



# Beijer Ref AB Q4-2022

English version

BEIJER REF

# Beijer Ref AB

## Q4-2022

### A strong quarter concludes a successful year

#### Fourth quarter

- Organic sales rose 17.9 per cent in the quarter compared to the previous year. Acquisition effects amounted to 8.9 per cent and currency effects were 9.3 per cent. Net sales increased by 36.2 per cent and amounted to SEK 5,818 million (4,271).
- EBITA before items affecting comparability amounted to SEK 570 million (338), which is an increase of 69 per cent compared to the same period the previous year. The EBITA margin amounted to 9.8 per cent (7.9).
- This is Beijer Ref's best fourth quarter ever, excluding items affecting comparability, both in absolute terms and margin, based on current structure.
- The fourth quarter includes non-recurring costs related to the acquisition of the North American operation Heritage Distribution of SEK 245 million, which is reported under the item "Items affecting comparability".
- EBITA including items affecting comparability in the quarter amounted to SEK 325 million (338).
- The operating cash flow amounted to SEK 633 million (-313) during the quarter and was affected by a normal seasonal effect.
- Profit per share after dilution and before items affecting comparability amounted to SEK 0.96 (0.65), which is an increase of 47 per cent.
- Profit per share after dilution amounted to 0.38 SEK (0.65).
- The previously announced acquisition of AAD and HVAC Consolidated (Australia) was completed during the fourth quarter. During the quarter, Beijer Ref announced the acquisition of Easy Air Conditioning (UK) and Beijer Ref signed an agreement to acquire the HVACR company Heritage Distribution (North America).
- After the end of the period, the acquisition of Heritage Distribution was completed, which is intended to be refinanced by a fully underwritten rights issue. Read more on p. 7.
- The board proposes a dividend amounting to a total of SEK 475 million (419), corresponding to 38 per cent (43) of the year's profit.

Key figures. SEK M	Q4-22	Q4-21	Δ%	YTD-22	YTD-21	Δ%
Net sales	5 818	4 271	36.2	22 638	16 905	33.9
Organic sales, %	17.9	11.6	–	16.4	14.4	–
EBITA excluding items affecting comparability	570	338	68.7	2 217	1 410	57.2
EBITA margin, %	9.8	7.9	–	9.8	8.3	–
Items affecting comparability	-245	–	–	-245	–	–
EBITA including items affecting comparability	325	338	-3.9	1 971	1 410	39.8
Operating profit excluding items affecting comparability (EBIT)	543	326	66.8	2 145	1 361	57.7
Profit margin, %	9.3	7.6	–	9.5	8.0	–
Operating profit (EBIT)	298	326	-8.5	1 900	1 361	39.6
Net profit, sek m	151	243	-37.9	1 266	990	27.8
Profit per share before dilution, SEK						
Excluding items affecting comparability	0.96	0.66	46.1	3.86	2.58	49.9
Including items affecting comparability	0.38	0.66	-42.0	3.28	2.58	27.4
Profit per share after dilution, SEK						
Excluding items affecting comparability	0.96	0.65	46.8	3.86	2.56	50.7
Including items affecting comparability	0.38	0.65	-42.0	3.28	2.56	28.1
Operating cash flow	633	-313	–	176	-59	–
Return on operating capital (R12), %	–	–	–	16.2	15.4	–
Return on equity (R12), %	–	–	–	20.4	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.



## Full year 2022

- Organic sales rose 16.4 per cent compared to the previous year. Acquisition effects amounted to 10.7 per cent and currency effects were 6.8 per cent. Net sales increased by 33.9 per cent to SEK 22,638 million (16,905).
- The group's EBITA before items affecting comparability amounted to SEK 2,217 million (1,410), which is an increase of 57.2 per cent. Positive exchange rate effects of SEK 85 million (-22) are included in EBITA. The EBITA margin amounted to 9.8 per cent (8.3).
- The group's EBITA including items affecting comparability amounted to SEK 1,971 million (1,410).
- Items affecting comparability amounted to SEK -245 million (0). Financial net amounted to SEK -179 million (-69). Profit after tax for the group was SEK 1,266 million (990). Profit per share in total for the group after dilution before items affecting comparability amounted to SEK 3.86 (2.56). Profit per share total for the group after dilution amounted to SEK 3.28 (2.56). Operating cash flow amounted to SEK 176 million (-59).
- 2022 has been an active year and the company has made eight acquisitions. The acquisitions contribute positively to the group's net profit.



# CEO Comments

## Establishment in North America and continued solid growth

We are leaving behind a strong fourth quarter. Sales amounted to SEK 5,818 million, which is an increase of 36 per cent compared with the corresponding period the previous year. Organic growth was 18 per cent and operating profit (EBITA), before items affecting comparability, amounted to SEK 570 million, which is an increase of 69 per cent. The EBITA margin was 9.8 per cent, compared to 7.9 per cent the previous year. Both operating profit and operating margin are Beijer Ref's best to date for a fourth quarter. Operating cash flow of SEK 633 million was positive during the quarter compared with the corresponding period the previous year. Our work to normalise our operating capital has begun and will continue in 2023.

Of our geographical regions, Europe stood out above all and has had an accelerating demand for HVAC and OEM. Both of these product areas are in an expansive phase and during the quarter we invested in a build-up of stocks of critical components. All our markets in the southern hemisphere have experienced strong growth in environmentally friendly solutions in our OEM segment. During the quarter, we completed the previously announced acquisition of the Australian HVAC company AAD and HVAC Consolidated.

To respond to the prevailing inflation, we have been working proactively on both internal and external efficiency. During the quarter, the supply of materials, including semiconductors, improved and the price of raw materials stabilised. There are still long lead times, but we have good expectations that this will normalise in 2023.

We established ourselves in the North American market on 15 December through the acquisition of the HVACR company Heritage Distribution. The transaction, which was finalised on 20 January, represents a significant milestone in Beijer Ref's history and an important strategic step in our continued growth journey. Heritage Distribution offers an excellent platform from which we can continue to pursue consolidation. Work is now underway to integrate the company and benefit from value-creating synergies and common points of contact, such as environmentally friendly and innovative HVAC technologies.

