

Q1 The Clean Air Company

Interim report

January-March 2021



A positive start to the year

Quarter 1, 2021

- Incoming orders amounted to SEK 1,035m (995), equivalent to a currency-neutral growth of 14.7 percent compared with the same period last year. Compared with the final quarter 2020, incoming orders increased by 12.7 percent.
- Net sales amounted to SEK 868m (981), equivalent to a currency-neutral decrease of 2.7 percent compared with the same period last year.
- Operating profit was SEK 87.2m (64.2), giving an operating margin of 10.0 percent (6.5).
- Adjusted operating profit was SEK 87.4m (65.1), giving an adjusted operating margin of 10.1 percent (6.6).
- Net profit was SEK 57.2m (34.2).
- Earnings per share were SEK 1.63 (0.98).

“Organic order growth in all divisions, and lower costs and favourable sales growth generated a strong result, and for the second consecutive quarter, we achieved a margin of 10 percent.”

Read more in Sven Kristensson's CEO's comments on page 2.



Sven Kristensson
CEO

CEO's comments

A strong start to the year, but continued uncertain market outlook

Nederman's adjusted operating profit increased to SEK 87.4m (65.1), corresponding to an adjusted operating margin of 10.1 percent (6.6) and the company's strongest ever result for a first quarter. A year has now passed with a pandemic that in many different ways has changed the behaviour of people and companies throughout the world. In this new environment, we are seeing some positive signs in the market, while uncertainty remains high, with the risk that customers' investments intentions may again be dampened.

In the first quarter of the year, we saw a strengthening of the signals of increased demand that we had successively discerned at the end of last year. Orders received displayed organic growth of 15 percent, with all divisions contributing to this development. Lower costs and a favourable sales mix generated a strong result and for the second consecutive quarter, we achieved a margin of 10 percent. Although our long-term ambitions for profitability are higher than this, it is still strong considering our lower sales and negative currency effects. It is also satisfying that the consistent work we have conducted to strengthen our cash flow is continuing to yield steady improvements. The organisation's ability to successfully adapt to a new reality in a global pandemic and to protect its profitability means that we have good opportunities to further advance our positions, not least by launching new products and continuing the development of our digital offering.

DEVELOPMENT BY DIVISION

Although restrictions and lockdowns are still present in many markets, we see clear signs of higher activity among our customers. There is a pent-up need for investment behind this, but also greater optimism regarding a recovery in the world's economies. The division where these factors had a particularly strong impact during the quarter was NedermanProcess Technology. At the beginning of 2021, the division's orders received were considerably strengthened, primarily in the textile segment, which has previously been under significant strain.

Nederman Extraction & Filtration Technology has a base consisting of product sales and its operations are usually a good indicator of the underlying market activity. During the first quarter, orders received and profitability increased despite negative currency effects.

Nederman Duct & Filter Technology continued its positive development from the end of last year, with many new small orders and cost-effective production, which generated a strong improvement in profitability for the quarter. The price of steel has risen dramatically in 2021, in the US it has doubled in a short space of time, but the division has successfully handled this development.

Nederman Monitoring & Control Technology is the one division that reported growth in 2020 despite the pandemic and the global economic decline. The division has also displayed strength at the start of 2021 in terms of orders received and profitability, with a steadily increasing interest in the division's digital solutions.

OUTLOOK

The year began with a continuation of the recovery in demand that was noted in the fourth quarter of 2020. At the same time, we anticipate that lockdowns and restrictions will have a continued dampening effect in several of our markets in the short term, but if the vaccination programmes that are now under way throughout the world are rolled out according to plan, we can look forward to a stronger second half of the year. There are good hopes that the vaccination programmes will have a positive effect on the global spread of infection as well as the readiness to invest and consume among private individuals and companies. We are monitoring developments carefully to be able to further accelerate our operations at the right time.

The COVID-19 pandemic has put the focus on clean air. The shutdown of economies has shown what the world can look like when the air is not polluted by industrial emissions. The fact that this can be achieved without a paralysing pandemic, but with effective air filtration, is something that Nederman demonstrates every day, in each installation we carry out. Many people understand what needs to be done, but what is also needed is political will throughout the world, to use regulations and incentives in efforts to reduce the risk of millions of people having to die prematurely from breathing in dirty and hazardous air.



Q1 INTERVIEW WITH SVEN KRISTENSSON

Watch the interview on Nederman's YouTube channel.
Playlist: Financial reports

Segment overview

Nederman is organised in four operating segments, which are based on technology, customer structure and business logic with its starting point in the group's brands. This means that the operating segments are global. The organisation has four overriding priorities: strengthened profitability, improved efficiency, utilisation of all the possibilities offered by digitalisation and internal and external sustainability.

Nederman Extraction & Filtration Technology develops and sells a broad range of filters and monitoring services, capturing devices, fans, high-vacuum products and reels for the distribution of a variety of liquids and compressed air. Sales are conducted through a network of partners and through own sales companies. Customers operate in industries with various types of air emissions that must be dealt with in an efficient and safe manner.

Nederman Process Technology offers services and filter solutions that are often integrated into the customer companies' production processes, where they capture harmful particles and gases, and other process critical equipment. Sales activities are conducted through the division's own sales organisation that has direct contact with the customers. The number of orders is low, but the individual order value is high. The customers comprise large companies in a large number of industries.

Nederman Duct & Filter Technology sells different types of ducting systems, valves and filter elements to ensure good air quality in a number of industries. Sales are mainly conducted through distributors, but there are also internal sales to Nederman's other divisions. The customers are found in a long line of industries, such as wood-working, cement & concrete production, automotive, metalworking and recycling.

Nederman Monitoring & Control Technology offers advanced measuring technology for gases and dust, and an IoT platform that consists of hardware and software that communicate with the cloud and provide customers with information and insight into critical parameters and processes. Sales are conducted through own companies, their networks of distributors and other divisions within Nederman. The division works with a broad spectrum of industries that need to continuously monitor and control their production and their processes.

Order intake - external, SEKm	1 Jan-31 Mar		Currency-neutral growth	Organic growth	Full year 2020	Apr-Mar 12 months
	2021	2020				
Nederman Extraction & Filtration Technology	430.9	425.9	9.4%	9.4%	1,589.2	1,594.2
Nederman Process Technology	375.1	335.2	25.3%	25.3%	992.7	1,032.6
Nederman Duct & Filter Technology	110.5	117.4	7.4%	7.4%	402.6	395.7
Nederman Monitoring & Control Technology	118.7	116.6	10.8%	10.8%	495.7	497.8
Total Nederman group	1,035.2	995.1	14.7%	14.7%	3,480.2	3,520.3

Total sales, SEKm	1 Jan-31 Mar		Currency-neutral growth	Organic growth	Full year 2020	Apr-Mar 12 months
	2021	2020				
Nederman Extraction & Filtration Technology	395.9	462.2	-6.9%	-6.9%	1,648.8	1,582.5
Nederman Process Technology	242.3	299.7	-10.5%	-10.5%	1,136.8	1,079.4
Nederman Duct & Filter Technology	128.1	132.1	10.3%	10.3%	457.9	453.9
Nederman Monitoring & Control Technology	122.0	108.4	22.2%	22.2%	506.9	520.5
Elimination	-20.3	-21.9			-75.6	-74.0
Total Nederman group	868.0	980.5	-2.7%	-2.7%	3,674.8	3,562.3

