

BEIJER REF

Beijer Ref AB Q1-2020

English version

Beijer Ref AB

Q1-2020

Impact of Covid-19 in the first quarter

First quarter

- Net sales increased by 1.3% in the first quarter compared to the same period last year and amounted to SEK 3,478 million (3,434). Acquisition effects amounted to 3.3%. Positive currency effects amounted to 1.2%, while organic growth was negative by -3.2%.
- The operating profit for the quarter amounted to SEK 197 million (244), a decrease of 19% compared with the same period last year. The operating margin amounted to 5.7% (7.1%). The main reasons for this are the effects of Covid-19 and a lower share of refrigerant sales.
- Profit before tax was SEK 182 million (228). Net financial items are in line with previous years despite increased borrowing in connection with the acquisition of ACD Trade.
- Profit per share before and after dilution amounted to SEK 1.05 (1.33 and 1.32 respectively), a decrease of 21%.
- The acquisition of the wholesale company ACD Trade in Australia was completed in the first quarter of 2020. The company has annual sales of SEK 540 million with 60 employees across 9 branches. The company is included in the consolidated accounts with effect from 1 February 2020.
- The company's liquidity remained good during the quarter and the company's balance sheet is strong, with unutilised credits amounting to SEK 1,272million (1,588).
- The second quarter will be affected by the effects of Covid-19. Measures have been taken in all parts of the business to fend off some of the effects. The action programme will have an effect in the second quarter and the company expects net savings of approximately SEK 250 million in 2020.
- Due to the present uncertainty about the effects of Covid-19, the board has decided to postpone the Annual General Meeting and proposes that the dividend is halved to SEK 1.75. The new date for the Annual General Meeting is 25 June 2020.

Key figures	Q1-20	Q1-19	Δ%	R12	FY 19
Net sales, sek m	3 478	3 434	1.3	14 862	14 817
EBITDA, sek m	309	346	-10.8	1 617	1 655
Operating profit, sek m	197	244	-19.2	1 183	1 230
Profit margin, %	5.7	7.1	—	8.0	8.3
Net profit, sek m	135	170	-20.5	838	873
Profit per share before dilution, sek	1.05	1.33	-20.5	6.55	6.82
Return on operating capital, %	2.5	3.5	—	15.3	17.8
Return on equity, %	3.0	4.3	—	19.6	21.4
Average number of employees	3 843	3 753	2.4	—	3 869

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.

Comments by the CEO

We shall come out of this crisis stronger

The first quarter of the year had a strong start before the Covid-19 pandemic made an impact on the global economy. It is a scenario that we could not have foreseen, but which is nonetheless a reality to which we must relate. As soon as we realised the extent of the situation, necessary measures were taken to address these new market conditions. Our strong cohesion that characterises the group plays an especially important role now, because such rapid changes require teamwork and loyalty from our employees. They are our greatest asset and their safety and well-being will always be of the highest priority.

Sales in the first two months of the quarter followed our expectations until the effects of Covid-19 became felt in the second half of March. Overall, net sales including acquisitions are slightly higher than in the same period last year.

The operating margin for the quarter has been negatively affected and two factors in particular have had an effect. Refrigerant prices have continued to fall and are at a lower level than in the previous year. However, we are beginning to sense some stabilisation of this trend and in historical terms prices are still at a high level. The effect of Covid-19 has obviously also had an impact, with most of the largest markets, which together make up about 70% of sales, being almost completely shut down during part of March. Nevertheless, sales of air conditioning have been relatively strong during the quarter, especially in Central Europe, Eastern Europe and Asia Pacific. Our HVAC product area has thus experienced growth during the quarter, including the effects of the acquisition of ACD Trade in Aus-

tralia at the beginning of the year. In the OEM business we see a slight increase in sales during the quarter, despite the fact that our factories in China and Italy had to close for a short period in February and March respectively. Since Beijer Ref's business is considered to be essential to society – our products are necessary for the proper functioning of the food industry – most of our 450 branches are open in order to provide service and maintenance, in some cases in very restrictive forms.

