

# Beijer Ref AB

## Q1-2023

English version

BEIJER REF

# Beijer Ref AB

## Q1-2023

### First quarter

- Organic sales increased 14.5 per cent in the quarter compared to the previous year. Acquisition effects amounted to 30.2 per cent and currency effects were 5.8 per cent. Net sales increased by 50.5 per cent and amounted to SEK 7,378 million (4,903).
- EBITA amounted to SEK 702 million (407), which is an increase of 72.4 per cent compared to the same period last year. The EBITA margin amounted to 9.5 per cent (8.3).
- This is Beijer Ref's best first quarter ever, excluding items affecting comparability, in both absolute terms and margin, based on the current structure.
- The first quarter includes non-recurring costs related to the temporary financing regarding the acquisition of the North American operation Heritage Distribution of SEK 138 million, which is reported under the item "Net financial income/expense".
- Operating cash flow amounted to SEK -209 million (-295) during the quarter. Operating cash flow in the quarter was still affected by the effects of the unstable supply chain in 2022.
- Profit per share after dilution, and adjusted for items affecting comparability in the net financial income/expense, amounted to SEK 1.08 (0.65), which is an increase of 66.6 per cent.
- The previously announced acquisitions of the HVACR company Heritage Distribution (North America), as well as Transport Cooling (South Africa) were completed in the first quarter. Heritage Distribution was completed and consolidated per January 20.
- The announced rights issue was completed during the quarter. The rights issue was subscribed to 99.7 per cent with the support of subscription rights. Other shares were allotted to those who subscribed for shares without subscription rights. Overall, the rights issue was oversubscribed by 44 per cent.

Key figures, SEK M	Q1-23	Q1-22	Δ%	R12	FY-22
Net sales	7 378	4 903	50.5	25 113	22 638
Organic sales, %	14.5	15.8			16.4
EBITA excluding items affecting comparability	702	407	72.4	2 511	2 217
EBITA margin excluding items affecting comparability, %	9.5	8.3		10.0	9.8
Items affecting comparability	-	-		-245	-245
EBITA	702	407	72.4	2 266	1 971
Operating profit excluding items affecting comparability (EBIT)	666	393	69.6	2 418	2 145
Profit margin excluding items affecting comparability, %	9.0	8.0		9.6	9.5
Operating profit (EBIT)	666	393	69.6	2 173	1 900
Net profit	355	273	30.1	1 348	1 266
Profit per share after dilution, SEK <sup>1</sup>					
Excluding items affecting comparability <sup>2</sup>	1.08	0.65	66.6	3.97	3.54
Including items affecting comparability	0.82	0.65	27.0	3.18	3.00
Operating cash flow	-209	-295	-	262	176
Return on operating capital, excluding items affecting comparability, (R12), %	-	-	-	13.7	16.2
Return on equity (R12), %	-	-	-	13.6	20.4

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.

<sup>1</sup> Comparative figures are recalculated as a result of the rights issue that was completed in March 2023.

<sup>2</sup> The measure has been adjusted for items affecting comparability regarding transaction costs, financial costs and tax related to the acquisition of Heritage Distribution.

# CEO comments

## We continue to build on the successes from 2022

During the first quarter, we have continued to build on the success of 2022. All markets have shown positive growth and total sales amounted to SEK 7,378 million, which is an increase of 50 per cent over the same period last year, with organic growth of 15 per cent. Operating profit (EBITA) amounted to SEK 702 million, which is an increase of 72 per cent compared to the same period last year. All segments recorded strong organic growth: HVAC 17 per cent, OEM 24 per cent and Commercial and Industrial Refrigeration 10 per cent.

During the quarter, we continued to have good demand for air/air (AC products), primarily for heating. Increased awareness of energy efficiency and improved indoor environments are contributing factors. Also, the rising electricity prices in Europe have led to more and more people starting to see the cost benefits of using air/air as a complement to heating.

We continue to focus on creating simple and seamless e-commerce experiences for our customers, resulting in increased sales and customer satisfaction. During the quarter, our digital sales continued their very good growth and we have had good development on both existing and new e-commerce platforms. Sales increased by 40 per cent, compared with the same period last year.

Uncertain supply chains are something the industry is still struggling with and which have had a negative impact on our warehouse stocks; we continue to see improvements, especially regarding lead times for products and components. We expect a normalisation of warehouse stocks, adjusted for our seasonal variations, in the second half of 2023.

I am pleased to inform that during the quarter (January 20) we completed the acquisition of the North American HVAC company Heritage Distribution, subject to customary completion conditions. This acquisition is an important step for Beijer Ref and reflects our commitment to expanding our global reach and meeting the needs of our customers in all corners of the world. Heritage Distribution has been integrated in line with our expectations and reported good development in the first quarter. The integration of AAD (Australia) has also gone according to plan.

The Beijer Ref Exchange Programme for 2023 has been concluded. The programme has enabled participants to gain valuable insights from other parts of the organisation, learn new skills and build relationships with colleagues from different countries. A big thank you to all participants whose contributions have been crucial to the success of the program.

Finally, I would like to take this opportunity to welcome Heritage Distribution to the Beijer Ref family. They have an ambitious and dedicated team that brings many years of industry experience. Europe and the North America are now moving towards their summer season and, with a well thought-out strategy behind us and purposeful employees, we continue to create good conditions for long-term growth.

