

Interim report January–September 2014

Stable demand

- Net revenues amounted to MSEK 771 (753) during for third quarter and MSEK 2,502 (2,293) for January to September.
- Profit after net financial items totaled MSEK 97 (100) for the third quarter and MSEK 322 (288) for January to September.
- Earnings per share amounted to MSEK 2.44 (2.55) for the third quarter and SEK 8.12 (7.32) for January to September.
- Cash flow after capital expenditures, excluding corporate acquisitions, amounted to MSEK 74 (80) for the third quarter and MSEK 161 (209) for January to September.
- The balance sheet remained strong and the net debt/equity ratio was 11 percent (12).

CEO's comments

Invoicing continued to increase during the third quarter, albeit at a slower pace than in the past. The trend from the first half of the year continued, with favorable growth reported by Habia, mainly driven by a high level of demand in the telecom segment. However, the mild winter weather at the beginning of the year continued to have a negative effect on Lesjöfors's sales of chassis springs. The Beijer Alma Group sells to several different industries, some of which are sensitive to economic fluctuations and others which are not. The business segments with the greatest dependence on the general economic situation were essentially stable compared with the preceding year.

Profit after net financial items totaled MSEK 97, compared with MSEK 100 in the year-earlier period. The operating margin fell to 12.8 percent (13.7). This slight decline in profitability was mainly the result of changes in the Group's income structure, with lower income in Lesjöfors replaced by higher income in Habia.

Cash flow amounted to MSEK 74 (80). The Beijer Alma Group maintained a strong financial position. Net debt at the end of the period totaled MSEK 180 (178) and the debt/equity ratio fell to 11 percent (12), which means that the Group has sufficient resources to grow both organically and through corporate acquisitions.

Lesjöfors's invoicing amounted to MSEK 395, down 7 percent year-on-year. This decline was attributable to weaker demand in the Chassis Springs business area, whose sales fell 26 percent. Sales of chassis springs were impacted significantly by the mild winter. However, a comparison with the figures for 2013 is challenging, since demand at the time was impacted by exceptionally favorable weather conditions. Sales of industrial springs grew 2 percent. Demand in the UK operations increased sharply. Germany also reported growth, while the Nordic region remained stable. The conclusion of project transactions in the telecom sector continued to exert pressure on the company's income in China.

Operating profit amounted to MSEK 66, compared with MSEK 83 in the year-earlier period, and the operating margin declined year-on-year. This decline in earnings was fully attributable to Chassis Springs, while the Industry business area reported an unchanged operating margin and earnings.

Habia's invoicing rose 29 percent to MSEK 195. Telecom customers continued to account for most of this increase. Sales of cables for base-station antennas rose 61 percent. However, order bookings increased at a slower pace, which may indicate that demand has now stabilized at a historically high level. Other customer segments grew 10 percent. This improvement in invoicing was mainly attributable to deliveries of cables used in nuclear power plants.

Operating profit increased to MSEK 24, compared with MSEK 15 in the year-earlier period. The favorable capacity situation in the Telecom business area contributed to the company's improved earnings and higher operating margin.

Habia decided to relocate its entire manufacturing operation for cables for base-station antennas to China. Preparations will be made in the fourth quarter of 2014 and the move is expected to be

completed in the second half of 2015. The company's manufacturing capacity will also be expanded in conjunction with the relocation.

Beijer Tech's invoicing was essentially unchanged compared with the year-earlier period and amounted to MSEK 181 (178). Operating profit rose to MSEK 13 (10), resulting in an improved operating margin. The Fluid Technology business area reported a strong sales and earnings trend, as well as a higher operating margin. While the sales trend in Industrial Products was somewhat negative, the business area maintained its earnings and reported a slightly stronger operating margin.

In conclusion, the level of risk in the global economy has increased in recent months. However, the demand situation is relatively stable compared with earlier quarters.

