

Beijer Ref AB

Q4-2018

BEIJER REF

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Q4-2018

Increased profit and dividend

- Net sales for the fourth quarter of 2018 increased by 37% compared with the corresponding period in the previous year and totalled SEK 3,293 million (2,401).
- The operating profit for the fourth quarter of 2018 totalled SEK 229 million (179), an increase of 28% compared with the same period last year.
- The profit for the period totalled SEK 164 million (146). Profit per share totalled SEK 1.28 (1.13).
- During the fourth quarter, Beijer Ref AB issued a commercial paper scheme totalling SEK 700 million as part of the company's existing financing.
- Repurchases of 123,171 class B shares took place during the quarter. The company has now secured access to shares in accordance with the company's long-term incentive scheme, which runs between 2018 and 2021.
- As of 2 January 2019, the Beijer Ref share is being traded on Nasdaq Stockholm's Large Cap.
- The Board of Directors is proposing an increased dividend of SEK 3.00 per share (1.92) to the AGM.

Key figures	Q4-18	Q4-17	Δ%	12 months 18	12 months 17	Δ%
Net sales, sek m	3 293	2 401	37.2	13 015	9 830	32.4
EBITDA, sek m	258	201	28.6	1 191	810	47.0
Operating profit, sek m	229	179	28.0	1 085	725	49.7
Profit margin, %	6.9	7.4	—	8.3	7.4	—
Net profit, sek m	164	146	12.3	780	521	49.7
Profit per share, sek ¹	1.28	1.13	12.8	6.07	4.02	50.9
Return on operating capital, %	—	—	—	19.4	14.9	—
Return on equity, %	—	—	—	22.0	16.6	—
Average number of employees	—	—	—	3 703	2 717	36.3

1) Conversion of number of shares has been performed following completion of share split in order to enable comparability between the years.

Comments by the CEO

2018 - a record year

2018 was a year of historical success for Beijer Ref. Net sales totalled just over SEK 13 billion, an increase of 32 per cent compared with the previous year. Organic growth was 13.4 per cent and the operating margin was 8.3 per cent. The profit for the year totalled SEK 780 million (521), an increase of 50 per cent. Profit per share totalled SEK 6.07 (4.02). This makes 2018 Beijer Ref's strongest year to date.

During the fourth quarter, net sales increased by 37 per cent, 9.4 per cent of which comprised organic growth. The operating margin for the period was 6.9 per cent, slightly lower than in the previous year, primarily because the overseas share of sales increased due to the acquired companies in Africa, Australia and China. Comparative figures are also at a relatively high level, as the prices of refrigerants started to rise in the autumn of 2017. The profit represents the Group's best-ever fourth quarter.

Both the full year and the fourth quarter were affected positively by the European phasing-out programme, which has driven demand for our green technology. It is now evident that the EU's F-Gas regulation is starting to make its mark outside Europe. In December, the UN held its major climate meeting in Katowice, Poland. This confirmed the content of the Paris agreement, including the more than 200 Member States being subjected to increased control with regard to follow-up on the regulatory framework. It is my assessment that the outcome will have positive consequences for our business in the years ahead. We are seeing more and

more interest in and curiosity about both green, natural refrigerants and newly developed, synthetic so-called HFOs on other continents. We have already sold our green technology to customers in Australia, China and South Africa. I am convinced that we have only seen the beginning of this transition. The new technologies will gradually become established outside Europe as well.

All of Beijer Ref's regions are reporting good growth, and the strong growth trend of the previous period is continuing in the Nordic region and Europe. It is also pleasing to see South Africa reporting growth again. The Asia Pacific region is also reporting satisfactory sales figures. The integration of the acquisitions TecsaReco in South Africa and Heatcraft in Australia has gone well, and both companies are now contributing to our profit.

Both commercial and comfort cooling have seen strong growth during the period. The after-sales market is stable, and project activities in the OEM business area continue to have high order input for green refrigeration installations. Work to implement our green refrigeration technology outside Europe is under way, and the plan is for the first non-European systems to be manufactured in South Africa in early 2019. Work is continuing to expand European production capacity in order to meet the growing demand in Europe.

