

Systemair AB (publ)

Year-end report

1 May 2016 – 30 April 2017

Net sales Q4

SEK 1,733 m

EBIT Q4

SEK 48 m

Fourth quarter, February 2017 – April 2017

- Net sales increased by 14.9 percent to SEK 1,733 million (1,509).
- Organic growth was 6.8 percent (4.0).
- Operating profit (EBIT) totalled SEK 48 million (62). Operating profit adjusted for effects of restructuring programme totalled SEK 67 million.
- The operating margin was 2.8 percent (4.1).
- Profit after tax amounted to SEK 29 million (28).
- Earnings per share totalled SEK 0.55 (0.53).
- Cash flow from operating activities amounted to SEK -26 million (-40).

12 months, May 2016 – April 2017

- Net sales increased by 12.3 percent to SEK 6,864 million (6,113).
- Organic growth was 7.7 percent (2.6).
- Operating profit (EBIT) totalled SEK 439 million (344). Operating profit adjusted for effects of restructuring programme totalled SEK 484 million.
- The operating margin was 6.4 percent (5.6).
- Profit after tax amounted to SEK 294 million (207).
- Earnings per share totalled SEK 5.66 (3.98).
- Cash flow from operating activities amounted to SEK 464 million (169).
- The Board of Directors proposes a dividend of SEK 2.00 (2.00) per share.

Significant events during the year

- In April 2017 an agreement was signed on the acquisition of FRIVENT Luft- & Wärmetechnik GmbH, Austria, a manufacturer of air handling units.
- Restructuring programme in area of air conditioning products.
- In September 2016, Systemair acquired TTL Tür + Torluftschleier Lufttechnische Geräte GmbH, a German high-end manufacturer of air curtains for commercial applications.
- In August 2016, Systemair acquired the Czech corporate group ZVV, which develops and manufactures air handling units for industrial and residential use. As well as air curtains.

	2016/17 Feb-Apr 3 mths	2015/16 Feb-Apr 3 mths	2016/17 May-Apr 12 mths	2015/16 May-Apr 12 mths
Net sales, SEK m.	1,733.2	1,508.7	6,863.6	6,112.5
Growth,%	14.9	0.4	12.3	3.9
Operating profit, SEK m	47.7	62.2	439.0	344.1
Adjusted operating profit, SEK m.	66.8	62.2	483.8	344.1
Operating margin, %	2.8	4.1	6.4	5.6
Profit after tax, SEK m.	28.7	27.7	294.2	207.2
Earnings per share, SEK	0.55	0.53	5.66	3.98
Operating cash flow per share, SEK	-0.49	-0.77	8.93	3.25

One year in the right direction

In the fourth quarter, growth totalled 14.9 percent, 6.8 percent organic. Over the whole year, growth increased 12.3 percent, 7.7 percent organic. In view of the caution prevailing in many markets, this may be seen as a good performance. Operating profit in the quarter landed below anticipation, partly because of a series of non-recurring items. Adjusted operating profit for the quarter amounted to SEK 67 million, as against SEK 62 million in the same quarter last year. Restructuring costs in the quarter totalled SEK 19 million. Adjusted profit for the whole year increased to SEK 484 million, from SEK 354 million in the preceding year.

The market

In the fourth quarter, the market continued to perform strongly in many countries, albeit at a slower pace than in the third quarter. The Nordic market remains buoyant, as do several markets in Western Europe. Region Eastern Europe reported very good growth in the quarter, primarily driven by the Russian market, which rose for the second consecutive quarter even though sales in Russia declined over the twelve-month period just ended. In the Other markets region, strong growth was recorded in Turkey and India, while sales decreased in China and Dubai.

Restructuring programme

The SEK 45 million restructuring programme launched a year ago is in its final phase. The programme has focused on the area of air conditioning products, acquired in recent years, and a number of loss-making units in various countries. The full effect of estimated cost savings – SEK 45 million – is expected to emerge within a year. During the quarter, a decision was taken to close down the production facility in China. A number of profit-boosting measures are under way in production, logistics and sales and further restructuring measures or other strategic actions in the Group cannot be ruled out.

