

Q3 report 2019-20

Roland Kasper CEO, Anders Ulff CFO





Established at HQ in
Skinnskatteberg, Sweden

1974



Turnover
Annual net sales in mill. EUR

830



Number of countries with
own sales companies

50



NASDAQ
OMX Nordic Exchange

2007



Average number of
products on stock at our
main distribution centres

>1,400



Number of
employees

6,300



Number of
customers events

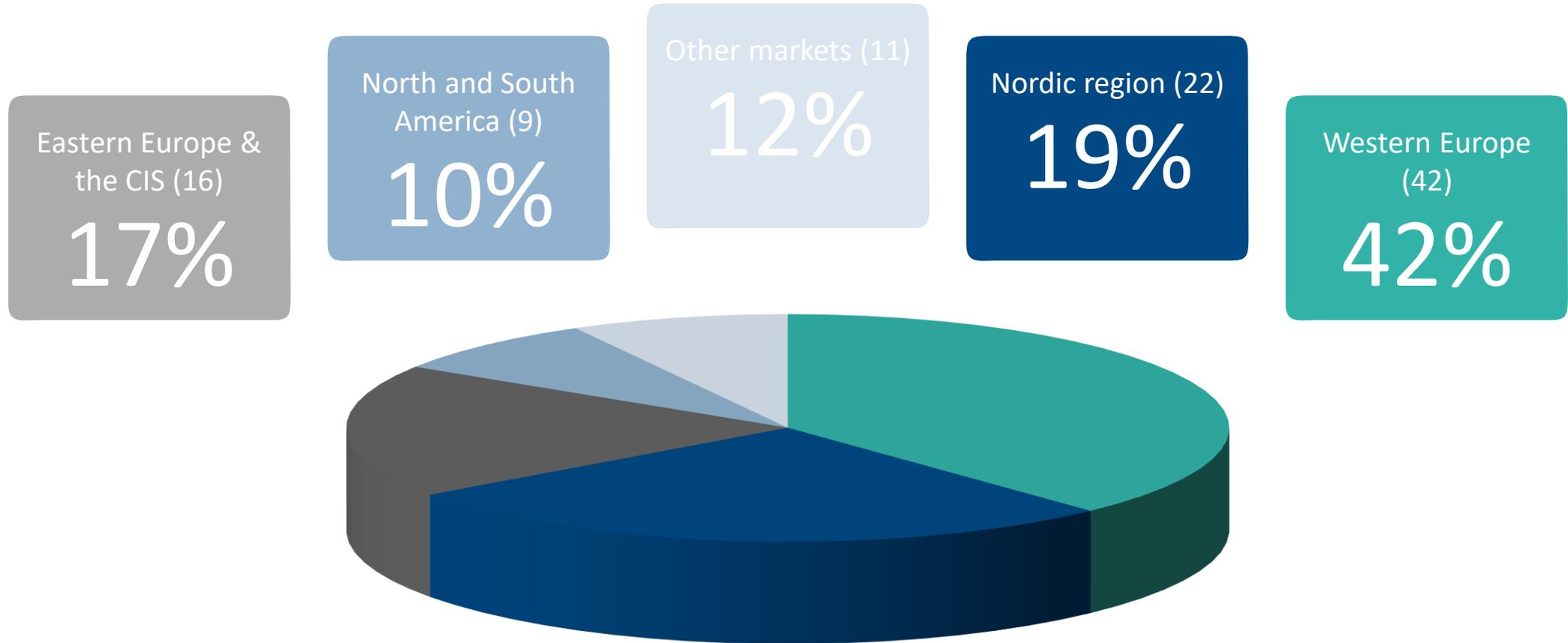
> 1,395



Countries
exported to

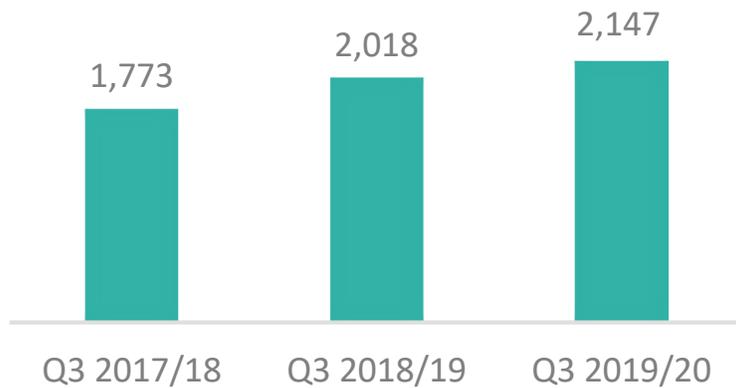
>100

Markets



Net sales – Q3

