

Q2 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

5,600



Number of
customers

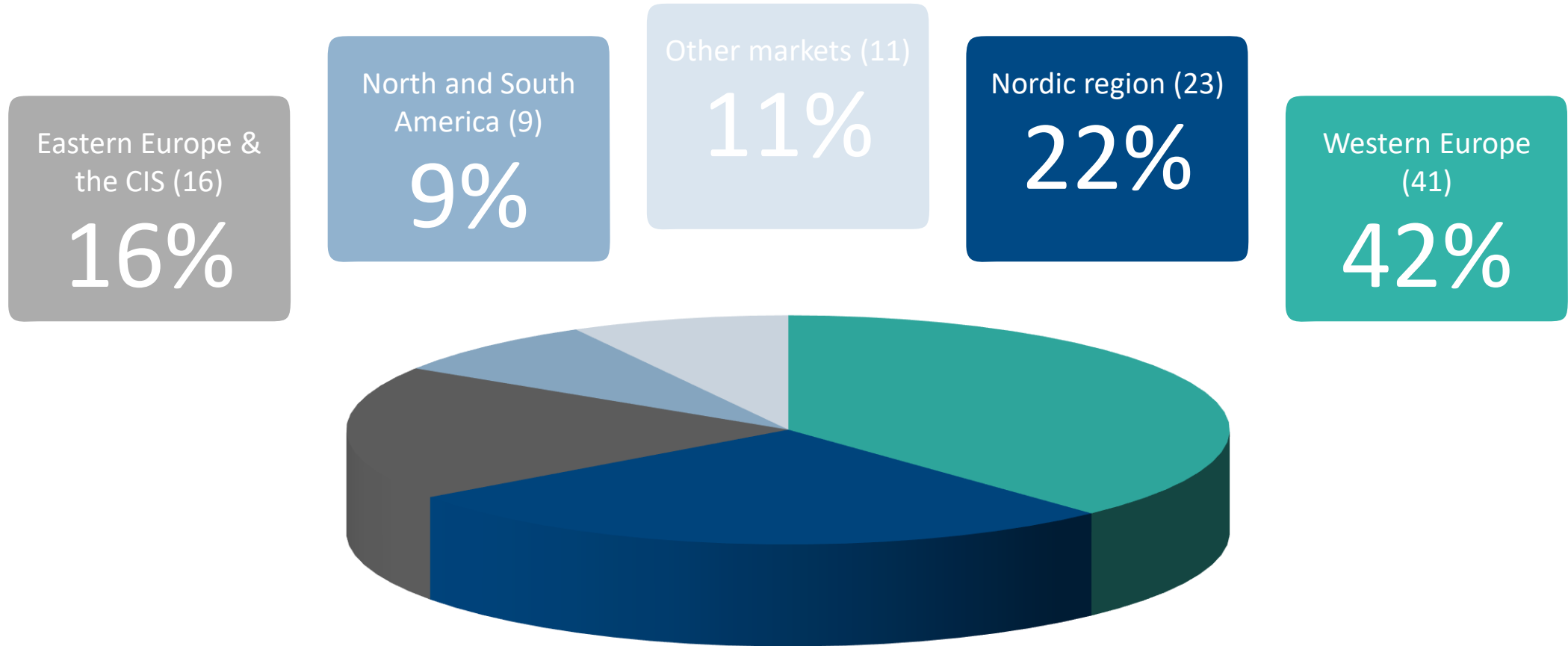
> 20 300



Countries
exported to

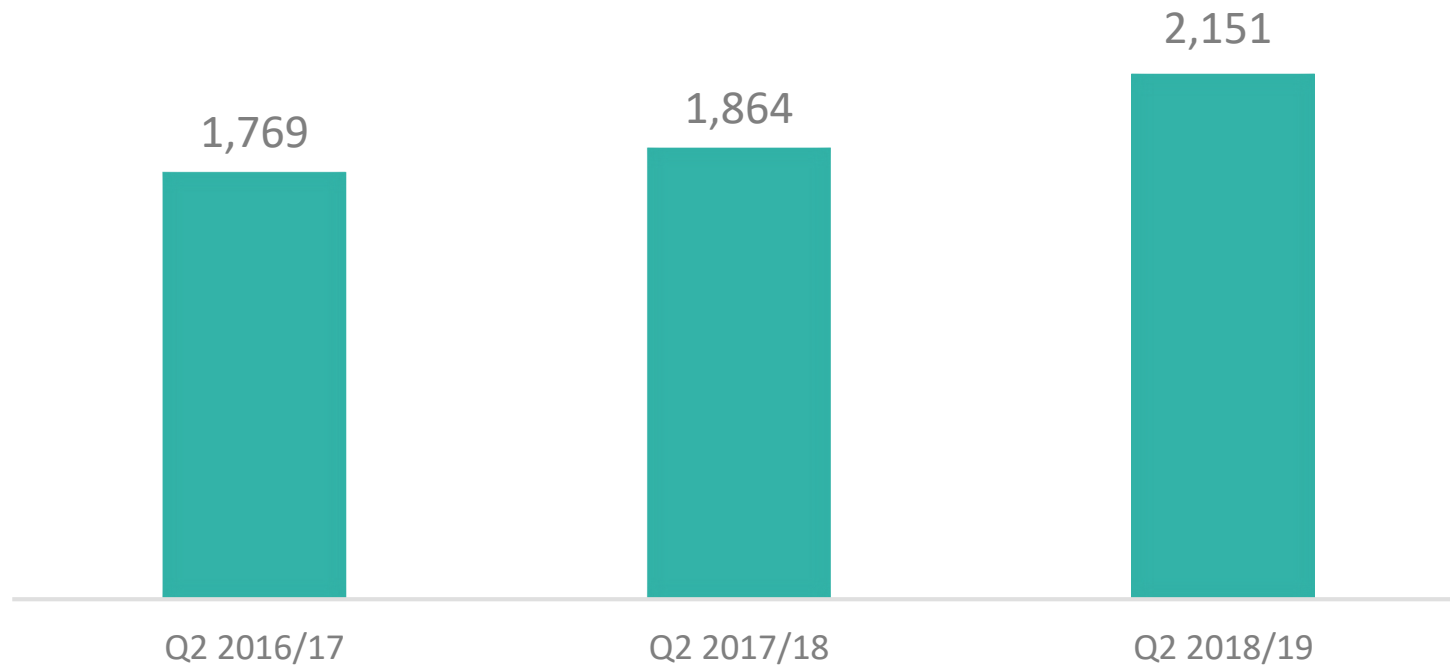
>100

