



Fast actions mitigate the effects of Covid-19 while maintaining a focus on future growth

1 April - 30 June, 2020

Per Samuelsson, CEO & Joakim Laurén, CFO

Agenda

- ▶ Business update for the quarter including Summary of Covid-19 related measures
- ▶ Financial performance, BEIJER GROUP & business entities
- ▶ Concluding notes and Outlook
- ▶ Q&A

Business update for the quarter, i)

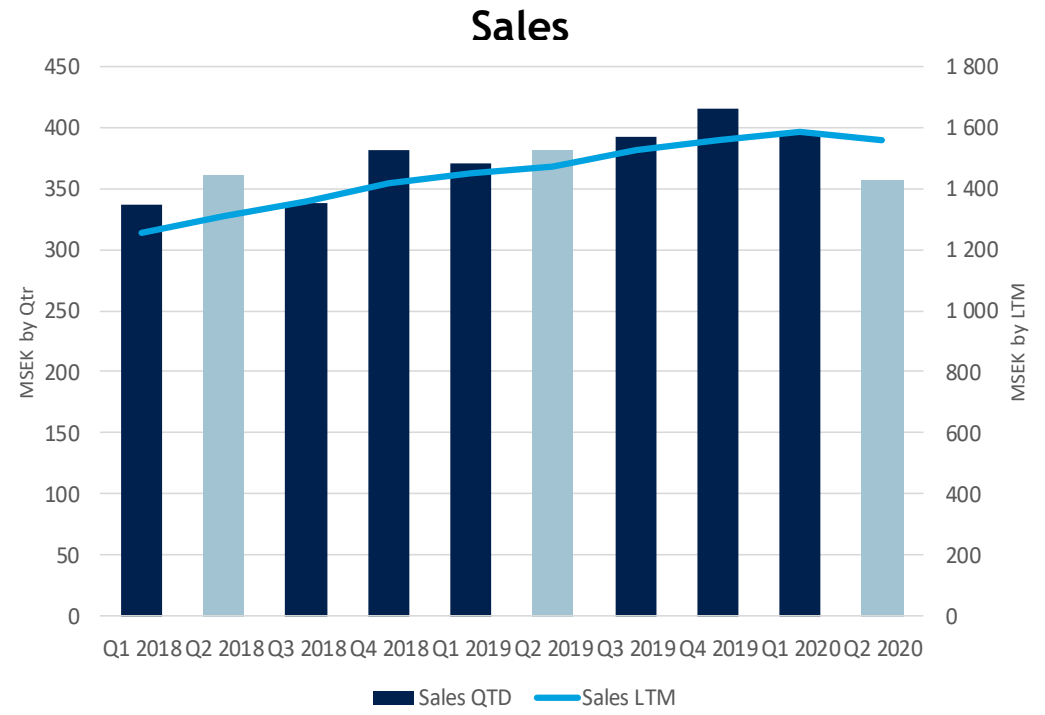
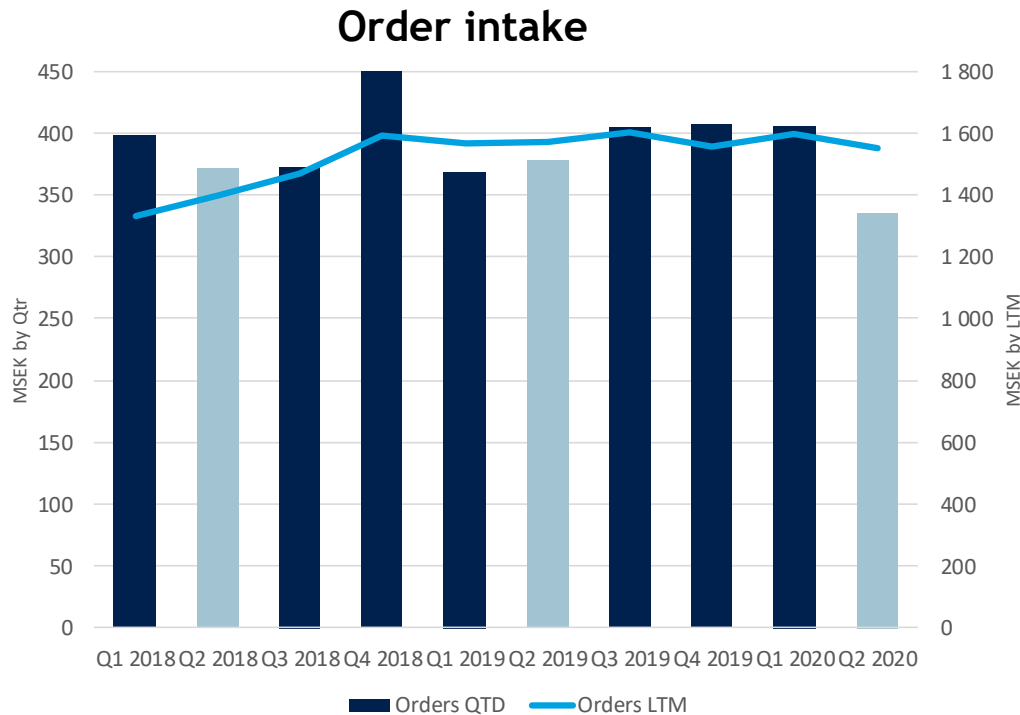
- ▶ As expected, Covid-19 impacts our sales in the quarter with a sequential drop of 10% vs Q1.
- ▶ Fast actions, including restructuring program, gave significant overhead cost reductions.
- ▶ Our organizations have adapted swiftly to digital interaction with customers in multiple ways.
- ▶ Overall given the situation, the group performs decent with a small positive EBIT.
- ▶ Positive free cash flow and lowered net debt during the quarter.
- ▶ Our strategic approach is to balance cost reductions with post-covid growth ambitions while maintaining a stable financial position for the group.

