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ANNUAL REPORT | SUSTAINABILITY REPORT | BEIJER ALMA

Beijer Alma's business model – develop companies with strong growth potential

Beijer Alma is an international, listed industrial group. Our business concept is to own and develop companies with strong growth potential. The Group's companies specialize in component manufacturing (Lesjöfors and Habia Cable) and industrial trading (Beijer Tech).

The Group has more than 2,600 employees and a presence in over 60 markets. Our customers include companies in such sectors as automotive, engineering, infrastructure, telecom, energy, defense and offshore. We command strong international positions in industrial and chassis springs as well as cables for mobile telecom and nuclear power.

Profitable and sustainable growth

Beijer Alma's most important objective is to grow profitably. This is achieved by taking a long-term approach and having efficient control of the Group companies. At the same time, the Group conducts responsible business with a sustainability agenda that contributes to a better world, creates business opportunities, reduces costs and minimizes risks. In their daily work, the Group companies focus on four areas to achieve profitable growth:

- **high customer value**, in which customized niche products and services create profitability
- **international market coverage**, which provides the right return on our niche products
- **strong market positions**, in which quality, customization and service ensure our competitiveness
- **broad customer and supplier base**, which reduces our dependence and risk-taking.

Beijer Alma advances its positions in these four areas through organic development using product and market activities in existing operations as well as through corporate acquisitions that strengthen our presence in new areas.

For more information on the Group's business strategy and its work to achieve profitable growth, refer to pages 12 and 14.

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REVENUES AND PROFIT BY OPERATING SEGMENT

MSEK	Q1	Q2	Q3	Q4	Total
Net revenues					
Lesjöfors	689.7	738.4	614.1	582.7	**2,624.9**
Habia Cable	227.6	242.0	191.0	209.8	**870.4**
Beijer Tech	216.6	235.5	210.7	250.3	**913.1**
Parent Company and intra-Group	0.1	0.1	0.1	0.1	**0.4**
Total	**1,134.0**	**1,216.0**	**1,015.9**	**1,042.9**	**4,408.8**
Operating profit					
Lesjöfors	141.1	163.0	121.2	105.3	**530.6**
Habia Cable	13.8	20.8	14.0	8.7	**57.3**
Beijer Tech	12.1	14.0	16.2	18.2	**60.5**
Parent Company and intra-Group	–7.9	–11.1	–3.2	–3.4	**–25.6**
Consolidated operating profit	**159.1**	**186.7**	**148.2**	**128.8**	**622.8**
Net financial items	–4.0	–3.8	–2.8	–3.0	**–13.6**
Profit after net financial item	**155.1**	**182.9**	**145.4**	**125.8**	**609.2**

4,409

INVOICING INCREASED 11 PERCENT TO MSEK 4,409 (3,971).

7.78

EARNINGS PER SHARE AMOUNTED TO SEK 7.78 (6.44).

609

PROFIT AFTER NET FINANCIAL ITEMS TOTALED MSEK 609 (517).

14%

ORDER BOOKINGS ROSE 14 PERCENT TO MSEK 4,615 (4,031).

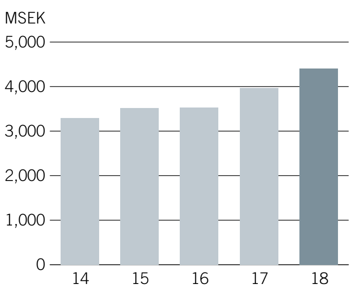
5.10

THE BOARD PROPOSES A DIVIDEND OF SEK 5.10 (4.75).

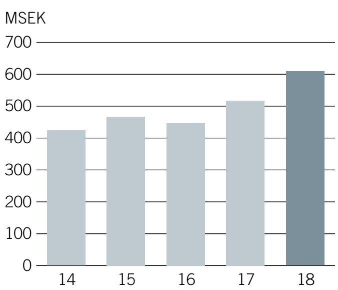
14.1%

THE OPERATING MARGIN WAS 14.1 PERCENT (13.3).

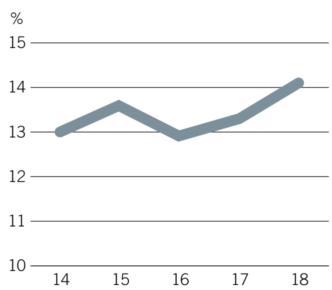
INVOICING



PROFIT AFTER NET FINANCIAL ITEMS



OPERATING MARGIN



Strong performance by Beijer Alma

2018 was a successful year. Order bookings, net revenues and operating profit increased. Most customer segments and markets displayed growth. All subsidiaries contributed earnings improvements and the operating margin increased.

Demand was strong during the year – both in the traditional industrial business and in Chassis Springs and Telecom – particularly during the first half of the year. Demand became more varied during the second half of the year. This contributed to a decline in the Group's growth.

Lesjöfors, which is becoming an increasingly global company, continued to deliver successful results. In addition to developing local relationships worldwide, there were several examples of increased cross-selling at the global level during the year. For example, we are increasingly manufacturing products for European customers at our plants in Asia and may relocate our production closer to our customers in North America. In Europe, Lesjöfors's service model within Chassis Springs contributed to strong volume growth.

Profitability in Habia's industrial business improved after a weaker 2017, which was an important development. Habia's order bookings surpassed the billion kronor mark for the first time, partly thanks to the new offshore area. Beijer Tech continued to deliver broad, profitable growth. Its refinement and manufacturing levels increased, not least as a result of acquisitions in recent years.

Profitable growth

Our strategy for profitable growth includes both organic growth and acquisitions. A recurring theme in our operations is having a broad customer base to provide additional growth opportunities and reduce our vulnerability. Being closely involved in our customers' product development is also important when it comes to ensuring that new business always accounts for a significant portion of our sales. We support our subsidiaries in their efforts to achieve organic growth. During the year, significant investments were made to expand the capacity and improve

the productivity of various operations. Over the years, acquisitions have also been an important source of growth, particularly since our acquired companies have often been able to quickly contribute to further organic growth as they became part of the Group. Acquiring and developing new companies will also be important for the future. We actively seek out opportunities – both in our core areas and in new, related areas – with the potential to generate an attractive return over time.

Sustainable business

It is fundamental that we conduct our business in a responsible and sustainable manner. Our sustainability work is carried out in line with our decentralized approach to corporate governance, with decisions made close to our operations and customers. We base this work in part on the UN Global Compact and Sustainable Development Goals. One area I would like to highlight in 2018 is our efforts to become more energy efficient, partly by carrying out comprehensive energy audits. Although the sustainability objectives we have established represent a challenge for a rapidly growing and developing global group, this year's objectives for energy consumption, CO_2 emissions and social responsibility were achieved.

Preparing for 2019

At the time I write this, the world's economists are not in agreement when it comes to the outlook for the stock exchange, global economy, industrial cycles and other external factors in 2019. However, our task is to focus on the things we can influence and the areas where we must be prepared for various scenarios. We will benefit from the fact that the Group is well equipped, both financially and thanks to our business model of having a diversified customer base. We will continue to invest in our operations and seek out new acquisition opportunities.

At certain points during the year, our activity level was very high, and I know that many people throughout the Group have done their utmost on numerous occasions to keep our customers happy. So I would like to express my sincere thanks to all of our employees who in different ways helped to make 2018 such a strong year.

HENRIK PERBECK, PRESIDENT AND CEO, BEIJER ALMA

We have a broad customer base to provide additional growth opportunities and reduce our vulnerability.


FOOD GRADE

More than 12,000 shareholders

7,833

MARKET CAPITALIZATION. At year-end 2018, Beijer Alma had a market capitalization of MSEK 7,833. In 2008, the Group's market capitalization was MSEK 1,495.

129.98

SHARE PRICE. In 2018, the market price of the Beijer Alma fell 0.2 percent. The Stockholm All Share Index fell 7.8 percent. The closing price at year-end was SEK 129.98 (131.00). The highest price was SEK 152.48, which was quoted on September 17. The lowest price was SEK 115.00, which was quoted on March 28.

5,662,698

SHARES TRADED. A total of 5,662,698 shares were trading during the year, corresponding to 10.5 percent of the outstanding Class B shares. An average of 22,401 shares were traded each trading day.

12,071

NUMBER OF SHAREHOLDERS. A year-end 2018, Beijer Alma had 12,071 shareholders. In 2008, the Group had 3,261 shareholders. This means that the number of shareholders has more than tripled in ten years. Of the total number of shareholders, institutional owners accounted for 64.6 percent of capital and 44.2 percent of votes. The holdings of foreign shareholders accounted for 17.4 percent of capital and 8.8 percent of votes.

PER-SHARE DATA	2018	2017	2016	2015	2014
Earnings per share after 22.0% standard tax rate, SEK	**7.89**	6.70	5.79	6.05	5.48
After tax, SEK	**7.78**	6.45	5.44	5.87	5.30
Shareholders' equity per share, SEK	**37.04**	33.04	31.56	30.46	28.96
Dividend per share, SEK	**5.10** [1]	4.75	4.75	4.75	4.25
Dividend ratio, %	**66**	74	87	81	80
Dividend yield, %	**3.9**	3.6	4.1	4.3	4.7
Market price at year-end, SEK	**129.98**	131.00	116.50	109.75	91.25
Highest market price, SEK	**152.48**	141.00	122.00	115.25	105.25
Lowest market price, SEK	**115.00**	111.00	88.75	84.00	79.25
P/E ratio at year-end	**16.7**	20.3	21.4	18.7	17.2
Cash flow per share after capital expenditures	**3.80**	4.48	3.68	4.18	2.43
Closing number of shares outstanding	**60,262,200**	60,262,200	60,262,200	60,262,200	60,262,200
Average number of shares outstanding	**60,262,200**	60,262,200	60,262,200	60,262,200	60,262,200

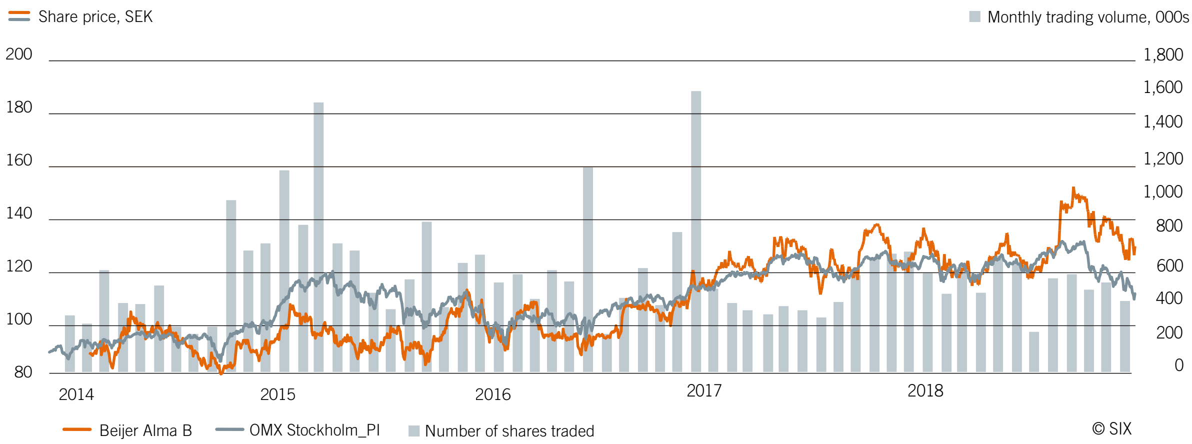
2014-2017 restated after 2:1 split 1) Dividend proposed by the Board of Directors.

LARGEST SHAREHOLDERS	Number of shares	of which, Class A	of which, Class B	Number of votes	% of share capital
Anders Wall Foundation	8,138,940	1,548,400	6,590,540	22,074,540	13.5
Anders Wall with family and companies	7,026,240	3,843,200	3,183,040	41,615,040	11.7
Didner & Gerge Fonder Aktiebolag	4,914,908	0	4,914,908	4,914,908	8.2
SEB Fonder	4,753,595	0	4,753,595	4,753,595	7.9
Verdipapirfond Odin	4,311,665	0	4,311,665	4,311,665	7.2
Lannebo Fonder	3,724,682	0	3,724,682	3,724,682	6.2
Swedbank Robur Fonder	2,607,634	0	2,607,634	2,607,634	4.3
Fourth Swedish Pension Insurance Fund	2,194,065	0	2,194,065	2,194,065	3.6
Brown Brothers Harriman/Lux	1,037,734	0	1,037,734	1,037,734	1.7
Göran W Huldtgren with family and companies	958,122	613,266	344,856	6,477,516	1.6
Skandia Fonder	838,915	0	838,915	838,915	1.4
JP Morgan Bank	778,800	0	778,800	778,800	1.3
Skandinaviska Enskilda Banken S.A	695,973	0	695,973	695,973	1.2
Öhman Fonder	671,847	0	671,847	671,847	1.1
Other shareholders	17,609,080	600,134	17,008,946	23,010,286	29.1
Total	**60,262,200**	**6,605,000**	**53,657,200**	**119,707,200**	**100.0**

Shareholders' register, December 31, 2018, 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	9,044	74.9	992,461	0	992,461	1.7	0.8
501–5,000	2,533	21.0	4,055,282	7,266	4,048,016	6.7	3.4
5,001–10,000	235	1.9	1,710,518	0	1,710,518	2.8	1.4
10,001–20,000	110	0.9	1,577,100	0	1,577,100	2.6	1.3
20,001–50,000	59	0.5	1,930,022	123,802	1,806,220	3.2	2.5
50,001–100,000	32	0.3	2,334,076	349,846	1,984,230	3.9	4.6
100,001–	58	0.5	47,662,741	6,124,086	41,538,655	79.1	86.0
Total	**12,071**	**100.0**	**60,262,200**	**6,605,000**	**53,657,200**	**100.0**	**100.0**

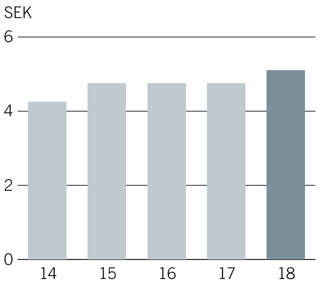
SHARE PERFORMANCE 2014–2018



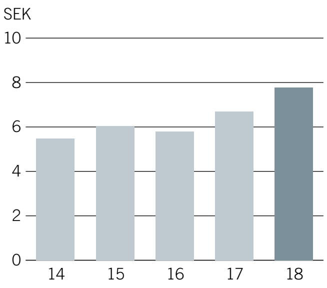
556%

Over the past ten years, the annual growth rate for the Beijer Alma share – including dividends – was 556 percent. This means that an investment of SEK 100 in Beijer Alma shares in 2008 would today be worth SEK 558, including reinvested dividends. This corresponds to an average annual return of 20.7 percent.

DIVIDEND



EARNINGS PER SHARE



ANALYSTS

Danske Bank, Max Frydén
Carnegie, Mikael Löfdahl
Erik Penser, Johan Widmark
SEB, Johan Dahl
Nordea, Carl Ragnerstam

A growing Group

MSEK	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net revenues	**4,408.8**	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
Operating profit	**622.8**	528.4	455.2	477.3	427.5	396.3	372.3	441.4	406.3	238.2
Net financial items	**–13.6**	–11.0	–8.2	–10.4	–3.9	–11.6	–10.5	–12.7	–7.5	–11.7
Profit after net financial items	**609.2**	517.4	447.0	466.9	423.6	384.7	361.8	428.7	398.8	226.5
Tax	**–140.4**	–129.1	–119.4	–113.2	–104.3	–95.7	–93.3	–115.8	–112.3	–64.1
Net profit	**468.8**	388.3	327.6	353.7	319.3	289.0	286.5	312.9	286.5	162.4
Non-current assets	**1,676.8**	1,551.5	1,504.8	1,314.2	1,347.0	1,192.5	1,111.6	927.4	820.3	616.6
Current assets	**2,051.9**	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
Shareholders' equity	**2,231.8**	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
Non-current liabilities and provisions	**270.4**	219.7	309.0	262.3	313.9	299.2	323.5	171.0	140.2	100.0
Current liabilities	**1,222.3**	1,220.6	936.9	768.5	681.3	634.3	549.1	544.2	438.4	301.2
Total assets	**3,728.7**	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
Cash flow	**229.3**	186.5	173.6	251.8	146.0	200.0	130.1	152.0	168.3	215.8
Depreciation and amortization	**138.5**	130.5	117.3	110.6	98.7	86.7	78.7	76.3	70.7	71.4
Net capital expenditures, excluding corporate acquisitions	**205.2**	125.9	203.6	135.8	140.0	126.3	70.5	89.2	55.2	60.5
Capital employed	**2,962.7**	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
Net liabilities	**439.6**	408.7	313.1	194.1	189.8	92.3	56.8	–22.5	–91.2	–59.5
Key figures, %										
Gross margin	**31.2**	31.8	32.5	32.8	32.4	32.4	33.7	34.8	37.7	36.4
Operating margin	**14.1**	13.3	12.9	13.7	13.0	12.9	13.4	15.6	17.7	15.2
Profit margin	**13.8**	13.0	12.7	13.3	12.8	12.5	13.0	15.1	17.4	14.4
Equity ratio	**60**	58	60	64	64	63	64	67	71	71
Proportion of risk-bearing capital	**62**	60	62	66	65	65	66	70	73	73
Net debt/equity ratio	**20**	20	16	11	11	6	4	–2	–6	–6
Return on shareholders' equity	**22.5**	20.7	18.7	20.3	19.7	19.2	17.8	21.8	24.7	17.2
Return on capital employed	**22.0**	20.8	19.1	21.7	21.3	21.1	21.2	26.4	30.6	21.2
Interest-coverage ratio, multiple	**39.9**	42.5	48.8	41.8	41.3	28.9	27.5	27.5	43.3	18.7
Average number of employees	**2,610**	2,546	2,340	2,262	2,124	2,110	1,831	1,687	1,397	1 146
Earnings per share after tax	**7.78**	6.70	5.79	6.05	5.48	4.80	4.46	5.19	4.76	2.96
Dividend per share, SEK	**5.10**	4.75	4.75	4.75	4.25	4.00	3.50	3.50	3.50	2.50


Lundgrens

Focus on profitable growth

Our strategy has set the course for a high level of profitability in Beijer Alma for many years. We therefore stand firm in this successful approach – an approach rooted in a long-term perspective in which growth and profitability must always go hand in hand.

Long-term ownership – building sound structures

Our Group companies are not developed with a view to a future exit. Instead, the goal is to create successful groups of companies with industrially sound structures, in which there is high growth and profitability over time.

Corporate social responsibility – limiting environmental impact

To achieve our objective of profitable growth, our approach to business must also be responsible. Accordingly, we conduct sustainability work designed to restrict the Group's environmental impact and offer employees a safe and stimulating work environment. It is equally important that our customers, suppliers and business partners associate Beijer Alma with a sense of credibility and sound values.

Operational control – controlling and developing

We work closely with our Group companies to assist them in setting and following up on goals and exercising long-term control. This work does not generally involve operational activities, but instead focuses on strategic development, acquisitions and investments. This provides our companies with access to management resources that are often lacking in medium-sized companies.

High customer value – unique concepts for profitability

A large portion of the Group companies' products and services are adapted to meet specific customer needs. Offering products and services that are unique creates higher value, for which customers are prepared to pay. In turn, this contributes to a positive development in terms of our profitability. As opposed to standardized volume products, unique product concepts also provide greater leverage in sales and marketing, such as us being able to compete with other forms of added value than simply price.

International market coverage – broad expansion

Our production companies largely focus on niche products, which are manufactured in relatively small series and generate higher customer value. The total market for this type of product is limited. To be able to expand and create growth, the companies must therefore link their offerings to broad international sales.

Strong market position – increasing competitiveness

We want to have strong market positions and we achieve this by offering high quality, a broad product range, extensive customization and a high level of service. This strategy also allows our Group companies to compete using other forms of added value than merely low prices, which creates the scope for a stronger profitability trend.

Diversified customer and supplier base – provides scope for action

Our companies aim to have a broad customer and supplier base. This breadth creates scope for action and reduces risk exposure and dependence on individual markets, industries and companies.

Organic growth – proprietary product and market development

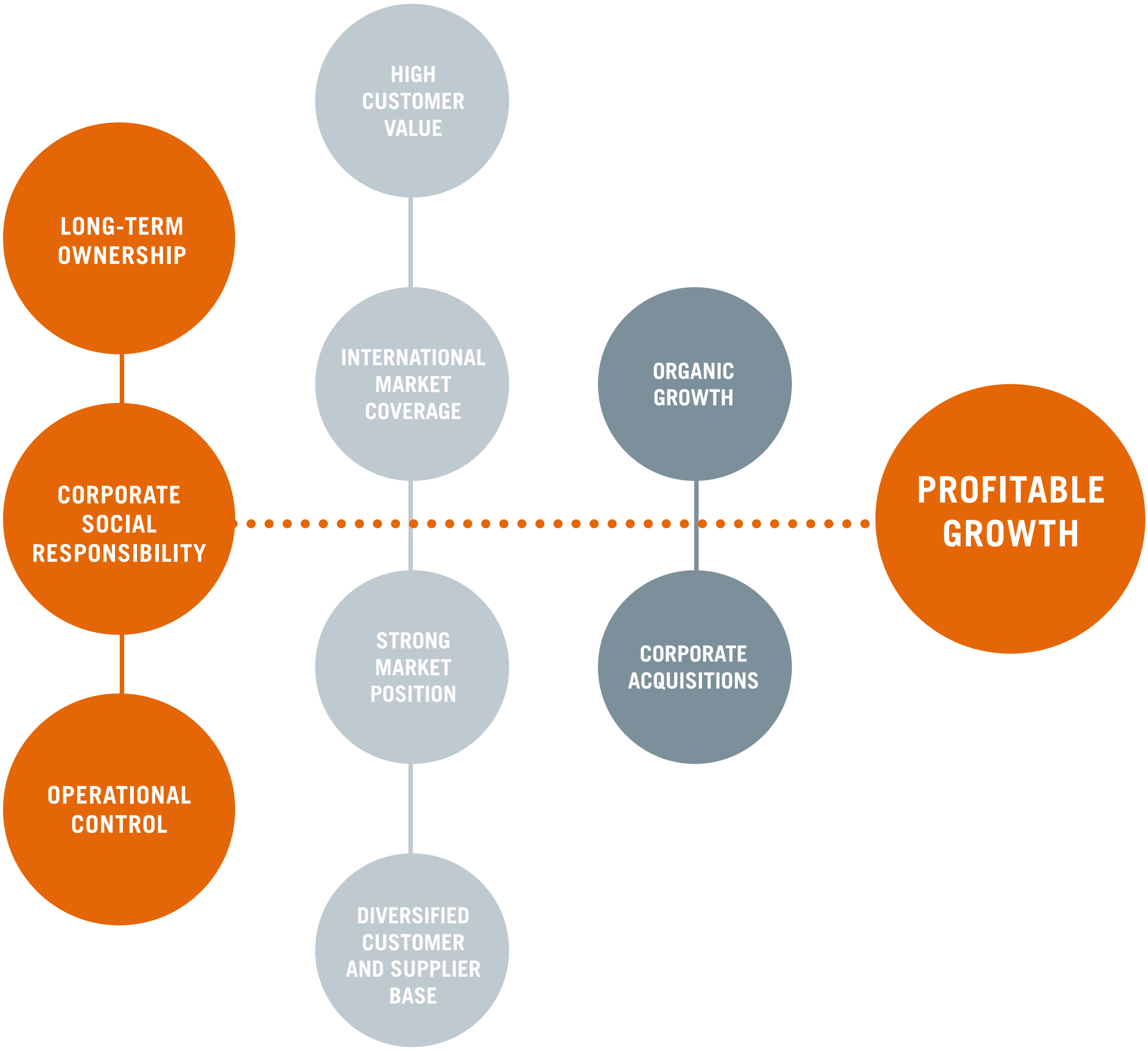
We grow organically through investments in product and market development in the Group companies. Experience shows that such investments in growth often result in higher profitability and limited risk. Moreover, this work can be carried out in our existing organizations and be focused on markets and products we know well.

Corporate acquisitions – growth in new areas

Corporate acquisitions include supplementary acquisitions in Group companies and the establishment of entirely new operations. Supplementary acquisitions can strengthen our position in selected markets or in specific technology or product areas. These types of acquisitions also carry a lower risk since they are conducted in familiar markets or areas.

Profitable growth – strategic final goal

When the various parts of our strategy are brought together, we are able to focus on our shared final goal – profitable growth that is also sustainable. Our efforts to meet our four growth criteria – high customer value, international market coverage, strong market position and a diversified customer and supplier base – play a crucial role in allowing us to meet this goal. Other parts of the strategy enable us to advance our positions in these areas in various ways.


HIGH CUSTOMER VALUE
LONG-TERM OWNERSHIP
INTERNATIONAL MARKET COVERAGE
ORGANIC GROWTH
CORPORATE SOCIAL RESPONSIBILITY
PROFITABLE GROWTH
STRONG MARKET POSITION
CORPORATE ACQUISITIONS
OPERATIONAL CONTROL
DIVERSIFIED CUSTOMER AND SUPPLIER BASE

Successful acquisitions

Over the past ten years, corporate acquisitions have contributed to multiplying Beijer Alma's sales. This growth is strongly associated with the Group companies' ability to further develop new acquisitions. Here are some examples of what this work can result in.

The most common type of corporate acquisitions are supplementary acquisitions. These established, well-managed companies with competent senior management. The companies are to contribute to expanding and making the primary business of Lesjöfors, Habia or Beijer Tech more competitive – for example, by targeting new customers or geographic markets or providing access to new products or technical solutions that increase customer value and develop the offering.

Supplementary acquisitions are also carried out to expand the Group companies' operations into new areas. Major acquisitions may also be conducted to add new subgroups to Beijer Alma.

SVEBAB – INCREASED MANUFACTURING CAPACITY

Beijer Tech acquired Svebab in 2017. The company manufactures circular woven hoses, with its largest product being high-quality fire hoses. Svebab's hose products are supplied to authorities, industry, emergency services and companies in the water and wastewater industry.

Since the acquisition

- sales have increased by more than 13 percent.
- approximately MSEK 5 has been invested in new machinery and more efficient process flows, which have improved the work environment and increased manufacturing capacity by 30 percent.
- the product offering has been broadened.
- sales cooperation with sister company Lundgrens has been developed.

13%

Svebab's revenues have increased 13 percent since the company's acquisition in 2017.

MSEK 5

Investments have been made in new machinery and improved process flows.

JOHN WHILE GROUP – EXPANDED MANUFACTURING AND SALES

The spring specialist John While Group has operations in Singapore, China and Thailand. The company was acquired by Lesjöfors in 2016 and focuses on manufacturing of springs for customers in the automotive, IT, telecom and medical technology industries.

Since the acquisition

- sales have increased by 30 percent.
- sales have been expanded to include Lesjöfors's European customers with operations in Asia.
- increased coordination with Lesjöfors's other plants in Asia has resulted in synergies in production and manufacturing.
- cooperation and professional development in technology and product development have increased.

John While Group conducts operations in Singapore, China and Thailand.

30%

Since its acquisition, revenues in the Asian spring manufacturer have increased 30 percent.

LESJÖFÖRS SPRINGS AMERICA – EXPANSION AND TECHNOLOGY TRANSFER

Lesjöförs Springs America was acquired in 2015 and has manufacturing operations in the US and Mexico. Most of the company's manufacturing focuses on custom-designed springs, which can be found in a wide range of consumer and industrial products.

Since the acquisition

- technology has been transferred to Lesjöfors in Latvia, creating a possibility for low-cost production.
- the number of employees at the Mexican plant has increased by 40 percent.
- the plant in the US has been relocated and the size of the premises increased by about 50 percent.
- about MSEK 20 has been invested in new machinery for more automated manufacturing.

50%

Lesjöfors has expanded its premises by about 50 percent since 2015.

MSEK 20

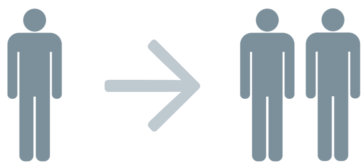
MSEK 20 has been invested with a focus on increasing the level of automation in manufacturing.

EUROPEAN SPRINGS & PRESSINGS – STRONG GROWTH

European Springs & Pressings has two facilities in the UK – located in London and Cornwall. Lesjöfors acquired the operations in 2007, and the company now manufactures chassis springs and industrial springs for the energy, electronics and automotive industries, among others.

Since the acquisition

- sales have increased by 150 percent.
- the number of employees has doubled.
- chassis spring production has been established in Cornwall, which now accounts for a third of Lesjöfors's chassis spring manufacturing volumes.
- approximately MSEK 50 has been invested in the operation in Cornwall.
- the factory in Cornwall has been relocated and expanded, which has multiplied the size of the production area.
- the offering has been broadened and now comprises Lesjöfors's entire offering of springs, wire and flat strip components.
- sales have been increased and now also target many customers outside the UK.

