

## Bergman & Beving – strategic review and new financial targets

**Today, Bergman & Beving's Board of Directors approved management's proposals to introduce additional financial targets, increase the Group's focus on companies with the prerequisites to achieve established profitability targets and continue to expand the Group through acquisitions.**

A strategic review of the Group's companies has been carried out over the past two years based on market conditions and the rate of the companies' progress towards achieving their financial targets. Going forward, a more stringent capital allocation will be applied to areas with high profitability, significant value creation and healthy growth prospects. Supplementary new targets include achieving an EBIT margin over 10 percent no later than 2025/2026 and P/WC of at least 45 percent no later than 2026/2027. The Group's previous financial targets remain unchanged. Alternative structural solutions will be evaluated for companies that are not expected to reach the profitability target of P/WC of at least 45 percent within three to five years.

The vision is to be the leading niche supplier of productive, safe and sustainable solutions to the construction and industrial sectors. Within the framework of this vision, we will continue to broaden our focus on acquired companies. Some examples of our broader approach are acquisitions within infrastructure, electronic testing equipment, mobile heaters and safety products.

The Group prioritises profit growth over volume growth, with a target of EBIT growth of at least 15 percent over a business cycle. The ambition is for part of this profit growth to come from acquisitions with combined annual earnings of MSEK 50-80. The acquisitions will primarily focus on niche B2B technology companies with proprietary products, mainly in the Nordic region and the UK.

*"We will ensure that we are allocating resources and capital to the areas that generate the best return. The majority of Bergman & Beving's 28 companies already meet our profitability requirement of P/WC of at least 45 percent. We will take resolute action in the companies where we are not seeing the desired rate of improvement and evaluate our role in the companies where we believe the profitability target will not be achieved within three to five years,"* says Magnus Söderlind, President & CEO of Bergman & Beving.

Stockholm, 15 November, 2023

Bergman & Beving AB (publ)

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*This information is information that Bergman & Beving is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-11-15 14:00 CET.*

*Bergman & Beving, founded in 1906, is a Swedish listed group that acquires and develops leading companies with an eternal ownership horizon. The Group's autonomous companies work in expansive niches where they provide value-adding solutions for industrial and construction clients. Each company operates with great freedom on the basis of a decentralized management model that has been creating growth, profitability and sustainable development for more than 100 years. Bergman & Beving is listed on Nasdaq Stockholm, has approximately 1,300 employees and a turnover of approximately SEK 5 billion. The Group consists of about 20 companies represented in more than 25 countries. Read more about our operations at [bergmanbeving.com](https://bergmanbeving.com).*

**Attachments**

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