



# SYSTEMAIR AB

## INTERIM REPORT Q1

### 1 MAY – 31 JULY 2015



Net sales Q1

**SEK 1,563 m.**

EBIT Q1

**SEK 117 m.**

#### First quarter, May – July 2015

- Net sales rose 12 percent to SEK 1,563 million (1,394).
- Operating profit (EBIT) totalled SEK 117 million (111).
- Systemair's operating margin was 7.5 percent (8.0).
- Profit after tax fell to SEK 81 million (120).
- Earnings per share totalled SEK 1.55 (2.31).
- Cash flow from operating activities amounted to SEK 49 million (88).

#### Significant events during the first quarter

- On 1 May 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 conducting production and sales operations in Sweden.
- In June 2015 the Board of Systemair AB appointed Roland Kasper as new CEO of Systemair AB, taking up his post at the AGM on 27 August 2015. Gerald Engström has been suggested for the post of chairman by the nomination committee.
- In July Systemair came to an agreement on acquiring Menerga NV, a distributor of Menerga's products in Belgium.

	2015 May – Jul 3 months	2014 May – Jul 3 months	2014/15 May – Apr 12 months
Net sales, SEK m	1,563.1	1,393.8	5,882.2
Growth, %	12.1	5.2	11.1
Operating profit, SEK m	117.5	111.4	376.8
Operating margin, %	7.5	8.0	6.4
Profit after tax, SEK m	80.7	120.2	309.8
Earnings per share, SEK	1.55	2.31	5.96
Operating cash flow per share, SEK	0.94	1.69	4.64

## Continued organic growth

During our first quarter, we achieved growth of 12 percent. We also continue to grow organically, for the 22<sup>nd</sup> quarter in a row, this time with 4 percent. With the exception of Russia, the sales trend was positive in several markets. The operating margin was 7.5 percent and has been affected by a decline in volumes in Russia. We are though happy to see positive effects of restructuring efforts in some of the newly acquired companies. This is my final quarter as President and CEO and I am convinced that Systemair will continue to develop strongly with Roland Kasper at the helm.



### The market

The market as a whole has moved in a positive direction in the first quarter. The Nordic market continues to thrive, with growth in all countries in the region. We are also seeing increased volumes in several countries in Western Europe, especially in Germany, which is a key market for us. During the quarter, sales declined in Russia by a further 25 percent, making up 8 percent of the group's total net sales for the quarter. In the Eastern European region we are still seeing an increase in several other countries, which compensates for the losses in Russia. Other markets are demonstrating continued positive growth and many exciting projects.

### Companies acquired

Extensive internal restructuring work has been performed over a long period at several of our newly acquired companies. We are now beginning to reap the benefits of the changes. We have signed an agreement to acquire Menerga's sales company in Belgium. The company has 13 employees and sales of around EUR 4.2 million.

### Investments

In Slovakia, we have made substantial investments in our factory for air distribution products. We doubled our production space and invested in modern machinery. The new facility opened in June 2015.

In Wujiang, China, investment was completed in a production facility for air-handling units covering 8,400 m<sup>2</sup> in rented premises. The facility will also serve as a base for sales of other Systemair products to the Chinese market. Extensions of 3,000 m<sup>2</sup> of production and warehouse space have been completed in Denmark and are in progress in Norway.

### Outlook

One of Systemair's strengths is our global presence. We have our own operations in 45 countries and regularly supply our products to well over 100 countries. Despite economic and political uncertainty, we can report organic growth for the 22<sup>nd</sup> successive quarter. We have made use of the weaker economic situation by acquiring good companies on reasonable terms, even if they need restructuring to some extent. We are continuing to make acquisitions and investments in production equipment, product development and marketing. This is a strategy that has proven effective over the years and that will be a factor in continuing to move us forward.

I am both pleased and proud to pass on a company in good condition, with a strong platform for continued growth and a corporate culture marked by growth and profitability.

