

CONTINUED EARNINGS IMPROVEMENT

839

NET REVENUES AMOUNTED TO MSEK 839 (771) FOR THE THIRD QUARTER AND MSEK 2,681 (2,502) FOR THE JANUARY TO SEPTEMBER PERIOD.

116

PROFIT AFTER NET FINANCIAL ITEMS TOTALED MSEK 116 (97) FOR THE THIRD QUARTER AND MSEK 352 (322) FOR THE JANUARY TO SEPTEMBER PERIOD.

2.90

EARNINGS PER SHARE AMOUNTED TO SEK 2.90 (2.44) FOR THE THIRD QUARTER AND SEK 8.83 (8.12) FOR THE JANUARY TO SEPTEMBER PERIOD.

115

CASH FLOW TOTALED MSEK 115 (74) FOR THE THIRD QUARTER AND MSEK 170 (161) FOR THE JANUARY TO SEPTEMBER PERIOD.

287

NET DEBT AT THE END OF THE PERIOD AMOUNTED TO MSEK 287 (180).

Interim report January–September 2015

Continued earnings improvement

- Net revenues amounted to MSEK 839 (771) for the third quarter and MSEK 2,681 (2,502) for the January to September period.
- Profit after net financial items totaled MSEK 116 (97) for the third quarter and MSEK 352 (322) for the January to September period.
- Earnings per share amounted to SEK 2.90 (2.44) for the third quarter and SEK 8.83 (8.12) for the January to September period.
- Cash flow totaled MSEK 115 (74) for the third quarter and MSEK 170 (161) for the January to September period.
- Net debt at the end of the period amounted to MSEK 287 (180).

CEO's comments

The positive performance of Lesjöfors and Habia contributed to improved earnings for the third quarter. Profit after net financial items amounted to MSEK 116, up MSEK 19 year-on-year. Favorable exchange-rate effects accounted for MSEK 5 of this earnings increase. The operating margin rose to 14 percent (13).

Invoicing increased 9 percent. Adjusted for acquisitions and exchange rates, invoicing was essentially unchanged. As in the third quarter, growth was noted in Lesjöfors's chassis springs operations and Habia's sales to the nuclear power industry, while operations that are dependent on the industrial economy were stable or slightly weaker than in the year-earlier period.

Cash flow was impacted positively by a reduction in tied-up working capital and totaled MSEK 115 (74) for the quarter. Net debt at the end of the period amounted to MSEK 287 (180).

Lesjöfors is continuing to perform well. Adjusted for acquisitions and exchange-rate effects, invoicing rose 8 percent. Operating profit increased from MSEK 66 to MSEK 89 and the operating margin improved. This favorable trend was mainly attributable to the company's chassis springs operations. Adjusted for currency effects, invoicing in this business area rose a total of 34 percent. All regions displayed growth. Sales are at a historically high level, and growth for the first nine months of the year has been adjusted by approximately 20 percent for currency effects. The strongest performance occurred in the UK market. The increase in invoicing in Chassis Springs had a major positive impact on operating profit. The company's industrial spring operations also reported a slight increase in earnings. However, the weak industrial economy is putting pressure on demand and invoicing declined 1 percent, adjusted for exchange-rate effects and acquisitions.

Habia reported its strongest third-quarter earnings to date. Although invoicing fell 7 percent compared with the year-earlier period, adjusted for exchange-rate effects, the company had a favorable product mix, which resulted in positive earnings and operating margin trends. Operating profit rose to MSEK 30 (24). Sales to customers in the nuclear power segment increased and accounted for a larger share of invoicing than in the year-earlier period. Accumulated since the beginning of the year, invoicing in this customer segment increased 50 percent. Order bookings rose nearly 200 percent, which will also contribute to favorable production capacity and invoicing in the coming quarters. Sales to telecom customers were also satisfactory. While invoicing was somewhat lower than in the year-earlier period, it should be noted that the comparative data for 2014 was high.

Beijer Tech's performance in 2015 has been weak. Invoicing declined 6 percent in the third quarter. The company's profitability was adversely impacted by its weak sales trend, with the Industrial Products business area facing the greatest pressure from low demand. The most significant decrease in sales was experienced by customers in the offshore sector in Norway. Fluid Technology reported slightly stronger invoicing and earnings trends. New management teams have been appointed for the Beijer Tech Group and several of its subsidiaries, and proactive measures are being taken to boost sales and improve the profitability of the various operations.

