



## Welcome to Beijer Electronics' AGM 2013

Malmö Börshus, Tuesday April 23, 2013

# Today's agenda

- ▶ This is Beijer Electronics
- ▶ 2012 – Investing in a turbulent year
- ▶ Interim Report – Q1, 2013
- ▶ Strategy Moving Forward

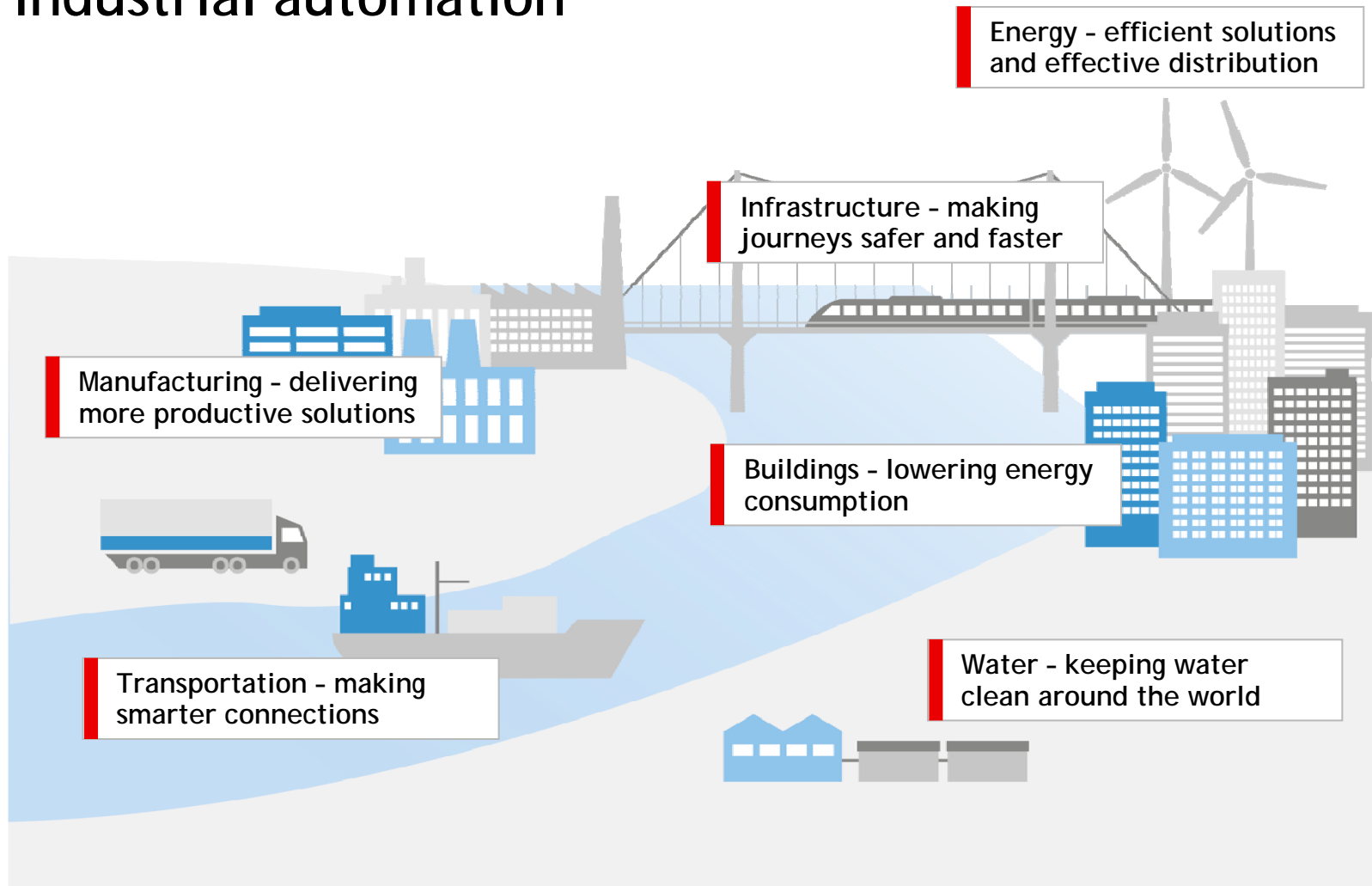


# Beijer Electronics – an innovative company within industrial automation

- ▶ Founded in 1981
- ▶ Present in 22 countries
- ▶ A global supplier of industrial automation and communication solutions
- ▶ R&D facilities in Sweden, Germany, Taiwan and USA
- ▶ 20% of all employees in R&D
- ▶ Own products account for more than 80% of sales

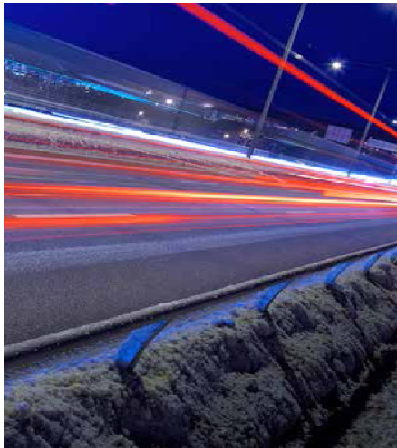


# Providing efficiency - the essence of industrial automation



# Our product offer is based on market knowledge and innovation how to

COMMUNICATE



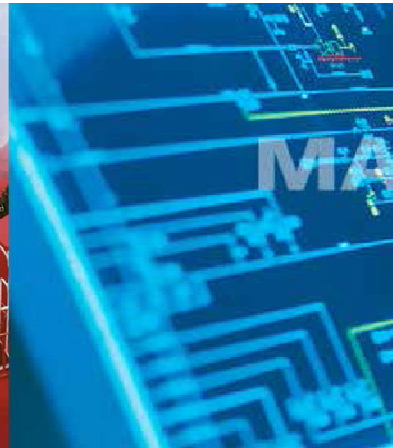
