

## Systemair AB (publ) Year-end report 1 May 2020–30 April 2021

### Fourth quarter February – April 2021

- Net sales increased by 8.7 percent to SEK 2,208 million (2,031).
- Organic growth was 17.1 percent (-6.8).
- Adjusted operating profit was SEK 209 million (94). Operating profit (EBIT) amounted to SEK 173 million (56), including a goodwill impairment charge of SEK -36 million (-38).
- Adjusted operating margin was 9.4 percent (4.6).
- Profit after tax amounted to SEK 116 million (-2).
- Earnings per share totalled SEK 2.22 (-0.02).
- Cash flow from operating activities amounted to SEK 229 million (40).

### 12 months, May 2020 – April 2021

- Net sales decreased by 4.4 percent to SEK 8,519 million (8,915), due to the Covid-19 pandemic but also currency effects of -7.1 percent.
- Organic growth was 2.1 percent (1.2).
- Adjusted operating profit was SEK 723 million (664). Operating profit (EBIT) amounted to SEK 677 million (626), including a goodwill impairment charge of SEK -46 million (-38).
- Adjusted operating margin was 8.5 percent (7.4).
- Profit after tax amounted to SEK 411 million (385).
- Earnings per share totalled SEK 7.81 (7.34).
- Cash flow from operating activities amounted to SEK 994 million (844).
- The Board of Directors proposes a dividend of SEK 3.00 (-) per share.

Net sales Q4

**SEK 2 208 m.**

EBIT Q4

**SEK 173 m.**

### Significant events during the year

- New production facilities in Russia and the Czech Republic are under construction. In Canada, a new production property was acquired. In Slovenia an agreement was also signed for the acquisition of a new production property where part of Menergas production will be moved.
- In January, Systemair acquired Servicebolaget, headquartered in Hudiksvall. The company is Systemair's nationwide service partner in residential ventilation in the Swedish market.
- Systemair is launching a new generation of the Topvex air handling units, together with a new series of heat pumps designed for commercial buildings and offering the market's lowest environmental impact.

	2020/21 Feb-Apr 3 mths	2019/20 Feb-Apr 3 mths	2020/21 May-Apr 12 mths	2019/20 May-Apr 12 mths
Net sales, SEK m.	2,208.5	2,031.0	8,519.2	8,914.9
Growth, %	8.7	-5.3	-4.4	7.1
Operating profit, SEK m.	173.1	56.3	676.7	625.7
Operating margin, %	7.8	2.8	7.9	7.0
Profit after tax, SEK m.	116.3	-1.9	410.6	385.3
Earnings per share, SEK	2.22	-0.02	7.81	7.34
Operating cash flow per share, SEK	4.41	0.77	19.11	16.24

## A quarter that surpassed expectations

The fourth quarter delivered strong organic growth of 17.1 percent and an adjusted profit that more than doubled to SEK 209 m, or an operating margin of 9.4 percent. All geographic regions are back to reporting organic growth. A stronger gross margin due to strong organic growth combined with lower selling and administration expenses are the main factors underlying the improvement in profits.

### The market

As in the preceding quarter, organic growth was once again positive, at 17.1 percent. In the corresponding quarter last year, the first effects of the pandemic emerged and a near decade-long sequence of quarters of organic growth ended. All regions show organic growth for the quarter. The strongest growth for the quarter can be seen in India, Turkey, Canada, Norway and Sweden. At the same time, the Swedish krona strengthened against several currencies, with negative impact on sales for the period. During the quarter, foreign exchange effects reduced sales by 8.9 percent.

### Product launches

During the year, we launched our range of SYS Aqua blue heat pumps with the lowest GWP (Global Warming Potential) on the market. We launched a new product range for our compact units, which are well suited to new construction, renovation and school ventilation. Frico launched a new series of lower energy consumption air curtains with a new control system. All digital launches have been well received.

### Investments

Thanks to the measures we have taken during the pandemic, our balance sheet remains strong and liquidity healthy. We are maintaining long-term strategic investments to meet the rising demand. Construction of the Russian production facility is complete, our central warehouse for the Russian market has been moved in. Production will start in the autumn. In the Czech Republic, construction of a new production facility at our factory making high-efficiency heat exchangers continues. In Tilsonburg, Canada, we have acquired a new production property, directly adjacent to our existing facility. This will enable us to increase



production of classroom equipment and modular air handling units for the North American market.

In Slovenia, we have signed an agreement to acquire an adjacent production property to relocate production of small Menerga units for swimming pools. In Skinnskatteberg, work is progressing on development of the "Factory of the Future" concept, which focuses on logistics and automation.

### Sustainability

Energy saving and energy efficiency are, and have always been, a focus of product development at Systemair. In Europe, the energy conservation trend is being driven by EU directives that are imposing stricter requirements for both products and buildings. It is here that Systemair products are making a major difference from the viewpoint of sustainability. EU initiatives such as the "European Green Deal" and the announced investment programmes will drive up demand for energy efficient ventilation products, particularly in the renovation market. Good ventilation reduces the risk of spreading infection.

### Outlook

Systemair enjoys a good spread of risk across countries, customers and product sectors. With our investments and new products, we stand well prepared for continued profitable growth as the effects of the pandemic fade.

Roland Kasper  
President and CEO

## Sales and markets

Group sales for the fourth quarter of the 2020/21 financial year totalled SEK 2,208.5 million (2,031.0), 8.7 percent up on the same period last year.

Adjusted for the effects of foreign exchange and acquisitions, net sales rose by 17.1 percent. Growth in acquired operations was 0.5 percent, while foreign exchange effects reduced sales by 8.9 percent during the period.

Net sales for the full year May 2020 to April 2021 totalled SEK 8,519.2 million (8,914.9), a fall of 4.4 percent compared with the same period last year. Adjusted for both foreign exchange effects and acquisitions, net sales grew 2.1 percent. Growth in acquired operations was 0.6 percent, while foreign exchange effects reduced sales by 7.1 percent during the year.