Outlook

The stable and somewhat weak trends noted in the operations that are dependent on the industrial economy will likely continue during the fourth quarter. The positive effects from improved sales of chassis springs are expected to continue, albeit at a slightly slower pace. Habia's high rate of delivery to customers in the nuclear power industry is expected to continue in the fourth quarter, while sales to customers in the telecom segment will be weaker than in the year-earlier period. Overall, the outlook for the fourth quarter is relatively favorable.

*Bertil Persson
President and CEO*

Group

During the third quarter, order bookings amounted to MSEK 874 (750) and invoicing to MSEK 839 (771). Adjusted for corporate acquisitions and fluctuations in exchange rates, order bookings rose 6 percent, while invoicing fell 1 percent.

Operating profit totaled MSEK 118 (99) and the operating margin was 14.1 percent (13.7). Profit after net financial items amounted to MSEK 116 (97). Earnings per share totaled SEK 2.90 (2.44). Fluctuations in exchange rates had a positive impact of MSEK 5 on earnings.

Cash flow after capital expenditures amounted to MSEK 115 (74). Net debt totaled MSEK 287 (180).

During the January to September period, order bookings rose 8 percent to MSEK 2,704 (2,501). Invoicing amounted to MSEK 2,681 (2,502), up 7 percent. Adjusted for corporate acquisitions and fluctuations in exchange rates, order bookings and invoicing declined 3 percent.

Operating profit totaled MSEK 362 (329) and the operating margin was 13.5 percent (13.2). Profit after net financial items, which increased MSEK 21 as a result of exchange-rate effects, amounted to MSEK 352 (322). Earnings per share totaled SEK 8.83 (8.12). Cash flow after capital expenditures amounted to MSEK 170 (161).

Subsidiaries

Lesjöfors

Lesjöfors is a full-range supplier of standard and specially produced industrial springs, 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 and China.

During the third quarter, order bookings increased 21 percent to MSEK 482 (399). Invoicing totaled MSEK 471 (394), up 20 percent. Adjusted for corporate acquisitions and fluctuations in exchange rates, order bookings and invoicing rose 8 percent.

Operating profit amounted to MSEK 89 (66). Profit increased MSEK 3 due to exchange-rate fluctuations.

During the January to September period, order bookings rose 19 percent to MSEK 1,546 (1,303). Invoicing increased 18 percent to MSEK 1,569 (1,329). Adjusted for corporate acquisitions and fluctuations in exchange rates, order bookings and invoicing increased 5 percent.

Operating profit amounted to MSEK 302 (246). Fluctuations in exchange rates had a positive impact of MSEK 15 on earnings.

Habia Cable

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

During the third quarter, order bookings totaled MSEK 222 (171), up 30 percent. Invoicing amounted to MSEK 198 (195), up 1 percent. Fluctuations in exchange rates had a positive impact of 9 percent on invoicing and 8 percent on order bookings. Operating profit amounted to MSEK 30 (24). Fluctuations in exchange rates boosted profit by MSEK 2.

During the January to September period, order bookings amounted to MSEK 595 (604), down 1 percent. Invoicing declined 3 percent to MSEK 559 (578). Fluctuations in exchange rates increased order bookings and invoicing by 9 percent. Operating profit amounted to MSEK 68 (67). Fluctuations in exchange rates boosted profit by MSEK 6.

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 the business areas: Industrial Products and Fluid Technology/Industrial Rubber.

During the third quarter, order bookings and invoicing amounted to MSEK 170 (171). Operating profit totaled MSEK 6 (13). Fluctuations in exchange rates had a negligible impact on invoicing and profit.

During the January to September period, invoicing and order bookings declined 5 percent to MSEK 563 (594). Operating profit amounted to MSEK 14 (35).

Parent Company

The Parent Company, Beijer Alma AB, is a holding company that does not conduct external invoicing. The Parent Company reported an operating loss of MSEK 5 (loss: 4) for the third quarter and a loss of MSEK 22 (loss: 18) for the January to September period.

Revenues and earnings per operating sector/segment

Net revenues

MSEK	2015	2015	2015	2014	2014	2014	2014	2014	2013
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full-year	Full-year
Lesjöfors	470.1	550.7	537.8	396.3	394.5	455.8	479.1	1,725.7	1,676.3
Habia Cable	198.2	171.6	189.4	212.5	195.1	200.6	182.0	790.2	624.3
Beijer Tech	170.3	204.9	188.0	187.9	180.8	219.4	194.0	782.1	765.6
Parent Company and intra-Group	–	0.1	0.1	–0.1	0.1	0.1	0.1	0.2	0.3
Total	838.6	927.3	915.3	796.6	770.5	875.9	855.2	3,298.2	3,066.5