Robust network solutions made easy

CONTROL



World-class monitoring and control

VISUALIZE



Intuitive HMI with the user in focus

DRIVE



Driving profitability - from start to stop

# Market drivers and potential

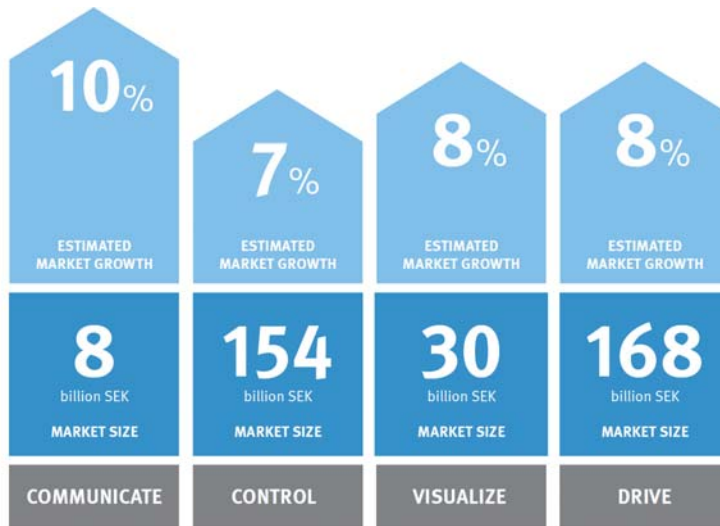
## Market drivers

- ▶ Infrastructure investments
- ▶ Need for higher efficiency in industrial production
- ▶ Greater communication and security needs
- ▶ Environmental awareness
- ▶ Consumer market growth and new technology



\* Control systems, drive systems, visualization and industrial communication products

# Expected growth



## Expected market growth

- ▶ The automation market growth is expected to outpace the overall economic growth in the future due to the increasing demand for automation
- ▶ Within our targeted areas, we expect the market to grow by 7-10% in the next few years

