

# Beijer Ref AB

## Q1-2022

English version

**BEIJER REF**

# Beijer Ref AB

## Q1-2022

### A good start to the year

#### FIRST QUARTER

- Organic sales rose 15.8 per cent in the quarter compared to the previous year. Acquisition effects were 10.0 per cent and currency effects were 5.6 per cent. Net sales increased by 31.4 per cent to SEK 4,903 million (3,731).
- EBITA amounted to SEK 407 million (275), which is an increase of 48.3 per cent over the same period last year. The EBITA margin amounted to 8.3 per cent (7.4). This is Beijer Ref's best ever first quarter, in absolute terms.
- Operating cash flow has been negative during the quarter and was -295 (386). Cash flow has been affected by the higher business activity during the quarter, as well as by a conscious increased service level on inventory ahead of the coming peak season.
- Profit per share was SEK 0.71 (0.47), which is an increase of 49.4 per cent.
- During the quarter, an acquisition of 80 per cent of the shares in Deltron in Croatia was completed, with an option to acquire the remaining shares. The company has annual sales of approximately SEK 400 million with good profitability. At the end of the quarter, two small supplementary acquisitions were also made in Australia.

| Key figures                           | Q1-22 | Q1-21 | Δ%   | R12    | FY 21  |
|---------------------------------------|-------|-------|------|--------|--------|
| Net sales, sek m                      | 4 903 | 3 731 | 31,4 | 18 077 | 16 905 |
| Organic sales, %                      | 15,8  | 7,3   | –    | 22,9   | 14,4   |
| EBITA, sek m                          | 407   | 275   | 48,3 | 1 542  | 1 410  |
| EBITA, %                              | 8,3   | 7,4   | –    | 8,5    | 8,3    |
| Operating profit (EBIT), Mkr          | 393   | 263   | 49,5 | 1 491  | 1 361  |
| Profit margin, %                      | 8,0   | 7,0   | –    | 8,2    | 8,0    |
| Net profit, sek m                     | 273   | 184   | 48,5 | 1 079  | 990    |
| Profit per share before dilution, sek | 0,71  | 0,47  | 49,4 | 2,81   | 2,58   |
| Profit per share after dilution, sek  | 0,71  | 0,47  | 49,7 | 2,80   | 2,56   |
| Operating cash flow                   | -295  | 386   | –    | -748   | -67    |
| Return on operating capital (R12), %  |       |       |      | 15,3   | 15,4   |
| Return on equity (R12), %             |       |       |      | 20,9   | 20,3   |

*The total amount in tables and statements might not always sum-up 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.*

# CEO comments

## Strong organic growth

We began the year strongly with organic sales increase of 16 per cent. All of our geographical segments had positive developments and we report total sales growth of 31 per cent compared with the same period last year. Our southern hemisphere markets had a good summer season and the acquisitions in Asia Pacific (APAC) show good growth.

The current inflation is leading to increased costs and price increases from our suppliers, but we are offsetting this well and together with a high level of service in inventory, we are entering the second quarter strongly.

The pace of acquisition is high and during the quarter we completed three new acquisitions: Deltron, GMR Supplies and Mackay Air Supply. The acquisitions align with our acquisition strategy and strengthen our present position in the commercial and residential markets. Deltron, which was acquired on the first of January, is headquartered in Split (Croatia) and with this acquisition, we are also now established in Bosnia-Herzegovina, which for Beijer Ref is a whole new market. At the end of the period, GMR Supplies and Mackay Air Supply were acquired. Both companies operate in Australia. The cumulative acquisition sales of all three companies is approximately SEK 450 million. We are constantly evaluating new acquisitions and opportunities to expand and strengthen our geographical presence.

It is also positive to note that the demand for Toshiba's energy-efficient air/water heat pumps has been high during the quarter and we see that the favourable market conditions are continuing. Air/water heat pumps are a growing segment for Beijer Ref.

The phasing-out of F-gases continues to accelerate and regulatory decisions within the EU are leading to rising demand for environmentally friendly refrigerants. The EU's present regulatory framework aims to reduce F-gas emissions by 80 per cent relative to 2015 levels. Beijer Ref is well equipped for this change and we are closely following the EU's F-Gas Regulation. As a global player, we have the opportunity to contribute to a more sustain-



able world by driving the development of technologies for environmentally friendly refrigerants. We are proud to operate in an industry that can make a difference in this important area. To target action on climate impact, we also have ambitious sustainability work in which we map and monitor our energy consumption, so that we can methodically identify emission reduction targets. Our ambition is to extend this mapping in 2022.

We continue to strengthen the organisation and during the quarter Ulf Berghult took office as the new CFO, as well as Henrik Thorén as the new Chief Supply Chain Officer (CSCO). I am confident that these additions will contribute positively to the development of the business. Our decentralised structure is our strength and we are constantly working to improve the organisation and draw benefits from the synergies that exist.

I would like to say thank you to all the employees who have contributed such great commitment. With a strong quarter behind us, we are ready to take on new and exciting challenges ahead.

**Christopher Norbye**  
CEO

# First quarter 2022

**31,4%**  
Sales increase

**15,8%**  
Organic growth

**48,3%**  
EBITA-increase

**49,4%**  
Growth  
Result/Share

| Sales, sek m                             | Q1           | %    |
|--|--------------|------|
| <b>Net sales 2021</b>                    | <b>3 731</b> |      |
| Organic change                           | 619          | 15.8 |
| Change through acquisitions <sup>1</sup> | 372          | 10.0 |
| Exchange rate fluctuation                | 181          | 5.6  |
| Change total                             | 1 172        | 31.4 |
| <b>Net sales 2022</b>                    | <b>4 903</b> |      |

## NET SALES

Organic sales rose 15.8 per cent in the quarter compared to the previous year. Acquisition effects were 10.0 per cent and currency effects were 5.6 per cent. Net sales increased by 31.4 per cent to SEK 4,903 million (3,731).

