

# G&L BEIJER Q4/2013

## Year-End Report 2013

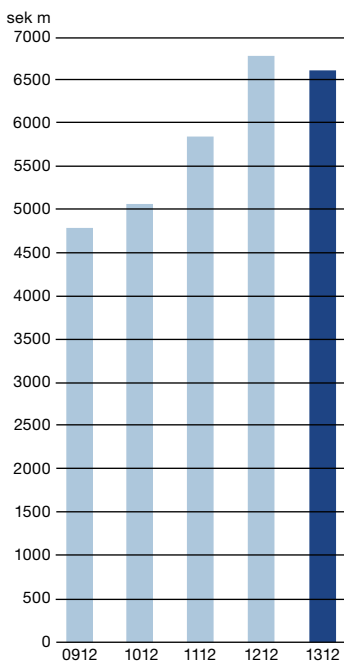
- Net sales amounted to SEK 6,595.4M (6,758.3).
- Operating profit before one-time items amounted to SEK 411.9M (425.7). Including one-time items, operating profit was SEK 377.7M (415.2).
- Excluding one-time items, net profit amounted to SEK 269.2M (293.0). Including one-time items, net profit amounted to SEK 244.2M (305.8).
- Profit per share amounted to SEK 6.10 (6.66) excluding one-time items. Including one-time items, profit per share amounted to SEK 5.51 (6.96).
- Continued positive trend during the fourth quarter with a sales increase of three per cent compared with the corresponding quarter in the previous year. Operating profit increased by 18 per cent for the same period.
- The Board of Directors proposes a dividend of SEK 4.75 (4.75) per share.
- The South African refrigeration wholesale company, Eurocool, was acquired after the end of the reporting period.



