

Q4 The Clean Air Company

Year-end report

January-December 2021



Another strong quarter

Quarter 4, 2021

- Incoming orders amounted to SEK 1,352m (918), equivalent to currency-neutral growth of 47.8 percent compared with the same period last year. Compared with the corresponding quarter in 2019, incoming orders increased currency-neutral by 23.5 percent.
- Net sales amounted to SEK 1,152m (940), equivalent to currency-neutral growth of 22.7 percent compared with the same period last year.
- Operating profit was SEK 126.1m (93.8), giving an operating margin of 11.0 percent (10.0).
- Adjusted operating profit was SEK 126.9m (94.0), giving an adjusted operating margin of 11.0 percent (10.0).
- Net profit was SEK 84.4m (55.1).
- Earnings per share were SEK 2.41 (1.57).

January - December, 2021

- Incoming orders amounted to SEK 4,623m (3,480), equivalent to currency-neutral growth of 38.9 percent compared with last year. Compared with 2019 incoming orders increased currency-neutral by 19.6 percent.
- Net sales amounted to SEK 4,042m (3,675), equivalent to currency-neutral growth of 14.9 percent compared with the same period last year.
- Operating profit was SEK 458.9m (219.0), giving an operating margin of 11.4 percent (6.0).
- Adjusted operating profit was SEK 431.2m (295.6), giving an adjusted operating margin of 10.7 percent (8.0).
- Net profit was SEK 305.3m (110.4).
- Earnings per share were SEK 8.70 (3.15).
- The Board of Directors proposes a dividend of SEK 3.50 (-) per share.



Sven Kristensson
CEO

CEO's comments

A strong finish to an excellent year

Nederman finished the year on a strong note. During the fourth quarter, the Group's adjusted operating profit amounted to SEK 126.9m (94.0), corresponding to an adjusted operating margin of 11.0 percent (10.0), while orders received increased organically by a full 47.7 percent. In summary, a year in which we have grown with good profitability and advanced our position in a market that continues to have great potential.

I can say that it was another positive quarter for Nederman, with higher sales and orders received, as well as operating margin, compared with the corresponding period last year. This means that, for full-year 2021, we can report an adjusted operating margin of 10.7 percent and currency-neutral growth clearly in excess of 10 percent, and have thereby achieved our financial targets. We continued to generate healthy cash flow and strengthened our financial position. This provides scope for further investments in growth and a higher dividend. The Board of Directors proposes a dividend of SEK 3.50 per share for the 2021 financial year.

We ended the year with a record-level order backlog, which provides the possibility for continued strong development of sales in the coming quarters. At the same time, concern remains in the market regarding supply chains and high transport and material prices. We remained successful in managing factors within our control, but are aware that we may be affected to a greater degree in the long term. This applies especially if the problems persist over a long time. During the quarter, we saw major disruption in some of our customer segments, primarily the automotive industry, and an increasingly concerning geopolitical development.

At the same time, in such a challenging environment and market, we have opportunities to advance our position, particularly with our leading-edge digital offering. During the quarter, we secured new customers and business with the support of our new 3D design tool, Quick-Fit Visual®, we continued to increase our share of IoT ready systems, as well as our Insight subscriptions. Several customers signed long-term service agreements, which also include digital monitoring and control of equipment. This means that our revenue generation is successively shifting from the current focus on installed products to subscriptions and aftermarket, fully in line with our vision of being able to offer Clean Air as a Service. During the quarter, we also strengthened our position through an acquisition. UK company Energy Save System Ltd may be small in size, but it will accelerate our digital offering, particularly in the area of energy savings.

STABILITY IN OUR DIVISIONS

All four divisions ended the year on a positive note. Nederman Extraction & Filtration Technology displayed a continued solid base of product sales, which raised sales during a quarter that had an absence of large orders. For Nederman Process Technology, there was no short-

age of orders of all sizes and in all regions. Orders received increased organically by a full 168 percent during the quarter and the division increased its external order backlog by SEK 482m in 2021. Nederman Duct & Filter Technology had a stable end to the year, with higher orders received and sales, and continued good profitability. Nederman Monitoring & Control Technology achieved a new profitability record in the quarter, with an adjusted EBITA margin of a full 26.5 percent. Successful component sourcing, combined with strong sales, were the factors behind this development. At the same time, the division had even higher growth ambitions for 2021, but these were dampened due to difficulties in visiting customers and projects.

CAUTIOUS OPTIMISM

Although the development in our divisions remains positive, there is a risk that supply chain problems and high material and transport prices will impact customers' investment decisions and the possibility of conducting business, as well as our own production and capacity to deliver. In addition, geopolitical concerns have grown in a world where many societies are still under restrictions related to the handling of covid-19. In general, however, we are cautiously optimistic about the next few quarters, but can see that uncertainty has increased in our markets.

Although this uncertainty is contributing to dampening the short-term outlook in our industry, Nederman's long-term potential continues to strengthen. In a world in which the insight is increasing regarding the damage that poor air does to people, Nederman, with its leading offering within industrial air filtration, has a key role to play. As market leader, we have a responsibility to disseminate knowledge and advance developments. In November, we conducted the Green Awakening event for a broad audience in Stockholm. Together with external speakers, we presented challenges and opportunities related to clean air, what the problems are, and what needs to be done.

The industry has begun to waken up to the fact that digitally future-proof air filtration solutions should be standard. This strengthens our leading position, and we will continue our development to offer clean air as a service.