Our assessment is that the effects of Covid-19 will have an even greater impact on the business in the second quarter. For this reason, we have taken measures in the form of cost savings. Examples of such measures are that management and most employees have voluntarily reduced their salaries. A large proportion of our employees have temporarily reduced working hours, the number of employees has been reduced and major investment projects have been temporarily paused. We have also negotiated improved terms with our suppliers. All in all, our cost base has been reduced in both the short and long term, while we will be able to gear up quickly again when the market turns up. We hope and believe that the third quarter will be more stable and that the market will return to a more normalised state by the end of the year.

Historically, Beijer Ref has come out stronger after a crisis. We are part of an industry that is important to society, which means that the business does not come to a stop despite the fact that we are in an extreme situation. In circumstances such as these, there may be acquisition opportuni-

ties that would otherwise not have been possible. Our e-commerce has increased significantly during this period, which gives us a clear indication that our initiatives in digitalisation have been well worth the investment costs and here we will of course continue to invest for the future.

Beijer Ref has always been and will remain a company that stands for stability, in both good and bad times. Due to the present Covid-19 crisis, the board has proposed halving the dividend and postponing the Annual General Meeting until the end of June. The group's strong balance sheet and cash flow provide us with security even in the present circumstances and we are determined to learn lessons from what we are going through now, in order to be even better in the future. 2020 will be challenging, but we see a bright future and will be strong on the day things turn.



Per Bertland
CEO

First quarter of 2020

1.3%

Increased sales

-19%

Change in operating profit

15%

Return on operating capital

38%

Equity ratio

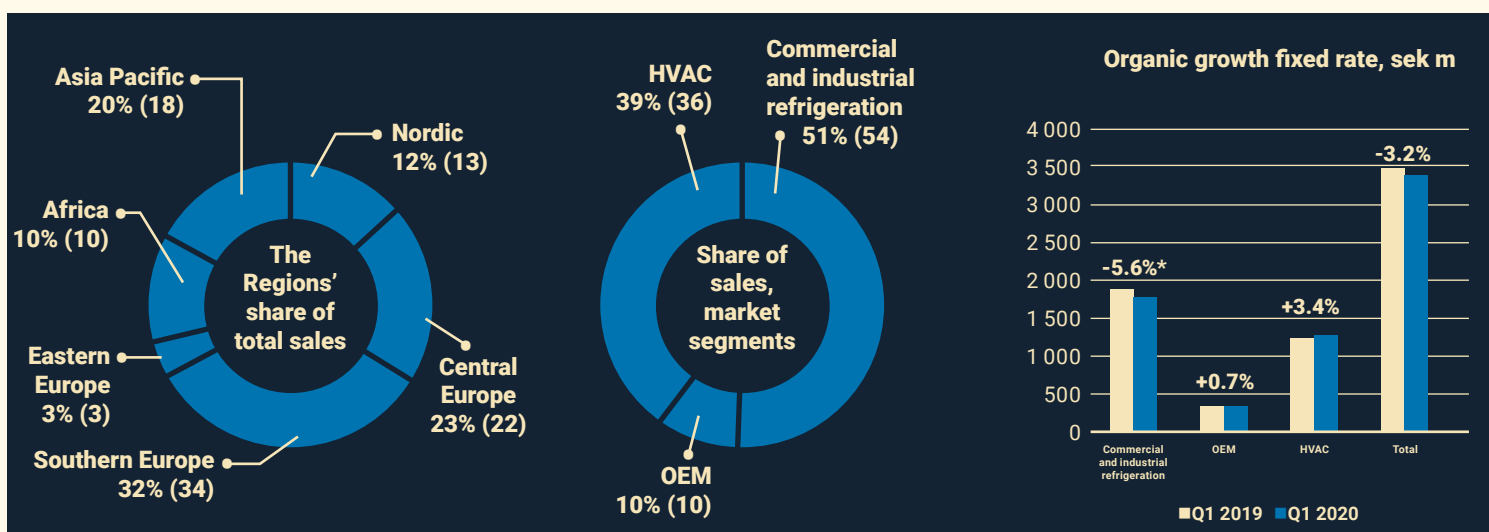
NET SALES

Beijer Ref increased its net sales by 1.3 per cent to SEK 3,478 million (3,434) in the first quarter of 2020. Adjusted for exchange rate changes and acquisitions, organic growth in net sales was negative at -3.2 per cent (7.8).