Comfort cooling has performed well during the quarter with growth of almost 50 per cent, of which 22 per cent was organic. Successful part-

nerships with our strategic suppliers Toshiba, Mitsubishi Heavy Industries and Carrier are having an effect. Together we have gained additional market shares.

Refrigerant prices have fallen slightly compared with the previous quarter, but they remain at a high level. Our earlier assessment, that prices will stabilise during the second quarter of 2019, still holds true.

We face 2019 with confidence. With a growing market and an increased need for our products and technology, opportunities for growth are good, both organically and through acquisitions. We are working continuously to analyse opportunities to add strategic companies to our Group. This year's strong cash flow and balance sheet create the conditions for this.

All in all, 2018 was another record year. The Board of Beijer Ref proposes an increased dividend of SEK 3.00 (1.92).



Per Bertland
CEO

Fourth quarter of 2018

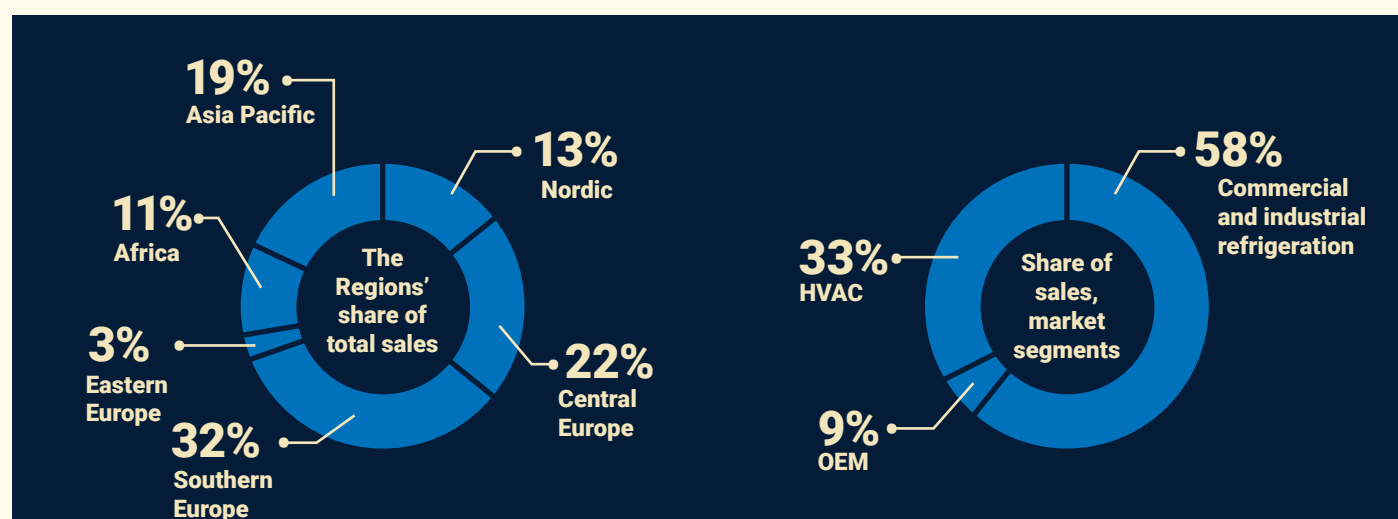
NET SALES

Beijer Ref increased its net sales by 37 per cent to SEK 3,293 million (2,401) in the fourth quarter of 2018, primarily due to a higher proportion of sales outside Europe, which has its high season during the winter months, and continued high prices, especially of refrigerants. All regions report growth in net sales. Adjusted for exchange rate changes and acquisitions, organic growth in net sales was 9.4 per cent. A weakened Swedish krona resulted in currency effects of SEK 117 million, corresponding to 5.3% since most of the company's net sales take place in currencies other than Swedish kronor.

Net sales during the year increased by 32 per cent to SEK 13,015 million (9,830).

