

## Interim report for the third quarter of 2018

### Another strong quarter

- Invoicing amounted to MSEK 1,016 (880) for the quarter and MSEK 3,366 (3,003) for January–September.
- Profit after net financial items totaled MSEK 145 (110) for the quarter and MSEK 483 (394) for January–September.
- Earnings per share amounted to SEK 1.85 (1.36) for the quarter and SEK 6.06 (4.91) for January–September.
- Cash flow after capital expenditures totaled MSEK 74 (77) for the quarter and MSEK 174 (118) for January–September.
- The net debt/equity ratio was 25 percent (25).

### CEO's comments

The quarter was strong and characterized by a high level of activity and demand. This resulted in a 15-percent increase in order bookings and invoicing compared with the year-earlier period, of which 10 percent was organic. Lesjöfors, however, delivered somewhat lower growth toward the end of the quarter. Profit rose 33 percent due to growing earnings in all subsidiaries. Invoicing thus increased a total of 12 percent during the year and profit increased 23 percent.

**Lesjöfors's** order bookings rose 11 percent. Invoicing increased 13 percent in Industry and 25 percent in Chassis Springs.

Quarterly earnings for Lesjöfors rose 18 percent. Demand from our customers was strong, with contributions from most geographies and customer groups.

**Habia's order bookings continued to rise** and increased 14 percent during the quarter. It feels particularly gratifying to note that our customer base in the offshore sector has been expanded, with deliveries expected to gain momentum in 2019. Offshore orders totaling MSEK 160 (21) have been signed during the year to date. Invoicing increased a total of 35 percent in Other Industry, while Telecom declined 23 percent during the quarter, as expected. Profit showed signs of recovery and amounted to MSEK 14 (5) for the quarter.

**In Beijer Tech**, order bookings increased 30 percent, invoicing 15 percent and earnings an impressive 57 percent, with contributions from both Industrial Products and Fluid Technology.

Henrik Perbeck, President and CEO

### Summary of the quarter

	2018	2017		2018	2017	2017
	Q3	Q3	Change, %	Jan–Sep	Jan–Sep	Jan–Dec
Net revenues, MSEK	1,015.9	879.7	15.5%	3,365.9	3,003.1	3,971.5
Operating profit, MSEK	148.2	112.8	31.4%	494.0	403.5	528.4
Operating margin, %	14.6	12.8	–	14.7	13.4	13.3
Profit after net financial items, MSEK	145.4	109.6	32.7%	483.4	394.4	517.4
Earnings per share, SEK	1.85	1.36	36.0%	6.06	4.91	6.45
Cash flow, MSEK	97.2	156.0	-37.7%	173.9	118.2	186.5
<i>Net revenues per segment (subsidiary), MSEK</i>						
Lesjöfors	614.1	527.6	16.4%	2,042.2	1,800.4	2,351.2
Habia Cable	191.0	168.3	13.5%	660.6	623.9	808.5
Beijer Tech	210.7	183.8	14.6%	662.8	578.6	811.5
Parent Company and intra-Group	0.1	–	–	0.3	0.2	0.3
Total Group	1,015.9	879.7	15.5%	3,365.9	3,003.1	3,971.5
<i>Operating profit per segment (subsidiary), MSEK</i>						
Lesjöfors	121.2	102.5	18.2%	425.3	374.4	477.4
Habia Cable	14.0	4.6	204.3%	48.6	35.5	42.2
Beijer Tech	16.2	10.3	57.3%	42.3	31.0	47.2
Parent Company and intra-Group	-3.2	-4.6	-30.4%	-22.2	-37.4	-38.4
Total Group	148.2	112.8		494.0	403.5	528.4
Net financial items	-2.8	-3.2		-10.6	-9.1	-11.0
<b>Profit before tax</b>	<b>145.4</b>	<b>109.6</b>	<b>32.7%</b>	<b>483.4</b>	<b>394.4</b>	<b>517.4</b>

## Group

The industrial economy remained strong, which had a positive impact on demand. The increase in order bookings and invoicing was far-reaching in terms of industry and geographic market. However, demand from the telecom sector was lower than in the preceding quarter.

Order bookings during the quarter amounted to MSEK 1,052 (912), up 15 percent. Excluding corporate acquisitions and fluctuations in exchange rates, the increase was 10 percent. Invoicing increased 15 percent to MSEK 1,016 (880). Excluding corporate acquisitions and fluctuations in exchange rates, the increase was 10 percent. All of the subsidiaries increase their order bookings and invoicing. This upswing was far-reaching and included most of the industries served by the Group companies, with the exception of the telecom sector.

