

Q1/2017



Interim report January–March 2017

Best quarter to date

- Invoicing amounted to MSEK 1,059 (902).
- Profit after net financial items amounted to MSEK 138 (107). Profit was charged with nonrecurring costs of MSEK 16 pertaining to the change of CEO.
- Earnings per share amounted to SEK 3.43 (2.69).
- Cash flow after capital expenditures, excluding corporate acquisitions, totaled a negative MSEK 25 (neg: 2).
- Bertil Persson, President and CEO, will leave his position during the year.

Group

The year got off to a strong start for Beijer Alma. Both cyclical industries, such as the engineering industry, and non-cyclical industries, such as the automotive aftermarket and telecom industry, displayed strong demand. Combined with favorable calendar effects resulting in a higher number of working days during the period, this enabled the Group to report its best quarter to date in terms of order bookings, invoicing and earnings.

Invoicing increased 17 percent MSEK 1,059 (902), of which organic growth accounted for 14 percent and corporate acquisitions for 3 percent. Order bookings rose 17 percent to MSEK 1,069 (916) and the stock of orders increased MSEK 10. The exchange-rate effects on invoicing and earnings were negligible.

Material prices continued to increase. While the Group's companies have mostly been able to offset this increase, a certain amount of margin pressure has been felt. Despite this margin pressure, earnings improved as a result of the strong volume trend. All subsidiaries improved their quarterly earnings, with the most significant increase reported by Lesjöfors. Profit before tax for the Group as a whole amounted to MSEK 138 (107). Net profit for the year was charged with MSEK 16 for expenses related to the change of CEO. Earnings per share amounted to SEK 3.43 (2.69).

The invoicing trend resulted in an increase in accounts receivable to MSEK 218 after year-end, which had an adverse impact on cash flow. Cash flow excluding corporate acquisitions amounted to a negative MSEK 25 (neg: 2).

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 delivered a strong performance during the quarter. Order bookings increased 28 percent and invoicing 23 percent. In terms of organic growth, the corresponding figures were 21 percent and 16 percent, respectively.

In the Industrial Springs business area, organic growth in order bookings amounted to 10 percent. In comparable units, invoicing increased 19 percent, with growing orderbooks. The increase was far-reaching and all regions reported higher volumes. The strongest trends were noted in the Nordic region, Germany and the US.

Invoicing in the Chassis Springs business area rose 32 percent and the stock of orders increased. Chassis Springs is essentially a European business with seasonal fluctuations. All markets performed well, with the largest volume growth noted in the UK and Russia.

Operating profit increased for both business areas and totaled MSEK 130 (90).

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 company has manufacturing operations in Sweden, Germany, China and Poland, and conducts sales worldwide.

Habia reported a strong sales trend for the quarter. Invoicing increased 21 percent to MSEK 248 (204). Order bookings rose 5 percent to MSEK 227 (216). Invoicing to the telecom sector increased 41 percent. An unusually large share of these sales pertained to major transactions in Asia, where the margins are lower than in other markets. Combined with rising material prices, this had an adverse impact on Habia's margins.

Sales to other industry rose 8 percent. This increase was evenly distributed across various industries and countries. A small number of projects for the nuclear power industry were delayed, which means that invoicing to this industry is expected to be lower in the coming quarters.

Operating profit totaled MSEK 26 (22).

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 business areas: Industrial Products and Fluid Technology.

Beijer Tech's sales remained unchanged compared with the year-earlier period. Sales in the Industry business area declined 8 percent, mainly due to a lower volume of machinery sales. This type of business has a lower margin than sales of consumables. Sales in the Fluid Technology business area rose 11 percent.

Beijer Tech has implemented extensive cost-saving measures in recent years. These efforts have paid off and operating profit increased to MSEK 9 (4) despite unchanged invoicing.

Parent Company

The Parent Company, Beijer Alma AB, is a holding company that does not conduct external invoicing. The Parent Company posted an operating loss of MSEK 23 (loss: 7). This result includes nonrecurring costs of MSEK 16 pertaining to the change of CEO.