Markets



Net sales - Q2

SEK million



15.4%
Growth

9.1%
Organic growth

Strong growth

Organic

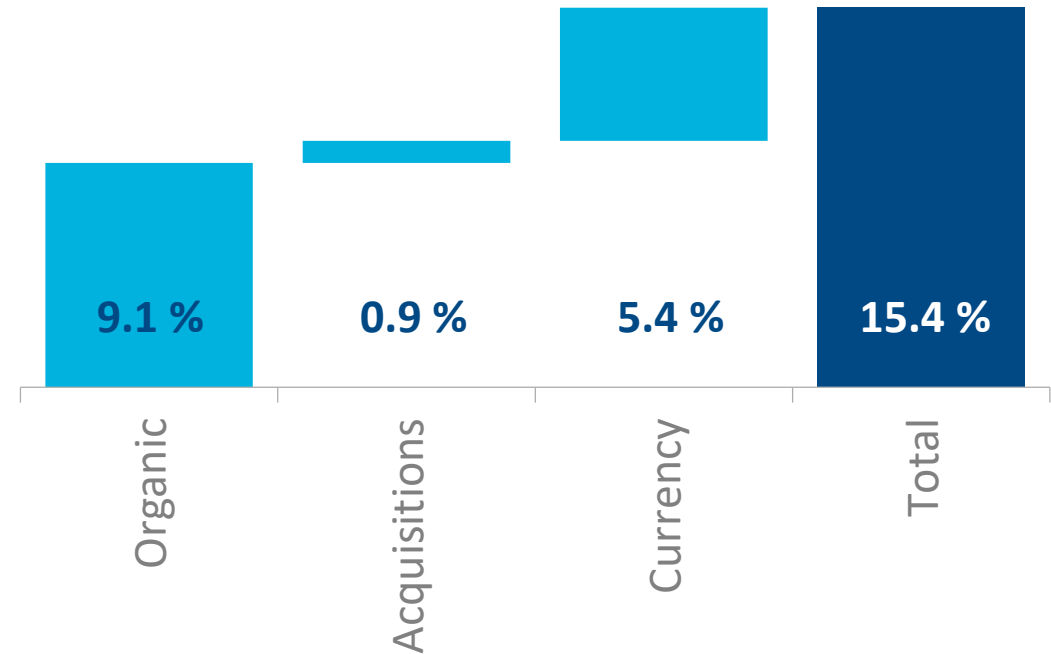
- Especially good organic growth in North America, Turkey and India.

