Systemair AB (publ)
Year-end report
1 May 2018 – 30 April 2019

Net sales Q4

SEK 2,144 m.

EBIT Q4

SEK 114 m.

Fourth quarter, February – April 2019

- Net sales increased by 17.3 percent to SEK 2,144 million (1,827).
- Organic growth was 9.3 percent (1.8).
- Operating profit (EBIT) was SEK 114 million (5)*, representing an operating margin of 5.3 percent (0.3)
- Profit after tax amounted to SEK 78 million (11).
- Earnings per share totalled SEK 1.50 (0.22).
- Cash flow from operating activities amounted to SEK +36 million (-15).

12 months, May 2018 – April 2019

- Net sales increased by 14.0 percent to SEK 8,326 million (7 301).
- Organic growth was 7.6 percent (3.6).
- Operating profit (EBIT) was SEK 528 million (350)*, representing an operating margin of 6.3 percent (4.8).
- Profit after tax amounted to SEK 321 million (230).
- Earnings per share totalled SEK 6.18 (4.43).
- Cash flow from operating activities amounted to SEK 387 million (225).
- The Board of Directors proposes a dividend of SEK 2.00 (2.00) per share.

* Profit for the preceding quarter and year includes items affecting comparability totalling SEK -43.7 million.

Significant events during the year

- In February 2019, a partnership agreement in ventilation and cooling technology was signed with Panasonic.
- In November 2018, Systemair acquired Koolair, a leading Spanish maker of air distribution products. Sales total around EUR 32 million.
- In August 2018, Systemair acquired the Canadian company Greentek, a major manufacturer of residential air handling units for the USA and Canadian market. The company has sales of around SEK 65 million.

	2018/19 Feb–Apr 3 mths	2017/18 Feb–Apr 3 mths	2018/19 May-Apr 12 mths	2017/18 May-Apr 12 mths
Net sales, SEK m.	2,143.8	1,827.1	8,326.5	7,301.2
Growth, %	17.3	5.4	14.0	6.4
Operating profit, SEK m. *	114.1	5.2	528.1	349.6
Operating margin, %*	5.3	0.3	6.3	4.8
Profit after tax, SEK m.	78.1	11.5	321.2	230.1
Earnings per share, SEK	1.50	0.22	6.18	4.43
Operating cash flow per share, SEK	0.68	-0.29	7.43	4.32

A strong finish to the year

In the fourth quarter, growth was recorded at 17.3 percent, of which 9.3 percent was organic. Operating profit improved to SEK 114 million, as against SEK 5 million in the same quarter last year. The adjusted profit for the preceding year was SEK 49 million. Western Europe and North America, above all, showed good growth in the period. Operating profit for the full year totalled SEK 528 million, the highest in the Company's history. Over the past nine years, Systemair has reported organic growth in every quarter save one.

The market

Market developments were favourable in most of Systemair's major regions during the fourth quarter. The Nordic market performed well, especially in Finland and Norway. In Western Europe, developments were positive in several major markets, including the UK, Italy, the Netherlands and Portugal. Following an extended period of buoyant growth, sales in Eastern Europe were more or less unchanged over the quarter, in the same quarter last year, growth was 20 percent. The North American market continues to develop well, above all in the USA. In South America, order bookings remained strong in Brazil. In the Middle East, Asia and Africa region, growth was comparatively robust, especially in South Africa, Morocco, Turkey and Malaysia in the fourth quarter.

Acquisitions and disposals

In November 2018, Systemair acquired Koolair, a Spanish producer of air distribution products. The company has sales of around EUR 32 million, half of which go to export markets. The acquisition considerably strengthens Systemair's market share in air distribution in Europe. The work of integration and the company's development following acquisition have gone according to plan.

In August, Systemair acquired the business of the Canadian company Greentek, a major manufacturer of home air handling units for the USA and Canadian market. The company, with sales of around SEK 65 million, has been immediately integrated into Systemair's existing production unit in Canada.

Investments

During the period, Systemair continued to invest in machinery at a number of factories in order to increase production capacity and productivity. However, the pace of investment is considerably lower than last year.

Partnership agreement with Panasonic

In February 2019, a European partnership in ventilation and cooling technology was announced. The partnership, scheduled to commence in autumn 2019, will lead to increased volumes for Systemair's refrigeration equipment. New jointly-developed products combining ventilation, cooling and heating will be launched.

Outlook

The market and demand remains strong in most of our markets. The good organic growth is expected to continue.

Our continued focus is on improved profitability. In 2018/19 we have worked to achieve the desired synergy effects from previously completed acquisitions. We have, among other things, co-located production units in Canada, Germany and from Austria to Slovenia. Furthermore, we have worked intensively with the companies that have had profitability or volume problems. We continue our efforts to reach the long term operating margin target of 10 percent.

Roland Kasper

President and CEO

Sales and markets

Group sales for the fourth quarter of the 2018/19 financial year totalled SEK 2,143.8 million (1,827.1), 17.3 percent up on the same period last year.

