

# G&L BEIJER Q4 2011



- Net sales increased by 16 per cent to SEK 5,846.4M (5,044.3).
- Operating profit rose by 26 per cent to SEK 432.5M (344.0).
- Profit for the year increased by 45 per cent to SEK 374.1M (258.7) including a capital gain of SEK 51.7M from the divestment of shares in Beijer Alma.
- Profit per share amounted to SEK 16.98 (18,85). Excluding the capital gain, profit per share amounted to SEK 15.19 (12.25).
- The Board of Directors proposes a dividend of SEK 9.00 (8.00).
- Share split 2:1.

*The above relates to the remaining operation*

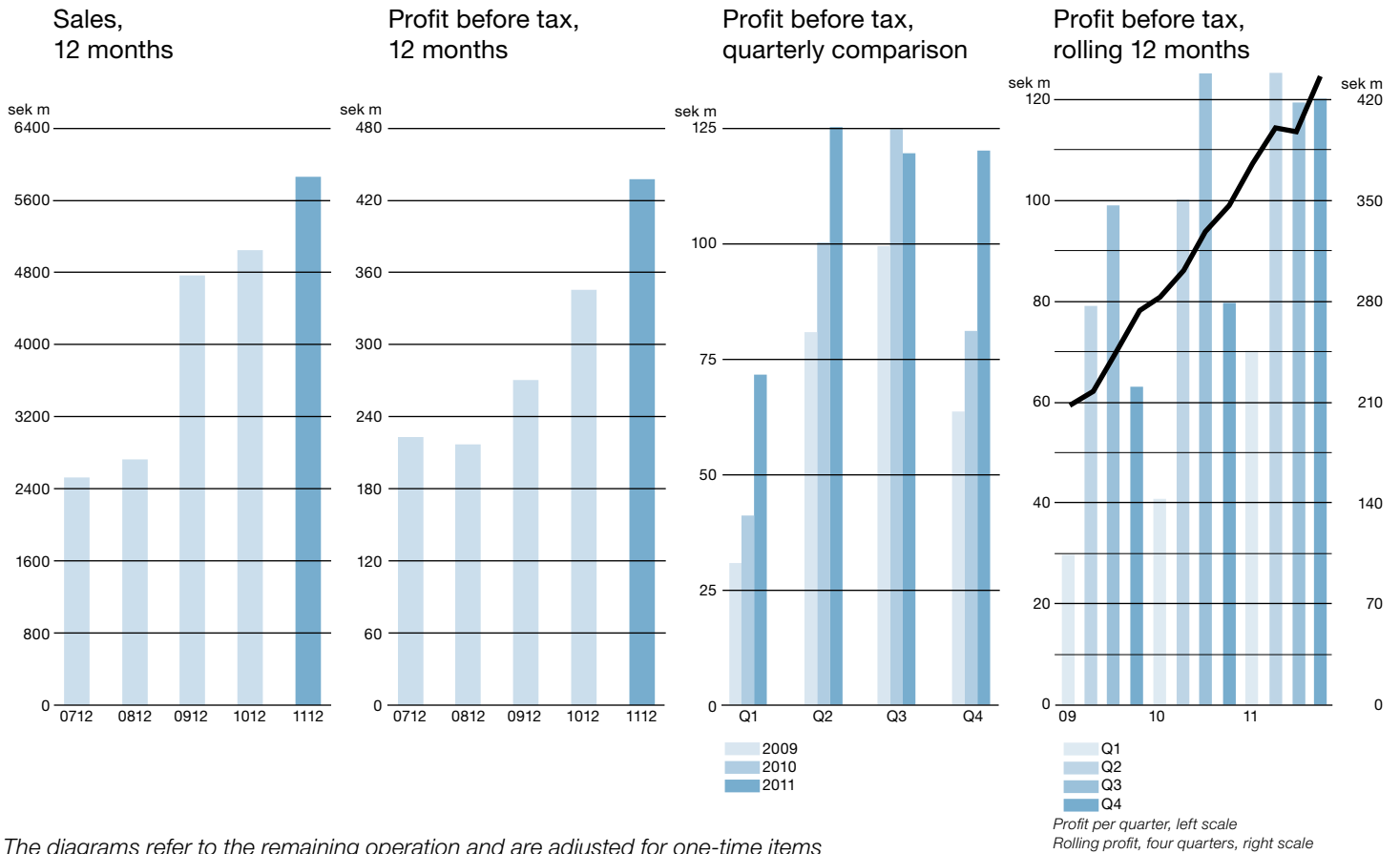




# G & L Beijer AB

## Year-End Report

### January – December 2011



	12 months 2011	12 months 2010	12 months 2009
Sales, SEK M	5 846.4	5 044.3	4 757.7
Operating profit, SEK M	432.5	344.0	280.1
Profit after tax, SEK M	336.0	258.7	192.1
Profit per share, SEK	15.19	12.25	9.39

*The table refers to the remaining operation and is adjusted for one-time items.*



G & L Beijer is a technology-oriented trading Group which, through a combination of added-value agency products and products of the company's own development, offers competitive solutions within refrigeration and air conditioning.

