

**BEIJER ♦ ALMA**



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**SEMI-ANNUAL REPORT  
JANUARY – JUNE**

**2000**

# Semi-Annual Report January–June 2000

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- **Continued strong demand from the telecom sector.**

*Beijer Alma* ([www.beijer-alma.se](http://www.beijer-alma.se)), which is listed on the O-list of the OM Stockholm Stock Exchange (Ticker: BEIAb), is an industrial group with internationally leading technology companies with good growth potential.

The Beijer Alma Group consists mainly of four wholly owned subsidiaries.

*Habia Cable* ([www.habia.se](http://www.habia.se)) is one of Europe's largest manufacturers of specialty cable for applications in telecommunications, transportation, nuclear power and defense. Production takes place in Söderfors and in Hamburg. Sales in 1999 were MSEK 278 and the number of employees is 215.

*Lesjöfors* ([www.lesjoforsab.com](http://www.lesjoforsab.com)) is a full-line supplier of industrial springs and flat strip components. The company is a dominating player in the Nordic region and one of the largest in Europe in its industry. Sales in 1999 were MSEK 556 and the number of employees is 539.

*Stafsjö Bruk* ([www.stafsjo.com](http://www.stafsjo.com)) develops, manufactures and markets knife gate valves. The company is active globally. Sales in 1999 were MSEK 81 and the number of employees is 53.

*Alma Nova* ([www.beijer-alma.se](http://www.beijer-alma.se)) conducts venture capital operations and invests in minority stakes in growth companies at an early stage of their development. The company is in a build-up phase.

## GROUP

The improvement in demand discerned during the latter part of last year grew stronger during the first half of this year. Order bookings increased by 29 percent to MSEK 618 for continuing operations. The order backlog as of June 30, 2000 was MSEK 221 (145). Since shipments are effected with a certain delay, revenues increased by 15 percent to MSEK 543.

Profit after financial items was MSEK 42.5 (37.6 excluding items affecting comparability). Earnings per share after standard taxes were SEK 7.39 (7.97). The equity ratio was 41.0 percent (45.7).

The operating margin increased to 9.5 percent (7.8).

Investments in plant and equipment amounted to MSEK 39 during the period (44). Available liquidity, i.e. liquid funds including unutilized, committed credit facilities, was MSEK 124.8 (158.6).

The refund from SPP will be accounted for during the second half of the year.

## SUBSIDIARIES

*Habia Cable AB*, who manufactures specialty cable, increased its order bookings by 56 percent to MSEK 220. The German cable manufacturer Isotec Kabel GmbH was acquired during the period. Not including Isotec, order bookings increased by 40 percent. Demand is strong from all customer categories, but especially from the telecom sector, which accounted for 45 percent of order bookings, as compared to 32 percent during 1999.

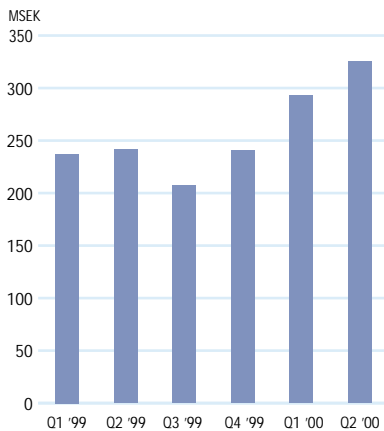
The greater rate of order bookings has had the effect that production capacity failed to keep pace, prompting the initiation of a capital expenditure program during the period. This will gradually raise production capacity.

The order backlog increased during the period from MSEK 53 to MSEK 109.

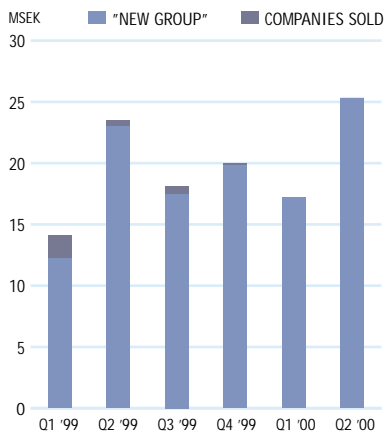
*Habia* invoiced for MSEK 170.7 (133.3) and income was MSEK 12.4 (10.2). *Isotec*, which was consolidated from the second quarter, is developing according to plan and made a positive contribution after acquisition costs. The operating margin was 9 percent (8.3). During the second quarter, the operating margin was 13.2 percent (13.5).