Business update for the quarter, ii)

- ▶ Westermo proves to withstand well even if there is a drop in sales vs last quarter. Balanced activity alignment provided for a profitable quarter at 11.4% EBIT-margin.
- ▶ Beijer Electronics saw a further drop in sales from the already low first quarter. Significant cost reductions implemented that compensated somewhat and ended with a small loss for the quarter.
- ▶ Korenix was hit quite hard in Q1 and this quarter continued on a similar level. Cost reductions implemented that off-set partly but still posted a loss on EBIT level.
- ▶ We expect the existing business climate to continue in the near future.
- ▶ Once the crisis starts to fade off, we will be in even better shape and ready for growth.

Summary of Covid-19 related measures

- ▶ People's health and safety is #1.
- ▶ Wherever possible, our people work remotely or from home. Contacts and meetings via various digital tools.
- ▶ At workplaces, measures in place to maintain distance and a safe environment.
- ▶ Supply chains have been fully operational during the quarter.
- ▶ Many countries provide various support packages for companies and we have made use of these when we qualify instead of additional reductions. Cost support of abt 5 MSEK in six countries and liquidity support of abt 25 MSEK. No "short term redundancies" applied for in Sweden.
- ▶ Agreement of additional credit facility in place for further liquidity buffer for the future if needed.
- ▶ BEIJER GROUP will always adapt its cost levels to prevailing market conditions and at the same time safeguard its long-term skills and abilities.



- ▶ Orders down 11% due to the impact of Covid-19. Westermo grows with help of the acquired companies while both Beijer Electronics and Korenix drop significantly. Sequentially down 17% from Q1.
- ▶ Sales down 6% also due to the pandemic. Westermo helped by Neratec and Virtual Access while Beijer Electronics and Korenix also show a drop. Sequentially down 10% from Q1.
- ▶ The overall backlog still at 107% vs last year and at 95% organically.
- ▶ FX contributes with 0-1 p.p. vs last year in the quarter.

