



Continued positive trend and strong order intake in the first quarter

January-March, 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

- ▶ The group continue to develop positively.
- ▶ Strong orders where all business entities are growing and where Westermo adds on another strong quarter at +46%.
- ▶ The financial performance overall according to plan with an improving result.
- ▶ Westermo deliver a good result in the quarter, Beijer Electronics according to expectations while Korenix are impacted negatively by one-off costs and currency.
- ▶ The restructuring program from 2016 contributes as expected.
- ▶ R&D activities continues on a high level and new product releases and new software solutions will continue to be introduced in the coming 12 months.
- ▶ Suggested name change on the parent company to Beijer Electronics Group AB (publ).

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Financial targets for the group

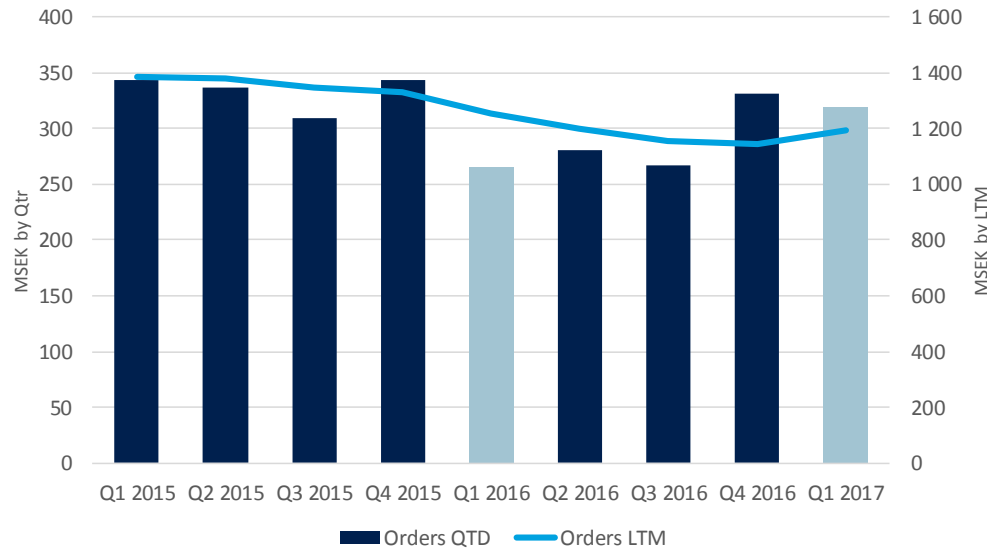
Within a 2-3 year timeframe, the group will achieve minimum organic growth of 7% per year, and in the first phase, achieve a minimum EBIT margin of 10%, measured as an average over a business cycle. With the current financial structure, this equates to a return on equity of some 20%.

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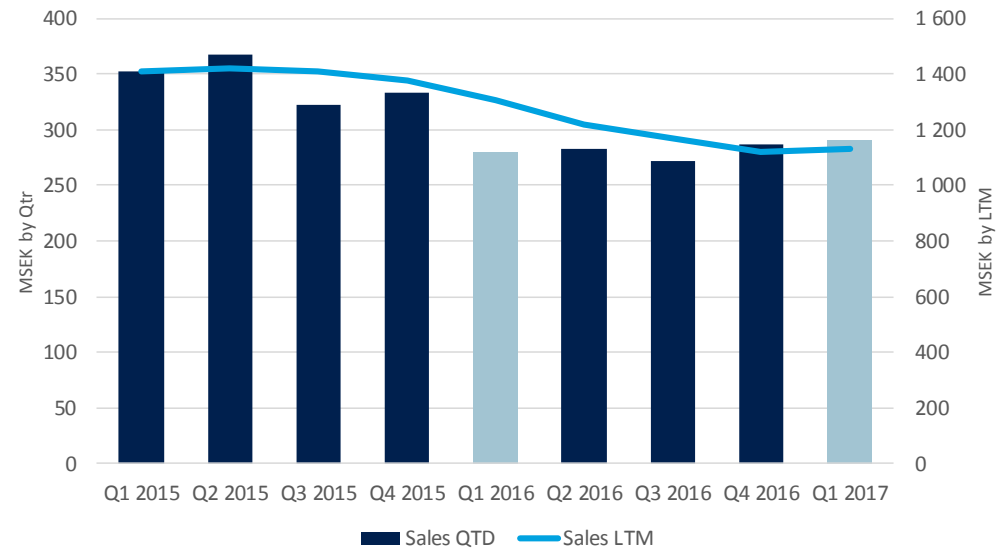
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Order intake



