

Southern Europe on the right track

1234

the quarter

in brief

15.1%

Increase in sales

15.6%

Increase in operating profit

7.4%

Operating margin

107.2 mkr

Net profit

2.48 kr

Profit per share

Quarter 2 2015

- Net sales amounted to SEK 2,152.9M (1,870.8).
- Operating profit amounted to SEK 158.3M (136.9).
- Net profit amounted to SEK 107.2M (89.3).
- Profit per share amounted to SEK 2.48 (2.03).
- Continued positive trend in the second quarter with sales growth of 15.1 per cent and an operating profit improvement of 15.6 per cent compared with the corresponding quarter in the previous year.
- Strong development in the Nordic countries, a continued positive trend in Southern Europe and positive contributions from the acquisitions made during the first quarter in New Zealand, Australia, Thailand, India and Malaysia.

Key figures

sek m	Q2 2015	Q2 2014	Change	6 months 2015	6 months 2014	Change	Full year 2014
Sales	2 152.9	1 870.8	15.1%	3 998.6	3 451.8	15.8%	7 189.0
Operating profit	158.3	136.9	15.6%	252.5	208.2	21.3%	481.4
Operating margin %	7.4	7.3	0.1	6.3	6.0	0.3	6.7
Net profit	107.2	89.3	20.0%	167.7	134.9	24.3%	324.5
Profit per share, sek	2.48	2.03	22.2%	3.87	3.06	26.5%	7.46

eco-friendly

refrigeration technology on the increase

Comments by the CEO

Beijer Ref's second quarter in 2015 consolidates the positive trend from the first quarter. It is especially pleasing that Beijer Ref's largest market region Southern Europe, which accounts for nearly 40 per cent of the Group's total sales, continues on a good trend.

Beijer Ref's operation is partly weather dependent and warm summers bring about increased sales, but the result in Southern Europe is especially due to an increased demand as a result of stronger markets. It seems as if the economic reform work, especially in Spain, but also in the other countries in the region, is beginning to impact, which gives a reason for cautious optimism about continued growth in Southern Europe.

This, combined with continued strong growth in Sweden, the acquisitions made and continued good development in southern Africa, contributed to enabling Beijer Ref to increase its sales for the second quarter by 15.1 per cent and to an increased operating profit of SEK 158.3M – an increase of 15.6 per cent compared with the same period in 2014. This is the so far strongest quarter ever for Beijer Ref.

Beijer Ref's investment in carbon dioxide-based refrigeration systems continues to capture market share, especially in the Nordic countries. Compared with the second quarter in 2014, sales of eco-friendly refrigeration systems have trebled in Sweden, a success that can be attributed to the Group's investment in eco-friendly refrigeration systems developed by the company. This manufacturing is currently carried out in Italy, Sweden and, since May, also in France, where the newly established manufacturing company, SCM REF France, delivers chillers to the Beijer Ref companies in Southern Europe. Beijer Ref's OEM investment continues with expansion in additional geographic markets.

Breakthrough order in Poland

In Central Europe, especially Holland and Belgium report stable growth. In Eastern Europe, the market concern that can be attributed to the Ukraine crisis remains evident. However, a gratifying and future-oriented message came at the beginning of July when Beijer Ref in Poland signed its first order for carbon dioxide-based refrigeration systems. These are manufactured by Beijer Ref's OEM division and installed in a logistics centre for a leading food chain in Europe. Beijer Ref's objective is to be a proactive participant in the changeover to eco-friendly refrigeration technology in Europe. The Polish order should be regarded as something of a breakthrough in the Polish refrigeration market. Beijer Ref has previously delivered carbon dioxide-based refrigeration systems manufactured by the company in the Estonian and Latvian markets. The company's own manufacturing of eco-friendly refrigeration systems are currently growing faster than any other activity.

