Beijer Ref
Q3 2024

English version

BEIJER REF

Beijer Ref
Q3 2024

Third quarter

- Net sales increased by 12 per cent and amounted to SEK 9,493 million (8,491). Organic sales increased by 3 per cent in the quarter compared with the corresponding period last year. Acquisition effects amounted to 12 per cent and currency effects amounted to -3 per cent.
- EBITA amounted to SEK 1,084 million (959), which is an increase of 13 per cent compared with the corresponding period last year. The EBITA margin amounted to 11.4 per cent (11.3).
- Operating cash flow amounted to SEK 1,231 million (1,084).
- Profit per share before and after dilution amounted to SEK 1.30 (1.10), which is an increase of 17 per cent.
- During the quarter, Beijer Ref acquired the Spanish company GIA Group, which is one of Spain's largest distributors of air conditioning with several own strong brands. The company's turnover during the completed fiscal year 2023 amounted to approximately SEK 1.1 billion with good profitability. The company was consolidated as of August.

Key figures[1], SEK M	Q3 24	Q3 23	Δ%	9M 24	9M 23	Δ%	R12	12M 23
Net sales	9,493	8,491	11.8	26,854	24,522	9.5	34,481	32,150
Organic sales, %	2.7	-4.4		0.5	3.2			1.4
EBITA excluding items affecting comparability	1,084	959	13.1	2,966	2,677	10.8	3,687	3,398
EBITA margin excluding items affecting comparability, %	11.4	11.3		11.0	10.9		10.7	10.6
Items affecting comparability	-	-		-	-		-60	-60
EBITA	1,084	959	13.1	2,966	2,677	10.8	3,627	3,338
Operating profit (EBIT)	1,033	912	13.3	2,815	2,548	10.5	3,425	3,159
Net profit excluding items affecting comparability	666	567	17.4	1,802	1,743	3.4	2,195	2,136
Net profit	666	567	17.4	1,802	1,633	10.4	2,570	2,400
Profit per share after dilution, SEK[2]								
Excluding items affecting comparability	1.30	1.10	17.5	3.50	3.60	-2.5	4.26	4.33
Including items affecting comparability	1.30	1.10	17.5	3.50	3.37	4.1	5.00	4.88
Operating cash flow	1,231	1,084	-	2,166	679	-	3,976	2,490
Return on operating capital, excluding items affecting comparability, %	-	-		-	-	-	10.9	10.7

The totals in tables and calculations do not always add upp due to rounding differences. The aim is for each sub-row to conform to its source of origin and therefore rounding differences may occour.
[1]For 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

Stable quarter with good profitability

We leave behind us a stable quarter, with sales growth in all operating segments together with continued good profitability. The Group's total sales amounted to SEK 9,493 million, corresponding to a growth of 12 per cent. EBITA amounted to SEK 1,084 million, corresponding to an increase of 13 per cent, and the EBITA margin was 11.4 per cent (11.3). Organic sales increased by 3 per cent during the period. A good operating cash flow of SEK 1,231 million continues to support expansionary possibilities in the market.

The OEM segment continued to demonstrate good organic growth, reporting an increase of 11 per cent. Furthermore, organic growth for HVAC was stable at 3 per cent, while organic sales for commercial and industrial refrigeration was in line with the corresponding period last year.

During the quarter, 75 per cent of the shares in GIA Group were acquired, with a put/call option to acquire the remaining shares. GIA Group is a leading Spanish distributor of air conditioning products and reported sales of SEK 1.1 billion with good profitability during the fiscal year 2023. The company was consolidated as of August and strengthens our presence in the Spanish market, where we see growing demand. GIA Group employs approximately 100 people, and we look forward to integrating their expertise and creating important synergies.

Our OEM companies reported good growth during the quarter, and it is particularly pleasing that our Danish refrigeration and heating technology company, Fenagy, which focuses on environmentally friendly heat pumps based on natural refrigerants, secured its first order in Germany. This order is for a 1 MW air source heat pump for district heating and marks the start of several potential projects in Germany, which will be an important market for Fenagy's continued growth.

In North America, a transition to more environmentally friendly refrigerants with a lower GWP (Global Warming Potential) value is currently underway. To ensure that Beijer Ref can meet the increasing demand, we initiated cooperation with key partners in the US during the period to develop products with a lower climate impact. The launch is expected to take place in the first quarter of 2025. Beijer Ref is strongly committed to sustainability and works proactively to reduce the Group's environmental impact. As a company, we have a key role to play in the phase-out of fossil fuels, particularly by offering energy-efficient and sustainable solutions for both commercial and industrial needs. By providing innovative cooling and heating systems using natural refrigerants, we are actively contributing to shaping a greener future.

Digital sales increased by 24 per cent in the quarter, compared to the same period last year. The positive sales growth, together with a constant increase in online customers, confirms our ongoing digital journey. Furthermore, we have several exciting projects, related to our digital platform and the implementation of new tools and AI.

We summarise another good quarter and have a clear strategy that is well anchored in the Group. Our robust platform provides us with favorable conditions for continued growth and development. A big thank you to all employees in the Group, who together contribute to the company's success.

Christopher Norbye
CEO

Third quarter
2024

12%	**3%**	**13%**	**17%**
Sales increase	Organic growth	EBITA increase	Change result/share

Financial overview[1], SEK M	Q3 24	Q3 23	Δ%	9M 24	9M 23	Δ%	R12	12M 23
Net sales	9,493	8,491	11.8	26,854	24,522	9.5	34,481	32,150
Organic change, %	2.7	-4.4		0.5	3.2			1.4
Change through acquisition[2], %	11.7	39.5		9.9	36.1			35.2
Currency effect, %	-2.6	6.9		-0.8	6.5			5.4
Change total, %	11.8	42.0		9.5	45.8			42.0
EBITA excluding items affecting comparability	1,084	959	13.1	2,966	2,677	10.8	3,687	3,398
EBITA margin, excluding items affecting comparability, %	11.4	11.3		11.0	10.9		10.7	10.6
Items affecting comparability	-	-		-	-		-60	-60
EBITA	1,084	959	13.1	2,966	2,677	10.8	3,627	3,338
Operating profit (EBIT) excluding items affecting comparability	1,033	912	13.3	2,815	2,548	10.5	3,485	3,219
Operating profit (EBIT)	1,033	912	13.3	2,815	2,548	10.5	3,425	3,159
Net financial income/expense, excluding items affecting comparability	-153	-158		-432	-321		-550	-438
Net financial income/expense	-153	-158		-432	-458		-550	-576
Tax, excluding items affecting comparability	-215	-186		-580	-485		-741	-645
Tax	-215	-186		-580	-457		-306	-183
Net profit excluding items affecting comparability	666	567	17.4	1,802	1,743	3.4	2,195	2,136
Net profit	666	567	17.4	1,802	1,633	10.4	2,570	2,400
Profit per share after dilution, SEK[3]								
Excluding items affecting comparability	1.30	1.10	17.5	3.50	3.60	-2.5	4.26	4.33
Including items affecting comparability	1.30	1.10	17.5	3.50	3.37	4.1	5.00	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 19.
[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 11.8 per cent and amounted to SEK 9,493 million (8,491). Organic sales increased by 2.7 per cent in the quarter, compared with the corresponding period last year. Acquisition effects amounted to 11.7 per cent and currency effects amounted to -2.6 per cent.

