

**1 JANUARY – 31 DECEMBER 2017**

**Strong finish with high organic growth**

#### **Fourth quarter**

- Order intake was 329.5 MSEK (331.1).
- Net sales increased by 13% to 322.6 MSEK (286.6).
- EBITDA increased to 25.6 MSEK (22.8).
- EBIT was 3.4 MSEK (7.3).
- Profit/loss after tax was -1.0 MSEK (-8.7).
- Earnings per share were -0.03 SEK (-0.31).

#### **Full year 2017**

- Order intake increased by 10% to 1,251.6 MSEK (1,142.5).
- Net sales rose by 8% to 1,205.9 MSEK (1,121.5).
- EBITDA increased to 90.3 MSEK (23.0).
- Year-2016 earnings were charged with non-recurring expenses of 50 MSEK.
- EBIT was 18.0 MSEK (-39.4).
- Profit/loss after tax was -6.2 MSEK (-126.1).
- Earnings per share were -0.24 SEK (-4.41).
- 225 MSEK rights issue completed.
- The Board of Directors is proposing a dividend of 0 SEK per share (0).

# Financial Statement for Beijer Electronics Group AB

## Comments from President and CEO Per Samuelsson

“Beijer Electronics Group finished last year well, with high organic sales growth in the fourth quarter. Order intake remained high, even if it was unchanged due to strong comparative figures in the previous year. Overall, we continued to deliver according to our growth plan.

However, the Group’s EBIT remains at an unsatisfactory level. Westermo’s earnings increased and it attained a 10% margin, but has more to offer. Beijer Electronics returned a 2% margin, and Korenix posted an operating loss. In total, this means we are not satisfied with earnings overall.

The underlying earnings trend is also pointing in a positive direction—EBITDA increased in every quarter of 2017 year on year, and was up by 25% overall in the year. We also posted a positive cash flow after investments of 35 MSEK for the fourth quarter.

Meanwhile, EBIT was charged with increasing depreciation and amortization. An impairment loss taken in our Korenix business entity also meant that consolidated fourth-quarter EBIT was down year on year. But even excluding this impairment, EBIT remains low. Apart from increasing depreciation and amortization, it is primarily explained by extensive product development initiatives, and our focus on selective marketing and sales initiatives. Although this has a negative short-term earnings impact, we expect it to pay off over time.

The Westermo business entity is evidence of this. After a downturn in 2016, Westermo made a brisk rally, and reported a positive year in terms of order intake, sales and earnings. The Beijer Electronics business entity is definitely heading in the right direction with very promising sales of our new X2

terminals, several new software and hardware solution launches, and lots more in the coming year. Continued volume expansion will become evident in progressively improving earnings. The Korenix business entity had a challenging year, realigning its organization with an all-new management and extensive staffing changes. Nevertheless, Korenix succeeded in maintaining sales fairly well, although it was compelled to report a loss for the full year, some of which consisted of impairment and non-recurring expenses.

After the Group’s major realignment in 2016, with a number of structural moves, rationalization and an improved strategy with a sharper focus on software and customer orientation, 2017 featured extensive product development and marketing initiatives. Staffing in production and administration was downsized, while employee headcount in development, marketing and sales increased. In parallel, we executed a competence shift, matching downsizing with new hiring.

Many things fell into place in the year—fine-tuning of various sales channels on certain markets remain within Beijer Electronics. Westermo is honing its organization with aims including improved efficiency in production/logistics. Korenix is focusing on recovery in 2018.

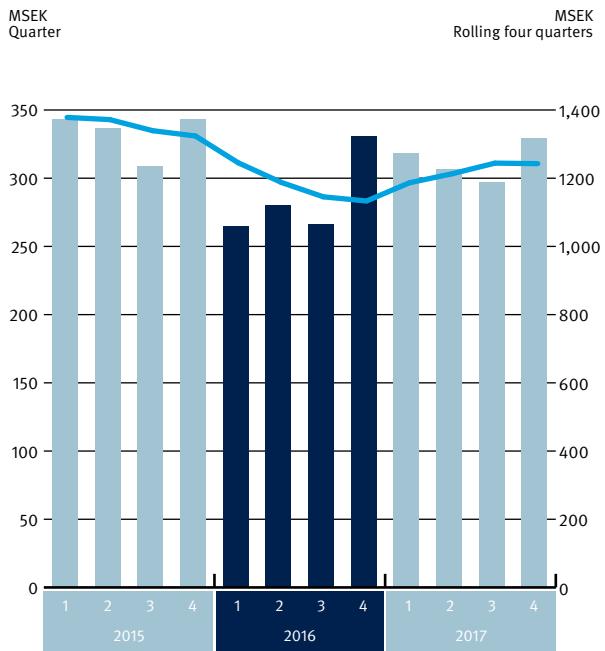
It is noteworthy that the Group’s altered focus, with a higher share of proprietary products, brought better gross margins in the past two years compared to previously. This trend may accentuate with progressively increasing software content. Overall, this means we will secure better leverage in earnings given higher sales.

