JANUARY—MARCH 2016

Lower sales but earnings somewhat above plan, new financial targets

- Order intake of 265.0 MSEK (343.5*).
- Net sales were 280.5 MSEK (351.8*).
- Operating profit/loss -55.5 MSEK (26.7). Profit was charged with non-recurring expenses of 50 MSEK (0).
- Profit/loss after-tax was -41.9 MSEK (15.1).
- Earnings per share were -2.19 SEK (0.80).
- An Extraordinary General Meeting (EGM) on January 28, 2016, resolved to divest operations in the Baltics.
- The Board of Directors decided on a restructuring program in the IAS business area, which will reduce costs by 50 MSEK annually. The cost of this package amounts to 50 MSEK, and was charged to profit in the first quarter 2016.
- The Board of Directors has adopted new financial targets.

** Includes distributor volumes that have been discontinued.*

Beijer ELECTRONICS

Interim Report, Beijer Electronics AB

Comments from President and CEO Per Samuelsson

"Intensive efforts to create what to some extent is a new platform for the group continued in the first quarter. As reported, sales decreased, mainly due to the conclusion of our partnership with Mitsubishi Electric at year-end. As expected, the group also reported a loss in the quarter, mainly due to non-recurring expenses of 50 MSEK which were charged to profit. Otherwise, the quarter included results that were better and worse than plan.

The IDC business area's order intake and sales decreased in the quarter after a long period of healthy growth. But we view this downturn as temporary. Due to its focus on the train segment in Westermo, IDC's business has got a far greater content of projects. Usually, individual orders are substantial, which often mean long lead-times, and sometimes, delays. This has a big impact on order intake, sales and profits in individual quarters. We can conclude that we underestimated the time from making a sale to completing the deal and delivering.

Since Westermo initiated its far-reaching investment program in fall 2014, it has accumulated some 30 potential new business accounts in the train segment worldwide. The sales process is multi-stage, involving customer enquiries, testing and specification phases. Of 23 different projects at present, 18 have been specced, and 5 are in the testing phase. If the outcome is positive, these projects would generate additional sales of over 100 MSEK annually.

The lead-time from the specification phase to order varies widely, from a few months to several years. This lead-time is hard to state exactly, and it is impossible to be certain about outcomes until complete. But we're really hopeful of completing the projects now in processing, and securing several more. Meanwhile, this greater project content means that taking a longer perspective becomes more important. We are retaining our long-term positive growth outlook and overall investment plan for Westermo and the IDC business area, while we view departures from plan as temporary.

As previously reported, the IAS business area's sales were down significantly, while it also reported a deficit for the quarter, due to the loss of Mitsubishi Electric products

Business Area Sales and Operating Profit

	Sales Quarter 1		Operating Profit Quarter 1	
MSEK	**Mar. '1603**	**Mar. '1503**	**Mar. '1603**	**Mar. '1503**
IAS business area	164.2	217.6	-49.9 [a]	13.5
IDC business area	117.8	136.8	2.4	15.9
Intra-group sales	-1.5	-2.6		
Group adjustments and depreciation			-8.0	-2.7
Beijer Electronics Group	**280.5**	**351.8**	**-55.5**	**26.7**

a Of which restructuring expense of -50.0 MSEK and profits being charged with 50 MSEK of restructuring expenses.

Meanwhile, IAS was able to discern some positive signs. Sales stabilized, especially in the US, even if there was some continued downturn in the oil and gas sector. One positive was IAS achieving successes in segments outside the US oil and gas sector, and good order intake in Europe at the end of the quarter. Adjusted for sales of Mitsubishi Electric products in 2015, sales were almost unchanged in the quarter, and were up by 7% on the fourth quarter of 2015.

The savings programs from the previous year had the planned effect. IAS's overheads reduced by 16%, or 12 MSEK, in the quarter. These actions will continue to generate effects for the rest of the year. Our work in 2016 is focused on creating a more robust platform for long-term positive and profitable growth for the group, simultaneous with the various business areas balancing each other out. Our sights are set on 2017 and the years beyond.

