



Continued healthy sales increase and significantly better earnings

1 January - 31 March, 2019

Per Samuelsson, CEO & Joakim Laurén, CFO

Agenda

- ▶ Business update for the quarter
- ▶ Financial performance, BEIJER GROUP
- ▶ Financial performance, business entities
- ▶ Financial targets
- ▶ Outlook
- ▶ Q&A



Business update for the quarter

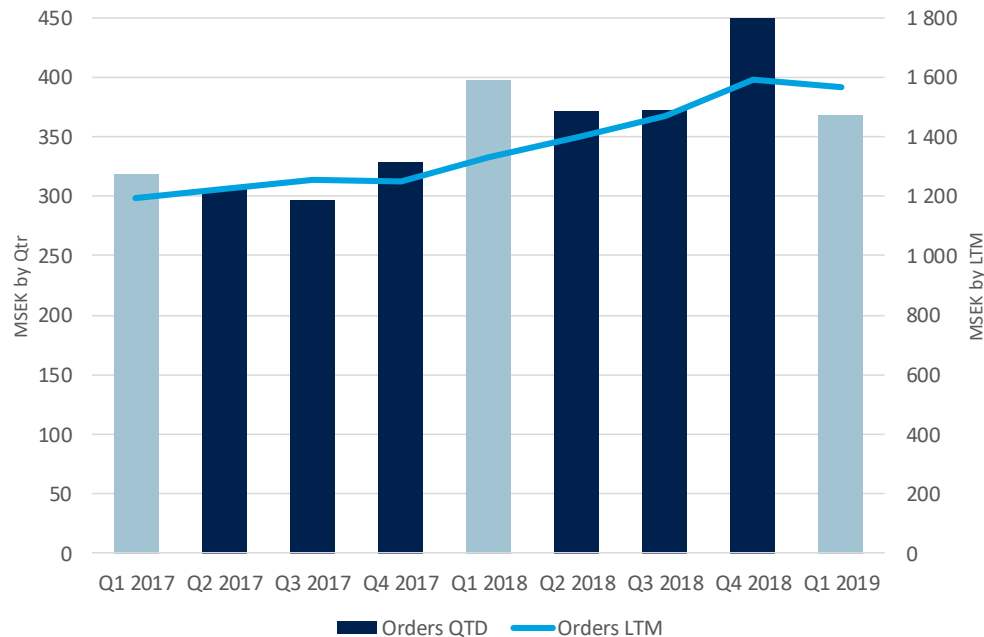
- ▶ The positive trend continues with growth and profit improvement.
- ▶ Satisfactory to note the EBIT margin of 8.1% and that we are closing in on the target of 10%.
- ▶ Orders on OK level without any larger project bookings in the quarter.
- ▶ Notable that Europe region showed good sales development for all three business entities.
- ▶ Beijer Electronics continues to show good profitability development.
- ▶ Westermo had continued nice growth and it is promising to see the profitability step-back including WeGrow investments into new segments.
- ▶ Korenix improved from last quarter but still way to go.
- ▶ Cash flow not where we want it to be and in full focus.
- ▶ Net income more than doubled to +20 MSEK in the quarter giving EPS at 0.70 SEK/share.

Agenda

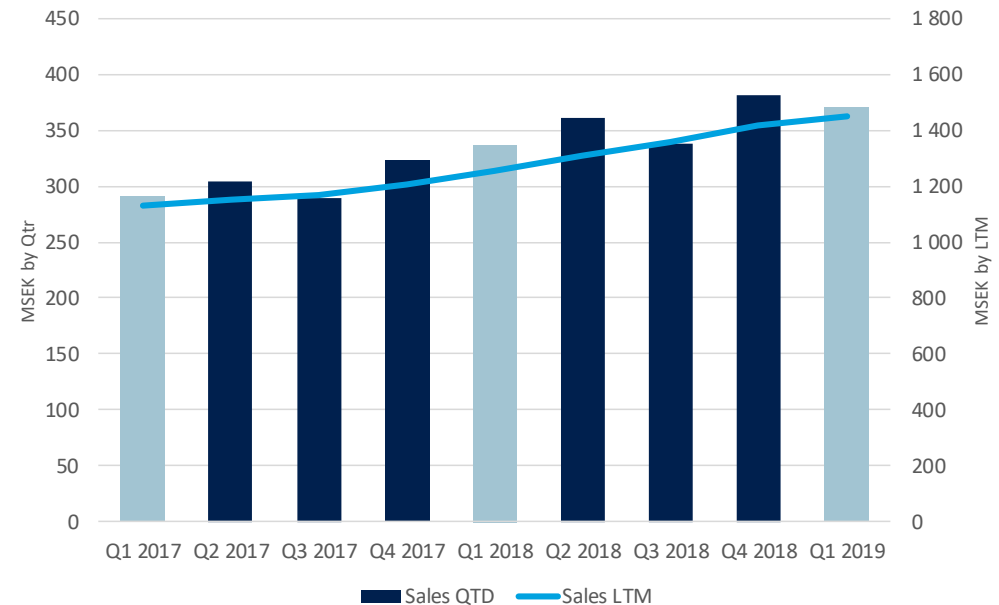
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Order intake



