

Q1 2016

BEIJER REF

Stable start to the year

- Net sales increased by 6.6 per cent compared with the corresponding quarter of the previous year and amounted to SEK 1,967M (1,846). The increase is largely due to the previous year's acquisitions and organic growth in the Southern Europe market region as well as within the air-conditioning segment.
- Operating profit amounted to SEK 89M (94). The lower result is mainly due to negative currency effects in South Africa and Norway.
- Net profit was unchanged, SEK 61M (61).
- Profit per share amounted to SEK 1.35 (1.39).

Key figures	Q1 2016	Q1 2015	%	Full year 2015
Net sales, sek m	1 967	1 846	6.6	8 361
EBITDA, sek m	107	111	-3.6	636
Operating profit, sek m	89	94	-5.3	567
Profit margin, %	4.5	5.1	-11.1	6.8
Net profit, sek m	61	61	0	373
Profit per share, sek	1.35	1.39	-2.9	8.64
Return on capital employed in operations, %	13.3	13.0	2.3	14.1
Return on equity, %	13.7	13.1	4.6	14.2
Cash flow from current operations before changes in working capital	87	83	4.8	488
Average number of employees	2 572	2 243	14.7	2 506

Comments by the CEO



+ 7 %

Sales

» During the first quarter, we continued our work of developing our offer related to eco-friendly and energy-efficient refrigeration systems. «

Stable start to the year

The year has started with organic growth in most of our geographic markets and with a positive sales development of air-conditioning products.

Our largest region, Southern Europe, reports organic growth of six per cent compared with the first quarter of 2015. In Germany, we also saw a better than expected sales development, whilst our Nordic markets started the year slightly weaker than the previous year. This year, Easter fell in the first quarter which gives slightly fewer sales days than the corresponding quarter last year. We saw negative currency effects due to the weaker NOK. However, especially in Africa the result is affected by negative currency effects. Here, the ZAR has weakened so strongly that, in spite of organic growth of 13 percent, our sales was 15 per cent lower counted in SEK compared with the same period in the previous year. In Asia Pacific, the integration work of our new operations in Australia and New Zealand is proceeding in line with the plan and will contribute positively to sales and results during the year.

During the period, we have seen a sales increase within air conditioning, where Toshiba and other brands are developing well with Southern Europe as the engine. During the period, sales of air conditioning increased by 19 per cent compared with the first quarter of 2015. Demand for air-conditioning products is to some extent cyclical and we now see the effect of the strengthened market development in Southern Europe.

During the first quarter, we continued our work of developing our offer related to eco-friendly and energy-efficient refrigeration systems. We are also continuing our work of making our logistics flows more efficient, which will involve continued capital rationalisation. During 2015, the work on making our logistics flows more efficient generated a net decrease of SEK 140M in the working capital. During the first quarter of 2016, capital tied up continues to decrease.

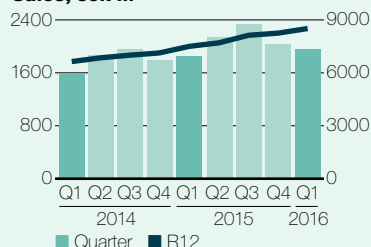
During Q1, the UK Competition & Markets Authority (CMA) has initiated an examination of our acquisition of HRP Ltd with 15 branches in the United Kingdom. Our assessment is that the examination will be completed during the second quarter of this year and that the integration of the operation can then be initiated.

April has started strongly and we enter the second quarter with confidence. We enjoy stable organic growth in many of our key markets. Our integration work in Asia Pacific is proceeding well, which could reduce the seasonal variations in the Group's sales in the long term. Taken together, 2016 looks like being an exciting year for Beijer Ref.

Per Bertland
CEO, Beijer Ref

First quarter of 2016

Sales, sek m



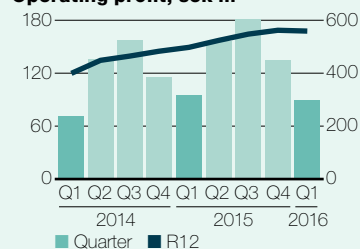
Sales

Beijer Ref increased its net sales by 6.6 per cent to SEK 1,967M (1,846) for the first quarter of 2016. Adjusted for exchange rate fluctuations and acquisitions, the organic change in sales was 3.3 per cent. Behind the sales increase lies a good development in the Southern Europe market region and stable organic growth in several other markets.