All regions have enjoyed positive organic sales during the quarter compared with the previous year. Central Europe and Southern Europe report organic growth of 15 per cent and 14 per cent respectively. Eastern Europe saw organic sales up 60 per cent on the previous year. Finally, Asia Pacific reports organic sales increased by 11 per cent.

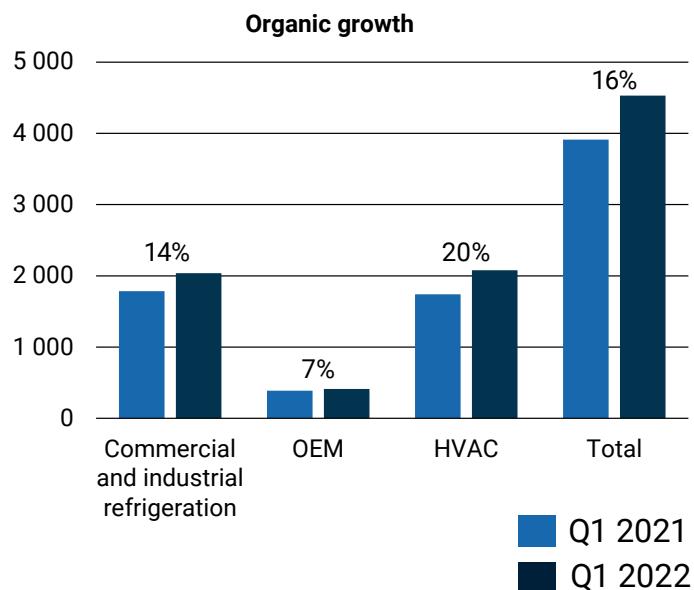
Sales growth has been strongest in HVAC, which reports a strong performance during the quarter with organic growth of 19.5 per cent. The OEM product area has continued to grow during the first quarter, not least thanks to the phasing-out program of F-gases that is underway in Europe, and reports organic growth in Europe of 17 percent, despite challenges in the supply chain. In total, the OEM product area reports organic growth of 6.7 percent negatively affected by pandemic effects in China. The Commercial and Industrial refrigeration product area reports a good quarter with organic growth of 14 per cent.

## PROFIT

The group's EBITA amounted to SEK 407 million (275) during the first quarter, which is an increase of 48.3 per cent. This is Beijer Ref's best first quarter ever, in absolute terms. Positive exchange rate effects of SEK 13.6 million (-10.3) are included in the EBITA. The EBITA margin amounted to 8.3 per cent (7.4). The improved result is mainly due to higher organic growth.

Net financial items amounted to SEK -25m (-15), affected by higher indebtedness. The tax rate in the quarter was 25.9 per cent (25.8).

Profit before tax was SEK 367 million (248). Profit for the period totalled SEK 273 million (184). Profit per share before dilution amounted to SEK 0.71 (0.47), an increase of 49.4 per cent.



<sup>1</sup>) Acquisition effect is calculated 12 months after the date of takeover. The acquisitions relate to Complete Air Supply, which is included in the group's accounts from February 2021, Coolair from March 2021, IRC from June 2021, Fenagy from July 2021, FCD from August 2021, Armcor from September 2021, Inventor from October 2021, Airstream from November 2021 and Climate Solutions from December 2021. In 2022, Deltron has been added.

| <b>Operating cash flow and Net debt, sek m</b>     | <b>Q1 2022</b> | <b>Q1 2021</b> |
|--|----------------|----------------|
| Operating profit (EBIT)                            | 393            | 263            |
| Depreciation/write-downs on tangible assets        | 26             | 12             |
| Depreciation/write-downs on intangible assets      | 107            | 102            |
| <b>EBITDA</b>                                      | <b>526</b>     | <b>377</b>     |
| Changes in working capital                         | -730           | 13             |
| Investments in tangible fixed assets               | -40            | -50            |
| Amortisation of leasing liabilities                | -91            | -81            |
| Non-cash generated items                           | 40             | 127            |
| <b>Operating cash flow</b>                         | <b>-295</b>    | <b>386</b>     |
| <b>Net debt, closing balance</b>                   | <b>5 363</b>   | <b>3 133</b>   |
| of which:  |                |                |
| Pension debt                                       | 144            | 160            |
| Leasing liabilities, according to IFRS 16          | 1 521          | 1 336          |
| Net debt excluding pension and leasing liabilities | 3 698          | 1 637          |
| Authorised credit limit                            | 4 990          | 4 273          |
| Of which remains to be utilised                    | 839            | 1 608          |
| Net debt/EBITDA                                    | 2,7            | 2,0            |

## CASH FLOW AND NET LIABILITIES

Operating cash flow was SEK -295 million (386), where higher earnings generation had a positive effect, while the increased working capital had a negative effect.

Working capital had a negative effect of SEK 730 million as a result of the higher business activity during the quarter and the company has taken a conscious increased service level on inventory ahead of the coming peak season.

Net liabilities at the end of the first quarter amounted to SEK 5,363 million (3,133), which were affected by a higher tie-up of working capital, as well as by acquisition activity during the quarter.

Net liabilities in relation to EBITDA amounted to 2.7 (2.0).

