

Q4 report 2020-21

Roland Kasper CEO, Anders Ulff CFO





Established at HQ in
Skinnskatteberg, Sweden

1974



Turnover
Annual net sales in mill. EUR

850



Number of countries with
own sales companies

54



NASDAQ
OMX Nordic Exchange

2007



Own prod. Facilities, total book
value of SEK 1.2 bn. Countries

20



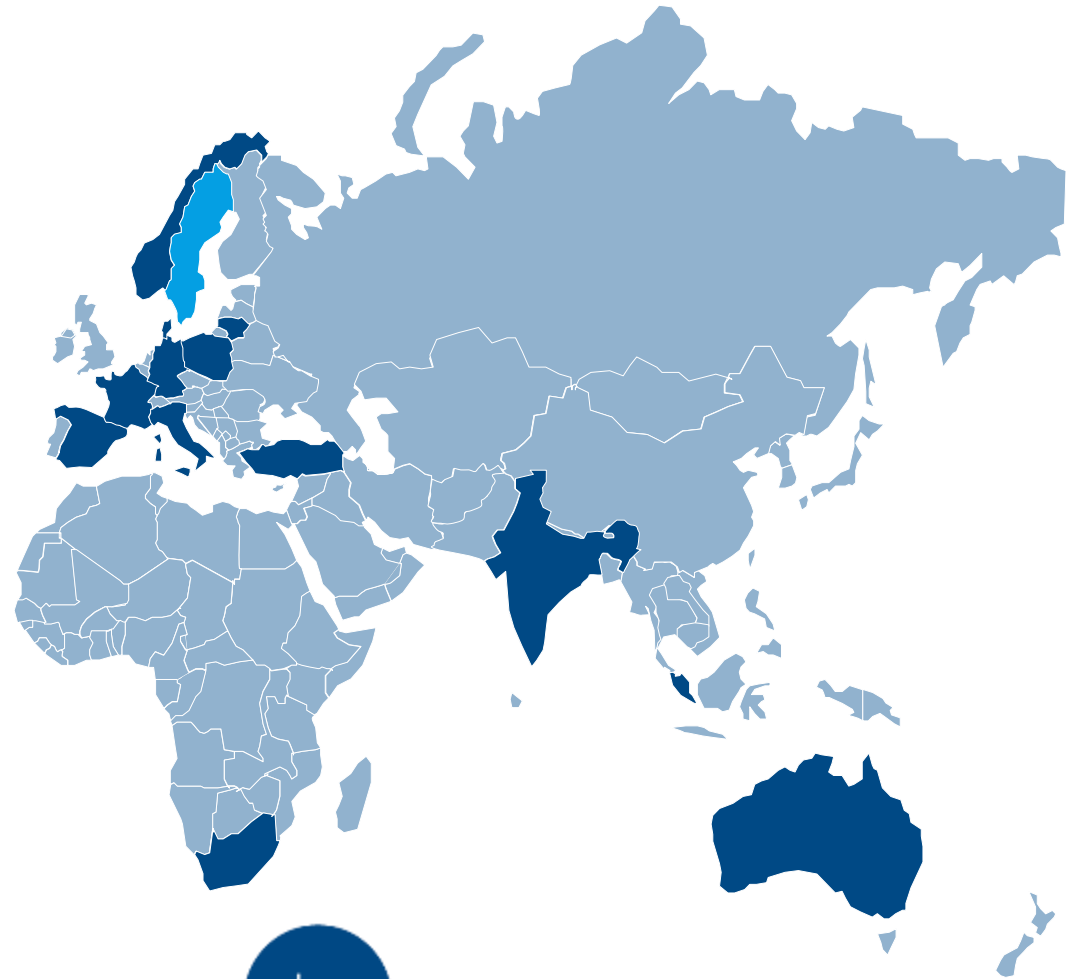
Number of
employees

