



## JANUARY – JUNE, 2014

### Continued Sales Growth and Improved Profitability in the Second Quarter

#### Second Quarter

- Order intake of 353.7 MSEK (363.8).
- Net sales up by 6% to 355.4 MSEK (336.0).
- Operating profit increased to 55.7 MSEK (12.6) including a 32.9 MSEK capital gain. Excluding the capital gain, operating profit was 22.8 MSEK.
- Profit after tax was 30.3 MSEK (0.7).
- Earnings per share were 1.57 SEK (0.11) including the capital gain.
- Disposal of vehicle operation in the US in the quarter.

#### First Half-year

- Order intake of 708.4 MSEK (721.7).
- Net sales up by 6% to 701.5 MSEK (663.8).
- Operating profit increased to 81.9 MSEK (37.3) including a 32.9 MSEK capital gain.
- Profit after tax was 45.4 MSEK (17.5).
- Earnings per share were 2.36 SEK (0.93) including the capital gain.

# Interim Report, Beijer Electronics AB

## Comments from Fredrik Jönsson, CEO

“Beijer Electronics achieved continued sales increases and improved operating profit in the second quarter 2014. The cautiously positive trend was confirmed, and we’ve now improved our earnings for four consecutive quarters. Good cost control means that increased volumes feed through to our earnings. The recovery remains slow, and some uncertainty persists on many markets. Order intake in the second quarter was down somewhat, mainly due to the effects of the disposal of our vehicle operation in the US.

The IDC business area achieved new successes with continued brisk progress on all markets. IDC secured another major order in the Train segment from a new customer. Sales were up by 25% in the second quarter, while earnings more than doubled. IDC continued to expand its product portfolio in Westermo Edge Network Solutions. These products support an array of new industrial applications, and consolidate Westermo’s technological leadership. Product development and marketing initiatives have been upscaled to address a strong underlying market.

The IAS business area achieved some recovery in the second quarter. Operating profit was up somewhat, while sales and order intake decreased. The Nordic markets remain slow. Asia continues to recover, while the outlook in the rest of Europe varied. Sales increased somewhat in the US.

In the second quarter, the US operations of IAS were affected by the successful disposal of our vehicle operation, with annualized sales of some 70 MSEK. With a liquidity injection of nearly 50 MSEK, and a capital gain of over 30 MSEK, we strengthened our Balance Sheet

and freed up resources for more initiatives in our core businesses—industrial operator terminals and industrial data communication.

The product range IAS launched last fall is achieving brisk growth, albeit from low levels. A new rugged operator terminal for demanding working environments was launched in the second quarter, and has attracted substantial market interest.”

## Market and Surrounding World

Demand on the global industrial automation market featured a recovery, even if substantial uncertainty persists on many markets. The US market returned solid growth. In Europe, the outlook remained fragmented, with good demand on some markets and slowing demand on others. Asia continued to recover.

## The Group in the Second Quarter

Group order intake was 353.7 MSEK (363.8) in the second quarter. Mainly, the downturn is a consequence of the disposal of the vehicle operation in the US. Excluding this disposal, the decrease was very moderate, at less than 0.9%. Order intake in the IDC business area was unchanged, but decreased in IAS.

Group sales increased by 6% to 355.4 MSEK (336.0). IDC’s sales were up by 24%, while IAS’s sales decreased by just over 1%, due to the disposal in the US. Group sales in the Nordics were down by 4%, but increased by 13% in the rest of Europe. Sales in the US increased somewhat. Sales were up by 16% in Asia.

