

**Quarter 4, 2019**

- Incoming orders amounted to SEK 1,140.7m (967.8), which currency adjusted is an increase of 18.1 percent compared with the same period last year.
- Net sales amounted to SEK 1,086.5m (1,069.0), which currency adjusted is an increase of 1.8 percent compared with the same period last year.
- Operating profit was SEK 108.7m (120.0)\*, giving an operating margin of 10.0 percent (11.2)\*.
- Adjusted operating profit was SEK 113.2m (129.4)\*, giving an adjusted operating margin of 10.4 percent (12.1)\*.
- Net profit was SEK 72.4m (89.4)\*.
- Earnings per share were SEK 2.06 kr (2.55)\*.

**January - December, 2019**

- Incoming orders amounted to SEK 4,168.4m (3,479.5), which currency adjusted is an increase of 15.2 percent compared with the same period last year.
- Net sales amounted to SEK 4,307.7m (3,553.9), which currency adjusted is an increase of 16.6 percent compared with the same period last year.
- Operating profit was SEK 343.2m (305.7)\*, giving an operating margin of 8.0 percent (8.6)\*.
- Adjusted operating profit was SEK 349.1m (318.9)\*, giving an adjusted operating margin of 8.1 percent (9.0)\*.
- Net profit was SEK 225.8m (202.8)\*.
- Earnings per share were SEK 6.43 (5.78)\*.
- The Board of Directors proposes a dividend of SEK 2.50 (2.30) per share.

\* In the transition to IFRS 16, the Group has applied a retroactive method, which means that the figures for the 2018 financial year have been restated in accordance with the new standard. For information on the financial effects, see accounting policies on pages 15-16.



# CEO's comments

## Nederman further strengthens its positions

**In recent years, Nederman has strengthened its position as the Clean Air Company, with an increased focus on the fantastic benefits that our products deliver and the major opportunities offered by global digitalisation. During the final quarter, this work materialised both in a strong level of orders received and in the acquisition of Finnish company Gasmot.**

### Acquisition of Gasmot

On 9 December, Nederman acquired the Finnish company Gasmot Technologies Oy. Gasmot is a world-leading supplier of FTIR gas analysis solutions and supplies system solutions for continuous emission monitoring, mercury and dioxin monitoring systems and portable gas analysers. The company is based in Helsinki, Finland, and has global presence through wholly owned entities in Germany, the UK, Canada, Hong Kong and Austria. The company focuses on developing, manufacturing and marketing products and complete systems for a range of applications in industry, the environment and safety.

Gasmot's EBITDA margin exceeds that of the Nederman Group, but taking acquisition costs into account and the fact that the business was only consolidated for a brief period in the 2019 financial year, the acquisition had only a slightly positive impact on the Group's net earnings.

Through this acquisition, we gain access to world-leading technology that significantly strengthens our offering in Monitoring & Control Technology and digital solutions. This moves us further in the direction of our vision of being able to offer Clean Air as a Service and strengthens our position as an industry leader in future-proof solutions for clean air.

I also want to take this opportunity to welcome Ketil Gorm Paulsen as the new head of the Monitoring & Control Technology division. Ketil was formerly Managing Director of NEO Monitors, where he has performed very well.

### Orders received, sales and earnings

Nederman developed well in the fourth quarter of the year. Total orders received amounted to SEK 1,141m (968), equivalent to currency-neutral growth of 18.1 percent. Organic growth amounted to 11.4 percent. Net sales totalled SEK 1,087m (1,069), equivalent to currency-neutral growth of 1.8 percent. A relatively large share of the orders received arrived late in the quarter and it was thus not possible to convert them into sales before the end of the quarter, which meant that the result for the period was somewhat lower than anticipated. Adjusted operating profit was SEK 113m (129)\*, yielding an adjusted operating margin of 10.4 percent (12.1)\*. This should be seen from the perspective that the corresponding quarter of 2018 was Nederman's most profitable quarter ever.

Orders received for the full year amounted to SEK 4,168m (3,480), equivalent to currency-neutral growth of 15.2 percent. Net sales totalled SEK 4,308m (3,554), equivalent to currency-neutral growth of 16.6 percent. Adjusted operating profit for the



full year was SEK 349m (319)\*, yielding an adjusted operating margin of 8.1 percent (9.0)\*.

### Outlook

Many of our markets, not least the US and China, and recently also Germany to a certain extent, continue to be characterised by uncertainty, not least from the recent development of the corona virus. Trade conflicts and financial uncertainty mean that decisions on major investments are being prolonged and that large projects are often being postponed, resulting in considerable volatility in orders received. We have also noted increasing signs of a general slowdown in the world economy. Despite these challenges, our basic view is one of cautious optimism. Environmental issues will remain important for our customers, which can be expected to soften the effects of a weaker economy to a certain degree, and we are continuing to strengthen our positions in several key areas where we see that future growth will occur. In Europe and North America, we will build on Nederman's strengths as a leading environmental technology company. In regard to the developments in Asia, which are not aligned with our ambitions, we are continuing our intensive efforts to reverse the trend.

**Sven Kristensson**  
CEO

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## Segment overview

Nederman is organised in four operating segments. This organisation is based on technology, customers and business logic. The organisation is driven by simplicity and has the Group's brands as its starting point. This means that the operating segments are global and have an explicit focus on the customer. 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's** product range consists of a broad range of capturing devices, fans, high-vacuum products and reels for the distribution of a variety of liquids or compressed air.

**Nederman Process Technology's** products include, among other things, advanced filter solutions that are integrated in the customers' production processes where they catch harmful particles and gases, as well as other process critical equipment.

**Nederman Duct & Filter Technology** works with different types of pipe systems, valves and filter elements to ensure good air quality in a number of industries.

**Nederman Monitoring & Control Technology's** digital offering includes advanced measurement technology and a platform that consists of hardware installed in Nederman's products and solutions, and software that communicates with the cloud and provides customers with information and insight into critical parameters and processes.

	1 Oct-31 Dec 2019	1 Jan-31 Dec 2019
<b>Order intake - External, SEKm</b>		
Nederman Extraction & Filtration Technology	512.4	1,962.2
Nederman Process Technology	445.7	1,461.5
Nederman Duct & Filter Technology	88.9	473.5
Nederman Monitoring & Control Technology	93.7	271.2
<b>Total Nederman Group</b>	<b>1,140.7</b>	<b>4,168.4</b>

	1 Oct-31 Dec 2019	1 Jan-31 Dec 2019
<b>Total sales, SEKm</b>		
Nederman Extraction & Filtration Technology	520.3	1,940.2
Nederman Process Technology	360.0	1,633.3
Nederman Duct & Filter Technology	115.4	555.4
Nederman Monitoring & Control Technology	114.6	280.3
Elimination	-23.8	-101.5
<b>Total Nederman Group</b>	<b>1,086.5</b>	<b>4,307.7</b>

	1 Oct-31 Dec 2019	1 Jan-31 Dec 2019
<b>Adjusted EBITA, SEKm</b>		
Nederman Extraction & Filtration Technology	77.3	263.2
Nederman Process Technology	25.3	101.6
Nederman Duct & Filter Technology	8.3	69.6
Nederman Monitoring & Control Technology	32.6	44.6
Other - non-allocated	-18.2	-85.0
<b>Total Nederman Group</b>	<b>125.3</b>	<b>394.0</b>

	1 Oct-31 Dec 2019	1 Jan-31 Dec 2019
<b>Adjusted EBITA margin, %</b>		
Nederman Extraction & Filtration Technology	14.9	13.6
Nederman Process Technology	7.0	6.2
Nederman Duct & Filter Technology	7.2	12.5
Nederman Monitoring & Control Technology	28.4	15.9
<b>Total Nederman Group</b>	<b>11.5</b>	<b>9.1</b>



Nederman Extraction & Filtration Technology's product range consists of a broad range of capturing devices, fans, high-vacuum products and reels for the distribution of a variety of liquids or compressed air.

## Nederman Extraction & Filtration Technology

**Nederman Extraction & Filtration Technology's orders received declined somewhat during the quarter due to fewer orders of larger systems. A total of three larger orders were booked during the quarter, compared with six orders in the corresponding quarter in 2018. Sales increased during the quarter. For the full year, orders received amounted to SEK 1,962.2m and sales to SEK 1,940.2m. Adjusted EBITA for the full year amounted to SEK 263.2m. The order backlog was strengthened during the year and is at a higher level than at the end of 2018.**

### Development in the quarter

Many countries in Europe showed a positive trend during the quarter. The Nordic region saw strong growth in sales, while orders received remained on the same level as the fourth quarter of 2018. In the UK, orders received increased as a result of continued favourable demand for solutions in the welding segment. In Germany, orders received declined. This decline was mainly related to the lower level of demand for larger systems.

In general, Southern Europe had favourable sales for the quarter, while orders received varied between individual countries. France had a positive trend, while Spain and Portugal had lower orders received, mainly due to reduced demand for larger systems. Poland had a very strong end to 2019 with orders received that increased significantly following positive developments in several market segments.

In North America, orders received declined compared with the preceding year, while sales developed well as a result of a favourable trend in all sales channels and market segments in the US.