# Share development





# Investing with a clear strategy through challenging times

- ▶ Strong product offer is the key
  - Continuing our investments in technology development
  - Improve our product development processes
  - Build a global development organization
- ▶ Global presence and sales focus
  - Opened new sales offices in Asia, in Malaysia and Korea
  - Hired a total of 20 new salespeople worldwide



# 112 MSEK invested in product development 2012

- ▶ Complete HMI offer with new panel series iX TxB and iX TxC
- ▶ iX TxA SoftControl
- ▶ TREQ-VM and -VMx mobile data terminals
- ▶ The new Viper series PoE-products
- ▶ New software versions of WEOS och iX
- ▶ New frequency inverters



# Beijer Electronics Group

## One-time Costs Affect Earnings

(MSEK)	FY 2012	FY 2011	+/-
Sales	1,367	1,417	-3.6%
EBITDA	159	204	-22.1%
EBITDA%	11.6%	14.4%	
EBIT	99.5	150.3	-33.8%
EBIT%	7.3%	10.6%	

### Full year

- ▶ Sales decrease due to:
  - substantially lower OEM sales in IDC
  - reduced brand label sales in HMI Products
  - weak APAC Sales
- ▶ Increased sales resources have led to 14 MSEK more in cost. In combination with obsolescence this has impacted EBITDA with 20.6 MSEK
- ▶ Increased depreciation has increased with 6.1 MSEK, of which 5.2 MSEK relate to capitalized development

# Highlights in 2012

Difficult business climate, but despite this we have

- ▶ Continued our investments in R&D
  - ▶ Increased our sales resources
  - ▶ Opened 5 new offices around the world
  - ▶ Launched new product families
  - ▶ Invested in competence and management resources
- 
- ▶ Beijer Electronics remains committed to invest in a first class product portfolio

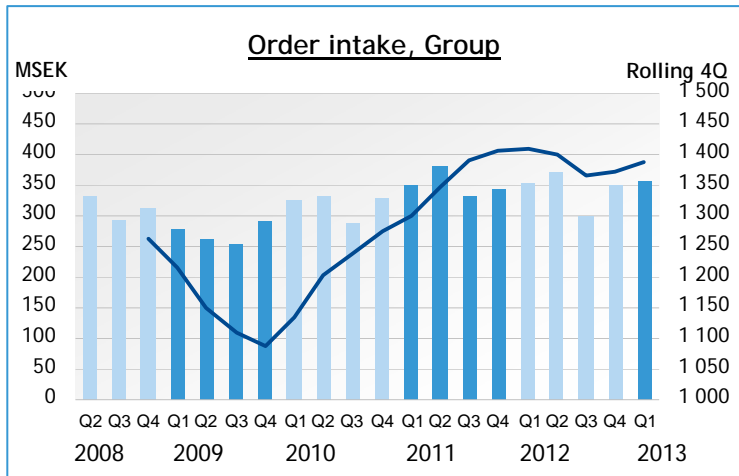




Good Organic Growth  
JANUARY – MARCH 2013

# Beijer Electronics Group Stabilized Order Trend

(MSEK)	Q1 2013	Q1 2012	+/-
Order intake	357	353	+1%



- ▶ Currency adjusted the growth was 4%
- ▶ Good development in IDC
  - IDC + 6%
  - HMI + 4%
  - Automation -11%
- ▶ Easter holiday impact
- ▶ Slow sales in the USA but strong order intake, +19%
- ▶ Major breakthrough order from Alfa Laval on high performance, high temperature HMI's

