

# Systemair AB (publ)

## Year-end report

### 1 May 2015 – 30 April 2016

#### Fourth quarter February – April 2016

- Net sales increased by 0.4 percent to SEK 1,509 million (1,502).
- Organic growth was 4.0 percent (8.0).
- Operating profit (EBIT) totalled SEK 62 million (55).
- The operating margin was 4.1 percent (3.7).
- Profit after tax totalled SEK 28 million (29).
- Earnings per share totalled SEK 0.53 (0.56).
- Cash flow from operating activities amounted to SEK -40 million (-13)..

#### 12 months, May 2015 – April 2016

- Net sales rose 3.9 percent to SEK 6,113 million (5,882).
- Organic growth was 2.6 percent (3.3).
- Operating profit (EBIT) totalled SEK 344 million (377).
- The operating margin was 5.6 percent (6.4).
- Profit after tax fell to SEK 207 million (310).
- Earnings per share totalled SEK 3.98 (5.96).
- Cash flow from operating activities totalled SEK 169 million (241).
- The Board of Directors proposes a dividend of SEK 2.00 (2.00) per share.

Net sales Q4

**SEK 1,509 m**

EBIT Q4

**SEK 62 m**

#### Significant events during the year

- In October, Alitis was acquired, a sales company which operates in Belarus and Kaliningrad.
- In September, Systemair took over Traydus, of Brazil, a producer of air handling units.
- Roland Kasper took over as Systemair's new President and CEO at the Annual General Meeting, held on 27 August 2015. Gerald Engström was elected as new Chairman of the Board.

	2015/16 Feb-Apr 3 mths	2014/15 Feb-Apr 3 mths	2015/16 May-Apr 12 mths	2014/15 May-Apr 12 mths
Net sales, SEK m	1,508.7	1,502.4	6,112.5	5,882.2
Growth, %	0.4	19.4	3.9	11.1
Operating profit, SEK m	62.2	55.1	344.1	376.8
Operating margin, %	4.1	3.7	5.6	6.4
Profit after tax, SEK m	27.7	29.2	207.2	309.8
Earnings per share, SEK	0.53	0.56	3.98	5.96
Operating cash flow per share, SEK	-0.77	-0.25	3.25	4.64

## Return to organic growth

In the fourth quarter organic growth topped 4 percent, while profit also improved somewhat compared with last year. This made a positive end to the year but that still does not entirely fill us with satisfaction. We embarked on a restructuring programme with an estimated total future cost of about SEK 45 million. The annual cost saving from the programme as a whole is calculated at SEK 45 million, with full impact emerging within two years. Additionally, actions to increase profit are under way in a number of areas. Our goal is clear: Systemair will return to an operating margin in excess of 10 percent, while we will maintain growth.

### The market

The market as a whole showed positive but weak growth in the fourth quarter. The Nordic market remains strong, as do North America and Asia. In Eastern Europe, growth remained weak, mainly because of the trend of the Russian market.

### Restructuring programme

We have initiated a restructuring programme in parts of the Group. The programme is focused on the air conditioning segment acquired in recent years and selected loss-making units in various countries. It implements capacity adjustments and review of product ranges. The total estimated future cost of the programme is SEK 45 million and it is calculated to yield annual cost savings of SEK 45 million with full effect within two years.

At the same time, actions to increase profit are under way in production, purchasing, sales and logistics. The focus is on more effectively using our benefits of scale in internal and external processes, and on more accurately analysing and developing the Group's units. We have a clear goal: Systemair will return to an operating margin in excess of 10 percent, while we will maintain growth.

### Investments

Our largest current investment, in a new factory in Turkey, is strategic and a necessity. It will also create long-term benefits for the Company. In Sweden, we have embarked on a major investment in machinery,



which will be installed in the autumn and will improve productivity in sheet metal forming. Minor efficiency-enhancing investments are under way in our production facilities in Denmark, Lithuania and Brazil.

### Outlook

Our experience is that we are continuing to receive big and exciting orders. Growth is buoyant in several of our markets, although we would have preferred to see stronger growth in Western Europe and recovery in Russia. We focus constantly on product development and in 2015 we dedicated major resources to complete the update of our product range and related tools for compliance with the new EU Ecodesign of Energy Related Products Directive (ErP) and the requirements of ECODESIGN.

One of Systemair's strengths is our global presence. On that basis, we can utilise our resources and our market presence to identify and develop the applications and opportunities that emerge. We have made many acquisitions in recent years, and intend to continue doing so. Certain consolidation and restructuring measures will need to be implemented in order to achieve our profitability goals. We will also continue to invest in production equipment, product development and marketing in order to maintain our growth and ensure satisfaction among customers, employees and owners.