Three major orders were registered in the quarter for the American wood and composite industries.

In APAC, orders received were in line with the fourth quarter of 2018. The core business involving the sales of products and smaller systems displayed healthy growth during the quarter.

Distributor markets had a weaker quarter, mainly due to a lower level of activity in the automotive and engineering industries in the region's mature markets.

### Nederman Extraction & Filtration Technology

Sales are conducted both via a network of partners and through our own sales companies. The division also has significant after-market sales in the form of sales of spare parts and service. Customers come from a number of different industries with various types of air emissions that must be dealt with in an efficient and safe manner. The business activities are conducted under the Nederman brand.

SEKm	Note	1 Oct-31 Dec 2019	1 Jan-31 Dec 2019
Incoming orders - external		512.4	1,962.2
Total sales	1	520.3	1,940.2
Adjusted EBITA		77.3	263.2
Adjusted EBITA margin, %		14.9	13.6



Nederman Process Technology's products include among other things, advanced filter solutions that are integrated in the customers' production processes where they catch harmful particles and gases, as well as other process critical equipment.

## Nederman Process Technology

Nederman Process Technology's orders received noted a strong increase in the quarter. A large share of the orders was received at the end of the quarter, which meant that they could not be converted into sales before the end of the quarter. Accordingly, sales for the quarter were significantly lower than orders received.

Process Technology's operations mainly comprise major systems, which means that the business is volatile in its character, with large fluctuations in orders received and sales between individual quarters. For the full year, orders received amounted to SEK 1,461.5m and sales to SEK 1,633.3m. Adjusted EBITA for the full year amounted to SEK 101.6m. Order backlog is now lower than at the end of 2018, though forecast profit margins on the current backlog are stronger.

### Development in the quarter

Several major projects were booked during the quarter and profitability developed well due to a favourable mix in project sales. The textile segment remains relatively weak with overcapacity, but the division succeeded nonetheless in registering one large and a number of smaller orders during the quarter.

In EMEA, demand was favourable from the region's asphalt industry, which generated a high order volume. As a result of the slowdown in the automotive industry, demand from the region's smelters was limited. Despite this, a major smelter order of approximately SEK 50m was registered.

Considerable uncertainty continues to characterise the North American market and several orders for larger systems have been postponed. Orders received derived primarily from smaller installations and the aftermarket.

During the quarter, Luwa launched the next generation of its control system for air filtration in the textile industry. Digi 7. The

system includes cloud-based services with monitoring and control.

A new sales organisation was also implemented during the quarter in Process Technology, with a global perspective in the chemical industry and a regional perspective in the energy and metal segments.

### Nederman Process Technology

Sales activities are conducted by our sales force which has direct contact with the division's customers. Although the number of orders is low, the individual order value is high. Nederman Process Technology works with a number of the world's leading companies and the relationships with customers are deep and long lasting. These customers are large companies in a wide range of industries, including the fibre, textile and chemical industries, metal recycling industry, foundries and smelters, and the waste industry. Nederman Process Technology carries on its business activities under four brands: MikroPul, Luwa, Pneumafil and LCI.

SEKm	Note	1 Oct-31 Dec 2019	1 Jan-31 Dec 2019
Incoming orders - external		445.7	1,461.5
Total sales	1	360.0	1,633.3
Adjusted EBITA		25.3	101.6
Adjusted EBITA margin, %		7.0	6.2



Nederman Duct & Filter Technology works with different types of pipe systems, valves and filter elements to ensure good air quality in a number of industries.

## Nederman Duct & Filter Technology

After three positive quarters in 2019, Nederman Duct & Filter Technology had a weaker end to the year. Demand remains weak in Asia. In the UK, the situation looks brighter since the uncertainty about Brexit has decreased. For the full year, external orders received amounted to SEK 473.5m and total sales to SEK 555.4m. Adjusted EBITA for the full year amounted to SEK 69.6m. The order backlog is at a higher level than at the end of 2018.

### Development in the quarter

Nordfab, which sells various types of pipe systems, had a weak fourth quarter. The foremost explanation for this is internal operational problems related to the implementation of a new ERP system, which led to significant delivery disruptions in the US. The problems are expected to be resolved in the first quarter of 2020, after which the new system will contribute to efficiency enhancements. Nordfab continues to expand its network of resellers, which led to a positive development in EMEA and APAC during the quarter. In Thailand, sales increased significantly compared with the preceding quarter due to the sale of a major project.

Menardi, which sells the division's filter solutions, continued to see customers in the US postponing decisions on larger invest-

ments, while price competition intensified. In EMEA, Menardi reported strong growth compared with the corresponding period in 2018.

### Nederman Duct & Filter Technology

Sales are mainly conducted via distributors, but Nederman Duct & Filter Technology also has a large share of internal sales to Nederman's other divisions. Customers are found in a wide range of industries, such as the woodworking industry, furniture industry, metalworking, cement and concrete industry, recycling industry, automotive industry, plastics manufacturing industry, chemical industry and others. Nederman Process Technology carries on its business activities under two brands: Nordfab and Menardi.

SEKm	Note	1 Oct-31 Dec 2019	1 Jan-31 Dec 2019
Incoming orders - external		88.9	473.5
Total sales	1	115.4	555.4
Adjusted EBITA		8.3	69.6
Adjusted EBITA margin, %		7.2	12.5



Nederman Monitoring & Control Technology's digital offering includes advanced measurement technology and a platform that consists of hardware installed in Nederman's products and solutions, and software that communicates with the cloud and provides customers with information and insight into critical parameters and processes.

## Nederman Monitoring & Control Technology

Nederman Monitoring & Control Technology performed positively during the quarter, with double-digit organic order growth. For the full year, orders received amounted to SEK 271.2m and sales to SEK 280.3m. Adjusted EBITA for the full year amounted to SEK 44.6m. The most important activity in the quarter was the acquisition of Finnish company Gasmot Technologies Oy, the world leader in FTIR\* gas analysis and emissions monitoring systems. The company's monitoring technology complements very well Nederman's existing technologies for measurement and monitoring of gases and particles. On 1 January 2020, Ketil Gorm Paulsen took up the position of SVP, Head of Division Monitoring & Control Technology.

### Development in the quarter

Nederman Monitoring & Control Technology works continuously to broaden its platform of new, innovative solutions that are adapted to the future in terms of IoT and other technologies. This work comprises internal innovation as well as the acquisition of external companies.

The division displayed strong organic growth during the quarter. The performance of NEO Monitors was particularly strong. With a strong invoicing plus some contribution from Gasmot, the division's profitability increased.

Gasmot, which was acquired on 9 December 2019, is a world-leading supplier of FTIR gas analysis solutions and supplies system solutions for continuous emission monitoring, mercury and dioxin monitoring systems and portable gas analysers. The company focuses on developing, manufacturing and marketing products and complete systems for a range of applications in industry, the environment and safety. Today, the company has the market's largest project portfolio of FTIR analysis solutions, with more than 4,000 installed units in approximately 80 markets.

During the 2018 financial year, Gasmot had sales of more than EUR 21m and some 100 employees. The company is based in Helsinki, Finland, but also has global presence through wholly owned entities in Germany, the UK, Canada, Hong Kong and Austria. Gasmot will continue to operate with an unchanged organisation and under its current brand, while its technology is successively integrated into Nederman's customer solutions and the digital offering based on the Group's IoT platform, Insight.

### Nederman Monitoring & Control Technology

Nederman Monitoring & Control Technology conducts sales through the division's own companies and their network of distributors. Sales are also conducted through other divisions within Nederman. Monitoring & Control Technology works with a broad spectrum of industries that need to continuously monitor and steer their production and processes. Nederman Monitoring & Control Technology conducts its business activities under four brands: Nederman Insight, NEO Monitors, Auburn FilterSense and Gasmot.

SEKm	Note	1 Oct-31 Dec 2019	1 Jan-31 Dec 2019
Incoming orders - external		93.7	271.2
Total sales	1	114.6	280.3
Adjusted EBITA		32.6	44.6
Adjusted EBITA margin, %		28.4	15.9

\* See page 13 for further details on Gasmot's business and technology.