Acquisitions

In late April, we entered into an agreement to acquire Frivent of Austria, a company that manufactures specialist air handling units. Frivent's products strengthen our market presence in new application areas in Austria, Germany, the Czech Republic and Russia.



Investments

Our ongoing investment in a new factory in Turkey is proceeding according to plan. The facility will provide us with expanded production capacity at lower cost, once completed in autumn 2017.

In Sweden, our investment in a new technology centre at the Skinnskatteberg factory is progressing. The project includes an ultra-modern laboratory for noise and air flow measurements, a prototyping workshop, training facilities and offices.

Outlook

The outlook is bright on several of our major markets. The Russian market is showing signs of cautious recovery, even though sales today have more than halved compared to when the market peaked three years ago.

At the ISH trade fair held in Frankfurt in March, Systemair launched Geniox, our new generation of air conditioning units, based on an all-new platform that will be shared by several factories. The product was received very positively by ISH visitors and we are confidently looking forward to our sales launch after the summer.

We are continuing to focus on our goal for profitability of 10 percent. This will be supported by sound underlying organic growth. On our journey there, we will be reviewing areas and units that are not performing profitably. We will, of course, be investing on an ongoing basis in production equipment, product development and marketing, to become an even better partner to our customers. When the right occasion presents itself, we will also make acquisitions to strengthen our presence and continue our growth.

Roland Kasper
President and CEO

Sales and markets

Group sales for the fourth quarter of the 2016/17 financial year totalled SEK 1,733.2 million (1,508.7), 14.9 percent up on the same period last year.

Adjusted for both foreign exchange effects and acquisitions, net sales grew 6.8 percent. Growth in acquired operations was 4.3 percent, while foreign exchange effects increased sales by 3.8 percent during the period.

Net sales for the full year May–April 2016/17 totalled SEK 6,863.6 million (6,112.5), up 12.3 percent on the same period last year. Adjusted for both foreign exchange effects and acquisitions, net sales grew 7.7 percent. Growth in acquired operations was 3.1 percent, while foreign exchange effects increased sales by 1.5 percent during the year.

Geographic breakdown of Q4 sales

Nordic region

During the fourth quarter, sales in the Nordic region increased by 10 percent from the same period in the preceding year. Denmark, Finland and Norway performed strongly during the quarter, while the Swedish market fell back slightly. Adjusted for foreign exchange effects and acquisitions, sales rose by 2 percent.

Western Europe

Sales in the West European market grew 16 percent

during the quarter, compared with the corresponding period in the preceding year. Adjusted for foreign exchange effects, sales rose by 8 percent. Several markets in the region performed well during the period, including the Netherlands, Germany and Austria.

Eastern Europe and CIS

Sales in Eastern Europe and the CIS increased by 39 percent during the quarter. Adjusted for the effects of foreign exchange and acquisitions, sales rose 18 percent. Over the year, the Russian market accounted for 5 percent of Systemair's total sales, compared with 6 percent in the previous year.

North and South America

Sales in the North and South America region during the quarter were 18 percent higher than in the same period in the preceding year. The American market performed strongly during the quarter, with major classroom equipment projects again contributing to the increase. Adjusted for foreign exchange effects and acquisitions, sales rose by 9 percent.

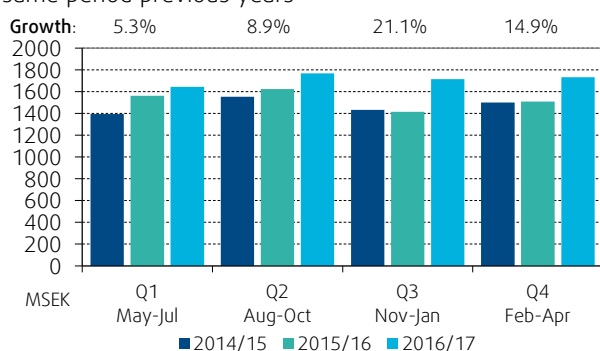
Other markets

Sales in Other markets were largely unchanged, compared with sales in the same period in the preceding year. The Turkish market continued to grow very strongly during the quarter. Sales also increased in Qatar and India, but fell back in China and Dubai.

