



Systemair

Quarterly report 3 2018-19

Roland Kasper CEO, Anders Ulff CFO



Established at HQ in
Skinnskatteberg, Sweden

1974



Turnover
Annual net sales in mill. EUR

800



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

5,800



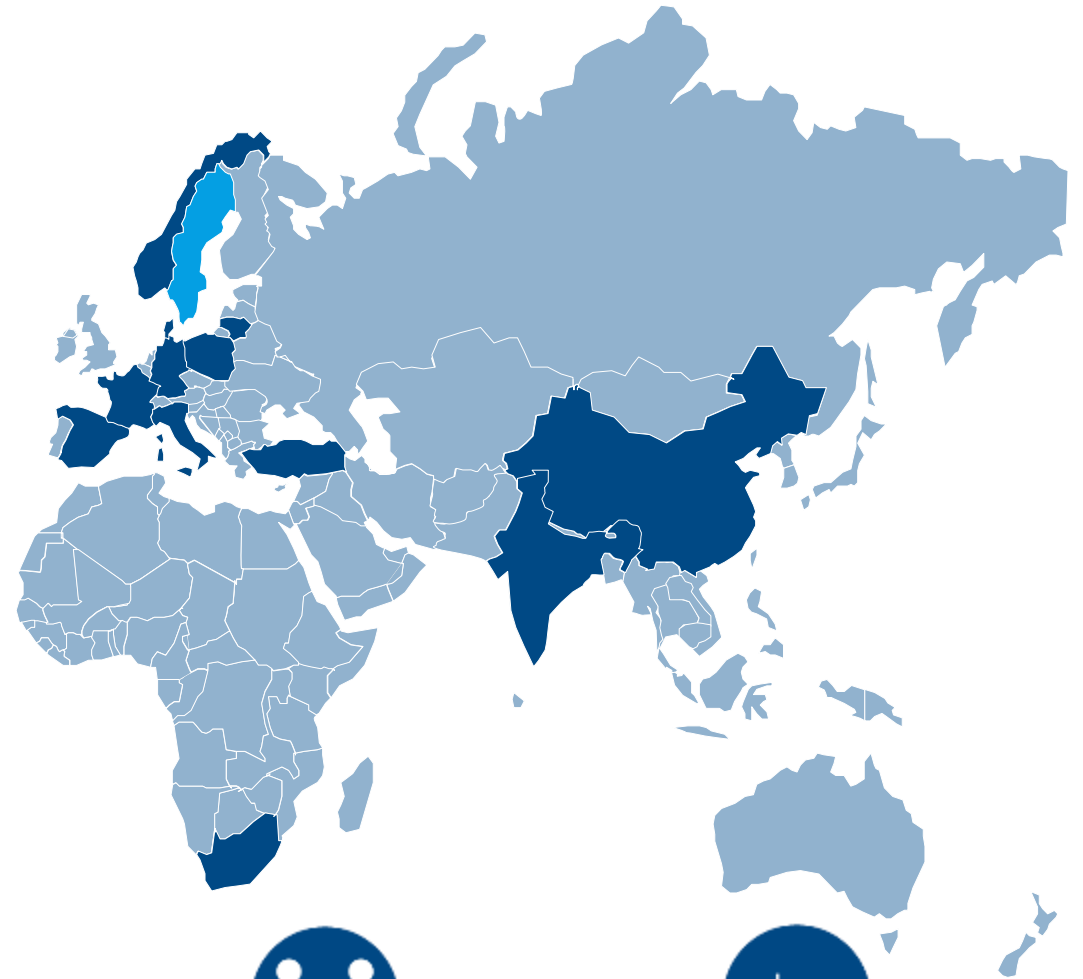
Number of
customers

> 20 300

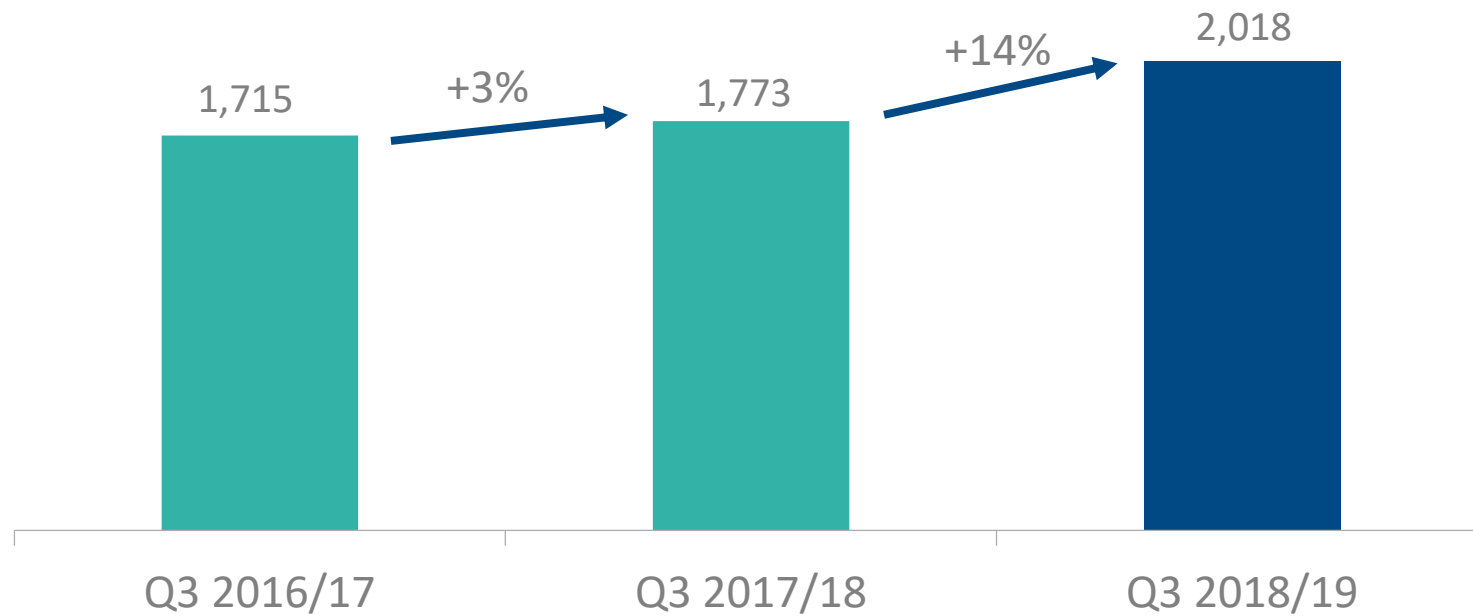


Countries