Organic growth was 9.3 percent over the quarter. As a result, Systemair has with one exception reported organic growth for 37 consecutive quarters. Growth in acquired operations was 5.2 percent, while foreign exchange effects increased sales by 2.8 percent over the period.

Net sales for the full year May–April 2018/19 totalled SEK 8,326.5 million (7,301.2), an increase of 14.0 percent over the same period last year. Adjusted for both foreign exchange effects and acquisitions, net sales grew 7.6 percent. Growth in acquired operations was 3.0 percent, while foreign exchange effects increased sales by 3.4 percent during the year.

Geographic breakdown of Q4 sales

Nordic region

During the fourth quarter, sales in the Nordic region increased by 8 percent from the same period in the preceding year. The Finnish and Norwegian markets reported good growth during the quarter. The Danish and Swedish markets also delivered growth, albeit at lower levels. Adjusted for foreign exchange effects and acquisitions, the increase was 7 percent.

Western Europe

During the quarter, sales in the West European market were 27 percent higher than in the corresponding period last year. The acquisition of Koolair in Spain is having a major impact. Adjusted for foreign exchange effects and acquisitions, sales rose by 13 percent. Several markets in the region performed well during the period, including the UK, Italy, the Netherlands and Portugal, while sales fell in Greece and Ireland.

Eastern Europe and CIS

Sales in Eastern Europe and the CIS rose by 1 percent during the quarter. Adjusted for the effects of foreign exchange and acquisitions, sales declined 1 percent. In Russia, the biggest market in the region, sales rose 4 percent compared with the same period last year. Other markets showing growth during the period include Belarus, Estonia, Lithuania and Slovakia.

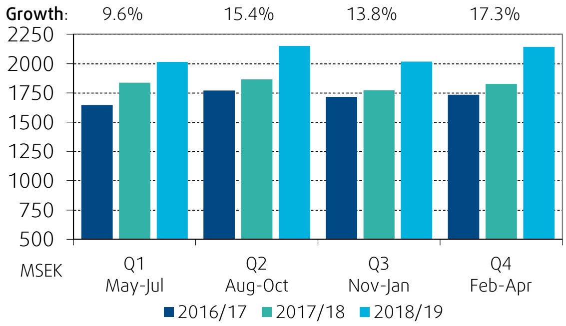
North and South America

Sales in the North and South America region over the quarter were 37 percent higher than in the same period last year. Both the USA and Canadian markets performed well in the quarter. Adjusted for foreign exchange effects and acquisitions, sales increased by 14 percent in the region.

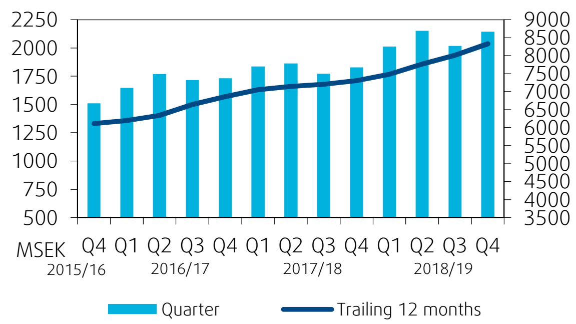
	2018/19 Feb–Apr 3 mths	2017/18 Feb–Apr 3 mths	Sales – change	Of which, organic	2018/19 May-Apr 12 mths	2017/18 May-Apr 12 mths	Sales – change	Of which, organic
Nordic region	468.2	434.5	8%	7%	1,829.7	1,709.5	7%	5%
Western Europe	951.5	748.2	27%	13%	3,551.4	2,990.3	19%	6%
Eastern Europe & the CIS	304.7	301.7	1%	-1%	1,282.1	1,165.5	10%	7%
North and South America	191.3	139.5	37%	14%	736.6	602.0	22%	8%
The Middle East, Asia and Africa	228.1	203.2	12%	13%	926.7	833.9	11%	17%
Total	**2,143.8**	**1,827.1**	**17%**	**9%**	**8,326.5**	**7,301.2**	**14%**	**8%**

(Sales figures are based on geographical domicile of customers.)

Net sales per quarter compared with same period previous years



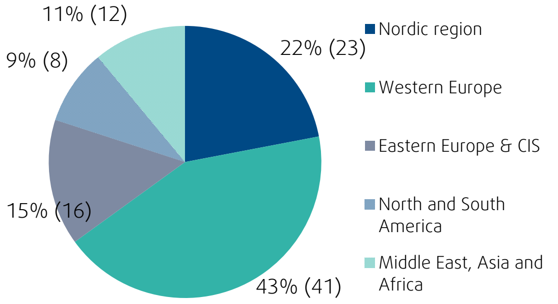
Net sales



The Middle East, Asia and Africa

Sales in the Middle East, Asia and Africa rose by 12 percent compared with the same period in the preceding year. Adjusted for foreign exchange effects and acquisitions, sales rose by 13 percent. Sales increased for example in Malaysia, Qatar and South Africa during the quarter, but declined in Dubai.

Sales by market, 12 months 2018/19 (2017/18)



Profit in the fourth quarter

Gross profit in the fourth quarter totalled SEK 702.9 million (590.3), an increase of 19.1 percent over the figure for the corresponding period last year. The gross margin rose to 32.8 percent (32.3).

