



Demand recovery creates potential for better performance in 2021

1 January - 31 December 2020

Per Samuelsson, CEO & Joakim Laurén, CFO

Agenda

- ▶ Business update for the quarter including Summary of Covid-19 related measures
- ▶ Financial performance, BEIJER GROUP & business entities
- ▶ Concluding notes and Outlook and Dividend
- ▶ Confirmation of BEIJER GROUP strategy
- ▶ Q&A

Business update for the quarter, i)

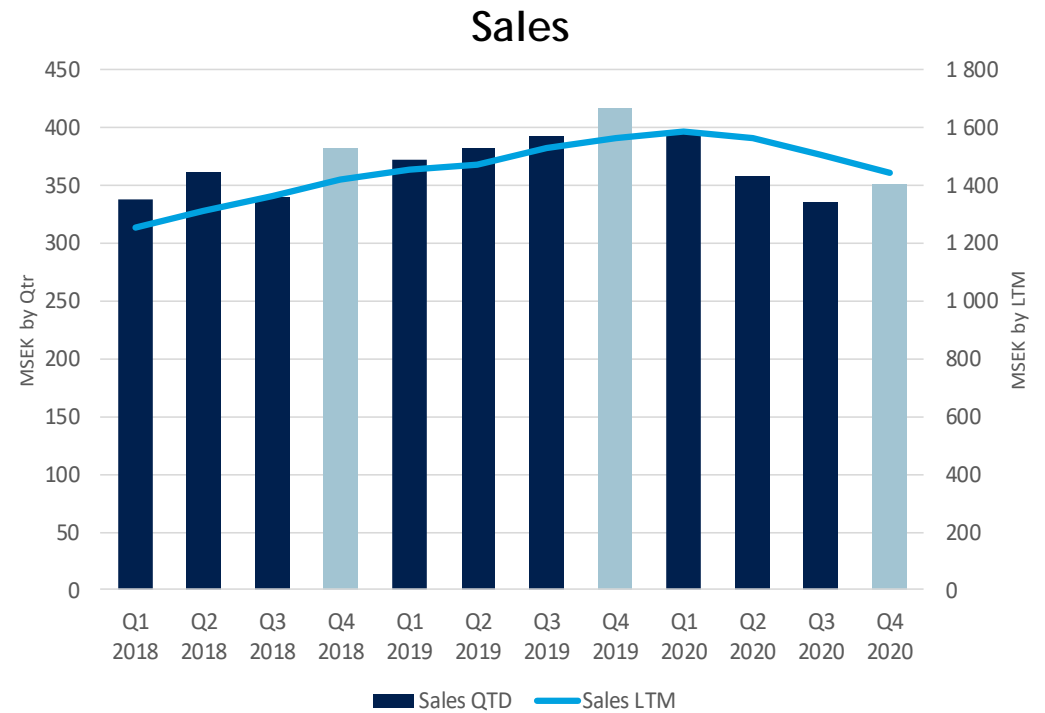
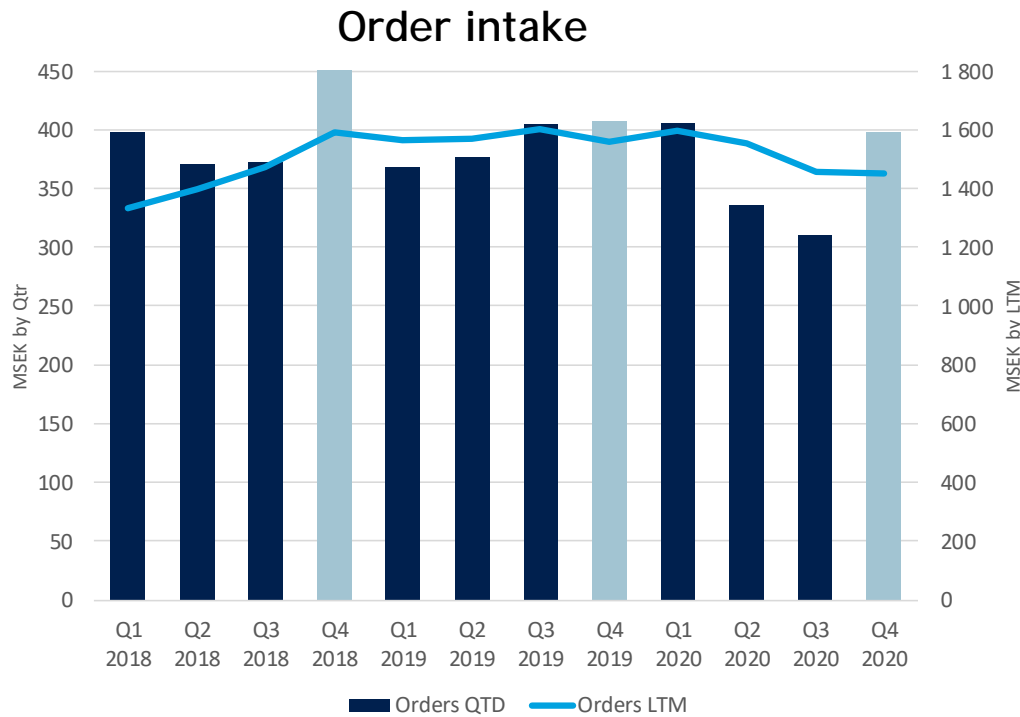
- ▶ As expected, the business was continued impacted by the effects of Covid-19 during the quarter with swings where the 2:nd infection wave caused market slowdown mid-period to then stabilize towards year-end.
- ▶ Orders increased sequentially with +28% where all three business entities posted significant increases confirming the statement last quarter of passed bottom.
- ▶ Westermo entered a supply agreement in January 2021 with the train manufacturer Alstom worth at least 250 MSEK over a 5 year period.
- ▶ Good positive free cash flow of 45 MSEK in the quarter lowering the net debt to the lowest level for the year 2020.
- ▶ Negative impact of currency impacting EBIT with -6 MSEK and net income -10 MSEK during the quarter.
- ▶ EBIT negative in the quarter at -5 MSEK. Full year ended at +31 MSEK excluding restructuring costs taken in Q1.

