

Q2  
2018



BEIJER • ALMA

## Interim report January-June 2018

### Best quarter to date

- Invoicing amounted to MSEK 1,216 (1,064) for the quarter and MSEK 2,350 (2,123) for the first half of the year.
- Profit after net financial items totaled MSEK 183 (147) for the quarter and MSEK 338 (285) for the first half of the year.
- Earnings per share amounted to SEK 2.28 (1.83) for the quarter and SEK 4.21 (3.55) for the first half of the year.
- Cash flow after capital expenditures totaled MSEK 126 (61) for the quarter and MSEK 77 (neg: 38) for the first half of the year.
- The net debt/equity ratio was 31 percent (35).

### CEO's comments

This was yet another record-breaking quarter for Beijer Alma. Order bookings increased 19 percent, invoicing 14 percent and operating profit a full 24 percent. The improvements derived from all subsidiaries. This is testament to the strength of our market positions and allows us to capitalize on healthy demand. As well as delivering a strong first quarter, our key figures for the first half of the year also reached record levels.

**For Lesjöfors**, order bookings increased 16 percent. Invoicing increased 15 percent in Industry and 11 percent in Chassis Springs. Quarterly earnings for Lesjöfors rose 15 percent. Demand from our customers was strong, with contributions from most geographies and customer groups.

**Habia's order bookings continued to rise** and increased 25 percent during the quarter. Invoicing also rose in both Telecom and Other Industry, and we saw a strong improvement in profitability with earnings of MSEK 21 (6) for the quarter.

**In Beijer Tech**, order bookings increased 21 percent, invoicing 13 percent and earnings 16 percent, with contributions from both Industrial Products and Fluid Technology. The acquisition of Packningar och Plast AB also contributed to an increase in invoicing and earnings.

Henrik Perbeck, President and CEO

### Summary of the quarter

	2018	2017		2018	2017	2017
	Q2	Q2	Change, %	Jan-Jun	Jan-Jun	Jan-Dec
Net revenues, MSEK	1,216.0	1,064.0	14.3%	2,350.0	2,123.4	3,971.5
Operating profit, MSEK	186.7	150.2	24.3%	345.8	290.7	528.4
Operating margin, %	15.4	14.1	–	14.7	13.7	13.3
Profit after net financial items, MSEK	182.9	147.0	24.4%	338.0	284.8	517.4
Dividend per share, SEK	–	–	–	–	–	4.75
Cash flow after capital expenditures, MSEK	126.4	61.2	106.5%	76.7	–37.7	186.5
<i>Net revenues per segment (subsidiary), MSEK</i>						
Lesjöfors	738.4	648.0	14.0%	1,428.1	1,272.8	2,351.2
Habia Cable	242.0	208.1	16.3%	469.6	455.6	808.5
Beijer Tech	235.5	207.8	13.3%	452.1	394.8	811.5
Parent Company and intra-Group	0.1	0.1	–	0.2	0.2	0.3
Total Group	1,216.0	1,064.0	14.3%	2,350.0	2,123.4	3,971.5
<i>Operating profit per segment (subsidiary), MSEK</i>						
Lesjöfors	163.0	141.7	15.0%	304.1	271.9	477.4
Habia Cable	20.8	6.4	225.0%	34.6	30.9	42.2
Beijer Tech	14.0	12.1	15.7%	26.1	20.7	47.2
Parent Company and intra-Group	–11.1	–10.0	11.0%	–19.0	–32.8	–38.4
Total Group	186.7	150.2	–	345.8	290.7	528.4
Net financial items	–3.8	–3.2	–	–7.8	–5.9	–11.0
<b>Profit before tax</b>	182.9	147.0	24.4%	338.0	284.8	517.4

## Group

Demand remained high, driven by the strong industrial economy. The upswing is far-reaching and includes most industries and geographic markets that the Group companies serve. All three subsidiaries increased their order bookings and invoicing during the quarter and record-breaking levels were achieved by the Group as a whole.

Order bookings for the second quarter totaled MSEK 1,243 (1,043), up 19 percent. Excluding corporate acquisitions and fluctuations in exchange rates, the increase was 15 percent. Invoicing rose 14 percent to MSEK 1,216 (1,064). Excluding corporate acquisitions and fluctuations in exchange rates, the increase was 10 percent.

Operating profit for the quarter totaled MSEK 187 (150) and profit after net financial items amounted to MSEK 183 (147). Earnings per share amounted to SEK 2.28 (1.83). The company carried out a split under which the number of shares was doubled. Historical share-related key figures have been recalculated. Cash flow after capital expenditures amounted to MSEK 126 (61).

