

The Nederman logo is displayed in a white, rounded rectangular box in the top right corner. The word "Nederman" is written in a bold, blue, sans-serif font.

Nederman

A close-up photograph of several dandelion seeds floating in the air against a warm, golden-orange background, likely a sunset or sunrise.

Nederman Interim report Q1 2022

CEO – Sven Kristensson
CFO – Matthew Cusick



Nederman Group, Q1 2022

A record-strong first quarter:

- Strong operating profit of 98mSEK, the **highest ever profit** for a first quarter
- The high level of activity in our markets continues
- **Strong order intake growth** in all four divisions versus quarter 1 of 2021
- Extended, and sustainability linked refinancing agreements signed during the quarter

Some continued concerns:

- Geopolitical concerns have clearly materialised
 - Russian operations are paused: <1% of group turnover
- Component availability
- Material and component prices
- Transport difficulties
- Tangible **supply chain problems** have impacted sales negatively
- Covid lockdowns in China



Sustainability-Linked Credit Facility

- Nederman has signed agreements extending our credit facilities whilst directly connecting them to the company's ongoing sustainability activities.

Nederman's extended debt financing:

- Debt capacity increased to a combined 2.5bn SEK
- Increases financial flexibility
- Now in the form of a sustainability-linked credit facilities with Handelsbanken, SEB and Svensk Exportkredit
 - Interest discounts/penalties dependent on achievement of sustainability targets
 - Targets include energy intensity and CO2 emissions from our own production



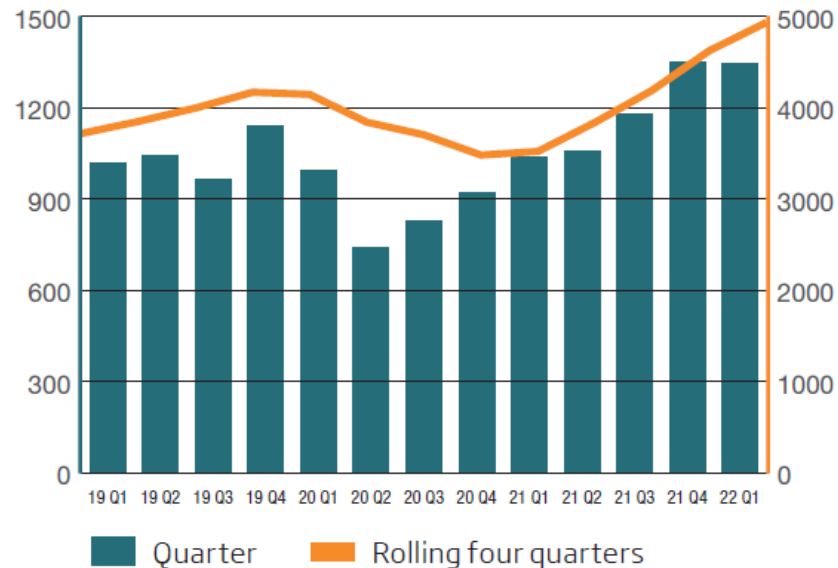
Nederman Group: Orders & Sales

Quarter 1 :

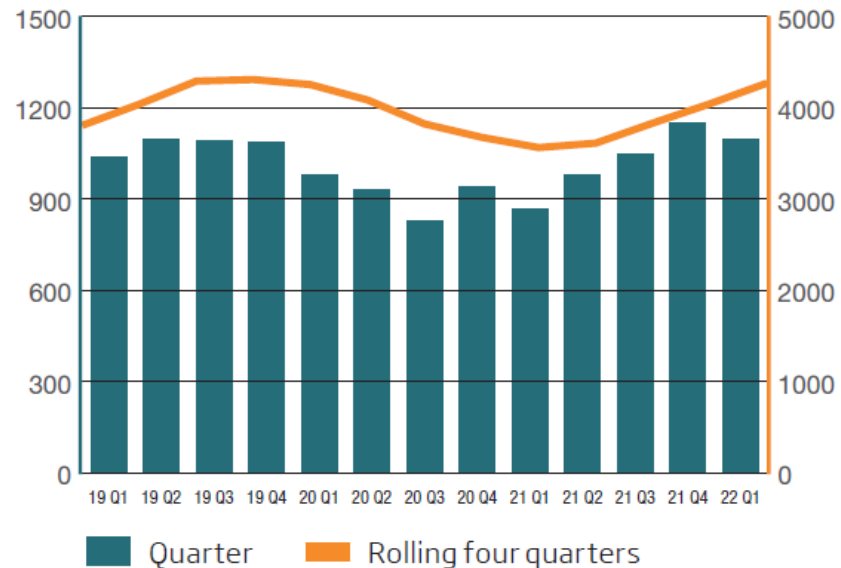
Good order intake and order backlog continues to build