## Geographic breakdown of Q4 sales

### Nordic region

During the fourth quarter, sales in the Nordic region increased by 9.1 percent from the same period in the preceding year. The Swedish and Norwegian markets reported good growth in the quarter, while the markets in Denmark and Finland declined. Adjusted for foreign exchange effects and acquisitions, sales increased by 8.4 percent.

### Western Europe

During the quarter, sales in the West European market were 6.6 percent higher than in the corresponding period last year. Adjusted for foreign exchange effects and acquisitions, sales rose by 13.2 percent. Most countries in the region, including Italy, France and Germany, showed growth over the period, while the Netherlands, Belgium and Portugal saw sales decline.

### Eastern Europe and CIS

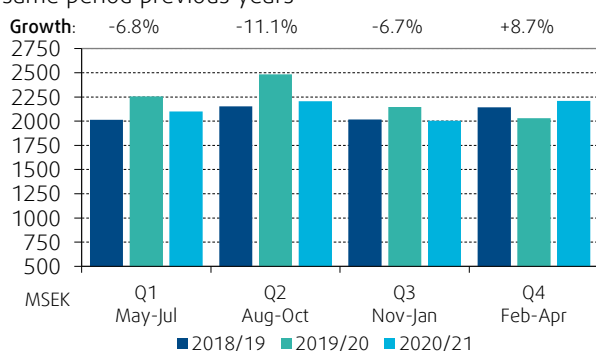
Sales in Eastern Europe and the CIS decreased by 10.6 percent during the quarter. Adjusted for foreign exchange effects and acquisitions, sales rose by 0.5 percent. Sales in Russia, converted to Swedish kronor, were 12.5 percent lower than in the previous period. The Russian market accounts for 29.9 percent of sales in the region. Other major markets that declined in the region were the Czech Republic and Poland, while Serbia and Slovenia showed good growth.

### North and South America

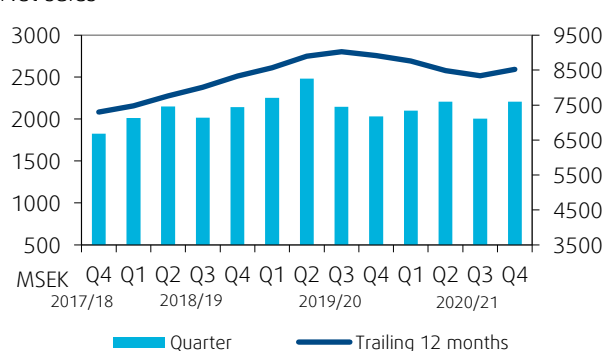
Sales in the North and South America region over the quarter were 7.8 percent higher than in the same period last year. Adjusted for foreign exchange effects and acquisitions, sales increased by 20.9 percent in the region. Sales of above all residential units, but also units for schools, continue to show positive growth in the region.

	2020/21 Feb-Apr 3 mths	2019/20 Feb-Apr 3 mths	Sales – change	Of which, organic	2020/21 May-Apr 12 mths	2019/20 May-Apr 12 mths	Sales – change	Of which, organic
Nordic region	487.5	446.8	9.1%	8.4%	1,726.2	1,763.5	-2.1%	0.9%
Western Europe	925.0	867.7	6.6%	13.2%	3,674.6	3,789.0	-3.0%	1.1%
Eastern Europe & CIS	287.4	321.4	-10.6%	0.5%	1,202.2	1,473.5	-18.4%	-8.7%
North and South America	223.6	207.4	7.8%	20.9%	879.0	870.9	0.9%	10.9%
Middle East, Asia, Australia and Africa	285.0	187.7	51.8%	80.4%	1,037.2	1,018.0	1.9%	15.8%
<b>Total</b>	<b>2,208.5</b>	<b>2,031.0</b>	<b>8.7%</b>	<b>17.1%</b>	<b>8,519.2</b>	<b>8,914.9</b>	<b>-4.4%</b>	<b>2.1%</b>

Net sales per quarter compared with same period previous years



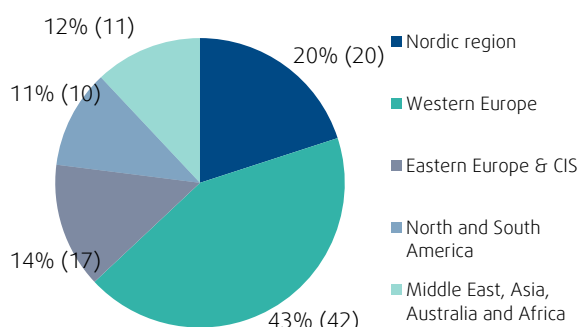
Net sales



### Middle East, Asia, Australia and Africa

Sales in the Middle East, Asia, Australia and Africa rose by 51.8 percent compared with the same period last year. Adjusted for foreign exchange effects and acquisitions, sales in the region increased by 80.4 percent, partly due to low figures for comparison. Malaysia, South Africa and India recovered strongly during the period, having been severely affected by pandemic shutdowns in the previous year.

### Sales by market, 12 months 2020/21 (2019/20)



### Profit in the fourth quarter

Gross profit in the fourth quarter totalled SEK 787.4 million (701.9), an increase of 12.2 percent over the figure for the corresponding period last year. The gross margin rose to 35.7 percent (34.6).

Operating profit in the fourth quarter totalled SEK 173.1 million (56.3), an increase of 207.3 percent over the figure for the corresponding period last year. The adjusted operating profit was SEK 208.6 million (94.1). The operating margin increased to 7.8 percent (2.8) as a result of an improved gross margin due to good organic growth and lower selling and administration expenses. No significant Covid-19 related government support was received during the quarter.

