

# BT Industries AB (publ)

Interim report January – March 2002

- ▷ *Orders received essentially unchanged at SEK 3,096 m. (SEK 3,108 m.)*
- ▷ *Sales declined by 8% to SEK 2,936 m. (SEK 3,200 m.)*
- ▷ *Income after net financial items fell 23% to SEK 174 m. (SEK 226 m.)*
- ▷ *The market: Europe down, North America levelling off*

## Financial summary

SEK m.	January – March 3 months		April – March rolling 12 months		Full-year 2001
	2002	2001	2002	2001	
Orders received	3,096	3,108	12,233	12,313	12,245
Net sales	2,936	3,200	12,983	12,201	13,248
EBITDA 1)	285	362	1,307	1,412	1,385
Operating income	133	226	717	903	810
Income after net financial items	174	226	835	892	888

1) EBITDA = Earnings Before Interest, Tax, Depreciation and Amortisation of intangible assets

## Market development

Signs indicate that the North American lift truck market has reached bottom following the major economic slowdown. For the Western European market, the first quarter was distinguished by a wait-and-see attitude, with a decline in demand. In most markets outside Western Europe and North America, development was relatively optimistic, with volumes remaining largely unchanged.

BT's market share is estimated to have grown in North America and remained unchanged in other market areas as a whole.

## Orders and invoiced sales

The Group's orders received during the quarter amounted to SEK 3,096 m. (SEK 3,108 m.), i.e. at the same level as the corresponding period of the previous year.

Net sales amounted to SEK 2,936 m. (SEK 3,200 m.), 8% lower than the previous year. The high net sales in 2001 were facilitated by a high order backlog at the beginning of the year. A year later the order backlog was significantly lower, making it impossible to maintain the same high delivery rate.

The order backlog rose slightly during the first quarter of 2002.

Net sales for the first quarter of 2002 and 2001 by product area were as follows:

Amounts in SEK m.	January – March		Change %
	2002	2001	
Warehouse trucks	1,364	1,658	- 18%
Counterbalanced trucks	393	384	+ 2%
Manual trucks	113	127	- 11%
Total, trucks	1,870	2,169	- 14%
- % of total	64%	68%	
Spare parts	477	481	- 1%
Service	317	303	+ 5%
Other areas	272	247	+ 10%
Total, service market	1,066	1,031	+ 3%
- % of total	36%	32%	
<b>Net sales</b>	<b>2,936</b>	<b>3,200</b>	<b>- 8%</b>

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### Income

The Group's EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation of intangible assets) fell by 21% to SEK 285 m. (SEK 362 m.). The decline was mainly due to lower deliveries of warehouse trucks and significantly lower capacity utilisation at production plants.

Income from long-term rentals/leasing amounted to SEK 62 m., against SEK 38 m. in the first quarter of 2001. Other net financial income and expenses amounted to SEK -21 m., against SEK -38 m. in the previous year. Generally lower global interest rates strongly contributed to the improvement.

The Group's income after net financial items amounted to SEK 174 m. (SEK 226 m.), a decrease of 23%.

### Structural changes

At the beginning of the year BT sold its 50-percent interest in Material Handling Associates in the U.S. In addition, it acquired all the shares in a small regional distributor in Germany. As a result of these changes, the Group's cash flow was credited a net of SEK 41 m. Income for the year was affected positively by approximately SEK 20 m. by the capital gain on the share sale.

### Capital expenditures

The Group's total net capital expenditures for tangible and intangible fixed assets amounted to SEK 102 m., compared with SEK 191 m. in the corresponding period a year earlier. The investments in 2001 to expand production capacity are now essentially complete, due to which the investment level is declining.

### Financing and liquidity

The Group's total assets declined to SEK 11,478 m. from SEK 11,851 m. at the beginning of the year. Net borrowings amounted to SEK 1,362 m., compared with SEK 1,661 m. at year-end 2001. The net gearing ratio was 36%, an improvement compared with 44% at the beginning of the year.

The equity ratio amounted to slightly over 33%, against 32% at the beginning of the year.