CEO  
Christopher Norbye



# First quarter 2023

**50%**  
Sales increase

**15%**  
Organic growth

**72%**  
EBITA-increase

**67%\***  
Increase  
result/share

Financial overview, SEK M	Q1-23	Q1-22	Δ%	R12	FY-22
Net sales	7 378	4 903	50.5	25 113	22 638
Organic change, %	14.5	15.8			16.4
Change through acquisition <sup>1</sup> , %	30.2	10.0			10.7
Exchange rate fluctuation, %	5.8	5.6			6.8
Change total, %	50.5	31.4			33.9
EBITA, excluding items affecting comparability	702	407	72.4	2 511	2 217
EBITA margin excluding items affecting comparability, %	9.5	8.3		10.0	9.8
Items affecting comparability	-	-		-245	-245
EBITA	702	407	72.4	2 266	1 971
Operating profit excluding items affecting comparability (EBIT)	666	393	69.6	2 418	2 145
Profit margin excluding items affecting comparability, %	9.0	8.0		9.6	9.5
Operating profit (EBIT)	666	393	69.6	2 173	1 900
Net financial income/expense, excluding items affecting comparability	-69	-25		-222	-179
Net financial income/expense, items affecting comparability	-138	-		-138	-
Net financial income/expense	-207	-25		-360	-179
Tax	-104	-95		-465	-456
Net profit	355	273	30.1	1 348	1 266
Profit per share after dilution, SEK <sup>2</sup>					
Excluding items affecting comparability <sup>3</sup>	1.08	0.65	66.6	3.97	3.54
Including items affecting comparability	0.82	0.65	27.0	3.18	3.00

<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 p. 17.

<sup>2</sup> Comparative figures are recalculated as a result of the rights issue that was completed in March 2023.

<sup>3</sup> The measure has been adjusted for items affecting comparability regarding transaction costs, financial costs and tax related to the acquisition of Heritage Distribution.

## Net sales

Organic sales increased 14.5 per cent in the quarter compared to the previous year. Acquisition effects amounted to 30.2 per cent and currency effects were 5.8 per cent. Net sales increased by 50.5 per cent to SEK 7,378 million (4,903).

The EMEA and APAC regions reported growth of 26 per cent and 34 per cent, respectively, in the quarter. North America reported sales better than expected, in terms of seasonal variations.

The first quarter is seasonally weaker, but this year the quarter has been influenced by good growth in the HVAC and OEM product segments, which reported organic growth of 17 per cent and 24 per cent respectively. Commercial and Industrial Refrigeration continues its stable development and reported organic growth of 10 per cent in the quarter.

## Result

The group's EBITA totalled SEK 702 million (407) during the first quarter, which is an increase of 72.4 per cent. Positive exchange rate effects of SEK 22.8 million (13.6) are included in EBITA.

The EBITA margin amounted to 9.5 per cent (8.3). The improved profit is mainly due to higher organic growth and contributions from acquired companies.

Net financial income/expense amounted to -207 MSEK (-25) affected by non-recurring costs relating to the temporary financing regarding the acquisition of the North American operation Heritage Distribution of 138 MSEK. In addition, the net financial income/expense is affected by a higher indebtedness and interest rate as well as by a higher interest burden from IFRS 16, which in part comes from acquired operations. The tax rate in the quarter amounted to 23 per cent (26).

Profit before tax was SEK 459 million (367). Profit for the period totalled SEK 355 million (273). Profit per share after dilution and before items affecting comparability amounted to SEK 1.08 (0.65), which is an increase of 66.6 per cent. Profit per share after dilution amounted to SEK 0.82 (0.65). Comparative figures related to profit per share are recalculated as a result of the rights issue that was completed in March 2023.

Operating cash flow and Net debt, SEK M	Q1-23	Q1-22	R12	FY-22
Operating profit excl. items affecting comparability (EBIT)	666	393	2 418	2 145
Depreciation/write-downs on tangible assets	161	119	542	500
Amortisation/write-downs on intangible assets	36	14	93	72
<b>EBITDA excluding items affecting comparability</b>	<b>863</b>	<b>526</b>	<b>3 054</b>	<b>2 717</b>
Changes in working capital	-892	-730	-2 132	-1 970
Investments in tangible fixed assets	-65	-40	-220	-195
Payments related to amortisation of lease liabilities	-114	-91	-408	-386
Non-cash generated items	-2	40	-32	10
<b>Operating cash flow</b>	<b>-209</b>	<b>-295</b>	<b>262</b>	<b>176</b>
<b>Net debt</b>	<b>7 259</b>	<b>5 363</b>		<b>7 204</b>
Of which:				
Pension debt	110	144		110
Leasing liabilities, according to IFRS 16	2 318	1 521		1 814
Net debt excluding pension and leasing liabilities	4 832	3 698		5 280
Authorised credit limit	10 010	4 990		22 620
Of which remains to be utilised	3 647	839		16 930
Net debt/EBITDA	2.58	2.70		2.92
Net debt/EBITDA excluding items affecting comparability	2.38	2.70		2.65
Net debt/EBITDA excl leasing liabilities, pension liability and items affecting comparability	1.86	2.30		2.30

### Cash flow and net debt

Operating cash flow amounted to SEK -209 million (-295). Operating cash flow in the quarter was still affected by the effects of the unstable supply chain in 2022. Our work to normalise our operating capital continues and will only have a significant effect in the second half of 2023.

Net debts at the end of the quarter amounted to SEK 7,259 million (5,363) and were affected by a higher tie-up of working capital, as well as by acquisition activities. Net debt in relation to EBITDA amounted to 2.58 (2.70). Net debt in relation to adjusted EBITDA amounted to 2.38 (2.70). Excluding lease liabilities (IFRS 16) and pension liabilities, net debt amount to SEK 4,832 million (3,698). Adjusted net debt in relation to adjusted EBITDA amounted to 1.86 (2.30).

