

Q2 report 2019-20

Roland Kasper CEO, Anders Ulff CFO





Established at HQ in
Skinnskatteberg, Sweden

1974



Turnover
Annual net sales in mill. EUR

830



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

6,200



Number of
customers events

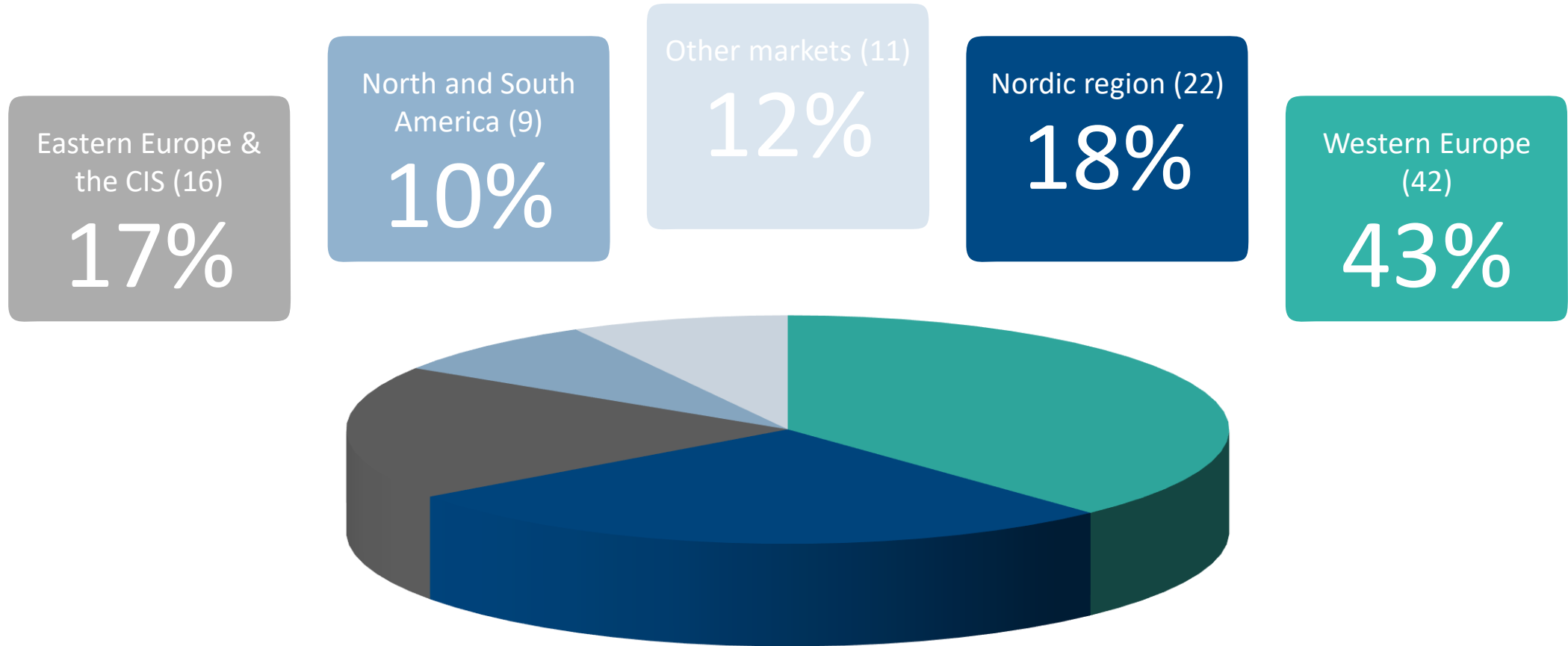
> 1,395



Countries
exported to

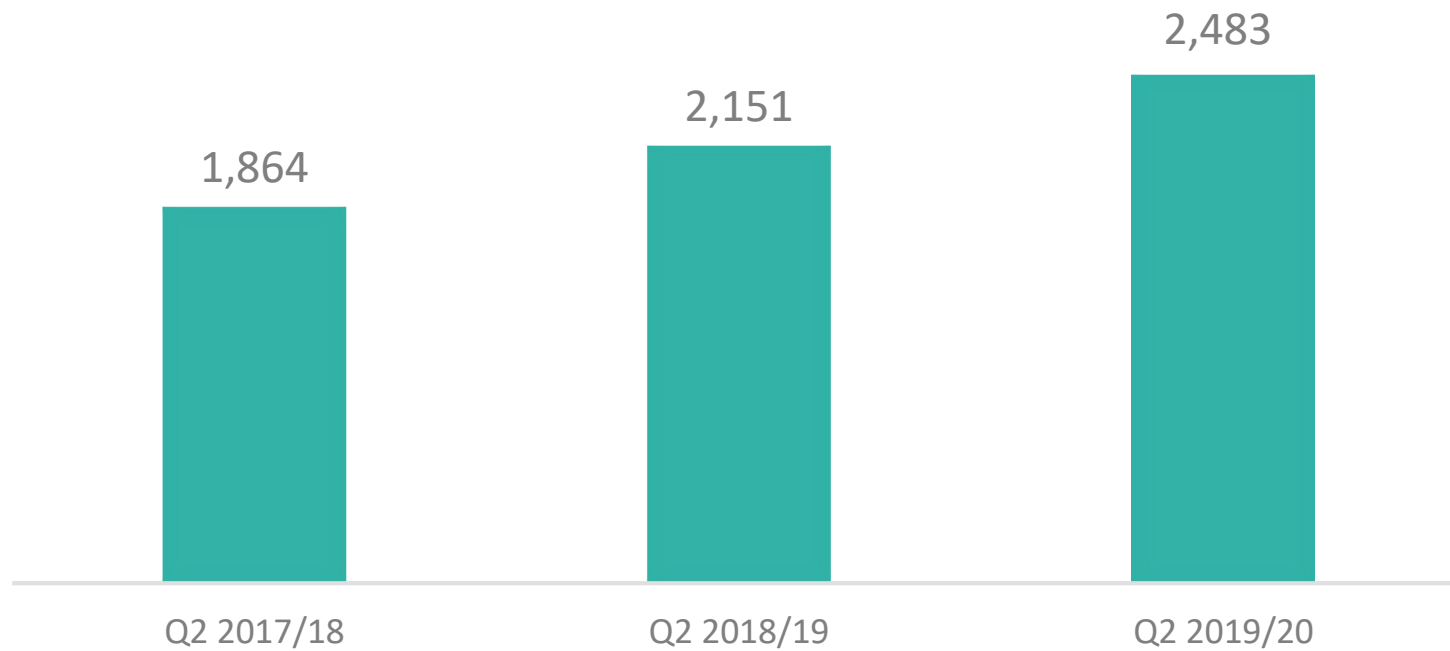
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Markets



