

Continued positive development in Southern Europe

1234

the quarter

in brief

13.2%

Increase in sales

15.9%

Increase in operating profit

6.6%

Operating margin

sek 84.0M

Net profit

sek 1.95

Profit per share

sek 5.25

Increased dividend

Quarter 4 2015

- Net sales amounted to SEK 2,026.6M (1,789.7).
- Operating profit amounted to SEK 133.9M (115.5).
- Net profit amounted to SEK 84.0M (82.5).
- Profit per share amounted to SEK 1.95 (1.91).
- Sales growth of 13.2 per cent and operating profit improvement of 15.9 per cent compared with the corresponding quarter of the previous year. Organic increase in sales of four per cent and organic increase in operating profit of six per cent.
- Agreement for the acquisition of the remaining 56 per cent of the shares in the UK refrigeration wholesale company, HRP Ltd, which will be finalized in 2016.
- Acquisition of the remaining 40 per cent of the shares in the Thai company, PattonAero, which manufactures chillers, evaporators and condensers.
- Breakthrough order for eco-friendly refrigeration systems in New Zealand.
- Strong development in Southern Europe and Africa and continued positive development for the Toshiba distribution.
- The Board of Directors proposes that the Annual Meeting of shareholders resolves that a dividend of SEK 5.25 (5.00) per share shall be paid.

Key figures

sek m	Q4 2015	Q4 2014	Change	Full year 2015	Full year 2014	Change
Sales	2 026.6	1 789.7	13.2%	8 360.6	7 189.0	16.3%
Operating profit	133.9	115.5	15.9%	567.1	481.4	17.8%
Operating margin, %	6.6	6.5	0.1	6.8	6.7	0.1
Net profit	84.0	82.5	1.8%	373.1	324.5	15.0%
Profit per share, sek	1.95	1.91	2.1%	8.64	7.46	15.8%

strong end of the year

Comments by the CEO

We ended 2015 with a strong fourth quarter, with continued positive development for Toshiba and for the Southern Europe and Africa market regions. The sales increase for Beijer Ref amounted to 13 per cent, of which four per cent is organic and nine per cent consists of acquisitions. Operating profit increased to SEK 134M – an increase of 16 per cent compared with the corresponding period in 2014 and a figure which means that we make our highest annual profit ever.

Spain strong in Southern Europe

Southern Europe is our most important market region and I am pleased that the strong demand in the region is maintained. In the fourth quarter, both Italy and France did well and especially Spain enjoyed a positive development. Africa's stable development also continues. In the fourth quarter, the Nordic markets were slightly weaker compared with the corresponding quarter in the previous year.

Apart from sales in the stronger market in Southern Europe, the positive development for Toshiba's sales is due to successful product launches. We have the sole right for the distribution of Toshiba's air-conditioning units and heat pumps in eleven countries in Europe.

Acquisitions in the United Kingdom and Thailand

In November, Beijer Ref signed an agreement to acquire the remaining 56 per cent of the shares in the refrigeration wholesale company, HRP Ltd, which has 15 branches in the United Kingdom. Since its acquisition of Carrier's refrigeration wholesale operation in Europe and South Africa in 2009, Beijer Ref has owned 44 per cent of HRP. With HRP as a complement to the Group's existing UK refrigeration wholesalers, Dean & Wood and RW Refrigeration, we consolidate our position in the United Kingdom. This also strengthens its position in Europe. HRP will be included in Beijer Ref's accounts in 2016.

Since our acquisition of Patton in spring 2015, we have owned 60 per cent of the shares in the Thai company, PattonAero, which manufactures chillers, evaporators and condensers. In December, we acquired the remaining 40 per cent of the shares in the company. With its own manufacturing unit in Asia, this becomes another step forward in the development of Beijer Ref's OEM activity.