Roland Kasper  
President and CEO

## Sales and markets

Group sales for the fourth quarter of the 2015/16 financial year totalled SEK 1,508.7 million (1,502.4), 0.4 percent up on the same period last year.

After the adjustment for foreign exchange effects and acquisitions, net sales grew by 4.0 percent. Growth in acquired operations was 1.0 percent, while foreign exchange effects reduced sales by 4.6 percent during the period.

Net sales for the full year May–April 2015/16 totalled SEK 6,112.5 million (5,882.2), an increase of 3.9 percent over the same period last year. Adjusted for both foreign exchange effects and acquisitions, net sales grew by 2.6 percent. Growth in acquired operations was 2.5 percent, while foreign exchange effects reduced sales by 1.2 percent during the year.

## Geographic breakdown of Q4 sales

### Nordic region

During the fourth quarter, sales in the Nordic region increased by 6 percent from the same period in the preceding year. All Nordic markets performed strongly during the quarter. After the adjustment for foreign exchange effects and acquisitions, sales increased by 10 percent.

### Western Europe

During the quarter, sales in the West European market were 1 percent lower than in the corresponding period in the preceding year. Foreign exchange effects and

acquisitions had marginal impact on sales. The market in Western Europe is fragmented. Several markets in the region performed well during the period, including the United Kingdom, Italy and Switzerland, while sales in France and the Netherlands declined.

### Eastern Europe and the CIS

Sales in Eastern Europe and the CIS fell by 27 percent during the quarter. After the adjustment for foreign exchange effects and acquisitions, sales decreased by 20 percent. In Russia, sales fell back by 44 percent during the period, stated in Swedish kronor. The Russian market accounted for 6 percent of Systemair's total sales over the financial year, compared with 9 percent in the previous year.

### North and South America

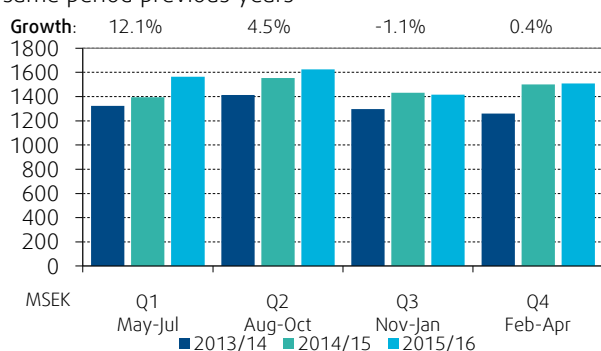
Sales in North and South America during the quarter were 13 percent higher than in the same period in the preceding year. The Canadian and USA markets performed strongly during the quarter. After the adjustment for foreign exchange effects and acquisitions, sales increased by 12 percent.

### Other markets

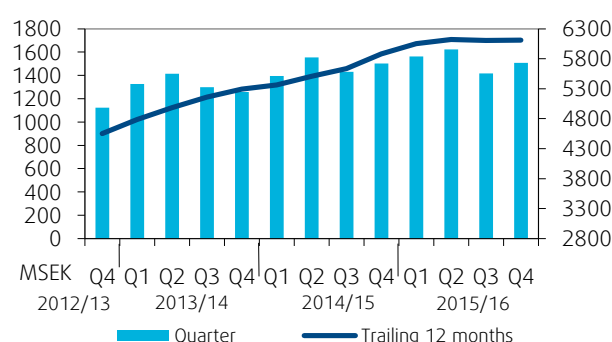
Sales in Other markets rose by 23 percent compared with the same period in the preceding year. After the adjustment for foreign exchange effects and acquisitions, sales increased by 33 percent. Sales in Dubai, India and Turkey, in particular, increased sharply during the year.

	2015/16 Feb–Apr 3 mths	2014/15 Feb–Apr 3 mths	Sales – change	Of which organic	2015/16 May–Apr 12 mths	2014/15 May–Apr 12 mths	Sales – change	Of which, organic
Nordic region	362.3	342.3	6%	10%	1,424.0	1,352.7	5%	7%
Western Europe	598.7	606.1	-1%	-1%	2,413.2	2,321.6	4%	-2%
Eastern Europe & the CIS	180.6	246.7	-27%	-20%	917.9	1,121.8	-18%	-11%
North and South America	123.3	109.5	13%	12%	502.4	419.5	20%	7%
Other markets	243.8	197.8	23%	33%	855.0	666.6	28%	29%
<b>Total</b>	<b>1,508.7</b>	<b>1,502.4</b>	<b>0%</b>	<b>4%</b>	<b>6,112.5</b>	<b>5,882.2</b>	<b>4%</b>	<b>3%</b>

