



## JANUARY—MARCH 2015

### Q1 in line with last year—strong growth in IDC

- Order intake was 343.5 MSEK (354.7).
- Net sales increased by 2% to 351.8 MSEK (346.1).
- A record quarter for IDC.
- Operating profit up by 2% to 26.7 MSEK (26.2).
- Profit after tax was 15.1 MSEK (15.1).
- Earnings per share were 0.80 SEK (0.79).

# Interim Report Beijer Electronics AB

## Comments from acting CEO Anna Belfrage

“Beijer Electronics’ sales increased moderately and operating profit was up slightly in the first quarter.

The IDC business area remains convincing. IDC’s sales increased by almost 30% and operating profit by just over 20%. Westermo had another record quarter in terms of sales, and the period was IDC’s strongest to date. The strategic investment program announced last fall is proceeding according to plan. The positive progress demonstrates the effectiveness of IDC’s far-ranging initiative, as well as its significant potential looking ahead.

The IAS business area experienced a challenging quarter as a result of a downturn in US sales. Approximately half of the robust terminals sold in the US are intended for the oil and gas segment, and given the current low level of oil prices, investments in extraction have stagnated. To offset the lower volumes, we’ve initiated a range of activities, both to address the oil and gas distribution chain, and to increase sales to other segments that require rugged terminals, such as mining. Demand remained sluggish in the Nordics, which also affected IAS’ sales negatively. Progress in the rest of Europe and Asia was more positive, however, with increased sales, particularly for the global product offering.

The measures in IAS that were begun towards the end of last year are proceeding according to plan, and generated currency-adjusted savings of 8 MSEK in the quarter.

Given IAS’ current situation, work is underway to identify further savings measures.

Developments in the US have affected group profitability, but the goal of improving underlying operating profit stands.”

## Market and surrounding world

The global market for industrial automation remained characterized by weak recovery and differences in demand between countries and segments. Market progress was solid for industrial data communication, with growth in excess of 10%.

## The Group in the first quarter

Group order intake was 343.5 MSEK (354.7), corresponding to a decrease of 3% in the first quarter 2015. Adjusted for the divestment of the IAS business area’s vehicle business in the US in June last year, order intake increased by 1%. At the same time, order intake was affected by positive exchange-rate effects. Excluding the divestment and exchange-rate effects, order intake was 9% lower compared to the same period in the previous year. The reduction is explained by lower demand in the oil and gas sector in the US. Order intake increased in the IDC business area, while it decreased in IAS.

## Business Area Sales and Operating Profit

MSEK	Sales Quarter 1		Operating Profit Quarter 1	
	1503	1403	1503	1403
IAS business area	217.6	240.2	13.5	19.2
IDC business area	136.8	107.3	15.9	13.2
Intra-group sales	-2.6	-1.4		
Group adjustments and depreciation			-2.7	-6.2
<b>Beijer Electronics Group</b>	<b>351.8</b>	<b>346.1</b>	<b>26.7</b>	<b>26.2</b>

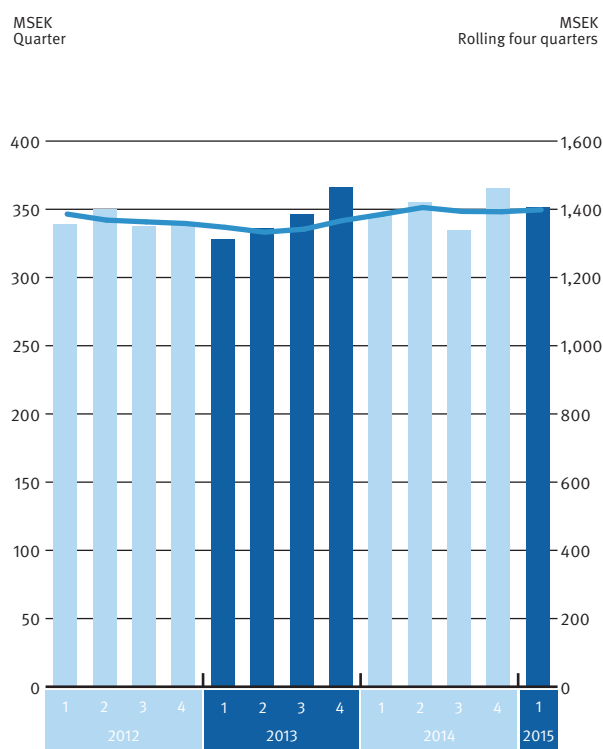
Group sales increased by 2% to 351.8 MSEK (346.1). Excluding the divestment of the vehicle business, sales increased by 7%, while sales decrease by 4% adjusted for exchange-rate effects. The lower volumes are due to the downturn in oil and gas in the US and weak progress in the Nordics. IDC continued to significantly increase sales while sales fell in IAS.

