



Systemair

Quarterly report 4 2017-18

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

5,500



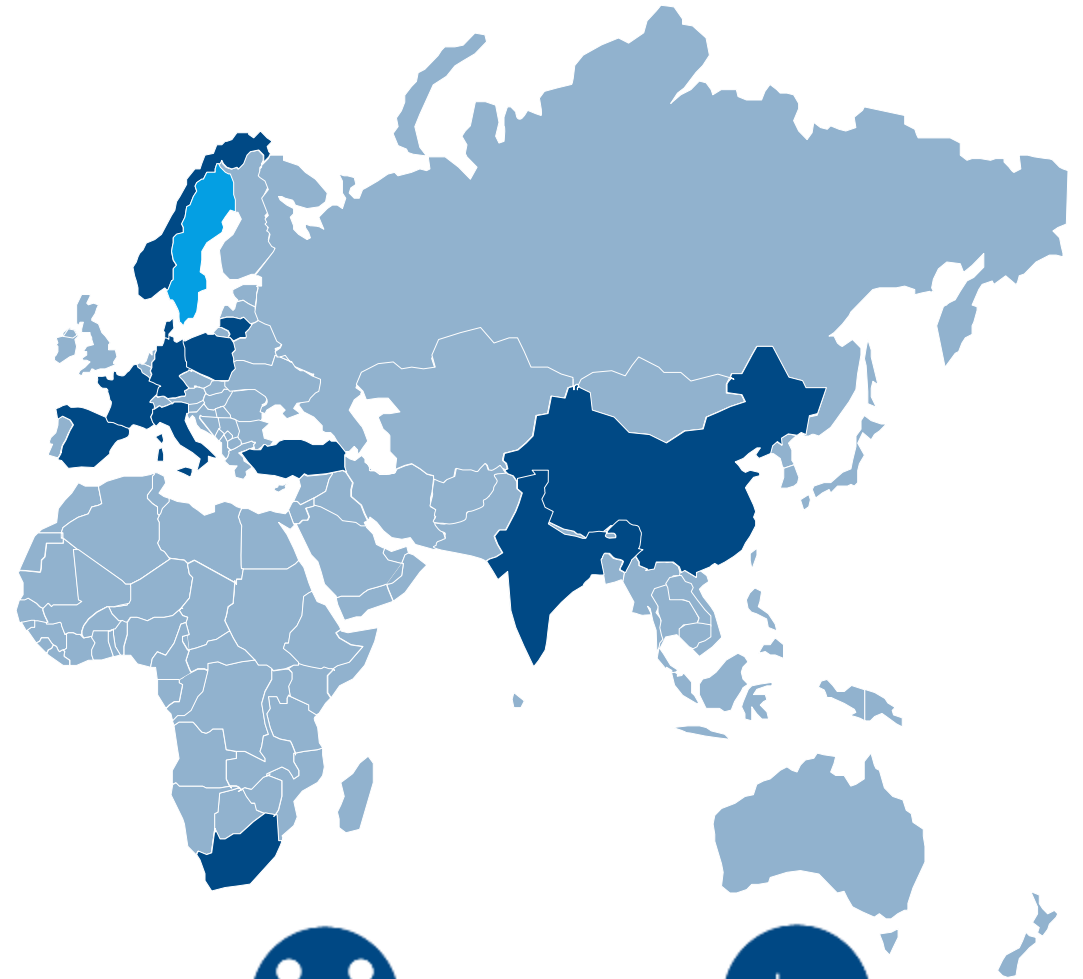
Number of
customers

> 20 300

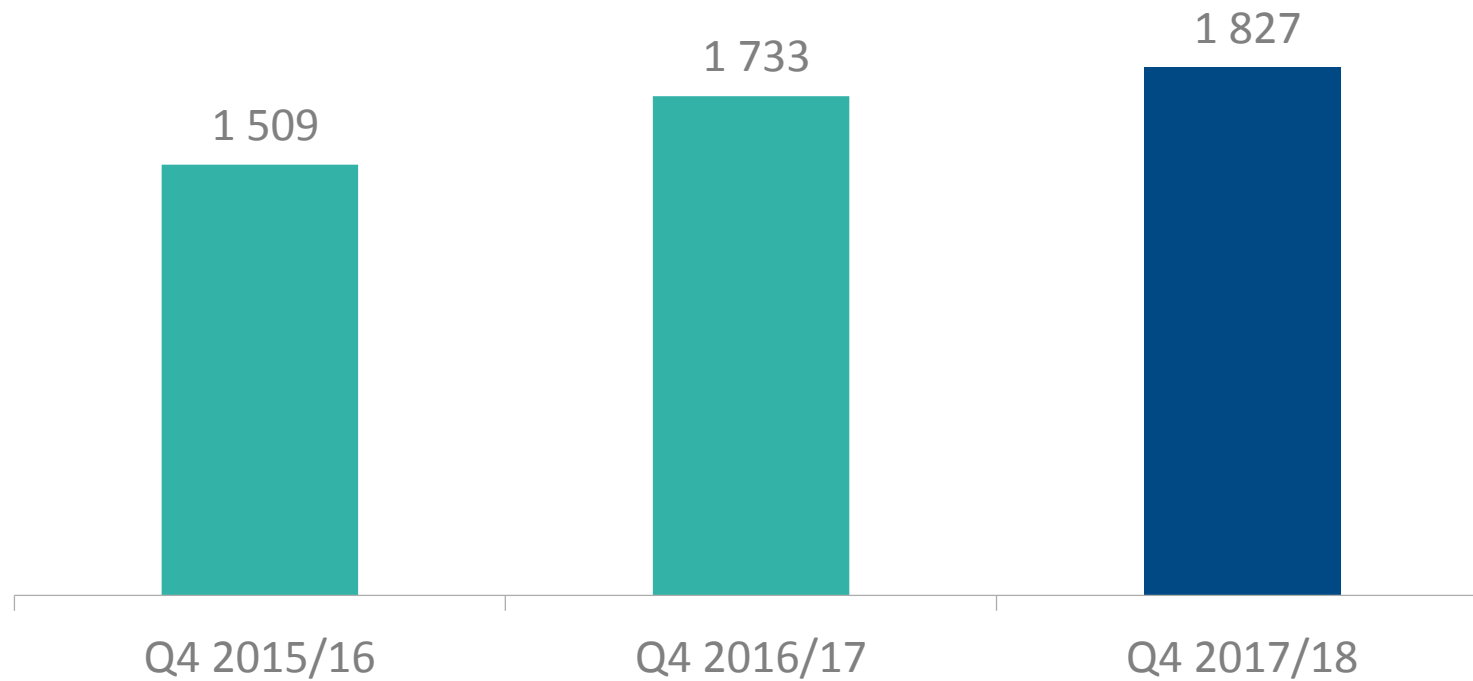


