





**FROM COAL TO COLD**  
**G. & L. BEIJER'S 150 YEAR JOURNEY TO BEIJER REF**



In the 150 years since Gottfried and Lorens Beijer started their business in Malmö, southern Sweden, the company that bears their surname has at various times been associated with everything from steam cruises to oats, coal, pig iron, oil, steel making, hydraulic hoses, freight forwarding, programmable control systems, business data, broking, dental technology, drills and car care products.

But for the last few years, and for the first time in its history, the company has been focused on one single area: refrigeration.

As it celebrates the 150th anniversary of its foundation in 2016, Beijer Ref has transformed itself into one of the world's largest refrigeration companies with annual sales of SEK 9 billion and around 2,500 employees in 32 countries – and its sights are firmly set on continued international expansion.

The Beijer journey over one and a half centuries is filled with stock market collapses, world wars, oil crises, bull markets, changes in technology, fluctuating interest rates, new growth markets, threats of global economic collapse, accelerating globalisation and the incessant need to adapt to new business opportunities.

This is the story of that journey.



AN OIL PAINTING BY BILLE DEPICTING THE PORT OF MALMÖ IN 1865.





# CHAPTER 1

## 1866–1913

At the beginning of the 19th century, Sweden was a nation heavily in debt after years of war and attempted empire building. Its industries were regulated by the anachronistic and restrictive practices of the guild system. It suffered from a lack of infrastructure and a non-existent credit market. And it had an agricultural system that, despite employing the majority of the country's active workforce, was so inefficient that it was a net importer of agricultural produce.

But between 1870 and 1970 things changed. Sweden developed into one of the world's three richest countries and, along with Japan, was the fastest growing economy in the world.

The main reasons for this change in fortune can be found in the much needed and, for that time, revolutionary reforms which between 1840 and 1870 paved the way for record growth rates in Sweden in the next hundred years. Arguably they marked the foundation of modern Sweden. Obligatory schooling for all was introduced in 1842; the guild system was abolished in 1846; the first Companies Act was passed in 1848 and the decision to allow free emigration and immigration as well as freedom of movement within the country was taken in 1860.

In 1864 perhaps the most important decision towards a free market economy was taken. It was then that the liberal market forces in Swedish politics pushed through the Freedom of Industry Act which, in principle, removed all the old regulations governing industry. Now anyone who had reached the age of consent – irrespective of gender – could start a business.

In its opening lines, the new act made it clear that the medieval restrictions of the guild system were now consigned to history and that (57 years before women were granted the right to vote) women had the same rights as men to set up a company:

**»Swedish men and women have the right to pursue craft or manufacturing activities in towns or in the countryside; to export to foreign lands or from there to import into Sweden; to exchange goods between different national towns and also to transport by ship to national and foreign destinations.«**

This was in stark contrast to earlier legislation. The main task of the guilds was to protect established businesses from competition. Prior to the reforms you couldn't run a business without a special licence but after the reforms, any consenting adult was entitled to do so, unless expressly forbidden. Competition was no longer seen as a threat but rather a force for good that would help develop the economy.

The laws governing banks were liberalised and interest rates deregulated both of which helped stimulate competition. Sweden then joined the European free trade system in 1865. So, within a relatively short space of time, this agriculture-based economy that had fallen behind its rivals, had retaken the initiative with a number of much needed reforms. They helped Sweden adapt to and exploit the opportunities and demands of a modern industrialised society.

The reforms were championed by the liberal finance minister, Johan August Gripenstedt. He was also one of the driving forces behind the substitution of the old parliament (diet) of the Estates of Sweden -representing the nobility, the clergy, the burghers and the peasants – by a two-chamber parliament that helped usher in modern democracy.

Against a background of deregulation in shipping and the iron and forest industries, the removal of customs barriers, free trade agreements and a nascent democracy, a new generation of young entrepreneurs were emerging realising that their time had come.

One of those ambitious young men was 28-year old Gottfried Beijer from Malmö.



THE PORT OF MALMÖ AROUND 1890.



GOTTFRIED BEIJER



LORENS BEIJER

**A**lthough he was only 28 years old when he founded 'G. Beijer' in 1866, Gottfried Beijer had already spent half his life working. It included a short stint as a 14-year old sailor after which he worked in various trading houses in Malmö, Hamburg and London.

He was born in 1838 and grew up in a family steeped in entrepreneurship and a tradition of free thinking. It was a time when Malmö was just beginning to regain belief in its future after almost two hundred years of being viewed (and treated) as a provincial backwater.

Malmö's position on the coast on Öresund (the stretch of water between Sweden and Denmark at the mouth of the Baltic) was highly advantageous as it lay on one of Europe's foremost trade routes. It derived significant income from the herring fishing industry and during the Middle Ages it was Denmark's second most important city with prestigious trading houses lining its main streets. But when Malmö was again ceded to Sweden in 1668, the town's attempts at development were thwarted by wars in the Skåne region (Scania) and the many restrictions imposed as a consequence of the mutual distrust between the two arch-enemies, Sweden and Denmark.

### **NEW TIMES IN MALMÖ**

The turning point came at the end of the 18th century around the same time as the British industrial revolution heralded the arrival of a new epoch.

In Malmö, the main instigator of change was a young man called Frans Suell, a gifted trader and businessman, who had amassed a significant fortune thanks to a combination of timing, talent and luck. In 1775, one of his employees mistakenly ordered too much tobacco from the American colonies, the sole source of tobacco at that time. When the American War of Independence broke out a short time later, American ports were blockaded and all tobacco trade ceased. As a result, tobacco prices rocketed as did the value of Suell's enormous stockpile.

### **NEW HARBOUR PAVES THE WAY**

At the turn of the 18th and 19th centuries, Frans Suell proved to be by far the most important person for the growth of Malmö as a centre of international trade and new industry.

Since the Middle Ages, all Malmö's trade with the outside world had taken place via Färjebron, a 150-metre-long and highly exposed wooden jetty that stretched far out into the shallow waters of Öresund. Frans Suell was the driving force behind the call to build a new harbour in the town and the work was begun in the 1770s.

It is hard to overstate the significance of the new harbour for the development of Malmö – and Beijer – during the 19th century. The most prominent example is perhaps Kockum's foundry and

mechanical workshop, established in 1840 by Frans Suell's grandchild Frans Henrik Kockum which developed into a world renowned ship yard in the 20th century.

But at the end of the 19th century it was the activities of the trading houses that would lead to the growth of operations in the harbour, and one of the most active houses went by the name of Beijer.

### **BEIJER ARRIVES IN MALMÖ**

As a family, the Beijers had no background in trade or industry. However, they were driven by the firm belief that their first son would always be called Gottfried, and as this story follows the fortunes of four generations of the Beijer family, we have numbered them below to avoid confusion.

Gottfried Beijer (1) was a German regimental doctor who moved to Sweden in the middle of the 18th century to become the municipal health officer in Malmö. His son Gottfried Beijer (2) followed in his father's footsteps.

The medically oriented Beijer family forged an alliance with the industrial families of Suell and Kockum through two marriages: the first in 1829 between Frans Kockum and Dorothea Beijer, the daughter of Gottfried Beijer 2, and then in 1837 when Frans Kockum's daughter, Catharina Margareta, married Malmö's municipal accountant, Gottfried Beijer 3, in Malmö.

And it was into this free-thinking and successful entrepreneurial environment that the fourth generation Gottfried Beijer (4) and Lorens, his younger brother by one year, grew up.

### **INTERNATIONAL BUSINESS EDUCATION**

Gottfried was the most interested in business of the two brothers and his practical education in the ensuing years could hardly have been better. He spent a few months as a 14-year old at sea but soon realised that it was not for him. Instead he was offered a place at a company called Hans Friis & Hjort in Malmö which dealt in wholesale groceries. Here he learned the basics of the trade. Then, aged 19 he decided to broaden his views and set off for Hamburg where he found a job as assistant salesman at Schenck & Co. Hamburg at this time was the most important port and business centre in the network of German states that had unified after the Napoleonic wars. It was a pulsating meeting point for businessmen and maritime traders from all over the world.

Gottfried stayed there for four years and when in 1861 he returned to Malmö he was a relatively urbane 23-year-old with a lot of experience behind him, big visions and important contacts.





A HORSE-DRAWN OMNIBUS ON THE ROUTE BETWEEN BANK AND THE STRAND IN LONDON IN JANUARY 1865.

## LONDON CALLING!

The time in Hamburg only served to arouse his appetite for business in the wide world. Gottfried was only at home a short while before setting off again, this time for London where for the next five years he worked as a clerk at Westenholz Brothers and then as a managing clerk (with signatory rights) at Gust. Roos & Co.

Gottfried Beijer travelled widely in England, on the continent and back home in Sweden. It was now that his business acumen began to take root, and it was now that he began to see the possibilities that might accrue from international commerce. Above all he saw the rich potential in commerce between England and Sweden not least because the series of market reforms in Sweden had created a new and propitious climate for such an undertaking.

On 1 September 1866 Gottfried was back in Malmö having set up a new company, G. Beijer, to

pursue an agency and commissioning business primarily between southern Sweden and England. Some of its first customers were London's fast growing transport companies who were in great need of fuel.

»Fuel« at that time was oats for the horse-drawn omnibuses which were being seen more and more frequently on the streets of English towns (only to be replaced by motor-driven vehicles after the turn of the century). Sweden exported about 40% of its oats production and most of it went to England. During these early years G. Beijer's operations were built on the export of oats.

## G. & L. START TO WORK TOGETHER

Gottfried realised right from the start that he couldn't really run the business on his own so he got in touch with his brother Lorens. He had spent 10 years as a sea captain visiting all corners of the earth but had also decided to return to Malmö and concentrate on a life in business.

Lorens had learnt the basics of book-keeping at his brother's old benefactor, Hans Friis, and while Gottfried returned to London to start Jackson, Beijer & Co to manage operations in England, Lorens was appointed to run the company in Malmö which now assumed the name »L. Beijer«.

One of the commodities Jackson Beijer & Co traded in was grain, and part of Gottfried's work involved him reporting on the world grain market for the local newspaper at home, Sydsvenska Dagbladet:

»In mid week, there occurred a change in weather, one so longed for by the farming community. Since then we have had rain on a daily basis and warm sunny days which has already caused a noticeable change in the appearance of meadows and fields.

Hopefully one will soon be able to say the same thing about the fields of grain, because many are predicting that we will not see an early harvest and probably a less plentiful one, especially when it comes to wheat.«

## RAPID EXPANSION

The business soon started to trade in livestock, butter, pork, and eggs. As well as grain. Most of the trade was between England and Sweden and the Beijer brothers were soon filling the ships on the return journey to Sweden with British exports such as coal, coke and pig iron which were in great demand.

Coal fuelled the Swedish industrial revolution in the 19th century: it was literally »full steam ahead«. As England had chopped down most of its forests during the 18th century to meet the demand for charcoal, coal was now worth its weight in gold as it fuelled the steam engines that powered the trains, ships and factories.

Sweden was becoming more and more industrialised and at an increasingly frenetic pace. The hunger for coal seemed insatiable, no matter how much was shovelled into the ravenous







furnaces. The brothers realised that any company that could ensure a steady supply of fuel for these voracious beasts would probably meet with considerable success. A lot of their efforts and energy were thus channelled into building good relationships with the leading English coal mining companies.

The trade in pig iron had been made possible thanks to Sweden joining the European free trade system in 1865. Iron and steel were exempt from customs duty and this helped stimulate business. Beijer was quick to secure a number of agency agreements to sell English pig iron in Sweden. The Beijer brothers filled their ships with livestock and other agricultural products for the trip from Skåne to England and then reloaded them with coal, coke and pig iron for the journey home. This efficient use of their fleet meant that the business was soon generating a healthy profit.

**BEIJER’S OWN SHIPPING LINE**

In 1875 Gottfried Beijer left London and returned to Malmö for good. All that experience from his time in Hamburg and, above all, London had opened his eyes to the opportunities in the wider world and given him a host of ideas about how they could further develop G. & L. Beijer’s wholesale business.

But if the company were going to grasp these opportunities, Malmö would have to modernise, increase its harbour capacity and improve communications at sea and on land. To help bring about the changes in attitude and other reforms that he thought necessary, Gottfried began to involve himself in political, commercial and charitable work both locally and nationally.

On his initiative, a steamer route between Malmö and Newcastle was started so that more of the income from exports by sea would benefit southern Sweden rather than Danish shippers. Goods from southern Sweden were mainly exported on Danish vessels via Copenhagen and the Danes dominated maritime trade in the region. A Scania-based steamship operation represented a very good business opportunity.

**ONE COMPANY NAME 1878**

Although steamships had been around since the early 19th century, the Swedish merchant navy was still predominantly under sail and as late as 1875 only 15% of the fleet was powered by steam. In 1877 Beijer had gathered a sufficient number of shareholders to form Sydsvenska Ångfartygs AB (Southern Swedish Steamship Company) and at the start of 1878 the Beijer brothers advertised for the first time under their new single company name, »G. & L. Beijer« in Sydsvenska Dagbladet, the regional newspaper.

The newly formed company acquired two steamers, »Alexandra« and »Patriot«, which soon started to ply the waters between Newcastle and Malmö, Landskrona and Helsingborg in southern

Sweden. The business was a success and in 1881 the company ordered a third vessel, »Vesta«, for SEK 400,000 kr.

With Beijer’s rapidly expanding steamship operation, activities in Malmö docks increased significantly. The company acquired a couple of plots of land in the harbour area and opened its own dispatch office on Skeppsbron. Beijer acted as an agent for the shipping company and also took on clearing and dispatch direct to customers.

**LUSTFUL TRIPS TO »WICKED« MÖLLE**

At the dispatch office you could also buy tickets to Newcastle, Leith in Scotland, Copenhagen and various places along the Scanian coast. Advertisements by the Beijer brothers appeared regularly in local newspapers and one can assume that the trips to view the infamous »mixed-bathing« arrangements in the town of Mölle caught the attention of many readers.

Men and women bathing together in tight-fitting costumes was, at this time, titivating news, and when European newspapers began to print pictures of mixed bathing, rumours of »sinful Swedes« started to spread. Right up until the outbreak of the First World War, Mölle would attract hoards of curious visitors and bored doyens and doyennes of society who had suddenly taking an interest in life by the sea!

The Beijer brothers were among the first to take advantage of this veritable explosion of international interest, and under the title »Lustful tours« many were tempted to buy tickets for a »steamy« trip to observe the shocking nearly-naked bathers of Mölle.



THE MIXED BATHING ARRANGEMENTS IN MÖLLE WERE A MUCH TALKED ABOUT SENSATION THAT ECHOED ALL OVER EUROPE AT THE END OF THE 19TH CENTURY.

