

Q1 report 2018-19

Roland Kasper CEO, Anders Ulff CFO





Established at HQ in
Skinnskatteberg, Sweden

1974



Turnover
Annual net sales in mill. EUR

730



Number of countries with
own sales companies

50



NASDAQ
OMX Nordic Exchange

2007



Average number of
products on stock at our
main distribution centres

>1,400



Number of
employees

5,500



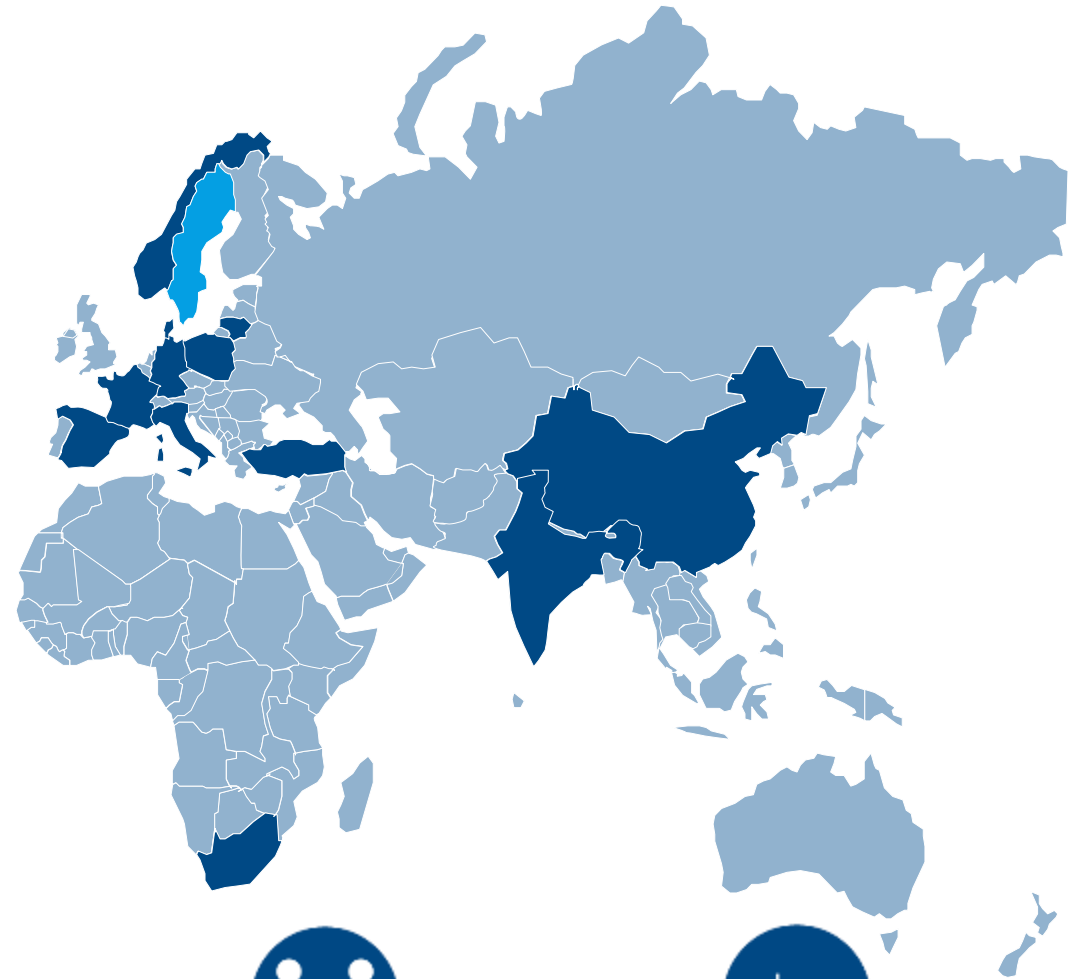
Number of
customers

> 20 300



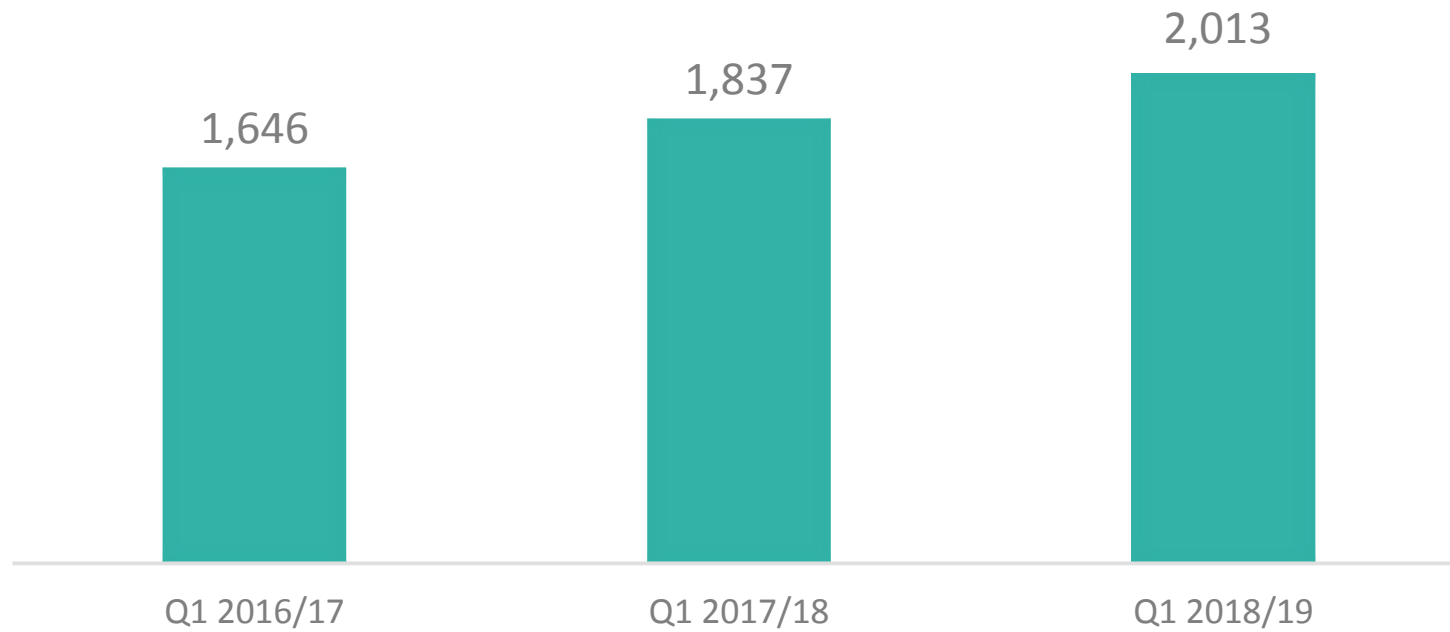
Countries
exported to

>100



Net Sales – Q1

SEK Millions



9.6%
Growth

5.4%
Organic Growth

A good start to the new year

Organic

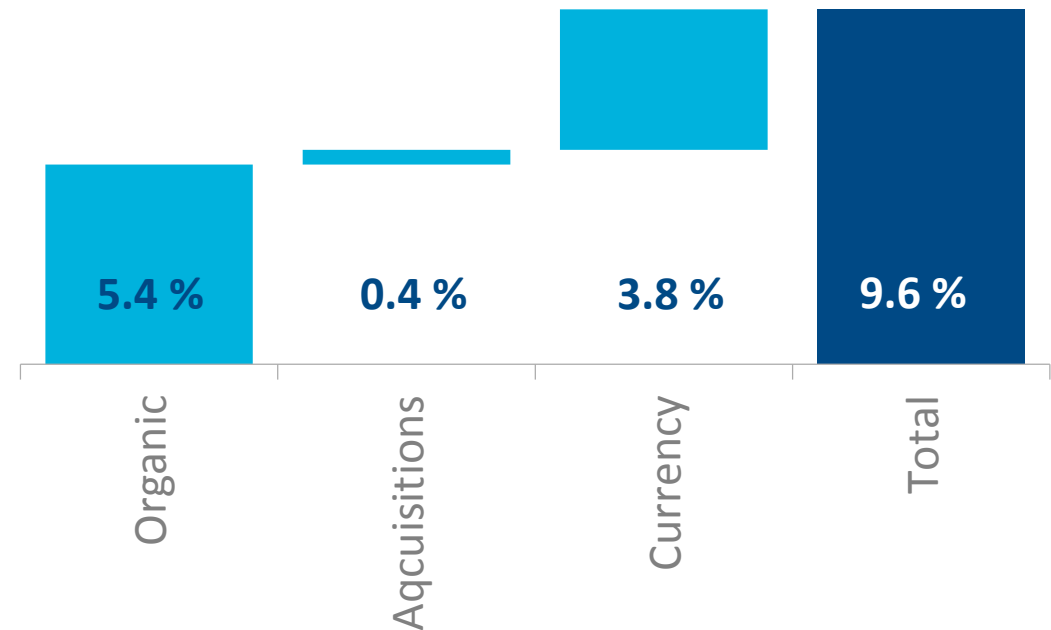
- Especially good organic growth in Western Europe and in Eastern Europe.