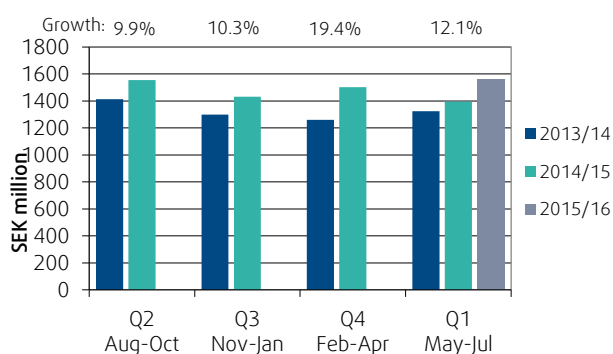
Gerald Engström  
President and CEO

## Sales and markets

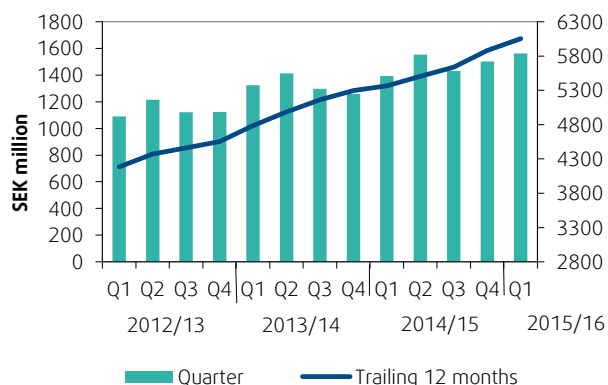
Group sales for the first quarter of the 2015/16 financial year totalled SEK 1,563.1 million (1,393.8), up 12.1 percent from the same period last year.

Adjusted for both foreign exchange effects and acquisitions, net sales grew by 4.0 percent. This is the 22<sup>nd</sup> successive quarter of organic growth, despite a weak market. Growth in acquired operations was 5.6 percent, while foreign exchange effects increased sales by 2.5 percent during the period.

### Net sales per quarter compared with same period previous years



### Net sales



## Geographic breakdown of Q1 sales

### Nordic region

During the first quarter, sales in the Nordic region increased by 16 percent from the same period the preceding year. Sales in the Finnish market in particular are growing strongly while also increasing in all countries in the region. Adjusted for foreign exchange effects and acquisitions, sales increased by 14 percent.

### Western Europe

Sales in the West European market increased by 19 percent during the quarter, compared with the corresponding period in the preceding year. Adjusted for foreign exchange effects and acquisitions, sales increased by 3 percent. Several markets in the region performed well during the period, including Switzerland, Germany and Portugal. Sales decreased in Spain, among other places, during the period.

### Eastern Europe and the CIS

Sales in Eastern Europe and the CIS fell by 15 percent during the quarter. Adjusted for the effects of foreign exchange and acquisitions, sales declined by 9 percent. In Russia, sales fell by 25 percent during the period. The Russian market made up 8 percent of Systemair's total sales in the first quarter, compared with 12 percent the previous year.

### North America

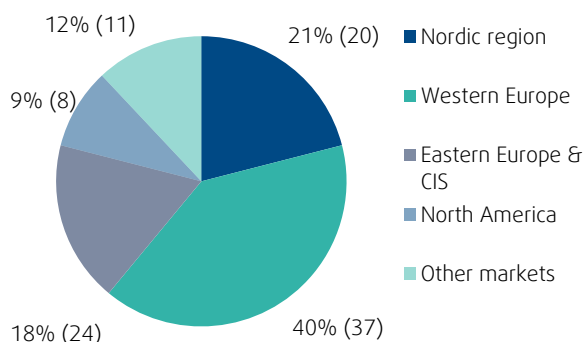
Sales in the North American market during the quarter were 29 percent higher than in the same period in the preceding year. Both the American and the Canadian market have developed well during the period. Adjusted for foreign exchange effects and acquisitions, sales increased by 8 percent.

