



1 JANUARY – 31 DECEMBER 2020

Demand recovery creates potential for better performance in 2021

Fourth quarter

- Order intake amounted to 397 MSEK (407).
- Net sales were 350 MSEK (415).
- EBIT of -5.2 MSEK (22.0).
- Loss after tax of -11.7 MSEK (12.5).
- Earnings per share amounted to -0.41 SEK (0.44).
- Positive free cash flow of 45 MSEK.
- In January, and after the end of the reporting period, Westermo signed a five-year supply agreement worth at least 250 MSEK with train manufacturer Alstom.

Full year

- Order intake amounted to 1,449 MSEK (1,557).
- Net sales of 1,438 MSEK (1,559).
- EBIT before structural expenses of 30.8 MSEK (107.4). Structural expenses amounted to 15 MSEK. After structural expenses, EBIT was 15.8 MSEK.
- Loss after tax of -6.1 MSEK (65.0).
- Earnings per share of -0.20 SEK (2.27).
- Positive free cash flow of 70 MSEK.
- Decision on restructuring program generating annualized savings of 40-45 MSEK.
- The Board of Directors is proposing a dividend of 0 SEK (0) for the financial year 2020.

Financial Statement, Beijer Electronics Group AB (publ)

Comments from CEO Per Samuelsson

“BEIJER GROUP’s business was still impacted by the effects of Covid-19 in the fourth quarter. Early in the quarter, operations progressed positively, but as the second wave of infection accelerated, and countries implemented tighter restrictions, the market slowed mid-period, to then stabilize towards year-end.

Accordingly, demand saw some fluctuations in the period, but overall, the Group’s order intake—its most important lead indicator—increased by 28% in the fourth quarter on the third. At the same time, the Group’s sales increased by 5%. Our progress substantiates our previous view that the bottom was passed in the third quarter. The Westermo business entity reported positive earnings right through the year, and in January 2021, also entered a significant supply agreement worth at least 250 MSEK over five years with train manufacturer Alstom. Overall, we can have confidence in better times after poor financial performance in the pandemic year of 2020.

We also have some positive factors. Actions and initiatives implemented in the year have created a solid platform for profitable growth and increased demand. The Group’s cash flow performed strongly, even if the Group did report a small net loss for the full year. Our financial position improved and net debt reduced. The program of measures initiated in March,

whose aim was to reduce our overheads by 25-30 MSEK in 2020 and 40-45 MSEK annualized subsequently, has gone as planned and had the intended effect. Accordingly, more savings will be generated in 2021. Our selective product development initiatives have gone to plan, and we sustained a high level of customer activities. We should also point out that the Group did not lose any key customers in the year.

Despite the challenges, Westermo was able to demonstrate good stability. Order intake and sales increased in the year, because of acquisitions in 2019. Although earnings did decrease somewhat, Westermo still reported an acceptable operating margin in the circumstances of just over 11%. This business entity finished the year strongly, with order intake increasing by 17%. The supply agreement announced with Alstom also demonstrates Westermo’s international competitiveness.

Beijer Electronics had a difficult year with decreased demand, especially in the USA. Sales were also down in Europe, but up in Asia. This caused an unfavorable product mix, resulting in a lower gross margin. So earnings were impacted by lower volumes and a reduced margin. The savings were unable to fully compensate for the earnings downturn, so the business entity reported a loss for the full year.

Business entity net sales and EBIT

| MSEK | Sales Quarter 4 | | EBIT Quarter 4 | | Sales Full year | | EBIT Full year | |
|------------------------------------|--------------------|--------------|-------------------|-------------|--------------------|----------------|-------------------------|--------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Westermo | 183.0 | 199.3 | 15.3 | 22.3 | 769.0 | 705.2 | 85.9 | 89.6 |
| Beijer Electronics | 145.7 | 193.8 | -11.4 | 10.7 | 599.1 | 756.2 | -22.4 ¹ | 55.0 |
| Korenix | 24.3 | 26.5 | 1.7 | -2.8 | 83.5 | 119.9 | -12.1 ² | -4.3 |
| Intra-group sales | -2.8 | -4.3 | | | -13.9 | -22.6 | | |
| Group adjustments and depreciation | | | -10.8 | -8.2 | | | -35.6 | -36.8 |
| BEIJER GROUP | 350.2 | 415.3 | -5.2 | 22.0 | 1,437.7 | 1,558.7 | 15.8³ | 103.5 |

¹ Including restructuring expense of 11.9 MSEK.

² Including restructuring expense of 1.9 MSEK.

³ Including restructuring expense of 15.0 MSEK.

Korenix showed improvement in the fourth quarter, with order intake and sales increasing on the third quarter, even if order intake and sales were down somewhat on the corresponding quarter of 2019. Korenix was also able to turn a loss into positive earnings in the fourth quarter. The positive earnings are due to a notable decrease in costs.

For the full year, Korenix's overheads reduced by 25%, and Beijer Electronics' by 16%. This has resulted in a lower long-term breakeven level for both business entities, so with higher sales volumes going forward, the potential to restore profitability is good, which could also be accentuated by a more favorable product mix.

Overall, we're not satisfied with our current sales and earnings levels, which essentially, are due to external factors. At the same time, I'd like to emphasize how our organization has coped well with the challenges of the pandemic. What the Group and business entities share is that we've safeguarded our organization's competence, maintained our focus on product development, and sustained a high level of customer activities. At the same time, the pandemic may accelerate digitalization and benefit BEIJER GROUP. Accordingly, our positive view of the market for the longer term has actually strengthened.

Our long-term strategy remains unchanged. Our strategy is that BEIJER GROUP's current, and any future corporate holdings should offer products and services with high technology content. The Group has a strong presence on expanding markets and segments. Digitalization is the primary driver behind the Group's organic growth, which is keeping pace with investments in infrastructure, transportation solutions, real estate, energy recovery and power distribution. The need

for superior, more resource-efficient control and optimization of processes for greater sustainability are other contributors to a growing business.

