

A close-up photograph of dandelion seeds floating in the air against a warm, golden-brown background, likely from a sunset or sunrise. The seeds are in various stages of being blown away, with some still attached to their heads and others as small, fluffy parachutes.

# Nederman Interim Report Q2 2021

CEO – Sven Kristensson  
CFO – Matthew Cusick



# Nederman Group, Q2 2021

- Continued recovery in many markets
  - Certain countries excepted
- Currency neutral Order intake 10% higher than 2019 levels
- Strong profitability
- Very good cash flow
- Increased demand for digital solutions and digital tools
- Continued concerns over Raw material price increases and transport difficulties



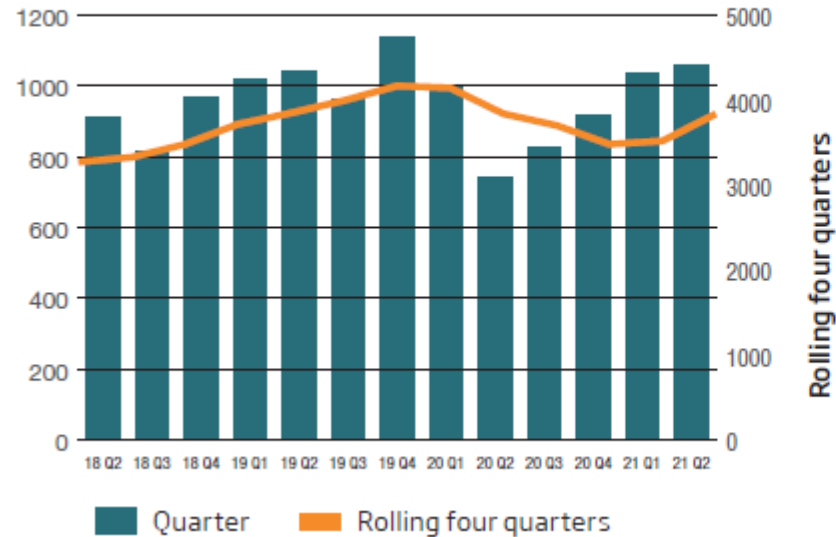
# Nederman Group: Orders & Sales

**Nederman**

## Quarter 2:

- Incoming orders were 1,058m SEK (740m)
  - Currency-neutral growth was 54% versus Q2 2020
  - Currency-neutral growth was 10% versus Q2 2019
- Sales were 977m SEK (928m)
  - Currency-neutral growth was 14% versus Q2 2020
  - Currency-neutral growth was -3% versus Q2 2019

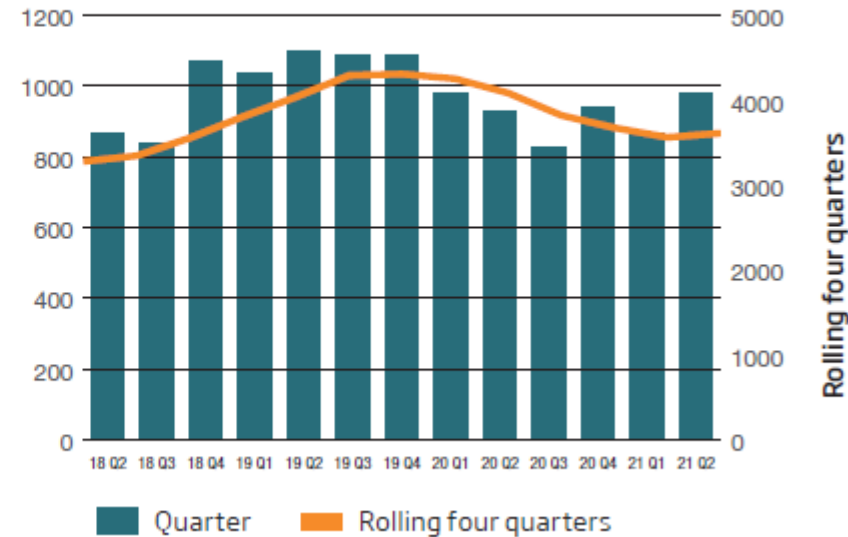
**Incoming orders, SEKm**



## January - June:

- Incoming orders were 2,093m SEK (1,735m)
  - Currency-neutral growth was 31% versus Q2 2020
  - Currency-neutral growth was 10% versus Q2 2019
- Sales were 1,845m SEK (1,909m)
  - Currency-neutral growth was 5% versus Q2 2020
  - Currency-neutral growth was -6% versus Q2 2019