## Business entity net sales and EBIT

MSEK	Sales Quarter 4		EBIT Quarter 4		Sales Full year		EBIT Full year	
	1712	1612	1712	1612	1712	1612	1712	1612
Business entity Beijer Electronics	173.2	156.2	5.4	5.4	659.1	623.3	12.5	-34.1 <sup>a</sup>
Business entity Westermo	128.7	104.9	12.7	9.3	461.2	404.6	46.6	30.6 <sup>a</sup>
Business entity Korenix	24.4	29.2	-6.1	1.7	104.2	109.4	-9.9	1.7
Intra-group sales	-3.7	-3.7			-18.6	-15.8		
Group adjustments and depreciation			-8.6	-9.1			-31.2	-37.6 <sup>a</sup>
<b>Beijer Electronics Group</b>	<b>322.6</b>	<b>286.6</b>	<b>3.4</b>	<b>7.3</b>	<b>1 205.9</b>	<b>1 121.5</b>	<b>18.0</b>	<b>-39.4</b>

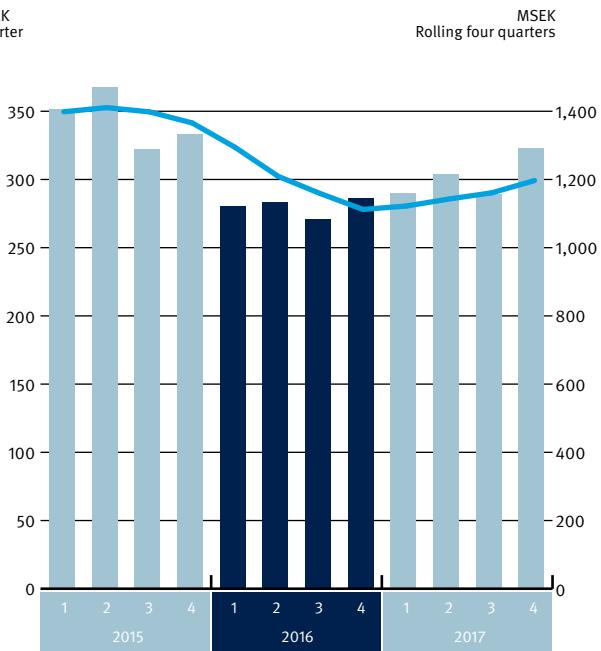
*a of which restructuring expense Beijer Electronics -47.4 MSEK, Westermo -1.9 MSEK and parent company -0.7 MSEK.*

**Group order intake**



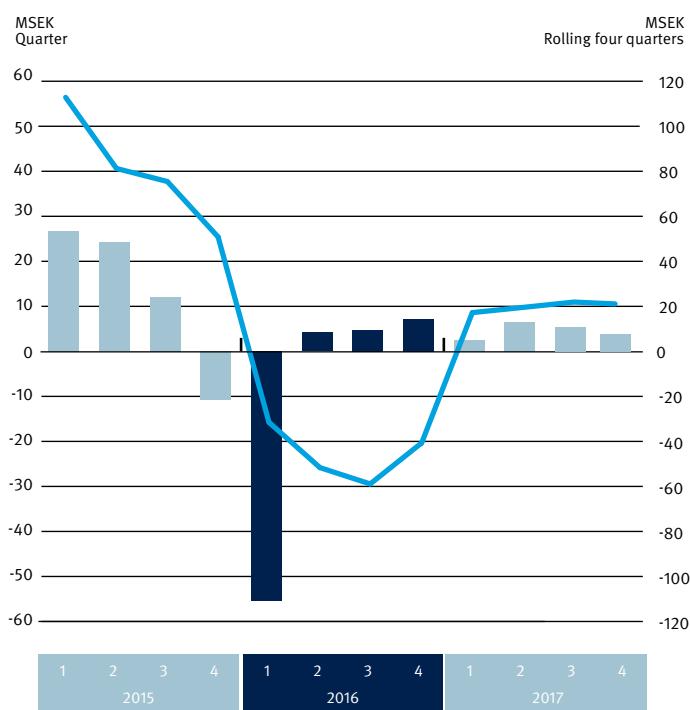
▲ The bars and left-hand scale indicate quarterly order intake. The curve and right-hand scale show rolling four quarter order intake.

**Group net sales**



▲ The bars and left-hand scale indicate quarterly sales. The curve and right-hand scale show rolling four quarter sales.

**Group EBIT**



▲ The bars and left-hand scale indicate quarterly EBIT. The curve and right-hand scale show rolling four quarter EBIT.

We are also satisfied with the outcome of the rights issue we completed at the beginning of the fourth quarter, raising 217 MSEK for the Group. This capital injection has strengthened the Group's financial position, and gives us more room to maneuver for aggressive initiatives over and above those we have executed. Our plans including screening small-scale acquisitions.

Coincident with our aggressive strategy, we reinforced the Group's management capability in the year. New executives are in place within the three business entities. At the end of 2017, we created a new Group Management, which includes the three heads of our business entities, while also appointing our Group CFO as Executive Vice President.

Beijer Electronics Group is converging on its targets of yearly growth of 7% and a 10% margin over a business cycle. We achieved our growth target in 2017. In 2018, we expect that the Group can increase sales and earnings compared to 2017."

