

Sustained high organic growth, improved earnings and dividend resumed for 2018

1 January - 31 December, 2018

Per Samuelsson, CEO & Joakim Laurén, CFO

Agenda

- ▶ Key events in the quarter
- ▶ Financial performance, BEIJER electronics GROUP
- ▶ Financial performance, business entities
- ▶ Financial targets
- ▶ Outlook
- ▶ Q&A



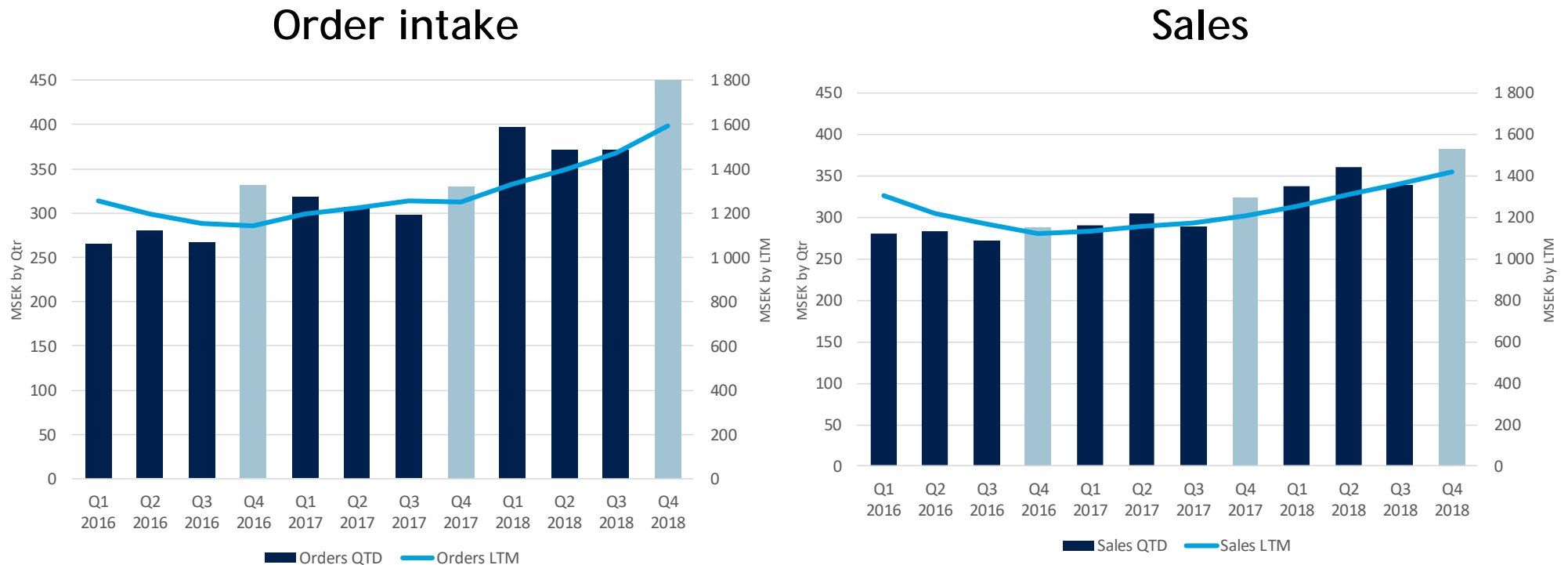
Key events in the quarter

- ▶ The development with high growth and profit step-up continues and the full year 2018 came out well.
- ▶ Strong order intake of 452 MSEK in the quarter driven by all business entities. All-time-high year for the group at 1.6 BSEK.
- ▶ Good sales growth.
- ▶ Continued profit improvement giving 5.3% EBIT-margin impacted by capacity imbalances. Still too low level but underlying in the right direction.
- ▶ Beijer Electronics shines in the quarter with nice growth and good progress of profitability.
- ▶ Challenges due to the higher growth in Westermo supply chain with a result impact in the quarter.
- ▶ Korenix hit by sales delays giving red numbers.
- ▶ Further widening of market segments provides for further high growth opportunities.
- ▶ Net income at +12 MSEK in Q4 giving a full year EPS at 1.52 SEK/share.
- ▶ Dividend proposed to resume.