BEIJER GROUP's revenue model builds on close collaboration with customers in long-term development projects. Finished products, which comprise software and hardware, are specific to, and embedded in, customers' complete solutions, with lifecycles of up to ten years. This generates repeat and stable revenues for extended periods, without any further major sales efforts. In addition, future software upgrades offer opportunities for business expansion. Overall, this translates to all BEIJER GROUP's various holdings having the capacity to return minimum yearly organic growth of 10%, and the potential to achieve an EBIT margin of 15%.

Although there is short-term uncertainty regarding ongoing progress, with the information currently available, we think that the market may recover in 2021. This offers BEIJER GROUP good potential to achieve better financial performance in 2021 than in 2020, thus enabling dividends to resume."

The Group in the fourth quarter

The Group's order intake was 397 MSEK (407) in the fourth quarter 2020. Westermo's order intake increased, while Beijer Electronics' and Korenix's reduced. The Group's order intake increased sequentially by 28% on the third quarter, with increases across all three business entities.

The Group's sales decreased to 350 MSEK (415). The sales of all three business entities reduced. The Group's sales increased by 5% on the third quarter.

“ Order intake increased by 28% in the fourth quarter compared to the third.

PER SAMUELSSON, PRESIDENT AND CEO

The Group's EBITDA was 32.7 MSEK (56.0). Depreciation and amortization was 37.9 MSEK (34.0). EBIT was -5.2 MSEK (22.0), corresponding to an EBIT margin of -1.5% (5.3). EBIT was impacted by 5.8 MSEK of negative currency effects due to a stronger Swedish krona. Total development expenditure was 49.8 MSEK (53.2), or 14.2% (13.1) of Group sales.

The loss before tax was -13.4 MSEK (18.9). Net financial income/expense was -8.2 MSEK (-3.1), impacted by negative currency effects of 4.5 MSEK. Profit after estimated tax was -11.7 MSEK (12.5). Earnings per share after estimated tax were -0.41 SEK (0.44).

The Group in the full year

The Group's order intake was 1,448 MSEK (1,557) in the full year 2020. Adjusted for acquisitions, order intake decreased by 15%. Westermo increased its order intake including acquisitions. Beijer Electronics' and Korenix's order intake reduced.

The Group's sales were 1,438 MSEK (1,559). Adjusted for acquisitions, sales decreased by 16%. Westermo's sales including acquisitions increased, while Beijer Electronics' and Korenix's reduced.

The Group's EBITDA was 164.3 MSEK (227.2). Depreciation and amortization was 148.5 MSEK (123.8). EBIT was 15.8 MSEK (103.5), equivalent to an EBIT margin of 1.1% (6.6). Earnings were charged with restructuring expenses of 15 MSEK. Excluding restructuring expenses, earnings were 30.8 MSEK, equivalent to an EBIT margin of 2.1%. EBIT was also affected by negative currency effects of some 19.8 MSEK. Total development expenditure was 188.6 MSEK (181.3), or 13.1% (11.6) of Group sales.

The loss before tax was -5.8 MSEK (91.8). Net financial income/expense was -21.7 MSEK (-11.7). Net financial income/expense was impacted by negative currency effects of 8.2 MSEK. Profit after estimated tax was -6.1 MSEK (65.0). Earnings per share after estimated tax were -0.20 (2.27).

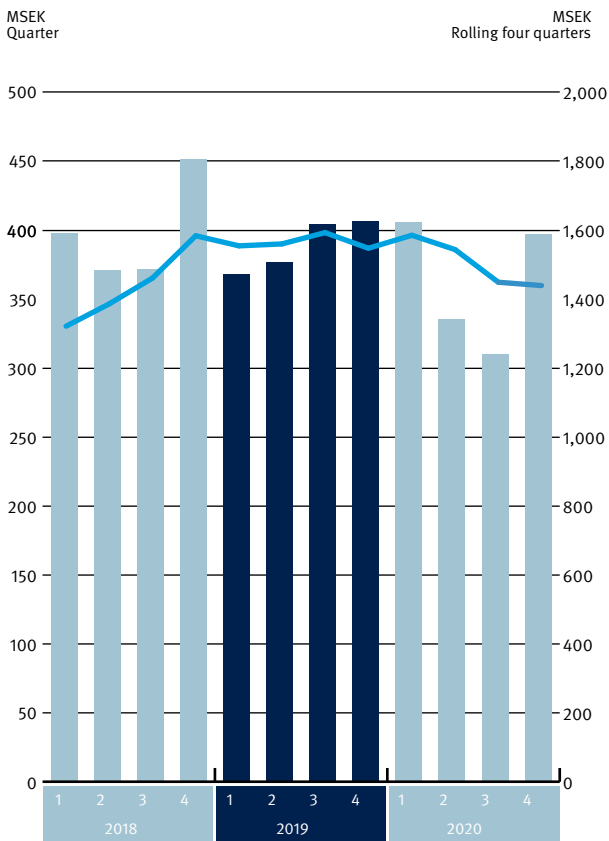
Dividend

The Board of Directors is proposing a dividend of 0 SEK per share (0) for the financial year 2020. Assuming positive progress in 2021, the intention is to resume the dividend in 2022.

“ Actions and initiatives implemented in the year have created a solid platform for profitable growth and increased demand.