During the quarter, a goodwill impairment charge of

SEK 35.5 million relating to the acquisition of Menerga in Germany was recognised in connection with a decision to relocate part of the company's production to our facility in Maribor, Slovenia.

Selling and administration expenses for the quarter totalled SEK 590.0 million (605.1), a decrease of SEK 15.1 million, or 2.5 percent. Company acquisitions accounted for SEK 3.1 million of the quarter's costs. As a result, selling and administration expenses for like-for-like units decreased by SEK 18.2 million, or 3.0 percent. In the prevailing circumstances, the level of activity above all in the sales organisation is lower than normal, for example in connection with trade fairs, customer and supplier visits, factory tours and travel.

Selling expenses were charged with SEK 5.7 million (11.4) for anticipated bad debts. No material acquisition-related costs were charged during the quarter (-).

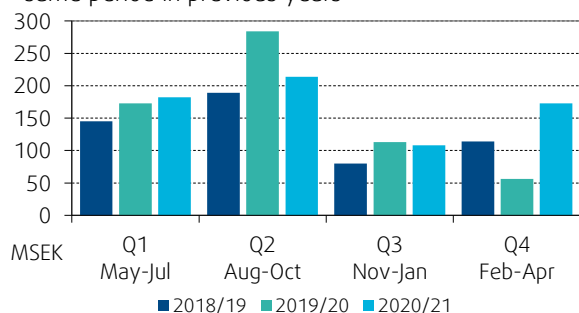
Net financial items for the fourth quarter totalled SEK -15.1 million (-46.6). The impact of foreign exchange on long-term receivables, loans and bank balances totalled SEK -8.6 million (-38.3) net. Interest expenses for the quarter totalled SEK -6.6 million (-9.5).

### Profit for the financial year

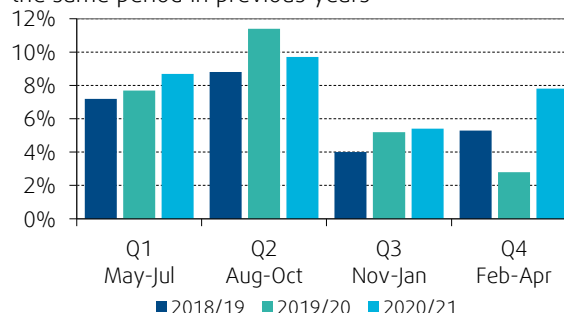
Operating profit for the financial year from May 2020 to April 2021 totalled SEK 676.7 million (625.7). The operating margin was 7.9 percent (7.0). The operating profit includes, under the heading of Other operating income, Covid-19-related government support totalling SEK 29.0 million (6.2). During the financial year, goodwill impairment charges totalling SEK 46.3 million, relating to the acquisitions of Traydus in Brazil and Menerga in Germany, were recognised. The operating profit, adjusted for goodwill impairment charges, totalled SEK 723.0 million (663.5).

Selling and administration expenses totalled SEK 2,289.1 million (2,411.9), a decrease of SEK 122.8 million. Company acquisitions accounted for SEK 26.1 million of the costs for the financial year. As a result,

Operating profit per quarter, relative to the same period in previous years



Operating margin per quarter, relative to the same period in previous years



selling and administration expenses for like-for-like units decreased by SEK 148.9 million, or 6.2 percent. Selling expenses were charged with SEK 18.0 million (26.2) for anticipated bad debts.

Net financial items totalled SEK -112.7 million (-82.0), including interest expenses of SEK -27.0 million (-39.2).

### Tax expense

Estimated tax for the quarter totalled SEK -41.7 million (-11.6), corresponding to an effective tax rate of 26.4 percent based on profit after net financial items.

Estimated tax for the financial year totalled SEK -153.4 million (-158.4), representing an effective tax rate of 27.2 per cent based on profit after net financial items.

### Acquisitions and new businesses

In November 2020, Systemair acquired 60 percent of the shares in Divid AB, a company based in Jönköping. The company conducts IT consulting operations and specialises in programming product selection programs. The acquisition of Divid will ensure continued access to a strategically important provider of consulting services for Systemair. The company has 23 employees.

In January 2021, Systemair acquired Servicebolaget i Sverige AB. The company is Systemair's service partner for installation and servicing of residential units. Servicebolaget also sells filters and spare parts in the Swedish market. Servicebolaget has five employees at its Hudiksvall headquarters, four franchisees and 22 service partners who perform servicing across the whole of Sweden. The acquisition is intended to strengthen Systemair's position in aftermarket sales on the Swedish

market.

In February 2021, Systemair acquired a former distributor, TOO Almaty Ventilation Company in Kazakhstan. The company has been renamed TOO Systemair.

If the companies acquired had been consolidated as of 1 May 2020, net sales for the financial year May 2020 through April 2021 would have totalled approximately SEK 8,541.5 million. Operating profit for that period would have totalled approximately SEK 680.2 million. For more information regarding acquisitions and their impact on the Group's cash and cash equivalents, see Note 3 in this interim report.

### Investments, depreciation and amortisation

Investments for the quarter, net of disposals, totalled SEK 127.3 million (47.6), including SEK 123.3 million (41.7) in new construction and machinery. The major share of investments were made in the new production facilities in Russia and the Czech Republic. Acquisitions and formerly withheld purchase considerations totalled SEK 1.7 million (4.0). Depreciation, amortisation and impairments of non-current assets amounted to SEK 124.8 million (130.7), including goodwill impairment charges of SEK 35.5 million.

Total investments for the financial year amounted to SEK 463.6 million (273.1), net of disposals. Gross investments in new construction and machinery totalled SEK 432.9 million (204.7), net of disposals. Acquisitions and formerly withheld purchase considerations totalled SEK 21.2 million (55.7). Depreciation, amortisation and impairments of non-current assets amounted to SEK 399.8 million (405.4), including goodwill impairment charges of SEK 46.3 million.

