

Interim Q4-2023

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Beijer Ref in brief

Net sales
32 150
(LTM MSEK)

Employees
6 024

Markets
45

Branches
>500

Customers
>200 000

Highlights 2023 – Group

MSEK	12M 2023	12M 2022	Change %
Sales	32 150	22 638	42%
Organic change %	1,4%		
Change through acquisitions %	35,2%		
Currency effect %	5,4%		
Change total %	42,0%		
EBITA excl. IAC	3 398	2 217	53%
EBITA margin excl. IAC, %	10,6%	9,8%	

Eventful year with strong development

- **Sales** at 32 150 MSEK (22 638), an increase of 42 percent
- **EBITA**, excluding items affecting comparability, of 3 398 MSEK and growth of 53% and margin improvement from 9,8% to 10,6%
- Good operational **cash flow** of +2 490 MSEK
- **Net profit**, excluding items affecting comparability, amounted to 2 136 MSEK (1 486) – an increase of 44%
- Closed **15 acquisitions** plus entrance into the strategic North American market
- Completed a **rights issue**, related to the entrance into North America, that was oversubscribed by 44%
- Organised Beijer Ref's first **Capital Markets Day** (30 November), which marked an important step for us to communicate our vision, updated financial targets and strategy to investors and stakeholders

Highlights Q4-2023 – Group



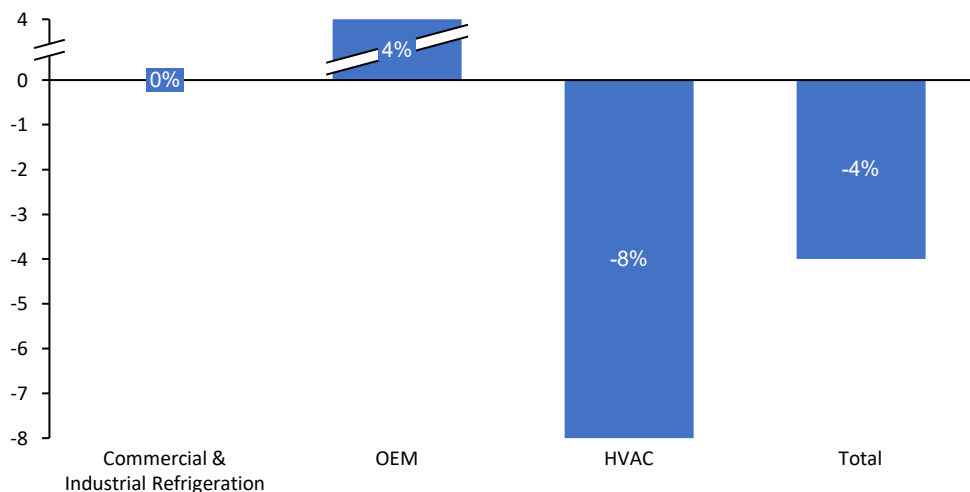
Record cash flow ends an eventful year

Sales at 7 627 MSEK (5 818), an increase of 31 percent

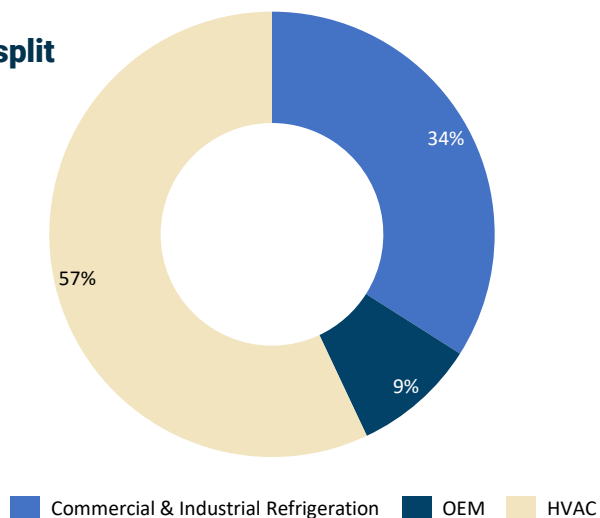
- Organic sales decreased by 4 percent
- Acquisition impact of +33 percent
- FX impact of +2 percent
- **EBITA**, excluding items affecting comparability, at 721 MSEK (570), corresponding to a growth of 26 percent with a margin of 9,5 percent (9,8) affected by high M&A costs of approximately 25 MSEK (7)
- **Operating cash flow** at +1 810 MSEK (633) – the highest ever in a quarter driven by the inventory reduction
- **Net profit**, excluding items affecting comparability, amounted to 393 MSEK (371) – an increase of 6%
- **Earnings per share***, excluding items affecting comparability, of 0,76 SEK (0,88), a decrease by 14 percent
- The board proposes a **dividend** of 1,30 SEK per share (0,94), corresponding to 31 percent (32) of the profit for the year, excluding items affecting comparability. An increase of the dividend of 38%
- The quarter is impacted by one-off costs of 60 MSEK in the operational result
- Positive one-off effect, below EBIT, on the profit in Q4 of 440 MSEK related to a tax restructuring in the US – no liquidity event

