Beijer Ref AB
Q3-2018

BEIJER REF

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Q3-2018

Continued strong quarter

- Net sales for the third quarter of 2018 increased by 41% compared with the corresponding period in the previous year and totalled SEK 3,607 million (2,555).
- The operating profit for the third quarter of 2018 totalled SEK 339 million (217), an increase of 57% compared with the same period last year.
- The profit for the period totalled SEK 240 million (149).
- Profit per share totalled SEK 1.88 (1.16).
- Beijer Ref AB and Mitsubishi Heavy Industries Air Conditioning Europe LTD completed the formation of the subsidiary 3D Plus in the UK, with Beijer Ref as the majority shareholder.
- The acquisition of the Spanish air conditioning company Lumelco S.A. strengthens the Group's position in field of air conditioning in Southern Europe.
- Repurchases of 181,559 class B shares took place during the quarter. The purpose of the repurchase is to secure access to shares in accordance with the company's long-term incentive scheme, 2018-2021.

Key figures	**Q3-18**	**Q3-17**	**Δ%**	**9 months 18**	**9 months 17**	**Δ%**	**Full year 17**
Net sales, sek m	3 607	2 555	41.2	9 722	7 429	30.9	9 830
EBITDA, sek m	367	238	54.3	933	610	53.1	810
Operating profit, sek m	339	217	56.6	857	546	56.8	725
Profit margin, %	9.4	8.5	–	8.8	7.4	–	7.4
Net profit, sek m	240	149	61.0	615	375	64.3	521
Profit per share, sek [1]	1.88	1.16	62.5	4.79	2.89	65.7	4.02
Return on operating capital, %	–	–	–	18.2	14.6	–	14.9
Return on equity, %	–	–	–	22.6	16.1	–	16.6
Average number of employees	–	–	–	3 701	2 738	35.2	2 717

1) Conversion of number of shares has been performed following completion of share split in order to enable comparability between the years.

Comments by the CEO

Growing market creates strong quarter

We can look back on another quarter of strong growth. Net sales increased by 41 per cent and the profit increased by 57 per cent compared with the same period in 2017. This is our strongest third quarter ever. Adjusted for acquisitions and currency effects, net sales increased organically by approximately 16 per cent and the profit by 42 per cent. All regions are reporting growth in line with our expectations, although Europe does stand out. Of the European regions, the Nordic region has distinguished itself just a little extra. An unusually warm summer resulted in record net sales and profits for the region, with an organic increase in net sales of 30 per cent, while the profit doubled.

The profit for the quarter shows once again that our market is strong. The F-gas regulation in Europe is accelerating the phasing out of existing refrigerants, known as fluorinated gases, and is one of the main reasons why demand for Beijer Ref's products is increasing. The phase-out programme is continuing, and we see no signs of reduced activity. The UN recently issued an updated climate report highlighting how urgent it is that global warming remains at a maximum of 1.5 degrees by the year 2100. This is half a degree lower than the goal of the Paris Agreement. Achieving this new goal requires substantially increased measures, according to the IPCC, the UN's climate panel. Our industry has a great responsibility in this matter and we must be proactive if this goal is to be achieved. Beijer Ref's focus on developing eco-friendly solutions therefore feels even more urgent. We have a long tradition and a great deal of knowledge of such technology in Europe. We are now passing on this know-how to our companies on other continents. The fact that the economy remains strong also means that end customers are prepared to invest and upgrade their refrigeration and air-conditioning systems to an even greater extent, which benefits us.

We also want to grow through acquisitions in Europe and in the rest of the world. During the quarter, Beijer Ref acquired the Spanish air conditioning distributor Lumelco. This deal consolidates the Group's position within the HVAC segment in Beijer Ref's biggest region, Southern Europe. The company distributes several strong brands, but primarily has exclusive distribution rights with Mitsubishi Heavy Industries, one of Beijer Ref's strategic partners. Strengthening and developing relationships with our main suppliers is in line with our strategy. Lumelco is included in our accounts as of August this year.

