

# The Clean Air Company

**Nederman**

Q3

Interim report

January-September 2020

## Good margin development despite market challenges. Digital solutions display strength.

### Quarter 3, 2020

- Incoming orders amounted to SEK 827m (965), equivalent to a currency-neutral decrease of 5.6 percent compared with the same period last year.
- Compared with the second quarter 2020, incoming orders increased by 11.8 percent.
- Net sales amounted to SEK 826m (1,089), equivalent to a currency-neutral decrease of 16.0 percent compared with the same period last year.
- Operating profit was SEK 63.3m (77.9), giving an operating margin of 7.7 percent (7.2).
- Adjusted operating profit was SEK 63.5m (77.9), giving an adjusted operating margin of 7.7 percent (7.2).
- Net profit was SEK 31.5m (52.8).
- Earnings per share were SEK 0.90 (1.50).

### January - September, 2020

- Incoming orders amounted to SEK 2,562m (3,028), equivalent to a currency-neutral decrease of 12.5 percent compared with the same period last year.
- Net sales amounted to SEK 2,735m (3,221), equivalent to a currency-neutral decrease of 12.3 percent compared with the same period last year.
- Operating profit, including restructuring costs of SEK 75m, was SEK 125.2m (234.5), giving an operating margin of 4.6 percent (7.3).
- Adjusted operating profit was SEK 201.6m (235.9), giving an adjusted operating margin of 7.4 percent (7.3).
- Net profit was SEK 55.3m (153.4).
- Earnings per share were SEK 1.58 (4.37).



## CEO's comments

# Good margin development despite market challenges. Digital solutions display strength.

The third quarter of the year continued to be characterised by the effects of the restrictions imposed around the world in the wake of the COVID-19 pandemic. During the first two months of the quarter, demand remained highly restrained, while we were able to discern some improvement at the end of the quarter. Nederman Monitoring & Control Technology performed strongly during the quarter, reporting growth of 21 percent compared with the preceding quarter. Orders received also grew within our other divisions compared with the preceding quarter, but at a significantly lower rate. As a result of the restructuring programme initiated during the second quarter of the year and a favourable product mix, Nederman was able to maintain healthy profitability during the quarter, despite extensive challenges. Adjusted operating profit amounted to SEK 63.5m (77.9), corresponding to an adjusted operating margin of 7.7 percent (7.2). Orders received for the quarter amounted to SEK 827m (965) and sales were SEK 826m (1,089).

### Digital solutions increasingly important

For a number of years, we have conducted comprehensive work to offer our customers various forms of digital solutions that continuously measure, analyse and optimise the filtration process. Accordingly, our customers have the opportunity to take full responsibility for the air quality in their facilities. The ongoing digitalisation journey encompasses all divisions, but has made most progress in the Nederman Monitoring & Control Technology division.

### Nederman Monitoring & Control Technology displays strength

The importance of being able to offer digital and future-proof solutions that give customers control over their facilities on an entirely new level was clearly demonstrated by Nederman Monitoring & Control Technology's performance during the third quarter of the year. Although this division has faced the same challenges as our other divisions, it reported strong development during the quarter, with growth in orders received of 21 percent compared with the preceding quarter. Organic growth compared with the corresponding quarter in 2019 amounted to 24 percent. Through a combination of acquisitions and organic growth, the division has more than doubled its turnover during the past twelve months.

### Measures to equip Nederman Group for the future are proceeding to plan

To face the future following the COVID-19 pandemic, Nederman initiated a restructuring programme during the second quarter of the year that will lead to annual cost savings of approximately SEK 100m. The plan encompasses all of the Group's divisions and entails, for example, that the Group will exit less profitable market segments. Restructuring costs, which amount to SEK 75m, were expensed during the second quarter of the year. The restructuring programme continued according to plan during the third quarter and will essentially be completed at the end of 2020.

### Limited impact on Nederman's production capacity

Nederman's production capacity was good during the quarter. The only exception was our plant in India, where we were only able to use between 10 and 30 percent of the workforce due to varying official restrictions. After the end of the quarter, the restrictions at the Indian plant were lifted.



Sven Kristensson  
CEO

### Challenging conditions

The effects of national lockdowns and other types of restrictions throughout the world continued to have a significant negative impact on Nederman's sales. The large uncertainty surrounding the global economy and the development of the pandemic mean that decisions on major investments are being postponed to a high degree. In several countries, we are also seeing how legislation and rules relating to various environmental issues are postponed. It remains difficult to arrange physical meetings with our customers, which significantly hampers the possibilities for us to demonstrate the benefits of our installation products.

A positive effect of the lockdowns is that they have shown what the world looks like when the air is not polluted by industrial emissions. This is the world that Nederman is working to create by offering effective industrial air filtration instead of a paralyzing pandemic. We demonstrate every day that this can be achieved, at every installation that we implement.

### Outlook

There is currently extreme uncertainty regarding the development of the global economy. For the fourth quarter of the year, Nederman expects the effects of the COVID-19 pandemic to remain considerable in most of the Group's markets. We are doing our utmost to navigate successfully in a highly unpredictable time and have a high level of readiness to adapt our operations. A contributing factor to these difficulties is the major differences in COVID-19 restrictions between different countries. Prevailing regulations are often changed in one direction or another and the signs from authorities all over the world are often difficult to interpret from a long-term perspective. Accordingly, it is currently not possible to provide detailed forecasts of developments in the coming quarters.

## 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.

Order intake - External, SEKm	Currency-				Currency-				Full year 2019	Oct-Sep 12 months
	1 Jul-30 Sep 2020	1 Jul-30 Sep 2019	neutral growth %	Organic growth, %	1 Jan-30 Sep 2020	1 Jan-30 Sep 2019	neutral growth %	Organic growth, %		
Nederman Extraction & Filtration Technology	359.5	493.8	-20.2	-20.2	1,138.8	1,449.8	-18.6	-18.6	1,962.2	1,651.2
Nederman Process Technology	232.8	281.2	-7.4	-7.4	744.4	1,015.8	-24.4	-24.4	1,461.5	1,190.1
Nederman Duct & Filter Technology	92.1	135.4	-21.0	-21.0	301.4	384.6	-19.2	-19.2	473.5	390.3
Nederman Monitoring & Control Technology	142.9	54.2	175.5	24.0	377.3	177.5	119.5	2.0	271.2	471.0
<b>Total Nederman Group</b>	<b>827.3</b>	<b>964.6</b>	<b>-5.6</b>	<b>-14.1</b>	<b>2,561.9</b>	<b>3,027.7</b>	<b>-12.5</b>	<b>-19.4</b>	<b>4,168.4</b>	<b>3,702.6</b>

Total sales, SEKm	Currency-				Currency-				Full year 2019	Oct-Sep 12 months
	1 Jul-30 Sep 2020	1 Jul-30 Sep 2019	neutral growth %	Organic growth, %	1 Jan-30 Sep 2020	1 Jan-30 Sep 2019	neutral growth %	Organic growth, %		
Nederman Extraction & Filtration Technology	356.5	484.8	-19.1	-19.1	1,211.8	1,419.9	-11.8	-11.8	1,940.2	1,732.1
Nederman Process Technology	266.1	418.6	-28.7	-28.7	874.8	1,273.3	-29.2	-29.2	1,633.3	1,234.8
Nederman Duct & Filter Technology	105.7	154.7	-20.8	-20.8	352.2	440.0	-17.4	-17.4	555.4	467.6
Nederman Monitoring & Control Technology	115.3	56.2	115.0	4.0	354.8	165.7	121.7	7.7	280.3	469.4
Elimination	-17.8	-25.7			-58.9	-77.7			-101.5	-82.7
<b>Total Nederman Group</b>	<b>825.8</b>	<b>1,088.6</b>	<b>-16.0</b>	<b>-21.7</b>	<b>2,734.7</b>	<b>3,221.2</b>	<b>-12.3</b>	<b>-18.2</b>	<b>4,307.7</b>	<b>3,821.2</b>

Adjusted EBITA, SEKm	1 Jul-30 Sep		1 Jan-30 Sep		Full year 2019	Oct-Sep 12 months
	2020	2019	2020	2019		
Nederman Extraction & Filtration Technology	48.6	61.2	156.1	185.9	263.2	233.4
Nederman Process Technology	14.0	21.5	49.0	76.3	101.6	74.3
Nederman Duct & Filter Technology	14.4	21.0	43.1	61.3	69.6	51.4
Nederman Monitoring & Control Technology	22.4	1.5	60.5	12.0	44.6	93.1
Other - non-allocated	-20.6	-16.1	-62.1	-66.8	-85.0	-80.3
<b>Total Nederman Group</b>	<b>78.8</b>	<b>89.1</b>	<b>246.6</b>	<b>268.7</b>	<b>394.0</b>	<b>371.9</b>