Cash flow was strengthened substantially during the first quarter compared with the corresponding period a year earlier. During the quarter cash flow was SEK 349 m. (SEK -236 m.). The improvements are most evident in tied-up working capital and in the North American leasing operation.

### Personnel

As of March 31 the Group had 7,719 employees, compared with 7,820 at year-end 2001. The decrease is attributable in its entirety to North America.

### BT's business areas

BT's operations are organised into three business areas. In addition, BT has central, Group-wide resources for, among other things, management, accounting, finance, IT and information.

#### Business area BT EUROPE

*Covering primarily Western Europe.*

SEK m.	January-March		Full-year
	2002	2001	2001
Orders received	1,753	1,827	7,067
Net sales	1,729	1,677	7,175
Income 1)	130	157	587
Operating margin, % 2)	7.5	9.4	8.2
Operating capital 3)	1,729	1,788	1,966
No. of employees	4,720	4,539	4,735

Demand for warehouse trucks fell in Western Europe during the first quarter. The decline, measured in number of units, was around 19% compared with the corresponding period a year earlier.

BT's market share is essentially unchanged at around 18%.

Orders received amounted to SEK 1,753 m. – a decrease of 4% against the previous year.

Income was negatively affected mainly by a low utilisation ratio at the plants.

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### Business area BT RAYMOND

*Covering primarily North America.*

SEK m.	January-March		Full-year 2001
	2002	2001	
Orders received	<b>1,223</b>	1,191	4,766
Net sales	<b>1,099</b>	1,434	5,695
Income 1)	<b>100</b>	159	524
Operating margin, % 2)	<b>9.1</b>	11.1	9.2
Operating capital 3)	<b>1,290</b>	1,486	1,288
No. of employees	<b>2,449</b>	2,906	2,518

There are indications that the major economic slowdown that began in the U.S. back in late 2000 may have reached bottom. The decline for warehouse trucks is now thought to have levelled off.

Compared with the previous year, orders received declined by approximately 3% expressed in USD. In Swedish kronor, orders instead rose by 3%.

BT's market share is estimated to have increased during the quarter.

The high order backlog at the beginning of last year was not available at the beginning of this year. As a result, shipments declined by 23% to SEK 1,099 m. compared with the first quarter of 2001. Lower volumes also had a negative effect on the utilisation ratio at the plants this year. Income has therefore weakened significantly during the year.

### Business area BT INTERNATIONAL

*Markets outside North America and Western Europe.*

SEK m.	January-March		Full-year 2001
	2002	2001	
Orders received	<b>295</b>	242	1,137
Net sales	<b>260</b>	261	1,165
Income 1)	<b>12</b>	17	58
Operating margin, % 2)	<b>4.6</b>	6.7	5.0
Operating capital 3)	<b>291</b>	192	252
No. of employees	<b>496</b>	458	517

In markets outside Western Europe and North America, demand has generally remained good. Certain markets, such as Argentina, have been an exception.

Income weakened slightly compared with the previous year, primarily as a result of an unfavourable product and country mix in deliveries.

BT's market share as a whole is estimated to have remained unchanged.

Mjölby, May 14, 2002

Carl-Erik Ridderstråle  
*President and CEO*

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- 1) Income = operating income + income from long-term rentals/leasing. Amortisation of goodwill at the Group level is not charged against the individual business areas.
  - 2) For definition, see Note 2 on page 7.
  - 3) Operating capital = working capital incl. the share of the equity of associated companies plus tangible and intangible fixed assets, excl. goodwill.

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## Income statements

Amounts in SEK m.	January – March		Full-year
	2002	2001	2001
<b>Net sales</b>	<b>2,936</b>	3,200	13,248
Cost of sales	-2,136	-2,310	-9,700
<b>Gross income</b>	<b>800</b>	890	3,548
Product development	-64	-65	-258
Marketing and sales	-341	-346	-1,423
Administration	-248	-239	-1,047
Amortisation of goodwill	-34	-32	-135
Other operating income	56	35	215
Other operating expenses	-31	-24	-116
Income in associated companies	-5	7	26
<b>Operating income</b>	<b>133</b>	226	810
<b>Income from financial investments</b>			
Income from long-term rentals/leasing	62	38	177
Interest income and other financial income	16	15	60
Interest expenses and other financial expenses	-37	-53	-159
<b>Income after net financial items</b>	<b>174</b>	226	888
Income tax	-72	-90	-336
Minority interests	0	0	0
<b>Net income</b>	<b>102</b>	136	552

