

Systemair AB (publ) Interim report Q1 1 May – 31 July 2022

Net sales Q1

SEK 2,849 m.

EBIT Q1

SEK 270 m.

First quarter, May – July 2022

- Net sales increased by 24.4 percent to SEK 2,849 million (2,290).
- Organic growth was +14.3 percent (+13.3).
- Operating profit (EBIT) totalled SEK 270 million (210).
- The operating margin was 9.5 percent (9.2).
- Profit after tax amounted to SEK 217 million (157).
- Earnings per share totalled SEK 1.04 (0.75).
- Cash flow from operating activities amounted to SEK -65 million (+159).

Significant events during the year

- In June, the acquisition of all shares in SagiCofim S.p.A., Italy, was completed. The company is a major supplier in air filtration and air distribution.

	2022/23 May-Jul 3 mths	2021/22 May-Jul 3 mths	2021/22 May-Apr 12 mths
Net sales, SEK m.	2,848.9	2,290.5	9,634.5
Growth, %	24.4	9.1	13.1
Operating profit, SEK m.	269.6	209.6	769.8
Operating margin, %	9.5	9.2	8.0
Profit after tax, SEK m.	217.1	156.8	544.3
Earnings per share, SEK ¹	1.04	0.75	2.61
Operating cash flow per share, SEK	-0.31	0.76	1.13

1) Systemair AB has issued 600,000 warrants to persons holding senior positions within the company. The average price of the share during the period under review was less than the redemption price for the warrants, so no dilution effect has occurred.

A strong first quarter

Systemair's financial year began with a strong first quarter. Sales increased by 24.4 percent (9.1). Operating profit improved by 29 percent to SEK 270 million (210). The operating margin was 9.5 percent (9.2). Sales of our products and solutions remains good with organic growth of 14.3 percent (13.3).

The market

Demand in the first quarter remained strong, with organic growth of 14.3 percent. This may be regarded as a very strong performance, since the corresponding quarter last year also showed organic growth, of 13.3 percent. All regions report good growth, with the exception of Eastern Europe, with Russia being the main factor. Further price increases were announced during the quarter in response to rising component and freight prices.

Long-term investments

Systemair's balance sheet remains strong, creating the scope for continued investments and acquisitions. Several long-term strategic investments in production equipment are in progress, to meet the rising demand we have encountered.

New acquisitions

In June, the acquisition of SagiCofim S.p.A. was completed. The company is a supplier with extensive experience in filtration and air distribution. The Italian market accounts for about 75 percent of sales, with the remainder being exported mainly within Europe. The company's consolidated sales on a yearly basis amount to EUR 36 million. The process of integration has started during the summer. SagiCofim's ventilation solutions for surgery rooms in combination with our hygiene-certified ventilation units provide good sales synergies going forward.

Sustainability

We are continuing to progress our sustainability work in all areas of operation. Energy conservation and energy efficiency are at the centre of product development at Systemair. EU initiatives, such as the European Green



Deal and Renovation Wave, will support robust long-term demand for energy-efficient ventilation products in the renovation market.

Products and solutions that we sell over a year reduce energy consumption in buildings by 1.9 TWh, preventing more than 500,000 tonnes of CO² emissions. Systemair has set clear targets for the year 2030, where we will contribute a total of 25 TWh reduced energy use from buildings, accumulated over a 10-year period with 2019/20 as the base year.

Outlook favourable

Despite ongoing challenges in the supply chain, for the first quarter May-July 2022, Systemair can show a strong increase in turnover and an improved operating profit.

We have continued strong order intake and a historically high order backlog. With our 29 well-invested production facilities in 20 countries and the market's most complete product range, we are the largest supplier of ventilation products in Europe.

Roland Kasper
President and CEO

Sales and markets

Group sales for the first quarter of the 2022/23 financial year totalled SEK 2,848.9 million (2,290.5), up 24.4 percent from the same period last year. Adjusted for the effects of foreign exchange and acquisitions, net sales rose by 14.3 percent. Price increases implemented have had an impact on growth, in addition to the purely volume-related increase. Growth in acquired operations was 5.1 percent, while foreign exchange effects increased sales by 5.0 percent over the period.

