

# Beijer Ref AB

## Q2-2023

English version

**BEIJER REF**



# Beijer Ref AB

## Q2-2023

### Second quarter

- Net sales increased by 45.7 per cent to SEK 8,654 million (5,938). Organic sales rose 1.7 per cent in the quarter compared to the corresponding period the previous year. Acquisition effects amounted to 37.5 per cent and currency effects were 6.5 per cent.
- EBITA amounted to SEK 1,016 million (618), which is an increase of 64 per cent over the same period the previous year. The EBITA margin amounted to 11.7 per cent (10.4).
- This is Beijer Ref's best quarter ever, in both absolute terms and margin.
- Operating cash flow amounted to SEK -196 million (-358) during the quarter. The inventories developed according to plan and turned positive towards the end of the quarter.
- Profit per share before and after dilution amounted to SEK 1.39 (0.98), which is an increase of 41 per cent.

Key figures, SEK M	Q2-23	Q2-22	Δ%	6M 23	6M 22	Δ%	R12	12M 22
Net sales	8 654	5 938	45.7	16 031	10 841	47.9	27 829	22 638
Organic sales, %	1.7	13.3		7.5	14.4			16.4
EBITA excluding items affecting comparability	1 016	618	64.4	1 718	1 025	67.6	2 909	2 217
EBITA margin excluding items affecting comparability, %	11.7	10.4		10.7	9.5		10.5	9.8
Items affecting comparability	-	-		-	-		-245	-245
EBITA	1 016	618	64.4	1 718	1 025	67.6	2 664	1 971
Operating profit excluding items affecting comparability (EBIT)	970	603	61.0	1 636	996	64.4	2 786	2 145
Profit margin excluding items affecting comparability, %	11.2	10.2		10.2	9.2		10.0	9.5
Operating profit (EBIT)	970	603	61.0	1 636	996	64.4	2 541	1 900
Net profit	710	412	72.4	1 066	685	55.6	1 646	1 266
Profit per share after dilution, SEK <sup>1</sup>								
Excluding items affecting comparability <sup>2</sup>	1.39	0.98	41.4	2.50	1.63	53.1	4.44	3.54
Including items affecting comparability	1.39	0.98	41.4	2.26	1.63	38.7	3.69	3.00
Operating cash flow	-196	-358		-405	-653		424	176
Return on operating capital, excluding items affecting comparability, (R12), %	-	-		-	-		12.4	16.2
Return on equity (R12), %	-	-		-	-		11.8	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

## Continued positive growth trend and highest operating margin ever

Total sales increased by 46 per cent compared with the same period last year, of which 2 per cent was organic. Commercial and industrial cooling/heating and HVAC reported stable development, while OEM continued its strong trend from the first quarter and reported organic growth of 19 per cent. Operating profit (EBITA) amounted to SEK 1 016 million, which is an increase of 64 per cent over the same period last year. Operating margin (EBITA margin) amounted to 11.7 per cent. Overall, sales, profit and operating margin are Beijer Ref's highest ever in one quarter.

Despite high comparative figures, approximately two fewer sales days (a loss of around 3–4 percentage points) and an uncertain macro environment, we continue our positive growth trend in terms of both sales and profit development.

Working capital changed according to plan during the quarter, related to the seasonal pattern, and we now see that warehouse stocks and trade accounts payable are decreasing as a result of lower purchases and normalisation of stock levels, related to shorter lead times and more stable deliveries from our subcontractors. In the USA, however, we continue to see issues with our subcontractors. Cash flow is expected to follow our normal seasonal effect and, during the remainder of the year, the normalisation of stock levels will drive a strong cash flow.

During the quarter, we expanded the business's global presence and completed four acquisitions: Shravan Engineering (India), GMC (South Africa), Condex (Bulgaria) and CFD (France). All the companies are a good complement to our existing offering and I am pleased to welcome them to the Beijer Ref Group.

Thanks to continued strong development for our OEM products, based on the natural refrigerant CO<sub>2</sub>, our subsidiary Fenagy moved into a larger production facility with a new production plant. We have also invested in an expansion of our subsidiary SCM Frigo's existing production facility. The building is expected to be completed early in the fourth quarter of 2023.

Heritage Distribution's sales developed slightly below plan and were limited by delayed deliveries from our main HVAC supplier. We expect to see an improvement in the third and fourth quarters. The margin developed strongly, driven by a good mix. The integration plan continues to make progress and during the fourth quarter we will launch private label and address new market segments, as well as opening new branches to drive sustainable organic growth going forward. The acquisition pipeline continues to develop well and we expect good activity during the rest of the year.

With support from ATMOSphere, which is a leading global and independent institute, we made calculations during the quarter on how much CO<sub>2</sub>e was avoided by our OEM products for heating and cooling (which are based on natural refrigerants). In 2022, we avoided almost 3.4 mtCO<sub>2</sub>e, which corresponds to the emissions of about 750,000 passenger cars. The business

is working purposefully to intensify its sustainability work and the above results illustrate in absolute terms the positive effects that our OEM products contribute.

In e-commerce, we have performed dedicated work to optimise the digital customer journey and accelerate the growth rate. I am pleased to announce that we reported an increase of 30 per cent during the quarter. Going forward, we have a number of ongoing activities and will continue to launch new and innovative digital features.

On 30 November 2023, Beijer Ref invites investors, analysts, media and other key stakeholders to the company's Capital Markets Day in Stockholm, at Epicenter (Disruption Hall). It will be possible to participate both physically and via a web link. More information and a link for registration will be provided closer to the event.

Finally, I would like to thank all our fantastic colleagues and partners. We have a skilled and experienced team that is at the forefront when it comes to identifying and taking advantage of the underlying trends that drive our business forward.

