



Increased Order Intake and Strategic Focus on IDC  
JANUARY—SEPTEMBER 2014

# Beijer Electronics – an innovative company within industrial automation

- ▶ Founded in 1981
- ▶ Present in 22 countries
- ▶ A global supplier of industrial automation and communication solutions
- ▶ R&D facilities in Sweden, Germany, Taiwan and USA
- ▶ 20% of all employees in R&D
- ▶ Own products account for more than 80% of sales



# Agenda

- ▶ Highlights
- ▶ Financials
- ▶ Summary and Q&A

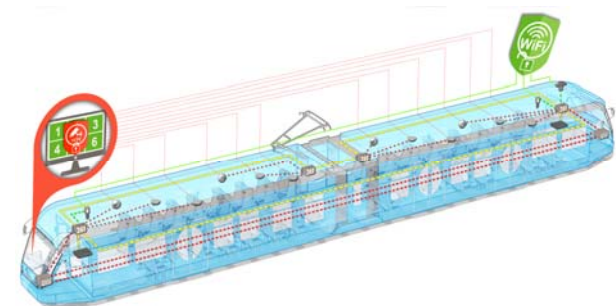


# Investments of 175 MSEK in Westermo to scale up the offer in Edge networks and IP Train

- ▶ The objective for Westermo is to reach 650 MSEK in sales with a profitability above today's 14% EBIT
- ▶ The investment will be used to scale up Westermo's offer and market presence within
  - Edge networks
  - IP Train
- ▶ Westermo has a strong market position and customer base which limits the risk of the investment
- ▶ With the scale up Westermo will be established as a global market leader
- ▶ Approximately 50 new jobs will be created, both in R&D and sales



Westermo Edge networks



Westermo IP Train

# Further investments in Korenix within Wireless and Surveillance

- ▶ To capitalize on Korenix's successful launch of the JetWave Wireless series – additional 13 MSEK in investments
- ▶ The investments will further position Korenix as a leader in the Surveillance segment
- ▶ The target for Korenix is to grow by 50% in three years



Korenix Wireless products:  
JetPort5804i and JetWave 2730

## Turnaround in IAS – profit improvement in 2015

- ▶ IAS has been struggling with unsatisfactory profitability for a long time
- ▶ A turnaround program has been initiated with the objective to give a 25 MSEK improvement in the 2015 results
- ▶ The program will be executed in Q4 2014 and H1 2015
- ▶ The program will aim at focusing the way we do business, and will address internal processes, product offer and geographic markets
- ▶ Management's assessment is that 40 full time positions will be affected

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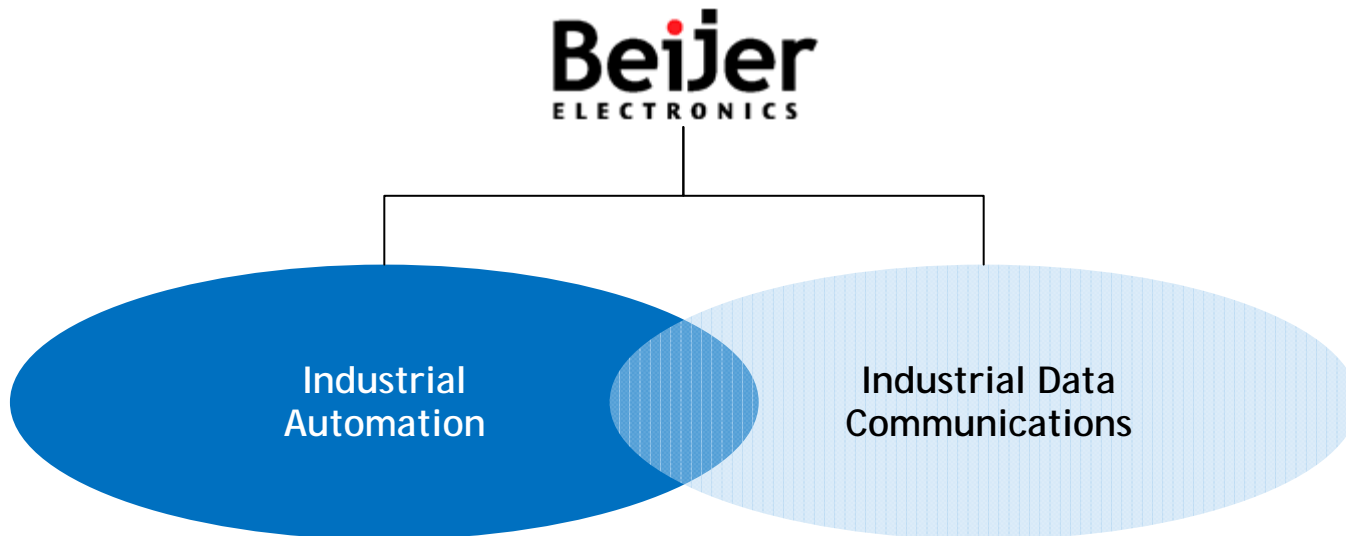
## Financial Performance