During the transfer phase to eco-friendly refrigeration technology, we have seen sharp increases in the price of HFC refrigerants with the most negative environmental impact. These price increases are a direct consequence of the European regulatory framework for the phasing out of F-gases. At present these price rises have slowed down, and the assessment is that prices will remain stable over the next few quarters.

Our logistics chain is one of our strengths, and we are working to create sustainable, modern solutions that deliver efficiency throughout the entire flow. At the beginning of the year we opened a new, large, automated logistics centre in the Netherlands, known as the Beijer Ref Support Center. This enables us to achieve efficiency improvements above all in the areas of purchasing, logistics and back office. As another step in the same direction, we recently opened a similar centre in Auckland, New Zealand. Passing on best practice within the Group is important and an advantage that we want to use to the maximum.

All in all, we are satisfied with the period and we enter the fourth quarter with both humility and strong self-belief. Going forward, we want to grow further. With increased profits, low interest rates and a strong cash flow, we are well placed to make more supplementary acquisitions.

Per Bertland
CEO

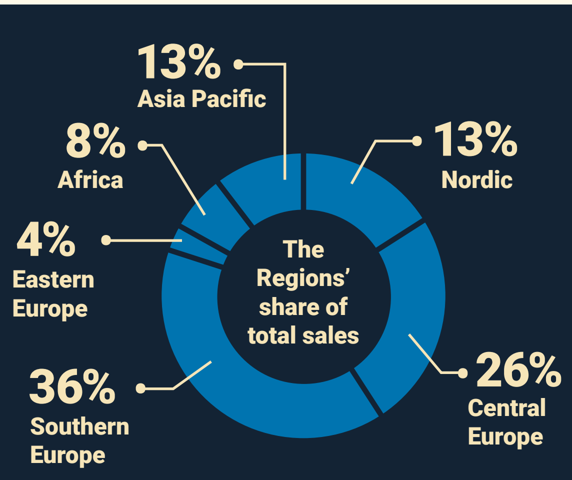
Third quarter of 2018

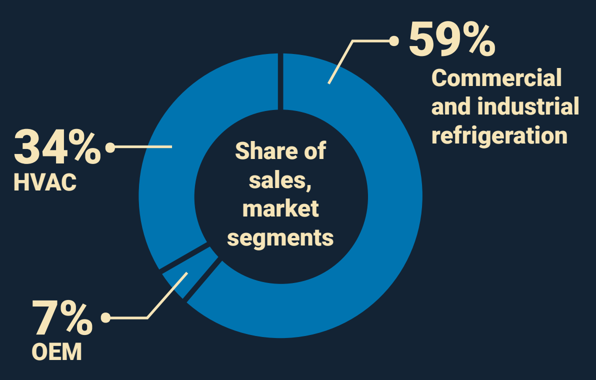
NET SALES

Beijer Ref increased its net sales by 41 per cent to SEK 3,607 million (2,555) in the third quarter of 2018. A strong global economy, favourable weather conditions that increase demand for air conditioning, and price rises in particular for refrigerants have resulted in continued strong growth in net sales. All regions report an increase in net sales of more than 20 per cent in the third quarter. Adjusted for exchange rate changes and acquisitions, organic growth in net sales was 16 per cent. A weakened Swedish krona resulted in currency effects of SEK 195 million (-22), corresponding to 8.8% since most of the company's net sales take place in currencies other than Swedish kronor.

Sales. sek m	Q3	%	9 months	%
Net sales 2017	**2 555**		**7 429**	
Organic change	429	15.6	1 147	14.7
Change through acquisitions [1]	428	16.8	763	10.3
Exchange rate fluctuation	195	8.8	383	5.9
Change total	1 052	41.2	2 293	30.9
Net sales 2018	**3 607**		**9 722**	

1) Refers to Beijer Ref Portugal which is included from September 2017, Tecsa which is included from March 2018, Heatcraft which is included from May 2018 and Lumelco which is included from August 2018





The figures above relate to the distribution of net sales during the third quarter of 2018.

PROFIT

The Group's operating profit totalled SEK 339 million (217) during the third quarter, an increase of 57 per cent. The ongoing transition to eco-friendly refrigeration systems had a positive impact on the profit for the period and also resulted in increased demand for HVAC and OEM, which are future growth segments for Beijer Ref. Adjusted for exchange rate changes and acquisitions, the organic improvement in the operating profit was 42 per cent.

