

Systemair AB (publ) Interim report 1 May–31 October 2023

Net sales Q2

SEK 3,186 m.

EBIT Q2

SEK 322 m.

Second quarter, August–October 2023

- Net sales increased by 4.9 percent to SEK 3,186 million (3,037) despite the former divestment of the air conditioning business, which reported sales of SEK 166.5 million in the corresponding period last year.
- Organic growth was +5.1 percent (+14.8).
- Operating profit (EBIT) totalled SEK 322 million (120).
- The operating margin was 10.1 percent (3.9). The operating profit for the preceding year included, among other items, an impairment charge total-ling SEK -168 million in the Russian business. Adjusted for the impairment charge, the operating margin last year was 9.5 percent.
- Profit after tax amounted to SEK 246 million (39).
- Earnings per share (basic) were SEK 1.18 (0.21).
- Cash flow from operating activities amounted to SEK +433 million (203).

First half-year, May–October 2023

- Net sales increased by 8.1 percent to SEK 6,361 million (5,886).
- Organic growth was +7.8 percent (+14.5).
- Adjusted operating profit was SEK 660 million (560). Operating profit (EBIT) totalled SEK 657 million (389). The operating profit for the preceding year includes impairment charges totalling SEK -170 million.
- The adjusted operating margin was 10.4 percent (9.5).
- Profit after tax amounted to SEK 488 million (257).
- Earnings per share totalled SEK 2.35 (1.25).
- Cash flow from operating activities amounted to SEK +739 million (+138).

Significant events during and after the pe- riod under review

- After the period under review, the decision was announced to relocate Menerga's pro-duction facility to Maribor in Slovenia.
- In June, Martin Dahlgren took up the new role of Vice President Products and Technologies and joined Group Management.
- In May 2023, the Slovenian sales and service company Menerga d.o.o. was acquired. The company has sales of around EUR 3 million and 24 employees.

	2023/24 Aug-Oct 3 mths	2022/23 Aug-Oct 3 mths	2023/24 May-Oct 6 mths	2022/23 May-Oct 6 mths	2022/23 May-Apr 12 mths
Net sales, SEK m.	3,186.1	3,036.7	6,361.0	5,885.6	12,057.9
Growth, %	4.9	26.3	8.1	25.4	25.2
Operating profit, SEK m.	322.1	119.8	657.0	389.4	1,401.4
Operating margin, %	10.1	3.9	10.3	6.6	11.6
Profit after tax, SEK m.	246.0	39.4	488.3	256.5	1,044.7
Earnings per share (basic) (SEK) ¹	1.18	0.21	2.35	1.25	5.00
Earnings per share (diluted) (SEK) ¹	1.18	0.21	2.35	1.25	5.00
Operating cash flow per share (basic) (SEK) ¹	2.08	0.98	3.55	0.67	2.83
Operating cash flow per share (diluted) (SEK) ¹	2.08	0.98	3.55	0.67	2.82

1) Systemair AB has issued 1,456,240 warrants to persons holding senior positions within the Company.

Continued growth and good profit

Systemair's second quarter shows evidence of continued growth with sales increasing by 4.9 percent. Adjusted for divestment of the air conditioning business and acquisitions last year, growth totalled 5.1 percent in the quarter. Operating profit for the period improved by 12 percent to SEK 322 million (288).

The market

Demand in the second quarter remained strong, with organic growth of 5.1 percent (14.8). All regions except the Nordics report growth in the period, with the strongest growth being recorded in Eastern Europe on account of major project deliveries. Demand for higher energy-efficiency in ventilation solutions remains buoyant, and the need for higher energy efficiency in buildings bode well for continued strong demand for our products.

The Nordic market continued to decline in the period. It is mainly sales of residential ventilation that slowdown that accounts for less than five percent of the sales. An increasing renovation market and investments in commercial properties compensate to some extent.

Acquisitions and investments

Several activities are currently in progress to optimise and develop existing operations, with a particular focus on organic growth. Investments are under way for example in Lithuania, Germany and Canada, mainly with a view to streamlining production and increasing capacity. The decision to relocate Menerga's production in Germany, which was announced after the period under review, will also help to boost efficiency and profitability as production is transferred to our existing plant in Maribor, Slovenia.

Systemair's balance sheet is strong, providing scope for further investments and strategic acquisitions, going forward. We have substantially lowered our indebtedness, which also sharply reduces our interest costs.



Sustainability

We are continuing to systematically advance our sustainability work in all areas of our operations. Every quarter, we report on progress in three priority areas: work-related injuries leading to sickness absence, proportion of female leaders and Scopes 1 and 2 emissions. We are continuing to reduce our emissions, for example through energy upgrades at our production facilities. Many long-term activities are advancing in parallel to ensure that our sustainability work continues to make positive progress. As ever, energy savings and energy efficiency remain our focus, particularly in product development.

Outlook favourable

Our problems with component failures have more or less disappeared. We are cautiously optimistic regarding our continued progress over the rest of the financial year, as we see that activities in the consultancy sector and among ventilation contractors are on the rise again.

With our 26 well-invested production facilities in 18 countries, in combination with the most comprehensive product range in energy-efficient ventilation on the market, we are well equipped for continued long-term and profitable growth.

Roland Kasper
President and CEO

Sales and markets

Group sales for the second quarter of the 2023/24 financial year totalled SEK 3,186.1 million (3,036.7), an increase of 4.9 percent from the same period last year. Adjusted for foreign exchange effects and acquisitions, net sales rose 5.1 percent. Growth related to acquisitions and divestments was negative at -3.4 percent, on account of divestment of the air conditioning business being included in the previous year. During the quarter, foreign exchange effects increased sales by 3.2 percent.

Net sales for the period under review, May–October 2023, totalled SEK 6,361.0 million (5,885.6), representing an increase of 8.1 percent relative to the same period last year. Adjusted for foreign exchange effects as well as acquisitions and divestments, net sales grew 7.8 percent. Growth relating to acquired operations and disposals totalled -3.4 percent, while foreign exchange effects boosted sales by 3.7 percent during the period under review.

