



## JANUARY – SEPTEMBER 2017

### Good growth continues and successful rights issue

#### Third quarter

- Order intake increased by 12% to 297.4 MSEK (266.3).
- Net sales increased by 7% to 289.1 MSEK (271.1).
- EBIT was 5.6 MSEK (4.7).
- Profit/loss after tax was -2.2 MSEK (-72.7 including impairment loss on shares in associated companies of 71.6 MSEK).
- Earnings per share were -0.09 SEK (-2.55).
- 225 MSEK rights issue completed on 6 October.

#### Nine months

- Order intake increased by 14% to 922.1 MSEK (811.4).
- Net sales rose by 6% to 883.3 MSEK (834.9).
- EBIT was 14.6 MSEK (-46.6). Year-2016 earnings were charged with non-recurring expenses of 50 MSEK.
- Profit/loss after tax was -5.2 MSEK (-117.4).
- Earnings per share were -0.22 SEK (-4.10).

# Interim Report, Beijer Electronics Group AB

## Comments from President and CEO Per Samuelsson

“In the third quarter, Beijer Electronics Group continued to deliver according to plan. Order intake and sales increased, and the fact that both business entities, Beijer Electronics and Westermo, are now achieving good organic growth, is noteworthy. With increased sales, we were able to lift earnings somewhat. We are now also focusing aggressively on product development, marketing and sales, resulting in increased expenses. This means that our operating margin remains too low. But progress is as planned and we are reiterating our goals of achieving 7% growth and a margin of 10% in late-2018.

The Beijer Electronics business entity is continuing on the path set, with increased order intake and sales. Earnings performance is being restrained by significant investments that will form the foundation of future growth. It is pleasing that the new operator panels in the X2 series, introduced in fall 2016, are continuing to achieve successes. Sales of the X2 series represented 20% of the business entity total in the third quarter, which makes the X2 series the business entity's most successful product launch to date. Our latest product, X2 extreme, was also launched in the third quarter. X2 extreme is designed for harsh environments, addressing segments where Beijer Electronics is well positioned, and this makes the X2 series complete. A fully standalone version of X2 extreme will also be launched in the fourth quarter. Accordingly, product development remains intensive. BoX2, comprising software and hardware, will

be presented at the end of November, a product within our Internet of Things solutions that enables easy linkups of existing equipment to the cloud and other network solutions.

The Westermo business entity continued its positive progress with healthy order intake and sales growth, and satisfactory earnings in the third quarter. Within the Train segment, demand for IP Train was firm, mainly from current business customers purchasing more equipment. The pattern follows a project lifecycle, where new business customers start on a small scale, piloting and evaluating products, and given a positive outcome, orders increase. Positive sales growth in the quarter confirms Westermo's international competitiveness. Westermo secured a breakthrough order in Australia with BHP Billiton, one of the world's largest mining corporations, as end-customer. This order is for communication equipment for 178 rail engines, which can be managed and remote-controlled from a single control center.

The Korenix business entity continued work on realigning its organization, a process that affected order intake, sales and earnings in the third quarter and the nine-month period overall. The new structure and organization has been adapted to the new product range in segments including wireless data communication. The orientation is more towards software, focusing on customer benefit. We are very hopeful of a progressive improvement of order intake and sales over the next 6-9 months.

“ We appreciate the support and trust our shareholders have shown in the Board and Management in their continued work on developing the Group.

**PER SAMUELSSON**, PRESIDENT AND CEO

In early October, we successfully completed the rights issue we announced in July, which was 1.6 times oversubscribed. This rights issue raised 217 MSEK net for the Group and consolidates Beijer Electronics Group's financial position. We appreciate the support and trust our shareholders have shown in the Board and Management in their continued work on developing the Group. This capital injection will give us more room to act and the potential to raise our development tempo further, through channels including small-scale acquisitions. Simultaneously, we are making changes to management. Jenny Sjö Dahl will become President of Westermo effective 1 November. Jenny has long-term experience with ABB, and has been Vice President of Sales for Westermo since 2016. I'm looking forward to continuing to develop Westermo alongside Jenny. Lars-Ola Lundqvist will leave his position as President of Westermo after ten successful years, and will now be taking on a role in Business

Development, focusing on activities at Group level.

We are reiterating our previous outlook for the full year 2017. We expect the Group to be able to achieve higher sales and better underlying EBIT compared to 2016."

### The Group in the third quarter

The positive trend accentuated somewhat in the third quarter. Upturns in order intake and sales, and better earnings, were essentially as planned. Order intake increased by 12% to 297.4 MSEK (266.3). The Group's sales increased by 7% to 289.1 MSEK (271.1). Both our business entities, Beijer Electronics and Westermo, achieved good organic growth, while Korenix's sales decreased. In geographical terms, growth was highest in the US. Europe also made good progress, although growth was limited to some extent by slower progress in Sweden and Germany.

