Beijer

Sustainable Growth Hypothesis:

Beijer is a Swedish distributor of refrigeration and heating, ventilation and air conditioning equipment, as well as being a manufacturer of eco-friendly refrigeration systems and heat pumps. Buildings account for a significant chunk of global emissions. Beijer has the opportunity and ambition to steer both customers and manufacturers towards more energy efficient units. It aligns with our **planet** theme through influential business **practices** which enable the energy transition.

1. **Growth: How likely is the company to deliver 10% p.a. profit growth over the next decade?**

— Tighter environmental regulation is driving strong industry growth, bringing heat pumps into the scope of the industry. Further growth will stem from distributing in new regions as well as growth in original equipment manufacturing.

2. **Resilience: How much control does the company have over its own success?**

— World's leading refrigeration distribution business and biggest distributor of heating, ventilation and air conditioning units outside of the US & China. Beijer have a global presence while most of their peers are local.

3. **Valuation: What is our insight?**

— The potential duration of growth is unique. Not many companies can sustain mid-high single-digit organic growth for an extended period, underpinned by an impressive product offering.

4. **Products: To what extent will the core products & services create value for society over the next decade?**

— Neutral. Beijer Ref plays an important role in connecting suppliers to contractors in a highly fragmented industry. Its impact as a distributor is amplified by its scale and the types of products it distributes.

5. **Practices: Does the company show leadership in its business practices?**

— As a leading HVAC distributor, Beijer has the opportunity to accelerate the market's transition to more efficient, lower-emitting HVAC units by influencing the decisions of both suppliers and installers in the industry.

6. **Ambition: What is the company's purpose, and how ambitious are they?**

— Reducing its negative environmental impact seems to be important to Beijer and in addition to committing to Scope 1,2 and 3 emissions reductions, it has sustainability goals which focus on the environmentally most material areas.

7. **Trust: Should we trust the company with our clients' capital?**

— We have a long-standing relationship with Beijer, however the level of independence on the board is underwhelming.

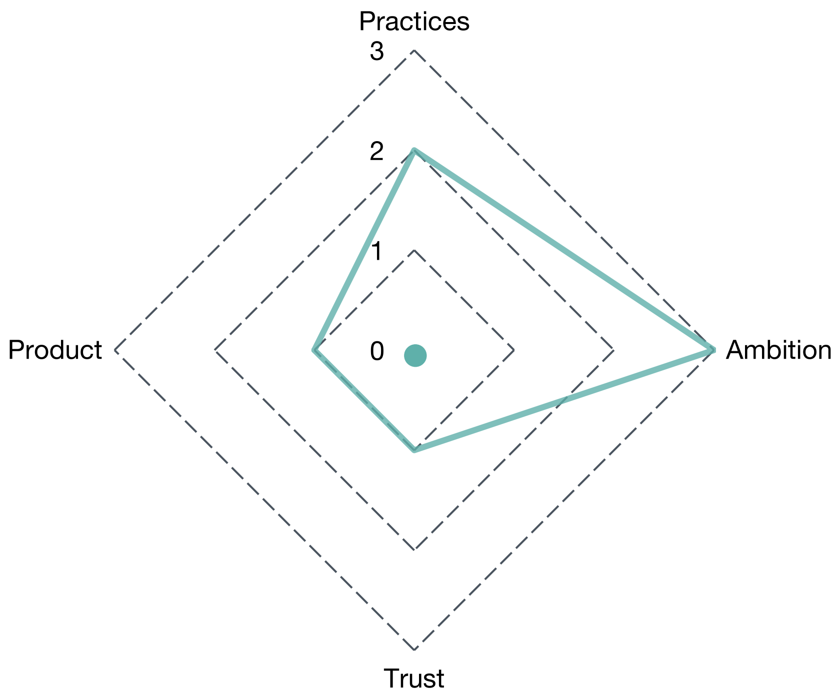
8. **Engagement: No company is perfect, what should be our engagement priority?**

— Continue monitoring progress on independence levels and dual share structure.

9. **Milestones: What developments should we pay most attention to? Where could we be wrong?**

— Adoption of heat pumps across Beijer's core markets and movement of environmental regulation likely to drive industry growth.

Compass Scores



Important information and risk factors

All investment strategies have the potential for profit and loss.

Stock Examples

Any stock examples, or images, used in this presentation are not intended to represent recommendations to buy or sell, neither is it implied that they will prove profitable in the future. It is not known whether they will feature in any future portfolio produced by us.

Any individual examples will represent only a small part of the overall portfolio and are inserted purely to help illustrate our investment style.

Important Information

Baillie Gifford & Co (BG & Co), Baillie Gifford & Co Limited (BG & Co Ltd), Baillie Gifford Overseas Limited (BGO) and Mitsubishi UFJ Baillie Gifford Asset Management Limited (MUBGAM) are authorised and regulated by the FCA in the UK. BG & Co Ltd is an Authorised Corporate Director of OEICs.

Baillie Gifford Investment Management (Europe) Limited (BGE), Baillie Gifford Asia (Hong Kong) Limited 柏基亞洲(香港)有限公司 (BGA) and Baillie Gifford International LLC (BGI) and Baillie Gifford Asia (Singapore) Private Limited (BGAS) are wholly owned by BGO. BGO and BG & Co Ltd are wholly owned by BG & Co.

BGI and BGO are registered with the SEC in the United States of America.

BG & Co claims compliance with the Global Investment Performance Standards (GIPS®). An example of a compliant composite presentation, a complete list of the Firm's composites and performance results is available on request.

BGO provides investment management and advisory services to non-UK Professional/Institutional clients only.