The main reasons are falling refrigerant prices and the effect of Covid-19, with most of the largest markets, which together make up about 70% of sales, being almost completely shut down during part of March. The company estimates that sales have decreased by approx. SEK 200 million as a result of Covid-19. A weakened Swedish krona resulted in positive currency effects of SEK 41 million (104), corresponding to 1.2 per cent (4.3), since most of the company's sales are in currencies other than Swedish kronor.

Sales, sek m	Q1	%
Net sales 2019	3 434	
Organic change	-110	-3.2
Change through acquisitions ¹	114	3.3
Exchange rate fluctuation	41	1.2
Change total	45	1.3
Net sales 2020	3 478	

1) The acquisition relates to ACD Trade, which is included in the consolidated financial statements from February 2020.



The figures above relate to the distribution of net sales during the first quarter of 2020. Figures in brackets refer to the corresponding period last year.

*) About 5% of the decline is explained by falling prices and lower volumes of refrigerants.

PROFIT

The group's operating profit totalled SEK 197 million (244) during the first quarter, which is a decrease of 19 per cent. Positive exchange rate effects of SEK 3 million (8) are included in the operating profit figures. The operating margin amounted to 5.7 per cent (7.1).

The reduction in profit is due to lower prices of refrigerants, a shift in the mix to a higher proportion of air conditioning and the effects of Covid-19.

Profit before tax was SEK 182 million (228). Profit for the period was SEK 135 million (170). Profit per share before dilution amounted to SEK 1.05 (1.33).

CASH FLOW

Cash flow from current operations before changes in working capital amounted to SEK 218 million in 2020, compared with SEK 278 million in 2019. The change is due to lower earnings during the quarter and a higher proportion of tax paid.

Working capital increased by SEK 21 million during the quarter compared with SEK 42 million the previous year. This gives cash flow from current operations of SEK 197 million (236). The change in working capital between the years is due primarily to a smaller build-up of stocks during the quarter.

At the end of the period, the company had credit facilities amounting to SEK 4,044 million (4,114), of which unutilised credits amounted to SEK 1,272 million (1,588). Of the total credit facilities, 70% are due in November 2020 and the remainder in 2022 and 2023.

INVESTMENTS

Cash flow from investment activities amounted to SEK -218 million (-27), which relates primarily to business combinations and investments in fixed assets. During the first quarter, the company acquired ACD Trade, while no acquisitions were made in the corresponding period last year.

COMPANY ACQUISITIONS

The acquisition of the wholesale company ACD Trade in Australia was completed in the first quarter of 2020. The company

has annual sales of SEK 540 million with 60 employees across 9 branches. The company is included in the consolidated accounts with effect from 1 February 2020. With the acquisition, Beijer Ref will be an even stronger player in Australia and the Asia Pacific region will account for about 20 per cent of the company's future sales.

SIGNIFICANT EVENTS DURING AND AFTER THE QUARTER

The first quarter of the year has in many ways been marked by the new Covid-19 virus and its effects on society and the stock market. At the beginning of 2020, macroeconomic conditions were relatively good, although a slight slowdown could be observed. However, the spread of the Covid-19 virus changed the situation drastically and the market reacted with sharp stock market falls and lower interest rates. So far, the consequences have been significant and it is too early at present to assess the overall effects the outbreak will have on Beijer Ref. From mid-March onwards, markets representing 70% of the company's operations have been closed. In China, which was the first out, production is in full swing and demand is increasing. The factory in Italy is also open from 6 April and has a good stock of orders. The company estimates that sales have decreased by approx. SEK 200 million as a result of Covid-19. Measures have been taken to address the effects, including in the following areas:

- Adjusted purchasing and inventory build-up, as well as extended credit periods
- Postponed investment plans at the company's central warehouse in Lyon, France
- Negotiations with landlords
- Temporarily reduced working hours for employees
- Redundancies and reductions in pay