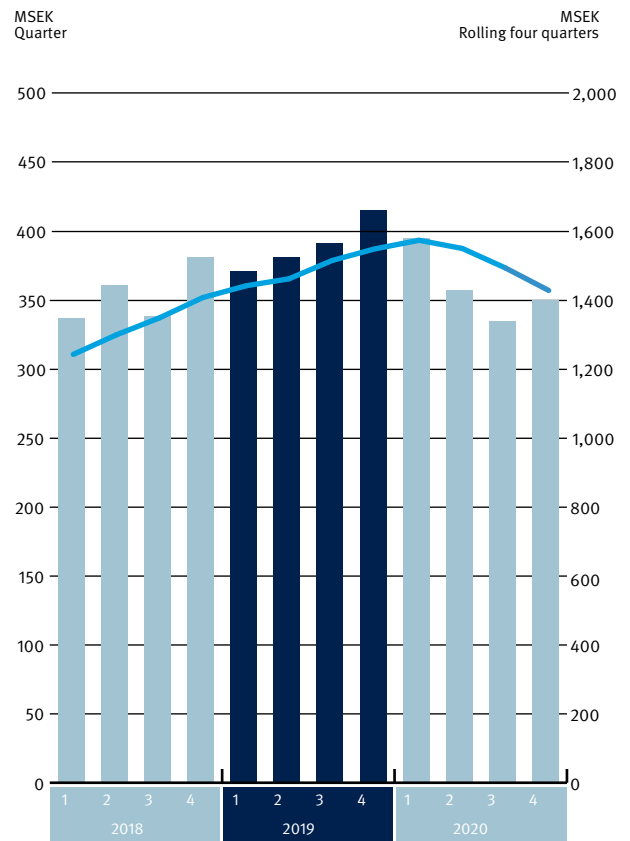
PER SAMUELSSON, PRESIDENT AND CEO

Group order intake



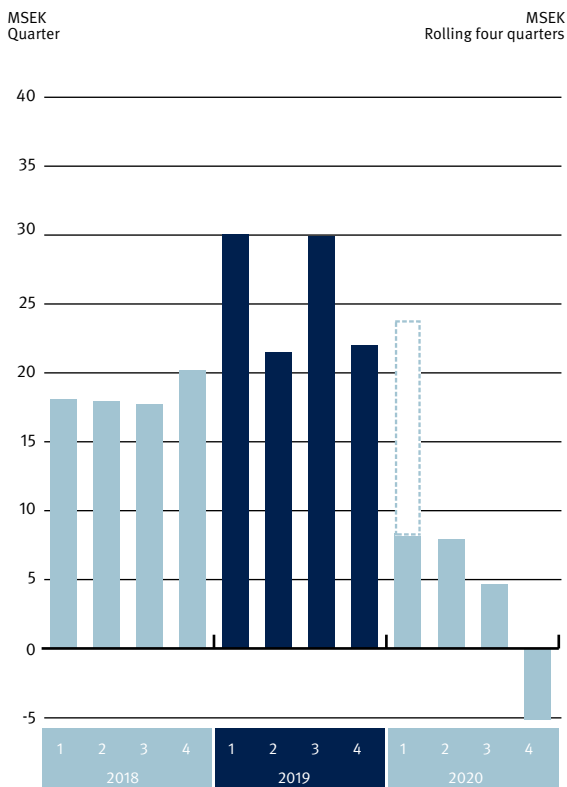
▲ The bars and left-hand scale indicate quarterly order intake. The curve and right-hand scale show rolling four quarter order intake.

Group net sales



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

Group EBIT



▲ The bars and the scale indicate quarterly EBIT. The dashed bar for Q1 2020 is excluding restructuring expenses of 15 MSEK.

Business entity

Westermo

The Westermo business entity’s order intake made positive progress in the fourth quarter, with gains of 17% after the downturn in the previous quarter. The increase is backed by some major orders on the train side. Sequentially from the previous quarter, the increase was 31%. Covid-19 continued to feature in this business operation. Sales declined somewhat in the fourth quarter. In turn, lower sales volumes impacted EBIT, which reduced in the period.

In January, and after the end of the reporting period, Westermo signed a five-year supply agreement worth at least 25 MEUR (250 MSEK-plus) with train manufacturer Alstom. This deal specifies shipments of network equipment to Alstom’s train business through an existing framework agreement between the parties. Alstom is already one of Westermo’s key customers. Shipments will progressively increase in the five-year period from 2021 onwards.

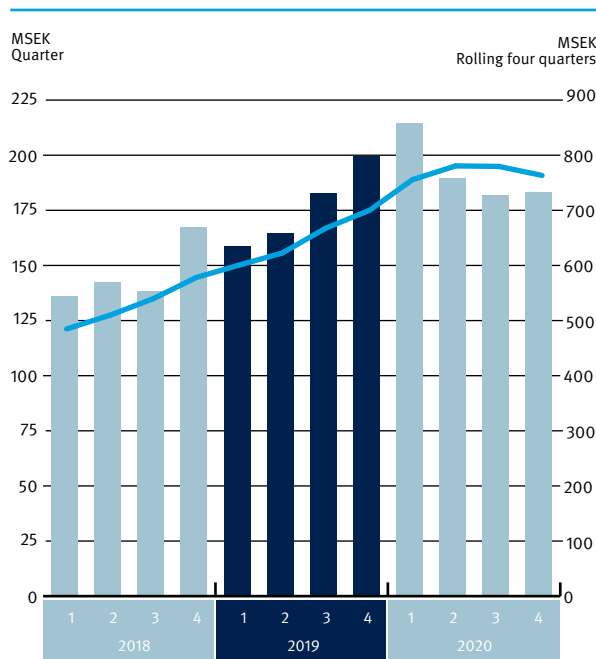
For 2020 overall, Westermo’s operations faired relatively well despite the effects of the pandemic. Order intake rose by 8%, and sales by 9%, in 2020. Acquisitions in 2019 made a positive contribution to order intake and sales. Adjusted for these acquisitions, Westermo’s order intake and sales decreased by 8 and 9% respectively. The volume loss impacted EBIT negatively. Acquisitions made a positive contribution to earnings, but were not able to fully offset the rest of the earnings downturn.