6,400



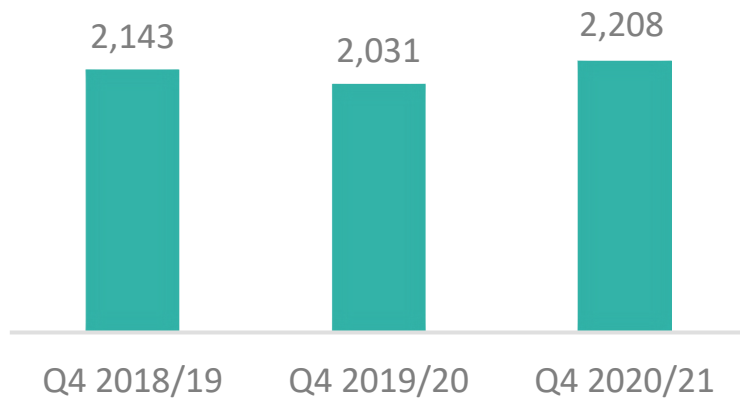
Countries
exported to

135



Net sales – Q4

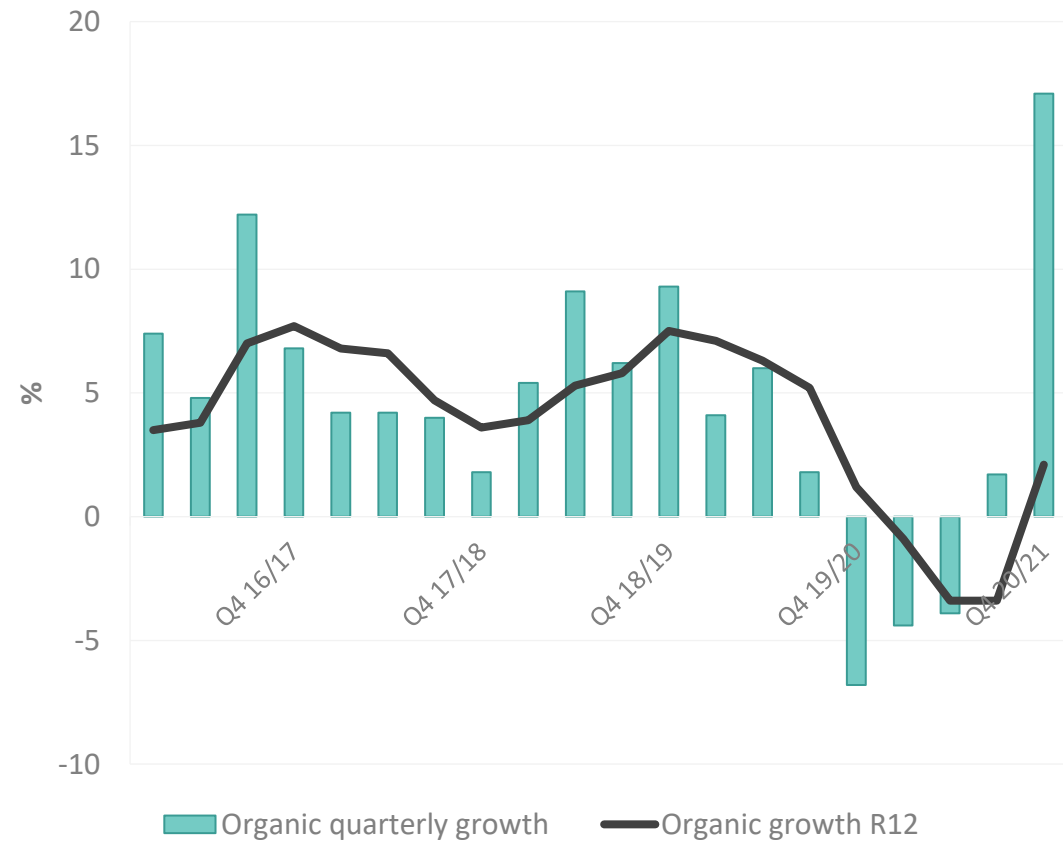
SEK million



8,7%
Growth

17,1%
Organic growth

Organic growth development, R12 %



Growth analyze Q4

Organic

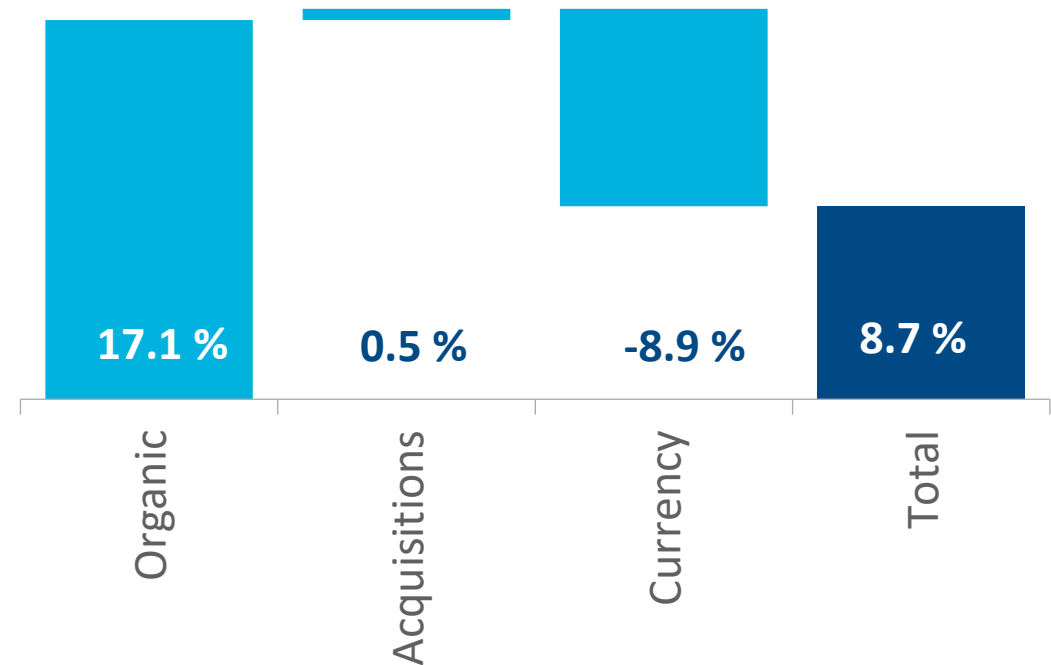
- Good organic growth especially in Asia and North America but also in Western Europe

