Beijer Ref AB
Q1 2024

BEIJER REF

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Q1 2024

First quarter

- Net sales increased by 4 per cent to SEK 7,680 million (7,378). Organic sales fell 4.1 per cent in the quarter compared with the previous year. Acquisition effects amounted to 8.6 per cent and currency effects were -0.5 per cent.
- EBITA amounted to SEK 733 million (702), which is an increase of 4 per cent compared with the same period last year. The EBITA margin amounted to 9.5 per cent (9.5).
- Operating cash flow amounted to SEK 582 million (-209). The strong cash flow can be attributed to controlled inventory build-up, adapted to seasonal variations.
- Profit per share after dilution and excluding items affecting comparability amounted to SEK 0.79 (1.08). Profit per share after dilution amounted to SEK 0.79 (0.82). The average number of outstanding shares has increased to 506,810,926 (425,571,846), affected by the rights issue completed in March 2023.
- After the end of the period, Beijer Ref signed an agreement to acquire Young Supply, a North American commercial refrigeration and HVAC distributor. Young Supply has annual sales of approximately SEK 1.4 billion. The acquisition will be an important complement to Beijer Ref's existing platform in the USA.

Key figures[1], SEK M	Q1 24	Q1 23	∆%	R12	12M 23
Net sales	7,680	7,378	4.1	32,452	32,150
Organic sales, %	-4.1	14.5		-	1.4
EBITA excluding items affecting comparability	733	702	4.5	3,429	3,398
EBITA margin excluding items affecting comparability, %	9.5	9.5		10.6	10.6
Items affecting comparability	-	-		-60	-60
EBITA	733	702	4.5	3,369	3,338
Operating profit (EBIT)	684	666	2.7	3,177	3,159
Net profit excluding items affecting comparability	408	465	-12.3	2,079	2,136
Net profit	408	355	14.9	2,453	2,400
Profit per share after dilution, SEK[2]					
Excluding items affecting comparability	0.79	1.08	-27.2	4.04	4.33
Including items affecting comparability	0.79	0.82	-4.5	4.78	4.88
Operating cash flow	582	-209	-	3,281	2,490
Return on operating capital, excluding items affecting comparability, (R12), %	-	-		10.5	10.7

The totals in tables and calculations do not always add up due to rounding differences. The aim is for each sub-row to conform to its source of origin and therefore rounding differences may occur.

[1]For the impact of items affecting comparability, see the table on page 15.

[2]The average number of outstanding shares has increased due to the rights issue completed in March 2023. For more information, see page 15.

CEO comments

Solid start to the year with good profitability and positive cash flow

The group's total sales during the quarter amounted to SEK 7,680 million, which is an increase of 4 per cent compared with the same period last year. EBITA amounted to SEK 733 million, which is an increase of 4 per cent compared with the same period last year. The EBITA margin was in line with the same period last year and amounted to 9.5 per cent.

The quarter was affected by high comparative figures and two fewer trading days. Organic sales amounted to -4 per cent (+15%), mainly related to negative growth in HVAC of 7 per cent (+17%). Despite high comparative figures, OEM reported good organic growth of 9 per cent (+24%). Commercial and industrial refrigeration had a slight negative organic growth of 3 per cent (+10%). Towards the end of the quarter, we noted a normalisation of the high comparative figures.

A controlled inventory build-up, adapted to seasonal variations, contributed to a strong operational cash flow of SEK 582 million.

We continued to expand our market presence and during the quarter a new acquisition was added to the group, Quality Air Equipment (Australia). The acquisition is in line with the overall acquisition strategy of the business and strengthen our position in the region. Furthermore, our active acquisition pipeline supports continued positive growth in 2024.

After the end of the quarter, Beijer Ref signed an agreement to acquire Young Supply, a North American commercial refrigeration and HVAC distributor headquartered in Detroit, Michigan. The company serves installers in the Midwestern USA, including Michigan and Ohio – territories adjacent to Beijer Ref's current holdings in the USA. Young Supply has annual sales of approximately SEK 1.4 billion and provides a platform for commercial refrigeration that will be an important complement to Beijer Ref's existing platform in the USA.

One month that stood out during the quarter was March, when Beijer Ref was included in the new OMX Sweden Small Cap 30 ESG Responsible Index on Nasdaq Stockholm. The index recognises companies that demonstrate leadership in environmental, social and corporate governance (ESG) issues in the Swedish stock market. I am very proud of this inclusion, which is a testament to the strong sustainability profile of the business and its commitment to promoting sustainable business principles and positive change.

Digital sales showed good growth during the quarter and increased by over 10 per cent compared to the same period the previous year. The increase is the result of a targeted strategy and the confidence our customers have in our products and services. We continue to consistently improve the digital customer journey and are currently evaluating several AI initiatives where we can use new technology to optimise our internal and external processes.

We enter the second quarter with confidence and we are consistently working on our strategy to ensure long-term and favourable development for the group. I would like to thank all of our employees for their dedication and commitment. An exciting year lies ahead and together we continue to deliver value for our employees, customers and shareholders.

