

Q2 The Clean Air Company

Interim report

January-June 2021



A solid development

Quarter 2, 2021

- Incoming orders amounted to SEK 1,058m (740), equivalent to currency-neutral growth of 53.5 percent compared with the same period last year. Compared with the corresponding quarter 2019, incoming orders increased currency-neutral by 9.5 percent.
- Net sales amounted to SEK 977m (928), equivalent to currency-neutral growth of 13.8 percent compared with the same period last year.
- Operating profit was SEK 126.3m (-2.3), giving an operating margin of 12.9 percent (-0.2).
- Adjusted operating profit was SEK 97.4m (73.0), giving an adjusted operating margin of 10.0 percent (7.9).
- Net profit was SEK 82.7m (-10.4).
- Earnings per share were SEK 2.36 (-0.30).

January - June, 2021

- Incoming orders amounted to SEK 2,093m (1,735), equivalent to currency-neutral growth of 31.2 percent compared with the same period last year. Compared with the corresponding quarter 2019, incoming orders increased currency-neutral by 9.7 percent.
- Net sales amounted to SEK 1,845m (1,909), equivalent to currency-neutral growth of 5.3 percent compared with the same period last year.
- Operating profit was SEK 213.5m (61.9), giving an operating margin of 11.6 percent (3.2).
- Adjusted operating profit was SEK 184.8m (138.1), giving an adjusted operating margin of 10.0 percent (7.2).
- Net profit was SEK 139.9m (23.8).
- Earnings per share were SEK 3.99 (0.68).
- The Board of Directors proposes a dividend of SEK 1.00 (-) per share.



Sven Kristensson
CEO

CEO's comments

Continued recovery and strong profitability

Nederman further strengthened its positions during the second quarter, with three of four divisions displaying high profitability and healthy sales growth. The Group's adjusted operating profit increased to SEK 97.4m (73.0), corresponding to an adjusted operating margin of 10.0 percent (7.9). Although uncertainty remains in our markets, we are cautiously optimistic ahead of the upcoming quarters.

The recovery is continuing. During the second quarter, both sales and orders received increased at high rates compared with the second quarter of 2020, which was strongly impacted by the pandemic. At the same time, I conclude that we are in line with the levels for the corresponding period two years ago, when markets were in a "normal state". We have made use of the reduced market activity during the pandemic to spend more time on enhancing our operational efficiency. The production and sales processes are now considerably more efficient, which will enable a more rapid upshift moving forward. We will take advantage of this as demand strengthens to in time achieve higher profitability levels than the figure of 10 percent we have attained in the past three quarters. Another key factor is our focused and successful work to strengthen the cash flow. Today, we have a balance sheet that not only enables investments in growth-promoting activities, but also provides scope to return to our dividend policy. The Board of Directors proposes that a dividend of SEK 1.00 per share be paid, corresponding to 31.8 percent of net profit for the 2020 financial year.

Digitalisation opens the way for increased value creation and we now have a strong offering in this area. We are making it easier to do business with us and, at the same time, enabling our customers to strengthen their competitiveness by monitoring connected systems in real time and other digital aftermarket services. We quite simply offer customers the possibility to future-proof their businesses. We are at the forefront in the development of world-leading technologies to measure and control gases and particles, and I want to point out that our digital offering has become synonymous with modern air filtration.

DEVELOPMENT IN THE DIVISIONS

Activity among our customers is increasing although restrictions remain in place in many markets. The factors behind this are a pent-up investment need and increased optimism about the future. However, we have still some way to go before reaching pre-pandemic levels. It is mainly the absence of large projects in the market that is having an impact. This is particularly apparent in Nederman Process Technology. The division is currently recording a growing number of orders received, but the time from order to project start can be long. In addition, many of the customers are being impacted by increased uncertainty relating to rising prices for materials and transport.

Although our other three divisions are also being impacted by such factors as the rising material prices and uncertainty in the supply chain, they have a different type of business that has been able to more rapidly benefit from the recovery in demand. For example, during the second quarter, Nederman Monitoring & Control noted its highest level of profitability for a single quarter, with an adjusted EBITA margin of an impressive 23.5 percent. Nederman Extraction & Filtration Technology and Nederman Duct & Filter Technology also recorded high profitability and healthy growth in most markets. Cost-effective processes combined with full focus on our leading digital solutions will enable the continued strengthening of our profitability despite challenges in the form of negative currency effects, continued lockdowns and adjustments to rapidly rising raw material and freight prices. We have been successful in this work during the first half of 2021, but more will be needed going forward.

OUTLOOK

We are cautiously optimistic about the upcoming quarters. Our basic business and a strong digital offering enable us to assert ourselves well in the current market, at the same time as the major projects are delayed. In the short term, rising raw material prices are putting pressure on profit margins and this negative impact is expected to continue into the third quarter. We anticipate that lockdowns and restrictions will have increasingly less of an impact on customers' short-term willingness to invest, but could have a dampening effect in certain markets. Meanwhile, an increased risk of trade conflicts and other geopolitical uncertainty, as well as problems with access to materials and transport, are factors that could affect customers' long-term investment decisions. We are monitoring developments carefully to be able to further accelerate our operations at the right time.



Q2 INTERVIEW WITH SVEN KRISTENSSON

Watch the interview on Nederman's YouTube channel.
Playlist: Financial reports

Segment overview

Nederman is organised in four operating segments, which are based on technology, customer structure and business logic with its starting point in the group's brands. This means that the operating segments are global. 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 develops and sells a broad range of filters and monitoring services, capturing devices, fans, high-vacuum products and reels for the distribution of a variety of liquids and compressed air. Sales are conducted through a network of partners and through own sales companies. Customers operate in industries with various types of air emissions that must be dealt with in an efficient and safe manner.

Nederman Process Technology offers services and filter solutions that are often integrated into the customer companies' production processes, where they capture harmful particles and gases, and other process critical equipment. Sales activities are conducted through the division's own sales organisation that has direct contact with the customers. The number of orders is low, but the individual order value is high. The customers comprise large companies in a large number of industries.

Nederman Duct & Filter Technology sells different types of ducting systems, valves and filter elements to ensure good air quality in a number of industries. Sales are mainly conducted through distributors, but there are also internal sales to Nederman's other divisions. The customers are found in a long line of industries, such as wood-working, cement & concrete production, automotive, metalworking and recycling.

Nederman Monitoring & Control Technology offers advanced measuring technology for gases and dust, and an IoT platform that consists of hardware and software that communicate with the cloud and provide customers with information and insight into critical parameters and processes. Sales are conducted through own companies, their networks of distributors and other divisions within Nederman. The division works with a broad spectrum of industries that need to continuously monitor and control their production and their processes.