#### **The Group in the fourth quarter**

The Group's operations, mainly in the larger business entities of Beijer Electronics and Westermo, continued their positive progress, while the Korenix business entity's progress was negative in the fourth quarter. The Group's order intake remained at a high level, but largely unchanged due to strong comparative figures in the corresponding period of 2016. Order intake in the quarter was 329.5 MSEK (331.1).

The Group's sales increased by 13% to 322.6 MSEK (286.6). Both our business entities, Beijer Electronics and Westermo, achieved strong growth, while Korenix's sales decreased.

Group EBITDA increased to 25.6 MSEK (22.8). Depreciation and amortization was 22.2 MSEK (15.6). EBIT was 3.4 MSEK (7.3). The reduced earnings are due to a 4.5 MSEK impairment loss for capitalized development expenditure within Korenix. While gross margin was at an unchanged and positive level, selective development, marketing and sales

initiatives did increase overheads, which impacted on earnings.

Total development expenditure was 38.8 MSEK (35.0). This corresponded to 12.0% (12.2) of Group sales.

Profit/loss before tax was -1.0 MSEK (2.9). Net financial income/expense was -4.4 MSEK (-4.4). Profit/loss after estimated tax was -1.0 MSEK (-8.7). Earnings per share after estimated tax were -0.03 SEK (-0.31).

#### **The Group in the full year**

The Group's order intake increased by 10% to 1,251.6 MSEK (1,142.5) in the full year 2017. Sales increased by 8% to 1,205.9 MSEK (1,121.5).

EBITDA rose to 90.3 MSEK (23.0). Earnings in 2016 were charged with non-recurring expenses of 50 MSEK. Depreciation and amortization was 72.3 MSEK (62.4). EBIT increased to 18.0 MSEK (-39.4 and 10.6 excluding non-recurring expenses). Gross margin improved somewhat in the year, while increased overheads, mainly in sales and development, impacted on EBIT.

Total development expenditure increased to 147.9 MSEK (136.6). This corresponded to 12.3% (12.2) of sales.

Profit/loss before tax was -3.8 MSEK (-124.2). Net financial income/expense was -21.9 MSEK (-84.8). In 2016, net financial income/expense was charged with an impairment loss on shares in associated companies of 71.6 MSEK. Profit/loss after estimated tax was -6.2 MSEK (-126.1). Earnings per share after estimated tax were -0.24 SEK (-4.41).

#### **Dividend**

The Board of Directors is proposing a dividend of 0 SEK per share (0) for the financial year 2017. The reasoning for this dividend proposal is that net earnings for 2017 were negative, and the Group's cash flow after investments for the full year was negative. The Board's ambition is to resume paying dividends next year.

**“ We're not satisfied with our earnings, but are heading in the right direction after our major realignment.**

**PER SAMUELSSON, PRESIDENT AND CEO**

## Business entity

# Beijer Electronics

The Beijer Electronics business entity consolidated its positive trend of the fourth quarter. The business entity achieved healthy organic growth in order intake and sales, and fully matched expectations. The US market remained convincing, with robust growth.

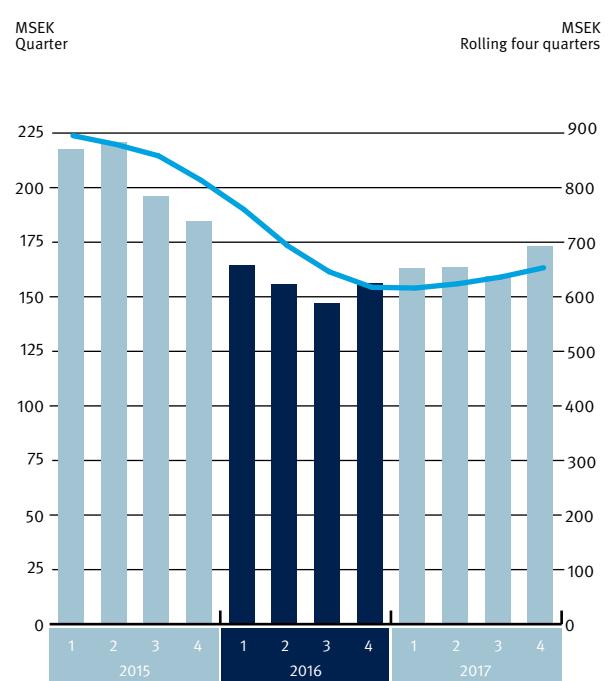
There was something of a trend-break in the Nordics, where sales increased in the fourth quarter. Sales in the rest of Europe also rose, although progress on different markets varied. The UK performed strongly, while France was poor.

The recovery continued in Turkey, and on the German market, where old products are being phased out, there was some increase.

The new operator panels in the X2 series sustained their very strong market impact, generating 30% of sales in the quarter. The most recent product in this new series, X2 extreme, launched in the third quarter supplementing the range, was well received by customers. A standalone, sealed version of X2 extreme was also launched in the fourth quarter, attracting substantial interest.

