



Positive end to the year, with higher order intake and improved profit
JANUARY—DECEMBER 2016

Per Samuelsson, CEO and Joakim Laurén, CFO

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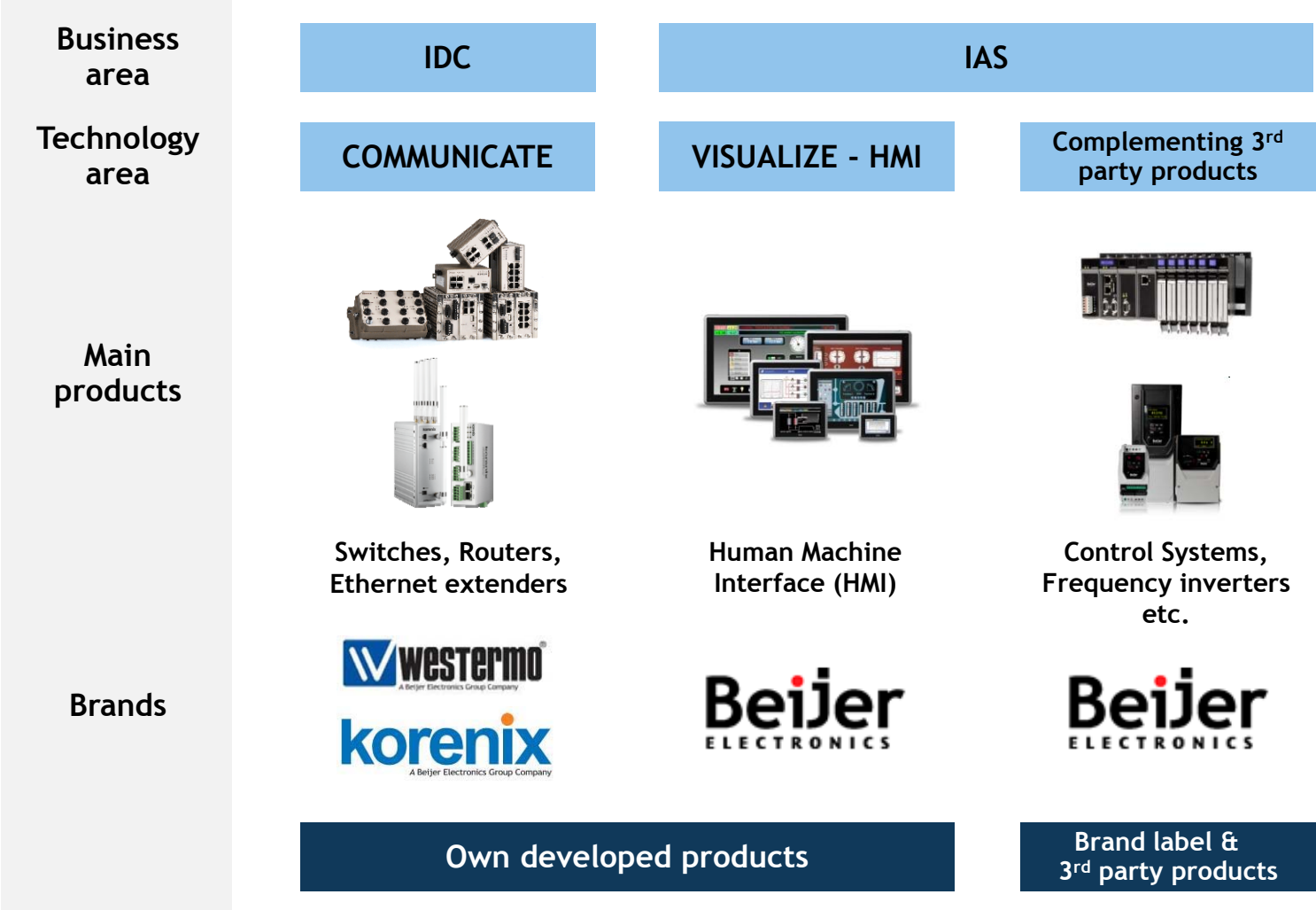


Beijer Electronics – an innovative company within Industrial Automation and Data Communication

- ▶ Founded in 1981
- ▶ Global headquarter in Malmö
- ▶ A global supplier—present in Americas, Europe and Asia
- ▶ R&D facilities in Sweden, Germany, Taiwan and USA
- ▶ 20% of all employees in R&D
- ▶ Revenue 2015: 1.4 BSEK



The business is divided in two business areas up to 2016



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Key events in the quarter

- ▶ Change work ongoing...
 - New more flat and agile organization starts to add value
 - Restructuring program in IAS finalized according to plan
 - Product development activities continued on high level in IAS as well as in Westermo and Korenix
 - New product releases in the pipeline for 2017
 - Continued focus on Train segment within Westermo
 - Investment in production facilities at Stora Sundby, Sweden
 - Korenix target Surveillance and Transport segments with Wireless technology
- ▶ Order growth
- ▶ Sales moving sideways
- ▶ Operating profit positive

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%.