Order bookings for the first half of the year amounted to MSEK 2,527 (2,112), up 20 percent. Excluding corporate acquisitions and fluctuations in exchange rates, the increase was 16 percent. Invoicing totaled MSEK 2,350 (2,123), up 11 percent. Excluding corporate acquisitions and fluctuations in exchange rates, the increase was 7 percent.

Operating profit for the first half of the year totaled MSEK 346 (291) and profit after net financial items amounted to MSEK 338 (285). Signed forward agreements and fluctuations in exchange rates had a net positive impact of approximately MSEK 6 on earnings, most of which in Lesjöfors. Earnings per share totaled SEK 4.21 (3.54). Cash flow after capital expenditures amounted to a MSEK 77 (neg: 38). 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's operations are conducted in two areas: Industry and Chassis Springs. Demand was high in both areas, which led to healthy growth. Order bookings in the fourth quarter increased 16 percent to MSEK 724 (622). Invoicing amounted to MSEK 738 (625), up 14 percent. Operating profit totaled MSEK 163 (142).

The Industry area capitalized on the strong industrial economy. Invoicing increased 15 percent to MSEK 489 (425). Growth derived from most customer groups and encompassed the majority of geographic markets.

Chassis Springs also displayed growth. Invoicing increased 11 percent to MSEK 249 (223). The upswing is far-reaching with growth in all geographic markets.

During the first half of the year, order bookings for Lesjöfors totaled MSEK 1,424 (1,277), up 12 percent. Invoicing increased 12 percent to MSEK 1,428 (1,273). Operating profit amounted to MSEK 304 (272).

### 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 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 a full 25 percent to MSEK 266 (213) and invoicing increased 16 percent to MSEK 242 (208). Both Other Industry and Telecom displayed growth and the majority of geographic markets and customer groups performed well. Operating profit for the quarter was MSEK 21 (6).

During the first half of the year, order bookings increased 44 percent to MSEK 633 (440), partly due to an order of about MSEK 100 in the offshore sector that was secured in the first quarter. Invoicing totaled MSEK 470 (457) with operating profit of MSEK 35 (31). A large telecom roll-out that had a positive impact on invoicing and earnings for the first half of the year has now been completed.

### 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. Invoicing for the quarter increased 13 percent to MSEK 236 (208). Excluding corporate acquisitions, the increase was 11 percent. Operating profit totaled MSEK 14 (12).

Invoicing for the first half of the year amounted to MSEK 452 (395), up 14 percent. Operating profit totaled MSEK 26 (21).

### Parent Company

The Parent Company, Beijer Alma AB, a holding company that does not conduct external invoicing, reported an operating loss of MSEK 11 (loss: 10) for the quarter.

### Revenues and earnings per subsidiary

#### Net revenues

MSEK	2018	2018	2017	2017	2017	2017	2017	2016
	Q2	Q1	Q4	Q3	Q2	Q1	Full-year	Full-year
Lesjöfors	738.4	689.7	550.8	527.6	648.0	624.8	2,351.2	2,009.4
Habia Cable	242.0	227.6	184.6	168.3	208.1	247.5	808.5	786.8
Beijer Tech	235.5	216.6	232.9	183.8	207.8	187.0	811.5	731.1
Parent Company and intra-Group	0.1	0.1	0.1	–	0.1	0.1	0.3	0.2
Total	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	2017	2017	2017	2017	2017	2016
	Q2	Q1	Q4	Q3	Q2	Q1	Full-year	Full-year
Lesjöfors	163.0	141.1	103.0	102.5	141.7	130.2	477.4	380.2
Habia Cable	20.8	13.8	6.7	4.6	6.4	24.5	42.2	97.0
Beijer Tech	14.0	12.1	16.2	10.3	12.1	8.6	47.2	7.9
Parent Company and intra-Group	-11.1	-7.9	-1.0	-4.6	-10.0	-22.8	-38.4	-29.9
Total operating profit	186.7	159.1	124.9	112.8	150.2	140.5	528.4	455.2
Net financial items	-3.8	-4.0	-1.9	-3.2	-3.2	-2.7	-11.0	-8.2
Profit after net financial items	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 and, since then, the company has contributed MSEK 6 in net revenues and MSEK 0.7 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

