



1 JANUARY – 31 DECEMBER 2019

Westermo driving the Group's sales and earnings performance

Fourth quarter

- Order intake amounted to 407 MSEK (452).
- Net sales rose by 9% to 415 MSEK (381).
- EBIT up by 9% to 22.0 MSEK (20.2).
- Profit after tax was 12.5 MSEK (12.5).
- Earnings per share were 0.44 SEK (0.44).
- Acquisition of Virtual Access of Ireland.
- Strategic deal worth over 150 MSEK.

Full year 2019

- Order intake amounted to 1,557 MSEK (1,593).
- Net sales rose by 10% to 1,559 MSEK (1,417).
- EBIT up by 40% to 103.5 MSEK (74.0).
- Profit after tax was 65.0 MSEK (43.5).
- Earnings per share were 2.27 SEK (1.52).
- Acquisition of Neratec of Switzerland in July 2019.
- The Board of Directors proposes a dividend of 0.50 SEK (0.50) for the financial year 2019.

Financial Statement for Beijer Electronics Group AB

Comments from President and CEO Per Samuelsson:

“BEIJER GROUP’S Westermo business entity continued its convincing progress in the fourth quarter, setting new records for order intake, sales and earnings in the full year 2019. In this context, I’d like to highlight the successes of the long-term goal-oriented strategic initiative that Westermo commenced in 2015. Over a three-year period, this has resulted in average yearly organic growth of 18%, and boosted EBIT by 43% per year.

Westermo became the Group’s largest business entity in the fourth quarter, representing some 45% of the Group’s sales and 65% of our business entities’ aggregate EBIT for the full year. Our acquisition of Virtual Access of Ireland in the fourth quarter put another piece of our long-term strategic plan into place.

Virtual Access, alongside the acquisition of Neratec earlier in the year, injects annualized sales of 180-190 MSEK. These acquisitions and initiatives in the power distribution and rail infrastructure segments, coupled with new product launches with superior performance mean that Westermo has paved the way for continued profitable growth.

The Beijer Electronics business entity’s agreement to provide display solutions for US elevator manufacturer Otis was another keynote event in the quarter. This deal covers deliveries worth over a five-year period, starting spring 2020.

Our partnerships with global corporations demonstrate our international competitiveness, and that we can satisfy their demanding standards.

For the Group as a whole, our operating results in the fourth quarter were mixed. The Group’s order intake was in line with previous quarters of the year, but lower than the strong numbers of the corresponding period of 2018, while sales and EBIT are continuing to increase. We were also able to report healthy free cash flow of over 70 MSEK in the quarter.

In approximate terms, Beijer Electronics is following its long-term plan, and was able to report increased sales and better earnings for the full year 2019. Its transition to the new X2 series and old product phase-outs have caused fluctuations between quarters, which impacted order intake, sales and earnings, so quarterly results were not at a satisfactory level. This pattern will sustain for another few quarters, but earnings will stabilize as the share of X2 products increases.

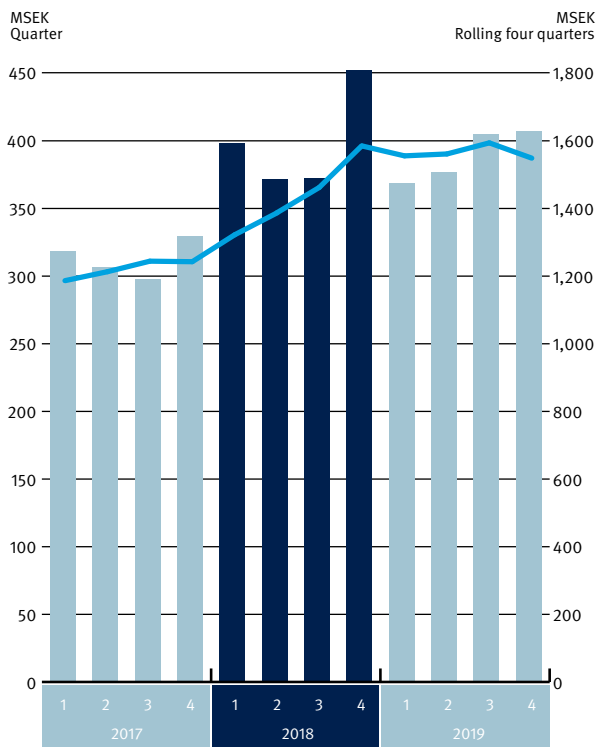
In 2020, we expect the business entity to generate a sales surplus from its new platform for the Internet of Things acirro+ which we launched in the fourth quarter. In addition, our shipments to Otis will commence in the spring. So overall, Beijer Electronics has good potential to continue its positive progress.

Korenix is in an intensive phase developing a new platform with software and hardware based on a modular design. All products should will be upgraded to this new platform in 2020 and 2021.