Acquisitions

- Small impact from the acquisition of Divid, Servicebolaget och Frico A/S

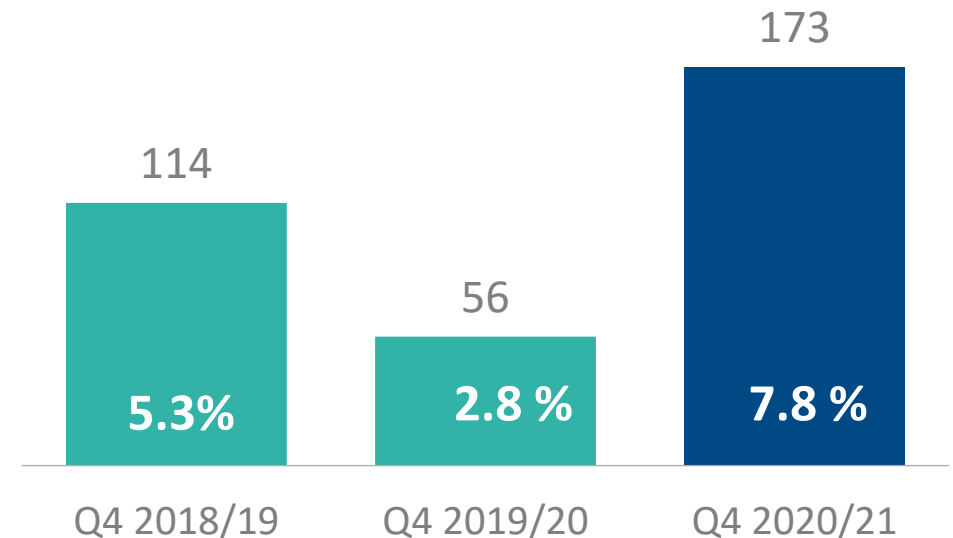
Currency

- Mainly strengthened SEK



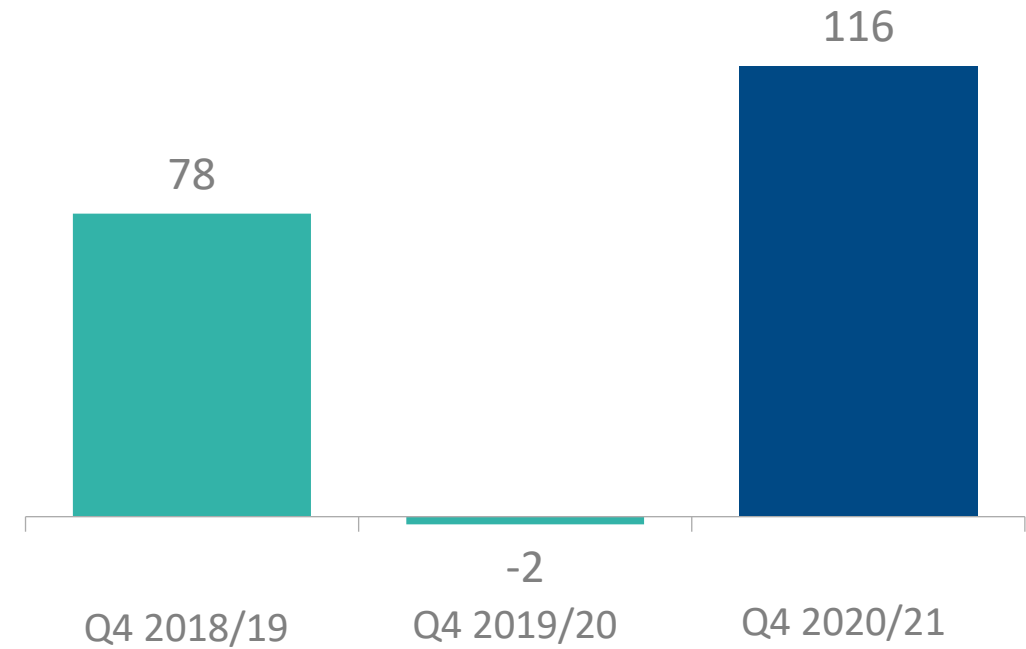
Operating profit Q4

- Gross margin increased to 35.7 percent (34.6).
- During the quarter, impairment of goodwill related to the acquisition of Menerga in Germany was written down by SEK 35.5 million due to relocation of parts of the production to Slovenia
- Selling and administration expenses for the quarter decreased with 3.0 percent for comparable units
- Operating profit for the fourth quarter amounted to SEK 173 million (56). Adjusted for impairment EBIT amounts to SEK 209 million (94) or 9.4 percent.



Profit after tax – Q4

