

Interim Report 1 April–30 June 2023

First quarter (1 April–30 June 2023)

- ❖ Revenue rose by 2 percent to MSEK 1,228 (1,200).
- ❖ EBITA increased by 15 percent to MSEK 105 (91) and the EBITA margin improved to 8.6 percent (7.6).
- ❖ Net profit totalled MSEK 48 (55).
- ❖ Cash flow from operating activities increased by 127 percent to MSEK 179 (79).
- ❖ Three acquisitions have been completed, one of which after the end of the period, with total annual revenue of approximately MSEK 160.

MSEK	3 months			Rolling 12 months	
	Apr–Jun 2023	Apr–Jun 2022	Δ %	30 Jun 2023	31 Mar 2023
Revenue	1,228	1,200	2	4,777	4,749
EBITA	105	91	15	396	382
EBITA margin, percent	8.6	7.6		8.3	8.0
Profit after financial items	62	70	-11	263	271
Net profit (after taxes)	48	55	-13	207	214
Earnings per share before dilution, SEK	1.70	2.05		7.45	7.80
Earnings per share after dilution, SEK	1.70	2.05		7.40	7.80
P/WC, percent				22	21
Cash flow from operating activities	179	79	127	433	333
Equity/assets ratio, percent				40	39
Number of employees at the end of the period	1,352	1,245	9	1,352	1,348

Unless otherwise stated, comparisons in brackets pertain to the corresponding period in the preceding year.

CEO's comments

Good start to the new operating year

The first quarter of the operating year was a continued step in the right direction. EBITA in the first quarter increased 15 percent year on year and the EBITA margin rose by 1 percentage point to 8.6 percent. The increase was mainly driven by acquisitions with favourable profitability, an improved product mix and increased operational efficiency. We established concrete targets and activities for each company prior to the new fiscal year, focusing on earnings growth ahead of revenue growth. This contributed to a modest revenue growth of 2 percent in the quarter, with organic revenue declining by 8 percent. Combined with a reduction in working capital, the increase in earnings boosted cash flow from operating activities, which amounted to MSEK 179 during the quarter.

Increased market uncertainty

Our operations focus on the professional market and the main indicator for the Group's underlying demand is number of employees in the construction and industrial sectors. Economic uncertainty increased during the quarter, particularly in the construction sector. In the construction sector at our largest markets Sweden and Norway there was a reduction of 6 percent in the number of employees compared to last year. This resulted in weaker demand for several of our companies with end customers in the construction sector. Nonetheless, we are experiencing continued stable demand in the industrial sector, partly due to an increase in the number of employees in industry in the Nordic region.

Company-specific activities to increase profitability, earnings, the margin and cash flow

Given the increased economic uncertainty and the fact that we still have companies that are not delivering on their financial targets, we have intensified our efforts to improve our working capital efficiency and to continue improving our operating margin, which for some companies means efficiency measures. Our initiated cost savings are gradually taking effect, as evidenced by the continued reduction in like-for-like costs. We are continuing our efforts to improve our working capital efficiency, mainly by reducing inventory levels, which is expected to have a further positive effect on cash flow.

Acquisitions of market-leading niche companies will continue

We acquired two companies during the first quarter and one additional after the end of the reporting period. Through the acquisition of Tema Norge, we increased our presence in the growing niche of orbital and mechanised welding technology, an area where Tema Norge, together with our company Retco, is growing into a strong position in the Nordic market. During the quarter, we also acquired Elkington, the Swedish leader in floor access hatches for infrastructure and commercial premises projects. After the end of the reporting period, we acquired Itaab, the market leader in metal suspended ceilings in Sweden, mainly installed in public properties. The two most recent acquisitions are part of the Building Materials division and sell to niches in the construction sector that are expected to have underlying growth. The acquisitions provide the Group with annual revenue of approximately MSEK 160 with favourable profitability and based on our capital allocation model - the Focus Model - the focus will be on supporting the companies in their growth journey.

Earnings expansion will continue

Despite a potentially weaker underlying market, I believe that we have favourable conditions to increase the Group's profitability, margin and cash flow through improvements in our 26 companies and through further acquisitions during the operating year. I therefore strongly believe that Bergman & Beving will continue to deliver on the target established in April 2021 of reaching an operating profit of at least MSEK 500 latest by the 2025/2026 operating year.