Geographic breakdown of Q2 sales

Nordic region

During the second quarter, sales in the Nordic region were 3.2 percent lower than in the same period last year. The Danish market showed a positive trend in the quarter, while sales in the markets in Sweden and Norway declined. In Finland, the market was largely un-

changed. Adjusted for foreign exchange effects and acquisitions, sales decreased by 4.3 percent compared to a decrease of -9.3 percent in the first quarter.

Western Europe

Sales growth in the West European market remained strong during the quarter, with an increase of 5.9 percent over the same period last year. Adjusted for foreign exchange effects and acquisitions, the value of sales rose 3.4 percent. In particular, the UK, Spain and France showed good growth in the quarter, while sales in Germany and Italy decreased.

Eastern Europe and CIS

Excluding Russia, growth in the region was 30.7 percent. Other major markets in the region showed good growth, including Hungary, Slovenia, Poland and Lithuania. Sales in Eastern Europe and the CIS rose by 22.2 percent during the quarter. Adjusted for foreign exchange effects and acquisitions, the value of sales rose 23.2 percent.

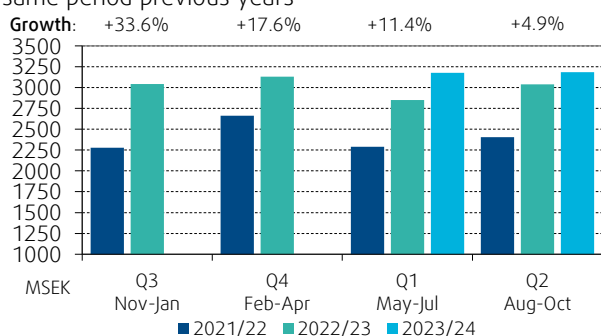
North America

Sales in North America during the quarter were 2.2 percent higher than in the same period last year. Adjusted for foreign exchange effects, the value of sales rose 1.7 percent. The Canadian market in particular showed growth during the quarter, while the US market was largely unchanged.

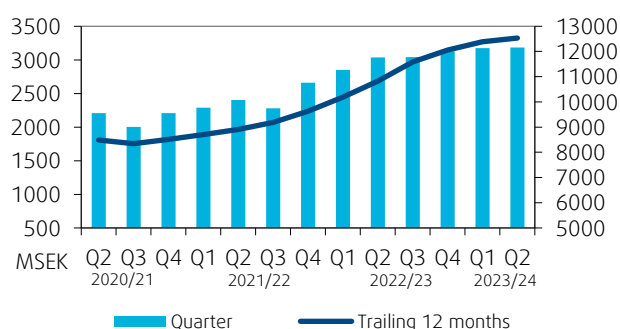
	2023/24	2022/23			2023/24	2022/23		
	Aug–Oct 3 mths	Aug–Oct 3 mths	Sales, change	Of which, organic	May–Oct 6 mths	May–Oct 6 mths	Sales, change	Of which, organic
Nordic region	566.6	585.1	-3.2%	-4.3%	1,010.3	1,072.3	-5.8%	-6.6%
Western Europe	1,435.4	1,355.2	5.9%	3.4%	2,899.5	2,657.7	9.1%	6.4%
Eastern Europe & CIS	388.3	317.8	22.2%	23.2%	795.8	698.3	14.0%	12.0%
North America	333.6	326.3	2.2%	1.7%	746.1	652.1	14.4%	12.4%
Middle East, Asia, Australia and Africa	462.2	452.3	2.2%	12.2%	909.3	805.2	12.9%	24.4%
Total	3,186.1	3,036.7	4.9%	5.1%	6,361.0	5,885.6	8.1%	7.8%

(Sales figures are based on geographical domicile of customers.)

Net sales per quarter compared with same period previous years



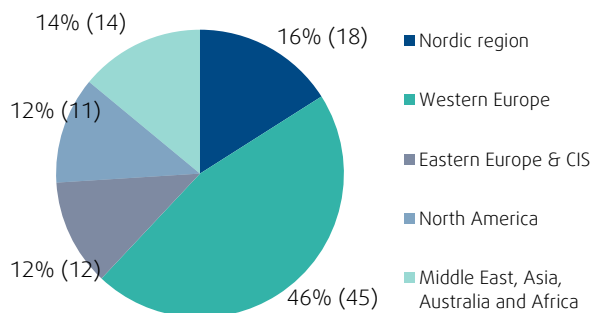
Net sales



Middle East, Asia, Australia and Africa

Sales in the Middle East, Asia, Australia and Africa increased by 2.2 percent compared with the same period last year. Adjusted for foreign exchange effects and acquisitions, the value of sales rose 12.2 percent. India and parts of the Middle East showed good growth during the period.

Sales by market, 6 months 2023/24 (2022/23)



Profit in the second quarter

Gross profit in the second quarter was SEK 1,078.5 million (1 010.0), an increase of 6.8 percent over the same period last year. The gross margin improved to 33.9 percent (33.3).

The operating profit for the second quarter totalled SEK 322.1 million (119.8), up 168.9 percent on the same period last year. The operating margin was 10.1 percent (3.9). The operating profit for the preceding year included, among other items, impairment charges totalling SEK -168.2 million in the Russian business. The adjusted operating margin was 9.5 percent.

Selling and administration expenses for the quarter totalled SEK 796.6 million (749.3), a rise of SEK 47.3 million, or 6.3 percent. Acquired businesses represent SEK 8.1 million of the increase in costs, while divested businesses account for SEK 35.6 million of the figures shown for comparison. Selling and administration expenses in like-for-like units rose SEK 74.8 million.

No charge to selling expenses was made for anticipated bad debts (previous year: SEK 6.6 million). No acquisition-related costs were charged to income during the quarter. Last year, these amounted to SEK 0.8 million for the quarter.