Q4 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 particles, 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 Oct-31 Dec		Currency -neutral growth	Organic growth	1 Jan-31 Dec		Currency -neutral growth	Organic growth
	2021	2020			2021	2020		
Nederman Extraction & Filtration Technology	410.8	450.4	-10.1%	-10.1%	1,780.9	1,589.2	16.0%	16.0%
Nederman Process Technology	646.3	248.3	167.7%	167.7%	1,785.5	992.7	89.9%	89.9%
Nederman Duct & Filter Technology	128.4	101.2	24.4%	24.4%	494.7	402.6	31.4%	31.4%
Nederman Monitoring & Control Technology	166.4	118.4	36.7%	35.8%	561.8	495.7	16.5%	16.2%
Total Nederman group	1,351.9	918.3	47.8%	47.7%	4,622.9	3,480.2	38.9%	38.9%

Total sales, SEKm	1 Oct-31 Dec		Currency neutral growth	Organic growth	1 Jan-31 Dec		Currency -neutral growth	Organic growth
	2021	2020			2021	2020		
Nederman Extraction & Filtration Technology	481.6	437.0	9.9%	9.9%	1,762.9	1,648.8	10.7%	10.7%
Nederman Process Technology	397.5	262.0	55.0%	55.0%	1,291.5	1,136.8	20.0%	20.0%
Nederman Duct & Filter Technology	137.8	105.7	27.9%	27.9%	540.8	457.9	26.0%	26.0%
Nederman Monitoring & Control Technology	155.8	152.1	0.3%	-0.3%	537.3	506.9	8.9%	8.7%
Elimination	-21.2	-16.7			-90.7	-75.6		
Total Nederman group	1,151.5	940.1	22.7%	22.6%	4,041.8	3,674.8	14.9%	14.9%

Adjusted EBITA, SEKm	1 Oct-31 Dec		1 Jan-31 Dec	
	2021	2020	2021	2020
Nederman Extraction & Filtration Technology	82.1	65.6	308.7	221.7
Nederman Process Technology	23.0	9.1	50.9	58.1
Nederman Duct & Filter Technology	24.4	20.8	104.0	63.9
Nederman Monitoring & Control Technology	41.3	34.1	120.9	94.6
Other - non-allocated	-26.9	-23.9	-89.9	-86.0
Total Nederman group	143.9	105.7	494.6	352.3

Adjusted EBITA margin	1 Oct-31 Dec		1 Jan-31 Dec	
	2021	2020	2021	2020
Nederman Extraction & Filtration Technology	17.0%	15.0%	17.5%	13.4%
Nederman Process Technology	5.8%	3.5%	3.9%	5.1%
Nederman Duct & Filter Technology	17.7%	19.7%	19.2%	14.0%
Nederman Monitoring & Control Technology	26.5%	22.4%	22.5%	18.7%
Total Nederman group	12.5%	11.2%	12.2%	9.6%

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 delivered stable performance. Sales increased by 10 percent organically, with a strong core business of product sales. However, orders received declined compared with the same quarter in 2020, which contained several large orders. Higher sales volumes contributed to the adjusted EBITA margin strengthening to 17.0 percent (15.0).

DEVELOPMENT DURING THE QUARTER

The division is Nederman's largest, accounting for approximately 45 percent of the group's sales. The sales growth in the fourth quarter was driven by the earlier strong demand from all markets and continued good order intake in Americas. The division remained successful in managing higher raw materials prices.

In EMEA, which is the division's largest market, the absence of large orders meant that growth opportunities were limited during the quarter. This was mainly connected to the automotive industry, which had extensive problems with the availability of semi-conductors, leading to production stoppages and follow-on problems in other parts of the value chain. Base business displayed growth throughout the region. Fewer medium-sized orders contributed to lower sales of solutions. Product sales displayed good growth, also via digital channels, and primarily in the Nordic region. The division's partner and distributor network in EMEA, mainly UK and Netherlands, contributed to sales growth.

Americas noted solid growth in all markets, with the US leading the way. All areas of sales grew, but solutions, in particular. Service and after-market sales increased by 6 percent.

In APAC, the covid-19 pandemic continued to dampen demand in several markets, primarily Vietnam and China. Sales also declined due to the absence of large orders and to major organisational changes in the operations in China. The strong trend in Australia continued, both in

terms of direct sales and sales via distributors. The distributor network also displayed favourable performance in the division's other markets in APAC.

KEY ACTIVITIES

Continued freight problems in the supply chain created challenges in obtaining material and components in a timely manner.

The division launched a configurable industrial vacuum cleaner (500 series) for the extraction of liquids and coarse particles, meeting customers' specific challenges in wet and dry vacuuming.

The acquisition of Energy Save System (ESS), which is included in the Monitoring & Control division, will strengthen and improve value creation within the division's key wood segment. Close cooperation has been initiated to ensure that ESS is integrated into the division's digital offering.

During the quarter the LBR SmartFilter - a filter solution that is suitable for industrial dust collection applications - was launched. The filter is used in wood applications, but is also relevant to other applications, such as agriculture, waste management and recycling.

Clean Air World Tour was launched - a digital event on the most recent trends in air filtering and industrial processes. The German and UK markets were first out.

SEKm	Note	10Oct-31Dec 2021	10Oct-31Dec 2020	Currency -neutral growth	Organic growth	1Jan-31Dec 2021	1Jan-31Dec 2020	Currency -neutral growth	Organic growth
Incoming orders - External		410.8	450.4	-10.1%	-10.1%	1,780.9	1,589.2	16.0%	16.0%
Total sales	4	481.6	437.0	9.9%	9.9%	1,762.9	1,648.8	10.7%	10.7%
Adjusted EBITA		82.1	65.6			308.7	221.7		
Adjusted EBITA margin		17.0%	15.0%			17.5%	13.4%		



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 continued to develop well. Compared with the fourth quarter of 2020, orders received increased organically by 168 percent to SEK 646.3m (248.3), the highest ever level for a single quarter. Despite higher costs for raw materials and energy, the gross margin remained at a stable level. Continued efficiency enhancements together with advances received on new orders resulted in a strong improvement in cash flow.

DEVELOPMENT DURING THE QUARTER

The division's orders are often integrated into large, complex investment projects, with long lead times from decision to implementation. The strong orders received in the most recent quarters, which comprised all segments and markets, has begun to successively result in increased sales as projects progress. During the fourth quarter, sales increased organically by 55.0 percent compared with the same period in 2020. The service business performed strongly in all regions and segments.

The textile segment continued to develop strongly, with India at the fore, driven by such factors as many international buyers of yarn seeking to change from Chinese to Indian suppliers. The extra shift added earlier to the division's local production in India continued during the quarter. Developments in the textile segment were also strong in Africa, South America and in other parts of Asia. At the same time, the implementation of projects was impacted negatively by high freight and material costs, as well as continued restricted freight possibilities. Another risk factor is high cotton prices, which have historically dampened customers' willingness to invest.