Adjusted EBITA margin, %	1 Jul-30 Sep		1 Jan-30 Sep		Full year 2019	Oct-Sep 12 months
	2020	2019	2020	2019		
Nederman Extraction & Filtration Technology	13.6	12.6	12.9	13.1	13.6	13.5
Nederman Process Technology	5.3	5.1	5.6	6.0	6.2	6.0
Nederman Duct & Filter Technology	13.6	13.6	12.2	13.9	12.5	11.0
Nederman Monitoring & Control Technology	19.4	2.7	17.1	7.2	15.9	19.8
<b>Total Nederman Group</b>	<b>9.5</b>	<b>8.2</b>	<b>9.0</b>	<b>8.3</b>	<b>9.1</b>	<b>9.7</b>

# Nederman Extraction & Filtration Technology

The downturn in the global economy in the wake of the COVID-19 pandemic continued to have an impact on Nederman Extraction & Filtration Technology during the quarter. Orders received declined organically by 20.2 percent to SEK 359.5m (493.8) compared with the third quarter of 2019. However, compared with the second quarter of 2020, a certain recovery in orders received was noted. Sales amounted to SEK 356.5m (484.8). As a result of effective cost measures, profitability was healthy for the quarter, with an adjusted EBITA margin of 13.6 percent (12.6). Two major orders were registered in the quarter, one in Spain and one in China.

## Development in the quarter

The effects of the COVID-19 pandemic had a major negative impact on demand in Europe and Americas during the quarter, while APAC had a positive trend, with increasing orders received in line with the second quarter of the year.

In Germany, orders received and sales declined during the quarter, but the level of activity was stable, with several initiatives in the market. In the Nordic region, demand declined as a result of lower project sales in Denmark and Sweden. After a strong end to the quarter, performance in Norway was in line with the year-earlier period. In the UK, performance was weak, although an improvement for systems solutions and service was noted. In the Benelux area, the Netherlands was affected by the COVID-19 pandemic to a lesser degree than the rest of Europe, and Belgium was essentially in line with the third quarter of 2019.

There was a drastic decline in all business activities in France and Spain. However, a major order in Spain in September meant that the orders received in this market were higher than in the year-earlier period. In Poland, orders received declined as a result of low project sales.

In APAC, orders received grew organically for the second consecutive quarter. China reported a favourable quarter that was further strengthened by a major order in September. In Australia and Southeast Asia, performance was also better than in the third quarter of 2019 with good order intake in Vietnam and Thailand.

In North America, orders received declined following lower project sales than in the corresponding quarter in 2019. Brazil had a positive performance after a strong finish to the quarter with strong orders received from the mining industry.

There was a weak trend in most distributor markets, mainly due to a low level of activity in the automotive industry. The trend in Russia was positive, with favourable growth in orders received.

## Key activities

During the quarter, the division continued its successful launch of future-proof smart IoT filters that enable customers to optimise and take control of air filtration at their facilities. A system was also launched for the elimination of aerosols for the dental market.

The division implemented further measures relating to costs, which led to a significant reduction in expenses.

## Effects of the COVID-19 pandemic

The ongoing pandemic has made it more difficult to visit customers, their plants and installations in progress. To address the reduced demand, shorter working hours were introduced in the countries where it was necessary, at the same time as a good level of deliveries and service have been maintained. The division has implemented measures to reduce the spread of infection in all areas of the business.

The pandemic is also expected to have a significant impact on orders received and sales in the fourth quarter and the organisation has been adapted to address this situation. At the same time, it will be important to be flexible in order to be prepared for a return to more normal business conditions.

## 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	1Jul-30Sep		Currency-neutral		1Jan-30Sep		Currency-neutral		Full year 2019	Oct-Sep 12 months
		2020	2019	growth, %	Organic growth, %	2020	2019	growth, %	Organic growth, %		
Incoming orders - External		359.5	493.8	-20.2	-20.2	1,138.8	1,449.8	-18.6	-18.6	1,962.2	1,651.2
Total sales	2	356.5	484.8	-19.1	-19.1	1,211.8	1,419.9	-11.8	-11.8	1,940.2	1,732.1
Adjusted EBITA		48.6	61.2			156.1	185.9			263.2	233.4
Adjusted EBITA margin, %		13.6	12.6			12.9	13.1			13.6	13.5

## Nederman Process Technology

**Nederman Process Technology's orders received amounted to SEK 232.8m (281.2) in the quarter. Compared with the second quarter of 2020, orders received increased by 32 percent. Sales amounted to SEK 266.1m (418.6) and the adjusted EBITA margin was 5.3 percent (5.1). There was a strong decline in demand for large systems during the quarter, while the aftermarket performed better. The division still has many projects that will very likely be implemented, but have now been postponed after several important customers announced that they would be delaying planned investments.**

The weak demand situation will likely also have a negative impact on orders received during the coming quarters, although some brightening in the market situation can be seen. The division's sales are driven by the implementation of major projects and several of these were postponed during the quarter, with reduced invoicing as a result. Since the division's systems are, as a rule, included as a smaller part of large and capital-intensive projects that are already far advanced in their implementation, the risk of existing contracts being cancelled is deemed to be limited. Measures to address costs resulted in expenses being reduced by 35 percent for the quarter compared with the same period in 2019, which entailed that earnings only declined by SEK 7m, although sales declined by SEK 152m.

### Development in the quarter

**The textile segment** was already challenging before the COVID-19 pandemic and a considerable number of spinning mills throughout the world suspended production during the first half of 2020 due to the pandemic. However, the market is beginning to show signs of recovery and orders received in the quarter were better than in the corresponding quarter in 2019. The important Indian market was particularly affected by extensive closures that also impacted the division's plant in the country during parts of the year.

As expected, the **foundry and smelter segment** had a weak performance during the third quarter of the year, with a low level of demand from the automotive industry. The third quarter is also usually the weakest quarter of the year. However, at the end of the quarter, increased activity was noted among the division's customers and aftermarket sales increased, resulting in some improvement in margins. Sales from projects booked during earlier quarters are now being implemented and are proceeding well. Ahead of the year's fourth quarter, there is some optimism regarding certain areas of the market, but a large amount of uncertainty remains.

### Key activities

The focus during the quarter was on the employees' safety in relation to COVID-19 and on strengthening orders received to build a strong pipeline for the future. At the same time, the division has invested a large amount of energy in securing profitability in the short and long term. During the quarter, the implementation of the new strategy also continued, with its cornerstones of: Stronger productivity, Globalisation of the business, Service and digitalisation, and Personnel development.

### Effects of the COVID-19 pandemic

In principle, the division maintained normal production capacity during the quarter, apart from in India, where it was only possible to operate the business with 10 to 30 percent of the workforce due to official decisions. All plants have taken precautionary measures to reduce the spread of infection.

The COVID-19 pandemic is expected to have consequences for orders received in the fourth quarter of the year. Orders received have declined in most markets and many customers want to postpone their deliveries because many of the end customers' operations have been shut down. Capacity and costs were adapted to address the anticipated market situation.

### Nederman Process Technology

Sales activities are conducted by our sales force which has direct contact with the division's customers. The number of orders is few, but 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 Jul-30 Sep		Currency-neutral		1 Jan-30 Sep		Currency-neutral		Full year 2019	Oct-Sep 12 months
		2020	2019	growth, %	Organic growth, %	2020	2019	growth, %	Organic growth, %		
Incoming orders - External		232.8	281.2	-7.4	-7.4	744.4	1,015.8	-24.4	-24.4	1,461.5	1,190.1
Total sales	2	266.1	418.6	-28.7	-28.7	874.8	1,273.3	-29.2	-29.2	1,633.3	1,234.8
Adjusted EBITA		14.0	21.5			49.0	76.3			101.6	74.3
Adjusted EBITA margin, %		5.3	5.1			5.6	6.0			6.2	6.0

# Nederman Duct & Filter Technology

Nederman Duct & Filter Technology's orders received amounted to SEK 92.1m (135.4) in the quarter. Sales amounted to SEK 105.7m (154.7) and the adjusted EBITA margin was 13.6 percent (13.6). The decline in sales is attributable to the restrictions caused by the ongoing COVID-19 pandemic. The number of requests for quotations remains on a healthy level considering the circumstances, but orders and the start-up of new projects have been partly postponed. Disruptions to the supply chain were generally limited during the quarter. As a result of a number of early measures related to costs, essentially all of the division's companies were able to maintain a level of profitability that was, in principle, normal.