Stockholm, July 2023

Magnus Söderlind
President & CEO

Profit and revenue

First quarter (1 April–30 June 2023)

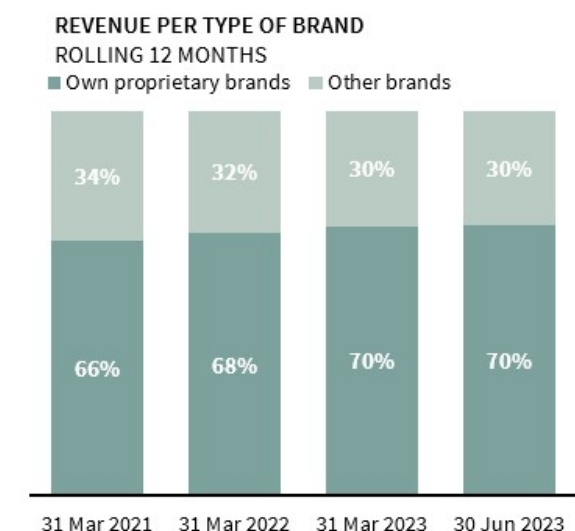
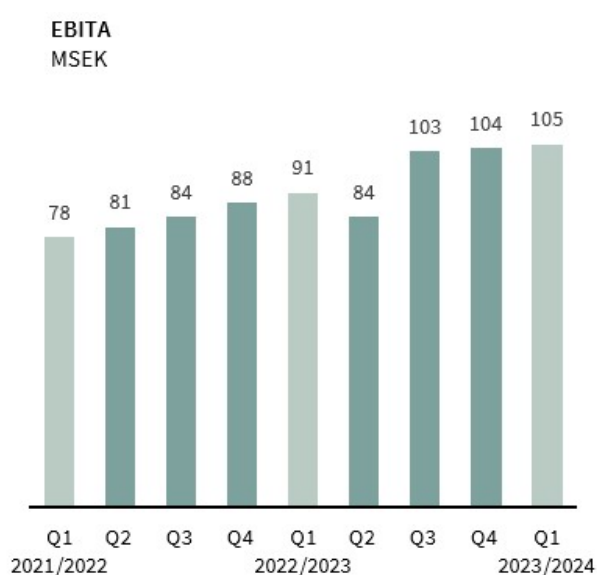
Revenue rose by 2 percent to MSEK 1,228 (1,200). Revenue decreased by 8 percent organically due to the continued replacement of low-margin transactions in combination with a somewhat weaker market and the negative effect of lower orders in the spring period for ESSVE. Acquired revenue growth amounted to 9 percent and exchange-rate fluctuations had a positive impact of 1 percent on revenue.

Economic uncertainty increased during the quarter, particularly in the construction sector where we noted weaker demand for our companies among end customers in the Nordic region, although sales related to repairs, alterations and extensions were more stable.

Demand from industrial customers was stable but resellers' reductions of buffer inventories affected several of the Group's companies.

EBITA for the first quarter increased by 15 percent to MSEK 105 (91) and the EBITA margin improved to 8.6 percent (7.6).

Profit after financial items totalled MSEK 62 (70). Financial expenses were negatively impacted by higher interest expenses for bank loans, a higher IFRS 16-related interest expense on a higher lease liability that now includes a new logistics facility and the remeasurement of loans in foreign currency. Net profit amounted to MSEK 48 (55) and earnings per share on a rolling 12-month basis totalled SEK 7.40 (7.70) after dilution.



Performance by division

MSEK	3 months			Rolling 12 months	
	Apr–Jun 2023	Apr–Jun 2022	Δ %	30 Jun 2023	31 Mar 2023
Revenue					
Building Materials	393	389	1	1,383	1,379
Workplace Safety	405	411	-1	1,650	1,656
Tools & Consumables	439	410	7	1,781	1,752
Group-wide/eliminations	-9	-10		-37	-38
Total revenue	1,228	1,200	2	4,777	4,749
EBITA					
Building Materials	50	37	35	127	114
Workplace Safety	34	39	-13	147	152
Tools & Consumables	31	17	82	135	121
Group-wide/eliminations	-10	-2		-13	-5
Total EBITA	105	91	15	396	382
EBITA margin, percent					
Building Materials	12.7	9.5		9.2	8.3
Workplace Safety	8.4	9.5		8.9	9.2
Tools & Consumables	7.1	4.1		7.6	6.9
Total EBITA margin	8.6	7.6		8.3	8.0

Performance by division – first quarter

Building Materials

Building Materials' revenue increased by 1 percent to MSEK 393 (389). EBITA increased by 35 percent to MSEK 50 (37) and the EBITA margin improved to 12.7 percent (9.5).

