

Stable finish to the year

Quarter 4, 2022

- Incoming orders amounted to SEK 1,396m (1,352), equivalent to a currency neutral decrease of 6.7 percent compared with the same period last year.
- Net sales amounted to SEK 1,515m (1,152), equivalent to currency neutral growth of 20.4 percent compared with the same period last year.
- Adjusted EBITA was SEK 161.1m (143.9), giving an adjusted EBITA-margin of 10.6 percent (12.5).
- Net profit was SEK 90.9m (84.4).
- Earnings per share were SEK 2.59 (2.41).
- Cash flow from operating activities amounted to SEK 87.8m (159.0).

January - December, 2022

- Incoming orders amounted to SEK 5,425m (4,623), equivalent to currency neutral growth of 9.1 percent compared with the last year.
- Net sales amounted to SEK 5,179m (4,042), equivalent to currency neutral growth of 18.5 percent compared with the last year.
- Adjusted EBITA was SEK 566.6m (494.6), giving an adjusted EBITA-margin of 10.9 percent (12.2).
- Net profit was SEK 328.7m (279.0*).
- Earnings per share were SEK 9.37 (7.95*).
- Cash flow from operating activities amounted to SEK 345.7m (519.8).
- The Board of Directors proposes a dividend of SEK 3.75 (3.50) per share.

* The comparative figures shown exclude other operating income of SEK 26.3m, net after tax, which was recognised in the second quarter of 2021 and pertained to a Norwegian defined-benefit pension plan that was of a non-recurring nature. Including other operating income, net profit amounted to SEK 305.3m and earnings per share to SEK 8.70 for the full-year 2021.



Sven Kristensson
CEO

CEO's comments

We continue to deliver on a record order backlog

Nederman's positive performance also continued in the fourth quarter. Sales grew currency neutrally by 20 percent following the earlier very strong order intake with all divisions contributing, and adjusted EBITA reached the second highest level ever. To summarise the year, we delivered a record order backlog, advanced our market positions and successfully addressed challenges.

The final quarter of the year was also a positive one for Nederman, with sustained healthy demand for our leading industrial air filtration offering. Three of four divisions reported higher orders received and all divisions reported increased sales. For the group as a whole, sales rose to SEK 1,515m (1,152), which for the second consecutive quarter means a new record and that sales for full-year 2022 exceeded SEK 5 billion. However, continued challenges in the supply chain, inflationary pressure and bad debt losses primarily in China, dampened profitability. The adjusted EBITA margin amounted to 10.6 percent (12.5) in the fourth quarter and to 10.9 percent (12.2) for full-year 2022. Our efforts to increase operational efficiency continued undiminished, and helped us to maintain profitability and cash flow at good levels despite all of the challenges.

In 2022, Nederman's order backlog reached record levels for the end of a financial year, which provides the opportunity for continued favourable development of sales in the coming quarters. In parallel, our customers remain concerned about matters such as the price and availability of energy. As a world-leading environmental technology company in advanced air filtration, we help to reduce energy consumption in production and thus to mitigate the impact of higher energy prices. During the fourth quarter, we launched Nederman SAVE, an intelligent digital system, that makes it possible for our customers to reduce energy consumption for air filtration by up to 70 percent. We also reinforced our focus on contributing towards faster and more sustainable development of important areas for the future, such as recycling, green energy and battery manufacturing. We develop special solutions for these industries and collaborate closely with customers.

Our strategy remains intact. We are optimising, increasing our presence and strengthening our digital offering, with the objective of creating profitable growth and becoming the leader in our prioritised markets. In the third quarter, we acquired the US company RoboVent, which helped us to achieve our now leading position also in the important welding segment in North America. We continued work to develop the new ducting systems operations in Australia. In the fourth quarter, we completed a minor acquisition of the Swiss distributor MBE

AG, which will help to strengthen Gasmets position in Europe. Acquisitions remain important to add new technology to operations and to strengthen market presence.

STABLE END TO THE YEAR IN OUR DIVISIONS

Despite the challenges, the performance of our divisions was generally favourable during the year's final quarter. Nederman Extraction & Filtration Technology secured several orders in prioritised growth industries and continued the successful integration of RoboVent. Nederman Process Technology delivered from its record order backlog and added several new orders, mainly in recycling. The division's high return on capital employed provides a significant contribution to achieving the group's objectives. Nederman Duct & Filter Technology secured new orders in battery manufacturing and continues to invest in more efficient production. Lastly, Nederman Monitoring & Control Technology noted an improvement in component supplies, which began to facilitate execution of the division's large order backlog. Moreover, initiatives in North America are starting to yield ever greater rewards.

HIGHER UNCERTAINTY BUT CONTINUED CAUTIOUS OPTIMISM

Even if the development in our divisions remains positive, we see a risk that challenges in our supply chain, high inflation and a weaker economic outlook can impact customers' investment decisions and possibility of conducting business. In addition, there is no indication that the geopolitical insecurity will ease. Nonetheless, we remain cautiously optimistic about future quarters in view of our strong order backlog, among other factors, and our ability to grow our share of sales in industries with good structural growth. I can also see that industry has increasingly begun to understand that digital, future-proof air filtration solutions should be standard.



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	10 Oct-31 Dec		Currency neutral growth	Organic growth	1 Jan-31 Dec		Currency neutral growth	Organic growth
	2022	2021			2022	2021		
Nederman Extraction & Filtration Technology	591.4	410.8	34.2%	11.1%	2,238.4	1,780.9	18.7%	10.4%
Nederman Process Technology	437.1	646.3	-40.1%	-40.1%	1,824.6	1,785.5	-4.3%	-4.3%
Nederman Duct & Filter Technology	164.9	128.4	8.3%	1.6%	704.4	494.7	24.6%	16.7%
Nederman Monitoring & Control Technology	202.7	166.4	10.4%	6.1%	657.4	561.8	7.2%	4.7%
Total Nederman group	1,396.1	1,351.9	-6.7%	-14.9%	5,424.8	4,622.9	9.1%	4.8%

Total sales, SEKm	10 Oct-31 Dec		Currency neutral growth	Organic growth	1 Jan-31 Dec		Currency neutral growth	Organic growth
	2022	2021			2022	2021		
Nederman Extraction & Filtration Technology	636.6	481.6	23.8%	4.9%	2,165.4	1,762.9	16.0%	7.2%
Nederman Process Technology	514.9	397.5	18.9%	18.9%	1,721.9	1,291.5	23.4%	23.4%
Nederman Duct & Filter Technology	212.4	137.8	31.3%	20.9%	790.8	540.8	28.4%	22.1%
Nederman Monitoring & Control Technology	176.8	155.8	2.5%	1.2%	605.9	537.3	3.1%	2.3%
Elimination	-25.5	-21.2			-105.1	-90.7		
Total Nederman group	1,515.2	1,151.5	20.4%	11.1%	5,178.9	4,041.8	18.5%	13.7%