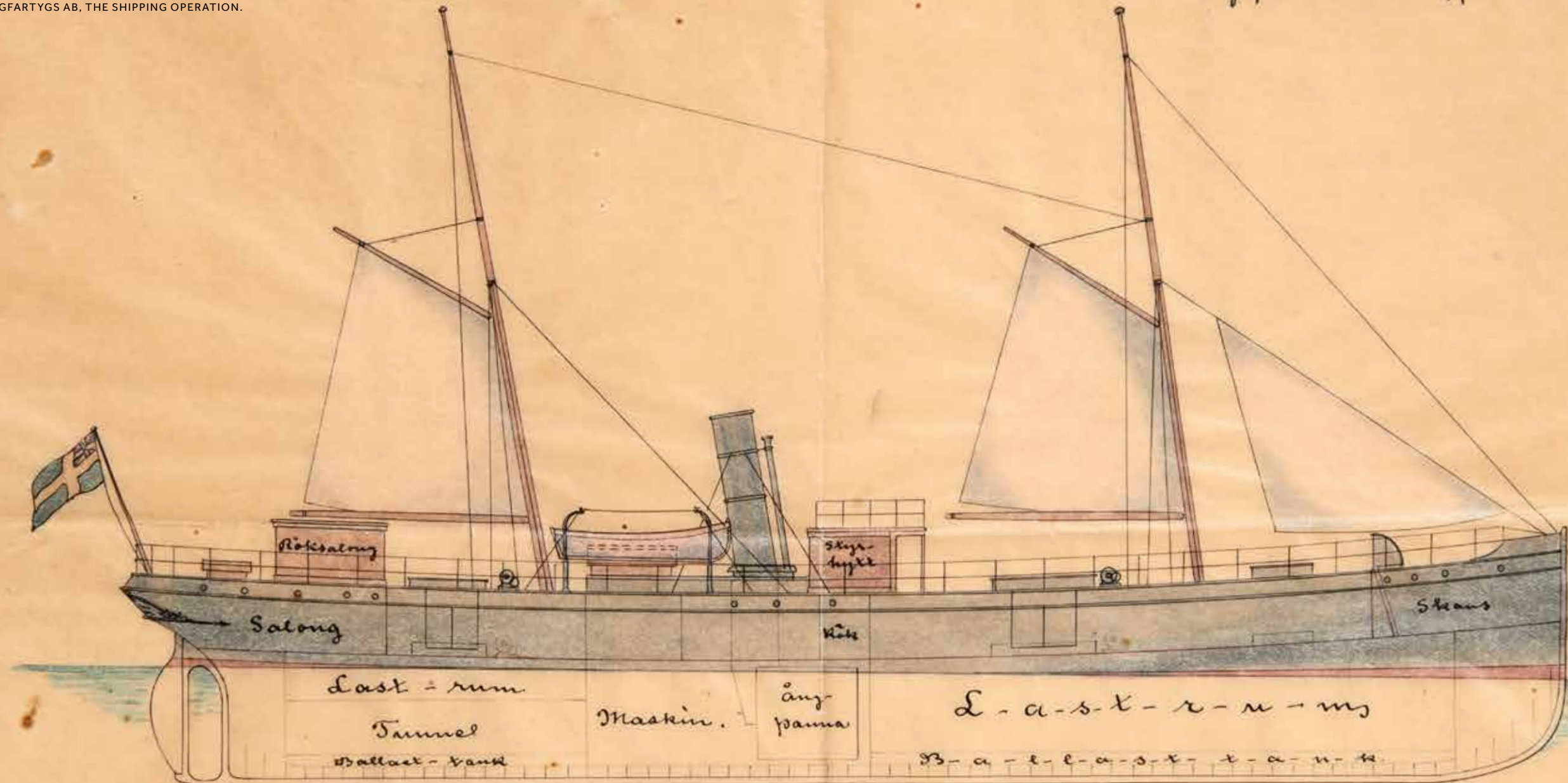


Förslag till  
Passagerare-oh Last-Ångare  
for Hrn G & L. Beijer.  
Malmö.

THE DRAWINGS OF THE THIRD STEAMER VESTA  
WHICH WAS PURCHASED IN 1881 BY SYDSVENSKA  
ÅNGFARTYGS AB, THE SHIPPING OPERATION.

Infund-dimensioner.

Längd mellan stävar - 135'-0" eng. mät.  
Största bredd 23'-0" " "  
Djup till tanktopps - 16'-3" " "





#### LIVESTOCK, COAL AND COFFEE

Export of livestock was the most profitable business while imports were increasingly dominated by heavy industrial products such as coal, coke, steamboat equipment, sheet steel, machinery, pig iron and railway rails.

Beijer steamships were also carrying a mixed bag of cargo from Newcastle to Sweden including chemicals and food products such as salt, coffee and Guinness as well as a much heralded meat extract from the German chemist Justus von Liebig, the precursor of today's beef stock cubes.

Maritime trade was going well and by 1881, three years after start-up, Sydsvenska Ångfartygs AB was debt-free. However, it was not free from tragedy. Within a couple of years both of its vessels had capsized in storms in the North Sea and gone under with all and everything on board. First to succumb was Alexandra in 1881 followed by Patriot in 1883. Two new steamers were ordered immediately from Kockum's shipyard in Malmö which had been set up relatively recently.

#### BUSY TIMES FOR GOTTFRIED BEIJER

As G. & L. Beijer continued its rapid growth, Gottfried Beijer involved himself in all sorts of potential projects for the company and for Malmö. The harbour's lack of capacity was always at the top of the agenda. The problem was that the growth of the docks hadn't really kept up with the growth in trade which during the period 1860 to 1885 had expanded significantly with tonnage increasing from 200,000 to 1,700,000 tons. Beijer was a key contributor to this growth. In order to avoid capacity problems Gottfried Beijer suggested building a new harbour outside the current one to the north of

the marshalling yard. His vision was not shared by the Malmö city council, however, and it was to take several decades before the project came to fruition.

Gottfried was a busy man and there seemed to be no end to his list of appointments. He represented Malmö in the lower chamber of parliament between 1880 and 1882; he was vice chairman of the port management team; vice chairman of Kockums Jernverk AB; a board member of Kockums Mekaniska Verkstad AB; the managing director of a number of local regional railway companies; a member of the board of the Malmö stock exchange and Malmö's Library and Lecture Association; one of the people behind the start up of the Association for Malmö's Beautification; chairman of Malmö's retail trade association, Malmö's Commercial Association and Malmö's Ångköks AB, as well as vice chairman of the city council, to name but a few.

#### STRATEGICALLY IMPORTANT RAILWAY

The work to link Malmö with Sweden's West Coast railway line to Gothenburg would prove to be decisive to Malmö's (and Beijer's) future. At one point it looked as if the line would terminate in Helsingborg (60 km north of Malmö) which would have been a serious threat to the town's status as the main commercial centre in southern Sweden.

If the rail traffic from Stockholm was rerouted to Helsingborg, that city could have become the commercial centre for trade between Sweden and Norway. This was naturally unacceptable from Malmö's point of view and a group was drummed up to solve the pending crisis.

Gottfried Beijer was one of the loudest voices behind the call for the municipality and local industry to get together immediately and start a new railway company to link the town with the West Coast line. The urgency of the problem seemed to galvanise all concerned, and in a relatively short time enough capital had been raised from municipal and private sources to start building a new railway line. In 1886 the new 60 km line opened joining Malmö to the West Coast line. The town had managed to maintain its position as southern Sweden's commercial centre and an additional important growth factor was now in place.



## MALMÖ BECOMES THE TOWN OF PARKS

Gottfried Beijer wasn't just interested in business and finance. He was passionate about making the heavily industrialised city of Malmö with its ugly smoking stacks into something more attractive and greener. In 1872, the town laid out its first park. It was close to the local castle, Malmöhus, but it wasn't really for public enjoyment. The park was fenced in, guarded by watchman, you weren't allowed to walk on the grass and picnic baskets were forbidden. Kungsparken (King's Park), as it was named, was primarily for the genteel promenades of the bourgeoisie along its neat gravel paths.

A group of more socially conscious town leaders raised the matter of establishing another green area where even the working people of Malmö could regenerate their powers in a woodland-like environment. In 1881 the Association for the Beautification of Malmö (Malmö Förskönings- och Planteringsförening) was set up. The board contained many local dignitaries and Gottfried Beijer was its vice chairman and perhaps the most enthusiastic of them all.

## PUBLIC PARK IN TOWN

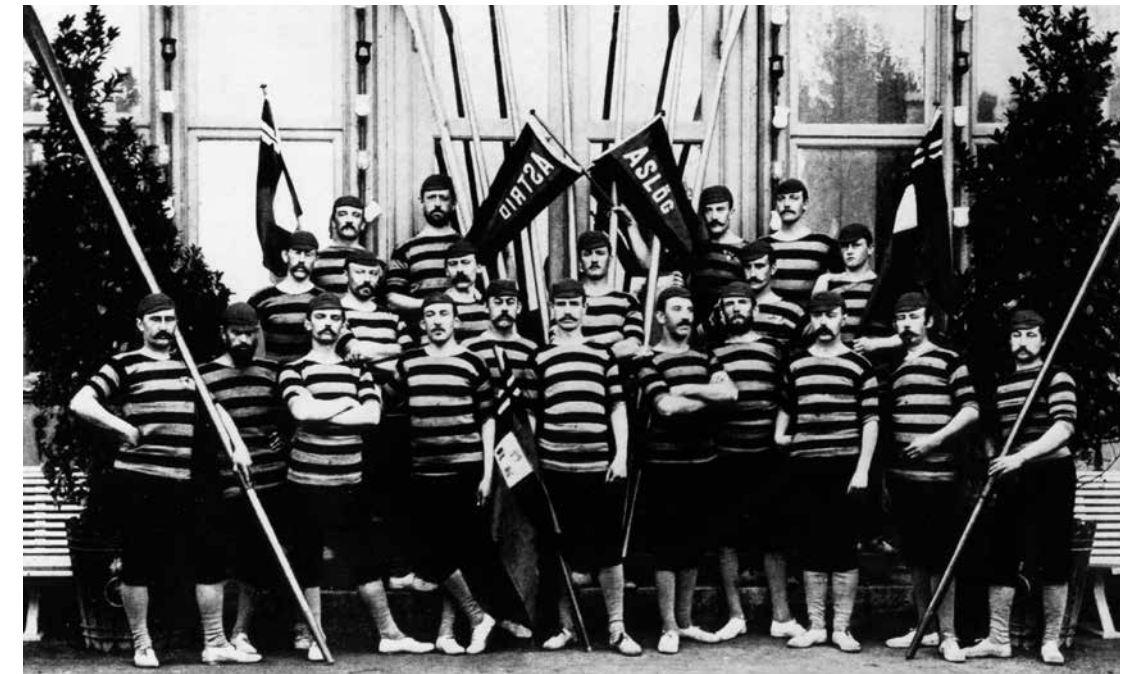
One of the things that the group propagated for was the establishment of a large open park which, in contrast to the straight-laced Kungsparken would provide healthy after-work recreation for everyone. The suggestion got a luke-warm reception and while constant lobbying took place, Gottfried Beijer took matters into his own hands and established a woodland park in the eastern part of Malmö. The Beijer Park was laid out in 1885 and, filled with exciting and exotic plants from Beijer's international operations, became a popular place for excursions for the town's inhabitants.

Another park was soon added. At the end of the 1890s the rapid growth of the working class made the concept of a central public park more pressing than ever and in 1900 Slottsparken with its 21 hectares of copses, lawns, paths, ponds and other water features opened to the public. Thanks to a combination of private initiative and dogged determination and Malmö was now two large and open parks the richer.

## LORENS BEIJER

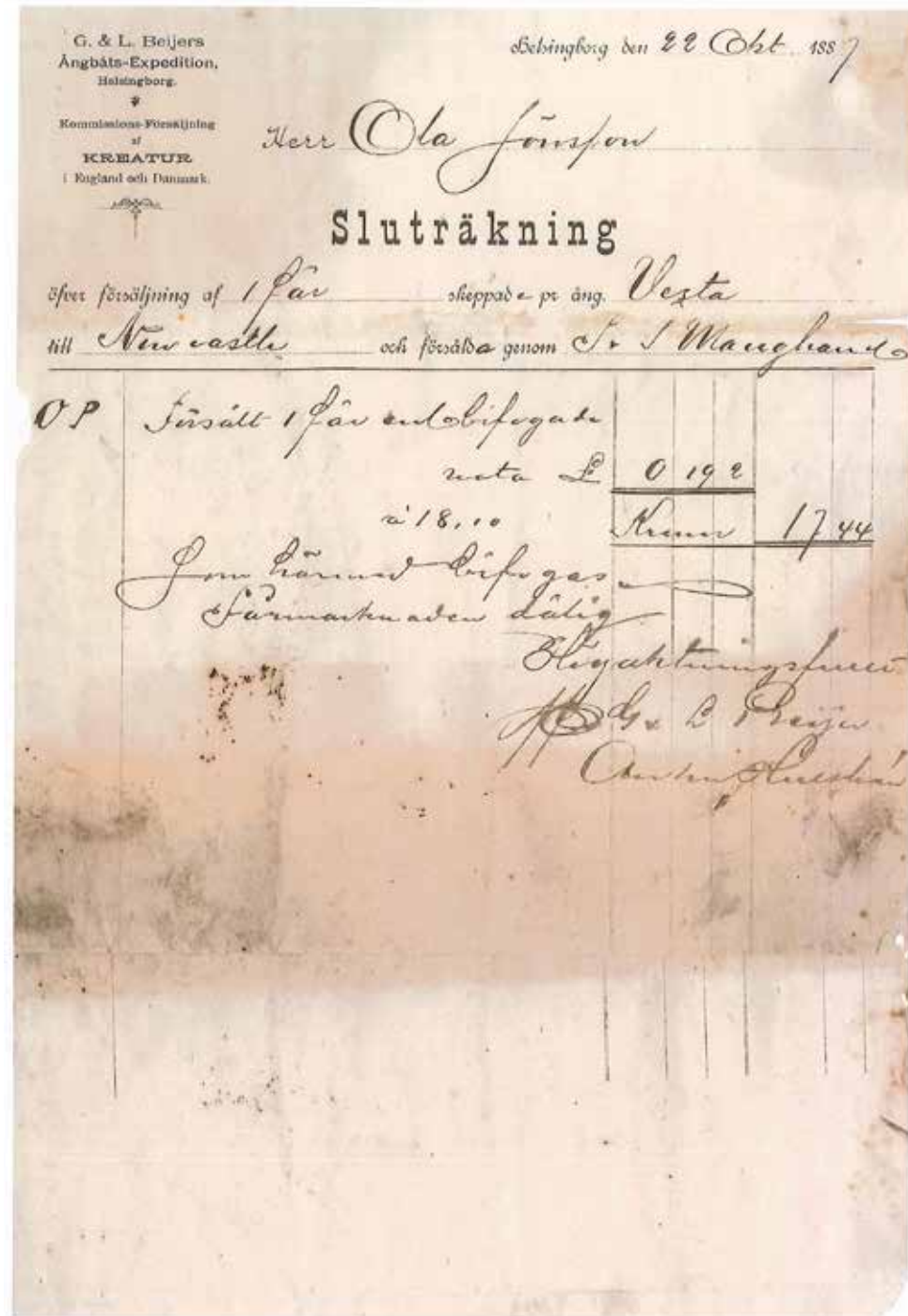
There's no doubting that Gottfried Beijer was the most industrious and energetic of the two brothers but Lorens' administrative adeptness in the day-to-day work was a perfect complement to his visionary older brother.

Lorens' main interest outside work was sport which during the second half of the 19th century had hardly become a national concern. As a former seafaring captain it was scarcely surprising that he was chairman of the Malmö Sailing Club and that in 1884 he was one of the founders of the Malmö Rowing Club for whom he acted as chairman and patron. He was also involved in the national movement to teach people to swim and for 30 years he was chairman of the board of the Navigation College, today the World Maritime University in Malmö.



LORENS BEIJER WAS ONE OF THE FOUNDERS OF THE MALMÖ ROWING CLUB IN 1884, HERE AT A PRIZE-GIVING CEREMONY TWO YEARS LATER.





OLA JÖNSSON GOT 18 SWEDISH CROWNS FOR A SHEEP THAT WAS EXPORTED TO ENGLAND IN 1887. PRICES WERE OBVIOUSLY ROCK BOTTOM. ON THE RECEIPT IT SAYS SOMEWHAT APOLOGETICALLY: "SHEEP MARKET BAD".

## STOP FOR CATTLE TO ENGLAND

After 14 years of lucrative export of livestock and butter to England the days of Sydsvenska Ångfartygs AB were numbered when England banned the import of cattle in 1892. It made a significant dent in the company's profits and both brothers became heavily involved in saving the company from bankruptcy. They tried to attract new investors and even lobbied the government to introduce subsidies for the steamship business between Sweden and England.

One argument they gave for government subsidies was the fact that the 15 years of commerce had proved very profitable for Swedish agriculture. It was estimated that it had earned at least SEK 13 million more during the time the routes had been under Swedish ownership. Notwithstanding, parliament voted against the proposition and not even the fact that King Oscar II had been persuaded to buy shares in the company for 10,000 crowns could save them. The company was wound up and the three steamers Ceres, Vesta and Eos were sold to Det Forenede Dampskibsselskab (DFDS) in Copenhagen.