### Systemair's Raul Corredera Haener elected President of the Eurovent Association

Raul Corredera of Systemair has been elected President of the European trade association Eurovent, which represents more than 1,000 companies in Europe. Raul will focus on increasing cooperation in the HVAC sector, as heating, ventilation and air conditioning will play an important role in meeting climate targets in Europe.





## Personnel

The average number of employees in the Group was 5,864 (5,965). At the end of the period, Systemair had 6,380 employees (6,197), 183 more than one year previous. New hires were made in Canada (59), South Africa (39), Germany (50), India (20), Koolair in Spain (20) and Malaysia (12). Personnel cutbacks were made in Turkey (-38), Denmark (-30) and Systemair in Spain (-14). The acquisition of Divid in Sweden, Servicebolaget in Sweden and Systemair in Kazakhstan has added 33 employees.

## Cash flow and financial position

Cash flow from operating activities, before changes in working capital during the quarter, totalled SEK 272.3 million (94.2). Changes in working capital, mainly consisting of higher trade accounts receivable and inventories, had an impact of SEK -43.0 million (-54.0) on cash flow. Cash flow from financing activities totalled SEK -113.4 million net (+68.0). At the end of the period, the Group's net indebtedness was SEK 1,540.4 million (1,980.7). The consolidated equity/assets ratio was 47.9 percent (43.4) at the end of the period.

## Financial targets

Systemair has the following financial targets.

- Average annual growth in sales over a business cycle should be no less than 10 percent.
- The average operating margin over a business cycle should be no less than 10 percent.
- The Group's equity/assets ratio should be no less than 30 percent.
- The dividend should be approximately 40 percent of profit after tax

## Events after the close of the period

No significant events have occurred since the end of the period.

## Material risks and uncertainty

Systemair is exposed to operational and financial risks in its business. Operational risks include the international nature of the operations, tough competition and the sensitivity of the construction industry to the business cycle. The financial risks that Systemair has identified in its business consist of foreign exchange risk, borrowing and interest rate risk, as well as credit risk and liquidity risk. The material risks and uncertainties affecting Systemair are described in more detail in the Company's 2019/20 Annual Report. Like other global companies, Systemair is affected by pandemics, and in 2020/21 the

Group has been affected by Covid-19. The Company is taking the necessary steps to reduce the impact of the virus and is following WHO's recommendations.

## Related party transactions

In June 2020, ebm-papst Aktiebolag reduced its shareholding in Systemair and thereafter is no longer considered a related party. No other significant related party transactions took place during the year. Transactions with related parties are described in detail in Note 39 to the accounts in the Annual Report for the 2019/20 financial year.

## Parent Company

The Parent Company's net sales for the financial year totalled SEK 132.3 million (148.3). Operating profit totalled SEK -88.7 million (-94.8). During the financial year, impairment charges totalling SEK 114.6 million were recognised in connection with the shares in the subsidiaries Menerga in Germany, Traydus in Brazil and Systemair in Dubai. The number of employees in the Parent Company was 62 (58). The core business of the Parent Company is that of intra-Group services.

## Dividend

The Board proposes that the Annual General Meeting, to be held on 26 August 2021, approve a dividend of SEK 3.00 (-) per share. As a result, dividend payments will amount to SEK 156.0 million (-). The proposed dividend represents 38 percent (-) of the Group's net profit, which is slightly below Systemair's financial target of paying out 40 percent of net profit.

## Systemair in brief

Systemair is a leading ventilation company with operations in 54 countries in Europe, North America, South America, the Middle East, Asia, Australia and Africa. The Company had sales of SEK 8.5 billion in the 2020/21 financial year and employs approximately 6,400 people. Systemair has reported an operating profit every year since 1974, when the company was founded. Over the past 10 years, the Company's growth rate has averaged about 10 percent. Systemair helps to improve the indoor climate with the help of energy-efficient and sustainable products that reduce carbon dioxide emissions.

Systemair has well-established operations in growth markets. The Group's products are marketed under the Systemair, Frico, Fantech and Menerga brands. Systemair shares have been quoted on the Mid Cap List of the Nasdaq OMX Nordic Exchange in Stockholm since

October 2007. The Group comprises about 90 companies.

## About Systemair

The Company established operations in 1974 with a product concept, the circular duct fan, a design that considerably simplified the process of installation. We adopted the motto "the direct route", which has been developed from a product concept into a business philosophy. Our product range has expanded strongly to extend over a broad range of fans, air handling units, products for air distribution, air conditioning, air curtains and heating products.

## Mission statement

Operating from the core values of simplicity and reliability, our business concept is to develop, manufacture and market high-quality ventilation products. On the basis of our business concept and with our customers in focus, our aim is to be seen as a company to rely on, with the emphasis on delivery reliability, availability and quality.

## Business model

Availability is an important parameter in terms of our competitiveness, and we ensure effective control of our flow of goods, with our own production units, centralised warehouse facilities and an efficient common ERP system. With modern production plants and our own sales companies around the world, we reach out directly to our customers.

The business model supports stability and development, and today we are a leading producer and supplier of ventilation products with our own production and own sales companies.

## Strategies

The following strategies create major strengths and competitive advantages that help us to achieve our goals.

- Innovative product development and a broad product range focusing on energy-efficient air handling products.
- High product availability and fast delivery via an efficient production, logistics and IT organisation.
- Development and expansion of Systemair's own sales organisation.
- Good relationships with ventilation contractors, distributors and consultants.
- A highly diversified customer base reduces our vulnerability to fluctuations in the economy.

- Early presence in growth markets.
- Strategy of acquisition and establishment to expand market shares.

## Miscellaneous

The information in this year-end report is information which Systemair is required to disclose in accordance with the Swedish Securities Markets Act (lagen om värdepappersmarknaden) and/or the Swedish Financial Instruments Trading Act (lagen om handel med finansiella instrument). This information was submitted for publication at 8.00 a.m. on 10 June 2021.