The EMEA and APAC operating segments reported sales growth of 4 per cent and 20 per cent respectively in the quarter. The North America operating segment reported sales growth of 26 per cent in the quarter, mainly driven by acquisitions.

The OEM and HVAC product segments reported stable organic growth of 11 per cent and 3 per cent respectively. The commercial and industrial refrigeration product segment reported organic sales in line with the corresponding period last year.

Profit
The Group's EBITA amounted to SEK 1,084 million (959) during the third quarter, which is an increase of 13 per cent. Currency effects are included in EBITA with SEK -26 million (57). The EBITA margin amounted to 11.4 per cent (11.3).

Net financial items amounted to SEK -153 million (-158). The tax rate for the quarter amounted to 24 per cent (25).

Profit for the period amounted to SEK 666 million (567). Profit per share before and after dilution amounted to SEK 1.30 (1.10), which is an increase of 17 per cent.

Operating cash flow and net debt, SEK M	Q3 24	Q3 23	9M 24	9M 23	R12	12M 23
Operating profit, excl. items affecting comparability (EBIT)	1,033	912	2,815	2,548	3,485	3,219
Depreciation/write-downs on tangible assets	201	179	579	513	760	693
Amortisation/write-downs on intangible assets	51	47	151	129	201	179
EBITDA excl. items affecting comparability	**1,285**	**1,138**	**3,545**	**3,190**	**4,446**	**4,090**
Changes in working capital	196	167	-647	-1,923	511	-765
Investments in tangible fixed assets	-94	-90	-329	-227	-447	-346
Payments related to amortisation of lease liabilities	-138	-125	-401	-360	-531	-490
Non-cash generated items	-18	-6	-3	0	-3	0
Operating cash flow	**1,231**	**1,084**	**2,166**	**679**	**3,976**	**2,490**
EBITDA impact of leasing (IFRS 16)					-635	-579
EBITDA excl. leasing (IFRS 16) and items affecting comparability					**3,812**	**3,511**
Net debt			**10,085**	**8,941**		**8,400**
Of which:						
Pension debt			114	115		107
Leasing liabilities, according to IFRS 16			2,296	2,312		2,371
Net debt excl. pension and leasing liabilities			**7,675**	**6,514**		**5,922**
Authorised credit limit			16,068	11,000		13,183
Of which remains to be utilised			6,872	2,235		4,668
Net debt/EBITDA excl. items affecting comparability			2.27	2.30		2.05
Net debt/EBITDA excl. leasing liabilities, pension liability and items affecting comparability			2.01	1.94		1.69

Cash flow and net debt

Operating cash flow during the quarter amounted to SEK 1,231 million (1,084).

Net debt at the end of the quarter amounted to SEK 10,085 million (8,941). The increase since last year is mainly attributable to acquisition activities. Excluding lease liabilities (IFRS 16) and pension, net debt amounted to SEK 7,675 million (6,514). The net debt to EBITDA ratio, excluding items affecting comparability, amounted to 2.27 (2.30). Adjusted net debt in relation to adjusted EBITDA amounted to 2.01 (1.94).

At the end of the period, the company had credit facilities amounting to SEK 16,068 million (11,000), of which unutilised credit facilities amounted to SEK 6,872 million (2,235).

January - September 2024

Net sales for the first nine months of the year amounted to SEK 26,854 million (24,522), which is an increase of 9.5 per cent compared with the corresponding period last year. Organic sales increased by 0.5 per cent, acquisition effects amounted to 9.9 per cent and currency effects amounted to -0.8 per cent.

The Group's EBITA amounted to SEK 2,966 million (2,677) during the first nine months of the year, which is an increase of 11 per cent. Currency effects of SEK -23 million (126) are included in EBITA. The EBITA margin amounted to 11.0 per cent (10.9).

Net financial items, excluding items affecting comparability, amounted to SEK -432 million (-321), affected by higher debt and interest rates.

Profit for the period, excluding items affecting comparability, amounted to SEK 1,802 million (1,743) and profit for the period amounted to SEK 1,802 million (1,633). Profit per share before and after dilution, excluding items affecting comparability, amounted to SEK 3.50 (3.60). Profit per share before and after dilution amounted to SEK 3.50 (3.37). The average number of shares outstanding has increased to 506,858,226 (479,924,649), impacted by the rights issue completed in March 2023.

Operating cash flow amounted to SEK 2,166 million (679), driven by lower tied-up of working capital.

Operating segment
EMEA

SEK M	Q3 24	Q3 23	Δ%	9M 24	9M 23	Δ%	R12	12M 23
Net sales	5,499	5,268	4.4	15,885	15,691	1.2	20,448	20,254
Of which currency effect, %	-2.6	8.5		-0.4	7.5			6.4
EBITA	659	635	3.9	1,825	1,822	0.1	2,297	2,294
EBITA margin, %	12.0	12.0		11.5	11.6		11.2	11.3

During the quarter, the EMEA operating segment reported stable growth of 4 per cent, despite a negative currency effect of 3 per cent and continued low activity in the southern European markets. The largest increase was within the HVAC segment, which reported growth of 8 per cent, driven by strong sales in Eastern Europe, good sales growth from our own brands, as well as acquisitions.

The OEM segment continued to demonstrate steady growth, reporting a sales increase of 6 per cent. Sales growth is mainly driven by our own manufactured compressor units and heat pumps based on natural refrigerants. Several new products, based on environmentally friendly technology, will be launched during the fall, including a new heat pump in the commercially attractive 30-300 kW range.

