



Beijer Ref

Q2 2014

**Continued positive development
for Beijer Ref**

1234

the quarter

in brief

9.3%

Increase in sales,
of which 4.3% organic

136.9 sek m

Operating profit

7.3%

Operating margin

89.3 sek m

Net profit for the period

2.03 sek

Profit per share

Quarter 2 2014

- Net sales amounted to SEK 1,870.8M (1,711.9).
- Operating profit amounted to SEK 136.9M (83.4).
- Net profit amounted to SEK 89.3M (50.4).
- Profit per share amounted to SEK 2.03 (1.14).
- The positive trend continued for the second quarter with a growth in sales of nine per cent and an improved operating profit of 64 per cent compared with the corresponding quarter in the previous year. Excluding one-time costs in 2013, operating profit increased by 16 per cent.
- Strong increase of HVAC (comfort cooling) in Europe during the second quarter.

Key figures

sek m	Q2 2014	Q2 2013	Change	6 months 2014	6 months 2013	Change	Full year 2013
Sales	1 870.8	1 711.9	9.3%	3 451.8	3 175.7	8.7%	6 595.4
Operating profit ¹⁾	136.9	83.4	64.1%	208.2	132.1	57.6%	377.7
Operating margin %	7.3	4.9	2.4	6.0	4.2	1.9	5.7
Net profit for the period	89.3	50.4	77.2%	134.9	82.8	62.9%	244.2
Profit per share, sek	2.03	1.14	78.1%	3.06	1.83	67.2%	5.51

1) The operating profit for 2013 includes one-time costs of SEK 34.2M relating to severance pay and restructuring.

growth in Europe

Comments by the CEO

Continued positive trend in Europe

The second quarter of 2014 consolidates the positive trend from the first quarter with a sales increase of 9.3 per cent.

The operating profit of SEK 136.9M shows that Beijer Ref continues to strengthen its position as the largest refrigeration wholesaler in Europe.

Among our regions, Central Europe enjoyed a good development during the second quarter. The United Kingdom continued to develop positively with both increased sales and increased market share. In the UK, Beijer Ref's competitive distribution and service concept to nationally operating customers is achieving increased penetration in the market. Holland strengthened its position during the quarter and Germany continues its positive development.

Southern Europe accounts for around 40 per cent of Beijer Ref's sales and in this region both sales and results are also increasing. At this moment in time, Spain is the fastest expanding market in Southern Europe, especially with increased demand for HVAC (heating, ventilation and air conditioning, also called comfort cooling), which drives growth.

In the Eastern European market, Poland is leading the development with a significant increase in sales within both commercial & industrial refrigeration and HVAC.

In the Nordic market, the trend in the Swedish market has been 'wait-and-see', but a strong end to the quarter is a positive signal. Denmark and Finland developed well. Sweden and Norway started the quarter slightly weaker but turned the trend during June and there is reason for cautious optimism in both countries.

In the Rest of the World, Thailand's development has stabilised after the recent disturbances and South Africa is developing according to plan.

One contributing reason to the quarter's results, albeit a minor influence, is the positive currency effects of the stronger Euro, something that must be seen as welcome after a long period with the opposite situation.

Increased investment in refrigeration units produced by the company

Refrigeration units produced by the company itself is a growing and increasingly prioritised segment within Beijer Ref. As one of the largest and most modern refrigeration wholesalers in the world, an understanding of our customers' refrigeration requirements has been built up within the Group. We are transferring this refrigeration competence to a growing portfolio with refrigeration units produced by the company.

Our ambition is that Beijer Ref will increasingly be able to offer even more competitive energy-efficient solutions, both with regard to individual standard units and customer-adapted overall concepts with the most modern environment technology.

Toshiba increasingly strong brand within HVAC

The demand for HVAC (comfort cooling) is slightly more dependent on the economic situation than other operations within Beijer Ref and, therefore, the increased sales during the second quarter within this market segment can be seen as a sign of a continued economic upturn in Europe.

Toshiba HVAC is one of the many world-leading brands within comfort cooling represented by Beijer Ref. Like Beijer Ref, the world-leading Japanese high-tech company, Toshiba, has its roots in the innovative company culture of the late 19th century. It currently consists of more than 740 companies with 210,000 employees all over the world. We are pleased to note the development for Toshiba's products within comfort cooling was strong in all markets during the second quarter. It should also be emphasised that our sales of both Samsung and Mitsubishi enjoyed a similar development.