Accordingly, the Board of Directors has adopted new financial targets for the whole of Beijer Electronics. The objectives are for the group to achieve minimum yearly organic growth of 7%, and in the first stage, a minimum EBIT margin of 10% measured as an average over a business cycle. Work on strategies to achieve these targets has already begun, will continue and be determined in 2016. As previously communicated, Beijer Electronics expects to report lower sales in the first half-year. Overall, Beijer Electronics expects to post somewhat lower sales and somewhat higher operating profit including non-recurring expenses for the full year 2016 compared to the results for 2015."

The group in the first quarter

The group's order intake was 265.0 MSEK (343.5) in the first quarter 2016. The downturn is due to the discontinued partnership with Mitsubishi Electric, lower demand in the oil and gas sector and reduced order intake in the IDC business area.

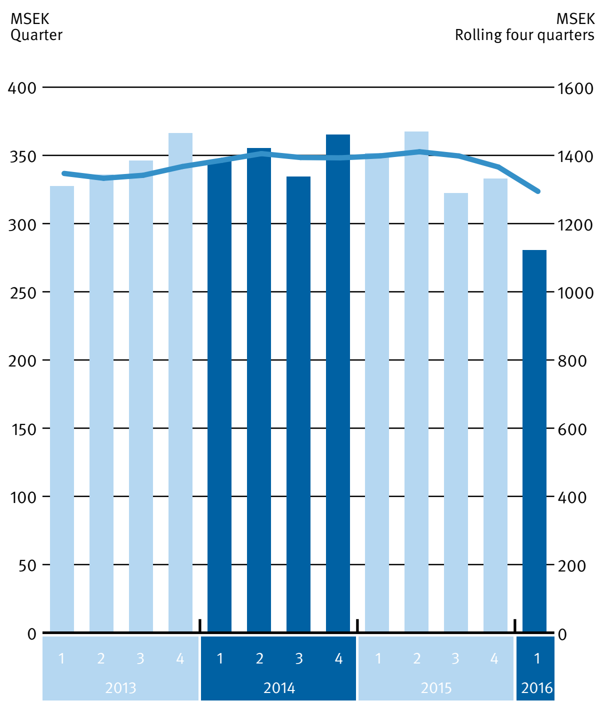
The group's sales were down by 20% to 280.5 MSEK (351.8). Excluding Mitsubishi Electric products, sales decreased by 8%. The decrease in underlying sales volume is due to lower sales in the US oil and gas sector in the IAS business area, and lower sales in the IDC business area.

The group's operating profit/loss before depreciation and amortization was -39.6 MSEK (41.7). Depreciation and amortization was 15.9 MSEK (15.0). The operating profit/loss was -55.5 MSEK (26.7). Profit was charged with non-recurring expenses of 50 MSEK (0). Total development expenses were 26.7 MSEK (28.8), which was 9.5 % (8.2) of the group's sales.

The profit/loss before tax was -56.7 MSEK (22.9). Net financial income/expense was -1.2 MSEK (-3.8). Profit after estimated tax was -41.9 MSEK (15.1). Earnings per share after estimated tax were -2.19 SEK (0.80).