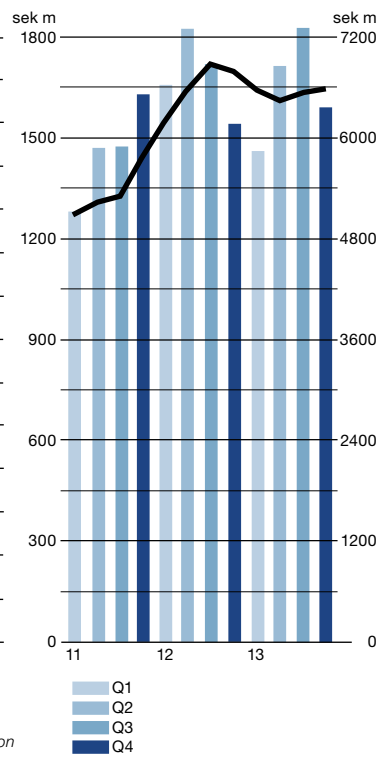


**G & L Beijer AB**  
**Year-End Report**  
**January - December 2013**

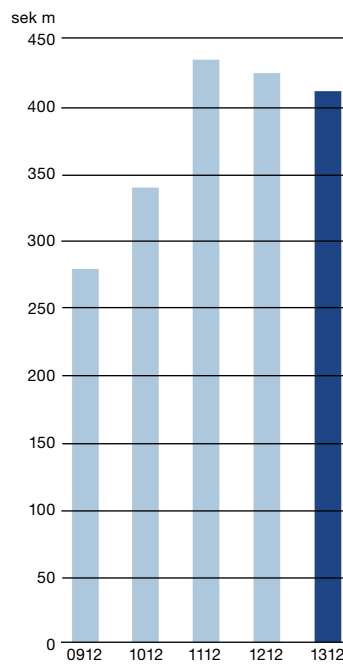
**Sales, 12 months**



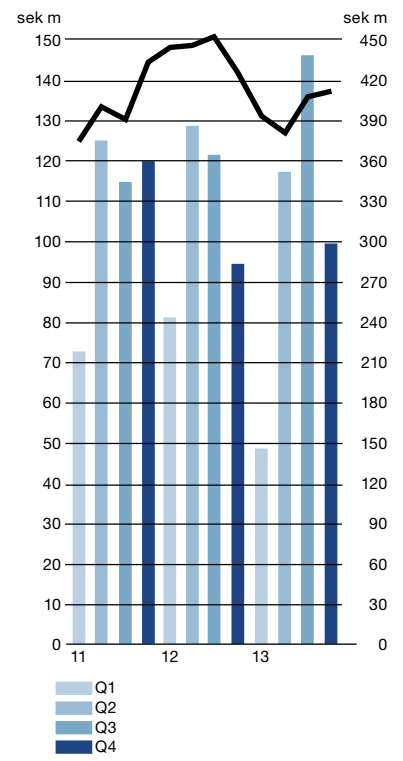
**Sales by quarter and rolling 12-months**



**Operating profit, 12 months**



**Operating profit by quarter and rolling 12-months**



The diagrams refer to the remaining operation and are adjusted for one-time items which occurred in 2012 and 2013.

Sales per quarter, left scale  
 Sales, rolling 12 months average, right scale

Profit per quarter, left scale  
 Profit, rolling 12 months average, right scale

|                                  | 12 months 2013 | 12 months 2012 | 12 months 2011 |
|----------------------------------|----------------|----------------|----------------|
| Sales, SEK M                     | 6 595.4        | 6 758.3        | 5 846.4        |
| Operating profit, SEK M          | 411.9          | 425.7          | 432.5          |
| Net profit for the period, SEK M | 269.2          | 293.0          | 336.0          |
| Profit per share, SEK            | 6.10           | 6.66           | 7.69           |

The table refers to the remaining operation and is adjusted for one-time items.

Share split carried out on 29 June 2012. All comparative figures are recalculated taking into account the implemented split.



G & L Beijer is a technology-oriented trading Group which, through added-value products, offers competitive solutions within refrigeration and comfort climate.

## Sales

G & L Beijer enjoyed a stable performance during the year. After the first six months, when several markets were characterised by weak demand, the trend turned upwards. The third quarter of the year was the Group's best so far, both from a point of view of sales and the results for the current operation. The fourth quarter remained positive which indicates some improvement in the market.

Consolidated net sales fell by two per cent to SEK 6,595.4M (6,758.3) for the 2013 full year. Organic sales were unchanged compared with the previous year.

Sales for the fourth quarter amounted to SEK 1,589.2M (1,543.3), an increase of three per cent in both reported and organic terms. Overall, the second half of 2013 was stronger than the first six months of the year, as well as in the same period previous year. South Africa is the region where sales improved most during the year.

The weak demand that previously prevailed in Europe has improved. The Scandinavian countries, as well as the United Kingdom and Ireland, enjoyed a positive development, which, above all, can be attributed to the second half of the year. Southern Europe also shows signs of stabilisation.

## Results

Consolidated operating profit excluding one-time items for the 2013 full year amounted to SEK 411.9M (425.7). Including one-time items of SEK 34.2M, the result amounted to SEK 377.7M (415.2). The operating profit for the fourth quarter was SEK 98.9M (84.0), an increase of 18 per cent compared with the same period in the previous year. The improved result for the quarter is explained by a stabilisation of the market and by positive effects from the structural measures initiated during the second quarter.

During 2012, a number of structural measures and cost savings were initiated aimed at mitigating the effects of the reduced demand in the market. Additional measures implemented in 2013 affect the result with one-off costs of SEK 34.2M for severance pay and restructuring. The implemented measures are estimated to generate annual cost savings of approximately SEK 50M, of which the majority have been realised and affect the result for 2013.

The Group's financial income/expense amounted to SEK -31.1M (-10.3) for the full year and to SEK -7.4M (-8.0) for the fourth quarter. Financial income/expense for 2012 included capital gains of SEK 22.0M from the divestment of a participation in an associated company.