It is also been important to maintain the tempo of the business entity’s various strategic initiatives. The integration of Neratec was fully completed in 2020, while the process with Virtual Access is taking somewhat longer because of Covid-19, with cancelled physical meetings and travel. Westermo launched its first product in the next generation of industrial Ethernet switches, called the Lynx 5512, and new software

versions with more functionality, as well as new wireless routers. However, investments in the power distribution and rail infrastructure segments continued but at a slower pace in light of current market conditions.

During the year, Westermo opened a new extension of its plant at Stora Sundby, which has now freed up space in the production facility, offering scope to further increase manufacturing capacity efficiently. Westermo also implemented new graphic imagery across the business entity.

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.

In the year, the business entity also took the initiative to implement a supplementary revenue model. Its focus is to take a bigger, broader grasp across Westermo's whole business by offering customers a portfolio of training, configuration, fault-finding and maintenance services in addition to product sales of soft and hardware. The services will be delivered through SLAs, or if the customer prefers, as discrete assignments. In time, the intention is to offer ongoing licenses, including software upgrades and new functionality.

Fourth quarter

Order intake increased by 17% to 215 MSEK (184). Sales were 183 MSEK (199). EBITDA decreased to 32.0 MSEK (35.4). Depreciation and amortization was 16.6 MSEK (13.1). EBIT was 15.3 MSEK (22.3), corresponding to an EBIT margin of 8.4% (11.2).

Full year

Order intake increased by 7% to 779 MSEK (726). Excluding acquisitions, order intake decreased by 8%. Sales rose by 9% to 769 MSEK (705). Adjusted for acquisitions, sales decreased by 9%. EBITDA was 149.9 MSEK (134.3). Depreciation and amortization was 64.0 MSEK (44.8). EBIT was 85.9 MSEK (89.6), equivalent to an EBIT margin of 11.2% (12.7).

“ The announced supply agreement with Alstom demonstrates Westermo's international competitiveness.

PER SAMUELSSON, PRESIDENT AND CEO

Business entity

Beijer Electronics

The Beijer Electronics business entity faced the same challenges in the fourth quarter as in the previous two quarters. The fact that order intake in the fourth quarter increased by 24% on the third quarter was positive. But less activity by customers, which means deferred orders, inventory adjustments and deferred investments, meant order intake reduced by 20% year on year.

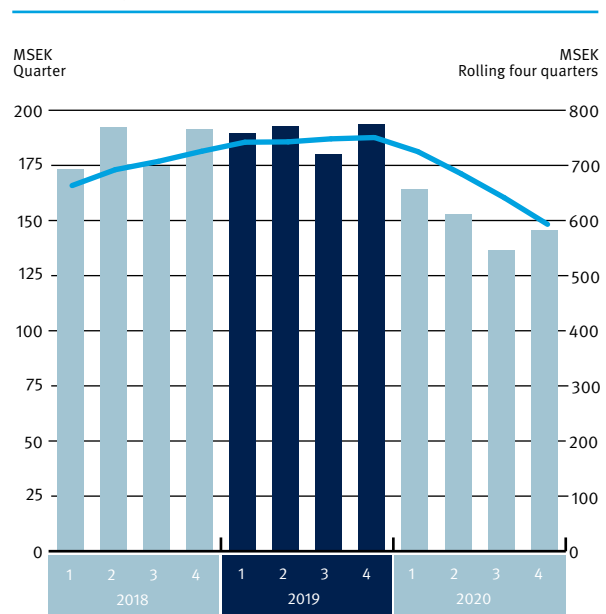
Sales fell by a total of 25% in the period, with the US operation most affected. Sales in Europe were down by 20%, but they rose somewhat in Asia. The substantial loss of sales volumes hit earnings hard. Additionally, the geographical sales split and product mix is more unfavorable because Beijer Electronics' highest margins are in the USA, somewhat lower in Europe, and lowest in Asia. This impacted gross profit and gross margin negatively in the fourth quarter.

The program of measures initiated in the first quarter concluded in the second quarter, and had the intended effect during the second half-year. In the short term, these savings were unable to compensate for the lower gross profit without Beijer Electronics reporting an operating loss in the fourth quarter, and for the full year.

In total, the business entity reduced its overheads by 16% in 2020, or nearly 50 MSEK. This translates to a lower level for breakeven. Cash flow was positive, and Beijer Electronics is well prepared once demand recovers. Customers have sharply reduced inventory and will need to replenish in due course. Another positive is that Beijer Electronics did not lose any key customers in the year.

The partnership with elevator manufacturer Otis has progressed as planned, and batch shipments started in the second half-year. These shipments will progressively ramp up, contributing to the business entity's sales and earnings. The agreement with Otis, signed at the end of December 2019, means that Beijer Electronics will deliver display solutions worth about 150 MSEK over a three-year period.

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.

Phase-outs of older products in recent years is now complete, and Beijer Electronics' HMI offering now consists of the state-of-the-art and competitive X2 family. A major upgrade of iX software was launched in the year, and Beijer Electronics is now well positioned for growth. Its offering includes digitization, operator communication, sophisticated automation and display systems.

A new partner program—UNITED—was also introduced, offering customers access to software, servicing and support for an annual fee.

Beijer Electronics' partnership with the Group's Korenix business entity progressed as planned, and also intensified. Sales to Korenix's customers in Europe are managed by Beijer Electronics' sales resources, which can now market and sell Korenix products, plus a combination of the business entities' product ranges. These business entities have also coordinated supply chains in Europe and Taiwan, and Korenix's inventory management has now transferred to Beijer Electronics' European central warehouse. Coordination activities are continuing and will generate further efficiency gains going forward.

Fourth quarter

Order intake was 159 MSEK (198). Sales were 146 MSEK (194). EBITDA was 3.1 MSEK (24.2). Depreciation and amortization was 14.5 MSEK (13.6). EBIT was -11.4 MSEK (10.7), equivalent to an EBIT margin of -7.8% (5.5).