Business update for the quarter, ii)

- ▶ Westermo showed relative good stability and generated a positive EBIT at +8% in the quarter despite the challenging market in Q4.
- ▶ Beijer Electronics got continued impact with lower demand and pushed out deliveries by customers and, despite significant cost lowering's, posted a negative EBIT for the quarter.
- ▶ Korenix showed improvements in the last quarter of the year and managed to turn into a positive EBIT for Q4.
- ▶ Our approach during the pandemic has been to safeguard competence, keep focus on product development and sustain a high level of customer activities while maintaining a healthy financial position. All to be in good shape and have a solid platform, ready for growth with our financial targets at sight.
- ▶ Our long term strategy remains.
- ▶ Based on today's insights, we expect a market recovery in 2021.

Summary of Covid-19 related measures

- ▶ People's health and safety is #1.
- ▶ Wherever possible, our people work remotely or from home. Contacts and meetings via various digital tools.
- ▶ At workplaces, measures in place to maintain distance and a safe environment.
- ▶ Supply chains have been fully operational during the quarter.
- ▶ Many countries provide various support packages and we have made use of these when we qualify instead of additional reductions. Cost support of abt 0.7 MSEK in the quarter and 7.2 MSEK for 2020 of which +2.1 MSEK in Sweden. Repayment of 1.3 MSEK of liquidity support in Q4 and at +14.9 MSEK for the full year.
- ▶ Agreement of additional credit facility in place for further liquidity buffer but never needed.



- ▶ Orders sequentially increased with +28% in Q4 where Westermo at +31%, Beijer Electronics at +24% and Korenix at +26%.
- ▶ Sales on similar low level as in Q3 or at +5%.
- ▶ The overall backlog increased to 492 MSEK or at +2% vs last year based on fixed consolidation rates.
- ▶ FX effects hamper volumes with 3-5 p.p. vs last year in the quarter.

