

Good growth and successful rights issue

January–September, 2017

Per Samuelsson, CEO & Joakim Laurén, CFO

Agenda

- ▶ Key events in the quarter
- ▶ Financial targets
- ▶ Financial performance, Beijer Electronics Group
- ▶ Financial performance, business entities
- ▶ Outlook
- ▶ Q&A



Key events in the quarter

- ▶ Continued positive trend in the third quarter.
- ▶ Good order intake overall driven by both Westermo and Beijer Electronics.
- ▶ The financial performance improve somewhat. This includes increased activities in product development and Sales & Marketing to support the growth and profitability targets for coming years.
- ▶ Westermo deliver a good result, Beijer Electronics as planned including future-oriented higher costs while Korenix is impacted by the changes ongoing.
- ▶ R&D activities continued on high levels to provide for future releases of products and software solutions.
- ▶ Overall according to plan.
- ▶ The rights issue finalised successfully during early October.
- ▶ Jenny Sjödaahl new CEO for Westermo as of November 1st.

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Financial targets for the group

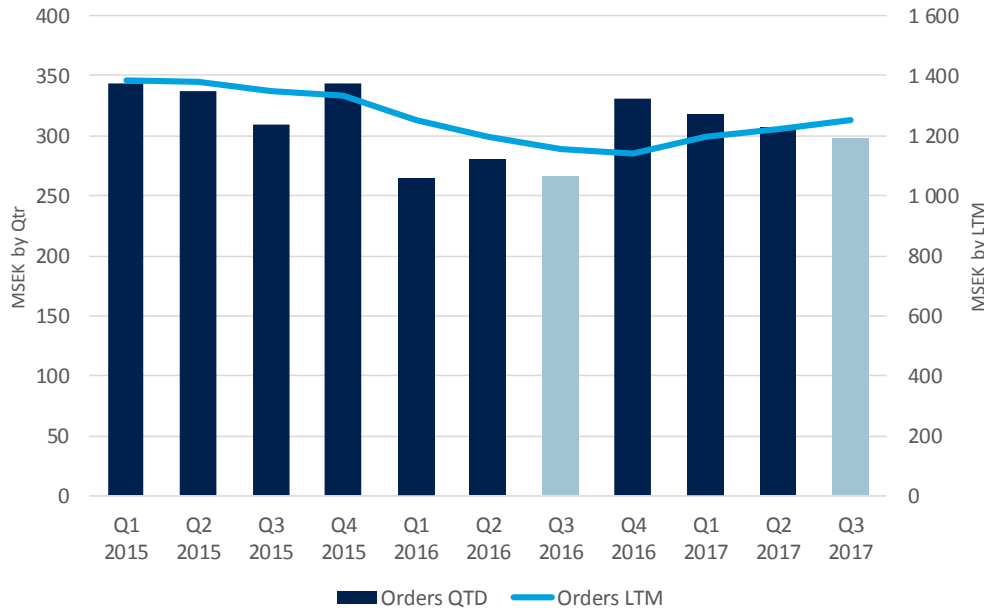
Within a 2-3 year timeframe, the group will achieve minimum organic growth of 7% per year, and in the first phase, achieve a minimum EBIT margin of 10%, measured as an average over a business cycle. With the current financial structure, this equates to a return on equity of some 20%.

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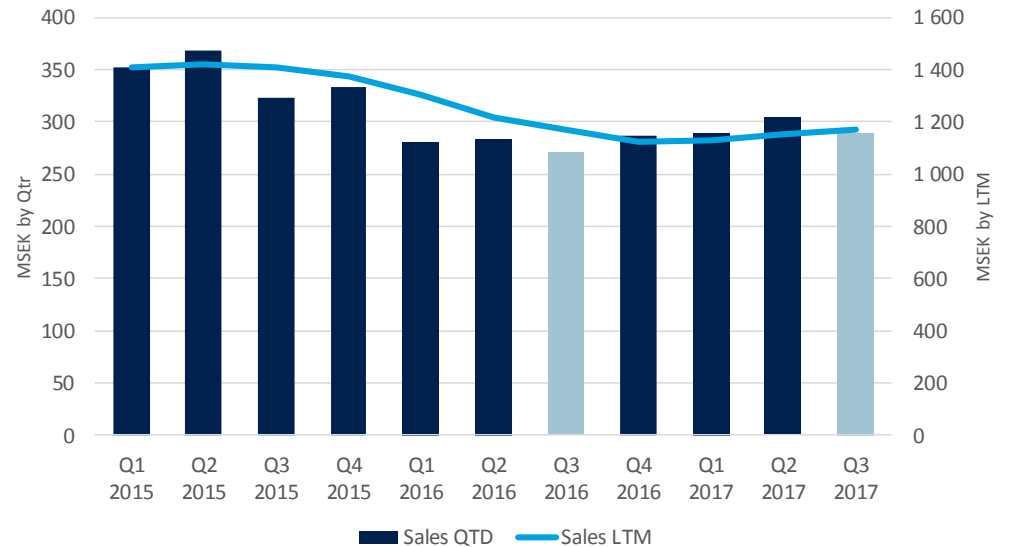
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Order intake