Adjusted EBITA, SEKm	10 Oct-31 Dec		1 Jan-31 Dec	
	2022	2021	2022	2021
Nederman Extraction & Filtration Technology	92.4	82.1	357.3	308.7
Nederman Process Technology	38.7	23.0	99.9	50.9
Nederman Duct & Filter Technology	34.2	24.4	127.4	104.0
Nederman Monitoring & Control Technology	33.6	41.3	96.6	120.9
Other - non-allocated	-37.8	-26.9	-114.6	-89.9
Total Nederman group	161.1	143.9	566.6	494.6

Adjusted EBITA margin	10 Oct-31 Dec		1 Jan-31 Dec	
	2022	2021	2022	2021
Nederman Extraction & Filtration Technology	14.5%	17.0%	16.5%	17.5%
Nederman Process Technology	7.5%	5.8%	5.8%	3.9%
Nederman Duct & Filter Technology	16.1%	17.7%	16.1%	19.2%
Nederman Monitoring & Control Technology	19.0%	26.5%	15.9%	22.5%
Total Nederman group	10.6%	12.5%	10.9%	12.2%

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, RoboVent

Nederman Extraction & Filtration Technology

The division demonstrated a continued positive trend. Compared with the corresponding quarter of 2021, orders received increased currency neutrally by 34 percent and sales grew by 24 percent. The adjusted EBITA margin was 14.5 percent (17.0). Nederman SAVE was launched.

DEVELOPMENT DURING THE QUARTER

Three major orders were registered during the quarter. No major orders were registered during the corresponding quarter last year. The strong orders received led to an increase in the order backlog to a new record level at the end of the year. Sales increased in all regions and in all sales channels. A strong volume increase, both organic and as an effect of the recently acquired RoboVent, contributed to stable project deliveries.

All major orders registered during the quarter were related to the Americas region. Two were to the food industry, of which one in the US for a spice manufacturer and one was in Brazil for a well-known consumer brand. The third order was secured by RoboVent and concerned the electric vehicle industry. During the quarter, Nederman SAVE was launched, a digital solution that enables significant energy savings for customers. Demand for the solution was very good during the quarter.

During the quarter, orders received increased from industries that, according to the division, demonstrate long-term structural growth. These include food, green energy and the defence industry. A large number of orders were secured in the food industry during the quarter, spread across many different countries and included manufacturing of such items as chocolate, dairy products, spices and soft drinks. Orders received in green energy included paper recycling in the Netherlands,

battery recycling in Australia and waste and plastic separation. An order was also secured from a Chinese customer in the wind power industry and, in addition to the aforementioned major orders, a number of smaller orders from the electric vehicle industry. In the defence industry, several orders were secured in aeronautics.

Development in the various regions was positive, with the strongest trend reported in the Americas, primarily due to RoboVent. The acquisition of RoboVent, which is a North American leader in air filtration technology for the welding segment, has meant that Nederman now has a leading position in the segment in both the US and Europe. In EMEA, both sales and orders received increased in most markets, while APAC continued to be negatively impacted by the covid-19 situation in China, even though the region as a whole reported healthy growth. For the three regions as a whole, solutions noted the strongest trend, followed by service and aftermarket and thereafter products.

KEY ACTIVITIES

- Launch of Nederman SAVE, a solution comprising software and a package of services that enable significant energy savings for customers.
- Introduction of the division's online store to a number of partners in APAC.

SEKm	Note	10 Oct-31 Dec 2022	10 Oct-31 Dec 2021	Currency neutral growth	Organic growth	1 Jan-31 Dec 2022	1 Jan-31 Dec 2021	Currency neutral growth	Organic growth
Incoming orders - External		591.4	410.8	34.2%	11.1%	2,238.4	1,780.9	18.7%	10.4%
Total sales	4	636.6	481.6	23.8%	4.9%	2,165.4	1,762.9	16.0%	7.2%
Adjusted EBITA		92.4	82.1			357.3	308.7		
Adjusted EBITA margin		14.5%	17.0%			16.5%	17.5%		



ABOUT THE DIVISION

Nederman Process Technology offers services and advanced filter solutions that are integrated into the customers' production processes where they catch harmful particles and gases.

Brands: MikroPul, Luwa, Pneumafil and LCI

Nederman Process Technology

The division's strong development continued. Compared with the corresponding quarter of 2021, sales increased currency neutrally by 19 percent. Orders received were healthy, even if they decreased currency neutrally by 40 percent in comparison with the record fourth quarter of 2021. The order backlog still remains at historically high levels. Higher sales and effective cost control contributed to a strengthening of the adjusted EBITA margin to 7.5 percent (5.8).

DEVELOPMENT DURING THE QUARTER

The strong orders received in the past year, which included all segments and markets, continued to steadily result in increased sales. The division's record order backlog level also provides a base for continued solid sales growth into the first part of 2023. The service business continued to grow during the quarter, which contributed to the division's strengthened profitability. At the same time, the increased uncertainty in the global economy involves a risk that customer willingness to invest will be dampened moving forward. The supply and logistics chain continued to be impacted by the covid-19 situation in China. Despite the challenges, the division was able to deliver on its projects during the quarter in line with or in excess of the budgeted margins.

The textile segment continued to perform well, as the division delivered on a record order backlog. However, a slowdown was noted in orders received during the quarter compared with the record-strong corresponding quarter of 2021. China continues to pose the greatest challenge for this segment, where the future development will likely be decided by the performance of the local economy and investments in 2023. In parallel, foreign players continue to increase their investments in other markets, including India, which continued its strong development during the quarter and also contributed to the division's positive performance. The assessment is that higher raw materials prices and a weaker macro-economic trend could potentially lead to reduced textile investments moving forward.

In the foundry and smelter segment, the strong sustainability trend is contributing to an increase in demand for the division's solutions in, for example, aluminium recycling in both the medium and long term. During the quarter, several major projects were registered in the segment. A clear trend is evident that customers are allocating more capital to recycling aluminium oxide, as this is supported by sustainability initiatives.

Increased defence spending in many countries could potentially lead to higher demand in foundries and, by extension, also the division's solutions. However, no such order was registered in the quarter.

The segment for customised solutions is the most cyclical and often comprises large and relatively complex projects. During the quarter, two major orders, for metal recycling and in the energy sector, were registered and there is a continued strong pipeline. Despite challenges in the supply chain, project execution has been accelerated, which helped to improve the division's profitability in the quarter.