To ensure that we continue to operate a sustainable business model, we signed letters of commitment to the Science Based Targets initiative (SBTi) during the quarter. The ambition is to set goals and definable action to limit global warming to a maximum of 1.5 degrees. Beijer Ref is actively working to contribute to



sustainable societal development and has an important role when it comes to electrification and the programme to phase out F-gases. During the quarter, we also renewed our partnership with Danfoss, which includes an increased focus on sustainability.

It is with pleasure that I can sum up a successful 2022. Net sales totalled just over SEK 22,6 billion, which is an increase of 34 per cent compared with 2021. Organic growth was 16 per cent and, in parallel with organic growth, we have added eight new companies to the group. EBITA, excluding items affecting comparability, for the full year was SEK 2,217 million, which is an increase of 57.2 per cent, and the corresponding margin was 9.8 per cent.

In conclusion, I would like to extend a big thank you to our fantastic employees and welcome all new companies to the Beijer Ref group. Now our journey continues: towards a larger and even more profitable group with new and exciting opportunities.

Christopher Norbye  
CEO

# Fourth quarter 2022

**36%**  
Sales increase

**18%**  
Organic growth

**69%\***  
EBITA-increase

**47%\***  
Growth  
result/share

Financial overview. SEK M	Q4-22	Q4-21	%	YTD-22	YTD-21	%
Net sales	5 818	4 271	36.2	22 638	16 905	33.9
Organic change	827		17.9	2 927		16.4
Change through acquisitions <sup>1)</sup>	382		8.9	1 812		10.7
Exchange rate fluctuation	338		9.3	994		6.8
Change total	1 547		36.2	5 733		33.9
EBITA excluding items affecting comparability	570	338	68.7	2 217	1 410	57.2
EBITA margin, %	9.8	7.9		9.8	8.3	
Items affecting comparability	-245	–		-245	–	
EBITA including items affecting comparability	325	338	-3.9	1 971	1 410	39.8
Operating profit excluding items affecting comparability (EBIT)	543	326	66.8	2 145	1 361	57.7
Profit margin, %	9.3	7.6		9.5	8.0	
Operating profit (EBIT)	298	326	-8.5	1 900	1 361	39.6
Net financial income/expense	-60	-22		-179	-69	
Tax	-87	-60		-456	-302	
Net profit	151	243	-37.9	1 266	990	27.8
Profit per share after dilution, SEK						
Excluding items affecting comparability	0.96	0.65	46.8	3.86	2.56	50.7
Including items affecting comparability	0.38	0.65	-42.0	3.28	2.56	28.1

<sup>1)</sup> Acquisition effect is calculated 12 months after the date of takeover. For more information regarding Beijer Ref's acquisitions, please see acquisition table on page 16.

## Net sales

Organic sales rose 17.9 per cent in the quarter compared to the previous year. Acquisition effects amounted to 8.9 per cent and currency effects were 9.3 per cent. Net sales increased by 36.2 per cent to SEK 5,818 million (4,271).

All regions report good growth, especially Central Europe, Eastern Europe and the Nordic countries.

The fourth quarter is seasonally weak, but this year the quarter has been influenced by good growth in the HVAC and OEM product segments, which report organic growth of 29 per cent and 24 per cent respectively.

Commercial refrigeration continues its stable development and reports organic growth of 5 per cent in the quarter.

## Profit

The group's EBITA before items affecting comparability amounted to SEK 570 million (338) during the fourth quarter, which is an increase of 69 per cent. Positive exchange rate effects of SEK 31 million (3) are included in EBITA. The EBITA margin amounted to 9.8 per cent (7.9). The improved result is mainly due to higher organic growth.

The fourth quarter includes non-recurring costs related to the acquisition of the North American operation Heritage of SEK 245 million (0), which is reported under the item "Items affecting comparability". Read more on p. 16.

\*Excluding items affecting comparability



Operating cash flow and Net debt, SEK M	Q4-22	Q4-21	YTD-22	YTD-21
Operating profit excl. items affecting comparability (EBIT)	543	326	2 145	1 361
Depreciation/write-downs on tangible assets	134	110	500	425
Amortisation/write-downs on intangible assets	27	12	72	49
<b>EBITDA excluding items affecting comparability</b>	<b>704</b>	<b>448</b>	<b>2 717</b>	<b>1 835</b>
Changes in working capital	110	-597	-1 970	-1 390
Investments in tangible fixed assets	-68	-40	-195	-186
Payments related to amortisation of lease liabilities	-103	-84	-386	-335
Non-cash generated items	-10	-40	10	17
<b>Operating cash flow</b>	<b>633</b>	<b>-313</b>	<b>176</b>	<b>-59</b>
<b>Net debt</b>			<b>7 204</b>	<b>4 585</b>
of which:				
Pension debt			110	142
Leasing liabilities, according to IFRS 16			1 814	1 476
Net debt excluding pension and leasing liabilities			5 280	2 967
Authorised credit limit			22 620	4 912
Of which remains to be utilised			16 930	1 020
Net debt/EBITDA			2.9	2.5
Net debt/EBITDA excluding items affecting comparability			2.7	2.5

Net financial income/expense amounted to -60 MSEK (-22) affected by a higher indebtedness and interest rate as well as a negative impact of exchange rate differences. The tax rate in the quarter amounted to 37 percent (20) affected by the tax effect of items affecting comparability. The underlying tax rate in the quarter amounted to 26 percent.

Profit before tax was SEK 238 million (303). Profit for the period totalled SEK 151 million (243). Profit per share after dilution before items affecting comparability amounted to SEK 0.96 (0.65), which is an increase of 46.8 per cent. Profit per share after dilution amounted to 0.38 SEK (0.65).

#### Cash flow and net liabilities

The operating cash flow amounted to SEK 633 million (-313). The operating cash flow was positive during the quarter compared to the corresponding quarter last year. Our work to normalise our operating capital has begun and will continue in 2023. Last year's operating cash flow was affected by a deliberate inventory build-up to prevent an uncertain supply chain.

Net liabilities at the end of the year amounted to SEK 7,204 million (4,585) and were affected by a higher tie-up of working capital, as well as by acquisition activities. Net liabilities in relation to EBITDA amounted to 2.9 (2.5). Net liabilities in relation to EBITDA, excluding items affecting comparability, amounted to 2.7 (2.5).

Short- and long-term liabilities have increased compared to the previous period year, mainly as a result of higher debts to credit institutions and an increased debt to non-controlling interests, related to acquired which includes a put/call option.