## Development in the quarter

**Nordfab**, which sells various types of pipe systems, reported negative growth compared with the corresponding quarter in 2019.

In the US, sales declined compared with the corresponding quarter in 2019 following lower demand for medium-sized orders due to the customer category that requires this part of the product range continuing to be affected by lockdowns. Other travel restrictions also had a significantly negative impact on orders received in the quarter. Compared with the second quarter of 2020, a slow but stable recovery in sales was noted in the US.

In Europe, there was a strong decline in demand in the quarter compared with the third quarter of 2019. During the second quarter of the year, some of the large resellers in Germany built up their inventory, which restricted demand in the third quarter. In the UK, production returned to essentially normal capacity and this capacity is expected to increase further during the fourth quarter of the year following the upgrade of some equipment.

The positive profitability trend at the plant in Thailand continued during the quarter. Exports from Thailand to Australia strengthened significantly compared with the year's second quarter, but remain below the 2019 levels. Domestic sales were only marginally impacted by the ongoing pandemic.

**Menardi**, which sells the division's filter solutions, had negative sales growth compared with the third quarter of 2019.

Sales in the US declined compared with the corresponding quarter of 2019 and the preceding quarter. A large share of sales derives from aftermarket sales, which should not be affected by

the COVID-19 pandemic to as great an extent as product sales. However, the difficulty in gaining access to the customers' plants entailed that several replacements of large filter systems were postponed. The price pressure that arose during the second quarter of the year continued during the third quarter.

In Europe, the trend was in line with the preceding quarter, with a considerable increase in demand from external customers.

## Key activities

During the quarter, Nederman Duct & Filter Technology completed the restructuring programme that is aimed at protecting the profitability and liquidity in all of the division's operations. In the UK, work commenced on preparing the organisation for a possible hard Brexit.

## Effects of the COVID-19 pandemic

All plants essentially maintained their normal production capacity during the quarter and experienced no problems in the supply chain. All plants have taken precautionary measures to reduce the spread of infection. The COVID-19 pandemic is expected to also have negative consequences for orders received in the fourth quarter of the year.

## 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 & 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 Jul-30 Sep		Currency-neutral		Organic		1 Jan-30 Sep		Currency-neutral		Organic		Full year 2019	Oct-Sep 12 months
		2020	2019	growth, %	growth, %	2020	2019	growth, %	growth, %						
Incoming orders - External		92.1	135.4	-21.0	-21.0	301.4	384.6	-19.2	-19.2	473.5	390.3				
Total sales	2	105.7	154.7	-20.8	-20.8	352.2	440.0	-17.4	-17.4	555.4	467.6				
Adjusted EBITA		14.4	21.0			43.1	61.3			69.6	51.4				
Adjusted EBITA margin, %		13.6	13.6			12.2	13.9			12.5	11.0				

## Nederman Monitoring & Control Technology

Nederman Monitoring & Control Technology reported a positive trend in orders received during the third quarter of the year, despite the negative impact of the COVID-19 pandemic. Orders received amounted to SEK 142.9m (54.2), which was an organic increase of 24.0 percent compared with the corresponding quarter in 2019 and 21.4 percent compared with the second quarter of 2020. Sales amounted to SEK 115.3m (56.2) and the adjusted EBITA margin totalled 19.4 percent (2.7), which is a satisfactory development in light of the global economic downturn. The positive trend in the quarter was primarily the result of strong performance in APAC.

### Development in the quarter

APAC remains the division's strongest region, with significant growth in both orders received and sales. The positive trend from earlier quarters continues and is an indication that APAC will be the region that takes the lead in the recovery after the COVID-19 pandemic.

In EMEA, sales declined compared with the third quarter of 2019 and the preceding quarter. Orders received also declined compared with 2019, but were in line with the second quarter of the year. In EMEA, the effects of the COVID-19 pandemic differed significantly between different industries and different countries.

In Americas, where process control solutions continue to dominate the operations, sales grew compared with both the third quarter of 2019 and the preceding quarter. A similar development was apparent in orders received. The US is the dominant market in the region, with a COVID-19 effect that is to a large extent strongly segmented. Some industries are conducting their business more or less as usual, while others have been very harshly affected.

### Key activities

During the quarter, the division made its largest Insight sale to date in the form of an order for 120 filter systems for a single plant in the US. The Insight technology, with its comprehensive monitoring and alarm functions, will be used for EPA reporting (reporting in accordance with the requirements of the US Environmental Protection Agency) of emissions.

### Effects of the COVID-19 pandemic

All of the division's plants have implemented the applicable safety rules to reduce the spread of infection and protect production and delivery capacity. The supply of components was satisfactory in the quarter and the production plants functioned as previously.

The COVID-19 pandemic is expected to have a negative impact on demand for the division's products during the fourth quarter of the year, mainly in Europe and North America.

### 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 Jul-30 Sep				1 Jan-30 Sep				Full year 2019	Oct-Sep 12 months
		2020	2019	Currency- neutral growth, %	Organic growth, %	2020	2019	Currency- neutral growth, %	Organic growth, %		
Incoming orders - External		142.9	54.2	175.5	24.0	377.3	177.5	119.5	2.0	271.2	471.0
Total sales	2	115.3	56.2	115.0	4.0	354.8	165.7	121.7	7.7	280.3	469.4
Adjusted EBITA		22.4	1.5			60.5	12.0			44.6	93.1
Adjusted EBITA margin, %		19.4	2.7			17.1	7.2			15.9	19.8

# Quarter 3, 2020

## Incoming orders and sales

Incoming orders during the quarter amounted to SEK 827m (965), equivalent to a currency-neutral decrease of 5.6 percent compared with the corresponding period last year.

Sales for the quarter amounted to SEK 826m (1,089), equivalent to a currency-neutral decrease of 16.0 percent compared with the corresponding period last year.

## Profit/loss

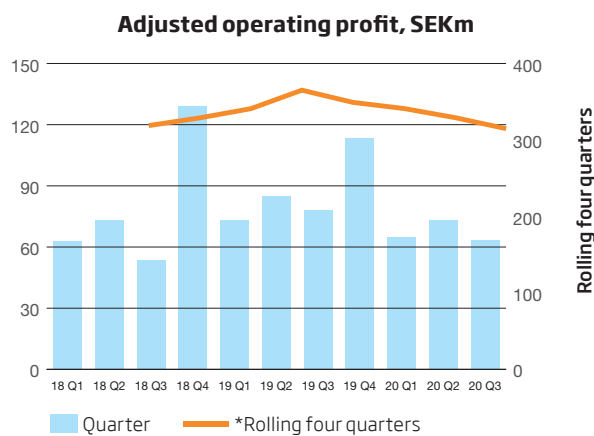
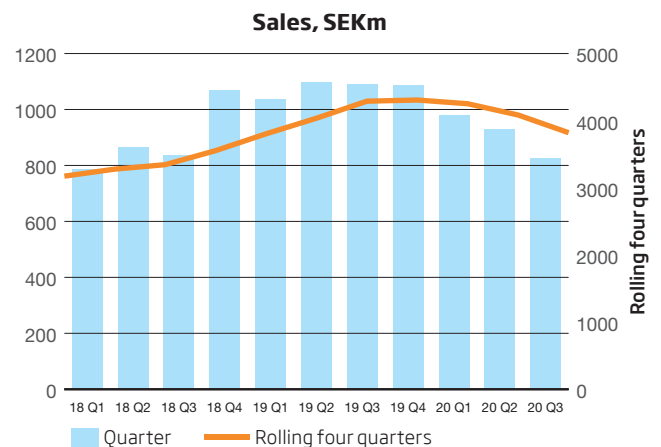
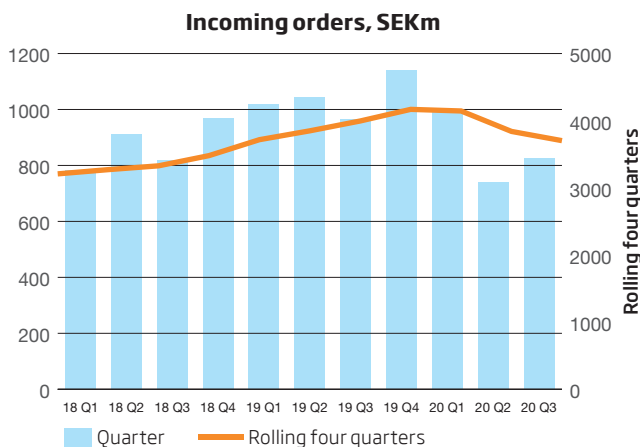
The consolidated operating profit for the quarter was SEK 63.3m (77.9), which gave an operating margin of 7.7 percent (7.2).

