

The background of the entire page is an abstract, high-speed photograph of water splashing and creating bubbles. The water is in various shades of blue and teal, with white highlights from the bubbles and the spray of the water. The motion is captured in a way that gives a sense of dynamic energy and fluidity.

# Beijer Ref AB Q4-2023

English version

**BEIJER REF**

# Beijer Ref AB

## Q4-2023

### Fourth quarter

- Net sales increased by 31 per cent to SEK 7,627 million (5,818). Organic sales fell by -4.1 per cent in the quarter compared to the previous year. Acquisition effects amounted to 32.8 per cent and currency effects were 2.4 per cent.
- EBITA before items affecting comparability amounted to SEK 721 million (570), which is an increase of 26 per cent compared to the corresponding period the previous year. The EBITA margin, excluding items affecting comparability, was 9.5 per cent (9.8), which was affected by high M&A costs of approximately SEK 25 million (7).
- Operating cash flow was strong as expected and amounted to SEK 1,810 million (633) during the quarter. Inventory decreased by SEK 627 million during the quarter.
- The fourth quarter had non-recurring costs of SEK 60 million, which are mainly attributable to consultancy costs for the tax restructuring in the US and costs related to structural changes in the operational organisation.
- During the year, a tax restructuring was carried out in the US, which resulted in the elimination of a previously reported deferred tax liability of approximately USD 40.6 million (corresponding to approximately SEK 440 million), with a corresponding positive impact on profit in the fourth quarter. The effect has been reported as a tax item affecting comparability. The positive impact on profit is a one-off effect and does not correspond to a liquidity event.
- Profit for the period excluding items affecting comparability amounted to SEK 393 million (371), which is an increase of 6 per cent. Profit for the period totalled SEK 768 million (151).
- Profit per share after dilution and excluding items affecting comparability amounted to SEK 0.76 (0.88), which is a decrease of 14 per cent. Profit per share after dilution amounted to SEK 1.50 (0.35).
- The Board of Directors proposes a dividend of SEK 1.30 per share (0.94), corresponding to 31 per cent (32) of the profit for the year, excluding items affecting comparability. This corresponds to an increase in the dividend by 38 per cent.

Key figures <sup>1</sup> , SEK M	Q4-23	Q4-22	Δ%	12M 23	12M 22	Δ%
Net sales	7 627	5 818	31.1	32 150	22 638	42.0
Organic sales, %	-4.1	17.9		1.4	16.4	
EBITA excluding items affecting comparability	721	570	26.4	3 398	2 217	53.3
EBITA margin excluding items affecting comparability, %	9.5	9.8		10.6	9.8	
Items affecting comparability	-60	-245		-60	-245	
EBITA	661	325	103.5	3 338	1 972	69.3
Operating profit (EBIT)	611	298	105.2	3 159	1 900	66.3
Net profit excluding items affecting comparability	393	371	6.0	2 136	1 486	43.7
Net profit	768	151	408.6	2 400	1 266	89.6
Profit per share after dilution, SEK <sup>2</sup>						
Excluding items affecting comparability	0.76	0.88	-13.8	4.33	3.54	22.6
Including items affecting comparability	1.50	0.35	328.8	4.88	3.00	62.3
Operating cash flow	1 810	633	-	2 490	176	
Return on operating capital, excluding items affecting comparability, (R12), %	-	-		10.7	16.7	

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> For the impact of items affecting comparability see the table on p. 19.

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



# CEO comments

## Eventful year ends with record cash flow

In summary, we closed an eventful 2023 in which we grew sales by 42 per cent and EBITA, excluding items affecting comparability, by 53 per cent. Sales during the quarter amounted to SEK 7,627 million, which is an increase of 31 per cent compared with the corresponding period the previous year. EBITA before items affecting comparability amounted to SEK 721 million, which is an increase of 26 per cent compared to the corresponding period the previous year. The EBITA margin, excluding items affecting comparability, was 9.5 per cent compared with 9.8 per cent the previous year. There was a negative effect on EBITA during the quarter caused by high acquisition-related costs of approximately SEK 25 million.

Organic sales were -4 per cent, driven by negative organic growth within the HVAC product group, mainly related to high comparative figures (+29 per cent) linked to the energy crisis 2022. The margin developed well during the quarter and operating cash flow reached the record level of SEK 1,810 million, which can be attributed to continued planned inventory reductions and the seasonal effect.

The end of the year was marked by significant progress in our strategic areas and an increased focus on sustainability, in line with preparations for the Corporate Sustainability Requirement Directive (CSRD). On 30 November, we organised Beijer Ref's first Capital Markets Day, which marked an important step for us to communicate our vision and strategy to investors and stakeholders. We introduced the company's new financial goals at the Capital Markets Day. These goals are based on the continued positive outlook for growth and the pursuit of greater clarity towards the market.

We completed four acquisitions, all of which strengthen and broaden the company's existing product portfolio: Webb Supply (US), Grönt Klima (Norway), Turner Engineering (Australia) and Chillaire (India). The acquisitions are in line with our overall acquisition strategy and position us well for continued expansion. We enter 2024 with an active acquisition pipeline to continue our positive growth.

During the period, lead times returned to normal levels and the planned stock reductions proceeded according to plan. We expect to continue to reduce our inventory in 2024, adjusted for normal seasonal variations. Taking into account the ongoing circumstances in the Red Sea, we are closely monitoring the development of the situation and are ready to quickly adjust our stock levels if necessary, to ensure efficient and reliable delivery to our customers.

We are proud to announce that in November we were approved by the Science Based Target Initiative (SBTi). This approval is an important step towards our vision of "Sustainable Temperature Control for All" and demonstrates our commitment to transforming our HVAC-R industry for the next generation of refrigerants, through our various OEM, distribution and retail businesses.

The decentralised organisational model of the business demonstrated resilience and our strategic focus areas developed in line with our expectations. Looking ahead, we continue to have a very positive outlook on the future – with strong structural trends that will continue to stimulate growth in our business segments worldwide.

I would like to extend a big thank you to all our employees for their fantastic efforts during the past year. Now we are getting ready for 2024 and welcome the opportunities that lie ahead.

