

# 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 90%
- 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

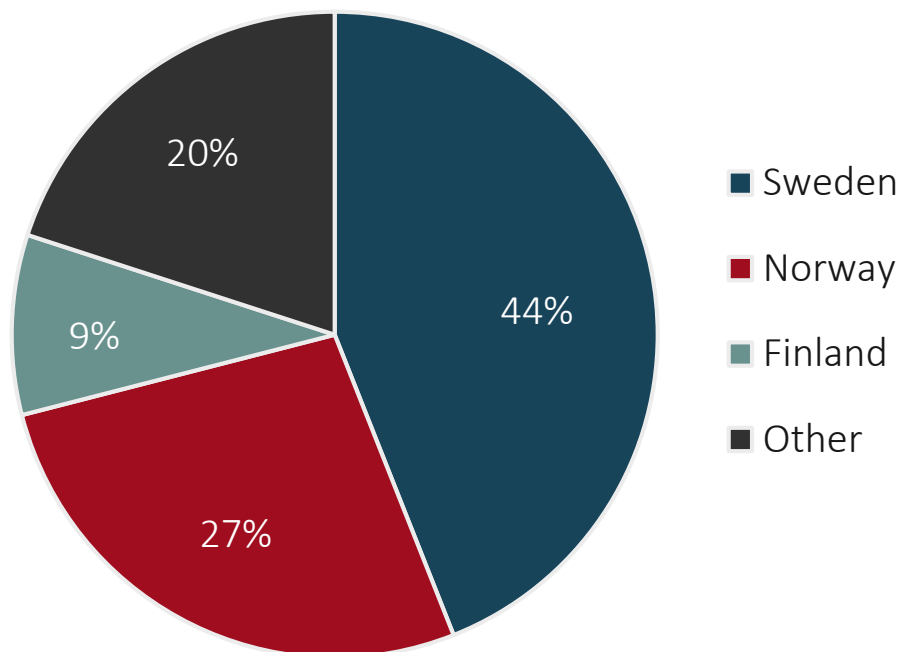
## Tools & Consumables



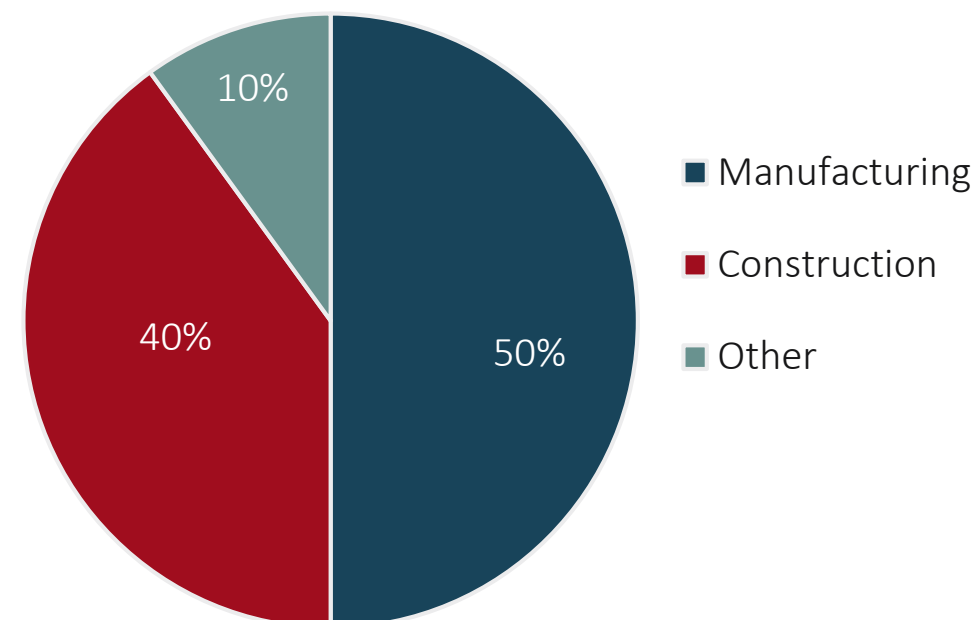
- Own proprietary brands 30%
- Market leading distributor in the Nordics of tools and consumables (Luna)
- Strong position in hand tools