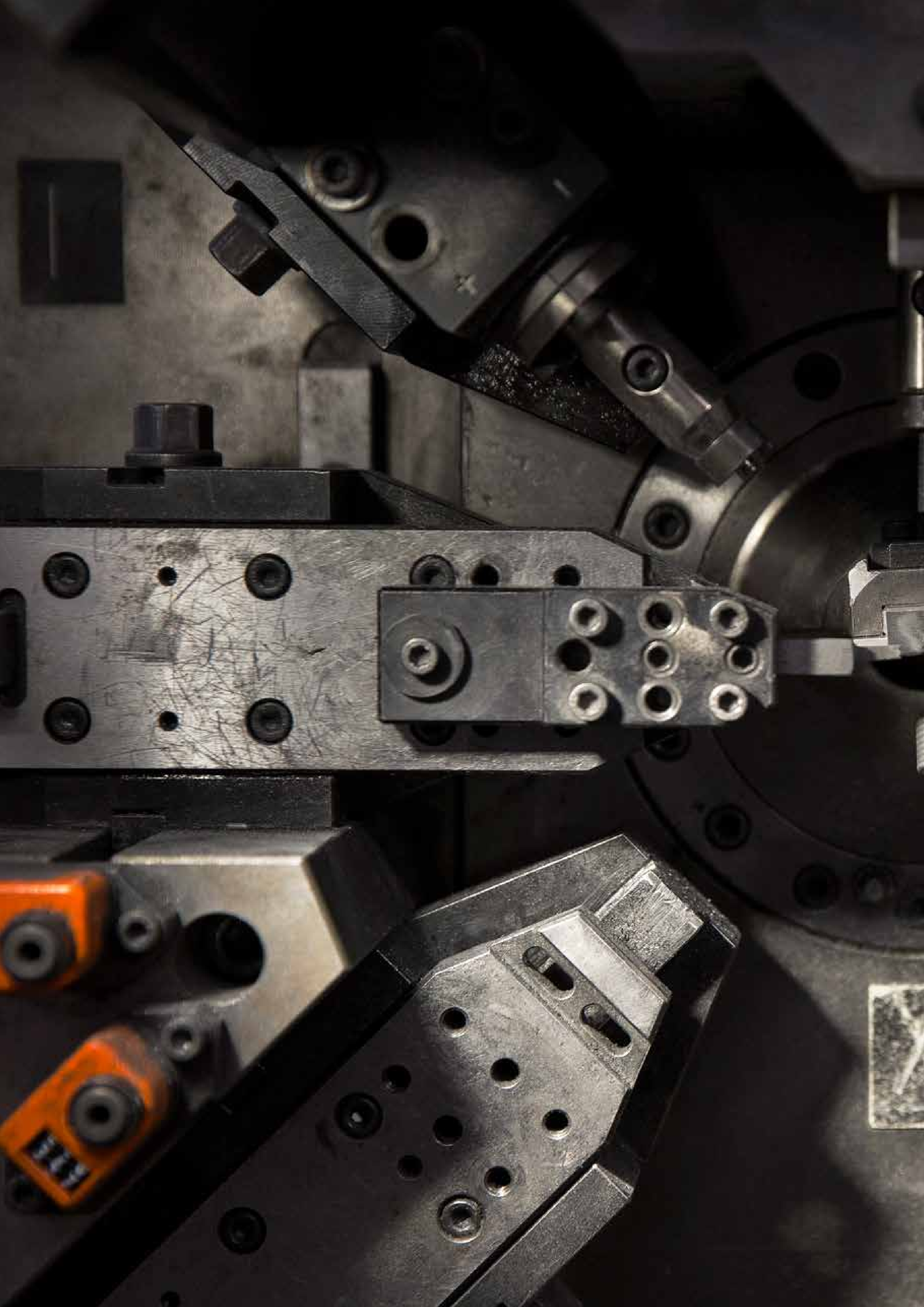


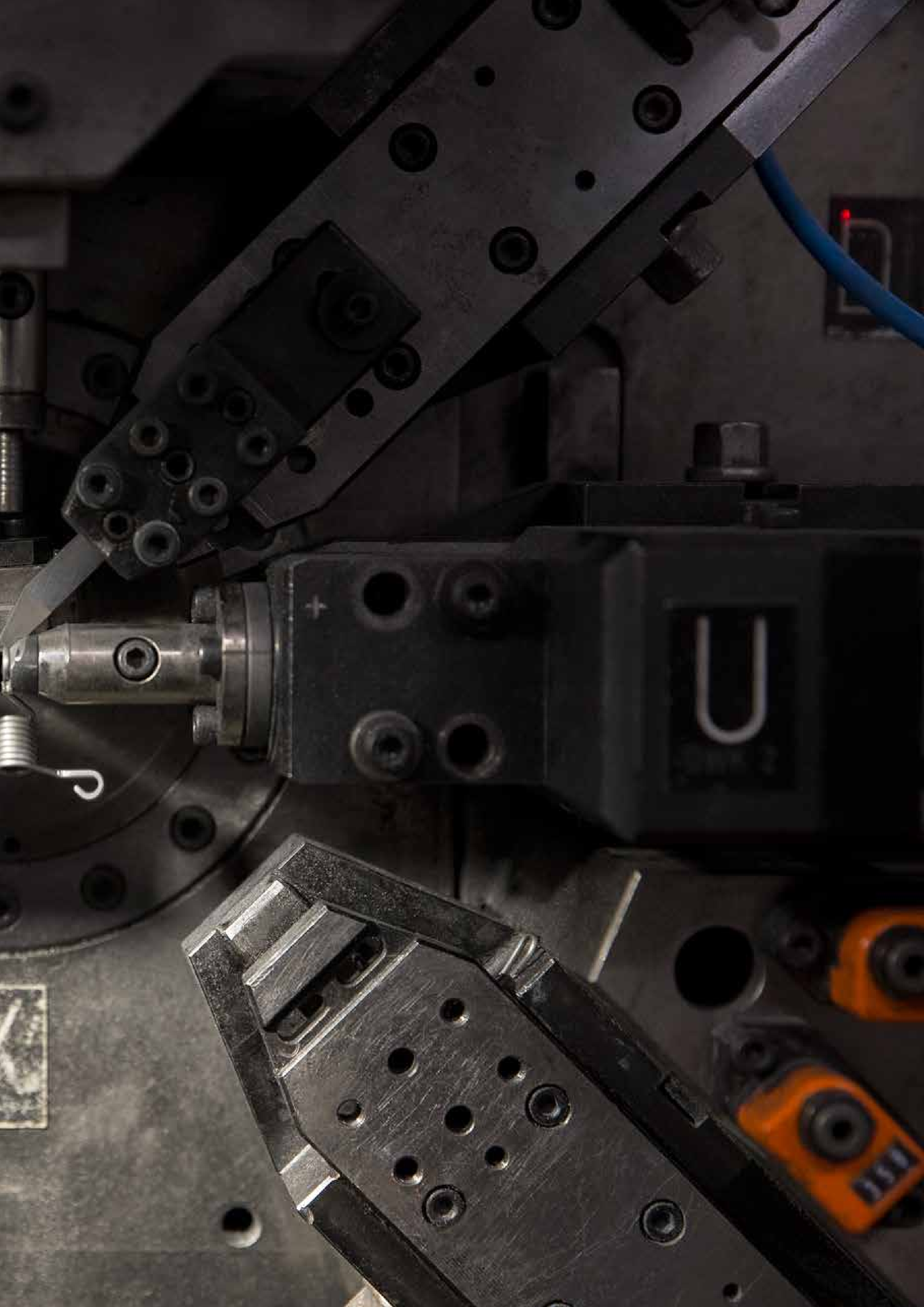
Since the company's acquisition in 2007, the number of employees has doubled.

150%

Total revenues for the two plants have increased 150 percent.

Supplementary acquisitions make the core business of our Group companies more competitive or expand the companies' operations into new areas.





A sustainable Beijer Alma

Environmental responsibility, social responsibility and sound business ethics are natural elements of Beijer Alma's long-term strategy and help us to achieve our most important objective – profitable growth. Accordingly, sustainability work is integrated with the Group's operations.

Our sustainability work is based on the Ten Principles of the UN Global Compact, an initiative to promote corporate social responsibility (CSR). We devote particular focus to 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. We work at both the Group level on large-scale projects and the local level by supporting schools, associations and healthcare.

Code of Conduct – guiding principles

Our Code of Conduct serves as a guide for our employees and partners. By applying the Code:

- We comply with legislation, the UN Global Compact, the UN Convention on the Rights of the Child and other international agreements and guidelines.
- We take the financial expectations of our stakeholders into consideration and create customer and shareholder value.
- We ensure that CSR is integrated into the Group and practiced in relation to employees, customers, suppliers, owners and other stakeholders.
- We contribute to sustainable development, including health and social welfare.

The Code places demands on honesty among our employees. We demand the same from our business partners. Bribes are prohibited. Gifts and other benefits may not exceed the amounts prescribed by local practices and legislation. We comply with competition legislation and apply sound marketing principles.

Whistleblower system

The whistleblower system allows employees to report any suspected improprieties without a 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.

Integration with Group strategies

The Group has expanded its strategic sustainability work. Lesjöfors, Habia Cable and Beijer Tech have identified a number of areas where the Code of Conduct has a direct impact on their strategic decision-making. This strategic approach facilitates the companies' work on energy and climate issues, creates the conditions to apply sound business ethics and paves the way for investments in environmentally friendly products.

Long-term objectives

Our strategies are made more tangible through long-term objectives established at Group level. At the local level, the companies work toward detailed objectives and action plans, mainly within the framework of ISO 14001. The UN Sustainable Development Goals are also used as a compass in this work.

Governance, follow-up and communication

The focus of the sustainability work is stated in the Code of Conduct. Issues pertaining to the long-term strategy, overall objectives, contacts with the media and investors, and financial reporting are handled at Group level. As of 2018, all internal sustainability reporting is managed through the digital platform WorldFavor. This facilitates data collection, analysis, follow-up and continuous improvement measures. The Group's Board of Directors receives regular status updates on the sustainability work. Environmental (ISO 14001) and quality (ISO 9001) management systems are important tools. Operational responsibility is delegated to the respective president of each company. Following up on local objectives and plans is a managerial responsibility. The work is followed up in consultation with the companies' management teams and through audits. In conjunction with the preparation of the sustainability report, an in-depth analysis is conducted of the companies' compliance with legislation, fulfillment of the Group-wide objectives and development in terms of performance measures.

Stakeholder analysis

Customers, employees, suppliers, investors and authorities are key stakeholder groups. Given our social commitment, society is also regarded as an important stakeholder.

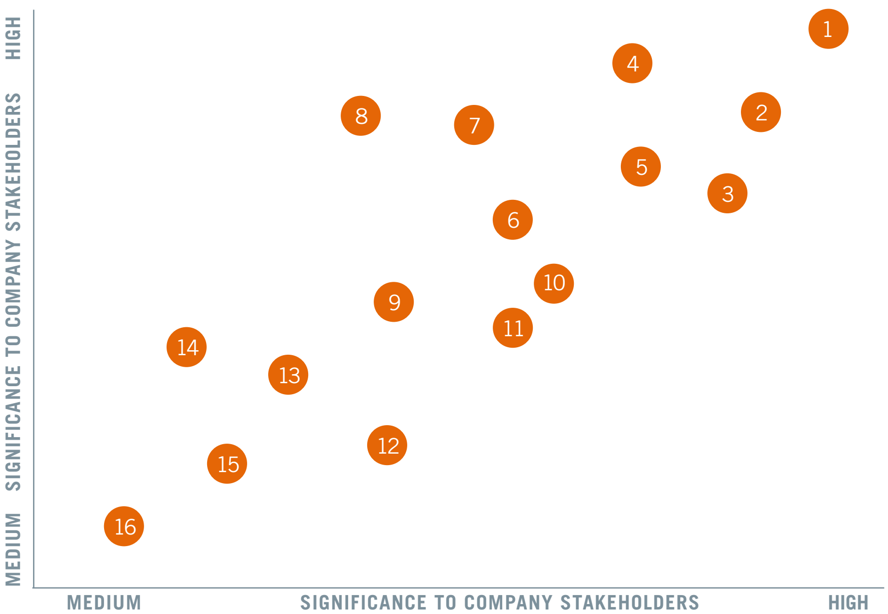
STAKEHOLDER GROUP	DEMANDS AND EXPECTATIONS	VALUE CREATION
CUSTOMERS	Customer demands pertain to such areas as certified environmental management systems, prohibited chemical substances, environmental product declarations, conflict minerals, product labeling, transportation with a lower environmental impact, codes of conduct and specific legislation that must be fulfilled.	Customers' commitment to sustainable development is gradually increasing and essentially all Group companies are now subject to various demands. These are followed up using questionnaires and audits. During 2018, follow-ups were conducted at 13 (14) of the Group's companies. The outcome was mainly positive. The results were used to further advance the Group's sustainability work and create customer confidence.
EMPLOYEES	Health, safety, salaries, benefits, social conditions, job satisfaction and development opportunities.	We conduct employee performance reviews and offer training, professional development and preventive healthcare. Preventive work environment measures are considered a high priority. During 2018, Beijer Alma paid MSEK 1,134 (1,078) in salary and other personnel costs.
SUPPLIERS	Suppliers expect Beijer Alma to impose clear, consistent demands with respect to sustainable development and to follow up these demands.	The Group companies provide information about Beijer Alma's Code of Conduct and expect their suppliers to share this approach. We also assess the sustainability work of our suppliers. In 2018, 171 (161) surveys and 85 (25) audits were performed. These suppliers all demonstrated an acceptable level of compliance with the Group's requirements. During the year, Beijer Alma paid MSEK 1,913 (1,702) to its suppliers of input materials.
INVESTORS	Minimize risks, create business opportunities and engage in credible, forward-thinking sustainability work.	The integration of sustainable development into strategies and day-to-day operations reduces risks and creates business opportunities. Beijer Alma regularly communicates with its owners and investors via its website, Annual General Meeting, interim reports, annual report/sustainability report and CDP report. Beijer Alma's share price fell 0.8 percent in 2018. The Board has proposed that the Annual General Meeting approve a dividend of SEK 5.10 per share (4.75).
AUTHORITIES	Beijer Alma is subject to extensive environmental and work environment legislation. The introduction of new or amended legislation impacts the Group's operations.	Compliance with legislation is monitored through reports to various authorities and by way of internal and external inspections and audits. No significant violations of environmental or work environment legislation occurred in 2018.
SOCIETY	Expectation that Beijer Alma should be involved in society at both the local and national level.	Social commitment creates a sense of trust and interest in Beijer Alma. Providing support for non-profit organizations and establishing contacts with schools and universities helps to attract future employees.

Among other elements, our stakeholder dialogue comprises development talks with employees, regular customer contact, meetings with investors and collaboration with suppliers.

Materiality analysis

To identify the most important areas, a materiality analysis was conducted in cooperation with Beijer Alma's Board of Directors, Group management and the management teams of the Group companies. The analysis was also inspired by the guidelines in the Global Reporting Initiative (GRI) and resulted in the following priorities:

Based on the materiality analysis, Beijer Alma's sustainability work focuses on the areas of energy efficiency, reduced climate impact, increased resource efficiency (spillage, waste), safe and stimulating work environments, and social commitment. The sustainability report on pages 26–35 is also structured around these areas.



1 Business ethics/corruption
2 Sustainability requirements – customer
3 Sustainability requirements – supplier
4 Attract, develop employees
5 Work environment issues
6 Climate change
7 Innovation/sustainable solutions
8 Legal requirements – environment/work environment
9 Energy consumption
10 Social commitment
11 Diversity/human rights
12 Sustainability requirements – investor
13 Transport/travel
14 Waste management
15 Sustainability risks – acquisitions
16 Water consumption

Managing risks and opportunities

When it comes to sustainability, we have identified a number of risks that may be of significance for the Group's reputation and/or financial position. New risk assessments are conducted regularly in the countries where we operate.

The objective is to identify new risks and/or costs associated with environmental, ethical and social responsibility as early as possible. This work also includes procedures for accepting, mitigating or eliminating risks. Our operations are currently associated with the following sustainability risks:

Changes in environmental legislation that increase costs

Changes in environmental legislation can impact Beijer Alma's operations and lead to increased costs. Our units hold the necessary permits for their operations. There are no plans for more comprehensive applications for the renewal of permits. Wherever applicable, the Group's units meet the requirements of the REACH chemical legislation, the RoHS product legislation, product liability for packaging waste and other relevant legislation.

Risk management

We monitor developments in environmental legislation, analyze what the consequences may be and take action accordingly. We do not anticipate any increased risks due to new or amended legislation in the near future. In accordance with the EU Energy Efficiency Directive, energy audits are conducted at some facilities. This work initially results in costs. The audits also enable energy-efficiency enhancements and savings.

Contaminated land and hazardous substances in buildings

The land at one facility in Sweden is contaminated by metals and oil. Beijer Alma is not financially responsible for any investigations or environmental remediation. The matter is being administered and financed by the County Administrative Board. Another Swedish unit is included in the official government register of contaminated land, known as the MIFO Register, in the lowest risk category.

Risk management

Inventories are used to identify the occurrence of contamination and hazardous substances. Remediation is undertaken as required. There are currently no known instances of materials containing asbestos used in buildings. PCB inventories were taken in Sweden and a small amount of PCB was decontaminated at a facility.

Energy costs

Higher energy costs could have a negative impact on Beijer Alma's business, primarily in terms of the purchase of electricity, for which prices are expected to increase in the long term. At the same time, taxes and charges for fossil-based fuels can also be expected to rise.

Risk management

We monitor developments and are open to evaluating types of energy other than the traditional ones, such as solar panels. As part of our risk management, we have a Group-wide energy-efficiency objective and measures are being carried out at our plants..

Climate change resulting in a negative impact on operations

Climate change may result in damage to plants and infrastructure, impact our access to raw materials or the conditions among suppliers and give rise to changes in customer behavior. Taxes, charges and mandatory emission limitations could also affect our operations.

Risk management

Two units are located in areas where extreme weather conditions may occur (China and Thailand). It is not known whether climate change will affect the situation. We monitor the risk analyses conducted by government authorities in the countries affected and take action accordingly.

Products that are unacceptable to customers for health or environmental reasons

One business risk may be that the company's product range contains products that – for health or environmental reasons – are not accepted by customers.

Risk management

Most of the Group's products are manufactured at the request of customers and development work is carried out in cooperation with them. This minimizes the risk of a product suddenly being rejected. We also monitor the development process in order to initiate the replacement of hazardous substances, introduce more environmentally friendly components and try to develop more products with a lower environmental impact.

Lack of business ethics and violations of human rights

A lack of business ethics and human rights violations – in our companies or among our suppliers – could harm Beijer Alma's reputation and business operations.

Risk management

We prevent corruption, other irregularities and human rights violations through information, training, internal regulations and follow-up, including audits and employee surveys. The whistleblower system is also part of this work.

Handling of conflict minerals

The trading of conflict minerals finances violence and attacks. Being associated with such trading could seriously damage our reputation and business operations.

Risk management

Nine of our Group companies work with these types of raw materials. They have rules, are evaluated by customers and conduct their own review procedures to determine with reasonable certainty that certain metals (conflict minerals) are not sourced from areas of armed conflict.

Global initiative for sustainable development

Beijer Alma is a signatory to the UN Global Compact – the world's largest sustainable development initiative and a challenge to companies to adapt their strategies and operations to ten universal principles relating to human rights, labor standards, the environment and anti-corruption. Through the Global Compact, we are expected to implement the following:

- To make the Global Compact and the ten principles an integral part of our day-to-day operations and values.
- To incorporate the Global Compact and the ten principles into our decision-making processes at the highest level.
- To engage in partnerships that advance the Global Compact's principles and support broader UN overall goals, such as the UN Sustainable Development Goals.
- To advance the Global Compact and the case for responsible business practices in cooperation with business partners, customers, suppliers and society at large.
- To produce an annual Communication on Progress outlining our efforts relating to the Global Compact and responsible business practices. Our work in 2018 is presented on page 24 of this combined Annual and Sustainability Report.

Connection to the UN Sustainable Development Goals

In 2015, the UN member states adopted a plan to create a better future for all. This plan includes the 17 Sustainable Development Goals, which are to contribute to eradicating extreme poverty, promoting equality, combating inequality and protecting the planet. We have connected our sustainability work to seven of these goals, which are presented in the Sustainability Report.

About the Sustainability Report

Statutory Sustainability Report

Beijer Alma has chosen to report on the requirements of Chapters 6 and 7 of the Swedish Annual Accounts Act in accordance with recommendation BFN U 98:2 Environmental Information. The Annual Report and Sustainability Report were submitted to the auditor at the same time.

Pages 18–35 of the Annual Report present information on how the company's sustainability work is governed and followed up, and how its performance has progressed. A more detailed description of the Code of Conduct and other bases for the company's sustainability work is presented in the separate CSR brochure, which is available at www.beijeralma.se. The table below provides guidance on where the statutory information can be found. Unless otherwise specified, the information pertains to the entire Beijer Alma Group, including subsidiaries. The reporting principles are described in the Sustainability Report.

Environmental aspects

The manufacturing of springs within Lesjöfors and cables within Habia Cable is associated with a number of key environmental aspects. Examples include the use of materials (metals, plastics), chemicals (solvents), energy and water. Other key environmental issues include emissions of climate-impacting gases and solvents (VOC) as well as the creation of waste. Within Beijer Tech, significant environmental aspects mainly pertain to products, packaging and transportation. The ISO 14001 environmental management system is a valuable tool used by the Group to systematically reduce its environmental impact.

Environmental legislation

Beijer Alma is subject to extensive environmental and work environment legislation as well as new and amended requirements that impact the Group's operations. Just over 60 percent of the units hold specific environmental permits for their operations. Seven of these units are located in Sweden. Two units plan to renew their environmental permits in the coming years. Compliance with legislation is monitored through reports to various authorities and by way of inspections and environmental audits. During 2018, seven units were inspected by supervisory authorities. In most cases, these inspections resulted in no negative remarks or only minor corrective measures. No violations of environmental or work environment legislation were reported in 2018.

In addition to environmental permits, many of the Group's companies are subject to other environmental legislation, including legislation pertaining to hazardous substances (REACH, RoHS, safety data sheets, etc.), product liability for packaging and rules for waste management. The EU Energy Efficiency Directive affects all of Beijer Alma's units within the EU, requiring them to carry out energy audits and submit reports to authorities. This work is performed within the framework of specific rules in effect in each country. In Sweden, the company's status in relation to the directive was reported to the Swedish Energy Agency during the year.

Reporting principles

The Sustainability Report addresses aspects pertaining to the environment, work environment, social issues and business ethics. In addition to meeting the relevant legal requirements, the report is intended to provide Beijer Alma's employees and external stakeholders with clear information on the company's CSR activities and how they are connected to the company's business operations. The report is also intended to explain the Group's work related to the Ten Principles of the UN Global Compact in accordance with the requirements of the Communication on Progress (COP). This information is also used to report the Group's climate impact in accordance with CDP. The guidelines of the Global Reporting Initiative (GRI) provide a basis for the Group's reporting and choice of indicators.

Most units that were part of Beijer Alma in 2018 are included in the report. Data was provided by a total of 29 units in Sweden, Denmark, Finland, Latvia, Poland, Slovakia, Germany, the UK, the US, Thailand, Singapore and China.

GUIDANCE – STATUTORY SUSTAINABILITY INFORMATION	PAGE
Business model	inside cover
Policies, frameworks, stakeholders and material issues	18–19
Environmental responsibility	26–31
Working conditions and corporate social responsibility	32–33
Human rights	20, 32
Prevention of corruption	18, 35
Risks and risk management	20–21
Diversity on the Board and management	33

Data quality assurance

Each unit has contributed quantitative and qualitative information. The head of each company/unit is responsible for assuring the quality of the information submitted. The data for the year has been compared and verified against the information from the preceding year. Emissions of carbon dioxide, sulphur dioxide and nitrogen oxide from direct energy consumption have been measured using conversion factors based on the energy content and quality of the fuel used. CO_2 emissions from indirect energy consumption – mainly electricity – are measured based on emission factors from the UK Department for Environment, Food and Rural Affairs (DEFRA) (Conversion Factors for Company Reporting 2015) for the countries in which Beijer Alma conducts operations. Updated conversion factors were applied during the year, with the previous factors from 2010 replaced with new factors from 2015. In most cases, this resulted in a reduction in the size of the emissions. In cases where energy suppliers present specific information regarding the energy mix, the supplier's measurement models are used. Information about VOC emissions is primarily based on mass balance calculations.

A compass in the Group's sustainability work

The 17 UN Sustainable Development Goals aim to end poverty and hunger, realize the human rights of all, achieve gender equality and the empowerment of all women and girls, and ensure the lasting protection of the planet and its natural resources. The goals are integrated and indivisible, and balance the three dimensions of sustainable development – economic, social and environmental sustainability. Beijer Alma has chosen the following seven goals, which have the strongest connection with its sustainability work and function as a compass in the Group's work.

Goal 4. Quality education – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Goal 7. Affordable and clean energy – Ensure access to affordable, reliable, sustainable and modern energy for all.

Goal 8. Decent work and economic growth – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Goal 9. Industry, innovation and infrastructure – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Goal 12. Responsible consumption and production – Ensure sustainable consumption and production patterns.

Goal 13. Climate action – Take urgent action to combat climate change and its impacts.

Goal 17. Partnerships for the goals – Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Global Compact

In 2015, Beijer Alma joined the UN Global Compact, an initiative to promote responsible business practices. As a signatory to the initiative, we agree to adhere to ten principles in the areas of human rights, labor conditions, the environment and anti-corruption.

WE SUPPORT UN GLOBAL COMPACT

Communication on Progress

Organizations that are signatories to the Global Compact are required to submit an annual report known as a Communication on Progress (COP), which outlines their work in relation to the ten principles. Beijer Alma uses the information in its Annual Report and Sustainability Report to give an accurate picture of how it complies with the Global Compact.

GLOBAL COMPACT		STATUS 2018	PAGES
HUMAN RIGHTS	1. Businesses should support and respect the protection of internationally proclaimed human rights.	Information and training regarding Beijer Alma's Code of Conduct were provided at several units. No human rights violations were reported.	18–19, 34–35
	2. Businesses should make sure that they are not complicit in human rights abuses.	Continuous efforts to assess suppliers' sustainability work are ongoing. The number of on-site audits increased compared with earlier years. No human rights violations were reported.	18–19, 34–35
LABOR CONDITIONS	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	The Code of Conduct lists freedom of association and the right to collective bargaining as a fundamental principle. Trade unions have been established in all relevant countries and countries where this is customary. In countries without trade unions, the company and its employees engage in other types of negotiations.	18–19, 33
	4. Businesses should uphold the elimination of all forms of forced and compulsory labor.	All forms of forced and compulsory labor are forbidden at Beijer Alma and among the Group's suppliers. There are no signs that any violations occurred during the year.	18–19
	5. Businesses should uphold the effective abolition of child labor.	Child labor is forbidden at Beijer Alma and among the Group's suppliers. There are no signs that any violations occurred during the year.	18–19
	6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	The Code of Conduct clearly states the Group's stance on discrimination and equality. No instances of discrimination were reported. Formal equality plans have been established at 11 of the Group's units.	33
ENVIRONMENT	7. Businesses should support a precautionary approach to environmental challenges.	The ISO 14001 environmental management system is a systematic tool in the Group's efforts to identify and prevent risks. About 75 percent of the Group's units are currently certified and additional certifications are planned. We are also taking a preventive approach, for example, by installing treatment equipment, phasing out hazardous chemicals and conducting risk analyses.	20–21, 26–31
	8. Businesses should undertake initiatives to promote greater environmental responsibility.	Overall environmental responsibility rests with Group management and responsibility for the daily operations is delegated to the management teams of the Group companies. Performance is reported to Beijer Alma's Board of Directors on a regular basis and communicated externally through the Annual Report/Sustainability Report and through CDP reporting.	18–19
	9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	The Group offers several good examples of component/product development that helps to reduce environmental impact.	26–33, 41–43 50–51, 58–59
ANTI-CORRUPTION	10. Businesses should work against corruption in all its forms, including extortion and bribery.	Beijer Alma's Code of Conduct provides clear guidance regarding the prevention of corruption. All Group companies perform an annual self-assessment about their work to combat corruption. The assessment is based on guiding documents from the Global Compact. No violations were detected during the year.	18, 20, 35


Habia Cable

More efficient use of resources

Our Group companies use natural resources, such as energy, water and raw materials, chemical substances and input materials in their operations. By making more efficient use of these resources, our environmental impact and costs can be reduced. Accordingly, we work to enhance our energy efficiency and increase the share of renewable resources and recycled materials.

ENERGY

Sustainable development objective

Beijer Alma's Group-wide energy objective was for energy consumption to be reduced by 10 percent by 2018, compared with energy consumption in 2012/2013.

Outcome

Compared with the base year, the performance measure for energy consumption (GWh/MSEK) has declined more than 10 percent. While energy audits and technical measures have contributed to increased energy efficiency, we have not seen a clear decline in energy consumption during the period measured. The objective will be evaluated in conjunction with a review of all of the sustainability objectives to be carried out in 2019.

