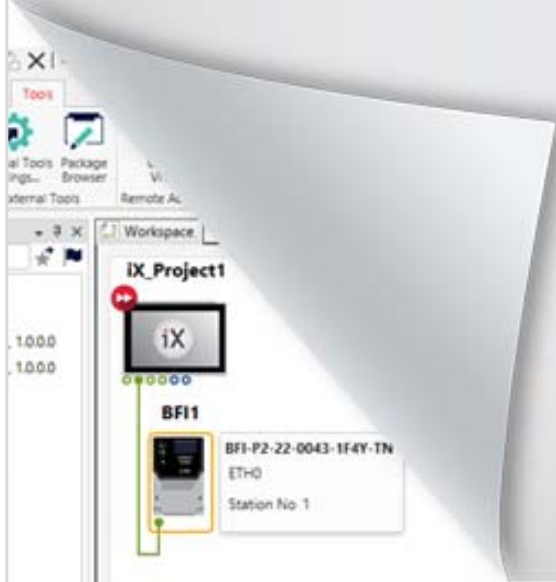




# WARP

ENGINEERING STUDIO



**Lower sales but earnings somewhat above plan, new financial targets**

JANUARY—MARCH 2016

# Agenda

About us

Key events in the quarter

Financials

Q&A

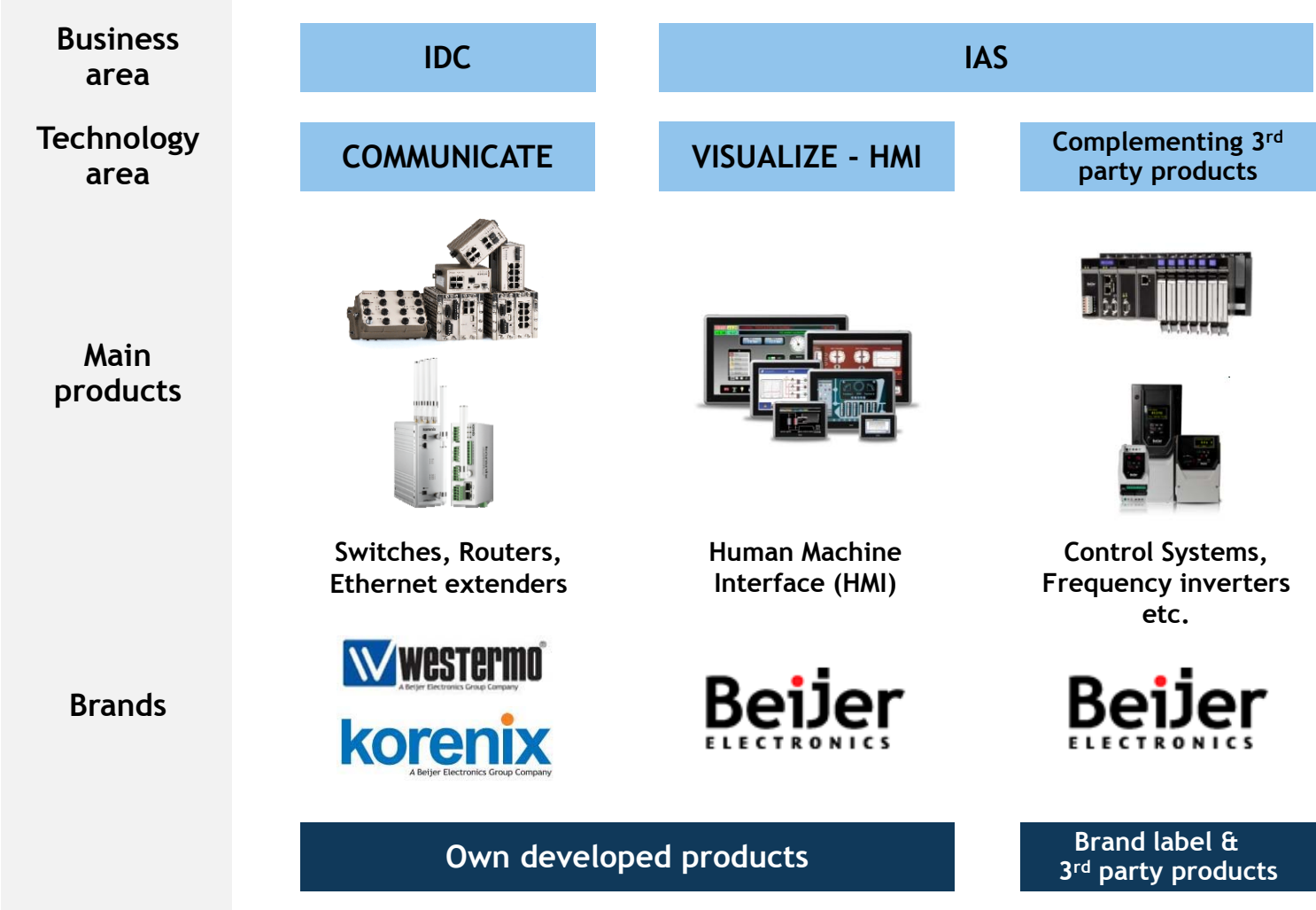


# Beijer Electronics – an innovative company within Industrial Automation and Data Communication

- ▶ Founded in 1981
- ▶ Global headquarter in Malmö
- ▶ A global supplier—present in 19 countries
- ▶ R&D facilities in Sweden, Germany, Taiwan and USA
- ▶ 20% of all employees in R&D
- ▶ Own products account for about 90% of sales
- ▶ Revenue 2015: 1.4 BSEK



# The business is divided in two business areas



Beijer Electronics' core offer consists of own technology areas IDC and HMI

# Agenda

About us

Key events in the quarter

Financials

Q&A



## Key events in the quarter

- ▶ New financial targets decided by the Board
- ▶ Westermo
  - Slow volumes in quarter
  - Customer activities on high level
  - Underestimated effect of timing
- ▶ New organization in IAS
- ▶ New sales platform in IAS and some positive signals visible
- ▶ Divestment of activities in Finland and the Baltics
- ▶ New management members started

## New financial targets for the group

- ▶ *These target are that 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%.*