## Regions

### Americas

SEKm	Note	1 Oct-31 Dec		Currency-	Organic	1 Jan-31 Dec		Currency-	Organic
		2019	2018	neutral	growth, %	2019	2018	neutral	growth, %
Incoming orders - external		283.3	327.0	-9.6	-12.4	1,292.3	1,259.6	-5.0	-7.1
External net sales	1	329.8	339.3	-0.1	-1.5	1,380.4	1,246.8	2.6	-0.6
Adjusted operating profit*		26.0	40.8			128.6	123.1		
Adjusted operating margin, %*		7.9	12.0			9.3	9.9		

### EMEA

SEKm	Note	1 Oct-31 Dec		Currency-	Organic	1 Jan-31 Dec		Currency-	Organic
		2019	2018	neutral	growth, %	2019	2018	neutral	growth, %
Incoming orders - external		673.9	468.5	42.9	36.6	2,204.5	1,731.6	24.9	15.3
External net sales	1	589.0	524.2	11.9	5.4	2,190.5	1,768.3	21.6	4.9
Adjusted operating profit*		99.1	95.3			310.6	266.2		
Adjusted operating margin, %*		16.8	18.2			14.2	15.1		

### APAC

SEKm	Note	1 Oct-31 Dec		Currency-	Organic	1 Jan-31 Dec		Currency-	Organic
		2019	2018	neutral	growth, %	2019	2018	neutral	growth, %
Incoming orders - external		183.5	172.3	3.1	-11.6	671.6	488.3	33.1	-15.0
External net sales	1	167.7	205.5	-20.8	-33.7	736.8	538.8	32.8	-22.2
Adjusted operating profit*		17.6	17.1			33.2	18.3		
Adjusted operating margin, %*		10.5	8.3			4.5	3.4		

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# Quarter 4, 2019

## Incoming orders and sales

Incoming orders during the quarter amounted to SEK 1,140.7m (967.8). Adjusted for currency effects, this corresponds to an increase of 18.1 percent compared with the corresponding period last year.

Sales for the quarter amounted to SEK 1,086.5m (1,069.0). Adjusted for currency effects, this corresponds to an increase of 1.8 percent compared with the corresponding period last year.

## Profit/loss

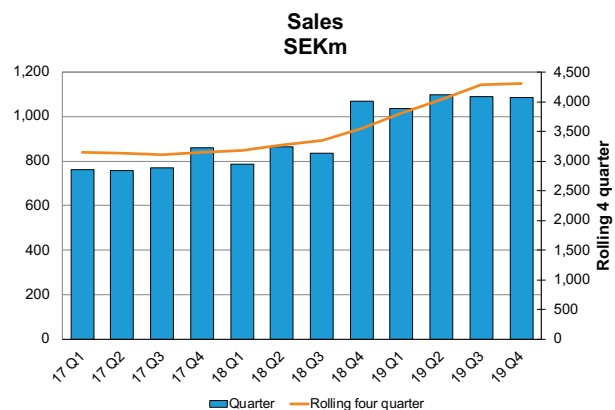
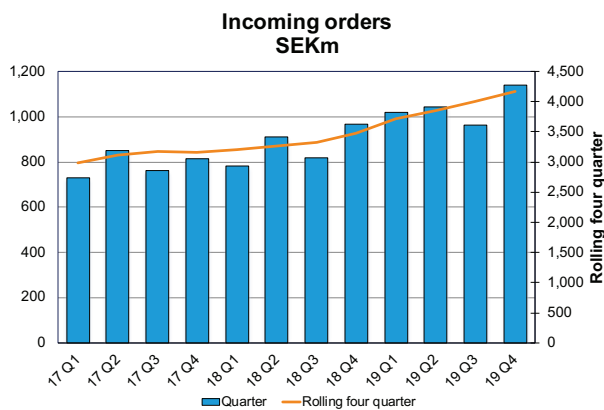
The consolidated operating profit for the quarter was SEK 108.7m (120.0)\*, which gave an operating margin of 10.0 percent (11.2)\*.

Adjusted operating profit amounted to SEK 113.2m (129.4)\*. Adjusted operating margin was 10.4 percent (12.1)\*.

Profit before tax decreased to SEK 94.9m (114.4)\*. Net profit was SEK 72.4m (89.4)\*, which gave earnings per share of SEK 2.06 (2.55)\*.

## Capital expenditure

Capital expenditure in intangible and tangible assets amounted to SEK 28.0m (23.3).



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# January - December 2019

## Incoming orders and sales

Incoming orders were SEK 4,168.4m (3,479.5). Adjusted for currency effects, this corresponds to an increase of 15.2 percent compared with the same period last year.

Sales amounted to SEK 4,307.7m (3,553.9). Adjusted for currency effects, this corresponds to an increase of 16.6 percent compared with the same period last year.

## Profit/loss

Consolidated operating profit for the period was SEK 343.2m (305.7)\*, which gave an operating margin of 8.0 percent (8.6)\*.

Adjusted operating profit amounted to SEK 349.1m (318.9)\*. Adjusted operating margin was 8.1 percent (9.0)\*.

Profit before tax increased to SEK 307.3m (267.5)\*. Net profit was SEK 225.8m (202.8)\*, which gave earnings per share of SEK 6.43 (5.78)\*.

## Cash flow

Cash flow for the year amounted to SEK -20.2m (87.7) and cash flow from operating activities amounted to SEK 321.3m (271.4)\*.

This year's negative cash flow is mainly related to the acquisition of Gasmot, but also to an increased level of capital expenditure in R&D and production equipment. Compared to the previous year, the cash flow from operating activities has been positively affected by changes in working capital.

## Capital expenditure

Capital expenditure in intangible and tangible assets amounted to SEK 93.6m (62.8), of which capitalised development expenses amounted to SEK 15.6m (5.7).

## Other financial information

Liquidity: At the end of the period the Group had SEK 445.3m in cash and cash equivalents as well as SEK 94.2m in available but unutilised overdraft facilities.

The group has refinanced its external loans and entered into a revolving loan agreement of SEK 1,500m with SEB and SHB. Further, the group entered into a bilateral loan agreement with Svensk Export Kredit of SEK 500m. The agreements have a three year maturity with extension options for two additional years. At the end of the period, the group had SEK 420m in available funds from the revolving loan agreement with SEB and SHB.

The equity in the Group as of 31 Dec 2019 amounted to SEK 1,378.2m (1,234.9)\*. An ordinary dividend of SEK 2.30 per share was paid to shareholders in the second quarter, amounting in total to SEK 80.7m. The total number of shares outstanding was 35,093,096 at the end of the period.

The equity ratio for the Group was 29.0 percent as of 31 Dec 2019 (30.7)\*. The net debt/equity ratio was 113.5 percent (63.8)\*.

The net debt has mainly been negatively affected by the increased debt position from the acquisition of Gasmot. The net debt has also been negatively affected by the increased lease liability due to leasing of premises by Gasmot and also to the Group's increased pension liability. The increased pension liability is mainly a result of decreased discount rates of the Group's defined benefit pension plans.

## Number of employees

The average number of employees during the period was 2,303 (1,852). The number of employees at the end of the period was 2,370 (2,305).

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## Key figures, Group

SEKm	1 Oct-31 Dec		1 Jan-31 Dec	
	2019	2018*	2019	2018*
Net sales	1,086.5	1,069.0	4,307.7	3,553.9
Adjusted EBITDA	151.5	157.6	495.8	440.1
Adjusted EBITDA margin, %	13.9	14.7	11.5	12.4
Operating profit	108.7	120.0	343.2	305.7
Operating margin, %	10.0	11.2	8.0	8.6
Adjusted operating profit	113.2	129.4	349.1	318.9
Adjusted operating margin, %	10.4	12.1	8.1	9.0
Profit before tax	94.9	114.4	307.3	267.5
Net profit	72.4	89.4	225.8	202.8
Earnings per share, SEK	2.06	2.55	6.43	5.78
Return on equity, %	21.3	29.6	17.3	17.7
Return on operating capital, %	17.3	25.2	14.1	16.5
Net debt			1,564.1	787.6
Net debt/equity ratio, %			113.5	63.8
Net debt/Adjusted EBITDA, multiple			3.2	1.8
Interest cover ratio, multiple			8.1	7.5

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## Outlook

Many of Nederman's markets, not least the US and China, and recently also Germany to a certain extent, are characterised by uncertainty. Trade conflicts and financial uncertainty mean that decisions on major investments are being prolonged and that large projects are often being postponed, resulting in considerable volatility in Nederman's orders received. Increasing signs of a general slowdown in the world economy have also been noted. Despite these challenges, Nederman's basic view is one of cautious optimism. Environmental issues will remain important for

our customers, which can be expected to soften the effects of a weaker economy to a certain degree, and the Group is continuing to strengthen its positions in several key areas where future growth will occur. In Europe and North America, the Group will build on Nederman's strengths as a leading environmental technology company. In regard to the developments in Asia, which are not aligned with our ambitions, intensive efforts will continue to reverse the trend.

## Dividend

The Board proposes payment of a dividend of SEK 2.50 per share (2.30).

## Other information

### Risks and uncertainties

The Nederman Group and the parent company are exposed to a number of risks, mainly due to purchasing and selling of products in foreign currencies. The risks and uncertainties are described in more detail in the 2018 Annual Report in the Directors' Report on pages 52-53 and in Note 24. No circumstances have arisen to change the assessment of identified risks.

### Nomination Committee

According to the guidelines approved by the Annual General Meeting concerning the work of the Nomination Committee, Anders Mörck (Investment AB Latour), Chairman, Claes Murander (Lannebo Fonder), Henrik Forsberg Schoultz (Ernström & Co) and

Fredrik Ahlin (IF Skadeförsäkring AB (publ)), have been appointed members of the Nomination Committee ahead of the 2020 Annual General Meeting. Johan Hjertonsson, Chairman of Nederman's Board of Directors, is a co-opted member of the Committee. For questions concerning the work of the Nomination Committee, contact [anders.morck@latour.se](mailto:anders.morck@latour.se).