At the end of the period, the company had credit facilities amounting to SEK 22,620 million (4,912), of which unutilised credits amounted to SEK 16,930 million (1,020). The change is mainly due to the bridge facility agreement described on p. 7.

#### January - December 2022

Net sales for the 12 months of 2022 amounted to SEK 22,638 million (16,905), a total increase of 34 per cent compared to the corresponding period the previous year.

Organic sales growth amounted to 16 per cent. EBITA, before items affecting comparability, amounted to SEK 2,217 million (1,410), corresponding to a margin of 9.8 per cent (8.3).

Financial net amounted to SEK -179 million (-69). Profit before tax was SEK 1,721 million (1,292). The tax rate was 26 per cent (23). Profit after tax for the group was SEK 1,266 million (990). Profit per share before items affecting comparability before and after dilution amounted to SEK 3.86 (2.58) and SEK 3.86 (2.56) respectively. Profit per share before and after dilution amounted to SEK 3.28 (2.58) and 3.28 (2.56), respectively.

### Significant events during the quarter

The previously announced acquisition of AAD and HVAC Consolidated was completed during the fourth quarter. During the quarter, Beijer Ref announced the acquisition of Easy Air Conditioning and Beijer Ref signed an agreement to acquire the HVACR company Heritage Distribution.

At the Extraordinary General Meeting on 10 November 2022, it was resolved, in accordance with the Nominating Committee's proposal, to expand the company's board of directors by one member through the election of Nathalie Delbreuve as a new board member. Nathalie was also elected chairman of the audit committee. For more information, please visit [www.beijerref.com](http://www.beijerref.com).

The board of Beijer Ref resolved on 17 November 2022, with the support of the authorisation from the Annual General Meeting of 7 April 2022, to acquire 123,410 treasury shares of series B on Nasdaq Stockholm, during the month of November, in accordance with the Nordic Main Market Rulebook for Issuers of Shares. The purpose of the repurchase was to ensure Beijer Ref's delivery of shares to participants in the incentive program LTIP 2022/2025.

### Significant events after the end of the period

Beijer Ref announced on January 18, 2023 that the processing time in the regulatory process regarding the acquisition of Heritage Distribution expired without Beijer Ref receiving any objections or requests from the regulatory authority. The acquisition was completed on January 20, 2023. The company will be a separate reporting segment from the first quarter of 2023.

The shareholders of Beijer Ref have been called to an extraordinary general meeting on February 17, 2023 at 10.00 at Mannheimer Swartling's office, Carlsgatan 3, Malmö. Registration for the meeting begins at 09.30. The board has called the extraordinary general meeting in order for the general meeting to authorise the board to resolve on a rights issue of series B shares.

### Credit Facility Agreement

On December 15, 2022, Beijer Ref entered into a credit facility agreement of SEK 14,000 million with Handelsbanken and Nordea in order to finance the acquisition of Heritage Distribution (the "Bridge Facility Agreement"). In connection with the completion of the acquisition on 20 January, 2023, Beijer Ref utilised a loan-, under the Bridge Facility Agreement, totalling SEK 13,600 million. The Bridge Facility Agreement is intended to be refinanced through a fully underwritten rights issue and has a term of four months from 15 December 2022, with the right for Beijer Ref to extend the term twice by a further two and three months respectively, i.e. at the latest until 15 September 2023. Since the Group's indebtedness has temporarily increased in connection with the utilisation of the facility under the Bridge Facility Agreement, Beijer Ref has agreed with all lenders that the debt that the Company takes on under the Bridge Facility Agreement and the interest costs that accrue thereon as well as cash and cash-like assets, earnings before interest, taxes, depreciation

and write-downs (EBITDA) and interest income attributable to Heritage Distribution shall not be taken into account when calculating the financial covenants during the period from and including the date of the assumption of the debt under the Bridge Facility Agreement up to and including the day when such debt is repaid in full on September 15, 2023 at the latest.

### Annual General Meeting and dividend

The board has resolved that the annual general meeting will be held in Malmö on April 25, 2023. Notice will be issued in due course. The board proposes a dividend amounting to a total of SEK 475 million (419), corresponding to 38 per cent (43) of the year's profit. The board's final proposal on dividend per share will be presented in connection with the notice to the annual general meeting, at the latest.

### 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 39 per cent to 50 per cent by 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, in the future also North America, 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 principles

This interim report was prepared in accordance with IAS 34, the Swedish Annual Reports 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.

### **Other**

#### *Related party transactions*

Senior executives and Chairperson of Beijer Ref participate in EQT's MPP (Management Participation Program) through an investment in securities of a Luxembourgish special limited partnership which in turn, alongside EQT Private Equity, has invested in the Luxembourgish holding company Breeze TopCo S.à.r.l. which owns shares in Beijer Ref.

The company has an option programme that comprises 90 management personnel within the group. The programme runs during the period 2022 to 2025. The maximum number of options amounted to 1,616,000 and the number subscribed amounts to 482,500. A total of SEK 7.2 million has been received in respect of the options at a price of SEK 14.90, which is recognised in equity. The company holds treasury shares so as to be able to deliver these when the options mature. The redemption price for the shares is SEK 163.40 and the programme matures in June 2025. Senior executives have invested through EQT's MPP programme and have thus not subscribed for options under this programme.

Otherwise, no significant changes have occurred for the group or for the parent company regarding transactions or relationships with related parties, compared to what is described in Note 32 of the Annual Report for 2021.

#### *Important assessments and assumptions for reporting purposes*

The management and board make assessments and assumptions about the future. These assessments and assumptions affect reported assets and liabilities, income and expenses and other information provided. These assessments are based on historical experience and the different assumptions deemed reasonable under the circumstances. The areas identified as important have not changed since the 2021 annual report was issued and are described in more detail in Note 4.

#### *Change of operating segments*

As a result of the acquisition of Heritage Distribution, Beijer Ref intends to change its operating segments. This is to provide a clearer overview and understanding of the business's respective segments. Beijer Ref's markets will be divided into the following: APAC, EMEA and North America. The ambition is for the change to take effect during the first quarter of 2023.



### Telephone conference Q4 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 fourth quarter of 2022. The presentation is held in English. The meeting is on 31 January at 10.00 CET. Join the presentation using the link or telephone number below:

Webcast: <https://financialhearings.com/event/45869>

Dial-in-number:

SE: +46 8 505 163 86

US: +1 412 317 6300

UK: +44 20 319 84884

The pin code is: 8259671#

The presentation will also be available on the company's website [www.beijerref.com](http://www.beijerref.com) from 08.30 on 31 January.