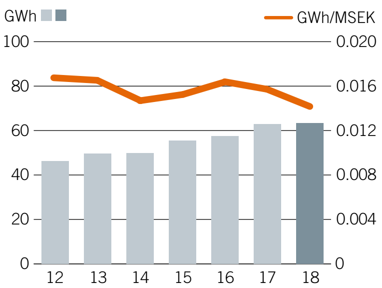
Energy consumption

Total energy consumption amounted to 63.3 GWh (62.9). The facilities in Sweden, China and Germany recorded the highest energy consumption. Approximately 74 percent (75) of the energy consumed comprised indirect energy, primarily electricity. Direct energy in the form of fossil fuels, such as oil, natural gas and propane, is mainly used for heating, furnaces and fork lifts. Biofuel and electricity from renewable sources accounted for 14 percent (16) of energy consumption.

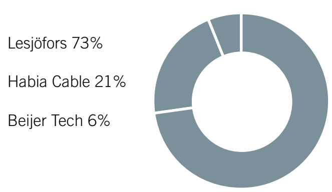
Continuous improvements

The ongoing energy-saving measures comprise energy audits and the installation more energy-efficient production equipment, infrastructure and other technical equipment. Other measures included the installation of low-energy lighting – using LED bulbs and motion sensors – ventilation and heating.

ENERGY CONSUMPTION



SUBSIDIARIES' SHARE OF ELECTRICITY CONSUMPTION



SDG 7: Affordable and clean energy

We contribute to this goal by:

- analyzing our energy consumption to increase efficiency.
- investing in new technology to reduce energy consumption.
- purchasing green electricity.
- changing to energy-efficient LED lighting.

More energy improvements

In Söderfors, Habia Cable is continuing to install LED lighting to reduce its energy consumption. The same is being done at the company's plant in Poland, where LED lighting has cut electricity consumption by 6.5 MWh. Lesjöfors Stockholms Fjäder is also investing in additional LED lighting, which has reduced electricity use by more than 60 percent and provided a more pleasant light.

Energy consumption halved

Svebab has made energy savings in its hose manufacturing. The fire hoses that the company produces undergo vulcanization. The hoses pass through an approximately 20-meter oven under pressure and high temperature. This oven is powered by electricity, but by heat-insulating it in a more effective manner, it was possible to cut the energy consumption in half.

WATER

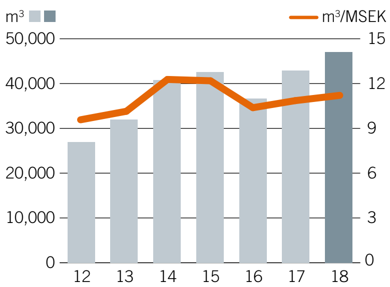
Beijer Alma's water consumption amounted to 47,100 m^3 (42,900) and primarily comprised municipal water. Water is used for cooling, production processes, cleaning and sanitary purposes. Systems for reusing process water and cooling water are in place at several units. Emissions of pollutants into wastewater were very limited and primarily comprised sanitary wastewater. Essentially all units are connected to municipal wastewater treatment plants. A small number use septic tanks for treating sanitary wastewater.

RAW MATERIALS AND CHEMICALS

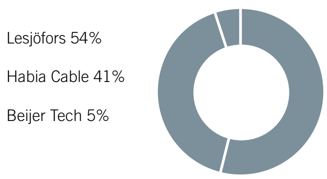
In 2018, approximately 27,900 tons (29,200) of metal, 1,291 tons (1,460) of plastic and 176 tons (223) of chemicals were used, primarily solvents used in Habia Cable's cable manufacturing in China and Germany. The Group continued its efforts to replace hazardous chemical substances and three substances were phased out during the year. There are plans to phase out additional substances over the next couple years, although these plans also depend on whether it is possible to find substitute chemicals.

Conflict materials continued to attract considerable attention. Customers want a guarantee that these substances are not used in the Group's products. Nine units within Beijer Alma use metals that are classified as conflict minerals. Procedures are in place to ensure that such metals do not originate from countries with ongoing armed conflicts. In 2018, customer companies demanded detailed reports on these procedures and other information on how the Group manages the issue of conflict minerals.

WATER CONSUMPTION



SUBSIDIARIES' SHARE OF WATER CONSUMPTION



Lower district heating consumption

The Beijer Tech company Lundgrens made changes to its energy management, entailing that the consumption of district heating is expected to decline by about 20 percent in 2019.

More electrical power

The Group's fleet of company cars is becoming increasingly sustainable. Companies such as Beijer Industri and Lesjöfors Banddetaljer have reviewed their internal guidelines. Employees are now encouraged to make electric or hybrid vehicles their first choice.

Reduced paper consumption

In Tinglev, Denmark, Lesjöfors has reduced its paper use by digitizing its invoice management and phasing out the use of paper labels in manufacturing. John While Springs & Solutions is also reducing its paper use by making more of its administrative procedures digital.

Recovered heat

An investment in more efficient heating technology is reducing energy use at Habia's plant in Norderstedt, Germany. The new technology can also recover heat that can be used in other areas of the plant. The investment was made in cooperation with the German authorities.

Recyclable blasting agent

The blasting agent used in the cleaning of metal is classified as hazardous waste. This makes handling expensive. Norspray offers an alternative that is good for the customer's wallet and for the environment. Miljøgarnet is a blasting agent that can be cleaned and reused. The product also makes blasting more effective and nearly halves the level of consumption compared with disposable products. All of this improves the customer's overall finances. Last but not least, Miljøgarnet contributes to a better work environment.

Waste and systematic environmental work

Waste issues are important to us. We endeavor to reduce the amount of waste by employing better sorting at source, reduced scrapping and increased recycling. In our practical environmental work, the systems outlined in ISO 14001 provide important tools in a growing number of our companies – tools that contribute, in particular, to more effective waste management.

WASTE

Sustainable development objective

Beijer Alma's Group-wide waste objective was for the amount of waste to be reduced by 10 percent by 2018, compared with the amount of waste in 2012/2013. The performance measure used was tons of waste/MSEK in net revenues. The Group's units were responsible for introducing their own objectives and action plans that would contribute to meeting the Group objective.

Outcome

From a five-year perspective, the total amount of waste increased about 50 percent, primarily due to higher production volumes and additional facilities in the Group. Most of this waste comprised metals recovered in optimized systems with relatively low improvement potential. For other types of waste, measures are continuously implemented to reduce scrapping, improve sorting at source and increase material recycling. This is reflected in the fact that the performance measure is largely unchanged compared with the base year, despite an increase in the amount of waste. It was not possible to achieve the overall waste reduction objective within the stated time frame. The objective will be evaluated in conjunction with a review of all of the sustainability objectives to be carried out in 2019.

Waste management

The total amount of waste during the year amounted to 3,850 tons (3,470). Slightly more than 90 percent (90) of waste was recycled as materials or energy. Approximately 2,600 tons (2,160) of metal were recycled. About 5 percent (5) comprised hazardous waste, which was handled by approved waste management companies. In conjunction with a construction project at

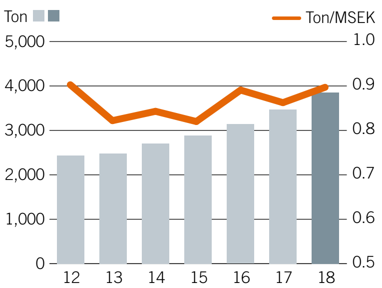
SDG 9: Industry, innovation and infrastructure

We contribute to this goal by:
- investing in machinery/infrastructure with reduced environmental impact.
- working systematically with ISO 14001.
- conducting internal and external environmental audits.
- working with such improvement tools as Lean and Six Sigma.
- reducing the environmental impact of transportation.

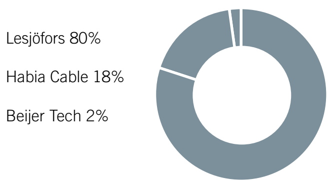
SDG 12: Responsible consumption and production

We contribute to this goal by:
- reducing/preventing scrapping in our production.
- increasing sorting at source/recycling of waste.
- offering products that reduce the customer's environmental impact.
- helping the customer to reduce the environmental impact of their production.

WASTE



SUBSIDIARIES' SHARE OF WASTE



a facility, major land remediation was carried out, in which polluted soil was removed and taken care of in an environmentally correct manner.

Continuous improvements

The improvement initiatives in progress focused on reducing scrapping, improving sorting at source and increasing the reuse of packaging materials. Methods and programs such as Six Sigma, Lean Manufacturing and 5S contribute to better resource use, more efficient production and reduced waste at several facilities. Habia Cable in Söderfors has even put a value on waste in relation to its production costs, which has created greater interest in preventive measures that reduce both scrapping and waste.

SYSTEMATIC ENVIRONMENTAL WORK

The ISO 14001 standard for environmental management systems was introduced in 1996 and the most recent update was published in 2015. The implementation of certified environmental management systems is a component of Beijer Alma's sustainable development strategy. ISO 14001 provides a systematic approach to environmental work and contributes to continuous improvements. The goal is for all of the Group's production units to be certified. This also applies for other operations where environmental certification is relevant, such as the large units in Beijer Tech. A total of 24 (22) units are currently certified. Four additional companies are preparing to implement the environmental management system over the next six to 18 months. At the end of 2018, all companies had implemented updates to meet the demands of ISO 14001:2015. Internal and external environmental audits are part of the Group's continuous efforts to monitor and improve the environmental management system. Beijer Alma employs more than 70 (75) internal environmental auditors, who conducted 46 (37) environmental audits during the year. Our facilities were audited by external certification auditors on 26 (20) occasions.

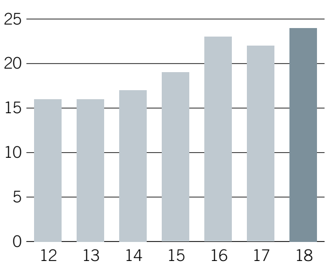
Seamless management

Lesjöfors Banddetaljer has installed new, more efficient furnaces that also have a reduced environmental impact and energy use. The company has also developed procedures for its waste management and invested in new environmental stations that simplify chemicals management. Similar changes were made at the sister company S&P Federnwerk, which increased its recycling and developed new tools for the storage and recycling of chemicals.

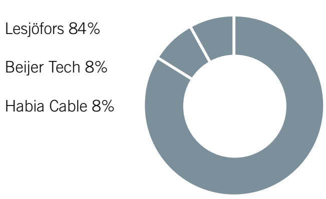
New ISO certification

In 2018, Lesjöfors Springs America was certified in accordance with ISO 14001:2015. A total of 24 Beijer Alma units are now certified according to the environmental management system.

ISO 14001-CERTIFIED UNITS



SUBSIDIARIES' SHARE OF ISO 14001-CERTIFIED UNITS



Reduced climate impact

Reducing the impact on the climate is a major challenge for us and for society as a whole. Our climate gas emissions are primarily caused by the use of fossil fuels for manufacturing processes and heating, but also by transportation and in the production of raw materials.

CO_2 EMISSIONS

Sustainable development objective

Beijer Alma's Group-wide climate impact reduction objective was for CO_2 emissions from energy consumption to be reduced by 10 percent by 2018, compared with CO_2 emissions from energy consumption in 2012/2013.

Outcome

Compared with the base year, the performance measure for CO_2 emissions (tons/MSEK) has declined more than 10 percent. While the purchase of green electricity, the use of biofuels and energy-efficiency enhancements have limited the growth of our carbon footprint, we have not seen a clear decline during the period measured. The objective will be evaluated in conjunction with a review of all of the sustainability objectives to be carried out in 2019.

Emissions

CO_2 emissions amounted to 15,700 tons (16,100), of which 79 percent (77) comprised indirect emissions from purchased electricity. Direct emissions were mainly attributable to the use of propane in furnaces for processing metals for springs. Slightly more than 72 percent (68) of indirect CO_2 emissions were linked to the purchase of electricity in Germany and China.

Continuous improvements

Increased purchases of green electricity and targeted energy-efficiency enhancement measures are helping to reduce the Group's CO_2 emissions from fossil fuels. About a third of the Group's units have local action plans for CO_2 emissions. A handful of units reported that they reduced their CO_2 emissions by up to 10 percent in 2018.

SDG 13: Climate action

We contribute to this goal by:
- reducing emissions of climate gases.
- implementing energy-efficiency enhancements.
- reducing emissions from travel/transportation.
- minimizing VOC emission.

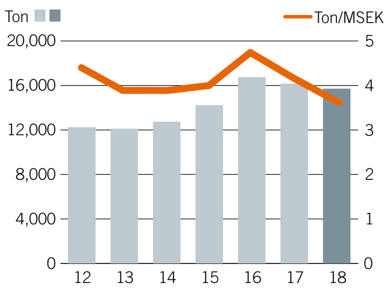
More efficient energy consumption

Lesjöfors in Latvia conducted an energy audit and prepared a plan for increased energy efficiency to reduce emissions. The company has also improved its treatment equipment in certain manufacturing areas and enhanced its efficiency when it comes to handling natural gas, which is helping to cut emissions.

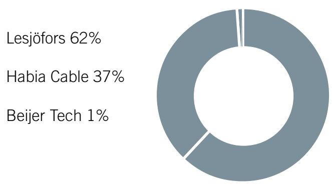
Green electricity reduces emissions

The purchase of green electricity from renewable energy sources helps to reduce the Group's emissions. Today, about 25 percent of the Group's units use green electricity. During 2018, green electricity accounted for about 9 MWh of the Group's indirect energy use. Five years ago, the corresponding figure was about 5.5 MWh.

CO_2 EMISSIONS



SUBSIDIARIES' SHARE OF CO_2 EMISSIONS



EMISSIONS FROM TRANSPORTATION

The Group continued its efforts to reduce its environmental impact from the transportation of raw materials, products and people by purchasing vehicles with lower fuel consumption, investing in more energy-efficient machinery and equipment, adapting its production procedures, coordinating transportation, changing routes, using video conferences and using more rail transport.

OTHER EMISSIONS TO THE ATMOSPHERE

Emissions of solvents (VOC) amounted to 19.5 tons (14.5). From a long-term perspective, VOC emissions were substantially reduced, mainly due to the installation of more effective treatment equipment at Habia Cable's plant in China. Emissions of sulphur dioxide, nitrogen oxide and dust amounted to approximately 2 tons. The installed quantity of coolants (CFC/HCFC) was less than 0.1 ton. No emissions of these ozone-depleting substances were released to the atmosphere.

New engine technology cuts emissions

The environmental technology company Ripasso Energy has advanced the ability of the Stirling engine to convert heat energy into electricity. The company's most recent product is an engine that converts industrial residual gases into electrical energy with a high level of efficiency. Lesjöfors has developed a component that enhances the efficiency of the engine's heat absorption and reduces the exhaust temperature. Ripasso Energy plans to install the engine in mining facilities in South Africa, where the technology will extract energy from the facilities' residual gases and generate electricity. Following installation, CO_2 emissions are expected to be reduced by up to 476,000 tons per year.

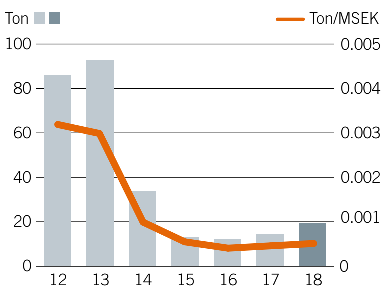
Cleaner air

Investments in better optimized production spaces have simplified the work at Lesjöfors China. Each step in the process can now be managed in a faster, simpler manner. New treatment equipment was also installed, which improved the air quality around the furnaces located in the plant.

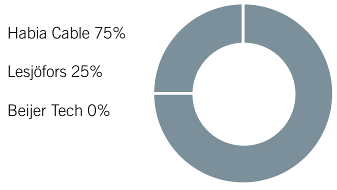
Improved risk analysis

Habia Cable China makes continuous improvements to its environment, health and safety management system. The current focus areas are an analysis of risks in the work environment and a review of the emergency plans to be implemented in the event of an accident. John While Springs & Solutions also advanced its positions in the 2018 risk analysis, mainly in terms of the company's chemicals management.

VOC EMISSIONS



SUBSIDIARIES' SHARE OF VOC EMISSIONS



Safe and stimulating work environment

Work environment, corporate social responsibility (CSR) and sound business ethics are part of Beijer Alma's fundamental values. It should feel secure and stimulating to work for us, but also to collaborate with our Group. The rules and values that form our business ethics apply to all employees in all units across the world.

HEALTH AND SAFETY

Sustainable development objective

This Group-wide objective was established in 2014 and stated that Beijer Alma was to have a vision of zero tolerance when it comes to workplace accidents and that the accident frequency rate was to be reduced by 2018. Each unit was to introduce its own health and safety objectives as well as a system for registering incidents occurring in the work environment (near misses).

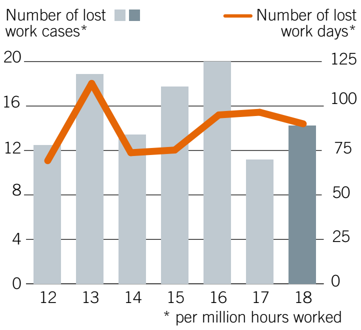
Outcome

Despite training initiatives, other preventive measures and systems for registering near misses, we have not seen a decline in the number of workplace accidents. From a five-year perspective, the accident frequency rate has varied between 12 and 19 accidents per million hours worked. From an industrial perspective, this is relatively high and means that the objective was not achieved. The objective will be evaluated in conjunction with a review of all of the sustainability objectives to be carried out in 2019.

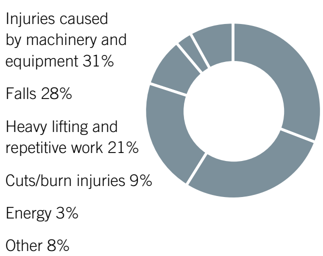
Work environment initiatives

During the year, the rate of short and long-term sickness absence remained low at 2.1 percent (2.2) and 1.4 percent (1.4), respectively. There were 75 (63) workplace accidents resulting in more than one day of absence (lost work cases, LWC). These injuries primarily occurred in conjunction with the handling of machinery and equipment, heavy lifting, repetitive work and falls. The number of falls increased during the year, while accidents related to lifting and other ergonomic factors declined. The number of lost work days (LWD) due to accidents amounted to 678 (502). Compared with other subsidiaries, the number of accidents in Lesjöfors was high. Within Habia, the number of accidents related to ergonomic factors increased. Beijer Tech had few work environment accidents. During the year, 284 near misses (169) were reported in the work environment. It is important that the registration of near misses is as comprehensive as possible since it contributes to the

WORKPLACE ACCIDENTS RESULTING IN ABSENCE



CAUSES OF WORKPLACE ACCIDENTS



SDG 8: Decent work and economic growth

We contribute to this goal by:

- minimizing near misses and accidents in the work environment.
- investing in technology/aids that improve the work environment.
- conducting workplace health and safety inspections.
- offering our employees training and development opportunities.
- investing in and creating growth in our Group companies.

Higher productivity, better ergonomics

Investments in new lifting devices, and the optimization of production and storage spaces, increased productivity and improved the ergonomics and work environment at the Lesjöfors company Spiralspecialisten.

Extension enhances safety

In Åminnefors, Finland, Lesjöfors invested in a new warehouse building, providing better safety during inventory handling and making forklift operation more straightforward. The larger storage areas also create space for future investments in new production capacity. Lesjöfors Banddetaljer also invested in its inventory handling facilities, making them safer for employees and reducing the risk of damage to goods.

early discovery of dangers and the implementation of preventive measures – and particularly because experience shows that near misses are linked to the same types of work environment factors that usually cause accidents.

Continuous improvements

Preventive measures include systematic risk analysis, work environment assessments, training, safety inspections and investments in technical measures. Safety committees have been established at 24 units. At the smallest units, environmental work takes a different form. Workplace health and safety inspections were performed at just over 70 percent of the companies, including noise and dust measurements, general health checks, risk analyses and reviews of chemical use.

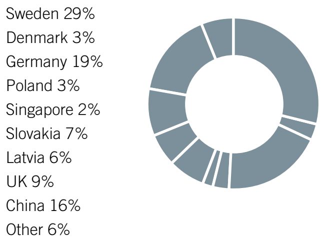
EMPLOYEES IN 18 COUNTRIES

Beijer Alma's 2,610 (2,544) employees are located in 18 (18) countries with different cultural, geographical and political backgrounds. Approximately 34 percent (36) of these people work in low-cost countries, 28 percent of whom are employed in China, Latvia and Slovakia. The majority of employees are located in Sweden, Germany and China. The proportion of female employees is 32 percent (31). The proportion of women on the company's Board of Directors is 43 percent (29). While there are no women among the Group's senior executives, the proportion of women among the management groups of the individual units is approximately 24 percent (27). A total of 41 (43) women are members of a management group that reports directly to the CEO of the company in question. In accordance with the Global Compact, we encourage diversity and are opposed to all forms of discrimination.

No irregularities, near misses or whistleblower incidents pertaining to human rights were identified in the preparation of this report for 2018. Responsibility for equality issues is decentralized and lies with the individual units. Salary rates adhere to legislative requirements, exceed minimum wages and are entirely in line with market rates. As a result of cultural and legislative differences, the degree to which employees are covered by collective agreements varies by country. At about half of the Group's units, most employees are covered by collective agreements.

One tool is the surveys carried out regularly to assess how the employees perceive their workplace. In 2018, surveys were conducted at 12 (15) units. While the majority of employees were satisfied with their jobs, questions were raised regarding the work environment and certain benefits. Approximately 1,120 employees (1,100) participated in development talks or other performance evaluations. Individual reward systems have been established at some of the Group's companies, with environment and work environment considerations also being used as key criteria. Approximately 21,500 (37,500) hours of training for managers and sales and production employees were completed in 2018. This corresponded to approximately 8.5 hours (15) for these categories of employees. The number of hours devoted to environmental, health and safety training amounted to 3.5 (4.4).

GEOGRAPHIC DISTRIBUTION OF EMPLOYEES



Improved work environment through remodeling

Remodeling and new investments have improved the work environment at Svebab. The handling of fire hoses at the end of the production process has been made easier by the addition of larger premises with optimized material flows and a new winder machine. It is at this stage that the hoses are measured, rolled, labeled and fitted with couplings prior to delivery to the customer. In the past, this work required several transfers and heavy lifting of hoses and materials. The work has been simplified using a new winder and attachment machine as well as by optimizing the flow of materials.

Safety and orderliness

Lesjöfors' plants in Liepaja, Latvia, devote considerable energy to training in health and safety issues, such as heavy lifting and gas and chemicals handling. Every month, safety audits are carried out and the company reviews its work related to 5S, which is part of the lean manufacturing concept and focuses on creating orderliness in the workplace.

Investment in preventitive care contribution and support for Swedish Cancer Society

Lesjöfors Industrifjädrar doubled the preventive care contribution available to its employees. As a result, more employees have made use of the contribution for various types of activities. For eight weeks in 2018, the company also organized health walks with a quiz for all employees. In conjunction with this event, the company donated money to the Swedish Cancer Society.

New facility improves work environment

A new production facility is being built in Tyresö, outside Stockholm, where Lundgrens and Packningar & Plast will gather their manufacturing operations. The facility is approximately 3,500 square meters in size. The production flows in the new premises can be made more efficient, while the new, larger premises will provide a better work environment in terms of noise and ergonomics.

Cleaner work environment

European Springs installed new treatment technology that reduces dust and improves the air quality in its premises. The company is also increasingly investing in LED lighting that reduces electricity consumption.

Upstanding member of society

We are involved in the communities in which we operate and participate in networks and projects with various stakeholders – for example, by cooperating with schools, universities and industry organizations as well as providing support to local sports clubs and various types of non-profit associations that work to promote cultural issues, reduce social disadvantage and implement other social activities.

INCREASED SOCIAL COMMITMENT

Sustainable development objective

Beijer Alma's Group-wide objective was to increase its social commitment from 2015 to 2018 – for example, through additional contacts and partnerships with schools and universities. The objective stated that increased social commitment can also involve providing financial support and other contributions that support sustainable development in such areas as the environment, health, culture, ethics, sports and social activities.

Outcome

From a five-year perspective, Beijer Alma has increased its social commitment, including providing support for vulnerable people and for training programs for teachers in natural science subjects. At a local level, many Group companies cooperate with schools and universities and support sports clubs, healthcare, cultural programs and local development. The change has been clear, and the objective is therefore deemed to have been achieved. The objective will be evaluated in conjunction with a review of all of the sustainability objectives to be carried out in 2019.

Social commitment

During the year, we partnered with a number of upper-secondary schools, colleges and universities. Hundreds of students visited our operations, an initiative designed to give the students a better understanding of what it is like working in the business world. Habia Cable in Söderfors collaborates with the local upper-secondary school on the school's engineering programs. Lesjöfors has similar partnerships with local schools in Sweden and Slovakia. Several students were given the opportunity to participate in internships or carry out their degree projects at the Group's companies. In Poland and Sweden, for example, Habia and Beijer Tech collaborated with engineering colleges and industry organizations on development projects. Our involvement with the City Mission, Teach for Sweden and other non-profit organizations was developed further.

Continuous improvements

Several of Beijer Alma's units became more active in their contacts with schools and universities during the year. These activities will benefit the educational system, students and the Group in both the short and long term.

SDG 4: Quality education

We contribute to this goal by:
- supporting the Teach for Sweden organization.
- collaborating with local upper-secondary schools.
- engaging in technical collaborations with universities/colleges.
- offering our employees training and development opportunities.

SDG 17: Partnerships for the goals

We contribute to this goal by:
- having our own guidelines and sustainability goals.
- monitoring/reporting our sustainability work.
- meeting the demands of selected stakeholders.
- supporting various non-profit activities.
- joining the Global Compact.

Award-winning employees

The "Beijer Alma Scholarship" is awarded each year to employees of the Group who have excelled with their drive and creativity. The award was set up in 2016 in the name of Honorary Chairman Anders Wall. The award money is SEK 50,000, which the winners are to use for their continued skills development.

Reducing social disadvantage

Beijer Alma provides financial support to the Uppsala City Mission, which offers various meeting places for people affected by homelessness, mental illness or other types of social problems. The City Mission also offers work training and rehabilitation.

SOUND BUSINESS ETHICS

Code of Conduct and monitoring

The Group's anti-corruption initiatives are based on ongoing information provision and training related to the Code of Conduct, a zero-tolerance policy towards bribery, sanction systems for violations, and guidelines on gift amounts and business entertainment. Corruption is prevented by way of our management systems and through information, discussions and financial monitoring. The Code of Conduct is widely used to communicate the Group's values to suppliers and customers. As part of its sustainability reporting, Beijer Alma conducts an annual review of the Group companies' work to combat corruption and promote good business ethics. This is done through a self-assessment in which the management group of each company responds to approximately 20 questions. The questions are based on guidelines from the Global Compact. The review for 2018 showed a good level of commitment among the companies and revealed no violations of the Code of Conduct. The Group's anti-corruption work is ongoing and is based on the initiatives presented above as well as on targeted information to suppliers and sanction systems for violations.

Forum for entrepreneurs

The Anders Wall Lecture in Entrepreneurship is one of Sweden's largest events for entrepreneurs. The lecture has been held since 2003 and attracts some 2,000 guests each year to Uppsala University from both the business community and the academic world. Beijer Alma is one of the main sponsors of the lecture, at which inspiring speeches and presentations by successful entrepreneurs are alternated with entertainment.

Reaching teachers in new ways

Beijer Alma has supported Teach for Sweden since 2015. The organization recruits and trains teachers using a new approach, including individuals from the business sector and primarily in natural science subjects for schools in socially disadvantaged areas. The objective is to help more students achieve upper-secondary school qualification requirements. During 2018, CEO Henrik Perbeck and Beijer Tech's President Staffan Andersson were mentors for participants in the Teach for Sweden training program.

Uppsala, February 13, 2019

Beijer Alma AB

The Board of Directors

AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the general meeting of shareholders in Beijer Alma AB, corporate registration number 556229–7480

Engagement and responsibility

The Board of Directors is responsible for the sustainability report for 2018 on pages 18–35 and for ensuring that it has been prepared in accordance with the Annual Accounts Act.

Audit scope

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and 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 opinion.

Opinion

A statutory sustainability report has been prepared.

Uppsala, February 27, 2019

Öhrlings PricewaterhouseCoopers AB

Leonard Daun
Authorized Public Accountant

Lesjöfors

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

531

OPERATING PROFIT TOTALED MSEK 531 (477).

20.2%

THE OPERATING MARGIN WAS 20.2 PERCENT (20.3).

9%

ORDER BOOKINGS ROSE 9 PERCENT.

2,625

SALES AMOUNTED TO MSEK 2,625 (2,351).

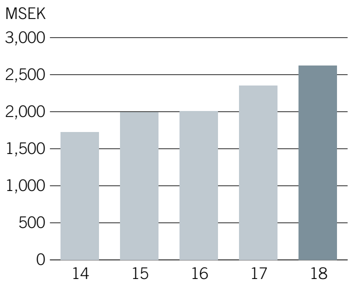
Asia

INDUSTRY – LARGE SHARE OF NEW BUSINESS IN ASIA.

