

Q2 report 2017-18

Roland Kasper CEO, Anders Ulff CFO



Ventilation World Wide

6.9
billion SEK 2016/17

50
countries

5200
employees

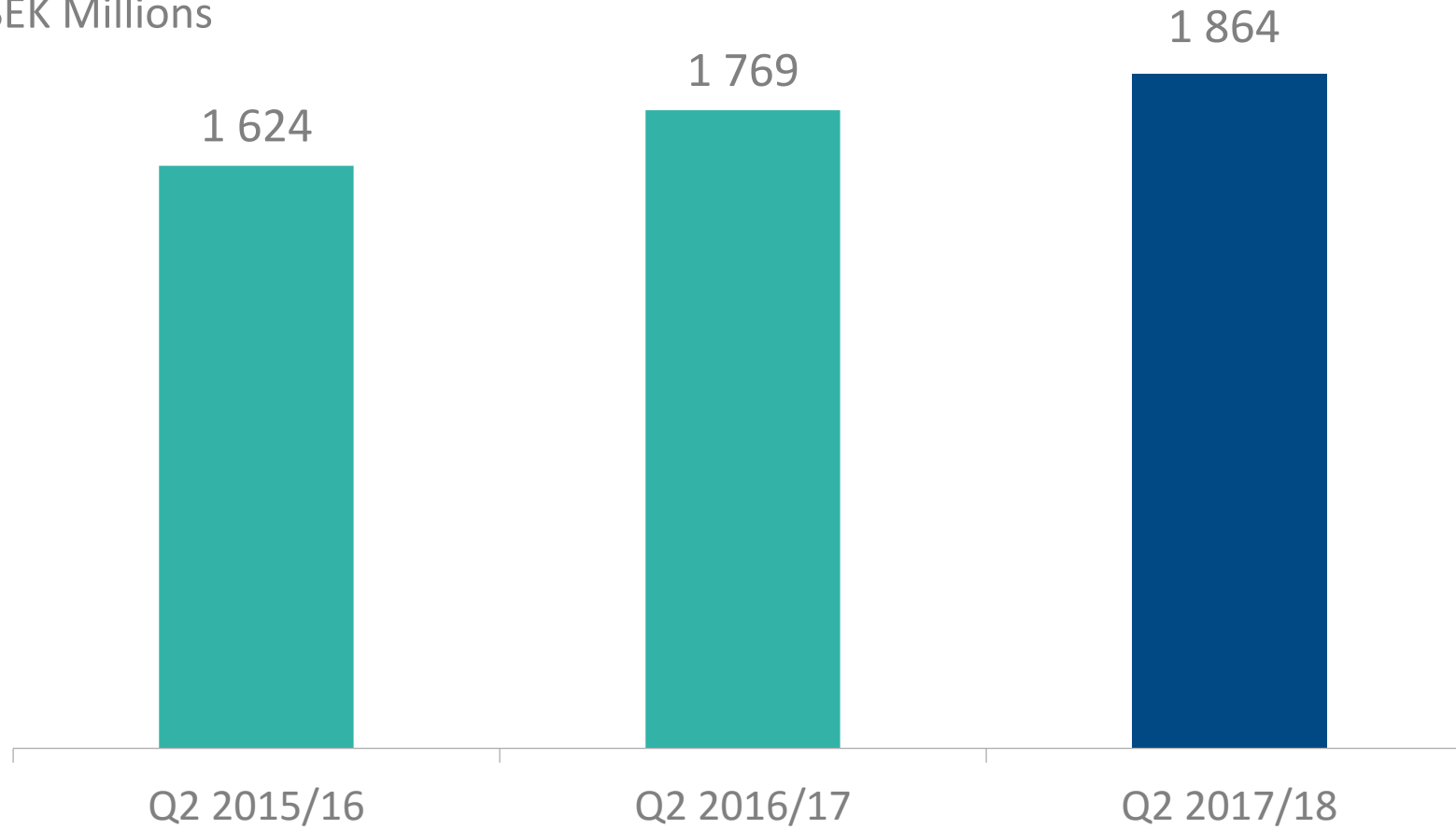
94%
sales outside Sweden

NASDAQ
OMX Nordic
Exchange

>100