Operating profit amounted to MSEK 148 (113) and profit after net financial items to MSEK 145 (110). Earnings per share totaled SEK 1.85 (1.36). Cash flow after capital expenditures amounted to MSEK 97 (156).

Order bookings for the January to September period totaled MSEK 3,579 (3,024), up 18 percent. Excluding corporate acquisitions and fluctuations in exchange rates, the increase was 14 percent. Invoicing amounted to MSEK 3,366 (3,003), up 12 percent. Excluding corporate acquisitions and fluctuations in exchange rates, the increase was 8 percent.

Operating profit for the January to September period amounted to MSEK 494 (420) and profit after net financial items to MSEK 483 (394). Signed forward agreements and fluctuations in exchange rates had a net positive impact of approximately MSEK 10 on earnings, most of which was attributable to Lesjöfors. Earnings per share totaled SEK 6.06 (4.91). Cash flow after capital expenditures amounted to MSEK 174 (118). Cash flow for the year was charged with corporate acquisition payments of MSEK 3 (84).

## Subsidiaries

### Lesjöfors

Lesjöfors is a full-range supplier of standard and specially produced industrial springs as well as wire and flat strip components. The company is a dominant player in the Nordic region and one of the largest companies in its industry in Europe. Lesjöfors has manufacturing operations in Sweden, Denmark, Finland, Germany, Latvia, the UK, Slovakia, the US, Mexico, Singapore, Thailand and China.

Lesjöfors conducts its operations in two areas: Industry and Chassis Springs. Both areas experienced high demand and favorable growth. Order bookings in the fourth quarter increased 11 percent to MSEK 611 (551). Invoicing amounted to MSEK 614 (528), up 16 percent. Operating profit during the third quarter totaled MSEK 121 (102).

Industry reported favorable demand from most of its customer groups and geographic markets, driven by a strong industrial economy. Invoicing increased 13 percent, corresponding to invoicing of MSEK 437 (386) for the quarter.

Chassis Springs is seasonal in nature, with higher invoicing during the first half of the year and a weaker season beginning in the third quarter. Growth continued during the third quarter and invoicing amounted to MSEK 178 (142), up 25 percent. This upswing was far-reaching in terms of geographic markets.

Order bookings for the January to September period amounted to MSEK 2,035 (1,828), up 11 percent. Invoicing increased 13 percent to MSEK 2,042 (1,800). Invoicing amounted to MSEK 1,404 (1,250) in Industry and MSEK 638 (550) in Chassis Springs. Operating profit totaled MSEK 425 (374).

**Habia Cable**

Habia Cable is one of Europe's largest manufacturers of custom-designed cables for customers in the telecom, transport, nuclear power, defense, offshore and other industries. The operations are conducted in the areas of Telecom and Other Industry. The company has manufacturing operations in Sweden, Germany, China and Poland, and conducts sales worldwide.

Order bookings increased 14 percent to MSEK 201 (176) and invoicing rose 13 percent to MSEK 191 (168). Telecom reported a weak trend due to the fact that no more major projects are currently being rolled out. Invoicing totaled MSEK 48 (62). Other Industry displayed a favorable trend, partly due to an expansion of the customer base in the offshore sector, where new orders were signed. Invoicing in Other Industry totaled MSEK 143 (106). Habia's operating profit for the quarter amounted to MSEK 14 (5).

Order bookings increase 36 percent to MSEK 835 (616) during the January to September period. A strong contributing factor underlying this increase is the fact that Habia's long-term investment in products for the offshore sector is now yielding results. Invoicing rose 6 percent to MSEK 661 (624). Invoicing amounted to MSEK 255 (274) in Telecom and MSEK 405 (350) in Other Industry. Habia's operating profit totaled MSEK 49 (35).

**Beijer Tech**

Beijer Tech specializes in industrial trading in the Nordic region and represents several of the world's leading manufacturers. The company's operations are conducted in two areas: Industrial Products and Fluid Technology.