Net sales - Q2

SEK million



15.4%
Growth

6.0%
Organic growth

A strong quarter

Organic

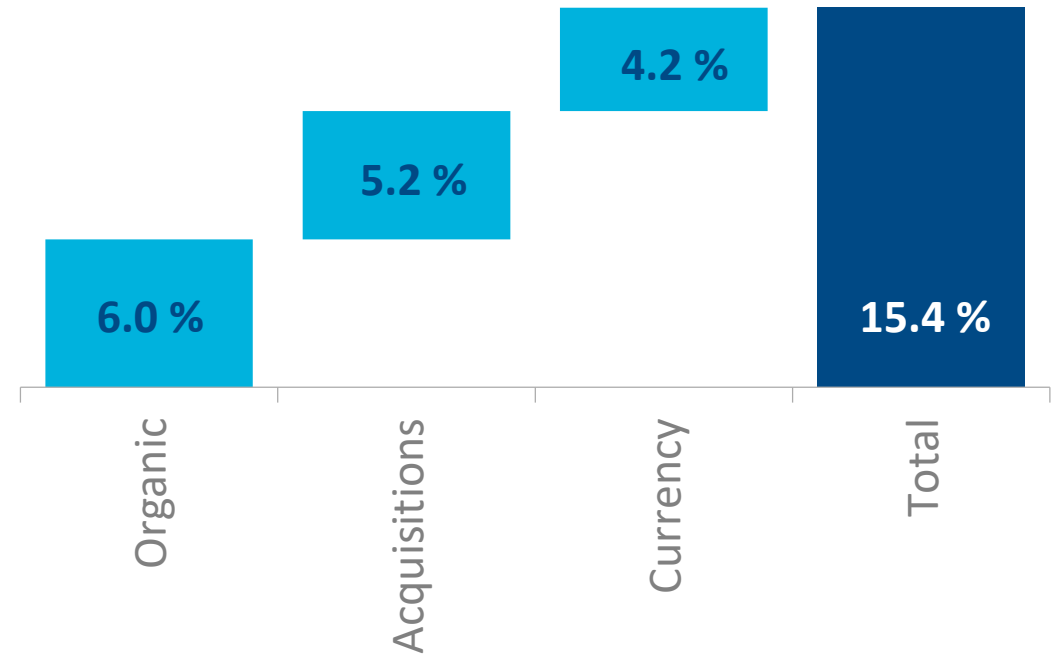
- Especially good organic growth in North America and Eastern Europe.

Acquisitions

- Effected by the acquisition of Koolair, Pacific Ventilation and Systemair Maroc.