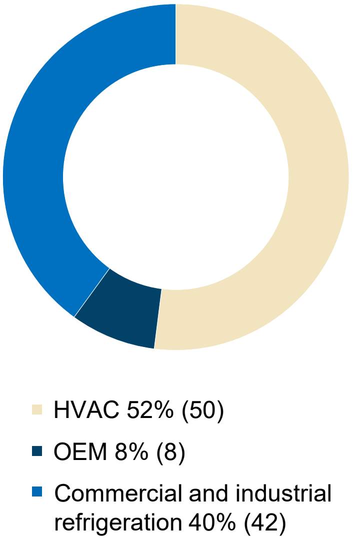
Commercial refrigeration and industrial refrigeration was in line with the corresponding period last year.

EBITA was reported at SEK 659 million (635) with a good EBITA margin of 12.0 per cent (12.0).

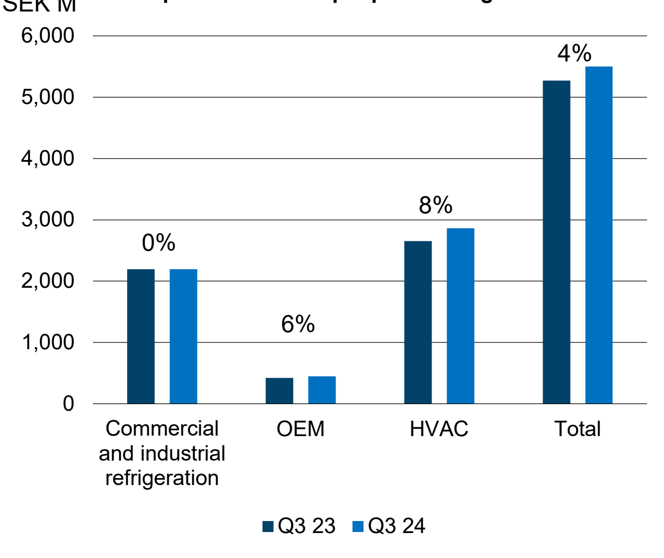
The acquisition of the Spanish air conditioning company GIA Group was completed during the quarter. GIA Group is one of Spain's largest distributors of air conditioning with several own strong brands. The company's turnover during the completed fiscal year 2023 amounted to approximately SEK 1.1 billion with good profitability. The company was consolidated as of August.

Simon Karlin
COO EMEA

External net sales per product segment



Reported net sales per product segment



Operating segment
APAC

SEK M	Q3 24	Q3 23	∆%	9M 24	9M 23	∆%	R12	12M 23
Net sales	1,575	1,314	19.9	4,660	4,020	15.9	6,273	5,633
Of which currency effect, %	-1.8	-0.5		-2.2	2.0			1.2
EBITA	131	100	31.3	438	330	32.6	596	489
EBITA margin, %	8.3	7.6		9.4	8.2		9.5	8.7

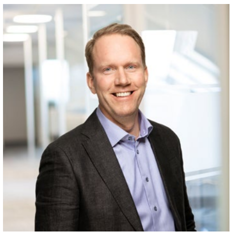
During the quarter, the APAC operating segment reported a sales increase of 20 per cent, driven by acquisitions and growing demand for commercial refrigeration.

EBITA increased by 31 per cent and amounted to SEK 131 million (100). The EBITA margin increased by 0.7 percentage points and amounted to 8.3 per cent (7.6). The improved EBITA margin can continue to be attributed to a greater focus on own our brands and higher demand for complete HVAC solutions.

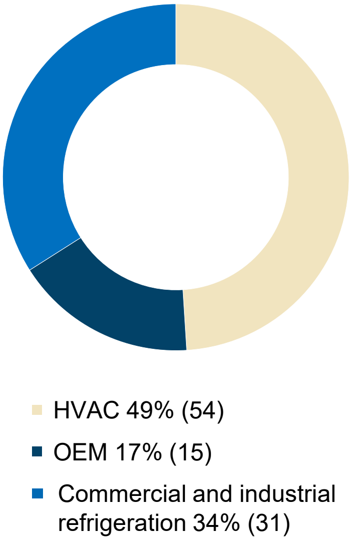
In general, we see a positive trend in demand in APAC, but the market for major projects continued to be weak in the third quarter, especially in Asia. However, it is positive that many of the larger projects that receive financing are usually focused on energy-efficient solutions and natural refrigerants, which is particularly beneficial for Beijer Ref, which offers a comprehensive and strong range in this segment.

With a wide assortment in the rapidly growing electrification of air conditioning and heating systems, Beijer Ref has a solid position in the Southern Hemisphere countries facing the seasonally stronger fourth quarter.

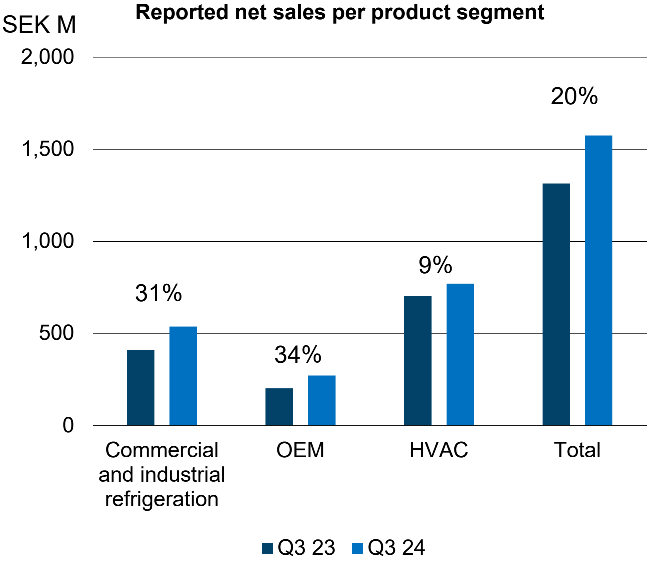
Jonas Steen
COO APAC



External net sales per product segment



Reported net sales per product segment



Operating segment
North America

SEK M	Q3 24	Q3 23	∆%	9M 24	9M 23	∆%	R12	12M 23
Net sales	2,428	1,924	26.2	6,361	4,868	30.7	7,830	6,336
Of which currency effect, %	-3.0			-0.9				
EBITA	332	262	26.7	838	657	27.5	980	799
EBITA margin, %	13.7	13.6		13.2	13.5		12.5	12.6

During the quarter, the North America operating segment reported sales growth of 26 per cent, mainly related to acquisitions. Regional closures towards the end of the quarter, due to Hurricane Helene, had a negative impact on sales growth.

