Interim Report 3 • 2016


# JANUARY – SEPTEMBER 2016

**The group is reporting a positive operating profit and completing its restructuring with impairment of a holding in its Brazilian associated company.**

### Third quarter

- Order intake was 266.3 MSEK (309.0).
- Net sales amounted to 271.1 MSEK (322.3).
- Operating profit of 4.7 MSEK (12.0).
- Profit/loss after tax was -72.7 MSEK (8.2) including 71.6 MSEK impairment of participations in associated company charged to profits. Excluding this impairment, profit/loss was -1.1 MSEK.
- Earnings per share were -3.82 SEK (0.44).

### Nio månader

- Order intake amounted to 811.4 MSEK (989.5).
- Net sales of 834.9 MSEK (1,041.6).
- Operating profit/loss -46.6 MSEK (62.9). Profit was charged with non-recurring expenses of 50 MSEK (6.5).
- Profit/loss after tax was -117.4 (36.3). Excluding non-recurring expenses and impairment, profit was 4.2 MSEK.
- Earnings per share were -6.14 SEK (1.91).

Beijer ELECTRONICS

# Interim Report, Beijer Electronics AB

**Comments from President and CEO Per Samuelsson**

"Beijer Electronics is now entering the final phase of the realignment it started at the beginning of the year. In the IAS business area, we have implemented a flatter and more customer-oriented structure. We are reducing our overheads as planned, which is having the intended effect on our earnings. Our focus on product development has resulted in new launches, and more product introductions will follow in 2017. Production has been rationalized, and half of our production in the US will be transferred to our Taiwanese unit, with the remainder put out to contract in the US.

As another element of this overhaul, the Board also decided to impair most, 71.6 MSEK, of the book value of our holding in Altus Sistemas of Brazil. This impairment, which was charged to third-quarter profits, is being executed against the background of the poor progress of the Brazilian economy and Altus's exposure to the oil and gas sector. These circumstances had a big impact on Altus's sales and profits. Accordingly, we regard its long-term value as uncertain. The impairment has no effect on liquidity.

Accordingly, we have laid the foundation for clear improvements in 2017. We are retaining our ambition to achieve the group's long-term targets in 2018.

The trend of improving operating profit excluding restructuring expenses continued in the period, compared to the three previous quarters. Although our actuals of sales and profits were somewhat lower than expected, progress in the third quarter is still in the right direction.

The IDC business area achieved a profit improvement in the quarter, with profitability back at nearly 10%. The market for major projects, especially in the process industry, is slow, as investments have been deferred. However, one positive is IDC securing its first order on a major project, and a new customer in the Train segment placing its first order. Korenix of Taiwan is continuing its positive progress, with sales gains of over 10% in the quarter. In the period, Westermo started up a new sales enterprise in Australia. Investments in new technology were executed at Westermo's production facility in Stora Sundby to assure quality and expand capacity.

The IAS business area largely progressed as expected. As previously, its order intake and sales were impacted by the discontinued partnership with Mitsubishi Electric and

**Business Area Sales and Operating Profit**

| | Sales Quarter 3 | | Operating Profit Quarter 3 | | Sales 9 Mth. | | Operating Profit 9 Mth. | |
|---|---|---|---|---|---|---|---|---|
| **MSEK** | **1609** | **1509** | **1609** | **1509** | **1609** | **1509** | **1609** | **1509** |
| IAS business area | 147.2 | 196.0 | 0.4 | 7.2 [b] | 467.1 | 634.3 | -39.5 [a] | 34.4 [b] |
| IDC business area | 126.0 | 130.4 | 12.1 | 8.2 | 372.9 | 417.2 | 21.0 [a] | 39.3 |
| Intra-group sales | -2.1 | -4.1 | | | -5.1 | -9.9 | | |
| Group adjustments and depreciation | | | -7.8 | -3.4 [c] | | | -28.1 | -10.8 [c] |
| **Beijer Electronics Group** | **271.1** | **322.3** | **4.7** | **12.0** | **834.9** | **1,041.6** | **-46.6** | **62.9** |

*a Of which restructuring expense IAS -49.5 MSEK and IDC -0.5 MSEK*
*b Of which restructuring expense of -3,255,000 SEK*
*c Of which non-recurring cost of -3.2 MSEK attributable to change of CEO*

disposals of our operations in Finland and the Baltics. Our program of measures is having a good effect, with significantly lower overheads resulting, and modest positive profit for the quarter. We expect restructuring of our production in the US to further reduce our costs.