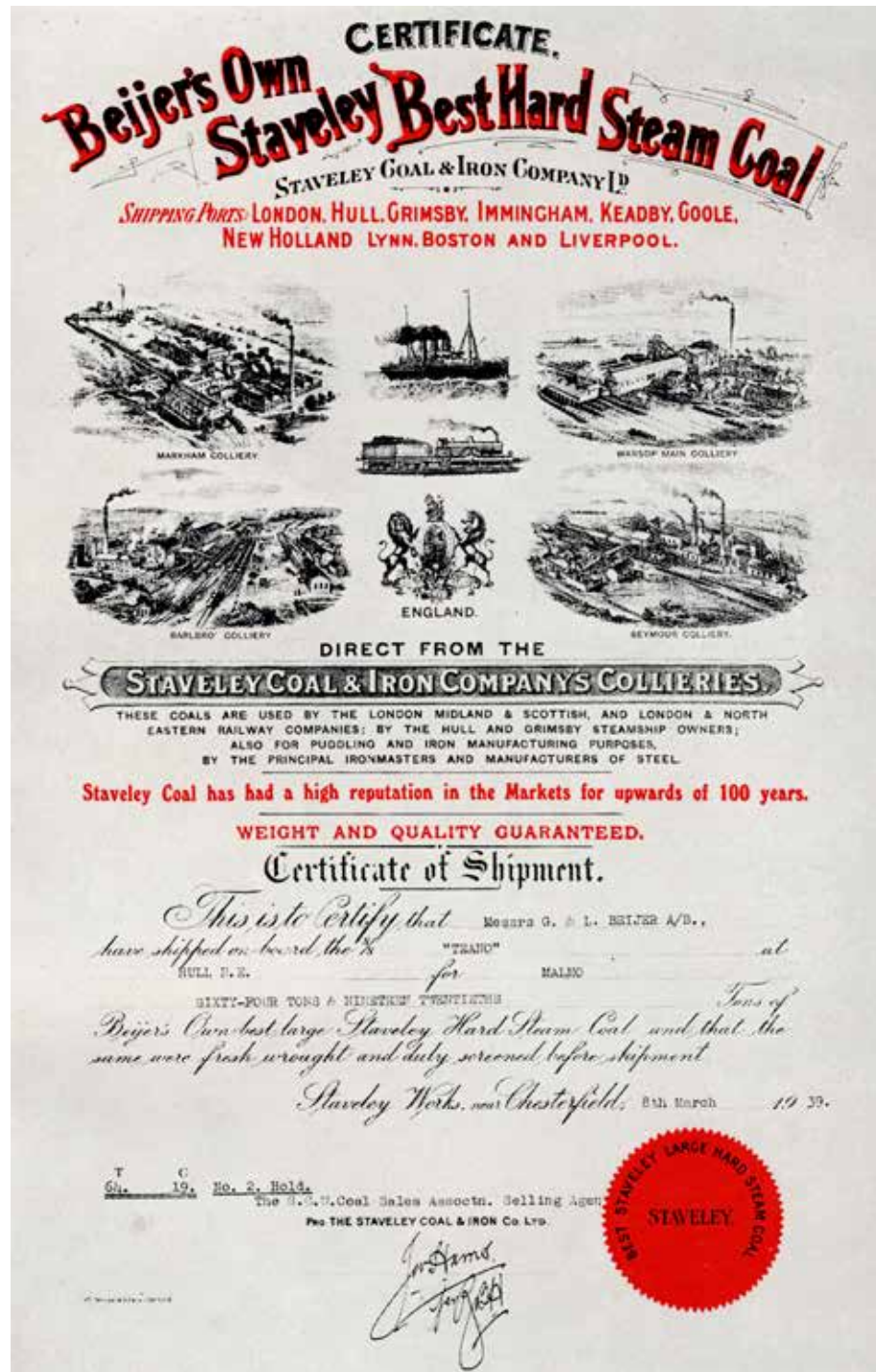
In negotiations with the powerful Danish banker and industrial magnate C.F. Tietgen, the somewhat squeezed Gottfried Beijer claimed that the Danish offer of SEK 575,000 for the three steamers was much too low but he had no real answer when Tietgen calmly replied: »You have to remember that I'm the one with the money«.

Beijer's maritime trading days were not over, though. As agents and part-owners of ships, the company would continue to be highly active in this sector for the next 80 years.

## RAILWAY RAILS FROM BELGIUM

In addition to coal, coke and pig iron, Beijer had started to trade in heavy industrial products such as sheet steel, machinery and rails. The Belgium iron, steel and manufacturing company John Cockerel in Seraing was Europe's leading manufacturer of rails when Beijer became the agent for their products in 1885.

The first sections of the Swedish main line system between Malmö – Lund and Gothenburg – Jönköping had been opened in 1856, so a large proportion of the Swedish state-run railways had already been built. However, private companies were still laying down tracks and Beijer now began to deliver rails to various projects in all the Nordic countries.



## BEIJER'S OWN STAVELEY COAL

All the coal and coke that Beijer imported to Sweden came initially from England but after 1880 it opened up the German market as well, and soon southern Swedish newspapers were full of advertisements for »Westfaliska cokes«, as it was called in Beijer's case. The coal business was doing very well: having imported a modest 20,000 tons to Sweden in 1878, by 1893 it was importing 105,000 tons of coal and coke a year.

The business was boosted when Beijer became the first Swedish coal trader to establish direct relations with a British producer, thereby avoiding intermediaries. In 1894, a contract with the leading English mining company, The Staveley Coal & Iron Co Ltd, gave Beijer the sole right to sell its coal in Sweden, Norway and Denmark making it Sweden's leading coal trader. Coal would contribute significantly to its sales in subsequent years.

Some of the coal was marketed under the company's own name as »Beijer's Own Staveley Best Hard Steam Coal«. It was a brazen marketing trick that must have sent shivers through the rest of the coal importing business.

Success was not short in coming. From 1893 until the end of the century Beijer's coal imports nearly tripled. By 1900 it was importing 300,000 tons of coal a year, a figure that also reflects the growth of the Swedish economy at that time.





THE BEIJER MANAGEMENT TEAM ON BOARD SS MUDIR AT THE END OF THE 19TH CENTURY.  
**FRONT ROW:** JOHN BEIJER, ENGINEER, COUNT DÜCKER, GOTTFRIED BEIJER.  
**SECOND ROW:** LORENS BEIJER, CAPT. HASSELQVIST, A.N. LIHNÉ, HERMAN NYSTRÖM,  
SVEN COLLIN, CAPT. CHRISTIAN RAHNBOY. **AT THE BACK:** FOLKE HAIN, DISTRICT JUDGE.





### BEIJER OPENS IN STOCKHOLM

At the turn of the 20th century, the company decided to add warehousing and storage to its import business. In 1905, it acquired all the shares in Malmö's largest coal storage company which was the start of many years in coal (and later oil) storage.

But Gottfried Beijer didn't get to experience this. In 1901 he died after a bout of pneumonia only 63 years old and his brother Lorens took over as managing director. Around that time Lorens and his younger half-brother Waldemar fell out. As a result, the Stockholm office, which had opened in 1894 and was headed by Waldemar, split from the Malmö operations. The year was 1904.

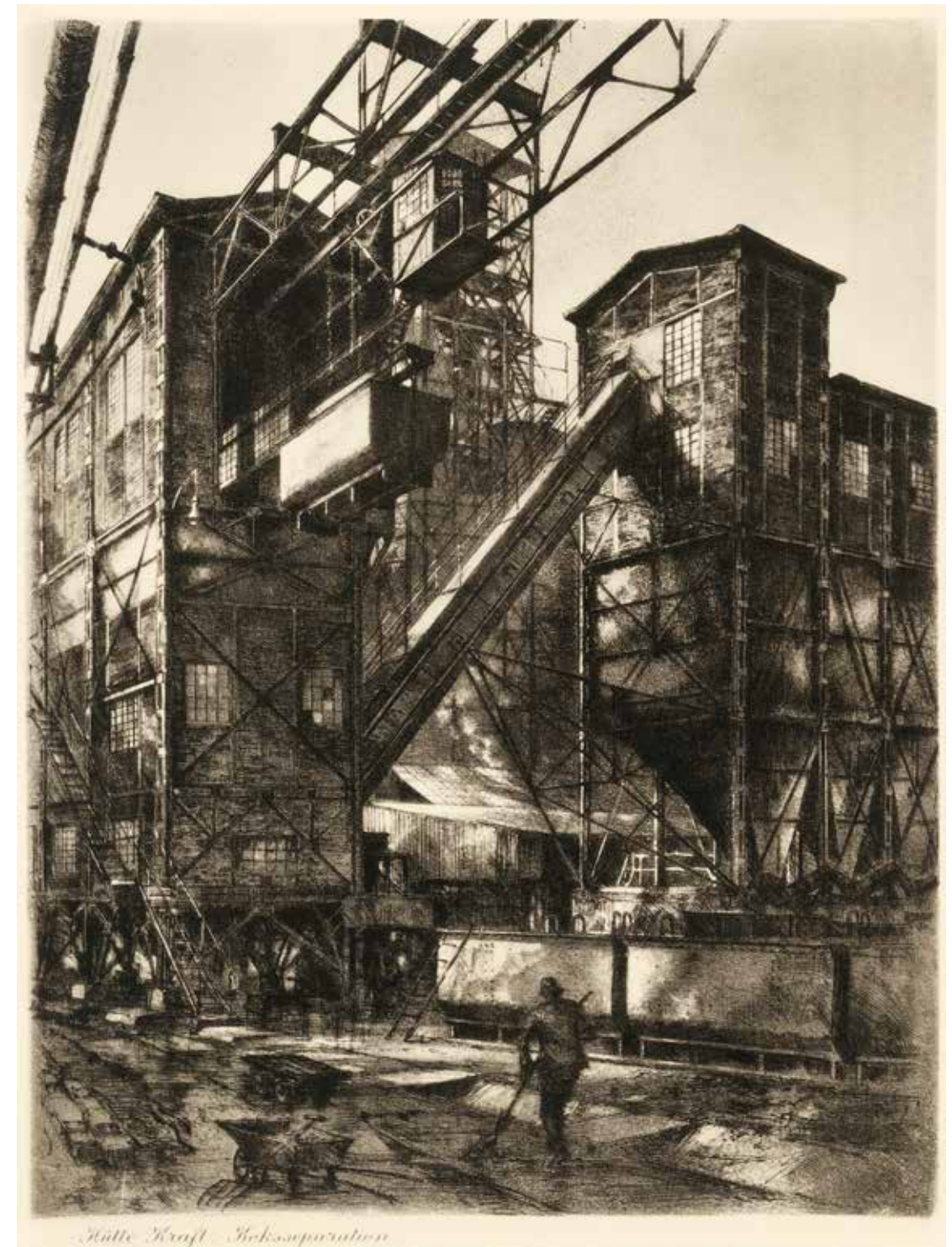
The two Beijer companies in Malmö and Stockholm now went their separate ways (although their paths would cross again in the 1960s). In 1915 the Stockholm office converted into a limited share company and succeeded in registering a very similar name, G. & L. Beijer Import & Export AB Stockholm, which would lead to constant confusion between the two companies over the years.

Up until the 1960s, the operation in Stockholm was very similar to that in Malmö, and it even had a subsidiary called Kol & Koks AB (Coal & Coke Ltd). Their paths would cross in years to come through the industrial groups Beijerinvest and Beijer Alma. But more of that later.

### NO BEIJER IN LINE

When Lorens died in 1910 there was no male successor to take over the company. Gottfried and his wife Anna Kellan had had four daughters while Lorens, who was married with Agnes Sahlström, had no children.

Alfred Jacobson was appointed managing director. He had been with the company since 1890 and was one of the company's best salesmen who had made a significant contribution to the company's success. On his death in 1914 he was replaced by Erskine Hain who would lead the company for the next 45 years until 1959



HOCHHOFENWERK, A STEEL WORKS IN LÜBECK, GERMANY, WAS ONE OF MANY G. & L. BEIJER'S INTERNATIONAL TRADING PARTNERS. THIS LITHOGRAPHY WAS PRESENTED TO BEIJER TO CELEBRATE THE COMPANY'S 25TH ANNIVERSARY IN 1930.

# CHAPTER 2

## 1914–1945

### THE HAIN FAMILY TAKE OVER

The arrival of Erskine Hain as managing director and his younger brother Richard as his deputy was the start of a period where the Hain family exercised a pivotal influence on Beijer's operations. It was to last until 1992.

The Hains came from Scottish stock. They arrived in Skåne in 1803 when John Hain came as a supervisor to seven Scottish blacksmiths and mechanics who had been summoned to Engeltöfta manor outside Ängelholm to modernise its farming methods.

The lord of the manor, Carl Georg Stjernswärd, was unhappy with the profits he was getting from the land and as Great Britain had long been a pioneer of modern agricultural techniques, he contacted the British consul in Gothenburg, Lord Erskine Kellie, who recommended the Scottish team.

John Hain stayed in Skåne once he had finished his work at the manor and started a family. His grandson, Folke Hain, became a lawyer. He moved to Malmö as County Clerk and in 1876 wed Charlotte Beijer, the sister of Gottfried 4 and Lorens. They had two sons, Erskine and Richard. The ties between the two families grew even closer in 1907 when Erskine married his cousin Anna, Gottfried and Anna Beijer's daughter.

### FIRST WORLD WAR

The Hain brothers took over a company that was expanding strongly on all fronts. The coal trade alone had increased from 300,000 to 530,000 tons per year from the turn of the century to 1913. The import of pig iron had also grown steadily and by 1913 Beijer accounted for 27% of all Sweden's pig iron needs.

They hadn't been in the job long when disaster hit with the outbreak of the First World War. During its first years, coal imports from both England and Germany were not really affected but as Germany intensified its submarine attacks on merchant navy vessels to and from England, the price of coal rocketed because of the sharp increase in freight costs.

During 1916 alone, the price of coal increased 500% reaching a peak in 1918. At the same time imports fell by almost 50%. In addition, the English barred Beijer's use of its own agents at a number of British coal mines. The reduced trade in coal hit Beijer hard financially and it tried to compensate the losses with its warehouse operations in Malmö.

### G. & L. BEIJER RECONSTITUTED

At the end of the war and during the years thereafter, Swedish coal importers came under heavy political pressure (and the threat of nationalisation) to increase the level of coal imports. They began to import coal and coke from both USA and South Africa. Like many other players, Beijer started to import coal from the USA but a combination of falling prices and long distances made it a risky business.

The problem came to a head in 1920-21 when coal prices fell to levels approaching those prior to the outbreak of the war. By the time the coal had arrived in Sweden losses could be up to more than SEK 1 million per shipment. The situation was untenable and the losses quickly ate into working capital. By 1921 the situation was critical and G & L Beijer found itself on the brink of bankruptcy.

A rescue scheme led by the influential industry magnate, Ernst Wehtje, the managing director of Skånska Cement, enabled the company to be reconstituted in 1922 with an injection of SEK 1 million of new capital and a preference stock of SEK 175,000. The 'new' G. & L. Beijer quickly regained control of the coal trade in 1925 by agglomerating three small companies into one larger one, AB Kolkompagniet, with Beijer as the main owner and Richard Hain as managing director.

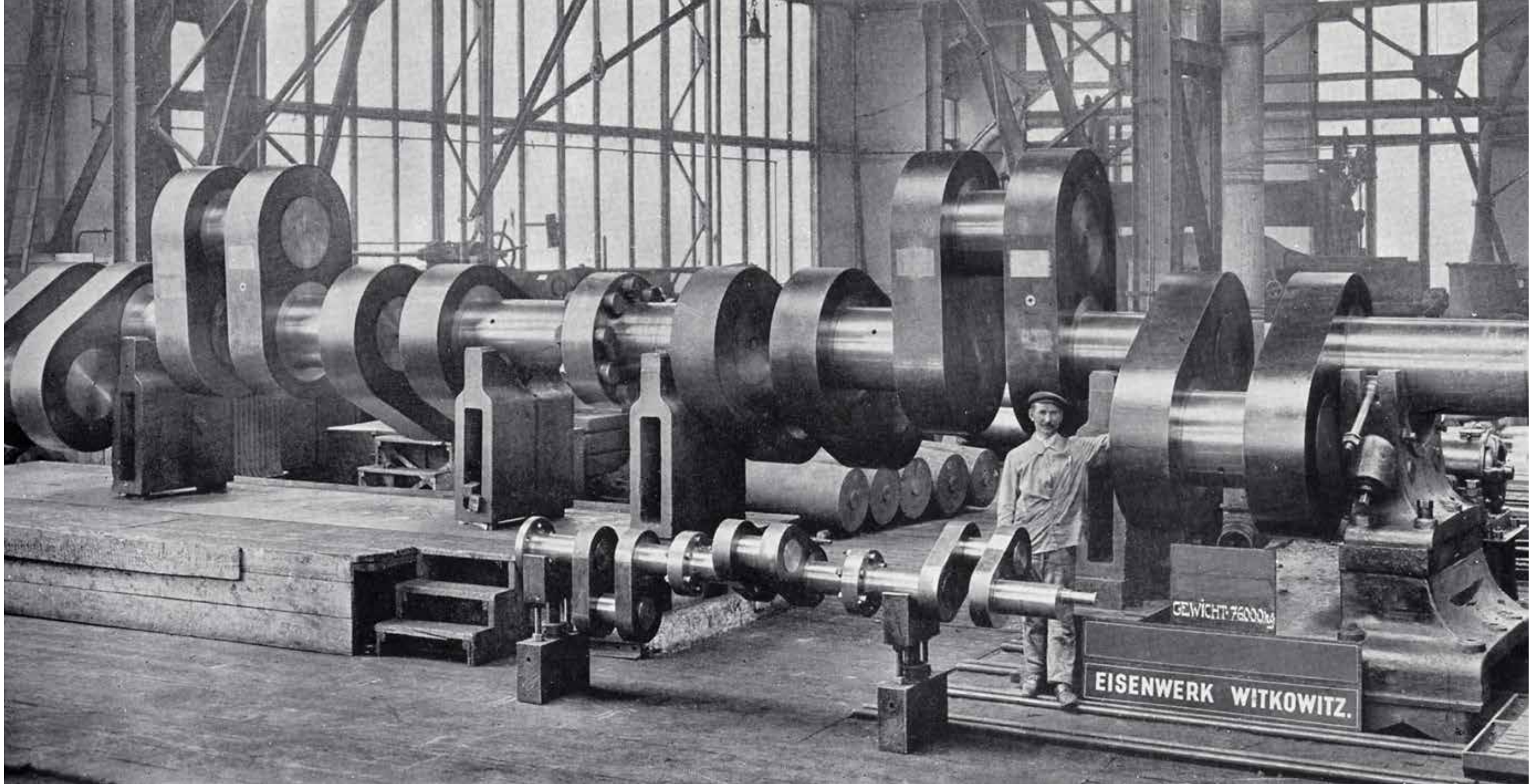


ERSKINE HAIN



RICHARD HAIN





A GIANT 76,000 KG CRANKSHAFT MANUFACTURED BY BEIJER'S TRADING PARTNER, WITKOWITZ EISENWERKE, A GERMAN STEELWORKS.