### Business entity net sales and operating profit

| MSEK                               | Net sales<br>Quarter 3 |              | Operating profit<br>Quarter 3 |                   | Net sales<br>9 mth. |              | Operating profit<br>9 mth. |                    |
|------------------------------------|------------------------|--------------|-------------------------------|-------------------|---------------------|--------------|----------------------------|--------------------|
|                                    | 1709                   | 1609         | 1709                          | 1609              | 1709                | 1609         | 1709                       | 1609               |
| Business entity Beijer Electronics | 159.4                  | 147.2        | 1.6                           | 0.4               | 485.8               | 467.1        | 7.2                        | -39.5 <sup>c</sup> |
| Business entity Westermo           | 108.5                  | 98.9         | 13.1                          | 12.1 <sup>b</sup> | 332.5               | 299.8        | 33.9                       | 21.3 <sup>b</sup>  |
| Business entity Korenix            | 25.5                   | 29.1         | -2.3 <sup>a</sup>             | 0.1               | 79.8                | 80.2         | -3.9 <sup>a</sup>          | 0.0                |
| Intra-group sales                  | -4.3                   | -4.1         |                               |                   | -14.8               | -12.2        |                            |                    |
| Group adjustments and depreciation |                        |              | -6.8                          | -7.9              |                     |              | -22.6                      | -28.4 <sup>d</sup> |
| <b>Beijer Electronics Group</b>    | <b>289.1</b>           | <b>271.1</b> | <b>5.6</b>                    | <b>4.7</b>        | <b>883.3</b>        | <b>834.9</b> | <b>14.6</b>                | <b>-46.6</b>       |

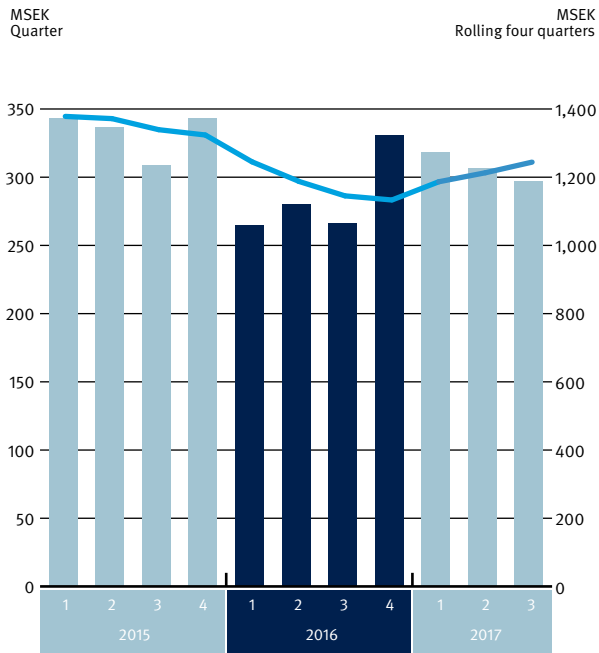
*a Of which restructuring expense -0.4 MSEK*

*b Of which restructuring expense of -50.0 MSEK*

*c Of which restructuring expense -48.8 MSEK*

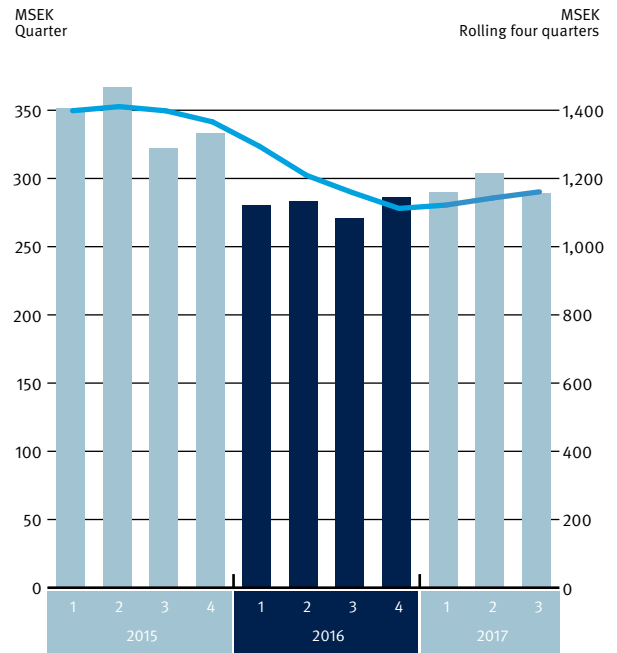
*d Of which restructuring expense in the parent company, -0.7 MSEK*

### Group order intake



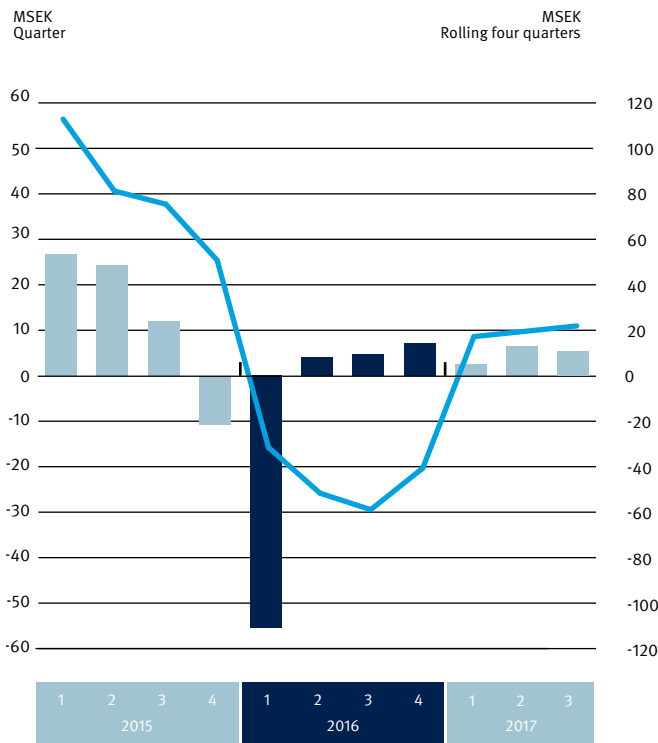
▲ The bars and left-hand scale indicate quarterly order intake. The curve and right-hand scale show rolling four quarter order intake.