Full year

Order intake was 595 MSEK (732). Sales were 599 MSEK (756). EBITDA was 34.2 MSEK (104.9). Depreciation and amortization was 56.7 MSEK (50.0). EBIT was -22.4 MSEK (55.0), equivalent to an EBIT margin of -3.7% (7.3). Earnings were charged with restructuring expenses of 11.9 MSEK, and adjusted for these expenses, earnings were -10.4 MSEK.

“ Our progress substantiates our previous view that the bottom was passed in the third quarter.

PER SAMUELSSON, PRESIDENT AND CEO

Business entity

Korenix

Korenix made positive progress in the fourth quarter. Order intake and sales increased by 19 and 23% respectively on the third quarter. Compared to the fourth quarter 2019, the rate of decrease of order intake and sales slowed fairly sharply. Korenix was also able to turn a loss into positive earnings in the fourth quarter.

The positive earnings are due to a marked decrease in costs; the program of measures initiated in March had the intended effect. For the full year, the business entity’s overheads reduced by 25%, or 22 MSEK, which resulted in a long-term reduction in the breakeven level, and with higher sales volumes, there is good potential for Korenix to return to profitability.

Korenix’s business was hard hit by the effects of Covid-19 in the full year, with sales down by a total of 30%. The loss of sales impacted gross profit negatively, which savings were not fully able to compensate, with the business entity reporting an operating loss for the full year.

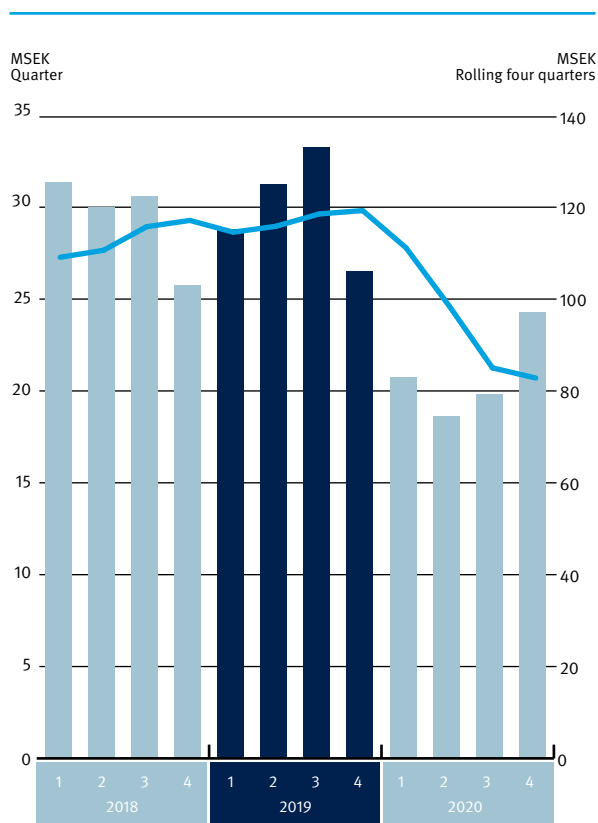
Despite these challenges, Korenix kept its focus on its long-term strategic plan, with sustained high product development activity. The new platform—Korenix Switch OS Platform—consisting of software and hardware, is the backbone of this new product plan. In 2020, Korenix launched the first products on this new platform—the JetNet 5200 series. The business entity will be developing and launching another 30-plus projects through the coming years. Korenix will also be adapting its current products to the new platform in 2021.

The business entity signed several major contracts and deals in 2020. One contract with Tai Power involves the provision of network equipment for switchgear in the energy sector. In Taiwan, the business entity secured three key orders in water treatment monitoring. In China, Korenix signed four deals

to provide surveillance equipment for airports. A surveillance project for a city center tunnel was also signed in China.

Korenix and the Group’s Beijer Electronics business entity took several momentous steps in their strategy for closer and intensified collaboration, which initially involve marketing and sales.

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.

Beijer Electronics' salesforce were trained on Korenix's product range in the year. Sales to customers in Europe are now managed by Beijer Electronics' sales resources, and inventory management was transferred to Beijer Electronics' central warehouse in Europe. A decision was also taken to extend this collaboration to markets in the USA and Asia, as well as increasing coordination of purchasing.

Fourth quarter

Order intake was 27 MSEK (30), and sales were 24 MSEK (27). EBITDA was 4.8 MSEK (0.8). Depreciation and amortization was 3.1 MSEK (3.6). EBIT was 1.7 MSEK (-2.8).

Full year

Order intake was 89 MSEK (122). Sales were 84 MSEK (120). EBITDA was 0.9 MSEK (9.9). Depreciation and amortization was 13.0 MSEK (14.2). EBIT was -12.1 MSEK (-4.3). Earnings were charged with restructuring expenses of 1.9 MSEK, and adjusted for these expenses, the business entity reported a loss of -10.2 MSEK.

“ Korenix was able to turn a loss into positive earnings in the fourth quarter.

PER SAMUELSSON, PRESIDENT AND CEO

Other financial information

Group investments, including capitalized development expenses and acquisitions, amounted to 82 MSEK (334) in the full year 2020. Cash flow from operating activities was 194 MSEK (91). Equity was 637 MSEK (684) on 31 December 2020. The equity ratio was 34.0% (33.7). Cash and cash equivalents were 121 MSEK (122). Net debt was 682 MSEK (757). The average number of employees was 790 (773), with the increase due to the units acquired in 2019.

For 2021, the order book was restated by 8.7 MSEK for uncertain orders received in 2019 and previously, most of which are from Korenix.

Issue of class C shares

In March, the Board of Directors decided to issue 66,298 class C shares with a quotient value of SEK 0.33, in accordance with authorization from the AGM 2019. 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 2022 is to convert them to ordinary shares, pursuant to the terms and conditions of the LTI 2019/2022 incentive program. After the completed repurchase of class C shares, there are 28,852,400 shares, of which 28,627,219 ordinary shares and 225,181 class C shares, equivalent to a total of 28,649,737 votes.

