BERGMAN & BEVING

Interim Report
1 April – 30 September 2023

19 October 2023

Magnus Söderlind – CEO
Peter Schön – CFO

HIGHLIGHTS
Second Quarter 2023/2024

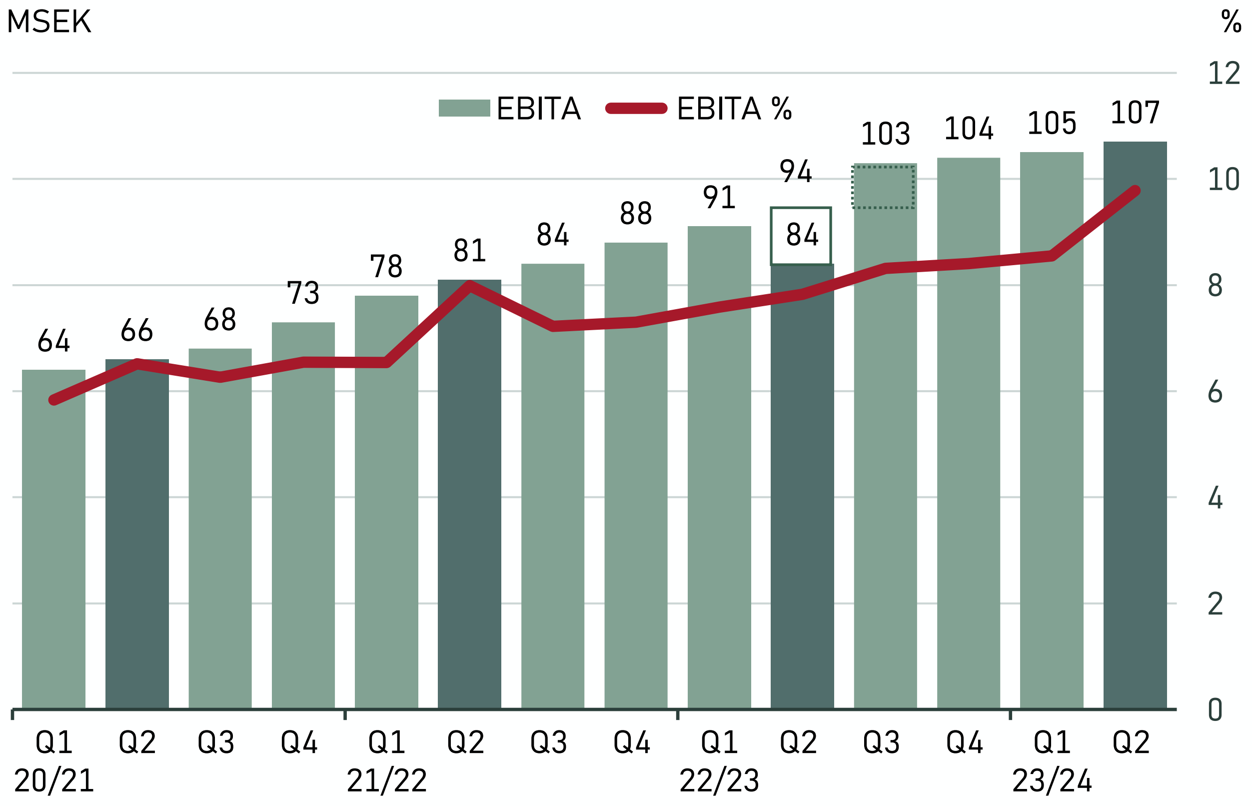
- **Revenue** increased 2% to MSEK 1,094 (1,073)
- The **gross margin** continues to strengthen to 48.5% (45.9%)
- Efficiency measures produce results
- **EBITA** increased by 27% to MSEK 107 (84)
- The **EBITA margin** improved to 9.8% (7.8)
- **EBT** increased to MSEK 64 (61)
- **Acquired 2 companies** – Itaab (July 6) & Sandbergs (August 31)
- Increased earnings and reduced inventories **strengthened cash flow** to MSEK 176 (50)

ACQUISITIONS
1 April – 30 September 2023

		Division	Annual Revenue MSEK	EBITA %
Q1	Tema Norge	TC	45	>15
	Elkington	BM	40	>15
Q2	Itaab	BM	75	>15
	Sandbergs	TC	60	>15
	Total		**220**	