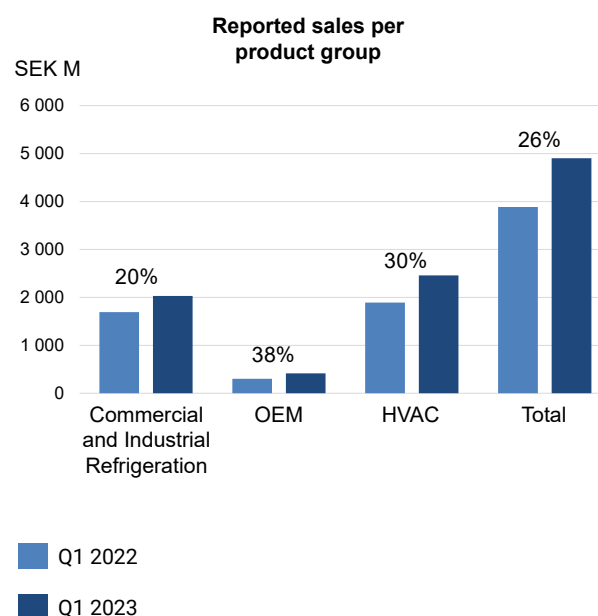
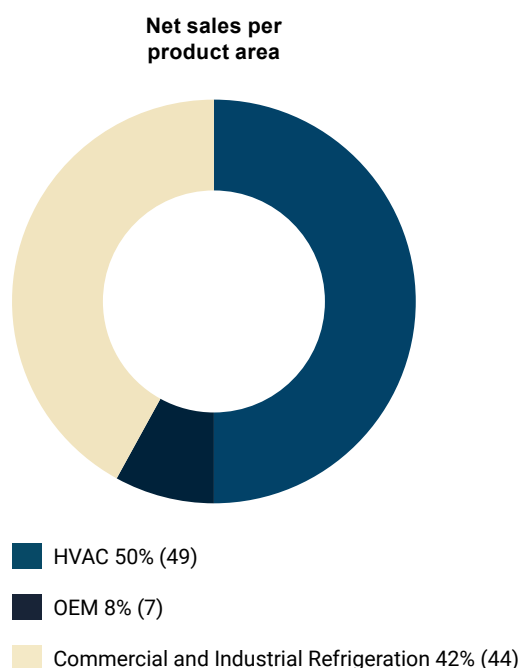
At the end of the period, the company had credit facilities amounting to SEK 10,010 million (4,990), of which unutilised credits amounted to SEK 3,647 million (839). For approximately two months in the quarter, a bridge facility was used, amounting to SEK 13,600 million, which was included in connection with the acquisition of Heritage Distribution. The bridge facility was repaid using the proceeds from the rights issue.

# Operating segment EMEA

Excluding items affecting comparability, SEK M	Q1-23	Q1-22	Δ%	R12	FY-22
Net sales	4 903	3 886	26.2	19 249	18 232
Of which exchange rate fluctuation, %	5.8	5.8			6.1
EBITA	490	340	44.0	2 141	1 991
EBITA margin, %	10.0	8.8		11.1	10.9
EBIT	476	329	44.8	2 080	1 932
EBIT, %	9.7	8.5		10.8	10.6

Sales increased by 26 per cent in the quarter. Good growth in all regions except Africa, which reported slightly lower growth. OEM reported a growth of 38 per cent and Commercial and Industrial Refrigeration a growth of 20 per cent. HVAC reported a growth of 30 per cent with good sales, especially in Central and Southern Europe. Currency effects contributed 5.8 per cent during the quarter.

EBITA increased by 44 per cent to SEK 490 million (340), which mainly can be explained by good organic growth. The EBITA margin amounted to 10.0 per cent (8.8). During the quarter, the acquisition of the South African company Transport Cooling was completed and consolidated from 1 February.

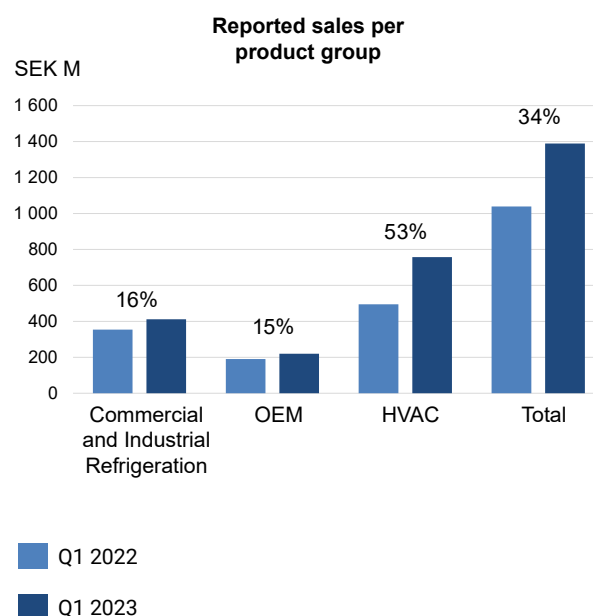
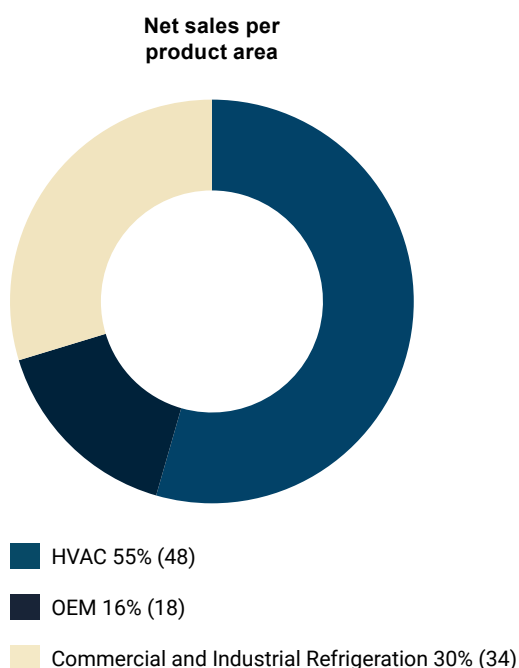


