

BEIJER ♦ ALMA

QUARTERLY REPORT BEIJER ALMA AB (publ) JANUARY – SEPTEMBER 1999

- ❖ **Beijer Alma is now a purely industrial company.**
- ❖ **Profit after financial items was MSEK 63.4 (1998: 69.0)**
- ❖ **Earnings per share amounted to SEK 11.22 (1998: 12.35)**
- ❖ **G & L Beijer Import & Export AB i Stockholm has been sold.**

GROUP

Profit amounted to MSEK 63.4 (1998: 69.0). Invoicing was MSEK 786.7 (1998: 763.5). Earnings per share after standard taxes were SEK 11,22 (1998: 12.35). The return on capital employed was 15.7 % (1998: 18.8) and the return on equity was 14.9 % (1998: 18.2). The balance sheet total amounted to MSEK 841.6 (1998: 896.2). The equity ratio was 49.9 % (1998: 42.2) and the debt equity ratio was 54.2 % (1998: 65.9). Available liquid funds amounted to MSEK 185.6 (1998: 104.0).

GROUP STRUCTURE

Beijer Alma is now a pure industrial company with three internationally oriented engineering companies. The two trading companies, Bierregaard and G & L Beijer, were sold during 1999.

In the Lesjöfors Group, the surface treatment companies that came with the acquisition of GS Industri have been sold to Brukens Thermotreat and a long-term cooperation agreement has been concluded. The operations of Lesjöfors' Årnäs unit have been transferred to other companies in the group in a bid to create more efficient production.

Stafsjö Bruk has acquired 50 % of its German sales organization, Kurt Trapp Ingenieurbüro GmbH, with an option to acquire the remaining part within a three-year period. Thyssen-Krupp is the other part owner.

Habia Cable expanded its production facility in Söderfors during the year.

All of the above mentioned changes are fully reflected on an accounting basis, generating a net result of MSEK +7.7 in items affecting comparability. The Group's financial position after the restructuring is strong. The balance sheet total has shrunk by MSEK 55 and the equity ratio has increased to 49.9 % (1998: 42.2).

REVENUES AND PROFIT BY COMPANY

Revenues

MSEK	1999 <u>Jul.-Sep.</u>	1998 <u>Jul.-Sep.</u>	1999 <u>Jan.-Sep.</u>	1998 <u>Jan.-Sep.</u>	1998 <u>Jan.-Dec.</u>
Habia	61.9	63.6	195.2	186.7	264.2
Lesjöfors	124.7	102.2	417.6	293.4	437.0
Stafsjö	17.2	16.5	59.5	63.4	85.3
Sundquist (sold as of Aug. 31, 1998)	–	5.6	–	27.5	27.5
G & L Beijer (sold as of Aug. 31, 1999)	13.6	36.5	61.0	113.9	145.3
Bierregaard (sold as of May 31, 1999)	0.2	24.5	47.3	73.3	102.1
Parent Company and consolidation eliminations	3.1	1.1	6.1	5.3	10.8
Group	220.7	250.0	786.7	763.5	1.072.2

Profit after net financial items

MSEK	1999 <u>Jul.-Sep.</u>	1998 <u>Jul.-Sep.</u>	1999 <u>Jan.-Sep.</u>	1998 <u>Jan.-Sep.</u>	1998 <u>Jan.-Dec.</u>
Habia	7.1	9.6	17.3	22.1	35.0
Lesjöfors	13.3	14.3	48.3	47.4	57.5
Stafsjö	–0.2	–0.6	0.7	–1.4	–0.2
Sundquist (sold as of Aug. 31, 1998)	–	0.1	–	2.1	2.1
G & L Beijer (sold as of Aug. 31, 1999)	0.4	0.4	1.5	0.9	0.2
Bierregaard (sold as of May 31, 1999)	0.2	0.9	1.5	1.3	3.8
Parent Company and consolidation eliminations	–2.7	0.6	–5.9	–3.4	–0.4
Group	18.1	25.3	63.4	69.0	98.0

SUBSIDIARIES

Habia Cable AB, manufacturer of special cable, increased its invoicing by MSEK 8.5 to MSEK 195.2 (1998: 186.7) for a profit of MSEK 17.3 (1998: 22.1). Order bookings amounted to MSEK 208.2 (1998: 215.6).

The expanded facility in Söderfors was put into operation during the second quarter.

Lesjöfors AB, who manufactures industrial springs, had revenues of MSEK 417.6 (1998: 293.4), an increase by MSEK 124.2. Order bookings amounted to MSEK 412.1 (1998: 295.4). Profit was MSEK 48.3 (1998: 47.4). The increases in revenues in continuing operations was 9 % and the increase in order bookings was 8 %.

AB Stafsjö Bruk, manufacturer of knife gate valves for the process industry, had revenues of MSEK 59.5 (1998: 63.4). Order bookings were MSEK 59.6 (1998: 54.7). A result of MSEK 0.7 was generated (1998: –1.4).

The result of trading company *G & L Beijer Import & Export AB i Stockholm* was MSEK 1.5 (1998: 0.9) on revenues of MSEK 61.0 (1998: 113.9). G & L Beijer was transferred as of August 31, 1999 to Domarbo Skog AB following a resolution of an extra general meeting of shareholders.