Christopher Norbye  
CEO



# Second quarter 2023

**46%**  
Sales increase

**2%**  
Organic growth

**64%**  
EBITA-increase

**41%**  
Increase  
result/share

Financial overview, SEK M	Q2-23	Q2-22	Δ%	6M 23	6M 22	Δ%	R12	12M 22
Net sales	8 654	5 938	45.7	16 031	10 841	47.9	27 829	22 638
Organic change, %	1.7	13.3		7.5	14.4			16.4
Change through acquisition <sup>1</sup> , %	37.5	11.6		34.2	10.9			10.7
Exchange rate fluctuation, %	6.5	5.3		6.2	5.5			6.8
Change total, %	45.7	30.2		47.9	30.7			33.9
EBITA, excluding items affecting comparability	1 016	618	64.4	1 718	1 025	67.6	2 909	2 217
EBITA margin excluding items affecting comparability, %	11.7	10.4		10.7	9.5		10.5	9.8
Items affecting comparability	-	-		-	-		-245	-245
EBITA	1 016	618	64.4	1 718	1 025	67.6	2 664	1 971
Operating profit excluding items affecting comparability (EBIT)	970	603	61.0	1 636	996	64.4	2 786	2 145
Profit margin excluding items affecting comparability, %	11.2	10.2		10.2	9.2		10.0	9.5
Operating profit (EBIT)	970	603	61.0	1 636	996	64.4	2 541	1 900
Net financial income/expense, excluding items affecting comparability	-93	-54		-162	-79		-262	-179
Net financial income/expense, items affecting comparability	-	-		-138	-		-138	-
Net financial income/expense	-93	-54		-300	-79		-400	-179
Tax	-167	-137		-271	-232		-494	-456
Net profit	710	412	72.4	1 066	685	55.6	1 646	1 266
Profit per share after dilution, SEK <sup>2</sup>								
Excluding items affecting comparability <sup>3</sup>	1.39	0.98	41.4	2.50	1.63	53.1	4.44	3.54
Including items affecting comparability	1.39	0.98	41.4	2.26	1.63	38.7	3.69	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 rose 1.7 per cent in the quarter compared to the previous year. Acquisition effects amounted to 37.5 per cent and currency effects were 6.5 per cent. Net sales increased by 45.7 per cent to SEK 8,654 million (5,938).

The EMEA and APAC regions report growth of 11 per cent and 33 per cent respectively in the quarter. North America reported a turnover that was slightly lower than expected and was negatively affected by component shortages, which affected deliveries of replacement and new installations.

The second quarter started weakly but ended stronger. The OEM product segment continued its stable growth and reported organic growth of 19 per cent. HVAC showed positive development in the second half of the quarter. Commercial and industrial refrigeration reported organic growth of 1 per cent in the quarter.

## Profit

The group's EBITA totalled SEK 1,016 million (618) during the second quarter, which is an increase of 64 per cent. Positive exchange rate effects of SEK 47 million (19) are included in EBITA. The EBITA margin amounted to 11.7 per cent (10.4).

Net financial items amounted to SEK -93 million (-54), affected by higher debt and interest rates as well as by higher interest effects from IFRS 16 that comes from acquired operations. The tax rate for the quarter amounted to 20 per cent (25), affected by the tax effect of deductible issue costs. The underlying tax rate for the quarter was 23 per cent.

Profit before tax was SEK 877 million (549). Profit for the period totalled SEK 710 million (412). Profit per share before and after dilution amounted to SEK 1.39 (0.98), which is an increase of 41 per cent.

Operating cash flow and Net debt, SEK M	Q2-23	Q2-22	6M 23	6M 22	R12	12M 22
Operating profit excl. items affecting comparability (EBIT)	970	603	1 636	996	2 786	2 145
Depreciation/write-downs on tangible assets	172	121	334	240	593	500
Amortisation/write-downs on intangible assets	46	15	81	30	123	72
<b>EBITDA excluding items affecting comparability</b>	<b>1 188</b>	<b>739</b>	<b>2 051</b>	<b>1 265</b>	<b>3 503</b>	<b>2 717</b>
Changes in working capital	-1 198	-1 036	-2 091	-1 765	-2 296	-1 970
Investments in tangible fixed assets	-73	-52	-137	-92	-240	-195
Payments related to amortisation of lease liabilities	-121	-93	-234	-185	-435	-386
Non-cash generated items	8	84	6	124	-108	10
<b>Operating cash flow</b>	<b>-196</b>	<b>-358</b>	<b>-405</b>	<b>-653</b>	<b>424</b>	<b>176</b>
<b>Net debt</b>			<b>8 901</b>	<b>6 148</b>		<b>7 204</b>
Of which:						
Pension debt			116	151		110
Leasing liabilities, according to IFRS 16			2 384	1 498		1 814
Net debt excluding pension and leasing liabilities			6 400	4 499		5 280
Authorised credit limit			9 717	9 214		22 620
Of which remains to be utilised			2 107	4 063		16 930
Net debt/EBITDA			2.73	2.81		2.92
Net debt/EBITDA excluding items affecting comparability			2.54	2.81		2.65
Net debt/EBITDA excl leasing liabilities, pension liability and items affecting comparability			2.13	2.50		2.30

### Cash flow and net liabilities

Operating cash flow amounted to SEK -196 million (-358). Our work to normalise cash flow continues as planned and we expect a strong cash flow during the third and fourth quarters.

We noted a turnaround towards the end of the quarter in terms of warehouse stock development. The quarter was also affected by payments of trade accounts according to normal seasonal patterns. This impact has been amplified by payments for the high level of purchases during the first part of the year.

Net liabilities at the end of the period amounted to SEK 8,901 million (6,148) 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 2.73 (2.81). Excluding lease liabilities (IFRS 16) and pension, financial liabilities amount to SEK 6,400 million (4,499). Adjusted net liabilities in relation to adjusted EBITDA amounted to 2.13 (2.50).