## Sales

G & L Beijer ended the year robustly with strong growth and a significant increase in profit. It meant that the Group reported its highest sales so far and a new record profit from the current operation. Sales for the 2011 full year increased by 16 per cent to SEK 5,846.4M (5,044.3). Organically, sales increased by approximately seven per cent. At the end of the first quarter of 2010, the Beijer Tech business area was divested, which means that Beijer Tech's sales and results are not included in the comparative figures for 2010. The subsidiary, AIA, was divested at the end of 2011 and is not included in sales and profit for 2011 as these items relate only to the remaining operation.

Consolidated sales for the fourth quarter increased by 38 per cent to SEK 1,630.1M (1,178.1). The large acquisitions of Toshiba's operation within refrigeration and air conditioning, and United Refrigeration's refrigeration wholesale operation in France and the United Kingdom, accounted for the majority of the sales increase. Other acquisitions during the year also affected sales positively. Organic growth for the fourth quarter amounted to approximately five per cent.

During the year, the organic volume increase comprised all markets in which G & L Beijer operates. Sales in the Nordic market developed as they did for the Group as a whole. Southern Europe, including France, Italy and Spain, reported slightly stronger growth whilst the development in the United Kingdom and Central Europe was somewhat weaker. Eastern Europe reported very strong growth, albeit from lower levels. In South Africa, the development was also positive with strong growth. The acquisitions of Carrier's refrigeration wholesale operation in Thailand and the Italian company, SCM Frigo, continued to develop very positively.

## Results

Consolidated operating profit for the full year rose by 26 per cent to SEK 432.5M (344.0). The result improvement is explained by increased sales volumes, acquisitions and continued strict cost control. Operating profit for the fourth quarter increased by 50 per cent to SEK 120.2M (80.1). The increase is due to increased volume and synergy effects from acquisitions.

The Group's financial income/expense for the full year amounted to SEK 55.4M (1.0) and to SEK -0.1M (-0.5) for the fourth quarter. Financial income/expense includes the capital gain of SEK 51.7M (0) from the divestment of shares in Beijer Alma and a share in profits of associated companies

of SEK 12.7M (8.0) for the full year. The fourth quarter included a share in profits of SEK 1.5M (2.0).

Profit before taxes increased to SEK 487.9M (345.0) for the full year. Profit for the fourth quarter increased to SEK 120.1M (79.6). Profit after tax amounted to SEK 374.1M (258.7) for the full year and to SEK 104.5M (61.1) for the fourth quarter. Profit per share amounted to SEK 16.98 (18.85) for the full year. Excluding the capital gain, profit per share amounted to SEK 15.19 (12.25).

## Dividend

The Board of Directors proposes that the Annual Meeting of shareholders resolves that a dividend of SEK 9.00 (8.00) per share shall be paid for the 2011 financial year. This is equivalent to a total of SEK 190.8M if the shares currently held by the company are excluded.

## Split

The Board of Directors proposes that the 2012 Annual Meeting of Shareholders resolves upon a share split 2:1 aimed at improving the liquidity in the share.

## Other financial information

Consolidated capital expenditure including acquisitions amounted to SEK 991.6M (36.3) for the 2011 full year. Liquid funds, including unutilised bank overdraft facilities, were SEK 677.2M (478.4) at the year end. Shareholders' equity amounted to SEK 2,433.4M (2,358.7). Net indebtedness amounted to SEK 1,141.1M (395.4). The equity ratio was 47.8 per cent (59.4). The average number of employees during the year was 1,945 (1,657).

## Significant events

At the end of 2010, G & L Beijer acquired the assets in Carrier Corporation's refrigeration wholesale operation in Thailand. During the first quarter of 2011, G & L Beijer acquired the Italian SCM Frigo group. SCM Frigo designs, develops and builds chillers. Initially, G & L Beijer acquired 51 per cent of the shares in SCM Frigo with an option to acquire the remaining 49 per cent. Both companies are included in G & L Beijer's accounts from 1 January 2011.

