



## 1 JANUARY–30 JUNE 2019

### Continued positive progress, and acquisition of Swiss tech company

#### Second quarter

- Order intake amounted to 377 MSEK (371).
- Net sales increased by 6% to 381 MSEK (361).
- EBIT up to 21.5 MSEK (18.0).
- Profit after tax amounted to 13.7 MSEK (10.5).
- Earnings per share increased to 0.48 SEK (0.36).
- Acquisition of Neratec in Switzerland after the end of the reporting period.

#### First half-year

- Order intake amounted to 745 MSEK (769).
- Net sales increased by 8% to 752 MSEK (698).
- EBIT up to 51.6 MSEK (36.0).
- Profit after tax amounted to 33.7 MSEK (20.1).
- Earnings per share increased to 1.18 SEK (0.70).

# Interim Report for Beijer Electronics Group AB

## Comments from CEO Per Samuelsson

“BEIJER GROUP kept heading in a positive direction in the second quarter, largely following the strategic plan we set a few years ago. However, viewed in a longer perspective, the second quarter marked something of a pause in the Group’s continued expansion and aim to achieve long-term targets.

Combined with increased costs resulting from our focused initiatives, growth somewhat below plan meant a limited pay-off in earnings. The continued improvement of gross margins was positive. Higher overheads worked in the opposite direction, and the EBIT increase was held at just below 20%.

The positive growth trend continued in the Westermo business entity, with increased order intake and sales. Since the quarter had no major orders, its core business achieved good organic growth. Meanwhile, overheads increased, due to continued production capacity expansion and initiatives in network solutions for the power distribution and rail infrastructure segments. The business entity was also charged with non-recurring expenses for the acquisition of Neratec. Overall, this meant earnings gains in the quarter were modest.

The Beijer Electronics business entity posted continued earnings and margin gains despite sales being unchanged. But we can also conclude that the numbers were lower than desired. As stated in the previous quarterly report, the phase-out of previous product families has created some

irregularity between quarters, and that it’s now clear that exceptional large orders customers placed for products in phase-out before year-end did slow order placing and sales in the second quarter. These effects will gradually taper off. We have also seen a somewhat slower transition to new products in the US. Consequently, the business entity implemented a new organizational structure, appointing some new executives in the US to accelerate growth.

Basically, the Korenix business entity progressed as planned, with somewhat higher sales and improved earnings, and is thus nearing break-even. Korenix is focusing on regenerating its product range and achieving profitability in 2019.

I can see that where the business cycle is heading is still uncertain, but for us, the underlying trend remains positive, and we haven’t seen any signs of a slowdown in customer activity. Our business entities are executing a number of major projects, which with positive outcomes, will make a good contribution to growth.

Westermo’s acquisition of Neratec in Switzerland is another step in our long-term strategic plan. Neratec is a complementary acquisition that is a good fit with, and enhances, Westermo’s product offering. It also contributes to increasing already healthy organic growth. The acquisition also marks the Group achieving a stability that enables resources to be freed up to increase expansion. Our priority

“ Westermo’s acquisition of Neratec in Switzerland is another step in our long-term strategic plan.

**PER SAMUELSSON**, PRESIDENT & CEO

remains organic growth, but this can be supplemented by further acquisitions when the opportunity arises.

For the full year 2019, we reiterate our view that BEIJER GROUP will be able to increase sales and earnings compared to the figures for 2018.”

### The Group in the second quarter

The Group has been applying the new accounting Standard IFRS 16 Leases since 1 January 2019, see accounting policies on page 10. This new Standard does not have any material impact on the Group’s or business entities’ EBIT, or the Group’s net profit. The Consolidated Balance Sheet is materially impacted in the form of increased capital expenditure, as well as interest-bearing liabilities. The effects in the reporting period are reviewed on page 14.

The Group’s order intake increased by 2% to 377 MSEK (371) in the second quarter. The Group’s sales rose by 6% to 381.2 MSEK (360.8). Adjusted for currency effects, sales increased by 3%. Westermo continued its good growth. Beijer Electronics’ sales were unchanged, while Korenix’s sales increased.

The Group’s EBITDA increased by 38% to 50.2 MSEK (36.4). Earnings had a 9.4 MSEK positive impact from the new accounting Standard for leases and lease contracts (IFRS 16). IFRS 16 also negatively impacted depreciation and amortization by 8.9 MSEK. Depreciation and amortization was 28.7 MSEK (18.5). EBIT increased by 19% to

21.5 MSEK (18.0), with IFRS 16 exerting a net positive earnings impact of 0.5 MSEK, as well as positive currency effects totalling 4.8 MSEK. The EBIT margin was 5.6% (5.0). Total development expenditure was 43.9 MSEK (41.4), equivalent to 11.5% (11.5) of Group sales.

Profit before tax increased by 17% to 19.8 MSEK (16.9). Net financial income/expense was -1.7 MSEK (-1.1). Profit after estimated tax was 13.7 MSEK (10.5). Earnings per share after estimated tax were 0.48 SEK (0.36).

### First half-year

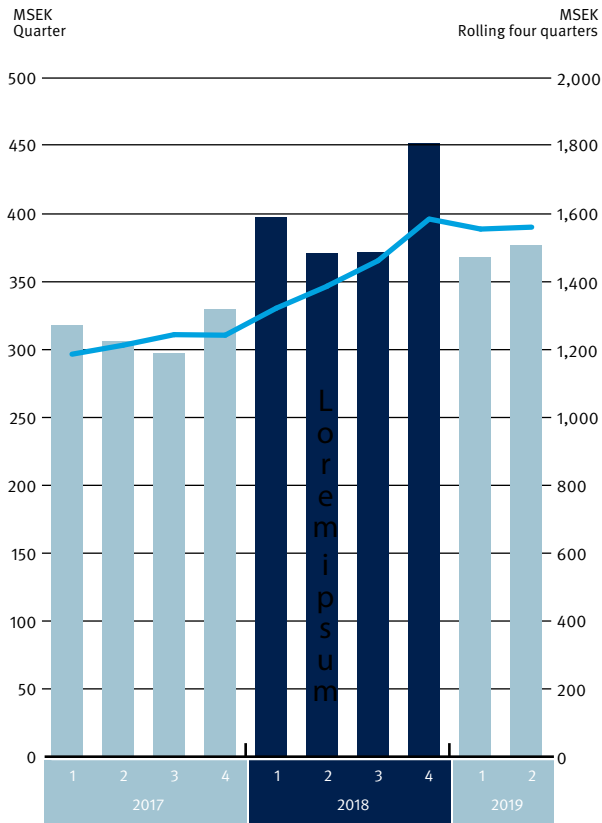
The Group’s order intake was 745.4 MSEK (769.1). Sales increased by 8% to 752.0 MSEK (697.6). The Group’s EBITDA was 108.2 MSEK (72.2). Earnings were positively impacted by 18.9 MSEK due to IFRS 16, which simultaneously had a negative 18.0 MSEK impact on depreciation and amortization. Depreciation and amortization was 56.6 MSEK (36.1). EBIT increased by 43% to 51.6 MSEK (36.0), with IFRS 16 positively impacting earnings by 1.0 MSEK net. The EBIT margin was 6.9% (5.2). Total development expenditure was 87.0 MSEK (79.5), corresponding to 11.6% (11.4) of the Group’s sales.

