

Q4/2016



BEIJER • ALMA

Year-end report 2016

Strong end to the year

- Net revenues amounted to MSEK 887 (841) for the quarter and MSEK 3,528 (3,522) for the full year.
- Profit after net financial items totaled MSEK 113 (113) for the quarter and MSEK 447 (467) for the year.
- Earnings per share amounted to SEK 2.48 (2.91) for the quarter and SEK 10.87 (11.74) for the year.
- Cash flow after capital expenditures, excluding corporate acquisitions, totaled MSEK 69 (82) for the quarter and MSEK 252 (252) for the full year.
- Net debt on the balance-sheet date amounted to MSEK 313 (194).
- The Board proposes an unchanged dividend of SEK 9.50.
- Lesjöfors acquired the spring manufacturer Spiralspecialisten in December.

CEO's comments

2016 ended on a strong note. While Beijer Tech delivered a weaker performance, both Lesjöfors and Habia reported higher invoicing than in the preceding year. For the Group as a whole, order bookings and invoicing rose 6 percent during the quarter and the stock of orders increased. Adjusted for acquisitions, growth amounted to 4 percent. Several key areas, including Chassis Springs in Lesjöfors and Telecom in Habia, began reporting positive growth.

Profit after net financial items, which was charged with nonrecurring costs in Beijer Tech, amounted to MSEK 113 (114). Excluding these nonrecurring costs, profit was MSEK 7 higher than in the preceding year and the operating margin was largely unchanged.

Cash flow remained positive during the quarter and totaled MSEK 69 (82). Net debt amounted to MSEK 313 (194), corresponding to a net debt/equity ratio of 16.5 percent.

Lesjöfors

Lesjöfors had a strong end to the year in both Chassis Springs and Industry. Invoicing rose a total of 11 percent. Adjusted for acquisitions, invoicing increased 6 percent.

Sales of chassis springs recovered after a number of weak quarters. The UK market, which was previously exposed to significant pressure, has now returned to the same level as in late 2015 and several other markets, including Germany and Russia, are experiencing favorable growth. Sales of chassis springs increased a total of 10 percent during the fourth quarter. However, the company's full-year figures were adversely impacted by the weak start to the year and declined 6 percent. Demand remained strong in early 2017.

Sales in the Industry business area rose 11 percent. The acquisition of the Asian company John While Group contributed positively to this increase. Adjusted for this acquisition, growth amounted to 5 percent. From a geographical perspective, the company's performance was varied. The strongest trend was noted in the US market, following a weak start to the year. The German market continued to perform well, while the UK – as in earlier quarters – reported somewhat lower invoicing. The Nordic region and Asia were relatively stable.

Operating profit for the Lesjöfors Group increased to MSEK 96 (86), marking the company's strongest fourth-quarter result to date. The operating margin was in line with the preceding year.

Habia

Habia's invoicing rose 6 percent during the fourth quarter.

Demand in the telecom segment showed the strongest improvement after a number of weak quarters. This increase was attributable to the Asian market, particularly India, China and South Korea. Europe and the US, on the other hand, made a weaker contribution during 2015. Demand remained favorable in early 2017.

In other customer segments, which as a whole were in line with the corresponding quarter in the preceding year, defense displayed growth while nuclear power declined slightly. Full-year sales of cables to customers in the nuclear power segment increased 20 percent to a new record-breaking level. However, the stock of orders declined, indicating that sales in 2017 can be expected to be somewhat weaker.

Operating profit amounted to MSEK 30, which was in line with the preceding year. The operating margin fell slightly during the quarter.

Beijer Tech

Beijer Tech ended the year on a weak note. Sales and order bookings declined 6 percent during the fourth quarter. This decrease was entirely attributable to Industrial Products and the fact that the comparative data for the fourth quarter of 2015 included a high level of machinery sales. Fluid Technology displayed growth.