Sales volumes grew in both areas. Growth was far-reaching and included most customer groups. Order bookings totaled MSEK 240 (184) for the quarter. A significant portion of this increase was attributable to the subsidiary Svenska Brandslangfabriken as well as the addition of the acquired company Packningar och Plast AB. Invoicing rose 15 percent to MSEK 211 (184) during the third quarter. Excluding corporate acquisitions, the increase was 11 percent. Invoicing amounted to MSEK 117 (100) in Industrial Products and MSEK 94 (84) in Fluid Technology. Operating profit totaled MSEK 16 (10).

Order bookings during the January to September period amounted to MSEK 709 (579) and invoicing to MSEK 663 (579). Invoicing amounted to MSEK 363 (316) in Industrial Products and MSEK 300 (262) in Fluid Technology. Operating profit totaled MSEK 42 (31).

**Parent Company**

The Parent Company, Beijer Alma AB, a holding company that does not conduct its own external invoicing, reported an operating loss of MSEK 4 (loss: 4) for the quarter and a loss of MSEK 23 (loss: 37) for the January to September period.

## Revenues and earnings per subsidiary

**Net revenues**

MSEK	2018	2018	2018	2017	2017	2017	2017	2017	2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full-year	Full-year
Lesjöfors	<b>614.1</b>	738.4	689.7	550.8	527.6	648.0	624.8	2,351.2	2,009.4
Habia Cable	<b>191.0</b>	242.0	227.6	184.6	168.3	208.1	247.5	808.5	786.8
Beijer Tech	<b>210.7</b>	235.5	216.6	232.9	183.8	207.8	187.0	811.5	731.1
Parent Company and intra-Group	<b>0.1</b>	0.1	0.1	0.1	0.0	0.1	0.1	0.3	0.2
Total	<b>1,015.9</b>	1,216.0	1,134.0	968.4	879.7	1,064.0	1,059.4	3,971.5	3,527.5

**Operating profit**

MSEK	2018	2018	2018	2017	2017	2017	2017	2017	2016
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full-year	Full-year
Lesjöfors	<b>121.2</b>	163.0	141.1	103.0	102.5	141.7	130.2	477.4	380.2
Habia Cable	<b>14.0</b>	20.8	13.8	6.7	4.6	6.4	24.5	42.2	97.0
Beijer Tech	<b>16.2</b>	14.0	12.1	16.2	10.3	12.1	8.6	47.2	7.9
Parent Company and intra-Group	<b>-3.2</b>	-11.1	-7.9	-1.0	-4.6	-10.0	-22.8	-38.4	-29.9
Total operating profit	<b>148.2</b>	186.7	159.1	124.9	112.8	150.2	140.5	528.4	455.2
Net financial items	<b>-2.8</b>	-3.8	-4.0	-1.9	-3.2	-3.2	-2.7	-11.0	-8.2
Profit after net financial items	<b>145.4</b>	182.9	155.1	123.0	109.6	147.0	137.8	517.4	447.0

*No sales are conducted between subsidiaries.*

## Corporate acquisitions

**Packningar och Plast AB**

Beijer Tech has acquired Packningar och Plast AB, which supplies gaskets, seals and plastics to Swedish industry. The company conducts manufacturing in Norsborg, Stockholm, and has annual revenues of slightly more than MSEK 20 with favorable profitability.

**Preliminary acquisition calculation**

MSEK	
Purchase consideration	17.5
Net assets measured at fair value	11.3
Goodwill	6.2

MSEK 12.3 of the purchase consideration was paid in cash and MSEK 5.2 will be paid at the end of 2019.

**Net assets measured at fair value comprise:**

MSEK	
Machinery	0.6
Inventories	1.5
Receivables	4.6
Cash funds	8.7
Current liabilities	-4.1
<b>Total</b>	<b>11.3</b>

The receivables guaranteed by the seller are expected to be transferred at fair value.

Takeover occurred in April. Since then the company has contributed MSEK 13 in net revenues and MSEK 2 in operating profit. Transaction costs of MSEK 0.3 were expensed.

## Events after the end of the period

No significant events occurred after the end of the period.

## Risks and uncertainties

The Group's material risks and uncertainties include business and financial risks. Business risks may include major customer exposures to individual industries or companies. Financial risks primarily pertain to foreign currency risks that arise because more than 95 and 85 percent of sales for Habia and Lesjöfors, respectively, are conducted outside Sweden, while approximately 65 percent of production takes place outside Sweden. Beijer Tech does not have a corresponding foreign currency risk since 71 percent of its sales are conducted in Sweden.