Profit before tax increased by 48% to 46.8 MSEK (31.6). Net financial income/expense was -13.1 MSEK (-11.5). Profit after estimated tax was 33.7 MSEK (20.1). Earnings per share after estimated tax were 1.18 SEK (0.70).

### Business entity net sales and EBIT

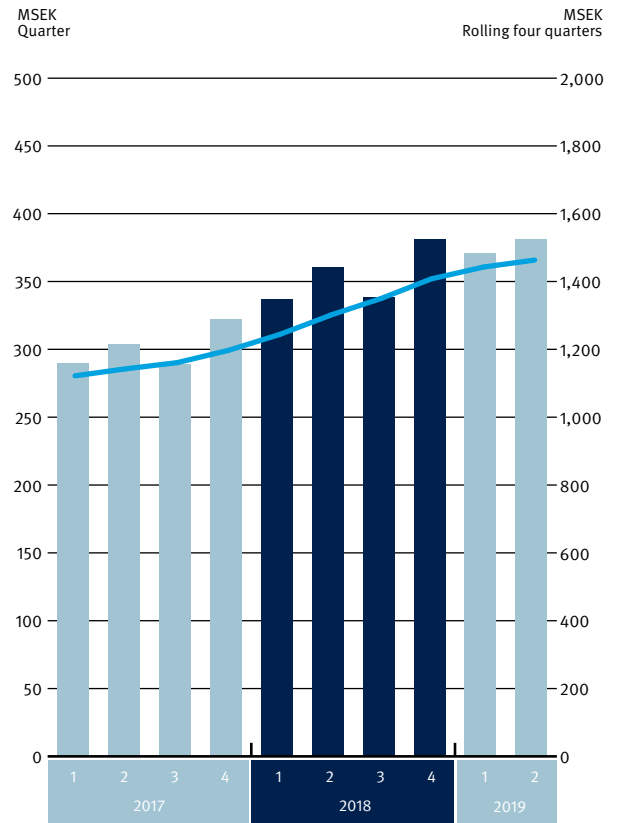
| MSEK                                 | Sales<br>Quarter 2 |              | EBIT<br>Quarter 2 |             | Sales<br>6 mth. |              | EBIT<br>6 mth. |             |
|--------------------------------------|--------------------|--------------|-------------------|-------------|-----------------|--------------|----------------|-------------|
|                                      | 2019               | 2018         | 2019              | 2018        | 2019            | 2018         | 2019           | 2018        |
| Beijer Electronics                   | 192.9              | 192.3        | 13.7              | 12.7        | 382.4           | 365.4        | 32.0           | 21.2        |
| Westermo                             | 164.4              | 142.6        | 20.1              | 19.6        | 323.1           | 278.6        | 41.3           | 40.5        |
| Korenix                              | 31.3               | 30.0         | -0.3              | -2.4        | 60.1            | 61.4         | -0.9           | -2.0        |
| Intra-group sales                    | -7.4               | -4.1         |                   |             | -13.6           | -7.8         |                |             |
| Group adjustments and parent company |                    |              | -12.0             | -11.9       |                 |              | -20.8          | -23.7       |
| <b>Beijer Electronics Group</b>      | <b>381.2</b>       | <b>360.8</b> | <b>21.5</b>       | <b>18.0</b> | <b>752.0</b>    | <b>697.6</b> | <b>51.6</b>    | <b>36.0</b> |

**Group order intake**



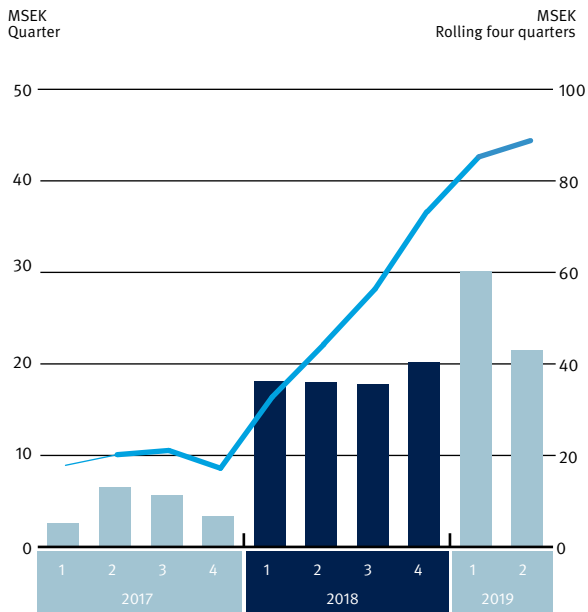
▲ The bars and left-hand scale indicate quarterly order intake. The curve and right-hand scale show rolling four quarter order intake.

**Group net sales**



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

**Group EBIT**



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

“ The second quarter marked something of a pause.

**PER SAMUELSSON**, PRESIDENT & CEO

## Business entity

# Beijer Electronics

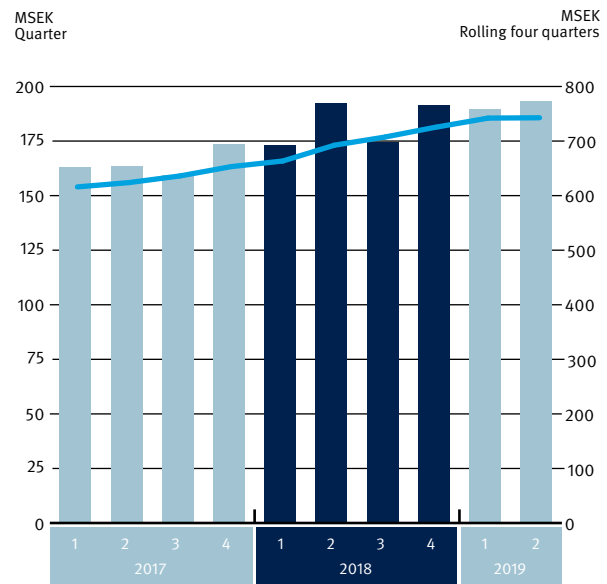
Beijer Electronics make positive progress, even if its financial performance in the reporting period did not really match internal expectations. This means unchanged sales, and somewhat lower order intake in the second quarter. Meanwhile, EBIT continued to improve, with a gradually wider EBIT margin.