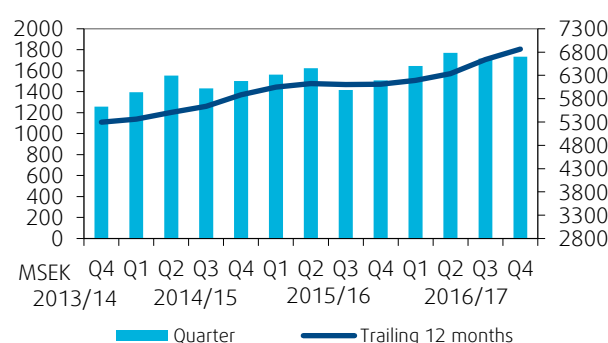
	2016/17 Feb–Apr 3 mths	2015/16 Feb–Apr 3 mths	Change in sales	Of which organic	2016/17 May–Apr 12 mths	2015/16 May–Apr 12 mths	Change in sales	Of which organic
Nordic region	397.7	362.3	10%	2%	1,611.4	1,424.0	13%	9%
Western Europe	694.3	598.7	16%	8%	2,713.4	2,413.2	12%	7%
Eastern Europe & the CIS	250.8	180.6	39%	18%	987.3	917.9	8%	-1%
North and South America	145.6	123.3	18%	9%	586.6	502.4	17%	11%
Other markets	244.8	243.8	0%	2%	964.9	855.0	13%	14%
Total	1,733.2	1,508.7	15%	7%	6,863.6	6,112.5	12%	8%

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

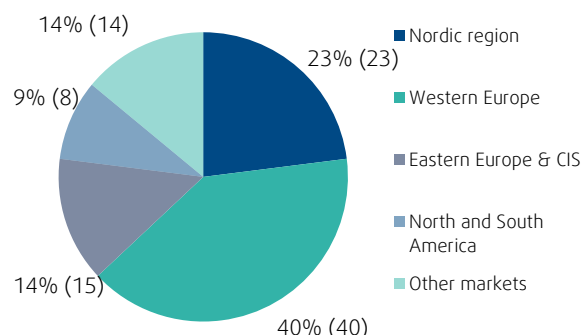
Net sales per quarter compared with same period previous years



Net sales



Sales by market, 12 months 2016/17 (2015/16)



Profit for the fourth quarter

Gross profit in the fourth quarter totalled SEK 586.2 million (513.8), a rise of 14.1 percent over the figure for the corresponding period last year. The gross margin was 33.8 percent (34.1). Adjusted for restructuring costs, the gross margin was 34.1 percent.

Operating profit for the fourth quarter totalled SEK 47.7 million (62.2), down 23 percent on the same period in the preceding year. The operating margin was 2.8 percent (4.1). Adjusted for the effects of the restructuring programme, operating profit for the quarter totalled SEK 66.8 million, and the operating margin 3.9 percent.

Selling and administration expenses for the quarter totalled SEK 532.1 million (451.5), a rise of SEK 80.6 million. Costs incurred as a result of company acquisitions accounted for SEK 13.5 million of costs in the quarter, and selling and administration expenses for comparable units therefore rose by SEK 67.1 million, 14.9 percent.

Selling expenses were charged with SEK 19.0 million (11.5) for anticipated and confirmed impairment losses on trade receivables. The profit for the quarter were also charged with approximately SEK 10 million in expenses related to the ISH fair in Frankfurt, which is carried out

every two years. During the quarter, acquisition-related costs totalled SEK 0.1 million (0.3). Restructuring costs relating to the SEK 45 million programme launched at the end of the 2015/16 financial year totalled SEK 19.1 million in the quarter. During the quarter, a decision was taken to close down the factory in China.

Net financial items for the fourth quarter totalled SEK -4.5 million (-10.4). The effects of foreign exchange on long-term receivables, loans and bank balances were calculated at SEK 3.1 million (-4.7) net. Interest expense for the quarter totalled SEK -7.1 million (-6.4).

Profit for the financial year

Operating profit for the financial year from May 2016 to April 2017 totalled SEK 439.0 million (344.1). The Company's operating margin was 6.4 percent (5.6). Adjusted for the effects of the restructuring programme, operating profit for the full year totalled SEK 483.8 million, and the operating margin 7.0 percent.

