

BERGMAN & BEVING

Year End Report 2022/2023

12 May 2023

Magnus Söderlind - CEO
Peter Schön - CFO

Quarter and full-year with improved profit & margin

Fourth quarter (1 Januari – 31 Mars 2023)

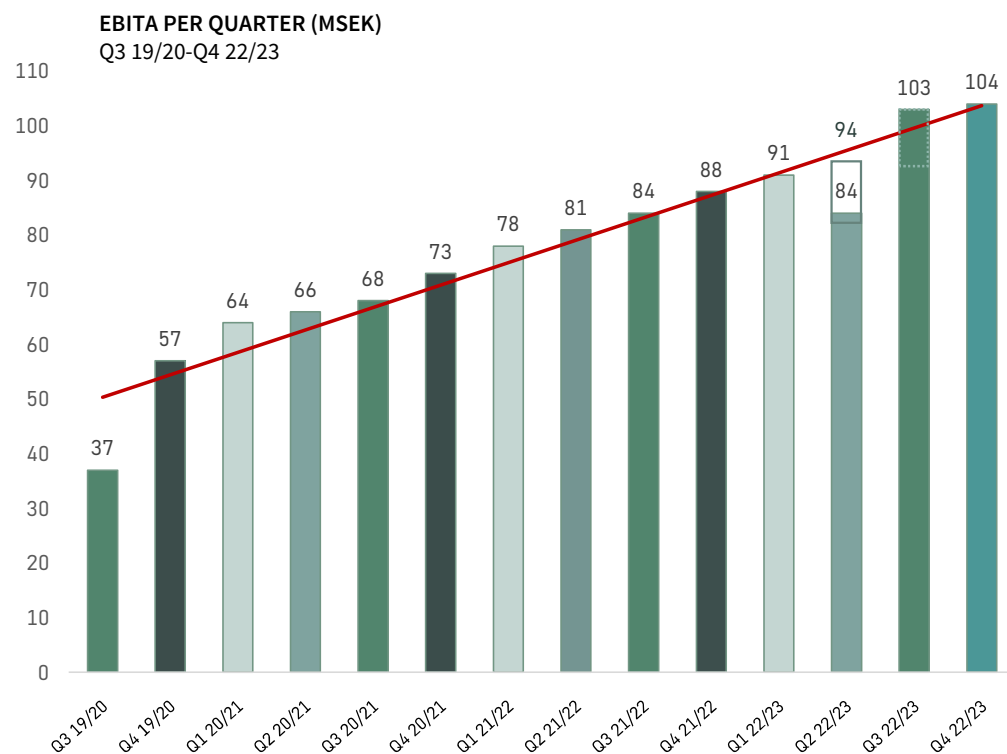
- ❖ Net sales increased 3 % to MSEK 1,237 (1,205)
 - ❖ +2 % in local currency, -6% organic and +8 % from acquisitions
 - ❖ Exchange rate fluctuations had a positive impact of 1 %
- ❖ Earnings (EBITA) increased by 18 % to MSEK 104 (88). The majority of our 23 company units increased earnings
 - ❖ Items affecting comparability ~MSEK 20 (Skydda) & remeasurement of contingent additional purchase considerations ~MSEK 10
 - ❖ Stronger results are mainly explained by operational improvements, acquisitions and the phasing out of less profitable businesses
 - ❖ Initiated savings measures are beginning to show an effect
- ❖ The EBITA margin strengthened to 8.4 % (7.3)
- ❖ Acquired two businesses – Kiilax and ATE Solutions – with a combined turnover of MSEK 135 and good profitability, both of which contributed as expected
- ❖ Reduction in working capital started to have an effect – operating cash flow MSEK 145

12 months (1 April 2022 – 31 Mars 2023)