Net financial items for the second quarter totalled SEK -15.4 million (-10.3). The effects of foreign exchange on long-term receivables, loans and bank balances totalled SEK +17.9 million (+8.0) net. Interest expenses for the quarter amounted to SEK -32.2 million (-17.1).

Profit for period under review

Operating profit for the period under review, May–October 2023, totalled SEK 657.0 million (389.4). The operating margin was 10.3 percent (6.6). Operating profit includes an impairment loss of SEK 3.2 million on goodwill in Menerga Poland. Adjusted operating profit was SEK 660.2 million (559.9). The adjusted operating margin was 10.4 percent (9.5).

Selling and administration expenses totalled SEK 1,585.1 million (1,452.1), an increase of SEK 133.0 million. Acquired businesses represent SEK 24.2 million of the increase in costs, while divested businesses account for SEK 74.4 million of the figures shown for comparison. Selling and administration expenses in like-for-like units thus rose SEK 183.2 million. Selling expenses were charged with SEK 5.1 million (10.8) for anticipated bad debts.

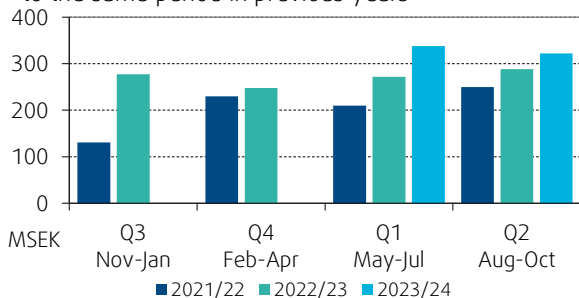
The overall effect of the hyperinflation adjustment in Turkey on the operating profit for the period under review amounts to SEK -9.1 million (-9.1).

Net financial items totalled SEK -33.4 million (-14.1), including interest expenses of SEK -52.3 million (-27.5).

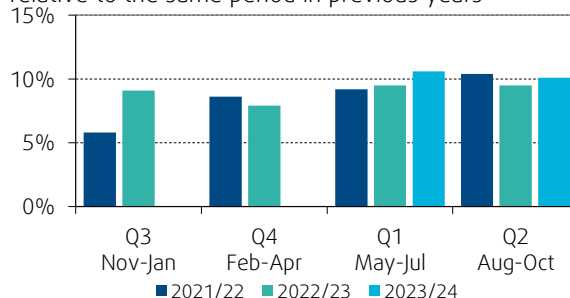
Tax expense

Estimated tax for the quarter totalled SEK -60.7 million (-70.1). This represents an effective tax rate of 19.8 percent based on profit after financial items. The tax rate

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



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



for the preceding year, based on adjusted profit after financial items, was 25.2 percent. The lower tax burden for the year arises from tax relief of approximately SEK 15 million in connection with investments.

Estimated tax for the period under review totalled SEK -135.3 million (-118.8), representing a tax rate of 21.6 percent (21.8) based on profit after net financial items.

Acquisitions and new businesses

On 2 May 2023, Systemair's subsidiary in Slovenia acquired all shares in the Slovenian sales company Menerga d.o.o. The company has sales of approximately EUR 3 million and 24 employees.

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 90.3 million (96.9), including SEK 85.8 million (69.3) in new construction and machinery. The investments made include measures to expand capacity in the production facilities in Canada and Lithuania. Depreciation, amortisation and impairment of non-current assets amounted to SEK 112.4 million (273.5). The figure for the preceding year included impairment charges totalling SEK -168.2 million in the Russian business.

Investments for the period under review totalled SEK 262.5 million (510.1), net of divestments. Gross investments in new construction and machinery totalled SEK 215.2 million (160.9), net of divestments. Acquisitions and formerly withheld purchase considerations totalled SEK 37.7 million (320.4). Depreciation, amortisation and impairment of non-current assets amounted to SEK 217.1 million (376.7).

Personnel

The average number of employees in the Group was 6,370 (6,471). At the end of the period, Systemair had 6,588 employees (6,889), 301 fewer than one year earlier. Acquired companies added a total of 80 employees while company divestments reduced the number of employees by 371. New employees were recruited chiefly in India (94), South Africa (32) and Turkey (18). Personnel cutbacks were made above all in Sweden (-44), Russia (-36) and Menerga in Germany (-34).

Cash flow and financial position

Cash flow from operating activities, before changes in working capital during the quarter, totalled SEK 317.0 million (275.1). Changes in working capital, mainly consisting of reduced inventories, had an impact of SEK +115.7 million (-72.0) on cash flow. Cash flow from financing activities totalled SEK -362.6 million net (-114.3), mainly as a result of lower net borrowing. At the end of the period, net indebtedness was SEK 1,456.8 million (2,793.5). The debt/equity ratio was 0.69 (2.05). The adjusted debt/equity ratio, based on adjusted EBITDA, was 0.89. The consolidated equity/assets ratio was 55.6 percent (43.8) at the end of the period under review.

Warrants

On 31 August 2023, the Annual General Meeting of Systemair AB approved the issue of warrants within the framework of the LTIP 2023 incentive programme. During the financial year, Systemair AB issued a total of 362,500 warrants for Systemair shares to senior executives of the Company. The warrants were transferred to the participants at a price corresponding to their market value, calculated via an external independent valuation based on an accepted valuation model (Black-Scholes). The programme runs for four years and the last day for

Hospital of Albacete, Spain

Systemair Spain will be supplying 63 hygienic certified Geniox air handling units to the Albacete University Hospital in Spain. The units will be installed in surgery rooms and common ward areas, deliveries are expected from December 2023 to May 2024.

Once the expansion and renovation of the Albacete University Hospital Complex are completed, the hospital will have increased by 696 beds and 29 operating rooms.



share subscription is 30 September 2027. In addition, 592,500 warrants were issued in 2021 to senior executives under the LTIP 2021 programme and 520,740 warrants were issued in 2022 under the LTIP 2022 programme. These programmes also run for four years and the last days for share subscription are 30 September 2025 and 30 September 2026, respectively. During the year, 19 500 warrants were repurchased from employees who had left their employment.