Order intake - External, SEKm	1 Apr-30 June		Currency-neutral growth	Organic growth	1 Jan-30 June		Currency-neutral growth	Organic growth	Full year 2020	July-June 12 months
	2021	2020			2021	2020				
Nederman Extraction & Filtration Technology	475.2	353.5	42.0%	42.0%	906.1	779.4	24.2%	24.2%	1,589.2	1,715.9
Nederman Process Technology	328.2	176.4	101.2%	101.2%	703.3	511.6	51.5%	51.5%	992.7	1,184.4
Nederman Duct & Filter Technology	114.1	91.9	41.2%	41.2%	224.6	209.3	22.2%	22.2%	402.6	417.9
Nederman Monitoring & Control Technology	140.4	117.7	25.8%	25.8%	259.1	234.3	18.3%	18.3%	495.7	520.5
Total Nederman group	1,057.9	739.5	53.5%	53.5%	2,093.1	1,734.6	31.2%	31.2%	3,480.2	3,838.7

Total sales, SEKm	1 Apr-30 June		Currency-neutral growth	Organic growth	1 Jan-30 June		Currency-neutral growth	Organic growth	Full year 2020	July-June 12 months
	2021	2020			2021	2020				
Nederman Extraction & Filtration Technology	444.1	393.1	19.8%	19.8%	840.0	855.3	5.4%	5.4%	1,648.8	1,633.5
Nederman Process Technology	290.3	309.0	3.2%	3.2%	532.6	608.7	-3.5%	-3.5%	1,136.8	1,060.7
Nederman Duct & Filter Technology	131.6	114.4	30.3%	30.3%	259.7	246.5	19.6%	19.6%	457.9	471.1
Nederman Monitoring & Control Technology	136.4	131.1	10.4%	10.4%	258.4	239.5	15.7%	15.7%	506.9	525.8
Elimination	-25.6	-19.2			-45.9	-41.1			-75.6	-80.4
Total Nederman group	976.8	928.4	13.8%	13.8%	1,844.8	1,908.9	5.3%	5.3%	3,674.8	3,610.7

Adjusted EBITA, SEKm	1 Apr-30 June		1 Jan-30 June		Full year 2020	July-June 12 months
	2021	2020	2021	2020		
Nederman Extraction & Filtration Technology	80.5	42.6	145.1	107.4	221.7	259.4
Nederman Process Technology	1.6	25.6	8.4	34.9	58.1	31.6
Nederman Duct & Filter Technology	24.7	13.0	50.6	28.7	63.9	85.8
Nederman Monitoring & Control Technology	32.0	27.5	53.4	38.1	94.6	109.9
Other - non-allocated	-25.7	-20.4	-43.2	-41.3	-86.0	-87.9
Total Nederman group	113.1	88.3	214.3	167.8	352.3	398.8

Adjusted EBITA margin	1 Apr-30 June		1 Jan-30 June		Full year 2020	July-June 12 months
	2021	2020	2021	2020		
Nederman Extraction & Filtration Technology	18.1%	10.8%	17.3%	12.6%	13.4%	15.9%
Nederman Process Technology	0.6%	8.3%	1.6%	5.7%	5.1%	3.0%
Nederman Duct & Filter Technology	18.8%	11.4%	19.5%	11.6%	14.0%	18.2%
Nederman Monitoring & Control Technology	23.5%	21.0%	20.7%	15.9%	18.7%	20.9%
Total Nederman group	11.6%	9.5%	11.6%	8.8%	9.6%	11.0%

ABOUT THE DIVISION

Nederman Extraction & Filtration Technology's develops and sells a broad range of filters and monitoring services, capturing devices, fans, highvacuum products and reels for the distribution of a variety of liquids and compressed air.

Brand: Nederman

Nederman Extraction & Filtration Technology

The division performed strongly during the quarter. Orders received increased organically by 42.0 percent to SEK 475m (354) and sales rose to SEK 441m (393). The growth was derived from all sales areas, with the strongest contribution from product sales. Increased sales, new products and high operational efficiency contributed to the strengthening of the adjusted EBITA margin to 18.1 percent (10.8).

DEVELOPMENT DURING THE QUARTER

The division is Nederman's largest business, accounting for approximately 45 percent of Group sales. Although the lockdowns due to the COVID-19 pandemic continued to affect individual markets, all regions displayed organic growth in orders received and sales, with EMEA leading the way.

In EMEA, which is the division's largest market, growth was strong. This also comprises the division's partner and distributor network, which contributed to growth in product sales and continued positive development of the service business. Certain markets, such as Russia and Turkey, are still struggling with the effects of the pandemic, but a clear and rapid recovery is generally taking place. The core business was stable, with a favourable mix of medium-sized projects and product sales. A major order was secured from a manufacturer of wind power parts in Denmark.

Americas noted solid growth in all markets, with the US in the lead, driven by such factors as a major order from the rescue services segment. In addition, several medium-sized orders were registered in Canada and the US, primarily in the wood industry. The service business was strong in the US and Mexico, and product sales developed well in all markets. Successful product launches were made for the rescue services segment and were positively received by the market.

In APAC, several individual markets were affected by new restrictions in the wake of intensified virus concerns, including India and Thailand. In the region as a whole, the division displayed healthy growth during the quarter. Australia delivered a strong quarter, with orders from new and existing resellers.

KEY ACTIVITIES

The sale of SmartFilters continued to increase. Meanwhile digitalisation in the product development field continued, and the launch of digital filters with complementary IoT hardware and subscription services is central to retaining strong market positions.

A robust increase in material prices is being seen, across the entire range, but particularly in the steel portfolio. During the quarter, customer prices were adjusted to address this trend, but there is still some risk for margin decline going forward.

Part of the strong profitability was attributable to the high efficiency of the division's factories, which is making it possible to meet the current strong demand for large and medium-sized stationary filters.

The division was subject to an audit of ISO 9001 and ISO 14001 and was approved without comment. This shows that the work to integrate sustainability in the division's core process is working and generating the anticipated result.

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



ABOUT THE DIVISION

Nederman Process Technology offers services and filter solutions that are often integrated into the customer companies' production processes, where they capture harmful particles and gases, and other process critical equipment.

Brands: MikroPul, Luwa, Pneumafil and LCI

Nederman Process Technology

The division is continuing its recovery. Compared with the weak second quarter in 2020, orders received increased organically by 101.2 percent to SEK 328m (176) and the order backlog has increased by SEK 170m since the beginning of the year. Sales amounted to SEK 290m (309). The division's profitability was positively impacted by a growing service business, but was dampened at the same time by lower sales and reduced margins on delivered projects.

DEVELOPMENT DURING THE QUARTER

The division's orders are often integrated with large, complex investment projects, with long lead times from decision to implementation, meaning that the low level of orders received in 2020 continues to impact the division's sales levels. However, the service business continued to develop positively in all regions, with a continuously increasing interest in digital equipment for monitoring and control.

At the same time, the division is characterised by sharply increased freight costs and fewer freight possibilities, which have made delivery planning difficult and sales less predictable. Furthermore, the supply chain requires increased attention, since it is facing higher price levels.

The textile segment, which accounted for about half of the division's orders received in the first half of the year, continued its recovery, although at a somewhat weaker pace compared with the first quarter. China performed strongly again, but local price competition is considerable. India and Turkey were partly locked down again, which had a negative impact on operations, but the division continued to secure more new orders in the Indian market. Service sales developed strongly in the quarter. The division's aftermarket and digitalisation initiative, Digi7, and IoT contributed to the higher level of activity. In addition, price pressure also increases the importance of gradually raising the focus on service, which has higher margins.