# Operating segment APAC

Excluding items affecting comparability, SEK M	Q1-23	Q1-22	Δ%	R12	FY-22
Net sales	1 389	1 039	33.6	4 822	4 473
Of which exchange rate fluctuation, %	5.5	5.3			9.5
EBITA	141	96	47.0	422	377
EBITA margin, %	10.1	9.2		8.8	8.4
EBIT	137	93	46.4	410	367
EBIT, %	9.8	9.0		8.5	8.2

Sales during the quarter increased by 34 per cent compared to the same period last year. Australia in particular reported a strong quarter. HVAC reported growth of 53 per cent coming from acquisitions (AAD) and organic growth. OEM reports a growth of 15 per cent. Commercial and Industrial Refrigeration increased by 16 per cent during the quarter. Currency effects contributed 5.5 per cent during the quarter.

EBITA increased by 47 per cent to SEK 141 million (96), which mainly can be explained by good organic growth and acquisitions. The EBITA margin amounted to 10.1 per cent (9.2).



# Operating segment

## North America

Excluding items affecting comparability, SEK M	Q1-23	Q1-22	Δ%	R12	FY-22
Net sales	1 118	-		1 118	-
EBITA	121	-		121	-
EBITA margin, %	10.9	-		10.9	-
EBIT	104	-		104	-
EBIT, %	9.3	-		9.3	-

Heritage Distribution was consolidated from January 20 and the first quarter came in better than expected in terms of both sales and margin. Sales were SEK 1,118 million and an EBITA of SEK 121 million with an EBITA margin of 10.9 per cent. The first and fourth quarters are seasonally the weakest quarters. The market was characterised by lower volumes, above all in new construction, while the replacement market and spare parts sales continue to be stable (majority of sales).

There is a continuing component shortage, above all within commercial products but also within the replacement market related to the new environmental requirements. We expect this situation to improve during the latter part of the year. We continue to invest in our new platform in North America across systems, people, products and integration to drive our strategic agenda.



### Significant events during the quarter

The previously announced acquisitions of the HVACR company Heritage Distribution (North America) and Transport Cooling (South Africa) were completed during the first quarter.

The announced rights issue comprising 126,781,856 class B shares was completed in March. SEK 13,946 million has been raised through the issue. Costs for the issue net after tax amounted to SEK 186 million. The total impact on equity thus amounts to SEK 13,760 million.

### Significant events after the quarter

On April 25, Beijer Ref entered into a binding agreement to acquire 70 per cent of the shares in Condex, with an option to acquire the remaining share.

### Annual General Meeting and dividend

The Annual General Meeting is held in Malmö on 25 April 2023. The board proposes a dividend of SEK 477 million (419), corresponding to 38 per cent (43) of the net profit for 2022.

### 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, 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.

### Other

#### *Related party transactions*

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 2022.

#### *Key assessments and assumptions for accounting 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 2022 annual report was issued and are described in more detail in Note 4.

**Telephone conference Q1 2023**

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 2023. The presentation is held in English. The meeting is on April 25 at 13.30 CET. Connect to the presentation at the link below.

Webcast: <https://financialhearings.com/event/46503>

To participate in the telephone conference, call the number:

SE: +46 8 505 163 86

US: +1 412 317 6300

UK: +44 20 319 84884

Pin code: 9905201#

The presentation will also be available on the company's website [www.beijerref.com](http://www.beijerref.com) from 12.00 on April 25.

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

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

Malmö April 25, 2023

Beijer Ref AB (publ)  
Christopher Norbye, CEO

**For more information on this report:**

Ulf Berghult, CFO

Telephone 040-35 89 00

E-mail [ubt@beijerref.com](mailto:ubt@beijerref.com)

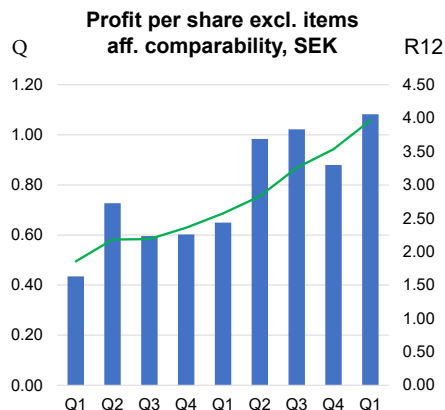
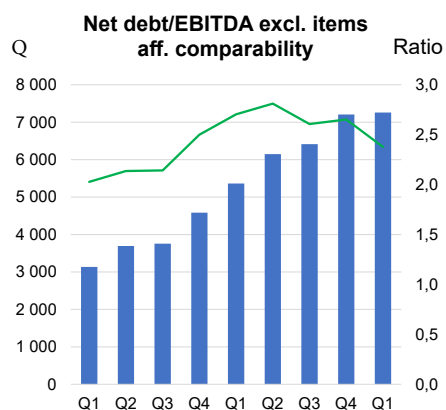
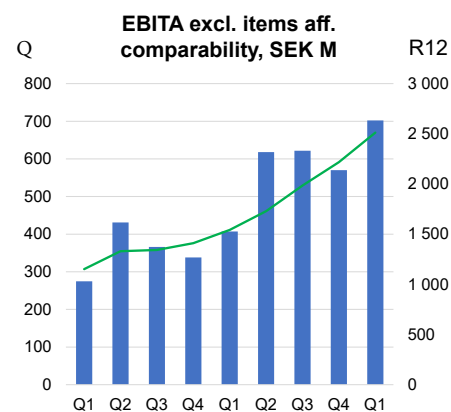
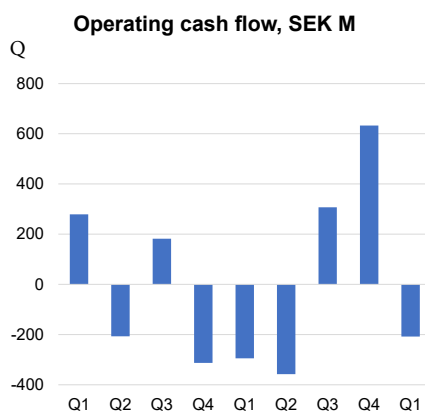
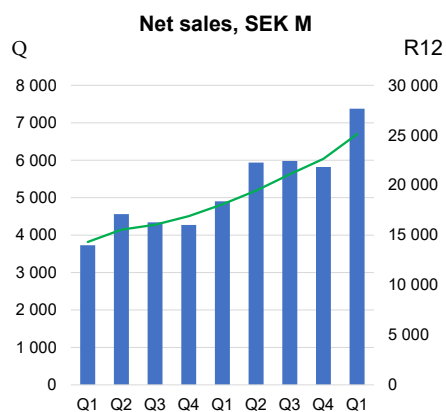
Niklas Willstrand, Global Corporate Communications Manager