## Business Area Sales and Operating Profit

MSEK	Sales Quarter 2		Operating Profit Quarter 2		Sales 6 Mth.		Operating Profit 6 Mth.	
	1406	1306	1406	1306	1406	1306	1406	1306
IAS business area	236.6	240.2	47.1	12.5	476.8	477.5	66.3	32.8
IDC business area	120.8	96.8	15.8	4.8	228.1	188.2	29.0	12.9
Intra-group sales	-2.0	-1.0			-3.4	-1.9		
Group adjustments and depreciation			-7.2	-4.7			-13.4	-8.4
<b>Beijer Electronics Group</b>	<b>355.4</b>	<b>336.0</b>	<b>55.7</b>	<b>12.6</b>	<b>701.5</b>	<b>663.8</b>	<b>81.9</b>	<b>37.3</b>

\* Including capital gains of SEK 32,936 from sales of Vehicle operations in USA

Group operating profit before depreciation and amortization was 72.0 MSEK (28.2). This includes a capital gain of 32.9 MSEK from the disposal in the US. Depreciation and amortization was 16.3 MSEK (15.7). Operating profit including the capital gain was 55.7 MSEK (12.6). Excluding the capital gain, operating profit increased by 82% to 22.8 MSEK, corresponding to an operating margin of 6.4% (3.8). The profit increase is due to higher sales volumes and a better gross margin. Total development expenses were 29.4 MSEK (26.5), or 8.3% (7.9) of group sales. This increase is wholly driven by IDC.

Profit before tax increased to 49.6 MSEK (8.3) including the capital gain. Net financial income/expense was -6.1 MSEK (-4.3). Profit after estimated tax amounted to 30.3 MSEK (0.7). Earnings per share after estimated tax were 1.57 SEK (0.11).

**The Group in the First Half-year**

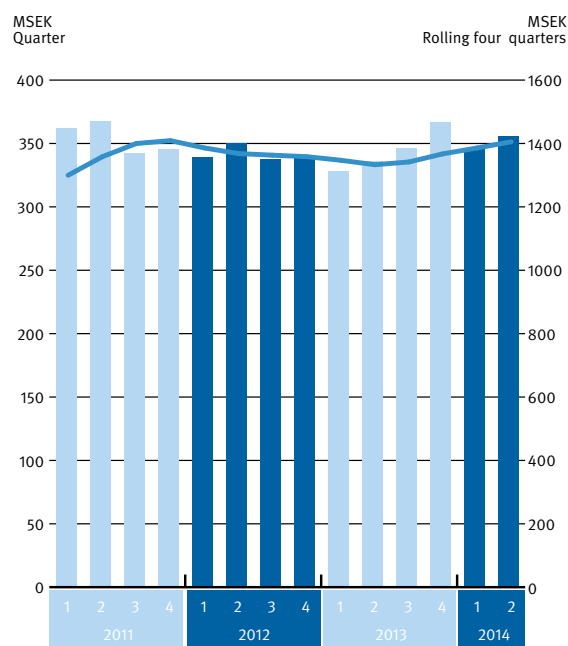
Order intake was down somewhat in the first six months of the year due to strong comparative figures and the disposal of the vehicle operation in the US. Order intake in

the period was 708.4 MSEK (721.7). The IDC business area's order intake was up by 9%, but down by 6% in IAS.

Group sales were up by 6% to 701.5 MSEK (663.8). IDC's sales were up by 21%, while IAS's sales were unchanged. Group operating profit before depreciation and amortization was 114.9 MSEK (68.0) including the capital gain of 32.9 MSEK from the disposal in the US. Depreciation and amortization was 33.0 MSEK (30.7). Operating profit including the capital gain was 81.9 MSEK (37.3). Excluding the capital gain, operating profit increased by 31% to 49.0 MSEK. This corresponded to an operating margin of 7.0% (5.6). The profit improvement is due to higher sales volumes and a better gross margin. Total development expenses were 57.1 MSEK (53.1), or 8.1% (8.0) of group sales.