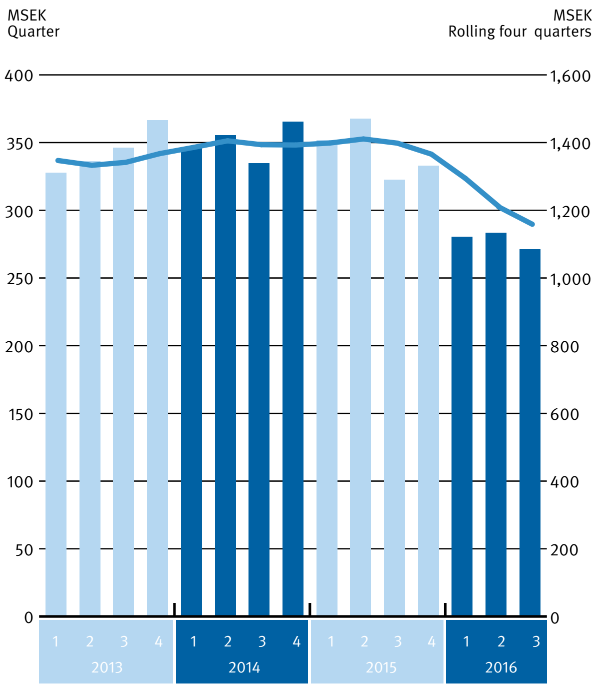
IAS launched its all-new product range, the X2 series, packaging soft and hardware for all panels. We expect this to impact positively on sales in 2017. We also previewed the business area's new strategy for the Internet of Things (IoT) called "The Fast Track to the Cloud," which was well received, with several solutions being launched progressively through 2017.

In the fourth quarter 2016, we expect group sales to be higher than in the previous quarter. We also expect operating profit to be better than the corresponding period of 2015 and the third quarter 2016."

### The group in the third quarter

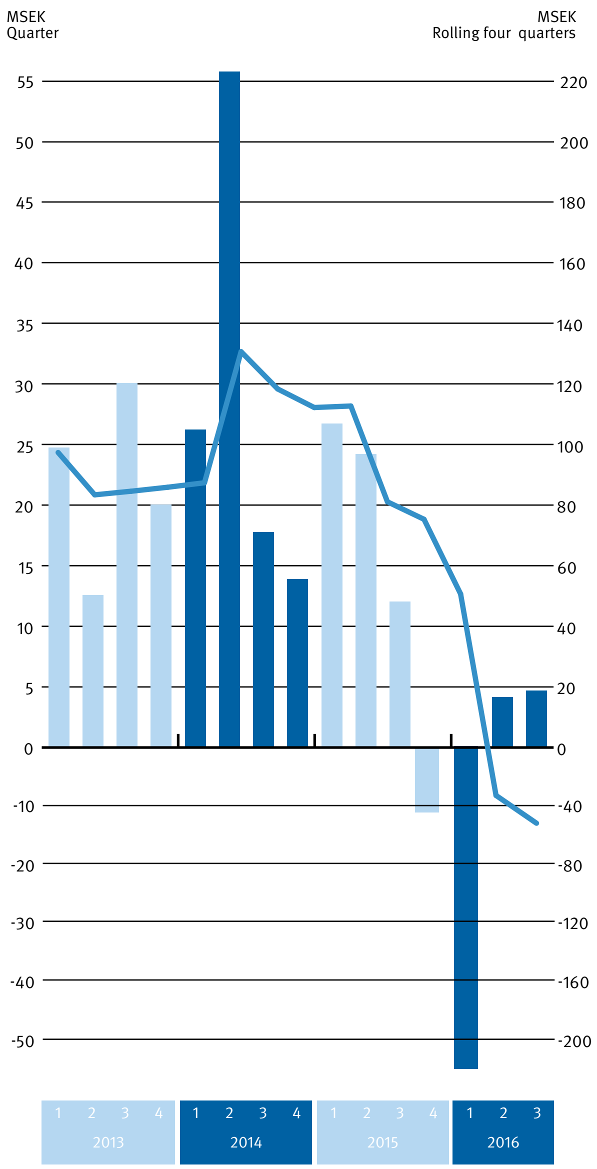
The group's order intake was 266.3 MSEK (309.0) in the third quarter 2016. The lower order intake is due to the discontinued partnership with Mitsubishi Electric and reduced demand in the oil and gas sector.

**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.

The group's sales were down by 16% to 271.1 MSEK (322.3). Excluding Mitsubishi Electric products, sales decreased by 5%. The decrease in underlying sales volume is because of reduced sales to the oil and gas sector, some impact from the political situation in Turkey, as well as somewhat lower sales in IDC.

The group's operating profit before depreciation and amortization was 20.6 MSEK (27.9). Depreciation and amortization was 15.9 MSEK (15.9). The operating profit was 4.7 MSEK (12.0), equivalent to an operating margin of 1.7% (3.7). Total development expenses were 25.2 MSEK (28.9), which was 9.3% (9.0) of the group's sales.