Telephone 040-35 89 00

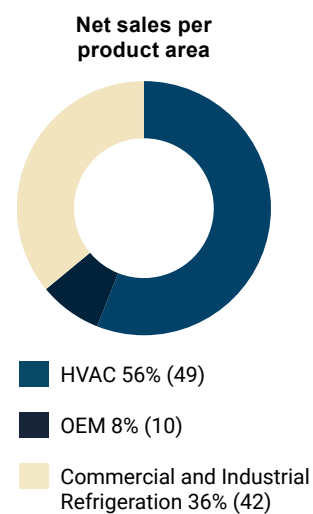
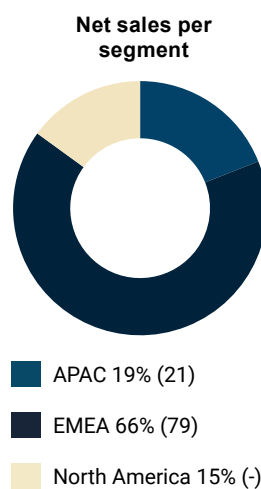
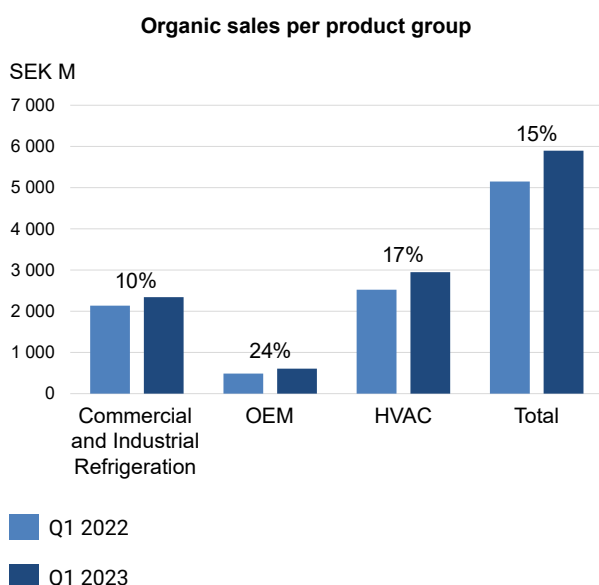
E-mail [nwd@beijerref.com](mailto:nwd@beijerref.com)

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 12.00 CET on April 25, 2023.

# Financial overview



■ Quarter ■ R12



Summarised profit and loss account, SEK M	Q1-23	Q1-22	R12	FY-22
Net sales	7 378	4 903	25 113	22 638
Other operating income	26	22	149	145
Operating expenses	-6 540	-4 399	-22 453	-20 312
Depreciation and write-down of intangible and tangible fixed assets	-197	-133	-635	-571
<b>Operating profit (EBIT)</b>	<b>666</b>	<b>393</b>	<b>2 173</b>	<b>1 900</b>
Net financial income/expense	-207	-25	-360	-179
<b>Profit before tax</b>	<b>459</b>	<b>367</b>	<b>1 813</b>	<b>1 721</b>
Tax	-104	-95	-465	-456
<b>Net profit</b>	<b>355</b>	<b>273</b>	<b>1 348</b>	<b>1 266</b>
<i>Net profit attributable to:</i>				
The parent company's shareholders	351	270	1 330	1 248
Non-controlling interests	4	3	18	17
Net profit per share before dilution, SEK <sup>1</sup>	0.82	0.65	3.18	3.00
Net profit per share after dilution, SEK <sup>1</sup>	0.82	0.65	3.18	3.00

<sup>1</sup> Comparative figures are recalculated as a result of the rights issue that was completed in March 2023.

The Group's summarised report on other comprehensive income, SEK M	Q1-23	Q1-22	R12	FY-22
<b>Net profit</b>	<b>355</b>	<b>273</b>	<b>1 348</b>	<b>1 266</b>
Other comprehensive income:				
Items which will not be reversed in the profit and loss account	-1	-4	51	48
Income tax relating to components in above item	0	1	-14	-13
Items which can later be reversed in the profit and loss account	-87	208	313	608
Income tax relating to components in above items	11	-3	25	11
<b>Total comprehensive income for the period</b>	<b>279</b>	<b>475</b>	<b>1 723</b>	<b>1 919</b>
Attributable to:				
The parent company's shareholders	275	477	1 690	1 892
Non-controlling interests	4	-2	33	27