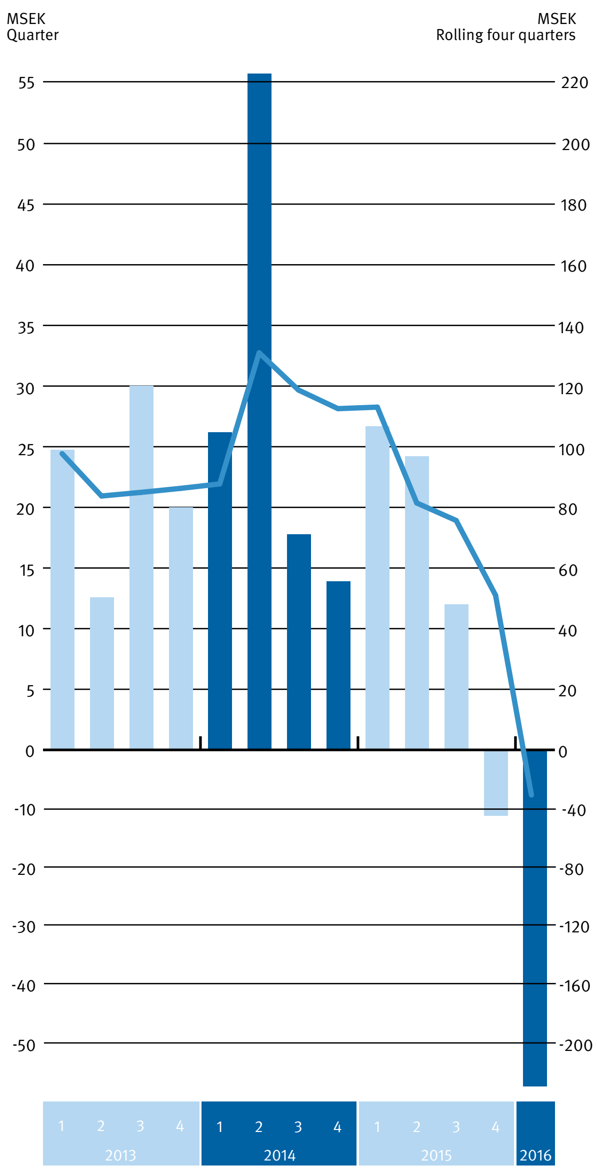
> "We'll make sure we go into 2017 in growth.
>
> **PER SAMUELSSON,** PRESIDENT AND CEO

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

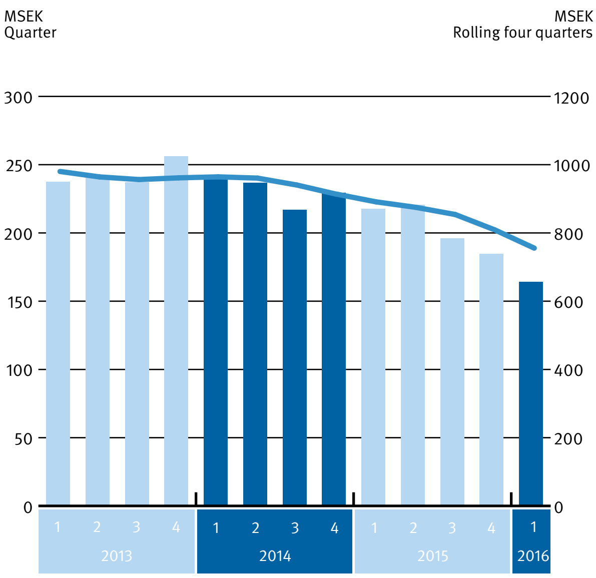
As expected, the Industrial Automation Solutions (IAS) business area reported lower order intake and sales in the first quarter as a result of the conclusion of the Mitsubishi Electric partnership at year-end. Otherwise, operations showed signs of stabilizing. The downturn in the US oil and gas sector arrested in the quarter, while sales to other segments increased. In this context, IAS has been successful in its efforts to identify new customers outside the oil and gas sector, bringing the US business better balance.

One positive was that the EMEA region also reported healthy order intake, especially at the end of the reporting period. Another positive was that sales in the first quarter were up on the third quarter and the fourth quarter 2015 in like-for-like terms. The program of measures from the previous year progressed as planned, reducing overheads significantly. Together with the new program of measures, further effects are expected progressively through the rest of the year and on into 2017.

Business area order intake was 154.1 MSEK (220.0). Sales were down by 53 MSEK to 164.2 MSEK (217.6). Excluding sales of products from Mitsubishi Electric, sales were 169.6 MSEK in 2015. Sales increased by 7% compared to the fourth quarter 2015, adjusted for Mitsubishi Electric products. Operating profit/loss before depreciation and amortization was -44.8 MSEK (18.6). Depreciation and amortization was 5.1 MSEK (5.1). The operating profit/loss was -49.9 MSEK (13.5), which was charged with non-recurring expenses of 50 MSEK (0). The program of measures from 2015 reduced overheads by 16% in comparable terms.