A strong sustainability trend in the foundry and smelter segment is creating increased demand for aluminium and the associated aluminium recycling, which is generating a continued growing pipeline for the divi-

sion's projects in the recycling industry in Europe. During the quarter, a large order was received with a ten-year service contract for digital monitoring of connected systems. This segment is also affected by rising raw material prices, which are managed within the scope of our pricing towards customers.

No new major foundry projects were registered in EMEA during the quarter. However, a (smaller) project was booked in Asia as part of the division's globalisation initiative. Implementation and bookings are affected by many business opportunities being primarily located in countries that remain strongly impacted by the pandemic.

KEY ACTIVITIES

The division displayed a clear improvement in working capital for yet another quarter, driven by efficiency enhancements and strong orders received with advance payments.

There are major challenges in the supply and logistics chain as an effect of strongly rising prices for materials and transports. The division engages in continuous dialogue with its customers aimed at offsetting the rising costs in the supply chain. A review of the entire order book was conducted.

Digitalisation remains a priority. A growing share of the systems delivered to our customers are Insight Ready, meaning that systems can be connected to digital monitoring and control. During the first six months of the year, the majority of these were converted to subscription services.

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



ABOUT THE DIVISION

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

Brands: Nordfab and Menardi

Nederman Duct & Filter Technology

The division is continuing its strong recovery. Sales continued to increase and orders received displayed organic growth of 41.2 percent compared with the weak second quarter of 2020, and were in line with the orders received in the corresponding quarter in 2019. The adjusted EBITA margin decreased somewhat compared with the preceding quarter, but nonetheless achieved a high figure of 18.8 percent (11.4). The price of steel continued to increase in all regions and requires increasing focus from the organisation.

DEVELOPMENT DURING THE QUARTER

The division's growth was driven by the continued recovery in most markets, although the filter markets, with a large aftermarket share, displayed stagnation following the distinct recovery effect in the first quarter. The US dominates the division's sales, but expansion is increasing geographically.

Nordfab, which sells different types of ducting systems, noted continued strong order growth in all regions. In the US, digital orders continued to grow and medium-sized installations displayed a nearly complete recovery, partly due to projects that were previously postponed now being realised. A large order was received from a mining company in Canada.

Europe displayed a new record level of orders received, driven by an influx of new customers and higher average order volume from existing customers. Thailand also displayed solid growth in orders received, mainly driven by exports.

Menardi, which sells the division's filter solutions, noted weaker development during the quarter. In the US, many customers postponed the replacement of filter bags in 2020, which resulted in an acute need for maintenance. When the restrictions were then eased, during the first quarter of 2021, demand for the division's filter solutions increased rapidly in a short time, only to decline as sharply in the second quarter

when the need for maintenance had been met. Profitability is strongly dependent on economies of scale, but through efficiency enhancement and cost optimisation, it was possible to maintain profitability. In Europe, an order was received for a large cleanroom project for a new battery plant in Estonia. More projects of this type are expected in the future.

KEY ACTIVITIES

As planned, the new interactive 3D tool, Quick-Fit Visual (QFV), was launched in the US during the quarter. The launch in Europe and Asia is expected to happen in the fourth quarter. Advanced 3D tools for design and configuration, such as QFV, enhance the efficiency of the design and installation of ducting systems, reduce lead times and automate purchase order creation.

A comprehensive training programme in virtual sales was completed for all sales-related personnel.

Steel prices continued to rise. Proactive price increases and secured deliveries currently have a positive effect on the division's margins, but a turning point can be expected during the second half of the year.

The project work for a fully automatic duct production line in Europe is proceeding according to plan, with the installation and calibration scheduled for the end of the year.

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



ABOUT THE DIVISION

Nederman Monitoring & Control Technology offers advanced measuring technology for gases and dust, and an IoT platform that consists of hardware and software that communicate with the cloud and provide customers with information and insight into critical parameters and processes.

Brands: Nederman Insight, NEO Monitors, Auburn FilterSense and Gasset.

Nederman Monitoring & Control Technology

The division displayed a continued solid trend. Orders received grew organically by 25.8 percent compared with the corresponding quarter in 2020, while organic growth for sales amounted to 10.4 percent. The adjusted EBITA margin strengthened to 23.5 percent (21.0), which was the division's highest margin ever for a single quarter.

DEVELOPMENT DURING THE QUARTER

Although the pandemic is still affecting the activity levels, the markets have begun to adapt to a new normal situation that benefits the division's digital offering in the long term. During the quarter, the focus was on digital sales processes in key markets, where the customers are active and prepared to invest.

In EMEA, sales were in line with the preceding quarter, while orders received were strengthened. However, both EMEA's sales and orders received were lower compared with the corresponding quarter of 2020, which for the division was strong, despite the impact from the first wave of the COVID-19 pandemic. In large areas of Europe, restrictions remain that dampen the division's sales activities, primarily in process control. The division's emissions-related operations, however, continued to grow during the quarter.

In APAC, sales and orders received were both higher than in the preceding quarter and the corresponding quarter in 2020. Above all, it is China that is driving growth in the region. The country's rapid recovery from the pandemic had a positive impact on the division's sales figures for the entire region.

In Americas, sales were higher compared with the preceding quarter and in line with the second quarter of 2020. Orders received were

strong. The region continued to recover more rapidly than Europe and is now in a market situation that is nearly unaffected by the pandemic.

KEY ACTIVITIES

The division launched its first digital demonstration room. This contributes to increasing the pace of the division's digital sales through improved digital customer meetings and digital training of service technicians and sellers.

The division's Insight team delivered Insight integration for filters in the wood industry. This improves other divisions' digital product offerings and will pave the way for more connected filters going forward.

Two new important products were launched for emissions monitoring, T-flange and LaserInspect:

- T-flange reduces installation costs and enables the possibility to add another gas analyser in an existing installation structure. Its compact design also reduces operating costs.
- LaserInspect is a new user interface for monitoring a portfolio of analysers: A single screen provides easy access to all connected analysers' status, operation and other critical information in real time.

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

Quarter 2, 2021

INCOMING ORDERS AND SALES

Incoming orders during the quarter amounted to SEK 1,058m (740), equivalent to currency-neutral growth of 53.5 percent compared with the corresponding period last year.

Sales for the quarter amounted to SEK 977m (928), equivalent to currency-neutral growth of 13.8 percent compared with the corresponding period last year.

PROFIT/LOSS

The consolidated operating profit for the quarter was SEK 126.3m (-2.3), which gave an operating margin of 12.9 percent (-0.2).

Adjusted operating profit amounted to SEK 97.4m (73.0). Adjusted operating margin was 10.0 percent (7.9).