EBITA and EBITA margin were reported at SEK 332 million (262) and 13.7 per cent (13.6) respectively. Given the operating margins of the recently acquired companies, the underlying EBITA margin development was strong.

In North America, a transition to more environmentally friendly refrigerants with lower GWP value is underway. To support this shift, Beijer Ref is collaborating with key US players to develop products with reduced climate impact. This collaboration ensures that we meet the growing demand, with a product launch expected in the first quarter of 2025.

During the quarter, we opened three new branches in markets close to our existing operations, one of which is linked to our recently acquired company Young Supply. Although still in the early stages, we are seeing good sales results, demonstrating that establishing new branches is a good foundation for further expansion of our North American platform.

In addition to our geographic expansion, we have been proactively working on several strategic initiatives to expand the scope of our North American platform: we are broadening the product offering for our own brands, expanding into commercial refrigeration in branches that currently handle HVAC, and making progress in scaling our e-commerce platform across the North American business. At the same time, we continue to maintain a strong acquisition pipeline.

Alex Averitt
MD North America

Important events during the quarter
Beijer Ref acquired 75 per cent of the shares in GIA Group, with a put/call option to acquire the remaining shares. GIA Group is an air conditioning company and one of Spain's largest distributors with several own strong brands. The company was consolidated as of August.

Significant events after the end of the period
There were no significant events after the end of the period.

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 as a natural approach in all parts of the organisation. Beijer Ref's sustainability strategy is based on the UN's global goals in Agenda 2030 and includes; economy, society and environment.

Beijer Ref makes the assessment that it is in the environmental field that the Group can make the biggest difference. To further strengthen the work of developing environmentally friendly refrigeration technology, the Group measures the proportion of Beijer Ref's OEM sales that are environmentally friendly. The goal is for environmentally friendly OEM sales to account for at least 50% of total OEM sales by 2025. At the end of the quarter, environmentally friendly OEM sales accounted for 49% of total OEM sales.

Risk description
The Beijer Ref Group's operations are affected by a number of external factors, the effects of which on the Group's operating profit can be controlled to varying degrees. The Group's operations are dependent on the general economic development in the regions where the business is present, which determines the demand for Beijer Ref's products and services.

Acquisitions are normally associated with risks, such as the loss of key personnel. Other operational risks, such as agency and supplier agreements, product liability and delivery commitments, technical development, warranties, personal dependency and others, are analyzed continuously. If necessary, measures are taken to reduce the Group's risk exposure. In its operations, Beijer Ref is exposed to financial risks such as currency risk, interest rate risk and liquidity risk. The parent company's risk profile 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 parties' transaction
There have been no significant changes in the Group's or the Parent Company's transactions or relationships with related parties compared to those described in note 30 of the 2023 Annual Report.

Key assessments and assumptions for accounting purposes
The management and the Board of Directors make assessments and assumptions about the future. These assessments and assumptions affect the reported amounts of assets and liabilities, income and expenses, and other disclosures. These assessments are based on historical experience and the various assumptions that are considered reasonable under the circumstances. The areas identified as significant have not changed since the publication of the 2023 Annual Report and are described in more detail in Note 4.

Webcast and Telephone conference Q3 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 third quarter of 2024. The presentation will be held in English and lasts for about 20 minutes. The meeting is on October 24, at 09.00 CET.

To follow the live webcast, please register using the following link: https://ir.financialhearings.com/beijer-ref-q3-report-2024/register

If you wish to participate via a telephone conference, please register using the below link: https://conference.financialhearings.com/teleconference/?id=50049044

After registration, you will receive a phone number, a conference ID and a user ID to log into the conference. During the telephone conference, you will have the opportunity to ask questions.

A presentation will be available on the company's website www.beijerref.com from 08:00 on October 24.

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

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

Malmö, October 24, 2024

Beijer Ref AB (publ)
Christopher Norbye, CEO

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Auditors review report
Beijer Ref AB (publ), org nr 556040-8113

Introduction
We have reviewed the interim report for Beijer Ref AB (publ), corp. reg. no. 556040-8113, for the period January 1 - September 30, 2024. The Board of Directors and the President are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

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

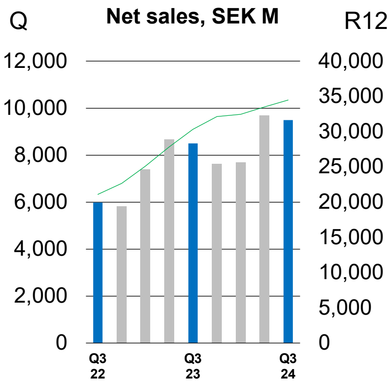
Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

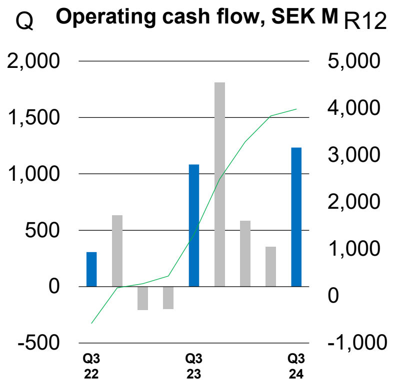
Malmö, October 24, 2024

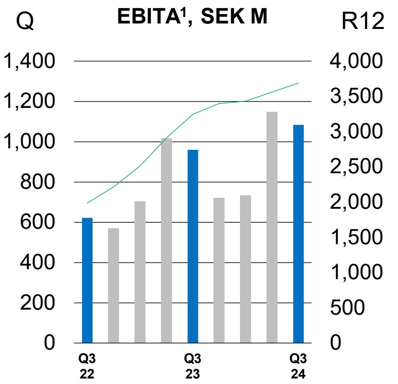
Deloitte AB
Richard Peters
Authorized Public Accountant

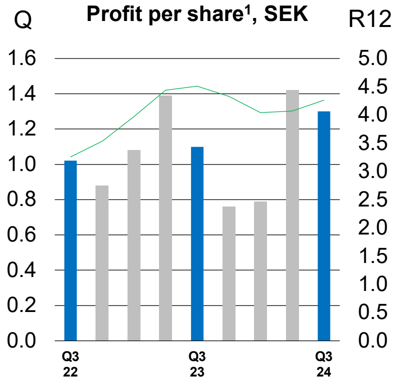
This disclosure contains information that Beijer Ref AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, at 08.00 CET on 24 October 2024.