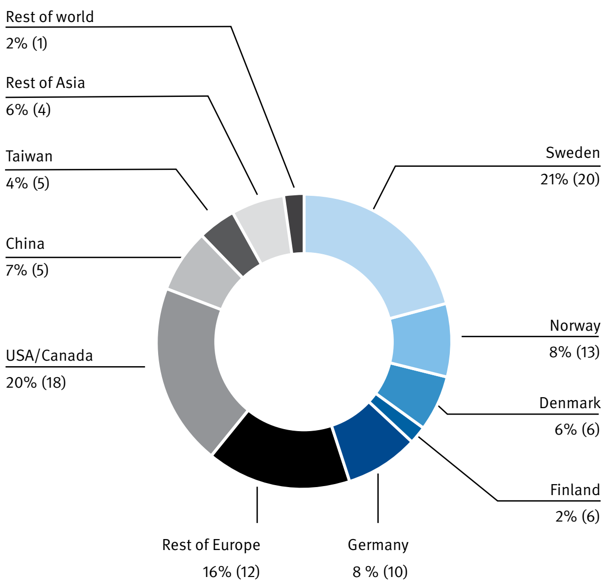
The new savings program initiated at the beginning of 2016 is going as planned and will start to take effect from the second quarter 2016. The profit decrease is due to reduced sales volumes and lower gross margin, mainly driven by a downscaled oil and gas business in the US.

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 2016 compared to 2015.

Industrial Data Communication business area

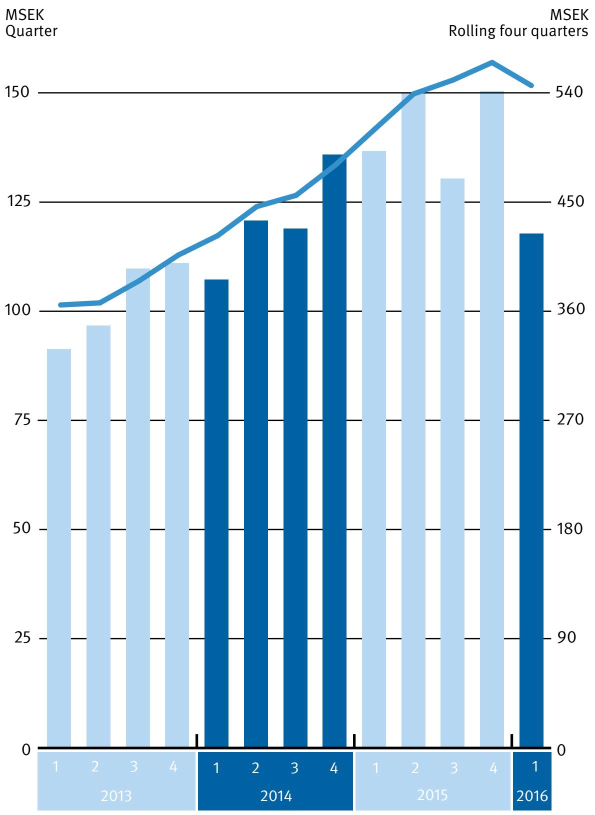
The Industrial Data Communication (IDC) business area was affected by a slump in the quarter, with lower order intake and sales, and lower profit in the period. The downturn is partly due to IDC having a very strong first quarter 2015, and that in certain cases, lead-times to transaction for the subsidiary Westermo's tenders have been longer than expected.

One important component of Westermo's major initiatives has been a focus on the train sector, which was also successful. In 2013, the train segment represented 15% of sales, and in 2015, 30%. This means that over 50% of growth is sourced from the train segment. Apart from sales already ongoing, since the investment program was initiated in fall 2014, Westermo has secured several new potential new business accounts worldwide.

Train business is usually project based and has several stages, involving customer enquiries, testing and specification phases. Westermo is currently working on some 30 different train projects, of which 18 have already been specced and 5 are in testing. Given a positive outcome, these projects would result in extra sales of over 100 MSEK annually.