### Organisation

On 1 January 2020, Ketil Gorm Paulsen took up the position of SVP, Head of Division Monitoring & Control Technology. Ketil was formerly Managing Director of the company NEO Monitors, which is part of Monitoring & Control Technology.

## Acquisition

### Nederman acquires Gasmeter Technologies Oy, the world leader in FTIR gas analysis and emissions monitoring systems.

**On 9 December 2019, Nederman signed a deal to acquire 100% of the shares in the Finnish company Gasmeter Technologies Oy. Gasmeter is a world-leading supplier of FTIR gas analysis solutions and supplies system solutions for continuous emission and mercury monitoring systems and portable gas analysers. The company is based in Helsinki, Finland, but also has global presence through wholly owned entities in Germany, the UK, Canada, Hong Kong and Austria. The acquisition price amounted to SEK 508.9m.**

Gasmeter, founded in 1990, is the leading FTIR (Fourier Transform Infrared Spectroscopy) gas analyser and emissions monitoring system provider.

The company focuses on developing, manufacturing and marketing products and complete systems for a range of applications in industry, the environment and safety. Gasmeter's products are used for both continuous and portable monitoring. Today, the company has the largest project portfolio of FTIR analysis solutions, with more than 4,000 installed units in approximately 80 markets. In its area, Gasmeter has a reputation for innovative, customer-driven and reliable solutions.

Gasmeter had sales of more than EUR 21m in the 2018 financial year, with some 100 employees. Gasmeter's EBITDA margin exceeds the corresponding margin in the Nederman Group, but taking acquisition costs into account and the fact that we consolidated the business for only a brief period in the 2019 financial year, the acquisition had only a slightly positive impact on the Group's full-year net earnings.

Gasmeter is part of the Nederman Monitoring & Control Technology Division, where the company's monitoring technology is highly complementary to the existing technologies for the analysis and monitoring of gas and particles from the earlier acquisitions of NEO Monitors (acquired in 2017) and Auburn FilterSense (acquired in 2018). Gasmeter will continue to operate with an unchanged organisation and under its current brand, while its technology is successively integrated into Nederman's customer solutions and the digital offering based on the Group's IoT platform, Insight.

"We can see an excellent strategic fit between Nederman and Gasmeter. Through this acquisition, we gain access to world-leading technology that significantly strengthens our offering in Monitoring & Control and digital solutions. This moves us further in the direction of our vision of being able to offer Clean Air as a Service and strengthens our position as an industry leader in future-proof solutions for clean air," says President and CEO Sven Kristensson.

# Statement

The Board and CEO confirm that the interim report provides a true and fair overview of the Parent Company and the Group's operations, position and earnings and describes the material risks and uncertainty factors faced by the Parent Company and the Group.

**Helsingborg 14 February 2020**

**Johan Hjertonsson**  
Chairman

**Gunilla Fransson**  
Member of the Board

**Ylva op den Velde Hammargren**  
Member of the Board

**Sam Strömerstén**  
Member of the Board

**Sven Kristensson**  
Member of the Board  
and CEO

**Johan Menckel**  
Member of the Board

## 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, except for amendments below in relation to IFRS 16 for the Group, as described in the latest annual report, see also pages 67-72 of the 2018 Annual Report, have been applied both to the Group and the parent company. The parent company applies the exemption in RFR 2 regarding IFRS 16, which means that all leases will continue to be reported as operating expenses in the income statement.

### Changes that will come into effect on 1 January 2019 and beyond

#### IFRS 16 Leases

IFRS 16 with application for financial years commencing on 1 January 2019 supersedes IAS 17, Leases, and related interpretations. IFRS 16 establishes policies for accounting, valuation, presentation and disclosure of leasing agreements and states that lessees must report leases in the statement of financial position. This recognition model is based on the view that the lessee has a right to use an asset for a specific period of time and at the same time an obligation to pay for that right. This means that at the start date, a right of use asset that represents the right to use the underlying asset during the lease term and a lease liability that represents the present value of future lease payments are recognised in the financial statement. Depreciation costs for the right of use asset and interest expenses for the lease liability are reported in the consolidated income statement and statement of comprehensive income. After the date the lease is entered into, the lease liability is remeasured so that it reflects changes in the lease payments, for example with a change in the lease term or indexation of future lease payments. The remeasurement amount is reported as an adjustment of the right of use asset.

Nederman's primary asset class is properties, such as factories and offices, but also machinery, vehicles and equipment. The

standard contains two exceptions for reporting in the statement of financial position that Nederman applies; short-term leases (lease term of 12 months or less) and leases for which the underlying asset has a low value (USD 5,000). These lease payments are recognised as operating expenses in the income statement and are therefore not included in the right of use asset or the lease liability.

The definitions according to IFRS 16 are applied when assessing whether a contract contains a leased asset. A right of use asset is defined as an identified asset for which Nederman essentially is entitled to the economic benefits arising from the use of the asset and where Nederman has the right to control the use of the asset. The lease term is determined on the basis of the non-cancellable period according to the lease contract. If the contract contains an extension option and there is reasonable certainty that this will be utilised, the lease term applied consists of the non-cancellable period plus the assessed period of the extension.

The discount rate primarily consists of the implicit interest if it is available according to the lease contract. For other leasing agreements, the discount rate is the marginal loan rate. The marginal loan interest rate consists of an interest margin based on the lessee's (subsidiary within the Group) credit rating and a reference interest rate (IBOR) for the specific currency and the term of the lease asset.

In connection with the transition to IFRS 16, the Group has applied a retroactive method, which means that figures for the 2018 financial year have been restated in accordance with the new standard. Thus, the opening balances for 2018 have been restated and the cumulative effect of applying IFRS 16 retroactively is reported as of 1 January 2018 as a transition effect in equity.

The transition to IFRS 16 has had the following effect on the Group's income statement, statement of financial position, cash flow and key figures:

	1 Oct-31 Dec, 2018			1 Jan-31 Dec, 2018		
	Previously published accounts	IFRS 16 adjustments	Restated accounts	Previously published accounts	IFRS 16 adjustments	Restated accounts
<b>Effect on the consolidated income statement, SEKm</b>						
Net sales	1,069.0	-	1,069.0	3,553.9	-	3,553.9
Cost of goods sold	-674.5	1.3	-673.2	-2,227.0	5.1	-2,221.9
<b>Gross profit</b>	<b>394.5</b>	<b>1.3</b>	<b>395.8</b>	<b>1,326.9</b>	<b>5.1</b>	<b>1,332.0</b>
Selling expenses	-192.6	1.1	-191.5	-735.2	4.6	-730.6
Administrative expenses	-65.2	0.3	-64.9	-253.0	0.9	-252.1
Research and development expenses	-14.8	0.0	-14.8	-44.3	0.2	-44.1
Other operating income/expenses	-4.6	-	-4.6	0.5	-	0.5
<b>Operating profit</b>	<b>117.3</b>	<b>2.7</b>	<b>120.0</b>	<b>294.9</b>	<b>10.8</b>	<b>305.7</b>
<b>Net financial items</b>	<b>-2.5</b>	<b>-3.1</b>	<b>-5.6</b>	<b>-26.9</b>	<b>-11.3</b>	<b>-38.2</b>
<b>Profit before tax</b>	<b>114.8</b>	<b>-0.4</b>	<b>114.4</b>	<b>268.0</b>	<b>-0.5</b>	<b>267.5</b>
Taxes	-25.1	0.1	-25.0	-64.8	0.1	-64.7
<b>Net profit</b>	<b>89.7</b>	<b>-0.3</b>	<b>89.4</b>	<b>203.2</b>	<b>-0.4</b>	<b>202.8</b>

Effect on the consolidated financial position, SEKm	1 January, 2018			31 December, 2018		
	Previously published accounts	IFRS 16 adjustments	Restated accounts	Previously published accounts	IFRS 16 adjustments	Restated accounts
<b>Assets</b>						
Right-of-use assets	-	183.2	183.2	-	211.0	211.0
Long-term receivables	5.4	6.6	12.0	6.6	5.7	12.3
Deferred tax assets	16.8	-	16.8	20.3	0.1	20.4
Other fixed assets	1,449.1	-	1,449.1	1,755.5	1.0	1,756.5
<b>Total fixed assets</b>	<b>1,471.3</b>	<b>189.8</b>	<b>1,661.1</b>	<b>1,782.4</b>	<b>217.8</b>	<b>2,000.2</b>
Other current receivables	222.4	1.2	223.6	414.3	1.3	415.6
Other current assets	1,277.2	-	1,277.2	1,604.7	-	1,604.7
<b>Total current assets</b>	<b>1,499.6</b>	<b>1.2</b>	<b>1,500.8</b>	<b>2,019.0</b>	<b>1.3</b>	<b>2,020.3</b>
<b>Total assets</b>	<b>2,970.9</b>	<b>191.0</b>	<b>3,161.9</b>	<b>3,801.4</b>	<b>219.1</b>	<b>4,020.5</b>
<b>Equity</b>	<b>1,075.8</b>	<b>-15.0</b>	<b>1,060.8</b>	<b>1,250.3</b>	<b>-15.4</b>	<b>1,234.9</b>
<b>Liabilities</b>						
Long-term lease liabilities	0.3	155.2	155.5	0.4	174.2	174.6
Other long-term liabilities	1,125.8	-	1,125.8	1,286.5	-	1,286.5
<b>Total long-term liabilities</b>	<b>1,126.1</b>	<b>155.2</b>	<b>1,281.3</b>	<b>1,286.9</b>	<b>174.2</b>	<b>1,461.1</b>
Current lease liabilities	0.1	50.8	50.9	0.2	60.3	60.5
Other current liabilities	768.9	-	768.9	1,264.0	-	1,264.0
<b>Total current liabilities</b>	<b>769.0</b>	<b>50.8</b>	<b>819.8</b>	<b>1,264.2</b>	<b>60.3</b>	<b>1,324.5</b>
<b>Total liabilities</b>	<b>1,895.1</b>	<b>206.0</b>	<b>2,101.1</b>	<b>2,551.1</b>	<b>234.5</b>	<b>2,785.6</b>
<b>Total equity and liabilities</b>	<b>2,970.9</b>	<b>191.0</b>	<b>3,161.9</b>	<b>3,801.4</b>	<b>219.1</b>	<b>4,020.5</b>