Sales

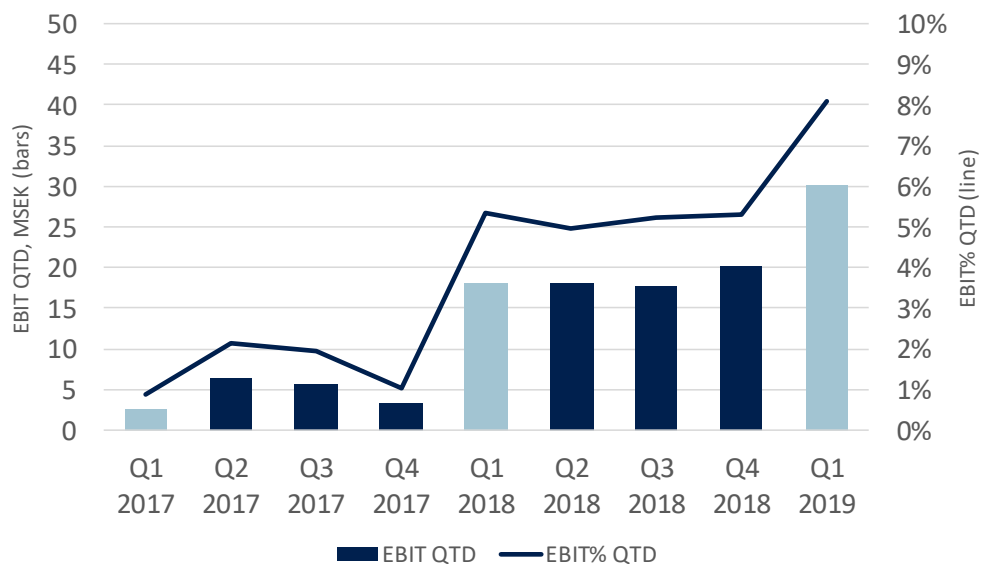


- ▶ Orders OK given no larger project booking and end-of-life impact from Q4 last year. Bumpy quarters can be expected going forward.
- ▶ Sales growth continues at +10% where Beijer Electronics shows good growth, Westermo strong growth while Korenix slightly down.
- ▶ Backlog at very strong levels at +36% vs last year.
- ▶ FX contributes with 5 p.p vs. last year in the quarter.

Group – growth continues and earnings step-up

MSEK	Q1 2019	Q1 2018	%	FY 2018
Order intake	368.5	397.7	-7%	1,593.2
Sales	370.9	336.8	10%	1,417.2
EBIT	30.1	18.1	66%	73.9
EBIT%	8.1%	5.4%		5.2%

EBIT and EBIT% QTD



Comments to Q1

- ▶ IFRS16 – new way to account for rental and leasing – giving material impact on EBITDA and balance sheet. Limited impact on EBIT, +0.4 MSEK.
- ▶ EBIT step-up to +30 MSEK in the quarter or 8.1%.
- ▶ Both Beijer Electronics and Westermo show good progress with growth and profitability. Korenix still way to go.
- ▶ Currency impact EBIT positively with +3.9 MSEK with about 1/3 of translation and 2/3 transactional variances.
- ▶ R&D spending reflects continued investments for future growth.
- ▶ Net income at +20 MSEK or EPS at 0.70 SEK/share.
- ▶ Cash flow at -25 MSEK in the quarter.