Operating profit in the fourth quarter totalled SEK 114.1 million (5.2), representing an increase of 2,114 percent over the figure for the corresponding period last year. Profit for the preceding year includes items affecting comparability totalling SEK -43.7 million The operating margin was 5.3 percent (0.3).

Selling and administration expenses for the quarter totalled SEK 596.1 million (549.9), a rise of SEK 46.2 million, or 8.4 percent. Company acquisitions accounted for SEK 23.9 million of the quarter's costs. As a result, selling and administration expenses for comparable units rose by SEK 22.3 million, or 4.1 percent.

Selling expenses were charged with SEK 5.4 million (15.6) for anticipated impairment losses on trade receivables. No acquisition-related costs were charged to the quarter (0.7).

Net financial items for the fourth quarter totalled SEK -17.7 million (+25.5). The impact of foreign exchange on long-term receivables, loans and bank balances totalled SEK -8.6 million (+32.4) net. The impact arose above all in long-term receivables, bank accounts of and loans to Swedish subsidiaries and the Group's Turkish subsidiary in EUR. Interest expenses for the quarter totalled SEK -10.1 million (-7.0).

Profit for the financial year

Operating profit for the financial year from May 2018 to April 2019 totalled SEK 528.1 million (349.6). The operating margin was 6.3 percent (4.8).

Selling and administration expenses for the year totalled SEK 2,216.1 million (2,013.4), an increase of SEK 202.7 million. Company acquisitions during the year accounted for SEK 49.6 million (53.0) of the year's costs. As a result, selling and administration expenses for comparable units rose by SEK 153.1 million, or 7.6 percent. Selling expenses for the full year were charged with SEK 34.6 million (26.2) for anticipated impairment losses on trade receivables.

Net financial items for the financial year totalled SEK -70.1 million (-16.4). Interest expense totalled SEK -33.6 million (-27.1).

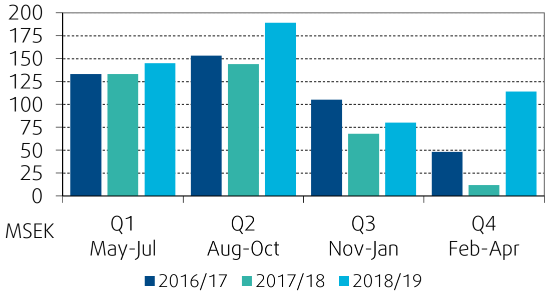
Tax expense

Estimated tax for the quarter totalled SEK -18.3 million (-19.2), representing an effective tax rate of 19.0 percent based on profit after net financial items.

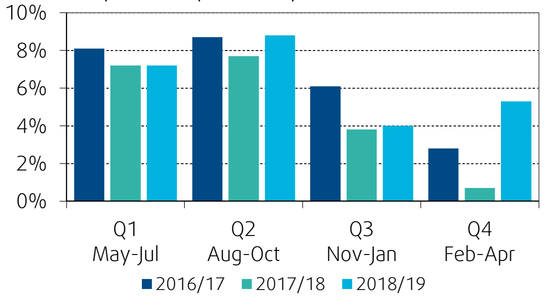
Estimated tax for the full year totalled SEK -136.8 million (-103.1), representing an effective tax rate of 29.9 percent based on profit after net financial items.

On 30 November 2018, Systemair received a

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



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



negative advance ruling from Skatterättsnämnden (the Swedish Revenue Law Commission). The case concerns a tax loss carry-forward equating to a deferred tax asset totalling SEK 25.9 million relating to the 2017/18 financial year. Systemair has appealed against the advance ruling at the Supreme Administrative Court, as the appeal is considered likely to be successful. Against that background, the deferred tax asset recognised has not been adjusted.

Acquisitions and new operations

In November 2018, Systemair acquired the Spanish company Koolair. The company is a leading manufacturer of air distribution products. Export markets account for 50 percent of the company's sales. Production in Mostoles on the outskirts of Madrid is highly automated. Sales for the company total around EUR 32 million.

In August, Systemair acquired Greentek of Canada, a division of the Imperial Manufacturing Group Inc. The company develops, manufactures and sells high-quality air handling units with heat recovery for homes in the Canadian and USA markets. Annual sales are valued at around CAD 10 million. After completion of the acquisition, operations were immediately co-located with Systemair's production facility in Canada.

In July, Systemair acquired 49.9 percent of the shares in Burda WTG GmbH, Germany. Burda sells and develops radiant heaters for outdoor use. The company has a number of patents and smart technical solutions. Systemair has an option to acquire the remaining shares in the company within three years. Burda has sales of EUR 2.8 million.

In May 2018, Systemair signed an agreement to sell its Norwegian subsidiary Reftec A/S. The company has been acquired by its former management and will continue to operate as exclusive distributor of Systemair's air conditioning products in the Norwegian market. In 2017/18, Reftec posted net sales of NOK 28.9 million, with an operating profit of NOK -2.0 million.