Summarised balance sheet, SEK M	31 Mar 23	31 Mar 22	31 Dec 22
<b>ASSETS</b>			
Intangible fixed assets	16 663	3 955	5 484
Tangible fixed assets	1 492	724	872
Right of use assets	2 271	1 484	1 771
Deferred tax asset	333	240	299
Other fixed assets	167	155	167
<b>Total fixed assets</b>	<b>20 926</b>	<b>6 558</b>	<b>8 592</b>
Inventories	10 589	6 035	7 389
Trade debtors	4 821	3 279	3 681
Other receivables	683	695	685
Liquid funds	1 689	860	1 518
<b>Total current assets</b>	<b>17 781</b>	<b>10 870</b>	<b>13 272</b>
<b>Total assets</b>	<b>38 707</b>	<b>17 427</b>	<b>21 864</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	20 675	5 743	6 714
<b>Total equity</b>	<b>20 675</b>	<b>5 743</b>	<b>6 714</b>
Long-term liabilities	7 023	5 435	6 975
Deferred tax liabilities	848	175	245
<b>Total long-term liabilities</b>	<b>7 870</b>	<b>5 610</b>	<b>7 220</b>
Trade creditors	3 896	2 696	2 586
Other liabilities	6 265	3 378	5 344
<b>Total current liabilities</b>	<b>10 161</b>	<b>6 075</b>	<b>7 930</b>
<b>Total equity and liabilities</b>	<b>38 707</b>	<b>17 427</b>	<b>21 864</b>
Of which interest-bearing liabilities	8 948	6 223	8 722

Summarised consolidated cash flow analysis, SEK M	Q1-23	Q1-22	R12	FY-22
Operating profit (EBIT)	666	393	2 173	1 900
Non-cash generated items	196	174	869	846
Paid interest	-221	-30	-375	-184
Paid income tax	-153	-90	-554	-491
Realisation result on sale of tangible fixed assets	-1	-	-20	-20
Changes in working capital	-892	-730	-2 132	-1 970
<b>Cash flow from current operations</b>	<b>-405</b>	<b>-283</b>	<b>-40</b>	<b>81</b>
Cash flow from investment operations	-7 241	-357	-8 215	-1 331
Cash flow from financial operations	-5 817	568	-3 874	2 511
Payments related to amortisation of lease liabilities	-114	-91	-408	-386
Rights issue, net after costs and tax	13 760	-	13 760	-
Dividend paid	-13	-1	-446	-434
<b>Change in liquid funds</b>	<b>170</b>	<b>-164</b>	<b>777</b>	<b>442</b>
Exchange rate difference in liquid funds	0	21	51	72
Liquid funds at the beginning of the period	1 518	1 004	860	1 004
<b>Liquid funds at the period end</b>	<b>1 689</b>	<b>860</b>	<b>1 689</b>	<b>1 518</b>

Equity, SEK M	31 Mar 23	31 Mar 22	31 Dec 22
<b>Opening balance</b>	<b>6 714</b>	<b>5 266</b>	<b>5 266</b>
Net profit	355	273	1 266
Other comprehensive income for the period	-76	202	654
<b>Total comprehensive income for the period</b>	<b>279</b>	<b>475</b>	<b>1 919</b>
Rights issue	13 760	-	-
Option premium obtained with the issue of option programme LTIP 2022-2025	-	-	7
Purchase of own shares	-	-	-21
Dividend to shareholders for 2021	-	-	-419
Dividend to shareholders' with non-controlling interest	-13	-1	-9
Non-controlling interest arising on business combinations	-	3	-
Change in fair value of liabilities linked to acquisitions	-65	-	-29
<b>Closing balance</b>	<b>20 675</b>	<b>5 743</b>	<b>6 714</b>

Key figures*	31 Mar 23	31 Mar 22	31 Dec 22
Equity ratio, %	53.4	33.0	30.7
Return on equity (R12), %	13.6	20.9	20.4
Return on operating capital, excluding items affecting comparability, (R12), %	13.7	15.3	16.2
Debt/equity, ratio	0.4	0.9	1.1
Interest coverage, excluding items affecting comparability, ratio	7.6	13.3	11.8
Net debt/EBITDA	2.58	2.70	2.92
Net debt/EBITDA excluding items affecting comparability	2.38	2.70	2.65
Net debt/EBITDA excluding leasing liabilities, pension liability and items affecting comparability	1.86	2.30	2.30
Average number of employees	5 734	4 354	4 720
Number of outstanding shares	507 127 426	380 468 980	380 345 570
Holding of own shares <sup>1</sup>	1 958 500	1 835 090	1 958 500
Total number of shares	509 085 926	382 304 070	382 304 070
Average number of outstanding shares <sup>2</sup>	425 571 846	415 512 175	415 478 482

<sup>1</sup> 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.

<sup>2</sup> Comparative figures are recalculated as a result of the rights issue that was completed in March 2023.

\*The table contains alternative key figures, for more details see p. 19.

## 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 operations. As of the first quarter of 2023, the group has the following segments; EMEA, APAC and North America.

The previous operating segments Nordics, Central Europe, Southern Europe, Eastern Europe and Africa, which were reported separately, are now included in EMEA. The former operating segment Asia Pacific is included in APAC and Heritage Distribution is included in North America.

The segment report for the regions contains net sales, EBIT and EBIT per cent. Internal sales within each segment are eliminated in net sales, internal sales between segments are eliminated at the total level.