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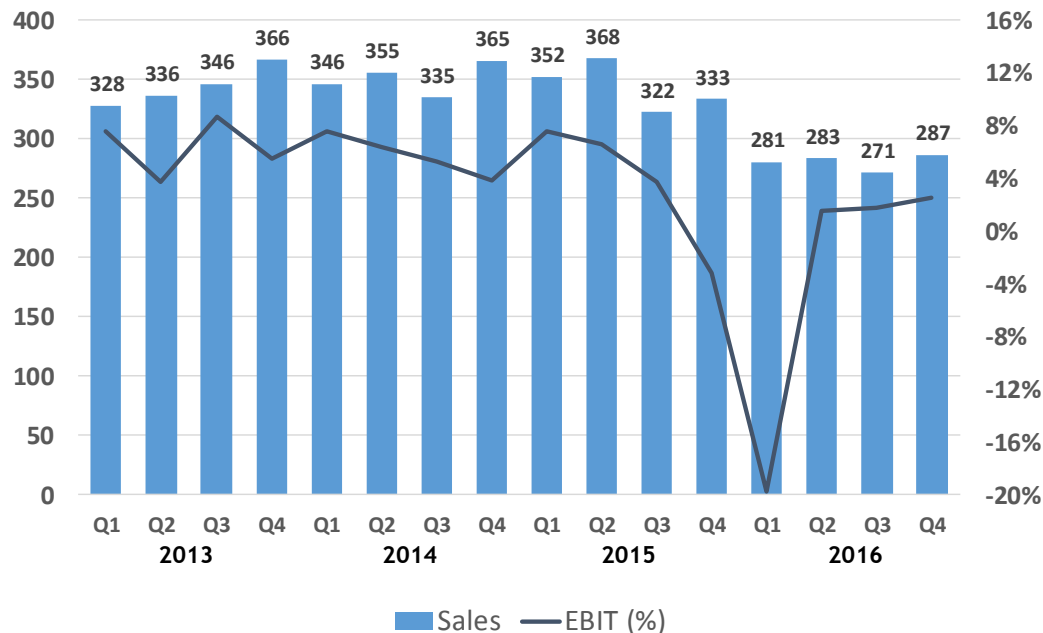
Group – Positive end to the year and boosted orders in the quarter

(MSEK)	Q4 2016	Q4 2015	+/-	FY 2016	FY 2015	+/-
Order intake	331.1	343.1	-3.5%	1,142.5	1,332.6	-14.3%
Sales	286.6	333.0	-13.9%	1,121.5	1,374.6	-18.4%
EBITDA	22.8	6.3	260.5%	23.0	115.5	-80.1%
EBITDA %	8.0%	1.9%		2.1%	8.4%	
EBIT	7.3	-10.7	-167.8%	-39.4	52.2	-175.4%
EBIT %	2,5%	-3,2%		-3,5%	3,8%	

Comments for the quarter and FY

- Improved EBIT and the fifth consecutive improved quarter, yet still on low levels.
- Q4 orders +22% compared to average earlier 2016. Sequential growth in both business areas.
- Sales overall basically moving sideways by quarters even if Q4 was the best in 2016.
- Restructuring activities behind improved profitability and a 50 MSEK program was charged in Q1.
- R&D expenses remained at high level at 137 MSEK (134) for the full year.
- Full year EBT impacted in Q3 by 72 MSEK impairment of Altus in Brazil.