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

This interim report has been subject to a general review by the company's auditor.

Malmö, 31 January, 2023

Beijer Ref AB (publ)  
Christopher Norbye, CEO

### For more information on this report, contact:

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### Auditors review report

#### Introduction

We have reviewed the interim report for Beijer Ref AB (publ), corp.reg. no. 556040-8113, for the period January 1 - December 31, 2022. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

#### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Malmö, January 31, 2023

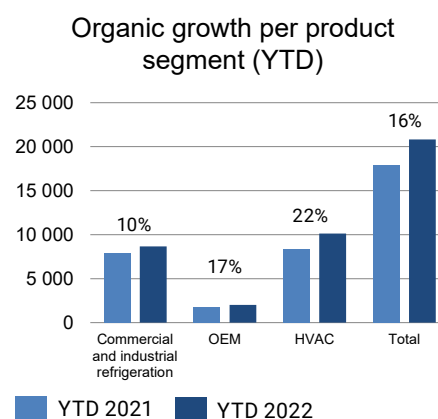
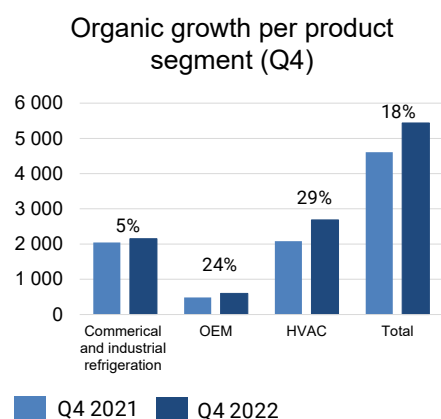
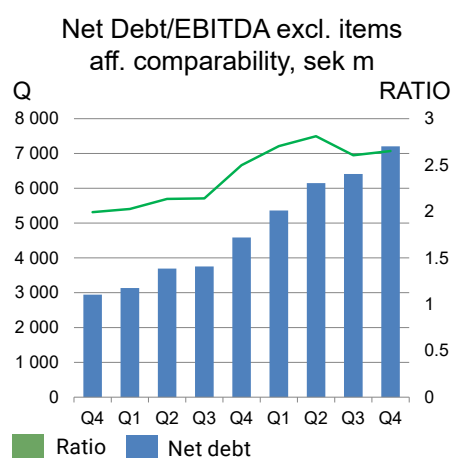
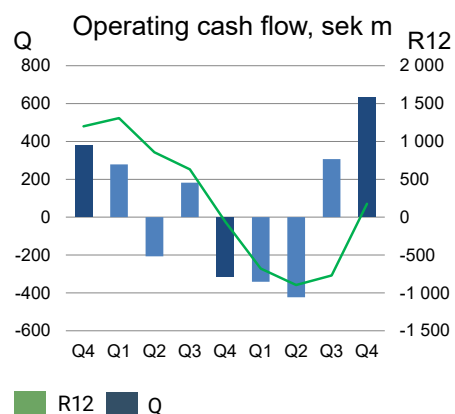
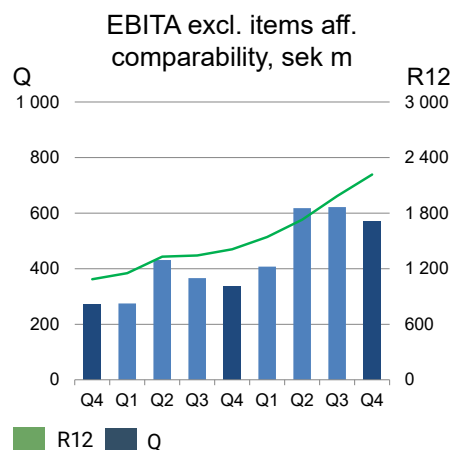
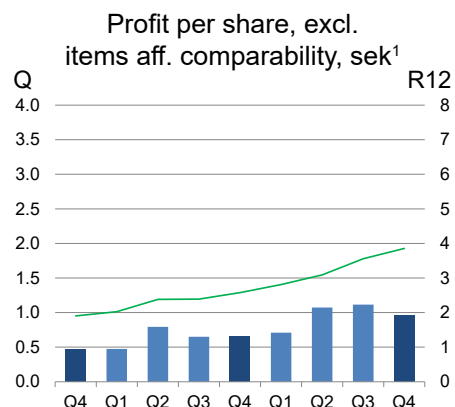
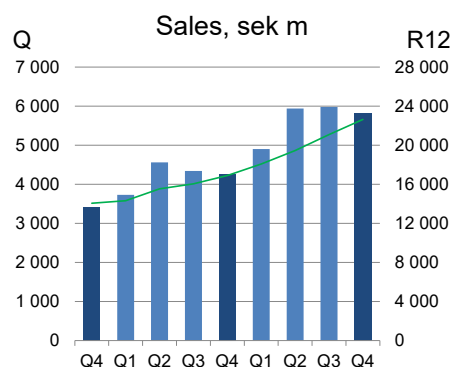
Deloitte AB

Signature on Swedish copy

Richard Peters  
Authorized Public Accountant

*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, at 08.30 CET on 31 January 2023.*

# Financial overview



<sup>1</sup>Refers to profit per share after dilution.

Summarised profit and loss account, SEK M	Q4-22	Q4-21	YTD-22	YTD-21
Net sales	5 818	4 271	22 638	16 905
Other operating income	23	16	145	48
Operating expenses	-5 382	-3 839	-20 312	-15 118
Depreciation and write-down of intangible and tangible fixed assets	-161	-123	-571	-474
<b>Operating profit (EBIT)</b>	<b>298</b>	<b>326</b>	<b>1 900</b>	<b>1 361</b>
Net financial income/expense	-60	-22	-179	-69
<b>Profit before tax</b>	<b>238</b>	<b>303</b>	<b>1 721</b>	<b>1 292</b>
Tax	-87	-60	-456	-302
<b>Net profit</b>	<b>151</b>	<b>243</b>	<b>1 266</b>	<b>990</b>
<i>Net profit attributable to:</i>				
The parent company's shareholders	145	250	1 248	979
Non-controlling interests	6	-7	17	11
Net profit per share before dilution, sek	0.38	0.66	3.28	2.58
Net profit per share after dilution, sek	0.38	0.65	3.28	2.56