Demand from construction customers in Sweden and Norway was weaker in the quarter, but new construction customers, which account for a smaller portion of the division's sales, exhibited considerably lower demand. The earnings increase in the division was mainly related to acquisitions and operational improvements within ESSVE, which continued its positive earnings performance. During the quarter, ESSVE renewed its cooperation agreement with its largest customer in Norway, providing the conditions for ESSVE to further increase its business volume. KGC will expand outside Sweden after signing a new agreement covering Sweden, Norway and Denmark with a Nordic bricklaying and tiling company during the quarter. The division's latest acquisitions, Kiilax and Elkington, delivered as expected during the quarter.

Workplace Safety

Revenue in Workplace Safety amounted to MSEK 405 (411). EBITA totalled MSEK 34 (39) and the EBITA margin totalled 8.4 percent (9.5).

The decrease in the number of employees in the construction industry in Sweden and Norway, our largest markets, has resulted in weaker demand for personal protective equipment in the construction sector, while demand for personal protective equipment remained stable in industry. At the same time, several of the division's companies were negatively impacted by customers' decisions to reduce their buffer inventories, which was also the main reason for the lower earnings. Cresto continued its strong earnings trend with underlying stable demand.

Tools & Consumables

Tools & Consumables' revenue increased by 7 percent to MSEK 439 (410). EBITA rose by 82 percent to MSEK 31 (17) and the EBITA margin improved to 7.1 percent (4.1).

Demand from resellers in the construction sector was weaker, while demand from resellers in industry was more stable. For the companies in the division, which conduct more direct transactions with industry customers, demand remained strong.

Several of the division's companies continued to report positive trends, and all companies except Luna had an operating margin of more than 10 percent. Luna continued its transition and its underlying positive earnings trend, replacing unprofitable volume products with higher-margin products. During the quarter, Luna ended its collaboration with its external logistics partner and started delivering from the new logistics facility in Ulricehamn, which is expected to provide

quality and cost advantages in the long term. The acquired units performed in accordance with, or exceeded, expectations.

Group-wide and eliminations

Group-wide items and eliminations for the first quarter amounted to MSEK -10 (-2) because running-in costs for the new logistics facility.

The Parent Company's revenue amounted to MSEK 10 (9) and profit after financial items amounted to MSEK 15 (5) for the period.

Employees

At the end of the period, the number of employees in the Group totalled 1,352, compared with 1,348 at the beginning of the financial year. During the period, 14 employees were gained via acquisitions.

Corporate acquisitions

On 3 April, Tools & Consumables acquired all of the shares in Tema Norge AS. Tema Norge is a leading player in Norway in orbital welding and mechanised welding technology and generates annual revenue of approximately MSEK 45.

On 12 June, the Building Materials division acquired all of the shares in Elkington AB. The company is a leading actor in Sweden in floor access hatches but also sells related products in wall and roof hatches. The company has annual revenue of approximately MSEK 40.

Bergman & Beving normally uses an acquisition model with a base consideration and a contingent consideration. The outcome of the contingent consideration depends on the future earnings of the acquired company.

Preliminary purchase price allocations for the acquisitions over the past 12 months:

Fair value of acquired assets and liabilities	MSEK
Customer relations, etc.	209
Other non-current assets	9
Other assets	190
Deferred tax liability, net	-43
Current liabilities	-65
Acquired net assets	300
Goodwill	171
Non-controlling interest	-31
Purchase considerations	440
Less: Purchase considerations, unpaid	-97
Less: Cash and cash equivalents in acquired companies	-70
Net change in cash and cash equivalents	-273

The unpaid purchase considerations of MSEK 97 are contingent and are estimated to amount to a maximum of MSEK 97. The contingent considerations will fall due within three years.

Acquisition analyses older than 12 months are considered finalised.