Sales

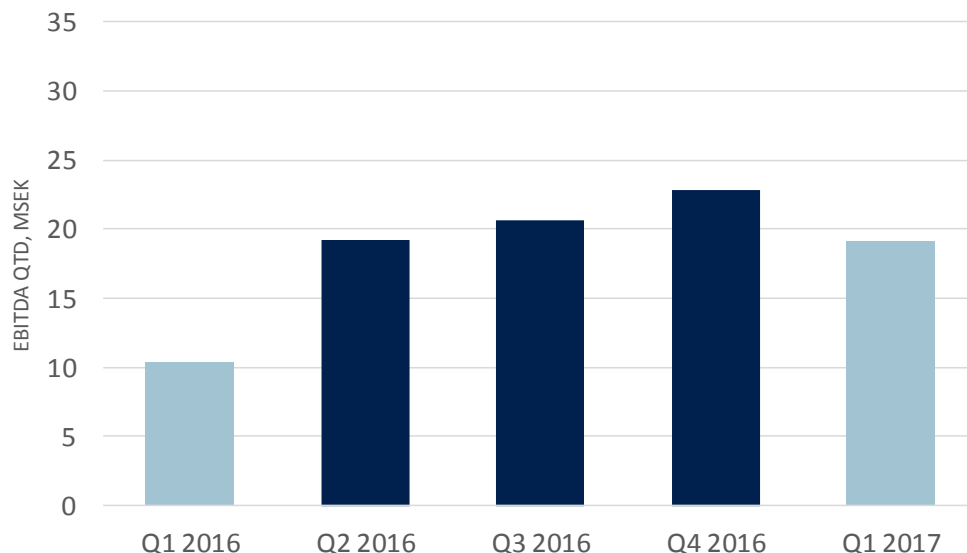


- ▶ Orders strong in first quarter at +20% driven mainly by Westermo and growth also in Beijer Electronics and Korenix.
- ▶ Sales growth of +3%, overall according to plan.
- ▶ 2015 actuals include Mitsubishi volumes. Contract terminated end 2015.
- ▶ FX contributes to volumes and add 3 p.p to orders and 2 p.p to sales in Q1.

Group - continued positive trend

MSEK	Q1 2017	Q1 2016	%	YTD 2017	YTD 2016	%
Order intake	318.2	265.0	20%	318.2	265.0	20%
Sales	290.2	280.5	3%	290.2	280.5	3%
EBITDA	19.1	-39.6	-148%	19.1	-39.6	-148%
<i>EBITDA%</i>	<i>6.6%</i>	<i>-14.1%</i>		<i>6.6%</i>	<i>-14.1%</i>	
EBIT	2.5	-55.5	-105%	2.5	-55.5	-105%
<i>EBIT%</i>	<i>0.9%</i>	<i>-19.8%</i>		<i>0.9%</i>	<i>-19.8%</i>	

EBITDA QTD (excluding restructuring cost in Q1 2016)



Comments

- ▶ EBITDA improve in the quarter.
- ▶ Restructuring cost of -50 MSEK included in Q1 2016.
- ▶ Better gross margins and lower cost base due to the structural changes implemented last year.
- ▶ Higher R&D cost of -3 MSEK in the quarter as planned.
- ▶ Currency burden the result with -3 MSEK of transactional variances.
- ▶ One-off cost of -1.5 MSEK in Korenix.
- ▶ Negative cash flow in the quarter impacted by the high investment level and payments from the restructuring project last year.

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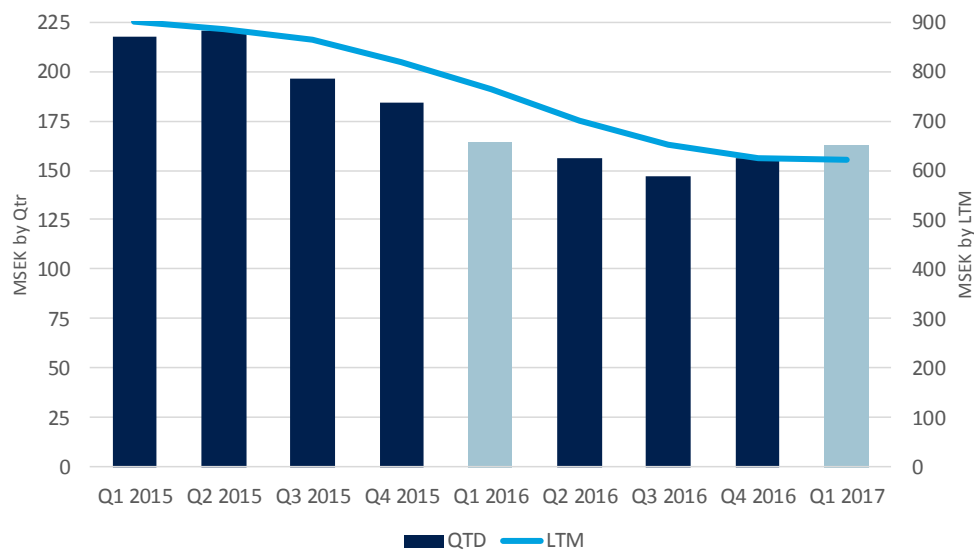
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Beijer Electronics - overall according to expectations

