



Summary of a new record year

Orders received increased currency neutrally by 4.8 percent during the quarter, providing good support for sales at the beginning of 2024.

Read more in Sven Kristensson's CEO's comments on page 2.

Quarter 4, 2023

- Orders received amounted to SEK 1,467m (1,396), equivalent to currency neutral growth of 4.8 percent compared with the same period last year.
- Net sales amounted to SEK 1,501m (1,515), equivalent to a currency neutral decline of 0.8 percent compared with the same period last year.
- Adjusted EBITA was SEK 171.6m (161.1), giving an adjusted EBITA margin of 11.4 percent (10.6).
- Operating profit amounted to SEK 149.2m (136.8), corresponding to an operating margin of 9.9 percent (9.0).
- Net profit was SEK 77.3m (90.9).
- Earnings per share were SEK 2.20 (2.59).
- Cash flow from operating activities amounted to SEK 212.3m (87.8).

January - December 2023

- Orders received amounted to SEK 6,005m (5,425), equivalent to currency neutral growth of 6.8 percent compared with the same period last year.
- Net sales amounted to SEK 6,188m (5,179), equivalent to currency neutral growth of 14.9 percent compared with the same period last year.
- Adjusted EBITA was SEK 714.9m (566.6), giving an adjusted EBITA margin of 11.6 percent (10.9).
- Operating profit amounted to SEK 592.8m (480.2), corresponding to an operating margin of 9.6 percent (9.3).
- Net profit was SEK 340.9m (328.7).
- Earnings per share were SEK 9.71 (9.37).
- Cash flow from operating activities amounted to SEK 576.3m (345.7).
- The Board of Directors proposes a dividend of SEK 3.95 (3.75) per share.



Sven Kristensson
CEO

CEO's comments

Strong end to 2023 provides good starting position

Nederman ended 2023 with healthy order growth, high sales, strong cash flow and improved profitability. We can look back on a year when, despite a macro environment that remained challenging, we advanced our positions in the global market for industrial air filtration with the launch of new products, we strengthened our presence in expanding industries and we invested in improved efficiency and digitalisation.

We can look back on another successful year. During the fourth quarter, sales amounted to SEK 1,501m (1,515), and almost SEK 6.2 billion for full-year 2023, equivalent to currency neutral growth of 14.9 percent. Orders received increased currency neutrally by 4.8 percent during the quarter, giving an order backlog that was in line with the end of last year and offering good support for sales at the beginning of 2024. The adjusted EBITA margin amounted to 11.4 percent (10.6) in the quarter, which includes a non-recurring cost of SEK 17m for filter upgrades at customer facilities, and to 11.6 percent (10.9) for the full-year. In absolute terms, adjusted EBITA for the full-year amounted to SEK 715m (567), which is a new record. Step by step, we are moving closer to our goal of an adjusted EBITA margin of at least 14 percent. This is also underpinned by improvements to the gross margin in the quarter to 37.5 percent (36.2), which shows that our efforts in relation to production efficiency, pricing and to expand the service business are yielding results. However, rising interest expenses and a higher tax rate, linked to among other things the restructuring in China and increased profitability in Germany, led to a decrease in earnings per share compared with the corresponding quarter of 2022. Nevertheless, earnings per share rose somewhat for the full year. Overall, I can summarise a year in which we carried out strong product launches, continued to invest in our digital solutions, production and logistics, and advanced our positions in new segments and markets. We also took steps to increase profitability in underperforming markets. In China, we are in the final stage of our restructuring and have relocated two of our divisions' operations.

The work to strengthen our position in industries with good long-term growth prospects is a top priority for us. In these industries, we are investing in new technology and customers often have very high demands with respect to equipment and systems to handle hazardous substances and particles which, taken together, favours a global leader in industrial air filtration such as Nederman. In the fourth quarter, all divisions secured orders in one or more of the prioritised growth segments, such as battery manufacturing, renewable energy, food, recycling and the defence industry. Moreover, we continued to make progress with previous strong product launches. Interest in Nederman SAVE is steadily increasing as a growing number of customers understand the energy savings enabled by the technology, and

several orders were secured in Europe during the quarter. Gasmot's portable emissions analyser for the measurement of emissions in challenging environments and Luwa's energy-efficient fans for the textile industry are examples of two other strong launches that have helped us to gain market share despite intense competition. We have also noted continued growing interest in our digital solutions that help customers future-proof their production.

GOOD QUARTER FOR OUR DIVISIONS

Our divisions strengthened their positions during the quarter. Nederman Extraction & Filtration Technology increased orders received, spearheaded by EMEA, though inflationary pressure and a nonrecurring cost for filter upgrades suppressed profitability. Nederman Process Technology can look back on a record year for sales and earnings and secured new, major orders from customers in metal recycling during the year. Although Nederman Duct & Filter Technology reported lower sales, more efficient production and logistics, and initiatives in new segments, continued to drive profitability. Nederman Monitoring & Control Technology continued to deliver profitably on a large order backlog and is increasing investments in production to meet future higher demand for digital monitoring and control of production processes.

POSITIVE WITH LARGE ORDER BACKLOG

Even if the performance of our divisions remains positive, the risk remains that challenges in our supply chain, inflationary pressure and a weaker economic outlook will impact customers' investment decisions. Moreover, the geopolitical uncertainty is growing with a risk of increased protectionism in the long term. Nederman, however, stands strong in this macro environment. In terms of our large order backlog and our ability to increase our share of sales in industries with good structural growth, we take a cautiously positive view for the first half of the year.