Geographical breakdown of Q1 sales

Nordic region

During the first quarter, sales in the Nordic region were 20.9 percent higher than in the same period last year. All markets in the region showed good growth during the quarter. Adjusted for foreign exchange effects and acquisitions, sales rose by 16.8 percent.

Western Europe

Sales in the West European market during the quarter were 28.1 percent higher than in the corresponding period last year. Adjusted for foreign exchange effects and acquisitions, sales rose by 13.3 percent. All major markets in the region showed growth during the quarter, particularly Spain, the Netherlands, Italy and Germany.

Eastern Europe and CIS

Sales in Eastern Europe and the CIS rose by 9.7 percent during the quarter. Adjusted for foreign exchange effects and acquisitions, sales rose by 2.0 percent. Sales in Russia declined sharply during the quarter because of internal deliveries to Russia being stopped. Other major markets that showed growth in the region were the Czech Republic, Poland and Slovakia.

North America

Sales in North America during the quarter were 28.0 percent higher than in the same period in the preceding year. Adjusted for foreign exchange effects and acquisitions, sales rose by 10.1 percent. In particular, the Canadian – but also the USA – market showed good growth in the quarter.

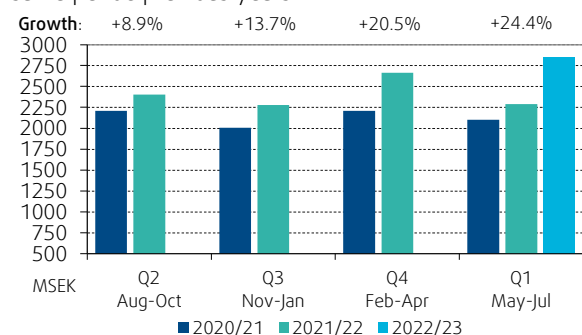
Middle East, Asia, Australia and Africa

Sales in the Middle East, Asia, Australia and Africa rose by 31.3 percent compared with the same period last year. Adjusted for foreign exchange effects and acquisitions, sales rose by 34.1 percent. India, Morocco and Australia showed good growth during the period, while sales in Turkey, stated in Swedish kronor, decreased.

	2022/23 May-Jul 3 mths	2021/22 May-Jul 3 mths	Sales – change	Of which, organic
Nordic region	487.2	403.1	20.9%	16.8%
Western Europe	1,302.5	1,017.1	28.1%	13.3%
Eastern Europe & CIS	380.5	346.8	9.7%	2.0%
North America	325.9	254.7	28.0%	10.1%
Middle East, Asia, Australia and Africa	352.8	268.8	31.3%	34.1%
Total	2,848.9	2,290.5	24.4%	14.3%

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

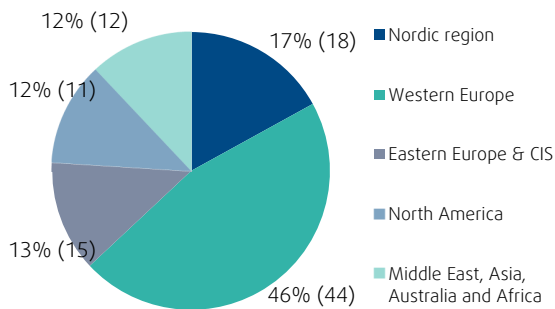
Net sales per quarter compared with same period previous years



Net sales



Sales by market, 3 months 2022/23 (2021/22)



Results for the first quarter

The gross profit for the first quarter amounted to SEK 985.8 million (796.8), an increase of 23.7 percent over the same period in the preceding year. The gross margin decreased slightly to 34.6 percent (34.8). We are gradually seeing the impact of price increases implemented in a recovery by the gross margin.

Operating profit for the first quarter totalled SEK 269.6 million (209.6), an increase of 28.7 percent over the same period last year. The operating margin increased to 9.5 percent (9.2).