Sales & EBIT (%) per quarter, MSEK



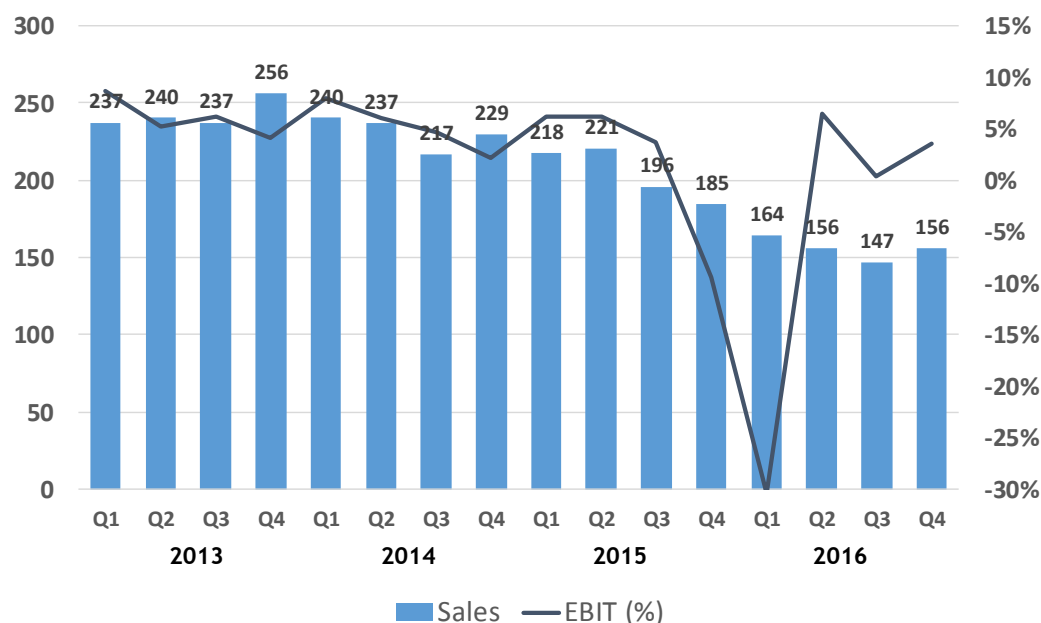
IAS – Restructuring activities finalized and contributes to profitability

(MSEK)	Q4 2016	Q4 2015	+/-	FY 2016	FY 2015	+/-
Order intake	158.8	179.7	-11.6%	609.1	798.4	-23.7%
Sales	156.2	184.5	-15.4%	623.3	818.8	-23.9%
EBITDA	10.6	-11.5	-192.4%	-14.4	38.3	-137.6%
EBITDA %	6.8%	-6.2%		-2.3%	4.7%	
EBIT	5.4	-17.3	-131.2%	-34.1	17.1	-300.1%
EBIT %	3.5%	-9.4%		-5.5%	2.1%	

Comments for the Quarter and YTD

- Restructuring program basically finalized and outcome according to plan.
- Orders sequentially by quarter show small growth but still at low levels.
- Sales moving sideways where Asia is growing while Europe shows a slight decrease impacted by market situation in Turkey and Americas on similar levels.
- Product development activities continued at high levels with further releases during 2017.
- EBIT positive but yet at low numbers.

Sales & EBIT (%) per quarter, MSEK



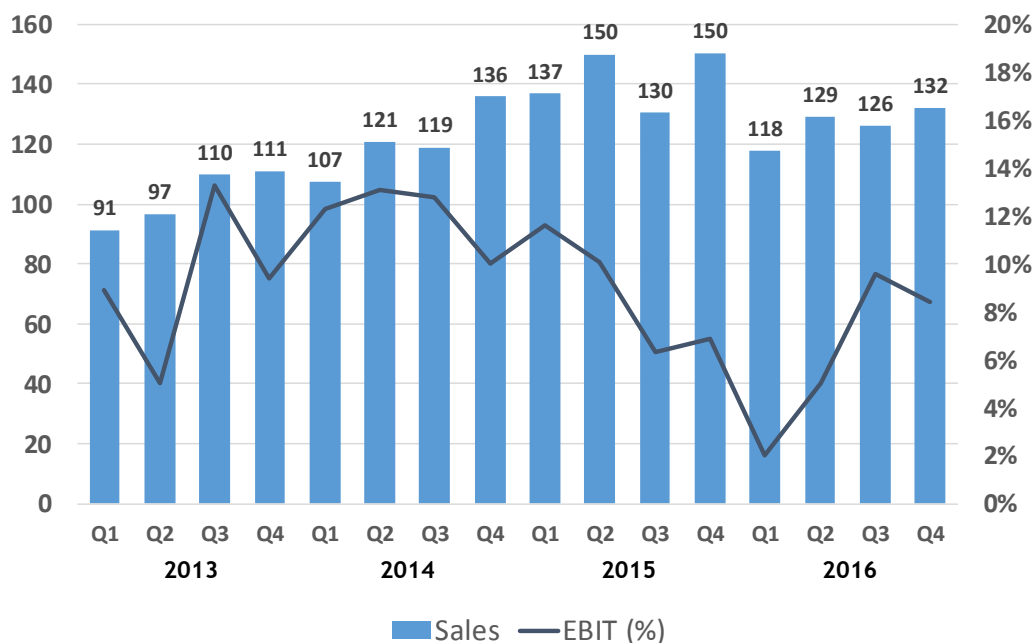
IDC – Good orders in the quarter and profitability remains