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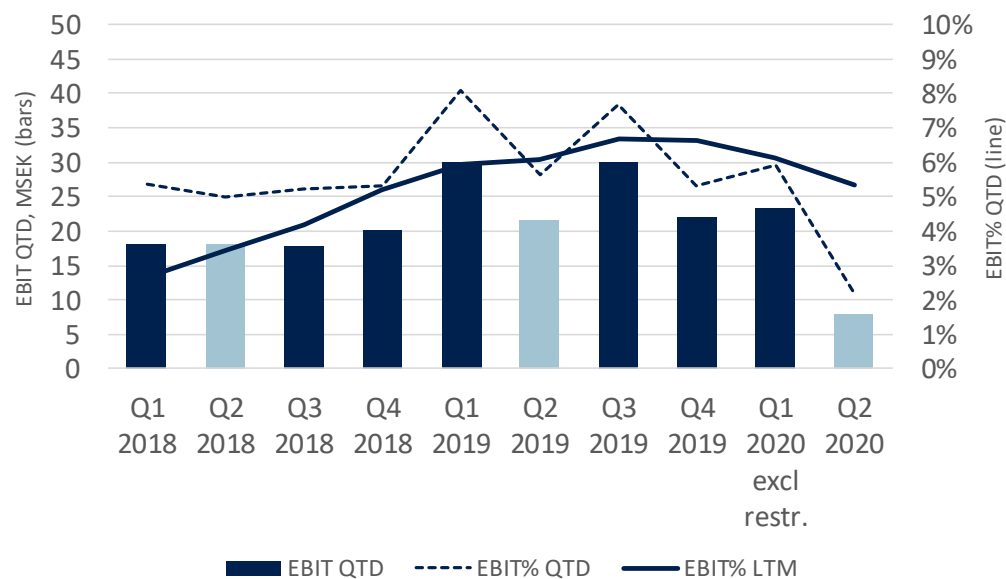
Group – impact of Covid-19 as expected but cost actions dampen

MSEK	Q2 2020	Q2 2019	%	YTD 2020	YTD 2019	%	FY 2019
Order intake	335.5	377.0	-11%	741.3	745.4	-1%	1,557.2
Sales	357.5	381.2	-6%	752.8	752.0	0%	1,558.7
EBIT excl restructuring Q1-2020	7.9	21.5	-63%	31.3	51.6	-39%	103.5
<i>EBIT excl restruct. %</i>	<i>2.2%</i>	<i>5.6%</i>		<i>4.2%</i>	<i>6.9%</i>		<i>6.6%</i>
EBIT	7.9	21.5	-63%	16.3	51.6	-68%	103.5
<i>EBIT%</i>	<i>2.2%</i>	<i>5.6%</i>		<i>2.2%</i>	<i>6.9%</i>		<i>6.6%</i>

Comments to Q2

- ▶ EBIT at +7.9 MSEK due to the lower sales off-set by cost reductions including effects of restructuring program. 13% lower OH cost level than in previous quarter.
- ▶ Total currency impact on EBIT of -7.5 MSEK of mainly transactional variances.
- ▶ Financial net also affected by FX variations giving a Net Income of -0.8 MSEK and EPS at -0.03 SEK.
- ▶ Free cash flow at +15.7 MSEK in Q2 where Westermo contributes the most.
- ▶ Net debt lowered during the quarter.

EBIT and EBIT% QTD and EBIT% LTM (Q1 2020 excluding restructuring cost)