### Group net 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 operating profit. The curve and right-hand scale show rolling four quarter operating profit.

Group EBITDA increased to 22.4 MSEK (20.6). Depreciation and amortization was 16.7 MSEK (15.9). EBIT increased to 5.6 MSEK (4.7). The higher earnings are due to increased sales. Continued product development, marketing and sales initiatives resulted in higher costs, which affected earnings.

Total development expenditure was 33.9 MSEK (33.0). This corresponded to 11.7% (12.2) of Group sales.

Profit before tax was 0.7 MSEK (-71.2). Net financial income/expense was -5.0 MSEK (-75.9). In 2016, net financial income/expense was charged with an impairment loss on shares in associated companies of 71.6 MSEK.

Profit/loss after estimated tax was -2.2 MSEK (-72.7). Earnings per share after estimated tax were -0.09 SEK (-2.55).

#### **The Group in the first nine months**

The Group's order intake increased by 14% to 922.1 MSEK (811.4) in the first nine months of the year. Sales increased by 6% to 883.3 MSEK (834.9).

EBITDA rose to 64.7 MSEK (0.2). Earnings in 2016 were charged with non-recurring expenses of 50 MSEK. Depreciation and amortization was 50.1 MSEK (46.8). EBIT was 14.6 MSEK (-46.6 and 3.4 excluding non-recurring expenses).

Development expenditure increased to 109.0 MSEK (101.6). This corresponded to 12.3% (12.2) of sales.

Profit/loss before tax was -2.8 MSEK (-127.1). Net financial income/expense was -17.4 MSEK (-80.5). Profit/loss after estimated tax was -5.2 MSEK (-117.4). Earnings per share after estimated tax were -0.22 SEK (-4.10).

“Continuing to develop Westermo alongside Jenny Sjö Dahl will be exciting.

**PER SAMUELSSON**, PRESIDENT AND CEO

## Business entity

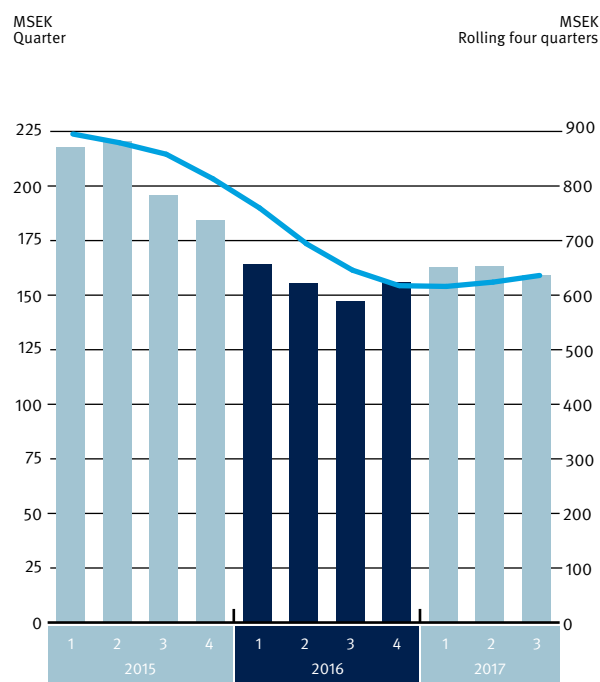
# Beijer Electronics

The Beijer Electronics business entity consolidated its positive trend and progressed as planned in the third quarter. Order intake and sales increased, while earnings also improved but remain at an unsatisfactory level. The US market was convincing, with robust growth primarily because of a strong recovery in the oil and gas sector. But other sectors that Beijer Electronics started to address a few years ago also performed positively.

Europe overall also achieved good growth, with the UK and Norway being standouts. There was some recovery in Turkey, although progress in Sweden and Germany remains slow. The major realignment in Sweden, involving a new sales organization and new strategy, did affect progress. Old products have been phased out in Sweden, while new products have not yet fully compensated their loss. Sales in Asia decreased in the third quarter, but were up somewhat for the nine-month period overall.

The new operator panels in the X2 series launched in fall 2016 continued to perform really well. Sales of the new X2 series made up 20% of the business entity total in the third quarter. This makes the X2 series Beijer Electronics' most successful product launch to date. The most recent product in this new series, X2 extreme, was launched in the third quarter, and addresses markets with very demanding

Net sales, Beijer Electronics



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

standards for exposed and harsh environments, such as marine and offshore. This makes the X2 series complete. A fully standalone version of X2 extreme will also be launched in the fourth quarter.

Product development remained intensive. BoX2, comprising software and hardware, will be presented in late-November, a product within the business entities Internet of Things solutions that enables simple linkups of existing equipment to the cloud and other network solutions. BoX2 has attracted substantial customer interest. Selective additions to marketing and sales resources have been prioritized, which affected earnings in the short term, but with the target of progressively increasing sales.

### Third quarter

Beijer Electronics' order intake increased by 10% to 167.4 MSEK (152.4) in the third quarter. Sales rose by 8% to 159.4 MSEK (147.2). EBITDA was 8.0 MSEK (5.4). Depreciation and amortization was 6.4 MSEK (5.0). EBIT was 1.6 MSEK (0.4). Earnings were affected by increased sales and higher product development, marketing and sales expenses.