Adjusted operating profit amounted to SEK 63.5m (77.9). Adjusted operating margin was 7.7 percent (7.2).

Profit before tax decreased to SEK 40.6m (72.6). Net profit was SEK 31.5m (52.8), which gave earnings per share of SEK 0.90 (1.50).

## Capital expenditure

Capital expenditure in intangible and tangible assets amounted to SEK 19.7m (26.5).



\* In the transition to IFRS 16, the figures for the fiscal year 2018 were recalculated according to the new standard, which is why adjusted operating profit over four rolling quarters is only shown from the fourth quarter of 2018.



# January - September 2020

## Incoming orders and sales

Incoming orders were SEK 2,562m (3,028), equivalent to a currency-neutral decrease of 12.5 percent compared with the same period last year.

Sales amounted to SEK 2,735m (3,221), equivalent to a currency-neutral decrease of 12.3 percent compared with the same period last year.

## Profit/loss

Consolidated operating profit for the period was SEK 125.2m (234.5), which gave an operating margin of 4.6 percent (7.3).

Adjusted operating profit amounted to SEK 201.6m (235.9). Adjusted operating margin was 7.4 percent (7.3).

Profit before tax decreased to SEK 73.1m (212.4). Net profit was SEK 55.3m (153.4), which gave earnings per share of SEK 1.58 (4.37).

## Cash flow

Cash flow for the period amounted to SEK -11.8m (-69.7) and cash flow for operating activities amounted to SEK 140.9 m (116.0). The main reasons for the improved cash flow are attributable to the fact that no dividend was paid during the second quarter and increased focus on working capital. Other adjustments of SEK 39.7 m mainly relate to the Group's provision for restructuring measures.

## Capital expenditure

Capital expenditure in intangible and tangible assets amounted to SEK 71.8m (65.6), of which capitalised development expenses amounted to SEK 12.2m (10.2).

## Other financial information

Liquidity: At the end of the period the Group had SEK 420.9m in cash and cash equivalents as well as SEK 207m in available but unutilised overdraft facilities.

In addition, there was a credit facility of SEK 225m within the framework of Nederman's loan agreement with SEB and SHB, and SEK 200m within the framework of Nederman's loan agreement with SHB.

The equity in the Group as of 30 September 2020 amounted to SEK 1,347.9m (1,338.3). The total number of shares outstanding was 35,093,096 at the end of the period.

The equity ratio for the Group was 29.9 percent as of 30 September 2020 (31.3). The net debt/equity ratio was 115.9 percent (71.5).

## Number of employees

The average number of employees during the period was 2,093 (2,188). The number of employees at the end of the period was 2,119 (2,250).

## Key figures, Group

SEKm	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2020	2019	2020	2019	2019	12 months
Net sales	825.8	1,088.6	2,734.7	3,221.2	4,307.7	3,821.2
Adjusted EBITA	78.8	89.1	246.6	268.7	394.0	371.9
Adjusted EBITA margin, %	9.5	8.2	9.0	8.3	9.1	9.7
Adjusted EBITDA	105.0	114.9	328.3	344.3	495.8	479.8
Adjusted EBITDA margin, %	12.7	10.6	12.0	10.7	11.5	12.6
Operating profit	63.3	77.9	125.2	234.5	343.2	233.9
Operating margin, %	7.7	7.2	4.6	7.3	8.0	6.1
Adjusted operating profit	63.5	77.9	201.6	235.9	349.1	314.8
Adjusted operating margin, %	7.7	7.2	7.4	7.3	8.1	8.2
Profit before tax	40.6	72.6	73.1	212.4	307.3	168.0
Net profit	31.5	52.8	55.3	153.4	225.8	127.7
Earnings per share, SEK	0.90	1.50	1.58	4.37	6.43	3.64
Return on equity, %	9.4	15.9	5.4	15.9	17.3	9.5
Return on operating capital, %	8.7	13.7	9.2	14.6	14.1	12.1
Net debt					1,564.1	1,561.8
Net debt/equity ratio, %					113.5	115.9
Net debt/Adjusted EBITDA, multiple					3.2	3.3
Interest cover ratio, multiple					8.1	4.9

## Outlook

There is currently extreme uncertainty regarding the development of the global economy. For the fourth quarter of the year, Nederman expects the effects of the COVID-19 pandemic to remain considerable in most of the Group's markets. The Chinese market continues to display signs of recovery. It is currently not possible to determine exactly how extensive the effects of the COVID-19 pandemic will be or how protracted in terms of time.

During the second and third quarter, Nederman implemented a number of measures to maintain good profitability under the currently difficult circumstances. A restructuring programme for Nederman's future business stability was also initiated in the second quarter. The programme will generate annual cost savings of SEK 100m (SEK 55m in 2020). The programme's costs amount to SEK 75m and were charged to the profit and loss account in their entirety to the second quarter of 2020. The restructuring programme will in all essentials be finalized by year-end 2020. Nederman will also continue the digitalisation of its product range, which has been in progress for a long time.

## Regions

External order intake, SEKm	1 Jul-30 Sep		1 Jan-30 Sep		Full year 2019	Oct-Sep 12 mån
	2020	2019	2020	2019		
Americas	226.0	351.7	810.1	1,009.0	1,292.3	1,093.4
EMEA	420.7	470.2	1,308.6	1,530.6	2,204.5	1,982.5
APAC	180.6	142.7	443.2	488.1	671.6	626.7
<b>Total Nederman Group</b>	<b>827.3</b>	<b>964.6</b>	<b>2,561.9</b>	<b>3,027.7</b>	<b>4,168.4</b>	<b>3,702.6</b>

External net sales, SEKm	1 Jul-30 Sep		1 Jan-30 Sep		Full year 2019	Oct-Sep 12 mån
	2020	2019	2020	2019		
Americas	245.9	374.5	865.9	1,050.6	1,380.4	1,195.7
EMEA	437.5	559.7	1,447.2	1,601.5	2,190.5	2,036.2
APAC	142.4	154.4	421.6	569.1	736.8	589.3
<b>Total Nederman Group</b>	<b>825.8</b>	<b>1,088.6</b>	<b>2,734.7</b>	<b>3,221.2</b>	<b>4,307.7</b>	<b>3,821.2</b>

# Impact of the COVID-19 pandemic on Nederman

**The ongoing COVID-19 pandemic and the resulting restrictions have had and will continue to have a major impact on the Nederman Group. Below is an overview of how the Group has been affected and what Nederman is doing to address this extreme situation.**

## Effects on Nederman's markets

- Reduced demand from EMEA and Americas was noticeable throughout the quarter, while the trend in APAC was considerably more positive.

## Effects on Nederman during the third quarter of 2020

- Recurring lockdowns and travel restrictions during the quarter caused difficulties for Nederman and Nederman's customers resulting in project delays.
- Orders received, sales and, accordingly, earnings were negatively affected, primarily in Americas and EMEA, while the trend in APAC was more favourable.
- The adjusted operating profit for the Group in its entirety amounted to SEK 64m for the quarter, which can be compared with profit for the third quarter of 2019 of SEK 78m.

## Anticipated future effects

- See page 11.

## Nederman's measures

- To face the future following the COVID-19 pandemic, Nederman commenced a restructuring programme during the second quarter of the year that will lead to annual cost savings of SEK 100m. The plan encompasses all of the Group's divisions. Restructuring costs, which amount to SEK 75m, were expensed during the second quarter of 2020. Of the total cost, approximately half impacted cash flow during the second and third quarters. It is anticipated that the programme will essentially be implemented by the end of 2020.
- Recommended hygiene routines have been implemented in all areas of the operations to limit the spread of infection in the company and the community.
- At some plants, shift work, with separated work teams, has been introduced to limit the risk that any spread of infection could affect production capacity.
- Temporary lay-offs and short-time working have been implemented at the plants where this is possible and necessary.
- Some inventory accumulation of components has occurred to ensure continued delivery capacity, while potential new suppliers have also been identified.
- It is essential to maintain healthy liquidity under the prevailing circumstances. Accordingly, Nederman's Board of Directors withdrew its earlier dividend proposal.
- The Group has expanded its credit facilities.
- Nederman has signed updated financing agreements with its banks. The updated financing agreements create flexibility and scope for covenants for the coming five quarters.
- Nederman is maintaining a high level of readiness to implement prepared measures to reduce costs depending on how the situation develops.