Adjusted EBITA, SEKm	1 Jan-31 Mar		Full year 2020	Apr-Mar 12 months
	2021	2020		
Nederman Extraction & Filtration Technology	64.6	64.8	221.7	221.5
Nederman Process Technology	6.8	9.3	58.1	55.6
Nederman Duct & Filter Technology	25.9	15.7	63.9	74.1
Nederman Monitoring & Control Technology	21.4	10.6	94.6	105.4
Other - non-allocated	-17.5	-20.9	-86.0	-82.6
Total Nederman group	101.2	79.5	352.3	374.0

Adjusted EBITA margin	1 Jan-31 Mar		Full year 2020	Apr-Mar 12 months
	2021	2020		
Nederman Extraction & Filtration Technology	16.3%	14.0%	13.4%	14.0%
Nederman Process Technology	2.8%	3.1%	5.1%	5.2%
Nederman Duct & Filter Technology	20.2%	11.9%	14.0%	16.3%
Nederman Monitoring & Control Technology	17.5%	9.8%	18.7%	20.2%
Total Nederman group	11.7%	8.1%	9.6%	10.5%

ABOUT THE DIVISION

Nederman Extraction & Filtration Technology's develops and sells a broad range of filters and monitoring services, capturing devices, fans, highvacuum products and reels for the distribution of a variety of liquids and compressed air.

Brand: Nederman

Nederman Extraction & Filtration Technology

The division's sales declined to SEK 396m (462) for the first quarter. The lockdowns in multiple countries continued to result in delivery postponements, which had a negative impact in invoicing. Orders received however increased organically by 9.4 percent to SEK 431m (426), compared with the corresponding quarter in 2020, mainly driven by the demand for system solutions. Continued effective cost control contributed to an adjusted EBITA margin of 16.3 percent (14.0).

DEVELOPMENT DURING THE QUARTER

Although the lockdowns due to the COVID-19 pandemic continued to affect individual markets, all regions displayed an increase in orders received, with APAC at the forefront.

In Germany, orders received increased in the quarter and although there was a tendency for large projects to be deferred, the level of activity in the base business was high. In the Nordic region, Denmark displayed strong growth, while Norway and Sweden reported weaker performance, mainly affected by the absence of medium-sized projects. Poland noted strong growth compared with the corresponding quarter in 2020. Both service and product sales increased, with the automotive industry leading the development. The markets in southern Europe strengthened successively during the quarter, resulting in higher sales and orders received compared with the same period last year. Czech Republic was negatively affected by the lockdowns in the country, while Turkey recorded strong growth in both sales and orders received.

The UK continued to be strongly affected by the COVID-19 pandemic with its strict lockdowns and the turbulence related to Brexit. Careful planning meant that these factors had no negative impact on the division's ability to deliver. Towards the end of the quarter, several medium-sized orders were registered and a strong trend in service was noted. The Benelux countries also remained heavily affected by lockdowns, but closed the quarter with stronger orders received.

In APAC, the orders received in India were in line with last year, while sales developed robustly due to a major order from the country's wind-power industry in the fourth quarter of 2020. Thailand reported solid growth in orders received and sales, and a major order from the foundry industry was registered during the quarter. China and Australia also displayed solid growth in orders received and sales.

In North America, all three markets recorded healthy order growth compared with the preceding quarter. Several medium-sized orders were registered in the US and Canada, primarily in the wood industry. Sales however declined compared with the same quarter in 2020 due to weaker orders received at the end of 2020, when COVID-19 had a major impact on the North American markets. Despite lower sales volumes, profitability strengthened in the region. In Brazil, the positive sales trend continued and although orders received declined, the order activity was on a good level, distributed among many different industries.

The distributor markets had a strong quarter compared with last year, with healthy growth in several markets. The wood industry displayed the strongest performance, with several large orders.

KEY ACTIVITIES

The division continued to secure the performance of its digital tools to ensure simplicity for customers in doing business, which has generated increased sales through the division's digital channels.

SEKm	Note	1 Jan-31 Mar 2021	2020	Currency- neutral growth	Organic growth	Fully year 2020	Apr-Mar 12 months
Incoming orders - external		430.9	425.9	9.4%	9.4%	1,589.2	1,594.2
Total sales	3	395.9	462.2	-6.9%	-6.9%	1,648.8	1,582.5
Adjusted EBITA		64.6	64.8			221.7	221.5
Adjusted EBITA margin		16.3%	14.0%			13.4%	14.0%



ABOUT THE DIVISION

Nederman Process Technology offers services and filter solutions that are often integrated into the customer companies' production processes, where they capture harmful particles and gases, and other process critical equipment.

Brands: MikroPul, Luwa, Pneumafil and LCI

Nederman Process Technology

The division had a strong start to the new year. Orders received increased to SEK 375m (335), corresponding to organic growth of 25.3 percent compared with the corresponding quarter in 2020. Sales declined to SEK 242m (300), mainly as a result of the low level of orders received in 2020. Despite the lower sales, the adjusted EBITA margin was in line with the preceding year, a result of effective cost control measures.

DEVELOPMENT DURING THE QUARTER

The first quarter's orders received, gross margins and cash flow are approaching pre-pandemic levels and the outlook is positive for a continued recovery. At the same time, there is reason to remain cautious regarding forecasts, since investment projects could again be postponed due to lockdowns and other uncertainties in the market.

The textile segment displayed strong orders received in most markets. China had a strong start to the year, but this slowed down somewhat in conjunction with the celebration of the Chinese New Year. In Pakistan, the government's financing programme for the textile industry led to higher sales. Some of the orders in Bangladesh on which the division had earlier received handshakes are now starting to be realised, with down payments and project start-ups.

At the same time, some project start-ups continue to be delayed and sharp increases in freight costs, combined with fewer freight possibilities, have made delivery planning difficult and sales less predictable. Continued price pressure in the market is also increasing the importance of the balance between volume and margins, and successively increasing the focus on the aftermarket business, which has higher margins.

A strong sustainability trend in the foundries and smelters segment is creating increased demand for aluminium and the associated aluminium recycling, which has resulted in a growing pipeline and higher orders received during the quarter for the division's projects in the recycling industry in Europe.

In Americas, two major foundry projects were registered in the quarter, an important success and milestone in the division's globalisation strategy. The projects will be completed in the third quarter of 2021 and are required to ensure the customer's continued operation and avoidance of penalties related to environmental deviations. Overall, several of the division's major projects were registered during the quarter and many of the large projects that were delayed due to the customers' limited investment budgets have begun to show movement. The work to develop the Indian market resulted in a first order during the quarter, which was also the result of the division's strategy to conduct sales in new geographic markets. In addition, efforts continued on the development of the sales organisation in Americas, with several new additions to the organisation, mainly in the service area where the margins are higher.