*Bertil Persson
President and CEO*

Group

During the third quarter, order bookings amounted to MSEK 750 (755), down 1 percent. Invoicing increased 2 percent to MSEK 771 (753). Fluctuations in exchange rates had a positive impact of MSEK 4 on invoicing. Operating profit totaled MSEK 98.6 (103.1) and the operating margin was 12.8 percent (13.7). Profit after net financial items amounted to MSEK 96.7 (100.3). Earnings per share after tax totaled SEK 2.44 (2.55). Fluctuations in exchange rates had a positive impact of MSEK 4 on earnings. Cash flow after capital expenditures amounted to MSEK 73.5 (79.8).

During the January to September period, order bookings amounted to MSEK 2,501 (2,333), up 7 percent. Invoicing rose 9 percent to MSEK 2,502 (2,293). In comparable units, order bookings increased 5 percent and invoicing 7 percent. Fluctuations in exchange rates had a positive impact of MSEK 3 on order bookings and invoicing. Operating profit totaled MSEK 328.8 (297.8) and the operating margin was 13.1 percent (13.0). Profit after net financial items amounted to MSEK 322.0 (288.3). Effects from foreign exchange contracts and fluctuations in exchange rates had a positive impact of MSEK 7 on earnings. Earnings per share totaled SEK 8.12 (7.32).

Cash flow after capital expenditures, excluding corporate acquisitions, amounted to MSEK 160.8 (209.4). Net debt totaled MSEK 180 (178).

Subsidiaries

Lesjöfors

Lesjöfors AB is a full-range supplier of standard and specially produced industrial springs, wire and flat strip components. The company is a dominant player in the Nordic region and one of the largest companies in its industry in Europe. Lesjöfors has manufacturing operations in Sweden, Denmark, Finland, Germany, Latvia, the UK, Slovakia and China.

During the third quarter, order bookings totaled MSEK 399 (442), down 10 percent. Invoicing amounted to MSEK 394 (423), down 7 percent. Fluctuations in exchange rates had a positive impact of MSEK 5 on order bookings and invoicing. Operating profit totaled MSEK 66.2 (82.7).

During the January to September period, order bookings remained unchanged at MSEK 1,303. Invoicing rose 4 percent to MSEK 1,329 (1,278). In comparable units, order bookings increased 4 percent and invoicing remained unchanged. Exchange rates had a positive impact of 4 percent. Operating profit totaled MSEK 246 (251).

Lesjöfors conducts its operations in two business areas: Industry and Chassis Springs. While Industry reported a year-on-year increase in invoicing and earnings, Chassis Springs' invoicing and earnings declined compared with the record figures reported in the year-earlier period.

Habia Cable

Habia Cable AB is one of Europe's largest manufacturers of custom-designed cables for customers in the telecom, transport, nuclear power, defense and other industries. The company has manufacturing operations in Sweden, Germany, China and Poland, and conducts sales worldwide.

During the third quarter, order bookings increased 28 percent to MSEK 171 (134). Invoicing amounted to MSEK 195 (151), up 29 percent. Fluctuations in exchange rates boosted order bookings and invoicing by 5 percent and operating profit totaled MSEK 23.6 (14.9).

During the January to September period, order bookings rose 31 percent to MSEK 604 (461). Invoicing increased 29 percent to MSEK 578 (447), with a currency effect of 4 percent. Operating profit totaled MSEK 66.6 (33.0).

Habia experienced highly favorable demand from the telecom sector and improved volumes from other customer segments.

Beijer Tech

Beijer Tech AB specializes in industrial trading in the Nordic region and represents several of the world's leading manufacturers. The company's operations are conducted in two business areas: Industrial Products and Fluid Technology/Industrial Rubber.

During the third quarter, order bookings and invoicing amounted to MSEK 181 (178), up 2 percent. Operating profit totaled MSEK 12.7 (9.9).

During the January to September period, order bookings and invoicing increased 4 percent to MSEK 594 (569). Operating profit totaled MSEK 35.0 (30.6).

