

# Semi-Annual Report January – June 1999

- *Operations purely industrial after sale of remaining trading companies.*
- *Profit after financial items MSEK 45.3 (1998: 43.7).*
- *Earnings per share SEK 7.97 (1998: 7.82).*
- *Order bookings amounted to MSEK 573.4 (1998: 533.2).*

## GROUP

Beijer Alma's consolidated profit after financial items increased to MSEK 45.3 (1998: 43.7). Revenues amounted to MSEK 566.0 (1998: 513.5). Earnings per share after standard taxes were SEK 7.97 (1998: 7.82). The return on capital employed was 16.5% (1998: 20.9) and on shareholders' equity 16.3% (1998: 17.8).

The balance sheet total amounted to MSEK 887.6 (1998: 676.5). The equity ratio was 45.7% (1998: 53.0). The debt equity ratio was 62.7% (1998: 34.9).

Available liquidity, defined as liquid funds plus committed but unutilized credit facilities, was MSEK 158.6 (1998: 149.9).

## GROUP STRUCTURE

Beijer Alma's structure has been concentrated through the sale of trading companies Bierregaard and G & L Beijer. (The latter subject to approval of the transaction by today's Extraordinary General Meeting) The surface treatment companies which were a part of the acquisition by the Lesjöfors Group of GS Industri have been sold to Brukens Thermotreat AB and a long-term cooperation agreement has been concluded. The operations in Lesjöfors Årnäs have been transferred to other units in Lesjöfors to create a more efficient production structure.

Investments in plant and equipment remain at a high level, amounting to MSEK 44.2 during the first half of the year (1998: 32.2).

Expansion of the industrial operations will continue through further capital expenditures in production equipment, product development and marketing. Expansion will also be bolstered by further corporate acquisitions in the industrial sector.

Stafsjö has acquired 50% of its German agent, Kurt Trapp Ingenieurbüro GmbH, who has represented Stafsjö for 40 years, with an option to acquire the remaining 50% within three years. Thyssen-Krupp is part owner.

The above changes in the Group structure have been fully considered in the accounts and have generated a net result of MSEK +7.7 in so-called items affecting comparability.

## SUBSIDIARIES

*Habia Cable AB*, a manufacturer of specialty cable, increased revenues by MSEK 10.2 to MSEK 133.3 (1998: 123.1) for profit of MSEK 10.2 (1998: 12.5). Order bookings declined to MSEK 141.0 (1998: 152.1). The expanded production facility in Söderfors was commissioned during the second quarter.

*Lesjöfors AB*, who manufactures industrial springs, had revenues of MSEK 292.9 (1998: 191.2), an increase by MSEK 101.7. Order bookings amounted to MSEK 292.0 (1998: 193.4). Profit was MSEK 35.0 (1998: 33.1). The increase in continuing operations was 4.6% and the increase in order bookings was 2.6%.

*AB Stafsjö Bruk*, a manufacturer of knife gate valves for the process industry, had revenues of MSEK 42.3 (1998: 46.9). Order bookings were MSEK 42.5 (1998: 35.3). Profit was MSEK 0.9 (1998: -0.8).

Profit for trading company *G & L Beijer Import & Export AB i Stockholm* amounted to MSEK 1.1 (1998: 0.5) on revenues of MSEK 47.4 (1998: 77.4). G & L Beijer will be sold as of August 31, 1999 subject to the approval of today's Extraordinary General Meeting.

Heating and plumbing supplies wholesaler *E. Bierregaard AB* had revenues until May of MSEK 47.1 (1998: 48.8 until June) and profit of MSEK 1.3 (1998: 0.4). Bierregaard was sold to Atle Tjänste & Handel as of May 31, 1999.

## MANAGEMENT CHANGE

As earlier announced Beijer Alma's President and CEO will be vacating his post later this year when a successor has been appointed. Curt Lönnström will continue to be associated with Beijer Alma.

Uppsala, August 10, 1999

BEIJER ALMA AB (publ)

Curt Lönnström  
*President and CEO*

*We have performed a review of this semi-annual report, thereby following the recommendation of the Institute of Authorized Public Accountants (FAR). A review is substantially limited in comparison with a full audit. Nothing has come to light to indicate that the semi-annual report does not meet the requirements of the Swedish Stock Exchange Act or the Swedish Annual Accounts Act.*

ÖHRLINGS COOPERS & LYBRAND AB

Hans Lindén  
*Authorized Public Accountant*

# Revenues and Profit by Company

MSEK	REVENUES					PROFIT AFTER NET FINANCIAL ITEMS				
	1999	1998	1999	1998	1998	1999	1998	1999	1998	1998
	April-June	April-June	Jan.-June	Jan.-June	Jan.-Dec.	April-June	April-June	Jan.-June	Jan.-June	Jan.-Dec.
Habia	77.5	66.7	133.3	123.1	264.2	10.0	8.9	10.2	12.5	35.0
Lesjöfors	147.2	99.4	292.9	191.2	437.0	20.6	18.0	35.0	33.1	57.5
Stafsjö	24.0	21.0	42.3	46.9	85.3	1.3	-1.3	0.9	-0.8	-0.2
Sundquist (sold 8/31/98)	-	11.2	-	21.9	27.5	-	1.2	-	2.0	2.1
G & L Beijer	21.5	33.2	47.4	77.4	145.3	0.2	0.4	1.1	0.5	0.2
Bierregaard (sold 5/31/99)	19.4	25.1	47.1	48.8	102.1	0.3	0.2	1.3	0.4	3.8
Parent Company and consolidation eliminations	1.1	3.0	3.0	4.2	10.8	-1.2	-2.2	-3.2	-4.0	-0.4
<b>Group</b>	<b>290.7</b>	<b>259.6</b>	<b>566.0</b>	<b>513.5</b>	<b>1,072.2</b>	<b>31.2</b>	<b>25.2</b>	<b>45.3</b>	<b>43.7</b>	<b>98.0</b>