A strong sustainability trend in the foundry and smelter segment is creating increased demand for the division's solutions for projects in the recycling industry in Europe. During the quarter, several major orders were secured, including for process equipment for the recycling of aluminium and steel.

The segment for customised solutions is the most cyclical and often comprises large and relatively complex projects. During the quarter, several medium-sized orders were registered and there is a strong pipeline. There was large interest in the "MikroPul Solutions Lab," which was launched in the third quarter, giving customers the possibility to address the most complex gas cleaning and material recycling problems, which cannot be handled by more standardised solutions.

KEY ACTIVITIES

The division further improved its working capital, driven primarily by strong orders received with advance payments, which resulted in a cash flow of record strength.

The challenges in the supply and logistics chain remained. This affected both the division's sales, since customers are postponing their deliveries, and the costs of projects.

The service business continued to grow, but needs to grow further to strengthen the division's profitability. This is particularly in the textile segment, where the margins are currently most under pressure.

A long-term contract was signed for service and monitoring to be able to follow the equipment installed by the division throughout its life-cycle.

SEKm	Note	10Oct-31Dec 2021	10Oct-31Dec 2020	Currency -neutral growth	Organic growth	1Jan-31Dec 2021	1Jan-31Dec 2020	Currency -neutral growth	Organic growth
Incoming orders - External		646.3	248.3	167.7%	167.7%	1,785.5	992.7	89.9%	89.9%
Total sales	4	397.5	262.0	55.0%	55.0%	1,291.5	1,136.8	20.0%	20.0%
Adjusted EBITA		23.0	9.1			50.9	58.1		
Adjusted EBITA margin		5.8%	3.5%			3.9%	5.1%		

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 strong development continued in the fourth quarter. Sales grew organically by 28 percent, driven by, for example, strong orders received during the preceding quarter. Orders received in the fourth quarter increased organically by 24 percent, driven by a continued recovery in all markets. The adjusted EBITA margin amounted to 17.7 percent (19.7).

DEVELOPMENT DURING THE QUARTER

The division's growth slowed somewhat compared with the preceding quarter, but was good nonetheless. The product mix for the quarter impacted profitability, where filter solutions with lower margins accounted for a larger share of the division's sales. The US accounted for approximately 80 percent of the division's total sales.

The sale of different types of ducting systems, under the Nordfab brand, did not reach the record levels of the third quarter, but growth was strong compared with the same quarter last year. The trend was formerly driven by price increases, while the volumes have been relatively unchanged, while at the same time general cost levels increased as a result of the high inflation in the US.

The positive trend in Europe continued, with a strong increase in orders received and sales. This trend was driven by an influx of new customers and higher average order volume from existing customers. A significant frame agreement was signed with a kitchen manufacturer in the UK, where a first order was registered during the quarter.

Thailand displayed a dampened trend in both orders received and sales. The main reason was reduced exports to Australia due to a challenging freight situation.

Sales of the division's filter solutions, under the Menardi brand, grew organically by 50 percent, compared with the corresponding quarter of 2020, and were clearly higher than the preceding quarter. The development was the consequence of very strong order growth in earlier quarters. At the same time, continued lengthy delivery times for filter media led to a high order backlog moving into the first quarter of 2022.

KEY ACTIVITIES

The challenges related to the steel price trend continued. Earlier proactive price increases and secured deliveries had a positive impact on the division's margins, but this positive impact declined successively during the second half of the year.

The availability of important raw materials and transport costs remained a concern, but the greatest challenge is recruitment. This was particularly the case in sales and manufacturing.

The fully automated duct production line installed in the plant in Denmark was fine-tuned and its new two metre-long ducting was launched in December.

The division's new, easy-to-use and interactive 3D tool, QFV, attracted major interest and resulted in new customers and orders in the US.

SEKm	Note	10Oct-31Dec 2021	10Oct-31Dec 2020	Currency -neutral growth	Organic growth	1Jan-31Dec 2021	1Jan-31Dec 2020	Currency -neutral growth	Organic growth
Incoming orders - External		128.4	101.2	24.4%	24.4%	494.7	402.6	31.4%	31.4%
Total sales	4	137.8	105.7	27.9%	27.9%	540.8	457.9	26.0%	26.0%
Adjusted EBITA		24.4	20.8			104.0	63.9		
Adjusted EBITA margin		17.7%	19.7%			19.2%	14.0%		



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 Gasmot.

Nederman Monitoring & Control Technology

The division again reported strong figures. Orders received increased organically by 36 percent, compared with the corresponding quarter last year. Sales were on the same level as the fourth quarter of 2020, and with the preceding quarter 2021. The adjusted EBITA margin remained at a very high level of 26.5 percent (22.4).

DEVELOPMENT DURING THE QUARTER

The levels of activity in the market have begun to normalise and, at the same time, have increasingly adapted to digital channels, which benefits the division's digital offering in the long term. During the quarter, the focus was again on digital sales processes in key markets where customers are active and prepared to invest. At the same time, covid-19 resulted in a strained supply chain and difficulties in making customer visits.

In EMEA, sales were on the same level as in the preceding quarter and the corresponding quarter in 2020. However, orders received increased strongly compared with both periods. One reason was that a number of large OEM orders were secured. Continued and also expanded restrictions in certain markets created difficulties in the division's sales activities, primarily in process optimisation. The division's emissions-related operations displayed continued strong growth in the quarter.

In APAC, the strong trend for orders received continued, with China, in particular, driving growth. Sales improved considerably compared with the immediately preceding quarter, but were in line with the same quarter last year. Local restrictions and difficulties in travelling to various regions dampened growth in orders received and sales during the quarter and the full year.

In Americas, sales strengthened compared with the corresponding quarter in 2020. Orders received remained strong, reflecting a higher level of activity among customers in the region. The region remains ahead of Europe in the recovery process and is in an essentially normal market situation. The restrictions to travel between Europe and the US were the main obstructions to more rapid growth in the division.

KEY ACTIVITIES

UK company Energy Save System Ltd. (ESS) was acquired. The company offers hardware and software for monitoring and control of filter systems, which lower energy consumption, reduce environmental impact and improve filter performance. Organisationally, the acquisition is included in the division, but it strengthens Nederman's market offering in all divisions and markets.

The disruptions within logistics and the supply chain continued. Significant action was taken to secure sourcing and only a few delays to customer deliveries occurred.