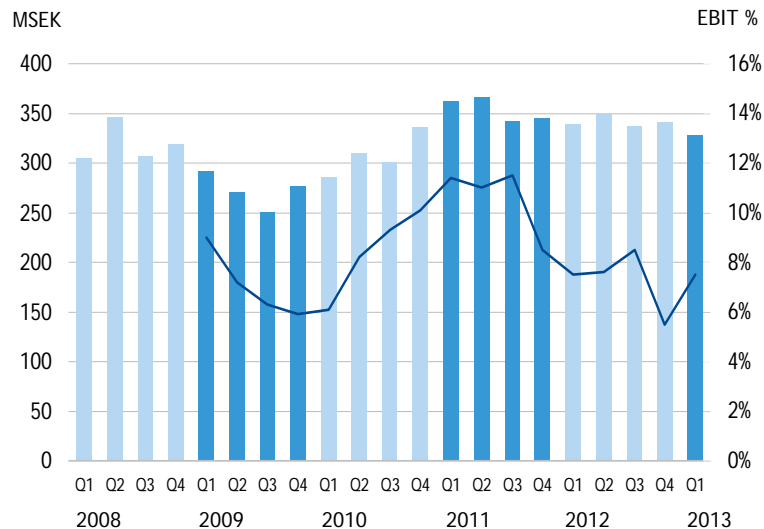
# Beijer Electronics Group

## Decent Bottom Line given Weaker Top Line

(MSEK)	Q1 2013	Q1 2012	+/-
Sales	328	339	-3%
EBITDA	39.8	41.0	-3%
EBITDA%	12.1%	12.1%	
EBIT	24.7	25.5	-3%
EBIT%	7.5%	7.5%	

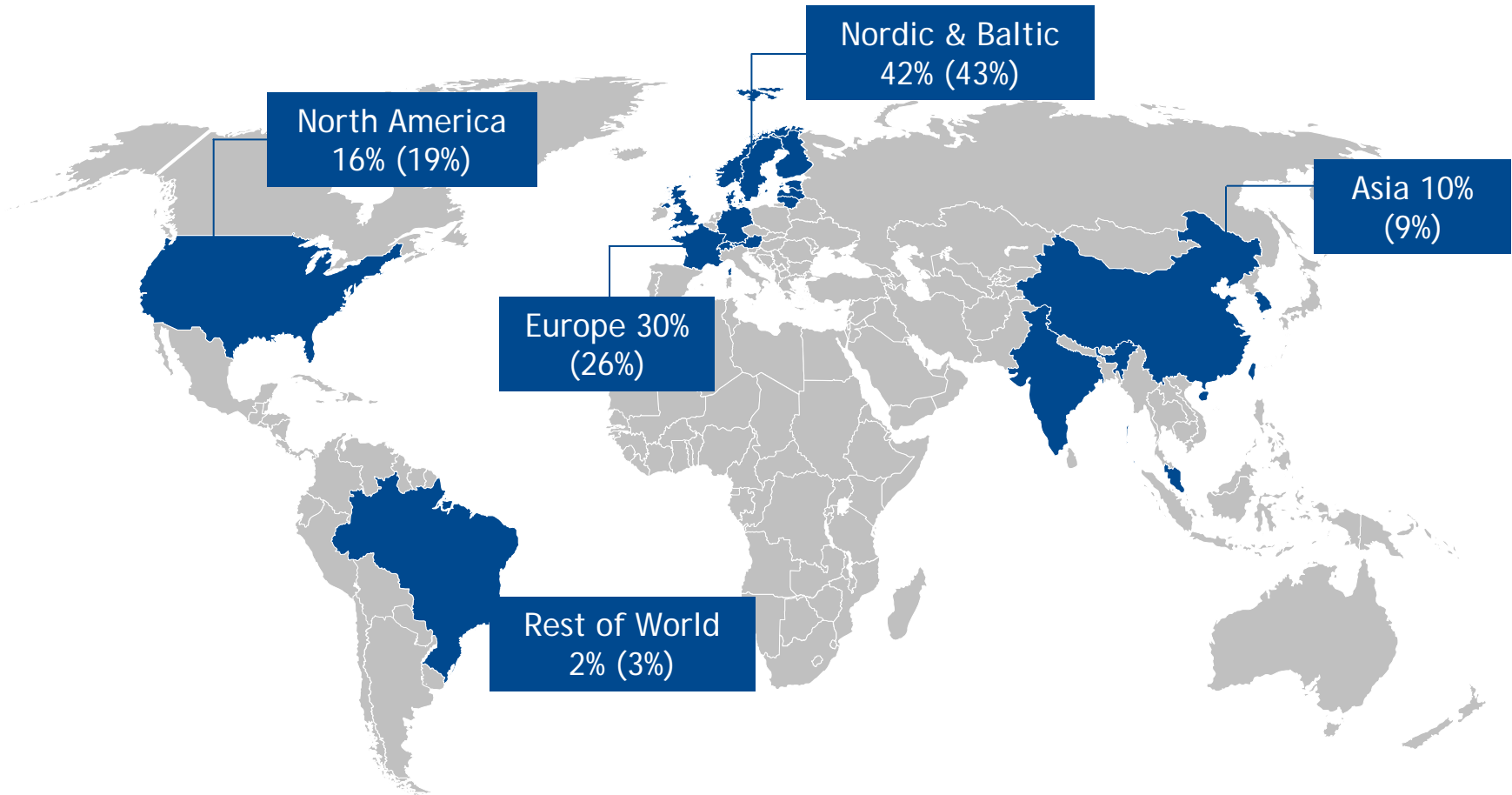
- ▶ Lower top line reflects the Easter effect
- ▶ Stronger gross margins and good cost control resulted in earnings in line with last year
- ▶ Good growth in Sweden and the UK
- ▶ Weaker demand in Germany and France

