

Systemair AB (publ) Interim Report Q2 1 May–31 October 2021

Net sales Q2

SEK 2,404 m.

EBIT Q2

SEK 238 m.

Second quarter August–October 2021

- Net sales increased by 8.9 percent to SEK 2,404 million (2,207).
- Organic growth was +9.1 percent (-3.8).
- Operating profit (EBIT) totalled SEK 238 million (214).
- The operating margin was 9.9 percent (9.7).
- Profit after tax amounted to SEK 154 million (141).
- Earnings per share totalled SEK 0.74 (0.68).
- Cash flow from operating activities amounted to SEK 240 million (285).

First half-year, May–October 2021

- Net sales increased by 9.0 percent to SEK 4,695 million (4,307).
- Organic growth was +11.1 percent (-4.1).
- Operating profit (EBIT) totalled SEK 447 million (396).
- The operating margin was 9.5 percent (9.2).
- Profit after tax amounted to SEK 311 million (223).
- Earnings per share totalled SEK 1.48 (1.07).
- Cash flow from operating activities amounted to SEK 240 million (520).

Significant events during the period under review

- In July 2021, Systemair acquired the remaining 50.1 percent of the shares in Burda WTG, Germany. Burda WTG is market leader in infrared heaters for outdoor applications.
- On 7 September 2021, a 4-for-1 share split was carried out. Following the share split, the total number of shares in Systemair has increased from 52,000,000 shares to 208,000,000 shares.
- After the end of the period, all shares in Systemair Traydus in Brazil were sold. The sale of the company represents an impairment of SEK 22.5 million, which has been recognised in the operating result for the second quarter.

	2021/22 Aug-Oct 3 mths	2020/21 Aug-Oct 3 mths	2021/22 May-Oct 6 mths	2020/21 May-Oct 6 mths	2020/21 May-Apr 12 mths
Net sales, SEK m.	2,404.2	2,206.7	4,694.7	4,306.8	8,519.2
Growth, %	8.9	-11.1	9.0	-9.1	-4.4
Operating profit, SEK m.	237.5	213.5	447.1	395.6	676.7
Operating margin, %	9.9	9.7	9.5	9.2	7.9
Profit after tax, SEK m.	153.8	141.4	310.6	223.4	410.6
Earnings per share, SEK	0.74	0.68	1.48	1.07	1.95
Operating cash flow per share, SEK	0.39	1.37	1.15	2.50	4.78

Continued recovery and growth

We are pleased to report continued good organic growth of 9.1 percent, given the current constraints affecting component supply. Our gross margin deteriorated slightly in the quarter to 35.6 percent (35.9) due to component shortages that affected our ability to supply products. Operating profit totalled SEK 238 million (214). The operating margin improved to 9.9 percent (9.7) and adjusted operating profit amounted to 10.4 percent.

The market

Demand in the second quarter remained strong, with organic growth of 9.1 percent. All regions show organic growth, especially Eastern Europe, North America and Asia. During the quarter, component shortages affected our supply capacity at most of our production sites. A great deal of work has been done to identify alternative suppliers and to reschedule pending orders. Price increases were implemented in response to rising material prices.

Investments

Our balance sheet remains strong and liquidity buoyant, creating the scope for continued investments and acquisitions. We have several ongoing long-term strategic investments to meet the rising demand. In Pardubice, Czech Republic, the new production plant for high-efficiency heat exchangers is in the process of completion. At Tilsonburg, Canada, and in Moscow, Russia, new industrial buildings have been commissioned and machine installations completed. At the Skinnskatteberg plant, investments are under way to streamline production and increase capacity.



Sustainability

We continue to develop our sustainability work in all our focus areas. Energy conservation and energy efficiency are at the centre of product development at Systemair. EU initiatives such as the European Green Deal, Renovation Wave and Pandemic Recovery Package will drive up demand for energy-efficient ventilation products, particularly in the renovation market. Good ventilation also reduces the risk of spreading infection.

Systemair is a member and active supporter of the UN Global Compact and has a long history of working to the ten principles of sustainable business.

Outlook

We continue to have a strong order intake and a high order backlog. The current shortage of components may continue to affect deliveries for a period of time going forward. Systemair enjoys a good spread of risk across countries, customers and product sectors. Ours is a decentralised organisation with local sales companies close to our customers, which makes for fast and efficient decision-making. With our investments and new products, we are well set for continued profitable growth.

Roland Kasper
President and CEO

Sales and markets

Group sales for the second quarter of the 2021/22 financial year totalled SEK 2,404.2 million (2,206.7), an increase of 8.9 percent from the same period in the preceding year. Adjusted for the effects of foreign exchange and acquisitions, net sales rose by 9.1 percent. Growth in acquired operations was 1.0 percent, while foreign exchange effects reduced the value of sales by 1.2 percent during the period. Component shortages, mainly of fan motors and electrical components, led to delays in deliveries, affecting growth and profitability.

Net sales for the period under review, May–October 2021, totalled SEK 4,694.7 million (4 306.8), which was 9.0 percent higher than in the same period last year. Adjusted for both foreign exchange effects and acquisitions, net sales grew 11.1 percent. Growth in acquired operations was 0.7 percent, while foreign exchange effects reduced the value of sales by 2.8 percent over the period under review.

Geographic breakdown of Q2 sales

Nordic region

During the quarter, sales in the Nordic region were up 4.8 percent on the same period in the preceding year. The markets in Finland, Sweden and Norway were stable during the quarter, while the Danish market fell back slightly.

Adjusted for foreign exchange effects and acquisitions, sales rose by 1.9 percent.

Western Europe

Sales in the West European market during the quarter were 1.5 percent higher than in the corresponding period last year. Overall, exchange rate effects and acquisitions did not materially affect sales during the quarter. Most countries in the region, including Italy, Portugal and Belgium, reported growth in the period, while Austria, Switzerland and the Netherlands saw sales decline.