Agenda

- ▶ Key events in the quarter
- ▶ Financial performance, BEIJER electronics GROUP
- ▶ Financial performance, business entities
- ▶ Financial targets
- ▶ Outlook
- ▶ Q&A



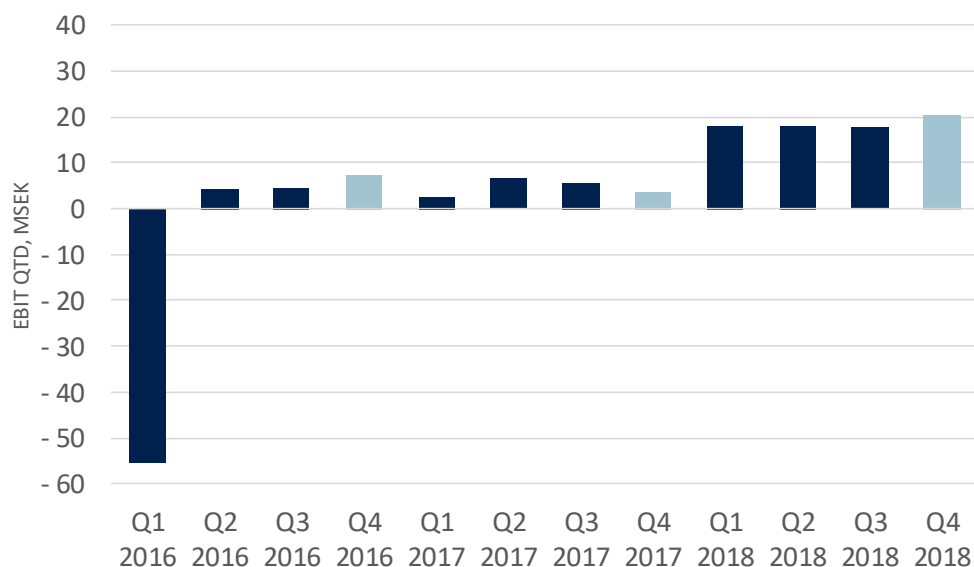


- ▶ Strong order pace at +37% driven by all business entities. Beijer Electronics at +35%, Westermo at +37% and Korenix at +51%. Full year at +27%.
- ▶ Good sales development at +18% where Beijer Electronics and Westermo grow nicely while Korenix where hit by some delays. Full year at +18%.
- ▶ Backlog increase for 9 straight quarters and at all-time-high.
- ▶ FX contributes with 4 p.p in the quarter and 2-3 p.p for the full year.

Group - high volume growth and earnings improve

MSEK	Q4 2018	Q4 2017	%	YTD 2018	YTD 2017	%
Order intake	452.0	329.5	37%	1,593.2	1,251.6	27%
Sales	381.2	322.6	18%	1,417.2	1,205.9	18%
EBITDA	40.7	25.6	59%	150.6	90.3	67%
<i>EBITDA%</i>	<i>10.7%</i>	<i>7.9%</i>		<i>10.6%</i>	<i>7.5%</i>	
EBIT	20.2	3.4	499%	73.9	18.0	310%
<i>EBIT%</i>	<i>5.3%</i>	<i>1.0%</i>		<i>5.2%</i>	<i>1.5%</i>	

EBIT QTD



Comments to Q4

- ▶ EBIT improvement to 20 MSEK or 5.3%
- ▶ Mixed picture where Beijer Electronics shines while imbalances in Westermo and Korenix influence the total.
- ▶ Currency impact EBIT positively with +5 MSEK of mainly transactional variances.
- ▶ R&D spending continues on high levels at 11.9% of sales providing for future offerings to the market.
- ▶ Net income at +12 MSEK and EPS at +0.44 SEK/share.
- ▶ Cash flow positive in the quarter at +21 MSEK.