Summary of measures against Covid-19

BEIJER GROUP operates globally, and has proprietary development, manufacture and sales in 18 countries. The Group complies with legislation, regulation, guidelines and recommendations on Covid-19 outlined locally and in each country. BEIJER GROUP puts people's health and safety first, and consequently, has implemented internal measures Group wide affecting staff and relationships with customers.

These actions include social distancing to reduce the spread of infection of Covid-19. Wherever possible, staff work remotely, and from home. Guidelines to maintain distance

apply at workplaces. Customer contacts are possible without physical meetings. Meetings, conferences, travel, trade events etc. have been cancelled. The aim is to maintain operations as far as possible.

Several of the countries where the Group operates have adopted various support programs for their business communities. Where necessary, the Group has used them to avoid further downsizing. Cost-based support was 0.7 MSEK in the fourth quarter, and a total of 7.2 MSEK in the full year, of which 2.1 MSEK in Sweden consisting of reduced employers' contributions and lower sick pay expenses. The Group has repaid 10.1 MSEK of previous liquidity support. The Group had also received liquidity support of 14.9 MSEK by the end of the fourth quarter, of which 4.5 MSEK is deferred payments of taxes and charges, and 10.4 MSEK is direct support.

The AGM 2020 resolved to cancel the dividend for the financial year 2019, a precautionary measure to protect the Group's financial stability for the short and long term. As a further precautionary measure, the Group has also arranged an increased credit facility to provide a liquidity buffer if necessary going forward.

BEIJER GROUP is monitoring prevailing market conditions, and will adapt its cost level if it considers this necessary, while safeguarding long-term skills is also important. Its ambition is that once the crisis is over, the organization will be strong and intact, and remain attractive to employees and customers.

Significant events

Through its Westermo business entity, BEIJER GROUP signed a supply agreement with one of the largest train companies in North America, with an estimated value of 80 MSEK. This order is for industrial Ethernet switches to upgrade the customer's whole freight train fleet with data networks for safety and video surveillance systems. Shipments from Westermo will commence in 2021.

In March, the Board of Directors decided on a program of measures involving staff downsizing by some 40 employees in the Korenix and Beijer Electronics business entities. Most of these layoffs are in Taiwan, with some in Sweden. The expenses for this program are 15 MSEK, which have been charged to earnings for the first quarter of 2020. Estimated savings are 25-30 MSEK in 2020, followed by 40-45 MSEK annualized.

In March, the Board of Directors decided to propose to the AGM 2020 that the dividend for the financial year 2019 would be 0 SEK per share. The previous proposal was 0.50 SEK per share. The Board of Directors' new proposal was a precautionary measure designed to safeguard the Group's financial stability for the short and long term. The Board of Directors also decided to reschedule the AGM from 7 May 2020 to 26 June 2020. This decision is due to more shareholders possibly being able to participate at a postponed AGM. The AGM on 26 June 2020 approved the Board of Directors' proposals.

Significant events after the end of the financial year

In January 2021, the Group's Westermo business entity signed a five-year supply agreement worth a minimum of 25 MEUR (250 MSEK-plus) with train manufacturer Alstom. This deal specifies shipments of network equipment through an existing framework agreement between the parties. Alstom is already one of Westermo's key accounts. Shipments will progressively increase in the five-year period from 2021 onwards.

Financial targets for the Group

The Board of Directors has set financial targets for Beijer Electronics Group. The targets are that the Group will have 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.

Malmö, Sweden, 28 January 2021

Per Samuelsson
President and CEO

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Accounting Principles

For the Group, this Financial Statement 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 Reporting.

Year in Summary

Income Statement—Group

| SEK 000 | Quarter 4 2020 | Quarter 4 2019 | Full Year 2020 | Full Year 2019 |
|--|-------------------|-------------------|-------------------|-------------------|
| Net turnover | 350,238 | 415,276 | 1,437,747 | 1,558,699 |
| Other operating revenue | -1,590 | 1,108 | -2,636 | 3,388 |
| Operating expenses excluding depreciation and amortisation | -315,949 | -360,409 | -1,270,827* | -1,334,842 |
| EBITDA | 32,699 | 55,975 | 164,284 | 227,245 |
| Amortization, and impairment, intangible assets | -21,710 | -18,419 | -83,715 | -65,958 |
| Depreciation, property, plant and equipment | -6,051 | -4,955 | -23,889 | -18,278 |
| Amortization, right-of-use assets | -10,143 | -10,596 | -40,866 | -39,513 |
| EBIT | -5,205 | 22,005 | 15,814 | 103,496 |
| Net financial items | -8,200 | -3,076 | -21,653 | -11,655 |
| Profit before tax | -13,405 | 18,929 | -5,839 | 91,841 |
| Estimated tax | 1,731 | -6,469 | -251 | -26,869 |
| Net profit | -11,674 | 12,460 | -6,090 | 64,972 |
| <i>Attributable to equity holders of the parent</i> | <i>-11,655</i> | <i>12,521</i> | <i>-5,647</i> | <i>64,954</i> |
| <i>Attributable to minority interest</i> | <i>-19</i> | <i>-61</i> | <i>-443</i> | <i>18</i> |
| <i>Earnings per share, SEK</i> | <i>-0.41</i> | <i>0.44</i> | <i>-0.20</i> | <i>2.27</i> |

* Including restructuring expense of 15,000,000 SEK.

