

Q1 report 2017-18

Roland Kasper CEO, Anders Ulff CFO



Ventilation World Wide

6.9
billion SEK 2016/17

50
countries

5200
employees

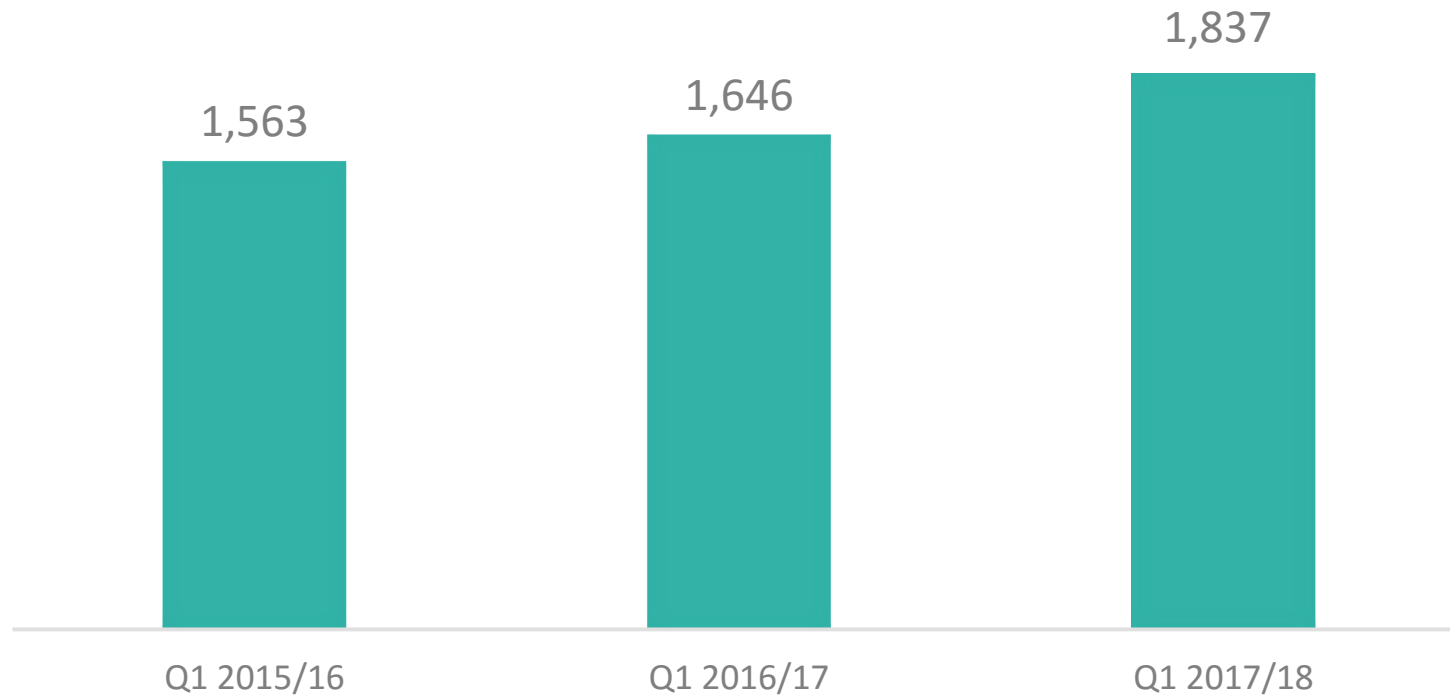
94%
sales outside Sweden

NASDAQ
OMX Nordic
Exchange

>100
countries exported to

Net Sales – Q1

SEK Millions



11.6%
Growth

4.2%
Organic Growth

Sales growth – Q1

Organic growth

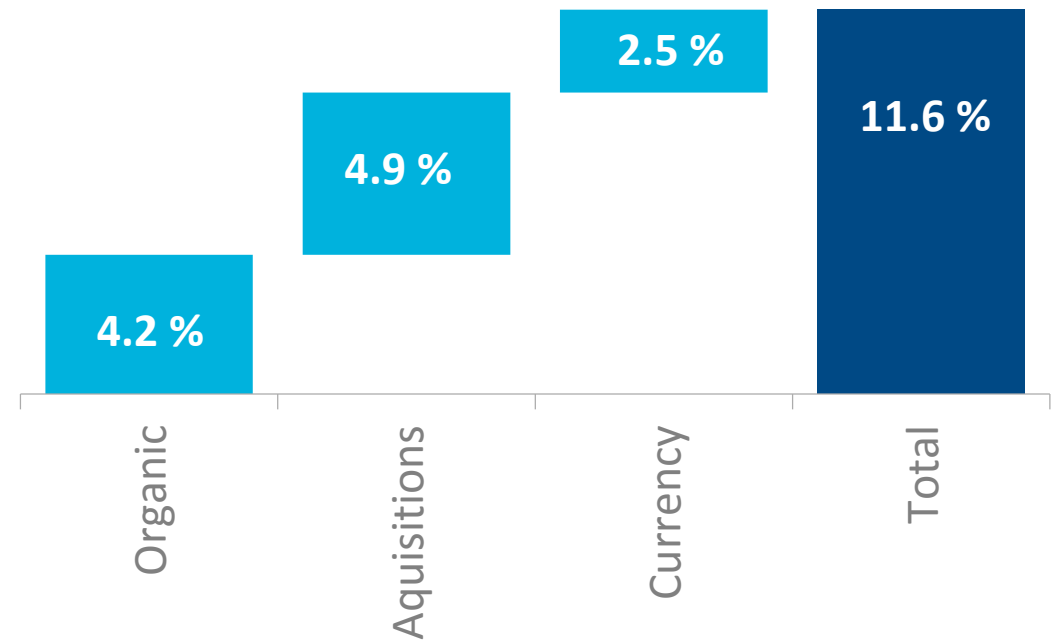
- Continued good development in all of Scandinavia, Western Europe and North America. Russia continues to grow well.