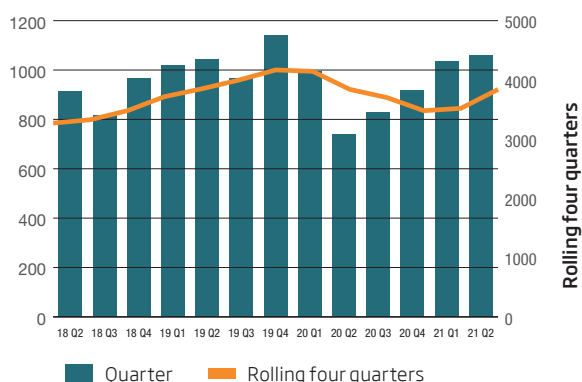
In the second quarter of 2021, other operating income of SEK 29.0m was recognised as a result of the discontinuation of the Norwegian defined-benefit pension plan and the transition to a defined-contribution pension plan. This transition did not entail any impact on cash flow. Since the income is of a non-recurring nature, the amount was reversed in the calculation of Adjusted operating profit to enable comparability between the periods and to demonstrate the true profitability of the business. See also note 7, Discontinuation of defined-benefit pension plan.

Profit before tax increased to SEK 112.5m (-13.9). Net profit was SEK 82.7m (-10.4), which gave earnings per share of SEK 2.36 (-0.30).

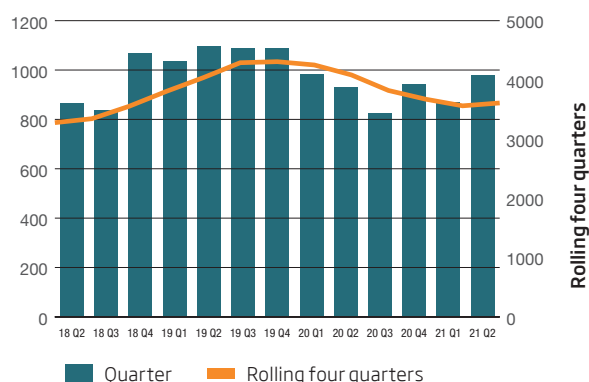
CAPITAL EXPENDITURE

Capital expenditure in intangible and tangible assets amounted to SEK 23.8m (24.1).

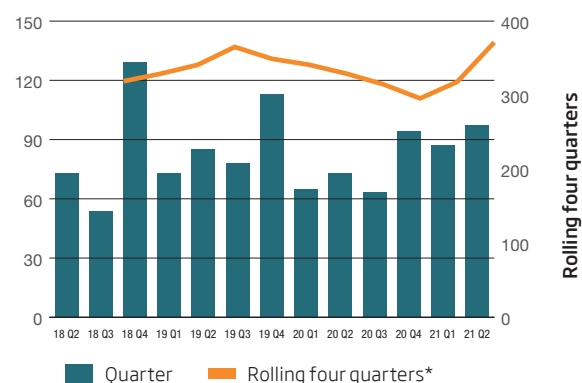
Incoming orders, SEKm



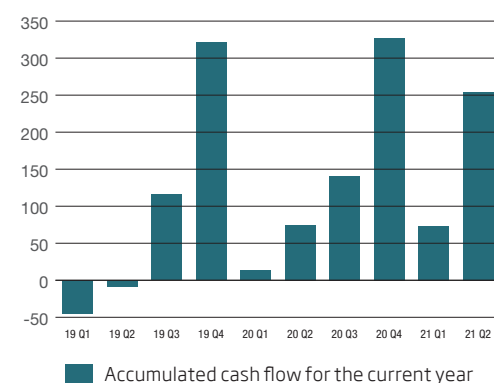
Sales, SEKm



Adjusted operating profit, SEKm



Cash flow from operating activities, SEKm



* 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 - June 2021

INCOMING ORDERS AND SALES

Incoming orders were SEK 2,093m (1,735), equivalent to currency-neutral growth of 31.2 percent compared with the same period last year.

Sales amounted to SEK 1,845m (1,909), equivalent to currency-neutral growth of 5.3 percent compared with the same period last year.

PROFIT/LOSS

Consolidated operating profit for the period was SEK 213.5m (61.9), which gave an operating margin of 11.6 percent (3.2).

Adjusted operating profit amounted to SEK 184.8m (138.1). Adjusted operating margin was 10.0 percent (7.2).

Profit before tax increased to SEK 190.1m (32.5). Net profit was SEK 139.9m (23.8), which gave earnings per share of SEK 3.99 (0.68).

CASH FLOW

Cash flow from operating activities amounted to SEK 254.1m (75.4) and cash flow for the period was SEK -156.2m (-40.2). The stronger cash flow from operating activities was primarily due to the continued major focus on, and strong development of, working capital, above all from the Process Technology division where several large projects had a favourable cash flow. Other adjustments of SEK 38.4m were primarily attributable to the discontinuation of the Group's Norwegian defined-benefit pension plan which had zero cash effect, refer to Note 7. The foremost reason for the negative total cash flow during the period was repayment of the Group's loans in the amount of SEK 328m.

CAPITAL EXPENDITURE

Capital expenditure in intangible and tangible assets amounted to SEK 48.2m (52.1), of which capitalised development expenses amounted to SEK 19.8m (18.6)*.

OTHER FINANCIAL INFORMATION

Liquidity: At the end of the period the group had SEK 326.5m in cash and cash equivalents as well as SEK 110.3m in available but unutilised overdraft facilities. In addition, there was a credit facility of SEK 574.4m 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 June 2021 amounted to SEK 1,496.5m (1,341.6). The total number of shares outstanding was 35,093,096 at the end of the period.

The equity ratio for the group was 35.5 percent (29.2) as of 30 June 2021. The net debt/equity ratio was 83.0 percent (118.9).

NUMBER OF EMPLOYEES

The average number of employees during the period was 2,067 (2,184). The number of employees at the end of the period was 2,137 (2,133).

* As a result of the Group's investments in digital products and services being reclassified as "capitalised development expenditures", the comparative figure has been adjusted.

Key figures, Group

SEKm	1Apr-30June		1Jan-30June		Fullyear	July-June
	2021	2020	2021	2020	2020	12months
Orders received	1,057.9	739.5	2,093.1	1,734.6	3,480.2	3,838.7
Net sales	976.8	928.4	1,844.8	1,908.9	3,674.8	3,610.7
Adjusted EBITA	113.1	88.3	214.3	167.8	352.3	398.8
Adjusted EBITA margin	11.6%	9.5%	11.6%	8.8%	9.6%	11.0%
Adjusted EBITDA	139.8	116.2	267.2	223.3	461.2	505.1
Adjusted EBITDA margin	14.3%	12.5%	14.5%	11.7%	12.6%	14.0%
Operating profit	126.3	-2.3	213.5	61.9	219.0	370.6
Operating margin	12.9%	-0.2%	11.6%	3.2%	6.0%	10.3%
Adjusted operating profit	97.4	73.0	184.8	138.1	295.6	342.3
Adjusted operating margin	10.0%	7.9%	10.0%	7.2%	8.0%	9.5%
Profit before tax	112.5	-13.9	190.1	32.5	148.5	306.1
Net profit	82.7	-10.4	139.9	23.8	110.4	226.5
Earnings per share, SEK	2.36	-0.30	3.99	0.68	3.15	6.45
Return on equity	22.5%	-3.0%	20.0%	3.5%	8.2%	16.0%
Return on operating capital	13.9%	9.7%	13.5%	9.4%	10.4%	12.1%
Net debt					1,450.5	1,242.5
Net debt/equity ratio					111.5%	83.0%
Net debt/Adjusted EBITDA, multiple					3.1	2.5
Interest cover ratio, multiple					4.1	5.2