Christopher Norbye
CEO

First quarter 2024

4%	-4%	4%	-4%*
Sales increase	Organic growth	EBITA-increase	Change result/share

Financial overview[1], SEK M	Q1 24	Q1 23	Δ%	R12	12M 23
Net sales	7,680	7,378	4.1	32,452	32,150
Organic change, %	-4.1	14.5			1.4
Change through acquisition[2], %	8.6	30.2			35.2
Currency effect, %	-0.5	5.8			5.4
Change total, %	4.0	50.5			42.0
EBITA excluding items affecting comparability	733	702	4.5	3,429	3,398
EBITA margin excluding items affecting comparability, %	9.5	9.5		10.6	10.6
Items affecting comparability	-	-		-60	-60
EBITA	733	702	4.5	3,369	3,338
Operating profit (EBIT) excluding items affecting comparability	684	666	2.7	3,237	3,219
Operating profit (EBIT)	684	666	2.7	3,177	3,159
Net financial income/expense, excluding items affecting comparability	-141	-69		-510	-438
Net financial income/expense	-141	-207		-510	-576
Tax, excluding items affecting comparability	-135	-132		-648	-645
Tax	-135	-104		-214	-183
Net profit excluding items affecting comparability	408	465	-12.3	2,079	2,136
Net profit	408	355	14.9	2,453	2,400
Profit per share after dilution, SEK[3]					
Excluding items affecting comparability	0.79	1.08	-27.2	4.04	4.33
Including items affecting comparability	0.79	0.82	-4.5	4.78	4.88

[1]For the impact of items affecting comparability, see the table on page 15.
[2]Acquisition effect is calculated 12 months after the date of takeover. For more information regarding Beijer Ref's acquisitions, see the acquisition table on page 18.
[3]Average number of outstanding shares has increased due to the rights issue completed in March 2023. For more information, see page 15.

Net sales

Net sales increased by 4 per cent to SEK 7,680 million (7,378). Organic sales fell 4.1 per cent in the quarter compared with the previous year. Acquisition effects amounted to 8.6 per cent and currency effects were -0.5 per cent.

EMEA reported negative sales growth of 5 per cent – since the quarter was affected by high comparative figures, especially in the product segment HVAC (+30%), and two fewer trading days compared to the corresponding quarter the previous year. APAC reported strong growth of 17 per cent, excluding currency effects, in which acquired operation in South Korea and a better summer season (especially in Australia) contributed to strong growth. North America reported sales growth of 33 per cent, mainly driven by acquisitions and Heritage Distribution being included in the entire reporting period 2024 (it was consolidated from 20 January 2023).

The first quarter is seasonally weaker and the product segments HVAC and commercial and industrial refrigeration reported negative organic growth in the quarter of 7 per cent and 3 per cent, respectively. The negative organic growth is affected by high comparative figures, HVAC (+17%) and commercial and industrial refrigeration (+10%), as well as two fewer trading days compared to the same period last year. OEM reported good organic growth of 9 per cent, in spite of high comparative figures (+24%).

Profit

The group's EBITA totalled SEK 733 million (702) during the first quarter, which is an increase of 4 per cent. Exchange rate effects of SEK -4 million (23) are included in EBITA. The EBITA margin was in line with the same period last year and amounted to 9.5 per cent (9.5).

Net financial items, excluding items affecting comparability, amounted to SEK -141 million (-69), affected by higher indebtedness and interest rates, as well as the negative effect of exchange rate differences compared with the previous year. The tax rate in the quarter was 25 per cent (23).

Profit for the period excluding items affecting comparability amounted to SEK 408 million (465) and profit for the period amounted to SEK 408 million (355). Profit per share after dilution and excluding items affecting comparability amounted to SEK

*Excluding items affecting comparability, and adjusted to reflect the same average number of outstanding shares for both periods, the change in earnings per share amounts to -13 per cent.

Operating cash flow and Net debt, SEK M	Q1 24	Q1 23	R12	12M 23
Operating profit excl. items affecting comparability (EBIT)	684	666	3,237	3,219
Depreciation/write-downs on tangible assets	184	161	716	693
Amortisation/write-downs on intangible assets	49	36	192	179
EBITDA excl. items affecting comparability	**917**	**863**	**4,144**	**4,090**
Changes in working capital	-115	-892	12	-765
Investments in tangible fixed assets	-101	-65	-382	-346
Payments related to amortisation of lease liabilities	-128	-114	-504	-490
Non-cash generated items	9	-2	11	0
Operating cash flow	**582**	**-209**	**3,281**	**2,490**
EBITDA impact of leasing (IFRS 16)			-603	-579
EBITDA excl. leasing (IFRS 16) and items affecting comparability			**3,541**	**3,511**
Net debt	**8,315**	**7,259**		**8,400**
Of which:				
Pension debt	112	110		107
Leasing liabilities, according to IFRS 16	2,425	2,318		2,371
Net debt excl. pension and leasing liabilities	**5,778**	**4,832**		**5,922**
Authorised credit limit	15,885	10,010		13,183
Of which remains to be utilised	7,787	3,647		4,668
Net debt/EBITDA excl. items affecting comparability	2.01	2.38		2.05
Net debt/EBITDA excl. leasing liabilities, pension liability and items affecting comparability	1.63	1.86		1.69

0.79 (1.08). Profit per share after dilution amounted to SEK 0.79 (0.82). The average number of outstanding shares has increased to 506,810,926 (425,571,846), affected by the rights issue completed in March 2023.

Cash flow and net debt

Operating cash flow amounted to SEK 582 million (-209) during the quarter. The strong cash flow can be attributed to controlled inventory build-up, adapted to seasonal variations.

Net debt at the end of the quarter amounted to SEK 8,315 million (7,259). The increase since the previous year is mainly attributable to acquisition activities. Excluding lease liabilities (IFRS 16) and pension, financial liabilities amounted to SEK 5,778 million (4,832). Net debt in relation to EBITDA, excluding items affecting comparability, amounted to SEK 2.0 (2.4) million. Adjusted net debt in relation to adjusted EBITDA amounted to 1.6 (1.9).

At the end of the period, the company had credit facilities amounting to SEK 15,885 million (10,010), of which unutilised credits amounted to SEK 7,787 million (3,647).