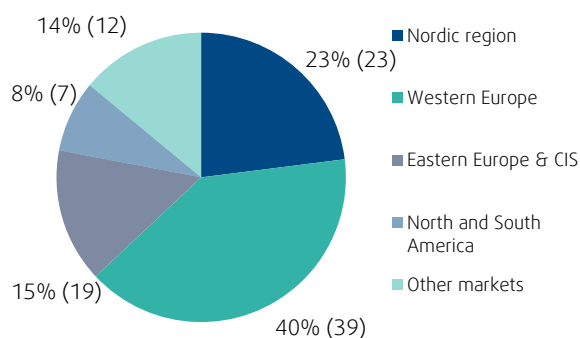
Net sales per quarter compared with same period previous years



Net sales



## Sales by market, 12 months 2015/16 (2014/15)



## Profit for the fourth quarter

Gross profit in the fourth quarter totalled SEK 513.8 million (503.6), an increase of 2.0 percent over the figure for the corresponding period last year. The gross margin increased to 34.1 percent (33.5).

Operating profit in the fourth quarter totalled SEK 62.2 million (55.1), an increase of 13.0 percent over the figure for the corresponding period last year. The operating margin was 4.1 percent (3.7).

Selling and administration expenses for the quarter totalled SEK 451.5 million (473.0), a fall of SEK 21.5 million. Costs arising from company acquisitions during the year accounted for SEK 13.7 million of costs in the quarter. As a result, selling and administrative expenses for comparable units fell by SEK 35.2 million.

Selling expenses were charged with SEK 11.5 million (11.2) for anticipated and confirmed impairment losses on trade receivables. During the quarter, acquisition-related costs totalled SEK 0.3 million (0.1).

Net financial items for the fourth quarter totalled SEK -10.4 million (-4.4). The effects of foreign exchange on long-term receivables, loans and bank balances was SEK -4.7 million (1.0) net. Interest expenses for the quarter totalled SEK -6.4 million (-6.1).

## Profit for the financial year

Operating profit for the financial year from May 2015 to April 2016 totalled SEK 344.1 million (376.8). The operating margin was 5.6 percent (6.4).

Selling and administration expenses for the year totalled SEK 1,736.9 million (1,666.6), a rise of SEK 70.3 million. Costs arising from company acquisitions during the year accounted for SEK 77.8 million (125.6) of costs in the year. As a result, selling and administration expenses for comparable units fell by SEK 7.5 million. Selling expenses for the full year were charged with SEK 19.7 million (28.6) for anticipated and confirmed impairment losses on trade receivables.

During the financial year, a programme of personnel cutbacks involving around 25 employees was initiated at Menerga, Germany, representing a non-recurring cost of SEK 9.7 million. The cost of restructuring has been recognised in the amount of SEK 2.3 million in cost of goods sold and SEK 7.4 million in administration expenses. The cutbacks will yield annual savings of approximately SEK 12 million.

Net financial items for the financial year totalled SEK -36.8 million (3.6). Interest expense totalled SEK -22.7 million (-22.7).

## Tax expense

Estimated tax for the quarter totalled SEK -24.1 million (-21.5), corresponding to an effective tax rate of 46.5 percent based on profit after net financial items. The high tax expense is attributable to non-capitalised tax loss carry-forwards in loss-making companies.

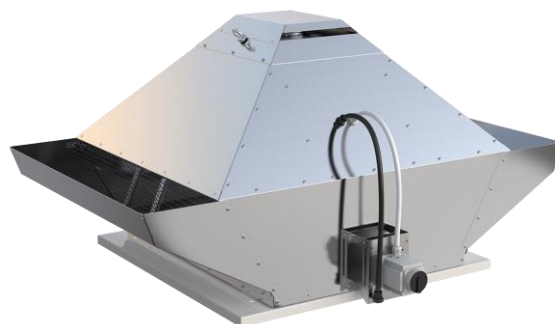
Estimated tax for the full year totalled SEK -100.1 million (-70.6), corresponding to an effective tax rate of 32.6 percent (18.6) based on profit after net financial items.