Order intake made strong progress in Asia, was unchanged in Europe, but reduced in the US. Generally, as indicated in the previous quarterly Report, progress is due to the phase-out of older product families creating some irregularity between quarters. The exceptionally large orders customers placed before year-end for products in phase-out this year slowed order placing and sales in the second quarter. These are orders that otherwise would have been placed this year. This irregularity also means variations in gross margins between quarters. Sequentially, the gross margin was lower in the quarter.

In the US specifically, the organization had not fully transitioned to the new product range. Accordingly, the business entity executed actions including appointing a partly new and stronger management, while implementing a new organizational structure in the US in the quarter.

The effects of advance orders will gradually taper off as transition to the new X2 series continues. In the first six months of the year, the X2 series represented 45% of the business entity's sales. Beijer Electronics also maintained its strong order status at the midpoint of the year, and had several major potential customer projects expected to produce positive results.

Net sales, Beijer Electronics



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

“ Beijer Electronics also maintained its strong order status at the midpoint of the year.

**PER SAMUELSSON**, PRESIDENT & CEO

**Second quarter**

Order intake was 186.2 MSEK (188.4) in the second quarter. Sales were unchanged at 192.9 MSEK (192.3). EBITDA was 25.6 MSEK (19.4). Earnings were positively impacted by 4.0 MSEK due to IFRS 16, which simultaneously had a negative 3.6 MSEK impact on depreciation and amortization. Depreciation and amortization was 11.9 MSEK (6.6). EBIT rose by 8% to 13.7 MSEK (12.7), with IFRS 16 exerting a net 0.4 MSEK positive impact. The EBITDA margin was 7.1% (6.6).

**First half-year**

Order intake was down somewhat, to 369.6 MSEK (380.1). Sales increased by 5% to 382.4 MSEK (365.4). EBITDA was 55.4 MSEK (33.5). Earnings were positively impacted by 7.9 MSEK due to IFRS 16, which simultaneously had a negative 7.2 MSEK impact on depreciation and amortization. Depreciation and amortization was 23.4 MSEK (12.3). EBIT increased by 51% to 32.0 MSEK (21.2), with IFRS 16 exerting a net 0.7 MSEK positive impact. The EBIT margin expanded to 8.4% (5.8).

“ Westermo accentuated its positive trend with continued order intake and sales gains in the second quarter.

**PER SAMUELSSON**, PRESIDENT & CEO

## Business entity

# Westermo

Westermo accentuated its positive trend with continued order intake and sales gains in the second quarter. EBIT increased somewhat. Higher costs are temporarily restraining faster earnings gains, namely increased expenses for the expansion of production capacity to alleviate previous delivery problems, and address high demand. Targeted initiatives on network solutions for the power distribution and rail infrastructure segments also generated increased costs. The acquisition of Neratec also generated some non-recurring expenses.

In the second quarter, Westermo launched a new generation of routers—Viper Backbone Node—for train networks. This product is the first in a series of launches based on Westermo's new hardware platform, with significantly improved performance in terms of bandwidth and speed. Shipments have the new generation of operating system embedded—Westermo's proprietary WeOS.

The acquisition of Neratec in Switzerland also enhances Westermo's offering to the rail segment, specifically in wireless communication, and brings over 60 MSEK of annualized sales.

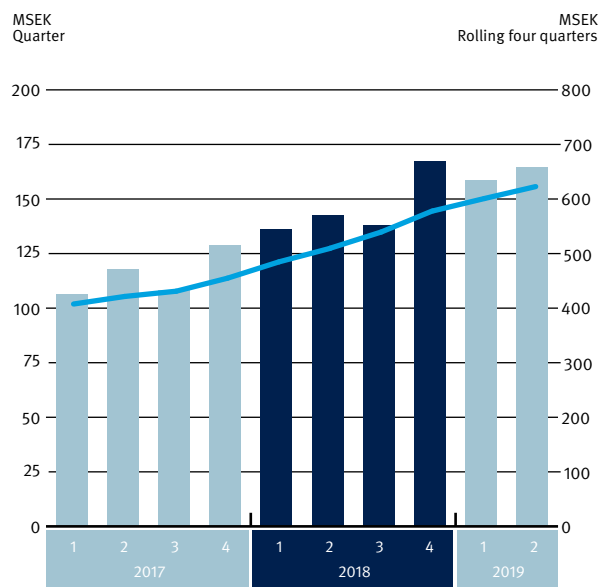
## Second quarter

Order intake increased by 7% to 166.1 MSEK (154.8) in the second quarter. Sales rose by 15% to 164.4 MSEK (142.6). EBITDA was 29.7 MSEK (26.1). Earnings were positively impacted by 2.3 MSEK due to IFRS 16, which simultaneously had a negative 2.5 MSEK impact on depreciation and amortization. Depreciation and amortization was 9.6 MSEK (6.5). EBIT increased by 3% to 20.1 MSEK (19.6), with IFRS 16 exerting a net 0.2 MSEK negative impact on earnings. The EBIT margin was 12.2% (13.7).

## First half-year

Order intake was 328.2 MSEK (331.4). Sales increased by 16% to 323.1 MSEK (278.6). EBITDA amounted to 60.3 MSEK (53.8). Earnings were positively impacted by 4.7 MSEK due to IFRS 16, which simultaneously had a negative 5.1 MSEK impact on depreciation and amortization. Depreciation and amortization was 19.0 MSEK (13.3). EBIT increased somewhat to 41.3 MSEK (40.5), with IFRS 16 exerting a net 0.4 MSEK negative impact on earnings. The EBIT margin was 12.8% (14.6).

## Net sales, Westermo



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

## Business entity

# Korenix

Korenix is progressing largely as planned. Order intake was unchanged in the second quarter despite a major order from the Taiwanese Department of Transportation in the corresponding period of 2018. Sales were up somewhat, and EBIT improved. The business entity reported a modest loss in the period.

Korenix continued to fine-tune its new organization. It is focusing on product development and regenerating its product range, targeting improved software and hardware performance. A number of new products were also launched in the second quarter.

Korenix is retaining its long-term plan. Korenix's targets are continued growth and achieving profitability in 2019.