Regions

External order intake, SEKm	1Apr-30June		1Jan-30June		Fullyear	July-June
	2021	2020	2021	2020	2020	12 mån
Americas	292.7	239.8	608.3	584.1	1,058.4	1,082.6
EMEA	551.7	377.8	1,055.3	887.8	1,808.1	1,975.6
APAC	213.5	121.9	429.5	262.7	613.7	780.5
Total Nedermangroup	1,057.9	739.5	2,093.1	1,734.6	3,480.2	3,838.7

External net sales, SEKm	1Apr-30June		1Jan-30June		Fullyear	July-June
	2021	2020	2021	2020	2020	12 mån
Americas	300.0	299.1	572.0	620.0	1,128.5	1,080.5
EMEA	481.2	479.9	926.6	1,009.7	1,915.7	1,832.6
APAC	195.6	149.4	346.2	279.2	630.6	697.6
Total Nedermangroup	976.8	928.4	1,844.8	1,908.9	3,674.8	3,610.7



Outlook

The recovery in demand continued during the second quarter and we are cautiously optimistic ahead of the upcoming quarters. Our base business and a strong digital offering enable us to assert ourselves well in the current market, where the major projects continue to be delayed. We anticipate that lockdowns and restrictions will have increasingly less of an impact on customers' short-term willingness to invest, but in certain markets, these may still have a dampening effect, due to such factors as slow vaccination rates.

Rising raw materials prices are putting pressure on profit margins and the negative impact is expected to increase in the short term. Meanwhile, an increased risk of trade conflicts and other geopolitical uncertainty, as well as growing problems with access to materials and transport, are factors that could affect customers' long-term investment decisions. We are monitoring developments carefully to be able

to accelerate our operations at the right time and are seeing a continued successive return to normality in our markets.

The lockdowns of economies has shown what the world can look like when the air is not polluted by industrial emissions. The fact that this can be achieved without a paralysing pandemic, but with effective air filtration, is something that Nederman demonstrates through each installation and an important part of this is our work to continue the digitalisation of the product range. More and more people are understanding what needs to be done, but what is also needed is political will throughout the world, to use regulations and incentives to work to reduce the risk of millions of people having to die prematurely from breathing in dirty and hazardous air. This increased insight into the importance of clean air is expected to strengthen the market in the long term.

Dividend

The Board of Directors proposes a dividend of SEK 1.00 per share to be decided upon at an Extraordinary General Meeting on August 25, 2021. The Board are of the opinion that, given the group's financial stability

and good capital structure, a dividend can be motivated. The proposed dividend is equivalent to 31.8 percent of the net profit for the 2020 financial year and is therefore in line with the group's dividend policy.

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 not been reviewed by the company's auditor.

Helsingborg 15 July 2021

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 Apr-30 June		1 Jan-30 June		Full year	July-June
		2021	2020	2021	2020	2020	12 months
Netsales	2.3	976.8	928.4	1,844.8	1,908.9	3,674.8	3,610.7
Cost of goods sold		-607.1	-580.7	-1,135.7	-1,193.6	-2,282.0	-2,224.1
Gross profit		369.7	347.7	709.1	715.3	1,392.8	1,386.6
Selling expenses		-173.1	-165.1	-341.4	-370.7	-691.1	-661.8
Administrative expenses		-83.9	-75.6	-157.1	-161.9	-306.0	-301.2
Research and development expenses		-14.1	-18.6	-28.6	-38.9	-69.3	-59.0
Acquisition costs		-0.1	-0.3	-0.3	-1.2	-1.6	-0.7
Restructuring costs		-	-75.0	-	-75.0	-75.0	-
Other operating income/expenses	7	27.8	-15.4	31.8	-5.7	-30.8	6.7
Operating profit		126.3	-2.3	213.5	61.9	219.0	370.6
Financial income		-1.3	-0.1	1.1	0.3	1.2	2.0
Financial expense		-12.5	-11.5	-24.5	-29.7	-71.7	-66.5
Net financial items		-13.8	-11.6	-23.4	-29.4	-70.5	-64.5
Profit before tax		112.5	-13.9	190.1	32.5	148.5	306.1
Taxes		-29.8	3.5	-50.2	-8.7	-38.1	-79.6
Net profit		82.7	-10.4	139.9	23.8	110.4	226.5
Net profit attributable to:							
The parent company's shareholders		82.7	-10.4	139.9	23.8	110.4	226.5
Earnings per share		2.36	-0.30	3.99	0.68	3.15	6.45

Consolidated statement of comprehensive income in summary

SEK million	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2021	2020	2021	2020	2020	12 months
Net profit	82.7	-10.4	139.9	23.8	110.4	226.5
Other comprehensive income						
Items that cannot be reclassified to net profit						
Revaluation of defined-benefit pension plans	-4.8	-	-4.8	-	-6.4	-11.2
Tax attributable to items that cannot be reclassified to net profit	1.1	-	1.1	-	1.5	2.6
	-3.7	-	-3.7	-	-4.9	-8.6
Items that have been or can be reclassified to net profit						
Exchange differences arising on translation of foreign operations	-29.8	-111.1	59.5	-60.4	-186.7	-66.8
	-29.8	-111.1	59.5	-60.4	-186.7	-66.8
Other comprehensive income for the period, net of tax	-33.5	-111.1	55.8	-60.4	-191.6	-75.4
Total comprehensive income for the period	49.2	-121.5	195.7	-36.6	-81.2	151.1
Total comprehensive income attributable to:						
The parent company's shareholders	49.2	-121.5	195.7	-36.6	-81.2	151.1

Consolidated statement of financial position in summary

SEK million	Note	30 June 2021	30 June 2020	31 Dec 2020
Assets				
Goodwill		1,545.5	1,586.5	1,514.7
Other intangible assets		433.9	424.3	418.6
Tangible assets		296.5	326.1	299.2
Right-of-use assets		207.5	247.6	214.4
Long-term receivables		5.9	6.2	5.6
Deferred tax assets		24.2	28.4	28.3
Total fixed assets		2,513.5	2,619.1	2,480.8
Inventories		552.7	573.0	483.9
Accounts receivable	4	501.5	561.6	477.0
Other current receivables	4	326.3	437.9	341.0
Cash and cash equivalents	4	326.5	395.6	466.8
Total current assets		1,707.0	1,968.1	1,768.7
Total assets		4,220.5	4,587.2	4,249.5
Equity		1,496.5	1,341.6	1,300.8
Liabilities				
Long-term interest-bearing liabilities	4	1,220.3	1,575.6	1,536.7
Long-term lease liabilities	4	153.5	196.7	166.4
Other long-term liabilities	4	2.9	4.7	2.1
Pension liabilities	7	126.2	150.4	151.1
Other provisions		16.3	18.0	16.5
Deferred tax liabilities		23.4	22.1	21.4
Total long-term liabilities		1,542.6	1,967.5	1,894.2
Current lease liabilities	4	69.0	67.4	63.1
Accounts payable	4	367.1	360.2	334.5
Other current liabilities	4	701.6	766.5	605.0
Provisions		43.7	84.0	51.9
Total current liabilities		1,181.4	1,278.1	1,054.5
Total liabilities		2,724.0	3,245.6	2,948.7
Total equity and liabilities		4,220.5	4,587.2	4,249.5