Net sales, SEK M	Q1-23	Q1-22	Δ%	R12	FY-22
APAC	1 389	1 039	34	4 822	4 473
EMEA	4 903	3 886	26	19 249	18 232
North America	1 118	-	-	1 118	-
Eliminations	-32	-23	-	-76	-66
<b>Group</b>	<b>7 378</b>	<b>4 903</b>	<b>50</b>	<b>25 113</b>	<b>22 638</b>

Operating profit (EBIT), SEK M	Q1-23	Q1-22	Δ%	R12	FY-22
APAC	137	93	46	410	367
EMEA	476	329	45	2 080	1 932
North America	104	-	-	104	-
Other	-51	-30	-	-175	-154
<b>Group</b>	<b>666</b>	<b>393</b>	<b>70</b>	<b>2 418</b>	<b>2 145</b>
Items affecting comparability	-	-	-	-245	-245
<b>Group incl. items affecting comparability</b>	<b>666</b>	<b>393</b>	<b>70</b>	<b>2 173</b>	<b>1 900</b>

EBIT, %	Q1-23	Q1-22	Δ	R12	FY-22
APAC	9.8	9.0	0.9	8.5	8.2
EMEA	9.7	8.5	1.2	10.8	10.6
North America	9.3	-	9.3	9.3	-
<b>Group</b>	<b>9.0</b>	<b>8.0</b>	<b>1.0</b>	<b>9.6</b>	<b>9.5</b>
<b>Group incl. items affecting comparability</b>	<b>9.0</b>	<b>8.0</b>	<b>1.0</b>	<b>8.7</b>	<b>8.4</b>

# Overview per segment

## Quarter

Net sales, SEK M	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21	Q2-21	Q1-21
APAC	1 389	1 350	1 090	993	1 039	1 017	778	757	834
EMEA	4 903	4 492	4 897	4 956	3 886	3 265	3 568	3 812	2 904
North America	1 118	-	-	-	-	-	-	-	-
Eliminations	-32	-24	-8	-11	-23	-11	-5	-7	-8
<b>Group</b>	<b>7 378</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>4 562</b>	<b>3 731</b>

Operating profit (EBIT), SEK M	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21	Q2-21	Q1-21
APAC	137	123	81	70	93	102	38	43	67
EMEA	476	457	576	570	329	264	342	389	211
North America	104	-	-	-	-	-	-	-	-
Other	-51	-37	-50	-37	-30	-40	-26	-14	-15
<b>Group</b>	<b>666</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>
Items affecting comparability	-	-245	-	-	-	-	-	-	-
<b>Group incl. items affecting comparability</b>	<b>666</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>

EBIT, %	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21	Q2-21	Q1-21
APAC	9.8	9.1	7.4	7.0	9.0	10.0	4.9	5.6	8.0
EMEA	9.7	10.2	11.8	11.5	8.5	8.1	9.6	10.2	7.3
North America	9.3	-	-	-	-	-	-	-	-
<b>Group</b>	<b>9.0</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>Group incl. items affecting comparability</b>	<b>9.0</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>

### Sales per product group

In the tables below, net sales are distributed by respective product group, i.e. HVAC, OEM and Commercial and Industrial Refrigeration

Net sales, SEK M	Q1-23	Q1-22	Δ%	R12	FY-22
HVAC	4 110	2 387	72	13 447	11 724
OEM	608	469	29	2 310	2 172
Commercial and Industrial Refrigeration	2 660	2 047	30	9 356	8 742
<b>Group</b>	<b>7 378</b>	<b>4 903</b>	<b>50</b>	<b>25 113</b>	<b>22 638</b>

Net sales, SEK M	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21	Q2-21	Q1-21
HVAC	4 110	3 030	3 131	3 175	2 387	1 926	1 998	2 268	1 668
OEM	608	599	577	527	469	448	400	403	367
Commercial and Industrial Refrigeration	2 660	2 189	2 271	2 236	2 047	1 897	1 943	1 891	1 696
<b>Group</b>	<b>7 378</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>4 562</b>	<b>3 731</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, four acquisitions were consolidated in the group's accounts, of which Heritage Distribution was assessed as a material acquisition, the other three acquisitions were each deemed immaterial. Of the consolidated acquisitions for the year, two of the acquisitions are acquisitions of asset deals. Information about the acquisitions is provided in the table below.

### 2023

#### First quarter

The previously announced acquisitions of Heritage Distribution and Transport Cooling were completed during the first quarter. Beijer Ref acquired approximately 95 per cent of the shares of Heritage Distribution and holds a put/call option to acquire the remaining shares. Beijer Ref also acquired Roobear Ltd and acquired assets of AFM (Belgium), during the quarter. AFM has been integrated into the company Beijer Ref Belgium.

### 2022

#### First quarter

During the corresponding quarter last year, Beijer Ref acquired 80 per cent of the shares of Deltron, with an option to acquire the remaining shares. Beijer Ref signed two new agreements to acquire all assets in Mackay Air Supply and GMR Supplies during the first quarter of 2022.

## 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 the first quarter of 2023, one of the acquisitions was made with an option to acquire the remaining shares within the time span 2023–2027. The option has been valued at the likely outcome and entered as current and non-current liability; this liability amounts to SEK 509 million. Acquisitions that include a put/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 during the first quarter in 2023 and burdened to 2023's profit amount to approximately SEK 0.4 million and are included in other costs. Acquisition costs and the acquisition calculations are preliminary. The acquisition calculation for the company that was acquired during the first quarter of 2022 has now been determined. No significant adjustment has been made in the calculation.

### Acquisitions after the balance sheet date

On the fifth of April, Beijer Ref entered into a binding agreement to acquire 100 per cent of the assets of Shravan Engineering, India. In connection with the acquisition, Beijer Ref is starting a new company in India, in which the sellers will reinvest 26 per cent of the purchase price. Annual sales amount to approximately SEK 53 million and operations will be included in Beijer Ref's accounts from the second quarter of 2023.

On April 25, Beijer Ref entered into a binding agreement to acquire 70 per cent of the shares in Condex, with an option to acquire the remaining share. Condex is a leading HVAC distributor in Bulgaria with an annual turnover of approximately SEK 350 million and good profitability. The company will be consolidated during third quarter 2023.