Highlights Q4-2023 – Group

Organic growth by product groups



Sales split



Organic growth in the quarter was -4% compared to +18% LY

- Product group **HVAC** had a negative organic growth in Q4 -8% – mainly due to a very strong Q4 2022 (+29%), driven by the energy situation in Europe 2022/2023
- The **OEM segment** reported a positive development (+4%) compared to a very strong Q4 2022 (+24%) growth. EMEA continued to have very good growth of 16% driven by the continued green transformation in Europe
- **Commercial & Industrial Refrigeration** had a stable development at the same level as previous year
- Division **EMEA** reported YoY growth of -2%, excluding currency effects, as the quarter was affected by high comps, especially in the HVAC segment
- Good growth in Division **APAC** of +20%, excluding currency effects
- Sales in Division **North America** were in line with seasonal variations, although slightly below expectations due to lower activity in the residential housing market
- We completed **four acquisitions** during the quarter, all of which strengthen and broaden our existing product portfolio: **Webb Supply** (US), **Grönt Klima** (Norway), **Turner Engineering** (Australia) and **Chillaire** (India)

Highlights Q4-2023 – Division EMEA

MSEK	Q4 2023	Q4 2022	Change %	12M 2023	12M 2022	Change %
Sales	4 563	4 492	2%	20 254	18 232	11%
Currency effect %	3,2%					
EBITA	472	480	-2%	2 294	1 991	15%
EBITA %	10,3%	10,7%		11,3%	10,9%	

Stable quarter finishes off a strong year

- Full year sales growth of 11% and EBITA growth of 15%
- **Sales** decreased by 2% in the quarter, excluding currency effects – affected by high comps, especially in the HVAC segment (+43%)
- **OEM** continues to deliver well and reported a YoY growth of +16%, while Commercial & Industrial Refrigeration reported a YoY growth of +7%
- The **EBITA margin** change is related to lower volumes in the HVAC segment in the quarter compared to last year
- We are at the forefront of the industry's transition to green technology and are continuously investing in this area
- Private label within Commercial Refrigeration and HVAC also developed strongly and our range of own brands continues to be launched in most markets – Good complement to our established suppliers
- The acquisition of Condex, which was consolidated on August 1 and is a leading HVAC distributor through Mitsubishi Heavy Industries, has developed well during the quarter

Highlights Q4-2023 – Division APAC

MSEK	Q4 2023	Q4 2022	Change %	12M 2023	12M 2022	Change %
Sales	1 613	1 350	19%	5 633	4 473	26%
Currency effect %	-0,6%					
EBITA	159	126	26%	489	377	30%
EBITA %	9,8%	9,3%		8,7%	8,4%	

Good quarter

- Full year sales growth of 26% and EBITA growth of 30%
- Sales in the quarter increased by 20%, excluding currency effects
- Strong growth in HVAC and Commercial & Industrial Refrigeration of +25% respectively +23%
- The OEM segment decreased by 3% in the quarter mainly affected by limited larger projects in the quarter, especially in the retail trade, have held off on their investments during 2023 – however, we saw an improvement in this trend during the quarter
- Good profit development in the quarter
- Our newly acquired business in South Korea has started out well and good synergies are being executed
- We continue to notice an increased interest in our CO₂ based technology throughout the region
- At the end of the quarter, we signed the second acquisition of the year in India – Chillaire