SEKm	Note	10Oct-31Dec 2021	10Oct-31Dec 2020	Currency -neutral growth	Organic growth	1Jan-31Dec 2021	1Jan-31Dec 2020	Currency -neutral growth	Organic growth
Incoming orders - External		166.4	118.4	36.7%	35.8%	561.8	495.7	16.5%	16.2%
Total sales	4	155.8	152.1	0.3%	-0.3%	537.3	506.9	8.9%	8.7%
Adjusted EBITA		41.3	34.1			120.9	94.6		
Adjusted EBITA margin		26.5%	22.4%			22.5%	18.7%		

Quarter 4, 2021

INCOMING ORDERS AND SALES

Incoming orders during the quarter amounted to SEK 1,352m (918), equivalent to currency-neutral growth of 47.8 percent compared with the corresponding period last year.

Sales for the quarter amounted to SEK 1,152m (940), equivalent to currency-neutral growth of 22.7 percent compared with the corresponding period last year.

PROFIT/LOSS

The consolidated operating profit for the quarter was SEK 126.1m (93.8), which gave an operating margin of 11.0 percent (10.0).

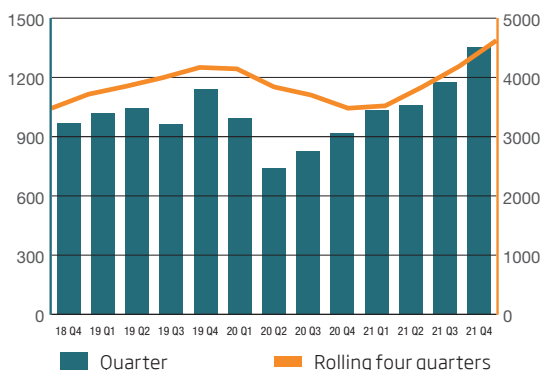
Adjusted operating profit amounted to SEK 126.9m (94.0). Adjusted operating margin was 11.0 percent (10.0).

Profit before tax increased to SEK 119.4m (75.4). Net profit was SEK 84.4m (55.1), which gave earnings per share of SEK 2.41 (1.57).

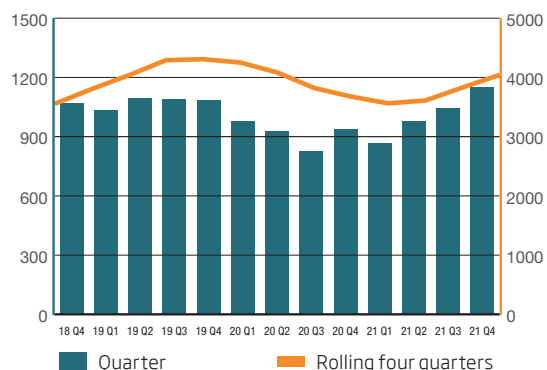
CAPITAL EXPENDITURE

Capital expenditure in intangible and tangible assets amounted to SEK 40.3m (37.1).

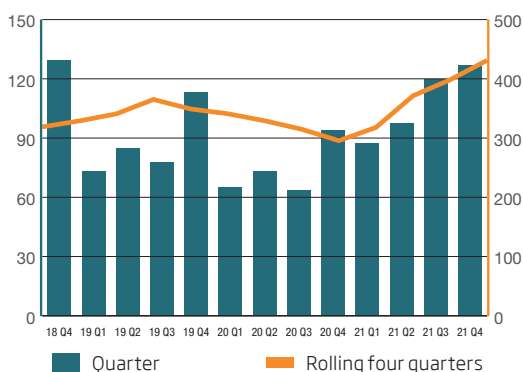
Incoming orders, SEKm



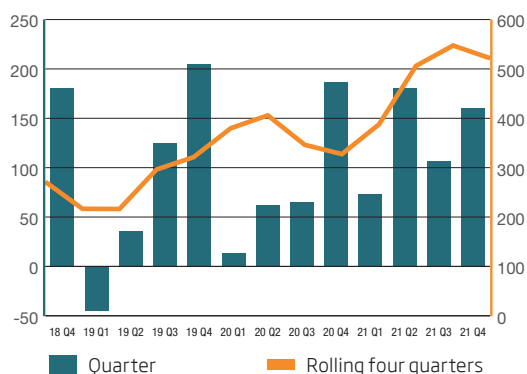
Sales, SEKm



Adjusted operating profit, SEKm



Cash flow from operating activities, SEKm



January - December 2021

INCOMING ORDERS AND SALES

Incoming orders were SEK 4,623m (3,480), equivalent to currency-neutral growth of 38.9 percent compared with the same period last year.

Sales amounted to SEK 4,042m (3,675), equivalent to currency-neutral growth of 14.9 percent compared with the same period last year.

PROFIT/LOSS

Consolidated operating profit for the period was SEK 458.9m (219.0), which gave an operating margin of 11.4 percent (6.0).

Adjusted operating profit amounted to SEK 431.2m (295.6). Adjusted operating margin was 10.7 percent (8.0).

Profit before tax increased to SEK 417.1m (148.5). Net profit was SEK 305.3m (110.4), which gave earnings per share of SEK 8.70 (3.15).

CASH FLOW

Cash flow from operating activities amounted to SEK 519.8m (327.5) and cash flow for the period amounted to SEK 42.1m (67.0).

Inventory levels increased in 2021, partly due to an intentional build up of inventory and also on account of higher raw materials prices, which had a negative impact on cash flow. Despite this, cash flow from operating activities remained very strong. The foremost reason for this is continued healthy orders received for projects with resulting advanced payments received.

CAPITAL EXPENDITURE

Capital expenditure in intangible and tangible assets amounted to SEK 109.0m (108.9), of which capitalised development expenses amounted to SEK 41.0m (37.6).

OTHER FINANCIAL INFORMATION

Liquidity: At the end of the period the group had SEK 541.6m in cash and cash equivalents as well as SEK 105.7m in available but unutilised overdraft facilities. In addition, there was a credit facility of SEK 492.1m 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 December 2021 amounted to SEK 1,717.4m (1,300.8). An ordinary dividend of SEK 1.00 per share was paid to shareholders in the third quarter, amounting in total to SEK 35.1m. The total number of shares outstanding was 35,093,096 at the end of the period.

