



Board of directors proposing a 225 MSEK rights issue to accelerate development of the Group

January-June, 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 during the second quarter.
- ▶ Good order intake development overall driven by both Beijer Electronics and Westermo.
- ▶ Financial performance continue to improve according to plan.
- ▶ Westermo show a good result in the quarter, Beijer Electronics impacted by high product development activity and selective increases in sales and marketing and Korenix impacted of changes.
- ▶ 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.
- ▶ Parent company name change to Beijer Electronics Group AB.
- ▶ Board of directors proposing a 225 MSEK rights issue to create financial capacity and to accelerate development of the Group.

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Financial targets for the group

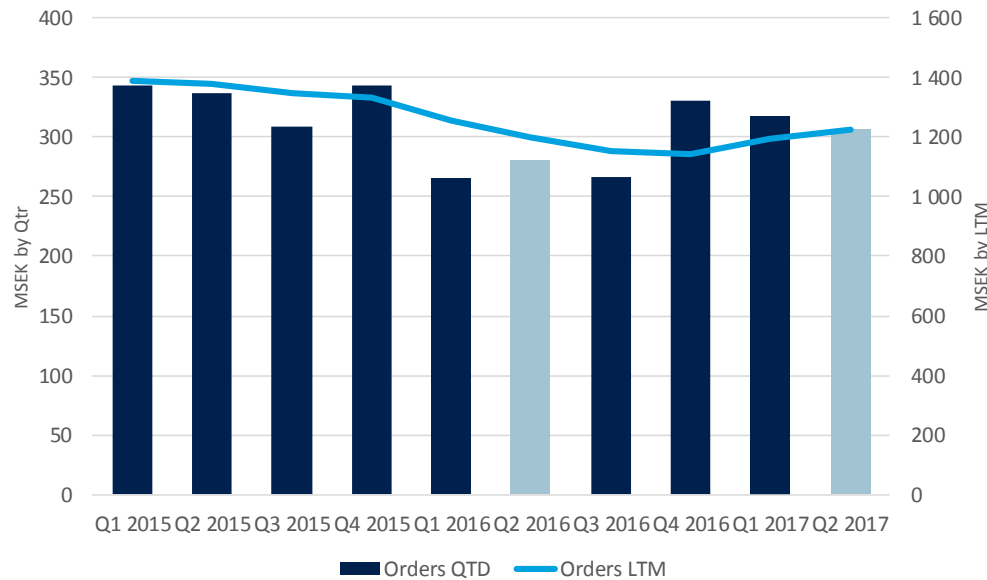
Within a 2-3 year timeframe, the group will achieve minimum organic growth of 7% per year, and in the first phase, achieve a minimum EBIT margin of 10%, measured as an average over a business cycle. With the current financial structure, this equates to a return on equity of some 20%.

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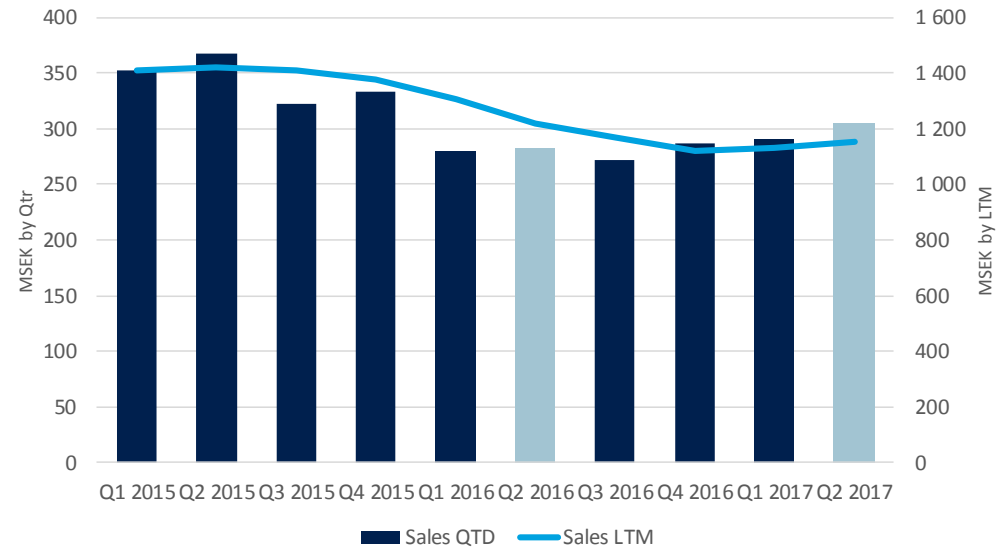
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Order intake