countries exported to

Net Sales – Q2

SEK Millions



5.3%
Growth

4.2%
Organic Growth

Sales growth – Q2

Organic growth

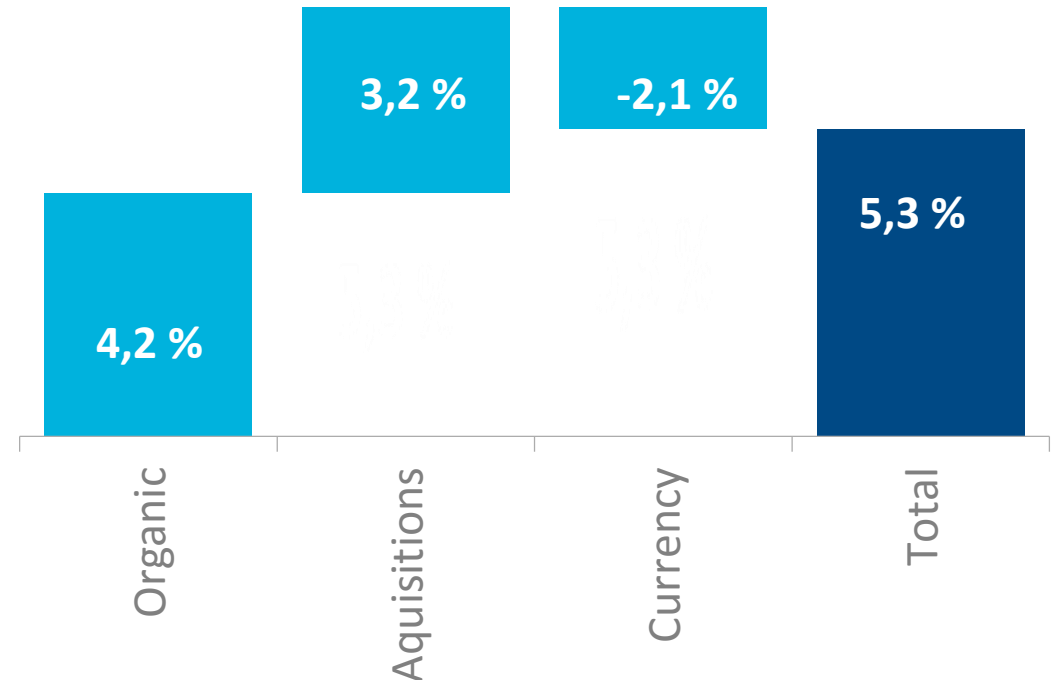
- Several regions reported strong growth, notably Eastern Europe and North America.