Beijer Tech's market comprises the Nordic countries. Demand in Fluid Technology improved, while the market for Industrial Products remained cautious.

Parent Company

The Parent Company, Beijer Alma AB, is a holding company that does not conduct external invoicing. The Parent Company reported an operating loss of MSEK 3.8 (loss: 4.3) for the third quarter. The operating loss for the January to September period totaled MSEK 18.3 (loss: 16.6).

Revenues and earnings per operating sector/segment

Net revenues

MSEK	2014	2014	2014	2013	2013	2013	2013	2013	2012
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full-year	Full-year
Lesjöfors	394.5	455.8	479.1	398.8	423.5	472.1	381.9	1,676.3	1,366.7
Habia Cable	195.1	200.6	182.0	177.3	150.8	160.8	135.4	624.3	632.4
Beijer Tech	180.8	219.4	194.0	197.0	178.2	203.7	186.7	765.6	780.3
Parent Company and intra-Group	0.1	0.1	0.1	–	0.1	–	0.2	0.3	0.3
Total	770.5	875.9	855.2	773.1	752.6	836.6	704.2	3,066.5	2,779.7

Operating profit									
MSEK	2014	2014	2014	2013	2013	2013	2013	2013	2012
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full-year	Full-year
Lesjöfors	66.2	88.4	90.9	80.7	82.7	97.8	70.5	331.7	285.4
Habia Cable	23.6	22.5	20.5	20.2	14.9	12.8	5.3	53.2	61.9
Beijer Tech	12.7	14.3	8.0	3.0	9.9	13.9	6.8	33.6	47.2
Parent Company and intra-Group	-3.9	-7.6	-6.8	-5.4	-4.4	-7.0	-5.4	-22.2	-22.2
Total operating profit	98.6	117.6	112.6	98.5	103.1	117.5	77.2	396.3	372.3
Net financial items	-1.9	-1.7	-3.2	-2.1	-2.8	-3.5	-3.2	-11.6	-10.5
Profit after net financial items	96.7	115.9	109.4	96.4	100.3	114.0	74.0	384.7	361.8

No sales are conducted between segments.

Events after the end of the period

No significant events occurred after the end of the period.

Risks and uncertainties

The Group's material risks and uncertainties include business and financial risks. Business risks may include major customer exposures to individual industries or companies. Financial risks primarily pertain to foreign currency risks that arise because more than 85 percent of sales for Habia and Lesjöfors are conducted outside Sweden, while approximately 50 percent of production takes place in Sweden.

Management of the Group's financial risks is described in Note 31 of the 2013 Annual Report. The Group is deemed to have a favorable risk spread across industries and companies and the assessment is that the risk situation has remained unchanged during the year.

Accounting policies

Group

This interim report was prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). The presentation of the interim report complies with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

No new or revised IFRS that took effect in 2014 had a significant impact on the Group. Accounting policies and terms of calculation are unchanged compared with those applied in the 2013 Annual Report. Significant accounting and valuation policies are found on pages 52–55 of the 2013 Annual Report.

The fair value of financial assets and liabilities is deemed to correspond to the carrying amount.

Parent Company

The Parent Company, Beijer Alma AB, applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. These accounting policies correspond with the preceding year and with the consolidated accounting policies where applicable.