The interim report has not been audited.

Skinnskatteberg, 10 June 2021

Systemair AB (publ)

Roland Kasper  
*Chief Executive Officer*

Gerald Engström  
*Chairman of the Board*

Carina Andersson  
*Director*

Svein Nilsen  
*Director*

Patrik Nolåker  
*Director*

Gunilla Spongh  
*Director*

Åke Henningsson  
*Employee Representative*

Ricky Sten  
*Employee Representative*

## Calendar

Interim report Q1 2021/22

1.00 p.m., 26 August 2021

AGM 2021

3.00 p.m., 26 August 2021

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## Summary income statement

	Group				Parent Company	
	2020/21 Feb-Apr 3 mths	2019/20 Feb-Apr 3 mths	2020/21 May-Apr 12 mths	2019/20 May-Apr 12 mths	2020/21 May-Apr 12 mths	2019/20 May-Apr 12 mths
SEK m.						
Net sales	2,208.5	2,031.0	8,519.2	8,914.9	132.3	148.3
Cost of goods sold	-1,421.1	-1,329.1	-5,559.5	-5,831.3	-	-
<b>Gross profit</b>	<b>787.4</b>	<b>701.9</b>	<b>2,959.7</b>	<b>3,083.6</b>	<b>132.3</b>	<b>148.3</b>
Other operating income	40.2	64.4	196.1	168.3	26.5	5.8
Selling expenses	-475.2	-498.3	-1,861.3	-1,987.5	-68.4	-68.6
Administration expenses	-114.8	-106.8	-427.8	-424.4	-109.5	-109.2
Other operating expenses	-64.5	-104.9	-190.0	-214.3	-69.6	-71.1
<b>Operating profit/loss</b>	<b>173.1</b>	<b>56.3</b>	<b>676.7</b>	<b>625.7</b>	<b>-88.7</b>	<b>-94.8</b>
Net financial items	-15.1	-46.6	-112.7	-82.0	-1.2	224.0
<b>Profit/loss after financial items</b>	<b>158.0</b>	<b>9.7</b>	<b>564.0</b>	<b>543.7</b>	<b>-89.9</b>	<b>129.2</b>
Appropriations	-	-	-	-	61.8	4.6
Tax on profit for the period	-41.7	-11.6	-153.4	-158.4	7.6	10.5
<b>Profit/loss for the period</b>	<b>116.3</b>	<b>-1.9</b>	<b>410.6</b>	<b>385.3</b>	<b>-20.5</b>	<b>144.3</b>
<b>Attributable to:</b>						
Parent Company shareholders	115.3	-1.1	406.2	381.5	-	-
Non-controlling interests	1.0	-0.8	4.4	3.8	-	-
Earnings per share, SEK <sup>1</sup>	2.22	-0.02	7.81	7.34	-	-

## Statement of comprehensive income

<b>Profit/loss for the period</b>	116.3	-1.9	410.6	385.3	-20.5	144.3
<b>Other comprehensive income</b>						
<i>Items that have been, or may later be, transferred to profit for the year:</i>						
Translation differences	12.0	-47.8	-174.2	-27.6	-	-
<i>Items that cannot be transferred to profit for the period:</i>						
Revaluation of defined-benefit pensions, net after tax	6.4	0.6	9.6	-8.0	-	-
<b>Other comprehensive income</b>	<b>18.4</b>	<b>-47.2</b>	<b>-164.6</b>	<b>-35.6</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>134.7</b>	<b>-49.1</b>	<b>246.0</b>	<b>349.7</b>	<b>-20.5</b>	<b>144.3</b>
<b>Attributable to:</b>						
Parent Company shareholders	133.7	-48.3	241.6	345.9	-	-
Non-controlling interests	1.0	-0.8	4.4	3.8	-	-

1) No dilution effect.

## Summary balance sheet

SEK m.	Group		Parent Company	
	30/04/2021	30/04/2020	30/04/2021	30/04/2020
<b>ASSETS</b>				
Goodwill	735.6	819.9	-	-
Other intangible non-current assets	210.7	247.7	38.1	43.7
Property, plant and equipment	2,118.1	1,988.1	20.8	20.5
Financial and other assets	237.5	254.9	2,767.8	2,817.3
<b>Total non-current assets</b>	<b>3,301.9</b>	<b>3,310.6</b>	<b>2,826.7</b>	<b>2,881.5</b>
Inventory	1,436.9	1,571.5	-	-
Short-term receivables	1,897.6	1,839.6	1,048.2	1,257.7
Cash and cash equivalents	319.1	378.2	-	-
<b>Total current assets</b>	<b>3,653.6</b>	<b>3,789.3</b>	<b>1,048.2</b>	<b>1,257.7</b>
<b>TOTAL ASSETS</b>	<b>6,955.5</b>	<b>7,099.9</b>	<b>3,874.9</b>	<b>4,139.2</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>	<b>3,330.1</b>	<b>3,084.7</b>	<b>1,751.6</b>	<b>1,772.2</b>
Untaxed reserves	-	-	0.7	1.4
Non-current liabilities, non-interest-bearing	259.9	271.9	1.8	-
Non-current liabilities, interest-bearing	1,051.5	1,119.8	1,543.0	1,381.8
<b>Total non-current liabilities</b>	<b>1,311.4</b>	<b>1,391.7</b>	<b>1,544.8</b>	<b>1,381.8</b>
Current liabilities, interest-bearing	735.6	1,154.0	528.1	939.6
Current liabilities, non-interest-bearing	1,578.4	1,469.5	49.7	44.2
<b>Total current liabilities</b>	<b>2,314.0</b>	<b>2,623.5</b>	<b>577.8</b>	<b>983.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>6,955.5</b>	<b>7,099.9</b>	<b>3,874.9</b>	<b>4,139.2</b>