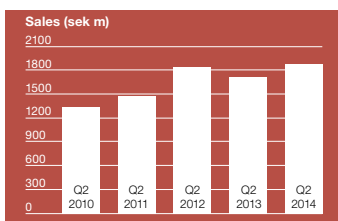
Interesting acquisition opportunities

With the European recession hopefully behind us, a stronger market position, increased operating margin, and positive effects of the previous year's cost savings, Beijer Ref has after the first two quarters of the year consolidated its operation and is well prepared for future acquisitions.

It should also be mentioned that after 136 years of operation as G & L Beijer, the Group officially changed its name to Beijer Ref which, as previously announced, better reflects the consolidated operation (ref = refrigeration). At the same time, the Group's new website was ready with more lucid and easily accessible information. Please visit our website on www.beijerref.com.

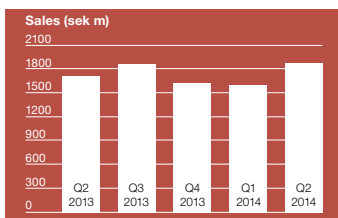
quarterly

report Q2 2014



About Beijer Ref

Beijer Ref is one of the three largest refrigeration wholesalers in the world and the leading company in Europe. The Group offers competitive and innovative solutions within refrigeration and air conditioning with customer-adapted products, refrigeration units developed by the company itself and efficient logistics.

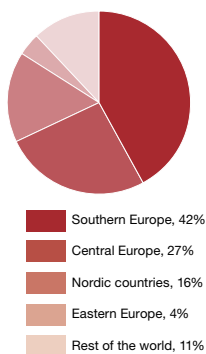


Sales

Beijer Ref increased its sales by nine per cent to SEK 1,870.8M (1,711.9) for the second quarter of 2014. Adjusted for exchange rate fluctuations and acquisitions, the organic sales increase was four per cent. The Group also increased its sales by nine per cent to SEK 3,451.8M (3,175.7) for the period January to June which, organically, is an increase of five per cent.

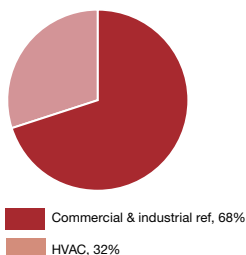
Beijer Ref operates in three market areas: commercial & industrial refrigeration and HVAC (comfort cooling). The Group splits its operation in the global market into five geographic segments: The Nordic countries, Central Europe (including the United Kingdom and Ireland) Eastern Europe, Southern Europe and the Rest of the World (currently consisting of southern Africa and Thailand).

The regions' share of total sales, %



Behind the quarter's sales increase lies increased demand in virtually all of these markets, where especially Central Europe (including the United Kingdom and Ireland), reported strong growth. Eastern Europe also developed well, with Poland as the largest market. Southern Europe also enjoyed a positive development. HVAC, which accounts for approximately 30 per cent of Beijer Ref's sales, continued to increase during the second quarter.

Share of sales, market segments, %



Results

The Group's operating profit amounted to SEK 136.9M (83.4) for the second quarter. The result increase can be explained as a combination of implemented savings measures taken during 2013, increased market share in the United Kingdom and strengthened demand, especially for HVAC, but also for commercial & industrial refrigeration in Europe. In the previous year's figures, the operating result is charged with one-time costs of SEK 34.2M. Excluding these one-time costs, the operating profit for the second quarter of 2013 amounted to SEK 117.6M. For the first half year, the operating profit amounted to SEK 208.2M (132.1). Excluding one-time costs, the operating profit was SEK 166.3M in the previous year.

The Group's financial income/expense amounted to SEK -8.6M (-9.6) for the second quarter. Profit before tax was SEK 128.3M (73.8). Profit after tax was SEK 89.3M (50.4). Profit per share amounted to SEK 2.03 (1.14). For the first half of the year, the Group's financial income/expense amounted to SEK -16.1M (-15.0). Profit before tax was SEK 192.1M (117.1). Profit after tax amounted to SEK 134.9M (82.8). Profit per share was SEK 3.06 (1.83).