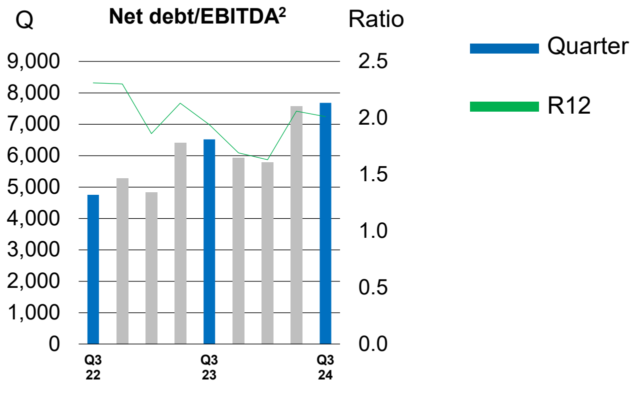
Financial overview

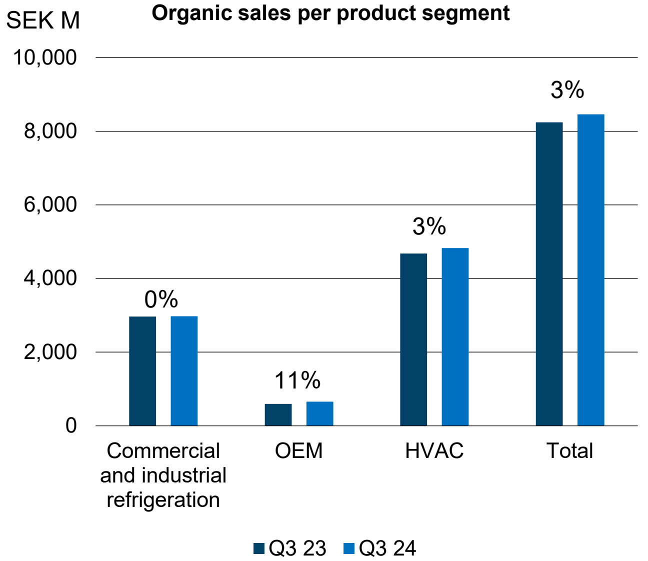


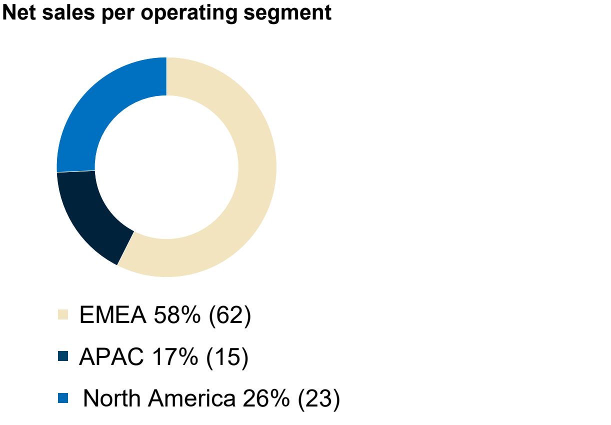


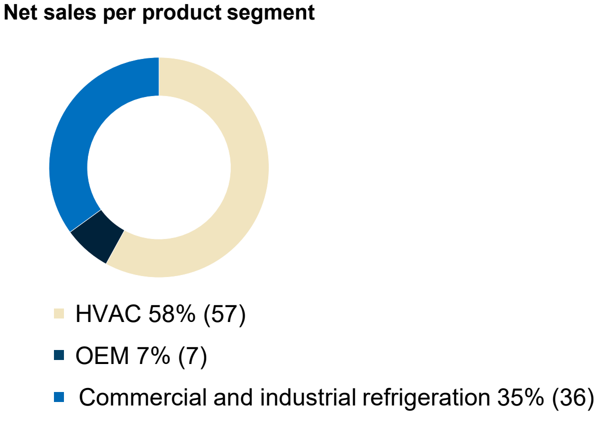












[1]Excluding items affecting comparability
[2]Exklusive leasing liabilities, pension liability and items affecting comparability

Summarised profit and loss account, SEK M	Q3 24	Q3 23	9M 24	9M 23	R12	12M 23
Net sales	9,493	8,491	26,854	24,522	34,481	32,150
Other operating income	43	25	99	90	126	117
Operating expenses	-8,252	-7,378	-23,408	-21,423	-30,221	-28,236
Depreciation and write-down of intangible and tangible fixed assets	-252	-227	-731	-642	-961	-872
Operating profit (EBIT)	**1,033**	**912**	**2,815**	**2,548**	**3,425**	**3,159**
Net financial income/expense	-153	-158	-432	-458	-550	-576
Profit before tax	**881**	**753**	**2,382**	**2,089**	**2,876**	**2,583**
Tax	-215	-186	-580	-457	-306	-183
Net profit	**666**	**567**	**1,802**	**1,633**	**2,570**	**2,400**
Net profit attributable to:						
The parent company's shareholders	657	560	1,776	1,616	2,535	2,375
Non-controlling interests	8	7	26	17	34	25
Net profit per share before dilution, SEK[1]	1.30	1.10	3.50	3.37	5.00	4.88
Net profit per share after dilution, SEK[1]	1.30	1.10	3.50	3.37	5.00	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	Q3 24	Q3 23	9M 24	9M 23	R12	12M 23
Net profit	**666**	**567**	**1,802**	**1,633**	**2,570**	**2,400**
Other comprehensive income	**-705**	**-251**	**212**	**614**	**-1,157**	**-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	0	-2	-1	-2
Income tax relating to components in above item	-	-	-	-	-1	-1
Items which can later be reversed in the profit and loss account:						
Exchange rate differences	-12	-279	261	487	-1 217	-474
Hedging of net investments	-765	72	-62	163	-62	-353
Income tax relating to components in above item	72	-45	13	-34	120	73
Other comprehensive income	**-705**	**-251**	**212**	**614**	**-1,157**	**-755**
Total comprehensive income for the period	**-39**	**316**	**2,014**	**2,247**	**1,412**	**1,645**
Attributable to:						
The parent company's shareholders	-27	312	2,007	2,231	1,400	1,624
Non-controlling interests	-12	4	7	16	12	21