Christopher Norbye  
CEO



# Fourth quarter 2023

**31%**  
Sales increase

**-4%**  
Organic growth

**26%\***  
EBITA-increase

**-14%\***  
Change  
result/share

Financial overview <sup>1</sup> , SEK M	Q4-23	Q4-22	Δ%	12M 23	12M 22	Δ%
Net sales	7 627	5 818	31.1	32 150	22 638	42.0
Organic change, %	-4.1	17.9		1.4	16.4	
Change through acquisition <sup>2</sup> , %	32.8	8.9		35.2	10.7	
Currency effect, %	2.4	9.3		5.4	6.8	
Change total, %	31.1	36.1		42.0	33.9	
EBITA excluding items affecting comparability	721	570	26.4	3 398	2 217	53.3
EBITA margin excluding items affecting comparability, %	9.5	9.8		10.6	9.8	
Items affecting comparability	-60	-245		-60	-245	
EBITA	661	325	103.5	3 338	1 972	69.3
Operating profit (EBIT) excluding items affecting comparability	671	543	23.5	3 219	2 145	50.0
Operating profit (EBIT)	611	298	105.2	3 159	1 900	66.3
Net financial income/expense, excluding items affecting comparability	-117	-60		-438	-179	
Net financial income/expense	-117	-60		-576	-179	
Tax, excluding items affecting comparability	-160	-112		-645	-480	
Tax	274	-87		-183	-456	
Net profit excluding items affecting comparability	393	371	6.0	2 136	1 486	43.7
Net profit	768	151	408.6	2 400	1 266	89.6
Profit per share after dilution, SEK <sup>3</sup>						
Excluding items affecting comparability	0.76	0.88	-13.8	4.33	3.54	22.6
Including items affecting comparability	1.50	0.35	328.8	4.88	3.00	62.3

<sup>1</sup> For the impact of items affecting comparability see the table on p. 19.

<sup>2</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>3</sup> Comparative figures are recalculated as a result of the rights issue that was completed in March 2023.

## Net sales

Net sales increased by 31 per cent to SEK 7,627 million (5,818). Organic sales fell -4.1 per cent in the quarter compared with the previous year. Acquisition effects amounted to 32.8 per cent and currency effects were 2.4 per cent.

EMEA reported negative sales growth of -2 per cent, excluding currency effects, as the quarter was affected by high comparative figures, especially in the HVAC segment. APAC reported growth of 20 per cent, excluding currency effects. Sales in North America were in line with seasonal variations, although slightly below expectations due to lower activity in the residential housing market.

The HVAC product area reported negative organic growth in the quarter of -8 per cent, affected by high comparative figures. The OEM product area reported organic growth of 4 per cent, affected by a weak market in APAC. The Commercial and Industrial Refrigeration product area reported organic sales at the same level as the previous year.

## Profit

The group's EBITA before items affecting comparability amounted to SEK 721 million (570) during the fourth quarter, which is an increase of 26 per cent. Positive exchange rate effects of SEK 11 million (32) are included in EBITA. The EBITA margin, excluding items affecting comparability, amounted to 9.5 per cent (9.8). The weaker EBITA margin, excluding items affecting comparability, is mainly due to high costs for M&A of approximately SEK 25 million (7) during the quarter and the decline in organic sales in HVAC.

The fourth quarter is burdened with items affecting comparability of SEK 60 million, which are mainly attributable to consulting costs for the tax restructuring in the US as well as costs related to structural changes in the operational organisation.

Net financial items amounted to SEK -117 million (-60), affected by higher indebtedness and interest rates, as well as the positive effect of exchange rate differences compared with the previous year.

The tax rate in the quarter was +55.5 per cent (-36.5). During the year, a tax restructuring was carried out in the US, which resulted

\*Excluding items affecting comparability

Operating cash flow and Net debt, SEK M	Q4-23	Q4-22	12M 23	12M 22
Operating profit excl. items affecting comparability (EBIT)	671	543	3 219	2 145
Depreciation/write-downs on tangible assets	180	134	693	500
Amortisation/write-downs on intangible assets	50	27	179	72
<b>EBITDA excluding items affecting comparability</b>	<b>901</b>	<b>704</b>	<b>4 090</b>	<b>2 717</b>
Changes in working capital	1 159	110	-765	-1 970
Investments in tangible fixed assets	-119	-68	-346	-195
Payments related to amortisation of lease liabilities	-130	-103	-490	-386
Non-cash generated items	-1	-10	0	10
<b>Operating cash flow</b>	<b>1 810</b>	<b>633</b>	<b>2 490</b>	<b>176</b>
<b>Net debt</b>			<b>8 400</b>	<b>7 204</b>
Of which:				
Pension debt			107	110
Leasing liabilities, according to IFRS 16			2 371	1 814
Net debt excluding pension and leasing liabilities			5 922	5 280
Authorised credit limit			13 183	22 620
Of which remains to be utilised			4 668	16 930
Net debt/EBITDA			2.08	2.92
Net debt/EBITDA excluding items affecting comparability			2.05	2.65
Net debt/EBITDA excl leasing liabilities, pension liability and items affecting comparability			1.69	2.30

in the elimination of a previously reported deferred tax liability of SEK 440 million, with a corresponding positive impact on profit during the quarter. This one-off effect has been reported as a tax item affecting comparability and does not correspond to a liquidity event. Together with the tax effect of other items affecting comparability, the total tax affecting comparability amounted to SEK 434 million. The tax rate for the quarter, adjusted for items affecting comparability, was -28.9 per cent, affected by the adjusted assessment of loss deductions and non-deductible transaction costs.

Profit for the period, excluding items affecting comparability, amounted to SEK 393 million (371) and profit for the period amounted to SEK 768 million (151). Profit per share after dilution and excluding items affecting comparability amounted to SEK 0.76 (0.88), which is a decrease of 14 per cent. Profit per share after dilution amounted to SEK 1.50 (0.35).

#### Cash flow and net debt

Operating cash flow was very strong and amounted to SEK 1,810 million (633) during the quarter. Inventory decreased by SEK 627 million during the quarter. Our efforts to normalise our operating capital will continue in 2024.

