



Systemair

Quarterly report 3 2017-18

Roland Kasper CEO, Anders Ulff CFO



Established at HQ in
Skinnskatteberg, Sweden

1974



Turnover
Annual net sales in mill. EUR

720



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

5,200



Number of
customers

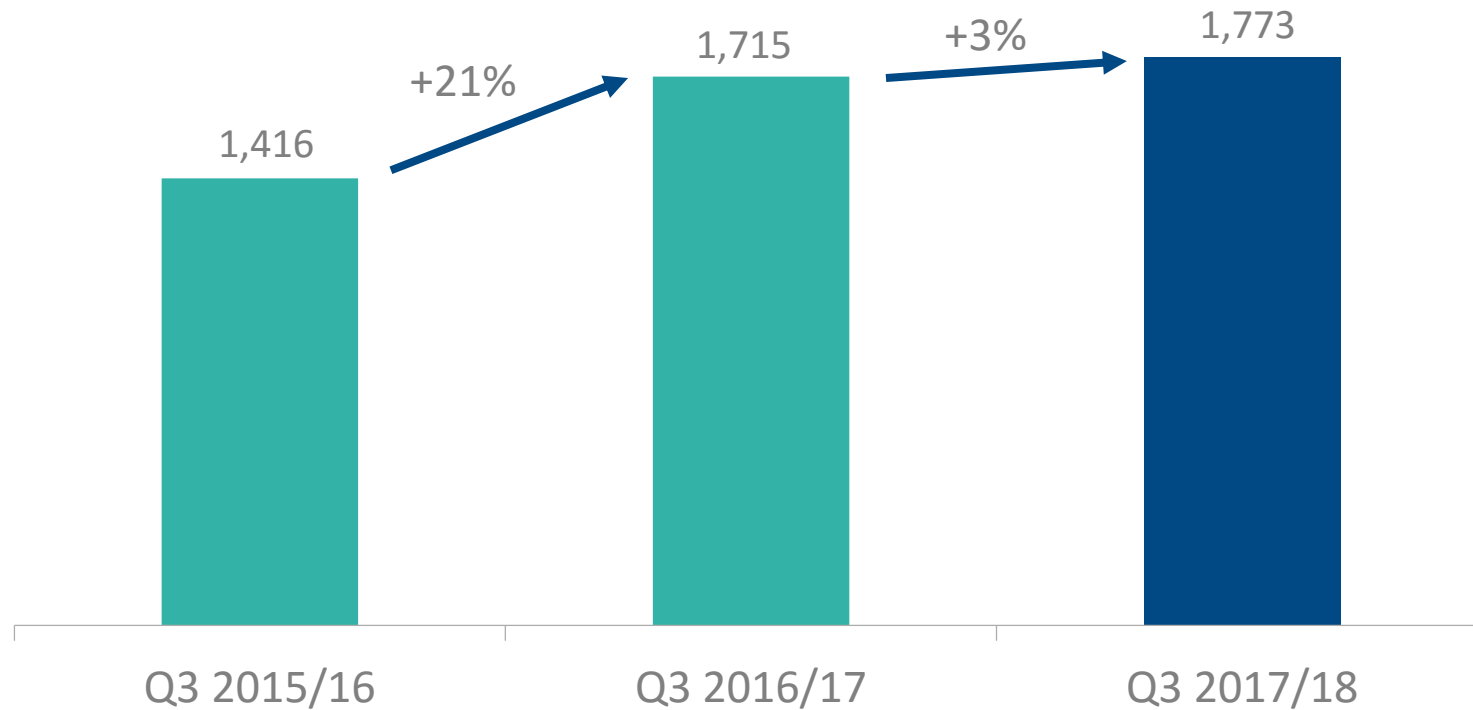
> 20 300



Countries
exported to

>100

Net Sales Q3



3.4%
Growth

4.0%
Organic growth

Sales growth – Q3

Organic growth

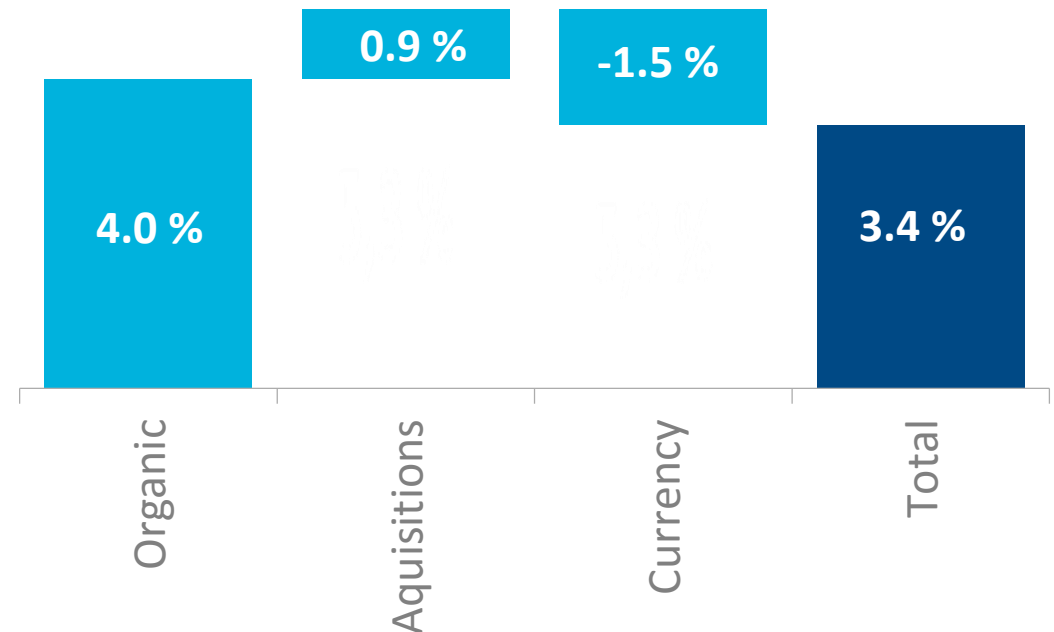
- Strong organic growth in Western Europe, Eastern Europe and North America considering tough comparables (12.2% organic growth L.Y.)