BoX2, comprising software and hardware, was presented in late-November. This is a product within the business entity's Internet of Things solutions that enables simple linkups of existing automation equipment to the cloud and other network solutions. BoX2 extends the business entity's market, because it is also compatible with equipment from other vendors.

Net sales, Beijer Electronics



▲ The bars and left-hand scale indicate quarterly net sales.  
The curve and right-hand scale show rolling four quarter net sales.

Accordingly, product development remained intensive, and a series of new products—mainly software—will be launched in 2018. Sales resources in Germany, France, Denmark and China were overhauled to boost sales on these markets for the long term.

The combination of increased expenses for development and selective hiring within marketing and sales meant that overheads increased, impacting on earnings in the quarter and full year. The target is to increase sales and earnings progressively.

#### **Fourth quarter**

The business entity's order intake increased by 8% to 171.0 MSEK (158.8) in the fourth quarter. Sales rose by 11% to 173.2 MSEK (156.2). EBITDA was 11.4 MSEK (10.6).

Depreciation and amortization was 6.0 MSEK (5.2). EBIT was 5.4 MSEK (5.4). Earnings were affected by increased sales and higher product development, marketing and sales expenses. The operating margin was 3.1% (3.5).

#### **Full year**

Order intake was up by 8% to 660.1 MSEK (609.1). Sales rose by 6% to 659.1 MSEK (623.3). EBITDA amounted to 36.6 MSEK (-14.4). Earnings were charged with non-recurring expenses of 47.4 MSEK in 2016. Depreciation and amortization was 24.0 MSEK (19.7). EBIT was 12.5 MSEK (-34.1 and 13.3 excluding non-recurring expenses). The operating margin was 1.9% (-5.5).

**“ Beijer Electronics Group finished last year well, with high organic growth.**

**PER SAMUELSSON, PRESIDENT AND CEO**

## Business entity

# Westermo

The Westermo business entity continued its brisk progress in the fourth quarter, with high sales growth and a major improvement in earnings. This marked a rapid recovery from the downturn in 2016, and the full year 2017 was a new record year for order intake—over 500 MSEK—a milestone in itself.

Sales in the US, Sweden, Germany and France were standouts with high growth. Sales in the Train segment especially, with IP Train, maintained strong progress, with new and current business customers purchasing more equipment. Meanwhile, Westermo's core business of standardized products continued its positive progress.

Westermo secured a larger order from a major train customer in the US in the quarter. Order intake for the quarter remained high, although was down due to a very challenging quarter in 2016.

Product development was intensive. A new generation of switches addressing the Train segment was launched in the quarter. The progress of the Edge Network segment is a priority, and there is a sharp focus on cybersecurity. Westermo is also working on an upgrade of its proprietary operating system, WeOS.

Westermo implemented a new organization at the beginning of December to further sharpen and increase efficiency, quality and delivery accuracy. The product development unit was streamlined, with product management transferring to a new function jointly with marketing. Purchasing, logistics, production, technical support and maintenance are being coordinated within operations.

### Fourth quarter

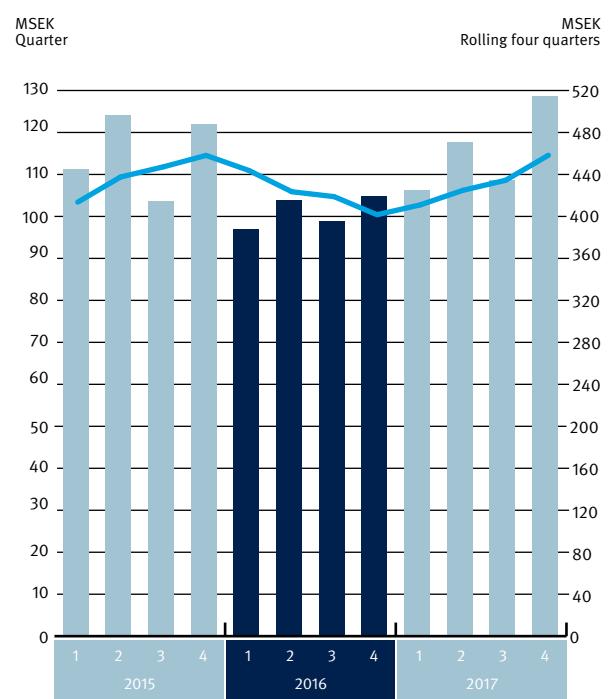
Westermo's order intake decreased by 5% to 138.7 MSEK (145.8). Sales increased by 23% to 128.7 MSEK (104.9). EBITDA increased to 19.0 MSEK (14.8). Depreciation and amortization was 6.3 MSEK (5.4). EBIT increased by 37% to

12.7 MSEK (9.3). This corresponded to an operating margin of 9.9% (8.9).

### Full year

Order intake rose by 15% to 502.7 MSEK (438.3). Sales rose by 14% to 461.2 MSEK (404.6). EBITDA was 69.5 MSEK (53.6). Depreciation and amortization was 23.0 MSEK (23.1). EBIT increased by 52% to 46.6 MSEK (30.6), corresponding to an operating margin of 10.1% (7.6).