Acquisitions

- Mainly effected by the acquisition of Syneco and the divestment of Reftec

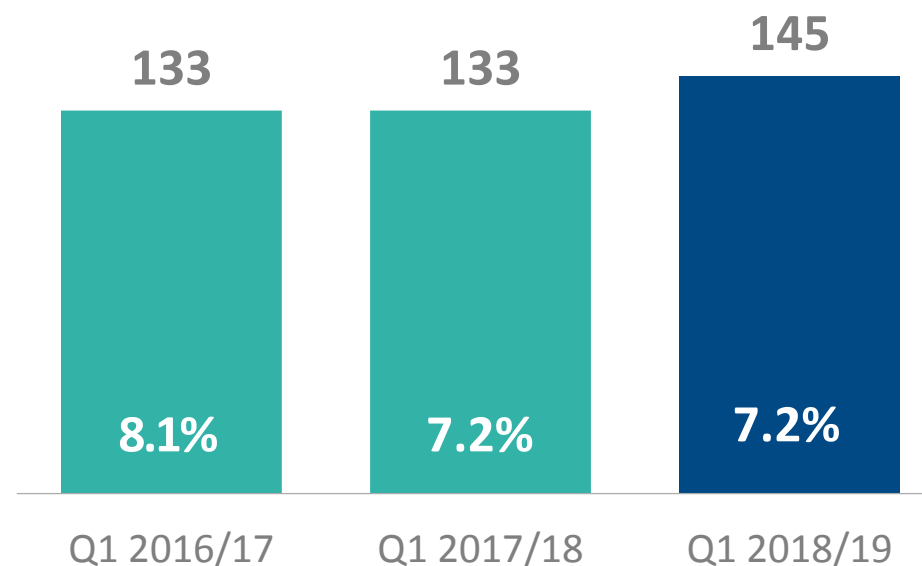
Currency

- Strengthened EUR



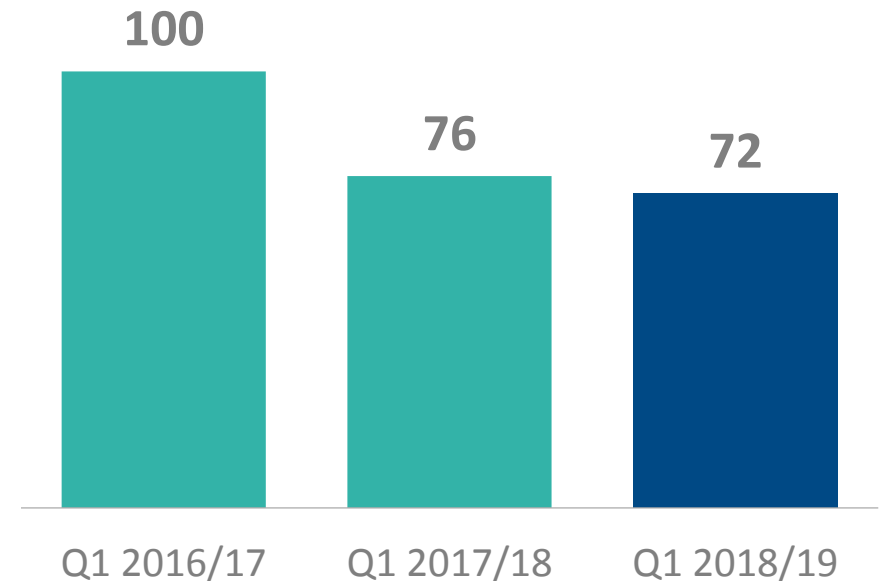
Operating profit – Q1

- Gross margin decreased to 32.3 percent (33.0). The lower gross margin was partly due to the major project for which a loss was recognised in the fourth quarter and for which final invoicing took place in the quarter.
- Restructuring within Menerga and the move of Frivent's production in Austria to Slovenia amounted to SEK 6.3 million.
- Selling and administration expenses for the quarter increased with 8.4 percent for comparable units. A provision for a doubtful receivable in the Middle East amounted to SEK 4.9 million.
- Operating profit for the first quarter amounted to SEK 144.9 million (132.9).



Profit after tax – Q1

- For the first quarter, net financial items amounted to SEK -35.4 million (-26.9).
- Currency effects on long term receivables, loans and bank amounted to net SEK -28.7 million (-20.6) net. Relates mainly from long-term liabilities for Swedish subsidiaries in EUR and from the weakening of the Turkish lira.