CONTINUED POSITIVE EBITA TREND

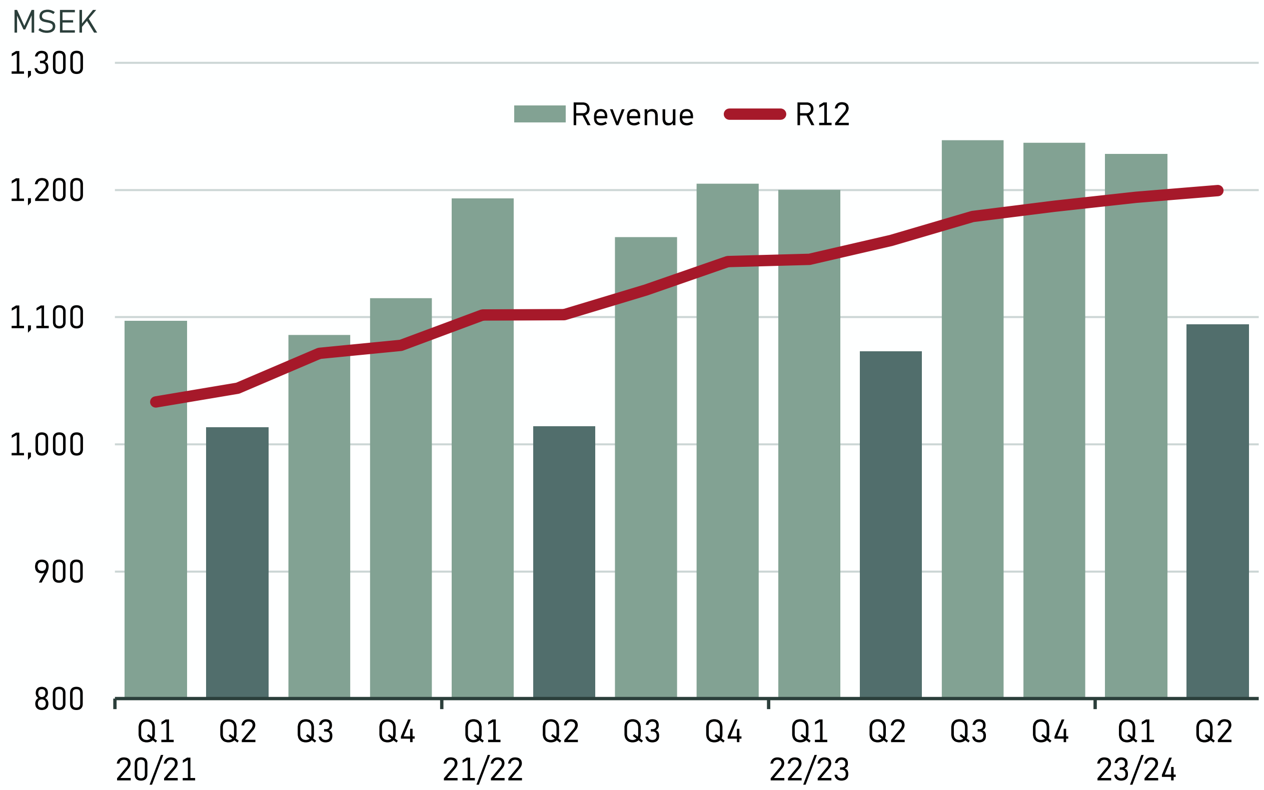
EBITA per quarter



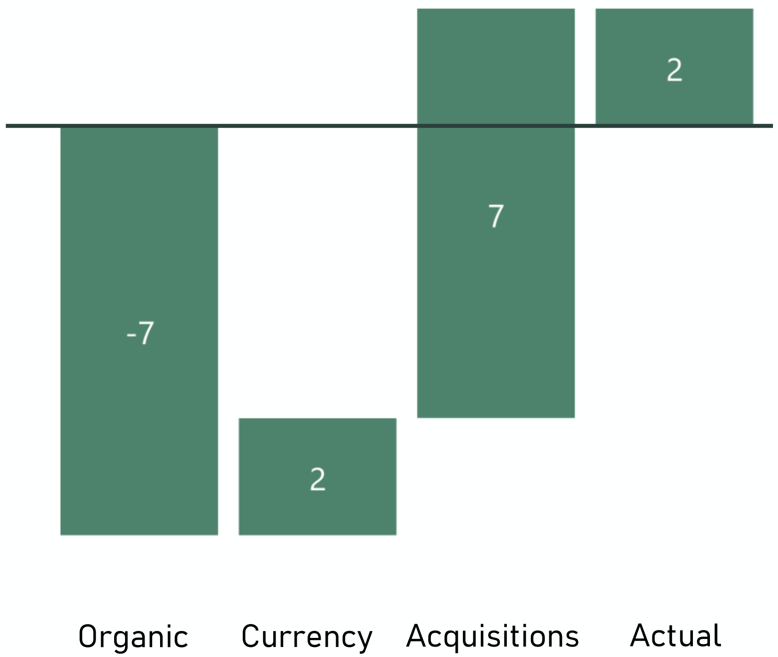
- **EBITA** increased, adjusted for last year's IT attack, with 14 percent to MSEK 107 (94)
- **EBITA margin** improved to 9.8% (7.8)
- Improved Gross Margin