Sales, sek m	Q4	%	12 months	%
Net sales 2017	2 401		9 830	
Organic change	238	9.4	1 385	13.4
Change through acquisitions ¹	537	22.4	1 300	13.2
Exchange rate fluctuation	117	5.3	500	5.8
Change total	892	37.2	3 185	32.4
Net sales 2018	3 293		13 015	

1) Refers to Beijer Ref Portugal which is included from September 2017, Tecsa which is included from March 2018, Heatcraft which is included from May 2018 and Lumelco which is included from August 2018



The figures above relate to the distribution of net sales during the fourth quarter of 2018.

Adjusted for exchange rate changes and acquisitions, organic growth in net sales was 13.4 per cent.

PROFIT

The Group's operating profit totalled SEK 229 million (179) during the fourth quarter, an increase of 28 per cent. The company had a higher share of sales in Asia Pacific at lower margins during the quarter. Comparative figures for refrigerants are at a relatively high level, as prices had already started to rise in the autumn of 2017.

The operating profit increased during the year by 50 per cent to SEK 1,085 million (725). Adjusted for exchange rate changes and acquisitions, the organic increase in the operating profit was 36 per cent. During the year, the Group's net financial items totalled SEK -31 million (-26) due to increased borrowing, mainly because of the acquisitions completed during the year. The pre-tax profit was SEK 1,055 million (699). The profit for the year was SEK 780 million (521). Profit per share totalled SEK 6.07 (4.02).

Cash flow, sek m	12 months 2018	12 months 2017
Cash flow from current operations before changes in working capital	949	642
Change in working capital	-282	-140
Cash flow from current operations	667	502

CASH FLOW

Cash flow from operating activities before change in working capital was SEK 949 million in 2018 compared with SEK 642 million for 2017, primarily due to the improved profit.

Working capital increased by SEK 282 million during the year compared with SEK 140 million the previous year. This produces cash flow from operating activities of SEK 667 million, compared with SEK 502 million the previous year. The change in working capital between the years is due primarily to growth in net sales and some build-up of stocks.

At the end of the year, the company has unutilised credit facilities totalling SEK 1,433 million (496).

INVESTMENTS

The Group's investments in fixed assets including business combinations totalled SEK 1,057 million (101) during the year and relate primarily to the acquisitions of TecsaReco, Heatcraft and Lumelco. During the year the company also invested SEK 87 million (0) in the repurchase of its own shares after deduction of the option premium received.

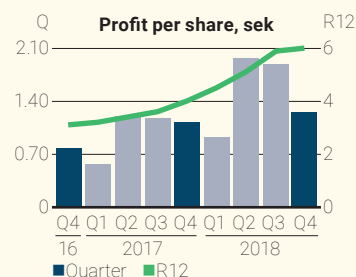
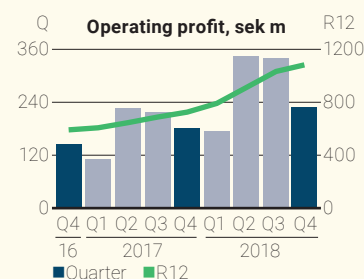
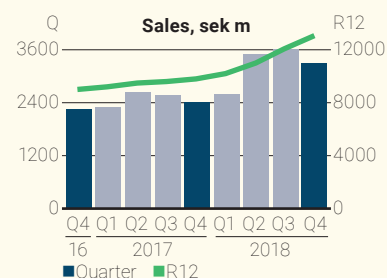
DIVIDEND

The Board of Directors proposes a dividend for 2018 of SEK 3.00 (1.92) per share, corresponding to a total dividend payment of SEK 380M (244) based on the number of outstanding shares at the end of 2018. It is also proposed that the dividend is to be paid in two installments, in April and October, in order to better match the Group's seasonality. The proposed record dates are 12 April and 11 October 2019 respectively.

SIGNIFICANT EVENTS DURING THE QUARTER

No acquisitions were made during the quarter, but the company is continuously evaluating new opportunities for growth and complementary acquisitions. During the quarter, the integration of Heatcraft in Australia in particular was implemented, which is expected to produce additional profit improvements in future.

The company has exercised the AGM's authorisation to repurchase its own shares following a decision on a long-term incentive scheme for senior executives. In total, the company repurchased 123,171



shares during the quarter and now holds 897,980 shares at an average purchase value of SEK 111. The incentive scheme runs between 2018 and 2021. The total cost of the scheme is in line with the Board's proposal and the AGM's decision, i.e. SEK 8 million, and was charged to the company's operating profit in 2018.