Agenda

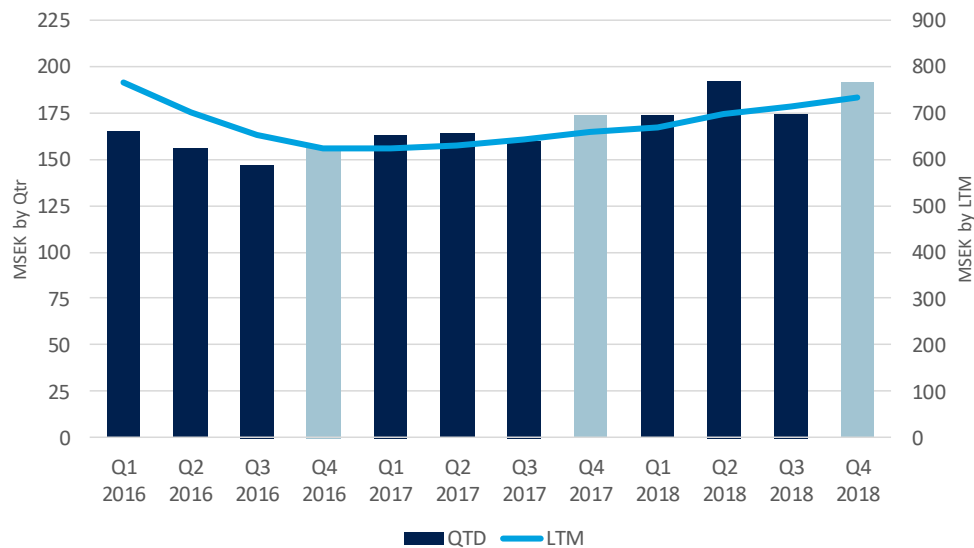
- ▶ Key events in the quarter
- ▶ Financial performance, BEIJER electronics GROUP
- ▶ Financial performance, business entities
- ▶ Financial targets
- ▶ Outlook
- ▶ Q&A



Beijer Electronics - continued growth and good profitability development

MSEK	Q4 2018	Q4 2017	%	YTD 2018	YTD 2017	%
Order intake	231.5	171.0	35%	792.2	660.2	20%
Sales	191.5	173.2	11%	731.4	659.1	11%
EBITDA	25.1	11.4	120%	75.1	36.6	105%
<i>EBITDA%</i>	<i>13.1%</i>	<i>6.6%</i>		<i>10.3%</i>	<i>5.5%</i>	
EBIT	17.3	5.4	224%	47.4	12.5	278%
<i>EBIT%</i>	<i>9.0%</i>	<i>3.1%</i>		<i>6.5%</i>	<i>1.9%</i>	

Beijer Electronics Sales



Comments to Q4

- ▶ Very good progress overall proves the viable strategy.
- ▶ Orders strong at +35% driven by most markets. Some positive impact of the phasing out of older versions of products during 2019.
- ▶ Gross margins developed positively due to mix of new products and efficiency in supply chain.
- ▶ R&D activities remain on high level.
- ▶ Nice result step-up and profitability improve to 9% in the quarter.