At the end of the period, the company had credit facilities amounting to SEK 4,990 million (4,273), of which unutilised credits amounted to SEK 839 million (1,608). In total, net liabilities increased by SEK 2,230 million. After the end of the quarter, a new loan amounting to SEK 1,600 million was taken up, of which SEK 600 million relates to amortisation of an existing credit. Unused credits amount to SEK 1,839 million after the new loan.

## SIGNIFICANT EVENTS DURING THE QUARTER

### ACQUISITION OF DELTRON IN CROATIA

At the beginning of January, Beijer Ref acquired 80% of the shares in Deltron, with an option to acquire the remaining shares. The company is active in HVAC and expands Beijer Ref's geographical coverage in this product area. The company has annual sales of SEK 400 million and 110 employees and contributes positively to the company's profit. Deltron is included in the company's accounts from 1 January 2022. Beijer Ref already had a small presence in Croatia and now, through this acquisition, is also established in Bosnia-Herzegovina, which is a new market for the group.

### SUPPLEMENTARY ACQUISITIONS IN AUSTRALIA

At the end of the quarter, Beijer Ref signed two new agreements to acquire all assets of GMR Supplies, a refrigeration distributor based in Perth, Western Australia, and Mackay Air Supply, an HVAC&R distributor based in Mackay, Queensland. GMR Supplies and Mackay Air Supply together have accumulated annual sales of approximately SEK 50 million. The operations are included in Beijer Ref's accounts with effect from 1 April 2022.

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

### ANNUAL GENERAL MEETING

The annual general meeting was held on 7 April 2022. The meeting decided, in accordance with the proposal of the board, on a dividend of SEK 1.10 per share for the 2021 financial year. Payment of the dividend will be made in two instalments: the first of SEK 0.60 per share and the second of SEK 0.50 per share. Total dividend is SEK 418.5m (379.6) based on the number of issued shares and represents 43% (53) of profit per share for the group. The record dates are 11 April 2022 and 11 October 2022. Payment from Euroclear Sweden AB was made on 14 April 2022 for the first payment and is expected to be made 14 October 2022 for the second payment.

The meeting authorised the board, on one or more occasions prior to the next annual general meeting, to issue no more than 38,230,407 new shares, corresponding to 10 per cent of the company's share capital and number of shares. The issue may occur with or without a deviation from the preferential rights of shareholders, by payment in cash, by non-cash payment or by offsetting. The meeting also decided to introduce a long-term share-based incentive programme, LTIP 2022/2025, for key employees in the group.

### SUSTAINABILITY

Sustainability is a well-integrated part of Beijer Ref. Doing business based on sound standards is a responsibility that the group takes very seriously, while at the same time it is woven in as a natural approach in all parts of the organisation. Beijer Ref's sustainability strategy is based on the UN's sustainable development goals in Agenda 2030, which cover economy, society and the environment. Beijer Ref believes that it is in the environmental field that Beijer Ref can make the biggest difference. In order to further strengthen the work to develop environmentally friendly refrigeration technology, the group measures the proportion of Beijer Ref's OEM sales that is environmentally friendly. The goal is for it to increase from today's 33% to 50% year 2025. On our website and in the annual report, we give more information about our goals and how we perform in relation to the goals.

### 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.

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

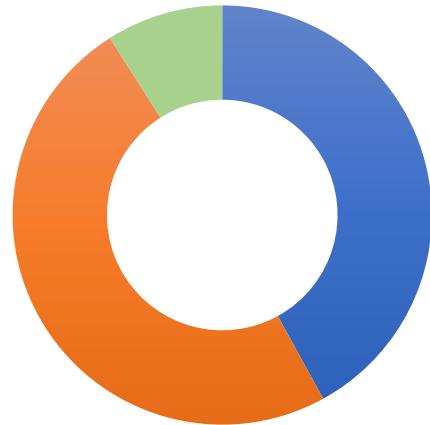
This interim report was prepared in accordance with IAS 34, the Swedish Annual Accounts Act and RFR 2. Beijer Ref continues to apply the same accounting policies and valuation methods as described in the most recent annual report. Information pursuant to IAS 34.16A, in addition to disclosure in the financial reports and their associated notes, also appears in other parts of the interim report.

### FINANCIAL INSTRUMENTS

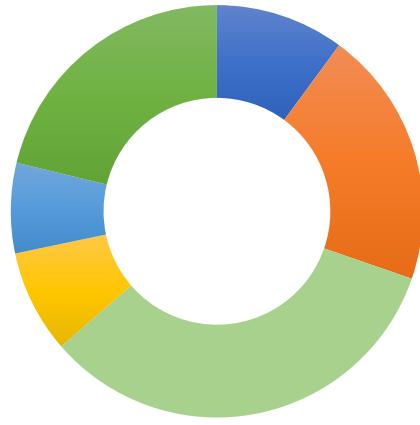
A financial asset or financial liability is recognised in the balance sheet when the company becomes a party to the instrument's contractual terms. A financial asset is removed from the balance sheet once all the benefits and risks associated with ownership have been transferred. A financial liability is removed from the balance sheet when the obligation in the agreement is fulfilled or otherwise concluded.

Financial instruments are initially valued at fair value and then at fair value or accrued acquisition value depending on classification. Financial instruments reported at acquisition value are initially reported at an amount corresponding to the fair value of the instrument with an addition for transaction costs. Financial instruments reported at fair value are initially reported at an amount corresponding to the fair value of the instrument; transaction costs are expensed directly. A financial instrument is classified when first reported based on the purpose for which it has been acquired. The classification determines how the financial instrument is measured after the first entry as described below. All financial derivative instruments are reported on an ongoing basis at fair value. Purchases and sales of financial assets are recognised on the transaction date, which is the date when the group commits to purchase or sell the asset. With effect from 1 January 2018, the group applies the principle of reporting a reserve for expected credit losses on financial assets and receivables classified at accrued acquisition value.