Revenues and earnings per operating sector/segment

Net revenues

MSEK	2017	2016	2016	2016	2016	2016	2015
	Q1	Q4	Q3	Q2	Q1	Full-year	Full-year
Lesjöfors	624.8	485.2	474.0	540.6	509.6	2,009.4	1,995.9
Habia Cable	247.5	217.3	196.3	168.7	204.5	786.8	765.1
Beijer Tech	187.0	184.6	169.8	189.1	187.6	731.1	760.6
Parent Company and intra-Group	0.1	–	0.1	–	0.1	0.2	0.3
Total	1,059.4	887.1	840.2	898.4	901.8	3,527.5	3,521.9

Operating profit

MSEK	2017	2016	2016	2016	2016	2016	2015
	Q1	Q4	Q3	Q2	Q1	Full-year	Full-year
Lesjöfors	130.2	96.3	83.8	110.0	90.1	380.2	388.4
Habia Cable	24.5	30.2	29.1	15.7	22.0	97.0	99.0
Beijer Tech	8.6	–4.8	4.2	4.5	4.0	7.9	17.5
Parent Company and intra-Group	–22.8	–6.5	–5.6	–11.0	–6.8	–29.9	–27.6
Total operating profit	140.5	115.2	111.5	119.2	109.3	455.2	477.3
Net financial items	–2.7	–2.0	–2.2	–1.8	–2.2	–8.2	–10.4
Profit after net financial items	137.8	113.2	109.3	117.4	107.1	447.0	466.9

No sales are conducted between segments.

Annual General Meeting

The Annual General Meeting on March 29 approved a dividend of SEK 9.50 per share, which was paid in early April. The Annual General Meeting re-elected Carina Andersson, Anders G Carlberg, Peter Nilsson, Caroline av Ugglas and Anders Ullberg as directors. Johan Wall was re-elected as Chairman of the Board. Johnny Alvarsson was elected as a new director.

Change of CEO

After 17 years of service, Bertil Persson, President and CEO of Beijer Alma, has decided to step down from his position and will leave the Group during the year. The process to recruit a new CEO is under way.

Corporate acquisitions

During the quarter, Beijer Tech acquired Svenska Brandslangfabriken AB and Lesjöfors acquired the assets and liabilities in the Swedish spring manufacturer Spiros. Combined, the two companies will contribute MSEK 50 annually, with favorable profitability. Both acquisitions were consolidated as of April 1, 2017. Acquisition analyses will be presented in the interim report for the second quarter.

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 87 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 about 71 percent of its sales are conducted in Sweden.

Management of the Group's financial risks is described in Note 31 of the 2016 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 MSEK	2017	2016	2016	2015	2014
	Q1	Q1	Full-year	Full-year	Full-year
Net revenues	1,059.4	901.8	3,527.5	3,521.9	3,298.2
Cost of goods sold	-717.0	-625.7	-2,381.7	-2,367.8	-2,229.1
Gross profit	342.4	276.1	1,145.8	1,154.1	1,069.1
Selling expenses	-96.4	-90.1	-368.7	-366.1	-343.3
Administrative expenses	-89.4	-77.6	-324.3	-313.2	-300.8
Items affecting comparability	-16.1	-	-	-	-
Other income	-	-	-	-	0.6
Profit from participations in associated companies	-	0.9	2.4	2.5	1.9
Operating profit	140.5	109.3	455.2	477.3	427.5
Interest income	0.2	0.7	1.2	1.0	6.6
Interest expenses	-2.9	-2.9	-9.4	-11.4	-10.5
Profit after net financial items	137.8	107.1	447.0	466.9	423.6
Tax on net profit for the period	-34.4	-25.9	-119.4	-113.2	-104.3
Net profit attributable to Parent Company shareholders	103.4	81.2	327.6	353.7	319.3

Other comprehensive income

Items that may be reclassified to profit or loss

Cash-flow hedges	0.1	2.6	-5.7	12.6	-4.7
Translation differences	1.3	-13.3	30.6	-19.7	60.3
Total other comprehensive income after tax	1.4	-10.7	24.9	-7.1	55.6
Total comprehensive income attributable to Parent Company shareholders	104.8	70.5	352.5	346.6	374.9

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	3.43	2.69	10.87	11.74	10.60
Dividend per share, SEK	-	-	9.50	9.50	8.50
Includes amortization and depreciation in the amount of, MSEK	31.4	28.2	117.3	110.6	98.4

Parent Company

MSEK	2017	2016	2016	2015	2014
	Q1	Q1	Full-year	Full-year	Full-year
Administrative expenses	-11.2	-11.2	-48.0	-45.8	-41.0
Items affecting comparability	-16.1	-	-	-	-
Other operating income	4.6	4.6	18.2	18.2	18.2
Operating profit	-22.7	-6.6	-29.8	-27.6	-22.8
Group contributions	-	-	52.1	52.1	26.0
Income from participations in Group companies	-	-	260.0	270.0	246.0
Interest income and similar revenues	0.1	0.1	0.7	0.6	0.6
Interest expenses and similar expenses	-0.1	-0.1	-0.7	-0.9	-0.8
Profit after net financial items	-22.7	-6.6	282.3	294.2	249.0
Tax on net profit for the period	4.6	1.4	-5.8	-6.1	-1.2
Net profit/loss	-18.1	-5.2	276.5	288.1	247.8

No items are attributable to other comprehensive income.