Net debt at the end of the quarter amounted to SEK 8,400 million (7,204). The increase over the previous year is due to a continued slightly higher tie-up of working capital, as well as acquisition activities. Net debt in relation to EBITDA amounted to 2.1 (2.9). Excluding lease liabilities (IFRS 16) and pension, financial liabilities amounted to SEK 5,922 million (5,280). Adjusted net debt in relation to adjusted EBITDA amounted to 1.7 (2.3).

At the end of the period, the company had credit facilities amounting to SEK 13,183 million (22,620), of which unutilised credits amounted to SEK 4,668 million (16,930).

#### January - December 2023

Net sales for the 12 months of 2023 amounted to SEK 32,150 million (22,638), a total increase of 42 per cent compared to the corresponding period the previous year. Organic sales growth amounted to 1.4 per cent.

EBITA before items affecting comparability amounted to SEK 3,398 million (2,217), corresponding to a margin of 10.6 per cent (9.8).

Net financial income and expenses amounted to SEK -576 million (-179), affected by costs relating to the bridge financing regarding the acquisition of the North American business Heritage of -138 MSEK. These costs have been reported as items affecting comparability.

Tax expenses for the year were affected by the tax restructuring in the US, which resulted in the elimination of a deferred tax liability of SEK 440 million with a corresponding positive effect on tax. Together with the tax effect of other items affecting comparability, the total tax affecting comparability amounted to SEK 463 million. The effective tax rate, adjusted for items affecting comparability, was 23 per cent.

Profit for the period excluding items affecting comparability amounted to SEK 2,136 million (1,486) and profit for the period amounted to SEK 2,400 million (1,266). Profit per share excluding items affecting comparability, before and after dilution, amounted to SEK 4.33 (3.54) and SEK 4.33 (3.54), respectively. Profit per share before and after dilution amounted to SEK 4.88 (3.00) and SEK 4.88 (3.00), respectively.

# Operating segment EMEA

SEK M	Q4-23	Q4-22	Δ%	12M 23	12M 22	Δ%
Net sales	4 563	4 492	1.6	20 254	18 232	11.1
Of which currency effect, %	3.2	9.3		6.4	6.1	
EBITA	472	480	-1.7	2 294	1 991	15.2
EBITA margin, %	10.3	10.7		11.3	10.9	

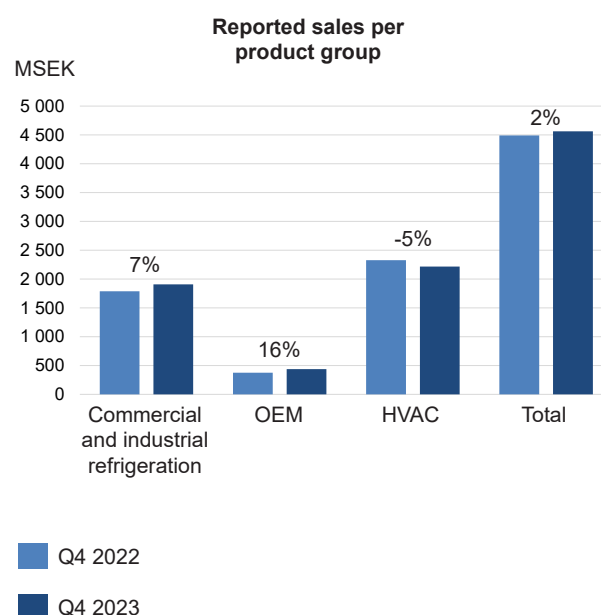
Sales decreased by 1.6 per cent during the quarter, excluding currency effects. The quarter was affected by high comparative figures, especially in the HVAC segment. The OEM segment continued to show good growth of 16 per cent, while commercial and industrial refrigeration reported an increase of 7 per cent. HVAC reported a decrease of 5 per cent with large differences between markets and product segments and the effect of high comparative figures (+43 per cent). EBITA was SEK 472 million (480). The EBITA margin was reported at 10.3 per cent (10.7); the margin deterioration related to lower volumes in the HVAC segment.

We continued to develop our strategic initiatives. Growth was strongest in the segment of OEM refrigeration units and industrial heat pumps, based on the natural refrigerant R744 (carbon dioxide). Order intake is also rising and we are seeing increased activity in retail, which has been stable during the year.

We are at the forefront of the industry's transition to green technology and are continuously investing in this area. Private label commercial refrigeration and HVAC also developed strongly and our range of own brands continues to be launched in most markets. These brands remain a good complement to our established suppliers.

The acquisition of Condex (Bulgaria), which is a leading HVAC distributor through Mitsubishi Heavy Industries, has developed well during the period. Our OEM companies, SCM Frigo and Fenagy, have had good activity during the quarter and received a number of important orders.

These actions have effectively contributed to a successful quarter, enabling us to continue our growth with good profitability.