Sales

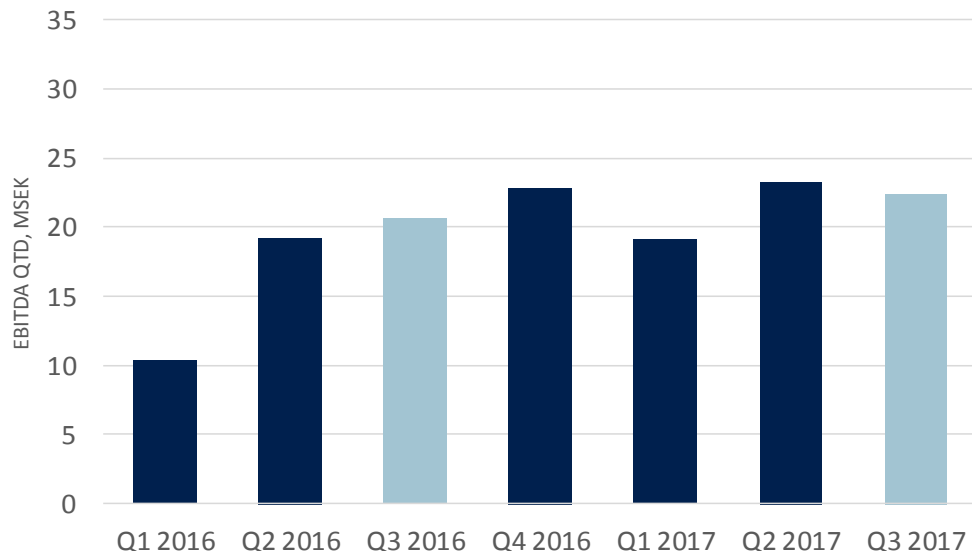


- ▶ Orders came in good in the quarter at +12% driven by double digit growth in both Westermo and Beijer Electronics.
- ▶ Sales growth of +7% in Q3 where Westermo and Beijer Electronics show growth while Korenix had a somewhat lower quarter.
- ▶ FX impacts negatively 1 p.p to both orders and sales in the quarter.

Group – improving trend as planned

MSEK	Q3 2017	Q3 2016	%	YTD 2017	YTD 2016	%
Order intake	297.4	266.3	12%	922.1	811.4	14%
Sales	289.1	271.1	7%	883.3	834.9	6%
EBITDA	22.4	20.6	8%	64.7	0.2	32581%
<i>EBITDA%</i>	<i>7.7%</i>	<i>7.6%</i>		<i>7.3%</i>	<i>0.0%</i>	
EBIT	5.6	4.7	19%	14.6	-46.6	-131%
<i>EBIT%</i>	<i>1.9%</i>	<i>1.7%</i>		<i>1.7%</i>	<i>-5.6%</i>	

EBITDA QTD (excluding restructuring cost in Q1 2016)



Comments

- ▶ Result improvement in the quarter from higher sales, offset by spendings to provide for future.
- ▶ Higher R&D costs of -3 MSEK in Q3 as planned for coming releases of products and services.
- ▶ Selective higher activities in sales and marketing with focus on future growth.
- ▶ Currency impacts +0.1 MSEK in the quarter.
- ▶ Main part of the rights issue included in the quarter. Finalised in early October and contributes net 217 MSEK.