Group operating profit before depreciation and amortization was 41.7 MSEK (42.9). Depreciation and

amortization was 15.0 MSEK (16.7). Operating profit increased slightly to 26.7 MSEK (26.2). This corresponded to an operating margin of 7.6% (7.6). Total development expenses were 28.8 MSEK (27.7), or 8.2% (8.0) of group sales.

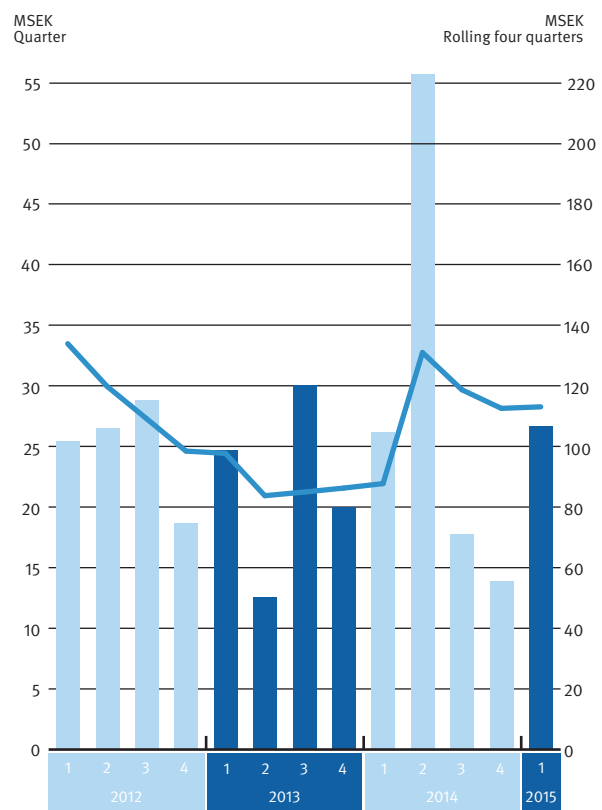
Profit before tax was 22.9 MSEK (20.7). Net financial income/expense was -3.8 MSEK (-5.5). Profit after estimated tax was 15.1 MSEK (15.1). Earnings per share after estimated tax were 0.80 SEK (0.79).

### 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



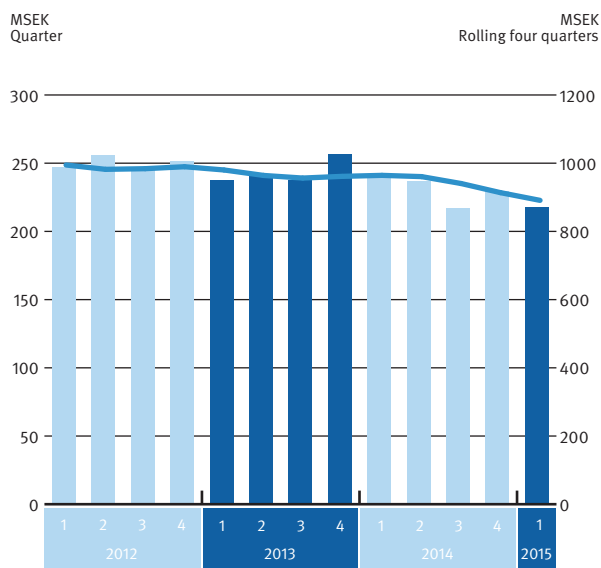
▲ The bars and left-hand scale indicate quarterly profit after depreciation. The curve and right-hand scale show rolling four quarter profit after depreciation. Q2 2014 includes capital gains from the divestment of the Vehicle business of 32.9 MSEK.