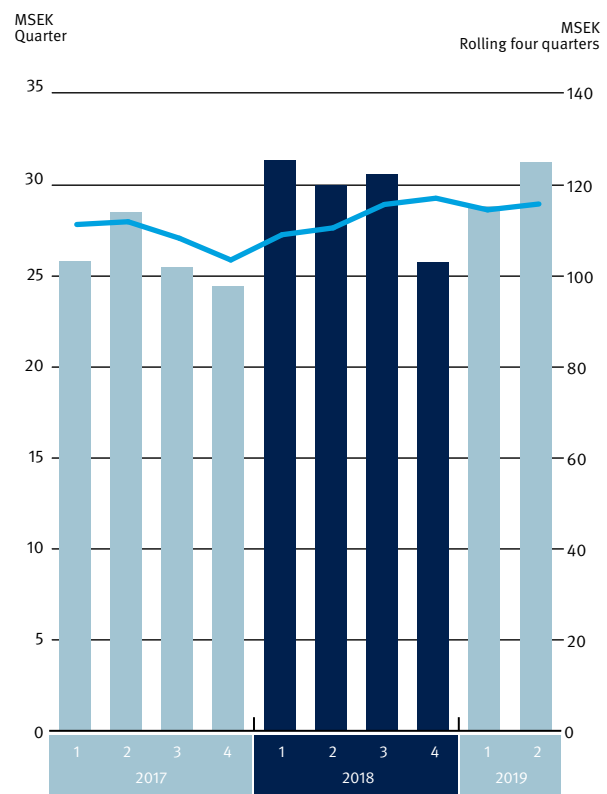
### Second quarter

Order intake was 32.1 MSEK (32.2) in the second quarter. Sales were up by 4% to 31.3 MSEK (30.0). EBITDA was 3.3 MSEK (0.8). Earnings were positively impacted by 1.3 MSEK due to IFRS 16, which simultaneously had a negative 1.2 MSEK impact on depreciation and amortization. Depreciation and amortization was 3.5 MSEK (3.2). EBIT improved and was -0.3 MSEK (-2.4), with IFRS 16 exerting a net 0.1 MSEK positive impact on earnings.

### First half-year

Order intake was 61.2 MSEK (65.3). Sales decreased somewhat to 60.1 MSEK (61.4). EBITDA was 6.1 MSEK (4.2). Earnings were positively impacted by 2.7 MSEK due to IFRS 16, which simultaneously had a negative 2.5 MSEK impact on depreciation and amortization. Depreciation and amortization was 7.0 MSEK (6.2). EBIT improved and was -0.9 MSEK (-2.0), with IFRS 16 exerting a net 0.2 MSEK positive impact on earnings.

### Net sales, Korenix



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



## Other financial information

Group investments, including capitalized development expenses and acquisitions, amounted to 58.2 MSEK (53.0) in the first six months of the year. Cash flow from operating activities was 33.7 MSEK (31.9). Equity was 678.9 MSEK (646.2) on 30 June 2019. The equity ratio was 39.7% (42.7). Cash and cash equivalents were 77.0 MSEK (88.3). Net debt was 588.1 MSEK (441.0), with the effects of IFRS 16 amounting to 104 MSEK. The average number of employees was 731 (705).

### Issue of class C shares

In March 2019, the Board of Directors decided to issue 150,066 class C shares with a quotient value of SEK 0.33, in accordance with the authorization of the Annual General Meeting (AGM) 2018. The issue was to a financial institution, and was immediately repurchased by the company. The intention of the repurchased class C shares on delivery to employees in 2021 is to convert them to ordinary shares, pursuant to the terms and conditions of the LTI 2018/2021 incentive program. After the completed repurchase of class C shares, the number of class C treasury shares was 184,723. Class C shares are not entitled to dividends.

### Events after the end of the reporting period

After the end of the reporting period, BEIJER GROUP acquired Swiss company Neratec Solutions AG through the Westermo business entity in early-July. Neratec specializes in wireless network products that fact focus on reliable and robust communications solutions for train and rail infrastructure. Neratec complements and enhances Westermo's offering to these segments. Neratec has annualized sales of some 62 MSEK and about 25 employees. The purchase price amounts to 5 MCHF on a cash/debt-free basis and is payable in cash. A minor contingent consideration will be paid on the satisfaction of specific criteria. The acquisition will have a limited impact on BEIJER GROUP's earnings in 2019.

### Prospects for the full year 2019

For the full year 2019, BEIJER GROUP is expected to be able to increase sales and earnings compared to the figures for 2018.

### Financial targets for the Group

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

*This Report has not been subject to review by the company's auditors.*

Malmö, Sweden, 12 July 2019

Per Samuelsson  
President and CEO

*For more information, please contact:*

*President and CEO Per Samuelsson, tel +46 (0)40-35 86 10, +46(0)708-58 54 40  
or EVP and CFO Joakim Laurén, tel +46(0)40-35 84 96, +46(0)703-35 84 96*

**Per Samuelsson**  
*President and CEO*

**Bo Elisson**  
*Chairman of the Board*

**Ulrika Hagdahl**  
*Board member*

**Johan Wester**  
*Board member*

**Lars Eklöf**  
*Board member*

**Karin Gunnarsson**  
*Board member*

### Accounting policies

This Interim Report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions 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 Financial Reporting.

IFRS 16 Leases came into effect on 1 January 2019. This Standard regulates the accounting of leases and has replaced IAS 17 Leases and the associated IFRIC 4, SIC-15 and SIC-27 interpretations. This Standard requires assets and liabilities relating to all lease arrangements, with certain exceptions, being recognized in the Balance Sheet. This approach is based on the view that the lessee has a right of use of the asset for a specific period of time, and simultaneous obligation to pay for that right.

At the date of initial application (DOIA), the Group has over 100 arrangements affected by the new accounting Standard, most being vehicle leases. The Group's financial reporting is mainly impacted by premises lease contracts. There are also a number of lease arrangements for office equipment.

The Group has adopted the modified retrospective approach on adoption of the new Standard, which means that the full effect of the adoption of the standard is restated in the opening balances

for the financial year 2019 without restating comparative figures. For some premises lease contracts, the Group has decided on an approach involving the assets side being measured on the basis of the actual start date of lease contracts, and the liabilities side being measured with the DOIA as the start date. For other contracts, the DOIA has been used as the start date for measuring assets and liabilities, which are essentially equal at the DOIA.

Direct acquisition costs for rights of use have not been included on transition. Rights of use agreements with shorter terms than 12 months, or with acquisition costs of less than 5,000 USD are not included in the reported liabilities or rights of use.

An incremental borrowing rate has been set by region. The periods of rights of use have been determined on the basis of the terms of contracts, and with knowledge of termination and extension clauses, as well as an evaluation of the significance of assets to operations.

Adoption of the new Standard has the following effects on the opening balances in the Balance Sheet. Assets increase by 111 MSEK net and liabilities increase by 115 MSEK net. Equity decreases by 4 MSEK net as a result of the rights of use that are measured retroactively.

