



## JANUARY—MARCH 2014

### Increased Sales and Improved Operating Profit

- Net sales rose by 6% to 346.1 MSEK (327.7).
- Operating profit increased by 6% to 26.2 MSEK (24.7).
- Profit after tax amounted to 15.1 MSEK (16.8).
- Earnings per share were SEK 0.80 (0.82).
- New reporting structure means that Automation and HMI Products are merged into the Industrial Automation Solutions (IAS) business area.

# Interim Report Beijer Electronics AB

## Comments from Fredrik Jönsson, CEO

“The first quarter of 2014 confirmed the cautiously positive trend in the second half of 2013, with increased sales and improved operating profit in the quarter. Order intake remained unchanged in the period, for reasons including non-recurring effects. At the same time, progress shows that the recovery is slow and that uncertainty remains on some markets and in certain segments.

Group sales also varied across different markets. While the US made very brisk progress, sales in the Nordics declined. The rest of Europe and Asia returned positive growth overall.

The IDC business area continued to make convincing progress in terms of order intake, sales and operating profit. IDC continues its global success in the rail segment, receiving major orders from China, Poland and Finland. Network Solutions won several large orders on key European markets.

While Train and Network Solutions are continuing to make extensive investments in product development, Beijer Electronics has also established a Wireless development center in Taiwan to meet growing demand for wireless communication solutions.

As previously announced, Beijer Electronics started presenting its reporting in two business areas, Industrial

Automation Solutions (IAS) and Industrial Data Communication (IDC), from Q1, 2014 onwards.

IDC comprises Westermo and Korenix, which focus on the market for industrial data communication. IAS comprises the former business areas HMI Products and Automation, and address the industrial automation market.

The IAS business area made mixed progress in the first quarter. Sales increased and order intake fell, while operating profit was somewhat lower. The US and China made positive progress. The Nordics and the rest of Europe were more hesitant as a result of factors including planned inventory reductions by some of its major customers.

On the whole, we consider that the underlying market is gradually stabilizing. If the trend continues, there are grounds for a degree of optimism for the full year 2014.”

## Market and Surrounding World

Demand on the global industrial automation market continued to stabilize in the first quarter. Geographical differences in terms of growth rate continued to characterize the market. The US market returned solid growth. In Europe, the picture remained fragmented. Asia has experienced some recovery, particularly China.

## Business Area Sales and Operating Profit

MSEK	Sales Quarter 1		Operating Profit Quarter 1	
	1403	1303	1403	1303
IAS business area	240.2	237.3	19.2	20.3
IDC business area	107.3	91.4	13.2	8.1
Intra-group sales	-1.4	-1.0		
Group adjustments and depreciation			-6.2	-3.7
<b>Beijer Electronics Group</b>	<b>346.1</b>	<b>327.7</b>	<b>26.2</b>	<b>24.7</b>

### Changed Reporting Structure

Beijer Electronics has introduced a new reporting structure which means that three business areas are now reported as two—Industrial Automation Solutions (IAS) and Industrial Data Communication (IDC). The IAS business area comprises the two former business areas Automation and HMI Products. The revision results from the changes introduced in connection with the buy-back of Mitsubishi Electric's former 15% stake in Automation. With its significantly extended product range launched in autumn 2013, IAS can now focus on the global market.

As previously, IDC comprises Westermo and Korenix, and serves the global data communications market.

Figures from previous years have been restated to correspond with the new reporting format.

### The Group in the First Quarter

The group's order intake remained largely unchanged compared to the corresponding period of 2013, totaling 354.7 MSEK (357.3).