## Industrial Automation Solutions business area

The Industrial Automation Solutions (IAS) business area was hard-hit by the demand downturn in the oil and gas sector in the US, which was the result of reduced investments following the significant decline in oil prices. Demand in the segment is expected to remain low for the rest of the year. This means that resources are now being allocated to the oil and gas distribution chain, and also to other segments where the robust terminals are needed, such as the mining industry. The US sales organization is also focusing on boosting sales of standard terminals to less demanding segments. The Nordic market was generally weak, and especially sales of third-party products declined. The rest of Europe and Asia, however, made more positive progress with increased sales.

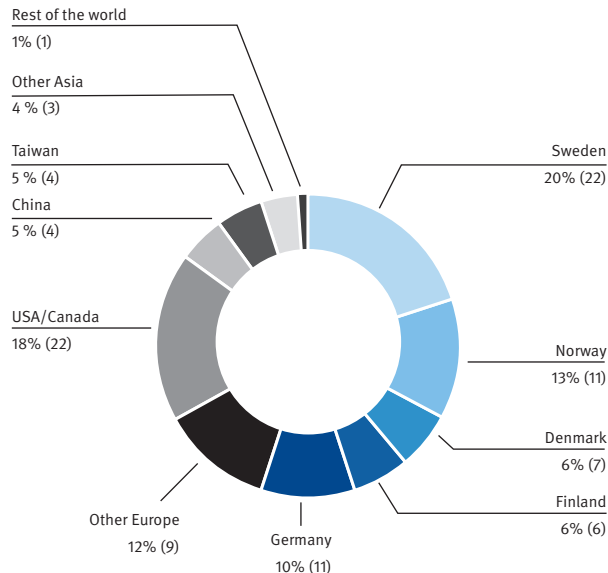
The business area's order intake declined to 220.0 MSEK (236.6). Sales were unchanged adjusted for the divestment in the US, but declined by 11% excluding exchange rate effects. Sales were 217.6 MSEK (240.2). Adjusted for the divestment and exchange-rate effects, sales fell by 13%, mainly due to the decline in oil and gas in the US. Operating profit before depreciation and amortization was 18.6 MSEK (26.6), corresponding to a margin of 8.5% (11.1). Depreciation and amortization was 5.1 MSEK (7.4). Operating profit was 13.5 MSEK (19.2). This corresponded to an operating margin of 6.2% (8.0). The program of measures is proceeding according to plan, and has reduced expenses by 8 MSEK currency-adjusted. The lower profit figure is due to reduced sales volume.

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 quarter 2015 compared to 2014.

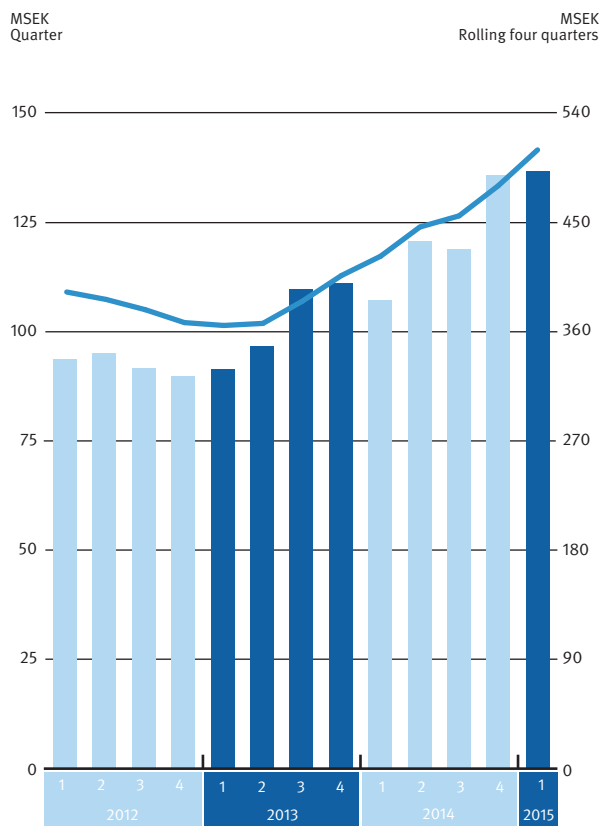
## Industrial Data Communication business area