Highlights Q4-2023 – Division North America

Our US platform continues to develop well

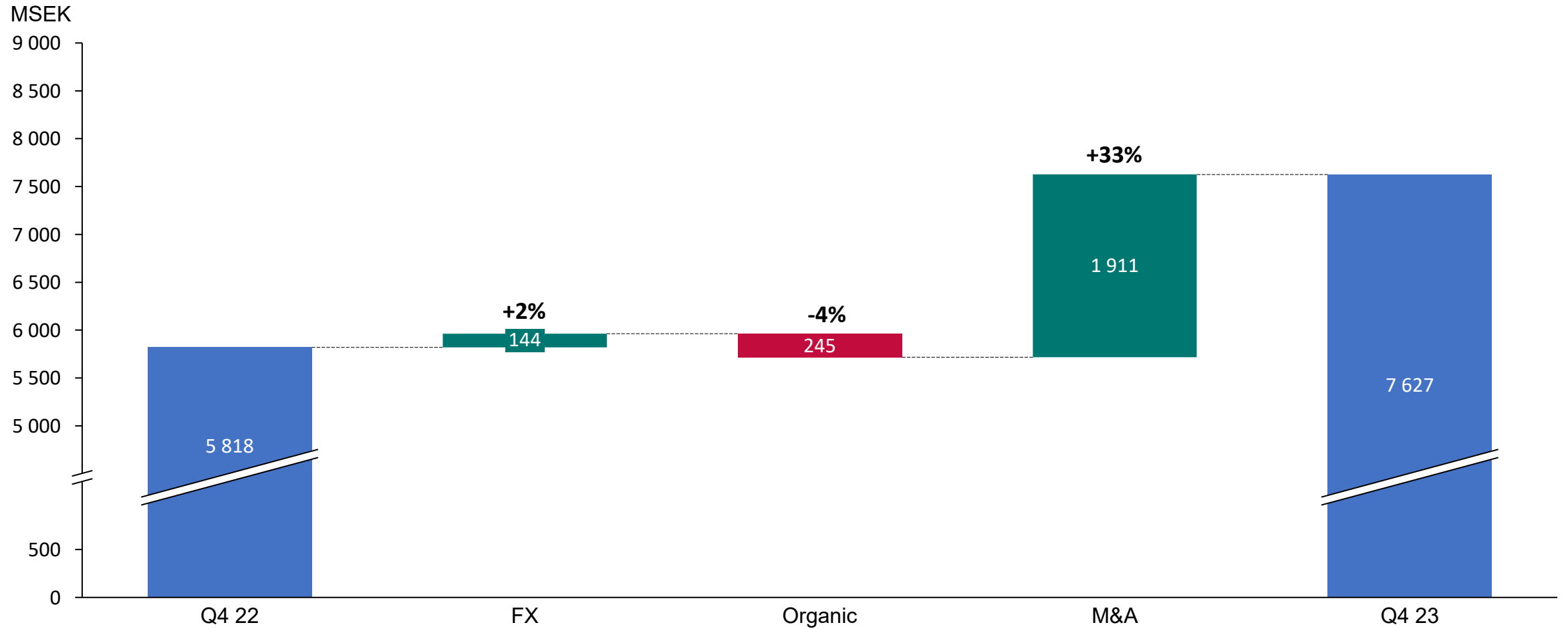
- Sales in the quarter were in line with seasonal variations, but slightly below expectations due to lower activity in the residential replacement market
- Despite lower sales and seasonality, the EBITA margin developed well during the quarter
- The supply chain in the residential segment has returned to normal, but we continue to have long lead times in the commercial segment
- Integration of AMSCO progressing according to plan
- Our US platform continues to build according to plan
 - Expanding the refrigeration portfolio
 - Launching a private label
 - Evaluating new branches
 - Working with our strategic suppliers to reach agreement that support growth in the market
 - Acquisitions and pipeline going forward
- We are working with our key suppliers to prepare for the regulatory transition to ATL-based HVAC equipment – which will begin in 2024
- The acquisition of Webb Supply was signed and closed at the end of the quarter
- We continue to view the long-term growth trend in the US positively – both organic and through continued acquisitions

MSEK	Q4 2023	Q4 2022	Change %	12M 2023*	12M 2022
Sales	1 468			6 336	
EBITA	142			799	
EBITA %	9,7%			12,6%	