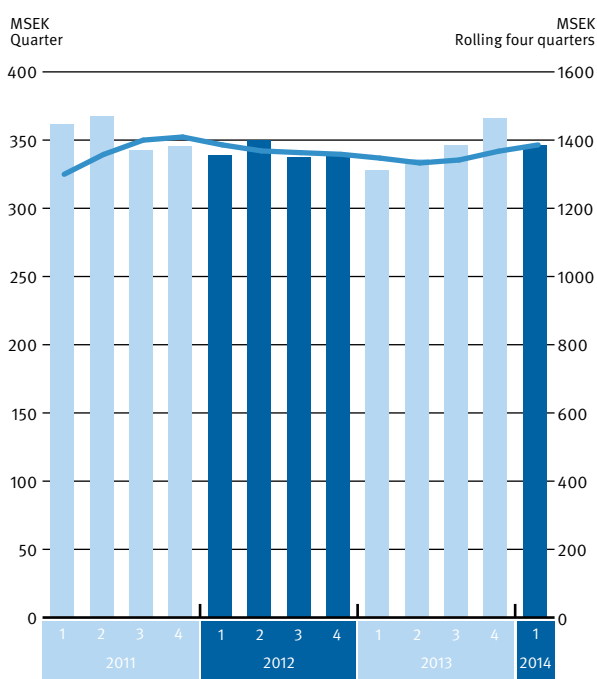
Group sales rose by 6% to 346.1 MSEK (327.7).

IDC provided most of the sales increase, while IAS made slight progress. Group sales in the Nordics fell by 7%, while climbing by 10% in the rest of Europe. Sales made strong progress in the US, rising by 34%. In Asia, sales grew by 16%.

Group operating profit before depreciation and amortization increased by 8% to 42.9 MSEK (39.8), corresponding to a margin of 12.4% (12.1). Depreciation and amortization were SEK 16.7 MSEK (15.1). Operating profit increased by 6% to 26.2 MSEK (24.7), corresponding to an operating margin of 7.6% (7.5). The profit improvement is due to higher sales volumes and slightly stronger gross margins. Total development expenses were 27.7 MSEK (26.6), comprising 8.0% (8.1) of group sales.

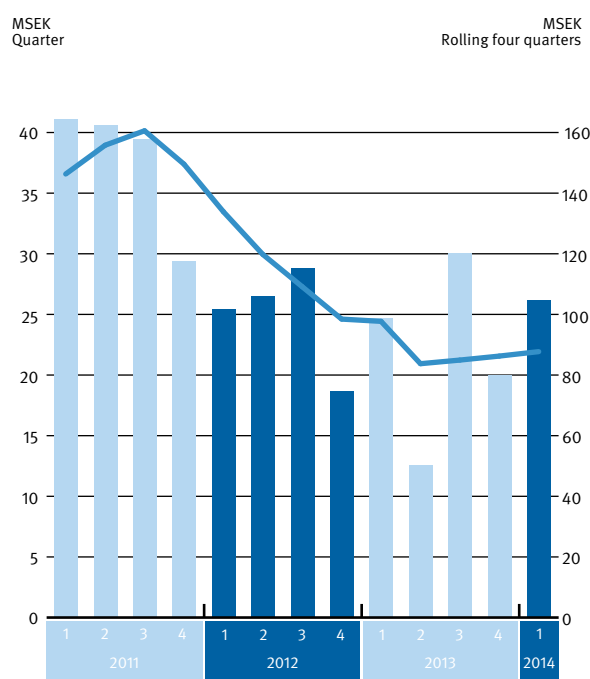
Profit before tax was 20.7 MSEK (23.5). Net financial items were -5.5 MSEK (-1.2). The decline on the previous year was due to a positive outcome on earn-out payment and high financial currency gains in 2013. Profit after estimated tax was 15.1 MSEK (16.8). Earnings per share after estimated tax were SEK 0.79 (0.82).

Group Sales



▲ The bars and left-hand scale indicate quarterly sales. The curve and right-hand scale show rolling four quarter sales.

Group Operating Profit



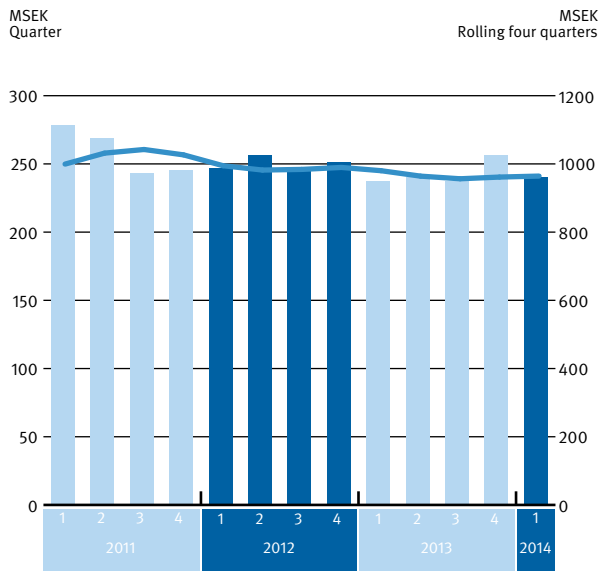
▲ The bars and left-hand scale indicate quarterly profit after depreciation. The curve and right-hand scale show rolling four quarter profit after depreciation.