## Interim Report in Summary

### Income Statement—Group

| SEK 000                                                      | Quarter 2,<br>2019 | Quarter 2,<br>2018 | 6 mth.<br>2019 | 6 mth.<br>2018 | Full year,<br>2018 |
|--------------------------------------------------------------|--------------------|--------------------|----------------|----------------|--------------------|
| Net sales                                                    | 381,183            | 360,806            | 752,045        | 697,604        | 1,417,240          |
| Other operating revenue                                      | -401               | 1,044              | 2,103          | 5,314          | 1,760              |
| Operating expenses excluding depreciation and amortization   | -330,573           | -325,415           | -645,949       | -630,764       | -1,268,408         |
| <b>Operating profit before depreciation and amortization</b> | <b>50,209</b>      | <b>36,435</b>      | <b>108,199</b> | <b>72,154</b>  | <b>150,592</b>     |
| Amortization, intangible assets                              | -15,292            | -14,271            | -30,220        | -27,575        | -58,293            |
| Depreciation, property, plant and equipment                  | -13,413            | -4,199             | -26,416        | -8,546         | -18,353            |
| <b>Operating profit</b>                                      | <b>21,504</b>      | <b>17,965</b>      | <b>51,563</b>  | <b>36,033</b>  | <b>73,946</b>      |
| Net financial items                                          | -1,742             | -1,083             | -4,764         | -4,430         | -10,908            |
| <b>Profit before tax</b>                                     | <b>19,762</b>      | <b>16,882</b>      | <b>46,799</b>  | <b>31,603</b>  | <b>63,038</b>      |
| Estimated tax                                                | -6,046             | -6,382             | -13,054        | -11,544        | -19,501            |
| <b>Net profit</b>                                            | <b>13,716</b>      | <b>10,500</b>      | <b>33,745</b>  | <b>20,059</b>  | <b>43,537</b>      |
| <i>Attributable to equity holders of the parent</i>          | <i>13,591</i>      | <i>10,315</i>      | <i>33,730</i>  | <i>19,912</i>  | <i>43,518</i>      |
| <i>Attributable to minority interest</i>                     | <i>125</i>         | <i>185</i>         | <i>15</i>      | <i>147</i>     | <i>19</i>          |
| <i>Earnings per share, SEK</i>                               | <i>0.48</i>        | <i>0.36</i>        | <i>1.18</i>    | <i>0.70</i>    | <i>1.52</i>        |

### Comprehensive Income

| SEK 000                                             | Quarter 2,<br>2019 | Quarter 2,<br>2018 | 6 mth.<br>2019 | 6 mth.<br>2018 | Full year,<br>2018 |
|-----------------------------------------------------|--------------------|--------------------|----------------|----------------|--------------------|
| Net profit                                          | 13,716             | 10,500             | 33,745         | 20,059         | 43,537             |
| Actuarial gains and losses                          | -7,798             | -3,067             | -7,798         | -3,067         | -13,093            |
| Translation differences                             | -2,402             | 24,391             | 17,912         | 45,177         | 37,614             |
| <b>Comprehensive income</b>                         | <b>3,516</b>       | <b>31,824</b>      | <b>43,859</b>  | <b>62,169</b>  | <b>68,058</b>      |
| <i>Attributable to equity holders of the parent</i> | <i>3,410</i>       | <i>31,471</i>      | <i>43,639</i>  | <i>61,712</i>  | <i>67,760</i>      |
| <i>Attributable to non-controlling interest</i>     | <i>106</i>         | <i>353</i>         | <i>220</i>     | <i>457</i>     | <i>298</i>         |

### Balance Sheet—Group

| SEK 000                                           | Jun 30, 2019     | Jun 30, 2018     | Dec 31, 2018     |
|---------------------------------------------------|------------------|------------------|------------------|
| <b>Assets</b>                                     |                  |                  |                  |
| Intangible assets                                 | 805,411          | 788,131          | 789,153          |
| Tangible assets                                   | 208,522          | 95,850           | 90,832           |
| Financial assets                                  | 59,355           | 57,460           | 53,838           |
| Current assets                                    | 568,072          | 497,481          | 486,999          |
| Cash equivalents and short-term investments       | 76,958           | 88,327           | 94,488           |
| <b>Total assets</b>                               | <b>1,718,318</b> | <b>1,527,249</b> | <b>1,515,310</b> |
| <b>Liabilities and shareholders' equity</b>       |                  |                  |                  |
| Shareholders' equity                              | 678,864          | 646,192          | 652,888          |
| Minority share of shareholders' equity            | 4,053            | 5,411            | 3,847            |
| Long-term liabilities                             | 565,984          | 499,565          | 490,504          |
| Current liabilities                               | 469,417          | 376,081          | 368,071          |
| <b>Total liabilities and shareholders' equity</b> | <b>1,718,318</b> | <b>1,527,249</b> | <b>1,515,310</b> |
| <i>Of which interest-bearing liabilities</i>      | <i>665,098</i>   | <i>529,336</i>   | <i>512,541</i>   |

## Statement of Changes in Equity–Group

| SEK 000                                             | 31 Mar. 2019   | 31 Mar. 2018   | 31 Dec. 2018   |
|-----------------------------------------------------|----------------|----------------|----------------|
| <b>Attributable to equity holders of the parent</b> |                |                |                |
| Opening balance, shareholders' equity, 1 January    | 652,888        | 585,015        | 585,015        |
| Restatement on transition to IFRS 16                | -4,418         |                |                |
| Rights issue                                        | -29            | -78            | -78            |
| Share repurchase                                    | -50            | -11            | -11            |
| Dividend                                            | -14,301        |                |                |
| Acquisitions                                        |                | -789           | -783           |
| Share-based payment                                 | 1,135          | 343            | 985            |
| Comprehensive income                                | 43,639         | 61,712         | 67,760         |
| <b>Closing balance, shareholders' equity</b>        | <b>678,864</b> | <b>646,192</b> | <b>652,888</b> |
| <b>Attributable to non-controlling interests</b>    |                |                |                |
| Opening balance, 1 January                          | 3,847          | 6,221          | 6,221          |
| Restatement on transition to IFRS 16                | -14            |                |                |
| Dividend                                            |                |                | -1,412         |
| Acquisitions                                        |                | -1,267         | -1,260         |
| Comprehensive income                                | 220            | 457            | 298            |
| <b>Closing balance</b>                              | <b>4,053</b>   | <b>5,411</b>   | <b>3,847</b>   |

## Key Figures–Group

| SEK 000                                                                    | Jun 30, 2019 | Jun 30, 2018 | Dec 31, 2018 |
|----------------------------------------------------------------------------|--------------|--------------|--------------|
| Operating margin, %                                                        | 6.9          | 5.2          | 5.2          |
| Profit margin, %                                                           | 4.5          | 2.9          | 3.1          |
| Equity ratio, %                                                            | 39.7         | 42.7         | 43.3         |
| Equity per share, SEK<br>(comparative figure restated for rights issues)   | 23.7         | 22.6         | 22.8         |
| Earnings per share, SEK<br>(comparative figure restated for rights issues) | 1.18         | 0.70         | 1.52         |
| Return on equity after tax, %                                              | 8.6          | 3.2          | 7.0          |
| Return on capital employed, %                                              | 7.3          | 4.1          | 6.7          |
| Return on net operating assets, %                                          | 9.5          | 5.8          | 8.5          |
| Average number of employees                                                | 731          | 705          | 713          |

