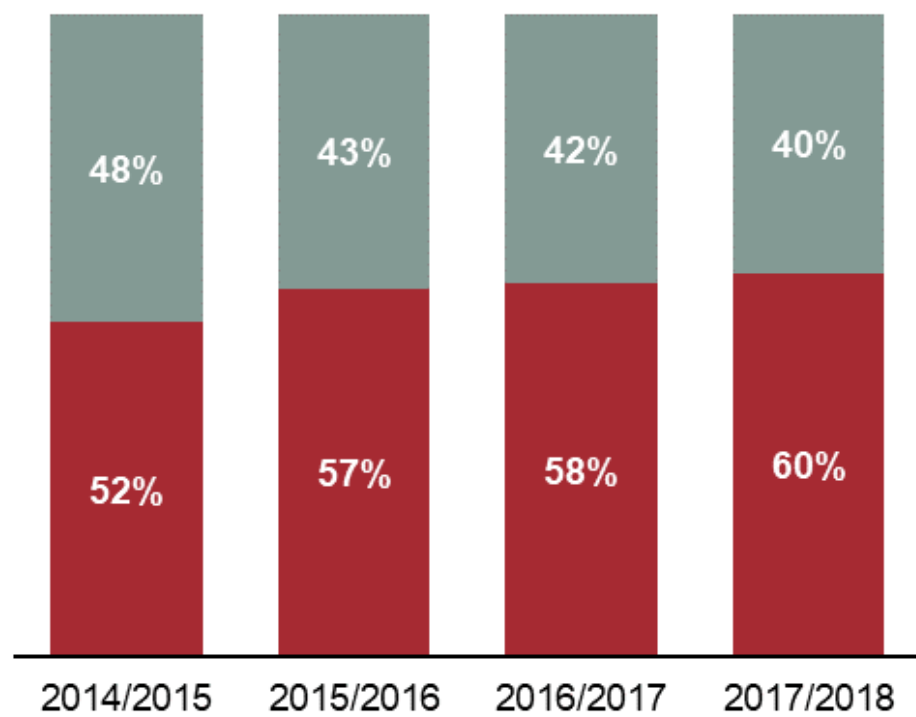
1 April – 31 March 2018

- We are continuing to pursue an active acquisition agenda and have good potential to carry out further transactions
 - BVS Brannvernssystemer AS and Belano Maskin AB were acquired after the end of the quarter
 - The Building Materials division thus strengthened its position in passive fire protection
 - Tools & Consumables improved its position in the attractive niche of construction and ventilation sheet-metal workers
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Revenue by brand sales and by country

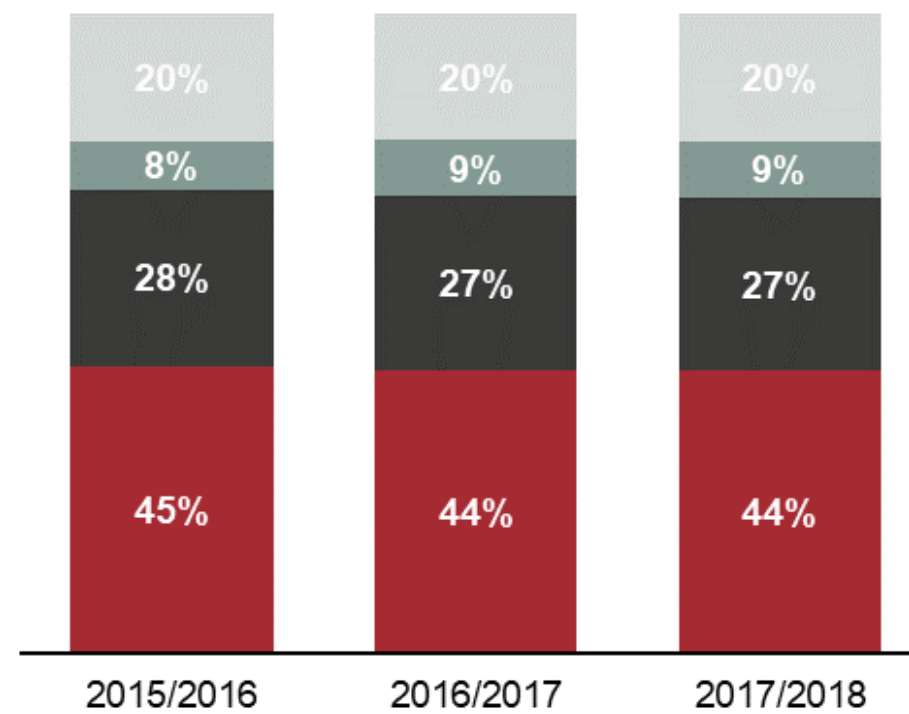
REVENUE PER TYPE OF BRAND
ROLLING 12 MONTHS