KEY ACTIVITIES

The interest in the division's digital solutions remained high during the quarter and the number of connected systems is continuously increasing.

The division won several major projects in new markets and continued to work across regional boundaries. This made a significant contribution to the strong level of orders received during the quarter. The work to combine expertise from the relatively recently acquired Luwa with the older MikroPul business generated results during the quarter, with the launch of a new solution in heat recovery for the foundry industry.

SEKm	Note	1 Jan-31 Mar		Currency-neutral growth	Organic growth	Full year 2020	Apr-Mar 12 months
		2021	2020				
Incoming orders - external		375.1	335.2	25.3%	25.3%	992.7	1,032.6
Total sales	3	242.3	299.7	-10.5%	-10.5%	1,136.8	1,079.4
Adjusted EBITA		6.8	9.3			58.1	55.6
Adjusted EBITA margin		2.8%	3.1%			5.1%	5.2%



ABOUT THE DIVISION

Nederman Duct & Filter Technology sells different types of ducting systems, valves and filter elements to ensure good air quality in a number of industries.

Brands: Nordfab and Menardi

Nederman Duct & Filter Technology

The division's positive trend for orders received continued during the quarter, with organic growth of 7.4 percent, compared with the first quarter of 2020. Total orders received amounted to SEK 111m (117) and sales were SEK 128m (132). The adjusted EBITA margin strengthened to 20.2 percent (11.9). The price of steel has risen sharply, primarily in the US, but also in Europe. The division has been able to offset this in its pricing and thereby avoided a negative impact on its profitability.

DEVELOPMENT DURING THE QUARTER

The trend for the quarter remained positive in most markets, with some displaying a distinct recovery. The number of quotation enquiries (and the pipeline) remained on a healthy level.

Nordfab, which sells different types of ducting systems, noted positive order growth compared with the corresponding quarter in 2020. In the US, orders received were significantly higher compared with both the preceding quarter and the corresponding quarter of 2020. Sales were also higher and contained some temporary effects from steel price supplements. Digital orders received continued to grow and medium-sized installations displayed a strong recovery, partly due to projects that have previously been postponed now being activated.

In Europe, orders received were also higher than in the corresponding quarter of 2020 and continued to grow strongly compared with the preceding quarter. A new South African customer and a large project in France contributed to the development. Sales were in line with the preceding quarter, but lower compared with the first quarter of 2020.

Orders received in Thailand rose sharply during the quarter, compared with both the corresponding quarter of 2020 and the preceding quarter, and profitability continued to strengthen. Exports from Thailand continued to improve, while domestic sales were unchanged, mainly due to lockdowns, but also due to the political situation in the country.

Menardi, which sells the division's filter solutions, recorded significant sales growth during the quarter, particularly in the US where strong orders received in the fourth quarter of 2020 contributed to development. Orders received in the US during the first quarter were unchanged compared with the corresponding quarter in 2020 and somewhat lower compared with the very strong preceding quarter. The positive trend for orders received was due, among other things, to improved possibilities for physical visits to customers and acute need for maintenance, since many customers had postponed replacing filter bags due to the pandemic. Efficiency enhancements and cost optimisation generated the highest level of profitability for several years. In Europe, development was in line with the preceding quarter, in which a significant increase in demand from external customers offset reduced internal sales.

KEY ACTIVITIES

An updated version of the customer portal and the QTO digital order management tool was launched for the pipe operation in Europe.

A new easy-to-use and interactive visual design and quotation tool is under development. The final test phase is under way at some selected partners and the launch is scheduled in the US during the second quarter and in Europe and Asia in the third quarter.

An ultra-modern laser cutter has been ordered for the production facility in Thailand and will be installed in the spring.

SEKm	Note	1 Jan-31 Mar 2021	2020	Currency- neutral growth	Organic growth	Fully year 2020	Apr-Mar 12 months
Incoming orders - external		110.5	117.4	7.4%	7.4%	402.6	395.7
Total sales	3	128.1	132.1	10.3%	10.3%	457.9	453.9
Adjusted EBITA		25.9	15.7			63.9	74.1
Adjusted EBITA margin		20.2%	11.9%			14.0%	16.3%

ABOUT THE DIVISION

Nederman Monitoring & Control Technology offers advanced measuring technology for gases and dust, and an IoT platform that consists of hardware and software that communicate with the cloud and provide customers with information and insight into critical parameters and processes.

Brands: Nederman Insight, NEO Monitors, Auburn FilterSense and Gasset.

Nederman Monitoring & Control Technology

The division delivered stable performance for the quarter. Sales totalled SEK 122m (108), corresponding to organic growth of 22.2 percent, and orders received amounted to SEK 119m (117). The adjusted EBITA margin amounted to 17.5 percent (9.8). Although the COVID-19 pandemic continued to impact the activity levels in Europe and North America during the quarter, there are clear indications that the markets have begun to return to some sort of normality.

DEVELOPMENT DURING THE QUARTER

In EMEA, both sales and orders received were lower than the preceding quarter and the corresponding quarter in 2020. The third wave of the COVID-19 pandemic has dampened the general activity level in Europe, which has mainly affected the division's process control operations. Both sales and orders received however strengthened for the division's emissions-related operations.

In APAC, orders received were higher compared with the first quarter of 2020. Unlike Europe, APAC has recovered to a large extent from the COVID-19 pandemic. China is the market that primarily drives growth in the region and this had positive effects on the division's emissions-related operations, with sales and orders received that were higher than for the year-earlier quarter.

In Americas, orders received were higher than in the preceding quarter and in line with the first quarter of 2020. The region appears to be

recovering faster than Europe and the positive trend for the division's process-oriented products and services continued during the quarter.

KEY ACTIVITIES

Neo Monitor's LaserGas III gas monitor received its SIL2 certificate from Exida in March. This third-party evaluation documents all monitoring functions and the certificate opens new possibilities for NEO Monitors in the international market for process instrumentation.

Auburn FilterSense delivered 42 of its most advanced particle measurement instruments to one of the largest foundries in the US. The end customer was not legally obliged to install such instruments, but understood the operational and sustainability value of the Auburn FilterSense advanced measuring system for improving operations and reducing costs, while at the same time protecting the surrounding area, employees and the environment.

SEKm	Note	1 Jan-31 Mar 2021	2020	Currency- neutral growth	Organic growth	Fully year 2020	Apr-Mar 12 months
Incoming orders - external		118.7	116.6	10.8%	10.8%	495.7	497.8
Total sales	3	122.0	108.4	22.2%	22.2%	506.9	520.5
Adjusted EBITA		21.4	10.6			94.6	105.4
Adjusted EBITA margin		17.5%	9.8%			18.7%	20.2%

Quarter 1, 2021

INCOMING ORDERS AND SALES

Incoming orders were SEK 1,035m (995), equivalent to a currency-neutral growth of 14.7 percent compared with the same period last year.

Sales amounted to SEK 868m (981), equivalent to a currency-neutral decrease of 2.7 percent compared with the same period last year.

PROFIT/LOSS

Consolidated operating profit for the period was SEK 87.2m (64.2), which gave an operating margin of 10.0 percent (6.5).