Aquisitions

- Mainly Viking and Frivent

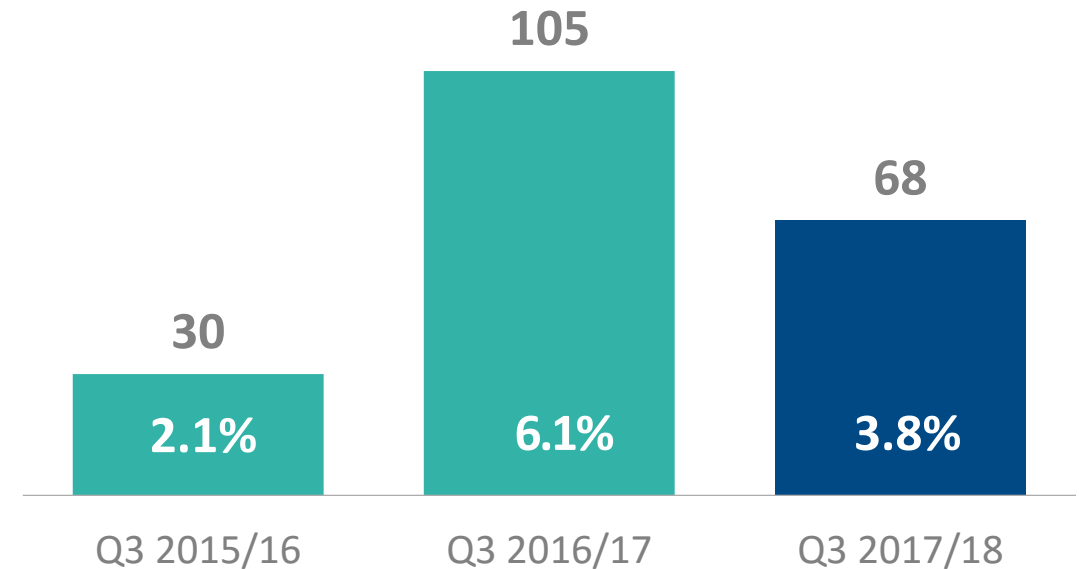
Currency

- Weakened Turkish Lira, GBP and USD



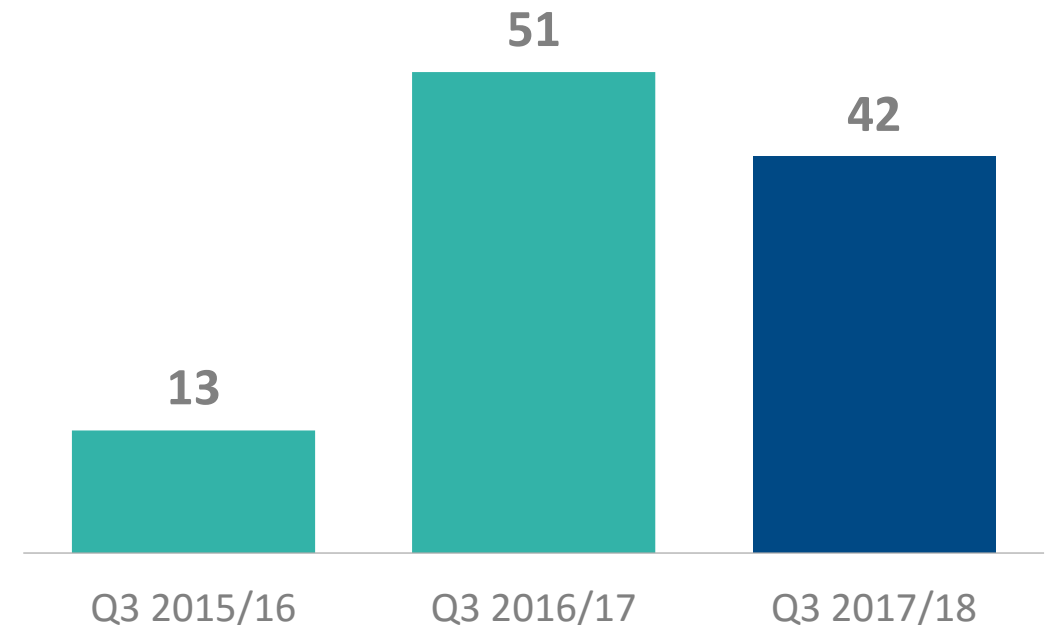
Operating profit – Q3

- Gross margin in the quarter fell to 33.0 percent (33.7) due to large project orders with lower margin, and some factories with low volume.
- Restructuring costs of SEK 20.6 million refer mainly to Belgium, Sweden and Germany and the move of the Frivent production in Austria. Operating profit adjusted for these costs would be SEK 88.6 million or 5%.
- Continued restructuring actions are under evaluation
- S&A expenses increased with 4.5 percent or 3.0 percent in comparable units.
- Tough comparable



Profit after tax – Q3

- For the third quarter, net financial items amounted to SEK -14.9 million (-29.9).
- Currency effects on long term receivables, loans and bank amounted to net SEK -8.1 million (-25.7).
- Interest expenses amounted to SEK -7.2 million (-6.2).
- Tax for the quarter amounted to -11.2 million or 21.2 percent affected by write down of -17,3 million and acquired losses of 25,7 millions.



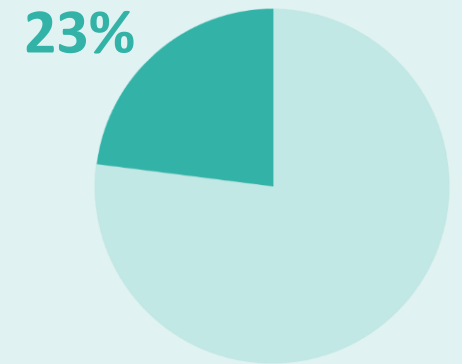
Cash flow analysis – Q3

	Q3 2017/18	Q3 2016/17
Operating profit	67.7	105.1
Changes in working capital	16.8	129.8