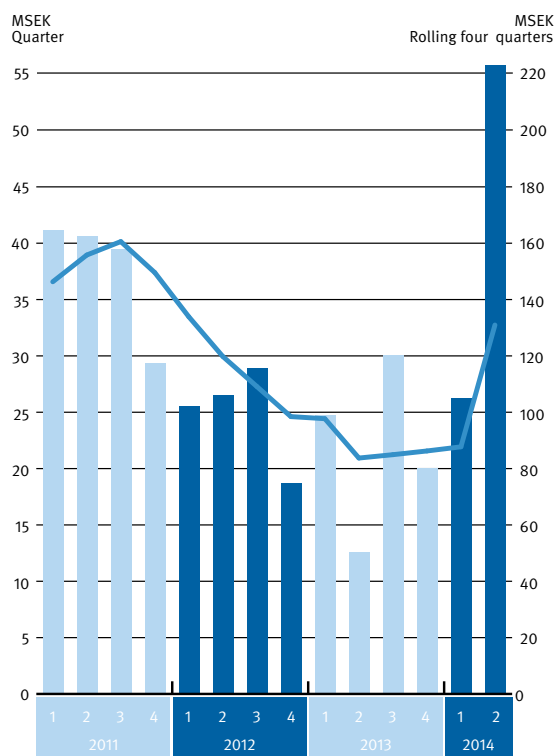
Profit before tax increased to 70.3 MSEK (31.8) including the capital gain. Net financial income/expense was -11.7 MSEK (-5.5). Profit after estimated tax was 45.4 MSEK (17.5). Earnings per share after estimated tax were 2.36 SEK (0.93).

**Group Sales**



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

**Group Operating Profit**



▲ The bars and left-hand scale indicate quarterly profit after depreciation. The curve and right-hand scale show rolling four quarter profit after depreciation.

## Industrial Automation Solutions Business Area

Overall, the Industrial Automation Solutions (IAS) business area continued to address a market featuring high uncertainty and irregular demand. The Nordic market performed poorly in the second quarter, apart from Norway. The other European markets showed some improvement, especially the UK and France, but levels for the half-year were down on the corresponding period of 2013. Order intake decreased in the US, while sales increased. However, the progress of demand in the US is relatively positive. Demand in Asia increased from low levels.

Good cost control meant that IAS was able to achieve a modest improvement in operating profit. Additionally, IAS conducted the disposal of its vehicle operation in the US, contributing nearly 33 MSEK to profit. In the period, IAS also concluded its restructuring in Germany as planned, and launched a new rugged operator terminal for challenging working environments. This product was prepared in close collaboration with major customers.

### Second Quarter

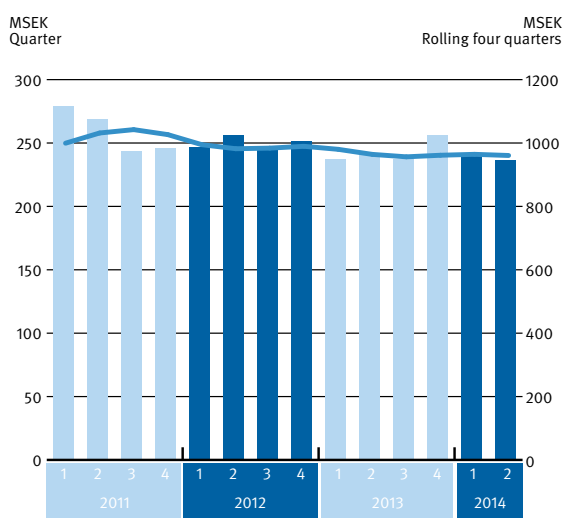
Business area order intake was 238.1 MSEK (247.7). The decrease is due to the disposal of the vehicle operation in

the US in the second quarter. Excluding the disposal, the decrease was moderate, at -1%, due to developments in the Nordic region and EMEA. Sales were down by 2% to 236.6 MSEK (240.2), due to the disposal. Operating profit before depreciation and amortization was 53.9 MSEK (19.3) including the capital gain of 32.9 MSEK. Depreciation and amortization was 6.8 MSEK (6.8). Operating profit was 47.1 MSEK (4.5) including the capital gain. Excluding the capital gain, operating profit increased by 14% to 14.2 MSEK (12.5), corresponding to an operating margin of 6.0% (5.2).