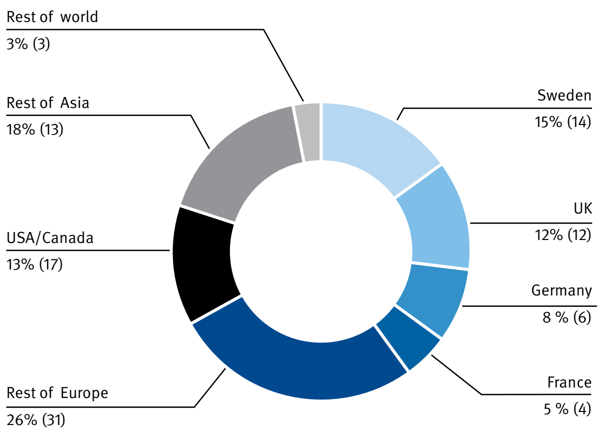
The lead-time from the specification phase to order varies widely, from a few months to several years. Accordingly, this lead-time is hard to state exactly, but is often

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 2016 compared to 2015.

underestimated, as has also been the case for Westermo. This has a big impact on order intake, sales and profits in individual quarters. With a greater component of project-based operations, taking a longer-term view becomes more important, and Westermo's positive long-term growth outlook is unchanged.

Additional customization of external software, mainly on the US market, has been necessary for the subsidiary Korenix, which focuses on the surveillance and security sector, and this impacted sales negatively in the quarter. Korenix now has a competitive product offering, and accordingly, sales are expected to increase at the expected rate for the rest of the year.

IDC's order intake decreased to 110.9 MSEK (123.5). Sales were 117.8 MSEK (136.8). Operating profit before depreciation and amortization was 10.5 MSEK (23.1). Depreciation and amortization was 8.1 MSEK (7.2). Operating profit was 2.4 MSEK (15.9), equivalent to an operating margin of 2.0% (11.6). The profit decrease is due to lower sales volumes and increasing research and development expenses, in accordance with the investment plan decided in fall 2014.

> “We've underestimated the lead-time from specification to order, but we're definitely doing the right things.

PER SAMUELSSON, PRESIDENT AND CEO

Other financial information

Group investments including capitalized development expenses and acquisitions amounted to 16.1 MSEK (28.2). Cash flow from operating activities was -29.3 MSEK (17.2). Equity was 469.0 MSEK (566.4) on March 31, 2016. The equity ratio was 33.2% (36.5). Cash and cash equivalents were 93.3 MSEK (159.7). Net debt was 539.2 MSEK (487.7). The average number of employees was 730 (753).

New financial targets for the group

The Board of Directors has set new 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 in the first phase, achieve a minimum EBIT margin of 10%, measured as an average over a business cycle. With the current financial structure, this equates to a return on equity of some 20%.

These new targets assume Westermo's highly ambitious growth plans until 2017 taking longer to implement. 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 lesser impact on growth rates.

The markets that both business areas address are in long-term growth, apart from the oil and gas sector.

Prospects for the full year 2016

Progress in the first quarter 2016 was largely as planned, although the group's sales were somewhat lower, and profits somewhat higher, than expected. Given lost sales of Mitsubishi Electric products, Beijer Electronics is set to return lower sales in the first half year, and overall, report somewhat lower sales and somewhat higher operating profit excluding non-recurring expenses for the full year 2016 compared to the results for 2015.

Significant events

Beijer Electronics' Board of Directors convened an EGM on January 4, 2016. This AGM, 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 restructuring program 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 is expected to generate cost savings of 50 MSEK annually, 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 proportion of software sales, focusing more on specific segments for robust terminals and concentrating resources on fewer markets, and reaching larger customers.

Malmö, Sweden, April 26, 2016
Per Samuelsson
President and CEO

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

Accounting Principles

For the group, this Financial Statement has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations of the Swedish Annual Accounts Act. The Financial Statement 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.

