

Q4 2018



BEIJER • ALMA

Year-end report 2018

Positive end to the Group's best year to date

- Invoicing amounted to MSEK 1,043 (968) for the quarter and MSEK 4,409 (3,971) for the year.
- Profit after net financial items totaled MSEK 126 (123) for the quarter and MSEK 609 (517) for the year.
- Earnings per share amounted to SEK 1.72 (1.53) for the quarter and SEK 7.78 (6.45) for the year.
- Cash flow after capital expenditures totaled MSEK 55 (68) for the quarter and MSEK 229 (186) for the year.
- The net debt/equity ratio was 19.7 percent (20.5).
- The Board proposes that the Annual General Meeting approve a dividend of SEK 5.10 (4.75) per share.

CEO's comments

Group

In general, Beijer Alma's operations in the Nordic region, Europe, USA and Asia continued to experience strong demand with the exception of Germany and China, where a slowdown was noted. Cost adjustments are therefore being made in the relevant units.

Order bookings increased 3 percent during the quarter, net revenues 7 percent and earnings just over 2 percent. Order bookings from industrial customers in the Nordic region, which impact all of our subsidiaries, were strong. The defense industry performed particularly well during the quarter. Cash flow declined as a result of a high rate of investment intended to boost the capacity for expansion throughout the Group.

Overall, demand was more varied than usual during the fourth quarter. In total, the full year 2018 marked a period of profitable growth for Beijer Alma. Profit before tax increased 18 percent to MSEK 609 (517).

Subsidiaries

Within Lesjöfors, the trend in Industrial Springs remained strong and invoicing grew 8 percent. Excluding the specific effect of the automotive industry in Germany, growth amounted to 14 percent. On a positive note, a large share of new sales was reported in certain countries, including China and the UK. For Chassis Springs, the fourth quarter is a low period.

Within Habia, order bookings remained strong in Other Industry, while Telecom experienced a calmer quarter, as expected. The preparations for and start-up of offshore cable production was a key focus at the plant in Söderfors.

Within Beijer Tech, Fluid Technology displayed particularly favorable growth, partly due to the manufacturing units Svebab and Packningar & Plast.

Acquisitions

In December, the Group announced the acquisition of Uudenmaan Murskaus, a small business that will provide an excellent complement to Beijer Tech's Finnish operations. Takeover occurred in January.

Henrik Perbeck, President and CEO

Summary of the quarter

	2018	2017		2018	2017
	Q4	Q4	Change, %	Full-year	Full-year
Net revenues, MSEK	1,042.9	968.4	7.7	4,408.8	3,971.5
Operating profit, MSEK	128.8	124.9	3.1	622.8	528.4
Operating margin, %	12.4	12.9	–	14.1	13.3
Profit after net financial items, MSEK	125.8	123.0	2.3	609.2	517.4
Earnings per share, SEK	1.72	1.53	12.4	7.78	6.45
Cash flow after capital expenditures, MSEK	55.4	105.8	-47.6	229.3	186.5
<i>Net revenues per segment (subsidiary), MSEK</i>					
Lesjöfors	582.7	550.8	5.8	2,624.9	2,351.2
Habia Cable	209.8	184.6	13.7	870.4	808.5
Beijer Tech	250.3	232.9	7.5	913.1	811.5
Parent Company and intra-Group	0.1	0.1	–	0.4	0.3
Total Group	1,042.9	968.4	7.7	4,408.8	3,971.5
<i>Operating profit per segment (subsidiary), MSEK</i>					
Lesjöfors	105.3	103.0	2.2	530.6	477.4
Habia Cable	8.7	6.7	29.9	57.3	42.2
Beijer Tech	18.2	16.2	12.3	60.5	47.2
Parent Company and intra-Group	-3.4	-1.0	240.0	-25.6	-38.4
Total Group	128.8	124.9	–	622.8	528.4
Net financial items	-3.0	-1.9	–	-13.6	-11.0
Profit before tax	125.8	123.0	2.3	609.2	517.4

Group

The industrial economy remained strong. However, sales to the German automotive industry were weak during the quarter. This was primarily due to delivery problems in the German automotive industry as a result of new certification requirements. Demand from other customer groups that are dependent on the general economic trend remained favorable across most geographic regions.