Operating profit

MSEK	2015	2015	2015	2014	2014	2014	2014	2014	2013
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full-year	Full-year
Lesjöfors	89.1	113.1	99.7	74.0	66.2	88.4	90.9	319.5	331.7
Habia Cable	29.7	17.8	20.5	27.0	23.6	22.5	20.5	93.6	53.2
Beijer Tech	6.0	7.4	0.7	9.1	12.7	14.3	8.0	44.1	33.6
Parent Company and intra-Group	-6.9	-9.8	-5.4	-11.4	-3.9	-7.6	-6.8	-29.7	-22.2
Total operating profit	117.9	128.5	115.5	98.7	98.6	117.6	112.6	427.5	396.3
Net financial items	-2.3	-3.3	-3.9	2.9	-1.9	-1.7	-3.2	-3.9	-11.6
Profit after net financial items	115.6	125.2	111.6	101.6	96.7	115.9	109.4	423.6	384.7

No sales are conducted between segments.

Corporate acquisitions

Beijer Tech conducted a minor acquisition of assets and liabilities during the first quarter. The acquisition pertains to assets in the Norwegian company Grad-Tek AS. The purchase consideration was MSEK 1.1 and goodwill totaled MSEK 0.6. The acquisitions had a negligible impact on invoicing and profit.

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 50 percent of production takes place outside Sweden. Beijer Tech does not have a corresponding foreign currency risk since 70 percent of its sales are conducted in Sweden.

Management of the Group's financial risks is described in Note 31 of the 2014 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.

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 2015 had a significant impact on the Group. Accounting policies and terms of calculation are unchanged compared with those applied in the 2014 Annual Report. Significant accounting and valuation policies are found on pages 52–55 of the 2014 Annual Report.

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

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. These accounting policies correspond with the preceding year and with the consolidated accounting policies where applicable.

Condensed income statement

Group							
MSEK	2015	2014	2015	2014	2014	2013	2012
	Q3	Q3	Jan-Sep	Jan-Sep	Full-year	Full-year	Full-year
Net revenues	838.6	770.5	2,681.2	2,501.6	3,298.2	3,066.5	2,779.7
Cost of goods sold	-569.5	-525.8	-1,818.7	-1,701.8	-2,229.1	-2,071.5	-1,842.5
Gross profit	269.1	244.7	862.5	799.8	1,069.1	995.0	937.2
Selling expenses	-82.2	-80.8	-267.8	-252.8	-343.3	-325.0	-316.3
Administrative expenses	-70.3	-66.4	-234.9	-220.1	-300.8	-276.8	-249.5
Other income	-	-	-	-	0.6	2.0	-
Profit from participations in associated companies	1.3	1.1	2.1	1.9	1.9	1.1	0.9
Operating profit	117.9	98.6	361.9	328.8	427.5	396.3	372.3
Interest income	-	0.1	-	0.7	6.6	2.1	3.2
Interest expenses	-2.3	-2.0	-9.5	-7.5	-10.5	-13.7	-13.7
Profit after net financial items	115.6	96.7	352.4	322.0	423.6	384.7	361.8
Tax on net profit for the period	-28.3	-23.2	-86.3	-77.3	-104.3	-95.7	-93.3
Net profit attributable to Parent Company shareholders	87.3	73.5	266.1	244.7	319.3	289.0	268.5

Other comprehensive income

Items that may be reclassified to profit or loss							
Cash-flow hedges	2.4	0.9	8.8	-5.5	-4.7	-6.4	0.6
Translation differences	4.3	13.9	5.7	32.1	60.3	19.7	-21.6
Total other comprehensive income after tax	6.7	14.8	14.5	26.6	55.6	13.3	-21.0
Total comprehensive income attributable to Parent Company shareholders	94.0	88.3	280.6	271.3	374.9	302.3	247.5

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	2.90	2.44	8.83	8.12	10.60	9.59	8.91
Dividend per share, SEK	-	-	-	-	8.50	8.00	7.00
Includes amortization and depreciation in the amount of, MSEK	27.9	24.8	83.5	73.0	98.4	86.7	78.7