Operating segment
EMEA

SEK M	Q1 24	Q1 23	%	R12	12M 23
Net sales	4,650	4,903	-5.2	20,001	20,254
Of which currency effect, %	0.5	5.8			6.4
EBITA	448	490	-8.7	2,252	2,294
EBITA margin, %	9.6	10.0		11.3	11.3

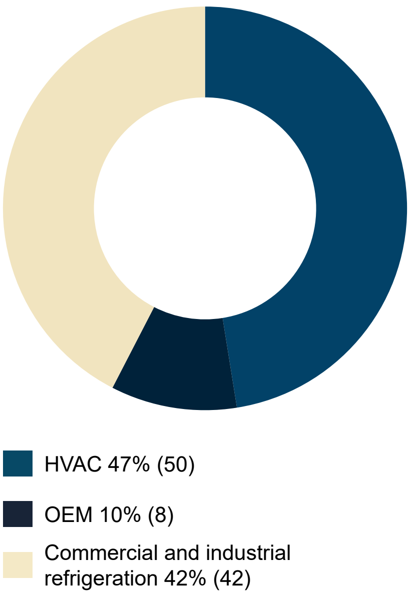
Sales for the EMEA operating segment were affected during the quarter by high comparative figures (+26%) and approximately two fewer trading days, corresponding to a decrease of 2-3 percentage points. Sales decreased by 5 per cent. The high comparative figures were mainly affected by the HVAC product segment (+30%) – which reported a decrease of 11 per cent. Commercial and industrial refrigeration reported a marginal 3 per cent reduction while the OEM segment continued to show good growth and reported sales growth of 16 per cent. EBITA and the EBITA margin were reported at SEK 448 million (490) and 9.6 per cent (10.0) respectively. Like the fourth quarter, marginal decline relates to lower volumes within the HVAC segment.

We saw continued strong growth in OEM refrigeration units and industrial heat pumps, based on the natural refrigerant R744 (carbon dioxide). We continue to make strategic investments in this area and are at the forefront of adapting to the industry's transition to green technology.

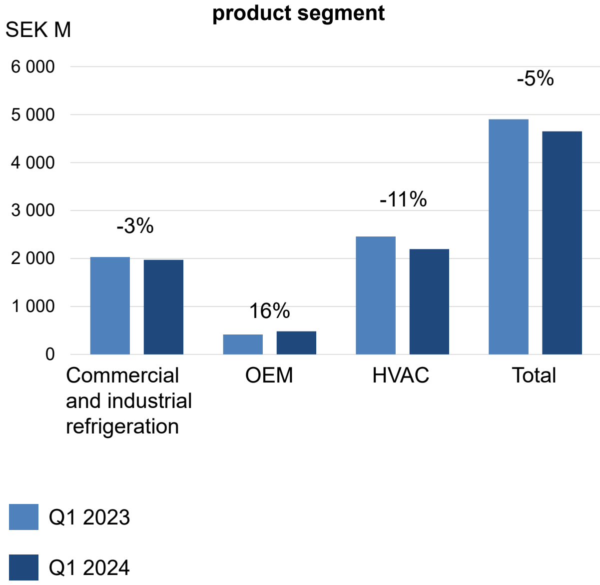
The OEM companies SCM Frigo and Fenagy had strong invoicing during the quarter and made important investments in production, which has improved turnaround times and efficiency. During the quarter, retail and larger HVAC projects had increased activity.

Simon Karlin
COO EMEA

External net sales per product segment



Reported sales per product segment



Operating segment
APAC

SEK M	Q1 24	Q1 23	%	R12	12M 23
Net sales	1,566	1,389	12.7	5,810	5,633
Of which currency effect, %	-4.3	5.5			1.2
EBITA	171	141	21.6	519	489
EBITA margin, %	10.9	10.1		8.9	8.7

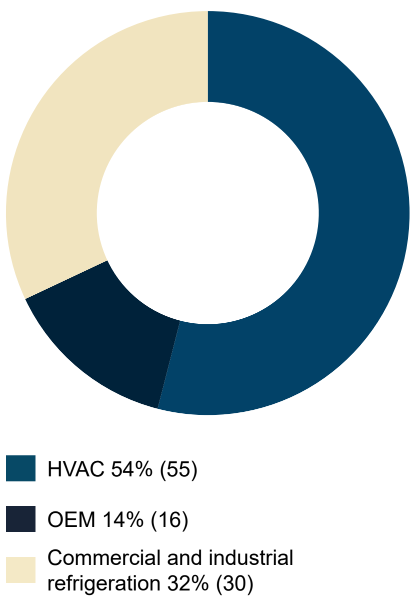
During the quarter, the APAC operating segment increased its sales by 17 per cent, excluding currency effects. The acquisition in South Korea and a slightly better summer season (especially in Australia) contributed to the positive sales increase. EBITA increased by 22 per cent and amounted to SEK 171 million (141) and the EBITA margin was 10.9 per cent (10.1). The stronger EBITA margin can be attributed to continued focus on own brands, greater demand for comprehensive HVAC solutions and the implementation of new initiatives within pricing excellence.

On February 29th, the acquisition of Quality Air Equipment (QAE), headquartered in Sydney (Australia), was announced. This acquisition is expected to accelerate APAC's market penetration in the region. The acquisition of QAE is also expected to open up new opportunities in the commercial HVAC sector.