Order bookings during the quarter amounted to MSEK 1,036 (1,007), up 3 percent. Excluding corporate acquisitions and fluctuations in exchange rates, order bookings were unchanged. Invoicing increased 8 percent to MSEK 1,043 (968). Excluding corporate acquisitions and fluctuations in exchange rates, the increase was 3 percent. All of the subsidiaries increased their order bookings and invoicing. This increase was far-reaching and included most industries and geographic markets. One exception was the German automotive industry.

Operating profit totaled MSEK 129 (125) and profit after net financial items amounted to MSEK 126 (123). Earnings per share totaled SEK 1.72 (1.53). Cash flow after capital expenditures amounted to MSEK 55 (68).

Order bookings for the full year totaled MSEK 4,615 (4,031), up 14 percent. Excluding corporate acquisitions and fluctuations in exchange rates, the increase was 11 percent. Invoicing rose 11 percent to MSEK 4,409 (3,971). Excluding corporate acquisitions and fluctuations in exchange rates, the increase was 7 percent.

Operating profit for 2018 totaled MSEK 623 (528) and profit after net financial items amounted to MSEK 609 (517). Signed forward agreements and fluctuations in exchange rates had a positive net impact of approximately MSEK 13 on earnings, most of which was attributable to Lesjöfors. Earnings per share totaled SEK 7.78 (6.45). Cash flow after capital expenditures amounted to MSEK 229 (186). Cash flow for the year was charged with corporate acquisition payments of MSEK 4 (84).

Subsidiaries

Lesjöfors

Lesjöfors is a full-range supplier of standard and specially produced industrial springs as well as wire and flat strip components. The company is a dominant player in the Nordic region and one of the largest companies in its industry in Europe. Lesjöfors has manufacturing operations in Sweden, Denmark, Finland, Germany, Latvia, the UK, Slovakia, the US, Mexico, Singapore, Thailand and China.

Lesjöfors conducts its operations in two areas: Industry and Chassis Springs. Industry experienced high demand and favorable growth in most customer groups and geographic markets, excluding the German automotive industry. Chassis Springs is currently in its low season and deliveries were in line with the year-earlier period. Overall, order bookings for Lesjöfors amounted to MSEK 581 (579). Invoicing totaled MSEK 583 (551), up 6 percent. Operating profit amounted to MSEK 105 (103).

Industry continued to experience a strong economic trend and demand from most of customer groups and geographic markets was favorable. Invoicing increased 8 percent to MSEK 460 (426). In the markets outside Germany, invoicing rose 14 percent during the quarter.

Chassis Springs is seasonal in nature, with low activity during the fourth quarter. Invoicing amounted to MSEK 123 (125).

Order bookings for the full year 2018 amounted to MSEK 2,616 (2,408), up 9 percent. Invoicing rose 12 percent to MSEK 2,625 (2,351). Invoicing amounted to MSEK 1,864 (1,676) in the Industry business area and MSEK 761 (675) in Chassis Springs. Operating profit totaled MSEK 531 (477).

Habia Cable

Habia Cable is one of Europe's largest manufacturers of custom-designed cables for customers in the telecom, transport, nuclear power, defense, offshore and other industries. The operations are conducted in the areas of Telecom and Other Industry. The company has manufacturing operations in Sweden, Germany, China and Poland, and conducts sales worldwide.

Order bookings improved 7 percent during the quarter to MSEK 209 (196) and invoicing rose 14 percent to MSEK 210 (185). Telecom reported a relatively weak trend due to the fact that no major projects are currently being rolled out. Invoicing totaled MSEK 58 (63). Other Industry reported a favorable trend, driven by the strong economic climate. Invoicing in Other Industry totaled MSEK 152 (122). Habia's operating profit for the quarter amounted to MSEK 9 (7).

During the full year, order bookings rose 29 percent to MSEK 1,044 (812). One key factor underlying this increase was heating cables for the offshore industry, for which Habia signed orders valued at approximately MSEK 160. Invoicing increased 8 percent to MSEK 874 (809). Invoicing amounted to MSEK 313 (337) in Telecom and MSEK 558 (472) in Other Industry. Habia's operating profit totaled MSEK 57 (42).