	2015 May – Jul 3 months	2014 May – Jul 3 months	Sales – change	Of which organic
Nordic region	325.5	280.6	16%	14%
Western Europe	626.6	524.8	19%	3%
Eastern Europe & the CIS	280.0	329.9	-15%	-9%
North America	141.5	109.3	29%	8%
Other markets	189.5	149.2	27%	14%
<b>Total</b>	<b>1,563.1</b>	<b>1,393.8</b>	<b>12%</b>	<b>4%</b>

## Other markets

Sales in Other markets increased by 27 percent compared with the same period in the preceding year. Adjusted for foreign exchange effects and acquisitions, sales increased by 14 percent.

## Sales by market, 3 months, 2015 (3 months, 2014)



## Results for the first quarter

The gross profit for the first quarter amounted to SEK 536.2 million (471.6), an increase of 13.7 percent over the same period in the preceding year. The gross margin increased to 34.3 percent (33.8), mainly as a result of more efficient use of capacity at several factories.

Operating profit for the first quarter amounted to SEK 117.5 million (111.4), an increase of 5.5 percent over the same period in the preceding year. The operating margin was 7.5 percent (8.0).

Selling and administration expenses for the quarter totalled SEK 414.1 million (370.1), an increase of SEK 44.0 million. Selling and administration expenses at acquired companies accounted for SEK 27.9 million of the increase for the quarter.

Selling expenses were charged with SEK 3.3 million (5.1) for anticipated and confirmed impairment losses on trade receivables. No costs related to acquisitions were charged to earnings in the quarter (1.0).

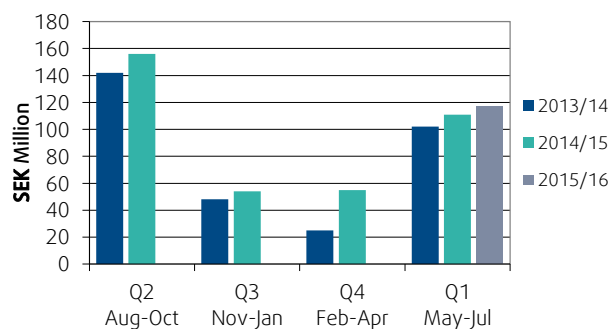
Net financial items for the first quarter totalled SEK -6.0 million (1.3). The effect of foreign exchange on long-term receivables, loans and bank balances was SEK -1.2 million net (7.3). Interest expense for the quarter totalled SEK -5.8 million (-6.2).

## Tax expense

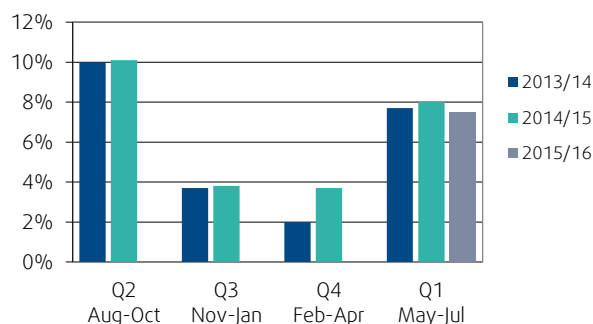
The tax expense for the quarter is estimated at SEK -30.8 million (7.5), corresponding to an effective tax rate of 27.6 percent based on profit after net financial items. Tax income in the previous year was an effect of loss carry-forwards entered as income, which arose as a result of acquisitions of companies carrying deficits from

operations conducted earlier. The acquired deficit then entailed net tax income of SEK 37.7 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



## Acquisitions and new operations

In July Systemair came to an agreement on acquiring Menerga NV, a distributor of Menerga's products in Belgium. 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. Menerga NV 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. The acquisition is estimated to be completed during the second quarter.

## Investments, depreciation and amortisation

Investments for the quarter, excluding divestments, totalled SEK 44.8 million (92.1), including SEK 35.1 million (32.3) in new construction and machinery. The principal investments consisted of the ongoing establishment in China, construction in Slovakia, and other capacity and replacement investments. Acquisitions and formerly

withheld additional purchase considerations totalled SEK 1.4 million (27.3) for the quarter. Depreciation of fixed assets amounted to SEK 44.0 million (39.9).