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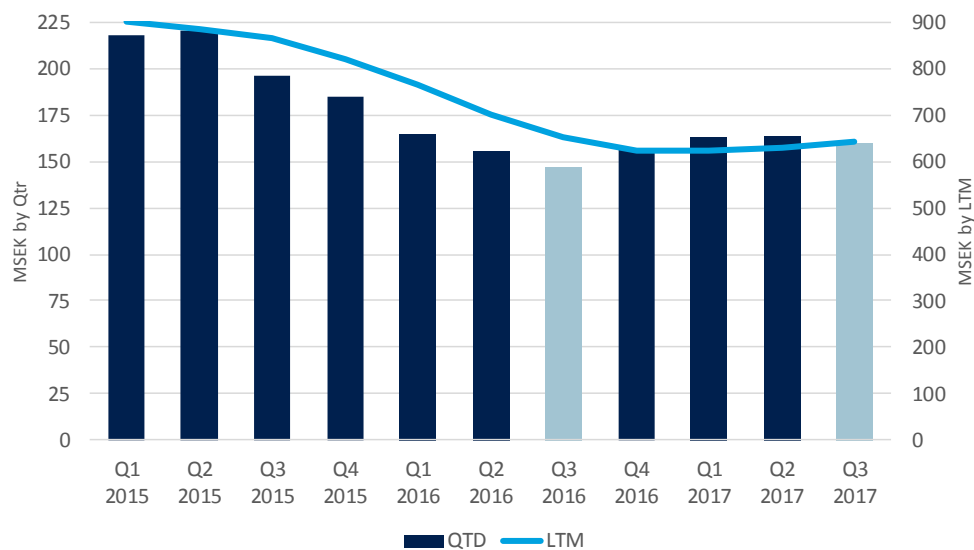
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Beijer Electronics – improving with high activity level impacting

MSEK	Q3 2017	Q3 2016	%	YTD 2017	YTD 2016	%
Order intake	167.4	152.4	10%	489.1	450.4	9%
Sales	159.4	147.2	8%	485.8	467.1	4%
EBITDA	8.0	5.4	49%	25.2	-25.0	-201%
<i>EBITDA%</i>	<i>5.0%</i>	<i>3.6%</i>		<i>5.2%</i>	<i>-5.4%</i>	
EBIT	1.6	0.4	310%	7.2	-39.5	-118%
<i>EBIT%</i>	<i>1.0%</i>	<i>0.3%</i>		<i>1.5%</i>	<i>-8.5%</i>	

Beijer Electronics Sales



Comments

- ▶ Orders increase +10% in the quarter.
- ▶ Sales growth of 8% driven by a strong Americas with good base business and added activities in Oil & Gas. Europe overall ok with a mixed picture where strong development in UK and Norway while we still struggle in Sweden and Germany. Asia moving sideways pulled down by mainly China.
- ▶ As planned, high spending level in product development burdens the result as well as selective increases in Sales & Marketing.
- ▶ Slight result improvement yet on too low levels.

