



Systemair

Quarterly report 4 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

6,000



Number of
customers

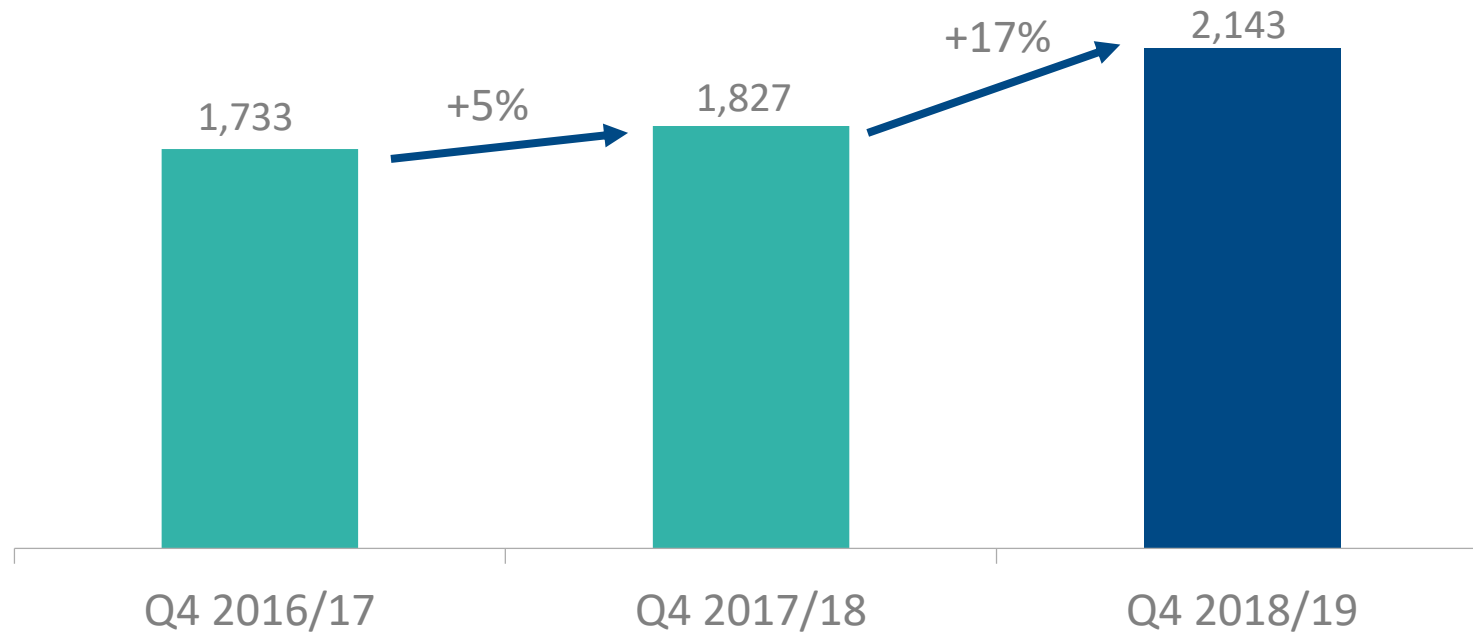
> 20 300



Countries
exported to

>100

Net Sales Q4



17.3%
Growth

9.3%
Organic growth

Sales growth – Q4

Organic

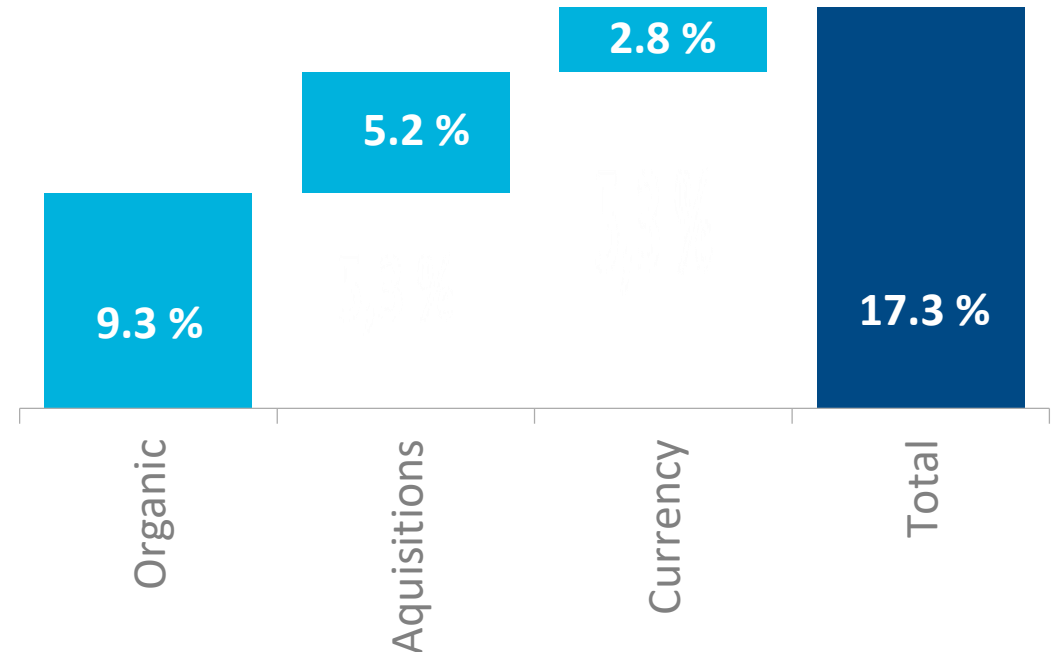
- Good growth in most regions but especially good organic growth in North America and Western Europe.

Acquisitions

- Mainly effected by the acquisition of Greentek and Koolair and divestment of Reftec.