## Personnel

The average number of employees in the group was 4,432 (4,154). At the end of the period, Systemair had 4,622 employees (4,490), 132 more than the previous year. New employees were recruited chiefly in Germany (39) and Slovakia (23). Acquisitions have brought 45 employees, of which 16 come from Camair in Belgium, 15 from Menerga in Norway and 14 from Lautner in Germany.

## Cash flow and financial position

Cash flow from operating activities before changes in working capital totalled SEK 130.2 million (136.9) for the quarter. Changes in working capital, mainly consisting of an increase in trade accounts receivable, had an impact of SEK -81.5 million (-49.0) on cash flow. The cash flow from financing operations totalled SEK 28.6 million net (48.2). At the end of the period, the group's net indebtedness was SEK 1,295.9 million (991.7). The consolidated equity/assets ratio was 44.9 percent (48.3) at the end of the period.

## Changes in organisation and group management

On 1 May 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 conducting production and sales operations in Sweden. President Gerald Engström was appointed CEO of the listed company Systemair AB.

In May 2015 Systemair expanded its group management with sales director Olle Glassel. Olle has worked at Systemair since 2002 and is responsible for sales in Western Europe, with the exception of the German-speaking countries. He is also responsible for Systemair's sales strategy development and internal training in sales and leadership. Following these changes, group management consists of Gerald Engström, Anders Ulff, Fredrik Andersson, Roland Kasper, Mats Lund, Kurt Maurer and Olle Glassel.

In June 2015 Roland Kasper was appointed new CEO of Systemair AB, taking up his post at the AGM on 27 August 2015. Gerald Engström has been suggested for the post of chairman by the nomination committee. Roland Kasper started at Systemair in 2007 and has been a member of group management since 2011. He is

marketing director and responsible for the product range. Roland is also a board member in several of Systemair's subsidiaries.

## Material risks and uncertainty

Systemair is exposed to operational and financial risks in its business. Operational risk is inherent in 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 quarter totalled SEK 23.2 million (230.0). Operating profit totalled SEK -13.3 million (9.1). The company had 41 employees. The core business of the parent company following the division of the Swedish operation is that of intra-group services.

## Financial calendar

The Interim Report for the second quarter of 2015/16 will be published at 8.00 a.m. on 26 November 2015.

The interim report for the third quarter of 2015/16 will be published at 8.00 a.m. on 3 March 2016.

The report for the fourth quarter of 2015/16 will be published at 08.00 a.m. on 9 June 2016.

## 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 straight way", which has been developed from a product concept into a business philosophy. Our product range has grown strongly to span a broad range of fans, air handling units, products for air distribution, air curtains, heating products and refrigeration equipment.

## Business concept

Operating from the core values of simplicity and reliability, our business concept is to develop, manufacture and market high-quality ventilation products. Based on this business concept and with our customers in focus, we are to be seen as a reliable company, focusing 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 by having our own 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 our 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 ventilation 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.

## Other

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 is to be submitted for publication at 1.00 p.m. on 27 August 2015.

This interim report has not been reviewed by the company's auditor.

Skinnskatteberg, 27 August 2015  
Systemair AB (publ)

Board of Directors

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### **Systemair in brief**

*Systemair is a leading ventilation company with operations in 45 countries in Europe, North America, South America, the Middle East, Asia and South Africa. The company had sales of approximately SEK 5.9 billion in the 2014/15 financial year and approximately 4,600 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 13 per cent.*

*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 OMX Nordic Exchange in Stockholm since October 2007. The group comprises about 60 companies.*