Countries
exported to

>100



Net Sales Q4



5.4%
Growth

1.8%
Organic growth

Sales growth – Q4

Organic

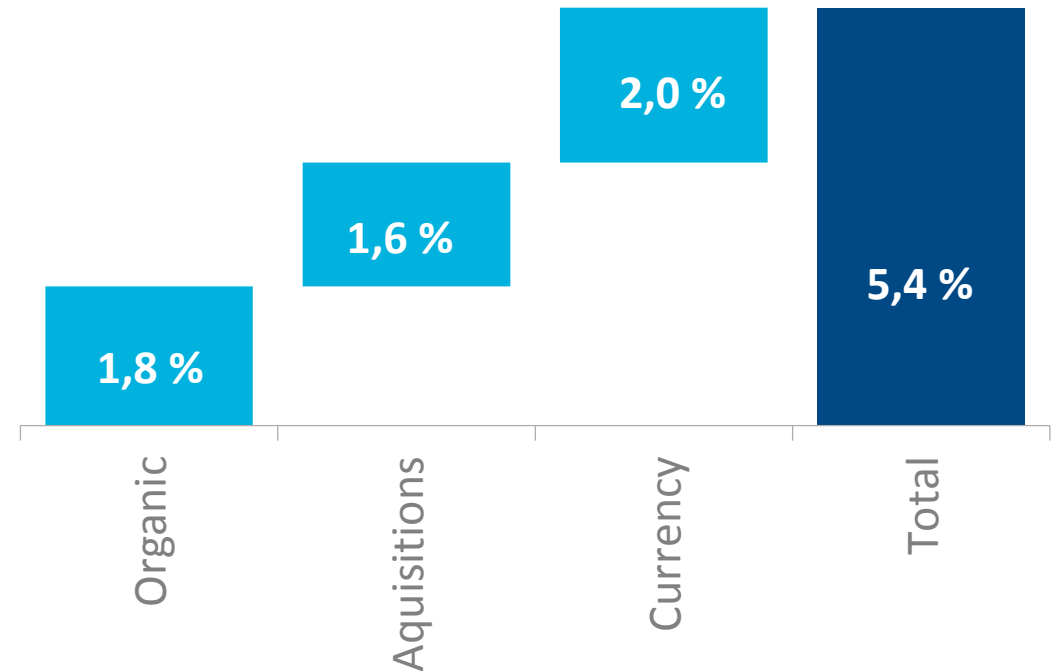
- Good organic growth in the Nordic region and in Eastern Europe.