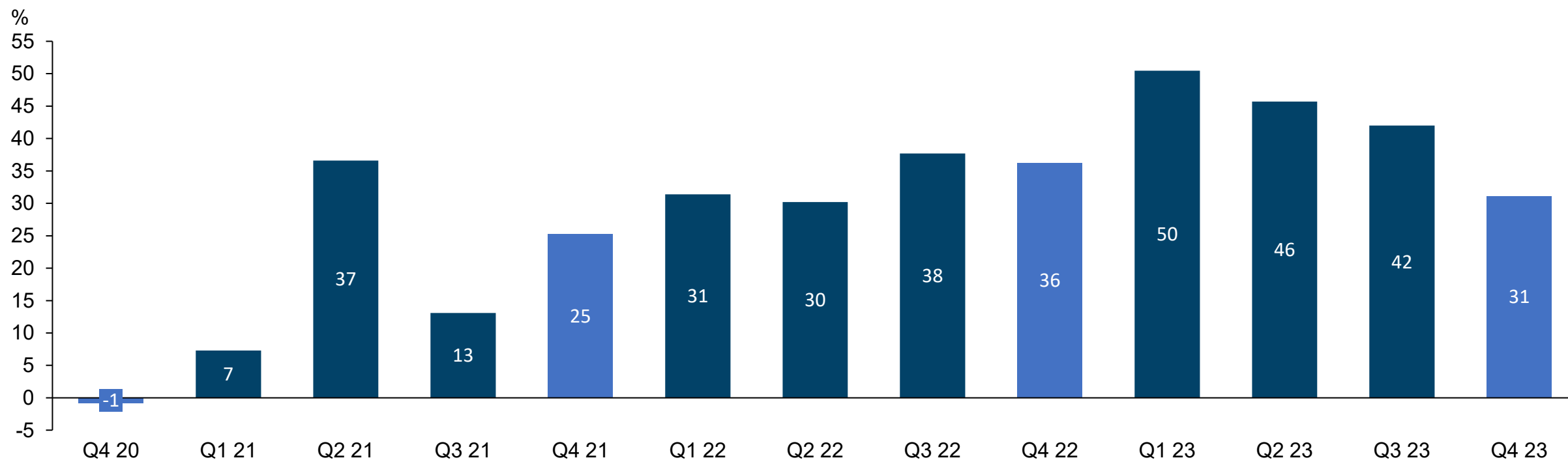
Financials Q4-2023



Financials Q4-2023 – Sales



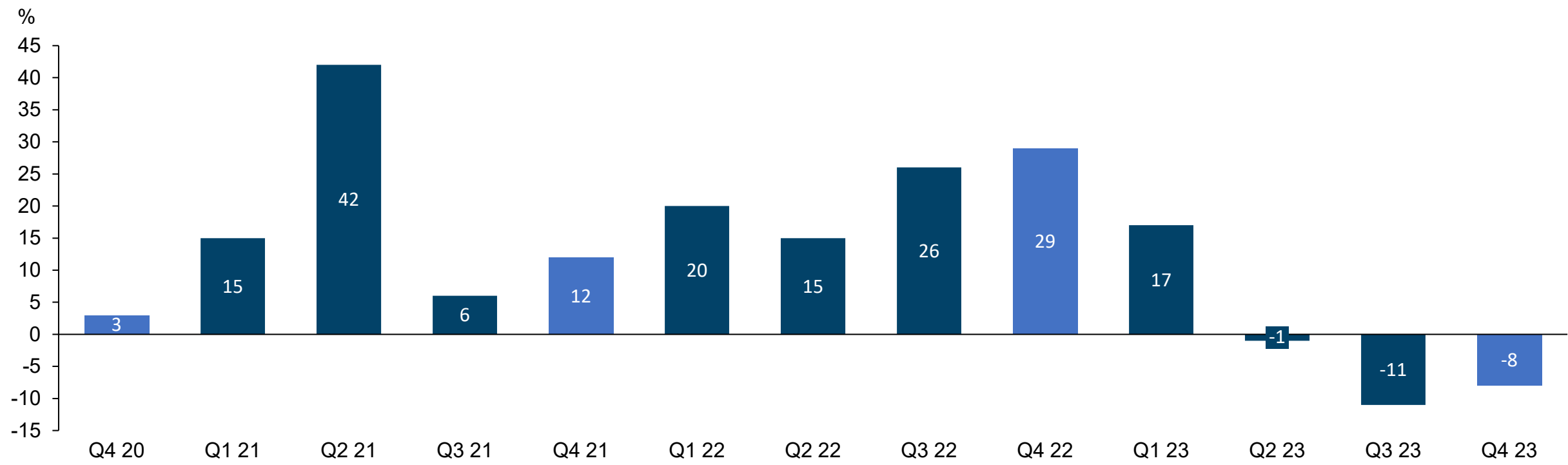
Financials Q4-2023 – Sales development, %



Of which organic growth