### First Half-year

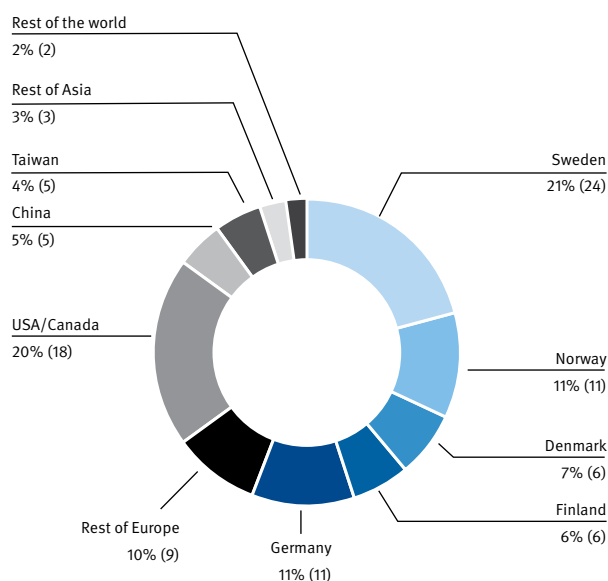
Order intake amounted to 474.7 MSEK (507.0). Sales were unchanged at 476.8 MSEK (477.5). Operating profit before depreciation and amortization increased to 80.5 MSEK (46.2) including the capital gain of 32.9 MSEK. Depreciation and amortization was 14.2 MSEK (13.3). Operating profit was 66.3 MSEK (32.9) including the capital gain. Excluding the capital gain, operating profit was 33.4 MSEK (32.9), equating to an operating margin of 7.0% (6.9).

Sales, IAS



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

Sales by Geographical Market, IAS



▲ Sales by geographical market for the first half-year 2014 compared to 2013.

## Industrial Data Communication Business Area

The Industrial Data Communication (IDC) business area continued its very positive progress in the second quarter, with robust sales gains and operating profit more than doubling. All markets are making positive progress, although the American and Chinese markets stand out especially. The Train segment secured another major order from a new customer. The Energy segment also achieved good growth.

IDC executed a major launch of complementary products within Westermo Edge Network Solutions in the quarter. These products support a number of industrial applications in various networks for permanent plant in segments like energy, water and process industries. Overall, IDC upscaled its product development and marketing initiatives to gain further traction from the strong underlying market.

### Second Quarter

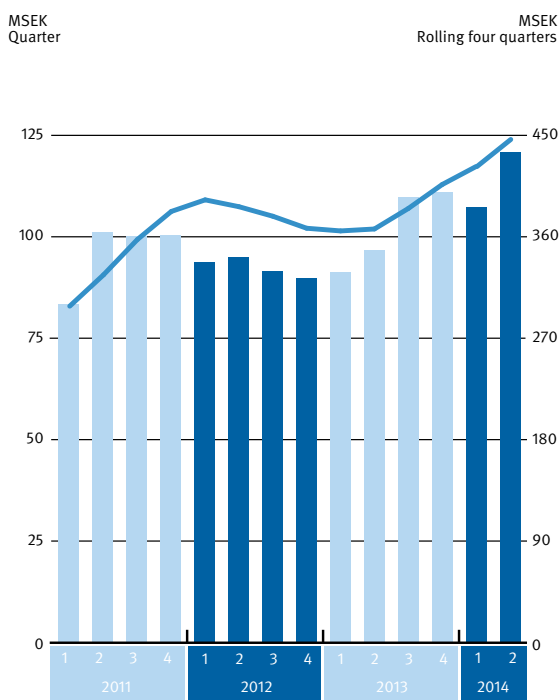
IDC's order intake remained positive and unchanged on

a very robust second quarter of 2013. Order intake was 115.6 MSEK (116.1) in the second quarter. Sales increased by 25% to 120.8 MSEK (96.8). Operating profit before depreciation and amortization doubled to 22.6 MSEK (11.3). Depreciation and amortization were 6.8 MSEK (6.5). Operating profit increased by 229% to 15.8 MSEK (4.8), equating to an operating margin of 13.1% (5.0). The profit improvement is due to higher sales volumes and a better gross margin.