## Industrial Automation Solutions Business Area

The Industrial Automation Solutions (IAS) business area largely progressed as expected in the first quarter. Underlying business was relatively stable while order intake was affected by inventory reductions by collaboration partners together with a changeover from rolling to annualized orders by some customers. The US and China made positive progress, while sales in the Nordics and the rest of Europe fell. The integration of acquired Turkish company Petek progressed according to plan.

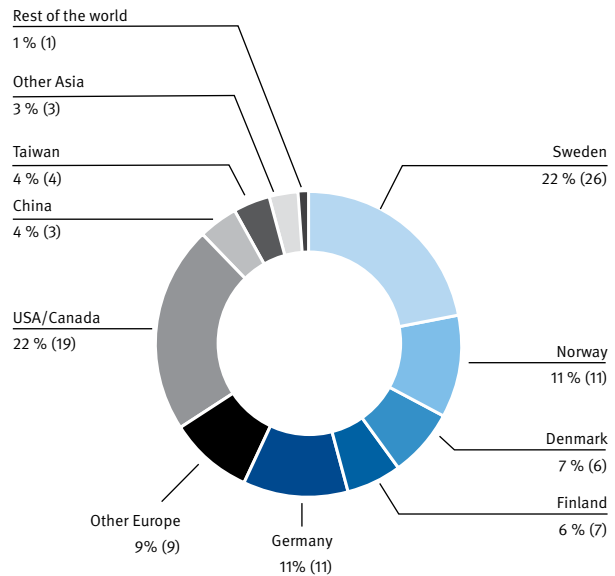
Business area orders fell to 236.6 MSEK (259.2). Sales were 240.2 MSEK (237.3). Operating profit before depreciation and amortization was 26.6 MSEK (26.9), corresponding to a margin of 11.1% (11.3). Depreciation and amortization was 7.4 MSEK (6.6). Operating profit was 19.2 MSEK (20.3), corresponding to an operating margin of 8.0% (8.6).

Sales, IAS



▲ The bars and left-hand scale indicate quarterly sales. The curve and right-hand scale show rolling four quarter sales.

Sales by Geographical Market, IAS



▲ Sales by geographical market for the first quarter 2014 compared to 2013.

## Industrial Data Communication Business Area

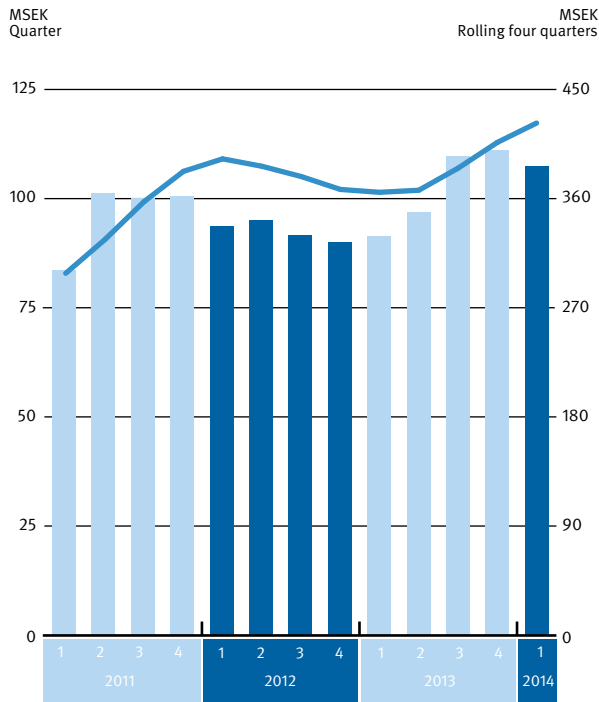
The Industrial Data Communication (IDC) business area made very positive progress, with a strong increase in order intake and sales and a significant improvement in profit.