### GROWTH IN TESTING TIMES

The following year imports of coal reached 855,000 tons and continued to grow steadily during the next five years despite the effects of the great depression in the early 1930s. In 1931 the company recorded an all-time high, importing nearly 1,500,000 tons and two years later acquired a number of other importers, including 50% of the shares in Sylvan & Qvibelius in Helsingborg. By 1937 it was importing more than 2,300,000 tons of coal and coke a year.

The company also secured the rights to market Germany's Witkowitz iron and steel products. Witkowitz at this time was one of the largest manufacturers in the world producing everything from bridges, mountain railways, steam boilers, sheet steel and cast-iron goods to colossal crankshafts.

In 1935 Beijer had five business areas: Coal, Iron, Bunkers and Associated Products, Steamships and Freight Forwarding. The company had succeeded in paying off its debts from 1922 and it was in better shape than ever when another devastating international conflict shook the world to its foundations. After only 21 years of peacetime, the Second World War broke out on 1 September.

### SWEDISH TRADE 1939 – 45

In the years leading up to the outbreak of the Second World War, Sweden had recovered from the great depression and between 1935 and 1938 Swedish trade increased by 40%. Its largest trading partners were Great Britain, the USA, its Scandinavian neighbours and Germany.

The impact of the war was immediate, however. The German navy mined the southern Öresund straits severing all sea links between east and west Sweden which impacted foreign trade. All goods now had to be loaded and unloaded in the west coast ports and then shipped on by rail. The heightened risk factors doubled freight costs in one fell swoop.

Coal and coke were essential to keep Sweden's industries running and its homes heated. As Sweden did not have its own coal resources, a national Coal Board was set up at the end of September 1939 to put coal imports under state control and ensure continuity of supply.

Beijer was one of Sweden's leading importers and its operations suddenly had strategic significance for the country as a whole. In 1939 Great Britain accounted for 75% of Sweden's coal needs and Germany for the remaining 25%. In December 1939 the Swedish government negotiated new trade agreements first with Great Britain and then with Germany. Great Britain had been Sweden's most important trading partner for many years and this wartime contract ensured that trading would continue as normal.

The British also acknowledged that Sweden, as a neutral state, could maintain its trading agreements with Germany which meant that the export of Swedish iron ore and the import of German coal and coke were able to continue even though on a reduced scale.



THE 1933 PROMOTIONAL CALENDAR FROM THE BEIJER COAL OPERATIONS (KOLKOMPANIET) PROVIDES A FINE STYLISTED VIEW OF MALMÖ'S HARBOUR ALONG SIDE THE TELEGRAM AND PHONE NUMBERS FOR THE COMPANY.



**VI LOSSA FRÅN ÅNGAREN DALARÖ**

**5,200 TONS**

**WESTFALISK  
SYNDIKAT-KOKS**

*BEGÄR OFFERT.*

*LÅGA PRISER — SNABB LEVERANS.*

**A.-B. KOLKOMPANIET.**

**Telefon: NAMNANROP.**



A GERMAN MINE BEING DISARMED DURING THE SECOND WORLD WAR.



### SKAGERRAK BLOCKADED

The German occupation of Denmark and Norway in the spring of 1940 put a different complexion on matters. Germany blockaded the Skagerrak with a string of mines stretching from the south coast of Norway to the north coast of Denmark. The aim was to prevent Allied attacks against German convoys in the Kattegat as well as to reinforce Germany's own blockade of Great Britain.

The Skagerrak blockade immediately cut off all contact with Great Britain and the transatlantic countries which up until then had accounted for 70% of Swedish foreign trade. The tables were turned. From April 1940 Sweden became almost completely dependent on German trade. In fact, 85% of all Swedish trade was with Germany or German-occupied countries until the autumn of 1944. While iron ore was exported to Germany, coal and coke were imported back into Sweden.

Trading was full of risks. The Baltic Sea was heavily mined and both Allied aircraft and Soviet Union submarines did all in their power to stop the convoys. Many ships were lost, and the extremely harsh winter conditions in 1940 – 1942 further disrupted trade as there was no traffic at all for long periods.

In 1941, there was a ray of hope after negotiations with both Great Britain and Germany. Neither side had anything to gain from stifling the Swedish economy, and they granted Sweden a small opening in the Skagerrak blockade. This resulted in what was called the »Gothenburg Traffic« which meant that until the end of the war in 1945 Sweden was able to trade with other neutral states mainly in South and Central America.

### FURTHER TRADE RESTRICTIONS

The longer the war dragged on the keener the American and British governments were to reduce German access to Swedish iron ore. In September 1943 the tide had turned against Germany. The threat of a German occupation of Sweden was no longer considered imminent and the country was now forced to accept a new trade agreement with USA and Great Britain.

The agreement stipulated that the heavily criticised transit of German troops through Sweden should stop and that the export of important war material such as iron ore and ball bearings to Germany should be further restricted. During the autumn of 1944 the Allies increased their pressure on Sweden to reduce their iron ore exports once more, and at the start of 1945 the Swedish government halted exports of iron ore all together.

### NEW BUSINESS AREAS

The Second World War forced Beijer to look to new areas to compensate for the restrictions imposed on its most important products, coal and pig iron. It started to trade in timber and construction material, to export machinery and tools and started a warehousing operation on its own premises.

The company also extended its offering with alternative sources of energy such as peat and firewood. One of its subsidiaries, AB Förenade Vedhuggerierna, traded in firewood and was involved in peat cutting. It also added processed substitute fuels such as charcoal and compressed peat briquettes to its range during the wartime years.

But once the war had ended, Beijer re-drew its plans and re-set its sights heralding the start of a long period of growth.





BEIJER'S FIRST 'COMPUTER', A PUNCHED CARD MACHINE FROM THE END OF THE 1940S, SUPPLIED BY THE SWEDISH BRANCH OF IBM. THE USE OF SUCH MACHINES TO STORE DATA REACHED ITS PEAK IN 1969 BUT THEY WERE GRADUALLY REPLACED BY WORKSTATIONS WITH SCREENS.

# CHAPTER 3

## 1945–1991

Sweden enjoyed a head start over all other European countries after the Second World War. Its industries had been left unscathed by the ravages of war. There was strong international demand for Swedish goods to help with reconstruction in the aftermath of the war. It was the harbinger of a long period of growth in Swedish industry.

Between 1948 and 1973 world trade increased on average 8% per year which was significant for an export-dependent country such as the Sweden. The doubling of the Swedish Gross National Product between 1939 and 1960 clearly indicates how buoyant the Swedish economy was.

### HEAVY FOCUS ON INDUSTRY

Beijer emerged from the Second World War in a much better financial position than it had after the First World War. By the end of the 1940s, sales were made up of a few »classic« Beijer products sold in great volumes: coal, coke, pig iron, commercial steel and, increasingly, oil.

The company now decided to expand operations to include input goods for steelworks and foundries, two industries which Beijer had been closely associated with almost since its inception. The time was right. The steel industry was expanding strongly in Sweden and with the introduction of innovations such as electric steel furnaces and continuous casting both the giants of the industry as well as the smaller works were investing heavily.

It was around this time that Charles Werner joined the company. He was a mining engineer, and his arrival marked the start of a change that would turn the company into one of Swedish industry's key suppliers. Under his dynamic leadership at the start of the 1950s, Beijer redefined its role as a trading partner extending its offering to also include specialist advice and consultation.

### INDUSTRY KNOWHOW

From this point on Beijer wouldn't be content with just selling products. By building up its own specialist knowledge, it was going to assume the roll of industry consultant as well, advising on large investments. Beijer would offer 'total solutions' including service and support as a complement to its agency operations for machinery, equipment and consumables for foundries and steel works. It was a new concept at the time and gave the company distinct competitive advantage in the Nordic market.

It put Beijer ahead of the game. The company established relationships with new partners and the Group's Industrial Division was able to build up a complete offering of machinery, plants and consumables for foundries and steelworks. Another reason for its success in the 1950s was its ability to secure important agency contracts. Germany's Badische Maschinenfabrik and Röperwerk are two examples which in the following years would have a large and beneficial influence on the company's offering to foundries and steelworks

IRON INGOTS BEING TIPPED INTO THE SMELTER AT BOLINDER'S FOUNDRY IN KALLHÄLL, SWEDEN, IN 1947. IT COULD CONSUME UP TO 18 TONS OF IRON A DAY.





## OIL STARTS TO FLOW

Beijer reached »peak« coal and coke in 1937. After the war, it was cheap oil that was making the world's wheels spin even faster. And aided and abetted by the Marshall Plan, the coal-based Western European economies were being converted to oil-driven ones.

Sweden adapted quickly to the new circumstances. The peat burning, wood chopping and coal shovelling from the war years would soon seem like ancient history compared with the cheap oil which flowed through pipes and automatically heated houses. In the next three decades, oil became the world's biggest commodity with consumption increasing 15 times over from the end of the war in 1945 to the oil crisis in 1973.

In 1953 alone coal imports to Sweden dropped by 23% and not surprisingly Beijer's operations mirrored this trend. The company had gradually started to trade in oil through an agreement with the Swedish consumers' cooperative, OK. In the coming years, oil was to become a cornerstone of the business alongside foundries and steelworks.

Beijer had been involved in maritime trade on and off since the company was founded in 1866 and the increase in oil trading induced the company to become part-owners in oil tankers in the middle of the 1950s. The focus on oil intensified in 1957 when the company built its own 61,700 m<sup>3</sup> tanker terminal in Malmö's new oil port. It was the first complete depot in the area and marked the start of an expansive period of oil import and storage which was to characterise Beijer operations in the coming decades.

## THE NEXT GENERATION

At the end of the 1950s, and after 45 years, it was time for the next generation to take over. Erskine Hain died in 1959 and was replaced by his brother Richard, who two years later became the non-executive chairman of the board. His son, John Hain, became managing director. The company's decision to branch out into oil had primarily been driven by John and the change in leadership started a long period where oil became one of the prioritised businesses.

The Beijer oil operation grew largely through acquisition during the 1960s. Falkenbergs Kolimport (Coal Importer) had a large oil storage facility despite its name and was acquired in 1961. Shortly afterwards the company built a new facility in Ronneby and set up a new subsidiary, Ronneby Oljeimport (Oil Import). After extending both facilities, the company's storage capacity was close to 50,000m<sup>3</sup> in both towns.

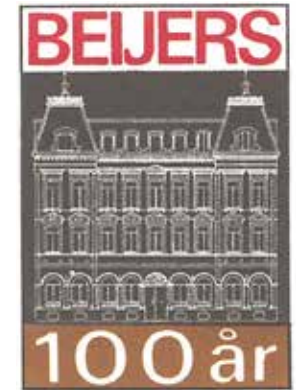
The increase in sales, however, soon outstripped capacity. In 1966, Beijer acquired Kristianstad Oljeimport (Oil Import) and the following year built a new storage facility in Karlskrona which together added another 30,000 m<sup>3</sup> of storage capacity.

## BEIJER CELEBRATES ITS CENTENARY

G. & L. Beijer AB celebrated its centenary as a supplier to Swedish industry in 1966.

The celebrations took place against a background of a steady following wind from the post war economic revival and a seemingly infinite capacity for growth. Pig iron, coal and increasingly oil formed the backbone of the business but were well complemented by the foundry and steelwork operations which had been built up after the Second World War.

A quick glance at the sales figures for 1966 shows that, not surprisingly, coal volumes had stagnated at 3.1 million tons while sales of heating oil had increased from 14 million to 16.2 million tons. Imports of pig iron had also increased from 335,000 to 425,000 tons and the total investment in Swedish iron and steel industries had increased significantly from SEK 482 million to SEK 532 million.



## THE STC DEAL

In 1969, Beijer completed a deal that was to prove very profitable. It embarked on a relatively new sector, trading between large oil companies. It was also to rekindle the ties between the two Beijer companies in Malmö and Stockholm after 65 years.

G. & L. Beijer Import & Export in Stockholm had, as mentioned, been a completely separate operation from the one in Malmö since 1904 following the fallout between Lorens and his half-brother Waldemar. It had operated mainly through its subsidiary Kol & Koks AB trading in industrial goods such as coal, chemicals and steel much in the same way as its namesake in Malmö.

At the start of the 1920s, Waldemar Beijer took on Kjell Beijer, the son of Waldemar's older brother, Frans. Kjell stayed with the company when Waldemar died in 1931 and it was not until 1958 that things took a new turn. It was then that 27-year-old Anders Wall decided to drop out of his course at the Stockholm School of Economics and started to work for Kol & Koks in Stockholm.

## ANDERS WALL

Wall was the fatherless son of a farmworker but had an unusual gift for business which was quickly noticed by those around him. Kjell and Märta Beijer did not have any children and they grew fond of this ambitious young businessman, and Kjell became somewhat of a father figure for him.

With Kjell Beijer as his mentor, Wall progressed quickly through the ranks. He was soon deputy managing director and in 1964 was made managing director. He disposed of the unprofitable coal business, sold the oil business to Mobil and in 1967 changed the name of Kol & Koks AB to Beijerinvest. This far-sighted financier, who had been coached in the Beijer school, would become one of the hottest and most hotly debated names in Swedish business during the 1970s and 1980s.

Around this time John Hain was offered the opportunity to acquire all the shares in Scandinavian Trading Company (STC), an oil trader. The company's business idea was to broker the sale of oil between large oil companies in different parts of the world and to profit from the price differences which were unknown to the public.

In those days the large global oil companies were focused on drilling and extraction, shipping the oil in their own tankers and refining it in their own refineries. Intercompany trading was not very common. The oil companies earned so much from their core activities that they didn't really bother about trading. STC saw an opportunity to broker such deals. Admittedly it was a risky business, but the rewards could be huge.

## JOINT OWNERSHIP OF STC

When STC was put up for sale for SEK 2.5 million in 1969, John Hain saw the potential but the G. & L. Beijer board thought it too risky and said no. John Hain turned to Kjell Beijer and Anders Wall at Beijerinvest in Stockholm. They agreed to become part-owners with each company investing SEK 1.25 million.

STC performed well but it soon became apparent that the two Beijer companies had developed into two very different animals. The Malmö company was cautious. Its oil business was all about stability although it had done a bit of trading. Beijerinvest, on the other hand, was by nature a much more aggressive company, one willing to take on a risk.



ANDERS WALL IN 1968 WITH A PORTRAIT OF WALDEMAR BEIJER IN THE BACKGROUND.

On top of this, the oil crisis sent shockwaves throughout the world in 1973 when the price of oil quadrupled overnight and it became even more tricky to predict what would happen in the oil trading arena.

