



year-end report 2010

BEIJER • ALMA

Year-end report January–December 2010

Best year to date

- Net revenues amounted to MSEK 2,290 (1,571) in 2010, and to MSEK 619 (361) for the fourth quarter.
- Profit after financial items totaled MSEK 398.8 (226.5) in 2010, and MSEK 95.1 (55.4) for the fourth quarter.
- Cash flow in 2010, excluding business acquisitions, was MSEK 233.2 (215.8), and MSEK 40.9 (45.0) for the fourth quarter.
- Strong balance sheet. Net cash assets amounted to MSEK 91 (59).
- Earnings per share totaled SEK 9.51 (5.92) in 2010, and SEK 2.11 (1.32) for the fourth quarter.
- The Board proposes an ordinary dividend of SEK 6.00 per share (5.00) and an extra dividend of SEK 1.00 (0).
- Beijer Tech, which was acquired in March 2010, made a positive contribution during the year.

Group

In 2010, the economy turned upward after the global financial crisis. Demand for the Group's products successively improved during the year and is currently at the levels prevailing prior to the crisis. The Group's companies implemented major cost adaptations during the recession. When demand subsequently improved, rising volumes generated a significant effect on earnings, making 2010 the company's best year to date in terms of revenues and profit.

Beijer Tech was acquired in late March and consolidated as of the second quarter. The company has subsequently performed well, with successively improved volumes and profitability, and the acquisition increased earnings per share.

During the year, order bookings rose 48 percent to MSEK 2,321 (1,566). Invoicing totaled MSEK 2,290 (1,571), up 46 percent. In comparable units, order bookings rose 16 percent and invoicing 14 percent. The Swedish krona (SEK) strengthened compared with the preceding year. Adjusted for this currency effect, order bookings rose 21 percent and invoicing 19 percent in comparable units.

Operating profit amounted to MSEK 406.3 (238.2) and the operating margin was 17.7 percent (15.2). Profit after financial items totaled MSEK 398.8 (226.5). Currency forward contracts had a positive impact of approximately MSEK 24 on earnings. Earnings per share amounted to SEK 9.51 (5.92).

Cash flow after capital expenditures, which was charged with corporate acquisitions of MSEK 65.0 (0), amounted to MSEK 168.2 (215.8). At year-end, the Group's net cash assets totaled MSEK 91.2 (59.5).

During the fourth quarter, order bookings rose 71 percent to MSEK 614 (360). Invoicing totaled MSEK 619 (361), up 71 percent. In comparable units, order bookings rose 17 percent and invoicing 18 percent. Adjusted for exchange-rate fluctuations, order bookings rose 26 percent and invoicing 27 percent in comparable units.

Operating profit amounted to MSEK 96.1 (56.4) and the operating margin was 15.5 percent (15.6). Currency forward contracts had a positive impact of approximately MSEK 4 on earnings. Profit after financial items totaled MSEK 95.1 (55.4) and earnings per share were SEK 2.11 (1.36). Cash flow after investments totaled MSEK 40.9 (45.0).

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Subsidiaries

Lesjöfors AB

Lesjöfors AB is a full-range supplier of standard and specially produced industrial springs, wire and flat strip components. The company is a dominating player in the Nordic region and one of the largest companies in its industry in Europe. Lesjöfors has manufacturing operations in Sweden, Denmark, Finland, Latvia, the UK and China.

During the year, order bookings rose 18 percent to MSEK 1,222 (1,040). Invoicing totaled MSEK 1,207 (1,047), up 15 percent. Adjusted for exchange-rate fluctuations, order bookings rose 23 percent and invoicing 21 percent. Operating profit, on which currency forward contracts had a positive impact of MSEK 18, amounted to MSEK 349.4 (242.9).

During the fourth quarter, order bookings totaled MSEK 265 (233), up 14 percent. Invoicing rose 18 percent to MSEK 273 (231). Adjusted for exchange-rate fluctuations, order bookings rose 19 percent and invoicing 23 percent. Operating profit amounted to MSEK 75.3 (57.9).

Lesjöfors' operations are conducted in three business areas: Industrial Springs, Flat Strip Components and Chassis Springs. All business areas increased invoicing and earnings, the greatest of which were in Industrial Springs and Flat Strip Components, whose sales are geared toward the engineering industry.