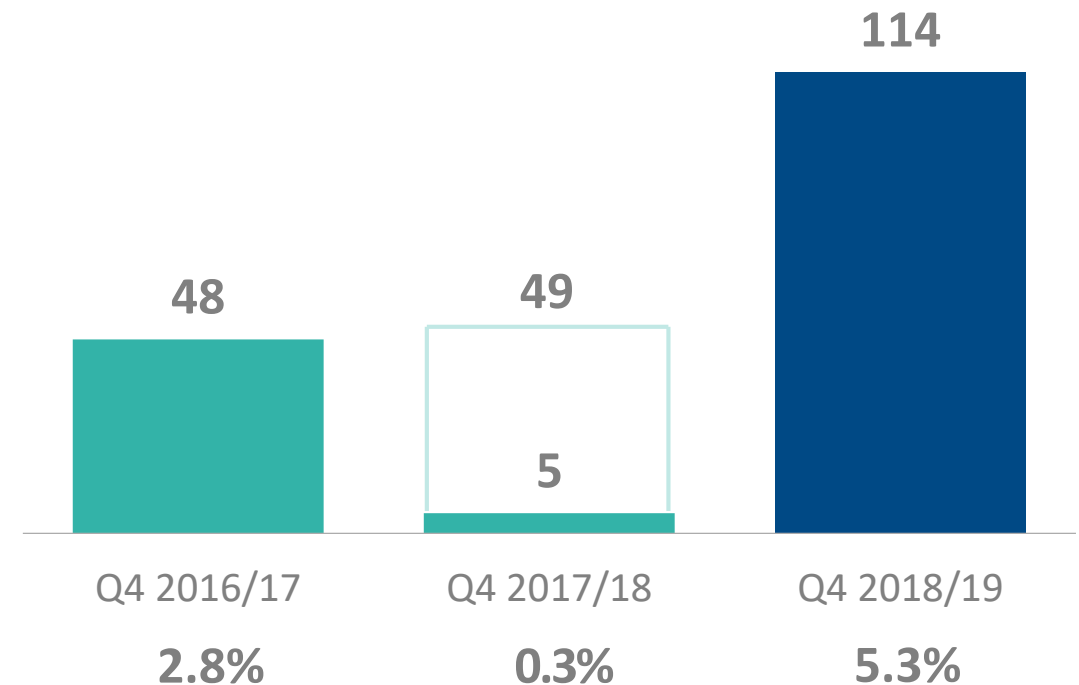
Currency

- Strengthened EUR



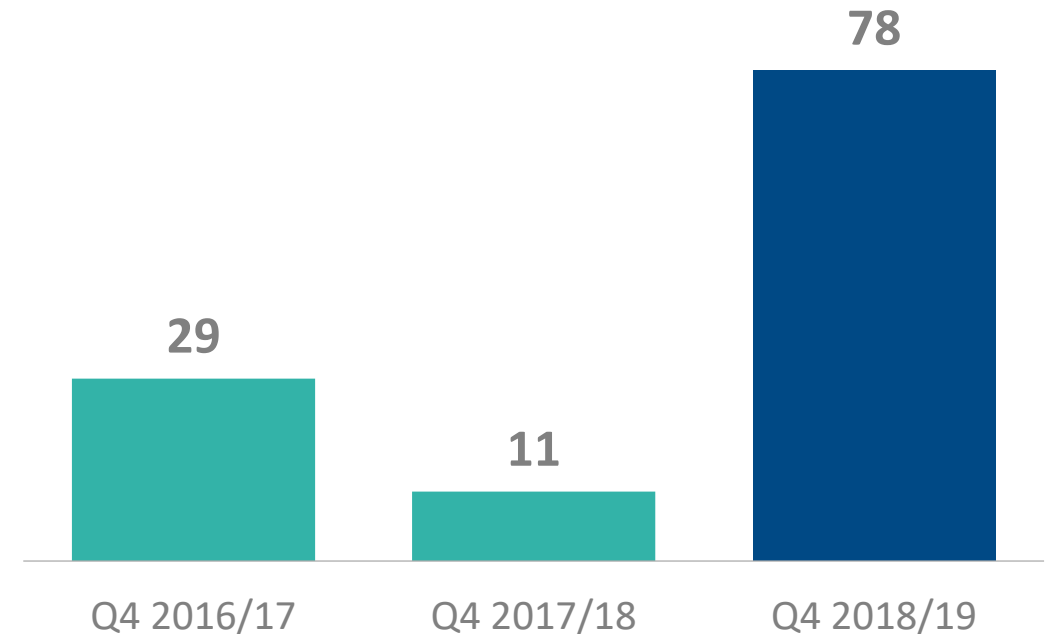
Operating profit – Q4

- Gross margin increased to 32.8 percent (32.3).
- Selling and administration expenses for the quarter increased with 4.1 percent for comparable units.
- Operating profit for the fourth quarter amounted to SEK 114.1 million (5.2). Last year's result included non-recurring items of SEK 43.7 million.



Profit after tax – Q4

- Net financial items ended the fourth quarter at SEK -17.7 million (+25.5).
- Interest expense for the quarter totalled SEK -10.1 million (-7.0).
- Estimated tax for the quarter amounted to SEK -18.3 million (-19.2) or 19.0 percent.



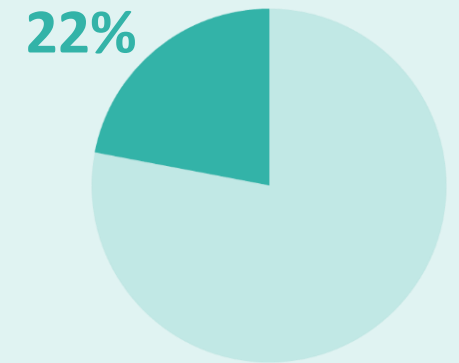
Cash flow analysis – Q4

	Q4 2018/19	Q4 2017/18
Operating profit	114.1	5.2
Change in working capital	-106.6	-61.3
Net investments, excl. acquisitions	-52.4	-76.3
Free cash flow	-44.9	-132.4
Net indebtedness	2,080.6	1,837.7

- Change in working capital mainly due to increase in trade accounts receivables
- Major investments relate to new office building in Germany and machine investments mainly in Canada, the Czech Republic and Lithuania.

Nordic

- Sales in the Nordic region were 8 percent higher than the same period last year.
- The Finnish and Norwegian markets have shown good growth during the quarter. The Danish and Swedish markets also show growth, albeit at lower levels.
- Adjusted for currency effects, acquisitions and divestments, sales increased by 7 percent.