MSEK	Q1 2017	Q1 2016	%	YTD 2017	YTD 2016	%
Order intake	162.5	154.1	5%	162.5	154.1	5%
Sales	162.9	164.2	-1%	162.9	164.2	-1%
EBITDA	7.5	-44.8	-117%	7.5	-44.8	-117%
<i>EBITDA%</i>	<i>4.6%</i>	<i>-27.3%</i>		<i>4.6%</i>	<i>-27.3%</i>	
EBIT	1.9	-49.9	-104%	1.9	-49.9	-104%
<i>EBIT%</i>	<i>1.1%</i>	<i>-30.4%</i>		<i>1.1%</i>	<i>-30.4%</i>	

Beijer Electronics Sales



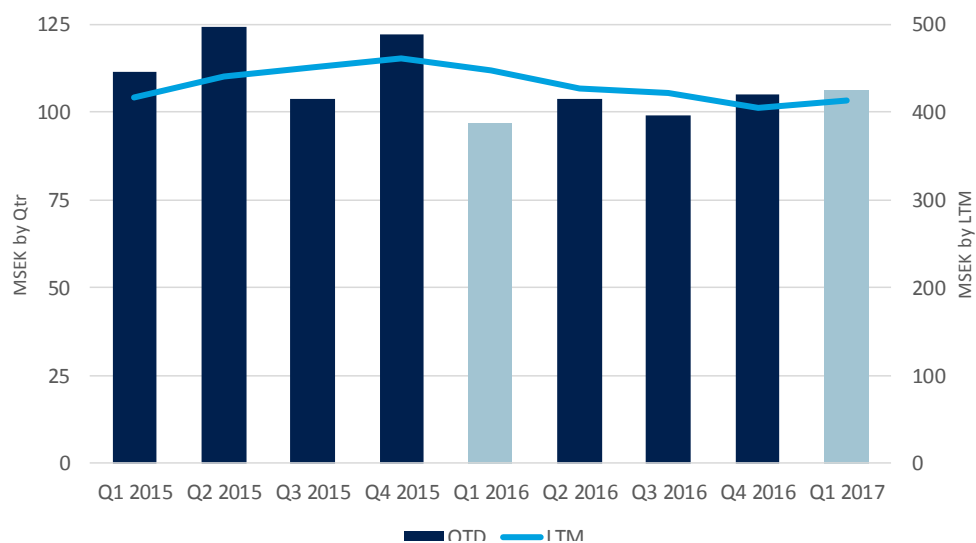
Comments

- ▶ Order growth of +5%.
- ▶ Sales almost in line with last year where Europe is some behind mainly due to the transformation in Nordics while Americas is flat and Asia shows growth.
- ▶ Mitsubishi volumes in 2015.
- ▶ Restructuring cost of -50 MSEK in Q1 2016.
- ▶ The restructuring program contributes to better GMs and lower cost.
- ▶ Higher R&D costs of -3 MSEK according to plan.
- ▶ Currency burden the result with -2 MSEK. Price changes expect to compensate later in the year.
- ▶ EBITDA underlying improvement vs last year.

Westermo - good quarter

MSEK	Q1 2017	Q1 2016	%	YTD 2017	YTD 2016	%
Order intake	131.0	89.6	46%	131.0	89.6	46%
Sales	106.2	97.0	10%	106.2	97.0	10%
EBITDA	16.6	9.5	75%	16.6	9.5	75%
<i>EBITDA%</i>	<i>15.6%</i>	<i>9.8%</i>		<i>15.6%</i>	<i>9.8%</i>	
EBIT	10.8	3.4	217%	10.8	3.4	217%
<i>EBIT%</i>	<i>10.1%</i>	<i>3.5%</i>		<i>10.1%</i>	<i>3.5%</i>	