Consolidated statement of changes in equity in summary

SEK million	30 June 2021	30 June 2020	31 Dec 2020
Opening balance at beginning of period	1,300.8	1,378.2	1,382.0
Net profit	139.9	23.8	110.4
Other comprehensive income			
Change in translation reserve for the period	59.5	-60.4	-186.7
Revaluation of defined-benefit pension plans, net of tax	-3.7	-	-4.9
Total other comprehensive income for the period	55.8	-60.4	-191.6
Total comprehensive income for the period	195.7	-36.6	-81.2
Transactions with group owners			
Dividend paid	-	-	-
Share-based remuneration	-	-	-
Closing balance at end of period	1,496.5	1,341.6	1,300.8

Consolidated cash flow statement in summary

SEK million	Note	1 Jan-30 June 2021	1 Jan-30 June 2020	Fully year 2020	July-June 12 months
Operating profit		213.5	61.9	219.0	370.6
Adjustment for:					
Depreciation and amortisation of fixed assets		82.4	85.2	165.6	162.8
Other adjustments	7	-38.4	54.7	23.1	-70.0
Interest received and paid including other financial items		-21.0	-25.4	-57.4	-53.0
Taxes paid		-52.6	-37.1	-67.1	-82.6
Cash flow from operating activities before changes in working capital		183.9	139.3	283.2	327.8
Cash flow from changes in working capital		70.2	-63.9	44.3	178.4
Cash flow from operating activities		254.1	75.4	327.5	506.2
Net investment in fixed assets		-47.6	-52.0	-107.5	-103.1
Acquisitions		-	-19.3	-74.0	-54.7
Cash flow before financing activities		206.5	4.1	146.0	348.4
Cash flow from other financing activities		-362.7	-44.3	-79.0	-397.4
Cash flow for the period		-156.2	-40.2	67.0	-49.0
Cash and cash equivalents at beginning of period		466.8	445.3	445.3	395.6
Translation differences		15.9	-9.5	-45.5	-20.1
Cash and cash equivalents at end of period		326.5	395.6	466.8	326.5

Income statement for the parent company in summary

SEK million	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2021	2020	2021	2020	2020	12 months
Netsales	6.3	7.1	12.5	14.9	26.8	24.4
Administrative expenses	-33.7	-29.3	-63.3	-58.5	-112.3	-117.1
Research and development expenses	-0.2	-0.2	-0.3	-0.5	-0.5	-0.3
Restructuring costs	-	-	-	-	-11.6	-11.6
Other operating revenue and expenses	-0.9	-1.9	0.7	-1.8	-5.3	-2.8
Operating profit/loss	-28.5	-24.3	-50.4	-45.9	-102.9	-107.4
Result from investment in subsidiaries	83.2	-	83.2	-	3.1	86.3
Other financial items	-6.8	-4.7	-6.7	-6.6	-11.0	-11.1
Profit/loss after financial items	47.9	-29.0	26.1	-52.5	-110.8	-32.2
Appropriations	-	-	-	-	39.0	39.0
Profit/loss before tax	47.9	-29.0	26.1	-52.5	-71.8	6.8
Taxes	3.8	3.3	1.8	-0.3	14.3	16.4
Net profit/loss for the period	51.7	-25.7	27.9	-52.8	-57.5	23.2

Statement of comprehensive income for the parent company in summary

SEK million	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2021	2020	2021	2020	2020	12 months
Net profit/loss	51.7	-25.7	27.9	-52.8	-57.5	23.2
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	-	-	-	-	-	-
Total comprehensive income for the period	51.7	-25.7	27.9	-52.8	-57.5	23.2

Balance sheet for the parent company in summary

SEKmillion	30June 2021	30June 2020	31Dec 2020
Assets			
Total fixed assets	2,283.2	2,147.2	2,271.9
Total current assets	168.2	374.7	137.6
Total assets	2,451.4	2,521.9	2,409.5
Shareholders' Equity	888.3	865.1	860.4
Liabilities			
Total long-term liabilities	1,133.9	1,172.3	1,168.5
Total current liabilities	429.2	484.5	380.6
Total liabilities	1,563.1	1,656.8	1,549.1
Totalequityandliabilities	2,451.4	2,521.9	2,409.5

Statement of changes in parent company shareholders' equity in summary

SEKmillion	30June 2021	30June 2020	31Dec 2020
Opening balance at beginning of period	860.4	917.9	917.9
Net profit/loss	27.9	-52.8	-57.5
Other comprehensive income			
Total other comprehensive income for the period	-	-	-
Total comprehensive income for the period	27.9	-52.8	-57.5
Transactions with owners			
Dividend paid	-	-	-
Share-based remuneration	-	-	-
Closing balance at end of period	888.3	865.1	860.4

Pledged assets and contingent liabilities for the parent company

SEKmillion	30June 2021	30June 2020	31Dec 2020
Pledged assets	none	none	none
Contingent liabilities	353.9	432.3	416.5

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 as described in the latest annual report, see also page 81 of the 2020 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 Nederman group.

Note 2: 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.

	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2021	2020	2021	2020	2020	12 months
Order intake - External, SEKm						
Nederman Extraction & Filtration Technology	475.2	353.5	906.1	779.4	1,589.2	1,715.9
Nederman Process Technology	328.2	176.4	703.3	511.6	992.7	1,184.4
Nederman Duct & Filter Technology	114.1	91.9	224.6	209.3	402.6	417.9
Nederman Monitoring & Control Technology	140.4	117.7	259.1	234.3	495.7	520.5
Total Nederman group	1,057.9	739.5	2,093.1	1,734.6	3,480.2	3,838.7

	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2021	2020	2021	2020	2020	12 months
Totalsales, SEKm						
Nederman Extraction & Filtration Technology	444.1	393.1	840.0	855.3	1,648.8	1,633.5
Nederman Process Technology	290.3	309.0	532.6	608.7	1,136.8	1,060.7
Nederman Duct & Filter Technology	131.6	114.4	259.7	246.5	457.9	471.1
Nederman Monitoring & Control Technology	136.4	131.1	258.4	239.5	506.9	525.8
Elimination	-25.6	-19.2	-45.9	-41.1	-75.6	-80.4
Total Nederman group	976.8	928.4	1,844.8	1,908.9	3,674.8	3,610.7