- Interest expenses for the quarter totalled SEK -6.9 million (-7.8).
- Tax for the quarter amounted to -37.5 million or 34.2 percent attributable to non-capitalised tax loss carry-forwards in loss-making companies.



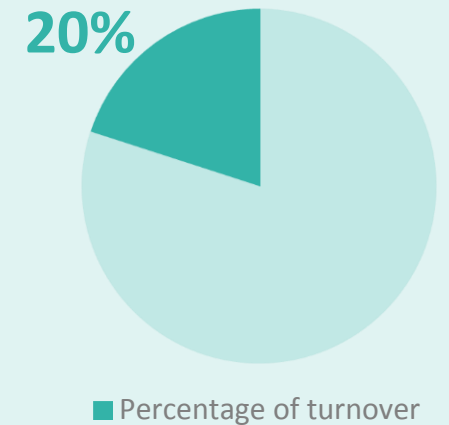
Cash flow analysis – Q1

	Q1 2018/19	Q1 2017/18
Cash flow from operating activities	120.2	111.5
Changes in working capital	-45,1	-37.7
Net Capital Expenditures, excl acquisitions/divestments	-103.8	-117.3
Free cash flow	-28,7	-43.5
Net debt	1,814,4	1,444,3

- Negative impact of working capital due to increased inventory and trade receivables
- Investments in machinery and equipment in Canada, Turkey and Lithuania

Nordic

- Sales were 7 percent higher than the same period last year.
- The Norwegian, Finnish and Swedish markets reported good growth during the quarter, while sales in the Danish market declined.
- Adjusted for foreign exchange effects, acquisitions and disposals, sales rose 4 percent.