In the fourth quarter, Beijer Ref AB set up a commercial paper scheme with a financial envelope of SEK 1,500 million as part of Beijer Ref's financing. The organiser of the scheme was Handelsbanken and the issuing agents are Handelsbanken and Nordea. The company has available cre-

dit facilities corresponding to the amount issued, which totalled SEK 700 million. The scheme will have a positive effect on the company's net financial income.

OTHER SIGNIFICANT EVENTS DURING THE YEAR

The company's acquisition of Tecsareco in South Africa was completed on 1 March 2018, since when it has been included in the company's accounts. Annual net sales total approximately SEK 450 million and the company has approximately 300 employees and 23 branches.

Beijer Ref acquired Heatcraft Australia Pty Ltd in May 2018. The company has just over 300 employees and net sales of approximately SEK 1.1 billion. The acquisition also included operations in China and Singapore.

In July 2018, Beijer Ref and Mitsubishi Heavy Industries Air Conditioning Europe Ltd completed the formation of the subsidiary 3D Plus, with Beijer Ref as the majority shareholder. The company only had a marginal impact on the profit in 2018.

The acquisition of the Spanish air conditioning company Lumelco S.A. is included in the company's accounts as of August 2018 and strengthens Beijer Ref's position in the comfort cooling segment. The company has annual net sales of approximately SEK 400 million and over 60 employees. The acquisition is expected to generate long-term positive effects in terms of both net sales and profit.

All in all, these acquisitions represent an increase in net sales of approximately SEK 2 billion and 660 full-time equivalent employees.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

As of 2 January 2019, the Beijer Ref share is being traded on Nasdaq Stockholm's Large Cap.

RISK DESCRIPTION

The Beijer Ref Group's operations are subject to a number of business environment factors, the effects of which on the Group's operating profit can be controlled to varying degrees. The Group's operations depend on general economic trends, primarily in Europe, which determine demand for Beijer Ref's products and services. Acquisitions are normally associated with risks, for example loss of key employees. Other operating risks, such as agency and supplier agreements, product liability and delivery commitments, technical development, warranties, dependence on key individuals, etc., are analysed continually. Where necessary, measures are taken to reduce the Group's risk exposure. In its operations, Beijer Ref is subject to financial risks such as currency risk, interest rate risk and liquidity risk. The Parent's risk profile is the same as that of the Group. For further information, see the Group's Annual Report.

ACCOUNTING POLICIES

This interim report was prepared in accordance with IAS 34, the Swedish Annual Accounts Act and RFR 2. Beijer Ref continues to apply the same accounting policies and valuation methods as described in the most recent annual report.

Effects regarding the implementation of IFRS 15 - Revenue from Contracts with Customers and IFRS 9 - Financial Instruments have been analysed at both Group and subsidiary level. The new

standards do not have any material impact on the Group's financial statements other than increased disclosure requirements. The prospective method has been applied from January 2018.

Estimated effects of the transition to IFRS 16 Leases

Beijer Ref has assessed the effect of the transition to the new accounting standard IFRS 16 Leases, which will be applied as of 1 January 2019. The initial assessment is that IFRS 16 will have a positive effect on the operating profit and a minor positive effect on the profit after financial items. The estimated effects on the balance sheet are described in the table below. The lease portfolio contains approximately 1,500 contracts and comprises primarily operational leases for offices, warehouses, company cars, forklift trucks and office equipment.

Beijer Ref has identified many agreements, primarily relating to properties, with the right to extend. As a result of these considerations, many leases have been deemed to be longer.

Beijer Ref has chosen to report the transition to the new standard using the simplified method. The relief rule not to create a comparative year has been applied. A discount rate has been defined for each per country. Right of use agreements of less than 12 months are reported as short-term agreements and are therefore not included in the reported liabilities or rights of use. Right of use agreements with a acquisition value below USD 5,000 have been classified as low-value agreements and are not included in the reported liabilities or rights of use.