Selling and administration expenses for the quarter totalled SEK 702.9 million (582.3), a rise of SEK 120.6 million, or 20.7 percent. Company acquisitions accounted for SEK 31.0 million of the quarter's costs, indicating that selling and administration expenses for like-for-like units increased by SEK 89.6 million, or 15.4 percent.

Selling expenses were charged with SEK 4.2 million (1.0) for anticipated bad debts. Acquisition-related expenses totalled SEK 2.6 million (-).

Net financial items for the first quarter totalled SEK -3.8 million (-3.4). The impact of foreign exchange on long-term receivables, loans and bank balances totalled SEK +7.5 million (+5.0) net. Interest expenses for the quarter totalled SEK -10.6 million (-6.5).

Tax expense

Estimated tax for the quarter totalled SEK -48.7 million (-49.4), representing an effective tax rate of 18.3 percent (24.0) based on profit after net financial items. The lower tax charge is a result of the revaluation of tax loss carry-forwards in previously loss-making entities.

Acquisitions and new operations

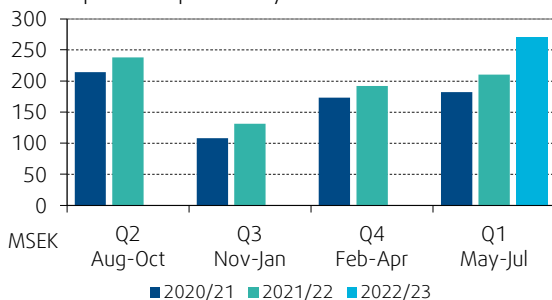
On 14 June 2022, Systemair acquired all shares in the Italian company SagiCofim S.p.A. The company is a major supplier with extensive experience in filtration and air distribution. The company's wholly-owned production facility in Cernusco sul Naviglio, Milan, manufactures high-efficiency HEPA and ULPA class air filters. In Sondrio in the Valtellina Valley, the company owns 50 percent of EFFEBI SRL, which manufactures air distribution products. The Italian market accounts for about 75 percent of the companies' sales, with the remainder being exported mainly within Europe. The companies' consolidated sales in 2021 totalled approximately EUR 36 million with an EBITDA profit of EUR 4.0 million. The companies have about 200 employees. The purchase price agreed is EUR 33.6 million on a debt-free basis.

If the companies acquired had been consolidated from 1 May 2022, inclusive, net sales for the interim report period May to July 2022, inclusive, would have totalled approximately SEK 2,887.0 million. Operating profit for that period would have totalled approximately SEK 273.0 million. For more information regarding acquisitions and their impact on the Group's cash and cash equivalents, see Note 3 in this interim report.

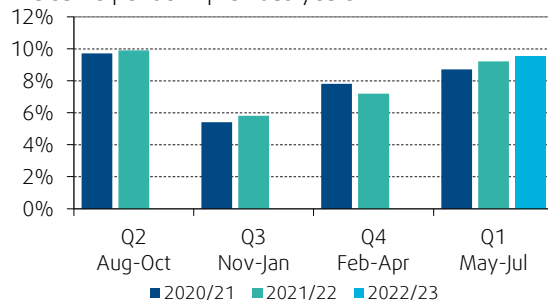
Investments, depreciation and amortisation

Investments for the quarter, net of disposals, totalled SEK 413.1 million (108.9), including SEK 91.6 million (80.7) in new construction and machinery. The investments mainly relate to the production facilities in the Czech Republic, Sweden and Denmark. Acquisitions of subsidiaries and formerly withheld purchase

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



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



considerations totalled SEK 319.7 million (20.9). Depreciation, amortisation and impairment of non-current assets amounted to SEK 103.2 million (90.0).

Personnel

The average number of employees in the Group was 6,382 (5,995). At the end of the period, Systemair had 6,830 employees (6,523), 307 more than one year previous. New personnel were hired in India (129), the Czech Republic (55), Lithuania (31), Sweden (26), Slovenia (24) and Canada (17). Personnel cutbacks were made in Russia (-79), Menerga in Germany (-45) and South Africa (-37). Acquired companies added a total of 242 employees. The divestment of Traydus in Brazil resulted in a reduction of, in all, 89 employees.