KEY ACTIVITIES

- The division's working capital position remained strong, driven primarily by continued healthy orders received with the resulting downpayments.
- The division has continued to adjust prices on selected products in order to defend the gross margin against cost pressure from rising materials and energy prices.

SEKm	Note	10 Oct-31 Dec 2022	2021	Currency neutral growth	Organic growth	1 Jan-31 Dec 2022	2021	Currency neutral growth	Organic growth
Incoming orders - External		437.1	646.3	-40.1%	-40.1%	1,824.6	1,785.5	-4.3%	-4.3%
Total sales	4	514.9	397.5	18.9%	18.9%	1,721.9	1,291.5	23.4%	23.4%
Adjusted EBITA		38.7	23.0			99.9	50.9		
Adjusted EBITA margin		7.5%	5.8%			5.8%	3.9%		

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 continued its stable development. Compared with the corresponding quarter of 2021, sales increased currency neutrally by 31 percent, driven primarily by the previous strong orders received. Orders received in the quarter grew currency neutrally by 8 percent and the adjusted EBITA margin amounted to 16.1 percent (17.7).

DEVELOPMENT DURING THE QUARTER

The increased sales and orders received for the quarter compared with the corresponding quarter of the last year were primarily due to the strong performance in Europe. Profitability was positively affected by higher sales volumes and price adjustments but negatively by, among other factors, production and inventory issues in ducting systems operations in the US.

The division's ducting systems operations, under the Nordfab brand, displayed continued healthy order growth though with substantial variation between the regions. In the US, orders received decreased compared with the preceding quarter, but for the year as a whole it displayed strong growth compared with the prior year. One important reason for this development is the large number of orders in battery production, and during the fourth quarter an additional order was secured in this rapidly expanding segment. However, the number of small and medium-sized orders declined, and disruptions to the company's own production contributed to dampened profitability. The earlier price adjustments essentially yielded full effect during the quarter.

The European ducting systems operations noted renewed strength in orders received, in part due to a major order in the UK for two-metre ducting. This ducting will be manufactured at the division's factory in Denmark and shipped to the warehouse unit in Leeds, which was expanded during the year in response to high demand in the country. Major orders were also registered in Sweden and the Baltic region during the quarter.

Orders received in Thailand declined slightly during the quarter, mainly due to lower exports. Operations in Australia displayed higher sales.

The trend from the third quarter continued for the division's operations in filter solutions, under the Menardi brand, with a slowdown in orders received. This follows six quarters of very strong orders received, which continued to generate healthy sales growth and higher profitability even during the year's final quarter. Despite the slowdown, the quotation pipeline remains strong. The US accounts for the bulk of operations in filter solutions. Operations in Europe mainly comprise an aftersales business that reported stable development during the year, and also in the fourth quarter.

KEY ACTIVITIES

- Construction of the expanded factory and warehouse building in Thomasville, US, continued and the opening is now scheduled for early April 2023. Thereafter, the installation of 9,000 m² of solar panels will begin on the roof, which will generate enough energy to cover half of the plant's needs.
- Work continued during the quarter to renew and upgrade older manufacturing equipment in Nordfab's plants in Europe and in Menardi's plant in the US. The risk of bottlenecks is reduced when efficiency and quality are improved in production.

SEKm	Note	1 Oct-31 Dec 2022	1 Oct-31 Dec 2021	Currency neutral growth	Organic growth	1 Jan-31 Dec 2022	1 Jan-31 Dec 2021	Currency neutral growth	Organic growth
Incoming orders - External		164.9	128.4	8.3%	1.6%	704.4	494.7	24.6%	16.7%
Total sales	4	212.4	137.8	31.3%	20.9%	790.8	540.8	28.4%	22.1%
Adjusted EBITA		34.2	24.4			127.4	104.0		
Adjusted EBITA margin		16.1%	17.7%			16.1%	19.2%		



ABOUT THE DIVISION

Nederman Monitoring & Control Technology offers advanced measurement technology and an IoT platform that consists of hardware and software that 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 strengthened in a continued challenging market situation. Compared with the corresponding quarter in 2021, orders received increased currency neutrally by 10 percent and sales grew by 3 percent. The adjusted EBITA margin was 19.0 percent (26.5).

DEVELOPMENT DURING THE QUARTER

Interest in digital monitoring and control of production processes remains extensive, but was affected negatively in the past year by covid-19-related events and the Chinese authorities' demands to allow only domestically produced products. This has led to a drop in turnover that has not been compensated for on other markets. During the quarter, orders received increased, above all in the process industry, and the division's strong order backlog provides a base for continued healthy sales growth in the upcoming quarters. In parallel, challenges remain in component supplies, which influences both delivery capacity and profitability in projects. The division is working actively to ensure that customers' needs are met. The component shortages led to increased costs of input goods and for personnel who are fully occupied dealing with supply issues. This has not been fully compensated for and has consequently impacted profitability negatively.

In EMEA, both orders received and sales grew compared with the corresponding quarter of 2021, primarily driven by increased activity for NEO Monitors. For Gasmot, postponed projects and a slowdown in business activity were noted, largely as a consequence of the war in Ukraine, though a healthy sales performance was noted in the UK.

In APAC, both orders received and sales declined. Gasmot, which operates in emissions monitoring, continued to be negatively impacted by the situation in China, which led to much lower sales in the quarter. However, Neo Monitors displayed a positive trend, mainly driven by a strong position in the region in the rapidly expanding oil and gas industry. The entire region is otherwise being held back by the handling of the covid-19 situation in China. This has led to delays in project and component deliveries.

In Americas, sales were strengthened significantly compared with the corresponding quarter in 2021. NEO Monitors' process-related business noted strong growth, driven by investments in improved efficiency and to reduce the dependence on imported energy. Sales of Auburn Filter Sense's solutions for particle monitoring also increased sharply, primarily as a result of the previously strong orders received.

KEY ACTIVITIES

- Acquisition of MBE AG, which sells gas measurement instruments in the Swiss market and has been a Gasmot distributor for many years.

SEKm	Note	1 Oct-31 Dec 2022	1 Oct-31 Dec 2021	Currency neutral growth	Organic growth	1 Jan-31 Dec 2022	1 Jan-31 Dec 2021	Currency neutral growth	Organic growth
Incoming orders - External		202.7	166.4	10.4%	6.1%	657.4	561.8	7.2%	4.7%
Total sales	4	176.8	155.8	2.5%	1.2%	605.9	537.3	3.1%	2.3%
Adjusted EBITA		33.6	41.3			96.6	120.9		
Adjusted EBITA margin		19.0%	26.5%			15.9%	22.5%		

Quarter 4, 2022

INCOMING ORDERS AND SALES

Incoming orders during the quarter amounted to SEK 1,396m (1,352), equivalent to currency neutral decrease of 6.7 percent compared with the corresponding period last year.