### First Half-year

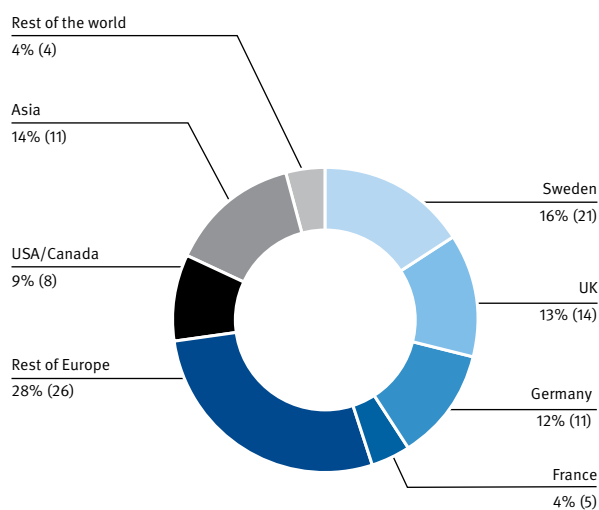
Order intake increased by 8% to 233.6 MSEK (214.7). Sales were up by 21% to 228.1 MSEK (188.2). Operating profit before depreciation and amortization increased by 65% to 42.6 MSEK (25.8). Depreciation and amortization was 13.6 MSEK (12.9). Operating profit more than doubled to 29.0 MSEK (12.9), equating to an operating margin of 12.7% (6.9).

Sales, IDC



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

Sales by Geographical Market, IDC



▲ Sales by geographical market for the first half-year 2014 compared to 2013.

## Other Financial Information

Group investments including capitalized development expenses and acquisitions amounted to 35.0 MSEK (127.6). Cash flow from operating activities was 58.5 MSEK (78.8). Equity was 435.2 MSEK (368.6) as of June 30, 2014. The equity ratio was 30.5% (25.6). Cash and cash equivalents were 130.6 MSEK (103.7). Net debt was 544.4 MSEK (646.6). The average number of employees was 759 (745).

### Prospects for 2014

Beijer Electronics generated increased sales and improved operating profit in the second quarter and the first half-year 2014. However, substantial uncertainty persists in the surrounding world. Meanwhile, markets have gradually stabilize, giving cause for cautious optimism for the full year 2014.

### Significant Events

In June 2014, Beijer Electronics sold the US vehicle operations of the IAS business area to Israeli company Micronet. This disposal was a component of the strategy of focusing on Beijer Electronics' core businesses—industrial operator panels and industrial data communication.

This transaction produced a capital gain of 32.9 MSEK before tax. Management judges that the sold operation will reduce the group's annualized sales by some 70 MSEK going forward. It judges the effect on future operating profit as marginal.

The transaction did not imply any major changes to the group's or the IAS business area's fixed assets. This capital gain is included in other operating revenue in the Consolidated Income Statement.

At year-end, Beijer Electronics implemented a new global organization, which altered its reporting from three business areas to two—Industrial Automation Solutions (IAS) and Industrial Data Communication (IDC). The IAS business area was formed from the Automation and HMI Products business areas. These changes are a consequence of Beijer Electronics re-purchasing 15% of Automation from Mitsubishi Electric in 2013. Automation also launched an extended Beijer Electronics-branded product range, for global sale. Coordination with a global sales organization means more customer focus and sharper competitiveness. Numbers from the previous year have been restated to comply with the new reporting.

