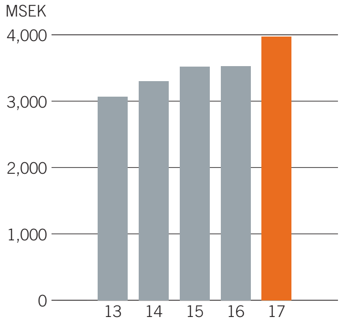
ANNUAL REPORT 2017 BEIJER ALMA

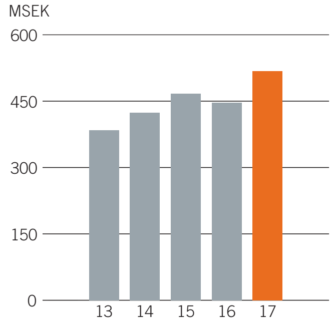
Beijer Alma AB is an international, listed industrial Group. Its business concept is to acquire, own and develop companies with strong growth potential. Beijer Alma's subsidiaries – Lesjöfors, Habia Cable and Beijer Tech – specialize in component manufacturing and industrial trading.

REVENUES AND PROFIT BY OPERATING SEGMENT MSEK	**Q1**	**Q2**	**Q3**	**Q4**	**Total**
Net revenues					
Lesjöfors	624.8	648.0	527.6	550.8	**2,351.2**
Habia Cable	247.5	208.1	168.3	184.6	**808.5**
Beijer Tech	187.0	207.8	183.8	232.9	**811.5**
Parent Company and intra-Group	0.1	0.1	–	0.1	**0.3**
Total	**1,059.4**	**1,064.0**	**879.7**	**968.4**	**3,971.5**
Operating profit					
Lesjöfors	130.2	141.7	102.5	103.0	**477.4**
Habia Cable	24.5	6.4	4.6	6.7	**42.2**
Beijer Tech	8.6	12.1	10.3	16.2	**47.2**
Parent Company and intra-Group	–22.8	–10.0	–4.6	–1.0	**–38.4**
Consolidated operating profit	**140.5**	**150.2**	**112.8**	**124.9**	**528.4**
Net financial items	–2.7	–3.2	–3.2	–1.9	**–11.0**
Profit after net financial items	**137.8**	**147.0**	**109.6**	**123.0**	**517.4**

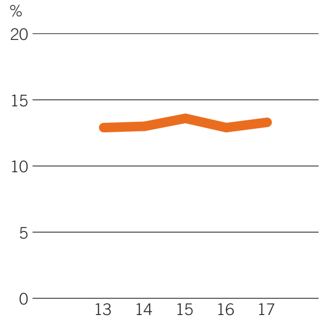
INVOICING



PROFIT AFTER NET FINANCIAL ITEMS



OPERATING MARGIN



14%

ORDER BOOKINGS. Order bookings increased 14 percent to MSEK 4,031 (3,530).

12.89

EARNINGS PER SHARE. Earnings per share totaled SEK 12.89 (10.87).

Invoicing record in chassis springs

INVOICING RECORD. Lesjöfors's sales of chassis spings reached a record level.

3,971

INVOICING. Invoicing increased 13 percent to MSEK 3,971 (3,527).

Turnaround in Beijer Tech

EARNINGS IMPROVEMENT. Beijer Tech's operating profit increased from MSEK 8 to MSEK 47.

9.50

DIVIDEND. The Board proposes an unchanged dividend of SEK 9.50 (9.50).

517

PROFIT AFTER NET FINANCIAL ITEMS. Profit after financial items amounted to MSEK 517 (447).

A record year with distinct challenges

The stronger economy contributed to the best invoicing and earnings to date in Beijer Alma's history. At the same time, Habia was negatively impacted by the developments in telecom and nuclear power. Cost adaptations were implemented and more action is expected ahead.

How would you summarize the market situation in 2017?
During the year, the economy gradually became stronger. The upswing was far-reaching in terms of both geographic market and industry.

How do you think Beijer Alma's companies performed?
It was a mix of good and bad. Overall, we achieved an "all-time high" in terms of invoicing and earnings, but if we look at the underlying parts of the Group, we see both successes and disappointments.

What were the successes?
Lesjöfors and Beijer Tech performed extremely well. In Lesjöfors's two business areas, sales and profit increased substantially and record levels were achieved. We were helped by healthy demand, but this was also the result of expert work and we have started to benefit from Lesjöfors's global organization. Beijer Tech has reversed its performance for the better. This earnings improvement was due to a combination of lower costs, increased volumes and the acquisition of Svenska Brandslangsfabriken.

And the disappointments?
I am not satisfied with Habia's performance. Telecom cables have been subject to intense price pressure, and low levels of deliveries to the project-driven nuclear power sector led to loss of earnings. We were also affected by operational disruptions in a key process.

How are you addressing this?
We have cut costs. The operational disruptions have been remedied, but we still need to get to grips with delivery delays. That is our highest priority. When we are up to date with deliveries, further cost adaptations will likely be made.

Are there any new business transactions you would like to mention?
There is no single project that stands out. Growth was primarily attributable to existing customers. Lesjöfors is working globally to sell the various plants' specialized products and these efforts are starting to yield results. We need to be a global supplier with local production for customers that are established in several markets. Habia has been developing products for offshore for some time. We are now hoping for a breakthrough.

Any concluding words?
I want to thank all our employees who collaborated to make 2017 the best year to date for Beijer Alma. I also want to welcome Henrik Perbeck to Beijer Alma.

Jan Blomén, Acting President and CEO of Beijer Alma from November 2017 through February 2018.

Focus on value creation and expansion

He holds a Master of Engineering, has extensive experience of international business and is happiest working in an expansive operation that manufactures and sells technical products that offer clear added value. Introducing Beijer Alma's new President and CEO, Henrik Perbeck.

Tell us a little about yourself.
I most recently served as CEO of ViaCon Group, which manufactures and sells pipes, road bridges and other infrastructure. My time at the company was exciting, with structural transactions and a focus on strategic sales and new markets. My career has consistently been characterized by two themes – international business and expansion. My background is in engineering, I've lived abroad for many years and I enjoy working in companies with value-generating, technical products where I can play an active role in sales and management.

You have been involved in international business for many years. What are the most important lessons you learned?
I've learned that it's important to leverage the strength of the products and corporate culture and apply them in the local operations with certain adjustments. I've also learned from experience that business decisions – based on fundamental financial and ethical goals and frameworks – should be decentralized. In terms of working with individuals and helping them to grow, I prefer to focus less on cultural differences and preconceptions, and more on drive and responsibility as well as my own ability to provide support and a strong presence in the company's day-to-day operations.

What attracted you to Beijer Alma?
Beijer Alma has strong industrial companies that I look forward to getting to know on an in-depth level. Thanks to numerous years of favorable earnings, the company has a strong foundation. My main job now is to ensure the company continues to grow with healthy profitability. I will say more later about exactly how I plan to do this, but I'm proud to have been entrusted by the Board of Directors to lead this journey.

Do you plan to focus on any particular issues?
In the near future, I plan to quickly familiarize myself with the operations of the subsidiaries and support their management teams in their ongoing initiatives and business. In parallel with this, I plan to establish a clear strategy and role for Beijer Alma as an active industrial owner.

What are your goals for 2018?
So far, I have visited about ten facilities, which has confirmed the positive impression I have of the Group companies. When it comes to 2018, I'm certain it will be an intense year. For us, it's important that the industrial economy remains strong. But the true source of our success lies in our daily work with our customers and employees. So after numerous meetings with talented people, I'm now starting to build a base that will provide the Group with many good years going forward.

Henrik Perbeck, President and CEO of Beijer Alma from March 2018.

Business environment trends and Beijer Alma

Three business environment trends are having a particularly strong impact on our operations – globalization of the world economy, continuing digitization, and growing environmental and sustainability requirements. As a result of these trends, our business models and strategies must gradually be adapted to ensure our competitiveness.

Globalization

Impact of business environment trends

- Trade is becoming borderless and competition from companies throughout the world is increasing.
- More manufacturing is being relocated to low-cost countries.
- A growing number of industrial investments are being made in emerging markets, such as Asia.
- Intensifying competitive pressure on industrial companies from high-cost countries, including in Europe.

Beijer Alma's strategy

- Focus on business with high customer value, such as springs and cables that increase technical performance, generate savings, enhance efficiency or offer other improvements.
- Ongoing productivity improvements to strengthen competitiveness.
- Relocation of manufacturing to low-cost countries.
- Acquisition of companies in emerging markets.
- Continued development of international sales, which boost growth for the niche products that our companies offer.

Work in Group companies

- Continued focus on high customer value. In Lesjöfors, through customized springs, breadth of range, and first-rate service and logistics solutions; in Habia, through the development of customized cables, cable harnesses and products with high technical performance; in Beijer Tech, through a stronger focus on customization using proprietary production and refinement.
- Lesjöfors and Habia have production operations in Latvia, Poland, Slovakia, China, Thailand and Mexico to ensure competitiveness.
- Lesjöfors and Habia are increasing cross-selling between their operations in Asia, Europe and USA, and offering their customers local manufacturing in a growing number of markets.
- More supplementary acquisitions that broaden the operations geographically and strengthen the offering.

Digitization

Impact of business environment trends

- Easy to make online price comparisons and purchases from suppliers throughout the world.
- Increased use of digital tools in production, marketing and sales.
- Price pressure in companies with operations in traditional industrial countries.

Beijer Alma's strategy

- Develop digital tools that make it easier for customers to access product information, make purchases and place orders.
- Ongoing efficiency enhancements to address price pressure.

Work in Group companies

- More digital tools directly online – such as drawing and process tools – that customers can adapt to their models and calculations.
- More digital sales support in Beijer Tech, such as digital product catalogs that improve service.
- Habia uses digital tools for customer satisfaction surveys and is launching a new, comprehensive IT system that will enhance the efficiency of its sales.
- Measures by Lesjöfors to increase the proportion of direct sales of standard products using e-commerce.

Increasing environmental requirements

Impact of business environment trends

- Transition to new energy solutions.
- Sustainability aspects are impacting companies' earnings and being integrated into business models and strategies.
- Acquisitions of new businesses must be conducted in technology areas that will not be negatively affected by technology shifts.
- Investments in technology, machinery and equipment that are not at risk of quickly becoming outdated.
- Intensifying environmental requirements are creating new business opportunities, for example, in the development of new environmental technology.

Beijer Alma's strategy

- Avoid dependence on operations that will be affected by anticipated technology shifts.
- Leverage new business opportunities being created, for example, by developing products with a lower environmental impact.
- Focus on a sustainable value chain, in which the Group adopts a lifecycle perspective towards products and services.

Work in Group companies

- Local goals for reducing environmental impact, mainly in energy, emissions and waste.
- Habia has developed lighter, more flexible cables that require less material in production as well as products with a longer life that do not need to be replaced as often as traditional cables.
- Beijer Tech offers a growing number of products with reduced environmental impact, such as grinding equipment made from natural materials that simplify waste management.
- In its supplementary acquisitions, Lesjöfors avoids businesses that are dependent on fossil fuels.
- Lesjöfors participates in the development of springs and other components for the vehicle fleet of tomorrow.

The right action at the right time

Our three subsidiaries are evaluated continuously. We measure and follow up the same key figures and thus gain a clear view of their development over time. Using this approach, it is also easier to reach quick decisions and, where necessary, adapt everything from new investments to costs and staffing.

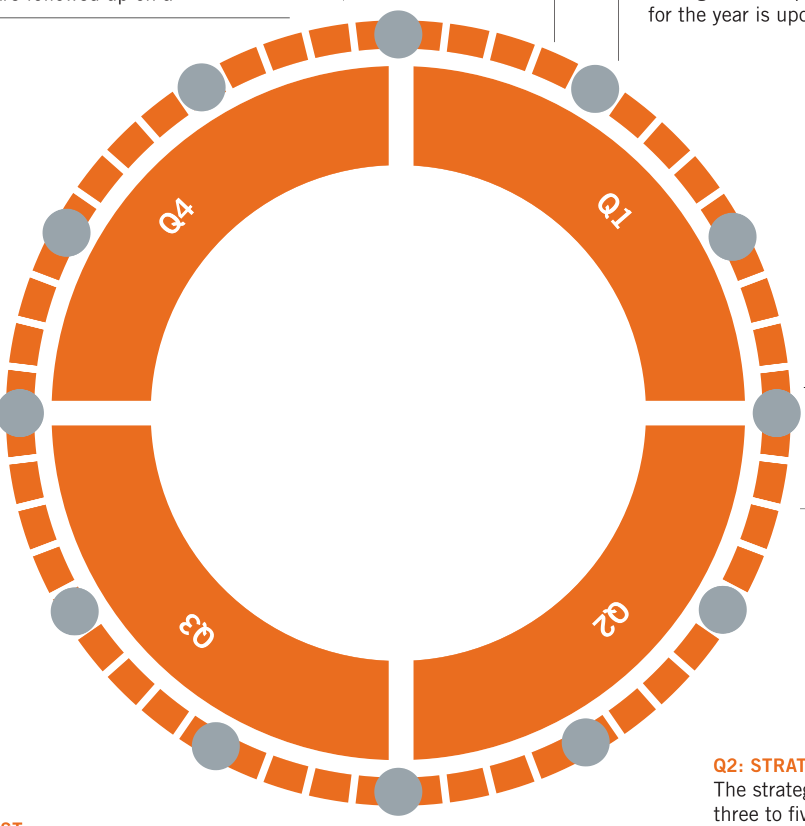
QUARTERLY FORECAST
The forecast for the coming year is presented in December.

WEEKLY REPORTING
Ongoing weekly reporting from the subsidiary management teams to Group management. The focus is on sales and order bookings.

MONTHLY MEETINGS
Group management meets with the subsidiary management teams every month to review their income statements, balance sheets and cash-flow statements. Market performance and acquisition processes are also monitored.

Q4: STRATEGY REVIEW COMPLETED
The results of the strategy review are presented. Based on the overall objectives and guidelines, subtargets and tangible activities are established for the subsidiaries. These are followed up on a monthly basis.

QUARTERLY FORECAST
During the first quarter, the forecast outcome for the year is updated.



QUARTERLY FORECAST
Ahead of the fourth quarter, the forecast outcome for the year is updated.

Q2: STRATEGY REVIEW BEGINS
The strategy is formulated for a period of three to five years. Starting in the second quarter each year, a review is conducted involving Group management and the subsidiary management teams.

QUARTERLY FORECAST
Ahead of the third quarter, the forecast outcome for the year is updated.

Strategic planning

Beijer Alma leads the strategy development process in the Group, establishes the agenda, and contributes analyses and expertise. Objectives and guidelines are established for each subsidiary. The aim of this annual process is to assess the creation of customer value, market potential, competitive situation and long-term development opportunities in the subsidiaries' various business areas. Using this strategy process, three to five-year action plans are established for all of the operations.

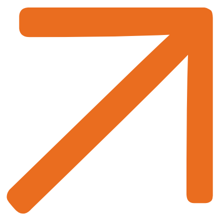
Traditional budgets have been replaced with forecasts that are updated each quarter. This allows the subsidiaries to be evaluated in comparison with historical performance and strategic plans. The quarterly forecasts provide the best possible assessment of the business situation and outcome for the year at any given time.

Management and follow-up

The subsidiaries are evaluated on a monthly basis. Key figures are followed up and assessments are performed in various areas, including market development, competitors and acquisition projects. By measuring the same parameters, a long time series is established that provides an accurate view of the long-term trend. Should any major negative deviations be discovered, action plans are then established and implemented within the subsidiaries. These are then assessed and adjusted during subsequent evaluations. This makes it easier to address any deviations at an early stage. Order bookings and invoicing are followed up weekly at all units. This enables us to quickly identify any changes in demand, which may result in adaptations to costs and staffing.

%

The gross margin is one of the most important key figures in the follow up and control of the Group companies. This profitability measure provides the Group with a good understanding of the price trend and the efficiency and competitiveness of its three operations.



Another important key figure is the Group companies' operating margins. This key figure provides a good understanding of each company's performance and is useful in comparisons.

The Group companies are continuously evaluated through weekly reports, monthly meetings and quarterly forecasts. This provides a clear view of their development over time and ensures that the right action is taken at the right time.

How we assume responsibility

For Beijer Alma, it is self-evident that there is connection between healthy business operations and corporate social responsibility. Our sustainability work contributes to a better world, creates new business opportunities, cuts costs, reduces risks and allows us to meet the demands and expectations of various stakeholders.

Objective 1 – More efficient energy consumption

Energy consumption is measured in relation to invoicing. The base year is the average of the years 2012 and 2013. The objective is to reduce energy consumption in relation to invoicing by 10 percent by 2018. The reduction to date is 3 percent. This means that additional measures are required. Among other steps, additional energy audits will be carried out in 2018.

Objective 2 – Reduced climate impact

Emissions are measured as CO_2 emissions in relation to invoicing. The base year is the average of the years 2012 and 2013. The objective is to reduce emissions from energy consumption by 10 percent by 2018. In recent years, Beijer Alma has relocated its production to low-cost countries with coal-based electricity production. This has made it more difficult to achieve this objective. Emissions have been reduced by 2 percent to date. The measures taken include using green electricity where possible and energy-efficiency enhancements.

Objective 3 – Reduced waste

Waste is measured as the amount of waste in relation to invoicing. The base year is the average of the years 2012 and 2013. Most of the waste comprises metals with limited improvement potential. This share has increased in recent years since Lesjöfors has accounted for the majority of the Group's growth. Measured have be taken to reduce scrapping, and increase recycling and source sorting. Despite these measures, the key figure is unchanged.

Objective 4 – Safe work environment

We have a vision of zero tolerance when it comes to workplace accidents and aim to reduce our accident frequency rate. Each unit is to introduce a system for registering incidents occurring in the work environment. Despite training and other preventive work, the number of workplace accidents has not declined. Continued systematic health and safety measures are required to achieve this goal.

Objective 5 – Increased social commitment

From 2015 to 2018, we will increase our social commitment. Beijer Alma is engaged in non-profit activities, including supporting vulnerable people and recruiting teachers in natural science subjects. At a local level, the companies cooperate with schools and universities, while also contributing to sports clubs, healthcare and culture. The trend is positive and it is possible to achieve the target.

Read more about our sustainability targets in our Sustainability Report (beijeralma.se).

Teach for Sweden

Beijer Alma provides Teach for Sweden with monetary support. The organization applies a new approach to recruiting teachers – primarily in natural science subjects – to work at schools in socially disadvantaged areas.

Work environment

Lesjöfors Springs LV and Lesjöfors Gas Springs invested in a new surface treatment facility. This resulted in increased efficiency and an improved work environment thanks to a reduction in emissions.

LED

Increased use of LED lighting and investments in more energy-efficient production equipment and infrastructure are positive for both the climate and the economy.

ISO 14001

The goal is for certified management systems to be in place wherever relevant. 76 percent of the units are certified and four units are planning to become certified within the next year.

3D

The Beijer Tech company Karlebo has invested in Sweden's largest 3D printer. More complex components are now being supplied that can enhance the performance of customer products – for example, generating energy savings in engines and pumps.

Environmental benefits

Beijer Alma's products provide the customer with environmental benefits. These products include everything from ergonomic fire hose and cables for electric motorbikes to spring components for wind turbines and solar panels.

222

In 2017, 222 suppliers were assessed in terms of sustainable development.

Quality

Habia has trained additional employees in the Six Sigma quality program. This increases flexibility and means that more knowledge can be leveraged in the event of absences or capacity peaks.

Based on the Global Compact

Given that its sustainability work is based on the Ten Principles of the Global Compact, Beijer Alma focuses on the following areas:

- Applying sound business principles and high ethical standards. Preventing corruption is an important part of this work.
- Creating a safe, positive and stimulating work environment.
- Using natural resources as efficiently as possible and minimizing environmental impact. Energy and climate issues create challenges for Beijer Alma and for society as a whole.
- Approaching our operations from a life cycle perspective – raw materials, suppliers, products, services and customers. Customers and other stakeholders are showing a growing interest in environmental and social responsibility. Linking environmental benefits to business advantages contributes to the development of the Group.
- Involvement in the communities in which Beijer Alma operates.

Code of Conduct offers guidance

The Code defines our stance on issues pertaining to people and society, the environment and ethics. The Code of Conduct applies to everyone working at Beijer Alma, regardless of where they are in the world. The Code is based on international conventions, the Global Compact and the ISO 26000 standard for social responsibility.

Whistleblower system

Our whistleblower system allows all employees to report any serious improprieties without the risk of harassment or reprisal. All reports are handled by an external recipient, who ensures that the reports are investigated and that appropriate action is taken.

Management and follow-up

Sustainability issues impact Beijer Alma's operations in many ways – for example, in connection with the introduction of new technology, internal and external communications, corporate acquisitions, crisis and risk management, financial reporting and training. Issues pertaining to the long-term strategy, overall objectives, contacts with the media and investors, and financial reporting are handled at Group level. The Group's Board of Directors receives regular status updates on the sustainability work.

Value for stakeholders

The Group's sustainability work is influenced by internal and external stakeholders, who impose demands and have expectations of Beijer Alma. Meeting and exceeding these expectations – and planning for anticipated

2014

- Detailed Group-wide energy, climate, waste, work environment and social commitment objectives set.
- Expanded sustainability reporting on website. Continued CDP reporting.
- Continued implementation of ISO 14001 at manufacturing facilities.
- Proposal for incorporating sustainability issues into strategic planning.

2015

- Participation in UN Global Compact and report on how the Group applies the Ten Principles. Assessment of how sustainability objectives relate to the new UN global goals.
- Continued work on Group energy, climate, waste, work environment and social commitment objectives.
- Expanded sustainability reporting and continued CDP reporting.

2016

- Sustainability issues incorporated into strategic planning.
- Updated Code of Conduct.
- Continued focus on energy issues and the EU Energy Efficiency Directive.
- Sustainability and CDP reporting expanded. First report to the UN (COP). Clearer connection to UN global goals.
- Continued implementation of ISO 14001. Adaptation to ISO 14001:2015 begins.

Beijer Alma's sustainable development strategy is based on the Code of Conduct. The long-term objectives highlight key areas and contribute to the company's continuous improvement efforts.

future demands – is an important part of our sustainable development strategy. The basic concept is to create value for our stakeholders.

We have defined customers, employees, suppliers, investors and authorities as key stakeholder groups. Given our social commitment, society is also regarded as an important stakeholder. Our dialog with stakeholders comprises development talks with employees, regular contact with customers, meetings with investors, contact with various authorities, and collaboration with suppliers.

Focus on key issues

An important part of our strategy for sustainable development involves focusing on issues that are important to the Group's business strategy and to its stakeholders. Analyzing and reporting on issues deemed to be of key significance is part of the Group's strategic work.

The analysis for 2017 showed that Beijer Alma should primarily focus on energy efficiency, reduction of climate impact, increased resource efficiency (waste), creating a safe and stimulating workplace, social commitment and sound business ethics. Other key areas include environmentally adapted product development and risk management as well as the potential impact of future legislative developments on Beijer Alma.

Risks and opportunities

When it comes to sustainability, we have identified a number of risks that may be of significance for the Group's financial position. Stricter environmental legislation, taxes, charges and other environmental requirements could give rise to substantial costs for the Group's industrial operations. Certain risks involving environmental and social responsibility from a business perspective have been identified in recent years, particularly related to manufacturing in developing countries. Beijer Alma regularly performs risk assessments in the countries where it operates. The objective is to identify new risks and/or costs associated with environmental, ethical and social responsibility as early as possible.

Attitudes toward sustainable development have changed in recent years. Expectations that business and industry should contribute in a positive manner have increased, creating opportunities for Beijer Alma in several areas. More efficient utilization of resources, reduced environmental impact, development of environmentally friendly products and a distinct social responsibility are examples of areas in which the Group can create competitive advantages and contribute to sustainable development.

2017

- Update to ISO 14001:2015 continues.
- Energy audits in accordance with the EU Energy Efficiency Directive. Reporting to the Swedish Energy Agency.
- Numerous activities relating to energy, climate, waste, work environment and social commitment.
- Preparations for new legislation on compulsory sustainability reporting. CDP and COP reporting.

2018

- First report in accordance with the new sustainability legislation. CDP and UN reporting.
- Further environmental certification and completion of the update to ISO 14001:2015.
- Energy audits in accordance with the EU Energy Efficiency Directive.
- Group targets evaluated and updated. Review of Group strategy for sustainable development.

2019

- Focus on energy, climate, waste, work environment, ethics and social commitment.
- Energy audits and energy efficiency enhancements continue.
- Sustainability, CDP and UN reporting.

The share

The Beijer Alma share is listed on the Nasdaq Stockholm Mid Cap List. For many years, the Group's share-price trend has significantly surpassed that of the average listed company. Interest in the Beijer Alma share has increased significantly in recent years. At year-end 2017, there were 12,558 shareholders in the Group, more than double the number five years ago, when we had 4,710 shareholders.

7,894

MARKET CAPITALIZATION. At year-end 2017, Beijer Alma had a market capitalization of MSEK 7,894. In 2007, the Group's market market capitalization was MSEK 1,900.

262.00

SHARE PRICE. In 2017, the market price of the Beijer Alma share rose 13 percent. The Stockholm All Share Index increased 6 percent. The closing price at year-end was SEK 262.00 (233.00). The highest price was SEK 282.00, which was quoted on October 20. The lowest price was SEK 222.00, which was quoted on June 21.

2,557,526

SHARES TRADED. A total of 2,557,526 shares were traded during the year, corresponding to 9 percent of the outstanding Class B shares. An average of 10,189 shares were traded each trading day.

12,558

NUMBER OF SHAREHOLDERS. At year-end 2017, Beijer Alma had 12,558 shareholders. In 2007, the Group had 3,002 shareholders. This means that the number of shareholders has more than quadrupled in ten years. Of the total number of shareholders, institutional owners accounted for 55.1 percent of capital and 33.6 percent of votes. The holdings of foreign shareholders accounted for 10.2 percent of capital and 4.9 percent of votes.