Parent Company

MSEK	2015	2014	2015	2014	2014	2013	2012
	Q3	Q3	Jan-Sep	Jan-Sep	Full-year	Full-year	Full-year
Administrative expenses	-9.5	-8.4	-35.8	-32.0	-41.0	-40.4	-39.2
Other operating income	4.6	4.6	13.7	13.7	18.2	18.2	17.0
Operating loss	-4.9	-3.8	-22.1	-18.3	-22.8	-22.2	-22.2
Group contributions received	-	-	-	-	26.0	40.0	81.7
Income from participations in Group companies	-	-	-	-	246.0	209.0	161.0
Interest income and similar revenues	0.2	0.2	0.5	0.5	0.6	1.8	2.5
Interest expenses and similar expenses	-0.3	-0.3	-0.8	-0.6	-0.8	-2.7	-20.6
Profit/loss after net financial items	-5.0	-3.9	-22.4	-18.4	249.0	225.9	202.4
Tax on net profit for the period	0.7	0.5	4.3	3.5	-1.2	-4.6	-10.2
Net profit/loss	-4.3	-3.4	-18.1	-14.9	247.8	221.3	192.2

No items are attributable to other comprehensive income.

Condensed balance sheet

Group	2015	2014	2014	2013
MSEK	Sep 30	Sep 30	Dec 31	Dec 31
Assets				
Fixed assets				
Intangible assets	547.8	507.1	546.6	504.8
Tangible assets	762.9	658.5	747.0	640.0
Deferred tax assets	22.8	31.8	25.6	23.9
Financial assets	33.2	28.4	27.8	23.8
Total fixed assets	1,366.7	1,225.8	1,347.0	1,192.5
Current assets				
Inventories	661.4	591.5	636.5	541.2
Receivables	755.4	678.1	568.9	560.5
Cash and bank balances	197.4	185.0	191.3	253.8
Total current assets	1,614.2	1,454.6	1,396.7	1,355.5
Total assets	2,980.9	2,680.4	2,743.7	2,548.0
	2015	2014	2014	2013
	Sep 30	Sep 30	Dec 31	Dec 31
Shareholders' equity and liabilities				
Shareholders' equity				
Share capital	125.5	125.5	125.5	125.5
Other contributed capital	444.4	444.4	444.4	444.4
Reserves	47.3	3.8	32.8	-22.8
Retained earnings, including net profit for the period	1,152.1	1,067.4	1,142.0	1,063.8
Shareholders' equity attributable to Parent Company shareholders	1,769.3	1,641.1	1,744.7	1,610.9
Non-controlling interests	3.8	3.6	3.8	3.6
Total shareholders' equity	1,773.1	1,644.7	1,748.5	1,614.5
Non-current liabilities to credit institutions	233.9	143.7	229.1	181.3
Other non-current liabilities	74.0	110.6	84.8	117.9
Current liabilities to credit institutions	250.8	221.2	152.0	164.8
Current non-interest-bearing liabilities	649.1	560.2	529.3	469.5
Total liabilities	1,207.8	1,035.7	995.2	933.5
Total shareholders' equity and liabilities	2,980.9	2,680.4	2,743.7	2,548.0

Parent Company

MSEK	2015	2014	2014	2013
	Sep 30	Sep 30	Dec 31	Dec 31
Assets				
Fixed assets				
Tangible assets	1.1	1.0	1.1	1.0
Financial assets	532.2	532.2	532.2	532.2
Total fixed assets	533.3	533.2	533.3	533.2
Current assets				
Receivables	109.7	81.2	327.9	277.3
Cash and cash equivalents	0.1	0.8	1.4	41.1
Total current assets	109.8	82.0	329.3	318.4
Total assets	643.1	615.2	862.6	851.6
MSEK	2015	2014	2014	2013
	Sep 30	Sep 30	Dec 31	Dec 31
Shareholders' equity and liabilities				
Share capital	125.5	125.5	125.5	125.5
Statutory reserve	444.4	444.4	444.4	444.4
Retained earnings	11.0	39.1	19.3	39.1
Net profit/loss for the period	-18.1	-14.4	247.8	221.3
Total shareholders' equity	562.8	594.6	837.0	830.3
Current liabilities to credit institutions	67.5	9.4	6.0	-
Current non-interest-bearing liabilities	12.8	11.2	19.6	21.3
Total shareholders' equity and liabilities	643.1	615.2	862.6	851.6

