



Systemair AB Q2 2016/17

Roland Kasper, CEO

Anders Ulff, CFO

Ventilation World Wide



**SEK 6.1
Billion
2015/16**

**49
companies**

**5 000
employees**

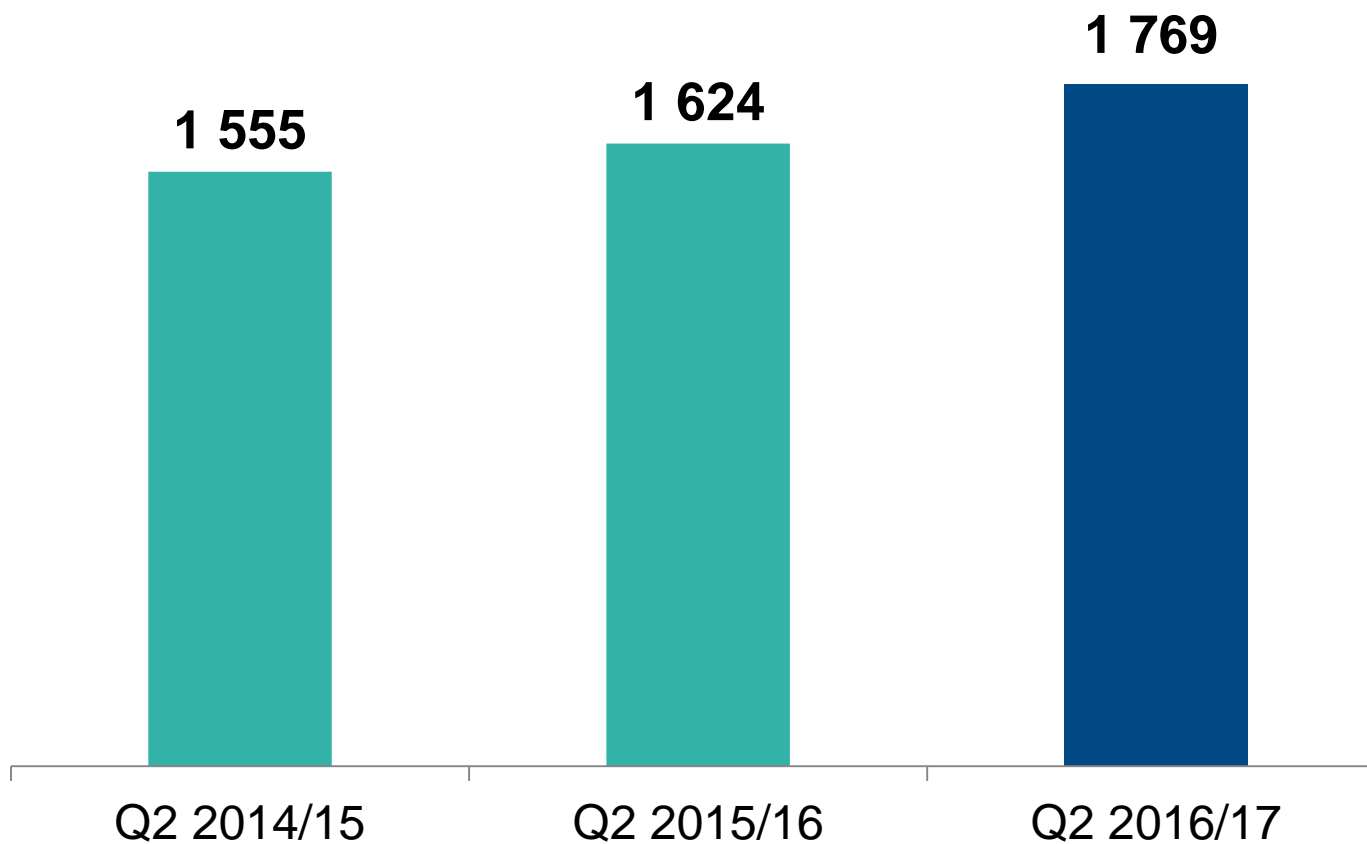
**NASDAQ
OMX Nordic
Exchange**

**Export to
more than
100
countries**

**93% of
sales
outside
Sweden**