Condensed balance sheet

Group	2017	2016	2016	2015	2014
MSEK	Mar 31	Mar 31	Dec 31	Dec 31	Dec 31
Assets					
Fixed assets					
Intangible assets	548.4	507.6	550.6	508.6	546.6
Tangible assets	902.8	757.9	904.8	758.3	747.0
Deferred tax assets	17.3	18.7	19.1	18.6	25.6
Financial assets	30.9	29.1	30.3	28.7	27.8
Total fixed assets	1,499.4	1,313.3	1,504.8	1,314.2	1,347.0
Current assets					
Inventories	708.0	648.1	717.9	673.3	636.5
Receivables	942.4	734.0	654.9	630.1	568.9
Cash and bank balances	352.8	272.3	273.6	252.2	191.3
Total current assets	2,003.2	1,654.4	1,646.4	1,555.6	1,396.7
Total assets	3,502.6	2,967.7	3,151.2	2,869.8	2,743.7
	2017	2016	2016	2015	2014
	Mar 31	Mar 31	Dec 31	Dec 31	Dec 31
Shareholders' equity and liabilities					
Shareholders' equity					
Share capital	125.5	125.5	125.5	125.5	125.5
Other contributed capital	444.4	444.4	444.4	444.4	444.4
Reserves	16.6	15.2	50.6	25.8	32.8
Retained earnings, including net profit for the period	1,133.5	1,320.8	1,281.0	1,239.6	1,142.0
Shareholders' equity attributable to Parent					
Company shareholders	1,720.0	1,905.9	1,901.5	1,835.3	1,744.7
Non-controlling interests	3.8	3.7	3.8	3.7	3.8
Total shareholders' equity	1,723.8	1,909.6	1,905.3	1,839.0	1,748.5
Non-current liabilities to credit institutions	305.0	194.2	242.8	206.0	229.1
Other non-current liabilities	60.1	51.6	66.2	56.3	84.8
Current liabilities to credit institutions	465.8	283.3	343.9	240.2	152.0
Current non-interest-bearing liabilities	947.9	529.0	593.0	528.3	529.3
Total liabilities	1,778.8	1,058.1	1,245.9	1,030.8	995.2
Total shareholders' equity and liabilities	3,502.6	2,967.7	3,151.2	2,869.8	2,743.7

Parent Company

MSEK	2017	2016	2016	2015	2014
	Mar 31	Mar 31	Dec 31	Dec 31	Dec 31
Assets					
Fixed assets					
Tangible assets	1.2	1.1	1.2	1.1	1.1
Financial assets	532.2	532.2	532.2	532.2	532.2
Total fixed assets	533.4	533.3	533.4	533.3	533.3
Current assets					
Receivables	249.1	199.8	362.8	367.6	327.9
Cash and cash equivalents	191.4	139.8	3.1	9.3	1.4
Total current assets	440.5	339.6	365.9	376.9	329.3
Total assets	973.9	872.9	899.3	910.2	862.6
MSEK	2017	2016	2016	2015	2014
	Mar 31	Mar 31	Dec 31	Dec 31	Dec 31
Shareholders' equity and liabilities					
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	3.1	299.1	12.8	11.0	19.3
Net profit/loss for the period	-18.1	-5.5	276.5	288.1	247.8
Total shareholders' equity	554.9	863.5	859.2	869.0	837.0
Current liabilities to credit institutions	100.0	-	14.7	19.1	6.0
Current non-interest-bearing liabilities	319.0	9.4	25.4	22.1	19.6
Total shareholders' equity and liabilities	973.9	872.9	899.3	910.2	862.6

Condensed cash-flow statement**Group**

MSEK	2017	2016	2016	2015	2014
	Q1	Q1	Full-year	Full-year	Full-year
Cash flow from operating activities before change in working capital and capital expenditures	134.8	103.4	436.5	456.0	422.4
Change in working capital, increase (-) decrease (+)	-130.8	-80.6	28.5	-92.7	-19.8
Cash flow from operating activities	4.0	22.8	465.0	363.3	402.6
Investing activities	-29.2	-24.3	-213.3	-111.5	-141.4
Acquired companies less cash and cash equivalents	-73.7	-	-78.1	-	-115.2
Cash flow after capital expenditures	-98.9	-1.5	173.6	251.8	146.0
Financing activities	178.1	21.6	-152.2	-190.9	-208.5
Change in cash and cash equivalents	79.2	20.1	21.4	60.9	-62.5
Cash and cash equivalents at beginning of period	273.6	252.2	252.2	191.3	253.8
Cash and cash equivalents at end of period	352.8	272.3	273.6	252.2	191.3
Approved but not utilized committed credit facilities	481.2	618.5	694.3	630.8	645.0
Available liquidity	834.0	890.8	967.9	883.0	836.3