PER-SHARE DATA	2017	2016	2015	2014	2013
Earnings per share after 22.0% standard tax rate, SEK	**13.39**	11.57	12.09	10.96	9.96
After tax, SEK	**12.89**	10.87	11.74	10.60	9.59
Shareholders' equity per share, SEK	**66.08**	63.11	60.91	57.91	53.46
Dividend per share, SEK	**9.50** [1)]	9.50	9.50	8.50	8.00
Dividend ratio, %	**74**	87	81	80	83
Dividend yield, %	**3.6**	4.1	4.3	4.7	4.5
Market price at year-end, SEK	**262.00**	233.00	219.50	182.50	177.00
Highest market price, SEK	**282.00**	244.00	230.50	210.50	184.50
Lowest market price, SEK	**222.00**	177.50	168.00	158.50	116.00
P/E ratio at year-end	**20.3**	21.4	18.7	17.2	18.5
Cash flow per share after capital expenditures	**8.96**	7.36	8.36	4.85	6.64
Closing number of shares outstanding	**30,131,100**	30,131,100	30,131,100	30,131,100	30,131,100
Average number of shares outstanding	**30,131,100**	30,131,100	30,131,100	30,131,100	30,131,100

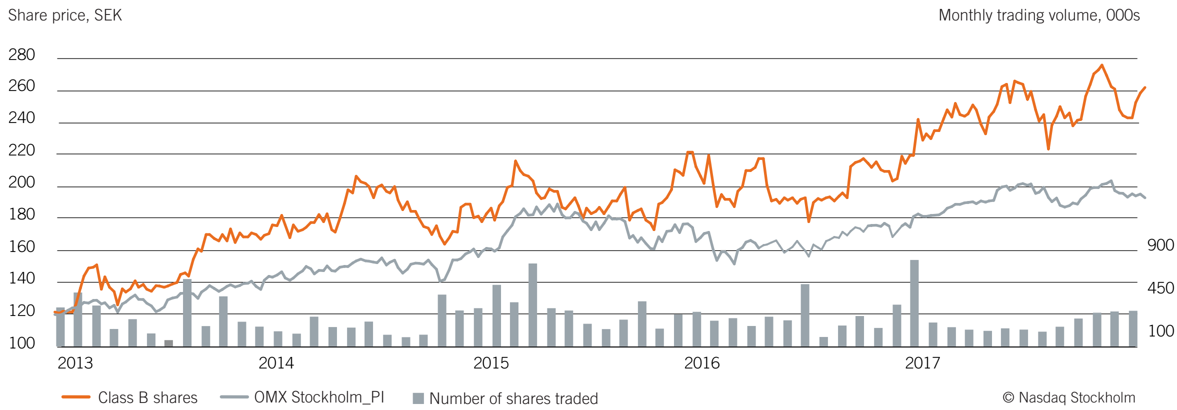
1) Dividend proposed by the Board of Directors

LARGEST SHAREHOLDERS	Number of shares	of which, Class A	of which, Class B	Number of votes	% of share capital
Anders Walls Foundation	4,069,470	774,200	3,295,270	11,037,270	13.5
Anders Wall with family and companies	3,513,120	1,921,600	1,591,520	20,807,520	11.7
Didner & Gerge Fonder Aktiebolag	2,457,454	0	2,457,454	2,457,454	8.2
Verdipapirfond Odin	2,324,333	0	2,324,333	2,324,333	7.7
SEB Fonder	2,233,941	0	2,233,941	2,233,941	7.4
Lannebo Fonder	1,873,676	0	1,873,676	1,873,676	6.2
Swedbank Robur Fonder	1,348,420	0	1,348,420	1,348,420	4.5
Fourth Swedish Pension Insurance Fund	1,033,236	0	1,033,236	1,033,236	3.4
Fidelity Funds	518,867	0	518,867	518,867	1.7
Göran W Huldtgren with family and companies	479,061	306,633	172,428	3,238,758	1.6
JP Morgan Bank	469,400	0	469,400	469,400	1.6
Skandia Fonder	408,314	0	408,314	408,314	1.4
DnB – Carlson Fonder	343,208	0	343,208	343,208	1.1
Nordea Fonder	319,689	0	319,689	319,689	1.1
Other shareholders	8,738,911	302,567	8,436,344	11,462,014	29.0
Total	**30,131,100**	**3,305,000**	**26,826,100**	**59,876,100**	**100.0**

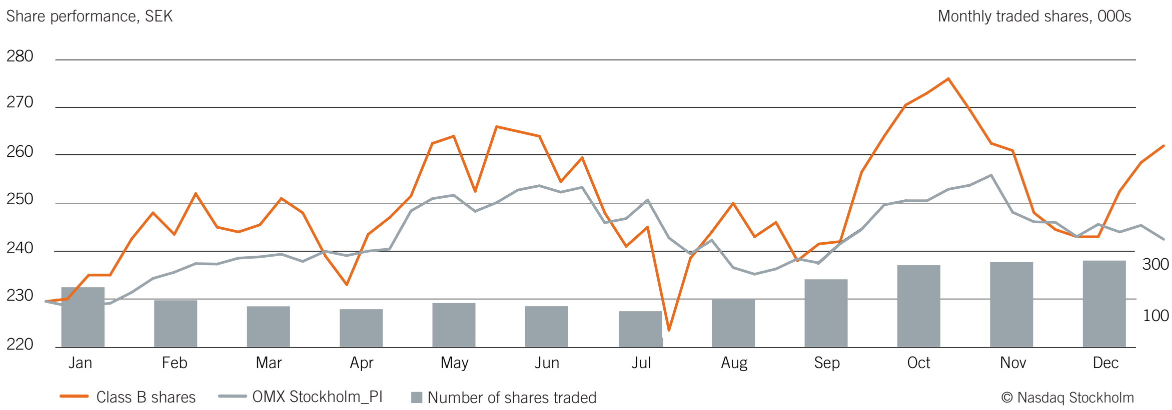
Shareholders' register, December 31, 2017, including known changes

HOLDING	No. of shareholders	Participating interest, %	No. of shares	No. of Class A shares	No. of Class B shares	Holding, %	Votes, %
1–500	10,675	85.0	911,949	0	911,949	3.0	1.5
501–5,000	1,620	12.9	2,442,831	3,633	2,439,198	8.1	4.1
5,001–10,000	109	0.9	776,067	0	776,067	2.1	1.3
10,001–20,000	46	0.4	639,440	14,400	625,040	2.1	1.3
20,001–50,000	49	0.4	1,553,448	224,924	1,328,524	5.2	6.0
50,001–100,000	25	0.2	1,779,474	218,010	1,561,464	5.9	6.3
100,001–	34	0.3	22,027,891	2,844,033	19,183,858	73.1	79.5
Total	**12,558**	**100.0**	**30,131,100**	**3,305,000**	**26,826,100**	**100.0**	**100.0**

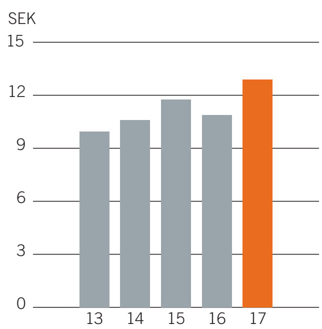
SHARE PERFORMANCE 2013–2017



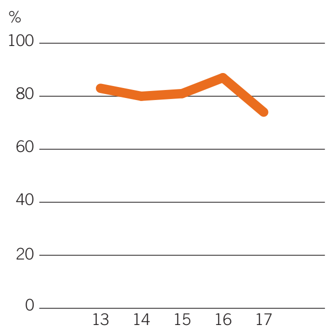
SHARE PERFORMANCE 2017



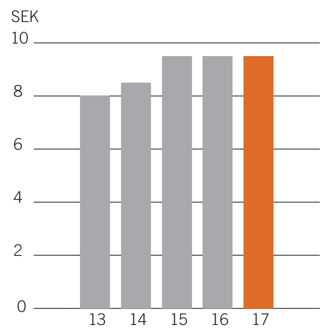
EARNINGS PER SHARE



DIVIDEND RATIO



DIVIDEND



DIVIDEND. Beijer Alma's policy states that dividends are to amount to not less than one-third of the Group's net profit, excluding items affecting comparability, although consideration is always to be given to the Group's long-term financing needs.

ANALYSTS

Danske Bank, Max Frydén
Carnegie Investment Bank AB, Mikael Löfdahl
Erik Penser Bankaktiebolag, Johan Widmark
SEB, Johan Dahl
Nordea, Christian Hellman

Ten-year summary

In 2017, invoicing amounted to MSEK 3,971.5 and profit after net financial items to MSEK 517.4. Over the past ten years, the Beijer Alma Group's invoicing has increased 140 percent annually. During the same period, profit after net financial items has grown nearly 83 percent.

MSEK	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Net revenues	**3,971.5**	3,527.5	3,521.9	3,298.2	3,066.5	2,779.7	2,830.2	2,290.1	1,571.2	1,836.3
Operating profit	**528.4**	455.2	477.3	427.5	396.3	372.3	441.4	406.3	238.2	302.4
Net financial items	**–11.0**	–8.2	–10.4	–3.9	–11.6	–10.5	–12.7	–7.5	–11.7	–7.4
Profit after net financial items	**517.4**	447.0	466.9	423.6	384.7	361.8	428.7	398.8	226.5	295.0
Tax	**–129.1**	–119.4	–113.2	–104.3	–95.7	–93.3	–115.8	–112.3	–64.1	–78.3
Net profit	**388.3**	327.6	353.7	319.3	289.0	286.5	312.9	286.5	162.4	216.7
Non-current assets	**1,551.5**	1,504.8	1,314.2	1,347.0	1,192.5	1,111.6	927.4	820.3	616.6	657.2
Current assets	**1,883.8**	1,646.4	1,555.6	1,396.7	1,355.5	1,283.1	1,273.4	1,155.5	773.6	803.6
Shareholders' equity	**1,991.1**	1,901.5	1,835.3	1,744.8	1,610.9	1,519.5	1,482.9	1,394.5	985.9	959.6
Non-current liabilities and provisions	**219.7**	309.0	262.3	313.9	299.2	323.5	171.0	140.2	100.0	107.7
Current liabilities	**1,220.6**	936.9	768.5	681.3	634.3	549.1	544.2	438.4	301.2	390.2
Total assets	**3,435.3**	3,151.2	2,869.8	2,743.7	2,548.0	2,394.7	2,200.8	1,975.8	1,390.2	1,460.8
Cash flow	**186.5**	173.6	251.8	146.0	200.0	130.1	152.0	168.3	215.8	150.1
Depreciation and amortization	**130.5**	117.3	110.6	98.7	86.7	78.7	76.3	70.7	71.4	68.2
Net capital expenditures, excluding corporate acquisitions	**125.9**	203.6	135.8	140.0	126.3	70.5	89.2	55.2	60.5	89.1
Capital employed	**2,727.8**	2,488.2	2,281.5	2,125.8	1,957.0	1,815.8	1,729.4	1,541.7	1,122.2	1,139.4
Net liabilities	**408.7**	313.1	194.1	189.8	92.3	56.8	–22.5	–91.2	–59.5	18.4
Key figures, %										
Gross margin	**31.8**	32.5	32.8	32.4	32.4	33.7	34.8	37.7	36.4	35.3
Operating margin	**13.3**	12.9	13.7	13.0	12.9	13.4	15.6	17.7	15.2	16.5
Profit margin	**13.0**	12.7	13.3	12.8	12.5	13.0	15.1	17.4	14.4	16.1
Equity ratio	**58**	60	64	64	63	64	67	71	71	66
Proportion of risk-bearing capital	**60**	62	66	65	65	66	70	73	73	68
Net debt/equity ratio	**20**	16	11	11	6	4	–2	–6	–6	2
Return on shareholders' equity	**20.7**	18.7	20.3	19.7	19.2	17.8	21.8	24.7	17.2	23.5
Return on capital employed	**20.8**	19.1	21.7	21.3	21.1	21.2	26.4	30.6	21.2	28.3
Interest-coverage ratio, multiple	**42.5**	48.8	41.8	41.3	28.9	27.5	27.5	43.3	18.7	21.4
Average number of employees	**2,546**	2,340	2,262	2,124	2,110	1,831	1,687	1,397	1,146	1,220
Earnings per share after tax	**12.89**	10.87	11.74	10.60	9.59	8.91	10.38	9.51	5.92	7.90
Dividend per share, SEK	**9.50**	9.50	9.50	8.50	8.00	7.00	7.00	7.00	5.00	5.00

Lesjöfors

Lesjöfors is a global manufacturer of springs, wire and flat strip components. Its comprehensive range includes both standard products and customized components. Lesjöfors is the largest spring company in the Nordic region and a leader in Europe. Its technical sales and service are strong competitive advantages, as are its low-cost manufacturing and worldwide delivery capacity. The operations are divided into two business areas: Industry and Chassis Springs.

- Within Chassis Springs, Lesjöfors is the market leader in Europe and an inventory-maintaining manufacturer that offers a comprehensive product range.
- Dominated by customer-specific products, Industry conducts sales in 60 markets.
- Lesjöfors has 26 production units in 12 countries. More than 80 percent of sales are conducted outside Sweden.

LESJÖFORS – CUSTOMIZED SPRINGS

Lesjöfors manufactures many types of customized springs. Adjustments are made based on cooperation with the customer early in the development work, the development of prototypes and customer-specific tools, and manufacturing processes adapted for specialized products. Among other factors, choice of selection, dimensioning and surface treatment play a major role in the design of the springs. Below are some of the requirements imposed on springs from Lesjöfors.

TEMPERATURE REQUIREMENTS

High operating temperature
Maintain the spring force over time at temperatures up to 700 degrees Celsius.

Lesjöfors's solution
Right choice of material, customized dimensioning and adapted heat treatment of the spring to increase strength.

DEMANDING ENVIRONMENTS

Corrosive, caustic environments
Maintain performance in demanding environments where springs are exposed to acids and other substances.

Lesjöfors's solution
Right choice of material, with springs manufactured in a suitable super alloy to allow them to withstand the strain.

PHYSICAL REQUIREMENTS

Fatigue resistance
High reliability, with springs able to withstand multiple stress cycles.

Lesjöfors's solution
Right choice of material, adapted dimensioning and finishing of the steel in the spring to improve fatigue characteristics.

MAGNETIC REQUIREMENTS

Non-magnetic properties
Springs cannot affect or be affected by nearby magnetic fields.

Lesjöfors's solution
Right choice of material, with springs manufactured in copper, for example, which is entirely non-magnetic.

ELECTRICAL REQUIREMENTS

Low electrical resistance
High spring function at the same time as the spring can conduct currents with low losses.

Lesjöfors's solution
Choice of material and surface treatment of the spring through tinning, for example, which ensures its electrical conductivity.

2,351

SALES. Sales amounted to MSEK 2,351 (2,009).

20.3

OPERATING MARGIN. The operating margin was 20.3 percent (18.9).

10%

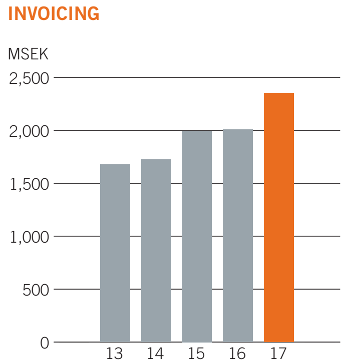
INDUSTRY. Strong demand resulted in organic growth of 10 percent.

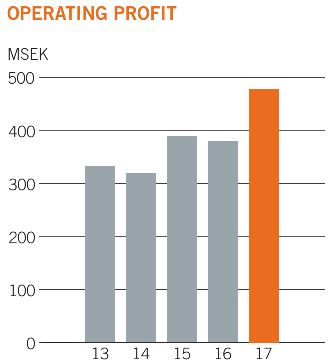
477

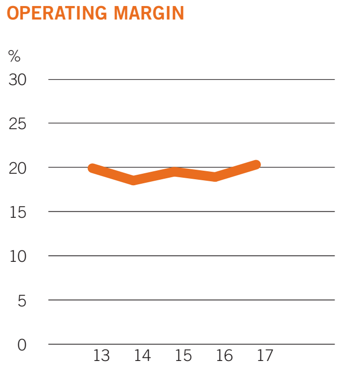
OPERATING PROFIT. Operating profit totaled MSEK 477 (380).

RECORD SALES

CHASSIS SPRINGS. Record sales that amounted to MSEK 675.







KEY FIGURES MSEK	**2017**	**2016**	**2015**	**2014**	**2013**
Net revenues	**2,351.2**	2,009.4	1,995.9	1,725.7	1,676.3
Cost of goods sold	**–1,537.5**	–1,332.5	–1,316.6	–1,141.8	–1,093.9
Gross profit	**813.7**	676.9	679.3	583.9	582.4
Selling expenses	**–162.0**	–144.2	–147.8	–134.7	–130.4
Administrative expenses	**–174.4**	–152.5	–143.1	–129.6	–120.3
Operating profit	**477.3**	380.2	388.4	319.6	331.7
Operating margin, %	**20.3**	18.9	19.5	18.5	19.8
Net financial items	**–5.2**	–4.0	–6.7	0.9	–4.4
Profit after net financial items	**472.1**	376.2	381.7	320.5	327.3
of which, depreciation and amortization	**92.1**	81.3	77.2	68.4	59.0
Capital expenditures, excluding corporate acquisitions	**111.2**	149.2	66.3	104.0	106.2
Return on capital employed, %	**26**	27	31	28	39
Average number of employees	**1,703**	1,528	1,468	1,343	1,386

KJELL-ARNE LINDBÄCK, PRESIDENT OF LESJÖFORS:

"Double growth generates record result for Lesjöfors"

How would you summarize the developments over the year?
2017 turned out better than expected. For example, this was the first time in several years that we had organic growth in Industrial Springs. As a result, many plants worked at full capacity and we were generally able to handle the growth well. What was unique about 2017 was the strong growth experienced by both Industrial Springs and Chassis Springs. It was a record year for Chassis Springs, with a sales increase of about 30 percent compared with 2016. This generated excellent earnings for Lesjöfors overall.

You previously carried out acquisitions and expanded in Asia. How have these businesses developed?
We created a platform with operations in China, Singapore and Thailand. This gives us a spread of knowledge that enables us to offer new opportunities to customers with operations in both Europe and Asia. We can deliver to these customers regardless of their location, and this has proven to be a winning concept. We have breadth and can also continue to expand our business organically.

As you mentioned, sales in Industrial Springs are improving again. What is this due to?
The economy has improved and we are experiencing growth like we haven't seen since before the 2008/2009 financial crisis. This trend is clear in many different industries, including construction and civil engineering, automotive and automation as well as mining and offshore. Offshore has been stagnant for a long time, but in 2017, the change was clear. To meet demand, we are constantly developing our operations. Take Slovakia, for example, where we have expanded the plant and made new investments in machinery.

Your goal was to leverage more synergies and cross-selling. What progress was made in 2017?
When we acquired our US business in 2014, we also bought a new technology area in the form of motor springs. Our plan was to bring these products to our customers in Asia and Europe, and we have made good progress in this area. For example, we have transferred technology from the US and built up production capacity in Latvia. As a result, we are now able to offer local production of motor springs for the European market.

What will be the company's main focus in 2018?
Not anything new, but achieving more of the same, meaning further developing the platforms we already have. We will also make a number of organizational changes to enhance the efficiency of our work by utilizing synergies and capitalizing on economies of scale between areas of technology and geographic markets.

Chassis Springs

Record sales, with Lesjöfors growing and capturing market shares in Europe. At the same time, competition is intensifying in the spare parts market, resulting in price pressure. This is boosting demand for cost-efficient production, with automation becoming an increasingly important competitive tool.

Performance in 2017 – increased volumes

- Healthy growth in essentially all markets.
- With increased volumes in most markets, record-breaking sales were achieved.
- Continued consolidation among customers.
- Efficiency measures through automation and production balance across the high and low seasons.
- Sales totaled MSEK 675 (533).

Customers and market – leading manufacturer

Lesjöfors sells chassis springs to spare parts companies and is the predominant supplier in Europe. Its largest markets are the UK, Germany, Russia, Sweden and the other Scandinavian countries, which account for approximately 80 percent of sales. Eastern Europe and Russia are among the world's most expansive markets. About ten customers dominate the company's sales. As a result of acquisitions, a gradual consolidation is taking place among customers, which could affect pricing and margins. For the past few years, Lesjöfors has been established in the US market, with a sales organization and logistics operations.

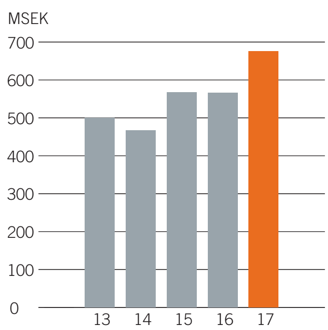
Competitive advantages – service and delivery precision

One of Lesjöfors' strongest competitive advantages is its high service level. Customers have access to a comprehensive range of chassis springs and these products can be delivered throughout Europe within 24 hours with a very high level of delivery precision. Lesjöfors is a comprehensive supplier, working with everything from design and production to inventory management, distribution and service. Its products are manufactured at plants in Sweden, the UK and Latvia. Lesjöfors also has several regional logistics centers and sales organizations. This breadth ensures that the level of service is also maintained when there are large increases in demand, such as in 2017.

Offering – comprehensive range

Lesjöfors has the market's broadest range of replacement springs for European and Asian cars and light trucks. The distribution centers in Sweden, Germany, the UK and Russia have more than 1.6 million chassis springs of 5,500 different models in stock. The range is expanded to include 300 to 500 new products each year. All chassis springs are made from high-quality spring steel, resulting in consistent high quality throughout the product range.

INVOICING

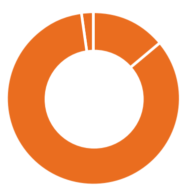


SHARE OF LESJÖFORS'S SALES

Chassis Springs 29%

SALES PER MARKET

Nordic region 14%
Other Europe 84%
Rest of the world 2%



NEWS

- In the UK, Lesjöfors has a regional distribution center, which supplies the domestic market with chassis springs. During the year, the facility was expanded, doubling the surface. This has made handling more rational and contributed to Lesjöfors's ability to more effectively respond to growth in the UK market.
- The hub for Lesjöfors's US business is located in Pittson, Pennsylvania. A new warehouse was established at the site in 2017. The focus is on chassis springs for Asian and European cars, but an adapted range has also been developed for US cars.
- Lesjöfors has two plants for chassis springs manufacturing and a number of regional distribution centers. This allows the company to maintain its service level when demand increases, such as in 2017 when delivery precision was more than 97 percent, despite 30-percent growth.
- Service and manufacturing are constantly being developed. During the year, between MSEK 20 and 25 was invested in the plants. Automation and robotics are playing a growing role in making production cost-effective.

Industry

The strong industrial economy benefited Lesjöfors and resulted in organic growth of 8 percent. The demand for industrial springs was strong in many industries in Europe. In Asia, the 2016 acquisition of John While Group developed positively and strengthened the company's position in this market.

Performance in 2017 – increase in organic growth

- Strong organic growth in the main markets in Europe for the first time in several years.
- Positive trend in Asia, where Lesjöfors built up strong platforms by way of acquisitions.
- Continued investments to expand the company's manufacturing capacity, including in Slovakia.
- Focus on sales synergies in motor springs. Production established in Latvia.
- Sales totaled MSEK 1,677 (1,476).

Customers and market – local product supply

The largest customer segments are automotive, engineering, agriculture, electronics, energy, and the construction and civil engineering sectors. The company's main markets are Sweden and the other Scandinavian countries, Germany, the UK, China and North America. About 80 percent of sales are conducted outside Sweden. A growing number of companies are moving their production to low-cost countries in Asia and Eastern Europe. Lesjöfors also has production in these regions. This means that customers in Europe with operations in, for example, Asia, can be supplied with products locally.

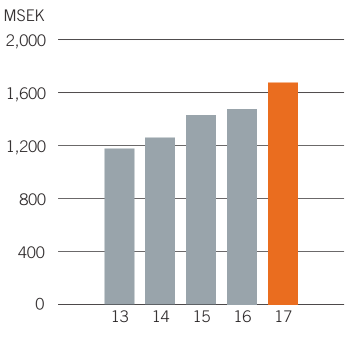
Competitive advantages – working on a small scale

Lesjöfors is a technical service company with 26 plants in 12 countries. Its spring expertise and ability to resolve technical problems are strong competitive advantages. Nearly all its products are customized. Accordingly, an understanding of customer needs and competence in development and production are key strengths. Another strength is the company's cost-efficient production, in which everyone from technical sales staff to machine operators cooperate to develop the right solutions. Lesjöfors works on production, delivery and support in a decentralized and small-scale manner close to the customer.

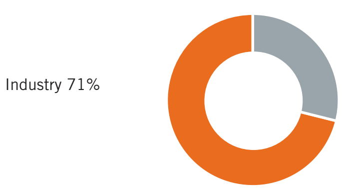
Offering – comprehensive range

Lesjöfors works with springs, wire and flat strip components for most technical applications. In addition to customized products, there is also a proprietary standard range of springs. The company is continuing its efforts to capitalize on internal sales synergies. The goal is to give more customers access to the full range of products. In 2017, the focus was on motor springs. All sales staff received training in this area of technology. Production for the European market was established in Latvia.

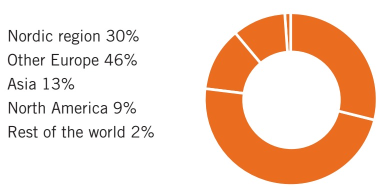
INVOICING



SHARE OF LESJÖFORS'S SALES



SALES PER MARKET



NEWS

- One focus area is wave springs, which provide the same energy as spiral or compression springs, but at half the spring height. Wave springs can thus offer the perfect solution when space is limited. During the year, Lesjöfors invested in new machinery that allows wave springs to be manufactured in more and larger dimensions than in the past.
- Lesjöfors is one of few international players that regularly conducts acquisitions and contributes to the consolidation of the spring market. In 2017, the Swedish company Spiros AB was acquired. The company has more than 90 years' experience of spring manufacturing and specializes in wire and flat strip components.
- The German company Velleuer has developed a manufacturing process for stamped parts subject to extreme hygiene demands in the German automotive industry. Using a specially built washing machine on the production line, the components are cleaned, rinsed and dried before they are wound up on a role for quality inspection and storage prior to delivery.

Habia Cable

Habia Cable is one of Europe's largest manufacturers of customized cables and cable harnesses. Most of its cables are used in high-tech applications in harsh environments. Its products often have unique properties and are made from high-performance materials that are able to withstand, for example, extreme temperatures, radioactivity, fire, bending or vibrations.Its operations are divided into two business areas: Telecom and Other Industry.

- Habia has manufacturing operations in Sweden, Germany, China and Poland, and conducts sales worldwide.
- Its main markets are Scandinavia, Germany, the UK, France, China, India and South Korea.
- The largest customer segments are telecom, nuclear power, defense, engineering and offshore.

HABIA – CUSTOMIZATION OF CABLES AND CABLE HARNESSES

Customized products are designed based on numerous requirements. Habia has direct contact with the end customer and involves its designers in its sales work. Manufacturing is determined by customer orders and adapted to short series and rapid adjustments. Product design is based on material selection, dimensioning and assembly of conductors, insulation, casing and connectors. Every product is adapted for a specific purpose. Below are some of the common requirements imposed on Habia's products.

ELECTRICAL REQUIREMENTS

Signal transfers
Low losses and suitable performance in telecom equipment.

Habia's solution
Choice of material and design of conductors and insulation create the right conditions.

Power transfer
A higher operating voltage is required for a high output and small dimensions.

Habia's solution
Using various layers of high-temperature material enables a high level of power transfer.

PHYSICAL REQUIREMENTS

Temperature and flexibility
Must function for a long time when exposed high/low temperatures and repeated bending.

Habia's solution
Design products using advanced material to guarantee function for a long period of time.

Surrounding environment
Must be able to withstand, for example, hot oil, fuels, acids, water and radiation.

Habia's solution
The choice of material for the cable casing ensures it is ability to withstand its surrounding environment.

FIRE REQUIREMENTS

Spread of flames
Minimize the risk of flames spreading in the building or to another building.

Habia's solution
Choice of material and design, sometimes with the requirement that the function be maintained during the fire.

Damage limitation
Minimize the development of dense smoke and harmful or corrosive gases in the event of a fire.

Habia's solution
Halogen-free material that does not emit corrosive, toxic substances or thick fumes in the event of a fire.

809

SALES. Sales totaled MSEK 809 (787).

5.2

OPERATING MARGIN. The operating margin was 5.2 percent (12.3).

Weaker profitability

OTHER INDUSTRY. Weaker profitability as a result of delivery disruptions and changed product mix.

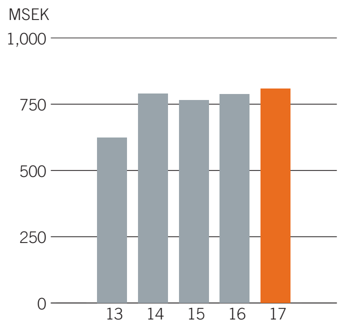
42

OPERATING PROFIT. Operating profit totaled MSEK 42 (97).

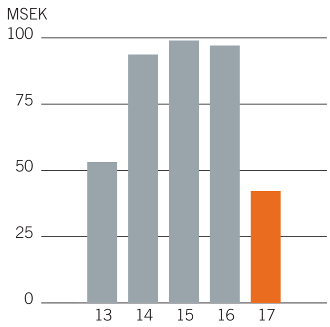
Price pressure

TELECOM. Productivity-enhancing measures to respond to continued price pressure.

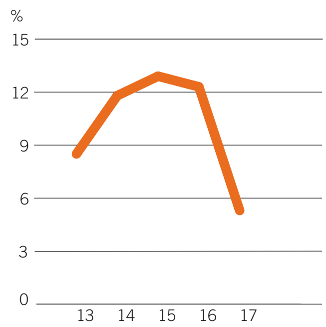
INVOICING



OPERATING PROFIT



OPERATING MARGIN



KEY FIGURES MSEK	**2017**	2016	2015	2014	2013
Net revenues	**808.5**	786.8	765.1	790.2	624.3
Cost of goods sold	**–581.0**	–508.0	–492.9	–530.5	–422.1
Gross profit	**227.5**	278.8	272.2	259.7	202.2
Selling expenses	**–109.1**	–109.3	–101.3	–93.4	–84.7
Administrative expenses	**–76.2**	–72.5	–71.9	–72.7	–64.3
Operating profit	**42.2**	97.0	99.0	93.6	53.2
Operating margin, %	**5.2**	12.3	12.9	11.8	8.5
Net financial items	**–4.6**	–3.7	–2.9	–4.1	–4.3
Profit after net financial items	**37.6**	93.3	96.1	89.5	48.9
of which, depreciation and amortization	**31.4**	25.9	25.0	21.0	17.9
Capital expenditures, excluding corporate acquisitions	**11.8**	49.3	64.9	31.3	16.6
Return on capital employed, %	**9**	22	23	24	14
Average number of employees	**624**	595	598	550	483

CARL MODIGH, PRESIDENT OF HABIA CABLE:

"Margins impacted by price pressure and changes in demand"

How would you summarize the developments over the year?
During the first six months, demand in Telecom was strong, but it subsequently dropped to a more normal level. The industrial economy strengthened, while the nuclear power market became weaker. Nuclear power is a project-based business in which demand usually varies, and we saw a major decline in the area compared with the preceding year's record-breaking invoicing. The year's earnings were primarily impacted by the change in mix, with the nuclear power segment declining while other areas with lower margins have grown. In addition, production disruptions affected us adversely.

Telecom has grown, but the price pressure remains intense. How are you addressing this?
We are differentiating our products from those of our competitors and highlighting our quality and technical performance. However, not all customers want to pay for this added value. That's why we are also working to reduce the cost per unit by improving our manufacturing productivity and optimizing product design. But overall, we have retained our position as the global market leader in mobile telecom.

You implemented cost adaptations in 2017. Would you like to comment on this?
This is a work in progress. For example, we have reviewed our staffing and cut back on maintenance costs. These measures have had an effect, but we are not satisfied and need to continue increasing our profitability.

Many countries are increasing their defense investments. How is this affecting Habia?
The market has turned and we can see that customers are discussing major projects, both in Europe and beyond. While this has not yet had an impact on our order bookings, it means that we have a number of large projects ahead of us that will probably begin to be realized in 2018. These involve land-based systems, such as communications equipment, and technology for vessels and submarines.

What is the trend in nuclear power?
Compared with our record-breaking deliveries in 2016, this area has declined. As I said, this is a project-based business and the markets where we operate have displayed a weaker trend. This will probably also be the case in 2018. In the longer term, we foresee continued opportunities in nuclear power, both in Europe and in the Middle East and Asia, where numerous projects are planned.

What will the focus be for 2018?
Raising our production capacity, so that we can serve our customers effectively and grow at the rate permitted by market development. We also need to gain a better balance in earnings between project transactions and ongoing business. We also hope that deliveries in offshore will gain momentum in 2018.

Telecom

Strong trend in the first six months of 2017, followed by a return to more normal demand levels. The price pressure in telecom remains strong. To counter this, productivity improvements are being made and new, cheaper cable concepts are being launched.