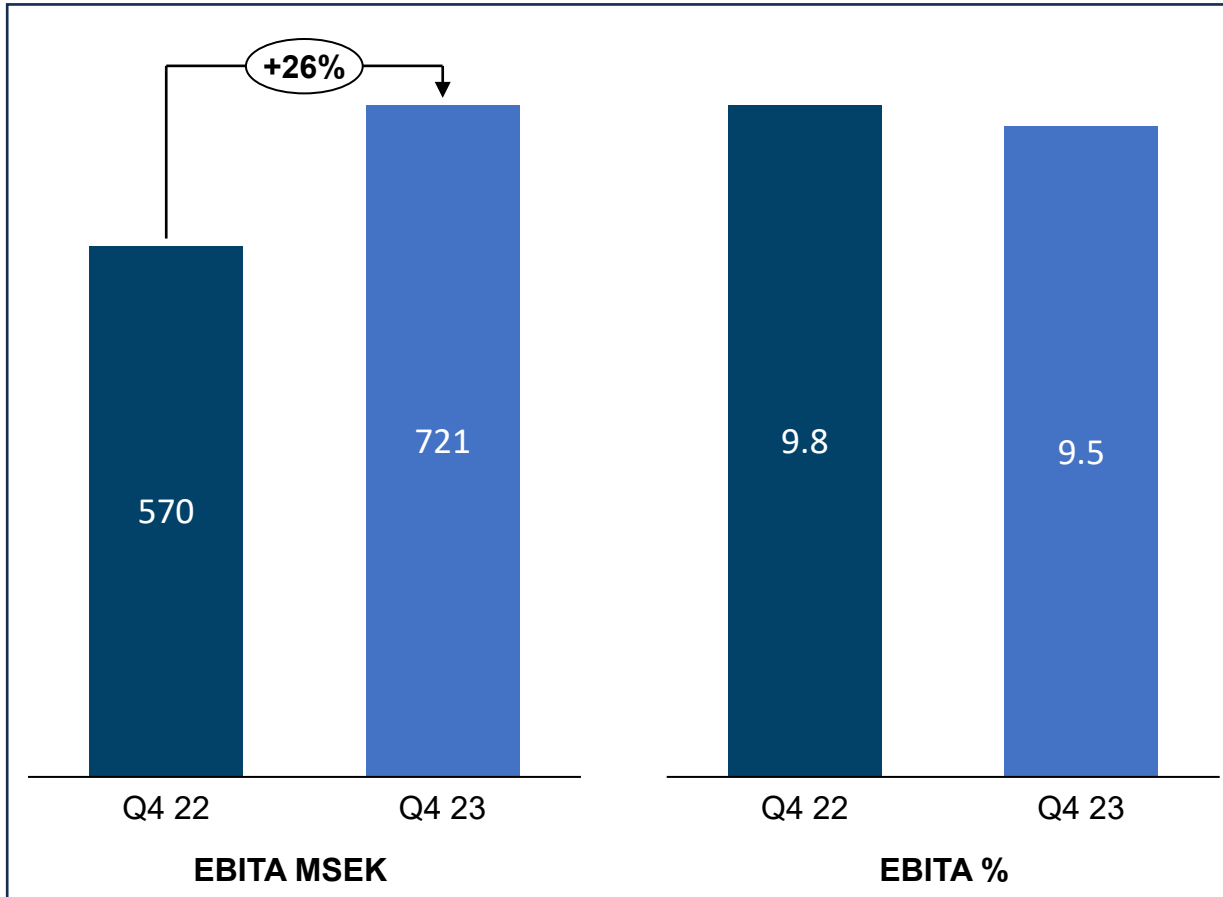
Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	Q1 22	Q2 22	Q3 22	Q4 22	Q1 23	Q2 23	Q3 23	Q4 23
-0,6	7,3	33,8	6,4	11,6	15,8	13,3	18,6	17,9	14,5	1,7	-4,4	-4,1