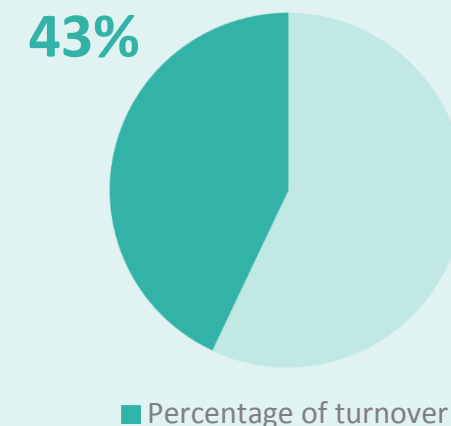


409 MSEK Sales

Growth 7%
Organic 4%

Western Europe

- Sales in the West European market were 16 percent higher than in the corresponding period last year.
- Adjusted for foreign exchange effects and acquisitions, sales rose by 8 percent.
- Several markets in the region performed well during the period, including Italy, the Netherlands, the UK and Germany, while sales declined in Austria, Spain and Switzerland.

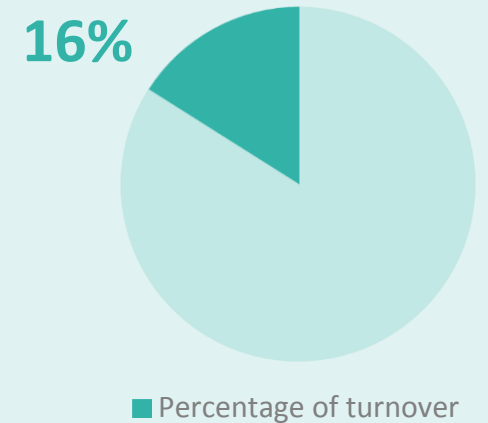


869 MSEK Sales

Growth	16%
Organic	8%

Eastern Europe & CIS

- Sales in Eastern Europe and the CIS rose by 11 percent during the quarter.
- Adjusted for foreign exchange effects and acquisitions, sales rose by 8 percent.
- Sales in Russia decreased slightly during the quarter, compared with the same period in the preceding year. The Russian market accounts for 5 percent of Systemair's total sales, as against 6 percent in the previous year.
- Major markets in the region showing growth during the period include the Czech Republic, Slovakia and Slovenia.