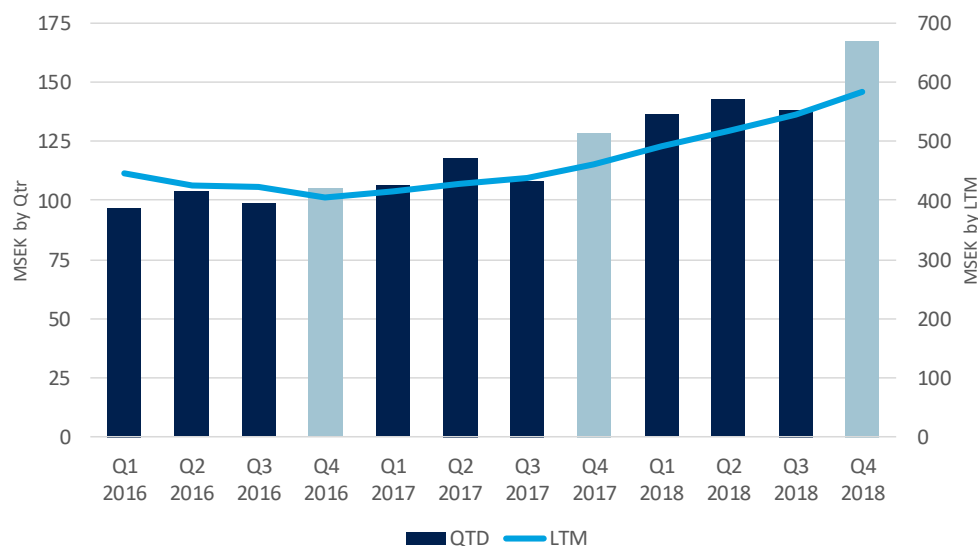
Westermo - strong growth but result impact to align

MSEK	Q4 2018	Q4 2017	%	YTD 2018	YTD 2017	%
Order intake	188.3	138.7	36%	687.9	502.7	37%
Sales	167.3	128.7	30%	584.2	461.2	27%
EBITDA	21.0	19.0	11%	97.4	69.5	40%
<i>EBITDA%</i>	<i>12.6%</i>	<i>14.8%</i>		<i>16.7%</i>	<i>15.1%</i>	
EBIT	13.6	12.7	7%	69.7	46.6	50%
<i>EBIT%</i>	<i>8.1%</i>	<i>9.9%</i>		<i>11.9%</i>	<i>10.1%</i>	

Comments to Q4

- ▶ Full year 2018 ended at all-time-high of orders, sales and earnings.
- ▶ Orders continued at high levels in the quarter where Train segment contributes strongly.
- ▶ Deliveries to customers the main priority and sales increase with +30%.
- ▶ Challenge in supply chain to handle the high growth and also capacity increase further impacts the result with about -8 MSEK in the quarter.
- ▶ Strategy widening in coming years to the segments *Power distribution* and *Rail trackside* provides for continued high growth and profit generation.

Westermo Sales



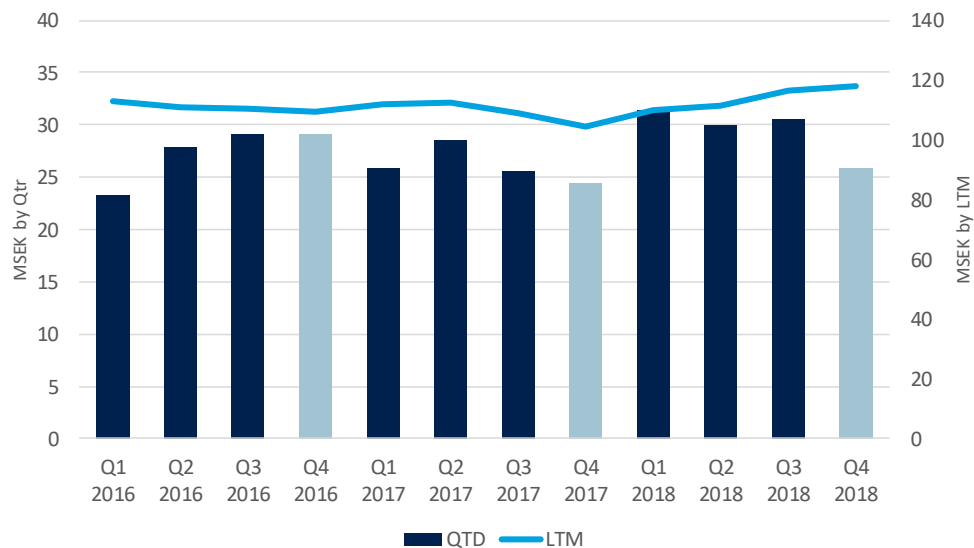
Korenix - sales delays and recovery still ongoing

