

## Systemair AB (publ) Interim Report Q3 1 May 2021 – 31 January 2022

Net sales Q3

**SEK 2,278 m.**

EBIT Q3

**SEK 131 m.**

### Third quarter, November 2021 – January 2022

- Net sales increased by 13.7 percent to SEK 2,278 million (2,004).
- Organic growth was +11.8 percent (+1.5).
- Operating profit (EBIT) totalled SEK 131 million (108).
- The operating margin was 5.8 percent (5.4).
- Profit after tax amounted to SEK 95 million (71).
- Earnings per share totalled SEK 0.47 (0.33).
- Cash flow from operating activities amounted to SEK 27 million (245).

### Nine months, May 2021 – January 2022

- Net sales increased by 10.5 percent to SEK 6,973 million (6,311).
- Organic growth was +11.4 percent (-2.3).
- Operating profit (EBIT) totalled SEK 578 million (504).
- The operating margin was 8.3 percent (8.0).
- Profit after tax amounted to SEK 405 million (294).
- Earnings per share totalled SEK 1.95 (1.40).
- Cash flow from operating activities amounted to SEK 267 million (765).

### Significant events during the period under review

- On 31 January, an agreement was signed to acquire 100 percent of the shares in the Italian company Tecnaïr LV S.p.A. Tecnaïr is an international supplier of precision cooling products.
- In December, all shares in Systemair Traydus in Brazil were sold. The sale of Systemair Traydus resulted in an impairment loss of SEK 22.5 million.
- On 7 September 2021, a 4-for-1 share split was carried out. Following the share split, the total number of shares in Systemair has increased from 52,000,000 shares to 208,000,000 shares.
- In July 2021, Systemair acquired the remaining 50.1 percent of the shares in Burda, Germany. Burda is market leader in infrared heaters for outdoor applications.

	2021/22 Nov-Jan 3 mths	2020/21 Nov-Jan 3 mths	2021/22 May-Jan 9 mths	2020/21 May-Jan 9 mths	2020/21 May-Apr 12 mths
Net sales, SEK m.	2,278.1	2,003.9	6,972.8	6,310.7	8,519.2
Growth, %	13.7	-6.7	10.5	-8.3	-4.4
Operating profit, SEK m.	131.3	108.0	578.4	503.6	676.7
Operating margin, %	5.8	5.4	8.3	8.0	7.9
Profit after tax, SEK m.	94.8	70.9	405.4	294.3	410.6
Earnings per share, SEK	0.47	0.33	1.95	1.40	1.95
Operating cash flow per share, SEK	0.13	1.18	1.28	3.68	4.78

## Further robust growth and order intake

We are satisfied with continued good organic growth of 11.8 percent given the prevailing component deficiencies and high sickness absence due to Omicron. Despite this, the gross margin fell only slightly in the quarter to 33.3 percent (33.6). Operating profit increased to SEK 131 million (108) and the operating margin improved to 5.8 percent (5.4).

### The market

Demand during the third quarter remained strong with organic growth of 11.8 percent. Apart from Western Europe, all regions showed good organic growth. Western Europe was most affected by component deficiencies and sick leave, where growth was only one percent. Even in Sweden, we were affected by high sickness absence. Continued price increases were implemented during the quarter due to rising material and shipping prices.

### Investments

Our balance sheet remains strong, and liquidity is good, which leaves room for continued investments and acquisitions. We have several ongoing long-term strategic investments to meet the growing demand. In Pardubice, Czech Republic, the new production plant for high-efficiency heat exchangers is completed. Investments are underway at the facility in Skinnskatteberg to streamline production and to increase capacity.

### Acquisitions

At the end of January, Systemair signed an agreement to acquire Tecnaïr LV S.p.A. in Italy. Tecnaïr is an international supplier of precision cooling products. The products are delivered to hospitals and data centers, among other places. The Italian market accounts for about 25 percent of Tecnaïr's sales and the rest is exported mainly within Europe. Manufacturing and offices are located in Uboldo outside Milan but will within the next few months be moved to Systemair's existing premises in Barlassina 15 km from Uboldo. Access is expected to take place on 21 March.



### Sustainability

We continue to develop our sustainability work in all our business areas. Energy saving and energy efficiency are in focus in our product development. Initiatives within the EU such as the European Green deal, Renovation wave and the EU's recovery fund as a result of the pandemic will increase the demand for energy-efficient ventilation products for the renovation market. Good ventilation reduces the risk of spreading the infection.

Systemair is a member and actively supports the UN Global Compact and has long worked according to the ten principles of sustainable business.

### Outlook

The ongoing geopolitical conflict in Ukraine led us to suspend deliveries to Russia and Belarus from Friday the fourth of March. Our 295 employees in Russia and Belarus retain their jobs. We are following the situation and will evaluate further measures.

We continue to have strong order intake and a historically high order backlog. The current component shortage will continue to affect deliveries for a period to come. Systemair is strong with 29 well-invested production facilities in 20 countries. We have the market's most complete product range and are the largest supplier of ventilation products in Europe.

Roland Kasper  
President and CEO

## Sales and markets

Group sales for the third quarter of the 2021/22 financial year totalled SEK 2,278.1 million (2,003.9), up 13.7 percent from the same period last year. Adjusted for the effects of foreign exchange and acquisitions, net sales rose by 11.8 percent. Growth in acquired operations was 0.9 percent, while foreign exchange effects increased sales by 1.0 percent over the period.