Business entity net sales and EBIT

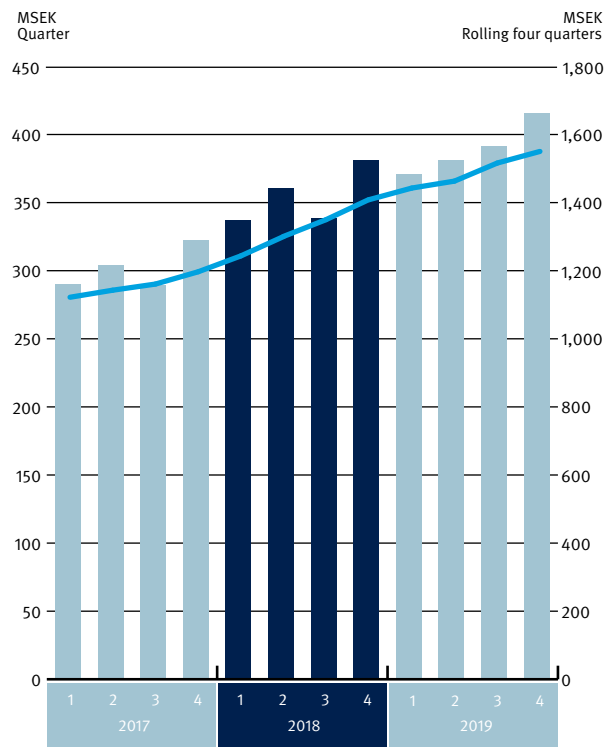
MSEK	Sales Quarter 4		EBIT Quarter 4		Sales Full year		EBIT Full year	
	2019	2018	2019	2018	2019	2018	2019	2018
Beijer Electronics	193.8	191.5	10.7	17.3	756.2	731.4	55.0	47.4
Westermo	199.3	167.3	22.3	13.6	705.2	584.2	89.6	69.7
Korenix	26.5	25.8	-2.8	-4.1	119.9	117.8	-4.3	-6.4
Intra-group sales	-4.3	-3.4			-22.6	-16.2		
Group adjustments and depreciation			-8.2	-6.6			-36.8	-36.8
BEIJER GROUP	415.3	381.2	22.0	20.2	1,558.7	1,417.2	103.5	73.9

Group order intake



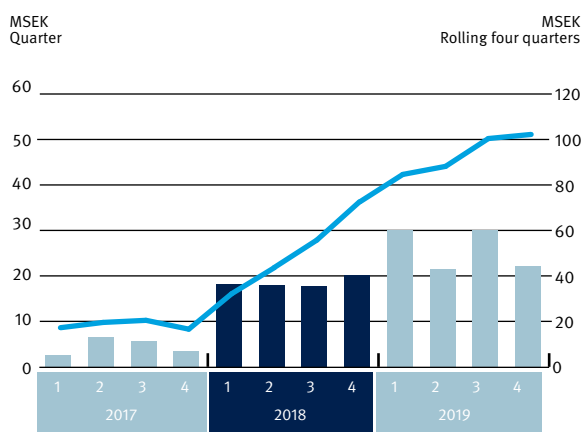
▲ The bars and left-hand scale indicate quarterly order intake. The curve and right-hand scale show rolling four quarter order intake.

Group net sales



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

Group EBIT



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

But meanwhile, we noted that this business entity did not achieve the sales volumes necessary to achieve profitability in 2019, partly due to some of our customers wanting shipments deferred till after year-end. As previously announced, an expanded and intensified partnership with the Beijer Electronics business entity has been initiated. This setup expands Beijer Electronics' offering to the market, so both business entities can sell more, due to greater coordination. Simultaneously, Korenix gets access to Beijer Electronics' stronger marketing organization, especially in Europe. We're also working on coordination gains between these entities in segments such as manufacturing and supply chains, with the aim of reducing the Group's cost base.

BEIJER GROUP delivers products to customers whose businesses include elements of project sales, which means that order intake can vary between quarters. The long-term trend is important. Since we set our strategic direction in 2016, BEIJER GROUP has grown organically by 11% per year, turning an operating loss to an EBIT of over 100 MSEK in 2019.

The strategy of initiatives on extensive product regeneration, more focus on a customer-oriented marketing and sales organization, plus rationalization of manufacturing and logistics—to name a few measures—have all been clear successes. But things can, and should be, even better. As Westermo's

excellent progress and the opportunities we are presented with demonstrate. We're also continuing our extensive product development initiatives, focusing on regenerating and expanding product ranges across the Group's three business entities, with the aim of supporting continued profitable growth.

The current phase of the business cycle is presenting a mixed picture, with forecasts pointing in somewhat differing directions. We've seen some projects being delayed, while our pipeline of attractive projects is also filling up. Individual markets are still fairly stable without any wide fluctuations.

We've moved into the new year with a good order book. In 2019, we launched a number of new products, executed two strategic acquisitions and signed a major supply agreement with Otis. BEIJER GROUP thinks that overall, the Group can increase sales and earnings in the full year 2020."

The Group in the fourth quarter

The Group has been applying the new accounting Standard IFRS 16 Leases since 1 January 2019, see accounting policies on page 13. 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 17.

The Group's order intake was 407 MSEK (452) in the fourth quarter. The companies acquired in the year Neratec and Virtual Access represented 30 MSEK of order intake in the period. The Group's sales rose by 9% to 415 MSEK (381). Adjusted for currencies and acquisitions, sales increased by half of one percent.

The Group's EBITDA increased to 56.0 MSEK (40.7). Earnings had an 11.2 MSEK positive impact from the new accounting Standard for leases and lease contracts (IFRS 16). IFRS 16 also negatively impacted depreciation and amortization by 10.6 MSEK. Depreciation and amortization was 34.0 MSEK (20.5). EBIT increased by 9% to 22.0 MSEK (20.2), with IFRS 16 exerting a net positive earnings impact of 0.6 MSEK. Earnings were negatively impacted by currency effects and acquisition expenses of 1.5 MSEK and 3.0 MSEK respectively, and positively impacted by a 4.6 MSEK capital gain from a real estate sale. The EBIT margin was 5.3% (5.3).

Total development expenditure was 53.2 MSEK (45.2), equivalent to 12.8% (11.8) of Group sales.

Profit before tax increased by 15% to 18.9 MSEK (16.4). Net financial income/expense was -3.0 MSEK (-3.8). Profit after estimated tax was 12.5 MSEK (12.5). The tax expense includes stamp duty of 2.9 MSEK related to the acquisition of Virtual Access. Earnings per share after estimated tax were 0.44 SEK (0.44).