Beijer Tech

Beijer Tech specializes in industrial trading and manufacturing. The company sells consumables, components and machinery to Nordic industrial companies, and represents several of the world's leading manufacturers. The company's operations are conducted in two areas: Industrial Products and Fluid Technology.

While sales volumes in Fluid Technology increased during the quarter, deliveries within Industrial Products were unchanged. Order bookings totaled MSEK 246 (233) for the quarter, up 6 percent. Invoicing increased 7 percent to MSEK 250 (233). Invoicing amounted to MSEK 135 (136) in Industrial Products and MSEK 115 (96) in Fluid Technology. Operating profit totaled MSEK 18 (16).

Order bookings for the full year rose 18 percent to MSEK 955 (811). Invoicing amounted to MSEK 913 (811), up 13 percent. Invoicing amounted to MSEK 498 (452) in Industrial Products and MSEK 415 (359) in Fluid Technology. Operating profit totaled MSEK 60 (47).

Parent Company

The Parent Company, Beijer Alma AB, a holding company that does not conduct its own external invoicing, reported an operating loss of MSEK 3 (loss: 1) for the quarter and a loss of MSEK 26 (loss: 38) for the full year. Net profit, which also includes Group contributions and dividends from subsidiaries, amounted to MSEK 296 (325) for the full year.

Revenues and earnings per subsidiary

Net revenues

MSEK	2018	2018	2018	2018	2017	2017	2017	2017	2018	2017	2016
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full-year	Full-year	Full-year
Lesjöfors	582.7	614.1	738.4	689.7	550.8	527.6	648.0	624.8	2,624.9	2,351.2	2,009.4
Habia Cable	209.8	191.0	242.0	227.6	184.6	168.3	208.1	247.5	870.4	808.5	786.8
Beijer Tech	250.3	210.7	235.5	216.6	232.9	183.8	207.8	187.0	913.1	811.5	731.1
Parent Company and intra-Group	0.1	0.1	0.1	0.1	0.1	–	0.1	0.1	0.4	0.3	0.2
Total	1,042.9	1,015.9	1,216.0	1,134.0	968.4	879.7	1,064.0	1,059.4	4,408.8	3,971.5	3,527.5

Operating profit

MSEK	2018	2018	2018	2018	2017	2017	2017	2017	2018	2017	2016
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Full-year	Full-year	Full-year
Lesjöfors	105.3	121.2	163.0	141.1	103.0	102.5	141.7	130.2	530.6	477.4	380.2
Habia Cable	8.7	14.0	20.8	13.8	6.7	4.6	6.4	24.5	57.3	42.2	97.0
Beijer Tech	18.2	16.2	14.0	12.1	16.2	10.3	12.1	8.6	60.5	47.2	7.9
Parent Company and intra-Group	-3.4	-3.2	-11.1	-7.9	-1.0	-4.6	-10.0	-22.8	-25.6	-38.4	-29.9
Total operating profit	128.8	148.2	186.7	159.1	124.9	112.8	150.2	140.5	622.8	528.4	455.2
Net financial items	-3.0	-2.8	-3.8	-4.0	-1.9	-3.2	-3.2	-2.7	-13.6	-11.0	-8.2
Profit after net financial items	125.8	145.4	182.9	155.1	123.0	109.6	147.0	137.8	609.2	517.4	447.0

No sales are conducted between subsidiaries.

The Board's proposed dividend

The Board proposes that the Annual General Meeting approve a dividend of SEK 5.10 (4.75) per share.

Annual General Meeting

The Annual General Meeting will be held on Thursday, March 28, 2019 at 6:00 p.m. in the Main Hall (Stora Salen) of the Uppsala Concert and Conference Hall (Uppsala Koncert & Kongress), Vaksala torg 1, Uppsala. The Annual Report will be available at the company's office no later than three weeks prior to the Annual General Meeting and will be sent to shareholders around March 20, 2019.

Corporate acquisitions

Packningar och Plast

Beijer Tech has acquired Packningar och Plast, which supplies gaskets, seals and plastics to Swedish industry. The company conducts manufacturing in Norsborg, Stockholm, and has annual revenues of slightly more than MSEK 20 with favorable profitability.