Net sales for the period under review, May 2021 to January 2022, totalled SEK 6,972.8 million (6,310.7). This was 10.5 percent higher than in the same period last year. Adjusted for both foreign exchange effects and acquisitions, net sales grew 11.4 percent. Growth in acquired operations was 0.8 percent, while foreign exchange effects reduced the value of sales by 1.7 percent over the period under review. Most price increases were implemented during the interim period in order to compensate for higher prices on components and freight.

## Geographic breakdown of Q3 sales

### Nordic region

During the third quarter, sales in the Nordic region increased by 18.4 percent compared with the same period in the preceding year. The markets in Sweden, Norway and Finland showed good growth during the quarter, while the Danish market receded. Adjusted for foreign exchange effects and acquisitions, sales rose by 14.6 percent.

### Western Europe

Sales in the West European market during the quarter were 4.1 percent higher than in the corresponding period last year. Adjusted for foreign exchange effects and acquisitions, sales rose by 1.3 percent. The UK, Spain and Italy showed growth while France, the Netherlands and Belgium saw sales decline.

### Eastern Europe and CIS

Sales in Eastern Europe and the CIS rose by 19.2 percent during the quarter. Adjusted for foreign exchange effects and acquisitions, sales rose by 15.7 percent. Sales in Russia, converted to Swedish kronor, were 14.4 percent higher than in the previous period. The Ukrainian, Russian and Belarusian markets account for 4.5 percent of total sales in the group. Other major markets that showed growth in the region were Estonia, Hungary and the Czech Republic.

### North and South America

Sales in the North and South America region over the quarter were 26.0 percent higher than in the same period last year. Adjusted for foreign exchange effects and acquisitions, sales rose by 16.8 percent. The Canadian market in particular is showing strong growth.

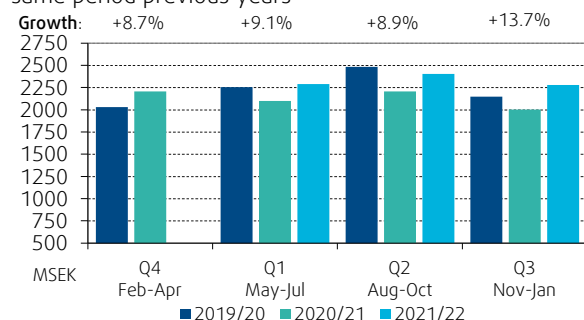
### Middle East, Asia, Australia and Africa

Sales in the Middle East, Asia, Australia and Africa rose by 23.4 percent compared with the same period last year. Adjusted for foreign exchange effects and acquisitions, sales rose by 36.5 percent. India, the

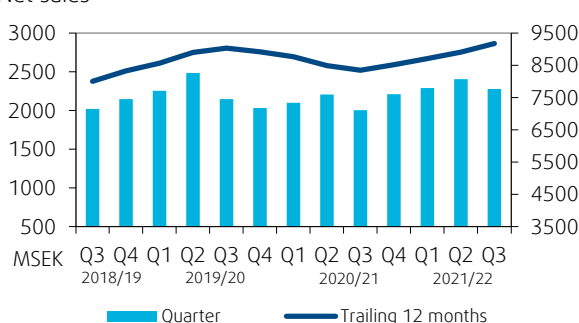
	2021/22	2020/21	Sales – change	Of which, organic	2021/22	2020/21	Sales – change	Of which, organic
	Nov-Jan 3 mths	Nov-Jan 3 mths			May-Jan 9 mths	May-Jan 9 mths		
Nordic region	496.2	419.2	18.4%	14.6%	1,375.0	1,238.8	11.0%	7.9%
Western Europe	898.3	862.8	4.1%	1.3%	2,896.1	2,749.5	5.3%	5.4%
Eastern Europe & CIS	346.2	290.3	19.2%	15.7%	1,073.0	914.8	17.3%	19.3%
North and South America	243.1	193.0	26.0%	16.8%	768.4	655.4	17.2%	15.7%
Middle East, Asia, Australia and Africa	294.3	238.6	23.4%	36.5%	860.3	752.2	14.4%	25.3%
<b>Total</b>	<b>2,278.1</b>	<b>2,003.9</b>	<b>13.7%</b>	<b>11.8%</b>	<b>6,972.8</b>	<b>6,310.7</b>	<b>10.5%</b>	<b>11.4%</b>

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

Net sales per quarter compared with same period previous years

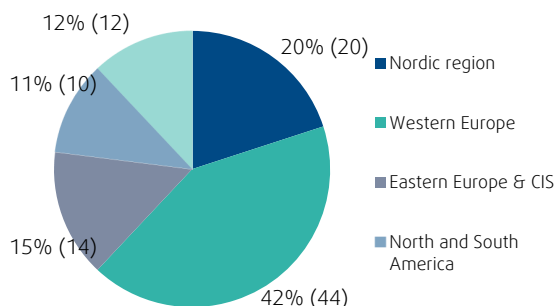


Net sales



Middle East and Australia showed good growth during the period, while sales in Malaysia declined.