SEK million



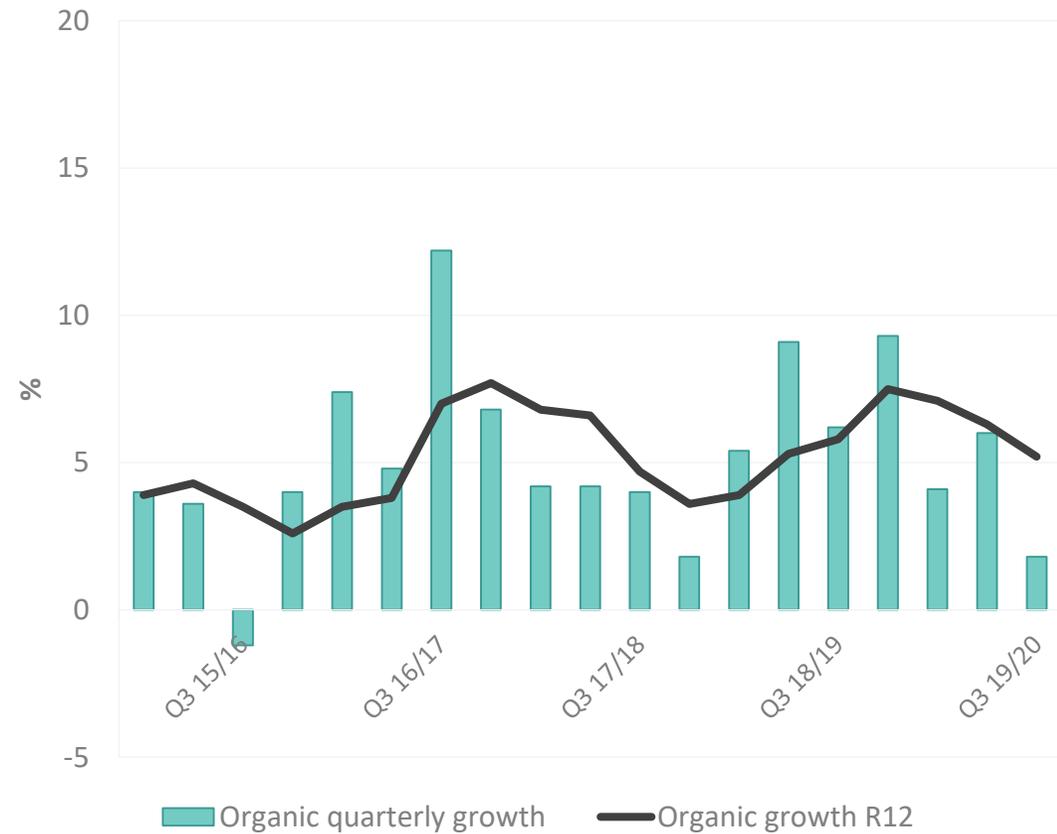
6.4%

Growth

1.8%

Organic growth

Organic growth development, R12 %



Growth analyze Q3

Organic

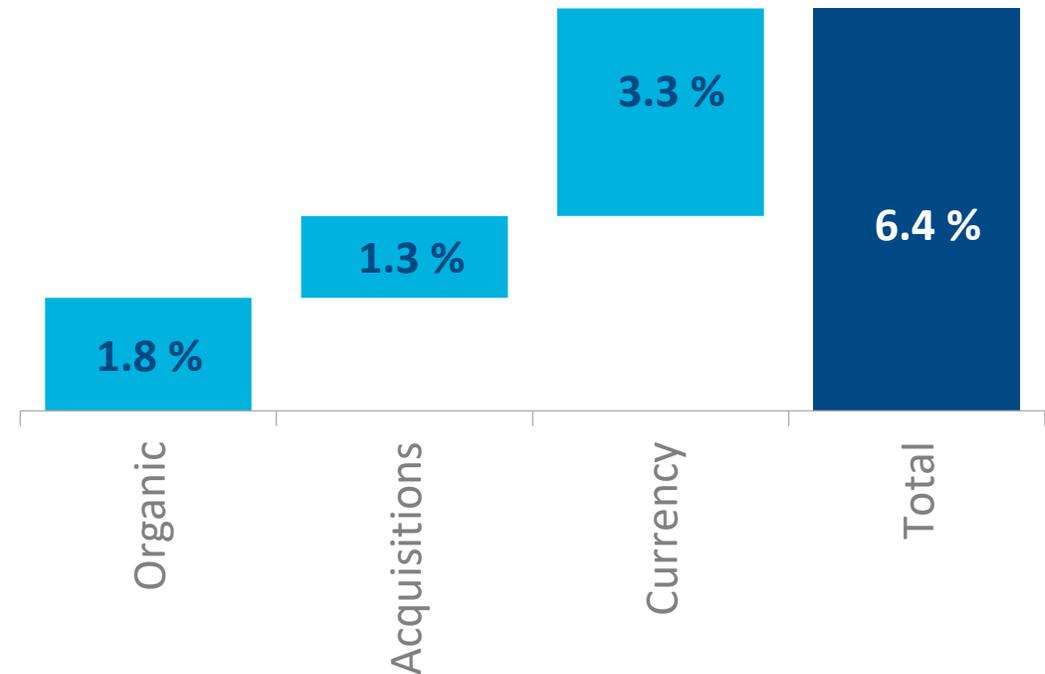
- Especially good organic growth in North America, Asia and South Africa