### Net sales, Westermo



▲ The bars and left-hand scale indicate quarterly net sales. The curve and right-hand scale show rolling four quarter net sales.

## Business entity

# Korenix

The Korenix business entity had a poor fourth quarter, with lower order intake and sales, as well as reduced earnings. The downturn is due to factors including a fairly good comparative quarter in 2016. Operations were also affected by structural moves and the realignment executed in the year.

This was an extensive process after the discovery that the previous management had acted disloyally. Korenix's new CEO has appointed an all-new management, with 25% of staff replaced. The strategic focus has been overhauled, encompassing the business entity's product offering and sales strategies. These adaptations are based on a new and strong product range in segments including wireless data communication. The orientation is more on software and customer benefit.

Earnings were charged with 4.5 MSEK of impairment of capitalized development expenditure in the fourth quarter as part of the overhaul of Korenix's product portfolio. This was a contributor to Korenix reporting a loss for the quarter and full year. For the full year, the business entity is reporting somewhat lower order intake and sales.

Despite a problematic year, Korenix expanded its customer base, adding several new accounts in the transportation and surveillance segments. With a new management and organization in place, as well as a fine-tuned strategy, Korenix has paved the way for a good recovery in 2018.

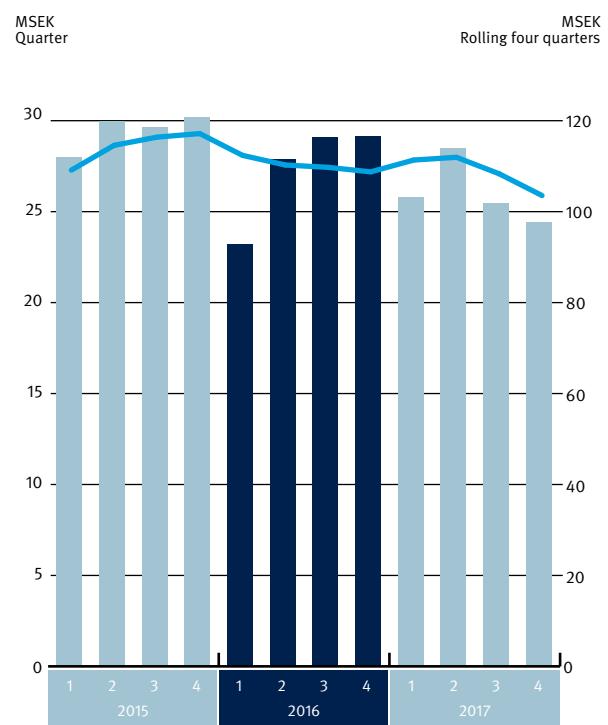
### Fourth quarter

Korenix's order intake was down to 23.6 MSEK (30.2). Sales decreased by 16% to 24.4 MSEK (29.2). EBITDA was 1.2 MSEK (4.1). Depreciation and amortization was 7.3 MSEK (2.4), of which 4.5 MSEK was impairment of capitalized development expenditure. EBIT was -6.1 MSEK (1.7).

### Full year

Order intake was 107.3 MSEK (110.7). Sales decreased by 5% to 104.2 MSEK (109.4). EBITDA was 5.6 MSEK (10.4). Depreciation and amortization was 15.5 MSEK (8.7). EBIT was -9.9 MSEK (1.7).

### Net sales, Korenix



▲ The bars and left-hand scale indicate quarterly net sales. The curve and right-hand scale show rolling four quarter net sales.

## Other financial information

Group investments, including capitalized development expenses and acquisitions, amounted to 84.8 MSEK (78.6) in the full year 2017. Cash flow from operating activities was 47.9 MSEK (9.4). Equity was 585.0 MSEK (415.4) on 31 December 2017. The equity ratio was 41.7% (29.4). Cash and cash equivalents were 89.3 MSEK (107.2). Net debt was 417.4 MSEK (581.9). The average number of employees was 702 (714).

A share-based incentive program has been implemented, pursuant to a resolution by the most recent AGM. The estimated outcome indicates that consistent with this program, the parent company will issue some 35,000 class C shares in Q1 2018.

### Prospects for the full year 2018

For the full year 2018, Beijer Electronics Group expects to be able to increase sales and earnings compared to 2017.

### Financial targets for the Group

The Board of Directors set new financial targets for Beijer Electronics Group in the first quarter 2016. The targets are that within a 2-3 year timeframe, the Group will achieve minimum organic growth of 7% per year, and achieve a minimum EBIT margin of 10%, measured as an average over a business cycle.

### Significant events

The AGM on 27 April 2017 resolved to amend the Articles of Association, with the parent company changing corporate name from Beijer Electronics AB (publ) to Beijer Electronics Group AB (publ). This change was recorded at the Swedish Companies Registration Office on 16 May 2017. Stefan Lager was appointed President of the Beijer Electronics business entity on 1 June 2017. Stefan's previous position was as Senior Vice President of Sales Europe & Americas for Beijer Electronics. He previously held executive positions with Strålfors, Flextronics and Ericsson.