### Sales by market, 9 months 2021/22 (2020/21)



### Profit in the third quarter

The gross profit for the third quarter amounted to SEK 758.8 million (672.7), an increase of 12.8 percent over the same period last year. The gross margin decreased to 33.3 percent (33.6) due to higher material prices, lower productivity as a result of component shortages and customer price increases that have not fully shown through.

Operating profit for the third quarter amounted to SEK 131.3 million (108.0), an increase of 21.4 percent over the same period last year. The operating margin increased to 5.8 percent (5.4). No significant Covid-19 related government support was received during the quarter.

Selling and administration expenses for the quarter totalled SEK 639.9 million (570.3), a rise of SEK 69.6 million, or 12.2 percent. Company acquisitions accounted for SEK 6.7 million of the quarter's costs, indicating that selling and administration expenses for like-for-like units increased by SEK 62.9 million, or 11.0 percent.

Selling expenses were charged with SEK 4.9 million (0.8) for anticipated bad debts. No material acquisition-related costs were charged during the quarter (0.2).

Net financial items in the third quarter were SEK -2.3 million (-7.3). The impact of foreign exchange on long-term receivables, loans and bank balances totalled SEK +4.8 million (-0.6) net. Interest expenses for the quarter totalled SEK -7.1 million (-6.2).

### Profit for period under review

Operating profit for the period under review, May 2021-January 2022, totalled SEK 578.4 million (503.6). The operating margin was 8.3 percent (8.0). During the period under review, an impairment of SEK 22.5 million arising from the divestment of Systemair Traydus in Brazil was recognised, as well as a positive revaluation effect of SEK 9.8 million related to the acquisition of the minority shareholding in Burda in Germany. The operating margin adjusted for these two items was 8,5 percent.

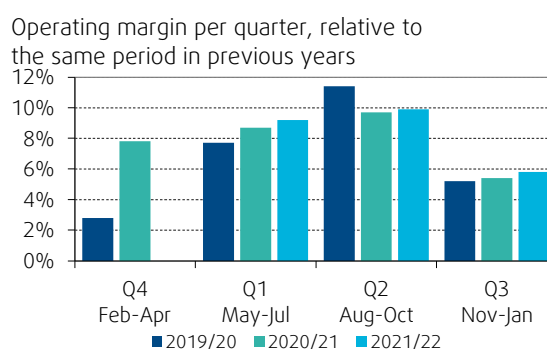
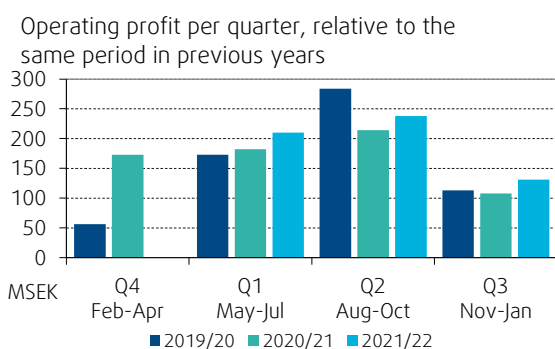
Selling and administration expenses totalled SEK 1,832.7 million (1,699.1), an increase of SEK 133.6 million. Company acquisitions accounted for SEK 16.3 million of the year's costs, indicating that selling and administration expenses for like-for-like units rose by SEK 117.3 million, or 6.9 percent. Selling expenses were charged with SEK 12.0 million (12.3) for anticipated bad debts.

Net financial items totalled SEK -33.5 million (-97.5), including interest expenses of SEK -19.3 million (-20.4).

### Tax expense

Estimated tax for the quarter totalled SEK -34.2 million (-29.8), representing an effective tax rate of 26.5 percent (29.6) based on profit after net financial items.

Estimated tax for the period under review totalled SEK -139.5 million (-111.8), representing an effective tax rate of 25.6 percent (27.5) based on profit after net financial items.



## Acquisitions, new operations and disposals

In July 2021, Frico AB acquired the remaining 50.1 percent of the shares in Burda, Germany. Burda develops, produces and supplies infrared radiant heaters and heating panels, plus associated control equipment, with several proprietary patents. The company's head office is located in Eschborn, near Frankfurt-am-Main, Germany. The company's sales in 2020 totalled around EUR 4 million.

In December 2021, all shares in Traydus in Brazil were sold to the minority shareholders, who are also the local management. The company is a manufacturer of customised air handling units for the Brazilian market. Systemair acquired 75 percent of the shares in September 2015 and the company's performance since then has not met expectations. The sale of Systemair Traydus resulted in an impairment loss of SEK 22.5 million, which was charged to operating profit.

At the end of January 2022, an agreement was signed to acquire 80 percent of the Italian company Tecnair LV S.p.A. from the Italian-listed LU-VE Group and the remaining 20 percent from the Monti family. Tecnair is an international supplier of precision cooling products. The products are supplied, for example, to hospitals and data centres. The Italian market accounts for about 25 percent of Tecnair's sales, with the remainder being exported mainly within Europe. The company is based in Uboldo, outside Milan, but will be relocated to Systemair's existing premises in Barlassina, 15 km from Uboldo. Tecnair's sales in 2021 amounted to approx. EUR 12 million, with an EBITDA result of EUR 1.2 million. The company has 43 employees. The transaction has been approved by the Italian authorities and the deal's closing is scheduled for 21 March 2022. The purchase price agreed is EUR 15 million for the debt-free company.