Acquisition of property, plant and equipment	-116.0	-81.2
From financing activities	35.4	-122.9
Cash and cash equivalents at close of period	194.9	212.9
Net debt	1,649.7	1,304.1

- Positive impact of working capital due to mainly decreased trade receivables
- Investments relates mainly to buildings and Machinery in Turkey and Germany

Nordic

- During the third quarter, sales in the Nordic region decreased 2 percent from the same period in the preceding year.
- The Swedish and Finnish markets showed good growth during the quarter, while sales decreased in Norway and Denmark.
- Adjusted for foreign exchange effects and acquisitions, sales fell by 1 percent.



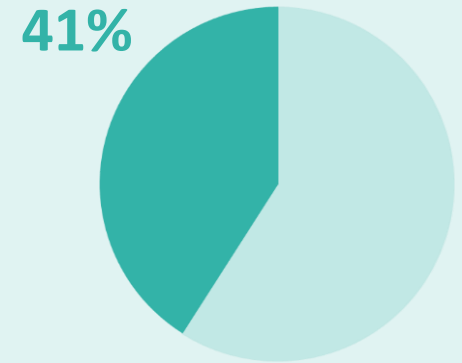
■ Percentage of turnover

435 MSEK Sales

Growth	-2%
Organic	-1%

Western Europe

- Sales in the West European market grew 13 percent during the quarter, compared with the corresponding period in the preceding year.
- Adjusted for foreign exchange effects and acquisitions, sales rose by 10 percent.
- Several markets in the region performed well during the period, including Germany, England and Italy, while sales fell in the Netherlands.
- Continuous deliveries to the Linde project and increased order values in Belgium contributed positively.