Profit before tax amounted to SEK 346.6M (404.9) for the full year and to SEK 91.5M (76.0) for the fourth quarter. Profit after tax amounted to SEK 244.2M (305.8) for the full year and to SEK 61.1M (49.6) for the fourth quarter. Adjusted for one-time items, profit for the year amounted to SEK 269.2M (293.0).

Profit per share amounted to SEK 5.51 (6.96). Adjusted for one-time items, profit per share was 6.10 (6.66).

## Dividend

The Board of Directors proposes that the Annual Meeting of shareholders resolves that a dividend of SEK 4.75 (4.75) per share shall be paid for the 2013 financial year. This is equivalent to a total of SEK 201.4M if the shares currently held by the company are excluded.

## Other financial information

Consolidated capital expenditure including acquisitions amounted to SEK 65.3M (88.3) for the full year. Liquid funds, including unutilised bank overdraft facilities, were SEK 563.2M (538.0). Shareholders' equity amounted to SEK 2,417.0M (2,399.7) at the year end. The net debt was SEK 1,211.5M (1,228.5). The equity ratio amounted to 47.3 per cent (47.9). The average number of employees during the period was 2,137(2,141).

## Significant events 2013

In April, G & L Beijer acquired the Danish refrigeration wholesaler, FK Teknik, which reported sales of approximately SEK 32M in 2012 and showed good profitability. The company, founded in 1956, enjoys a very good reputation in the market. FK Teknik has five employees. The acquisition was a step forward in a consolidation of the Danish market. G & L Beijer already has a strong position through its existing operation in Denmark. The acquisition is deemed to have a marginal positive effect on G & L Beijer's profit per share. FK Teknik is included in G & L Beijer's accounts from 1 April 2013.

In June, the Board of Directors appointed Per Bertland as the new President and CEO of G & L Beijer. Per Bertland took up his duties on 1 July 2013. He has worked in different functions within the G & L Beijer Group since 1990. He has been Head of the Beijer Ref business area and a Member of the Executive Management.

## Events after the end of the reporting period

In January 2014, 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 expected to provide cost synergies, increased efficiency and increased purchasing volumes through co-ordination with the company's existing operation in southern Africa. The acquisition is deemed to have a marginal positive effect on G & L Beijer's profit per share in 2014. Eurocool is included in G & L Beijer's accounts from January 2014.

## Risk assessment

The operations of the G & L Beijer 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 operations are dependent on the general economic trend, especially in Europe, which controls the demand for G & L Beijer'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 operations, G & L Beijer 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 pages 40 and 58 in the Annual Report for 2012.

## Financial information

- The Annual Report for 2013 will be published in April 2014.
- The Three-Month Report for 2014 will be published on 23 April 2014.

The Annual Meeting of shareholders will be held on 24 April 2014.

*Malmö, 6 February 2014*  
*G & L Beijer AB (publ)*  
*Board of Directors*

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

## Accounting principles

This interim report has been prepared in accordance with IAS 34, the Annual Accounts Act and RFR 2. G & L Beijer 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, with application from 1 January 2013.

Amendments to IAS 1, 'Formulation of financial reports', has brought about demands on the classification of items reported in 'Other comprehensive income' based on whether they could come to be reclassified to the result or not. This has meant that new headlines have been added to the report, 'The Group's report on other comprehensive income'.

Application of IFRS 13, 'Fair value measurement', aims at reducing the complexity by giving a more precise definition of fair value and standardise the disclosure requirements. The Group's judgement is that the standard solely means extended supplementary disclosures.

As at 31 December 2013, the Group has derivatives for hedging purposes valued at fair value. The reported value amounts to SEK -5M. On 31 December 2012, the value of hedging instruments amounted to SEK -8M. Valuation has been made in accordance with valuation level 2. Derivatives in level 2 consist of interest swaps used for hedging purposes. The valuation of interest swaps is based on forward interest rates produced on the basis of current market rates. The Group has a holding in unlisted securities amounting to SEK 81M on 31 December 2013. On 31 December 2012, the value of this holding amounted to SEK 77M. This holding is classified as financial assets available for sale. It was not possible to calculate the fair value of these securities in a reliable way on 31 December 2013. Therefore, valuation has been made at the Group's acquisition value, i.e. in accordance with level 3. There is no observable market data and G & L Beijer has not been given access to information which can form the basis for an estimate. The book value of other financial assets and liabilities in the Group essentially corresponds with the fair value.