Group	2018	2017	2018	2017	2017	2016	2015
MSEK	Q2	Q2	Jan–Jun	Jan–Jun	Full-year	Full-year	Full-year
Net revenues	<b>1,216.0</b>	1,064.0	2,350.0	2,123.4	3,971.5	3,527.5	3,521.9
Cost of goods sold	<b>-830.0</b>	-719.9	-1,619.3	-1,436.9	-2,706.9	-2,381.7	-2,367.8
Gross profit	<b>386.0</b>	344.1	730.7	686.5	1,264.6	1,145.8	1,154.1
Selling expenses	<b>-106.3</b>	-102.9	-204.5	-199.3	-376.1	-368.7	-366.1
Administrative expenses	<b>-93.0</b>	-91.0	-180.4	-180.4	-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>186.7</b>	150.2	345.8	290.7	528.4	455.2	477.3
Interest income	<b>0.7</b>	0.6	1.1	0.8	1.5	1.2	1.0
Interest expenses	<b>-4.5</b>	-3.8	-8.9	-6.7	-12.5	-9.4	-11.4
Profit after net financial items	<b>182.9</b>	147.0	338.0	284.8	517.4	447.0	466.9
Tax on profit for the period	<b>-45.7</b>	-36.8	-84.5	-71.2	-129.1	-119.4	-113.2
Net profit attributable to Parent Company shareholders	<b>137.2</b>	110.2	253.5	213.6	388.3	327.6	353.7
<b>Other comprehensive income</b>							
Items that may be reclassified to profit or loss							
Cash-flow hedges	<b>-2.9</b>	1.0	-10.3	1.1	-5.6	-5.7	12.6
Translation differences	<b>21.4</b>	-10.1	64.5	-8.8	-6.9	30.6	-19.7
Total other comprehensive income after tax	<b>18.5</b>	-9.1	54.2	-7.7	-12.5	24.9	-7.1
Total comprehensive income attributable to Parent Company shareholders	<b>155.7</b>	101.1	307.7	205.9	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>2.28</b>	1.83	4.21	3.54	6.45	5.22	5.87
Dividend per share, SEK	–	–	–	–	4.75	4.75	4.75
Includes amortization and depreciation in the amount of, MSEK	<b>35.2</b>	32.0	69.3	63.4	130.5	117.3	110.6
<b>Parent Company</b>							
MSEK	2018	2017	2018	2017	2017	2016	2015
	Q2	Q2	Jan–Jun	Jan–Jun	Full-year	Full-year	Full-year
Administrative expenses	<b>-15.5</b>	-14.7	-28.0	-25.9	-43.4	-48.0	-45.8
Items affecting comparability	–	–	–	-16.1	-16.1	–	–
Other operating income	<b>4.6</b>	4.5	9.1	9.1	21.1	18.2	18.2
Operating loss	<b>-10.9</b>	-10.2	-18.9	-32.9	-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	<b>0.1</b>	0.3	0.3	0.4	0.8	0.7	0.6
Interest expenses and similar expenses	<b>-0.3</b>	-0.4	-0.5	-0.5	-1.1	-0.7	-0.9
Profit/loss after net financial items	<b>-11.1</b>	-10.3	-19.1	-33.0	330.4	282.3	294.2
Tax on profit for the period	<b>2.4</b>	2.2	3.9	6.8	-4.9	-5.8	-6.1
Net profit/loss	<b>-8.7</b>	-8.1	-15.2	-26.2	325.5	276.5	288.1