Summarised balance sheet, SEK M	30 Sept. 24	30 Sept. 23	31 Dec. 23
ASSETS			
Intangible fixed assets	19,016	18,058	17,439
Tangible fixed assets	2,304	1,665	1,687
Right of use assets	2,210	2,251	2,308
Deferred tax asset	601	408	419
Other fixed assets	211	180	208
Total fixed assets	**24,343**	**22,562**	**22,061**
Inventories	11,697	11,033	9,961
Trade debtors and other receivables	6,232	5,929	5,191
Liquid funds	1,901	1,950	1,957
Total current assets	**19,830**	**18,912**	**17,109**
Total assets	**44,174**	**41,475**	**39,170**
EQUITY AND LIABILITIES			
Equity	22,617	22,115	21,443
Total equity	**22,617**	**22,115**	**21,443**
Long-term liabilities	8,851	10,166	9,314
Deferred tax liabilities	732	901	439
Total long-term liabilities	**9,583**	**11,068**	**9,754**
Trade creditors	3,638	3,005	2,728
Other liabilities	8,335	5,287	5,245
Total current liabilities	**11,973**	**8,292**	**7,973**
Total equity and liabilities	**44,174**	**41,475**	**39,170**
Of which interest-bearing liabilities	11,986	10,891	10,357

Specification for changes to equity, SEK M	30 Sept. 24			31 Dec. 23		
	The parent company's shareholders	Non-controlling interest	Total	The parent company's shareholders	Non-controlling interest	Total
On 1 January	**21,323**	**120**	**21,443**	**6,603**	**111**	**6,714**
Net profit	1,776	26	1,802	2,375	25	2,400
Other comprehensive income	205	7	212	-756	1	-755
Total comprehensive income for the year	**1,981**	**33**	**2,014**	**1,620**	**26**	**1,645**
Rights Issue	-	-	-	13,756	-	13,756
Dividend to shareholders	-659	-	-659	-477	-	-477
Option premium obtained, LTIP 2023-2026	-	-	-	7	-	7
Share-related compensation, LTIP 2024-2027	4	-	4	-	-	-
Repurchase options, LTIP 2021-2024	-28	-	-28	-	-	-
Purchase of own shares	-	-	-	-39	-	-39
Sales of own shares, LTIP 2021-2024	14	-	14	-	-	-
Change in fair value of liabilities linked to acquisitions	-158	-	-158	-148	-	-148
Dividends to shareholders' with non-controlling Interest	-	-13	-13	-	-17	-17
Total	**-827**	**-13**	**-840**	**13,099**	**-17**	**13,083**
On 31 December	**22,476**	**141**	**22,617**	**21,323**	**120**	**21,443**

Summarised consolidated cash flow analysis, SEK M	Q3 24	Q3 23	9M 24	9M 23	R12	12M 23
Current operations						
Operating profit	1,033	912	2,815	2,548	3,425	3,159
Non-cash generated items included in operating profit	238	216	761	414	982	635
Operating profit adjusted for non-cash generated items	**1,271**	**1,128**	**3,575**	**2,962**	**4,408**	**3,794**
Paid interest	-155	-132	-434	-467	-585	-618
Paid income tax	-192	-136	-469	-472	-654	-658
Cash flow from current operations before changes in working capital	**923**	**860**	**2,671**	**2,022**	**3,169**	**2,518**
Changes in working capital	196	167	-647	-1,923	511	-765
Cash flow from current operations	**1,119**	**1,027**	**2,024**	**99**	**3,680**	**1,753**
Cash flow from investment operations	**-801**	**-1,076**	**-2,580**	**-8,659**	**-3,155**	**-9,235**
Cash flow from financial operations[1]	**-283**	**-23**	**464**	**8,972**	**-542**	**7,967**
Cash flow for the period	**35**	**-72**	**-92**	**412**	**-17**	**485**
Liquid funds at the beginning of the period	**1,891**	**2,053**	**1,957**	**1,518**	**1,950**	**1,518**
Cash flow for the period	35	-72	-92	412	-17	485
Exchange rate difference, liquid funds	-25	-31	36	20	-31	-46
Liquid funds at the end of the period	**1,901**	**1,950**	**1,901**	**1,950**	**1,901**	**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 Alternative performance measures

Key figures[1]	30 Sept. 24	30 Sept. 23	31 Dec. 23
Equity ratio, %	51.2	53.3	54.7
Return on equity (R12), %	11.5	10.0	11.2
Return on operating capital, excluding items affecting comparability, (R12), %	10.9	11.7	10.7
Return on operating capital, excluding intangible assets and items affecting comparability, (R12), %	23.6	24.2	23.3
Net debt/EBITDA excluding leasing liabilities, pension liability and items affecting comparability	2.01	1.94	1.69
Average number of employees	6,517	5,869	6,024
Number of outstanding shares	506,905,526	506,810,926	506,810,926
Holding of own shares[2]	2,180,400	2,275,000	2,275,000
Total number of shares	509,085,926	509,085,926	509,085,926
Average number of outstanding shares[3]	506,858,226	479,924,649	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 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	Q3 24	Q3 23	9M 24	9M 23	R12	12M 23
EBITA, excluding items affecting comparability	1,084	959	2,966	2,677	3,687	3,398
Items affecting comparability included in operating costs[1]	-	-	-	-	-60	-60
EBITA	**1,084**	**959**	**2,966**	**2,677**	**3,627**	**3,338**
Operating profit (EBIT), excluding items affecting comparabilty	1,033	912	2,815	2,548	3,485	3,219
Items affecting comparability included in operating costs[1]	-	-	-	-	-60	-60
Operating profit (EBIT)	**1,033**	**912**	**2,815**	**2,548**	**3,425**	**3,159**
Net financial income/expense, excluding items affecting comparability	-153	-158	-432	-321	-550	-438
Items affecting comparability included in net financial income/expense[2]	-	-	-	-138	-	-138
Net financial income/expense	**-153**	**-158**	**-432**	**-458**	**-550**	**-576**
Profit before tax, excluding items affecting comparabilty	881	753	2,382	2,227	2,936	2,781
Items affecting comparability included in profit before tax	-	-	-	-138	-60	-198
Profit before tax	**881**	**753**	**2,382**	**2,089**	**2,876**	**2,583**
Tax, excluding items affecting comparabilty	-215	-186	-580	-485	-741	-645
Items affecting comparability included in tax[3]	-	-	-	28	435	463
Tax	**-215**	**-186**	**-580**	**-457**	**-306**	**-183**
Net profit, excluding items affecting comparabilty	666	567	1,802	1,743	2,195	2,136
Items affecting comparability for the period	-	-	-	-110	375	265
Net profit	**666**	**567**	**1,802**	**1,633**	**2,570**	**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 per operating segment