The Group's summarised report on other comprehensive income, SEK M	Q4-22	Q4-21	YTD-22	YTD-21
Net profit	151	243	1 266	990
OTHER COMPREHENSIVE INCOME				
Items which will not be reversed in the profit and loss account	60	18	48	31
Income tax relating to components in above item	-13	-5	-13	-5
Items which can later be reversed in the profit and loss account	84	92	590	220
Income tax relating to components in above item	5	-5	11	-3
<b>Total comprehensive income for the period</b>	<b>288</b>	<b>343</b>	<b>1 902</b>	<b>1 233</b>
<i>Attributable to:</i>				
The parent company's shareholders	293	347	1 892	1 218
Non-controlling interests	-5	-4	10	15

Summarised balance sheet, SEK M	31 Dec 22	31 Dec 21
<b>ASSETS</b>		
<i>Fixed assets:</i>		
Intangible fixed assets	5 484	3 470
Tangible fixed assets	872	703
Right of use assets	1 771	1 442
Deferred tax asset	299	224
Other fixed assets	167	156
<b>Total fixed assets</b>	<b>8 592</b>	<b>5 995</b>
<i>Current assets:</i>		
Inventories	7 389	5 057
Trade debtors	3 681	2 660
Other receivables	685	584
Liquid funds	1 518	1 004
<b>Total current assets</b>	<b>13 272</b>	<b>9 305</b>
<b>Total assets</b>	<b>21 864</b>	<b>15 300</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	6 714	5 266
<b>Total equity</b>	<b>6 714</b>	<b>5 266</b>
Long term liabilities	6 975	4 882
Deferred tax liability	245	168
<b>Total long term liabilities</b>	<b>7 220</b>	<b>5 050</b>
<i>Current liabilities:</i>		
Trade creditors	2 586	2 130
Other liabilities	5 344	2 855
<b>Total current liabilities</b>	<b>7 930</b>	<b>4 985</b>
<b>Total equity and liabilities</b>	<b>21 864</b>	<b>15 300</b>
Of which interest-bearing liabilities	8 722	5 589



Summarised consolidated cash flow analysis, SEK M	Q4-22	Q4-21	YTD-22	YTD-21
Operating profit (EBIT)	298	326	1 900	1 361
Non-cash generated items	403	82	846	495
Paid interest	-55	-27	-184	-84
Paid income tax	-153	-119	-491	-290
Realisation result on sale of tangible fixed assets	-6	1	-20	-4
Changes in working capital	110	-597	-1 970	-1 390
<b>Cash flow from current operations</b>	<b>597</b>	<b>-333</b>	<b>81</b>	<b>89</b>
Cash flow from investment operations	-538	-150	-1 331	-749
Cash flow from financial operations	26	630	2 511	1 184
Payments related to amortisation of lease liabilities	-103	-84	-386	-335
Dividend paid	-188	-152	-434	-380
<b>Change in liquid funds</b>	<b>-205</b>	<b>-89</b>	<b>442</b>	<b>-191</b>
Exchange rate difference in liquid funds	-17	15	72	41
Liquid funds at the beginning of the period	1 741	1 078	1 004	1 154
<b>Liquid funds at the period end</b>	<b>1 518</b>	<b>1 004</b>	<b>1 518</b>	<b>1 004</b>

Equity, SEK M	31 Dec 22	31 Dec 21
Opening balance	5 266	4 489
Net profit	1 266	990
Other comprehensive income for the period	636	243
Dividend	-419	-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
Option premium obtained with the issue of option programme LTIP 2022-2025	7	–
Purchase of own shares	-21	–
Non-controlling interest arising on business combinations	17	11
Dividend to shareholders with no controlling influence	-9	-10
Fair value change of liabilities linked to acquisitions	-29	–
<b>Closing balance</b>	<b>6 714</b>	<b>5 266</b>

Key figures*	31 Dec 22	31 Dec 21
Equity ratio, %	30.7	34.4
Equity per share before dilution, sek	18	14
Equity per share after dilution, sek	18	15
Return on equity (R12), %	20.4	20.3
Return on operating capital (R12), %	16.2	15.4
Debt/equity ratio	1.1	0.9
Interest coverage ratio	10.4	16.4
Net debt/EBITDA	2.9	2.5
Net debt/EBITDA excluding items affecting comparability	2.7	2.5
Average number of employees	4 720	4 134
Number of outstanding shares	380 345 570	380 468 980
Holding of own shares <sup>1</sup>	1 958 500	1 835 090
Total number of shares	382 304 070	382 304 070
Average number of outstanding shares	380 438 128	380 254 268

1) Holdings of own shares includes the delivery of shares to participants in the options programme. The option programs expire in June 2024 and June 2025, respectively.

\*The table contains alternative key figures, for more details see p. 18.

## Reporting for segments

### Operating segments

The group's operations are divided into operating segments based on how the company's executive decision-makers, i.e. the CEO, follow the business. The group has the following segments: Nordic Countries, Central Europe, Southern Europe, Eastern Europe, Africa and Asia Pacific.

The segment reporting for the regions includes net sales, EBIT and EBIT%. Internal sales in each segment are eliminated in net sales; internal sales between segments are eliminated at the total level.

Net sales, SEK M	Q4-22	Q4-21	Δ%	YTD-22	YTD-21	Δ%
Nordic	700	477	47	2 451	1 813	35
Central Europe	1 203	845	42	4 806	3 860	25
Southern Europe	1 800	1 459	23	7 866	6 008	31
Eastern Europe	490	233	111	2 187	1 087	101
Africa	385	318	21	1 363	1 106	23
Asia Pacific	1 350	1 017	33	4 472	3 387	32
Eliminations	-110	-77	–	-507	-357	–
<b>Group</b>	<b>5 818</b>	<b>4 271</b>	<b>36</b>	<b>22 638</b>	<b>16 905</b>	<b>34</b>