Management of the Group's financial risks is described in Note 31 of the 2017 Annual Report. The Group is deemed to have a favorable risk spread across industries and companies and the assessment is that the risk situation has remained unchanged during the year.

## Condensed income statement

<b>Group</b>								
MSEK	<b>2018</b>	2017	<b>2018</b>	2017	2017	2016	2015	
	<b>Q3</b>	Q3	<b>Jan-Sep</b>	Jan-Sep	Full-year	Full-year	Full-year	
Net revenues	<b>1,015.9</b>	879.7	<b>3,365.9</b>	3,003.1	3,971.5	3,527.5	3,521.9	
Cost of goods sold	<b>-693.5</b>	-615.3	<b>-2,312.8</b>	-2,052.2	-2,706.9	-2,381.7	-2,367.8	
Gross profit	<b>322.4</b>	264.4	<b>1,053.1</b>	950.9	1,264.6	1,145.8	1,154.1	
Selling expenses	<b>-97.5</b>	-80.3	<b>-302.0</b>	-279.6	-376.1	-368.7	-366.1	
Administrative expenses	<b>-76.7</b>	-71.3	<b>-257.1</b>	-251.7	-347.7	-324.3	-313.2	
Items affecting comparability	–	–	–	-16.1	-16.1	–	–	
Other income	–	–	–	–	2.9	–	–	
Profit from participations in associated companies	–	–	–	–	0.8	2.4	2.5	
Operating profit	<b>148.2</b>	112.8	<b>494.0</b>	403.5	528.4	455.2	477.3	
Interest income	<b>0.4</b>	–	<b>1.5</b>	0.3	1.5	1.2	1.0	
Interest expenses	<b>-3.2</b>	-3.2	<b>-12.1</b>	-9.4	-12.5	-9.4	-11.4	
Profit after net financial items	<b>145.4</b>	109.6	<b>483.4</b>	394.4	517.4	447.0	466.9	
Tax on profit for the period	<b>-33.9</b>	-27.4	<b>-118.4</b>	-98.6	-129.1	-119.4	-113.2	
Net profit attributable to Parent Company shareholders	<b>111.5</b>	82.2	<b>365.0</b>	295.8	388.3	327.6	353.7	
<b>Other comprehensive income</b>								
Items that may be reclassified to profit or loss								
Cash-flow hedges	<b>12.4</b>	-2.1	<b>2.1</b>	-1.1	-5.6	-5.7	12.6	
Translation differences	<b>-32.0</b>	-18.8	<b>32.5</b>	-27.6	-6.9	30.6	-19.7	
Total other comprehensive income after tax	<b>-19.6</b>	-20.9	<b>34.6</b>	-28.7	-12.5	24.9	-7.1	
Total comprehensive income attributable to Parent Company shareholders	<b>91.9</b>	61.3	<b>399.6</b>	267.1	375.8	352.5	346.6	
Other comprehensive income pertains in its entirety to items that may be reclassified to profit or loss.								
Net earnings per share								
before and after dilution, SEK	<b>1.85</b>	1.36	<b>6.06</b>	4.91	6.45	5.22	5.87	
Dividend per share, SEK	–	–	–	–	–	4.75	4.75	
Includes amortization and depreciation in the amount of, MSEK	<b>34.0</b>	32.2	<b>103.3</b>	95.6	130.5	117.3	110.6	

**Parent Company**

MSEK	2018	2017	2018	2017	2017	2016	2015
	Q3	Q3	Jan–Sep	Jan–Sep	Full-year	Full-year	Full-year
Administrative expenses	-8.6	-9.0	-36.6	-34.9	-43.4	-48.0	-45.8
Items affecting comparability	–	–	–	-16.1	-16.1	–	–
Other operating income	4.6	4.6	13.7	13.7	21.1	18.2	18.2
Operating loss	-4.0	-4.4	-22.9	-37.3	-38.4	-29.8	-27.6
Group contributions	–	–	–	–	60.1	52.1	52.1
Income from participations in Group companies	–	–	–	–	309.0	260.0	270.0
Interest income and similar revenues	0.1	0.2	0.4	0.6	0.8	0.7	0.6
Interest expenses and similar expenses	-0.3	-0.3	-0.8	-0.8	-1.1	-0.7	-0.9
Profit/loss after net financial items	-4.2	-4.5	-23.3	-37.5	330.4	282.3	294.2
Tax on profit for the period	0.6	0.9	4.5	7.7	-4.9	-5.8	-6.1
Net profit/loss	-3.6	-3.6	-18.8	-29.8	325.5	276.5	288.1