# Revenue per geography and customer segment 2017/2018

## Revenue per geography 2017/2018<sup>1</sup>



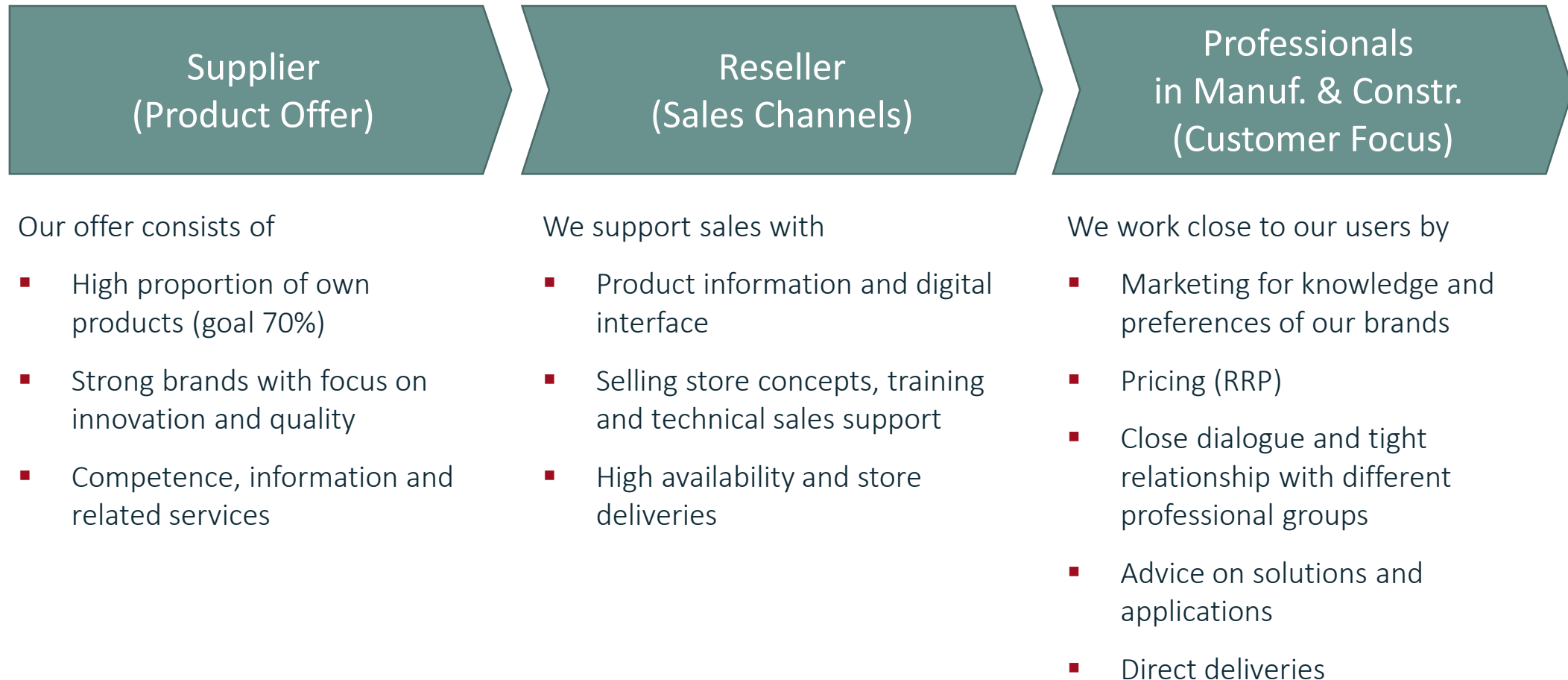
## Revenue per customer segment 2017/2018<sup>2</sup>



Note: 1) based on the domicile of the customers. 2) Refers to the share of external revenue, rounded to the nearest five percent.

