

PRESS RELEASE

Beijer Ref Acquires Patton and Expands in Four Countries

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Beijer Ref is carrying out a key acquisition in its expansion outside Europe and acquires operations in three new markets: New Zealand, Australia and India. The Swedish refrigeration group, Beijer Ref AB, is acquiring 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.

Beijer Ref is one of the largest refrigeration wholesalers in the world and the acquisition is a significant step forward in the company's strategy to continue its growth outside Europe.

"This is a key acquisition which gives us a foothold in the important markets New Zealand, Australia and India and, at the same time, strengthens our existing operation in Thailand.

Patton is an established company with a long tradition and a strong growth potential in its markets. The company eminently fits our profile", says Per Bertland, CEO of Beijer Ref.

Patton was founded in 1923, reports sales of approximately SEK 400M and is the leading refrigeration wholesaler in New Zealand. Patton's sales include products manufactured by the company itself.

These are marketed under the Patton brand. The company has also established platforms for growth in Australia, India and Thailand.

- In New Zealand, the company has nine branches, 65 employees and sales of SEK 175M. New Zealand's economy is strongly dependent on food exports and access to efficient refrigeration installations are a decisive factor. The tourist industry is also increasing, which generates an increased demand for refrigeration installations and air conditioning. With around 35 per cent of the market, Patton is the leading refrigeration wholesaler in the country.
- In Australia, the company has established an operation with 14 branches, 53 employees and sales of SEK 190M since 1985. Patton is currently a significant refrigeration wholesaler in Australia.
- In Thailand, Patton has had an operation for the manufacturing of its own refrigeration products since 2007. It has sales of SEK 30M, 62 employees and is operated through the joint-venture company, Patton Aero. The products are mainly sold in India, the Middle East, South East Asia and Australia. In 2014, the company moved into new premises of 3,700 square metres which will enable the company to triple its current production.
- In India, Patton has established an operation with five branches, 22 employees and sales of SEK 15M. India is the largest producer in the world of milk, fruit and vegetables. One important issue for the authorities is to limit food waste through an improved infrastructure. In this respect, the investment in efficient refrigeration installations is a vital component.

Patton has a broad product portfolio with brands such as Mitsubishi Electric, Emerson, Embraco and Than.

"Beijer Ref complements Patton's current product supply with several strong international brands, which are currently missing in its product portfolio. It means that Beijer Ref, with its overall product offer, will become more competitive in these markets. In addition, we see synergies on the purchasing side as well as on the production side", continues Per Bertland.

Patton will be integrated into Beijer Ref's organisation and is expected to be included in the consolidated accounts from March 2015. The acquisition is estimated to have a positive effect on Beijer Ref's net income in 2015. Patton's management will continue to take an active part in the company.

Beijer Ref was advised by Oaktower Partnership.

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