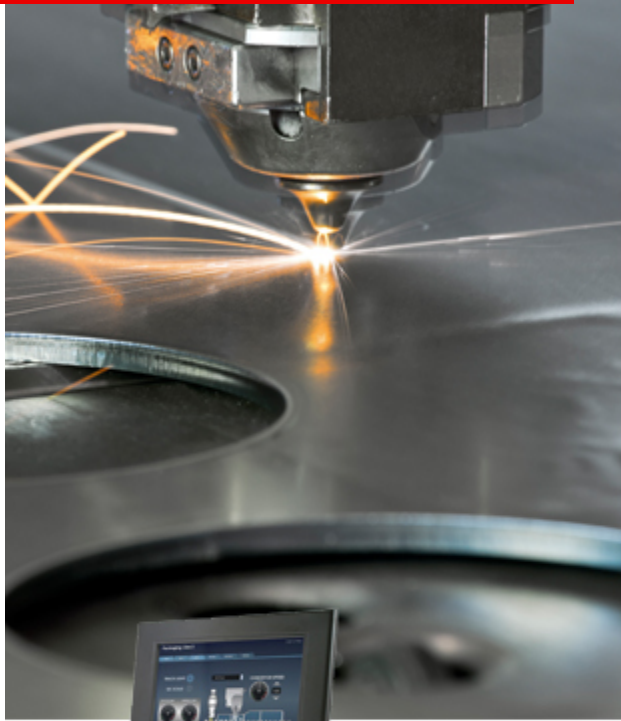
Sales by quarter and EBIT margin, Group



# Beijer Electronics Group Building a Global Business

Sales Breakdown by Geographical Market Q1, 2013 (Q1, 2012)