If the companies acquired had been consolidated as of 1 May 2018, net sales for the period May 2018 through April 2019 would have totalled approximately SEK 8,506.2 million. The operating profit for that period would have totalled approximately SEK 539.5 million. For more information regarding acquisitions and disposals 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, excluding disposals, totalled SEK 55.7 million (93.7), including SEK 51.6 million (77.2) in new construction and machinery. The investments consisted in large part of investments in buildings and machinery at the factories in Canada, the Czech Republic, Slovenia and Lithuania. No acquisitions were made and no formerly withheld additional purchase considerations were activated during the quarter (13.4). Depreciation of non-current assets amounted to SEK 62.8 million (54.7).

Total investments for the financial year amounted to SEK 530.9 million (508.3), excluding divestments. Gross investments in new construction and machinery totalled SEK 226.3 million (403.7), excluding divestments. Major investments were made in a new office property in Germany and machinery above all in Canada, the Czech Republic and Lithuania. The total paid for acquisitions and formerly withheld purchase considerations in the financial year was SEK 273.9 million (79.4). Depreciation and amortisation of non-current assets totalled SEK 233.3 million (204.6) for the year.

Personnel

The average number of employees in the Group was 5,672 (5,249). At the end of the period, Systemair had 6,016 employees (5,465), 551 more than one year previous. New employees were recruited chiefly at Systemair in South Africa (28), Systemair in Turkey (27), Denmark (24), the Czech Republic (22), Systemair in Brazil (21), Spain (21), the USA (16), Slovenia (16), at VEAB in Hässleholm, Sweden (14) and Russia (13). Personnel cutbacks were made at Frivent Austria (-26), Slovakia (-17), TTL in Germany (-15) and Sweden (-11). The acquisition of Greentek of Canada and Koolair of Spain brought 407 employees into the Group while the disposal of Reftec in Norway reduced the number of employees by 13.

Cash flow and financial position

Cash flow from operating activities during the quarter, before changes in working capital, totalled SEK 142.1 million (45.6). Changes in working capital, mainly consisting of higher trade accounts receivable, had a negative impact of SEK -106.6 million (-61.3) on cash flow. The cash flow from financing activities totalled SEK +0.1 million net (+104.1). At the end of the period, the Group's net indebtedness was SEK 2,080.6 million (1,837.7). The consolidated equity/assets ratio was 41.7 percent (42.5) at the end of the period.

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 2017/18 Annual Report. No significant change occurred in the risk situation during the period.

Related party transactions
Systemair's significant transactions with related parties concern ebmpapst AB and ebmpapst Mulfingen GmbH & Co. KG. Transactions with related parties are described in detail in Note 37 to the accounts in the Annual Report for the 2017/18 financial year. During the period, no change worthy of mention occurred in the scale of these transactions.

Parent Company
The Parent Company's net sales for the financial year totalled SEK 131.3 million (106.9). Operating profit totalled SEK -80.7 million (-133.7). The company had 51 employees (49). 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 29 August 2019, approve a dividend of SEK 2.00 (2.00) per share. As a result, dividend payments will amount to SEK 104.0 million (104.0). The proposed dividend represents 32 percent (45) of the Group's net profit and is slightly above Systemair's financial target of paying out 30 percent of net profit.

Systemair in brief
Systemair is a leading ventilation company with operations in 50 countries in Europe, North America, South America, the Middle East, Asia and Africa. The company had sales of SEK 8.3 billion in the 2018/19 financial year and employs approximately 6,000 people. Systemair has reported an operating profit every year since 1974, when the company was founded. During the past 10 years, the Company's growth rate has averaged about 10 percent.

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 70 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 owned production units, centralised warehouse facilities and an efficient 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 Interim Report is such that Systemair is required to disclose in accordance with the Market Abuse Regulation. The information was provided by the undersigned contact persons, for publication at 8.00 a.m. on 11 June 2019.

This interim report has not been reviewed by the Company's auditors.

Skinnskatteberg, 11 June 2019

Systemair AB (publ)

Roland Kasper *Chief Executive Officer*	Gerald Engström *Chairman of the Board*
Carina Andersson *Director*	Svein Nilsen *Director*
Hans Peter Fuchs *Director*	Patrik Nolåker *Director*
Åke Henningsson *Employee Representative*	Ricky Sten *Employee Representative*