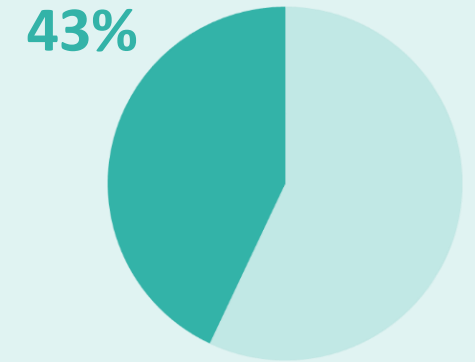
■ Percentage of turnover

468 MSEK Sales

Growth	8%
Organic	7%

Western Europe

- Sales in the West European market were 27 percent higher than in the corresponding period last year.
- The acquisition of Spanish Koolair has a significant impact.
- Adjusted for currency effects and acquisitions, sales increased by 13 percent.
- Several markets in the region developed well during the period, including England, Italy, the Netherlands and Portugal, while sales declined slightly in Greece and Ireland.



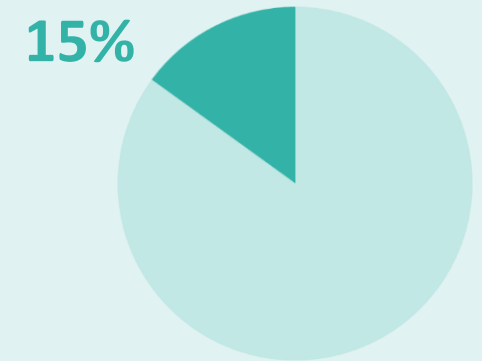
■ Percentage of turnover

951 MSEK Sales

Growth	27%
Organic	13%

Eastern Europe & CIS

- Sales in Eastern Europe and OSS increased by 1 percent during the quarter.
- Adjusted for currency effects and acquisitions, sales decreased by 1 percent.
- In Russia, which is the region's largest market, sales increased by 4 percent compared to the same quarter last year.
- Other markets that show growth during the period include Belarus, Estonia, Lithuania and Slovakia.



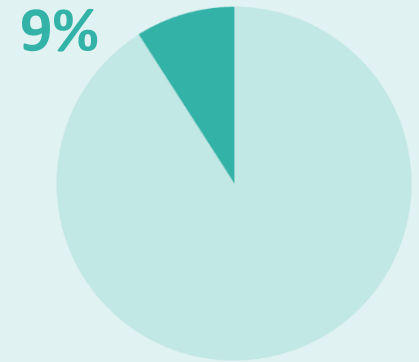
■ Percentage of turnover

305 MSEK Sales

Growth	1%
Organic	-1%

North- and South America

- Sales in the region of North and South America increased by 37 percent during the quarter compared to the same period last year.
- Both the US and Canadian markets performed well during the quarter. Our dedicated efforts for Radon solutions and CPV are contributing to the increase
- Adjusted for currency effects and acquisitions, sales increased by 14 percent within the region.



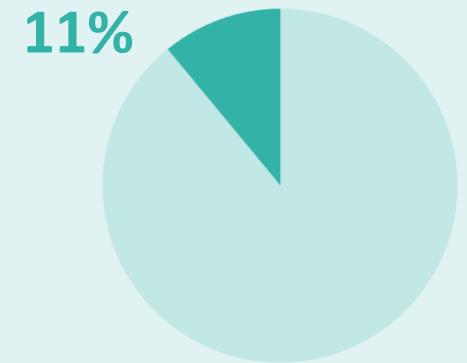
■ Percentage of turnover

191 MSEK Sales

Growth	37%
Organic	14%

Middle East, Asia and Africa

- Sales in the Middle East, Asia and Africa increased by 12 percent compared to the same period last year.
- Adjusted for currency effects and acquisitions, sales increased by 13 percent.
- Sales increased in, for example, Malaysia, Qatar and South Africa during the quarter, while sales declined slightly in Dubai and was stable on good levels in India.