Full year

The Group's order intake was 1,557 MSEK (1,593). Sales increased by 10% to 1,559 MSEK (1,417). The Group's EBITDA was 227.2 MSEK (150.6). Earnings were positively impacted by 41.7 MSEK due to IFRS 16, which simultaneously had a negative 39.5 MSEK impact on depreciation and amortization. Depreciation and amortization was 123.7 MSEK (76.6). EBIT increased by 40% to 103.5 MSEK (73.9), with IFRS 16 positively impacting earnings by 2.2 MSEK net. Earnings were negatively impacted by 3.9 MSEK of acquisition expenses, and positively by a capital gain from a real estate sale of 4.6 MSEK. The EBIT margin was 6.6% (5.2).

Total development expenditure was 181.3 MSEK (162.7), corresponding to 11.6% (11.5) of the Group's sales.

Profit before tax increased to 91.8 MSEK (63.0). Net financial income/expense was -11.7 MSEK (-10.9). Profit after estimated tax was 65.0 MSEK (43.5), with the tax expense including stamp duty of 2.9 MSEK related to the acquisition of Virtual Access. Earnings per share after estimated tax were 2.27 SEK (1.52).

Dividend

The Board of Directors proposes a dividend of 0.50 SEK per share (0.50) for the financial year 2019.

“ Westermo became our largest business entity in the quarter, and the acquisition of Virtual Access paves the way for continued profitable growth.

PER SAMUELSSON, PRESIDENT & CEO

Business entity

Beijer Electronics

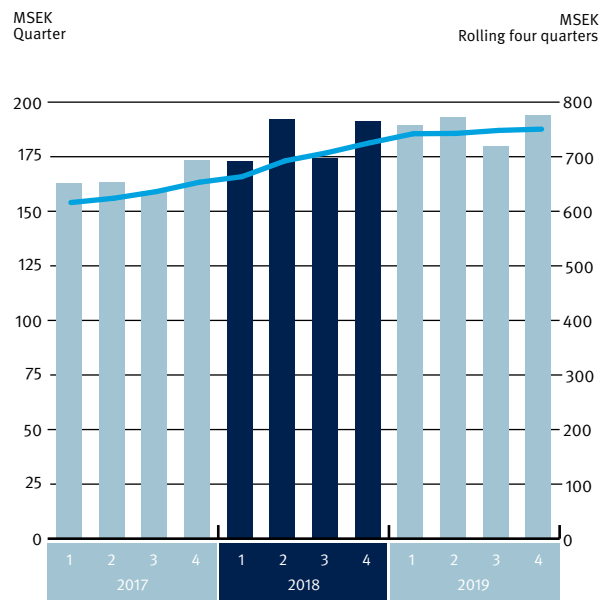
Beijer Electronics is basically following the long-term plan set and was able to report increased sales and improved earnings for the full year. But the pattern featuring in the year, with the transition to a new generation of products, impacted order intake, sales and earnings somewhat more than expected.

This meant a downturn in order intake and earnings in the fourth quarter, while the corresponding period of 2018 was an usually strong quarter. The transition to new products and phase-outs of four old product families has created irregularity between quarters. The business entity’s customers placed extra large orders for products in phase-out in late-2018, which impacted order intake and sales in 2019.

The pattern was especially clear in Europe. It will take few more quarters before a broad base of customers have fully transitioned to the new X2 series. Earnings will stabilize as the share of X2 products increases. In the fourth quarter, the X2 series represented 50% of the business entity’s sales. Sales increased in the US and Asia, but were down in Europe. Earnings were impacted by higher overheads resulting from intensive marketing and sales activities in the fall.

Order intake increased robustly in the US in the fourth quarter, but was down somewhat in Asia. Order intake was up in both regions for the full year, but down in Europe. One strategic deal brought orders as early as the fourth quarter.

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.

This deal with Otis is a keynote event that demonstrates Beijer Electronics' capability to partner with major global corporations, and has a five-year term. It involves the business entity supplying display units for one of Otis' elevator product lines. The first shipments start in spring 2020, and will make a gradual contribution to the business entity's sales and earnings.

Beijer Electronics launched its new Internet of Things platform under the proprietary brand acirro+ in the fourth quarter. This platform consists of software and hardware, enabling secure communication with the cloud. acirro+ will be marketed under a new software as a service (SaaS) revenue model, with hardware invoiced on delivery and software on a regular subscription.

The business entity has an existing collaboration with the Group's Korenix business entity, a partnership that is developing and intensifying. Using Korenix's network products, Beijer Electronics can deliver a broader-based product program to current and new business customers. Going forward, Beijer Electronics' sales organization will be a channel with a special focus on the European market in addition to Korenix's other sales channels.

Fourth quarter

Order intake was 198 MSEK (231) in the fourth quarter. Sales were 194 MSEK (191). EBITDA was 24.2 MSEK (25.1). Earnings were positively impacted by 4.7 MSEK due to IFRS 16, which simultaneously had a negative 4.1 MSEK impact on depreciation and amortization. Depreciation and amortization was 13.6 MSEK (7.8). EBIT was 10.7 MSEK (17.3), with IFRS 16 exerting a net 0.6 MSEK positive impact. The EBIT margin was 5.5% (9.0).

Full year

Order intake decreased to 732 MSEK (792). Sales increased by 3% to 756 MSEK (731). EBITDA was 104.9 MSEK (75.1). Earnings were positively impacted by 17.9 MSEK due to IFRS 16, which simultaneously had a negative 15.9 MSEK impact on depreciation and amortization. Depreciation and amortization was 50.0 MSEK (27.7). EBIT increased by 16% to 55.0 MSEK (47.4), with IFRS 16 exerting a net 2.0 MSEK positive impact. The EBIT margin expanded to 7.3% (6.5).

