

BERGMAN & BEVING

Presentation – Year-end Report 2018/2019

Introduction

Bergman & Beving develops, acquires and provides strong 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

Workplace Safety



Skomakare sedan 1839



- 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 and work clothes

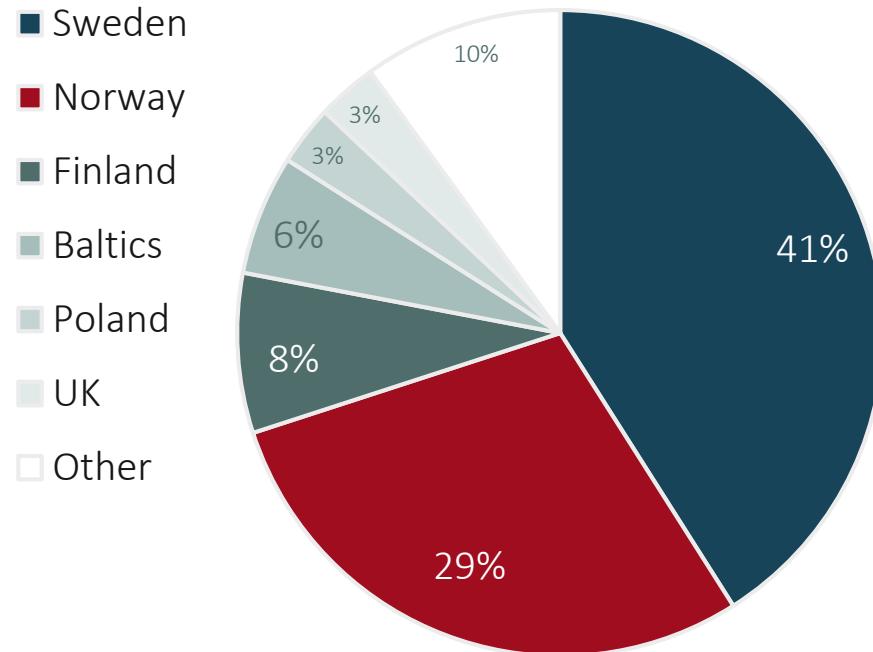
Tools & Consumables



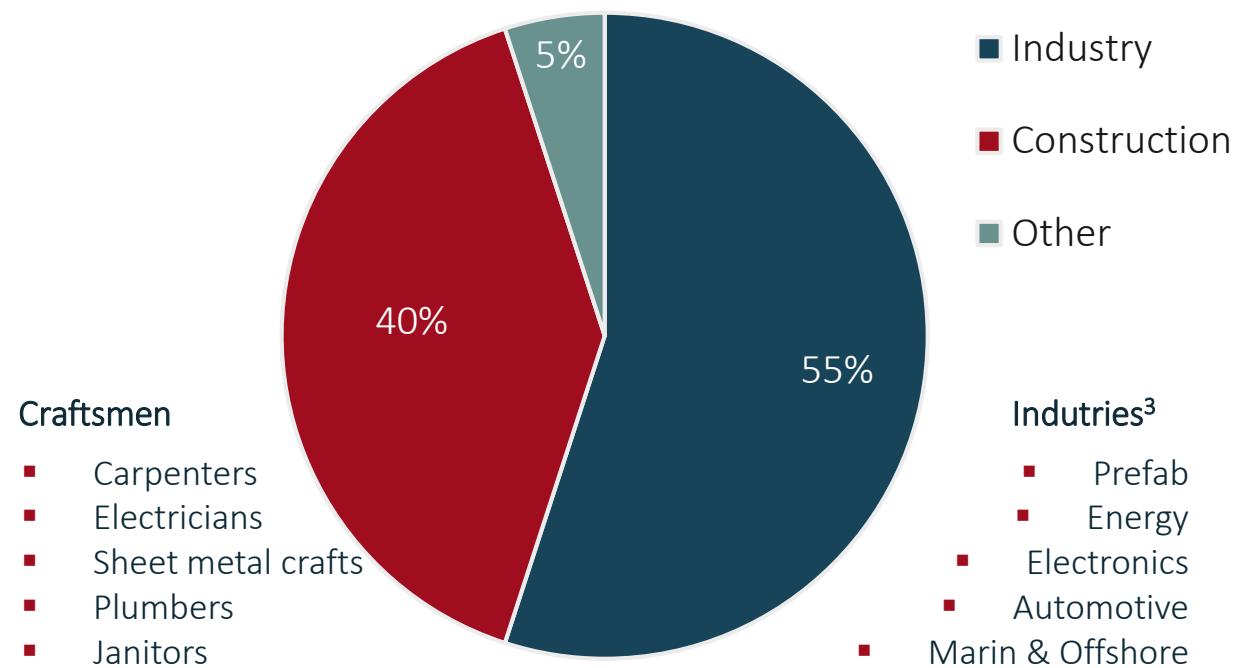
- Own proprietary brands 35%
- Market leading distributor in the Nordics of tools and consumables (Luna)
- Strong position in hand tools