**Sales, SEKm**





# Nederman Group: Profitability & cash flow

**Nederman**

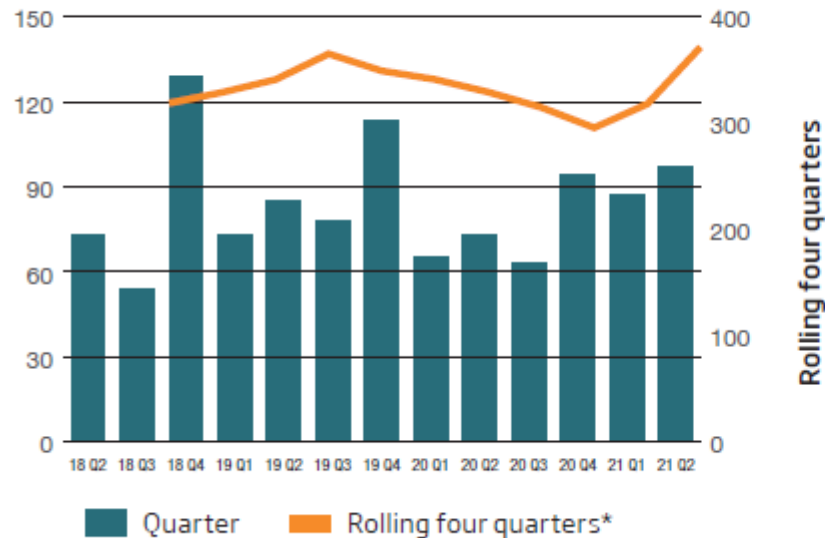
## Quarter 2:

- Adjusted operating profit was 97m SEK(73m)
- Adjusted operating margin was 10% (7.9%)
- Profit after tax was 83m SEK (-10m)
- Earnings per share was 2.36 (-0.30)
- Cash flow from operations was 181m SEK (62m)

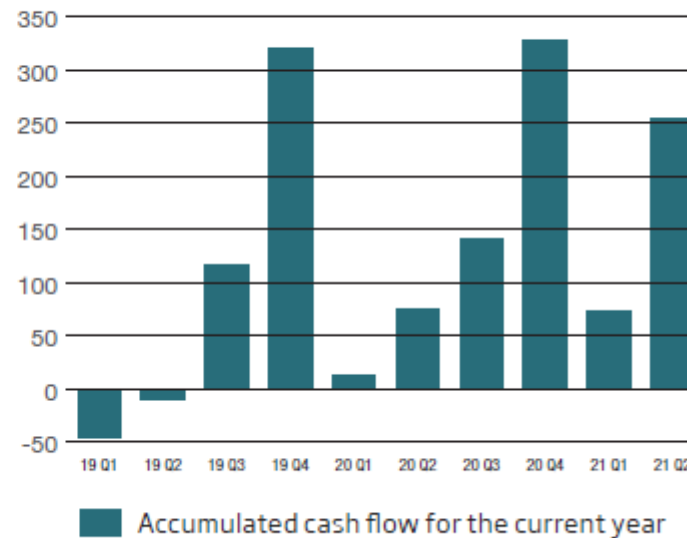
## January - June:

- Adjusted operating profit was 185m SEK(138m)
- Adjusted operating margin was 10% (7.2%)
- Profit after tax was 140m SEK (24m)
- Earnings per share was 3.99 (0.68)
- Cash flow from operations was 254m SEK (75m)

Adjusted operating profit, SEKm



Cash flow from operating activities, SEKm



# Extraction & Filtration Technology, Q2 2021

**Nederman**

## Development during the quarter

- Growth in orders received and sales in all regions
- Sale of Smart Filters continued to increase
- Increasing factory utilisation rates
- Very strong profitability