exported to

>100



Net Sales Q3



13.8%
Growth

6.2%
Organic growth

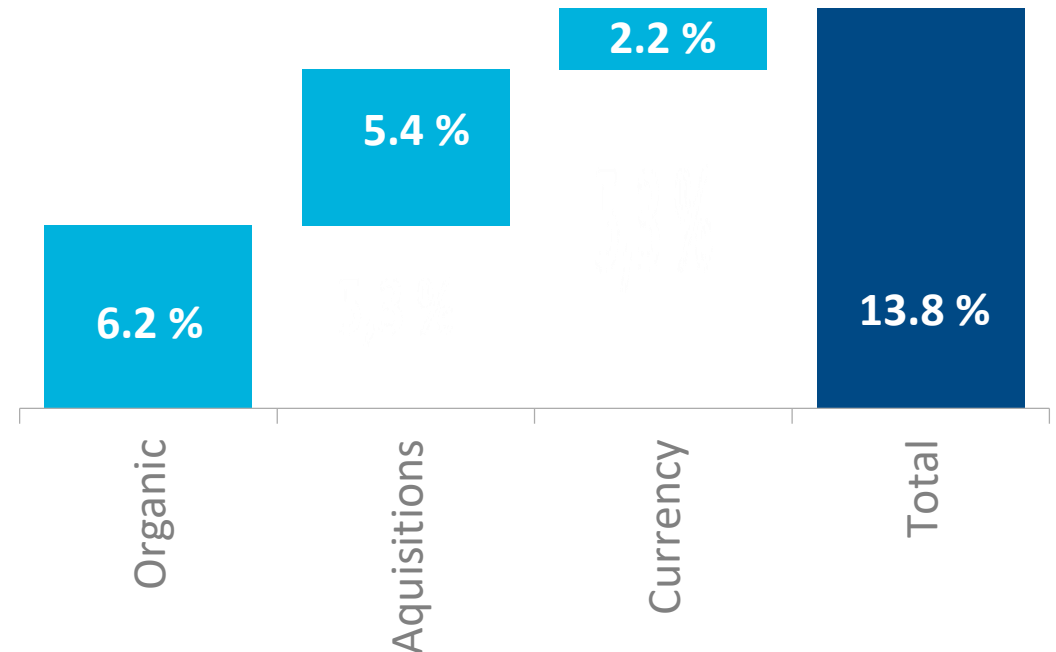
Sales growth – Q3

Organic

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

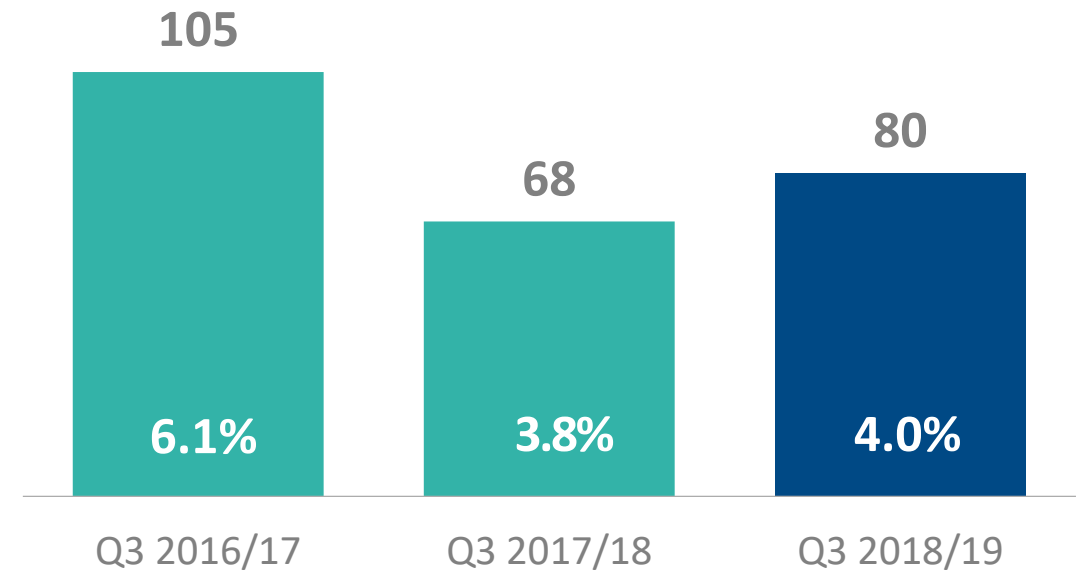
Acquisitions

- Mainly effected by the acquisition of Syneco, Greentek and Koolair
- **Currency**
- Strengthened EUR



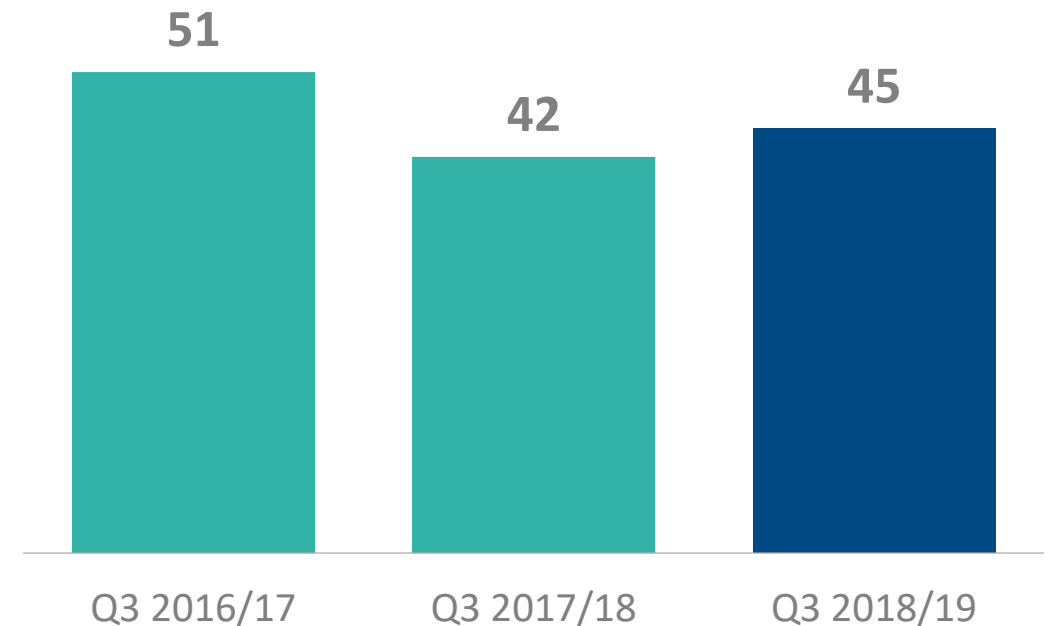
Operating profit – Q3

- Gross margin decreased to 31.9 percent (33.0).
- Costs for restructuring was SEK 7.1 million in the mostly related to TTL and Menerga in Germany.
- Selling and administration expenses for the quarter increased with 6.4 percent for comparable units.
- Operating profit for the third quarter amounted to SEK 80.1 million (67.7).