Operating profit (EBIT), SEK M	Q4-22	Q4-21	Δ%	YTD-22	YTD-21	Δ%
Nordic	114	67	69	368	247	49
Central Europe	97	63	53	457	302	51
Southern Europe	136	87	56	697	467	49
Eastern Europe	75	21	261	336	133	152
Africa	43	34	25	114	94	20
Asia Pacific	124	103	20	373	256	45
Other	-46	-51	–	-200	-140	–
<b>Group</b>	<b>543</b>	<b>326</b>	<b>67</b>	<b>2 145</b>	<b>1 361</b>	<b>58</b>
Items affecting comparability	-245	–	–	-245	–	–
<b>Group incl. items affecting comparability</b>	<b>298</b>	<b>326</b>	<b>-9</b>	<b>1 900</b>	<b>1 361</b>	<b>40</b>

EBIT %	Q3-22	Q-21	Δ	YTD-22	YTD-21	Δ
Nordic	16.3	14.2	2.1	15.0	13.6	1.4
Central Europe	8.0	7.5	0.5	9.5	7.8	1.7
Southern Europe	7.6	6.0	1.6	8.9	7.8	1.1
Eastern Europe	15.2	8.9	6.4	15.4	12.3	3.1
Africa	11.2	10.8	0.4	8.3	8.5	-0.2
Asia Pacific	9.2	10.2	-1.0	8.3	7.6	0.8
<b>Group</b>	<b>9.3</b>	<b>7.6</b>	<b>1.7</b>	<b>9.5</b>	<b>8.0</b>	<b>1.5</b>
<b>Group incl. items affecting comparability</b>	<b>5.1</b>	<b>7.6</b>	<b>-2.5</b>	<b>8.4</b>	<b>8.0</b>	<b>0.4</b>

## Overview per segment (quarters)

Net sales, SEK M	Q4-22	Q3-22	Q2-22	Q1-21	Q4-21	Q3-21	Q2-21	Q1-20	Q4-20
Nordic	700	633	619	499	477	493	458	386	400
Central Europe	1 203	1 349	1 251	1 002	845	1 078	1 117	820	703
Southern Europe	1 800	2 058	2 297	1 712	1 459	1 468	1 764	1 317	1 084
Eastern Europe	490	630	638	430	233	352	313	189	108
Africa	385	336	306	337	318	268	251	269	321
Asia Pacific	1 350	1 090	993	1 039	1 017	778	757	834	857
Eliminations	-110	-116	-165	-115	-77	-96	-98	-85	-66
<b>Group</b>	<b>5 818</b>	<b>5 979</b>	<b>5 938</b>	<b>4 903</b>	<b>4 271</b>	<b>4 341</b>	<b>4 561</b>	<b>3 731</b>	<b>3 408</b>

Operating profit (EBIT), SEK M	Q4-22	Q3-22	Q2-22	Q1-21	Q4-21	Q3-21	Q2-21	Q1-20	Q4-20
Nordic	114	96	98	60	67	65	63	43	63
Central Europe	97	156	126	79	63	89	101	49	48
Southern Europe	136	205	235	120	87	121	177	82	50
Eastern Europe	75	105	106	50	21	55	44	14	9
Africa	43	25	17	29	34	23	12	25	38
Asia Pacific	124	82	71	95	103	39	45	69	74
Other	-46	-62	-51	-40	-51	-37	-24	-19	-27
<b>Group</b>	<b>543</b>	<b>607</b>	<b>603</b>	<b>393</b>	<b>326</b>	<b>354</b>	<b>418</b>	<b>263</b>	<b>256</b>
Items affecting comparability	-245	—	—	—	—	—	—	—	—
<b>Group incl. items affecting comparability</b>	<b>298</b>	<b>607</b>	<b>603</b>	<b>393</b>	<b>326</b>	<b>354</b>	<b>418</b>	<b>263</b>	<b>256</b>

EBIT %	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21	Q2-21	Q1-20	Q4-20
Nordic	16.3	15.1	15.9	12.1	14.2	13.3	13.8	11.1	15.8
Central Europe	8.0	11.6	10.1	7.8	7.5	8.2	9.1	6.0	6.8
Southern Europe	7.6	10.0	10.2	7.0	6.0	8.2	10.1	6.2	4.6
Eastern Europe	15.2	16.7	16.6	11.8	8.9	15.6	14.1	7.3	8.0
Africa	11.2	7.3	5.5	8.6	10.8	8.4	4.7	9.5	11.9
Asia Pacific	9.2	7.5	7.2	9.1	10.2	5.0	5.9	8.2	8.6
<b>Group</b>	<b>9.3</b>	<b>10.1</b>	<b>10.2</b>	<b>8.0</b>	<b>7.6</b>	<b>8.2</b>	<b>9.2</b>	<b>7.0</b>	<b>7.5</b>
<b>Group incl. items affecting comparability</b>	<b>5.1</b>	<b>10.1</b>	<b>10.2</b>	<b>8.0</b>	<b>7.6</b>	<b>8.2</b>	<b>9.2</b>	<b>7.0</b>	<b>7.5</b>

## 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 per cent of the Group's total sales. During the year, six acquisitions were consolidated to the group's accounts, each of which has been deemed to be immaterial. Of these, two are asset and liability acquisitions. Information about the acquisitions is provided in the table below.

### 2022

#### Fourth quarter

During the fourth quarter of 2022, Beijer Ref acquired 80 per cent of the shares in Easy Air Conditioning, with an option to acquire the remaining shares. The previously announced acquisition of AAD and HVAC Consolidated has been completed during the current quarter, which means that Beijer Ref has acquired 51 per cent of the shares in AAD and HVAC Consolidated, with an option to acquire the remaining shares. During the fourth quarter, Beijer Ref signed an agreement to acquire Heritage Distribution. This company will be consolidated in Q1 2023.

### 2021

#### Fourth quarter

In the corresponding quarter last year, the following companies were acquired: Inventor, Airstream and Clima Solutions. During the fourth quarter of 2021, the acquisition of the outstanding shares, 40 per cent, in Patton Albury was also completed.

## Accounting for 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, four of the acquisitions were made with an option to acquire the remaining shares over the period 2024–2025. The options have been valued at the likely outcome and entered as non-current liability; this liability amounts to SEK 706 million. Acquisitions that include a put and call option where ownership will amount to 100 per cent, are consolidated in their entirety at the time of acquisition.

Acquisition costs for acquisitions completed in 2022 amount to SEK 10 million and are included in other costs. Acquisition costs and the acquisition calculations are preliminary.

## Acquisitions after the balance sheet date

On January 20, 2023, the acquisition of Heritage Distribution was completed. Beijer Ref acquired 94.77 percent of the shares and holds a put/call option to acquire the remaining share. The purchase price amounted to USD 1,304 million on a cash and debt-free basis, corresponding approx. SEK 13.4 billion.