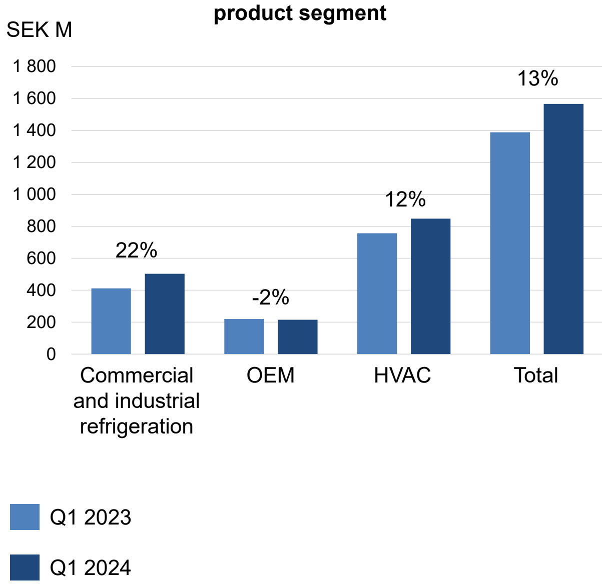
We continued to implement proactive measures within our OEM segment, which was challenged by high comparative figures (+15%). It is positive that the interest in environmentally friendly refrigeration and freezing solutions is greater than ever; it is retail trading especially that needs to execute on strategies within Net-Zero.

Jonas Steen
COO APAC

External net sales per product segment



Reported sales per product segment



Operating segment
North America

SEK M	Q1 24	Q1 23	%	R12	12M 23
Net sales	1,486	1,118	33.0	6,705	6,336
Of which currency effect, %	-0.4				
EBITA	150	121	24.1	828	799
EBITA margin, %	10.1	10.9		12.4	12.6

Sales growth in the quarter for the operating segment North America amounted to 33 per cent, primarily driven by acquisitions and that Heritage Distribution is included in the entire reporting period 2024 (consolidated from January 20, 2023).

EBITA and the EBITA margin developed well and amounted to SEK 150 million and 10.1 per cent, respectively, which is in line with our expectations. Comparisons with the same period last year are affected by the fact that the seasonally slow period at the beginning of January is included in the reporting period in 2024, unlike 2023 when Heritage Distribution was consolidated from January 20th. This had a negative impact on the EBITA margin of approximately 1 percentage point compared to the same period last year.

During the quarter, the last practical integration activities related to AMSCO were carried out, while the integration of Webb Supply is progressing according to plan.

After the end of the quarter, an agreement was signed to acquire Young Supply, a North American distributor in commercial refrigeration and HVAC with annual sales of approximately SEK 1.4 billion. Young Supply will significantly increase our presence in the upper parts of the Midwestern USA. Young Supply also has a strong refrigeration business and the acquisition enables continued expansion in this segment. There are also a number of organic growth opportunities for continued expansion of our North American platform.

During the quarter, we launched our own brand of HVAC equipment in parallel, as we continue to expand our refrigeration portfolio. We are actively evaluating new branches and planning to roll out ecommerce. Finally, we have initiated implementations of our strategy to transition to the more environmentally friendly A2L refrigerant during the year.

Alex Averitt
MD North America

Significant events during the quarter
During the quarter, a new acquisition was added to the group, Quality Air Equipment (Australia).

Significant events after the end of the period
Beijer Ref signed an agreement to acquire Young Supply, a North American commercial refrigeration and HVAC distributor headquartered in Detroit, Michigan. Annual sales amount to approximately SEK 1.4 billion and operations will be included in Beijer Ref's accounts from the second quarter of 2024.

Annual General Meeting and dividend
The Annual General Meeting will be held in Malmö on April 23, 2024. From the available unappropriated earnings of SEK 15,342,626,017, dividend shall be paid in the total amount of SEK 1.30 per share. Payment shall be made in two instalments of SEK 0.65 per share for the first instalment and SEK 0.65 per share for the second instalment. It is proposed that the record date for the first instalment be 25 April 2024 and for the second instalment 25 October 2024. If the Annual General Meeting resolves to accept this proposal, the first instalment will be due to be paid from Euroclear on 30 April 2024 and the second instalment on 30 October 2024.

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 target is for environmentally friendly OEM sales to make up at least 50 per cent of the total OEM sales by the year 2025. On our website and in the annual report, we give more information about our targets and how we perform in relation to the targets.

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 the regions where the operations are present, 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.

Reporting 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.

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 30 of the Annual Report for 2023.

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 2023 annual report was issued and are described in more detail in note 4.

Webcast and Telephone conference Q1 2024
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 first quarter of 2024. The presentation will be held in English and lasts for about 20 minutes. The meeting is on 23 April, at 13.00 CET.

If you wish to participate via webcast please follow this link:
https://ir.financialhearings.com/beijer-ref-q1-report-2024/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=50049042.

A presentation will be available on the company's website www.beijerref.com from 12.00 on April 23, 2024.