Beijer Electronics Group executed a rights issue with preferential rights for existing shareholders in the third quarter, as announced at the beginning of July. This share issue, which was 1.6 times oversubscribed, was completed at the beginning of October, and raised 225 MSEK for the company before issue expenses. The issue expenses amounted to some 8 MSEK. The issue resulted in Beijer Electronics Group's share capital increasing by 3,177,931 SEK to 9,533,793 SEK, and the number of shares increasing by 9,533,793 to 28,601,379.

In October, Beijer Electronics Group appointed Jenny Sjödahl as President of the Westermo business entity. Jenny had been Vice President of Sales for Westermo since August 2016. Prior to that, she held several marketing and sales positions,

as well as various senior management positions for ABB in Sweden and Singapore over more than 18 years. Jenny took up her position on 1 November 2017.

A new Group Management consisting of Per Samuelsson, CEO and President, Joakim Laurén, CFO, Tim Webster, Senior VP Human Resources, Stefan Lager, President of Beijer Electronics, Jenny Sjödahl, President of Westermo and Wesley Chen, President of Korenix, was created at the end of 2017. Coincident with this change Joakim Laurén was also appointed as Executive Vice President of Beijer Electronics Group AB.

#### **Accounting principles**

For the group, this Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations of the Swedish Annual Accounts Act. The Interim Report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act's chapter 9, Interim Reporting. The accounting principles applied for the group and parent company are consistent with those accounting principles used when preparing the latest annual accounts.

#### **IFRS 9 and IFRS 15**

IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers came into effect on 1 January 2018.

In the year, the Group conducted a project to evaluate the effects of the application of these new accounting standards, and a selection of transition method pursuant to IFRS 15. The analysis was conducted by segment, and in certain cases, at company level, and where necessary, in consultation with external accounting specialists. This project is complete and the Group's conclusion is that the adoption of IFRS 9 and IFRS 15 does not have any material effect on the Group's or segments' financial reporting.

This Report has not been subject to review by the company's auditors.

Per Samuelsson  
President & CEO  
Malmö, Sweden, January 26, 2018

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**“ It's pleasing that Westermo has achieved an order intake of over half a billion kronor.**

**PER SAMUELSSON, PRESIDENT AND CEO**

# Year in Summary

## Income Statement—Group

SEK 000	Quarter 4 2017	Quarter 4 2016	Full Year 2017	Full Year 2016
Net turnover	322,573	286,568	1,205,912	1,121,509
Other operating revenue	2,924	1,204	-82	1,715
Operating expenses excluding depreciation and amortisation	-299,880	-264,951	-1,115,504	-1,100,205 <sup>a</sup>
<b>EBITDA</b>	<b>25,617</b>	<b>22,821</b>	<b>90,326</b>	<b>23,019</b>
Amortization, and impairment, intangible assets	-17,902	-11,144	-55,090	-43,526
Depreciation, property, plant and equipment	-4,340	-4,423	-17,220	-18,848
<b>EBIT</b>	<b>3,375</b>	<b>7,254</b>	<b>18,016</b>	<b>-39,355</b>
Net financial items	-4,406	-4,367	-21,853	-84,844 <sup>b</sup>
<b>Profit before tax</b>	<b>-1,031</b>	<b>2,887</b>	<b>-3,837</b>	<b>-124,199</b>
Estimated tax	8	-11,599	-2,373	-1,914
<b>Net profit</b>	<b>-1,023</b>	<b>-8,712</b>	<b>-6,210</b>	<b>-126,113</b>
<i>Attributable to equity holders of the parent</i>	-814	-8,928	-6,988	-126,061
<i>Attributable to minority interest</i>	-209	216	778	-52
<i>Corresponds to earnings per share, SEK (comparative figure restated for completed rights issue)</i>	-0.03	-0.31	-0.24	-4.41
<i>Corresponds to diluted earnings per share (comparative figure restated for completed rights issue)</i>	-0.03	-0.31	-0.24	-4.40
<i>Corresponds to earnings per share, SEK (pursuant to previous reporting prior to rights issue)</i>		-0.47		-6.61

*a* Of which restructuring expense of -50 MSEK.

*b* Of which impairment of participation in associated company 71,594,000 SEK.

## Statement of Comprehensive Income—Group

SEK 000	Quarter 4 2017	Quarter 4 2016	Full Year 2017	Full Year 2016
Net profit	-1,023	-8,712	-6,210	-126,113
Actuarial gains and losses	-9,263	-3,165	-13,267	-6,745
Translation differences	15,775	19,746	-27,236	50,914
Share-based payment	54		54	
<b>Comprehensive income</b>	<b>5,523</b>	<b>7,869</b>	<b>-46,659</b>	<b>-81,944</b>
<i>Attributable to equity holders of the parent</i>	5,622	8,083	-47,107	-81,740
<i>Attributable to minority interest</i>	-99	-214	448	-204