If the companies acquired during the period had been consolidated as of 1 May 2021, net sales for the

period May 2021 through January 2022 would have totalled approximately SEK 6,985.9 million. Operating profit for that period would have totalled approximately SEK 571.1 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 53.0 million (154.7), including SEK 49.0 million (129.7) in new construction and machinery. The investments mainly relate to the production facilities in the Czech Republic, Canada and France. Acquisitions and previously withheld purchase considerations had no impact on cash and cash equivalents during the quarter (-19.5). Depreciation, amortisation and impairment of non-current assets amounted to SEK 92.8 million (88.6).

Total investments for the period under review amounted to SEK 285.8 million (336.2), excluding divestments. Gross investments in new construction and machinery totalled SEK 246.3 million (309.6), net of disposals. Acquisitions and formerly withheld purchase considerations totalled SEK 33.8 million (19.5). Depreciation, amortisation and impairment of non-current assets amounted to SEK 273.8 million (186.4).

## Personnel

The average number of employees in the Group was 6,251 (5,755). At the end of the period, Systemair had 6,552 employees (6,247), 305 more than one year previous. New hires were made in India (134), Canada (55), Koolair in Spain (33), Slovenia (21), Lithuania (18) and Denmark (17). Personnel cutbacks were made at Menerga in Germany (-33). The acquired companies has added a total of 58 employees. The divestment of Traydus in Brazil resulted in a reduction of in all 76 employees.

## Expo 2020 Dubai

On 16 February 2022, Systemair Sweden hosted a guests event in the Swedish pavilion at Expo 2020 Dubai.

Managing Director of Systemair Sweden, Sofia Rask, introduced the event with the topic *Let's co-create for a sustainable HVAC* which then followed by presentations of Systemair's products and solutions, tour of the pavilion, as well as a networking dinner.



## Cash flow and financial position

Cash flow from operating activities, before changes in working capital during the quarter, totalled SEK 142.3 million (139.4). Changes in working capital, mainly consisting of higher inventories, had an impact of SEK -115.5 million (+105.1) on cash flow. Cash flow from financing activities totalled SEK -43.9 million net (-100.8). At the end of the period, the Group's net indebtedness was SEK 1,864.6 million (1,601.4). The consolidated equity/assets ratio was 47.2 percent (47.7) at the end of the period.

## Warrants

On 26 August 2021, the Annual General Meeting of Systemair AB resolved to issue warrants within the framework of the LTIP 2021 incentive programme. During the period under review, 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 will take place at a price corresponding to their market value according to an external independent valuation via an accepted valuation model (Black-Scholes). Each warrant entitles the holder to subscribe for one 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.



## Events after the close of the period

The ongoing hostilities in Ukraine caused us to suspend all deliveries to Russia and Belarus from Friday the fourth of March.

## Changes in Group Management

During the financial year, two new recruitments were made, which also resulted in changes in Group Management with effect from 1 February 2022.

Anders Gustafsson takes up the role of VP Global Supply Chain. Anders has extensive experience from Konecranes, Atlas Copco and ABB, with responsibilities in production and logistics.

Janni Weber joins as VP M&A, with responsibility for acquisitions, corporate integration and business development. Janni has a solid background from acquisitions and integration at Sandvik Coromant.

In addition to Anders and Janni, the new Group Management will consist of Björn-Osvald Skandsen - VP Marketing, Olle Glassel - VP Sales, Roland Kasper - CEO and Anders Ulff - CFO.

## 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 2020/21 Annual Report.

The ongoing geopolitical conflict in Ukraine led us to

suspend all deliveries to Russia and Belarus from Friday, March 4, all 295 employees in these countries will remain in service until further notice. Systemair's sales in these countries account for 4.5 percent of the Group's total sales. In the long term, we will evaluate the situation and take the necessary further action.

Like other global enterprises, Systemair is affected by pandemics. The Company is taking the necessary steps to reduce the impact of Covid-19 and is following the recommendations of WHO.

### 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 2020/21 financial year.

### Parent Company

The Parent Company's net sales for the period under review totalled SEK 110.9 million (96.5). Operating profit was negative, at SEK -86.9 million (-57.9). The Parent Company had 63 employees (57). The core business of the Parent Company is that of intra-Group services.

### 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 today employs approximately 6,600 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 Large 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 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.
- 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 was submitted for publication at 8.00 a.m. on 10 March 2022.

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

Skinnskatteberg, 10 March 2022  
Systemair AB (publ)