At the end of the period, the company had credit facilities amounting to SEK 9,717 million (9,214), of which unutilised credits amounted to SEK 2,107 million (4,063).

### January – June 2023

Organic sales rose 7.5 per cent during the period compared to the corresponding period the previous year. Acquisition effects amounted to 34.2 per cent and currency effects were 6.2 per cent. Net sales increased by 47.9 per cent to SEK 16,031 million (10,841).

The group's EBITA totalled SEK 1,718 million (1,025) during the first six months of the year, which is an increase of 68 per cent. Positive exchange rate effects of SEK 69 million (33) are included in EBITA. The EBITA margin amounted to 10.7 per cent (9.5).

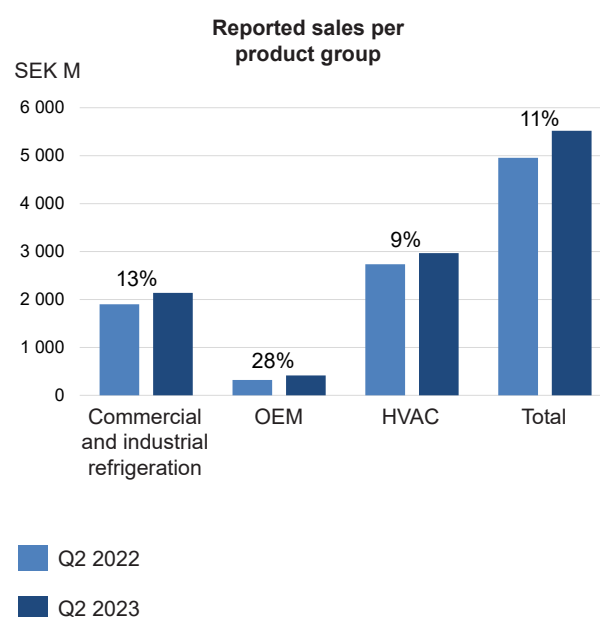
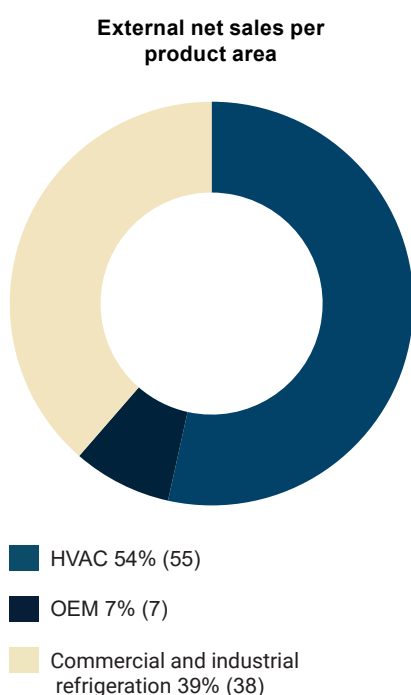
Net financial income and expenses amounted to SEK -300 million (-79) affected by non-recurring costs related to temporary financing of SEK 138 million for the acquisition of the North American operation Heritage. Profit after tax for the group was SEK 1,066 million (685). Profit per share for the group before and after dilution, excluding items affecting comparability, amounted to SEK 2.50 (1.63). Profit per share before and after dilution amounted to SEK 2.26 (1.63). The operating cash flow amounted to SEK -405 million (-653).

# Operating segment EMEA

SEK M	Q2-23	Q2-22	Δ%	6M 23	6M 22	Δ%	R12	12M 22
Net sales	5 520	4 956	11.4	10 423	8 842	17.9	19 813	18 232
Of which exchange rate fluctuation, %	7.5	4.4		6.9	5.0			6.1
EBITA	698	582	19.8	1 188	923	28.8	2 256	1 991
EBITA margin, %	12.6	11.7		11.4	10.4		11.4	10.9
EBIT	683	570	19.8	1 159	899	28.9	2 193	1 932
EBIT, %	12.4	11.5		11.1	10.2		11.1	10.6

Sales increased by 11 per cent in the quarter. Growth varied between regions, with the UK in particular reporting good growth. Excluding currency effects, OEM and Commercial and Industrial Refrigeration reported growth of 23 per cent and 6 per cent respectively. HVAC reported weak positive growth overall in the quarter, but the UK, Benelux, France and Spain reported double-digit growth. Seen against the corresponding period last year (which was a record quarter), Eastern Europe had weaker development. Currency effects contributed 7.5 per cent during the quarter.

EBITA increased by 20 per cent to SEK 698 million (582). The EBITA margin was reported at 12.6 per cent (11.7).