Heating and plumbing supply wholesaler *E. Bierregaard AB* had revenues up to an including the month of May of MSEK 47.1 (1998: 61.0 until September 30) and a result of MSEK 1.3 (1998: 0.4). Bierregaard was sold to Atle Tjänste & Handel as of May 31, 1999. The business property owned and leased by Beijer Alma generated a surplus of MSEK 0.2 for the period June – September.

Uppsala, October 21, 1999

BEIJER ALMA AB (publ)

Curt Lönnström
President and CEO

Contrary to what was the case with the semi-annual report, this report has not been examined by the Company's auditors.

SUMMARY STATEMENTS OF INCOME

MSEK	1999	1998	1999	1998	1998
	<u>Jul.-Sep.</u>	<u>Jul.-Sep.</u>	<u>Jan.-Sep.</u>	<u>Jan.-Sep.</u>	<u>Jan.-Dec.</u>
Revenues	220.7	250.0	786.7	763.5	1,072.2
Cost of goods sold	-146.2	-171.6	-534.9	-520.9	-730.1
Selling expenses	-30.1	-32.8	-109.0	-105.0	-145.7
Administrative expenses	-23.3	-22.5	-79.0	-68.8	-96.9
Shares in profit of associated companies	0.2	0.2	1.9	1.4	2.6
Items affecting comparability	-	3.1	7.7	3.1	5.1
Operating profit	21.3	26.4	73.4	73.3	107.3
Net financial items	-3.2	-1.1	-10.0	-4.3	-9.3
Profit after financial items	18.1	25.3	63.4	69.0	98.0
Taxes	-5.0	-7.1	-17.7	-19.3	-32.8
Net profit	13.1	18.2	45.7	49.7	65.2

SUMMARY BALANCE SHEETS

MSEK	1999	1998	1998
	Sep. 30	Sep. 30	Dec. 31
Assets			
Fixed assets	431.8	439.7	440.8
Current assets, not including liquid funds	359.5	430.6	397.1
Liquid funds	50.3	25.9	27.9
Total assets	841.6	896.2	865.8
Shareholders' equity and liabilities			
Shareholders' equity	420.5	378.0	395.8
Long-term liabilities	256.9	271.6	259.0
Current liabilities	164.2	246.6	211.0
Total shareholders' equity and liabilities	841.6	896.2	865.8

SUMMARY CASH FLOW ANALYSES

MSEK	1999	1998	1999	1998	1998
	<u>Jul.-Sep.</u>	<u>Jul.-Sep.</u>	<u>Jan.-Sep.</u>	<u>Jan.-Sep.</u>	<u>Jan.-Dec.</u>
Cash flow before changes in working capital and capital expenditures (cash earnings)	26.0	26.5	86.8	75.6	107.2
Change in working capital increase (-) decrease (+)	17.5	-11.3	-9.2	-35.2	-37.3
Cash flow before capital expenditures	43.5	15.2	77.6	40.4	69.9
Capital expenditures, net after sales	-13.9	-143.6	-32.2	-175.8	-192.8
Cash flow after capital expenditures	29.6	-128.4	45.4	-135.4	-122.9
Financial payments	-25.0	125.7	-23.0	126.8	116.2
Change in liquid funds	4.6	-2.7	22.4	-8.6	-6.7

HIGHLIGHTS

	1999	1998	1999	1998	1998
	<u>Jul.-Sep.</u>	<u>Jul.-Sep.</u>	<u>Jan.-Sep.</u>	<u>Jan.-Sep.</u>	<u>Jan.-Dec.</u>
Number of shares outstanding after full dilution	4,111,050	4,022,450	4,111,050	4,022,450	4,022,450
Earnings per share after actual taxes, SEK	3.25	4.53	11.22	12.35	16.21
Earnings per share after 28 % standard taxes, SEK	3.25	4.53	11.22	12.35	17.54
Return on equity, %	12.7	19.8	14.9	18.2	18.9
Return on capital employed, %	13.1	19.6	15.7	18.8	20.4
Shareholders' equity per share, SEK	104.51	93.98	104.51	93.98	98.41
Equity ratio, %	49.9	42.2	49.9	42.2	45.7
Debt equity ratio, %	54.2	65.9	54.2	65.9	58.6
Liquid funds including unutilized committed credit facilities, MSEK	185.6	104.0	185.6	104.0	152.1
Capital expenditures, MSEK	13.7	15.8	57.9	48.0	66.1
Interest coverage ratio	5.8	14.3	6.4	10.8	8.9

***Beijer Alma**, the Uppsala-based OTC-listed company, is a pure industrial company with three wholly owned subsidiaries.*

***Habia Cable**, a manufacturer of specialty cable with a dominating position on the Nordic market, is expected to generate revenues of close to MSEK 300 with just over 200 employees.*

***Lesjöfors**, one of Europe's leading industrial spring companies, is estimated to generate revenues of approximately MSEK 550 in 1999 and has 500 employees.*

***Stafsjö Bruk** manufactures knife gate valves, primarily for the paper and pulp industry. Stafsjö is one of the leading players in this market niche. Revenues are expected to reach MSEK 80. The number of employees is 52.*

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