Malmö, Sweden, July 11, 2013

Fredrik Jönsson  
CEO and President

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*CEO*

**Christer Öjdemark**  
*Board member*

**Bert Åke Eriksson**  
*Board member*

**Maria Khorsand**  
*Board member*

# Interim Report in Summary

## Income Statement—Group

SEK 000	Quarter 2, 2014	Quarter 2, 2013	6 Mth. 2014	6 Mth. 2013	Full Year, 2013
Net turnover	355,435	336,047	701,511	663,760	1,376,187
Other operating revenue	34,610 <sup>a)</sup>	923	34,928 <sup>a)</sup>	1,180	1,509
Operating expenses excluding depreciation and amortisation	-318,027	-308,735	-621,480	-596,955	-1,226,383 <sup>b)</sup>
<b>Operating profit before depreciation and amortization</b>	<b>72,018</b>	<b>28,235</b>	<b>114,959</b>	<b>67,985</b>	<b>151,313</b>
Amortization, intangible assets	-11,298	-11,276	-22,878	-22,429	-46,182
Depreciation, property, plant and equipment	-4,982	-4,384	-10,147	-8,250	-17,764
<b>Operating profit</b>	<b>55,738</b>	<b>12,575</b>	<b>81,934</b>	<b>37,306</b>	<b>87,367</b>
Net financial items	-6,140	-4,286	-11,632	-5,482	-15,493
<b>Profit before tax</b>	<b>49,598</b>	<b>8,289</b>	<b>70,302</b>	<b>31,824</b>	<b>71,874</b>
Estimated tax	-19,304	-7,586	-24,891	-14,318	-27,508
<b>Net profit</b>	<b>30,294</b>	<b>703</b>	<b>45,411</b>	<b>17,506</b>	<b>44,366</b>
<i>Attributable to equity holders of the parent</i>	<i>29,969</i>	<i>2,044</i>	<i>44,974</i>	<i>17,714</i>	<i>44,218</i>
<i>Attributable to minority interest</i>	<i>325</i>	<i>-1,341</i>	<i>437</i>	<i>-208</i>	<i>148</i>
<i>Earnings per share, SEK<sup>a)</sup></i>	<i>1.57</i>	<i>0.11</i>	<i>2.36</i>	<i>0.93</i>	<i>2.32</i>

<sup>a)</sup> Of which capital gains of SEK 32,936 from sales of Vehicle operations in USA

<sup>b)</sup> Of which non-recurring items were -5,633

## Comprehensive Income

SEK 000	Quarter 2, 2014	Quarter 2, 2013	6 Mth. 2014	6 Mth. 2013	Full Year, 2013
Net profit	30,294	703	45,411	17,506	44,366
Actuarial gains and losses					9,714
Translation differences	27,150	15,969	22,924	2,079	-11,706
<b>Comprehensive income</b>	<b>57,444</b>	<b>16,672</b>	<b>68,335</b>	<b>19,585</b>	<b>42,374</b>
<i>Attributable to equity holders of the parent</i>	<i>56,837</i>	<i>15,207</i>	<i>67,684</i>	<i>16,793</i>	<i>41,399</i>
<i>Attributable to minority interest</i>	<i>607</i>	<i>1,465</i>	<i>651</i>	<i>2,792</i>	<i>975</i>

## Balance Sheet—Group

SEK 000	Jun 30, 2014	Jun 30, 2013	Dec 31, 2013
<b>Assets</b>			
Fixed assets	848,283	861,331	850,863
Current assets	464,466	483,722	458,020
Cash equivalents and short-term investments	130,589	103,657	147,926
<b>Total assets</b>	<b>1,443,338</b>	<b>1,448,710</b>	<b>1,456,809</b>
<b>Liabilities and shareholders' equity</b>			
Shareholders' equity	435,213	368,577	391,363
Minority share of shareholders' equity	5,451	2,792	4,800
Long-term liabilities	507,053	570,144	544,766
Current liabilities	495,621	507,197	515,880
<b>Total liabilities and shareholders' equity</b>	<b>1,443,338</b>	<b>1,448,710</b>	<b>1,456,809</b>
<i>Of which interest-bearing liabilities</i>	<i>675,015</i>	<i>750,159</i>	<i>707,776</i>