*Lesjöfors AB*, who manufactures industrial springs and flat strip components, increased its order bookings

## ORDER BOOKINGS



## PROFIT AFTER FINANCIAL ITEMS (excluding items affecting comparability)



by 22 percent to MSEK 355. In addition hereto, important frame agreements have been concluded within the telecom sector with order bookings and delivery start only during the third quarter.

Revenues were MSEK 331.3 (292.9), an increase by 13 percent. Income was MSEK 38.3 (30.5 not including items affecting comparability) and the operating margin was 12.8 percent (11.8). The operating margin during the second quarter was 12.6 percent (12.3).

After the end of the period, Lesjöfors has concluded an agreement to sell the operations in Rånäs to LVD Lastvagnsdelar Svenska AB. This decision is in line with the strategy to concentrate operations on core operations with strong growth. The sale generates a capital gain which will be accounted for during the third quarter.

*AB Stafsjö Bruk*, who manufactures knife gate valves for the process industry, had order bookings of MSEK 40.0 (43.1). Revenues were MSEK 38.6 (42.3). Stafsjö's result was MSEK 0.6 (0.9).

#### PRESIDENT'S COMMENTS

– It is gratifying to note the Group's strong showing in terms of order bookings during the first half of the year. What we are seeing is that our initiatives in the telecom sector are beginning to bear fruit. However, when order bookings are greater than revenues, the need to eliminate bottlenecks in production become a priority. A capital expenditure program and other action during the fall will provide a substantial increase in production capacity, especially for telecom-related products. Higher revenues and improved results are therefore expected for the second half of the year.

– It will also be noted that an improvement in operating margin is required in certain parts of the Group. Several action programs under way are aimed at addressing this issue. The goal is improved profitability for Beijer Alma as a whole and a strategy focusing on growth.

#### REVENUES AND INCOME BY COMPANY

##### Revenues

MSEK	2000 Q 2	2000 Q 1	1999 Q 4	1999 Q 3	1999 Q 2	1999 Q 1
Habia Cable	103.2	67.5	82.6	61.9	77.5	55.8
Lesjöfors	167.1	164.2	138.7	124.7	147.2	145.7
Stafsjö Bruk	19.6	19.0	21.8	17.2	24.0	18.3
Parent Company and consolidation eliminations	1.0	1.7	1.1	3.1	1.1	1.9
<b>Group</b>	<b>290.9</b>	<b>252.4</b>	<b>244.2</b>	<b>206.9</b>	<b>249.8</b>	<b>221.7</b>
<i>Companies sold</i>						
G & L Beijer (sold as of Aug. 31, 1999)	—	—	—	13.6	21.5	25.9
Bierregaard (sold as of May 31, 1999)	—	—	0.1	0.2	19.4	27.7
<b>Total</b>	<b>290.9</b>	<b>252.4</b>	<b>244.3</b>	<b>220.7</b>	<b>290.7</b>	<b>275.3</b>

##### Profit after financial items

MSEK	2000 Q 2	2000 Q 1	1999 Q 4	1999 Q 3	1999 Q 2	1999 Q 1
Habia Cable	11.7	0.7	14.9	7.1	10.0	0.2
Lesjöfors	19.0	19.3	6.6	13.3	16.1	14.4
Stafsjö Bruk	0.2	0.4	0.9	-0.2	1.3	-0.4
Parent Company and consolidation eliminations	-5.6	-3.2	-2.6	-2.7	-4.4	-2.0
<b>Group</b>	<b>25.3</b>	<b>17.2</b>	<b>19.8</b>	<b>17.5</b>	<b>23.0</b>	<b>12.2</b>
Items affecting comparability	—	—	5.3	-	7.7	-
<i>Companies sold</i>						
G & L Beijer (sold as of Aug. 31, 1999)	—	—	—	0.4	0.2	0.9
Bierregaard (sold as of May 31, 1999)	—	—	0.2	0.2	0.3	1.0
<b>Total</b>	<b>25.3</b>	<b>17.2</b>	<b>25.3</b>	<b>18.1</b>	<b>31.2</b>	<b>14.1</b>

Uppsala, August 8, 2000

BEIJER ALMA AB (publ)