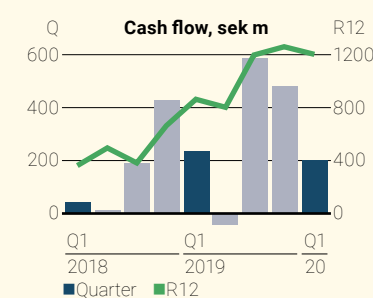
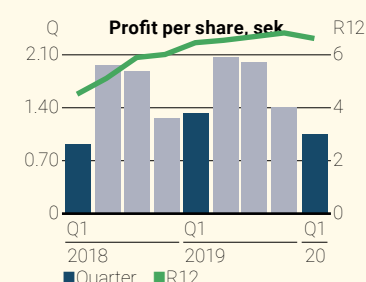
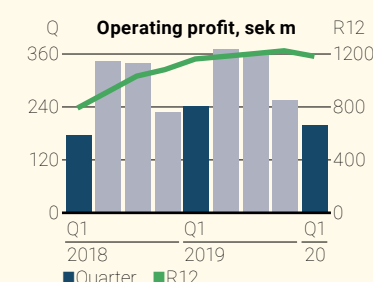
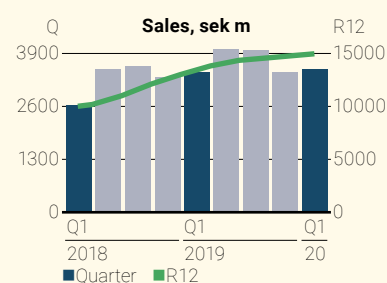
The action programme will have an effect from the second quarter onwards and the company expects net savings of approximately SEK 250 million during 2020.

Cash flow, sek m	Q1 2020	Q1 2019
Cash flow from current operations before changes in working capital	218	278
Change in working capital	-21	-42
Cash flow from current operations	197	236

ANNUAL GENERAL MEETING

The Annual General Meeting will be held in Malmö on 25 June 2020. The venue will be advised later. For safety reasons, the meeting will be kept as short as possible to reduce the risk of infection. In view of the present uncertainty caused by the Covid-19 pandemic, the board has decided to halve the dividend proposed to the Annual General Meeting.

It is the board's ambition to call shareholders to an extraordinary general meeting later this year to decide on an additional dividend, if the market has stabilised and normalised.



THE SHARE

Since 2 January 2019, Beijer Ref's B share has been listed on Nasdaq OMX Stockholm's Large Cap list. The share capital in Beijer Ref totals SEK 371,685,513, made up of 127,434,690 shares, each with a quota value of SEK 2.92. There are two types of share, A shares and B shares, which represent ten and one votes respectively. Beijer Ref had 9,101 shareholders on 31 March 2020 (7,313). The proportion of foreign shareholders amounts to 4.5% (4.6), corresponding to a capital shareholding of 59.6% (54.8). As of 31 March 2020, there were 9,918,720 class A shares and 117,515,970 class B shares. The company's ten largest shareholders hold 78.6% (80.4) of the votes and 64.5% (67.5) of the capital. Average sales of the Beijer share in the quarter amounted to 184,243 shares (210,805) per day at an average purchase price of SEK 233 (150). The closing price on 31 March 2020 was SEK 179 (150). As of 31 March 2020, the market value was SEK 22.8 billion (19.4).

RISK DESCRIPTION

Beijer Ref group's operations are affected by a number of external factors whose effects on the group's operating profit can be monitored to varying degrees. The group's operations depend on general economic developments in Europe in particular, which govern demand for Beijer Ref's products and services.

Like other global companies, Beijer Ref is affected by pandemics and in 2020 the Group will be affected by Covid-19. Most of the largest markets, which together make up about 70% of sales, has been almost completely shut down during part of March. The company is taking the necessary steps to reduce its impact and is following the WHO recommendations.

Acquisitions are normally associated with risks, such as loss of key personnel. Other operating risks, such as agency and supplier agreements, product liability and delivery commitments, technical development, guarantees, dependence on individuals etc., are continuously analysed. If necessary, measures are taken to reduce the group's risk exposure. In its operations, Beijer Ref is exposed to financial risks such as foreign exchange risk, interest rate risk and liquidity risk. The parent company's risk pattern 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. Information pursuant to IAS 34.16A, in addition to disclosure in the financial reports and their associated notes, also appears in other parts of the interim report.

Financial assets and liabilities by category and level of valuation

The group's financial assets and liabilities consist of financial assets measured at fair value through other comprehensive income and financial assets and liabilities valued at accrued acquisition value.