REVENUE DEVELOPMENT REFLECTS A FOCUS ON HIGH MARGIN BUSINESS

Revenue per quarter

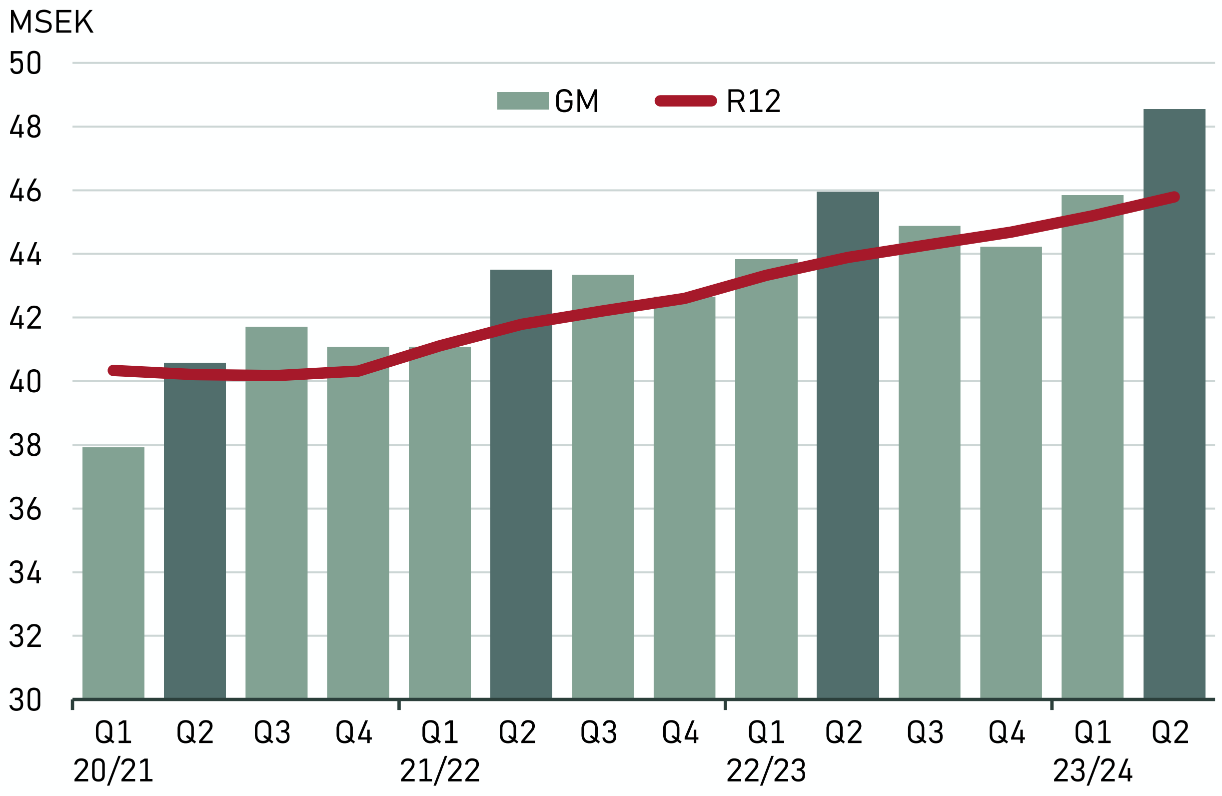


Quarterly Revenue Growth, %



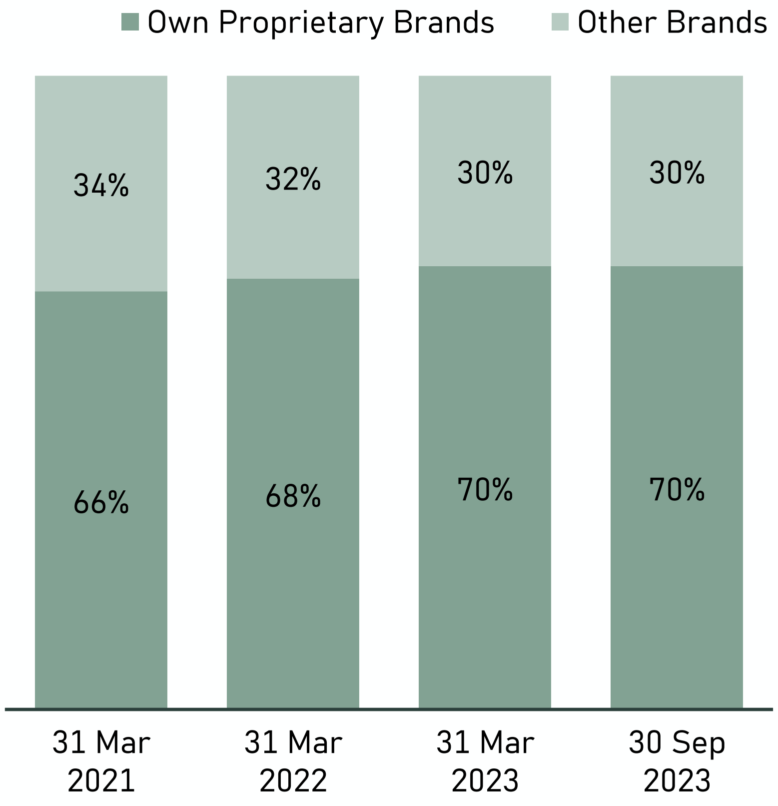
IMPROVED GROSS MARGIN

Gross margin per quarter