Aquisitions

- Mainly Syneco and Frivent

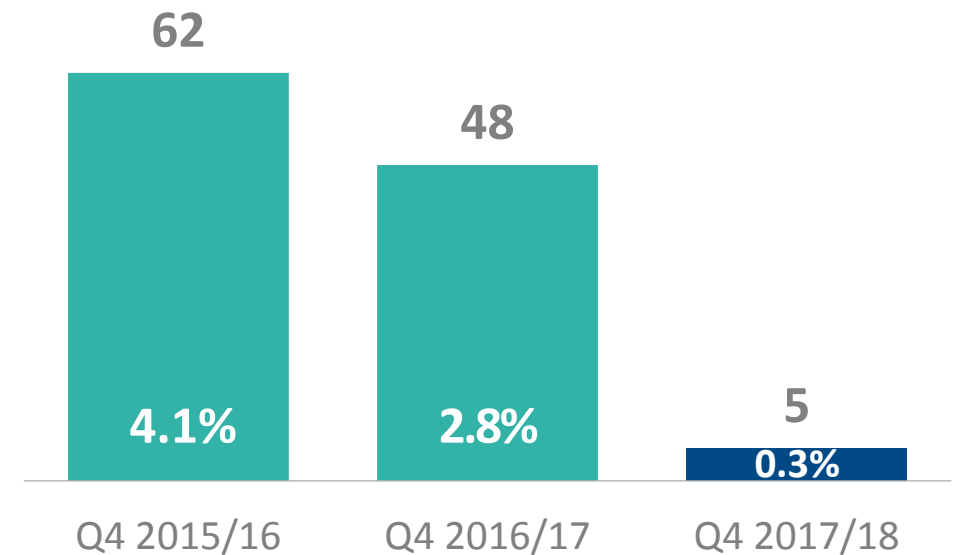
Currency

- Strengthened EUR



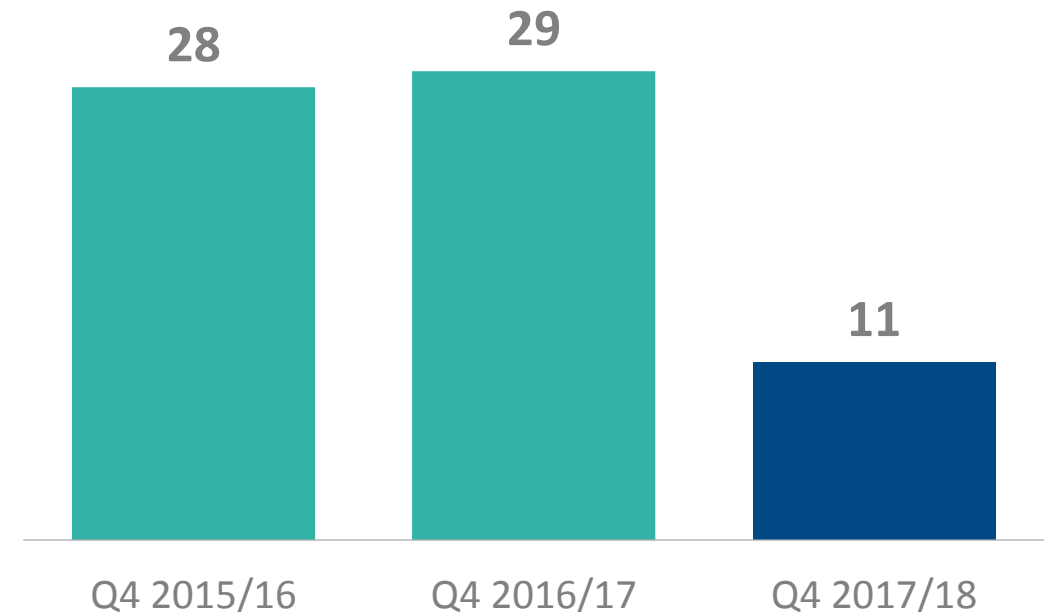
Operating profit – Q4

- Gross margin decreased to 32.3 percent (33.8). The main factor underlying the lower gross margin was a major project order with a low margin that was charged against profit during the quarter.
- Other non-recurring items in the quarter relate to a goodwill impairment charge resulting from the sale of the Norwegian subsidiary Reftec AS for SEK 11.2 million, and a provision for a doubtful receivable of SEK 12.2 million.
- Selling and administration expenses increased with 3.3 percent.
- Adjusted operating profit amounts to SEK 49 million (67).



Profit after tax – Q4

- For the fourth quarter, net financial items amounted to SEK +25.5 million (-4.5).
- Currency effects on long term receivables, loans and bank amounted to net SEK +32.4 million (+3.1). Relates mainly to EUR/SEK.
- Interest expenses amounted to SEK -7.0 million (-7.1).
- Tax for the quarter amounted to -19.2 million or 62.2 percent attributable to non-capitalised tax loss carry-forwards in loss-making companies.