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

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

Malmö April 23, 2024

Beijer Ref AB (publ)
Christopher Norbye, CEO

For more information, please contact:
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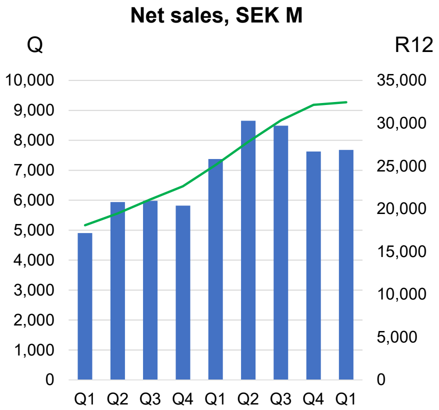
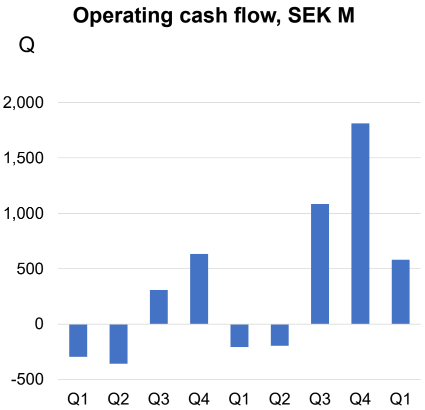
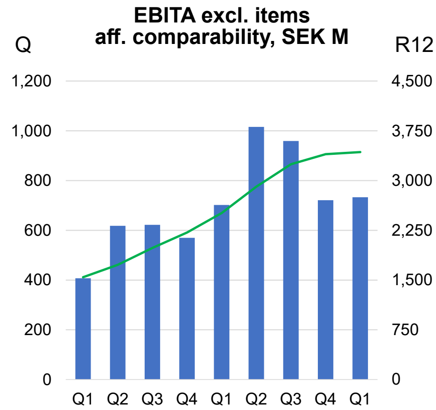
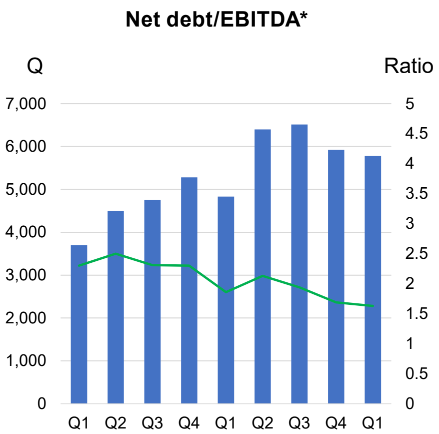
This disclosure contains information that Beijer Ref AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, at 12.00 CET on April 23, 2024.

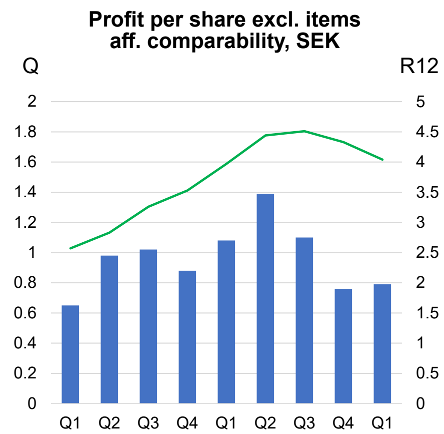
Financial overview



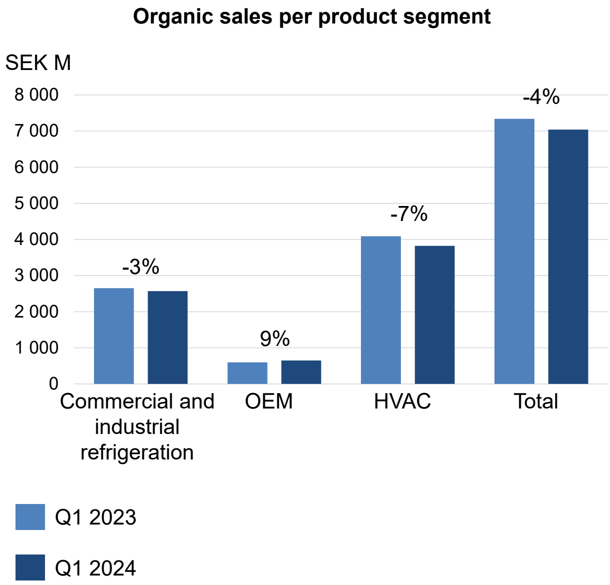


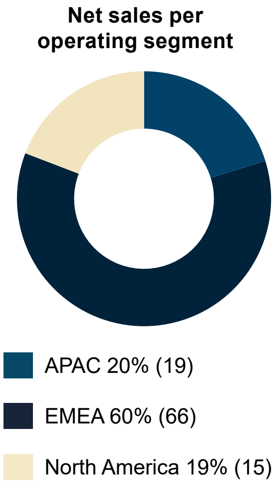


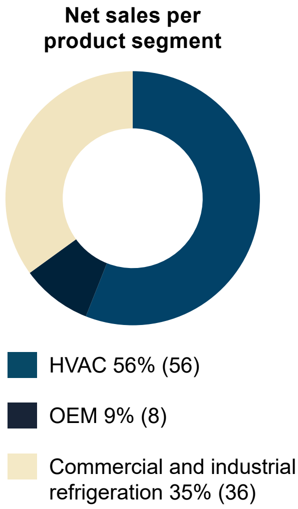




Quarter R12







*Excluding leasing liabilities, pension liability and items affecting comparability

Summarised profit and loss account, SEK M	Q1 24	Q1 23	R12	12M 23
Net sales	7,680	7,378	32,452	32,150
Other operating income	27	26	118	117
Operating expenses	-6,790	-6,540	-28,486	-28,236
Depreciation and write-down of intangible and tangible fixed assets	-233	-197	-908	-872
Operating profit (EBIT)	**684**	**666**	**3,177**	**3,159**
Net financial income/expense	-141	-207	-510	-576
Profit before tax	**543**	**459**	**2,667**	**2,583**
Tax	-135	-104	-214	-183
Net profit	**408**	**355**	**2,453**	**2,400**
Net profit attributable to:				
The parent company's shareholders	399	351	2,423	2,375
Non-controlling interests	9	4	30	25
Net profit per share before diluation. SEK[1]	0.79	0.82	4.78	4.88
Net profit per share after diluation. SEK[1]	0.79	0.82	4.78	4.88

[1]Average number of outstanding shares has increased due to the rights issue completed in March 2023. For more information, see page 15.