Adjusted operating profit amounted to SEK 87.4m (65.1). Adjusted operating margin was 10.1 percent (6.6).

Profit before tax increased to SEK 77.6m (46.4). Net profit was SEK 57.2m (34.2), which gave earnings per share of SEK 1.63 (0.98).

CASH FLOW

Cash flow for the period amounted to SEK 32.1m (-57.8) and cash flow from operating activities amounted to SEK 73.6m (13.4). The main reason for the robust improvement in cash flow was the continued intense focus on and strong development of working capital.

CAPITAL EXPENDITURE

Capital expenditure in intangible and tangible assets amounted to SEK 24.4m (28.0), of which capitalised development expenses amounted to SEK 8.9m (9.8*).

OTHER FINANCIAL INFORMATION

Liquidity: At the end of the period the group had SEK 522.8m in cash and cash equivalents as well as SEK 205.7m in available but unutilised overdraft facilities. In addition, there was a credit facility of SEK 239.9m within the framework of Nederman's loan agreement with SEB and SHB, and SEK 200m within the framework of Nederman's loan agreement with SHB.

The equity in the group as of 31 March 2021 amounted to SEK 1,447.3m (1,463.1). The total number of shares outstanding was 35,093,096 at the end of the period.

The equity ratio for the group was 32.4 percent (29.7) as of 31 March 2021. The net debt/equity ratio was 98.3 percent (112.7).

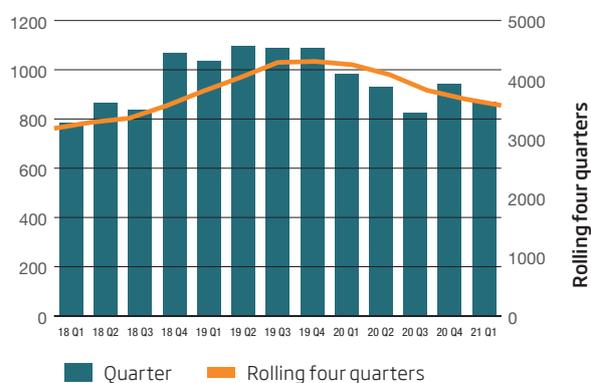
NUMBER OF EMPLOYEES

The average number of employees during the period was 2,077 (2,243). The number of employees at the end of the period was 2,130 (2,332).

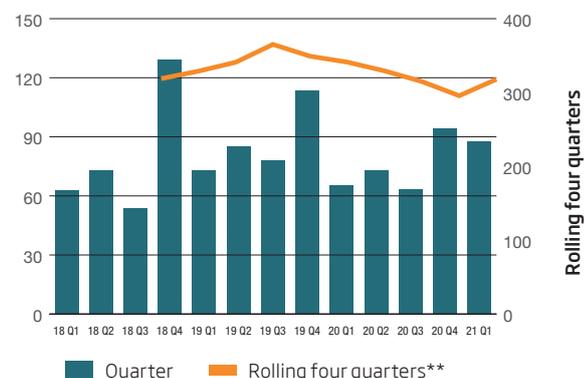
Incoming orders, SEKm



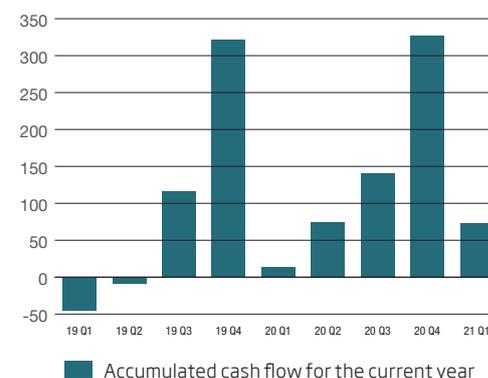
Sales, SEKm



Adjusted operating profit, SEKm



Cash flow from operating activities, SEKm



*As a result of the Group's investments in digital products and services being reclassified as "capitalised development expenditures", the comparative figure has been adjusted.

**In the transition to IFRS 16, the figures for the fiscal year 2018 were recalculated according to the new standard, which is why adjusted operating profit over four rolling quarters is only shown from the fourth quarter of 2018.

Key figures, Group

SEKm	1Jan-31Mar		Fullyear	Apr-Mar
	2021	2020	2020	12months
Orders received	1,035.2	995.1	3,480.2	3,520.3
Net sales	868.0	980.5	3,674.8	3,562.3
Adjusted EBITA	101.2	79.5	352.3	374.0
Adjusted EBITA margin	11.7%	8.1%	9.6%	10.5%
Adjusted EBITDA	127.4	107.1	461.2	481.5
Adjusted EBITDA margin	14.7%	10.9%	12.6%	13.5%
Operating profit	87.2	64.2	219.0	242.0
Operating margin	10.0%	6.5%	6.0%	6.8%
Adjusted operating profit	87.4	65.1	295.6	317.9
Adjusted operating margin	10.1%	6.6%	8.0%	8.9%
Profit before tax	77.6	46.4	148.5	179.7
Net profit	57.2	34.2	110.4	133.4
Earnings per share, SEK	1.63	0.98	3.15	3.80
Return on equity	16.7%	9.6%	8.2%	9.2%
Return on operating capital	12.4%	8.6%	10.4%	10.6%
Net debt			1,450.5	1,422.9
Net debt/equity ratio			111.5%	98.3%
Net debt/Adjusted EBITDA, multiple			3.1	3.0
Interest cover ratio, multiple			4.1	4.9

Regions

External order intake, SEKm	1Jan-31Mar		Fullyear	Apr-Mar
	2021	2020	2020	12months
Americas	315.6	344.3	1,058.4	1,029.7
EMEA	503.6	510.0	1,808.1	1,801.7
APAC	216.0	140.8	613.7	688.9
Total Nedermangroup	1,035.2	995.1	3,480.2	3,520.3

External net sales, SEKm	1Jan-31Mar		Fullyear	Apr-Mar
	2021	2020	2020	12months
Americas	272.0	320.9	1,128.5	1,079.6
EMEA	445.4	529.8	1,915.7	1,831.3
APAC	150.6	129.8	630.6	651.4
Total Nedermangroup	868.0	980.5	3,674.8	3,562.3



Outlook

The uncertainty remains regarding the development of the global economy. For the second quarter, Nederman expects the effects of the COVID-19 pandemic to continue impacting the Group's markets, particularly in Europe. Provided that the vaccination programmes currently in progress proceed to plan, the market should be able to return to a more normal situation in the second half of 2021.

At the same time, the COVID-19 pandemic has put the focus on clean air. The lockdowns of economies has shown what the world can look like when the air is not polluted by industrial emissions. The fact that this can be achieved without a paralysing pandemic, but with effective air filtration, is something that Nederman demonstrates through each installation and an important part of this is our work to continue the digitalisation of the product range. More and more people are

understanding what needs to be done, but what is also needed is political will throughout the world, to use regulations and incentives to work to reduce the risk of millions of people having to die prematurely from breathing in dirty and hazardous air.