Financial assets valued at fair value through other comprehensive income consist of two holdings, one of which (SEK 6 million) refers to listed shares and is valued at market value on the balance sheet date (valuation level 1). The second holding (SEK 25 million) is an unlisted holding and is valued at estimated fair value (valuation level 3). Financial assets valued at accrued acquisition value, such as trade receivables and other receivables, as well as cash and cash equivalents, amount to SEK 3,731 million on the balance sheet date and financial liabilities valued at accrued acquisition value such as accounts payable, leasing liabilities and borrowings, as well as other long-term liabilities, amount to SEK 6,934 million.

Financial interest-bearing liabilities such as loans linked to financing are entered at accrued acquisition value and are considered to constitute a good estimate of fair value taking into account the fixed terms and the setting of interest rates.

TELEPHONE CONFERENCE Q1 2020

The company invites investors, analysts and the media to attend a telephone conference at which CEO Per Bertland and CFO Maria Rydén will present the interim report for the first quarter of 2020. The presentation is held in English and lasts about 20 minutes. The meeting is on 21 April at 10.00 CET.

Follow the link: <https://financialhearings.com/event/12675>.

Teleconference: Dial-in number

SE: +46 8 566 426 93

UK: +44 33 330 090 32

US: +1 833 526 83 81

The presentation will also be available on the company's website www.beijerref.com from 08.40 on 21 April.

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

Malmö, 21 April 2020

Beijer Ref AB (publ)

Per Bertland, CEO & President

For more information on this report:

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This report 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 21 April 2020.

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

Summarised profit and loss account, sek m	Q1-20	Q1-19	R12	FY 19
Net sales	3 478	3 434	14 862	14 817
Other operating income	8	4	32	28
Operating expenses	-3 178	-3 092	-13 277	-13 191
Depreciation	-112	-102	-434	-424
Operating profit	197	244	1 183	1 230
Net financial income/expense	-15	-16	-56	-56
Profit before tax	182	228	1 128	1 174
Tax	-47	-59	-290	-301
Net profit	135	170	838	873
<i>Net profit attributable to:</i>				
The parent company's shareholders	133	168	829	864
Non-controlling interests	2	2	9	9
Net profit per share before dilution, sek	1.05	1.33	6.55	6.82
Net profit per share after full dilution, sek	1.05	1.32	6.51	6.78

The Group's report on other comprehensive income, sek m	Q1-20	Q1-19	R12	FY 19
Net profit	135	170	838	873
OTHER COMPREHENSIVE INCOME				
<i>Items which will not be reversed in the profit and loss account:</i>				
Revaluation of the net pension commitment	—	—	-24	-24
Change in fair value in respect of equity instruments valued at fair value via other comprehensive income	-12	2	-19	-5
Income tax relating to components of other comprehensive income	3	—	7	4
<i>Items which can later be reversed in the profit and loss account:</i>				
Exchange rate differences	94	110	130	145
Hedging of net investment	-97	17	-96	18
Income tax relating to components of other comprehensive income	21	-4	21	-4
Other comprehensive income for the year	8	124	19	135
Total comprehensive income for the period	143	294	857	1 008
<i>Attributable to:</i>				
The parent company's shareholders	142	287	844	990
Non-controlling interests	1	6	13	18

Summarised balance sheet, sek m	31 March 2020	31 March 2019	31 Dec 2019
ASSETS			
<i>Fixed assets:</i>			
Intangible fixed assets	2 298	2 120	2 134
Tangible fixed assets	519	472	486
Other fixed assets	358	330	329
Right of use assets	1 059	1 031	998
Total fixed assets	4 235	3 954	3 947
<i>Current assets:</i>			
Inventories	4 022	3 812	3 755
Trade debtors	2 549	2 531	2 247
Other receivables	378	327	334
Liquid funds	782	774	795
Total current assets	7 732	7 445	7 132
Total assets	11 967	11 399	11 079
EQUITY AND LIABILITIES			
Shareholders' equity	4 512	4 046	4 369
Total equity	4 512	4 046	4 369
Long term liabilities	1 217	3 698	1 178
Total long term liabilities	1 217	3 698	1 178
<i>Current liabilities:</i>			
Trade creditors	1 978	1 870	1 538
Other liabilities	4 259	1 785	3 993
Total current liabilities	6 237	3 655	5 531
Total equity and liabilities	11 967	11 399	11 079
Of which interest-bearing liabilities	4 229	4 273	4 002
Net debt	3 447	3 499	3 207
Authorised credit limit	4 044	4 114	3 918
Of which remains to be utilised	1 272	1 588	1 631