Aquisitions

- Viking from Q1 apart from 2VV, TTL & Frivent

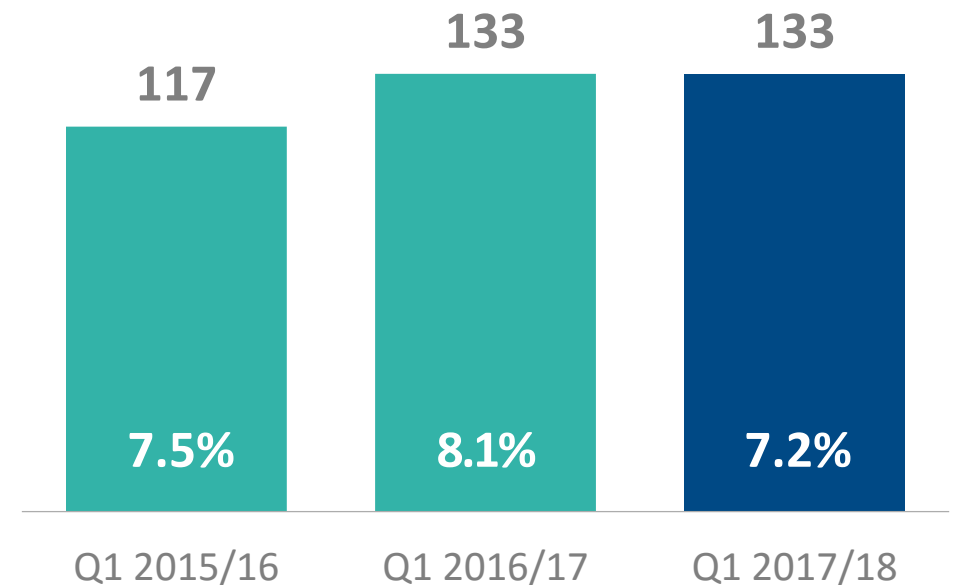
Currency

- Mainly stronger RUB and EUR



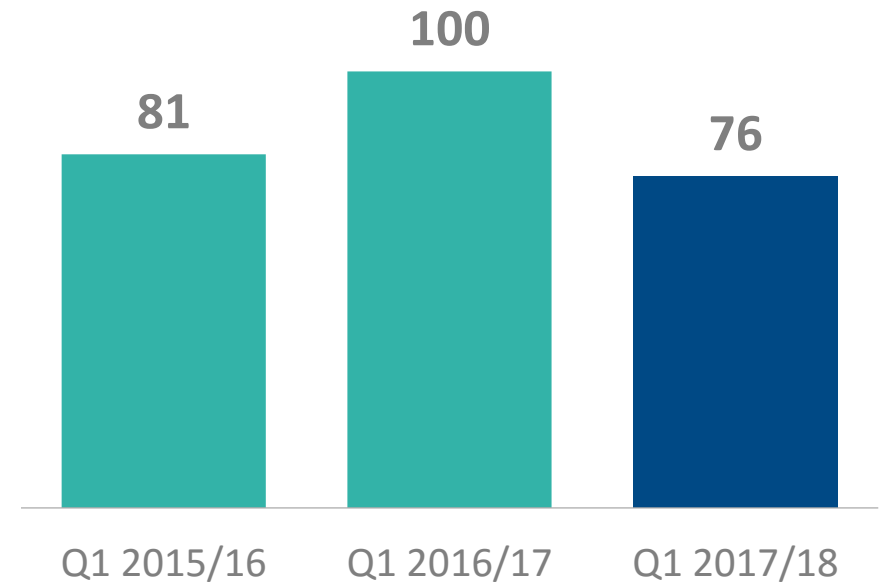
Operating profit – Q1

- Gross margin amounted to 33.0 percent (34.8). Some interruptions in production due to investments and new recruitments.
- Change in product mix (ChangeAir).
- Selling and administrative expenses increased by 10.3 percent.



Profit after tax – Q1

- Net financial items amounted to SEK -26.9 million (+2.3).
- Currency effects on long-term receivables, loans and bank deposits amounted to a net of SEK -20.6 million (+8.2). Loans for the Turkish factory is partly the reason.
- Interest expenses for the quarter amounted to SEK -7.8 million (-5.9).
- Tax for the quarter amounted to -30.4 million (-35.8) or 28.7 percent.



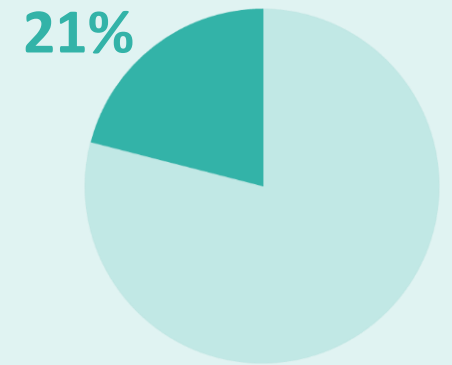
Cash flow analysis – Q1

	Q1 2017/18	Q1 2016/17
Cash flow from operating activities	111.5	150.1