# Financial overview

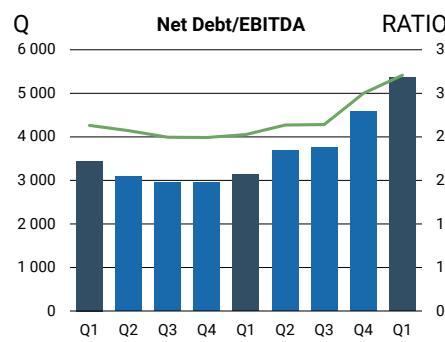
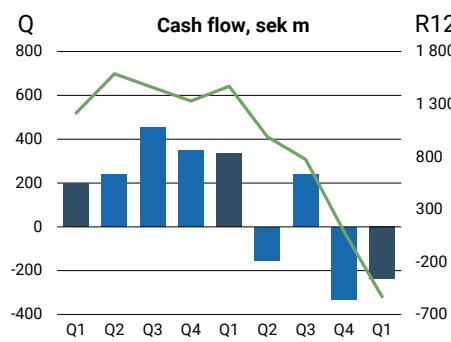
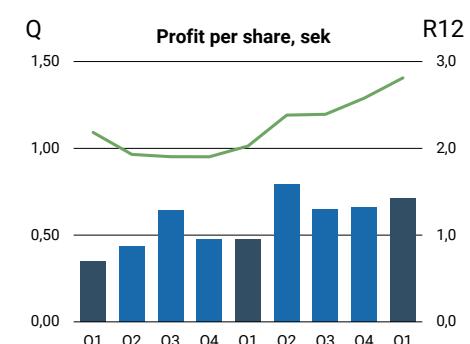
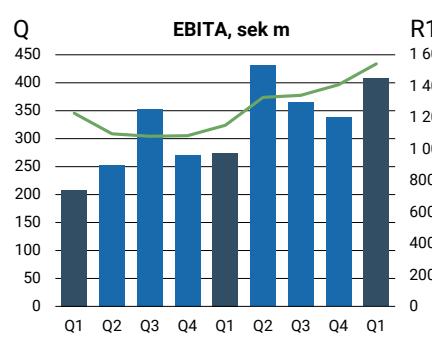


■ Commercial and industrial refrigeration 42% (45)  
■ HVAC 45% (45)  
■ OEM 9% (10)



■ Nordic 10% (10) ■ Central Europe 20% (22)  
■ Southern Europe 33% (33) ■ Eastern Europe 8% (5)  
■ Africa 7% (7) ■ Asia Pacific 21% (22)

*The figures above relate to the total distribution of net sales during the first quarter of 2022. Figures in brackets refer to the corresponding period last year*



■ Quarter ■ R12

| <b>Summarised profit and loss account, sek m</b>                          | <b>Q1-22</b> | <b>Q1-21</b> | <b>R12</b>   | <b>FY 2021</b> |
|---|--------------|--------------|--------------|----------------|
| Net sales   | 4 903        | 3 731        | 18 077       | 16 905         |
| Other operating income  | 22           | 11           | 60           | 48             |
| Operating expenses  | -4 399       | -3 364       | -16 153      | -15 118        |
| Depreciation  | -133         | -115         | -493         | -474           |
| <b>Operating profit (EBIT)</b>  | <b>393</b>   | <b>263</b>   | <b>1 491</b> | <b>1 361</b>   |
| Net financial income/expense  | -25          | -15          | -79          | -69            |
| <b>Profit before tax</b>  | <b>367</b>   | <b>248</b>   | <b>1 412</b> | <b>1 292</b>   |
| Tax   | -95          | -64          | -332         | -302           |
| <b>Net profit</b>   | <b>273</b>   | <b>184</b>   | <b>1 079</b> | <b>990</b>     |
| Net profit attributable to:   |              |              |              |                |
| The parent company's shareholders   | 270          | 180          | 1 069        | 979            |
| Non-controlling interests   | 3            | 4            | 10           | 11             |
| Net profit per share before dilution, sek                                 | 0,71         | 0,47         | 2,81         | 2,58           |
| Net profit per share after full dilution, sek                             | 0,71         | 0,47         | 2,80         | 2,56           |
| <b>The Group's summarised report on other comprehensive income, sek m</b> | <b>Q1-22</b> | <b>Q1-21</b> | <b>R12</b>   | <b>FY 2021</b> |
| Net profit  | 273          | 184          | 1 079        | 990            |
| OTHER COMPREHENSIVE INCOME  |              |              |              |                |
| Items which will not be reversed in the profit and loss account           | -4           | 4            | 23           | 31             |
| Income tax relating to components in above item                           | 1            | -1           | -3           | -5             |
| Items which can later be reversed in the profit and loss account          | 208          | 185          | 243          | 220            |
| Income tax relating to components in above item                           | -3           | -4           | -2           | -3             |
| <b>Total comprehensive income for the period</b>                          | <b>475</b>   | <b>368</b>   | <b>1 340</b> | <b>1 233</b>   |
| Attributable to:  |              |              |              |                |
| The parent company's shareholders   | 477          | 360          | 1 335        | 1 218          |
| Non-controlling interests   | -2           | 8            | 5            | 15             |