The profit/loss before tax was -71.2 MSEK (12.1). Profit was charged with 71.6 MSEK of impairment of the holding in associated company HCA Participações S.A, a holding company that owns 65% of the shares of Altus Sistemas de Automaticao S.A. This impairment has no effect on liquidity. The holding was acquired in 2013. The Brazilian economy has taken a sharp downturn since, and long-term uncertainty persists. This, combined with Altus's exposure to the oil and gas sector, mean that the company's sales and earnings have been impacted very negatively, which triggered the revaluation. Beijer Electronics' net financial income/expense after the impairment was -4.3 MSEK (0.1). Profit/loss after estimated tax was -72.7 MSEK (8.2). Earnings per share after estimated tax were -3.8 SEK (0.44).

**The group in the first nine months**

Order intake was 811.4 MSEK (989.5). Sales amounted to 834.9 MSEK (1,041.6).

The operating profit/loss before depreciation and amortization was 0.2 MSEK (109.2). Depreciation and amortization was 46.8 MSEK (46.3). Operating profit/loss was -46.6 MSEK (62.9). Profit was charged with non-recurring expenses of 50 MSEK (6.5). Excluding non-recurring expenses, profit was 3.4 MSEK (69.4). Total development expenses were 77.0 MSEK (86.9), which is 9.2% (8.3) of the group's sales. The profit/loss before tax, charged with impairment of 71.6 MSEK, amounted to -121.7 MSEK (55.7). Net financial income/expense excluding the impairment was -8.9 MSEK (-7.2). Profit/loss after estimated tax was –117.4 MSEK (36.3). Earnings per share after estimated tax were -6.14 MSEK (1.91).

> “The realignment we have commenced, with organizational changes, cost reductions and a higher product development tempo, is being executed professionally. We will be going into 2017 with good potential to increase sales.

## Industrial Automation Solutions business area

As expected, order intake and sales in the Industrial Automation Solutions (IAS) business area continued to decrease in the third quarter, mainly due to the discontinued partnership with Mitsubishi Electric and disposals of operations in Finland and the Baltics. The political situation in Turkey and typhoon in Taiwan, which closed operations there for two days, also affected this business. The program of measures is going as planned, and was evident in a small positive profit for the quarter.

In the US, production restructuring has commenced, and will conclude in the fourth quarter. Some one-half of production will be transferred in Taiwan, and the remainder will be contracted out to an external party in the US. Product development activities remain brisk. An all-new product range, the X2 series, embedding soft and hardware for all panels, was launched in the period. Beijer Electronics also expects this to impact sales positively in 2017. The business area's new strategy for the Internet of things (IoT), called "The Fast Track to the Cloud" was also previewed. This solution builds on the previously launched software WARP Engineering Studio, which gives intuitive access to process data, creates a connection to the cloud and captures data for a superior overview through presentation and analysis. It attracted a positive reception, with a range of solutions scheduled for progressive launch through 2017.

**Third quarter**

Business area order intake decreased by 17% to 152.4 MSEK (184.3). Sales decreased by 25% to 147.2 MSEK (196.0). The downturn is largely explained by the

> "It's becoming more and more obvious that our IoT solutions are competitive. Easy access to process data is enabled through our software solutions.
>
> **PER SAMUELSSON,** PRESIDENT AND CEO

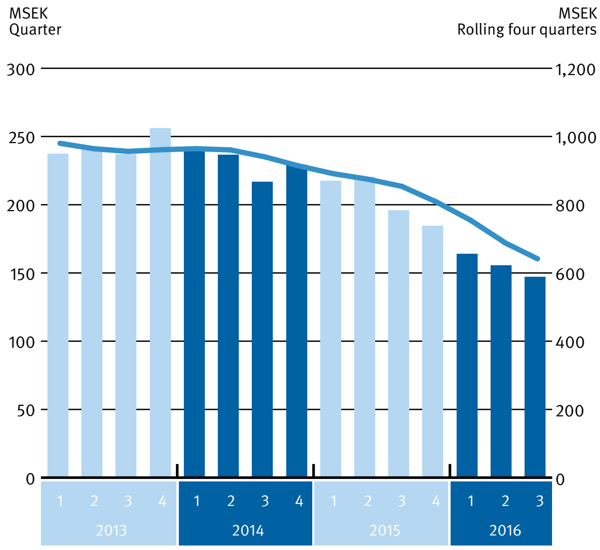
discontinuation of sales of Mitsubishi Electric products. Operating profit before depreciation and amortization was 5.4 MSEK (12.4). Depreciation and amortization was 5.0 MSEK (5.2). Operating profit was 0.4 MSEK (7.2), corresponding to an operating margin of 0.3% (3.7).