Sales

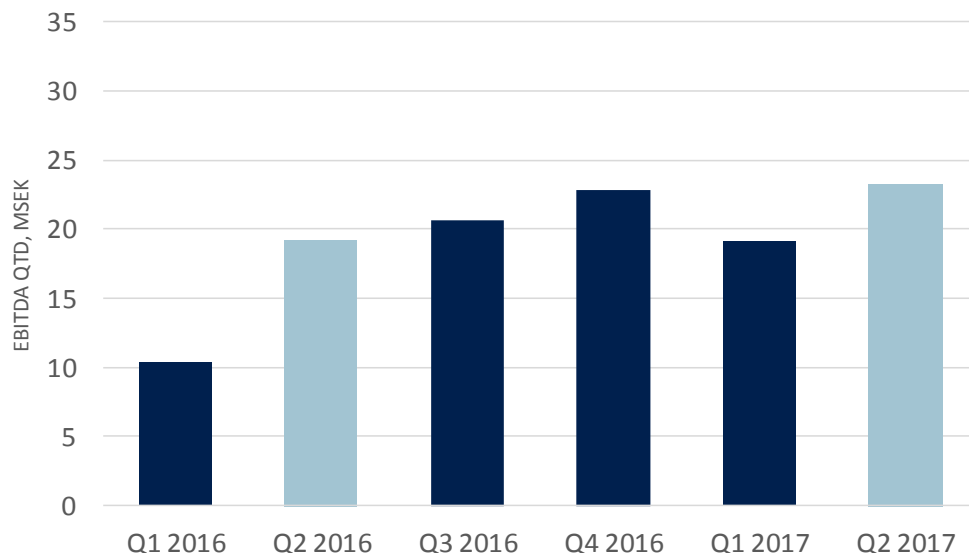


- ▶ Orders good in the quarter overall at +9% driven by double digit growth in Westermo and Beijer Electronics.
- ▶ Sales continue to grow with +7% in the quarter with positive development in all business entities.
- ▶ FX contributes to volumes and add 3 p.p to orders and 4 p.p to sales in Q2.

Group - improving trend continues

MSEK	Q2 2017	Q2 2016	%	YTD 2017	YTD 2016	%
Order intake	306.6	280.2	9%	624.8	545.1	15%
Sales	304.0	283.3	7%	594.2	563.8	5%
EBITDA	23.3	19.2	21%	42.3	-20.4	-307%
<i>EBITDA%</i>	<i>7.7%</i>	<i>6.8%</i>		<i>7.1%</i>	<i>-3.6%</i>	
EBIT	6.5	4.2	56%	9.0	-51.3	-118%
<i>EBIT%</i>	<i>2.1%</i>	<i>1.5%</i>		<i>1.5%</i>	<i>-9.1%</i>	

EBITDA QTD (excluding restructuring cost in Q1 2016)



Comments

- ▶ EBITDA continue to improve also in Q2. Still on too low level.
- ▶ YTD 2016 includes restructuring cost of -50 MSEK.
- ▶ Higher R&D costs of -6 MSEK in the quarter according to plan. Provides for future releases of new products and services.
- ▶ Selective higher spending on Marketing and Sales with focus on future growth.
- ▶ Currency impact the result with +0.6 MSEK in mainly transactional variances.

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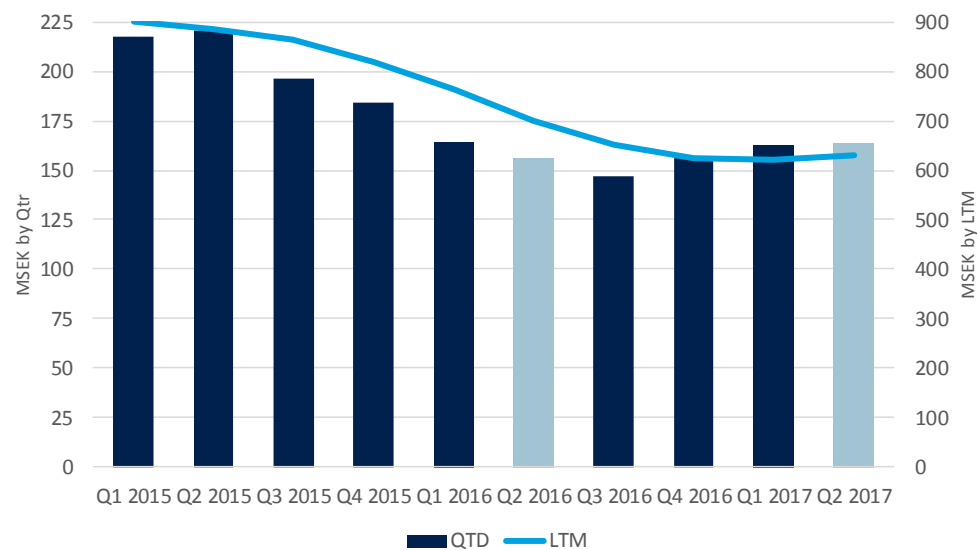
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Beijer Electronics - overall according to plan