“ I'm proud of the agreements we've signed with major global corporations in recent years.

PER SAMUELSSON, PRESIDENT & CEO

Business entity

Westermo

Westermo continued its positive and stable progress, with increased sales and a marked improvement in earnings in the fourth quarter. The business entity also continued its aggressive initiatives, making another acquisition. In late-October, it acquired Irish company virtual access, with annualized sales of some 130 MSEK. Virtual Access specializes in wireless industrial routers and gateways, as well as managed connectivity services.

With Neratec, acquired in July 2019, Virtual Access made a contribution to Westermo’s order intake in the quarter, although this was down on the corresponding period of 2018, which was an especially strong quarter. The period did not include any project-based large orders, which means that order intake fluctuates fairly sharply between different quarters. However, Westermo did secure a breakthrough order from a new customer in Canada in the rail segment.

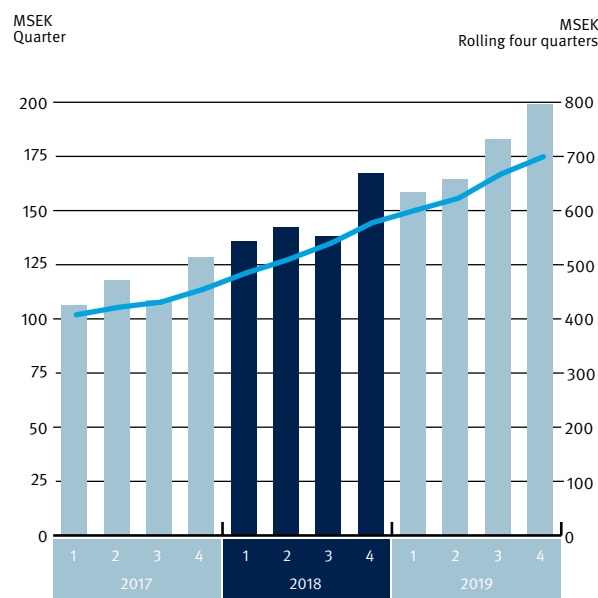
Targeted initiatives on network solutions for the power distribution and rail infrastructure segments also continued as planned. Meanwhile, the launch of new products built on Westermo’s new hardware platform, with significantly improved bandwidth and speed performance, continues. Shipments have the new generation of operating system embedded—Westermo’s proprietary WeOS.

As part of improving its product portfolio consistent with its growth strategy, the business entity launched an all-new switch in the fourth quarter—the Lynx 5512—with superior capacity and performance in the Edge Network segment. This launch is a milestone in the roll-out of next-generation Ethernet switches for applications requiring high performance and extensive functionality in segments including cybersecurity.

In the year, Westermo expanded its capacity and enhanced its production and supply chains, creating more consistent manufacture and shorter lead-times. Capital management also improved in the fourth quarter, resulting in good cash flow.

The acquisitions had a positive impact on Westermo’s sales in the quarter, and the earnings contribution is marginally positive. The full year 2019 was Westermo’s best to date in terms of order intake, sales and earnings.

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.

Fourth quarter

Order intake was 184 MSEK (188) in the fourth quarter, or 154 MSEK excluding acquisitions. Sales were up by 19% to 199 MSEK (167), and excluding acquisitions, sales increased by 6%. EBITDA was 35.4 MSEK (21.0). Earnings were positively impacted by 3.3 MSEK resulting from IFR S 16, which also negatively impacted depreciation and amortization by 3.5 MSEK. Depreciation and amortization was 13.1 MSEK (7.4). EBIT was up by 64% to 22.3 MSEK (13.6), of which IFRS 16 exerted a negative net earnings impact of 0.2 MSEK. The EBIT margin was 11.2% (8.1). Acquisition expenses of 3.0 MSEK had a negative impact on earnings.

Full year

Order intake was up by 6% to 726 MSEK (688). Sales increased by 21% to 705 MSEK (584), and were up by 15% excluding acquisitions. EBITDA was 134.3 MSEK (97.4). Earnings were positively impacted by 11.2 MSEK due to IFRS 16, which had a simultaneous negative impact on earnings of 12.0 MSEK. Depreciation and amortization was 44.7 MSEK (27.8). EBIT increased by 29% to 89.6 MSEK (69.7), of which IFRS 16 had a negative earnings impact of 0.8 MSEK net. The EBIT margin was 12.7% (11.9). Acquisition expenses of 3.9 MSEK had a negative impact on earnings.

“ Our healthy cash flow of over 70 MSEK in the quarter is especially satisfying.

PER SAMUELSSON, PRESIDENT & CEO

Business entity

Korenix

The Korenix business entity’s fourth-quarter results were disappointing, and worse than expected. Order intake was down, sales increased somewhat, but the earnings target was not achieved.

This progress is due to a loss of planned invoicing because a number of customers in China, Taiwan and Europe wanted deliveries deferred until after year-end, on a cluster of projects in the millions of Swedish kronor class. This has impacted earnings, and Korenix again reported a loss, albeit narrower than the corresponding period of 2018.

As previously reported, Korenix has initiated an expanded and intensified partnership with the Beijer Electronics business entity. The two business entities have identified several common projects on the European market. The businesses of the two are converging on each other, and increasingly, customers are demanding more complete solutions including Beijer Electronics digital solutions and Korenix network products.

Both business entities can benefit from greater coordination. Korenix gets access to Beijer Electronics’ stronger marketing organization, especially in Europe, over and above Korenix’s own distributor network.