CASH FLOW

Cash flow from operating activities before change in working capital was SEK 829 million during the first nine-month period of 2018, compared with SEK 500 million for 2017, primarily due to the significantly improved profit. Working capital increased by SEK 585 million during the first nine-month period compared with SEK 134 million the previous year. This produces cash flow from operating activities of SEK 243 million, compared with SEK 366 million the previous year. The change in working capital between the years is due primarily to sales growth and some build-up of stocks.

Cash flow, sek m	9 months 2018	9 months 2017
Cash flow from current operations		
before changes in working capital	829	500
Change in working capital	-585	-134
Cash flow from current operations	**243**	**366**

INVESTMENTS

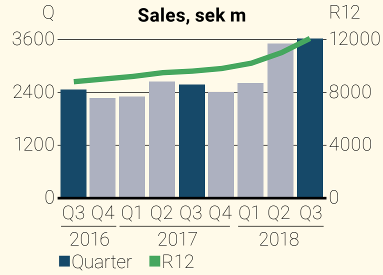
The Group's investments in fixed assets including business combinations totalled SEK 1,011 million (72) during the first nine-month period and relate primarily to the acquisitions of Tecsa, Heatcraft and Lumelco, which were financed by external borrowing from existing bank partners. During the period the company also invested the net sum of SEK 70 million in the repurchase of own shares after deduction of the option premium received.

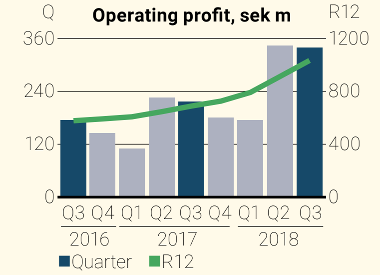
SIGNIFICANT EVENTS DURING THE QUARTER

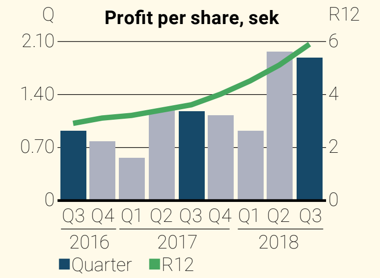
On 2 July 2018, Beijer Ref AB and Mitsubishi Heavy Industries Air Conditioning Europe Ltd completed the formation of the subsidiary 3D Plus, with Beijer Ref as the majority shareholder. The new company is now operating under the leadership of a new CEO. 3D Plus's head office is in Slough, with regional offices planned in the UK and Ireland. The formation of the subsidiary is only having a marginal effect on net sales in 2018, but it is considered to have good growth potential.

The acquisition of the Spanish air conditioning company Lumelco S.A. is included in the company's accounts as of August and strengthens the Group's position in the HVAC segment in Beijer Ref's biggest region, Southern Europe. The company is a long-time distributor of Mitsubishi Heavy Industries' products in Spain and Portugal, one of Beijer Ref's strategic suppliers. The company has net sales of approximately SEK 400 million and over 60 employees. The takeover has only a marginal effect on the profit in 2018. The acquisition is, however, expected to generate long-term positive effects in terms of both net sales and profit.

During the quarter, the company exercised the AGM's authorisation to repurchase its own shares following a decision on a long-term incentive scheme for senior executives. In total, the company repurchased 181,559 shares during the quarter and now holds 774,809 shares at an average purchase value of SEK 107. The incentive scheme runs between 2018-2021. The costs of the scheme are in line with the Board's proposal and the AGM's decision, i.e. SEK 8 million, and were charged to the company's operating profit in 2018.







IMPORTANT EVENTS AFTER THE END OF THE PERIOD

In the fourth quarter, Beijer Ref AB will establish a commercial paper scheme with a financial envelope of SEK 1,500 million as a complement to Beijer Ref's bank financing. The organiser of the scheme is Handelsbanken and the issuing agents are Handelsbanken and Nordea. The company will guarantee available credit facilities corresponding to the amount issued.