Acquisition	Closing	Rev. MSEK*	No. of empl.*	Division
Polartherm, Finland	Aug 2022	127	57	Tools & Consumables
A.T.E. Solutions, UK	Feb 2023	32	17	Tools & Consumables
Kiilax, Finland	Feb 2023	100	24	Building Materials
Tema Norge, Norway	Apr 2023	45	8	Tools & Consumables
Elkington, Sweden	Jun 2023	40	6	Building Materials

* Refers to the situation assessed on a full-year basis on the date of acquisition.

Considerations of MSEK 6 pertaining to previous years' acquisitions were paid during the quarter. No remeasurement of contingent considerations was carried out during the period.

Profitability, cash flow and financial position

Profitability, measured as the return on working capital (P/WC), amounted to 22 percent (22). The return on equity was 9 percent (11).

Cash flow from operating activities for the quarter amounted to MSEK 179 (79). Working capital decreased during the quarter by MSEK 39, primarily due to lower inventory levels.

Cash flow was charged with net investments in non-current assets of MSEK 18 (11) and MSEK 98 (67) pertaining to acquisitions.

The Group's operational net loan liability at the end of the period amounted to MSEK 1,065 (923), excluding expensed pension obligations of MSEK 485 (529) and lease liabilities according to IFRS 16 of MSEK 433 (364). Cash and cash equivalents, including unutilised granted credit facilities, totalled MSEK 971 (586).

Financial income and expenses amounted to MSEK -29 (-12) for the quarter, of which the net expense for bank financing amounted to MSEK -17 (-4) for the quarter.

The equity/assets ratio was 40 percent (38). Equity per share increased to SEK 88.55, compared with SEK 84.35 at the beginning of the year.

The Swedish tax rate, which is also the Parent Company's tax rate, was 20.6 percent. The Group's weighted average tax rate, with its current geographic mix, was approximately 21 percent.

Share structure and repurchase of shares

At the end of the period, share capital totalled MSEK 56.9 and was distributed by class of share as follows:

SHARE STRUCTURE

Class of share	No. of shares	No. of votes	% of capital	% of votes
Class A shares, 10 votes per share	1,062,436	10,624,360	3.9	28.7
Class B shares, 1 vote per share	26,373,980	26,373,980	96.1	71.3
Total number of shares before repurchasing	27,436,416	36,998,340	100.0	100.0
Of which, repurchased Class B shares	-798,343		2.9	2.2
Total number of shares after repurchasing	26,638,073			

The share price on 30 June 2023 was SEK 172.60. The average number of treasury shares was 829,480 during the period and 798,343 at the end of the period. The average purchase price for the repurchased shares was SEK 87.88 per share.

CALL OPTION PROGRAMMES

Outstanding programmes	No. of options	Corresponding no. of shares	% of total shares	Redemption price	Redemption period
Call option programme 2020/2024	244,000	244,000	0.9%	99.50	11 Sep 2023–7 Jun 2024
Call option programme 2021/2025	178,000	178,000	0.6%	197.30	16 Sep 2024–12 Jun 2025
Call option programme 2022/2026	210,000	210,000	0.8%	106.10	9 Sep 2025–5 Jun 2026

Call options issued for repurchased shares resulted in an insignificant dilution effect.

During the quarter, the 2019/2023 call option programme expired.

Events after the end of the period

On 6 July 2023, Bergman & Beving acquired all of the shares in Itaab Trading AB. The company will be part of the Building Materials division. Itaab is the leading manufacturer and supplier of metal suspended ceilings in Sweden with annual revenue of approximately MSEK 75.

Annual General Meeting

The Annual General Meeting (AGM) of Bergman & Beving AB will be held on 24 August 2023 at 4:00 p.m. CEST at IVA Conference Centre, Grev Turegatan 16, Stockholm. The notice of the AGM will be published in July and will be available at www.bergmanbeving.com.

Stockholm, 14 July 2023

Magnus Söderlind
President & CEO

This report has not been subject to special review by the Company's auditors.

Other information

Publication

This information is information that Bergman & Beving AB (publ) 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 below, at 7:45 a.m. CEST on 14 July 2023.

Dates for forthcoming financial information

- ❖ **The 2023 AGM** will be held on 24 August 2023 at 4:00 p.m. CEST at IVA Conference Centre, Grev Turegatan 16, Stockholm.
- ❖ **Interim Report 1 April–30 September 2023** will be published on 19 October 2023.
- ❖ **Interim Report 1 April–31 December 2023** will be published on 9 February 2024.
- ❖ **Financial Report 1 April 2023–31 March 2024** will be published on 15 May 2024.