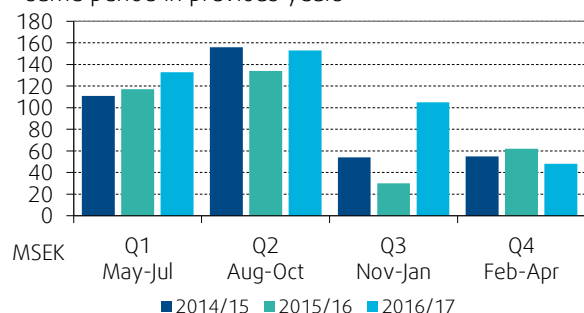
Selling and administration expenses for the year amounted to SEK 1,913.2 million (1,736.9), a rise of SEK 176.3 million. Costs incurred as a result of company acquisitions during the year accounted for SEK 47.8 million (77.8) of costs for the year, and selling and administration expenses for comparable units therefore increased by SEK 128.5 million, 7.4 percent. Selling expenses for the full year were charged with SEK 34.2 million (19.7) for anticipated and confirmed impairment losses on trade receivables. The restructuring costs totalled SEK 44.8 million, being charged to costs of goods sold by SEK 9.4 million, selling expenses by SEK 19.4 million, administration expenses by SEK 10.7 million and other operating costs by SEK 5.3 million.

Net financial items for the financial year totalled SEK -28.8 million (-36.8). Interest expense totalled SEK -24.5 million (-22.7).

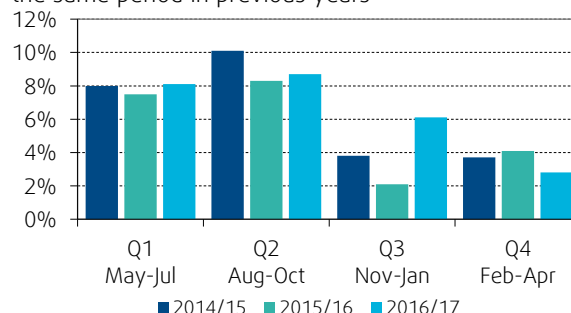
Tax expense

Estimated tax for the quarter amounted to SEK -14.5

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



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



million (-24.1), corresponding to an effective tax rate of 33.5 percent based on profit after net financial items.

The high tax expense is attributable to non-capitalised tax loss carry-forwards in loss-making companies.

Estimated tax for the full year totalled SEK -116.0 million (-100.1), corresponding to an effective tax rate of 28.3 percent based on profit after net financial items.

Acquisitions and new operations

In August, Systemair acquired the Czech corporate group 2VV, a leading developer and manufacturer of air handling units for industrial and residential use. The company also produces air curtains for commercial applications in the region. The company had 189 employees and is based in Pardubice, 120 km east of Prague. In 2015, 2VV reported sales of around EUR 18 million.

In September, Systemair acquired the assets of TTL Tür + Torluftschiefer Lufttechnische Geräte GmbH, a German high-end manufacturer of air curtains for commercial use. TTL is located in Winterbach, west of Stuttgart, and has sales of around EUR 4 million. In addition to acquiring the company's assets, Systemair took over 24 employees and TTL's leased 4,000 m² factory and office building.

If the companies acquired had been consolidated as of 1 May 2016, net sales for the period May 2016 through April 2017 would have totalled approximately SEK 6,938.5 million. The operating profit for that period would have totalled approximately SEK 442.9 million. Note 1 in this report contains an acquisition analysis and an account of the effects of the acquisitions on the Group's cash and cash equivalents.

Investments, depreciation and amortisation

Investments for the quarter, excluding divestments, totalled SEK 58.7 million (43.3), including SEK 51.5 million (29.4) in new construction and machinery. Investments consisted primarily of capacity and replacement investments at a number of factories. Acquisitions and formerly withheld additional purchase considerations totalled SEK 0.9 million (10.1) for the quarter. Depreciation of non-current assets amounted to SEK 49.0 million (46.3).

Total investments for the financial year totalled SEK 316.4 million (224.7), excluding divestments. Gross investments in new construction and machinery totalled SEK 182.7 million (159.7), excluding divestments. Major investments were made in production facilities in Denmark, Sweden and Turkey. Acquisitions and formerly withheld purchase considerations in the financial year totalled SEK 119.9 million (50.0). Depreciation and

amortisation of non-current assets totalled SEK 186.7 million (178.2) for the year.