## Summary consolidated cash flow statement

	2020/21 Feb-Apr 3 mths	2019/20 Feb-Apr 3 mths	2020/21 May-Apr 12 mths	2019/20 May-Apr 12 mths
SEK m.				
Operating profit/loss	173.1	56.3	676.7	625.7
Adjustment for non-cash items	138.8	83.3	391.5	349.9
Financial items	-6.8	-8.2	-27.5	-38.3
Income tax paid	-32.8	-37.2	-182.7	-149.8
<b>Cash flow from operating activities before changes in working capital</b>	<b>272.3</b>	<b>94.2</b>	<b>858.0</b>	<b>787.5</b>
Changes in working capital	-43.0	-54.0	135.9	56.8
<b>Cash flow from operating activities</b>	<b>229.3</b>	<b>40.2</b>	<b>993.9</b>	<b>844.3</b>
Cash flow from investing activities	-124.7	-35.5	-448.3	-235.4
Cash flow from financing activities	-113.4	68.0	-557.2	-461.1
<b>Cash flow for the period</b>	<b>-8.8</b>	<b>72.7</b>	<b>-11.6</b>	<b>147.8</b>
Cash and cash equivalents at start of period	324.0	328.0	378.2	250.4
Translation differences, cash and cash equivalents	3.9	-22.5	-47.5	-20.0
<b>Cash and cash equivalents at close of period</b>	<b>319.1</b>	<b>378.2</b>	<b>319.1</b>	<b>378.2</b>

## Statement of changes in equity – Group

	2020/21 May-Apr			2019/20 May-Apr		
SEK m.	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity	Equity attributable to Parent Company shareholders	Non-controlling interests	Total equity
<b>Amount at beginning of year</b>	<b>3,064.8</b>	<b>19.9</b>	<b>3,084.7</b>	<b>2,839.2</b>	<b>-</b>	<b>2,839.2</b>
Dividend	-	-	-	-104.0	-	-104.0
Share of acquisitions attributable to non-controlling interests	-	1.7	1.7	-	19.0	19.0
Revaluation of acquisition option	-1.4	-0.9	-2.3	-16.3	-2.9	-19.2
Comprehensive income	241.6	4.4	246.0	345.9	3.8	349.7
<b>Amount at end of period</b>	<b>3,305.0</b>	<b>25.1</b>	<b>3,330.1</b>	<b>3,064.8</b>	<b>19.9</b>	<b>3,084.7</b>

## Performance measures for the Group

		2020/21 Feb-Apr 3 mths	2019/20 Feb-Apr 3 mths	2020/21 May-Apr 12 mths	2019/20 May-Apr 12 mths
Net sales	SEK m.	2,208.5	2,031.0	8,519.2	8,914.9
Growth	%	8.7	-5.3	-4.4	7.1
Operating profit/loss	SEK m.	173.1	56.3	676.7	625.7
Operating margin	%	7.8	2.8	7.9	7.0
Profit after net fin. items	SEK m.	158.0	9.7	564.0	543.7
Profit margin	%	7.2	0.5	6.6	6.1
Return on capital employed	%	13.1	11.6	13.1	11.6
Return on equity	%	13.0	12.6	13.0	12.6
Equity/assets ratio	%	47.9	43.4	47.9	43.4
Investments	SEK m.	124.7	35.5	448.3	235.4
Depreciation/amortisation and impairments	SEK m.	124.8	130.7	399.8	405.4
<b>Per share ratios</b>					
Earnings per share	SEK	2.22	-0.02	7.81	7.34
Equity per share	SEK	63.56	58.94	63.56	58.94
Operating cash flow per share	SEK	4.41	0.77	19.11	16.24
No. of shares at end of period	No.	52,000,000	52,000,000	52,000,000	52,000,000

## Quarterly key ratios – Group

		2020/21				2019/20				2018/19
		Feb-Apr	Nov-Jan	Aug-Oct	May-Jul	Feb-Apr	Nov-Jan	Aug-Oct	May-Jul	Feb-Apr
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net sales	SEK m.	2,208.5	2,003.9	2,206.7	2,100.0	2,031.0	2,146.7	2,483.1	2,254.0	2,143.8
Growth	%	8.7	-6.7	-11.1	-6.8	-5.3	6.4	15.4	12.0	17.3
Gross margin	%	35.7	33.6	35.9	33.6	34.6	33.8	35.8	34.0	32.8
Operating profit/loss	SEK m.	173.1	108.0	213.5	182.1	56.3	112.6	283.9	173.0	114.1
Operating margin	%	7.8	5.4	9.7	8.7	2.8	5.2	11.4	7.7	5.3
Return on capital employed	%	13.1	10.2	10.1	11.2	11.6	12.6	12.6	11.1	11.3
Return on equity	%	13.0	9.4	9.2	11.0	12.6	15.5	15.4	13.5	11.9
Equity/assets ratio	%	47.9	47.7	46.3	44.7	43.4	44.0	41.1	41.1	41.7
Basic equity per share	SEK	63.56	61.20	61.02	57.79	58.94	60.20	59.20	57.44	54.60
Basic earnings per share	SEK	2.22	1.32	2.70	1.57	-0.02	1.20	3.72	2.44	1.53
Cash flow from operating activities per share	SEK	4.41	4.70	5.47	3.41	0.77	6.02	5.71	3.73	0.68

## Note 1 Accounting policies

Systemair applies International Financial Reporting Standards (IFRS). This interim report was prepared for the Group in accordance with the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's recommendation RFR 1 and IAS 34 Interim Financial Reporting, and for the Parent Company in accordance with the Swedish Annual Accounts Act and RFR 2.