Contact information

Magnus Söderlind, President and CEO, tel: +46 10 454 77 00
Peter Schön, CFO, tel: +46 70 339 89 99

Visit www.bergmanbeving.com to download reports, presentations and press releases.

Reporting by quarter

MSEK	2023/2024		2022/2023			2021/2022			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue									
Building Materials	393	382	298	310	389	400	277	288	375
Workplace Safety	405	425	442	378	411	402	452	351	428
Tools & Consumables	439	438	509	395	410	413	444	385	399
Group-wide/eliminations	-9	-8	-10	-10	-10	-10	-10	-10	-9
Total revenue	1,228	1,237	1,239	1,073	1,200	1,205	1,163	1,014	1,193
EBITA									
Building Materials	50	40	11	26	37	29	10	21	34
Workplace Safety	34	29	49	35	39	37	43	29	36
Tools & Consumables	31	35	45	24	17	25	33	31	14
Group-wide/eliminations	-10	0	-2	-1	-2	-3	-2	0	-6
Total EBITA	105	104	103	84	91	88	84	81	78
EBITA margin, percent									
Building Materials	12.7	10.5	3.7	8.4	9.5	7.3	3.6	7.3	9.1
Workplace Safety	8.4	6.8	11.1	9.3	9.5	9.2	9.5	8.3	8.4
Tools & Consumables	7.1	8.0	8.8	6.1	4.1	6.1	7.4	8.1	3.5
Total EBITA margin	8.6	8.4	8.3	7.8	7.6	7.3	7.2	8.0	6.5

Group summary

MSEK	3 months		Rolling 12 months	
	Apr–Jun 2023	Apr–Jun 2022	30 Jun 2023	31 Mar 2023
Revenue	1,228	1,200	4,777	4,749
Other operating income	6	3	47	44
Total operating income	1,234	1,203	4,824	4,793
Cost of goods sold	-665	-674	-2,618	-2,627
Personnel costs	-253	-233	-951	-931
Depreciation, amortisation and impairment losses	-66	-55	-243	-232
Other operating expenses	-159	-159	-664	-664
Total operating expenses	-1,143	-1,121	-4,476	-4,454
Operating profit	91	82	348	339
Financial income and expenses	-29	-12	-85	-68
Profit after financial items	62	70	263	271
Taxes	-14	-15	-56	-57
Net profit	48	55	207	214
Of which, attributable to Parent Company shareholders	45	54	198	207
Of which, attributable to non-controlling interest	3	1	9	7
EBITA	105	91	396	382
Earnings per share before dilution, SEK	1.70	2.05	7.45	7.80
Earnings per share after dilution, SEK	1.70	2.05	7.40	7.80
Number of shares outstanding before dilution, '000	26,638	26,568	26,638	26,575
Weighted number of shares before dilution, '000	26,607	26,534	26,577	26,560
Weighted number of shares after dilution, '000	26,805	26,622	26,784	26,586

MSEK	3 months		Rolling 12 months	
	Apr–Jun 2023	Apr–Jun 2022	30 Jun 2023	31 Mar 2023
Net profit	48	55	207	214
Other comprehensive income				
Remeasurement of defined-benefit pension plans	-	78	42	120
Tax attributable to components that will not be reclassified	-	-16	-9	-25
Components that will not be reclassified to net profit	-	62	33	95
Translation differences	61	11	94	44
Fair value changes for the year in cash-flow hedges	-3	2	1	6
Tax attributable to components that will be reclassified	1	0	0	-1
Components that will be reclassified to net profit	59	13	95	49
Other comprehensive income	59	75	128	144
Total comprehensive income for the period	107	130	335	358
Of which, attributable to Parent Company shareholders	102	129	323	350
Of which, attributable to non-controlling interest	5	1	12	8