# Operating segment APAC

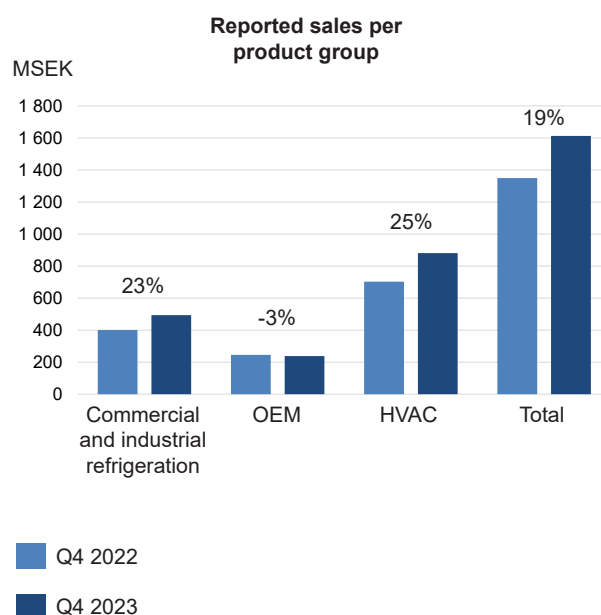
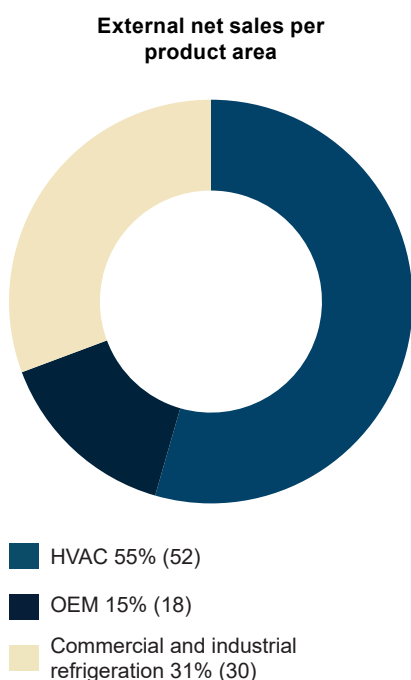
SEK M	Q4-23	Q4-22	Δ%	12M 23	12M 22	Δ%
Net sales	1 613	1 350	19.5	5 633	4 473	25.9
Of which currency effect, %	-0.6	9.2		1.2	9.5	
EBITA	159	126	25.7	489	377	29.5
EBITA margin, %	9.8	9.3		8.7	8.4	

Net sales during the fourth quarter increased by 19 per cent. In the OEM segment, there were several project sales that were completed in the fourth quarter of 2022 but did not return in 2023. Many end users, especially in the retail trade, have held off on their investments during the year. During the quarter, however, we saw an improvement in this trend. Profitability improved during the quarter so that it was more in line with the group's targets.

EBITA increased by 26 per cent to SEK 159 million (126). The EBITA margin amounted to 9.8 per cent (9.3). At the end of the quarter, we signed the second acquisition of the year in India. The first acquisition was more focused on commercial refrigeration,

while the second acquisition, Chillaire, has greater exposure towards the HVAC market. The Indian HVAC market follows the technology development in Europe and has started to focus on gases with lower GWP, where we see that Beijer Ref can play an active and important role.

The acquisition of the business in South Korea, which was completed in the third quarter of 2023, was consolidated in terms of results from 1 October. We see many promising signs, especially when it comes to our comprehensive solutions and our knowledge in CO<sub>2</sub> throughout the region.



# Operating segment

## North America

MSEK	Q4-23	Q4-22	Δ%	12M 23	12M 22	Δ%
Net sales	1 468	-		6 336	-	
EBITA	142	-		799	-	
EBITA margin, %	9.7	-		12.6	-	

Net sales in the fourth quarter were in line with seasonal variations, but slightly below expectations due to lower activity in the North American residential replacement market. Despite lower sales, the EBITA margin developed well during the quarter and amounted to 9.7 percent. The supply chain in the residential segment has returned to normal, but we continue to have long lead times in the commercial segment.

Our US platform continues to develop well. We are actively expanding the refrigeration portfolio, launching a private label, evaluating new branches and working with our strategic suppliers to reach agreements that support growth in the market. The acquisition pipeline remains active.

The integration of AMSCO (September) is progressing according to plan. At the end of the quarter, the acquisition of Webb Supply was signed and completed. Webb Supply will be consolidated in terms of results as of January 1, 2024.

We continue to view the long-term growth trend in the US positively, both organically and through continued acquisitions. Furthermore, we are working with our key suppliers to prepare for the regulatory transition to ATL-based HVAC equipment, which will begin in 2024.



### Significant events during the quarter

The company communicated its changed long-term financial targets during the Capital Markets Day held on 30 November. More information about the new financial targets can be found in the press release published on 30 November on Beijer Ref's website [www.beijerref.com](http://www.beijerref.com).

On 30 November, it was announced that a tax restructuring was carried out in the US, which resulted in the elimination of a previously reported deferred tax liability of approximately USD 40.6 million (corresponding to approximately SEK 440 million), with a corresponding positive impact on profit in the fourth quarter. The effect has been reported as a tax item affecting comparability. The positive impact on the profit is a one-off effect and does not correspond to a liquidity event.

### 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 Board of Directors proposes a dividend of SEK 1.30 per share (0.94), corresponding to 31 per cent (32) of the year's profit, excluding items affecting comparability. The proposed dividend amounts to 28 per cent (38) of the year's profit, which corresponds to a total of SEK 659 million (477). This is an increase in the dividend by 38 per cent. The board's proposal is that the dividend be paid in two installments to meet the group's seasonal variations. The board's final proposal on dividend per share will be presented in connection with the notice to the annual general meeting, at the latest.

### Sustainability

Sustainability is a well-integrated part of Beijer Ref. Doing business based on sound standards is a responsibility that the group takes very seriously, while at the same time it is woven in as a natural approach in all parts of the organisation. Beijer Ref's sustainability strategy is based on the UN's sustainable development goals in Agenda 2030, which cover economy, society and the environment.

Beijer Ref believes that it is in the environmental field that Beijer Ref can make the biggest difference. In order to further strengthen the work to develop environmentally friendly refrigeration technology, the group measures the proportion of Beijer Ref's OEM sales that is environmentally friendly. The goal is for it to increase from today's 39 per cent to 50 per cent by 2025. On our website and in the annual report, we give more information about our goals and how we perform in relation to the goals.

### Risk description

The Beijer Ref group's operations are affected by a number of external factors whose effects on the group's operating profit can be controlled to varying degrees. The group's operations are dependent on general economic developments, primarily in Europe, and in the future also in North America, which will determine 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 principles 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.

### **Webcast and Telephone conference Q4 2023**

The company invites investors, analysts and the media to attend a combined webcast and telephone conference at which CEO Christopher Norbye and CFO Joel Davidsson will present the interim report for the fourth quarter of 2023. The presentation will be held in English and lasts for about 20 minutes. The meeting is on January 31, at 10.00 CET.

If you wish to participate via webcast please follow this link:

<https://ir.financialhearings.com/beijer-ref-q4-report-2023/register>

If you wish to participate via teleconference please register on the link below. After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference.