The year began with a continuation of the recovery in demand that was noted in the fourth quarter of 2020. At the same time, we anticipate that lockdowns and restrictions will have a continued dampening effect in several of our markets in the short term, but if the vaccination programmes that are now under way throughout the world are rolled out according to plan, we can look forward to a stronger second half of the year for Nederman.

Statement

The Board and CEO confirm that the interim report provides a true and fair overview of the parent company and the group's operations, position and earnings and describes the material risks and uncertainty factors faced by the parent company and the group. The report has not been reviewed by the company's auditor.

Helsingborg 22 April 2021

Johan Hjertonsson

Chairman

Gunilla Fransson

Member of the Board

Ylva op den Velde Hammargren

Member of the Board

Sam Strömerstén

Member of the Board

Sven Kristensson

Member of the Board
and CEO

Johan Menckel

Member of the Board

Consolidated income statement in summary

SEK million	Note	1 Jan-31 Mar		Full year	Apr-Mar
		2021	2020	2020	12 months
Net sales	2.3	868.0	980.5	3,674.8	3,562.3
Cost of goods sold		-528.6	-612.9	-2,282.0	-2,197.7
Gross profit		339.4	367.6	1,392.8	1,364.6
Selling expenses		-168.3	-205.6	-691.1	-653.8
Administrative expenses		-73.2	-86.3	-306.0	-292.9
Research and development expenses		-14.5	-20.3	-69.3	-63.5
Acquisition costs		-0.2	-0.9	-1.6	-0.9
Restructuring costs		-	-	-75.0	-75.0
Other operating income/expenses		4.0	9.7	-30.8	-36.5
Operating profit		87.2	64.2	219.0	242.0
Financial income		2.4	0.4	1.2	3.2
Financial expense		-12.0	-18.2	-71.7	-65.5
Net financial items		-9.6	-17.8	-70.5	-62.3
Profit before tax		77.6	46.4	148.5	179.7
Taxes		-20.4	-12.2	-38.1	-46.3
Net profit		57.2	34.2	110.4	133.4
Net profit attributable to:					
The parent company's shareholders		57.2	34.2	110.4	133.4
Earnings per share		1.63	0.98	3.15	3.80

Consolidated statement of comprehensive income in summary

SEK million	1 Jan-31 Mar		Full year	Apr-Mar
	2021	2020	2020	12 months
Net profit	57.2	34.2	110.4	133.4
Other comprehensive income				
Items that cannot be reclassified to net profit				
Revaluation of defined-benefit pension plans	-	-	-6.4	-6.4
Tax attributable to items that cannot be reclassified to net profit	-	-	1.5	1.5
	-	-	-4.9	-4.9
Items that have been or can be reclassified to net profit				
Exchange differences arising on translation of foreign operations	89.3	50.7	-186.7	-148.1
	89.3	50.7	-186.7	-148.1
Other comprehensive income for the period, net of tax	89.3	50.7	-191.6	-153.0
Total comprehensive income for the period	146.5	84.9	-81.2	-19.6
Total comprehensive income attributable to:				
The parent company's shareholders	146.5	84.9	-81.2	-19.6

Consolidated statement of financial position in summary

SEK million	Note	31 March 2021	31 March 2020	31 Dec 2020
Assets				
Goodwill		1,567.3	1,653.3	1,514.7
Other intangible assets		435.2	441.1	418.6
Tangible assets		305.6	346.7	299.2
Right-of-use assets		220.8	271.9	214.4
Long-term receivables		5.9	6.4	5.6
Deferred tax assets		29.5	13.3	28.3
Total fixed assets		2,564.3	2,732.7	2,480.8
Inventories		527.2	664.0	483.9
Accounts receivable	4	512.4	663.5	477.0
Other current receivables	4	338.7	463.5	341.0
Cash and cash equivalents	4	522.8	406.5	466.8
Total current assets		1,901.1	2,197.5	1,768.7
Total assets		4,465.4	4,930.2	4,249.5
Equity				
Equity		1,447.3	1,463.1	1,300.8
Liabilities				
Long-term interest-bearing liabilities	4	1,555.6	1,610.1	1,536.7
Long-term lease liabilities	4	169.7	218.9	166.4
Other long-term liabilities	4	2.3	4.7	2.1
Pension liabilities		153.9	156.0	151.1
Other provisions		15.6	18.3	16.5
Deferred tax liabilities		23.7	24.0	21.4
Total long-term liabilities		1,920.8	2,032.0	1,894.2
Current lease liabilities	4	66.5	70.5	63.1
Accounts payable	4	330.5	456.6	334.5
Other current liabilities	4	653.0	881.0	605.0
Provisions		47.3	27.0	51.9
Total current liabilities		1,097.3	1,435.1	1,054.5
Total liabilities		3,018.1	3,467.1	2,948.7
Total equity and liabilities		4,465.4	4,930.2	4,249.5

Consolidated statement of changes in equity in summary

SEK million	31 March	31 March	31 Dec
	2021	2020	2020
Opening balance at beginning of period	1,300.8	1,378.2	1,382.0
Net profit	57.2	34.2	110.4
Other comprehensive income			
Change in translation reserve for the period	89.3	50.7	-186.7
Revaluation of defined-benefit pension plans, net of tax	-	-	-4.9
Total other comprehensive income for the period	89.3	50.7	-191.6
Total comprehensive income for the period	146.5	84.9	-81.2
Transactions with Group owners			
Dividend paid	-	-	-
Share-based remuneration	-	-	-
Closing balance at end of period	1,447.3	1,463.1	1,300.8

Consolidated cash flow statement in summary

SEK million	1 Jan-31 Mar		Full year	Apr-Mar
	2021	2020	2020	12 months
Operating profit	87.2	64.2	219.0	242.0
Adjustment for:				
Depreciation and amortisation of fixed assets	40.0	42.0	165.6	163.6
Other adjustments	-7.0	-4.5	23.1	20.6
Interest received and paid including other financial items	-10.4	-13.2	-57.4	-54.6
Taxes paid	-30.9	-16.6	-67.1	-81.4
Cash flow from operating activities before changes in working capital	78.9	71.9	283.2	290.2
Cash flow from changes in working capital	-5.3	-58.5	44.3	97.5
Cash flow from operating activities	73.6	13.4	327.5	387.7
Net investment in fixed assets	-24.3	-26.3	-107.5	-105.5
Acquisitions	-	-19.3	-74.0	-54.7
Cash flow before financing activities	49.3	-32.2	146.0	227.5
Cash flow from other financing activities	-17.2	-25.6	-79.0	-70.6
Cash flow for the period	32.1	-57.8	67.0	156.9
Cash and cash equivalents at beginning of period	466.8	445.3	445.3	406.5
Translation differences	23.9	19.0	-45.5	-40.6
Cash and cash equivalents at end of period	522.8	406.5	466.8	522.8