## Cash Flow Statement–Group

| SEK 000                                                               | Jun 30, 2019   | Jun 30, 2018  | Dec 31, 2018   |
|-----------------------------------------------------------------------|----------------|---------------|----------------|
| Cash flow from operating activities before changes in working capital | 93,483         | 56,722        | 134,023        |
| Change in working capital                                             | -59,805        | -24,862       | -24,958        |
| <b>Cash flow from operating activities</b>                            | <b>33,678</b>  | <b>31,860</b> | <b>109,065</b> |
| Cash flow from investing activities                                   | -58,210        | -52,976       | -93,673        |
| Cash flow from finance activities                                     | 20,019         | 15,083        | -14,066        |
| Dividend paid                                                         | -14,301        |               |                |
| <b>Change in cash equivalents</b>                                     | <b>-18,814</b> | <b>-6,033</b> | <b>1,326</b>   |
| Cash equivalents and short-term investments, opening balance          | 94,488         | 89,281        | 89,281         |
| Exchange rate change, cash equivalents                                | 1,284          | 5,079         | 3,881          |
| <b>Cash equivalents and short-term investments, closing balance</b>   | <b>76,958</b>  | <b>88,327</b> | <b>94,488</b>  |

## Operating Segments

| SEK 000                                                      | Quarter 2,<br>2019 | Quarter 2,<br>2018 | 6 mth.<br>2019 | 6 mth.<br>2018 | Full year,<br>2018 |
|--------------------------------------------------------------|--------------------|--------------------|----------------|----------------|--------------------|
| <b>Net sales</b>                                             |                    |                    |                |                |                    |
| Beijer Electronics                                           | 192,947            | 192,322            | 382,404        | 365,378        | 731,360            |
| Westermo                                                     | 164,422            | 142,556            | 323,075        | 278,583        | 584,181            |
| Korenix                                                      | 31,279             | 29,990             | 60,092         | 61,356         | 117,754            |
| Group adjustments                                            | -7,465             | -4,062             | -13,526        | -7,713         | -16,055            |
| <b>Group</b>                                                 | <b>381,183</b>     | <b>360,806</b>     | <b>752,045</b> | <b>697,604</b> | <b>1,417,240</b>   |
| <b>Operating profit before depreciation and amortization</b> |                    |                    |                |                |                    |
| Beijer Electronics                                           | 25,643             | 19,386             | 55,404         | 33,487         | 75,056             |
| Westermo                                                     | 29,729             | 26,122             | 60,279         | 53,827         | 97,435             |
| Korenix                                                      | 3,278              | 764                | 6,135          | 4,174          | 6,331              |
| Parent company                                               | -9,180             | -8,830             | -16,494        | -17,103        | -28,558            |
| Group adjustments                                            | 739                | -1,007             | 2,875          | -2,231         | 328                |
| <b>Group</b>                                                 | <b>50,209</b>      | <b>36,435</b>      | <b>108,199</b> | <b>72,154</b>  | <b>150,592</b>     |
| <b>Operating profit</b>                                      |                    |                    |                |                |                    |
| Beijer Electronics                                           | 13,726             | 12,741             | 31,993         | 21,163         | 47,361             |
| Westermo                                                     | 20,085             | 19,578             | 41,318         | 40,540         | 69,679             |
| Korenix                                                      | -267               | -2,402             | -866           | -2,043         | -6,362             |
| Parent company                                               | -11,146            | -10,945            | -20,512        | -21,365        | -37,029            |
| Group adjustments                                            | -894               | -1,007             | -370           | -2,262         | 297                |
| <b>Group</b>                                                 | <b>21,504</b>      | <b>17,965</b>      | <b>51,563</b>  | <b>36,033</b>  | <b>73,946</b>      |

## Revenue

| SEK 000                         | Quarter 2,<br>2019 | Quarter 2,<br>2018 | 6 mth.<br>2019 | 6 mth.<br>2018 | Full year,<br>2018 |
|---------------------------------|--------------------|--------------------|----------------|----------------|--------------------|
| <b>Geographical market</b>      |                    |                    |                |                |                    |
| Sweden                          | 62,528             | 46,307             | 114,350        | 94,376         | 202,037            |
| Rest of Nordics                 | 40,068             | 38,006             | 75,084         | 69,704         | 139,680            |
| Germany                         | 22,477             | 24,047             | 51,877         | 48,332         | 110,174            |
| UK                              | 26,052             | 21,641             | 54,560         | 48,095         | 94,238             |
| France                          | 17,345             | 13,694             | 31,490         | 25,008         | 52,767             |
| Turkey                          | 6,939              | 9,504              | 12,981         | 17,112         | 31,809             |
| Rest of Europe                  | 62,581             | 51,724             | 132,141        | 98,189         | 204,179            |
| USA                             | 65,275             | 75,877             | 133,162        | 143,198        | 277,401            |
| Taiwan                          | 13,720             | 18,509             | 24,818         | 40,745         | 74,143             |
| China                           | 31,920             | 26,047             | 57,586         | 46,364         | 97,166             |
| Rest of Asia                    | 24,222             | 23,654             | 47,482         | 43,060         | 90,099             |
| Rest of world                   | 8,056              | 11,796             | 16,514         | 23,421         | 43,547             |
| <b>Group</b>                    | <b>381,183</b>     | <b>360,806</b>     | <b>752,045</b> | <b>697,604</b> | <b>1,417,240</b>   |
| <b>Category</b>                 |                    |                    |                |                |                    |
| Operator panels and accessories | 169,113            | 167,591            | 335,207        | 319,048        | 644,937            |
| Network equipment               | 190,433            | 168,732            | 375,192        | 332,708        | 689,901            |
| Other products and services     | 21,637             | 24,483             | 41,646         | 45,848         | 82,402             |
| <b>Group</b>                    | <b>381,183</b>     | <b>360,806</b>     | <b>752,045</b> | <b>697,604</b> | <b>1,417,240</b>   |

## Statement of the effect of transition to IFRS 16 Leases

The following table reviews the effect of the transition to IFRS 16 Leases, and presents values excluding the effects of transition.