- Incoming orders were 1,345m SEK (1,035m)
 - Currency-neutral: +23% v Q1 2021
- Sales were 1,094m SEK (868m)
 - Currency-neutral: +19% v Q1 2021

Incoming orders, SEKm



Sales, SEKm



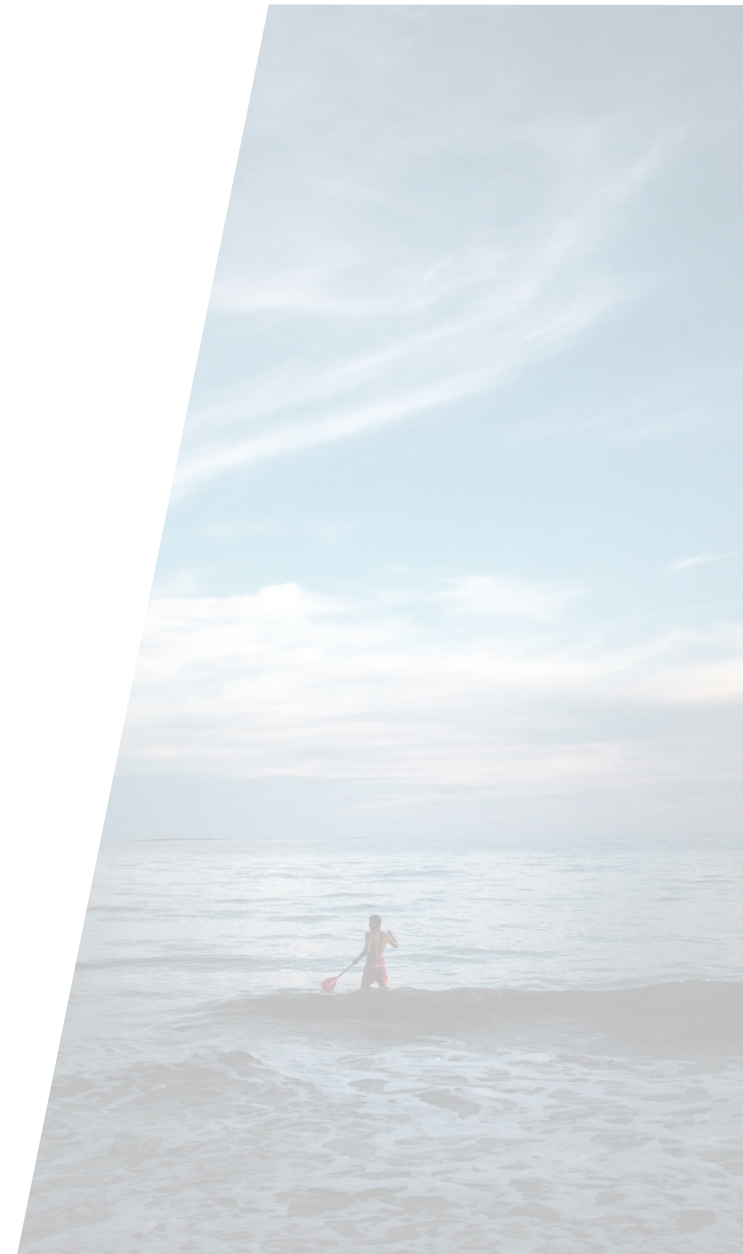
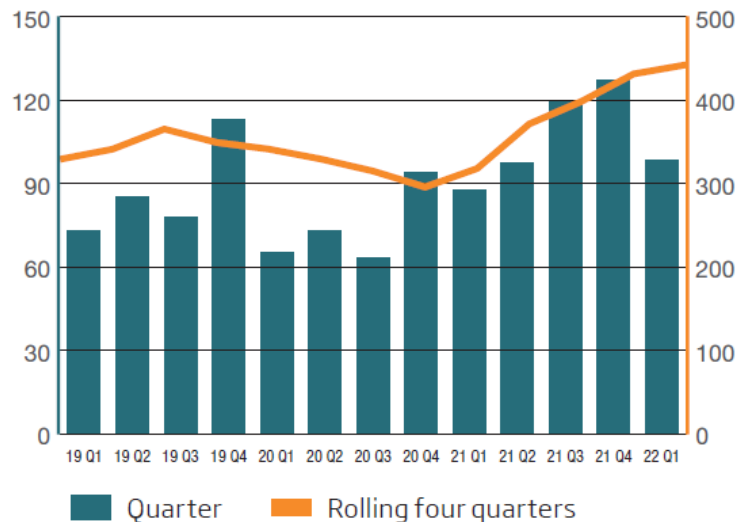
Nederman Group: Profitability