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.

Sustainability work

Sustainability issues are a central and natural part of Systemair. The importance of good indoor air quality is increasing and society depends on healthy and good air through energy- and resource-efficient solutions for ventilation, heating and cooling. Our solutions play an important role in our commitment to contribute to a more sustainable planet.

Sustainability is part of our strategy and an increasingly integral part of our business. Our sustainability framework focuses on four areas that contribute to progress in ten of the Sustainable Development Goals.

 <p>Responsible enterprise</p> <ul style="list-style-type: none"> • Ensuring an ethical and responsible business • Zero tolerance for corruption • Taking responsibility in our supply chain 	 <p>Sustainable workplace</p> <ul style="list-style-type: none"> • Zero work-related injuries • Promote employee development • Equal opportunities with an inclusive culture 	
 <p>Sustainable operations</p> <ul style="list-style-type: none"> • Reduce greenhouse gas (GHG) emissions • Improve our energy efficiency • Reduce our environmental impact 	 <p>Sustainable products</p> <ul style="list-style-type: none"> • Develop leading energy-efficient solutions • Improving indoor air quality • Life cycle approach to reduce environmental impact 	

Sustainability reporting

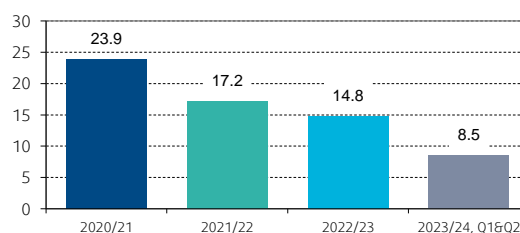
Systemair reports annually on its sustainability work in the Company's Annual Report. To improve governance and monitoring, and to increase transparency, Systemair collects selected quarterly sustainability data. Three key

performance measures from sustainability reporting are presented below.

Work-related injuries leading to sickness absence

Systemair strives to ensure that no work-related injuries occur, especially those that lead to sick leave. Our aim is for a reduction of 15 percent per year in our work-related injuries leading to sick leave, as measured by the LTIFR (Lost Time Injury Frequency Rate) metric. To date this year, the LTIFR has decreased by 43 percent compared to the outcome for the full year 2022/23. The reduction was achieved mainly through consistent and structured work in education, prevention and investment.

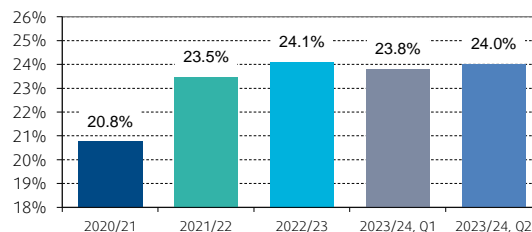
Work-related injuries with sickness absence, LTIFR



Female leaders

Increasing the proportion of female leaders is a strategic goal and the aim is that by 2025/26 no less than 25 percent of Systemair's leaders will be women. A leader is defined as a person who is a member of a local management team and/or is in charge of directly reporting employees. The proportion of female leaders rose slightly compared to the previous quarter to 24.0 percent. The metric is volatile in the short term. Systemair uses various measures and programmes to establish firmer ground for long-term positive developments in the area.

Percentage of female leaders

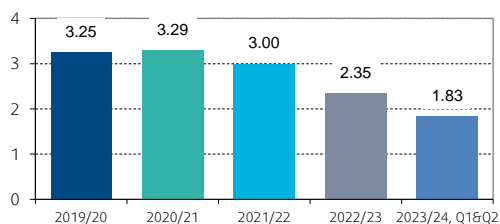


Scopes 1 and 2 emissions (CO₂e)

Systemair has set a target to halve its emissions intensity by 2030/31, with 2019/20 as the base year. The calculation is based on the market-based method for emissions related to purchased electricity in all years. During the quarter, the evidence required for specific emission factors for electricity from each of our subsidiaries has been tightened, and historical emission data have been updated accordingly. The accumulated emissions intensity to date this year is 1.83 – a much lower factor than in the corresponding period last year when the figure was 2.24. The emission intensity will be higher for the full year 2023/24 because Quarters 3 and 4 are colder and demand more energy for heating. Higher Cost of Goods Sold (COGS) due to inflation is one contributor to the decrease over time.

Our investments in solar cell installations are helping to lower emissions, with 714,000 kWh generated to date this year.

Emissions intensity Scopes 1 & 2 (Ton CO₂e/SEK m. COGS)



Events after the close of the period

In November, the decision was announced to close Menerga's production facility in Muelheim an der Ruhr, Germany, at a non-recurring cost of SEK 125 million. The item will be recognised in the third quarter. It is estimated that the closure will result in annual savings of SEK 70 million, with full effect from 2025.

Liquidity guarantee

Following Carnegie Investment Bank AB's acquisition of Erik Penser, Systemair's liquidity guarantee for the Company's shares on Nasdaq Stockholm has been transferred to Carnegie.

Exposure to Russia, Ukraine and Belarus

At the end of the period under review, the number of employees in Russia, Ukraine and Belarus stood at 187. Systemair's sales in the region represent 1.1 percent of the Group's total sales in the period under review.

In Russia, the Company has 12 local sales offices with associated warehouses. In Moscow, the Group has a production plant and associated land, which after impairment have a book value of SEK 50.9 million. Goodwill and other non-current assets have been written

down to zero. Working capital, mainly in inventories and cash, totals SEK 90.4 million. At present, it is not possible to take this money out of Russia. The Company's costs have been adjusted to the declining sales volume on an ongoing basis.

Material risks and uncertainty

Systemair has chosen to organise risk management into four different categories: strategic, operational, financial and regulatory. Strategic risks comprise, for example, macroeconomic developments in the cyclical construction industry, geopolitics and brand-related risks. Examples of operational risk factors include product availability and skills supply. The financial risks that Systemair has identified in its business consist of foreign exchange risk, borrowing and interest rate risk and credit risk and liquidity risk. Finally, regulatory risks include corruption and product requirements. The material risks and uncertainties affecting Systemair are described in more detail in the Company's 2022/23 Annual Report.