Habia Cable AB

Habia Cable AB is one of Europe's largest manufacturers of custom-designed cable for customers in telecom, transport, nuclear power, defense and other industries. Manufacturing and product development are conducted in Sweden, with additional manufacturing carried out in Germany, China and Poland.

During the year, order bookings increased 9 percent to MSEK 570 (524). Invoicing amounted to MSEK 558 (523), up 7 percent. Adjusted for exchange-rate fluctuations, order bookings were up 17 percent and invoicing rose 15 percent. Operating profit, on which currency forward contracts had a positive impact of MSEK 6, totaled MSEK 46.2 (11.5).

During the fourth quarter, order bookings totaled MSEK 156 (127), up 23 percent. Invoicing rose 19 percent to MSEK 154 (130). Adjusted for exchange-rate fluctuations, order bookings rose 39 percent and invoicing rose 34 percent. Operating profit amounted to MSEK 15.1 (2.7).

Throughout the year, Habia's sales to engineering customers were strong. Demand from the telecom sector was weak until the autumn, after which it stabilized at the levels prevailing before the financial crisis.

Beijer Tech AB

Beijer Tech specializes in industrial trading in the Nordic region and represents several of the world's leading manufacturers. The company markets industrial consumables, and hose and rubber products.

Beijer Tech was acquired in late March and revenues and expenses were consolidated in the Beijer Alma Group as of April 1.

During the period April–December, Beijer Tech's order bookings and invoicing amounted to MSEK 525 (380), up 38 percent. In comparable units, the increase was 27 percent. Operating profit amounted to MSEK 41.6 (14.1).

During the fourth quarter, order bookings and invoicing totaled MSEK 192 (137) up 40 percent. In comparable units, the increase was 28 percent. Operating profit amounted to MSEK 14.5 (4.7).

Demand has improved significantly since the date of acquisition from all customer groups. The Danish company Preben Z Jensen, which was acquired in September, performed well.

Parent Company

The Parent Company, Beijer Alma AB, is a holding company that does not conduct its own operations or external invoicing.

During the year, profit after financial items was MSEK 89.9 (65.7). Profit included dividends from subsidiaries in the amount of MSEK 116.0 (85.0).

Revenues and earnings per operating sector/segment

Net revenues

MSEK	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2010 full-year	2009 full-year	2008 full-year
Lesjöfors	272.6	281.9	342.9	309.3	231.2	229.3	296.9	289.1	1,206.7	1,046.5	1,151.2
Habia Cable	154.4	135.4	136.6	131.7	130.0	112.9	123.3	156.4	558.1	522.6	684.9
Beijer Tech	191.9	157.8	175.6	–	–	–	–	–	525.3	–	–
Parent Company and intra-Group	–	0.1	–0.2	0.1	0.1	1.9	–	0.1	–	2.1	0.2
Total	618.9	575.2	654.9	441.1	361.3	344.1	420.2	445.6	2,290.1	1,571.2	1,836.3

Operating profit/loss

MSEK	2010 Q4	2010 Q3	2010 Q2	2010 Q1	2009 Q4	2009 Q3	2009 Q2	2009 Q1	2010 full-year	2009 full-year	2008 full-year
Lesjöfors	75.3	77.2	106.8	90.0	57.9	55.7	70.8	58.5	349.3	242.9	251.6
Habia Cable	15.1	16.6	6.5	8.0	2.7	0.3	–5.3	13.8	46.2	11.5	71.8
Beijer Tech	14.5	12.8	14.3	–	–	–	–	–	41.6	–	–
Parent Company and intra-Group	–8.8	–4.4	–8.0	–9.6	–4.2	–2.2	–6.2	–3.6	–30.8	–16.2	–21.0
Total	96.1	102.2	119.6	88.4	56.4	53.8	59.3	68.7	406.3	238.2	302.4

President's statement

2010 was a record year for Beijer Alma. Following the dramatic economic downturn in 2009, sales and earnings recovered rapidly and we can now look back on the Group's best year to date.

Beijer Alma was well positioned to capitalize on the improved economic climate. During the recession, costs were sharply reduced. When demand improved, the additional volumes were handled with only modest cost increases, which resulted in the higher sales generating a considerable impact on earnings. In 2010, we also capitalized on our strong financial position by acquiring Beijer Tech. The acquisition was successful and Beijer Tech made a positive contribution to the Group's earnings during the year.