Revenue per geography and customer segment 2018/2019

Revenue by geography 2018/2019¹



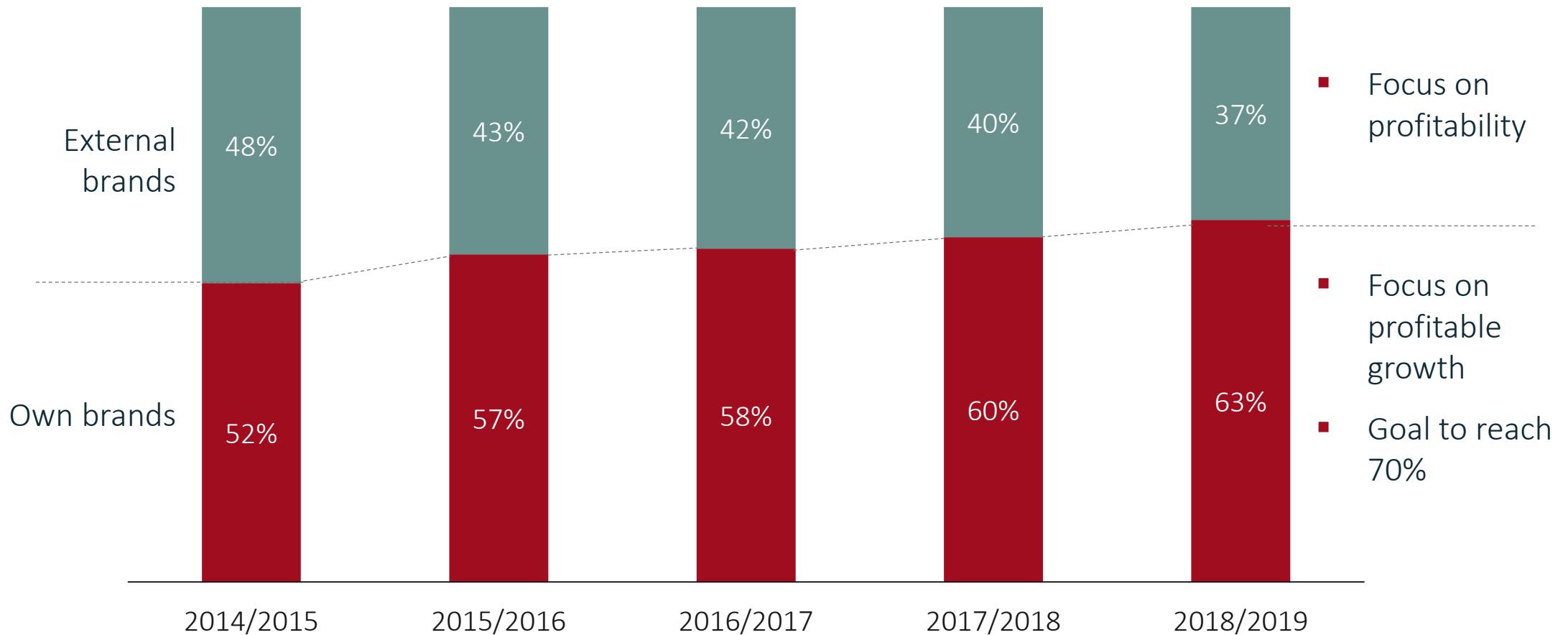
Revenue by customer segment 2018/2019²



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.