Korenix is in an intensive phase developing a new platform the Single Korenix Switch OS platform. Its software and hardware are based on a modular design, which shortens development lead-times and is easier to implement and service, as well as being compatible with more—and more varied—products. An automated test format has been implemented, saving significant time on new product testing. All products will be upgraded to the new platform in 2020 and 2021.

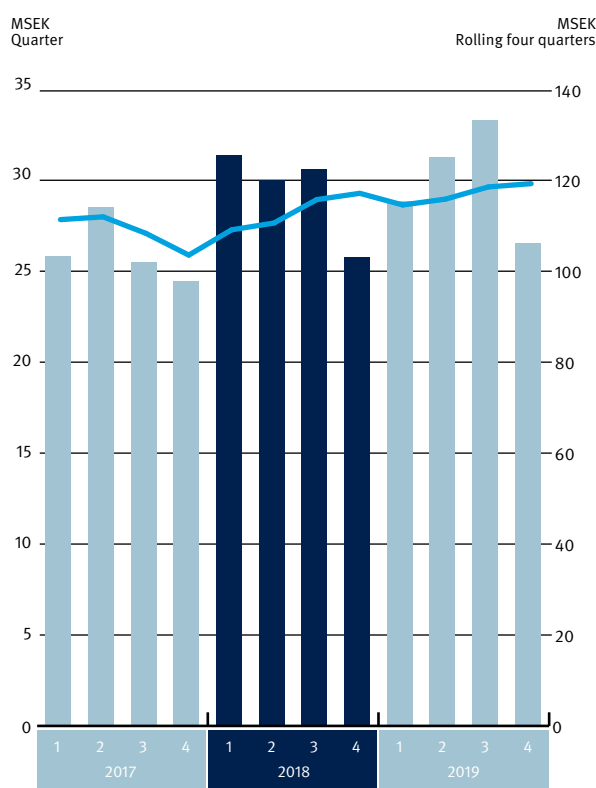
Fourth quarter

Order intake was 30 MSEK (36) in the fourth quarter. Sales were 26.5 MSEK (25.8). EBITDA was 0.9 MSEK (-0.9). Earnings were positively impacted by 1.4 MSEK due to IFRS 16, which simultaneously had a negative 1.3 MSEK impact on depreciation and amortization. Depreciation and amortization was 3.6 MSEK (3.2). EBIT was -2.8 MSEK (-4.1), with IFRS 16 exerting a net 0.1 MSEK positive impact on earnings.

Full year

Order intake was 122 MSEK (129). Sales were 120 MSEK (118). EBITDA was 9.9 MSEK (6.3). Earnings were positively impacted by 5.4 MSEK due to IFRS 16, which simultaneously had a negative 5.0 MSEK impact on depreciation and amortization. Depreciation and amortization was 14.2 MSEK (12.7). EBIT was -4.3 MSEK (-6.4), with IFRS 16 exerting a net 0.4 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 333.7 MSEK (93.7) in the full year 2019. BEIJER GROUP sold shares in associated Brazilian company Alturas for proceeds of 125,000 USD. A property in Norway was also sold for proceeds of 8.3 MSEK and a capital gain of 4.6 MSEK. Cash flow from operating activities was 183.3 MSEK (109.1). Equity was 684.4 MSEK (652.9) on 31 December 2019. The equity ratio was 33.7% (43.3). Cash and cash equivalents were 121.9 MSEK (94.5). Net debt was 757.0 MSEK (418.0), with the increase mainly due to the two acquisitions executed in the year. The effects of IFRS 16 increased net debt by 99 MSEK. The average number of employees was 773 (713).

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.

LTI program

Pursuant to an authorization from the AGM 2019, BEIJER GROUP has implemented a new share-based incentive program. Its estimated outcome involves the parent company intending to issue 66,298 class C shares in the first quarter of 2020, in line with the adopted program.

Significant events

Acquisition of Neratec

BEIJER GROUP acquired Swiss company Neratec Solutions AG through the Westermo business entity in early-July 2019. Neratec specializes in wireless network products that focus on reliable and robust communication 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 debt-free basis and is payable in cash. A minor contingent consideration will be paid on the satisfaction of specific criteria. Neratec is part of the Group and was consolidated into Westermo's accounts on 1 July 2019. The acquisition had a limited impact on BEIJER GROUP's earnings in 2019.

Acquisition of Virtual Access of Ireland

Through its Westermo business entity, BEIJER GROUP acquired Irish company Virtual Access at the end of October 2019. Virtual Access is a technology enterprise specializing in wireless industrial routers and gateways, as well as managed connectivity services. The company has annualized sales of some 130 MSEK and around 40 employees. The purchase consideration was 18 MEUR on a debt-free basis. A performance-based contingent consideration becomes due after 2021 on the satisfaction of specific criteria. Virtual Access is part of the Group and was consolidated into Westermo's accounts on 1 November 2019. This acquisition had a limited impact on the Group's earnings in 2019, but is expected to make a contribution in 2020 consistent with Westermo's profitability level.



Strategic deal with Otis of the US

Through its Beijer Electronics business entity, BEIJER GROUP entered an agreement with US elevator manufacturer Otis at the end of December 2019. This deal, which has a five-year term, involves Beijer Electronics supplying display solutions to Otis elevators. The first shipments to Otis commence in spring 2020, and will make a gradual contribution to the Group's and business entity's sales and earnings. Otis is part of US listed group United Technologies. Otis provides its products, services and servicing from companies in some 200 countries and territories.

Prospects for the full year 2020

BEIJER GROUP expects to be able to increase sales and earnings for the full year 2020 compared to the figures for 2019.