JANUARY—SEPTEMBER 2014



## Since Q1, 2014, Beijer Electronics reports in two Business Areas

- ▶ As of Q1, 2014, Beijer Electronics changed the structure of the external reporting into two business areas — Industrial Data Communication (IDC) and Industrial Automation Solutions (IAS)
- ▶ The change was made to be more in line with our market and improve our customer focus



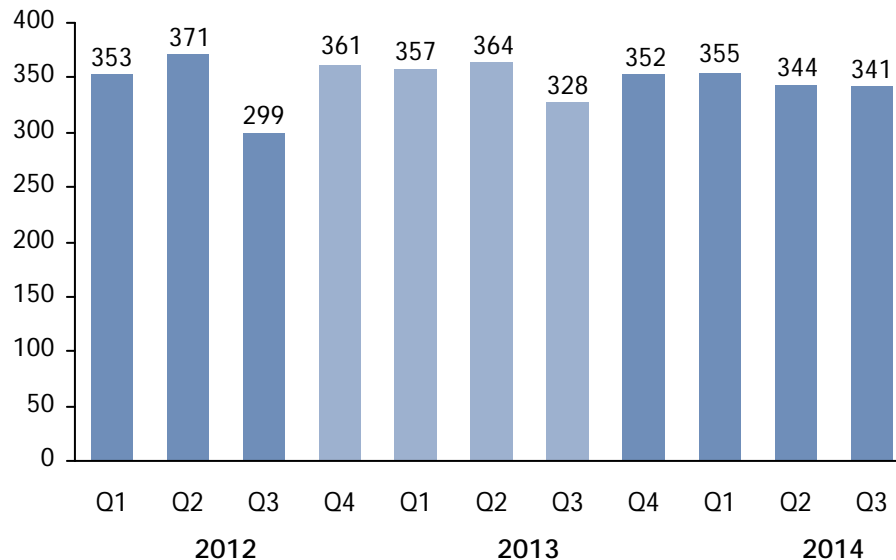
# Order intake increased by 10% in Q3 adjusted for Vehicle

(MSEK)	Q3 2014	Q3 2013	+/-	YTD 2014	YTD 2013	+/-
Order intake	341.4	327.5	4.2%	1 039.5	1 049.2	-0.9%

## Comments

- Order intake up 10% in the quarter and 2% YTD adjusted for Vehicle
- Continued strong order development in IDC, both Westermo and Korenix
- IAS up 6% adjusted for Vehicle
- Increased order intake, despite divested Vehicle business

Order intake per quarter, MSEK



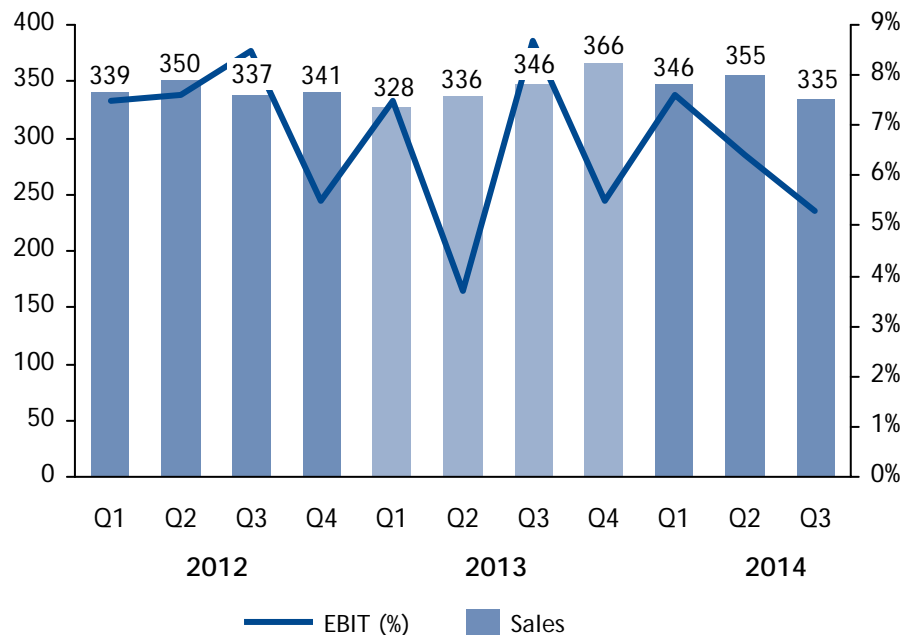
# Group – Third quarter on par with last year both in sales and adjusted EBIT