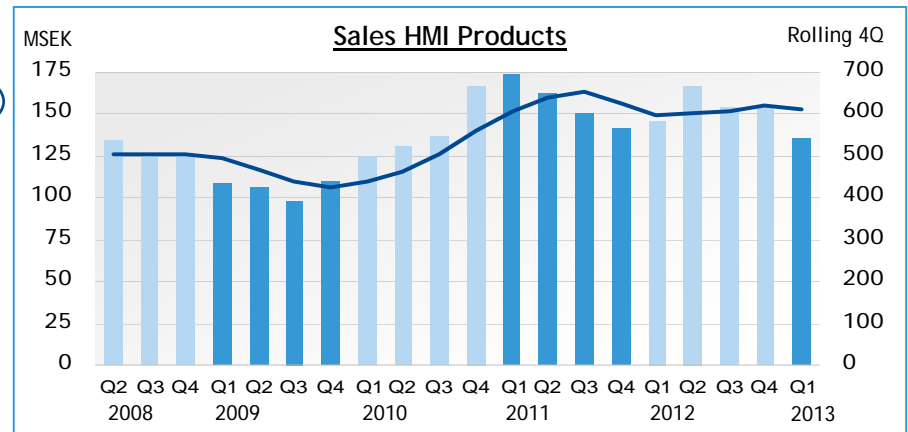




Innovative, easy-to-use HMI solutions

## Business Area HMI Products Re-bound in Order Intake

(MSEK)	Q1 2013	Q1 2012	+/-
Order intake	165	159	+4%
Sales	136	146	-7%
EBITDA	14.2	19.4	-27%
EBITDA%	10.5%	13.3%	
EBIT	8.5	13.3	-36%
EBIT%	6.2%	9.1%	



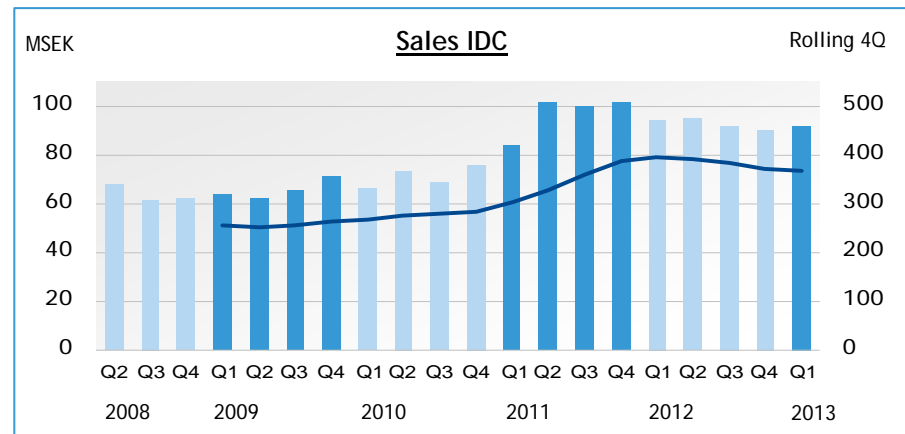
- ▶ Improving order intake
- ▶ Sales reflected weak order intake in Q4
- ▶ Low sales in the USA but good order intake, +19%
- ▶ Launch of the new vehicle product TREQ-VM



Innovative industrial data communication solutions

## Business Area IDC Improvement According to Plan

(MSEK)	Q1 2013	Q1 2012	+/-
Order intake	100	95	+6%
Sales	91	94	-3%
EBITDA	14.5	12.0	+21%
EBITDA%	15.8%	12.8%	
EBIT	8.1	7.9	+3%
EBIT%	8.9%	8.4%	



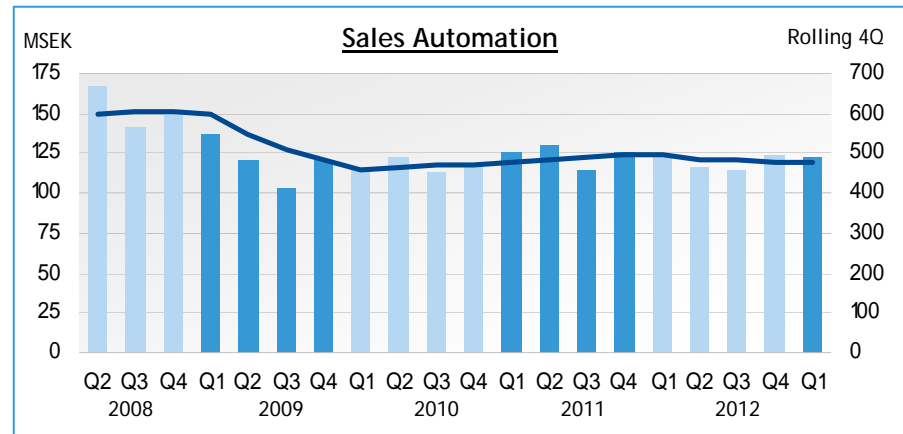
- ▶ Good order intake
- ▶ Korenix performing above expectations
- ▶ Continued investments in R&D
- ▶ Won new key accounts within the Automation industry
- ▶ OEM sales showing good improvements