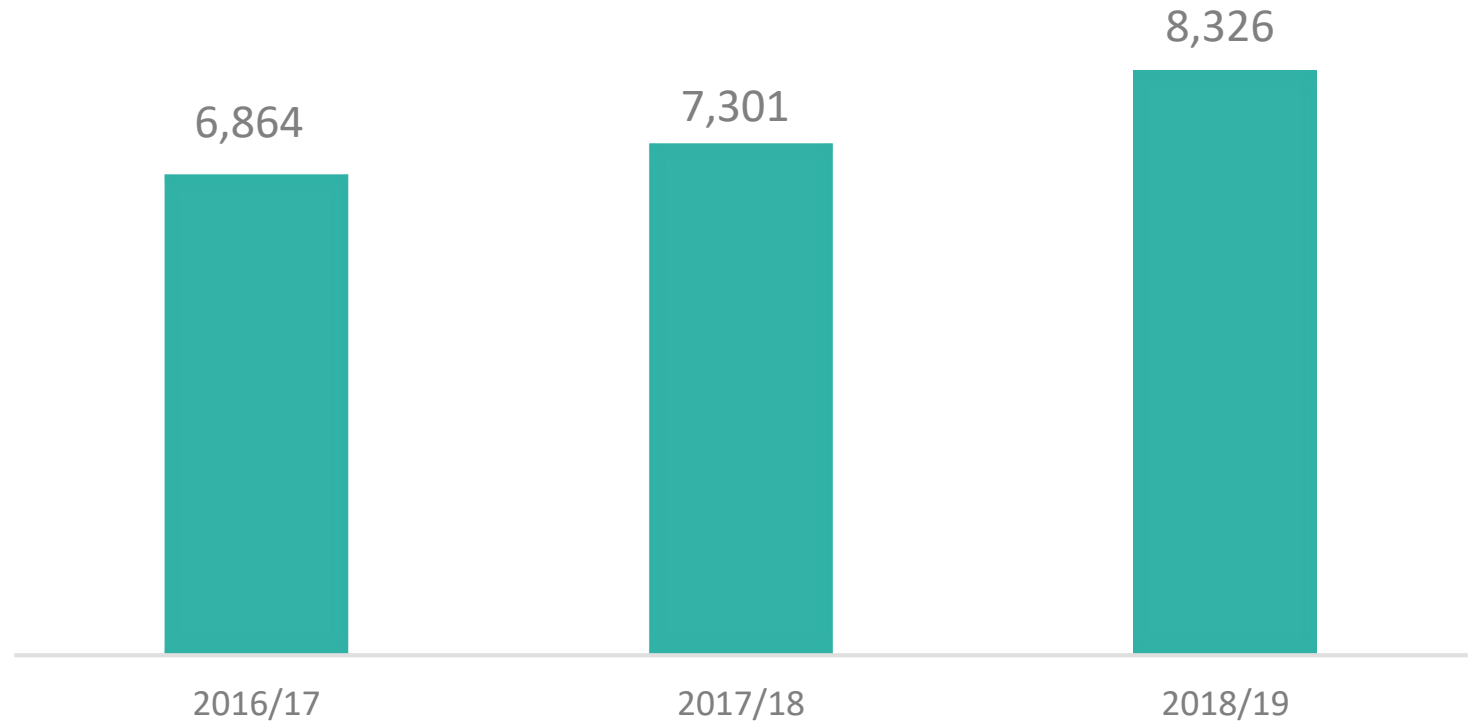
■ Percentage of turnover

228 MSEK Sales

Growth	12%
Organic	13%

Sales – full year

MSEK



14.0%
Growth

7.6%
Organic growth

Growth – full year

Organic

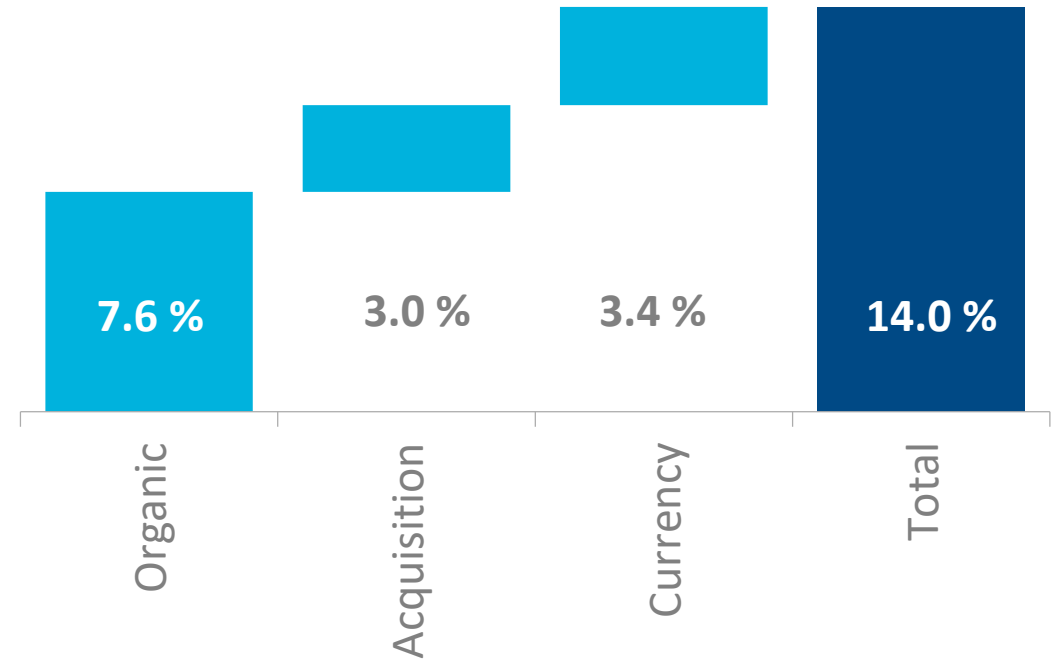
- Good development in all regions.