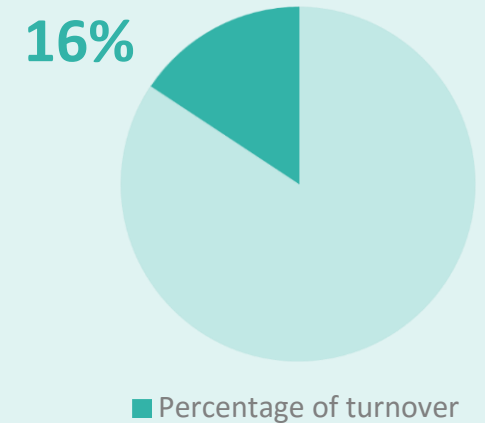
■ Percentage of turnover

735 MSEK Sales

Growth	13%
Organic	10%

Eastern Europe & CIS

- Sales in Eastern Europe and the CIS increased by 8 percent during the quarter.
- Adjusted for foreign exchange effects and acquisitions, sales rose by 7 percent.
- Sales in Russia continue to develop satisfactorily and have now risen for five 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.

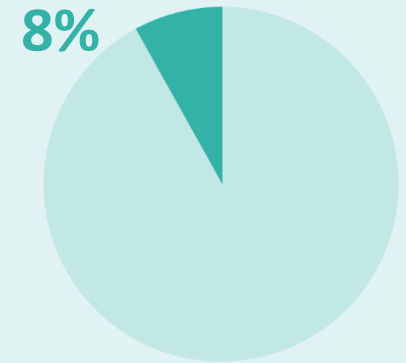


274 MSEK Sales

Growth 8%
Organic 7%

North- and South America

- Sales in the North and South America region were largely unchanged compared with sales in the same period last year, adjusted for foreign exchange effects , sales rose by 9 percent.
- The Canadian market continued to perform well during the quarter.
- The US market is developing well, especially new applications and new products are contributing positive.
- South American Markets with low activities, foreseen to improve during 2018



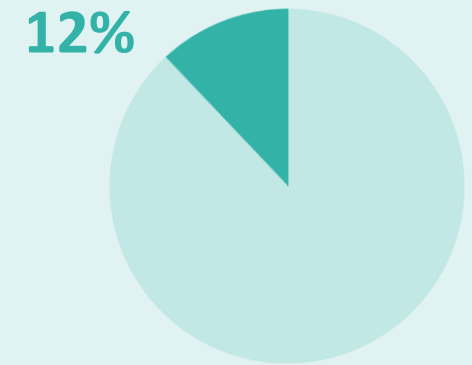
■ Percentage of turnover

124 MSEK Sales

Growth	0%
Organic	9%

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 India and Middle East were flat during the quarter, but fell in Malaysia and Turkey. Especially in Turkey and Middle East there is a large portion of project sales that can vary a lot between quarters.
- Sales are decreasing in South Africa due to uncertain market conditions.



■ Percentage of turnover

205 MSEK Sales

Growth	-16%
Organic	-9%

New Products User Interface

Dedicated design for Systemair

- Common graphical user interface designed by Systemair to strengthen the identification for Systemair products
- Systemair GUI (graphical user interface), smartphone / tablet style of graphics, easy to use & more customer attraction
- 13 full languages at release
- Ergonomic design



New user Interface



Topvex to Scotland and Belarus

The Topvex series comprises a range of Swedish-manufactured compact units sold largely to new construction projects, but also to the renovation sector, as it is specially designed for simple delivery and installation in existing premises even where space is limited.

Two major deliveries are in progress, to Scotland and Belarus, where we are supplying 28 Topvex units to a care home in Glasgow and the same number to Futuris Business Center in Minsk



Summary

- Continued organic growth
- Technical directives increases the demand on a number of markets
- Selling and administrative costs are reduced in relation to sales
- Further restructuring activities are under evaluation
- Profit improvement program for all functions and departments continues
- Product development for being ahead of regulation and competition within products and digitalization
- Positive outlook on several markets

Thank you, Welcome with questions!

Roland Kasper CEO, Anders Ulff CFO