Other financial information

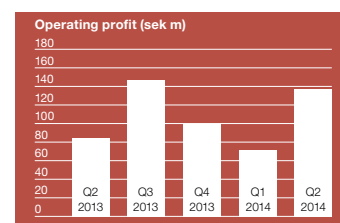
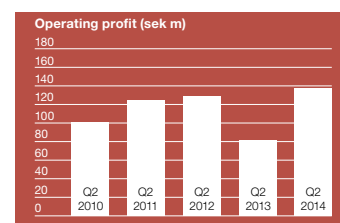
Consolidated capital expenditure, including acquisitions, amounted to SEK 40.2M (34.4) for the first half of 2014. Liquid funds, including unutilised bank overdraft facilities, were SEK 373.6M (433.1) on 30 June 2014. Shareholders' equity amounted to SEK 2,431.7M (2,247.5). The net debt was SEK 1,607.5M (1,479.3). The equity ratio amounted to 41.9 per cent (41.7). The average number of employees during the first half of the year was 2,169 (2,106).

Significant events during the year

In January, G & L Beijer acquired all the shares in Eurocool (Pty) Ltd, a leading refrigeration wholesaler in South Africa. Eurocool was founded in 1999 and holds a strong market position within G & L Beijer's priority segments. The company reports sales of approximately SEK 65M and has 36 employees. The acquisition is estimated to provide cost synergies, increased efficiency and increased purchasing volumes through co-ordination with Beijer Ref's existing operation in southern Africa. The acquisition is deemed to have a marginal positive effect on Beijer Ref's profit per share in 2014. Eurocool is included in G & L Beijer's accounts from January 2014.

On 12 March, the EU Parliament voted 'yes' to the proposal about a new F-gas ordinance which was confirmed by the Council of Ministers in a vote on 14 April. As a result, the decision to phase out refrigerants with fluorised greenhouse gases (F-gases) has come into force which is predicted to have a positive effect on Beijer Ref through the investments in new technology which the end customers will gradually need to make and where Beijer Ref is well prepared for the new business opportunities.

On 14 May, the Swedish Companies Registration Office approved the Group's change of name from G & L Beijer to Beijer Ref. A classic Swedish industrial company's modern operation is now also reflected in the company name.



Risk assessment

The operations of the Beijer Ref Group are affected by a number of external factors, the effects of which on the Group's operating profit can be controlled to a varying degree. The Group's operation is dependent on the general economic trend, especially in Europe, which controls the demand for Beijer Ref's products and services. Acquisitions are normally linked with risks such as, for example, staff defection. Other operating risks, such as agency and supplier agreements, product responsibility and delivery undertaking, technical development, warranties, dependence on individuals, etc., are continually being analysed and, when necessary, action is taken to reduce the Group's risk exposure. In its operation, Beijer Ref is exposed to financial risks such as currency risk, interest risk and liquidity risk. The parent company's risk picture is the same as that of the Group. For further information see the Group's Annual Report.

Financial information

- Quarterly Report Q3 2014 will be published on 22 October 2014.
- The Year-end Report for 2014 will be published in February 2015.
- The Annual Report for 2014 will be published in April 2015.

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This interim report has not been the subject of examination by the company's auditors.

The Board of Directors and the President assure that the six-month report is prepared in accordance with generally accepted accounting principles for listed companies. The information provided corresponds with the actual conditions in the operation and nothing of significant importance has been left out which could affect the picture of the Group and the parent company that has been created by the six-month report.

Malmö, Sweden, 18 July 2014

Bernt Ingman
Chairman

Peter Jessen Jürgensen
Board Member

Anne-Marie Pålsson
Board Member

William Striebe
Board Member

Philippe Delpech
Board Member

Harald Link
Board Member

Joel Magnusson
Board Member

Per Bertland
President

Reporting principles

This interim report has been prepared in accordance with IAS 34, the Annual Accounts Act and RFR 2. Beijer Ref continues to apply the same accounting principles and valuation methods as those described in the latest Annual Report, with the exception of what is stated below.

The Group's operation is split into operating segments based on how the company's chief operating decision maker, i.e. the President, monitors the operation. A decision has been taken about a new segment classification when, as from 1 January 2014, the highest executive decision maker monitors the operation based on the following segments: South Europe, Central Europe, the Nordic Countries, Eastern Europe and the Rest of the World.

New and changed standards applicable as of 1 January 2014 are not expected to have any material effect on the financial position of either the group or the parent company.