Condensed cash-flow statement

Group

MSEK	2015	2014	2015	2014	2014	2013	2012
	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	124.4	97.3	339.9	315.9	422.4	394.7	318.2
Change in working capital, increase (-) decrease (+)	22.9	-4.5	-69.3	-67.2	-19.8	7.6	18.0
Cash flow from operating activities	147.3	92.8	270.6	248.7	402.6	402.3	336.2
Investing activities	-32.2	-19.3	-101.1	-87.9	-141.4	-125.3	-72.0
Acquired companies less cash and cash equivalents	-	-	-	-	-115.2	-76.9	-134.1
Cash flow after capital expenditures	115.1	73.5	169.5	160.8	146.0	200.1	130.1
Financing activities	-60.2	-19.2	-163.4	-229.5	-208.5	-185.8	-159.6
Change in cash and cash equivalents	54.9	54.3	6.1	-68.7	-62.5	14.3	-29.5
Cash and cash equivalents at beginning of period	142.5	130.8	191.3	253.8	253.8	239.5	269.0
Cash and cash equivalents at end of period	197.4	185.1	197.4	185.1	191.3	253.8	239.5
Approved but not utilized committed credit facilities	609.8	432.1	609.8	432.1	645.0	461.0	306.0
Available liquidity	807.2	617.2	807.2	617.2	836.3	714.8	545.5

Specification of changes in consolidated shareholders' equity

MSEK	2015	2014	2014	2013	2012
	Jan-Sep	Jan-Sep	Full-year	Full-year	Full-year
Opening shareholders' equity attributable to Parent Company shareholders	1,744.8	1,610.9	1,610.9	1,519.5	1,482.9
Comprehensive income for the period	280.6	271.2	374.9	302.3	247.5
Dividend paid	-256.1	-241.0	-241.0	-210.9	-210.9
Closing shareholders' equity attributable to Parent Company shareholders	1,769.3	1,641.1	1,744.8	1,610.9	1,519.5
Non-controlling interests	3.8	3.6	3.8	3.6	2.6
Total closing shareholders' equity	1,773.1	1,644.7	1,748.6	1,614.5	1,522.1

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

	Share capital	Other contributed capital	Reserves	Retained earnings, including net profit for the period	Total
December 31, 2014	125.5	444.4	32.9	1,142.0	1,744.8
Comprehensive income for the period			14.5	266.1	280.6
Dividend paid				-256.1	-256.1
September 30, 2015	125.5	444.4	47.4	1,152.0	1,769.3

Number of shares

	2015	2014	2013
	Sep 30	Dec 31	Dec 31
Number of shares outstanding	30,131,100	30,131,100	30,131,100
Total number of shares, after full dilution	30,131,100	30,131,100	30,131,100
Average number of shares, after full dilution	30,131,100	30,131,100	30,131,100

Of the total number of shares outstanding, 3,325,000 are Class A shares and the remaining shares are Class B shares.

Key figures

	2015	2014	2015	2014	2014	2013	2012
	Q3	Q3	Jan-Sep	Jan-Sep	Full-year	Full-year	Full-year
Number of shares	30,131,100	30,131,100	30,131,100	30,131,100	30,131,100	30,131,100	30,131,100
Net revenues, MSEK	838.6	770.5	2,681.2	2,501.6	3,298.2	3,066.5	2,779.7
Operating profit, MSEK	117.9	98.6	361.9	328.8	427.5	396.3	372.3
Profit before tax, MSEK	115.6	96.7	352.4	322.0	423.6	384.7	361.8
Earnings per share after tax, SEK	2.90	2.44	8.83	8.12	10.60	9.59	8.91
Earnings per share after 22.0% or 26.3% standard tax, SEK	2.99	2.50	9.12	8.34	10.96	9.96	8.85
Cash flow after capital expenditures, excluding acquisitions per share, SEK	3.81	2.44	5.62	5.33	8.66	9.19	8.77
Return on shareholders' equity, %	20.9	18.9	20.9	20.6	19.7	19.2	17.8
Return on capital employed, %	21.1	20.0	22.1	22.2	21.3	21.1	21.2
Shareholders' equity per share, SEK	58.72	54.47	58.72	54.47	57.91	53.46	50.43
Equity ratio, %	59.4	61.2	59.4	61.2	63.6	63.2	63.5
Net debt/equity ratio, %	16.2	11.0	16.2	11.0	10.9	5.7	3.7
Cash and cash equivalents, including unutilized credit facilities, MSEK	807.2	617.2	807.2	617.2	836.3	714.8	625.5
Capital expenditures, MSEK	29.3	18.6	100.6	78.4	140.0	126.4	70.5
Interest-coverage ratio, multiple	46.4	46.1	37.1	43.1	41.3	29.0	27.5
Number of employees at end of period	2,368	2,161	2,368	2,161	2,179	2,132	1,972

Uppsala, October 23, 2015

Beijer Alma AB (publ)

Bertil Persson
President and CEO

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

If you have any questions, please contact:

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Next report date:

Year-end report on February 17, 2016.

Annual General Meeting:

The Annual General Meeting will be held in Uppsala on April 5, 2016.

Beijer Alma AB (publ)

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