The Group's summarised report on other comprehensive income, SEK M	Q1 24	Q1 23	R12	12M 23
Net profit	**408**	**355**	**2,453**	**2,400**
Other comprehensive income	**1,030**	**-77**	**351**	**-755**
Items which will not be reversed in the profit and loss account:				
Revaluation of the net pension commitment	-	-	3	3
Changes in the fair value of equity investments through other comprehensive income	0	-1	-2	-2
Income tax relating to components in above item	0	0	-1	-1
Items which can later be reversed in the profit and loss account:				
Exchange rate differences	808	-1	335	-474
Hedging of net investments	279	-86	12	-353
Income tax relating to components in above item	-58	11	4	73
Other comprehensive income	**1,030**	**-77**	**351**	**-755**
Total comprehensive income for the period	**1,438**	**279**	**2,804**	**1,645**
Attributable to:				
The parent copmany's shareholders	1,427	275	2,776	1,624
Non-controlling interests	11	4	28	21

Summarised balance sheet, SEK M	31 Mar. 24	31 Mar. 23	31 Dec. 23
ASSETS			
Intangible fixed assets	18,384	16,663	17,439
Tangible fixed assets	1,805	1,492	1,687
Right of use assets	2,352	2,271	2,308
Deferred tax asset	433	333	419
Other fixed assets	193	167	208
Total fixed assets	**23,167**	**20,926**	**22,061**
Inventories	10,730	10,589	9,961
Trade debtors and other receivables	5,792	5,504	5,191
Liquid funds	1,985	1,689	1,957
Total current assets	**18,506**	**17,781**	**17,109**
Total assets	**41,673**	**38,707**	**39,170**
EQUITY AND LIABILITIES			
Equity	22,809	20,675	21,443
Total equity	**22,809**	**20,675**	**21,443**
Long-term liabilities	8,286	7,023	9,314
Deferred tax liabilities	442	848	439
Total long-term liabilities	**8,728**	**7,870**	**9,754**
Trade creditors	3,743	3,896	2,728
Other liabilities	6,393	6,265	5,245
Total current liabilities	**10,136**	**10,161**	**7,973**
Total equity and liabilities	**41,673**	**38,707**	**39,170**
Of which interest-bearing liabilities	10,300	8,948	10,357

Specification for changes to equity, SEK M	31 Mar. 24			31 Dec. 23		
	The parent company's shareholders	Non-controlling interests	Total	The parent company's shareholders	Non-controlling interests	Total
On 1 January	**21,323**	**120**	**21,443**	**6,603**	**111**	**6,714**
Net profit	399	9	408	2,375	25	2,400
Other comprehensive income	1,028	3	1,030	-756	1	-755
Total comprehensive income for the year	**1,427**	**12**	**1,438**	**1,619**	**26**	**1,645**
Rights Issue	-	-	-	13,756	-	13,756
Dividend for 2022	-	-	-	-477	-	-477
Repurchase options, LTIP 2023-2026	-	-	-	7	-	7
Purchase of own shares	-	-	-	-39	-	-39
Change in fair value of liabilities linked to acquisitions	-72	-	-72	-148	-	-148
Dividends to shareholders' with noncontrolling interest	-	-	-	-	-17	-17
Total	**-72**	**-**	**-72**	**13,099**	**-17**	**13,083**
On 31 December	**22,678**	**131**	**22,809**	**21,323**	**120**	**21,443**

Summarised consolidated cash flow analysis, SEK M	Q1 24	Q1 23	R12	12M 23
Current operations				
Operating profit	684	666	3,177	3,159
Non-cash generated items included in operating profit	242	195	682	635
Operating profit adjusted for non-cash generated items	**926**	**861**	**3,859**	**3,794**
Paid interest	-131	-221	-528	-618
Paid income tax	-144	-153	-649	-658
Cash flow from current operations before changes in working capital	**651**	**487**	**2,682**	**2,518**
Changes in working capital	-115	-892	12	-765
Cash flow from current operations	**535**	**-405**	**2,693**	**1,753**
Cash flow from investment operations	**-188**	**-7,241**	**-2,182**	**-9,235**
Cash flow from financial operations[1]	**-387**	**7,816**	**-236**	**7,967**
Cash flow for the period	**-40**	**170**	**275**	**485**
Liquid funds at the beginning of the period	**1,957**	**1,518**	**1,957**	**1,518**
Cash flow for the period	-40	170	275	485
Exchange rate difference, liquid funds	68	0	22	-46
Liquid funds at the end of the period	**1,985**	**1,689**	**2,253**	**1,957**

[1]Financing operations 2023 have received SEK 13,707 million in a rights issue.

Key figures

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/

Key figures[1]	31 Mar. 24	31 Mar. 23	31 Dec. 23
Equity ratio, %	54.7	53.4	54.7
Return on equity (R12), %	11.1	13.6	11.2
Return on operating capital, excluding items affecting comparability, (R12), %	10.5	14.1	10.7
Return on operating capital, excluding intangible assets and items affecting comparability, (R12), %	22.9	24.3	23.3
Net debt/EBITDA excluding leasing liabilities, pension liability and items affecting comparability	1.63	1.86	1.69
Average number of employees	6,175	5,734	6,024
Number of outstanding shares	506,810,926	507,127,426	506,810,926
Holding of own shares[2]	2,275,000	1,958,500	2,275,000
Total number of shares	509,085,926	509,085,926	509,085,926
Average number of outstanding shares[3]	506,810,926	425,571,846	486,922,447

[1]The table contains alternative key figures.

[2]Holdings of own shares ensure the delivery of shares to participants in the options programs. The option programmes expire in June 2024, June 2025 and June 2026.

[3]The average number of outstanding shares has increased due to the rights issue completed in March 2023.