Profit after tax – Q3

- Net financial items ended the third quarter at SEK -5.8 million (-14.9).
- The effects of foreign exchange on long-term receivables, loans and bank balances were calculated at SEK +1.5 million (-8.1).
- Interest expense for the quarter totalled SEK -8.5 million (-7.2).
- Estimated tax for the quarter amounted to SEK -29.5 million (-11.2) or 39.7 percent.



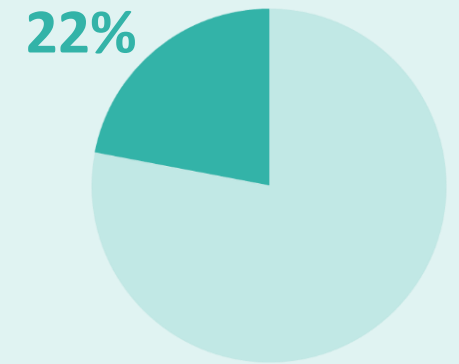
Cash flow analysis – Q3

	Q3 2018/19	Q3 2017/18
Operating profit	80.1	67.7
Change in working capital	111.7	16.8
Net investments, excl. acquisitions	-47.7	-107.0
Free cash flow	144.1	-22.5
Net indebtedness	2,022.0	1,627.1

- Change in working capital mainly due to decrease in trade accounts receivables
- Net investments consisted mainly of investments at the sites in Germany, Sweden and Denmark.

Nordic

- Sales in the Nordic region were 4 percent higher than the same period last year.
- Foreign exchange effects, acquisitions and divestments affected sales marginally.
- The Swedish and Norwegian markets reported good growth in the quarter.
- Denmark and Finland remain stable



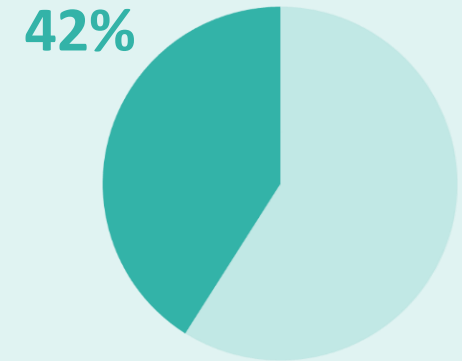
■ Percentage of turnover

453 MSEK Sales

Growth	4%
Organic	4%

Western Europe

- Sales in the West European market were 15 percent higher than in the corresponding period last year.
- Adjusted for foreign exchange effects and acquisitions, sales were largely unchanged.
- Several markets in the region performed well during the period, including Portugal, Greece, Spain and Italy, while sales fell slightly in Belgium, Austria and the UK.
- Comparables are somewhat though with a 10 percent organic growth last year.



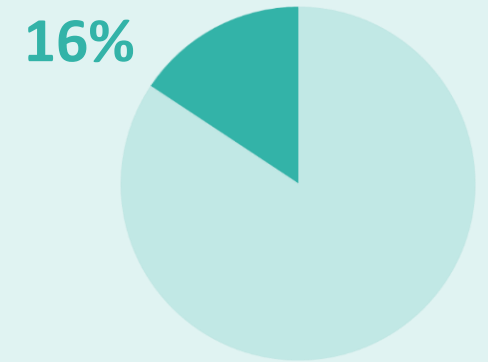
■ Percentage of turnover

849 MSEK Sales

Growth	15%
Organic	0%

Eastern Europe & CIS

- Sales in Eastern Europe and the CIS rose by 17 percent during the quarter.
- Adjusted for foreign exchange effects and acquisitions, sales rose by 15 percent.
- Sales in Russia were 12 percent higher than in the corresponding period last year.
- Other major markets in the region showing growth during the period include Bulgaria, Lithuania, Estonia, Poland and especially the operations in Czech Republic.



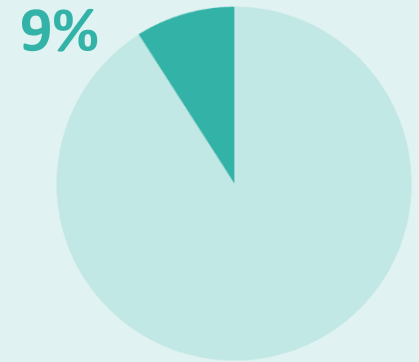
■ Percentage of turnover

320 MSEK Sales

Growth	17%
Organic	15%

North- and South America

- Sales in the North and South America region during the quarter were 40 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 18 percent in the quarter.