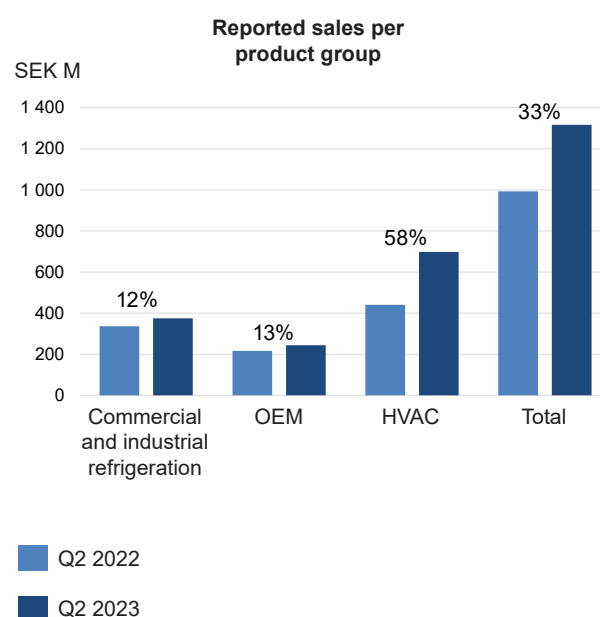
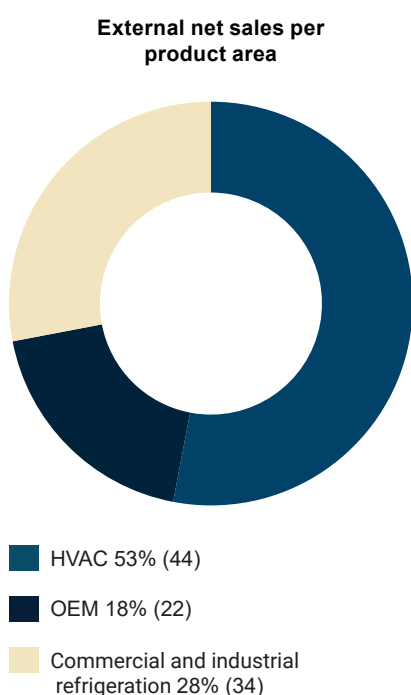


# Operating segment APAC

SEK M	Q2-23	Q2-22	Δ%	6M 23	6M 22	Δ%	R12	12M 22
Net sales	1 317	993	32.7	2 706	2 032	33.2	5 147	4 473
Of which exchange rate fluctuation, %	1.4	9.6		3.5	7.3			9.5
EBITA	89	72	23.7	230	168	37.0	439	377
EBITA margin, %	6.8	7.3		8.5	8.3		8.5	8.4
EBIT	85	70	22.2	222	163	36.0	425	367
EBIT, %	6.5	7.0		8.2	8.0		8.3	8.2

Taking into account that the second quarter is seasonally weaker than the other quarters, sales increased by 33 per cent compared with the corresponding period last year, of which currency effects contributed 1.4 per cent. During the quarter, we saw strong demand for our self-manufactured eco-friendly refrigeration units (OEM) and also good growth in HVAC, primarily acquisition-driven.

EBITA increased by 24 per cent to SEK 89 million (72). Product mix had a negative effect on profitability in the quarter. The EBITA margin was reported at 6.8 per cent (7.3).



# Operating segment

## North America

SEK M	Q2-23	Q2-22	Δ%	6M 23	6M 22	Δ%	R12	12M 22
Net sales	1 827	-		2 944	-		2 944	-
EBITA	274	-		395	-		395	-
EBITA margin, %	15.0	-		13.4	-		13.4	-
EBIT	247	-		351	-		351	-
EBIT, %	13.5	-		11.9	-		11.9	-

Sales in the second quarter came in slightly lower than expected and were negatively affected by component shortages, which affected deliveries of replacement and new installations. We expect an improvement in the third and fourth quarters. Development of EBITA and the EBITA margin was strong, driven by a good mix.

The integration plan continues to make progress and during the fourth quarter we will launch private label and address new market segments, as well as opening new branches to drive sustainable organic growth going forward. The acquisition pipeline continues to develop well and we expect good activity during the rest of the year.



### Significant events during the 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 at the end of the second quarter amounted to SEK 189 million. The total impact on equity thus amounts to SEK 13,757 million.

On 25 April Beijer Ref entered into a binding agreement to acquire 70 per cent of the shares of Condex, with an option to acquire the remaining portion. The acquisition is expected to be concluded in the third quarter of 2023.

Beijer Ref and Ulf Berghult, Executive Vice President and CFO, have mutually agreed that Ulf will leave the company. Joel Davidsson has been appointed as Ulf's successor and will take up the position in the fourth quarter of 2023.

### Significant events after the end of the period

No significant events have occurred after the end of the period.

### Annual General Meeting and dividend

The Annual General Meeting was held in Malmö on 25 April 2023. The AGM resolved that the dividend proposed by the Board of Directors will amount to a total of SEK 477 million (419), corresponding to 38 per cent (43) of profit for 2022. Half of the dividend has been paid in the second quarter and the other half will be paid in the fourth quarter of 2023.

### 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.

### Teleconference Q2 2023

The company invites investors, analysts and the media to attend a web meeting at which CEO Christopher Norbye and CFO Ulf Berghult will present the interim report for the second quarter of 2023. The presentation will be held in English and lasts for about 20 minutes. The meeting is on July 20, at 10.00 CET.

The presentation can be followed live via the following link: [here](#)

If you wish to participate via telephone conference, please register using the following link: [here](#). After registration, you will be provided with a phone number, a conference ID and a user ID to access the conference. You will be able to ask questions via the teleconference.

A presentation will be available on the company's website [www.beijerref.com](http://www.beijerref.com) from 08:30 on July, 20.

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

The Board of Directors and the President assure that the six-month report provides a fair overview of the operations, position and results of the Group and Parent Company, and describes material risks and uncertainties faced by the Parent Company and the companies that are included in the Group.