| Summarised balance sheet, sek m       | 31 March 2022 | 31 March 2021 | 31 Dec 2021   |
|---------------------------------------|---------------|---------------|---------------|
| <b>ASSETS</b>                         |               |               |               |
| Fixed assets:                         |               |               |               |
| Intangible fixed assets               | 3 955         | 2 281         | 3 470         |
| Tangible fixed assets                 | 724           | 599           | 703           |
| Right of use assets                   | 1 484         | 1 299         | 1 442         |
| Deferred tax asset                    | 240           | 196           | 224           |
| Other fixed assets                    | 155           | 161           | 156           |
| <b>Total fixed assets</b>             | <b>6 558</b>  | <b>4 536</b>  | <b>5 995</b>  |
| Current assets:                       |               |               |               |
| Inventories                           | 6 035         | 4 019         | 5 057         |
| Trade debtors                         | 3 279         | 2 529         | 2 660         |
| Other receivables                     | 695           | 467           | 584           |
| Liquid funds                          | 860           | 1 012         | 1 004         |
| <b>Total current assets</b>           | <b>10 870</b> | <b>8 027</b>  | <b>9 305</b>  |
| <b>Total assets</b>                   | <b>17 427</b> | <b>12 563</b> | <b>15 300</b> |
| <b>EQUITY AND LIABILITIES</b>         |               |               |               |
| Equity                                | 5 743         | 4 882         | 5 266         |
| <b>Total equity</b>                   | <b>5 743</b>  | <b>4 882</b>  | <b>5 266</b>  |
| Long term liabilities                 | 5 435         | 3 880         | 4 882         |
| Deferred tax liability                | 175           | 110           | 168           |
| <b>Total long term liabilities</b>    | <b>5 610</b>  | <b>3 990</b>  | <b>5 050</b>  |
| Current liabilities:                  |               |               |               |
| Trade creditors                       | 2 696         | 2 198         | 2 130         |
| Other liabilities                     | 3 378         | 1 493         | 2 855         |
| <b>Total current liabilities</b>      | <b>6 075</b>  | <b>3 691</b>  | <b>4 985</b>  |
| <b>Total equity and liabilities</b>   | <b>17 427</b> | <b>12 563</b> | <b>15 300</b> |
| Of which interest-bearing liabilities | 6 223         | 4 145         | 5 589         |
| Net debt                              | 5 363         | 3 133         | 4 585         |
| Authorised credit limit               | 4 990         | 4 273         | 4 912         |
| Of which remains to be utilised       | 839           | 1 608         | 1 020         |
| Average number of employees           | 4 354         | 4 015         | 4 134         |

| Key figures                                       | 31 March 2022 | 31 March 2021 | 31 Dec 2021 |
|---|---------------|---------------|-------------|
| Equity ratio, %                                   | 33,0          | 38,9          | 34,4        |
| Equity per share before dilution, sek             | 15            | 13            | 14          |
| Equity per share after full dilution, sek         | 16            | 13            | 15          |
| Return on equity after tax (R12), %               | 20,9          | 17,2          | 20,3        |
| Return on capital employed in operations (R12), % | 15,3          | 14,7          | 15,4        |
| Debt ratio  | 0,9           | 0,6           | 0,9         |
| Interest coverage ratio                           | 13,3          | 14,9          | 16,4        |
| Net debt/EBITDA                                   | 2,7           | 2,0           | 2,5         |
| Number of outstanding shares                      | 380 468 980   | 379 610 130   | 380 468 980 |
| Holding of own shares <sup>1</sup>                | 1 835 090     | 2 693 940     | 1 835 090   |
| Total number of shares                            | 382 304 070   | 382 304 070   | 382 304 070 |
| Average number of outstanding shares              | 380 468 980   | 379 610 130   | 380 254 268 |

1) Holdings of own shares includes the delivery of shares to participants in the options programme. The options programme falls due in June 2024.

| Summarised consolidated cash flow analysis, sek m | 3 Months 2022 | 3 Months 2021 | FY 2021      |
|---|---------------|---------------|--------------|
| Operating profit                                  | 393           | 263           | 1 361        |
| Non-cash generated items                          | 174           | 127           | 496          |
| Paid interest                                     | -30           | -18           | -84          |
| Paid income tax                                   | -90           | -44           | -290         |
| Profit on sale of tangible fixed assets           | -             | -4            | -4           |
| Changes in working capital                        | -730          | 13            | -1 390       |
| <b>Cash flow from current operations</b>          | <b>-283</b>   | <b>336</b>    | <b>89</b>    |
| Cash flow from investment operations              | -357          | -317          | -749         |
| Cash flow from financial operations               | 568           | -111          | 1 184        |
| Amortisation of leasing liabilities               | -91           | -81           | -335         |
| Dividend paid                                     | -1            | -             | -380         |
| <b>Change in cash and bank</b>                    | <b>-164</b>   | <b>-173</b>   | <b>-191</b>  |
| Exchange rate difference in liquid funds          | 21            | 31            | 41           |
| Cash and bank on 1 January                        | 1 004         | 1 154         | 1 154        |
| <b>Cash and bank at the period end</b>            | <b>860</b>    | <b>1 012</b>  | <b>1 004</b> |