Personnel

The average number of employees in the Group was 4,907 (4,613). At the end of the period, Systemair had 5,222 employees (4,855), 367 more than one year previous. New employees were recruited chiefly at Systemair in Sweden (36), Turkey (34), India (31), Denmark (15), Germany (12), Norway (12), Spain (11) and Lithuania (10). Personnel cutbacks were made in Russia (-30), and Brazil (-14). Acquired companies added 258 employees to the Group, of whom 189 at 2VV in the Czech Republic and 24 at TTL in Germany.

Cash flow and financial position

Cash flow from operating activities, before changes in working capital during the quarter, totalled SEK 50.8 million (44.3). Changes in working capital, above all consisting of higher trade accounts receivable, had a negative impact of SEK 76.4 (84.3) on cash flow. The cash flow from financing operations totalled SEK +81.4 million (+52.8) net. At the end of the period, the Group's net indebtedness was SEK 1,400.8 million (1,387.4). The consolidated equity/assets ratio was 44.6 percent (43.9) at the end of the period.

Events after the end of the period

In May, Systemair AB completed the acquisition of FRIVENT Luft- & Wärmetechnik GmbH, Austria, a high-quality manufacturer of air handling units. Frivent is based in St. Johann, Tyrol, Austria. The company sells products for commercial and industrial use to a value of around EUR 7 million in Austria, Germany, the Czech Republic and Russia. The company produces air handling units, heat recovery systems and unique roof units for niche applications.

Material to enable an acquisition analysis to be performed has not yet been received.

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 2015/16 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 36 to the accounts in the Annual Report for the 2015/16 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 96.1 million (87.3). Operating profit was negative, at SEK -90.0 million (-54.4). A major factor underlying the decline in operating profit was foreign currency effects, totalling SEK -14.3 million (+12.7). The company had 45 employees (44). 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 24 August 2017, 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 corresponds to 35 percent (50) of net consolidated 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 approximately SEK 6.9 billion in the 2016/17 financial year and approximately 5,200 employees. Systemair has reported an operating profit every year since 1974, when the company was founded. During the past 15 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.

Systemair Jet Fans in South India's largest shopping mall

With a total stretch of 2 km over 8 floors and an area of 358,000 square meters, Sarath's City Capital Mall will be one of the largest shopping destinations in India. For the effective ventilation of their parking lots with a total of 4,000 parking spaces, they choose to install 120 of Systemair's Jet Fans. This is the first major order in the garage ventilation segment in South India.



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 information that Systemair is required to disclose in accordance with the Market Abuse Regulation. This information was submitted for publication by the undersigned contact person at 8.00 a.m. on 8 June 2017.

Skinnskatteberg, 8 June 2017
Systemair AB (publ)

Board of Directors

Calendar

Interim report Q1 2017/18

1.00 p.m., 24 August 2017

Interim report Q2 2017/18

8.00 a.m., 7 December 2017

Interim report Q3 2017/18

8.00 a.m., 15 March 2018

Year-end report Q4 2017/18

8.00 a.m., 14 June 2018

Interim report Q1 2018/19

1.00 p.m., 30 August 2018

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Summary income statement

	Group				Parent Company	
	2016/17 Feb-Apr 3 mths	2015/16 Feb-Apr 3 mths	2016/17 May-Apr 12 mths	2015/16 May-Apr 12 mths	2016/17 May-Apr 12 mths	2015/16 May-Apr 12 mths
SEK m						
Net sales	1,733.2	1,508.7	6,863.6	6,112.5	96.1	87.3
Cost of goods sold	-1,147.0	-994.9	-4,502.4	-4,010.4	-	-
Gross profit	586.2	513.8	2,361.2	2,102.1	96.1	87.3
Other operating income	34.0	24.0	119.6	80.3	2.6	14.9
Selling expenses	-430.9	-364.1	-1,548.1	-1,399.8	-42.9	-54.9
Administration expenses	-101.2	-87.4	-365.1	-337.1	-85.5	-68.8
Other operating expenses	-40.4	-24.1	-128.6	-101.4	-60.3	-32.9
Operating profit	47.7	62.2	439.0	344.1	-90.0	-54.4
Net financial items	-4.5	-10.4	-28.8	-36.8	233.5	529.1
Profit after financial items	43.2	51.8	410.2	307.3	143.5	474.7
Appropriations	-	-	-	-	50.2	58.0
Tax on profit for the period	-14.5	-24.1	-116.0	-100.1	1.6	-3.6
Profit for the period ¹	28.7	27.7	294.2	207.2	195.3	529.1
Earnings per share, SEK ²	0.55	0.53	5.66	3.98	-	-