Eastern Europe and CIS

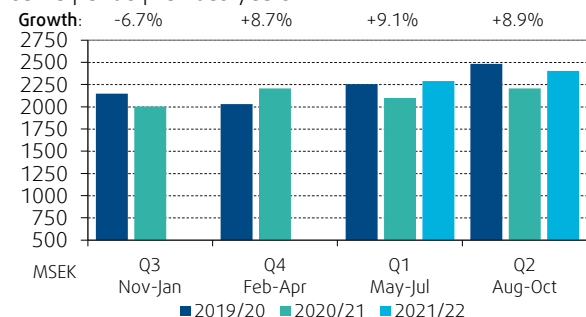
Sales in Eastern Europe and the CIS rose by 17.6 percent during the quarter. Adjusted for foreign exchange effects and acquisitions, sales rose by 18.2 percent. Sales in Russia, converted to Swedish kronor, were 20.7 percent higher than in the previous period. The Russian market accounts for 31.6 percent of sales in the region. Other major markets that showed growth in the region were the Czech Republic, Slovenia and Slovakia.

North and South America

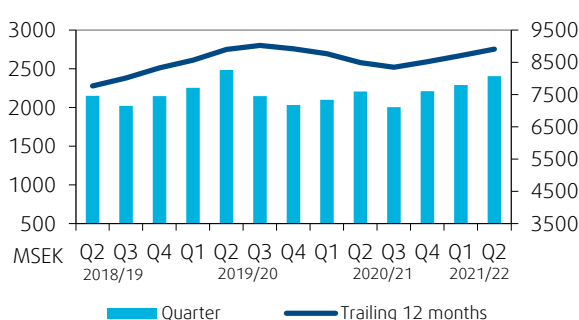
Sales in the North and South America region over the quarter were 27.5 percent higher than in the same period last year. Adjusted for foreign exchange effects and acquisitions, sales rose by 25.4 percent. The Canadian market in particular is showing good growth.

	2021/22 Aug-Oct 3 mths	2020/21 Aug-Oct 3 mths	Sales, change	Of which, organic	2021/22 May-Oct 6 mths	2020/21 May-Oct 6 mths	Sales, change	Of which, organic
Nordic region	475.8	454.1	4.8%	1.9%	878.9	819.6	7.2%	4.5%
Western Europe	980.6	966.1	1.5%	1.5%	1,997.8	1,886.7	5.9%	7.3%
Eastern Europe & CIS	380.0	323.0	17.6%	18.2%	726.8	624.5	16.4%	21.0%
North and South America	270.7	212.3	27.5%	25.4%	525.3	462.4	13.6%	15.3%
Middle East, Asia, Australia and Africa	297.1	251.2	18.3%	25.1%	565.9	513.6	10.2%	20.1%
Total	2,404.2	2,206.7	8.9%	9.1%	4,694.7	4,306.8	9.0%	11.1%

Net sales per quarter compared with same period previous years



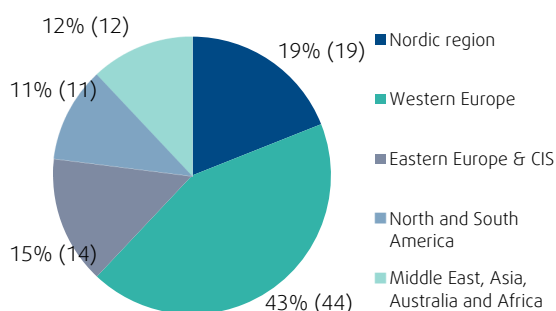
Net sales



Middle East, Asia, Australia and Africa

Sales in the Middle East, Asia, Australia and Africa rose by 18.3 percent compared with the same period last year. Adjusted for foreign exchange effects and acquisitions, sales rose by 25.1 percent. Turkey, India and Morocco showed good growth during the period, while sales in the Middle East declined.

Sales by market, 6 months 2021/22 (2020/21)



Profit in the second quarter

The gross profit for the second quarter was SEK 855.7 million (792.9), an increase of 7.9 percent over the same period in the preceding year. The gross margin decreased to 35.6 percent (35.9) due to higher material prices and customer price increases that have not fully taken effect.

The operating profit for the second quarter totalled SEK 237.5 million (213.5), up 11.2 percent on the same period in the preceding year. The operating margin rose to 9.9 percent (9.7). No significant Covid-19 related government support was received during the quarter. During the quarter, an impairment of SEK 22.5 million arising from the divestment of Systemair Traydus in Brazil was recognised, as well as a positive revaluation effect of SEK 9.8 million related to the acquisition of the minority shareholding in Burda in Germany. The operating margin adjusted for these two items was 10.4

percent.

Selling and administration expenses for the quarter totalled SEK 610.6 million (565.5), a rise of SEK 45.1 million, or 8.0 percent. Company acquisitions accounted for SEK 6.1 million of the quarter's costs. As a result, selling and administration expenses for like-for-like units rose by SEK 39.0 million, or 6.9 percent.

Selling expenses were charged with SEK 6.1 million (5.2) for anticipated bad debts. Acquisition-related expenses totalled SEK 0.1 million (-).

Net financial items ended the second quarter at SEK -27.9 million (-23.7). The impact of foreign exchange on long-term receivables, loans and bank balances totalled SEK -24.2 million (-17.5) net. Interest expenses for the quarter totalled SEK -5.7 million (-5.5).

Profit for period under review

Operating profit for the period under review, May-October 2021, totalled SEK 447.1 million (395.6). The operating margin was 9.5 percent (9.2).

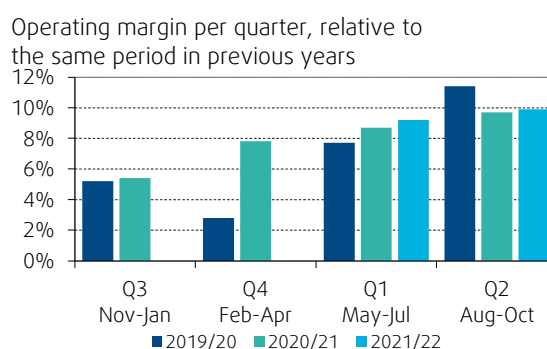
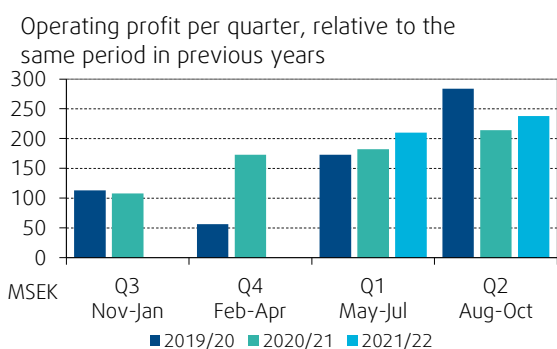
Selling and administration expenses totalled SEK 1,192.8 million (1,128.8), an increase of SEK 64.0 million. Company acquisitions accounted for SEK 9.7 million of the year's costs. As a result, selling and administration expenses for like-for-like units rose by SEK 54.3 million, or 4.8 percent. Selling expenses were charged with SEK 7.1 million (11.5) for anticipated bad debts.