Interim Report in Summary

Income Statement—Group

SEK 000	Quarter 1, 2016	Quarter 1, 2015	Full year, 2015
Net turnover	280,508	351,750	1,374,575
Other operating revenue	-5	168	9,656 [b, c]
Operating expenses excluding depreciation and amortisation	-320,114 [a]	-310,234	-1,268,719
Operating profit before depreciation and amortization	**-39,611**	**41,684**	**115,512**
Amortization, intangible assets	-10,850	-9,947	-41,727
Depreciation, property, plant and equipment	-5,024	-5,039	-21,585
Operating profit	**-55,485**	**26,698**	**52,200**
Net financial items	-1,174	-3 785	-8,860 [d]
Profit before tax	**-56,659**	**22,913**	**43,340**
Estimated tax	14,767	-7,792	-19,523
Net profit	**-41,892**	**15,121**	**23,817**
Attributable to equity holders of the parent	*-41,701*	*15,308*	*23,957*
Attributable to minority interest	*-191*	*-187*	*-140*
Earnings per share, SEK	*-2.19*	*0.80*	*1.26*

a Of which restructuring expense -50.0 MSEK
b Of which non-recurring cost of -3.2 MSEK attributable to change of CEO
c Of which restructuring expense -4,125,000 SEK
d Including participating interest in associated company of -3.8 MSEK and adjustment of additional purchase consideration of 2,216,000 SEK

Comprehensive Income

SEK 000	Quarter 1, 2016	Quarter 1, 2015	Full year, 2015
Net profit	-41,892	15,121	23,817
Actuarial gains and losses			10,854
Translation differences	-10,329	54,974	13,216
Comprehensive income	**-52,221**	**70,095**	**47,887**
Attributable to equity holders of the parent	*-51,977*	*69,841*	*48,266*
Attributable to minority interest	*-244*	*254*	*-379*

Balance Sheet—Group

SEK 000	Mar. 31, 2016	Mar. 31, 2015	Dec. 31, 2015
Assets			
Intangible assets	714,795	736,444	718,321
Tangible assets	79,423	86,145	83,493
Financial assets	128,042	114,621	107,860
Current assets	413,723	471,716	426,694
Cash equivalents and short-term investments	93,282	159,693	116,636
Total assets	**1,429,265**	**1,568,619**	**1,453,004**
Liabilities and shareholders' equity			
Shareholders' equity	468,986	566,372	520,963
Minority share of shareholders' equity	5,733	6,610	5,977
Long-term liabilities	533,497	546,272	530,963
Current liabilities	421,049	449,365	395,101
Total liabilities and shareholders' equity	**1,429,265**	**1,568,619**	**1,453,004**
Of which interest-bearing liabilities	*632,452*	*647,356*	*609,453*

Statement of Changes to Shareholders' Equity

SEK 000	Mar. 31, 2016	Mar. 31, 2015	Dec. 31, 2015
Attributable to equity holders of the parent			
Opening balance, shareholders' equity, January 1	520,963	496,531	496,531
Dividend			-23,834
Comprehensive income	-51,977	69,841	48,266
Closing balance, shareholders' equity	**468,986**	**566,372**	**520,963**
Attributable to non-controlling interests			
Opening balance, January 1	5,977	6,356	6,356
Comprehensive income	-244	254	-379
Closing balance	**5,733**	**6,610**	**5,977**

Key Figures–Group

	Mar. 31, 2016	Mar. 31, 2015	Dec. 31, 2015
Operating margin, %	-19.8	7.6	3.8
Profit margin, %	-14.9	4.3	1.7
Equity ratio, %	33.2	36.5	36.3
Shareholders' equity per share, SEK	24.6	29.7	27.3
Earnings per share, SEK	-2.19	0.80	1.26
Return on equity after tax, %	-6.3	12.8	4.6
Return on capital employed, %	-2.2	10.1	4.8
Return on net operating assets, %	-4.1	16.8	7.4
Average number of employees	730	753	752