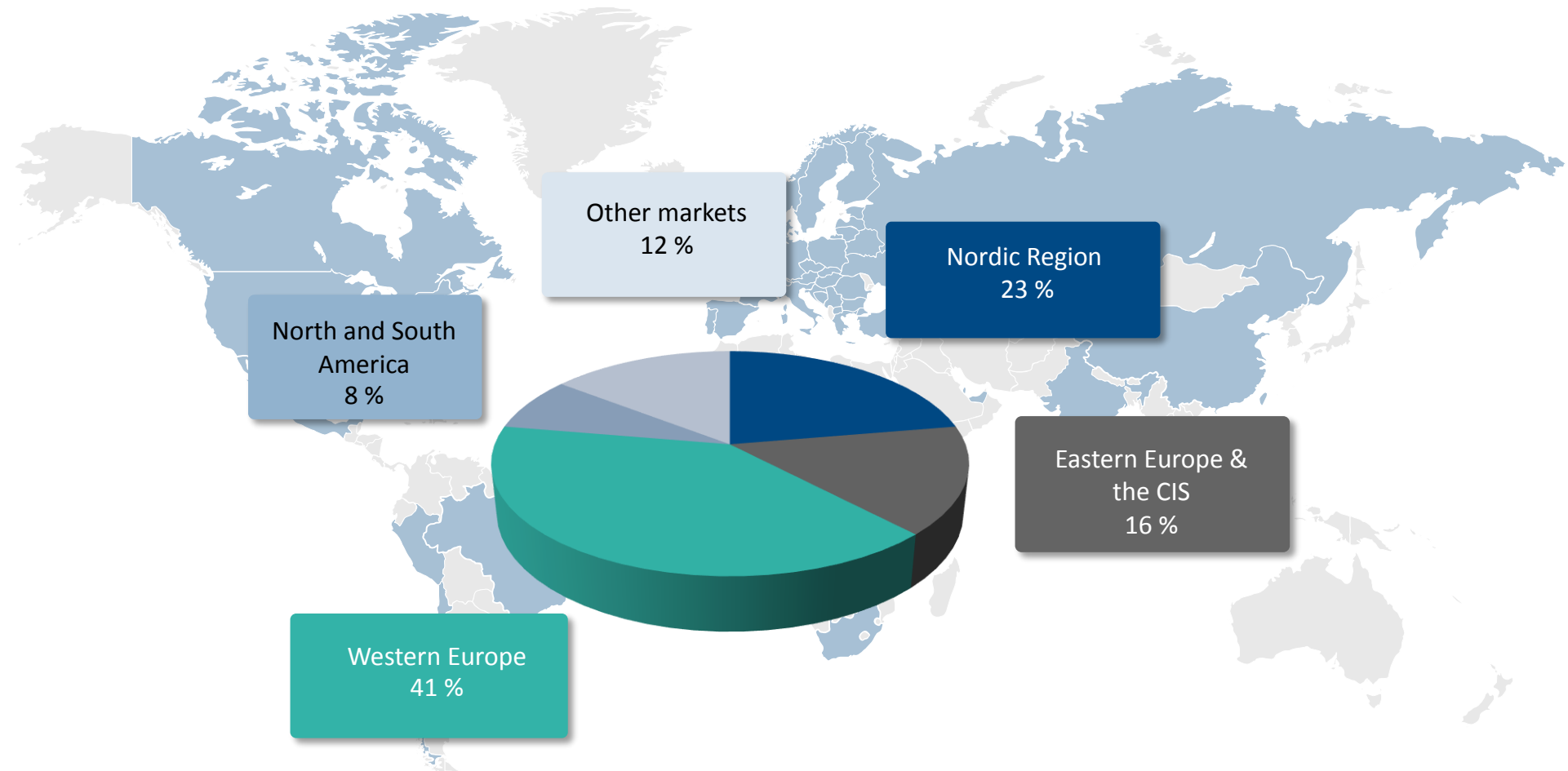
Cash flow analysis – Q4

	Q4 2017/18	Q4 2016/17
Operating profit	5.2	47.7
Changes in working capital	-60.8	-76.4
Acquisition of property, plant and equipment	-77.2	-51.5
From financing activities	104.1	81.4
Cash and cash equivalents at close of period	213.3	241.8
Net debt	1,837.7	1,372.3

- Negative impact of working capital due to increased inventory and trade receivables
- Investments relates mainly to buildings and machinery in Turkey, Germany and Denmark

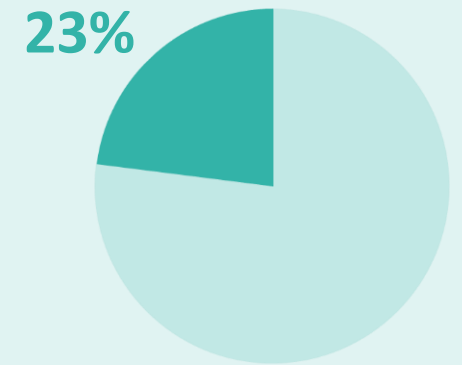
Sales by market

Sales to more than 100 countries on five continents



Nordic

- During the fourth quarter, sales in the Nordic region increased by 9 percent from the same period in the preceding year.