# 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. The report has been reviewed by the company's auditor.

**Helsingborg 23 October 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

## Consolidated income statement in summary

SEK million	Note	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
		2020	2019	2020	2019	2019	12 months
Net sales	2.3	825.8	1,088.6	2,734.7	3,221.2	4,307.7	3,821.2
Cost of goods sold		-515.3	-699.6	-1,708.9	-2,054.2	-2,716.4	-2,371.1
<b>Gross profit</b>		<b>310.5</b>	<b>389.0</b>	<b>1,025.8</b>	<b>1,167.0</b>	<b>1,591.3</b>	<b>1,450.1</b>
Selling expenses		-156.4	-212.2	-527.1	-633.1	-828.8	-722.8
Administrative expenses		-69.5	-89.1	-231.4	-260.8	-342.8	-313.4
Research and development expenses		-13.4	-17.2	-52.3	-46.6	-65.2	-70.9
Acquisition costs		-0.2	-0.0	-1.4	-1.4	-5.9	-5.9
Restructuring costs		-	-	-75.0	-	-	-75.0
Other operating income/expenses		-7.7	7.4	-13.4	9.4	-5.4	-28.2
<b>Operating profit</b>		<b>63.3</b>	<b>77.9</b>	<b>125.2</b>	<b>234.5</b>	<b>343.2</b>	<b>233.9</b>
Financial income		0.8	5.9	1.1	11.0	8.4	-1.5
Financial expense		-23.5	-11.2	-53.2	-33.1	-44.3	-64.4
<b>Net financial items</b>		<b>-22.7</b>	<b>-5.3</b>	<b>-52.1</b>	<b>-22.1</b>	<b>-35.9</b>	<b>-65.9</b>
<b>Profit before tax</b>		<b>40.6</b>	<b>72.6</b>	<b>73.1</b>	<b>212.4</b>	<b>307.3</b>	<b>168.0</b>
Taxes		-9.1	-19.8	-17.8	-59.0	-81.5	-40.3
<b>Net profit</b>		<b>31.5</b>	<b>52.8</b>	<b>55.3</b>	<b>153.4</b>	<b>225.8</b>	<b>127.7</b>
<b>Net profit attributable to:</b>							
The parent company's shareholders		31.5	52.8	55.3	153.4	225.8	127.7
<b>Earnings per share</b>		<b>0.90</b>	<b>1.50</b>	<b>1.58</b>	<b>4.37</b>	<b>6.43</b>	<b>3.64</b>

## Consolidated statement of comprehensive income in summary

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2020	2019	2020	2019	2019	12 months
<b>Net profit</b>	<b>31.5</b>	<b>52.8</b>	<b>55.3</b>	<b>153.4</b>	<b>225.8</b>	<b>127.7</b>
<b>Other comprehensive income</b>						
<b>Items that cannot be reclassified to net profit</b>						
Revaluation of defined-benefit pension plans	-12.6	-89.0	-12.6	-90.2	-62.4	15.2
Tax attributable to items that cannot be reclassified to net profit	2.9	21.5	2.9	21.8	13.5	-5.4
	<b>-9.7</b>	<b>-67.5</b>	<b>-9.7</b>	<b>-68.4</b>	<b>-48.9</b>	<b>9.8</b>
<b>Items that have been or can be reclassified to net profit</b>						
Exchange differences arising on translation of foreign operations	-15.5	29.6	-75.9	98.7	46.8	-127.8
	<b>-15.5</b>	<b>29.6</b>	<b>-75.9</b>	<b>98.7</b>	<b>46.8</b>	<b>-127.8</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>-25.2</b>	<b>-37.9</b>	<b>-85.6</b>	<b>30.3</b>	<b>-2.1</b>	<b>-118.0</b>
<b>Total comprehensive income for the period</b>	<b>6.3</b>	<b>14.9</b>	<b>-30.3</b>	<b>183.7</b>	<b>223.7</b>	<b>9.7</b>
<b>Total comprehensive income attributable to:</b>						
The parent company's shareholders	6.3	14.9	-30.3	183.7	223.7	9.7

## Consolidated statement of financial position in summary

SEK million	Note	30 Sep 2020	30 Sep 2019	31 Dec 2019
<b>Assets</b>				
Goodwill		1,578.4	1,260.5	1,612.2
Other intangible assets		423.5	271.0	425.2
Tangible assets		315.6	337.7	335.3
Right-of-use assets		236.0	196.3	257.7
Long-term receivables		6.1	12.4	5.3
Deferred tax assets		30.5	31.5	8.2
<b>Total fixed assets</b>		<b>2,590.1</b>	<b>2,109.4</b>	<b>2,643.9</b>
Inventories		564.0	647.1	610.3
Accounts receivable	4	515.6	639.8	619.3
Other current receivables	4	412.6	466.9	427.7
Cash and cash equivalents	4	420.9	412.9	445.3
<b>Total current assets</b>		<b>1,913.1</b>	<b>2,166.7</b>	<b>2,102.6</b>
<b>Total assets</b>		<b>4,503.2</b>	<b>4,276.1</b>	<b>4,746.5</b>
<b>Equity</b>				
		<b>1,347.9</b>	<b>1,338.3</b>	<b>1,378.2</b>
<b>Liabilities</b>				
Long-term interest-bearing liabilities	4	1,569.8	951.8	1,575.6
Long-term lease liabilities	4	185.3	158.5	208.4
Other long-term liabilities	4	4.7	242.1	4.9
Pension liabilities		161.2	181.3	153.1
Other provisions		19.4	19.5	21.0
Deferred tax liabilities		26.1	21.4	22.9
<b>Total long-term liabilities</b>		<b>1,966.5</b>	<b>1,574.6</b>	<b>1,985.9</b>
Current interest-bearing liabilities		-	16.2	5.0
Current lease liabilities	4	66.4	61.8	67.3
Accounts payable	4	340.2	424.1	423.2
Other current liabilities	4	714.4	827.6	860.7
Provisions		67.8	33.5	26.2
<b>Total current liabilities</b>		<b>1,188.8</b>	<b>1,363.2</b>	<b>1,382.4</b>
<b>Total liabilities</b>		<b>3,155.3</b>	<b>2,937.8</b>	<b>3,368.3</b>
<b>Total equity and liabilities</b>		<b>4,503.2</b>	<b>4,276.1</b>	<b>4,746.5</b>

## Consolidated statement of changes in equity in summary

SEK million	30 Sep 2020	30 Sep 2019	31 Dec 2019
Opening balance at beginning of period	1,378.2	1,234.9	1,234.9
Net profit	55.3	153.4	225.8
Other comprehensive income			
Change in translation reserve for the period	-75.9	98.7	46.8
Revaluation of defined-benefit pension plans, net of tax	-9.7	-68.4	-48.9
<b>Total other comprehensive income for the period</b>	<b>-85.6</b>	<b>30.3</b>	<b>-2.1</b>
<b>Total comprehensive income for the period</b>	<b>-30.3</b>	<b>183.7</b>	<b>223.7</b>
Transactions with Group owners			
Dividend paid	-	-80.7	-80.7
Share-based remuneration	-	0.4	0.3
<b>Closing balance at end of period</b>	<b>1,347.9</b>	<b>1,338.3</b>	<b>1,378.2</b>

## Consolidated cash flow statement in summary

SEK million	Note	1 Jan-30 Sep 2020	1 Jan-30 Sep 2019	Full year 2019	Oct-Sep 12 months
Operating profit		125.2	234.5	343.2	233.9
Adjustment for:					
Depreciation and amortisation of fixed assets		126.7	108.4	146.7	165.0
Other adjustments		39.7	4.3	-0.8	34.6
Interest received and paid including other financial items		-42.0	-30.6	-36.5	-47.9
Taxes paid		-57.4	-63.6	-77.8	-71.6
<b>Cash flow from operating activities before changes in working capital</b>		<b>192.2</b>	<b>253.0</b>	<b>374.8</b>	<b>314.0</b>
Cash flow from changes in working capital		-51.3	-137.0	-53.5	32.2
<b>Cash flow from operating activities</b>		<b>140.9</b>	<b>116.0</b>	<b>321.3</b>	<b>346.2</b>
Net investment in fixed assets		-71.6	-63.8	-89.6	-97.4
Acquisitions	5	-19.3	-4.1	-656.6	-671.8
<b>Cash flow before financing activities</b>		<b>50.0</b>	<b>48.1</b>	<b>-424.9</b>	<b>-423.0</b>
Dividend paid		-	-80.7	-80.7	-
Cash flow from other financing activities		-61.8	-37.1	485.4	460.7
<b>Cash flow for the period</b>		<b>-11.8</b>	<b>-69.7</b>	<b>-20.2</b>	<b>37.7</b>
Cash and cash equivalents at beginning of period		445.3	463.9	463.9	412.9
Translation differences		-12.6	18.7	1.6	-29.7
<b>Cash and cash equivalents at end of period</b>		<b>420.9</b>	<b>412.9</b>	<b>445.3</b>	<b>420.9</b>