Income statement for the parent company in summary

SEK million	1 Jan-31 Mar		Full year	Apr-Mar
	2021	2020	2020	12 months
Netsales	6.2	7.8	26.8	25.2
Administrative expenses	-29.6	-29.2	-112.3	-112.7
Research and development expenses	-0.1	-0.3	-0.5	-0.3
Restructuring costs	-	-	-11.6	-11.6
Other operating revenue and expenses	1.6	0.1	-5.3	-3.8
Operating profit/loss	-21.9	-21.6	-102.9	-103.2
Result from investment in subsidiaries	-	-	3.1	3.1
Other financial items	0.1	-1.9	-11.0	-9.0
Profit/loss after financial items	-21.8	-23.5	-110.8	-109.1
Appropriations	-	-	39.0	39.0
Profit/loss before tax	-21.8	-23.5	-71.8	-70.1
Taxes	-2.0	-3.6	14.3	15.9
Net profit/loss for the period	-23.8	-27.1	-57.5	-54.2

Statement of comprehensive income for the parent company in summary

SEK million	1 Jan-31 Mar		Full year	Apr-Mar
	2021	2020	2020	12 months
Net profit/loss	-23.8	-27.1	-57.5	-54.2
Other comprehensive income	-	-	-	-
Items that cannot be reclassified to net profit/loss	-	-	-	-
Items that have been or can be reclassified to net profit/loss	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-23.8	-27.1	-57.5	-54.2

Balance sheet for the parent company in summary

SEK million	31 March 2021	31 March 2020	31 Dec 2020
Assets			
Total fixed assets	2,276.6	2,141.1	2,271.9
Total current assets	160.6	397.7	137.6
Total assets	2,437.2	2,538.8	2,409.5
Shareholders' Equity	836.6	890.8	860.4
Liabilities			
Total long-term liabilities	1,170.3	1,177.6	1,168.5
Total current liabilities	430.3	470.4	380.6
Total liabilities	1,600.6	1,648.0	1,549.1
Total equity and liabilities	2,437.2	2,538.8	2,409.5

Statement of changes in parent company shareholders' equity in summary

SEK million	31 March 2021	31 March 2020	31 Dec 2020
Opening balance at beginning of period	860.4	917.9	917.9
Net profit/loss	-23.8	-27.1	-57.5
Other comprehensive income			
Total other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-23.8	-27.1	-57.5
Transactions with owners			
Dividend paid	-	-	-
Share-based remuneration	-	-	-
Closing balance at end of period	836.6	890.8	860.4

Note 1: Accounting policies

This interim report is prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The report for the parent company has been prepared in accordance with Swedish Annual Accounts Act chapter 9 and RFR 2. The same accounting policies and valuation principles as described in the latest annual report, see also page 81 of the 2020 Annual Report, have been applied both to the group and the parent company. None of the new or revised standards, interpretations and improvements adopted by the EU have had any material impact on Nederman group.

Note 2: Operating segment reporting

Segment reporting is based on reports submitted to the group's senior executives. Nederman group is divided into four operating segments; Nederman Extraction & Filtration Technology, Nederman Process Technology, Nederman Duct & Filter Technology and Nederman Monitoring & Control Technology, which are described further on pages 4-7. This organisation is based on technology, customer structure and business logic with its starting point in the group's brands. Non-allocated items refer mainly to costs relating to the parent company, Nederman Holding AB, which includes the central head office functions.

Order intake - external, SEKm	1 Jan-31 Mar		Full year	Apr-Mar
	2021	2020	2020	12 months
Nederman Extraction & Filtration Technology	430.9	425.9	1,589.2	1,594.2
Nederman Process Technology	375.1	335.2	992.7	1,032.6
Nederman Duct & Filter Technology	110.5	117.4	402.6	395.7
Nederman Monitoring & Control Technology	118.7	116.6	495.7	497.8
Total Nederman group	1,035.2	995.1	3,480.2	3,520.3

Total sales, SEKm	1 Jan-31 Mar		Full year	Apr-Mar
	2021	2020	2020	12 months
Nederman Extraction & Filtration Technology	395.9	462.2	1,648.8	1,582.5
Nederman Process Technology	242.3	299.7	1,136.8	1,079.4
Nederman Duct & Filter Technology	128.1	132.1	457.9	453.9
Nederman Monitoring & Control Technology	122.0	108.4	506.9	520.5
Elimination	-20.3	-21.9	-75.6	-74.0
Total Nederman group	868.0	980.5	3,674.8	3,562.3

Adjusted EBITA, SEKm	1 Jan-31 Mar		Full year	Apr-Mar
	2021	2020	2020	12 months
Nederman Extraction & Filtration Technology	64.6	64.8	221.7	221.5
Nederman Process Technology	6.8	9.3	58.1	55.6
Nederman Duct & Filter Technology	25.9	15.7	63.9	74.1
Nederman Monitoring & Control Technology	21.4	10.6	94.6	105.4
Other - non-allocated	-17.5	-20.9	-86.0	-82.6
Total Nederman group	101.2	79.5	352.3	374.0

Adjusted EBITA margin	1 Jan-31 Mar		Full year	Apr-Mar
	2021	2020	2020	12 months
Nederman Extraction & Filtration Technology	16.3%	14.0%	13.4%	14.0%
Nederman Process Technology	2.8%	3.1%	5.1%	5.2%
Nederman Duct & Filter Technology	20.2%	11.9%	14.0%	16.3%
Nederman Monitoring & Control Technology	17.5%	9.8%	18.7%	20.2%
Total Nederman group	11.7%	8.1%	9.6%	10.5%

Note 3: Allocation of sales

1 Jan-31 Mar 2021

Total sales by segment and sales type, SEKm	Productsales	Solutionsales	Service and aftermarket	Total
Nederman Extraction & Filtration Technology	167.6	146.5	81.8	395.9
Nederman Process Technology	-	160.9	81.4	242.3
Nederman Duct & Filter Technology	119.1	6.1	2.9	128.1
Nederman Monitoring & Control Technology	109.1	1.5	11.4	122.0
Elimination	-7.8	-8.2	-4.3	-20.3
Total Nederman group	388.0	306.8	173.2	868.0

1 Jan-31 Mar 2020

Total sales by segment and sales type, SEKm	Productsales	Solutionsales	Service and aftermarket	Total
Nederman Extraction & Filtration Technology	191.9	186.3	84.0	462.2
Nederman Process Technology	0.1	211.3	88.3	299.7
Nederman Duct & Filter Technology	120.5	8.5	3.1	132.1
Nederman Monitoring & Control Technology	98.1	-	10.3	108.4
Elimination	-9.0	-8.8	-4.1	-21.9
Total Nederman group	401.6	397.3	181.6	980.5

Full year 2020

Total sales by segment and sales type, SEKm	Productsales	Solutionsales	Service and aftermarket	Total
Nederman Extraction & Filtration Technology	650.8	693.3	304.7	1,648.8
Nederman Process Technology	0.2	811.6	325.0	1,136.8
Nederman Duct & Filter Technology	420.0	27.8	10.1	457.9
Nederman Monitoring & Control Technology	454.5	4.3	48.1	506.9
Elimination	-30.3	-30.8	-14.5	-75.6
Total Nederman group	1,495.2	1,506.2	673.4	3,674.8

Performance obligations for sales of products and service and aftermarket are satisfied at the point in time at which the customer obtains control. Performance obligations from sales of solutions, in terms of project sales, are satisfied over time. Revenue is recognised according to the project's rate of progression towards completion.