The positive trend continued during the fourth quarter. All of the Group's companies generated higher sales and earnings. In total, sales increased 71 percent. Adjusted for the acquisition of Beijer Tech and exchange-rate fluctuations, the increase was 27 percent. Profit after financial items was MSEK 95, compared with MSEK 55 in the year-earlier period.

Strong profitability resulted in healthy cash flow and a continued robust balance sheet. At year-end, the Beijer Alma Group's net cash assets totaled MSEK 91 (59).

Lesjöfors reported high growth in all business areas. Industrial Springs and Flat Strip Components experienced the strongest trend. Operating profit increased 30 percent to MSEK 75, corresponding to an operating margin of 28 percent. Favorable demand continued in early 2011 in all of Lesjöfors' business areas.

Habia's invoicing grew 19 percent in the fourth quarter. Demand from telecom customers improved substantially during the quarter, but other customer areas also reported favorable growth. Operating profit was MSEK 15, compared with MSEK 3 in the year-earlier period. The operating margin improved to 10 percent. Demand remained strong from Habia's two principal areas in early 2011. However, there is a lack of raw materials, which may have an adverse effect on, in particular, volumes to the telecom sector in the coming months.

Beijer Tech's demand also improved sharply compared with the fourth quarter of 2009. Operations are conducted in two key areas: Fluid Technology and Industrial Rubber, as well as Industrial Products. Both of these areas experienced robust growth. Higher volumes resulted in the operating margin improving from 3 to 7 percent. Beijer Tech also continued to have a favorable demand scenario in early 2011.

We are entering 2011 with strong order bookings and larger order backlogs than last year. Beijer Tech has also been included in the Group as of the beginning of the year. Accordingly, there are favorable opportunities for a positive start to 2011, despite a strong SEK and higher commodity prices.

The Boards proposal for a dividend

The Board proposes an ordinary dividend of SEK 6.00 per share (5.00) and an extra dividend of SEK 1.00 (0) to the Annual General Meeting.

Annual General Meeting 2011

The Annual General Meeting will be held on Wednesday, March 30, 2011, 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, Sweden.

Events after the end of the period

Johan Vinberg will step down as President of Habia Cable in 2011. Efforts to recruit a successor have been initiated.

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 84 percent of sales for Habia and Lesjöfors are conducted outside Sweden, while approximately 55 percent of production takes place in Sweden.

Management of the Group's financial risks is described on pages 8-9 and in Note 28 of the 2009 Annual Report. The business risks are described on pages 8-9 of the 2009 Annual Report. The Group is deemed to have a favorable risk spread across industries and companies and the assessment is that no material risks arose 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 2010 had a significant impact on the Group, with the exception of IFRS 3 Business Combinations. Accounting policies and terms of calculation are unchanged compared with those applied in the 2009 Annual Report.

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.