### Nine months

Order intake was up by 9% to 489.1 MSEK (450.3). Sales rose by 4% to 485.8 MSEK (467.1). EBITDA amounted to 25.2 MSEK (-25.0). Earnings were charged with non-recurring expenses of 48.8 MSEK in 2016. Depreciation and amortization was 18.0 MSEK (14.5). EBIT was 7.2 MSEK (-39.5 and 9.3 excluding non-recurring expenses).

“The fact that both business entities, Beijer Electronics and Westermo, are now achieving good organic growth, is noteworthy.

**PER SAMUELSSON,** PRESIDENT AND CEO

## Business entity

# Westermo

The Westermo business entity continued its positive progress, with healthy order intake and sales growth, while earnings remain satisfactory. As in the second quarter, sales in the US, China and southern Europe were especially positive.

Within the Train segment, demand for IP Train was especially positive, mainly from current business customers purchasing more equipment. The pattern follows a project lifecycle, where new business customer start on a small scale, piloting and evaluating products, and given a positive outcome, orders increase. Positive sales growth in the quarter confirms Westermo's international competitiveness.

Edge Network also grew robustly in rail, power and water system infrastructure. Westermo also launched new product versions that expand usage to more applications.

Westermo secured a breakthrough order in Australia with BHP Billiton, one of the world's largest mining corporations, as end-customer. This order is for communication equipment for 178 rail engines, which can be managed and remote-controlled from a single control center. Accordingly, the engines pulling iron ore trains are unmanned.

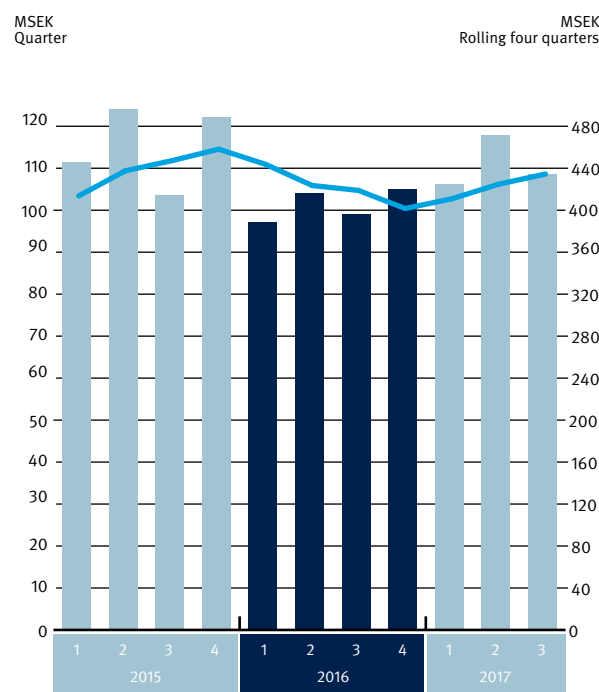
### Third quarter

Westermo's order intake increased by 18% to 107.0 MSEK (90.8). Sales increased by 10% to 108.5 MSEK (98.9). EBITDA increased to 18.2 MSEK (18.0). Depreciation and amortization was 5.1 MSEK (5.9). EBIT increased to 13.1 MSEK (12.1). This corresponded to an operating margin of 12.1% (12.2).

### Nine months

Order intake rose by 25% to 364.0 MSEK (292.5). Sales rose by 11% to 332.5 MSEK (299.8). EBITDA was 50.5 MSEK (38.9). Depreciation and amortization was 16.7 MSEK (17.6). EBIT increased by 59% to 33.9 MSEK (21.3), corresponding to an operating margin of 10.2% (7.1).

### Net sales, Westermo



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



## Business entity

# Korenix

The operations of the Korenix business entity were still characterized by its realignment. A new management is in place, while a new organizational structure is being fine-tuned. These adaptations are based on a new and strong product range in segments including wireless data communication. The orientation is more on software and customer benefit. This process impacted on order intake, sales and earnings in the third quarter and the nine-month period overall. However, there are clear signs of progressive improvement to order intake and sales over the next 6-9 months.

We are retaining our previous assessment regarding legal proceedings, initiated against some local key members of staff that had acted disloyally towards the company. 1.5 MSEK of expenses for legal proceedings were charged to earnings in the first quarter, and are estimated at a maximum of 2 MSEK in 2017. Otherwise, Korenix's operations are expected to be unaffected by these events.

### Third quarter

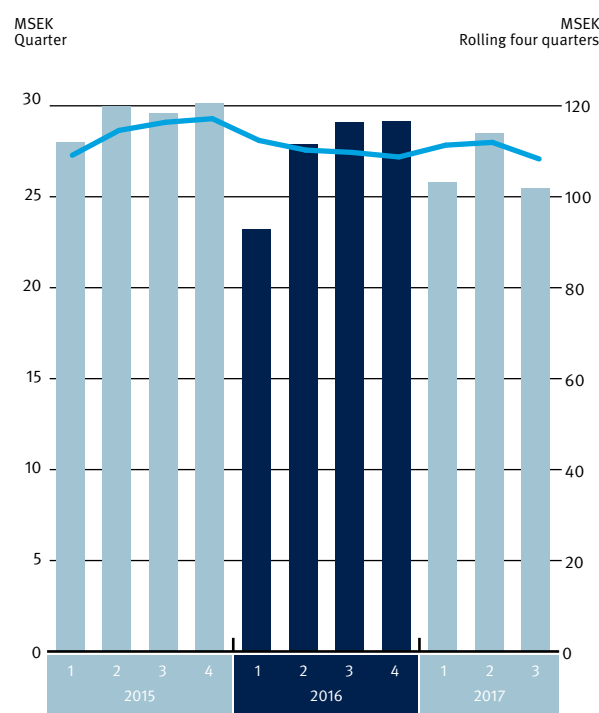
Korenix's order intake was 27.2 MSEK (27.2) in the third quarter. Sales decreased by 12% to 25.5 MSEK (29.1). EBITDA was 0.5 MSEK (2.3). Depreciation and amortization was 2.8 MSEK (2.2). EBIT was -2.3 MSEK (0.1).