- The Swedish and Finnish markets reported good growth during the quarter. The Norwegian market also reported growth, while sales declined in the Danish market.
- Adjusted for foreign exchange effects and acquisitions, the increase was 7 percent.



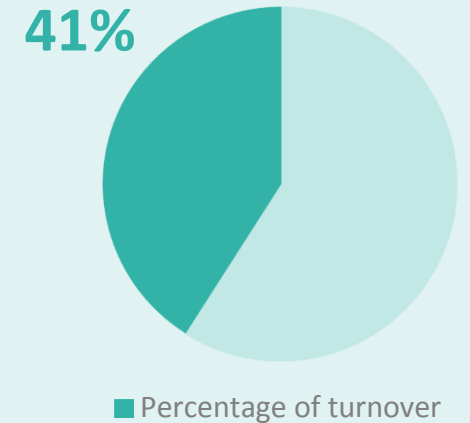
■ Percentage of turnover

435 MSEK Sales

Growth	9%
Organic	7%

Western Europe

- During the quarter, sales in the West European market were 8 percent higher than in the corresponding period in the preceding year.
- Adjusted for foreign exchange effects and acquisitions, sales rose by 1 percent.
- Several markets in the region performed well during the period, including Germany, France and Italy, while sales declined in the Netherlands, Switzerland and Spain.