## Acquisitions and new operations

In September 2015, Systemair acquired 75 percent of the shares in Brazilian company Traydus, a leading manufacturer of customised air handling units and fan convectors in Brazil. The company has 75 employees and is based in the outskirts of Sao Paulo. Traydus focuses on lean-energy solutions and is positioned in the higher-technology segment of Brazil's ventilation industry. The acquisition opens up opportunities for introducing a wider range of Systemair products from other factories in the Group. Systemair-Traydus and our existing companies in Chile and Peru will provide

## Award-winning ceiling fan

Systemair's DVG EG ceiling fan was voted as one of the best fire safety products in Germany. The vote represents the choice of the expert jury and customers of the FeuerTRUTZ Fire Safety Network. A distinguishing feature of the DVG EG product is that it can be used for both normal ventilation and the evacuation of smoke and gas. It is the only ceiling fan on the market to meet the tough certification requirements and at the same time to offer high energy efficiency.



excellent opportunities for competing successfully for projects throughout South America. The acquisition initially comprises 75 percent of the company, with a binding undertaking to acquire the remaining 25 percent of the shares within a period of six years. As a result, Systemair will consolidate 100 percent of the company as of the beginning of September.

In October, the Company took over Alitis, Systemair's representative in Belarus and Kaliningrad. Alitis, which markets and sells Systemair's products, reported sales of EUR 5.5 million in 2014. The total number of employees is 15, mostly based in Minsk.

In October, Systemair acquired Kolektor Koling d.o.o., Slovenia a manufacturer of air handling units. It is estimated that the production of air handling units that Systemair acquired has sales of EUR 3 million. Systemair took over 7 employees and manufacturing has been relocated to Systemair's existing factory in Maribor.

In November, the acquisition of Menerga NV, a distributor of Menerga's products in Belgium, was completed. The company, which sells and services Menerga's products, reported sales of EUR 4.2 million in 2014. The company is located in Aarschot, north of Brussels. It has 13 employees. Menerga NV will continue to be managed as a separate company, with its current management and staff. It is a well-known, well-established company in the Belgian ventilation market, and through the acquisition, Systemair is strengthening its position in the Belgian market.

In March 2016, the acquisition of Menerga Polska, a distributor of Menerga's products in Poland, was completed. The company, which sells and services Menerga's products, reported sales equivalent to EUR 2.0 million in 2014. The company has 17 employees.

If the companies acquired had been consolidated as of 1 May 2015, net sales for the period May 2015 through April 2016 would have totalled approximately SEK 6,131.5 million. The operating profit for that period would have totalled approximately SEK 341.6 million. Note 1 in this report contains an acquisition analysis and the effects of the acquisitions on the Group's cash and cash equivalents.

## Investments, depreciation and amortisation

Investments for the quarter, excluding divestments, totalled SEK 43.3 million (132.3), including SEK 29.4 million (100.7) in new construction and machinery. Investments consisted primarily of capacity and replacement investments at a number of factories. Acquisitions and formerly withheld additional purchase considerations totalled SEK 10.1 million (31.0) for the quarter. Depreciation of non-current assets amounted to SEK 46.3 million (46.2).

Total investments for the financial year, excluding divestments, totalled SEK 224.7 million (316.4). Gross investments in new construction and machinery totalled SEK 159.7 million (223.4), excluding divestments. Major investments were made in production facilities in Norway, France and Denmark. Acquisitions and additional considerations paid in the financial year totalled SEK 50.0 million (58.8). Depreciation and amortisation of non-current assets totalled SEK 178.2 million (171.1) for the year.

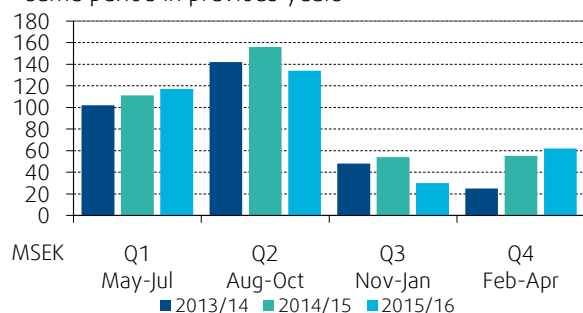
## Personnel

The average number of employees in the Group was 4,613 (4,385). At the end of the period, Systemair had 4,855 employees (4,584), 271 more than in the previous year. New employees were recruited chiefly at Systemair in Germany (51), Canada (39) and Turkey (19). Personnel cutbacks were made in India (-27), Russia (-15) and Menerga in Germany (-11). Companies acquired have added 135 employees, of which 87 at Traydus in Brazil, 15 at Menerga in Poland, 11 at Menerga in Belgium, 15 at Alitis in Belarus and 7 at Kolektor in Slovenia.