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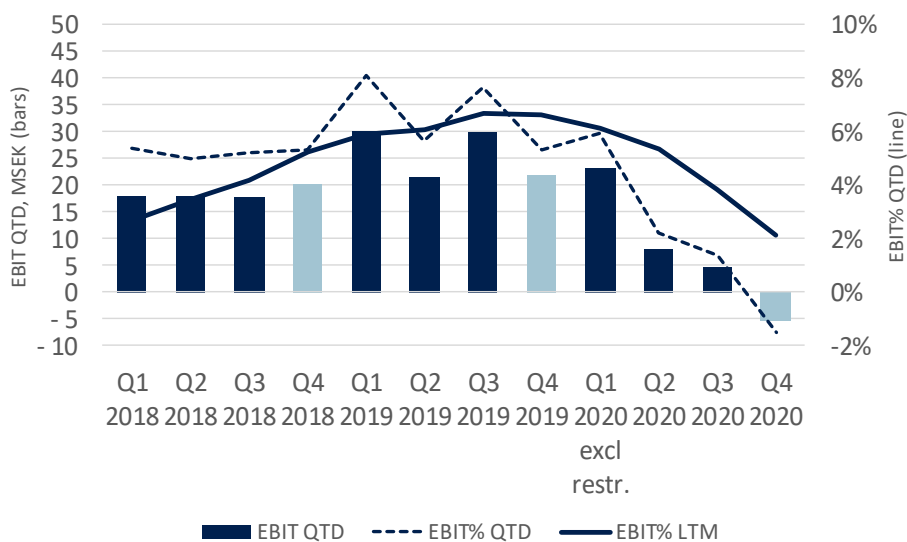
Group - Covid & FX impact the earnings but positive cash flow

MSEK	Q4 2020	Q4 2019	%	FY 2020	FY 2019	%
Order intake	397.3	406.9	-2%	1,449.0	1,557.2	-7%
Sales	350.2	415.3	-16%	1,437.7	1,558.7	-8%
EBIT excl restructuring 2020	-5.3	22.0	-124%	30.8	103.5	-70%
<i>EBIT excl restruct.%</i>	<i>-1.5%</i>	<i>5.3%</i>		<i>2.1%</i>	<i>6.6%</i>	
EBIT	-5.2	22.0	-124%	15.8	103.5	-85%
EBIT%	-1.5%	5.3%		1.1%	6.6%	

Comments to Q4

- ▶ EBIT at -5.2 MSEK due to low sales and negative FX off-set partly by lower costs.
- ▶ Total currency impact on EBIT of -6 MSEK in Q4 and -20 MSEK for the full year.
- ▶ Restructuring program launched in Q1 implemented fully according to plan, giving 25-30 MSEK savings in 2020 and a yearly effect of 40-45 MSEK.
- ▶ The financial net impacted further -4.5 MSEK by the stronger SEK at year-end, and in total -8.2 MSEK for the full year.
- ▶ Net income at -11.7 MSEK for Q4 and -6.1 MSEK for the full year.
- ▶ Positive free cash flow of +45 MSEK in the quarter and +70 MSEK for 2020.

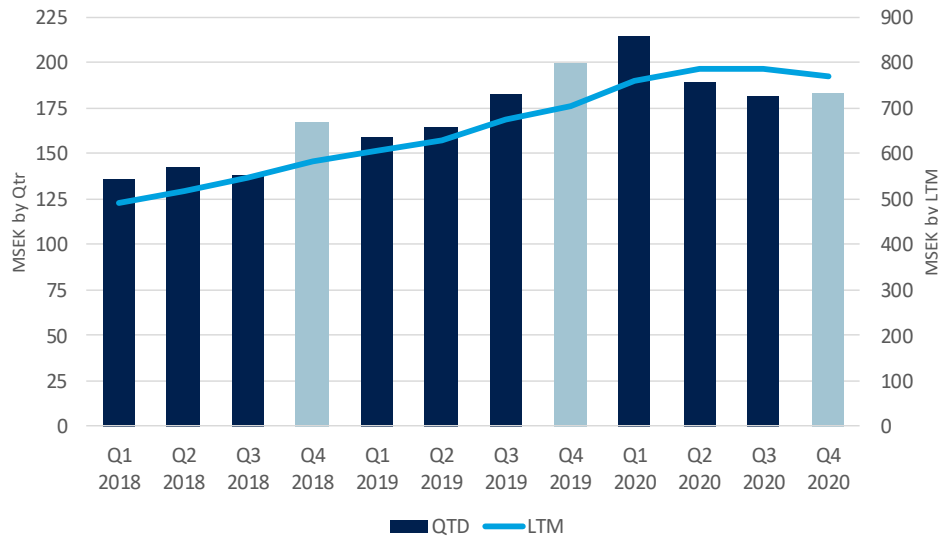
EBIT and EBIT% QTD and EBIT% LTM (Q1 2020 excluding restructuring cost)