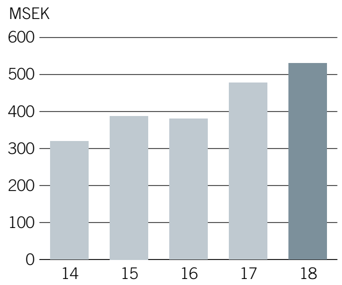
50%

CHASSIS SPRINGS – INVESTMENTS IN THE UK INCREASED MANUFACTURING CAPACITY BY 50 PERCENT.

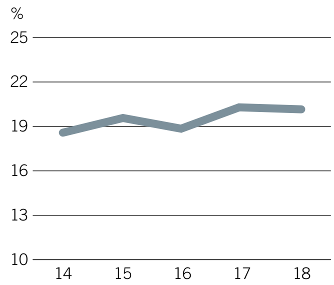
INVOICING



OPERATING PROFIT



OPERATING MARGIN



KEY FIGURES

MSEK	**2018**	2017	2016	2015	2014
Net revenues	**2,624.9**	2,351.2	2,009.4	1,995.9	1,725.7
Cost of goods sold	**–1,740.9**	–1,537.5	–1,332.5	–1,316.6	–1,141.8
Gross profit	**884.0**	813.7	676.9	679.3	583.9
Selling expenses	**–178.4**	–162.0	–144.2	–147.8	–134.7
Administrative expenses	**–175.0**	–174.4	–152.5	–143.1	–129.6
Operating profit	**530.6**	477.3	380.2	388.4	319.6
Operating margin, %	**20.2**	20.3	18.9	19.5	18.5
Net financial items	**–7.1**	–5.2	–4.0	–6.7	0.9
Profit after net financial items	**523.5**	472.1	376.2	381.7	320.5
of which, depreciation and amortization	**98.5**	92.1	81.3	77.2	68.4
Capital expenditures, excluding corporate acquisitions	**158.9**	111.2	149.2	66.3	104.0
Return on capital employed, %	**32**	26	27	31	28
Average number of employees	**1,733**	1,703	1,528	1,468	1,343

KJELL-ARNE LINDBÄCK, PRESIDENT OF LESJÖFORS

How would you summarize 2018?

There is no doubt that we have been positively impacted by the industrial economy and increased sales in many of our product areas. The areas that performed well in the past performed even better in 2018. Germany displayed a weaker trend toward the end of the year, but this was offset by our growth in essentially all areas in markets such as the Nordic region, the UK and Asia.

You want to carry out more acquisitions – tell us about these ambitions.

We want to broaden our presence in Central and Eastern Europe. North America is also of interest. We want to be a niche player in the region and are therefore interested in adding new acquisitions. We are looking for companies with an adequate customer spread and effective leadership that takes care of its employees and supports a positive climate of cooperation. During the year, we began to market ourselves more actively toward acquisition candidates, for example, by providing more information about Lesjöfors and the corporate culture we represent.

Increasing cross-selling and technology transfer is important – why?

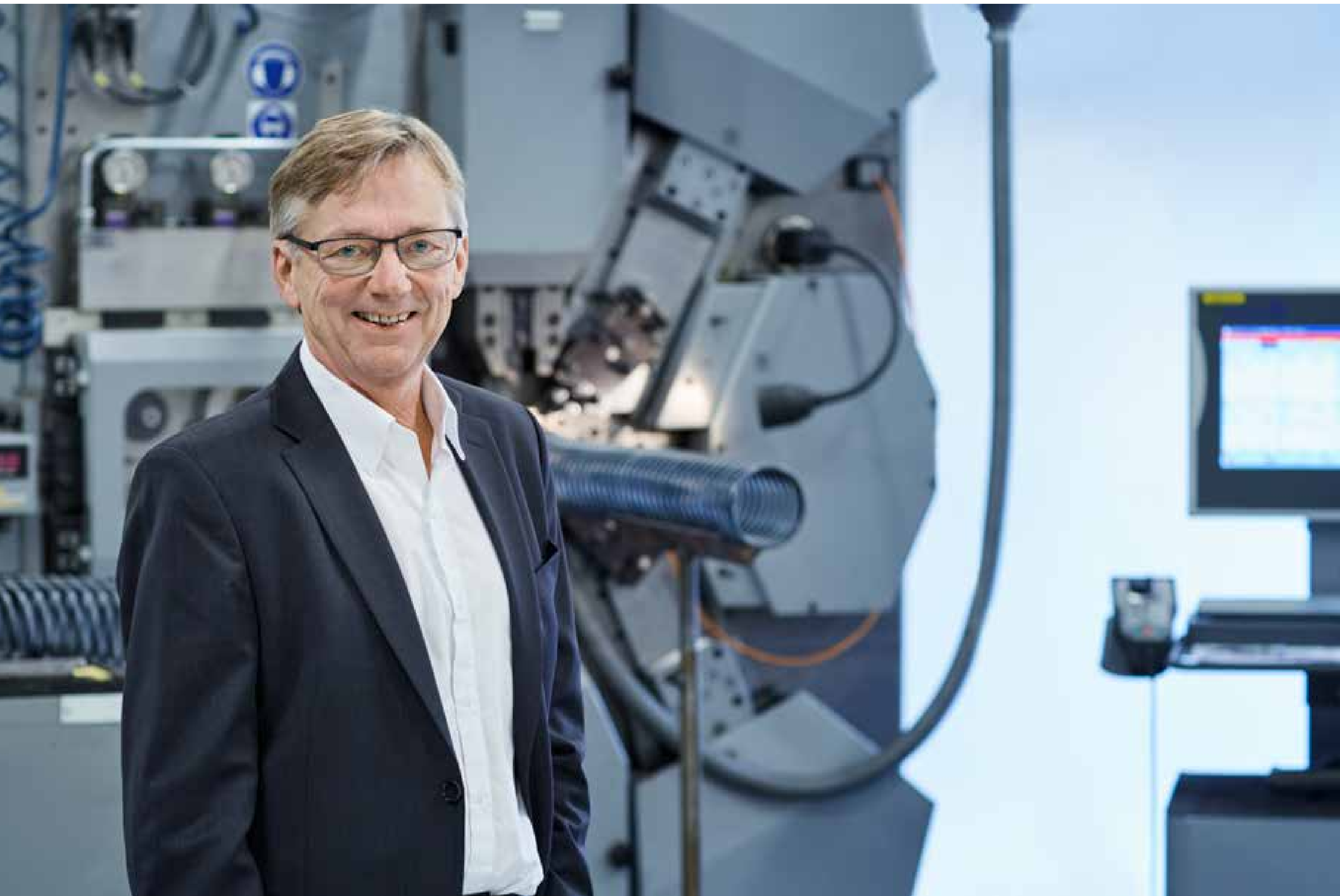
This will determine our direction for a long time to come. We must become better at solving customer problems by making use of the know-how that can be found throughout Lesjöfors. The question is, "What else can we do for the customer?" This must be part of the DNA of our sales organization, technicians and other employees. We've come a long way – for example, by changing the organization – but more can be done to increase synergies.

How important is low-price manufacturing to you?

It creates opportunities and enables us to make use of customer contacts in Europe and the US to establish new business with them on-site in Asia. It is important for Lesjöfors that the customer regards us as a local partner in each market. The fact that we have built up an infrastructure in Asia is particularly satisfying since this is where we secured the most new business in 2018.

What will the focus be for 2019?

We will largely continue on the same path. We will continue to develop the service in Chassis Springs, but also adapt and build our capacity to meet demand in this area. In Industrial Springs, the focus will be on achieving synergies in sales and technology transfer. The aim is quite simply to get more out of what we do together. In 2019, we would also like to carry out an acquisition in the US.



Performance in 2018

Chassis Springs – growth in most markets

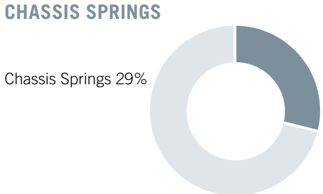
- Favorable growth in most markets, such as Russia, Eastern Europe and the UK.
- Lesjöfors defended its strong market positions and further developed its sales.
- Continued consolidation among customers, which impacted pricing and margins as well as intensifying the demands on product range development and high delivery capacity.
- New investments in the plant in Cornwall in the UK, which is expanding its manufacturing capacity by about 50 percent.
- Investments in gas spring manufacturing in Latvia, including expanded painting capacity.
- Sales amounted to MSEK 761 (675).

Industry – strong performance

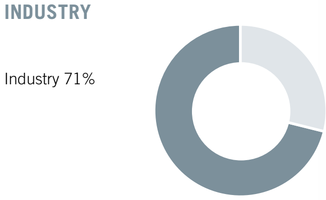
- Strong growth in most markets in Europe and Asia, including heavy vehicles and automation solutions for industry.
- Weaker sales in Germany during the second half of the year, mainly due to the cautious trend in the German automotive industry.
- In other markets, Lesjöfors grew through the development of existing customer collaborations and through new business.
- The proportion of new business was highest in Asia, where a strong infrastructure has now been built up, largely through John While Group, which was acquired in 2016.
- Strengthened international production and marketing in power springs, partly due to the products now also being manufactured in Latvia and partly through new customer collaborations in China.
- Decision to invest in a new plant in Latvia that will be commissioned during 2020.
- Sales totaled MSEK 1,864 (1,677).

Share of invoicing per business area

CHASSIS SPRINGS

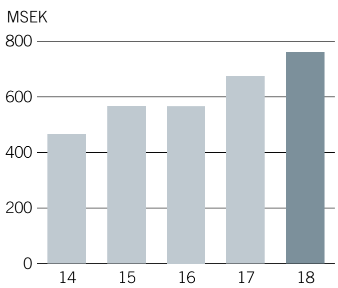


INDUSTRY

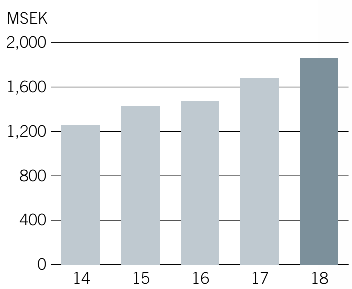


Invoicing per business area

CHASSIS SPRINGS



INDUSTRY



CHASSIS SPRINGS – Favorable growth in most geographic markets, including Russia, Eastern Europe and the UK.

INDUSTRY – Strong growth in most markets in Europe and Asia, including heavy vehicles and automation solutions for industry.

Compression springs are the most common type of spring at Lesjöfors. They can be used in a broad range of applications from door locks to cushioning components in motor-cycle shock absorbers.

Customers and market

Chassis Springs – leading manufacturer

Lesjöfors manufactures and sells chassis springs in the aftermarket for cars and light trucks. Its products are included in vehicle suspension systems, which contribute to safety and driving properties.

Some ten customers dominate sales to spare parts distributors in Europe, where Lesjöfors has long been the largest supplier. The main markets are the UK, Germany, Russia, Sweden and the other Scandinavian countries, which account for approximately 80 percent of sales.

Lesjöfors also sells and distributes chassis springs in the US market. In addition to springs for Asian and European cars, an adapted range for US cars is also available.

Industry – local player with a global presence

As one of the world's largest producers of industrial springs, Lesjöfors develops and manufactures products for most technical applications and industries. The company is one few international players that regularly conducts acquisitions and thus contributes to the consolidation of the industrial spring market.

Lesjöfors has approximately 13,000 customers in 60 markets, with the main markets being Sweden and the other Scandinavian countries, Germany, the UK, China and North America. About 80 percent of sales are conducted outside Sweden.

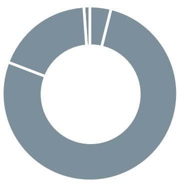
Lesjöfors has manufacturing operations in low-cost countries in Asia and Eastern Europe. This allows European customers with operations in Asia to receive a local supply of springs, wire and flat strip components.

Lesjöfors has 28 manufacturing units in 12 countries, including low-cost manufacturing in China, Mexico and Latvia, and a warehouse in Moscow.

Sales per market

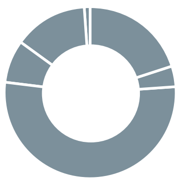
CHASSIS SPRINGS

Sweden 4%
Other Europe 77%
Other EU 18%
North America 1%



INDUSTRY

Sweden 20%
Other Europe 4%
Other EU 53%
North America 8%
Asia 14%
Rest of the world 1%



Offering

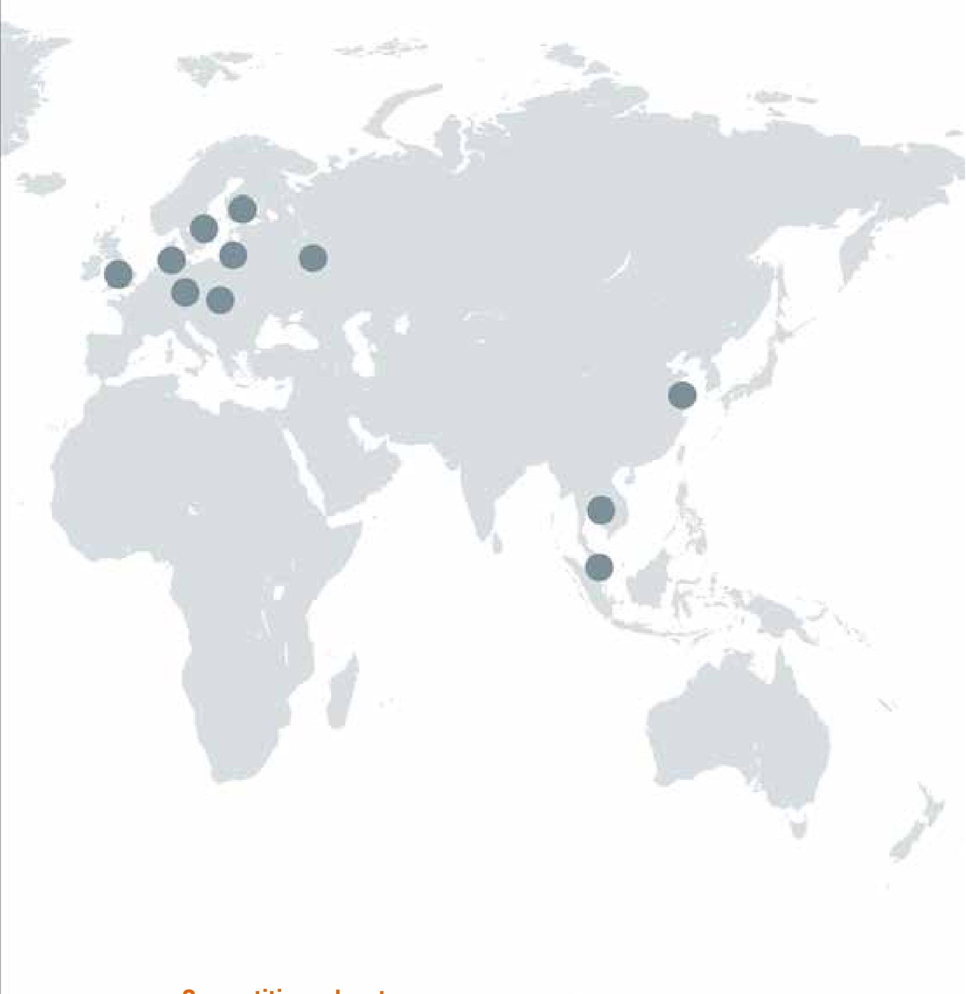
Chassis Springs– comprehensive range

The company's complete range comprises replacement springs for European and Asian cars and light trucks. Apart from chassis springs, the range also includes sport spring kits, leaf springs and gas springs. Through distribution centers, customers have access to more than 1.6 million chassis springs in 5,500 models. The range is expanded to include 300 to 500 new products each year.

Industry – unique breadth

The range has a unique breadth and is characterized by sustainability, adaptability and the possibility of a multitude of variations. In addition to customized products, Lesjöfors offers a proprietary standard range. The main market for these products is the Nordic region. The range comprises about 10,000 items, which are delivered rapidly and with a high level of reliability.

Compression springs are manufactured in hot and cold coiled varieties. Lesjöfors offers a multitude of variations in terms of spring strength and size.



Main areas – Lesjöfors's sustainability work

- Ensure that environmental issues are integrated into everyday operations and contribute to efficiency enhancements.
- Increase energy efficiency and conduct energy audits.
- Minimize VOC emissions.
- Reduce the amount of waste disposed of in landfills.
- Meet customer requirements concerning sustainable development.
- Offer a safe and stimulating work environment.

JIMMYJAMESBOND/ISTOCK

Competitive advantages

Chassis Springs – full-service supplier

The company's strongest competitive advantages are its broad range and high level of service. Its products are delivered to customers across Europe within 24 hours. The company's delivery precision is very high, surpassing 97 percent in 2018.

Lesjöfors is a comprehensive supplier, providing everything from design and production to inventory management, distribution and service. This comprehensive offering allows the company to maintain its market-leading range.

The company's springs are manufactured in Sweden, the UK and Latvia. Together with regional distribution centers in the four largest markets, this ensures high quality and availability, short lead times and low distribution costs.

Industry – customized and small scale

Lesjöfors is a technical service company with 28 plants in 12 countries. Its spring expertise and ability to solve technical problems are strong competitive advantages. The majority of all products manufactured are customized. Accordingly, the company's understanding of various customer needs – and its expertise in design, development and manufacturing – are key strengths.

Lesjöfors works on production, delivery and support in a decentralized and small-scale manner close to the customer . This prepares the way for cost-efficient production, in which everyone from technical sales staff to machine operators cooperate to develop the right solutions for the customer.

Quality at all levels

All of the company's chassis springs are made from high-quality spring steel, resulting in consistent high quality throughout the product range. The manufacturing process is certified according to several of the automotive industry's quality assurance systems. This means that design, development and production are based on constant improvements and on preventing errors and shortcomings, but also that the products can be assembled by authorized workshops without encroaching upon the vehicle's warranty.

Social commitment recognized

In Brøndby, Denmark, Lesjöfors was named company of the year. The award was presented for the social commitment the company has demonstrated over many years by taking on unemployed interns. Since 2012, Lesjöfors has collaborated with a local job center and provided four internships, giving unemployed people the chance to practice being in a workplace and to learn various roles. Since the beginning, some 60 people have been interns at Lesjöfors. Some have also been given the opportunity of employment with the company.

Customized springs for the industrial customer

Lesjöfors manufactures customized springs for essentially the entire industrial sector. When it comes to meeting various customer requirements, the company's problem-solving ability and expertise in everything from design and material selection to design solutions and cost-efficient manufacturing are key competitive advantages.

Customer requirements **–** the technical sales organization identifies the customer's need for springs, including how much pressure and movement the spring can handle, where it is to be positioned and what the surrounding environment looks like, such as working temperature, whether it is a corrosive environment in which the spring could rust or if there is something else that could affect performance.

Design proposal **–** using a calculation program, an initial design proposal is prepared, in which basic design issues are presented, including how the spring is to be dimensioned and the material it is to be made of.

Prototype/testing **–** when the design has been approved, prototypes are developed and tested. The goal is to test the function of the spring and, for example, ensure that its movements match the requirements. It is the customer who tests the function, while Lesjöfors often helps by estimating its lifetime.

Serial delivery/Manufacturing **–** once the prototype has passed the testing requirements, a complete design is prepared for serial delivery/manufacturing. This design contains information on tolerances and other technical properties, any surface treatment and labeling, requirements in terms of cleanliness and other documentation relevant for production preparation and the operators who are subsequently responsible for production.

Power springs are used, for example, in hose rollers and engine recoil starters. Lesjöfors's standard range includes some 80 different power springs. The products are manufactured in the US and Latvia.

Springs in innovative medical technology

The company Sanandco has developed the MonitorMe system for registering and analyzing patient data. The product contains advanced springs from the Lesjöfors company European Springs & Pressings. MonitorMe is a phone device with sensors that measures and sends information concerning temperature, pulse and blood pressure over the Internet to a digital patient journal. In this way, a person's health status can be monitored at home instead of taking up time and space in the healthcare system.

97.56%

One of the best suppliers

For the third time, the global company Kiekert named Lesjöfors Slovakia as one of its best suppliers. Each year, Kiekert evaluates its suppliers in 11 categories, including quality, number of complaints and price level. Out of a maximum ranking of 100 percent, Lesjöfors received 97.56 percent. Lesjöfors supplies torsion springs to Kiekert, which is a leading producer of latch closing systems for the automotive industry.

Supplier of the Year – again

Lesjöfors Automotive has been named Supplier of the Year – for the second consecutive year – by customer company KG Knutsson AB. The factors measured include service level, delivery precision and deviation costs, while KG Knutsson also focuses on communication. The maximum possible result is 30 points. Lesjöfors achieved 28 points this time, the highest result in the history of the award. Despite increased sales, Lesjöfors Automotive achieved a service level rating of 97 percent.

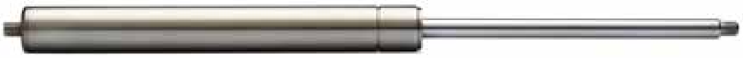
Specially manufactured sealing caps

The UK company European Springs & Pressings has designed a special cap for the drinks producer Tinkture. The company has developed an attractive bottle and wanted a cap that could match the bottle design. The end result was a specially designed sealing cap for which the Lesjöfors company drew on its know-how and creativity in engineering and manufacturing.

©TINKTURE

Increased automation

In Latvia, automation has increased in the manufacturing of gas springs. The goal to reduce manual steps in manufacturing permeates the entire Lesjöfors Group and entails that new, updated machinery is gradually being introduced in many plants. At Lesjöfors Gas Springs, a new assembly machine was installed. The machine is fully automatic and assembles components for gas springs quicker and more efficiently than in the past. A special camera reviews the quality and stops the machine if something has been assembled incorrectly.



Among other applications, this type of gas spring is used to open and close doors and hoods.

Support for students

Lesjöfors has contributed products and know-how to student projects for many years. The company's support also provides good exposure for its products and shows that the company is a highly qualified employer. One recurring project is Formula Student – an international competition in which teams from various institutes of technology in Europe build and drive racing cars. Lesjöfors's sponsorship package comprises springs for the cars' suspension, technical support and standard springs.

Growth in Russia

The chassis spring operation established in Russia in 2010 has grown 20 percent per year in recent years. Lesjöfors is one of few European manufacturers with a local service and sales organization and its own distribution warehouse in Russia. Sales continued to improve in 2018 and, as a result, Lesjöfors's market share is now estimated at over 30 percent.

Offering internships

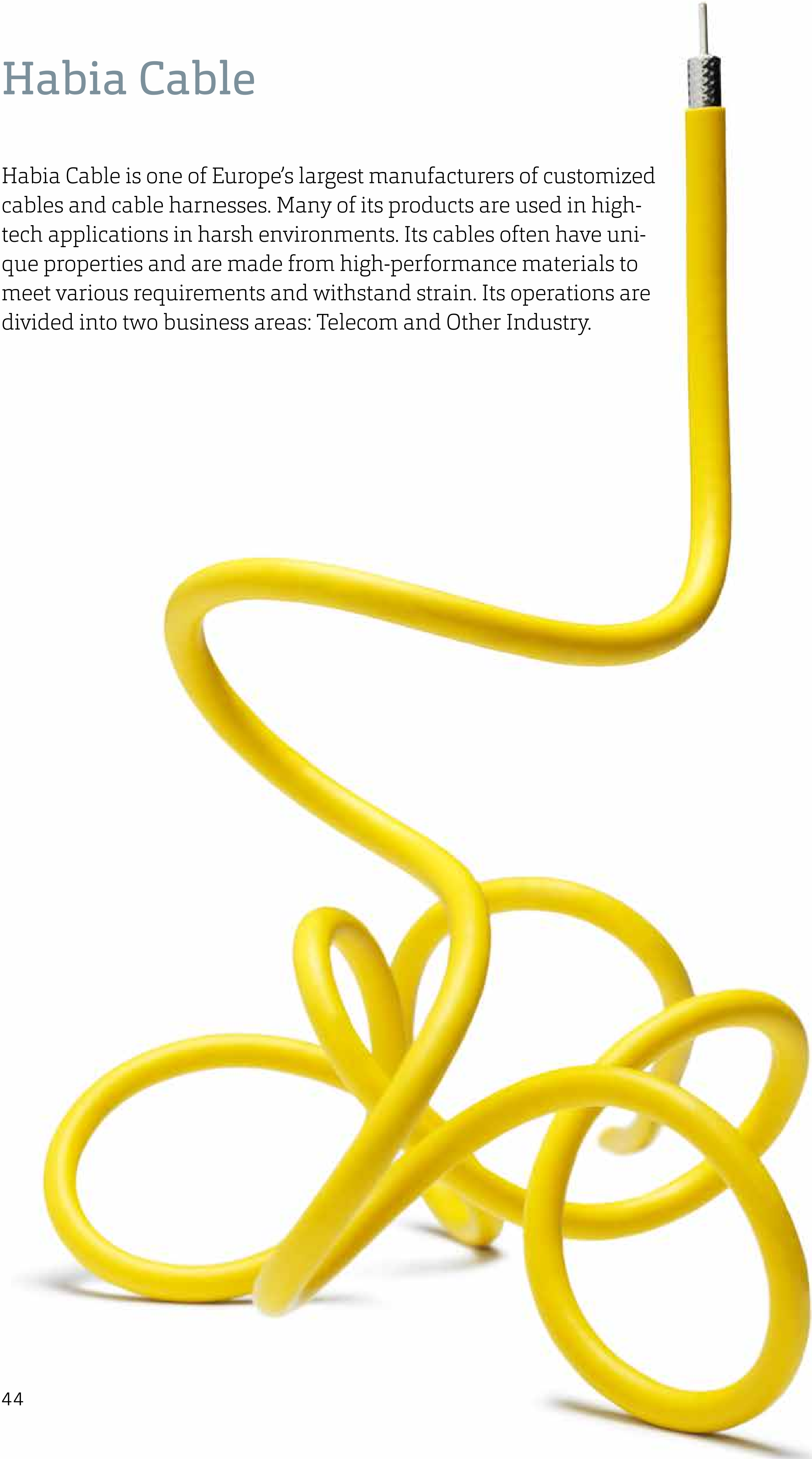
In Slovakia, Lesjöfors Springs expanded its cooperation with a local engineering training program, enabling students to alternate theoretical studies at school with a week's internship at the company. Lesjöfors Banddetaljer has a similar cooperation with an engineering upper-secondary school in Sweden. During the year, European Springs & Pressings invited students to a "work experience week". In China, Lesjöfors has a collaborative project with a university.

Outstanding delivery reliability

In Tinglev, Denmark, delivery quality is at an all-time high. This is where Lesjöfors manufactures compression springs for customers in such countries as China, the US and Mexico. Measurements taken internally and among customers show a nearly 100-percent level of delivery reliability year after year. This accuracy and excellent outcome are the result of hard work, including a continuous search for improvements.

Habia Cable

Habia Cable is one of Europe's largest manufacturers of customized cables and cable harnesses. Many of its products are used in high-tech applications in harsh environments. Its cables often have unique properties and are made from high-performance materials to meet various requirements and withstand strain. Its operations are divided into two business areas: Telecom and Other Industry.



57

OPERATING PROFIT TOTALED MSEK 57 (42).

6.6%

THE OPERATING MARGIN WAS 6.6 PERCENT (5.2).

870

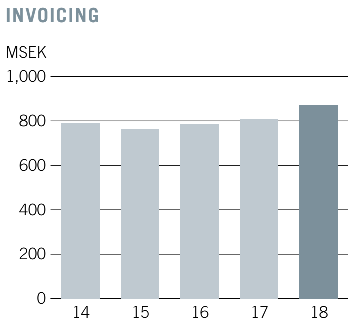
SALES AMOUNTED TO MSEK 870 (809).

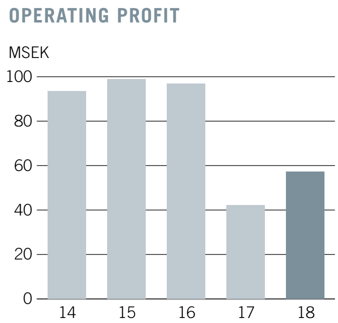
29%

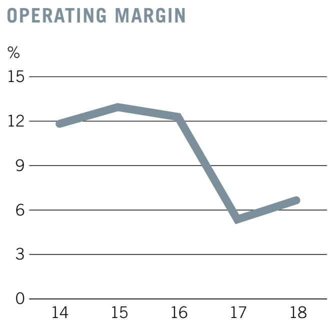
ORDER BOOKINGS ROSE 29 PERCENT.

Breakthrough in offshore

OTHER INDUSTRY – BREAKTHROUGH IN OFFSHORE.