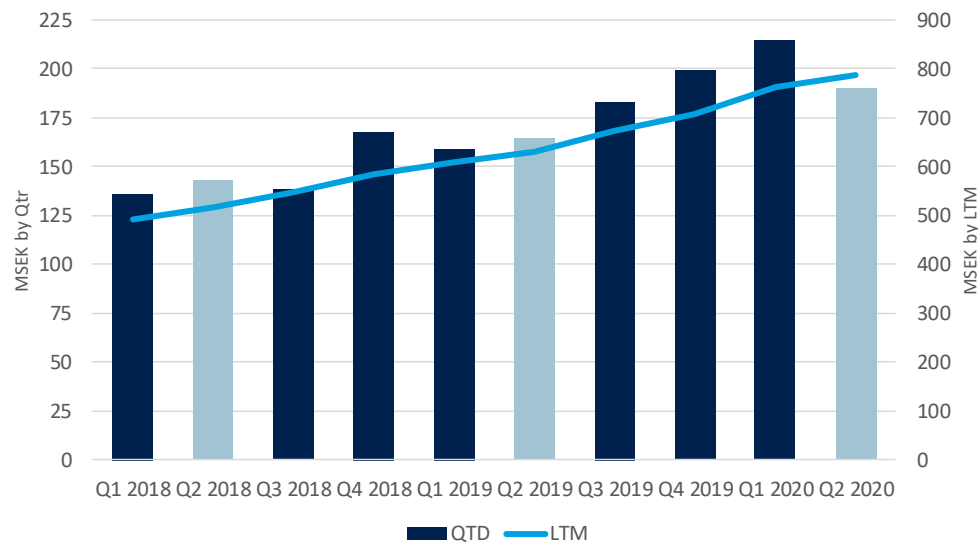
Westermo – well performing despite impact of Covid-19

MSEK	Q2 2020	Q2 2019	%	YTD 2020	YTD 2019	%	FY 2019
Order intake	198.6	166.1	20%	400.5	328.2	22%	725.8
Sales	189.4	164.4	15%	404.0	323.1	25%	705.2
EBIT	21.6	20.1	8%	55.0	41.3	33%	89.6
EBIT%	11.4%	12.2%		13.6%	12.8%		12.7%

Comments to Q2

- ▶ Increased orders and sales due to the acquired companies while organically we see drops of -4% on orders and -8% on sales.
- ▶ No larger orders booked in the quarter.
- ▶ Cost alignment during the quarter giving an EBIT% of 11.4% for Q2.
- ▶ Integration activities working well where Neratec is now fully *in* and Virtual Access on plan. Both entities contribute well where Neratec shines somewhat.
- ▶ Ongoing focus on the new segments Power Distribution and Trackside and continuous release of new products.

Westermo Sales



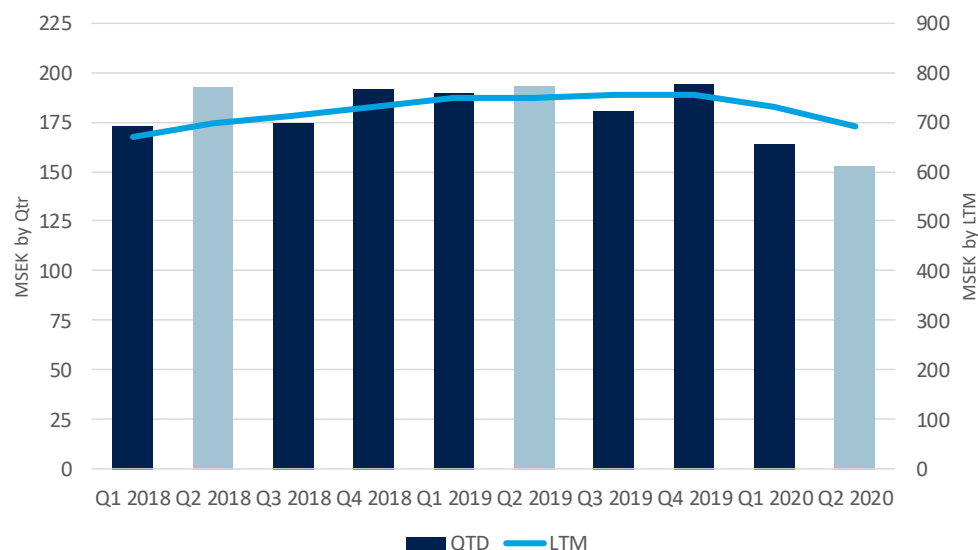
Beijer Electronics – significant affected by Covid-19

MSEK	Q2 2020	Q2 2019	%	YTD 2020	YTD 2019	%	FY 2019
Order intake	120.7	186.2	-35%	308.3	369.6	-17%	732.2
Sales	153.0	192.9	-21%	316.9	382.4	-17%	756.2
EBIT excl restructuring Q1-2020	-2.0	13.7	-114%	2.8	32.0	-91%	55.0
EBIT excl restruct. %	-1.3%	7.1%		0.9%	8.4%		7.3%
EBIT	-2.0	13.7	-114%	-6.6	32.0	-121%	55.0
EBIT%	-1.3%	7.1%		-2.1%	8.4%		7.3%