## Income statement for the parent company in summary

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2020	2019	2020	2019	2019	12 months
Net sales	6.6	8.4	21.5	24.2	26.9	24.2
Administrative expenses	-27.2	-25.8	-85.7	-91.2	-117.4	-111.9
Research and development expenses	-	-0.3	-0.5	0.1	-	-0.6
Restructuring costs	-10.6	-	-10.6	-	-	-10.6
Other operating revenue and expenses	-2.0	1.5	-3.8	2.1	0.3	-5.6
<b>Operating profit/loss</b>	<b>-33.2</b>	<b>-16.2</b>	<b>-79.1</b>	<b>-64.8</b>	<b>-90.2</b>	<b>-104.5</b>
Result from investment in subsidiaries	-	20.4	-	70.5	72.6	2.1
Other financial items	-0.1	-0.1	-6.7	-13.8	-16.1	-9.0
<b>Profit/loss after financial items</b>	<b>-33.3</b>	<b>4.1</b>	<b>-85.8</b>	<b>-8.1</b>	<b>-33.7</b>	<b>-111.4</b>
Appropriations	-	-	-	-	144.0	144.0
<b>Profit/loss before tax</b>	<b>-33.3</b>	<b>4.1</b>	<b>-85.8</b>	<b>-8.1</b>	<b>110.3</b>	<b>32.6</b>
Taxes	4.8	-6.3	4.5	-9.6	-13.9	0.2
<b>Net profit/loss for the period</b>	<b>-28.5</b>	<b>-2.2</b>	<b>-81.3</b>	<b>-17.7</b>	<b>96.4</b>	<b>32.8</b>

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

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2020	2019	2020	2019	2019	12 months
<b>Net profit/loss</b>	<b>-28.5</b>	<b>-2.2</b>	<b>-81.3</b>	<b>-17.7</b>	<b>96.4</b>	<b>32.8</b>
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>-28.5</b>	<b>-2.2</b>	<b>-81.3</b>	<b>-17.7</b>	<b>96.4</b>	<b>32.8</b>

## Balance sheet for the parent company in summary

SEK million	30 Sep 2020	30 Sep 2019	31 Dec 2019
<b>Assets</b>			
Total fixed assets	2,156.0	1,617.0	2,126.9
Total current assets	373.7	136.8	398.1
<b>Total assets</b>	<b>2,529.7</b>	<b>1,753.8</b>	<b>2,525.0</b>
<b>Shareholders' Equity</b>	<b>836.6</b>	<b>803.9</b>	<b>917.9</b>
<b>Untaxed reserves</b>	<b>-</b>	<b>1.4</b>	<b>-</b>
<b>Liabilities</b>			
Total long-term liabilities	1,173.0	695.3	1,170.9
Total current liabilities	520.1	253.2	436.2
<b>Total liabilities</b>	<b>1,693.1</b>	<b>948.5</b>	<b>1,607.1</b>
<b>Total equity and liabilities</b>	<b>2,529.7</b>	<b>1,753.8</b>	<b>2,525.0</b>

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

SEK million	30 Sep 2020	30 Sep 2019	31 Dec 2019
Opening balance at beginning of period	917.9	901.9	901.9
Net profit/loss	-81.3	-17.7	96.4
Other comprehensive income			
<b>Total other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>-81.3</b>	<b>-17.7</b>	<b>96.4</b>
Transactions with owners			
Dividend paid	-	-80.7	-80.7
Share-based remuneration	-	0.4	0.3
<b>Closing balance at end of period</b>	<b>836.6</b>	<b>803.9</b>	<b>917.9</b>

## Pledged assets and contingent liabilities for the parent company

SEK million	30 Sep 2020	30 Sep 2019	31 Dec 2019
Pledged assets	none	none	none
Contingent liabilities	434.6	403.9	412.2

## Note 1: Accounting policies

This interim report is prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The report for the parent company has been prepared in accordance with Swedish Annual Accounts Act chapter 9 and RFR 2. The same accounting policies and valuation principles, except for amendments below, as described in the latest annual report, see also pages 93-98 of the 2019 Annual Report, have been applied both to the Group and the parent company. None of the new or revised standards, interpretations and improvements adopted by the EU have had any material impact on the Nederman Group.

## Note 2: Allocation of sales

SEKm				1 Jul-30 Sep 2020
Total sales by segment and sales type	Product sales	Solution sales	Service and aftermarket	Total
Nederman Extraction & Filtration Technology	132.7	156.1	67.7	356.5
Nederman Process Technology	0.1	186.3	79.7	266.1
Nederman Duct & Filter Technology	97.3	6.2	2.2	105.7
Nederman Monitoring & Control Technology	101.7	-	13.6	115.3
Elimination	-6.4	-7.2	-4.2	-17.8
<b>Total Nederman Group</b>	<b>325.4</b>	<b>341.4</b>	<b>159.0</b>	<b>825.8</b>

SEKm				1 Jul-30 Sep 2019
Total sales by segment and sales type	Product sales	Solution sales	Service and aftermarket	Total
Nederman Extraction & Filtration Technology	197.0	193.8	94.0	484.8
Nederman Process Technology	0.2	320.9	97.5	418.6
Nederman Duct & Filter Technology	141.5	10.1	3.1	154.7
Nederman Monitoring & Control Technology	55.6	-	0.6	56.2
Elimination	-11.4	-10.2	-4.1	-25.7
<b>Total Nederman Group</b>	<b>382.9</b>	<b>514.6</b>	<b>191.1</b>	<b>1,088.6</b>

SEKm				1 Jan-30 Sep 2020
Total sales by segment and sales type	Product sales	Solution sales	Service and aftermarket	Total
Nederman Extraction & Filtration Technology	478.5	513.9	219.4	1,211.8
Nederman Process Technology	0.2	620.4	254.2	874.8
Nederman Duct & Filter Technology	322.4	21.7	8.1	352.2
Nederman Monitoring & Control Technology	319.2	-	35.6	354.8
Elimination	-23.3	-23.7	-11.9	-58.9
<b>Total Nederman Group</b>	<b>1,097.0</b>	<b>1,132.3</b>	<b>505.4</b>	<b>2,734.7</b>

SEKm				1 Jan-30 Sep 2019
Total sales by segment and sales type	Product sales	Solution sales	Service and aftermarket	Total
Nederman Extraction & Filtration Technology	600.9	553.1	265.9	1,419.9
Nederman Process Technology	1.0	988.6	283.7	1,273.3
Nederman Duct & Filter Technology	401.1	28.2	10.7	440.0
Nederman Monitoring & Control Technology	164.3	-	1.4	165.7
Elimination	-31.3	-31.1	-15.3	-77.7
<b>Total Nederman Group</b>	<b>1,136.0</b>	<b>1,538.8</b>	<b>546.4</b>	<b>3,221.2</b>

## Note 2: Allocation of sales, cont'd

SEKm	Full year 2019			
	Product sales	Solution sales	Service and aftermarket	Total
<b>Total sales by segment and sales type</b>				
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	-	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 recognised according to the project's rate of progression towards completion.

## Note 3: Operating segment reporting

Segment reporting is based on reports submitted to the Group's senior executives. Nederman Group is divided into four operating segments; Nederman Extraction & Filtration Technology, Nederman Process Technology, Nederman Duct & Filter Technology and Nederman Monitoring & Control Technology, which are described further on pages 4-7. The division is based on technology, customers and business logic with the aim of increasing both growth and profitability through simple structures and clear focus. Non-allocated items refer mainly to costs relating to the parent company, Nederman Holding AB, which includes the central head office functions.