Net Sales Q2

Net Sales, SEK millions



8.9%

GROWTH

4.8%

**ORGANIC
GROWTH**

Upward trend continues

Organic

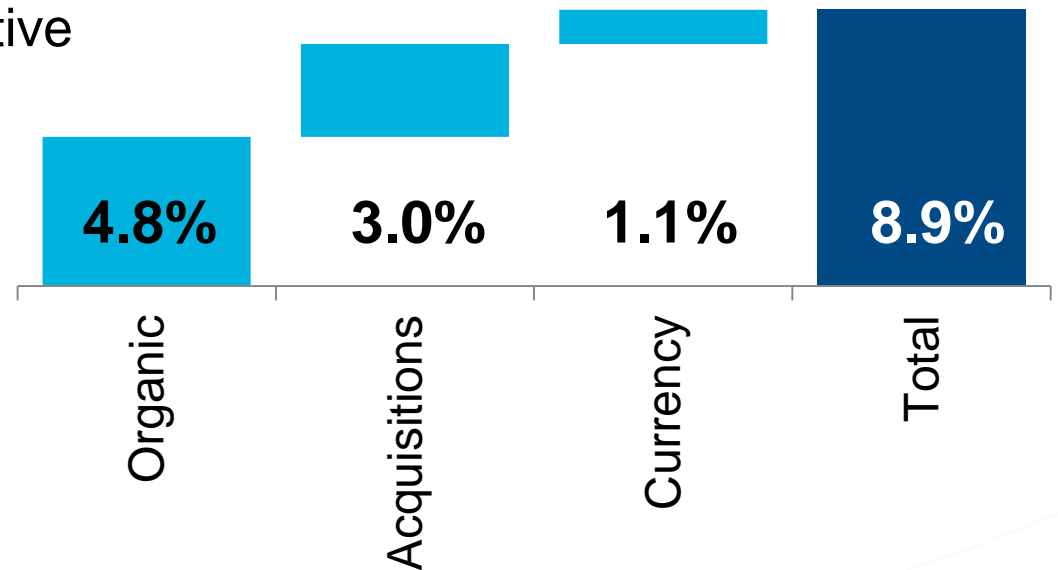
- Continued good growth in the Nordic countries, the US and even in parts of Western Europe.
- Turkey strong but tough comparative figures for the Middle East