Effect on the consolidated cash flow statement, SEKm	1 Jan-31 Dec, 2018		
	Previously published accounts	IFRS 16 adjustments	Restated accounts
Operating profit	294.9	10.8	305.7
Adjustment for:			
Depreciation and amortisation of fixed assets	63.9	57.3	121.2
Interest paid and other financial items	-25.3	-11.3	-36.6
Cash flow from other operating activities	-118.9	-	-118.9
<b>Cash flow from operating activities</b>	<b>214.6</b>	<b>56.8</b>	<b>271.4</b>
Cash flow from investing activities	-117.3	-	-117.3
<b>Cash flow before financing activities</b>	<b>97.3</b>	<b>56.8</b>	<b>154.1</b>
Cash flow from financing activities	-9.6	-56.8	-66.4
<b>Cash flow for the period</b>	<b>87.7</b>	<b>-</b>	<b>87.7</b>

Effect on key figures, SEKm	1 Oct-31 Dec, 2018		1 Jan-31 Dec, 2018	
	Previously published accounts	Restated accounts	Previously published accounts	Restated accounts
EBITDA	130.0	148.2	358.8	426.9
Adjusted EBITDA	139.4	157.6	372.0	440.1
Adjusted EBITDA margin, %	13.0	14.7	10.5	12.4
Operating profit	117.3	120.0	294.9	305.7
Operating margin, %	11.0	11.2	8.3	8.6
Adjusted operating profit	126.7	129.4	308.1	318.9
Adjusted operating margin, %	11.9	12.1	8.7	9.0
Profit before tax	114.8	114.4	268.0	267.5
Net profit	89.7	89.4	203.2	202.8
Earnings per share, SEK	2.56	2.55	5.79	5.78
Return on equity, %	29.4	29.6	17.5	17.7
Return on operating capital, %	27.4	25.2	17.8	16.5
Net debt			553.1	787.6
Net debt/equity ratio, %			44.2	63.8
Net debt/Adjusted EBITDA, multiple			1.5	1.8
Interest cover ratio, multiple			9.8	7.5



## Consolidated income statement in summary

SEK million	Note	1 Oct-31 Dec		1 Jan-31 Dec	
		2019	2018*	2019	2018*
Net sales	1.2	1,086.5	1,069.0	4,307.7	3,553.9
Cost of goods sold		-662.2	-673.2	-2,716.4	-2,221.9
<b>Gross profit</b>		<b>424.3</b>	<b>395.8</b>	<b>1,591.3</b>	<b>1,332.0</b>
Selling expenses		-195.7	-191.5	-828.8	-730.6
Administrative expenses		-82.0	-64.9	-342.8	-252.1
Research and development expenses		-18.6	-14.8	-65.2	-44.1
Acquisition costs	4	-4.5	-9.4	-5.9	-13.2
Other operating income/expenses		-14.8	4.8	-5.4	13.7
<b>Operating profit</b>		<b>108.7</b>	<b>120.0</b>	<b>343.2</b>	<b>305.7</b>
Financial income		-2.6	2.4	8.4	5.0
Financial expense		-11.2	-8.0	-44.3	-43.2
<b>Net financial items</b>		<b>-13.8</b>	<b>-5.6</b>	<b>-35.9</b>	<b>-38.2</b>
<b>Profit before tax</b>		<b>94.9</b>	<b>114.4</b>	<b>307.3</b>	<b>267.5</b>
Taxes		-22.5	-25.0	-81.5	-64.7
<b>Net profit</b>		<b>72.4</b>	<b>89.4</b>	<b>225.8</b>	<b>202.8</b>
<b>Net profit attributable to:</b>					
The parent company's shareholders		72.4	89.4	225.8	202.8
<b>Earnings per share</b>					
before dilution (SEK)		2.06	2.55	6.43	5.78
after dilution (SEK)		2.06	2.55	6.43	5.78

\* In the transition to IFRS 16, the Group has applied a retroactive method, which means that the figures for the 2018 financial year have been restated in accordance with the new standard. For information on the financial effects, see accounting policies on pages 15-16.

## Consolidated statement of comprehensive income in summary

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2019	2018*	2019	2018*
<b>Net profit</b>	<b>72.4</b>	<b>89.4</b>	<b>225.8</b>	<b>202.8</b>
<b>Other comprehensive income</b>				
<b>Items that cannot be reclassified to net profit</b>				
Revaluation of defined-benefit pension plans	27.8	-13.2	-62.4	-15.5
Tax attributable to items that cannot be reclassified to net profit	-8.3	3.2	13.5	3.8
	<b>19.5</b>	<b>-10.0</b>	<b>-48.9</b>	<b>-11.7</b>
<b>Items that have been or can be reclassified to net profit</b>				
Exchange differences arising on translation of foreign operations	-51.9	-21.7	46.8	54.3
Cash flow hedges	-	-0.1	0.0	-0.1
Tax attributable to items that can be reclassified to net profit	-	0.0	-	0.0
	<b>-51.9</b>	<b>-21.8</b>	<b>46.8</b>	<b>54.2</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>-32.4</b>	<b>-31.8</b>	<b>-2.1</b>	<b>42.5</b>
<b>Total comprehensive income for the period</b>	<b>40.0</b>	<b>57.6</b>	<b>223.7</b>	<b>245.3</b>
<b>Total comprehensive income attributable to:</b>				
The parent company's shareholders	40.0	57.6	223.7	245.3

\* In the transition to IFRS 16, the Group has applied a retroactive method, which means that the figures for the 2018 financial year have been restated in accordance with the new standard. For information on the financial effects, see accounting policies on pages 15-16.

## Consolidated statement of financial position in summary

SEK million	Note	31 Dec 2019	31 Dec 2018*
<b>Assets</b>			
Goodwill		1,612.2	1,183.4
Other intangible assets		425.2	261.5
Tangible assets		335.3	311.6
Right-of-use assets		257.7	211.0
Long-term receivables		5.3	12.3
Deferred tax assets		8.2	20.4
<b>Total fixed assets</b>		<b>2,643.9</b>	<b>2,000.2</b>
Inventories		610.3	562.0
Accounts receivable	3	619.3	578.8
Other current receivables	3	427.7	415.6
Cash and cash equivalents	3	445.3	463.9
<b>Total current assets</b>		<b>2,102.6</b>	<b>2,020.3</b>
<b>Total assets</b>		<b>4,746.5</b>	<b>4,020.5</b>
<b>Equity</b>		<b>1,378.2</b>	<b>1,234.9</b>
<b>Liabilities</b>			
Long-term interest-bearing liabilities	3	1,575.6	917.4
Long-term lease liabilities	3	208.4	174.6
Other long-term liabilities	3	4.9	231.7
Pension liabilities		153.1	90.9
Other provisions		21.0	17.1
Deferred tax liabilities		22.9	29.4
<b>Total long-term liabilities</b>		<b>1,985.9</b>	<b>1,461.1</b>
Current interest-bearing liabilities	3	5.0	8.1
Current lease liabilities	3	67.3	60.5
Accounts payable	3	423.2	444.6
Other current liabilities	3	860.7	783.2
Provisions		26.2	28.1
<b>Total current liabilities</b>		<b>1,382.4</b>	<b>1,324.5</b>
<b>Total liabilities</b>		<b>3,368.3</b>	<b>2,785.6</b>
<b>Total equity and liabilities</b>		<b>4,746.5</b>	<b>4,020.5</b>

\* In the transition to IFRS 16, the Group has applied a retroactive method, which means that the figures for the 2018 financial year have been restated in accordance with the new standard. For information on the financial effects, see accounting policies on pages 15-16.