Successful integration of acquisitions

The acquisitions made in the first quarter – of the refrigeration wholesaler Patton's operations in New Zealand, Australia, Thailand and India, and of RNA Engineering & Trading in Malaysia – are already well integrated within the Beijer Ref organisation and the work involved with the realisation of synergies continues. For example, the production in Thailand is under evaluation for the possible introduction of European technology. All one-off and structural costs related to the acquisitions are taken in the second quarter.

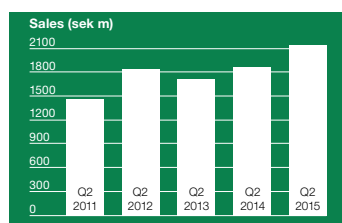
Hot July bodes well

With an initially hot July in Southern Europe, the continuing general strong market development and a breakthrough for eco-friendly refrigeration systems in Poland, I am looking forward with confidence to the third quarter for Beijer Ref.

Per Bertland
CEO, Beijer Ref AB

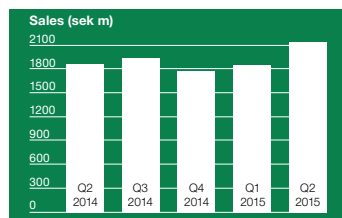
quarterly

report Q2 2015



About Beijer Ref

Beijer Ref is one of the largest refrigeration wholesalers in the world and the leading company in this sector in Europe. The Group offers competitive and innovative solutions within refrigeration and air conditioning providing customer-adapted products, chillers developed by the company itself, a high level of service and efficient logistics.



Sales

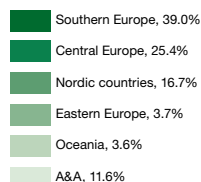
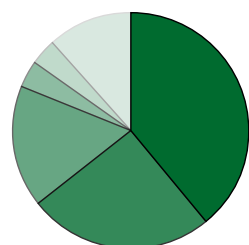
Beijer Ref increased its sales by 15.1 per cent to SEK 2,152.9M (1,870.8) for the second quarter of 2015. Adjusted for exchange rate fluctuations and acquisitions, the organic change in sales was three per cent.

The Group increased its sales by 15.8 per cent to SEK 3,998.6M (3,451.8) during the period January to June which organically is an increase of two per cent.

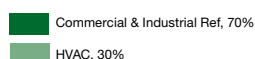
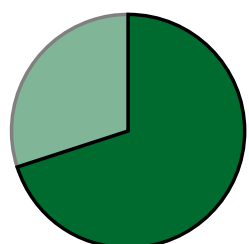
Beijer Ref operates in three market areas: commercial refrigeration, industrial refrigeration and HVAC (comfort cooling). The Group splits its operation in the global market into six geographic segments: The Nordic countries, Central Europe, Eastern Europe, Southern Europe, A&A (Africa and Asia) and Oceania.

Behind this quarter's sales increase lies a positive development in Southern Europe, the Nordic countries and A&A as well as acquisitions.

The regions' share of total sales, %



Share of sales, market segments, %



Results

The Group's operating profit amounted to SEK 158.3M (136.9) for the second quarter. The result increase can mainly be explained by increased activity in the Nordic countries, Southern Europe and South Africa as well as acquisitions.

For the first six months, operating profit amounted to 252.5M (208.2). The main reason why the increase in the profit calculated as a percentage was not higher in relation to the sales increase is that the majority of the sales increase comes from acquisitions and currency effects. The acquisitions give the same proportional increase in the profit as in the sales as the margins of the acquisitions are close to the Group's total margin. Exchange rate fluctuations have the same percentage effect on the sales as on the profit as long as this has largely the same distribution as the sales, which is the case.

The Group's financial income/expense amounted to SEK -6.9M (-8.6) for the second quarter. Profit before tax was SEK 151.3M (128.3). Net profit was SEK 107.2M (89.3). Profit per share amounted to SEK 2.48 (2.03). For the first six months of the year, the Group's financial income/expense amounted to SEK -16.2M (-16.1). Profit before tax was SEK 236.3M (192.1). Net profit amounted to SEK 167.7M (134.9). Profit per share was SEK 3.87 (3.06).