<i>sek m</i>	<i>Estimated adjustments resulting from the transition to IFRS 16 Leases</i>
Right of use	998
Deferred tax asset	11
Equity	31
Interest-bearing liabilities, Leases	-1 040

This interim report for Beijer Ref AB (publ) has been submitted following approval by the Board of Directors.

Malmö, 30 January 2019

Beijer Ref AB (publ)
Per Bertland, CEO & President

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This interim report has not been the subject of examination by the Company's Auditors.

This information is information that Beijer Ref AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08.30 CET on 30 January 2019.

Summarised profit and loss account, sek m	Q4-18	Q4-17	12 months 18	12 months 17
Net sales	3 293	2 401	13 015	9 830
Other operating income	4	4	20	21
Operating expenses	-3 039	-2 204	-11 843	-9 041
Depreciation	-30	-22	-106	-85
Operating profit	229	179	1 085	725
Net financial income/expense	-12	-5	-31	-26
Profit before tax	216	174	1 055	699
Tax	-52	-28	-275	-178
Net profit	164	146	780	521
<i>Net profit attributable to:</i>				
The parent company's shareholders	162	144	769	511
Non-controlling interests	2	2	10	10
Net profit per share before dilution, sek ¹	1.28	1.13	6.07	4.02
Net profit per share after dilution, sek ¹	1.27	1.13	6.04	4.02

1) Conversion of number of shares has been performed following completion of share split in order to enable comparability between the years.

The Group's report on other comprehensive income, sek m	Q4-18	Q4-17	12 months 18	12 months 17
Net profit	164	146	780	521
OTHER COMPREHENSIVE INCOME				
<i>Items which will not be reversed in the profit and loss account:</i>				
Revaluation of the net pension commitment	13	—	13	—
Change in fair value in respect of equity instruments valued at fair value via other comprehensive income	-7	—	-7	—
<i>Items which can later be reversed in the profit and loss account:</i>				
Exchange rate differences	-66	116	66	43
Hedging of net investment	-11	5	-35	-4
Other comprehensive income for the period	-72	122	36	40
Total comprehensive income for the period	92	268	816	561
<i>Attributable to:</i>				
The parent company's shareholders	89	264	801	552
Non-controlling interests	3	4	15	9

Summarised balance sheet, sek m	31 Dec 2018	31 Dec 2017
ASSETS		
<i>Fixed assets:</i>		
Intangible fixed assets	2 077	1 679
Tangible fixed assets	458	312
Other fixed assets	314	237
Total fixed assets	2 849	2 227
<i>Current assets:</i>		
Inventories	3 507	2 631
Trade debtors	2 204	1 726
Other receivables	368	319
Liquid funds	909	559
Total current assets	6 989	5 236
Total assets	9 838	7 463
EQUITY AND LIABILITIES		
Shareholders' equity	3 785	3 294
Total equity	3 785	3 294
Long term liabilities	3 090	1 868
Total long term liabilities	3 090	1 868
<i>Current liabilities:</i>		
Trade creditors	1 451	1 128
Other liabilities	1 513	1 172
Total equity and liabilities	2 963	2 301
Total equity and liabilities	9 838	7 463
Of which interest-bearing liabilities	3 431	2 208
Net debt ¹	2 522	1 649

1) The company has an authorised credit limit totalling SEK 4 085M (2 572) as of 31 December 2018, of which SEK 1 433M (496) remains to be utilised.

Key figures	31 Dec 2018	31 Dec 2017
Equity ratio, %	38.5	44.1
Equity per share before dilution, sek ¹	30	26
Equity per share after dilution, sek ¹	31	26
Return on equity after full tax, %	22.0	16.6
Return on capital employed, %	17.3	13.7
Return on capital employed in operations, %	19.4	14.9
Debt ratio	0.7	0.5
Interest coverage ratio	25.0	22.7
Number of outstanding shares ¹	126 536 710	127 173 090
Holding of own shares ¹	897 980	261 600
Total number of shares ¹	127 434 690	127 434 690
Average number of outstanding shares ¹	126 802 780	127 173 090

1) Conversion of number of shares has been performed following completion of share split in order to enable comparability between the years.

