

Press Release, May 30, 2018

Systemair AB predicts lower than expected earnings in the fourth quarter 2017/18

Systemair AB (NASDAQ OMX Stockholm: SYSR) predicts fourth quarter 2017/18 earnings to be lower than market expectations, and estimates that the operating profit declines to SEK 5 million (48). Adjusted for the items affecting comparability stated below, the operating profit is estimated at SEK 49 million. Net sales are estimated to increase by 5.4 percent to SEK 1,827 million (1,733).

The operating profit for the fourth quarter have been impacted by several non-recurring items. Systemair have during the year worked on a larger project delivery where the total order value amounts to EUR 15.3 million. EUR 10.8 million out of the total project have been recorded as revenue during the financial year 2017/18. During the fourth quarter, it has now been recognised that the material and labour costs needed to complete the project have been underestimated. Systemair have hence recognised a loss of EUR 1.9 million equivalent to SEK 20.3 million. The remaining part of the project to be recognised as income during 2018/19 is estimated to be at a break-even margin.

Systemair have signed an agreement in May 2018 to divest the Norwegian subsidiary Reftec A/S. The company have been acquired by its current management. Reftec will continue to exclusively distribute Systemair AC products on the Norwegian market. Reftec had for the year 2017/18 net sales of NOK 28,9 million with an operating loss of NOK 2,0 million. The divestment results in a goodwill impairment cost of SEK 11.2 million accounted for in the fourth quarter 2017/18.

During the fourth quarter Systemair have also recognised a provision for anticipated bad debts of SEK 12.2 million. The provision relates to a larger customer in the Middle East.

All figures are preliminary and have not been finally audited by the company's auditor. Systemair will publish its Interim report for the fourth quarter 2017/18 as planned on the 14th of June 2018.

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Note: *The information here is that which Systemair AB is obliged to make public under the EU's market abuse regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 13:00 (CET) on May 30, 2018.*

Systemair in brief

Systemair is a leading ventilation company with operations in 50 countries in Europe, North- and South America, the Middle East, Asia and Africa. The Company had sales of SEK 7.3 billion in financial year 2017/18 and currently employs about 5,500 people. Systemair has reported an operating profit every year since 1974, when the Company was founded. During the past 10 years, the Company's growth rate has averaged about 9 percent.

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 OMX Nordic Exchange in Stockholm since October 2007. The Group comprises about 70 companies.