

BERGMAN & BEVING

Presentation – Second Quarter

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



- 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

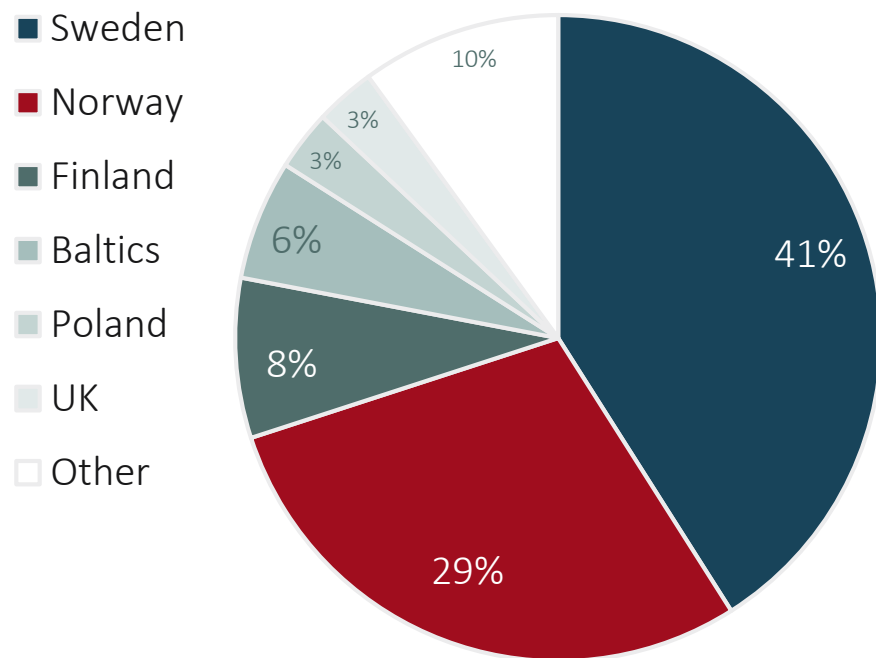
Tools & Consumables



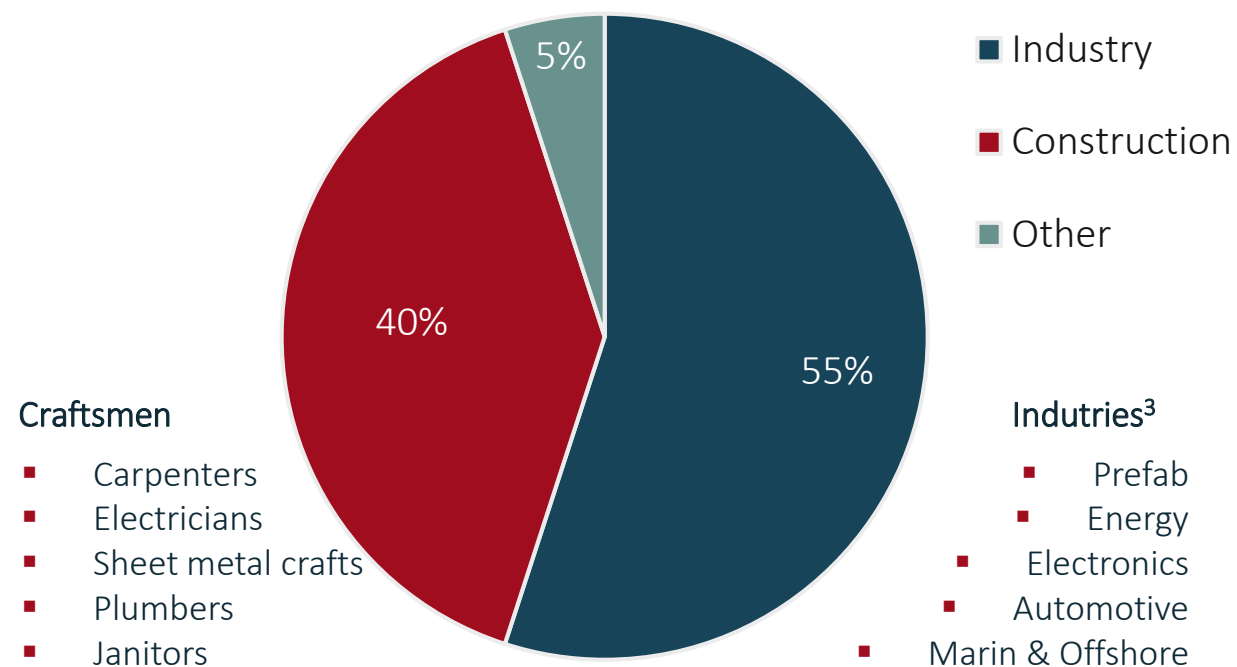
- Own proprietary brands 35%
- Market leading distributor in the Nordics of tools and consumables (Luna)
- Strong position in hand tools