The amendment to IAS 19, 'Remuneration of employees' (retroactive application), means that all actuarial profits and losses are reported directly in other comprehensive income as they arise and that post-employment costs will be reported immediately. A net interest rate on the defined benefit net liability is calculated and reported in the result together with costs for the year's earnings.

Equity brought forward in 2012 has been affected negatively by approximately SEK 9M net after tax due to the fact that previously unreported actuarial losses have been reported taking into account deferred tax. This means an increase of SEK 12M in pension provisions and an increase of SEK 3M in deferred tax assets. The result for the year for the 2012 financial year has also been recalculated in accordance with the new principles and this has not brought about any tangible effect on the result for the year. Other comprehensive income for 2012 has been negatively affected by, in total, approximately SEK 6M net after tax due to previously unreported actuarial losses which have been reported during the period. The revaluation result is distributed evenly over the year. The total negative influence on equity carried forward for 2012 is, therefore, SEK 15M. This means that at the end of 2012, the provision for pensions has increased by SEK 20M and the deferred tax asset by SEK 5M, compared with previous principles.



## Summarised profit and loss account (SEK M)

|   | 12 months<br>2013 | 12 months<br>2012 | Q4<br>2013 | Q4<br>2012 |
|---|-------------------|-------------------|------------|------------|
| Net sales .....                             | 6 595.4           | 6 758.3           | 1 589.2    | 1 543.3    |
| Other operating income.....                 | 13.7              | 11.3              | 6.5        | 4.0        |
| Operating expenses.....                     | -6 170.6          | -6 291.3          | -1 482.3   | -1 444.6   |
| Depreciation.....                           | -60.8             | -63.1             | -14.5      | -18.7      |
| Operating profit <sup>1)</sup> .....        | 377.7             | 415.2             | 98.9       | 84.0       |
| Net interest expense.....                   | -31.3             | -34.6             | -7.4       | -8.2       |
| Other financial results <sup>2)</sup> ..... | 0.2               | 24.3              | —          | 0.2        |
| Profit before tax .....                     | 346.6             | 404.9             | 91.5       | 76.0       |
| Tax.....                                    | -102.4            | -99.1             | -30.4      | -26.4      |
| Net profit for the period .....             | 244.2             | 305.8             | 61.1       | 49.6       |

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

Operating profit for 2012 includes one-time costs of SEK 10.5M for the close-down of part of the operation in Switzerland.

2) Profit for 2012 includes a capital gain of SEK 22.0M for the divestment of a participation in Förvaltnings AB Norra Vallgatan.

Net profit for the period attributable to:

|  |       |       |      |      |
|--|-------|-------|------|------|
| The parent company's shareholders..... | 233.8 | 295.2 | 58.6 | 46.9 |
| Non-controlling interests .....        | 10.4  | 10.6  | 2.5  | 2.7  |

Net profit for the period per share

|  |      |      |      |      |
|--|------|------|------|------|
| before and after dilution, sek.....  | 5.51 | 6.96 | 1.38 | 1.11 |
| Net profit for the period per share excluding<br>one-time items, sek ..... | 6.10 | 6.66 | 1.38 | 1.32 |

Share split carried out on 29 June 2012. All comparative figures are recalculated taking into account the implemented split.