Acquisitions

- 2VV included from September and TTL from October

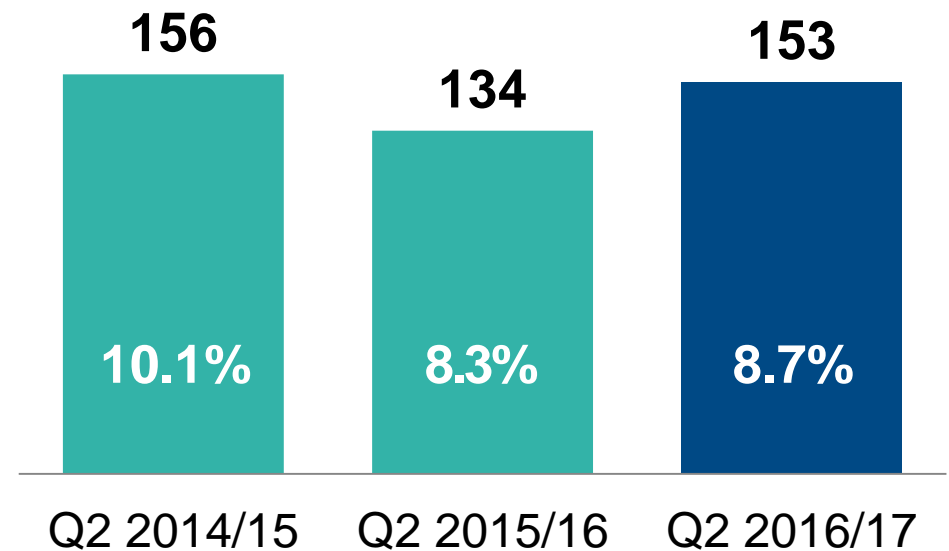
Currency

- Average rate limits the impact of currency



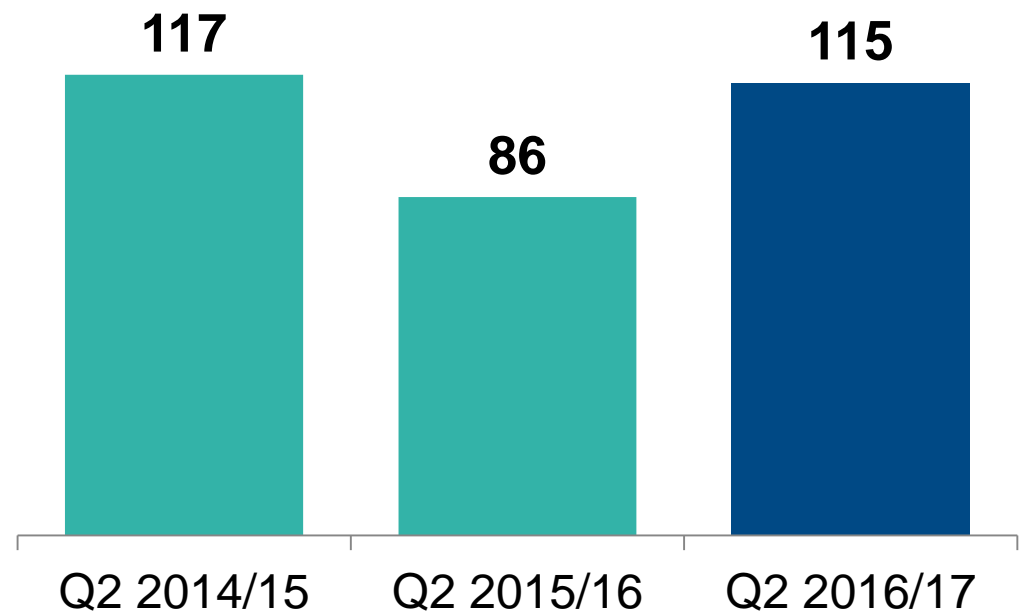
Operating Profit – Q2

- Gross margin in the quarter fell to 35.2% (35.4). Unchanged when adjusting for restructuring costs.
- Restructuring costs for the quarter amounted to SEK 9.2 million, a total of 10.6 million.
- Adjusted operating profit amounted to 162.4 million or 9.2% operating margin.
- S&A excluding acquisitions increased 3.5%



Profit after Tax – Q2

- Positive net financial items of SEK 3.2 million (-15.6). Explained by currency effects.
- Interest expense -5.2 million (-5.5)
- Normal tax rate of 26.3%



Cash Flow Analysis – Q2

	Q2 2016/17	Q2 2015/16
Operating profit	153.2	134.3
Changes in working capital	0.8	-13.6
Acquisition of subsidiaries	-113.6	-32.7
Investments in fixed assets	-25.3	-52.7
From financing activities	-55.5	-3.3
Cash at the end of the period	229.3	242.3
Net debt	1 476.3	1 345.7

- Continued improvement in working capital mainly relates to inventories and other current liabilities.
- The rate of investment in fixed assets has decreased.

Nordic

- The Danish and Finnish markets continue to develop positively.
- Swedish sales organization has been reorganized.
- Norwegian market is developing well. Many infrastructure projects ongoing