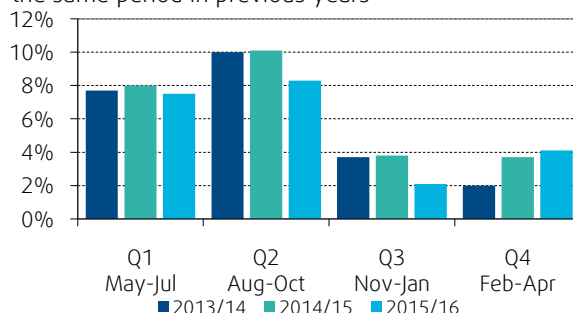
## Cash flow and financial position

Cash flow from operating activities before changes in working capital totalled SEK 44.3 million (25.1) for the quarter. Changes in working capital, mainly consisting of an increase in trade receivables and inventory, had a negative impact of SEK -84.3 million (-38.0) on cash flow. The cash flow from financing operations totalled SEK 52.8 million (150.3) net. At the end of the period, the Group's net indebtedness was SEK 1,387.4 million

Operating profit per quarter, relative to the same period in previous years



Operating margin per quarter, relative to the same period in previous years



(1,282.1). The consolidated equity/assets ratio was 43.9 percent (44.4) at the end of the period.

## Changes in organisation and group management

On 1 May 2015, the business in the Parent Company Systemair AB was divided into two companies. The listed company Systemair AB has been streamlined into a holding company with group functions. The newly formed company Systemair Sverige AB is engaged in production and sales operations in Sweden.

In June 2015, Roland Kasper was appointed new CEO of Systemair AB, taking up his post at the AGM on 27 August 2015. Roland Kasper started at Systemair in 2007 and has been a member of Group Management since 2011. Gerald Engström was elected as Chairman of the Board at the Annual General Meeting.

In October, Mats Lund, Production Manager and Vice President Marketing for Asia, and member of Systemair's Group Management, informed the Company that he was to leave Systemair's employment on 31 December 2015. Håkan Lenjesson has been appointed as the new Vice President Marketing for Asia and will also serve as a member of Group Management. Håkan has been working for Systemair since December 2012 as Business Developer and Vice President Marketing for the Middle East. Håkan has a broad range of experience in the ventilation industry, with posts including spells at Munters in Saudi Arabia, Thailand and Australia. Following these changes, Group Management consists of Roland Kasper, Anders Ulff, Fredrik Andersson, Kurt Maurer, Olle Glassel and Håkan Lenjesson.

## 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 2014/15 Annual Report. No significant change occurred in the risk situation during the period.

## Related party transactions

Systemair's significant transactions with related parties concern ebmpapst AB and ebmpapst Mulfingen GmbH & Co. KG. Transactions with related parties are described in detail in Note 36 to the accounts in the Annual Report for the 2014/15 financial year. During the period, no change worthy of mention occurred in the scale of these transactions.

## Parent Company

Parent Company net sales for the financial year totalled SEK 87.3 million. Operating profit totalled SEK -54.4 million. The company had 44 employees. The core business of the Parent Company following the division of the Swedish operation is that of intra-group services.

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## The first Eurovent-certified residential unit

SAVE VTC a range of heat-recovery units delivering high efficiency of around 90 percent heat recovery. The units are the first on the market to be approved under Eurovent's Residential Air Handling Units (RAHU) certification programme.



## Systemair in brief

Systemair is a leading ventilation company with operations in 49 countries in Europe, North America, South America, the Middle East, Asia and Africa. The company had sales of approximately SEK 6.1 billion in the 2015/16 financial year and approximately 4,900 employees. Systemair has reported an operating profit every year since 1974, when the company was founded. During the past 15 years, the company's growth rate has averaged about 12 percent.

Systemair has well-established operations in growth markets. The group's products are marketed under the Systemair, Frico, VEAB, Fantech, Menerga and Holland Heating 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 70 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 owned production units, centralised warehouse facilities and an efficient 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 year-end report is such 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 June 2016.

Skinnskatteberg, 9 June 2016

Systemair AB (publ)

Board of Directors

## Air handling units for Karolinska University Hospital

Systemair is delivering 22 air handling units to Karolinska University Hospital at Huddinge, Greater Stockholm. All units are hygiene-certified.



## Presentation of results

In conjunction with the publication of Systemair AB's Year-end report for the 2015/16 financial year, a teleconference will be held, starting at 9.00 a.m. CET on 9 June 2016. The report will be presented by Roland Kasper, CEO, and Anders Ulff, CFO.