The program of measures is progressing as planned. The profit decrease in absolute terms is due to lower sales volume.

**Nine months**

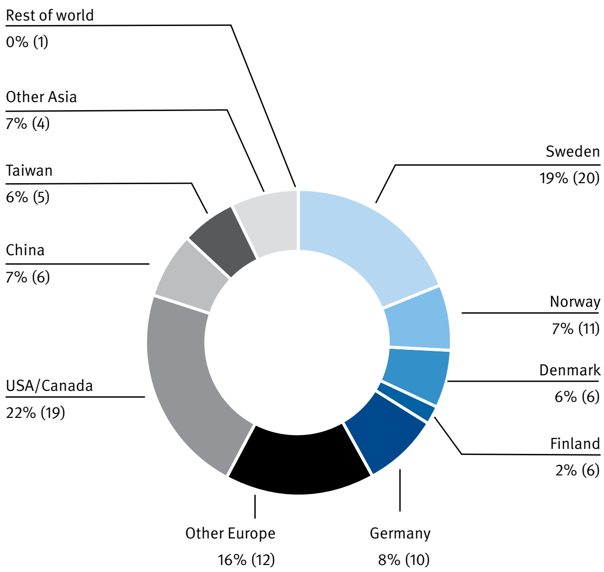
Order intake amounted to 450.4 MSEK (618.7). Sales were 467.1 MSEK (634.3). Operating profit/loss before depreciation and amortization was -25.0 MSEK (49.8). Depreciation and amortization was 14.5 MSEK (15.4). Operating profit/loss was -39.5 MSEK (34.4). Profit was charged with non-recurring expenses of 49.5 MSEK (3.3). Excluding non-recurring expenses, profit was 10.0 MSEK (37.7).

**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 9 months of 2016 compared to 2015.

## Industrial Data Communication business area

The Industrial Data Communication business area (IDC) improved operating profit in the third quarter, due to the cost adaptations reported in the second quarter. Order intake and sales vary between quarters due to a high share of projects in operations. In the third quarter, order intake and sales were down on the corresponding period 2015. The market for large-scale projects, especially in the process industry, is slow. Investments are being deferred. However, the ongoing core business progressed well.

Meanwhile, IDC passed some key milestones, securing its first order on a major project and a new customer in the Train segment placing its first order. Its subsidiary in Taiwan, Korenix, continued its positive progress with 12% sales gains, driven by factors including its focus on wireless technology. Westermo started up a new sales enterprise and opened an office in Australia in the period. Investments were made at Westermo's production facility at Stora Sundby to assure quality and expand capacity.

**Third quarter**

IDC's order intake was down by 9% to 113.9 MSEK (124.7). Sales decreased by 3% to 126.0 MSEK (130.4).

> “It's satisfying to see IDC's profitability improvements. Now, we're prioritizing growth.

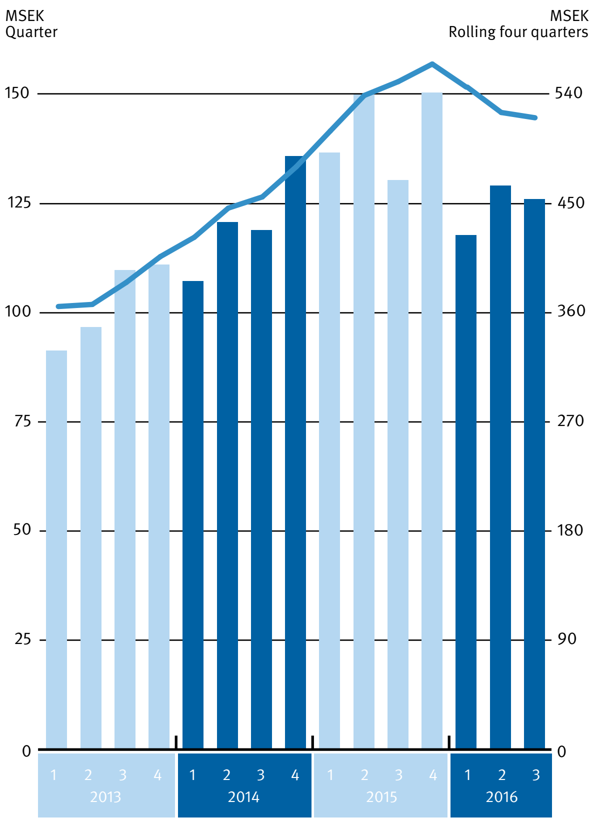
**PER SAMUELSSON,** PRESIDENT AND CEO

Operating profit before depreciation and amortization was 20.2 MSEK (16.1). Depreciation and amortization was 8.1 MSEK (7.9). Operating profit was 12.1 MSEK (8.2), corresponding to an operating margin of 9.6% (6.3).