Net financial items totalled SEK -31.2 million (-90.2), including interest expenses of SEK -12.2 million (-14.2).

Tax expense

Estimated tax for the quarter totalled SEK -55.8 million (-48.4), representing an effective tax rate of 26.6 percent (25.5) based on profit after net financial items.

Estimated tax for the period under review totalled SEK -105.3 million (-82.0), representing an effective tax rate of 25.3 percent (26.8) based on profit after net financial items.



Acquisitions and new businesses

In June 2021, Pacific Ventilation of Australia acquired the assets of Ravenscroft's fire damper business. The business is located in New Zealand.

In July 2021, Frico AB acquired the remaining 50.1 percent of the shares in Burda WTG, Germany. Burda WTG develops, produces and supplies infrared radiant heaters and heating panels, plus associated control equipment, with several proprietary patents. The company's head office is located in Eschborn, near Frankfurt am Main, Germany. The company's sales in 2020 totalled around EUR 4 million.

In October 2021, Systemair acquired 60 percent of the shares in Well Technology, Estonia. Well Technology manufactures fans for the marine, oil and gas, mining and nuclear industries. The company's sales in 2020 totalled around EUR 2 million.

If the companies acquired had been consolidated from 1 May 2021, net sales for the period under review, May–October 2021, inclusive, would have totalled SEK approximately SEK 4,707.8 million. Operating profit for that period would have totalled approximately SEK 439.8 million. For more information regarding acquisitions and their impact on the Group's cash and cash equivalents, see Note 3 in this interim report.

Investments, depreciation and amortisation

Investments for the quarter, net of disposals, totalled SEK 129.9 million (84.5), including SEK 116.6 million (84.3) in new construction and machinery. The investments mainly relate to production facilities in Slovenia, the Czech Republic and Sweden. Acquisitions and formerly withheld purchase considerations totalled SEK 12.9 million (-). Depreciation, amortisation and impairment of non-current assets amounted to SEK 91.0

million (97.4).

Total investments for the period under review amounted to SEK 238.9 million (181.6), excluding divestments. Gross investments in new construction and machinery totalled SEK 197.3 million (179.9), net of disposals. Acquisitions and formerly withheld purchase considerations totalled SEK 33.8 million (-). Depreciation, amortisation and impairment of non-current assets amounted to SEK 181.0 million (186.4).

Personnel

The average number of employees in the Group was 6,164 (5,906). At the end of the period, Systemair had 6,545 employees (6,224), 321 more than one year previous. New hires were made in Canada (81), India (56), the USA (30), Slovenia (18), Lithuania (16), Systemair in Germany (14), Russia (14) and South Africa (13). Personnel cutbacks were made in Turkey (-54) and Menerga in Germany (-26). The acquisitions of Divid in Sweden, Servicebolaget i Sverige, Systemair in Kazakhstan, Burda WTG in Germany and Well Technology in Estonia has added a total of 80 employees.

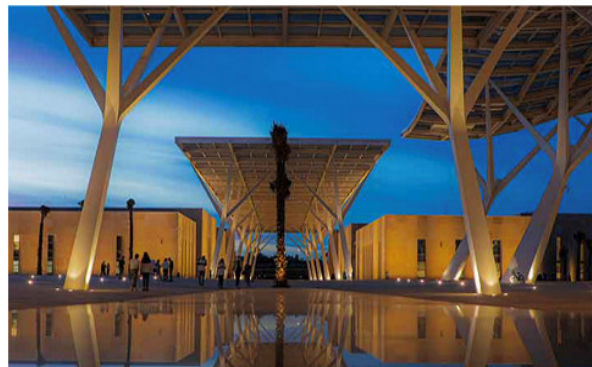
Cash flow and financial position

Cash flow from operating activities, before changes in working capital during the quarter, totalled SEK 309.2 million (245.8). Changes in working capital, mainly consisting of increased inventories and trade accounts receivable, had an impact of SEK -227.7 million (+38.9) on cash flow. Cash flow from financing activities totalled SEK +56.8 million net (-161.7). At the end of the period, the Group's net indebtedness was SEK 1,748.2 million (1,681.1). The consolidated equity/assets ratio was 45.7 percent (46.3) at the end of the period.

Systemair delivers products to University in Morocco

The re-construction of Mohammed VI Polytechnic University in Rabat, Morocco, started in December 2020 and is planned to end in 2025 divided in 4 phases and hosting 5,000 students.

To the two first phases Systemair will deliver 40 chillers and heat pumps and more than 50 air-handling units and ventilation products to a value of 2,000,000 euro.



Warrants

On 26 August 2021, the Annual General Meeting of Systemair AB resolved to issue warrants within the framework of the LTIP 2021 incentive programme. During the period under review, Systemair AB issued a total of 600,000 warrants for Systemair shares to 44 individuals in senior positions within the Company. The warrants are transferred to the participants at a price corresponding to their market value according to external independent valuation with the application of an accepted valuation model (Black-Scholes). Each warrant entitles the holder to subscribe for one new share in the company at a price of SEK 98.20. The program runs over four years from 23 September 2021 and the last day for subscription is 30 September 2025.

Financial targets

Systemair has the following financial targets.

- Average annual growth in sales over a business cycle should be no less than 10 percent.
- The average operating margin over a business cycle should be no less than 10 percent.
- The Group's equity/assets ratio should be no less than 30 percent.
- The dividend should be approximately 40 percent of profit after tax.

Events after the close of the period

After the end of the period, all shares in Systemair Traydus in Brazil were sold to the minority shareholders, who are also the local management. The company is a manufacturer of customised air handling units for the Brazilian market. Systemair acquired 75 percent of the shares in September 2015 and the company's performance since then has not met expectations. Sale of the company represents an impairment of SEK 22.5 million, which has been recognised in the operating result for the second quarter.