MSEK	Q4 2018	Q4 2017	%	YTD 2018	YTD 2017	%
Order intake	35.7	23.6	51%	129.2	107.3	20%
Sales	25.8	24.4	6%	117.8	104.2	13%
EBITDA	-0.9	1.2	-172%	6.3	5.6	13%
<i>EBITDA%</i>	<i>-3.4%</i>	<i>4.9%</i>		<i>5.4%</i>	<i>5.4%</i>	
EBIT	-4.1	-6.1	-32%	-6.4	-9.9	-36%
<i>EBIT%</i>	<i>-15.9%</i>	<i>-24.8%</i>		<i>-5.4%</i>	<i>-9.5%</i>	

Comments to Q4

- ▶ Nice order growth at +51% where the new sales organisations in China and Taiwan start to contribute well.
- ▶ Some orders where moved out of Q4 into 2019 giving a sales shortfall compared to plan, generating a loss for the quarter.
- ▶ Recover ongoing and main focus is to show profitability during 2019.

Korenix Sales



Agenda

- ▶ Key events in the quarter
- ▶ Financial performance, BEIJER electronics GROUP
- ▶ Financial performance, business entities
- ▶ Financial targets
- ▶ Outlook
- ▶ Q&A



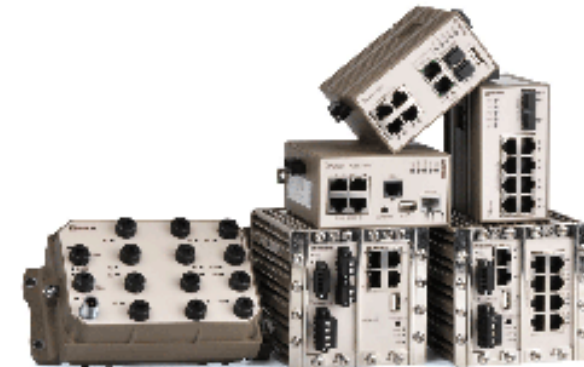
Financial targets for the group*

Within a 2-3 year timeframe, the group will achieve minimum organic growth of 7% per year, and in the first phase, achieve a minimum EBIT margin of 10%, measured as an average over a business cycle. With the current financial structure, this equates to a return on equity of some 20%.

** Decided by the board in 2016*

Agenda

- ▶ Key events in the quarter
- ▶ Financial performance, BEIJER electronics GROUP
- ▶ Financial performance, business entities
- ▶ Financial targets
- ▶ Outlook
- ▶ Q&A

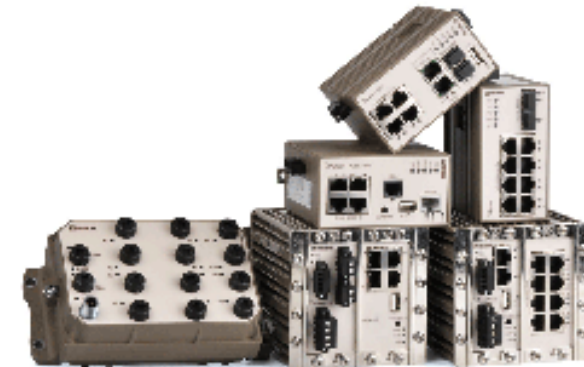


Outlook for 2019

“ BEIJER electronics GROUP is expecting to improve sales and earnings for the full year 2019 compared to the figures for 2018 “

Agenda

- ▶ Key events in the quarter
- ▶ Financial performance, BEIJER electronics GROUP
- ▶ Financial performance, business entities
- ▶ Financial targets
- ▶ Outlook
- ▶ Q&A





BEIJER
e l e c t r o n i c s
GROUP