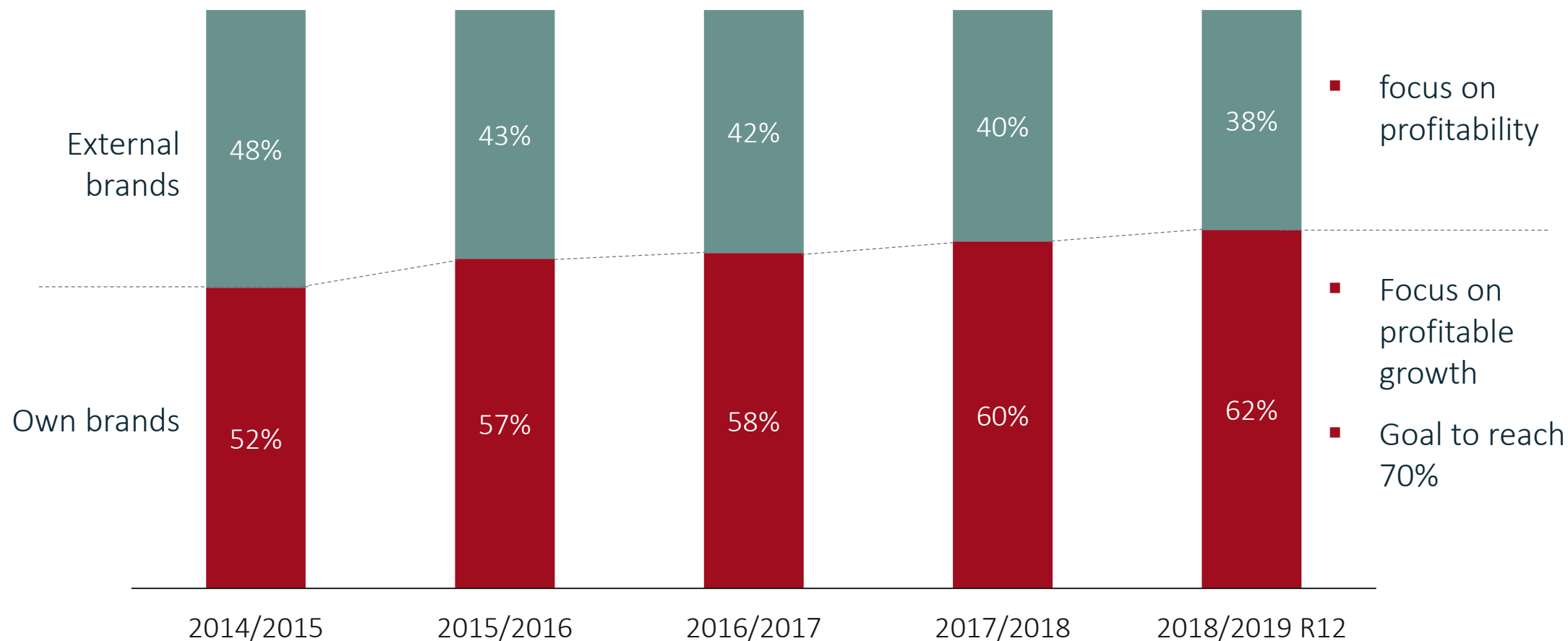
# Business model focusing on resellers and user support

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



# Sales of own proprietary brands now amount to 62% of revenue

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



# Interim Report Q2

---

# 1 April – 31 September 2018

## Second quarter

---

- Revenue amounted to MSEK 919 (902)
  - Corresponding for comparable units -3%
  - Acquisitions increased revenue by 2%
  - Exchange-rate fluctuations impact of 3%
- EBITA amounted to MSEK 64 (60) corresponding to an EBITA margin of 7.0 percent (6.7)
- Cash flow from operating activities for the period amounted to MSEK 48 (10)

## Six months

---

- Revenue amounted to MSEK 1,956 (1,919)
  - Corresponding for comparable units -3%
  - Acquisitions increased revenue by 2%
  - Exchange-rate fluctuations impact of 3%
- EBITA amounted to MSEK 128 (116) corresponding to an EBITA margin of 6.5 percent (6.0)
- Cash flow from operating activities for the period amounted to MSEK 189 (12)



## 1 April – 31 September 2018

- The result for the second quarter was strengthened compared to previous year
    - EBITA amounted to MSEK 64 MSEK (60) and the operating margin was further strengthened
  - Overall, the share of our proprietary brands continued to increase and currently amounts to 62 percent.
    - Revenue from proprietary product brands increased and the share grew
    - The phaseout of volumes with lower margins continued as expected, which further strengthened the gross margin
  - Overall, we experienced favourable demand in our main markets in the Nordic region
    - Although, to an extent we experienced an impact by a later-than-normal start to the season following the summer
    - The construction market noted stable demand, with Sweden remaining hesitant and more positive signals from Norway, which benefited from increased activity in the offshore industry
    - The industrial market remained strong, primarily driven by the trend in Sweden and Finland
-

## 1 April – 31 September 2018

- Our restructuring measures in the Tools & Consumables division yielded results and our efforts to enhance the efficiency of the organisation continued
    - At the same time, the niche companies in the division performed well
  
