

Nederman Interim Report Q3 2021

CEO – Sven Kristensson
CFO – Matthew Cusick

Nederman Group, Q3 2021

- Continued solid development
- High order intake growth versus both 2020 and 2019
 - +36% versus Q3 2019
- Strong profitability
- Good cash flow

BUT...continued concerns:

- Component availability
- Transport difficulties
- Material prices



Nederman Group: Orders & Sales

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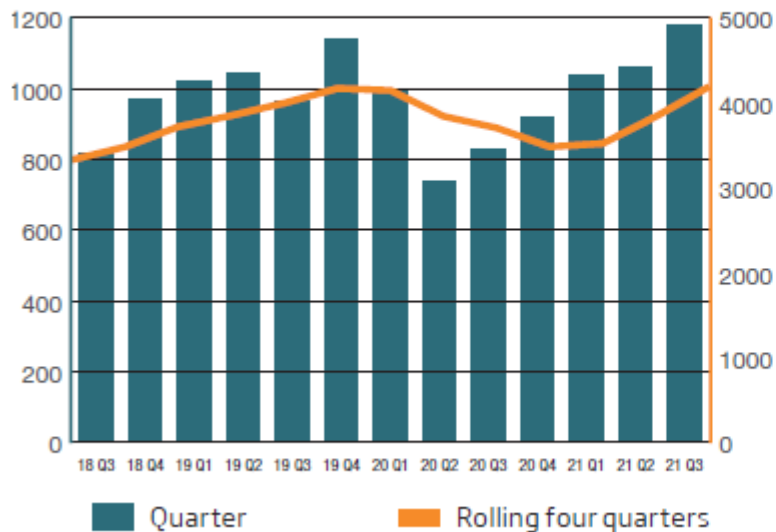
Quarter 3:

- Incoming orders were 1,178m SEK (827m)
 - Currency-neutral: +45% v Q3 2020
+36% v Q3 2019
- Sales were 1,046m SEK (826m)
 - Currency-neutral: +28% v Q3 2020
+6% v Q3 2019

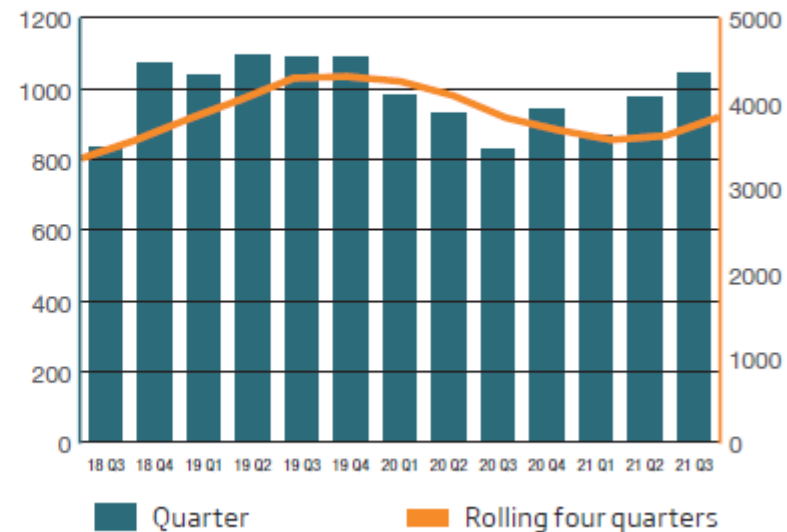
January - September:

- Incoming orders were 3,271m SEK (2,562m)
 - Currency-neutral: +36% v Q3 2020
+18% v Q3 2019
- Sales were 2,890m SEK (2,735m)
 - Currency-neutral: +12% v Q3 2020
-2% v Q3 2019