Consolidated comprehensive income
Condensed income statement

Group					
MSEK	2010	2009	2010	2009	2008
	Q4	Q4	full-year	full-year	full-year
Net revenues	618.9	361.3	2,290.1	1,571.2	1,836.3
Cost of goods sold	-392.3	-225.2	-1,426.2	-999.0	-1,187.6
Gross profit	226.6	136.1	863.9	572.2	648.7
Selling expenses	-66.7	-45.2	-238.3	-190.7	-194.1
Administrative expenses	-64.7	-33.7	-220.2	-142.5	-153.7
Profit/loss from participations in associated companies	0.9	-0.8	0.9	-0.8	1.5
Operating profit	96.1	56.4	406.3	238.2	302.4
Interest income	1.0	0.5	1.9	1.1	7.1
Interest expenses	-2.0	-1.5	-9.4	-12.8	-14.5
Profit after financial items	95.1	55.4	398.8	226.5	295.0
Tax on net profit for year	-31.7	-19.1	-112.3	-64.1	-78.3
Net profit attributable to Parent Company shareholders	63.4	36.3	286.5	162.4	216.7
Other comprehensive income					
Income/expenses recognized directly against shareholders' equity					
Cash-flow hedges	1.6	-3.0	8.5	26.8	-14.6
Translation differences	-2.8	6.2	-39.5	-25.7	48.0
Total other comprehensive income after tax	-1.2	3.2	-31.0	1.1	33.4
Total comprehensive income attributable to Parent Company shareholders	62.2	39.5	255.5	163.5	250.1
Net earnings per share before and after dilution, SEK	2.11	1.32	9.51	5.92	7.90
Dividend per share, SEK	-	-	-	5.00	5.00
Includes amortization and depreciation in the amount of, MSEK	16.7	15.7	70.7	71.4	68.2
Parent Company					
MSEK	2010	2009	2010	2009	2008
	Q4	Q4	full-year	full-year	full-year
Administrative expenses	-12.7	-7.0	-41.2	-30.8	-31.7
Other operating income	3.7	3.4	14.6	13.7	13.7
Operating loss	-9.0	-3.6	-26.6	-17.1	-18.0
Income from participations in Group companies	116.0	85.0	116.0	85.0	75.0
Interest income and similar revenues	1.1	1.4	5.0	6.1	9.9
Interest expenses and similar expenses	-0.1	-4.3	-4.4	-8.3	-8.5
Profit after financial items	108.0	78.5	90.0	65.7	58.4
Tax on net profit for the period	0.1	-0.4	4.6	2.6	2.5
Net profit	108.1	78.1	94.6	68.3	60.9

Condensed balance sheet

Group

MSEK	2010	2009	2008
	Dec 31	Dec 31	Dec 31

Assets

Fixed assets			
Intangible assets	349.8	121.3	130.8
Tangible assets	440.2	462.7	483.5
Financial assets	30.3	32.6	43.0
Total fixed assets	820.3	616.6	657.3
Current assets			
Inventories	427.6	288.7	325.8
Receivables	489.8	289.4	316.2
Cash and bank balances	238.1	195.5	161.5
Total current assets	1,155.5	773.6	803.6
Total assets	1,975.8	1,390.2	1,460.8

MSEK	2010	2009	2008
	Dec 31	Dec 31	Dec 31

Shareholders' equity and liabilities

Shareholders' equity			
Share capital	125.5	114.3	114.3
Other contributed capital	444.4	165.3	165.3
Reserves	-1.5	29.6	28.4
Retained earnings, including net profit for the period	826.1	676.7	651.6
Shareholders' equity attributable to Parent Company shareholders	1,394.5	985.9	959.6
Holdings without controlling interest	2.7	3.1	3.3
Total shareholders' equity	1,397.2	989.0	962.9
Long-term liabilities to credit institutions	89.0	66.9	80.7
Other long-term liabilities	51.2	33.1	26.9
Current liabilities to credit institutions	57.9	68.8	99.1
Current non-interest-bearing liabilities	380.5	232.4	291.2
Total liabilities	578.6	401.2	497.9
Total shareholders' equity and liabilities	1,975.8	1,390.2	1,460.8

Parent Company

MSEK	2010 Dec 31	2009 Dec 31	2008 Dec 31
Assets			
Fixed assets			
Tangible assets	1.0	1.3	1.5
Financial assets	533.0	203.0	210.0
Total fixed assets	534.0	204.3	211.5
Current assets			
Receivables	313.5	340.1	368.4
Cash and cash equivalents	35.9	0.1	0.1
Total current assets	349.4	340.2	368.5
Total assets	883.4	544.5	580.0

MSEK	2010 Dec 31	2009 Dec 31	2008 Dec 31
Shareholders' equity and liabilities			
Share capital	125.5	114.3	114.3
Statutory reserve	444.4	165.3	165.4
Retained earnings	178.4	164.4	209.1
Net profit for the period	94.6	68.3	60.9
Total shareholders' equity	842.9	512.3	549.6
Current liabilities to credit institutions	–	17.3	12.1
Current non-interest-bearing liabilities	40.5	14.9	18.3
Total shareholders' equity and liabilities	883.4	544.5	580.0