	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2021	2020	2021	2020	2020	12 months
Adjusted EBITA, SEKm						
Nederman Extraction & Filtration Technology	80.5	42.6	145.1	107.4	221.7	259.4
Nederman Process Technology	1.6	25.6	8.4	34.9	58.1	31.6
Nederman Duct & Filter Technology	24.7	13.0	50.6	28.7	63.9	85.8
Nederman Monitoring & Control Technology	32.0	27.5	53.4	38.1	94.6	109.9
Other - non-allocated	-25.7	-20.4	-43.2	-41.3	-86.0	-87.9
Total Nederman group	113.1	88.3	214.3	167.8	352.3	398.8

	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2021	2020	2021	2020	2020	12 months
Adjusted EBITA margin						
Nederman Extraction & Filtration Technology	18.1%	10.8%	17.3%	12.6%	13.4%	15.9%
Nederman Process Technology	0.6%	8.3%	1.6%	5.7%	5.1%	3.0%
Nederman Duct & Filter Technology	18.8%	11.4%	19.5%	11.6%	14.0%	18.2%
Nederman Monitoring & Control Technology	23.5%	21.0%	20.7%	15.9%	18.7%	20.9%
Total Nederman group	11.6%	9.5%	11.6%	8.8%	9.6%	11.0%

Note 3: Allocation of sales

1 Apr-30 June 2021

Totalsalesbysegmentandsalestype	Productsales	Solutionsales	Serviceand aftermarket	Total
NedermanExtraction&FiltrationTechnology	173.8	188.7	81.6	444.1
NedermanProcessTechnology	-	209.2	81.1	290.3
NedermanDuct&FilterTechnology	119.8	9.2	2.6	131.6
NedermanMonitoring&ControlTechnology	118.8	1.8	15.8	136.4
Elimination	-11.0	-11.0	-3.6	-25.6
TotalNedermangroup	401.4	397.9	177.5	976.8

1 Apr-30 June 2020

Totalsalesbysegmentandsalestype	Productsales	Solutionsales	Serviceand aftermarket	Total
NedermanExtraction&FiltrationTechnology	153.9	171.5	67.7	393.1
NedermanProcessTechnology	-	222.8	86.2	309.0
NedermanDuct&FilterTechnology	104.6	7.0	2.8	114.4
NedermanMonitoring&ControlTechnology	119.4	-	11.7	131.1
Elimination	-7.9	-7.7	-3.6	-19.2
TotalNedermangroup	370.0	393.6	164.8	928.4

1 Jan-30 June 2021

Totalsalesbysegmentandsalestype	Productsales	Solutionsales	Serviceand aftermarket	Total
NedermanExtraction&FiltrationTechnology	341.4	335.2	163.4	840.0
NedermanProcessTechnology	-	370.1	162.5	532.6
NedermanDuct&FilterTechnology	238.9	15.3	5.5	259.7
NedermanMonitoring&ControlTechnology	227.9	3.3	27.2	258.4
Elimination	-18.8	-19.2	-7.9	-45.9
TotalNedermangroup	789.4	704.7	350.7	1,844.8

1 Jan-30 June 2020

Totalsalesbysegmentandsalestype	Productsales	Solutionsales	Serviceand aftermarket	Total
NedermanExtraction&FiltrationTechnology	345.8	357.8	151.7	855.3
NedermanProcessTechnology	0.1	434.1	174.5	608.7
NedermanDuct&FilterTechnology	225.1	15.5	5.9	246.5
NedermanMonitoring&ControlTechnology	217.5	-	22.0	239.5
Elimination	-16.9	-16.5	-7.7	-41.1
TotalNedermangroup	771.6	790.9	346.4	1,908.9

Full year 2020

Totalsalesbysegmentandsalestype	Productsales	Solutionsales	Serviceand aftermarket	Total
NedermanExtraction&FiltrationTechnology	650.8	693.3	304.7	1,648.8
NedermanProcessTechnology	0.2	811.6	325.0	1,136.8
NedermanDuct&FilterTechnology	420.0	27.8	10.1	457.9
NedermanMonitoring&ControlTechnology	454.5	4.3	48.1	506.9
Elimination	-30.3	-30.8	-14.5	-75.6
TotalNedermangroup	1,495.2	1,506.2	673.4	3,674.8

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

SEK million	Measured at fair value via income statement	Derivatives that are used for hedge accounting	Financial instruments not reported at fair value	30 June 2021 Total carrying amount
Accounts receivable	-	-	501.5	501.5
Other current receivables	-	-	215.1	215.1
Cash and cash equivalents	-	-	326.5	326.5
Total	-	-	1,043.1	1,043.1
Leasing liabilities	-	-	222.5	222.5
Bank loans	-	-	1,220.3	1,220.3
Accounts payable	-	-	367.1	367.1
Foreign exchange forward contracts entered*	0.1	-	-	0.1
Other long-term liabilities	-	-	2.9	2.9
Other current liabilities	-	-	639.7	639.7
Total	0.1	-	2,452.5	2,452.6

* 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 2020 Annual Report.

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. 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 6: Government grants

In 2021, government grants amounting to SEK 4.8m (176) were received and recognised in the income statement. Government grants were mainly received from European government bodies and primarily pertain to assistance for short-time work relating to COVID-19.

Note 7: Discontinuation of defined-benefit pension plan

The Group's defined-benefit pension plan in Norway was discontinued during the second quarter of 2021 and has transitioned in its entirety to become a defined-contribution pension plan. At the time of the transition, net debt amounted to SEK 29.0m. Accordingly, this discontinuation means that the Group's pension liability has been reduced by SEK 29.0m and the earnings impact from the discontinuation was recognised in a corresponding amount as Other operating income. The transaction did not impact cash flow.