Calendar

Interim report Q1 2019/20

1.00 p.m., 29 August 2019

Interim Report Q2 2019/20

8.00 a.m., 5 December 2019

Interim Report Q3 2019/20

8.00 a.m., 11 March 2020

Year-End Report Q4 2019/20

8.00 a.m., 9 June 2020

Interim report Q1 2020/21

1.00 p.m., 27 August 2020

Contact

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Summary income statement

SEK m.	Group 2018/19 Feb–Apr 3 mths	Group 2017/18 Feb–Apr 3 mths	Group 2018/19 May-Apr 12 mths	Group 2017/18 May-Apr 12 mths	Parent Company 2018/19 May-Apr 12 mths	Parent Company 2017/18 May-Apr 12 mths
Net sales	2,143.8	1,827.1	8,326.5	7,301.2	131.3	106.9
Cost of goods sold	-1,440.9	-1,236.8	-5,597.7	-4,887.2	-	-
Gross profit	**702.9**	**590.3**	**2,728.8**	**2,414.0**	**131.3**	**106.9**
Other operating income	38.2	30.7	169.6	116.9	4.6	2.4
Selling expenses	-490.0	-453.5	-1,826.9	-1,652.7	-57.4	-59.3
Administration expenses	-106.1	-96.4	-389.2	-360.7	-91.2	-100.1
Other operating expenses	-30.9	-65.9	-154.2	-167.9	-68.0	-83.6
Operating profit/loss	**114.1**	**5.2**	**528.1**	**349.6**	**-80.7**	**-133.7**
Net financial items	-17.7	25.5	-70.1	-16.4	-32.8	75.0
Profit/loss after financial items	**96.4**	**30.7**	**458.0**	**333.2**	**-113.5**	**-58.7**
Appropriations	-	-	-	-	86.6	79.9
Tax on profit for the period	-18.3	-19.2	-136.8	-103.1	-2.8	5.8
Profit/loss for the period	**78.1**	**11.5**	**321.2**	**230.1**	**-29.7**	**27.0**
Attributable to:						
Parent Company shareholders	79.5	12.1	322.3	230.5	-	-
Non-controlling interests	-1.4	-0.6	-1.1	-0.4	-	-
Earnings per share, SEK[1]	1.50	0.22	6.18	4.43	-	-

Statement of comprehensive income

	Group 2018/19 Feb–Apr 3 mths	Group 2017/18 Feb–Apr 3 mths	Group 2018/19 May-Apr 12 mths	Group 2017/18 May-Apr 12 mths	Parent Company 2018/19 May-Apr 12 mths	Parent Company 2017/18 May-Apr 12 mths
Profit/loss for the period	78.1	11.5	321.2	230.1	-29.7	27.0
Other comprehensive income						
Items that have been, or may later be, transferred to profit for the year:						
Translation differences	75.7	157.9	28.7	123.9	-	-
Impact of tax	0.3	-0.2	0.4	-0.2	-	-
Items that cannot be transferred to profit for the year:						
Revaluation of defined-benefit pensions, net after tax	-10.7	-11.7	-10.7	-11.7	-	-
Other comprehensive income	**65.3**	**146.0**	**18.4**	**112.0**	**-**	**-**
Total comprehensive income for the period	143.4	157.5	339.6	342.1	-29.7	27.0
Attributable to:						
Parent Company shareholders	144.8	158.1	340.7	342.5	-	-
Non-controlling interests	-1.4	-0.6	-1.1	-0.4	-	-

1) Not affected by dilution.

Summary balance sheet

	Group		Parent Company	
SEK m.	30/04/2019	30/04/2018	30/04/2019	30/04/2018
ASSETS				
Goodwill	846.8	759.1	-	0.1
Other intangible assets	265.1	216.9	29.4	29.4
Property, plant and equipment	1,769.4	1,722.2	37.0	25.9
Financial and other assets	267.6	240.4	2,656.1	2,597.3
Total non-current assets	**3,148.9**	**2,938.6**	**2,722.5**	**2,652.7**
Inventory	1,509.4	1,399.4	-	-
Short-term receivables	1,902.1	1,632.4	1,458.8	1,337.8
Cash and cash equivalents	250.4	212.8	-	-
Total current assets	**3,661.9**	**3,244.6**	**1,458.8**	**1,337.8**
Available-for-sale assets	-	11.8	-	-
TOTAL ASSETS	6,810.8	6,195.0	4,181.3	3,990.5
EQUITY AND LIABILITIES				
Equity	**2,839.2**	**2,620.3**	**1,731.8**	**1,865.5**
Untaxed reserves	-	-	6.0	5.1
Non-current liabilities, non-interest-bearing	288.6	275.5	-	-
Non-current liabilities, interest-bearing	1,070.0	690.7	1,406.0	959.4
Total non-current liabilities	**1,358.6**	**966.2**	**1,406.0**	**959.4**
Current liabilities, interest-bearing	1,175.9	1,283.2	975.1	1,070.1
Current liabilities, non-interest-bearing	1,437.1	1,316.1	62.4	90.4
Total current liabilities	**2,613.0**	**2,599.3**	**1,037.5**	**1,160.5**
Liabilities attributable to available-for-sale assets	-	9.2	-	-
TOTAL EQUITY AND LIABILITIES	6,810.8	6,195.0	4,181.3	3,990.5