After the end of the period, two new recruitments were completed, which also entails changes in Group management with effect from 1 February 2022.

Anders Gustafsson will take up the position as VP Global Supply Chain. Anders has extensive experience from Konecranes, Atlas Copco and ABB with areas of responsibility in production and logistics.

Janni Weber takes up the position as VP M&A with responsibility for acquisitions, company integration and business development. Janni has a solid background from acquisitions and integration within Sandvik Coromant.

Material risks and uncertainty

Systemair is exposed to operational and financial risks in its business. Operational risks include the international nature of the operations, tough competition and the sensitivity of the construction industry to the business cycle. The financial risks that Systemair has identified in its business consist of foreign exchange risk, borrowing and interest rate risk, as well as credit risk and liquidity risk. The material risks and uncertainties affecting Systemair are described in more detail in the Company's 2020/21 Annual Report. Like other global enterprises, Systemair is affected by pandemics. The Company is taking the necessary steps to reduce the impact of Covid-19 and is following the recommendations of WHO.

Related party transactions

There were no material related party transactions during the quarter. Transactions with related parties are described in detail in Note 39 to the accounts in the Annual Report for the 2020/21 financial year.

Parent Company

The Parent Company's net sales for the period under review totalled SEK 73.4 million (63.9). Operating profit was negative, at SEK -54.6 million (-37.9).

The Parent Company had 64 employees (57). The core business of the Parent Company is that of intra-Group services.

Systemair in brief

Systemair is a leading ventilation company with operations in 54 countries in Europe, North America, South America, the Middle East, Asia, Australia and Africa. The Company had sales of SEK 8.5 billion in the 2020/21 financial year and today employs approximately 6,500 people. Systemair has reported an operating profit every year since 1974, when the company was founded. Over the past 10 years, the Company's growth rate has averaged about 10 percent. Systemair helps to improve the indoor climate with the help of energy-efficient and sustainable products that reduce carbon dioxide emissions.

Systemair has well-established operations in growth markets. The Group's products are marketed under the Systemair, Frico, Fantech and Menerga brands. Systemair shares have been quoted on the Mid Cap List of the Nasdaq OMX Nordic Exchange in Stockholm since October 2007. The Group comprises about 90 companies.

About Systemair

The Company established operations in 1974 with a product concept, the circular duct fan, a design that considerably simplified the process of installation. We adopted the motto "the direct route", which has been developed from a product concept into a business philosophy. Our product range has expanded strongly to extend over a broad range of fans, air handling units, products for air distribution, air conditioning, air curtains and heating products.

Mission statement

Operating from the core values of simplicity and reliability, our business concept is to develop, manufacture and market high-quality ventilation products. On the basis of our business concept and with our customers in focus, our aim is to be seen as a company to rely on, with the emphasis on delivery reliability, availability and quality.

Business model

Availability is an important parameter in terms of our competitiveness, and we ensure effective control of our flow of goods, with our own production units, centralised warehouse facilities and an efficient common ERP system. With modern production plants and our own sales companies around the world, we reach out directly to our customers.

The business model supports stability and development, and today we are a leading producer and supplier of ventilation products with our own production and own sales companies.

Strategies

The following strategies create major strengths and competitive advantages that help us to achieve our goals.

- Innovative product development and a broad product range focusing on energy-efficient air handling products.
- High product availability and fast delivery via an efficient production, logistics and IT organisation.
- Development and expansion of Systemair's own sales organisation.
- Good relationships with ventilation contractors, distributors and consultants.
- A highly diversified customer base reduces our vulnerability to fluctuations in the economy.
- Early presence in growth markets.
- Strategy of acquisition and establishment to expand market shares.

Miscellaneous

The information in this Interim Report is information that Systemair is required to disclose in accordance with the Swedish Securities Markets Act (lagen om värdepappersmarknaden) and/or the Swedish Financial Instruments Trading Act (lagen om handel med finansiella instrument). This information will be submitted for publication at 8.00 a.m. on 9 December 2021.

The undersigned affirm that this six-month report provides a true and fair survey of the Parent Company's and the Group's operations, financial position and profits, as well as describing the material risks and uncertainty facing the Parent Company and the companies included in the Group.

Skinnskatteberg, 9 December 2021
Systemair AB (publ)

Roland Kasper
Chief Executive Officer

Gerald Engström
Chairman of the Board

Carina Andersson
Director

Svein Nilsen
Director

Gunilla Spongh
Director

Patrik Nolåker
Director

Niklas Engström
Director

Åke Henningsson
Employee Representative

Ricky Sten
Employee Representative

Calendar

Interim Report Q3 2021/22

8.00 a.m., 10 March 2022

Year-End Report Q4 2021/22

8.00 a.m., 8 June 2022

Interim report Q1 2022/23

1.00 p.m., 25 August 2022

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Auditor's Review Report

Introduction

We have reviewed the condensed interim financial information (interim report) for Systemair AB (Publ) as per 31 October 2021 and the six-month reporting period ending on that date.

The preparation and fair presentation of the interim report in accordance with IAS 34 and the Annual Accounts Act are the responsibility of the Board of Directors and the Chief Executive Officer. Our responsibility is to express our opinion of this interim report based on our review.

Emphasis and scope of the review

We conducted our review in accordance with the International Standard on Review Engagements: ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditors of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The emphasis and scope of a review differ considerably from that of an audit in accordance with International Standards on Auditing Standards (ISA) and other generally accepted auditing practices in Sweden.

The procedures performed in a review do not enable us to obtain a level of assurance to become aware of all significant matters that could have been identified in an audit. As our opinion is based on a review, the level of assurance is not as high as that of an opinion expressed based on an audit.

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim report was not, in all material respects, prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act, and, for the Parent Company, in accordance with the Swedish Annual Accounts Act.