Other financial information

Consolidated capital expenditure, including acquisitions, amounted to SEK 172.6M (40.2) for the first six months of the year. Shareholders' equity amounted to SEK 2,588.9M (2,431.7). The net debt was SEK 1,776.3M (1,607.5). The equity ratio amounted to 40.7 per cent (41.9). The average number of employees during the period was 2,361 (2,169).

Significant events during the first six months of the year

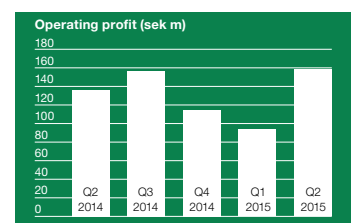
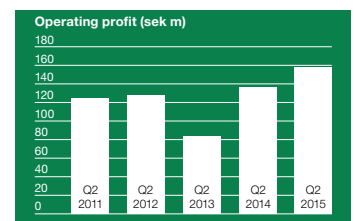
In January, Beijer Ref signed an agreement with, Carrier International Corporation, the world-leading American refrigeration group. The agreement gives the Swedish refrigeration wholesaler the exclusive right to distribute Carrier's DX product series within the comfort-cooling segment and to all pertaining service of these products in Europe.

In February, Beijer Ref acquired all the shares in the refrigeration wholesale company, RNA Engineering & Trading, which has its head office in Kuala Lumpur, Malaysia. The company reports sales of approximately SEK 45M. It is the leading refrigeration wholesaler in the Malaysian market for commercial refrigeration.

In March, Beijer Ref acquired all the shares in the refrigeration wholesale company, Patton, which has its head office in Auckland, New Zealand, and operations in New Zealand, Australia, India and Thailand. Patton was founded in 1923 and reports sales of approximately SEK 400M. It is the leading refrigeration wholesaler in New Zealand, with some sales of products manufactured by the company itself. The acquisition gives Beijer Ref a foothold in the important New Zealand, Australian and Indian markets and, at the same time, strengthens the existing operation in Thailand.

In May, Beijer Ref expanded its OEM division through the formation of the company SCM REF France which, with its registered office in Lyon, will focus on the development of an assembly operation to Beijer Ref's subsidiaries in Southern Europe. The Group transfers its collective refrigeration competence to a growing portfolio with products manufactured by the company itself, modelled on the Italian company's, SCM Frigo, recipe for success. In Sweden, the manufacturing company, SCM REF Sweden, already exists.

In June, Beijer Ref Poland signed its first order for carbon dioxide-based refrigeration systems, which is a step forward in the Group's ambition to participate in the changeover to eco-friendly refrigeration technology in Europe.



Risk assessment

The operation of the Beijer Ref Group is 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

- The Nine-Month Report for 2015 will be published on 22 October 2015.
- The Year-end Report for 2015 will be published in February 2016.
- The Annual Report for 2015 will be published in March 2016.

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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, 17 July 2015

Bernt Ingman
Chairman

Peter Jessen Jürgensen
Board Member

Frida Norrbom Sams
Board Member

William Striebe
Board Member

Philippe Delpech
Board Member

Monica Gimre
Board Member

Joen Magnusson
Board Member

Per Bertland
President

Accounting 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.

New and changed standards applicable as of 1 January 2015 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 2015	Q2 2014	6 months 2015	6 months 2014	Full year 2014
Net sales	2 152.9	1 870.8	3 998.6	3 451.8	7 189.0
Other operating income	6.8	2.4	9.6	4.9	20.9
Operating expenses	-1 983.9	-1 720.9	-3 721.7	-3 218.1	-6 666.1
Depreciation	-17.5	-15.4	-34.0	-30.4	-62.4
Operating profit	158.3	136.9	252.5	208.2	481.4
Net interest expense	-6.9	-8.6	-16.2	-16.1	-34.9
Profit before tax	151.4	128.3	236.3	192.1	446.5
Tax	-44.2	-39.0	-68.6	-57.2	-122.0
Net profit	107.2	89.3	167.7	134.9	324.5
Net profit attributable to:					
The parent company's shareholders	105.1	86.1	164.0	129.8	316.4
Non-controlling interests	2.1	3.2	3.7	5.1	8.1
Net profit per share before and after dilution, sek	2.48	2.03	3.87	3.06	7.46