## Calendar

### Year-End Report Q4 2021/22

8.00 a.m., 8 June 2022

### Interim report Q1 2022/23

1.00 p.m., 25 August 2022

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## Summary income statement

	Group						Parent Company	
	2021/22 Nov-Jan 3 mths	2020/21 Nov-Jan 3 mths	2021/22 May-Jan 9 mths	2020/21 May-Jan 9 mths	2020/21 Feb-Jan trl	2020/21 May-Apr 12 mths	2021/22 May-Jan 9 mths	2020/21 May-Jan 9 mths
SEK m.								
Net sales	2,278.1	2,003.9	6,972.8	6,310.7	9,181.3	8,519.2	110.9	96.5
Cost of goods sold	-1,519.3	-1,331.2	-4,561.6	-4,138.5	-5,982.6	-5,559.5	-	-
<b>Gross profit</b>	<b>758.8</b>	<b>672.7</b>	<b>2,411.2</b>	<b>2,172.2</b>	<b>3,198.7</b>	<b>2,959.7</b>	<b>110.9</b>	<b>96.5</b>
Other operating income	91.5	44.4	166.1	155.9	206.3	196.1	4.2	29.3
Selling expenses	-528.0	-465.7	-1,516.1	-1,386.1	-1,991.3	-1,861.3	-63.8	-52.5
Administration expenses	-111.9	-104.6	-316.6	-313.0	-431.4	-427.8	-80.0	-77.8
Other operating expenses	-79.1	-38.8	-166.2	-125.4	-230.8	-190.0	-58.2	-53.4
<b>Operating profit/loss</b>	<b>131.3</b>	<b>108.0</b>	<b>578.4</b>	<b>503.6</b>	<b>751.5</b>	<b>676.7</b>	<b>-86.9</b>	<b>-57.9</b>
Net financial items	-2.3	-7.3	-33.5	-97.5	-48.7	-112.7	217.4	120.1
<b>Profit/loss after financial items</b>	<b>129.0</b>	<b>100.7</b>	<b>544.9</b>	<b>406.1</b>	<b>702.8</b>	<b>564.0</b>	<b>130.5</b>	<b>62.2</b>
Appropriations	-	-	-	-	-	-	0.8	0.4
Tax on profit for the period	-34.2	-29.8	-139.5	-111.8	-181.1	-153.4	8.6	19.0
<b>Profit/loss for the period</b>	<b>94.8</b>	<b>70.9</b>	<b>405.4</b>	<b>294.3</b>	<b>521.7</b>	<b>410.6</b>	<b>139.9</b>	<b>81.6</b>
<b>Attributable to:</b>								
Parent Company shareholders	97.7	68.6	406.2	290.9	521.5	406.2	-	-
Non-controlling interests	-2.9	2.3	-0.8	3.4	0.2	4.4	-	-
Earnings per share, SEK <sup>1</sup>	0.47	0.33	1.95	1.40	2.51	1.95	-	-

## Statement of comprehensive income

<b>Profit/loss for the period</b>	94.8	70.9	405.4	294.3	521.7	410.6	139.9	81.6
<b>Other comprehensive income</b>								
<i>Items that have been, or may later be, transferred to profit for the year:</i>								
Translation differences	163.7	-61.4	134.8	-186.4	147.0	-174.2	-	-
<i>Items that cannot be transferred to profit for the period:</i>								
Revaluation of defined-benefit pensions, net after tax	-0.3	0.1	-10.4	3.3	-4.1	9.6	-	-
<b>Other comprehensive income</b>	<b>163.4</b>	<b>-61.3</b>	<b>124.4</b>	<b>-183.1</b>	<b>142.9</b>	<b>-164.6</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>258.2</b>	<b>9.6</b>	<b>529.8</b>	<b>111.2</b>	<b>664.6</b>	<b>246.0</b>	<b>139.9</b>	<b>81.6</b>
<b>Attributable to:</b>								
Parent Company shareholders	261.1	7.3	530.6	107.8	664.4	241.6	-	-
Non-controlling interests	-2.9	2.3	-0.8	3.4	0.2	4.4	-	-

- 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 number of shares outstanding at the end of the reporting period was 208,000,000. During the period under review, a 4-for-1 share split was carried out. The figures for earlier periods provided for comparison have been adjusted.

## Summary balance sheet

SEK m.	Group			Parent Company	
	31/01/2022	31/01/2021	30/04/2021	31/01/2022	31/01/2021
<b>ASSETS</b>					
Goodwill	802.5	767.6	735.6	-	-
Other intangible non-current assets	191.4	223.7	210.7	29.3	36.8
Property, plant and equipment	2,334.6	2,024.1	2,118.1	21.8	21.1
Financial and other non-current assets	234.5	264.3	237.5	2,744.3	2,824.3
<b>Total non-current assets</b>	<b>3,563.0</b>	<b>3,279.7</b>	<b>3,301.9</b>	<b>2,795.4</b>	<b>2,882.2</b>
Inventory	1,968.9	1,357.5	1,436.9	-	-
Current receivables	2,009.2	1,757.8	1,897.6	1,249.2	1,087.8
Cash and cash equivalents	327.7	324.0	319.1	-	-
<b>Total current assets</b>	<b>4,305.8</b>	<b>3,439.3</b>	<b>3,653.6</b>	<b>1,249.2</b>	<b>1,087.8</b>
<b>TOTAL ASSETS</b>	<b>7,868.8</b>	<b>6,719.0</b>	<b>6,955.5</b>	<b>4,044.6</b>	<b>3,970.0</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>	<b>3,717.7</b>	<b>3,205.5</b>	<b>3,330.1</b>	<b>1,735.5</b>	<b>1,853.8</b>
Untaxed reserves	-	-	-	-0.1	0.9
Non-current liabilities, non-interest-bearing	269.7	259.1	259.9	-	3.2
Non-current liabilities, interest-bearing	1,073.4	1,044.0	1,051.5	1,456.5	1,476.1
<b>Total non-current liabilities</b>	<b>1,343.1</b>	<b>1,303.1</b>	<b>1,311.4</b>	<b>1,456.5</b>	<b>1,479.3</b>
Current liabilities, interest-bearing	1,029.1	803.2	735.6	800.4	583.0
Current liabilities, non-interest-bearing	1,778.9	1,407.2	1,578.4	52.3	53.0
<b>Total current liabilities</b>	<b>2,808.0</b>	<b>2,210.4</b>	<b>2,314.0</b>	<b>852.7</b>	<b>636.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,868.8</b>	<b>6,719.0</b>	<b>6,955.5</b>	<b>4,044.6</b>	<b>3,970.0</b>