Summarised consolidated cash flow analysis, sek m	12 months 2018	12 months 2017
Cash flow from current operations before changes in working capital	949	642
Changes in working capital	-282	-140
Cash flow from investment operations	-1 057	-101
Change in financing operation	969	46
Dividend paid	-244	-233
Change in cash and bank	335	214
Exchange rate difference in liquid funds	15	4
Cash and bank on 1 January	559	342
Cash and bank at the period end	909	559

Shareholders' equity, sek m	31 Dec 2018	31 Dec 2017
Opening balance	3 294	2 967
Total comprehensive income for the period	816	561
Dividend	-244	-233
Repurchase of own shares	-98	—
Option premium received from exercising of option to purchase	11	—
Acquisitions from holders with no controlling influence	10	—
Transactions with holders with no controlling influence	-3	—
Dividend to shareholders with no controlling influence	-1	-1
Closing balance	3 785	3 294

Q4 sek m	Nordic		Central Europe		Southern Europe		Eastern Europe		Africa		Asia Pacific		Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net sales by operation	425	365	735	642	1 087	865	105	98	366	202	625	264	3 342	2 436
Internal sales between operations													-49	-36
Net sales													3 293	2 401
Operating profit by operation	69	60	45	37	53	52	6	8	37	18	48	21	257	197
Group-wide expenses ¹													-28	-18
Operating profit													229	179
Net financial													-12	-5
Tax													-52	-28
Net profit													164	146
Working capital, average for the period	483	438	1 010	792	1 506	1 094	191	180	482	312	821	392	4 493	3 209
Group eliminations													-6	-7
Total average working capital													4 486	3 202

12 months sek m	Nordic		Central Europe		Southern Europe		Eastern Europe		Africa		Asia Pacific		Group	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Net sales by operation	1 717	1 369	3 307	2 732	4 688	3 793	493	388	1 164	734	1 874	989	13 242	10 005
Internal sales between operations													-227	-175
Net sales													13 015	9 830
Operating profit by operation	282	164	274	172	409	302	59	35	68	47	99	75	1 191	795
Group-wide expenses ¹													-105	-70
Operating profit													1 085	725
Net financial													-31	-26
Tax													-275	-178
Net profit													780	521
Working capital, average for the period	491	427	953	766	1 425	1 135	194	163	474	345	691	363	4 228	3 198
Group eliminations													-7	-3
Total average working capital													4 222	3 195

1) The increase in Group-wide expenses is explained primarily by expenses in connection with acquisitions, as well as purchasing and digitalisation projects

Reporting for segments

Operating segments

The Group's operation is split into operating segments based on how the company's highest executive decision maker, i.e. the CEO, monitors the operation. The Group has the following segments; the Nordic countries, Central Europe, Southern Europe, Eastern Europe, Africa and Asia Pacific.

The segments reporting for the regions contains the profit and loss account up to and including operating profit. Internal sales within each segment are eliminated in net sales by operation, internal sales between segments are eliminated on total level. The working capital includes inventories, trade debtors and trade creditors and is an average based on monthly values for the period.

Company acquisitions

For each acquisition, the company performs a materiality assessment based on net sales, product area and market. It is our assessment that an acquisition is significant in cases where the net sales of the acquired company exceed 5% of total net sales. Information about significant acquisitions is provided in the note below on business combinations. An aggregated assessment is performed for other acquisitions and are included in the 'Other Reported Value' column below.

2018

Fourth quarter

No acquisitions made during the quarter.

Third quarter

On 2 July 2018, Beijer Ref AB and Mitsubishi Heavy Industries Air Conditioning Europe Ltd completed the formation of the subsidiary 3D Plus in the UK, with Beijer Ref as the majority shareholder. The formation of the subsidiary has only a marginal effect on net sales and the balance sheet total in 2018, as it is a newly formed company.

Acquisition and takeover of the Spanish and Portuguese air conditioning company Lumelco S.A., which is included in the company's accounts as of August. The takeover has an effect on net sales with SEK 50 million and the profit with SEK 3 million in 2018. The acquisition is expected to generate long-term positive effects in terms of both net sales and profit. The company has long been a distributor of Mitsubishi Heavy Industries' products and has annual net sales of approximately SEK 400 million and over 60 employees.