Financial targets for the Group

The Board of Directors set 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 a minimum organic growth rate 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.

Per Samuelsson
 President and CEO
 Malmö, Sweden, 30 January 2020

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Accounting policies

This Financial Statement 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

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.

Financial assets and liabilities

The Group's financial assets and liabilities are measured at amortized cost, which is considered a good estimate of fair value.

Year in Summary

Income Statement—Group

SEK 000	Quarter 4 2019	Quarter 4 2018	Full Year 2019	Full Year 2018
Net turnover	415,276	381,188	1,558,699	1,417,240
Other operating revenue	1,108	907	3,389	1,760
Operating expenses excluding depreciation and amortisation	-360,409	-341,408	-1,334,843	-1,268,408
EBITDA	55,975	40,687	227,245	150,592
Amortization, and impairment, intangible assets	-18,419	-15,603	-65,958	-58,293
Depreciation, property, plant and equipment	-15,551	-4,880	-57,791	-18,353
EBIT	22,005	20,204	103,496	73,946
Net financial items	-3,076	-3,816	-11,655	-10,908
Profit before tax	18,929	16,388	91,841	63,038
Estimated tax	-6,469	-3,916	-26,869	-19,501
Net profit	12,460	12,472	64,972	43,537
<i>Attributable to equity holders of the parent</i>	<i>12,521</i>	<i>12,620</i>	<i>64,954</i>	<i>43,518</i>
<i>Attributable to minority interest</i>	<i>-61</i>	<i>-148</i>	<i>18</i>	<i>19</i>
<i>Corresponds to earnings per share, SEK</i>	<i>0.44</i>	<i>0.44</i>	<i>2.27</i>	<i>1.52</i>

Statement of Comprehensive Income—Group

SEK 000	Quarter 4 2019	Quarter 4 2018	Full Year 2019	Full Year 2018
Net profit	12,460	12,472	64,972	43,537
Actuarial gains and losses	-17,493	-6,959	-33,433	-13,093
Net investment hedge effects	4,148		2,811	
Translation differences	-26,151	4,483	13,893	37,614
Comprehensive income	-27,036	9,996	48,243	68,058
<i>Attributable to equity holders of the parent</i>	<i>-26,943</i>	<i>10,072</i>	<i>47,827</i>	<i>67,760</i>
<i>Attributable to minority interest</i>	<i>-93</i>	<i>-76</i>	<i>416</i>	<i>298</i>

Balance Sheet—Group

SEK 000	Dec 31, 2019	Dec 31, 2018
Assets		
Intangible assets	1,088,490	789,153
Property, plant and equipment	203,915	90,832
Financial assets	53,129	53,838
Current assets	574,830	486,999
Cash equivalents and short-term investments	121,903	94,488
Total assets	2,042,267	1,515,310
Liabilities and shareholders' equity		
Shareholders' equity	684,434	652,888
Minority share of shareholders' equity	4,249	3,847
Long-term liabilities	816,404	490,504
Current liabilities	537,180	368,071
Total liabilities and shareholders' equity	2,042,267	1,515,310
<i>of which interest-bearing liabilities</i>		
<i>Borrowing</i>	<i>603,462</i>	<i>374,649</i>
<i>Pension provisions</i>	<i>169,711</i>	<i>131,216</i>
<i>Liability related to capitalized lease arrangements</i>	<i>105,682</i>	<i>6,676</i>
Total	878,855	512,541

Statement of Changes to Shareholders' Equity—Group

SEK 000	Dec 31, 2019	Dec 31, 2018
Attributable to equity holders of the parent		
Opening balance, shareholders' equity, 1 January	652,888	585,015
Restatement on transition to IFRS 16	-4,303	
Capital injected after deducting for transaction expenses/rights issue	-29	-78
Repurchase of treasury shares	-50	-11
Dividend	-14,301	
Acquisition		-783
Share-based payments	2,402	985
Comprehensive income	47,827	67,760
Closing balance, shareholders' equity	684,434	652,888
<i>Attributable to non-controlling interests</i>		
Opening balance, 1 January	3,847	6,221
Restatement on adoption of IFRS 16	-14	
Dividend		-1,412
Acquisition		-1,260
Comprehensive income	416	298
Closing balance	4,249	3,847

Key Figures—Group

SEK 000	Dec 31, 2019	Dec 31, 2018
Operating margin, %	6.6	5.2
Profit margin, %	4.2	3.1
Equity ratio, %	33.7	43.3
Equity per share, SEK	23.9	22.8
Basic earnings per share, SEK	2.27	1.52
Return on equity after tax, %	9.7	7.0
Return on capital employed, %	7.8	6.7
Return on net operating assets, %	10.6	8.5
Average number of employees	773	713

Cash Flow Statement—Group

SEK 000	Dec 31, 2019	Dec 31, 2018
Cash flow from operating activities before changes in working capital	204,665	134,023
Change in working capital	-21,405	-24,958
Cash flow from operating activities	183,260	109,065
Cash flow from investing activities	-333,745	-93,673
Cash flow from finance activities	189,686	-14,066
Dividend paid	-14,301	
Change in cash equivalents	24,900	1,326
Cash equivalents and short-term investments, opening balance	94,488	89,281
Exchange rate change, cash equivalents	2,515	3,881
Cash equivalents and short-term investments, closing balance	121,903	94,488