Performance in 2017 – volume increase and price pressure

- Expansion of the 4G mobile standard in China and India resulted in a strong volume increase during the first half of the year.
- Continued price pressure, mainly through Chinese cable manufacturers, is having a negative impact on margins.
- Productivity improvements were implemented in China, including an increase in the speed of production.
- Continued manufacturing of Flexiform MLF, which was specially developed to more effectively respond to price competition.
- Sales totaled MSEK 337 (282).

Customers and market – leading cable manufacturers

Telecom's customers are antenna manufacturers in mobile telecom, an area in which Habia is the global market leader. Telecom conducts its own sales in its largest markets and is able to meet all customer demands thanks to its broad range. Price pressure has gradually increased and had a negative impact on margins, mainly as a result of Chinese low-cost manufacturers that offer products of lower quality. Habia is addressing this trend by marketing itself as a quality supplier and developing new products that can compete more effectively on price.

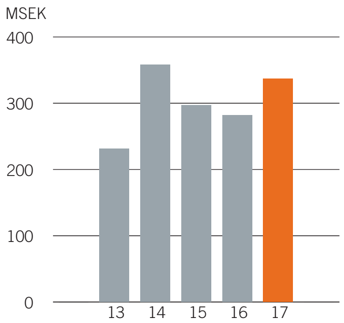
Competitive advantages – focus on performance and quality

Compared with the competition, Habia's unique, proprietary products offer higher performance at a lower cost. Quality, innovation and a broad product range are other competitive advantages. Another strength is Habia's profile-extruded version of Flexiform. Among other features, this telecom cable boasts superior damping and thus helps to increase the range of base-station antennas.

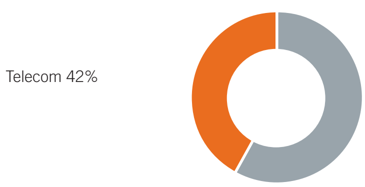
Offering – Flexiform dominates

Habia's telecom cables are primarily used in radio base-station antennas. The largest product is Flexiform, which is available in many variations and accounts for more than 90 percent of sales. New, improved products are launched regularly in order to meet changing technical, environmental and cost requirements. One example of this is Flexiform MLF, which was developed to address price competition. All manufacturing and product development is concentrated to China, where capacity has been expanded in recent years.

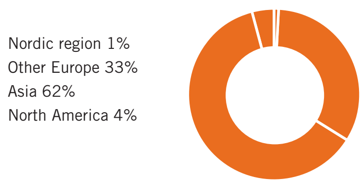
INVOICING



SHARE OF HABIA'S SALES



SALES PER MARKET



NEWS

- The marketing of the Flexiform 402 MLF telecom cable continued. MLF was developed in 2016. By optimizing the design, Habia developed a cable that offers high quality and electrical performance while also being able to compete more effectively on price. The size of the cable has also been reduced. This enhances it environmental performance.
- Demand in Telecom is largely being driven by the expansion of the 4G mobile standard. Europe and the US are more mature markets, where the expansion rate is lower. Habia's record volumes at the beginning of the year were related to major expansion projects in China and India. In one of the Indian projects, a telecom operator built up an entirely new 4G network for about 100 million users.
- Product improvements have been implemented at the plant in Changzhou, China. In the manufacturing of one of Habia's volume products, the speed of production was accelerated by 50 percent. Production was also increased. Smaller coaxial cables and thin equipment wire in PTFE are now also made at the Chinese plant.

Other Industry

Lower revenues and earnings in 2017 due to reduced invoicing in nuclear power and local production disruptions. Habia is implementing productivity improvements and cost adaptations to increase profitability.

Performance in 2017 – lower sales

- Strong industrial economy in Europe. Positive trend also noted in Asia toward the end of the year.
- Growing demand in the defense markets in Europe and Asia.
- Recovery in offshore, where Habia has developed new products that are ready for launch.
- Sales totaled MSEK 472 (505).

Customers and market – high level of customization

Habia develops and sells cables and cable harnesses that are often adapted to specific customer requirements. Many of its products are used in demanding environments, where they are exposed to everything from large temperature differences to extensive bending, fluids and radiation. To handle this, the products are manufactured in robust, high-performance materials.

Sales are conducted in approximately 30 countries and are targeted at end customers in nuclear power, defense, offshore and other industries. Its main markets are Germany, France, the UK, the Netherlands, South Korea and the Scandinavian countries. Habia has local sales offices in every major market.

Competitive advantages – innovative development

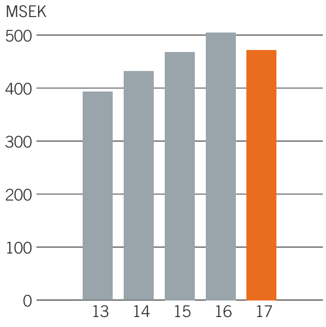
Innovative ability and technical expertise are competitive advantages that result in customer-driven development of cables and cable harnesses. The products are customized by designers at the plants and by the sales companies. In Sweden, there is a shared development department with expertise in materials, electrical properties in cables and cable design. Development and customization of cable harnesses and connection technology is conducted at the plant in Poland.

Many of the products are manufactured in small volumes for specific customer orders. Accordingly, the company's flexible production process is also a strength. Other competitive advantages include short lead times and the ability to deliver cable products to customers worldwide.

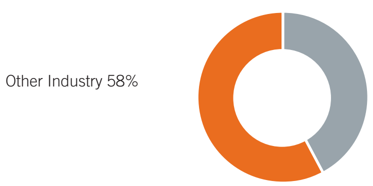
Offering – investment in offshore

Habia manufactures industrial cables in Sweden, Germany and China as well as cable harnesses in Poland. Signal and control cables are the most common products and are often used in measuring equipment and various types of control and regulation technology. Habia's cables and cable harnesses are also used in, for example, military applications, electric hand tools, gas turbines and marine diesel engines. In recent years, major investments have been made in product development for offshore.

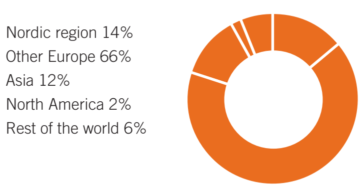
INVOICING



SHARE OF HABIA'S SALES

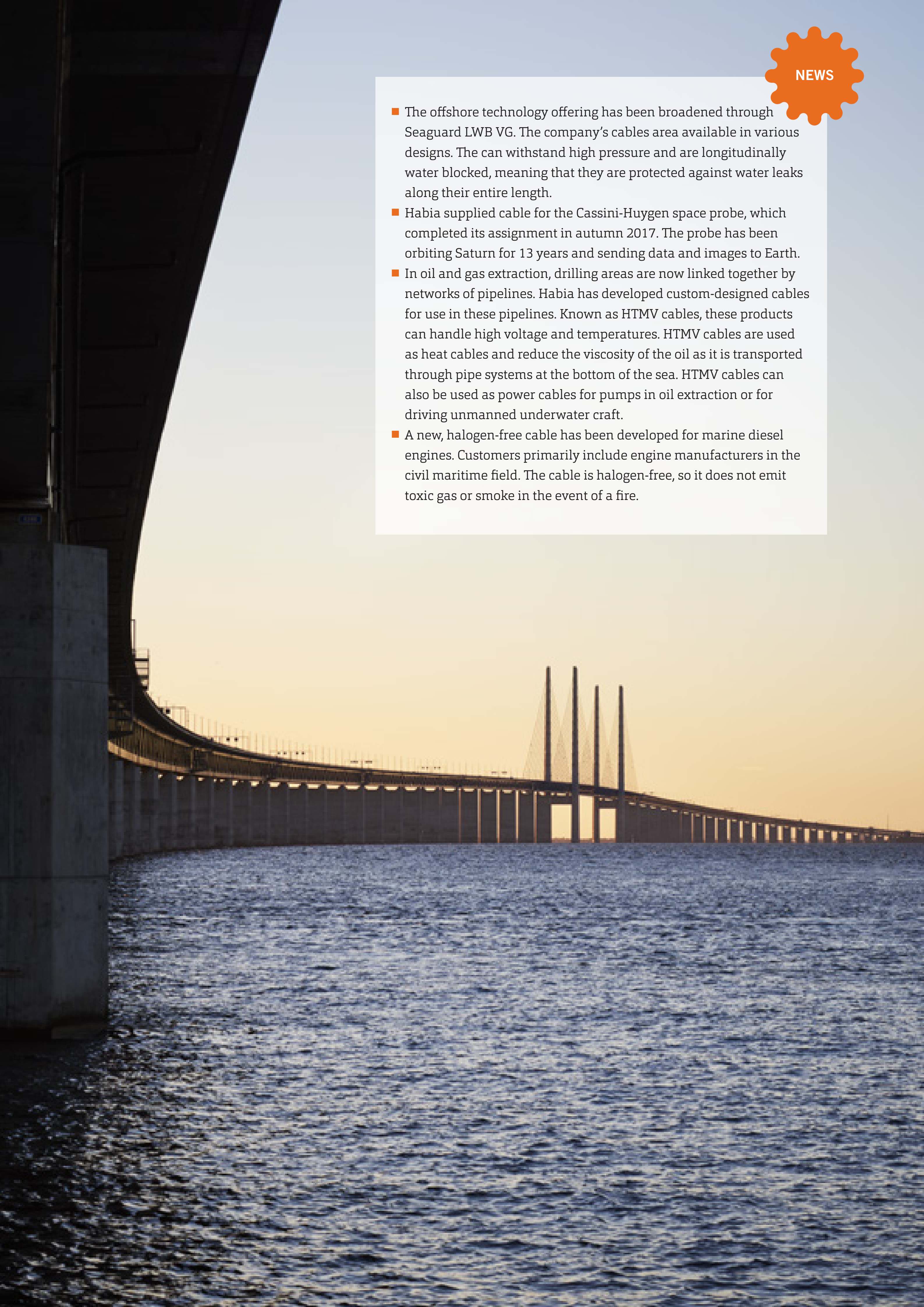


SALES PER MARKET



NEWS

- The offshore technology offering has been broadened through Seaguard LWB VG. The company's cables area available in various designs. The can withstand high pressure and are longitudinally water blocked, meaning that they are protected against water leaks along their entire length.
- Habia supplied cable for the Cassini-Huygen space probe, which completed its assignment in autumn 2017. The probe has been orbiting Saturn for 13 years and sending data and images to Earth.
- In oil and gas extraction, drilling areas are now linked together by networks of pipelines. Habia has developed custom-designed cables for use in these pipelines. Known as HTMV cables, these products can handle high voltage and temperatures. HTMV cables are used as heat cables and reduce the viscosity of the oil as it is transported through pipe systems at the bottom of the sea. HTMV cables can also be used as power cables for pumps in oil extraction or for driving unmanned underwater craft.
- A new, halogen-free cable has been developed for marine diesel engines. Customers primarily include engine manufacturers in the civil maritime field. The cable is halogen-free, so it does not emit toxic gas or smoke in the event of a fire.



Beijer Tech

Beijer Tech specializes in industrial trading and manufacturing. The company sells consumables, components and machinery to Nordic industrial companies. Its operations are divided into two business areas: Fluid Technology and Industrial Products.

- Beijer Tech represents world-leading manufacturers and has a local presence in 15 locations in the Nordic region.
- Sweden is the largest market and accounts for about 70 percent of sales.
- Its customers are companies active in manufacturing and maintenance or retailers.

LUNDGRENS – CUSTOMIZED HYDRAULIC HOSES

The Beijer Tech company Lundgrens manufactures customized hydraulic hoses for companies in a wide range of industries. By adapting the outer tube, armor and inner tube, the company is able to customize its hydraulic hoses and create the properties the customer is looking for.

TEMPERATURE REQUIREMENTS

Temperature resistance
Withstand extreme changes of temperature, from -50 to +100 degrees Celsius.

Lundgrens's solution
Adjust the grade of rubber in the outer and inner tube.

Ozone/weather resistance
Withstand various outdoor climates as well as ozone and UV radiation.

Lundgrens's solution
Adjust the grade of rubber in the outer tube.

WEAR AND FIRE REQUIREMENTS

Wear resistance
Withstand wear and tear in demanding environments.

Lundgrens's solution
Right choice of rubber grade in the hose's outer tube.

Fire resistance
Maintain performance for a certain amount of time in the event of a fire. Not emit smoke or toxic gases. Fire resistant in accordance with industry standard.

Lundgrens's solution
Flameproof the outer tube in accordance with the MSHA standard.

FLUID REQUIREMENTS

Oil resistance
Withstand all existing hydraulic oils without sacrificing performance.

Lundgrens's solution
Adjust the grade of rubber in the hose's inner tube.

Salt water
Withstand salt water for long periods of time.

Lundgrens's solution
Right grade of rubber in the outer tube and rust-proof couplings.

PRESSURE REQUIREMENTS

Pressure resistance
Withstand high pressure – up to 700 bar.

Lundgrens's solution
Adapt the number of wires and armor layers.

Flexibility
Must be easy to bend and install in the customer's machinery.

Lundgrens's solution
Adapt the number of wires and armor layers.

812

SALES. Sales totaled MSEK 812 (731).

5.8

OPERATING MARGIN. The operating margin was 5.8 percent (1.1).

Growing market share

FLUID TECHNOLOGY. Continued sales increase and growing market share.

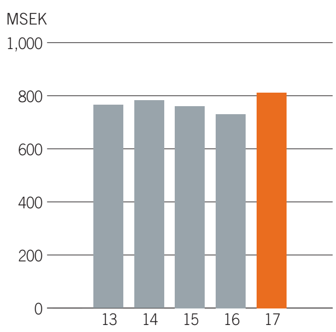
47

OPERATING PROFIT. Operating profit totaled MSEK 47 (8).

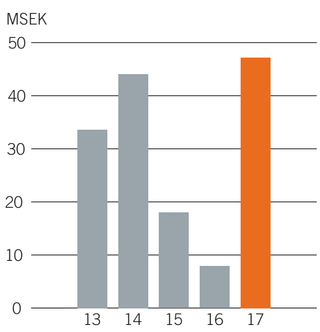
Positive sales trend

INDUSTRIAL PRODUCTS. Profitability restored in all product segments and positive sales trend.

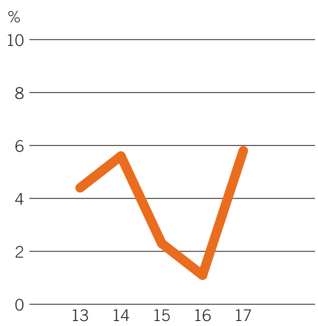
INVOICING



OPERATING PROFIT



OPERATING MARGIN



KEY FIGURES MSEK	**2017**	**2016**	**2015**	**2014**	**2013**
Net revenues	**811.5**	731.1	760.6	782.1	765.6
Cost of goods sold	**–588.4**	–541.1	–558.2	–556.6	–555.5
Gross margin	**223.1**	190.0	202.4	225.5	210.1
Selling expenses	**–105.0**	–115.2	–116.9	–115.2	–110.0
Administrative expenses	**–70.9**	–66.9	–68.0	–66.2	–66.5
Operating profit	**47.2**	7.9	17.5	44.1	33.6
Operating margin, %	**5.8**	1.1	2.3	5.6	4.4
Net financial items	**–0.9**	–0.5	–0.5	–0.6	–2.0
Profit after net financial items	**46.3**	7.4	17.0	43.5	31.6
of which, depreciation and amortization	**6.6**	7.1	8.0	8.5	9.4
Capital expenditures, excluding corporate acquisitions	**2.3**	5.0	5.1	3.9	3.1
Return on capital employed, %	**18**	4	7	17	13
Average number of employees	**213**	211	218	225	236

STAFFAN ANDERSSON, PRESIDENT BEIJER TECH:

"Clear turnaround – major earnings improvement throughout the company"

How would you summarize the developments over the year?
One heartening change was our major earnings improvement. This marked a turnaround and was visible in all parts of the Group. In Fluid Technology, Lundgrens is continuing to capture market shares. In Industrial Products, our cost program generated a positive effect. Norwegian Norspray is also turning a profit again as a result of its cost adaptations and because offshore has started to recover.

You previously highlighted the restructuring of the company. How has this work progressed?
This applies to Industrial Products, where parts of the business have been reorganized. The number of employees has been reduced. We have reviewed the cost of sales, are working more cost-effectively and have closer cooperation between the business segments. We are also investing in new areas. For example, additive manufacturing – or 3D printing – has become a favorable business. Norspray has launched a new concept for supplying goods, which is developing well.

Sales and earnings have improved. What is behind this?
At Lundgrens, the investment in more cutting-edge sales expertise is generating results. 2017 marked the third consecutive year in which the company captured market shares. This was the result of aggressive work, including investments in personnel, new technology and the rest of the business. The acquisition of Svebab AB also played a role. Sales have stabilized in Industrial Products. In this case, the improvement in earnings is attributable to efficiency measures.

The company completed two acquisitions. How have these transactions strengthened the company?
Svebab has provided us with leading expertise in the area of fire hoses. They know the market, have unique, proprietary products that maintain a high level of quality and carry out customized production. Through Packningar & Plast AB, which was consolidated as of spring 2018, we have broadened our operations in customized gaskets and seals and gained greater expertise in manufacturing and refinement.

How are things progressing in terms of the company's focus on manufacturing and refinement?
The acquisitions of Svebab and Packningar & Plast were in line with this strategy. Our other businesses are also displaying strong growth in manufacturing and refinement. In Lundgrens, for example, customized gaskets and seals represented a rapidly expanding area in 2017.

What will the focus be for 2018?
Continuing our organic development, including the area of additive manufacturing. Another example is Norspray, where we are scaling up the supply concept. In Lundgrens, we will continue to focus on gaining expertise, which will strengthen us further. Naturally, we also want to carry out acquisitions – in Sweden and the rest of the Nordic region and in both Fluid Technology and Industrial Products.

Fluid Technology

Strong sales trend in Lundgrens, which continued to capture market shares in 2017. Fluid Technology is also increasing its focus on proprietary manufacturing and customized products by developing its existing operations in this direction and through the acquisitions of Svenska Brandslangsfabriken (Svebab) and Packningar & Plast.

Performance in 2017 – increased sales

- Increased sales in Lundgrens, which captured market shares for the third consecutive year.
- Lundgrens reported strong sales of specially manufactured and customized products.
- Continued focus on developing sales, with digital channels growing in importance.
- Acquisition of Svebab, which develops and manufactures high-quality fire hoses.
- Acquisition of Packningar & Plast, which manufactures customized gaskets and plastic components. Takeover occurred in spring 2018.
- Sales totaled MSEK 359 (300).

Customers and market – focus on hoses and industrial rubber

The business area's largest product areas are hoses and industrial rubber. Its principal market is Sweden, where its products are used in the manufacturing industry and in operation and maintenance in numerous sectors. Fluid Technology holds strong positions in several areas and is a market leader in industrial hoses in Sweden. Svebab is the market leader in Sweden for high-quality fire hoses

Competitive advantages – improving the customer's overall finances

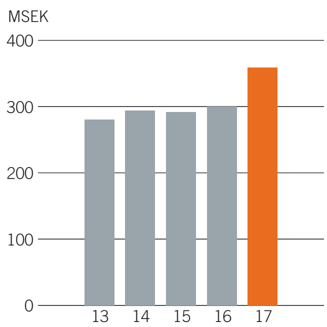
Fluid Technology's broad range and technical expertise are strong competitive advantages that help customers to become more competitive. The focus is on improving the customer's overall finances. This means that products and services generate improvements that impact large parts of the customer's business, such as increasing cost-efficiency, raising quality, and bringing health and safety improvements.

Offering something specific that customers value is becoming increasingly important. This is why proprietary manufacturing and customized products are a focus area. The proportion of such products has increased, both through existing businesses refining more products and through acquisitions.

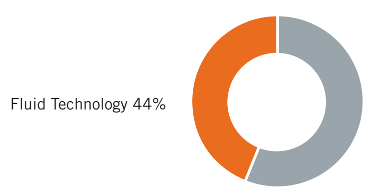
Offering – comprehensive range

The business area's largest operation is Lundgrens, which has warehouses, manufacturing and sales operations throughout Sweden. The range comprises 25,000 items in two areas: fluid technology products (hoses, hose fittings and hydraulics) and industrial rubber (rubber sheeting and seals). In addition to fire hoses, Svebab offers industrial hoses and firefighting equipment.

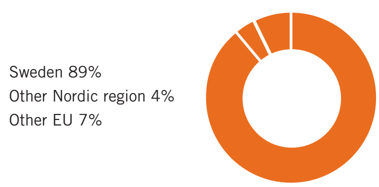
INVOICING



SHARE OF BEIJER TECH'S SALES



SALES PER MARKET



NEWS

- Svebab, the Nordic region's only producer of circular woven, lay-flat and semi-rigid woven hoses, was acquired in 2017. Proprietary manufacturing of hoses is the basis of the business and accounts for about half of the total sales. Svebab's hose products are known throughout the world and are supplied to authorities, industry, manufacturers of fire trucks and fire hydrants, emergency services, and companies in the water and wastewater industry.
- The proprietary woven hose Formtex weighs only a third of a traditional plastic or rubber hose. This provides major ergonomic benefits. The hoses are pliable and extremely flexible. They offer low friction against surfaces and obstacles, are flexible in the cold and are generally easier to handle.
- Packningar & Plast, a complete supplier of gaskets, seals and plastics, was also acquired during the year. This transaction broadened the customer base and offering of specialized seals. Packningar & Plast also punches plastic parts, which is a new area of Fluid Technology. The operation will be included in Fluid Technology as of the second quarter of 2018.

Industrial Products

Clear earnings improvement, with cost adaptations and organizational changes breaking the trend and all segments now profitable. As unprofitable areas are phased out, investments are also being made in new segments. This will ultimately lead to the right mix of products and services.

Performance in 2017 – clear earnings improvement

- Clear earnings improvement, with the efficiency measures made in 2016 generating results and profitability restored in all product segments.
- Improved demand in offshore in Norway after a few weak years.
- Higher profitability in blasting, foundries and grinding and strong growth in the newer segment of additive manufacturing (3D printing).
- Launch of new product segments in existing geographic markets.
- Sales totaled MSEK 453 (469).

Customers and market – complete offering

Industrial Products has a complete offering of products in such areas as surface treatment, foundries, steelworks and smelters for companies in Sweden, Norway, Denmark and Finland. Sweden is the largest market and accounts for about 60 percent of sales.

The primary customer segments are foundries, companies specializing in metalworking, steelworks and smelters, the engineering and construction industry, and maintenance companies. Industrial Products is the Nordic market leader in blasting and foundry products and holds a strong position in precision grinding.

Competitive advantages – the right choice for the customer

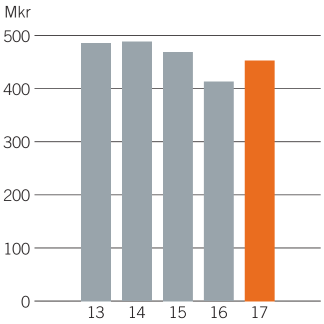
The business area's broad range and sales expertise are strong competitive advantages. Customers receive help in selecting the right products, for example, to improve efficiency or enhance the quality of a product. The companies cooperates with leading suppliers. This means that customers always have access to the latest products.

Offering – broad range of quality products

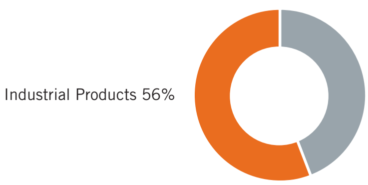
The offering is based on high-quality products and helping the customer to reduce their overall costs. The focus is on how a product can contribute to more comprehensive improvements in a business, such as raising the level of quality, productivity and competitiveness.

The operations are divided into various business segments – grinding, blasting, foundry machinery, foundry consumables, die casting, heat treatment, steelworks, heat-resistant material, projects and service, and offshore. Marketing in these segments is conducted under the Beijers, Tebeco, Karlebo, Norspray, Preben Z and PMU brands.

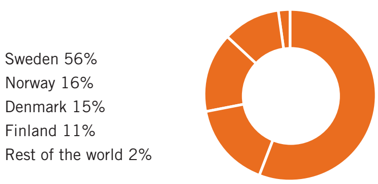
INVOICING



SHARE OF BEIJER TECH'S SALES



SALES PER MARKET



NEWS

- The operations in additive manufacturing – or 3D printing as it is also called – delivered a strong performance during the year. Using sand printing, Karlebo produces prototypes and molds for Swedish foundries and end users. The advantage is that the foundries can deliver more complex components in a shorter time and often at a lower cost.
- Norspray offers customers in Norway containers of consumables located at the customer site. Norspray fills each container as required instead of making small deliveries after each use. This solution is practical, but also generates environmental gains since the number of transports is reduced.
- As part of the reorganization of Industrial Products, unprofitable segments were gradually phased out, while new areas and segments are being tested. In addition to Karlebo's investment in additive manufacturing and Norspray's container concept, Preben Z in Denmark expanded its offering of personal protective equipment, while Beijer in Finland tested new product concepts for mining.

Content

Corporate Governance Report

The Board of Directors and the President of Beijer Alma AB (publ) hereby submit the company's Administration Report and Annual Accounts for the 2017 financial year.

Group control

Beijer Alma AB is a Swedish public limited liability company listed on Nasdaq Stockholm (Stockholm Stock Exchange). Its corporate governance is based on Swedish legislation, rules and regulations, including the Swedish Companies Act, Nasdaq Stockholm's rules for issuers, the Swedish Corporate Governance Code (the "Code"), the company's Articles of Association and other relevant rules and guidelines.

Shareholders and the share

Beijer Alma AB is a CSD-registered company, which means that its shareholder register is maintained by Euroclear Sweden AB. The number of shareholders at year-end 2017 amounted to 12,558. Anders Wall, along with his family and companies, has a shareholding corresponding to 34.7 percent of the total number of votes in the company and the Anders Wall Foundation holds 18.4 percent. There are no other shareholders whose votes exceed 10 percent of the total number of votes.

The company has issued to classes of shares: Class A shares and Class B shares. The total number of shares at year-end was 30,131,100, of which 3,305,000 were Class A shares and 26,826,100 were Class B shares. Each Class A share entitles the holder to ten votes and each Class B share entitles the holder to one vote. The Class A share carries an obligation to offer shares to existing shareholders. In accordance with a share conversion clause in the Articles of Association, Class A shareholders are entitled to convert their Class A shares to Class B shares. In the event of such a conversion, the total number of votes decreases. The Class B share is listed on the Mid Cap list of Nasdaq Stockholm. All shares carry the same right to the company's assets and profit, and entitle the holder to the same dividend.

Beijer Alma's dividend policy is to distribute a minimum of one-third of its net earnings, always taking into consideration the Group's long-term financing needs.

Annual General Meeting

The Annual General Meeting is the company's highest decision-making body, in which the shareholders make decisions on matters pertaining to the company. The Annual General Meeting is held not more than six months after the end of the financial year. All shareholders who are registered in the shareholder register and provide timely notification of their intention to attend the Meeting are entitled to participate in the Annual General Meeting and vote in accordance with their total shareholdings. The notice of the Meeting is published not more than six weeks and not less than four weeks prior to the Meeting in the Swedish Official Gazette (Post- och Inrikes Tidningar), Dagens Industri, Upsala Nya Tidning and on the company's website. Shareholders who are unable to attend the Meeting may be represented by an authorized proxy. Each shareholder or proxy may be accompanied at the Meeting by a maximum of two advisors.

A total of 604 shareholders were represented at the Annual General Meeting on March 29, 2017, representing 69.7 percent of the total number of shares and 82.9 percent of the total number of votes. Attorney Mikael Smedeby was elected as the Chairman of the Meeting. The Meeting was attended by members of the Board of Directors and individuals from Group management. In addition, the Meeting was attended by Leonard Daun in his capacity as Chief Auditor from the appointed auditing firm Örhlings PricewaterhouseCoopers AB. The minutes from the Annual General Meeting are available on Beijer Alma's website.

The following resolutions were passed at the Annual General Meeting:

- To pay a dividend of SEK 9.50 per share.
- To re-elect directors Carina Andersson, Anders G. Carlberg, Peter Nilsson, Caroline af Ugglas, Anders Ullberg and Johan Wall, and to elect Johnny Alvarsson as a new director. Marianne Brismar had announced her decision to decline re-election to the Board.
- To elect Johan Wall as Chairman of the Board.
- To pay each director a fee of SEK 325,000. To pay the Chairman of the Board a fee of SEK 950,000.
- To pay the Chairman of the Audit Committee a fee of SEK 80,000, and to pay each member of the Audit Committee a fee of SEK 50,000. The amounts pertain to the portion of the year in which the Committee was active.
- Principles for remuneration and employment terms for senior executives.
- To re-elect the auditing firm Öhrlings PricewaterhouseCoopers AB for a period of one year.
- Election of the Nomination Committee.
- To authorize the Board to make decisions concerning share issues totaling not more than 3,000,000 Class B shares or convertible debentures corresponding to the same number of Class B shares.befattningshavare.

Nomination Committee

The Nomination Committee is responsible, at the request of the shareholders, for preparing motions regarding the Board of Directors, Chairman of the Board, Chairman of the Annual General Meeting, auditors and fees for resolution by the Annual General Meeting. The following individuals were appointed to the Nomination Committee ahead of the 2018 Annual General Meeting: Anders Wall, in his capacity as principal owner; Chairman of the Board Johan Wall; and representatives of the next three largest shareholders: Hans Ek (SEB Fonder), Henrik Didner (Didner & Gerge Fonder) and Vegard Søraunet (Verdipapirfond Odin). In the event of a change in ownership or if one of the aforementioned individuals resigns from his or her position, the Nomination Committee may replace the committee member.

In order to develop the work of the Board, an annual assessment is performed by the Board. Each director responded to a survey containing questions regarding the work of the Board and how it can be improved. The Nomination Committee has been informed about the results of this survey and about the company's operations and other relevant circumstances. The Nomination Committee's motions are to be announced far enough in advance to be presented in the notice of the 2018 Annual General Meeting. The Nomination Committee held seven meetings during the year.