Condensed income statement**Group**

MSEK	2014	2013	2014	2013	2013	2012	2011
	Q3	Q3	Jan-Sep	Jan-Sep	Full-year	Full-year	Full-year
Net revenues	770.5	752.6	2,501.6	2,293.4	3,066.5	2,779.7	2,830.2
Cost of goods sold	-525.8	-512.1	-1,701.8	-1,556.8	-2,071.5	-1,842.5	-1,845.5
Gross profit	244.7	240.5	799.8	736.6	995.0	937.2	984.7
Selling expenses	-80.8	-74.0	-252.8	-235.2	-325.0	-316.3	-299.6
Administrative expenses	-66.4	-63.5	-220.1	-204.0	-276.8	-249.5	-244.6
Other income	-	-	-	-	2.0	-	-
Profit from participations in associated companies	1.1	0.1	1.9	0.4	1.1	0.9	0.9
Operating profit	98.6	103.1	328.8	297.8	396.3	372.3	441.4
Interest income	0.1	0.4	0.7	1.3	2.1	3.2	3.5
Interest expenses	-2.0	-3.2	-7.5	-10.8	-13.7	-13.7	-16.2
Profit after net financial items	96.7	100.3	322.0	288.3	384.7	361.8	428.7
Tax on net profit for the period	-23.2	-23.5	-77.3	-67.6	-95.7	-93.3	-115.8
Net profit attributable to Parent Company shareholders	73.5	76.8	244.7	220.7	289.0	268.5	312.9

Other comprehensive income

Items that may be reclassified to profit or loss

Cash-flow hedges	0.9	1.9	-5.5	-5.1	-6.4	0.6	-18.6
Translation differences	13.9	-9.4	32.1	2.6	19.7	-21.6	5.0
Total other comprehensive income after tax	14.8	-7.5	26.6	-2.5	13.3	-21.0	-13.6
Total comprehensive income attributable to Parent Company shareholders	88.3	69.3	271.3	218.2	302.3	247.5	299.3

Net earnings per share

before and after dilution, SEK	2.44	2.90	8.12	7.32	9.59	8.91	10.38
Dividend per share, SEK	-	-	-	-	8.00	7.00	7.00
Includes amortization and depreciation in the amount of, MSEK	24.8	22.0	73.0	63.9	86.7	78.7	76.3

Parent Company

	2014	2013	2014	2013	2013	2012	2011
	Q3	Q3	Jan-Sep	Jan-Sep	Full-year	Full-year	Full-year
Administrative expenses	-8.4	-8.9	-32.0	-30.3	-40.4	-39.2	-36.3
Other operating income	4.6	4.6	13.7	13.7	18.2	17.0	12.1
Operating loss	-3.8	-4.3	-18.3	-16.6	-22.2	-22.2	-24.2
Income from participations in Group companies	-	-	-	-	209.0	161.0	145.0
Interest income and similar revenues	0.2	0.7	0.5	1.3	1.8	2.5	4.2
Interest expenses and similar expenses	-0.3	-0.3	-0.6	-2.6	-2.7	-20.6	-5.8
Profit/loss after net financial items	-3.9	-3.9	-18.4	-17.9	185.9	120.7	119.2
Group contributions received	-	-	-	-	40.0	81.7	110.1
Tax on net profit for the period	0.5	0.8	3.5	3.5	-4.6	-10.2	-22.6
Net profit/loss	-3.4	-3.1	-14.9	-14.4	221.3	192.2	206.7

No items are attributable to other comprehensive income.

Condensed balance sheet

Group	2014	2013	2013	2012
MSEK	Sep 30	Sep 30	Dec 31	Dec 31
Assets				
Fixed assets				
Intangible assets	507.1	535.4	504.8	533.3
Tangible assets	658.5	605.4	640.0	537.2
Deferred tax assets	31.8	24.4	23.9	15.7
Financial assets	28.4	23.5	23.8	25.4
Total fixed assets	1,225.8	1,188.7	1,192.5	1,111.6
Current assets				
Inventories	591.5	512.4	541.2	516.1
Receivables	678.1	654.6	560.5	527.5
Cash and bank balances	185.0	171.9	253.8	239.5
Total current assets	1,454.6	1,338.9	1,355.5	1,283.1
Total assets	2,680.4	2,527.6	2,548.0	2,394.7
	2014	2013	2013	2012
	Sep 30	Sep 30	Dec 31	Dec 31
Shareholders' equity and liabilities				
Shareholders' equity				
Share capital	125.5	125.5	125.5	125.5
Other contributed capital	444.4	444.4	444.4	444.4
Reserves	3.8	-38.5	-22.8	-36.0
Retained earnings, including net profit for the period	1,067.4	995.4	1,063.8	985.6
Shareholders' equity attributable to Parent Company shareholders	1,641.1	1,526.8	1,610.9	1,519.5
Non-controlling interests	3.6	2.7	3.6	2.6
Total shareholders' equity	1,644.7	1,529.5	1,614.5	1,522.1
Non-current liabilities to credit institutions	143.7	197.3	181.3	151.5
Other non-current liabilities	110.6	152.1	117.9	172.0
Current liabilities to credit institutions	221.2	149.7	164.8	144.8
Current non-interest-bearing liabilities	560.2	499.0	469.5	404.3
Total liabilities	1,035.7	998.1	933.5	872.6
Total shareholders' equity and liabilities	2,680.4	2,527.6	2,548.0	2,394.7