<https://conference.financialhearings.com/teleconference/?id=50047261>

A presentation will be available on the company's website [www.beijerref.com](http://www.beijerref.com) from 08:40 on January 31.

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, 31 January, 2024

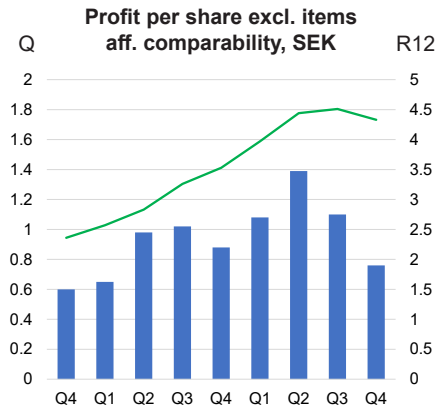
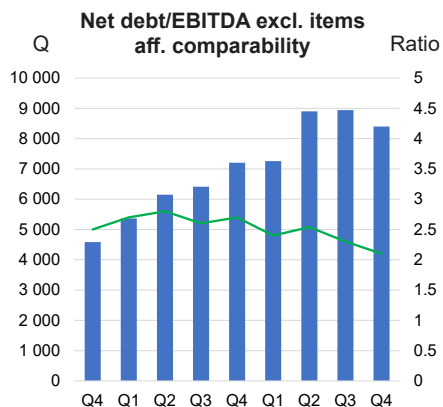
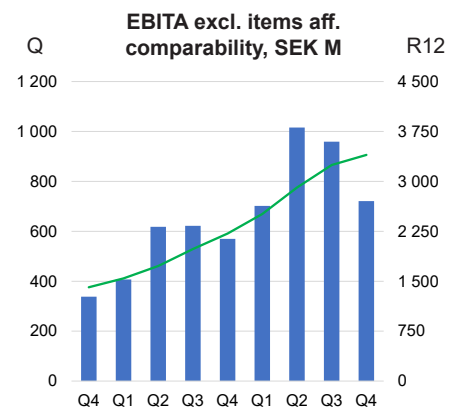
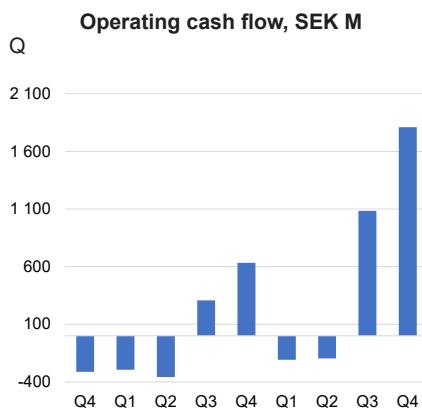
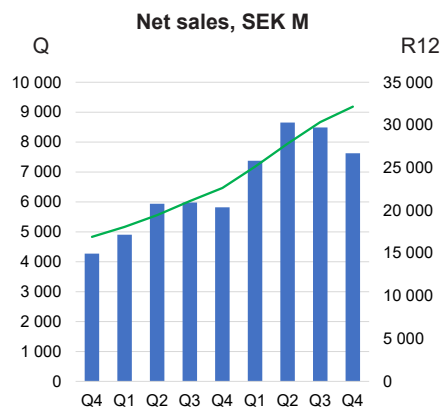
Beijer Ref AB (publ)  
Christopher Norbye, CEO

### **For more information, please contact:**

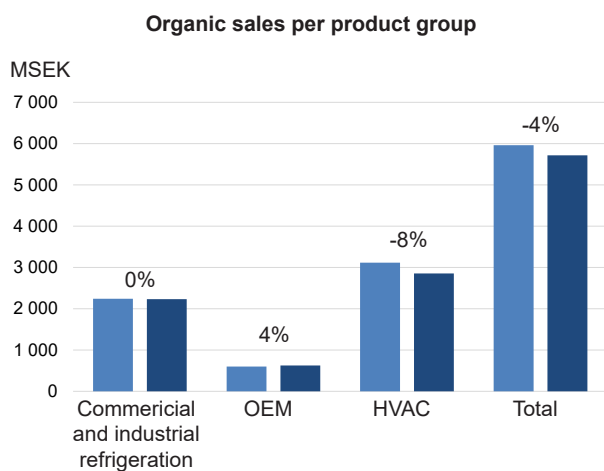
Niklas Willstrand  
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This disclosure contains information that Beijer Ref AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, at 08.30 CET on 31 January 2024.

# Financial overview

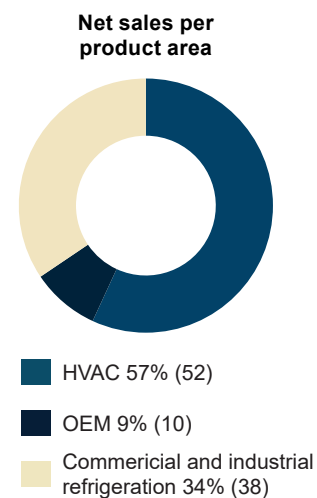
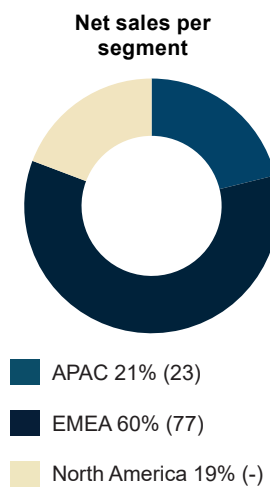