Related party transactions

There were no material related party transactions during the quarter. Transactions with related parties are described in detail in Note 40 to the accounts in the Annual Report for the 2022/23 financial year.

Parent Company

The Parent Company's net sales for the period under review totalled SEK 98.1 million (90.1). Operating profit was negative, at SEK -84.7 million (-74.3). The Parent Company had 59 employees (57). The core business of the Parent Company consists of intra-Group services.

Systemair in brief

Systemair is a leading ventilation company with operations in 51 countries in Europe, North America, the Middle East, Asia, Australia and Africa. The Company had sales of SEK 12.1 billion in the 2022/23 financial year and today employs approximately 6,600 people.

Systemair has reported an operating profit every year since 1974, when the Company was founded. Over the past 10 years, growth has averaged 10.5 percent. Systemair helps to improve the indoor climate via 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 Nasdaq OMX Nordic Exchange in Stockholm since October 2007,

and are today traded on the Large Cap List. 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 energy-efficient, 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, sustainability 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

Systemair's mission is to create better air every day around the world. Through energy-efficient and sustainable products, we are reducing CO2 emissions and energy consumption, and we are leveraging the market's powerful drivers to achieve our goals.

Strategic priorities:

- We will provide an attractive workplace with an inclusive culture that promotes employee development and entrepreneurship. Through this internal strength, we can build strong relationships based on expertise and trust.
- We provide a wide range of quality products, based on standardised platforms, with energy efficiency

and indoor air quality at their core. Our products are designed to make connected and smart solutions possible.

- We will improve our profitability through economies of scale and efficient product development focused on standardisation. A strong local presence where decision-making is decentralised, for agility on the solid ground of common processes.
- We look to the future in order to prepare for the demands that lie ahead. Sustainable products are part of this: we look at the whole life cycle of the product to improve resource efficiency and our climate footprint. We will build up our servicing business as it plays an important role in optimising the product in operation. Overall, Systemair stands for a long-term approach and will work to put this into practice through sustainable and responsible decisions.
- We will continue to maintain a global and diversified customer base. This provides us with solid foundations for profitable growth via organic investments and an active acquisition agenda. Systemair is our main brand and other brands are only used when they offer a clear business benefit.

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 7 December 2023.

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, 7 December 2023

Systemair AB (publ)

Roland Kasper
Chief Executive Officer

Gerald Engström
Chairman of the Board

Patrik Nollåker
Vice Chairman

Carina Andersson
Director

Gunilla Spongh
Director

Niklas Engström
Director

Ricky Sten
Employee Representative

Daniel Wilhelmsson
Employee Representative

Calendar

Interim Report Q3 2023/24
8.00 a.m., 5 March 2024

Interim Report Q4 2023/24
8.00 a.m., 4 June 2024

Interim Report Q1 2024/25
1.00 p.m., 29 August 2024

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Auditor's Review Report

Systemair AB (publ). Co. reg. no. 556160-4108

Introduction

We have reviewed the condensed interim financial information (the interim report) for Systemair AB (publ) as per 31 October 2023 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 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 on the date indicated by our electronic signature.

Ernst & Young AB

Johan Holmberg
Authorised Public Accountant

Summary income statement

	Group						Parent Company	
	2023/24 Aug-Oct 3 mths	2022/23 Aug-Oct 3 mths	2023/24 May-Oct 6 mths	2022/23 May-Oct 6 mths	2022/23 Nov-Oct trl 12	2022/23 May-Apr 12 mths	2023/24 May-Oct 6 mths	2022/23 May-Oct 6 mths
SEK m.								
Net sales	3,186.1	3,036.7	6,361.0	5,885.6	12,533.3	12,057.9	98.1	90.1
Cost of goods sold	-2,107.6	-2,026.7	-4,183.7	-3,889.7	-8,242.5	-7,948.5	-	-
Gross profit	1,078.5	1,010.0	2,177.3	1,995.9	4,290.8	4,109.4	98.1	90.1
Other operating income	80.6	81.6	174.3	133.7	745.4	704.8	9.9	3.4
Selling expenses	-653.7	-613.8	-1,286.4	-1,183.7	-2,562.5	-2,459.8	-62.1	-43.1
Administration expenses	-142.9	-135.5	-298.7	-268.4	-605.7	-575.4	-67.4	-69.9
Other operating expenses	-74.3	-256.2	-151.9	-321.8	-249.2	-419.1	-63.2	-54.8
Net gain on monetary items	33.9	33.7	42.4	33.7	50.2	41.5	-	-
Operating profit/loss	322.1	119.8	657.0	389.4	1,669.0	1,401.4	-84.7	-74.3
Net financial items	-15.4	-10.3	-33.4	-14.1	-125.8	-106.5	380.1	675.8
Profit/loss after financial items	306.7	109.5	623.6	375.3	1,543.2	1,294.9	295.4	601.5
Appropriations	-	-	-	-	-	-	-0.6	-1.4
Tax on profit for the period	-60.7	-70.1	-135.3	-118.8	-266.7	-250.2	4.4	9.8
Profit/loss for the period	246.0	39.4	488.3	256.5	1,276.5	1,044.7	299.2	609.9
Attributable to:								
Parent Company shareholders	244.7	43.2	488.5	259.6	1,268.5	1,039.6	-	-
Non-controlling interests	1.3	-3.8	-0.2	-3.1	8.0	5.1	-	-
Earnings per share (basic), SEK	1.18	0.21	2.35	1.25	6.10	5.00	-	-
Earnings per share (diluted), SEK	1.18	0.21	2.35	1.25	6.10	5.00	-	-