During the first quarter, G & L Beijer divested its entire holding of 2.7 million shares in Beijer Alma, equivalent to 9.0 per cent of capital and 4.5 per cent of votes. The divestment generated sales proceeds of approximately SEK 365M and G & L Beijer made a capital gain of SEK 51.7M.

In September, G & L Beijer completed its acquisition of Toshiba's distribution operation within refrigeration, heating and air conditioning in eleven European countries from Carrier Corporation. As a result, G & L Beijer strengthens its positions in the European market. The transaction meant

that Carrier transferred staff and net assets to G & L Beijer. The operation has around 160 employees. The acquired operation is included in G & L Beijer's accounts from 1 October 2011. The total consideration amounted to SEK 620M. The acquired net assets, which mainly consist of stock items and operating liabilities, amounted to SEK 200M and the surplus value was SEK 420M. The majority of the surplus value is deemed to be tax-deductible and is being further investigated. During 2011, the acquisition affected consolidated net sales by approximately SEK 242M. The acquisition would have affected consolidated net sales by approximately SEK 1,170M had it been included in the Group for the full year.

During the fourth quarter, G & L Beijer completed its acquisition of United Refrigeration's refrigeration wholesale operations in France and the United Kingdom. With the acquisitions, G & L Beijer strengthens its position further in the French and British markets. The acquisition included two companies, the French company, Cofriset, and the British company, United Refrigeration (UK) Ltd. The acquired companies are included in the consolidated accounts from 1 October 2011. The total consideration for the acquisitions amounted to SEK 167M. The acquired net assets, which mainly consist of stock, trade debtors and operating liabilities, amounted to SEK 74M, which means a surplus value of SEK 93M. The majority of the surplus value consists of goodwill and is not tax-deductible. During 2011, the acquisitions affected the Group's net sales by SEK 140M. The acquisitions would have affected consolidated net sales by approximately SEK 618M had they been included for the full year.

In November, G & L Beijer carried out two acquisitions in South Africa and Mozambique which strengthens the Group's position in southern Africa. In South Africa, 100 per cent of Phoenix Racks (Pty) Ltd was acquired. Phoenix Racks manufactures customer-adapted refrigeration units. The company reports annual sales of approximately SEK 35M and has 23 employees. In Mozambique, G & L Beijer acquired a newly-formed company which had acquired the assets in the company, Logos Industrias. Logos Industrias carries out refrigeration wholesale operations and is a distributor of products manufactured by G & L Beijer's South African operation. The company reports sales of approximately SEK 15M and has five employees. Initially, G & L Beijer acquired 40 per cent of the newly-formed company with an option to acquire the remaining 60 per cent within 24 months. The companies are included in the consolidated accounts from the fourth quarter of 2011. The total consideration for the acquisitions amounted SEK 17.3M and has had only a marginal effect on the Group's net sales and results during 2011.

At the end of the year, G & L Beijer divested the operation in its Swedish subsidiary, Asarum Industriaktiebolag (AIA), to the Italian LU-VE Group. At the same time, G & L Beijer entered into a global collaboration agreement with LU-VE to distribute its products. The divestment of AIA was a step forward in G & L Beijer's strategy to consolidate its opera-

tion into distribution of products within refrigeration and air conditioning. AIA's main operation is the production of heat exchangers. The company reports sales of approximately SEK 100M and has 75 employees. G & L Beijer's sales will reduce by around SEK 50M net. Profit per share will be marginally affected positively during 2012.

After the end of the financial year, G & L Beijer acquired the Norwegian company, Ecofrigo, in January 2012. The company is project oriented within distribution of environment-friendly chillers and refrigerants. Ecofrigo reports sales of approximately SEK 35M and the company has six employees. The acquisition is expected to have a marginal positive effect on G & L Beijer's profit per share. Ecofrigo is included in G & L Beijer's accounts from January 2012.

## **Risk assessment**

The operations of the G & L Beijer Group are 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 operations are dependent on the general economic trend, especially in Europe, which controls the demand for G & L Beijer's products and services. Acquisitions are normally linked with risks, 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 operations, G & L Beijer 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.

## **Financial information**

- The Annual Report for 2011 will be published in April 2012.
- The Three-Month Report for 2012 will be published on 25 April 2012.