In 1974 G. & L. Beijer AB sold its shares in STC for SEK 30 million comprising SEK 15 million in cash and 10% of the shareholding in Beijerinvest (which later became a substantial minority holding in Volvo in conjunction with the deal between Beijerinvest and Volvo in 1981).

## OIL CRISIS AND INDUSTRY CRISIS

In 1972 John Hain became executive chairman of the board of the G. & L. Beijer group and Charles Werner took over as managing director. It was a time of dramatic change. The 1960s had seen a rapprochement between the two Beijer companies and discussions between Anders Wall and John Hain had reached a point where a merger between G. & L. Beijer in Malmö and Beijerinvest was a distinct possibility.

Charles Werner was strongly opposed to the plans, however. Matters came to a head when the management of G. & L. Beijer travelled up to Stockholm for a meeting with Beijerinvest. When Anders Wall met the Malmö management team, the mood was very strained and the merger of the two companies was removed from the agenda for good.

At the start of the 1970s there were signs that the long post-war boom was slowing. Things were made worse by the 1973 oil crisis which exposed the West's over-reliance on oil and made people realise that cheap oil was, after all, a finite resource.

The oil crisis had its origins in the Middle East conflict. It was triggered by what became known as the October War in 1973 when Egypt and Syria unexpectedly attacked Israel. The Israeli army managed to fend off the attack and then went on the offensive themselves. It was a disappointing outcome for the aggressors and OPEC countries punished western governments that had supported Israeli war efforts by cutting the production of crude oil until concessions were made.



JOHN HAIN AND CHARLES WERNER



Sweden was one of the many modern industrial countries that used oil as its main source of energy and had done so for years. In 1970, for example, around 75% of all Swedish energy consumption was oil-dependent. With restrictions on the supply of crude oil, prices skyrocketed and in the final months of 1973 rose by 400%.

It was a brutal awakening. Oil was considered a cheap and infinite resource. A number of staple Swedish industries such as shipbuilding and steelmaking had already begun to feel the effects of a softer market for their products and increasing competition from low cost countries. The lack of global growth in the wake of the oil crisis only served to exacerbate the problem.

### BEIJER IN THE 1970S

By the middle of the 1970s, Beijer was a solid industrial company which was split into 11 business areas: *Oil, Foundries, Steelworks, Consumables, Components, Surface Treatment, Raw Materials and Chemicals, Sludge, Environmental Care, Freight Forwarding and Warehousing.*

The Environmental Care business comprised two companies based in Helsingborg: one was part the Sylvan & Qvibelius business acquired earlier, the other the aptly named AB Industrisopor (Industrial Waste Ltd).

The business in those days went under the epithet »practical environmental care«, in other words cleaning-up work and waste handling. Sylvan & Qvibelius dealt mostly with oil and chemical spills and the cleaning of cisterns and tanks, while AB Industrisopor focused on waste transport and management.

### COAL, OIL AND GLUE

Beijer's operations had developed so diversely in the 1970s that it was difficult for an outsider to really grasp what it actually did. It was simply the result of saying »Yes« rather than »No« to the new business opportunities that were constantly arising at that time.

Falkenbergs Kolimport (Coal Importer) offers a perfect illustration of this willingness to adapt. Coal gradually diminished in importance and by 1977 oil had become Falkenbergs Kolimport's main product. But never one to pass up an opportunity, it then started to store and distribute glue for the increasingly important southern Swedish chipboard industry.

But even while taking on new opportunities, the company was constantly trying to refine and simplify its business. The business concept was to provide a range of products appropriate to a certain industry sector and that the range should comprise products that were closely linked.

But if you were to ask someone »What does Beijer do?« you would have had to include everything from waste management, freight forwarding, oil storage, warehousing, surface treatment material, coal and hydraulic hoses for enormous bits of machinery to roofing. And this offering would only expand in the 1980s.



BEIJER'S FREIGHT FORWARDING (LOGISTICS) OPERATIONS WERE PART OF THE COMPANY'S HISTORY FOR MORE THAN 100 YEARS.

BEIJER'S OIL OPERATIONS ENJOYED UNINTERRUPTED GROWTH FROM THE END OF THE SECOND WORLD WAR UNTIL THE OIL CRISIS IN 1973.



### BEIJER OLJE AB

Beijer had continued to expand its oil business since the start of the 1960s acquiring small regional oil companies along the way but it was still considered a side business to the main coal operation, AB Kolkompniet. By the 1970s, however, the tables had turned and operations were dominated by oil. It made the old name somewhat antediluvian and in 1977 it was changed to Beijer Olje AB to better reflect the nature of the business. The oil subsidiaries were now all housed under one roof and one brand. They also revitalised the livery of the fleet of tankers from dark green to yellow and black.

The oil industry in the 1970s was about as far as one could get from a secure and stable industry. Time and energy were spent fending off as best one could the constant hail of blows caused by political crises in the oil producing nations. First it was 1973, then a few years later in 1978-79 it was Iran's turn as Shah Mohammad Reza Pahlavi was toppled from his throne.

In the case of Iran, Beijer found itself in a difficult situation squeezed between a rapid rise in the cost of oil after the crisis and a price freeze by the Swedish government implemented by the Priskontrollnämnden (the national Price Control Board) in November 1978 to avoid a rise in the consumer price index.

The freeze meant that world market prices were much higher than the price Beijer could get for its oil in Sweden. As a result, the company began to fall back on its reserves instead of buying new oil. It was not a desirable situation from a national security perspective even in the short term.

Following a spring of rising oil prices and diminishing oil reserves, Beijer succeeded in negotiating a five-year agreement with state-owned Swedish Petroleum to secure future supplies and to reduce dependence on the volatile spot market.

### SHRINKING OIL MARKET

Following the 1973 oil crisis, Swedish authorities and politicians made a concerted effort to reduce the country's reliance on oil as a source of energy, and in 1981 alone oil consumption dropped by 13% in Sweden.

The new situation required more efficient management of Beijer's oil operations and in 1981 they were all consolidated under Beijer Olje AB. The company also started to increase its marketing efforts, an area where it had previously kept a low profile.

At the same time Beijer extended and expanded its market offering by acquiring the rights in Sweden to market a range of vehicle lubricants from ELF, the French oil company.



ELF, THE FRENCH OIL COMPANY, BECAME A NEW TRADING PARTNER FOR BEIJER OLJE AB AT THE START OF THE 1980S.



THE RECESSION IN THE 1970S IMPACTED MOSTLY THE FOUNDRIES AND STEELWORKS BUSINESS.



### FOUNDRIES AND STEELWORKS

The vast majority of sales at this time were to foundries and steelworks and these businesses occupied about three quarters of Beijer's 200 employees. The company was the general agent for more than 100 Swedish and foreign manufacturers of machinery and consumables. It had a strong position in the Nordic market with subsidiaries in Norway and Finland. It also had a subsidiary in Switzerland, set up in 1974, to sell test equipment to European steelworks.

In spite of this, the recession clearly affected the company's earnings which dropped from SEK 9.3 million in 1974 to SEK 4.4 million in 1976 reaching its lowest point in 1977 at SEK 0.5 million.

In Foundries, the decline was a bitter mixture of pricing pressure, a drop in demand and low levels of investment. In Steelworks, Beijer performed better than expected despite the crisis in the industry but the future gave cause for concern.

It was a turbulent time: it witnessed the complete eradication of Swedish shipping companies; mines in Bergslagen began to shut down and the steel industry started to consolidate. Financial analysts began talking of the end of the post-war boom years, while others even went so far as to say that the classic age of industry was at an end and about to be replaced by a new »service economy«.

As the 1980s beckoned, the signs were clear. Beijer needed to get a foothold in the future growth industries. And the future was going to be controlled by computers.

BEIJER ENTERED THE IT WORLD VIA ITS SUBSIDIARY, MALMÖ BUNKERSTATION, WHICH WAS RENAMED BEIJER DATA AB IN 1980.



### STEPPING INTO THE IT WORLD

Charles Werner, Beijer's managing director, was the driving force as the company entered the new world of IT as a service supplier. Automatic Data Processing had been a key concept within the computer industry since the 1950s and those optimistic about the future were singing the praises of these new business systems. There was talk of paperless and more efficient offices even though the first computers were slow, limited in capacity and expensive. At the start of the 1970s, the Swedish state had already joined the IT movement, purchasing 100 computers which cost on average SEK 24 million each.

Swedish trade unions were sceptical to computerisation and robots. Both the white-collar union (TCO) and its blue-collar counterpart (LO) were concerned at the way things were developing and their attitude towards computers was largely negative at the end of the 1970s. They were afraid that jobs would disappear, that the workplace environment would deteriorate and that employers would be able to keep a controlling eye on their workers.

At the end of the 1980s, G. & L. Beijer decided to modernise its industrial business by becoming a consultant in the growing field of IT services. They set up a company by taking the name of one of its dormant subsidiaries (the not so digital sounding Malmö Bunkerstation) and changing it to Beijer Data AB.

Beijer's own administrative processes and the nascent computer operations were collected under this one roof. Computers in those days were slow, had little capacity and comprised small screens where small white, green or yellow figures flickered by. The company built a new computer hall and invested in the best that money could buy at that time, an IBM System/38, for SEK 1,738,000.

The importance of the new business area was reflected on the cover of the 1980 Annual Report where alongside stylised pictures of cogs, drops of oil and forklift trucks now sat a modern PC.

A series of acquisitions of IT consulting companies followed in rapid succession including Valla ADB-Konsult in Gothenburg, Consab in Stockholm and Rasab in Malmö. Within a few years Beijer Data AB changed its name to Beijer Information Group and under its somewhat brash abbreviation, BIG, Beijer became synonymous with ones and zeroes... and the humming of mainframe fans.

### INTO INDUSTRIAL AUTOMATION

In 1981 Beijer added another string to its electronics bow: programmable control systems for industrial automation, a rapidly growing business that fitted perfectly with the 'modern' Beijer. It had close links to its IT consultancy business and also provided new inroads into manufacturing and industry.

Beijer had harboured plans to develop its own programmable control system but that all changed when Jan Nilsson at Beijer Data asked his neighbour Göran Sigfridsson, an electronics engineer, if he would be interested in setting up such a department in Beijer itself. Shortly afterwards, Sigfridsson was on a visit to the Hannover trade fair where he met representatives of the Japanese electronics giant, Mitsubishi Electric, who were looking for a Swedish agent for their new programmable control systems.

Mitsubishi Electric, alongside Germany's Siemens and Rockwell in the US, was a world leader in industrial automation. It had developed a series of compact and programmable control systems which were quick and easy to use. It was an excellent opportunity for Beijer to pursue its ambition to modernise its business, and it was able to offer Mitsubishi the security of its long experience of being an agent and its list of contacts with the main Swedish industries.

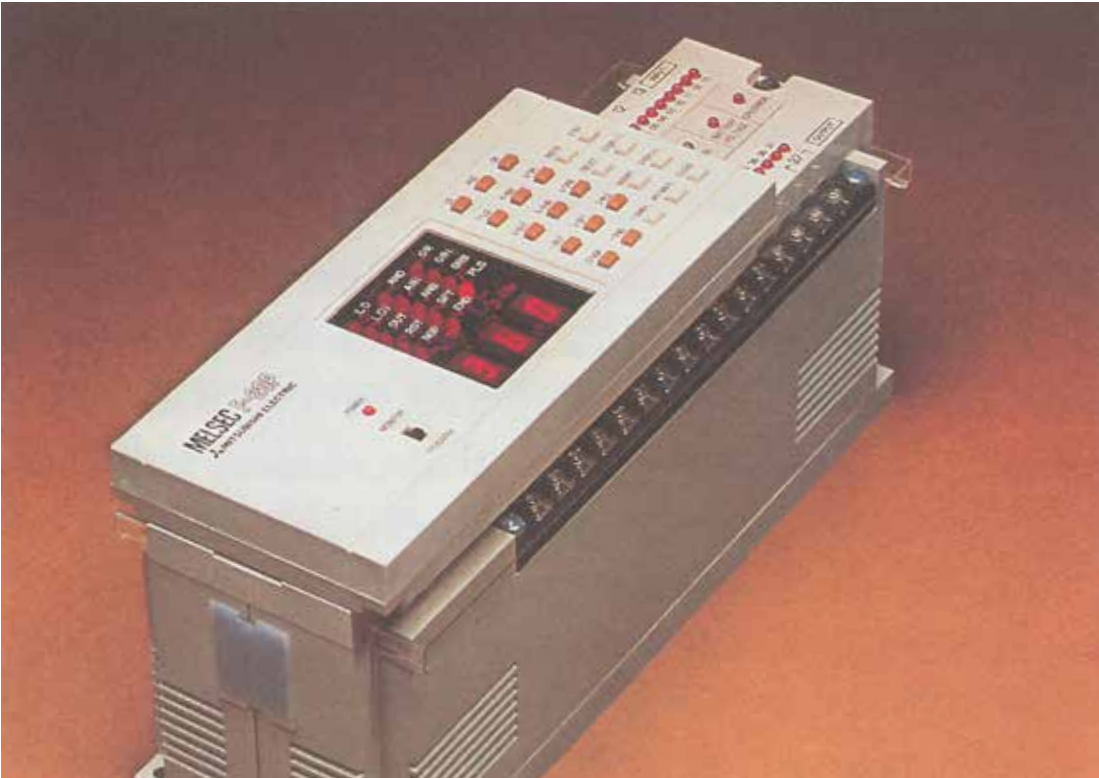
Sigfridsson decided to get back in touch with Beijer and was invited to attend a meeting at the head office. He was received, as Beijer convention demanded, by Charles Werner and his deputy managing director, Göte Lindgren, in the company's 16th century official representation building. The traditional coffee and flickering candle lights gave him a rather »analogue« first impression of the company.

### MITSUBISHI QUICKLY ON BOARD

Göran Sigfridsson was appointed head of the new Beijer Electronics. He was given a huge office and tasked with securing an agreement with Mitsubishi Electric and their new programmable control systems. Within three weeks a delegation from Mitsubishi Electric had arrived in Malmö and a few months later Sigfridsson was on his way to Japan to finalise the contract. Plans to develop an in-house Beijer system were shelved.

Beijer Electronics soon became a subsidiary in its own right and almost immediately gained a strong foothold in Sweden. In its first year it supplied a microcomputer system to automatically measure car doors at Volvo's manufacturing unit in Olofström.

The following year the local regional dairy in Malmö, Skånemejerier, invested in a new packaging plant which was mainly controlled by systems from Beijer Electronics. In 1984 it received another prestigious order when Saab (the car maker) in Trollhättan installed a new control system for its automatic stamping operation.



THE AGREEMENT WITH MITSUBISHI ELECTRICS TO ACT AS AGENTS FOR THEIR PROGRAMMABLE CONTROL SYSTEMS GAVE BEIJER ELECTRONICS A GREAT START. MELSEC F-20 WAS THE FIRST SYSTEM TO BE LAUNCHED IN EUROPE. ITS COMPACT DESIGN WAS ONE OF ITS MAIN ATTRACTIONS.



## BEIJER INDUSTRI TAKES SHAPE

In the middle of the 1980s, sales to Swedish foundries and steelworks accounted for a large part of the Group's turnover. But increased competition from abroad, a reduction in output from Swedish foundries and the residual effects of the steelwork crisis of the 1970s cast a long shadow over the future.

In a move to make the company's operations more easily understandable and to give it greater market impact, Beijer re-organised all its industrial trading business (except electronics) under one new name, Beijer Industri.

At the end of the 1980s, its industrial operations had been reduced to five business areas: Foundries, Steelworks & Process, Surface Treatment and Cleaning, Industry and Chemicals. The acquisition of Tebeco in Halmstad and its subsidiary in Malmö strengthened the offering in Surface Treatment, and it then internationalised the business's name to Beijer Tools.

## INTERNATIONAL LOGISTICS

Beijer's freight forwarding operation had always been closely associated with its coal and oil business. In 1983 it received a boost when the company set up Beijer International, a logistics company to manage imports and exports via air, sea, road and rail. Customers included Swedish importers of cut flowers, and there was soon a steady stream of traffic between the auctions rooms of Aalsmeer in The Netherlands and Sweden.

## IN-HOUSE MANUFACTURE OF WORKSTATIONS

At a relatively early stage, Beijer Electronics started to complement its agency business with its own products. One such product was an operator workstation called Mac which could hook up to most of the main control systems on the market and could therefore be sold the world over.