## Highlights

	1999	1998	1999	1998	1998
	April-June	April-June	Jan.-June	Jan.-June	Jan.-Dec.
Number of shares outstanding after full dilution	4,093,330	4,022,450	4,093,330	4,022,450	4,022,450
Earnings per share after actual taxes, SEK	5.45	4.51	7.97	7.82	16.21
Earnings per share after 28% standard taxes, SEK	5.45	4.51	7.97	7.82	17.54
Return on equity, %	22.9	20.8	16.3	17.8	18.9
Return on capital employed, %	21.2	23.2	16.5	20.9	20.4
Equity per share, SEK	100.86	89.16	100.86	89.16	98.41
Equity ratio, %	45.7	53.0	45.7	53.0	45.7
Debt equity ratio, %	62.7	34.9	62.7	34.9	58.6
Liquid funds including unutilized credit facilities, MSEK	158.6	146.9	158.6	146.9	152.1
Capital expenditures, MSEK	22.3	15.6	44.2	32.2	66.1
Interest coverage ratio	9.3	11.0	6.7	10.5	8.9

**Beijer Alma**, the Uppsala-based OTC company is, after divestiture of its remaining trading companies, a pure industrial company with three principal entities.

**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 200 employees.

**Lesjöfors AB**, 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.

# Summary Statements of Income

MSEK	April - June 1999	April - June 1998	Jan. - June 1999	Jan. - June 1998	Jan. - Dec. 1998
Revenues	290.7	259.6	566.0	513.5	1.072.2
Cost of goods sold	-196.9	-171.4	-388.7	-349.3	-730.1
Selling expenses	-39.7	-37.5	-78.9	-72.2	-145.7
Administrative expenses	-28.2	-24.6	-55.7	-46.3	-96.9
Shares in affiliated companies	0.8	0.4	1.7	1.2	2.6
Items affecting comparability	7.7	-	7.7	-	5.1
<b>Operating profit</b>	<b>34.4</b>	<b>26.5</b>	<b>52.1</b>	<b>46.9</b>	<b>107.3</b>
Net financial items	-3.2	-1.3	-6.8	-3.2	-9.3
<b>Profit after financial items</b>	<b>31.2</b>	<b>25.2</b>	<b>45.3</b>	<b>43.7</b>	<b>98.0</b>
Taxes	-8.8	-7.0	-12.7	-12.2	-32.8
<b>Net profit</b>	<b>22.4</b>	<b>18.2</b>	<b>32.6</b>	<b>31.5</b>	<b>65.2</b>

# Summary Balance Sheets

MSEK	June 30, 1999	June 30, 1998	Dec. 31, 1998
<b>Assets</b>			
Fixed assets	436.6	304.6	440.8
Current assets not including liquid funds	405.3	343.3	397.1
Liquid funds	45.7	28.6	27.9
<b>Total assets</b>	<b>887.6</b>	<b>676.5</b>	<b>865.8</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	405.7	358.7	395.8
Long-term liabilities	283.5	147.2	259.0
Current liabilities	198.4	170.6	211.0
<b>Total shareholders' equity and liabilities</b>	<b>887.6</b>	<b>676.5</b>	<b>865.8</b>

# Summary Cash Flow Analyses

MSEK	April - June 1999	April - June 1998	Jan. - June 1999	Jan. - June 1998	Jan. - Dec. 1998
Cash flow before changes in working capital and capital expenditures (cash earnings)	36.5	27.0	60.8	49.1	107.2
Change in working capital increase (-) decrease (+)	-4.7	-7.9	-26.7	-23.9	-37.3
Cash flow before capital expenditures	31.8	19.1	34.1	25.2	69.9
Capital expenditures, net after sales	3.6	-15.6	-18.3	-32.2	-192.8
Cash flow after capital expenditures	35.4	3.5	15.8	-7.0	-122.9
Financial payments	-26.6	-4.7	2.0	1.1	116.2
<b>Change in liquid funds</b>	<b>8.8</b>	<b>-1.2</b>	<b>17.8</b>	<b>-5.9</b>	<b>-6.7</b>

## BEIJER ALMA

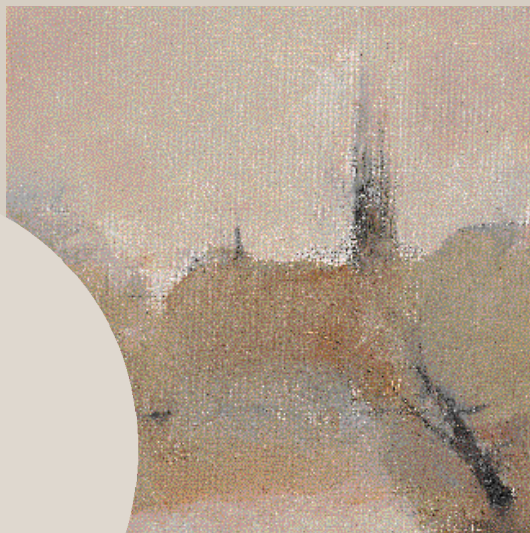
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# BEIJER♦ALMA



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**1999**