The equity ratio for the group was 36.3 percent (30.6) as of 31 December 2021. The net debt/equity ratio was 62.2 percent (111.5).

NUMBER OF EMPLOYEES

The average number of employees during the period was 2,154 (2,097). The number of employees at the end of the period was 2,246 (2,124).

Key figures, Group

SEKm	1 Oct-31 Dec		1 Jan-31 Dec	
	2021	2020	2021	2020
Orders received	1,351.9	918.3	4,622.9	3,480.2
Net sales	1,151.5	940.1	4,041.8	3,674.8
Adjusted EBITA	143.9	105.7	494.6	352.3
Adjusted EBITA margin	12.5%	11.2%	12.2%	9.6%
Adjusted EBITDA	173.4	132.9	605.5	461.2
Adjusted EBITDA margin	15.1%	14.1%	15.0%	12.6%
Operating profit	126.1	93.8	458.9	219.0
Operating margin	11.0%	10.0%	11.4%	6.0%
Adjusted operating profit	126.9	94.0	431.2	295.6
Adjusted operating margin	11.0%	10.0%	10.7%	8.0%
Profit before tax	119.4	75.4	417.1	148.5
Net profit	84.4	55.1	305.3	110.4
Earnings per share, SEK	2.41	1.57	8.70	3.15
Return on equity	20.4%	16.6%	20.2%	8.2%
Return on operating capital	18.2%	13.3%	15.6%	10.4%
Net debt			1,067.8	1,450.5
Net debt/equity ratio			62.2%	111.5%
Net debt/Adjusted EBITDA, multiple			1.8	3.1
Interest cover ratio, multiple			9.6	4.1

Regions

External order intake, SEKm	1 Oct-31 Dec		1 Jan-31 Dec	
	2021	2020	2021	2020
Americas	363.6	248.3	1,359.0	1,058.4
EMEA	733.5	499.5	2,348.3	1,808.1
APAC	254.8	170.5	915.6	613.7
Total Nedermangroup	1,351.9	918.3	4,622.9	3,480.2

External net sales, SEKm	1 Oct-31 Dec		1 Jan-31 Dec	
	2021	2020	2021	2020
Americas	332.4	262.6	1,219.7	1,128.5
EMEA	572.4	468.5	2,020.2	1,915.7
APAC	246.7	209.0	801.9	630.6
Total Nedermangroup	1,151.5	940.1	4,041.8	3,674.8



Outlook

The recovery in demand continued during the fourth quarter. Our base business and a strong digital offering enable us to assert ourselves well in the current market and we are now seeing that demand for more major projects is starting up. However, although the development in our divisions remains positive, there is a risk that the problems in our supply chain and the high prices of materials and logistics will impact customers' investment decisions and the possibility of conducting business, as well as our own production and ability to deliver. In addition, geopolitical concerns have increased. In general, however, we are cautiously optimistic about the next few quarters, but can see that uncertainty has increased in our markets.

Although this uncertainty is contributing to dampen the short-term outlook in our industry, Nederman's long-term potential continues to strengthen. In a world in which the insight into the damage that poor air does to people is increasing, Nederman, with its leading offering within industrial air filtration, has a key role to play and possibilities for growth. What is needed and missing is even more political will throughout the world, to use regulations and incentives to work to reduce the risk that millions of people need to die prematurely each year from breathing in dirty and hazardous air.

Dividend

The Board of Directors proposes a dividend of SEK 3.50 per share (-).

Other information

ACQUISITION

On 16 November 2021, Nederman acquired 100 percent of the shares in the UK company Energy Save System Ltd. Energy Save System has developed leading technology for energy savings in industrial air filtration processes and the company's product DESA is aimed at businesses that want to improve their air quality and decrease their environmental impact in industrial operations, for example in the wood, plastic, metalworking, food processing, pharmaceutical, welding and foundry

industries. Through the acquisition, Nederman has gained access to leading technology and strengthens its market offering in all divisions and markets. Energy Save System is included in the Nederman Monitoring & Control Technology operating segment. The company is based in Kettering, Northamptonshire. Energy Save System's sales and profitability for 2021 is not material for Nederman Group.

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.

Helsingborg 15 February 2022

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 Oct-31 Dec		1 Jan-31 Dec	
		2021	2020	2021	2020
Net sales	3.4	1,151.5	940.1	4,041.8	3,674.8
Cost of goods sold		-719.5	-573.1	-2,518.5	-2,282.0
Gross profit		432.0	367.0	1,523.3	1,392.8
Selling expenses		-187.3	-164.0	-702.1	-691.1
Administrative expenses		-95.9	-74.6	-335.1	-306.0
Research and development expenses		-15.2	-17.0	-57.0	-69.3
Acquisition costs	2	-0.8	-0.2	-1.3	-1.6
Restructuring costs		-	-	-	-75.0
Other operating income/expenses	8	-6.7	-17.4	31.1	-30.8
Operating profit		126.1	93.8	458.9	219.0
Financial income		1.6	0.1	3.4	1.2
Financial expense		-8.3	-18.5	-45.2	-71.7
Net financial items		-6.7	-18.4	-41.8	-70.5
Profit before tax		119.4	75.4	417.1	148.5
Taxes		-35.0	-20.3	-111.8	-38.1
Net profit		84.4	55.1	305.3	110.4
Net profit attributable to:					
The parent company's shareholders		84.4	55.1	305.3	110.4
Earnings per share		2.41	1.57	8.70	3.15

Consolidated statement of comprehensive income in summary

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2021	2020	2021	2020
Net profit	84.4	55.1	305.3	110.4
Other comprehensive income				
Items that cannot be reclassified to net profit				
Revaluation of defined-benefit pension plans	3.5	6.2	19.0	-6.4
Tax attributable to revaluation of defined-benefit pension plans	-0.9	-1.4	-3.8	1.5
	2.6	4.8	15.2	-4.9
Items that have been or can be reclassified to net profit				
Exchange differences arising on translation of foreign operations	43.2	-110.8	131.2	-186.7
	43.2	-110.8	131.2	-186.7
Other comprehensive income for the period, net of tax	45.8	-106.0	146.4	-191.6
Total comprehensive income for the period	130.2	-50.9	451.7	-81.2
Total comprehensive income attributable to:				
The parent company's shareholders	130.2	-50.9	451.7	-81.2