Acquisitions

- Effected by the acquisition of Pacific Ventilation and Systemair Maroc

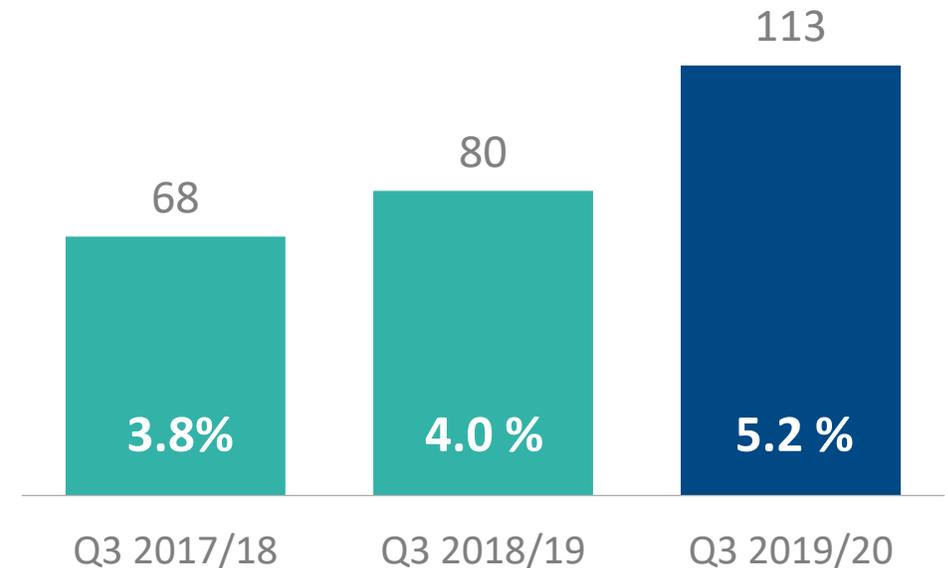
Currency

- Mainly strengthened EUR



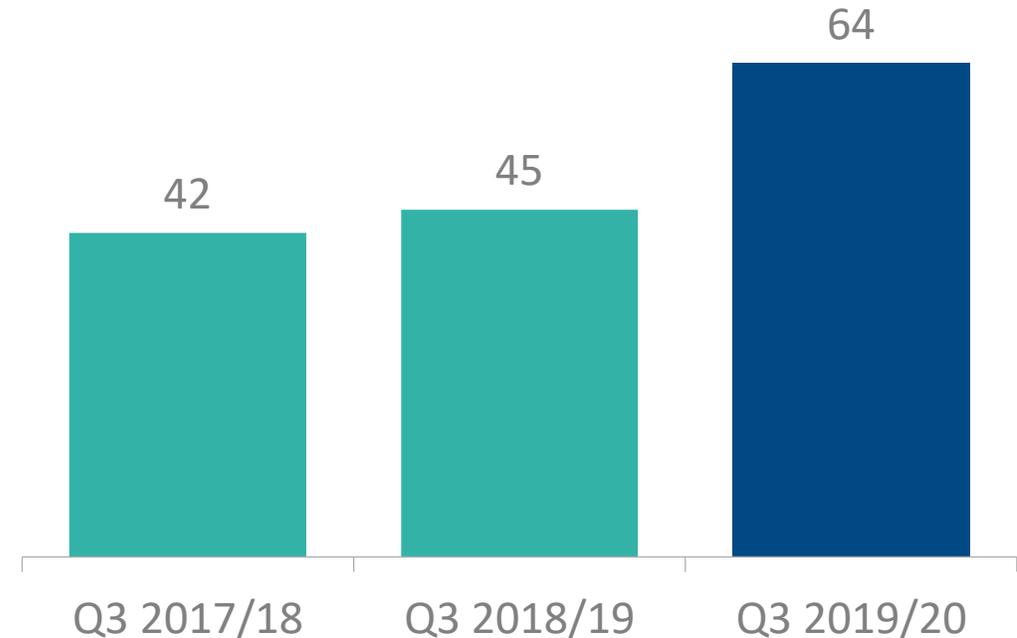
Operating profit Q3

- Gross margin increased to 33.8 percent (31.9) mainly due to high capacity utilization and profit improvement actions.
- Selling and administration expenses for the quarter increased with 9.4 percent.
- Operating profit for the third quarter amounted to SEK 112.6 million (80.1).



Profit after tax – Q3

- Net financial items ended the third quarter at SEK -19.5 million (-5.8).
- The effects of foreign exchange on long-term receivables, loans and bank balances were calculated at SEK -10.0 million (+1.5).
- Interest expense for the quarter totalled SEK -9.2 million (-8.5). Adjusted for the IFRS 16 effect the interest expenses totalled SEK -7.1 million.
- Estimated tax for the quarter amounted to SEK -28.6 million (-29.5) or 30.7 percent.