The Industrial Data Communication (IDC) Business Area presented another record quarter with significantly higher sales and profit. Orders from existing and new customers were up, and order intake was particularly strong, especially in Westermo which also delivered record sales for the second quarter running. As IDC grows, the prospects of winning larger projects improve, and the organization is approaching a number of major global customers. The approved and extensive investment programs for Westermo and Korenix are proceeding according to plan, with the ensuing increase in sales and development expenses. In the first quarter, Westermo's investments under the approved plan amounted to 6.2 MSEK (full-year effect 26.3 MSEK), mainly due to increased R&D initiatives which entailed

recruitment of 10 new staff as well as an increase in the number of consultants.

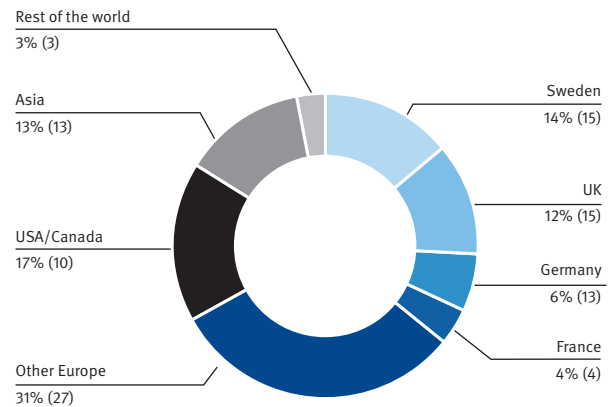
IDC's order intake rose by 5% to 123.5 MSEK (118.0). Sales increased by 28% to 136.8 MSEK (107.3). Exchange rate effects made a positive contribution to order intake and sales. Operating profit before depreciation and amortization increased by 16% to 23.1 MSEK (20.0), corresponding to a margin of 16.9% (18.6). Depreciation and amortization were 7.2 MSEK (6.8). Operating profit increased by 21% to 15.9 MSEK (13.2), corresponding to an operating margin of 11.6% (12.3). The profit improvement is due to higher sales volumes which have offset rising sales and development expenses.

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 quarter 2015 compared to 2014.

## Other Financial Information

Group investments including capitalized development expenses and acquisitions amounted to 28.2 MSEK (23.4). Cash flow from operating activities was 33.1 MSEK (28.5). Equity was 566.4 MSEK (402.2) as of March 31, 2015. The equity ratio was 36.5% (29.1). Cash and cash equivalents were 159.7 MSEK (107.5). Net debt was 487.7 MSEK (585.2). The average number of employees was 753 (789).

### Prospects for the Full Year 2015

In the first quarter, Beijer Electronics was able to slightly increase sales and operating profit, and the company judges that IDC will be able to maintain continued high growth for the full year 2015. While IAS' current progress is challenging, the overall assessment remains that Beijer Electronics will improve underlying operating profit in 2015.

### Accounting Principles

For the group, this Interim Report has been prepared in

accordance with IAS 34 Interim Financial Reporting and applicable regulations of the Swedish Annual Accounts Act. The Interim Report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act's chapter 9, Interim Reporting. The accounting principles applied for the group and parent company are consistent with those accounting principles used when preparing the latest annual accounts.

This report has not been reviewed by the company's Auditors.