Preliminary acquisition calculation

MSEK	
Purchase consideration	17.5
Net assets measured at fair value	11.3
Goodwill	6.2

MSEK 12.3 of the purchase consideration was paid in cash and MSEK 5.2 will be paid at the end of 2019.

Net assets measured at fair value comprise:

MSEK	
Machinery	0.6
Inventories	1.5
Receivables	4.6
Cash funds	8.7
Current liabilities	-4.1
Total	11.3

The receivables guaranteed by the seller are expected to be transferred at fair value. Takeover occurred in April. Since then the company has contributed MSEK 20 in net revenues and MSEK 3.5 in operating profit. Transaction costs of MSEK 0.3 were expensed.

Events after the end of the period

In January 2019, Beijer Tech conducted a minor acquisition of assets and liabilities by acquiring the assets of the Finnish company Uudenmaan Murskaus. The purchase consideration totaled MSEK 13.

Risks and uncertainties

The Group's material risks and uncertainties include business and financial risks. Business risks may include major customer exposures to individual industries or companies. Financial risks primarily pertain to foreign currency risks that arise because more than 95 and 85 percent of sales for Habia and Lesjöfors, respectively, are conducted outside Sweden, while approximately 65 percent of production takes place outside Sweden. Beijer Tech does not have a corresponding foreign currency risk since 71 percent of its sales are conducted in Sweden.

Management of the Group's financial risks is described in Note 31 of the 2018 Annual Report. The Group is deemed to have a favorable risk spread across industries and companies and the assessment is that the risk situation has remained unchanged during the year.

Condensed income statement

Group MSEK	2018	2017	2018	2017	2016
	Q4	Q4	Full-year	Full-year	Full-year
Net revenues	1,042.9	968.4	4,408.8	3,971.5	3,527.5
Cost of goods sold	-719.6	-654.7	-3,032.4	-2,706.9	-2,381.7
Gross profit	323.3	313.7	1,376.4	1,264.6	1,145.8
Selling expenses	-106.5	-96.5	-408.5	-376.1	-368.7
Administrative expenses	-89.2	-96.0	-346.3	-347.7	-324.3
Items affecting comparability	–	–	–	-16.1	–
Other income	–	2.9	–	2.9	–
Profit from participations in associated companies	1.2	0.8	1.2	0.8	2.4
Operating profit	128.8	124.9	622.8	528.4	455.2
Interest income	0.6	1.2	2.1	1.5	1.2
Interest expenses	-3.6	-3.1	-15.7	-12.5	-9.4
Profit after net financial items	125.8	123.0	609.2	517.4	447.0
Tax on profit for the period	-22.0	-30.5	-140.4	-129.1	-119.4
Net profit attributable to Parent Company shareholders	103.8	92.5	468.8	388.3	327.6

Other comprehensive income

Items that may be reclassified to profit or loss

Cash-flow hedges	5.6	-4.5	7.7	-5.6	-5.7
Translation differences	12.3	20.7	44.8	-6.9	30.6
Total other comprehensive income after tax	17.9	16.2	52.5	-12.5	24.9
Total comprehensive income attributable to Parent Company shareholders	121.7	108.7	521.3	375.8	352.5

Other comprehensive income pertains in its entirety to items that may be reclassified to profit or loss.

Net earnings per share

before and after dilution, SEK	1.72	1.53	7.78	6.45	5.43
Dividend per share, SEK	–	–	5.10¹⁾	4.75	4.75
Includes amortization and depreciation in the amount of, MSEK	35.2	34.9	138.5	130.5	117.3

Parent Company

MSEK	2018	2017	2018	2017	2016
	Q4	Q4	Full-year	Full-year	Full-year
Administrative expenses	-7.2	-8.5	-43.8	-43.4	-48.0
Items affecting comparability	–	–	–	-16.1	–
Other operating income	4.5	7.4	18.2	21.1	18.2
Operating loss	-2.7	-1.1	-25.6	-38.4	-29.8
Group contributions	58.1	60.1	58.1	60.1	52.1
Income from participations in Group companies	272.0	309.0	272.0	309.0	260.0
Interest income and similar revenues	0.2	0.2	0.6	0.8	0.7
Interest expenses and similar expenses	-0.3	-0.3	-1.1	-1.1	-0.7
Profit after net financial items	327.3	367.9	304.0	330.4	282.3
Tax on profit for the period	-12.1	-12.6	-7.6	-4.9	-5.8
Net profit	315.2	355.3	296.4	325.5	276.5

No items are attributable to other comprehensive income.