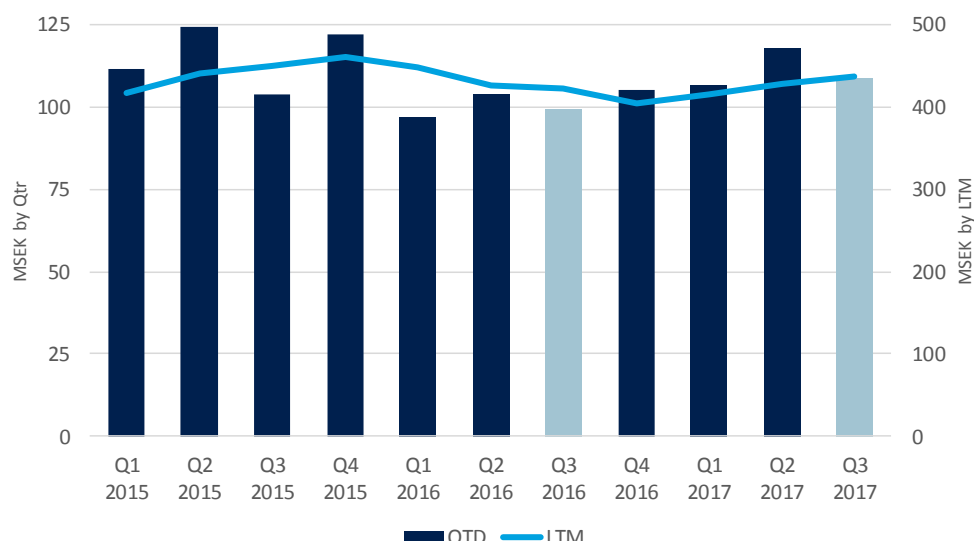
Westermo – continued good progress

MSEK	Q3 2017	Q3 2016	%	YTD 2017	YTD 2016	%
Order intake	107.0	90.8	18%	364.0	292.5	24%
Sales	108.5	98.9	10%	332.5	299.8	11%
EBITDA	18.2	18.0	2%	50.5	38.9	30%
<i>EBITDA%</i>	<i>16.8%</i>	<i>18.2%</i>		<i>15.2%</i>	<i>13.0%</i>	
EBIT	13.1	12.1	9%	33.9	21.3	59%
<i>EBIT%</i>	<i>12.1%</i>	<i>12.2%</i>		<i>10.2%</i>	<i>7.1%</i>	

Comments

- ▶ Continued positive order intake in the quarter driven mainly by Train applications.
- ▶ Sales increased in the quarter by +10%.
- ▶ Good backlog for coming quarters.
- ▶ Continued high activity level in R&D.
- ▶ Satisfying result level in the quarter and YTD above 10% EBIT.
- ▶ Jenny Sjödaahl new CEO for Westermo as of November 1st.

Westermo Sales



Korenix – change process ongoing

MSEK	Q3 2017	Q3 2016	%	YTD 2017	YTD 2016	%
Order intake	27.2	27.2	0%	83.7	80.6	4%
Sales	25.5	29.1	-12%	79.8	80.2	-1%
EBITDA	0.5	2.3	-79%	4.4	6.2	-30%
EBITDA%	1.9%	8.0%		5.5%	7.8%	
EBIT	-2.3	0.1	-1659%	-3.9	0.0	18338%
EBIT%	-9.1%	0.5%		-4.9%	0.0%	

Comments

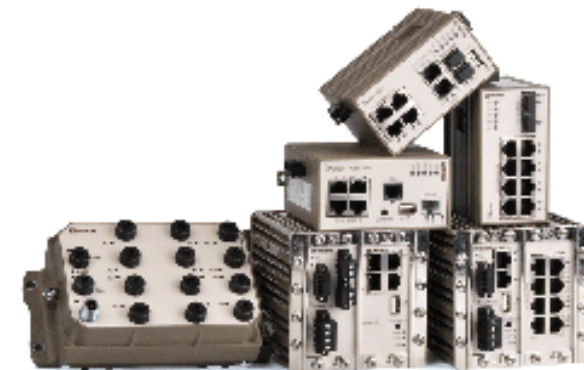
- ▶ Volumes moving sideways.
- ▶ New management team in place and the new organisation is getting up to speed.
- ▶ Still good activity level by the customers.
- ▶ Result in the quarter impacted by the organisational changes.
- ▶ The legal proceedings as informed earlier about are still ongoing. No change in the estimated full-year effect of max 2 MSEK.

Korenix Sales



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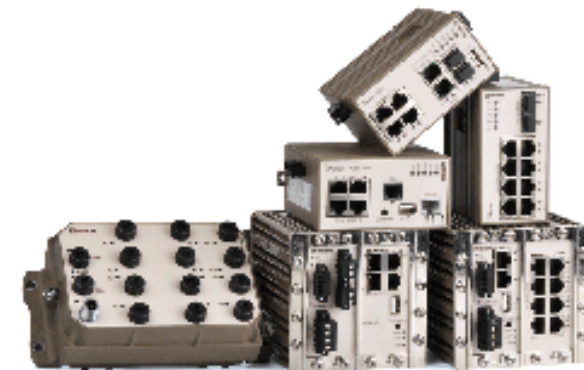


Outlook for 2017

“The positive trend for Beijer Electronics Group continued in the third quarter. For the full year, we expect the Group to return increased sales and improved underlying EBIT compared to 2016”

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