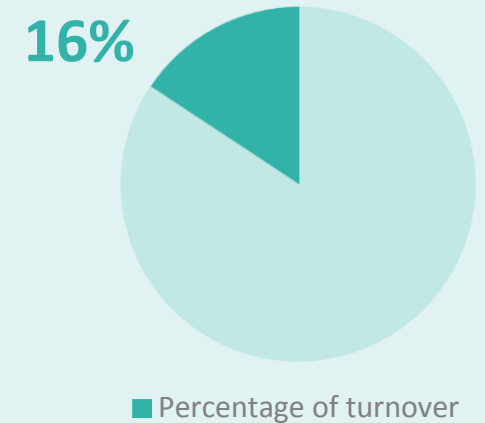


748 MSEK Sales

Growth	8%
Organic	1%

Eastern Europe & 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 developed modest during the quarter compared with the same period past year, but increased overall during the year. The Russian market accounted for 6 percent of Systemair's total sales over the financial year, compared with 5 percent in the previous year.
- Large markets that reported growth during the period include Czech Republic, Poland, Slovenia and the Baltic States.

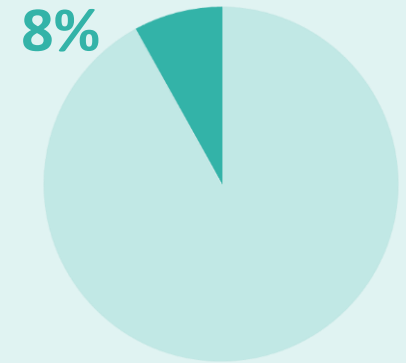


302 MSEK Sales

Growth	20%
Organic	13%

North- and South America

- Sales in the North and South America region were 4 percent lower during the quarter, compared with the same period in the preceding year.
- The sales trend was positive denominated in local currencies, where the Canadian market in particular demonstrated strong growth during the quarter.
- Adjusted for foreign exchange effects and acquisitions, sales rose by 3 percent within the region.

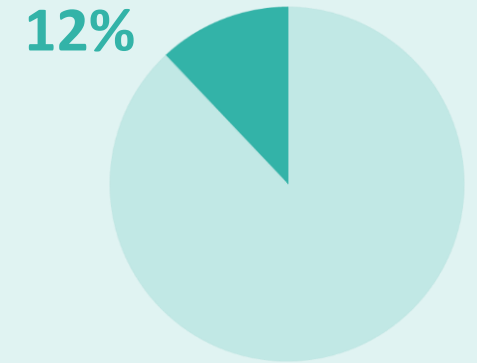


139 MSEK Sales

Growth	-4%
Organic	3%

Other Markets

- Sales in Other markets declined 17 percent during the quarter, compared with the same period in the preceding year.
- Adjusted for the effects of foreign exchange and acquisitions, sales were down 15 percent.
- Sales in Malaysia and China improved during the quarter, while sales fell in Turkey, India and the Middle East.
- Sales in South Africa also fell, after adjustment for acquisitions.