The advances are the result of previous years' goal-oriented investments in product development and market initiatives. Underlying business operations made favorable progress with increased sales in the quarter. The Train segment continued to return brisk growth. Westermo IP Train is continuing its global success with major orders received from China, Poland and Finland in the quarter. Network Solutions progressed as expected, with a number of major orders received from key markets in Europe. Order intake

increased sharply in Asia. Overall, this implies that the business area's order book is now its strongest ever.

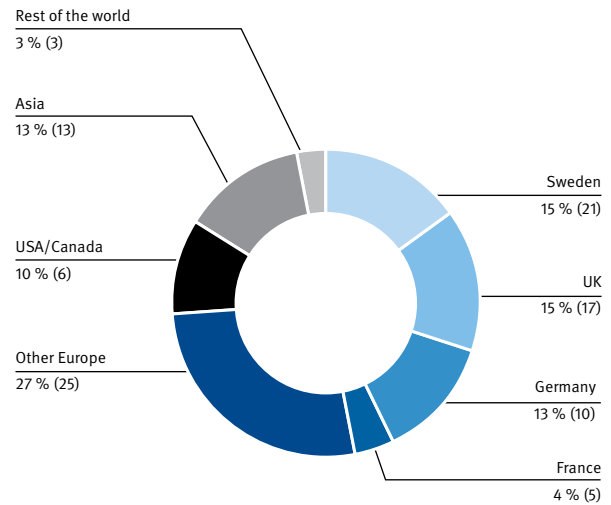
IDC's order intake grew by 20% to 118.0 MSEK (98.1). Sales increased by 17% to 107.3 MSEK (91.4). Operating profit before depreciation and amortization increased by 38% to 20.0 MSEK (14.5), corresponding to a margin of 18.6% (15.8). Depreciation and amortization was 6.8 MSEK (6.3). Operating profit increased by 62% to 13.2 MSEK (8.1), corresponding to an operating margin of 12.3% (8.9). The profit improvement is largely due to higher sales volumes and an improved gross margin.

Sales, IDC



▲ The bars and left-hand scale indicate quarterly sales. The curve and right-hand scale show rolling four quarter sales.

Sales by Geographical Market, IDC



▲ Sales by geographical market for the first quarter 2014 compared to 2013.

## Other Financial Information

Group investments including capitalized development expenses and acquisitions amounted to 23.4 MSEK (17.3). Cash flow from operating activities was -14.7 MSEK (38.1). Equity was 402.2 MSEK (386.5) on March 31, 2014. The equity ratio was 29.1% (29.1). Cash and cash equivalents was 107.5 MSEK (127.7). Net debt was 585.2 MSEK (560.3). The average number of employees was 789 (745).

### Prospects for 2014

Beijer Electronics generated increased sales and improved operating profit in the first quarter 2014. Although the surrounding world remains characterized by uncertainty, the market stabilization seen in recent quarters gives cause for cautious optimism for the full year 2014.

### Accounting Principles

For the group, this Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations of the Swedish Annual Accounts Act.

The Interim Report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act's chapter 9, Interim Reporting. The accounting principles applied for the group and parent company are consistent with those accounting principles used when preparing the latest annual accounts.

This Report has not been reviewed by the company's Auditors.

Malmö, Sweden, April 23, 2014

Fredrik Jönsson  
CEO and President

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## Interim Report in Summary

### Income Statement—Group

SEK 000	Quarter 1, 2014	Quarter 1, 2013	Full year, 2013
Net turnover	346,076	327,714	1,376,187
Other operating revenue	318	257	1,509
Operating expenses excluding depreciation and amortisation	-303,453	-288,221	-1,226,383 <sup>a)</sup>
<b>Operating profit before depreciation and amortization</b>	<b>42,941</b>	<b>39,750</b>	<b>151,313</b>
Amortization, intangible assets	-11,580	-11,153	-46,182
Depreciation, property, plant and equipment	-5,165	-3,867	-17,764
<b>Operating profit</b>	<b>26,196</b>	<b>24,730</b>	<b>87,367</b>
Net financial items	-5,493	-1,195	-15,493
<b>Profit before tax</b>	<b>20,703</b>	<b>23,535</b>	<b>71,874</b>
Estimated tax	-5,587	-6,732	-27,508
<b>Net profit</b>	<b>15,116</b>	<b>16,803</b>	<b>44,366</b>
<i>Attributable to equity holders of the parent</i>	<i>15,004</i>	<i>15,670</i>	<i>44,218</i>
<i>Attributable to minority interest</i>	<i>112</i>	<i>1,133</i>	<i>148</i>
<i>Earnings per share, SEK</i>	<i>0.79</i>	<i>0.82<sup>b)</sup></i>	<i>2.32</i>

a) Of which non-recurring items were -5,633

b) The number of shares in the company has increased as a result of a new share issue of 133,122 shares, now totaling 19,067,586 (18,934,464). Earnings per share for earlier periods have been adjusted.