Earnings for the fourth quarter were charged with nonrecurring costs amounting to MSEK 8 related to the liquidation of inventories and personnel cuts. Adjusted for these costs, earnings were in line with the preceding year. At the start of 2017, costs had decreased compared with the average level for 2016.

Bertil Persson
President and CEO

Group

During the fourth quarter, order bookings amounted to MSEK 897 (844), up 6 percent. Invoicing increased 6 percent to MSEK 887 (841). Adjusted for acquisitions, order bookings and invoicing rose 4 percent. Exchange rates had a marginal impact on both order bookings and invoicing.

Operating profit totaled MSEK 115 (115) and the operating margin was 13.0 percent (13.7). Profit after net financial items amounted to MSEK 113 (114). Earnings per share totaled SEK 2.48 (2.91). Fluctuations in exchange rates had an insignificant impact on earnings.

Cash flow after capital expenditures was MSEK 69 (82), excluding corporate acquisitions of MSEK 38 (0). Net debt totaled MSEK 313 (194) and the net debt/equity ratio was 16.5 percent (10.6).

During the full year, order bookings decreased 1 percent to MSEK 3,530 (3,548). Invoicing amounted to MSEK 3,528 (3,522). Corporate acquisitions and exchange-rate fluctuations had a net positive effect of 0.5 percent on order bookings and invoicing.

Operating profit for the full year totaled MSEK 455 (477) and the operating margin was 12.9 percent (13.6). Profit after net financial items amounted to MSEK 447 (467) and earnings per share totaled SEK 10.87 (11.74). Forward agreements and fluctuations in exchange rates had a marginally negative impact on earnings. Cash flow after capital expenditures, excluding corporate acquisitions of MSEK 78 (0), amounted to MSEK 252 (252).

An impairment test of consolidated goodwill did not give rise to any impairment.

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.

During the quarter, order bookings amounted to MSEK 506 (452). Invoicing totaled MSEK 485 (437). Adjusted for exchange-rate fluctuations and corporate acquisitions, order bookings increased 7 percent and invoicing 6 percent. Operating profit amounted to MSEK 96 (86).

During the full year, order bookings reached MSEK 2,028 (1,998), up 2 percent. Invoicing increased 1 percent to MSEK 2,009 (1,996). Fluctuations in exchange rates and corporate acquisitions had a net positive impact of 1 percentage point on invoicing and order bookings. Operating profit totaled MSEK 380 (388).

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 quarter, order bookings amounted to MSEK 205 (195), up 5 percent. Invoicing increased 6 percent to MSEK 217 (206). Operating profit totaled MSEK 30 (31).

During 2016, order bookings fell 3 percent to MSEK 770 (790). Invoicing increased 3 percent to MSEK 787 (765). Operating profit amounted to MSEK 97 (99).

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

During the quarter, order bookings and invoicing declined 6 percent compared with the year-earlier period and totaled MSEK 185 (197). Operating profit was charged with nonrecurring costs of MSEK 8, resulting in operating loss of MSEK 5 (profit: 3).

During the full year, order bookings and invoicing fell 4 percent to MSEK 731 (761). Operating profit amounted to MSEK 8 (18).

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 6 (loss: 6) for the quarter and an operating loss of MSEK 30 (loss: 28) for full-year 2016. Net profit for the full year amounted to MSEK 277 (288) and included dividends and Group contributions totaling MSEK 312 (322).