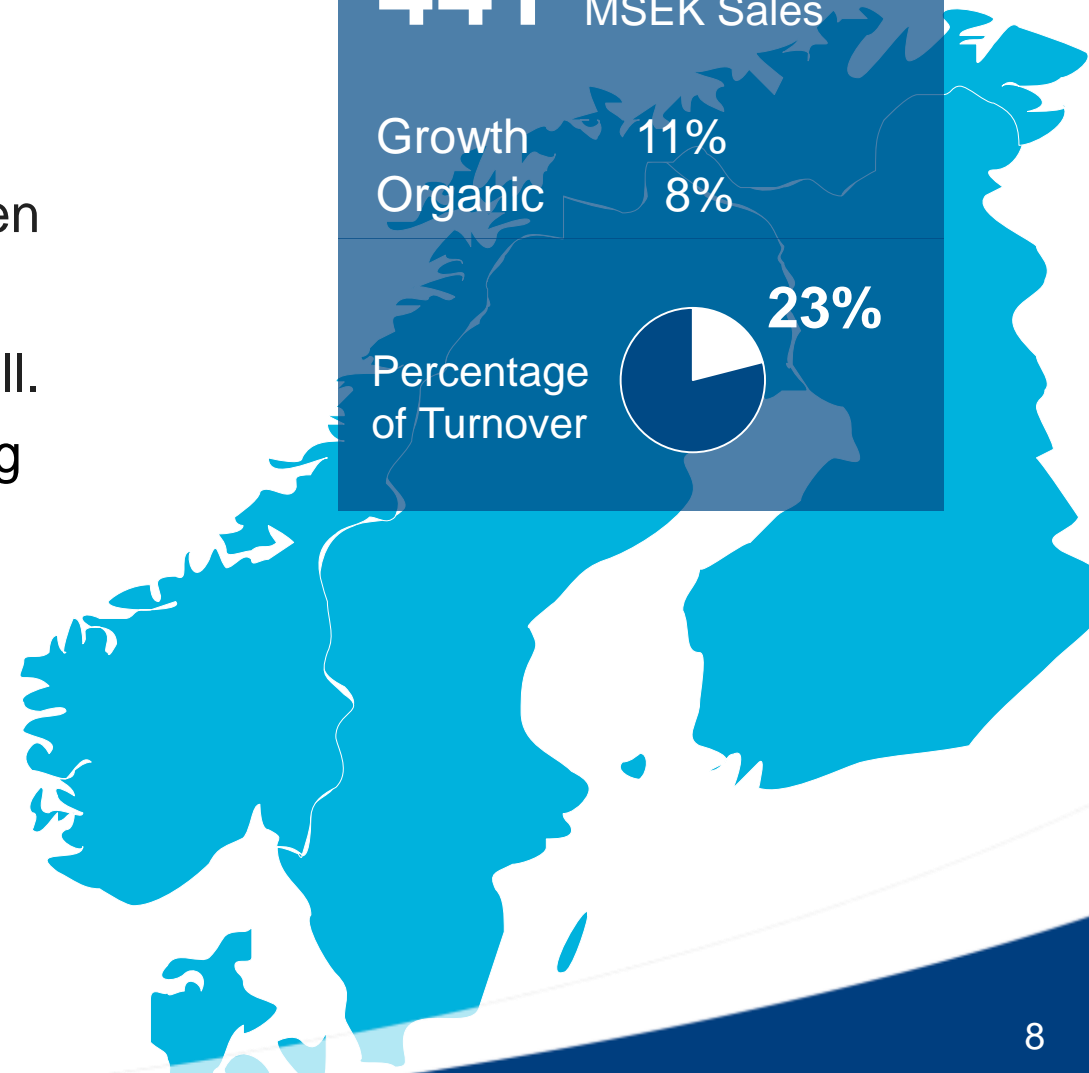
441 MSEK Sales

Growth 11%
Organic 8%

Percentage of Turnover

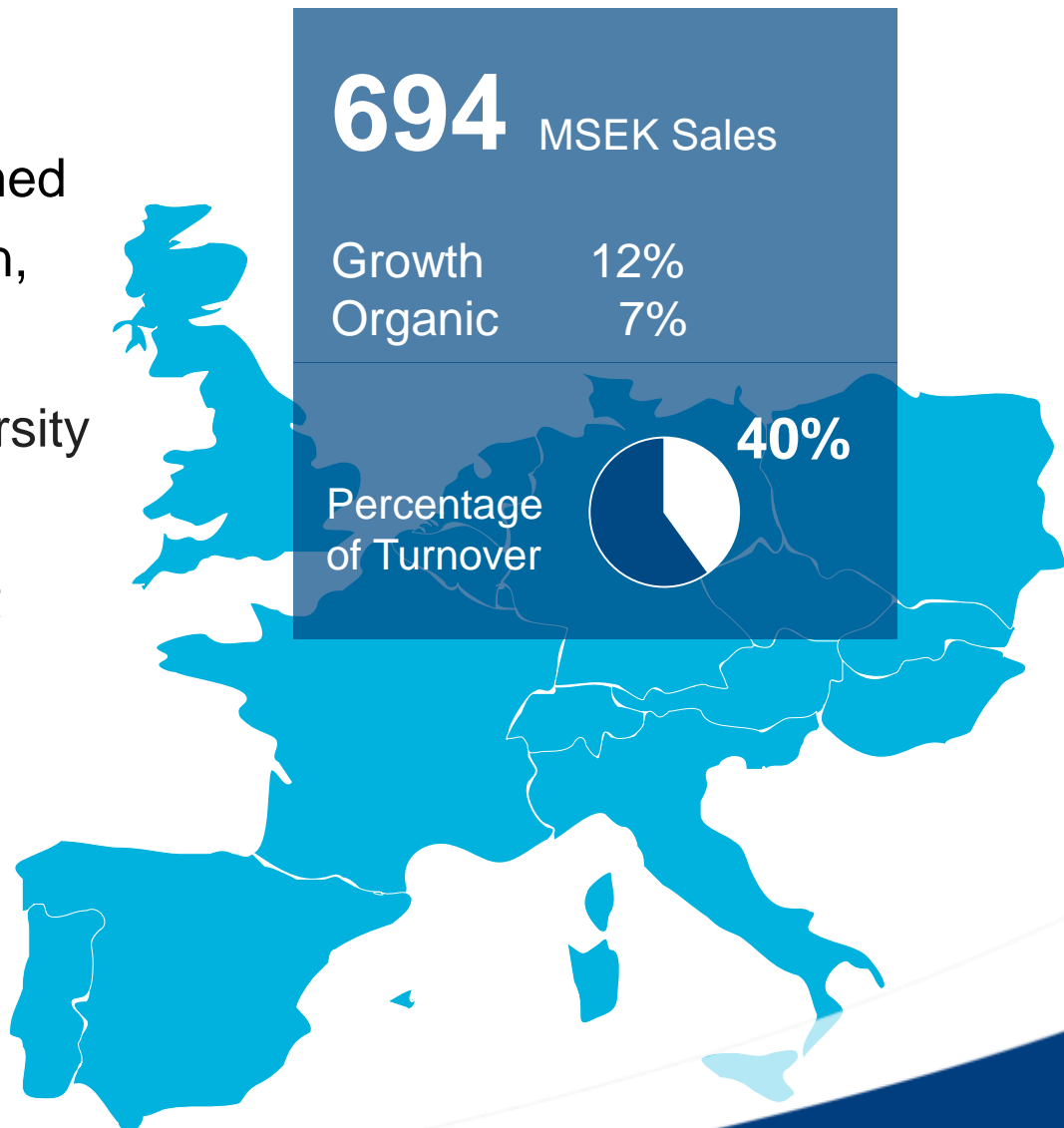


23%



Western Europe

- Several markets in the region performed well during the period, including Spain, France and Italy.
- Order of EUR 1.2 million to the University Clinic of Navarra, Spain.
- Somewhat calmer on German market during the second quarter.



Eastern Europe & CIS

- Sales in Russia decreased by 6 percent during the period, in SEK.
- The Russian market accounted for 5 percent of Systemair's total sales, compared with 7 percent the year before.
- Good development in the Czech Republic.