**Nine months**

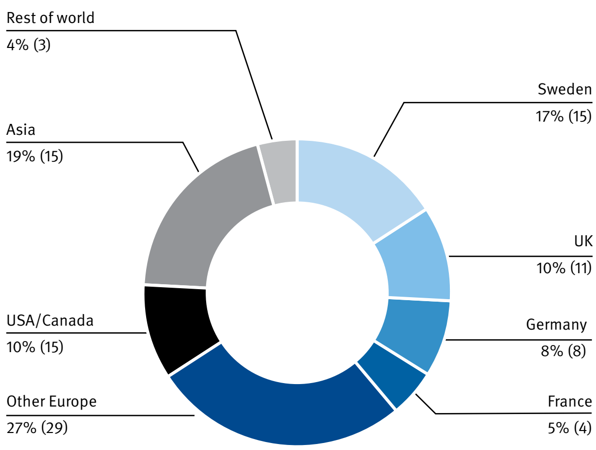
Order intake was 361.0 MSEK (370.8). Sales were 372.9 MSEK (417.2). Operating profit before depreciation and amortization was 44.9 MSEK (61.6). Depreciation and amortization was 23.9 MSEK (22.3). Operating profit was 21.0 MSEK (39.3), corresponding to an operating margin of 5.6% (9.4).

**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 9 months of 2016 compared to 2015.

# Other financial information

Group investments, including capitalized development expenses and divestments, amounted to 50.9 MSEK (56.6). Cash flow from operating activities was -22.7 MSEK (52.1). Equity was 407.3 MSEK (526.3) on September 30, 2016. The equity ratio was 28.8% (35.2). Cash and cash equivalents were 107.7 MSEK (134.0). Net debt was 589.9 MSEK (512.0). The average number of employees was 719 (755).

**Financial targets for the group**

The Board of Directors has set financial targets for Beijer Electronics.

These targets are that within a 2-3 year timeframe, the group will achieve minimum organic growth of 7% per year, and achieve a minimum EBIT margin of 10%, measured as an average over a business cycle.

These new targets assume Westermo's highly ambitious growth plans until 2017 taking a longer time to realize. Meanwhile, Korenix has an improved product range with a sharper focus on the surveillance and security sector. This means that overall, Korenix will achieve a minimum growth rate of 10% per year.

The IAS business area, which is currently being realigned, is expected to enter a growth phase from current and comparable levels, assuming implementation of a new organization and a sharper focus on the business area's robust terminals, as early as in the current year. The ambition is to restore profitability to the levels that the former HMI Products business area delivered historically. As software content progressively increases, this is expected to exert a bigger positive impact on profitability, and a lesser impact on growth rates. The markets that both business areas address are in long-term growth, apart from the oil and gas sector.

**Significant risks and uncertainty factors**

A review of significant risks and uncertainty factors is provided in Beijer Electronics AB's Annual Report for 2015. No material changes to significant risks and uncertainty factors have occurred since the Annual Report was published.

**Prospects for the full year 2016**

Beijer Electronics expects the group's sales for the fourth quarter 2016 to be higher than the previous quarter. It expects operating profit to be higher than the corresponding period 2015 and the third quarter 2016. For the full year 2016, Beijer Electronics anticipates sales and profit to be lower than 2015.

**Significant events**

Beijer Electronics' Board of Directors convened an EGM on January 4, 2016. This EGM, which was held on January 28, 2016, approved the Board's proposal for the sale of the group's subsidiaries in Estonia, Latvia and Lithuania, to certain senior managers of these companies. These companies' combined sales were 18 MSEK in 2015.

The sale of the Finnish operation was completed on January 11, 2016.

At the end of January 2016, Beijer Electronics' Board of Directors approved a program of measures for the IAS business area. The cost of the program of measures is expected to amount to 50 MSEK, which was charged to profit in the first quarter of 2016. The program was expected to generate cost savings of 50 MSEK annualized, taking full effect in 2017, with 30 MSEK expected in 2016, commencing in the second quarter. The program of measures is going as planned, with a total of 50 staff affected, half of them in the Nordics.

The program includes an improved sales and marketing organization and rationalizations in manufacturing. The aim is to create a more customer-oriented and flexible organization with a clear focus on proprietary products. The long-term ambition is also to increase the software share of total sales, focusing more on specific segments for robust terminals and concentrating resources on fewer markets, and reaching larger customers.