Cash flow and financial position

Cash flow from operating activities, before changes in working capital during the quarter, totalled SEK 309.0 million (249.8). Changes in working capital, mainly consisting of increased inventories and trade accounts receivable, had an impact of SEK -373.8 million (-91.2) on cash flow. The sharp increase is explained by higher purchase prices for components and increased safety stocks due to current component shortages and the uncertain freight situation. Cash flow from financing activities totalled SEK +429.9 million net (-24.6). At the end of the period, net indebtedness was SEK 2,628.1 million (1,524.9). The consolidated equity/assets ratio was 44.0 percent (48.4) at the end of the period.

Warrants

On 26 August 2021, the Annual General Meeting of Systemair AB approved the issue of warrants within the framework of the LTIP 2021 incentive programme. During the 2021/22 financial year, Systemair AB issued

a total of 600,000 warrants for Systemair shares, to 44 individuals in senior positions within the Company. Transfer of the warrants to the participants took place at a price corresponding to their market value according to an external independent valuation using an accepted valuation model (Black-Scholes). Each warrant entitles the holder to subscribe for one new share in the Company at a price of SEK 98.20. The programme runs for four years from 23 September 2021 and the last day for subscription is 30 September 2025.

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.

Sustainability work

Sustainability issues have long been a central and natural part of Systemair. The importance of good-quality indoor air is increasing and society depends on healthy and good air through energy- and resource-efficient solutions for ventilation, heating and cooling. Our solutions play an important role in our commitment to helping to bring about a more sustainable planet.

Sustainability is an important part of our strategy and an integral part of our business. Our sustainability framework focuses on four areas that play a part in achievement of eight of the Sustainable Development Goals.

Systemair presented our complete HVAC solutions portfolio at MCE in Italy

After four years of absence, it felt extra special to meet with industry peers, partners and customers in-person again. Systemair show-cased our efficient and green products, in line with the event's push for HVAC technologies that are increasingly respectful of the environment.



 <p>Responsible enterprise</p> <ul style="list-style-type: none"> • Ensuring an ethical and responsible business • Zero tolerance for corruption • Taking responsibility in our supply chain 	 <p>Sustainable workplace</p> <ul style="list-style-type: none"> • Zero work-related injuries • Promote employee development • Equal opportunities with an inclusive culture
 <p>Sustainable operations</p> <ul style="list-style-type: none"> • Reduce our greenhouse gas (GHG) emissions • Improve our energy efficiency • Reduce our environmental impact 	 <p>Sustainable products</p> <ul style="list-style-type: none"> • Develop leading energy-efficient solutions • Improving indoor climate • Life cycle approach to reduce environmental impact

Events after the close of the period

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

Exposure to Russia, Ukraine and Belarus

In view of the ongoing Russian invasion of Ukraine, we have decided to suspend all deliveries to Russia and Belarus for the time being. At the end of the period under review, 227 people were employed in these countries. Systemair's sales in the region represent 2.4 percent of the Group's total sales. In Russia, we have 16 local sales offices with associated warehouses. The Group has a production facility in Moscow with a book value of SEK 152.0 million. Goodwill related to the Russian business is valued at SEK 50.5 million and working capital, mainly in inventories and cash, at SEK 157.1 million. The Company's costs have been adjusted to the declining sales volume on an ongoing basis.

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 2021/22 Annual Report.

The situation in Russia and Ukraine is very serious and volatile. There are continuous changes in sanctions, logistics flows and the financial system. Systemair is closely monitoring the situation and assessing the short- and long-term consequences to employees and the business on an ongoing basis.

Related party transactions

There were no material related party transactions during the quarter. Transactions with related parties are described in detail in Note 39 to the accounts in the Annual Report for the 2021/22 financial year.

Parent Company

The Parent Company's net sales for the period under review totalled SEK 45.8 million (37.2). Operating profit was negative, at SEK -36.2 million (-28.0). The Parent Company had 59 employees (63). The core business of the Parent Company consists of intra-Group services.