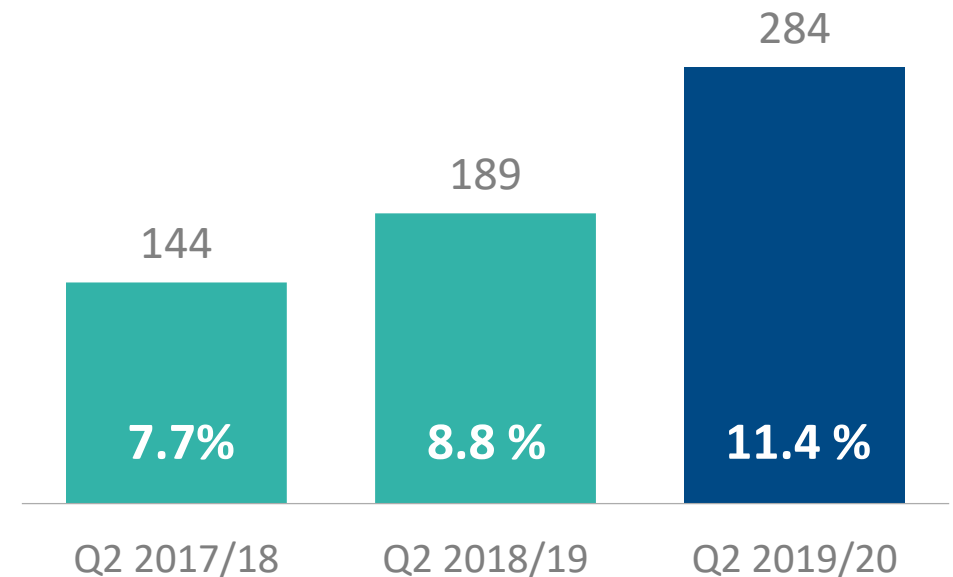
Currency

- Strengthened EUR



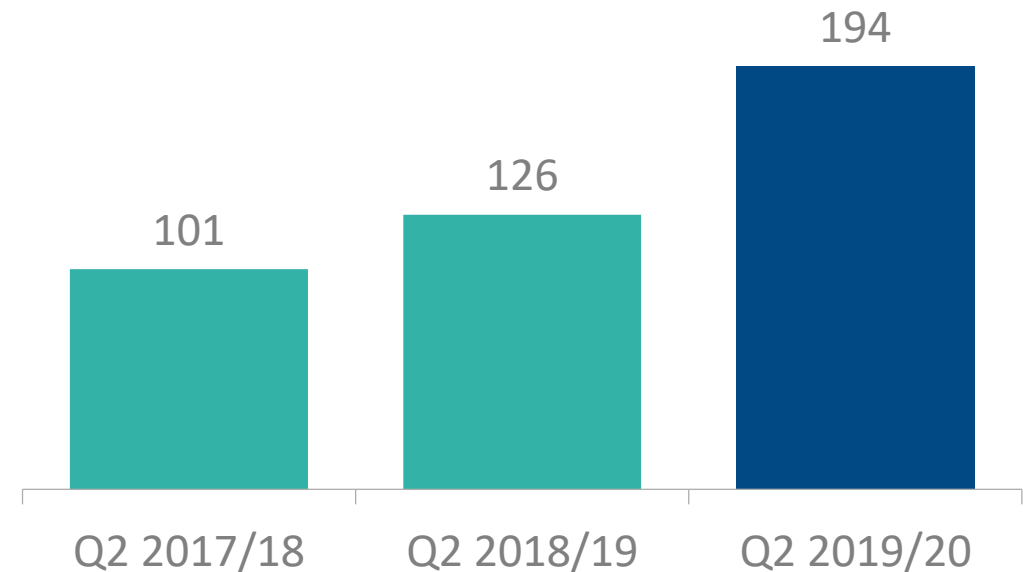
Operating profit Q2

- Gross margin increased to 35.8 percent (34.0) mainly due to high capacity utilization and profit improvement actions.
- Selling and administration expenses for the quarter increased with 8.1 percent for comparable units.
- Operating profit for the second quarter amounted to SEK 283.9 million (188.9).
- Operating profit includes a one-off effect of SEK +7.0 million from the sale of the Airwell brand.



Profit after tax – Q2

- Net financial items ended the second quarter at SEK -20.0 million (-11.1).
- The effects of foreign exchange on long-term receivables, loans and bank balances were calculated at SEK -9.9 million (-3.5).
- Interest expense for the quarter totalled SEK -10.5 million (-8.1). Adjusted for the IFRS 16 effect the interest expenses totalled SEK -8.3 million.
- Estimated tax for the quarter amounted to SEK -69.6 million (-51.5) or 26.4 percent.



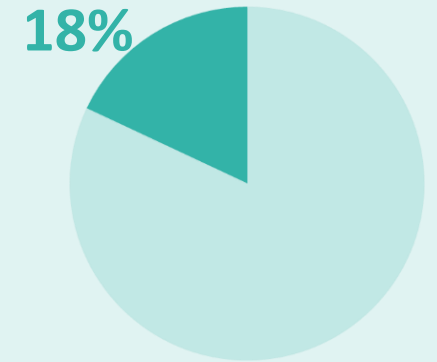
Cash flow analysis – Q2

	Q2 2018/19	Q2 2017/18
Cash flow from operating activities	294.3	196.3
Change in working capital	- 23.6	- 109.5
Net investments, excl. acquisitions	- 58.5	- 39.9
Free cash flow	212.2	46.9
Net indebtedness	2,282.4	1,954.2

- Change in working capital mainly consisting of increase in trade accounts receivables +137 (+199)
- Net investments consisted mainly of investments in Spain, Germany and Sweden.

Nordic

- Sales were 1 percent lower than the same period last year.
- The Danish, Norwegian and Finish markets declined during the quarter, while sales in the Swedish market showed good growth. In the Norwegian market, there are signals indicating that a further slowdown is to be expected.
- Exchange rate effects and acquisitions did not materially affect sales during the quarter.