This new workstation soon proved a success and Mitsubishi Electric started to include the Mac-series and its follow-up, the E-series, in its own range in Europe and the US. Beijer Electronics also developed its own programme, Medoc, which Mitsubishi also soon adopted to programme its systems on all markets.

In Sweden the market was dominated by locally developed control systems at this time which made Beijer Electronics' combination of advanced Mitsubishi systems and its own in-house products very competitive.

## BIG TURNS SMALL

Operations in Beijer Electronics went from strength to strength and it became a subsidiary in 1986. The IT consultancy business BIG (Beijer Information Group), however, never really took off despite an expanding market. With 180 employees and sales of SEK 80 million, it was one of the five biggest IT consultancies in Sweden but, as an organisation, it was difficult to manage and profitability was weak. After three years of unsatisfactory earnings Beijer decided to exit IT consulting and sold the company to WM-Data.

## BEIJER AND THE STOCK EXCHANGE

Beijer's share portfolio had grown up to SEK 35 million after the profits from the successful sale of STC and it expanded rapidly during the bull markets of the 1980s. The business was actively managed by Jan Hain and at its height the portfolio was worth SEK 850 million which for a while made it Beijer's most profitable business.

After the stock market crash in 1987, the shares were gradually disposed of. It was still heavily involved in share dealing when in 1990 it helped set up Matteus Fondkommission, a broker, owning 35% of the share capital. Things were soon to change, however. The dramatic volatility of the early 1990s was considered too risky for debt-financed share trading and Beijer's short but successful time in broking was soon to come to an end.



JAN HAIN

[illegible]

## OWNERS LOCKED

At the start of the 1990s G. & L. Beijer was still a family run company managed by three strands of the Hain family: John Hain was the chairman of the board, his brother Mauritz was a deputy board member and Charles Werner, the managing director was married to Brita, the Hain brothers' sister.

But the constellation of two brothers and one brother-in-law was to be short lived. They had discussed launching Beijer on the stock market but they couldn't agree on how. To break the deadlock Mauritz sold his shares to John and his son, Jan, which made them majority shareholders and enabled them to act on their own.

There then followed a strange union between two companies who at first glance seemed to be at the opposite ends of the scale: the traditional, stable and slightly fusty trading company, G. & L. Beijer, and the not yet 20-year-old investment company, Skrinet AB, who during the 1980s had been one of the most aggressive (and the most talked about) companies on the Stockholm stock exchange.

**ENTER SKRINET**

Investment AB Skrinet was started in 1975 as a subsidiary to Investment AB Asken by Erik Penser, a financier, through his holding company Yggdrasil, which had controlling interests in Nobel Industrier as well as Finans AB Gamlestaden. The name of both these investment companies (Skrinet and Asken) came from the casket (in Swedish skrinet) and the box (asken) in which the liquid assets of Gamlestadens Fabriker AB were kept in the company safe.

When Skrinet was set up its aim was to build a group of industrial trading companies. The first company it acquired was Kylma, a refrigeration wholesaler that had started life in 1946 as AB Kylmaterial. But its focus soon turned to acquiring undervalued companies with hidden assets and then stripping out those assets and selling them on. Skrinet listed on the Swedish stock exchange in 1978 and when the OTC list was added in 1982, it started to acquire minority posts in companies which were deemed to have stock market potential.

Skrinet's reputation grew enormously on the back of a number of prominent and successful transactions which included Kanold, a clothing company, Masonite, a timber company and Gambro, a medical device company. By 1983 its stock market value had shot up to a dizzying SEK 2.2 billion. But what goes up must come down. Its large debts made it vulnerable and after the collapse of the stock market in 1984 the company faced its first major crisis. The second came in 1991 as the stock market fell in conjunction with the Swedish financial crisis, and shareholder pressure was brought to bear on the company to act decisively to increase its stock market value.

Skrinet was a well functioning conglomerate at this time. Its companies included Kylma, Johnson Pump, the forklift truck makers Stockamöller, AWA-Patent and DPnova, a dental technology company, which meant it had a number of areas in common with G. & L. Beijer.

Skrinet's main owners, Hans, Lars and Lennart Wiklund indicated that they wanted to sell their holding in the company. Through his own financial contacts, John Hain learned that Skrinet could perhaps help resolve the deadlock at G. & L. Beijer.

In December 1991, Joen Magnusson, Skrinet's managing director, met Jan Hain who, with his father's shareholding and the option from Mauritz Hain, represented 67% of the shareholding in G. & L. Beijer. It didn't take them long to realise that both companies needed each other and would both benefit from putting some kind of deal together.



THE WOODEN CASKET (IN SWEDISH SKRINET), FROM WHICH SKRINET AB DERIVED ITS NAME, IS STILL TO BE FOUND AT BEIJER REF'S HEAD OFFICE.



### BEIJER BECOMES A SUBSIDIARY OF SKRINET

The actual mechanics of the transaction were unusual and complicated and it unfolded in three stages. First, John and Jan Hain gained control of Skrinet by buying the Wiklund brothers' shareholding which represented 15% of the share capital and 40% of the voting rights. Then, Skrinet acquired 20% of the share capital and 6.4% of the voting rights in G. & L. Beijer. Finally, Beijer's shareholders were given the opportunity to swap their shares in Beijer for shares in Skrinet via a non-cash issue which secured 63% of the share capital. John and Jan Hain were now the main owners of new company with 64% of the voting rights and 33% of the share capital and G. & L. Beijer had become a partially owned subsidiary of Skrinet.

The deal between the venerable trading company harking back to the early 19th century and the stock market sensation hardly 20 years old was controversial and raised a lot of eyebrows. Critics were to be found among Beijer's own employees as well as shareholders. Some adopted a wait-and-see attitude. Most people, however, were taken by surprise and questioned whether the marriage between Skrinet and Beijer would ever end happily.

But Beijer's main owners were happy. They had resolved the question of ownership and the company was now listed on the Stockholm stock exchange. The Skrinet deal heralded the start a long period of gradual specialisation where the focus would shift from traditional trading in coal, industrial consumables and oil to the foundations of today's refrigeration and air cooling group, Beijer Ref.

### SKRINET BECOMES G. & L. BEIJER

Skrinet's operations at the time of the deal comprised a number of wholly owned subsidiaries: Kylma, DP Nova, Johnson Pump and Stockamöller as well as five part-owned companies: AWA Patent, Lagerstedt & Krantz, Nimbus Boats, Jeppson Pac and TX Industrier.

G. & L. Beijer's operations, on the other hand, ranged from oil and industrial consumables to automation, freight forwarding and broking. Many parts of Beijer's operation were at odds with the new company's goal to be a specialist supplier of machinery, consumables and technical expertise to Nordic industries. As a group, therefore, it changed its business concept to be leading in its respective markets, to market imported products with little or no manufacturing base in Sweden and to complement them with technically sophisticated products developed in-house.



As the decision had already been taken to operate only through wholly owned subsidiaries, the company started to rationalise its operations to three business areas: Industrials, Refrigeration and Automation. Responsibility for implementing this change first fell to Skrinet's managing director, Joen Magnusson but increasingly the finance director, Per Bertland, took on the role.

They approached their task with vigour and within three years much had happened. Among other things, the third main owner, Charles Werner and his wife Brita, decided to sell their shareholding which meant that Beijer became almost a wholly owned subsidiary of Skrinet.

Each of the three business areas was converted into a separate company and around 15 companies which were seen as peripheral to the core business were disposed of. All of Skrinet's part-owned companies were also sold and of the wholly owned ones, only Kylma remained.

Both company's administrative functions were decentralised and merged in order to create as effective a leadership team as possible. The decision was also taken to consign the Skrinet name to history and reinstate the revered name of G. & L. Beijer AB.



JOEN MAGNUSSON



PER BERTLAND

**OIL AND SHARE DEALING COME TO AN END**

One of the most notable consequences of the new business strategy was the decision to exit the energy sector after 120 years. The company had continued to acquire new oil companies up until 1992 and by 1994 its total storage capacity of more than 161,000 m3 made it the largest independent oil company in Sweden. Trading in oil, however, was deemed too risky, too capital intensive and out of kilter with the future core business. In 1994 Beijer Olje AB was sold to Svenska Shell bringing to an end an important chapter in Beijer’s history.

The stockbroking business was also seen as non-core despite it being a significant contributor especially during the 1980s bull markets. The share portfolio and the large holding in the broker, Matteus, were therefore both sold.

In 1995 there were still a number of ‘odd-men-out’ in the organisation such as the dental engineering company, DP Nova, Beijer’s freight forwarding business (which had historic ties to its coal and oil operations) as well as the engineering company, Björn Jonsson Verkstads AB.

The disposals and sale of shares provided a capital injection of c SEK 500 million which improved the company’s debt/equity ratio by 10 percentage points to 45%. It also gave the company a war chest to acquire companies in pursuit of its new strategy.

**STABLE OPERATION**

During these three years of pretty dramatic change, the main operations continued largely unaffected. Beijer Electronics won a number of significant orders from the Swedish auto-motive industry. It supplied control systems to the new production line at Saab in Trollhättan for the second-generation Saab 900, as well as to Volvo in Torslanda where they were building the future bestseller, the Volvo 850. It also supplied the automation systems for the luggage handling equipment at the check-ins at the domestic terminal at Arlanda airport, Stockholm. By the middle of the 90s it was one of the leading suppliers of industrial automation in Sweden alongside Siemens, Alfa-Laval Automation and ABB.

At the start of the 1990s Beijer Industri was struggling as lower demand from Swedish industry impacted sales and profits. 1994, however, saw a turn-around in Nordic exports and sales improved.

Business for Beijer’s refrigeration operations, which comprised the wholesaler Kylma and its subsidiaries in Norway and Finland, picked up considerably during 1995 and sales returned to levels enjoyed at the start of the 1990s.

The effects of a number of measures taken by the company and the increase in earnings which followed the improvement in the economy were reflected in Beijer’s share price which increased from just under SEK 30 per share in 1992 to SEK 70 in 1995.



A VOLVO 850 MADE ON PRODUCTION LINES CONTROLLED BY SYSTEMS FROM BEIJER ELECTRONICS.

THE MORE BEIJER'S OPERATIONS DIVERSIFIED, THE GREATER WAS THE NEED FOR AN EXPLANATION OF WHAT THEY ACTUALLY DID. THE 1999 ANNUAL REPORT SUMMARISED IT AS FOLLOWS:

**You'll find a little bit of Beijer almost everywhere**

As an industrial group, Beijer is virtually invisible. But we are everywhere, all of the time, and often in the most unlikely places. The air conditioning unit in your local bar. The magnesium body in your mobile phone. The robot arm that makes the top of your butter tub. The rails that carry the express trains over the Öresund bridge. The engine block in a Scania truck. In short, we help our customers brings their ideas to fruition. And that is why Beijer is the leading supplier of machinery, plants and consumables to Nordic industries.



### BEIJER KYLA DOUBLES IN SIZE

In 1998 Beijer reached a milestone in the history of the new company. Beijer Kyla had already acquired a number of companies in Sweden and Denmark and set up its own operation in Estonia, when it succeeded in acquiring the majority of the companies in the Danish refrigeration group IKI Invest (International Køle Industri).

The IKI group comprised the Scandinavian trading and manufacturing companies H Jessen Jürgensen, BKF-Klima, Armadan and TT-Coil - all specialists within refrigeration, ventilation, insulation and the manufacture of heat exchangers for commercial purposes. The acquisition dramatically reinforced Beijer Kyla's position as a refrigeration wholesaler. It now had 30% market share and was one of the leading manufacturers of heat exchangers in the Nordic countries.

Prior to the deal, Beijer's three business areas were roughly the same size in terms of sales. The IKI acquisition doubled the size of the refrigeration business. With more than 500 employees and an annual turnover of c SEK 800 million, Beijer Kyla became the largest business in the Beijer Group by far.

### NEW STRATEGIC CROSSROADS

At the end of the 1990s, internet, e-commerce and young IT companies had taken over as the darlings of the stock market. Not unexpectedly, Beijer Electronics was one of the first Beijer companies to adopt the latest trend by setting up the Group's first web shop, Beijer Electronics Electroshop, where customers could purchase simple products and systems on line.

In the 1999 annual report, Joen Magnusson, the Group managing director, warned of the risk of placing too much faith in these new digital business opportunities in a time when such words as »consumables«, »sandblasting« and »foundries« were perhaps sounding more and more anachronistic:

»Our strength lies in offering know-how which provides unique value-add for our customers. This cannot be automatically transferred to e-commerce. However, a well considered offering of electronic services can create the conditions for a completely new way of acting, where the standardisation of certain routine purchases can free up our capacity so that we can provide existing customers with even better service when needed. And if we do this well, we can also create new customers for the companies in our Group.«

### BEIJER ELECTRONICS HIVED OFF

As the new millennium approached it was clear that Beijer found itself at another crossroads. Until now the company had viewed itself principally as a partner and supplier to Nordic industry but with the rapid growth of Beijer Kyla, opportunities for growth outside the Nordic countries had become a genuine possibility.

The company also decided it needed to revive its industrial sales. The acquisition of the hose specialist Lundgren in 1997 (whose customers included engineering and process industries such as ABB, Ericsson, Atlas-Copco and Volvo) presented a new growth opportunity at a time when sales to traditional industries such as steelworks and foundries were slowing.

The restructuring of the organisation in 1999 was aimed at revitalising Beijer's industrial sales. The new name, Beijer Industriteknik, would blow away some of the cobwebs associated with this old, well established business as would its new, more pertinent offering and profile as the leading technology trading company in the Nordic countries.

The challenge for Beijer was to exploit the new opportunities within refrigeration while growing the industrial sector. And it was becoming increasingly evident that to overcome this challenge, the company would have to further streamline its operations. The board of directors decided, therefore, to break out Beijer Electronics (which accounted for some 20% of turnover) and list it on the Swedish stock exchange O-list. This took place in June 2000.

### BROADER OWNERSHIP

In the spring of 2002, the main shareholder, Jan Hain, decided to sell the majority of his A and B shares which represented 55.5% of the votes and 28.5% of the share capital. The A shares were acquired by Joen Magnusson, Per Bertland and Peter Jessen Jürgensen in Beijer's management group while the B shares were sold to investors. At an extraordinary general meeting of shareholders in the autumn of 2002, Jan Hain resigned and with that, the last remaining family link to Gottfried and Lorens Beijer vanished.



PETER JESSEN JÜRGENSEN

## REFRIGERATION ON AN INTERNATIONAL SCALE

G. & L. Beijer had now been trimmed down to two business areas: Refrigeration and Industrial Technology. It continued to grow focusing mainly on the Nordic markets. But it amended its strategy: the refrigeration business would now increase operations in the region around the Baltic Sea. And that is exactly what happened at the start of the new millennium.

Per Bertland, the former finance director, took over as managing director of Beijer Kyla and within a few years it had cautiously expanded into seven countries: Norway, Denmark, Finland, Poland, Estonia, Latvia and Lithuania. By 2003 operations were focused on three different segments of the refrigeration market: Commercial Refrigeration, Industrial Refrigeration and Comfort (air conditioning and ventilation).

Commercial was the mainstay of the business selling complete refrigeration systems and components to the food and catering industries. Industrial comprised mainly refrigeration units for the food industry, ice rinks and heat pumps, while Comfort was the collective name for air conditioning products for offices, housing and, increasingly, cars.

The cautious growth strategy in the Baltic was replaced by a significantly bolder plan in 2004 and by the end of year radical change had taken place. Beijer had let it be known that it was interested in acquiring Elsmark, the European wholesale business of the Danish heating and refrigeration company, Danfoss.

News of Beijer's intentions reached the Danfoss management team and they accepted Beijer's proposal willingly. The acquisition of the Elsmark Group not only doubled the size of Beijer Kyla overnight but made it the number one refrigeration wholesaler in Europe. It was now that the company changed its name to the more internationally sounding Beijer Ref.

## SIX NEW COMPANIES

The Elsmark Group was made up of six refrigeration wholesalers in eight European countries. The biggest of these was Dean & Wood in Great Britain which had 18 branches and 27% market share. Great Britain now became Beijer Ref's leading market ahead of Sweden.

Elsmark also owned companies in the Netherlands, Ireland and Switzerland and had two joint ventures in Eastern Europe: one in Poland, with a branch in the Ukraine, and one in Hungary, with a branch in Romania.