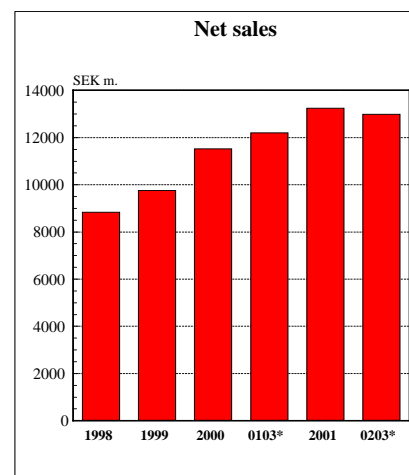
  

Average number of outstanding shares, thousands	28,000	28,000	28,000
Earnings per share after estimated tax, SEK	3.65	4.85	18.50
Earnings per share after full tax, SEK	-	-	19.70

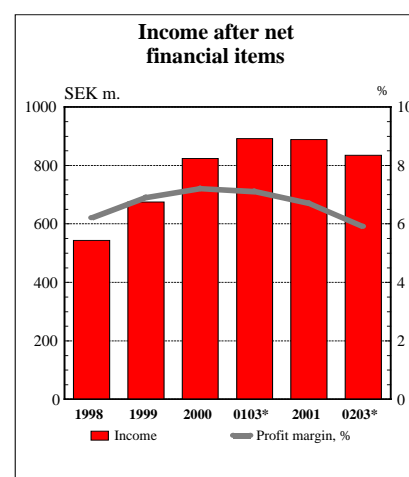
Total depreciation and amortisation according to plan -152 -136 -575

## Balance sheets

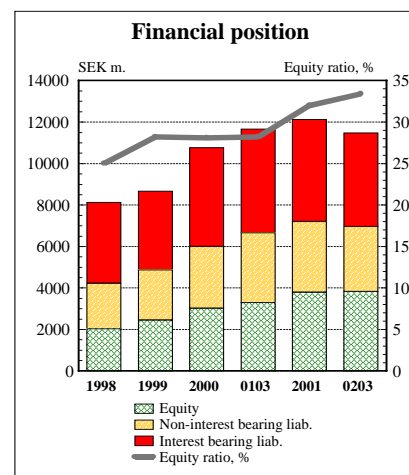
Amounts in SEK m.	March 31		Dec. 31
	2002	2001	2001
<b>ASSETS</b>			
<b>Fixed assets</b>			
Goodwill	1,877	2,013	1,945
Other intangible	49	33	44
Tangible	1,855	1,747	1,906
Financial	2,115	2,161	2,153
<b>Total</b>	<b>5,896</b>	5,954	6,048
<b>Current assets</b>			
Inventories	1,669	1,699	1,601
Current receivables	3,521	3,782	3,867
Cash and banks	392	223	335
<b>Total</b>	<b>5,582</b>	5,704	5,803
<b>TOTAL ASSETS</b>	<b>11,478</b>	11,658	11,851
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>3,830</b>	3,289	3,788
Minority share	0	3	3
Provisions	901	801	907
<b>Liabilities</b>			
Long-term liabilities	4,250	4,249	4,413
Current liabilities	2,497	3,316	2,740
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>11,478</b>	11,658	11,851



\*) Rolling 12-months values



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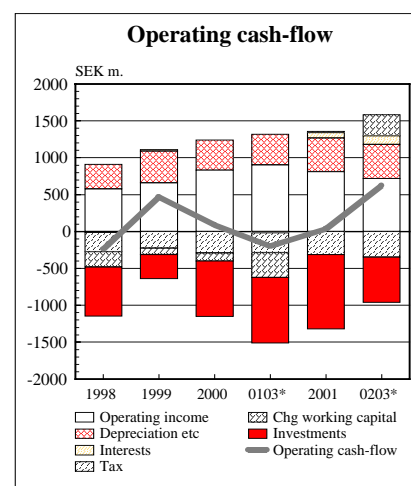