## Summary consolidated cash flow statement

SEK m.	2021/22	2020/21	2021/22	2020/21	2020/21
	Nov-Jan 3 mths	Nov-Jan 3 mths	May-Jan 9 mths	May-Jan 9 mths	May-Apr 12 mths
Operating profit/loss	131.3	108.0	578.4	503.6	676.7
Adjustment for non-cash items	81.1	83.3	287.0	252.7	391.5
Financial items	-6.5	-6.4	-18.2	-20.7	-27.5
Income tax paid	-63.6	-45.5	-145.9	-150.0	-182.7
<b>Cash flow from operating activities before changes in working capital</b>	<b>142.3</b>	<b>139.4</b>	<b>701.3</b>	<b>585.6</b>	<b>858.0</b>
Changes in working capital	-115.5	105.1	-434.5	179.0	135.9
<b>Cash flow from operating activities</b>	<b>26.8</b>	<b>244.5</b>	<b>266.8</b>	<b>764.6</b>	<b>993.9</b>
Cash flow from investing activities	-44.4	-153.1	-268.2	-323.7	-448.3
Cash flow from financing activities	-43.9	-100.8	-11.7	-443.7	-557.2
<b>Cash flow for the period</b>	<b>-61.5</b>	<b>-9.4</b>	<b>-13.1</b>	<b>-2.8</b>	<b>-11.6</b>
Cash and cash equivalents at start of period	361.4	344.1	319.1	378.2	378.2
Translation differences, cash and cash equivalents	27.8	-10.7	21.7	-51.4	-47.5
<b>Cash and cash equivalents at close of period</b>	<b>327.7</b>	<b>324.0</b>	<b>327.7</b>	<b>324.0</b>	<b>319.1</b>

## Statement of changes in equity – Group

SEK m.	2021/22 May-Jan			2020/21 May-Jan			2020/21 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	3,305.0	25.1	3,330.1	3,064.8	19.9	3,084.7	3,064.8	19.9	3,084.7
Dividend	-156.0	-1.8	-157.8	-	-	-	-	-	-
Share of acquisitions attributable to non- controlling interests	-	12.3	12.3	-	1.7	1.7	-	1.7	1.7
Issue of warrants	4.8	-	4.8	-	-	-	-	-	-
Revaluation of acquisition option	-4.5	3.0	-1.5	9.9	-2.0	7.9	-1.4	-0.9	-2.3
Comprehensive income	530.6	-0.8	529.8	107.8	3.4	111.2	241.6	4.4	246.0
<b>Amount at end of period</b>	<b>3,679.9</b>	<b>37.8</b>	<b>3,717.7</b>	<b>3,182.5</b>	<b>23.0</b>	<b>3,205.5</b>	<b>3,305.0</b>	<b>25.1</b>	<b>3,330.1</b>

## Performance measures for the Group

		2021/22 Nov-Jan 3 mths	2020/21 Nov-Jan 3 mths	2021/22 May-Jan 9 mths	2020/21 May-Jan 9 mths	2020/21 May-Apr 12 mths
Net sales	SEK m.	2,278.1	2,003.9	6,972.8	6,310.7	8,519.2
Growth	%	13.7	-6.7	10.5	-8.3	-4.4
Operating profit/loss	SEK m.	131.3	108.0	578.4	503.6	676.7
Operating margin	%	5.8	5.4	8.3	8.0	7.9
Profit after net fin. items	SEK m.	129.0	100.7	544.9	406.1	564.0
Profit margin	%	5.7	5.0	7.8	6.4	6.6
Return on capital employed	%	14.9	10.2	14.9	10.2	13.1
Return on equity	%	15.0	9.4	15.0	9.4	13.0
Equity/assets ratio	%	47.2	47.7	47.2	47.7	47.9
Investments	SEK m.	44.4	153.1	268.2	323.7	448.3
Depreciation/amortisation and impairments	SEK m.	92.8	88.6	273.8	275.1	399.8
<b>Per share ratios<sup>1</sup></b>						
Earnings per share	SEK	0.47	0.33	1.95	1.40	1.95
Equity per share	SEK	17.69	15.30	17.69	15.30	15.89
Operating cash flow per share	SEK	0.13	1.18	1.28	3.68	4.78
No. of shares at end of period	No.	208,000,000	52,000,000	208,000,000	52,000,000	52,000,000

<sup>1</sup>During the period under review, a 4-for-1 share split was carried out. The figures for earlier periods provided for comparison have been adjusted.