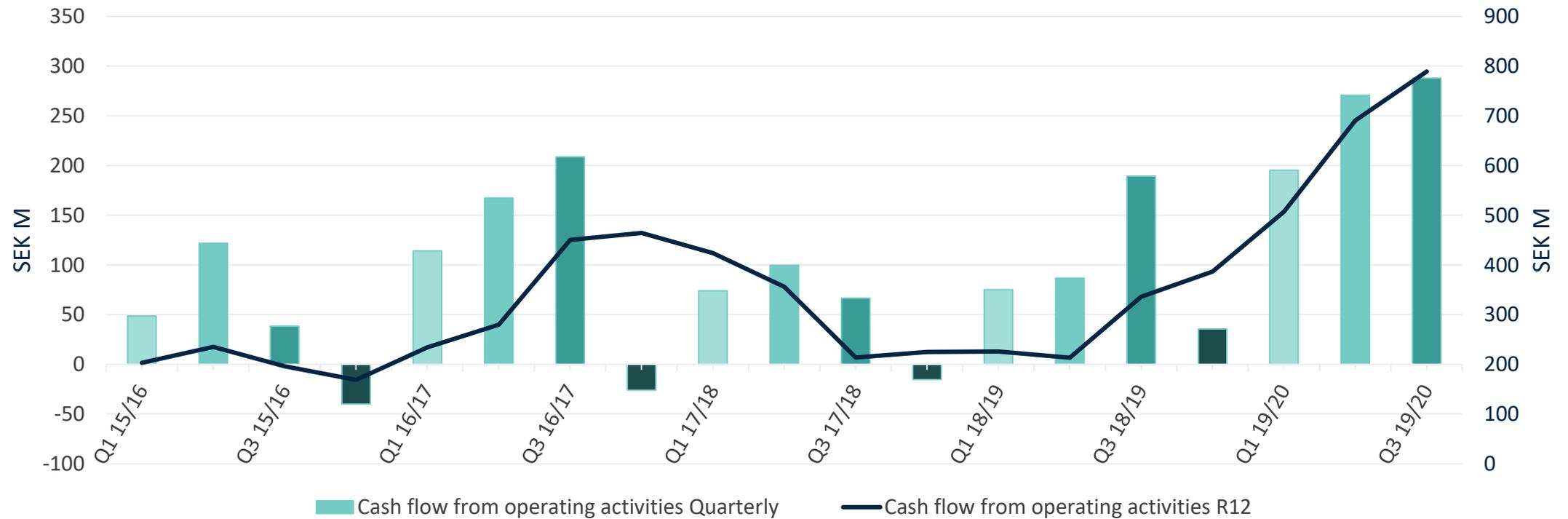


Cash flow analysis – Q3

	Q3 2019/20	Q3 2018/19
Cash flow from operating activities	123.9	77.5
Change in working capital	163.9	111.7
Net investments, excl. acquisitions	-34.2	-47.7
Free cash flow	253.6	141.5
Net indebtedness	1,993.9	2,022.0

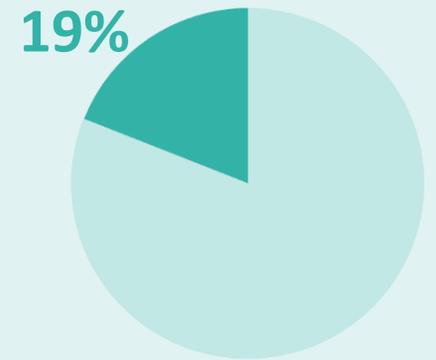
- Improvement in working capital mainly due to decrease in trade accounts receivables +263 (+188)
- Net investments in machinery in Spain, Sweden and Slovenia.

Cash flow from operating activities



Nordic

- Sales in the Nordic countries were unchanged in the third quarter compared to the previous year.
- The Norwegian and Swedish markets declined during the quarter, while sales in the Danish and Finish markets showed good growth.
- Foreign exchange effects and acquisitions increased sales by 1 percent during the quarter.



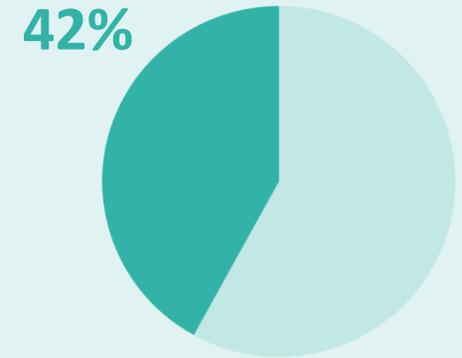
■ Percentage of turnover

453 MSEK Sales

Growth	0%
Organic	-1%

Western Europe

- Sales in the West European market were 4 percent higher than in the corresponding period last year.
- Adjusted for foreign exchange effects and acquisitions, sales rose by 1 percent.
- Several markets in the region performed well during the period, including the Netherlands, Germany and France, while the development was weaker in Italy, Portugal and Spain.