RISK DESCRIPTION

The Beijer Ref Group's operations are subject to a number of business environment factors, the effects of which on the Group's operating profit can be controlled to varying degrees. The Group's operations depend on general economic trends, primarily in Europe, which determine demand for Beijer Ref's products and services. Acquisitions are normally associated with risks, for example loss of key employees. Other operating risks, such as agency and supplier agreements, product liability and delivery commitments, technical development, warranties, dependence on key individuals, etc., are analysed continually. Where necessary, measures are taken to reduce the Group's risk exposure. In its operations, Beijer Ref is subject to financial risks such as currency risk, interest rate risk and liquidity risk. The Parent's risk profile is the same as that of the Group. For further information, see the Group's Annual Report.

ACCOUNTING POLICIES

This interim report was prepared in accordance with IAS 34, the Swedish Annual Accounts Act and RFR 2. Beijer Ref continues to apply the same accounting policies and valuation methods as described in the most recent annual report.

Analyses of effects regarding the implementation of IFRS 15 - Revenue from Contracts with Customers and IFRS 9 - Financial Instruments have been performed at both Group and subsidiary level. The analyses show that the new standards do not have any material impact on the Group's financial statements other than increased disclosure requirements. The prospective method is applied from January 2018.

IFRS 16 Leases – a new leasing standard that comes into effect on January 1, 2019. This standard requires that assets and liabilities attributable to all leases and rental agreements be recorded in the balance sheet. The Group is currently evaluating the effects. The Group's total assets will increase and at the same time, operating profit will increase compared with the current amount because some of the leasing payments will be recognized as interest expenses. Also, a several of the Group's key figures will be impacted by the new standard.

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

Malmö, 22 October 2018

Beijer Ref AB (publ)
Per Bertland, CEO & President

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This information is information that Beijer Ref AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 08.30 CET on 22 October 2018.

AUDITOR'S REPORT

Beijer Ref AB (publ), corp. reg. no. 556040-8113

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Beijer Ref AB (publ) as of 30 September 2018 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish 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 Report 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 is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

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

Malmö, 22 October 2018
PricewaterhouseCoopers AB

Lars Nilsson
Authorized Public Accountant
Auditor in charge

Mikael Nilsson
Authorized Public Accountant

Summarised profit and loss account, sek m	Q3-18	Q3-17	9 months 18	9 months 17	R12	Full year 17
Net sales	3 607	2 555	9 722	7 429	12 122	9 830
Other operating income	-1	2	16	18	28	21
Operating expenses	-3 239	-2 319	-8 804	-6 837	-11 016	-9 041
Depreciation	-28	-21	-76	-63	-99	-85
Operating profit	**339**	**217**	**857**	**546**	**1 035**	**725**
Net financial income/expense	-9	-8	-18	-22	-23	-26
Profit before tax	**331**	**209**	**839**	**525**	**1 013**	**699**
Tax	-91	-60	-224	-150	-251	-178
Net profit	**240**	**149**	**615**	**375**	**761**	**521**
Net profit attributable to:						
The parent company's shareholders	239	147	608	367	751	511
Non-controlling interests	1	2	8	7	10	10
Net profit per share before and after dilution, sek [1]	1.88	1.16	4.79	2.89	5.92	4.02

1) Conversion of number of shares has been performed following completion of share split in order to enable comparability between the years.

The Group's report on other comprehensive income, sek m	Q3-18	Q3-17	9 months 18	9 months 17	R12	Full year 17
Net profit	240	149	615	375	761	521
OTHER COMPREHENSIVE INCOME						
Items which will not be reversed in the profit and loss account:						
Revaluation of the net pension commitment	–	–	–	–	–	–
Items which can later be reversed in the profit and loss account:						
Exchange rate differences	-200	-79	133	-73	304	43
Cash flow hedging	–	–	–	–	–	–
Hedging of net investment	-16	-3	-24	-9	-19	-4
Other comprehensive income for the period	**-216**	**-82**	**109**	**-82**	**285**	**40**
Total comprehensive income for the period	**24**	**67**	**724**	**293**	**1 046**	**561**
Attributable to:						
The parent company's shareholders	23	66	712	288	1 030	552
Non-controlling interests	1	1	12	5	16	9