Persons resident or domiciled outside the UK should consult with their professional advisers as to whether they require any governmental or other consents in order to enable them to invest, and with their tax advisers for advice relevant to their own particular circumstances.

This presentation contains information on investments which does not constitute independent research. Accordingly, it is not subject to the protections afforded to independent research and Baillie Gifford and its staff may have dealt in the investments concerned.

Baillie Gifford Investment Management (Europe) Ltd (BGE) is authorised by the Central Bank of Ireland as an AIFM under the AIFM Regulations and as a UCITS management company under the UCITS Regulation. BGE also has regulatory permissions to perform Individual Portfolio Management activities. BGE provides investment management and advisory services to European (excluding UK) segregated clients. BGE has been appointed as UCITS management company to the following UCITS umbrella company; Baillie Gifford Worldwide Funds plc. BGE is a wholly owned subsidiary of Baillie Gifford Overseas Limited, which is wholly owned by Baillie Gifford & Co. Baillie Gifford Overseas Limited and Baillie Gifford & Co are authorised and regulated in the UK by the Financial Conduct Authority.

BGA holds a Type 1 licence from the Securities and Futures Commission of Hong Kong to market and distribute Baillie Gifford's range of collective investment schemes to professional investors in Hong Kong. BGA can be contacted at Suites 2713-2715, Two International Finance Centre, 8 Finance Street, Central, Hong Kong, Telephone +852 3756 5700.

Important Information Australia

Baillie Gifford Overseas Limited (ARBN 118 567 178) is registered as a foreign company under the Corporations Act 2001 (Cth) and holds Foreign Australian Financial Services Licence No 528911. This material is provided to you on the basis that you are a "wholesale client" within the meaning of section 761G of the Corporations Act 2001 (Cth) ("Corporations Act"). Please advise Baillie Gifford Overseas Limited immediately if you are not a wholesale client. In no circumstances may this document be made available to a "retail client" within the meaning of section 761G of the Corporations Act. This material contains general information only. It does not take into account any person's objectives, financial situation or needs.

Important Information South Korea

BGO is licensed with the Financial Services Commission in South Korea as a cross border Discretionary Investment Manager and Non-discretionary Investment Adviser.

Important Information North America

BGI was formed in Delaware in 2005. It is the legal entity through which BGO provides client service and marketing functions in North America.

The Manager is not resident in Canada, its head office and principal place of business is in Edinburgh, Scotland. BGO is regulated in Canada as a portfolio manager and exempt market dealer with the Ontario Securities Commission ('OSC'). Its portfolio manager licence is currently passported into Alberta, Quebec, Saskatchewan, Manitoba and Newfoundland & Labrador whereas the exempt market dealer licence is passported across all Canadian provinces and territories. BGI is regulated by the OSC as an exempt market and its licence is passported across all Canadian provinces and territories. BGE relies on the International Investment Fund Manager Exemption in the provinces of Ontario and Quebec.

Singapore

Baillie Gifford Asia (Singapore) Private Limited is wholly owned by Baillie Gifford Overseas Limited and is regulated by the Monetary Authority of Singapore as a holder of a capital markets services licence to conduct fund management activities for institutional investors and accredited investors in Singapore. Baillie Gifford Overseas Limited, as a foreign related corporation of Baillie Gifford Asia (Singapore) Private Limited, has entered into a cross-border business arrangement with Baillie Gifford Asia (Singapore) Private Limited, and shall be relying upon the exemption under regulation 4 of the Securities and Futures (Exemption for Cross-Border Arrangements) (Foreign Related Corporations) Regulations 2021 which enables both Baillie Gifford Overseas Limited and Baillie Gifford Asia (Singapore) Private Limited to market the full range of segregated mandate services to institutional investors and accredited investors in Singapore.

Important information and risk factors

Important Information South Africa

BGO is licensed with the Financial Sector Conduct Authority in South Africa as a Financial Services Provider (FSP No 44870) in terms of section 8 of the Financial Advisory and Intermediary Services Act, 2002. This licence authorises BGO to carry on financial intermediary services business on behalf of South African clients.

Important Information Israel

BGO is not licensed under Israel's Regulation of Investment Advising, Investment Marketing and Portfolio Management Law, 5755-1995 (the "Advice Law") and does not carry insurance pursuant to the Advice Law. This presentation is only intended for those categories of Israeli residents who are qualified clients listed on the First Addendum to the Advice Law.

Important Information Japan

MUBGAM is a joint venture company between Mitsubishi UFJ Trust & Banking Corporation and BGO.

Financial Intermediaries

This document is suitable for use of financial intermediaries. Financial intermediaries are solely responsible for any further distribution and Baillie Gifford takes no responsibility for the reliance on this document by any other person who did not receive this document directly from Baillie Gifford.

**BGI Principal Office: Calton Square, 1 Greenside Row,
Edinburgh EH1 3AN, Scotland
Telephone: +44 (0)131 275 2000**

**780 Third Avenue, 43rd Floor, New York, NY 10017
Telephone: (212) 319 4633**

**BGE Head Office: 4/5 School House Lane East, Dublin 2
D02 N279, Ireland
Telephone: +35 315 294 150**

BGE Frankfurt Branch: WINX Tower, Neue Mainzer Str. 6-10, 60311 Frankfurt, Germany

BGE Amsterdam Branch: Atrium Building, Strawinskylaan 3051, 4th Floor, 1077 ZX Amsterdam, The Netherlands

**BGE Representative Office: Bahnhofstr. 10 / Börsenstr. 18
CH - 8001 Zürich, Switzerland**

bailliegifford.com