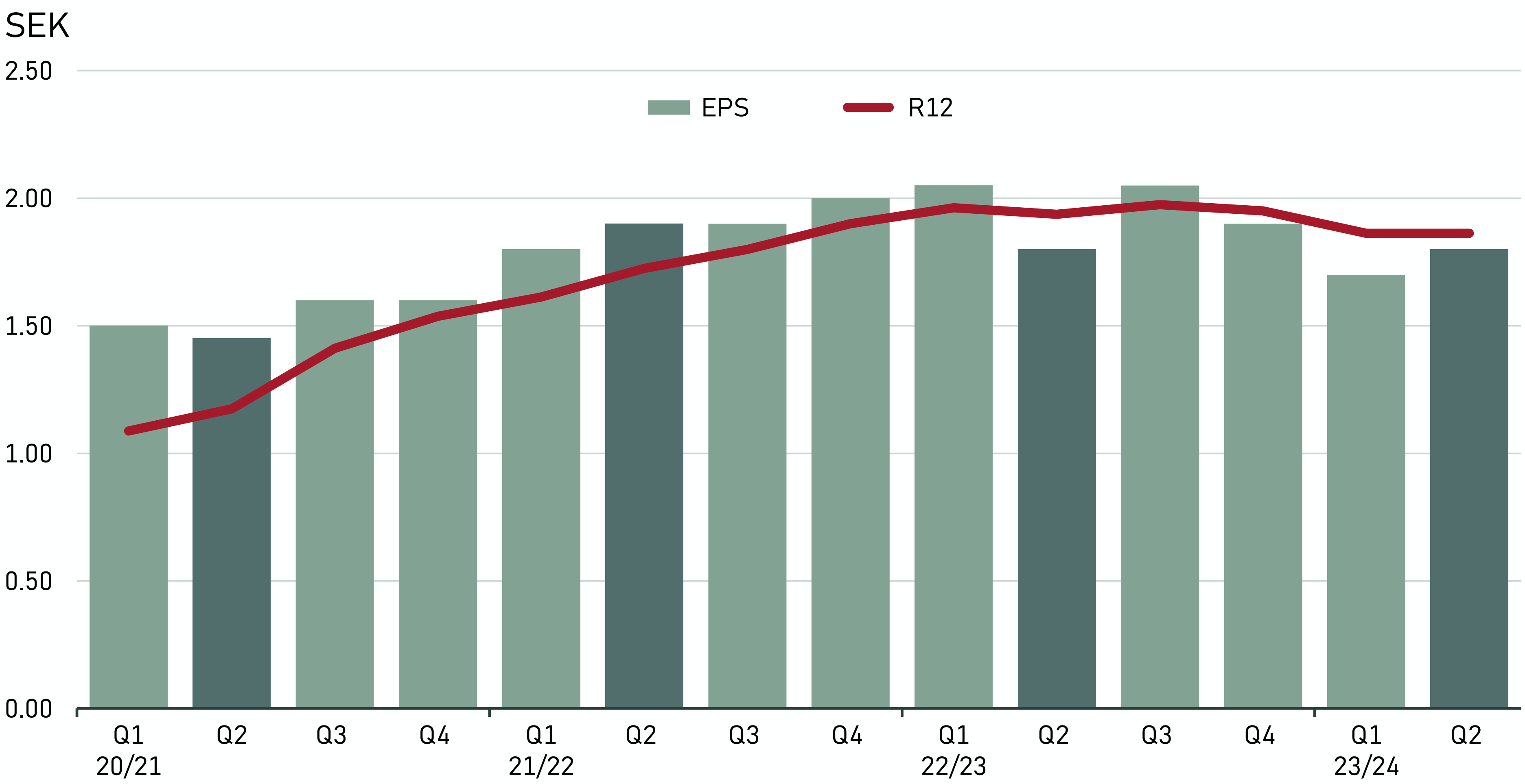


Revenue per type of brand

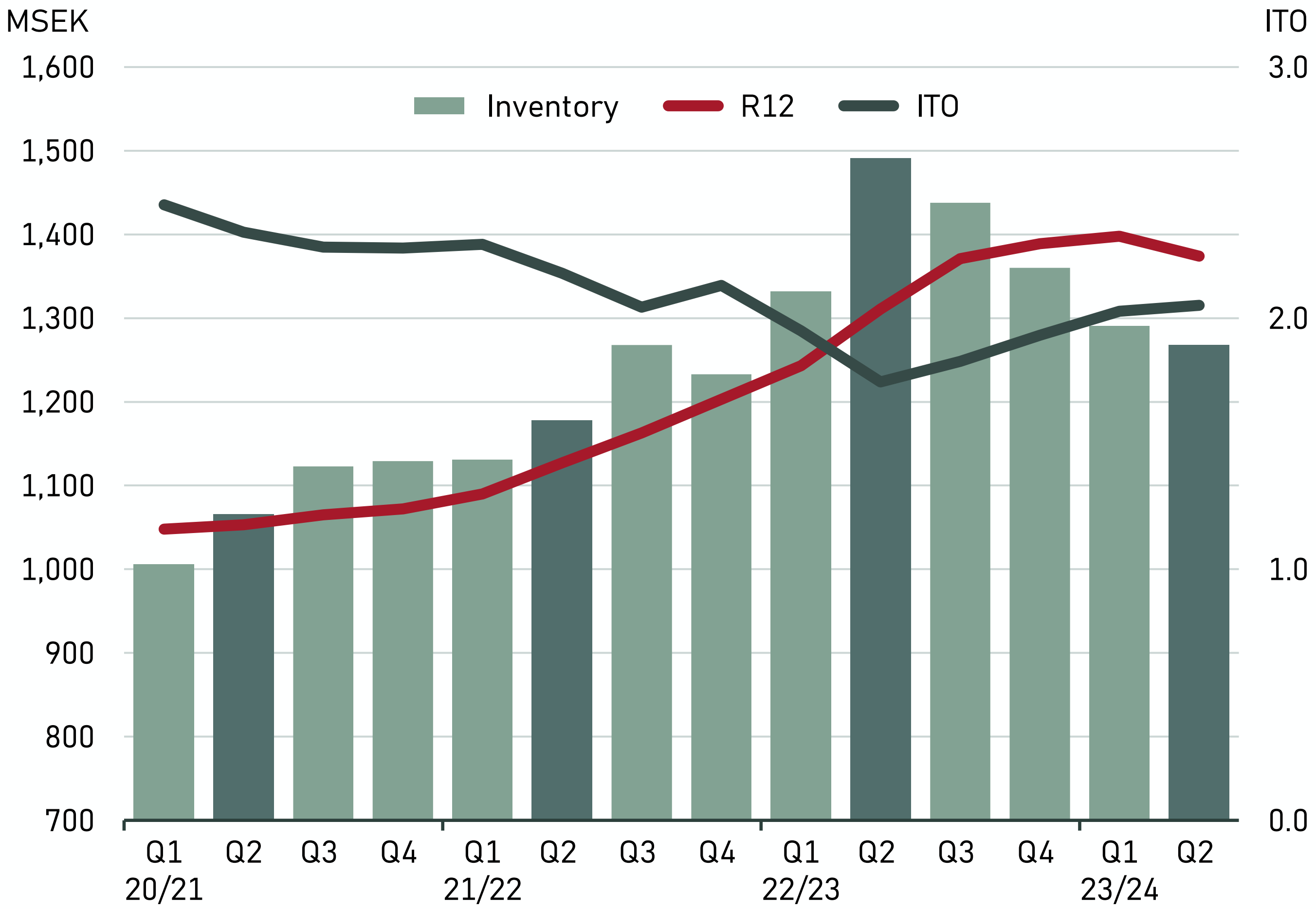
Rolling 12 months



EARNINGS PER SHARE

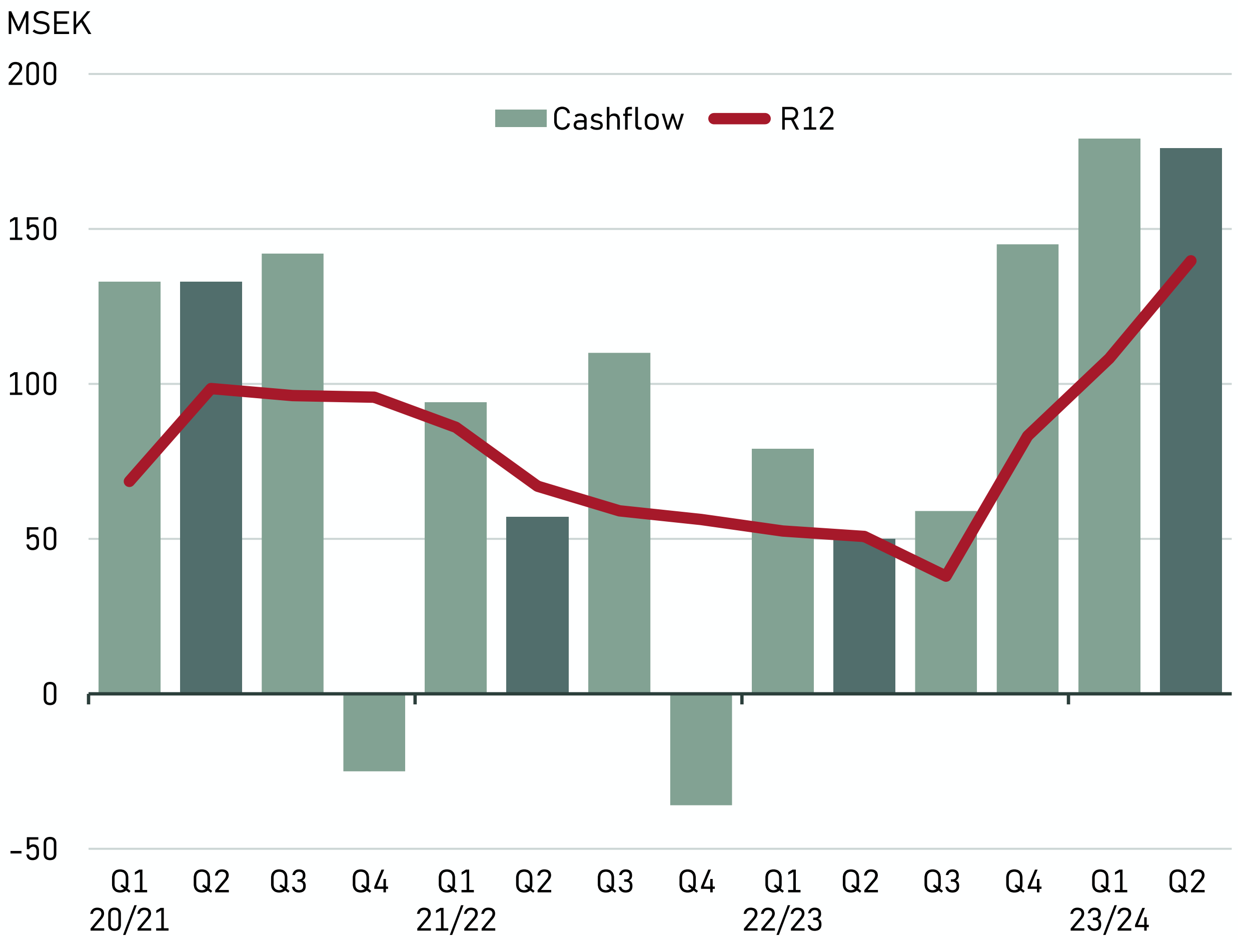


INVENTORY