Summarised balance sheet, sek m	30 Sep 2018	30 Sep 2017	31 Dec 2017
ASSETS			
Fixed assets:			
Intangible fixed assets	2 116	1 633	1 679
Tangible fixed assets	453	311	312
Other fixed assets	274	235	237
Total fixed assets	**2 843**	**2 179**	**2 227**
Current assets:			
Inventories	3 776	2 554	2 631
Trade debtors	2 760	1 967	1 726
Other receivables	290	228	319
Liquid funds	800	476	559
Total current assets	**7 627**	**5 226**	**5 236**
Total assets	**10 470**	**7 405**	**7 463**
EQUITY AND LIABILITIES			
Shareholders' equity	3 713	3 026	3 294
Total equity	**3 713**	**3 026**	**3 294**
Long term liabilities	3 283	1 869	1 868
Total long term liabilities	**3 283**	**1 869**	**1 868**
Current liabilities:			
Trade creditors	1 827	1 307	1 128
Other liabilities	1 648	1 202	1 172
Total current liabilities	**3 475**	**2 509**	**2 301**
Total equity and liabilities	**10 470**	**7 405**	**7 463**
Of which interest-bearing liabilities	3 709	2 217	2 208
Net debt [1]	2 909	1 740	1 649

1) The company has an authorised credit limit totalling SEK 4 006M (2 456) as of 30 September 2018, of which SEK 738M (477) remains to be utilised.

Key figures	30 Sep 2018	30 Sep 2017	31 Dec 2017
Equity ratio, %	35.5	40.9	44.1
Equity per share, sek [1]	29	24	26
Return on equity after full tax, %	22.6	16.1	16.6
Return on capital employed, %	16.6	13.4	13.7
Return on capital employed in operations, %	18.2	14.6	14.9
Dept ratio	0.8	0.6	0.5
Interest coverage ratio	27.9	21.8	22.7
Number of outstanding shares [1]	126 659 881	127 173 090	127 173 090
Average number of outstanding shares [1]	126 916 486	127 173 090	127 173 090
Holding of own shares [1]	774 809	261 600	261 600

1) Conversion of number of shares has been performed following completion of share split in order to enable comparability between the years.

Summarised consolidated cash flow analysis, sek m	9 months 2018	9 months 2017	Full year 2017
Cash flow from current operations before changes in working capital	829	500	642
Changes in working capital	-585	-134	-140
Cash flow from investment operations	-1 011	-72	-101
Change in financing operation	1 245	82	46
Dividend paid	-244	-233	-233
Change in cash and bank	**233**	**143**	**214**
Exchange rate difference in liquid funds	7	-8	4
Cash and bank on 1 January	559	342	342
Cash and bank at the period end	**800**	**476**	**559**

Shareholders' equity, sek m	30 Sep 2018	30 Sep 2017	31 Dec 2017
Opening balance	3 294	2 967	2 967
Total comprehensive income for the period	724	293	561
Dividend	-244	-233	-233
Repurchase of own shares	-82	–	–
Option premium received from exercising of option to purchase	11	–	–
Acquisitions from holders with no controlling influence	10	–	–
Dividend to shareholders with no controlling influence	-1	-1	-1
Closing balance	**3 713**	**3 026**	**3 294**

Q3 sek m	Nordic		Central Europe		Southern Europe		Eastern Europe		Africa		Asia Pacific		Group	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Net sales by operation	465	336	971	752	1 293	993	134	110	279	173	525	235	3 666	2 600
Internal sales between operations													-59	-45
Net sales													3 607	2 555
Operating profit by operation	82	39	95	64	146	99	16	12	11	10	12	13	361	237
Group-wide expenses[1]													-22	-20
Operating profit													**339**	**217**
Net financial													-9	-8
Tax													-91	-60
Net profit													**240**	**149**
Working capital, average for the period	509	444	1 031	754	1 659	1 240	203	164	490	314	847	354	4 740	3 270
Group eliminations													-5	-2
Total average working capital													4 735	3 268