## Consolidated income statement

SEK m	2015 May – Jul 3 months	2014 May – Jul 3 months	2014/15 Aug – Jul trailing 12	2014/15 May – Apr 12 months
Net sales	1,563.1	1,393.8	6,051.6	5,882.2
Cost of goods sold	-1,026.9	-922.2	-3,962.3	-3,857.6
<b>Gross profit</b>	<b>536.2</b>	<b>471.6</b>	<b>2,089.3</b>	<b>2,024.6</b>
Other operating income	18.1	24.7	86.1	92.7
Selling expenses	-334.7	-303.6	-1,383.9	-1,352.7
Administration expenses	-79.4	-66.5	-326.8	-313.9
Other operating expenses	-22.7	-14.8	-81.8	-73.9
<b>Operating profit</b>	<b>117.5</b>	<b>111.4</b>	<b>382.9</b>	<b>376.8</b>
Net financial items	-6.0	1.3	-3.6	3.6
<b>Profit after financial items</b>	<b>111.5</b>	<b>112.7</b>	<b>379.3</b>	<b>380.4</b>
Tax on profit for the period	-30.8	7.5	-109.0	-70.6
<b>Profit for the period <sup>1)</sup></b>	<b>80.7</b>	<b>120.2</b>	<b>270.3</b>	<b>309.8</b>
Earnings per share, SEK <sup>2)</sup>	1.55	2.31	5.20	5.96
Average number of shares <sup>2)</sup>	52,000,000	52,000,000	52,000,000	52,000,000

1) Attributable in entirety to parent company shareholders.

2) No dilution effect arises since the options programme in operation has been arranged by Färna Invest.



## Consolidated statement of comprehensive income

	2015 May – Jul 3 months	2014 May – Jul 3 months	2014/15 Aug – Jul trailing 12	2014/15 May – Apr 12 months
<b>Profit for the period</b>	80.7	120.2	270.3	309.8
<b>Other comprehensive income, net after tax</b>				
<i>Items that have been, or may later be, transferred to profit for the period:</i>				
Translation differences, foreign operations, gross before tax	0.9	43.6	22.6	65.4
Translation effects of long-term loans to subsidiaries with no settlement planned	-0.1	3.3	1.1	4.5
Tax effects from long-term loans to subsidiaries with no settlement planned	0.0	-0.7	-0.2	-1.0
<i>Items that cannot be transferred to profit for the period:</i>				
Revaluation of defined-benefit pensions	-	-	-21.4	-21.4
<b>Other comprehensive income, net after tax</b>	<b>0.8</b>	<b>46.2</b>	<b>2.1</b>	<b>47.5</b>
<b>Total comprehensive income for the period <sup>1)</sup></b>	<b>81.5</b>	<b>166.4</b>	<b>272.4</b>	<b>357.3</b>

1) Attributable in entirety to parent company shareholders.



## Consolidated balance sheet

SEK m	31/07/2015	31/07/2014	30/04/2015
<b>ASSETS</b>			
Goodwill	619.7	553.4	613.7
Other intangible assets	221.8	249.7	225.8
Property, plant and equipment	1,291.6	1,141.8	1,288.3
Financial and other non-current assets	179.1	166.9	180.0
<b>Total non-current assets</b>	<b>2,312.2</b>	<b>2,111.8</b>	<b>2,307.8</b>
Inventory	1,030.4	930.0	1,029.2
Current receivables	1,256.8	1,014.3	1,165.4
Cash and cash equivalents	214.6	179.0	187.8
<b>Total current assets</b>	<b>2,501.8</b>	<b>2,123.3</b>	<b>2,382.4</b>
<b>TOTAL ASSETS</b>	<b>4,814.0</b>	<b>4,235.1</b>	<b>4,690.2</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>	<b>2,163.7</b>	<b>2,047.3</b>	<b>2,082.2</b>
Non-current liabilities, provisions	242.1	197.1	260.5
Non-current liabilities, interest-bearing	280.6	315.8	245.9
<b>Total non-current liabilities</b>	<b>522.7</b>	<b>512.9</b>	<b>506.4</b>
Current liabilities, interest-bearing	1,154.5	818.5	1,140.3
Current liabilities, non-interest-bearing	973.1	856.4	961.3
<b>Total current liabilities</b>	<b>2,127.6</b>	<b>1,674.9</b>	<b>2,101.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,814.0</b>	<b>4,235.1</b>	<b>4,690.2</b>