Sales, sek m	Q1	%
Net sales 2015	1 846	
Organic change	61	3.3
Change through acquisitions ¹	145	7.9
Exchange rate fluctuation	-85	-4.6
Change, total	121	6.6
Net sales 2016	1 967	

¹⁾ The acquisitions relate to Patton, Realcold and RNA made in 2015

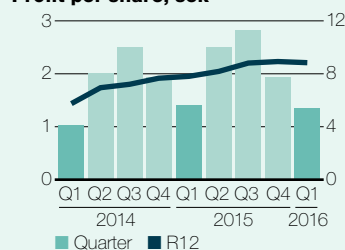
Operating profit, sek m



Results

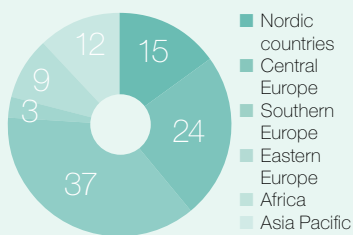
The Group's operating profit amounted to SEK 89M (94) for the first quarter. The result decrease can partly be explained by currency effects in Africa and Norway, one-off expenses for legal advice in connection with CMA's examination of the acquisition of HRP Ltd in the United Kingdom and a slightly calmer first quarter in the Nordic countries. The newly-acquired companies in Australia and New Zealand have contributed positively to the result. When adjusted for exchange rate fluctuations, the organic decrease in operating profit was 5.3 per cent.

Profit per share, sek

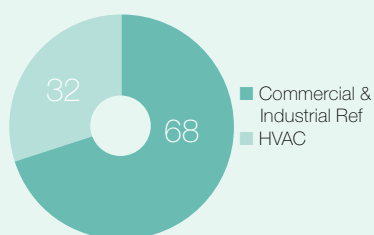


The Group's financial income/expense amounted to SEK -4M (-9) for the first quarter. Profit before tax was SEK 85M (85). Net profit was SEK 61M (61). Profit per share amounted to SEK 1.35 (1.39).

The regions' share of total sales, %



Share of sales, market segments, %



Cash flow

Cash flow from the current operation before change in working capital was SEK 87M for the first quarter of 2016 compared with SEK 83M for the corresponding quarter in the previous year. The increase emanated mainly from lower tax payments in the current year. During the first quarter, the working capital increased by SEK 95M compared with SEK 74M in the previous year. This gives a cash flow from the current operation of SEK -8M compared with SEK 9M in the previous year. The first quarter of every year normally has a negative cash flow due to the build-up of working capital ahead of the strongest part of the year.

Cash flow, sek m	Q1 2016	Q1 2015
Cash flow from current operations before changes in working capital	87	83
Change in working capital	-95	-74
Cash flow from current operations	-8	9

Investments

Consolidated capital expenditure amounted to SEK 21M (154) for the first three months of 2016. No acquisitions were made during the period.

Significant events during the year

During the first quarter, the UK Competition & Markets Authority (CMA) has initiated an examination of our acquisition of HRP Ltd with 15 branches in the United Kingdom. Our assessment is that the examination will be completed during the second quarter of this year and that the integration of the operation can then be initiated.

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.

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 as those described in the latest Annual Report, with the exception of what is stated below. New and amended standards applied from 1 January 2016 are not deemed to have any significant effect on the Group's or the parent company's results or financial position.