9 months sek m	Nordic		Central Europe		Southern Europe		Eastern Europe		Africa		Asia Pacific		Group	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
Net sales by operation	1 292	1 004	2 572	2 090	3 601	2 928	388	290	798	532	1 250	725	9 900	7 569
Internal sales between operations													-178	-140
Net sales													9 722	7 429
Operating profit by operation	213	104	229	135	356	250	53	27	31	29	51	53	934	598
Group-wide expenses[1]													-77	-52
Operating profit													**857**	**546**
Net financial													-18	-22
Tax													-224	-150
Net profit													**615**	**375**
Working capital, average for the period	494	423	934	757	1 397	1 149	196	157	482	356	647	353	4 150	3 195
Group eliminations													-7	-4
Total average working capital													4 143	3 192

1) The increase in Group-wide expenses is explained primarily by expenses in connection with acquisitions, as well as purchasing and digitalisation projects

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.

The segments reporting for the regions contains the profit and loss account up to and including operating profit. Internal sales within each segment are eliminated in net sales by operation, internal sales between segments are eliminated on total level. The working capital includes inventories, trade debtors and trade creditors and is an average based on monthly values for the period.

Company acquisitions

For each acquisition, the company performs a materiality assessment based on net sales, product area and market.

2018

Third quarter
On 2 July 2018, Beijer Ref AB and Mitsubishi Heavy Industries Air Conditioning Europe Ltd completed the formation of the subsidiary 3D Plus in the UK, with Beijer Ref as the majority shareholder. The formation of the subsidiary has only a marginal effect on net sales and the balance sheet total in 2018, as it is a newly formed company.

Acquisition and takeover of the Spanish and Portuguese air conditioning company Lumelco S.A., which is included in the company's accounts as of August. The takeover has an effect on net sales with SEK 50 million and the profit with SEK 3 million in 2018. The acquisition is expected to generate long-term positive effects in terms of both net sales and profit. The company has long been a distributor of Mitsubishi Heavy Industries' products and has annual net sales of approximately SEK 400 million and over 60 employees.

Second quarter
Beijer Ref acquired Heatcraft Australia Pty Ltd. The company has just over 300 employees and net sales in 2017 totalled approximately SEK 1.1 billion. Sales are made through around 65 branches. The acquisition also includes an operation in Singapore and a manufacturing unit in China. The total purchase price was SEK 723 million. This purchase price included operations in New Zealand that were divested at the time of acquisition due to current competition law. This sale was made at an amount corresponding to SEK 143 million and resulted in a decrease in acquired goodwill of SEK 51 million. Allocation of acquired goodwill is preliminary at the time of this report. The company's profits are included in the company's accounts as of 5 May. The company makes a positive contribution to net sales with SEK 432 million and negative effect on the operating profit due to off-season. With the acquisition of Heatcraft, Beijer Ref becomes a significantly stronger player in Australia.

First quarter
The company completed the acquisition of the wholesale company TecsaReco in South Africa. The company has annual net sales of SEK 450 million with 300 employees across 23 branches. The company is incorporated into the consolidated accounts as of 1 March 2018. TecsaReco has affected the Group's net sales by approximately SEK 258 million and the operating profit by around SEK 12 million.

2017

Third quarter
Acquisition of the Portuguese refrigeration distribution company DX Por with net sales of approximately SEK 40 million. The company is the main distributor for Toshiba HVAC in Portugal. DX Por is integrated into Beijer Ref's organisation as of September 2017.

Second quarter
No acquisitions made during the quarter.

First quarter
No acquisitions made during the quarter.

Acquisitions of companies[1] 2018 sek m	Heatcraft Reported value	Fair value adjustment	Other Reported value	Fair value adjustment	Fair value in the Group
Goodwill	0	132	2	240	374
Customer lists	6	0	1	38	45
Tangible fixed assets	86	0	7	0	94
Financial fixed assets	38	-4	0	0	34
Deferred tax assets	0	2	0	6	8
Inventories	332	-8	309	-17	617
Other current assets	305	0	295	-8	592
Liquid funds	116	0	11	0	128
Deferred tax liability	0	0	0	-10	-10
Provision	-4	0	-6	0	-10
Interest-bearing loan	0	0	-97	0	-97
Other current liabilities	-237	-42	-312	-8	-599
Total identifiable net assets	**643**	**80**	**211**	**240**	**1 173**
Effect on the cash flow					
Consideration	-722		-451		-1 173
Liquid funds in acquired companies	116		11		128
	-606		-440		-1 046