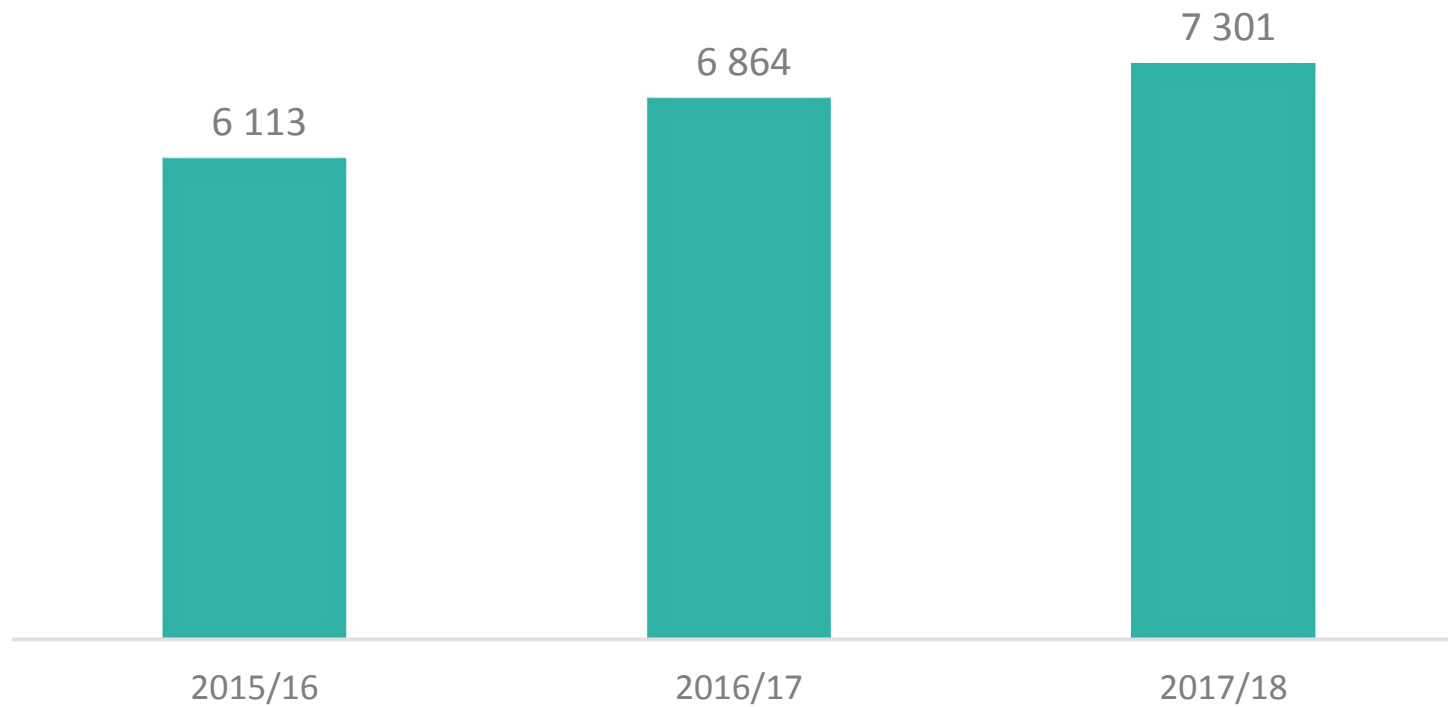
■ Percentage of turnover

203 MSEK Sales

Growth	-17%
Organic	-15%

Net sales – full year

SEK M



6.4%
Growth

3.6%
Organic growth

Growth – full year

Organic

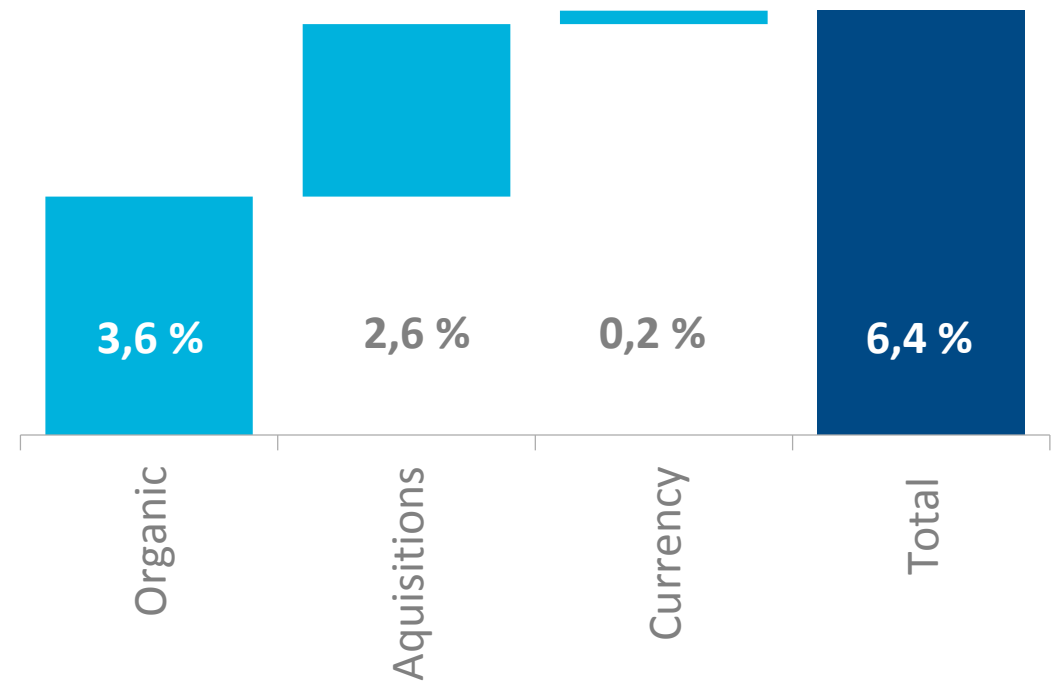
- Good growth in all regions except Other markets where the sales is more driven by project sales.