Second quarter

Beijer Ref acquired Heatcraft Australia Pty Ltd. The company has just over 300 employees and net sales in 2017 totalled approximately SEK 1.1 billion. Sales are made through around 65 branches. The acquisition also includes an operation in Singapore and a manufacturing unit in China. The total purchase

price was SEK 725 million. This purchase price included operations in New Zealand that were divested at the time of acquisition due to current competition law. This sale was made at an amount corresponding to SEK 143 million and resulted in a decrease in acquired goodwill of SEK 51 million. The company's profits are included in the company's accounts as of 5 May. The company makes a positive contribution to net sales with SEK 755 million and a positive effect on the operating profit with SEK 21 million. With the acquisition of Heatcraft, Beijer Ref becomes a significantly stronger player in Australia.

First quarter

The company completed the acquisition of the wholesale company TecsaReco in South Africa. The company has annual net sales of SEK 450 million with 300 employees across 23 branches. The company is incorporated into the consolidated accounts as of 1 March 2018. TecsaReco has affected the Group's net sales by approximately SEK 409 million and the operating profit by around SEK 28 million.

2017

Fourth quarter

Agreement to acquire South African company TecsaReco. The takeover is scheduled for 1 March 2018.

Third quarter

Acquisition of the Portuguese refrigeration distribution company DX Por with net sales of approximately SEK 40 million. The company is the main distributor for Toshiba HVAC in Portugal. DX Por is integrated into Beijer Ref's organisation as of September 2017.

Second quarter

No acquisitions made during the quarter.

First quarter

No acquisitions made during the quarter.

Acquisitions of companies ¹ 2018 sek m	Heatcraft Reported value	Fair value adjustment	Other Reported value	Fair value adjustment	Fair value in the Group
Goodwill	0	96	2	255	353
Customer lists	6	15	1	38	59
Tangible fixed assets	86	0	7	0	94
Financial fixed assets	34	-5	0	0	29
Deferred tax assets	25	10	0	13	48
Inventories	332	-39	314	-34	574
Other current assets	305	-2	295	-3	595
Liquid funds	116	0	11	0	128
Deferred tax liability	0	-4	0	-10	-15
Provision	-4	0	-6	0	-10
Interest-bearing loan	0	0	-97	0	-97
Other current liabilities	-245	-2	-313	-13	-572
Total identifiable net assets	656	69	215	246	1 186
<i>Effect on the cash flow</i>					
Consideration	-725		-461		-1 186
Liquid funds in acquired companies	116		11		128
	-609		-450		-1 059

1) Unless otherwise stated, all acquisitions refer to 100%

Parent company profit and loss account in summary, sek m	12 months 2018	12 months 2017
Operating income	60	49
Operating expenses	-84	-57
Depreciation	-3	-2
Operating profit	-27	-10
Net financial income/expense	-15	3
Result of participations in Group companies	347	260
Profit before appropriations	305	253
Appropriations	114	59
Profit before tax	419	312
Tax	-16	-12
Net profit	403	301

Parent company balance sheet in summary, sek m	31 Dec 2018	31 Dec 2017
ASSETS		
Intangible fixed assets	8	7
Tangible fixed assets	5	5
Financial fixed assets	3 707	2 731
Current assets	1 373	1 111
Total assets	5 093	3 853
EQUITY AND LIABILITIES		
Shareholders' equity	1 814	1 742
Long-term liabilities	2 836	1 627
Current liabilities	443	485
Total equity and liabilities	5 093	3 853