Stockholm, 9 December 2021

Ernst & Young AB

Johan Holmberg

Authorised Public Accountant

Summary income statement

	Group						Parent Company	
	2021/22 Aug-Oct 3 mths	2020/21 Aug-Oct 3 mths	2021/22 May-Oct 6 mths	2020/21 May-Oct 6 mths	2020/21 Nov-Oct trl 12	2020/21 May-Apr 12 mths	2021/22 May-Oct 6 mths	2020/21 May-Oct 6 mths
SEK m.								
Net sales	2,404.2	2,206.7	4,694.7	4,306.8	8,907.1	8,519.2	73.4	63.9
Cost of goods sold	-1,548.5	-1,413.8	-3,042.3	-2,807.3	-5,794.5	-5,559.5	-	-
Gross profit	855.7	792.9	1,652.4	1,499.5	3,112.6	2,959.7	73.4	63.9
Other operating income	48.0	35.7	74.6	111.5	159.2	196.1	2.6	16.9
Selling expenses	-505.1	-463.0	-988.1	-920.4	-1,929.0	-1,861.3	-40.9	-36.1
Administration expenses	-105.5	-102.5	-204.7	-208.4	-424.1	-427.8	-51.0	-50.8
Other operating expenses	-55.6	-49.6	-87.1	-86.6	-190.5	-190.0	-38.7	-31.8
Operating profit/loss	237.5	213.5	447.1	395.6	728.2	676.7	-54.6	-37.9
Net financial items	-27.9	-23.7	-31.2	-90.2	-53.7	-112.7	256.4	128.0
Profit/loss after financial items	209.6	189.8	415.9	305.4	674.5	564.0	201.8	90.1
Appropriations	-	-	-	-	-	-	0.7	0.2
Tax on profit for the period	-55.8	-48.4	-105.3	-82.0	-176.7	-153.4	10.1	11.7
Profit/loss for the period	153.8	141.4	310.6	223.4	497.8	410.6	212.6	102.0
Attributable to:								
Parent Company shareholders	153.4	140.6	308.4	222.3	492.3	406.2	-	-
Non-controlling interests	0.4	0.8	2.2	1.1	5.5	4.4	-	-
Earnings per share, SEK ¹	0.74	0.68	1.48	1.07	2.37	1.95	-	-

Statement of comprehensive income

Profit/loss for the period	153.8	141.4	310.6	223.4	497.8	410.6	212.6	102.0
Other comprehensive income								
<i>Items that have been, or may later be, transferred to profit for the year:</i>								
Translation differences	-44.9	17.6	-28.9	-125.0	-78.1	-174.2	-	-
<i>Items that cannot be transferred to profit for the period:</i>								
Revaluation of defined-benefit pensions, net after tax	-10.2	3.2	-10.2	3.2	-3.8	9.6	-	-
Other comprehensive income	-55.1	20.8	-39.1	-121.8	-81.9	-164.6	-	-
Total comprehensive income for the period	98.7	162.2	271.5	101.6	415.9	246.0	212.6	102.0
Attributable to:								
Parent Company shareholders	98.3	161.4	269.3	100.5	410.4	241.6	-	-
Non-controlling interests	0.4	0.8	2.2	1.1	5.5	4.4	-	-

- 1) Systemair AB has issued 600,000 warrants to persons holding senior positions within the company. The average price of the share during the period under review was less than the redemption price for the warrants, why no dilution effect occurs. The number of shares outstanding at the end of the reporting period was 208 000 000. During the period under review, a 4-for-1 share split was carried out. The figures for earlier periods provided for comparison have been adjusted.

Summary balance sheet

SEK m.	Group			Parent Company	
	31/10/2021	31/10/2020	30/04/2021	31/10/2021	31/10/2020
ASSETS					
Goodwill	761.9	766.9	735.6	-	-
Other intangible non-current assets	195.1	214.9	210.7	31.6	40.1
Property, plant and equipment	2,238.9	1,979.9	2,118.1	22.6	19.9
Financial and other non-current assets	223.3	263.7	237.5	2,813.5	2,793.3
Total non-current assets	3,419.2	3,225.4	3,301.9	2,867.7	2,853.3
Inventory	1,744.9	1,378.1	1,436.9	-	-
Current receivables	2,031.8	1,953.3	1,897.6	1,119.8	1,137.6
Cash and cash equivalents	359.3	344.1	319.1	-	-
Total current assets	4,136.0	3,675.5	3,653.6	1,119.8	1,137.6
Available-for-sale assets	7.0	-	-	-	-
TOTAL ASSETS	7,562.2	6,900.9	6,955.5	3,987.5	3,990.9
EQUITY AND LIABILITIES					
Equity	3,458.8	3,193.7	3,330.1	1,808.3	1,874.2
Untaxed reserves	-	-	-	0.1	1.2
Non-current liabilities, non-interest-bearing	272.7	263.2	259.9	0.3	2.5
Non-current liabilities, interest-bearing	1,046.0	1,063.3	1,051.5	1,345.1	1,394.1
Total non-current liabilities	1,318.7	1,326.5	1,311.4	1,345.4	1,396.6
Current liabilities, interest-bearing	975.2	883.7	735.6	769.0	654.5
Current liabilities, non-interest-bearing	1,802.5	1,497.0	1,578.4	64.7	64.4
Total current liabilities	2,777.7	2,380.7	2,314.0	833.7	718.9
Liabilities attributable to available-for-sale assets	7.0	-	-	-	-
TOTAL EQUITY AND LIABILITIES	7,562.2	6,900.9	6,955.5	3,987.5	3,990.9

Summary consolidated cash flow statement

SEK m.	2021/22	2020/21	2021/22	2020/21	2020/21
	Aug-Oct 3 mths	Aug-Oct 3 mths	May-Oct 6 mths	May-Oct 6 mths	May-Apr 12 mths
Operating profit/loss	237.5	213.5	447.1	395.6	676.7
Adjustment for non-cash items	117.2	95.1	205.9	169.4	391.5
Financial items	-3.6	-6.1	-11.7	-14.3	-27.5
Income tax paid	-41.9	-56.7	-82.3	-104.5	-182.7
Cash flow from operating activities before changes in working capital	309.2	245.8	559.0	446.2	858.0
Changes in working capital	-227.7	38.9	-318.9	73.9	135.9
Cash flow from operating activities	81.5	284.7	240.1	520.1	993.9
Cash flow from investing activities	-116.0	-77.6	-223.8	-170.5	-448.3
Cash flow from financing activities	56.8	-161.7	32.1	-343.0	-557.2
Cash flow for the period	22.3	45.4	48.4	6.6	-11.6
Cash and cash equivalents at start of period	348.0	307.9	319.1	378.2	378.2
Translation differences, cash and cash equivalents	-8.9	-9.2	-6.1	-40.7	-47.5
Cash and cash equivalents held for sale	-2.1	-	-2.1	-	-
Cash and cash equivalents at close of period	359.3	344.1	359.3	344.1	319.1