### Nine months

Order intake was 83.7 MSEK (80.6). Sales decreased by 1% to 79.8 MSEK (80.2). EBITDA was 4.4 MSEK (6.2).

Depreciation and amortization was 8.3 MSEK (6.3). EBIT was -3.9 MSEK (0).

### Net sales, Korenix



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

## Other financial information

Group investments, including capitalized development expenses and acquisitions, amounted to 58.2 MSEK (50.9) in the first nine months of the year. Cash flow from operating activities was -8.6 MSEK (-22.7). Equity was 584.7 MSEK (413.3) on 30 September 2017. The equity ratio increased to 41.6% (28.8). Cash and cash equivalents were 70.4 MSEK (107.7). Net debt was 436.9 MSEK (589.9). The average number of employees was 692 (719).

### Prospects for the full year 2017

The positive trend for Beijer Electronics Group continued in the third quarter. For the full year, we expect the Group to return increased sales and improved underlying EBIT in 2017 compared to 2016.

### Financial targets for the Group

The Board of Directors set new financial targets for Beijer Electronics Group in the first quarter 2016. The targets are that within a 2-3 year timeframe, the Group will achieve minimum organic growth of 7% per year, and achieve minimum EBIT of 10%, measured as an average over a business cycle.

### Significant events

The AGM on 27 April 2017 resolved to amend the Articles of Association, with the parent company changing corporate name from Beijer Electronics AB (publ) to Beijer Electronics Group AB (publ). This change was recorded at the Swedish Companies Registration Office on 16 May 2017.

Stefan Lager was appointed President of the Beijer Electronics business entity on 1 June 2017. Stefan's previous position was as Senior Vice President of Sales Europe & Americas for Beijer Electronics. He previously held executive positions with Strålfors, Flextronics and Ericsson.

Beijer Electronics Group executed a rights issue with preferential rights for existing shareholders in the third quarter, as announced at the beginning of July. This rights issue, which was 1.6 times oversubscribed, was completed in early October, and raised 225 MSEK for the company before issue expenses. The issue expenses amounted to some 8 MSEK. The issue resulted in Beijer Electronics Group's share capital increasing by 3,177,931 SEK to 9,533,793 SEK, and the number of shares increasing by 9,533,793 to 28,601,379.

After the end of the reporting period, Beijer Electronics Group appointed Jenny Sjö Dahl as President of the Westermo business entity. Jenny had been Vice President of Sales for Westermo since August 2016. Prior to that, she held several marketing and sales positions, as well as various senior management positions for ABB in Sweden and Singapore over more than 18 years. Jenny takes up her position on 1 November 2017. The departing President, Lars-Ola Lundqvist, will take up a position in Business Development, focusing on activities at Group level within Beijer Electronics Group.

#### **New IFRS that have not yet come into effect**

IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers come into effect on 1 January 2018. In the year, the Group conducted a project to evaluate the effects of the application of these new accounting

standards, and a selection of transition method pursuant to IFRS 15. The analysis was conducted by segment, and in certain cases, at company level, and where necessary, in consultation with external accounting specialists. This project is in its final phase and the Group's opinion is that the adoption of IFRS 9 and IFRS 15 will not have any material effect on the Group's or segments' financial reporting.

Malmö, Sweden, October 25, 2017

Per Samuelsson  
President and CEO

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## **Auditor's report**

Beijer Electronics Group AB (publ.). reg. no. 556025-1851

### **Introduction**

We have reviewed the condensed interim financial information (interim report) of Beijer Electronics Group AB (publ.) as of 30 September 2017 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not

enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

### **PricewaterhouseCoopers AB**

**Malmö, 25 October 2017**

**Sofia Götmar-Blomstedt**

*Authorized Public  
Accountant*

*Lead Audit Partner*

**Magnus Jönsson**

*Authorized  
Public Accountant*

# Interim Report in Summary

## Income Statement—Group

| SEK 000  | Quarter 3,<br>2017    | Quarter 3,<br>2016   | 9 Mth.<br>2017        | 9 Mth.<br>2016        | Full Year,<br>2016      |
|--|-----------------------|----------------------|-----------------------|-----------------------|-------------------------|
| Net sales  | 289,116               | 271,118              | 883,339               | 834,941               | 1,121,509               |
| Other operating revenue and operating expenses   | -1,105                | 43                   | -3,006                | 511                   | 1,715                   |
| Operating expenses excl. depreciation and amortization   | -265,645 <sup>a</sup> | -250,531             | -815,624 <sup>a</sup> | -835,254 <sup>b</sup> | -1,100,205 <sup>b</sup> |
| <b>Operating profit before depreciation and amortization</b>   | <b>22,366</b>         | <b>20,630</b>        | <b>64,709</b>         | <b>198</b>            | <b>23,019</b>           |
| Amortization of intangible assets  | -12,516               | -11,086              | -37,188               | -32,382               | -43,526                 |
| Depreciation of tangible assets  | -4,226                | -4,837               | -12,880               | -14,424               | -18,848                 |
| <b>Operating profit</b>  | <b>5,624</b>          | <b>4,707</b>         | <b>14,641</b>         | <b>-46,608</b>        | <b>-39,355</b>          |
| Net financial items  | -4,954                | -75,879 <sup>c</sup> | -17,447               | -80,478 <sup>c</sup>  | -84,844 <sup>c</sup>    |
| <b>Profit before tax</b>   | <b>670</b>            | <b>-71,172</b>       | <b>-2,806</b>         | <b>-127,086</b>       | <b>-124,199</b>         |
| Estimated tax  | -2,848                | -1,571               | -2,381                | 9,685                 | -1,914                  |
| <b>Net profit</b>  | <b>-2,178</b>         | <b>-72,743</b>       | <b>-5,187</b>         | <b>-117,401</b>       | <b>-126,113</b>         |
| <i>Attributable to equity holders of the parent</i>  | <i>-2,583</i>         | <i>-72,756</i>       | <i>-6,174</i>         | <i>-117,133</i>       | <i>-126,061</i>         |
| <i>Attributable to non-controlling interests</i>   | <i>405</i>            | <i>13</i>            | <i>987</i>            | <i>-268</i>           | <i>-52</i>              |
| <i>Corresponds to earnings per share, SEK</i>  | <i>-0.09</i>          | <i>-2.55</i>         | <i>-0.22</i>          | <i>-4.10</i>          | <i>-4.42</i>            |
| <i>Corresponds to earnings per share, SEK (conforms to previous reporting prior to rights issue)</i> |                       | <i>-3.82</i>         |                       | <i>-6.14</i>          | <i>-6.61</i>            |

*a* Of which restructuring expense -418,000 SEK

*b* Of which restructuring expense -50 MSEK

*c* Of which impairment of participations in associated companies -71.594 MSEK

## Statement of Comprehensive Income

| SEK 000   | Quarter 3,<br>2017 | Quarter 3,<br>2016 | 9 Mth.<br>2017 | 9 Mth.<br>2016 | Full Year,<br>2016 |
|---|--------------------|--------------------|----------------|----------------|--------------------|
| Net profit  | -2,178             | -72,743            | -5,187         | -117,401       | -126,113           |
| Actuarial gains and losses                          | -2,002             | -1,789             | -4,004         | -3,580         | -6,745             |
| Translation differences                             | -24,343            | 18,663             | -42,991        | 31,168         | 50,914             |
| <b>Comprehensive income</b>                         | <b>-28,523</b>     | <b>-55,869</b>     | <b>-52,182</b> | <b>-89,813</b> | <b>-81,944</b>     |
| <i>Attributable to equity holders of the parent</i> | <i>-28,649</i>     | <i>-56,027</i>     | <i>-52,729</i> | <i>-89,823</i> | <i>-81,740</i>     |
| <i>Attributable to non-controlling interests</i>    | <i>126</i>         | <i>158</i>         | <i>547</i>     | <i>10</i>      | <i>-204</i>        |

## Balance Sheet—Group

| SEK 000  | Sept. 30, 2017   | Sept. 30, 2016   | Dec. 31, 2016    |
|--|------------------|------------------|------------------|
| <b>Assets</b>  |                  |                  |                  |
| Intangible assets                                    | 744,477          | 748,823          | 766,572          |
| Property, plant and equipment                        | 82,141           | 78,634           | 82,718           |
| Financial assets                                     | 62,690           | 64,202           | 50,406           |
| Current assets                                       | 445,223          | 434,743          | 423,968          |
| Cash and cash equivalents and short-term investments | 70,396           | 107,681          | 107,228          |
| <b>Total assets</b>                                  | <b>1,404,927</b> | <b>1,434,083</b> | <b>1,430,892</b> |
| <b>Equity and liabilities</b>                        |                  |                  |                  |
| Equity attributable to equity holders of the parent  | 578,353          | 407,306          | 415,389          |
| Non-controlling interests                            | 6,320            | 5,987            | 5,773            |
| Long-term liabilities                                | 519,478          | 505,741          | 514,939          |
| Current liabilities                                  | 300,776          | 515,049          | 494,791          |
| <b>Total equity and liabilities</b>                  | <b>1,404,927</b> | <b>1,434,083</b> | <b>1,430,892</b> |
| <i>Of which interest-bearing liabilities</i>         | <i>507,256</i>   | <i>697,595</i>   | <i>689,126</i>   |

## Statement of Changes to Shareholders' Equity

| SEK 000   | Sept. 30, 2017 | Sept. 30, 2016 | Dec. 31, 2016  |
|---|----------------|----------------|----------------|
| <b>Attribute of all to parent company shareholders</b>              |                |                |                |
| Opening equity, January 1, in accordance with adopted balance sheet | 415,389        | 520,963        | 520,963        |
| Current rights issue  | 215,693        |                |                |
| Dividend  |                | -23,834        | -23,834        |
| Comprehensive income  | -52,729        | -89,823        | -81,740        |
| <b>Closing equity</b>   | <b>578,353</b> | <b>407,306</b> | <b>415,389</b> |
| <b>Attributable to non-controlling interests</b>                    |                |                |                |
| Opening equity, January 1   | 5,773          | 5,977          | 5,977          |
| Comprehensive income  | 547            | 10             | -204           |
| <b>Closing equity</b>   | <b>6,320</b>   | <b>5,987</b>   | <b>5,773</b>   |