# Agenda

About us

Key events in the quarter

Financials

Q&A

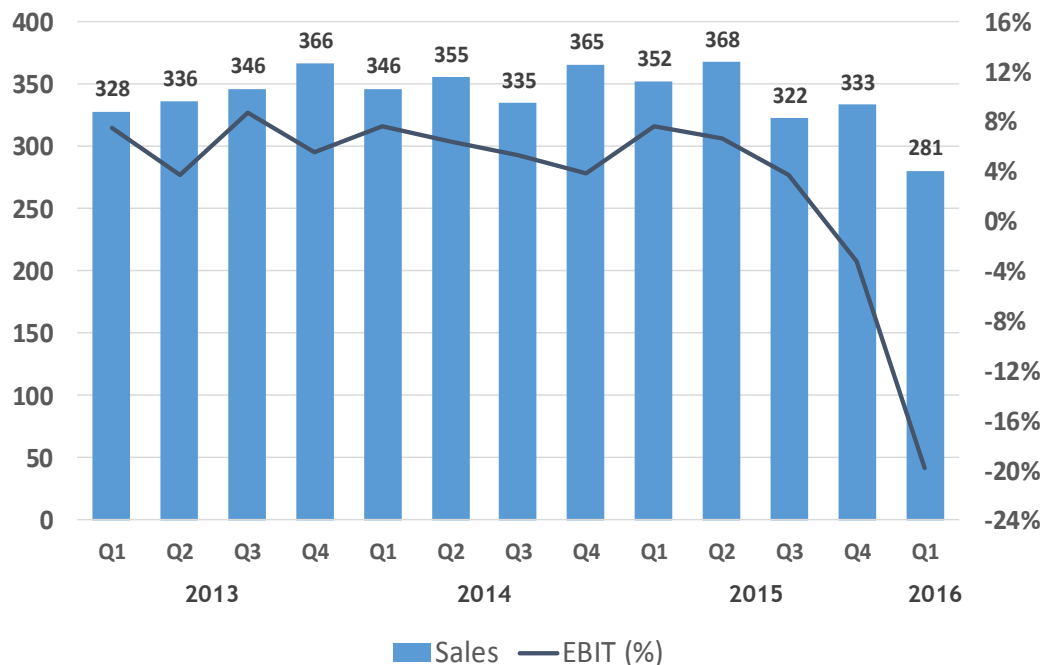




## Group – Lower sales and restructuring impacts result as expected

| (MSEK)       | Q1 2016 | Q1 2015 | +/-     | YTD 2016 | YTD 2015 | +/-     |
|--------------|---------|---------|---------|----------|----------|---------|
| Order intake | 265.0   | 343.5   | -22.9%  | 265.0    | 343.5    | -22.9%  |
| Sales        | 280.5   | 351.8   | -20.3%  | 280.5    | 351.8    | -20.3%  |
| EBITDA       | -39.6   | 41.7    | -195.0% | -39.6    | 41.7     | -195.0% |
| EBITDA %     | -14.1%  | 11.9%   |         | -14.1%   | 11.9%    |         |
| EBIT         | -55.5   | 26.7    | -307.8% | -55.5    | 26.7     | -307.8% |
| EBIT %       | -19.8%  | 7.6%    |         | -19.8%   | 7.6%     |         |

Sales & EBIT (%) per quarter, MSEK



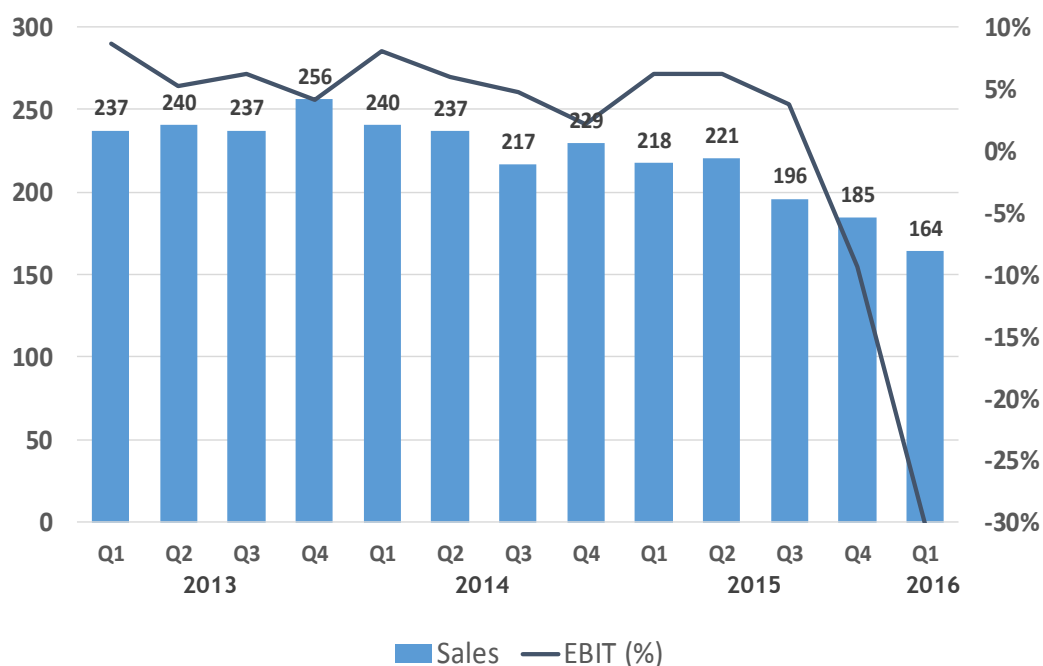
### Comments

- Order intake at -23% vs last year
- Sales at -20% vs last year and -8% vs proforma without ME
- Sales in IAS shows signs of bottom-out and some positive indications
- IDC impacted of an overall weak volume quarter
- Lower overhead costs given initiatives from last year
- Restructuring activities in IAS ongoing according to plan and will start to impact during Q2
- Negative result in the quarter as expected

# IAS – Sales at new platform and restructuring impact

| (MSEK)       | Q1 2016 | Q1 2015 | +/-     | YTD 2016 | YTD 2015 | +/-     |
|--------------|---------|---------|---------|----------|----------|---------|
| Order intake | 154.1   | 220.0   | -30.0%  | 154.1    | 220.0    | -30.0%  |
| Sales        | 164.2   | 217.6   | -24.5%  | 164.2    | 217.6    | -24.5%  |
| EBITDA       | -44.8   | 18.6    | -341.0% | -44.8    | 18.6     | -341.0% |
| EBITDA %     | -27.3%  | 8.5%    |         | -27.3%   | 8.5%     |         |
| EBIT         | -49.9   | 13.5    | -469.7% | -49.9    | 13.5     | -469.7% |
| EBIT %       | -30.4%  | 6.2%    |         | -30.4%   | 6.2%     |         |