## Consolidated statement of changes in equity in summary

SEK million	31 Dec 2019	31 Dec 2018*
Opening balance at beginning of period	1,234.9	1,075.8
Transition effect IFRS 16	-	-15.0
Net profit	225.8	202.8
Other comprehensive income		
Change in translation reserve for the period	46.8	54.3
Cash flow hedges, net of tax	0.0	-0.1
Revaluation of defined-benefit pension plans, net of tax	-48.9	-11.7
<b>Total other comprehensive income for the period</b>	<b>-2.1</b>	<b>42.5</b>
<b>Total comprehensive income for the period</b>	<b>223.7</b>	<b>245.3</b>
Transactions with Group owners		
Dividend paid	-80.7	-70.2
Share-based remuneration	0.3	-1.0
<b>Closing balance at end of period</b>	<b>1,378.2</b>	<b>1,234.9</b>

## Consolidated cash flow statement in summary

SEK million	Note	1 Jan-31 Dec	
		2019	2018*
Operating profit		343.2	305.7
Adjustment for:			
Depreciation and amortisation of fixed assets		146.7	121.2
Other adjustments		-0.8	-10.4
Interest received and paid including other financial items		-36.5	-36.6
Taxes paid		-77.8	-36.0
<b>Cash flow from operating activities before changes in working capital</b>		<b>374.8</b>	<b>343.9</b>
Cash flow from changes in working capital		-53.5	-72.5
<b>Cash flow from operating activities</b>		<b>321.3</b>	<b>271.4</b>
Net investment in fixed assets		-89.6	-50.6
Acquisitions	4	-656.6	-66.7
<b>Cash flow before financing activities</b>		<b>-424.9</b>	<b>154.1</b>
Dividend paid		-80.7	-70.2
Cash flow from other financing activities		485.4	3.8
<b>Cash flow for the period</b>		<b>-20.2</b>	<b>87.7</b>
Cash and cash equivalents at beginning of period		463.9	360.9
Translation differences		1.6	15.3
<b>Cash and cash equivalents at end of period</b>		<b>445.3</b>	<b>463.9</b>

\* In the transition to IFRS 16, the Group has applied a retroactive method, which means that the figures for the 2018 financial year have been restated in accordance with the new standard. For information on the financial effects, see accounting policies on pages 15-16.

## Income statement for the parent company in summary

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2019	2018	2019	2018
Net sales	2.7	-0.6	26.9	24.1
Administrative expenses	-26.2	-24.5	-117.4	-105.9
Research and development expenses	-0.1	-0.2	-	-1.1
Other operating revenue and expenses	-1.8	0.2	0.3	0.6
<b>Operating profit/loss</b>	<b>-25.4</b>	<b>-25.1</b>	<b>-90.2</b>	<b>-82.3</b>
Result from investment in subsidiaries	2.1	-	72.6	63.5
Other financial items	-2.3	11.7	-16.1	-7.5
<b>Profit/loss after financial items</b>	<b>-25.6</b>	<b>-13.4</b>	<b>-33.7</b>	<b>-26.3</b>
Appropriations	144.0	143.6	144.0	143.6
<b>Profit/loss before tax</b>	<b>118.4</b>	<b>130.2</b>	<b>110.3</b>	<b>117.3</b>
Taxes	-4.3	-8.6	-13.9	-13.0
<b>Net profit/loss for the period</b>	<b>114.1</b>	<b>121.6</b>	<b>96.4</b>	<b>104.3</b>

## Statement of comprehensive income for the parent company in summary

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2019	2018	2019	2018
Net profit/loss	114.1	121.6	96.4	104.3
Other comprehensive income	-	-	-	-
Items that cannot be reclassified to net profit/loss	-	-	-	-
Items that have been or can be reclassified to net profit/loss	-	-	-	-
Other comprehensive income for the period, net of tax	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>114.1</b>	<b>121.6</b>	<b>96.4</b>	<b>104.3</b>

## Balance sheet for the parent company in summary

SEK million	31 Dec 2019	31 Dec 2018
<b>Assets</b>		
Total fixed assets	2,126.9	1,603.5
Total current assets	398.1	332.5
<b>Total assets</b>	<b>2,525.0</b>	<b>1,936.0</b>
<b>Shareholders' Equity</b>	<b>917.9</b>	<b>901.9</b>
<b>Untaxed reserves</b>	<b>-</b>	<b>1.4</b>
<b>Liabilities</b>		
Total long-term liabilities	1,170.9	682.4
Total current liabilities	436.2	350.3
<b>Total liabilities</b>	<b>1,607.1</b>	<b>1,032.7</b>
<b>Total equity and liabilities</b>	<b>2,525.0</b>	<b>1,936.0</b>

## Statement of changes in parent company shareholders' equity in summary

SEK million	31 Dec 2019	31 Dec 2018
Opening balance at beginning of period	901.9	868.8
Net profit/loss	96.4	104.3
Other comprehensive income		
<b>Total other comprehensive income for the period</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>96.4</b>	<b>104.3</b>
Transactions with owners		
Dividend paid	-80.7	-70.2
Share-based remuneration	0.3	-1.0
<b>Closing balance at end of period</b>	<b>917.9</b>	<b>901.9</b>

## Pledged assets and contingent liabilities for the parent company

SEK million	31 Dec 2019	31 Dec 2018
Pledged assets	none	none
Contingent liabilities	384.8	436.2

## Note 1: Allocation of sales – Operating segments

SEKm				1 Oct-31 Dec 2019
External net sales allocated on segments and sales types	Product sales	Solution sales	Service and aftermarket	Total
Nederman Extraction & Filtration Technology	192.1	243.6	84.6	520.3
Nederman Process Technology	0.1	271.6	88.3	360.0
Nederman Duct & Filter Technology	103.6	9.0	2.8	115.4
Nederman Monitoring & Control Technology	111.8	0.0	2.8	114.6
Elimination	-7.8	-11.3	-4.7	-23.8
<b>Total Nederman Group</b>	<b>399.8</b>	<b>512.9</b>	<b>173.8</b>	<b>1,086.5</b>

SEKm				1 Jan-31 Dec 2019
External net sales allocated on segments and sales types	Product sales	Solution sales	Service and aftermarket	Total
Nederman Extraction & Filtration Technology	793.0	796.7	350.5	1,940.2
Nederman Process Technology	1.1	1,260.2	372.0	1,633.3
Nederman Duct & Filter Technology	504.6	37.3	13.5	555.4
Nederman Monitoring & Control Technology	276.1	0.0	4.2	280.3
Elimination	-38.9	-42.6	-20.0	-101.5
<b>Total Nederman Group</b>	<b>1,535.9</b>	<b>2,051.6</b>	<b>720.2</b>	<b>4,307.7</b>

Performance obligations for sales of Products and Service and aftermarket are satisfied at the point in time at which the customer obtains control. Performance obligations from sales of solutions, in terms of project sales, are satisfied over time. Revenue is recognized according to the project's rate of progression towards completion.

## Note 1: Allocation of sales – Regions

SEKm				1 Oct-31 Dec 2019
External net sales allocated on regions and sales types	Product sales	Solution sales	Service and aftermarket	Total
EMEA	216.4	272.5	100.1	589.0
APAC	38.6	108.4	20.7	167.7
Americas	144.8	132.0	53.0	329.8
<b>Total Nederman Group</b>	<b>399.8</b>	<b>512.9</b>	<b>173.8</b>	<b>1,086.5</b>

SEKm				1 Oct-31 Dec 2018
External net sales allocated on regions and sales types	Product sales	Solution sales	Service and aftermarket	Total
EMEA	194.8	237.4	92.0	524.2
APAC	30.5	159.1	15.9	205.5
Americas	153.7	133.5	52.1	339.3
<b>Total Nederman Group</b>	<b>379.0</b>	<b>530.0</b>	<b>160.0</b>	<b>1,069.0</b>

SEKm				1 Jan-31 Dec 2019
External net sales allocated on regions and sales types	Product sales	Solution sales	Service and aftermarket	Total
EMEA	793.5	993.1	403.9	2,190.5
APAC	111.5	547.3	78.0	736.8
Americas	630.9	511.2	238.3	1,380.4
<b>Total Nederman Group</b>	<b>1,535.9</b>	<b>2,051.6</b>	<b>720.2</b>	<b>4,307.7</b>

SEKm				1 Jan-31 Dec 2018
External net sales allocated on regions and sales types	Product sales	Solution sales	Service and aftermarket	Total
EMEA	715.1	691.9	361.3	1,768.3
APAC	112.4	376.3	50.1	538.8
Americas	569.4	447.5	229.9	1,246.8
<b>Total Nederman Group</b>	<b>1,396.9</b>	<b>1,515.7</b>	<b>641.3</b>	<b>3,553.9</b>

Performance obligations for sales of Products and Service and aftermarket are satisfied at the point in time at which the customer obtains control. Performance obligations from sales of solutions, in terms of project sales, are satisfied over time. Revenue is recognized according to the project's rate of progression towards completion.



## Note 2: Operating segment reporting

Segment reporting is based on reports submitted to the Group's senior executives. From 2019 the 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. Nonallocated items refer mainly to costs relating to the parent company, Nederman Holding AB, which includes the central head office functions.

For disclosure purposes and comparability the three former operating segments according to the principles applied up until 2018 are also presented; EMEA, APAC, Americas.