Summary consolidated cash flow statement

SEK m.	2018/19 Feb–Apr 3 mths	2017/18 Feb–Apr 3 mths	2018/19 May-Apr 12 mths	2017/18 May-Apr 12 mths
Operating profit/loss	114.1	5.2	528.1	349.6
Adjustment for non-cash items	75.6	96.1	193.1	220.4
Financial items	-9.9	-7.7	-32.3	-23.9
Income tax paid	-37.7	-48.0	-152.9	-147.4
Cash flow from operating activities before changes in working capital	**142.1**	**45.6**	**536.0**	**398.7**
Changes in working capital	-106.6	-61.3	-149.5	-174.4
Cash flow from operating activities	**35.5**	**-15.7**	**386.5**	**224.3**
Cash flow from investing activities	-52.4	-89.7	-515.4	-481.9
Cash flow from financing activities	0.1	104.1	161.8	218.8
Cash flow for the period	**-16.8**	**-1.3**	**32.9**	**-38.8**
Cash and cash equivalents at start of period	256.2	194.9	213.3	241.8
Translation differences, cash and cash equivalents	11.0	19.2	4.2	9.8
Cash and cash equivalents at close of period	**250.4**	**212.8**	**250.4**	**212.8**

Statement of Changes in Equity – Group

	2018/19 May-Apr		2017/18 May-Apr	
SEK m.	Equity attributable to Parent Company shareholders	Total equity	Equity attributable to Parent Company shareholders	Total equity
Amount at beginning of year	**2,620.3**	**2,620.3**	**2,381.3**	**2,381.3**
Dividend	-104.0	-104.0	-104.0	-104.0
Revaluation of share purchase option	-16.7	-16.7	0.9	0.9
Comprehensive income	339.6	339.6	342.1	342.1
Amount at end of period	**2,839.2**	**2,839.2**	**2,620.3**	**2,620.3**

Performance measures for the Group

		2018/19 Feb–Apr 3 mths	2017/18 Feb–Apr 3 mths	2018/19 May-Apr 12 mths	2017/18 May-Apr 12 mths
Net sales	SEK m.	2,143.8	1,827.1	8,326.5	7,301.2
Growth	%	17.3	5.4	14.0	6.4
Operating profit/loss	SEK m.	114.1	5.2	528.1	349.6
Operating margin	%	5.3	0.3	6.3	4.8
Profit after net fin. items	SEK m.	96.4	30.7	458.0	333.2
Profit margin	%	4.5	1.7	5.5	4.6
Return on capital employed	%	11.3	9.1	11.3	9.1
Return on equity	%	11.9	9.3	11.9	9.3
Equity/assets ratio	%	41.7	42.5	41.7	42.5
Investments	SEK m.	52.4	89.7	515.4	481.9
Depreciation/Amortisation	SEK m.	62.8	54.7	233.3	204.6
Per share ratios					
Earnings per share	SEK	1.50	0.22	6.18	4.43
Equity per share	SEK	54.60	50.39	54.60	50.39
Operating cash flow per share	SEK	0.68	-0.29	7.43	4.32
No. of shares at end of period	No.	52,000,000	52,000,000	52,000,000	52,000,000

Quarterly key ratios – Group

		2018/19				2017/18				2016/17
		Feb–Apr Q4	Nov–Jan Q3	Aug–Oct Q2	May–Jul Q1	Feb–Apr Q4	Nov–Jan Q3	Aug–Oct Q2	May–Jul Q1	Feb–Apr Q4
Net sales	SEK m.	2,143.8	2,018.5	2,151.4	2,012.7	1,827.1	1,773.3	1,863.7	1,837.2	1,733.2
Growth	%	17.3	13.8	15.4	9.6	5.4	3.4	5.3	11.6	14.9
Gross margin	%	32.8	31.9	34.0	32.3	32.3	33.0	33.9	33.0	33.8
Operating profit/loss	SEK m.	114.1	80.1	188.9	144.9	5.2	67.7	143.9	132.9	47.7
Operating margin	%	5.3	4.0	8.8	7.2	0.3	3.8	7.7	7.2	2.8
Return on capital employed	%	11.3	8.8	8.8	8.2	9.1	9.3	10.4	10.8	12.0
Return on equity	%	11.9	9.6	9.7	8.9	9.3	10.2	10.8	11.4	12.6
Equity/assets ratio	%	41.7	41.3	39.7	42.2	42.5	43.9	43.2	44.0	44.6
Basic equity per share	SEK	54.6	52.11	51.25	50.56	50.39	47.34	46.81	46.22	45.79
Basic earnings per share	SEK	1.50	0.86	2.43	1.38	0.22	0.80	1.95	1.45	0.55
Cash flow from operating activities per share	SEK	0.68	3.64	1.67	1.44	-0.29	1.28	1.92	1.42	-0.49

Note 1 New 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 2018

IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial instruments have been applied at Systemair since 1 May 2018. Neither IFRS 15 nor IFRS 9 has had any material impact on Systemair and no adjustment has been applied to historical figures. The following is a presentation of accounting policies in accordance with IFRS 15 and IFRS 9, in terms of their application by Systemair.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers establishes a new regime for how and when a company must recognise revenue. It replaces all previously issued standards on revenue recognition. The new standard is based on a five-step model to be applied to contracts with customers. Under IFRS 15, revenue is to be recognised when a promised goods item or service is transferred to a customer, which may occur over time or at a point in time. The revenue shall consist of the amount that the company expects to receive as payment for transferred goods or services. IFRS 15 applies to financial years commencing on or after 1 January 2018. Systemair adopted and applied the standard on 1 May 2018.