Revenues and earnings per operating sector/segment

Net revenues

MSEK	2016	2016	2016	2016	2015	2015	2015	2015	2016	2015	2014
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full-year	Full-year	Full-year
Lesjöfors	485.2	474.0	540.6	509.6	437.3	470.1	550.7	537.8	2,009.4	1,995.9	1,725.7
Habia Cable	217.3	196.3	168.7	204.5	205.9	198.2	171.6	189.4	786.8	765.1	790.2
Beijer Tech	184.6	169.8	189.1	187.6	197.4	170.3	204.9	188.0	731.1	760.6	782.1
Parent Company and intra-Group	–	0.1	–	0.1	0.1	–	0.1	0.1	0.2	0.3	0.2
Total	887.1	840.2	898.4	901.8	840.7	838.6	927.3	915.3	3,527.5	3,521.9	3,298.2

Operating profit

MSEK	2016	2016	2016	2016	2015	2015	2015	2015	2016	2015	2014
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full-year	Full-year	Full-year
Lesjöfors	96.3	83.8	110.0	90.1	86.5	89.1	113.1	99.7	380.2	388.4	319.5
Habia Cable	30.2	29.1	15.7	22.0	31.0	29.7	17.8	20.5	97.0	99.0	93.6
Beijer Tech	–4.8	4.2	4.5	4.0	3.4	6.0	7.4	0.7	7.9	17.5	44.1
Parent Company and intra-Group	–6.5	–5.6	–11.0	–6.8	–5.5	–6.9	–9.8	–5.4	–29.9	–27.6	–29.7
Total operating profit	115.2	111.5	119.2	109.3	115.4	117.9	128.5	115.5	455.2	477.3	427.5
Net financial items	–2.0	–2.2	–1.8	–2.2	–0.9	–2.3	–3.3	–3.9	–8.2	–10.4	–3.9
Profit after net financial items	113.2	109.3	117.4	107.1	114.5	115.6	125.2	111.6	447.0	466.9	423.6

No sales are conducted between segments.

The Board's proposed dividend

The Board proposes that the Annual General Meeting approve a dividend of SEK 9.50 (9.50).

Annual General Meeting

The Annual General Meeting will be held on Wednesday, March 29, 2017 at 6:00 p.m. in the Main Hall (Stora Salen) of the Uppsala Concert and Conference Hall (Uppsala Konsert & Kongress), Vaksala torg 1, Uppsala. The Annual Report will be available at the company's office not more than three weeks prior to the Annual General Meeting and will be sent to shareholders around March 21, 2017.

Corporate acquisitions

Lesjöfors acquired the spring manufacturer John While Group (JWG), with production operations in Singapore, Thailand and China. The acquisition strengthened Lesjöfors's position in the emerging markets in Asia. JWG specializes in the manufacturing of customized springs. Its customers mainly operate in the home electronics, white goods, automotive and engineering industries and predominantly include European and US companies with operations in Asia. The company has 115 employees and reported revenues of approximately MSEK 70 for 2015 with favorable profitability.

Acquisition calculation

Purchase consideration, of which MSEK 57.5 paid in cash and the remainder to be paid within one year (The acquisition included MSEK 17.5 in cash)	MSEK 70.5
Acquired net assets measured at fair value	MSEK 48.7
Goodwill	MSEK 21.8

Goodwill was attributable to synergy effects within Lesjöfors and to inseparable customer relationships.

Net assets comprise:

Machinery	MSEK 9.9
Inventories	MSEK 14.3
Receivables	MSEK 19.9
Bank deposits	MSEK 17.5
Current non-interest-bearing liabilities	MSEK –12.9
Total	MSEK 48.7

The receivables guaranteed by the seller are assessed as having been transferred at fair value. Acquisition costs totaling a negligible amount were charged to net profit for the period.

Takeover occurred on May 1 and, since then, JWG has contributed MSEK 49 in invoicing and MSEK 5.3 in operating profit.

AB Spiralspecialisten

Lesjöfors acquired AB Spiralspecialisten, with production operations in Tyresö, Sweden. The company produces customized springs for Swedish and European customers in the engineering industry. Its risk spread across customers is favorable. Spiralspecialisten was founded in 1949 and has long-standing customer relationships with well-known engineering companies. The company's invoicing amounts to MSEK 45 with strong profitability.

Acquisition calculation

Purchase consideration (paid in cash) (Including cash of MSEK 6.4)	MSEK 44.5
Acquired net assets measured at fair value	MSEK 35.1
Goodwill	MSEK 9.4

Goodwill was attributable to inseparable customer relationships and synergy effects.