Board of Directors

According to the Swedish Companies Act, the Board of Directors bears the ultimate responsibility for the organization and administration of the company as well as the control of the Group's financial reporting, the management of funds and the company's other financial conditions. The Board is responsible for the Group's long-term development and overall strategy, the ongoing control and evaluation of the Group's operations and the other tasks stipulated in the Swedish Companies Act. The Board also makes decisions regarding acquisitions, disposals and major investments. The Board approves the Group's annual reports and interim reports, and proposes dividends and guidelines for remuneration to senior management for resolution by the Annual General Meeting.

The Board is to comprise not fewer than seven and not more than ten regular directors and not more than two deputy directors elected by the Annual General Meeting. The Board currently comprises seven regular directors. Salaried employees in the Group may also participate in Board meetings to present certain matters. Attorney Niklas Berntorp of Vinge law firm serves as Board secretary.

The composition of the Board is presented in the table below. All directors are independent in relation to the company. Director Johan Wall represents shareholders controlling more than 10 percent of the votes and capital in the company. All other directors are independent in relation to the company's major shareholders.

In 2017, the Board held nine meetings during which minutes were taken. The attendance of the members of the Board at these meetings is presented in the table below. The following areas were addressed during the Board meetings: sales and profitability trend, objectives and strategies for the operations, acquisitions and other key investments. Two of the meetings were held at the offices of a subsidiary, where local management presented their operations.

Beijer Alma's auditor reported his findings from the audit of the Group's accounts and internal control procedures at one Board meeting. At one of these meetings, the auditor also provided information concerning accounting changes and their impact on Beijer Alma.

The Board and President are presented in Note 3 on page 58 of the Annual Report.

The Board of Directors has adopted a written work plan that governs the following:

- A minimum of seven Board meetings per year in addition to the statutory meeting and when they are to be held
- The date and content of notices of Board meetings
- The items that are normally to be included in the agenda for each Board meeting
- Minute-taking at Board meetings
- Delegation of decisions to the President
- The President's authority to sign interim reports

The Board's work plan is reviewed annually and updated when necessary. The terms of reference issued to the President clarify the division of duties between the Board and the President as well as the responsibilities and authorities of the President. The Board receives monthly information regarding the performance of the Group and the individual companies in the form of a monthly report containing key events and trends concerning order bookings, invoicing, margins, earnings, cash flow, financial position and the number of employees.

Remuneration Committee

The Board has appointed a Remuneration Committee comprising Anders G. Carlberg, Anders Ullberg and Johan Wall, with Anders Ullberg serving as Chairman. The Remuneration Committee prepares motions regarding the President's salary and other employment terms, such as pension, severance pay and variable salary. The Committee also prepares principles for remuneration to Group management and approves motions by the President regarding remuneration to Group management within the framework of the guidelines adopted by the Annual General Meeting.

The company's remuneration principles and guidelines are described in Note 2, and the Board of Directors' recommendation to the Annual General Meeting is that these remain unchanged for 2018.

The Remuneration Committee held two meetings in 2017, which were attended by all members.

BOARD OF DIRECTORS

Director	Elected in	Independent of major shareholders	Independent of the company	Remuneration Committee	Audit Committee	Participation in Board meetings	Holding of Class A shares	Holding of Class B shares
Johan Wall, Chairman	1997		X	X	X	9(9)		3,000
Johnny Alvarsson, Director	2017	X	X			6(6)		0
Carina Andersson, Director	2011	X	X			9(9)		2,000
Marianne Brismar, Director	2010	X	X			3(3)		10,000
Anders G. Carlberg, Director	1997	X	X	X		8(9)		3,000
Peter Nilsson, Director	2008	X	X			6(9)		3,000
Caroline af Ugglas, Director	2015	X	X		X	7(9)		1,500
Anders Ullberg, Director	2007	X	X	X	X	9(9)		15,000

Audit Committee

In autumn 2016, the Board of Directors established an Audit Committee, mainly for the purpose of supervising the Group's financial reporting and the audit of the financial statements. The tasks of the Committee include preparing for the Board's work to quality assure the financial reporting by reviewing the interim reports, annual report and consolidated financial statements. The Committee also reviews legal and tax-related issues that may have a material impact on the financial reports. The Audit Committee also reviews the impartiality of the appointed auditors and decides which services, in addition to the audit, are to be procured from the auditors. Where appropriate, the Committee handles the procurement of audit services. Finally, the Audit Committee evaluates the quality of the internal control of financial reporting.

The Audit Committee comprises Anders Ullberg (Chairman), Caroline af Ugglas and Johan Wall. The Group's CFO reports to the Committee. The Committee held four meetings during the year, which were attended by all members. The Chief Auditor participated in two of these meetings.

Code of Conduct

The values that apply within Beijer Alma have been compiled in a Code of Conduct based on internationally accepted conventions. The company's Code of Conduct focuses on people, the environment and ethics. For each of these areas, the Code describes the approach and values that apply at Beijer Alma. A brochure presenting and explaining Beijer Alma's Code of Conduct has been distributed to all employees. This brochure also contains e-mail addresses for two members of Group management to whom employees may report improprieties and other breaches of the Code of Conduct under the Group's whistleblower system. Additional information about the Group's CSR efforts is available on the website and on pages 10–11 of the printed Annual Report.

Operational control

Responsibility for the operational control of the Group rests with the CEO. Group management comprises the CEO, the presidents of the subsidiaries Lesjöfors, Habia Cable and Beijer Tech, the Group's CFO and the Group's Controller. Group management is responsible for conducting Beijer Alma's operating activities in accordance with the Board's instructions and guidelines, and for ensuring that the Board's decisions are executed.

Beijer Alma has a decentralized organization. This is a strategic and deliberate decision based on the fact that the Group's businesses are often local in nature and a conviction that it is best that decisions be made locally, near the issue in question. The actual business operations are conducted in the subsidiaries Lesjöfors, Habia Cable and Beijer Tech. The legal structure corresponds with the operational structure, which means that there are no decision-making forums that are discharged from the legal responsibility incumbent upon the legal units. Within all three subsidiaries, the operations are organized into two business area. The total number of profit centers in Beijer Alma is approximately 50. The Group's business organization is based on decentralized responsibility and authority, combined with fast and efficient reporting and control systems.

The subsidiaries' boards of directors comprise individuals from Group management. Habia's Board also includes individuals from outside the Group. As in the Parent Company, the work of the subsidiaries' boards of directors and the division of duties between the boards and the presidents of the subsidiaries are governed by work plans and terms of reference. The subsidiaries are also governed by a number of policies and instructions that regulate their operations, including the Code of Conduct, which is a key policy.

The Parent Company is a holding company that manages three separate businesses, in which daily operational decisions are made locally by the subsidiaries. Financial reporting in the Group is therefore very important from a corporate governance perspective. A large part of the communication and discussions in the Group are based on internal financial reporting.

Each week, the subsidiaries report their order bookings, invoicing and stock of orders for each profit center. Monthly financial statements are prepared for each profit center. These financial statements are analyzed at different levels in the Group and consolidated at the subsidiary and Group levels. Reports are presented to Group management for each profit center, business area and subsidiary. This reporting is carried out in the system used for the external consolidated financial statements. Monthly financial statements are presented and discussed at monthly meetings with Group management and the subsidiary management groups. Board decisions and other decisions are also followed up at these meetings.

In a decentralized organization, it is important that reporting and monitoring systems are transparent and reliable. In each subsidiary, considerable focus is given to improving and streamlining the company's processes. The business systems are developed to make it easier to measure the profitability of individual businesses, customers, industries and geographic markets. The Group measures the efficiency of the various components of its production, administration and sales operations, and compares these with estimates, as well as earlier results and targets. The information gathered in this manner is used for internal benchmarking.

Internal control

The Board of Directors' internal control responsibilities are governed by the Swedish Companies Act and the Swedish Corporate Governance Code. The Code also contains requirements for external disclosure of information, which stipulate the manner in which the Group's internal control of financial reporting is to be organized.

At Beijer Alma, internal control generally refers to a process designed to ensure, with reasonable certainty, that the company meets its goals with respect to efficient and appropriate operations, reliable reporting, and compliance with rules and legislation.

The aim of the internal control of financial reporting is to establish reasonable security and reliability in the Group's external financial reporting to the market, and to ensure, with reasonable certainty, that these financial reports are prepared in accordance with any legislation, applicable accounting standards and other rules for listed companies.

The Board of Directors has overall responsibility for the Group's internal control of financial reporting. The Audit Committee assists the Board with material accounting issues. The Committee is also responsible for ensuring compliance with the policies for financial reporting and internal control, and that the required contact is maintained with the company's auditor.

Responsibility for the daily operational work involved in internal control of financial reporting is delegated to the President, who together with the Group's Chief Financial Officer and Controller, works with the subsidiary management groups to guarantee and develop the Group's internal control.

The basis of the internal control of financial reporting is the overall control environment. A well-functioning decentralized structure in which areas of responsibility and authority are clearly defined, conveyed and documented is a key component of the control environment. Other key components of the control environment are management's work methods, policies, procedures, instructions and manuals. Standardized reporting instructions are applied by all units in the Group.

An important part of the internal control process involves identifying and assessing material risks that could result in the Group's objectives with respect to its financial reporting not being fulfilled. This risk analysis results in control objectives and activities designed to ensure that the Group's financial reporting fulfills the basic requirements.

Control activities are incorporated into in the Group's reporting procedures and follow the structures of the reporting process and accounting organization. The employees at every profit center are responsible for accurate reporting and financial statements.

The financial statements are analyzed at the profit center, business area, subsidiary and Group levels. Deviations from estimates and expected results are analyzed, as are deviations from historical data and forecasts. The operational follow-up that takes place at the Group level, for example, through the monthly meetings, is a key component of Beijer Alma's internal control.

Reviews are performed to ensure that adequate internal controls are conducted at all levels. The Board is responsible for these reviews.

Taking into consideration the size, organization and financial reporting structure of the Group, the Board deems that no special internal audit function is required at present.

External audit

At the 2017 Annual General Meeting, PricewaterhouseCoopers (PwC) was elected as the company's auditing firm until the 2018 Annual General Meeting. Leonard Daun was appointed as Chief Auditor.

PwC is the auditing firm for most of the Group companies. The Group's auditor reviews the six-month interim report and reports his observations to the Audit Committee at the meeting held to discuss the six-month interim report and at the meeting to discuss the annual financial statements.

The external audit is conducted in accordance with the International Standards of Auditing (ISA).

Revenues and earnings

Group

Demand from the engineering industry was strong during the year, fueled by a favorable global economy. Non-cyclical industries, such as telecom and chassis springs, also experienced strong demand. This favorable demand was far reaching and included most geographic markets. One industry that displayed weak volume growth was nuclear power, which is project-based by nature.

Order bookings amounted to MSEK 4,031 (3,530), up 14 percent. Invoicing rose 13 percent to MSEK 3,971 (3,528). Adjusted for corporate acquisitions and fluctuations in exchange rates, order bookings increased 11 percent and invoicing 10 percent. 75 percent (79) of sales were conducted outside Sweden. The share of foreign sales was 85 percent (87) in Lesjöfors, 95 percent (95) in Habia and 30 percent (31) in Beijer Tech.

Operating profit, which was charged with nonrecurring costs of MSEK 16 related to the change of CEO, totaled MSEK 528 (455) and the operating margin was 13.3 percent (12.9). Exchange rates and forward agreements had a marginal impact on earnings. Profit after net financial items totaled MSEK 517 (447), while net profit amounted to MSEK 388 (328). Earnings per share amounted to SEK 12.89 (10.87).

In the past five years, the Group performed as follows:

MSEK	**2017**	2016	2015	2014	2013
Net revenues	**3,971**	3,528	3,522	3,298	3,066
Profit after net financial items	**517**	447	467	424	385
Net profit	**388**	328	354	319	289
Shareholders' equity	**1,991**	1,902	1,835	1,745	1,611
Total assets	**3,435**	3,152	2,870	2,744	2,548

Subsidiaries

Lesjöfors is a full-range supplier of standard and specially produced industrial springs, wire and flat strip components. Order bookings rose 19 percent to MSEK 2,408 (2,028), while invoicing increased 17 percent to MSEK 2,351 (2,009). Adjusted for corporate acquisitions and fluctuations in exchange rates, order bookings increased 16 percent and invoicing 14 percent. Operating profit totaled MSEK 477 (380).

Lesjöfors conducts its operations in two business areas: Industry and Chassis Springs. Adjusted for acquisitions and exchange rates, invoicing rose 10 percent in Industry and 26 percent in Chassis Springs.

The Swedish company Spiralspecialisten AB, which was acquired on December 31, 2016, performed well in terms of both volumes and profitability.

Habia Cable is a manufacturer of custom-designed cables. Order bookings rose 5 percent to MSEK 812 (770) and invoicing increased 3 percent to MSEK 809 (787). The impact of fluctuations in exchange rates was marginal. Operating profit totaled MSEK 42 (97).

Habia's weak earnings performance during the year was due to price pressure on telecom products and low volumes to the project-driven nuclear power sector. The company was also impacted by operational disruptions during the year, which affected its delivery capacity and resulted in increased costs. Cost-cutting measures have been implemented and additional savings are planned.

Beijer Tech conducts industrial trading in two business areas: Industrial Products and Fluid Technology. Order bookings and invoicing rose 11 percent to MSEK 811 (731). Adjusted for corporate acquisitions, the increase was 5 percent. Operating profit totaled MSEK 47 (8).

Beijer Tech has worked for a long time to adapt its staffing and organization to the demand situation, and earnings improvements were achieved early in the year, mainly in terms of costs. Toward the end of the year, the company's earnings were also boosted as a result of higher volumes. The acquired company Svenska Brandslangsfabriken AB performed well in terms of both invoicing and earnings.

Both the Industrial Products and Fluid Technology business areas improved their invoicing and earnings during the year.

Parent Company

Beijer Alma AB is a holding company that does not conduct external invoicing, but instead owns and manages shares and participations in subsidiaries and is responsible for certain Group-wide functions. Net profit totaled MSEK 326 (277) and included dividends and Group contributions from subsidiaries totaling MSEK 369 (318).

Capital expenditures

Investments in fixed assets, excluding corporate acquisitions, amounted to MSEK 126 (204), compared with depreciation totaling MSEK 130 (117). Of the investments made in 2016, MSEK 65 pertained to properties in the Lesjöfors Group. The investments in 2017 were distributed as follows: MSEK 111 in Lesjöfors, MSEK 12 in Habia and MSEK 3 in Beijer Tech.

Product development

Costs for product development primarily pertain to specific orders and are therefore charged to the respective order and recognized as cost of goods sold.

Cash flow, liquidity and financial position

Cash flow after capital expenditures amounted to MSEK 186 (174) and included corporate acquisitions totaling MSEK 84 (78). Excluding corporate acquisitions, cash flow amounted to MSEK 270 (252). Net debt, defined as interest-bearing liabilities less cash and cash equivalents, totaled MSEK 409 (313) at year-end. The net debt/equity ratio, defined as net debt in relation to shareholders' equity, amounted to 20.5 percent (16.5). Available liquidity, defined as cash and cash equivalents plus approved but unutilized committed credit facilities, totaled MSEK 894 (922). The equity ratio was 58.0 percent (60.3).

Return on capital employed

The return on average capital employed was 20.8 percent (19.1), while the return on average shareholders' equity was 20.7 percent (18.7).

Corporate acquisitions

During the year, Beijer Tech acquired the Swedish company Svenska Brandslangsfabriken AB (Svebab). Lesjöfors conducted a minor acquisition of assets and liabilities. The companies are presented in Note 39, including acquisition calculations.

Employees

The number of employees was 2,544 (2,340), corresponding to an increase of 204. Beijer Tech's acquisition of Svebab increased the number of employees by 12. The acquisition of Spiralspecialisten took place on December 31, 2016 and increased the number of employees by 43. Lesjöfors and Habia conduct a certain amount of manufacturing in China, Thailand, Singapore, Latvia, Slovakia, Poland and Mexico, where salary costs are lower. The number of employees in these countries increased by 94 to 927. The number of employees in Sweden was 726 (668). Of the increase of 58 employees in Sweden, 55 were attributable to the aforementioned corporate acquisitions.

Note 2 presents the number of employees in various countries as well as salaries and remuneration, and the principles adopted by the Annual General Meeting regarding salaries and remuneration for members of senior management.

Change of CEO

Bertil Persson stepped down as CEO on October 31, 2017. Henrik Perbeck has been appointed as Beijer Alma's new CEO and will assume his new position in March 2018. CFO Jan Blomén has been appointed Acting CEO during the interim period.

Ownership conditions

Beijer Alma has approximately 12,500 shareholders (11,000). The largest shareholder is Anders Wall, along with his family and companies, who owns 11.7 percent of the capital and 34.7 percent of the votes. Other major shareholders in terms of capital are the Anders Wall Foundation with 13.5 percent, Didner & Gerge Fonder with 8.2 percent and Verdipapirfond Odin with 7.7 percent.

Corporate social responsibility

The Group's strategic and day-to-day operations are based on Beijer Alma's Code of Conduct. The Code builds on the basic principles of the UN Global Compact, which Beijer Alma joined in 2015. Accordingly, the company has agreed to adhere to ten fundamental principles in the areas of human rights, labor conditions, the environment and anti-corruption. The areas encompassed by corporate social responsibility include:

- Applying sound business principles and high ethical standards
- Creating a safe, healthy and stimulating work environment
- Increasing energy efficiency and reducing environmental impact
- Looking at the company's operations from a life cycle perspective – raw materials, suppliers, products, services and customers
- Involvement in the communities where the company operates

Examples of focus areas for Beijer Alma in 2017:

- Energy efficiency and more energy-efficient lighting and production equipment.
- Safer workplaces. Employees received training in the Six Sigma improvement model. Investments were made in ergonomic improvements, noise reduction and health examinations.
- Continued support for non-profit organizations such as the City Mission and Teach For Sweden.

In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, Beijer Alma has chosen to prepare its statutory Sustainability Report separately from the Annual Report. The Sustainability Report was submitted to the auditor at the same time as the Annual Report. The Sustainability Report is available on the company's website. The description of the Group's sus tainability efforts on pages 8–11 of the printed Annual Report is a summary of the Sustainability Report.

Risks and uncertainties

Beijer Alma's risks include business and financial risks. Business risks may include significant customer dependence on specific companies, industries or geographic markets. Financial risks primarily pertain to foreign currency risks.

Management of the Group's financial risks is described in Note 31. To manage the business risks, strategic work is carried out to broaden the customer base in terms of industry, customer and geography. Beijer Alma is deemed to have a favorable risk spread across customers, industries and geographic markets. According to the Group's assessment, no significant risk arose during the year.

In 2016, a referendum was held to determine whether or not the UK would leave the EU and the pro-Brexit camp received the majority of the votes. At present, there is considerable uncertainty regarding the timeline and consequences of the UK's exit. Beijer Alma's sales in the UK amounted to MSEK 343 (306) in 2016. Of the products sold, approximately 85 percent are manufactured locally in the UK. Beijer Alma's deliveries from the UK to other countries in the EU amounted to approximately MSEK 20 for both years.

Events after the end of the financial year

No significant events occurred after the end of the financial year.

Proposed appropriation of profits

The Board of Directors and the President propose that the following profit be made available for distribution by the Annual General Meeting:

SEK	
Retained earnings	3,077,586
Net profit for the year	325,536,935
Total	328,614,521
to be appropriated as follows:	
Ordinary dividend to shareholders of SEK 9.50 per share	286,245,450
To be carried forward	42,369,071

Board of Directors' statement concerning the proposed dividend

After the proposed dividend, the Parent Company's equity ratio will amount to 71 percent and the Group's equity ratio to 51 percent. These equity ratios are adequate given that the company and the Group continue to conduct profitable operations. The liquidity of the Group and the company is expected to remain adequate.

In the opinion of the Board of Directors, the proposed dividend will not prevent the Parent Company or the other Group companies from fulfilling their capital expenditures. Accordingly, the proposed dividend can be justified in accordance with the provisions in Chapter 17, Section 3, Paragraphs 2–3 of the Swedish Companies Act (the "prudence rule").

Amounts in SEK 000s	Note	Group 2017	Group 2016	Parent Company 2017	Parent Company 2016
Net revenues	4,5	**3,971,496**	3,527,516	**–**	–
Cost of goods sold	2,10,11	**–2,706,923**	–2,381,720	**–**	–
Gross profit		**1,264,573**	1,145,796	**0**	0
Selling expenses	2,10,11	**–376,068**	–368,717	**–**	–
Administrative expenses	2,6,10,11	**–347,650**	–324,345	**–43,342**	–48,005
Other operating income	7	**2,862**	–	**21,062**	18,200
Items affecting comparability	8	**–16,139**	–	**–16,139**	–
Profit from participations in associated companies	9	**775**	2,420	**–**	–
Operating profit/loss	10,11	**528,353**	455,154	**–38,419**	–29,805
Income from participations in Group companies	12	**–**	–	**309,000**	260,000
Interest income		**1,542**	1,230	**841**	729
Interest expenses		**–12,456**	–9,354	**–1,019**	–681
Profit after net financial items		**517,439**	447,030	**270,403**	230,243
Group contributions received		**–**	–	**110,062**	58,092
Group contributions paid		**–**	–	**–50,000**	–6,009
Tax on net profit for the year	13	**–129,090**	–119,390	**–4,928**	–5,825
Net profit attributable to Parent Company shareholders		**388,349**	327,640	**325,537**	276,501
Other comprehensive income	13				
Items that may be reclassified to profit or loss					
Cash-flow hedges after tax		**–5,658**	–5,765	**–**	–
Translation differences		**–6,894**	30,588	**–**	–
Total other comprehensive income		**–12,552**	24,823	**0**	0
Total profit attributable to Parent Company shareholders		**375,797**	352,463	**325,537**	276,501

Other than the translation difference of MSEK 139 for 2017 and MSEK 164 for 2016, no share of the Group's comprehensive income is attributable to non-controlling interests.

	Note	Group 2017	Group 2016	Parent Company 2017	Parent Company 2016
Net earnings per share before and after dilution, SEK	14	**12.89**	10.87	**–**	–
Proposed/adopted dividend per share, SEK		**–**	–	**9.50**	9.50

Amounts in SEK 000s	Note	Group 2017	Group 2016	Parent Company 2017	Parent Company 2016
ASSETS					
Fixed assets					
Intangible assets					
Goodwill	15	**578,085**	541,302	**–**	–
Other intangible assets	16	**29,317**	9,328	**–**	–
Tangible assets					
Land and land improvements	17	**62,070**	50,359	**–**	–
Buildings	18	**306,912**	301,515	**–**	–
Plant and machinery	19	**471,448**	506,731	**–**	–
Equipment, tools, fixtures and fittings	20	**51,595**	46,181	**1,242**	1,226
Deferred tax assets	29	**15,813**	19,059	**–**	–
Financial assets					
Other long-term receivables		**10,499**	4,844	**–**	–
Participations in associated companies	21	**25,763**	25,454	**–**	–
Participations in Group companies	22	**–**	–	**532,012**	532,196
Total fixed assets		**1,551,502**	1,504,773	**533,254**	533,422
Current assets					
Inventories	23	**824,553**	717,929	**–**	–
Receivables					
Accounts receivable	24	**652,557**	578,664	**–**	–
Tax assets		**1,687**	3,862	**662**	–
Receivables from Group companies		**–**	–	**438,652**	361,877
Other receivables	25	**42,294**	39,281	**14**	–
Prepaid expenses and accrued income	26	**34,613**	33,038	**860**	902
Cash and cash equivalents	27	**328,095**	273,606	**59,666**	3,072
Total current assets		**1,883,799**	1,646,380	**499,854**	365,851
Total assets		**3,435,301**	3,151,153	**1,033,108**	899,273

Amounts in SEK 000s	Note	Group 2017	Group 2016	Parent Company 2017	Parent Company 2016
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	28				
Share capital		**125,546**	125,546		
Other contributed capital		**444,351**	444,351		
Reserves		**38,070**	50,622		
Retained earnings, including net profit for the year		**1,383,091**	1,280,987		
Shareholders' equity attributable to Parent Company shareholders		**1,991,058**	1,901,506		
Non-controlling interests		**3,959,**	3,820		
Total shareholders' equity		**1,995,017**	1,905,326		
Share capital				**125,546**	125,546
Statutory reserve				**444,351**	444,351
Total restricted equity				**569,897**	569,897
Retained earnings				**3,078**	12,822
Net profit for the year				**325,537**	276,501
Total non-restricted equity				**328,615**	289,323
Total shareholders' equity				**898,512**	859,220
Non-current liabilities					
Deferred tax	29	**72,669**	64,017		
Pension obligations	30	**2,310**	2,114		
Liabilities to credit institutions	31,34,35	**144,687**	242,843		
Total non-current liabilities		**219,666**	308,974		
Current liabilities					
Committed credit facilities	31,34,35	**433,037**	267,221	**100,307**	14,685
Liabilities to Group companies		**–**	–	**5,322**	7,657
Accounts payable		**252,984**	236,975	**456**	770
Tax liabilities		**–**	–	**–**	70
Accrued expenses and deferred income	32	**307,469**	283,994	**27,664**	16,131
Liabilities to credit institutions	31,34,35	**159,102**	76,682	**–**	–
Other current liabilities	33	**68,026**	71,981	**847**	740
Total current liabilities		**1,220,618**	936,853	**134,596**	40,053
Total shareholders' equity and liabilities		**3,435,301**	3,151,153	**1,033,108**	899,273

Group	Share capital	Other contributed capital	Reserves	Retained earnings, incl. profit	Total	Non-controlling interest	Total shareholders' equity
December 31, 2015	**125,546**	**444,351**	**25,799**	**1,239,592**	**1,835,288**	**3,656**	**1,838,944**
Net profit for the year				327,640	327,640		327,640
Other comprehensive income			24,823		24,823		24,823
Dividend paid				–286,245	–286,245		–286,245
Non-controlling interests (translation difference)					0	164	164
December 31, 2016	**125,546**	**444,351**	**50,622**	**1,280,987**	**1,901,506**	**3,820**	**1,905,326**
Net profit for the year				388,349	388,349		388,349
Other comprehensive income			–12,552		–12,552		–12,552
Dividend paid				–286,245	–286,245		–286,245
Non-controlling interests (translation difference)					0	139	139
December 31, 2017	**125,546**	**444,351**	**38,070**	**1,383,091**	**1,991,058**	**3,959**	**1,995,017**

Parent Company	Share capital	Statutory reserve	Retained earnings	Net profit for the year	Total shareholders' equity
December 31, 2015	**125,546**	**444,351**	**10,987**	**288,080**	**868,964**
Reclassification of net profit for the preceding year			288,080	–288,080	0
Dividend paid			–286,245		–286,245
Net profit for the year				276,501	276,501
December 31, 2016	**125,546**	**444,351**	**12,822**	**276,501**	**859,220**
Reclassification of net profit for the preceding year			276,501	–276,501	0
Dividend paid			–286,245		–286,245
Net profit for the year				325,537	325,537
December 31, 2017	**125,546**	**444,351**	**3,078**	**325,537**	**898,512**

Proposed dividend of SEK 9.50 per share, totaling 286,245; refer to Note 36.

Amounts in SEK 000s	Note	Group		Parent Company	
	31	**2017**	2016	**2017**	2016
Operating activities					
Operating profit/loss		**528,353**	455,154	**–41,281**	–29,805
Net interest paid and other financial items	37	**–10,974**	–7,738	**292,822**	317,048
Income tax paid		**–126,915**	–125,759	**–5,660**	–6,527
Items not affecting cash flow	38	**129,715**	114,880	**91**	56
Net cash generated from operating activities before change in working capital and capital expenditures		**520,179**	436,537	**245,972**	280,772
Change in inventories		**–98,986**	–22,201	**–**	–
Change in receivables		**–69,916**	8,146	**–1,347**	4,732
Change in current liabilities		**36,816**	42,554	**9,653**	–975
Cash flow from operating activities		**388,093**	465,036	**254,278**	284,529
Investing activities					
Investments in tangible assets		**–99,793**	–215,037	**–107**	–140
Investments in intangible assets		**–15,783**	–479	**–**	–
Change in participations in Group companies		**–**	–	**3,046**	–
Change in other financial assets		**–2,409**	2,212	**–**	–
Acquisitions of companies less cash and cash equivalents	39	–83,600	**–78,117**	–	–
Cash flow from investing activities		**–201,585**	–291,421	**2,939**	–140
Cash flow after capital expenditures		**186,508**	173,615	**257,217**	284,389
Financing activities					
Increase in liabilities/new loans		**232,834**	189,441	**85,622**	–
Repayment		**–76,682**	–60,534	**–**	–4,398
Dividend paid		**–286,245**	–286,245	**–286,245**	–286,245
Cash flow from financing activities		**–130,093**	–157,338	**–200,623**	–290,643
Change in cash and cash equivalents		**56,415**	16,277	**56,594**	–6,254
Exchange-rate fluctuations in cash and cash equivalents		**–1,926**	5,150	**–**	–
Cash and cash equivalents at beginning of year		**273,606**	252,179	**3,072**	9,326
Cash and cash equivalents at end of year	27	**328,095**	273,606	**59,666**	3,072
Unutilized committed credit facilities		**566,222**	649,343	**174,693**	257,298
Available liquidity		**894,317**	922,949	**234,359**	260,370

All amounts in SEK 000s unless otherwise stated.