Systemair in brief

Systemair is a leading ventilation company with operations in 52 countries in Europe, North America, the Middle East, Asia, Australia and Africa. The Company had sales of SEK 9.6 billion in the 2021/22 financial year and today employs approximately 6,800 people. Systemair has reported an operating profit every year since 1974, when the company was founded. Over the past 10 years, growth has averaged 9.4 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 Nasdaq OMX Nordic Exchange in Stockholm since October 2007, and are today traded on the Large Cap List. 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 energy-efficient, 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, sustainability 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.
- Sustainability is integrated into our operations, enabling a holistic approach that creates value for all our stakeholders.
- 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 information that 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 is to be submitted for publication at 1.00 p.m. on 25 August 2022.

The interim report has not been audited.

Skinnskatteberg, 25 August 2022

Systemair AB (publ)

Board of Directors

Calendar

Interim Report Q2 2022/23

8.00 a.m., 8 December 2022

Interim Report Q3 2022/23

8.00 a.m., 9 March 2023

Interim Report Q4 2022/23

8.00 a.m., 8 June 2023

Interim Report Q1 2023/24

1.00 p.m., 31 August 2023

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Summary income statement

	Group				Parent Company	
	2022/23 May-Jul 3 mths	2021/22 May-Jul 3 mths	2021/22 Aug-Jul trl	2021/22 May-Apr 12 mths	2022/23 May-Jul 3 mths	2021/22 May-Jul 3 mths
SEK m.						
Net sales	2,848.9	2,290.5	10,192.9	9,634.5	45.8	37.2
Cost of goods sold	-1,863.1	-1,493.7	-6,685.0	-6,315.6	-	-
Gross profit	985.8	796.8	3,507.9	3,318.9	45.8	37.2
Other operating income	52.1	26.6	259.0	233.5	2.1	0.8
Selling expenses	-570.0	-483.1	-2,164.4	-2,077.5	-22.7	-20.9
Administration expenses	-132.9	-99.2	-471.3	-437.6	-34.9	-24.8
Other operating expenses	-65.4	-31.5	-301.4	-267.5	-26.5	-20.3
Operating profit/loss	269.6	209.6	829.8	769.8	-36.2	-28.0
Net financial items	-3.8	-3.4	-28.5	-28.1	336.9	277.7
Profit/loss after financial items	265.8	206.2	801.3	741.7	300.7	249.7
Appropriations	-	-	-	-	-1.9	0.4
Tax on profit for the period	-48.7	-49.4	-196.7	-197.4	4.2	4.0
Profit/loss for the period	217.1	156.8	604.6	544.3	303.0	254.1
Attributable to:						
Parent Company shareholders	216.4	155.1	605.2	543.9	-	-
Non-controlling interests	0.7	1.7	-0.6	0.4	-	-
Earnings per share, SEK ¹	1.04	0.75	2.91	2.61	-	-

Statement of comprehensive income

Profit/loss for the period	217.1	156.8	604.6	544.3	303.0	254.1
Other comprehensive income						
<i>Items that have been, or may later be, transferred to profit for the year:</i>						
Translation differences	73.4	16.0	176.5	119.1	-	-
<i>Items that cannot be transferred to profit for the period:</i>						
Revaluation of defined-benefit pensions, net after tax	-	-	6.0	6.0	-	-
Other comprehensive income	73.4	16.0	182.5	125.1	-	-
Total comprehensive income for the period	290.5	172.8	787.1	669.4	303.0	254.1
Attributable to:						
Parent Company shareholders	289.8	171.1	787.7	669.0	-	-
Non-controlling interests	0.7	1.7	-0.6	0.4	-	-

- 1) Systemair AB has issued 600,000 warrants to persons holding senior positions within the company. The average price of the share during the period under review was less than the redemption price for the warrants, so no dilution effect has occurred. The total number of shares outstanding at the end of the period under review was 208,000,000.