Note 8: 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. In the second quarter of 2021, other operating income of SEK 29.0m was recognised as a result of the discontinuation of the Norwegian defined-benefit pension plan. See Note 7 for further information. The transaction is of a nonrecurring nature and was thereby reversed in the calculation of the performance measures Adjusted operating profit, Adjusted EBIT, Adjusted EBITDA and the Interest cover ratio to create comparability between the periods and to understand the profitability of the business. Other performance measures were consistently applied compared with earlier periods. See page 24 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 Apr-30 June		1 Jan-30 June		Full year	July-June
	2021	2020	2021	2020	2020	12 months
Operating profit	126.3	-2.3	213.5	61.9	219.0	370.6
Acquisition cost	0.1	0.3	0.3	1.2	1.6	0.7
Restructuring costs	-	75.0	-	75.0	75.0	-
Discontinuation of defined-benefit pension plan	-29.0	-	-29.0	-	-	-29.0
Adjusted operating profit	97.4	73.0	184.8	138.1	295.6	342.3
Adjusted operating profit	97.4	73.0	184.8	138.1	295.6	342.3
Netsales	976.8	928.4	1,844.8	1,908.9	3,674.8	3,610.7
Adjusted operating margin	10.0%	7.9%	10.0%	7.2%	8.0%	9.5%
Operating profit	126.3	-2.3	213.5	61.9	219.0	370.6
Amortisation intangible assets	15.7	15.3	29.5	29.7	56.7	56.5
EBITA	142.0	13.0	243.0	91.6	275.7	427.1
EBITA	142.0	13.0	243.0	91.6	275.7	427.1
Acquisition cost	0.1	0.3	0.3	1.2	1.6	0.7
Restructuring costs	-	75.0	-	75.0	75.0	-
Discontinuation of defined-benefit pension plan	-29.0	-	-29.0	-	-	-29.0
Adjusted EBITA	113.1	88.3	214.3	167.8	352.3	398.8
Adjusted EBITA	113.1	88.3	214.3	167.8	352.3	398.8
Netsales	976.8	928.4	1,844.8	1,908.9	3,674.8	3,610.7
Adjusted EBITA margin	11.6%	9.5%	11.6%	8.8%	9.6%	11.0%
Operating profit	126.3	-2.3	213.5	61.9	219.0	370.6
Depreciation and amortisation	42.4	43.2	82.4	85.2	165.6	162.8
EBITDA	168.7	40.9	295.9	147.1	384.6	533.4
EBITDA	168.7	40.9	295.9	147.1	384.6	533.4
Acquisition cost	0.1	0.3	0.3	1.2	1.6	0.7
Restructuring costs	-	75.0	-	75.0	75.0	-
Discontinuation of defined-benefit pension plan	-29.0	-	-29.0	-	-	-29.0
Adjusted EBITDA	139.8	116.2	267.2	223.3	461.2	505.1
Adjusted EBITDA	139.8	116.2	267.2	223.3	461.2	505.1
Netsales	976.8	928.4	1,844.8	1,908.9	3,674.8	3,610.7
Adjusted EBITDA margin	14.3%	12.5%	14.5%	11.7%	12.6%	14.0%

Note 8: Alternative performance measures, cont'd

SEK million	1 Apr-30 June		1 Jan-30 June		Full year	July-June
	2021	2020	2021	2020	2020	12 months
Equity - Closing balance					1,300.8	1,496.5
Total assets (balance sheet total)					4,249.5	4,220.5
Equity/asset ratio					30.6%	35.5%
Cash and cash equivalents					466.8	326.5
Long-term interest-bearing liabilities					1,536.7	1,220.3
Long-term lease liabilities					166.4	153.5
Pension liabilities					151.1	126.2
Current lease liabilities					63.1	69.0
Net debt					1,450.5	1,242.5
Net debt					1,450.5	1,242.5
Equity - Closing balance					1,300.8	1,496.5
Net debt/equity ratio					111.5%	83.0%
Equity - Opening balance	1,447.3	1,463.1	1,300.8	1,378.2	1,382.0	1,341.6
Equity - Closing balance	1,496.5	1,341.6	1,496.5	1,341.6	1,300.8	1,496.5
Equity - average	1,471.9	1,402.4	1,398.7	1,359.9	1,341.4	1,419.1
Net profit	82.7	-10.4	139.9	23.8	110.4	226.5
Return on equity	22.5%	-3.0%	20.0%	3.5%	8.2%	16.0%
Equity - average	1,471.9	1,402.4	1,398.7	1,359.9	1,341.4	1,419.1
Net Debt - opening balance	1,422.9	1,649.0	1,450.5	1,564.1	1,564.1	1,594.5
Net Debt - closing balance	1,242.5	1,594.5	1,242.5	1,594.5	1,450.5	1,242.5
Net Debt - average	1,332.7	1,621.8	1,346.5	1,579.3	1,507.3	1,418.5
Operating capital - average	2,804.6	3,024.2	2,745.2	2,939.2	2,848.7	2,837.6
Adjusted operating profit	97.4	73.0	184.8	138.1	295.6	342.3
Return on operating capital	13.9%	9.7%	13.5%	9.4%	10.4%	12.1%
Net debt					1,450.5	1,242.5
Adjusted EBITDA					461.2	505.1
Net debt/Adjusted EBITDA, multiple					3.1	2.5
Profit before tax					148.5	306.1
Financial expense					71.7	66.5
Acquisition cost					1.6	0.7
Restructuring costs					75.0	-
Discontinuation of defined-benefit pension plan					-	-29.0
EBT excluding financial expenses, acquisition costs, restructuring costs and discontinuation of defined-benefit pension plan					296.8	344.3
Financial expense					71.7	66.5
Interest cover ratio, multiple					4.1	5.2

Note 8: Alternative performance measures, cont'd

SEK million	1 Apr-30 June		1 Jan-30 June		Full year
	2021	2020	2021	2020	2020
Incoming orders, same period in previous year	739.5	1,044.1	1,734.6	2,063.1	4,168.4
Change in incoming orders, organic	395.4	-351.1	541.4	-452.2	-831.6
Change in incoming orders, currency effects	-77.0	-15.7	-182.9	-2.7	-116.2
Change in incoming orders, acquisitions	-	62.2	-	126.4	259.6
Incoming orders	1,057.9	739.5	2,093.1	1,734.6	3,480.2
Order growth, organic	53.5%	-33.7%	31.2%	-21.9%	-19.9%
Order growth, currency effects	-10.4%	-1.5%	-10.5%	-0.1%	-2.8%
Order growth, acquisitions	-	6.0%	-	6.1%	6.2%
Order growth	43.1%	-29.2%	20.7%	-15.9%	-16.5%
Net sales, comparative period previous year	928.4	1,096.2	1,908.9	2,132.6	4,307.7
Change in net sales, organic	127.7	-227.8	101.6	-349.1	-755.4
Change in net sales, currency effects	-79.3	-14.0	-165.7	-1.1	-122.6
Change in net sales, acquisitions	-	74.0	-	126.5	245.1
Netsales	976.8	928.4	1,844.8	1,908.9	3,674.8
Sales growth, organic	13.8%	-20.7%	5.3%	-16.3%	-17.5%
Sales growth, currency effects	-8.6%	-1.3%	-8.7%	-0.0%	-2.9%
Sales growth, acquisitions	-	6.7%	-	5.9%	5.7%
Sales growth	5.2%	-15.3%	-3.4%	-10.4%	-14.7%

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 66-67 and in note 3 of the Nederman group's 2020 Annual and Sustainability Report.

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, Thursday 15 July 2021 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

SE: +46850558355
UK: +443333009269
US: +16467224902

To participate in the webcast

The conference will also be streamed over the internet.

Visit our website to participate in the webcast.

www.nedermangroup.com/en/investors/reports/webcast

FINANCIAL CALENDAR

- Interim report 3 October 22, 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 15 July 2021 kl 08.00.

FURTHER INFORMATION CAN BE OBTAINED FROM

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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. We protect people, planet and production.

Our head office is located in Helsingborg and we currently have about 2,100 employees, with manufacturing in 13 countries and sales in more than 60 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 2020, service grew and made up 18% of total sales.

MARKET-LEADING POSITIONS

Since establishment, 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.