Consolidated statement of financial position in summary

SEK million	Note	31 Dec 2021	31 Dec 2020
Assets			
Goodwill		1,609.2	1,514.7
Other intangible assets		453.2	418.6
Tangible assets		316.8	299.2
Right-of-use assets		192.3	214.4
Long-term receivables		5.6	5.6
Deferred tax assets		68.5	28.3
Total fixed assets		2,645.6	2,480.8
Inventories		613.1	483.9
Accounts receivable	5	623.0	477.0
Other current receivables	5	305.7	341.1
Cash and cash equivalents	5	541.6	466.8
Total current assets		2,083.4	1,768.7
Total assets		4,729.0	4,249.5
Equity			
		1,717.4	1,300.8
Liabilities			
Long-term interest-bearing liabilities	5	1,304.6	1,536.7
Long-term lease liabilities	5	133.1	166.4
Other long-term liabilities	5	23.6	2.1
Pension liabilities	8	102.2	151.1
Other provisions		19.2	16.5
Deferred tax liabilities		71.5	21.4
Total long-term liabilities		1,654.2	1,894.2
Current lease liabilities	5	69.5	63.1
Accounts payable	5	411.9	334.5
Other current liabilities	5	835.0	605.0
Provisions		41.0	51.9
Total current liabilities		1,357.4	1,054.5
Total liabilities		3,011.6	2,948.7
Total equity and liabilities		4,729.0	4,249.5

Consolidated statement of changes in equity in summary

SEK million	31Dec	31Dec
	2021	2020
Opening balance at beginning of period	1,300.8	1,382.0
Net profit	305.3	110.4
Other comprehensive income		
Change in translation reserve for the period	131.2	-186.7
Revaluation of defined-benefit pension plans, net of tax	15.2	-4.9
Total other comprehensive income for the period	146.4	-191.6
Total comprehensive income for the period	451.7	-81.2
Transactions with group owners		
Dividend paid	-35.1	-
Closing balance at end of period	1,717.4	1,300.8

Consolidated cash flow statement in summary

SEK million	Note	1Jan-31Dec	
		2021	2020
Operating profit		458.9	219.0
Adjustment for:			
Depreciation and amortisation of fixed assets		174.3	165.6
Other adjustments for non cash items	8	-42.6	23.1
Interest received and paid including other financial items		-40.1	-57.4
Taxes paid		-76.1	-67.1
Cash flow from operating activities before changes in working capital		474.4	283.2
Cash flow from changes in working capital		45.4	44.3
Cash flow from operating activities		519.8	327.5
Net investment in fixed assets		-107.1	-107.5
Acquisitions	2	-13.8	-74.0
Cash flow before financing activities		398.9	146.0
Dividend paid		-35.1	-
Cash flow from other financing activities		-321.7	-79.0
Cash flow for the period		42.1	67.0
Cash and cash equivalents at beginning of period		466.8	445.3
Translation differences		32.7	-45.5
Cash and cash equivalents at end of period		541.6	466.8

Income statement for the parent company in summary

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2021	2020	2021	2020
Netsales	7.6	5.3	26.4	26.8
Administrative expenses	-40.4	-26.6	-140.7	-112.3
Research and development expenses	-0.3	-	-0.4	-0.5
Restructuring costs	-	-1.0	-	-11.6
Other operating revenue and expenses	-1.0	-1.5	-0.3	-5.3
Operating profit/loss	-34.1	-23.8	-115.0	-102.9
Result from investment in subsidiaries	29.6	3.1	212.8	3.1
Other financial items	-6.1	-4.3	-13.1	-11.0
Profit/loss after financial items	-10.6	-25.0	84.7	-110.8
Appropriations	127.5	39.0	127.5	39.0
Profit/loss before tax	116.9	14.0	212.2	-71.8
Taxes	-4.0	9.8	-1.7	14.3
Net profit/loss for the period	112.9	23.8	210.5	-57.5

Statement of comprehensive income for the parent company in summary

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2021	2020	2021	2020
Net profit/loss	112.9	23.8	210.5	-57.5
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	112.9	23.8	210.5	-57.5

Balance sheet for the parent company in summary

SEK million	31 Dec 2021	31 Dec 2020
Assets		
Total fixed assets	2,314.5	2,271.9
Total current assets	248.3	137.6
Total assets	2,562.8	2,409.5
Shareholders' Equity	1,035.8	860.4
Liabilities		
Total long-term liabilities	1,122.0	1,168.5
Total current liabilities	405.0	380.6
Total liabilities	1,527.0	1,549.1
Total equity and liabilities	2,562.8	2,409.5

Statement of changes in parent company shareholders' equity in summary

SEK million	31 Dec 2021	31 Dec 2020
Opening balance at beginning of period	860.4	917.9
Net profit/loss	210.5	-57.5
Other comprehensive income		
Total other comprehensive income for the period	-	-
Total comprehensive income for the period	210.5	-57.5
Transactions with owners		
Dividend paid	-35.1	-
Closing balance at end of period	1,035.8	860.4

Pledged assets and contingent liabilities for the parent company

SEK million	31 Dec 2021	31 Dec 2020
Pledged assets	none	none
Contingent liabilities	366.7	416.5

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: Acquisitions of business

On 16 November 2021, Nederman acquired 100 percent of the shares in the UK company Energy Save System Ltd. The purchase price amounted to SEK 31.5m, of which SEK 17.6m comprised a conditional earn-out payment based on the performance of the operations in the 24 months dating from the time of acquisition. The conditional earn-out payment can amount to a maximum of GBP 1.5m, which corresponds to SEK 17.6m as per the date of acquisition. At 31 December 2021, the maximum earn-out payment was expected to be paid. Acquired net assets amounted to SEK 8.7m and the transaction generated goodwill of SEK 22.8m. Intangible fixed assets amounted to SEK 13.7m and are related to development work. The acquisition's impact on the Group's cash and cash equivalents amounted to SEK 13.8m. The acquisition analysis is preliminary.

Note 3: 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. The division is based on technology, customers and business logic with the aim of increasing both growth and profitability through simple structures and clear focus. Non-allocated items refer mainly to costs relating to the parent company, Nederman Holding AB, which includes the central head office functions.