### For further information, please contact:

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Malmö 2023-07-20

Christopher Norbye  
CEO

Kate Swann  
Chair

Per Bertland  
Board Member

Joel Magnusson  
Board Member

Albert Gustafsson  
Board Member

Frida Norrbom Sams  
Board Member

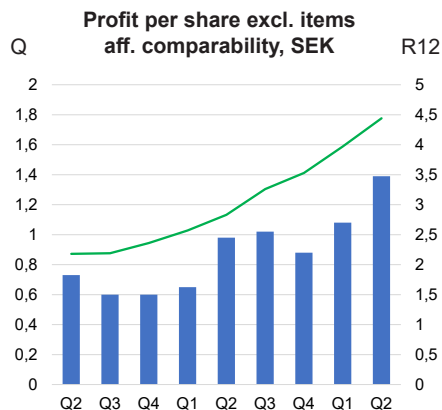
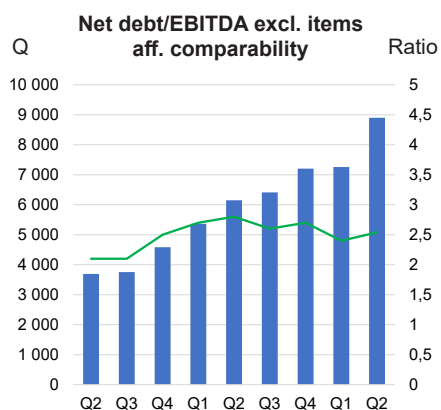
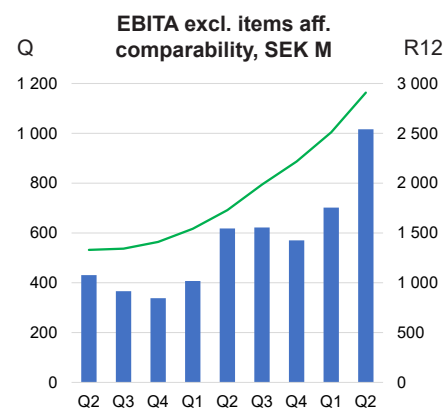
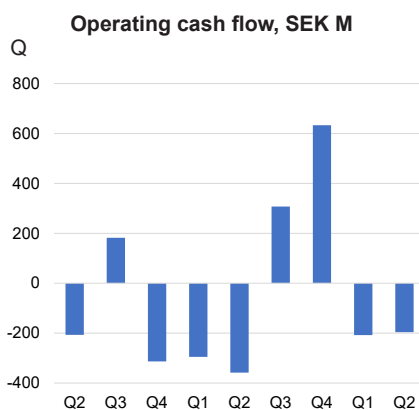
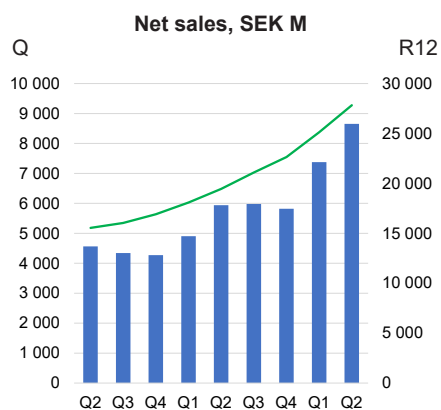
Kerstin Lindvall  
Board Member

William Striebe  
Board Member

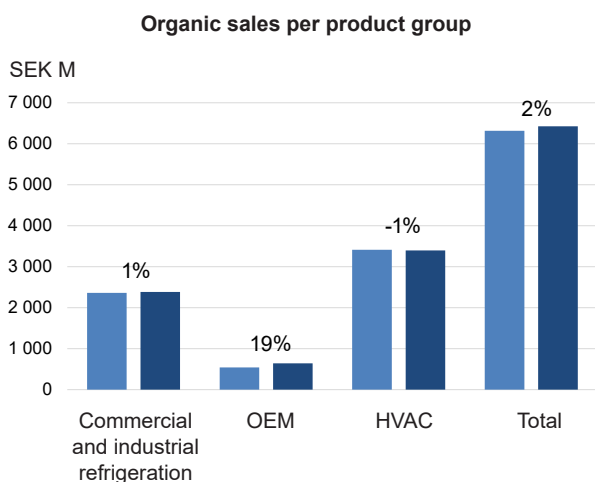
Nathalie Delbreuve  
Board Member

This disclosure contains information that Beijer Ref AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014) and the Swedish Securities Markets Act (2007:528). The information was submitted for publication, through the agency of the contact person, on July 20, 2023, at 08:30 CET.

# Financial overview

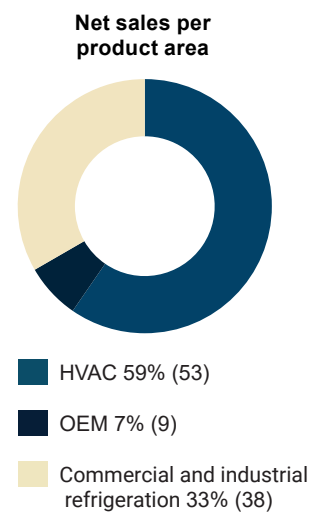
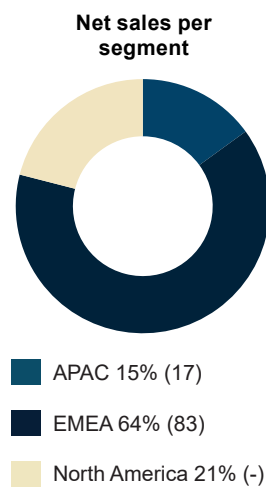