Note 1 Summary of key accounting policies

The key accounting policies applied in the preparation of these consolidated financial statements are stated below. Unless otherwise specified, these policies were applied for all of the years presented.

a) Basis for the preparation of the report
Beijer Alma's consolidated financial statements were prepared in accordance with the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups, as well as the International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRIC) adopted by the EU. The consolidated financial statements were prepared according to the cost method, except in the case of certain financial assets and liabilities (including derivative instruments) measured at fair value.

b) New and amended standards applied by the Group
The following standards were applied by the Group for the first time in the financial year commencing January 1, 2017:

- Recognition of Deferred Tax Assets for Unrealized Losses – Amendments to IAS 12, and
- Disclosure Initiative: Amendments to IAS 7.

The application of these amendments had no impact on the amounts recognized for the preceding financial year. Most of the amendments will have no impact on future periods.

The amendments to IAS 7 require that disclosures be provided regarding changes in liabilities from financing activities; refer to Note 41.

c) New standards, amendments and interpretations of existing standards not applied in advance by the Group
A number of new standards and interpretations will take effect in financial years starting after January 1, 2017 and were not applied during the preparation of this financial report. None of these standards or interpretations are expected to have a material impact on the consolidated financial statements, with the exception of the following:

IFRS 9 Financial Instruments addresses the classification, measurement and recognition of financial assets and liabilities. The complete version of IFRS 9 was issued in July 2014 and replaces the sections of IAS 39 pertaining to the classification and measurement of financial instruments. IFRS 9 retains a mixed measurement model, but simplifies this model in certain respects. The standard establishes three measurement categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. How an instrument is classified depends on the entity's business model and the characteristics of the instrument. Investments in equity instruments are to be recognized at fair value through profit or loss, although an option also exists to initially recognize the instrument at fair value through other comprehensive income. No reclassification to profit or loss will occur when the instrument is sold. IFRS 9 also introduces a new model for calculating credit loss reserves based on expected credit losses. For financial liabilities, no changes were made with respect to classification and measurement except in the event that a liability is recognized at fair value through profit or loss based on the fair value alternative. In such cases, changes in value attributable to changes in own credit risk are to be recognized in other comprehensive income.

IFRS 9 relaxes the requirements for applying hedge accounting by replacing the 80-125 rule with a requirement that there be an economic relationship between the hedging instrument and the hedged item and that the hedged ratio be the same as the one used for risk management purposes. Minor changes have also been made with respect to hedging documentation compared with those prepared under IAS 39. Beijer Alma has not applied the standard in advance. The Group is applying the new rules retrospectively, but as stated below, this is not expected to have any impact.

The Group has assessed its financial assets and liabilities and the transition to the standard as of January 1, 2018 will have no impact on classification, measurement or recognition. Beijer Alma has also determined that its current hedging relationships will continue to qualify for hedge accounting. The new model for calculating credit loss reserves is based on expected credit losses, which could result in earlier recognition of credit losses. According to Beijer Alma's assessment, this will have no impact on the Group's reserve level and thus will have no impact on the Group's earnings and position. The new standard also introduces expanded disclosure requirements and changes in presentation.

IFRS 15 Revenue from Contracts with Customers is the new standard for revenue recognition. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 15 is based on the principle that revenue is to be recognized when the customer gains control of the goods or services sold – a principle that replaces the earlier principle that revenue is to be recognized when risks and benefits have been transferred to the buyer. Companies can choose between a full retrospective approach and forward-looking recognition with additional disclosures. The Group intends to apply the standard retrospectively, which entails that the accumulated effect of the transition will be in accumulated profit or loss as of January 1, 2018 and that the comparative data will not be restated. As stated below, the transition is expected to have no impact on the Group's earnings and position.

Beijer Alma has assessed the impact of the new standard and has not identified any areas that will be impacted other than through expanded disclosure requirements.

IFRS 16 Leases was published in January 2016. Implementation of the standard will entail that nearly all leasing agreements are to be recognized in the balance sheet, since there is no longer any distinction made between operational and financial leasing agreements. According to the new standard, an asset (the right to use a leased asset) and a financial obligation to pay leasing fees are to be recognized. Leases with short lease terms and leases where the underlying asset has a low value are exempt. The recognition method for the lessor will, in all material respects, remain unchanged. The standard is to be applied to financial years beginning on or after January 1, 2019. Advance application is permitted. The Group has not yet assessed the impact of IFRS 16 and does not intend to apply the standard in advance.

The principles that the Group intends to apply in 2018 with respect to IFRS 9 and IFRS 15 are presented in Note 41.

No other IFRS or IFRIC Interpretations that have not yet taken effect are expected to have a material impact on the Group.

KEY ESTIMATES AND ASSUMPTIONS FOR ACCOUNTING PURPOSES

Preparation of the accounts in accordance with IFRS requires the use of a number of key estimates for accounting purposes. Management is also required to make certain assumptions when applying the Group's accounting policies. The following are areas involving a high rate of assessment, complex areas or areas in which assumptions and estimates are of material importance:

Assumptions regarding impairment testing of goodwill
The Group tests goodwill for impairment annually in accordance with the accounting policies described in the section concerning intangible assets. Assumptions and estimates relating to expected cash flows and discount rates in the form of weighted average capital costs are described in Note 15. Forecasts concerning future cash flows are based on the best possible estimates of future income and operating expenses. The impairment tests performed did not indicate a need for impairment of goodwill. According to management's assessment, the outcome of this sensitivity analysis, which is presented in Note 15, did not warrant the recognition of an impairment loss. Goodwill amounted to MSEK 578.1.

Accounts receivable
Receivables are recognized in a net amount after provisions are made for doubtful accounts receivable, which are assessed on an individual basis. The net value reflects the anticipated collectible amounts based on the known circumstances on the balance-sheet date. Changes to these circumstances, such as an increase in the scope of non-payments or changes to a significant customer's financial position, may result in deviations in valuation. The general prevailing market trend has resulted in an increased focus on customer credit ratings and monitoring of accounts receivable. Accounts receivable totaled MSEK 652.6. The maturity structure for past due receivables and provisions for doubtful receivables are presented in Note 24.

Inventories
Inventories are measured at the lower of cost and fair value (net selling price) on the balance-sheet date. The net selling price is equal to the estimated selling price of the operating activities less applicable variable selling expenses. Collective measurement is applied for homogeneous groups of goods. Note 23 presents the carrying amount of inventories as well as the proportion of inventories measured at net selling price and the value of the net selling price. When determining the net selling price, an assessment is made of, among other factors, the estimated selling price, remaining shelf life and selling expenses. Consideration is given to factors such as whether the item has several potential customers or is a customized item for which there is only one potential customer.

Disputes
Beijer Alma becomes involved in disputes in the course of its normal business activities. Such disputes may concern product liability, alleged faults in deliveries of goods or other issues in connection with Beijer Alma's operations. Disputes can be costly and time-consuming and can disrupt the company's normal business activities. At present, no disputes are considered to be of material significance.

Cash flow
The cash-flow statement was prepared in accordance with the indirect method. Recognized cash flow only includes transactions involving payments and disbursements. Cash and cash equivalents include cash and bank balances and short-term financial investments with a term of less than three months.

Consolidated financial statements
Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

The Group's annual accounts were prepared in accordance with the purchase method. The purchase consideration for an acquired subsidiary comprises the fair value of the transferred assets, liabilities and shares that were issued by the Group. The purchase consideration also includes the fair value of all assets and liabilities arising as a result of an agreement concerning a conditional purchase consideration. Each conditional purchase consideration to be transferred by the Group is recognized at fair value on the acquisition date. In accordance with IAS 39, subsequent changes in the fair value of a conditional purchase consideration classified as an asset or liability are recognized either in profit or loss or in other comprehensive income. Conditional purchase considerations classified as shareholders' equity are not remeasured and subsequent settlements are recognized in shareholders' equity. Acquisition-related costs are expensed as incurred. Identifiable acquired assets and assumed liabilities arising from a business combination are initially measured at fair value on the acquisition date based on a market valuation performed at the time of acquisition. The shareholders' equity of acquired subsidiaries is eliminated in its entirety, which means that consolidated shareholders' equity only includes the portion of the subsidiaries' shareholders' equity that is earned after the acquisition.

If the business combination is completed in several steps, the previous shareholders' equity interests in the acquired company are remeasured at fair value on the acquisition date. Any gain or loss arising as a result of the remeasurement is recognized in profit or loss.

If the consolidated cost of the shares exceeds the value of the company's identifiable acquired net assets as indicated in the acquisition analysis, the difference is recognized as consolidated goodwill. Acquisition-related costs are expensed as incurred. Intra-Group transactions, balance-sheet items and intra-Group gains or losses are eliminated in their entirety.

All transactions with owners without a controlling influence are recognized in shareholders' equity, provided that they do not result in any change to the controlling influence. These transactions do not give rise to goodwill, gains or losses. For each acquisition – that is, on an acquisition-by-acquisition basis – the Group determines whether non-controlling interest in the acquired company is to be recognized at fair value or at the shareholding's proportional share of the carrying amount of the acquired company's identifiable net assets.

Where applicable, the accounting policies for subsidiaries have been amended to ensure that the Group's policies are applied in a consistent manner.

Translation of foreign currencies
Items included in the financial statements for the various units in the Group are valued in the currency used in the economic environment in which each company conducts its primary operations (functional currency). In the consolidated financial statements, SEK is used, which is the Parent Company's functional currency and reporting currency. Balance sheets and income statements for the subsidiaries in the Group are translated at the closing day rate and the average rate for the year, respectively. Translation differences are recognized in other comprehensive income.

Goodwill and fair-value adjustments that arise during the acquisition of a foreign operation are treated as assets and liabilities in the operation in question and are translated at the closing day rate.

Significant foreign exchange rates	**Year-end rate**		**Average rate**	
	Dec 31, 2017	Dec 31, 2016	**2017**	2016
USD	**8.22**	9.13	**8.50**	8.60
EUR	**9.84**	9.55	**9.65**	9.47
GBP	**11.10**	11.18	**11.02**	11.55

Reporting of associated companies
Associated companies are defined as companies that are not subsidiaries, but over which the Parent Company has a significant but not controlling influence, which generally involves shareholdings of 20 to 50 percent. Participations in associated companies are recognized in the consolidated financial statements in accordance with the equity method and are initially measured at cost.

The Group's share in the post-acquisition earnings of an associated company is recognized in profit or loss and its share of changes in other comprehensive income after the acquisition is recognized in other comprehensive income. Accumulated post-acquisition changes are recognized as changes in the carrying amount of the holding. When the Group's share in the losses of an associated company amounts to, or exceeds, the Group's holding in the associated company, the Group does not recognize further losses.

Unrealized internal gains are eliminated against the share of gains accruing to the Group. Unrealized losses are also eliminated.

Profit shares in associated companies are recognized on separate lines in the consolidated income statement and the consolidated balance sheet. Profit shares in associated companies are recognized after tax.

At the end of each reporting period, the Group assesses whether or not there is objective evidence that indicates an impairment requirement for its investments in associated companies. If such evidence exists, the Group calculates the impairment amount as the difference between the recoverable amount and carrying amount of the associated company, and recognizes this amount in profit or loss under "Profit from participations in associated companies."

Segment reporting
Operating segments are reported in a manner that corresponds with the internal reporting submitted to the chief operating decision maker. The chief operating decision maker is the function responsible for allocating resources and assessing the earnings of the operating segments. In the Group, the President and CEO is responsible for making strategic decisions. Beijer Alma's segments comprise the Group's operating sectors: Lesjöfors (Industrial Springs), Habia Cable (custom-designed cables) and Beijer Tech (technology trading).

Revenue recognition
The Group's net revenues comprise the fair value of the amount that has been or will be received from the sale of goods in the Group's operating activities. Beijer Alma recognizes revenues when the risk associated with the goods has been transferred to the customer, pursuant to the terms and conditions of sale, and when receipt of payment for the related accounts receivable is deemed probable, meaning when the income can be measured in a reliable manner and it is probable that the company will gain future financial benefits. The Group bases its assessments on past results, taking into consideration the type of customer, the type of transaction, and specific circumstances in each individual case.

Overall experience is used to assess and make provisions for rebates and returns. Sales are recognized net after value-added tax, rebates, returns, translation differences resulting from sales in foreign currencies and the elimination of intra-Group sales.

Items affecting comparability
Items that seldom occur, are significant for comparability and comprise material amounts are recognized as items affecting comparability on a separate line in the income statement.

Interest income
Interest income is recognized distributed over the maturity period using the effective interest method.

Borrowing costs
Borrowing costs are charged against the earnings for the period to which they are attributable, provided that they do not pertain to borrowing costs directly attributable to the purchase, design or production of an asset that takes a significant amount of time to prepare for use or sale. In such cases, any borrowing costs are capitalized as part of the cost of the asset.

Tax
Deferred tax is calculated according to the balance-sheet method for all temporary differences arising between the carrying amount and tax value of assets and liabilities. However, deferred tax liabilities are not recognized if they arise as a result of the initial recognition of goodwill.

Loss carryforwards that can be utilized against probable future gains are capitalized as deferred tax assets. This applies to accumulated tax loss carryforwards on the acquisition date and to losses that arise thereafter.

Valuation is performed using the tax rates in effect on the balance-sheet date in the countries in which the Group conducts operations and generates taxable income. Deferred tax is recognized in the balance sheet as a financial asset or non-current liability. Tax expenses for the year comprise current tax and deferred tax. Tax is recognized in profit or loss, except when the tax pertains to items recognized in other comprehensive income or directly in shareholders' equity. In such cases, the tax is also recognized in other comprehensive income or shareholders' equity.

If the actual outcome differs from the amount initially recognized, such differences will impact the provisions for current tax and deferred tax, as well as net profit for the year. Deferred tax is calculated on temporary differences arising from participations in subsidiaries and associated companies, except when the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Intangible assets

The Group's intangible assets primarily comprise goodwill. Goodwill is defined as the amount by which the consolidated cost of the shares in acquired subsidiaries and the fair value of any non-controlling interests exceed the fair value of the company's net assets as indicated in the acquisition analysis on the acquisition date. Goodwill from the acquisition of associated companies is included in the value of the holdings in the associated companies and is tested for impairment as a part of the value of the total holding. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level within Lesjöfors, Habia and Beijer tech. Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the cash-generating unit to which the goodwill is attributable is compared to the recoverable amount, which is the higher of value in use and the fair value less selling expenses. Any impairment is recognized immediately as an expense and is not subsequently reversed.

Goodwill is allocated on the acquisition date to cash-flow generating units that are expected to profit from the business combination that generated the goodwill item. For a description of the methods and assumptions used for impairment testing, refer to Note 15.

Contractual customer relations and licenses that have been acquired through business combinations are recognized at fair value on the acquisition date. The contractual customer relations and licenses have a definable useful life and are recognized at cost less accumulated amortization. Beijer Alma applies the following estimated useful lives:

Other intangible assets	5–10 years

The residual values and estimated useful lives of assets are assessed annually and adjusted when necessary. In cases when the carrying amount of an asset exceeds its estimated recoverable amount, the asset is depreciated to its recoverable amount.

Amortization is applied straight-line to distribute the cost over the estimated useful life of the asset.

Research and product development

When costs are incurred for product development, such costs are immediately expensed.

According to a strict definition, essentially no research and development is conducted within the Group. Since development work in the Beijer Alma Group is conducted on a continuous basis and is an integrated part of the daily operations, such expenses are difficult to define. Moreover, these expenses do not amount to significant amounts.

Tangible assets

Tangible assets, including office and industrial buildings, are recognized at cost after deductions for accumulated depreciation. Land is recognized at cost without depreciation.

The cost includes expenses directly related to the acquisition of the asset. Additional expenditures are added to the carrying amount of the asset or are recognized as a separate asset, depending on which approach is deemed most appropriate, provided that it is probable that the future financial benefits associated with the asset will fall to the company and the cost of the asset can be measured in a reliable manner. The carrying amount of the reimbursed portion is derecognized from the balance sheet. Expenses for repair and maintenance are recognized as expenses. In profit or loss, operating profit is charged with straight-line depreciation based on the difference between the costs of the assets and any residual value they may have over their estimated useful lives. Beijer Alma applies the following estimated useful lives:

Office buildings used in operations	25–40 years
Industrial buildings used in operations	20–40 years
Plant and machinery	2–10 years
Equipment, tools, fixtures and fittings	2–10 years

The residual values and estimated useful lives of assets are assessed annually and adjusted when necessary. In cases when the carrying amount of an asset exceeds its estimated recoverable amount, the asset is depreciated to its recoverable amount.

Capital gains and losses are determined by comparing the selling price and the carrying amount. Capital gains and losses are recognized in profit or loss.

Leasing agreements

Leasing agreements pertaining to fixed assets in which the Group essentially bears the same risks and enjoys the same benefits as in the case of direct ownership are classified as financial leasing. Financial leasing is recognized at the beginning of the leasing period at the lower of the fair value of the leasing object and the present value of the minimum leasing fees. Financial leasing agreements are recognized in the balance sheet as fixed assets or financial liabilities. Future leasing payments are distributed between amortization of the liability and financial expenses so that each accounting period is charged with an interest amount that corresponds to a fixed interest rate for the liability recognized during each period. Leasing assets are depreciated during the shorter of the useful life of the asset (according to the same principles as other assets of the same class) and the leasing period. In profit or loss, costs associated with the leasing agreement are allocated to depreciation and interest.

Leasing of assets in which the lessor essentially remains the owner of the asset is classified as operational leasing. The leasing fee is expensed on a straight-line basis over the leasing period. Operational leasing agreements are recognized in profit or loss as an operating expense. Leasing of automobiles and personal computers is normally defined as operational leasing. The value of these leasing agreements is not deemed to be significant.

Impairment

Assets with an indefinite useful life, such as goodwill and land, are not depreciated or amortized; instead, such assets are tested annually for impairment. For depreciated assets, an assessment of the carrying amount of the assets is conducted whenever there is an indication that the carrying amount exceeds the recoverable amount. An impairment loss is recognized in the amount by which the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less selling expenses and its value in use. Impairment is performed per cash-flow generating unit. For assets other than goodwill, for which an impairment loss was previously recognized, impairment testing is carried out on each balance-sheet date to determine whether they should be reversed.

Inventories

Inventories comprise finished goods, semi-manufactured goods and raw materials. Inventories are valued, using the first-in, first-out method, at the lower of cost and fair value (net selling price) on the balance-sheet date. Proprietary finished goods and semi-manufactured goods are valued at manufacturing cost, including raw materials, direct labor, other direct overheads and production-related overheads based on production volumes. The net selling price is equal to the estimated selling price of the operating activities less applicable variable selling expenses. Collective measurement is applied for homogeneous groups of goods. Interest expenses are not included in the valuation of inventories.

A deduction is made for intra-Group gains arising when deliveries are made between the Group's companies. A requisite deduction for obsolescence has been made.

Financial instruments

The Group classifies its financial assets according to the following categories: loans and receivables and available-for-sale financial assets. Classification depends on the purpose for which the financial asset was acquired. Management determines the classification when the financial asset is first recognized and reviews this decision at every reporting occasion.

Purchases and sales of financial assets are recognized on the trade date, meaning the date on which the Group undertakes to purchase or sell the asset. Financial assets are derecognized from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has assumed essentially all risks and benefits connected with the right of ownership.

Loans and receivables

Loans and receivables are financial assets that are not derivatives, that have fixed or fixable payments and that are not listed in an active market. They are included in current assets with the exception of items with maturity dates more than 12 months after the balance-sheet date, which are classified as fixed assets. Loans and receivables are classified as accounts receivable and other current or long-term receivables in the balance sheet and are initially recognized at fair value plus transaction costs. Loans and receivables are thereafter recognized at amortized cost using the effective interest method. A provision for depreciation is recognized when there is objective evidence that indicates that the recognized amount will not be received.

Cash and cash equivalents

Cash and cash equivalents are defined as cash and bank balances and short-term investments with a maturity period not exceeding three months from the acquisition date. Cash and cash equivalents are initially recognized at fair value and thereafter at amortized cost.

Available-for-sale financial assets

Available-for-sale financial assets are assets that are not derivatives and are either identified as available or cannot be classified in any of the other categories. These assets are included in fixed assets if management does not intend to dispose of them within 12 months of the balance-sheet date. These assets are measured at fair value and any changes in value are recognized directly in shareholders' equity. An impairment loss is recognized when objective evidence indicates that impairment is required. Upon disposal of the asset, accumulated gains/losses, which were previously recognized in other comprehensive income, are recognized in profit or loss. Investments in equity instruments that do not have a listed market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Derivative instruments and hedge accounting

Derivative instruments are recognized in the balance sheet on the contract date and are measured at fair value, both initially and in the event of subsequent remeasurement. The recognition method to be used for gains or losses arising as a result of remeasurement depends on whether or not the derivative was identified as a hedging instrument, and if so, the character of the hedged item.

When the transaction is entered into, the Group documents the relationship between the hedging instrument and the hedged item, as well as the Group's objectives with regard to risk management and the risk strategy for the hedge. The Group also documents its assessments, both initially and on an ongoing basis, of whether the derivative instruments used in hedging transactions are effective in mitigating changes in fair value or cash flows attributable to the hedged items.

Accumulated amounts of shareholders' equity are reversed to profit or loss in the period in which the hedged item impacts earnings (for example, when the hedged forecast sale occurs). The gains or losses attributable to the ineffective portion are recognized in profit or loss. Beijer Alma utilizes derivative instruments to cover risks associated with exchange-rate fluctuations. Beijer Alma applies hedging for commercial exposure in the form of highly probable forecast transactions (cash-flow exposure) within the framework of the financial policy adopted by the Board of Directors. Beijer Alma applies hedge accounting for contracts that fulfill the criteria for hedging in accordance with IAS 39 Financial Instruments: Recognition and Measurement. The Group documents its assessment, both at hedge inception and on an ongoing basis, of whether the hedging instruments that are used are effective.

Hedge accounting means that the unrealized gains and losses that arise when hedging instruments are valued at market value and that fulfill the conditions for hedge accounting are recognized in other comprehensive income. Refer also to Note 31.

Share capital

Ordinary shares are classified as shareholders' equity. Transaction costs that are directly attributable to issues of new shares or options are recognized in shareholders' equity, in a net amount after tax, as a deduction from the proceeds of the issue.

Accounts payable

Accounts payable are initially recognized at fair value and thereafter at amortized cost using the effective interest method.

Borrowing

Borrowing is initially recognized at fair value in a net amount after transaction costs. Borrowing is thereafter recognized at amortized cost and any difference between the amount received and the amount repaid is recognized in profit or loss distributed over the borrowing period using the effective interest method. Bank overdrafts are recognized as borrowings among current liabilities in the balance sheet.

Provisions

Provisions are recognized in the balance sheet under current and non-current liabilities when the Group has a legal or informal obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are valued at the present value of the amount expected to be required to settle the obligation. The Group uses a pre-tax discount rate that reflects a current market estimate of the time-dependent value of the funds and the risks associated with the provision. Any increase in the provision attributable to the passage of time is recognized as an interest expense.

Employee benefits

The Group utilizes defined-contribution and defined-benefit pension plans. The pension plans are financed through payments made by each Group company and the employees. The defined-benefit pension plans are ITP plans that are insured with Alecta. These plans are recognized as defined-contribution plans since Alecta is unable to provide the necessary information. Refer also to Note 2.

A defined-contribution plan is a pension plan according to which the Group pays fixed fees to a separate legal entity. The Group has no legal or information obligations to pay additional contributions in the event that this legal entity lacks the necessary assets to pay all employee benefits associated with the employee's work during the current period or earlier periods. A defined-benefit plan is a pension plan that is not a defined-contribution plan. Defined-benefit plans are unique in that they state an amount for the pension benefit to be received by an employee after retirement, normally based on one or several factors, such as age, period of service and salary. In the event that a pension commitment is covered through the holding of endowment insurances, this asset is considered a plan asset, meaning that the asset and liability offset one another.

The Group's payments relating to pension plans are recognized as an expense during the period in which the employees performed the services to which the payment pertains.

Dividend

Dividends are recognized as liabilities after they are approved by the Annual General Meeting.

Parent Company accounting policies

The Parent Company prepared its annual accounts in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. RFR 2 stipulates that the Parent Company, in the annual accounts for the legal entity, shall apply all EU-approved IFRS and statements, insofar as this is possible within the framework of the Swedish Annual Accounts Act and with consideration given to the relationship between accounting and taxation. The recommendation stipulates the permissible exceptions from and amendments to IFRS. The differences between the Group and Parent Company accounting policies are described below.

Participations in Group companies and associated companies

Shares and participations in subsidiaries and associated companies are recognized at cost after deducting any impairment losses. Cost includes acquisition-related costs and any additional purchase considerations. Dividends received are recognized as financial income. Dividends that exceed the subsidiary's comprehensive income for the period or that cause the carrying amount of the holding's net assets in the consolidated financial statements to fall below the carrying amount of the participations are an indication of the need for impairment. In the event of an indication that shares and participations in subsidiaries or associated companies have declined in value, a calculation is made of the recoverable amount. If this amount is lower than the carrying amount, an impairment is performed. Impairment losses are recognized in the items "Profit from participations in Group companies" or "Profit from participations in associated companies."

Dividends

Dividend income is recognized when the right to receive payment is deemed secure.

Financial instruments

Fixed financial assets are measured at cost less any impairment losses, and current financial assets at the lower of cost or market value.

Leased assets

In the Parent Company, all leasing agreements are recognized in accordance with the rules for operational leasing.

Group contributions and shareholders' contributions for legal entities

Group contributions are recognized in the Parent Company as an appropriation.

Note 2 Employees

Job location	Average number of employees 2017	2016
Sweden		
Parent Company		
Uppsala	**2**	2
Stockholm	**4**	4
Subsidiaries		
Filipstad	**108**	102
Gothenburg	**59**	56
Hallstahammar	**3**	6
Halmstad	**10**	10
Helsingborg	**13**	15
Herrljunga	**58**	52
Karlstad	**17**	16
Ljungby	**15**	14
Luleå	**3**	5
Malmö	**31**	35
Mönsterås	**35**	35
Skellefteå	**4**	2
Skene	**12**	–
Stockholm	**134**	89
Tierp	**150**	155
Värnamo	**44**	46
Växjö	**24**	24
Total Sweden	**726**	668

Of whom, 553 (506) are men and 173 (162) are women.

	Men	Women	Total 2017	Men	Women	Total 2016
Total Sweden	**553**	**173**	**726**	506	162	668
Outside Sweden						
Denmark	**52**	**17**	**69**	51	19	70
Finland	**31**	**6**	**37**	28	7	35
France	**5**	**2**	**7**	4	3	7
Hong Kong	**4**	**4**	**8**	4	4	8
China	**229**	**180**	**409**	221	161	382
Latvia	**63**	**74**	**137**	62	59	121
Mexico	**33**	**9**	**42**	29	6	35
Netherlands	**3**	**3**	**6**	3	2	5
Norway	**14**	**4**	**18**	14	4	18
Poland	**31**	**49**	**80**	47	32	79
Russia	**10**	**4**	**14**	11	3	14
Singapore	**34**	**12**	**46**	33	11	44
Slovakia	**114**	**69**	**183**	86	56	142
UK	**168**	**49**	**217**	152	44	196
Thailand	**19**	**11**	**30**	19	11	30
Germany	**353**	**129**	**482**	340	111	451
US	**29**	**4**	**33**	31	4	35
Total outside Sweden	**1,192**	**626**	**1,818**	1,135	537	1,672
Total	**1,745**	**799**	**2,544**	1,641	699	2,340

Of the total of 2,544 employees (2,340), 1,745 (1,641) are men and 799 (699) are women.