## The Group's report on other comprehensive income (SEK M)

|   | 12 months<br>2013 | 12 months<br>2012 | Q4<br>2013 | Q4<br>2012 |
|---|-------------------|-------------------|------------|------------|
| Net profit for the period .....   | 244.2             | 305.8             | 61.1       | 49.6       |
| <b>Other comprehensive income</b>                                       |                   |                   |            |            |
| <i>Items which will not be reversed in the profit and loss account</i>  |                   |                   |            |            |
| Revaluation of the net pension commitment.....                          | -0.8              | -6.1              | -0.5       | -1.5       |
| <i>Items which can later be reversed in the profit and loss account</i> |                   |                   |            |            |
| Exchange rate differences.....  | -19.8             | -120.0            | 53.1       | 19.3       |
| Cash flow hedging .....   | 2.4               | -4.8              | 0.1        | -21.4      |
| Hedging of net investment.....  | -3.2              | 9.0               | -2.0       | 13.4       |
| Other comprehensive income for the period .....                         | -21.4             | -121.9            | 50.7       | 9.8        |
| Total comprehensive income for the period.....                          | 222.8             | 183.9             | 111.8      | 59.4       |
| Attributable to:  |                   |                   |            |            |
| The parent company's shareholders.....                                  | 212.6             | 174.6             | 109.0      | 56.1       |
| Non-controlling interests .....   | 10.2              | 9.3               | 2.8        | 3.3        |

## Summarised balance sheet (SEK M)

|   | 2013<br>12-31  | 2012<br>12-31  |
|---|----------------|----------------|
| <b>Assets</b>                               |                |                |
| Fixed assets .....                          | 1 857.1        | 1 835.6        |
| Current assets.....                         | 3 070.0        | 2 988.9        |
| Liquid funds .....                          | 181.4          | 188.7          |
| <b>Total assets</b> .....                   | <b>5 108.5</b> | <b>5 013.2</b> |
| <b>Equity and liabilities</b>               |                |                |
| Shareholders' equity.....                   | 2 417.0        | 2 399.7        |
| Long term liabilities.....                  | 988.0          | 979.2          |
| Current liabilities .....                   | 1 703.5        | 1 634.3        |
| <b>Total equity and liabilities</b> .....   | <b>5 108.5</b> | <b>5 013.2</b> |
| Of which interest-bearing liabilities ..... | 1 392.9        | 1 417.2        |

## Key figures

|  | 2013<br>12-31 | 2012<br>12-31 |
|--|---------------|---------------|
| Equity ratio, % .....                            | 47.3          | 47.9          |
| Equity per share, sek .....                      | 57            | 57            |
| Return on equity after full tax, % .....         | 10.1          | 12.7          |
| Return on capital employed, % .....              | 10.0          | 11.6          |
| Return on capital employed in operations, %..... | 10.6          | 11.8          |
| Number of outstanding shares.....                | 42.391.030    | 42.391.030    |
| Average number of outstanding shares .....       | 42.391.030    | 42.391.030    |
| Holding of own shares .....                      | 87.200        | 87.200        |

Share split carried out on 29 June 2012. All comparative figures are recalculated taking into account the implemented split.

## Summarised consolidated cash flow analysis (SEK M)

|   | 12 months<br>2013 | 12 months<br>2012 |
|---|-------------------|-------------------|
| Cash flow from current operations.....        | 261.6             | 335.4             |
| Changes in working capital .....              | 50.1              | -193.0            |
| Cash flow from investment operations.....     | -62.8             | -15.2             |
| Change in financing operation.....            | -53.0             | 23.7              |
| Dividend paid .....                           | -201.4            | -190.8            |
| Change in cash and bank .....                 | -5.5              | -39.9             |
| Exchange rate difference in liquid funds..... | -1.8              | -8.8              |
| Cash and bank on 1 January.....               | 188.7             | 237.4             |
| Cash and bank at the period end .....         | 181.4             | 188.7             |

## Shareholders' equity (SEK M)

|  | 2013<br>12-31  | 2012<br>12-31  |
|--|----------------|----------------|
| Opening balance.....                                   | 2 415.1        | 2 418.9        |
| Adjustment relating to new accounting principles.....  | -15.4          | -9.2           |
| Adjusted opening balance .....                         | 2 399.7        | 2 409.7        |
| Total comprehensive income for the period.....         | 222.8          | 183.8          |
| Dividend .....   | -201.4         | -190.8         |
| Dividend to holders with non-controlling interest..... | -4.1           | -3.0           |
| <b>Closing balance</b> .....                           | <b>2 417.0</b> | <b>2 399.7</b> |