Sales for the quarter amounted to SEK 1,515m (1,152), equivalent to currency neutral growth of 20.4 percent compared with the corresponding period last year.

CASH FLOW

Cash flow from operating activities amounted to SEK 87.8m (159.0) and cash flow for the period amounted to SEK 2.6m (45.9).

Cash flow was at a record level in the fourth quarter of 2021, arising from strong orders received with the resulting advance payments. In the fourth quarter of 2022, orders received from major projects were not as strong, which had a negative impact on cash flow since advance payments received were slightly lower. However, inventory levels declined in the fourth quarter, which was positive for cash flow.

PROFIT/LOSS

Adjusted EBITA amounted to SEK 161.1m (143.9). Adjusted EBITA margin was 10.6 percent (12.5).

Operating profit amounted to SEK 136.8m (126.1), which gave an operating margin of 9.0 percent (11.0).

Profit before tax increased to SEK 120.6m (119.4). Net profit was SEK 90.9m (84.4), which gave earnings per share of SEK 2.59 (2.41).

CAPITAL EXPENDITURE

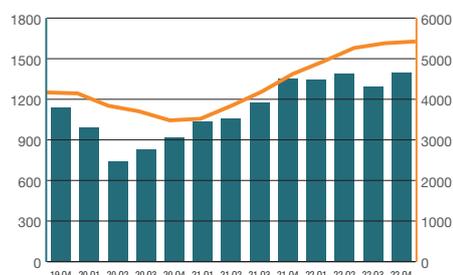
Capital expenditure in intangible and tangible assets amounted to SEK 59.3m (40.3).

ACQUISITION

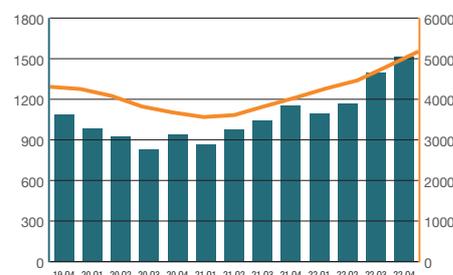
MBEAG

On 3 November 2022, Nederman acquired 100 percent of the shares in the Swiss company MBE AG. The acquisition price amounted to SEK 19.9m, of which SEK 4.4m constituted an earn-out payment, which is expected to be paid 24 months after the date of acquisition. MBE's sales and profitability were not material for the group in 2022. MBE is part of Nederman's Monitoring & Control Technology Division.

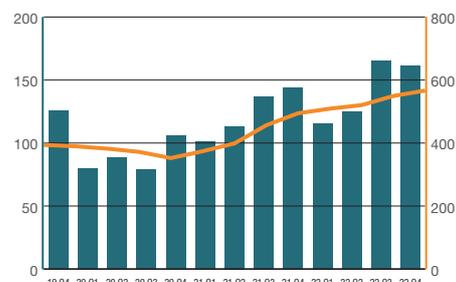
Incoming orders, SEKm



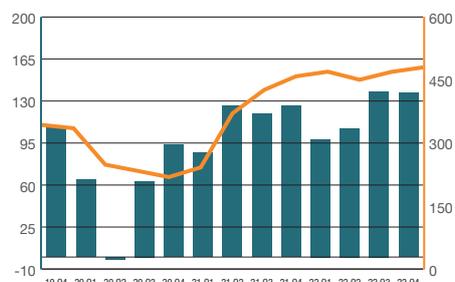
Sales, SEKm



Adjusted EBITA, SEKm



Operating profit, Mkr



Cash flow from operating activities, SEKm



■ Quarter
 ■ Rolling four quarters

January - December 2022

INCOMING ORDERS AND SALES

Incoming orders were SEK 5,425m (4,623), equivalent to currency neutral growth of 9.1 percent compared with the last year.

Sales amounted to SEK 5,179m (4,042), equivalent to currency neutral growth of 18.5 percent compared with the last year.

PROFIT/LOSS

Adjusted EBITA amounted to SEK 566.6m (494.6). Adjusted EBITA margin was 10.9 percent (12.2).

Operating profit amounted to SEK 480.2m (429.9*), which gave an operating margin of 9.3 percent (10.6*).

Profit before tax increased to SEK 438.8m (388.1*). Net profit was SEK 328.7m (279.0*), which gave earnings per share of SEK 9.37 (7.95*).

CASH FLOW

Cash flow from operating activities amounted to SEK 345.7m (519.8) and cash flow for the period amounted to SEK 133.1m (42.1).

Cash flow remains strong but a number of factors had a negative impact in 2022. The foremost reasons for the deterioration in cash flow were lower levels of advance payments in major projects, which were at record levels in 2021 as a result of strong orders received, and higher inventory levels due to increased raw material prices. Other changes significantly impacting cash flow from investing activities were attributable to the acquisition of RoboVent and higher investments in fixed assets. Cash flow from financing activities was mainly attributed to the fact that borrowing increased by SEK 606m.

CAPITAL EXPENDITURE

Capital expenditure in intangible and tangible assets amounted to SEK 170.5m (109.0), of which capitalised development expenses amounted to SEK 53.9m (41.0).

ACQUISITIONS

EZI-Duct

On 28 April 2022, Nederman acquired the business of the Australian company Ezi-Duct Pty Ltd. In conjunction with the acquisition, the company Nordfab Pty Ltd was formed. The acquisition price amounted to SEK 18.0m, of which SEK 4.8m constituted a conditional earn-out payment, which is expected to be paid 12 months after the date of acquisition. Nordfab's sales and profitability were not material for the group in 2022. Nordfab Pty Ltd is part of Nederman's Duct & Filter Technology Division.

RoboVent

On 29 July 2022, Nederman acquired 100 percent of the shares in the North American company RoboVent. The acquisition price amounted to SEK 441.8m. RoboVent has approximately 100 employees and sales of SEK 356m in 2022. RoboVent is part of Nederman's Extraction & Filtration Technology Division.

FINANCIAL POSITION AND FINANCING

At the end of the period the group had SEK 721.2m in cash and cash equivalents as well as SEK 108.4m in available but unutilised overdraft facilities. In addition, there was a credit facility of SEK 562.1m within the framework of Nederman's loan agreement with SEB and SHB. In 2022, borrowing amounted to SEK 606m.

The equity in the group as of 31 December 2022 amounted to SEK 2,186.5m (1,717.4). An ordinary dividend of SEK 3.50 per share was paid to shareholders in the second quarter, amounting in total to SEK 122.8m. The total number of shares outstanding was 35,093,096 at the end of the period.