| Equity, sek m   | 31 March 2022 | 31 March 2021 | 31 Dec 2021  |
|---|---------------|---------------|--------------|
| Opening balance   | 5 266         | 4 489         | 4 489        |
| Net profit  | 273           | 184           | 990          |
| Other comprehensive income for the period   | 202           | 184           | 243          |
| Dividend  | -             | -             | -380         |
| Repurchase of options LTIP 2018-2021  | -             | -             | -144         |
| Sale of own shares in connection with maturity of option programme LTIP 2018-2021 | -             | -             | 45           |
| Option premium obtained with the issue of option programme LTIP 2021-2024         | -             | -             | 21           |
| Non-controlling interest arising on business combinations                         | 3             | 26            | 11           |
| Dividend to shareholders with no controlling influence                            | -1            | -             | -10          |
| <b>Closing balance</b>  | <b>5 743</b>  | <b>4 882</b>  | <b>5 266</b> |

| Q1 sek m  | Nordic |      | Central Europe |      | Southern Europe |       | Eastern Europe |      | Africa |      | Asia Pacific |      | Group        |              |
|---|--------|------|----------------|------|-----------------|-------|----------------|------|--------|------|--------------|------|--------------|--------------|
|   | 2022   | 2021 | 2022           | 2021 | 2022            | 2021  | 2022           | 2021 | 2022   | 2021 | 2022         | 2021 | 2022         | 2021         |
| Net sales by operations                                   | 499    | 386  | 1 002          | 820  | 1 712           | 1 317 | 435            | 189  | 337    | 269  | 1 039        | 834  | 5 024        | 3 816        |
| - <i>Of which commercial and industrial refrigeration</i> | 253    | 222  | 610            | 481  | 524             | 451   | 101            | 76   | 226    | 182  | 354          | 300  | 2 068        | 1 712        |
| - <i>of which HVAC</i>                                    | 172    | 120  | 354            | 319  | 1 014           | 714   | 332            | 109  | 66     | 55   | 495          | 372  | 2 432        | 1 690        |
| - <i>of which OEM</i>                                     | 75     | 44   | 38             | 20   | 174             | 151   | 2              | 4    | 45     | 32   | 190          | 163  | 525          | 414          |
| Internal sales between operations                         |        |      |                |      |                 |       |                |      |        |      |              |      | -122         | -85          |
| <b>Net sales</b>  |        |      |                |      |                 |       |                |      |        |      |              |      | <b>4 903</b> | <b>3 731</b> |
| Operating profit by operations                            | 60     | 43   | 79             | 49   | 120             | 82    | 50             | 14   | 29     | 25   | 95           | 69   | 433          | 282          |
| Group-wide expenses                                       |        |      |                |      |                 |       |                |      |        |      |              |      | -40          | -19          |
| <b>Net profit (EBIT)</b>                                  |        |      |                |      |                 |       |                |      |        |      |              |      | <b>393</b>   | <b>263</b>   |
| Net financial Tax   |        |      |                |      |                 |       |                |      |        |      |              |      | -25          | -15          |
| <b>Net profit</b>   |        |      |                |      |                 |       |                |      |        |      |              |      | <b>273</b>   | <b>184</b>   |
| Working capital, average for the period                   | 562    | 423  | 1 205          | 861  | 1 996           | 1 267 | 545            | 339  | 543    | 402  | 1 434        | 830  | 6 284        | 4 122        |
| Group eliminations  |        |      |                |      |                 |       |                |      |        |      |              |      | -10          | -1           |
| Total average working capital                             |        |      |                |      |                 |       |                |      |        |      |              |      | 6 274        | 4 122        |

## SEGMENT REPORTING

### Operating segments

The group's business is divided into operating segments, based on how the company's executive decision maker, i.e. the CEO, interprets the business. The group has the following segments: Nordic countries, Central Europe, Southern Europe, Eastern Europe, Africa and Asia Pacific. Segment reporting for the regions includes the income statement as far as operating profit and working capital. Internal sales in each segment are eliminated in net sales, internal sales between segments are eliminated at the total level. Net sales are distributed by product area, i.e. Commercial and Industrial Refrigeration, HVAC and OEM. Working capital consists of goods in stock, accounts receivable and trade accounts payable and is an average based on monthly values for each period.

## COMPANY ACQUISITIONS

For each acquisition, the company performs a materiality assessment based on sales, product area and market. It is our assessment that an acquisition is material in cases

where the sales of the acquired company exceed 5% of total sales. During the year, two acquisitions were added to the group's accounts, each of which has been deemed to be immaterial. Information about the acquisitions is provided below.

## 2022

### DELTRON

At the beginning of January, Beijer Ref acquired 80% of the shares in Deltron, with an option to acquire the remaining shares. The company has annual sales of approximately SEK 400 million and good profitability. Its head office is located in Split (Croatia). Deltron's main business consists of air conditioning equipment for commercial and private use. The acquisition also includes a company with operations in Bosnia-Herzegovina.

### GMR SUPPLIES AND MACKAY AIR SUPPLY

Beijer Ref has signed two new agreements to acquire all assets of GMR Supplies, a refrigeration distributor based

in Perth, Western Australia, and Mackay Air Supply, an HVAC&R distributor based in Mackay, Queensland. GMR Supplies and Mackay Air Supply together have accumulated annual sales of approximately SEK 50 million. The operations are included in Beijer Ref's accounts with effect from 1 April.

## 2021

### SINCLAIR

The Czech Sinclair Global Group has been part of the Beijer Ref group since 1 January 2021. Sinclair is 85% owned with an option to acquire the remaining shares; call and put options have been issued starting in April 2023. Sinclair is headquartered in Brno in the Czech Republic with sales offices in Slovakia, Hungary, Austria and Croatia. The company has approximately 110 employees with annual sales of just under SEK 500 million.