Order intake - External, SEKm	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2020	2019	2020	2019	2019	12 months
Nederman Extraction & Filtration Technology	359.5	493.8	1,138.8	1,449.8	1,962.2	1,651.2
Nederman Process Technology	232.8	281.2	744.4	1,015.8	1,461.5	1,190.1
Nederman Duct & Filter Technology	92.1	135.4	301.4	384.6	473.5	390.3
Nederman Monitoring & Control Technology	142.9	54.2	377.3	177.5	271.2	471.0
<b>Total Nederman Group</b>	<b>827.3</b>	<b>964.6</b>	<b>2,561.9</b>	<b>3,027.7</b>	<b>4,168.4</b>	<b>3,702.6</b>

Total sales, SEKm	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2020	2019	2020	2019	2019	12 months
Nederman Extraction & Filtration Technology	356.5	484.8	1,211.8	1,419.9	1,940.2	1,732.1
Nederman Process Technology	266.1	418.6	874.8	1,273.3	1,633.3	1,234.8
Nederman Duct & Filter Technology	105.7	154.7	352.2	440.0	555.4	467.6
Nederman Monitoring & Control Technology	115.3	56.2	354.8	165.7	280.3	469.4
Elimination	-17.8	-25.7	-58.9	-77.7	-101.5	-82.7
<b>Total Nederman Group</b>	<b>825.8</b>	<b>1,088.6</b>	<b>2,734.7</b>	<b>3,221.2</b>	<b>4,307.7</b>	<b>3,821.2</b>

Adjusted EBITA, SEKm	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2020	2019	2020	2019	2019	12 months
Nederman Extraction & Filtration Technology	48.6	61.2	156.1	185.9	263.2	233.4
Nederman Process Technology	14.0	21.5	49.0	76.3	101.6	74.3
Nederman Duct & Filter Technology	14.4	21.0	43.1	61.3	69.6	51.4
Nederman Monitoring & Control Technology	22.4	1.5	60.5	12.0	44.6	93.1
Other - non-allocated	-20.6	-16.1	-62.1	-66.8	-85.0	-80.3
<b>Total Nederman Group</b>	<b>78.8</b>	<b>89.1</b>	<b>246.6</b>	<b>268.7</b>	<b>394.0</b>	<b>371.9</b>

Adjusted EBITA margin, %	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2020	2019	2020	2019	2019	12 months
Nederman Extraction & Filtration Technology	13.6	12.6	12.9	13.1	13.6	13.5
Nederman Process Technology	5.3	5.1	5.6	6.0	6.2	6.0
Nederman Duct & Filter Technology	13.6	13.6	12.2	13.9	12.5	11.0
Nederman Monitoring & Control Technology	19.4	2.7	17.1	7.2	15.9	19.8
<b>Total Nederman Group</b>	<b>9.5</b>	<b>8.2</b>	<b>9.0</b>	<b>8.3</b>	<b>9.1</b>	<b>9.7</b>

## Note 4: Fair value and reported value in the statement of financial position

	30 September 2020			
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	-	-	515.6	515.6
Foreign exchange forward contracts entered *)	1.3	-	-	1.3
Other current receivables	-	-	279.8	279.8
Cash and cash equivalents	-	-	420.9	420.9
<b>Total</b>	<b>1.3</b>	<b>-</b>	<b>1,216.3</b>	<b>1,217.6</b>
Lease liabilities	-	-	251.7	251.7
Bank loans	-	-	1,569.8	1,569.8
Accounts payable	-	-	340.2	340.2
Other long-term liabilities	-	-	4.7	4.7
Other current liabilities	-	-	629.2	629.2
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,795.6</b>	<b>2,795.6</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 26 in the 2019 Annual Report.

## Note 5: Acquisition

On April 5, 2018 Nederman acquired 100 percent of the shares in the US company Auburn FilterSense LLC (AFS). The purchase price amounted to SEK 65.0m, of which SEK 20.7m constitutes a possible additional purchase price based on profitability in 2018 and 2019. In the first quarter 2020 the remaining part of the total additional purchase price was paid out.

## Note 6: Transactions with related parties

No member of the Board of Directors or senior executives have or have had any direct or indirect participation in any business transaction with Group companies which is or was of an exceptional character with regard to terms and conditions that occurred during the year or in any previous year. Further, no Group company has provided any loan, given any guarantees or entered into any surety relationships for any of the members of the Board of Directors or senior executives.

## Note 7: 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 26 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 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2020	2019	2020	2019	2019	12 months
Operating profit	63.3	77.9	125.2	234.5	343.2	233.9
Acquisition cost	0.2	0.0	1.4	1.4	5.9	5.9
Restructuring costs	-	-	75.0	-	-	75.0
<b>Adjusted operating profit</b>	<b>63.5</b>	<b>77.9</b>	<b>201.6</b>	<b>235.9</b>	<b>349.1</b>	<b>314.8</b>
Adjusted operating profit	63.5	77.9	201.6	235.9	349.1	314.8
Net sales	825.8	1,088.6	2,734.7	3,221.2	4,307.7	3,821.2
<b>Adjusted operating margin, %</b>	<b>7.7</b>	<b>7.2</b>	<b>7.4</b>	<b>7.3</b>	<b>8.1</b>	<b>8.2</b>
Operating profit	63.3	77.9	125.2	234.5	343.2	233.9
Amortisation intangible assets	15.3	11.2	45.0	32.8	44.9	57.1
<b>EBITA</b>	<b>78.6</b>	<b>89.1</b>	<b>170.2</b>	<b>267.3</b>	<b>388.1</b>	<b>291.0</b>
EBITA	78.6	89.1	170.2	267.3	388.1	291.0
Acquisition cost	0.2	0.0	1.4	1.4	5.9	5.9
Restructuring costs	-	-	75.0	-	-	75.0
<b>Adjusted EBITA</b>	<b>78.8</b>	<b>89.1</b>	<b>246.6</b>	<b>268.7</b>	<b>394.0</b>	<b>371.9</b>
Adjusted EBITA	78.8	89.1	246.6	268.7	394.0	371.9
Net sales	825.8	1,088.6	2,734.7	3,221.2	4,307.7	3,821.2
<b>Adjusted EBITA margin, %</b>	<b>9.5</b>	<b>8.2</b>	<b>9.0</b>	<b>8.3</b>	<b>9.1</b>	<b>9.7</b>
Operating profit	63.3	77.9	125.2	234.5	343.2	233.9
Depreciation and amortisation	41.5	37.0	126.7	108.4	146.7	165.0
<b>EBITDA</b>	<b>104.8</b>	<b>114.9</b>	<b>251.9</b>	<b>342.9</b>	<b>489.9</b>	<b>398.9</b>
EBITDA	104.8	114.9	251.9	342.9	489.9	398.9
Acquisition cost	0.2	0.0	1.4	1.4	5.9	5.9
Restructuring costs	-	-	75.0	-	-	75.0
<b>Adjusted EBITDA</b>	<b>105.0</b>	<b>114.9</b>	<b>328.3</b>	<b>344.3</b>	<b>495.8</b>	<b>479.8</b>
Adjusted EBITDA	105.0	114.9	328.3	344.3	495.8	479.8
Net sales	825.8	1,088.6	2,734.7	3,221.2	4,307.7	3,821.2
<b>Adjusted EBITDA margin, %</b>	<b>12.7</b>	<b>10.6</b>	<b>12.0</b>	<b>10.7</b>	<b>11.5</b>	<b>12.6</b>

## Note 7: Alternative performance measures, cont'd

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year	Oct-Sep
	2020	2019	2020	2019	2019	12 months
Equity - Closing balance					1,378.2	1,347.9
Total assets (balance sheet total)					4,746.5	4,503.2
<b>Equity/asset ratio, %</b>					<b>29.0</b>	<b>29.9</b>
Cash and cash equivalents					445.3	420.9
Long-term interest-bearing liabilities					1,575.6	1,569.8
Long-term lease liabilities					208.4	185.3
Pension liabilities					153.1	161.2
Current interest-bearing liabilities					5.0	-
Current lease liabilities					67.3	66.4
<b>Net debt</b>					<b>1,564.1</b>	<b>1,561.8</b>
Net debt					1,564.1	1,561.8
Equity - Closing balance					1,378.2	1,347.9
<b>Net debt/equity ratio, %</b>					<b>113.5</b>	<b>115.9</b>
Equity - Opening balance	1,341.6	1,323.4	1,378.2	1,234.9	1,234.9	1,338.3
Equity - Closing balance	1,347.9	1,338.3	1,347.9	1,338.3	1,378.2	1,347.9
Equity - average	1,344.8	1,330.9	1,363.1	1,286.6	1,306.6	1,343.1
Net profit	31.5	52.8	55.3	153.4	225.8	127.7
<b>Return on equity, %</b>	<b>9.4</b>	<b>15.9</b>	<b>5.4</b>	<b>15.9</b>	<b>17.3</b>	<b>9.5</b>
Equity - average	1,344.8	1,330.9	1,363.1	1,286.6	1,306.6	1,343.1
Net Debt - opening balance	1,594.5	942.1	1,564.1	787.6	787.6	956.7
Net Debt - closing balance	1,561.8	956.7	1,561.8	956.7	1,564.1	1,561.8
Net Debt - average	1,578.2	949.4	1,563.0	872.2	1,175.9	1,259.3
Operating capital - average	2,923.0	2,280.3	2,926.1	2,158.8	2,482.5	2,602.4
Adjusted operating profit	63.5	77.9	201.6	235.9	349.1	314.8
<b>Return on operating capital, %</b>	<b>8.7</b>	<b>13.7</b>	<b>9.2</b>	<b>14.6</b>	<b>14.1</b>	<b>12.1</b>
Net debt					1,564.1	1,561.8
Adjusted EBITDA					495.8	479.8
<b>Net debt/Adjusted EBITDA, multiple</b>					<b>3.2</b>	<b>3.3</b>
Profit before tax					307.3	168.0
Financial expense					44.3	64.4
Acquisition cost					5.9	5.9
Restructuring costs					-	75.0
EBT excl. financial expenses, acquisition costs and restructuring costs					357.5	313.3
Financial expense					44.3	64.4
<b>Interest cover ratio, multiple</b>					<b>8.1</b>	<b>4.9</b>