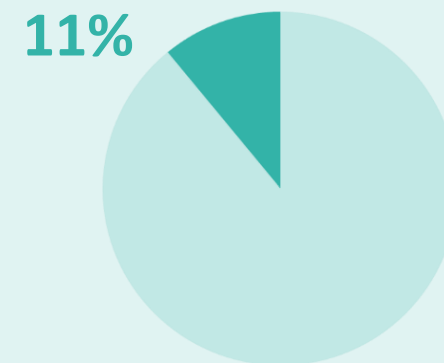
■ Percentage of turnover

174 MSEK Sales

Growth	40%
Organic	18%

Asia, Middle East and Africa

- Sales in the region increased by 9 percent during the quarter, compared with the same period in the preceding year.
- Adjusted for foreign exchange effects and acquisitions, sales rose by 16 percent.
- Sales in Morocco, China and Turkey increased during the quarter, but declined in parts of the Middle East.



■ Percentage of turnover

223 MSEK Sales

Growth	9%
Organic	16%



Projects

Major order for Cruise Line Ships

- Systemair Netherlands has received an order for production of air handling units for two new ships, of a value of approx. EUR 5 million, from Engie Axima in France.
- The LNG powered, 200.000 tons cruise line ships which will be built at Chantiers de l'Atlantique in France, holds 2760 cabins and capacity of 6850 guests.
- The air handling units will be delivered during 2020 and 2022.



Sponsor of EXPO2020 in Dubai

In October 2020, Dubai will host the World Expo. The theme is 'Connecting Minds, Creating the Future' and the ambitions of the organizer are great, with innovation and sustainability as important catchwords. Between 150-180 countries are expected to attend and the exhibition is estimated to have about 20 million visitors.

The theme for the Swedish pavilion is sustainability

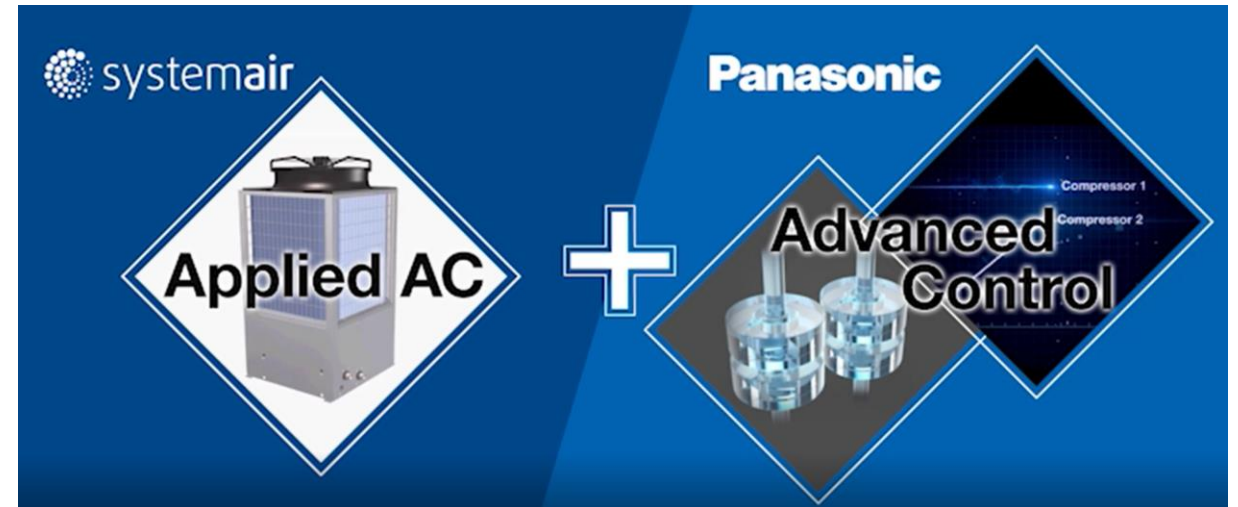
Expo 2020
Sweden
Sverige السويد

OFFICIAL SPONSOR

Systemair and Panasonic

Partner to Develop Integrated HVAC&R Solutions

- Focus on integrated and sustainable HVAC&R solutions for both commercial and residential sectors
- Partnership to occur in several phases starting with the launch of a new Heat Pump Chiller series
- Combined solutions will benefit from both parties' existing technologies



Summary

- Continued good growth – No major sign of decrease in demand
- Decreased gross margin due low occupation in one factory and the acquisition of Koolair. EBIT margin improved slightly
- Highly improved cash flow due to improved working capital and lower investments
- The cooperation with Panasonic will enable Systemair to increase the number of energy efficient and smart products produced in existing AC factories
- Strengthened management team

Thank you, Welcome with questions!

Roland Kasper CEO, Anders Ulff CFO