Changes in working capital	-37.7	-36.0
Net Capital Expenditures, excl acq.	-117.3	-25,9
Free cash flow	-43,5	88.2
Net debt	1 471.2	1 345.3

- The decrease in working capital is mainly attributable to an increase in trade receivables

Nordic

- During the first quarter, sales in the Nordic region increased 17 percent from the preceding year.
- Adjusted for foreign exchange effects and acquisitions, sales rose by 12 percent.
- All markets showed growth during the quarter.
- Residential, MRT and AHU are driving the growth



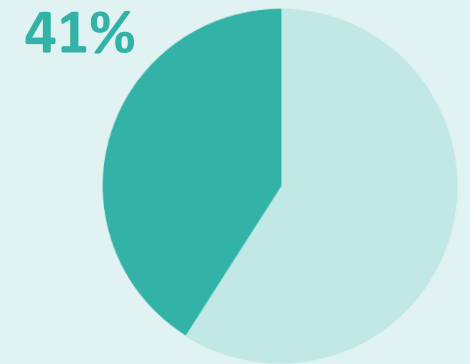
■ Percentage of turnover

383 MSEK Sales

Growth	17%
Organic	12%

Western Europe

- Sales in the West European market grew 11 percent during the quarter.
- Adjusted for foreign exchange effects and acquisitions sales were stable.
- Portugal, Spain and France developed well during the period while sales decreased slightly in UK and Germany adjusted for acquisitions.