Westermo - order growth while performance moving sideways

MSEK	Q4	Q4	%	FY	FY	%
	2020	2019		2020	2019	
Order intake	214.5	183.8	17%	777.9	725.8	7%
Sales	183.0	199.3	-8%	769.0	705.2	9%
EBIT	15.3	22.3	-31%	85.9	89.6	-4%
EBIT%	8.4%	11.2%		11.2%	12.7%	

Westermo Sales



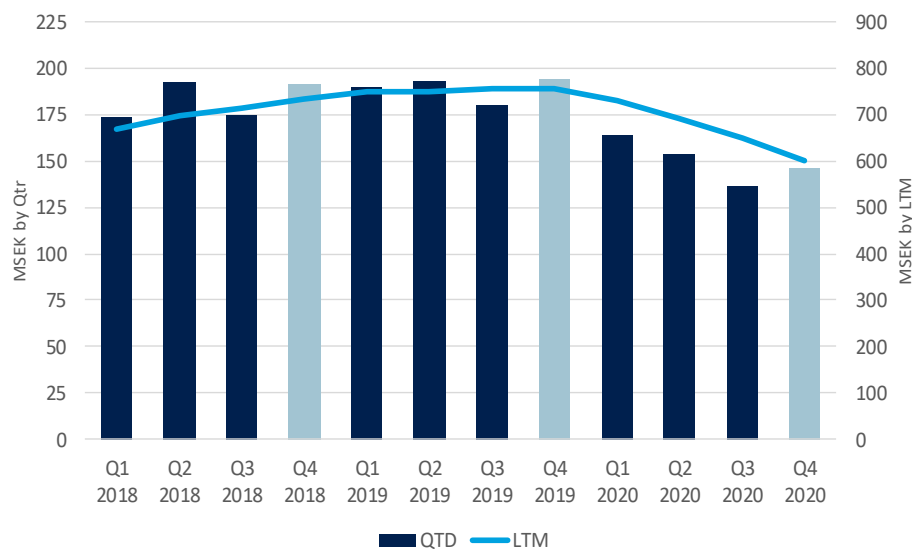
Comments to Q4

- ▶ Strong order growth in the quarter.
- ▶ Signed agreement with ALSTOM worth more than 250 MSEK over five years.
- ▶ Sales and earnings moving sideways from Q3 with an EBIT at +15 MSEK or +8.4%. Full year ended at decent +11%.
- ▶ Maintained focus on the WeGrow strategy including the new segments Power distribution and Track-side.
- ▶ A new service concept launched in addition to product sales of hard- and software.

Beijer Electronics - continued impact of the Pandemic

MSEK	Q4 2020	Q4 2019	%	FY 2020	FY 2019	%
Order intake	158.7	197.9	-20%	594.7	732.2	-19%
Sales	145.7	193.8	-25%	599.1	756.2	-21%
EBIT excl restructuring 2020	-10.5	10.7	-198%	-10.5	55.0	-119%
EBIT excl restruct. %	-7.2%	5.5%		-1.8%	7.3%	
EBIT	-11.4	10.7	-207%	-22.4	55.0	-141%
EBIT%	-7.8%	5.5%		-3.7%	7.3%	