Sales of own proprietary brands now amount to 63% of revenue

Development of product mix - share of own proprietary brands and share of external brands



Year-end Report 2018/2019

1 April – 31 March 2019

Fourth quarter

- Revenue amounted to MSEK 995 MSEK (960)
 - Corresponding for comparable units -1%
 - Acquisitions increased revenue by 3%
 - Exchange-rate fluctuations impact of 2%
- EBITA amounted to MSEK 57 (53) corresponding to an EBITA margin of 5.7 procent (5.5)

Twelve months

- Revenue amounted to MSEK 3,945 (3,833)
 - Corresponding for comparable units -2%
 - Acquisitions increased revenue by 2%
 - Exchange-rate fluctuations impact of 3%
- EBITA amounted to MSEK 249 (224) corresponding to an EBITA margin of 6.5 procent 6.3 procent (5.8)
- Cash flow from operating activities for the period amounted to MSEK 258 (109)

1 April – 31 March 2019

- The year ended with improved earnings and the development of both the earnings and the operating margin have been positive in every quarter of the year
 - The year's earnings growth amounted to 11 percent with an EBITA margin of 6.3 percent
 - It was encouraging to see that the year's cash flow from operating activities totalled MSEK 258
- The demand from industrial customers in the Swedish Market remained good, while a lower level of activity in the construction market was reflected in a cautious attitude among our customers
- The demand from the industrial market as well as the construction market in Norway were stable
- Our dependency on the TOOLS chain was gradually reduced during the year

1 April – 31 March 2019

- We continued to implement our strategy of making targeted investments in product development, sales and marketing of our strong brands
 - Both our revenue and share of proprietary product brands grew
 - Our focus on broadening the customer base intensified and sales to new customers and markets increased
- Sales in the Workplace Safety division were favourable with a temporary negative margin impact due to targeted growth initiatives
- The international expansion investments in the Building Materials division developed positively which somewhat counteracted the cautiousness in the Swedish market
- At the same time, we are very pleased to see that the ongoing changes within the Tools & Consumables division have been successful and the division's earnings have improved significantly
- Overall, we are not satisfied with the result level and continue the work with focus on improved profitability balanced with investments for growth

1 April – 31 March 2019

- Acquisitions remain an important part of our growth strategy
 - During the year, we completed three acquisitions with an annual business volume of approximately MSEK 90
 - After the end of the period, we acquired two leading brands, KGC and Millers, with an annual business volume of approximately MSEK 120
 - We also entered into a strategic partnership with Sundström Safety
- we see many opportunities to acquire attractive companies in the future, not least given our strong financial position and cash flow

Building Materials

MSEK	Quarter	Year 18/19	Year 17/18 ¹
Revenue	275	1,055	1,009
EBITA	20	88	94
EBITA margin (%)	7.3%	8.3%	9.3%



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- Demand from customers in the construction sector in Sweden remained cautious as a result of a lower activity level and with increased price competition
- The trend in the Norwegian market remained stable and the investment in international expansion had a positive effect
- Profit was impacted negatively by a changed customer mix
- Demand from shipyard customers continued to increase from a lower-than-normal level

¹ Exclusive items affecting comparability

Workplace Safety

MSEK	Quarter	Year 18/19	Year 17/18 ¹
Revenue	335	1,355	1,317
EBITA	21	118	111
EBITA margin (%)	6.3%	8.7%	8.4%



ARBESKO
Skomakare sedan 1839

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FOR PROFESSIONALS WORKING AT HEIGHTS

GUIDE
THE RIGHT GLOVES

ZEKLER
LBRADOR[®]
PROTECT YOUR SENSES

SKYDDA
PROTECTING PEOPLE

¹⁾ Exclusive items affecting comparability

- Demand for personal protective equipment in the market remained favourable
- The establishment of our strong brands as independent units had a positive impact on revenue
- The result was affected by start-up costs when introducing new customer contracts, investments for international expansion and a weaker Swedish krona

Tools & Consumables

MSEK	Quarter	Year 18/19	Year 17/18 ¹
Revenue	397	1,579	1,504
EBITA	20	62	34
EBITA margin (%)	5.0%	3.9%	2.2%



- Demand from industrial customers within our primary markets remained at a high level
- The measures implemented in the subsidiary Luna continued to generate positive results and efforts to improve profitability went according to plan
- The other units in the division reported favourable earnings trends and strengthened their margins, while acquired units performed as expected



¹⁾ Exclusive items affecting comparability