## Statement of Changes to Shareholders' Equity

SEK 000	Jun 30, 2014	Jun 30, 2013	Dec 31, 2013
<b>Attributable to equity holders of the parent</b>			
Opening balance, shareholders' equity, 1 January	391,363	415,843	415,843
Change of accounting principle		-31,443	-31,443
New share issue		45	45
Other paid-up capital		8,049	8,049
Dividend	-23,834	-23,668	-23,668
Acquisitions		-17,042	-18,862
Comprehensive income	67,684	16,793	41,399
<b>Closing balance, shareholders' equity</b>	<b>435,213</b>	<b>368,577</b>	<b>391,363</b>
<b>Minority interest</b>			
Opening balance, 1 January	4,800	21,316	21,316
Acquisitions		-21,316	-17,491
Dividend	651	2,792	975
<b>Closing balance</b>	<b>5,451</b>	<b>2,792</b>	<b>4,800</b>

## Key Figures–Group

	Jun 30, 2014	Jun 30, 2013	Dec 31, 2013
Operating margin, %	11.7	5.6	6.3
Profit margin, %	6.5	2.6	3.2
Equity ratio, %	30.5	25.6	27.2
Shareholders' equity per share, SEK	22.8	19.3	20.5
Earnings per share, SEK	2.36	0.93	2.32
Return on equity after tax, %	17.8	13.1	11.1
Return on capital employed, %	12.0	8.5	8.8
Return on net operating assets, %	21.4	13.3	14.0
Average number of employees	759	745	776

## Cash Flow Statement–Group

SEK 000	Jun 30, 2014	Jun 30, 2013	Dec 31, 2013
Cash flow from operating activities before changes in working capital	83,555	43,363	115,803
Change in working capital	-25,009	35,402	92,107
<b>Cash flow from operating activities</b>	<b>58,546</b>	<b>78,765</b>	<b>207,910</b>
Cash flow from investing activities	-34,963	-127,629	-140,871
Cash flow from finance activities	-21,361	48,577	-20,187
Dividends paid	-23,834	-23,668	-23,668
<b>Change in cash equivalents</b>	<b>-21,612</b>	<b>-23,955</b>	<b>23,184</b>
Cash equivalents and short-term investments, opening balance	147,926	128,469	128,469
Exchange rate change, cash equivalents	4,275	-857	-3,727
<b>Cash equivalents and short-term investments, closing balance</b>	<b>130,589</b>	<b>103,657</b>	<b>147,926</b>



## Operating Segments

SEK 000	Quarter 2, 2014	Quarter 2, 2013	6 Mth. 2014	6 Mth. 2013	Full Year, 2013
<b>Net turnover</b>					
IAS	236,576	240,240	476,756	477,520	970,928
IDC	120,789	96,767	228,103	188,158	409,048
Group adjustments	-1,930	-960	-3,348	-1,918	-3,789
<b>Group</b>	<b>355,435</b>	<b>336,047</b>	<b>701,511</b>	<b>663,760</b>	<b>1,376,187</b>
<b>Operating profit before depreciation and amortization</b>					
IAS	53,875 <sup>a)</sup>	19,300	80,476 <sup>a)</sup>	46,172	85,714 <sup>b)</sup>
IDC	22,553	11,327	42,565	25,784	64,292
Parent company	-3,788	-2,911	-5,862	-7,411	-6,110
Group adjustments	-622	519	-2,220	3,440	7,417
<b>Group</b>	<b>72,018</b>	<b>28,235</b>	<b>114,959</b>	<b>67,985</b>	<b>151,313</b>
<b>Operating profit</b>					
IAS	47,079	12,547	66,254	32,826	58,174
IDC	15,801	4,798	28,967	12,928	37,887
Parent company	-5,529	-4,605	-9,271	-10,843	-12,919
Group adjustments	-1,613	-165	-4,016	2,395	4,225
<b>Group</b>	<b>55,738</b>	<b>12,575</b>	<b>81,934</b>	<b>37,306</b>	<b>87,367</b>