Statement of changes in equity – Group

SEK m.	2021/22 May-Oct			2020/21 May-Oct			2020/21 May-Apr		
	Equity attributable to Parent Company shareholders	Non- controlling interests	Total equity	Equity attributable to Parent Company shareholders	Non- controlling interests	Total equity	Equity attributable to Parent Company shareholders	Non- controlling interests	Total equity
Amount at beginning of year	3,305.0	25.1	3,330.1	3,064.8	19.9	3,084.7	3,064.8	19.9	3,084.7
Dividend	-156.0	-1.8	-157.8	-	-	-	-	-	-
Share of acquisitions attributable to non- controlling interests	-	12.2	12.2	-	-	-	-	1.7	1.7
Issue of warrants	4.7	-	4.7	-	-	-	-	-	-
Revaluation of acquisition option	-1.3	-0.6	-1.9	7.6	-0.2	7.4	-1.4	-0.9	-2.3
Comprehensive income	269.3	2.2	271.5	100.5	1.1	101.6	241.6	4.4	246.0
Amount at end of period	3,421.7	37.1	3,458.8	3,172.9	20.8	3,193.7	3,305.0	25.1	3,330.1

Performance measures for the Group

		2021/22 Aug-Oct 3 mths	2020/21 Aug-Oct 3 mths	2021/22 May-Oct 6 mths	2020/21 May-Oct 6 mths	2020/21 May-Apr 12 mths
Net sales	SEK m.	2,404.2	2,206.7	4,694.7	4,306.8	8,519.2
Growth	%	8.9	-11.1	9.0	-9.1	-4.4
Operating profit/loss	SEK m.	237.5	213.5	447.1	395.6	676.7
Operating margin	%	9.9	9.7	9.5	9.2	7.9
Profit after net fin. items	SEK m.	209.6	189.8	415.9	305.4	564.0
Profit margin	%	8.7	8.6	8.9	7.1	6.6
Return on capital employed	%	14.2	10.1	14.2	10.1	13.1
Return on equity	%	14.9	9.2	14.9	9.2	13.0
Equity/assets ratio	%	45.7	46.3	45.7	46.3	47.9
Investments	SEK m.	116.0	77.6	223.8	170.5	448.3
Depreciation/amortisation and impairments	SEK m.	91.0	97.4	181.0	186.4	399.8
Per share ratios¹						
Earnings per share	SEK	0.74	0.68	1.48	1.07	1.95
Equity per share	SEK	16.45	15.25	16.45	15.25	15.89
Operating cash flow per share	SEK	0.39	1.37	1.15	2.50	4.78
No. of shares at end of period	No.	208,000,000	52,000,000	208,000,000	52,000,000	52,000,000

¹During the period under review, a 4-for-1 share split was carried out. The figures for earlier periods provided for comparison have been adjusted.

Quarterly performance measures – Group

		2021/22			2020/21			2019/20		
		Aug-Oct	May-Jul	Feb-Apr	Nov-Jan	Aug-Oct	May-Jul	Feb-Apr	Nov-Jan	Aug-Oct
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net sales	SEK m.	2,404.2	2,290.5	2,208.5	2,003.9	2,206.7	2,100.0	2,031.0	2,146.7	2,483.1
Growth	%	8.9	9.1	8.7	-6.7	-11.1	-6.8	-5.3	6.4	15.4
Gross margin	%	35.6	34.8	35.7	33.6	35.9	33.6	34.6	33.8	35.8
Operating profit/loss	SEK m.	237.5	209.6	173.1	108.0	213.5	182.1	56.3	112.6	283.9
Operating margin	%	9.9	9.2	7.8	5.4	9.7	8.7	2.8	5.2	11.4
Return on capital employed	%	14.2	14.3	13.1	10.2	10.1	11.2	11.6	12.6	12.6
Return on equity	%	14.9	14.8	13.0	9.4	9.2	11.0	12.6	15.5	15.4
Equity/assets ratio	%	45.7	48.4	47.9	47.7	46.3	44.7	43.4	44.0	41.1
Basic equity per share	SEK	16.45	16.71	15.89	15.30	15.25	14.45	14.74	15.05	14.80
Basic earnings per share	SEK	0.74	0.75	0.56	0.33	0.68	0.39	-0.01	0.30	0.93
Cash flow from operating activities per share	SEK	0.39	0.76	1.10	1.18	1.37	1.13	0.19	1.51	1.43

Note 1 Accounting policies

Systemair applies International Financial Reporting Standards (IFRS). This interim report was prepared for the Group in accordance with the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 1 and IAS 34 Interim Financial Reporting, and for the Parent Company in accordance with the Swedish Annual Accounts Act and RFR 2.

New or amended standards that entered into force in 2021

The IBOR reform

In the financial markets, a benchmark interest rate reform is under way in which the existing benchmark Inter Bank Offered Rate (IBOR) is in some currencies to be replaced by a transaction-based and virtually risk-free overnight rate. Systemair is exposed to future changes in benchmark interest rates linked to borrowings in IBOR, including the Swedish STIBIOR rate. As part of the benchmark interest rate reform, amendments have been made to standards including IFRS 9 and IFRS 7. These changes are being implemented in two phases, in which phase 1 has been applicable to Systemair since 1 May 2020. Phase 1 relates principally to hedge accounting for interest rate risk. Systemair does not hedge interest rate exposures and is therefore affected only to a limited extent by the changes in Phase 1.

Phase 2, of the amendments to standards including IFRS 9 and IFRS 7 as a result of the benchmark interest rate reform, is applicable to Systemair from 1 May 2021. In summary, the amendments allow entities to report the effects of transitioning from benchmark interest rates such as STIBOR to other benchmark interest rates without creating accounting effects that would not provide useful information to users of financial statements. The Group is affected by the benchmark interest rate reform mainly through exposure to IBOR in its external borrowings. The principles for modification of financial liabilities allow for an exception whereby modifications that are a direct effect of the benchmark interest rate reform are recognised by updating the effective interest rate rather than restating the carrying amounts. All other modifications are accounted for in accordance with the existing principles for modifications and derecognition in IFRS 9. The switch to new benchmark interest rates is not expected to have any material impact on Systemair.