Q4 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 major 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 woodworking, cement & concrete production, automotive, metalworking and recycling.

Nederman Monitoring & Control Technology offers advanced measurement technology for gases and particles, 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.

External orders received, SEKm	1 Oct-31 Dec		Currency neutral growth	Organic growth	1 Jan-31 Dec		Currency neutral growth	Organic growth
	2023	2022			2023	2022		
Nederman Extraction & Filtration Technology	650.4	591.4	8.6%	6.2%	2,581.2	2,238.4	10.8%	-0.1%
Nederman Process Technology	467.7	437.1	7.6%	7.6%	1,921.0	1,824.6	2.4%	2.4%
Nederman Duct & Filter Technology	181.1	164.9	9.9%	9.9%	762.7	704.4	2.6%	0.1%
Nederman Monitoring & Control Technology	167.3	202.7	-16.8%	-18.5%	739.7	657.4	9.6%	6.0%
Total Nederman group	1,466.5	1,396.1	4.8%	3.5%	6,004.6	5,424.8	6.8%	1.5%

Total sales, SEKm	1 Oct-31 Dec		Currency neutral growth	Organic growth	1 Jan-31 Dec		Currency neutral growth	Organic growth
	2023	2022			2023	2022		
Nederman Extraction & Filtration Technology	688.5	636.6	6.2%	3.4%	2,582.5	2,165.4	14.5%	1.4%
Nederman Process Technology	434.8	514.9	-12.6%	-12.6%	2,146.6	1,721.9	20.2%	20.2%
Nederman Duct & Filter Technology	200.7	212.4	-5.5%	-5.5%	839.0	790.8	0.4%	-1.3%
Nederman Monitoring & Control Technology	201.8	176.8	14.2%	12.8%	732.8	605.9	17.3%	13.8%
Elimination	-25.3	-25.5			-113.1	-105.1		
Total Nederman group	1,500.5	1,515.2	-0.8%	-2.1%	6,187.8	5,178.9	14.9%	8.8%

Adjusted EBITA, SEKm	1 Oct-31 Dec		1 Jan-31 Dec	
	2023	2022	2023	2022
Nederman Extraction & Filtration Technology	83.4	92.4	339.5	357.3
Nederman Process Technology	42.1	38.7	209.0	99.9
Nederman Duct & Filter Technology	35.2	34.2	156.5	127.4
Nederman Monitoring & Control Technology	48.0	33.6	152.6	96.6
Other - non-allocated	-37.1	-37.8	-142.7	-114.6
Total Nederman group	171.6	161.1	714.9	566.6

Adjusted EBITA margin	1 Oct-31 Dec		1 Jan-31 Dec	
	2023	2022	2023	2022
Nederman Extraction & Filtration Technology	12.1%	14.5%	13.1%	16.5%
Nederman Process Technology	9.7%	7.5%	9.7%	5.8%
Nederman Duct & Filter Technology	17.5%	16.1%	18.7%	16.1%
Nederman Monitoring & Control Technology	23.8%	19.0%	20.8%	15.9%
Total Nederman group	11.4%	10.6%	11.6%	10.9%



ABOUT THE DIVISION

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.

Brands: Nederman, RoboVent

Nederman Extraction & Filtration Technology

In the fourth quarter, orders received increased currency neutrally by 8.6 percent and sales by 6.2 percent. Inflationary pressure, a change in sales mix, higher R&D activity and a large nonrecurring cost led to a decline in the adjusted EBITA margin to 12.1 percent (14.5).

DEVELOPMENT DURING THE QUARTER

Orders received in the quarter were strong, with several major and medium-sized orders and a continued solid core business. All types of sales increased, with double-digit growth for Service. Among the regions, EMEA reported high growth in orders received and sales. Larger volumes had a positive impact on profitability, but were offset by cost inflation, primarily from the salary inflation noted in the first part of 2023, a higher share of solutions and a comprehensive filter upgrade initiative to improve the technical performance of a particular filter product. The improvement will also be implemented at customer facilities during 2024 but the total non-recurring cost of SEK 17m was reserved in the fourth quarter of 2023. The strong orders received in recent quarters meant the order backlog remained at a high level at the end of the year, laying the foundation for healthy sales growth at the beginning of 2024.

Five major orders were registered during the quarter. Three were secured in region Americas, of which two in the US and one in Brazil, and concerned wood and welding applications. Two major orders were secured in EMEA, of which one in Belgium in public transport and one in Denmark from a manufacturer of energy-efficient windows. During the quarter, several orders were again secured globally for solutions in prioritised growth areas, primarily in food and from producers in Brazil, the US and Denmark. A number of orders were also secured in the defence industry and green energy. In Sweden, an order was secured in waste management/recycling and in northern Europe two orders were secured from wind turbine manufacturers. Nederman SAVE received new orders in Germany, Spain and Poland.