Specification of changes in consolidated shareholders' equity

MSEK	2017	2016	2016	2015	2014
	Q1	Q1	Full-year	Full-year	Full-year
Opening shareholders' equity attributable to Parent Company shareholders	1,901.5	1,835.4	1,835.3	1,744.8	1,610.9
Comprehensive income for the period	104.8	70.5	352.4	346.6	374.9
Dividend paid	-286.3	-	-286.2	-256.1	-241.0
Closing shareholders' equity attributable to Parent Company shareholders	1,720.0	1,905.9	1,901.5	1,835.3	1,744.8
Non-controlling interests	3.8	3.7	3.8	3.6	3.8
Total closing shareholders' equity	1,723.8	1,909.6	1,905.3	1,838.9	1,748.6

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
December 31, 2016	125.5	444.4	50.6	1,281.0	1,901.5
Dividend paid				-286.3	-286.3
Comprehensive income for the period		103.4	1.4		104.8
March 31, 2017	125.5	547.8	52.0	994.7	1,720.0

Number of shares

	2017	2016	2015
	Mar 31	Dec 31	Dec 31
Number of shares outstanding	30,131,100	30,131,100	30,131,100
Total number of shares, after full dilution	30,131,100	30,131,100	30,131,100
Average number of shares, after full dilution	30,131,100	30,131,100	30,131,100

Of the total number of shares outstanding, 3,310,000 are Class A shares and the remaining shares are Class B shares.

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 2017 had a significant impact on the Group. Accounting policies and terms of calculation are unchanged compared with those applied in the 2016 Annual Report. Significant accounting and valuation policies are found on pages 52-55 of the 2016 Annual Report.

IFRS 15 Revenue from Contracts with Customers applies as of January 1, 2018. Beijer Alma will apply IFRS 15 as of January 1, 2018 and will restate the financial statements for 2017 in accordance with IFRS 15 in 2018. As of March 31, 2017, no quantitative assessments or calculations have been carried out.

The fair value of financial assets and liabilities is deemed to correspond to the carrying amount.

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. These accounting policies correspond with the preceding year and with the consolidated accounting policies where applicable.

The interim report comprises pages 1-9 and pages 1-4 are an integrated part of this financial report.

Performance measures

	2017	2016	2016	2015	2014
	Q1	Q1	Full-year	Full-year	Full-year
Number of shares	30,131,100	30,131,100	30,131,100	30,131,100	30,131,100
Net revenues, MSEK	1,059.4	901.8	3,527.5	3,521.9	3,298.2
Operating profit, MSEK	140.5	109.3	455.2	477.3	427.5
Profit before tax, MSEK	137.8	107.1	447.0	466.9	423.6
Earnings per share after tax, SEK	3.43	2.69	10.87	11.74	10.60
Earnings per share after 22.0% standard tax, SEK	3.57	2.77	11.57	12.09	10.96
Cash flow after capital expenditures, excluding acquisitions per share, SEK	-0.84	0.05	7.36	8.36	8.66
Return on shareholders' equity, %	23.7	17.9	18.7	20.3	19.7
Return on capital employed, %	22.6	18.9	19.1	21.7	21.3
Shareholders' equity per share, SEK	57.08	63.25	63.11	60.91	57.91
Equity ratio, %	49.1	64.2	60.3	64.0	63.6
Net debt/equity ratio, %	24.3	10.8	16.5	10.6	10.9
Cash and cash equivalents, including unutilized credit facilities, MSEK	834.0	890.8	967.9	883.0	836.3
Investments in tangible assets, SEK	29.8	31.1	203.6	135.8	140.0
Interest-coverage ratio, multiple	47.3	37.6	48.8	41.8	41.3
Number of employees at end of period	2,518	2,291	2,341	2,342	2,179

Uppsala, May 4, 2017

Beijer Alma AB (publ)

Bertil Persson
President and CEO

This interim has not been reviewed by the company's auditors.

If you have any questions, please contact:

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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 8:30 a.m. on May 4, 2017.

Read more at: www.beijeralma.se

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Next report date:

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Beijer Alma AB (publ)

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