Note 4: Fair value and reported value in the statement of financial position

31 March 2021

SEK million	Measured at fair value via income statement	Derivatives that are used for hedge accounting	Financial instruments not reported at fair value	Total carrying amount
Accounts receivable	-	-	512.4	512.4
Other current receivables	-	-	217.8	217.8
Cash and cash equivalents	-	-	522.8	522.8
Total	-	-	1,253.0	1,253.0
Leasing liabilities	-	-	236.2	236.2
Bank loans	-	-	1,555.6	1,555.6
Accounts payable	-	-	330.5	330.5
Foreign exchange forward contracts entered*	-	-	-	-
Other long-term liabilities	-	-	2.3	2.3
Other current liabilities	-	-	592.9	592.9
Total	-	-	2,717.5	2,717.5

*The group holds financial instruments in the form of currency futures that are recorded at fair value in the balance sheet. The fair value of currency futures is determined by discounting the difference between the contracted forward rate and the forward rate that can be subscribed on the closing date for the remaining contracted period. Discounting is made using market rates. The fair value for all contracts has been determined from directly or indirectly observable market data, i.e. level 2 according to IFRS 13. For other financial instruments, the fair value and the book value are materially consistent. For further information, refer to note 26 in the 2020 Annual Report.

Note 5: Transactions with related parties

No member of the Board of Directors or senior executives have or have had any direct or indirect participation in any business transaction with group companies which is or was of an exceptional character with regard to terms and conditions that occurred during the year or in any previous year. Further, no group company has provided any loan, given any guarantees or entered into any surety relationships for any of the members of the Board of Directors or senior executives.

Note 6: Government grants

In 2021, government grants amounting to SEK 3.5m (-) were received and was recognised in the income statement. Government grants were mainly received from European government bodies and primarily pertain to assistance for short-time work relating to COVID-19.

Note 7: Alternative performance measures

In addition to information on our reported IFRS results, we provide certain information on an underlying business performance basis. We believe that our underlying business performance measures provide meaningful supplemental information to both management, investors and other stakeholders. These underlying business performance measures should not be viewed in isolation or as substitutes to the equivalent IFRS measures, but should be used in conjunction with the most directly comparable IFRS measures in the reported results. This is a consistent application compared to previous periods. See page 23 for definitions.

The following underlying business measures are used:

Adjusted operating profit	Adjusted EBITDA	Return on operating capital
Adjusted operating margin	Adjusted EBITDA margin	Net debt/Adjusted EBITDA
EBITA	Equity/asset ratio	Interest Cover Ratio
Adjusted EBITA	Net debt	Order growth
Adjusted EBITA margin	Net debt/equity ratio	Sales growth
EBITDA	Return on equity	

SEK million	1 Jan-31 Mar		Full year	Apr-Mar
	2021	2020	2020	12 months
Operating profit	87.2	64.2	219.0	242.0
Acquisition cost	0.2	0.9	1.6	0.9
Restructuring costs	-	-	75.0	75.0
Adjusted operating profit	87.4	65.1	295.6	317.9
Adjusted operating profit	87.4	65.1	295.6	317.9
Net sales	868.0	980.5	3,674.8	3,562.3
Adjusted operating margin	10.1%	6.6%	8.0%	8.9%
Operating profit	87.2	64.2	219.0	242.0
Amortisation intangible assets	13.8	14.4	56.7	56.1
EBITA	101.0	78.6	275.7	298.1
EBITA	101.0	78.6	275.7	298.1
Acquisition cost	0.2	0.9	1.6	0.9
Restructuring costs	-	-	75.0	75.0
Adjusted EBITA	101.2	79.5	352.3	374.0
Adjusted EBITA	101.2	79.5	352.3	374.0
Net sales	868.0	980.5	3,674.8	3,562.3
Adjusted EBITA margin	11.7%	8.1%	9.6%	10.5%
Operating profit	87.2	64.2	219.0	242.0
Depreciation and amortisation	40.0	42.0	165.6	163.6
EBITDA	127.2	106.2	384.6	405.6
EBITDA	127.2	106.2	384.6	405.6
Acquisition cost	0.2	0.9	1.6	0.9
Restructuring costs	-	-	75.0	75.0
Adjusted EBITDA	127.4	107.1	461.2	481.5
Adjusted EBITDA	127.4	107.1	461.2	481.5
Net sales	868.0	980.5	3,674.8	3,562.3
Adjusted EBITDA margin	14.7%	10.9%	12.6%	13.5%

Note 7: Alternative performance measures, cont'd

SEK million	1 Jan-31 Mar		Full year	Apr-Mar
	2021	2020	2020	12 months
Equity - Closing balance			1,300.8	1,447.3
Total assets (balancesheet total)			4,249.5	4,465.4
Equity/asset ratio			30.6%	32.4%
Cash and cashequivalents			466.8	522.8
Long-term interest-bearing liabilities			1,536.7	1,555.6
Long-term lease liabilities			166.4	169.7
Pension liabilities			151.1	153.9
Current lease liabilities			63.1	66.5
Net debt			1,450.5	1,422.9
Net debt			1,450.5	1,422.9
Equity - Closing balance			1,300.8	1,447.3
Net debt/equity ratio			111.5%	98.3%
Equity - Opening balance	1,300.8	1,378.2	1,382.0	1,463.1
Equity - Closing balance	1,447.3	1,463.1	1,300.8	1,447.3
Equity - average	1,374.1	1,420.6	1,341.4	1,455.2
Net profit	57.2	34.2	110.4	133.4
Return on equity	16.7%	9.6%	8.2%	9.2%
Equity - average	1,374.1	1,420.6	1,341.4	1,455.2
Net Debt - opening balance	1,450.5	1,564.1	1,564.1	1,649.0
Net Debt - closing balance	1,422.9	1,649.0	1,450.5	1,422.9
Net Debt - average	1,436.7	1,606.6	1,507.3	1,536.0
Operating capital - average	2,810.8	3,027.2	2,848.7	2,991.2
Adjusted operating profit	87.4	65.1	295.6	317.9
Return on operating capital	12.4%	8.6%	10.4%	10.6%
Net debt			1,450.5	1,422.9
Adjusted EBITDA			461.2	481.5
Net debt/Adjusted EBITDA, multiple			3.1	3.0
Profit before tax			148.5	179.7
Financial expense			71.7	65.5
Acquisition cost			1.6	0.9
Restructuring costs			75.0	75.0
EBT excl. financial expenses, acquisition costs and restructuring costs			296.8	321.1
Financial expense			71.7	65.5
Interest cover ratio, multiple			4.1	4.9