MSEK	Q2 2017	Q2 2016	%	YTD 2017	YTD 2016	%
Order intake	159.3	144.0	11%	321.7	298.1	8%
Sales	163.6	155.7	5%	326.4	319.9	2%
EBITDA	9.6	14.4	-33%	17.2	-30.4	-157%
<i>EBITDA%</i>	<i>5.9%</i>	<i>9.3%</i>		<i>5.3%</i>	<i>-9.5%</i>	
EBIT	3.7	10.0	-63%	5.6	-39.9	-114%
<i>EBIT%</i>	<i>2.2%</i>	<i>6.4%</i>		<i>1.7%</i>	<i>-12.5%</i>	

Beijer Electronics Sales



Comments

- ▶ Order up +11% yet from low quarter last year.
- ▶ Sales growth driven by Americas including some improving signs from Oil & Gas while Europe and Asia is flat. Europe still impacted by transformation in Nordics and Asia impacted of a continued weak development in China.
- ▶ Higher spending on product development burdens the result as well as selective increases in marketing and sales.
- ▶ Cost base also increased approx. 3 MSEK by some moves from parent company.

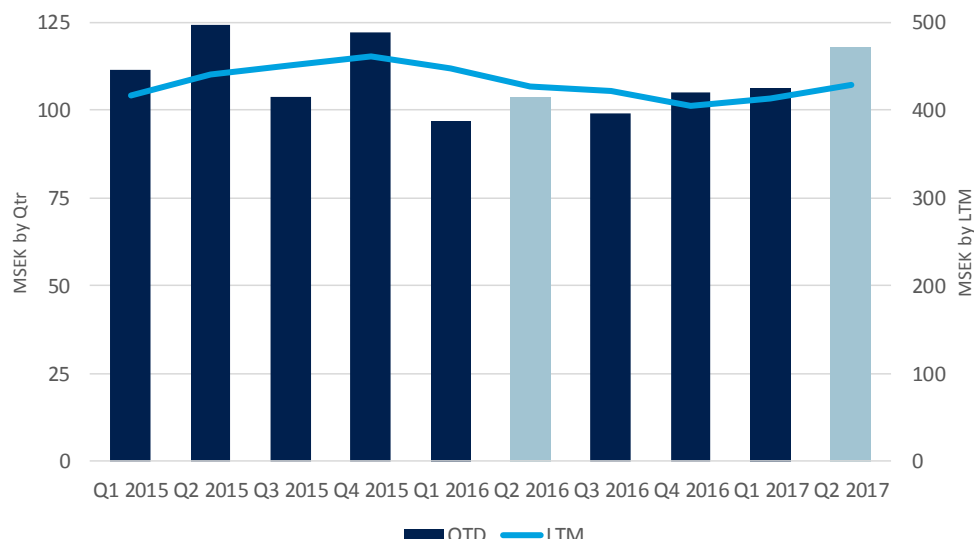
Westermo - stable and positive progress

MSEK	Q2 2017	Q2 2016	%	YTD 2017	YTD 2016	%
Order intake	126.0	112.1	12%	257.0	201.7	27%
Sales	117.7	103.9	13%	224.0	200.8	12%
EBITDA	15.7	11.4	37%	32.3	20.9	54%
<i>EBITDA%</i>	<i>13.4%</i>	<i>11.0%</i>		<i>14.4%</i>	<i>10.4%</i>	
EBIT	10.0	5.8	73%	20.8	9.2	126%
<i>EBIT%</i>	<i>8.5%</i>	<i>5.6%</i>		<i>9.3%</i>	<i>4.6%</i>	

Comments

- ▶ Continued good orders in the quarter and orderbook at all time high.
- ▶ Train- and rail infrastructure as well as water- and power sectors behind the progress.
- ▶ Good sales growth.
- ▶ Gross margins and cost-base in line.
- ▶ Continued high activity in R&D as planned.
- ▶ Result improvement in the quarter.