Parent Company

MSEK	2014	2013	2013	2012
	Sep 30	Sep 30	Dec 31	Dec 31
Assets				
Fixed assets				
Tangible assets	1.1	1.0	1.0	1.0
Financial assets	532.2	532.2	532.2	534.0
Total fixed assets	533.3	533.2	533.2	535.0
Current assets				
Receivables	102.9	81.2	277.3	310.5
Cash and cash equivalents	0.1	0.8	41.1	40.0
Total current assets	103.0	82.0	318.4	350.5
Total assets	636.3	615.2	851.6	885.5
MSEK	2014	2013	2013	2012
	Sep 30	Sep 30	Dec 31	Dec 31
Shareholders' equity and liabilities				
Share capital	125.5	125.5	125.5	125.5
Statutory reserve	444.4	444.4	444.4	444.4
Retained earnings	19.3	39.1	39.1	57.8
Net profit/loss for the period	-14.9	-14.4	221.3	192.2
Total shareholders' equity	574.3	594.6	830.3	819.9
Current liabilities to credit institutions	50.2	9.4	-	47.2
Current non-interest-bearing liabilities	11.8	11.2	21.3	18.4
Total shareholders' equity and liabilities	636.3	615.2	851.6	885.5
Pledged assets	13.4	13.4	13.4	13.4
Contingent liabilities	-	-	-	-

Condensed cash-flow statement

	2014	2013	2014	2013	2013	2012	2011
	Q3	Q3	Jan-Sep	Jan-Sep	Full-year	Full-year	Full-year
Cash flow from operating activities before change in working capital and capital expenditures	97.3	104.5	315.9	298.8	394.7	318.2	388.4
Change in working capital, increase (-) decrease (+)	-4.5	7.0	-67.2	-11.3	7.6	18.0	-61.0
Cash flow from operating activities	92.8	111.5	248.7	287.5	402.3	336.2	327.4
Investing activities	-19.3	-31.7	-87.9	-78.1	-125.3	-72.0	-94.6
Acquired companies less cash and cash equivalents	-	-	-	-76.0	-68.8	-134.1	-77.5
Cash flow after capital expenditures	73.5	79.8	160.8	133.4	208.2	130.1	155.3
Financing activities	-19.2	-69.2	-229.5	-209.1	-193.9	-159.6	-124.4
Change in cash and cash equivalents	54.3	10.6	-68.7	-75.7	14.3	-29.5	30.9
Cash and cash equivalents at beginning of period	130.8	161.3	253.8	247.6	239.5	269.0	238.1
Cash and cash equivalents at end of period	185.1	171.9	185.1	171.9	253.8	239.5	269.0
Approved but not utilized committed credit facilities	432.1	396.9	432.1	396.9	461.0	306.0	389.9
Available liquidity	617.2	568.8	617.2	568.8	714.8	545.5	658.9