*No items are attributable to other comprehensive income.*

## Condensed balance sheet

<b>Group</b>	<b>2018</b>	2017	2017	2016	2015
MSEK	<b>Jun 30</b>	Jun 30	Dec 31	Dec 31	Dec 31
<b>Assets</b>					
Fixed assets					
Intangible assets	<b>626.9</b>	592.7	607.4	550.6	508.6
Tangible assets	<b>923.4</b>	917.8	892.0	904.8	758.3
Deferred tax assets	<b>20.3</b>	16.7	15.8	19.1	18.6
Financial assets	<b>35.3</b>	30.1	36.3	30.3	28.7
Total fixed assets	<b>1,605.9</b>	1,557.3	1,551.5	1,504.8	1,314.2
Current assets					
Inventories	<b>866.3</b>	725.2	824.6	717.9	673.3
Receivables	<b>1,107.8</b>	939.0	731.1	654.9	630.1
Cash and bank balances	<b>277.6</b>	175.9	328.1	273.6	252.2
Total current assets	<b>2,251.7</b>	1,840.1	1,883.8	1,646.4	1,555.6
Total assets	<b>3,857.6</b>	3,397.4	3,435.3	3,151.2	2,869.8
	<b>2018</b>	2017	2017	2016	2015
	<b>Jun 30</b>	Jun 30	Dec 31	Dec 31	Dec 31
<b>Shareholders' equity and liabilities</b>					
Shareholders' equity					
Share capital	<b>125.5</b>	125.5	125.5	125.5	125.5
Other contributed capital	<b>444.4</b>	444.4	444.4	444.4	444.4
Reserves	<b>92.3</b>	42.9	38.1	50.6	25.8
Retained earnings, including net profit for the period	<b>1,350.4</b>	1,208.3	1,383.1	1,281.0	1,239.6
Shareholders' equity attributable to Parent Company shareholders	<b>2,012.6</b>	1,821.1	1,991.1	1,901.5	1,835.3
Non-controlling interests	<b>3.9</b>	3.8	3.9	3.8	3.7
Total shareholders' equity	<b>2,016.5</b>	1,824.9	1,995.0	1,905.3	1,839.0
Non-current liabilities to credit institutions	<b>186.1</b>	302.1	144.7	242.8	206.0
Other non-current liabilities	<b>79.2</b>	70.4	75.0	66.2	56.3
Current liabilities to credit institutions	<b>723.6</b>	510.3	592.1	343.9	240.2
Current non-interest-bearing liabilities	<b>852.2</b>	689.7	628.5	593.0	528.3
Total liabilities	<b>1,841.1</b>	1,572.5	1,440.3	1,245.9	1,030.8
Total shareholders' equity and liabilities	<b>3,857.6</b>	3,397.4	3,435.3	3,151.2	2,869.8

**Parent Company**

MSEK	2018	2017	2017	2016	2015
	Jun 30	Jun 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	250.0	190.5	440.2	362.8	367.6
Cash and cash equivalents	0.1	–	59.7	3.1	9.3
Total current assets	250.1	190.5	499.9	365.9	376.9
Total assets	783.3	724.0	1,033.1	899.3	910.2
MSEK	2018	2017	2017	2016	2015
	Jun 30	Jun 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	–15.2	–26.2	325.5	276.5	288.1
Total shareholders' equity	597.1	546.8	898.5	859.2	869.0
Current liabilities to credit institutions	162.7	145.8	100.3	14.7	19.1
Current non-interest-bearing liabilities	23.5	31.4	34.3	25.4	22.1
Total shareholders' equity and liabilities	783.3	724.0	1,033.1	899.3	910.2

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

MSEK	2018	2017	2018	2017	2017	2016	2015
	Q2	Q2	Jan–Jun	Jan–Jun	Full-year	Full-year	Full-year
Cash flow from operating activities before change in working capital and capital expenditures	138.5	142.2	297.6	277.0	520.2	436.5	456.0
Change in working capital, increase (–) decrease (+)	37.3	–42.0	–135.4	–172.8	–132.1	28.5	–92.7
Cash flow from operating activities	175.8	100.2	162.2	104.2	388.1	465.0	363.3
Investing activities	–46.2	–29.1	–82.3	–58.3	–118.0	–213.3	–111.5
Acquired companies less cash and cash equivalents	–3.2	–9.9	–3.2	–83.6	–83.6	–78.1	–
Cash flow after capital expenditures	126.4	61.2	76.7	–37.7	186.5	173.6	251.8
Financing activities	–13.4	–238.1	–129.2	–60.0	–130.1	–157.4	–190.9
Change in cash and cash equivalents	113.0	–176.9	–52.5	–97.7	56.4	16.2	60.9
Cash and cash equivalents at beginning of period	164.4	352.8	328.1	273.6	273.6	252.2	191.3
Exchange-rate fluctuations in cash and cash equivalents	0.2	–	2.0	–	–1.9	5.2	–
Cash and cash equivalents at end of period	277.6	175.9	277.6	175.9	328.1	273.6	252.2
Approved but not utilized committed credit facilities	424.5	486.5	424.5	486.5	565.9	694.3	630.8
Available liquidity	702.1	662.4	702.1	662.4	894.0	967.9	883.0



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

MSEK	2018	2017	2017	2016	2015
	Jan-Jun	Jan-Jun	Full-year	Full-year	Full-year
Opening shareholders' equity attributable to Parent Company shareholders	1,991.1	1,901.5	1,901.5	1,835.3	1,744.8
Comprehensive income for the period	307.7	205.8	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	2,012.6	1,821.1	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	2,016.5	1,824.9	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			54.2	253.5	307.7
<b>June 30, 2018</b>	<b>125.5</b>	<b>444.4</b>	<b>92.3</b>	<b>1,350.4</b>	<b>2,012.6</b>

**Number of shares**

	2018	2017	2016
	Jun 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, which are presented in Note 2.