Financials Q4-2023 – HVAC organic sales development, %

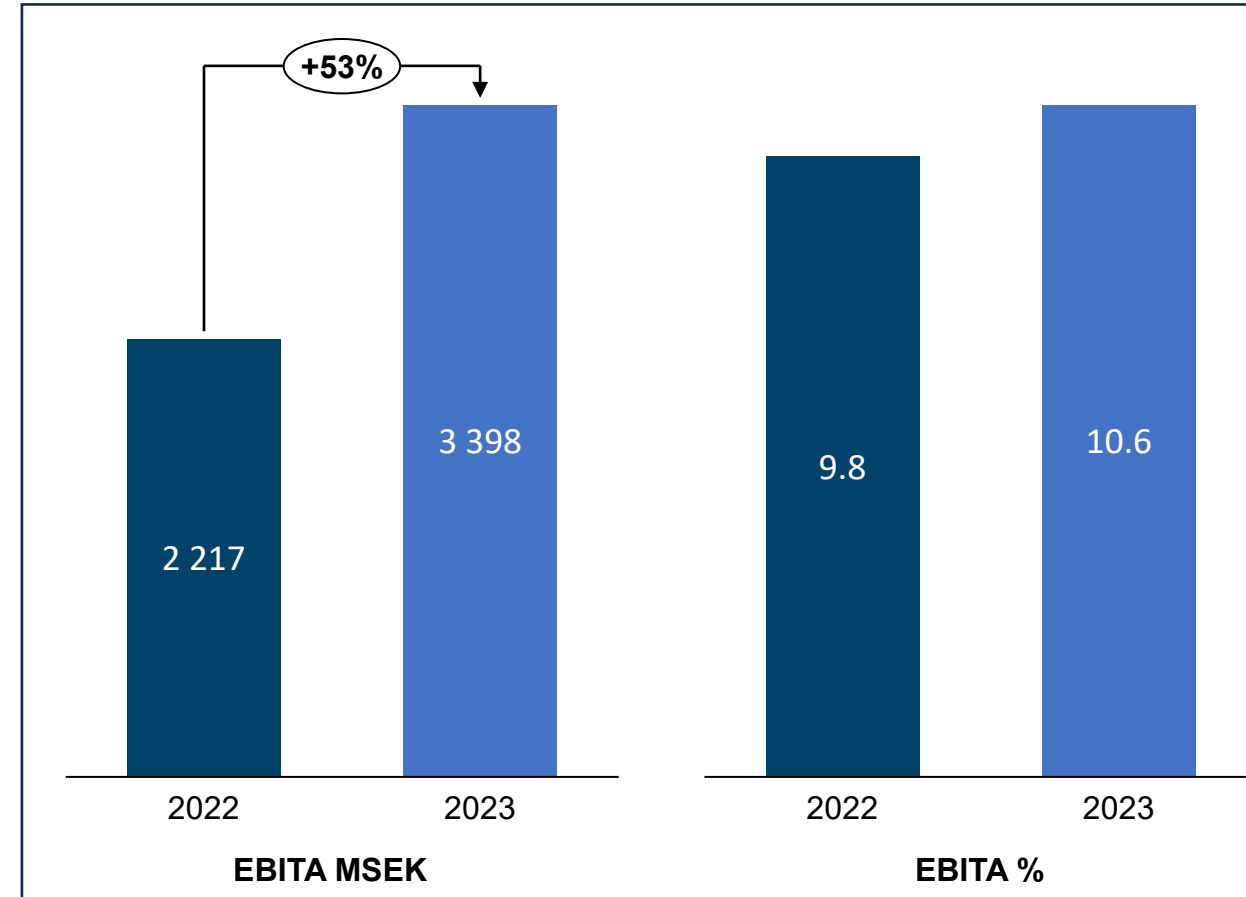


Financials Q4-2023 – EBITA*

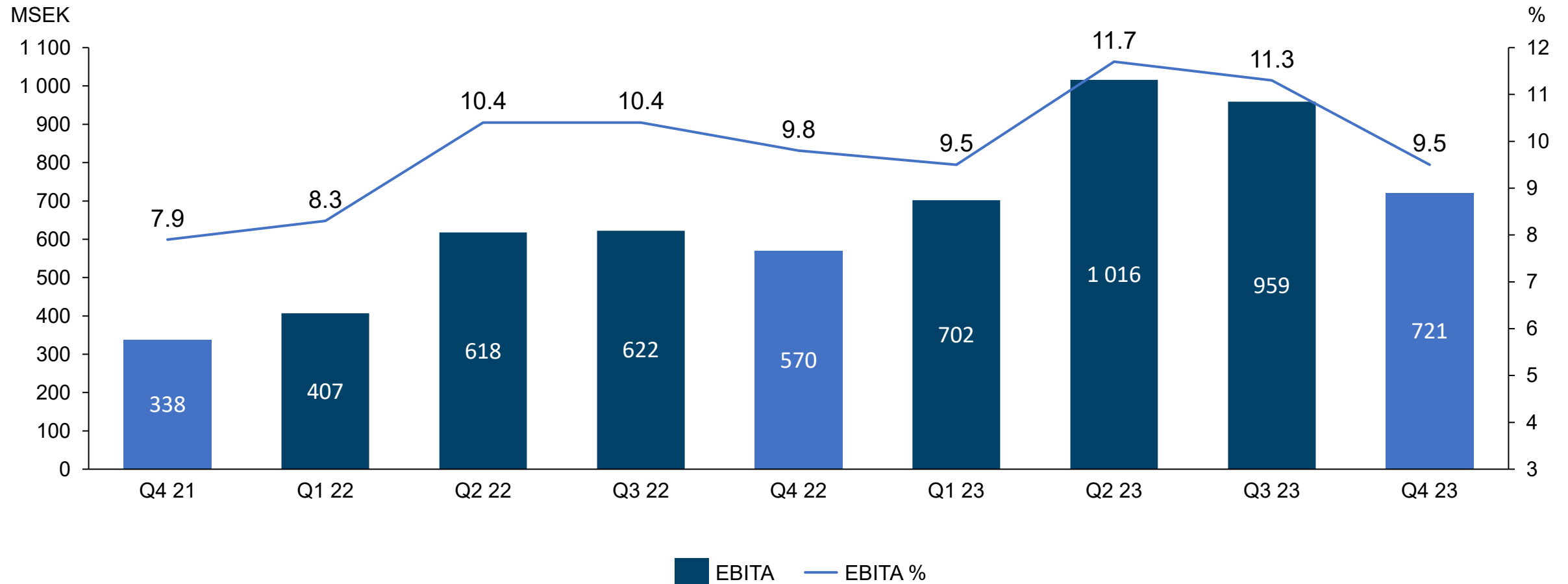
Quarter



FY



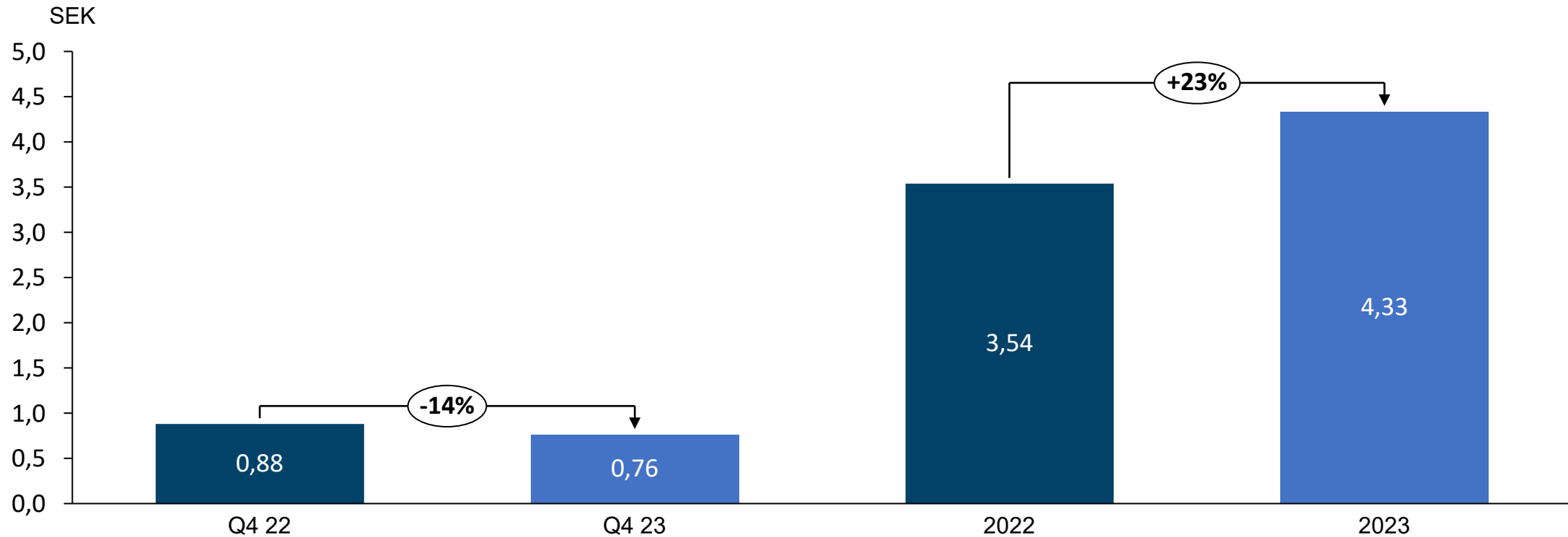
Financials Q4-2023 – EBITA* development



Financials Q4-2023 – P&L

MSEK	Q4 2023	Q4 2022	Change %	12M 2023	12M 2022	Change %
Sales	7 627	5 818	31%	32 150	22 638	42%
EBITA excl. items affecting comparability (IAC)	721	570	26%	3 398	2 217	53%
EBITA margin excl. IAC, %	9,5%	9,8%		10,6%	9,8%	
IAC	-60	-245		-60	-245	