Beijer Electronics Sales



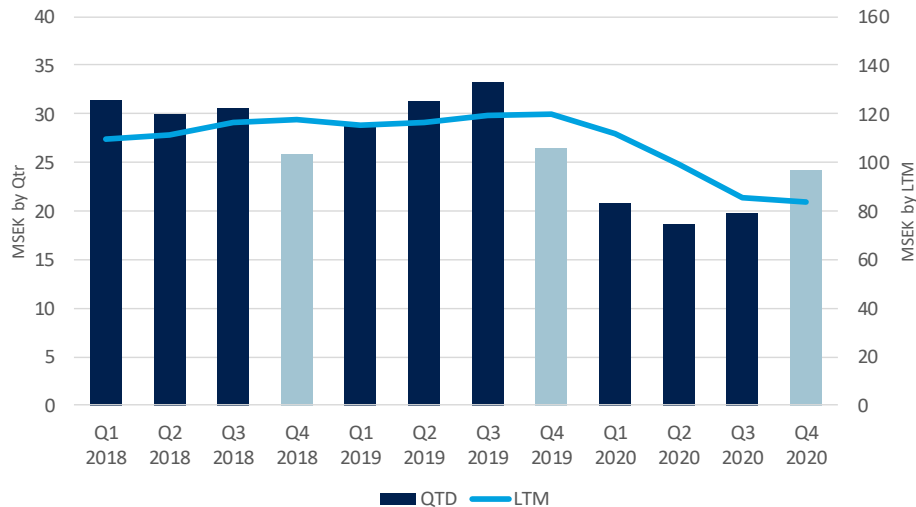
Comments to Q4

- ▶ Sequential order growth by +24% compared to Q3.
- ▶ Overall challenging business climate in the US and EMEA, while Asia show a small increase.
- ▶ Unfavourable regional and product mix behind the negative earnings in the quarter.
- ▶ Significant lowering of the costs with 16% for the full year or abt 50 MSEK.
- ▶ Cooperation with Korenix progressed as planned, including sales channels in EMEA and US and the supply chains. Further efficiency gain potentials going forward.

Korenix - positive development turning into positive earnings

MSEK	Q4 2020	Q4 2019	%	FY 2020	FY 2019	%
Order intake	24.1	29.6	-18%	76.4	121.8	-37%
Sales	24.3	26.5	-8%	83.5	119.9	-30%
EBIT excl restructuring 2020	0.7	-2.8	-126%	-10.3	-4.3	137%
EBIT excl restruct. %	3.0%	-10.5%		-12.3%	-3.6%	
EBIT	1.7	-2.8	-161%	-12.1	-4.3	180%
EBIT%	6.9%	-10.5%		-14.5%	-3.6%	

Korenix Sales



Comments to Q4

- ▶ Korenix made positive progress with sequential growth on orders and sales compared to Q3.
- ▶ Cost levels decreased earlier in the year and with some higher volumes, the earnings turned into positive +1,7 MSEK for Q4.
- ▶ The R&D development of new hardware- and software platforms led to some new product launches in the quarter and more to come in 2021.
- ▶ The cooperation with Beijer Electronics continues.

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Concluding notes by Per...



Outlook

“ 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.”

Dividend

- ▶ Proposed a dividend of 0 SEK for the financial year 2020.
- ▶ The Board's proposal is a precautionary measure aimed at safeguarding the Group's financial stability in the uncertain times of a Pandemic.
- ▶ The ambition is to commence to pay out dividends again as soon as possible.

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Confirmation of BEIJER GROUP strategy

BEIJER GROUP - a leading technology company providing secure solutions for a connected world

The philosophy is based on a high degree of decentralization.

Independent subsidiaries with profit responsibility are managed with the help of clear values and central follow-up.

The business model is based on close, long-term collaboration with customers. The finished product of both hardware and software have long life cycles. It provides recurring and stable income for a long time. In addition, future software updates provide opportunities for expanded business.

BEIJER GROUP business entities target a growth by at least 10% with an EBIT% in excess of 15 %.

A large part of the growth will be organic, supplemented by acquisitions, both complementary to existing companies and new independent business entities.

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