### In EMEA:

- Generally a clear and rapid recovery
- Strong growth in product sales including via partner and distributor network
- Continued positive development of the service business
- One major wind power order in **Denmark**

### In Americas:

- Solid growth in all markets
- One major **US** order from the rescue services segment
- Several medium-sized orders in **Canada** and the **US**, primarily in the wood industry.
- Service business was strong in the **US** and **Mexico**

### In APAC:

- Several markets affected by new restrictions including **India** and **Thailand**
- Overall healthy growth in the region with **Australia** particularly strong

## Key activities

- Successful product launches in rescue services segment in North America
- Digital product development continued - further launches of digital filters is central to retaining strong market positions
- Material prices are increasing - customer prices have been adjusted - some risk for margin decline remains
- ISO 9001 and ISO 14001 audit was approved without comment

SEKm	Note	1Apr-30June 2021	1Apr-30June 2020	Currency- neutral growth	Organic growth	1Jan-30June 2021	1Jan-30June 2020	Currency- neutral growth	Organic growth	Fullyear 2020	July-June 12 months
Incoming orders - External		475.2	353.5	42.0%	42.0%	906.1	779.4	24.2%	24.2%	1,589.2	1,715.9
Total sales	3	444.1	393.1	19.8%	19.8%	840.0	855.3	5.4%	5.4%	1,648.8	1,633.5
Adjusted EBITA		80.5	42.6			145.1	107.4			221.7	259.4
Adjusted EBITA margin		18.1%	10.8%			17.3%	12.6%			13.4%	15.9%

# Process Technology, Q2 2021

**Nederman**

## Development during the quarter

- Strong order intake growth (+101%) versus weak Q2 2020
- Order backlog now 170m SEK higher than year-end 2020
- Very good working capital development
- Increased sales of digital solutions and related service
- Reduced margin - lower sales volumes - lower margin projects in quarter
- Project execution delays - covid restrictions and freight issues

### In Textile & Fibre

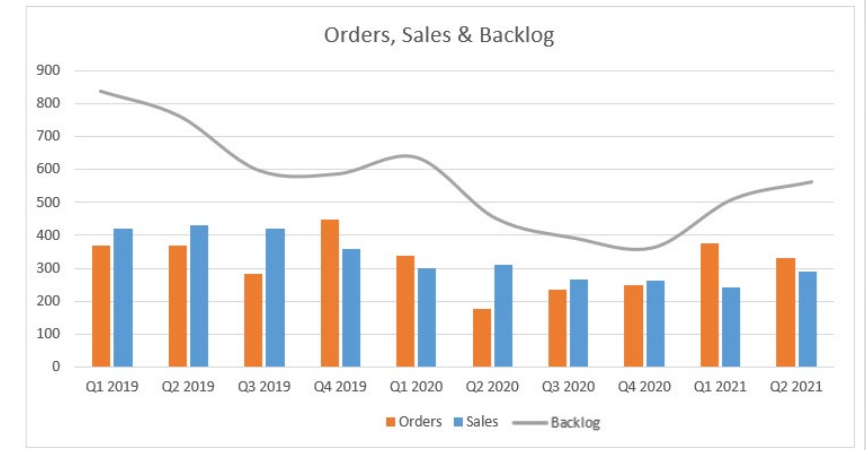
- Continued recovery
- Roughly 50% of division's order intake year to date
- China strongly but with considerable local price competition
- Lockdowns in India and Turkey disturbed project execution but order intake continued

### In Foundry & Smelter

- Increased demand for aluminum and aluminum recycling = growing quotation pipeline in Europe.
- One large order booked - ten-year service contract with digital monitoring of connected systems

## Key activities

- Rapidly growing share of systems sold are Insight ready
  - Majority of these then result in service agreements
- Supply and logistics chain in focus - Rising prices for material and transport
  - Dialogue with customers to mitigate the impact
  - Review of the entire order book conducted



SEKm	Note	1Apr-30June 2021	2020	Currency- neutral growth	Organic growth	1Jan-30June 2021	2020	Currency- neutral growth	Organic growth	Fullyear 2020	July-June 12 months
Incoming orders - External		328.2	176.4	101.2%	101.2%	703.3	511.6	51.5%	51.5%	992.7	1,184.4
Total sales	3	290.3	309.0	3.2%	3.2%	532.6	608.7	-3.5%	-3.5%	1,136.8	1,060.7
Adjusted EBITA		1.6	25.6			8.4	34.9			58.1	31.6
Adjusted EBITA margin		0.6%	8.3%			1.6%	5.7%			5.1%	3.0%