Beijer Electronics' Board of Directors decided to impair its holding in associated company HCA Participações S.A, a holding company that owns 65% of the shares of Altus Sistemas de Automaticao S.A., by 71.6 MSEK. The impairment has been charged two profit for the third quarter. The impairment has no effect on liquidity. The holding was acquired in 2013, and was recognized at 72.6 MSEK before the impairment of 71.6 MSEK. The Brazilian economy has deteriorated sharply since the acquisition. This, combined with Altus's exposure to the oil and gas sector, mean that the company's sales and earnings have been impacted very negatively, meaning that long-term value is uncertain, which caused the revaluation.

**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.

Malmö, Sweden, October 20, 2016
Per Samuelsson
President and CEO

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**Report of Review of Interim Financial Information, prepared in accordance with IAS 34 and the Swedish Annual Accounts Act chapter 9**

**Introduction**

We have conducted a review of the Interim Report of Beijer Electronics AB as of September 30, 2016, and the nine-month period that concluded on this date. The Board of Directors and CEO are responsible for the preparation and presentation of this Interim Report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on the Interim Report based on our review.

**Focus and scope of review**

We have conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity.* A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is significantly limited in scope compared to the focus and scope of an audit conducted in accordance with the International Standards on Accounting (ISA) and generally accepted auditing standards in Sweden. The procedures performed in a review do not allow us to obtain a level of assurance that would make us aware of all significant matters that might have been identified in an audit. Therefore, the conclusion expressed based on a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the Interim Report has not been prepared, in all material respects, for the group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Annual Accounts Act.

**Magnus Jönsson**
*Authorized Public Accountant*
**Öhrlings PricewaterhouseCoopers AB**

**Malmö, Sweden, October 20, 2016**

# Interim Report in Summary

## Income Statement—Group

| SEK 000 | Quarter 3, 2016 | Quarter 3, 2015 | 9 Mth. 2016 | 9 Mth. 2015 | Full Year, 2015 |
|---|---|---|---|---|---|
| Net sales | 271,118 | 322,310 | 834,941 | 1,041,585 | 1,374,575 |
| Other operating revenue and operating expenses | 43 | 3,896 | 511 | 12,985 | 9,656 |
| Operating expenses excl. depreciation and amortization | -250,531 | -298,333 [c] | -835,254 [a] | -945,389 [c] | -1,268,719 [d] |
| **Operating profit before depreciation and amortization** | **20,630** | **27,873** | **198** | **109,181** | **115,512** |
| Amortization of intangible assets | -11,086 | -10,479 | -32,382 | -30,566 | -41,727 |
| Depreciation of tangible assets | -4,837 | -5,381 | -14,424 | -15,713 | -21,585 |
| **Operating profit** | **4,707** | **12,013** | **-46,608** | **62,902** | **52,200** |
| Net financial items | -75,879 [b] | 70 | -80,478 [b] | -7,175 | -8,860 [e] |
| **Profit before tax** | **-71,172** | **12,083** | **-127,086** | **55,727** | **43,340** |
| Estimated tax | -1,571 | -3,843 | 9,685 | -19,435 | -19,523 |
| **Net profit** | **-72,743** | **8,240** | **-117,401** | **36,292** | **23,817** |
| *Attributable to equity holders of the parent* | *-72,756* | *8,370* | *-117,133* | *36,502* | *23,957* |
| *Attributable to non-controlling interests* | *13* | *-130* | *-268* | *-210* | *-140* |
| *Corresponds to earnings per share, SEK* | *-3.82* | *0.44* | *-6.14* | *1.91* | *1.26* |

*a Of which restructuring expense -50.0 MSEK*
*b Of which impairment of participation in associated company 71,594,000 SEK*
*c Of which non-recurring cost of -3,200,000 SEK attributable to change of CEO and restructuring expense of -3,255,000 SEK*
*d Of which non-recurring cost of -3,200,000 SEK attributable to change of CEO and restructuring expense of -4,125,000 MSEK*
*e Of which share of equity in associated company of -3.8 MSEK and adjustment of additional purchase consideration of 2,216,000 SEK*

## Statement of Comprehensive Income

| SEK 000 | Quarter 3, 2016 | Quarter 3, 2015 | 9 Mth. 2016 | 9 Mth. 2015 | Full Year, 2015 |
|---|---|---|---|---|---|
| Net profit | -72,743 | 8,240 | -117,401 | 36,292 | 23,817 |
| Actuarial gains and losses | -1,789 | -194 | -3,580 | -389 | 10,854 |
| Translation differences | 18,663 | -14,288 | 31,168 | 17,235 | 13,216 |
| **Comprehensive income** | **-55,869** | **-6,242** | **-89,813** | **53,138** | **47,887** |
| *Attributable to equity holders of the parent* | *-56,027* | *-5,721* | *-89,823* | *53,619* | *48,266* |
| *Attributable to non-controlling interests* | *158* | *-521* | *10* | *-481* | *-379* |