### To take part in the teleconference:

Call 46 (0)8 5052 0110 and quote code 958997 a few minutes before the conference is due to start. A transcript of the presentation will be published on [www.systemair.com](http://www.systemair.com)

## Calendar

### Year-end report Q4 2015/16

8.00 a.m., 9 June 2016

### Interim report Q1 2016/17

1.00 p.m., 25 August 2016

### Interim report Q2 2016/17

8.00 a.m., 24 November 2016

### Interim report Q3 2016/17

8.00 a.m., 23 February 2017

### Year-end report Q4 2016/17

8.00 a.m., 8 June 2017

### Interim report Q1 2017/18

1.00 p.m., 24 August 2017

## Contact

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## Definitions of key ratios

### 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.

### 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 divided by the number of shares at the end of the period.

## Glossary

### The Ecodesign Directive – Energy Related Products

The Ecodesign Directive lays down minimum requirements for energy performance in products and outlaws the most energy- and resource-intensive products in the EU market.

### Eurovent and AMCA

Organisations that certify products in the ventilation industry in the markets of Europe, the Middle East, Asia and North America, on the basis of impartial third-party inspection.

### Low-energy and passive houses

Low-energy or passive houses that are built airtight and are subject to strict demands for effective ventilation and low energy consumption.

### Applications

Uses of products in different types of building. For example, single-family homes, apartment blocks, hospitals, industrial buildings and tunnels.

### BMS (Building Management System)

In a building, the computerised system that controls and monitors functions such as those for the building's ventilation, lighting, electricity supply, fire safety and security.

### ERP (Enterprise Resource Planning) system

An IT system that manages, for example, processes such as financial management, sales and service, logistics, distribution and production.

### CRM (Customer Relations Management) system

An IT system that handles control, organisation and administration of customers and customer relations in a business.



## Summary income statement

	Group				Parent Company	
	2015/16 Feb-Apr 3 mths	2014/15 Feb-Apr 3 mths	2015/16 May-Apr 12 mths	2014/15 May-Apr 12 mths	2015/16 May-Apr 12 mths	2014/15 May-Apr 12 mths
SEK m.						
Net sales	1,508.7	1,502.4	6,112.5	5,882.2	87.3	948.2
Cost of goods sold	-994.9	-998.8	-4,010.4	-3,857.6	-	-680.0
<b>Gross profit</b>	<b>513.8</b>	<b>503.6</b>	<b>2,102.1</b>	<b>2,024.6</b>	<b>87.3</b>	<b>268.2</b>
Other operating income	24.0	37.1	80.3	92.7	14.9	44.9
Selling expenses	-364.1	-387.9	-1,399.8	-1,352.7	-54.9	-182.4
Administration expenses	-87.4	-85.1	-337.1	-313.9	-68.8	-74.4
Other operating expenses	-24.1	-12.6	-101.4	-73.9	-32.9	-53.4
<b>Operating profit</b>	<b>62.2</b>	<b>55.1</b>	<b>344.1</b>	<b>376.8</b>	<b>-54.4</b>	<b>2.9</b>
Net financial items	-10.4	-4.4	-36.8	3.6	529.1	318.9
<b>Profit after financial items</b>	<b>51.8</b>	<b>50.7</b>	<b>307.3</b>	<b>380.4</b>	<b>474.7</b>	<b>321.8</b>
Appropriations	-	-	-	-	58.0	-6.6
Tax on profit for the period	-24.1	-21.5	-100.1	-70.6	-3.6	-3.9
<b>Profit for the period<sup>1</sup></b>	<b>27.7</b>	<b>29.2</b>	<b>207.2</b>	<b>309.8</b>	<b>529.1</b>	<b>311.3</b>
Earnings per share, SEK <sup>2</sup>	0.53	0.56	3.98	5.96	-	-

## Statement of comprehensive income

<b>Profit for the period</b>	27.7	29.2	207.2	309.8	529.1	311.3
<b>Other comprehensive income</b>						
<i>Items that have been, or may later be, transferred to profit for the year:</i>						
Translation differences	5.8	12.0	-85.9	69.9	-2.4	4.5
Impact of tax	0.2	0.9	0.5	-1.0	0.5	-1.0
Result from merger	-	-	-	-	-	-0.2
<i>Items that cannot be transferred to profit for the year:</i>						
Revaluation of defined-benefit pensions, net after tax	8.2	-21.4	8.2	-21.4	-	-
<b>Other comprehensive income</b>	<b>14.2</b>	<b>-8.5</b>	<b>-77.2</b>	<b>47.5</b>	<b>-1.9</b>	<b>3.3</b>
<b>Total comprehensive income for the period<sup>1</sup></b>	<b>41.9</b>	<b>20.7</b>	<b>130.0</b>	<b>357.3</b>	<b>527.2</b>	<b>314.6</b>

<sup>1</sup> Comprehensive income for the period is attributable in entirety to Parent Company shareholders.