Sales & EBIT (%) per quarter, MSEK



## Comments

- Order intake at -30% due to leaving Mitsubishi agreement and Oil & Gas business in the US
- Sales at -3% compared to proforma without distribution where Oil & Gas in US was still good last year
- Q1 sales better than the last two quarters 2015 and at +7% compared to Q4
- Significant lower overhead cost due to initiatives from last year
- Restructuring program impacts Q1 with 50 MSEK and expect to start contributing during Q2
- Result at break-even without restructuring cost and somewhat better than plan

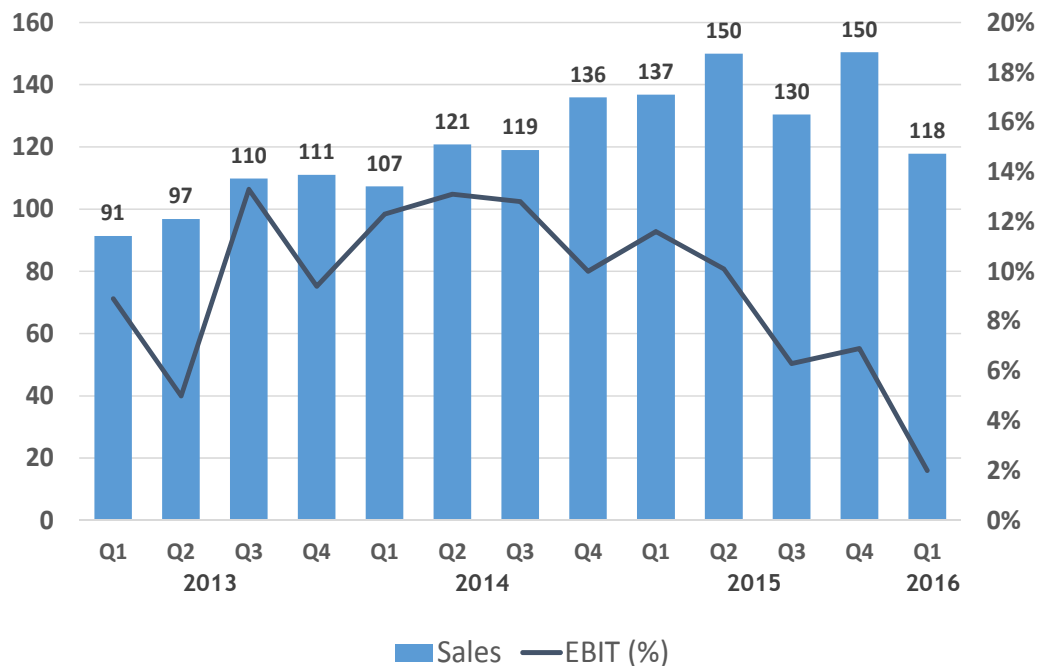
## IDC – Lower volumes impact result but target remains

| (MSEK)       | Q1 2016 | Q1 2015 | +/-    | YTD 2016 | YTD 2015 | +/-    |
|--------------|---------|---------|--------|----------|----------|--------|
| Order intake | 110.9   | 123.5   | -10.2% | 110.9    | 123.5    | -10.2% |
| Sales        | 117.8   | 136.8   | -13.9% | 117.8    | 136.8    | -13.9% |
| EBITDA       | 10.5    | 23.1    | -54.7% | 10.5     | 23.1     | -54.7% |
| EBITDA %     | 8.9%    | 16.9%   |        | 8.9%     | 16.9%    |        |
| EBIT         | 2.4     | 15.9    | -85.2% | 2.4      | 15.9     | -85.2% |
| EBIT %       | 2.0%    | 11.7%   |        | 2.0%     | 11.7%    |        |

### Comments

- Low orders and sales in the quarter due to limited project volumes
- The activity level is high and promising customer interactions in the pipe line, but the time to order have been too optimistic
- Overhead resource level build up during last year remains, but the increase pace lowered
- Result impacted by the lower sales in the quarter
- Business plan still in place but the view on timing has changed

### Sales & EBIT (%) per quarter, MSEK



## Prospects for 2016

*“ Given the lost sales from Mitsubishi Electric’s products, Beijer Electronics is set to return lower sales in the first half year. Overall, Beijer Electronics is expected to generate slightly lower sales and post a somewhat improved operating profit excluding non-recurring items for the full year 2016 compared to 2015. ”*

# Agenda

About us

Key events in the quarter

Financials

Q&A