A preliminary acquisition analysis has been drawn up, which shows total identified net assets amounting to SEK 2.6 billion consisting primarily of brands worth SEK 2.8 billion and customer lists about SEK 1.5 billion. Goodwill amounted to approximately SEK 6.0 billion. Since the acquisition was completed on January 20, 2023, values are indicated preliminary.

Transaction costs, which are a combination of acquisition costs, bridge financing costs (incl. interest) and guarantee and issue costs, is expected to amount to approximately SEK 700 million, of which approx. SEK 245 million burdens the fourth quarter of 2022 and are classified as an item affecting comparability.

Consolidated acquisitions	Consolidated from	Region	Revenue, sek m	Number of employees
<b>2022</b>				
<b>Companies</b>				
Deltron	January	Eastern Europa	400	110
Mackay and GMR Supplies (asset deals)	April	Asia Pacific	50	8
EID	August	Central Europa	170	20
Easy Air Conditioning	October	Central Europa	70	8
AAD and HVAC Consolidated	November	Asia Pacific	800	125
<b>2021</b>				
<b>Companies</b>				
Sinclair	January	Eastern Europa	475	110
Complete Air Supply	February	Asia Pacific	130	40
Coolair	March	Central Europa	100	25
Industrial Refrigeration Components	June	Asia Pacific	20	2
Fenagy	July	Nordic	30	10
Froid et Clim distribution	August	Asia Pacific	25	5
Armcor	September	Asia Pacific	115	37
Inventor	October	Southern Europa	800	80
Airstream	November	Asia Pacific	40	14
Clima Solutions	December	Asia Pacific	35	10
<b>Acquisitions not yet consolidated</b>				
<b>Companies</b>				
Transport Cooling SA	Q1 2023	Africa	150	90
Heritage Distribution	Q1 2023	North America	6 492	800



Acquisitions of companies, sek m	YTD-22	YTD-21
Fair value in the Group:		
Intangible assets	233	264
Tangible and financial fixed assets	243	64
Deferred tax asset	6	14
Inventories	263	366
Other current assets	228	296
Liquid funds	154	293
Deferred tax liability	-69	-59
Provisions	-4	-33
Other current liabilities	-579	-656
<b>Total identifiable net assets</b>	<b>476</b>	<b>549</b>
Goodwill	1 465	1 023
Effect on the cash flow		
Consideration	-1 941	-1 559
Non paid purchase price	873	688
Consideration paid relating to acquisitions from previous years	-229	–
Liquid funds in acquired companies	154	293
<b>Total</b>	<b>-1 144</b>	<b>-578</b>

The table shows the total cash flow impact from acquisition activities. The statement of identifiable net assets refers to acquisitions made in 2022 and 2021, respectively. 2022 includes the impact of the acquisitions of Deltron, EID, Easy Air Conditioning, AAD and HVAC Consolidated. These companies have been merged in the above table as the respective acquisitions individually are not significant.

Parent company profit and loss account in summary, SEK M	YTD-22	YTD-21
Operating income	124	83
Operating expenses	-178	-100
Depreciation	-3	-3
<b>Operating profit (EBIT)</b>	<b>-57</b>	<b>-20</b>
Net financial income/expense	-95	18
Result of participations in Group companies	632	588
<b>Profit before appropriations</b>	<b>480</b>	<b>586</b>
Appropriations	102	52
<b>Profit before tax</b>	<b>582</b>	<b>638</b>
Tax	10	-11
<b>Net profit</b>	<b>592</b>	<b>627</b>

Parent company balance sheet in summary, SEK M	31 Dec 22	31 Dec 21
<b>ASSETS</b>		
Intangible fixed assets	6	6
Tangible fixed assets	4	5
Financial fixed assets	7 472	5 694
Current assets	2 284	1 024
<b>Total assets</b>	<b>9 766</b>	<b>6 729</b>
<b>EQUITY AND LIABILITIES</b>		
Shareholders' equity	2 119	1 959
Long-term liabilities	4 810	3 569
Current liabilities	2 837	1 201
<b>Total equity and liabilities</b>	<b>9 766</b>	<b>6 729</b>

# Financial terms and alternative key figures

## Δ%

Change in percentage

## Capital employed

Balance sheet total with a deduction for non-interest-bearing liabilities and deferred tax liability.

## Debt / equity ratio

Net debt in relation to equity. The objective is to show borrowing in relation to book value of equity.

## EBITA

Operating profit 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.

## EBITA excluding items affecting comparability

Operating profit excluding items affecting comparability and before amortisation and write-downs on intangible fixed assets. The purpose of reporting EBITA excluding items affecting comparability is that the group considers it a relevant measure for an investor who wants to understand the generation of earnings from the underlying operating activities before investments in intangible fixed assets.

## EBITA margin, %

EBITA excluding items affecting comparability in relation to net sales.

## EBITDA

Earnings before interest, taxes, depreciation and amortisation of tangible and intangible fixed assets.

## EBITDA excluding items affecting comparability

Earnings excluding items affecting comparability before interest, taxes, depreciation and amortisation of tangible and intangible fixed assets.

## Equity per share before / after dilution

Equity before / after dilution in relation to average number of outstanding shares.

## Equity ratio

Equity at the end of the period in relation to balance sheet total.

## Interest-bearing liabilities

Interest-bearing liabilities to credit institutions, liabilities related to right-of-use assets and pension liability.

## 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.

## Items affecting comparability

Major non-recurring items.

## Net debt

Interest-bearing liabilities reduced by liquid funds and interest-bearing 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.

## Net debt / EBITDA

Net debt in relation to EBITDA for previous 12 month period.

## Net debt / EBITDA excluding items affecting comparability

Net debt in relation to EBITDA excluding items affecting comparability for previous 12 month period.

## Operating capital

Capital employed minus liquid funds, financial assets and other interest-bearing assets.

## Operating cash flow

Cash flow from operating activities adjusted with interest paid, income tax paid and charged with investments in fixed assets. The performance measure excludes cash flow from items affecting comparability.

## Organic change

Comparative figures year over year adjusted for translation effects on consolidation and changes in the structure.

## Operating margin, %

Operating profit excluding items affecting comparability in relation to net sales.