Acquisitions

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

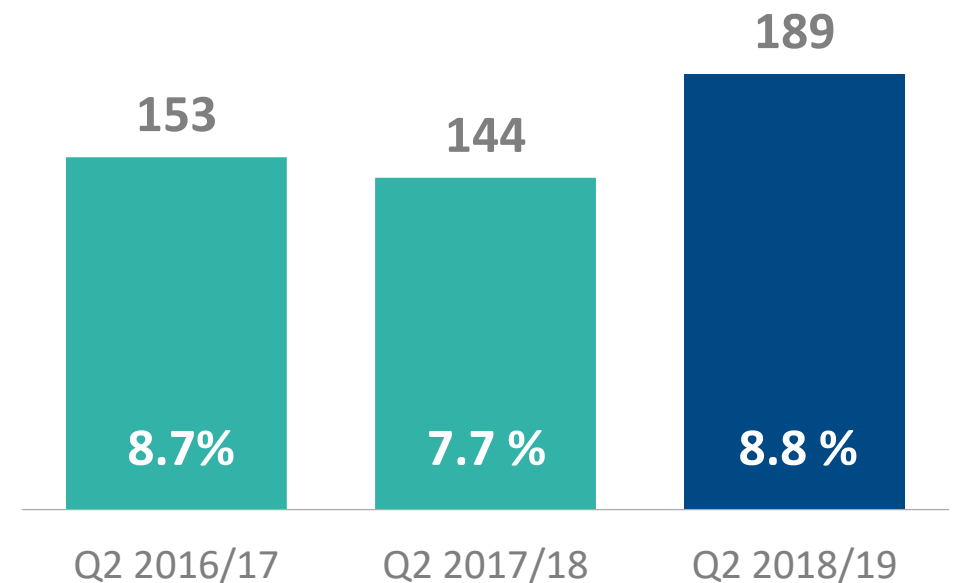
Currency

- Strengthened EUR



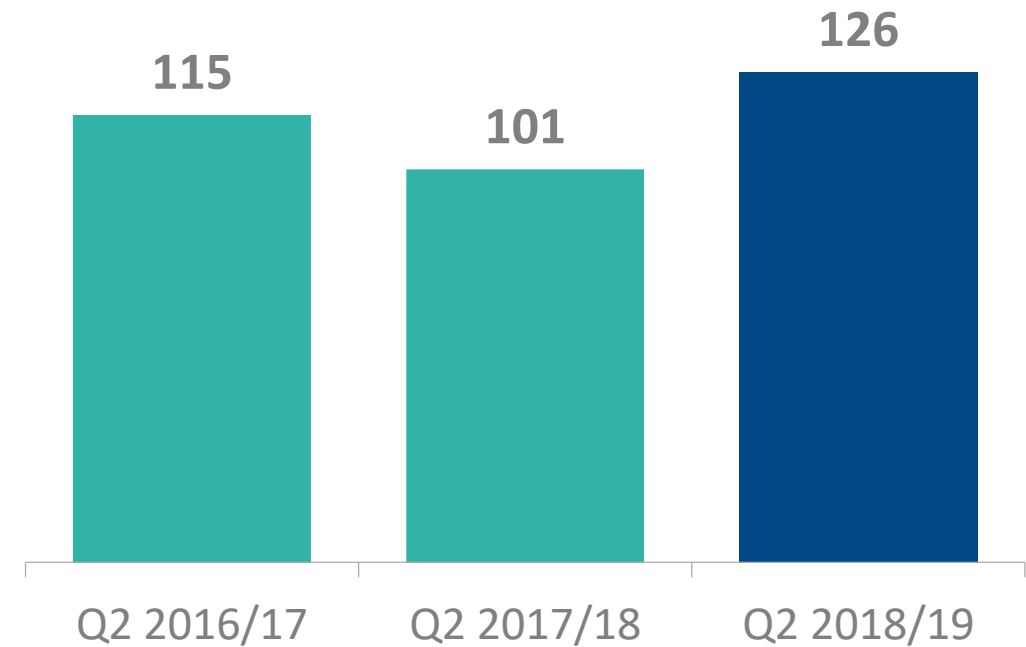
Operating profit Q2 – Improved profitability

- Gross margin increased to 34.0 percent (33.9).
- Non comparable items was SEK 13.3 million (5.4) in the quarter, including a provision for a doubtful receivable in the Middle East and restructuring costs.
- Selling and administration expenses for the quarter increased with 12.3 percent for comparable units.
- Operating profit for the second quarter amounted to SEK 188.9 million (143.9).