Comments to Q2

- ▶ Orders drop significantly due to the pandemic and partly also because of phasing from Q1.
- ▶ Americas shows the largest drop in sales with -37% while EMEA comes in as average for the entity and Asia at lower -4%.
- ▶ The phase-out of the older product families continued and getting close to being finalised.
- ▶ Cost reduction implemented including the previous announced program off-setting some of the sales drop and leading to a small EBIT loss for the quarter.
- ▶ The Otis agreement basically according to plan with regular shipments commencing now in July.

Beijer Electronics Sales



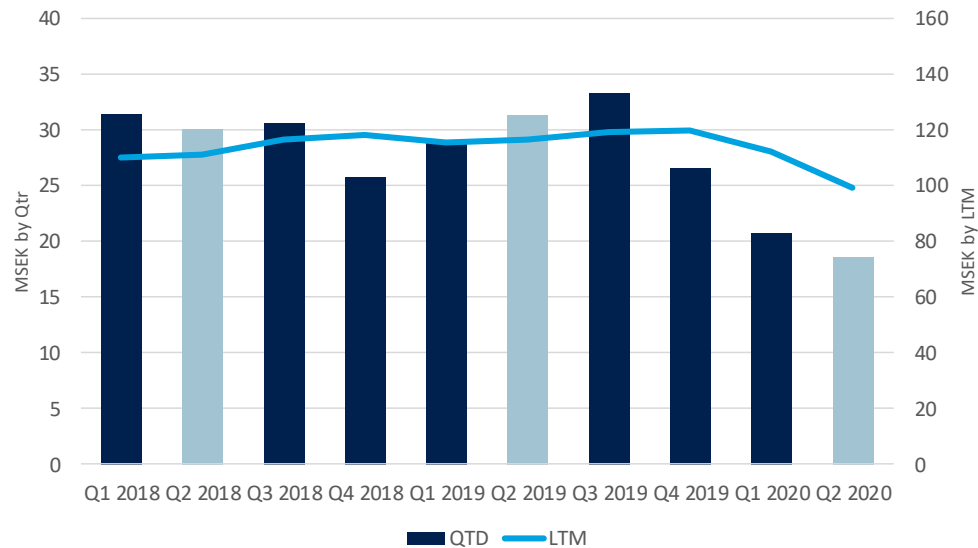
Korenix – continued impact of Covid-19 also in the quarter

MSEK	Q2 2020	Q2 2019	%	YTD 2020	YTD 2019	%	FY 2019
Order intake	19.7	32.1	-39%	40.0	61.2	-35%	121.8
Sales	18.6	31.3	-40%	39.4	60.1	-34%	119.9
EBIT excl restructuring Q1-2020	-3.4	-0.3	1161%	-9.5	-0.9	1001%	-4.3
EBIT excl restruct.%	-18.1%	-0.9%		-24.2%	-1.4%		-3.6%
EBIT	-3.4	-0.3	1161%	-12.4	-0.9	1333%	-4.3
EBIT%	-18.1%	-0.9%		-31.5%	-1.4%		-3.6%

Comments to Q2

- ▶ Korenix experienced significant drop already in Q1 and this remains also in Q2.
- ▶ Clear increased customer activity in China and Taiwan.
- ▶ Cost reductions implemented during the quarter dampen the loss but still a significant negative bottom-line for Q2.
- ▶ Maintained relatively high development activity level for the redesign to modular approach of both hard- and software. Multiple product releases during 2020.
- ▶ The co-operation activities with Beijer Electronics on the sales side in Europe continue.

Korenix Sales



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Concluding notes by Per...



Outlook for 2020

“ It is not possible to judge the effect of the spread of the coronavirus on society and the global economy at present.

This means that BEIJER GROUP is not publishing any estimates of underlying financial performance for the full year 2020.”

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