<sup>a)</sup> Of which capital gains from disposal of Vehicle operation in USA of SEK 32,936

<sup>b)</sup> Of which non-recurring items were -5,633

## Income Statement—Parent Company

SEK 000	Quarter 2, 2014	Quarter 2, 2013	6 Mth. 2014	6 Mth. 2013	Full Year, 2013
Net turnover	15,324	15,175	30,649	30,351	60,701
Operating expenses	-20,853	-19,780	-39,920	-41,194	-73,620
<b>Operating profit</b>	<b>-5,529</b>	<b>-4,605</b>	<b>-9,271</b>	<b>-10,843</b>	<b>-12,919</b>
Net financial items*	4,896	7,593	1,642	5,443	55,024
<b>Profit before tax</b>	<b>-633</b>	<b>2,988</b>	<b>-7,629</b>	<b>-5,400</b>	<b>42,105</b>
Appropriations	718	985	1,437	1,970	27,896
Estimated tax	55	-2,155	468	-569	-1,383
<b>Net profit</b>	<b>140</b>	<b>1,818</b>	<b>-5,724</b>	<b>-3,999</b>	<b>68,618</b>
* Of which is dividends from subsidiaries	3.7	5.0	3.7	5.0	67.0

## Balance Sheet—Parent Company

SEK 000	Jun 30, 2014	Jun 30, 2013	Dec 31, 2013
<b>Assets</b>			
Fixed assets	801,326	860,993	843,683
Current assets	24,179	23,659	47,674
Cash equivalents and short-term investments	3,017	9,724	11,958
<b>Total assets</b>	<b>828,522</b>	<b>894,376</b>	<b>903,315</b>
<b>Liabilities and shareholders' equity</b>			
Shareholders' equity	90,892	47,833	120,450
Untaxed reserves	2,487	5,895	3,925
Long-term liabilities	469,525	525,645	500,213
Current liabilities	265,618	315,003	278,727
<b>Total liabilities and shareholders' equity</b>	<b>828,522</b>	<b>894,376</b>	<b>903,315</b>
<i>Of which interest-bearing liabilities</i>	<i>590,850</i>	<i>665,614</i>	<i>626,064</i>

### Beijer Electronics AB (publ)

Beijer Electronics is a fast-growing technology company active in industrial automation and data communications. The company develops and markets products and solutions that focus on the user. Since its start-up in 1981, Beijer Electronics has evolved into a multinational group present in 22 countries. The company is listed on NASDAQ OMX Nordic Exchange Small Cap list under the ticker BELE.

### More Information

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

### Financial Calendar

October 22, 2014.....Nine-month Interim Report  
January 30, 2015.....Financial Statement



### New rugged iX HMI panel—proven to the extremes

The rugged 15.4 inch operator panel iXT15BR is designed for a long and productive service life in challenging environments. The new panel is certified to withstand wind, snow and rain, working on heavy duty motors in remote locations, or in a steamy offshore engine room. The rugged iXT15BR is certified by major classification societies for hazardous environments (UL, IECEx, ATEX) as well as to marine standards (ABS, DNV, GL, LR) for use on vessels and off-shore installations. The rugged iX HMI panel is designed for an operating temperature of -30 to 70°C and conforms to NEMA 4 and IP66 standards.

► [Read more at www.beijerelectronics.com](http://www.beijerelectronics.com)



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