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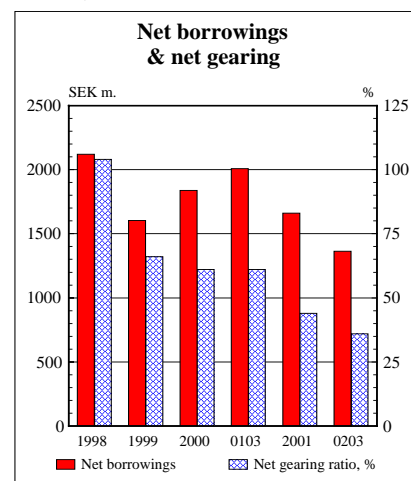
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## Statements of cash flows

Amounts in SEK m.	January – March		Full-year
	2002	2001	2001
<b>Operating activities</b>			
Operating income	133	226	811
<i>Non cash flow related items</i>			
- Depreciation and amortisation acc. to plan	152	136	575
- Other	-27	-17	-120
Non cash flow related items	125	119	455
Income from long-term rentals/leasing	62	38	177
Other financial items, net	2	-17	-104
Tax paid	-74	-41	-315
Cash flow from operating activities before changes in working capital	248	325	1,024
Changes in working capital	89	-183	18
<b>Cash flow from operations</b>	<b>337</b>	<b>142</b>	<b>1,042</b>
<b>Investment activities</b>			
Investments in financial fixed assets	114	-187	-319
Investments in tangible and intangible fixed assets	-102	-191	-688
<b>Cash flow from investment activities</b>	<b>12</b>	<b>-378</b>	<b>-1,007</b>
<b>OPERATING CASH FLOW</b>	<b>349</b>	<b>-236</b>	<b>35</b>
Acquisitions/disposals of companies, net	41	-	-2
<b>Financing activities</b>			
Changes in loans	-326	-114	-277
<b>Cash flow from financing activities</b>	<b>-326</b>	<b>-114</b>	<b>-277</b>
<b>Changes in cash and banks</b>	<b>64</b>	<b>-350</b>	<b>-244</b>
Cash and banks brought forward	335	564	564
Translation differences in cash and banks	-7	9	15
<b>Cash and banks carried forward</b>	<b>392</b>	<b>223</b>	<b>335</b>



\*) Rolling 12-months values

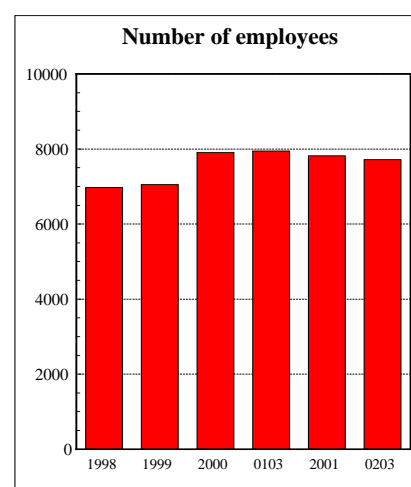


## Net borrowings

Amounts in SEK m.	March 31		Dec. 31
	2002	2001	2001
Interest-bearing assets	3,155	2,987	3,259
Interest-bearing liabilities	4,517	4,994	4,920
<b>NET BORROWINGS</b>	<b>1,362</b>	<b>2,007</b>	<b>1,661</b>

## Change in equity

Amounts in SEK m.	March 31		Dec. 31
	2002	2001	2001
<b>Equity brought forward, January 1</b>	<b>3,788</b>	<b>3,018</b>	<b>3,070</b>
Foreign currency translation effects etc	-60	135	166
Net income	102	136	552
<b>Equity carried forward</b>	<b>3,830</b>	<b>3,289</b>	<b>3,788</b>