*Malmö, 9 February 2012*  
*G & L Beijer AB (publ)*  
*Board of Directors*

*For further information, please contact:*  
*Joen Magnusson, CEO*  
*switchboard +46 40-35 89 00, mobile +46 709-26 50 91*  
*Jonas Lindqvist, CFO*  
*switchboard 040-35 89 00, mobile +46 705-90 89 04*

*This interim report has not been the subject of an 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. G & L Beijer AB continues to apply the same reporting principles and valuation methods as those described in the latest Annual Report.



## Summarised profit and loss account (SEK M)

	12 months 2011 Remaining operation	12 months 2011 Divested operation	12 months 2011 Total Group	12 months 2010 Remaining operation	12 months 2010 Divested operation	12 months 2010 Total Group	Q4 2011	Q4 2010
Net sales .....	5 846.4	50.9	5 897.3	5 044.3		5 044.3	1 630.1	1 178.1
Other operating income.....	2.5	1.2	3.7	12.7		12.7	-1.5	5.2
Capital gain, divestment of Beijer Tech .....	—	—	—	—	140.0	140.0	—	—
Operating expenses.....	-5 369.6	-51.3	-5 420.9	-4 672.0		-4 672.0	-1 495.1	-1 092.2
Depreciation.....	-46.8	-5.1	-52.0	-41.0		-41.0	-13.3	-11.0
Operating profit .....	432.5	-4.4	428.1	344.0	140.0	484.0	120.2	80.1
Net interest expense.....	-9.0	-1.1	-10.1	-7.0		-7.0	-1.6	-2.5
Other financial results <sup>1</sup> .....	64.4	—	64.4	8.0		8.0	1.5	2.0
Profit before tax .....	487.9	-5.5	482.4	345.0	140.0	485.0	120.1	79.6
Tax <sup>1</sup> .....	-113.8	1.4	-112.4	-86.3		-86.3	-15.6	-18.5
Net profit for the period .....	374.1	-4.1	370.0	258.7	140.0	398.7	104.5	61.1
Current result of the divested operation .....	—	—	—	—	4.8	4.8	-4.1	—
Total profit for the period .....	374.1	-4.1	370.0	258.7	144.8	403.5	100.4	61.1

1) The period's result for 2011 includes a capital gain for the divestment of Beijer Alma shares in the line 'Other financial results' with SEK 51.7M.

Divested operation 2011 relates to AIA, divested operation 2010 to Beijer Tech.

	12 months 2011	12 months 2010	Q4 2011	Q4 2010
Net profit for the period .....	370.0	403.5	100.4	61.1
<i>Other comprehensive income</i>				
Exchange rate differences.....	-57.3	-176.7	-50.9	-12.1
Revaluation of financial assets available for sale.....	-93.5	93.5		65.1
Hedging report.....	-1.5		-1.5	
Other comprehensive income for the period .....	-152.3	-83.2	-52.4	53.0
Total comprehensive income for the period.....	217.7	320.3	48.0	114.1
Attributable to:				
The parent company's shareholders.....	207.2	321.3	45.6	114.1
Non-controlling interests .....	10.5	-1.0	2.4	—

## Summarised balance sheet (SEK M)

	2011 12-31	2010 12-31
<b>Assets</b>		
Fixed assets .....	1 860.7	1 635.1
Current assets .....	2 989.9	2 159.2
Liquid funds .....	237.4	174.3
<b>Total assets .....</b>	<b>5 088.0</b>	<b>3 968.6</b>
<b>Equity and liabilities</b>		
Shareholders' equity .....	2 433.4	2 358.7
Long term liabilities .....	1 438.4	314.1
Current liabilities .....	1 216.2	1 295.8
<b>Total equity and liabilities .....</b>	<b>5 088.0</b>	<b>3 968.6</b>
Of which interest-bearing liabilities .....	1 379.5	569.7

## Key figures <sup>1)</sup>

	2011 12-31	2010 12-31
Equity ratio, % .....	47.8	59.4
Equity per share, sek .....	115	111
Return on equity after full tax, % .....	15.1	17.6
Return on capital employed, % .....	14.9	17.2
Return on capital employed in operations, % .....	15.3	20.8
Number of outstanding shares .....	21.195.515	21.195.515
Average number of outstanding shares .....	21.195.515	21.195.515
Holding of own shares .....	43.600	43.600

1) The profit/loss items in the Group's key figures refer to the remaining operations for all periods. 2010 includes a capital gain relating to the divestment of Beijer Tech. 2011 includes a capital gain relating to the divestment of shares in Beijer Alma. The comparative figures of the balance sheet items have not been adjusted.