Net sales, SEK M	Q3 24	Q3 23	∆%	9M 24	9M 23	∆%	R12	12M 23
EMEA	5,499	5,268	4	15,885	15,691	1	20,448	20,254
APAC	1,575	1,314	20	4,660	4,020	16	6,273	5,633
North America	2,428	1,924	26	6,361	4,868	31	7,830	6,336
Eliminations	-9	-15		-52	-57		-69	-74
Group	**9,493**	**8,491**	**12**	**26,854**	**24,522**	**10**	**34,481**	**32,150**

EBITA, SEK M	Q3 24	Q3 23	∆%	9M 24	9M 23	∆%	R12	12M 23
EMEA	659	635	4	1,825	1,822	0	2,297	2,294
APAC	131	100	31	438	330	33	596	489
North America	332	262	27	838	657	27	980	799
Other	-38	-38		-134	-133		-186	-184
Group	**1,084**	**959**	**13**	**2,966**	**2,677**	**11**	**3,687**	**3,398**
Items affecting comparability	-	-	-	-	-	-	-60	-60
Group incl. items affecting comparability	**1,084**	**959**	**13**	**2,966**	**2,677**	**11**	**3,627**	**3,338**

EBITA, %	Q3 24	Q3 23	∆	9M 24	9M 23	∆	R12	12M 23
EMEA	12.0	12.0	-0.1	11.5	11.6	-0.1	11.2	11.3
APAC	8.3	7.6	0.7	9.4	8.2	1.2	9.5	8.7
North America	13.7	13.6	0.1	13.2	13.5	-0.3	12.5	12.6
Group	**11.4**	**11.3**	**0.1**	**11.0**	**10.9**	**0.1**	**10.7**	**10.6**
Group incl. items affecting comparability	**11.4**	**11.3**	**0.1**	**11.0**	**10.9**	**0.1**	**10.5**	**10.4**

Overview per segment

Reporting per operating segment

Net sales, SEK M	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23	Q2 23	Q1 23	Q4 22	Q3 22
EMEA	5,499	5,736	4,650	4,563	5,268	5,520	4,903	4,492	4,897
APAC	1,575	1,519	1,566	1,613	1,314	1,317	1,389	1,350	1,090
North America	2,428	2,447	1,486	1,468	1,924	1,827	1,118	-	-
Eliminations	-9	-21	-22	-17	-15	-10	-32	-24	-8
Group	**9,493**	**9,681**	**7,680**	**7,627**	**8,491**	**8,654**	**7,378**	**5,818**	**5,979**

EBITA, SEK M	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23	Q2 23	Q1 23	Q4 22	Q3 22
EMEA	659	718	448	472	635	698	490	480	588
APAC	131	135	171	159	100	89	141	126	83
North America	332	355	150	142	262	274	121	-	-
Other	-38	-60	-36	-52	-38	-45	-50	-36	-50
Group	**1,084**	**1,148**	**733**	**721**	**959**	**1,016**	**702**	**570**	**622**
Items affecting comparability	-	-	-	-60	-	-	-	-245	-
Group incl. items affecting comparability	**1,084**	**1,148**	**733**	**661**	**959**	**1,016**	**702**	**325**	**622**

EBITA, %	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23	Q2 23	Q1 23	Q4 22	Q3 22
EMEA	12.0	12.5	9.6	10.3	12.0	12.6	10.0	10.7	12.0
APAC	8.3	8.9	10.9	9.8	7.6	6.8	10.1	9.3	7.6
North America	13.7	14.5	10.1	9.7	13.6	15.0	10.9	-	-
Group	**11.4**	**11.9**	**9.5**	**9.5**	**11.3**	**11.7**	**9.5**	**9.8**	**10.4**
Group incl. items affecting comparability	**11.4**	**11.9**	**9.5**	**8.7**	**11.3**	**11.7**	**9.5**	**5.6**	**10.4**

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	Q3 24	Q3 23	Δ%	9M 24	9M 23	Δ%	R12	12M 23
HVAC	5,488	4,852	13	15,498	14,085	10	19,836	18,423
OEM	707	608	16	2,130	1,864	14	2,792	2,526
Commercial and industrial refrigeration	3,299	3,031	9	9,226	8,574	8	11,854	11,201
Group	**9,493**	**8,491**	**12**	**26,854**	**24,522**	**10**	**34,481**	**32,150**

Net sales, SEK M	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23	Q2 23	Q1 23	Q4 22	Q3 22
HVAC	5,488	5,728	4,282	4,338	4,852	5,122	4,110	3,030	3,131
OEM	707	748	676	662	608	649	608	599	577
Commercial and industrial refrigeration	3,299	3,205	2,722	2,627	3,031	2,883	2,660	2,189	2,271
Group	**9,493**	**9,681**	**7,680**	**7,627**	**8,491**	**8,654**	**7,378**	**5,818**	**5,979**

Company acquisitions

The company makes a materiality assessment for each acquisition based on sales, product area and market. Our assessment is that an acquisition is material if the acquired company's sales exceed 5 per cent of the Group's total sales. During the year, five acquisitions were consolidated in the Group's accounts. Information about these acquisitions is provided in the table on page 19.

2024

First quarter

Beijer Ref acquired 60 per cent of the shares in Quality Air Equipment (QAE), with a put/call option to acquire the remaining shares. During the first quarter, Beijer Ref also acquired 70 per cent of the shares in Chillaire Solutions, with an option to acquire the remaining shares.

Second quarter

Beijer Ref acquired the company Young Supply, a North American distributor in commercial refrigeration and HVAC. Young Supply has annual sales of approximately SEK 1.4 billion. Furthermore, Beijer Ref acquired 60 per cent of the shares in Luyten BV, with a put/call option to acquire the remaining shares.

Beijer Ref also signed an agreement to acquire 80 per cent of the shares in Cool4U, with a put/call option to acquire the remaining shares. Cool4U is a leading HVAC distributor in Hungary with annual sales of approximately SEK 500 million. The transaction is subject to approval by the competition authority in Hungary as a condition for closing.