EBITA	661	325		3 338	1 972	
EBIT excl. IAC	671	543		3 219	2 145	
EBIT	611	298		3 159	1 900	
Net financial income/expense excl. IAC	-117	-60		-438	-179	
Net financial income/expense	-117	-60		-576	-179	
Tax excl. IAC	-160	-112		-645	-480	
Tax	274	-87		-183	-456	
Net profit excl. IAC	393	371	6%	2 136	1 486	44%
Net profit	768	151		2 400	1 266	
Earnings per share after full dilution, SEK*						
Excl. IAC	0,76	0,88	-14%	4,33	3,54	23%
Reported	1,50	0,35		4,88	3,00	

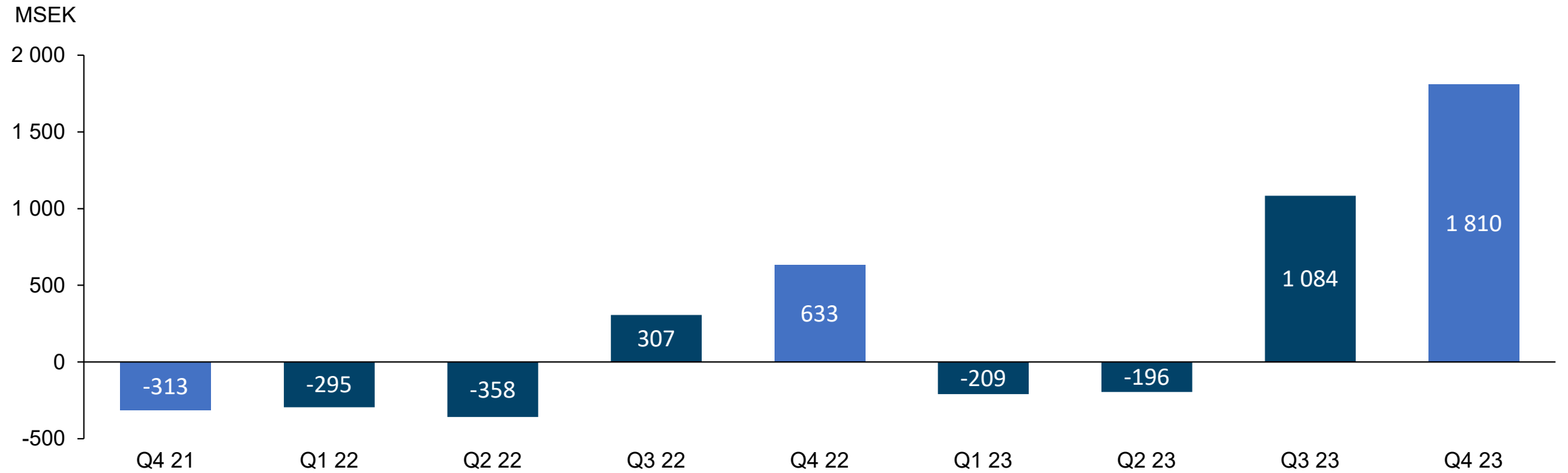
Financials Q4-2023 – Earnings per share*