## Summarised consolidated cash flow analysis (SEK M)

	12 months 2011	12 months 2010
Cash flow from current operations* .....	384.2	260.8
Changes in working capital* .....	-276.0	-114.2
Cash flow from investment operations* .....	-609.0	3.1
Change in financing* .....	739.6	-158.0
Dividend paid .....	-169.6	-137.8
Change in cash and bank .....	69.2	-146.1
Exchange rate difference in liquid funds .....	-6.1	-13.4
Cash and bank on 1 January .....	174.3	333.8
Cash and bank at the period end .....	237.5	174.3

## \* ) of which divested operations (SEK M)

	12 months 2011	12 months 2010
Cash flow from current operations .....	1.8	4.2
Changes in working capital .....	-34.5	9.3
Cash flow from investment operations .....	-0.9	-0.4
Change in financing .....	34.4	-9.7

## Shareholders' equity (SEK M)

	2011 12-31	2010 12-31
Opening balance.....	2 358.7	2 175.5
Total comprehensive income for the period.....	217.6	320.4
Dividend .....	-169.6	-137.8
Acquisition of non-controlling interests .....	26.7	0.6
Closing balance .....	2 433.4	2 358.7

## Reporting for segments (SEK M)

	Beijer Ref		Beijer Tech		Group	
	12 months 2011	12 months 2010	12 months 2011	12 months 2010	12 months 2011	12 months 2010
<b>R e v e n u e s</b>						
<i>Remaining operation</i>						
External revenues .....	5 846.4	5 044.3	—	—	5 846.4	5 044.3
<i>Divested operation</i>						
External revenues .....	50.9	—	—	141.8	50.9	141.8

## R e s u l t s

*Remaining operation and capital gain relating to the divestment of Beijer Tech*

Result by operation.....	453.6	365.8	—	—	453.6	365.8
Capital gain on the sale of Beijer Tech .....					—	140.0
Undistributed costs .....					-21.1	-21.8
Operating profit.....	453.6	365.8	—	—	432.5	484.0
<i>Divested operation *</i>						
Result by operation.....	-4.4	—	—	6.3	-4.4	6.3
Operating profit.....	-4.4	—	—	6.3	-4.4	6.3

*\*) Divested operation 2011 relates to AIA, divested operation 2010 to Beijer Tech.*

	Beijer Ref		Beijer Tech		Group	
	2011 12-31	2010 12-31	2011 12-31	2010 12-31	2011 12-31	2010 12-31
<b>A s s e t s</b>						
<i>Remaining operation</i>						
Assets.....	5 050.0	3 597.9	—	—	5 050.0	3 597.9
Undistributed assets/eliminations .....					38.0	370.7
Total assets .....	5 050.0	3 597.9	—	—	5 088.0	3 968.6
<i>Divested operation</i>						
Assets.....	—	—	—	—	—	—
Total assets .....	—	—	—	—	—	—

## Parent company profit and loss account in summary (SEK M)

	12 months 2011	12 months 2010
Operating income .....	10.4	—
Operating expenses.....	-18.9	-18.1
Depreciation and write-downs of intangible and tangible fixed assets .....	-0.8	-0.5
Operating profit .....	-9.2	-18.6
Net interest income/expense.....	11.3	-0.1
Result of participations in Group companies and associated companies.....	138.3	311.2
Results from other long-term securities holdings .....	51.7	—
Profit after financial investments .....	192.1	292.5
Appropriations .....	-10.2	0.2
Profit before tax .....	182.0	292.7
Tax on the period's profit.....	-12.7	4.6
Net profit .....	169.2	297.3

## Parent company balance sheet in summary (SEK M)

	2011 12-31	2010 12-31
<b>A s s e t s</b>		
Intangible and tangible fixed assets.....	1.5	1.8
Financial fixed assets.....	1 333.1	1 549.0
Current assets.....	469.6	91.3
Total assets .....	1 804.2	1 642.1
<b>E q u i t y   a n d   l i a b i l i t i e s</b>		
Shareholder's equity.....	1 591.0	1 591.4
Untaxed reserves.....	11.3	1.2
Long-term liabilities .....	167.4	—
Current liabilities .....	34.5	49.5
Total equity and liabilities .....	1 804.2	1 642.1

# BEIJERS

G & L Beijer AB (publ), Norra Vallgatan 70, SE-211 22 Malmö, Sweden  
 Phone +46 40 35 89 00, info@gl.beijer.se  
 Corporate identity number 556040-8113

Current information:  
[www.beijers.com](http://www.beijers.com)