Note 7: Alternative performance measures, cont'd

SEK million	1 Jan-31 Mar		Full year
	2021	2020	2020
Incoming orders, same period in previous year	995.1	1,019.0	4,168.4
Change in incoming orders, organic	146.0	-101.1	-831.6
Change in incoming orders, currency effects	-105.9	13.0	-116.2
Change in incoming orders, acquisitions	-	64.2	259.6
Incoming orders	1,035.2	995.1	3,480.2
Order growth, organic	14.7%	-9.9%	-19.9%
Order growth, currency effects	-10.7%	1.2%	-2.8%
Order growth, acquisitions	-	6.3%	6.2%
Order growth	4.0%	-2.4%	-16.5%
Net sales, comparative period previous year	980.5	1,036.4	4,307.7
Change in net sales, organic	-26.1	-121.3	-755.4
Change in net sales, currency effects	-86.4	12.9	-122.6
Change in net sales, acquisitions	-	52.5	245.1
Netsales	868.0	980.5	3,674.8
Sales growth, organic	-2.7%	-11.7%	-17.5%
Sales growth, currency effects	-8.8%	1.2%	-2.9%
Sales growth, acquisitions	-	5.1%	5.7%
Sales growth	-11.5%	-5.4%	-14.7%

Note 8: Risks and uncertainties

Nederman is exposed to a number of risks that could significantly impact the group's operations, earnings and financial position. Nederman conducts continuous risk assessments that include identifying the risks that impact the group and taking measures to manage these risks. Nederman does not calculate the economic value of all risks because many of them are highly complex and interrelated. However, the practical management of these risks is facilitated in several different ways, including through group-wide policies, business processes, training, internal controls, and processes for the audit and approval of reports. Nederman group's risks are organised into four categories: Strategic risks, Operating risks, Compliance risks and Financial risks. For a more detailed description of these risks, refer to the Risk management section on pages 66-67 and in note 3 of the Nederman group's 2020 Annual and Sustainability Report.

Definitions

ADJUSTED EBITA

Operating profit before amortisation and impairment loss of intangible assets, excluding acquisition and restructuring costs.

ADJUSTED EBITA MARGIN

Adjusted EBITA as percentage of net sales.

ADJUSTED EBITDA

Operating profit before depreciation/amortisation and impairment loss, excluding acquisition and restructuring costs.

ADJUSTED EBITDA MARGIN

Adjusted EBITDA as percentage of net sales.

ADJUSTED OPERATING MARGIN

Adjusted operating profit as percentage of net sales.

ADJUSTED OPERATING PROFIT

Operating profit excluding acquisition and restructuring costs.

ANNUAL AVERAGE

Average of opening and closing balance.

CURRENCY-NEUTRAL GROWTH

Currency-neutral growth is the growth rate that does not come from currency effects, compared with the corresponding period in the previous year.

EARNINGS PER SHARE (AFTER DILUTION)

Net profit attributable to Parent Company shareholders in relation to average number of share outstanding plus average number of convertibles and options, as calculated in accordance with IAS 33.

EARNINGS PER SHARE (BEFORE DILUTION)

Net profit attributable to Parent Company shareholders divided by average number of shares outstanding.

EBITA

Operating profit before amortisation and impairment loss of intangible assets.

EBITA MARGIN

EBITA in percentage of sales.

EBITDA

Operating profit before depreciation/amortisation and impairment loss.

EBITDA MARGIN

EBITDA as a percentage of net sales.

EQUITY RATIO

Equity divided by total assets (balance sheet total).

INTEREST COVER RATIO

Profit before tax with return of financial expenses in relation to financial expenses.

NET DEBT

Interest-bearing liabilities (including pensions) minus cash and cash equivalents.

NET DEBT/EQUITY RATIO

Net debt divided by shareholders' equity.

OPERATING CAPITAL

Shareholders' equity plus net debt.

OPERATING MARGIN

Operating profit as percentage of net sales.

OPERATING PROFIT/LOSS

Operating profit after depreciation/amortisation and impairment loss.

ORGANIC GROWTH

Organic growth is the growth rate that does not come from acquisitions and currency effects, compared with the corresponding period in the previous year.

RETURN ON EQUITY

Net profit for the period divided by average shareholders' equity.

RETURN ON OPERATING CAPITAL

Adjusted operating profit as a percentage of average operating capital.

Financial calendar

INVITATION TO TELEPHONE CONFERENCE

A telephone conference regarding the report will be held, in English, today, Thursday 22 April 2021 at 10.00. Nederman's President and CEO, Sven Kristensson and CFO, Matthew Cusick will present the report and answer questions

To participate in the conference please call

SE: +46 8 5055 8354
UK: +44 33 3300 9260
US: +1 833 526 8397

To participate in the webcast

The conference will also be streamed over the internet.

Visit our website to participate in the webcast.

www.nedermangroup.com/en/investors/reports/webcast

FINANCIAL CALENDAR

- Annual general meeting April 26, 2021
- Interim report 2 July 15, 2021
- Interim report 3 October 22, 2021

This report contains forward-looking statements that are based on the current expectations of Nederman's management. Although management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions, fluctuations in exchange rates and other factors.

Nederman is required to disclose the information provided herein according to the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instrument Trading Act. The information has been made public at 08.00 CET on 22 April 2021 kl 08.00.

FURTHER INFORMATION CAN BE OBTAINED FROM

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A global group

Nederman is one of the world's leading developers of products and solutions for advanced air filtration in demanding industrial environments. Our offering comprises individual products, complete solutions, project design, installation, commissioning and service. We protect people, planet and production.

Our head office is located in Helsingborg and we currently have about 2,100 employees, with manufacturing in 13 countries and sales in more than 60 markets through our own sales organisation, agents or resellers.

COMPETITIVE PRODUCTS

All of Nederman's products are developed for the purpose of promoting health and safety, enhancing production efficiency and minimising the customers' environmental impact. Today, we are leaders in the development of digital products and solutions to safeguard the future for our customers in energy use, recycling and compliance with regulatory requirements. Sales of individual products, small and medium-sized systems, and major system solutions with a high degree of customisation comprise the majority of the Group's sales. The sale of products and solutions provides a broad customer base that drives our service sales.

FULL-SERVICE OFFERING

A key feature of our offering is the ability to guarantee our customers the highest possible availability for their solutions. Our starting point is that we must be the alternative that offers the customer the lowest total cost over the life cycle of the solution. In addition to high-quality products, this means that we offer qualified service with a high level of availability to ensure continuous operation. The offering includes technical service, service contracts, spare parts and consumables.

Service sales are a priority area. In 2020, service grew and made up 18% of total sales.

MARKET-LEADING POSITIONS

Since establishment, Nederman has developed a broad and competitive product programme. This programme, combined with a comprehensive sales network and significant investments in new technology, is the foundation for our leading position in a global market. Size and market breadth give us economies of scale in terms of product development, purchasing and production. Nederman is already the segment leader in EMEA, but is now also second-largest in the vital Americas market and in the top five in APAC. This provides a strong platform on which to build further.

STRONG BRANDS

Today, Nederman addresses its market with a strong portfolio of brands. Our strategy is that each individual brand is to bring cutting-edge competence to the Group in a specific product area or market segment. Accordingly, we have the possibility to meet many different customer needs and market segments, in both mature and emerging markets. In recent years, we have devoted a great deal of energy in the brands NEO Monitors and Auburn FilterSense as a base for the development of an entirely new digital offering, which will secure the Group's future positions. The brand portfolio is continuously evaluated, while we simultaneously actively analyse potential acquisitions.