Financials Q4-2023 – Operating cash flow



Financials Q4-2023 – Operating cash flow

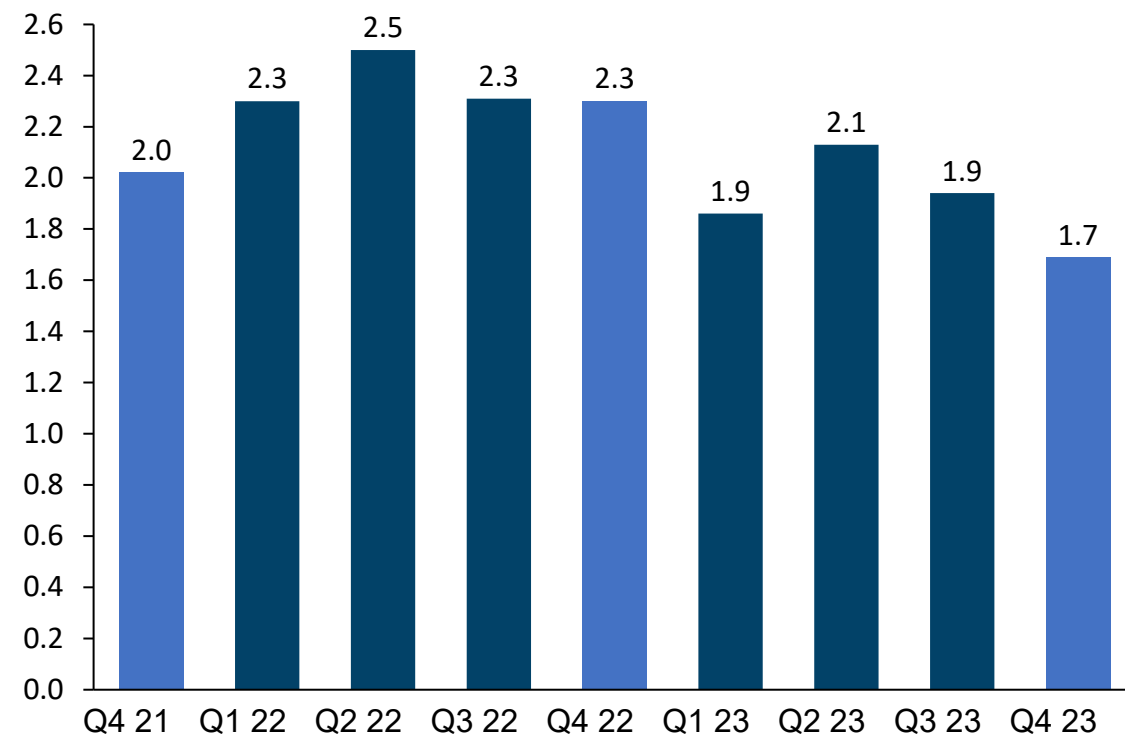


Financials Q4-2023 – Net debt

Net debt

MSEK	Q4 23	Q4 22
L12M EBITDA excl. Items affecting comparability	4 090	2 717
Net debt	8 400	7 204
Of which		
Pension debt	107	110
Leasing liabilities, according to IFRS 16	2 371	1 814
Net debt excluding pension and leasing liabilities	5 922	5 280
Net debt / EBITDA*	2,05	2,65
Net debt / EBITDA excl. Leasing & Pension*	1,69	2,30

Net debt / EBITDA* excl. leasing and pension



High level summary 2023

2023 – Eventful year with strong development

- Total sales growth of 42% coming from organic growth of 1%, acquisitions growth of 35% and FX impact of +5%
- EBITA, excl. IAC, of 3 398 MSEK and growth of 53%
- Good EBITA margin, excl. IAC, improvement from 9,8% to 10,6%
- Solid operational cash flow and journey to right size inventory in progress
- Strong balance sheet to continue our successful growth journey – Net debt/EBITDA* 1.7
- Closed 15 acquisitions plus entrance into the strategic North American market
- Completed a rights issue, related to the entrance into North America, that was oversubscribed by 44%
- Organised Beijer Ref's first Capital Markets Day (30 November), which marked an important step for us to communicate our new financial targets, vision and strategy to investors and stakeholders

Summary Q4

Q4 – stable quarter with record cash flow and good profitability

- Total sales growth of 31% (organic -4%)
- EBITA, excl. IAC, growth of 26% with a margin of 9,5% – however diluted by high M&A costs in the quarter of approximately 25 MSEK (7)
- Operating cash flow at +1 810 MSEK – the highest ever in a quarter driven by the inventory reduction
- We completed four acquisitions during the quarter, all of which strengthen and broaden our existing product portfolio
- The board proposes a dividend of 1,30 SEK per share (0,94), - an increase of the dividend of 38%

Continued solid foundation for long term growth

- Continued good long-term tailwinds supporting our business – Sustainability, Electrification and Regulation
 - Updates on F-gas regulation in EU – acceleration in the phase out in 2024
 - US transition to ATL refrigerants in HVAC for 2025 – to be started in 2024
- The US platform continues to build up well, and trends and activity supports our long-term growth conclusions
 - Refrigeration expansion, private label, new branches and strategic agreements to drive growth with our partners
 - Good acquisition pipeline going forward
- Q1 2024
 - Continued strong comps especially in the HVAC (+17%) segment mainly related to the energy situation in Europe in 2022/2023
 - Two less trading days however will catch up during the year

Q&A

Thank you