Incoming orders, SEKm



Sales, SEKm



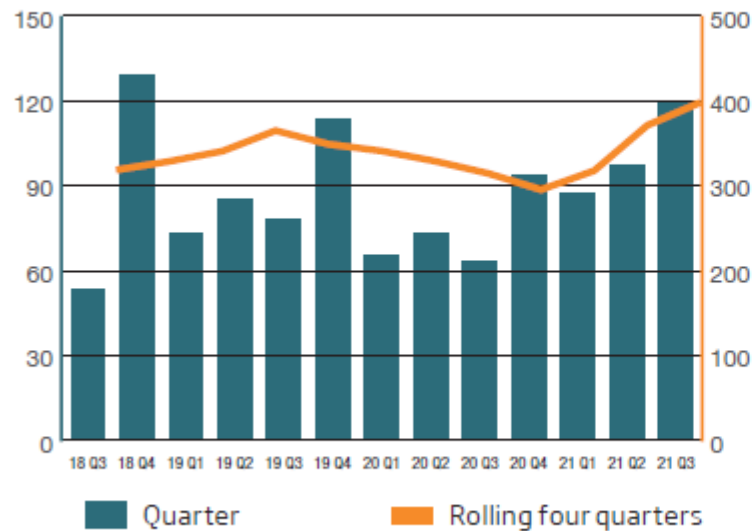
Nederman Group: Profitability & Cash Flow

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Quarter 3:

- Adjusted operating profit was 120m SEK(64m)
- Adjusted operating margin was 11.4% (7.7%)
- Profit after tax was 81m SEK (32m)
- Earnings per share was 2.31kr (0.90)
- Cash flow from operations was 107m SEK (66m)

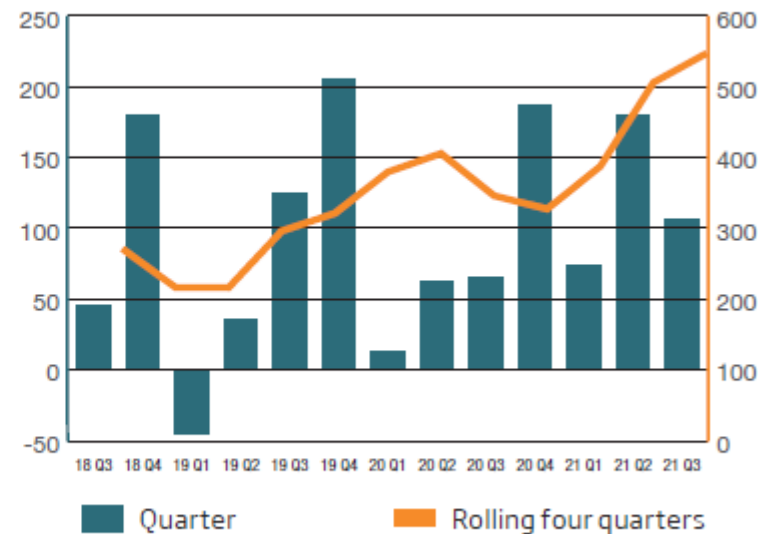
Adjusted operating profit, SEKm



January - September:

- Adjusted operating profit was 304m SEK(202m)
- Adjusted operating margin was 10.5% (7.4%)
- Profit after tax was 221m SEK (55m)
- Earnings per share was 6.29kr (1.58)
- Cash flow from operations was 361m SEK (141m)

Cash flow from operating activities, SEKm



Extraction & Filtration Technology, Q3 2021

Nederman

Development during the quarter

- Strong performance continued
- Higher demand in all regions
- Successful management of high material price increases

In EMEA:

- **Growth** in essentially the **entire region**
- Major orders in Poland and Netherlands; in Poland from a manufacturer of components for electric vehicles
- Sales of medium and large systems at good levels
- Good product sales growth, including via the partner and distributor network

In Americas:

- Solid growth in all markets
- **USA strong** with a major wood order and medium-sized orders from various sectors
- **Solutions sales particularly strong.**
- **Service and aftermarket** also developed well

In APAC:

- **Demand more subdued** in several markets with COVID related restrictions
- Region still **grew as a whole**
- Continued strong trend in Australia.
- Currently **growth is mainly via product sales**

Key activities

- Significantly more Nederman Insight subscriptions sold - more than half include service agreements
- Improved user interface for FlexVAC launched - facilitates maintenance in all general dust applications
- FlexPak DX Flameless launched - used in indoor applications for organically combustible dust

SEKm	Note	1Jul-30Sep 2021	1Jul-30Sep 2020	Currency- neutral growth	Organic growth	1Jan-30Sep 2021	1Jan-30Sep 2020	Currency- neutral growth	Organic growth	Full year 2020	Oct-Sep 12 months
Incoming orders - External		464.0	359.5	30.9%	30.9%	1,370.1	1,138.8	26.3%	26.3%	1,589.2	1,820.5
Total sales	3	441.3	356.5	24.5%	24.5%	1,281.3	1,211.8	11.0%	11.0%	1,648.8	1,718.3
Adjusted EBITA		81.5	48.6			226.6	156.1			221.7	292.2
Adjusted EBITA margin		18.5%	13.6%			17.7%	12.9%			13.4%	17.0%