New or amended standards that entered into force in 2020

### *Amendments to IAS 1 and IAS 8*

IASB has amended IAS 1 Presentation of Financial Statement and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors such as to adapt the definition of what is material across the standards and to clarify certain aspects of the definition. The amendments are intended to clarify that materiality will be determined by the nature or scope of the information, or both. An entity will need to assess whether the information, either in itself or in conjunction with other information, is material. The change has been applied as of 1 May 2020 at Systemair. The changes are not judged to have any material impact on Systemair's financial statements.

### *IFRS 3 Business Combinations*

IASB has amended the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets represents a business or not. The change has been applied at Systemair as of 1 May 2020. The changes are not judged to have any material impact on Systemair's financial statements.

## Note 2 Revenue analysis

The Group's revenue is generated in the main from the manufacture and sale of ventilation products, as well as from the servicing of ventilation products. Total revenue for the quarter amounted to SEK 2,208.5 million (2,031.0), of which servicing of ventilation products accounted for SEK 90.4 million (92.4).

SEK m.	2020/21 Feb-Apr 3 mths	2019/20 Feb-Apr 3 mths	2020/21 May-Apr 12 mths	2019/20 May-Apr 12 mths
Europe				
Sale of goods recognised at a specific point in time	1,580.7	1,508.8	6,164.6	6,581.2
Sale of goods recognised over time	44.7	46.6	168.6	161.5
Servicing recognised at a certain point in time	44.2	44.6	154.9	140.1
Servicing recognised over time	40.5	42.5	151.3	155.0
	1,710.1	1,642.5	6,639.4	7,037.8
Americas, Middle East, Asia, Australia and Africa				
Sale of goods recognised at a specific point in time	451.4	324.0	1,670.6	1,594.5
Sale of goods recognised over time	41.3	59.2	190.1	266.1
Servicing recognised at a certain point in time	0.1	0.3	1.0	0.4
Servicing recognised over time	5.6	5.0	18.1	16.1
	498.4	388.5	1,879.8	1,877.1
Total				
Sale of goods recognised at a specific point in time	2,032.1	1,832.8	7,835.2	8,175.7
Sale of goods recognised over time	86.0	105.8	358.7	427.6
Servicing recognised at a certain point in time	44.3	44.9	155.9	140.5
Servicing recognised over time	46.1	47.5	169.4	171.1
	2,208.5	2,031.0	8,519.2	8,914.9

### Note 3 Companies acquired

The purchase consideration paid for 60 percent of the shares in Divid AB, 100 percent of the shares in Servicebolaget i Sverige AB and 100 percent of the shares in Systemair TOO was made up as follows:

Total historical cost, less transaction costs SEK 24.1 m.

Identifiable net assets	Systemair			Total
	Divid	Servicebolaget	TOO	
Goodwill	12.9	3.9	1.2	18.0
Customer relationships	4.0	1.7	0.4	6.1
Machinery and equipment	0.1	0.0	0.0	0.1
Inventory	0.0	0.9	0.2	1.1
Trade accounts receivable	3.5	1.1	0.0	4.6
Other current assets	4.0	0.5	0.0	4.5
Cash and cash equivalents	1.5	1.4	0.1	3.0
Minority interest	-1.3	0.0	0.0	-1.3
Deferred tax liability	-0.8	-0.8	0.0	-1.6
Other operating liabilities	-8.6	-1.5	-0.3	-10.4
	15.3	7.3	1.5	24.1

The total cash flow impact from acquisitions is SEK -21.3 million. Transactions costs relating to the acquisitions total SEK 0.2 million.

Customer relationships have been stated at the net present value of future cash flows. The useful life of these assets has been estimated at 5 years.

The goodwill upon acquisition is attributable to the strong market position of the companies acquired, synergy effects expected to arise after the acquisition and the company's estimated future earning capacity.

Net sales for the acquired companies between acquisition and the end of the financial year totalled SEK 20.4 million. The operating profit for the period concerned was SEK 5.2 million. If the companies acquired had been consolidated as of 1 May 2020, net sales for the financial year May 2020 through April 2021 would have totalled approximately SEK 8,541.5 million. Operating profit for that period would have totalled approximately SEK 680.2 million.

### Note 4 Financial instruments

Systemair's financial instruments comprise derivatives, trade accounts receivable, cash and cash equivalents, trade accounts payable, accrued supplier costs, interest-bearing liabilities, acquisition options and additional purchase considerations. Liabilities to credit institutions carry variable interest rates or, in certain cases, fixed rates for a short period. Derivatives are measured at fair value via the income statement on the basis of input data corresponding to level 2 as defined in IFRS 13.

Share purchase options and additional purchase considerations are measured on level 3 as defined in IFRS 13. The calculation for the option to acquire the remaining 25 percent of the shares in Traydus, Brazil, is based on the anticipated profit after tax for the 2019/20 and 2020/21 financial years. Any increase in anticipated profit after tax would result in an increase in the liability relating to the option. No upper limit for the anticipated liability is established in the agreement. Any change in estimated liability will be charged to the consolidated income statement. No change in the option took place during the financial year, and it is valued at SEK 0. The calculation for the option to acquire the remaining 10 percent of the shares in Systemair HSK, Turkey, is based on the anticipated profit before depreciation/amortisation and tax (EBITDA) for the financial years until 2022/23, plus the increase in value of the land on which the Turkish production facility is situated. Any increase in anticipated profit after tax and any increase in value of the land would result in an increase in the liability relating to the option. No upper limit for the anticipated liability is established in the agreement. Any change in estimated liability is transferred via the Group's equity. During the financial year, the liability was revalued by the amount of SEK 2.3 million, now valued at SEK 35.7 million. The calculation for the option to acquire the remaining 40 percent of the shares in Frico A/S, Denmark, is based on the anticipated operating profit (EBIT) for the 2023/24 and 2024/25 financial years. Any increase in anticipated profit after tax would result in an increase in the liability relating to the option. No upper limit for the anticipated liability is established in the agreement. Any change in estimated liability is transferred via the Group's equity. No change with regard to the option took place during the financial year, and it is



valued at SEK 2.0 million. The liability for the purchase options is recognised under Non-current liabilities, non-interest-bearing on the balance sheet.