Summary balance sheet

SEK m.	Group			Parent Company	
	31/07/2022	31/07/2021	30/04/2022	31/07/2022	31/07/2021
ASSETS					
Goodwill	972.7	765.3	888.9	-	-
Other intangible non-current assets	310.9	209.7	216.1	32.4	34.9
Property, plant and equipment	2,516.4	2,164.8	2,325.6	14.0	22.5
Financial and other non-current assets	206.8	221.2	193.6	3,146.0	2,797.5
Total non-current assets	4,006.8	3,361.0	3,624.2	3,192.4	2,854.9
Inventory	2,543.9	1,634.7	2,224.9	-	-
Current receivables	2,613.1	1,896.7	2,287.4	1,737.7	1,090.0
Cash and cash equivalents	311.3	348.0	335.9	-	-
Total current assets	5,468.3	3,879.4	4,848.2	1,737.7	1,090.0
TOTAL ASSETS	9,475.1	7,240.4	8,472.4	4,930.1	3,944.9
EQUITY AND LIABILITIES					
Equity	4,167.4	3,501.1	3,853.5	1,857.5	2,005.8
Untaxed reserves	-	-	-	1.7	0.3
Non-current liabilities, non-interest-bearing	329.4	256.3	275.7	0.6	1.1
Non-current liabilities, interest-bearing	1,532.7	1,053.4	1,230.8	1,890.1	1,337.4
Total non-current liabilities	1,862.1	1,309.7	1,506.5	1,890.7	1,338.5
Current liabilities, interest-bearing	1,317.0	747.6	1,148.0	1,061.0	531.3
Current liabilities, non-interest-bearing	2,128.6	1,682.0	1,964.4	119.2	69.0
Total current liabilities	3,445.6	2,429.6	3,112.4	1,180.2	600.3
TOTAL EQUITY AND LIABILITIES	9,475.1	7,240.4	8,472.4	4,930.1	3,944.9

Summary consolidated cash flow statement

	2022/23 May-Jul 3 mths	2021/22 May-Jul 3 mths	2021/22 May-Apr 12 mths
SEK m.			
Operating profit/loss	269.6	209.6	769.8
Adjustment for non-cash items	106.2	88.7	354.5
Financial items	-11.3	-8.0	-27.6
Income tax paid	-55.5	-40.5	-147.4
Cash flow from operating activities before changes in working capital	309.0	249.8	949.3
Changes in working capital	-373.8	-91.2	-714.1
Cash flow from operating activities	-64.8	158.6	235.2
Cash flow from investing activities	-407.4	-107.9	-515.9
Cash flow from financing activities	429.9	-24.6	274.9
Cash flow for the period	-42.3	26.1	-5.8
Cash and cash equivalents at start of period	335.9	319.1	319.1
Translation differences, cash and cash equivalents	17.7	2.8	22.6
Cash and cash equivalents at close of period	311.3	348.0	335.9

Statement of changes in equity – Group

SEK m.	2022/23 May-Jul			2021/22 May-Jul			2021/22 May-Apr		
	Equity attributable to Parent Company shareholders	Non- controlling interests	Total equity	Equity attributable to Parent Company shareholders	Non- controlling interests	Total equity	Equity attributable to Parent Company shareholders	Non- controlling interests	Total equity
Amount at beginning of year	3,815.1	38.4	3,853.5	3,305.0	25.1	3,330.1	3,305.0	25.1	3,330.1
Dividend	-	-1.5	-1.5	-	-1.8	-1.8	-156.0	-1.8	-157.8
Share of acquisitions attributable to non- controlling interests	-	24.9	24.9	-	-	-	-	12.3	12.3
Issue of warrants	-	-	-	-	-	-	4.8	-	4.8
Revaluation of acquisition option	-0.7	0.7	-	0.1	-0.1	-	-7.7	2.4	-5.3
Comprehensive income	289.8	0.7	290.5	171.1	1.7	172.8	669.0	0.4	669.4
Amount at end of period	4,104.2	63.2	4,167.4	3,476.2	24.9	3,501.1	3,815.1	38.4	3,853.5