KEY FIGURES

MSEK	2018	2017	2016	2015	2014
Net revenues	**870.4**	808.5	786.8	765.1	790.2
Cost of goods sold	**–630.6**	–581.0	–508.0	–492.9	–530.5
Gross profit	**229.8**	227.5	278.8	272.2	259.7
Selling expenses	**–112.7**	–109.1	–109.3	–101.3	–93.4
Administrative expenses	**–69.8**	–76.2	–72.5	–71.9	–72.7
Operating profit	**57.3**	42.2	97.0	99.0	93.6
Operating margin, %	**6.6**	5.2	12.3	12.9	11.8
Net financial items	**–5.7**	–4.6	–3.7	–2.9	–4.1
Profit after net financial items	**51.6**	37.6	93.3	96.1	89.5
of which, depreciation and amortization	**32.7**	31.4	25.9	25.0	21.0
Capital expenditures, excluding corporate acquisitions	**38.1**	11.8	49.3	64.9	31.3
Return on capital employed, %	**11**	9	22	23	24
Average number of employees	**648**	624	595	598	550

CARL MODIGH, PRESIDENT OF HABIA CABLE

How would you summarize 2018?
We set a record for order bookings, which surpassed a billion kronor for the first time. In Other Industry, order bookings and invoicing increased in many markets. We delivered a strong performance in the areas of defense, industry and offshore. Telecom weakened during the second half of the year, but overall, Habia increased its order bookings, invoicing and earnings.

How is demand in telecom being affected by the 4G and 5G expansion?
The first commercial 5G networks will be launched in 2019, but will not affect demand for 4G antennas in the short term. Demand for our products is still driven by 4G investment projects, which were mainly conducted in the US and India in 2018. These projects can involve building or expanding networks for 100 million users and are so large that they impact global demand.

Offshore enjoyed strong growth – what was behind this trend?
We have developed a new type of product – a medium voltage cable that can handle high temperatures. It achieved commercial breakthrough in the offshore sector as a heating cable for pipelines. Heated pipelines connect new oil fields with existing infrastructure. The technology is cost-effective and attractive for customers worldwide. We are a world leader in this type of cable and signed several contracts in 2018 for delivery in 2019.

How has demand been in Other Industry?
In the first half of the year, we achieved record-breaking demand. We were unable to increase our capacity at the same pace, resulting in long lead times and poorer delivery precision. We have now caught up in terms of capacity and have resolved other problems. Despite these challenges, many customers have been understanding. This demonstrates the strength of the relationships we have, many of which we've had for a very long time.

How would you describe the nuclear power sector?
In terms of invoicing and order bookings, this was a weak year. However, we signed several important contracts in 2018 and can look back on a year with a broadened customer base. This is an area in which individual projects steer demand and it will take time for the projects we're involved in to generate larger volumes.

What will the focus be for 2019?
Starting up volume production of cables for offshore customers and securing new contracts for 2020 and onward. It will be just as important to deliver on the major defense orders we have secured and gain new business. We will likely also encounter a weakening in the general economy that will need to be addressed.

Performance in 2018

Telecom – favorable initial demand, continued price pressure

- Strong demand in the first half of the year, linked to the expansion of 4G, particularly in the US and India. Later in the year, there was a slowdown in demand.
- The prices for antenna cables continued to decline, but there are signs of stabilization.
- Continued measures to reduce the costs of products and the manufacturing process at the facility in China.
- Sales totaled MSEK 313 (337).

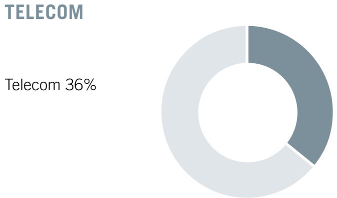
Other Industry – strong performance

- The growth in Other Industry contributed to Habia's total order bookings exceeding SEK 1 billion for the first time.
- Breakthrough year for offshore, where several supply contracts were signed.
- The business area's performance in nuclear power was in line with the preceding year. Several contracts that will broaden the customer base were signed at the end of 2018.
- Strong growth in defense after a few years of weaker demand.
- Very high demand from customers in general industry in the first half of the year, followed by a return to more normal levels. Strongest development in Germany, the UK and Scandinavia.
- Sales totaled MSEK 548 (472).

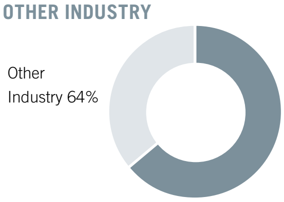
Products such as this cable harness are used in submarines. Habia also manufactures cables for other types of underwater technology.

Share of invoicing per business area

TELECOM

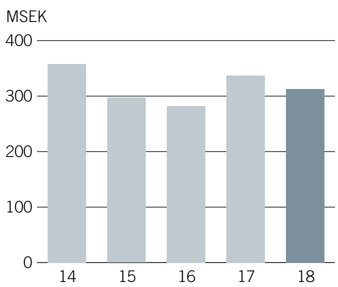


OTHER INDUSTRY

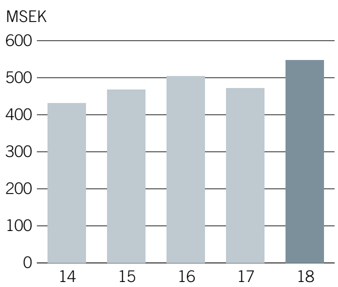


Invoicing per business area

TELECOM



OTHER INDUSTRY



TELECOM – Strong demand in the first half of the year, linked to the expansion of 4G, particularly in the US and India.

OTHER INDUSTRY – The growth in Other Industry contributed to Habia's total order bookings exceeding SEK 1 billion for the first time.

Customers and market

Telecom – ensuring competitiveness

Telecom develops and sells cables to antenna manufacturers in mobile telecom. Asia is the largest market, accounting for approximately two-thirds of sales. Other markets include Europe and North America. Telecom has its own sales organization in these markets and covers all customer needs with its broad range.

The market has long been characterized by price pressure, mainly due to Chinese low-price products that have forced many cable manufacturers to leave the area of telecom cable. Habia has countered this price trend by concentrating its manufacturing and product development to China and constantly developing its products and production processes.

Other Industry – breakthrough in offshore, growth in defense

Habia is one of Europe's largest manufacturers of custom-designed cables. Its products are adapted to specific customer requirements and are often used in high-tech applications. Its customers include companies in nuclear power, defense and offshore as well as industrial companies in areas such as transport, engine and turbine manufacturing, and tool, measuring and sensor technology.

The company's sales encompass about 50 countries. The largest markets are Germany, France, the UK, the Netherlands, Belgium and the Scandinavian countries. Cables are manufactured in Sweden, Germany and China. Cable harnesses are manufactured in Poland.

Offering

Telecom – Flexiform dominates

Habia has a comprehensive range of cables for radio base-station antennas. Flexiform is available in many variations and accounts for more than 90 percent of sales. New products are launched regularly in order to meet changing technical, environmental and cost requirements. One such example is Flexiform MLF, which offers high quality and electrical performance as well as being able to compete effectively on price. The size of the cable has also been adapted, thereby improving its environmental performance.

Other Industry – world-leading technology

Cables and cable harness are often used in demanding environments, where they are exposed to everything from large temperature differences and fire to extensive bending, fluids and radiation. To handle this, many of the company's products are manufactured in robust, high-performance materials.

Its cables are used, for example, in military applications, electric power tools, gas turbines and marine diesel engines. One focus area is offshore, which, despite adjustments in the energy sector, is a significant market in which Habia has launched several products and has world-leading technology.

Habia has manufacturing operations in Sweden, Poland, German and China. Its telecom cables are manufactured at its Chinese plant. There are also sales companies in three countries.

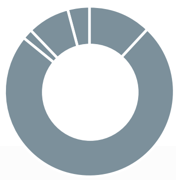
Sales per market

TELECOM

Other EU 33%
Asia 67%

OTHER INDUSTRY

Sweden 12%
Other EU 74%
Other Europe 2%
Asia 8%
Rest of the world 4%



Flexiform boasts superior damping and helps to increase the range of base-station antennas.

Competitive advantages

Telecom – high performance at lower cost

Compared with many competitors, Habia's proprietary products give customers higher performance at a lower cost, for example, through the profile-extruded version of Flexiform. This telecom cable boasts superior attenuation and helps to increase the range of base-station antennas. Quality, innovation and a broad product range are other competitive advantages for Habia.

Other Industry – customer-driven development

Habia specializes in customer-driven development of cables and cable harnesses, where innovative ability, technical competence and close customer cooperation are key competitive advantages. Its products are customized by technical sales staff and designers at the plants and sales companies. Habia also has a shared R&D department with expertise in materials, electrical properties, cable design and test methods.

Since many cables are manufactured in small volumes, the company's flexible and customer order-based production process is also a strength. Short lead times and the ability to deliver cables throughout the world are also important factors for Habia's customers.

Main areas – Habia's sustainability work

- More efficient energy consumption.
- Reduced VOC emissions.
- Reduced waste – increased recycling of plastics and metals.
- Further development of systems for registering near misses in the work environment.
- Social commitment and partnerships with schools.

JIMMYJAMESBOND/ISTOCK

Breakthrough in offshore

2018 marked the commercial breakthrough of Habia's new HTMV technology. The first product is a cable for heating pipelines that transport oil on the seabed. Heating is important because the oil becomes more liquid, which prevents blockages. The cable's insulation is made of fluoroplastic materials. This is Habia's area of expertise and enables the cable to withstand higher temperatures and retain a high electrical performance over a long lifetime. With HTMV technology, the customer receives a system that is less expensive to install, consumes less electricity and results in reduced heat loss compared with earlier cable solutions. In 2018, Habia signed delivery contracts with several subcontractors to the offshore industry.

Classification of cable

During the year, a halogen-free cable for marine diesel engines was approved by several classification organizations, including Lloyd's Register. Classification is a requirement if the cables are to be installed on vessels. 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.

More efficient flows

At the German plant in Norderstedt, the manufacturing process and inventory management have been improved. The storage facility for raw materials and finished products was remodeled. At the same time, a review was conducted of the material flow in the manufacturing process, which resulted in a new solution with more efficient flows than in the past.

Expansion in Söderfors

Habia's focus on offshore is paving the way for investments in its Söderfors plant. During 2018, a new logistical area was built. The area comprises 750 square meters and is used for the storage of raw materials, finished cables and packaging for shipping. The area is intended for HTMV cables, which are developed to withstand high temperatures as well as somewhat higher voltages. Habia has also invested in another manufacturing line for HTMV cables. It will be commissioned in spring 2019 and will double the company's manufacturing capacity in offshore.

The Hi-Flex product concept is mainly sold to customers in the defense industry, but also to the automotive industry.

Flexiform is installed in about one million mobile telecom antennas each year.

Customer-driven manufacturing – expertise and flexibility in each step

Nearly two-thirds of all the cables that Habia Cable manufactures have been developed to meet specific customer needs. The work to develop a customized cable can be summarized in a few steps, in which industry know-how, expertise in materials technology and design as well as flexibility of production are Habia's foremost strengths.

- Customer needs are the starting point. The demands on technical function and how the cable is to be installed vary. Electrical properties are important, as are the environmental factors that can affect the cable – fire, chemicals, temperature variations or even radiation.
- The specification of requirements is established by the technical sales team. Customer demands are compiled using a checklist, along with the important aspects for the design work and subsequent manufacturing.
- A design proposal is prepared by design specialists – a crucial step that ensures the design meets the customer's requirements and is viable given Habia's manufacturing possibilities.

When the customer is satisfied with the proposal…

- Preparation and planning provide a detailed description of how and where the cable is to be manufactured, which components are to be selected and the choice of machinery prior to the start of production.
- Manufacturing is carried out by Habia's skilled operators in accordance with proven methods. Flexibility is key since custom-designed cables are often manufactured against customer orders in short series with rapid adjustments and changes of materials and tools.
- Quality controls are conducted at each step of the manufacturing process and in a final control of the cable – often in accordance with an agreement with the customer regarding everything from electrical performance and dimensions to the mechanical properties of the materials.

The cable is packaged, also according to the product and customer requirements. The cable is then ready to be sent to one of the 50 countries to which Habia delivers.

Award for Habia in Poland

Habia's Polish operations received the Gazele Biznesu Award, an award presented to dynamic and development-focused small and medium-sized companies. To qualify for the award, companies must be well managed, well known and have a high level of ethics. They must also demonstrate a strong financial trend over the preceding three years. The award is presented by the business daily Puls Biznesu. Habia's Polish operations were established in 2008 and manufacture cable harnesses and cable systems.

GAZELE BIZNESU Puls Biznesu

18. EDYCJA RANKINGU NAJBARDZIEJ DYNAMICZNYCH MAŁYCH I ŚREDNICH FIRM

Green energy solution

Habia's specialists in Poland have developed cable harnesses for a green energy solution. The technology is used for offshore electricity production, where turbines anchored on the seabed rotate and generate energy using tidal water. Turbines can measure between five and 20 meters in diameter and the seabed environment where they are located is demanding. Habia's design ensures that the cable harness can withstand the pressures of underwater currents, while at the same time being easy to attach and detach.

Inaugural delivery of Seaguard

During the year, the first delivery of Seaguard LWB VG was made to a customer in the defense industry. This custom-designed cable is used in submarines and other underwater technology. The cable can withstand high pressure and is longitudinally water blocked, meaning that it is protected against water leaks along its entire length.

Beijer Tech

Beijer Tech specializes in industrial trading and manufacturing. The company sells consumables, components, machinery, service and technical solutions, which are often adapted to specific customer requirements. Its operations are divided into two business areas: Fluid Technology and Industrial Products. The main market is the Nordic region.

913

SALES AMOUNTED TO MSEK 913 (811).

6.6%

THE OPERATING MARGIN WAS 6.6 PERCENT (5.8).

60

OPERATING PROFIT TOTALED MSEK 60 (47).

Positive trend

INDUSTRIAL PRODUCTS – POSITIVE EARNINGS TREND, FOCUS ON ADDITIVE MANUFACTURING

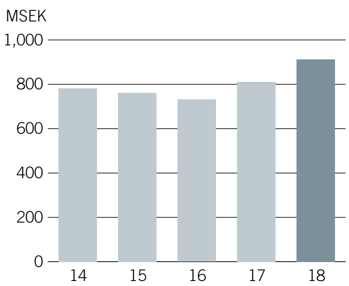
Improved earnings

FLUID TECHNOLOGY – IMPROVED EARNINGS, INVESTMENTS IN INCREASED PRODUCTION CAPACITY.

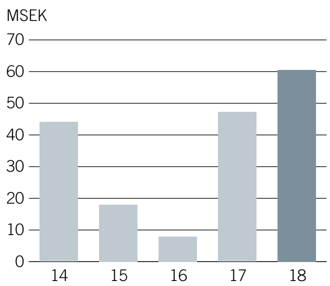
18%

ORDER BOOKINGS ROSE 18 PERCENT.

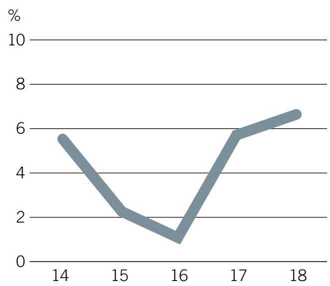
INVOICING



OPERATING PROFIT



OPERATING MARGIN



KEY FIGURES

MSEK	2018	2017	2016	2015	2014
Net revenues	**913.1**	811.5	731.1	760.6	782.1
Cost of goods sold	**–660.8**	–588.4	–541.1	–558.2	–556.6
Gross margin	**252.3**	223.1	190.0	202.4	225.5
Selling expenses	**–117.3**	–105.0	–115.2	–116.9	–115.2
Administrative expenses	**–74.5**	–70.9	–66.9	–68.0	–66.2
Operating profit	**60.5**	47.2	7.9	17.5	44.1
Operating margin, %	**6.6**	5.8	1.1	2.3	5.6
Net financial items	**–0.3**	–0.9	–0.5	–0.5	–0.6
Profit after net financial items	**60.2**	46.3	7.4	17.0	43.5
of which, depreciation and amortization	**6.8**	6.6	7.1	8.0	8.5
Capital expenditures, excluding corporate acquisitions	**7.7**	2.3	5.0	5.1	3.9
Return on capital employed, %	**20**	18	4	7	17
Average number of employees	**229**	213	211	218	225

STAFFAN ANDERSSON, PRESIDENT OF BEIJER TECH

How would you summarize 2018?

The year went very well and we achieved record earnings. This is highly satisfying and was driven by underlying improvements in our existing operations as well as the successful acquisitions of Svebab and Packningar & Plast. In terms of contributions to profitability, we also achieved a historically even balance between our two business areas.

Tell us about your focus on increased manufacturing and refinement.

Overall, work is proceeding according to plan and, as a result, the share of manufactured and refined products is increasing significantly. This is occurring organically as we grow and invest in the manufacturing of components for Fluid Technology and in the refractory product area, but also through acquisitions of exclusively manufacturing companies. We're also noticing that customers appreciate that we offer both standard products and customized components. So it feels like the focus on manufacturing and refinement is right for us.

And you're preparing the way for further acquisitions?

Yes. We're looking at attractive companies within Fluid Technology and Industrial Products. A lot of things have to fall into place, but because our most recent acquisitions have gone so well, we feel confident in continuing these investments. One requirement of new companies is that they must offer high customer value. This may involve the manufacturing of high-quality products or industrial trading companies with a high level of expertise, meaning companies whose competence or products create value for customers, for example, in the form of productivity improvements, savings or healthier work environments.

Industrial Products has undergone changes – what is your focus now?

We have areas in which we have made cutbacks or reorganized to reduce costs and adapt the operations. At the same time, we are investing in new areas, including a new agency for die casting, where we are also working in new ways with spare parts and service. We have to carry out a continuous evaluation to determine where we should invest or cut back.

What will the focus be for 2019?

In Fluid Technology, we are focusing on the new production facility that will be brought online in spring 2019 and will provide growth opportunities. Another focus area is our work on the digital labeling of hoses, making it easier for customers to find the right product and place orders. In Industrial Products, we will continue to focus on additive manufacturing/3D printing, including relocating our manufacturing operations to our own premises.

Performance in 2018

Fluid Technology – strong trend

- Clear earnings improvement, in both older and newly acquired operations.
- Increased sales in all customer segments – retailers, OEMs/machine manufacturers and industrial end customers.
- Strong performance by Svebab, where major investments were made that expanded the manufacturing capacity by about 30 percent to meet future needs.
- Investment in a new production facility outside Stockholm, where Lundgrens and Packningar & Plast will gather their production in 2019.
- Continued recruitment of cutting-edge expertise in Lundgrens, primarily sales staff and product experts.
- Sales totaled MSEK 415 (359).

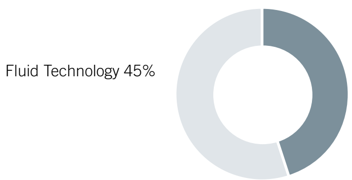
Industrial Products – continued sales increase

- The strong industrial economy led to increased investments in the manufacturing industry, which benefited sales of machinery and consumables.
- Foundries, the steel industry and offshore are examples of areas that have developed positively.
- Continued investments in additive manufacturing (3D printing). The customer base was broadened and new technological applications were introduced to the market.
- Acquisition of the Finnish company Uudenmaan Murskaus, which sells spare and wear parts for rock crushers.
- New investments were made in the refractory product area, which continued to perform favorably in 2018.
- Sales totaled MSEK 498 (453).

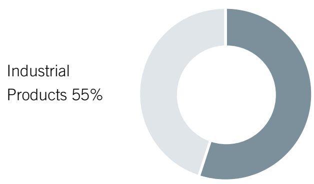
Many of the gaskets manufactured within Fluid Technology are adapted to meet specific customer needs.

Share of invoicing per business area

FLUID TECHNOLOGY

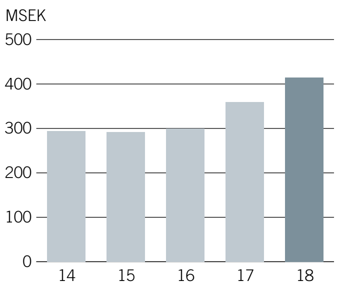


INDUSTRIAL PRODUCTS

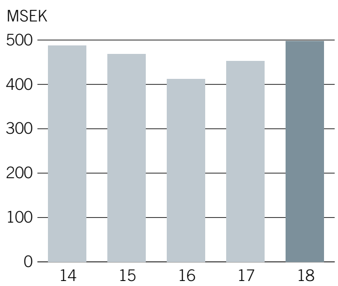


Invoicing per business area

FLUID TECHNOLOGY



INDUSTRIAL PRODUCTS



FLUID TECHNOLOGY – Clear earnings improvement, in both older and newly acquired operations, and increased sales in all customer segments.

INDUSTRIAL PRODUCTS – The strong industrial economy led to increased investments in the manufacturing industry, which benefited sales of machinery and consumables.

Customers and market

Fluid Technology – focus on hoses and industrial rubber

The main market is Sweden and the largest product areas are hoses/couplings and industrial rubber. The company's products are sold directly to industrial customers, to large manufacturers (OEM) and through specialist retailers. End customers mainly comprise companies that work with manufacturing, operation and maintenance. Fluid Technology is the market leader for industrial hoses and high-quality fire hoses in Sweden.

Industrial Products – breadth in the Nordic region

Industrial Products operates in Sweden, Norway, Denmark and Finland. The largest market is Sweden, which accounts for about 60 percent of all sales. The customers mainly include companies in surface treatment, foundries, steelworks and smelters, and offshore. The majority of sales are targeted directly at industrial customers. Industrial Products is the Nordic market leader in blasting and foundry products (consumables and machinery).

Offering

Fluid Technology – wholesale and manufacturing operations

The dominant operation is Lundgrens, which has warehouses, manufacturing and sales operations throughout Sweden. The range comprises 35,000 items, including both fluid technology products (hoses, hose fittings and hydraulics) and industrial rubber (rubber sheeting and seals). Svebab manufactures and sells fire and industrial hoses and firefighting equipment, while Packningar & Plast produces customized gaskets, seals and plastic components.

Industri produkter – quality products and services

The offering is based on high-quality products from leading manufacturers – everything from equipment, technical components and consumables to large machinery and complete facilities.

The Swedish business is organized into four business concepts – Karlebo (foundry machinery, die casting and additive manufacture), Beijers (foundry consumables, refractory and grinding), Tebeco (blasting, grinding and deburring) and PMU (industrial service and automation). Beijers is also represented in Norway and Finland. In addition to these concepts, there is also Norspray (surface treatment and offshore) in Norway and Preben Z (surface treatment) in Denmark. The offering also comprises various installation, service and maintenance.

Sales per market

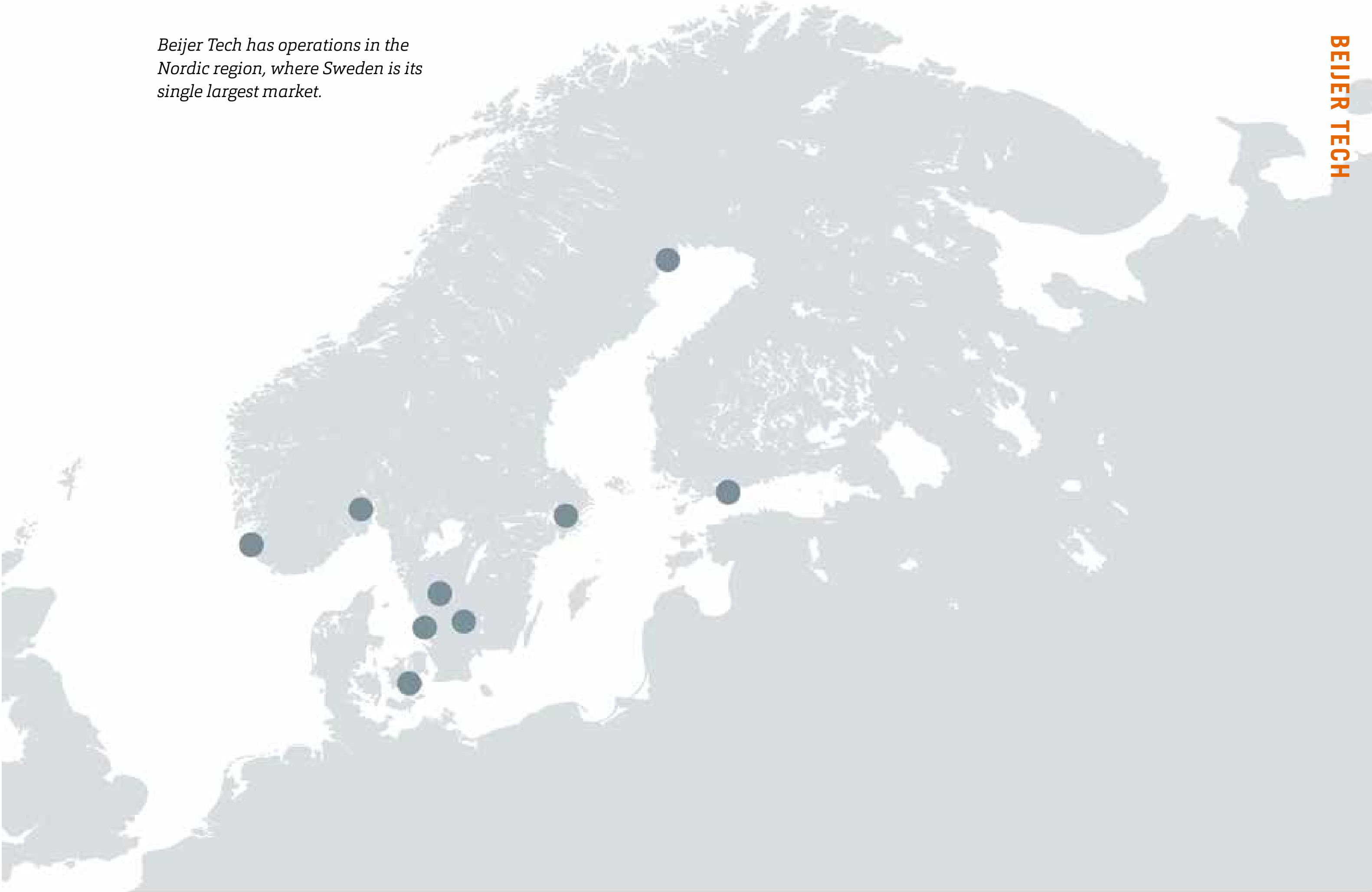
FLUID TECHNOLOGY

Sweden 94%
Other Nordic region 5%
Other EU 1%

INDUSTRIAL PRODUCTS

Sweden 56%
Other Nordic region 43%
Other EU 1 %

Lundgrens's broad range includes some 35,000 products, including ball valves used to control flows.



Beijer Tech has operations in the Nordic region, where Sweden is its single largest market.

Competitive advantages

The operations in both business areas focus on value-generating sales through products that strengthen the customer's overall finances. This is achieved, for example, through the range of products and services or through solutions that improve the outcome of a process or the quality of a product, cut costs or reduce the environmental impact.

Within Fluid Technology, the company's broad range and expertise are strong competitive advantages. Customized and proprietary components – hoses, couplings and plastic and rubber components – are gaining greater importance. In spring 2019, a new 3,500-square-meter facility will be opened outside Stockholm, where Lundgrens and Packningar & Plast will gather their production. The new facility will provide the scope for further expansion of proprietary products for the automotive industry and other areas. At the same time, investments and process improvements were made within Svebab, which is increasing its production capacity by about 30 percent. Within Industrial Products, proprietary manufacturing, customization and refinement of products are becoming increasingly important means of competition. A current example is the area of additive manufacture (3D printing) in the foundry business – an operation for which the offering will be broadened in 2019.

Main areas – Beijer Tech's sustainability work

- Introduction of high-tech consumables that reduce the customer's environmental emissions.
- Increased energy efficiency, for example, through energy audits.
- Optimize the transportation of goods and business travel to reduce the climate impact.
- Work environment improvements – reduce noise, improve lighting and ergonomics.
- Offer products that reduce the customer's environmental impact.

JIMMYJAMESBOND/ISTOCK

Increased focus on proprietary manufacturing

Beijer Tech focuses on refined products, including development in the area of 3D printing. The development of design, production and measuring tools has paved the way for a technology shift, in which increasing numbers of components are designed from the beginning to be manufactured using 3D technology. Customers include foundries and other industrial companies that manufacture prototypes or products with complicated shapes in small series. The work can be described in a few basic steps.

Customer requirement/design – the customer chooses to develop advanced, high-performance components using computerized design tools. The ultimate goal may be to save on weight or to design customized components that are more energy-efficient, such as engines with higher efficiency that save fuel and reduce emissions. Many components have a complicated shape and are therefore difficult to manufacture in a traditional fashion.

Manufacturing – the component can be printed directly in plastic or metal, but can also be cast in molds that are printed in 3D. Casting in molds is a cost-effective way to manufacture large components, such as for the automotive industry. Printing directly in metal is more expensive and most appropriate for small, complicated components. Simulation programs that minimize uncertainty and shorten lead times are used to optimize the work.

Quality control/verification – after manufacturing, the new technology also generates new control possibilities. Components designed using 3D tools are inspected using 3D scanning, during which a direct comparison is made between the "drawing" used as the starting point and the result after manufacturing.

3D printing is used to create grains of sand that are then used in molds for end products, such as this type of impeller.

Refractory boosts growth

The refractory product area is a growth area for Beijer Industri. The products in this area are used as insulation in smelters and furnaces, such as in steel production. Beijer Industri also advanced its position in the steel industry through several new collaborations in 2018. At the same time, internal activities were undertaken. The company doubled its capacity in this production area through the addition of a new kiln. Floor space was also increased during the year.