CONSOLIDATED BALANCE SHEET

MSEK	30 Jun 2023	30 Jun 2022	31 Mar 2023
Assets			
Goodwill	1,884	1,687	1,815
Other intangible non-current assets	671	486	604
Tangible non-current assets	145	128	140
Right-of-use assets	435	356	441
Financial non-current assets	6	6	5
Deferred tax assets	35	74	34
Inventory	1,291	1,332	1,360
Accounts receivable	941	953	969
Other current receivables	178	186	161
Cash and cash equivalents	231	212	220
Total assets	5,817	5,420	5,749
Equity and liabilities			
Equity attributable to Parent Company shareholders	2,289	2,049	2,181
Non-controlling interest	64	18	59
Non-current interest-bearing liabilities	1,377	1,110	1,362
Provisions for pensions	485	529	490
Other non-current liabilities and provisions	239	186	207
Current interest-bearing liabilities	352	389	385
Accounts payable	448	563	487
Other current liabilities	563	576	578
Total equity and liabilities	5,817	5,420	5,749
Operational net loan liability	1,065	923	1,090

CONSOLIDATED STATEMENT OF EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS

MSEK	30 Jun 2023	30 Jun 2022	31 Mar 2023
Opening equity	2,181	1,915	1,915
Dividend	–	–	–90
Exercise and purchase of options for repurchased shares	6	5	6
Total comprehensive income for the period	102	129	350
Closing equity	2,289	2,049	2,181

CONSOLIDATED CASH-FLOW STATEMENT	3 months		Rolling 12 months	
	Apr–Jun 2023	Apr–Jun 2022	30 Jun 2023	31 Mar 2023
MSEK				
Operating activities before changes in working capital	140	129	400	389
Changes in working capital	39	-50	33	-56
Cash flow from operating activities	179	79	433	333
Investments in intangible and tangible assets	-18	-11	-52	-45
Proceeds from sale of intangible and tangible assets	0	0	0	0
Acquisition of businesses	-98	-67	-286	-255
Disposal of businesses	-	-	19	19
Cash flow before financing	63	1	114	52
Financing activities	-62	24	-111	-25
Cash flow for the period	1	25	3	27
Cash and cash equivalents at the beginning of the period	220	182	212	182
Cash flow for the period	1	25	3	27
Exchange-rate differences in cash and cash equivalents	10	5	16	11
Cash and cash equivalents at the end of the period	231	212	231	220

Compilation of key financial ratios

KEY RATIOS	Rolling 12 months				
	30 Jun 2023	31 Mar 2023	31 Mar 2022	31 Mar 2021	31 Mar 2020
MSEK					
Revenue	4,777	4,749	4,575	4,311	4,060
EBITDA	591	571	503	426	353
EBITA	396	382	331	271	208
EBITA margin, percent	8.3	8.0	7.2	6.3	5.1
Operating profit	348	339	298	247	189
Operating margin, percent	7.3	7.1	6.5	5.7	4.7
Profit after financial items	263	271	259	212	155
Net profit	207	214	202	166	116
Profit margin, percent	5.5	5.7	5.7	4.9	3.8
Return on working capital (P/WC), percent	22	21	22	20	16
Return on capital employed, percent	8	8	8	7	6
Return on equity, percent	9	10	11	10	7
Operational net loan liability (closing balance)	1,065	1,090	889	697	695
Operational net debt/equity ratio	0.5	0.5	0.5	0.4	0.4
Operational net loan liability/EBITDA, multiple	1.8	1.9	1.8	1.6	2.0
Equity (closing balance)	2,353	2,240	1,932	1,715	1,643
Equity/assets ratio, percent	40	39	36	35	35
Number of employees at the end of the period	1,352	1,348	1,227	1,129	1,083

KEY PER-SHARE DATA	Rolling 12 months				
	30 Jun 2023	31 Mar 2023	31 Mar 2022	31 Mar 2021	31 Mar 2020
SEK					
Earnings before dilution	7.45	7.80	7.55	6.15	4.30
Earnings after dilution	7.40	7.80	7.50	6.15	4.30
Cash flow from operating activities	16.30	12.55	8.50	14.40	8.25
Equity	88.55	84.35	72.85	64.40	61.10
Share price	172.60	128.40	141.40	121.40	50.30

Parent Company summary

INCOME STATEMENT	3 months		Rolling 12 months	
	Apr–Jun 2023	Apr–Jun 2022	30 Jun 2023	31 Mar 2023
MSEK				
Revenue	10	9	38	37
Other operating income	–	–	0	0
Total operating income	10	9	38	37
Operating expenses	–12	–15	–51	–54
Operating loss	–2	–6	–13	–17
Financial income and expenses	17	11	53	47
Profit after financial items	15	5	40	30
Appropriations	–	–	15	15
Profit before taxes	15	5	55	45
Taxes	–3	–1	–3	–1
Net profit	12	4	52	44