- Net financial items ended the fourth quarter at SEK -15.1 million (-46.6).
- The effects of foreign exchange on long-term receivables, loans and bank balances were calculated at SEK -8.6 million (-38.3).
- Interest expense for the quarter totalled SEK -6.6 million (-9.5).
- Estimated tax for the quarter amounted to SEK -41.7 million (-11.6).

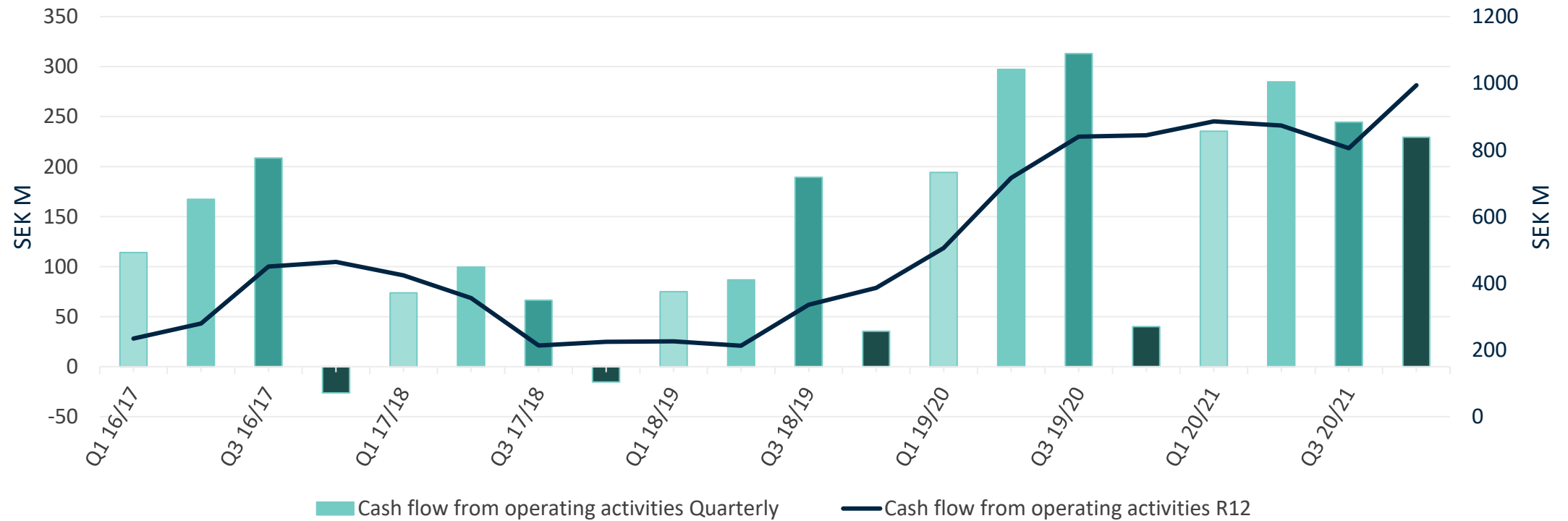


Cash flow analysis – Q4

| | Q4 2020/21 | Q4 2019/20 |
|-------------------------------------|---------------|---------------|
| Cash flow from operating activities | 272.3 | 94.2 |
| Change in working capital | -43.0 | -54.0 |
| Net investments, excl. acquisitions | -123.0 | -34.9 |
| Free cash flow | 106.3 | 5.3 |
| Net indebtedness | 1,540.4 | 1,980,7 |