The Group's report on other comprehensive income

sek m	Q2 2015	Q2 2014	6 months 2015	6 months 2014	Full year 2014
Net profit	107.2	89.3	167.7	134.9	324.5
OTHER COMPREHENSIVE INCOME					
Items which will not be reversed in the profit and loss account					
Revaluation of the net pension commitment	—	—	—	—	-6.7
Items which can later be reversed in the profit and loss account					
Exchange rate differences	-48.6	78.5	-13.3	83.5	178.4
Cash flow hedging	0.6	0.0	1.1	0.2	1.0
Hedging of net investment	9.1	-2.0	10.2	-2.5	-9.3
Other comprehensive income for the period	-38.9	76.5	-2.0	81.2	163.4
Total comprehensive income for the period	68.3	165.8	165.7	216.1	487.9
Attributable to:					
The parent company's shareholders	69.9	161.0	162.9	209.0	474.8
Non-controlling interests	-1.6	4.8	2.8	7.1	13.1

Summarised balance sheet

sek m	2015 06-30	2014 06-30	2014 12-31
ASSETS			
Fixed assets	2 059.8	1 922.7	2 005.3
Current assets	4 048.6	3 716.1	3 457.1
Liquid funds	252.2	168.6	236.1
Total assets	6 360.6	5 807.4	5 698.5
EQUITY AND LIABILITIES			
Shareholders' equity	2 588.9	2 431.7	2 618.6
Long term liabilities	1 500.1	1 011.5	1 274.3
Current liabilities	2 271.6	2 364.2	1 805.6
Total equity and liabilities	6 360.6	5 807.4	5 698.5
Of which interest-bearing liabilities	2 028.5	1 776.1	1 665.9

Key figures

sek m	2015 06-30	2014 06-30	2014 12-31
Equity ratio, %	40.7	41.9	46.0
Equity per share, sek	61	57	62
Return on equity after full tax, %	14.2	12.7	12.9
Return on capital employed, %	12.0	11.2	11.9
Return on capital employed in operations, %	12.7	11.9	12.7
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 2015	6 months 2014	Full year 2014
Cash flow from current operations	235.3	179.1	380.2
Changes in working capital	-191.5	-289.6	-139.3
Cash flow from investment operations	-112.5	-37.9	-168.8
Change in financing operation	299.5	332.5	170.8
Dividend paid	-212.0	-201.4	-201.4
Change in cash and bank	18.8	-17.3	41.5
Exchange rate difference in liquid funds	-2.7	4.5	13.2
Cash and bank on 1 January	236.1	181.4	181.4
Cash and bank at the period end	252.2	168.6	236.1

Shareholders' equity

sek m	2015 06-30	2014 06-30
Opening balance	2 618.6	2 417.0
Total comprehensive income for the period	165.7	216.1
Dividend	-212.0	-201.4
Non-controlling interest arising on business combinations	16.6	—
Closing balance	2 588.9	2 431.7

The Group's segment reporting

The Group's operation is split into operating segments based on how the company's highest executive decision maker, i.e. the CEO, monitors the operation. The Group has the following operating segments: Southern Europe, the Nordic Countries, Central Europe, Eastern Europe, A&A (Africa and Asia) and Oceania.

The segment reporting for the regions contains the profit and loss account up to and including operating profit and working capital. The working capital consists of inventories, trade debtors and trade creditors and is an average for the respective period.

Undistributed costs in the table below represent group-wide costs.