## Balance Sheet—Group

SEK 000	Dec 31, 2017	Dec 31, 2016
<b>Assets</b>		
Intangible assets	754,571	766,572
Property, plant and equipment	84,947	82,718
Financial assets	55,117	50,406
Current assets	435,304	423,968
Cash equivalents and short-term investments	89,281	107,228
<b>Total assets</b>	<b>1,419,220</b>	<b>1,430,892</b>
<b>Liabilities and shareholders' equity</b>		
Shareholders' equity	585,015	415,389
Minority share of shareholders' equity	6,221	5,773
Long-term liabilities	511,112	514,939
Current liabilities	316,872	494,791
<b>Total liabilities and shareholders' equity</b>	<b>1,419,220</b>	<b>1,430,892</b>
<i>Of which interest-bearing liabilities</i>	<i>506,662</i>	<i>689,126</i>

### Statement of Changes to Shareholders' Equity—Group

SEK 000	Dec 31, 2017	Dec 31, 2016
<b>Attributable to equity holders of the parent</b>		
Opening balance, shareholders' equity, 1 January	415,389	520,963
Rights issue	216,733	
Dividend		-23,834
Comprehensive income	-47,107	-81,740
<b>Closing balance, shareholders' equity</b>	<b>585,015</b>	<b>415,389</b>
<b>Attributable to non-controlling interests</b>		
Opening balance, 1 January	5,773	5,977
Comprehensive income	448	-204
<b>Closing balance</b>	<b>6,221</b>	<b>5,773</b>

### Key Figures—Group

	Dec 31, 2017	Dec 31, 2016
Operating margin, %	1.5	-3.5
Profit margin, %	-0.5	-11.2
Equity ratio, %	41.7	29.4
Equity per share, SEK (comparative figure restated for completed rights issue)	20.5	14.5
Basic earnings per share, SEK (comparative figure restated for completed rights issue)	-0.24	-4.41
Return on equity after tax, %	-1.2	-26.6
Return on capital employed, %	1.7	-3.2
Return on net operating assets, %	2.5	-5.8
Average number of employees	702	714

### Cash Flow Statement—Group

SEK 000	Dec 31, 2017	Dec 31, 2016
Cash flow from operating activities before changes in working capital	61,765	12,673
Change in working capital	-13,904	-3,308
<b>Cash flow from operating activities</b>		
Cash flow from investing activities	-79,400	-74,767
Cash flow from finance activities	17,795	72,143
Dividends paid		-23,834
<b>Change in cash equivalents</b>	<b>-13,744</b>	<b>-17,093</b>
Cash equivalents and short-term investments, opening balance	107,228	116,636
Exchange rate change, cash equivalents	-4,203	7,685
<b>Cash equivalents and short-term investments, closing balance</b>	<b>89,281</b>	<b>107,228</b>

## Operating Segments

SEK 000	Quarter 4 2017	Quarter 4 2016	Full Year 2017	Full Year 2016
<b>Net sales</b>				
Beijer Electronics	173,231	156,160	659,059	623,255
Westermo	128,700	104,862	461,155	404,620
Korenix	24,414	29,179	104,198	109,399
Group adjustments	-3,772	-3,633	-18,500	-15,765
<b>Group</b>	<b>322,573</b>	<b>286,568</b>	<b>1,205,912</b>	<b>1,121,509</b>
<b>EBITDA</b>				
Beijer Electronics	11,393	10,599	36,577	-14,406 <sup>a</sup>
Westermo	19,010	14,752	69,548	53,639 <sup>a</sup>
Korenix	1,207	4,134	5,588	10,365
Parent company	-6,271	-6,697	-22,782	-28,477 <sup>a</sup>
Group adjustments	278	33	1,395	1,898
<b>Group</b>	<b>25,617</b>	<b>22,821</b>	<b>90,326</b>	<b>23,019</b>
<b>EBIT</b>				
Beijer Electronics	5,351	5,406	12,544	-34,109
Westermo	12,700	9,312	46,583	30,563
Korenix	-6,062	1,721	-9,934	1,700
Parent company	-8,394	-8,519	-30,877	-36,624
Group adjustments	-220	-666	-300	-885
<b>Group</b>	<b>3,375</b>	<b>7,254</b>	<b>18,016</b>	<b>-39,355</b>

<sup>a</sup> Of which restructuring expense Beijer Electronics -47,395 MSEK, Westermo -1,886 MSEK parent company -720,000 SEK.

### Income Statement—Parent Company

SEK 000	Quarter 4 2017	Quarter 4 2016	Full Year 2017	Full Year 2016
Net sales	7,941	9,470	31,767	37,883
Operating expenses	-16,335	-17,989	-62,644	-74,507
<b>EBIT</b>	<b>-8,394</b>	<b>-8,519</b>	<b>-30,877</b>	<b>-36,624</b>
Net financial items*	318	2,777	-21,390	-33,209 <sup>a</sup>
<b>Profit before tax</b>	<b>-8,076</b>	<b>-5,742</b>	<b>-52,267</b>	<b>-69,833</b>
Appropriations	53,000	4,100	53,000	4,100
Estimated tax	-9,061	-464	75	5,483
<b>Net profit</b>	<b>35,863</b>	<b>-2,106</b>	<b>808</b>	<b>-60,250</b>
* of which dividend from subsidiary	0	0	1,056	40,000

a Of which impairment of participation in associated company -75,394 MSEK

### Balance Sheet—Parent Company

SEK 000	Dec 31, 2017	Dec 31, 2016
<b>Assets</b>		
Fixed assets	759,718	734,835
Current assets	25,605	18,304
Cash equivalents and short-term investments	1,166	1,166
<b>Total assets</b>	<b>786,489</b>	<b>754,305</b>
<b>Liabilities and shareholders' equity</b>		
Shareholders' equity	296,586	78,991
Long-term liabilities	414,178	397,808
Current liabilities	75,725	277,506
<b>Total liabilities and shareholders' equity</b>	<b>786,489</b>	<b>754,305</b>
<i>Of which interest-bearing liabilities</i>	<i>394,822</i>	<i>592,593</i>