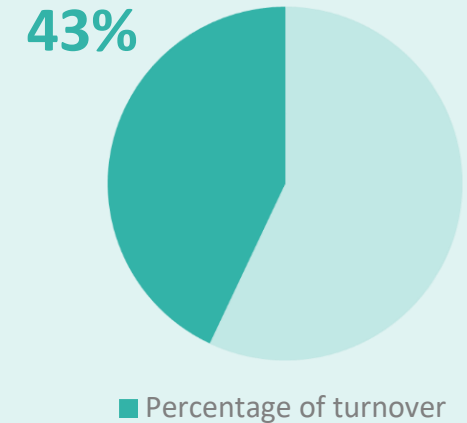
■ Percentage of turnover

495 MSEK Sales

Growth -1%
Organic -1%

Western Europe

- Sales in the West European market were 19 percent higher than in the corresponding period last year, and the acquisition of Koolair in Spain had major impact (Nov -18).
- Adjusted for foreign exchange effects and acquisitions, sales rose by 7 percent.
- The German market is 15 percent of the Group's turnover.
- Several markets in the region performed well during the period, including Germany, France, the Netherlands and England while sales declined in Austria.



1,049 MSEK Sales

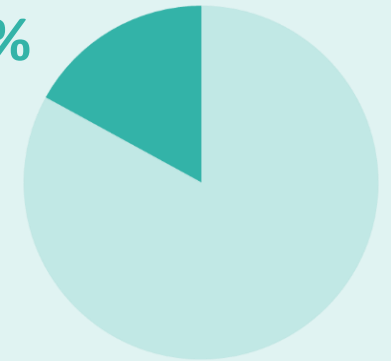
Growth	19%
Organic	7%

Eastern Europe and CIS

- Sales in Eastern Europe and the CIS rose by 20 percent during the quarter. Adjusted for foreign exchange effects and acquisitions, sales rose by 13 percent.
- Sales in Russia increased by 21 percent during the quarter, calculated in Swedish kronor. The Russian market represents 30 percent of sales in the region.
- Major markets in the region showing growth during the period include the Czech Republic, Poland and Slovakia.



17%



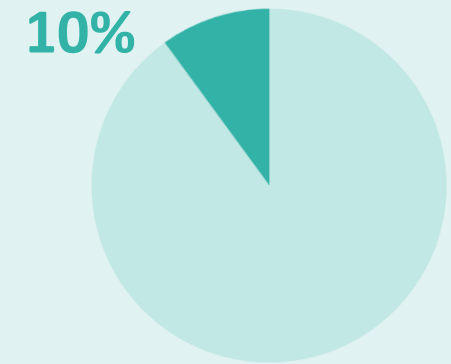
■ Percentage of turnover

402 MSEK Sales

Growth	20%
Organic	13%

North and South America

- Sales in the North and South America region during the quarter were 22 percent higher than in the same period last year.
- Both the American and the Canadian market performed well in the quarter.
- Adjusted for foreign exchange effects and acquisitions, sales increased by 13 percent in the quarter.



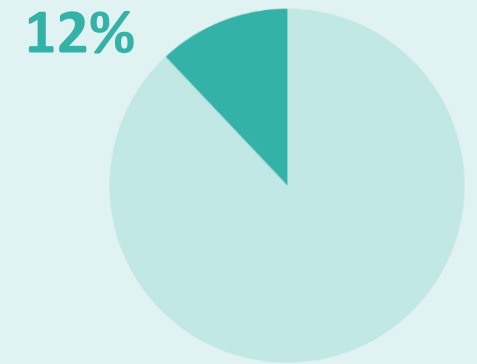
■ Percentage of turnover

230 MSEK Sales

Growth	22%
Organic	13%

Middle East, Asia, Australia and Africa

- Sales in the region increased by 24 percent during the quarter, compared with the same period in the preceding year.
- Adjusted for foreign exchange effects and acquisitions, sales in the region only increased by 3 percent relative to figures for comparison that were high.
- Sales in Turkey, South Africa and Morocco increased during the quarter, but declined slightly in India.