## Consolidated cash flow statement

SEK m	2015 May – Jul 3 months	2014 May – Jul 3 months	2014/15 May – Apr 12 months
Operating profit	117.5	111.4	376.8
Adjustment for non-cash items	39.5	32.4	199.5
Financial items	-4.7	-4.9	-20.7
Income tax paid	-22.1	-2.0	-121.5
<b>Cash flow from operating activities before changes in working capital</b>	<b>130.2</b>	<b>136.9</b>	<b>434.1</b>
Changes in working capital	-81.5	-49.0	-192.8
<b>Cash flow from operating activities</b>	<b>48.7</b>	<b>87.9</b>	<b>241.3</b>
Cash flow from investing activities	-43.8	-85.9	-297.0
Cash flow from financing activities	28.6	48.2	110.2
<b>Cash flow for the period</b>	<b>33.5</b>	<b>50.2</b>	<b>54.5</b>
Cash and cash equivalents at start of period	187.8	123.3	123.3
Translation differences, cash and cash equivalents	-6.7	5.5	10.0
<b>Cash and cash equivalents at close of period</b>	<b>214.6</b>	<b>179.0</b>	<b>187.8</b>

## Changes in equity – group

SEK m	2015 May – Jul		2014 May – Jul	
	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>
Comprehensive income	81.5	81.5	166.4	166.4
<b>Amount at end of period</b>	<b>2,163.7</b>	<b>2,163.7</b>	<b>2,047.3</b>	<b>2,047.3</b>

## Key ratios for the group

		2015 May – Jul 3 months	2014 May – Jul 3 months	2014/15 May – Apr 12 months
Net sales	SEK m	1,563.1	1,393.8	5,882.2
Growth	%	12.1	5.2	11.1
Operating profit	SEK m	117.5	111.4	376.8
Operating margin	%	7.5	8.0	6.4
Profit after net fin. items	SEK m	111.5	112.7	380.4
Profit margin	%	7.1	8.1	6.5
Return on capital employed	%	12.4	18.1	12.5
Return on equity	%	13.0	26.8	15.1
Equity/assets ratio	%	44.9	48.3	44.4
Investments	SEK m	43.8	85.9	297.0
Depreciation/Amortisation	SEK m	44.0	39.9	171.1
<b>Per share ratios</b>				
Earnings per share	SEK	1.55	2.31	5.96
Equity per share	SEK	41.61	39.37	40.04
Operating cash flow per share	SEK	0.94	1.69	4.64
No. of shares at end of period	No.	52,000,000	52,000,000	52,000,000

## Quarterly key ratios – group

		2015/16		2014/15		2013/14				
		May – Jul Q1	Feb – Apr Q4	Nov – Jan Q3	Aug – Oct Q2	May – Jul Q1	Feb – Apr Q4	Nov – Jan Q3	Aug – Oct Q2	May – Jul Q1
Net sales	SEK m	1,563.1	1,502.4	1,431.6	1,554.5	1,393.8	1,258.6	1,298.1	1,414.5	1,324.7
Growth	%	12.1	19.4	10.3	9.9	5.2	12.0	15.8	16.4	21.4
Gross margin	%	34.3	33.5	33.6	36.6	33.8	32.8	32.9	35.9	33.2
Operating profit	SEK m	117.5	55.1	54.1	156.3	111.4	24.6	48.5	141.8	102.0
Operating margin	%	7.5	3.7	3.8	10.1	8.0	2.0	3.7	10.0	7.7
Return on capital employed	%	12.4	12.5	19.8	18.9	18.1	17.7	10.3	12.2	12.7
Return on equity	%	13.0	15.1	27.4	27.2	26.8	24.8	11.5	14.2	14.5
Equity/assets ratio	%	44.9	44.4	46.4	44.1	48.3	47.2	40.2	37.8	38.6
Basic equity per share	SEK	41.61	40.04	39.64	38.66	39.37	36.17	34.10	33.55	32.47
Basic earnings per share	SEK	1.55	0.56	0.84	2.24	2.31	5.14	0.38	1.78	1.14