Q2 sek m	Southern Europe		Central Europe		Nordic Countries		Eastern Europe		A&A		Oceania		Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
REVENUES														
Revenues	914.5	845.5	588.1	541.7	382.6	328.0	93.0	93.2	232.5	180.3	116.1	0.0	2 326.8	1 988.7
Internal revenues	-77.3	-68.2	-50.4	-31.3	-20.4	-16.8	-2.6	-1.6	-13.5	0.0	-9.7	0.0	-173.9	-117.9
Total revenues	837.2	777.3	537.7	510.4	362.2	311.2	90.4	91.6	219.0	180.3	106.4	0.0	2 152.9	1 870.8
RESULTS														
Result by operation	69.0	60.6	26.9	31.0	46.5	34.8	6.8	8.8	13.5	11.5	8.4	0.0	171.1	146.7
Undistributed costs													-12.8	-9.8
Operating profit	69.0	60.6	26.9	31.0	46.5	34.8	6.8	8.8	13.5	11.5	8.4	0.0	158.3	136.9
Net interest income													-6.9	-8.6
Tax													-44.2	-38.9
Net profit													107.2	89.3
OTHER INFORMATION														
Working capital, average for the period	936.9	994.9	656.8	595.2	423.4	390.3	142.9	138.8	389.1	285.6	150.5	0.0	2 699.6	2 404.8

6 months sek m	Southern Europe		Central Europe		Nordic Countries		Eastern Europe		A&A		Oceania		Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
REVENUES														
Revenues	1 686.6	1 550.2	1 098.0	988.8	721.9	605.9	159.9	154.5	500.7	381.9	158.7	0.0	4 325.8	3 681.3
Internal revenues	-157.8	-133.7	-90.4	-59.4	-40.1	-33.0	-4.8	-3.4	-24.4	0.0	-9.7	0.0	-327.2	-229.5
Total revenues	1 528.8	1 416.5	1 007.6	929.4	681.8	572.9	155.1	151.1	476.3	381.9	149.0	0.0	3 998.6	3 451.8
RESULTS														
Result by operation	104.2	92.1	36.7	44.8	74.1	50.1	8.9	11.8	41.3	31.2	13.9	0.0	279.1	230.0
Undistributed costs													-26.6	-21.8
Operating profit	104.2	92.1	36.7	44.8	74.1	50.1	8.9	11.8	41.3	31.2	13.9	0.0	252.5	208.2
Net interest income													-16.2	-16.1
Tax													-68.6	-57.2
Net profit													167.7	134.9
OTHER INFORMATION														
Working capital, average for the period	902.2	911.2	639.2	570.0	424.9	375.0	139.9	133.7	399.6	278.2	174.0	0.0	2 679.8	2 268.1

Parent company profit and loss account in summary

sek m	6 months 2015	6 months 2014	Full year 2014
Operating income	—	—	21.1
Operating expenses	-27.0	-13.4	-30.3
Depreciation and write-downs of intangible and tangible fixed assets	-0.3	-0.2	-0.4
Operating profit	-27.3	-13.6	-9.6
Net interest income/expense	29.9	-1.1	-5.4
Result of participations in Group companies and associated companies	54.2	82.8	223.4
Profit after financial investments	56.8	68.1	208.4
Appropriations	—	—	14.4
Profit before tax	56.8	68.1	222.8
Tax on the period's profit	—	3.2	0.2
Net profit	56.8	71.3	223.0

Parent company balance sheet in summary

sek m	2015 06-30	2014 06-30	2014 12-31
ASSETS			
Intangible and tangible fixed assets	4.8	2.0	4.0
Financial fixed assets	2 193.7	1 294.7	1 350.6
Current assets	2 317.0	613.5	1 512.0
Total assets	4 515.5	1 910.2	2 866.6
EQUITY AND LIABILITIES			
Shareholder's equity	1 579.8	1 583.3	1 735.0
Long-term liabilities	1 880.5	—	1 109.0
Current liabilities	1 055.2	326.9	22.6
Total equity and liabilities	4 515.5	1 910.2	2 866.6

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

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Here, we publish financial information, news releases and much more.

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