Salaries, remuneration and social security contributions

Group

In the Group's Swedish units, remuneration was expensed as follows:

	2017	2016
Salaries/fees, President and Board	**44,883**	36,286
of which, variable salary, President and Board	**8,018**	6,913
Social security contributions, President and Board	**24,206**	18,196
of which, pension costs	**11,325**	7,952
Salaries, other	**309,974**	279,852
Social security contributions, other	**143,055**	129,095
of which, pension costs	**36,299**	32,025

Salaries and expenses outside Sweden were expensed as follows:

	President/Board				Other	
2017 Group	Salary	of which, salary	Social security contributions	of which, pension costs	Salary	Social security contributions
Denmark	6,107	686	405	396	32,643	2,523
Finland	3,161	312	800	251	15,826	4,160
France	–	–	–	–	4,246	2,306
Hong Kong	627	–	125	–	6,226	1,674
China	1,057	40	–	–	43,338	8,329
Latvia	1,276	52	303	–	16,853	3,972
Mexico	–	–	–	–	3,723	816
Netherlands	–	–	–	–	4,709	1,103
Norway	1,899	282	636	89	8,815	2,721
Poland	–	–	–	–	8,796	2,079
Russia	621	73	121	81	2,065	442
Singapore	4,315	558	–	–	11,993	–
Slovakia	1,391	–	227	–	21,739	5,000
UK	6,076	780	919	–	56,747	5,542
Thailand	287	36	–	–	2,053	175
Germany	7,274	618	795	–	174,421	33,631
US	2,644	153	655	238	13,592	4,871
Total salaries and remuneration	**36,735**	**3,590**	**4,986**	**1,333**	**427,785**	**79,344**
Total salaries and remuneration in Sweden according to the above	**44,883**	**8,018**	**24,206**	**11,325**	**309,974**	**143,045**
Total Group	**81,618**	**11,608**	**29,192**	**12,658**	**737,759**	**222,389**

	President/Board				Other	
2016 Group	Salary	of which, salary	Social security contributions	of which, pension costs	Salary	Social security contributions
Denmark	5,484	527	368	359	32,681	2,449
Finland	3,046	124	544	246	13,217	2,648
France	–	–	–	–	3,560	1,761
Hong Kong	–	–	–	–	5,027	733
China	1,014	–	–	–	41,879	12,864
Latvia	1,188	51	280	–	12,854	3,028
Mexico	–	–	–	–	2,709	593
Netherlands	–	–	–	–	4,072	900
Norway	4,245	241	578	104	11,180	3,319
Poland	553	65	–	–	8,005	2,218
Russia	505	46	162	63	1,177	278
Singapore	2,698	184	–	–	4,740	–
Slovakia	1,269	–	166	–	16,477	3,639
UK	6,011	721	1,011	288	55,347	5,524
Thailand	216	–	–	–	1,480	–
Germany	8,397	1,003	946	17	162,145	30,493
US	2,520	138	740	224	15,884	5,676
Total salaries and remuneration	**37,146**	**3,100**	**4,795**	**1,301**	**392,434**	**76,123**
Total salaries and remuneration in Sweden according to the above	**36,286**	**6,913**	**18,196**	**7,952**	**279,852**	**129,095**
Total Group	**73,432**	**10,013**	**22,991**	**9,253**	**672,286**	**205,218**

Parent Company	**2017**	2016
Salaries/fees, President and Board	**18,832**	12,129
of which, variable salary, President and Board	**3,228**	3,330
Social security contributions, President and Board	**5,324**	5,905
of which, pension costs	**2,150**	2,414
Salaries, other	**8,179**	7,630
Social security contributions, other	**3,884**	4,019
of which, pension costs	**1,523**	1,558

CEO salary in 2017	Basic salary	Bonus	Social security contributions	Pension costs
Bertil Person Jan 1–Oct 31, 2017	4,974	3,096	2,536	2,066
Bertil Person termination salary	6,964		2,188	
Jan Blomén Nov 1–Dec 31, 2017	421	132	174	84
Total	**12,359**	**3,228**	**4,898**	**2,150**

Defined-benefit pension plans

For salaried employees in Sweden, defined-benefit pension commitments for retirement and family pension under the ITP 2 plan are secured through an insurance policy with Alecta. According to statement UFR 10 Classification of ITP plans financed by insurance in Alecta, issued by the Swedish Financial Reporting Board, this is a multi-employer defined-benefit pension plan. The Group's share of the total fees for the plan is approximately 0.03 percent. For the 2017 financial year, the company did not have access to sufficient information to enable it to recognize its proportional share of the plan commitments, plan assets and expenses, which meant that the plan could not be recognized as a defined-benefit plan. Accordingly, the ITP 2 pension plan, which is secured through insurance with Alecta, was recognized as a defined-contribution pension plan. The premium for the defined-benefit retirement and family pension plan is calculated on an individual basis, taking into consideration such factors as salary, previously accrued pension and expected remaining period of service. The fees for ITP 2 insurance for 2018 amount to about MSEK 10.

The collective consolidation level is defined as the market value of Alecta's assets as a percentage of its insurance commitments, calculated according to Alecta's actuarial methods and assumptions, which do not correspond with IAS 19. The collective consolidation level is normally permitted to vary between 125 and 155 percent. Should Alecta's collective consolidation level be below 125 percent or above 155 percent, measures are to be taken to create the necessary conditions to ensure the consolidation level returns to the normal interval. In the event of a low consolidation level, one such measure may be to raise the contracted price for taking out new insurance or extending existing benefits. In the event of a high consolidation level, it may be necessary to implement premium reductions. At year-end 2017, the preliminary collective consolidation level was 154 percent (December 31, 2016: 148 percent).

Terms of employment and remuneration to senior executives

Principles

The principles below are proposed for adoption by the 2018 Annual General Meeting and are unchanged compared with the principles adopted by the 2017 Annual General Meeting. No deviations occurred from these principles during the year.

Fees are paid to the Chairman of the Board and the directors in accordance with the resolution adopted by the Annual General Meeting. These fees are paid retroactively on an annual basis. Fees to the Audit Committee are determined by the Annual General Meeting and paid annually in arrears. The Annual General Meeting also passes resolutions regarding remuneration and terms of employment for members of senior management.

Note 2 Employees, continued

No fees are paid to Group employees for work as directors of subsidiaries.

Remuneration to the President and members of senior management comprises basic salary, including company car benefits, variable salary and pension costs. Members of senior management include the President, the presidents of the three subsidiaries, the Group's Chief Financial Officer and the Group's Controller.

The distribution between basic salary and variable salary shall be proportional to the individual's responsibilities and authority. For the incoming President, the ceiling for variable salary is maximized at 60 percent of basic salary, excluding company car benefits. For other members of senior management, the ceiling for variable salary is maximized at between 50 and 100 percent of basic salary, excluding company car benefits. Variable salary is based on actual performance in relation to individually established goals.

Pension benefits and company car benefits for the President and other members of senior management are paid as part of the total remuneration.

Remuneration and benefits in 2017

	Directors' fee/basic salary, incl. company car benefits	Audit Committee	Variable salary	Pension costs	Total
Directors (fees in accordance with the resolution passed by 2017 Annual General Meeting)					
Johan Wall	950	50			1,000
Johnny Alvarsson	325				325
Carina Andersson	325				325
Anders G. Carlberg	325				325
Peter Nilsson	325				325
Caroline af Ugglas	325	50			375
Anders Ullberg	325	80			405
Senior management (six people)	25,027		7,910	4,898	37,835
Of which, Presidents	12,359		3,228	2,150	17,737
Total	**27,927**	**180**	**7,910**	**4,898**	**40,915**

Remuneration and benefits in 2016

	Directors' fee/basic salary, incl. company car benefits	Variable salary	Pension costs	Total
Directors (fees paid in accordance with the resolution passed by 2016 Annual General Meeting)				
Johan Wall	900			900
Carina Andersson	300			300
Marianne Brismar	300			300
Anders G. Carlberg	300			300
Peter Nilsson	300			300
Caroline af Ugglas	300			300
Anders Ullberg	300			300
Senior management (six people)	18,234	8,074	4,885	31,193
Of which, President	5,799	3,330	2,414	11,543
Total	**20,934**	**8,074**	**4,885**	**33,893**

During 2017, Carina Andersson, Peter Nilsson and Anders G. Carlberg invoiced their fees through their own companies, plus social security contributions. This did not entail a cost for Beijer Alma. No pensions or similar benefits are paid to the directors.

Comments on the table

Members of the Group's senior management have only defined-contribution pension plans. Pension costs refer to the costs charged against net profit for the year.

TERMS OF EMPLOYMENT

President

Bertil Persson, President until October 31, 2017

The period of notice is 24 months if employment is terminated by the company and nine months if employment is terminated by the employee. Termination salary is not to be offset against other income. The retirement age is 65. Pension premiums are paid by the company in an amount corresponding to 35 percent of basic salary, excluding company car benefits.

Henrik Perbeck, President from March 2018

The period of notice is 18 months if employment is terminated by the company and nine months if employment is terminated by the employee. Termination salary is to be offset against other income. The retirement age is 65. Pension premiums are paid by the company in an amount of 25 percent of basic salary, excluding company car benefits.

Other members of senior management

If employment is terminated by the company, the period of notice varies between 12 and 24 months. In the event that employment is terminated by the employee, the period of notice is six months. Termination salary is offset against remuneration from other employers. The retirement age is 65 in all cases. Pension premiums, which are paid by the company, are equivalent to 25 to 30 percent of basic salary, excluding company car benefits.

Note 3 Board of Directors

Johan Wall. Education: Master of Engineering from the Royal Institute of Technology in Stockholm, Visiting Scholar at Stanford University. Deputy Director: 1997–2000. Director: 2000–2016. Chairman of the Board since: 2016. Chairman of: Beijerinvest AB. Director of: Skirner AB, the Crafoordska Foundation, the Kjell and Märta Beijer Foundation, the Anders Wall Foundation, Uppsala University and others. Earlier positions: President of Beijerinvest AB, Bisnode AB, Enea AB, Framfab AB and Netsolutions AB.

Johnny Alvarsson. Education: Master of Engineering from the Institute of Technology at Linköping University, management training at CEDEP in France. Director since: 2017. Director of: VBG AB, FM Mattson Mora Group, Instalco AB, Sdiptech AB and Dacke Industri AB. Earlier positions: Management positions at LM Ericsson, CEO of Zetterbergs Industri AB/Zeteco AB, CEO of Elektronikgruppen AB and CEO of Indutrade AB.

Carina Andersson. Education: Master of Mining Engineering from the Royal Institute of Technology in Stockholm. Director since: 2011. Director of: Systemair AB, SinterCast AB and Gränges AB. Earlier positions: General Manager and Head of Powder Technology at Sandvik Materials Technology AB, President of Ramnäs Bruk AB and President of Scana Ramnäs AB. Has resided in China since 2011.

Anders G. Carlberg. Education: Master of Business Administration. Director since: 1997. Chairman of: Gränges and Herenco. Director of: Axfast AB, Sweco AB, Investment AB Latour, Recipharm and others. Earlier positions: President and CEO of Nobel Industrier, J.S. Saba and Axel Johnson International AB, Executive Vice President of SSAB.

Peter Nilsson. Education: Master of Engineering from the Institute of Technology at Linköping University. President and CEO of Trelleborg AB. Director since: 2008. Director of: Trelleborg AB, Trioplast Industrier AB, the Chamber of Commerce and Industry of Southern Sweden and others. Earlier positions: Business Area President and other assignments within the Trelleborg Group, Management Consultant at BSI.

Caroline af Ugglas. Education: Economics degree from Stockholm University. Director since: 2015. Deputy General Director of the Confederation of Swedish Enterprise. Director of: Acando Group. Earlier positions: Head of Equities and Corporate Governance at Livförsäkringsaktiebolaget Skandia.

Anders Ullberg. Education: Master of Business Administration from the Stockholm School of Economics. Director since: 2007. Chairman of: Boliden, Eneqvist Consulting, Mercur Solutions and Studsvik. Director of: Atlas Copco, Epiroc and Valedo Partners. Chairman of the Swedish Financial Reporting Board and Member of the Board of the European Financial Reporting Advisory Group. Earlier positions: President and CEO of SSAB, Vice President and CFO of SSAB, CFO of Svenska Varv.

Note 4 Net revenues

SEK 000s	2017	2016
Sweden	**956,184**	828,424
Other EU	**1,970,935**	1,753,698
Other Europe	**297,817**	261,879
Asia	**509,825**	467,801
North America	**155,105**	177,763
Rest of the world	**81,630**	37,951
Total	**3,971,496**	3,527,516

In addition to Sweden, the countries in which Beijer Alma generates its greatest net revenues are:

MSEK	2017	2016
Germany	**713**	582
UK	**343**	306
China	**307**	251
US	**172**	176
Denmark	**185**	168
Finland	**143**	128
Norway	**145**	123
South Korea	**80**	121

Note 5 Segment reporting

The financial information addressed by Group management and used to make strategic decisions is based on the following division of segments.

The operating segments comprise Beijer Alma's sub-groups: Lesjöfors (industrial springs), Habia Cable (custom-designed cables) and Beijer Tech (industrial trading). Lesjöfors and Habia conduct proprietary manufacturing and product development. Each segment is responsible for its own administration and marketing. Each sub-group is headed by a president, who is a member of Group management.

"Other" refers to the Parent Company, which is a holding company that does not conduct external invoicing as well as a number of small subsidiaries with minor operations. Operating profit is the income measure monitored by Group management.

Any inter-segment sales take place on commercial terms. No individual customer accounts for more than 5 percent of the Group's income.

2017	Lesjöfors	Habia	Beijer Tech	Other (Parent Company, etc.)	Eliminations	Total
Segment income	2,351.2	808.5	811.5	0.3	–	3,971.5
Inter-segment sales	–	–	–	–	–	0.0
Income from external customers	**2,351.2**	**808.5**	**811.5**	**0.3**	**–**	**3,971.5**
Operating profit/loss	477.3	42.2	47.2	–38.3	–	528.4
Financial income	0.7	0.6	0.2	309.8	–309.8	1.5
Financial expenses	–5.9	–5.2	–1.1	–	–0.3	–12.5
Profit after net financial items	**472.1**	**37.6**	**46.3**	**271.5**	**–310.1**	**517.4**
Appropriations	–110.1	50.0	–	60.0	–	0.0
Tax	–89.9	–23.9	–10.4	–4.9	–	–129.1
Net profit	**272.2**	**63.7**	**35.9**	**326.6**	**–310.1**	**388.3**
Operating profit/loss includes:						
Depreciation/amortization	92.1	31.4	6.6	0.4	–	130.5
Share of profit/loss in associated companies	0.8	–	–	–	–	0.8
Assets	2,121.4	676.3	460.4	1,033.1	–855.9	3,435.3
Liabilities	924.0	315.4	233.0	1,346.0	–1,374.2	1,444.2
of which, interest-bearing	395.5	173.1	70.6	100.3	–2.7	736.8
Cash funds (included in assets)	231.2	26.3	10.9	62.4	–2.7	328.1
Net debt	164.3	146.8	59.7	37.9	–	408.7
Investments in tangible assets	111.2	11.8	2.3	0.6	–	125.9
Sales outside Sweden, %	85.1	95.4	29.8	–	–	75.9

2016	Lesjöfors	Habia	Beijer Tech	Other (Parent Company, etc.)	Eliminations	Total
Segment income	2,009.4	786.8	731.1	0.2	–	3,527.5
Inter-segment sales	–	–	–	–	–	0.0
Income from external customers	**2,009.4**	**786.8**	**731.1**	**0.2**	**0.0**	**3,527.5**
Operating profit/loss	380.2	97.0	7.9	–29.8	–0.1	455.2
Financial income	0.8	–	0.3	260.7	–260.6	1.2
Financial expenses	–4.8	–3.7	–0.8	–0.7	0.6	–9.4
Profit after net financial items	**376.2**	**93.3**	**7.4**	**230.2**	**–260.1**	**447.0**
Appropriations	–58.0	6.0	–	52.2	–0.2	0.0
Tax	–79.9	–32.7	–2.5	–5.9	1.6	–119.4
Net profit	**238.3**	**66.6**	**4.9**	**276.5**	**–258.7**	**327.6**
Operating profit/loss includes:						
Depreciation/amortization	81.2	28.6	7.1	0.3	0.1	117.3
Share of profit/loss in associated companies	2.4	–	–	–	–	2.4
Assets	2,005.4	657.7	369.7	896.9	–778.5	3,151.2
Liabilities	880.9	294.4	178.4	37.7	–141.7	1,249.7
of which, interest-bearing	416.1	114.4	44.5	14.7	–3.0	586.7
Cash funds (included in assets)	233.3	33.3	6.9	3.1	–3.0	273.6
Net debt	182.8	81.1	37.6	11.6	–	313.1
Investments in tangible assets	149.2	49.3	5.0	0.1	–	203.6
Sales outside Sweden, %	86.7	95.1	28.6	–	–	76.5

Assets distributed by geographic region (MSEK)

Group	2017	2016
Sweden	**1,470.8**	1,226.9
Other EU	**1,300.9**	1,247.4
Other Europe	**85.4**	68.3
North America	**131.7**	158.4
Asia	**446.5**	450.2
Total	**3,435.3**	3,151.2

Note 6 Administrative expenses

Administrative expenses include the following auditors' fees:

	Group 2017	Group 2016	Parent Company 2017	Parent Company 2016
PWC				
Audit assignment	**4,084**	3,954	**658**	559
Other statutory assignments	**639**	506	**200**	218
Tax consultancy	**133**	115	**30**	–
Other services	**193**	254	**110**	254
Other auditors				
Audit assignment	**2,841**	2,540	**–**	–
Auditing activities in addition to audit assignment	**68**	102	**–**	–
Tax consultancy	**654**	768	**–**	–
Other services	**742**	539	**–**	–
Total	**9,354**	8,778	**998**	1,031

In the 2017 financial year, remuneration to the audit form and its network from the Beijer Alma Group amounted to SEK 5,049,000 (of which SEK 3,387,000 to the audit firm), distributed between the following categories:

- Audit assignment, SEK 4,084,000 to the audit firm and network; of which SEK 2,720,000 to the audit firm
- Other statutory assignments, SEK 639,000 to the audit firm and network; of which SEK 494,000 to the audit firm
- Tax consultancy, SEK 133,000 to the audit firm and network; of which SEK 63,000 to the audit firm
- Valuation services, SEK 0 to the audit firm and network; of which SEK 0 to the audit firm
- Other services, SEK 193,000 to the audit firm and network; of which SEK 110,000 to the audit firm.

Costs for product development totaling MSEK 14,632 (12,800) are included in the Group's administrative expenses. These amounts pertain to product development costs that could not be attributed to specific customer orders.

Note 7 Other operating income and operating expenses

	Group 2017	Group 2016	Parent Company 2017	Parent Company 2016
Management fee	**–**	–	**18,200**	18,200
Capital gain on sale of building/shares	**2,862**	–	**2,862**	–
Total	**2,862**	0	**21,062**	18,200

Note 8 Items affecting comparability

Group	Group 2017	Group 2016	Parent Company 2017	Parent Company 2016
Cost related to change of CEO	**16,139**	–	**16,139**	–
Total	**16,139**	0	**16,139**	0

The type of cost to which this item is attributable is administrative expenses.

Note 9 Profit from participations in associated companies

Group	**2017**	2016
Share of profit from:		
– Hanil Precision Co Ltd	**775**	2,420
Total	**775**	2,420

Note 10 Operating profit

Operating profit has been charged with depreciation and amortization as follows:

Group	**2017**	2016
Plant and machinery	**89,787**	82,861
Equipment, tools, fixtures and fittings	**18,427**	18,336
Buildings	**16,972**	12,427
Land improvements	**468**	371
Other intangible assets	**4,836**	3,305
Total	**130,490**	117,300

In the Parent Company, equipment, tools, fixtures and fittings were depreciated by 91 (56).

Group	**2017**	2016
Costs distributed by type of cost:		
Material costs	**1,701,707**	1,475,371
Costs for employee benefits (Note 2)	**1,070,958**	974,737
Development costs not charged to respective orders	**14,632**	12,800
Depreciation/amortization (Note 10)	**130,490**	117,300
Costs for operational leasing (Note 11)	**66,060**	65,548
Other costs	**452,312**	429,026
Total	**3,436,159**	3,074,782

Note 11 Operational leasing

Operating profit was charged with costs for operational leasing as follows:

	Group		Parent Company	
	2017	2016	**2017**	2016
Leasing costs for the year	**66,060**	65,548	**2,125**	2,110
Future minimum leasing payments fall due as follows:				
Within 1 year	**62,626**	62,079	**2,172**	2,124
1 to 3 years	**76,792**	77,769	**624**	3,306
After more than 3 years, but within 5 years	**21,937**	21,443	**–**	130
After more than 5 years	**30,239**	12,852	**–**	–
Total	**191,594**	174,143	**2,796**	5,560

The majority of costs pertain to lease agreements for operating premises.

Note 12 Income from participations in Group companies

Parent Company	**2017**	2016
Anticipated dividend from:		
Beijer Tech AB	**35,000**	–
Habia Cable AB	**94,000**	65,000
Lesjöfors AB	**180,000**	195,000
Total	**309,000**	260,000

Note 13 Tax on net profit for the year

	Group		Parent Company	
	2017	2016	**2017**	2016
Current tax for the period	**–118,951**	–116,877	**–4,934**	–5,825
Deferred tax pertaining to:				
– untaxed reserves	**–2,258**	–2,513	**–**	–
– provisions	**–7,294**	–	**–**	–
– current tax attributable to earlier years	**–587**	–	**6**	–
Total	**–129,090**	–119,390	**–4,928**	–5,825

Difference between tax expense and 22.0 percent tax	Group		Parent Company	
	2017	2016	**2017**	2016
Profit before tax	**517,439**	447,030	**330,465**	282,326
22 percent of this amount	**–113,837**	–98,347	**–72,702**	–62,112
Tax for the period	**–129,090**	–119,390	**–4,928**	–5,825
Difference	**–15,253**	–21,043	**67,774**	56,287

Specification of difference	Group		Parent Company	
	2017	2016	**2017**	2016
Effect of:				
– withholding tax	**–1,307**	–2,141	**–**	–
– foreign tax rates	**–4,413**	–5,003	**–**	–
– non-deductible items	**–3,547**	–5,810	**–837**	–913
– non-taxable income	**3,980**	1,629	**68,611**	57,200
– deficit in foreign subsidiaries	**–1,688**	–2,289	**–**	–
– temporary differences pertaining to deferred tax	**–6,565**	–4,979	**–**	–
Other	**–1,713**	–2,450	**–**	–
Total	**–15,253**	–21,043	**67,774**	56,287

The Group's weighted average tax rate was 24.9 percent (26.7).

Cash-flow hedges after tax are recognized in other comprehensive income. Tax revenues of 1,596 pertaining to cash-flow hedges were recognized in 2017 and a tax expense of 1,625 pertaining to cash-flow hedges were recognized in 2016. There are no other tax effects in other comprehensive income.

Note 14 Earnings per share

Group	**2017**	2016
Profit used for calculating earnings per share		
Net profit attributable to Parent Company shareholders	**388,349**	327,640
Number of shares	**30,131,100**	30,131,100

Since there are no outstanding programs regarding convertibles or options, the number of shares before and after dilution is the same.

Note 15 Goodwill

Group	**2017**	2016
Opening cost	**653,545**	610,642
Acquisitions[1)]	**42,752**	31,218
Translation differences	**-5,969**	11,685
Closing accumulated cost	**690,328**	653,545
Opening impairment	**112,244**	112,244
Translation differences	**–1**	–
Closing accumulated impairment	**112,243**	112,244
Carrying amount	**578,085**	541,301

Note 15 Goodwill, continued

[1)] Group	2017	2016
Acquisition of John While Group	–	21,777
Acquisition of Spiralspecialisten AB	–	9,441
Acquisition of Svenska Brandslangsfabriken AB	42,752	
Total	**42,752**	31,218

The Group's total recognized goodwill is allocated to the operating sectors, which comprise the following cash-generating units:

Group	2017	2016
Lesjöfors	221,017	228,582
Habia Cable	55,617	54,048
Beijer Tech	301,451	258,672
Total	**578,085**	541,302

Impairment tests for goodwill 2017

The value of goodwill is tested annually using impairment tests or more often if there are indications of a decline in value. Testing is carried out for each individual cash-generating unit. This includes Lesjöfors, Habia Cable and Beijer Tech.

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations are based on cash flow projections. Established forecasts were used for the first forecast year, 2018, and values were estimated for the coming four years based on a growth rate of 1–2 percent. Key assumptions on which the calculations are based:

- Forecast gross margins and operating margins
- Growth rate for the periods after the budget period
- Selected discount rate after tax

Forecast gross margins and operating margins have been established by management based on historical outcomes, and measures and plans in the approved forecasts. For the period after the forecast period, a growth rate of 1–2 percent has been used. Corresponding growth rates were used in the test for the 2016 annual accounts.

The discount rate comprises the following components: a risk-free interest rate, the market risk premium and a company-specific risk premium. The discount rates used in the 2017 impairment test were 7 percent for Beijer Tech, 8 percent for Habia Cable and 8 percent for Lesjöfors. The differences were attributable to individual risk profiles, which were assessed to be unchanged compared with the 2016 test. In 2016, a discount rate of 7.1 was used for Beijer Tech, 7.5 for Habia and 7.7 for Lesjöfors. The differences are attributable to a reduction in risk premiums.

The 2017 impairment tests did not indicate an impairment requirement. A sensitivity analysis was performed in which the growth rate was halved for the coming five years and thereafter zero growth was used at the same time as the discount rate was raised by 1.0 percentage point. These conditions did not entail an impairment requirement for any of the cash-flow generating units.

Impairment tests for goodwill 2016

The 2016 impairment test did not indicate an impairment requirement. However, a sensitivity analysis indicated an impairment requirement of MSEK 50 related to Beijer Tech. In the sensitivity analysis, growth had been halved and the discount rate had been raised by 0.5 percent.

Note 16 Other intangible assets

Group	2017	2016
Opening cost	35,667	35,251
Purchases	17,415	479
Acquisitions of subsidiaries	5,000	–
Reclassification	7,504	-239
Translation differences	-183	176
Closing accumulated cost	**65,403**	35,667
Opening amortization	25,321	24,062
Sales and disposals	–	–
Reclassification	4,840	–
Amortization for the year	4,836	3,275
Translation differences	71	-2,016
Closing accumulated amortization	**35,068**	25,321
Opening impairment	1,018	1,018
Translation differences	–	–
Closing impairment	**1,018**	1,018
Carrying amount	**29,317**	9,328

The assets comprise acquired customer relations and software licenses.

Note 17 Land and land improvements

Group	2017	2016
Opening cost	54,321	44,274
Purchases	10,814	8,655
Through acquisitions of subsidiaries	698	511
Translation differences	715	881
Closing accumulated cost	**66,548**	54,321
Opening depreciation	3,902	3,005
Reclassification	–	5
Depreciation for the year	468	371
Translation differences	48	521
Closing accumulated depreciation	**4,418**	3,902
Opening impairment	60	60
Impairment for the year	–	–
Closing impairment	**60**	60
Carrying amount	**62,070**	50,359

Note 18 Buildings

Group	2017	2016
Opening cost	**502,726**	391,784
Purchases	**11,885**	91,077
Sales and disposals	**–17,561**	–2,882
Through acquisitions of subsidiaries	**12,199**	13,355
Reclassification	**74**	2,391
Translation differences	**4,086**	7,001
Closing accumulated cost	**513,409**	502,726
Opening depreciation	**200,250**	177,992
Sales and disposals	**–5,611**	–1,503
Reclassification	**–6,615**	8,684
Depreciation for the year	**16,972**	12,490
Translation differences	**1,501**	2,587
Closing accumulated depreciation	**206,497**	200,250
Opening impairment	**961**	961
Reversed impairment	**–961**	–
Closing impairment	**0**	961
Carrying amount	**306,912**	301,515

Note 19 Plant and machinery

Group	2017	2016
Opening cost	**1,438,765**	1,251,803
Purchases	**80,676**	139,702
Sales and disposals	**–8,810**	–29,333
Through acquisitions of subsidiaries	**7,349**	94,637
Reclassification	**–24,505**	–31,761
Translation differences	**–1,162**	13,717
Closing accumulated cost	**1,492,313**	1,438,765
Opening depreciation	**926,649**	780,124
Sales and disposals	**–1,790**	–24,357
Acquisitions of subsidiaries	**–**	83,967
Reclassification	**1,520**	–4,300
Depreciation for the year	**89,747**	82,800
Translation differences	**–646**	8,415
Closing accumulated depreciation	**1,015,480**	926,649
Opening impairment	**5,385**	5,385
Impairment for the year	**–**	–
Closing impairment	**5,385**	5,385
Carrying amount	**471,448**	506,731

Financial leasing agreements
The Group's plant and machinery includes financial leasing agreements as follows:

Group	2017	2016
Cost	**15,258**	15,050
Remaining residual value	**385**	376

Future minimum leasing payments fall due as follows:

Group	2017	2016
Within 1 year	**123**	438
Between 2 and 3 years	**144**	339
Between 4 and 5 years	**118**	9
After more than 5 years	**–**	–
Total	**385**	786

Present value of financial leasing costs are as follows:

Group	2017	2016
Within 1 year	**120**	429
Between 1 and 5 years	**245**	327
Total	**365**	756

Note 20 Equipment, tools, fixtures and fittings

	Group 2017	Group 2016	Parent Company 2017	Parent Company 2016
Opening cost	**190,309**	146,929	**2,706**	2,638
Purchases	**26,687**	19,883	**107**	140
Acquisitions of subsidiaries	**2,367**	34,679	**–**	–
Sales and disposals	**–7,009**	–7,803	**–**	–72
Reclassification	**–3,473**	–5,562	**–**	–
Translation differences	**–341**	2,183	**–**	–
Closing accumulated cost	**208,540**	190,309	**2,813**	2,706
Opening depreciation	**142,604**	107,456	**1,480**	1,496
Acquisitions of subsidiaries	**–**	27,398	**–**	–
Sales and disposals	**–5,269**	–6,926	**–**	–71
Reclassification	**371**	–5,921	**–**	–
Depreciation for the year	**18,427**	18,341	**91**	55
Translation differences	**–716**	2,256	**–**	–
Closing accumulated depreciation	**155,417**	142,604	**1,571**	1,480
Opening impairment	**1,524**	1,519	**–**	–
Reclassification	**–**	–	**–**	–
Translation differences	**4**	5	**–**	–
Closing accumulated impairment	**1,528**	1,524	**0**	0
Carrying amount	**51,595**	46,181	**1,242**	1,226

Note 21 Participations in associated companies

Group	Share of equity, %	Registered office	Carrying amount 2017	Carrying amount 2016
Hanil Precision Co Ltd	20	Pusan, South Korea	**25,665**	24,986
Azure Precision Sdn Bhd	25	Malaysia	**98**	468
Total			**25,763**	25,454

Hanil Precision Co Ltd is a South Korean gas-spring manufacturer with revenues of approximately MSEK 199 (169) and an operating margin of 5 percent (7). During the year, Lesjöfors purchased gas springs from Hanil for MSEK 12 (20). These purchases were conducted on market terms.