Performance measures for the Group

		2022/23 May-Jul 3 mths	2021/22 May-Jul 3 mths	2021/22 May-Apr 12 mths
Net sales	SEK m.	2,848.9	2,290.5	9,634.5
Growth	%	24.4	9.1	13.1
Operating profit/loss	SEK m.	269.6	209.6	769.8
Operating margin	%	9.5	9.2	8.0
Profit after net fin. items	SEK m.	265.8	206.2	741.7
Profit margin	%	9.3	9.0	7.7
Return on capital employed	%	14.7	14.3	14.5
Return on equity	%	16.1	14.8	15.1
Equity/assets ratio	%	44.0	48.4	45.5
Investments	SEK m.	407.4	107.9	515.9
Depreciation/amortisation and impairments	SEK m.	103.2	90.0	408.4
Per share ratios¹				
Earnings per share	SEK	1.04	0.75	2.61
Equity per share	SEK	19.73	16.71	18.34
Operating cash flow per share	SEK	-0.31	0.76	1.13
No. of shares at end of period	No.	208,000,000	52,000,000	208,000,000

¹ In September 2021, a 4-for-1 share split was carried out. The figures for the preceding year, provided for comparison, have been adjusted.

Quarterly performance measures – Group

		2022/23		2021/22		2020/21				
		May-Jul	Feb-Apr	Nov-Jan	Aug-Oct	May-Jul	Feb-Apr	Nov-Jan	Aug-Oct	May-Jul
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales	SEK m.	2,848.9	2,661.6	2,278.1	2,404.2	2,290.5	2,208.5	2,003.9	2,206.7	2,100.0
Growth	%	24.4	20.5	13.7	8.9	9.1	8.7	-6.7	-11.1	-6.8
Gross margin	%	34.6	34.1	33.3	35.6	34.8	35.7	33.6	35.9	33.6
Operating profit/loss	SEK m.	269.6	191.4	131.3	237.5	209.6	173.1	108.0	213.5	182.1
Operating margin	%	9.5	7.2	5.8	9.9	9.2	7.8	5.4	9.7	8.7
Return on capital employed	%	14.7	14.5	14.9	14.2	14.3	13.1	10.2	10.1	11.2
Return on equity	%	16.1	15.1	15.0	14.9	14.8	13.0	9.4	9.2	11.0
Equity/assets ratio	%	44.0	45.5	47.2	45.7	48.4	47.9	47.7	46.3	44.7
Basic equity per share	SEK	19.73	18.34	17.69	16.45	16.71	15.89	15.30	15.25	14.45
Basic earnings per share	SEK	1.04	0.66	0.47	0.74	0.75	0.55	0.33	0.68	0.39
Cash flow from operating activities per share	SEK	-0.31	-0.15	0.13	0.39	0.76	1.10	1.18	1.37	1.13

Note 1 Accounting policies

Systemair applies International Financial Reporting Standards (IFRS). This year-end 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.

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The Group applies the same accounting policies as described in the 2021/22 Annual Report.

None of the new or revised standards, interpretations or improvements, as adopted by the EU, have affected the Group in any material way.

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 2,848.9 million (2,290.5), of which servicing of ventilation products accounted for SEK 99.8 million (78.5).

SEK m.	2022/23 May-Jul 3 mths	2021/22 May-Jul 3 mths	2021/22 May-Apr 12 mths
Europe			
Sale of goods recognised at a specific point in time	2,042.5	1,667.0	6,883.8
Sale of goods recognised over time	33.0	32.7	158.4
Servicing recognised at a certain point in time	46.1	38.5	179.2
Servicing recognised over time	45.5	36.6	163.6
	2,167.1	1,774.8	7,385.0
Americas, Middle East, Asia, Australia and Africa			
Sale of goods recognised at a specific point in time	638.0	463.4	2,024.2
Sale of goods recognised over time	35.6	48.9	205.2
Servicing recognised at a certain point in time	0.8	0.4	3.1
Servicing recognised over time	7.4	3.0	17.0
	681.8	515.7	2,249.5
Total			
Sale of goods recognised at a specific point in time	2,680.5	2,130.4	8,908.0
Sale of goods recognised over time	68.6	81.6	363.6
Servicing recognised at a certain point in time	46.9	38.9	182.3
Servicing recognised over time	52.9	39.6	180.6
	2,848.9	2,290.5	9,634.5