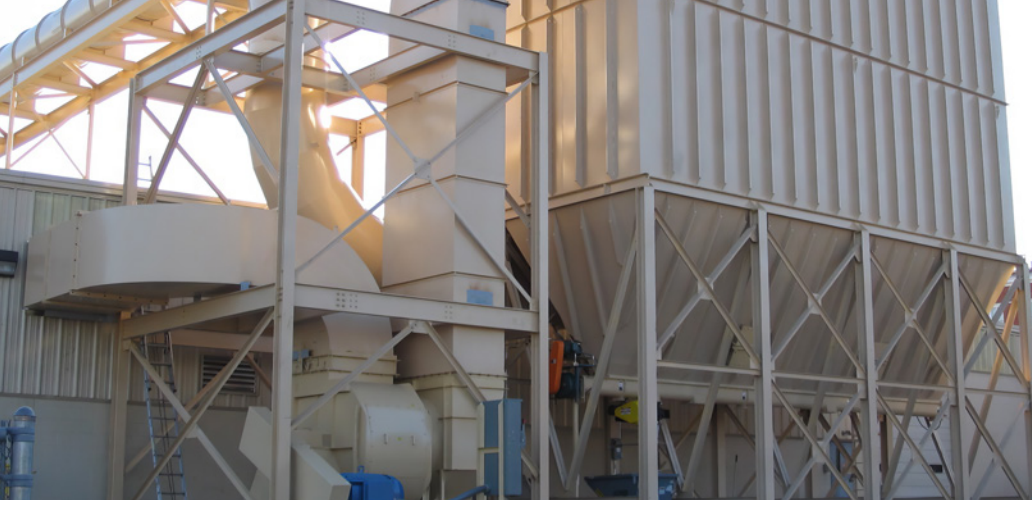
In terms of development in the various regions, EMEA recorded continued healthy activity and double-digit growth in orders received.

The two aforementioned major orders made a strong contribution to orders received. No major orders were registered during the corresponding quarter of 2022. Activity was positive in almost the entire region, with high growth reported in orders received and sales in Denmark, Germany, Turkey and the Netherlands for the quarter. Danish Aagaard, which was acquired in July, has been successfully integrated and strengthened the division's position in the woodworking segment. Americas displayed unchanged development compared with the corresponding quarter in 2022. The three major orders secured in the region were of lower value than the three major orders received in the preceding year. Many small and medium-sized orders were registered in the growth segments of food and pharmaceuticals. The US and Brazil performed well while Canada and Mexico had a weaker development. APAC continued to develop weakly, with the exception of China, which reported healthy growth in orders received and sales. The project to relocate the operations in China has been completed while restructuring is continuing.

KEY ACTIVITIES

- Nederman SAVE was named the best dust collecting product by the US FDMC, a network of companies in woodworking.
- RoboVent in the US has entered into an agreement to move production and offices in spring 2024 to a completely new plant, thereby increasing efficiency and capacity.
- Launch of the digital selling tool ProQuote in Asia.
- Initiative started to improve the technical performance of a particular filter product by upgrading existing filters to a new standard. The cost of this, which can be considered a preventive measure and will also continue during 2024, was charged in full to the quarter.

SEKm	Note	1 Oct-31 Dec		Currency neutral growth	Organic growth	1 Jan-31 Dec		Currency neutral growth	Organic growth
		2023	2022			2023	2022		
External orders received		650.4	591.4	8.6%	6.2%	2,581.2	2,238.4	10.8%	-0.1%
Total sales	4	688.5	636.6	6.2%	3.4%	2,582.5	2,165.4	14.5%	1.4%
Adjusted EBITA		83.4	92.4			339.5	357.3		
Adjusted EBITA margin		12.1%	14.5%			13.1%	16.5%		



ABOUT THE DIVISION

Nederman Process Technology offers services and advanced filter solutions that are integrated into the customers' production processes where they catch harmful particles and gases.

Brands: MikroPul, Luwa, Pneumafil and LCI

Nederman Process Technology

In the fourth quarter, orders received increased currency neutrally by 7.6 percent. Sales decreased currency neutrally by 12.6 percent compared with a strong corresponding quarter in 2022. The adjusted EBITA margin increased to 9.7 percent (7.5).

DEVELOPMENT DURING THE QUARTER

The increase in orders received in the quarter was mainly due to a significant order in EMEA, although APAC also displayed healthy order growth. Sales developed strongly in Americas, driven by earlier high orders received in the region. Service continued to report good growth. Robust sales with a higher share of service, strategic business decisions and a high level of manufacturing and delivery efficiency enabled the division to report new record earnings for full-year 2023. In the long term, the potential remains considerable, with investments in new segments and new markets expected to generate healthy returns. There are, however, indications of a potential slow down in demand, an effect of a deterioration in the global economy in the wake of geopolitical turmoil and weakness in certain markets and segments.

The division's sales in the textile segment increased while orders received fell once again, though the order backlog remains at a healthy level. Weak demand in China, the world's largest textile market, has a dampening effect, while India is performing well, with the division continuing to secure new orders in the country. It should be noted that capacity utilisation at spinning mills remains low, which is curbing demand for new equipment. The division's current focus is to optimise profitability based on the prevailing market conditions. The fan system for textile plants that the division launched during the second quarter continues to generate additional business, since it contributes to significant and important energy savings.

In the foundry and smelter segment, a strong sustainability trend is contributing to an increase in demand for the division's solutions in, for example, metal recycling, where significant orders were secured

during the quarter in EMEA. The division has maintained a significant presence in EMEA for some time and in recent years has successfully driven strategic initiatives to grow in Americas with the same offering and with favourable profitability. Despite short-term uncertainty related to the global economic trend, the potential within the segment is considerable in the long term, particularly in aluminium recycling.

The segment for customised solutions displayed good sales growth during the quarter, driven by, among other things, healthy activity in APAC. This segment is the most cyclical, with the division's projects constituting small parts of major capital investments, which brings a risk of dampened demand in the event of increased economic uncertainty. Nonetheless, the division is cautiously optimistic, as strategic investments in the petrochemical industry, for example, are expected to favour demand for the division's equipment.