The equity ratio for the group was 35.2 percent (36.3) as of 31 December 2022. The net debt/equity ratio was 67.6 percent (62.2).

NUMBER OF EMPLOYEES

The average number of employees during the period was 2,288 (2,154). The number of employees at the end of the period was 2,444 (2,246).

PARENT COMPANY

The group's parent company, Nederman Holding AB, doesn't run any operating activities but central head office functions. The parent company owns and manages shares in subsidiaries. The parent company's net sales amounted to SEK 19.4m (26.4) and is related to service charges to subsidiaries. Net profit for the year amounted to SEK 109.8m (210.5). The decrease compared with the previous year is mainly related to lower level of dividend received from subsidiaries.

* The comparative figures is given excluding other operating income of SEK 26.3m, net after tax, which was recognised in the second quarter of 2021 and pertained to a Norwegian defined-benefit pension plan that was of a non-recurring nature. Including other operating income, operating profit amounted to SEK 458.9m, profit before tax to SEK 417.1m, net profit to SEK 305.3m and earnings per share to SEK 8.70.

Key figures, Group

SEKm	1Oct-31Dec		1Jan-31Dec	
	2022	2021	2022	2021
Orders received	1,396.1	1,351.9	5,424.8	4,622.9
Netsales	1,515.2	1,151.5	5,178.9	4,041.8
Adjusted EBITA	161.1	143.9	566.6	494.6
Adjusted EBITA margin	10.6%	12.5%	10.9%	12.2%
Adjusted EBITDA	194.9	173.4	690.4	605.5
Adjusted EBITDA margin	12.9%	15.1%	13.3%	15.0%
Operating profit	136.8	126.1	480.2	458.9
Operating margin	9.0%	11.0%	9.3%	11.4%
Adjusted operating profit	138.0	126.9	488.6	431.2
Adjusted operating margin	9.1%	11.0%	9.4%	10.7%
Profit before tax	120.6	119.4	438.8	417.1
Net profit	90.9	84.4	328.7	305.3
Earnings per share, SEK	2.59	2.41	9.37	8.70
Return on equity	16.9%	20.4%	16.8%	20.2%
Return on operating capital	15.1%	18.2%	15.2%	15.6%
Net debt			1,477.1	1,067.8
Net debt/equity ratio			67.6%	62.2%
Net debt/Adjusted EBITDA, multiple			2.1	1.8
Interest cover ratio, multiple			7.9	9.6

Regions

External order intake, SEKm	1Oct-31Dec		1Jan-31Dec	
	2022	2021	2022	2021
Americas	592.6	363.6	1,960.1	1,359.0
EMEA	599.0	733.5	2,477.5	2,348.3
APAC	204.5	254.8	987.2	915.6
Total Nedermangroup	1,396.1	1,351.9	5,424.8	4,622.9

External netsales, SEKm	1Oct-31Dec		1Jan-31Dec	
	2022	2021	2022	2021
Americas	552.2	332.4	1,781.6	1,219.7
EMEA	667.7	572.4	2,315.6	2,020.2
APAC	295.3	246.7	1,081.7	801.9
Total Nedermangroup	1,515.2	1,151.5	5,178.9	4,041.8



Outlook

Demand and orders received in the fourth quarter were good, although organic growth for the group as a whole slowed further. Our base business and strong digital offering enable us to assert ourselves well in the current market. In parallel, we see that the problems in our supply chain combined with rising inflation are impacting customers' investment decisions and the possibility of conducting business, as well as our own production and ability to deliver. In addition, continued geopolitical uncertainty had a negative effect. However, we remain cautiously optimistic towards the coming quarters in view of, among other things, our strong order backlog.

Although various factors may temporarily contribute to a dampened outlook in our industry, Nederman's long-term potential continues to strengthen. In a world in which insight into the damage that poor air does to people is increasing, Nederman, with its leading industrial air filtration offering, has a key role to play and good possibilities for growth. Technological advances, centering around digitalisation, have led to completely new possibilities to streamline and optimise the air filtration process. Together with political insight and a willingness to set stricter limits and legislation, this creates a basis for a viable future manufacturing industry that contributes to sustainable air quality around the world, benefiting both people and society.

Dividend

The Board of Directors proposes a dividend of SEK 3.75 per share (3.50).

Consolidated statement of profit or loss in summary

SEK million	Note	1 Oct-31 Dec		1 Jan-31 Dec	
		2022	2021	2022	2021
Netsales	3,4	1,515.2	1,151.5	5,178.9	4,041.8
Cost of goods sold		-966.6	-719.5	-3,311.0	-2,518.5
Gross profit		548.6	432.0	1,867.9	1,523.3
Selling expenses		-251.1	-187.3	-877.8	-702.1
Administrative expenses	2	-122.4	-96.7	-429.9	-336.4
Research and development expenses		-20.1	-15.2	-72.5	-57.0
Other operating income/expenses		-18.2	-6.7	-7.5	31.1
Operating profit		136.8	126.1	480.2	458.9
Financial income and expenses	5	-16.2	-6.7	-41.4	-41.8
Profit before tax		120.6	119.4	438.8	417.1
Taxes		-29.7	-35.0	-110.1	-111.8
Net profit		90.9	84.4	328.7	305.3
Net profit attributable to:					
The parent company's shareholders		90.9	84.4	328.7	305.3
Earnings per share		2.59	2.41	9.37	8.70

Consolidated statement of other comprehensive income in summary

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2022	2021	2022	2021
Net profit	90.9	84.4	328.7	305.3
Other comprehensive income				
Items that cannot be reclassified to net profit				
Revaluation of defined-benefit pension plans	1.4	3.5	35.3	19.0
Tax attributable to revaluation of defined-benefit pension plans	-0.2	-0.9	-8.0	-3.8
	1.2	2.6	27.3	15.2
Items that have been or can be reclassified to net profit				
Exchange differences arising on translation of foreign operations	-20.7	43.2	235.9	131.2
	-20.7	43.2	235.9	131.2
Other comprehensive income for the period, net of tax	-19.5	45.8	263.2	146.4
Total comprehensive income for the period	71.4	130.2	591.9	451.7
Total comprehensive income attributable to:				
The parent company's shareholders	71.4	130.2	591.9	451.7