## Balance Sheet—Group

| SEK 000 | Sept. 30, 2016 | Sept. 30, 2015 | Dec. 31, 2015 |
|---|---|---|---|
| **Assets** | | | |
| Intangible assets | 748,823 | 714,316 | 718,321 |
| Property, plant and equipment | 78,634 | 79,277 | 83,493 |
| Financial assets | 64,202 | 118,176 | 107,860 |
| Current assets | 434,743 | 464,696 | 426,694 |
| Cash and cash equivalents and short-term investments | 107,681 | 133,955 | 116,636 |
| **Total assets** | **1,434,083** | **1,510,420** | **1,453,004** |
| **Equity and liabilities** | | | |
| Equity attributable to equity holders of the parent | 407,306 | 526,316 | 520,963 |
| Non-controlling interests | 5,987 | 5,875 | 5,977 |
| Long-term liabilities | 505,741 | 549,186 | 530,963 |
| Current liabilities | 515,049 | 429,043 | 395,101 |
| **Total equity and liabilities** | **1,434,083** | **1,510,420** | **1,453,004** |
| *Of which interest-bearing liabilities* | *697,595* | *645,949* | *609,453* |

## Statement of Changes to Shareholders’ Equity

| SEK 000 | Sept. 30, 2016 | Sept. 30, 2015 | Dec. 31, 2015 |
|---|---|---|---|
| **Attribute of all to parent company shareholders** | | | |
| Opening equity, January 1, in accordance with adopted balance sheet | 520,963 | 496,531 | 496,531 |
| Dividend | -23,834 | -23,834 | -23,834 |
| Comprehensive income | -89,823 | 53,619 | 48,266 |
| **Closing equity** | **407,306** | **526,316** | **520,963** |
| **Attributable to non-controlling interests** | | | |
| Opening equity, January 1 | 5,977 | 6,356 | 6,356 |
| Comprehensive income | 10 | -481 | -379 |
| **Closing equity** | **5,987** | **5,875** | **5,977** |

## Key Figures

| | Sept. 30, 2016 | Sept. 30, 2015 | Dec. 31, 2015 |
|---|---|---|---|
| Operating margin, % | -5.6 | 6.0 | 3.8 |
| Profit margin, % | -14.1 | 3.5 | 1.7 |
| Equity ratio, % | 28.8 | 35.2 | 36.3 |
| Shareholders’ equity per share, SEK | 21.4 | 27.6 | 27.3 |
| Earnings per share, SEK [a)] | -6.14 | 1.91 | 1.26 |
| Return on equity after tax, % | -27.5 | 9.0 | 4.6 |
| Return on capital employed, % | -4.5 | 6.9 | 4.8 |
| Return on net operating assets, % | -8.4 | 11.0 | 7.4 |
| Average number of employees | 719 | 755 | 752 |

## Cash Flow Statement—Group

| SEK 000 | Sept. 30, 2016 | Sept. 30, 2015 | Dec. 31, 2015 |
|---|---|---|---|
| Cash flow from operating activities before changes in working capital | -1,340 | 74,040 | 78,676 |
| Change in working capital | -21,320 | -21,921 | 5,983 |
| **Cash flow from operating activities** | **-22,660** | **52,119** | **84,659** |
| Cash flow from investing activities | -50,934 | -56,657 | -79,965 |
| Cash flow from finance activities | 83,272 | 1,824 | -23,246 |
| Dividends paid | -23,834 | -23,834 | -23,834 |
| **Change in cash equivalents** | **-14,156** | **-26,548** | **-42,386** |
| Cash equivalents and short-term investments, opening balance | 116,636 | 156,842 | 156,842 |
| Exchange rate change, cash equivalents | 5,201 | 3,661 | 2,180 |
| **Cash equivalents and short-term investments, closing balance** | **107,681** | **133,955** | **116,636** |