Condensed cash-flow statement

MSEK	2010 Q4	2009 Q4	2010 full-year	2009 full-year	2008 full-year
Cash flow from operating activities					
before change in working capital and capital expenditures	93.6	39.9	389.7	245.9	260.0
Change in working capital, increase (–) decrease (+)	–38.1	19.2	–109.4	31.5	–26.4
Cash flow from operating activities	55.5	59.1	280.3	277.4	233.6
Investing activities	–14.6	–14.1	–47.1	–	–60.2
Acquired operations	–	–	–65.0	–	–23.3
Cash flow after capital expenditures	40.9	45.0	168.2	215.8	150.1
Financing activities	–25.7	–6.8	–138.5	–181.1	–156.5
Change in cash and cash equivalents	15.2	38.2	29.7	34.7	–6.4
Cash and cash equivalents at beginning of period	222.9	157.6	195.5	161.5	165.3
Cash from acquired/discontinued operations and exchange-rate differences in cash	–	–0.3	12.9	–0.7	2.6
Cash and cash equivalents at end of period	238.1	195.5	238.1	195.5	161.5
Approved but unutilized committed credit facilities	428.3	418.5	428.3	418.5	338.6
Available liquidity	666.4	614.0	666.4	614.0	500.1

Specification of changes in shareholders' equity

MSEK	2010 full-year	2009 full-year	2008 full-year
Opening shareholders' equity attributable to Parent Company shareholders	985.9	959.6	846.7
Comprehensive income for the period	255.5	163.5	250.1
Dividend paid	-137.2	-137.2	-137.2
New issue	290.3	-	-
Closing shareholders' equity attributable to Parent Company shareholders	1,394.5	985.9	959.6
Holdings without controlling interest	2.7	3.1	3.3
Total closing shareholders' equity	1,397.2	989.0	962.9

Specification of shareholders' equity for the period

	Share capital	Other contributed capital	Reserves	Retained earnings incl. net profit for the period	Total
Dec 31, 2009	114.3	165.3	29.6	676.7	985.9
New issue	11.3	279.0			290.3
Comprehensive income for the period			-31.0	286.5	255.5
Dividend paid				-137.2	-137.2
Dec 31, 2010	125.6	444.3	-1.4	826.0	1,394.5

Number of shares

	2010 Dec 31	2009 Dec 31	2008 Dec 31
Number of shares outstanding	30,131,100	27,431,100	27,431,100
Total number of shares, after full dilution	30,131,100	27,431,100	27,431,100
Average number of shares, after full dilution	30,131,100	27,431,100	27,431,100

Of the total number of shares outstanding, 3,330,000 are Class A shares and the remaining shares are Class B shares.

Key figures

	2010 Q4	2009 Q4	2010 full-year	2009 full-year	2008 full-year
Number of shares	30,131,100	27,431,100	30,131,100	27,431,100	27,431,100
Net revenues, MSEK	618.9	361.3	2,290.1	1,571.2	1,836.3
Operating profit, MSEK	96.1	56.4	406.3	238.2	302.4
Profit before tax, MSEK	95.1	55.4	398.8	226.5	295.0
Earnings per share after tax, SEK	2.11	1.32	9.51	5.92	7.90
Earnings per share after 26.3% standard tax, SEK	2.32	1.49	9.75	6.08	7.74
Cash flow per share after capital expenditures, SEK	1.36	1.64	5.58	7.87	5.47
Return on shareholders' equity, %	20.5	16.9	24.7	17.2	23.5
Return on capital employed, %	25.5	20.6	30.6	21.2	28.3
Shareholders' equity per share, SEK	46.28	35.94	46.28	35.94	34.98
Equity ratio, %	70.6	70.9	70.6	70.9	65.7
Net debt/equity ratio, %	-6.5	-6.0	-6.5	-6.0	1.9
Cash and cash equivalents, including unutilized credit facilities, MSEK	666.4	614.0	666.4	614.0	500.1
Capital expenditures, MSEK	22.6	8.2	55.2	60.5	89.1
Interest-coverage ratio, multiple	47.6	38.0	43.4	18.7	21.4
Number of employees at end of period	1,435	1,107	1,435	1,107	1,243

Uppsala, February 16, 2011

Beijer Alma AB (publ)

Anders Wall
Chairman of the Board

Marianne Brismar
Director

Anders G. Carlberg
Director

Göran W Huldtgren
Director

Peter Nilsson
Director

Anders Ullberg
Director

Johan Wall
Director

Bertil Persson
President and CEO

This year-end report is unaudited.

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Next report date:

Interim report: May 5, 2011

The Annual General Meeting will be held in Uppsala on March 30, 2011.