	1 Oct-31 Dec		1 Jan-31 Dec	
	2021	2020	2021	2020
Order intake - External, SEKm				
Nederman Extraction & Filtration Technology	410.8	450.4	1,780.9	1,589.2
Nederman Process Technology	646.3	248.3	1,785.5	992.7
Nederman Duct & Filter Technology	128.4	101.2	494.7	402.6
Nederman Monitoring & Control Technology	166.4	118.4	561.8	495.7
Total Nederman group	1,351.9	918.3	4,622.9	3,480.2

	1 Oct-31 Dec		1 Jan-31 Dec	
	2021	2020	2021	2020
Total sales, SEKm				
Nederman Extraction & Filtration Technology	481.6	437.0	1,762.9	1,648.8
Nederman Process Technology	397.5	262.0	1,291.5	1,136.8
Nederman Duct & Filter Technology	137.8	105.7	540.8	457.9
Nederman Monitoring & Control Technology	155.8	152.1	537.3	506.9
Elimination	-21.2	-16.7	-90.7	-75.6
Total Nederman group	1,151.5	940.1	4,041.8	3,674.8

	1 Oct-31 Dec		1 Jan-31 Dec	
	2021	2020	2021	2020
Adjusted EBITA, SEKm				
Nederman Extraction & Filtration Technology	82.1	65.6	308.7	221.7
Nederman Process Technology	23.0	9.1	50.9	58.1
Nederman Duct & Filter Technology	24.4	20.8	104.0	63.9
Nederman Monitoring & Control Technology	41.3	34.1	120.9	94.6
Other - non-allocated	-26.9	-23.9	-89.9	-86.0
Total Nederman group	143.9	105.7	494.6	352.3

	1 Oct-31 Dec		1 Jan-31 Dec	
	2021	2020	2021	2020
Adjusted EBITA margin				
Nederman Extraction & Filtration Technology	17.0%	15.0%	17.5%	13.4%
Nederman Process Technology	5.8%	3.5%	3.9%	5.1%
Nederman Duct & Filter Technology	17.7%	19.7%	19.2%	14.0%
Nederman Monitoring & Control Technology	26.5%	22.4%	22.5%	18.7%
Total Nederman group	12.5%	11.2%	12.2%	9.6%

Note 4: Allocation of sales

1 Oct-31 Dec 2021

Totalsalesbysegmentandsalestype,SEKm	Productsales	Solutionsales	Serviceand aftermarket	Total
NedermanExtraction&FiltrationTechnology	197.2	200.4	84.0	481.6
NedermanProcessTechnology	-	313.1	84.4	397.5
NedermanDuct&FilterTechnology	129.3	6.1	2.4	137.8
NedermanMonitoring&ControlTechnology	141.2	4.1	10.5	155.8
Elimination	-8.7	-9.2	-3.3	-21.2
TotalNedermangroup	459.0	514.5	178.0	1,151.5

1 Oct-31 Dec 2020

Totalsalesbysegmentandsalestype,SEKm	Productsales	Solutionsales	Serviceand aftermarket	Total
NedermanExtraction&FiltrationTechnology	172.3	179.4	85.3	437.0
NedermanProcessTechnology	-	191.2	70.8	262.0
NedermanDuct&FilterTechnology	97.6	6.1	2.0	105.7
NedermanMonitoring&ControlTechnology	135.3	4.3	12.5	152.1
Elimination	-7.0	-7.1	-2.6	-16.7
TotalNedermangroup	398.2	373.9	168.0	940.1

1 Jan-31 Dec 2021

Totalsalesbysegmentandsalestype,SEKm	Productsales	Solutionsales	Serviceand aftermarket	Total
NedermanExtraction&FiltrationTechnology	719.1	717.3	326.5	1,762.9
NedermanProcessTechnology	-	949.9	341.6	1,291.5
NedermanDuct&FilterTechnology	502.1	28.6	10.1	540.8
NedermanMonitoring&ControlTechnology	476.4	7.7	53.2	537.3
Elimination	-37.5	-39.1	-14.1	-90.7
TotalNedermangroup	1,660.1	1,664.4	717.3	4,041.8

1 Jan-31 Dec 2020

Totalsalesbysegmentandsalestype,SEKm	Productsales	Solutionsales	Serviceand aftermarket	Total
NedermanExtraction&FiltrationTechnology	650.8	693.3	304.7	1,648.8
NedermanProcessTechnology	0.2	811.6	325.0	1,136.8
NedermanDuct&FilterTechnology	420.0	27.8	10.1	457.9
NedermanMonitoring&ControlTechnology	454.5	4.3	48.1	506.9
Elimination	-30.3	-30.8	-14.5	-75.6
TotalNedermangroup	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 5: Fair value and reported value in the statement of financial position

SEK million	Measured at fair value via income statement	Derivatives that are used for hedge accounting	Financial instruments not reported at fair value	31 Dec 2021
				Total carrying amount
Accounts receivable	-	-	623,0	623,0
Other current receivables	-	-	209,2	209,2
Cash and cash equivalents	-	-	541,6	541,6
Total	-	-	1 373,8	1 373,8
Leasing liabilities	-	-	202,6	202,6
Bank loans	-	-	1 304,6	1 304,6
Accounts payable	-	-	411,9	411,9
Foreign exchange forward contracts entered *)	0,0	-	-	0,0
Other long-term liabilities	-	-	23,6	23,6
Other current liabilities	-	-	740,3	740,3
Total	0,0	-	2 683,0	2 683,0

* 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 6: 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 7: Government grants

In 2021, government grants amounting to SEK 5.7m (27.3) were received and 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 8: Discontinuation of defined-benefit pension plan

The Group's defined-benefit pension plan in Norway was discontinued during the second quarter of 2021 and has transitioned in its entirety to become a defined-contribution pension plan. At the time of the transition, net debt amounted to SEK 29.0m. Accordingly, this discontinuation means that the Group's pension liability has been reduced by SEK 29.0m and the earnings impact from the discontinuation was recognised in a corresponding amount as other operating income. The transaction did not impact cash flow.