## Note 7: Alternative performance measures, cont'd

SEK million	1 Jul-30 Sep		1 Jan-30 Sep		Full year 2019
	2020	2019	2020	2019	
Incoming orders, same period in previous year	964.6	817.9	3,027.7	2,511.7	3,479.5
Change in incoming orders, organic	-135.8	10.8	-588.0	-8.2	102.3
Change in incoming orders, currency effects	-83.5	64.5	-86.3	161.0	158.9
Change in incoming orders, acquisitions	82.0	71.4	208.5	363.2	427.7
<b>Incoming orders</b>	<b>827.3</b>	<b>964.6</b>	<b>2,561.9</b>	<b>3,027.7</b>	<b>4,168.4</b>
Order growth, %, organic	-14.1	1.3	-19.4	-0.3	2.9
Order growth, %, currency effects	-8.6	7.9	-2.9	6.3	4.6
Order growth, %, acquisitions	8.5	8.7	6.9	14.5	12.3
<b>Order growth, %</b>	<b>-14.2</b>	<b>17.9</b>	<b>-15.4</b>	<b>20.5</b>	<b>19.8</b>
Net sales, comparative period previous year	1,088.6	835.2	3,221.2	2,484.9	3,553.9
Change in net sales, organic	-236.8	14.0	-585.9	6.5	-39.5
Change in net sales, currency effects	-88.4	66.3	-89.5	165.1	163.4
Change in net sales, acquisitions	62.4	173.1	188.9	564.7	629.9
<b>Net sales</b>	<b>825.8</b>	<b>1,088.6</b>	<b>2,734.7</b>	<b>3,221.2</b>	<b>4,307.7</b>
Sales growth, %, organic	-21.7	1.7	-18.2	0.3	-1.1
Sales growth, %, currency effects	-8.1	8.0	-2.8	6.6	4.6
Sales growth, %, acquisitions	5.7	20.7	5.9	22.7	17.7
<b>Sales growth, %</b>	<b>-24.1</b>	<b>30.4</b>	<b>-15.1</b>	<b>29.6</b>	<b>21.2</b>

## Note 8: Risks and uncertainties

Nederman is exposed to a number of risks that could significantly impact the Group's operations, earnings and financial position. Nederman conducts continuous risk assessments that include identifying the risks that impact the Group and taking measures to manage these risks. Nederman does not calculate the economic value of all risks because many of them are highly complex and interrelated. However, the practical management of these risks is facilitated in several different ways, including through Group-wide policies, business processes, training, internal controls, and processes for the audit and approval of reports. Nederman Group's risks are organised into four categories: Strategic risks, Operating risks, Compliance risks and Financial risks. For a more detailed description of these risks, refer to the Risk Management section on pages 78-79 and in note 26 of the Nederman Group's 2019 Annual and Sustainability Report.

### Update of risks during the reporting period

As a result of the COVID-19 pandemic, risks have changed during the reporting period, and this is described in the section entitled "Impact of the COVID-19 pandemic on Nederman" on page 12.



THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

# Review report

## Nederman Holding AB (publ), corporate identity number 556576-4205

### To the Board of Directors

#### Introduction

We have reviewed the condensed interim report for Nederman Holding AB (publ) as at September 30, 2020 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

#### Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with

International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Helsingborg, October 23, 2020  
Ernst & Young AB

#### Staffan Landén

Authorized Public Accountant

# 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/amortisation 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 opening and closing balance.

## **Currency-neutral growth**

Currency-neutral growth is the growth rate that does not come from currency effects, compared with the corresponding period in the previous year.

## **Earnings per share (after dilution)**

Net profit attributable to Parent Company shareholders in relation to average number of share outstanding plus average number of convertibles and options, as calculated in accordance with IAS 33.

## **Earnings per share (before dilution)**

Net profit attributable to Parent Company shareholders divided by average number of shares outstanding.

## **EBITA**

Operating profit before amortisation and impairment loss of intangible assets.

## **EBITA margin**

EBITA in percentage of sales.

## **EBITDA**

Operating profit before depreciation/amortisation and impairment loss.

## **EBITDA margin**

EBITDA as a percentage of net sales.

## **Equity ratio**

Equity divided by total assets (balance sheet total).

## **Interest Cover Ratio**

Profit before tax with return of financial expenses in relation to financial expenses.

## **Net debt**

Interest-bearing liabilities (including pensions) minus cash and cash equivalents.

## **Net debt/equity ratio**

Net debt divided by shareholders' equity.

## **Operating capital**

Shareholders' equity plus net debt.

## **Operating margin**

Operating profit as percentage of net sales.

## **Operating profit/loss**

Operating profit after depreciation/amortisation and impairment loss.

## **Organic growth**

Organic growth is the growth rate that does not come from acquisitions and currency effects, compared with the corresponding period in the previous year.

## **Return on equity**

Net profit for the period divided by average shareholders' equity.

## **Return on operating capital**

Adjusted operating profit as a percentage of average operating capital.

# Financial calendar

## Invitation to telephone conference

A telephone conference regarding the report will be held, in English, today, Friday 23 October 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 8350 or UK tel. no. +44 33 3300 9269. 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

- |                          |                  |
|--------------------------|------------------|
| • Year-end report        | 12 February 2021 |
| • Quarter 1 report       | 22 April 2021    |
| • Annual General Meeting | 26 April 2021    |
| • Quarter 2 report       | 15 July 2021     |
| • Quarter 3 report       | 22 October 2021  |

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 23 October 2020.

## Further information can be obtained from

Sven Kristensson, CEO  
Telephone +46 (0)42-18 87 00  
e-mail: sven.kristensson@nederman.com

Matthew Cusick, CFO  
Telephone +46 (0)42-18 87 00  
e-mail: matthew.cusick@nederman.com

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

## Address

Nederman Holding AB (publ),  
Box 602, 251 06 Helsingborg, Sweden  
Telephone +46 (0)42-18 87 00  
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 about 2,200 employees, with manufacturing in 13 countries and sales in more than 50 markets through our own sales organisation, agents or resellers.

## **COMPETITIVE PRODUCTS**

All of Nederman's products are developed for 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 in energy use, recycling and compliance with regulatory requirements. Sales of individual products, small and medium-sized systems, and major system solutions with a high degree of customisation comprise the majority of the Group's sales. The sale of products and solutions provides a broad customer base that drives our service sales.

## **FULL-SERVICE OFFERING**

A key feature of our offering is the ability to guarantee our customers the highest possible availability for their solutions. Our starting point is that we must be the alternative that offers the customer the lowest total cost over the life cycle of the solution. In addition to high-quality products, this means that we offer qualified service with a high level of availability to ensure continuous operation. The offering includes technical service, service contracts, spare parts and consumables.

Service sales are a priority area. In 2019, service grew and made up 17% of total sales.

## **MARKET-LEADING POSITIONS**

Since establishment more than 75 years ago, Nederman has developed a broad and competitive product programme. This programme, combined with a comprehensive sales network and significant investments in new technology, is the foundation for our leading position in a global market. Size and market breadth give us economies of scale in terms of product development, purchasing and production. Nederman is already the segment leader in EMEA, but is now also second-largest in the vital Americas market and in the top five in APAC. This provides a strong platform on which to build further.

## **STRONG BRANDS**

Today, Nederman addresses its market with a strong portfolio of brands. Our strategy is that each individual brand is to bring cutting-edge competence to the Group in a specific product area or market segment. Accordingly, we have the possibility to meet many different customer needs and market segments, in both mature and emerging markets. In recent years, we have devoted a great deal of energy in the brands NEO Monitors and Auburn FilterSense 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, while we simultaneously actively analyse potential acquisitions.

**Nederman**