Consolidated statement of financial position in summary

SEK million	Note	31 Dec 2022	31 Dec 2021
Assets			
Goodwill		2,027.5	1,609.2
Other intangible assets		646.8	453.2
Tangible assets		390.1	316.8
Right-of-use assets		186.2	192.3
Long-term receivables		4.2	5.6
Deferred tax assets		104.0	68.5
Total fixed assets		3,358.8	2,645.6
Inventories		890.8	613.1
Accounts receivable	6	814.8	623.0
Other current receivables	6	434.5	305.7
Cash and cash equivalents	6	721.2	541.6
Total current assets		2,861.3	2,083.4
Total assets		6,220.1	4,729.0
Equity			
		2,186.5	1,717.4
Liabilities			
Long-term interest-bearing liabilities	6	1,931.9	1,304.6
Long-term lease liabilities	6	122.0	133.1
Other long-term liabilities	6	28.0	23.6
Pension liabilities		70.5	102.2
Other provisions		28.3	19.2
Deferred tax liabilities		119.0	71.5
Total long-term liabilities		2,299.7	1,654.2
Current lease liabilities	6	73.9	69.5
Accounts payable	6	498.2	411.9
Other current liabilities	6	1,118.7	835.0
Provisions		43.1	41.0
Total current liabilities		1,733.9	1,357.4
Total liabilities		4,033.6	3,011.6
Total equity and liabilities		6,220.1	4,729.0

Consolidated statement of changes in equity in summary

SEK million	31 Dec	31 Dec
	2022	2021
Opening balance at beginning of period	1,717.4	1,300.8
Net profit	328.7	305.3
Other comprehensive income		
Change in translation reserve for the period	235.9	131.2
Revaluation of defined-benefit pension plans, net of tax	27.3	15.2
Total other comprehensive income for the period	263.2	146.4
Total comprehensive income for the period	591.9	451.7
Transactions with group owners		
Dividend paid	-122.8	-35.1
Closing balance at end of period	2,186.5	1,717.4

Consolidated statement of cash flows in summary

SEK million	Note	1 Oct-31 Dec		1 Jan-31 Dec	
		2022	2021	2022	2021
Operating profit		136.8	126.1	480.2	458.9
Adjustment for:					
Depreciation and amortisation of fixed assets		56.9	46.5	201.8	174.3
Other adjustments for non-cash items		-0.4	-4.5	0.7	-42.6
Interest received and paid including other financial items		-11.5	-9.2	-53.1	-40.1
Taxes paid		-20.7	-5.2	-134.9	-76.1
Cash flow from operating activities before changes in working capital		161.1	153.7	494.7	474.4
Cash flow from changes in working capital		-73.3	5.3	-149.0	45.4
Cash flow from operating activities		87.8	159.0	345.7	519.8
Net investment in fixed assets		-56.5	-39.0	-170.0	-107.1
Acquisitions	2	-6.9	-13.8	-445.3	-13.8
Cash flow from investing activities		-63.4	-52.8	-615.3	-120.9
Dividend paid		-	-	-122.8	-35.1
Cash flow from other financing activities		-21.8	-60.3	525.5	-321.7
Cash flow from financing activities		-21.8	-60.3	402.7	-356.8
Cash flow for the period		2.6	45.9	133.1	42.1
Cash and cash equivalents at beginning of period		732.0	481.8	541.6	466.8
Translation differences		-13.4	13.9	46.5	32.7
Cash and cash equivalents at end of period		721.2	541.6	721.2	541.6

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 85 of the 2021 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

ROBOVENT

On 29 July 2022, Nederman acquired 100 percent of the shares in the North American company RoboVent. In the fourth quarter, the acquisition price rose by SEK 1.0m as a result of adjusted carrying amounts of acquired assets and assumed liabilities on the acquisition date. This meant the acquisition price amounted to SEK 441.8m. During the fourth quarter, the acquired value of the deferred tax asset was also adjusted by SEK 14.8m following an assessment of tax losses. The adjustments entailed a reduction in the value of goodwill by SEK 13.8m. The fair value of acquired net assets therefore amounted to SEK 169.8m and the transaction generated goodwill of SEK 272.0m. The acquisition's impact on the group's cash and cash equivalents amounted to SEK 426.2m.

MBEAG

On 3 November 2022, Nederman acquired 100 percent of the shares in the Swiss company MBE AG. The acquisition price amounted to SEK 19.9m, of which SEK 4.4m constituted an earn-out payment, which is expected to be paid 24 months after the date of acquisition. The acquisition was funded by cash and existing bank facilities. Acquired net assets amounted to SEK 12.9m and the transaction generated goodwill of SEK 7.0m. Goodwill is primarily related to strengthened presence in the Swiss market and synergies with division Monitoring & Control Technology. The acquisition's impact on the group's cash and cash equivalents amounted to SEK 5.9m. Acquisition-related expenses amounted to SEK 1.1m and pertained to fees for consultants in conjunction with the transaction, including due diligence and legal fees. Those expenses were charged to administrative expenses in operating profit. MBE's sales and profitability were not material for the group in 2022.

ENERGY SAVE SYSTEM LTD

On 16 November 2021, Nederman acquired 100 percent of the shares in the UK company Energy Save System Ltd. The acquisition 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 acquisition analysis is final.

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.

Order intake - External, SEKm	1 Oct-31 Dec		1 Jan-31 Dec	
	2022	2021	2022	2021
Nederman Extraction & Filtration Technology	591.4	410.8	2,238.4	1,780.9
Nederman Process Technology	437.1	646.3	1,824.6	1,785.5
Nederman Duct & Filter Technology	164.9	128.4	704.4	494.7
Nederman Monitoring & Control Technology	202.7	166.4	657.4	561.8
Total Nederman group	1,396.1	1,351.9	5,424.8	4,622.9

Total sales, SEKm	1 Oct-31 Dec		1 Jan-31 Dec	
	2022	2021	2022	2021
Nederman Extraction & Filtration Technology	636.6	481.6	2,165.4	1,762.9
Nederman Process Technology	514.9	397.5	1,721.9	1,291.5
Nederman Duct & Filter Technology	212.4	137.8	790.8	540.8
Nederman Monitoring & Control Technology	176.8	155.8	605.9	537.3
Elimination	-25.5	-21.2	-105.1	-90.7
Total Nederman group	1,515.2	1,151.5	5,178.9	4,041.8

Adjusted EBITA, SEKm	1 Oct-31 Dec		1 Jan-31 Dec	
	2022	2021	2022	2021
Nederman Extraction & Filtration Technology	92.4	82.1	357.3	308.7
Nederman Process Technology	38.7	23.0	99.9	50.9
Nederman Duct & Filter Technology	34.2	24.4	127.4	104.0
Nederman Monitoring & Control Technology	33.6	41.3	96.6	120.9
Other - non-allocated	-37.8	-26.9	-114.6	-89.9
Total Nederman group	161.1	143.9	566.6	494.6