Aquisitions

- Mainly Viking and Frivent

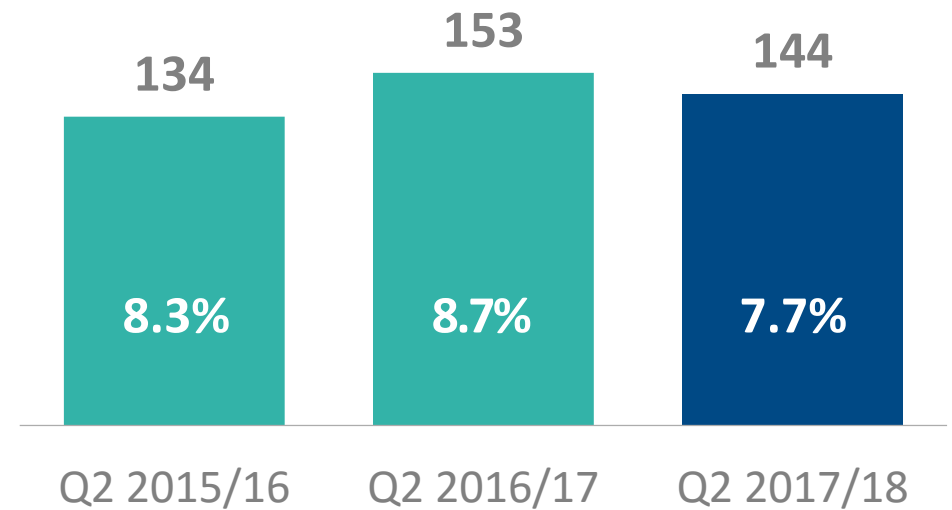
Currency

- Weakened Turkish Lira and USD



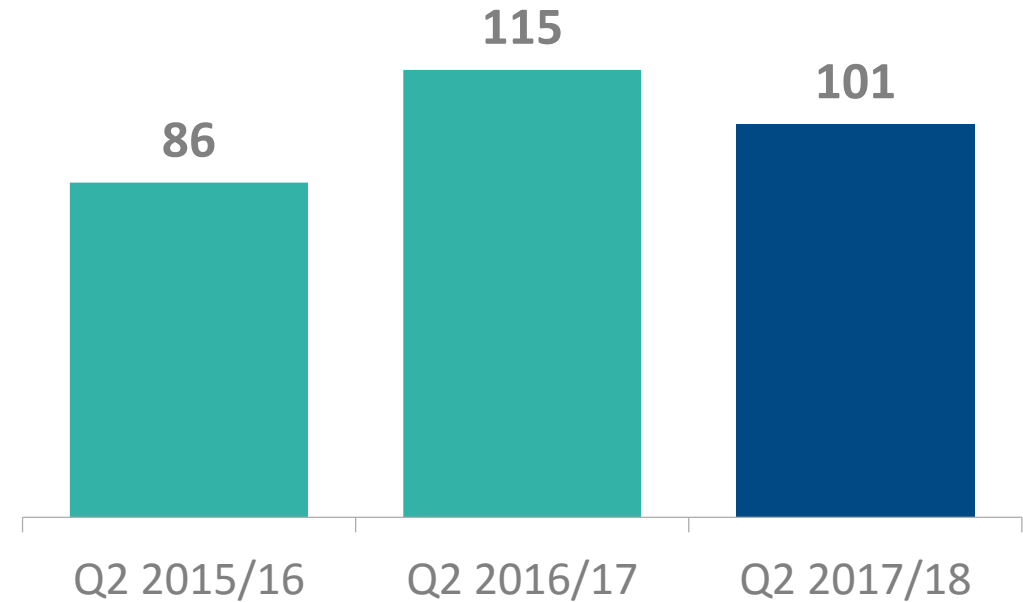
Operating profit – Q2

- Gross margin in the quarter fell to 33.9% (35.2%) due to increased raw material prices and lower volumes in some factories.
- Price increases are ongoing
- Restructuring cost of 5.4 million SEK due to close-down of production in China and some other restructuring items.
- S&A expenses increased with 3.4 %



Profit after tax – Q2

- For the second quarter, net financial items amounted to SEK -0.2 million (3.2)
- Currency effects on long term receivables, loans and bank amounted to net +4.2 Mkr (+8.9).
- Interest expense SEK -5.1 million (-5.2)
- Tax rate for the quarter amounted to 29.4%



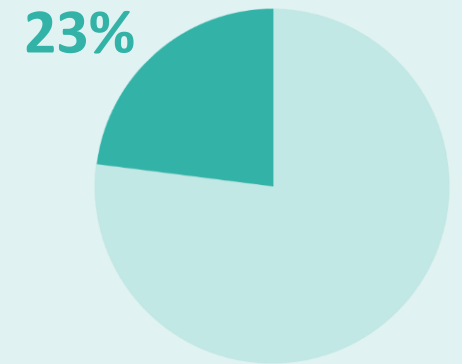
Cash flow analysis – Q2

	Q2 2017/18	Q2 2016/17
Cash flow from operating activities	144.0	153.2
Changes in working capital	- 92.3	0.8
Net Capital Expenditures, excl acq.	- 96.2	- 18.9
Free cash flow	-44.5	135.1
Net debt	1,610.4	1,476.3

- Negative impact of working capital due to mainly increased trade receivables
- Investments relates mainly to Turkey, Denmark and Slovenia

Nordic

- During the second quarter, sales in the Nordic region increased 4 percent from the same period in the preceding year.
- The Swedish and Finnish markets showed good growth during the quarter.
- The Swedish market accounts for 6 percent of the group turnover.
- Many interesting Tunnel ventilation projects in Norway.
- Adjusted for foreign exchange effects and acquisitions, sales rose by 2 percent.