KEY ACTIVITIES

- The implementation of the restructuring programme in China continued and is expected to lead to profitability improvements in the years ahead.
- Growing interest in the division's offering in digitalisation, including in conjunction with participation in various trade fairs in the different regions.
- Investment in a new paint line with related equipment at the division's plant in Germany.
- Healthy growth in service and aftermarket, demonstrating the division's ability to adapt its offering to market needs.

SEKm	Note	1 Oct-31 Dec		Currency neutral growth	Organic growth	1 Jan-31 Dec		Currency neutral growth	Organic growth
		2023	2022			2023	2022		
External orders received		467.7	437.1	7.6%	7.6%	1,921.0	1,824.6	2.4%	2.4%
Total sales	4	434.8	514.9	-12.6%	-12.6%	2,146.6	1,721.9	20.2%	20.2%
Adjusted EBITA		42.1	38.7			209.0	99.9		
Adjusted EBITA margin		9.7%	7.5%			9.7%	5.8%		

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

Compared with the corresponding quarter in 2022, orders received increased currency neutrally by 9.9 percent in the fourth quarter while sales decreased by 5.5 percent. The adjusted EBITA margin increased to 17.5 percent (16.1).

DEVELOPMENT DURING THE QUARTER

Orders received strengthened during the quarter following a number of major orders registered by Nordfab and Menardi, which included orders in growth segments such as battery manufacturing and green energy. Sales were lower while profitability was positively impacted by primarily improved production and inventory processes in both the US and EMEA.

The division's ducting operations, under the Nordfab brand, displayed higher orders received compared with the corresponding quarter in 2022. In the US, orders received rose while sales decreased. Higher production efficiency supported a strengthening of profitability. During the quarter, the new warehouse management system at the plant in Thomasville was commissioned. During 2024, the warehouse will undergo comprehensive automation that will enable delivery the same or following day.

In EMEA, both orders received and sales decreased, with the exception of the UK, which remained at the same high level as the corresponding quarter last year. This was also double the level in the fourth quarter of 2021. In the EU, doubts surrounding major investment projects in traditional industries have continued to dampen order activity, although the pipeline strengthened further.

In APAC, orders received continued to recover in Thailand. Participation in a major trade fair in the region resulted in a large number of new contacts and included an agreement with a new reseller in Bangladesh. Orders received in Australia declined compared with the immediately preceding quarter. Sales were satisfactory but extra costs and inventory problems had a negative impact on profitability. The ducting sys-

tem Nordfab Quick Fit (QF) was launched in October and has attracted a large amount of interest among customers although orders are not yet fully updated.

The division's filter solutions operations under the Menardi brand and with the US as the dominant market, displayed continued strong orders received in line with the preceding strong quarter and 50 percent higher than the corresponding quarter of 2022. Successful sales activities and a high level of delivery reliability supported a strong increase in the number of orders throughout 2023. In the fourth quarter, many medium-sized orders were registered from customers who were returning after having tested discount alternatives of inferior quality. Moreover, a large order was received in the competitive cement industry. Efficient deliveries and high production utilisation led to sustained high profitability during the quarter. Operations in Europe, which mainly comprise aftersales, reported a stable performance during the quarter and secured a major order from the Swedish mining industry.

KEY ACTIVITIES

- Launch of the ducting system Nordfab Quick Fit (QF) in Australia.
- Launch in the US of Spark Trap 2.0, a new version of the spark arrester Spark Trap, which is easier to place in various industrial environments.
- Commissioning of new warehouse management system in Thomasville, US.
- Initiated the implementation of BIM Object, an advanced and well-established platform used by technical consultants.
- New CEO appointed for operations in Thailand.

SEKm	Note	1Oct-31Dec 2023	2022	Currency neutral growth	Organic growth	1Jan-31Dec 2023	2022	Currency neutral growth	Organic growth
External orders received		181.1	164.9	9.9%	9.9%	762.7	704.4	2.6%	0.1%
Total sales	4	200.7	212.4	-5.5%	-5.5%	839.0	790.8	0.4%	-1.3%
Adjusted EBITA		35.2	34.2			156.5	127.4		
Adjusted EBITA margin		17.5%	16.1%			18.7%	16.1%		

ABOUT THE DIVISION

Nederman Monitoring & Control Technology offers advanced measurement technology of gases and particles and an IoT platform that consists of hardware and software that provide customers with information and insight into critical parameters and processes.

Brands: Nederman Insight, NEO Monitors, Auburn FilterSense and Gasmot

Nederman Monitoring & Control Technology

Compared with the corresponding quarter of 2022, sales increased currency neutrally by 14.2 percent while orders received decreased by 16.8 percent. The adjusted EBITA margin increased to 23.8 percent (19.0).

DEVELOPMENT DURING THE QUARTER

The division's orders received declined in the quarter compared with a strong corresponding quarter in 2022, which included a Gasmot order for more than SEK 30m. Orders received decreased in all regions while NEO Monitors performed strongly among the brands. Sales were the highest ever recorded for a single quarter, and the division delivered on a large order backlog. Profitability was strengthened, mainly due to higher volumes, but also as a result of efficiency improvements. The order backlog was still at a high level at year-end, providing a basis for a healthy sales trend in the upcoming quarters. However, signs of a weaker economy in several markets could reduce demand.

Orders received for the quarter include several new orders for Gasmot's portable emissions analyser, GT6000 Mobilis. Moreover, several orders were received in the biofuels industry while NEO Monitors continued to develop closer partnerships with major customers in oil and gas. NEO Monitors also secured its first order in battery manufacturing in China.