(MSEK)	Q4 2016	Q4 2015	+/-	FY 2016	FY 2015	+/-
Order intake	172.3	163.4	5.4%	533.3	534.2	-0.2%
Sales	132.1	150.4	-12.2%	505.0	567.6	-11.0%
EBITDA	18.9	18.7	1.0%	63.8	80.3	-20.6%
EBITDA %	14.3%	12.4%		12.6%	14.1%	
EBIT	11.0	10.4	6.3%	32.0	49.7	-35.6%
EBIT %	8.4%	6.9%		6.3%	8.8%	

Comments

- Orders good in the quarter at +5% vs last year and +22% vs average earlier 2016. Westermo at all-time-high quarter and Korenix at +21%.
- Sales at -12% vs last year due to less project deliveries but sequentially by quarter in 2016 we see a positive trend.
- Similar result in Q4 due to better gross margins and lower costs. FY lower EBIT fully due to the lower sales level as gross margins and lower costs not fully compensate.
- Product development activities kept on high levels with product releases to come.
- Supply chain investments in Westermo ongoing according to plan.

Sales & EBIT (%) per quarter, MSEK



Outlook for 2017

“ Beijer Electronics finished 2016 in a positive trend. The realignment of the year, with a significantly reduced cost base, new product range and more customer-oriented sales organization, has made the group stronger. Accordingly, we expect the group to be able to achieve higher sales and better underlying operating profit in 2017 than achieved in 2016 ”

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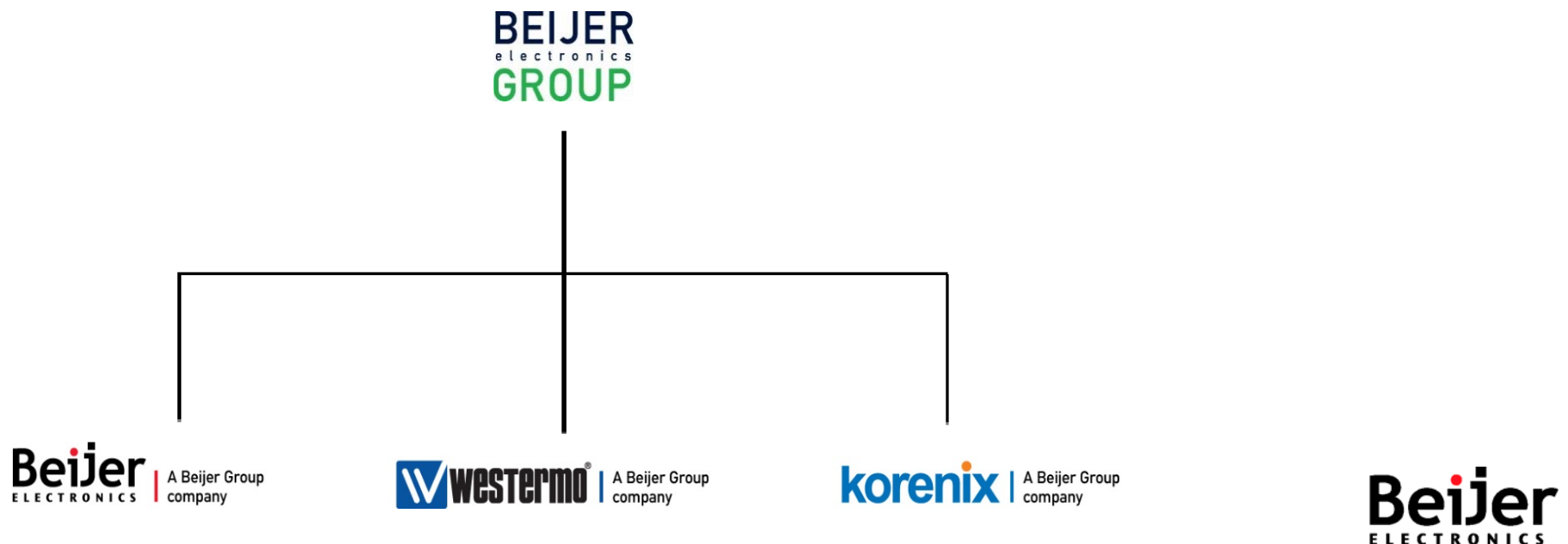
New segment reporting 2017

Q&A



New Segment reporting 2017

- ▶ As from 2017, the Beijer Electronics Group will change segment reporting.
- ▶ The former Business areas IAS and IDC will be replaced by the Business entities *Beijer Electronics*, *Westermo* and *Korenix*.
- ▶ IAS will be called *Beijer Electronics*.
- ▶ IDC will be split into *Westermo* and *Korenix* where Westermo represent approx. 80% of the sales in Business area IDC.



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