Process Technology, Q3 2021

Nederman

Development during the quarter

- Excellent order intake
- Strong Q1 and Q2 orders now resulting in higher sales
- Service business developing well
- Cash flow remained strong
- Some project execution difficulties - high material costs, fewer freight alternatives

In Textile & Fibre:

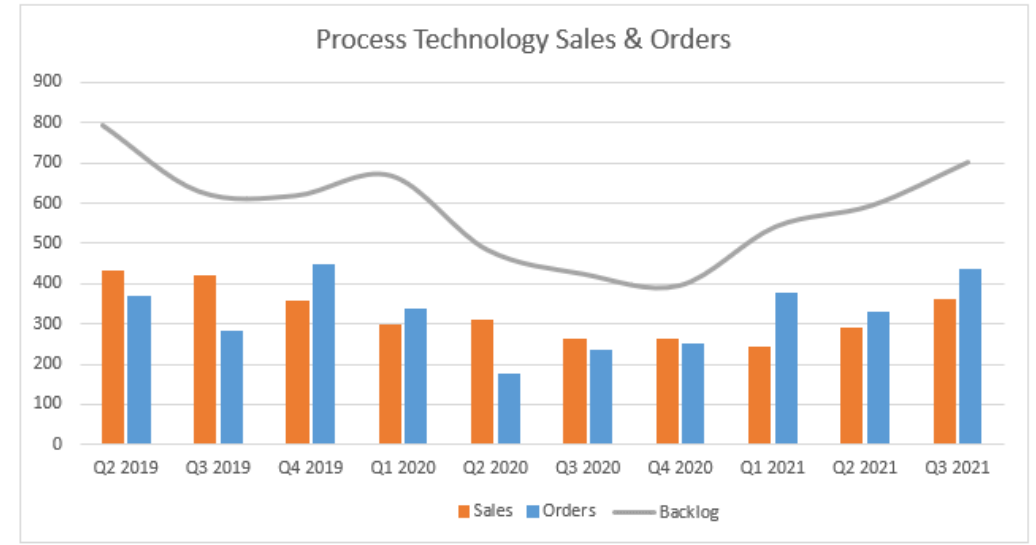
- Strong performance continued
- YTD 2021 orders received more than twice the YTD 2020
- India particularly positive trend - production upped to 2 shifts
- Increased activity in China
- Service continued its strong performance with Digi7 very important

In Foundry & Smelter:

- Very strong order intake
- Increased demand for aluminum and aluminum recycling, particularly in Europe
- Order received for ten-year service contract with digital monitoring of connected systems
- Ongoing discussions for similar contracts based on digital monitoring technology

In Customised Solutions:

- Cyclical segment with complex projects
- Several major projects booked in the Q3
- Quotation pipeline stronger than for some time



Key activities

- "MikroPul Solutions Lab" launched - possible for customers to address complex gas cleaning and material recycling problems
- The pre-engineered "MikroPul PE" solution launched - a modular and cost-competitive solution for standard applications

SEKm	Note	1Jul-30Sep 2021	1Jul-30Sep 2020	Currency- neutral growth	Organic growth	1Jan-30Sep 2021	1Jan-30Sep 2020	Currency- neutral growth	Organic growth	Fullyear 2020	Oct-Sep 12months
Incoming orders - External		435.9	232.8	91.1%	91.1%	1,139.2	744.4	63.9%	63.9%	992.7	1,387.5
Total sales	3	361.4	266.1	39.2%	39.2%	894.0	874.8	9.5%	9.5%	1,136.8	1,156.0
Adjusted EBITA		19.5	14.0			27.9	49.0			58.1	37.0
Adjusted EBITA margin		5.4%	5.3%			3.1%	5.6%			5.1%	3.2%

Monitoring & Control Technology, Q3 2021

Nederman

Development in the quarter

- Stable development continued
- Slight decline in orders received: Non-repeat of 20m SEK order from Q3 2020
- Good sales growth and solid profitability development
- Production continued as normal however some delays in collection of finished goods

In EMEA:

- Sales increased vs Q2 2020 and Q3 2019
- Orders received declined - very strong comparative figures
- Activities in process control are beginning to increase again
- Emissions-related business continued to grow

In APAC:

- Orders received continued to develop well
- Mainly China driving the growth in the region
- Decline in sales following some delayed deliveries for major orders