### COMPLETE AIR SUPPLY

At the end of January 100% of the shares of Complete Air Supply (CAS) in Australia were acquired. This company is active in HVAC and has a range that complements our existing companies in Australia. CAS has annual sales of SEK 130 million, with 40 employees in 2 branches. This company is included in the company's accounts with effect from 1 February 2021.

### COOLAIR

Beijer Ref acquired 60% of the shares in Coolair Germany at the end of February. A call and put option has been issued to acquire the remaining shares within the coming years. Coolair is included in the group's accounts from 1 March. Coolair's annual sales amount to approximately SEK 100 million and it has about 25 employees.

### ACCOUNTING OF ACQUISITIONS

Identified customer lists are written off over 10 years, while brands are judged to have an indefinite lifespan and are not written off. Most accrued acquisition goodwill is explained by synergy gains with the group's existing operations. During 2022, two acquisitions were made with an option to acquire the remaining shares within a few years (2023–2025). The options have been valued at the likely outcome and entered as non-current liability; this liability amounts to SEK 123 million. Acquisitions that include a put option where ownership amounts to 100%, are consolidated at 100% at the time of acquisition.

Acquisition costs in 2022 amounted to SEK 2 million and are included in other costs. Acquisition costs and acquisition calculations are preliminary.

| Acquisitions of companies 2022, sek m | Q1 2022     | Q1 2021     |
|---------------------------------------|-------------|-------------|
| Fair value in the Group:              |             |             |
| Customer list                         | 37          | 17          |
| Tangible fixed assets                 | 16          | 13          |
| Deferred tax asset                    | 1           | 5           |
| Inventories                           | 58          | 147         |
| Other fixed assets                    | 73          | 56          |
| Liquid funds                          | 82          | 20          |
| Deferred tax liability                | -6          | -5          |
| Provisions                            | -1          | -1          |
| Other current liabilities             | -88         | -56         |
| <b>Total identifiable net assets</b>  | <b>172</b>  | <b>197</b>  |
| Goodwill                              | 355         | 107         |
| Effect on the cash flow               |             |             |
| Consideration                         | -527        | -301        |
| Non paid purchase price               | 207         | -3          |
| Liquid funds                          | 82          | 20          |
| <b>Total</b>                          | <b>-238</b> | <b>-283</b> |

| <b>Parent company profit and loss account in summary, sek mkr</b> | <b>3 Months 2022</b> | <b>3 Months 2021</b> | <b>FY 2021</b> |
|---|----------------------|----------------------|----------------|
| Operating income  | 3                    | –                    | 83             |
| Operating expenses  | -37                  | -20                  | -100           |
| Depreciation  | -1                   | -1                   | -3             |
| <b>Operating profit</b>   | <b>-35</b>           | <b>-21</b>           | <b>-20</b>     |
| Net financial income/expense                                      | 22                   | 18                   | 18             |
| Result of participations in Group companies                       | –                    | –                    | 588            |
| <b>Profit before appropriations</b>                               | <b>-13</b>           | <b>-3</b>            | <b>586</b>     |
| Appropriations  | –                    | –                    | 52             |
| <b>Profit before tax</b>  | <b>-13</b>           | <b>-3</b>            | <b>638</b>     |
| Tax   | –                    | –                    | -11            |
| <b>Net profit</b>   | <b>-13</b>           | <b>-3</b>            | <b>627</b>     |

| <b>Parent company balance sheet in summary, sek m</b> | <b>31 March 2022</b> | <b>31 March 2021</b> | <b>FY 2021</b> |
|---|----------------------|----------------------|----------------|
| <b>ASSETS</b>   |                      |                      |                |
| Intangible fixed assets                               | 6                    | 6                    | 6              |
| Tangible fixed assets                                 | 5                    | 5                    | 5              |
| Financial fixed assets                                | 6 398                | 4 162                | 5 694          |
| Current assets  | 1 111                | 377                  | 1 024          |
| <b>Total assets</b>                                   | <b>7 520</b>         | <b>4 550</b>         | <b>6 729</b>   |
| <b>EQUITY AND LIABILITIES</b>                         |                      |                      |                |
| Shareholders' equity                                  | 1 948                | 1 787                | 1 959          |
| Long-term liabilities                                 | 4 102                | 2 703                | 3 569          |
| Current liabilities                                   | 1 470                | 60                   | 1 201          |
| <b>Total equity and liabilities</b>                   | <b>7 520</b>         | <b>4 550</b>         | <b>6 729</b>   |