<sup>2</sup> No dilution effect arises since the option programme in operation has been arranged by Färna Invest AB.

## Summary balance sheet

SEK m	Group		Parent Company	
	30/04/2016	30/04/2015	30/04/2016	30/04/2015
<b>ASSETS</b>				
Goodwill	621.8	613.7	0.4	0.5
Other intangible assets	189.3	225.8	2.0	5.4
Property, plant and equipment	1,273.6	1,288.3	8.8	113.9
Financial and other assets	180.5	180.0	2,135.2	2,016.7
<b>Total non-current assets</b>	<b>2,265.2</b>	<b>2,307.8</b>	<b>2,146.4</b>	<b>2,136.5</b>
Inventory	1,105.1	1,029.2	-	167.4
Current receivables	1,255.2	1,165.4	1,264.3	910.8
Cash and cash equivalents	176.9	187.8	-	-
<b>Total current assets</b>	<b>2,537.2</b>	<b>2,382.4</b>	<b>1,264.3</b>	<b>1,078.2</b>
<b>TOTAL ASSETS</b>	<b>4,802.4</b>	<b>4,690.2</b>	<b>3,410.7</b>	<b>3,214.7</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>	<b>2,108.2</b>	<b>2,082.2</b>	<b>1,849.6</b>	<b>1,426.4</b>
Untaxed reserves	-	-	5.7	38.3
Non-current liabilities, non-interest-bearing	238.7	260.5	1.9	3.2
Non-current liabilities, interest-bearing	196.7	245.9	334.6	353.6
<b>Total non-current liabilities</b>	<b>435.4</b>	<b>506.4</b>	<b>336.5</b>	<b>356.8</b>
Current liabilities, interest-bearing	1,309.0	1,140.3	1,162.6	974.2
Current liabilities, non-interest-bearing	949.8	961.3	56.3	419.0
<b>Total current liabilities</b>	<b>2,258.8</b>	<b>2,101.6</b>	<b>1,218.9</b>	<b>1,393.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,802.4</b>	<b>4,690.2</b>	<b>3,410.7</b>	<b>3,214.7</b>

## Summary consolidated cash flow statement

SEK m.	2015/16	2014/15	2015/16	2014/15
	Feb-Apr 3 mths	Feb-Apr 3 mths	May-Apr 12 mths	May-Apr 12 mths
Operating profit	62.2	55.1	344.1	376.8
Adjustment for non-cash items	25.9	31.4	143.8	199.5
Financial items	-4.7	-5.6	-18.9	-20.7
Income tax paid	-39.1	-55.8	-138.8	-121.5
<b>Cash flow from operating activities before changes in working capital</b>	<b>44.3</b>	<b>25.1</b>	<b>330.2</b>	<b>434.1</b>
Changes in working capital	-84.3	-38.0	-161.3	-192.8
<b>Cash flow from operating activities</b>	<b>-40.0</b>	<b>-12.9</b>	<b>168.9</b>	<b>241.3</b>
Cash flow from investing activities	-40.2	-123.1	-212.1	-297.0
Cash flow from financing activities	52.8	150.3	53.5	110.2
<b>Cash flow for the period</b>	<b>-27.4</b>	<b>14.3</b>	<b>10.3</b>	<b>54.5</b>
Cash and cash equivalents at start of period	198.6	158.8	187.8	123.3
Translation differences, cash and cash equivalents	5.7	14.7	-21.2	10.0
<b>Cash and cash equivalents at close of period</b>	<b>176.9</b>	<b>187.8</b>	<b>176.9</b>	<b>187.8</b>

## Changes in equity – group

SEK m	2015/16 May-Apr		2014/15 May-Apr	
	Equity attributable to Parent Company shareholders	Total equity	Equity attributable to Parent Company shareholders	Total equity
<b>Amount at beginning of year</b>	<b>2,082.2</b>	<b>2,082.2</b>	<b>1,880.9</b>	<b>1,880.9</b>
Dividend	-104.0	-104.0	-156.0	-156.0
Comprehensive income	130.0	130.0	357.3	357.3
<b>Amount at end of period</b>	<b>2,108.2</b>	<b>2,108.2</b>	<b>2,082.2</b>	<b>2,082.2</b>