Other amendments

Other new or amended standards or interpretations implemented during 2021 did not have any, or had immaterial, impact on Systemair's financial statements.

Note 2 Revenue analysis

The Group's revenue is generated in the main from the manufacture and sale of ventilation products, as well as from the servicing of ventilation products. Total revenue for the quarter amounted to SEK 2,404.2 million (2,206.7), of which servicing of ventilation products accounted for SEK 86.3 million (73.4).

	2021/22	2020/21	2021/22	2020/21	2020/21
	Aug-Oct	Aug-Oct	May-Oct	May-Oct	May-Apr
SEK m.	3 mths	3 mths	6 mths	6 mths	12 mths
Europe					
Sale of goods recognised at a specific point in time	1,699.1	1,611.1	3,366.1	3,122.6	6,164.6
Sale of goods recognised over time	42.4	56.9	75.1	92.6	168.6
Servicing recognised at a certain point in time	42.4	36.4	80.9	69.8	154.9
Servicing recognised over time	39.7	35.6	76.3	71.1	151.3
	1,823.6	1,740.0	3,598.4	3,356.1	6,639.4
Americas, Middle East, Asia, Australia and Africa					
Sale of goods recognised at a specific point in time	513.6	404.7	977.0	843.2	1,670.6
Sale of goods recognised over time	62.8	60.6	111.7	100.0	190.1
Servicing recognised at a certain point in time	0.7	0.1	1.1	0.8	1.0
Servicing recognised over time	3.5	1.3	6.5	6.7	18.1
	580.6	466.7	1,096.3	950.7	1,879.8

	2021/22 Aug-Oct 3 mths	2020/21 Aug-Oct 3 mths	2021/22 May-Oct 6 mths	2020/21 May-Oct 6 mths	2020/21 May-Apr 12 mths
SEK m.					
Total					
Sale of goods recognised at a specific point in time	2,212.7	2,015.8	4,343.1	3,965.8	7,835.2
Sale of goods recognised over time	105.2	117.5	186.8	192.6	358.7
Servicing recognised at a certain point in time	43.1	36.5	82.0	70.6	155.9
Servicing recognised over time	43.2	36.9	82.8	77.8	169.4
	2,404.2	2,206.7	4,694.7	4,306.8	8,519.2

Note 3 Companies acquired

The purchase consideration for the assets of Ravenscroft, the remaining 50.1 percent of the shares in Burda WTG and 60 percent of the shares in Well Technology can be tentatively distributed as follows:

Total historical cost, less transaction costs SEK 78.5 m.

Identifiable net assets	Ravenscroft NZ	Burda WTG	Well Technology	Total
Goodwill	0.6	32.1	1.7	34.4
Brands and customer relationships	-	15.3	-	15.3
Other intangible assets	0.2	0.1	-	0.3
Buildings and land	-	-	39.5	39.5
Machinery and equipment	0.2	0.1	20.3	20.6
Financial and other non-current assets	-	-	0.2	0.2
Inventory	0.6	7.8	9.2	17.6
Trade accounts receivable	-	3.3	1.4	4.7
Other current assets	-	0.7	0.6	1.3
Cash and cash equivalents	-	9.1	7.5	16.6
Minority interest	-	-	-12.4	-12.4
Non-interest-bearing liabilities	-	-0.4	-	-0.4
Deferred tax liability	-	-4.3	-	-4.3
Interest-bearing liabilities	-	-0.9	-21.7	-22.6
Other operating liabilities	-	-6.3	-26.0	-32.3
	1.6	56.6	20.3	78.5
Appreciation 49.9% Burda	18.5			
Change in value	9.8			
Acquisitions remaining 50.1% Burda	28.3			
	56.6			

The total cash flow impact from acquisitions is SEK -33.8 million. Transactions costs relating to the acquisitions total SEK 0.1 million.

Customer relationships have been stated at the net present value of future cash flows. The useful life of these assets has been estimated at 5 years.

The goodwill upon acquisition is attributable to the strong market position of the companies acquired, synergy effects expected to arise after the acquisition and the company's estimated future earning capacity.

Net sales for the acquired companies between the time of acquisition and the end of the period under review totalled SEK 18.6 million. Operating profit for the period concerned was SEK 18.5 million. If the companies acquired had been consolidated from 1 May 2021, net sales for the period under review, May to October 2021, inclusive, would have totalled SEK approximately SEK 4,707.8 million. Operating profit for that period would have totalled approximately SEK 439.8 million.

Note 4 Financial instruments

Systemair's financial instruments comprise derivatives, trade accounts receivable, cash and cash equivalents, trade accounts payable, accrued supplier costs, interest-bearing liabilities, acquisition options and additional purchase considerations. Liabilities to credit institutions carry variable interest rates or, in certain cases, fixed rates for a short period. Derivatives are measured at fair value via the income statement on the basis of input data corresponding to level 2 as defined in IFRS 13.

Share purchase options and additional purchase considerations are measured on level 3 as defined in IFRS 13. The calculation for the option to acquire the remaining 10 percent of the shares in Systemair HSK, Turkey, is based on the anticipated profit before depreciation/amortisation and tax (EBITDA) for the financial years until 2022/23, plus the increase in value of the land on which the Turkish production facility is situated. Any increase in anticipated profit after tax and any increase in value of the land would result in an increase in the liability relating to the option. No upper limit for the anticipated liability is established in the agreement. Any change in estimated liability is transferred via the Group's equity. For the period under review, May to October 2021, the liability has been revalued upwards by SEK 1.9 million and is now valued at SEK 33.0 million. The calculation for the option to acquire the remaining 40 percent of the shares in Frico A/S, Denmark, is based on the anticipated operating profit (EBIT) for the 2023/24 and 2024/25 financial years. Any increase in anticipated profit after tax would result in an increase in the liability relating to the option. No upper limit for the anticipated liability is established in the agreement. Any change in estimated liability is transferred via the Group's equity. No change in the option took place during the period under review, and it is valued at SEK 1.9 million. The liability for the purchase options is recognised under Non-current liabilities, non-interest-bearing, on the balance sheet.