### Comprehensive Income

SEK 000	Quarter 1, 2014	Quarter 1, 2013	Full year, 2013
Net profit	15,116	16,803	44,366
Actuarial gains and losses			9,714
Translation differences	-4,226	-13,890	-11,706
<b>Comprehensive income</b>	<b>10,890</b>	<b>2,913</b>	<b>42,374</b>
<i>Attributable to equity holders of the parent</i>	<i>10,846</i>	<i>2,084</i>	<i>41,399</i>
<i>Attributable to minority interest</i>	<i>44</i>	<i>829</i>	<i>975</i>

### Balance Sheet—Group

SEK 000	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013
<b>Assets</b>			
Fixed assets	835,598	763,515	850,863
Current assets	456,737	511,729	458,020
Cash equivalents and short-term investments	107,531	127,742	147,926
<b>Total assets</b>	<b>1,399,866</b>	<b>1,402,986</b>	<b>1,456,809</b>
<b>Liabilities and shareholders' equity</b>			
Shareholders' equity	402,209	386,484	391,363
Minority share of shareholders' equity	4,844	22,145	4,800
Long-term liabilities	516,435	556,688	544,766
Current liabilities	476,378	437,669	515,880
<b>Total liabilities and shareholders' equity</b>	<b>1,399,866</b>	<b>1,402,986</b>	<b>1,456,809</b>
<i>Of which interest-bearing liabilities</i>	<i>692,743</i>	<i>688,026</i>	<i>707,776</i>

## Statement of Changes to Shareholders' Equity

SEK 000	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013
<b>Attributable to equity holders of the parent</b>			
Opening balance, shareholders' equity, 1 January	391,363	415,843	415,843
Change of accounting principle		-31,443	-31,443
New share issue			45
Other paid-up capital			8,049
Dividend			-23,668
Acquisitions			-18,862
Comprehensive income	10,846	2,084	41,399
<b>Closing balance, shareholders' equity</b>	<b>402,209</b>	<b>386,484</b>	<b>391,363</b>
<b>Minority interest</b>			
Opening balance, 1 January	4,800	21,316	21,316
Acquisitions			
Dividend			-17,491
Comprehensive income	44	829	975
<b>Closing balance</b>	<b>4,844</b>	<b>22,145</b>	<b>4,800</b>

## Key Figures–Group

	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013
Operating margin, %	7.6	7.5	6.3
Profit margin, %	4.4	5.1	3.2
Equity ratio, %	29.1	29.1	27.2
Shareholders' equity per share, SEK	21.1	20.3 <sup>a)</sup>	20.5
Earnings per share, SEK	0.79	0.82 <sup>a)</sup>	2.32
Return on equity after tax, %	10.5	13.9	11.1
Return on capital employed, %	8.6	9.2	8.8
Return on net operating assets, %	15.0	16.6	14.0
Average number of employees	789	745	776

a) The number of shares in the company has increased as a result of a new share issue of 133,122 shares, now totaling 19,067,586 (18,934,464). Earnings per share for earlier periods have been adjusted.