Sales increase in grinding

In 2018, Tebeco increased its sales of grinding and deburring machines – a technology used for cleaning, brushing and grinding metal components. The company's ultramodern grinding and deburring machines enhance the level of automation at customer sites and make manufacturing more efficient. They offer significant capacity and can handle pieces of metal up to nearly 1.7 meters wide.

30%

Svebab expands its capacity

Svebab has made investments and process improvements that have increased its manufacturing capacity for fire hoses by about 30 percent. Another machine has been installed at the company's textile facility. The company has also carried out remodeling and process improvements in vulcanization, more than doubling its speed in this area of manufacturing. These changes have made it possible to scrap the company's old, bulky and inefficient machines, thereby doubling its storage space. The work environment has also been improved.

Successful service collaboration

A new type of collaboration has improved the service provided by Preben Z. Over the past three years, sales have increased between 20 and 30 percent per year. Service is now handled by blasting machines together with a local company. All assignments are coordinated by Preben Z, which is also responsible for any spare parts. The company's collaborative partner is responsible for providing service at the customer site in Preben Z's name. The final result is a concept that has significantly accelerated sales.

Smart laser marking

Lundgrens plans to laser mark its metal hoses, which are specially produced to meet unique customer requirements. Laser marking shows the manufacturer and the item number of the product. This makes it easy for the customer whenever a metal hose needs to be replaced. When a new order is to be placed, the customer simply reads the information on the laser marking and reports this to Lundgrens. The right hose is then located quickly and easily, saving time and reducing the risk of disruption. Lundgrens is one of few hose manufacturers in Europe to use this technology.

Nanokarb – pioneering foundry product

Beijer Industri's "Nanokarb" product uses smart nanotechnology to reduce environmental impact, improve quality and generate savings for foundries. Sand castings are made of sand, bentonite, soot and water. Nanokarb contains ceramic nanoparticles and specially designed coal particles that drastically reduce the use of soot and bentonite. This generates savings. Using less soot also reduces VOC emissions. In addition, quality is improved considerably, which reduces the need for after-processing and scrapping of defective products. Nanokarb has attracted considerable interest among Beijer Industri's customers.

Technology that improves the work environment

Karlebo is increasing its sales of cleaning machines that improve the work environment in foundries. When the foundry process is finished, excess material is removed. Cleaning is often performed manually, in a work environment with dust, noise and vibrations. Certain companies also employ subcontractors with labor from low-cost countries. With Karlebo's automatic cleaning machine, this manual work is eradicated. The machine is easy to use and provides efficient cleaning and a better work environment. In 2018, a third machine was delivered to a single customer in Norway.

This coupling is used in tank trucks that transport petroleum products and in chemical handling processes.

Preventing occupational injuries

Tebeco's grinding and deburring machines not only increase efficiency among customers, but also prevent occupational injuries. Grinding and other forms of surface treatment are largely manual processes that can put pressure on the body and result in strain injuries. With these fully automatic machines, the operators' work becomes easier and more ergonomic. The metal components are now simply fed in at one end and collected at the other. In between, the machine takes care of cleaning, brushing or grinding.

Inventory control by app

Norspray has digitized parts of its storage solution that was launched in 2017. This makes inventory control easier. The storage facility comprises a container with consumables located at the customer's site. Consumption was previously reported on paper to Norspray, which then provided the store with new goods every month. Information regarding consumption, refilling and invoicing is now managed using a mobile app, which is more practical for all involved.

This type of composite hose is used to transport various types of acids and other chemical products.


KASTEN
DBGM

Administration 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 2018 financial year.

CORPORATE GOVERNANCE REPORT

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, the Swedish Annual Accounts 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.

Beijer Alma is a holding company whose business concept is to create value by owning and managing wholly owned subsidiaries. The organization is largely decentralized.

Deviations from the Code

Beijer Alma deviates from rule 2.4 of the Code, which stipulates that the Chairman of the Board may not be the Chairman of the Nomination Committee. In accordance with the nomination procedure for the Nomination Committee, which has been approved by the Annual General Meeting, the Nomination Committee is to comprise one representative for each of the four largest shareholders and the Chairman of the Board. Accordingly, the company's Chairman of the Board is part of the Nomination Committee in this capacity but is also closely connected with the company's principal shareholder. The nomination procedure for the Nomination Committee also states that the individual representing the principal shareholder is to be the Chairman of the Nomination Committee. Given the two possible candidates representing the principal shareholder, the Annual General Meeting resolved to appoint Chairman of the Board Johan Wall as Chairman of the Nomination Committee.

Rule 2.4 also stipulates that not more than one of the directors on the Nomination Committee may be dependent in relation to the major shareholders. The company's principal shareholder chose to be represented on the Nomination Committee by a director. The Annual General Meeting, which appoints the members of the Nomination Committee, resolved not to deviate from the nomination procedure, which means that the Nomination Committee included two directors, both of whom are dependent in relation to the principal shareholder.

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 2018 amounted to 12,071. Anders Wall, along with his family and companies, has a shareholding corresponding to 34.8 percent of the total number of votes in the company and the Anders Wall Foundation has a shareholding corresponding to 18.4 percent of the votes. There are no other shareholders whose votes exceed 10 percent of the total number of votes.

The company has issued two classes of shares: Class A shares and Class B shares. In 2018, a 2:1 share split was carried out, which doubled the number of 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. The total number of shares at year-end was 60,262,200, of which 6,605,000 were Class A shares and 53,657,200 were Class B shares.

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 and agenda for the Meeting is to be published not more than six weeks and not less than four weeks prior to the Meeting. 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. The 2019 Annual General Meeting will be held on March 28.

A total of 566 shareholders were represented at the Annual General Meeting on March 22, 2018, representing 71.4 percent of the total number of shares and 83.9 percent of the total number of votes. Attorney Mikael Smedeby was elected as

BOARD OF DIRECTORS

	Elected in	Independent of major shareholders	Independent of the company	Remuneration Committe	Audit Committee	Participation in Board meetings	Holding of Class A shares	Holding of Class B shares
Johan Wall, Chairman	1997		X	X	X	7(7)		10,000
Johnny Alvarsson, Director	2017	X	X			7(7)		4,000
Carina Andersson, Director	2011	X	X			7(7)		4,000
Anders G. Carlberg, Director	1997		X	X		7(7)		6,000
Peter Nilsson, Director	2008	X	X			2(2)		6,000
Caroline af Ugglas, Director	2015	X	X		X	7(7)		4,000
Anders Ullberg, Director	2007	X	X	X	X	7(7)		30,000
Cecilia Wikström, Director	2018	X	X			5(5)		1,000

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 Authorized Public Accountant 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 (before the split).
- That Johnny Alvarsson, Carina Andersson, Anders G. Carlberg, Caroline af Ugglas, Anders Ullberg and Johan Wall be re-elected as directors, and that Cecilia Wikström be elected as a new director.
- 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 125,000, and to pay each member of the Audit Committee a fee of SEK 75,000.
- 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 (see below).
- To authorize the Board to make decisions concerning issues of Class B shares or convertible debentures. The number of Class B shares may be increased by a maximum of 10 percent through an issue.
- A 2:1 split entailing that the number of shares outstanding would double.
- An amendment to the Articles of Association concerning the limits for the lowest and highest number of shares due to the resolution concerning the aforementioned split.

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 and auditors as well as directors' and auditors' fees for resolution by the Annual General Meeting. The following individuals were appointed to the Nomination Committee ahead of the 2019 Annual General Meeting: Anders G. Carlberg, representing the principal owner; Chairman of the Board Johan Wall; and representatives of the next three largest shareholders: Hans Ek (SEB Fonder), Vegard Søraunet (Verdipapirfond Odin) and Henrik Didner (Didner & Gerge Fonder). Johan Wall was appointed Chairman of the Nomination Committee.

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 and improve the work of the Board, an annual assessment is performed. Each director responds 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 to enable the Nomination Committee to propose a well-functioning Board of Directors.

The Nomination Committee's motions are to be announced far enough in advance to be presented in the notice of the 2019 Annual General Meeting. The Nomination Committee held four meetings during the year.

Board of Directors

The Board of Directors is appointed by the shareholders to administer the company's affairs in the best interests of the company and the shareholders. 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 ensures that there are effective reporting, monitoring and control systems in place and that the disclosure of information is correct and transparent. The Board is responsible for the Group's long-term development and overall strategy, controls and evaluates the ongoing operations and carries out the other tasks stipulated in the Swedish Companies Act. The Board also makes decisions regarding acquisitions, disposals and major investments. The Board approves the annual report and interim reports, and proposes dividends and guidelines for remuneration to senior management for resolution by the Annual General Meeting.

According to the Articles of Association, 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 above. All directors are independent in relation to the company. Johan Wall and Anders G. Carlberg are dependent on 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 2018, the Board held seven meetings during which minutes were taken. The attendance of the members of the Board at these meetings is presented in the table above. 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.

The Board and President are presented in Note 3 on page 78.

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

- A minimum of six 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.

Board committees

While the responsibilities of the Board of Directors cannot be delegated, the Board may appoint committees from within ranks to address certain issues in order to simplify and streamline the work of the Board. Accordingly, the Board has established a Remuneration Committee and an Audit Committee.

Remuneration Committee

The Board has appointed a Remuneration Committee comprising Anders G. Carlberg, Anders Ullberg and Johan Wall, with Johan Wall 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 2019. The Remuneration Committee held one meeting in 2018, which was attended by all members.

Audit Committee

The Audit Committee was established by the Board of Directors mainly for the purpose of supervising the Group's financial reporting and internal control. 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 on behalf of the Nomination Committee. 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 five meetings during 2018, which were attended by all members. The Chief Auditor participated in two of these meetings.

Code of Conduct

The values and approach that apply within Beijer Alma have been compiled in a Code of Conduct based on internationally accepted conventions, such as the UN Global Compact and ISO 26000 Social Responsibility. 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 globally. 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 18–35 of the printed Annual Report.

Operational control

The CEO is responsible for the ongoing administration of the company in accordance with the instructions and guidelines of the Board. Along with the other members of Group management, the CEO ensures that the operational control of the Group is of high quality and efficient and that the operations are conducted in accordance with the instructions and guidelines of the Board. Group management comprises the CEO, the presidents of the subsidiaries Lesjöfors, Habia Cable and Beijer Tech, and the Group's CFO.

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 business areas. 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 include individuals from Group management. 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.

Beijer Alma AB 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.

The presidents of the subsidiaries are responsible for their income statements and balance sheets. 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. Internal control is also intended to obtain reasonable assurance that the Group's external financial reporting is reliable and correct, and that it has been prepared in accordance with generally accepted accounting principles, applicable laws and regulations, 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, 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 organization 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.

Beijer Alma's operations are exposed to external and internal risks. An important part of the internal control process involves identifying and assessing material risks that could impact the Group's financial reporting. This risk analysis results in 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 2018 Annual General Meeting, PricewaterhouseCoopers (PwC) was elected as company's auditing firm until the 2019 Annual General Meeting. Authorized Public Accountant 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

The year was characterized by a favorable global economy, which had a positive impact on demand. The industries not impacted by the general economic trend – Chassis Springs in Lesjöfors and Telecom in Habia – delivered a varied performance. Chassis Springs performed well, while demand in Telecom declined after a strong start to the year. Sales to the engineering industry were favorable due to the strong economic climate. Increases were noted with respect to both geographic market and industry.

Order bookings amounted to MSEK 4,615 (4,031), up 14 percent. One factor underlying this increase was Habia's breakthrough in heating cables for the offshore industry, where orders totaling MSEK 157 were signed for delivery in 2019. Invoicing increased 11 percent to MSEK 4,409 (3,971). Adjusted for corporate acquisitions and fluctuations in exchange rates, order bookings increased 11 percent and invoicing 6 percent. 75 percent (76) of sales were conducted outside Sweden. The share of foreign sales was 84 percent (85) in Lesjöfors, 94 percent (95) in Habia and 30 percent (30) in Beijer Tech.

Operating profit totaled MSEK 623 (528), with an operating margin of 14.1 percent (13.3). Profit after net financial items totaled MSEK 609 (517), while net profit amounted to MSEK 469 (388). Earnings per share amounted to SEK 7.78 (6.45).

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

MSEK	2018	2017	2016	2015	2014
Net revenues	**4,409**	3,971	3,528	3,522	3,298
Profit after net financial items	**609**	517	447	467	424
Net profit	**469**	388	328	354	319
Shareholders' equity	**2,232**	1,997	1,902	1,835	1,745
Total assets	**3,729**	3,441	3,152	2,870	2,744

Subsidiaries

Lesjöfors is a full-range supplier of standard and specially produced industrial springs, wire and flat strip components. During 2018, order bookings increased 9 percent to MSEK 2,616 (2,408). Invoicing increased 11 percent to MSEK 2,625 (2,351). Excluding fluctuations in exchange rates, the increase in both order bookings and invoicing was 4 percent. Operating profit totaled MSEK 531 (477).

Lesjöfors conducts its operations in two business areas: Industry and Chassis Springs. Invoicing rose 11 percent in Industry and 10 percent in Chassis Springs. Both business areas delivered improved results, with the largest increase noted in Industry.

Habia Cable is a manufacturer of custom-designed cables. Order bookings increased 28 percent to MSEK 1,044 (812), largely due to Habia signing orders for heating cables for the offshore industry. Invoicing increased 8 percent to MSEK 870 (808). Excluding fluctuations in exchange rates, order bookings increased 24 percent and invoicing 4 percent. Operating profit totaled MSEK 57 (42).

Habia conducts its operations in two business areas. Invoicing in Telecom declined 8 percent compared with a strong 2017. Invoicing in Other Industry rose 20 percent.

Beijer Tech conducts industrial trading in two business areas: Industrial Products and Fluid Technology. Order bookings increased 18 percent to MSEK 955 (811), while invoicing rose 13 percent to MSEK 913 (811). Adjusted for corporate acquisitions, order bookings increased 14 percent and invoicing rose 9 percent. Operating profit totaled MSEK 60 (47).

Both the Industrial Products and Fluid Technology business areas improved their invoicing and earnings during the year. Packningar & Plast AB, which was acquired during the year, performed well.

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. Profit before tax totaled MSEK 304 (330) and included dividends and Group contributions from subsidiaries totaling MSEK 330 (369).

Capital expenditures

Investments in fixed assets, excluding corporate acquisitions, amounted to MSEK 205 (126), compared with depreciation totaling MSEK 139 (130). Lesjöfors invested MSEK 159 (111), Habia MSEK 38 (12) and Beijer Tech MSEK 8 (3).

Corporate acquisitions

During the year, Beijer Tech acquired the Swedish company Packningar & Plast. The company and acquisition calculations are presented in Note 39.

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 229 (187) and included corporate acquisitions totaling MSEK 4 (84). Excluding corporate acquisitions, cash flow amounted to MSEK 233 (270).

Net debt, defined as interest-bearing liabilities less cash and cash equivalents, totaled MSEK 440 (409) at year-end. The net debt/equity ratio, defined as net debt in relation to shareholders' equity, amounted to 19.7 percent (20.5). Available liquidity, defined as cash and cash equivalents plus approved but unutilized committed credit facilities, totaled MSEK 857 (894). The equity ratio was 59.9 percent (58.0).

Return on capital employed

The return on average capital employed was 22.0 percent (20.8), while the return on average shareholders' equity was 22.5 percent (20.7).

Personal

The number of employees was 2,610 (2,544), corresponding to an increase of 66. Beijer Tech's acquisition of Packningar & Plast increased the number of employees by 13. 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 36 to 963. The number of employees in Sweden was 743 (726). Of the increase of 17 employees in Sweden, 13 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

Henrik Perbeck was appointed as Beijer Alma's new CEO and assumed his position on March 1, 2018. CFO Jan Blomén served as Acting CEO during January and February.

Ownership conditions

Beijer Alma has approximately 12,100 shareholders (12,500). The largest shareholder is Anders Wall, along with his family and companies, who owns 11.7 percent of the capital and 34.8 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 SEB Fonder with 7.9 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.

Just over 60 percent of the Group's units hold specific environmental permits for their operations.

For information about the Group's sustainability work, refer to pages 18–35.

Risks and uncertainties

Beijer Alma's earnings, financial position and future performance are impacted by both internal factors that the company can influence and external factors which the company has a limited possibility to influence and where the Group instead focuses on managing the consequences of these factors. The Group's risks include business and financial risks. Business risks may include economic trends, structural changes in the market, or 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 risks arose during the year.

There is a sense of uncertainty prevailing with respect to Brexit and its consequences. Beijer Alma's sales in the UK amounted to MSEK 374 (343) in 2018. 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.

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 000s	
Retained earnings	48,106
Net profit for the year	296,423
Total	**344,529**
to be appropriated as follows:	
Ordinary dividend to shareholders of SEK 5.10 per share	307,337
To be carried forward	37,192

Board of Directors' statement concerning the proposed dividend

After the proposed dividend, the Parent Company's equity ratio will amount to 61 percent and the Group's equity ratio to 55 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 obligations or from completing the necessary 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").

Income statement

Amounts in SEK 000s	Note	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
Net revenues	4,5	**4,408,799**	3,971,496	**–**	–
Cost of goods sold	2,10,11	**–3,032,409**	–2,706,923	**–**	–
Gross profit		**1,376,390**	1,264,573	**0**	0
Selling expenses	2,10,11	**–408,519**	–376,068	**–**	–
Administrative expenses	2,6,10,11	**–346,271**	–347,650	**–43,779**	–43,342
Other operating income	7	**–**	2,862	**18,200**	21,062
Items affecting comparability	8	**–**	–16,139	**–**	–16,139
Profit from participations in associated companies	9	**1,205**	775	**–**	–
Operating profit/loss	10	**622,805**	528,353	**–25,579**	–38,419
Income from participations in Group companies	12	**–**	–	**272,000**	309,000
Interest income		**2,072**	1,542	**603**	841
Interest expenses		**–15,649**	–12,456	**–1,088**	–1,019
Profit after net financial items		**609,228**	517,439	**245,936**	270,403
Group contributions received		**–**	–	**100,077**	110,062
Group contributions paid		**–**	–	**–42,000**	–50,000
Tax on net profit for the year	13	**–140,384**	–129,090	**–7,590**	–4,928
Net profit attributable to Parent Company shareholders		**468,844**	388,349	**296,423**	325,537
Other comprehensive income					
Items that may be reclassified to profit or loss					
Cash-flow hedges after tax		**7,724**	–5,658	**–**	–
Translation differences		**44,724**	–6,894	**–**	–
Total other comprehensive income		**52,448**	–12,552	**0**	0
Total profit attributable to Parent Company shareholders		**521,292**	375,797	**296,423**	325,537
No share of the Group's comprehensive income is attributable to non-controlling interests.					
Net earnings per share before and after dilution, SEK	14	**7.78**	6.45	**–**	–
Proposed/adopted dividend per share, SEK		**–**	–	**5.10**	4.75

Balance sheet

Amounts in SEK 000s	Note	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
ASSETS					
Fixed assets					
Intangible assets					
Goodwill	15	**594,111**	578,085	**–**	–
Other intangible assets	16	**34,135**	29,317	**–**	–
Tangible assets					
Land and land improvements	17	**76,548**	62,070	**–**	–
Buildings	18	**328,916**	306,912	**–**	–
Plant and machinery	19	**521,436**	471,448	**–**	–
Equipment, tools, fixtures and fittings	20	**60,962**	51,595	**1,146**	1,242
Deferred tax assets	29	**27,725**	21,550	**5,866**	5,737
Financial assets					
Other long-term receivables		**4,920**	10,499	**–**	–
Participations in associated companies	21	**28,075**	25,763	**–**	–
Participations in Group companies	22	**–**	–	**532,012**	532,012
Total fixed assets		**1,676,828**	1,557,239	**539,024**	538,991
Current assets					
Inventories	23	**951,671**	824,553	**–**	–
Receivables					
Accounts receivable	24	**707,146**	652,557	**–**	–
Tax assets		**–**	1,687	**–**	662
Receivables from Group companies		**–**	–	**438,668**	438,652
Other receivables	25	**65,923**	42,294	**28**	14
Prepaid expenses and accrued income	26	**35,826**	34,613	**1,191**	860
Cash and cash equivalents	27	**291,303**	328,095	**58,209**	59,666
Total current assets		**2,051,869**	1,883,799	**498,096**	499,854
Total assets		**3,728,697**	3,441,038	**1,037,120**	1,038,845

Balance sheet

Amounts in SEK 000s	Note	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	28				
Share capital		**125,546**	125,546		
Other contributed capital		**444,351**	444,351		
Reserves		**90,518**	38,070		
Retained earnings, including net profit for the year		**1,571,427**	1,388,828		
Shareholders' equity attributable to Parent Company shareholders		**2,231,842**	1,996,795		
Non-controlling interests		**4,096**	3,959,		
Total shareholders' equity		**2,235,938**	2,000,754		
Share capital				**125,546**	125,546
Statutory reserve				**444,351**	444,351
Total restricted equity				**569,897**	569,897
Retained earnings				**48,106**	8,815
Net profit for the year				**296,423**	325,537
Total non-restricted equity				**344,529**	334,352
Total shareholders' equity				**914,426**	904,249
Non-current liabilities					
Deferred tax	29	**76,722**	72,669		
Pension obligations	30	**3,919**	2,310		
Liabilities to credit institutions	31	**189,804**	144,687		
Total non-current liabilities		**270,445**	219,666		
Current liabilities					
Committed credit facilities	31	**412,155**	433,037	**100,293**	100,307
Liabilities to Group companies		**–**	–	**5,319**	5,322
Accounts payable		**250,818**	252,984	**2,679**	456
Tax liabilities		**4,668**	–	**716**	–
Accrued expenses and deferred income	32	**313,642**	307,469	**13,118**	27,664
Liabilities to credit institutions	31	**128,951**	159,102	**–**	–
Other current liabilities	33	**112,080**	68,026	**569**	847
Total current liabilities		**1,222,314**	1,220,618	**122,694**	134,596
Total shareholders' equity and liabilities		**3,728,697**	3,441,038	**1,037,120**	1,038,845

Change in shareholders' equity

Group	Share capital	Other contributed capital	Reserves	Retained earnings, incl. profit	Total	Non-controlling interest	Total shareholders' equity
December 31, 2016	**125,546**	**444,351**	**50,622**	**1,280,987**	**1,901,506**	**3,820**	**1,905,326**
Correction of deferred tax				5,737			5,737
Opening balance January 1, 2017	125,546	444,351	50,622	1,286,724	1,901,506	3,820	1,911,063
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**	**1,388,828**	**1,991,058**	**3,959**	**2,000,754**
Net profit for the year				468,844	468,844		468,844
Other comprehensive income			52,448		52,448		52,448
Dividend paid				–286,245	–286,245		–286,245
Non-controlling interests (translation difference)					0	137	137
December 31, 2018	**125,546**	**444,351**	**90,518**	**1,571,427**	**2,231,842**	**4,096**	**2,235,938**

Parent Company	Share capital	Statutory reserve	Retained earnings	Net profit for the year	Total shareholders' equity
December 31, 2016	**125,546**	**444,351**	**12,822**	**276,501**	**859,220**
Correction of deferred tax			5,737		5,737
Opening balance January 1, 2017	125,546	444,351	18,559	276,501	864,957
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**	**8,815**	**325,537**	**904,249**
Reclassification of net profit for the preceding year			325,537	–325,537	0
Dividend paid			–286,246		–286,246
Net profit for the year				296,423	296,423
December 31, 2018	**125,546**	**444,351**	**48,106**	**296,423**	**914,426**

Proposed dividend of SEK 5.10 per share, totaling 307,337; refer to Note 36.

Cash-flow statement

Amounts in SEK 000s	Note	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
Operating activities					
Operating profit/loss		**622,805**	528,353	**–25,579**	–41,281
Net interest paid and other financial items	36	**–13,517**	–10,974	**294,515**	292,822
Income tax paid		**–134,029**	–126,915	**–6,212**	–5,660
Items not affecting cash flow	37	**137,344**	129,715	**96**	91
Net cash generated from operating activities before change in working capital and capital expenditures		**612,603**	520,179	**262,820**	245,972
Change in inventories		**–119,618**	–98,986	**–**	–
Change in receivables		**–72,669**	–69,916	**35,248**	–1,347
Change in current liabilities		**37,014**	36,816	**–13,266**	9,653
Cash flow from operating activities		**457,330**	388,093	**284,802**	254,278
Investing activities					
Investments in tangible assets		**–212,796**	–99,793	**–**	–107
Investments in intangible assets		**–11,586**	–15,783	**–**	–
Change in participations in Group companies		**–**	–	**–**	3,046
Change in other financial assets		**–**	–2,409	**–**	–
Acquisitions of companies less cash and cash equivalents	38	**–3,648**	–83,600	**–**	–
Cash flow from investing activities		**–228,030**	–201,585	**0**	2,939
Cash flow after capital expenditures		**229,300**	186,508	**284,802**	257,217
Financing activities					
Change in utilized committed credit facilities		**–20,882**	165,816	**–14**	85,622
Increase in liabilities/new loans		**77,728**	67,018	**–**	–
Repayment		**–44,976**	–76,682	**–**	–
Dividend paid		**–286,245**	–286,245	**–286,245**	–286,245
Cash flow from financing activities		**–274,375**	–130,093	**–286,259**	–200,623
Change in cash and cash equivalents		**–45,075**	56,415	**–1,457**	56,594
Exchange-rate fluctuations in cash and cash equivalents		**8,283**	–1,926	**–**	–
Cash and cash equivalents at beginning of year		**328,095**	273,606	**59,666**	3,072
Cash and cash equivalents at end of year	26	**291,303**	328,095	**58,209**	59,666
Unutilized committed credit facilities		**565,869**	566,222	**174,708**	174,693
Available liquidity		**857,172**	894,317	**232,917**	234,359

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, 2018:

IFRS 9 Financial Instruments Beijer Alma applied IFRS 9 for the first time for the 2018 financial year, with January 1, 2018 as the transition date. The Group has applied the new standard retrospectively and without restating any comparative figures. The transition to IFRS 9 has not entailed any major change in the Group's earnings, position or cash flow.

IFRS 15 Revenue from Contracts with Customers Beijer Alma applied IFRS 15 for the first time for the 2018 financial year, with January 1, 2018 as the transition date. This entails that a potential accumulated effect of the transition has been recognized in accumulated profit or loss as of January 1, 2018 and that the comparative data has not been restated. The transition to IFRS 15 has not entailed any major change in the Group's earnings, position or cash flow, and comparative figures have thus not been restated.

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 beginning on or after January 1, 2018 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 16 Leases was published in January 2016. IFRS 16 primarily impacts the lessee's recognition and will result in essentially all leasing agreements being recognized in the balance sheet. The standard does not distinguish between operational and financial agreements. An asset (the right to use a leased asset) and a financial liability corresponding to the company's obligation to make leasing payments are to be recognized for essentially all leasing commitments. An exception is made for agreements with short lease terms and agreements of low value.

The income statement is also impacted since the cost is normally higher in the first few years of a leasing agreement and subsequently declines. In addition, the cost is recognized under interest expense and depreciation instead of other external costs. This impacts performance measures such as EBITDA.

The cash-flow statement is impacted due to the fact that the cash flow from operating activities is higher since the majority of payments pertaining to the leasing liability are classified as financing activities. Going forward, only the portion of the payment pertaining to interest may be included in operating activities.

The recognition method for the lessor will remain largely unchanged. However, certain differences may arise as a result of new guidance in terms of assessing what constitutes a leasing agreement. Under IFRS 16, a contract is considered to be a leasing agreement if the contract conveys the right to use an identified asset for a period of time in exchange for consideration. Beijer Alma has chosen to apply the exemption rule in the modified retrospective approach as its transition approach as of the transition date on January 1, 2019. The analysis conducted of IFRS 16 has shown that the Group's earnings and financial position will be impacted in 2019. Given the leasing agreements in place as of January 1, 2019, total assets will increase approximately MSEK 223. EBIT will increase approximately MSEK 5, while profit before tax will decline about MSEK 3. The reason for the decline in profit before tax is that the approach used treats all contracts like new contracts and the expected interest expense is highest at the beginning of the contract's term. For information about the Group's operational leasing agreements, refer to Note 11.

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 the main 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 594.1.

Accounts receivable
Accounts receivable are amounts attributable to customers pertaining to goods sold or services per-formed as part of the Group's operating activities. Accounts receivable generally fall due for payment within 30 days. For certain customers, accounts receivable may fall due for payment after 30 days, but never after more than one year, and all accounts receivable have therefore been classified as current assets. Accounts receivable are initially recognized at their transaction price. However, accounts receivable with a material financing component are measured at fair value. The Group holds accounts receiv-able for the purpose of collecting contractual cash flows and thus measures them on subsequent recognition dates at amortized cost applying the effective interest method. The fair value of current receivables corresponds to their carrying amount since the discount effect is not considered material. Information concerning the impairment of accounts receivable and the Group's credit exposure, foreign currency risk and interest-rate risk is presented in Note 24. The general prevailing market trend has resulted in an increased focus on customer credit ratings and monitoring of accounts receivable. Accounts receivable totaled MSEK 707.1. 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 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 measured at fair value on the acquisition date.