Net assets comprise:

Buildings	MSEK 31.0
Machinery	MSEK 4.5
Inventories	MSEK 4.1
Receivables	MSEK 6.0
Bank deposits	MSEK 6.4
Current non-interest-bearing liabilities	MSEK –11.4
Interest-bearing liabilities	MSEK –0.3
Deferred tax liability	MSEK –5.2
Total	MSEK 35.1

The receivables are guaranteed by the seller and are assessed as having been transferred at fair value. Acquisition costs totaling an insignificant amount have been expensed.

Takeover occurred on December 31, 2016 and the acquisition had no impact on net revenues or earnings during 2016.

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 87 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 about 71 percent of its sales are conducted in Sweden.

Management of the Group's financial risks is described in Note 30 of the 2015 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

Group					
MSEK	2016	2015	2016	2015	2014
	Q4	Q4	Full-year	Full-year	Full-year
Net revenues	887.1	840.7	3,527.5	3,521.9	3,298.2
Cost of goods sold	-584.6	-549.1	-2,381.7	-2,367.8	-2,229.1
Gross profit	302.5	291.6	1,145.8	1,154.1	1,069.1
Selling expenses	-102.0	-98.3	-368.7	-366.1	-343.3
Administrative expenses	-85.7	-78.3	-324.3	-313.2	-300.8
Other income	-	-	-	-	0.6
Profit from participations in associated companies	0.4	0.4	2.4	2.5	1.9
Operating profit	115.2	115.4	455.2	477.3	427.5
Interest income	0.2	1.0	1.2	1.0	6.6
Interest expenses	-2.2	-1.9	-9.4	-11.4	-10.5
Profit after net financial items	113.2	114.5	447.0	466.9	423.6
Tax on net profit for the period	-38.7	-26.9	-119.4	-113.2	-104.3
Net profit attributable to Parent Company shareholders	74.5	87.6	327.6	353.7	319.3
Other comprehensive income					
Items that may be reclassified to profit or loss					
Cash-flow hedges	2.9	3.8	-5.7	12.6	-4.7
Translation differences	8.7	-25.4	30.6	-19.7	60.3
Total other comprehensive income after tax	11.6	-21.6	24.9	-7.1	55.6
Total comprehensive income attributable to Parent Company shareholders	86.1	66.0	352.5	346.6	374.9
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	2.48	2.91	10.87	11.74	10.60
Dividend per share, SEK	-	-	9.50	9.50	8.50
Includes amortization and depreciation in the amount of, MSEK	29.9	27.1	117.3	110.6	98.4
Parent Company					
MSEK	2016	2015	2016	2015	2014
	Q4	Q4	Full-year	Full-year	Full-year
Administrative expenses	-11.2	-10.0	-48.0	-45.8	-41.0
Other operating income	4.7	4.5	18.2	18.2	18.2
Operating profit	-6.5	-5.5	-29.8	-27.6	-22.8
Group contributions	52.1	52.1	52.1	52.1	26.0
Income from participations in Group companies	260.0	270.0	260.0	270.0	246.0
Interest income and similar revenues	0.1	0.1	0.7	0.6	0.6
Interest expenses and similar expenses	-0.2	-0.1	-0.7	-0.9	-0.8
Profit after net financial items	305.5	316.6	282.3	294.2	249.0
Tax on net profit for the period	-10.3	-10.4	-5.8	-6.1	-1.2
Net profit	295.2	306.2	276.5	288.1	247.8

No items are attributable to other comprehensive income.