Important steps for eco-friendly refrigeration technology

At the end of October, we received its first order for eco-friendly refrigeration systems through its subsidiary, Patton, in New Zealand. The refrigeration installation was manufactured by our Italian company, SCM Frigo, and installed in a leading food chain in New Zealand during the fourth quarter. This first order for eco-friendly refrigeration technology in Oceania is in line with our strategy to be a part of the changeover to eco-friendly refrigeration technology with its own manufacturing and, as a result, to contribute to more eco-friendly refrigeration installations.

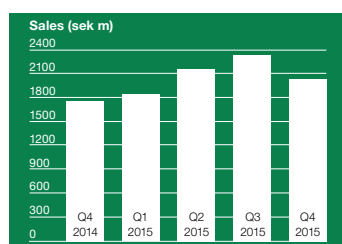
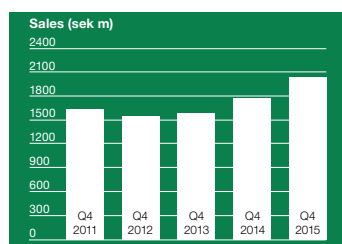
During the fourth quarter, we were given the opportunity, through our Dutch refrigeration wholesalers, Coolmark and Uniechemie, to participate in a pilot project, initiated by a research team which had developed a new propane-based technology for more energy-efficient and eco-friendly refrigeration installations and which had sought to work in collaboration with us. The concept has been successfully launched in a leading food chain in Europe under the Triple Aqua brand. The interest is increasing and deliveries are also made to other customers.

Beijer Ref's Board of Directors proposes an increased dividend of SEK 5.25 (5.00). I am pleased with these positive events and a record profit. With a satisfactory fourth quarter and a new strong year for Beijer Ref, I look forward towards a year which is at least as exciting in 2016.

Per Bertland
CEO, Beijer Ref AB

quarterly

report Q4 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.

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: Nordic countries, Central Europe, Eastern Europe, Southern Europe, A&A (Africa and Asia) and Oceania.

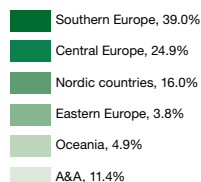
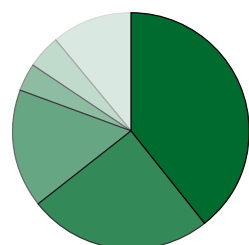
Sales

Beijer Ref increased its sales by 13.2 per cent to SEK 2,026.6M (1,789.7) for the fourth quarter of 2015. Adjusted for exchange rate fluctuations and acquisitions, the organic change in sales was four per cent.

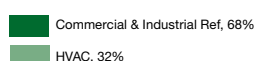
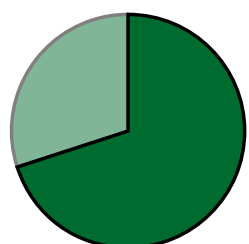
The quarter's sales increase is mainly due to acquisitions, but also to a positive development, especially in Southern Europe and Africa, and to the distribution of Toshiba's air-conditioning products.

For the period January to December, sales increased by 16.3 per cent to SEK 8,360.6M (7,189.0), which organically is an increase of four per cent. The year's sales increase is mainly due to strengthened demand during the hot summer in Southern Europe, combined with a stronger market in general and acquisitions.

The regions' share of total sales, %



Share of sales, market segments, %



Results

The Group's operating profit amounted to SEK 133.9M (115.5) for the fourth quarter, equivalent to an increase of 15.9 per cent, of which 6.2 per cent is organic and 9.7 per cent relates to acquisitions.