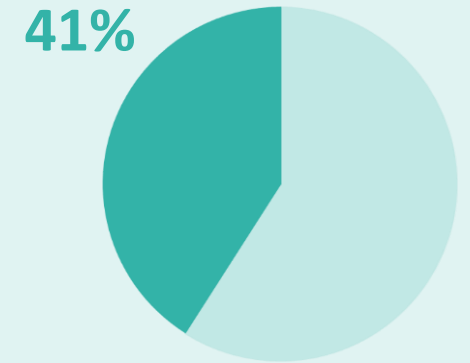
■ Percentage of turnover

457 MSEK Sales

Growth	4%
Organic	2%

Western Europe

- Sales in the West European market grew 9 percent during the quarter, compared with the corresponding period in the preceding year.
- Adjusted for foreign exchange effects and acquisitions, sales rose by 6 percent.
- Ongoing deliveries to German company Linde from Menerga. Order value is 15 MEUR.
- Several markets in the region performed well during the period, including Portugal, Germany and Austria.



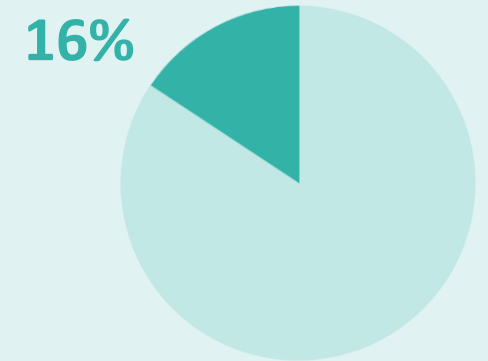
■ Percentage of turnover

757 MSEK Sales

Growth	9%
Organic	6%

Eastern Europe & CIS

- Sales in Eastern Europe and the CIS increased by 17 percent during the quarter.
- Adjusted for foreign exchange effects and acquisitions, sales rose by 11 percent.
- Sales in Russia continue to develop satisfactorily and have now risen for four consecutive quarters. Over the quarter, the Russian market accounted for 6 percent of Systemair's total sales, compared with 5 percent in the previous year.