Aquisitions

- 2VV, Frivent, Viking, TTL and Syneco

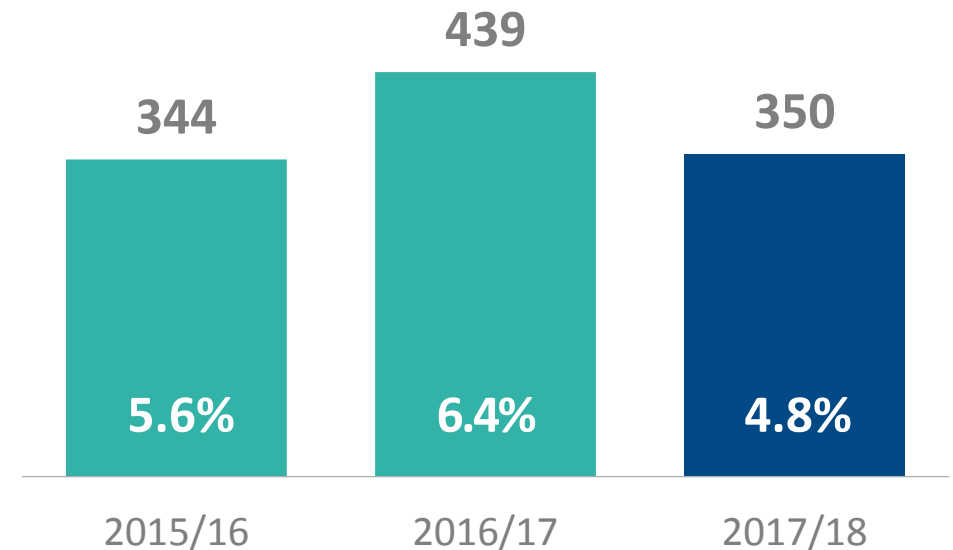
Currency

- Strengthened EUR



Operating profit – full year

- Gross margin was 33.1 percent (34.4) due to project order with lower margin, and some factories with low volume.
- The adjusted operating profit includes non-recurring effects of SEK 69.7 million.
- Selling and administration expenses for the year increased by 5.0 percent.



Systemair delivers for FIFA 2018 World Cup

Systemair has delivered products to six arenas, with a total capacity of 260,000 seats, for the FIFA World cup tournament. The project includes Systemair fans, over 700 pcs of air curtains and 750 pcs of IR heaters from Frico and 257 RAC units.

Total order value is approximately EUR 1.5 million.



Systemair supplies TOPVEX to European University in Valencia

Systemair has been chosen to supply 47 TOPVEX units to refurbish all class rooms of the main buildings in order to guarantee the indoor air quality, according to UNE ES 15251.

Reduced dimensions of AHU's were one of the key points in the project, but also the heat recovery of TOPVEX fulfilling Eco design directive 2018.

Deliveries will be done in July.



New Prio EC in highest energy efficiency standard

Energy requirements for buildings increase, which places higher demands on energy efficient ventilation systems.

Prio EC is designed and adapted to work with high efficiency even at low pressure drop.



Summary

- Continued organic growth especially in Eastern Europe and Nordics
- 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
- Continued product development for being ahead within products and digitalization
- Positive outlook on several markets

Thank you, Welcome with questions!

Roland Kasper CEO, Anders Ulff CFO