Note 3 Companies acquired

Companies acquired

The purchase consideration for the assets of Sagicofim may provisionally be calculated as follows:

	Sagicofim
Total historical cost, less costs of acquisition	383.8
Assets acquired	
Fair value of assets acquired, net	313.2
Goodwill	70.6
Identifiable net assets	
Brands and customer relationships	55.5
Other intangible assets	54.4
Buildings and land	93.5
Machinery and equipment	25.1
Financial and other non-current assets	0.8
Inventory	74.2
Trade accounts receivable	138.0
Other current assets	17.0
Cash and cash equivalents	28.2
Minority interest	-25.1
Non-interest-bearing liabilities	-15.3
Deferred tax liability	-29.8
Interest-bearing liabilities	-12.8
Other operating liabilities	-90.5
	313.2

The total cash flow impact from acquisitions is SEK -319.7 million. Transactions costs relating to the acquisitions total SEK 2.6 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 10 years.

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

Net sales for the acquired companies between the time of acquisition and the end of the period under review totalled SEK 74.6 million. Operating profit for the period concerned was SEK 0.9 million. If the companies acquired had been consolidated from 1 May 2022, inclusive, net sales for the interim report period May to July 2022, inclusive, would have totalled approximately SEK 2,887.0 million. Operating profit for that period would have totalled approximately SEK 273.0 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 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 2024/25, 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.

No change in the option took place during the quarter, and it is valued at SEK 20.9 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 in the option took place during the quarter, and it is valued at SEK 2.1 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 two geographical segments of (i) Europe and (ii) 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 (i) Europe and (ii) 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 they are consolidated according to the same principles as for the Group as a whole.

SEK m.	2022/23 May-Jul 3 mths	2021/22 May-Jul 3 mths	2021/22 May-Apr 12 mths
Europe			
Net sales, external	2,167.1	1,774.8	7,385.0
Net sales, intra-Group	63.1	51.9	209.3
Operating profit/loss	258.4	204.6	773.9
Operating margin, %	11.9	11.5	10.5
Profit after net fin. items	272.1	217.7	905.2
Profit margin, %	12.6	12.3	12.3
Assets	5,749.8	4,346.0	5,387.1
Investments	71.3	82.4	294.5
Depreciation/amortisation and impairments	82.4	72.5	335.4
Americas, Middle East, Asia, Australia and Africa			
Net sales, external	681.8	515.7	2,249.5
Net sales, intra-Group	9.3	3.7	13.7
Operating profit/loss	46.6	32.8	114.2
Operating margin, %	6.8	6.4	5.1
Profit after net fin. items	30.1	30.0	241.9
Profit margin, %	4.4	5.8	10.8
Assets	1,850.0	1,335.1	1,694.6
Investments	14.0	22.9	48.9
Depreciation/amortisation and impairments	14.2	12.5	52.3

	2022/23	2021/22	2021/22
SEK m.	May-Jul	May-Jul	May-Apr
	3 mths	3 mths	12 mths
Group-wide			
Net sales, intra-Group	45.8	37.2	149.1
Operating profit/loss	-35.4	-27.8	-118.3
Profit after net fin. items	-36.4	-41.5	-405.4
Assets	4,940.4	3,956.9	4,218.8
Investments	322.1	2.6	172.5
Depreciation/amortisation and impairments	6.6	5.0	20.7
Eliminations			
Net sales, intra-Group	-118.2	-92.8	-372.1
Assets	-3,065.1	-2,397.6	-2,828.1
Total			
Net sales, external	2,848.9	2,290.5	9,634.5
Operating profit/loss	269.6	209.6	769.8
Operating margin, %	9.5	9.2	8.0
Profit after net fin. items	265.8	206.2	741.7
Profit margin, %	9.3	9.0	7.7
Assets	9,475.1	7,240.4	8,472.4
Investments	407.4	107.9	515.9
Depreciation/amortisation and impairments	103.2	90.0	408.4

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 key financial performance measures in the same way, these APMs 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/-finanssiella-data/

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 non-controlling interest, divided by the number of shares at the end of the period.