In EMEA, orders received decreased compared with a very strong corresponding quarter in 2022. However, sales increased driven by rising activity for NEO Monitors, but above all by a strong trend for Gasmot's sales companies in the UK and Germany. The Swiss company MBE, acquired at the end of 2022, continued to make a positive contribution to Gasmot's sales development.

In APAC, orders received also declined compared with a strong corresponding quarter in 2022. Sales increased with significant contributions from Gasmot and NEO Monitors. In China, orders received have gradually improved during the year, with a number of planned and executed deliveries during the quarter. Work to develop the division's distribution and sales organisation in China is in progress.

Americas noted slightly lower orders received but another strong quarter in terms of sales. The trend was mainly driven by major project deliveries for NEO Monitors, which also reported positive order growth during the quarter. Auburn FilterSense's sales declined following strong growth in the immediately preceding quarter. Gasmot also performed well, with continuing major interest in the market for their portable products for various applications.

KEY ACTIVITIES

- Continued investments in the Insight Cloud and Insight Control digital solutions.
- Continued investments to increase production capacity for NEO Monitors, which led to a new production record in December.
- Working capital increased, mainly due to sustained higher inventory levels to ensure deliveries to customers following earlier problems in the supply chain but also due to a high order backlog for NEO Monitors.

SEKm	Note	1 Oct-31 Dec 2023	2022	Currency neutral growth	Organic growth	1 Jan-31 Dec 2023	2022	Currency neutral growth	Organic growth
External orders received		167.3	202.7	-16.8%	-18.5%	739.7	657.4	9.6%	6.0%
Total sales	4	201.8	176.8	14.2%	12.8%	732.8	605.9	17.3%	13.8%
Adjusted EBITA		48.0	33.6			152.6	96.6		
Adjusted EBITA margin		23.8%	19.0%			20.8%	15.9%		

Quarter 4, 2023

ORDERS RECEIVED AND SALES

Orders received during the quarter amounted to SEK 1,467m (1,396), equivalent to currency neutral growth of 4.8 percent compared with the same period last year.

Sales for the quarter amounted to SEK 1,501m (1,515), equivalent to a currency neutral decline of 0.8 percent compared with the same period last year.

CASH FLOW

Cash flow from operating activities amounted to SEK 212.3m (87.8) and cash flow for the period was SEK 168.9m (2.6).

Changes in working capital developed positively during the quarter. Favourable cash flow from accounts receivable and reduced inventory levels contributed to this.

PROFIT/LOSS

Adjusted EBITA amounted to SEK 171.6m (161.1). Adjusted EBITA margin was 11.4 percent (10.6).

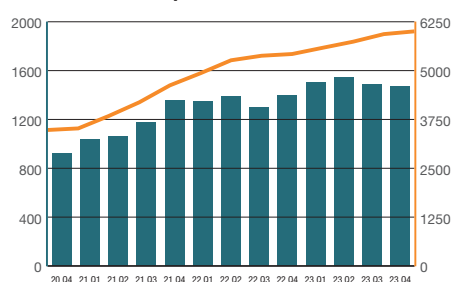
Operating profit amounted to SEK 149.2m (136.8), corresponding to an operating margin of 9.9 percent (9.0).

Profit before tax decreased to SEK 117.7m (120.6). Net profit was SEK 77.3m (90.9), which yielded earnings per share of SEK 2.20 (2.59).

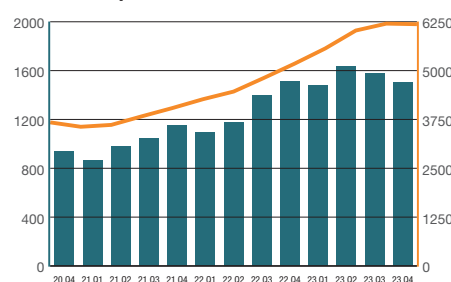
CAPITAL EXPENDITURE

Capital expenditure in intangible and tangible assets amounted to SEK 55.9m (59.3).

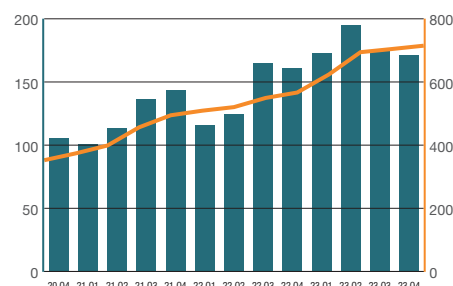
Orders received, SEKm



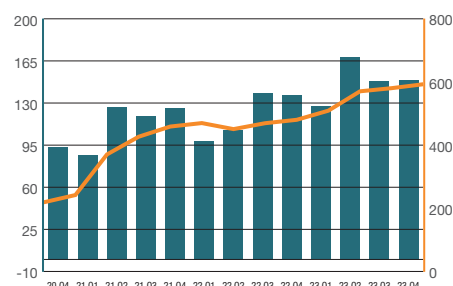
Total sales, SEKm



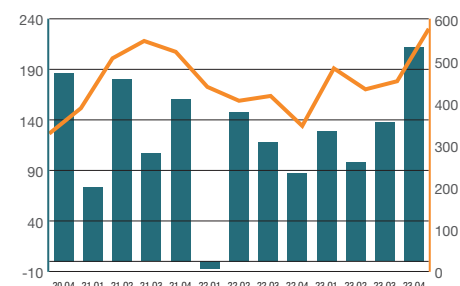
Adjusted EBITA, SEKm



Operating profit, SEKm



Cash flow from operating activities, SEKm



■ Quarter
 ■ Rolling four quarters

January – December 2023

ORDERS RECEIVED AND SALES

Orders received during the period were SEK 6,005m (5,425), equivalent to currency neutral growth of 6.8 percent compared with the same period last year.