1) Proposed dividend by the Board.

Condensed balance sheet

Group	2018	2017	2016
MSEK	Dec 31	Dec 31	Dec 31
Assets			
Fixed assets			
Intangible assets	628.2	607.4	550.6
Tangible assets	987.9	892.0	904.8
Deferred tax assets	27.7	15.8	19.1
Financial assets	33.0	36.3	30.3
Total fixed assets	1,676.8	1,551.5	1,504.8
Current assets			
Inventories	951.7	824.6	717.9
Receivables	808.9	731.1	654.9
Cash and bank balances	291.3	328.1	273.6
Total current assets	2,051.9	1,883.8	1,646.4
Total assets	3,728.7	3,435.3	3,151.2
	2018	2017	2016
	Dec 31	Dec 31	Dec 31
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	125.5	125.5	125.5
Other contributed capital	444.4	444.4	444.4
Reserves	90.5	38.1	50.6
Retained earnings, including net profit for the period	1,571.4	1,383.1	1,281.0
Shareholders' equity attributable to Parent Company shareholders	2,231.8	1,991.1	1,901.5
Non-controlling interests	4.1	3.9	3.8
Total shareholders' equity	2,235.9	1,995.0	1,905.3
Non-current liabilities to credit institutions	189.8	144.7	242.8
Other non-current liabilities	80.6	75.0	66.2
Current liabilities to credit institutions	541.1	592.1	343.9
Current non-interest-bearing liabilities	681.3	628.5	593.0
Total liabilities	1,492.8	1,440.3	1,245.9
Total shareholders' equity and liabilities	3,728.7	3,435.3	3,151.2

Parent Company

MSEK	2018	2017	2016
	Dec 31	Dec 31	Dec 31
Assets			
Fixed assets			
Tangible assets	1.1	1.2	1.2
Deferred tax assets	5.9	5.7	–
Participations in Group companies	532.0	532.0	532.2
Total fixed assets	539.0	538.9	533.4
Current assets			
Receivables	439.9	440.2	362.8
Cash and cash equivalents	58.2	59.7	3.1
Total current assets	498.1	499.9	365.9
Total assets	1,037.1	1,038.8	899.3
MSEK	2018	2017	2016
	Dec 31	Dec 31	Dec 31
Shareholders' equity and liabilities			
Share capital	125.5	125.5	125.5
Statutory reserve	444.4	444.4	444.4
Retained earnings	48.1	8.8	12.8
Net profit for the period	296.4	325.5	276.5
Total shareholders' equity	914.4	904.2	859.2
Current liabilities to credit institutions	100.3	100.3	14.7
Current non-interest-bearing liabilities	22.4	34.3	25.4
Total shareholders' equity and liabilities	1,037.1	1,038.8	899.3

Condensed cash-flow statement**Group**

MSEK	2018	2017	2018	2017	2016
	Q4	Q4	Full-year	Full-year	Full-year
Cash flow from operating activities before change in working capital and capital expenditures	136.0	128.9	612.6	520.2	436.5
Change in working capital, increase (–) decrease (+)	32.4	-23.1	-155.3	-132.1	28.5
Cash flow from operating activities	168.4	105.8	457.3	388.1	465.0
Investing activities	-112.5	-37.5	-224.4	-118.0	-213.3
Acquired companies less cash and cash equivalents	-0.5	–	-3.6	-83.6	-78.1
Cash flow after capital expenditures	55.4	68.3	229.3	186.5	173.6
Financing activities	-122.3	8.9	-274.4	-130.1	-157.4
Change in cash and cash equivalents	-66.9	77.2	-45.1	56.4	16.2
Cash and cash equivalents at beginning of period	351.9	252.6	328.1	273.6	252.2
Exchange-rate fluctuations in cash and cash equivalents	6.3	-1.7	8.3	-1.9	5.2
Cash and cash equivalents at end of period	291.3	328.1	291.3	328.1	273.6
Approved but not utilized committed credit facilities	565.9	566.2	565.9	566.2	694.3
Available liquidity	857.2	894.3	857.2	894.3	967.9