Statement of comprehensive income

Profit for the period	28.7	27.7	294.2	207.2	195.3	529.1
Other comprehensive income						
<i>Items that have been, or may later be, transferred to profit for the year:</i>						
Translation differences	42.0	5.8	84.8	-85.9	2.1	-2.4
Impact of tax	-0.1	0.2	-0.5	0.5	-0.5	0.5
<i>Items that cannot be transferred to profit for the year:</i>						
Revaluation of defined-benefit pensions, net after tax	-1.4	8.2	-1.4	8.2	-	-
Other comprehensive income	40.5	14.2	82.9	-77.2	1.6	-1.9
Total comprehensive income for the period¹	69.2	41.9	377.1	130.0	196.9	527.2

1) Profit for the period is attributable in its entirety to the Parent Company's shareholders.

2) No dilution effect arises since the options programme in operation has been arranged by Färna Invest.

Summary balance sheet

SEK m	Group		Parent Company	
	30/04/2017	30/04/2016	30/04/2017	30/04/2016
ASSETS				
Goodwill	691.4	621.8	0.2	0.4
Other intangible assets	193.3	189.3	6.1	2.0
Property, plant and equipment	1,413.4	1,273.6	25.2	8.8
Financial and other assets	200.6	180.5	2,320.1	2,135.2
Total non-current assets	2,498.7	2,265.2	2,351.6	2,146.4
Inventory	1,170.4	1,105.1	-	-
Current receivables	1,427.1	1,255.2	1,265.1	1,264.3
Cash and cash equivalents	241.8	176.9	-	-
Total current assets	2,839.3	2,537.2	1,265.1	1,264.3
TOTAL ASSETS	5,338.0	4,802.4	3,616.7	3,410.7
EQUITY AND LIABILITIES				
Equity	2,381.3	2,108.2	1,942.5	1,849.6
Untaxed reserves	-	-	5.5	5.7
Non-current liabilities, non-interest-bearing	259.1	238.7	-	1.9
Non-current liabilities, interest-bearing	319.3	196.7	526.2	334.6
Total non-current liabilities	578.4	435.4	526.2	336.5
Current liabilities, interest-bearing	1,236.1	1,309.0	1,068.3	1,162.6
Current liabilities, non-interest bearing	1,142.2	949.8	74.2	56.3
Total current liabilities	2,378.3	2,258.8	1,142.5	1,218.9
TOTAL EQUITY AND LIABILITIES	5,338.0	4,802.4	3,616.7	3,410.7

Summary consolidated cash flow statement

SEK m	2016/17	2015/16	2016/17	2015/16
	Feb-Apr 3 mths	Feb-Apr 3 mths	May-Apr 12 mths	May-Apr 12 mths
Operating profit	47.7	62.2	439.0	344.1
Adjustment for non-cash items	44.3	25.9	158.4	143.8
Financial items	-6.8	-4.7	-22.4	-18.9
Income tax paid	-34.4	-39.1	-128.7	-138.8
Cash flow from operating activities before changes in working capital	50.8	44.3	446.3	330.2
Changes in working capital	-76.4	-84.3	18.2	-161.3
Cash flow from operating activities	-25.6	-40.0	464.5	168.9
Cash flow from investing activities	-35.1	-40.2	-281.3	-212.1
Cash flow from financing activities	81.4	52.8	-134.5	53.5
Cash flow for the period	20.7	-27.4	48.7	10.3
Cash and cash equivalents at start of period	212.9	198.6	176.9	187.8
Translation differences, cash and cash equivalents	8.2	5.7	16.2	-21.2
Cash and cash equivalents at close of period	241.8	176.9	241.8	176.9