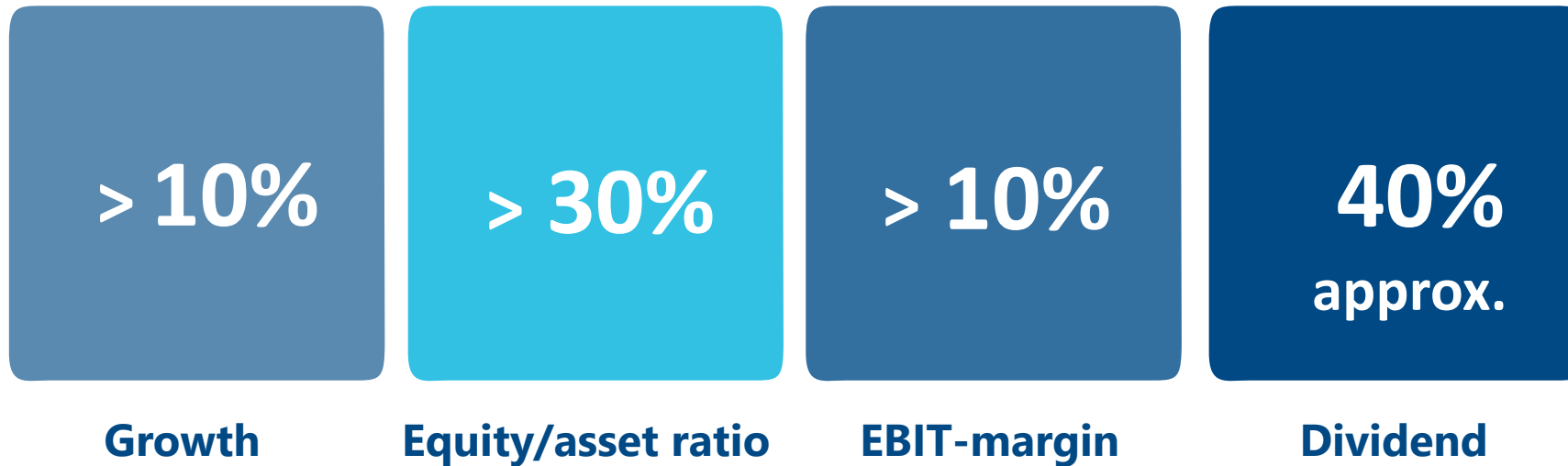


■ Percentage of turnover

308 MSEK Sales

Growth	24%
Organic	3%

New Financial goals



During our Capital Markets Day in September, we informed about our renewed Financial Goals, we lower our Growth ambition and raise the Dividend Goals

Systemair d.o.o.

”Best long-term presence foreign investor”

Systemair d.o.o. has won the award in the category of best long-term presence foreign investor in Slovenia

The prize ceremony is organized by SPIRIT of Slovenia which is a public agency who in connection with ministry of Economy promotes Slovenian Economy to attract foreign investors to invest in Slovenia. In 2012 Systemair Slovenia received incentives for investment in to new machinery and R&D from SPIRIT of Slovenia.



Continous Environmental Investments in Skinnskatteberg

- **The factory's heating system** has been replaced with 6 heat pumps with a total of 360kW
- **Multicoil plant**, which was installed 3 years ago, gives us a **savings of up to 12%** sheet metal needs per year and significantly increased productivity.
- Ongoing **machine investment** in our Compact Unit production, we reduce the number of components and assembly time, **increase efficiency** and significantly improve ergonomics and ease of handling for our employees.
- During quarter 1 2020 we will switch completely to **climate neutral electricity**, EPD Vind in Skinnskatteberg. This meets the requirements of the Nature Conservation Association for Good Environmental Choice.



**Thank you,
welcome with questions!**