## Key Figures

|  | Sept. 30, 2017 | Sept. 30, 2016 | Dec. 31, 2016 |
|--|----------------|----------------|---------------|
| Operating margin, %  | 1.7            | -5.6           | -3.5          |
| Profit margin, %   | -0.6           | -14.1          | -11.2         |
| Equity ratio, %  | 41.6           | 28.8           | 29.4          |
| Equity per share, SEK (comparative figure restated for current rights issue)   | 20.3           | 14.3           | 14.6          |
| Earnings per share, SEK (comparative figure restated for current rights issue) | -0.22          | -4.10          | -4.42         |
| Return on equity after tax, %  | -2.8           | -27.5          | -26.6         |
| Return on capital employed, %  | 2.1            | -4.5           | -3.2          |
| Return on net operating assets, %  | 3.0            | -8.4           | -5.8          |
| Average number of employees  | 692            | 719            | 714           |

## Cash Flow Statement—Group

| SEK 000   | Sept. 30, 2017 | Sept. 30, 2016 | Dec. 31, 2016  |
|---|----------------|----------------|----------------|
| Cash flow from operating activities before changes in working capital | 30,433         | -1,340         | 12,673         |
| Change in working capital   | -39,029        | -21,320        | -3,308         |
| <b>Cash flow from operating activities</b>                            | <b>-8,596</b>  | <b>-22,660</b> | <b>9,365</b>   |
| Cash flow from investing activities                                   | -58,214        | -50,934        | -74,767        |
| Cash flow from finance activities                                     | 35,596         | 83,272         | 72,143         |
| Dividends paid  |                | -23,834        | -23,834        |
| <b>Change in cash equivalents</b>                                     | <b>-31,214</b> | <b>-14,156</b> | <b>-17,093</b> |
| Cash equivalents and short-term investments, opening balance          | 107,228        | 116,636        | 116,636        |
| Exchange rate change, cash equivalents                                | -5,618         | 5,201          | 7,685          |
| <b>Cash equivalents and short-term investments, closing balance</b>   | <b>70,396</b>  | <b>107,681</b> | <b>107,228</b> |

## Operating Segments

| SEK 000  | Quarter, 3<br>2017 | Quarter, 3<br>2016  | 9 Mth.<br>2017     | 9 Mth.<br>2016       | Full Year<br>2016    |
|--|--------------------|---------------------|--------------------|----------------------|----------------------|
| <b>Net sales</b>   |                    |                     |                    |                      |                      |
| Beijer Electronics   | 159,407            | 147,170             | 485,828            | 467,096              | 623,255              |
| Westermo   | 108,499            | 98,908              | 332,456            | 299,758              | 404,620              |
| Korenix  | 25,485             | 29,115              | 79,784             | 80,220               | 109,399              |
| Koncernjusteringar   | -4,275             | -4,075              | -14,729            | -12,133              | -15,765              |
| <b>Group</b>   | <b>289,116</b>     | <b>271,118</b>      | <b>883,339</b>     | <b>834,941</b>       | <b>1,121,509</b>     |
| <b>Operating profit before depreciation and amortization</b> |                    |                     |                    |                      |                      |
| Beijer Electronics   | 8,010              | 5,371               | 25,183             | -25,006 <sup>c</sup> | -14,406 <sup>d</sup> |
| Westermo   | 18,243             | 17,956 <sup>b</sup> | 50,538             | 38,887 <sup>c</sup>  | 53,639 <sup>d</sup>  |
| Korenix  | 477 <sup>a</sup>   | 2,317               | 4,381 <sup>a</sup> | 6,230                | 10,365               |
| Parent company   | -4,260             | -5,336              | -16,511            | -21,780 <sup>c</sup> | -28,477 <sup>d</sup> |
| Group adjustments  | -104               | 322                 | 1,118              | 1,867                | 1,898                |
| <b>Group</b>   | <b>22,366</b>      | <b>20,630</b>       | <b>64,709</b>      | <b>198</b>           | <b>23,019</b>        |
| <b>Operating profit</b>                                      |                    |                     |                    |                      |                      |
| Beijer Electronics   | 1,643              | 401                 | 7,193              | -39,515              | -34,109              |
| Westermo   | 13,127             | 12,069              | 33,883             | 21,251               | 30,563               |
| Korenix  | -2,307             | 148                 | -3,872             | -21                  | 1,700                |
| Parent company   | -6,251             | -7,537              | -22,483            | -28,105              | -36,624              |
| Group adjustments  | -588               | -374                | -80                | -218                 | -885                 |
| <b>Group</b>   | <b>5,624</b>       | <b>4,707</b>        | <b>14,641</b>      | <b>-46,608</b>       | <b>-39,355</b>       |

<sup>a</sup> Of which restructuring expense -418,000 SEK

<sup>b</sup> Of which restructuring expense -50 MSEK

<sup>c</sup> Of which restructuring expense Beijer Electronics -49.28 MSEK and parent company -720,000 SEK

<sup>d</sup> Of which restructuring expense Beijer Electronics -47.395 MSEK, Westermo -1.886 MSEK parent company -720,000 SEK.