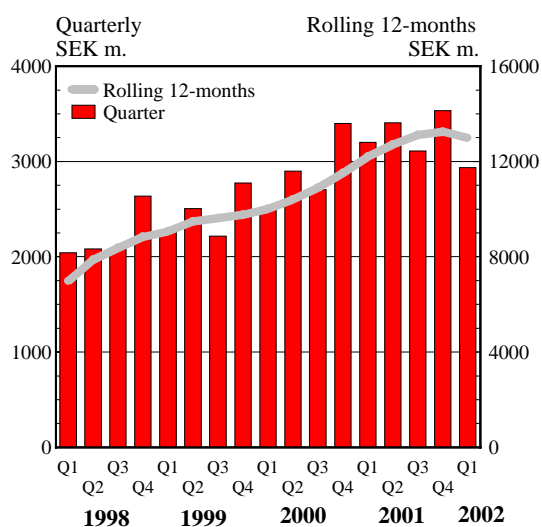
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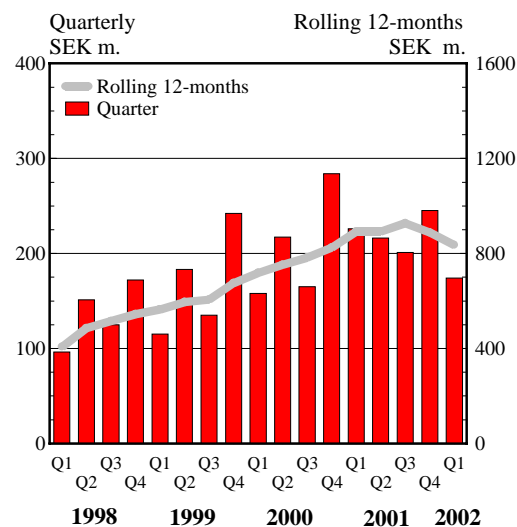
## Quarterly development

Amounts in SEK m.	Quarter 1		Quarter 2		Quarter 3		Quarter 4	
	2002	2001	2001	2000	2001	2000	2001	2000
Orders received	<b>3,096</b>	3,108	2,970	3,123	2,849	2,815	3,330	3,267
Net sales	<b>2,936</b>	3,200	3,406	2,897	3,109	2,704	3,797	3,400
Cost of sales	<b>-2,136</b>	-2,310	-2,467	-2,077	-2,282	-1,935	-2,816	-2,447
Gross income	<b>800</b>	890	939	820	827	769	981	953
Gross margin, %	<b>27.2%</b>	27.8%	27.6%	28.3%	26.6%	28.4%	25.8%	28.0%
Operating expenses	<b>-667</b>	-664	-751	-601	-631	-590	-688	-674
Operating income	<b>133</b>	226	188	219	196	179	293	279
Interest margin LTR/leasing	<b>62</b>	38	52	36	38	28	25	42
Operating margin, %	<b>6.6%</b>	8.3%	7.0%	8.8%	7.5%	7.7%	8.4%	9.4%
Net financial items, other	<b>-21</b>	-38	-24	-38	-33	-42	-21	-37
Income after net financial items	<b>174</b>	226	216	217	201	165	297	284
Profit margin, %	<b>5.9%</b>	7.1%	6.3%	7.5%	6.5%	6.1%	7.8%	8.4%

## Net sales



## Income after financial net



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## Key ratios

		January – March 2002	March 2001	Full-year 2001
EBITDA margin, %	1)	<b>11.8%</b>	12.5%	11.8%
Operating margin, %	2)	<b>6.6%</b>	8.2%	7.5%
Profit margin, %	3)	<b>5.9%</b>	7.1%	6.7%
Interest coverage, multiple	4)	<b>12.6</b>	5.6	6.9
Return on capital employed, %	5)	-	-	16.5%
Return on equity, %	6)	-	-	16.1%
Net gearing ratio, %	7)	<b>36%</b>	61%	44%
Equity ratio, %	8)	<b>33.4%</b>	28.2%	32.0%

## Share data

		January – March 2002	March 2001	Full-year 2001
Earnings per share after full tax, SEK	9)	-	-	19.70
Earnings per share after standard tax, SEK	10)	<b>3.65</b>	4.85	18.50
EBITDA per share, SEK	11)	<b>12.40</b>	14.30	55.80
Cash flow per share, SEK	12)	<b>12.45</b>	-8.40	1.25
Equity per share, SEK	13)	<b>136.80</b>	117.45	135.30
No. of shares, thousands		<b>28,000</b>	28,000	28,000