Statement of comprehensive income

Profit/loss for the period	246.0	39.4	488.3	256.5	1,276.5	1,044.7	299.2	609.9
Other comprehensive income								
<i>Items that have been, or may later be, transferred to profit for the year:</i>								
Translation differences	57.1	477.7	136.8	551.1	191.7	606.0	-	-
<i>Items that cannot be transferred to profit for the period:</i>								
Revaluation of defined-benefit pensions, net after tax	-	-6.0	-	-6.0	6.3	0.3	-	-
Other comprehensive income	57.1	471.7	136.8	545.1	198.0	606.3	-	-
Total comprehensive income for the period	303.1	511.1	625.1	801.6	1,474.5	1,651.0	299.2	609.9
Attributable to:								
Parent Company shareholders	301.8	514.9	625.3	804.7	1,466.5	1,645.9	-	-
Non-controlling interests	1.3	-3.8	-0.2	-3.1	8.0	5.1	-	-

1) Systemair AB has issued 1,456,240 warrants to persons holding senior positions within the Company.

Summary balance sheet

SEK m.	Group			Parent Company	
	31/10/2023	31/10/2022	30/04/2023	31/10/2023	31/10/2022
ASSETS					
Goodwill	1,027.6	924.3	988.6	-	-
Other intangible non-current assets	295.4	296.1	291.3	22.7	31.6
Property, plant and equipment	2,740.9	2,476.7	2,526.0	26.3	15.0
Financial and other non-current assets	209.4	211.2	179.9	3,048.8	3,493.1
Total non-current assets	4,273.3	3,908.3	3,985.8	3,097.8	3,539.7
Inventory	2,411.7	2,527.5	2,459.2	-	-
Current receivables	2,962.5	2,610.5	2,848.2	1,346.7	1,812.6
Cash and cash equivalents	428.7	332.2	339.9	-	-
Total current assets	5,802.9	5,470.2	5,647.3	1,346.7	1,812.6
Available-for-sale assets	-	832.9	-	-	-
TOTAL ASSETS	10,076.2	10,211.4	9,633.1	4,444.5	5,352.3
EQUITY AND LIABILITIES					
Equity	5,605.2	4,467.8	5,272.5	2,124.5	1,977.2
Untaxed reserves	-	-	-	1.3	1.3
Non-current liabilities, non-interest-bearing	317.1	299.9	258.5	-	-
Non-current liabilities, interest-bearing	765.7	1,640.9	671.6	1,426.5	2,114.5
Total non-current liabilities	1,082.8	1,940.8	930.1	1,426.5	2,114.5
Current liabilities, interest-bearing	1,099.4	1,378.0	1,170.7	773.0	1,143.7
Current liabilities, non-interest-bearing	2,288.8	2,197.3	2,259.8	119.2	115.6
Total current liabilities	3,388.2	3,575.3	3,430.5	892.2	1,259.3
Liabilities attributable to available-for-sale assets	-	227.5	-	-	-
TOTAL EQUITY AND LIABILITIES	10,076.2	10,211.4	9,633.1	4,444.5	5,352.3

Summary consolidated cash flow statement

SEK m.	2023/24	2022/23	2023/24	2022/23	2022/23
	Aug-Oct 3 mths	Aug-Oct 3 mths	May-Oct 6 mths	May-Oct 6 mths	May-Apr 12 mths
Operating profit/loss	322.1	119.8	657.0	389.4	1,401.4
Adjustment for non-cash items	90.5	221.9	216.0	328.2	113.4
Financial items	-30.1	-18.2	-52.6	-29.6	-77.7
Income tax paid	-65.5	-48.4	-114.8	-103.9	-214.5
Cash flow from operating activities before changes in working capital	317.0	275.1	705.6	584.1	1,222.6
Changes in working capital	115.7	-72.0	33.8	-445.8	-634.9
Cash flow from operating activities	432.7	203.1	739.4	138.3	587.7
Cash flow from investing activities	-84.8	-92.6	-251.7	-500.0	318.6
Cash flow from financing activities	-362.6	-114.3	-433.2	315.5	-959.5
Cash flow for the period	-14.7	-3.8	54.5	-46.2	-53.2
Cash and cash equivalents at start of period	429.1	311.3	339.9	335.9	335.9
Translation differences, cash and cash equivalents	14.3	30.4	34.3	48.2	57.2
Cash and cash equivalents held for sale	-	-5.7	-	-5.7	-
Cash and cash equivalents at close of period	428.7	332.2	428.7	332.2	339.9

Statement of changes in equity – Group

SEK m.	2023/24 May-Oct			2022/23 May-Oct			2022/23 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	5,265.7	6.8	5,272.5	3,815.1	38.4	3,853.5	3,815.1	38.4	3,853.5
Dividend	-228.8	-2.0	-230.8	-187.2	-1.5	-188.7	-187.2	-1.5	-188.7
Share of acquisitions attributable to non-controlling interests	-	-	-	-	1.5	1.5	-	-33.7	-33.7
Issue of warrants	2.5	-	2.5	1.7	-	1.7	3.4	-	3.4
Revaluation of acquisition option	-65.7	1.6	-64.1	-3.3	1.5	-1.8	-11.5	-1.5	-13.0
Comprehensive income	625.3	-0.2	625.1	804.7	-3.1	801.6	1,645.9	5.1	1,651.0
Amount at end of period	5,599.0	6.2	5,605.2	4,431.0	36.8	4,467.8	5,265.7	6.8	5,272.5