Sales amounted to SEK 6,188m (5,179), equivalent to currency neutral growth of 14.9 percent compared with the same period last year.

PROFIT/LOSS

Adjusted EBITA amounted to SEK 714.9m (566.6). Adjusted EBITA margin was 11.6 percent (10.9).

Operating profit amounted to SEK 592.8m (480.2), corresponding to an operating margin of 9.6 percent (9.3).

Profit before tax increased to SEK 476.2m (438.8). Net profit was SEK 340.9m (328.7), which yielded earnings per share of SEK 9.71 (9.37).

CASH FLOW

Cash flow from operating activities amounted to SEK 576.3m (345.7) and cash flow for the period was SEK 115.4m (133.1).

Inventory and accounts receivable were reduced during the year and made a positive contribution to the development of working capital. In the preceding year, there was an increase in tied-up capital in inventory, partly offset through advance payments made by customers in connection with major projects.

The year's net investments in fixed assets amounted to SEK 198.3m (170.0). The largest single investment relates to the factory and warehouse building in Thomasville, US.

Cash flow from financing activities mainly relates to the amortisation of lease liabilities of SEK 93.2m (80.1) and dividends paid to shareholders of SEK 131.6m (122.8). Net borrowing for the year, including utilised overdraft facilities, amounted to a total of SEK 0.6m (605.6).

CAPITAL EXPENDITURE

Capital expenditure in intangible and tangible assets amounted to SEK 195.6m (170.5), of which capitalised development expenses amounted to SEK 51.5m (53.9).

ACQUISITIONS

Aagaard A/S

On 21 July 2023, Nederman acquired 100 percent of shares in the Danish company Aagaard A/S. The acquisition price amounted to SEK 48.9m, of which SEK 8.7m comprised a deferred consideration and SEK 4.8m a conditional earn-out payment based on the adjusted operating profit for the April 2023 to March 2024 period. Acquired net assets amounted to SEK 21.9m and the transaction generated goodwill of SEK 27.0m. The acquisition's impact on the group's cash and cash equivalents amounted to SEK 35.2m. The acquisition analysis is still preliminary, where analysis of the acquired balance sheet items inventory and projects is ongoing.

FINANCIAL POSITION AND FINANCING

At the end of the period, the group had SEK 815.2m in cash and cash equivalents as well as SEK 88.8m in available but unutilised overdraft facilities.

In addition, there was a credit facility of SEK 631.7m within the framework of Nederman's loan agreement with SEB and SHB. In 2023, loans were raised in the amount of SEK 27.0m and repayments amounted to SEK 52.1m.

Equity in the group as of 31 December 2023 amounted to SEK 2,372.0m (2,186.5). Dividends to shareholders were made in the amount of SEK 3.75 per share, or a total of SEK 131.6m, are were paid out in the second quarter. The total number of shares outstanding was 35,105,421 at the end of the period.

The equity/assets ratio for the group was 36.9 percent (35.2) as of 31 December 2023. The net debt/equity ratio was 56.2 percent (67.6).

NUMBER OF EMPLOYEES

The average number of employees during the period was 2,377 (2,288). The number of employees at the end of the period was 2,462 (2,444).

PARENT COMPANY

The group's parent company, Nederman Holding AB, does not conduct any operating activities but has central head office functions. The parent company owns and manages shares in subsidiaries. The parent company's net sales for the period amounted to SEK 21.2m (19.4) and is related to service revenue from subsidiaries. Net profit for the period amounted to SEK 3.4m (109.8).

Key figures, group

SEKm	1 Oct-31 Dec		1 Jan-31 Dec	
	2023	2022	2023	2022
Orders received	1,466.5	1,396.1	6,004.6	5,424.8
Net sales	1,500.5	1,515.2	6,187.8	5,178.9
Adjusted EBITA	171.6	161.1	714.9	566.6
Adjusted EBITA margin	11.4%	10.6%	11.6%	10.9%
Adjusted EBITDA	211.4	194.9	867.5	690.4
Adjusted EBITDA margin	14.1%	12.9%	14.0%	13.3%
Operating profit	149.2	136.8	592.8	480.2
Operating margin	9.9%	9.0%	9.6%	9.3%
Adjusted operating profit	144.2	138.0	610.0	488.6
Adjusted operating margin	9.6%	9.1%	9.9%	9.4%
Profit before tax	117.7	120.6	476.2	438.8
Net profit	77.3	90.9	340.9	328.7
Earnings per share, SEK	2.20	2.59	9.71	9.37
Return on equity	12.9%	16.9%	15.0%	16.8%
Return on operating capital	15.1%	15.1%	16.6%	15.2%
Net debt			1,332.4	1,477.1
Net debt/equity ratio			56.2%	67.6%
Net debt/Adjusted EBITDA, multiple			1.5	2.1
Interest-coverage ratio, multiple			4.4	7.9

Regions

External orders received, SEKm	1 Oct-31 Dec		1 Jan-31 Dec	
	2023	2022	2023	2022
Americas	523.0	592.6	2,323.8	1,960.1
EMEA	739.0	599.0	2,613.3	2,477.5
APAC	204.5	204.5	1,067.5	987.2
Total Nederman group	1,466.5	1,396.1	6,004.6	5,424.8

External net sales, SEKm	1 Oct-31 Dec		1 Jan-31 Dec	
	2023	2022	2023	2022
Americas	582.4	552.2	2,423.4	1,781.6
EMEA	656.8	667.7	2,735.2	2,315.6
APAC	261.3	295.3	1,029.2	1,081.7
Total Nederman group	1,500.5	1,515.2	6,187.8	5,178.9



Outlook

Demand and orders received remained favourable, while our base business and strong digital offering enable us to assert ourselves well in the current market. At the same time, there is a risk that problems in the supply chain, inflationary pressure and weaker economic prospects will impact customers' investment decisions. Moreover, the growing geopolitical uncertainty could eventually lead to increased protectionism. In terms of our large order backlog and our ability to increase our share of sales in industries with good structural growth, we take a cautiously positive view for the first half of the year.