In Americas:

- Higher customer activity and strong order intake
- From M&CT perspective, region has recovered faster than Europe
- Disruption in the supply chain had a negative impact on sales
 - Sales still higher than Q3 2020

Key activities

- Market has normalised but is increasingly adapted to digital channels:
 - Focus on digital sales processes remains
 - Digital showroom launched in Q2 2021, means:
 - Improved digital customer meetings
 - Effective sales and service training.
- Auburn FilterSense secured a contract for 250 particle emission monitors to a world-leading food producer:
 - Monitors measure particle emissions to the atmosphere from powder treatment filters and dust collection systems

SEKm	Note	1Jul-30Sep 2021	1Jul-30Sep 2020	Currency- neutral growth	Organic growth	1Jan-30Sep 2021	1Jan-30Sep 2020	Currency- neutral growth	Organic growth	Fullyear 2020	Oct-Sep 12months
Incoming orders - External		136.3	142.9	-3.4%	-3.4%	395.4	377.3	10.1%	10.1%	495.7	513.8
Total sales	3	123.1	115.3	6.0%	6.0%	381.5	354.8	12.6%	12.6%	506.9	533.6
Adjusted EBITA		26.2	22.4			79.6	60.5			94.6	113.7
Adjusted EBITA margin		21.3%	19.4%			20.9%	17.1%			18.7%	21.3%

Duct & Filter Technology, Q3 2021

Nederman

Development in the quarter

- Highest ever quarterly order intake
- Excellent profitability
- Continued management of **high steel prices** a key activity
- The US represents a large portion of sales – but geographic expansion outside US is increasing

In Nordfab:

- Growth is being driven by **continued recovery in many markets**
- The small Thailand business still impacted by COVID-19
- **Price increases** having a distinct impact on growth
- Sales **strong in US A-** though some reduction in growth rates following the many delayed projects delivered in Q1 and Q2
- **Record order** intake in Europe – new and existing customers

In Menardi:

- **Strong orders received** in the USA
- Successful management of the **challenging supply of raw materials**
- Several significant orders received in traditionally strong segments:
 - Metal, Energy and Oil/Gas.
- Orders secured in **food industry** as a result of dedicated sales efforts

Key activities

- At AWFS – the US's largest woodworking trade fair, Nordfab's new interactive 3D tool, QFV, was named the most visionary new software product in the industry
 - QFV enhances the efficiency of the design and installation of ducting systems
 - Reduces lead times
 - QFV for Europe and Asia is scheduled around the year-end
- Availability of raw materials, and high logistics costs, remain major sources of concern and have been assigned the highest priority

SEKm	Note	1Jul-30Sep 2021	1Jul-30Sep 2020	Currency- neutral growth	Organic growth	1Jan-30Sep 2021	1Jan-30Sep 2020	Currency- neutral growth	Organic growth	Full year 2020	Oct-Sep 12months
Incoming orders - External		141.7	92.1	59.8%	59.8%	366.3	301.4	33.7%	33.7%	402.6	467.5
Total sales	3	143.3	105.7	39.2%	39.2%	403.0	352.2	25.5%	25.5%	457.9	508.7
Adjusted EBITA		29.0	14.4			79.6	43.1			63.9	100.4
Adjusted EBITA margin		20.2%	13.6%			19.8%	12.2%			14.0%	19.7%

Summary, Q3 2021

- Continued solid development
- High order intake growth versus 2020 and 2019
 - +36% versus Q3 2019
- Strong profitability
- Good cash flow

BUT...

- Continued concerns:
 - Component availability
 - Transport difficulties
 - Material prices



Outlook

- We are **cautiously optimistic** ahead of the upcoming quarters
- **Base business has strengthened** and there is **higher demand for major projects**
- We have developed and continue to develop **a strong digital offering**
- **Uncertainty however does remain...**
 - Supply chain problems
 - High material prices
 - Expensive and unpredictable logistics

...all of the above factors do impact customers' investment decisions, and potentially our own production and ability to deliver
- Long-term potential in our industry has strengthened
- The new report released during Q3 by the **WHO highlighted the negative health effects** from poor air the world over
- It is of the utmost importance that Nederman continues to innovate and grow in order that industry can contribute positively
- Political will and use of regulations and incentives can reduce the risk that millions of people die prematurely each year from breathing dirty and air



Financial Calendar

- Year-end report 15 February 2022
- 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

We shape the future for clean air

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