Financial definitions		Trade terms	
	Δ% Change in percentage.	ARW	Air Condition & Refrigeration Wholesale.
Capital employed	Balance sheet total with a deduction for non-interest-bearing liabilities and deferred tax liability.	F-gas	Refrigerants with a greenhouse effect (so-called fluorised greenhouse gases).
Debt/equity ratio	Net debt in relation to equity. The objective is to show borrowing in relation to book value of equity.	GWP	Global Warming Potential
EBITDA	Earnings before interest, taxes, depreciation and amortisation of tangible and intangible fixed assets. The objective of reporting EBITDA is that the Group regards it as a relevant measure for an investor who wants to understand the generation of earnings before investments in fixed assets.	HCFC	HydroChloroFluoroCarbons, which affects the ozone layer and contribute to global warming.
Equity ratio	Equity at the end of the period in relation to balance sheet total.	HFC	HydroFluoroCarbons, Fluorised greenhouse gases which contribute to global warming.
Interest-bearing liabilities	Interest-bearing liabilities include interest-bearing provisions.	HFO	HydroFluoroOlefins, synthetic environmentally friendly refrigerants.
Interest coverage ratio	Earnings before tax plus financial expenses in relation to financial expenses. The objective of this measure is to show the proportion of earnings allocated to paying interest expenses and other financial expenses.	HVAC	Heating, Ventilation, Air Conditioning.
Net debt	Interest-bearing liabilities less liquid funds including current investments. We are of the opinion that the net debt is useful for the users of the financial report as a complement for assessing the possibility for a dividend, for carrying out strategic investments and for assessing the Group's possibilities for living up to financial commitments.	OEM	Original Equipment Manufacturer.
Operating capital	Capital employed minus liquid funds, financial assets and other interest-bearing assets.	Transcritical	Heat transfer with gas cooler.
Operating margin	Operating profit in relation to net sales.	Geographic areas	
Organic change	Comparative figures year over year adjusted for translation effects on consolidation and changes in the structure.	Africa	Botswana, Ghana, Mozambique, Namibia, South Africa, Tanzania, Zambia
Profit per share	Net profit in relation to average number of shares.	Asia Pacific	Australia, China, India, Malaysia, New Zealand, Singapore, Thailand
R12	Rolling twelve is the latest 12 months.	Central Europe	Belgium, Ireland, The Netherlands, Switzerland, Germany, UK
Return on capital employed	Profit before tax plus financial expenses (rolling 12 months) in relation to average capital employed.	Eastern Europe	Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia
Return on equity	Earnings after tax (rolling 12 months) as a percentage of average equity. The objective of return on equity and other return measures is to put the earnings in relation to important balance sheet items.	Nordic	Denmark, Finland, Norway, Sweden
Return on operating capital	Operating profit (rolling 12 months) as a percentage of average capital employed in operations.	Southern Europe	France, Italy, Portugal, Spain

Beijer Ref in short

The Beijer Ref Group is focused on trading and distribution operations within refrigeration products, air conditioning and heat pumps. The product programme consists mainly of agency products from leading international manufacturers and, in addition, some manufacture of own products, combined with service and support for the products. The Group creates added value by contributing: technical competence to the products; accounting for knowledge and experience about the market; and by providing efficient logistics and warehousing.

Operations are carried out by region within the Beijer Ref, which comprises Beijer Ref ARW (Air conditioning, refrigeration, wholesale) and Toshiba's distribution operation within air conditioning and heating. The Beijer Ref Group is a leading operator within the refrigeration sector in Europe and has a significant position within air conditioning in Europe. The operation is split into six geographic segments: Nordic countries, Southern Europe, Central Europe, Eastern Europe, Africa and Asia Pacific. Growth is achieved both organically and through the acquisition of companies which supplement existing operations.

Seasonal effects

Beijer Ref's sales are seasonally dependent as demand for refrigeration and air conditioning is at its peak during the warm months of the year. It means that demand in the northern hemisphere is at its peak during the second and third quarters whilst demand in the southern hemisphere is at its peak during the first and fourth quarters.

Financial calendar

- The Annual Report for 2018 will be published in March 2019.
- The Annual Meeting of shareholders will be held on 10 April 2019 in Malmö.
- The Interim Report for the first quarter 2019 will be published on 16 April 2019.
- The Interim Report for the second quarter 2019 will be published on 12 July 2019.
- The Interim Report for the third quarter 2019 will be published on 22 October 2019.
- The Interim Report for the fourth quarter 2019 will be published on 30 January 2020.

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The total amount in tables and statements might not always summarize as there are rounding differences. The aim is to have each line item corresponding to the source and it might therefore be rounding differences in the total.

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In the event of any discrepancies between this translation and the original Swedish document, the latter shall be deemed correct.