# Financial definitions

|   |   |
|---|---|
| <b>Δ%</b>                                       | <i>Change in percentage</i>   |
| <b>Return on equity</b>                         | <i>Profit after tax as a percentage of average equity. The purpose of return on equity and other return measures is to set the result in relation to important balance sheet items.</i>   |
| <b>Return on operating capital</b>              | <i>Operating profit as a percentage of average operating capital.</i>   |
| <b>EBITA</b>                                    | <i>Earnings before interest, taxes and amortisation of intangible fixed assets. The objective of reporting EBITA is that the Group regards it as a relevant measure for an investor who wants to understand the generation of earnings before investments intangible fixed assets.</i>  |
| <b>EBITDA</b>                                   | <i>Earnings before interest, taxes, depreciation and amortisation of tangible and intangible fixed assets.</i>  |
| <b>Operating profit (EBIT)</b>                  | <i>Profit before net financial items and tax.</i>   |
| <b>Equity per share before / after dilution</b> | <i>Equity before / after dilution in relation to average number of outstanding shares.</i>  |
| <b>Net debt</b>                                 | <i>Interest-bearing liabilities less liquid funds including current investments.<br/>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. Written put options are not included.</i> |
| <b>Operating cash flow</b>                      | <i>Cash flow from operating activities adjusted with interest paid, income tax paid and charged with investments in fixed assets.</i>   |
| <b>Net debt / EBITDA</b>                        | <i>Net debt in relation to R12 EBITDA.</i>  |
| <b>Operating capital</b>                        | <i>Capital employed minus liquid funds, financial assets and other interest-bearing assets.</i>   |
| <b>Organic change</b>                           | <i>Comparative figures year over year adjusted for translation effects on consolidation and changes in the structure.</i>   |
| <b>R12</b>                                      | <i>Rolling twelve is the latest 12 months.</i>  |
| <b>Profit per share before / after dilution</b> | <i>Net profit in relation to average number of shares before/after dilution.</i>  |
| <b>Interest-bearing liabilities</b>             | <i>Interest-bearing liabilities include interest-bearing provisions.</i>  |
| <b>Interest coverage ratio</b>                  | <i>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.</i>   |
| <b>Operating margin</b>                         | <i>Operating profit in relation to net sales.</i>   |
| <b>Debt/equity ratio</b>                        | <i>Net debt in relation to equity. The objective is to show borrowing in relation to book value of equity.</i>  |
| <b>Equity ratio</b>                             | <i>Equity at the end of the period in relation to balance sheet total.</i>  |

For more details including calculations, see [www.beijerref.com/alternative-performance-measures/](http://www.beijerref.com/alternative-performance-measures/)

## Trade terms

|                                  |   |
|----------------------------------|---|
| <b>ARW</b>                       | <i>Air Condition &amp; Refrigeration Wholesale.</i>   |
| <b>Chiller</b>                   | <i>Liquid refrigeration unit.</i>   |
| <b>CO<sub>2</sub> equivalent</b> | <i>A measurement of greenhouse gas emissions and how much carbon dioxide is needed to produce the same effect on the climate.</i> |
| <b>F-gas</b>                     | <i>Synthetic gases containing fluorine, such as HCFCs and HFCs.</i>   |
| <b>GWP</b>                       | <i>Global Warming Potential.</i>  |
| <b>HCFC</b>                      | <i>HydroChloroFluoroCarbons, which affects the ozone layer and contribute to global warming.</i>                                  |
| <b>HFC</b>                       | <i>HydroFluoroCarbons, Fluorised greenhouse gases which contribute to global warming.</i>   |
| <b>HFO</b>                       | <i>HydroFluoroOlefins, synthetic environmentally friendly refrigerants.</i>   |
| <b>HORECA</b>                    | <i>Hotels, Restaurants, Catering.</i>   |
| <b>HVAC</b>                      | <i>Heating, Ventilation, Air Conditioning.</i>  |
| <b>OEM</b>                       | <i>Original Equipment Manufacturer.</i>   |
| <b>Transcritical</b>             | <i>Heat transfer with gas cooler.</i>   |

## Geographic areas

|                        |   |
|------------------------|---|
| <b>Africa</b>          | <i>Botswana, Ghana, Mozambique, Namibia, South Africa, Mauritius, Tanzania, Zambia.</i>                             |
| <b>Asia Pacific</b>    | <i>Australia, India, China, Malaysia, New Zealand, New Caledonia, Singapore, Thailand.</i>                          |
| <b>Central Europe</b>  | <i>Belgium, Ireland, The Netherlands, Switzerland, Germany, UK.</i>   |
| <b>Nordic</b>          | <i>Denmark, Finland, Norway, Sweden.</i>  |
| <b>Southern Europe</b> | <i>France, Italy, Portugal, Spain, Greece.</i>  |
| <b>Eastern Europe</b>  | <i>Estonia, Croatia, Latvia, Lithuania, Poland, Romania, Slovakia, Bosnia-Hercegovina, Czech Republic, Hungary.</i> |

## Other

|            |  |
|------------|--|
| <b>CSR</b> | <i>Corporate Social Responsibility.</i>  |
| <b>KPI</b> | <i>Key Performance Indicator.</i>  |
| <b>PIM</b> | <i>Product Information Management, centralised management of product information that is needed to market and sell the products through one or more distribution channels.</i> |

### 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 Interim Report for the second quarter 2022 will be published on 15 July 2022*
- *The Interim Report for the third quarter 2022 will be published on 20 October 2022*
- *The Interim Report for the fourth quarter 2022 will be published on 26 January 2023*

## TELEPHONE CONFERENCE Q1 2022

The company invites investors, analysts and the media to attend a telephone conference at which CEO Christopher Norbye and CFO Ulf Berghult will present the interim report for the first quarter of 2022. The presentation is held in English and lasts about 30 minutes. The meeting is on 21 April at 10.00 CET.

### Audiocast & teleconference:

Webcast: <https://financialhearings.com/event/43189>

Teleconference: Dial-in-number:

SE: +468 505 58 373

UK: +44 33 330 09 034

US: +16 46 722 49 56

The presentation will also be available on the company's website [www.beijerref.com](http://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 2022

Beijer Ref AB (publ)  
Christopher Norbye, CEO

For more information on this report:

Christopher Norbye, CEO  
+4640 35 89 00

or

Ulf Berghult, CFO  
+4640 35 89 00

*This disclosure contains information that Beijer Ref AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 21 April 2022 at 08.30 CET.*

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

**BEIJER REF**

Stortorget 8, SE-211 34 Malmö, Sweden  
Telephone +46 40-35 89 00  
Corporate ID number 556040-8113

[www.beijerref.com](http://www.beijerref.com)

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.