  - The Building Materials divisions maintained its leading market position
    - The demand tracked the trend in our main markets
  
  - Workplace Safety continued to make good progress and the division delivered both improved earnings and a stronger operating margin
    - The establishment of the division's brands as independent units has been well received in the market
-

## 1 April – 31 September 2018

- During the quarter the cancellation of one million repurchased shares was completed, which affects our shareholders positively
  - Acquisitions remain an important part of our strategy for growth
    - Our recent acquisitions of niche technology companies have contributed positively to our performance, demonstrating the success of our acquisition model
    - We see good potential to continue acquiring attractive companies
-

# Building Materials

MSEK	Three months	Six months	Year 17/18 <sup>1</sup>
Revenue	251	553	1,009
EBITA	21	56	94
EBITA margin (%)	8.7%	10.2%	9.3%

- Demand from customers in the construction sector was stable
- The Swedish market remained somewhat hesitant, while demand in the Norwegian market was positive
- Demand from shipyard customers remained low, particularly in the Chinese market
- Earnings were also impacted by higher freight costs


**ESSVE**

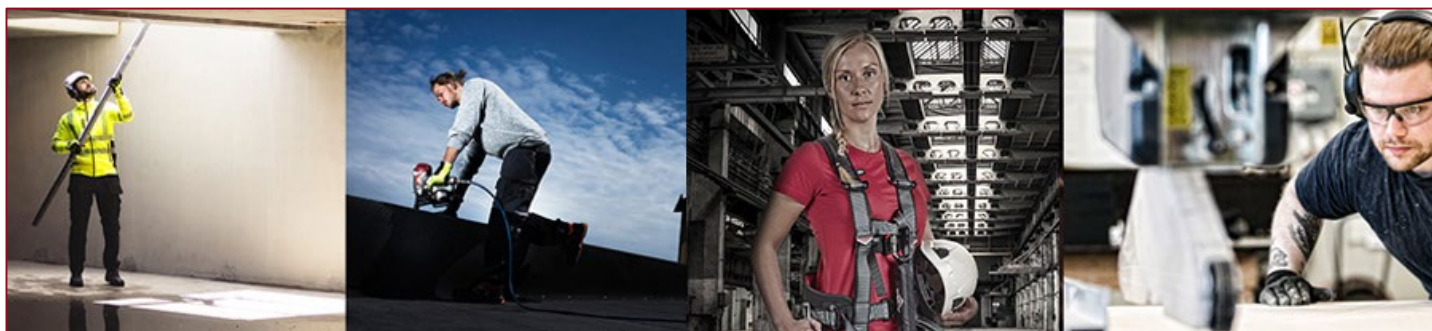
**FireSeal**
**BVS**
**BRANNVERNSYSTEMER AS**  
OFFSHORE-ONSHORE-SHIPING

<sup>1)</sup> Exclusive items affecting comparability of 2 MSEK

# Workplace Safety

MSEK	Three months	Six months	Year 17/18 <sup>1</sup>
Revenue	300	651	1,317
EBITA	27	61	111
EBITA margin (%)	8.9%	9.3%	8.4%

- Demand for personal protective equipment in the market was continued favourable but was partly negatively impacted by a somewhat later start than normal after the summer
- The gross margin improved as sales of proprietary brands increased
- The establishment of the Company's brands as independent business units was well received in the market and our position in the market was consolidated



**ARBESKO**  
Skomakare sedan 1839

**CRESTO**  
FOR PROFESSIONALS WORKING AT HEIGHTS

**GUIDE**  
THE RIGHT GLOVES

**Z**  
**ZEKLER**  
PROTECT YOUR MINDS

**L.BRADOR**

**SKYDDA**  
PROTECTING PEOPLE

<sup>1)</sup> Exclusive items affecting comparability of 9 MSEK

## Tools & Consumables

MSEK	Three months	Six months	Year 17/18 <sup>1</sup>
Omsättning	378	764	1,504
EBITA	18	20	34
EBITA margin (%)	4.8%	2.6%	2.2%



- Demand from customers in the industrial sector remained favourable, with a strong industrial economy in both Sweden and Finland
- The structural measures implemented in the subsidiary Luna have begun to generate results and the new logistics management is now fully operational
- At the same time, the efforts to further improve profitability continued
- The niche companies in the division reported favourable earnings trends and strengthened their margins



<sup>1)</sup> Exclusive items affecting comparability of 12 MSEK