■ Own brands ■ Other brands



REVENUE PER COUNTRY
ROLLING 12 MONTHS

■ Sweden ■ Norway ■ Finland ■ Other countries



Building Materials

MSEK	Three months	Twelve months ¹⁾	Year 16/17
Revenue	270	1009	1004
EBITA	25	94	119
EBITA margin (%)	9.3%	9.3%	11.9%

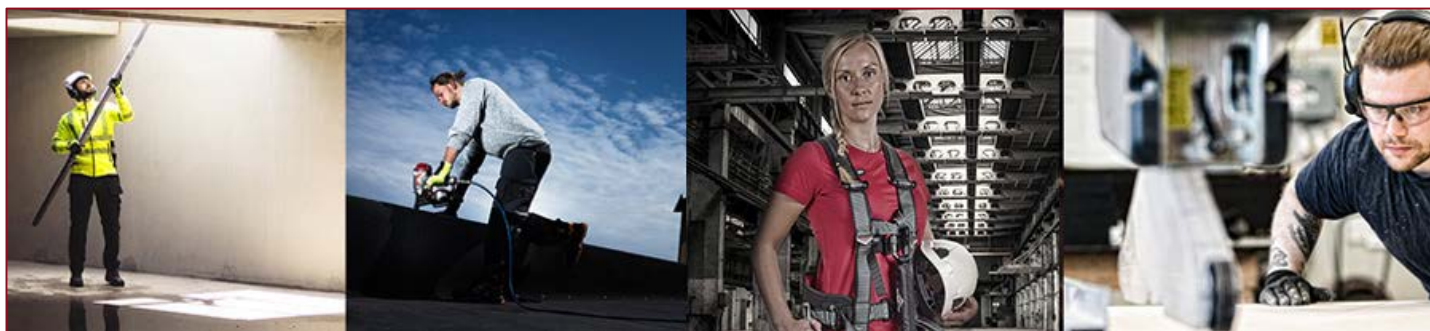


- Demand from customers in the construction sector stabilised during the quarter and is expected to remain favourable, albeit with a decline in new residential construction offset by increases in other segments
- The division maintained its market shares in both the construction and manufacturing sectors in the Nordic region
- Demand from customers in Marine & Offshore increased slightly from low levels
- Previously initiated efficiency-enhancement measures proceeded according to plan

¹⁾ Excluding items affecting comparability of 2 MSEK

Workplace Safety

MSEK	Three months	Twelve months ¹⁾	Year 16/17
Revenue	312	1317	1287
EBITA	27	111	108
EBITA margin (%)	8.7%	8.4%	8.4%



- Demand from customers in the in the area of construction materials in the Nordic region continued to increase, while the gross margin improved as sales of our proprietary brands increased
- Revenue in the fourth quarter of the preceding year include a build-up of inventories in the TOOLS chain, which had a negative impact on the comparative figures
- The market position of the division's brands has continuously improved and targeted initiatives are consistently being implemented in order to further support this positive trend

¹⁾ Excluding items affecting comparability of 9 MSEK

Tools & Consumables

MSEK	Three months	Twelve months ¹⁾	Year 16/17
Revenue	378	1504	1548
EBITA	4	34	66
EBITA margin (%)	1.1%	2.2%	4.3%



- Demand from customers in the manufacturing sector remained stable, and the positive trend in the Finnish market continued, with an increased willingness to invest
- Outsourcing of the subsidiary Luna's logistics management has been completed
- The new logistics solution created certain challenges in terms of delivery quality, which had somewhat of a negative impact on revenue and earnings during the quarter
- At the same time, the implemented structural measures began to generate results during the quarter and efforts to improve profitability continued

¹⁾ Excluding items affecting comparability of 12 MSEK