## Quarterly performance measures – Group

		2021/22				2020/21			2019/20	
		Nov-Jan Q3	Aug-Oct Q2	May-Jul Q1	Feb-Apr Q4	Nov-Jan Q3	Aug-Oct Q2	May-Jul Q1	Feb-Apr Q4	Nov-Jan Q3
Net sales	SEK m.	2,278.1	2,404.2	2,290.5	2,208.5	2,003.9	2,206.7	2,100.0	2,031.0	2,146.7
Growth	%	13.7	8.9	9.1	8.7	-6.7	-11.1	-6.8	-5.3	6.4
Gross margin	%	33.3	35.6	34.8	35.7	33.6	35.9	33.6	34.6	33.8
Operating profit/loss	SEK m.	131.3	237.5	209.6	173.1	108.0	213.5	182.1	56.3	112.6
Operating margin	%	5.8	9.9	9.2	7.8	5.4	9.7	8.7	2.8	5.2
Return on capital employed	%	14.9	14.2	14.3	13.1	10.2	10.1	11.2	11.6	12.6
Return on equity	%	15.0	14.9	14.8	13.0	9.4	9.2	11.0	12.6	15.5
Equity/assets ratio	%	47.2	45.7	48.4	47.9	47.7	46.3	44.7	43.4	44.0
Basic equity per share	SEK	17.69	16.45	16.71	15.89	15.30	15.25	14.45	14.74	15.05
Basic earnings per share	SEK	0.47	0.74	0.75	0.56	0.33	0.68	0.39	-0.01	0.30
Cash flow from operating activities per share	SEK	0.13	0.39	0.76	1.10	1.18	1.37	1.13	0.19	1.51

## 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 2021

#### The IBOR reform

In the financial markets, a benchmark interest rate reform is under way in which the existing benchmark Inter Bank Offered Rate (IBOR) is in some currencies to be replaced by a transaction-based and virtually risk-free overnight rate. Systemair is exposed to future changes in benchmark interest rates linked to borrowings in IBOR, including the Swedish STIBOR rate. As part of the benchmark interest rate reform, amendments have been made to standards including IFRS 9 and IFRS 7. These changes are being implemented in two phases, in which phase 1 has been applicable to Systemair since 1 May 2020. Phase 1 relates principally to hedge accounting for interest rate risk. Systemair does not hedge interest rate exposures and is therefore affected only to a limited extent by the changes in Phase 1.

Phase 2, of the amendments to standards including IFRS 9 and IFRS 7 as a result of the benchmark interest rate reform, is applicable to Systemair from 1 May 2021. In summary, the amendments allow entities to report the effects of transitioning from benchmark interest rates such as STIBOR to other benchmark interest rates without creating accounting effects that would not provide useful information to users of financial statements. The switch to new benchmark interest rates has not had any material impact on Systemair's financial statements.

#### Other amendments

Other new or amended standards or interpretations implemented during 2021 and 2022 did not have any, or had immaterial, 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 2,278.1 million (2,003.9), of which servicing of ventilation products accounted for SEK 90.2 million (86.5).

	2021/22	2020/21	2021/22	2020/21	2020/21
SEK m.	Nov-Jan 3 mths	Nov-Jan 3 mths	May-Jan 9 mths	May-Jan 9 mths	May-Apr 12 mths
<b>Europe</b>					
Sale of goods recognised at a specific point in time	1,621.0	1,461.3	4,987.1	4,583.9	6,164.6
Sale of goods recognised over time	37.5	31.3	112.6	123.9	168.6
Servicing recognised at a certain point in time	44.0	40.9	124.9	110.7	154.9
Servicing recognised over time	41.1	39.7	117.4	110.8	151.3
	1,743.6	1,573.2	5,342.0	4,929.3	6,639.4
<b>Americas, Middle East, Asia, Australia and Africa</b>					
Sale of goods recognised at a specific point in time	487.3	376.0	1,464.3	1,219.2	1,670.6
Sale of goods recognised over time	42.1	48.8	153.8	148.8	190.1
Servicing recognised at a certain point in time	1.4	0.1	2.5	0.9	1.0
Servicing recognised over time	3.7	5.8	10.2	12.5	18.1
	534.5	430.7	1,630.8	1,381.4	1,879.8

	2021/22	2020/21	2021/22	2020/21	2020/21
SEK m.	Nov-Jan	Nov-Jan	May-Jan	May-Jan	May-Apr
	3 mths	3 mths	9 mths	9 mths	12 mths
<b>Total</b>					
Sale of goods recognised at a specific point in time	2,108.3	1,837.3	6,451.4	5,803.1	7,835.2
Sale of goods recognised over time	79.6	80.1	266.4	272.7	358.7
Servicing recognised at a certain point in time	45.4	41.0	127.4	111.6	155.9
Servicing recognised over time	44.8	45.5	127.6	123.3	169.4
	2,278.1	2,003.9	6,972.8	6,310.7	8,519.2

### Note 3 Companies acquired and divested

#### Companies acquired

The purchase consideration for the assets of Ravenscroft, the remaining 50.1 percent of the shares in Burda WTG and 60 percent of the shares in Well Technology may provisionally be summarised as follows:

Total historical cost, less transaction costs SEK 78.5 m.