The Group's financial income/expense amounted to SEK -15.5M (-8.3) for the fourth quarter. The difference in the Group's financial income/expense is mainly due to acquisitions and allocations between the quarters. Profit before tax was SEK 118.4M (107.2). Net income was SEK 84.0M (82.5). Profit per share amounted to SEK 1.95 (1.91). For the twelve months of the year, the Group's financial income/expense amounted to SEK -42.3M (-34.9). The change consists mainly of increased interest expenses as a result of financing of acquisitions and translation differences on loans in foreign currency. Profit before tax was SEK 524.8M (446.5). Profit after tax amounted to SEK 373.1M (324.5). The increase in the year's tax expense is mainly due to profit increases in Southern Europe, which from a general point of view has higher corporation tax. Profit per share was SEK 8.64 (7.46).

Dividend

The Board of Directors proposes that the Annual Meeting of shareholders resolves that a dividend of SEK 5.25 (5.00) per share shall be paid for the 2015 financial year. This is equivalent to a total of SEK 222.6M if the shares currently held by the company are excluded.

Other financial information

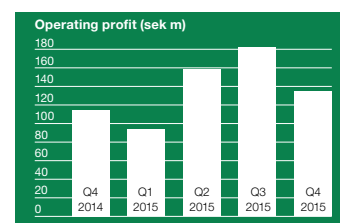
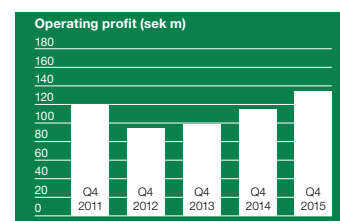
Consolidated capital expenditure, including acquisitions, amounted to SEK 316.6M (182.6) for the 2015 full year. Of this, the major portion refers to the acquisitions of Patton and Realcold. Shareholders' equity amounted to SEK 2,634.2M (2,618.6). The net debt was SEK 1,483.7M (1,429.8). The equity ratio amounted to 43.6 per cent (46.0). The strong cash flow is mainly due to increased profit and improved working capital.

During the autumn of 2015, Beijer Ref renegotiated its entire bank financing with its principal banks and increased the financing scope in order to have readiness for further expansion of the Group's operation.

Significant events during 2015

In January, Beijer Ref signed an agreement with Carrier International Corporation, the world-leading American refrigeration group. The agreement gives Beijer Ref 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 whole-



saler in the Malaysian market for commercial refrigeration, estimated to be worth nearly SEK 480M with stable growth of around ten per cent per annum.

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 for 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, which has its starting point in the Italian company, SCM Frigo. 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 contribute to eco-friendly refrigeration technology in Europe.

In July, Beijer Ref acquired the refrigeration wholesale company, Realcold, which has its head office in Auckland, New Zealand, and around 20 branches in New Zealand and Australia.

In October, Beijer Ref continued to develop its operation in Africa by establishing an operation in Ghana.

In October, Beijer Ref also signed the first order for carbon dioxide-based refrigeration systems manufactured by the Group itself through its subsidiary, Patton, in New Zealand. The refrigeration installation is manufactured in accordance with modern refrigeration technology by Beijer Ref's Italian company, SCM Frigo, for installation in a leading food chain in New Zealand.

In November, Beijer Ref signed an agreement to acquire the remaining 56 per cent of the shares in the refrigeration wholesale company, HRP Ltd, which has 15 branches in the United Kingdom. Beijer Ref has previously owned 44 per cent of HRP since its acquisition of Carrier Corporation's refrigeration wholesale operation in Europe and South Africa in 2009. As a result, Beijer Ref strengthened its position in Europe and, with HRP as a complement to the Group's existing UK refrigeration wholesalers, Dean & Wood and RW Refrigeration, Beijer Ref consolidated its position as the market leader in the United Kingdom.

In December, Beijer Ref acquired the remaining 40 per cent of the shares in the Thai company, PattonAero, which manufactures chillers, evaporators and condensers. The acquisition of Patton in March 2015 included an ownership of 60 per cent and, with a wholly-owned manufacturing company, the opportunity also increases for Beijer Ref's OEM division to develop eco-friendly refrigeration technology in Asia.