Malmö, 20 April 2016

Beijer Ref AB (publ)
Per Bertland, CEO

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

Financial information

Summarised profit and loss account, sek m	Q1 2016	Q1 2015	R12	Full year 2015
Net sales	1 967	1 846	8 482	8 361
Other operating income	5	3	21	19
Operating expenses	-1 865	-1 738	-7 871	-7 744
Depreciation	-18	-17	-70	-69
Operating profit	89	94	562	567
Net financial income/expense	-4	-9	-37	-42
Profit before tax	85	85	525	525
Tax	-24	-24	-152	-152
Net profit	61	61	373	373
<i>Net profit attributable to:</i>				
The parent company's shareholders	57	59	364	366
Non-controlling interests	4	2	9	7
Net profit per share before and after dilution, sek	1.35	1.39	8.60	8.64

The Group's report on other comprehensive income, sek m	Q1 2016	Q1 2015	R12	Full year 2015
Net profit	61	61	373	373
OTHER COMPREHENSIVE INCOME				
<i>Items which will not be reversed in the profit and loss account:</i>				
Revaluation of the net pension commitment	—	—	-20	-20
<i>Items which can later be reversed in the profit and loss account:</i>				
Exchange rate differences	17	35	-168	-150
Cash flow hedging	1	1	2	2
Hedging of net investment	-1	1	11	13
Other comprehensive income for the period	17	37	-175	-155
Total comprehensive income for the period	78	98	198	218
<i>Attributable to:</i>				
The parent company's shareholders	74	93	195	214
Non-controlling interests	4	5	3	4

Summarised balance sheet, sek m	31 March 2016	31 March 2015	31 Dec 2015
ASSETS			
<i>Fixed assets:</i>			
Intangible fixed assets	1 496	1 519	1 488
Tangible fixed assets	280	281	277
Other fixed assets	274	279	276
Total fixed assets	2 050	2 079	2 041
<i>Current assets:</i>			
Inventories	2 187	2 226	1 982
Trade debtors	1 424	1 442	1 395
Other receivables	321	209	274
Liquid funds	366	250	348
Total current assets	4 298	4 127	3 999
Total assets	6 348	6 206	6 040
EQUITY AND LIABILITIES			
Shareholders' equity	2 712	2 734	2 634
Total equity	2 712	2 734	2 634
Long term liabilities	1 537	1 423	1 530
Total long term liabilities	1 537	1 423	1 530
<i>Current liabilities:</i>			
Trade creditors	1 067	1 045	857
Other liabilities	1 032	1 004	1 019
Total current liabilities	2 099	2 049	1 876
Total equity and liabilities	6 348	6 206	6 040
Of which interest-bearing liabilities	1 870	1 800	1 831
Net debt	1 504	1 550	1 483

Key figures	31 March 2016	31 March 2015	31 Dec 2015
Equity ratio, %	42.7	44.0	43.6
Equity per share, sek	64	64	62
Return on equity after full tax, %	13.7	13.1	14.2
Return on capital employed, %	12.4	12.5	13.0
Return on capital employed in operations, %	13.3	13.0	14.1
Dept ratio	0.7	0.7	0.7
Interest coverage ratio	11.9	9.4	11.9
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	Q1 2016	Q1 2015	Full year 2015
Cash flow from current operations before changes in working capital	87	83	488
Changes in working capital	-95	-74	7
Cash flow from investment operations	-18	-100	-236
Change in financing operation	41	103	82
Dividend paid	—	—	-212
Change in cash and bank	15	12	129
Exchange rate difference in liquid funds	3	2	-17
Cash and bank on 1 January	348	236	236
Cash and bank at the period end	366	250	348

Shareholders' equity	31 March 2016	31 March 2015	31 Dec 2015
Opening balance	2 634	2 619	2 619
Total comprehensive income for the period	78	98	218
Dividend	—	—	-212
Non-controlling interest arising on business combinations	—	17	9
Closing balance	2 712	2 734	2 634

Q1 sek m	Nordic countries		Central Europe		Southern Europe		Eastern Europe		Africa		Asia Pacific		Group	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Net sales	302	320	465	470	730	691	63	65	174	206	233	94	1 967	1 846
Operating profit by operation	17	28	7	10	36	35	2	2	17	24	21	9	100	108
Group-wide expenses													-11	-14
Operating profit	17	28	7	10	36	35	2	2	17	24	21	9	89	94
Net financial income/expense													-4	-9
Tax													-24	-24
Net profit													61	61
Working capital, average for the period	400	426	561	622	866	868	135	137	229	310	327	297	2 518	2 660