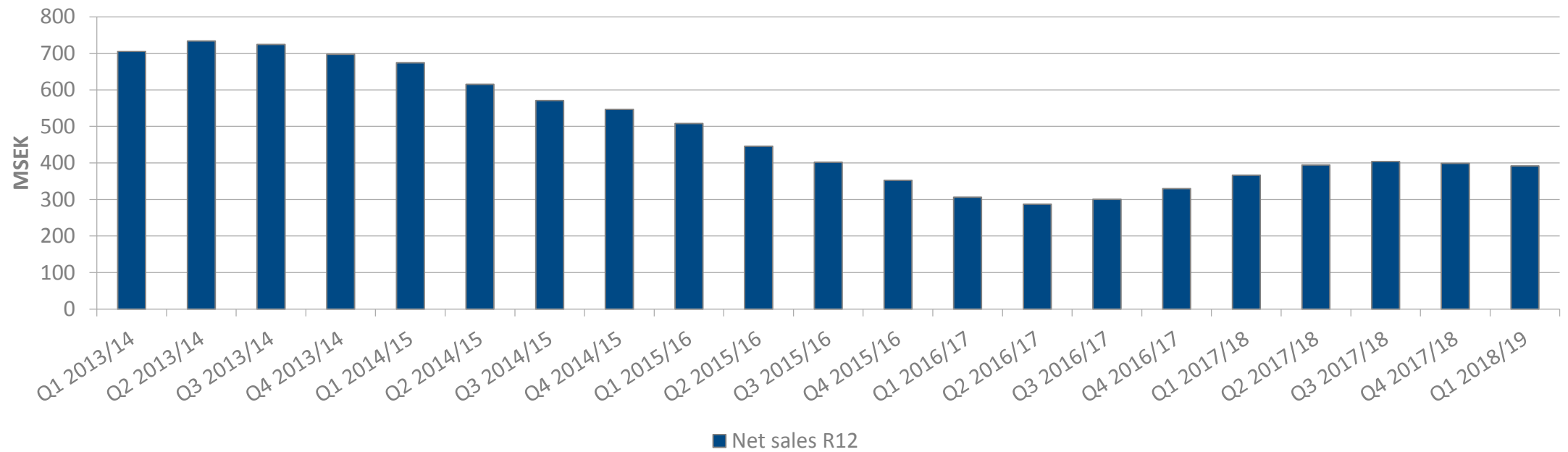


324 MSEK Sales

Growth	11%
Organic	8%

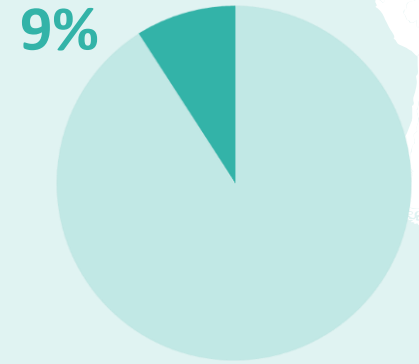
Russia Net sales

Net sales R12



North- and South America

- Sales in the North and South America region during the quarter were 1 percent higher than in the same period last year.
- The Canadian market performed well in the quarter, while the US market declined slightly.
- Adjusted for foreign exchange effects and acquisitions, sales decreased by 1 percent in the region.



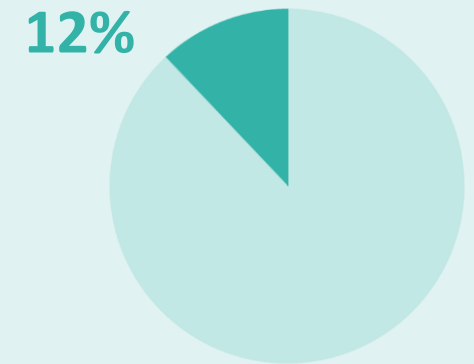
■ Percentage of turnover

183 MSEK Sales

Growth	1%
Organic	-1%

Other Markets

- Sales in Other markets declined by 2 percent during the quarter, compared with the same period in the preceding year.
- Adjusted for foreign exchange effects and acquisitions, sales rose by 2 percent.
- Sales in India, South Africa and the Middle East increased during the quarter but declined in Turkey, measured in Swedish kronor.



■ Percentage of turnover

228 MSEK Sales

Growth	-2%
Organic	2%

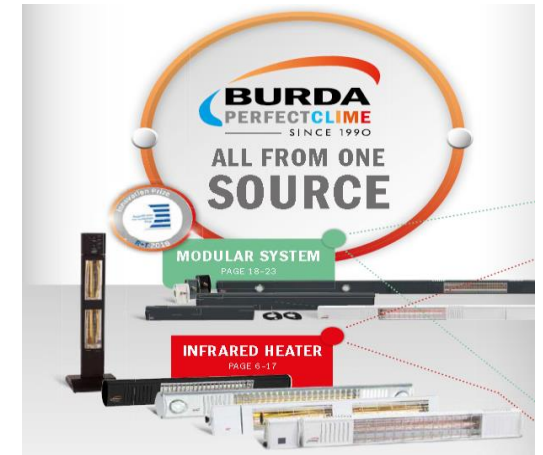
Acquisition of Greentek

- Produces and sells residential air handling units for the North American market
- Systemair will be one of the major three producers of residential air handling units in Canada after the integration
- Greentek's turnover around amounts to 70 MSEK
- Transfer of ownership is planned 4 September 2018
- We will with immediate effect relocate the production to Bouctouche where Systemair has production of residential air handling units