### Income Statement—Group

| SEK 000                                                      | Q2<br>2019<br>Effect of<br>transition | Q2<br>2019<br>Compara-<br>tive values | Q2<br>2018    | 6 mth,<br>2019<br>Effect of<br>transition | 6 mth,<br>2019<br>Compara-<br>tive values | 6 mth,<br>2018 |
|--------------------------------------------------------------|---------------------------------------|---------------------------------------|---------------|-------------------------------------------|-------------------------------------------|----------------|
| Net sales                                                    |                                       | 381,183                               | 360,806       |                                           | 752,045                                   | 697,604        |
| Other operating revenue                                      |                                       | -401                                  | 1,044         |                                           | 2,103                                     | 5,314          |
| Operating expenses excluding depreciation and amortization   | 9,407                                 | -339,979                              | -325,415      | 18,914                                    | -664,863                                  | -630,764       |
| <b>Operating profit before depreciation and amortization</b> | <b>9,407</b>                          | <b>40,803</b>                         | <b>36,435</b> | <b>18,914</b>                             | <b>89,285</b>                             | <b>72,154</b>  |
| Amortization, intangible assets                              |                                       | -15,293                               | -14,271       |                                           | -30,220                                   | -27,575        |
| Depreciation, property, plant and equipment                  | -8,894                                | -4,518                                | -4,199        | -17,956                                   | -8,460                                    | -8,546         |
| <b>Operating profit</b>                                      | <b>513</b>                            | <b>20,992</b>                         | <b>17,965</b> | <b>958</b>                                | <b>50,605</b>                             | <b>36,033</b>  |
| Net financial items                                          | -655                                  | -1,088                                | -1,083        | -1,346                                    | -3,419                                    | -4,430         |
| <b>Profit before tax</b>                                     | <b>-142</b>                           | <b>19,904</b>                         | <b>16,882</b> | <b>-388</b>                               | <b>47,186</b>                             | <b>31,603</b>  |
| Estimated tax                                                | 40                                    | -6,086                                | -6,382        | 99                                        | -13,153                                   | -11,544        |
| <b>Net profit</b>                                            | <b>-102</b>                           | <b>13,818</b>                         | <b>10,500</b> | <b>-289</b>                               | <b>34,033</b>                             | <b>20,059</b>  |
| <i>Attributable to equity holders of the parent</i>          | -109                                  | 13,700                                | 10,315        | -302                                      | 34,031                                    | 19,912         |
| <i>Attributable to non-controlling interest</i>              | 7                                     | 118                                   | 185           | 13                                        | 2                                         | 147            |
| <i>Earnings per share, SEK</i>                               | 0.00                                  | 0.48                                  | 0.36          | -0.01                                     | 1.19                                      | 0.70           |

### Balance Sheet—Group

| SEK 000                                                | 30 Jun. 2019<br>Effect of transition | 30 Jun. 2019<br>Comparative values | 30 Jun. 2018     |
|--------------------------------------------------------|--------------------------------------|------------------------------------|------------------|
| <b>Assets</b>                                          |                                      |                                    |                  |
| Intangible assets                                      |                                      | 805,411                            | 788,131          |
| Tangible assets                                        | 102,909                              | 105,613                            | 95,850           |
| Financial assets                                       | 1,286                                | 58,069                             | 57,460           |
| Current assets                                         | -5,003                               | 573,076                            | 497,481          |
| Cash equivalents and short-term investments            |                                      | 76,958                             | 88,327           |
| <b>Total assets</b>                                    | <b>99,192</b>                        | <b>1,619,127</b>                   | <b>1,527,249</b> |
| <b>Liabilities and shareholders' equity</b>            |                                      |                                    |                  |
| Shareholders' equity                                   | -4,711                               | 683,575                            | 646,192          |
| Non-controlling interest share of shareholders' equity |                                      | 4,053                              | 5,411            |
| Long-term liabilities                                  | 71,857                               | 494,127                            | 499,565          |
| Current liabilities                                    | 32,046                               | 437,372                            | 376,081          |
| <b>Total liabilities and shareholders' equity</b>      | <b>99,192</b>                        | <b>1,619,127</b>                   | <b>1,527,249</b> |
| <i>Of which interest-bearing liabilities</i>           | <i>103,903</i>                       | <i>561,195</i>                     | <i>529,336</i>   |

Statement of the effect of transition to IFRS 16 Leases, cont.

### Key Figures–Group

| SEK 000                                                                    | 31 Mar. 2019<br>Effect of transition | 31 Mar. 2019<br>Comparative values | 31 Mar. 2018 |
|----------------------------------------------------------------------------|--------------------------------------|------------------------------------|--------------|
| Operating margin, %                                                        | 0.1                                  | 6.7                                | 5.2          |
| Profit margin, %                                                           | 0.0                                  | 4.5                                | 2.9          |
| Equity ratio, %                                                            | -2.7                                 | 42.5                               | 42.7         |
| Equity per share, SEK<br>(comparative figure restated for rights issues)   | -0.2                                 | 23.9                               | 22.6         |
| Earnings per share, SEK<br>(comparative figure restated for rights issues) | -0.01                                | 1.19                               | 0.70         |
| Return on equity after tax, %                                              | 0.0                                  | 8.6                                | 3.2          |
| Return on capital employed, %                                              | -0.2                                 | 7.5                                | 4.1          |
| Return on net operating assets, %                                          | 0.1                                  | 9.4                                | 5.8          |

### Cash Flow Statement–Group

| SEK 000                                                                  | 31 Mar. 2019<br>Effect of transition | 31 Mar. 2019<br>Comparative values | 31 Mar. 2018  |
|--------------------------------------------------------------------------|--------------------------------------|------------------------------------|---------------|
| Cash flow from operating activities before<br>changes in working capital | 17,568                               | 75,915                             | 56,722        |
| Change in working capital                                                |                                      | -59,805                            | -24,862       |
| <b>Cash flow from operating activities</b>                               | <b>17,568</b>                        | <b>16,110</b>                      | <b>31,860</b> |
| Cash flow from investing activities                                      |                                      | -58,210                            | -52,976       |
| Cash flow from finance activities                                        | -17,568                              | 37,587                             | 15,083        |
| <b>Change in cash equivalents</b>                                        | <b>0</b>                             | <b>-18,814</b>                     | <b>-6,033</b> |