■ Quarter ■ R12



■ Q2 2022

■ Q2 2023





Summarised profit and loss account, SEK M	Q2-23	Q2-22	6M 23	6M 22	R12	12M 22
Net sales	8 654	5 938	16 031	10 841	27 829	22 638
Other operating income	39	-3	65	19	191	145
Operating expenses	-7 505	-5 195	-14 045	-9 595	-24 763	-20 312
Depreciation and write-down of intangible and tangible fixed assets	-218	-136	-415	-270	-717	-571
<b>Operating profit (EBIT)</b>	<b>970</b>	<b>603</b>	<b>1 636</b>	<b>996</b>	<b>2 541</b>	<b>1 900</b>
Net financial income/expense	-93	-54	-300	-79	-400	-179
<b>Profit before tax</b>	<b>877</b>	<b>549</b>	<b>1 336</b>	<b>917</b>	<b>2 141</b>	<b>1 721</b>
Tax	-167	-137	-271	-232	-494	-456
<b>Net profit</b>	<b>710</b>	<b>412</b>	<b>1 066</b>	<b>685</b>	<b>1 646</b>	<b>1 266</b>
<i>Net profit attributable to:</i>						
The parent company's shareholders	705	409	1 056	679	1 626	1 248
Non-controlling interests	5	3	9	6	20	17
Net profit per share before dilution, SEK <sup>1</sup>	1.39	0.98	2.26	1.63	3.69	3.00
Net profit per share after dilution, SEK <sup>1</sup>	1.39	0.98	2.26	1.63	3.69	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	Q2-23	Q2-22	6M 23	6M 22	R12	12M 22
<b>Net profit</b>	<b>710</b>	<b>412</b>	<b>1 066</b>	<b>685</b>	<b>1 646</b>	<b>1 266</b>
Other comprehensive income:						
Items which will not be reversed in the profit and loss account	-2	6	-3	2	43	48
Income tax relating to components in above item	-	-1	-	-	-13	-13
Items which can later be reversed in the profit and loss account	944	179	857	387	1 078	608
Income tax relating to components in above items	0	1	11	-2	24	11
<b>Total comprehensive income for the period</b>	<b>1 652</b>	<b>596</b>	<b>1 931</b>	<b>1 071</b>	<b>2 779</b>	<b>1 919</b>
Attributable to:						
The parent company's shareholders	1 644	582	1 919	1 059	2 752	1 892
Non-controlling interests	8	15	12	13	26	27

Summarised balance sheet, SEK M	30 Jun 23	30 Jun 22	31 Dec 22
<b>ASSETS</b>			
Intangible fixed assets	17 488	4 076	5 484
Tangible fixed assets	1 580	747	872
Right of use assets	2 329	1 458	1 771
Deferred tax asset	406	270	299
Other fixed assets	183	160	167
<b>Total fixed assets</b>	<b>21 986</b>	<b>6 711</b>	<b>8 592</b>
Inventories	11 391	6 686	7 389
Trade debtors	5 942	4 285	3 681
Other receivables	741	704	685
Liquid funds	2 053	869	1 518
<b>Total current assets</b>	<b>20 127</b>	<b>12 544</b>	<b>13 272</b>
<b>Total assets</b>	<b>42 113</b>	<b>19 256</b>	<b>21 864</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	21 818	5 913	6 714
<b>Total equity</b>	<b>21 818</b>	<b>5 913</b>	<b>6 714</b>
Long-term liabilities	8 271	6 818	6 975
Deferred tax liabilities	964	178	245
<b>Total long-term liabilities</b>	<b>9 235</b>	<b>6 996</b>	<b>7 220</b>
Trade creditors	3 995	3 102	2 586
Other liabilities	7 064	3 245	5 344
<b>Total current liabilities</b>	<b>11 059</b>	<b>6 347</b>	<b>7 930</b>
<b>Total equity and liabilities</b>	<b>42 113</b>	<b>19 256</b>	<b>21 864</b>
Of which interest-bearing liabilities	10 954	7 017	8 722

Summarised consolidated cash flow analysis, SEK M	Q2-23	Q2-22	6M 23	6M 22	R12	12M 22
Operating profit (EBIT)	970	603	1 636	996	2 541	1 900
Non-cash generated items	229	220	425	393	879	846
Paid transaction costs related to Heritage	-224	-	-224	-	-224	-
Paid interest	-114	-27	-335	-57	-463	-184
Paid income tax	-184	-126	-336	-216	-611	-491
Realisation result on sale of tangible fixed assets	-3	-	-4	-	-24	-20
Changes in working capital	-1 198	-1 036	-2 091	-1 765	-2 296	-1 970
<b>Cash flow from current operations</b>	<b>-524</b>	<b>-366</b>	<b>-929</b>	<b>-649</b>	<b>-198</b>	<b>81</b>
Cash flow from investment operations	-382	-31	-7 622	-389	-8 565	-1 331
Cash flow from financial operations	1 629	714	-4 189	1 283	-2 960	2 511
Payments related to amortisation of lease liabilities	-121	-93	-234	-185	-435	-386
Rights issue, net after costs and tax	-52	-	13 708	-	13 708	-
Dividend paid	-237	-239	-250	-240	-444	-434
<b>Change in liquid funds</b>	<b>313</b>	<b>-15</b>	<b>484</b>	<b>-180</b>	<b>1 106</b>	<b>442</b>
Exchange rate difference in liquid funds	52	24	52	44	79	72
Liquid funds at the beginning of the period	1 688	860	1 518	1 004	869	1 004
<b>Liquid funds at the period end</b>	<b>2 053</b>	<b>869</b>	<b>2 053</b>	<b>869</b>	<b>2 053</b>	<b>1 518</b>

Equity, SEK M	30 Jun 23	30 Jun 22	31 Dec 22
<b>Opening balance</b>	<b>6 714</b>	<b>5 266</b>	<b>5 266</b>
Net profit	1 066	685	1 266
Other comprehensive income for the period	865	386	654
<b>Total comprehensive income for the period</b>	<b>1 931</b>	<b>1 071</b>	<b>1 919</b>
Rights issue	13 757	-	-
Option premium obtained with the issue of option programme LTIP 2022-2025	-	-	7
Option premium obtained with the issue of option programme LTIP 2023-2026	7	-	-
Purchase of own shares	-	-	-21
Dividend to shareholders for 2022	-477	-	-
Dividend to shareholders for 2021	-	-419	-419
Dividend to shareholders' with non-controlling interest	-32	-12	-9
Non-controlling interest arising on business combinations	-	6	-
Change in fair value of liabilities linked to acquisitions	-82	-	-29
<b>Closing balance</b>	<b>21 818</b>	<b>5 913</b>	<b>6 714</b>