Summarised profit and loss account

sek m	Q2 2014	Q2 2013	6 months 2014	6 months 2013	Full year 2013
Net sales	1 870.8	1 711.9	3 451.8	3 175.7	6 595.4
Other operating income	2.4	2.7	4.9	4.5	13.7
Operating expenses	-1 720.9	-1 616.2	-3 218.1	-3 017.2	-6 170.6
Depreciation	-15.4	-15.0	-30.4	-30.9	-60.8
Operating profit ¹⁾	136.9	83.4	208.2	132.1	377.7
Net interest expense	-8.6	-9.6	-16.1	-15.0	-31.3
Other financial results	—	—	—	—	0.2
Profit before tax	128.3	73.8	192.1	117.1	346.6
Tax	-39.0	-23.4	-57.2	-34.3	-102.4
Net profit for the period	89.3	50.4	134.9	82.8	244.2
Net profit for the period attributable to:					
The parent company's shareholders	86.1	48.1	129.8	77.7	233.8
Non-controlling interests	3.2	2.3	5.1	5.1	10.4
Net profit for the period per share before and after dilution, sek	2.03	1.14	3.06	1.83	5.51
Net profit for the period per share excluding one-time items, sek	2.03	1.73	3.06	2.42	6.10

1) The operating profit for 2013 includes one-time costs of SEK 34.2M relating to severance pay and restructuring.

The Group's report on other comprehensive income

sek m	Q2 2014	Q2 2013	6 months 2014	6 months 2013	Full year 2013
Net profit for the period	89.3	50.4	134.9	82.8	244.2
OTHER COMPREHENSIVE INCOME					
Items which will not be reversed in the profit and loss account					
Revaluation of the net pension commitment	—	-0.2	—	-0.2	-0.8
Items which can later be reversed in the profit and loss account					
Exchange rate differences	78.5	79.4	83.5	-29.2	-19.8
Cash flow hedging	0.0	-0.1	0.2	1.0	2.4
Hedging of net investment	-2.0	-6.0	-2.5	-1.1	-3.2
Other comprehensive income for the period	76.5	73.1	81.2	-29.5	-21.4
Total comprehensive income for the period	165.8	123.5	216.1	53.3	222.8
Attributable to:					
The parent company's shareholders	161.0	120.3	209.0	47.6	212.6
Non-controlling interests	4.8	3.2	7.1	5.7	10.2

Summarised balance sheet

sek m	2014 06-30	2013 06-30	2013 12-31
ASSETS			
Fixed assets	1 922.7	1 834.8	1 857.1
Current assets	3 716.1	3 364.0	3 070.0
Liquid funds	168.6	192.2	181.4
Total assets	5 807.4	5 391.0	5 108.5
EQUITY AND LIABILITIES			
Shareholders' equity	2 431.7	2 247.5	2 417.0
Long term liabilities	1 011.5	1 122.5	988.0
Current liabilities	2 364.2	2 021.0	1 703.5
Total equity and liabilities	5 807.4	5 391.0	5 108.5
Of which interest-bearing liabilities	1 776.1	1 671.5	1 392.9

Key figures

sek m	2014 06-30	2013 06-30	2013 12-31
Equity ratio, %	41.9	41.7	47.3
Equity per share, sek	57	53	57
Return on equity after full tax, %	12.7	9.4	10.1
Return on capital employed, %	11.2	8.7	10.0
Return on capital employed in operations, %	11.9	9.1	10.6
Number of outstanding shares	42 391 030	42 391 030	42 391 030
Average number of outstanding shares	42 391 030	42 391 030	42 391 030
Holding of own shares	87 200	87 200	87 200

Summarised consolidated cash flow analysis

sek m	6 months 2014	6 months 2013	Full year 2013
Cash flow from current operations	179.1	91.2	263.1
Changes in working capital	-289.6	-110.1	40.2
Cash flow from investment operations	-37.9	-31.9	-54.3
Change in financing operation	332.5	260.6	-53.1
Dividend paid	-201.4	-201.4	-201.4
Change in cash and bank	-17.3	8.4	-5.5
Exchange rate difference in liquid funds	4.5	-4.9	-1.8
Cash and bank on 1 January	181.4	188.7	188.7
Cash and bank at the period end	168.6	192.2	181.4

Shareholders' equity

sek m	2014 06-30	2013 06-30
Opening balance	2 417.0	2 415.1
Adjustment relating to new accounting principles	—	-15.4
Adjusted opening balance	2 417.0	2 399.7
Total comprehensive income for the period	216.1	53.3
Dividend	-201.4	-201.4
Dividend to holders with non-controlling interest	—	-4.1
Closing balance	2 431.7	2 247.5

The Group's segment reporting

The Group's operation is split into operating segments based on how the company's chief operating decision maker, i.e. the President, monitor the operation. The Group has the following operating segments: South Europe, Central Europe, the Nordic Countries, Eastern Europe and the Rest of the World. As from 2014, the United Kingdom and Ireland is included in Central Europe. The Rest of the World consists of southern Africa and Thailand. The segment reporting for the regions contains the profit and loss account up to and including operating profit and working capital. The working capital includes inventories, trade debtors and trade creditors and is based on an average of the year's four quarters. Undistributed costs in the table below represent group-wide costs.