(MSEK)	Q3 2014	Q3 2013	+/-	YTD 2014	YTD 2013	+/-
Order intake	341.4	327.5	4.2%	1 039.5	1 049.2	-0.9%
Sales	334.6	346.1	-3.3%	1 036.2	1 009.9	2.6%
EBITDA	33.6	46.9	-28.4%	148.5	114.9	29.2%
EBITDA %	10.0%	13.6%		14.3%	11.4%	
EBIT	17.8	30.0	-40.7%	99.7	67.3	
EBIT %	5.3%	8.7%		9.6%	6.7%	

## Comments

- Sales up 2% in Q3 adjusted for Vehicle
- Continued strong development within IDC, both in orders and sales
- Restructuring cost of 10.8 MSEK in the quarter due to CEO leaving
- Adjusted EBIT (excluding restructuring) 28.6 MSEK (8.5%) – on par with last year
- Gain on sale of the Vehicle business impacts YTD EBIT by positive 33 MSEK

Sales & EBIT (%) per quarter, MSEK





Business area Industrial Automation Solutions' market offer is based upon easy to use HMIs and automation products

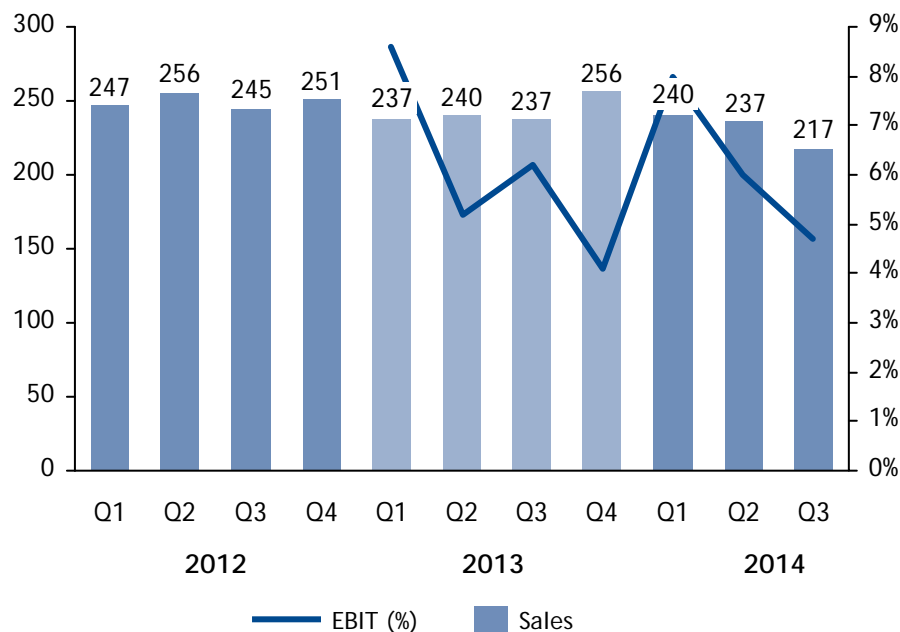
# IAS – Another challenging quarter for the IAS business

(MSEK)	Q3 2014	Q3 2013	+/-	YTD 2014	YTD 2013	+/-
Order intake	215.6	222.8	-3.2%	679.9	729.8	-6.8%
Sales	217.0	237.2	-8.5%	693.8	714.7	-2.9%
EBITDA	16.6	21.8	-23.9%	97.0	47.6	103.8%
EBITDA %	7.6%	9.2%		14.0%	6.7%	
EBIT	10.3	14.7	-29.9%	76.5	47.6	60.7%
EBIT %	4.7%	6.2%		11.0%	6.7%	