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 measured 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, 2018	Dec 31, 2017	**2018**	2017
USD	**8.95**	8.22	**8.73**	8.50
EUR	**10.24**	9.84	**10.29**	9.65
GBP	**11.31**	11.10	**11.61**	11.02

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 management monitors the operations from a product perspective, meaning the two business areas in each subsidiary, which comprise the Group's operating segments. Beijer Alma meets the criteria of IFRS 8 with respect to the aggregation of operating segments and has decided, in accordance with IFRS 8 Operating Segments, to combine the two operating segments in each subsidiary, which means that the subgroups comprise reporting segments. Beijer Alma's reported segments comprise Lesjöfors (industrial springs), Habia Cable (custom-designed cables) and Beijer Tech (industrial trading).

Revenue recognition

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 freight terms in individual cases. 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.

Fees for receiving and fulfilling a customer contract are recognized as an intangible asset and are amortized over the term of the contract.

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.

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, where each business area in Lesjöfors, Habia and Beijer Tech has been deemed to comprise a cash-flow generating unit. 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 measured 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	1–10 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 written down 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 accrue to the Group 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 written down 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.

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. Cash-generating units comprise the two business areas in each subgroup. Refer to the sections on intangible assets and segment reporting. 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.

ACCOUNTING POLICIES FOR FINANCIAL INSTRUMENTS AS OF JANUARY 1, 2018

Beijer Alma applied IFRS 9 for the first time for the 2018 financial year, with January 1, 2018 as the transition date. The Group has applied the new standard retrospectively and without restating any comparative figures. The transition to IFRS 9 has not entailed any major change in the Group's earnings, position or cash flow.

- As of January 1, 2018, the Group classifies its assets in the following categories: financial assets that will later be measured 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.

Measurement

On the acquisition date, the Group measures a financial asset at fair value plus, in cases where the asset is not measured at fair value through profit or loss, transaction costs directly attributable to the purchase. Transaction costs attributable to financial assets measured 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 measured 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 measured 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 measured at fair value through other comprehensive income is not recognized separately from other changes in fair value.

Impairment

The Group assesses the future expected credit losses associated with assets recognized at amortized cost. The Group recognizes a credit reserve for such expected credit losses on each reporting date (Note 24). 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. For other receivables measured at amortized cost, the impairment rules in IFRS 9 are applied, and an assessment is carried out on each balance-sheet date to determine whether there is any indication of an impairment requirement.

Derecognition of financial instruments

A financial asset, or a portion of a financial asset, is derecognized from the balance sheet when the contractual rights to the asset's cash flows have expired.

Financial liabilities are derecognized from the balance sheet when the obligations have been discharged, canceled or in another manner extinguished. The difference between the carrying amount of a financial liability (or a portion of a financial liability) that has been extinguished or transferred to another party and the consideration has been paid, including transferred assets that do not comprise cash or assumed liabilities, are recognized in the statement of comprehensive income.

Should the terms of a financial liability be renegotiated, and not be derecognized from the balance sheet, a gain or loss is recognized in the statement of comprehensive income. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted to the original effective interest rate.

Derivatives and hedging measures

Derivative instruments are held only for the purpose of economic hedging of risks and not for speculative purposes. In cases where the derivative instrument does not meet the criteria for hedge accounting, the derivative instrument is measured at fair value through profit or loss. These derivative instruments are classified as current assets or current liabilities if they are expected to be settled within 12 months after the end of the reporting period.

When a hedging 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.

Amounts that have accumulated in shareholders' equity are reclassified to profit or loss in the period in which the hedged item impacts earnings. If the hedged object leads to the recognition of a non-financial asset (such as inventories), the gains and losses previously recognized in shareholders' equity are transferred from shareholders' equity and included in the cost of the asset. In the case of inventories, these amounts recognized as assets will later be recognized in profit or loss under "Cost of goods sold".

When a hedging instrument matures, is sold or the hedge no longer fulfills the criteria for hedge accounting, hedge accounting is discontinued. The amount accumulated with respect to the hedge under shareholders' equity remains until such time as the forecast transaction occurs and is transferred, in the case of a non-financial asset, to the cost of the non-financial asset. When a forecast transaction is no longer expected to occur, the amount accumulated in shareholders' equity that relates to the hedge is immediately transferred to profit or loss.

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 other comprehensive income. 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). 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.

ACCOUNTING POLICIES FOR FINANCIAL INSTRUMENTS BEFORE JANUARY 1, 2018

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 transferred essentially all risks and rewards 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 measured 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 measured 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 for sale 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 measured at fair value and thereafter at amortized cost using the effective interest method.

Borrowing

Borrowing is initially measured 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 service 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

IFRS 9 is not applied in the Parent Company and financial instruments are measured at cost. In subsequent period, financial assets acquired for the purpose of being held for a short period of time will be recognized at the lower of cost or market value. However, the Parent Company must apply the impairment rules in IFRS 9 and on each balance-sheet date, the Parent Company assesses whether there is any indication of an impairment requirement in any of the financial assets. An impairment loss is recognized when the decline in value is deemed to be permanent. Impairment losses on interest-bearing financial assets are recognized at amortized cost calculated as the difference between the carrying amount and present value of the asset, based on management's best estimate of the future cash flows discounted by the asset's original effective interest rate. The impairment amount for other financial assets is set as the difference between the carrying amount and the higher of fair value less selling expenses and the present value of future cash flows (which is based on management's best estimate). The loss allowance for financial assets is based on assumptions concerning default and expected loss levels. The Parent Company conducts its own assessments when establishing assumptions and selecting the inputs for the calculation of impairment. These are based on forward-looking calculations of known, historical market conditions at the end of each reporting period. The allowance for expected losses on other financial assets recognized at amortized cost amounts to SEK 0 at both the beginning and the end of the year.

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

Average number of employees

Job location	2018	2017
Sweden		
Parent Company		
Uppsala	**2**	2
Stockholm	**2**	4
Subsidiaries		
Filipstad	**114**	108
Gothenburg	**57**	59
Hallstahammar	**2**	3
Halmstad	**11**	10
Helsingborg	**13**	13
Herrljunga	**54**	58
Karlstad	**19**	17
Ljungby	**16**	15
Luleå	**2**	3
Malmö	**31**	31
Mönsterås	**35**	35
Skellefteå	**4**	4
Skene	**12**	12
Stockholm	**149**	134
Tierp	**152**	150
Värnamo	**44**	44
Växjö	**24**	24
Total Sweden	**743**	726

Of whom, 572 (553) are men and 171 (173) are women.

	Men	Women	Total 2018	Men	Women	Total 2017
Total Sweden	**572**	**171**	**743**	553	173	726
Outside Sweden						
Denmark	**52**	**15**	**67**	52	17	69
Finland	**30**	**6**	**36**	31	6	37
France	**4**	**2**	**6**	5	2	7
Hong Kong	**2**	**3**	**5**	4	4	8
China	**230**	**175**	**405**	229	180	409
Latvia	**70**	**85**	**155**	63	74	137
Mexico	**36**	**8**	**44**	33	9	42
Netherlands	**3**	**4**	**7**	3	3	6
Norway	**15**	**3**	**18**	14	4	18
Poland	**33**	**51**	**84**	31	49	80
Singapore	**10**	**4**	**14**	10	4	14
Slovakia	**35**	**11**	**46**	34	12	46
Russia	**104**	**86**	**190**	114	69	183
UK	**173**	**52**	**225**	168	49	217
Thailand	**24**	**15**	**39**	19	11	30
Germany	**348**	**144**	**492**	353	129	482
US	**30**	**4**	**34**	29	4	33
Total outside Sweden	**1,199**	**668**	**1,867**	1,192	626	1,818
Total	**1,771**	**839**	**2,610**	1,745	799	2,544

Of the total of 2,610 employees (2,544), 1,771 (1,745) are men and 839 (799) are women.

Salaries, remunerations and social security contributions

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

Group	2018	2017
Salaries/fees, President and Board	**34,217**	44,883
of which, variable salary, President and Board	**6,936**	8,018
Social security contributions, President and Board	**14,872**	24,206
of which, pension costs	**6,290**	11,325
Salaries, other	**330,662**	309,974
Social security contributions, other	**149,240**	143,055
of which, pension costs	**44,330**	36,299

Salaries and expenses outside Sweden were expensed as follows:

2018 Group	President/Board Salary	of which, variable salary	Social security contributions	of which, pension costs	Other Salary	Social security contributions
Denmark	6,480	914	413	403	35,459	2,749
Finland	3,530	391	873	268	16,701	7,736
France	–	–	–	–	4,497	2,573
Hong Kong	–	–	–	–	3,579	1,065
China	1,057	40	–	–	17,610	2,678
Latvia	1,417	42	415	–	18,333	5,798
Mexico	–	–	–	–	4,522	1,196
Netherlands	–	–	–	–	4,497	1,019
Norway	2,170	267	563	111	10,347	2,020
Poland	694	–	140	–	9,664	2,434
Russia	632	70	29	–	1,622	56
Singapore	2,562	246	140	–	13,659	151
Slovakia	1,513	–	237	–	54,644	12,249
Thailand	5,716	1,035	1,463	799	62,254	6,150
UK	1,109	129	83	–	2,032	151
Germany	7,374	665	812	–	198,367	35,362
US	3,038	402	637	271	17,870	3,038
Total salaries and remuneration	**37,292**	**4,201**	**5,805**	**1,852**	**475,657**	**86,425**
Total salaries and remuneration in Sweden according to the above	**34,217**	**6,936**	**14,872**	**6,290**	**330,662**	**149,240**
Total Group	**71,509**	**11,137**	**20,677**	**8,142**	**806,319**	**235,665**

2017 Group	President/Board Salary	of which, variable salary	Social security contributions	of which, pension costs	Other 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	632	70	29	11	2,032	151
Singapore	4,315	558	–	–	11,993	–
Slovakia	1,391	–	227	–	21,739	5,000
Thailand	6,076	780	919	278	56,747	5,542
UK	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	**36,746**	**3,587**	**4,894**	**1,263**	**427,752**	**79,053**
Total salaries and remuneration in Sweden according to the above	**44,883**	**8,018**	**24,206**	**11,325**	**309,974**	**143,045**
Total Group	**81,629**	**11,605**	**29,100**	**12,588**	**737,726**	**222,098**

Parent Company	**2018**	2017
Salaries/fees, President and Board	**9,166**	18,832
of which, variable salary, President and Board	**1,600**	3,228
Social security contributions, President and Board	**3,362**	5,324
of which, pension costs	**1,006**	2,150
Salaries, other	**5,975**	8,179
Social security contributions, other	**7,072**	3,884
of which, pension costs	**5,133**	1,523

CEO salary in 2018	Basic salary	Bonus	Social security contributions	Pension costs
Jan Blomén Jan 1–Feb 28, 2018	416	142	285	110
Henrik Perbeck Mar 1–Dec 31, 2018	3,681	1,600	2,710	1,006
Total	**4,097**	**1,742**	**2,995**	**1,116**

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 2018 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 2019 amount to about MSEK 11.

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 2018, the preliminary collective consolidation level was 142 percent (December 31, 2017: 154 percent).

Terms of employment and remuneration to senior executives

Principles

The principles below are proposed for adoption by the 2019 Annual General Meeting and are unchanged compared with the principles adopted by the 2018 Annual General Meeting. No deviations occurred from these principles during the year.

Note 2 Employees, continued

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.

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 and the Group's CFO.

The distribution between basic salary and variable salary shall be proportional to the individual's responsibilities and authority. For the 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 2018

	Directors' fee/salary, incl. company car benefits	Audit Committe	Of which, variable salary	Pension costs	Total
Directors (fees paid in accordance with the resolution passed by 2018 Annual General Meeting)					
Johan Wall	950	75			1,025
Carina Andersson	325				325
Marianne Brismar	325				325
Anders G. Carlberg	325				325
Caroline af Ugglas	325	75			400
Anders Ullberg	325	125			450
Cecilia Wikström	325				325
Senior management (5 people)	21,800		6,262	3,318	25,118
of whom, presidents	5,991		1,742	1,116	7,107
Total	**24,700**	**275**	**6,262**	**3,318**	**28,293**

Remuneration and benefits in 2017

	Directors' fee/salary, incl. company car benefits	Audit Committe	Of which, variable salary	Pension costs	Total
Directors (fees paid in accordance with the resolution passed by 2017 Annual General Meeting)					
Johan Wall	950	50			1,000
Carina Andersson	325				325
Marianne Brismar	325				325
Anders G. Carlberg	325				325
Caroline af Ugglas	325	50			325
Anders Ullberg	325	80			375
Cecilia Wikström	325				405
Senior management (5 people)	25,027		7,910	4,898	29,925
of whom, presidents	12,359		3,228	2,150	14,509
Total	**27,927**	**180**	**7,910**	**4,898**	**33,005**

During 2018, Carina Andersson, Johnny Alvarsson and Anders G. Carlberg invoiced their fees through their own companies, plus social security contributions. This did not entail a cost for Beijer Alma. The fees resolved by the 2018 Annual General Meeting will not be invoiced. 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

Henrik Perbeck, President from March 2018. The period of notice is six months if employment is terminated by the company. 12 months' severance pay is to be paid, but is to be offset against remuneration from other employers. In the event that employment is terminated by the employee, the period of notice is six months. 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 18 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. In no cases is the retirement age is not under 65. 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, born 1964. Chairman Deputy Director: 1997–2000. Director: 2000–2016. Holding: 10,000. Education: Master of Engineering from the Royal Institute of Technology in Stockholm, Visiting Scholar at Stanford University. Chairman of: Beijerinvest. Director of: Skirner AB, The Crafoordska Foundation, The Kjell & 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. Board committees: Chairman of the Remuneration Committee. Member of the Audit Committee. Dependent in relation to the company's major shareholders. Independent in relation to the company.

Johnny Alvarsson, born 1950. Director since: 2017. Holding: 4,000. 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 AB, Sdiptech AB and Dacke Industri AB. Earlier positions: Management positions at LM Ericsson, CEO of Zetterbergs Industri AB/Zeteco AB publ, CEO of Elektronikgruppen AB publ and CEO of Indutrade AB publ. Independent in relation to the company's major shareholders.
Independent in relation to the company.

Carina Andersson, born 1964. Director since: 2011. Holding through companies and family: 4,000. Education: Master of Mining Engineering from the Royal Institute of Technology in Stockholm. Director of: Systemair AB, Gränges AB and BE Group 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. Former director of Mälardalen University and Sintercast AB. Has resided in China since 2011. Independent in relation to the company's major shareholders. Independent in relation to the company.

Anders G. Carlberg, born. 1943 Director since: 1997. Holding: 6,000. Education: Master of Business Administration. Chairman of: Gränges and Herenco. Director of: Axfast AB, Investment AB Latour, Recipharm and others. Earlier positions: President and CEO of Nobel Industrier, J.S. Saba and Axel Johnson International, Executive Vice President of SSAB. Member of the Remuneration Committee. Dependent in relation to the company's major shareholders. Independent in relation to the company.

Caroline af Ugglas, born 1958. Director since: 2015. Holding: 4,000. Education: Economics degree from Stockholm University. Deputy General Director of the Confederation of Swedish Enterprise. Director of: Acando Group and AMF Pension. Earlier positions: Head of Equities and Corporate Governance at Livförsäkringsaktiebolaget Skandia. Board committees: Member of the Audit Committee. Independent in relation to the company's major shareholders. Independent in relation to the company.

Anders Ullberg, born 1946. Director since: 2007. Holding: 30,000. Education: Master of Business Administration from the Stockholm School of Economics. Chairman of: Boliden, Eneqvist Consulting 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. Board committees: Chairman of the Audit Committee and member of the Remuneration Committee. Independent in relation to the company's major shareholders. Independent in relation to the company.

Cecilia Wikström, born 1965. Director since: 2018. Holding: 1,000. Education: Bachelor of Theology from Uppsala University. Position: Member of the European Parliament. Director of: Örebro University and the European Intellectual Property Office in Alicante. Earlier positions: Priest in the Diocese of Uppsala, Senior Consultant at the executive recruiting firm Michael Berglund and Member of the Swedish Riksdag (Liberal People's Party). Independent in relation to the company's major shareholders. Independent in relation to the company.

Note 4 Net revenues

Within Lesjöfors and Habia, products are manufactured and sold, while Beijer Tech primarily purchases and sells products. Revenues are recognized when control of the goods is transferred to the customer. This normally occurs upon delivery from the warehouse, but may occur later in certain cases depending on delivery terms. At this point in time, the customer has the right to dispose of the products and Beijer Alma has satisfied its obligations. In 2018, Beijer Alma only had revenues for which the performance obligation is satisfied at a specific point in time and are thus recognized at a specific point in time. Certain orders were signed in 2018 which, in the coming years, will mean that the performance obligation is satisfied over time, but no such revenues were recognized in 2018.

The customer credit period in normally 30 days and in no case exceeds one year. Accordingly, no financing component is deemed to exist. Accounts receivable are recognized on the delivery date since the receivable becomes unconditional on this date.

In certain parts of the operations, customers have discounts based on annual volumes. These discounts are calculated at the end of the period and reduce the Group's revenues. At year-end, the Group had MSEK 61 (67) in customer discounts recognized as liabilities. These are recognized under "Accrued expenses and deferred income" as contract debt.

During the year, Habia signed orders with customers in the offshore sector. Expenses related to signing and carrying out agreements were capitalized in an amount of MSEK 7.9 (0) during the year, which will be recognized as an intangible asset (refer to Note 16). This asset will be impaired over the lifetime of the project, meaning in 2019.

The Group's recognized contract assets and contract liabilities are presented in Notes 25, 32 and 33.

Revenues per business area (MSEK)	**2018**	2017
Lesjöfors		
Industry	**1,864**	1,676
Chassis Springs	**761**	675
Total Lesjöfors	**2,625**	2,351
Habia		
Telecom	**313**	337
Other Industry	**558**	472
Total Habia	**871**	809
Beijer Tech		
Fluid Technology	**415**	359
Industrial Products	**498**	452
Total Beijer Tech	**913**	811
Group	**4,409**	3,971

Net revenues distributed by geographic region	**2018**	2017
Sweden	**1,104,461**	956,184
Other EU	**2,200,050**	1,970,935
Other Europe	**328,768**	297,817
Asia	**545,974**	509,825
North America	**165,360**	155,105
Rest of the world	**64,186**	81,630
Total	**4,408,799**	3,971,496

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

MSEK	**2018**	2017
Germany	**761**	713
UK	**374**	343
China	**391**	307
US	**164**	172
Denmark	**207**	185
Finland	**171**	143
Norway	**182**	145
South Korea	**57**	80

Note 5 Segment reporting

The Group is divided into three separate subgroups. Each subgroup is headed by a president, who is a member of Beijer Alma's Group management. Within each subgroup, there are two business areas that make up operating segments:

Chassis Springs and Industrial Springs within Lesjöfors; Telecom and Other Industry within Habia; and Fluid Technology and Industrial Products within Beijer Tech. The two operating segments within each subgroup meet the criteria of IFRS 8 with respect to aggregation and have therefore been combined into a single operating segment within each subgroup, which thus comprise the reported segments.

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

"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.

2018	Lesjöfors	Habia	Beijer Tech	Other (Parent Company etc.)	Eliminations	Total
Segment revenue	2,624.9	870.4	913.1	18.6	–18.2	4,408.8
Inter-segment sales	–	–	–	–	–	0.0
Revenue from external customers	2,624.9	870.4	913.1	18.6	–18.2	4,408.8
Operating profit/loss	530.6	57.3	60.5	–25.6	–	622.8
Financial income	0.6	1.2	0.3	272.6	–272.6	2.1
Financial expenses	–7.7	–6.9	–0.6	–1.1	0.6	–15.7
Profit after net financial items	523.5	51.6	60.2	245.9	–272.0	609.2
Appropriations	–100.0	42.0	–	58.0	–	0.0
Tax	–90.9	–26.1	–15.8	–7.6	–	–140.4
Net profit	332.6	67.5	44.4	296.3	–272.0	468.8
Operating profit/loss includes:						
Depreciation/amortization	98.5	32.7	6.8	0.5	–	138.5
Share of profit/loss in associated companies	1.2	–	–	–	–	1.2
Assets	2,289.0	735.4	507.5	1,065.5	–868.7	3,728.7
Liabilities	902.9	394.4	268.7	133.6	–202.7	1,496.9
of which, interest-bearing	345.3	217.9	67.4	100.3	–	730.9
Cash funds (included in assets)	194.4	28.5	7.6	60.8	–	291.3
Net debt	150.9	189.4	59.8	39.5	–	439.6
Investments in tangible assets	158.9	38.1	7.7	0.5	–	205.2
Sales outside Sweden, %	84.4	93.6	29.9	–	–	74.9

Note 5 Segment reporting, continued

2017	Lesjöfors	Habia	Beijer Tech	Other (Parent Company etc.)	Eliminations	Total
Segment revenue	2,351.2	808.5	811.5	0.3	–	3,971.5
Inter-segment sales	–	–	–	–	–	0.0
Revenue 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	–110.0	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

Assets distributed by geographic region (MSEK)

Group	**2018**	2017
Sweden	**1,375.1**	1,470.8
Other EU	**1,630.9**	1,300.9
Other Europe	**94.9**	85.4
North America	**176.6**	131.7
Asia	**442.1**	446.5
Total	**3,719.6**	3,435.3

Note 6 Administrative expenses

Administrative expenses include the following auditors' fees:	Group **2018**	Group 2017	Parent Company **2018**	Parent Company 2017
PWC				
Audit assignment	**3,991**	4,084	**687**	658
Other statutory assignments	**605**	639	**255**	200
Tax consultancy	**322**	133	**8**	30
Other services	**275**	193	**150**	110
Other auditors				
Audit assignment	**2,941**	2,841	**–**	–
Auditing activities in addition to audit assignment	**145**	68	**–**	–
Tax consultancy	**570**	654	**–**	–
Other services	**783**	742	**–**	–
Total	**9,632**	9,354	**1,100**	998

In the 2018 financial year, remuneration to the auditing firm and its network from the Beijer Alma Group amounted to SEK 5,193,000 (of which SEK 4,085,000 to the auditing firm), distributed between the following categories:

- Audit assignment, SEK 3,991,000 to the auditing firm and network, of which SEK 3,075,000 to the auditing firm
- Other statutory assignments, SEK 605,000 to the auditing firm and network, of which SEK 488,000 to the auditing firm
- Tax consultancy, SEK 322,000 to the auditing firm and network, of which SEK 322,000 to the auditing firm
- Valuation services, SEK 0 to the auditing firm and network, of which SEK 0 to the auditing firm
- Other services, SEK 275,000 to the auditing firm and network, of which SEK 200,000 to the auditing firm.

Costs for product development totaling SEK 13,385,000 (14,632,000) 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 **2018**	Group 2017	Parent Company **2018**	Parent Company 2017
Management fee	**–**	–	**18,200**	18,200
Capital gain on sale of building/shares	**–**	2,862	**–**	2,862
Total	**0**	2,862	**18,200**	21,062

Note 8 Items affecting comparability

	Group **2018**	Group 2017	Parent Company **2018**	Parent Company 2017
Cost related to change of CEO	**–**	16,139	**–**	16,139
Total	**0**	16,139	**0**	16,139

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

Note 9 Profit from participations in associated companies

Group	2018	2017
Share of profit from:		
Hanil Precision Co Ltd	**1,205**	775
Total	**1,205**	775

Note 10 Operating profit

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

Group	2018	2017
Plant and machinery	**90,253**	89,787
Equipment, tools, fixtures and fittings	**21,572**	18,427
Buildings	**20,197**	16,972
Land improvements	**537**	468
Other intangible assets	**5,990**	4,836
Total	**138,549**	130,490

In the Parent Company, equipment, tools, fixtures and fittings were depreciated by 96 (91).

Group	2018	2017
Costs distributed by type of cost:		
Material costs	**1,912,872**	1,701,707
Costs for employee benefits (Note 2)	**1,134,170**	1,077,942
Development costs not charged to respective orders (Note 6)	**13,385**	14,632
Depreciation/amortization (Note 10)	**138,549**	130,490
Costs for operational leasing (Note 11)	**69,918**	66,060
Other costs	**517,100**	452,312
Total	**3,785,994**	3,443,143

Note 11 Operational leasing

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

		Group		Parent Company
	2018	2017	**2018**	2017
Leasing costs for the year	**69,918**	66,060	**2,163**	2,125
Future minimum leasing payments fall due as follows:				
Within 1 year	**67,943**	62,626	**613**	2,172
1 to 3 years	**71,512**	76,792	**156**	624
After more than 3 years, but within 5 years	**33,846**	21,937	**–**	–
After more than 5 years	**43,032**	30,239	**–**	–
Total	**216,333**	191,594	**769**	2,796

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

Note 12 Income from participations in Group companies

Parent Company	2018	2017
Anticipated dividend from:		
Beijer Tech AB	**35,000**	35,000
Habia Cable AB	**62,000**	94,000
Lesjöfors AB	**175,000**	180,000
Total	**272,000**	309,000

Note 13 Tax on net profit for the year

		Group		Parent Company
	2018	2017	**2018**	2017
Current tax for the period	**–139,297**	–118,951	**–7,598**	–4,934
Deferred tax pertaining to:				
untaxed reserves	**1,389**	–2,258	**–**	–
provisions	**–2,149**	–7,294	**–**	–
Current tax attributable to earlier years	**–327**	–587	**8**	6
Total	**–140,384**	–129,090	**–7,590**	–4,928

Difference between tax expense and 22.0 percent tax

Profit before tax	**609,228**	517,439	**304,013**	330,465
22 percent of this amount	**–134,030**	–113,837	**–66,883**	–72,702
Tax for the period	**–140,384**	–129,090	**–7,719**	–4,928
Difference	**–6,354**	–15,253	**59,164**	67,774

Note 13 Tax on net profit for the year, continued

Specification of difference	Group 2018	Group 2017	Parent Company 2018	Parent Company 2017
Effect of:				
withholding tax	**–2,248**	–1,307	**–**	–
foreign tax rates	**2,004**	–4,413	**–**	–
non-deductible items	**–5,192**	–3,547	**–677**	–837
non-taxable income	**480**	3,980	**59,841**	68,611
deficit in foreign subsidiaries	**–487**	–1,688	**–**	–
temporary differences pertaining to deferred tax	**1,012**	–6,565	**–**	–
Other	**–1,923**	–1,713	**–**	–
Total	**–6,354**	–15,253	**59,164**	67,774

The Group's weighted average tax rate was 23.1 percent (24.9).
Cash-flow hedges after tax are recognized in other comprehensive income. A tax expense of 2,149 was recognized in 2018 and tax revenues of 1,596 pertaining to cash-flow hedges were recognized in 2017. There are no other tax effects in other comprehensive income.

Note 14 Earnings per share

Group	2018	2017
Profit used for calculating earnings per share		
Net profit attributable to Parent Company shareholders	**468,715**	388,349
Number of shares recalculated after split	**60,262,200**	60,262,200

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	2018	2017
Opening cost	**690,328**	653,545
Acquisitions [1]	**6,248**	42,752
Translation differences	**9,778**	-5,969
Closing accumulated cost	**706,354**	690,328
Opening impairment	**112,243**	112,243
Translation differences	**–**	–1
Closing accumulated impairment	**112,243**	112,243
Carrying amount	**594,111**	578,085

1) Group	2018	2017
Acquisition of Packningar & Plast AB	**6,248**	–
Acquisition of Svenska Brandslangsfabriken AB	**–**	42,752
Total	**6,248**	42,752

In 2018, the Group's cash-generating units were deemed to comprise the following.

The Group's total recognized goodwill is allocated to the operating sectors, which as of 2018 comprise the following cash-generating units (MSEK)	**2018**
Lesjöfors Chassis Springs	29.0
Lesjöfors Industry	198.4
Habia Telecom	0.0
Habia Other Industry	57.8
Beijer Tech Fluid Technology	258.8
Beijer Tech Industrial Products	50.1
Total	**594.1**

In 2017, the Group's cash-generating units were deemed to comprise the following.

Group	2017
Lesjöfors	221.0
Habia	55.6
Beijer Tech	301.5
Total	**578.1**

Group	2018	2017
Lesjöfors	227,381	221,017
Habia	57,779	55,617
Beijer Tech	308,951	301,451
Total	**594,111**	**578,085**

Impairment tests for goodwill 2018

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: Chassis Springs and Industrial Springs within Lesjöfors; Telecom and Other Industry within Habia; and Fluid Technology and Industrial Products within Beijer Tech. In 2017, the cash-generating units were deemed to comprise the subgroups Lesjöfors, Habia Cable and Beijer Tech. Accordingly, impairment testing was carried out at this level.

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, 2019, 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 2017 annual accounts.

Note 15 Goodwill, continued

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 2018 impairment testing were 7 percent for Fluid Technology and Industrial Products in Beijer Tech, 8 percent for Telecom and Other Industry in Habia Cable and 8 percent for Chassis Springs and Industrial Springs in Lesjöfors. The differences were attributable to individual risk profiles, which were assessed to be unchanged compared with the 2017 test. The same discount rates were used in 2017.