Adjusted EBITA margin	1 Oct-31 Dec		1 Jan-31 Dec	
	2022	2021	2022	2021
Nederman Extraction & Filtration Technology	14.5%	17.0%	16.5%	17.5%
Nederman Process Technology	7.5%	5.8%	5.8%	3.9%
Nederman Duct & Filter Technology	16.1%	17.7%	16.1%	19.2%
Nederman Monitoring & Control Technology	19.0%	26.5%	15.9%	22.5%
Total Nederman group	10.6%	12.5%	10.9%	12.2%

Note 4: Allocation of sales

Totalsalesbysegmentandsalestype,SEKm				10Oct-31Dec2022
	Productsales	Solutionsales	Serviceand aftermarket	Total
NedermanExtraction&FiltrationTechnology	220.7	282.2	133.7	636.6
NedermanProcessTechnology	-	402.1	112.8	514.9
NedermanDuct&FilterTechnology	190.9	18.0	3.5	212.4
NedermanMonitoring&ControlTechnology	148.4	9.0	19.4	176.8
Elimination	-7.5	-11.6	-6.4	-25.5
TotalNedermangroup	552.5	699.7	263.0	1,515.2

Totalsalesbysegmentandsalestype,SEKm				10Oct-31Dec2021
	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

Totalsalesbysegmentandsalestype,SEKm				1Jan-31Dec2022
	Productsales	Solutionsales	Serviceand aftermarket	Total
NedermanExtraction&FiltrationTechnology	826.5	918.9	420.0	2,165.4
NedermanProcessTechnology	-	1,282.6	439.3	1,721.9
NedermanDuct&FilterTechnology	722.1	53.9	14.8	790.8
NedermanMonitoring&ControlTechnology	512.2	19.5	74.2	605.9
Elimination	-36.7	-46.6	-21.8	-105.1
TotalNedermangroup	2,024.1	2,228.3	926.5	5,178.9

Totalsalesbysegmentandsalestype,SEKm				1Jan-31Dec2021
	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

Revenue recognition - Performance obligations

Products	Sales are satisfied at the point in time.
Solution sales	Performance obligations are satisfied over time. Revenue is recognised according to the project's rate of progression towards completion.
Service and aftermarket	Sales are satisfied at the point in time.

Note 5: Financial reporting in hyperinflationary economies

The Nederman group has subsidiaries in Turkey where the functional currency is Turkish Lira, which since the second quarter of 2022 is classified as a hyperinflationary currency. This means that assets and liabilities, including goodwill and other consolidated surplus values and deficits, in Turkish Lira must be adjusted for inflation in order to reflect changes in purchasing power. Inflation and its effect on the group is monitored and assessed continually.

Pursuant to IAS 29, Nederman's subsidiary in Turkey was recognised after remeasurement for hyperinflation in the Group's financial statements. Assets and liabilities in Turkish Lira are based on cost. The index used for remeasurement of the financial statements is the consumer price index (CPI), which increased by 64 percent during the year. At the balance sheet date, the SEK-TRY exchange rate was 0.56.

Monetary net profit was recognised in net financial items in the consolidated income statement and amounted to SEK 0.2m for full year 2022.

Note 6: 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 December 2022 Total carrying amount
Accounts receivable	-	-	814.8	814.8
Other current receivables	-	-	228.0	228.0
Cash and cash equivalents	-	-	721.2	721.2
Total	-	-	1,764.0	1,764.0
Leasing liabilities	-	-	195.9	195.9
Bank loans	-	-	1,931.9	1,931.9
Accounts payable	-	-	498.2	498.2
Other long-term liabilities	-	-	28.0	28.0
Other current liabilities	-	-	975.6	975.6
Total	-	-	3,629.6	3,629.6

Note 7: 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 8: 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 margin	Return on operating capital
Adjusted operating margin	Equity/asset ratio	Net debt/Adjusted EBITDA
Adjusted EBITA	Net debt	Interest Cover Ratio
Adjusted EBITA margin	Net debt/equity ratio	Order growth
EBITDA	Return on equity	Sales growth
Adjusted EBITDA		

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2022	2021	2022	2021
Operating profit	136.8	126.1	480.2	458.9
Acquisition cost	1.2	0.8	8.4	1.3
Discontinuation of defined-benefit pension plan	-	-	-	-29.0
Adjusted operating profit	138.0	126.9	488.6	431.2
Adjusted operating profit	138.0	126.9	488.6	431.2
Net sales	1,515.2	1,151.5	5,178.9	4,041.8
Adjusted operating margin	9.1%	11.0%	9.4%	10.7%
Operating profit	136.8	126.1	480.2	458.9
Amortisation intangible assets	23.1	17.0	78.0	63.4
Acquisition cost	1.2	0.8	8.4	1.3
Discontinuation of defined-benefit pension plan	-	-	-	-29.0
Adjusted EBITA	161.1	143.9	566.6	494.6
Adjusted EBITA	161.1	143.9	566.6	494.6
Net sales	1,515.2	1,151.5	5,178.9	4,041.8
Adjusted EBITA margin	10.6%	12.5%	10.9%	12.2%
Operating profit	136.8	126.1	480.2	458.9
Depreciation and amortisation	56.9	46.5	201.8	174.3
EBITDA	193.7	172.6	682.0	633.2
EBITDA	193.7	172.6	682.0	633.2
Acquisition cost	1.2	0.8	8.4	1.3
Discontinuation of defined-benefit pension plan	-	-	-	-29.0
Adjusted EBITDA	194.9	173.4	690.4	605.5
Adjusted EBITDA	194.9	173.4	690.4	605.5
Net sales	1,515.2	1,151.5	5,178.9	4,041.8
Adjusted EBITDA margin	12.9%	15.1%	13.3%	15.0%

Note 8: Alternative performance measures, cont'd

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2022	2021	2022	2021
Equity - Closing balance			2,186.5	1,717.4
Total assets (balance sheet total)			6,220.1	4,729.0
Equity/asset ratio			35.2%	36.3%
Cash and cash equivalents			721.2	541.6
Long-term interest-bearing liabilities			1,931.9	1,304.6
Long-term lease liabilities			122.0	133.1
Pension liabilities			70.5	102.2
Current lease liabilities			73.9	69.5
Net debt			1,477.1	1,067.8
Net debt			1,477.1	1,067.8
Equity - Closing balance			2,186.5	1,717.4
Net debt/equity ratio			67.6%	62.2%
Equity - Opening balance	2,115.1	1,587.2	1,717.4	1,300.8
Equity - Closing balance	2,186.5	1,717.4	2,186.5	1,717.4
Equity - average	2,150.8	1,652.3	1,952.0	1,509.1
Net profit	90.9	84.4	328.7	305.3
Return on equity	16.9%	20.4%	16.8%	20.2%
Equity - average	2,150.8	1,652.3	1,952.0	1,509.1
Net Debt - opening balance	1,516.2	1,193.0	1,067.8	1,450.5
Net Debt - closing balance	1,477.1	1,067.8	1,477.1	1,067.8
Net Debt - average	1,496.7	1,130.4	1,272.5	1,259.2
Operating capital - average	3,647.5	2,782.7	3,224.5	2,768.3
Adjusted operating profit	138.0	126.9	488.6	431.2
Return on operating capital	15.1%	18.2%	15.2%	15.6%
Net debt			1,477.1	1,067.8
Adjusted EBITDA			690.4	605.5
Net debt/Adjusted EBITDA, multiple			2.1	1.8
Profit before tax			438.8	417.1
Financial expense			64.4	45.2
Acquisition cost			8.4	1.3
Discontinuation of defined-benefit pension plan			-	-29.0
EBT excluding financial expenses, acquisition costs and discontinuation of defined-benefit pension plan			511.6	434.6
Financial expense			64.4	45.2
Interest cover ratio, multiple			7.9	9.6