Other financial assets and liabilities are short-term. For that reason, the fair values of all financial instruments are considered to equate approximately to the carrying amounts. Systemair has not recognised any financial assets and liabilities net.

## Note 5 Segment reporting

The Group's operations are classified geographically. Systemair aggregates into the geographical segments of Europe, Americas, Middle East, Asia, Australia and Africa. The market segment Europe accounts for the major share of Systemair's business. The segment Europe consists of a large number of markets. The legal entities within Europe work with each other in manufacturing and sales. The Company also judges that in every material respect similar economic conditions exist in the region, and so the legal entities within the region have been aggregated. Systemair further considers that accounting for the merged segments of Europe, Americas, Middle East, Asia, Australia and Africa presents a clearer picture. The Parent Company is accounted for via a separate segment, Group-wide. The subsidiaries are aggregated on the basis of their legal domicile and consolidation takes place according to the same principles as for the Group as a whole.

SEK m.	2020/21 Feb-Apr 3 mths	2019/20 Feb-Apr 3 mths	2020/21 May-Apr 12 mths	2019/20 May-Apr 12 mths
Europe				
Net sales, external	1,710.1	1,642.5	6,639.4	7,037.8
Net sales, intra-Group	54.5	41.6	137.4	157.1
Operating profit/loss	170.3	90.6	636.4	652.3
Operating margin, %	10.0	5.5	9.6	9.3
Profit after net fin. items	301.3	169.0	797.6	719.3
Profit margin, %	17.6	10.3	12.0	10.2
Assets	4,380.1	4,183.0	4,380.1	4,183.0
Investments	100.5	29.2	329.5	147.5
Depreciation/amortisation and impairments	106.9	100.2	318.2	314.5
Americas, Middle East, Asia, Australia and Africa				
Net sales, external	498.4	388.5	1,879.8	1,877.1
Net sales, intra-Group	2.4	5.2	19.7	20.3
Operating profit/loss	32.7	-10.5	127.9	77.7
Operating margin, %	6.6	-2.7	6.8	4.1
Profit after net fin. items	13.0	-12.8	74.5	54.5
Profit margin, %	2.6	-3.3	4.0	2.9
Assets	1,200.2	1,199.8	1,200.2	1,199.8
Investments	17.2	6.1	84.2	16.5
Depreciation/amortisation and impairments	12.9	26.0	61.3	65.4

	2020/21	2019/20	2020/21	2019/20
SEK m.	Feb-Apr 3 mths	Feb-Apr 3 mths	May-Apr 12 mths	May-Apr 12 mths
Group-wide				
Net sales, intra-Group	35.8	40.1	132.3	148.3
Operating profit/loss	-29.9	-23.8	-87.6	-104.3
Profit after net fin. items	-156.3	-146.5	-308.1	-230.1
Assets	3,885.5	4,143.5	3,885.5	4,143.5
Investments	7.0	0.2	34.6	71.4
Depreciation/amortisation and impairments	5.0	4.5	20.3	25.5
Eliminations				
Net sales, intra-Group	-92.7	-86.9	-289.4	-325.7
Assets	-2,510.3	-2,426.4	-2,510.3	-2,426.4
Total				
Net sales, external	2,208.5	2,031.0	8,519.2	8,914.9
Operating profit/loss	173.1	56.3	676.7	625.7
Operating margin, %	7.8	2.8	7.9	7.0
Profit after net fin. items	158.0	9.7	564.0	543.7
Profit margin, %	7.2	0.5	6.6	6.1
Assets	6,955.5	7,099.9	6,955.5	7,099.9
Investments	124.7	35.5	448.3	235.4
Depreciation/amortisation and impairments	124.8	130.7	399.8	405.4

## Alternative performance measures

In the report, Systemair presents performance measures that supplement the financial ratios defined in IFRS; these are known as alternative performance measures (APMs). The Company is of the view that these APMs provide valuable information to investors and the Company's management, in that they enable evaluation of the Company's performance, trends, capacity to pay down debt and invest in new business opportunities, and that they reflect the Group's acquisition-intensive business model.

Because not all companies calculate financial performance measures in the same way, these are not always comparable. As a result, they should not be regarded as substitutes for performance measures as defined in IFRS. A number of definitions appear below, the majority of which are alternative performance measures.

For more key performance measures and information on how they are calculated, see Systemair's website at: [group.systemair.com/se/investerare/-finansiella-data/](http://group.systemair.com/se/investerare/-finansiella-data/)

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## Definitions of key performance measures

### Operating profit (EBIT)

Earnings before financial items and tax.

### Growth

Growth is defined as the change in net sales, relative to net sales for the preceding period.

### Organic growth

Change in sales by comparable units, adjusted for acquisitions and foreign currency effects.

### Adjusted operating profit

Operating profit, excluding restructuring costs and other items affecting comparability.

### Operating margin

Operating profit divided by net sales.

### Profit margin

Profit after financial items divided by net sales.

### Return on capital employed

Profit after financial income, for the trailing 12 months (TTM), divided by average capital employed.

### Capital employed

Total assets less non-interest-bearing liabilities.

### Return on equity

Profit after tax before non-controlling interest, for the trailing 12 months (TTM), divided by average equity excluding non-controlling interest.

### Number of employees

The number of employees at the end of the accounting period. New employees, appointments terminated, part-time employees and paid overtime are converted into full-time equivalents.

### Earnings per share

Profit for the period attributable to Parent Company shareholders, divided by the average number of shares during the period.

### Operating cash flow per share

Cash flow from operating activities for the period, divided by the average number of shares during the period.

### Equity/assets ratio

Adjusted equity divided by total assets.

### Equity per share

Equity excluding minority divided by the number of shares at the end of the period.