## Parent company income statement

SEK m	2015 May – Jul 3 months	2014 May – Jul 3 months	2014/15 May – Apr 12 months
Net sales <sup>1)</sup>	23.2	230.0	948.2
Cost of goods sold	-	-165.8	-680.0
<b>Gross profit</b>	<b>23.2</b>	<b>64.2</b>	<b>268.2</b>
Other operating income	0.4	11.8	44.9
Selling expenses	-14.4	-39.7	-182.4
Administration expenses	-14.8	-15.0	-74.4
Other operating expenses	-7.7	-12.2	-53.4
<b>Operating profit</b>	<b>-13.3</b>	<b>9.1</b>	<b>2.9</b>
Net financial items	555.6	314.8	318.9
<b>Profit after financial items</b>	<b>542.3</b>	<b>323.9</b>	<b>321.8</b>
Appropriations <sup>2)</sup>	16.0	1.4	-6.6
<b>Pre-tax profit</b>	<b>558.3</b>	<b>325.3</b>	<b>315.2</b>
Tax on profit for the period	-2.4	-3.5	-3.9
<b>Profit for the period</b>	<b>555.9</b>	<b>321.8</b>	<b>311.3</b>

- 1) Systemair has split the Swedish operation into two companies as of the start of the financial year. The listed company Systemair AB has been streamlined into a holding company with corporate staff and group functions. The net sales of the current financial year thus solely consist of intra-group services.
- 2) Accelerated depreciation, tax allocation reserve and group contributions.

## Parent company balance sheet

SEK m	31/07/2015	31/07/2014	30/04/2015
<b>ASSETS</b>			
Goodwill	0.5	0.8	0.5
Other intangible assets	3.9	4.8	5.4
Property, plant and equipment	3.4	123.2	113.9
Financial and other non-current assets	2,073.3	1,870.5	2,016.7
<b>Total non-current assets</b>	<b>2,081.1</b>	<b>1,999.3</b>	<b>2,136.5</b>
Inventory	-	158.4	167.4
Current receivables	1,247.5	911.8	910.8
Cash and cash equivalents	-	-	-
<b>Total current assets</b>	<b>1,247.5</b>	<b>1,070.2</b>	<b>1,078.2</b>
<b>TOTAL ASSETS</b>	<b>3,328.6</b>	<b>3,069.5</b>	<b>3,214.7</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	1,982.2	1,591.8	1,426.4
Untaxed reserves	22.3	35.0	38.3
Non-current liabilities, provisions	-	3.2	3.2
Non-current liabilities, interest-bearing	287.1	352.1	353.6
<b>Total non-current liabilities</b>	<b>287.1</b>	<b>355.3</b>	<b>356.8</b>
Current liabilities, interest-bearing	990.0	686.7	974.2
Current liabilities, non-interest-bearing	47.0	400.7	419.0
<b>Total current liabilities</b>	<b>1,037.0</b>	<b>1,087.4</b>	<b>1,393.2</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,328.6</b>	<b>3,069.5</b>	<b>3,214.7</b>

## 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 – Acquisitions and new operations

The total effect on cash flow for payment of a formerly withheld additional purchase consideration for prior years' acquisitions, amounted to SEK -1.4 million. No acquisitions have been made during the interim period.

Transaction costs in the acquisition of subsidiaries totalled SEK 0 million.

## Note 2 – Financial instruments

Systemair's financial instruments consist of derivatives, trade accounts receivable, cash and cash equivalents, available-for-sale financial assets, trade accounts payable, 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 for fair value through the income statement based on input data corresponding to level 2 in compliance with IFRS 13. Available-for-sale financial assets are recognised at fair value based on input data corresponding to level 1 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.

## 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.