Condensed balance sheet

Group	2016	2015	2014
MSEK	Dec 31	Dec 31	Dec 31
Assets			
Fixed assets			
Intangible assets	550.6	508.6	546.6
Tangible assets	904.8	758.3	747.0
Deferred tax assets	19.1	18.6	25.6
Financial assets	30.3	28.7	27.8
Total fixed assets	1,504.8	1,314.2	1,347.0
Current assets			
Inventories	717.9	673.3	636.5
Receivables	654.9	630.1	568.9
Cash and bank balances	273.6	252.2	191.3
Total current assets	1,646.4	1,555.6	1,396.7
Total assets	3,151.2	2,869.8	2,743.7
	2016	2015	2014
	Dec 31	Dec 31	Dec 31
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	125.5	125.5	125.5
Other contributed capital	444.4	444.4	444.4
Reserves	50.6	25.8	32.8
Retained earnings, including net profit for the period	1,281.0	1,239.6	1,142.0
Shareholders' equity attributable to Parent Company shareholders	1,901.5	1,835.3	1,744.7
Non-controlling interests	3.8	3.7	3.8
Total shareholders' equity	1,905.3	1,839.0	1,748.5
Non-current liabilities to credit institutions	242.8	206.0	229.1
Other non-current liabilities	66.2	56.3	84.8
Current liabilities to credit institutions	343.9	240.2	152.0
Current non-interest-bearing liabilities	593.0	528.3	529.3
Total liabilities	1,245.9	1,030.8	995.2
Total shareholders' equity and liabilities	3,151.2	2,869.8	2,743.7

Parent Company

MSEK	2016	2015	2014
	Dec 31	Dec 31	Dec 31
Assets			
Fixed assets			
Tangible assets	1.2	1.1	1.1
Financial assets	532.2	532.2	532.2
Total fixed assets	533.4	533.3	533.3
Current assets			
Receivables	362.8	367.6	327.9
Cash and cash equivalents	3.1	9.3	1.4
Total current assets	365.9	376.9	329.3
Total assets	899.3	910.2	862.6
MSEK	2016	2015	2014
	Dec 31	Dec 31	Dec 31
Shareholders' equity and liabilities			
Share capital	125.5	125.5	125.5
Statutory reserve	444.4	444.4	444.4
Retained earnings	12.8	11.0	19.3
Net profit for the period	276.5	288.1	247.8
Total shareholders' equity	859.2	869.0	837.0
Current liabilities to credit institutions	14.7	19.1	6.0
Current non-interest-bearing liabilities	25.4	22.1	19.6
Total shareholders' equity and liabilities	899.3	910.2	862.6

Condensed cash-flow statement

Group

MSEK	2016	2015	2016	2015	2014
	Q4	Q4	Full-year	Full-year	Full-year
Cash flow from operating activities before change in working capital and capital expenditures	98.1	116.1	436.5	456.0	422.4
Change in working capital, increase (-) decrease (+)	29.8	-23.4	28.5	-92.7	-19.8
Cash flow from operating activities	127.9	92.7	465.0	363.3	402.6
Investing activities	-60.0	-10.4	-213.3	-111.5	-141.4
Acquired companies less cash and cash equivalents	-38.1	-	-78.1	-	-115.2
Cash flow after capital expenditures	29.8	82.3	173.6	251.8	146.0
Financing activities	5.1	-27.5	-152.2	-190.9	-208.5
Change in cash and cash equivalents	34.9	54.8	21.4	60.9	-62.5
Cash and cash equivalents at beginning of period	238.7	197.4	252.2	191.3	253.8
Cash and cash equivalents at end of period	273.6	252.2	273.6	252.2	191.3
Approved but not utilized committed credit facilities	694.3	630.8	694.3	630.8	645.0
Available liquidity	967.9	883.0	967.9	883.0	836.3

Specification of changes in consolidated shareholders' equity

MSEK	2016	2015	2014
	Full-year	Full-year	Full-year
Opening shareholders' equity attributable to Parent Company shareholders	1,835.3	1,744.8	1,610.9
Comprehensive income for the period	352.4	346.6	374.9
Dividend paid	-286.2	-256.1	-241.0
Closing shareholders' equity attributable to Parent Company shareholders	1,901.5	1,835.3	1,744.8
Non-controlling interests	3.8	3.6	3.8
Total closing shareholders' equity	1,905.3	1,838.9	1,748.6