Even if the outlook in our industry could be temporarily dampened by various external factors, the long-term potential remains. In a world with growing insight into the damage that poor air does to people, Nederman, with its leading industrial air filtration offering, has a key role to play and good possibilities for continued growth.

Dividend

The Board of Directors proposes a dividend of SEK 3.95 (3.75) per share.

Other information

On 1 January 2024, Mikael Häggblad took over as CIO and from this date became a member of Nederman's Group management.

Consolidated statement of profit or loss in summary

SEKm	Note	1 Oct-31 Dec		1 Jan-31 Dec	
		2023	2022	2023	2022
Net sales	3.4	1,500.5	1,515.2	6,187.8	5,178.9
Cost of goods sold		-937.6	-966.6	-3,941.6	-3,311.0
Gross profit		562.9	548.6	2,246.2	1,867.9
Selling expenses		-278.8	-251.1	-1,075.2	-877.8
Administrative expenses		-120.9	-122.4	-472.4	-429.9
Research and development expenses		-19.6	-20.1	-78.6	-72.5
Restructuring costs		5.6	-	-14.4	-
Other operating income/expenses		-0.0	-18.2	-12.8	-7.5
Operating profit		149.2	136.8	592.8	480.2
Financial income and expenses	5	-31.5	-16.2	-116.6	-41.4
Profit before tax		117.7	120.6	476.2	438.8
Taxes		-40.4	-29.7	-135.3	-110.1
Net profit		77.3	90.9	340.9	328.7
Net profit attributable to:					
The parent company's shareholders		77.3	90.9	340.9	328.7
Earnings per share (SEK)					
Before dilution		2.20	2.59	9.71	9.37
After dilution		2.20	2.59	9.71	9.37

Consolidated statement of other comprehensive income in summary

SEKm	1 Oct-31 Dec		1 Jan-31 Dec	
	2023	2022	2023	2022
Net profit	77.3	90.9	340.9	328.7
Other comprehensive income				
Items that cannot be reclassified to net profit				
Revaluation of defined-benefit pension plans	32.4	1.4	35.0	35.3
Tax attributable to revaluation of defined-benefit pension plans	-6.2	-0.2	-7.0	-8.0
	26.2	1.2	28.0	27.3
Items that have been or can be reclassified to net profit				
Exchange differences arising on translation of foreign operations	-138.4	-20.7	-54.2	235.9
	-138.4	-20.7	-54.2	235.9
Other comprehensive income for the period, net of tax	-112.2	-19.5	-26.2	263.2
Total comprehensive income for the period	-34.9	71.4	314.7	591.9
Total comprehensive income attributable to:				
The parent company's shareholders	-34.9	71.4	314.7	591.9

Consolidated statement of financial position in summary

SEKm	Note	31Dec 2023	31Dec 2022
Assets			
Goodwill		2,017.8	2,027.5
Other intangible assets		625.1	646.8
Tangible assets		443.5	390.1
Right-of-use assets		190.2	186.2
Long-term receivables		8.2	4.2
Deferred tax assets		127.7	104.0
Total fixed assets		3,412.5	3,358.8
Inventories		873.3	890.8
Accounts receivable	6	788.8	814.8
Other current receivables	6	532.6	434.5
Cash and cash equivalents	6	815.2	721.2
Total current assets		3,009.9	2,861.3
Total assets		6,422.4	6,220.1
Equity			
		2,372.0	2,186.5
Liabilities			
Long-term interest-bearing liabilities	6	1,862.6	1,931.9
Long-term lease liabilities	6	123.1	122.0
Other long-term liabilities	6	11.3	28.0
Pension liabilities		31.1	70.5
Other provisions		37.5	28.3
Deferred tax liabilities		120.0	119.0
Total long-term liabilities		2,185.6	2,299.7
Current interest-bearing liabilities	6	54.4	-
Current lease liabilities	6	76.4	73.9
Accounts payable	6	423.2	498.2
Other current liabilities	6	1,232.9	1,118.7
Provisions		77.9	43.1
Total current liabilities		1,864.8	1,733.9
Total liabilities		4,050.4	4,033.6
Total equity and liabilities		6,422.4	6,220.1

Consolidated statement of changes in equity in summary

SEKm	31Dec	31Dec
	2023	2022
Opening balance at beginning of period	2,186.5	1,717.4
Net profit	340.9	328.7
Other comprehensive income		
Change in translation reserve for the period	-54.2	235.9
Revaluation of defined-benefit pension plans, net of tax	28.0	27.3
Total other comprehensive income for the period	-26.2	263.2
Total comprehensive income for the period	314.7	591.9
Transactions with group owners		
Dividend paid	-131.6	-122.8
Share-based remuneration	2.4	-
Closing balance at end of period	2,372.0	2,186.5