256 MSEK Sales

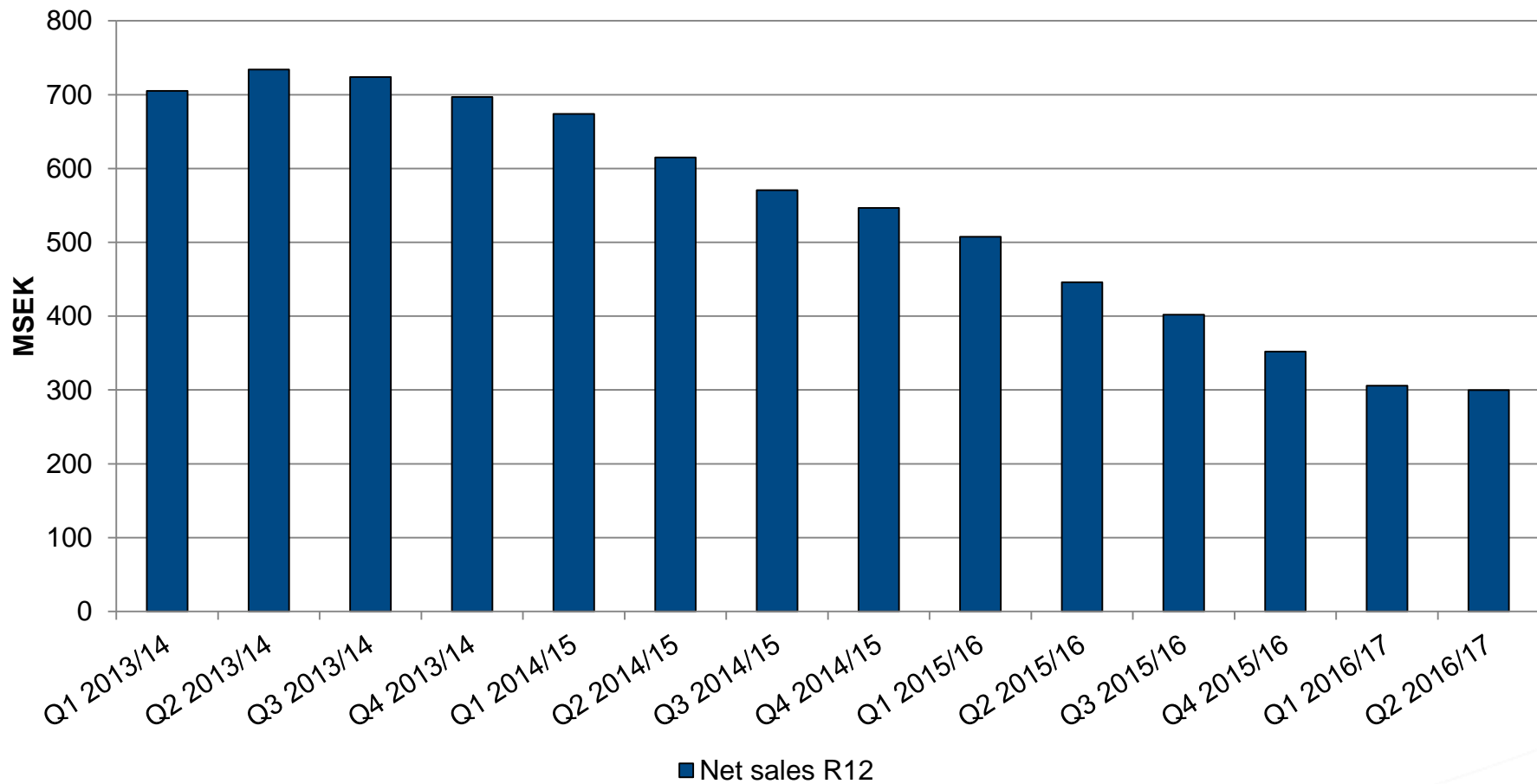
Growth 2%
Organic -3%

Percentage of Turnover **14%**



Russia

Net sales R12



North- & South America

- Sales increased by 16% adjusted for currency.
- The US market developed positively during the quarter and it is especially larger projects of ventilation units for classrooms that contribute to the increase.
- Export efforts to Mexico is paying off.
- Peru developed well, still challenging in Brazil.