# Monitoring & Control Technology, Q2 2021

**Nederman**

## Development in the quarter

- Strong order intake growth
- Good sales in quarter
- Very good profitability

## In EMEA

- Orders received increased versus Q1 2021
- Orders and sales both lower versus a strong Q2 2020 - covid impact was less significant in M&CT
- Negative impact from covid restrictions - mainly in process control
- Emissions-related business grew

## In APAC

- Orders and sales both higher than Q1 2021 and Q2 2020
- China is driving growth - positive impact for the entire region

## In Americas

- Strong order intake
- Sales increased versus Q1 2021 and in line with Q2 2020
- Market now almost unaffected by the pandemic

## Key activities

- First digital demonstration room launched
  - Improved digital customer meetings
  - Digital training of service technicians and resellers
- Completed Insight integration for LBR filters - sold by E&FT division - increases sales of connected filters
- 2 products launches for emissions monitoring: T-flange and LaserInspect

SEKm	Note	1Apr-30June		Currency-neutral growth	Organic growth	1Jan-30June		Currency-neutral growth	Organic growth	Fullyear 2020	July-June 12months
2021	2020					2021	2020				
Incoming orders - External		140.4	117.7	25.8%	25.8%	259.1	234.3	18.3%	18.3%	495.7	520.5
Totalsales	3	136.4	131.1	10.4%	10.4%	258.4	239.5	15.7%	15.7%	506.9	525.8
Adjusted EBITA		32.0	27.5			53.4	38.1			94.6	109.9
Adjusted EBITA margin		23.5%	21.0%			20.7%	15.9%			18.7%	20.9%





# Duct & Filter Technology, Q2 2021

**Nederman**

## Development in the quarter

- Continued recovery in most markets
- Strong growth versus Q2 2020 - Order intake back in line with Q2 2019
- Improved volumes and operations efficiency leading to strong profit margins

### In Nordfab

- Continued strong order growth in all regions
- In the **US**, digital EDI orders continued to grow
- Large mining order was received in Canada
- **Europe** had record order intake
- Solid order growth in Thailand - mainly export driven

### In Menardi

- Weaker development in the **US**
- Acute need for replacement filters from Q1 has declined
- Good efficiency and cost optimisation means profitability was maintained
- Booked a large cleanroom order for a new battery plant in Estonia

## Key activities

- New interactive Nordfab 3D tool, QFV was launched in the **US**
  - Improved efficiency of design, order and installation processes
  - Launch in Europe and Asia late 2021
- Virtual sales training completed for all sales personnel
- Steel prices increases mitigated by customer price increases - some risk of margin decline
- Automated duct production line in Europe scheduled for late 2021

SEKm	Note	1Apr-30June 2021	1Apr-30June 2020	Currency- neutral growth	Organic growth	1Jan-30June 2021	1Jan-30June 2020	Currency- neutral growth	Organic growth	Fullyear 2020	July-June 12months
Incoming orders - External		114.1	91.9	41.2%	41.2%	224.6	209.3	22.2%	22.2%	402.6	417.9
Totalsales	3	131.6	114.4	30.3%	30.3%	259.7	246.5	19.6%	19.6%	457.9	471.1
Adjusted EBITA		24.7	13.0			50.6	28.7			63.9	85.8
Adjusted EBITA margin		18.8%	11.4%			19.5%	11.6%			14.0%	18.2%



## Summary, Q2 2021

- Continued recovery in many markets
- Currency neutral Order intake 10% higher than 2019 levels
- Strong profitability
- Very good cash flow
- Increased demand for digital solutions and digital tools
- Continued concerns over Raw material price increases and transport difficulties

# Outlook

- We are cautiously optimistic ahead of the upcoming quarters are seeing a continued successive return to normality in most of our markets
- Our base business and a strong digital offering mean we are doing well in the current market where the major projects continue to be delayed
- We expect lockdowns and restrictions to have increasingly less of an impact on investment decisions
- Rising materials prices and transport costs are putting pressure on profit margins and the negative impact is expected to increase in the short-term
- Lockdowns have shown what the world can look like when the air is not polluted by industrial emissions
  - This can be achieved without a paralysing pandemic
  - More and more people understand what needs to be done
  - Every Nederman installation plays a part
- Political will throughout the world is also required to use regulations and incentives to work to reduce the risk of millions of people dying prematurely from breathing dirty and hazardous air.
- This increased insight into the importance of clean air is expected to strengthen the market in the long term.