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 Annual Report for 2015 will be published in March 2016.
- The Three-Month Report for 2016 will be published on 20 April 2016.
- The Six-Month Report for 2016 will be published on 15 July 2016.
- The Nine-Month Report for 2016 will be published on 19 October 2016.

The Annual Meeting of shareholders will be held on 7 April 2016.

Malmö, 10 February 2016

Beijer Ref AB

Per Bertland, CEO

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This interim report has not been the subject of 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. 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 2015 are not deemed to have any significant effect on the Group's or the parent company's results or financial position.

Summarised profit and loss account

sek m	Q4 2015	Q4 2014	Full year 2015	Full year 2014
Net sales	2 026.6	1 789.7	8 360.6	7 189.0
Other operating income	6.6	10.7	18.9	20.9
Operating expenses	-1 881.7	-1 668.8	-7 743.1	-6 666.1
Depreciation	-17.6	-16.1	-69.3	-62.4
Operating profit	133.9	115.5	567.1	481.4
Financial income and expenses	-15.5	-8.3	-42.3	-34.9
Profit before tax	118.4	107.2	524.8	446.5
Tax	-34.4	-24.7	-151.7	-122.0
Net profit	84.0	82.5	373.1	324.5
Net profit attributable to:				
The parent company's shareholders	82.5	80.9	366.3	316.4
Non-controlling interests	1.5	1.6	6.8	8.1
Net profit per share before and after dilution, sek	1.95	1.91	8.64	7.46

The Group's report on other comprehensive income

sek m	Q4 2015	Q4 2014	Full year 2015	Full year 2014
Net profit	84.0	82.5	373.1	324.5
Items which will not be reversed in the profit and loss account				
Revaluation of the net pension commitment	-19.5	-6.7	-19.5	-6.7
Items which can later be reversed in the profit and loss account				
Exchange rate differences	-104.2	91.5	-150.0	178.4
Cash flow hedging	0.3	0.4	1.9	1.0
Hedging of net investment	2.6	-6.6	12.7	-9.3
Other comprehensive income for the period	-120.8	78.6	-154.9	163.4
Total comprehensive income for the period	-36.8	161.1	218.2	487.9
Attributable to:				
The parent company's shareholders	-39.3	157.9	213.8	474.8
Non-controlling interests	2.5	3.2	4.4	13.1

Summarised balance sheet

sek m	2015 12-31	2014 12-31
ASSETS		
Fixed assets	2 041.5	2 005.3
Current assets	3 650.7	3 457.1
Liquid funds	347.7	236.1
Total assets	6 039.9	5 698.5
EQUITY AND LIABILITIES		
Shareholders' equity	2 634.2	2 618.6
Long term liabilities	1 530.2	1 274.3
Current liabilities	1 875.5	1 805.6
Total equity and liabilities	6 039.9	5 698.5
Of which interest-bearing liabilities	1 831.4	1 665.9

Key figures

sek m	2015 12-31	2014 12-31
Equity ratio, %	43.6	46.0
Equity per share, sek	62	62
Return on equity after full tax, %	14.2	12.9
Return on capital employed, %	13.0	11.9
Return on capital employed in operations, %	14.1	12.7
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
Average number of employees	2 506	2 207

Summarised consolidated cash flow analysis

sek m	Full year 2015	Full year 2014
Cash flow from current operations	480.4	386.5
Changes in working capital	2.6	-148.4
Cash flow from investment operations	-224.4	-81.1
Change in financing operation	82.0	85.9
Dividend paid	-212.0	-201.4
Change in cash and bank	128.6	41.5
Exchange rate difference in liquid funds	-17.0	13.2
Cash and bank on 1 January	236.1	181.4
Cash and bank at the period end	347.7	236.1

Shareholders' equity

sek m	2015 12-31	2014 12-31
Opening balance	2 618.6	2 417.0
Total comprehensive income for the period	218.2	487.9
Dividend	-212.0	-201.4
Acquisitions from holders with non-controlling interest	-6.4	-84.9
Non-controlling interest arising on business combinations	15.8	0
Closing balance	2 634.2	2 618.6

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.