Key figures	31 March 2020	31 March 2019	31 Dec 2019
Equity ratio, %	37.7	35.5	39.4
Equity per share before dilution, sek	36	32	35
Equity per share after full dilution, sek	37	33	35
Return on equity after tax, %	3.0	4.3	21.4
Return on capital employed, %	2.3	3.2	15.9
Return on capital employed in operations, %	2.5	3.5	17.8
Debt ratio	0.8	0.9	0.7
Interest coverage ratio	11.9	14.3	18.4
Interest coverage ratio	126 536 710	126 536 710	126 536 710
Holding of own shares ¹	897 980	897 980	897 980
Total number of shares	127 434 690	127 434 690	127 434 690
Average number of outstanding shares	126 536 710	126 536 710	126 536 710

1) Holdings of own shares ensure the delivery of shares to participants in the options programme. The options programme falls due in June 2021.

Summarised consolidated cash flow analysis, sek m	3 months 2020	3 months 2019	FY 2019
Operating profit	197	244	1 230
Non-cash generated items	113	90	438
Paid interest	-17	-17	-67
Paid income tax	-75	-39	-313
Profit on sale of tangible fixed assets	–	–	-8
Cash flow from current operations before changes in working capital	218	278	1 280
Changes in working capital	-21	-42	-25
Cash flow from investment operations	-219	-27	-137
Cash flow from financial operations	76	-290	-570
Amortisation of leasing liabilities	-79	-71	-296
Dividend paid	–	–	-380
Change in cash and bank	-24	-152	-127
Exchange rate difference in liquid funds	11	17	12
Cash and bank on 1 January	795	909	909
Cash and bank at the period end	782	774	795

Shareholders' equity, sek m	31 March 2020	31 March 2019	31 Dec 2019
Opening balance	4 369	3 785	3 785
Adjustment on adoption of IFRS 16	–	-32	-32
Total comprehensive income for the period	143	294	1 008
Dividend	–	–	-380
Transactions with holders with no controlling influence	–	–	1
Dividend to shareholders with no controlling influence	–	–	-12
Closing balance	4 512	4 046	4 369

Q1 sek m	Nordic		Central Europe		Southern Europe		Eastern Europe		Africa		Asia Pacific		Group	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Net sales by operation	418	434	813	773	1 186	1 236	112	99	335	347	686	605	3 550	3 493
- of which Commercial and industrial refrigeration	261	252	496	515	447	495	80	76	218	226	280	295	1 781	1 859
- of which HVAC	104	142 ¹⁾	275	230	617	616	29	20	78	85	277	172	1 380	1 264
- of which OEM	53	39	42	28	122	125	4	4	39	36	129	139	389	371
Internal sales between operations													-72	-60
Net sales													3 478	3 434
Operating profit by operation	37	51	38	43	59	92	7	6	28	28	51	45	219	264
Group-wide expenses													-22	-21
Operating profit													197	244
Net financial													-15	-16
Tax													-47	-59
Net profit													135	170
Working capital, average for the period	549	519	1 005	992	1 442	1 432	190	179	500	514	920	831	4 606	4 466
Group eliminations													-1	-9
Total average working capital													4 606	4 456

1) Last year is effected by one-time sales amounting to SEK 50M outside geographical territories.

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. Net sales are distributed by product area, i.e. Commercial and Industrial Refrigeration, HVAC and OEM. 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.

2020

First quarter

During the quarter, Beijer Ref acquired ACD Trade, a leading company in HVAC distribution in Australia with some 60 employees. With the acquisition of ACD Trade, the group's presence in Australia has been further strengthened. Sales are made through nine branches and annual sales amount to approximately SEK 540 million. The total purchase price amounts to SEK 211 million and is included in the consolidated financial statements with effect from 1 February 2020. ACD Trade contributed SEK 113.4 million to the group's net sales for the quarter and made a positive contribution to operating profit of SEK 8.0 million. The figures presented below are preliminary and may be adjusted once the acquisition balances have been established.

2019

First quarter

No acquisitions made during the quarter.