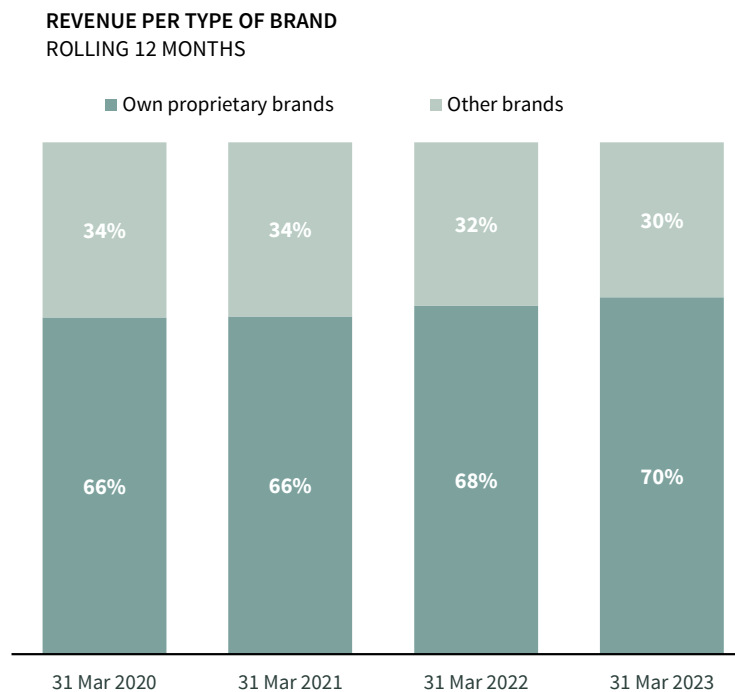
- ❖ Revenue increased by 4 % to MSEK 4,749 (4,575)
 - ❖ +2 % in local currency, -4 % organic and +6 % from acquisitions
 - ❖ Exchange rate fluctuations had a positive impact of 2 %
 - ❖ Revenue growth moderate but effect of focus on profit growth before revenue growth
- ❖ Displacement of less profitable businesses and focus on profit growth is reflected in 2.4 percentage points improved gross margins
- ❖ Earnings (EBITA) increased by 15 % to MSEK 382 (331)
- ❖ The EBITA margin strengthened to 8.0 % (7.2)
- ❖ Last twelve months earnings per share increased to 7.80 (7.55)
- ❖ Six acquisitions, of which one (Tema Norge) after the end of the period, have been completed with a total annual turnover of approximately MSEK 380

Strong end to the business year

Adjusted for the 2:nd quarters extraordinary revenue loss, result has improved 13 quarters in a row



Growth of own proprietary brand products



Results per Division

Building Materials – EBITA increased by 38 %

MSEK	Three months	Full-year 22/23	Full-year 21/22
Revenue	382	1,379	1,340
EBITA	40	114	94
EBITA margin (%)	10.5	8.3	7.0



- Net sales MSEK 382 (400)
 - Lower spring orders within ESSVE
- EBITA increased 38 percent to MSEK 40 (29)
- Demand from construction customers in Sweden & Norway remains stable
- Demand weaker in Finland, within Prefab and in the bricklaying and tiling segments
- During the quarter, ESSVE replaced a competing supplier to a construction chain in Sweden.

Workplace Safety – Revenue increased by 6 %

MSEK	Three months	Full-year 22/23	Full-year 21/22
Revenue	425	1,656	1,633
EBITA	29	152	145
EBITA margin (%)	6.8	9.2	8.9



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- Revenue increased 6 percent to MSEK 425 (402)
- EBITA amounted to MSEK 29 (37)
 - Negatively affected by items affecting comparability of MSEK 10, net
- Demand for personal protective equipment remained stable
 - Customers' reduction of safety stock decreased
- Guide & Arbesko – delivered on new customer contracts
- Fall protection and safety signs – continued strong growth during the quarter

Tools & Consumables – EBITA increased by 40 %

MSEK	Three months	Full-year 22/23	Full-year 21/22
Revenue	438	1,752	1,641
EBITA	35	121	103
EBITA margin (%)	8.0	6.9	6.3



H.M. Albretsen



LUNA GROUP



- Revenue increased 6 percent 438 MSEK (413)
 - Demand from industrial customers was stable...
 - ...but customers' reduction in buffer inventories had a negative impact on revenue
 - Luna continued to phase out less profitable volume products and focus its operations on products with higher added value.
- EBITA increased by 40 percent to MSEK 35 (25)
- EBITA margin increased to 8.0 percent (6.1)
- Tema Norge was acquired on April 3

Future prospects

MSEK 500 operating profit by FY 25/26



Our prospects for improving the profitability, margins and cash flow of the Group's companies remain favourable.

- ❖ Individual business plans based on our capital allocation model (The Focus Model) are in place in all companies to realize:
 - ❖ Earnings growth before revenue growth – Focus on deals with higher added value, lower priority on transactions with weaker margins
 - ❖ Cost savings to increase efficiency and profitability – Initiated cost savings are gradually yielding results and we selectively chose to initiate additional measures during the quarter
 - ❖ The companies continue to reduce inventory levels, stronger cash flow are expected during the coming quarters



Continue to acquire highly profitable niche companies with strong cash flows and growth opportunities

- ❖ The ambition – to acquire four to six companies during the year – remains
- ❖ We have financial strength, established relationships and the operational capacity

Bergman & Beving has good potential to continue to improve its earnings, and our ambition of reaching MSEK 500 in operating profit by FY2526 operating year remains