Specification of changes in consolidated shareholders' equity

MSEK	2018	2017	2016
	Full-year	Full-year	Full-year
Opening shareholders' equity attributable to Parent Company shareholders	1,996.7	1,907.1	1,840.9
Comprehensive income for the period	521.3	375.8	352.4
Dividend paid	-286.2	-286.2	-286.2
Closing shareholders' equity attributable to Parent Company shareholders	2,231.8	1,996.7	1,907.1
Non-controlling interests	4.1	3.9	3.8
Total closing shareholders' equity	2,235.9	2,000.6	1,910.9

Specification of shareholders' equity attributable to Parent Company shareholders for the period

MSEK	Share capital	Other contributed capital	Reserves	Retained earnings, including net profit for the period	Total
Dec 31, 2017	125.5	444.4	38.1	1,388.7	1,996.7
Dividend paid				-286.2	-286.2
Comprehensive income for the period			52.4	468.9	521.3
Dec 31, 2018	125.5	444.4	90.5	1,571.4	2,231.8

Number of shares

	2018	2017	2016
	Dec 31	Dec 31	Dec 31
Number of shares outstanding	60,262,200	30,131,100	30,131,100
Total number of shares, after full dilution	60,262,200	30,131,100	30,131,100
Average number of shares, after full dilution	60,262,200	30,131,100	30,131,100

Of the total number of shares outstanding, 6,605,000 are Class A shares and the remaining shares are Class B shares. The Annual General Meeting on March 22, 2018 resolved on a 2:1 share split, which entails that the number of shares after the split will amount to 60,262,000, of which 6,605,000 are Class A shares and the remaining shares are Class B shares. The split was carried out in May.

Note 1 Accounting policies**Group**

This interim report was prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union (EU). The presentation of the interim report complies with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

No new or revised IFRS that took effect in 2018 had a significant impact on the Group. Accounting policies and terms of calculation are unchanged compared with those applied in the 2017 Annual Report. Significant accounting and valuation policies are found on pages 52–55 of the 2017 Annual Report.

IFRS 9 Financial Instruments applies as of January 1, 2018 and the Group's application of the standard is presented in Note 41 of the 2017 Annual Report. Beijer Alma has applied IFRS 9 since January 2018. IFRS 9 has not had any impact on the Group's earnings or financial position.

IFRS 15 Revenue from Contracts with Customers applies as of January 1, 2018 and the Group's application of the standard is presented in Note 41 of the 2017 Annual Report. Beijer Alma has applied IFRS 15 since January 1, 2018. The transition to IFRS 15 has not had any impact on the Group's earnings or financial position. In 2018, expenses of related to signing and carrying out agreements with customers in the offshore industry were capitalized in an amount of MSEK 7.9, which will be recognized as an intangible asset. The standard has resulted in additional disclosure requirements.

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

New standards not yet applied

IFRS 16 Leases was published by the IASB in January 2016 and adopted by the EU in October 2017. IFRS 16 replaces IAS 17 Leases. The standard requires that assets and liabilities attributable to all leases, with a few exceptions, be recognized in the balance sheet. Upon initial application of IFRS 16, the company can choose either to apply the standard with full retrospective effect or to apply a modified approach with relief rules. However, advance application is not permitted for companies applying IFRS 15. Beijer Alma's assessment is that IFRS 16 will impact the consolidated financial statements. The transition rule chosen is the exemption rule for simplified calculation on the transition date of January 1, 2019. The leases that had been entered into as of January 1, 2019 will increase the Group's total assets by approximately MSEK 223. These leases will have a negative impact of about MSEK 3 on profit before tax for 2019.

Use of performance measures not defined in IFRS

Beijer Alma applies the European Securities and Markets Authority's (ESMA) new Guidelines on Alternative Performance Measures. In short, an alternative performance measure is a financial measure of historical or future financial performance, financial performance or cash flows that is not defined or specified in IFRS. Definitions of the performance measures used in this interim report are available on the company's website.