Statement of Changes in Equity – Group

SEK m	2016/17 May-Apr		2015/16 May-Apr	
	Equity attributable to Parent Company shareholders	Total equity	Equity attributable to Parent Company shareholders	Total equity
Amount at beginning of year	2,108.2	2,108.2	2,082.2	2,082.2
Dividend	-104.0	-104.0	-104.0	-104.0
Comprehensive income	377.1	377.1	130.0	130.0
Amount at end of period	2,381.3	2,381.3	2,108.2	2,108.2

Key ratios for the Group

		2016/17 Feb-Apr 3 mths	2015/16 Feb-Apr 3 mths	2016/17 May-Apr 12 mths	2015/16 May-Apr 12 mths
Net sales	SEK m	1,733.2	1,508.7	6,863.6	6,112.5
Growth	%	14.9	0.4	12.3	3.9
Operating profit	SEK m	47.7	62.2	439.0	344.1
Operating margin	%	2.8	4.1	6.4	5.6
Profit after net fin. items	SEK m	43.2	51.8	410.2	307.3
Profit margin	%	2.5	3.4	6.0	5.0
Return on capital employed	%	12.0	10.2	12.0	10.2
Return on equity	%	12.6	9.8	12.6	9.8
Equity/assets ratio	%	44.6	43.9	44.6	43.9
Investments	SEK m	35.1	40.2	281.3	212.1
Depreciation/Amortisation	SEK m	49.0	46.3	186.7	178.2
Per share ratios					
Earnings per share	SEK	0.55	0.53	5.66	3.98
Equity per share	SEK	45.79	40.54	45.79	40.54
Operating cash flow per share	SEK	-0.49	-0.77	8.93	3.25
No. of shares at end of period	No.	52,000,000	52,000,000	52,000,000	52,000,000

Quarterly key ratios – Group

		2016/17				2015/16				2014/15
		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	1,733.2	1,715.4	1,769.2	1,645.9	1,508.7	1,416.3	1,624.4	1,563.1	1,502.4
Growth	%	14.9	21.1	8.9	5.3	0.4	-1.1	4.5	12.1	19.4
Gross margin	%	33.8	33.7	35.2	34.8	34.1	33.7	35.4	34.3	33.5
Operating profit	SEK m	47.7	105.1	153.2	133.0	62.2	30.1	134.3	117.5	55.1
Operating margin	%	2.8	6.1	8.7	8.1	4.1	2.1	7.3	7.5	3.7
Return on capital employed	%	12.0	11.9	10.5	10.1	10.2	9.3	10.5	12.4	12.5
Return on equity	%	12.6	12.9	11.6	10.6	9.8	9.9	11.4	13.0	15.1
Equity/assets ratio	%	44.6	45.5	43.9	45.0	43.9	43.6	42.8	44.9	44.4
Basic equity per share	SEK	45.79	44.46	45.35	43.85	40.54	39.74	40.40	41.61	40.04
Basic earnings per share	SEK	0.55	0.98	2.22	1.91	0.53	0.25	1.65	1.55	0.56
Cash flow from operating activities per share	SEK	-0.49	4.01	3.22	2.19	-0.77	0.74	2.34	0.94	-0.25

General accounting principles

Systemair applies International Financial Reporting Standards (IFRS), as adopted by the EU. 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. The accounting principles and methods of calculation applied for the group and Parent Company accord with those used in preparing the most recent Annual Report.

Note 1 – Acquisition analysis

The purchase consideration paid to acquire the shares in the ZVV Group in the Czech Republic and the assets of TTL in Germany may provisionally be calculated as follows:

Total historical cost, less transaction costs SEK 123.4 million

Identifiable net assets	Total
Goodwill	35.0
Brands and customer relationships	25.7
Buildings and land	22.5
Machinery and equipment	58.9
Inventory	33.8
Current receivables	25.6
Other current assets	7.2
Cash and cash equivalents	2.6
Non-interest-bearing liabilities (incl. deferred tax liability)	-5.2
Interest-bearing liabilities	-30.4
Other operating liabilities	-52.3
	123.4

Transaction costs in the acquisition of subsidiaries totalled SEK 0.2 million.