Operating Segments

SEK 000	Quarter 4 2019	Quarter 4 2018	Full Year 2019	Full Year 2018
Net sales				
Beijer Electronics	193,808	191,475	756,196	731,360
Westermo	199,317	167,330	705,233	584,181
Korenix	26,500	25,781	119,880	117,754
Group adjustments	-4,349	-3,398	-22,610	-16,055
Group	415,276	381,188	1,558,699	1,417,240
EBITDA				
Beijer Electronics	24,240	25,091	104,899	75,056
Westermo	35,356	21,013	134,322	97,435
Korenix	815	-867	9,918	6,331
Parent company	-6,072	-6,813	-26,844	-28,558
Group adjustments	1,636	2,263	4,950	328
Group	55,975	40,687	227,245	150,592
EBIT				
Beijer Electronics	10,685	17,328	54,953	47,361
Westermo	22,301	13,632	89,576	69,679
Korenix	-2,771	-4,106	-4,330	-6,362
Parent company	-8,195	-8,915	-35,105	-37,029
Group adjustments	-15	2,265	-1,598	297
Group	22,005	20,204	103,496	73,946

Revenue

SEK 000	Quarter 4 2019	Quarter 4 2018	Full Year 2019	Full Year 2018
Geographical market				
Sweden	60,035	59,749	227,624	202,037
Rest of Nordics	42,766	40,765	151,077	139,680
Germany	28,154	30,751	108,563	110,174
UK	31,247	24,500	116,617	94,238
France	25,861	16,874	84,522	52,767
Turkey	8,717	7,896	28,924	31,809
Rest of Europe	61,351	54,193	250,975	204,179
USA	69,555	67,695	262,620	277,401
Taiwan	19,118	15,281	58,614	74,143
China	30,931	28,813	124,321	97,166
Rest of Asia	29,648	28,228	108,648	90,099
Rest of world	7,893	6,443	36,194	43,547
Group	415,276	381,188	1,558,699	1,417,240
Category				
Operator panels and accessories	170,571	170,261	665,034	644,937
Network equipment	222,889	191,729	809,547	689,901
Other products and services	21,816	19,198	84,118	82,402
Group	415,276	381,188	1,558,699	1,417,240

Business combinations

In 2019, BEIJER GROUP executed two acquisitions, both within the Westermo business entity, illustrated in the following tables. See also page 11 Other financial information for a review of these acquisitions.

Neratec Solutions AG

Assets	Carrying amount	Fair value adjustment	Fair value recognized by Group
Intangible assets	0	44,678	44,678
Property, plant and equipment	950	0	950
Financial assets	86	0	86
Current assets	16,627	0	16,627
Cash and cash equivalents	8,237	0	8,237
Deferred tax liability	0	-3,139	-3,139
Long-term liabilities	-576	0	-576
Current liabilities	-6,634	0	-6,634
Total identifiable net assets	18,690	41,539	60,229
Cash flow effect			
Purchase consideration paid	-56,392		
Cash and cash equivalents in acquired company	8,237		
Net	-48,155		

The Group recognized a liability for a contingent consideration of 3,840,000 SEK in tandem with this acquisition.

Virtual Access Ireland Ltd

Assets	Carrying amount	Fair value adjustment	Fair value recognized by Group
Intangible assets	183	255,305	255,488
Property, plant and equipment	495	0	495
Financial assets	0	0	0
Current assets	48,281	0	48,281
Cash and cash equivalents	15,287	0	15,287
Deferred tax liability	0	0	0
Long-term liabilities	0	0	0
Current liabilities	-9,858	0	-9,858
Total identifiable net assets	54,388	255,305	309,693
Cash flow effect			
Purchase consideration paid	-212,926		
Cash and cash equivalents in acquired company	15,287		
Net	-197,639		

The Group recognized a liability for a contingent consideration of 96,755,000 SEK in tandem with this acquisition.

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	Q4 2019 Effect of transition	Q4 2019 Comparative values	Q4 2018	Full year, 2019 Effect of transition	Full year, 2019 Comparative values	Full year 2019
Net sales		415,276	381,188		1,558,699	1,417,240
Other operating revenue		1,108	907		3,389	1,760
Operating expenses excluding depreciation and amortization	11,219	-371,629	-341,408	41,719	-1,376,563	-1,268,408
EBITDA	11,219	44,755	40,687	41,719	185,525	150,592
Amortization, intangible assets		-18,419	-15,603		-65,958	-58,293
Depreciation, property, plant and equipment	-10,596	-4,954	-4,880	-39,513	-18,277	-18,353
EBIT	623	21,382	20,204	2,206	101,290	73,946
Net financial items	-625	-2,451	-3,816	-2,672	-8,983	-10,908
Profit before tax	-2	18,931	16,388	-466	92,307	63,038
Estimated tax	44	-6,512	-3,916	157	-27,026	-19,501
Net profit	42	12,419	12,472	-309	65,281	43,537
<i>Attributable to equity holders of the parent</i>	<i>43</i>	<i>12,478</i>	<i>12,620</i>	<i>-320</i>	<i>65,274</i>	<i>43,518</i>
<i>Attributable to non-controlling interest</i>	<i>-1</i>	<i>-59</i>	<i>-148</i>	<i>11</i>	<i>7</i>	<i>19</i>
<i>Earnings per share, SEK</i>	<i>0.00</i>	<i>0.44</i>	<i>0.44</i>	<i>-0.01</i>	<i>2.28</i>	<i>1.52</i>

Balance Sheet—Group

SEK 000	31 Dec. 2019 Effect of transition	31 Dec. 2019 Comparative values	31 Dec. 2018
Assets			
Intangible assets		1,088,490	789,153
Tangible assets	98,507	105,407	90,832
Financial assets	1,303	51,826	53,838
Current assets	-5,567	580,398	486,999
Cash equivalents and short-term investments		121,903	94,488
Total assets	94,243	1,948,024	1,515,310
Liabilities and shareholders' equity			
Shareholders' equity	-4,761	689,195	652,888
Non-controlling interest share of shareholders' equity	-2	4,251	3,847
Long-term liabilities	64,994	751,410	490,504
Current liabilities	34,012	503,168	368,071
Total liabilities and shareholders' equity	94,243	1,948,024	1,515,310
<i>Of which interest-bearing liabilities</i>	<i>99,006</i>	<i>779,849</i>	<i>512,541</i>