Revenue per geography and customer segment 2018/2019

Revenue by geography 2018/2019¹



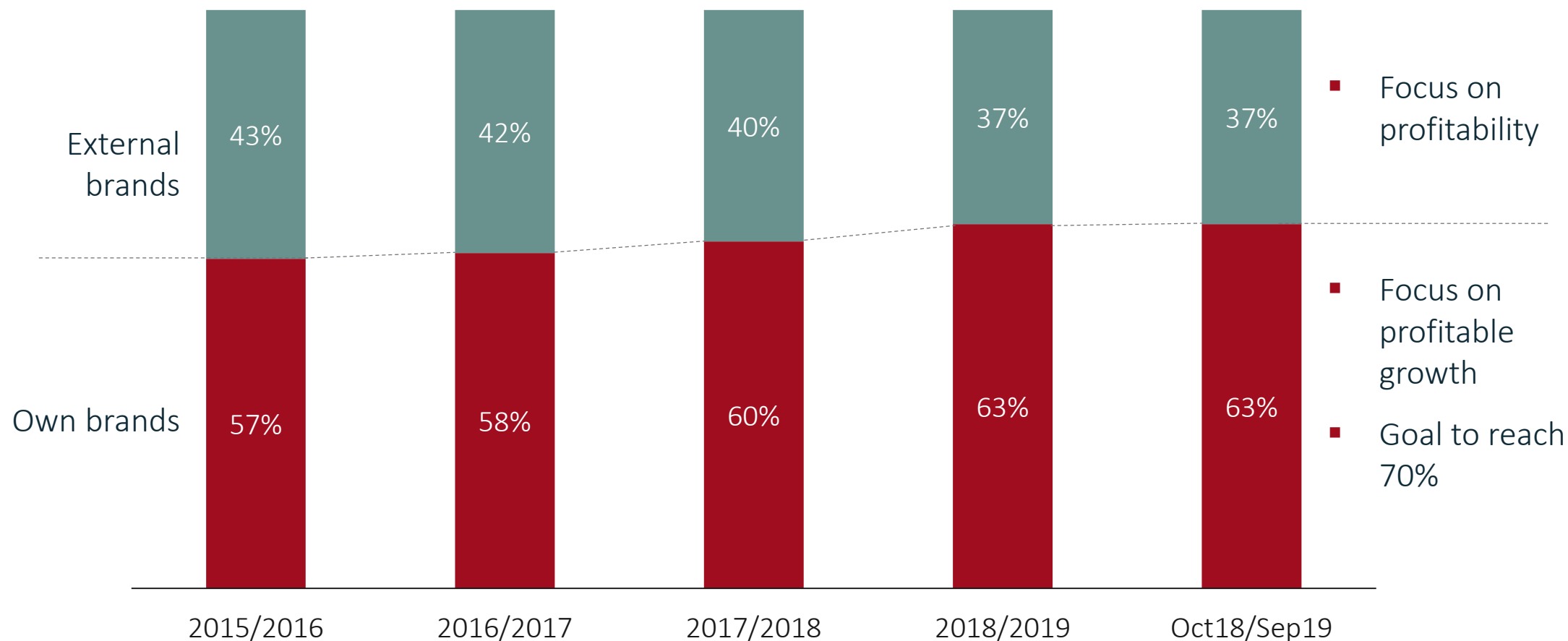
Revenue by customer segment 2018/2019²



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



Interim Report Q2

1 April – 30 September 2019

Second quarter

- Revenue amounted to MSEK 970 MSEK (919)
 - Corresponding for comparable units -1%
 - Acquisitions increased revenue by 6%
 - Exchange-rate fluctuations impact of 1%

- EBITA amounted to MSEK 53 (64) corresponding to an EBITA margin of 5.5 procent (7.0)

Six months

- Revenue amounted to MSEK 1,994 (1,956)
 - Corresponding for comparable units -4%
 - Acquisitions increased revenue by 5%
 - Exchange-rate fluctuations impact of 1%

- EBITA amounted to MSEK 114 (128) corresponding to an EBITA margin of 5.7 procent (6.5)