1) Unless otherwise stated, all acquisitions refer to 100%

Parent company profit and loss account in summary, sek m	9 months 2018	9 months 2017	Full year 2017
Operating income	1	1	49
Operating expenses	-60	-38	-57
Depreciation	-2	-2	-2
Operating profit	**-62**	**-39**	**-10**
Net financial income/expense	-14	1	3
Result of participations in Group companies	339	180	260
Write-down of financial fixed assets	-5	0	0
Profit before appropriations	**258**	**141**	**253**
Appropriations	0	0	59
Profit before tax	**258**	**141**	**312**
Tax	0	0	-12
Net profit	**258**	**141**	**301**

Parent company balance sheet in summary, sek m	30 Sep 2018	30 Sep 2017	31 Dec 2017
ASSETS			
Intangible fixed assets	8	6	7
Tangible fixed assets	5	5	5
Financial fixed assets	3 747	2 686	2 731
Current assets	1 422	1 071	1 111
Total assets	**5 182**	**3 768**	**3 853**
EQUITY AND LIABILITIES			
Shareholders’ equity	1 686	1 582	1 742
Long-term liabilities	3 005	1 712	1 627
Current liabilities	491	474	485
Total equity and liabilities	**5 182**	**3 768**	**3 853**

Financial definitions

Δ% Change in percentage.

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

Debt/equity ratio Net debt in relation to equity. The objective is to show borrowing in relation to book value of equity.

EBITDA Earnings before interest, taxes, depreciation and amortisation of tangible and intangible fixed assets. The objective of reporting EBITDA is that the Group regards it as a relevant measure for an investor who wants to understand the generation of earnings before investments in fixed assets.

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

Interest-bearing liabilities Interest-bearing liabilities include interest-bearing provisions.

Interest coverage ratio Earnings before tax plus financial expenses in relation to financial expenses. The objective of this measure is to show the proportion of earnings allocated to paying interest expenses and other financial expenses.

Net debt Interest-bearing liabilities less liquid funds including current investments. We are of the opinion that the net debt is useful for the users of the financial report as a complement for assessing the possibility for a dividend, for carrying out strategic investments and for assessing the Group's possibilities for living up to financial commitments.

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

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.

R12 Rolling twelve is the latest 12 months.

Return on capital employed Profit before tax plus financial expenses (rolling 12 months) in relation to average capital employed.

Return on equity Earnings after tax (rolling 12 months) as a percentage of average equity. The objective of return on equity and other return measures is to put the earnings in relation to important balance sheet items.

Return on operating capital Operating profit (rolling 12 months) as a percentage of average capital employed in operations.

Trade terms

ARW Air Condition & Refrigeration Wholesale.

F-gas Refrigerants with a greenhouse effect (so-called fluorised greenhouse gases).

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.

HVAC Heating, Ventilation, Air Conditioning.

OEM Original Equipment Manufacturer.

Transcritical Heat transfer with gas cooler.

Geographic areas

Africa Botswana, Ghana, Mozambique, Namibia, South Africa, Tanzania, Zambia

Asia Pacific Australia, China, India, Malaysia, New Zealand, Singapore, Thailand

Central Europe Belgium, Ireland, The Netherlands, Switzerland, Germany, UK

Eastern Europe Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia

Nordic Denmark, Finland, Norway, Sweden

Southern Europe France, Italy, Portugal, Spain

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 fourth quarter 2018 will be published on 30 January 2019.

• The Annual Report for 2018 will be published in March 2019.

• The Annual Meeting of shareholders will be held on 10 April 2019 in Malmö.

• The Interim Report for the first quarter 2019 will be published on 16 April 2019.

• The Interim Report for the second quarter 2019 will be published on 12 July 2019.

• The Interim Report for the third quarter 2019 will be published on 22 October 2019.

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The total amount in tables and statements might not always summarize as there are rounding differences. The aim is to have each line item corresponding to the source and it might therefore be rounding differences in the total.