Key figures*	30 Jun 23	30 Jun 22	31 Dec 22
Equity ratio, %	51.8	30.7	30.7
Return on equity (R12), %	11.8	21.6	20.4
Return on operating capital, excluding items affecting comparability, (R12), %	12.4	15.4	16.2
Debt/equity, ratio	0.4	1.0	1.1
Interest coverage, excluding items affecting comparability, ratio	8.1	12.2	11.8
Net debt/EBITDA	2.73	2.81	2.92
Net debt/EBITDA excluding items affecting comparability	2.54	2.81	2.65
Net debt/EBITDA excluding leasing liabilities, pension liability and items affecting comparability	2.13	2.50	2.30
Average number of employees	5 877	4 467	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>	466 349 636	415 512 175	415 478 482

<sup>1</sup> Holdings of own shares ensure the delivery of shares to participants in the options programme. The option programmes expire in June 2024, June 2025 and June 2026.

<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.



# Overview per segment

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 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.

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.

## Reporting for segments

Net sales, SEK M	Q2-23	Q2-22	Δ%	6M 23	6M 22	Δ%	R12	12M 22
APAC	1 317	993	33	2 706	2 032	33	5 147	4 473
EMEA	5 520	4 956	11	10 423	8 842	18	19 813	18 232
North America	1 827	-	-	2 944	-	-	2 944	-
Eliminations	-10	-11	-	-42	-34	-	-74	-66
<b>Group</b>	<b>8 654</b>	<b>5 938</b>	<b>46</b>	<b>16 031</b>	<b>10 841</b>	<b>48</b>	<b>27 829</b>	<b>22 638</b>

Operating profit (EBIT), SEK M	Q2-23	Q2-22	Δ%	6M 23	6M 22	Δ%	R12	12M 22
APAC	85	70	22	222	163	36	425	367
EMEA	683	570	20	1 159	899	29	2 193	1 932
North America	247	-	-	351	-	-	351	-
Other	-45	-37	-	-96	-67	-	-183	-154
<b>Group</b>	<b>970</b>	<b>603</b>	<b>61</b>	<b>1 636</b>	<b>996</b>	<b>64</b>	<b>2 786</b>	<b>2 145</b>
Items affecting comparability	-	-	-	-	-	-	-245	-245
<b>Group incl. items affecting comparability</b>	<b>970</b>	<b>603</b>	<b>61</b>	<b>1 636</b>	<b>996</b>	<b>64</b>	<b>2 541</b>	<b>1 900</b>

EBIT %	Q2-23	Q2-22	Δ	6M 23	6M 22	Δ	R12	12M 22
APAC	6.5	7.0	-0.6	8.2	8.0	0.2	8.3	8.2
EMEA	12.4	11.5	0.9	11.1	10.2	1.0	11.1	10.6
North America	13.5	-	13.5	11.9	-	11.9	11.9	-
<b>Group</b>	<b>11.2</b>	<b>10.2</b>	<b>1.1</b>	<b>10.2</b>	<b>9.2</b>	<b>1.0</b>	<b>10.0</b>	<b>9.5</b>
<b>Group incl. items affecting comparability</b>	<b>11.2</b>	<b>10.2</b>	<b>1.1</b>	<b>10.2</b>	<b>9.2</b>	<b>1.0</b>	<b>9.1</b>	<b>8.4</b>

Net sales, SEK M	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21	Q2-21
APAC	1 317	1 389	1 350	1 090	993	1 039	1 017	778	757
EMEA	5 520	4 903	4 492	4 897	4 956	3 886	3 265	3 568	3 812
North America	1 827	1 118	-	-	-	-	-	-	-
Eliminations	-10	-32	-24	-8	-11	-23	-11	-5	-7
<b>Group</b>	<b>8 654</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>

Operating profit (EBIT), SEK M	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21	Q2-21
APAC	85	137	123	81	70	93	102	38	43
EMEA	683	476	457	576	570	329	264	342	389
North America	247	104	-	-	-	-	-	-	-
Other	-45	-51	-37	-50	-37	-30	-40	-26	-14
<b>Group</b>	<b>970</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>
Items affecting comparability	-	-	-245	-	-	-	-	-	-
<b>Group incl. items affecting comparability</b>	<b>970</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>

EBIT %	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21	Q2-21
APAC	6.5	9.8	9.1	7.4	7.0	9.0	10.0	4.9	5.6
EMEA	12.4	9.7	10.2	11.8	11.5	8.5	8.1	9.6	10.2
North America	13.5	9.3	-	-	-	-	-	-	-
<b>Group</b>	<b>11.2</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>Group incl. items affecting comparability</b>	<b>11.2</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>

## 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	Q2-23	Q2-22	Δ%	6M 23	6M 22	Δ%	R12	12M 22
HVAC	5 122	3 175	61	9 232	5 562	66	15 394	11 724
OEM	649	527	23	1 256	996	26	2 432	2 172
Commercial and industrial refrigeration	2 883	2 236	29	5 543	4 283	29	10 003	8 742
<b>Group</b>	<b>8 654</b>	<b>5 938</b>	<b>46</b>	<b>16 031</b>	<b>10 841</b>	<b>48</b>	<b>27 829</b>	<b>22 638</b>

Net sales, SEK M	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21	Q3-21	Q2-21
HVAC	5 122	4 110	3 030	3 131	3 175	2 387	1 926	1 998	2 268
OEM	649	608	599	577	527	469	448	400	403
Commercial and Industrial Refrigeration	2 883	2 660	2 189	2 271	2 236	2 047	1 897	1 943	1 891
<b>Group</b>	<b>8 654</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>

## 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, seven acquisitions were consolidated in the group's accounts, of which Heritage Distribution was assessed as a material acquisition, the other six acquisitions were each deemed immaterial. Of the consolidated acquisitions for the year, three of the acquisitions are acquisitions of assets and liabilities. Information about the acquisitions is provided in the table below.