Malmö, Sweden, April 22, 2015

Anna Belfrage, Acting CEO and President

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# Interim Report in Summary

## Income Statement—Group

SEK 000	Quarter 1, 2015	Quarter 1, 2014	Full year, 2014
Net turnover	351,750	346,076	1,401,578
Other operating revenue	168	318	40,579, <sup>a</sup>
Operating expenses excluding depreciation and amortisation	-310,234	-303,453	-1,263,526, <sup>b</sup>
<b>Operating profit before depreciation and amortization</b>	<b>41,684</b>	<b>42,941</b>	<b>178,631</b>
Amortization, intangible assets	-9,947	-11,580	-45,141
Depreciation, property, plant and equipment	-5,039	-5,165	-19,878
<b>Operating profit</b>	<b>26,698</b>	<b>26,196</b>	<b>113,612</b>
Net financial items	-3,785	-5,493	-16,831
<b>Profit before tax</b>	<b>22,913</b>	<b>20,703</b>	<b>96,781</b>
Estimated tax	-7,792	-5,587	-34,090
<b>Net profit</b>	<b>15,121</b>	<b>15,116</b>	<b>62,691</b>
<i>Attributable to equity holders of the parent</i>	<i>15,308</i>	<i>15,004</i>	<i>61,725</i>
<i>Attributable to minority interest</i>	<i>-187</i>	<i>112</i>	<i>966</i>
<i>Earnings per share, SEK</i>	<i>0.80</i>	<i>0.79</i>	<i>3.24</i>

*a Including capital gain of 32,936,000 SEK from divestment of the US Vehicle business  
b of which non-recurring item of SEK-10,800,000 attributable to change of CEO*

## Comprehensive Income

SEK 000	Quarter 1, 2015	Quarter 1, 2014	Full year, 2014
Net profit	15,121	15,116	62,691
Actuarial gains and losses			-13,293
Translation differences	54,974	-4,226	81,160
<b>Comprehensive income</b>	<b>70,095</b>	<b>10,890</b>	<b>130,558</b>
<i>Attributable to equity holders of the parent</i>	<i>69,841</i>	<i>10,846</i>	<i>129,002</i>
<i>Attributable to minority interest</i>	<i>254</i>	<i>44</i>	<i>1,556</i>

## Balance Sheet—Group

SEK 000	Mar. 31, 2015	Mar. 31, 2014	Dec. 31, 2015
<b>Assets</b>			
Fixed assets	937,210	835,598	894,763
Current assets	471,716	456,737	444,865
Cash equivalents and short-term investments	159,693	107,531	156,842
<b>Total assets</b>	<b>1,568,619</b>	<b>1,399,866</b>	<b>1,496,470</b>
<b>Liabilities and shareholders' equity</b>			
Shareholders' equity	566,372	402,209	496,531
Minority share of shareholders' equity	6,610	4,844	6,356
Long-term liabilities	546,272	516,435	504,430
Current liabilities	449,365	476,378	489,153
<b>Total liabilities and shareholders' equity</b>	<b>1,568,619</b>	<b>1,399,866</b>	<b>1,496,470</b>
<i>Of which interest-bearing liabilities</i>	<i>647,356</i>	<i>692,743</i>	<i>655,597</i>

## Statement of Changes to Shareholders' Equity

SEK 000	Mar. 31, 2015	Mar. 31, 2014	Dec. 31, 2014
<b>Attributable to equity holders of the parent</b>			
Opening balance, shareholders' equity, 1 January	496,531	391,363	391,363
Dividend			-23,834
Comprehensive income	69,841	10,846	129,002
<b>Closing balance, shareholders' equity</b>	<b>566,372</b>	<b>402,209</b>	<b>496,531</b>
<b>Attributable to non-controlling influence</b>			
Opening balance, 1 January	6,356	4,800	4,800
Comprehensive income	254	44	1,556
<b>Closing balance</b>	<b>6,610</b>	<b>4,844</b>	<b>6,356</b>

## Key Figures–Group

	Mar. 31, 2015	Mar. 31, 2014	Dec. 31, 2014
Operating margin, %	7.6	7.6	8.1
Profit margin, %	4.3	4.4	4.5
Equity ratio, %	36.5	29.1	33.6
Shareholders' equity per share, SEK	29.7	21.1	26.0
Earnings per share, SEK	0.80	0.79	3.24
Return on equity after tax, %	12.8	10.5	13.9
Return on capital employed, %	10.1	8.6	10.3
Return on net operating assets, %	16.8	15.0	17.7
Average number of employees	753	789	760