A full range automation supplier

## Business Area Automation Solid Performance in a Slow Market

(MSEK)	Q1 2013	Q1 2012	+/-
Order intake	117	132	-11%
Sales	122	125	-2%
EBITDA	10.9	10.6	+3%
EBITDA%	8.9%	8.5%	
EBIT	10.1	9.6	+4%
EBIT%	8.2%	7.7%	



- ▶ Easter impact on top line and order intake
- ▶ Sales volumes flat
- ▶ Earnings above long term target (8.2%)
- ▶ Order from Alfa Laval for high temperature high performance displays

Strategy moving forward

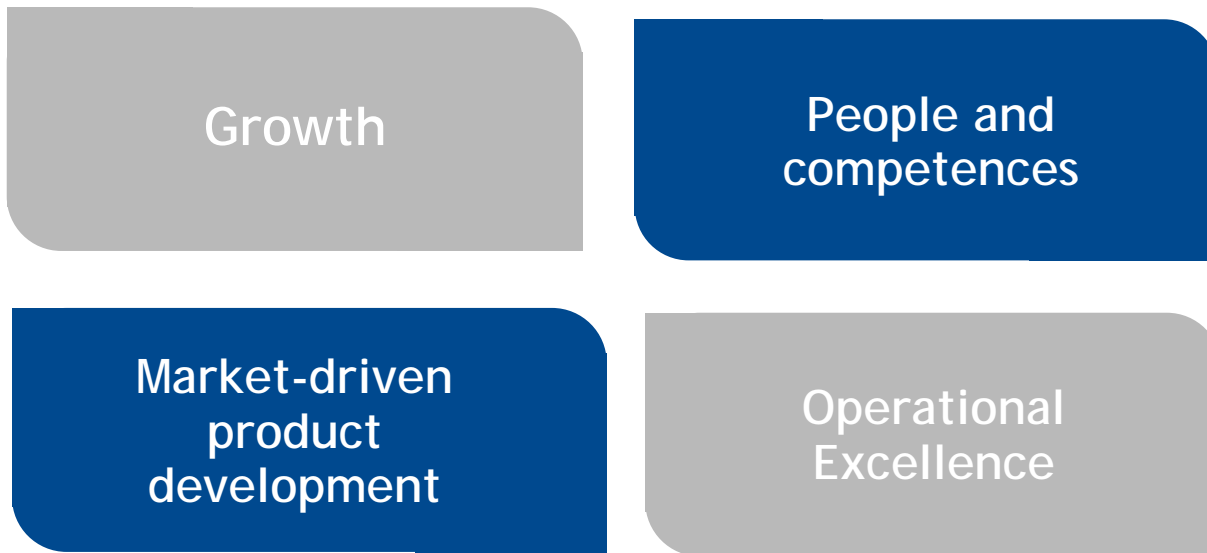


# Full Focus on Growth

- ▶ Organic growth should be our base
- ▶ Strategic acquisitions - a complement
- ▶ A global agenda



# Our Strategic Focus Areas



# Highlights Q1

- ▶ Improving order intake
  - Strong order intake in the USA, +19%
  - Korenix growing by 20%
  - UK continue performing well , +7%
- ▶ Flat sales with maintained profitability
- ▶ New agreement with Mitsubishi Electric and re-purchase of ownership
- ▶ Minority acquisition of Altus
- ▶ Key orders confirm competitiveness of new product family



**Beijer**  
ELECTRONICS