■ Percentage of turnover

885

MSEK Sales

Growth

4%

Organic

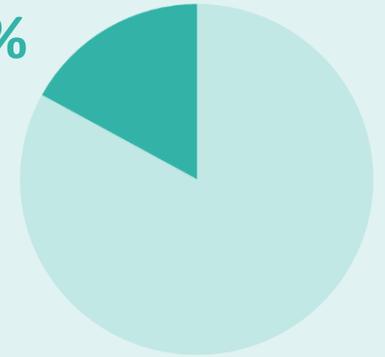
1%

Eastern Europe and CIS

- Sales in Eastern Europe and the CIS rose by 8 percent during the quarter.
- Adjusted for foreign exchange effects and acquisitions, sales rose by 2 percent.
- Sales in Russia decreased during the quarter, calculated in Swedish kronor. The Russian market represents 30 percent of sales in the region.
- Major markets in the region showing growth during the period include Poland, Slovenia and Slovakia.



17%



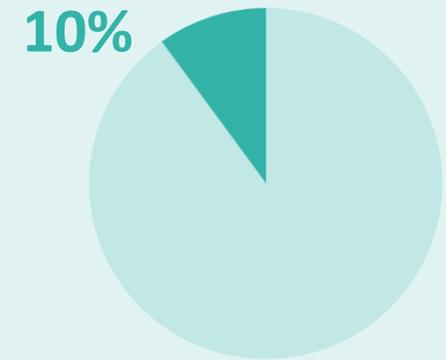
■ Percentage of turnover

345 MSEK Sales

Growth	8%
Organic	2%

North and South America

- Sales in the North and South America region during the quarter were 10 percent higher than in the same period last year.
- The American market in particular performed well in the quarter.
- Adjusted for foreign exchange effects and acquisitions, sales increased by 5 percent in the quarter.



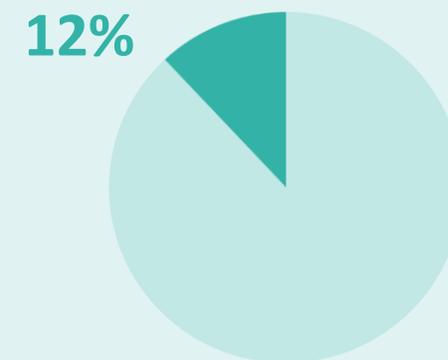
■ Percentage of turnover

191 MSEK Sales

Growth	10%
Organic	5%

Middle East, Asia, Australia and Africa

- Sales in the region increased by 23 percent during the quarter, compared with the same period in the preceding year.
- Adjusted for foreign exchange effects and acquisitions, sales in the region increased by 9 percent.
- Above all, sales in India and Turkey increased during the quarter.



■ Percentage of turnover

273 MSEK Sales

Growth	23%
Organic	9%

New Financial goals



During our Capital Markets Day in September, we informed about our renewed Financial Goals, we lower our Growth ambition and raise the Dividend Goals

Residential units to modular housing manufacturer

As part of supplying complete product solutions, we have signed an agreement with a modular house manufacturer to deliver, in the first stage, 450 residential ventilation units with all components like ducts, diffusers and controls included.

Systemair, together with the customer, have designed the system not only to be efficient from the ventilation point of view in terms of sound, recycling and energy usage, but also adapted to the modular house manufacturer's way of assembling the modules.



Sustainability

- Energy saving is a central theme in our product development.
- In Europe, development is being driven by EU directives that impose requirements on energy-smart products as well as energy-efficient buildings.
- The trend is global and other regions of the world are inspired by European development. It is in this area that Systemair makes the biggest difference from a sustainability perspective.
- We work continuously to reduce energy usage in products and systems.
- The ventilation units we sell in Europe during one year contribute to reduced carbon dioxide emissions corresponding to the emissions from about 120,000 cars.

Summary Q3

- During the third quarter, growth was recorded at 6.4 percent, of which 1.8 percent was organic.
- Despite subdued demand in parts of Europe and record-high winter temperatures our gross margin continued to improve
- Operating profit improved to SEK 113 million, or by 5.2 percent, as against SEK 80 million or 4.0 percent in the same quarter last year.
- Free cash flow have improved by SEK 112 million for the quarter
- Over the past 40 quarters, Systemair has reported organic growth in every quarter except one.



**Thank you,
welcome with questions!**