### Operating segments

| SEK 000                                                          | Q2<br>2019<br>Effect of<br>transition | Q2<br>2019<br>Compara-<br>tive values | Q2<br>2019    | 6 mth,<br>2019<br>Effect of<br>transition | 6 mth,<br>2019<br>Compara-<br>tive values | 6 mth,<br>2018 |
|------------------------------------------------------------------|---------------------------------------|---------------------------------------|---------------|-------------------------------------------|-------------------------------------------|----------------|
| <b>Operating profit before<br/>depreciation and amortization</b> |                                       |                                       |               |                                           |                                           |                |
| Beijer Electronics                                               | 3,979                                 | 21,665                                | 19,386        | 7,910                                     | 47,494                                    | 33,487         |
| Westermo                                                         | 2,276                                 | 27,454                                | 26,122        | 4,721                                     | 55,558                                    | 53,827         |
| Korenix                                                          | 1,337                                 | 1,941                                 | 764           | 2,651                                     | 3,484                                     | 4,174          |
| Parent company                                                   | 0                                     | -9,180                                | -8,830        |                                           | -16,494                                   | -17,103        |
| Group adjustments                                                | 1,815                                 | -1,077                                | -1,007        | 3,632                                     | -757                                      | -2,231         |
| <b>Group</b>                                                     | <b>9,407</b>                          | <b>40,803</b>                         | <b>36,435</b> | <b>18,914</b>                             | <b>89,285</b>                             | <b>72,154</b>  |
| <b>Operating profit</b>                                          |                                       |                                       |               |                                           |                                           |                |
| Beijer Electronics                                               | 428                                   | 13,298                                | 12,741        | 758                                       | 31,236                                    | 21,163         |
| Westermo                                                         | -212                                  | 20,297                                | 19,578        | -422                                      | 41,741                                    | 40,540         |
| Korenix                                                          | 113                                   | -380                                  | -2,402        | 237                                       | -1,103                                    | -2,043         |
| Parent company                                                   | 0                                     | -11,146                               | -10,945       |                                           | -20,512                                   | -21,365        |
| Group adjustments                                                | 184                                   | -1,077                                | -1,007        | 385                                       | -757                                      | -2,262         |
| <b>Group</b>                                                     | <b>513</b>                            | <b>20,992</b>                         | <b>17,965</b> | <b>958</b>                                | <b>50,605</b>                             | <b>36,033</b>  |

### Income Statement—Parent Company

| SEK 000                                     | Quarter 2<br>2019 | Quarter 2<br>2018 | 6 mth.<br>2019 | 6 mth.<br>2018 | Full year,<br>2018 |
|---------------------------------------------|-------------------|-------------------|----------------|----------------|--------------------|
| Net turnover                                | 8,484             | 8,330             | 16,968         | 16,658         | 33,464             |
| Operating expenses                          | -19,630           | -19,275           | -37,480        | -38,023        | -71,843            |
| <b>Operating profit</b>                     | <b>-11,146</b>    | <b>-10,945</b>    | <b>-20,512</b> | <b>-21,365</b> | <b>-38,379</b>     |
| Net financial items*                        | -649              | 7,690             | 1,979          | 9,519          | 7,808              |
| <b>Profit before tax</b>                    | <b>-11,795</b>    | <b>-3,255</b>     | <b>-18,533</b> | <b>-11,846</b> | <b>-30,571</b>     |
| Appropriations                              |                   |                   |                |                | 23,000             |
| Estimated tax                               | 2,125             | 51                | 3,301          | 1,648          | -113               |
| <b>Net profit</b>                           | <b>-9,670</b>     | <b>-3,204</b>     | <b>-15,232</b> | <b>-10,198</b> | <b>-7,684</b>      |
| <i>*of which dividend from subsidiaries</i> | 0                 | 1,417             | 0              | 1,417          | 1,417              |

### Balance Sheet—Parent Company

| SEK 000                                           | Jun 30, 2019   | Jun 30, 2018   | Dec 31, 2018   |
|---------------------------------------------------|----------------|----------------|----------------|
| <b>Assets</b>                                     |                |                |                |
| Fixed assets                                      | 731,958        | 772,745        | 749,683        |
| Current assets                                    | 13,690         | 13,921         | 36,555         |
| Cash equivalents and short-term investments       | 1,166          | 1,166          | 1,166          |
| <b>Total assets</b>                               | <b>746,814</b> | <b>787,832</b> | <b>787,404</b> |
| <b>Liabilities and shareholders' equity</b>       |                |                |                |
| Shareholders' equity                              | 261,321        | 286,642        | 289,798        |
| Long-term liabilities                             | 334,773        | 390,852        | 392,271        |
| Current liabilities                               | 150,720        | 110,338        | 105,335        |
| <b>Total liabilities and shareholders' equity</b> | <b>746,814</b> | <b>787,832</b> | <b>787,404</b> |
| <i>Of which interest-bearing liabilities</i>      | 422,361        | 411,009        | 383,527        |

### 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, 1 Jan. 2019</b>                                                   | <b>9,545</b>               | <b>8,816</b>                  | <b>271,437</b>                                         |                | <b>289,798</b> |
| Change in reserve for development expenditure                                        |                            | 0                             |                                                        |                |                |
| Net profit                                                                           |                            |                               |                                                        | -15,232        | -15,232        |
| <b>Total changes to net worth, exc.<br/>transactions with company's shareholders</b> | <b>9,545</b>               | <b>8,816</b>                  | <b>271,437</b>                                         | <b>-15,232</b> | <b>274,566</b> |
| Rights issue <sup>a</sup>                                                            | 50                         |                               | -79                                                    |                | -29            |
| Repurchase of treasury shares                                                        |                            |                               | -50                                                    |                | -50            |
| Dividend                                                                             |                            |                               | -14,301                                                |                | -14,301        |
| Share-based payment                                                                  |                            |                               | 1,135                                                  |                | 1,135          |
| <b>Closing equity, 30 Jun. 2019</b>                                                  | <b>9,595</b>               | <b>8,816</b>                  | <b>258,142</b>                                         | <b>-15,232</b> | <b>261,321</b> |

a)  
No. of shares, 1 Jan. 2019 28,636,036  
Shares issued in current rights issue 150,066  
No. of shares, 30 Jun. 2019 28,786,102

Quotient value (SEK) 0.33

The issue price was 0.33 SEK per share.  
There are 28,601,379 ordinary shares and  
184,723 class C shares.



## 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 personnel expenditure and external consulting expenditure, including expenditure capitalized as intangible assets.

### **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 AB (publ) is a growing powerhouse of innovators within mission-critical industrial digital technology and IIoT. With a strong focus on the connection between people, technology and data, we share a pride in having some of the world's leading global companies as our core customers. Since its start-up in 1981, BEIJER GROUP has evolved into a multinational group of complementary business entities with sales over 1.4 billion SEK in 2018.

The company is listed on the NASDAQ OMX Nordic Stockholm Small Cap list under the ticker BELE.

### More Information

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

### Financial Calendar

28 October 2019..... Nine-month Interim Report  
30 January 2020..... Year-end Report  
21 April 2020..... Three-month Interim Report  
7 May 2020..... Annual General Meeting  
14 July 2020..... Six-month Interim Report  
27 October 2020..... Nine-month Interim Report



In the quarter, Westermo launched a new generation of routers—Viper Backbone Node—for train networks. This product is the first in a series of launches based on Westermo's new hardware platform, with significantly improved performance in terms of bandwidth and speed. Shipments have the new generation of operating system embedded—Westermo's proprietary WeOS.

► [Read more at www.westermo.com](http://www.westermo.com)



#### Head office

Beijer Electronics Group AB (publ)  
Box 426, Stora Varvgatan 13a  
201 24 Malmö, Sweden  
Corp. ID no. 556025-1851

[www.beijergroup.com](http://www.beijergroup.com) | +46 (0)40 35 86 00