Profit after tax – Q2

- Net financial items ended the second quarter at SEK -11.1 million (-0.2).
- The effects of foreign exchange on long-term receivables, loans and bank balances were calculated at SEK -3.5 million (+4.2).
- Interest expense for the quarter totalled SEK -8.1 million (-5.1).
- Estimated tax for the quarter amounted to SEK -51.5 million (-42.3) or 29.0 percent.



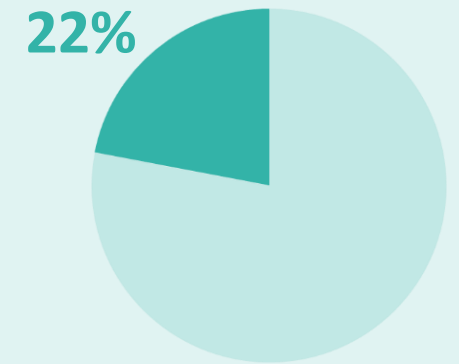
Cash flow analysis – Q2

	Q2 2018/19	Q2 2017/18
Operating profit	188.9	143.9
Change in working capital	- 109.5	- 92.3
Net investments, excl. acquisitions	- 39.9	- 96.2
Free cash flow	- 39.6	- 44.6
Net indebtedness	1,954.2	1,585.9

- Change in working capital mainly consisting of increase in trade accounts receivables
- Net investments consisted mainly of investments in production machinery.

Nordic

- Sales were 9 percent higher than the same period last year.
- Adjusted for foreign exchange effects and acquisitions, sales rose 6 percent.
- The Swedish, Finish and Norwegian markets reported good growth in the quarter.
- The Norwegian market is 10 percent of the Group's turnover.



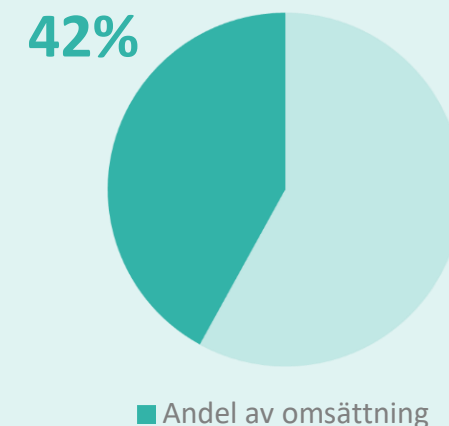
■ Percentage of turnover

500 MSEK Sales

Growth	9%
Organic	6%

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 5 percent.
- The German market is 15 percent of the Group's turnover.
- Several markets in the region performed well during the period, including Greece, Spain, Italy and Portugal.

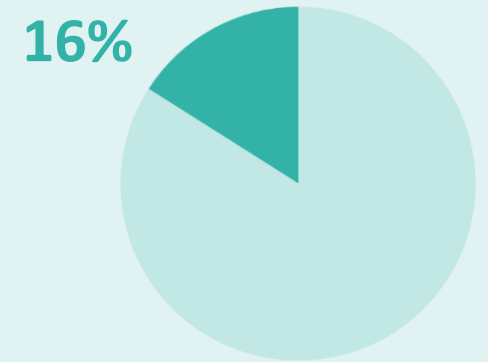


882 MSEK Sales

Growth 16%
Organic 5%

Eastern Europe and CIS

- Sales in Eastern Europe and the CIS rose by 12 percent during the quarter.
- Adjusted for foreign exchange effects and acquisitions, sales rose by 7 percent.
- Sales in Russia were more or less unchanged 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, Slovenia and Slovakia.