## Key ratios for the group

		2015/16	2014/15	2015/16	2014/15
		Feb-Apr	Feb-Apr	May-Apr	May-Apr
		3 mths	3 mths	12 mths	12 mths
Net sales	SEK m	1,508.7	1,502.4	6,112.5	5,882.2
Growth	%	0.4	19.4	3.9	11.1
Operating profit	SEK m	62.2	55.1	344.1	376.8
Operating margin	%	4.1	3.7	5.6	6.4
Profit after net fin. items	SEK m	51.8	50.7	307.3	380.4
Profit margin	%	3.4	3.4	5.0	6.5
Return on capital employed	%	10.2	12.5	10.2	12.5
Return on equity	%	9.8	15.1	9.8	15.1
Equity/assets ratio	%	43.9	44.4	43.9	44.4
Investments	SEK m	40.2	123.1	212.1	297.0
Depreciation/Amortisation	SEK m	46.3	46.2	178.2	171.1
<b>Per share ratios</b>					
Earnings per share	SEK	0.53	0.56	3.98	5.96
Equity per share	SEK	40.54	40.04	40.54	40.04
Operating cash flow per share	SEK	-0.77	-0.25	3.25	4.64
No. of shares at end of period	No.	52,000,000	52,000,000	52,000,000	52,000,000

## Quarterly key ratios – group

		2015/16				2014/15				2013/14
		Feb-Apr	Nov-Jan	Aug-Oct	May-Jul	Feb-Apr	Nov-Jan	Aug-Oct	May-Jul	Feb-Apr
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net sales	SEK m	1,508.7	1,416.3	1,624.4	1,563.1	1,502.4	1,431.6	1,554.5	1,393.8	1,258.6
Growth	%	0.4	-1.1	4.5	12.1	19.4	10.3	9.9	5.2	12.0
Gross margin	%	34.1	33.7	35.4	34.3	33.5	33.6	36.6	33.8	32.8
Operating profit	SEK m	62.2	30.1	134.3	117.5	55.1	54.1	156.3	111.4	24.6
Operating margin	%	4.1	2.1	7.3	7.5	3.7	3.8	10.1	8.0	2.0
Return on capital employed	%	10.2	9.3	10.5	12.4	12.5	19.8	18.9	18.1	17.7
Return on equity	%	9.8	9.9	11.4	13.0	15.1	27.4	27.2	26.8	24.8
Equity/assets ratio	%	43.9	43.6	42.8	44.9	44.4	46.4	44.1	48.3	47.2
Basic equity per share	SEK	40.54	39.74	40.40	41.61	40.04	39.64	38.66	39.37	36.17
Basic earnings per share	SEK	0.53	0.25	1.65	1.55	0.56	0.84	2.24	2.31	5.14
Cash flow from operating activities per share	SEK	-0.77	0.74	2.34	0.94	-0.25	1.49	1.71	1.69	-0.95

## General accounting principles

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. The accounting principles and methods of calculation applied for the Group and Parent Company accord with those used in preparing the most recent Annual Report.

## Note 1 – Acquisition analysis

The price paid to acquire the shares in Traydus of Brazil, Alitis of Belarus, Menerga of Belgium, Menerga of Poland and for the business of Kolektor of Slovenia may be divided as follows:

Total historical cost, less transaction costs                      SEK 59.3 million

Identifiable net assets	Total
Goodwill	42.7
Buildings and land	5.3
Machinery and equipment	11.8
Financial and other current assets	0.3
Deferred tax assets	0.1
Inventory	17.1
Current receivables	21.5
Other current assets	2.2
Cash and cash equivalents	14.1
Non-interest-bearing liabilities (incl. deferred tax liability)	-15.2
Interest-bearing liabilities	-8.8
Other operating liabilities	-31.8
	59.3

Transaction costs in the acquisition of subsidiaries totalled SEK 0.8 million.

The total effect on cash flow from the acquisitions, including payment of a formerly withheld additional purchase consideration for prior years' acquisitions, amounted to SEK -49.8 million. A non-interest-bearing non-current liability relating to the estimated additional purchase consideration for the above-mentioned acquisitions totals SEK 7.7 million.

Brands and customer relationships have been stated at the net present value of future payment flows. The useful life of these assets has been estimated at 5-10 years.

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

## Note 2 – Financial instruments

Systemair's financial instruments consist of derivatives, trade receivables, cash and cash equivalents, available-for-sale financial assets, trade payables, accrued supplier costs and interest-bearing liabilities. 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. Available-for-sale financial assets are measured at fair value on the basis of input data corresponding to level 1 as defined in IFRS 13. 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.