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
December 31, 2015	125.5	444.4	25.8	1,239.6	1,835.3
Dividend paid				-286.2	-286.2
Comprehensive income for the period			24.8	327.6	352.4
December 31, 2016	125.5	444.4	50.6	1,281.0	1,901.5

Number of shares

	2016	2015	2014
	Dec 31	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, 3,310,000 are Class A shares and the remaining shares are Class B shares.

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 2016 had a significant impact on the Group. Accounting policies and terms of calculation are unchanged compared with those applied in the 2015 Annual Report. Significant accounting and valuation policies are found on pages 48–51 of the 2015 Annual Report.

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

Use of performance measures not defined in IFRS

As of the second quarter, Beijer Alma has applied 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. These accounting policies correspond with the preceding year and with the consolidated accounting policies where applicable.

The interim report comprises pages 1–1 and pages 1–5 are an integrated part of this financial report.

Note 2 Pledged assets and contingent liabilities

	Group		Parent Company	
	2016	2015	2016	2015
Pledged assets	606.6	651.2	13.4	13.4
Contingent liabilities	16.5	9.8	–	–

Key figures

	2016	2015	2016	2015	2014
	Q4	Q4	Full-year	Full-year	Full-year
Number of shares	30,131,100	30,131,100	30,131,100	30,131,100	30,131,100
Net revenues, MSEK	887.1	840.7	3,527.5	3,521.9	3,298.2
Operating profit, MSEK	115.2	115.4	455.2	477.3	427.5
Profit before tax, MSEK	113.2	114.5	447.0	466.9	423.6
Earnings per share after tax, SEK	2.48	2.91	10.87	11.74	10.60
Earnings per share after 22.0% standard tax, SEK	2.93	2.96	11.57	12.09	10.96
Cash flow after capital expenditures, excluding acquisitions per share, SEK	1.26	2.74	7.36	8.36	8.66
Return on shareholders' equity, %	19.0	19.8	18.7	20.3	19.7
Return on capital employed, %	18.9	20.5	19.1	21.7	21.3
Shareholders' equity per share, SEK	63.11	60.91	63.11	60.91	57.91
Equity ratio, %	60.3	64.0	60.3	64.0	63.6
Net debt/equity ratio, %	16.5	10.6	16.5	10.6	10.9
Cash and cash equivalents, including unutilized credit facilities, MSEK	967.9	883.0	967.9	883.0	836.3
Investments in tangible assets, SEK	66.0	135.8	203.6	135.8	140.0
Interest-coverage ratio, multiple	54.2	69.9	48.8	41.8	41.3
Number of employees at end of period	2,340	2,342	2,340	2,342	2,179

It is our opinion that the year-end report for 2016 provides a true and fair overview of the Parent Company's and the Group's operations, financial position and earnings and describes the material risks and uncertainties to which the Parent Company and the companies included in the Group are exposed.

Uppsala, February 14, 2017

Beijer Alma AB (publ)

Johan Wall
Chairman of the Board

Carina Andersson
Director

Marianne Brismar
Director

Anders G. Carlberg
Director

Peter Nilsson
Director

Caroline af Ugglas
Director

Anders Ullberg
Director

Bertil Persson
President and CEO

Review report on the condensed interim information (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act

Introduction

We have reviewed the condensed interim financial information (interim report) of Beijer Alma AB (publ) as of December 31, 2016 and the 12-month period then ended. The Board of Directors and the President are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and a substantially more limited scope compared with the focus and scope of an audit conducted in accordance with the International Standards of Auditing (ISA) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant circumstances that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Uppsala, February 14, 2017

Öhrlings PricewaterhouseCoopers AB

Leonard Daun
Authorized Public Accountant

If you have any questions, please contact:

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