Other financial assets and liabilities are short-term. For that reason, the fair values of all financial instruments are considered to equate approximately to the carrying amounts. Systemair has not recognised any financial assets and liabilities net.

Note 5 Segment reporting

The Group's operations are classified geographically. Systemair aggregates into the geographical segments of Europe and Americas, Middle East, Asia, Australia and Africa. The market segment Europe accounts for the major share of Systemair's business. The segment Europe consists of a large number of markets. The legal entities within Europe work with each other in manufacturing and sales. The Company also judges that in every material respect similar economic conditions exist in the region, and so the legal entities within the region have been aggregated. Systemair further considers that accounting for the merged segments of Europe and Americas, Middle East, Asia, Australia and Africa presents a clearer picture. The Parent Company is accounted for via a separate segment, Group-wide. The subsidiaries are aggregated on the basis of their legal domicile and consolidation takes place according to the same principles as for the Group as a whole.

	2021/22 Aug-Oct 3 mths	2020/21 Aug-Oct 3 mths	2021/22 May-Oct 6 mths	2020/21 May-Oct 6 mths	2020/21 May-Apr 12 mths
SEK m.					
Europe					
Net sales, external	1,823.6	1,740.0	3,598.4	3,356.1	6,639.4
Net sales, intra-Group	40.4	28.9	92.3	53.8	137.4
Operating profit/loss	250.8	204.3	455.4	345.6	636.4
Operating margin, %	13.8	11.7	12.7	10.3	9.6
Profit after net fin. items	248.1	227.0	465.9	382.2	797.6
Profit margin, %	13.6	13.0	12.9	11.4	12.0
Assets	4,652.6	4,161.8	4,652.6	4,161.8	4,380.1
Investments	89.7	63.3	172.0	148.7	329.5
Depreciation/amortisation and impairments	73.3	69.2	145.8	140.6	318.2

SEK m.	2021/22 Aug-Oct 3 mths	2020/21 Aug-Oct 3 mths	2021/22 May-Oct 6 mths	2020/21 May-Oct 6 mths	2020/21 May-Apr 12 mths
Americas, Middle East, Asia, Australia and Africa					
Net sales, external	580.6	466.7	1,096.3	950.7	1,879.8
Net sales, intra-Group	4.3	5.3	8.0	12.2	19.7
Operating profit/loss	35.7	36.3	68.5	87.7	127.9
Operating margin, %	6.1	7.8	6.2	9.2	6.8
Profit after net fin. items	31.9	12.1	61.9	44.0	74.5
Profit margin, %	5.5	2.6	5.6	4.6	4.0
Assets	1,357.2	1,083.4	1,357.2	1,083.4	1,200.2
Investments	12.0	12.3	34.9	16.4	84.2
Depreciation/amortisation and impairments	12.6	23.1	25.1	35.7	61.3
Group-wide					
Net sales, intra-Group	36.2	31.7	73.4	63.9	132.3
Operating profit/loss	-49.0	-27.1	-76.8	-37.7	-87.6
Profit after net fin. items	-70.4	-49.3	-111.9	-120.8	-308.1
Assets	3,999.5	4,000.5	3,999.5	4,000.5	3,885.5
Investments	14.3	2.0	16.9	5.4	34.6
Depreciation/amortisation and impairments	5.1	5.1	10.1	10.1	20.3
Eliminations					
Net sales, intra-Group	-80.9	-65.9	-173.7	-129.9	-289.4
Assets	-2,447.1	-2,344.8	-2,447.1	-2,344.8	-2,510.3
Total					
Net sales, external	2,404.2	2,206.7	4,694.7	4,306.8	8,519.2
Operating profit/loss	237.5	213.5	447.1	395.6	676.7
Operating margin, %	9.9	9.7	9.5	9.2	7.9
Profit after net fin. items	209.6	189.8	415.9	305.4	564.0
Profit margin, %	8.7	8.6	8.9	7.1	6.6
Assets	7,562.2	6,900.9	7,562.2	6,900.9	6,955.5
Investments	116.0	77.6	223.8	170.5	448.3
Depreciation/amortisation and impairments	91.0	97.4	181.0	186.4	399.8

Alternative Performance Measures

In the report, Systemair presents performance measures that supplement the financial ratios defined in IFRS; these are known as alternative performance measures (APMs). The Company is of the view that these APMs provide valuable information to investors and the Company's management, in that they enable evaluation of the Company's performance, trends, capacity to pay down debt and invest in new business opportunities, and that they reflect the Group's acquisition-intensive business model.

Because not all companies calculate key financial performance measures in the same way, these are not always comparable. As a result, they should not be regarded as substitutes for performance measures as defined in IFRS. A number of definitions appear below, the majority of which are alternative performance measures.

For more key performance measures and information on how they are calculated, see Systemair's website at: group.systemair.com/se/investerare/-finansiella-data/

Definitions of key performance measures

Operating profit (EBIT)

Earnings before financial items and tax.

Growth

Growth is defined as the change in net sales, relative to net sales for the preceding period.

Organic growth

Change in sales by comparable units, adjusted for acquisitions and foreign currency effects.

Adjusted operating profit

Operating profit, excluding restructuring costs and other items affecting comparability.

Operating margin

Operating profit divided by net sales.

Profit margin

Profit after financial items divided by net sales.

Return on capital employed

Profit after financial income, for the trailing 12 months (TTM), divided by average capital employed.

Capital employed

Total assets less non-interest-bearing liabilities.

Return on equity

Profit after tax before non-controlling interest, for the trailing 12 months (TTM), divided by average equity excluding non-controlling interest.

Number of employees

The number of employees at the end of the accounting period. New employees, appointments terminated, part-time employees and paid overtime are converted into full-time equivalents.

Earnings per share

Profit for the period attributable to Parent Company shareholders, divided by the average number of shares during the period.

Operating cash flow per share

Cash flow from operating activities for the period, divided by the average number of shares during the period.

Equity/assets ratio

Adjusted equity divided by total assets.

Equity per share

Equity, excluding non-controlling interest, divided by the number of shares at the end of the period.