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 -119.9 million. A non-interest-bearing non-current liability relating to withheld purchase considerations for the above-mentioned acquisitions totals SEK 7.0 million.

Brands and customer relationships have been stated at the net present value of future payment flows. The useful life of these assets has been estimated at 5-10 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.

Note 2 – Financial instruments

Systemair's financial instruments consist of derivatives, trade receivables, cash and cash equivalents, available-for-sale financial assets, trade payables, accrued supplier costs and interest-bearing liabilities. 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. 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 3 – Segment reporting

From the start of the 2016/17 financial year, Systemair is aggregating on the basis of the geographical segments Europe and Rest of the World. The market segment Europe accounts for the major share of Systemair's business. In all, 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 merged. Systemair further considers that accounting for the merged segments Europe and Rest of World presents a clearer picture. The Parent Company is accounted for via a separate segment, Group-wide. The subsidiaries are to be merged on the basis of their legal domicile and consolidation will take place according to the same principles as for the Group as a whole.

SEK m	2016/17 Feb-Apr 3 mths	2015/16 Feb-Apr 3 mths	2016/17 May-Apr 12 mths	2015/16 May-Apr 12 mths
Europe				
Net sales, external	1,367.8	1,199.2	5,472.3	4,978.7
Net sales, intra-Group	38.8	41.7	167.0	154.5
Operating profit	61.5	60.7	437.9	342.7
Operating margin, %	4.5	5.1	8.0	6.9
Assets	2,678.7	2,368.6	2,678.7	2,368.6
Investments	20.3	23.9	122.5	131.8
Depreciation/Amortisation	41.2	39.9	158.8	153.9
Rest of World				
Net sales, external	365.4	309.5	1,391.3	1,133.8
Net sales, intra-Group	2.6	4.4	12.5	23.5
Operating profit	16.9	17.8	91.1	55.8
Operating margin, %	4.6	5.8	6.5	4.9
Assets	873.8	692.2	873.8	692.2
Investments	3.2	4.4	14.3	28.4
Depreciation/Amortisation	6.5	5.7	23.8	21.3
Group-wide				
Net sales, intra-Group	23.8	21.4	96.1	87.3
Operating profit	-30.7	-16.3	-90.0	-54.4
Assets	3,608.9	3,405.8	3,608.9	3,405.8
Investments	11.6	11.9	144.5	51.9
Depreciation/Amortisation	1.3	0.7	4.1	3.0
Eliminations				
Net sales, intra-Group	-65.2	-67.5	-275.6	-265.3
Assets	-1,823.4	-1,664.2	-1,823.4	-1,664.2
Total				
Net sales, external	1,733.2	1,508.7	6,863.6	6,112.5
Operating profit	47.7	62.2	439.0	344.1
Operating margin, %	2.8	4.1	6.4	5.6
Assets	5,338.0	4,802.4	5,338.0	4,802.4
Investments	35.1	40.2	281.3	212.1
Depreciation/Amortisation	49.0	46.3	186.7	178.2

Alternative performance measures

In its interim report, Systemair presents key ratios 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 key ratios in the same way, these are not always comparable. As a result, they should not be regarded as substitutes for key ratios as defined in IFRS. A number of definitions appear below, the majority of which are alternative performance measures.

Definitions of key ratios

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.

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

Glossary

The Ecodesign Directive – Energy Related Products

The Ecodesign Directive lays down minimum requirements for energy performance in products and outlaws the most energy- and resource-intensive products in the EU market.

Eurovent and AMCA

Organisations that certify products in the ventilation industry in the markets in Europe, the Middle East, Asia and North America, on the basis of impartial third-party inspection.

Low-energy and passive houses

Low-energy or passive houses that are built airtight and are subject to strict demands for effective ventilation and low energy consumption.

Applications

Uses of products in different types of building. For example, single-family homes, apartment blocks, hospitals, industrial buildings and tunnels.

BMS (Building Management System)

In a building, the computerised system that controls and monitors functions such as those for the building's ventilation, lighting, electricity supply, fire safety and security.

ERP (Enterprise Resource Planning) system

An IT system that manages, for example, processes such as financial management, sales and service, logistics, distribution and production.

CRM (Customer Relations Management) system

An IT system that handles control, organisation and administration of customers and customer relations in a business.