The 2018 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.

Note 16 Other intangible assets

Group	2018	2017
Opening cost	**65,403**	35,667
Purchases	**11,460**	17,415
Acquisitions of subsidiaries	**–**	5,000
Reclassification	**–**	7,504
Translation differences	**90**	–183
Closing accumulated cost	**76,953**	65,403
Opening amortization	**35,068**	25,321
Sales and disposals	**–**	–
Reclassification	**–**	4,840
Amortization for the year	**6,776**	4,836
Translation differences	**–44**	71
Closing accumulated amortization	**41,800**	35,068
Opening impairment	**1,018**	1,018
Translation differences	**–**	–
Closing impairment	**1,018**	1,018
Carrying amount	**34,135**	29,317

The assets comprise acquired customer relations and software licenses as well as capitalized costs for securing and fulfilling agreements.

Note 17 Land and land improvements

Group	2018	2017
Opening cost	**66,548**	54,321
Purchases	**13,845**	10,814
Through acquisitions of subsidiaries	**–**	698
Translation differences	**1,352**	715
Closing accumulated cost	**81,745**	66,548
Opening depreciation	**4,418**	3,902
Reclassification	**–**	–
Depreciation for the year	**540**	468
Translation differences	**181**	48
Closing accumulated depreciation	**5,139**	4,418
Opening impairment	**60**	60,
Translation differences	**–2**	–
Closing impairment	**58**	60
Carrying amount	**76,548**	62,070

Note 18 Buildings

Group	2018	2017
Opening cost	**513,409**	502,726
Purchases	**36,375**	11,885
Sales and disposals	**–134**	–17,561
Through acquisitions of subsidiaries	**1,403**	12,199
Reclassification	**12,688**	74
Translation differences	**17,420**	4,086
Closing accumulated cost	**581,161**	513,409
Opening depreciation	**206,497**	200,250
Sales and disposals	**–**	–5,611
Reclassification	**12,637**	–6,615
Depreciation for the year	**20,211**	16,972
Translation differences	**12,900**	1,501
Closing accumulated depreciation	**252,245**	206,497
Opening impairment	**–**	961
Reversed impairment	**–**	–961
Closing impairment	**0**	0
Carrying amount	**328,916**	306,912

Note 19 Plant and machinery

Group	2018	2017
Opening cost	1,492,313	1,438,765
Purchases	131,944	80,676
Sales and disposals	–8,685	–8,810
Through acquisitions of subsidiaries	707	7,349
Reclassification	257	–24,505
Translation differences	35,976	–1,162
Closing accumulated cost	1,652,512	1,492,313
Opening depreciation	1,015,480	926,649
Sales and disposals	–2,942	–1,790
Acquisitions of subsidiaries	–	–
Reclassification	–4,142	1,520
Depreciation for the year	92,303	89,747
Translation differences	25,165	–646
Closing accumulated depreciation	1,125,864	1,015,480
Opening impairment	5,385	5,385
Impairment for the year	172	–
Translation differences	–345	–
Closing impairment	5,212	5,385
Carrying amount	521,436	471,448

Financial leasing agreements

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

Group	2018	2017
Cost	14,694	15,258
Remaining residual value	277	385

Future minimum leasing payments fall due as follows:

Group	2018	2017
Within 1 year	210	123
Between 1 and 3 years	67	144
Between 4 and 5 years	–	118
After more than 5 years	–	–
Total	277	385

Present value of financial leasing costs are as follows:

Group	2018	2017
Within 1 year	207	120
Between 1 and 5 years	64	245
Total	271	365

Note 20 Equipment, tools, fixtures and fittings

	Group		Parent Company	
	2018	2017	2018	2017
Opening cost	208,540	190,309	2,813	2,706
Purchases	46,827	26,687	–	107
Acquisitions of subsidiaries	–	2,367	–	–
Sales and disposals	–10,195	–7,009	–	–
Reclassification	–22,005	–3,473	–	–
Translation differences	9,017	–341	–	–
Closing accumulated cost	232,184	208,540	2,813	2,813
Opening depreciation	155,417	142,604	1,571	1,480
Acquisitions of subsidiaries	–	–	–	–
Sales and disposals	–9,461	–5,269	–	–
Reclassification	–1,636	371	–	–
Depreciation for the year	19,921	18,427	96	91
Translation differences	5,455	–716	–	–
Closing accumulated depreciation	169,696	155,417	1,667	1,571
Opening impairment	1,528	1,524	–	–
Translation differences	–2	4	–	–
Closing accumulated impairment	1,526	1,528	0	–
Carrying amount	60,962	51,595	1,146	1,242

Note 21 Participations in associated companies

Group	Share of equity, %	Registered office	Carrying amount 2018	Carrying amount 2017
Hanil Precision Co Ltd	20	Pusan, South Korea	**27,973**	25,665
Azure Precision Sdn Bhd	25	Malaysia	**102**	98
Total			**28,075**	25,763

Hanil Precision Co Ltd is a South Korean gas-spring manufacturer with revenues of approximately MSEK 186 (199) and an operating margin of 4 percent (5). During the year, Lesjöfors purchased gas springs from Hanil for MSEK 14 (12). These purchases were conducted on market terms. Azure Precision is a dormant company.

Group	2018	2017
Opening value	**25,763**	24,454
Share in profit after tax	**1,205**	775
Purchases	**–**	–
Translation difference	**1,107**	904
Impairment	**–**	–370
Carrying amount	**28,075**	25,763

Group share as of December 31, 2018	Assets	Liabilities	Income	Net profit
Hanil Precision Co Ltd	31	9	37	1.2

Note 22 Participations in Group companies

Parent Company	Corp. Reg. No.	Number	Registered office	Carrying amount	Adjusted shareholder's equity
Lesjöfors AB	556001-3251	603,500	Karlstad, Sweden	100,000	1,386,051 1)
Habia Cable AB	556050-3426	500,000	Upplands Väsby, Sweden	95,576	340,998 2)
Beijer Tech AB	556650-8320	50,000	Tyresö, Sweden	333,324	238,820 3)
AIHUK AB	556218-4126	9,000	Uppsala, Sweden	289	1,196
Shipping & Aviation Sweden AB	556500-0535	10,000	Uppsala, Sweden	977	1,337
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 175,000.
2) Before anticipated dividend to the Parent Company in the amount of 62,000.
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	2018	2017
Opening cost	**526,366**	526,366
Closing cost	**526,366**	526,366
Opening write-ups	**8,033**	8,218
Sales	**–**	–185
Write-ups for the year	**–**	–
Closing write-ups	**8,033**	8,033
Opening impairment	**2,387**	2,387
Impairment for the year	**–**	–
Closing impairment	**2,387**	2,387
Carrying amount	**532,012**	532,012

Note 22 Participations in Group companies, continued

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	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
Packningar & Plast AB	556244-3001	100	Botkyrka, Sweden	100,000	17,829

Note 23 Inventories

Group	**2018**	2017
Raw materials	**369,670**	303,834
Products in progress	**91,999**	110,770
Finished goods	**490,002**	409,949
Total	**951,671**	824,553

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

Group	**2018**	2017
Raw materials	**25,509**	6,909
Products in progress	**3,547**	630
Finished goods	**85,137**	68,856
Total	**114,193**	76,395

Difference between cost and net selling price:

Group	**2018**	2017
Raw materials	**5,497**	5,204
Products in progress	**1,023**	617
Finished goods	**49,228**	26,977
Total	**55,748**	32,798

The expenditure for inventories was expensed under the item "Cost of goods sold" and amounted to 1,912,872 (1,701,707).

Note 24 Accounts receivable

Group	2018	2017
Total outstanding accounts receivable	**717,681**	662,879
Provisions for doubtful receivables	**–10,535**	–10,322
Carrying amount	**707,146**	652,557

Group	2018	2017
Past due amounts	**133,776**	117,805
of which, past due by more than 30 days	**36,459**	45,537
of which, past due by more than 90 days	**14,736**	12,223
Provisions for doubtful receivables	**10,535**	10,322

On December 31, 2018, a total of 41,755 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 4 is covered by credit insurance. There has been deemed to be no need for a loss allowance for insured receivables.The transition to IFRS 9 has not resulted in any increase in the loss allowance.

Provisions for doubtful receivables	2018	2017
Opening balance	**10,322**	9,880
Provisions for the year	**2,291**	2,462
Reversal of earlier provisions	**–1,530**	–1,297
Impairment of receivables	**–548**	–723
Closing balance	**10,535**	10,322

Impairment of accounts receivable pertains entirely to impairment of receivables from contracts with customers.

Specification of provisions for the year		
Reserve for receivables not past due	**197**	**0.04 %**
Reserve for receivables less than 30 days past due	**498**	**0.5 %**
Reserve for receivables 31–90 days past due	**2,357**	**10.8 %**
Reserve for receivables more than 90 days past due	**7,483**	**50.8 %**
Total	**10,535**	

The Group applies the modified retrospective approach for the calculation of expected credit losses. This approach entails that expected losses throughout the term of the receivable are used as the basis for accounts receivable and contract assets. To calculate expected credit losses, losses have been grouped based on their credit characteristics and number of days past due. The expected credit loss levels are based on customer payment history as of December 31, 2018 and January 1, 2018 along with the risk of loss for the same period. Past losses are then adjusted taking into consideration current and forward-looking information regarding macroeconomic factors that may impact the customers' possibilities to pay the receivable. The Group has identified GDP and unemployment rates in countries where goods and services are sold as relevant factors. The historical loss level is therefore adjusted based on changes in these factors.

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 707,146 (652,557). The fair value corresponds with the carrying amount.

Note 25 Other receivables

	Group		Parent Company	
	2018	2017	**2018**	2017
Value-added tax	**14,101**	9,599	**28**	14
Deposit to landlord	**4,308**	7,370	**–**	–
Credit received* (receivables from contracts with customers)	**18,282**	–	**–**	–
Advance payments to suppliers	**13,953**	7,515	**–**	–
Other	**25,279**	17,810	**–**	–
Total	**65,923**	42,294	**28**	14

*Refers to credit facilities not due for payment related to receivables from contracts with customers.

Note 26 Prepaid expenses and accrued income

	Group		Parent Company	
	2018	2017	**2018**	2017
Leasing and rental fees	**6,523**	5,925	**846**	543
Accrued interest income	**–**	98	**–**	–
Prepaid expenses	**17,976**	16,636	**345**	317
Forward agreements	**4,348**	–	**–**	–
Accrued commission	**2,575**	–	**–**	–
Other	**4,404**	11,954	**–**	–
Total	**35,826**	34,613	**1,191**	860

Note 27 Cash and cash equivalents

	Group		Parent Company	
	2018	2017	**2018**	2017
Cash and bank balances	**291,303**	328,095	**58,209**	59,666
Total	**291,303**	328,095	**58,209**	59,666

Note 28 Shareholders' equity

Group	Translation reserve	Hedging reserve	Total
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**
Change in value of hedging reserve		9,873	9,873
Tax thereon		–2,149	–2,149
2018 translation difference	44,724		44,724
December 31, 2018	**89,194**	**1,324**	**90,518**

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

	Shares		Votes
Class A shares	6,605,000	at 10 votes	66,050,000
Class B shares	53,657,200	at 1 vote	53,657,200
Total	**60,262,200**		**119,707,200**

The quotient value is SEK 2.08 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	2:1 split	–	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	3:1 split	–	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
2018	2:1 split	–	125,546	30,131,100	60,262,200

The Annual General Meeting authorized the Board of Directors to issue a maximum of 3,000,000 Class B shares (prior to the split) in connection with corporate acquisitions. This authorization is valid until the next Annual General Meeting.

Note 29 Deferred tax

Deferred tax assets	2018	2017	
Temporary differences pertaining to:			
– endowment insurance	**5,866**	5,737	Recognized in profit or loss.
– loss carryforwards	**13,397**	10,061	Recognized in profit or loss.
– forward agreements	**552**	1,051	Recognized in other comprehensive income
Other	**7,910**	4,701	Recognized in profit or loss.
Total	**27,725**	21,550	
Opening value	**21,550**	24,788	
Reversed receivable	**–499**	–4,080	
Additional receivable	**6,674**	842	
Total	**27,725**	21,550	

Deferred tax liabilities	2018	2017	
Temporary differences pertaining to:			
– forward agreements	**896**	–	Recognized in other comprehensive income
– untaxed reserves	**36,872**	38,174	Recognized in profit or loss
– depreciation/amortization on surplus values	**38,954**	34,495	Recognized in profit or loss
Total	**76,722**	72,669	
Opening value	**72,669**	64,017	
Increased provision	**5,355**	8,652	
Reversal	**–1,302**	–	
Closing value	**76,722**	72,669	

Note 30 Pension obligations

Group	2018	2017
Opening value	**2,310**	2,114
Decreased provision	**–51**	–5
Increased provision	**1,660**	201
Closing value	**3,919**	2,310

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 84 percent and 94 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 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 70 percent of sales and the remaining 30 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

2018	USD	EUR	DKK	NOK	GBP	RMB	JPY	HKD	KRW	PLN	Total
Lesjöfors	4.0	201.0	17.0	14.0	85.0	–	–	–	–	–	321.0
Habia Cable	30.1	99.4	–	7.3	42.3	–62.3	1.9	–4.7	4.1	14.7	132.8
Beijer Tech	–4.6	–128.1	31.1	48.7	–6.7	–	–	–0.5	–	–	–60.1
Total	**29.5**	**172.3**	**48.1**	**70.0**	**120.6**	**–62.3**	**1.9**	**–5.2**	**4.1**	**14.7**	**393.7**

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	–123.1	22.6	16.2	–	–	–	–	–	–	–84.2
Total	**54.7**	**214.2**	**36.1**	**44.2**	**65.8**	**–124.2**	**8.3**	**–7.2**	**29.0**	**9.9**	**330.8**

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 against the Group's reporting currency (SEK). 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. All of these agreements, totaling MSEK 372, fall due in 2019. Most of the agreements pertain to EUR. The average rate for these agreements is 10.30.

Group	Dec 31, 2018	Dec 31, 2017
USD	**1.9**	14.3
EUR	**316.8**	297.3
GBP	**53.7**	47.0
NOK	**–**	–
Total	**372.4**	358.6

Recognition of derivatives	2018	2017
Nominal amount of derivative (MSEK)	**372.4**	358.6
Carrying amount of forward agreements (SEK 000s)	**1,668**	–8,205
Balance sheet item where value is recognized		
Accrued expenses and deferred income	**2,680**	8,205
Prepaid expenses and accrued income	**4,348**	
Ineffective hedging instruments	**0**	0
Hedging result recognized in other comprehensive income	**7,724**	–5,680
Hedging ineffectiveness recognized in other comprehensive income	**0**	0

The hedged ratio is 1:1. The hedging reserve is recognized in Note 28.

According to Beijer Alma's assessment, all derivative instruments meet the requirements for hedge accounting. The Group has no other derivatives not used for hedging purposes. There are no derivatives for which a hedging relationship has existed but since ceased and for which hedge accounting is thus no longer applied. No hedges were ineffective, mainly due to the fact that only part of forecast net flows are hedged. Accordingly, changes in the fair value of the derivative instruments are recognized in other comprehensive income. As of December 31, 2018, the forward agreements were valued at MSEK 1.7 which, after deduction for deferred tax, increased the Group's shareholders' equity. At year-end 2017, there was a deficit in the value of the derivative instruments of MSEK 8.2, which decreased shareholders' equity, after deductions for deferred tax. Consolidated comprehensive income was positively impacted in an amount of 7,724 (neg: 5,658) 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. The arbitrage premium is not separated. Beijer Alma has no hedging of net investments in foreign operations.

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 totaled MSEK 372 as of December 31, 2018 (359). 85 percent of the agreement values are in EUR. 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.

Note 31 Financial instruments, continued

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 1,913 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.

	Group		Parent Company	
	2018	2017	**2018**	2017
Non-current liabilities				
Liabilities to credit institutions	**189,804**	144,687	**–**	–
Current liabilities				
Liabilities to credit institutions	**128,951**	159,102	**–**	–
Committed credit facilities	**412,155**	433,037	**100,293**	100,307
Total interest-bearing liabilities	**730,910**	736,826	**100,293**	100,307

All amounts are deemed to correspond to fair value.

Liabilities to credit institutions comprise approximately 35 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 correspond to MSEK 140 in EUR, MSEK 26 in RMB, MSEK 21 in USD, MSEK 51 in GBP and MSEK 11 in DKK. 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 5.0 percent. The average interest rate is approximately 1.8 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, in most cases, of up to one year.

Sensitivity analysis

Net debt at year-end totaled MSEK 440 (409). 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, for example, 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. For an assessment of the risk of loss in accounts receivable, refer to Note 24.

Other assets recognized at amortized cost include other receivables. The loss allowance for financial assets is based on assumptions concerning the risk of default and expected loss levels. The Group conducts its own assessments when establishing assumptions and selecting the inputs for forward-looking calculations at the end of each reporting period. The allowance for expected losses on other financial assets recognized at amortized cost amounts to SEK 0 at both the beginning and the end of the year.

LIQUIDITY RISK

Cash and cash equivalents only include cash and bank balances. Of the total amount of MSEK 291.3 (328.1), 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 750. 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	**2018**	2017	**2018**	2017
Cash funds	**291,303**	328,095	**58,209**	59,666
Approved committed facilities	**978,024**	999,259	**275,000**	275,000
Utilized portion of credit facilities	**–412,155**	–433,307	**–100,293**	–100,307
Available liquidity	**857,172**	894,047	**232,916**	234,359

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

Group	Less than 1 year	Between 1 and 5 years	More than 5 years
December 31, 2018			
Borrowing	547,870	171,919	29,331
Liabilities for financial leasing	214	71	
Accounts payable and other liabilities	250,818		
Total	**798,902**	**171,990**	**29,331**

Group	Less than 1 year	Between 1 and 5 years	More than 5 years
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**

At year-end 2018, the Group had foreign exchange contracts totaling MSEK 372 with a maturity period of less than one year. Of the foreign exchange contracts at December 31, 2017 totaling MSEK 359, MSEK 348 had a maturity period of less than one year and MSEK 11 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	**2018**	2017
Interest-bearing liabilities	**730,910**	736,826
Cash and cash equivalents	**–291,303**	–328,095
Net debt	**439,607**	408,731
Shareholders' equity	**2,225,976**	1,991,058
Net debt/equity ratio	**19.7**	20.5

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, 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**
Via acquisitions	–	–	–	0
Translation differences	8,283	11,891	6,176	–9,784
Cash flow during the year	–45,075	–62,924	38,941	–21,092
Not affecting cash flow	–	–	–	–
December 31, 2018	**291,303**	**541,106**	**189,804**	**–439,607**

Note 31 Financial instruments, continued

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

December 31, 2018	Finanancial assets measured at amortized cost	Derivatives used for hedging purposes	Total
Assets in the balance sheet			
Other long-term receivables	4,920		4,920
Accounts receivable and other receivables	707,146		707,146
Derivative instruments (included in the item accrued income)		4,348	4,348
Cash and cash equivalents	291,303		291,303
Total	**1,003,369**	**4,348**	**1,007,717**

December 31, 2018	Derivatives used for hedging purposes	Liabilities measured at amortized cost	Total
Liabilities in the balance sheet			
Liabilities to credit institutions		318,755	318,755
Committed credit facilities		412,155	412,155
Derivative instruments (included in the item accrued expenses)	2,680		2,680
Accounts payable		250,818	250,818
Total	**2,680**	**981,728**	**984,408**

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**

December 31, 2017	Derivatives used for hedging purposes	Other financial liabilities	Total
Liabilities in the balance sheet			
Liabilities to credit institutions		303,789	303,789
Committed credit facilities		443,037	443,037
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**

The Parent Company has cash and cash equivalents amounting to 58,209 (59,666), 0 (0) in the category "Loans and receivables", committed credit facilities totaling 100,293 (100,307) and accounts payable amounting to 2,679 (456) in the category "Other financial liabilities".

Note 32 Accrued expenses and deferred income

	Group		Parent Company	
	2018	2017	**2018**	2017
Accrued personnel costs	**180,101**	163,582	**13,118**	27,413
Accrued interest	**631**	571	**–**	–
Restructuring reserve	**–**	5,600	**–**	–
Accrued bonuses to customers (liabilities from contracts with customers)	**60,844**	66,986	**–**	–
Deferred income (liabilities from contracts with customers)	**13,028**	3,445	**–**	–
Derivative instruments	**2,680**	8,205	**–**	–
Other	**56,358**	59,080	**–**	251
Total	**313,642**	307,469	**13,118**	27,664

Note 33 Other current liabilities

	Group		Parent Company	
	2018	2017	**2018**	2017
Personnel tax	**23,643**	24,158	**569**	518
Value-added tax	**27,638**	25,857	**–**	329
Advance payments from customers (liabilities from contracts with customers)	**47,172**	3,420	**–**	–
Purchase consideration withheld	**5,256**	–	**–**	–
Other	**8,371**	14,591	**–**	–
Total	**112,080**	68,026	**569**	847

Note 34 Pledged assets

	Group		Parent Company	
	2018	2017	**2018**	2017
Floating charges	**227,679**	217,788	**–**	–
Real estate mortgages	**74,500**	65,975	**–**	–
Shares	**330,829**	185,916	**13,381**	13,381
Machinery used in accordance with financial leasing agreements	**271**	385	**–**	–
Total	**633,279**	470,064	**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	
	2018	2017	**2018**	2017
Guarantees	**27,079**	13,734	**–**	–
Total	**27,079**	13,734	**0**	0

The Group has not identified any material commitments that are not recognized 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 000s	
Retained earnings	48,106
Net profit for the year	296,423
Total	**344,529**
To be appropriated as follows:	
Ordinary dividend to shareholders of SEK 5.10 per share	307,337
To be carried forward	**37,192**

Note 37 Net interest paid and other financial items

	Group		Parent Company	
	2018	2017	**2018**	2017
Dividends received	**–**	–	**295,000**	293,000
Interest received	**2,072**	1,444	**603**	841
Interest paid	**–15,589**	–12,418	**–1,088**	–1,019
Total	**–13,517**	–10,974	**294,515**	292,822

Note 38 Items not affecting cash flow

	Group		Parent Company	
	2018	2017	**2018**	2017
Depreciation/amortization	**138,549**	130,490	**96**	91
Loss from associated companies	**–1,205**	–775	**–**	–
Total	**137,344**	129,715	**96**	91

Note 39 Corporate acquisitions

2018
Packningar & Plast AB
Beijer Tech acquired Packningar & Plast AB, 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.

2017
Svenska Brandslangsfabriken AB (Svebab)
Beijer Tech 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

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

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

The receivables guaranteed by the seller are expected to be transferred at fair value.

Note 39 Corporate acquisitions, continued

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.

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 Events after the end of the financial year

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

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

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.

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.

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

Operating margin. Operating profit in relation to net revenues.

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 13, 2019.

The balance sheet and income statement will be presented to the Annual General Meeting on March 28, 2019.

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 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*

Our Auditor's Report was submitted on February 27, 2019

Öhrlings PricewaterhouseCoopers AB

Leonard Daun
Authorized Public Accountant

Auditor's Report

To the general meeting of shareholders in Beijer Alma AB (publ), corporate registration 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 2018 except for the corporate governance statement on pages 61–64. The annual accounts and consolidated accounts of the company are included on pages 61–94 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, 2018 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, 2018 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 61–64. 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. This entails that, to the best of our knowledge and conviction, no prohibited services as described in Article 5.1 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council on specific requirements regarding the statutory audit of public-interest entities were provided to the audited company or, where appropriate, its parent company or its controlled undertakings in the EU.

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 subsidiary groups. The Group has subsidiaries in 16 countries. The most significant balance sheet items are inventories and accounts receivable, and 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. Through units reviewed by PwC, by other firms that report to us or through special review processes, the audit comprised 74 percent of the Group's revenues and related analytical audit 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 amounted to MSEK 952. 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 114, 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 707. 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 have reviewed the provision made for doubtful receivables.
- 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

This document also contains other information than the annual accounts and consolidated accounts, which can be found on pages 1–60 and 99–100. 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 Presidents of Beijer Alma AB (publ) for the year 2018 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 Presidents 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 61–64 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 22, 2018 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 27, 2019

Öhrlings PricewaterhouseCoopers AB

Leonard Daun
Authorized Public Accountant

Board of Directors

BOARD OF DIRECTORS

Johan Wall born 1964
Chairman
Deputy Director: 1997–2000
Director: 2000–2016
Holding: 10,000
Chairman of: Beijerinvest AB.
Director of: Skirner AB, The Crafoordska Foundation, The Kjell & Märta Beijer Foundation, The Anders Wall Foundation, Uppsala University and others.

Johnny Alvarsson born 1950
Director since: 2017
Holding: 4,000
Director of: VBG AB, FM Mattson Mora Group, Instalco AB, Sdiptech AB and Dacke Industri AB.

Carina Andersson born 1964
Director since: 2011
Holding through companies and family: 4,000
Director of: Systemair AB, Gränges AB and BE Group AB.

Anders G. Carlberg born 1943
Director since: 1997
Holding: 6,000
Chairman of: Gränges AB and Herenco.
Director of: Axfast AB, Investment AB Latour, Recipharm and others.

Caroline af Ugglas born 1958
Director since: 2015
Holding: 4,000
Deputy General Director of the Confederation of Swedish Enterprise.
Director of: Acando Group and AMF Pension.

Anders Ullberg born 1946
Director since: 2007
Holding: 30,000
Chairman of: Boliden, Eneqvist Consulting 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.

Cecilia Wikström born 1965
Director since: 2018
Holding: 1,000
Member of the European Parliament.
Director of: Örebro University and the EU Intellectual Property Office in Alicante.

HONORY CHAIRMAN

Anders Wall
Chairman of the Board 1993–2016

Senior executives

SENIOR EXECUTIVES

Henrik Perbeck born1972
President and CEO of
Beijer Alma AB
Master of Engineering
Employed since 2018
Holding with family:
13,500

Jan Blomén born 1955
CFO
Master of Business
Administration
Employed since: 1986
Holding with family:
90,000

Kjell-Arne Lindbäck born 1952
President and CEO of
Lesjöfors AB
Master of Business
Administration
Employed since: 1997
Holding with family:
1,280

Carl Modigh born 1972
President and CEO of
Habia Cable AB
Master of Business
Administration
and Executive MBA
Employed since: 2011
Holding with family: 0

Staffan Andersson born 1976
President and CEO of
Beijer Tech AB
MBA from Harvard Business
School and Master of
Engineering Physics from
Chalmers University of
Technology
Employed since: 2015
Holding with family: 0

Further information

ANNUAL GENERAL MEETING

Beijer Alma invites all shareholders to participate in the Annual General Meeting, which will take place on Thursday, March 28, 2019, 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 AB's shareholder register by Friday, March 22, 2019.
- notify the company of their intent to participate in the Meeting not later than Friday, March 22, 2019, preferably before 4:00 p.m..

Notification may be given by telephone at +46 18 15 71 60, 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. Such registration must be completed not later than Friday, March 22, 2019, 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 27, 2019. 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 the right to receive dividends is Monday, April 1, 2019. If the Annual General Meeting votes in accordance with this proposal, dividends are expected to be paid through Euroclear commencing Thursday, April 4, 2019. The Board of Directors proposes that the Annual General Meeting approve an ordinary dividend of SEK 5.10 per share (4.75).

Information

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

CALENDAR

2019	March 28	Annual General Meeting
	May 6	Interim report January 1–March 31
	August 16	Interim report April 1–June 30
	October 24	Interim report July 1–September 30
2020	February	Year-end report
	March 25	Annual General Meeting

REPORTS

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

The year-end report and interim reports are published on beijeralma.se. The Annual Report is sent to shareholders automatically (provided they have not declined to receive a copy).

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

CONTACT

HENRIK PERBECK
President and CEO
Telephone +46 18 15 71 60
E-mail henrik.perbeck@beijeralma.se

JAN BLOMÉN
CFO
Telephone +46 18 15 71 60
E-mail jan.blomen@beijeralma.se

ADDRESSES

BEIJER ALMA AB/head office
Box 1747, SE-751 47 Uppsala
Sweden
Telephone +46 18 15 71 60
E-mail info@beijeralma.se
firstname.lastname@beijeralma.se
beijeralma.se

LESJÖFORS AB/head office
Köpmangatan 2, SE-652 26 Karlstad
Sweden
Telephone +46 54 13 77 50
E-mail info@lesjoforsab.com
lesjoforsab.com

HABIA CABLE AB/head office
Box 5076, SE-194 05 Upplands Väsby
Sweden
Telephone +46 8 630 74 40
E-mail info@habia.com
habia.com

BEIJER TECH AB/head office
Box 2120, SE-135 02 Tyresö
Sweden
Telephone +46 72 247 47 36
E-mail info@beijertech.se
beijertech.se

COVER PHOTO FROM LUNDGRENS'S OPERATIONS IN GOTHENBURG

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2018 was a successful year. Order bookings, net revenues and operating profit increased. Most customer segments and markets displayed growth.

HENRIK PERBECK, PRESIDENT AND CEO BEIJER ALMA

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