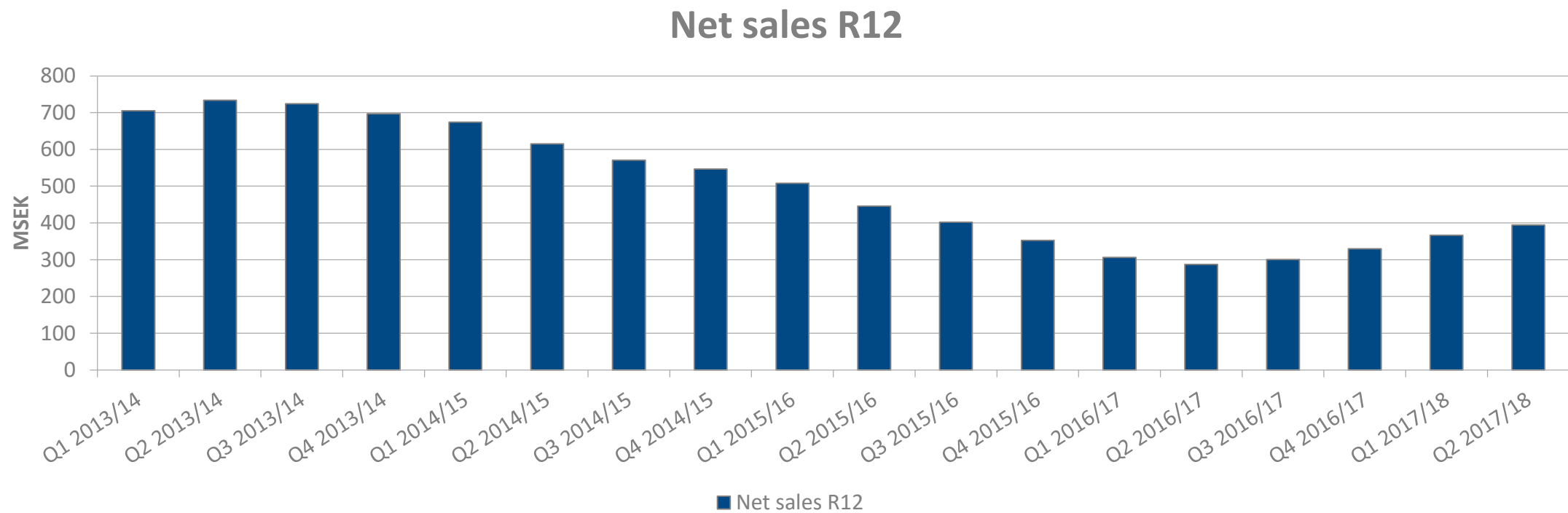


■ Percentage of turnover

298 MSEK Sales

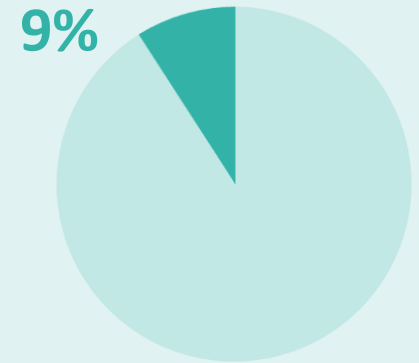
Growth	17%
Organic	11%

Russia Net sales R12 and Quarterly growth, %



North- and South America

- Sales in the North and South America region during the quarter were 6 percent higher than in the same period last year.
- Adjusted for foreign exchange effects and acquisitions, sales rose by 12 percent.
- The Canadian market in particular performed well during the quarter.
- New projects for special niche applications within AHU's for classrooms both in Canada and US.



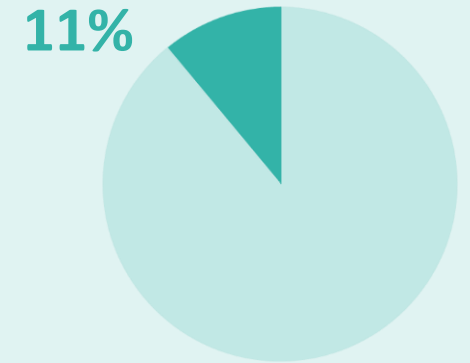
■ Percentage of turnover

158 MSEK Sales

Growth	6%
Organic	12%

Other Markets

- Sales in Other markets declined 16 percent during the quarter compared to the same period the preceding year.
- Adjusted for the effects of foreign exchange and acquisitions, sales were down 9 percent.
- Sales in Qatar and India rose during the quarter, but fell in the Middle East, where sales figures for the preceding year included a major project delivery. Sales are also decreasing in South Africa, adjusted for acquisitions.
- We finalized the move into the new built factory in Turkey.



■ Percentage of turnover

194 MSEK Sales

Growth	-16%
Organic	-9%

New Products

New intelligent controls for Residential units

The residential air handling unit SAVE has been gifted with SAVECair - an intelligent control system with unique touch display and easy-to-handle connectivity.



New Products

Geniox, release of the new AHU platform

Geniox- the next generation of modular air handling units with a number of innovative solutions. It comes with an outstanding product selection program and a new casing that makes Geniox extremely scalable.



Systemair delivers to WIPRO India

Systemair India is chosen as a supplier for the complete ventilation package for the upcoming project of Wipro located in Bangalore. Wipro Limited is a leading global information technology, consulting and business process services company.

It is an integrated order of 50 Eurovent Certified BA AHU, 63 EC Cabinet fans, 104 Jet fans IV 85 and 174 EC Inline Fans, Propeller, Axial fans, ADP & FSP.

The total order value is estimated to be 1.6 Million USD and will be completely delivered in this fiscal year.



Summary

- Organic growth continues
- Challenged Gross Margins are targeted in several activities.
- Sales and administration expenses under control, focused customer projects to be preferred supplier across product ranges.
- Positive outlook on many markets



**Thank you,
welcome with questions!**