During the 2017/18 financial year, the Group assessed the effects of IFRS 15 in order to determine the differences between earlier revenue recognition principles and the new requirements under IFRS 15, as well as to prepare for implementation of the new standard within the Group. The overall conclusion was that the new revenue recognition standard does not have any material impact on Systemair's historical financial position. Consequently, Systemair is not presenting any restatements for earlier periods.

Systemair's revenue is generated in the main from the manufacture and sale of ventilation products, together with servicing of ventilation products. The major share of sales meet the requirements for recognising revenue at a specific point in time, that is, when control of equipment passes to the customer. Revenue is recognised according to that principle and IFRS 15 will therefore not lead to any change in revenue accounting in this case. In the case of customer contracts fulfilled over time, revenue is to be recognised over time as the criteria set out in IFRS 15 are met. Systemair's view is that the contracts that meet the criteria for revenue recognition over time are already recognised over time, and consequently this has no material impact on the Group's revenue recognition.

Systemair provides maintenance services to customers via separate service agreements. Revenue from service activities is today already recognised over time, as the customer receives and uses the benefits provided, and IFRS 15 thus does not represent any difference from current principles. On sale of products, Systemair provides warranties that for the most part cover original product defects. In some cases, extended warranty periods are offered, but in view of what the warranty covers, the warranties provided are not regarded as additional service warranties. On that basis, warranties provided are not considered as separate performance obligations, but instead will continue to be recognised in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. If, in a particular case, an extended warranty is regarded as a separate performance obligation, the associated revenue will be recognised over time.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments applies to recognition of financial assets and liabilities. It replaces IAS 39 Financial Instruments: Classification and Measurement. As with IAS 39, financial assets are classified in various categories, some of which are measured at amortised cost and others at fair value. IFRS 9 introduces categories other than those described in IAS 39. Classification under IFRS 9 is based partly on the contractual cash flows of the instruments, and partly on the company's business model. IFRS 9 also introduces a new model for impairment losses on financial assets. In the case of financial liabilities, IFRS 9 largely accords with IAS 39. However, in the case of liabilities recognised at fair value, the portion of the change in fair value that is attributable to own credit risk is recognised in other comprehensive income, rather than in profit or loss, unless to do so would lead to inconsistency in accounting. Changes in criteria for hedge accounting may have the effect that more financial hedging strategies meet the requirements for hedge accounting under IFRS 9 than under IAS 39. IFRS 9 came into effect on 1 January 2018, or could be applied later, and has been applied by the Group and Parent Company since 1 May 2018. The Group's view is that the standard has no material impact on its accounting.

New or amended standards that have not yet entered into force

IFRS 16 Leasing

IFRS 16 Leases will supersede IAS 17 Leases from 1 January 2019 and will therefore be adopted by Systemair from 1 May 2019. The new standard requires lessees to recognise their obligation to pay lease fees as a lease liability on the balance sheet. The right to use the underlying asset during the lease term is recognised as an asset. Depreciation on the asset is recognised in profit and loss and interest on the lease liability. Lease fees paid are recognised partly as payment of interest and partly as amortisation of the lease liability. The standard exempts leases for periods of less than 12 months (short-term leases) and leases on low-value assets. Systemair has chosen to account for the transition using the simplified method, which does not require restatement of a period for comparison. One borrowing rate has been established per country. Systemair's leases consist primarily of leases on properties.

The estimated impact on the balance sheet includes increases of around SEK 310 million in right-of-use assets and lease liabilities. IFRS 16 is expected to have a favourable effect of around SEK 9 million on operating profit with a corresponding negative effect on net financial items.

Note 2 Revenue analysis

The Group's revenue is generated in the main from the manufacture and sale of ventilation products, together with servicing of ventilation products. Total revenue for the quarter amounted to SEK 2,143.8 million (1,827.1), of which servicing of ventilation products accounted for SEK 81.5 million (67.0).

SEK m.	2018/19 Feb-Apr 3 mths	2018/19 May-Apr 12 mths
Europe		
Sale of goods recognised at a specific point in time	1,630.3	6,357.9
Sale of goods recognised over time	41.9	124.6
Servicing recognised at a certain point in time	40.4	154.7
Servicing recognised over time	38.5	142.3
	1,751.1	6,779.5
Asia, Africa, America and the Middle East		
Sale of goods recognised at a specific point in time	331.6	1,374.8
Sale of goods recognised over time	58.5	164.5
Servicing recognised at a certain point in time	0.0	0.0
Servicing recognised over time	2.6	7.7
	392.7	1,547.0
Total		
Sale of goods recognised at a specific point in time	1,961.9	7,732.7
Sale of goods recognised over time	100.4	289.1
Servicing recognised at a certain point in time	40.4	154.7
Servicing recognised over time	41.1	150.0
	2,143.8	8,326.5

Note 3 Company disposals and acquisitions

The disposal of the shares in Reftec A/S, Norway, is calculated as follows:

Total transaction price SEK 2.7 m.