■ Quarter ■ R12



■ Q4 2022

■ Q4 2023



Summarised profit and loss account, SEK M	Q4-23	Q4-22	12M 23	12M 22
Net sales	7 627	5 818	32 150	22 638
Other operating income	27	23	117	145
Operating expenses	-6 814	-5 382	-28 236	-20 312
Depreciation and write-down of intangible and tangible fixed assets	-230	-161	-872	-571
<b>Operating profit (EBIT)</b>	<b>611</b>	<b>298</b>	<b>3 159</b>	<b>1 900</b>
Net financial income/expense	-117	-60	-576	-179
<b>Profit before tax</b>	<b>494</b>	<b>238</b>	<b>2 583</b>	<b>1 721</b>
Tax	274	-87	-183	-456
<b>Net profit</b>	<b>768</b>	<b>151</b>	<b>2 400</b>	<b>1 266</b>
<i>Net profit attributable to:</i>				
The parent company's shareholders	759	145	2 375	1 248
Non-controlling interests	9	6	25	17
Net profit per share before dilution, SEK <sup>1</sup>	1.50	0.35	4.88	3.00
Net profit per share after dilution, SEK <sup>1</sup>	1.50	0.35	4.88	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	Q4-23	Q4-22	12M 23	12M 22
<b>Net profit</b>	<b>768</b>	<b>151</b>	<b>2 400</b>	<b>1 266</b>
Other comprehensive income:				
Items which will not be reversed in the profit and loss account	2	60	0	48
Income tax relating to components in above item	-1	-13	-1	-13
Items which can later be reversed in the profit and loss account	-1 477	84	-827	608
Income tax relating to components in above items	106	5	73	11
<b>Total comprehensive income for the period</b>	<b>-602</b>	<b>288</b>	<b>1 645</b>	<b>1 919</b>
Attributable to:				
The parent company's shareholders	-607	293	1 624	1 892
Non-controlling interests	5	-5	21	27



Summarised balance sheet, SEK M	31 Dec 23	31 Dec 22
<b>ASSETS</b>		
Intangible fixed assets	17 439	5 484
Tangible fixed assets	1 687	872
Right of use assets	2 308	1 771
Deferred tax asset	419	299
Other fixed assets	208	167
<b>Total fixed assets</b>	<b>22 061</b>	<b>8 592</b>
Inventories	9 961	7 389
Trade debtors	4 163	3 681
Other receivables	1 028	685
Liquid funds	1 957	1 518
<b>Total current assets</b>	<b>17 109</b>	<b>13 272</b>
<b>Total assets</b>	<b>39 170</b>	<b>21 864</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	21 443	6 714
<b>Total equity</b>	<b>21 443</b>	<b>6 714</b>
Long-term liabilities	9 314	6 975
Deferred tax liabilities	439	245
<b>Total long-term liabilities</b>	<b>9 754</b>	<b>7 220</b>
Trade creditors	2 728	2 586
Other liabilities	5 245	5 344
<b>Total current liabilities</b>	<b>7 973</b>	<b>7 930</b>
<b>Total equity and liabilities</b>	<b>39 170</b>	<b>21 864</b>
Of which interest-bearing liabilities	10 357	8 722

Summarised consolidated cash flow analysis, SEK M	Q4-23	Q4-22	12M 23	12M 22
Operating profit (EBIT)	611	298	3 159	1 900
Non-cash generated items	229	403	876	610
Impact of transaction costs related to Heritage	-8	-	-236	236
Paid interest	-151	-55	-618	-184
Paid income tax	-185	-153	-658	-491
Realisation result on sale of tangible fixed assets	0	-6	-5	-20
Changes in working capital	1 159	110	-765	-1 970
<b>Cash flow from current operations</b>	<b>1 654</b>	<b>597</b>	<b>1 753</b>	<b>81</b>
Cash flow from investment operations	-576	-538	-9 235	-1 331
Cash flow from financial operations	-637	26	-4 757	2 511
Payments related to amortisation of lease liabilities	-130	-103	-490	-386
Rights issue, net after costs and tax	-1	-	13 708	-
Dividend paid	-238	-188	-493	-434
<b>Change in liquid funds</b>	<b>66</b>	<b>-205</b>	<b>485</b>	<b>442</b>
Exchange rate difference in liquid funds	-66	-17	-46	72
Liquid funds at the beginning of the period	1 950	1 741	1 518	1 004
<b>Liquid funds at the period end</b>	<b>1 957</b>	<b>1 518</b>	<b>1 957</b>	<b>1 518</b>

Equity, SEK M	31 Dec 23	31 Dec 22
<b>Opening balance</b>	<b>6 714</b>	<b>5 266</b>
Net profit	2 400	1 266
Other comprehensive income for the period	-755	654
<b>Total comprehensive income for the period</b>	<b>1 645</b>	<b>1 919</b>
Rights issue	13 756	-
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	-39	-21
Dividend to shareholders for 2022	-477	-
Dividend to shareholders for 2021	-	-419
Dividend to shareholders' with non-controlling interest	-17	-9
Change in fair value of liabilities linked to acquisitions	-148	-29
<b>Closing balance</b>	<b>21 443</b>	<b>6 714</b>

Key figures*	31 Dec 23	31 Dec 22
Equity ratio, %	54.7	30.7
Return on equity (R12), %	11.2	20.4
Return on operating capital, excluding items affecting comparability, (R12), %	10.7	16.7
Debt/equity, ratio	0.4	1.1
Interest coverage, excluding items affecting comparability, ratio	6.8	11.8
Net debt/EBITDA	2.08	2.92
Net debt/EBITDA excluding items affecting comparability	2.05	2.65
Net debt/EBITDA excluding leasing liabilities, pension liability and items affecting comparability	1.69	2.30
Average number of employees	6 024	4 720
Number of outstanding shares	506 810 926	380 345 570
Holding of own shares <sup>1</sup>	2 275 000	1 958 500
Total number of shares	509 085 926	382 304 070
Average number of outstanding shares <sup>2</sup>	486 922 447	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 performance measures, 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, EBITA and EBITA 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. All acquisitions closed on the North American market are included in the operating segment North America.