## Reporting for segments (sek m)

|                         | Beijer Ref        |                   | Group             |                   |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
|                         | 12 months<br>2013 | 12 months<br>2012 | 12 months<br>2013 | 12 months<br>2012 |
| <b>R e v e n u e s</b>  |                   |                   |                   |                   |
| External revenues ..... | 6 595.4           | 6 758.3           | 6 595.4           | 6 758.3           |
| Total revenues.....     | 6 595.4           | 6 758.3           | 6 595.4           | 6 758.3           |

|   |       |       |       |       |
|---|-------|-------|-------|-------|
| <b>R e s u l t s</b>                    |       |       |       |       |
| Result by operation <sup>1)</sup> ..... | 425.5 | 451.4 | 425.5 | 451.4 |
| Undistributed costs <sup>2)</sup> ..... |       |       | -47.8 | -36.2 |
| Operating profit.....                   | 425.5 | 451.4 | 377.7 | 415.2 |

1) The result for Beijer Ref in 2013 includes one-time costs for restructuring of SEK 17.1M.

2) The item Undistributed costs for 2013 includes one-time costs for severance pay and restructuring of SEK 17.1M.

|   | Beijer Ref    |               | Group         |               |
|---|---------------|---------------|---------------|---------------|
|   | 2013<br>12-31 | 2012<br>12-31 | 2013<br>12-31 | 2012<br>12-31 |
| <b>A s s e t s</b>                      |               |               |               |               |
| Assets.....                             | 5 224.0       | 5 136.9       | 5 224.0       | 5 136.9       |
| Undistributed assets/eliminations ..... |               |               | -115.5        | -123.7        |
| Total assets.....                       | 5 224.0       | 5 136.9       | 5 108.5       | 5 013.2       |

## Parent company profit and loss account in summary (SEK M)

|   | 12 months<br>2013 | 12 months<br>2012 |
|---|-------------------|-------------------|
| Operating income .....  | 11.9              | 9.3               |
| Operating expenses.....   | -41.6             | -24.7             |
| Depreciation and write-downs of intangible and<br>tangible fixed assets ..... | -0.4              | -0.7              |
| Operating profit <sup>1)</sup> .....  | -30.1             | -16.1             |
| Net interest income/expense.....  | 1.5               | 2.7               |
| Result of participations in Group companies<br>and associated companies.....  | 232.3             | 301.5             |
| Profit after financial investments .....                                      | 203.7             | 288.1             |
| Appropriations .....  | 19.7              | 1.0               |
| Profit before tax .....   | 223.4             | 289.1             |
| Tax on the period's profit.....   | 1.2               | 0.8               |
| Net profit .....  | 224.6             | 289.9             |

1) Operating profit for 2013 includes one-time costs for severance pay and restructuring of SEK 17.1M.

## Parent company balance sheet in summary (SEK M)

|  | 2013<br>12-31 | 2012<br>12-31 |
|--|---------------|---------------|
| <b>A s s e t s</b>                                 |               |               |
| Intangible and tangible fixed assets.....          | 1.8           | 1.3           |
| Financial fixed assets.....                        | 1 291.5       | 1 366.2       |
| Current assets.....                                | 442.4         | 355.4         |
| Total assets .....                                 | 1 735.7       | 1 722.9       |
| <b>E q u i t y   a n d   l i a b i l i t i e s</b> |               |               |
| Shareholder's equity.....                          | 1 713.4       | 1 690.2       |
| Untaxed reserves.....                              | —             | 10.3          |
| Long-term liabilities .....                        | 0.1           | —             |
| Current liabilities .....                          | 22.2          | 22.4          |
| Total equity and liabilities .....                 | 1 735.7       | 1 722.9       |

# BEIJERS

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