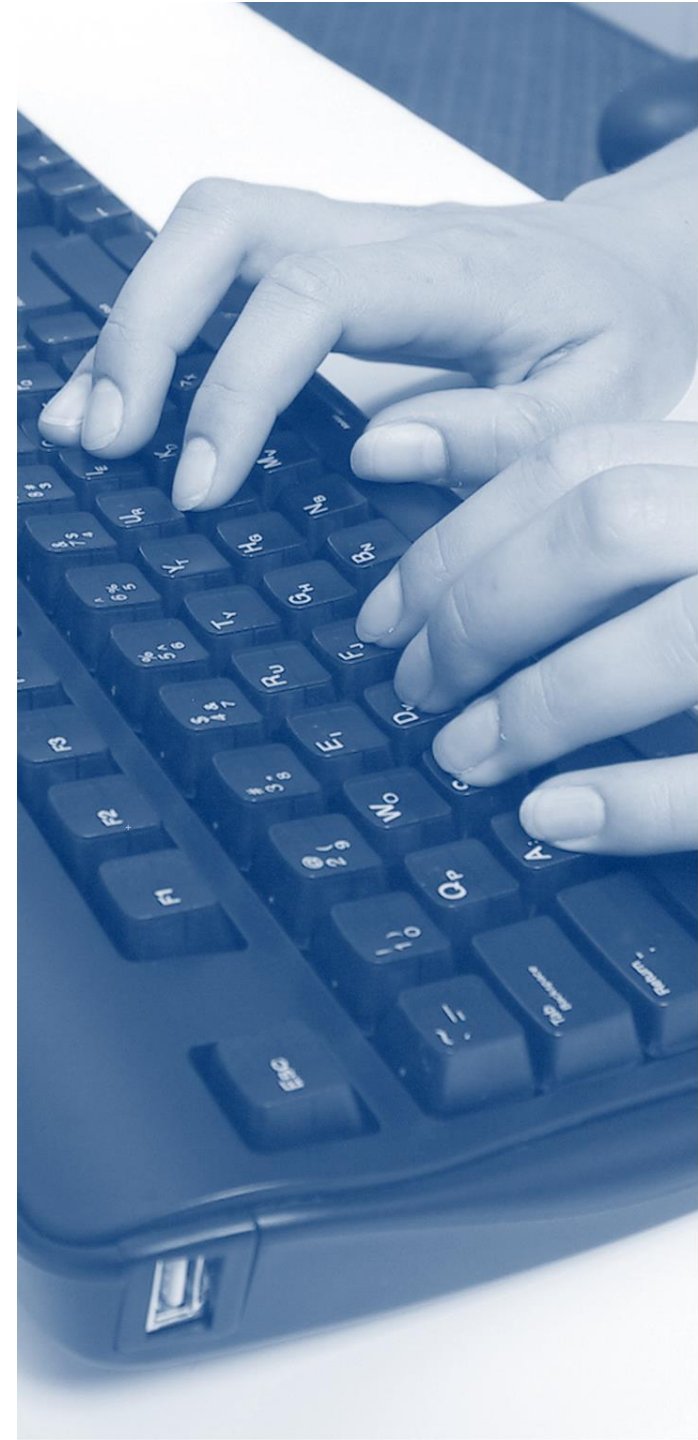
Acquisitions & Divestments

- Systemair has acquired 49.9 percent in Burda WTG in Germany. Burda sells and develops radiant heater for outdoor use with a turnover of EUR 2.8 million.
- Systemair has acquired a 21% minority of the shares in Pacific HVAC Engineering in Australia. The company is a wholesaler of ventilation products on the Australian market. The company generates sales of around AUD 29 million.
- The Norwegian company Reftec A/S has been divested to the former management. The company will continue to operate as distributor of Systemair's air conditioning products in Norway.



New Product database

- New webpages with easier access to information
- Improved structure and access to our PIM system
- Increased service level due to technical improvements and new improved functionality with e-sales, product selection and product management





**Thank you,
welcome with questions!**