1 April – 30 September 2019

- We consistently continued our investments in innovation, international expansion and acquisitions to develop our portfolio of leading product companies
 - Sales developed positively at the end of the quarter, which partly compensated for weaker sales during the summer months
 - We experienced mixed demand signals from our primary markets and from our various customer segments, reflecting increased uncertainty in the market
 - At the same time, we continued to successfully broaden our customer base, and sales to new customers increased steadily
 - The investments in our prioritized brands create the basis for long-term profitable growth and accounted for most of the cost increases during the quarter
 - Nonetheless, we are not satisfied with the profit trend and measures to reduce costs by MSEK 60 have been initiated
 - Implemented cost reduction activities had a negative effect on cost with approximately MSEK 7 in the quarter
-

1 April – 30 September 2019

- Measures to improve the contribution margin have been initiated in all divisions as a response to the effects of a weakened krona and increased raw material prices
 - Tools & Consumables developed in line with the preceding year, where the subsidiary Luna continued to develop positively
 - The Building Materials divisions maintained its strong market position despite increased price pressure
 - Workplace Safety continued its focus on additional independent units and targeted investments in product development and establishing a European sales network
 - At the same time, planned structural measures were completed within the division's distribution operation, Skydda
-

1 April – 30 September 2019

- Acquisitions remain an important part of our strategy for growth and two companies were acquired during the quarter, with an annual revenue of approximately MSEK 110
 - The latest acquisition, Systemtextgruppen AB, contributed an annual revenue of approximately MSEK 40 with a healthy profitability
- Thanks to a gradually improving pipeline, we foresee good opportunities to acquire attractive companies both in the Nordic region and in other geographic markets in the future

Building Materials

MSEK	Three months	Six months	Year 18/19
Revenue	300	614	1,055
EBITA	17	40	88
EBITA margin (%)	5.7%	6.5%	8.3%

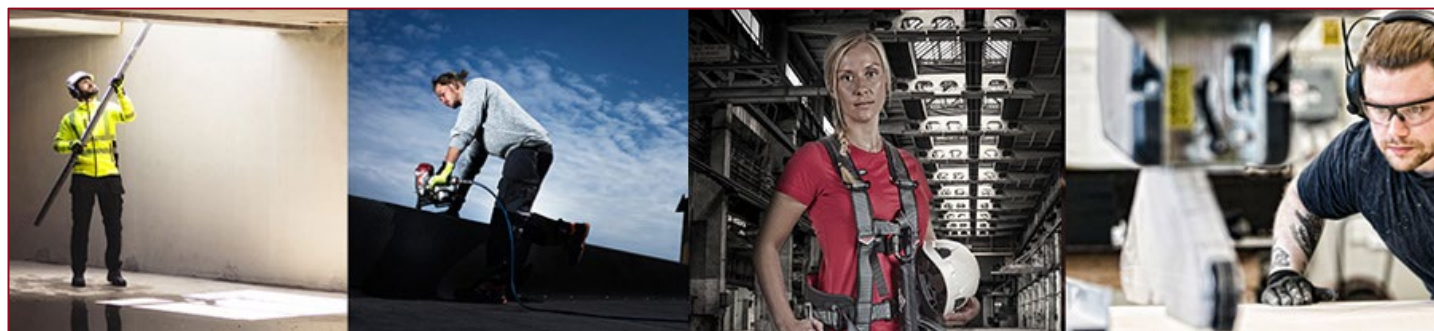
- Uncertainty prevailed in the construction market, while the market share was maintained in both Sweden and Norway despite increased price pressure
- Price increases were implemented to compensate for the negative effects from currency and raw materials
- Further efficiency measures were taken to improve profitability, which negatively impacted costs for the period



Workplace Safety

MSEK	Three months	Six months	Year 18/19
Revenue	305	648	1,355
EBITA	19	48	118
EBITA margin (%)	6.2%	7.4%	8.7%

- The underlying demand for personal protective equipment remained strong
- The gross margin was negatively affected by currency and raw materials and in the same time, targeted growth investments affected costs negatively
- Measures to improve profitability within the distribution business continued according to plan and negatively affected costs during the period



ZEKLER



Tools & Consumables

MSEK	Three months	Six months	Year 18/19
Revenue	378	757	1,579
EBITA	18	30	62
EBITA margin (%)	4.8%	4.0%	3.9%

- The division developed according to plan and measures taken within the subsidiary Luna continued
- Earnings were negatively impacted by the costs of new product launches
 - Luna Verktygssäkring
 - Mareld



LUNA GROUP



LINDAHL & NERMARK