Statement of Comprehensive Income—Group

| SEK 000 | Quarter 4 2020 | Quarter 4 2019 | Full Year 2020 | Full Year 2019 |
|---|-------------------|-------------------|-------------------|-------------------|
| Net profit | -11,674 | 12,460 | -6,090 | 64,972 |
| Actuarial gains and losses | -4,687 | -17,493 | 6,436 | -33,433 |
| Net investment hedge effects | 10,288 | 4,148 | 7,731 | 2,811 |
| Translation differences | -50,947 | -26,151 | -58,503 | 13,893 |
| Comprehensive income | -57,020 | -27,036 | -50,426 | 48,243 |
| <i>Attributable to equity holders of the parent</i> | <i>-56,765</i> | <i>-26,943</i> | <i>-49,754</i> | <i>47,827</i> |
| <i>Attributable to minority interest</i> | <i>-255</i> | <i>-93</i> | <i>-672</i> | <i>416</i> |

Balance Sheet—Group

| SEK 000 | Dec 31, 2020 | Dec 31, 2019 |
|---|------------------|------------------|
| Assets | | |
| Intangible assets | 1,033,016 | 1,088,490 |
| Property, plant and equipment | 96,110 | 99,706 |
| Right-of-use assets | 98,798 | 104,209 |
| Financial assets | 60,865 | 53,129 |
| Current assets | 474,412 | 574,830 |
| Cash equivalents and short-term investments | 120,719 | 121,903 |
| Total assets | 1,883,920 | 2,042,267 |
| Liabilities and shareholders' equity | | |
| Shareholders' equity | 637,192 | 684,434 |
| Minority share of shareholders' equity | 3,577 | 4,249 |
| Long-term liabilities | 803,884 | 816,404 |
| Current liabilities | 439,267 | 537,180 |
| Total liabilities and shareholders' equity | 1,883,920 | 2,042,267 |
| <i>Of which interest-bearing liabilities</i> | | |
| <i>Borrowing</i> | <i>534,306</i> | <i>603,462</i> |
| <i>Pension provisions</i> | <i>168,474</i> | <i>169,711</i> |
| <i>Liability related to right-of-use assets</i> | <i>99,909</i> | <i>105,682</i> |
| Total | 802,689 | 878,855 |

Statement of Changes to Shareholders' Equity—Group

| SEK 000 | Dec 31, 2020 | Dec 31, 2019 |
|---|----------------|---------------|
| Attributable to equity holders of the parent | | |
| Opening balance, shareholders' equity, 1 January | 684,434 | 652,888 |
| Rights issue | | -4,303 |
| Share-based payment | -54 | -29 |
| Repurchase of treasury shares | -22 | -50 |
| Acquisition | | -14,301 |
| Comprehensive income | 2,588 | 2,402 |
| Closing balance, shareholders' equity | -49,754 | 47,827 |
| Attributable to non-controlling interests | | |
| Opening balance, 1 January | | |
| Dividend | 4,249 | 3,847 |
| Acquisition | | -14 |
| Comprehensive income | -672 | 416 |
| Closing balance | 3,577 | 4,249 |

Key Figures—Group

| | Dec 31, 2020 | Dec 31, 2019 |
|-----------------------------------|--------------|--------------|
| Operating margin, % | 1.1 | 6.6 |
| Profit margin, % | -0.4 | 4.2 |
| Equity ratio, % | 34.0 | 33.7 |
| Equity per share, SEK | 22.3 | 23.9 |
| Basic earnings per share, SEK | -0.20 | 2.27 |
| Return on equity after tax, % | -0.9 | 9.7 |
| Return on capital employed, % | 1.3 | 7.8 |
| Return on net operating assets, % | 1.6 | 10.6 |
| Average number of employees | 790 | 773 |

Cash Flow Statement—Group

| SEK 000 | Dec 31, 2020 | Dec 31, 2019 |
|---|----------------|----------------|
| Cash flow from operating activities before changes in working capital | 149,588 | 204,665 |
| Change in working capital | 44,702 | -21,405 |
| Cash flow from operating activities | 194,290 | 183,260 |
| Cash flow from investing activities | -81,931 | -333,745 |
| Cash flow from finance activities* | -101,286 | 189,686 |
| Dividend paid | | -14,301 |
| Change in cash equivalents | 11,073 | 24,900 |
| Cash equivalents and short-term investments, opening balance | 121,903 | 94,488 |
| Exchange rate change, cash equivalents | -12,257 | 2,515 |
| Cash equivalents and short-term investments, closing balance | 120,719 | 121,903 |
| Free cash flow | 70,420 | 46,781 |
| <i>*of which amortization of lease liabilities</i> | <i>-41,939</i> | <i>-39,047</i> |

Operating Segments

| SEK 000 | Quarter 4 2020 | Quarter 4 2019 | Full Year 2020 | Full Year 2019 |
|--------------------|-------------------|-------------------|----------------------------|-------------------|
| Net sales | | | | |
| Westermo | 183,033 | 199,317 | 768,990 | 705,233 |
| Beijer Electronics | 145,657 | 193,808 | 599,104 | 756,196 |
| Korenix | 24,303 | 26,500 | 83,513 | 119,880 |
| Group adjustments | -2,755 | -4,349 | -13,860 | -22,610 |
| Group | 350,238 | 415,276 | 1,437,747 | 1,558,699 |
| EBITDA | | | | |
| Westermo | 31,981 | 35,357 | 149,909 | 134,322 |
| Beijer Electronics | 3,099 | 24,240 | 34,230 ¹ | 104,899 |
| Korenix | 4,807 | 815 | 904 ² | 9,918 |
| Parent company | -8,733 | -6,072 | -25,131 | -26,844 |
| Group adjustments | 1,545 | 1,636 | 4,372 | 4,950 |
| Group | 32,699 | 55,976 | 164,284³ | 227,245 |
| EBIT | | | | |
| Westermo | 15,337 | 22,302 | 85,913 | 89,576 |
| Beijer Electronics | -11,388 | 10,685 | -22,418 ¹ | 54,953 |
| Korenix | 1,687 | -2,771 | -12,125 ² | -4,330 |
| Parent company | -10,613 | -8,195 | -33,035 | -35,105 |
| Group adjustments | -228 | -15 | -2,521 | -1,598 |
| Group | -5,205 | 22,006 | 15,814³ | 103,496 |

¹ Including restructuring expense of 11,921,000 SEK.

² Including restructuring expense of 1,858,000 SEK.