STATEMENT OF COMPREHENSIVE INCOME	3 months		Rolling 12 months	
	Apr–Jun 2023	Apr–Jun 2022	30 Jun 2023	31 Mar 2023
MSEK				
Net profit	12	4	52	44
Fair value changes for the year in cash-flow hedges	–3	2	1	6
Taxes attributable to other comprehensive income	1	0	0	–1
Components that will be reclassified to net profit	–2	2	1	5
Other comprehensive income	–2	2	1	5
Total comprehensive income for the period	10	6	53	49

BALANCE SHEET	30 Jun		31 Mar
	2023	2022	2023
MSEK			
Assets			
Intangible non-current assets	–	0	–
Tangible non-current assets	1	2	2
Financial non-current assets	2,584	2,540	2,583
Current receivables	996	708	1,121
Cash and bank	0	1	1
Total assets	3,581	3,251	3,707
Equity, provisions and liabilities			
Equity	1,159	1,190	1,144
Untaxed reserves	6	49	6
Provisions	42	40	43
Non-current liabilities	1,256	860	1,283
Current liabilities	1,118	1,112	1,231
Total equity, provisions and liabilities	3,581	3,251	3,707

Notes

1. Accounting policies

This Interim Report was prepared in accordance with IFRS and by applying IAS 34, Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Securities Market Act. The Interim Report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which conforms to the provisions detailed in RFR 2 Accounting for Legal Entities.

The same accounting policies and bases of judgement have been applied in this Interim Report as in the Annual Report for 2022/2023. Disclosures are provided in the financial statements and accompanying notes as well as other sections of the interim report.

New or amended accounting standards which take effect in coming periods

A number of new and amended IFRS have not yet come into effect and have not been applied in advance in the preparation of this financial statement. The amended IFRS to be applied in the future are not expected to have any material impact on the Group's financial statements.

2. Revenue per geographic area

The Group primarily conducts operations in Sweden, Norway and Finland and revenue presented for the geographic markets is based on the domicile of the customers.

MSEK	3 months		Rolling 12 months	
	Apr–Jun 2023	Apr–Jun 2022	30 Jun 2023	31 Mar 2023
Sweden	435	471	1,701	1,737
Norway	281	308	1,168	1,195
Finland	148	124	531	507
Other countries	364	297	1,377	1,310
Revenue	1,228	1,200	4,777	4,749

3. Leases

Leases under IFRS 16 have the following effect on the consolidated balance sheet or income statement.

MSEK	30 Jun 2023	30 Jun 2022	31 Mar 2023
Right-of-use assets	435	356	441
Non-current lease liabilities	292	243	297
Current lease liabilities	141	121	140

MSEK	3 months		Rolling 12 months	
	Apr–Jun 2023	Apr–Jun 2022	30 Jun 2023	31 Mar 2023
Depreciation of right-of-use assets	-37	-33	-139	-135
Interest on lease liabilities	-4	-2	-11	-9

IFRS 16 will not affect operational follow-up or follow-up of earnings from the divisions.

The increase in right-of-use assets and lease liabilities pertains primarily to the new logistics facility. The new lease gave rise to an increase of MSEK 1 in IFRS 16 interest for the quarter.

4. Risks and uncertainties

The uncertain geopolitical situation, the general conditions and inflation have intensified, but have had a marginal impact on the Group to date. Otherwise, no significant changes occurred during the financial year with respect to risks and uncertainties, for either the Group or the Parent Company. For information about these risks and uncertainties, refer to pages 58–61 of Bergman & Beving's Annual Report for 2022/2023.

5. Transactions with related parties

No transactions having a material impact on the Group's position or earnings occurred between Bergman & Beving and its related parties during the financial year.

6. Alternative performance measures

Bergman & Beving uses certain financial performance measures in its analysis of the operations and their performance that are not calculated in accordance with IFRS. The Company believes that these performance measures provide valuable information for investors, since they enable a more accurate assessment of current trends when combined with other key financial ratios calculated in accordance with IFRS. Since listed companies do not always calculate these performance measures ratios in the same way, there is no guarantee that the information is comparable with other companies' performance measures of the same name.