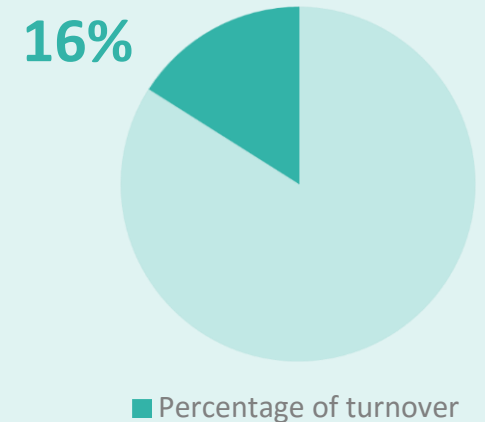
■ Percentage of turnover

750 MSEK Sales

Growth	11%
Organic	0%

Eastern Europe & CIS

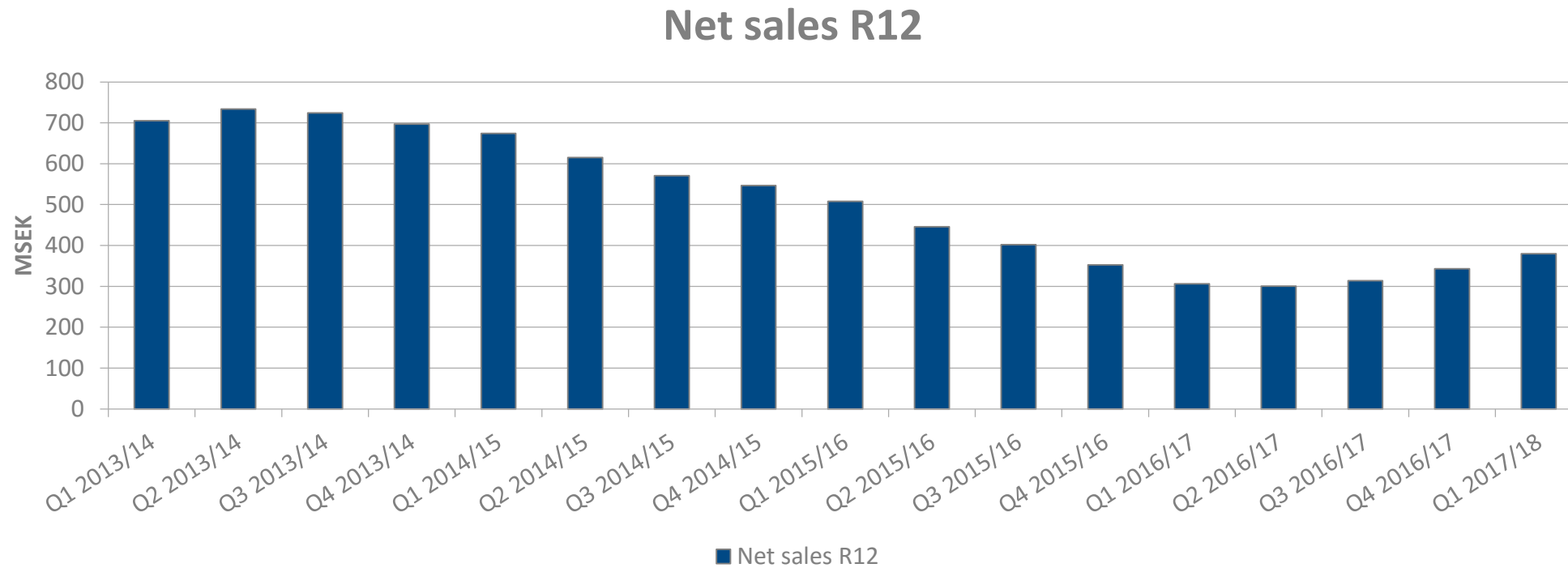
- Sales in Eastern Europe and the CIS increased by 29 percent during the quarter.
- Adjusted for foreign exchange effects and acquisitions, sales increased 14 percent.
- The Russian market grew for the third quarter in a row.
- During the period, Lithuania, Czech and Poland performed very well driven by BPR and AHU sales



291 MSEK Sales

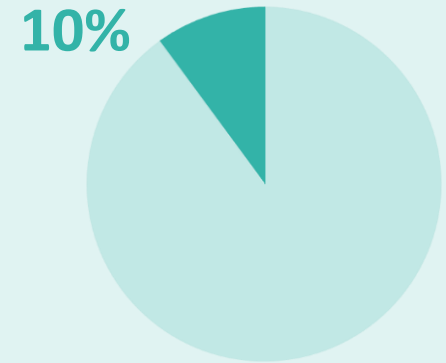
Growth	29%
Organic	14%

Russia Net sales R12



North- and South America

- Sales in the North and South American region grew 7 percent during the quarter.
- Adjusted for foreign exchange effects and acquisitions, sales increased 4 percent.
- Especially the Canadian market developed positively during the quarter.
- The American market performed well, local CPV projects now starting.
- South America continues slow, Brazil shows improvement vs last year.