*No items are attributable to other comprehensive income.*

**Condensed balance sheet****Group**

MSEK	2018	2017	2017	2016	2015
	Sep 30	Sep 30	Dec 31	Dec 31	Dec 31
<b>Assets</b>					
Fixed assets					
Intangible assets	622.7	587.9	607.4	550.6	508.6
Tangible assets	912.3	900.5	892.0	904.8	758.3
Deferred tax assets	15.2	16.4	15.8	19.1	18.6
Financial assets	43.8	30.9	36.3	30.3	28.7
Total fixed assets	1,594.0	1,535.7	1,551.5	1,504.8	1,314.2
Current assets					
Inventories	892.9	749.0	824.6	717.9	673.3
Receivables	969.5	782.9	731.1	654.9	630.1
Cash and bank balances	351.9	252.6	328.1	273.6	252.2
Total current assets	2,214.3	1,784.5	1,883.8	1,646.4	1,555.6
Total assets	3,808.3	3,320.2	3,435.3	3,151.2	2,869.8
	2018	2017	2017	2016	2015
	Sep 30	Sep 30	Dec 31	Dec 31	Dec 31
<b>Shareholders' equity and liabilities</b>					
Shareholders' equity					
Share capital	125.5	125.5	125.5	125.5	125.5
Other contributed capital	444.4	444.4	444.4	444.4	444.4
Reserves	72.7	21.9	38.1	50.6	25.8
Retained earnings, including net profit for the period	1,461.9	1,290.5	1,383.1	1,281.0	1,239.6
Shareholders' equity attributable to Parent Company shareholders	2,104.5	1,882.3	1,991.1	1,901.5	1,835.3
Non-controlling interests	3.9	3.8	3.9	3.8	3.7
Total shareholders' equity	2,108.4	1,886.1	1,995.0	1,905.3	1,839.0
Non-current liabilities to credit institutions	179.1	287.2	144.7	242.8	206.0
Other non-current liabilities	77.9	69.2	75.0	66.2	56.3
Current liabilities to credit institutions	709.1	443.9	592.1	343.9	240.2
Current non-interest-bearing liabilities	733.8	633.8	628.5	593.0	528.3
Total liabilities	1,699.9	1,434.1	1,440.3	1,245.9	1,030.8
Total shareholders' equity and liabilities	3,808.3	3,320.2	3,435.3	3,151.2	2,869.8

**Parent Company**

MSEK	2018	2017	2017	2016	2015
	Sep 30	Sep 30	Dec 31	Dec 31	Dec 31
<b>Assets</b>					
Fixed assets					
Tangible assets	1.2	1.3	1.2	1.2	1.1
Financial assets	532.0	532.2	532.0	532.2	532.2
Total fixed assets	533.2	533.5	533.2	533.4	533.3
Current assets					
Receivables	222.7	132.4	440.2	362.8	367.6
Cash and cash equivalents	0.1	10.7	59.7	3.1	9.3
Total current assets	222.8	143.1	499.9	365.9	376.9
Total assets	756.0	676.6	1,033.1	899.3	910.2
MSEK	2018	2017	2017	2016	2015
	Sep 30	Sep 30	Dec 31	Dec 31	Dec 31
<b>Shareholders' equity and liabilities</b>					
Share capital	125.5	125.5	125.5	125.5	125.5
Statutory reserve	444.4	444.4	444.4	444.4	444.4
Retained earnings	42.4	3.1	3.1	12.8	11.0
Net profit/loss for the period	-18.8	-29.8	325.5	276.5	288.1
Total shareholders' equity	593.5	543.2	898.5	859.2	869.0
Current liabilities to credit institutions	137.7	100.2	100.3	14.7	19.1
Current non-interest-bearing liabilities	24.8	33.2	34.3	25.4	22.1
Total shareholders' equity and liabilities	756.0	676.6	1,033.1	899.3	910.2