Cash Flow Statement–Group

SEK 000	Mar. 31, 2016	Mar. 31, 2015	Dec. 31, 2015
Cash flow from operating activities before changes in working capital	2,275	33,052	78,676
Change in working capital	-31,600	-15,840	5,983
Cash flow from operating activities	**-29,325**	**17,212**	**84,659**
Cash flow from investing activities	-16,113	-28,235	-79,965
Cash flow from finance activities	23,396	4,730	-23,246
Dividends paid			-23,834
Change in cash equivalents	**-22,042**	**-6,293**	**-42,386**
Cash equivalents and short-term investments, opening balance	116,636	156,842	156,842
Cash equivalents	-1,312	9,144	2,180
Cash equivalents and short-term investments, closing balance	**93,282**	**159,693**	**116,636**

Operating Segments

SEK 000	Quarter 1, 2016	Quarter 1, 2015	Full year, 2015
Net turnover			
IAS	164,212	217,629	818,790
IDC	117,779	136,760	567,601
Group adjustments	-1,483	-2,639	-11,816
Group	**280,508**	**351,750**	**1,374,575**
Operating profit before depreciation and amortization			
IAS	-44,822 [a]	18,600	38,310 [b]
IDC	10,486	23,127	80,314
Parent company	-6,448	-944	-7,833 [c]
Group adjustments	1,173	901	4,721
Group	**-39,611**	**41,684**	**115,512**
Operating profit			
IAS	-49,927	13,504	17,050
IDC	2,361	15,943	49,722
Parent company	-8,400	-2,672	-15,104
Group adjustments	481	-77	532
Group	**-55,485**	**26,698**	**52,200**

a Of which restructuring expense -50.0 MSEK
b Of which restructuring expense -4,125,000 SEK
c Of which non-recurring cost of -3.2 MSEK attributable to change of CEO

Income Statement—Parent Company

SEK 000	Quarter 1, 2016	Quarter 1, 2015	Full year, 2015
Net turnover	9,471 [a)]	15,398	61,593
Operating expenses	-17,871	-18,070	-76,697 [b]
Operating profit	**-8,400**	**-2,672**	**-15,104**
Net financial items*	-3,187	4,981	47,703
Profit before tax	**-11,587**	**2,309**	**32,599**
Appropriations		263	14,754
Estimated tax	2,475	-1,432	-1,557
Net profit	**-9,112**	**1,140**	**45,796**
of which dividend from subsidiaries			*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 non-recurring cost of -3.2 MSEK attributable to change of CEO

Balance Sheet—Parent Company

SEK 000	Quarter 1, 2016	Quarter 1, 2015	Full year, 2016
Assets			
Fixed assets	807,147	814,289	796,223
Current assets	12,779	27,359	39,257
Cash equivalents and short-term investments*	0	10,620	0
Total assets	**819,926**	**852,268**	**835,480**
Liabilities and shareholders' equity			
Shareholders' equity	153,963	142,253	163,075
Untaxed reserves		788	
Long-term liabilities	475,454	476,485	497,988
Current liabilities	190,509	232,742	174,417
Total liabilities and shareholders' equity	**819,926**	**852,268**	**835,480**
Of which interest-bearing liabilities	543,051	546,345	518,930

** Since Q4 2015, the parent company's cash and cash equivalents consist of a group-wide cash pool, reported as a receivable/liability from/to group companies*

Beijer Electronics AB (publ)

Beijer Electronics is a high technology company active in industrial automation and data communication. The company develops and markets competitive products and solutions that focus on the user. Since its start-up in 1981, Beijer Electronics has evolved into a multinational group with sales of 1,375 MSEK in 2015. The company is listed on NASDAQ OMX Nordic Stockholm Small Cap 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.com. If you have any questions about the Beijer Electronics group, please call +46 (0)40 35 86 00, or send an email: info@beijerelectronics.com.

Financial Calendar

April 26, 2016.................................Annual General Meeting
July 14, 2016................................Six-month Interim Report
October 20, 2016....................Nine-month Interim Report

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Beijer Electronics introduces WARP Engineering Studio –software that changes the way engineers set up automation applications. Create integrated HMI, control, drives and data communication solutions with WARP Engineering Studio. WARP automatically configures all hardware devices, software and communication settings. What used to take days, can now be up and running in a few minutes.

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