### Parent Company Statement of Changes in Equity

SEK 000	Share capital <sup>a</sup>	Other restricted equity	Share premium reserve and retained earnings	Net profit	Total equity
<b>Opening equity, Jan. 1, 2017</b>	<b>6,356</b>	<b>3,611</b>	<b>69,024</b>		<b>78,991</b>
Change in reserve for development expenditure		3,423	-3,423		
Net profit				808	808
<b>Total changes to net worth, exc. transactions with company's shareholders</b>	<b>6,356</b>	<b>7,034</b>	<b>65,601</b>	<b>808</b>	<b>79,799</b>
Current rights issue <sup>a</sup>	3,178		213,555		216,733
Share-based payment			54		54
<b>Closing equity, Dec 31, 2017</b>	<b>9,534</b>	<b>7,034</b>	<b>279,210</b>	<b>808</b>	<b>296,586</b>

a

No. of shares, Jan. 1, 2017 19,067,586  
Shares issued in current rights issue 9,533,793  
No. of shares, Dec. 31, 2017 28,601,379

Quotient value (SEK) 0.33

Issue price of 23.60 SEK per share. Rights issue completed on 6 October 2017.

## Financial definitions

### **Average**

Average values are computed as the median value of the current reporting period and the corresponding item in comparative periods 12 months previously.

### **Capital employed**

Equity plus interest-bearing liabilities.

### **Development expenditure**

Expenditure on product development work, such as personal expenses and external consulting expenses.

### **Earnings per share**

Net profit attributable to parent company shareholders divided by the number of shares at year-end.

### **Equity ratio**

Equity in relation to total assets.

### **Equity per share**

Equity attributable to parent company shareholders divided by the number of shares.

### **EBIT**

Earnings before interest and taxes.

### **EBITDA**

Earnings before interest, taxes, depreciation, and amortization.

### **Net debt**

Interest-bearing liabilities less cash and cash equivalents and investments in securities, etc.

### **Operating assets**

Total assets less cash and cash equivalents, and interest-bearing liabilities.

### **Operating margin**

EBIT in relation to net sales.

### **Profit margin**

Net profit in relation to net sales.

### **Return on capital employed**

Profit before tax plus financial expenses rolling 12 months in relation to average capital employed.

### **Return on equity after tax**

Net profit rolling 12 months in relation to average equity.

### **Return on net operating assets**

EBITDA in relation to average net operating assets.

## Beijer Electronics Group AB (publ)

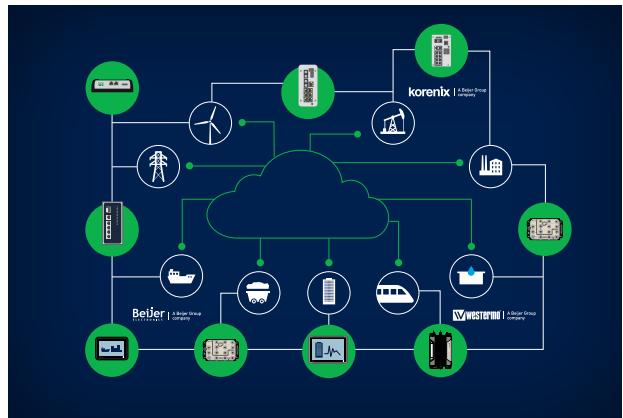
Beijer Electronics Group (publ) is a high technology company active in industrial automation and data communication. The company develops and markets competitive products and solutions that focus on the user. Since its start-up in 1981, Beijer Electronics Group has evolved into a multinational group with net sales of 1.2 billion SEK in 2017. The company is listed on NASDAQ OMX Nordic Stockholm Small Cap under the ticker BELE.

### More Information

You can subscribe for financial information on Beijer Electronics Group via e-mail. Subscribe easily at our website, [www.beijergroup.com](http://www.beijergroup.com). If you have any questions about the Beijer Electronics Group, please call +46 (0)40 35 86 00, or send an email: [info@beijergroup.com](mailto:info@beijergroup.com)

### Financial Calendar

April 26, 2018.....Three-month Interim Report  
April 26, 2018.....Annual General Meeting  
July 13, 2018.....Six-month Interim Report  
October 24, 2018.....Nine-month Interim Report



### Beijer Electronics Group enables the power of data

Digitalization means a growing base of automation solutions are connecting to the cloud. The three business entities within Beijer Electronics Group address an array of customer segments, and deliver a broad portfolio of intelligent automation and data communication solutions.