Bertil Persson  
President and CEO

We have performed a review of this semi-annual report, thereby following the recommendation of the Swedish Institute of Authorized Public Accountants (FAR). A review is significantly limited in comparison to 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 PRICEWATERHOUSE COOPERS AB

Hans Lindén  
Authorized Public Accountant

Any questions will be answered by:

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## SUMMARY STATEMENTS OF INCOME

MSEK	2000 Q 2	1999 Q 2	2000 Six months	1999 Six months	1999 Full year
Revenues	290.9	290.7	543.3	566.0	1,031.0
Cost of goods sold	-187.0	-196.9	-355.6	-388.7	-697.1
Selling expenses	-43.2	-39.7	-79.9	-78.9	-144.0
Administrative expenses	-30.8	-28.2	-57.2	-55.7	-102.3
Shares in profit of associated companies	0.5	0.8	1.0	1.7	0.7
<b>Operating profit</b>	<b>30.4</b>	<b>26.7</b>	<b>51.6</b>	<b>44.4</b>	<b>88.3</b>
Items affecting comparability	—	7.7	—	7.7	13.0
Net financial items	-5.1	-3.2	-9.1	-6.8	-12.6
<b>Profit after financial items</b>	<b>25.3</b>	<b>31.2</b>	<b>42.5</b>	<b>45.3</b>	<b>88.7</b>
Taxes	-7.1	-8.8	-11.9	-12.7	-33.5
<b>Net profit</b>	<b>18.2</b>	<b>22.4</b>	<b>30.6</b>	<b>32.6</b>	<b>55.2</b>

## SUMMARY BALANCE SHEETS

MSEK	2000 June 30	1999 June 30	1999 Dec. 31
<b>Assets</b>			
Fixed assets	546.1	436.6	444.6
Current assets, not including liquid funds	463.3	405.3	384.1
Liquid funds	31.7	45.7	40.0
<b>Total assets</b>	<b>1,041.1</b>	<b>887.6</b>	<b>868.7</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	426.5	405.7	424.7
Provisions	43.9	39.3	45.3
Long-term liabilities	357.2	244.2	201.4
Current liabilities	213.5	198.4	197.3
<b>Total shareholders' equity and liabilities</b>	<b>1,041.1</b>	<b>887.6</b>	<b>868.7</b>

## SUMMARY STATEMENTS OF CASH FLOW

MSEK	2000 Q 2	1999 Q 2	2000 Six months	1999 Six months	1999 Full year
Cash flow before changes in working capital and capital expenditures (cash earnings)	34.4	36.5	61.1	60.8	109.9
Change in working capital, increase (-) decrease (+)	-23.7	-4.7	-63.0	-26.7	-0.7
Cash flow before capital expenditures	10.7	31.8	-1.9	34.1	109.2
Capital expenditures	-118.5	3.6	-132.0	-18.3	-58.5
Cash flow after capital expenditures	-107.8	35.4	133.9	15.8	50.7
Financial payments	96.8	-26.6	125.6	2.0	-38.6
<b>Change in liquid funds</b>	<b>-11.0</b>	<b>8.8</b>	<b>-8.3</b>	<b>17.8</b>	<b>12.1</b>

## HIGHLIGHTS

	2000 Q 2	1999 Q 2	2000 Six months	1999 Six months	1999 Full year
Number of shares outstanding	4,235,090	4,093,330	4,235,090	4,093,330	4,164,210
Earnings per share after actual taxes, SEK	4.38	5.45	7.39	7.97	13.43
Earnings per share after 28% standard taxes, SEK	4.38	5.45	7.39	7.97	15.51
Return on equity, %	17.7	22.9	14.7	16.3	15.6
Return on capital employed, %	16.6	21.2	14.6	16.5	16.5
Shareholders' equity per share, SEK	106.03	100.86	106.03	100.86	105.59
Equity ratio, %	41.0	45.7	41.0	45.7	48.9
Debt equity ratio, %	87.5	62.7	87.5	62.7	52.0
Liquid funds, including unutilized committed credit facilities, MSEK	124.8	158.6	124.8	158.6	190.9
Capital expenditures, MSEK	25.6	22.3	39.1	44.2	69.6
Interest coverage ratio, multiple	6.6	9.3	6.2	6.7	6.9

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Printed in Sweden