Parent Company

The Parent Company, Beijer Alma AB, applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. With the exception of what is stated above regarding IFRS 9 and IFRS 15, these accounting policies correspond with the preceding year and with the consolidated accounting policies where applicable.

The interim report comprises pages 1–13, and pages 1–5 are thus an integrated part of this financial report.

Note 2**Net revenues per segment**

	2018	2017	2018	2017
	Q4	Q4	Full-year	Full-year
Lesjöfors				
of which, Industry	460	426	1,864	1,676
of which, Chassis Springs	123	125	761	675
Habia				
of which, Other Industry	152	122	558	472
of which, Telecom	58	63	313	337
Beijer Tech				
of which, Industrial Products	135	136	498	452
of which, Fluid Technology	115	96	415	359
Total Group	1,043	968	4,409	3,971

Performance measures

	2018	2017	2018	2017	2016
	Q4	Q4	Full-year	Full-year	Full-year
Number of shares 1)	60,262,200	60,262,200	60,262,200	60,262,200	60,262,200
Net revenues, MSEK	1,042.9	968.4	4,408.8	3,971.5	3,527.5
Operating profit, MSEK	128.8	124.9	622.8	528.4	455.2
Profit before tax, MSEK	125.8	123.0	609.2	517.4	447.0
Earnings per share after tax, SEK 1)	1.72	1.53	7.78	6.45	5.44
Earnings per share after 22.0% standard tax, SEK 1)	1.63	1.59	7.89	6.70	5.79
Cash flow after capital expenditures, excluding acquisitions per share, SEK 1)	0.92	1.14	3.87	4.48	3.68
Return on shareholders' equity, %	18.1	19.8	22.5	20.7	18.7
Return on capital employed, %	17.4	18.9	22.0	20.8	19.1
Shareholders' equity per share, SEK 1)	37.04	33.04	37.04	33.04	31.55
Equity ratio, %	59.9	58.0	59.9	58.0	60.3
Net debt/equity ratio, %	19.7	20.5	19.7	20.5	16.5
Cash and cash equivalents, including unutilized credit facilities, MSEK	857.2	894.3	857.2	894.3	967.9
Investments in tangible assets, MSEK	106.2	36.8	205.3	125.9	203.6
Interest-coverage ratio, multiple	36.5	41.0	39.9	42.5	48.8
Number of employees at end of period	2,622	2,546	2,622	2,546	2,341

¹⁾ recalculated after 2:1 split

It is our opinion that the year-end report for 2018 provides a true and fair overview of the Parent Company's and the Group's operations, financial position and earnings and describes the material risks and uncertainties to which the Parent Company and the companies included in the Group are exposed.

Uppsala, February 13, 2019

Beijer Alma AB (publ)

Johan Wall
Chairman of the Board

Johnny Alvarsson
Director

Carina Andersson
Director

Anders G. Carlberg
Director

Caroline af Ugglas
Director

Anders Ullberg
Director

Cecilia Wikström
Director

Henrik Perbeck
President and CEO

Review report on the condensed interim information (interim report) prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act

Introduction

We have reviewed the condensed interim financial information (interim report) of Beijer Alma AB (publ) as of December 31, 2018 and the 12-month period then ended. The Board of Directors and the President are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and a substantially more limited scope compared with the focus and scope of an audit conducted in accordance with the International Standards of Auditing (ISA) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant circumstances that might be identified in an audit. Therefore, the conclusion expressed on the basis of a review does not provide the same level of assurance as a conclusion expressed on the basis of an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Uppsala, February 13, 2019

Öhrlings PricewaterhouseCoopers AB

Leonard Daun

Authorized Public Accountant

If you have any questions, please contact:

Henrik Perbeck, President and CEO, tel: +46 18 15 71 60, henrik.perbeck@beijeralma.se

Jan Blomén, Chief Financial Officer, tel: +46 18 15 71 60, jan.blomen@beijeralma.se

This information is information that Beijer Alma AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out above, at 12:30 p.m. on February 13.

Read more at: www.beijeralma.se

Visit our subsidiaries:

www.lesjoforsab.com

www.habia.com

www.beijertech.se

Next report date:

Interim report on May 6, 2019.

Beijer Alma AB (publ)

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