³ Including restructuring expense of 15,000,000 SEK.

Revenue

| SEK 000 | Quarter 4 2020 | Quarter 4 2019 | Full Year 2020 | Full Year 2019 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| Geographical market | | | | |
| Sweden | 46,292 | 60,035 | 193,761 | 227,624 |
| Rest of Nordics | 33,407 | 42,766 | 137,716 | 151,077 |
| Germany | 25,049 | 28,154 | 93,474 | 108,563 |
| UK | 26,913 | 31,247 | 101,728 | 116,617 |
| France | 29,099 | 25,861 | 122,472 | 84,522 |
| Turkey | 9,810 | 8,717 | 31,460 | 28,924 |
| Rest of Europe | 57,985 | 61,351 | 229,404 | 250,975 |
| USA | 35,434 | 69,555 | 168,414 | 262,620 |
| Taiwan | 20,938 | 19,118 | 83,847 | 58,614 |
| China | 23,863 | 30,931 | 102,995 | 124,321 |
| Rest of Asia | 33,568 | 29,648 | 145,852 | 108,648 |
| Rest of world | 7,880 | 7,893 | 26,624 | 36,194 |
| Group | 350,238 | 415,276 | 1,437,747 | 1,558,699 |
| Category | | | | |
| Operator panels and accessories | 122,181 | 170,571 | 510,368 | 665,034 |
| Network equipment | 204,835 | 222,889 | 840,028 | 809,547 |
| Other products and services | 23,222 | 21,816 | 87,351 | 84,118 |
| Group | 350,238 | 415,276 | 1,437,747 | 1,558,699 |

Income Statement—Parent Company

| SEK 000 | Quarter 4 2020 | Quarter 4 2019 | Full Year 2020 | Full Year 2019 |
|--------------------------|-------------------|-------------------|-------------------|-------------------|
| Net sales | 8,804 | 8,483 | 35,210 | 33,931 |
| Operating expenses | -19,417 | -16,678 | -68,245 | -69,036 |
| EBIT | -10,613 | -8,195 | -33,035 | -35,105 |
| Net financial items | -9,139 | -6,656 | -16,230 | -91 |
| Profit before tax | -19,752 | -14,851 | -49,265 | -35,196 |
| Appropriations | 48,200 | 68,400 | 48,200 | 68,400 |
| Estimated tax | -6,829 | -11,569 | -1,984 | -8,201 |
| Net profit | 21,619 | 41,980 | -3,049 | 25,003 |

Balance Sheet—Parent Company

| SEK 000 | Dec 31, 2020 | Dec 31, 2019 |
|---|----------------|------------------|
| Assets | | |
| Fixed assets | 912,366 | 980,447 |
| Current assets | 66,168 | 81,476 |
| Cash equivalents and short-term investments | 1,166 | 1,166 |
| Total assets | 979,700 | 1,063,089 |
| Liabilities and shareholders' equity | | |
| Shareholders' equity | 303,253 | 302,820 |
| Long-term liabilities | 534,348 | 547,256 |
| Current liabilities | 142,099 | 213,013 |
| Total liabilities and shareholders' equity | 979,700 | 1,063,089 |
| <i>Of which interest-bearing liabilities</i> | <i>530,560</i> | <i>611,424</i> |

Parent Company Statement of Changes in Equity

| SEK 000 | Share capital ^a | Other restricted equity | Share pre- mium reserve and retained earnings | Net profit | Total equity |
|--|----------------------------|-------------------------------|--|---------------|----------------|
| Opening equity, Jan. 1, 2020 | 9,595 | 6,964 | 286,261 | | 303,820 |
| Change in reserve for development expenditure | | -1,165 | 1,165 | | 0 |
| Net profit | | | | -3,049 | -3,049 |
| Total changes to net worth, exc. transactions with company's shareholders | 9,595 | 5,799 | 287,426 | -3,049 | 299,771 |
| Current rights issue ^a | 22 | | -76 | | -54 |
| Repurchase of treasury shares | | | -22 | | -22 |
| Share-based payment | | | 3,558 | | 3,558 |
| Closing equity, Dec 31, 2020 | 9,617 | 5,799 | 290,886 | -3,049 | 303,253 |

^a

No. of shares, Jan. 1, 2020
Class C shares in new issue
No. of shares, Dec. 31, 2020

28,786,102
66,298
28,852,400

Quotient value (SEK)

0,33

The issue price was 0.33 SEK per share.

There are 28,627,219 ordinary shares, and 225,181 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.

EBIT

Earnings before interest and taxes.

EBITDA

Earnings before interest, taxes, depreciation, and amortization.

Equity per share

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

Equity ratio

Equity in relation to total assets.

Free Cash Flow

Cash flow from operating activities, investments in tangible and intangible assets and amortization of lease liabilities.

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 (publ) is a high technology company active in industrial automation and data communication. The company develops and markets competitive products and solutions that focus on the user. Since its start-up in 1981, Beijer Electronics Group has evolved into a multinational group with net sales of 1.4 billion SEK in 2020. The company is listed on NASDAQ OMX Nordic Stockholm Small Cap under the ticker BELE.

More Information

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

Financial Calendar

21 April 2021..... Three-month Interim Report
6 May 2021.....Annual General Meeting
14 July 2021..... Six-month Interim Report
26 October 2021..... Nine-month Interim Report



PHOTO: ©ALSTOM/MECONOPSIS

Westermo business entity extends partnership with Alstom

Westermo has been providing data communication equipment for French train manufacturer Alstom since a framework agreement was signed in 2017. Alstom is one of the world's largest manufacturers of transportation solutions including high-speed trains, subway trains, trams, e-buses, as well as software and equipment for rail infrastructure, signaling systems and much more. In January 2021, Alstom and Westermo extended their partnership by signing a five-year deal, agreeing pricing and volume projections for data communication equipment for video monitoring, passenger information and onboard PA systems for Alstom trains.



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