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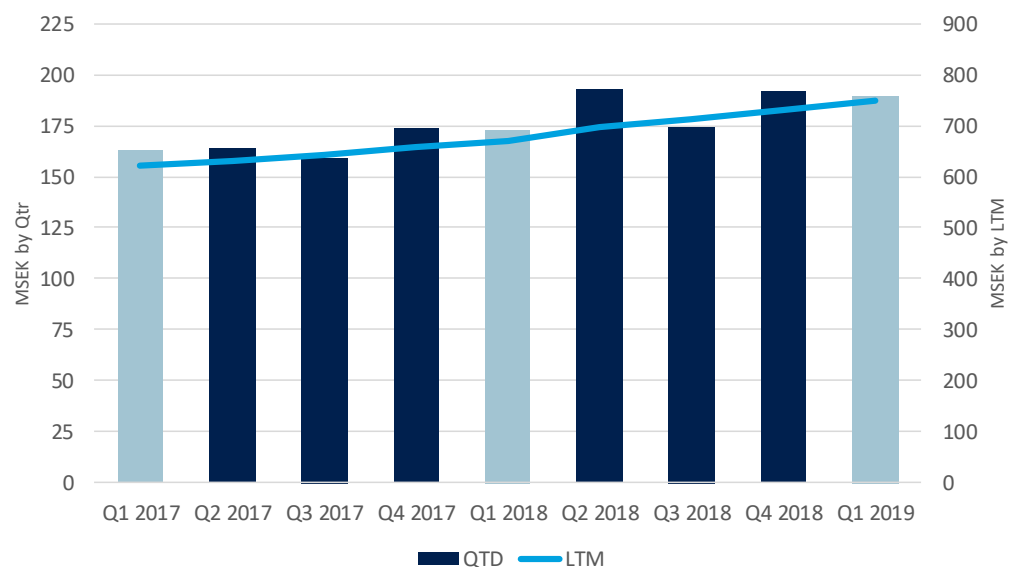
Beijer Electronics – sales growth and earnings improvement

MSEK	Q1 2019	Q1 2018	%	FY 2018
Order intake	183.4	191.7	-4%	792.2
Sales	189.5	173.1	9%	731.4
EBIT	18.3	8.4	117%	47.4
EBIT%	9.6%	4.9%		6.5%

Comments to Q1

- ▶ Continued nice growth and profit improvement.
- ▶ Order intake impacted by the extensive EOL bookings in Q4 2018 and underlying good.
- ▶ Good gross margin development driven by favourable mix of new products and efficient supply chain.
- ▶ R&D activities on high level and new IIOT software solutions soon to be introduced.
- ▶ Profitability improvement closing in on 10% in the quarter as well as sequentially confirming the step-up giving confidence going forward.

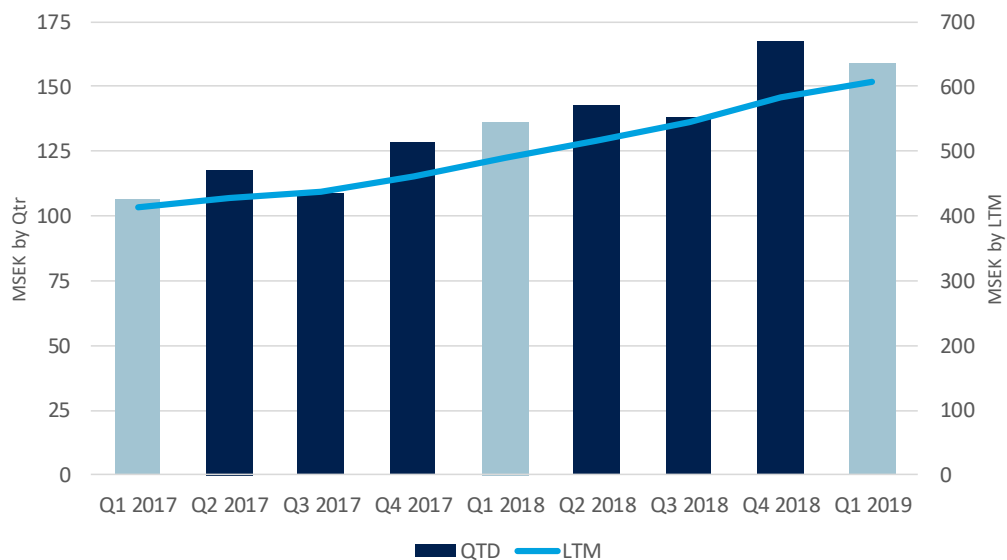
Beijer Electronics Sales



Westermo – strong sales growth and profitability level coming back

MSEK	Q1 2019	Q1 2018	%	FY 2018
Order intake	162.1	176.6	-8%	687.9
Sales	158.7	136.0	17%	584.2
EBIT	21.2	21.0	1%	69.7
EBIT%	13.4%	15.4%		11.9%

Westermo Sales



Comments to Q1

- ▶ Strong development in the quarter.
- ▶ No larger project booked in the quarter and bumpy orders can be expected going forward.
- ▶ Strong sales development confirming the capacity build up in supply chain.
- ▶ Continued activities in capacity build up with new machines implemented in Stora Sundby factory.
- ▶ WeGrow segment widening into *power distribution* and *trackside* drives further costs in mainly R&D spending – providing for future high growth levels.
- ▶ Profitability jump-back sequentially in line with expectations.