Acquisitions of companies	ACD Trade Reported value	Fair value adjustment	Fair value in the Group
Goodwill	51	51	102
Customer lists	0	18	18
Tangible fixed assets	15	0	15
Deferred tax assets	5	1	6
Inventories	88	-4	84
Other current assets	72	0	72
Liquid funds	31	0	31
Deferred tax liability	-6	-5	-11
Other current liabilities	-217	112	-105
Total identifiable net assets	38	173	211
<i>Effect on the cash flow</i>			
Consideration	-211		-211
Liquid funds	31		31
	-180		-180

Parent company profit and loss account in summary, sek m	3 months 2020	3 months 2019	FY 2019
Operating income	–	–	57
Operating expenses	-19	-18	-74
Depreciation	-1	-1	-3
Operating profit	-20	-18	-20
Net financial income/expense	-96	23	53
Result of participations in Group companies	–	28	448
Profit before appropriations	-116	32	481
Appropriations	–	–	68
Profit before tax	-116	32	549
Tax	–	–	-20
Net profit	-116	32	529

Parent company balance sheet in summary, sek m	31 March 2020	31 March 2019	31 Dec 2019
ASSETS			
Intangible fixed assets	6	8	7
Tangible fixed assets	4	4	4
Financial fixed assets	3 888	3 775	3 800
Current assets	995	1 131	1 050
Total assets	4 894	4 919	4 860
EQUITY AND LIABILITIES			
Shareholders' equity	1 847	1 846	1 963
Long-term liabilities	1 210	2 662	1 174
Current liabilities	1 837	411	1 723
Total equity and liabilities	4 894	4 919	4 860

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.	Chiller	Liquid refrigeration unit.
Debt/equity ratio	Net debt in relation to equity. The objective is to show borrowing in relation to book value of equity.	CO₂ equivalent	A measurement of greenhouse gas emissions and how much carbon dioxide is needed to produce the same effect on the climate.
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.	F-gas	Artificial gases containing fluorine, such as HCFCs and HFCs.
Equity ratio	Equity at the end of the period in relation to balance sheet total.	GWP	Global Warming Potential
Interest-bearing liabilities	Interest-bearing liabilities include interest-bearing provisions.	HCFC	HydroChloroFluoroCarbons, which affects the ozone layer and contribute to global warming.
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.	HFC	HydroFluoroCarbons, Fluorised greenhouse gases which contribute to global warming.
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.	HFO	HydroFluoroOlefins, synthetic environmentally friendly refrigerants.
Operating capital	Capital employed minus liquid funds, financial assets and other interest-bearing assets.	HVAC	Heating, Ventilation, Air Conditioning.
Operating margin	Operating profit in relation to net sales.	OEM	Original Equipment Manufacturer.
Organic change	Comparative figures year over year adjusted for translation effects on consolidation and changes in the structure.	Transcritical	Heat transfer with gas cooler.
Profit per share before/after dilution	Net profit in relation to average number of shares before/after dilution.	Geographic areas	
R12	Rolling twelve is the latest 12 months.	Africa	Botswana, Ghana, Mozambique, Namibia, South Africa, Tanzania, Zambia
Return on capital employed	Profit before tax plus financial expenses (for each period) in relation to average capital employed.	Asia Pacific	Australia, China, India, Malaysia, New Zealand, Singapore, Thailand
Return on equity	Earnings after tax (for each period) 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.	Central Europe	Belgium, Ireland, The Netherlands, Switzerland, Germany, UK
Return on operating capital	Operating profit (for each period) as a percentage of average capital employed in operations.	Eastern Europe	Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia
		Nordic	Denmark, Finland, Norway, Sweden
		Southern Europe	France, Italy, Portugal, Spain
		Other	
		CSR	Corporate Social Responsibility.
		The Kigali Agreement	Amendment to the Montreal Protocol. An agreement between countries that have committed themselves to reducing the production and consumption of HFCs by more than 80% over the next 30 years (2050).
		KPI	Key Performance Indicator.
		PIM	Product Information Management, centralised management of product information that is needed to market and sell the products through one or more distribution channels.

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 new date for the Annual General Meeting is 25 June 2020.
- The Interim Report for the second quarter 2020 will be published on 15 July 2020.
- The Interim Report for the third quarter 2020 will be published on 20 October 2020.
- The Interim Report for the fourth quarter 2020 will be published on 28 January 2021.

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This document is a translation of the Swedish language version.

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