Consolidated acquisitions	Consolidated from	Segments	Net sales, SEK M	Number of employees
<b>2023</b>				
<b>Companies</b>				
Heritage Distribution	January 20	North America	6 492	800
Transport Cooling SA (asset deal)	February	EMEA	150	90
Roobear Ltd	February	EMEA	3	1
AFM (asset deal)	March	EMEA	20	4
<b>2022</b>				
<b>Companies</b>				
Deltron	January	EMEA	400	110
Mackay Air Supply och GMR Supplies (asset deals)	April	APAC	50	8
EID	August	EMEA	170	20
Easy Air Conditioning	October	EMEA	70	8
AAD och HVAC Consolidated	November	APAC	800	125

Acquisitions not yet consolidated	Consolidated from	Segments	Net sales, SEK M	Number of employees
Shravan Engineering (asset deal)	Q2 2023	APAC	53	22
Condex	Q3 2023	EMEA	350	41

Acquisitions of companies, SEK M	Heritage Distribution	Other acquisitions	Q1-23	Q1-22
Fair value in the Group:				
Intangible assets	4 435	8	4 443	37
Tangible and financial fixed assets	1 135	14	1 149	16
Deferred tax asset	-	-	-	1
Inventories	1 891	110	2 001	58
Other current assets	558	26	584	73
Liquid funds	432	1	433	82
Deferred tax liability	-631	-2	-633	-6
Provisions	-	-	-	-1
Other current liabilities	-1 013	-52	-1 064	-88
Liabilities to credit institutions	-5 619	-	-5 619	-
<b>Total identifiable net assets:</b>	<b>1 188</b>	<b>106</b>	<b>1 294</b>	<b>172</b>
Goodwill	6 801	41	6 842	355
Effect on the cash flow:				
Consideration	-7 989	-146	-8 135	-527
Non-paid consideration	509	-	509	207
Repaid consideration for previous years' acquisitions	-	14	14	-
Liquid funds in acquired companies	432	1	433	82
<b>Total</b>	<b>-7 048</b>	<b>-132</b>	<b>-7 180</b>	<b>-238</b>

The table shows the total cash flow impact from acquisition activities. The list of identifiable net assets refers to acquisitions made during the first quarter of 2023 and the first quarter of 2022, respectively. Other acquisitions include the impact of the acquisitions of Transport Cooling, Roobear and AFM. 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	Q1-23	Q1-22	R12	FY-22
Operating income	2	3	123	124
Operating expenses	-58	-37	-198	-177
Depreciation and write-down of intangible and tangible fixed assets	-1	-1	-3	-3
<b>Operating profit (EBIT)</b>	<b>-57</b>	<b>-35</b>	<b>-78</b>	<b>-56</b>
Net financial income/expense	-102	22	-219	-95
Result of participations in Group companies	56	-	688	632
<b>Profit before appropriations</b>	<b>-103</b>	<b>-13</b>	<b>391</b>	<b>481</b>
Appropriations	-	-	102	102
<b>Profit before tax</b>	<b>-103</b>	<b>-13</b>	<b>493</b>	<b>583</b>
Tax	34	-	44	10
<b>Net profit</b>	<b>-69</b>	<b>-13</b>	<b>537</b>	<b>593</b>

Parent company balance sheet in summary, SEK M	31 Mar 23	31 Mar 22	31 Dec 22
<b>ASSETS</b>			
Intangible fixed assets	7	6	6
Tangible fixed assets	4	5	4
Financial fixed assets	19 457	6 398	7 472
Current assets	3 794	1 111	2 284
<b>Total assets</b>	<b>23 261</b>	<b>7 520</b>	<b>9 766</b>
<b>EQUITY AND LIABILITIES</b>			
Shareholders' equity	15 811	1 948	2 119
Long-term liabilities	4 132	4 102	4 810
Current liabilities	3 318	1 470	2 837
<b>Total equity and liabilities</b>	<b>23 261</b>	<b>7 520</b>	<b>9 766</b>

# Definitions of key figures

Beijer Ref uses a number of alternative key figures. The group believes that the key figures are useful to users of the financial statements as a complement to the profit and loss account and balance sheet and cash flow statement. Examples of alternative key figures linked to financial position: return on equity and operating capital, net liabilities, debt to equity ratio and equity/assets ratio. The group also uses the cash flow measurement of operating cash flow to give an indication of the funds that the business generates in order to be able to carry out strategic investments, make amortisations and provide returns to shareholders. The performance measurements EBITDA, EBITA and EBIT are measurements that Beijer Ref considers relevant for investors who wish to understand the business's profit generation. For further description including calculations and key figures, see <https://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.

## Operating segments

### **EMEA**

### **APAC**

### **North America**

## 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 trade and distributor activities within refrigeration products, air conditioning and heat pumps. The product range mainly consists of products from leading international manufacturers and in addition some manufacturing of our own products combined with service and support for the products. The group creates added value by adding technical expertise to the products, providing knowledge and experience about the market and providing efficient logistics and warehousing.

Beijer Ref supplies customers across large parts of the world with a wide range of products. Through its 143 subsidiaries in Europe, North America, Africa and Asia and Oceania, sales, purchasing, logistics and distribution are handled. Part of the sales comes from own production. The business is divided into three operating segments: EMEA, APAC and North America. Growth occurs both organically and through the acquisition of companies that complement current 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

- Beijer Ref's AGM is held on April 25, 2023
- Interim report for the second quarter will be published July 20, 2023
- Interim report for the third quarter will be published October 24, 2023
- Interim report for the fourth quarter will be published January 31, 2024





Stortorget 8, 211 34 Malmö  
Telephone 040-35 89 00  
Corporate ID 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.