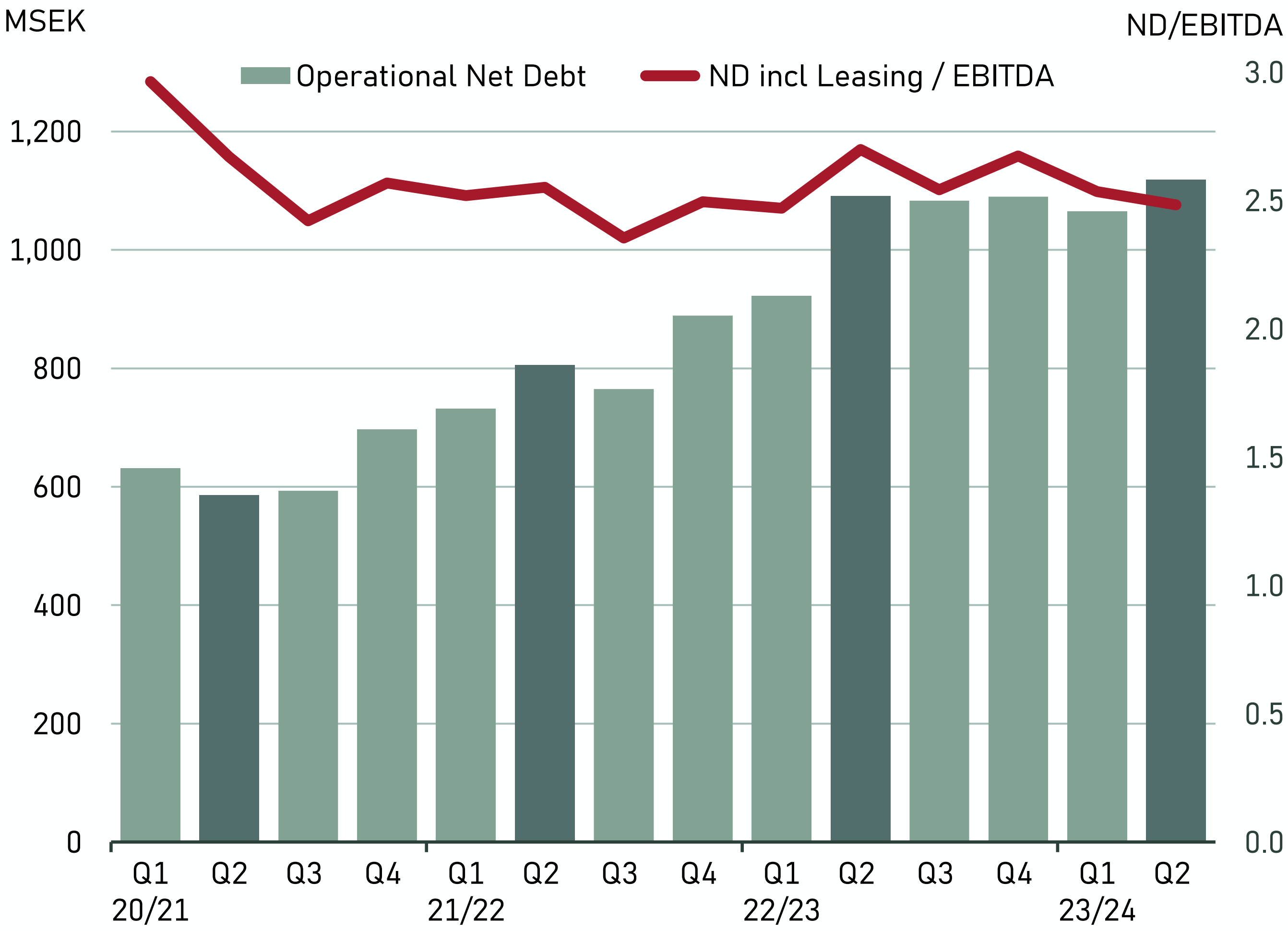
- **Inventory** amounted to MSEK 1,268 (1491)
- Decreased safety stock
- Decreased High volume – Low margin business
- Improving product mix and streamlining assortment in all companies

CASH FLOW FROM OPERATING ACTIVITIES



- **Cash flow from operating activities** amounted to MSEK 176 (50)
- Improved profitability
- Improvement in inventory levels
- Low A/P due to low purchases
  - Will increase when the companies starts to buy on normal levels