## Cash Flow Statement–Group

SEK 000	Mar. 31, 2015	Mar. 31, 2014	Dec. 31, 2014
Cash flow from operating activities before changes in working capital	33,052	28,461	115,582
Change in working capital	-15,840	-43,190	21,063
<b>Cash flow from operating activities</b>	<b>17,212</b>	<b>-14,729</b>	<b>136,645</b>
Cash flow from investing activities	-28,235	-23,380	-60,093
Cash flow from finance activities	4,730	-1,734	-56,687
Dividends paid			-23,834
<b>Change in cash equivalents</b>	<b>-6,293</b>	<b>-39,843</b>	<b>-3,969</b>
Cash equivalents and short-term investments, opening balance	156,842	147,926	147,926
Exchange rate change, cash equivalents	9,144	-552	12,885
<b>Cash equivalents and short-term investments, closing balance</b>	<b>159,693</b>	<b>107,531</b>	<b>156,842</b>



## Operating Segments

SEK 000	Quarter 1, 2015	Quarter 1, 2014	Full year, 2014
<b>Net turnover</b>			
IAS	217,629	240,179	923,206
IDC	136,760	107,314	483,037
Group adjustments	-2,639	-1,417	-4,665
<b>Group</b>	<b>351,750</b>	<b>346,076</b>	<b>1,401,578</b>
<b>Operating profit before depreciation and amortization</b>			
IAS	18,600	26,601	108,182, <sup>a</sup>
IDC	23,127	20,012	85,289
Parent company	-944	-2,074	-18,691, <sup>b</sup>
Group adjustments	901	-1,598	3,851
<b>Group</b>	<b>41,684</b>	<b>42,941</b>	<b>178,631</b>
<b>Operating profit</b>			
IAS	13,504	19,175	81,256
IDC	15,943	13,167	57,799
Parent company	-2,672	-3,742	-25,538
Group adjustments	-77	-2,404	95
<b>Group</b>	<b>26,698</b>	<b>26,196</b>	<b>113,612</b>

*a of which capital gain from sale of Vehicle division in the US SEK 32,936,000*

*b of which non-recurring item of SEK-10,800,000 attributable to change of CEO*

## Income Statement—Parent Company

SEK 000	Quarter 1, 2015	Quarter 1, 2014	Full year, 2014
Net turnover	15,398	15,325	61,295
Operating expenses	-18,070	-19,067	-86,833, <sup>a</sup>
<b>Operating profit</b>	<b>-2,672</b>	<b>-3,742</b>	<b>-25,538</b>
Net financial items*	4,981	-3,254	58,787
<b>Profit before tax</b>	<b>2,309</b>	<b>-6,996</b>	<b>33,249</b>
Appropriations	263	719	10,913
Estimated tax	-1,432	413	335
<b>Net profit</b>	<b>1,140</b>	<b>-5,864</b>	<b>44,497</b>
<i>*of which dividend from subsidiaries</i>			53,699

*a of which non-recurring item of SEK-10,800,000 attributable to change of CEO*

## Balance Sheet—Parent Company

SEK 000	Quarter 1, 2015	Quarter 1, 2014	Full year, 2015
<b>Assets</b>			
Fixed assets	814,289	827,868	803,052
Current assets	27,359	23,033	33,386
Cash equivalents and short-term investments	10,620	2,523	6,591
<b>Total assets</b>	<b>852,268</b>	<b>853,424</b>	<b>843,029</b>
<b>Liabilities and shareholders' equity</b>			
Shareholders' equity	142,253	114,586	141,113
Untaxed reserves	788	3,206	1,050
Long-term liabilities	476,485	458,401	422,684
Current liabilities	232,742	277,231	278,182
<b>Total liabilities and shareholders' equity</b>	<b>852,268</b>	<b>853,424</b>	<b>843,029</b>
<i>Of which interest-bearing liabilities</i>	546,345	610,364	555,171

### Beijer Electronics AB (publ)

Beijer Electronics is a fast-growing technology company active in industrial automation and data communication. 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 19 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

July 14, 2015.....Six-month Interim Report  
October 21, 2015.....Nine-month Interim Report  
January 28, 2016.....Financial Statement



### Investment in wireless

Beijer Electronics strengthened its product portfolio further during the year, focusing on the Korenix JetWave series. The series includes Wi-Fi, 3G and 4G, and satisfies the need for wireless local coverage, mobile communication and remote access. High speed, redundancy, flexibility and ruggedness make the JetWave products the obvious choice in demanding wireless and remote access applications.

► [Read more at www.beijer.se](http://www.beijer.se)



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