Group	**2017**	2016
Opening value	**24,454**	21,676
Share in profit after tax	**775**	2,420
Reclassification	**–**	468
Translation difference	**904**	890
Impairment	**–370**	–
Carrying amount	**25,763**	25,454

Group share as of December 31, 2016 (MSEK)	Assets	Liabilities	Income	Net profit
Hanil Precision Co Ltd	25	10	40	0,8

Note 22 Participation in Group companies

Parent Company	Corp. Reg. No.	Number	Registered office	Carrying amount	Adjusted shareholders' equity
Lesjöfors AB	556001-3251	603,500	Karlstad, Sweden	100,000	1,197,374 [1]
Habia Cable AB	556050-3426	500,000	Upplands Väsby, Sweden	95,576	360,917 [2]
Beijer Tech AB	556650-8320	50,000	Tyresö, Sweden	333,324	227,338 [3]
AIHUK AB	556218-4126	9,000	Uppsala, Sweden	289	1,196
Shipping & Aviation Sweden AB	556500-0535	10,000	Uppsala, Sweden	977	1,369
Beijer & Alma Utvecklings AB	556230-9608	145,000	Uppsala, Sweden	1,846	2,082
Total				**532,012**	

1) Before anticipated dividend to the Parent Company in the amount of 180,000.
2) Before anticipated dividend to the Parent Company in the amount of 94,000.
3) Before anticipated dividend to the Parent Company in the amount of 35,000.

All companies are wholly owned. Lesjöfors is a spring producer, Habia Cable manufactures custom-designed cables, Beijer Tech conducts industrial trading. These companies comprise independent segments. Other companies are dormant.

Parent Company	**2017**	2016
Opening cost	**526,366**	526,366
Closing cost	**526,366**	526,366
Opening write-ups	**8,218**	8,218
Sales	**–185**	–
Write-ups for the year	**–**	–
Closing write-ups	**8,033**	8,218
Opening impairment	**2,387**	2,387
Impairment for the year	**–**	–
Closing impairment	**2,387**	2,387
Carrying amount	**532,012**	532,197

Subsidiary shareholdings in Group companies	Corp. Reg. No.	Percentage stake	Registered office	Number of shares	Carrying amount
Lesjöfors Fjädrar AB	556063-5244	100	Filipstad, Sweden	1,000	9,532
Lesjöfors Automotive AB	556335-0882	100	Växjö, Sweden	15,000	24,000
Lesjöfors Stockholms Fjäder AB	556062-9890	100	Stockholm, Sweden	10,000	24,619
Lesjöfors Sales AB	556997-9890	100	Stockholm, Sweden	3,000,000	3,000
Lesjöfors Industrifjädrar AB	556593-7967	100	Herrljunga, Sweden	5,000	10,500
Lesjöfors Banddetaljer AB	556204-0773	100	Värnamo, Sweden	221,500	28,103
Stece Fjädrar AB	556753-6114	100	Mönsterås, Sweden	10,000	6,000
AB Spiralspecialisten	556058-9151	100	Tyresö, Sweden	6,000	44,400
Spiralspecialisten Fastighets AB	556483-6244	100	Tyresö, Sweden	1,000	100
Lesjöfors A/S	26376521	100	Copenhagen, Denmark	1,503	56,603
Lesjöfors A/S	968703439	100	Oslo, Norway	150	53
Oy Lesjöfors AB	356.422	100	Åminnefors, Finland	600	1,000
Lesjöfors Springs Oy	229.771	100	Turku, Finland	200	1,492
Lesjöfors Springs Ltd.	3141628	100	Elland, UK	30,000	316
Lesjöfors Springs (UK) Ltd.	2483860	100	Elland, UK	40,000	774
Lesjöfors Springs GmbH	DE812397971	100	Hagen, Germany	1	44,693
Lesjöfors Springs LV	42103030622	100	Liepaja, Latvia	100	992
Lesjöfors Gas Springs LV		63	Liepaja, Latvia	701,988	6,764
Lesjöfors China Ltd		100	Changzhou, China	N/A	3,070
Lesjöfors Springs Russia		100	Moscow, Russia	N/A	6,460
European Springs & Pressings Ltd	GB853997954	100	Beckenham, UK	600	56,353
Harris Springs Ltd	1299095	100	Reading, UK	3,655	2,455
Velleuer GmbH & Co. KG		100	Velbert, Germany		44,247
Stumpp + Schüle GmbH		100	Beuren, Germany	1	65,306
Lesjöfors Deutschland GmbH		100	Velbert, Germany	1	40,239
Centrum B	17772672	100	Myjava, Slovakia	N/A	10,755
Lesjöfors Springs America Inc		100	Scranton, US	1,000	31,240
John While Group		100	Singapore	2	70,499
Habia Benelux BV	20027506	100	Breda, Netherlands	50	1,020
Habia Cable Asia Ltd	30476936	100	Hong Kong, China	50,000	55
Habia Cable China Ltd	720671195	100	Changzhou, China	1	11,402
Habia Kabel GmbH	HRA2588NO	100	Neu-Ulm, Germany	1	29,797
Habia Cable Inc.		100	New Jersey, US		0
Habia Kabel Produktions GmbH & Co.KG		100	Norderstedt, Germany		81,295
Habia Cable Ltd.	1285451	100	Bristol, UK	200,000	3,614
Habia Cable SA	4.00822E.13	100	Orléans, France	4,500	0
Habia Cable Latvia SIA		100	Liepaja, Latvia		0
Habia Cable Sp Zoo	KRS0000243459	100	Doluje, Poland	100,000	23,874
Alma Uppsala AB	556480-0133	100	Uppsala, Sweden	50,000	6,354
Daxpen Holding AB	556536-1457	100	Stockholm, Sweden	22,000	6,061
AB Stafsjö Bruk (fd BCB Baltic AB)	556649-7540	100	Stockholm, Sweden	1,000	422
Beijer Industri AB	556031-1549	100	Malmö, Sweden	100,000	43,817
Lundgrens Sverige AB	556063-3504	100	Gothenburg, Sweden	10,000	51,299
Beijer AS	929417607	100	Drammen, Norway	18,947	4,324
Beijer OY	10900757	100	Helsinki, Finland	120,000	4,092
Preben Z Jensen A/S	44551128	100	Hedehusene, Denmark	1,000	32,683
PMU	556916-5375	100	Ljungby, Sweden	2,000	3,405
Norspray AS	976698118	100	Stavanger, Norway	5,025	31,946
Svenska Brandslangsfabriken AB	556199-1745	100	Skene, Sweden	2,000	74,527

Note 23 Inventories

Group	2017	2016
Raw materials	**303,834**	258,678
Products in progress	**110,770**	83,715
Finished goods	**409,949**	375,536
Total	**824,553**	717,929

Value of the portion of inventories measured at net selling price:

Group	2017	2016
Raw materials	**6,909**	9,176
Products in progress	**630**	1,758
Finished goods	**99,056**	70,053
Total	**106,595**	80,987

Difference between cost and net selling price:

Group	2017	2016
Raw materials	**5,204**	7,212
Products in progress	**617**	1,517
Finished goods	**64,177**	48,400
Total	**69,998**	57,129

The expenditure for inventories was expensed under the item “Cost of goods sold” and amounted to 1,701,707 (1,475,371).

Note 24 Accounts receivable

Group	2017	2016
Total outstanding accounts receivable	**662,879**	588,544
Provisions for doubtful receivables	**–10,322**	–9,880
Carrying amount	**652,557**	578,664

Group	2017	2016
Past due amounts	**117,805**	91,270
of which, past due by more than 30 days	**45,537**	20,485
of which, past due by more than 90 days	**12,223**	5,284
Provisions for doubtful receivables	**10,322**	9,880

On December 31, 2017, a total of 35,215 in accounts receivable, for which there existed no provision for doubtful receivables, was more than 30 days past due. The Group uses credit insurance selectively, primarily in Asia. Of the accounts receivable more than 30 past due, MSEK 15 is covered by credit insurance.

Provisions for doubtful receivables

Group	2017	2016
Opening balance	**9,880**	13,765
Provisions for the year	**2,462**	1,585
Reversal of earlier provisions	**–1,297**	–4,991
Write-offs of receivables	**–723**	–479
Closing balance	**10,322**	9,880

Historically, the Group has had a low level of bad debt losses. The risk spread across companies, industries and geographic markets is favorable. No individual customer has a significant impairment requirement. According to the Group's assessment, the provision for doubtful receivables will adequately cover any future impairment requirements. The maximum exposure to credit risk for accounts receivable amounted to 652,557 (578,664). The fair value corresponds with the carrying amount.

Note 25 Other receivables

	Group		Parent Company	
	2017	2016	**2017**	2016
Value-added tax	**9,599**	11,019	**14**	–
Deposit to landlord	**7,370**	5,746	**–**	–
Advance payments to suppliers	**7,515**	5,912	**–**	–
Other	**17,810**	16,604	**–**	–
Total	**42,294**	39,281	**14**	0

Note 26 Prepaid expenses and accrued income

	Group		Parent Company	
	2017	2016	**2017**	2016
Leasing and rental fees	**5,925**	9,055	**543**	531
Accrued interest income	**98**	–	**–**	–
Prepaid expenses	**16,636**	16,979	**317**	370
Accrued commission	**–**	1,574	**–**	–
Other	**11,954**	5,430	**–**	–
Total	**34,613**	33,038	**860**	901

Note 27 Cash and cash equivalentes

	Group		Parent Company	
	2017	2016	**2017**	2016
Cash and bank balances	**328,095**	273,606	**59,666**	55
Total	**328,095**	273,606	**59,666**	55

Note 28 Shareholders' equity

Group	Translation reserve	Hedging reserve	Total
December 31, 2015	20,776	5,023	**25,799**
Change in value of hedging reserve	–	–7,391	**–7,391**
Tax thereon	–	1,626	**1,626**
2016 translation difference	30,588	–	**30,588**
December 31, 2016	51,364	–742	**50,622**
Change in value of hedging reserve	–	–7,254	**–7,254**
Tax thereon	–	1,596	**1,596**
2017 translation difference	–6,894	–	**–6,894**
December 31, 2017	**44,470**	**–6,400**	**38,070**

The company's shares are Class A and Class B shares and are issued as follows:

	Shares		Votes
Class A shares	3,305,000	at 10 votes	33,050,000
Class B shares	26,826,100	at 1 vote	26,826,100
Total	**30,131,100**		**59,876,100**

The quotient value is SEK 4.17 per share. All shares are paid in full.

Share capital trend Year		Increase in share capital, SEK 000s	Total share capital, SEK 000s	Increase in number of shares	Total number of shares
1993	Opening balance	–	53,660	–	2,146,400
1993	Non-cash issue in connection with acquisition of G & L Beijer Import & Export AB in Stockholm	6,923	60,583	276,900	2,423,300
1993	New issue	30,291	90,874	1,211,650	3,634,950
1994	Non-cash issue in connection with acquisition of AB Stafsjö Bruk	5,000	95,874	200,000	3,834,950
1996	Conversion of subordinated debenture loan	47	95,921	1,875	3,836,825
1997	Conversion of subordinated debenture loan	2,815	98,736	112,625	3,949,450
1998	Conversion of subordinated debenture loan	1,825	100,561	73,000	4,022,450
2000	Conversion of subordinated debenture loan	30	100,591	1,200	4,023,650
2001	Non-cash issue in connection with acquisition of Elimag AB	11,750	112,341	470,000	4,493,650
2001	Split 2:1	–	112,341	4,493,650	8,987,300
2001	Conversion of subordinated debenture loan	388	112,729	31,000	9,018,300
2002	Conversion of subordinated debenture loan	62	112,791	5,000	9,023,300
2004	Conversion of subordinated debenture loan	1,505	114,296	120,400	9,143,700
2006	Split 3:1	–	114,296	18,287,400	27,431,100
2010	Non-cash issue in connection with acquisition of Beijer Tech AB	11,250	125,546	2,700,000	30,131,100

The 2017 Annual General Meeting authorized the Board of Directors to issue a maximum of 3,000,000 Class B shares in connection with corporate acquisitions. This authorization is valid until the next Annual General Meeting and has not been exercised.

Note 29 Deferred tax

Deferred tax assets	**2017**	2016	
Temporary differences pertaining to:			
loss carryforwards	**10,061**	17,937	Recognized in profit or loss.
forward agreements	**1,051**	209	Recognized in other comprehensive income.
Other	**4,701**	913	Recognized in profit or loss.
Total	**15,813**	19,059	

Opening value	**19,059**	18,652
Reversed receivable	**–4,088**	–2,978
Additional receivable	**842**	3,385
Total	**15,813**	19,059

Deferred tax liabilities	**2017**	2016	
Temporary differences pertaining to:			
– untaxed reserves	**38,174**	36,788	Recognized in profit or loss.
– consolidated surplus values on fixed assets	**34,495**	27,229	Recognized in profit or loss.
Total	**72,669**	64,017	

Opening value	**64,017**	54,263
Increased provision	**8,652**	10,893
Reversal	**–**	–1,139
Closing value	**72,669**	64,017

Note 30 Pension obligations

Group	**2017**	2016
Opening value	**2,114**	2,037
Decreased provision	**–5**	–2
Increased provision	**201**	79
Closing value	**2,310**	2,114

Note 31 Financial instruments

FINANCIAL RISK MANAGEMENT

The Beijer Alma Group's operations are exposed to various financial risks. The Board of Directors establishes instructions, guidelines and policies for the management of these risks at various levels in the Group. The goal is to obtain an overall view of the risk situation, to minimize negative earnings effects and to clarify and define responsibilities and authority within the Group. Regular monitoring is carried out at the local and central level and findings are reported to the Audit Committee and Board of Directors.

MARKET RISK

Currency risk

Transaction exposure

Lesjöfors and Habia conduct 85 percent and 95 percent, respectively, of their sales outside Sweden, while approximately 65 percent of their manufacturing takes place outside Sweden. This means that a large portion of the Group's income is in foreign currencies, while a relatively high proportion of its expenses, particularly personnel costs, are in SEK. To a certain extent, part of this currency risk is managed by

Note 31 Financial instruments, continued

purchasing input materials and machinery in currencies other than SEK. However, the manufacturing companies' income in certain foreign currencies still exceeds its expenses, and due to this lack of balance, the Group is exposed to currency risks.

For Beijer Tech, the situation is the opposite. Sweden accounts for 71 percent of sales and the remaining 29 percent is mainly sold in the other Nordic countries. Its suppliers are often foreign. As a trading company, Beijer Tech has a smaller proportion of personnel costs than the Group's manufacturing companies. Combined, this means that Beijer Tech's expenses exceed its income in foreign currencies, primarily EUR. The company has currency clauses in many of its major customer agreements, which eliminate portions of Beijer Tech's currency exposure.

Despite various areas of the Group having reverse currency exposures, the Group as a whole is exposed to currency risks. Changes in exchange rates impact the Group's earnings, balance sheet, cash flow and, over time, its competitiveness

Net exposure in currencies translated to MSEK (net exposure is defined as income less expenses)

2017	USD	EUR	DKK	NOK	GBP	RMB	JPY	HKD	KRW	PLN	Total
Lesjöfors	8.4	201.2	13.5	21.8	28.6	–	–	–	–	–	273.5
Habia Cable	46.2	136.1	–	6.2	37.2	–124.2	8.3	–7.2	29.0	9.9	141.5
Beijer Tech	0.1	–14.6	22.6	16.2	–	–	–	–	–	–	24.3
Total	**54.7**	**322.7**	**36.1**	**44.2**	**65.8**	**–124.2**	**8.3**	**–7.2**	**29.0**	**9.9**	**439.3**

2016	USD	EUR	DKK	NOK	GBP	RMB	JPY	HKD	KRW	PLN	Total
Lesjöfors	12.7	155.9	13.5	21.6	36.5	–	–	–	–	–	240.2
Habia Cable	41.5	160.9	–	7.8	30.9	–88.1	6.0	–8.8	18.5	6.3	175.0
Beijer Tech	–7.5	–144.1	23.2	20.9	–12.8	–	–	–	–	–	–120.3
Total	**46.7**	**172.7**	**36.7**	**50.3**	**54.6**	**–88.1**	**6.0**	**–8.8**	**18.5**	**6.3**	**294.9**

The objective of currency risk management is to minimize the short-term negative effects on the Group's earnings and financial position that arise due to exchange-rate fluctuations. Between 50 and 100 percent of the forecast net flow for the next six months, meaning the difference between income and expenses in a single currency, is hedged. For months seven to 12, between 35 and 100 percent is hedged. In addition, the companies may, in consultation with Group management, hedge parts of the flow up to 18 months. In most cases, the level of hedging lies in the middle of the range. The most frequently used hedging instrument is forward agreements. Forward agreements are signed centrally in Lesjöfors and Habia Cable, each of which is responsible for their own net exposure. Forecast flows are not hedged in Beijer Tech. However, individual transactions may be hedged in certain cases.

The following table shows the Group's forward agreements on the balance-sheet date, translated to MSEK. Of these agreements totaling MSEK 359, MSEK 348 falls due in 2018 and MSEK 11 in 2019.

Group	Dec 31, 2017	Dec 31, 2016
USD	**14.3**	28.5
EUR	**297.3**	230.4
GBP	**47.0**	63.0
NOK	**–**	14.4
Total	**358.6**	336.3

According to Beijer Alma's assessment, all derivative instruments meet the requirements for hedge accounting.

No hedges were ineffective. Accordingly, changes in the fair value of the derivative instruments are recognized in other comprehensive income. As of December 31, 2017, the forward agreements were valued at a negative MSEK 8.2 which, after deduction for deferred tax, decreased the Group's shareholders' equity. At year-end 2016, there was a deficit in the value of the derivative instruments of MSEK 1.0, which decreased shareholders' equity, after deductions for deferred tax. Consolidated comprehensive income was negatively impacted in an amount of MSEK 5,658 (neg: 5,765) due to foreign exchange contracts.

Financial derivative instruments, such as currency forwards, are used when necessary. The Group has no other financial assets and liabilities measured at fair value. Fair value is based on observable market information from Nordea on the balance-sheet date and these instruments are thus included in Level 2 of the "fair value hierarchy" in accordance with IFRS 7.

Sensitivity analysis

Earnings

The Group's net exposure is primarily in EUR. A 1-percent change in the EUR in relation to the SEK has an impact of approximately MSEK 3 on earnings. Entering into forward agreements partly delays the earnings effect since a proportion of the forecast flows for the following 12-month period are covered by signed agreements. The same applies for project orders where forward agreements have been signed on the basis of the payment terms of the order. During this time, measures may be taken to mitigate the effects.

Shareholders' equity

Beijer Alma's income statement and balance sheet are presented in SEK, while several subsidiaries report in other currencies. This means that the Group's earnings and shareholders' equity are exposed when the financial statements are consolidated and foreign currencies are translated to SEK. This exposure primarily affects the Group's shareholders' equity and is designated as a translation exposure. This type of exposure is not hedged. Balance sheets maintained in EUR have the absolute largest translation exposure. A 1-percent change in EUR in relation to SEK has an impact of approximately MSEK 3 on shareholders' equity in the Group. Beijer Alma recognizes changes in the value of forward agreements in other comprehensive income. The forward agreements total MSEK 359 (336) as of December 31, 2017. EUR is the single largest currency. In the event of a 1-percent change in the EUR rate against the SEK, the Group's shareholders' equity would be impacted in an amount of approximately MSEK 3.

Price risk

Beijer Alma is exposed to price risks related to the purchase of raw materials and goods for resale. Habia Cable uses copper and some plastics in its production, while Lesjöfors's input materials are steel and certain other metals. To date, derivative instruments have been used to a very limited degree to hedge purchases of raw materials and no such instruments existed on the balance-sheet date. The price of Beijer Tech's goods for resale is influenced by the price of raw materials and other factors.

Purchases of direct material amounted to approximately MSEK 1,702 and comprised a large number of various input goods with price trends that varied over time. Although the companies are able in most cases to offset permanent changes in the price of materials, clauses pertaining to such compensation are exceptions.

Interest-rate risk

Since Beijer Alma does not hold any significant interest-bearing assets, the Group's income and cash flows from operating activities are essentially independent of changes in market rates.

Changes in interest levels do not impact Beijer Alma's expenses and are reflected in net financial items and earnings. The Group is also indirectly affected by the impact of interest-rate levels on the economy as a whole. In terms of risk, Beijer Alma's assessment is that fixed interest on a short-term basis is consistent with the industrial operations conducted by the Group. Accordingly, the period of fixed interest on loans is usually up to 12 months. Outstanding loans and committed credit facilities are listed below.

	Group		Parent Company	
	2017	2016	**2017**	2016
Non-current liabilities				
Liabilities to credit institutions	**144,687**	242,843	**–**	–
Current liabilities				
Liabilities to credit institutions	**159,102**	76,682	**–**	–
Committed credit facilities	**433,037**	267,221	**100,307**	14,685
Total interest-bearing liabilities	**736,826**	586,746	**100,307**	14,685

All amounts are deemed to correspond to fair value.

Liabilities to credit institutions comprise approximately 30 credits in various currencies and with different terms and conditions. The majority of interest-bearing liabilities are in SEK. The Group's interest-bearing liabilities in foreign currency correspond to the following: in EUR to MSEK 87, in RMB to MSEK 30 and in USD to MSEK 27. Other than this, the Group has no interest-bearing liabilities in any single currency corresponding to more than MSEK 10.

The interest levels vary between 0.9 percent and 5.5 percent. The average interest rate is approximately 1.9 percent. The average interest rate on the committed credit facilities is about 1.5 percent. A limit fee on the granted amount averaging 0.2 percent is also payable. No derivative instruments are used. All loans are subject to a variable interest rate with a fixed-interest term of up to one year.

Sensivity analysis
Net debt at year-end totaled MSEK 409 (313). Net debt varies over the year. The level of indebtedness is at its highest after the dividend is paid and then normally declines until the dividend is paid in the following year. A change in the interest rate of 1 percentage point would have an impact of about MSEK 5 on earnings based on average net debt.

CREDIT RISK
Credit risk refers to cases in which companies do not receive payment for their receivables from customers or banks. The size of each customer's credit is assessed on an individual basis. A credit rating is performed for all new customers and a credit limit is set. This is intended to ensure that the credit limits reflect the customer's capacity to pay. Habia Cable has taken out credit insurance for some of its Chinese customers. In terms of sales, the Group's risk spread across geographic regions, industries and companies is favorable. Historically, the level of bad debt losses has been low.

LIQUIDITY RISK
Cash and cash equivalents only include cash and bank balances. Of the total amount of MSEK 328.1 (273.6), the majority is invested with Nordea and Handelsbanken. Beijer Alma has loans that fall due at different points in time. A large portion of its liabilities are in the form of committed credit facilities that are formally approved for a period of one year. Refinancing risk refers to the risk of Beijer Alma being unable to fulfill its obligations due to canceled loans and difficulties in raising new loans.

Beijer Alma manages this risk by maintaining a strong liquidity position. The Group's policy is that available liquidity, defined as cash funds plus approved but unutilized committed credit facilities, is to amount to not less than two months of invoicing, meaning approximately MSEK 650. The Group's liquidity position at recent year-ends is shown in the table below. Another method of managing this risk is to maintain a strong financial position and favorable profitability, thereby making the company an attractive customer for financing institutions.

	Group		Parent Company	
Available liquidity	**2017**	2016	**2017**	2016
Cash funds	**328,095**	273,606	**59,666**	3,072
Approved committed credit facilities	**999,259**	916,564	**275,000**	275,000
Unutilized portion of credit facilities	**–433,307**	–267,221	**–100,307**	–14,685
Available liquidity	**894,047**	922,949	**234,359**	263,387

Maturity analysis of liabilities, including interest to be paid for each period according to loan agreement.

Group	Less than 1 year	1 to 5 years	More than 5 year
December 31, 2017			
Borrowing	598,528	109,730	45,505
Liabilities for financial leasing	125	288	–
Accounts payable and other liabilities	252,984	–	–
Total	**851,637**	**110,018**	**45,505**

Group	Less than 1 year	1 to 5 years	More than 5 years
December 31, 2016			
Borrowing	346,998	206,844	46,681
Liabilities for financial leasing	2,020	392	–
Accounts payable and other liabilities	236,975	–	–
Total	**585 993**	**207 236**	**46 681**

Of the foreign exchange contracts at year-end 2017 totaling MSEK 359 (336), MSEK 348 (318) had a maturity period of less than one year and MSEK 18 (37) had a maturity period of one to two years

Capital risk
The Group's goal in terms of its capital structure is to guarantee its ability to continue expanding its operations to ensure that a return is generated for the shareholders, while keeping the costs of capital at a reasonable level.

The capital structure can be changed by increasing or decreasing dividends, issuing new shares and selling assets.

Capital risk is measured as the net debt/equity ratio, meaning interest-bearing liabilities less cash and cash equivalents in relation to shareholders' equity. The aim is to enable freedom of action by maintaining a low debt/equity ratio. The net debt/equity ratio at recent year-ends is presented below:

Group	**2017**	2016
Interest-bearing liabilities	**736,826**	586,746
Cash and cash equivalents	**–328,095**	–273,606
Net debt	**408,731**	313,140
Shareholders' equity	**1,991,058**	1,901,506
Net debt/equity ratio, %	**20.5**	16.5

Reconciliation of net debt	Cash and cash equivalents	Current interest-bearing liabilities, incl. credit facilities	Non-current interest-bearing liabilities	**Total net debt**
December 31, 2015	252,179	240,234	205,997	**–194,052**
Via acquisitions	–	–1,286	–	**1,286**
Translation differences	5,150	5,500	5,591	**–5,941**
Cash flow during the year	13,297	100,930	38,255	**–125,888**
Not affecting cash flow	2,980	–1,475	–7,000	**11,455**
December 31, 2016	**273,606**	**343,903**	**242,843**	**–313,140**
Via acquisitions	8,966	–	–	**8,966**
Translation differences	–1,926	–1,573	–540	**187**
Cash flow during the year	47,449	249,809	–97,616	**–104,744**
Not affecting cash flow	–	–	–	**0**
December 31, 2017	**328,095**	**592,139**	**144,687**	**–408,731**

Financial instruments by category in the Group
The accounting policies for financial instruments were applied as follows:

December 31, 2017	Loans and receivables	Derivatives used for hedging purposes	Available for sale	Total
Assets in the balance sheet				
Other long-term receivables	10,499			10,499
Accounts receivable and other receivables	652,557			652,557
Cash and cash equivalents	328,095			328,095
Total	**991,151**	**0**	**0**	**991,151**

31/12 2017	Derivatives used for hedging purposesl	Other financial liabilities	Total
Liabilities in the balance sheet			
Liabilities to credit institutions		303,789	303,789
Committed credit facilities		433,037	433,037
Derivative instruments (included in the item accrued expenses)	8,205		8,205
Accounts payable		252,984	252,984
Total	**8,205**	**989,810**	**998,015**

Note 31 Financial instruments, continued

December 31, 2016	Loans and receivables	Derivatives used for hedging purposes	Available for sale	Total
Assets in the balance sheet				
Other long-term receivables	4,844			4,844
Accounts receivable and other receivables	578,664			578,664
Cash and cash equivalents	273,606			273,606
Total	**857,114**	**0**	**0**	**857,114**

December 31, 2016	Derivatives used for hedging purposes	Other financial liabilities	Total
Liabilities in the balance sheet			
Liabilities to credit institutions		319,525	319,525
Committed credit facilities		267,221	267,221
Derivative instruments (included in the item accrued expenses)	951		951
Accounts payable		236,975	236,975
Total	**951**	**823,721**	**824,672**

The Parent Company has cash and cash equivalents amounting to 59,666 (3,072), 0 (0) in the category "Loans and receivables", committed credit facilities totaling 100,307 (14,685) and accounts payable amounting to 456 (770) in the category "Other financial liabilities".

Note 32 Accrued expenses and deferred income

	Group		Parent Company	
	2017	2016	**2017**	2016
Accrued personnel costs	**163,582**	139,314	**27,413**	14,244
Accrued interest	**571**	533	**–**	–
Restructuring reserve	**5,600**	7,006	**–**	–
Accrued bonuses to customers	**66,986**	59,533	**–**	–
Deferred income	**3,445**	–	**–**	–
Derivative instruments	**8,205**	951	**–**	–
Other	**59,080**	76,657	**251**	1,887
Total	**307,469**	283,994	**27,664**	16,131

Note 33 Other current liabilities

	Group		Parent Company	
	2017	2016	**2017**	2016
Personnel tax	**24,158**	22,436	**518**	460
Value-added tax	**25,857**	23,813	**329**	280
Advance payments from customers	**3,420**	5,275	**–**	–
Purchase consideration withheld	**–**	7,050	**–**	–
Other	**14,591**	13,407	**–**	–
Total	**68,026**	71,981	**847**	740

Note 34 Pledged assets

	Group		Parent Company	
	2017	2016	**2017**	2016
Floating charges	**217,788**	215,561	**–**	–
Real estate mortgages	**65,975**	61,932	**–**	–
Shares	**185,916**	328,788	**13,381**	13,381
Machinery used in accordance with financial leasing agreements	**385**	376	**–**	–
Total	**470,064**	606,657	**13,381**	13,381

Note 35 Contingent liabilities and commitments

The Group has contingent liabilities pertaining to guarantees and undertakings that arise during the normal course of business. No significant liabilities are expected to arise due to these contingent liabilities. During the normal course of business, the Group and the Parent Company entered into the following commitments/contingent liabilities:

	Group		Parent Company	
	2017	2016	**2017**	2016
Guarantees	**13,734**	16,492	**–**	–
Total	**13,734**	16,492	**0**	0

The Group has not identified any material commitments that are not reported in the financial statements.