Quarter 1:

Record profitability for a first quarter:

- Adjusted operating profit was 98m SEK (87m)
- Adjusted operating margin was 9.0% (10.1%)
- Profit after tax was 71m SEK (57m)
- Earnings per share was 2.01kr (1.63)

Adjusted operating profit, SEKm



Nederman Group: Cash Flow & Net Debt

Weaker cash flow typical for the first quarter of the year:

Cash flow from operations:

Weaker cash flow typical for the first quarter of the year

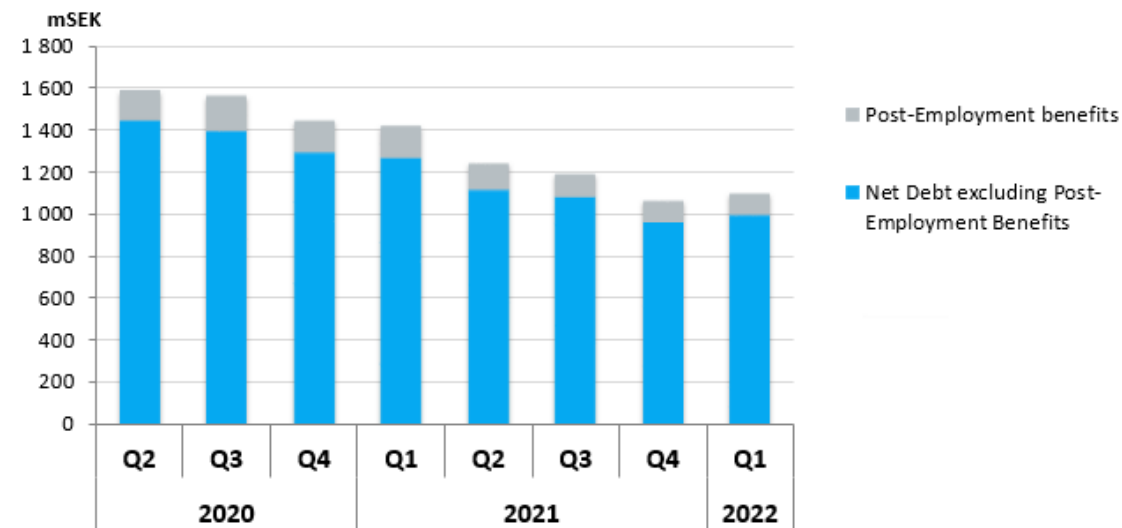
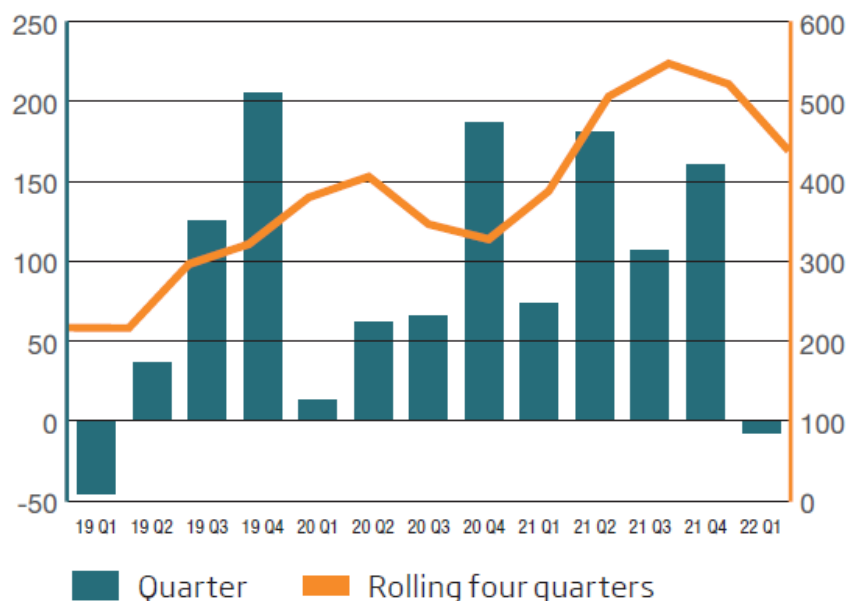
Q1 2022: -8m SEK (+74m)

Net Debt:

31 March 2021: 1,423m SEK

31 March 2022: 1,105m SEK

Cash flow from operating activities, SEKm



Extraction & Filtration Technology, Q1 2022

Nederman

Development during the quarter

- Solid order intake growth following the weaker Q4 2021
- Strong trend during in all sales channels, and most markets
- 5 larger solutions orders were registered (1 in Q1 2021)
- Service and aftermarket sales increased

In EMEA:

- Growth in essentially all markets- several with double-digit sales growth
- 4 larger orders booked:
 - Battery manufacturing in Spain,
 - Metal extraction in the UK
 - Wind turbines blades in Denmark
 - Window manufacturing in Poland
- Automotive industry saw continued problems with semi-conductors

In Americas:

- Strong order growth during the quarter, USA the primary driver
- Sales grew in all areas
- Service and aftermarket sales grew by more than 20%.

In APAC:

- A challenging first quarter, with an overall decline in orders received
- Chinese lockdowns continue to impact negatively.
- Service and aftermarket grew well

Key activities

- The Clean Air World Tour - a digital event on the most recent trends in air filtering and industrial processes - was rolled out in the Nordic markets.
- Material costs continued to increase, which the division has worked to handle
- Freight problems continued to affect the supply chain.
 - Challenges in obtaining components in time
 - Leading to additional work to meet customer needs.

SEKm	Note	1 Jan-31 Mar		Currency-neutral growth	Organic growth	Full year 2021	Apr-Mar 12 months
		2022	2021				
Incoming orders - External		512.7	430.9	13.6%	13.6%	1,780.9	1,862.7
Total sales	3	466.7	395.9	12.1%	12.1%	1,762.9	1,833.7
Adjusted EBITA		81.1	64.6			308.7	325.2
Adjusted EBITA margin		17.4%	16.3%			17.5%	17.7%

Process Technology, Q1 2022

Development during the quarter

- Continued strong order intake growth
- Improved sales
- Order backlog has more than doubled in past 12 months
- Strong working capital position remains

In Textile & Fibre:

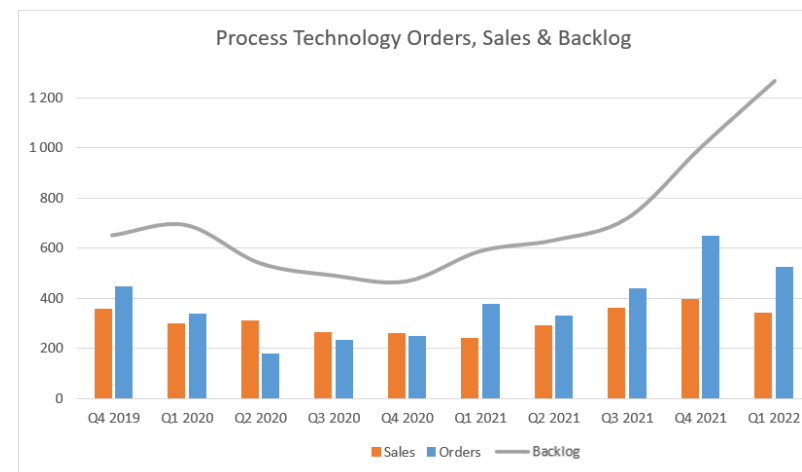
- Continued strong performance
- Orders received were strong in all markets except China where covid-lockdowns continue to impact negatively
- Three major orders booked with a combined value of more than 80m SEK
- Development in India is particularly strong: orders received +54m SEK vs Q1 2021

In Foundry & Smelter:

- Rising demand for our solutions in the European recycling industry
- Several more, large orders were received

In Customised Solutions:

- Several medium-sized orders booked
- Continued strong quotation pipeline
- Complex projects and long time horizons presenting challenges managing volatile raw material prices and supply chain disruptions



Key activities

- First subscription contract was signed - customer pays a monthly fee for Nederman to perform regular service and monitoring
- Investment approval for a new painting line and sandblasting capacity at the plant in Friesenheim, Germany
- Managing challenges in the supply and logistics chain
- The service business continued to grow, but needs to expand further to strengthen the division's profitability

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SEKm	Note	1 Jan-31 Mar 2022	1 Jan-31 Mar 2021	Currency-neutral growth	Organic growth	Full year 2021	Apr-Mar 12 months
Incoming orders - External		522.4	375.1	32.5%	32.5%	1,785.5	1,932.8
Total sales	3	342.6	242.3	33.6%	33.6%	1,291.5	1,391.8
Adjusted EBITA		10.5	6.8			50.9	54.6
Adjusted EBITA margin		3.1%	2.8%			3.9%	3.9%