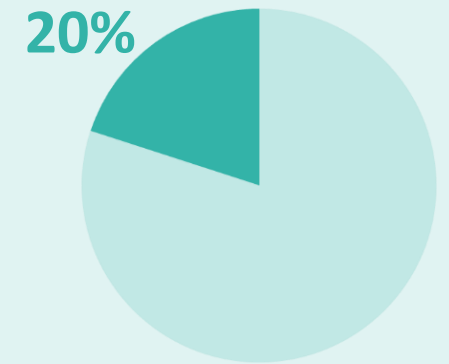
- Changes in working capital mainly due to increased trade receivables +77 (-38).
- Net investments in new production sites in Russia and in the Czech Republic.

Cash flow from operating activities



Nordic

- Sales in the Nordic countries increased by 9.1 percent in the fourth quarter compared to the previous year.
- Adjusted for foreign exchange effects and acquisitions, sales increased by 8.4 percent.
- The Swedish and Norwegian markets showed good growth during the quarter, while sales in Denmark and Finland decreased slightly



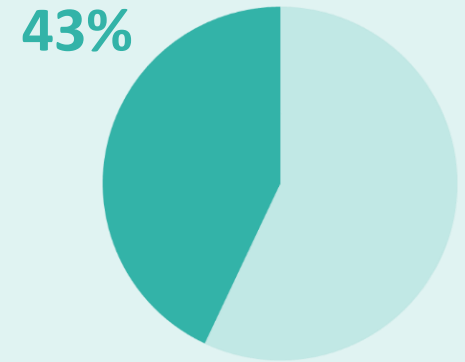
■ Percentage of turnover

487 MSEK Sales

| | |
|---------|------|
| Growth | 9.1% |
| Organic | 8.4% |

Western Europe

- Sales in the West European market were 6.6 percent above the corresponding period last year.
- Adjusted for foreign exchange effects and acquisitions, sales increased by 13.2 percent.
- Most countries in the region, including Italy, France and Germany, showed growth during the period, while the Netherlands, Belgium and Portugal decreased.

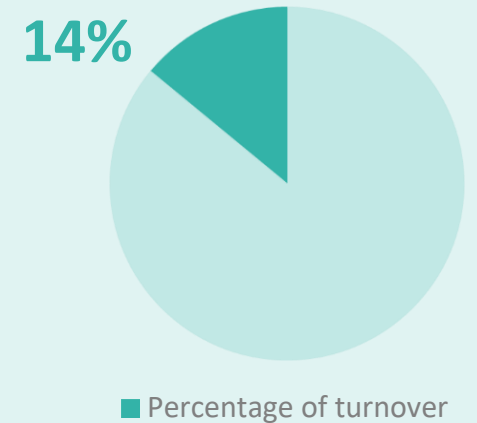


■ Percentage of turnover

| | |
|------------|------------|
| 925 | MSEK Sales |
| Growth | 6.6% |
| Organic | 13.2% |

Eastern Europe and CIS

- Sales in Eastern Europe and the CIS decreased by 10.6 percent during the quarter.
- Adjusted for foreign exchange effects and acquisitions, sales increased by 0.5 percent.
- Sales in Russia increased with 5 percent compared with the previous period, calculated in Rubles. The Russian market accounts for 29.9 percent of sales in the region.
- Other major markets that declined in the region were the Czech Republic and Poland, while Lithuania and Slovenia showed growth.

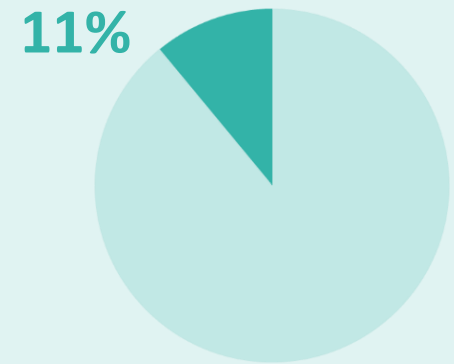


287 MSEK Sales

| | |
|---------|--------|
| Growth | -10.6% |
| Organic | 0.5% |

North and South America

- Sales in the North and South America region increased by 7.8 percent during the quarter compared with the same period last year.
- Adjusted for currency effects and acquisitions, sales increased by 20.9 percent within the region.
- It is above all the sales of residential units, but also units for schools, that continue to develop very well in the region.