Q2 sek m	Southern Europe		Central Europe		Nordic countries		Eastern Europe		Rest of the world		Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
REVENUES												
Revenues	845.5	789.5	541.7	461.4	328.0	328.2	93.2	75.5	180.3	166.3	1 988.7	1 820.9
Internal revenues											-117.9	-109.0
Total revenues	845.5	789.5	541.7	461.4	328.0	328.2	93.2	75.5	180.3	166.3	1 870.8	1 711.9
RESULTS												
Result by operation	65.5	58.4	32.8	20.0	35.2	39.6	9.2	4.7	11.5	13.4	154.2	136.1
Undistributed costs											-17.3	-52.7
Operating profit	65.5	58.4	32.8	20.0	35.2	39.6	9.2	4.7	11.5	13.4	136.9	83.4
Net interest income and expenses											-8.6	-9.6
Tax											-39.0	-23.4
Net profit for the year											89.3	50.4
OTHER INFORMATION												
Working capital	879.0	874.4	562.2	525.6	382.0	378.0	137.4	128.4	288.8	288.5	2 249.4	2 194.9

6 months sek m	Southern Europe		Central Europe		Nordic countries		Eastern Europe		Rest of the world		Group	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
REVENUES												
Revenues	1 550.1	1 446.1	988.8	831.6	606.0	604.8	154.5	133.4	381.9	366.3	3 681.3	3 382.2
Internal revenues											-229.5	-206.5
Total revenues	1 550.1	1 446.1	988.8	831.6	606.0	604.8	154.5	133.4	381.9	366.3	3 451.8	3 175.7
RESULTS												
Result by operation	97.6	83.5	46.9	11.6	50.7	57.4	12.4	6.0	31.3	36.2	238.9	194.7
Undistributed costs											-30.7	-62.6
Operating profit	97.6	83.5	46.9	11.6	50.7	57.4	12.4	6.0	31.3	36.2	208.2	132.1
Net interest income and expenses											-16.1	-15.0
Tax											-57.2	-34.3
Net profit for the year											134.9	82.8
OTHER INFORMATION												
Working capital	879.0	874.4	562.2	525.6	382.0	378.0	137.4	128.4	288.8	288.5	2 249.4	2 194.9

Parent company profit and loss account in summary

sek m	6 months 2014	6 months 2013	Full year 2013
Operating income	—	—	14.1
Operating expenses	-13.4	-29.6	-43.6
Depreciation and write-downs of intangible and tangible fixed assets	-0.2	-0.3	-0.6
Operating profit ¹⁾	-13.6	-29.9	-30.1
Net interest income/expense	-1.1	1.4	1.5
Result of participations in Group companies and associated companies	82.8	99.3	232.3
Profit after financial investments	68.1	70.8	203.7
Appropriations	—	—	19.7
Profit before tax	68.1	70.8	223.4
Tax on the period's profit	3.2	6.3	1.2
Net profit	71.3	77.1	224.6

1) The operating profit for 2013 includes one-time costs of SEK 17.1M relating to severance pay and restructuring.

Parent company balance sheet in summary

sek m	2014 06-30	2013 06-30	2013 12-31
ASSETS			
Intangible and tangible fixed assets	2.0	1.2	1.8
Financial fixed assets	1 294.7	1 373.7	1 291.5
Current assets	613.5	220.2	442.4
Total assets	1 910.2	1 595.1	1 735.7
EQUITY AND LIABILITIES			
Shareholder's equity	1 583.3	1 565.9	1 713.4
Untaxed reserves	—	10.3	—
Long-term liabilities	—	—	0.1
Current liabilities	326.9	18.9	22.2
Total equity and liabilities	1 910.2	1 595.1	1 735.7

*Beijer Ref is a technology-oriented trading Group
which, through added-value products,
offers competitive solutions within
refrigeration and climate control*

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On our website, www.beijerref.com, you will always find the latest information.
Here, we publish financial information, news releases and much more.

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In the event of any discrepancies between this translation and the original Swedish document, the latter shall be deemed correct.