148 MSEK Sales

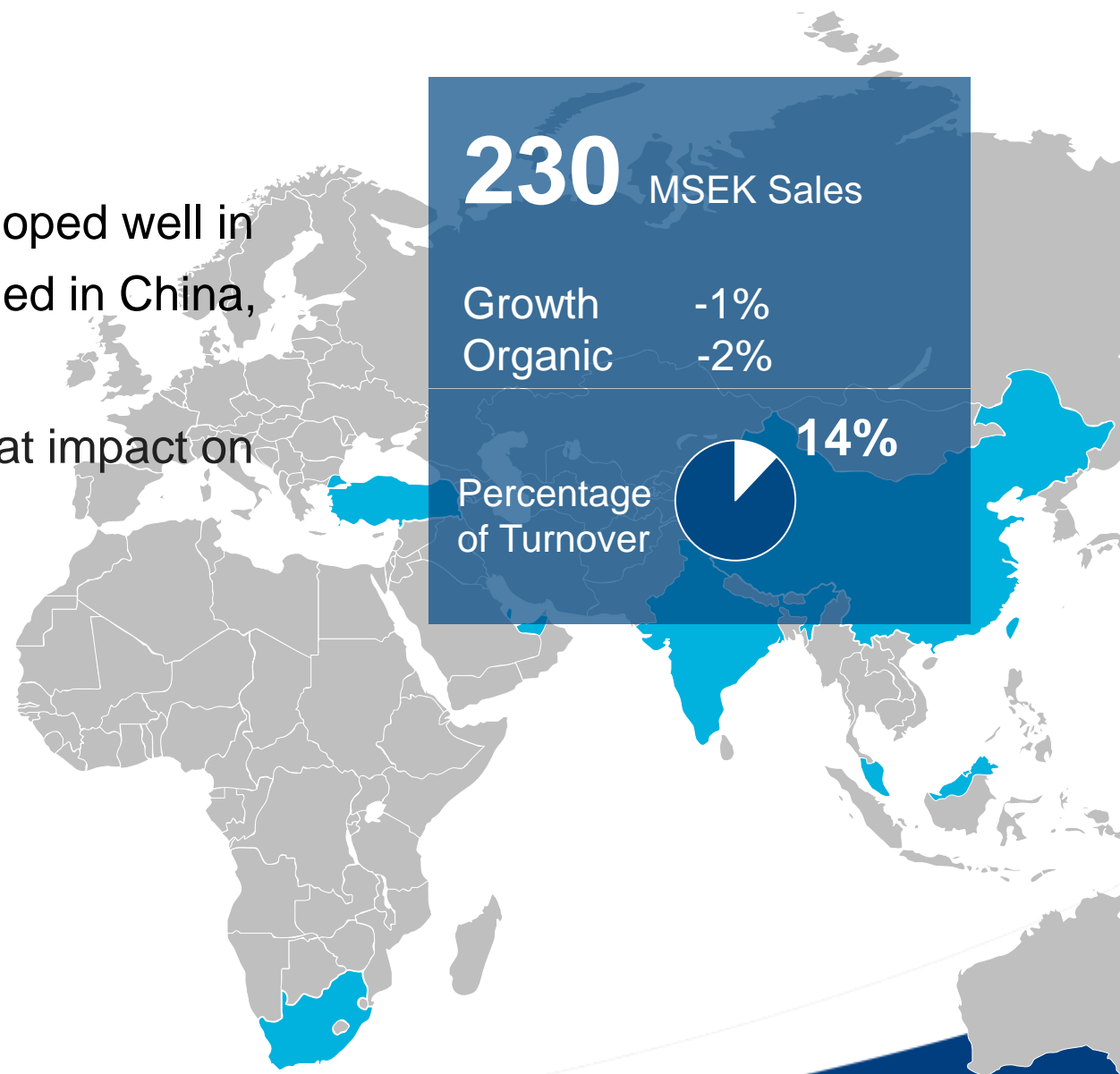
Growth 21%
Organic 16%

Percentage of Turnover 9%

A pie chart with a dark blue background and a white slice representing 9% of the total. The slice is positioned at the top right of the circle.

Other markets

- The Turkish market has developed well in the quarter, while sales declined in China, Dubai, Qatar and India.
- A single large project had great impact on the quarterly figures last year.



Acquisitions during the year

Company	Country	Net Sales	Systemair share	Date of consolidation
TTL	Germany	4.0 MEUR	-	Oct 2016
2VV	Czech Republic	18.0 MEUR	-	Sep 2016
Menerga	Poland	2.0 MEUR	75%	Mar 2016
Menerga	Belgium	4.2 MEUR	75%	Nov 2015

2VV



- A leader in the development and manufacturing of air handling units for industrial and residential and air curtains for commercial applications.
- 189 employees.
- Office and manufacturing Pardubice 120 km east of Prague.
- Turnover of 18 MEUR 2015.



TTL



Luftschleieranlagen

- Manufacturer of high quality air curtains.
- 24 employees.
- Office and manufacturing in Winterbach near Stuttgart.
- Turnover of 4 MEUR 2015.



University Clinic of Navarra

- Systemair delivers 86 hygiene certified air handling units.
- The order value is approximately SEK 12 million.

Products

Axial fan with Guide Vanes

- Improved impeller efficiency
- Axial fan operate at a low sound level
- New design available in 5 different sizes from 315 up to 500 mm
- Unique ErP compliant high efficiency profile
- Aerofoil impeller with adjustable pitch angle