Note 36 Proposed appropriation of profits

The Board of Directors and the President propose that the following profit be made available for distribution by the Annual General Meeting:

SEK	
Retained earnings	3,077,586
Net profit for the year	325,536,935
Total	**328,614,621**
To be appropriated as follows:	
Ordinary dividend to shareholders of SEK 9.50 per share	286,245,450
To be carried forward	**42,369,071**

Note 37 Net interest paid and other financial items

	Group		Parent Company	
	2017	2016	**2017**	2016
Dividends received	**–**	–	**293,000**	317,000
Interest received	**1,444**	1,537	**841**	729
Interest paid	**–12,418**	–9,275	**–1,019**	–681
Total	**–10,974**	–7,738	**292,822**	317,048

Note 38 Items not affecting cash flow

	Group		Parent Company	
	2017	2016	**2017**	2016
Depreciation/amortization	**130,490**	117,300	**91**	56
Profit/loss from associated companies	**–775**	–2,420	**–**	–
Total	**129,715**	114,880	**91**	56

Note 39 Corporate acquisitions

2017

Svenska Brandslangsfabriken AB (Svebab)

Beijer Tech has acquired Svebab, a fire hose manufacturer situated in the town of Skene outside Gothenburg, Sweden. The company is a market leader and the only fire hose manufacturer in Sweden. Svebab has annual revenues of approximately MSEK 40, with favorable profitability. Exports account for about 20 percent of its revenues.

Preliminary acquisition calculation

Purchase consideration	MSEK 73.6
(the acquisition included MSEK 11.9 in cash)	
Net assets measured at fair value	MSEK 30.8
Goodwill	MSEK 42.8

Goodwill was attributable to synergy effects within Beijer Tech's Fluid Technology business area and to inseparable customer relationships.

Net assets measured at fair value comprise:

Buildings	MSEK 8.5
Intangible assets	MSEK 5.0
Machinery	MSEK 2.0
Inventories	MSEK 5.3
Receivables	MSEK 7.4
Cash	MSEK 11.9
Non-interest-bearing liabilities	MSEK –9.3
Total	MSEK 30.8

The receivables guaranteed by the seller are expected to be transferred at fair value. Takeover occurred on April 1 and, since then, Svebab has contributed MSEK 40 in net revenues and MSEK 10 in operating profit. Profit was charged with acquisition costs of MSEK 0.9.

Lesjöfors conducted a minor acquisition of assets and liabilities by acquiring the operations of the spring manufacturer Spiros AB.

The purchase consideration was MSEK 3 and the fair value of the net assets was MSEK 3. The acquisition had a negligible impact on net revenues and profit. The acquisition costs were also negligible and have been expensed.The acquisition analyses for acquisitions carried out in 2017 are still preliminary and may be changed.

2016

John While Group

Lesjöfors acquired the spring manufacturer John While Group (JWG), with production operations in Singapore, Thailand and China. The acquisition strengthened Lesjöfors's position in the emerging markets in Asia. JWG specializes in the manufacturing of customized springs. Its customers mainly operate in the home electronics, white goods, automotive and engineering industries and predominantly include European and US companies with operations in Asia.

At the time of takeover, the company had 70 employees and revenues corresponding to approximately MSEK 70, with favorable profitability.

Acquisition calculation

Purchase consideration, of which MSEK 57.5 paid in cash and the remainder to be paid within one year (including cash of MSEK 17.5)	MSEK 70.5
Net assets measured at fair value	MSEK 48.7
Goodwill	MSEK 21.8

Goodwill was attributable to synergy effects within Lesjöfors and to inseparable customer relationships.

Net assets comprise:

Machinery and equipment	MSEK 9.9
Inventories	MSEK 14.3
Receivables	MSEK 19.9
Bank balances	MSEK 17.5
Current non-interest-bearing liabilities	MSEK –12.9
Total	MSEK 48.7

The receivables guaranteed by the seller are assessed as having been transferred at fair value. The acquisition costs, which did not amount to a material amount, were expensed during the period.

Takeover occurred on May 1, 2016 and, since then, JWG has contributed MSEK 49.4 in net revenues and MSEK 5.3 in operating profit.

AB Spiralspecialisten
Lesjöfors acquired AB Spiralspecialisten, with production operations in Tyresö, Sweden. The company produces customized springs for Swedish and European customers in the engineering industry. Its risk spread across customers is favorable. Spiralspecialisten was founded in 1949 and has long-standing customer relationships with well-known engineering companies. The company's invoicing amounts to MSEK 45 with favorable profitability.

Acquisition calculation

Purchase consideration paid in cash (including cash of MSEK 6.4)	MSEK	44.5
Net assets measured at fair value	MSEK	35.1
Goodwill	MSEK	9.4

Goodwill was attributable to inseparable customer relationships and synergy effects.

Net assets comprise:

Buildings	MSEK	31.0
Machinery	MSEK	4.5
Inventories	MSEK	4.1
Receivables	MSEK	6.0
Bank balances	MSEK	6.4
Current non-interest-bearing liabilities	MSEK	–11.4
Interest-bearing liabilities	MSEK	–0.3
Deferred tax liabilities	MSEK	–5.2
Total	MSEK	35.1

The receivables are guaranteed by the seller and are assessed as having been transferred at fair value. Acquisition costs totaling an insignificant amount have been expensed.

Takeover occurred on December 31, 2016 and the acquisition had no impact on net revenues or earnings.

Note 40 Transactions with related parties

The Parent Company invoiced its subsidiaries a management fee of MSEK 18.2 (18.2). Besides the transactions specified in Note 2, no other transactions were carried out with related parties.

Note 41 Amended accounting policies 2018

IFRS 9 FINANCIAL INSTRUMENTS
Beijer Alma will apply IFRS 9 for the first time for the 2018 financial year, with January 1, 2018 as the transition date. The Group will apply the new recommendation retrospectively without exemptions. The transition to IFRS 9 will not entail any major change in the Group's earnings, position or cash flow, and comparative figures have thus not been restated.

As of January 1, 2018, the Group classifies its assets in the following categories:
- financial assets that will later be recognized at fair value (either through other comprehensive income or through profit or loss), and
- financial assets recognized at amortized cost.

Classification depends on the Group's business model for managing financial assets and the contractual terms for the assets' cash flows.

On the acquisition date, the Group measures a financial asset at fair value plus, in cases where the asset is not recognized at fair value through profit or loss, transaction costs directly attributable to the purchase. Transaction costs attributable to financial assets recognized at fair value through profit or loss are expensed in profit or loss.

Investments and other financial assets
Debt instruments
Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the type of cash flow to which the asset gives rise. The Group classifies its debt instruments in three measurement categories:
- Amortized cost: Assets held for the purpose of collecting contractual cash flows, where the cash flows exclusively comprise capital amounts and interest, are recognized at amortized cost. Gains or losses on debt instruments that are recognized at amortized cost and are not included in a hedging relationship are recognized in profit or loss when the asset is derecognized from the balance sheet or impaired. Interest income from such financial assets is recognized as financial income through application of the effective interest method.
- Fair value through other comprehensive income: Assets held for the purpose of collecting contractual cash flows and for sale, where the assets' cash flows exclusively comprise capital amounts and interest, are measured at fair value through other comprehensive income. Changes in carrying amount are recognized through other comprehensive income, with the exception of impairment, interest income and exchange differences, which are recognized in profit or loss. When the financial asset is derecognized from the balance sheet, the accumulated gain or loss previously recognized in other comprehensive income is transferred from shareholders' equity to profit or loss. Interest income from such financial assets is recognized as financial income through application of the effective interest method. Exchange gains and losses are included in other gains and losses, and costs for impairment are included in other external costs.
- Fair value through profit or loss: Assets that do not meet the requirements for recognition at amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. Gains or losses on debt instruments that are recognized at fair value through profit or loss and are not included in a hedging relationship are recognized net in profit or loss in the period in which the gain or loss arises.

Equity instruments
The Group measures all equity instruments at fair value. In cases where Group management has chosen to recognize changes in the value of equity instruments through other comprehensive income, fair value changes are not subsequently reclassified to profit or loss when the instrument has been derecognized from the balance sheet. Dividends from such investments are recognized in profit or loss as other income when the Group's right to receive payment has been established.

Changes in the fair value of financial assets recognized at fair value through profit or loss are recognized as other gains/losses in profit or loss. Impairment (and reversal of impairment) of equity instruments recognized at fair value through other comprehensive income is not recognized separately from other changes in fair value.

Impairment
At the end of each reporting period, the Group assesses whether or not there is objective evidence that indicates an impairment requirement for its debt instruments recognized at amortized cost and at fair value through other comprehensive income.

In accordance with the rules of IFRS 9, the Group applies a simplified approach for impairment testing of accounts receivable, which entails that expected bad debt losses are to be recognized when the underlying receivables are recognized in the balance sheet. The Group currently has no other receivables measured at amortized cost.

Cash-flow hedging
The effective portion of changes in the fair value of a derivative instrument that is identified as cash-flow hedging and meets the conditions for hedge accounting is recognized in shareholders' equity. Accumulated amounts of shareholders' equity are reclassified to profit or loss in the period in which the hedged item impacts earnings (for example, when the hedged forecast sale occurs) or to the balance sheet if the hedge instead pertains to a non-financial asset, such as inventories. When a hedging instrument matures, a reclassification is carried out. If a forecast transaction is no longer expected to occur, the deferred gain or loss in is transferred to profit or loss. Beijer Alma utilizes derivative instruments to cover risks associated with exchange-rate fluctuations. Beijer Alma applies hedging for commercial exposure in the form of highly probable forecast transactions (cash-flow exposure) within the framework of the financial policy adopted by the Board of Directors. The gain or loss attributable to the ineffective portion is recognized immediately in profit or loss as other income or other expenses.

Derivatives and hedging measures
When a hedging instrument matures or is sold, or the hedge no longer meets the qualification criteria for hedge accounting and deferred gains or losses pertaining to the hedge exist in shareholders' equity, these gains/losses remain in shareholders' equity and result in the recognition of a non-financial asset, such as inventories. When a forecast transaction

is no longer expected to occur, the deferred gain or loss in shareholders' equity is immediately transferred to profit or loss.
The ineffective portion is recognized in profit or loss when the hedging relationship is reallocated.

IFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS
Beijer Alma will apply IFRS 15 for the first time for the 2018 financial year, with January 1, 2018 as the transition date. The Group will apply the standard retrospectively, which entails that a potential accumulated effect of the transition will be recognized in accumulated profit or loss as of January 1, 2018 and that the comparative data will not be restated. The transition to IFRS 15 will not entail any major change in the Group's earnings, position or cash flow, and comparative figures have thus not been restated.

The Group manufactures and sells products. Sales are recognized as revenue when control of the goods is transferred to the customer. This normally takes place when the goods leave the Group's warehouse, but may occur at a later date due, for example, to the terms of freight in the individual country. From that date, the customer has full right to dispose of the goods and there are no unfulfilled obligations on the part of Beijer Alma.

Certain areas of the operations apply volume discounts based on accumulated sales during the year. Revenue from sales is recognized based on the price in the contract with a deduction for calculated volume discounts and a contract debt is recognized in a corresponding amount.

No financing component is deemed to exist since the credit period is normally 30 days and in no case exceeds one year.

A receivable is recognized when the goods have been delivered since it is at that point that payment becomes unconditional.

Note 42 Definitions

Capital employed. Total assets less non-interest-bearing liabilities.

Debt/equity ratio. Total interest-bearing liabilities in relation to shareholders' equity.

Dividend ratio. Dividend in relation to net profit attributable to Parent Company shareholders.

Dividend yield. Dividend per share in relation to the share price.

Earnings per share. Net profit less tax, in relation to the number of shares outstanding.

Earnings per share after standard tax. Profit after net financial items less 22.0 percent tax, in relation to the number of shares outstanding.

Earnings per share after tax, after dilution. Net profit less tax, in relation to the number of shares outstanding adjusted for potential shares giving rise to a dilution effect.

Earnings, profit. The terms earnings and profit refer to profit after net financial items unless otherwise stated.

Equity ratio. Shareholders' equity in relation to total assets.

Interest-coverage ratio. Profit after net financial items plus financial expenses, divided by financial expenses.

Invoicing, revenues, sales. Unless otherwise stated, the terms invoicing, revenues and sales refer to net revenues.

Net debt. Interest-bearing liabilities less interest-bearing assets.

Net debt/equity ratio. Net debt in relation to shareholders' equity.

Operating margin. Operating profit in relation to net revenues.

Order bookings. Orders from customers for goods or services at fixed terms.

Proportion of risk-bearing capital. Total of shareholders' equity, deferred tax and non-controlling interests divided by total assets.

Return on capital employed. Profit after net financial items plus interest expenses, in relation to average capital employed.

Return on shareholders' equity. Profit after net financial items less 22.0 percent tax, in relation to average shareholders' equity.

Shareholders' equity. Shareholders' equity attributable to Parent Company shareholders.

Note 43 Company information

General information
Beijer Alma AB (publ) (556229-7480) and its subsidiaries constitute an internationally active industrial group specializing in component manufacturing and industrial trading. The company is a public limited liability company with its registered office in Uppsala, Sweden. The address of the company's head office is Box 1747, SE-751 47 Uppsala, Sweden. The company is listed on Nasdaq Stockholm.

These consolidated financial statements were approved by the company's Board of Directors on February 14, 2018. The balance sheet and income statement will be presented to the Annual General Meeting on March 22, 2018.

It is our opinion that the consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and give a true and fair view of the Group's financial position and earnings. The annual report was prepared in accordance with generally accepted accounting principles in Sweden and give a true and fair view of the Parent Company's financial position and earnings.

The Administration Report for the Group and the Parent Company gives a true and fair overview of the Group's and the Parent Company's operations, financial position and earnings and describes the material risks and uncertainties faced by the Parent Company and the companies included in the Group.

Uppsala, February 14, 2018

Beijer Alma AB (publ)

Johan Wall *Chairman of the Board*	Johnny Alvarsson *Director*	Carina Andersson *Director*	Anders G. Carlberg *Director*
Peter Nilsson *Director*	Caroline af Ugglas *Director*	Anders Ullberg *Director*	Jan Blomén *President and CEO*

Our Audit Report was submitted on February 26, 2018

Öhrlings PricewaterhouseCoopers AB

Leonard Daun
Authorized Public Accountant

To the general meeting of the shareholders of Beijer Alma AB (publ), corporate identity number 556229-7480

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Beijer Alma AB (publ) for the year 2017 except for the corporate governance statement on pages 41–44. The annual accounts and consolidated accounts of the company are included on pages 41–74 in this document.

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Parent Company as of December 31, 2017 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of December 31, 2017 and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not include the corporate governance statement on pages 41–44. The statutory Administration Report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopt the income statement and balance sheet for the Parent Company and the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the Parent Company's Audit Committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the section "Auditor's responsibility". We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

Beijer Alma is an international industrial group sectioned into three independent business areas. The Group has subsidiaries in 16 countries. The most significant balance sheet items are inventories and accounts receivable. The valuation of these items is partially based on management's assessment. The majority of the Group's revenues pertain to sales of inventories, and are recognized with relatively straightforward agreements and some matters of judgment. Due to the fact that revenues represent such a significant item, but not a key audit matter, this is an area of focus when it comes to the audit, particularly ensuring that revenues are recognized and allocated to a particular period in a correct manner.

Our review is designed by determining the level of materiality and assessing the risk of material misstatements in the financial reports. The audit was conducted both through the PwC network and through firms outside the network. The audit included a review by PwC of components equivalent to 44 percent of the Group's turnover, a review by other firms of components corresponding to 25 percent of the Group's turnover, a special review of components equivalent to 5 percent of the Group's turnover, and analytical review procedures. In terms of material asset items, such as inventories, PwC reviewed components equivalent to more than 75 percent of the Group. In particular, we addressed the areas where the President and the Board of Directors made subjective judgments: for example, significant accounting estimates that have been made on the basis of assumptions and projections concerning future events, which are uncertain by nature, such as the valuation of inventories, accounts receivable and goodwill. As in all of our audits, we also addressed the risk of management (the President and the Board of Directors) overriding internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Materiality

The scope of our audit was influenced by our assessment of materiality. An audit is designed to obtain reasonable assurance as to whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually, or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures, and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts for the current period. Although these matters were addressed in the context of our audit of, and our opinions on, the annual accounts and consolidated accounts as a whole, we do not provide a separate opinion on these matters.

Key audit matter

Existence and valuation of inventories

The carrying amount of the Group's inventories amounts to MSEK 825. Note 1 of the Annual Report describes how inventories are recognized and valued, and Note 1 "Key estimates and assumptions for accounting purposes" describes the assessments made by the company. As described in Note 23, total inventories, which amounted to MSEK 107, were valued at net selling price. The valuation of inventories was a key issue in our audit due to the fact that these assessments, particularly of fair value, are partially based on management's assessment.

The Group is divided into a considerable number of entities and because these entities are manufacturing companies or sales companies, they have their own inventories. The existence of inventories was a key issue in our audit.

How our audit addressed the key audit matter

Our review of the existence and valuation of inventories comprised the following procedures:

- Test check of manufacturing cost calculations and how these are applied.
- Review of the company's own assessments concerning impairment requirements due to, for example, slow-moving inventory. We also assessed the explanations we received from management.
- We have reviewed and assessed the internal control in the stock-taking process.
- We also participated in the stock-taking process in the subsidiaries we considered significant.

In our review concerning the existence and valuation of inventory, we have not reported any significant findings to the Audit Committee.

Key audit matter

Valuation of accounts receivable

The carrying amount of Beijer Alma's accounts receivable amounts to MSEK 653. Note 1 describes how accounts receivable are recognized and valued, and Note 1 "Key estimates and assumptions for accounting purposes" describes the company's assessments concerning this. Note 24 describes the provisions for doubtful receivables and maturity structure for past due receivables.

The valuation of the receivables is a key issue in our audit due to the fact that the valuation is partially based on management's assessments.

How our audit addressed the key audit matter

Our review of accounts receivable comprised the following procedures:

- We noted, gained an understanding of and assessed the company's model concerning impairment of receivables.
- The value of accounts receivable was also reviewed through various forms of substantive procedures, and by assessing provisions for bad debt losses.
- We challenged the company when it comes to assessing the value of the accounts receivable.

Our review has shown that the most significant assumptions concerning the valuation of accounts receivable are within an acceptable interval and we have not reported any significant findings to the Audit Committee.

Other information than the annual accounts and consolidated accounts

The printed version of this document also contains other information than the annual accounts and consolidated accounts, which can be found on pages 1–40. The Board of Directors and the President are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure, we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If, based on the work performed concerning this information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the President

The Board of Directors and the President are responsible for the preparation of the annual accounts and consolidated accounts and for ensuring that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the President are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the President are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to the ability to continue as a going concern and the use of the going concern basis of accounting. However, the going concern basis of accounting is not applied if the Board of Directors and the President intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things, oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available in Swedish on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisorsansvar. This description is part of the Auditor's Report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the President of Beijer Alma AB (publ) for the year 2017 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory Administration Report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

Basis for opinions

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the section "Auditor's responsibility". We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the President

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes, among other things, a continuous assessment of the company's and the Group's financial situation, and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The President is to manage the ongoing administration according to the Board of Directors' guidelines and instructions and, among other actions, take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the President in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company,
- or in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available in Swedish on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisorsansvar. This description is part of the Auditor's Report.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for ensuring that the corporate governance statement on pages 41–44 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6, section 6, second paragraph, points 2–6 of the Annual Accounts Act and chapter 7, section 31, second paragraph of the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, Sweden, was appointed as Beijer Alma AB's auditor on March 29, 2017, and has served as the company's auditor, through election of an individual, since the 1993 financial year and, through election of the firm, since the 1999 financial year. Leonard Daun has served as Beijer Alma's Chief Auditor since the Annual General Meeting on March 19, 2013.

Uppsala, February 26, 2018

Öhrlings PricewaterhouseCoopers AB

Leonard Daun
Authorized Public Accountant

Board of Directors and senior executives

Johan Wall Anders G. Carlberg Peter Nilsson Anders Ullberg

Johnny Alvarsson Carina Andersson Caroline af Ugglas

BOARD OF DIRECTORS

Johan Wall born 1964
Chairman
Deputy Director: 1997–2000
Director: 2000–2016
Holding: 3,000
Education: Master of Engineering from the Royal Institute of Technology in Stockholm, Visiting Scholar at Stanford University in the US.
Chairman of: Beijerinvest AB.
Director of: Skirner AB, the Crafoord Foundation, the Kjell and Märta Beijer Foundation, the Anders Wall Foundation, Uppsala University and others.
Earlier positions: President of Beijerinvest AB, President of Bisnode AB, President of Enea AB, President of Framfab AB and President of Netsolutions AB.

Johnny Alvarsson born 1950
Director since: 2017
Holding: 0
Education: Master of Engineering from the Institute of Technology at Linköping University, management training at CEDEP in France.
Director of: VBG AB, FM Mattson Mora Group, Instalco Intressenter AB, Sdiptech AB and Dacke Industri AB
Earlier positions: Management positions at LM Ericsson, CEO of Zetterbergs Industri AB/Zeteco AB, CEO of Elektronikgruppen AB and CEO of Indutrade AB.

Carina Andersson born 1964
Director since: 2011
Holding through companies and family: 2,000
Education: Master of Mining Engineering from the Royal Institute of Technology in Stockholm.
Director of: Systemair AB, SinterCast AB and Gränges AB.
Earlier positions: General Manager and Head of Powder Technology at Sandvik Materials Technology AB, President of Ramnäs Bruk AB and President of Scana Ramnäs AB. Has resided in China since 2011.

Anders G. Carlberg born 1943
Director since: 1997
Holding: 3,000
Education: Master of Business Administration.
Chairman of: Gränges AB and Herenco.
Director of: Axfast AB, Sweco AB, Investment AB Latour, Recipharm and others.
Earlier positions: President and CEO of Nobel Industrier, J.S. Saba and Axel Johnson International AB, Executive Vice President of SSAB.

Peter Nilsson born 1966
Director since: 2008
Holding through companies and family: 3,000
Education: Master of Engineering from the Institute of Technology at Linköping University.
President and CEO of Trelleborg AB.
Director of: Trelleborg AB, Trioplast Industrier AB, Sydsvenska Handelskammaren and others.
Earlier positions: Business Area President and other assignments within the Trelleborg Group, Management Consultant at BSI.

Caroline af Ugglas born 1958
Director since: 2015
Holding: 1,500
Education: Economics degree from Stockholm University.
Deputy General Director of the Confederation of Swedish Enterprise.
Director of: Acando Group.
Earlier positions: Head of Equities and Corporate Governance at Livförsäkringsaktiebolaget Skandia.

Anders Ullberg born 1946
Director since: 2007
Holding: 15,000
Education: Master of Business Administration from the Stockholm School of Economics.
Chairman of: Boliden, Eneqvist Consulting, Mercur Solutions, Natur & Kultur and Studsvik.
Director of: Atlas Copco, Epiroc and Valedo Partners. Chairman of the Swedish Financial Reporting Board and Member of the Board of the European Financial Reporting Advisory Group.
Earlier positions: President and CEO of SSAB, Vice President and CFO of SSAB, CFO of Svenska Varv.

SENIOR EXECUTIVES

Henrik Perbeck born 1972
President and CEO of Beijer Alma AB
from March 5, 2018
Master of Engineering
Holding: 2,000

Jan Blomén born 1955
CFO
Master of Business Administration
Employee since: 1986
Holding with family: 45,000

Jan Olsson born 1956
Group Controller
Master of Business Administration
Employee since: 1993
Holding: 2,000

AUDITORS

Auditing firm Öhrlings PricewaterhouseCoopers AB
Chief Auditor

Leonard Daun born 1964
Authorized Public Accountant
Auditor for Beijer Alma AB since: 2013

HONORARY CHAIRMAN

Anders Wall
Chairman of the Board 1993–2016

Further information

Beijer Alma invites all shareholders to participate in the Annual General Meeting, which will take place on Thursday, March 22, 2018, 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.

Participation

Shareholders who wish to participate in the Meeting must:

- be listed in Euroclear Sweden AB's shareholder register by Friday, March 16, 2018.
- notify the company of their intent to participate in the Meeting not later than Friday, March 16, 2018, preferably before 4:00 p.m.

Notification may be given by telephone at +46 18 15 71 60, by fax at +46 18 15 89 87, by e-mail at info@beijeralma.se, online at beijeralma.se or in writing, preferably using the registration form attached to the year-end report, which also includes a power of attorney form.

Registration must include the shareholder's name, national identity number/corporate registration number, shareholding and daytime telephone number. Shareholders whose holdings are registered in the name of a nominee must register the shares in their own name with Euroclear Sweden. Such registration must be completed not later than Friday, March 16, 2018, and should be requested well ahead of this date. Shareholders who wish to be accompanied by one or two advisors must provide notice of their intention to do so in the manner and time frame applicable for shareholders.

Entry cards

Entry cards entitling the holder to participate in the Annual General Meeting will be issued and are expected to be received by the shareholders not later than Wednesday, March 21, 2018. Shareholders who have not received their entry cards prior to the Annual General Meeting may obtain a new entry card from the information desk upon presentation of identification.

Dividend

The proposed record date for dividends is Monday, March 26, 2018. If the Annual General Meeting votes in accordance with this proposal, dividends are expected to be paid through Euroclear Sweden commencing Thursday, March 29, 2018. The Board of Directors proposes that the Annual General Meeting approve an ordinary dividend of SEK 9.50 per share (9.50).

Information

A complete notice, including an agenda and proposals, can be ordered from Beijer Alma by telephone at +46 18 15 71 60, by fax at +46 18 15 89 87 or by e-mail at info@beijeralma.se. This information is also available at beijeralma.se.

CALENDAR

The year-end report and interim reports are published on beijeralma.se. The Annual Report and interim reports are sent automatically to shareholders (unless investors specify that they do not wish to receive this information).

2018

March 22	Annual General Meeting
April 26	Interim report January 1–March 31
August 24	Interim report April 1–June 30
October 25	Interim report July 1–September 30

2019

February	Year-end report
March 28	Annual General Meeting

ONLINE

Current and up-to-date information is always available on Beijer Alma's website: beijeralma.se.

REPORTS

Reports can be ordered from
Beijer Alma AB, Box 1747,
SE-751 47 Uppsala, Sweden
+46 18 15 71 60
or via beijeralma.se

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e-mail henrik.perbeck@beijeralma.se

JAN BLOMÉN

CFO: +46 18 15 71 60,
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Content

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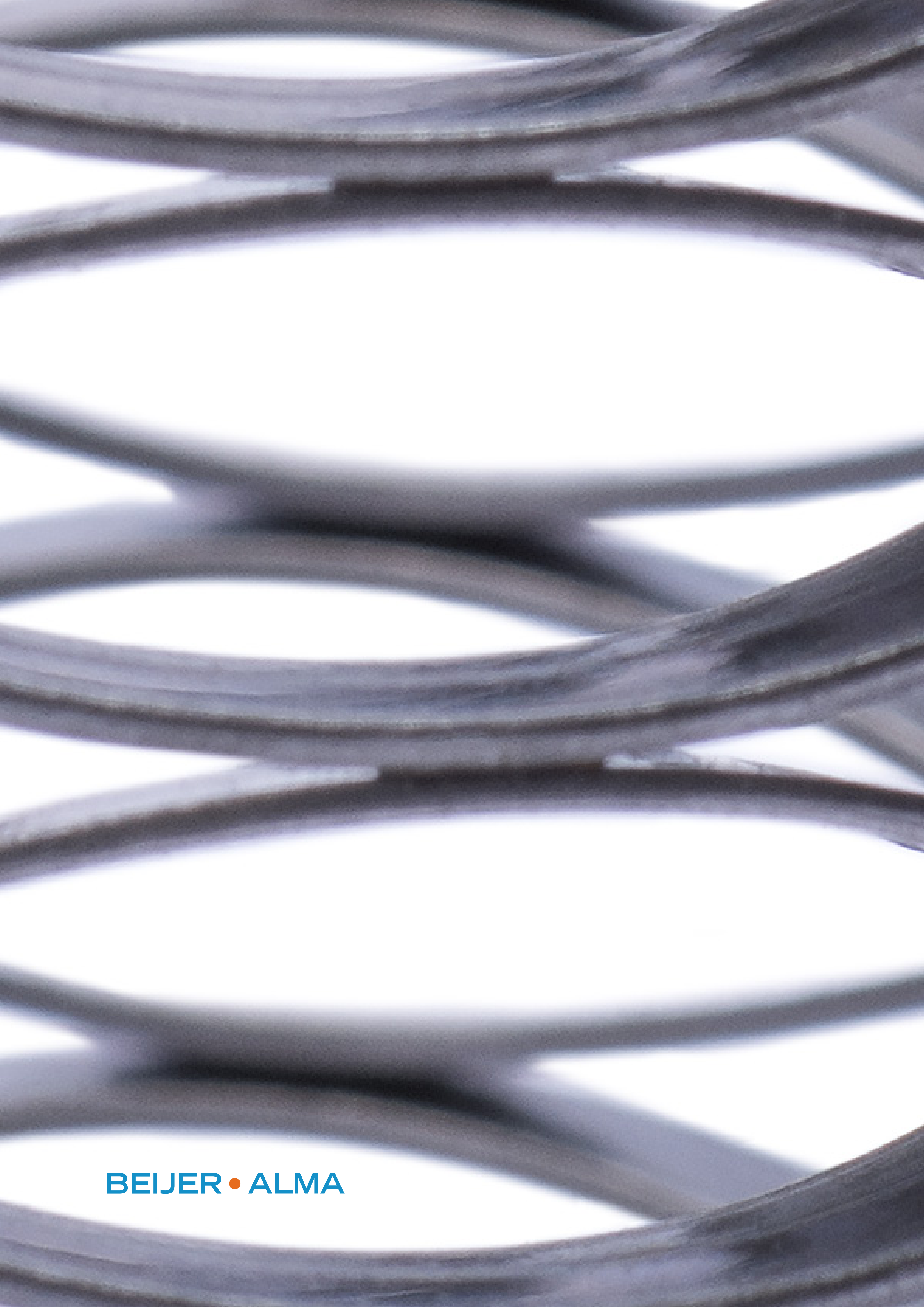
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