	1 Oct-31 Dec 2019	1 Jan-31 Dec 2019
<b>Order intake - External, SEKm</b>		
Nederman Extraction & Filtration Technology	512.4	1,962.2
Nederman Process Technology	445.7	1,461.5
Nederman Duct & Filter Technology	88.9	473.5
Nederman Monitoring & Control Technology	93.7	271.2
<b>Total Nederman Group</b>	<b>1,140.7</b>	<b>4,168.4</b>

	1 Oct-31 Dec 2019	1 Jan-31 Dec 2019
<b>Total sales, SEKm</b>		
Nederman Extraction & Filtration Technology	520.3	1,940.2
Nederman Process Technology	360.0	1,633.3
Nederman Duct & Filter Technology	115.4	555.4
Nederman Monitoring & Control Technology	114.6	280.3
Elimination	-23.8	-101.5
<b>Total Nederman Group</b>	<b>1,086.5</b>	<b>4,307.7</b>

	1 Oct-31 Dec 2019	1 Jan-31 Dec 2019
<b>Adjusted EBITA, SEKm</b>		
Nederman Extraction & Filtration Technology	77.3	263.2
Nederman Process Technology	25.3	101.6
Nederman Duct & Filter Technology	8.3	69.6
Nederman Monitoring & Control Technology	32.6	44.6
Other - non-allocated	-18.2	-85.0
<b>Total Nederman Group</b>	<b>125.3</b>	<b>394.0</b>

	1 Oct-31 Dec 2019	1 Jan-31 Dec 2019
<b>Adjusted EBITA margin, %</b>		
Nederman Extraction & Filtration Technology	14.9	13.6
Nederman Process Technology	7.0	6.2
Nederman Duct & Filter Technology	7.2	12.5
Nederman Monitoring & Control Technology	28.4	15.9
<b>Total Nederman Group</b>	<b>11.5</b>	<b>9.1</b>

## Note 2: Operating segment reporting - Regions

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2019	2018*	2019	2018*
<b>EMEA</b>				
Incoming orders	673.9	468.5	2,204.5	1,731.6
External net sales	589.0	524.2	2,190.5	1,768.3
Depreciation & amortisation	-20.4	-12.5	-76.3	-66.0
Adjusted operating profit	99.1	95.3	310.6	266.2
Adjusted operating margin, %	16.8	18.2	14.2	15.1
<b>APAC</b>				
Incoming orders	183.5	172.3	671.6	488.3
External net sales	167.7	205.5	736.8	538.8
Depreciation & amortisation	-5.4	-4.7	-22.4	-14.6
Adjusted operating profit	17.6	17.1	33.2	18.3
Adjusted operating margin, %	10.5	8.3	4.5	3.4
<b>Americas</b>				
Incoming orders	283.3	327.0	1,292.3	1,259.6
External net sales	329.8	339.3	1,380.4	1,246.8
Depreciation & amortisation	-7.6	-6.3	-28.1	-24.0
Adjusted operating profit	26.0	40.8	128.6	123.1
Adjusted operating margin, %	7.9	12.0	9.3	9.9
<b>Other - non-allocated</b>				
Depreciation & amortisation	-4.9	-4.7	-19.9	-16.6
Adjusted operating profit	-29.5	-23.8	-123.3	-88.7
<b>The Group</b>				
Incoming orders	1,140.7	967.8	4,168.4	3,479.5
Net sales	1,086.5	1,069.0	4,307.7	3,553.9
Depreciation & amortisation	-38.3	-28.2	-146.7	-121.2
Adjusted operating profit	113.2	129.4	349.1	318.9
Acquisition cost	-4.5	-9.4	-5.9	-13.2
Operating profit	108.7	120.0	343.2	305.7
Profit before tax	94.9	114.4	307.3	267.5
Net profit	72.4	89.4	225.8	202.8

\* In the transition to IFRS 16, the Group has applied a retroactive method, which means that the figures for the 2018 financial year have been restated in accordance with the new standard. For information on the financial effects, see accounting policies on pages 15-16.

## Note 3: Fair value and reported value in the statement of financial position

	31 Dec 2019			
SEK million	Measured at fair value via income statement	Derivatives that are used for hedge accounting	Financial instruments not reported at fair value	Total carrying amount
Accounts receivable	-	-	619.3	619.3
Foreign exchange forward contracts entered *)	1.2	-	-	1.2
Other current receivables	-	-	282.1	282.1
Cash and cash equivalents	-	-	445.3	445.3
<b>Total</b>	<b>1.2</b>	<b>-</b>	<b>1,346.7</b>	<b>1,347.9</b>
Financial leasing liabilities	-	-	275.7	275.7
Bank loans	-	-	1,580.6	1,580.6
Accounts payable	-	-	423.2	423.2
Other long-term liabilities	-	-	4.9	4.9
Other current liabilities	-	-	755.2	755.2
<b>Total</b>	<b>-</b>	<b>-</b>	<b>3,039.6</b>	<b>3,039.6</b>

\*) The Group holds financial instruments in the form of currency futures that are recorded at fair value in the balance sheet. The fair value of currency futures is determined by discounting the difference between the contracted forward rate and the forward rate that can be subscribed on the closing date for the remaining contracted period. Discounting is made using market rates. The fair value for all contracts has been determined from directly or indirectly observable market data, i.e. level 2 according to IFRS 13. For other financial instruments, the fair value and the book value are materially consistent. For further information, refer to note 24 in the 2018 Annual Report.

## Note 4: Acquisitions

### Gasmet Technologies Oy

On December 9, 2019 Nederman acquired 100% of the shares in the Finnish group Gasmet Technologies Oy (Gasmet). Gasmet is a world-leader in FTIR (Fourier Transform Infrared Spectroscopy) gas analysis solutions and supplies system solutions for continuous emission and mercury monitoring systems and portable gas analysers. Today, the company has the largest project portfolio of FTIR analysis solutions, with more than 4,000 installed units in approximately 80 markets. The company is based in Helsinki, Finland, but also has global presence through wholly owned entities in Germany, the UK, Canada, Hong Kong and Austria. Gasmet had approximately 120 employees and sales of EUR 21m in the 2018 financial year.

The acquisition price amounted to SEK 508.9m. Acquired identified net assets amounted to SEK 14.1m and the transaction resulted in increased goodwill of SEK 386.6m. Effect of the acquisition on the Group's cash and cash equivalents is SEK 497.1m. The acquisition analysis is preliminary.

Of the total intangible fixed assets, SEK 81.1m relates to capitalised development expenses, SEK 52.6m to customer contracts, SEK 19.0m to the brand and SEK 3.7m to computer programs. Acquisition-related costs amounted to SEK 4.5m and related fees paid to consultants in connection with the transaction, including due diligence and legal advice. These expenses have been charged to operating profit.

### SEK million

Acquisition price			508.9
	<b>Carrying amount upon the moment of acquisition</b>	<b>Adjustment to fair value</b>	<b>Fair value/ Total</b>
<b>Identifiable acquired assets and liabilities, SEKm</b>			
Intangible fixed assets	21.7	134.7	156.4
Tangible fixed assets	7.4		7.4
Right-of-use assets	51.4		51.4
Inventories	58.9		58.9
Accounts receivable and other receivables	50.0		50.0
Tax receivable	0.9		0.9
Cash and cash equivalents	11.8		11.8
Interest-bearing liabilities	-93.6		-93.6
Lease liabilities	-51.4		-51.4
Accounts payable and other operating liabilities	-42.0		-42.0
Current tax liabilities	-1.0		-1.0
Deferred tax liabilities	-0.0	-26.5	-26.5
<b>Total identifiable net assets</b>	<b>14.1</b>	<b>108.2</b>	<b>122.3</b>
Goodwill			386.6
<b>Acquisition price</b>			<b>508.9</b>
Transferred remuneration			-508.9
Acquired cash and cash equivalents			11.8
<b>Effect on consolidated cash and cash equivalents</b>			<b>-497.1</b>
Net sales during holding time			39.4
Net sales 2019 before acquisition			206.9
Net profit during holding time			12.3
Net profit 2019 before acquisition			10.9

### ACQUISITION 2018

#### Luwa Air Engineering AG

On October 17, 2018 Nederman acquired 100% of the shares in the Swiss group Luwa Air Engineering AG (Luwa). The acquisition analysis is final.

## Note 5: 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. Nor has any Group company 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 6: 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 32 for definitions.