## Reporting for segments

Net sales, SEK M	Q4-23	Q4-22	Δ%	12M 23	12M 22	Δ%
APAC	1 613	1 350	19	5 633	4 473	26
EMEA	4 563	4 492	2	20 254	18 232	11
North America	1 468	-	-	6 336	-	-
Eliminations	-17	-24	-	-74	-66	-
<b>Group</b>	<b>7 627</b>	<b>5 818</b>	<b>31</b>	<b>32 150</b>	<b>22 638</b>	<b>42</b>

EBITA, SEK M	Q4-23	Q4-22	Δ%	12M 23	12M 22	Δ%
APAC	159	126	26	489	377	30
EMEA	472	480	-2	2 294	1 991	15
North America	142	-	-	799	-	-
Other	-52	-36	-	-184	-151	-
<b>Group</b>	<b>721</b>	<b>570</b>	<b>26</b>	<b>3 398</b>	<b>2 217</b>	<b>53</b>
Items affecting comparability	-60	-245	-	-60	-245	-
<b>Group incl. items affecting comparability</b>	<b>661</b>	<b>325</b>	<b>103</b>	<b>3 338</b>	<b>1 972</b>	<b>69</b>

EBITA, %	Q4-23	Q4-22	Δ	12M 23	12M 22	Δ
APAC	9.8	9.3	0.5	8.7	8.4	0.2
EMEA	10.3	10.7	-0.3	11.3	10.9	0.4
North America	9.7	-	9.7	12.6	-	12.6
<b>Group</b>	<b>9.5</b>	<b>9.8</b>	<b>-0.3</b>	<b>10.6</b>	<b>9.8</b>	<b>0.8</b>
<b>Group incl. items affecting comparability</b>	<b>8.7</b>	<b>5.6</b>	<b>3.1</b>	<b>10.4</b>	<b>8.7</b>	<b>1.7</b>

Net sales, SEK M	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21
APAC	1 613	1 314	1 317	1 389	1 350	1 090	993	1 039	1 017
EMEA	4 563	5 268	5 520	4 903	4 492	4 897	4 956	3 886	3 265
North America	1 468	1 924	1 827	1 118	-	-	-	-	-
Eliminations	-17	-15	-10	-32	-24	-8	-11	-23	-11
<b>Group</b>	<b>7 627</b>	<b>8 491</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>

EBITA, SEK M	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21
APAC	159	100	89	141	126	83	72	96	104
EMEA	472	635	698	490	480	588	582	340	273
North America	142	262	274	121	-	-	-	-	-
Other	-52	-38	-45	-50	-36	-50	-36	-29	-39
<b>Group</b>	<b>721</b>	<b>959</b>	<b>1 016</b>	<b>702</b>	<b>570</b>	<b>622</b>	<b>618</b>	<b>407</b>	<b>338</b>
Items affecting comparability	-60	-	-	-	-245	-	-	-	-
<b>Group incl. items affecting comparability</b>	<b>661</b>	<b>959</b>	<b>1 016</b>	<b>702</b>	<b>325</b>	<b>622</b>	<b>618</b>	<b>407</b>	<b>338</b>

EBITA, %	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21
APAC	9.8	7.6	6.8	10.1	9.3	7.6	7.3	9.2	10.2
EMEA	10.3	12.0	12.6	10.0	10.7	12.0	11.7	8.8	8.4
North America	9.7	13.6	15.0	10.9	-	-	-	-	-
<b>Group</b>	<b>9.5</b>	<b>11.3</b>	<b>11.7</b>	<b>9.5</b>	<b>9.8</b>	<b>10.4</b>	<b>10.4</b>	<b>8.3</b>	<b>7.9</b>
<b>Group incl. items affecting comparability</b>	<b>8.7</b>	<b>11.3</b>	<b>11.7</b>	<b>9.5</b>	<b>5.6</b>	<b>10.4</b>	<b>10.4</b>	<b>8.3</b>	<b>7.9</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	Q4-23	Q4-22	Δ%	12M 23	12M 22	Δ%
HVAC	4 338	3 030	43	18 423	11 724	57
OEM	662	599	10	2 526	2 172	16
Commercial and industrial refrigeration	2 627	2 189	20	11 201	8 742	28
<b>Group</b>	<b>7 627</b>	<b>5 818</b>	<b>31</b>	<b>32 150</b>	<b>22 638</b>	<b>42</b>

Net sales, SEK M	Q4-23	Q3-23	Q2-23	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22	Q4-21
HVAC	4 338	4 852	5 122	4 110	3 030	3 131	3 175	2 387	1 926
OEM	662	608	649	608	599	577	527	469	448
Commercial and industrial refrigeration	2 627	3 031	2 883	2 660	2 189	2 271	2 236	2 047	1 897
<b>Group</b>	<b>7 627</b>	<b>8 491</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>



## 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, 15 acquisitions were consolidated in the group's accounts, of which Heritage Distribution was assessed as a material acquisition, the other 14 acquisitions were each deemed immaterial. Of the consolidated acquisitions for the year, four of the acquisitions are acquisitions of assets and liabilities. Information about the acquisitions is provided in the table below.

### 2023

#### Fourth quarter

During the fourth quarter, Beijer Ref acquired 100 per cent of the business of Turner Engineering (Australia). Beijer Ref also acquired 51 per cent of the shares of Grönt Klima (Norway) and holds a put/call option to acquire the remaining shares. Additional acquisitions include 100 per cent of the assets of Webb Supply (North America), as well as an agreement to acquire 70 per cent of shares in Chillaire Solutions (India), with a put/call option to acquire the remaining shares.

### 2022

#### Fourth quarter

During the corresponding quarter the previous year, Beijer Ref acquired 85 per cent of the shares of EID (France), with an option to acquire the remaining shares. Beijer Ref signed agreements to acquire AAD and HVAC Consolidated and Transport Cooling SA.

#### 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. The majority of the acquisition goodwill is explained by synergy gains with the group's existing operations. In 2023, share and asset and liability acquisitions were carried out where parts of the final purchase price will be paid via option rights within the time span 2024–2029. The options have been valued at the likely outcome and entered as current and non-current liability; this liability amounts to SEK 728 million in total. 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 in 2023 and charged to profit for 2023 amount to approximately SEK 42 million and are included in other costs. Acquisition costs and acquisition calculations are preliminary for acquisitions in 2023. The acquisition calculations for the companies acquired during 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	20 January	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
Industrifiber	July	EMEA	8	2
Condex	August	EMEA	350	41
DS Maref (asset deal)	30 September	APAC	375	82
AMSCO Supply (asset deal)	30 September	North America	500	50
HVAC Depot (asset deal)	October	APAC	20	13
Turner Engineering	November	APAC	200	17
Grönt Klima	December	EMEA	95	5
Webb Supply (asset deal)	31 December	North America	200	40
<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 och HVAC Consolidated	November	APAC	800	125
<b>Acquisitions not yet consolidated</b>				
Chillaire Solutions	Q1 2024	APAC	120	20