The new companies added in total about SEK 900 billion in sales and 320 employees. The new Beijer Ref now had a turnover of some SEK 1.9 billion and 770 employees in 67 companies and 15 markets.





A place among Europe's refrigeration elite presented a completely new challenge for the company. The acquisition confirmed Beijer Ref's position as the Group's biggest business and increased the already noticeable bias towards refrigeration. It soon became obvious that this venture into Europe would be followed by further acquisitions.

#### A CONCEPT FOR PROFITABILITY

Part of Beijer Ref's integration plans was the transfer of experience from the effective Nordic refrigeration operations to the newly acquired companies to create synergies and increase profitability. The Nordic business idea had proven to be successful and management was confident that they could replicate the concept in other markets.

The Elsmark Group was admittedly profitable but its margins were significantly lower than those in Beijer Kyla. There were considerable savings to be made by rationalising and co-ordinating the two operations.

The first step was to shut the Danish head office and transfer the manufacture of refrigeration units to Sweden. A number of branch offices were shutdown and headcount was reduced. The product range was rationalised and co-ordinated with those in other business areas. New central procurement agreements also helped reduce costs. In all, it was anticipated that this series of measures would save around SEK 25 million.

The effects were apparent during the first year. The former Elsmark group increased margins from 1% to 4% and the important British subsidiary Dean & Wood returned to profit after several years of loss-making.

Beijer Ref seemed to have quickly assumed its role as a major player and it soon started to explore new opportunities in Europe.

#### BEIJER INDUSTRITEKNIK

Refrigeration had grown quickly into a dynamic force but at the start of the new millennium G. & L. Beijer's other interest, the classic industrial trading business, Beijer Industriteknik, was not quite as robust.

This part of the business had two main operations: one for consumables such as hoses, belts, chemicals, surface treatment material, etc., and the other for capital goods which since the start of the 1950s comprised heavy machinery and equipment for steelworks and foundries.

The hose business was singled out as a priority growth area and the acquisition in 2000 of Texan, a hose wholesaler (with sales of SEK 30 million and 17 employees) strengthened the company's offering. Texan's operations were similar to those of Lundgren and the acquisition made Beijer Industriteknik Sweden's largest hose retailer. The acquisition of Ekonil, another wholesaler, consolidated its position.

The same year Beijer Industriteknik embraced the consumer market with the acquisition of ETC Verktyg, a tool wholesaler, with around 200 outlets through ironmongers and builders' merchants. In 2003 the acquisition of BOLTHi, who imported lighting for gardens and exterior use and sold them through the same channels, broadened their consumer offering.

Consumer sales accounted for about SEK 80 million or just over 15% of Beijer Industriteknik's turnover in 2003. That same year, Peter Kollert, the parent company's finance director, was appointed head of Beijer Industriteknik. His task was to accelerate the rate of acquisitions and to match developments in the fast-growing refrigeration business.



AIR COOLED CONDENSERS HELP REFRIGERATE THE COLD STORAGE ROOM IN A FOOD STORE IN THE NEW EMPORIA SHOPPING MALL IN MALMÖ.



HUFVUD BOK  
No 13  
1884.

HUFVUD  
BOK  
No 14  
1885.

HUFVUD BOK  
No 15  
1886.

HUFVUD  
BOK  
No 16  
1887.

HUFVUD  
BOK  
No 17  
1888.

HUFVUD BOK  
No 18  
1889.

HUFVUDBOK  
No 19  
1890.

HUFVUD BOK  
No 20  
1891.

HUFVUD BOK  
No 21  
1892.

HUFVUD BOK  
No 22  
1893.





DURING THE 2000S, BEIJER TECH INCREASINGLY SPECIALISED IN HOSES AND RUBBER PRODUCTS FOR INDUSTRY.

## INDUSTRIOTEKNIK BECOMES TECH

Two new companies were added to the hose business in the following years: Slangbolaget BTJ in Gothenburg, a specialist in hydraulic hoses, and Specialarmatur in Helsingborg. Other acquisitions in the industrial trading business included Lipex in Grängesberg, Höiness in Borås, YGAB in Västerås and Logitool in Gothenburg.

In 2006, following a strategic review, the company decided to focus solely on industrial goods and hose/rubber products. As a consequence, both ETC Verktyg and BOLTHi, the consumer products businesses, were divested that same year.

The new strategy was volume-based and its execution included the acquisition of companies and operations to complement the existing product range.

The new strategy also included a change of name. At the start of 2008, Beijer Industriteknik was replaced by the more international sounding Beijer Tech. This one name would represent all the company's specialist expertise in six product areas: Surface Treatment, Foundry Products, Steel and Smelter Products, Fluid Technology, Industrial Rubber and Services.

The name change also highlighted the technical and value-adding expertise of Beijer Tech and enabled it to better exploit each company's inherent goodwill by gathering them under one brand. Or as it said in the business concept: "to use deep-rooted expertise and new thinking to generate value-creating business which develops and improves customers' processes and products."

The name change was followed by a steady flow of acquisitions: Hymab in Örebro (hydraulic and machinery components), Renheat in Skultuna (fire-resistant installations of furnaces and prefabrication of dies) as well as the hose operation of REC Indovent in Gothenburg.

The hose and hydraulic acquisitions boosted Lundgren's position as the leading hose company in Sweden and made it Beijer Tech's largest single company with sales of SEK 275 million.

It seemed that the strategy was spot-on: between 2006 and 2008, Beijer Tech sales increased from SEK 574 million to SEK 642 million. But there were problems ahead. One was a sister company with aggressive growth plans and who was on the brink of the deal of its life. The other was the worst financial crisis since the depression in the 1930s.

### BEIJER REF MORE ACQUISITIVE

Following the 2004 acquisition of Elsmark, 2005 was a year of consolidation and integration for Beijer Ref. However, it was soon back on the acquisition trail in Europe, and the pace was intensifying. In 2006, it acquired the remaining 49% in Equinox, a Hungarian refrigeration wholesaler, and also bought Air-Con, a Danish refrigeration wholesaler. The following year it added no less than seven new companies to its increasingly international operations including:

- DEM Production, a Swedish manufacturer which developed and installed customised cooling units
- Charles Hasler, Switzerland's largest refrigeration wholesaler
- Clima Sverige, a Swedish air conditioning and heat pump company, which had an exclusive agreement with Mitsubishi Heavy Industries for air conditioning products in Sweden (an important acquisition in the rapidly growing market for air conditioning and ventilation)
- Uniechemie, a refrigeration wholesaler in the Netherlands, which made Beijer Ref the biggest refrigeration wholesaler in the Dutch market.

The company continued to grow rapidly. In 2008 RK Slovakia, a Slovakian refrigeration wholesaler, Fridanair, a Czech refrigeration wholesaler and the agency agreement for Mitsubishi Heavy Industries in Norway were shepherded in to the Beijer Ref fold.

### CARRIER - THE BIGGEST DEAL OF ALL

These acquisitions were, however, just mere morsels compared with the huge transaction in 2008. Carrier Corporation was a world leading US manufacturer of air conditioning and refrigeration products with a large wholesale business in southern Europe and South Africa. Beijer Ref had been eyeing its wholesale business for some time and in 2008 made a tentative approach. Its pitch was that the wholesale business was in fact non-core to Carrier (who was focused on manufacturing systems and components for heating, ventilation, air conditioning and refrigeration) and would be better suited to a pure-play wholesaler such as Beijer Ref.

The proposition was at first dismissed out of hand. Carrier even suggested that they should acquire Beijer Ref from G. & L. Beijer instead. But following an internal strategic review, the Carrier board concluded that it would, in fact, have a lot to gain by focusing just on manufacturing. They returned to the table, this time to say that their wholesale business was, indeed, up for sale.

The transaction was huge, the biggest in Beijer's history. The year before Beijer's sales had broken through the SEK 3 billion barrier. With the addition of Carrier ARW (Air Conditioning and Refrigeration Wholesale) sales almost doubled to around SEK 6 billion and the number of employees increased to 1,800.

The consideration was almost SEK 1.1 billion. A non-cash issue gave the Carrier Corporation just over 40% of the capital, making it G. & L. Beijer's largest owner. Carrier was also given two seats on the board.

On completion of the deal, Beijer Ref had achieved one of its main goals: to become a global player. Fifteen years after the Skrinet deal, which brought refrigeration into the Beijer sphere, Beijer Ref was now one of the world's largest refrigeration wholesalers with operations in 20 European countries and two in southern Africa. It was a meteoric rise for a company whose strategic horizons only five years earlier had stopped at the Baltic.





## THE NEW BEIJER REF

The merger comprised Carrier ARW's operations in seven European countries: France, Italy, Spain, Belgium, the Netherlands, Poland and Switzerland. It also included a wholesale and manufacturing business in South Africa and Namibia and part ownership (44%) of HRP, a UK refrigeration wholesaler with sales of SEK 629 million and around 270 employees.

**France.** GFF and its 38 offices in France accounted for just over a third of Carrier ARW sales, the vast majority of which (86%) came from commercial refrigeration. The merger also included Demo, another wholesaler with sales of SEK 229 million and 68 employees. France was a new market for Beijer Ref but was now its largest.

**Southern Africa.** Metraclark in South Africa was another sizeable addition. It had sales of SEK 543 million and 251 employees and it made South Africa Beijer Ref's third largest market. The company was focused on commercial refrigeration which accounted for 70% of sales. It owned a company in Johannesburg called Recam that manufactured heat exchangers and refrigeration units. Metraclark also had an operation in Namibia.

**Italy.** Italy was also a new market. ECR (European Commercial Refrigeration) was joint market leader with sales of SEK 376 million. With 70 employees in 14 offices it gave Beijer Ref a strong foothold in this market.

**The Netherlands.** The acquisition of ECR Nederland, the country's leading wholesaler in commercial refrigeration, helped strengthen Beijer Ref's existing operations there, Coolmark and Uniechemie. ECR Nederland had sales of SEK 280 million and 60 employees in four branch offices making the Netherlands Beijer Ref's second largest market.

**Spain.** ECR Iberica opened up a new important market in southern Europe. The company had sales of SEK 249 million, of which commercial refrigeration accounted for 75%. The company had 59 employees in 14 branch offices.

**Switzerland.** The addition of Paulus AG reinforced Beijer Ref's own operations in Switzerland which comprised Werner Kuster and Charles Hasler. Paulus AG had sales of SEK 145 million and 24 employees in three branch offices.

**Belgium.** Belgium was another new market. ECR Belgium was market leader in commercial refrigeration with sales of SEK 117 million and 28 employees in four branch offices.

**Poland.** ECR Poland added sales of SEK 22 million and six employees. The business was soon merged into Beijer Ref's existing operations in Poland.

## THE EFFECTS OF THE FINANCIAL CRISIS 2009

The timing of the merger was unfortunate, to say the least, coinciding as it did with the global economic crisis in 2008 which had been triggered by the inflated and debt-ridden housing market in the US. The resultant recession spread quickly, paralysing economies and making it difficult to predict which way things would go.

For the new Beijer Ref it could scarcely have been a more horrendous start. The company that had just doubled in size but demand for its products was declining drastically, a combination of a lack of willingness to invest and uncertainty about the future. The challenge was not just to integrate the Carrier ARW operations in eight countries but also to find ways to compensate for the drop in demand in nearly all markets.

Beijer Ref's markets developed at different rates during the crisis years 2008 to 2009. Southern Europe was hit by a substantial decline at the end of 2008 while northern Europe managed to maintain demand into the first half of 2009. In the second half, the decline flat-lined but as a whole it was a weak year and volumes dropped by between 10% and 30% depending on the market.

Beijer Ref introduced a series of measures that affected about 100 employees. Despite the difficult market conditions, the company was determined to try to retain as many of its salespeople and technical staff as it could so that when the economy started to improve they would be ready to ride the wave. On a brighter note, the company managed to gain market share during these difficult times as well as reduce costs by SEK 30 million which helped to maintain gross margins.

In this same year G. & L. Beijer reached another milestone in its history when sales for the first time surpassed SEK 5 billion.

## BEIJER EXITS INDUSTRIAL SALES

The economic crisis and the deep recession that followed affected demand for Beijer Tech's products and services reliant as it was on Swedish industry. In all, sales dropped by 21% in 2009 with the industrial sector being the hardest hit. Product areas such as Surface Treatment, Foundry Products and Consumables for Steel and Smelters had fewer but larger customers and sales here fell by more than 25%.

In February 2010, G. & L. Beijer took the decision to become a pure-play refrigeration wholesaler by putting Beijer Tech up for sale. Not unexpectedly, the reason behind the decision was the strong growth in refrigeration systems and components and the transformation of Beijer Ref from a regional to a world leading refrigeration group after the Elsmark and Carrier ARW deals.

Beijer Ref had increased sales to around SEK 600 million through a string of acquisitions and a number of restructurings. It was becoming increasingly evident that the refrigeration business needed, and was absorbing, most of management's attention and energy. It was felt that Beijer Tech would have a better chance of growing and developing in another environment.

By focusing on just one business area G. & L. Beijer could concentrate all its resources one main goal: to make Beijer Ref a global player in refrigeration.



## ANDERS WALL AND BEIJER ALMA

In the search for a suitable home for Beijer Tech, one in which it could flourish and grow, they needed to look no further than another Beijer company, Beijer Alma, an international industrial group that specialised in component manufacture and industrial trading. Its main owner and chairman was Anders Wall from Beijerinvest (see page 50 – 51).

Anders Wall had lost a good deal of his fortune in the financial crisis of the 1990s. He had sufficient capital, though, to become a major shareholder in Alma Invest, a regional investment company was set up by Upsala Savings Bank and local businessmen to buy into small regional companies.

After a few years, Alma Invest switched its focus from regional companies to industry and trading. It started to specialise in the manufacture of industrial springs through a company called Lesjöfors, and it was then that Anders Wall bought in as one of the major shareholders. Wall sold the rest of the old Stockholm Beijer parent company that was set up in 1894 (G. & L. Beijer Import & Export AB Stockholm) to the Alma Group which then changed its name to Beijer Alma in 1995.

The deal had a bit of everything: finance, history and emotion. Beijer Tech could trace its roots back to the business started by Gottfried Beijer 144 years earlier in Malmö in 1866, while the refrigeration operation brought back memories of the Skrinet deal in 1992. And with that, the old historical part of Beijer moved to Stockholm while the new Beijer remained in its old birthplace, Malmö.

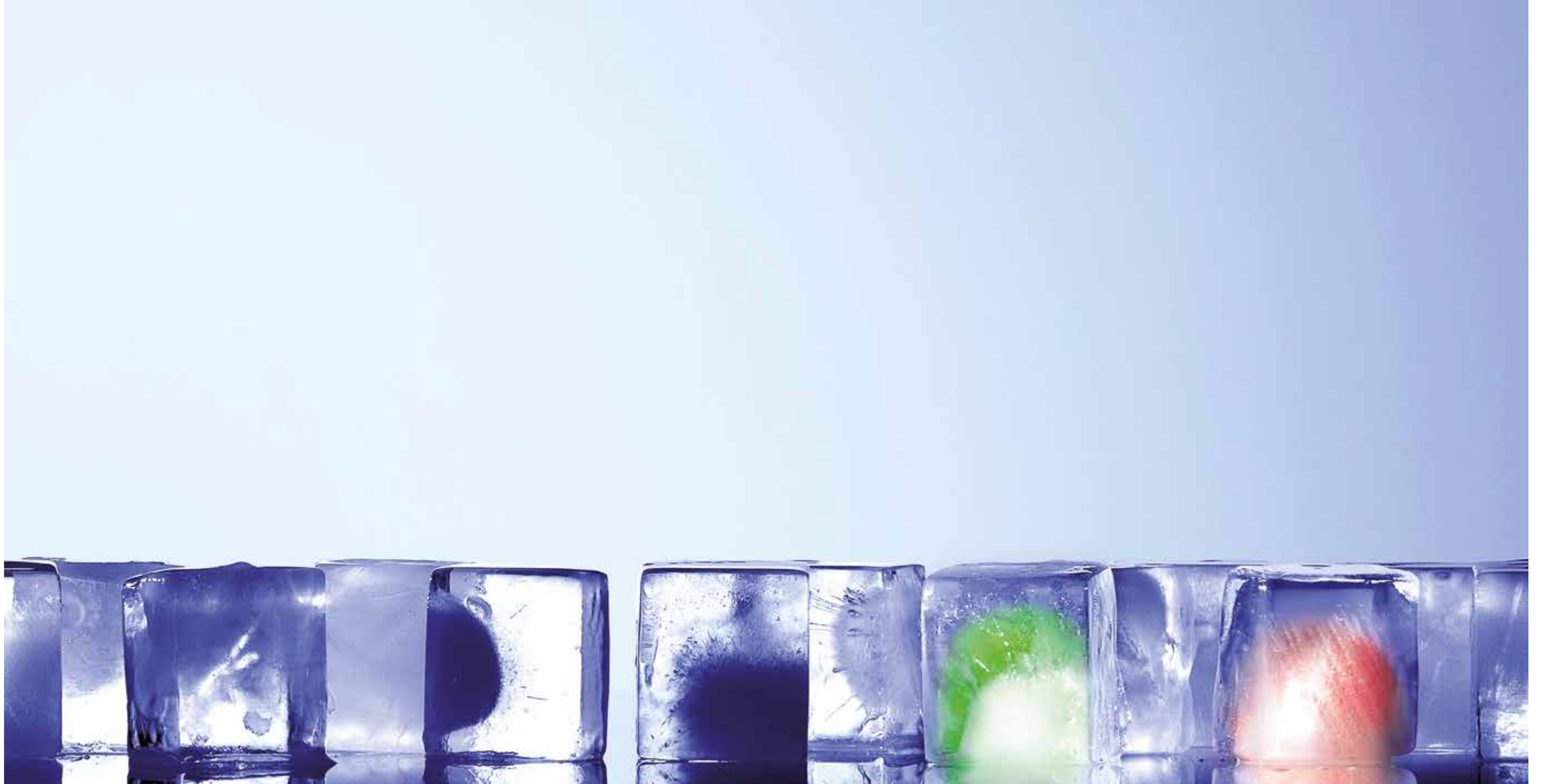
The transaction also forged stronger ties between the Malmö and Stockholm companies. As part of the consideration of SEK 345 million, G. & L. Beijer received SEK 38.7 million in cash and the balance in the form of newly issued B-shares in Beijer Alma which made G. & L. Beijer a large shareholder in the new company.