Q4 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
Sales	793.8	700.9	492.2	506.7	348.5	377.2	82.5	75.6	284.4	241.3	175.7	0.0	2 177.1	1 901.7
Internal sales	-68.5	-51.0	-34.4	-37.2	-18.6	-22.6	-4.5	-1.2	-12.1	0.0	-12.4	0.0	-150.5	-112.0
Net sales	725.3	649.9	457.8	469.5	329.9	354.6	78.0	74.4	272.3	241.3	163.3	0.0	2 026.6	1 789.7
Result by operation	32.4	24.0	20.4	20.8	43.8	52.2	6.3	4.5	31.9	27.5	9.6	0.0	144.4	129.0
Internal revenues													-10.5	-13.5
Operating profit	32.4	24.0	20.4	20.8	43.8	52.2	6.3	4.5	31.9	27.5	9.6	0.0	133.9	115.5
Financial income and expenses													-15.5	-8.3
Tax													-34.4	-24.7
Net profit													84.0	82.5
OTHER INFORMATION														
Working capital, average for the period	928.1	903.6	633.0	630.3	417.7	441.0	133.2	139.2	343.2	356.7	202.5	0.0	2 657.7	2 470.8

Full Year 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
Sales	3 519.5	3 047.3	2 246.6	2 096.0	1 447.8	1 357.5	343.1	319.0	1 034.1	833.6	439.1	0.0	9 030.2	7 653.4
Internal sales	-315.4	-247.3	-177.3	-136.6	-84.5	-73.7	-14.1	-6.8	-47.1	0.0	-31.2	0.0	-669.6	-464.4
Net sales	3 204.1	2 800.0	2 069.3	1 959.4	1 363.3	1 283.8	329.0	312.2	987.0	833.6	407.9	0.0	8 360.6	7 189.0
Result by operation	224.3	174.3	93.9	114.5	153.7	142.5	23.2	25.8	92.1	76.0	27.3	0.0	614.5	533.1
Internal revenues													-47.4	-51.7
Operating profit	224.3	174.3	93.9	114.5	153.7	142.5	23.2	25.8	92.1	76.0	27.3	0.0	567.1	481.4
Financial income and expenses													-42.3	-34.9
Tax													-151.7	-122.0
Net profit													373.1	324.5
OTHER INFORMATION														
Working capital, average for the period	962.3	939.1	645.7	604.9	422.3	404.3	139.9	136.2	373.7	310.5	172.7	0.0	2 716.6	2 395.0

Parent company profit and loss account in summary

sek m	Full year 2015	Full year 2014
Other operating income	32.7	21.1
Operating expenses *	-46.9	-30.3
Depreciation	-0.8	-0.4
Operating profit	-15.0	-9.6
Financial income and expenses	32.2	-5.4
Result of participations in Group companies and associated companies	127.8	223.4
Profit after financial investments	145.0	208.4
Appropriations	8.5	14.4
Profit before tax	153.5	222.8
Tax on the period's profit	-5.2	0.2
Net profit	148.3	223.0

*) The figures are not comparable as costs incurred in 2015 have been re-allocated from undistributed costs to the parent company.

Parent company balance sheet in summary

sek m	2015 12-31	2014 12-31
ASSETS		
Intangible and tangible fixed assets	7.6	4.0
Financial fixed assets	2 586.6	1 350.6
Current assets	913.9	1 512.0
Total assets	3 508.1	2 866.6
EQUITY AND LIABILITIES		
Shareholder's equity	1 651.3	1 735.0
Long-term liabilities	1 782.8	1 109.0
Current liabilities	74.0	22.6
Total equity and liabilities	3 508.1	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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On our website, www.beijerref.com, you will always find the latest information.
Here, we publish financial information, news releases and much more.

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