Note 8: Alternative performance measures, cont'd

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2022	2021	2022	2021
Incoming orders, same period in previous year	1,351.9	918.3	4,622.9	3,480.2
Change in incoming orders, organic	-200.9	438.3	218.2	1,352.8
Change in incoming orders, currency effects	134.6	-5.8	382.9	-211.2
Change in incoming orders, acquisitions	110.5	1.1	200.8	1.1
Incoming orders	1,396.1	1,351.9	5,424.8	4,622.9
Order growth, organic	-14.9%	47.7%	4.8%	38.9%
Order growth, currency effects	10.0%	-0.6%	8.2%	-6.1%
Order growth, acquisitions	8.2%	0.1%	4.3%	0.0%
Order growth	3.3%	47.2%	17.3%	32.8%
Net sales, comparative period previous year	1,151.5	940.1	4,041.8	3,674.8
Change in net sales, organic	128.2	212.1	555.0	547.5
Change in net sales, currency effects	128.3	-1.7	388.2	-181.5
Change in net sales, acquisitions	107.2	1.0	193.9	1.0
Netsales	1,515.2	1,151.5	5,178.9	4,041.8
Sales growth, organic	11.1%	22.6%	13.7%	14.9%
Sales growth, currency effects	11.2%	-0.2%	9.6%	-4.9%
Sales growth, acquisitions	9.3%	0.1%	4.8%	0.0%
Sales growth	31.6%	22.5%	28.1%	10.0%

Note 9: 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 70-71 and in note 3 of the Nederman group's 2021 Annual and Sustainability Report. No material risks are deemed to have arisen other than those described in Nederman's annual report 2021, except for the possible consequences of Russia's invasion of Ukraine. Risks that the Nederman Group is exposed to are also described in Outlook on page 11.

Note 10: Events after the end of the reporting period

No significant events occurred after the balance sheet date.

Income statement for the parent company in summary

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2022	2021	2022	2021
Netsales	-3.5	7.6	19.4	26.4
Administrative expenses	-47.9	-40.4	-162.3	-140.7
Research and development expenses	-0.1	-0.3	-0.1	-0.4
Other operating revenue and expenses	-1.1	-1.0	3.9	-0.3
Operating profit/loss	-52.6	-34.1	-139.1	-115.0
Result from investment in subsidiaries	-	29.6	129.3	212.8
Other financial items	-5.5	-6.1	-10.9	-13.1
Profit/loss after financial items	-58.1	-10.6	-20.7	84.7
Appropriations	131.1	127.5	131.1	127.5
Profit/loss before tax	73.0	116.9	110.4	212.2
Taxes	2.8	-4.0	-0.6	-1.7
Net profit/loss for the period	75.8	112.9	109.8	210.5

Other comprehensive income for the parent company in summary

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2022	2021	2022	2021
Net profit/loss	75.8	112.9	109.8	210.5
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	75.8	112.9	109.8	210.5

Balance sheet for the parent company in summary

SEK million	31 Dec 2022	31 Dec 2021
Assets		
Total fixed assets	2,326.6	2,314.5
Total current assets	240.1	248.3
Total assets	2,566.7	2,562.8
Shareholders' Equity	1,022.8	1,035.8
Liabilities		
Total long-term liabilities	1,104.5	1,122.0
Total current liabilities	439.4	405.0
Total liabilities	1,543.9	1,527.0
Total equity and liabilities	2,566.7	2,562.8

Changes in parent company shareholders' equity in summary

SEK million	31 Dec 2022	31 Dec 2021
Opening balance at beginning of period	1,035.8	860.4
Net profit/loss	109.8	210.5
Other comprehensive income		
Total other comprehensive income for the period	-	-
Total comprehensive income for the period	109.8	210.5
Transactions with owners		
Dividend paid	-122.8	-35.1
Closing balance at end of period	1,022.8	1,035.8

Note 1: Pledged assets and contingent liabilities for the parent company

SEK million	31 Dec 2022	31 Dec 2021
Pledged assets	none	none
Contingent liabilities	352.6	366.7

Helsingborg 16 February 2023

Johan Menckel
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

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, Thursday 16 February 2023 at 10.00. Nederman's President and CEO, Sven Kristensson and CFO, Matthew Cusick will present the report and answer questions

Teleconference

Please register on the link below if you wish to participate via teleconference. After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference.

<https://conference.financialhearings.com/teleconference/?id=5007405>

Webcast

If you wish to participate via webcast please use the link below.

<https://ir.financialhearings.com/nederman-q4-2022>

FINANCIAL CALENDAR

- Annual report 2022 17 March 2023
- Interim report 1 24 April 2023
- Annual General Meeting 24 April 2023
- Interim report 2 14 July 2023
- Interim report 3 23 October 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 16 February 2023 kl 08.00.

FURTHER INFORMATION CAN BE OBTAINED FROM

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Nederman's YouTube channel



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A global technology company

Nederman is a world-leading environmental technology company that develops products and systems for advanced air filtration. Our products and solutions protect people, planet and production from the harmful effects of industrial processes. Our offering comprises individual products, complete future-proof IIoT solutions, project design, installation, commissioning and service.

Our head office is located in Helsingborg and we currently have about 2,400 employees, with manufacturing in 13 countries and sales in more than 50 markets through our own sales organisation, agents or resellers.

COMPETITIVE PRODUCTS

All of Nederman's products are designed to promote health and safety, enhance production efficiency and minimise the customers' environmental impact. We lead the development of digital products and solutions that future-proof our customers' operations in terms of 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.

MARKET-LEADING POSITIONS

Since the start, 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. The brand portfolio is continuously evaluated, while we simultaneously actively analyse potential acquisitions.