### 2023

#### Second quarter

Beijer Ref has acquired 100 per cent of the assets of Shravan Engineering (India). During the second quarter, Beijer Ref entered into a binding agreement to acquire 70 per cent of the shares of Condex (Bulgaria), with a put/call option to acquire the remaining portion. Condex will be consolidated in the third quarter of 2023. Beijer Ref also acquired all the shares of CFD (France) and GMC Airconditioning (South Africa) during the quarter.

### 2022

#### Second quarter

During the corresponding quarter in the previous year, Beijer Ref acquired all assets of Mackay Air Supply and GMR Supplies (Australia).

## Accounting for acquisitions

Identified customer lists are written off over 10-15 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 2023, one of the acquisitions, of which has been consolidated, was made with an option to acquire the remaining shares during the period 2023–2027. The option has been valued at the likely outcome and entered as current and non-current liability; this liability amounts to SEK 352 million. Acquisitions that include a sale/purchase 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 2023 and charged to profit for 2023 amount to approximately SEK 4 million and are included in other costs. Acquisition costs and acquisition calculations are preliminary. The acquisition calculations for the companies acquired during the first six months of 2022 have now been determined. No significant adjustments have been made to the calculations.

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
Shravan Engineering (asset deal)	April	APAC	53	22
CFD	June	EMEA	75	10
GMC Airconditioning	June	EMEA	40	17
<b>2022</b>				
<b>Companies</b>				
Deltron	January	EMEA	400	110
Mackay Air Supply och GMR Supplies (asset deal)	April	APAC	50	8
EID	August	EMEA	170	20
Easy Air Conditioning	October	EMEA	70	8
AAD and HVAC Consolidated	November	APAC	800	125

Acquisitions not yet consolidated	Consolidated from	Segments	Net sales, SEK M	Number of employees
Condex	Q3 2023	EMEA	350	41
Industrifiber	Q3 2023	EMEA	8	2



Acquisitions of companies, SEK M	Heritage Distribution	Other acquisitions	6M 23	6M 22
Fair value in the Group:				
Intangible assets	4 435	8	4 443	37
Tangible and financial fixed assets	1 135	27	1 162	16
Deferred tax asset	-	0	0	1
Inventories	1 891	129	2 019	58
Other current assets	558	60	618	73
Liquid funds	432	14	446	82
Deferred tax liability	-629	-2	-631	-6
Provisions	-	-1	-1	-1
Other current liabilities	-1 014	-105	-1 119	-88
Liabilities to credit institutions	-5 619	-	-5 619	-
<b>Total identifiable net assets:</b>	<b>1 188</b>	<b>131</b>	<b>1 320</b>	<b>172</b>
Goodwill	6 801	135	6 935	355
Effect on the cash flow:				
Consideration	-7 989	-266	-8 255	-527
Non-paid consideration	531	10	541	207
Paid consideration after acquisition date regarding the current year's acquisition	-179	-	-179	-
Paid consideration for previous years' acquisitions	-	-62	-62	-
Repaid consideration for previous years' acquisitions	-	14	14	-
Liquid funds in acquired companies	432	14	446	82
<b>Total</b>	<b>-7 205</b>	<b>-290</b>	<b>-7 495</b>	<b>-238</b>

The table shows the total cash flow effect from acquisition activities. The presentation of identifiable net assets refers to acquisitions made during the first six months of 2023 and the corresponding period of 2022 respectively. Other acquisitions include the effects of all acquisitions consolidated in 2023 excluding Heritage Distribution. These companies have been aggregated in the above table as the respective acquisitions are not material individually.

Parent company profit and loss account in summary, SEK M	Q2-23	Q2-22	6M 23	6M 22	R12	12M 22
Operating income	2	2	4	5	123	124
Operating expenses	-64	-46	-122	-83	-216	-177
Depreciation and write-down of intangible and tangible fixed assets	-1	-1	-2	-2	-3	-3
<b>Operating profit (EBIT)</b>	<b>-63</b>	<b>-45</b>	<b>-119</b>	<b>-80</b>	<b>-95</b>	<b>-56</b>
Net financial income/expense	238	-62	136	-40	81	-95
Result of participations in Group companies	442	620	498	620	510	632
<b>Profit before appropriations</b>	<b>617</b>	<b>513</b>	<b>514</b>	<b>500</b>	<b>495</b>	<b>481</b>
Appropriations	-	-	-	-	102	102
<b>Profit before tax</b>	<b>617</b>	<b>513</b>	<b>514</b>	<b>500</b>	<b>597</b>	<b>583</b>
Tax	-10	6	24	6	28	10
<b>Net profit</b>	<b>607</b>	<b>519</b>	<b>538</b>	<b>506</b>	<b>625</b>	<b>593</b>

Parent company balance sheet in summary, SEK M	30 Jun 23	30 Jun 22	31 Dec 22
<b>ASSETS</b>			
Intangible fixed assets	6	6	6
Tangible fixed assets	4	5	4
Financial fixed assets	20 602	6 454	7 472
Current assets	4 770	2 153	2 284
<b>Total assets</b>	<b>25 383</b>	<b>8 618</b>	<b>9 766</b>
<b>EQUITY AND LIABILITIES</b>			
Shareholders' equity	15 945	2 046	2 119
Long-term liabilities	5 290	5 502	4 810
Current liabilities	4 147	1 070	2 837
<b>Total equity and liabilities</b>	<b>25 383</b>	<b>8 618</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 >140 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

- Interim report for the third quarter will be published October 24, 2023
- Interim report for the fourth quarter will be published January 31, 2024





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