## Cash Flow Statement–Group

SEK 000	Mar. 31, 2014	Mar. 31, 2013	Dec. 31, 2013
Cash flow from operating activities before changes in working capital	28,461	29,261	115,803
Change in working capital	-43,190	8,799	92,107
<b>Cash flow from operating activities</b>	<b>-14,729</b>	<b>38,060</b>	<b>207,910</b>
Cash flow from investing activities	-23,380	-17,261	-140,871
Cash flow from finance activities	-1,734	-18,492	-20,187
Dividends paid			-23,668
<b>Change in cash equivalents</b>	<b>-39,843</b>	<b>2,307</b>	<b>23,184</b>
Cash equivalents and short-term investments, opening balance	147,926	128,469	128,469
Exchange rate change, cash equivalents	-552	-3,034	-3,727
<b>Cash equivalents and short-term investments, closing balance</b>	<b>107,531</b>	<b>127,742</b>	<b>147,926</b>



## Operating Segments

SEK 000	Quarter 1, 2014	Quarter 1, 2013	Full year, 2013
<b>Net turnover</b>			
IAS	240,179	237,280	970,928
IDC	107,314	91,391	409,048
Group adjustments	-1,417	-957	-3,789
<b>Group</b>	<b>346,076</b>	<b>327,714</b>	<b>1,376,187</b>
<b>Operating profit before depreciation and amortization</b>			
IAS	26,601	26,873	85,714*
IDC	20,012	14,457	64,292
Parent company	-2,074	-4,500	-6,110
Group adjustments	-1,598	2,920	7,417
<b>Group</b>	<b>42,941</b>	<b>39,750</b>	<b>151,313</b>
<b>Operating profit</b>			
IAS	19,175	20,279	58,174
IDC	13,167	8,131	37,887
Parent company	-3,742	-6,238	-12,919
Group adjustments	-2,404	2,558	4,225
<b>Group</b>	<b>26,196</b>	<b>24,730</b>	<b>87,367</b>

\* Of which non-recurring items were -5 633

## Income Statement—Parent Company

SEK 000	Quarter 1, 2014	Quarter 1, 2013	Full year, 2013
Net turnover	15,325	15,176	60,701
Operating expenses	-19,067	-21,414	-73,620
<b>Operating profit</b>	<b>-3,742</b>	<b>-6,238</b>	<b>-12,919</b>
Net financial items*	-3,254	-2,150	55,024
<b>Profit before tax</b>	<b>-6,996</b>	<b>-8,388</b>	<b>42,105</b>
Appropriations	719	985	27,896
Estimated tax	413	1,586	-1,383
<b>Net profit</b>	<b>-5,864</b>	<b>-5,817</b>	<b>68,618</b>
* Of which is dividends from subsidiaries			67.0

## Balance Sheet—Parent Company

SEK 000	Quarter 1, 2014	Quarter 1, 2013	Full year, 2013
<b>Assets</b>			
Fixed assets	827,868	725,886	843,683
Current assets	23,033	42,741	47,674
Cash equivalents and short-term investments	2,523	598	11,958
<b>Total assets</b>	<b>853,424</b>	<b>769,225</b>	<b>903,315</b>
<b>Liabilities and shareholders' equity</b>			
Shareholders' equity	114,586	61,589	120,450
Untaxed reserves	3,206	6,880	3,925
Long-term liabilities	458,401	473,932	500,213
Current liabilities	277,231	226,824	278,727
<b>Total liabilities and shareholders' equity</b>	<b>853,424</b>	<b>769,225</b>	<b>903,315</b>
<i>Of which interest-bearing liabilities</i>	610,364	606,624	626,064

### Beijer Electronics AB (publ)

Beijer Electronics is a fast-growing technology company active in industrial automation and data communications. The company develops and markets products and solutions that focus on the user. Since its start-up in 1981, Beijer Electronics has evolved into a multinational group present in 22 countries. The company is listed on NASDAQ OMX Nordic Exchange Small Cap list under the ticker BELE.

### More Information

You can subscribe for financial information on Beijer Electronics via e-mail. Subscribe easily at our website, [www.beijerelectronics.se](http://www.beijerelectronics.se). If you have any questions about the Beijer Electronics group, please call +46 (0)40 35 86 00, or send an email: [info@beijerelectronics.se](mailto:info@beijerelectronics.se).

### Financial Calendar

11 July 2014.....Six-month Interim Report  
22 October 2014.....Nine-month Interim Report  
30 January 2015.....Financial Statement



### New iX HMI operator panel for maritime requirements

The iX T7AM panel is approved by major classification societies to handle nearly any system on board, putting information and intuitive functions where they're needed most.

It is robustly designed with a high-resolution touch-screen. The black frame and comprehensive HMI functionality make the iX T7AM panel perfect for on-board small and medium-sized applications.

► [Read more at www.beijer.se](http://www.beijer.se)

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