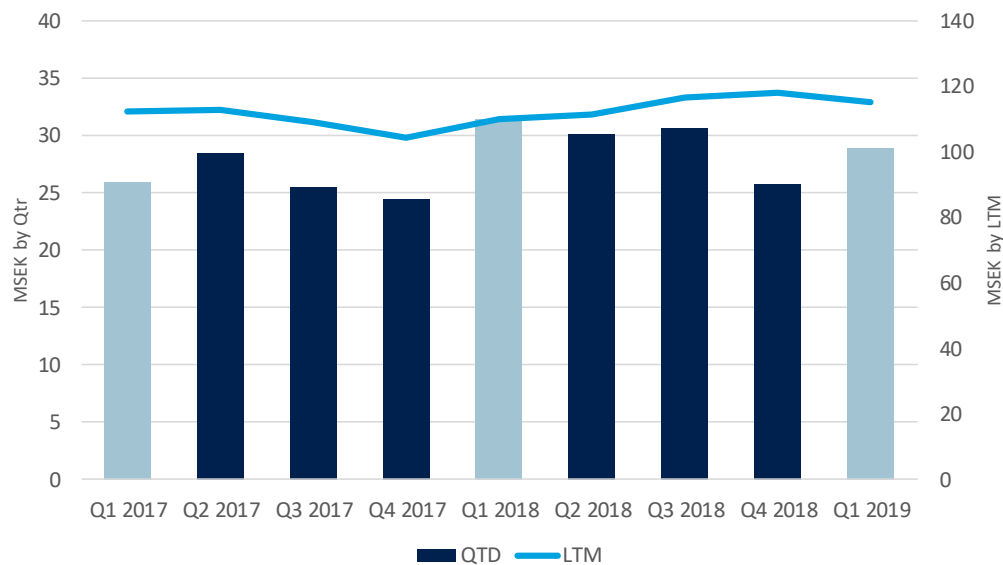
Korenix – recovery ongoing as planned

MSEK	Q1 2019	Q1 2018	%	FY 2018
Order intake	29.1	33.1	-12%	129.2
Sales	28.8	31.4	-8%	117.8
EBIT	-0.6	0.4	-267%	-6.4
EBIT%	-2.1%	1.1%		-5.4%

Comments to Q1

- ▶ Development according to expected with improvement compared to Q4 2018.
- ▶ Still a smaller loss due to the lower sales level.
- ▶ Moved project sales expected for coming quarters.
- ▶ New strategy being implemented included new product portfolio with higher performance, giving higher spending.
- ▶ Recovery ongoing and main focus is to show profitability during 2019.

Korenix Sales



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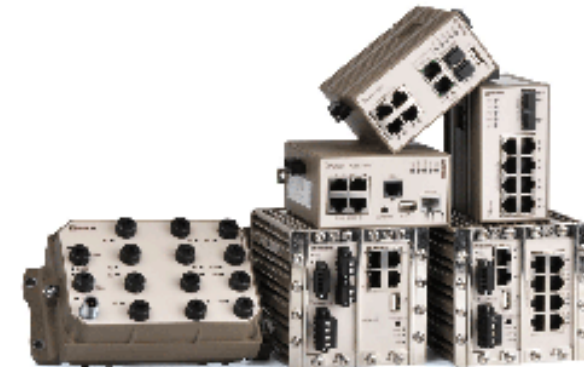
Financial targets for the group*

*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.*

** Decided by the board in 2016*

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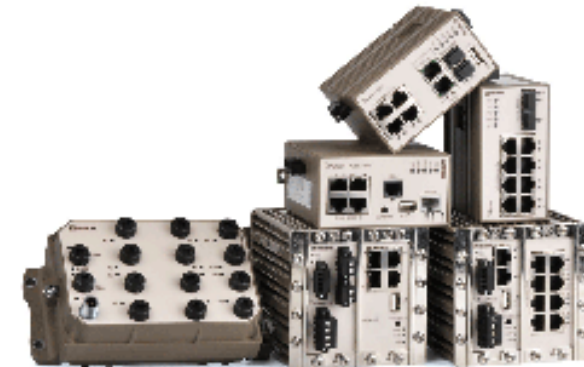
Outlook for 2019*

“ BEIJER GROUP is expecting to improve sales and earnings for the full year 2019 compared to the figures for 2018 “

** Unchanged from last quarter*

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BEIJER GROUP