## Operating Segments

| SEK 000 | Quarter, 3 2016 | Quarter, 3 2015 | 9 Mth. 2016 | 9 Mth. 2015 | Full Year 2015 |
|---|---|---|---|---|---|
| **Net sales** | | | | | |
| IAS | 147,170 | 196,000 | 467,096 | 634,282 | 818,790 |
| IDC | 126,021 | 130,378 | 372,939 | 417,180 | 567,601 |
| Group adjustments | -2,073 | -4,068 | -5,094 | -9,878 | -11,816 |
| **Group** | **271,118** | **322,310** | **834,941** | **1,041,584** | **1,374,575** |
| **Operating profit before depreciation and amortization** | | | | | |
| IAS | 5,371 | 12,351 [b] | -25,006 [a] | 49,784 [b] | 38,310 [d] |
| IDC | 20,193 | 16,076 | 44,867 [a] | 61,604 | 80,314 |
| Parent company | -5,336 | -1,339 [c] | -21,780 | -5,209 [c] | -7,833 [c] |
| Group adjustments | 402 | 785 | 2,117 | 3,002 | 4,721 |
| **Group** | **20,630** | **27,873** | **198** | **109,181** | **115,512** |
| **Operating profit** | | | | | |
| IAS | 401 | 7,185 | -39,515 | 34,352 | 17,050 |
| IDC | 12,137 | 8,207 | 20,980 | 39,329 | 49,722 |
| Parent company | -7,537 | -3,157 | -28,105 | -10,573 | -15,104 |
| Group adjustments | -294 | -222 | 32 | -206 | 532 |
| **Group** | **4,707** | **12,013** | **-46,608** | **62,902** | **52,200** |

*a Of which restructuring expense IAS -49.5 MSEK and IDC -0.5 MSEK*
*b Of which restructuring expense of -3,255,000 SEK*
*c Of which non-recurring cost of -3.2 MSEK attributable to change of CEO*
*d Of which restructuring expense of -4,125,000 MSEK*

## Income Statement—Parent Company

| SEK 000 | Quarter 3 2016 | Quarter 3 2015 | 9 Mth. 2016 | 9 Mth. 2015 | Full Year 2015 |
|---|---|---|---|---|---|
| Net sales | 9,471 [a] | 15,400 | 28,413 [a] | 46,195 | 61,593 |
| Operating expenses | -17,008 | -18,557 | -56,518 | -56,768 [c] | -76,697 [c] |
| **Operating profit** | **-7,537** | **-3,157** | **-28,105** | **-10,573** | **-15,104** |
| Net financial items* | -75,950 [b] | 41,540 | -35,986 [b] | 40,349 | 47,703 |
| **Profit before tax** | **-83,487** | **38,383** | **-64,091** | **29,776** | **32,599** |
| Appropriations | | 263 | | 788 | 14,754 |
| Estimated tax | 1,671 | 292 | 5,947 | 840 | -1,557 |
| **Net profit** | **-81,816** | **38,938** | **-58,144** | **31,404** | **45,796** |
| **of which dividend from subsidiary* | *0* | *40,000* | *40,000* | *40,000* | *46,814* |

*a The parent company's revenues consist of invoicing of group-wide expenses to subsidiaries. In 2016, the parent company altered the principle governing the expenses that are invoiced.*

*b Of which impairment of participation in associated company -75,394,000 SEK*

*c Of which non-recurring cost of -3.2 MSEK attributable to change of CEO*

## Balance Sheet—Parent Company

| SEK 000 | Sept. 30, 2016 | Sept. 30, 2015 | Dec. 31, 2015 |
|---|---|---|---|
| **Assets** | | | |
| Fixed assets | 734,840 | 805,774 | 796,223 |
| Current assets | 14,513 | 28,228 | 39,257 |
| Cash equivalents and short-term investments | 1,166 | 1,241 | |
| **Total assets** | **750,519** | **835,243** | **835,480** |
| **Liabilities and shareholders' equity** | | | |
| Shareholders' equity | 81,097 | 148,683 | 163,075 |
| Untaxed reserves | | 263 | |
| Long-term liabilities | 389,461 | 491,953 | 497,988 |
| Current liabilities | 279,961 | 194,344 | 174,417 |
| **Total liabilities and shareholders' equity** | **750,519** | **835,243** | **835,480** |
| *Of which interest-bearing liabilities* | 603,700 | 544,043 | 518,930 |

# Financial definitions

***Operating margin***
Operating profit in relation to net sales.

***Profit margin***
Net profit in relation to net sales.

***Equity ratio***
Equity in relation to total assets.

***Equity per share***
Equity attributable to parent company shareholders divided by the number of shares.

***Earnings per share***
Net profit attributable to parent company shareholders divided by the number of shares at year-end.

***Return on equity after tax***
Net profit rolling 12 months in relation to average equity.

***Return on capital employed***
Profit before tax plus financial expenses rolling 12 months in relation to average capital employed.

***Return on net operating assets***
Operating profit (profit after depreciation and amortization) in relation to average net operating assets.

***Capital employed***
Equity plus interest-bearing liabilities.

***Operating assets***
Total assets less cash and cash equivalents, and interest-bearing liabilities.

**Beijer Electronics AB (publ)**

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**Financial Calendar**

January 27, 2017........................Financial Statement 2016
April 27, 2017.......................Three-month Interim Report
April 27, 2017............................Annual General Meeting
July 14, 2017.............................Six-month Interim Report
October 25, 2017...................Nine-month Interim Report


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