Change in revenue

Comparable units refer to sales in local currency from units that were part of the Group during the current period and the entire corresponding period in the preceding year. Acquisitions/divestments refer to the acquisition or divestment of units during the corresponding period.

	3 months	
	Apr–Jun 2023	Apr–Jun 2022
Percentage change in revenue for:		
Comparable units in local currency	–8	–4
Currency effects	1	2
Acquisitions/divestments	9	3
Total – change	2	1

EBITA

Operating profit for the period before impairment of goodwill and amortisation and impairment of other intangible assets in connection with corporate acquisitions and equivalent transactions.

	3 months		Rolling 12 months	
	Apr–Jun 2023	Apr–Jun 2022	30 Jun 2023	31 Mar 2023
MSEK				
Operating profit	91	82	348	339
Depreciation and amortisation in connection with acquisitions	14	9	48	43
EBITA	105	91	396	382

EBITDA

Operating profit for the period before depreciation/amortisation and impairment losses.

	3 months		Rolling 12 months	
	Apr–Jun 2023	Apr–Jun 2022	30 Jun 2023	31 Mar 2023
MSEK				
Operating profit	91	82	348	339
Depreciation, amortisation and impairment losses	66	55	243	232
EBITDA	157	137	591	571

Return on working capital (P/WC)

Bergman & Beving's profitability target is for each unit in the Group to achieve profitability of at least 45 percent, measured as EBITA (P) for the rolling 12-month period as a percentage of average 12 months' working capital (WC), defined as inventories plus accounts receivable less accounts payable.

	Rolling 12 months		
	30 Jun 2023	30 Jun 2022	31 Mar 2023
MSEK			
EBITA (P)	396	344	382
Average working capital (WC)			
Inventory	1,398	1,243	1,389
Accounts receivable	904	883	924
Accounts payable	–489	–557	–516
Total – average WC	1,813	1,569	1,797
P/WC, percent	22	22	21

7. Other definitions

Return on equity ¹

Net profit for the rolling 12-month period divided by average equity.

Return on capital employed

Profit after financial items plus financial expenses for the rolling 12-month period divided by the average balance-sheet total less non-interest-bearing liabilities.

EBITA margin

EBITA for the period as a percentage of revenue.

Equity per share ¹

Equity divided by the weighted number of shares at the end of the period.

Cash flow per share

Cash flow for the rolling 12-month period from operating activities divided by the weighted number of shares.

Operational net loan liability

Interest-bearing liabilities excluding lease liabilities and provisions for pensions less cash and cash equivalents.

Operational net debt/equity ratio ¹

Operational net loan liability divided by equity.

Earnings per share

Net profit attributable to the Parent Company shareholders divided by the weighted number of shares.

Operating margin

Operating profit for the period as a percentage of revenue.

Equity/assets ratio ¹

Equity as a percentage of the balance-sheet total.

Profit margin

Net profit after financial items as a percentage of revenue.

Weighted number of shares

Average number of shares outstanding before or after dilution. Shares held by Bergman & Beving are not included in the number of shares outstanding. Dilution effects arise due to call options that can be settled using shares in share-based incentive programmes. The call options have a dilution effect when the average share price during the period is higher than the redemption price of the call options.

¹ Minority shares are included in equity when this performance measure is calculated.



Bergman & Beving in brief

- ❖ Bergman & Beving, founded in 1906, is a Swedish listed corporate group with extensive experience in acquiring and developing leading niche companies from a long-term ownership perspective.
- ❖ Bergman & Beving’s vision is to be a leading niche supplier of productive, safe and sustainable solutions to companies.
- ❖ Our decentralised governance model means that we strive for leading positions through organic growth and add-on acquisitions in existing niches and through acquisitions in new niches.
- ❖ Through our products, we are represented at over 5,000 sales outlets and by distributors in approximately 25 countries.
- ❖ Our primary market is the Nordic region, which accounts for approximately 75 percent of revenue.
- ❖ We aim to be a sustainable company where we actively work to create long-term value for society and our shareholders while limiting the impact of our operations on the environment.
- ❖ The subsidiaries in the Group are operated with decentralised business responsibility, with a focus on simplicity, responsibility and freedom, efficiency, openness and a willingness to change.

Our business units:

Building Materials	Workplace Safety	Tools & Consumables
Solutions and necessities for the construction industry	Personal Protective Equipment and Work environment safety	Hand tools, Machines and Supplies