### The following underlying business measures are used:

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

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2019	2018*	2019	2018*
Operating profit	108.7	120.0	343.2	305.7
Acquisition cost	4.5	9.4	5.9	13.2
<b>Adjusted operating profit</b>	<b>113.2</b>	<b>129.4</b>	<b>349.1</b>	<b>318.9</b>
Adjusted operating profit	113.2	129.4	349.1	318.9
Net sales	1,086.5	1,069.0	4,307.7	3,553.9
<b>Adjusted operating margin, %</b>	<b>10.4</b>	<b>12.1</b>	<b>8.1</b>	<b>9.0</b>
Operating profit	108.7	120.0	343.2	305.7
Amortisation intangible assets	12.1	5.0	44.9	35.1
<b>EBITA</b>	<b>120.8</b>	<b>125.0</b>	<b>388.1</b>	<b>340.8</b>
EBITA	120.8	125.0	388.1	340.8
Acquisition cost	4.5	9.4	5.9	13.2
<b>Adjusted EBITA</b>	<b>125.3</b>	<b>134.4</b>	<b>394.0</b>	<b>354.0</b>
Adjusted EBITA	125.3	134.4	394.0	354.0
Net sales	1,086.5	1,069.0	4,307.7	3,553.9
<b>Adjusted EBITA margin, %</b>	<b>11.5</b>	<b>12.6</b>	<b>9.1</b>	<b>10.0</b>
Operating profit	108.7	120.0	343.2	305.7
Depreciation and amortization	38.3	28.2	146.7	121.2
<b>EBITDA</b>	<b>147.0</b>	<b>148.2</b>	<b>489.9</b>	<b>426.9</b>
EBITDA	147.0	148.2	489.9	426.9
Acquisition cost	4.5	9.4	5.9	13.2
<b>Adjusted EBITDA</b>	<b>151.5</b>	<b>157.6</b>	<b>495.8</b>	<b>440.1</b>
Adjusted EBITDA	151.5	157.6	495.8	440.1
Net sales	1,086.5	1,069.0	4,307.7	3,553.9
<b>Adjusted EBITDA margin, %</b>	<b>13.9</b>	<b>14.7</b>	<b>11.5</b>	<b>12.4</b>

\* In the transition to IFRS 16, the Group has applied a retroactive method, which means that the figures for the 2018 financial year have been restated in accordance with the new standard. For information on the financial effects, see accounting policies on pages 15-16.

## Note 6: Alternative performance measures, cont'd

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2019	2018*	2019	2018*
Equity - Closing balance			1,378.2	1,234.9
Total assets (balance sheet total)			4,746.5	4,020.5
<b>Equity/asset ratio, %</b>			<b>29.0</b>	<b>30.7</b>
Cash and cash equivalents			445.3	463.9
Long-term interest-bearing liabilities			1,575.6	917.4
Long-term lease liabilities			208.4	174.6
Pension liabilities			153.1	90.9
Current interest-bearing liabilities			5.0	8.1
Current lease liabilities			67.3	60.5
<b>Net debt</b>			<b>1,564.1</b>	<b>787.6</b>
Net debt			1,564.1	787.6
Equity - Closing balance			1,378.2	1,234.9
<b>Net debt/equity ratio, %</b>			<b>113.5</b>	<b>63.8</b>
Equity - Opening balance	1,338.3	1,177.3	1,234.9	1,060.8
Equity - Closing balance	1,378.2	1,234.9	1,378.2	1,234.9
Equity - average	1,358.3	1,206.1	1,306.6	1,147.9
Net profit	72.4	89.4	225.8	202.8
<b>Return on equity, %</b>	<b>21.3</b>	<b>29.6</b>	<b>17.3</b>	<b>17.7</b>
Equity - average	1,358.3	1,206.1	1,306.6	1,147.9
Net Debt - opening balance	956.7	905.8	787.6	791.3
Net Debt - closing balance	1,564.1	787.6	1,564.1	787.6
Net Debt - average	1,260.4	846.7	1,175.9	789.5
Operating capital - average	2,618.7	2,052.8	2,482.5	1,937.4
Adjusted operating profit	113.2	129.4	349.1	318.9
<b>Return on operating capital, %</b>	<b>17.3</b>	<b>25.2</b>	<b>14.1</b>	<b>16.5</b>
Net debt			1,564.1	787.6
Adjusted EBITDA			495.8	440.1
<b>Net debt/Adjusted EBITDA, multiple</b>			<b>3.2</b>	<b>1.8</b>
Profit before tax			307.3	267.5
Financial expense			44.3	43.2
Acquisition cost			5.9	13.2
EBT excl. financial expenses and acquisition costs			357.5	323.9
Financial expense			44.3	43.2
<b>Interest cover ratio, multiple</b>			<b>8.1</b>	<b>7.5</b>

\* In the transition to IFRS 16, the Group has applied a retroactive method, which means that the figures for the 2018 financial year have been restated in accordance with the new standard. For information on the financial effects, see accounting policies on pages 15-16.

## Note 6: Alternative performance measures, cont'd

SEK million	1 Oct-31 Dec		1 Jan-31 Dec	
	2019	2018	2019	2018
Incoming orders, same period in previous year	967.8	815.9	3,479.5	3,157.3
Change in incoming orders, organic	110.5	16.9	102.3	-9.4
Change in incoming orders, currency effects	-2.1	43.1	158.9	87.7
Change in incoming orders, acquisitions	64.5	91.9	427.7	243.9
<b>Incoming orders</b>	<b>1,140.7</b>	<b>967.8</b>	<b>4,168.4</b>	<b>3,479.5</b>
Order growth, %, organic	11.4	2.1	2.9	-0.3
Order growth, %, currency effects	-0.2	5.2	4.6	2.8
Order growth, %, acquisitions	6.7	11.3	12.3	7.7
<b>Order growth, %</b>	<b>17.9</b>	<b>18.6</b>	<b>19.8</b>	<b>10.2</b>
Net sales, comparative period previous year	1,069.0	860.0	3,553.9	3,148.5
Change in net sales, organic	-45.9	-26.4	-39.5	-4.1
Change in net sales, currency effects	-1.7	41.6	163.4	88.4
Change in net sales, acquisitions	65.1	193.8	629.9	321.1
<b>Net sales</b>	<b>1,086.5</b>	<b>1,069.0</b>	<b>4,307.7</b>	<b>3,553.9</b>
Sales growth, %, organic	-4.3	-3.1	-1.1	-0.1
Sales growth, %, currency effects	-0.2	4.9	4.6	2.8
Sales growth, %, acquisitions	6.1	22.5	17.7	10.2
<b>Sales growth, %</b>	<b>1.6</b>	<b>24.3</b>	<b>21.2</b>	<b>12.9</b>

# Definitions

## **Adjusted EBITA**

Operating profit before amortisation and impairment loss of intangible assets, excluding acquisition and restructuring costs.

## **Adjusted EBITA margin**

Adjusted EBITA as percentage of net sales.

## **Adjusted EBITDA**

Operating profit before depreciation/amortization and impairment loss, excluding acquisition and restructuring costs.

## **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

## **Annual average**

Average of year-beginning and year-end 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/amortization 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/amortization 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, Friday 14 February 2020 at 10.00. Nederman's President and CEO, Sven Kristensson and CFO, Matthew Cusick will present the report and answer questions.

To participate in the conference please call +46 8 5055 8365 or UK tel. no. +44 33 3300 9267. The conference will also be streamed over the internet.

Visit our website to participate in the webcast:

<http://www.nedermangroup.com/sv-SE/Investors/Reports/Webcast>.

## Financial calendar

- |                          |               |
|--------------------------|---------------|
| • Interim report 1       | 21 April 2020 |
| • Annual General Meeting | 27 April 2020 |
| • Interim report 2       | 14 July 2020  |

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 14 February 2020.

## Further information can be obtained from

Sven Kristensson, CEO  
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For further information, see Nederman's website:  
[www.nedermangroup.com](http://www.nedermangroup.com)

## Address

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Swedish corporate identity no.: 556576-4205

# A Global Group

Nederman is one of the world's leading developers of products and solutions for advanced air filtration in demanding industrial environments. Our offering comprises individual products, complete solutions, project design, installation, commissioning and service.

Our head office is located in Helsingborg and we currently have 2,300 employees, with manufacturing in 12 countries and sales in more than 50 markets through our own sales organisation, agents or resellers.

## **COMPETITIVE PRODUCTS**

All of Nederman's products are developed with the purpose of promoting health and safety, enhancing production efficiency and minimising the customers' environmental impact. Today, we are leaders in the development of digital products and solutions to safeguard the future for our customers by way of energy use, recycling and legal and regulatory compliance. Sales of individual products, small and medium-size 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 access to their solutions. Our starting point is that we must be the alternative that offers the customer the lowest total cost over the life cycle of the solution. In addition to high-quality products, this means that we offer qualified service with a high level of availability to ensure continuous operation. The offering includes technical service, service contracts, spare parts and consumables.

Service sales are a priority area and in 2019 service grew and now makes up 17 percent of total sales.

## **MARKET-LEADING POSITIONS**

Since it was established more than 75 years ago, Nederman has developed a broad and competitive product programme. Combined with a comprehensive sales network and significant investments in new technology, this is the foundation for our leading position in a global market. Size and market coverage 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 key Americas market and in the top five in APAC. This provides a strong platform on which to build further.

## **STRONG BRANDS**

Today, Nederman addresses the market with a strong portfolio of brands. The strategy is for each individual brand to bring leading-edge competence to the Group in a specific product area or market segment. Accordingly, we have the possibility of meeting many different customer needs and market segments, in both mature and emerging markets. In recent years, we have invested a large amount of energy in the brands Nederman Insight, NEO Monitors, Auburn FilterSense and the most recent addition, Gasmet, as a base for the development of an entirely new digital offering, which will secure the Group's future positions. The brand portfolio is continuously evaluated and at the same time we actively analyse potential acquisitions.

**Nederman**