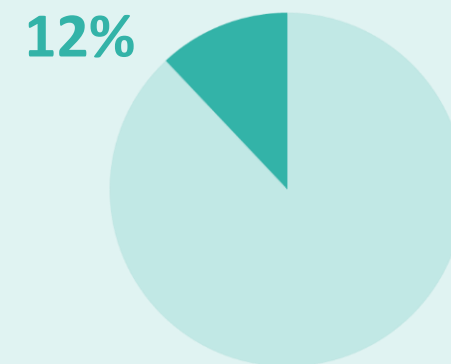
■ Percentage of turnover

224 MSEK Sales

| | |
|---------|-------|
| Growth | 7.8% |
| Organic | 20.9% |

Middle East, Asia, Australia and Africa

- Sales in the Middle East, Asia, Australia and Africa increased by 51.8 percent compared with the same period last year.
- Adjusted for currency effects and acquisitions, sales increased by 80.4 percent, partly due to low comparable numbers.
- Malaysia, South Africa and India showed strong recovery during the period, after being the first to be affected last year by shutdowns due to the pandemic.

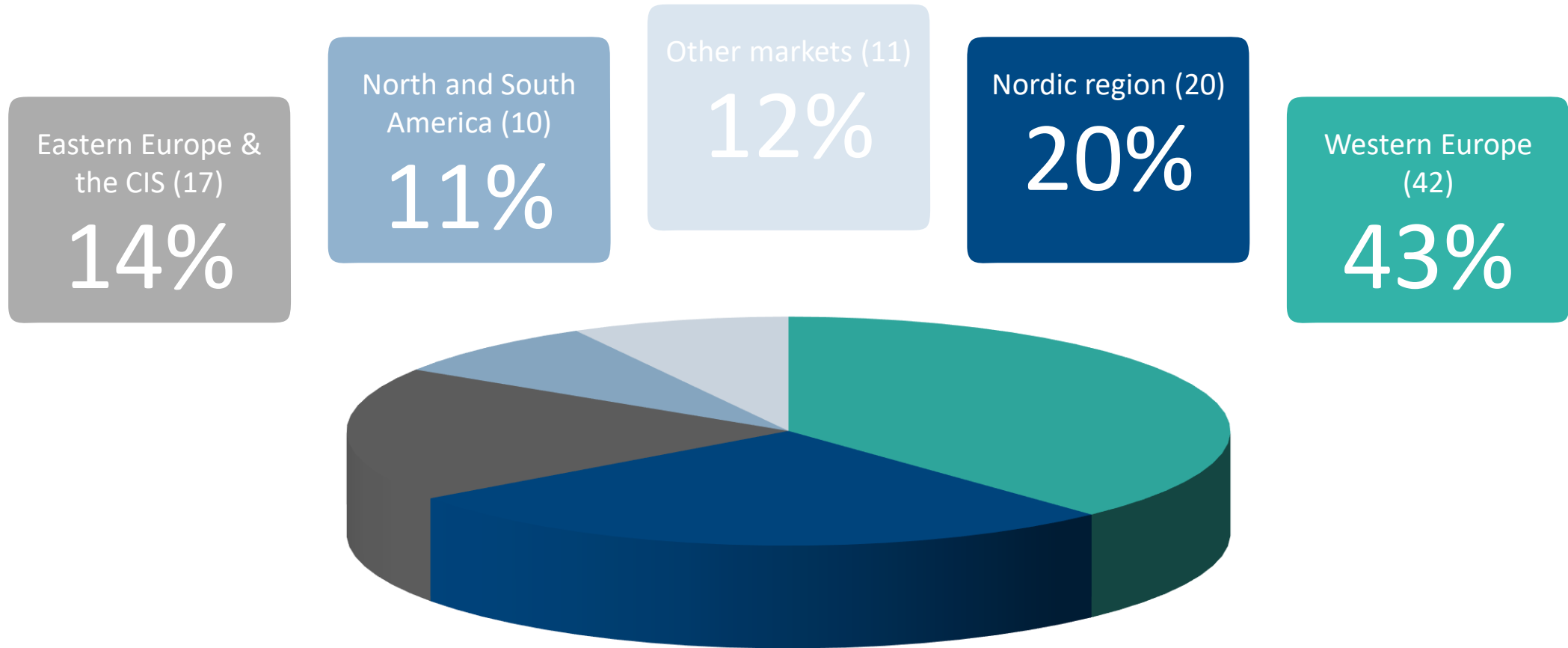


■ Percentage of turnover

285 MSEK Sales

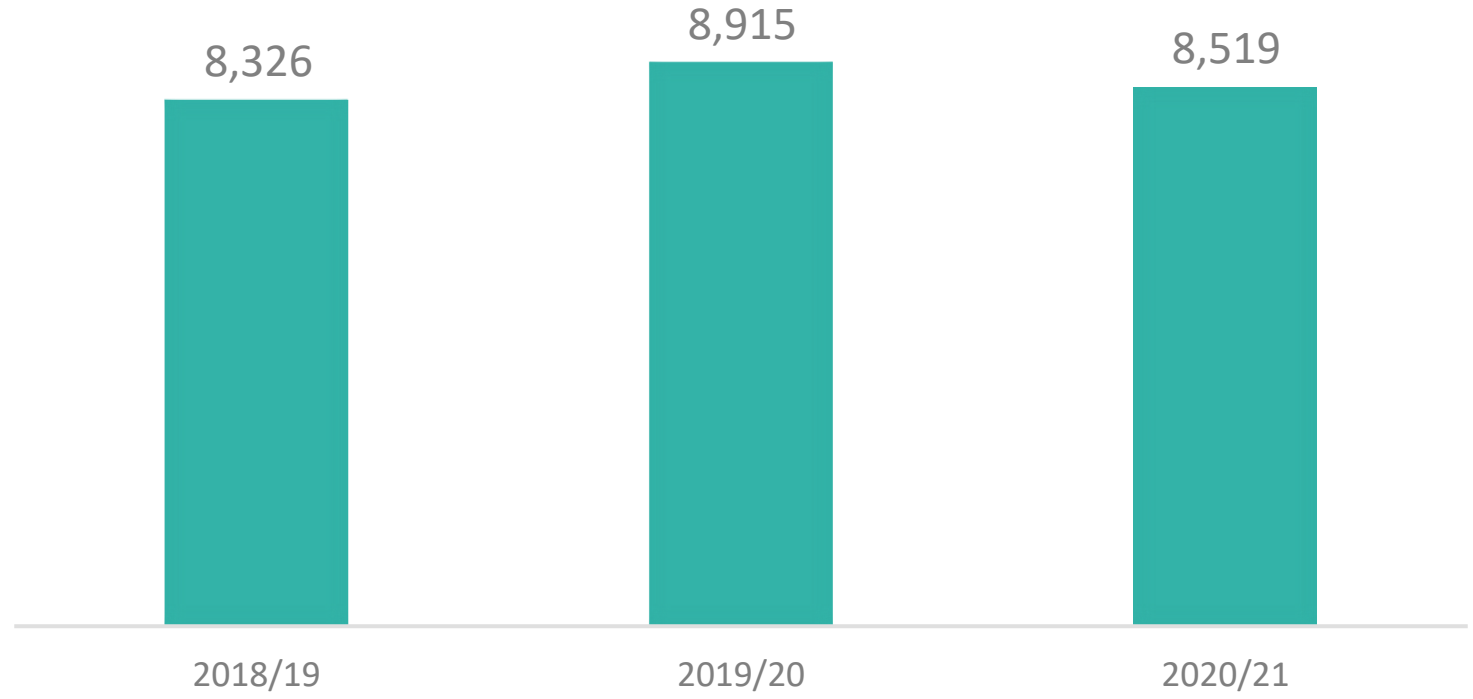
| | |
|---------|-------|
| Growth | 51.8% |
| Organic | 80.4% |

Markets 2020/21



Sales – full year

MSEK



-4.4%
Growth

2.1%
Organic growth

Growth – full year

Organic

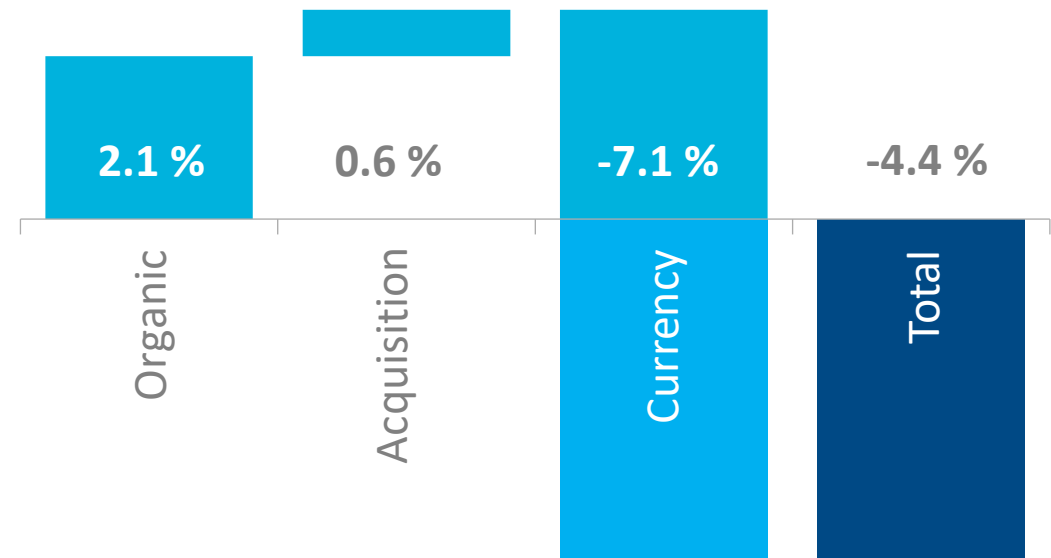
- Good development in North America, Morocco, India and Turkey.