Note 9: 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 25 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 Oct-31 Dec		1 Jan-31 Dec	
	2021	2020	2021	2020
Operating profit	126.1	93.8	458.9	219.0
Acquisition cost	0.8	0.2	1.3	1.6
Restructuring costs	-	-	-	75.0
Discontinuation of defined-benefit pension plan	-	-	-29.0	-
Adjusted operating profit	126.9	94.0	431.2	295.6
Adjusted operating profit	126.9	94.0	431.2	295.6
Netsales	1,151.5	940.1	4,041.8	3,674.8
Adjusted operating margin	11.0%	10.0%	10.7%	8.0%
Operating profit	126.1	93.8	458.9	219.0
Amortisation intangible assets	17.0	11.7	63.4	56.7
EBITA	143.1	105.5	522.3	275.7
EBITA	143.1	105.5	522.3	275.7
Acquisition cost	0.8	0.2	1.3	1.6
Restructuring costs	-	-	-	75.0
Discontinuation of defined-benefit pension plan	-	-	-29.0	-
Adjusted EBITA	143.9	105.7	494.6	352.3
Adjusted EBITA	143.9	105.7	494.6	352.3
Netsales	1,151.5	940.1	4,041.8	3,674.8
Adjusted EBITA margin	12.5%	11.2%	12.2%	9.6%
Operating profit	126.1	93.8	458.9	219.0
Depreciation and amortisation	46.5	38.9	174.3	165.6
EBITDA	172.6	132.7	633.2	384.6
EBITDA	172.6	132.7	633.2	384.6
Acquisition cost	0.8	0.2	1.3	1.6
Restructuring costs	-	-	-	75.0
Discontinuation of defined-benefit pension plan	-	-	-29.0	-
Adjusted EBITDA	173.4	132.9	605.5	461.2
Adjusted EBITDA	173.4	132.9	605.5	461.2
Netsales	1,151.5	940.1	4,041.8	3,674.8
Adjusted EBITDA margin	15.1%	14.1%	15.0%	12.6%

Note 9: Alternative performance measures, cont'd

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2021	2020	2021	2020
Equity - Closing balance			1,717.4	1,300.8
Total assets (balance sheet total)			4,729.0	4,249.5
Equity/asset ratio			36.3%	30.6%
Cash and cash equivalents			541.6	466.8
Long-term interest-bearing liabilities			1,304.6	1,536.7
Long-term lease liabilities			133.1	166.4
Pension liabilities			102.2	151.1
Current lease liabilities			69.5	63.1
Net debt			1,067.8	1,450.5
Net debt			1,067.8	1,450.5
Equity - Closing balance			1,717.4	1,300.8
Net debt/equity ratio			62.2%	111.5%
Equity - Opening balance	1,587.2	1,347.9	1,300.8	1,382.0
Equity - Closing balance	1,717.4	1,300.8	1,717.4	1,300.8
Equity - average	1,652.3	1,324.4	1,509.1	1,341.4
Net profit	84.4	55.1	305.3	110.4
Return on equity	20.4%	16.6%	20.2%	8.2%
Equity - average	1,652.3	1,324.4	1,509.1	1,341.4
Net Debt - opening balance	1,193.0	1,561.8	1,450.5	1,564.1
Net Debt - closing balance	1,067.8	1,450.5	1,067.8	1,450.5
Net Debt - average	1,130.4	1,506.2	1,259.2	1,507.3
Operating capital - average	2,782.7	2,830.6	2,768.3	2,848.7
Adjusted operating profit	126.9	94.0	431.2	295.6
Return on operating capital	18.2%	13.3%	15.6%	10.4%
Net debt			1,067.8	1,450.5
Adjusted EBITDA			605.5	461.2
Net debt/Adjusted EBITDA, multiple			1.8	3.1
Profit before tax			417.1	148.5
Financial expense			45.2	71.7
Acquisition cost			1.3	1.6
Restructuring costs			-	75.0
Discontinuation of defined-benefit pension plan			29.0	-
EBT excluding financial expenses, acquisition costs, restructuring costs and discontinuation of defined-benefit pension plan			434.6	296.8
Financial expense			45.2	71.7
Interest cover ratio, multiple			9.6	4.1

Note 9: Alternative performance measures, cont'd

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2021	2020	2021	2020
Incoming orders, same period in previous year	918.3	1,140.7	3,480.2	4,168.4
Change in incoming orders, organic	438.3	-243.6	1,352.8	-831.6
Change in incoming orders, currency effects	-5.8	-29.9	-211.2	-116.2
Change in incoming orders, acquisitions	1.1	51.1	1.1	259.6
Incoming orders	1,351.9	918.3	4,622.9	3,480.2
Order growth, organic	47.7%	-21.4%	38.9%	-19.9%
Order growth, currency effects	-0.6%	-2.6%	-6.1%	-2.8%
Order growth, acquisitions	0.1%	4.5%	0.0%	6.2%
Order growth	47.2%	-19.5%	32.8%	-16.5%
Net sales, comparative period previous year	940.1	1,086.5	3,674.8	4,307.7
Change in net sales, organic	212.1	-169.5	547.5	-755.4
Change in net sales, currency effects	-1.7	-33.2	-181.5	-122.6
Change in net sales, acquisitions	1.0	56.3	1.0	245.1
Net sales	1,151.5	940.1	4,041.8	3,674.8
Sales growth, organic	22.6%	-15.6%	14.9%	-17.5%
Sales growth, currency effects	-0.2%	-3.1%	-4.9%	-2.9%
Sales growth, acquisitions	0.1%	5.2%	0.0%	5.7%
Sales growth	22.5%	-13.5%	10.0%	-14.7%

Note 10: 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 and discontinuation of the Norwegian defined-benefit pension plan.

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 and discontinuation of the Norwegian defined-benefit pension plan.

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 and discontinuation of the Norwegian defined-benefit pension plan.

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, Tuesday 15 February 2022 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 5199 9383
UK: +44 33 3300 9035
US: +1 646 722 4957

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

- Interim report 1 22 April 2022
- Annual General Meeting 25 April 2022
- Interim report 2 15 July 2022
- Interim report 3 24 October 2022
- Year-end report 16 February 2023

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 15 February 2022 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 2,200 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. During 2021 service and after market sales amounted to 18 percent of total revenue.

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.