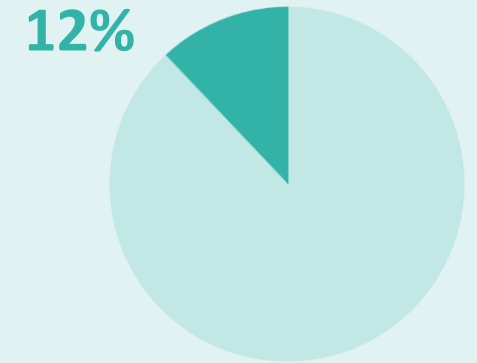
■ Percentage of turnover

181 MSEK Sales

Growth 7%
Organic 4%

Other Markets

- Sales in Other markets decreased by 6 percent during the quarter.
- Adjusted for foreign exchange effects and acquisitions sales decreased by 4 percent.
- In India, sales have fallen as a result of the introduction of a new tax system.
- Previous year's sales figures includes a larger project delivery in the Middle East.
- Turkey continues very strong with good growth



232 MSEK Sales

Growth	-6%
Organic	-4%

Acquisition of Viking

- Produces and sells customized air handling units, with and without integrated cooling, for commercial use
- Office and manufacturing in Spartan, Johannesburg, South Africa
- Turnover around 40 MSEK
- The company has 45 employees in rented premises of 3000 m²



226 air handling units to the German company Linde AG, Munich

Systemair Germany has received an order of a value of approx. 15 MEUR, to the German company Linde AG. The order consists of 226 air handling units designed to highest technical standards, explosion proof and will serve process ventilation installations together with 27 chillers and 23 dry coolers.



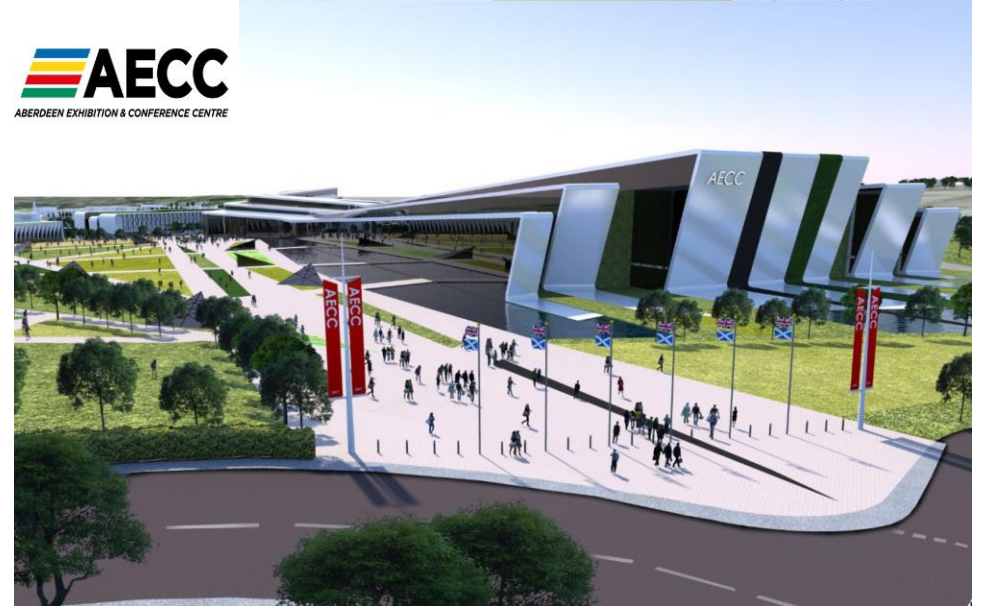
Systemair fans in luxury hotels, apartments and shopping malls in Colombo, Sri Lanka

Colombo City Centre is at the forefront of the dynamic changes transforming Sri Lanka into one of the world's most exciting cities by giving Colombo a brilliant City Center. In this 47 story building, luxury hotels, apartments and shopping malls are built, where Systemair's inline and axial fans will be installed.



Systemair UK receives large order for Aberdeen Exhibition & Conference Centre in Scotland

The new state-of-the-art venue will include a capacity arena, flexible exhibition space, three hotels and its very own energy centre. Systemair UK will be supplying air handling units, suitable for coastal application with airflows up to 72,000 m³/hr. The project value is approx. 1.2 MEUR.





**Thank you,
welcome with questions!**