## Income Statement—Parent Company

| SEK 000                                   | Quarter 3<br>2017 | Quarter 3<br>2016    | 9 Mth.<br>2017 | 9 Mth.<br>2016       | Full Year<br>2016    |
|---|-------------------|----------------------|----------------|----------------------|----------------------|
| Net sales                                 | 7,942             | 9,471                | 23,826         | 28,413               | 37,883               |
| Operating expenses                        | -14,193           | -17,008              | -46,309        | -56,518              | -74,507              |
| <b>Operating profit</b>                   | <b>-6,251</b>     | <b>-7,537</b>        | <b>-22,483</b> | <b>-28,105</b>       | <b>-36,624</b>       |
| Net financial items <sup>*</sup>          | -7,349            | -75,950 <sup>a</sup> | -21,708        | -35,986 <sup>a</sup> | -33,209 <sup>a</sup> |
| <b>Profit before tax</b>                  | <b>-13,600</b>    | <b>-83,487</b>       | <b>-44,191</b> | <b>-64,091</b>       | <b>-69,833</b>       |
| Appropriations                            |                   |                      |                |                      | 4,100                |
| Estimated tax                             | 2,629             | 1,671                | 9,136          | 5,947                | 5,483                |
| <b>Net profit</b>                         | <b>-10,971</b>    | <b>-81,816</b>       | <b>-35,055</b> | <b>-58,144</b>       | <b>-60,250</b>       |
| <i>*of which dividend from subsidiary</i> | 1,056             | 0                    | 1,056          | 40,000               | 40,000               |

<sup>a</sup> Of which impairment of participation in associated company -75.394 MSEK

## Balance Sheet—Parent Company

| SEK 000   | Sept. 30, 2017 | Sept. 30, 2016 | Dec. 31, 2016  |
|---|----------------|----------------|----------------|
| <b>Assets</b>                                     |                |                |                |
| Fixed assets                                      | 726,095        | 734,840        | 734,835        |
| Current assets                                    | 12,091         | 14,513         | 18,304         |
| Cash equivalents and short-term investments       | 1,166          | 1,166          | 1,166          |
| <b>Total assets</b>                               | <b>739,352</b> | <b>750,519</b> | <b>754,305</b> |
| <b>Liabilities and shareholders' equity</b>       |                |                |                |
| Shareholders' equity                              | 259,629        | 81,097         | 78,991         |
| Long-term liabilities                             | 400,205        | 389,461        | 397,808        |
| Current liabilities                               | 43,518         | 279,961        | 277,506        |
| <b>Total liabilities and shareholders' equity</b> | <b>703,352</b> | <b>750,519</b> | <b>754,305</b> |
| <i>Of which interest-bearing liabilities</i>      | 405,569        | 603,700        | 592,593        |

## Parent Company Statement of Changes in Equity

| SEK 000  | Share capital <sup>a</sup> | Other<br>restricted<br>equity | Share pre-<br>mium reserve<br>and retained<br>earnings | Net profit     | Total equity   |
|--|----------------------------|-------------------------------|--|----------------|----------------|
| <b>Opening equity, Jan. 1, 2017</b>  | <b>6,356</b>               | <b>3,611</b>                  | <b>69,024</b>  |                | <b>78,991</b>  |
| Change in reserve for development expenditure  |                            | 2,598                         | -2,598   |                |                |
| Net profit   |                            |                               |  | -35,055        | -35,055        |
| <b>Total changes to net worth, exc. transactions<br/>with company's shareholders</b> | <b>6,356</b>               | <b>6,209</b>                  | <b>66,426</b>  | <b>-35,055</b> | <b>43,936</b>  |
| Current rights issue <sup>a</sup>  | 3,157                      |                               | 212,536  |                | 215,693        |
| <b>Closing equity, Sep. 30, 2017</b>   | <b>9,513</b>               | <b>6,209</b>                  | <b>278,962</b>   | <b>-35,055</b> | <b>259,629</b> |

<sup>a</sup>

No. of shares, Jan. 1, 2017

19,067,586

Shares issued in current rights issue

9,470,919

Antal aktier 2017-09-30

28,538,505

Quotient value (SEK)

0,33

The share price is SEK 23.60 per share. The rights issue was completed on 6 October 2017, when the total number of shares issued was 9,533,793.

## Financial definitions

### **Average**

Average values are computed as the median value of the current reporting period and the corresponding item in comparative periods 12 months previously.

### **Capital employed**

Equity plus interest-bearing liabilities.

### **Development expenditure**

Expenditure on product development work, such as personal expenses and external consulting expenses.

### **Earnings per share**

Net profit attributable to parent company shareholders divided by the number of shares at year-end.

### **Equity ratio**

Equity in relation to total assets.

### **Equity per share**

Equity attributable to parent company shareholders divided by the number of shares.

### **Net debt**

Interest-bearing liabilities less cash and cash equivalents and investments in securities, etc.

### **Operating assets**

Total assets less cash and cash equivalents, and interest-bearing liabilities.

### **Operating margin**

Operating profit in relation to net sales.

### **Profit margin**

Net profit in relation to net sales.

### **Return on capital employed**

Profit before tax plus financial expenses rolling 12 months in relation to average capital employed.

### **Return on equity after tax**

Net profit rolling 12 months in relation to average equity.

### **Return on net operating assets**

Operating profit (profit after depreciation and amortization) in relation to average net operating assets.



### Beijer Electronics Group AB (publ)

Beijer Electronics Group (publ) is a high technology company active in industrial automation and data communication. The company develops and markets competitive products and solutions that focus on the user. Since its start-up in 1981, Beijer Electronics Group has evolved into a multinational group with net sales over 1.1 billion SEK in 2016. The company is listed on NASDAQ OMX Nordic Stockholm Small Cap under the ticker BELE.

### More Information

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

### Financial Calendar

January 26, 2018.....Financial Statement 2017  
April 26, 2018.....Three-month Interim Report  
April 26, 2018.....Annual General Meeting  
July 13, 2018.....Six-month Interim Report  
October 24, 2018.....Nine-month Interim Report



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► **Scheduled release start 2018**



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