Impact of items affecting comparability, SEK M	Q1 24	Q1 23	R12	12M 23
EBITA, excluding items affecting comparabilty	733	702	3,429	3,398
Items affecting comparability included in operating costs[1]	-	-	-60	-60
EBITA	**733**	**702**	**3,369**	**3,338**
Operating profit (EBIT), excluding items affecting comparabilty	684	666	3,237	3,219
Items affecting comparability included in operating costs[1]	-	-	-60	-60
Operating profit (EBIT)	**684**	**666**	**3,177**	**3,159**
Net financial income/expense, excluding items affecting comparability	-141	-69	-510	-438
Items affecting comparability included in net financial income/expense[2]	-	-138	-	-138
Net financial income/expense	**-141**	**-207**	**-510**	**-576**
Profit before tax, excluding items affecting comparabilty	543	597	2,727	2,781
Items affecting comparability included in profit before tax	-	-138	-60	-198
Profit before tax	**543**	**459**	**2,667**	**2,583**
Tax, excluding items affecting comparabilty	-135	-132	-648	-645
Items affecting comparability included in tax[3]	-	28	435	463
Tax	**-135**	**-104**	**-214**	**-183**
Net profit, excluding items affecting comparabilty	408	465	2,079	2,136
Items affecting comparability for the period	-	-110	375	265
Net profit	**408**	**355**	**2,453**	**2,400**

[1]Items affecting comparability included in the operating costs for 2023 relate to consulting costs for the tax restructuring in the USA and costs related to structural changes in the operational organisation.

[2]Items affecting comparability included in the net financial items for 2023 relate to costs for the temporary financing relating to the acquisition of Heritage Distribution.

[3]Items affecting comparability included in tax for 2023 relate to the tax impact of the above-mentioned items affecting comparability and the effect of the tax restructuring carried out in the USA during 2023.

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. The group has the following operating 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.

Reporting for segments

Net sales, SEK M	Q1 24	Q1 23	Δ%	R12	12M 23
EMEA	4,650	4,903	-5	20,001	20,254
APAC	1,566	1,389	13	5,810	5,633
North America	1,486	1,118	33	6,705	6,336
Eliminations	-22	-32		-64	-74
Group	**7,680**	**7,378**	**4**	**32,452**	**32,150**

EBITA, SEK M	Q1 24	Q1 23	Δ%	R12	12M 23
EMEA	448	490	-9	2,252	2,294
APAC	171	141	22	519	489
North America	150	121	24	828	799
Other	-36	-50		-170	-184
Group	**733**	**702**	**4**	**3,429**	**3,398**
Items affecting comparability	-	-		-60	-60
Group incl. items affecting comparability	**733**	**702**	**4**	**3,369**	**3,338**

EBITA, %	Q1 24	Q1 23	Δ	R12	12M 23
EMEA	9.6	10.0	-0.4	11.3	11.3
APAC	10.9	10.1	0.8	8.9	8.7
North America	10.1	10.9	-0.7	12.4	12.6
Group	**9.5**	**9.5**	**0.0**	**10.6**	**10.6**
Group incl. items affecting comparability	**9.5**	**9.5**	**0.0**	**10.4**	**10.4**

Net sales, SEK M	Q1 24	Q4 23	Q3 23	Q2 23	Q1 23	Q4 22	Q3 22	Q2 22	Q1 22
EMEA	4,650	4,563	5,268	5,520	4,903	4,492	4,897	4,956	3,886
APAC	1,566	1,613	1,314	1,317	1,389	1,350	1,090	993	1,039
North America	1,486	1,468	1,924	1,827	1,118	-	-	-	-
Eliminations	-22	-17	-15	-10	-32	-24	-8	-11	-23
Group	**7,680**	**7,627**	**8,491**	**8,654**	**7,378**	**5,818**	**5,979**	**5,938**	**4,903**

EBITA, SEK M	Q1 24	Q4 23	Q3 23	Q2 23	Q1 23	Q4 22	Q3 22	Q2 22	Q1 22
EMEA	448	472	635	698	490	480	588	582	340
APAC	171	159	100	89	141	126	83	72	96
North America	150	142	262	274	121	-	-	-	-
Others	-36	-52	-38	-45	-50	-36	-50	-36	-29
Group	**733**	**721**	**959**	**1,016**	**702**	**570**	**622**	**618**	**407**
Items affecting comparability	-	-60	-	-	-	-245	-	-	-
Group incl. items affecting comparability	**733**	**661**	**959**	**1,016**	**702**	**325**	**622**	**618**	**407**

EBITA, %	Q1 24	Q4 23	Q3 23	Q2 23	Q1 23	Q4 22	Q3 22	Q2 22	Q1 22
EMEA	9.6	10.3	12.0	12.6	10.0	10.7	12.0	11.7	8.8
APAC	10.9	9.8	7.6	6.8	10.1	9.3	7.6	7.3	9.2
North America	10.1	9.7	13.6	15.0	10.9	-	-	-	-
Group	**9.5**	**9.5**	**11.3**	**11.7**	**9.5**	**9.8**	**10.4**	**10.4**	**8.3**
Group incl. items affecting comparability	**9.5**	**8.7**	**11.3**	**11.7**	**9.5**	**5.6**	**10.4**	**10.4**	**8.3**

Sales per product segment

In the tables below, net sales are distributed by respective product segment, i.e. HVAC, OEM and commercial and industrial refrigeration

Net sales, SEK M	Q1 24	Q1 23	∆%	R12	12M 23
HVAC	4,282	4,110	4	18,594	18,423
OEM	676	608	11	2,594	2,526
Commercial and industrial refrigeration	2,722	2,660	2	11,263	11,201
Group	**7,680**	**7,378**	**4**	**32,452**	**32,150**

Net sales SEK M	Q1 24	Q4 23	Q3 23	Q2 23	Q1 23	Q4 22	Q3 22	Q2 22	Q1 22
HVAC	4,282	4,338	4,852	5,122	4,110	3,030	3,131	3,175	2,387
OEM	676	662	608	649	608	599	577	527	469
Commercial and industrial refrigeration	2,722	2,627	3,031	2,883	2,660	2,189	2,271	2,236	2,047
Koncernen	**7,680**	**7,627**	**8,491**	**8,654**	**7,378**	**5,818**	**5,979**	**5,938**	**4,903**

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, one company acquisition has been consolidated into the group's accounts. Information about the acquisition is provided in the table below.