Specification of changes in consolidated shareholders' equity

	2014	2013	2013	2012	2011
	Jan-Sep	Jan-Sep	Full-year	Full-year	Full-year
Opening shareholders' equity attributable to Parent Company shareholders	1,610.9	1,519.5	1,519.5	1,482.9	1,394.5
Comprehensive income for the period	271.2	218.2	302.3	247.5	299.3
Dividend paid	-241.0	-210.9	-210.9	-210.9	-210.9
Closing shareholders' equity attributable to Parent Company shareholders	1,641.1	1,526.8	1,610.9	1,519.5	1,482.9
Non-controlling interests	3.6	2.7	3.6	2.6	2.7
Total closing shareholders' equity	1,644.7	1,529.5	1,614.5	1,522.1	1,485.6

Specification of shareholders' equity attributable to Parent Company shareholders for the period

	Share capital	Other contributed capital	Reserves	Retained earnings, including net profit for the period	Total
December 31, 2013	125.5	444.4	-22.7	1,063.6	1,610.8
Comprehensive income for the period			26.6	244.7	271.3
Dividend paid				-241.0	-241.0
September 30, 2014	125.5	444.4	3.9	1,067.3	1,641.1

Number of shares

	2014	2013	2012
	Sep 30	Dec 31	Dec 31
Number of shares outstanding	30,131,100	30,131,100	30,131,100
Total number of shares, after full dilution	30,131,100	30,131,100	30,131,100
Average number of shares, after full dilution	30,131,100	30,131,100	30,131,100

Of the total number of shares outstanding, 3,330,000 are Class A shares and the remaining shares are Class B shares.

Key figures

	2014	2013	2014	2013	2013	2012	2011
	Q3	Q3	Jan-Sep	Jan-Sep	Full-year	Full-year	Full-year
Number of shares	30,131,100	30,131,100	30,131,100	30,131,100	30,131,100	30,131,100	30,131,100
Net revenues, MSEK	770.5	752.6	2,501.6	2,293.4	3,066.5	2,779.7	2,830.2
Operating profit, MSEK	98.6	103.1	328.8	297.8	396.3	372.3	441.4
Profit before tax, MSEK	96.7	100.3	322.0	288.3	384.7	361.8	428.7
Earnings per share after tax, SEK	2.44	2.55	8.12	7.32	9.59	8.91	10.38
Earnings per share after 22.0% or 26.3% standard tax, SEK	2.50	2.60	8.34	7.46	9.96	8.85	10.49
Cash flow after capital expenditures, excluding acquisitions per share, SEK	2.44	2.65	5.33	6.94	9.19	8.77	7.73
Return on shareholders' equity, %	18.9	21.0	20.6	19.7	19.2	17.8	21.8
Return on capital employed, %	20.0	22.1	22.2	21.6	21.1	21.2	26.4
Shareholders' equity per share, SEK	54.47	50.67	54.47	50.67	53.46	50.43	49.22
Equity ratio, %	61.2	60.4	61.2	60.4	63.2	63.5	67.4
Net debt/equity ratio, %	11.0	11.6	11.0	11.6	5.7	3.7	-1.5
Cash and cash equivalents, including unutilized credit facilities, MSEK	617.2	568.8	617.2	568.8	714.8	625.5	658.9
Capital expenditures, MSEK	18.6	29.7	78.4	78.6	126.4	70.5	89.2
Interest-coverage ratio, multiple	46.1	31.7	43.1	27.7	29.0	27.5	27.5
Number of employees at end of period	2,161	2,162	2,161	2,162	2,132	1,972	1,686

Uppsala, October 23, 2014

Beijer Alma AB (publ)

Bertil Persson
President and CEO

This interim has not been reviewed by the company's auditors.

If you have any questions, please contact:

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Read more at: www.beijeralma.se

Visit our subsidiaries:

www.lesjoforsab.com

www.habia.com

www.beijertech.se

Next report date:

Year-end report on February 9, 2015.

Annual General Meeting

The Annual General Meeting will be held in Uppsala on March 19, 2015.

Beijer Alma AB (publ)

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