## Comments

- Difficult macroeconomic climate in EMEA and Nordics affects demand negatively
- Continued strong development in China, still from low levels
- End of the quarter developed more positively
- Adjusted for Vehicle – order intake is up 6% and sales are down 2% in Q3
- Good development in USA YTD
- Gain on sale of the Vehicle business impacts YTD EBIT by positive 33 MSEK
- Overall unsatisfactory profitability – turnaround activities initiated

## Sales & EBIT (%) per quarter, MSEK







Business area Industrial Data Communication provides a full range of rugged data communication products

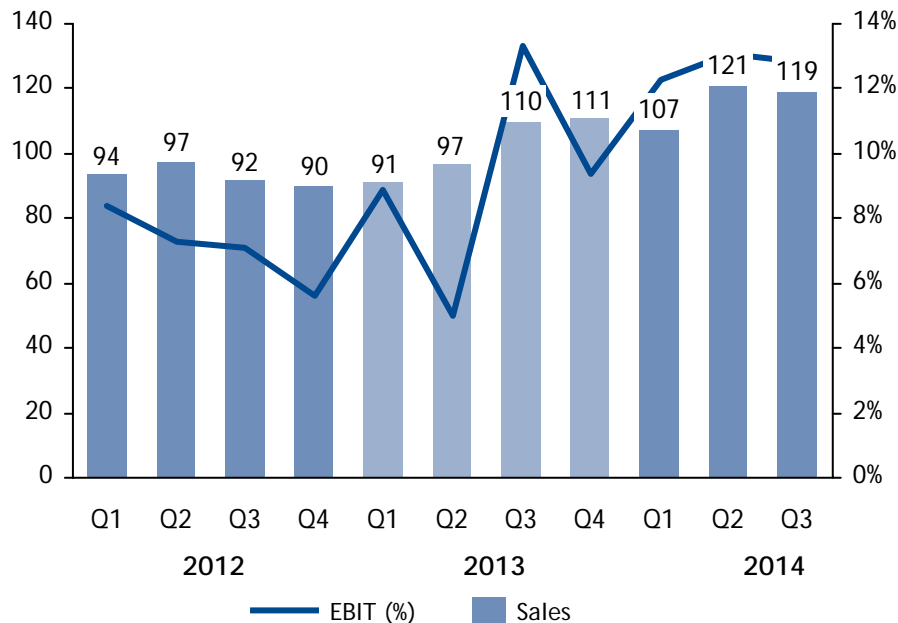
# IDC – The growth story continues

(MSEK)	Q3 2014	Q3 2013	+/-	YTD 2014	YTD 2013	+/-
Order intake	125.8	104.7	20.2%	359.6	319.4	12.6%
Sales	119.0	109.8	8.4%	347.1	298.0	16.5%
EBITDA	22.1	21.4	3.3%	64.6	47.2	36.9%
<i>EBITDA %</i>	18.6%	19.5%		18.6%	15.8%	
EBIT	15.2	14.6	4.1%	44.2	27.6	60.1%
<i>EBIT %</i>	12.8%	13.3%		12.7%	9.3%	

## Comments

- Second best quarter in terms order intake
- Since a year back the IDC business has stabilized on new levels – with expected continued growth
- EBIT % in the quarter down compared to last year due to increased investment in sales and R&D
- Strong growth in USA – more that doubled sales YTD
- IDC is expected to deliver a record year

Sales & EBIT (%) per quarter, MSEK





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# Summary Q3

## Order intake & sales

- ▶ Orders intake excluding Vehicle: Q3 10%, YTD 2%
- ▶ Sales excluding Vehicle: Q3 2%, YTD 5%

## Operations

- ▶ Investments of 175 MSEK in Westermo – Edge networks and IP Train, objective to double the Westermo business in three years
- ▶ Investments in Korenix – Wireless and Surveillance
- ▶ Turnaround in IAS, results improvement of 25 MSEK in 2015

## Profitability

- ▶ EBITDA adj restructuring\*: 13.3% in Q3, YTD 12.2% (tot restr. 10.8 MSEK)
- ▶ EBIT adj restructuring\*: 8.5% in Q3, YTD 7.5% (tot restr. 10.8 MSEK)

# Q & A



Thank you!

**Beijer**  
**ELECTRONICS**