2024

First quarter

During the first quarter, Beijer Ref acquired 60 per cent of the shares of Quality Air Equipment (QAE), with an option to acquire the remaining shares.

2023

First quarter

In the corresponding quarter last year, Beijer Ref acquired Heritage Distribution and Transport Cooling. Beijer Ref acquired approximately 95 per cent of the shares of Heritage Distribution and holds a put/call option to acquire the remaining shares. Beijer Ref also acquired Roobear Ltd and the assets of AFM, Belgium, during the quarter. AFM has been integrated into the company Beijer Ref Belgium.

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 within the group's existing operations. The valuation technique used for put/call options and earn-outs discounts the present value of expected future cash flows with a risk-adjusted discount rate. Expected cash flows are determined based on likely scenarios for future performance measurements, amounts that will be paid at each outcome and the probability of each outcome. Put/call options and earn-outs are reported according to valuation level 3.

In 2024, one acquisition was carried out where the final purchase price will be paid through option rights during 2027. The option has been valued at the likely outcome and entered as a non-current liability; this liability amounts to SEK 46 million. Acquisitions that include a put/call option, where ownership will amount to 100 per cent, are consolidated in their entirety at the time of acquisition.

Acquisition costs for acquisitions completed in 2024 and charged to profit for 2024 amount to approximately SEK 1,592 thousand and are included in other costs. Acquisition costs and acquisition calculations are preliminary for acquisitions in 2024. The acquisition calculations for the companies acquired during Q1 2023 have now been determined. No significant adjustments have been made to the calculations.

Acquisitions after the balance sheet date

Beijer Ref signed an agreement to acquire Young Supply, a North American commercial refrigeration and HVAC distributor headquartered in Detroit, Michigan. Annual sales amount to approximately SEK 1.4 billion and operations will be included in Beijer Ref's accounts from the second quarter of 2024.

Consolidated acquisitions	Consolidated from	Segments	Net sales, SEK M	Number of employees
2024				
Companies				
QAE Group	March	APAC	140	74
2023				
Companies				
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

Acquisitions not yet consolidated	Consolidated from	Segments	Net sales, SEK M	Number of employees
Chillaire Solutions	Q2 2024	APAC	120	20
Young Supply	Q2 2024	North America	1 400	200

Acquisitions of companies, SEK M	Q1 24	Heritage Distribution	Other acquisitions	Q1 23
Fair value in the Group:				
Intangible assets	-	4,435	8	4,443
Tangible and financial fixed assets	6	1,135	14	1,149
Deferred tax asset	3	-	-	-
Inventories	18	1,773	110	1,883
Other current assets	37	570	26	596
Liquid funds	5	432	1	433
Deferred tax liability	-1	-494	-2	-495
Provisions	-1	-	-	-
Other current liabilities	-49	-1,073	-52	-1,124
Liabilities to credit institutions	-	-5,619	-	-5,619
Total identifiable net assets:	**18**	**1,160**	**106**	**1,265**
Goodwill	76	6,798	41	6,839
Effect on the cash flow:				
Consideration	-120	-7,958	-146	-8,104
Non-paid consideration	46	313	-	313
Paid consideration for previous years' acquisitions	-24	-	-	-
Repaid consideration for previous years' acquisitions	-	-	14	14
Liquid funds in acquired companies	5	432	1	433
Total	**-93**	**-7,213**	**-132**	**-7,344**

The table shows the total cash flow effect from acquisition activities. The set-up of identifiable net assets refers to acquisitions made during the first quarter of 2024 and the first quarter of 2023, respectively. Other acquisitions include the impact of the acquisitions in 2023 of Transport Cooling, Roobear and AFM. 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	Q1 24	Q1 23	R12	12M 23
Operating income	30	2	139	111
Operating expenses	-45	-58	-190	-203
Depreciation and write-down of intangible and tangible fixed assets	-1	-1	-2	-2
Operating profit (EBIT)	**-16**	**-57**	**-53**	**-94**
Net financial income/expense	366	-102	230	-238
Result of participations in Group companies	95	56	573	534
Profit before appropriations	**445**	**-103**	**750**	**202**
Appropriations	-	-	199	199
Profit before tax	**445**	**-103**	**949**	**401**
Tax	-90	34	-50	74
Net profit	**355**	**-69**	**899**	**475**

Parent company balance sheet in summary, SEK M	31 Mar. 24	31 Mar. 23	31 Dec. 23
ASSETS			
Intangible fixed assets	7	7	7
Tangible fixed assets	4	4	4
Financial fixed assets	21,627	19,457	21,857
Current assets	3,257	3,794	2,699
Total assets	**24,895**	**23,261**	**24,567**
EQUITY AND LIABILITIES			
Shareholders' equity	16,197	15,811	15,842
Long-term liabilities	5,482	4,132	6,591
Current liabilities	3,216	3,318	2,134
Total equity and liabilities	**24,895**	**23,261**	**24,567**

Trade terms

ARW
Air Condition & Refrigeration Wholesale.

Chiller
Liquid refrigeration unit.

CO_2 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 >150 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 calender 2024

- Annual General Meeting 23 April, 2024
- Report second quarter (Q2) 19 July, 2024
- Report third quarter (Q3) 24 October, 2024
- Report fourth quarter (Q4) 31 January, 2025

For more information about the Beijer Ref Group, financial reports, press releases and more, please visit www.beijerref.com

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