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. An assessment of the effects will be completed during the year.

#### 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.

#### Note 2 Net revenues per segment (subsidiary)

	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>Q2</b>	<b>Q2</b>	<b>Jan-Jun</b>	<b>Jan-Jun</b>
<b>Lesjöfors</b>				
of which, Industry	489.3	424.5	967.3	864.1
of which, Chassis Springs	249.1	223.5	460.8	408.7
<b>Habia</b>				
of which, Other Industry	127.7	111.8	262.3	244.1
of which, Telecom	114.3	97.6	207.3	211.5
<b>Beijer Tech</b>				
of which, Industrial Products	128.0	108.3	246.0	216.4
of which, Fluid Technology	107.5	98.0	206.1	178.6
Adjustment	0.1	0.3	0.2	–
	<b>1,216.0</b>	<b>1,064.0</b>	<b>2,350.0</b>	<b>2,123.4</b>

**Performance measures**

	2018	2017	2018	2017	2017	2016	2015
	Q2	Q2	Jan–Jun	Jan–Jun	Full-year	Full-year	Full-year
Number of shares <sup>1)</sup>	<b>60,262,200</b>	60,262,200	60,262,200	60,262,200	60,262,200	60,262,200	60,262,200
Net revenues, MSEK	<b>1,216.0</b>	1,064.0	2,350.0	2,123.4	3,971.5	3,527.5	3,521.9
Operating profit, MSEK	<b>186.7</b>	150.2	345.8	290.7	528.4	455.2	477.3
Profit before tax, MSEK	<b>182.9</b>	147.0	338.0	284.8	517.4	447.0	466.9
Earnings per share after tax, SEK <sup>1)</sup>	<b>2.28</b>	1.83	4.21	3.55	6.45	5.44	5.87
Earnings per share after 22.0% standard tax, SEK <sup>1)</sup>	<b>2.37</b>	1.90	4.38	3.69	6.70	5.79	6.05
Cash flow after capital expenditures, excluding acquisitions per share, SEK <sup>1)</sup>	<b>2.15</b>	1.18	1.28	0.76	4.48	3.68	4.18
Return on shareholders' equity, %	<b>29.5</b>	25.2	26.3	23.9	20.7	18.7	20.3
Return on capital employed, %	<b>26.4</b>	23.5	25.3	22.8	20.8	19.1	21.7
Shareholders' equity per share, SEK <sup>1)</sup>	<b>33.40</b>	30.22	33.40	30.22	33.04	31.55	30.46
Equity ratio, %	<b>52.2</b>	53.6	52.2	53.6	58.0	60.3	64.0
Net debt/equity ratio, %	<b>31.4</b>	35.0	31.4	35.0	20.5	16.5	10.6
Cash and cash equivalents, including unutilized credit facilities, MSEK	<b>702.1</b>	662.4	702.1	662.4	894.0	967.9	883.0
Investments in tangible assets, MSEK	<b>40.9</b>	36.4	60.3	66.2	125.9	203.6	135.8
Interest-coverage ratio, multiple	<b>41.7</b>	40.9	39.2	43.8	42.5	48.8	41.8
Number of employees at end of period	<b>2,643</b>	2,552	2,643	2,552	2,546	2,341	2,342

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

The Board of Directors and the President affirm that the interim report provides a fair overview of the operations, financial position and earnings of the Parent Company and the Group and describes the material risks and uncertainties to which the Parent Company and the companies included in the Group are exposed.

Uppsala, August 24, 2018

Beijer Alma AB (publ)

Johan Wall  
Chairman of the Board

Johnny Alvarsson  
Director

Carina Andersson  
Director

Anders G. Carlberg  
Director

Caroline af Ugglas  
Director

Anders Ullberg  
Director

Cecilia Wikström  
Director

Henrik Perbeck  
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 June 30, 2018 and the six-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. Therefore, the conclusion expressed on the basis of a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

**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, August 24, 2018

Öhrlings PricewaterhouseCoopers AB

Leonard Daun  
Authorized Public Accountant

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If you have any questions, please contact:

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Jan Blomén, Chief Financial Officer, tel: +46 18 15 71 60, [jan.blomen@beijeralma.se](mailto:jan.blomen@beijeralma.se)

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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 11:30 a.m. on August 24, 2018.

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

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[www.habia.com](http://www.habia.com)

[www.beijertech.se](http://www.beijertech.se)

Next report date:

Interim report on October 25, 2018.

Beijer Alma AB (publ)

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