Identifiable net assets	Ravenscroft NZ	Burda WTG	Well Technology	Total
Goodwill	0.6	32.1	1.7	34.4
Brands and customer relationships	-	15.3	-	15.3
Other intangible assets	0.2	0.1	-	0.3
Buildings and land	-	-	39.5	39.5
Machinery and equipment	0.2	0.1	20.3	20.6
Financial and other non-current assets	-	-	0.2	0.2
Inventory	0.6	7.8	9.2	17.6
Trade accounts receivable	-	3.3	1.4	4.7
Other current assets	-	0.7	0.6	1.3
Cash and cash equivalents	-	9.1	7.5	16.6
Minority interest	-	-	-12.4	-12.4
Non-interest-bearing liabilities	-	-0.4	-	-0.4
Deferred tax liability	-	-4.3	-	-4.3
Interest-bearing liabilities	-	-0.9	-21.7	-22.6
Other operating liabilities	-	-6.3	-26.0	-32.3
	<b>1.6</b>	<b>56.6</b>	<b>20.3</b>	<b>78.5</b>
Valuation 49.9% Burda	18.5			
Change in value	9.8			
Acquisition of remaining 50.1% Burda	28.3			
	<b>56.6</b>			

The total cash flow impact from acquisitions is SEK -33.8 million. Transactions costs relating to the acquisitions total SEK 0.1 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, synergies expected to arise after the acquisition and the company's estimated future earning capacity.

As the Tecnaair deal's closing is scheduled for March 21, 2022, no preliminary purchase price allocation has yet been completed. The purchase price agreed is EUR 15 million for the debt-free company.

Net sales for the acquired companies between the time of acquisition and the end of the period under review totalled SEK 35.8 million. Operating profit for the period concerned was SEK 14.7 million. If the companies acquired during the period had been consolidated as of 1 May 2021, net sales for the period May 2021 through January 2022 would have totalled approximately SEK 6,985.9 million. Operating profit for that period would have totalled approximately SEK 571.1 million.

## Companies divested

The divestment of the shares in Traydus in Brazil, may be summarised as follows:

<u>Asset and liability disposals</u>	
Intangible assets	0.3
Buildings and land	1.2
Machinery and equipment	1.6
Deferred tax assets	0.5
Inventory	13.1
Trade accounts receivable	6.3
Other current assets	4.7
Cash and cash equivalents	1.5
Interest-bearing liabilities	-0.9
Other operating liabilities	-5.8
	<u>22.5</u>

The total impact on cash flow is SEK -1.5 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 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. For the period under review, May 2021 to January 2022, the liability has been revalued upwards by SEK 1.5 million and is now measured at SEK 26.2 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 period under review, 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 and 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 and 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.

	2021/22 Nov-Jan 3 mths	2020/21 Nov-Jan 3 mths	2021/22 May-Jan 9 mths	2020/21 May-Jan 9 mths	2020/21 May-Apr 12 mths
SEK m.					
<b>Europe</b>					
Net sales, external	1,743.6	1,573.2	5,342.0	4,929.3	6,639.4
Net sales, intra-Group	46.6	29.1	138.9	82.9	137.4
Operating profit/loss	127.1	120.5	582.5	466.1	636.4
Operating margin, %	7.3	7.7	10.9	9.5	9.6
Profit after net fin. items	120.1	114.2	586.0	496.4	797.6
Profit margin, %	6.9	7.3	11.0	10.1	12.0
Assets	4,942.1	4,056.5	4,942.1	4,056.5	4,380.1
Investments	41.7	80.3	213.7	229.1	329.5
Depreciation/amortisation and impairments	74.9	70.7	220.7	211.4	318.2
<b>Americas, Middle East, Asia, Australia and Africa</b>					
Net sales, external	534.5	430.7	1,630.8	1,381.4	1,879.8
Net sales, intra-Group	2.6	5.1	10.6	17.3	19.7
Operating profit/loss	14.0	7.5	82.5	95.2	127.9
Operating margin, %	2.6	1.7	5.1	6.9	6.8
Profit after net fin. items	60.3	17.5	122.2	61.5	74.5
Profit margin, %	11.3	4.1	7.5	4.5	4.0
Assets	1,485.0	1,101.6	1,485.0	1,101.6	1,200.2
Investments	0.8	50.6	35.7	67.0	84.2
Depreciation/amortisation and impairments	12.9	12.7	38.0	48.4	61.3
<b>Group-wide</b>					
Net sales, intra-Group	37.5	32.6	110.9	96.5	132.3
Operating profit/loss	-9.8	-20.0	-86.6	-57.7	-87.6
Profit after net fin. items	-51.4	-31.0	-163.3	-151.8	-308.1
Assets	4,055.8	3,979.4	4,055.8	3,979.4	3,885.5
Investments	1.9	22.2	18.8	27.6	34.6
Depreciation/amortisation and impairments	5.0	5.2	15.1	15.3	20.3
<b>Eliminations</b>					
Net sales, intra-Group	-86.7	-66.8	-260.4	-196.7	-289.4
Assets	-2,614.1	-2,418.5	-2,614.1	-2,418.5	-2,510.3
<b>Total</b>					
Net sales, external	2,278.1	2,003.9	6,972.8	6,310.7	8,519.2
Operating profit/loss	131.3	108.0	578.4	503.6	676.7
Operating margin, %	5.8	5.4	8.3	8.0	7.9
Profit after net fin. items	129.0	100.7	544.9	406.1	564.0
Profit margin, %	5.7	5.0	7.8	6.4	6.6
Assets	7,868.8	6,719.0	7,868.8	6,719.0	6,955.5
Investments	44.4	153.1	268.2	323.7	448.3
Depreciation/amortisation and impairments	92.8	88.6	273.8	275.1	399.8



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