**Condensed cash-flow statement****Group**

MSEK	2018	2017	2018	2017	2017	2016	2015
	Q3	Q3	Jan-Sep	Jan-Sep	Full-year	Full-year	Full-year
Cash flow from operating activities before change in working capital and capital expenditures	179.0	114.3	476.6	391.3	520.2	436.5	456.0
Change in working capital, increase (-) decrease (+)	-52.3	63.9	-187.7	-109.0	-132.1	28.5	-92.7
Cash flow from operating activities	126.7	178.2	288.9	282.3	388.1	465.0	363.3
Investing activities	-29.5	-22.2	-111.9	-80.5	-118.0	-213.3	-111.5
Acquired companies less cash and cash equivalents	-	-	-3.1	-83.6	-83.6	-78.1	-
Cash flow after capital expenditures	97.2	156.0	173.9	118.2	186.5	173.6	251.8
Financing activities	-22.9	-79.3	-152.1	-139.2	-130.1	-157.4	-190.9
Change in cash and cash equivalents	74.3	76.7	21.8	-21.0	56.4	16.2	60.9
Cash and cash equivalents at beginning of period	277.6	175.9	328.1	273.6	273.6	252.2	191.3
Exchange-rate fluctuations in cash and cash equivalents	-	-	2.0	-	-1.9	5.2	-
Cash and cash equivalents at end of period	351.9	252.6	351.9	252.6	328.1	273.6	252.2
Approved but not utilized committed credit facilities	421.7	528.1	421.7	528.1	565.9	694.3	630.8
Available liquidity	773.6	780.7	773.6	780.7	894.0	967.9	883.0

**Specification of changes in consolidated shareholders' equity**

MSEK	2018	2017	2017	2016	2015
	Jan-Sep	Jan-Sep	Full-year	Full-year	Full-year
Opening shareholders' equity attributable to Parent Company shareholders	1,991.1	1,901.4	1,901.5	1,835.3	1,744.8
Comprehensive income for the period	399.6	267.1	375.8	352.4	346.6
Dividend paid	-286.2	-286.2	-286.2	-286.2	-256.1
Closing shareholders' equity attributable to Parent Company shareholders	2,104.5	1,882.3	1,991.1	1,901.5	1,835.3
Non-controlling interests	3.9	3.8	3.9	3.8	3.6
Total closing shareholders' equity	2,108.4	1,886.1	1,995.0	1,905.3	1,838.9

**Specification of shareholders' equity attributable to Parent Company shareholders for the period**

MSEK	Share capital	Other contributed capital	Reserves	Retained earnings, including net profit for the period	Total
Dec 31, 2017	125.5	444.4	38.1	1,383.1	1,991.1
Dividend paid				-286.2	-286.2
Comprehensive income for the period			34.6	365.0	399.6
<b>Sep 30, 2018</b>	<b>125.5</b>	<b>444.4</b>	<b>72.7</b>	<b>1,461.9</b>	<b>2,104.5</b>

**Number of shares**

	2018	2017	2016
	Sep 30	Dec 31	Dec 31
Number of shares outstanding	60,262,200	30,131,100	30,131,100
Total number of shares, after full dilution	60,262,200	30,131,100	30,131,100
Average number of shares, after full dilution	60,262,200	30,131,100	30,131,100

*Of the total number of shares outstanding, 6,610,000 are Class A shares and the remaining shares are Class B shares. The Annual General Meeting on March 22, 2018 resolved on a 2:1 share split, which entails that the number of shares after the split will amount to 60,262,000, of which 6,610,000 are Class A shares and the remaining shares are Class B shares. The split was carried out in May.*

**Note 1 Accounting policies****Group**

This interim report was prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). The presentation of the interim report complies with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

No new or revised IFRS that took effect in 2018 had a significant impact on the Group. Accounting policies and terms of calculation are unchanged compared with those applied in the 2017 Annual Report. Significant accounting and valuation policies are found on pages 52–55 of the 2017 Annual Report.

IFRS 9 Financial Instruments applies as of January 1, 2018 and the Group's application of the standard is presented in Note 41 of the 2017 Annual Report. Beijer Alma has applied IFRS 9 since January 2018. IFRS 9 has not had any impact on the Group's earnings or financial position.

IFRS 15 Revenue from Contracts with Customers applies as of January 1, 2018 and the Group's application of the standard is presented in Note 41 of the 2017 Annual Report. Beijer Alma has applied IFRS 15 since January 1, 2018. IFRS 15 has not had any impact on the Group's earnings or financial position. The standard has resulted in additional disclosure requirements.

The fair value of financial assets and liabilities is deemed to correspond to the carrying amount.