Acquisitions of companies, SEK M	Heritage Distribution	Other acquisitions	12M 23	12M 22
Fair value in the Group:				
Intangible assets	4 435	369	4 805	233
Tangible and financial fixed assets	1 135	226	1 361	243
Deferred tax asset	-	1	1	6
Inventories	1 773	663	2 436	263
Other current assets	570	258	827	228
Liquid funds	432	71	504	154
Deferred tax liability	-494	-18	-512	-69
Provisions	-	-2	-2	-4
Other current liabilities	-1 073	-451	-1 524	-500
Liabilities to credit institutions	-5 619	-104	-5 723	-79
<b>Total identifiable net assets:</b>	<b>1 160</b>	<b>1 014</b>	<b>2 174</b>	<b>476</b>
Goodwill	6 798	1 017	7 815	1 465
Effect on the cash flow:				
Consideration	-7 958	-2 031	-9 989	-1 941
Non-paid consideration	313	465	778	872
Paid consideration for previous years' acquisitions	-	-225	-225	-229
Repaid consideration for previous years' acquisitions	-	14	14	-
Liquid funds in acquired companies	432	71	504	154
<b>Total</b>	<b>-7 213</b>	<b>-1 706</b>	<b>-8 919</b>	<b>-1 144</b>

The table shows the total cash flow effect from acquisition activities. The presentation of identifiable net assets refers to acquisitions made during 2023 respectively 2022. 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	Q4-23	Q4-22	12M 23	12M 22
Operating income	104	118	111	124
Operating expenses	-36	-51	-203	-177
Depreciation and write-down of intangible and tangible fixed assets	0	0	-2	-3
<b>Operating profit (EBIT)</b>	<b>68</b>	<b>67</b>	<b>-94</b>	<b>-56</b>
Net financial income/expense	-447	-69	-238	-95
Result of participations in Group companies	-	-	534	632
<b>Profit before appropriations</b>	<b>-379</b>	<b>-2</b>	<b>202</b>	<b>481</b>
Appropriations	199	102	199	102
<b>Profit before tax</b>	<b>-180</b>	<b>100</b>	<b>401</b>	<b>583</b>
Tax	55	10	74	10
<b>Net profit</b>	<b>-125</b>	<b>110</b>	<b>475</b>	<b>593</b>

Parent company balance sheet in summary, SEK M	31 Dec 23	31 Dec 22
<b>ASSETS</b>		
Intangible fixed assets	7	6
Tangible fixed assets	4	4
Financial fixed assets	21 857	7 472
Current assets	2 699	2 284
<b>Total assets</b>	<b>24 567</b>	<b>9 766</b>
<b>EQUITY AND LIABILITIES</b>		
Shareholders' equity	15 842	2 119
Long-term liabilities	6 591	4 810
Current liabilities	2 134	2 837
<b>Total equity and liabilities</b>	<b>24 567</b>	<b>9 766</b>

Impact of items affecting comparability, SEK M	Q4-23	Q4-22	12M 23	12M 22
EBITA, excluding items affecting comparability	721	570	3 398	2 217
Items affecting comparability included in operating costs <sup>1</sup>	-60	-245	-60	-245
<b>EBITA</b>	<b>661</b>	<b>325</b>	<b>3 338</b>	<b>1 972</b>
Operating profit (EBIT), excluding items affecting comparability	671	543	3 219	2 145
Items affecting comparability included in operating costs <sup>1</sup>	-60	-245	-60	-245
<b>Operating profit (EBIT)</b>	<b>611</b>	<b>298</b>	<b>3 159</b>	<b>1 900</b>
Net financial income/expense, excluding items affecting comparability	-117	-60	-438	-179
Items affecting comparability included in net financial income/expense <sup>2</sup>	-	-	-138	-
<b>Net financial income/expense</b>	<b>-117</b>	<b>-60</b>	<b>-576</b>	<b>-179</b>
Profit before tax, excluding items affecting comparability	554	483	2 781	1 966
Items affecting comparability included in profit before tax	-60	-245	-198	-245
<b>Profit before tax</b>	<b>494</b>	<b>238</b>	<b>2 583</b>	<b>1 721</b>
Tax, excluding items affecting comparability	-160	-112	-645	-480
Items affecting comparability included in tax <sup>3</sup>	434	25	463	25
<b>Tax</b>	<b>274</b>	<b>-87</b>	<b>-183</b>	<b>-456</b>
Net profit, excluding items affecting comparability	393	371	2 136	1 486
Items affecting comparability for the period	374	-220	265	-220
<b>Net profit</b>	<b>768</b>	<b>151</b>	<b>2 400</b>	<b>1 266</b>

<sup>1</sup> Items affecting comparability included in the operating costs for 2023 refer to consulting costs for the tax restructuring in the US as well as costs related to structural changes in the operational organisation. 2022 relates to transaction costs related to the acquisition of Heritage Distribution.

<sup>2</sup> Items affecting comparability included in the net financial income/expense refer to costs relating to the bridge financing regarding the acquisition of Heritage Distribution.

<sup>3</sup> Items affecting comparability included in tax for 2023 refers to the tax impact of the above mentioned items affecting comparability as well as the effect of the tax restructuring carried out in the US during 2023. For 2022, tax affecting comparability refers to the tax impact attributable to the transaction costs for the acquisition of Heritage Distribution.

## Definitions of alternative performance measures

Beijer Ref uses a number of alternative performance measures. 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 debt, 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 the following link:

<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 2024

- Annual report and sustainability report will be published March 28, 2024
- Interim report for the first quarter will be published April 23, 2024
- Annual General Meeting will be held April 23, 2024
- Interim report for the second quarter will be published July 19, 2024
- Interim report for the third quarter will be published October 24, 2024
- Interim report for the fourth quarter will be published January 31, 2025

For more information about the Beijer Ref Group, financial reports, press releases and more, please visit [www.beijerref.com](http://www.beijerref.com)





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