Acquisition

- Pacific Ventilation, Systemair Maroc, Poly-Rek, Frico A/S, Divid and Servicebolaget

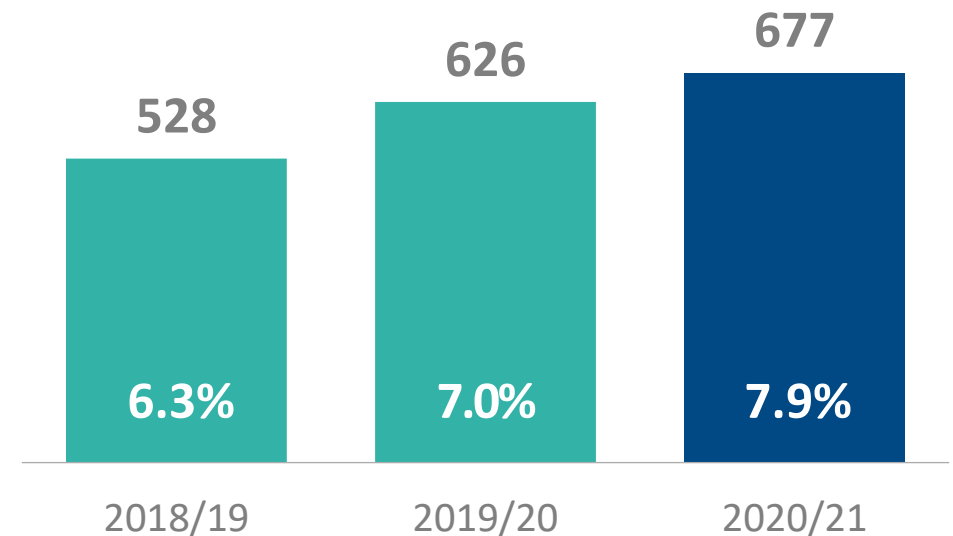
Currency

- Strengthened SEK



Operating profit – full year

- Operating profit for the financial year May 2020 to April 2021 amounted to SEK 676.7 million (625.7).
- The operating profit, under the item Other operating income, includes Covid-19-related government grant totaling SEK 29.0 million.
- The operating margin was 7.9 percent (7.0). Adjusted for impairment of goodwill in Traydus in Brazil and Menerga in Germany, the operating margin was 8.5 percent.
- Selling and administrative expenses for the year decreased by SEK 148.9 million or 6.2 percent for comparable units.
- Selling expenses have been charged with SEK 18.0 million (26.2) for estimated customer losses.



Systemair's Raul Corredera Haener elected President of Eurovent Association

Corredera will hold the leadership position within the Association for the 2021-2024 term.

He will place a strategic focus on building bridges and breaking trade barriers to represent the interests of Eurovent members and drive a positive change in Eurovent from a European and international perspective.

Corredera's election underlines Systemair's commitment to drive developments for the benefit of the entire HVAC industry, and the company's global expertise on the regulatory and standardization landscape.



Systemair and Menerga delivers to Yekaterinburg

Water sports palace Yekaterinburg –
host for the 2023 Summer World University Games

The unique sports complex will be the largest in the Urals and Siberia regions. With a total floor area of 60.000 m² and the stands are designed for 5.000 spectators. Construction work will be fully completed by the end of 2021.

Menerga will deliver six ThermoCond units with pre-heater and four Adconair units for the spectator areas with heat recovery rate of more than 90%. The unique heat exchanger capabilities was a key reason for choosing Menerga.

The total order for Systemair group is above 1 million Euro including air diffusers and air curtains.



Summary

- Supply of components is troublesome and delivery times are increasing
- Strong organic growth in Q4 driven by several regions. Eastern Europe still not recovered
- Adjusted EBIT margin 9.4 (4.6) percent in Q4 and 8.5 (7.4) percent for FY 20/21.
- Another step in the right direction towards profitability target despite Covid-19
- Continued investments in production capacity
- Dividend suggested at SEK 3 (-) per share



**Thank you,
welcome with questions!**