Asset and liability disposals	Total
Goodwill	3.0
Machinery and equipment	0.5
Deferred tax assets	1.0
Inventory	1.4
Other current assets	5.5
Cash and cash equivalents	0.5
Non-interest-bearing liabilities	-0.7
Interest-bearing liabilities	-4.5
Other operating liabilities	-4.0
	2.7

The total impact on cash flow is SEK +2.2 million. As a result of disposal of the company, a goodwill impairment of SEK 11.2 million was incurred and recognised in the fourth quarter of 2017/18.

The purchase price paid for acquisitions of the assets and liabilities of Greentek, Canada, and Koolair, Spain, may provisionally be calculated as follows:

Total historical cost, less transaction costs SEK 300.9 m.

Identifiable net assets	Greentek	Koolair	Total
Goodwill	22.5	57.7	80.2
Brands and customer relationships	14.2	75.5	89.7
Machinery and equipment	8.8	11.9	20.7
Financial and other assets	-	17.7	17.7
Inventory	19.0	42.7	61.7
Cash and cash equivalents	-	30.9	30.9
Total historical cost	64.5	236.4	300.9

The total effect on cash flow from the acquisitions, including payment of a formerly withheld additional purchase consideration for prior years' acquisitions, amounted to SEK -273.9 million. Transactions costs relating to the acquisitions total SEK 0.8 million.

Brands and customer relationships have been stated at the net present value of future payment flows. The useful life has been estimated at 5-10 years. In cases where decisions have not been taken as to phasing-out of brands, they are assumed to have an undeterminable service life.

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

Note 4 Financial instruments

Systemair's financial instruments comprise derivatives, trade accounts receivable, cash and cash equivalents, available-for-sale financial assets, trade accounts payable, accrued supplier costs, interest-bearing liabilities, share purchase 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. Available-for-sale financial assets are measured at fair value on the basis of input data corresponding to level 1 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. For the 2018/19 financial year, the liability has been written down to SEK 0, with an impact of SEK 5.7 million on income. 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 2019/20, 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. The liability for the 2018/19 financial year has been upwardly adjusted by SEK 16.7 million as a result of an increase in anticipated profit plus an estimated increase in the value of the land. The liability 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 and Systemair aggregates into the geographical segments of Europe and Asia, Africa, America and the Middle East. The market segment Europe accounts for the major share of Systemair's business. The Europe segment 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 and Asia, Africa, America and the Middle East presents a clearer picture. The Parent Company is accounted for via a separate segment, Group-wide. The subsidiaries are merged 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.	2018/19 Feb–Apr 3 mths	2017/18 Feb–Apr 3 mths	2018/19 May-Apr 12 mths	2017/18 May-Apr 12 mths
Europe				
Net sales, external	1,751.1	1,509.2	6,779.5	5,959.5
Net sales, intra-Group	12.0	43.8	134.4	153.2
Operating profit/loss	142.8	77.6	559.0	459.0
Operating margin, %	8.2	5.1	8.2	7.7
Profit after net fin. items	115.0	95.5	548.8	474.4
Profit margin, %	6.6	6.3	8.1	8.0
Assets	3,988.3	3,432.6	3,988.3	3,432.6
Investments	44.1	77.1	164.0	352.6
Depreciation/Amortisation	49.3	46.7	186.0	175.6

Asia, Africa, America and the Middle East				
Net sales, external	392.7	317.9	1,547.0	1,341.7
Net sales, intra-Group	4.0	3.8	15.5	11.6
Operating profit/loss	8.0	-8.4	53.2	26.0
Operating margin, %	2.0	-2.6	3.4	1.9
Profit after net fin. items	-10.6	-31.8	-5.4	-17.5
Profit margin, %	-2.7	-10.0	-0.3	-1.3
Assets	1,070.0	905.1	1,070.0	905.1
Investments	2.6	2.3	113.0	22.9
Depreciation/Amortisation	10.4	6.0	36.1	23.2
Group-wide				
Net sales, intra-Group	33.2	26.5	131.3	106.9
Operating profit/loss	-36.7	-64.0	-84.1	-135.4
Profit after net fin. items	-8.0	-32.9	-85.4	-123.7
Assets	4,168.2	3,953.2	4,168.2	3,953.2
Investments	5.7	10.3	238.4	106.4
Depreciation/Amortisation	3.1	2.0	11.2	5.8
Eliminations				
Net sales, intra-Group	-49.2	-74.1	-281.2	-271.7
Assets	-2,415.7	-2,095.9	-2,415.7	-2,095.9
Total				
Net sales, external	2,143.8	1,827.1	8,326.5	7,301.2
Operating profit/loss	114.1	5.2	528.1	349.6
Operating margin, %	5.3	0.3	6.3	4.8
Profit after net fin. items	96.4	30.8	458.0	333.2
Profit margin, %	4.5	1.7	5.5	4.6
Assets	6,810.8	6,195.0	6,810.8	6,195.0
Investments	52.4	89.7	515.4	481.9
Depreciation/Amortisation	62.8	54.7	233.3	204.6

Alternative performance measures

In its interim 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.

Definitions of 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.

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 divided by the number of shares at the end of the period.