Key performance measures for the Group

		2023/24 Aug-Oct 3 mths	2022/23 Aug-Oct 3 mths	2023/24 May-Oct 6 mths	2022/23 May-Oct 6 mths	2022/23 May-Apr 12 mths
Net sales	SEK m.	3,186.1	3,036.7	6,361.0	5,885.6	12,057.9
Growth	%	4.9	26.3	8.1	25.4	25.2
Operating profit/loss	SEK m.	322.1	119.8	657.0	389.4	1,401.4
Operating margin	%	10.1	3.9	10.3	6.6	11.6
Adjusted operating margin	%	10.1	9.5	10.4	9.5	9.0
Profit after net fin. items	SEK m.	306.7	109.5	623.6	375.3	1,294.9
Profit margin	%	9.6	3.6	9.8	6.4	10.7
Adjusted profit margin,	%	9.6	9.1	9.9	9.3	8.1
Return on capital employed	%	23.4	12.4	23.4	12.4	20.1
Adjusted return on capital employed	%	16.7	15.6	16.7	15.6	15.7
Return on equity	%	24.2	12.2	24.2	12.2	22.6
Adjusted return on equity	%	15.0	17.4	15.0	17.4	15.8
Equity/assets ratio	%	55.6	43.8	55.6	43.8	54.7
Investments	SEK m.	-84.8	-92.6	-251.7	-500.0	318.6
Depreciation/amortisation and impairments	SEK m.	112.4	273.5	217.1	376.7	568.3
Per share ratios						
Earnings per share (basic)	SEK	1.18	0.21	2.35	1.25	5.00
Earnings per share (diluted)	SEK	1.18	0.21	2.35	1.25	5.00
Adjusted earnings per share (basic)	SEK	1.18	1.02	2.36	2.07	3.48
Adjusted earnings per share (diluted)	SEK	1.18	1.02	2.36	2.07	3.48
Equity per share (basic)	SEK	26.92	21.30	26.92	21.30	25.32
Diluted equity per share	SEK	26.90	21.30	26.90	21.30	25.31
Operating cash flow per share (basic)	SEK	2.08	0.98	3.55	0.67	2.83
Operating cash flow per share (diluted)	SEK	2.08	0.98	3.55	0.67	2.82
Average no. of shares during period, (basic)	No.	208,000,000	208,000,000	208,000,000	208,000,000	208,000,000
Average no. of shares during period, (basic)	No.	208,065,000	208,000,000	208,110,000	208,000,000	208,063,000

Quarterly performance measures – Group

		2023/24			2022/23			2021/22		
		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.	3,186.1	3,174.9	3,128.8	3,043.5	3,036.7	2,848.9	2,661.6	2,278.1	2,404.2
Growth	%	4.9	11.4	17.6	33.6	26.3	24.4	20.5	13.7	8.9
Gross margin	%	33.9	34.6	34.2	34.2	33.3	34.6	34.1	33.3	35.6
Operating profit/loss	SEK m.	322.1	334.9	734.5	277.5	119.8	269.6	191.4	131.3	237.5
Operating margin	%	10.1	10.5	23.5	9.1	3.9	9.5	7.2	5.8	9.9
Adjusted operating margin	%	10.1	10.6	7.9	9.1	9.5	9.5	8.6	5.8	10.4
Return on capital employed	%	23.4	20.9	20.1	13.3	12.4	14.7	14.5	14.9	14.2
Adjusted return on capital employed	%	16.7	16.6	15.7	16.1	15.6	15.5	15.4	15.1	14.4
Return on equity	%	24.2	21.4	22.6	13.3	12.2	16.1	15.1	15.0	14.9
Adjusted return on equity	%	15.0	15.1	15.8	17.9	17.4	17.4	16.5	15.4	15.2
Equity/assets ratio	%	55.6	56.8	54.7	46.5	43.8	44.0	45.5	47.2	45.7
Equity per share, (basic)	SEK	26.92	26.86	25.32	22.51	21.30	19.73	18.34	17.69	16.45
Equity per share after (basic)	SEK	26.90	26.84	25.31	22.51	21.30	19.73	18.34	17.69	16.45
Earnings per share (basic)	SEK	1.18	1.17	2.96	0.79	0.21	1.04	0.66	0.47	0.74
Earnings per share (diluted)	SEK	1.18	1.17	2.96	0.79	0.21	1.04	0.66	0.47	0.74
Adjusted earnings per share (basic)	SEK	1.18	1.19	0.63	0.79	1.02	1.05	0.85	0.47	0.80
Adjusted earnings per share (diluted)	SEK	1.18	1.19	0.63	0.79	1.02	1.05	0.85	0.47	0.80
Cash flow from operating activities per share (basic)	SEK	2.08	1.47	0.82	1.34	0.98	-0.31	-0.15	0.13	0.39
Cash flow from operating activities per share (diluted)	SEK	2.08	1.47	0.82	1.34	0.98	-0.31	-0.15	0.13	0.39

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.

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The Group applies the same accounting policies as described in the 2022/23 Annual Report.

No other new or revised standards, interpretations or improvements, as adopted by the EU, have affected the Group in any material way.

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 3,186.1 million (3,036.7), of which servicing of ventilation products accounted for SEK 144.8 million (119.0).

	2023/24	2022/23	2023/24	2022/23	2022/23
SEK m.	Aug-Oct	Aug-Oct	May-Oct	May-Oct	May-Apr
	3 mths	3 mths	6 mths	6 mths	12 mths
Europe					
Sale of goods recognised at a specific point in time	2,211.2	2,168.8	4,387.0	4,211.3	8,594.0
Sale of goods recognised over time	23.9	9.0	43.5	42.0	124.2
Servicing recognised at a certain point in time	72.3	61.9	144.8	108.0	238.8
Servicing recognised over time	66.6	50.6	126.8	96.1	206.2
	2,374.0	2,290.3	4,702.1	4,457.4	9,163.2
Americas, Middle East, Asia, Australia and Africa					
Sale of goods recognised at a specific point in time	734.8	693.7	1,512.4	1,331.7	2,664.2
Sale of goods recognised over time	71.4	46.2	136.3	81.8	200.3
Servicing recognised at a certain point in time	0.6	2.3	2.3	3.1	5.5
Servicing recognised over time	5.3	4.2	7.9	11.6	24.7
	812.1	746.4	1,658.9	1,428.2	2,894.7
Total					
Sale of goods recognised at a specific point in time	2,946.0	2,862.5	5,899.4	5,543.0	11,258.2
Sale of goods recognised over time	95.3	55.2	179.8	123.8	324.5
Servicing recognised at a certain point in time	72.9	64.2	147.1	111.1	244.3
Servicing recognised over time	71.9	54.8	134.7	107.7	230.9
	3,186.1	3,036.7	6,361.0	5,885.6	12,057.9