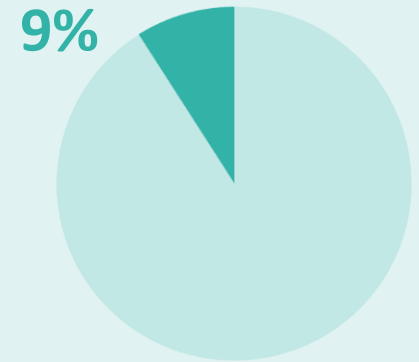
■ Percentage of turnover

334 MSEK Sales

Growth	12%
Organic	7%

North and South America

- Sales in the North and South America region during the quarter were 20 percent higher than in the same period last year.
- Adjusted for foreign exchange effects and the acquisition of Greentek, sales increased by 4 percent in the quarter.
- Both the Canadian and the American market performed well in the quarter.
- South America with unstable forecast.



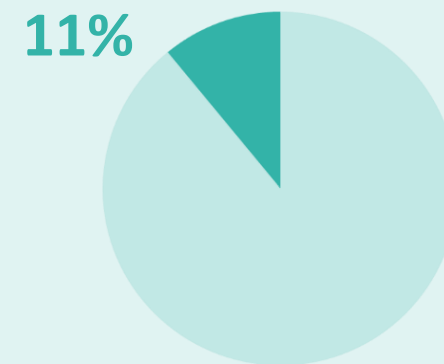
■ Percentage of turnover

189 MSEK Sales

Growth	20%
Organic	4%

Africa, Middle East and Asia

- Sales in the region increased by 28 percent during the quarter, compared with the same period in the preceding year.
- Adjusted for foreign exchange effects and acquisitions, sales rose by 41 percent.
- Sales in Turkey, India, South Africa, China and Morocco increased during the quarter, but declined in parts of the Middle East.



■ Percentage of turnover

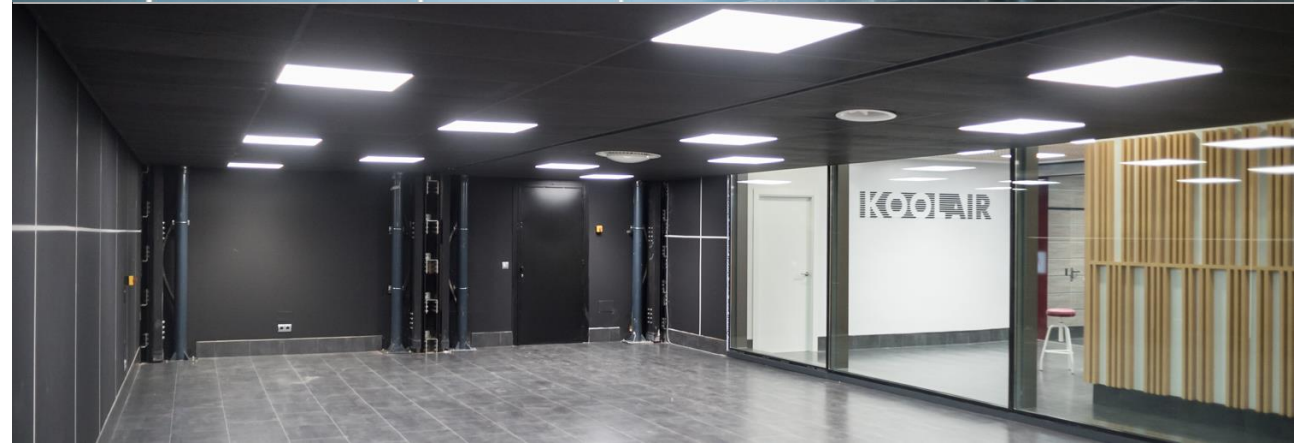
247 MSEK Sales

Growth	28%
Organic	41%

Systemair acquires Koolair

Systemair acquired the Spanish company Koolair, which is a leading manufacturer of Air Distribution Products. The export markets contribute with 50% to the turnover of the company.

The production in Mostoles outside of Madrid is highly automated. The turnover of the company amounts to 30 million EUR. Closing of the transaction was November 1st 2018.



Galerías Santa Anita Guadalajara, Mexico

Systemair received an order for 78 pcs of High Induction Centrifugal Jet Fans to support the ventilation needs of an Underground Parking garage for the new Galerías Santa Anita, in Guadalajara, Mexico. The approx. value is 134,000 USD

This new shopping center is located in the suburbs south of the Guadalajara, next to the road that links the capital of the State of Jalisco with the city of Colima. Its elongated polygonal form, arranged from east to west, responds to the terrain's geometric and topographical features as well as visibility and accessibility from the main access road.





**Thank you,
welcome with questions!**