*New standards not yet applied*

**IFRS 16 Leases** was published by the IASB in January 2016 and adopted by the EU in October 2017. IFRS 16 replaces IAS 17 Leases. The standard requires that assets and liabilities attributable to all leases, with a few exceptions, be recognized in the balance sheet. The recognition method for the lessor will, in



all material respects, remain unchanged. Upon initial application of IFRS 16, the company can choose either to apply the standard with full retrospective effect or to apply a modified approach with relief rules. However, advance application is not permitted for companies applying IFRS 15. Beijer Alma's assessment is that IFRS 16 will impact the consolidated financial statements. The assessment of the effects is ongoing. The company will present its analysis in its year-end report.

#### Use of performance measures not defined in IFRS

Beijer Alma applies the European Securities and Markets Authority's (ESMA) new Guidelines on Alternative Performance Measures. In short, an alternative performance measure is a financial measure of historical or future financial performance, financial performance or cash flows that is not defined or specified in IFRS. Definitions of the performance measures used in this interim report are available on the company's website.

#### **Parent Company**

The Parent Company, Beijer Alma AB, applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. With the exception of what is stated above regarding IFRS 9 and IFRS 15, these accounting policies correspond with the preceding year and with the consolidated accounting policies where applicable.

The interim report comprises pages 1–12, and pages 1–4 are thus an integrated part of this financial report.

#### **Performance measures**

	<b>2018</b>	2017	<b>2018</b>	2017	2017	2016	2015
	<b>Q3</b>	Q3	<b>Jan–Sep</b>	Jan–Sep	Full-year	Full-year	Full-year
Number of shares <sup>1)</sup>	<b>60,262,200</b>	60,262,200	<b>60,262,200</b>	60,262,200	60,262,200	60,262,200	60,262,200
Net revenues, MSEK	<b>1,015.9</b>	879.7	<b>3,365.9</b>	3,003.1	3,971.5	3,527.5	3,521.9
Operating profit, MSEK	<b>148.2</b>	112.8	<b>494.0</b>	403.5	528.4	455.2	477.3
Profit before tax, MSEK	<b>145.4</b>	109.6	<b>483.4</b>	394.4	517.4	447.0	466.9
Earnings per share after tax, SEK <sup>1)</sup>	<b>1.85</b>	1.36	<b>6.06</b>	4.91	6.45	5.44	5.87
Earnings per share after 22.0% standard tax, SEK <sup>1)</sup>	<b>1.88</b>	1.42	<b>6.26</b>	5.10	6.70	5.79	6.05
Cash flow after capital expenditures, excluding acquisitions per share, SEK <sup>1)</sup>	<b>1.61</b>	2.59	<b>2.89</b>	3.34	4.48	3.68	4.18
Return on shareholders' equity, %	<b>22.0</b>	18.5	<b>24.6</b>	21.7	20.7	18.7	20.3
Return on capital employed, %	<b>20.1</b>	17.1	<b>23.4</b>	21.1	20.8	19.1	21.7
Shareholders' equity per share, SEK <sup>1)</sup>	<b>34.92</b>	31.24	<b>34.92</b>	31.24	33.04	31.55	30.46
Equity ratio, %	<b>55.3</b>	56.6	<b>55.3</b>	56.6	58.0	60.3	64.0
Net debt/equity ratio, %	<b>25.5</b>	25.4	<b>25.5</b>	25.4	20.5	16.5	10.6
Cash and cash equivalents, including unutilized credit facilities, MSEK	<b>773.6</b>	780.7	<b>773.6</b>	780.7	894.0	967.9	883.0
Investments in tangible assets, MSEK	<b>38.8</b>	22.9	<b>99.1</b>	89.1	125.9	203.6	135.8
Interest-coverage ratio, multiple	<b>45.8</b>	41.2	<b>40.9</b>	43.0	42.5	48.8	41.8
Number of employees at end of period	<b>2,630</b>	2,506	<b>2,630</b>	2,506	2,546	2,341	2,342

<sup>1)</sup> recalculated after 2:1 split

Uppsala, October 25, 2018

Beijer Alma AB (publ)

Henrik Perbeck  
President and CEO

*This report has not been reviewed by the company's auditors.*

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If you have any questions, please contact:

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This information is information that Beijer Alma AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at xx:xx a.m./p.m. on October 25, 2018.

Read more at: [www.beijeralma.se](http://www.beijeralma.se)

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Next report date:

Interim report on February 13, 2019.

Beijer Alma AB (publ)

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