## FULL STEAM AHEAD AT BEIJER REF

While the Beijer Alma deal was being finalised in 2011, it was full steam ahead at Beijer Ref who was now king of the Beijer castle. Full of confidence, not least owing to the improvement in the world economy which had put wind in its sales, it set its sights on new target companies using the company's extensive experience of acquisitions and a tried and tested model for integration.

Among other things it signed its first global contract when GDF Suez, the leading French energy company, who added Beijer Ref to its list of global tier-one suppliers. At the end of year G. & L. Beijer took its first step into Asia when Beijer Ref (through its joint owned company Beijer Grimm) acquired 50% of Carrier Corporation's wholesale refrigeration assets in Thailand which had sales of SEK 130 million and 50 employees.





But the deal that would have the greatest effect on the company's future was the acquisition in 2010 of SCM Frigo, an Italian company that designed, developed and manufactured refrigeration units. It had annual sales of SEK 220 million and 70 employees. Its speciality, however, was new eco-friendly refrigerants which were increasingly gaining favour with authorities and regulatory bodies across the world.

#### A CONTENTIOUS ACQUISITION

The Italian company had long been one of Europe's leading suppliers of conventional refrigeration units but as the call for eco-friendly and more energy efficient refrigeration solutions was only likely to grow louder, the acquisition had great strategic significance.

Agreement had already been reached internationally to phase out conventional refrigerants in favour of natural ones such as carbon dioxide and ammoniac. Admittedly, the switch would take place gradually over a relatively long period, but the trend was clear. And as old refrigeration units would not be able to operate with these new refrigerants, they had to be replaced or rebuilt. The market potential for any company that could resolve this issue was huge.

SCM Frigo had developed a modular system for refitting refrigeration units that used natural refrigerants. Nonetheless, the decision to acquire the company was hotly debated at the G. & L. Beijer board. The sceptics doubted the wisdom of increasing the manufacturing operations of a company whose strategy was built around industrial trading. There were also technical questions as to whether the new eco-friendly technology was sufficiently developed to become a reliable, stable commercial base in the coming years.

Those in favour of the deal won the day and on 1 January 2011, Beijer Ref acquired 51% of the shares in SCM Frigo with an option to acquire the remaining shares later.

#### BILLION-CROWN CONTRACT WITH TOSHIBA

Beijer Ref, which was still considered a »Business Area« despite the fact that it was, in practice, the only operation in G. & L. Beijer, continued its expansive acquisition strategy in 2011. By the end of the year it had added another six companies with a total turnover of just over SEK 2 billion which boosted Group turnover by 40% compared with 2010.

The biggest and most significant deal was the exclusive contract with Toshiba, the Japanese conglomerate and electronics company, to distribute its air conditioning and heating products in 11 European countries.

The contract had previously been with the Carrier Corporation. At the time of the merger, Toshiba formed a new business area within G. & L. Beijer with sales of SEK 1.2 billion and 160 employees. The consideration was SEK 630 million and the final contract included a somewhat odd, but undoubtedly beneficial, clause that stipulated that the contract was not terminable so long as one of the two companies was still operating in the market. In short, Beijer had managed to secure a lifetime contract from a world leading manufacturer in a rapidly growing sector.

The agreement was important in several respects. First, it strengthened Beijer Ref's European position in air conditioning and heat pumps which for some time had been growing faster than commercial refrigeration. The two product areas accounted for about 75% of Toshiba's operations which meant that air conditioning and heat pumps moved from 20 to 35% of Beijer Ref's total turnover. Second, it gave Beijer Ref a foothold in the important German market which up until then had been blank on Beijer's map.





**EXPANSION IN EUROPE AND AFRICA**

Beijer acquired two other refrigeration and air conditioning companies in 2011 (both from the US company United Refrigeration) which helped strengthen its positions in France and Great Britain. Corset in France had sales of SEK 520 million and 125 employees while United Refrigeration in the UK had sales of SEK 90 million and 44 employees. The UK company was renamed RW Refrigeration Wholesale.

Operations in southern Africa also grew by acquisition. Phoenix Racks was a leading manufacturer of eco-friendly and customised refrigeration units in South Africa with sales of SEK 35 million and 23 employees. Logos Industrias in Mozambique gave Beijer Ref a foothold in a new market. This refrigeration wholesaler had sales of about SEK 15 million and five employees and distributed products made in South Africa by Metraclark (owned by Beijer Ref).

The two new companies increased sales in the region to almost SEK 700 million, almost 10% of Group turnover.



IN 2011 BEIJER REF'S EXPANDING OPERATIONS IN SOUTHERN AFRICA COMPRISED 10% OF THE GROUP'S TOTAL TURNOVER.

**WORLD LEADER**

Beijer Ref was now unquestionably one of the world's leading refrigeration wholesalers alongside the US companies Watsco and United Refrigeration. But unlike Beijer Ref, their operations where focused only on the US, Canada, Mexico, the Caribbean and parts of South America. Beijer Ref was the only one who was set on becoming a truly global player.

**STRONG GROWTH DESPITE EURO CRISIS**

In 2012, Beijer Ref continued to expand although at a more cautious pace. It acquired two refrigeration wholesalers: Ecofrigo in Norway which had six employees and sales of SEK 35 million, and Gasco in Ireland with six employees and sales of SEK 22 million.

It also resolved that it was time to enter the important German market. There was a lack of available companies to buy so, untypically, it decided to set up its own operations in Germany opening up branch offices in Ratingen and Leipzig.

The financial crisis which started in 2008 was soon followed by the euro crisis which put a dampener on growth. The burden of debt in southern Europe in countries such as Portugal, Spain and particularly Greece, made the situation acute and triggered a succession of austerity measures and emergency loans.

The total outlay on acquisitions by Beijer Ref between 2009 and 2011 amounted to about SEK 5 billion. Given that southern Europe in 2012 accounted for 41% of its sales, the euro crisis proved very challenging but the company managed to pull through relatively well. The 16% rise in sales that year (from about SEK 5.9 billion to SEK 6.8 billion) was, however, attributable only to acquisitions. Organic sales actually fell by 2.7%.

With demand still soft at the start of 2013, the company introduced a savings programme which reduced costs by SEK 50 million per year. The changes were not easy to implement. Virtually everyone was in direct daily contact with customers through sales, distribution or logistics. Every saving had to be carefully weighed against the risk of losing sales.

### G. & L. BEIJER BECOMES BEIJER REF

2013 was a somewhat quieter year in terms of acquisitions and only one was made. FK Takin, a refrigeration wholesaler with sales of SEK 32 million and five employees helped strengthen the company's position in Denmark.

2014 saw a return to the acquisition trail encouraged by the pent up investment needs in several markets after a number years of cautious waiting. A large number of acquisitions were made in both the northern and southern hemispheres leading to a strong increase in sales and robust earnings.

The board also decided it was time to change the old, well respected parent company name, G. & L. Beijer, to Beijer Ref to strengthen the Group's identity and make clear its operation. So, 148 years after the company was founded, the last visible signs of Gottfried and Lorens in the Beijer company name disappeared for ever.

### REFRIGERATION IN THE INDIAN OCEAN

The first acquisition came in January 2014 when it acquired Eurocool, South Africa's leading wholesale refrigeration company with sales of SEK 65 million and 36 employees.

Four more were added during the autumn of 2014: Børresen Cooltech in Norway; Banfield Refrigeration Supplies in Great Britain; Grün Grosshandel in Germany and the exotically located GFOI (Générale Frigorifique Océan Indien), a French company on the island of Réunion in the Indian Ocean about 800 km east of Madagascar.

Beijer Ref had established itself in the important and growing German market in 2011 and with the acquisition of Grün it now had operations in five centres: Düsseldorf, Nürnberg, Munich, Leipzig and Stuttgart.

Réunion is one of the two French *départements* in the southern hemisphere. At the time it had just over 840,000 inhabitants and a rapidly expanding tourist industry. GFOI acted as a branch office for Beijer Ref's French company, GFF (Générale Frigorifique France). The acquisition was just a hint of the company's plans to expand outside Europe.



THE ACQUISITION OF GFOI (GÉNÉRALE FRIGORIFIQUE OCÉAN INDIEN), A FRENCH COMPANY LOCATED ON THE ISLAND OF RÉUNION IN THE INDIAN OCEAN, OPENED UP THE DOOR TO OCEANIA.



PEGASUS BY CARL MILLES IN SLOTTSPARKEN IN MALMÖ.



### EU TIGHTENS ENVIRONMENTAL REQUIREMENTS

Refrigeration technology had had many environmental setbacks on its long journey to today's modern systems. By the end of the 20th century it was clear that the various generations of synthetic refrigerants developed over the years were having a negative impact on the environment.

Their effect is measured in three ways: ODP (Ozone Depletion Potential) measures how they affect the ozone layer; GWP (Global Warming Potential) measures the greenhouse effect and TEWI (Total Environmental Warming) looks at the total environmental impact of a refrigeration unit including the energy needed to operate said unit.

Since the start of the new century, developments in refrigeration technology, constrained by a number of bans and restrictions on old refrigerants, had been focusing heavily on eco-friendly solutions.

As early as 2006, the EU adopted the 'F-gases Directive' to limit the greenhouse effects stemming from the use of fluorinated gases in existing refrigeration systems. The directive had a limited effect, however, and in the spring of 2014 a new and more comprehensive one was published to limit the sale and use of synthetic refrigerants and reduce them in the order of 72-73% by 2030 (compared with 2014 levels).

### BEIJER REF RECALIBRATES

Beijer Ref's partial acquisition of SCM Frigo in 2011 meant that it had the leading manufacturer of refrigeration units using environmentally compatible carbon dioxide technology under its own roof. SCM Frigo's engineering expertise in modern eco-friendly refrigeration systems would play a key part in Beijer Ref's future strategy. A few months after the EU had issued the new F-gases directive, Beijer Ref bought the remaining 49% of the shares in the company.

SCM Frigo had more than 1000 employees and was the leading company in carbon dioxide based refrigeration systems in Europe. When the first F-gases directive was published in 2006 the company's leadership decided there and then that the future lay in carbon dioxide, and it started to consciously turn its attention to these types of refrigeration systems. It also started to educate its customers about eco-friendly technology. This was taken one step further in 2014 when Beijer Ref set up The Beijer Ref Academy to promote the new systems.

### OWN MANUFACTURING

The acquisition of SCM Frigo was also the catalyst for a reorganisation of Beijer Ref's manufacturing units. They now came together under one name, SCM Ref, with the aim of developing a portfolio of in-house manufactured products along the lines of SCM Frigo's successful concept.

DEM, a Swedish manufacturing company in Vislanda, was the first to change name (becoming SCM Ref Sverige) closely followed by the French operation, SCM Ref in Lyon. The SCM Ref organisation had an ambitious goal: to offer global customers more competitive solutions using in-house manufactured products that lead to sustainable development and exceed with good margins the industry's increasingly stringent requirements.







## MAKING INROADS IN OCEANIA

In 2015 Beijer Ref made a number of acquisitions in Asia and Oceania, significantly extending its global presence. In February it acquired RNA Engineering & Trading, a wholesale refrigeration company based in Kuala Lumpur, Malaysia. The Malaysian market for commercial refrigeration was estimated to be worth around SEK 480 million and in recent years had been growing steadily at about 10% per year.

The ink had hardly dried on the Malaysian contract before Beijer Ref announced that its plans to expand outside Europe had resulted in a new key acquisition that gave it an important foothold in three new markets: New Zealand, Australia and India. The company in question was Patton, a New Zealand-based refrigeration wholesaler, which also sold its own products under its own name. The head office was in Auckland and it had operations in Australia, India and Thailand as well on its home territory.

New Zealand was an interesting market for the refrigeration industry. The country's economy relied heavily on the export of foodstuffs so access to effective refrigeration was critical. The tourist trade was growing as well which increased demand for refrigeration and air conditioning. Patton was the leading company in the sector in New Zealand with 35% of the market, nine locations, 65 employees and sales of SEK 175 million a year.

It also had a significant operation in Australia which comprised 14 locations, 53 employees and sales of SEK 190 million.

In India, the Patton business had 22 employees at the time and sales were a more modest SEK 15 million. But the potential for growth was huge. India at that time was one of the world's largest producers of milk, fruit and vegetables and efficient refrigeration systems had been singled out as a priority as the Indian government sought to reduce waste in the food supply chain.

In Thailand, Patton manufactured its own equipment which was mostly sold to India, the Middle East, SE Asia and Australia. It had 62 employees and sales of SEK 30 million. In 2014 it moved into new premises which would allow it to triple its output and supply Beijer Ref's other companies in Asia and Oceania.

PETRONAS TOWERS  
IN KUALA LUMPUR, MALAYSIA.



## ENVIRONMENTAL BREAKTHROUGH

In 2015 the company received two orders for eco-friendly carbon dioxide based systems for markets which previously had mainly used traditional synthetic refrigerants. The first was to Poland and comprised a refrigeration unit for a logistics centre for one of Europe's leading foodstuffs companies. The other was installed in one of New Zealand's leading food retailers. It was an innovative piece of equipment with the CO2 rack integrated into the system to make it simple and safe to install.

The orders for Poland and New Zealand were the first Beijer Ref had received for carbon dioxide based refrigeration units in these markets and both were manufactured by SCM Frigo in Italy. It was proof of the success of the company's post acquisition integration work and its ability to sell world leading eco-friendly technology in spite of large geographic distances.

## BEIJER IN THE FUTURE

Now in 2016 as it celebrates its 150th anniversary, Beijer Ref comprises two parts: the dominant wholesale refrigeration business and a small but growing business that manufactures components and units for eco-friendly carbon dioxide based refrigerants.

Its wholesale business represents around 100,000 products from manufacturers such as Alco, Alfa Laval, Armacell, Bitzer, Bock, Carel, Castel, Copeland, Cupori, Danfoss, Embraco, Frigabohn, Halcor, Henry, Honeywell, Luvata, Luve and Tecumseh.

The Comfort Cooling product range comprises air conditioning units and heat pumps from leading manufacturers such as Toshiba, Mitsubishi Heavy Industries and Carrier. It also sells Carrier's own *Totaline* products for refrigeration and air conditioning in some markets.

Just 24 years since this Malmö-based company started in refrigeration, its name is synonymous with the world's fastest growing refrigeration business. It is today the leading player in Europe and is expanding in growth markets such as southern Africa, Asia and Oceania.

It was another world, another sector and another technology when the foundations of this company were laid - but that spirit of entrepreneurship, the resilience and the ability to see opportunities beyond national boundaries remain undiminished.



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