Reporting for segments

Operating segments

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 segments; the Nordic countries, Central Europe, Southern Europe, Eastern Europe, Africa and Asia Pacific. Previously, two companies in Asia together with Africa were reported in one segment, defined as Africa and Asia. As from 2016, these Asian companies are reported together with the previous segment, Oceania, in a new defined segment, Asia Pacific, and Africa is reported separately. Comparative figures for the previous period have been recalculated. The segment reporting for the regions contains the profit and loss account up to and including operation profit and working capital. The working capital consists of inventories, trade debtors and trade creditors, and is an average based on monthly values for January to March.

Parent company profit and loss account in summary, sek m	Q1 2016	Q1 2015	Full year 2015
Operating income	—	—	33
Operating expenses	-11	-9	-47
Depreciation	—	—	-1
Operating profit	-11	-9	-15
Net financial income/expense	-2	15	32
Result of participations in Group companies	—	—	128
Profit before appropriations	-13	6	145
Appropriations	—	—	8
Profit before tax	-13	6	153
Tax	0	0	-5
Net profit	-13	6	148

Parent company balance sheet in summary, sek m	31 March 2016	31 March 2015	31 Dec 2015
ASSETS			
Intangible fixed assets	2	1	2
Tangible fixed assets	6	4	6
Financial fixed assets	2 595	2 216	2 586
Current assets	943	2 066	914
Total assets	3 546	4 287	3 508
EQUITY AND LIABILITIES			
Shareholders' equity	1 639	1 741	1 651
Long-term liabilities	1 823	1 652	1 369
Current liabilities	84	894	488
Total equity and liabilities	3 546	4 287	3 508

Financial definitions and glossary

Capital employed

Balance sheet total with a deduction for non-interest-bearing liabilities and deferred tax liability.

Capital employed in operations

Capital employed minus liquid funds, financial assets and other interest-bearing assets.

Debt/equity ratio

Interest-bearing liabilities in relation to equity.

EBITDA

Earnings before interest, taxes, depreciation and amortisation.

Equity ratio

Equity at the end of the period in relation to balance sheet total.

Interest coverage ratio

Profit before tax plus financial expenses in relation to financial expenses.

Net debt

Interest-bearing provisions and interest-bearing liabilities less liquid funds including current investments.

Operating margin

Operating profit in relation to net sales.

Organic change

Comparative figures year over year adjusted for translation effects on consolidation and changes in the structure.

Profit per share

Net profit in relation to average number of shares.

Return on capital employed

Profit before tax plus financial expenses in relation to average capital employed.

Return on capital employed in operations

Operating profit as a percentage of average capital employed in operations.

Return on equity

Profit after tax expressed as a percentage of average equity.

Beijer Ref in short

The Beijer Ref Group is focused on trading and distribution operations within refrigeration products, air conditioning and heat pumps. The product programme consists mainly of agency products from leading international manufacturers and, in addition, some manufacture of own products, combined with service and support for the products. The Group creates added value by contributing: technical competence to the products; accounting for knowledge and experience about the market; and by providing efficient logistics and warehousing.

Operations are carried out by region within the Beijer Ref, which comprises Beijer Ref ARW (Air conditioning, refrigeration, wholesale) and Toshiba's distribution operation within air conditioning and heating. The Beijer Ref Group is a leading operator within the refrigeration sector in Europe and has a significant position within air conditioning in Europe. The operation is split into six geographic segments: Nordic countries, Southern Europe, Central Europe, Eastern Europe, Africa and Asia Pacific. Growth is achieved both organically and through the acquisition of companies which supplement existing 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 calendar

- The Interim Report for the second quarter will be published on 15 July 2016.
- The Interim Report for the third quarter will be published on 19 October 2016.
- The Year-End Report for 2016 will be published in February 2017.
- The Annual Report for 2016 will be published in March 2017.

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This document is a translation of the Swedish language version.

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