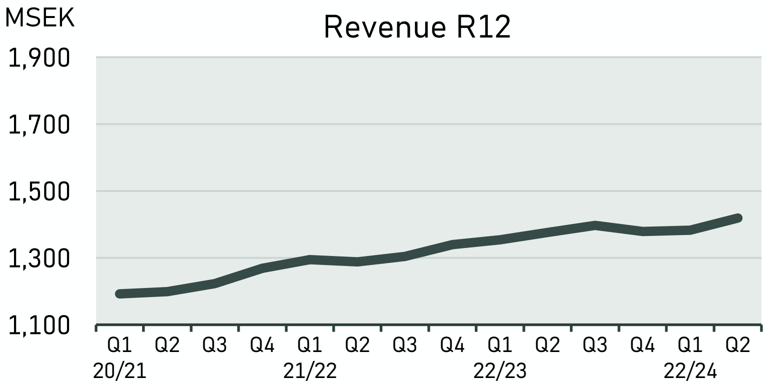
NET DEBT

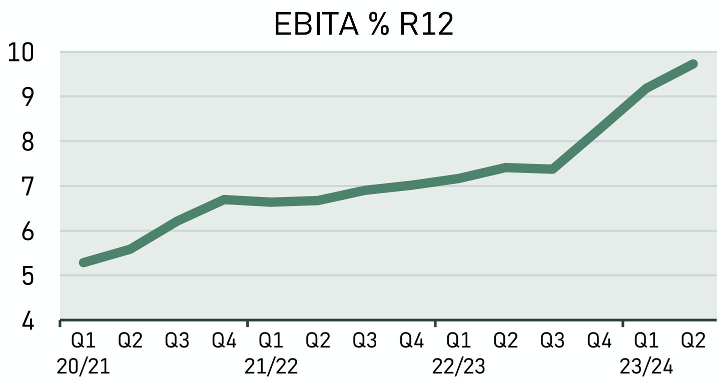


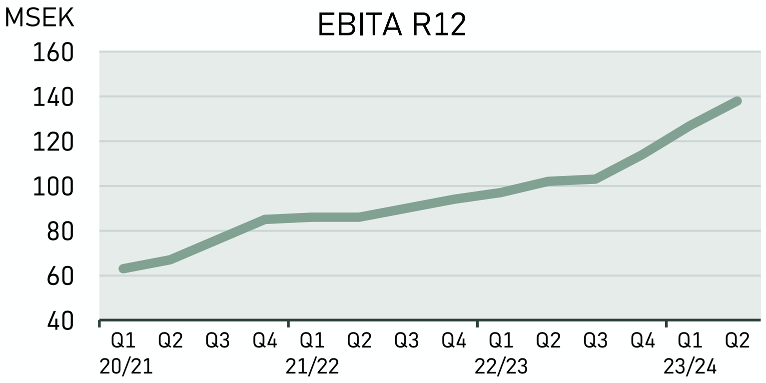
- **Operational net debt** amounted to MSEK 1,119 (1,091)
- Strong underlying cash flow
- Acquisitions of MSEK 81 i Q2 and MSEK 179 in the Period
- Strong Acquisition pipeline
- Acquisitions will continue even if it leads to increased debt

Building Materials
All-time-high result and double-digit margins

- **Revenue** increased 12 percent to MSEK 346 (310)
- **EBITA** increased with 42 percent to MSEK 37 (26)
- **EBITA margin** improved to 10.7 percent (8.4)
- **All units improved results** compared to same quarter last year
- **Improved efficiency and acquisitions** main driver behind improvement







Workplace Safety
High depencency on Nordic resellers

- **Revenue** MSEK 354 (378)
- **EBITA** amounted to MSEK 19 (35)
- **EBITA margin** was 5.4 percent (9.3)
- Retailers' ongoing **inventory reductions**
- Retailer wait to order seasonal goods
- **Additional cost-saving** measures were implemented