## DEFINITIONS

- 1) Operating income plus depreciation, amortisation and income from long-term rentals/leasing divided by net sales.
- 2) Operating income plus income from long-term rentals/leasing in relation to net sales.
- 3) Income after net financial items in relation to net sales.
- 4) Operating income plus interest income divided by interest expenses.
- 5) Operating income plus interest income including income from long-term rentals/leasing in relation to the average of capital employed at the opening and close of each period.
- 6) Net income for the period in relation to the average of equity at the opening and close of each period.
- 7) Net borrowings in relation to equity and the minority share at the close of each period.
- 8) Equity including the minority share in relation to total assets at the close of each period.
- 9) Net income for the period divided by the average number of shares.
- 10) Income before tax charged with standard tax of approx. 35% on income after net financial items plus non-tax deductible amortisation divided by the average number of shares.
- 11) Operating income, depreciation, amortisation and income from long-term rentals/leasing divided by the average number of shares.
- 12) Operating cash flow according to the statement of cash flows divided by the average number of shares.
- 13) Equity divided by the number of shares on the closing day.

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## Five-year summary

Amounts in SEK m.	2001	2000	1999	1998	1997
<b>Income statements</b>					
Net sales	13,248	11,518	9,759	8,838	5,956
Gross income	3,548	3,247	2,847	2,568	1,754
Income before depreciation (EBITDA)	1,385	1,313	1,077	956	656
Operating income	810	831	660	576	389
Income after net financial items	888	824	675	544	370
Net income	552	552	431	310	168
<i>Total depreciation according to plan</i>	<i>-575</i>	<i>-482</i>	<i>-417</i>	<i>-380</i>	<i>-267</i>
<b>Balance sheets</b>					
Fixed assets	6,048	5,345	4,531	4,435	3,906
Current assets	5,803	5,554	4,136	3,693	3,155
<b>Total assets</b>	<b>11,851</b>	<b>10,899</b>	<b>8,667</b>	<b>8,128</b>	<b>7,061</b>
Equity	3,788	3,070	2,442	2,027	1,774
Minority share	3	3	2	2	34
Liabilities and provisions	8,060	7,826	6,223	6,099	5,253
<b>Total liabilities and equity</b>	<b>11,851</b>	<b>10,899</b>	<b>8,667</b>	<b>8,128</b>	<b>7,061</b>
<b>Net borrowings</b>					
Interest-bearing assets	3,259	2,932	2,193	1,789	1,578
Interest-bearing liabilities	4,920	4,770	3,796	3,908	3,361
<b>Net borrowings</b>	<b>1,661</b>	<b>1,838</b>	<b>1,603</b>	<b>2,119</b>	<b>1,783</b>
<b>Cash flow</b>					
Cash flow from operations	1,042	838	797	429	352
Cash flow from investments 1)	-1,007	-751	-330	-670	-390
Operating cash flow	35	87	467	-241	-38
<b>Key ratios</b>					
EBITDA margin, %	11.8%	12.6%	12.4%	12.1%	12.2%
Operating margin, %	7.5%	8.5%	8.2%	7.8%	7.7%
Profit margin, %	6.7%	7.2%	6.9%	6.2%	6.2%
Return on capital employed, %	16.5%	18.5%	16.8%	15.3%	16.7%
Return on equity, %	16.1%	20.0%	19.3%	16.3%	12.8%
Capital turnover rate, multiple	2.1	2.1	2.0	1.9	2.1
Interest coverage, multiple	6.9	5.8	5.2	4.2	4.9
Net gearing ratio, %	44%	60%	66%	104%	99%
Equity ratio, %	32.0%	28.2%	28.2%	25.0%	25.6%
<b>Personnel</b>					
Number of employees at year-end	7 820	7 899	7 054	6 975	6 444

1) Excluding acquisitions of companies

For definitions, see page 7.