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

Key Figures–Group

SEK 000	31 Dec. 2019 Effect of transition	31 Dec. 2019 Comparative values	31 Dec. 2018
EBIT margin, %	0.1	6.5	5.2
Profit margin, %	0.0	4.2	3.1
Equity ratio, %	-1.9	35.6	43.3
Equity per share, SEK (comparative figure restated for rights issues)	-0.2	24.1	22.8
Earnings per share, SEK (comparative figure restated for rights issues)	-0.01	2.28	1.52
Return on equity after tax, %	0.0	9.7	7.0
Return on capital employed, %	-0.1	7.9	6.7
Return on net operating assets, %	0.2	10.4	8.5

Cash Flow Statement–Group

SEK 000	31 Dec. 2019 Effect of transition	31 Dec. 2019 Comparative values	31 Dec. 2018
Cash flow from operating activities before changes in working capital	39,047	165,618	134,023
Change in working capital		-21,405	-24,958
Cash flow from operating activities	39,047	144,213	109,065
Cash flow from investing activities		-333,745	-93,673
Cash flow from finance activities	-39,047	228,733	-14,066
Dividend paid		-14,301	
Cash flow for the period	0	24,900	1,326

Operating segments

SEK 000	Q4 2019 Effect of transition	Q4 2019 Comparative values	Q4 2019	Full year, 2019 Effect of transition	Full year, 2019 Comparative values	Full year 2018
EBITDA						
Beijer Electronics	4,676	19,565	25,091	17,874	87,025	75,056
Westermo	3,339	32,017	21,013	11,169	123,153	97,435
Korenix	1,389	-575	-867	5,412	4,506	6,331
Parent company	0	-6,072	-6,813		-26,844	-28,558
Group adjustments	1,815	-180	2,263	7,264	-2,315	328
Group	11,219	44,755	40,687	41,719	185,525	150,592
EBIT						
Beijer Electronics	551	10,134	17,328	1,939	53,013	47,361
Westermo	-194	22,494	13,632	-878	90,454	69,679
Korenix	100	-2,871	-4,106	427	-4,757	-6,362
Parent company	0	-8,195	-8,915		-35,105	-37,029
Group adjustments	166	-180	2,265	718	-2,315	297
Group	623	21,382	20,204	2,206	101,290	73,946

Income Statement—Parent Company

SEK 000	Quarter 4 2019	Quarter 4 2018	Full Year 2019	Full Year 2018
Net sales	8,483	8,440	33,931	33,464
Operating expenses	-16,678	-18,705	-69,036	-71,843
EBIT	-8,195	-10,265	-35,105	-38,379
Net financial items*	-6,656	567	-91	7,808
Profit before tax	-14,851	-9,698	-35,196	-30,571
Appropriations	68,400	23,000	68,400	23,000
Estimated tax	-11,569	-3,403	-8,201	-113
Net profit	41,980	9,899	25,003	-7,684
*Varav utdelning från dotterbolag	0	0	0	1,417

Balance Sheet—Parent Company

SEK 000	Dec 31, 2019	Dec 31, 2018
Assets		
Fixed assets	980,447	749,683
Current assets	81,476	36,555
Cash equivalents and short-term investments	1,166	1,166
Total assets	1,063,089	787,404
Liabilities and shareholders' equity		
Shareholders' equity	302,820	289,798
Long-term liabilities	547,256	392,271
Current liabilities	213,013	105,335
Total liabilities and shareholders' equity	1,063,089	787,404
<i>Of which interest-bearing liabilities</i>	<i>611,424</i>	<i>383,527</i>

Parent Company Statement of Changes in Equity

SEK 000	Share capital ^a	Other restricted equity	Share premium reserve and retained earnings	Net profit	Total equity
Opening equity, Jan. 1, 2019	9,545	8,816	271,437		289,798
Change in reserve for development expenditure		-1,852	1,852		
Net profit				25,003	25,003
Total changes to net worth, exc. transactions with company's shareholders	9,545	6,964	273,289	25,003	314,801
Current rights issue ^a	50		-79		-29
Repurchase of treasury shares			-50		-50
Dividend			-14,301		-14,301
Share-based payments			2,399		2,399
Closing equity, Dec 31, 2019	9,595	6,964	261,258	25,003	302,820

^a
No. of shares, Jan. 1, 2019
Class C shares in new issue
No. of shares, Dec. 31, 2019

28,636,036
150,066
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 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.

EBIT

Earnings before interest and taxes.

EBITDA

Earnings before interest, taxes, depreciation, and amortization.

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

EBIT 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

EBITDA 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 1.6 billion SEK in 2019.

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. If you have any questions about the Group, please call +46 (0)40 35 86 00, or send an email: info@beijergroup.com

Financial Calendar

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



Business entity Beijer Electronics signs agreement with Otis

BEIJER GROUP's business entity Beijer Electronics' has signed an agreement with Otis. Otis is part of the listed United Technologies group, the world's leading manufacturer and maintainer of people-moving products, including elevators, escalators and moving walkways. The contract spans over a period of five years for the supply of display solutions for Otis product line Compass®. Beijer Electronics offers fully integrated and flexible display solutions, tailored to match mission-critical requirements.

BEIJER GROUP

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