Acquisition

- Koolair, Greentek, Syneco, Ilo-Hora and Viking.

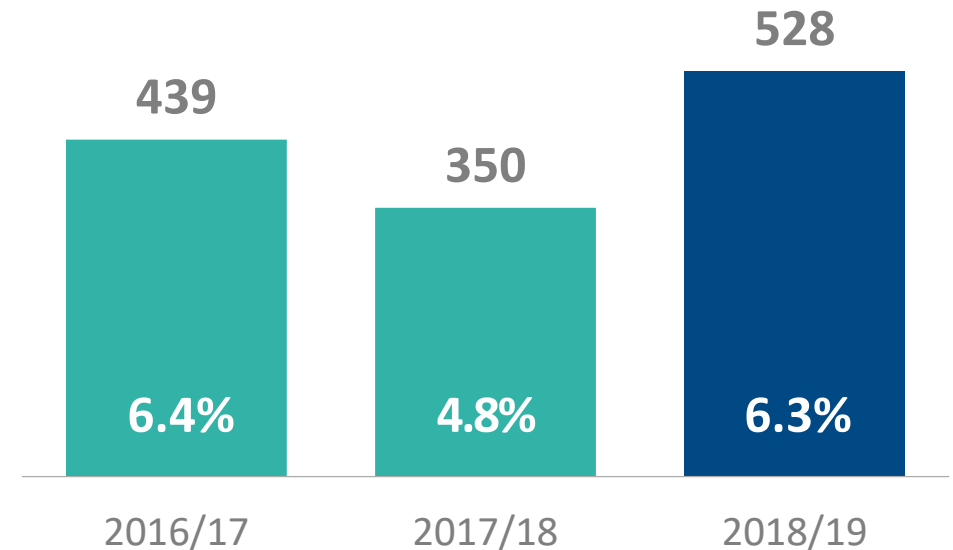
Currency

- Strengthen EUR



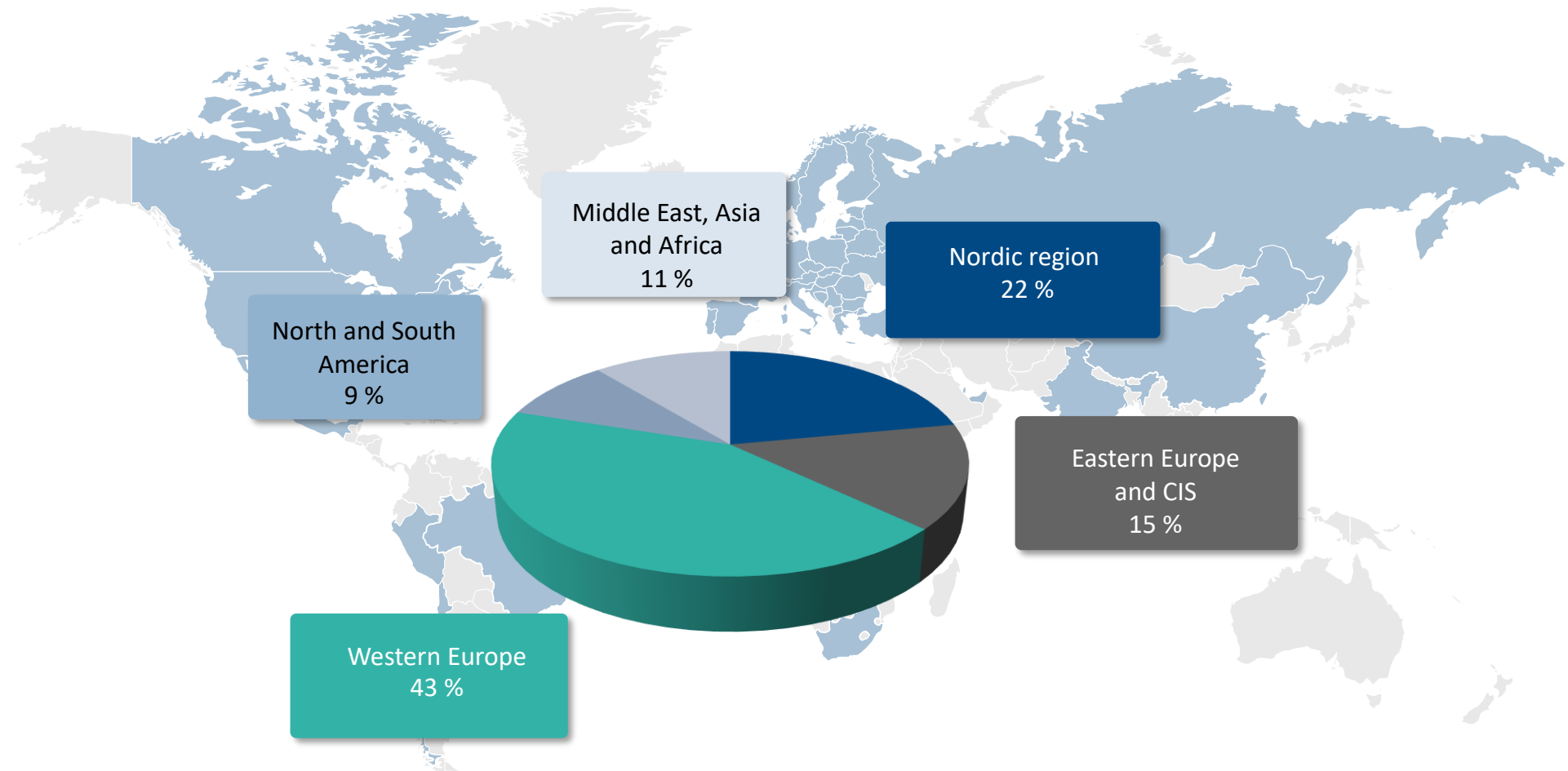
Operating profit – full year

- Operating profit for the financial year from May 2018 to April 2019 amounted to SEK 528.1 million (349.6).
- The operating margin was 6.3 per cent (4.8).
- Selling and administrative expenses for the year increased by SEK 153.1 million or 7.6 percent for comparable units.
- Selling expenses for the full year were charged with SEK 34.6 million (26.2) for anticipated and confirmed impairment losses on trade receivables.



Sales by market

Sales to more than 100 countries on five continents





Projects

Frico to North America



- European market leader in air curtains launching into the North American market
- The North American market has shown good growth and we expect it to exceed the size of the European market within the next couple of years, partly due to new legislation
- Frico will bring state of the art European technology into the market
 - EC motors
 - All units tested
 - Modern controls & design
 - Available from stock



Frico to North America

- A promising start, the solutions of Frico has already been included in specifications of some national accounts in Canada

e.g. Starbucks, McDonalds, A&W, Loblaw, Assa Abloy

- Target is to achieve 15-20% Market share (100 MUSD market growing)



ASSA ABLOY



News in Air Conditioning

- SysCoil Comfort, extra-silent floor and ceiling fan coil units
- SysLoop, new water source heat pump is the ideal solution for large shopping centers, hotels and offices
- ACloud, control your units, decrease energy consumption and optimize maintenance interventions



Summary

- Continued good growth – 9 percent organic growth for the quarter and 8 percent for the full year. Organic growth during the last nine years with one quarter as exception.
- Increased operating margin in the quarter to 5,3 percent (0,3). Adjusted margin last year was 2.7 percent the same period.
- Best result ever for the full year SEK 528 million.
- Highly improved cash flow due to improved operating result and lower investments
- Continued focus on reaching 10 percent EBIT margin

Thank you, Welcome with questions!

Roland Kasper CEO, Anders Ulff CFO