## Operating profit (EBIT)

Profit before net financial items and tax.

## Operating profit excluding items affecting comparability (EBIT)

Operating profit excluding items affecting comparability.

## Profit per share before / after dilution

Net profit in relation to average number of shares before/after dilution.

## Profit per share excluding items affecting comparability before / after dilution

Net profit in relation to average number of shares excluding items affecting comparability before/after dilution.

## R12

Rolling twelve is the latest 12 months.

## Return on equity

Profit after tax for previous 12 month period 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.

## Return on operating capital

Operating profit excluding items affecting comparability for previous 12 month period as a percentage of average operating capital.

*Beijer Ref uses a number of alternative key figures. The group believes that the key figures are useful for the users of the financial reports as a supplement to the income and balance sheet and cash flow analysis. For more details including calculations, see [www.beijerref.com/alternative-performance-measures/](http://www.beijerref.com/alternative-performance-measures/)*

# Trade terms

## ARW

Air Condition & Refrigeration Wholesale.

## Chiller

Liquid refrigeration unit..

## CO<sub>2</sub> equivalent

A measurement of greenhouse gas emissions and how much carbon dioxide is needed to produce the same effect on the climate.

## F-gas

Synthetic gases containing fluorine, such as HCFCs and HFCs.

## GWP

Global Warming Potential.

## HCFC

HydroChloroFluoroCarbons, which affects the ozone layer and contribute to global warming.

## HFC

HydroFluoroCarbons, Fluorised greenhouse gases which contribute to global warming.

## HFO

HydroFluoroOlefins, synthetic environmentally friendly refrigerants.

## HORECA

Hotels, Restaurants, Catering.

## HVAC

Heating, Ventilation, Air Conditioning.

## OEM

Original Equipment Manufacturer.

## Transcritical

Heat transfer with gas cooler.

# Geographic areas

## Africa

Botswana, Ghana, Mozambique, Namibia, South Africa, Mauritius, Tanzania, Zambia.

## Asia Pacific

Australia, India, China, Malaysia, New Zealand, New Caledonia, Singapore, Thailand.

## Central Europe

Belgium, Ireland, The Netherlands, Switzerland, Germany, UK.

## Nordic

Denmark, Finland, Norway, Sweden.

## Southern Europe

France, Italy, Portugal, Spain, Greece.

## Eastern Europe

Austria, Estonia, Croatia, Latvia, Lithuania, Poland, Romania, Slovakia, Bosnia-Herzegovina, Czech Republic, Hungary.

# Other

## CSR

Corporate Social Responsibility.

## 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 brief

## This is Beijer Ref

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; knowledge and experience about the market; and by providing efficient logistics and warehousing.

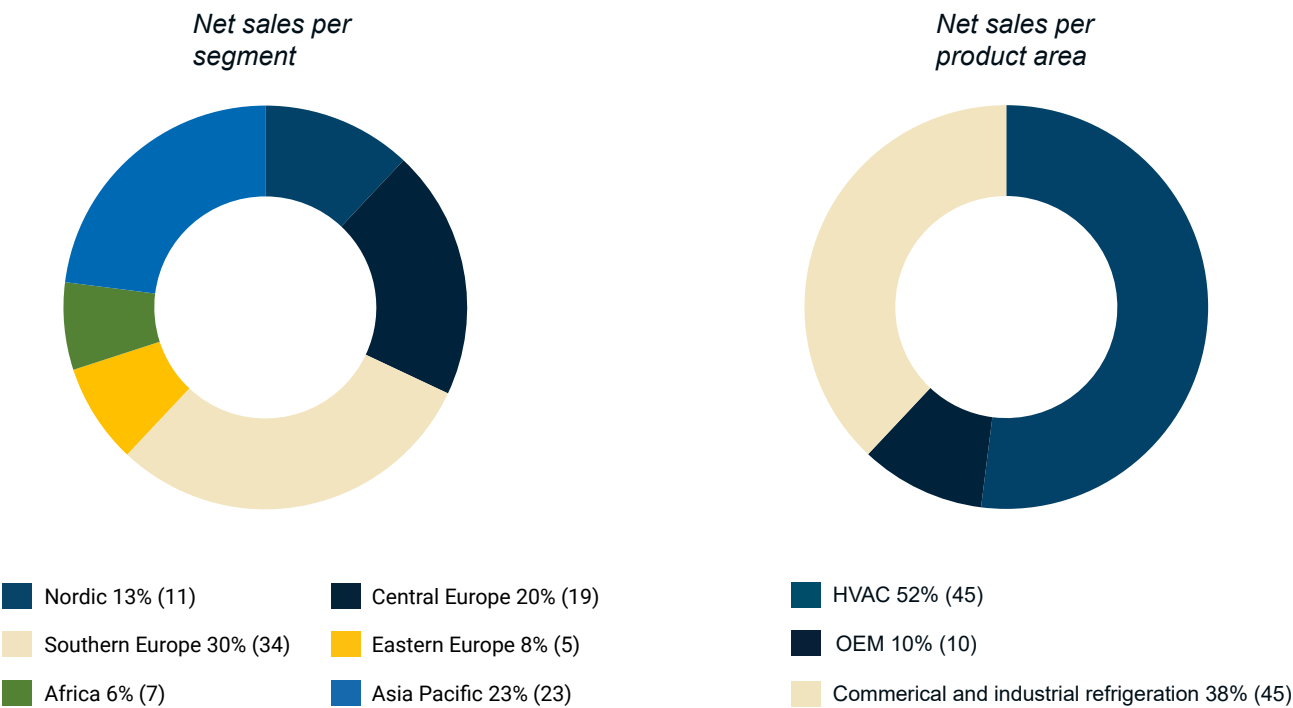
Operations are carried out by region within the Beijer Ref, which comprises Beijer Ref ARW (Air conditioning, refrigeration, wholesale) and Toshiba's distribution operation within air conditioning and heating. The Beijer Ref Group is a leading operator within the refrigeration sector in Europe and has 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 2023

- Annual report will be published on [www.beijerref.com](http://www.beijerref.com) April 4, 2023
- Interim report for the first quarter will be published on April 25, 2023
- Annual General Meeting will be held on April 25, 2023
- Interim report for the second quarter will be published on July 20, 2023
- Interim report for the third quarter will be published on October 24, 2023
- Interim report for the fourth quarter will be published on January 31, 2024



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





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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.*