Third quarter

During the third quarter, Beijer Ref acquired 75 per cent of the shares in GIA Group, with a put/call option to acquire the remaining shares. GIA Group is an air conditioning company and one of Spain's largest distributors with several own strong brands. Turnover during the completed fiscal year 2023 amounted to approximately SEK 1.1 billion with good profitability.

2023

First quarter

Beijer Ref acquired Heritage Distribution and Transport Cooling. Beijer Ref acquired approximately 95 per cent of the shares in Heritage Distribution and holds a put/call option to acquire the remaining shares. In addition, Beijer Ref acquired Roobear Ltd and the assets of AFM (Belgium). AFM has been integrated into the company Beijer Ref Belgium.

Second quarter

Beijer Ref acquired 100 per cent of the assets of Shravan Engineering (India) and also entered into a binding agreement to acquire 70 per cent of the shares in Condex (Bulgaria) and holds a put/call option to acquire the remaining shares. In addition, Beijer Ref acquired all the shares in CFD (France) and GMC Airconditioning (South Africa).

Third quarter

During the third quarter of last year, Beijer Ref acquired 95 per cent of the shares in Industrifiber (Norway) and holds a put/call option to acquire the remaining shares. Furthermore, Beijer Ref acquired 100 per cent of the operations in DS Maref (South Korea) and AMSCO Supply (North America) during the quarter. DS Maref and AMSCO Supply did not have any impact on the Group's income statement in the third quarter of the previous year.

Accounting for acquisitions

Identified customer lists are written off 10-15 years while brands are considered to have an indefinite lifespan and are not written off. Most accrued acquisition goodwill arising is explained by synergies with the Group's existing operations. The valuation technique applied to put/call options and contingent considerations discounts the present value of expected future cash flows using a risk-adjusted discount rate. Expected cash flows are determined based on likely scenarios for future performance measures, the amounts that will be paid in each outcome and the probability of each outcome. Put/call options and earn-outs are reported according to valuation level 3.

During 2024, five acquisitions have been completed where the final purchase price will be paid via options within the time span 2027-2034. The options have been valued at the probable outcome and recognised and entered as non-current liability; this liability amounts to SEK 688 million. Acquisitions that include a put/call option, where ownership will amount to 100 per cent, are consolidated in their entirety at the time of acquisition.

Acquisition costs for acquisitions completed during 2024 and charged to profit for 2024 amount to approximately SEK 17 million (19) and are included in other costs. Acquisition costs and acquisition calculations are preliminary for acquisitions in 2024. Acquisition calculations for the companies acquired during the first nine months of 2023 have now been determined. No material adjustments have been made to the calculations.

Consolidated acquisitions	Consolidated from	Operating segments	Net sales, SEK M	No. of employees
2024				
Companies				
QAE Group	March	APAC	140	74
Young Supply	April	North America	1,400	200
Luyten BV	May	EMEA	63	3
Chillaire Solutions	July	APAC	120	20
GIA Group	August	EMEA	1,100	100
Acquisitions not yet consolidated	**Consolidated from**	**Operating segments**	**Net sales, SEK M**	**No. of employees**
Companies				
Cool4U	Q4 2024	EMEA	500	58

Consolidated acquisitions	Consolidated from	Operating segments	Net sales, SEK M	No. of employees
2023				
Companies				
Heritage Distribution	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)	September	APAC	375	82
AMSCO Supply (asset deal)	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)	December	North America	200	40

Acquisitions of companies, SEK M	9M 24	Heritage Distribution	Other acquisitions	9M 23
Fair value in the Group:				
Intangible assets	473	4,435	136	4,571
Tangible and financial fixed assets	598	1,135	120	1,255
Deferred tax asset	23	-	1	1
Inventories	994	1,773	548	2,321
Other current assets	426	570	177	747
Liquid funds	104	432	51	483
Deferred tax liability	-143	-494	-14	-508
Provisions	-1	-	-1	-1
Other current liabilities	-442	-1,073	-257	-1,330
Liabilities to credit institutions	-336	-5,619	-50	-5,669
Total identifiable net assets:	**1,697**	**1,160**	**710**	**1,870**
Goodwill	882	6,798	889	7,687
Effect on the cash flow:				
Consideration	-2,605	-7,958	-1,599	-9,557
Non-paid consideration	830	313	367	680
Paid consideration for previous years' acquisitions	-431	-	-73	-73
Repaid consideration for previous years' acquisitions	0	-	14	14
Liquid funds in acquired companies	104	432	51	483
Total	**-2,103**	**-7,213**	**-1,240**	**-8,453**

The table shows the total cash flow effect from acquisition activities. The presentation of identifiable net assets refers to acquisitions made during the first six months of 2024 and the corresponding period of 2023 respectively. Other acquisitions include the effects of all acquisitions consolidated in 2023 excluding Heritage Distribution. These companies have been aggregated in the above table as the respective acquisitions are not material individually.

Parent company profit and loss account in summary, SEK M	Q3 24	Q3 23	9M 24	9M 23	R12	12M 23
Operating income	30	3	90	7	194	111
Operating expenses	-54	-45	-146	-167	-181	-203
Depreciation and write-down of intangible and tangible fixed assets	-1	-1	-2	-2	-2	-2
Operating profit (EBIT)	**-24**	**-43**	**-58**	**-162**	**10**	**-94**
Net financial income/expense	-278	73	181	209	-266	-238
Result of participations in Group companies	6	37	392	535	392	534
Profit before appropriations	**-296**	**67**	**516**	**581**	**137**	**202**
Appropriations	-	-	-	-	198	199
Profit before tax	**-296**	**67**	**516**	**581**	**335**	**401**
Tax	37	-6	-75	19	-19	74
Net profit	**-258**	**61**	**441**	**599**	**316**	**475**

Parent company balance sheet in summary, SEK M	30 Sept. 24	30 Sept. 23	31 Dec. 23
ASSETS			
Intangible fixed assets	9	7	7
Tangible fixed assets	4	4	4
Financial fixed assets	23,707	22,301	21,857
Current assets	2,419	3,305	2,699
Total assets	**26,139**	**25,616**	**24,567**
EQUITY AND LIABILITIES			
Shareholders’ equity	15,614	15,968	15,842
Long-term liabilities	5,902	7,068	6,591
Current liabilities	4,622	2,581	2,134
Total equity and liabilities	**26,139**	**25,616**	**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.

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

- Report fourth quarter (Q4): January 31, 2025

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

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