Restructuring program within Systemair

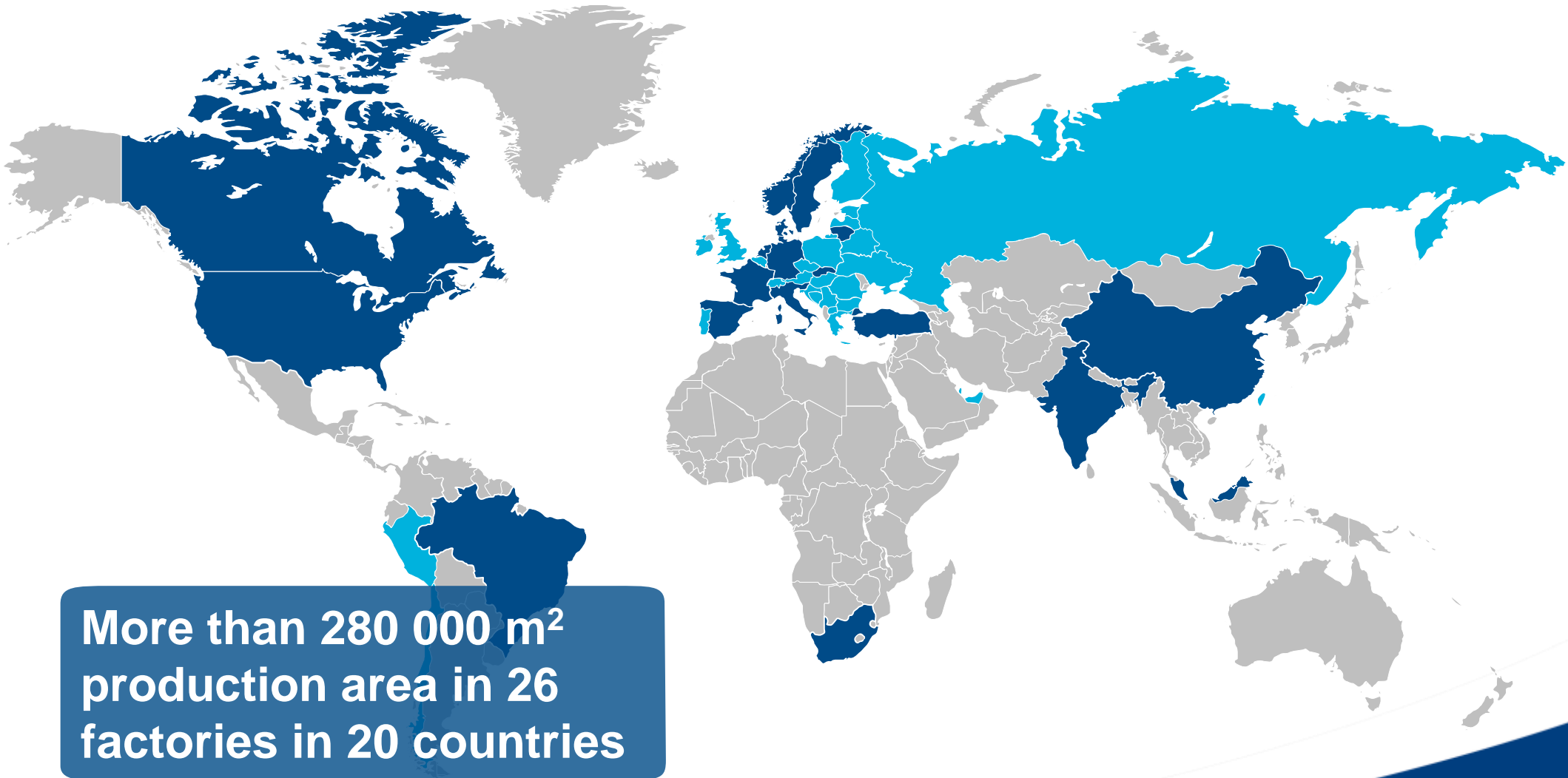
- Started the project in France, Italy and at some smaller loss-making units.
- Adapt staffing, change layout and equipment.
- Product coordination between factories.
- The work is slightly behind schedule due to strong order intake in Q1.
- Focus on earnings.
- We are implementing efficiency projects in production, purchasing and logistics.

10%

EBIT-margin

Modern and Efficient production Sales Companies in 49 Countries

-  Countries with own Sales Companies
-  Countries with own Sales Companies and Production



More than 280 000 m²
production area in 26
factories in 20 countries

Summary

- Organic growth continues.
- Sales- and administrative costs are reduced in relation to sales.
- The restructuring program of loss-making units is in progress.
- Profit improvement program for all functions and units.
- Product development focused on solutions and concepts.
- Positive outlook.



Welcome with questions!