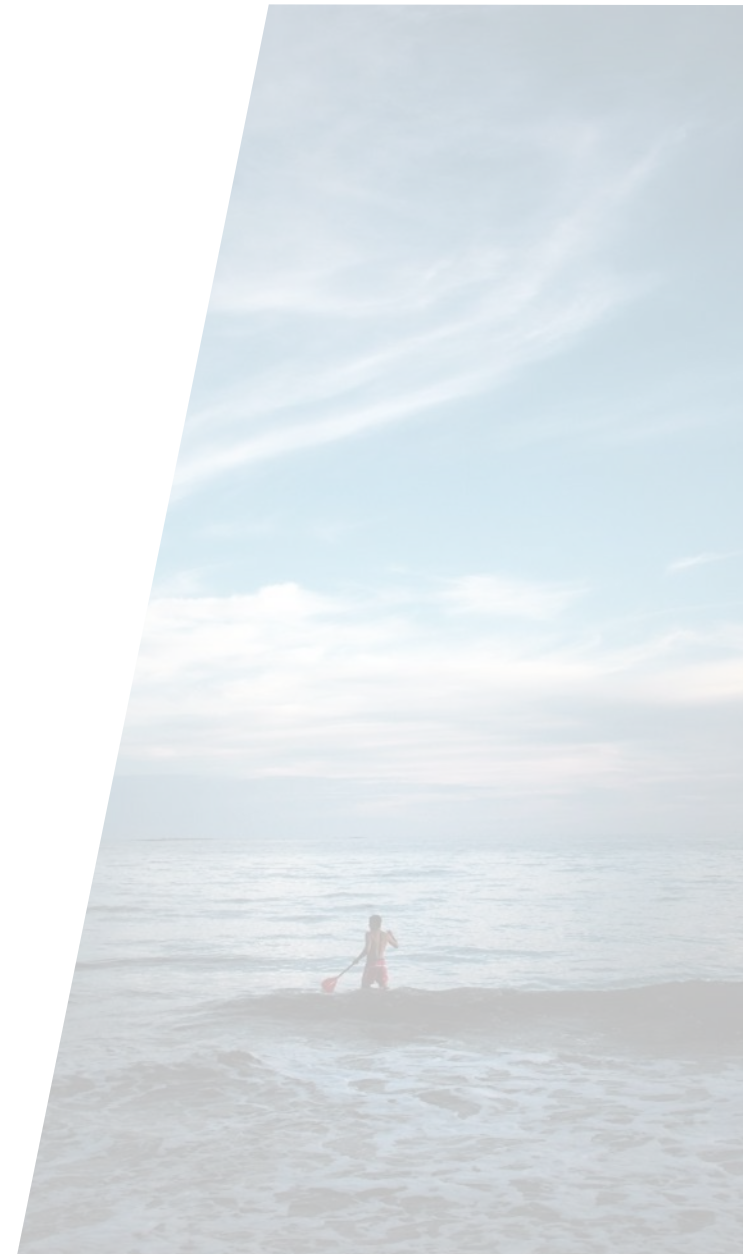


# Dividend

The Board of Directors proposes a dividend of SEK 1.00 per share, to be decided upon at an Extraordinary General Meeting.

The board are of the opinion that given the group's financial stability and good capital structure, a dividend can be motivated.

The proposed dividend is equivalent to 32% of the net profit for 2020 and is therefore in line with the group's dividend policy.



# Financial Calendar

- Extraordinary General Meeting August 25, 2021
- Interim report January-September 2021 October 22, 2021



# We shape the future for clean air

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