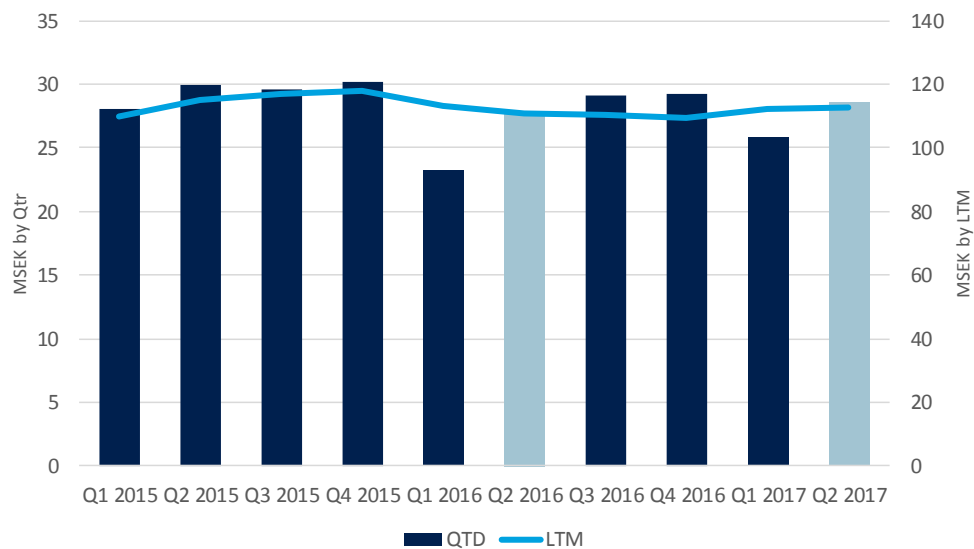
Westermo Sales



Korenix - change process ongoing

MSEK	Q2 2017	Q2 2016	%	YTD 2017	YTD 2016	%
Order intake	27.0	28.2	-4%	56.5	53.4	6%
Sales	28.4	27.9	2%	54.3	51.1	6%
EBITDA	3.7	2.7	36%	3.9	3.9	0%
<i>EBITDA%</i>	<i>13.0%</i>	<i>9.8%</i>		<i>7.2%</i>	<i>7.7%</i>	
EBIT	0.9	0.7	39%	-1.6	-0.2	832%
<i>EBIT%</i>	<i>3.3%</i>	<i>2.4%</i>		<i>-2.9%</i>	<i>-0.3%</i>	

Korenix Sales

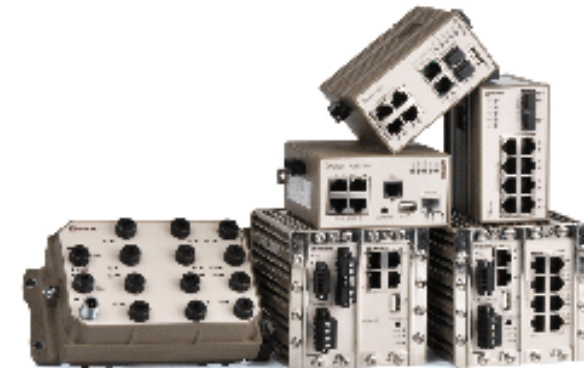


Comments

- ▶ Volumes moving sideways in the quarter but helped by currency translation.
- ▶ Some customer project delays impacts Q2. Still decent order-pipeline.
- ▶ New management team is under formation by the MD.
- ▶ Korenix has a strong product portfolio and are stepping up the sales organisation.
- ▶ Small positive result in the quarter but still not compensating the loss from Q1.
- ▶ The legal proceedings as informed last quarter still on-going. No change in the estimated full year impact of max 2 MSEK.

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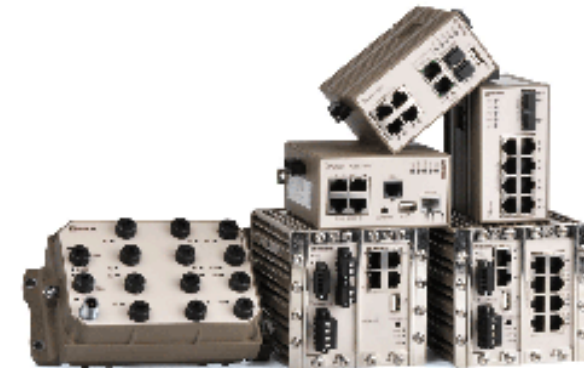


Outlook for 2017

“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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