Monitoring & Control Technology, Q1 2022

Development in the quarter

- Good order intake growth versus Q1 2021
- Manufacturing and therefore sales were impacted negatively by component availability problems

In EMEA:

- Orders received grew strongly versus 2021.
- Covid cases in our production plus component challenges impacted manufacturing and delivery of products - Production has now returned to normal levels
- Gasmot had strong order intake, including a significant order from a German power company

In APAC:

- The strong trend in orders received continued for Gasmot and Neo Monitors
- Gasmot, secured a significant emissions monitoring order
- Sales were “only” in line with Q1 2021 due to our production challenges in Europe
- New covid-19-related lockdowns in China are not positive

In Americas:

- Orders received and sales increased compared with Q1 2021
- A clearly growing level of activity among customers in the region

Key activities

- Management of:
 - Freight problems that present challenges in obtaining components in a timely manner
 - Availability and the cost increases for components.
- The integration of the UK company Energy Save System, acquired in Q4 2021, is proceeding according to plan
 - Orders received during the first quarter exceeded expectations

SEKm	Note	1Jan-31Mar		Currency-neutral growth	Organic growth	Full year 2021	Apr-Mar 12 months
		2022	2021				
Incoming orders - External		144.5	118.7	13.0%	11.2%	561.8	587.6
Total sales	3	132.4	122.0	0.9%	-0.1%	537.3	547.7
Adjusted EBITA		17.5	21.4			120.9	117.0
Adjusted EBITA margin		13.2%	17.5%			22.5%	21.4%

Duct & Filter Technology, Q1 2022

Development in the quarter

- Strong orders received for both duct and filter elements
- Order backlog is at its highest level ever.
- A continued large share of sales of filters has impacted margins negatively while profits in SEK have continued to grow

In Nordfab:

- Strong growth compared with Q1 2021
- US growth is largely driven by price increases, while volumes remain relatively unchanged
- Cost levels continue to increase as a result of high inflation in the US
- One significant order was secured for a new battery facility in Ohio
- In Europe, orders received grew strongly compared with both Q1 2021 and Q4 2021
- Cooperation between the division's units in Denmark and the UK has been stepped up
- Thailand also saw good growth in ducting orders received

In Menardi:

- Orders received grew very strongly in the US and in Europe
- Order backlog remains at record-high levels

Key activities

- The decision was made to expand the production and storage capacity in Thomasville, in the US. This will contribute to a reduction in delivery times and even more efficient production.
- The division's new, easy-to-use interactive 3D tool, QFV, which was successfully launched in Americas last year, will be launched in Europe during the second quarter of 2022.
- Proactive work in monitoring and adapting prices to meet and manage volatile material costs continues

SEKm	Note	1 Jan-31 Mar		Currency-neutral growth	Organic growth	Full year 2021	Apr-Mar 12 months
		2022	2021				
Incoming orders - External		165.2	110.5	36.2%	36.2%	494.7	549.4
Total sales	3	176.0	128.1	25.1%	25.1%	540.8	588.7
Adjusted EBITA		32.2	25.9			104.0	110.3
Adjusted EBITA margin		18.3%	20.2%			19.2%	18.7%

Summary

A record-strong first quarter:

- Strong order intake growth in all four divisions
- Various supply chain problems have impacted sales negatively
- Highest ever profit for a first quarter
- Sustainability linked financing secured

Some continued concerns:

- Geopolitical concerns have clearly materialised
- Component availability and material and component prices
- Transport difficulties
- Chinese lockdowns



Outlook

Our base business and a strong digital offering is benefitting us in the current market. We now see that demand for larger and mid-size projects has been gaining momentum.

We see however, an increasing risk that the problems in our supply chain and the high prices of materials and logistics will impact both customers' investment decisions, and our own production and ability to deliver. Geopolitical volatility has also clearly increased further.

Despite this increased volatility and uncertainty, we are cautiously optimistic about coming quarters due not least our strong order backlog.

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 range within industrial air filtration, has a key role to play and nearly unlimited possibilities for growth.
- What is needed and missing is even more political will throughout the world, to use regulations and incentives to reduce the risk that millions of people need to die prematurely each year from breathing in dirty and hazardous air.



Financial Calendar

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

A woman with long, dark hair is seen from behind, looking out over a vast ocean at sunset. The sky is a mix of orange, yellow, and blue, with the sun low on the horizon. The woman's hair is slightly blowing in the wind. The overall mood is serene and contemplative.

Nederman

We shape the future for clean air

We protect people, planet and production
from harmful effects of industrial processes