Westermo Sales



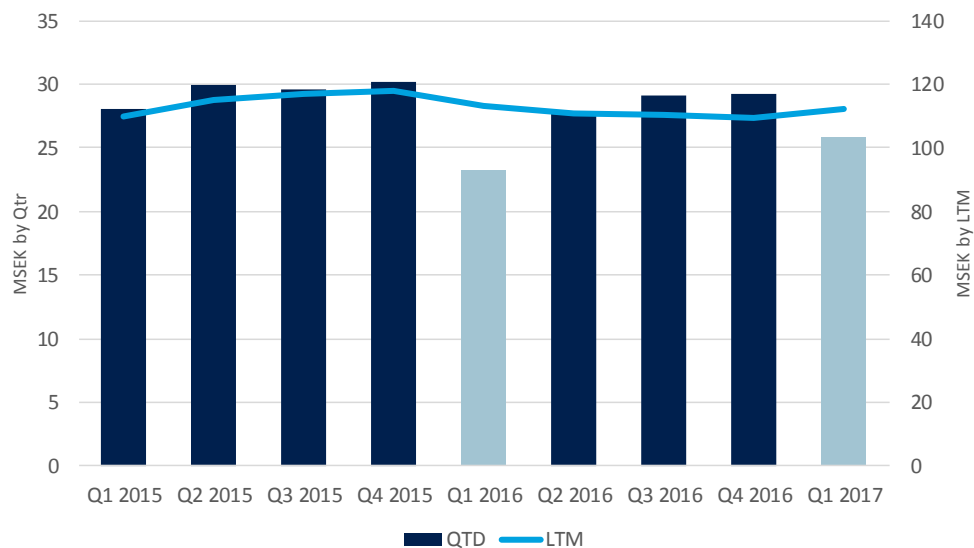
Comments

- ▶ Strong orders at +46% driven by larger orders in the Train segment and stable base business.
- ▶ Good sales growth.
- ▶ GM's and costs in line.
- ▶ Continued high activity level in R&D.
- ▶ Good EBITDA improvement in the quarter.
- ▶ The supply chain investment in Stora Sundby, Sweden finalised in the quarter.

Korenix - mixed picture

MSEK	Q1 2017	Q1 2016	%	YTD 2017	YTD 2016	%
Order intake	29.4	25.2	17%	29.4	25.2	17%
Sales	25.8	23.2	11%	25.8	23.2	11%
EBITDA	0.2	1.2	-83%	0.2	1.2	-83%
<i>EBITDA%</i>	<i>0.8%</i>	<i>5.1%</i>		<i>0.8%</i>	<i>5.1%</i>	
EBIT	-2.5	-0.9	195%	-2.5	-0.9	195%
<i>EBIT%</i>	<i>-9.7%</i>	<i>-3.7%</i>		<i>-9.7%</i>	<i>-3.7%</i>	

Korenix Sales

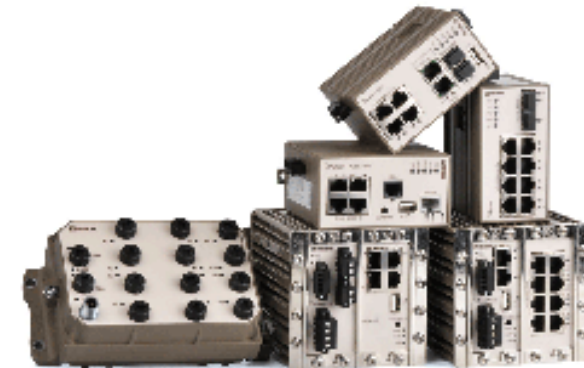


Comments

- ▶ Orders good in the quarter at +17% where FX translation are contributing significantly. At fixed rates at +3%.
- ▶ Good order pipeline.
- ▶ Sales show growth in the quarter.
- ▶ Some key personnel in Taiwan acted disloyally. They are now dismissed and legal process ongoing. Estimated costs of -2 MSEK related to this and -1,5 MSEK taken in Q1.
- ▶ Currency burden the result with -1 MSEK.
- ▶ Weak EBITDA in the quarter.

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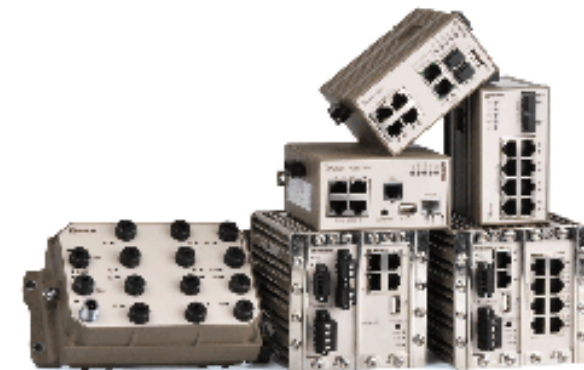


Outlook for 2017

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

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