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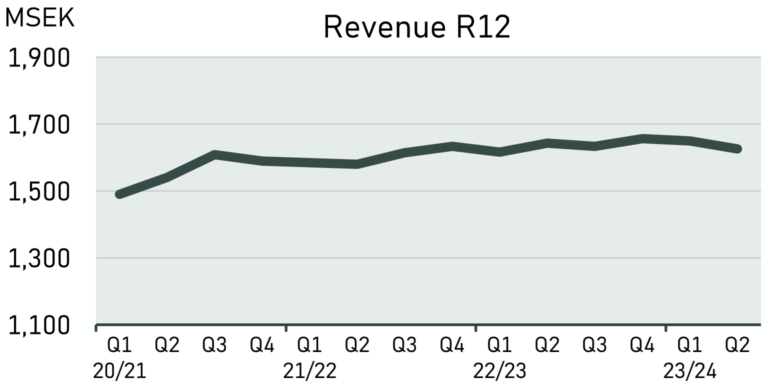
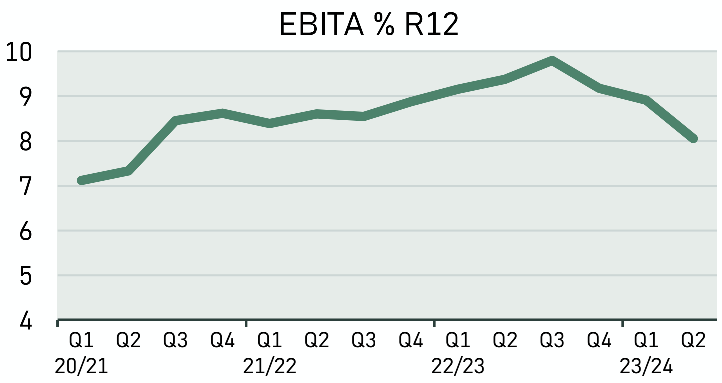
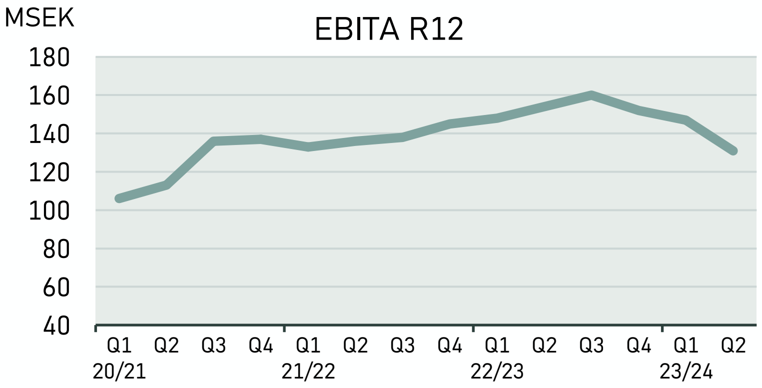
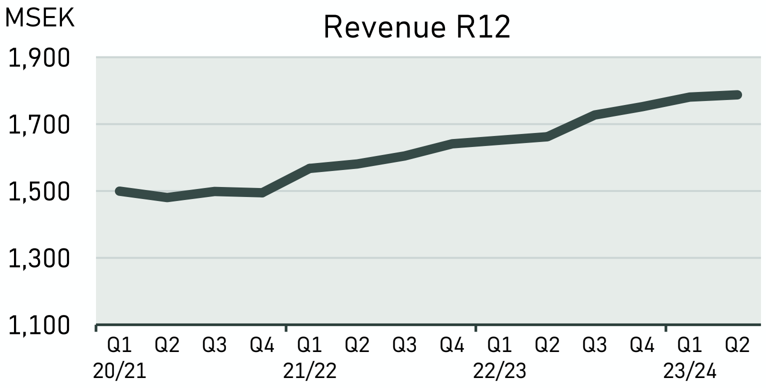


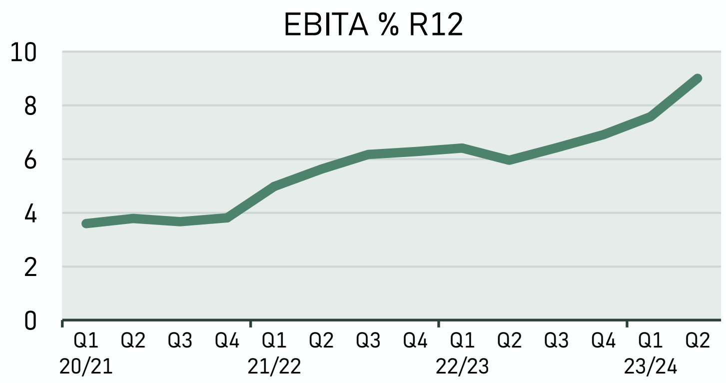


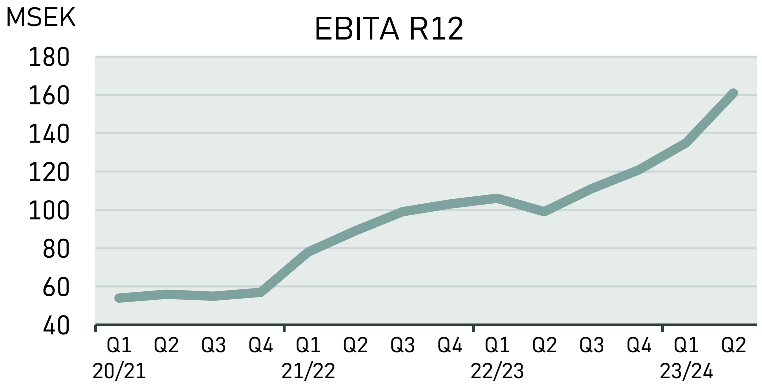


Tools & Consumables
All-time-high result and double-digit margins

- **Revenue** increased to MSEK 402 (395)
- **EBITA** increased by 108 percent to MSEK 50 (24)
- **EBITA margin** improved to 12.4 percent (6.1)
- **Improvement in Luna** largest impact







GOOD POTENTIAL TO CONTINUE TO IMPROVE EARNINGS

The ambition of MSEK 500 in operating profit by the 2025/2026 financial year at the latest remains firm

WHAT WE ALWAYS DO

- Prioritizing **profit expansion over revenue expansion**
- Concrete short- and long-term **goals and activities** that ensure that companies "keep their eyes on the path without losing sight of the summit"
- Company-by-company strategy – **B&B Focus Model** for capital allocation
- Group support – **B&B Tool Box**

CURRENT GROUP THEMES

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

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Calendar

9 February 2024
Q3 2023 will be published