Note 3 Companies acquired

Companies acquired

The purchase price for Menerga d.o.o. in Slovenia was made up as follows:

	Menerga d.o.o
Total historical cost, less costs of acquisition	14.0
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Assets acquired	
Fair value of assets acquired, net	8.2
Goodwill	5.8
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Identifiable net assets	
Brands and customer relationships	2.3
Machinery and equipment	0.6
Financial and other non-current assets	0.2
Inventory	6.5
Trade accounts receivable	10.0
Other current assets	1.2
Cash and cash equivalents	1.8
Non-interest-bearing liabilities	-0.4
Other operating liabilities	-14.0
	<hr/>
	8.2

Payment for the acquisition was made in advance in April 2023.

The total impact from acquisitions and previously withheld purchase prices on cash flow was SEK -37.7 million. Payments of previously withheld purchase prices relate to the acquisitions of Sagicofim and SCS. No transaction costs in connection with the acquisitions have been charged to profit.

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, synergies expected to arise after the acquisition and the company's estimated future earning capacity.

Net sales for the acquired company between the time of the acquisition and the end of the period under review totalled SEK 21.8 million. Operating profit for the corresponding period was SEK 2.6 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 earnings before depreciation/amortisation and tax (EBITDA) for the financial years until 2024/25, plus the increase in value of the land and building where 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–October 2023, the liability has been revalued upwards by SEK 66.6 million and is now measured at SEK 87.0 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. For the period under review, May–October 2023, the liability has been revalued downwards by SEK 2.5 million and is now measured at SEK 9.5 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 two geographical segments of (i) Europe and (ii) 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 (i) Europe and (ii) 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 they are consolidated according to the same principles as for the Group as a whole.

	2023/24 Aug-Oct 3 mths	2022/23 Aug-Oct 3 mths	2023/24 May-Oct 6 mths	2022/23 May-Oct 6 mths	2022/23 May-Apr 12 mths
SEK m.					
Europe					
Net sales, external	2,374.0	2,290.3	4,702.1	4,457.4	9,163.2
Net sales, intra-Group	43.2	63.7	81.3	126.8	225.4
Operating profit/loss	297.5	111.6	576.9	370.0	1,384.7
Operating margin, %	12.5	4.9	12.3	8.3	15.1
Profit after net fin. items	288.8	-222.9	665.2	49.3	986.2
Profit margin, %	12.2	-9.7	14.1	1.1	10.8
Assets	6,251.1	5,769.9	6,251.1	5,769.9	6,049.5
Investments	-69.7	-49.2	-143.8	-120.5	-146.7
Depreciation/amortisation and impairments	92.6	250.5	172.1	332.9	479.3
Americas, Middle East, Asia, Australia and Africa					
Net sales, external	812.1	746.4	1,658.9	1,428.2	2,894.7
Net sales, intra-Group	5.1	7.9	9.6	17.2	36.8
Operating profit/loss	68.2	46.2	164.8	92.8	186.0
Operating margin, %	8.4	6.2	9.9	6.5	6.4
Profit after net fin. items	44.2	31.5	95.7	61.5	102.9
Profit margin, %	5.4	4.2	5.8	4.3	3.6
Assets	2,419.2	2,321.5	2,419.2	2,321.5	2,328.2
Investments	-10.4	-15.2	-56.3	-29.2	-76.3
Depreciation/amortisation and impairments	18.1	14.7	36.2	28.9	58.3

	2023/24 Aug-Oct 3 mths	2022/23 Aug-Oct 3 mths	2023/24 May-Oct 6 mths	2022/23 May-Oct 6 mths	2022/23 May-Apr 12 mths
SEK m.					
Group-wide					
Net sales, intra-Group	52.1	44.3	98.1	90.1	181.9
Operating profit/loss	-43.6	-38.0	-84.7	-73.4	-169.3
Profit after net fin. items	-26.3	300.9	-137.3	264.5	205.8
Assets	4,454.5	5,361.8	4,454.5	5,361.8	4,688.4
Investments	-4.7	-28.2	-51.6	-350.3	541.6
Depreciation/amortisation and impairments	1.7	8.3	8.8	14.9	30.7
Eliminations					
Net sales, intra-Group	-100.4	-115.9	-189.0	-234.1	-444.1
Assets	-3,048.6	-3,241.8	-3,048.6	-3,241.8	-3,433.0
Total					
Net sales, external	3,186.1	3,036.7	6,361.0	5,885.6	12,057.9
Operating profit/loss	322.1	119.8	657.0	389.4	1,401.4
Operating margin, %	10.1	3.9	10.3	6.6	11.6
Profit after net fin. items	306.7	109.5	623.6	375.3	1,294.9
Profit margin, %	9.6	3.6	9.8	6.4	10.7
Assets	10,076.2	10,211.4	10,076.2	10,211.4	9,633.1
Investments	-84.8	-92.6	-251.7	-500.0	318.6
Depreciation/amortisation and impairments	112.4	273.5	217.1	376.7	568.3

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 APMs 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: <https://group.systemair.com/investor-relations/financial-information/financial-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, impairments, hyperinflation adjustments 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.

Net debt/equity ratio

Net debt in relation to operating profit before depreciation, amortisation and impairment (EBITDA).

Adjusted net debt/equity ratio

Net debt in relation to adjusted operating profit before depreciation, amortisation and impairment (adjusted EBITDA).

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.

LTIFR

Lost Time Injury Frequency Rate. The number of work-related injuries with sickness absence per 1 million hours worked.

Emission intensity

Calculated as total Scopes 1 and 2 emissions divided by Cost of Goods Sold (COGS). As regards both emissions and COGS for all years, any divested operations are disregarded. Similarly, those for any acquired operations are taken into account.