Consolidated statement of cash flows in summary

SEKm	Note	1 Oct-31 Dec		1 Jan-31 Dec	
		2023	2022	2023	2022
Operating profit		149.2	136.8	592.8	480.2
Adjustment for:					
Depreciation, amortisation and write-down of fixed assets		67.5	56.9	258.5	201.8
Other adjustments for non-cash items		5.5	-0.4	29.1	0.7
Interest received and paid including other financial items		-27.6	-11.5	-81.9	-53.1
Taxes paid		-50.1	-20.7	-214.3	-134.9
Cash flow from operating activities before changes in working capital		144.5	161.1	584.2	494.7
Cash flow from changes in working capital		67.8	-73.3	-7.9	-149.0
Cash flow from operating activities		212.3	87.8	576.3	345.7
Net investment in fixed assets		-57.8	-56.5	-198.3	-170.0
Acquisitions	2	-	-6.9	-38.4	-445.3
Cash flow from investing activities		-57.8	-63.4	-236.7	-615.3
Dividend paid		-	-	-131.6	-122.8
Cash flow from other financing activities		14.4	-21.8	-92.6	525.5
Cash flow from financing activities		14.4	-21.8	-224.2	402.7
Cash flow for the period		168.9	2.6	115.4	133.1
Cash and cash equivalents at beginning of period		688.0	732.0	721.2	541.6
Translation differences		-41.7	-13.4	-21.4	46.5
Cash and cash equivalents at end of period		815.2	721.2	815.2	721.2

Note 1: Accounting policies

This interim report for the group is prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The interim 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 99 of the 2022 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: Acquisitions

AAGAARD A/S

On 21 July 2023, Nederman acquired 100 percent of shares in the Danish company Aagaard A/S. The acquisition price amounted to SEK 48.9m, of which SEK 8.7m comprised a deferred consideration and SEK 4.8m a conditional earn-out payment based on the adjusted operating profit for the April 2023 to March 2024 period. During the fourth quarter, the acquired net assets were adjusted from SEK 22.9m to SEK 21.9m and goodwill from SEK 26.0m to SEK 27.0m. The acquisition analysis is still preliminary, where analysis of the acquired balance sheet items inventory and projects is ongoing.

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.

	1 Oct-31 Dec		1 Jan-31 Dec	
	2023	2022	2023	2022
External orders received, SEKm				
Nederman Extraction & Filtration Technology	650.4	591.4	2,581.2	2,238.4
Nederman Process Technology	467.7	437.1	1,921.0	1,824.6
Nederman Duct & Filter Technology	181.1	164.9	762.7	704.4
Nederman Monitoring & Control Technology	167.3	202.7	739.7	657.4
Total Nederman group	1,466.5	1,396.1	6,004.6	5,424.8

	1 Oct-31 Dec		1 Jan-31 Dec	
	2023	2022	2023	2022
Total sales, SEKm				
Nederman Extraction & Filtration Technology	688.5	636.6	2,582.5	2,165.4
Nederman Process Technology	434.8	514.9	2,146.6	1,721.9
Nederman Duct & Filter Technology	200.7	212.4	839.0	790.8
Nederman Monitoring & Control Technology	201.8	176.8	732.8	605.9
Elimination	-25.3	-25.5	-113.1	-105.1
Total Nederman group	1,500.5	1,515.2	6,187.8	5,178.9

	1 Oct-31 Dec		1 Jan-31 Dec	
	2023	2022	2023	2022
Adjusted EBITA, SEKm				
Nederman Extraction & Filtration Technology	83.4	92.4	339.5	357.3
Nederman Process Technology	42.1	38.7	209.0	99.9
Nederman Duct & Filter Technology	35.2	34.2	156.5	127.4
Nederman Monitoring & Control Technology	48.0	33.6	152.6	96.6
Other - non-allocated	-37.1	-37.8	-142.7	-114.6
Total Nederman group	171.6	161.1	714.9	566.6

	1 Oct-31 Dec		1 Jan-31 Dec	
	2023	2022	2023	2022
Adjusted EBITA margin				
Nederman Extraction & Filtration Technology	12.1%	14.5%	13.1%	16.5%
Nederman Process Technology	9.7%	7.5%	9.7%	5.8%
Nederman Duct & Filter Technology	17.5%	16.1%	18.7%	16.1%
Nederman Monitoring & Control Technology	23.8%	19.0%	20.8%	15.9%
Total Nederman group	11.4%	10.6%	11.6%	10.9%

Note 4: Revenue from customer contracts

Total sales by segment and sales type, SEKm				10 Oct-31 Dec 2023
	Productsales	Solutionsales	Service and aftermarket	Total
Nederman Extraction & Filtration Technology	204.7	347.7	136.1	688.5
Nederman Process Technology	-	313.2	121.6	434.8
Nederman Duct & Filter Technology	187.5	12.4	0.8	200.7
Nederman Monitoring & Control Technology	173.6	20.9	7.3	201.8
Elimination	-15.2	-8.4	-1.7	-25.3
Total Nederman group	550.6	685.8	264.1	1,500.5

Total sales by segment and sales type, SEKm				10 Oct-31 Dec 2022
	Productsales	Solutionsales	Service and aftermarket	Total
Nederman Extraction & Filtration Technology	220.7	282.2	133.7	636.6
Nederman Process Technology	-	402.1	112.8	514.9
Nederman Duct & Filter Technology	190.9	18.0	3.5	212.4
Nederman Monitoring & Control Technology	148.4	9.0	19.4	176.8
Elimination	-7.5	-11.6	-6.4	-25.5
Total Nederman group	552.5	699.7	263.0	1,515.2

Total sales by segment and sales type, SEKm				1 Jan-31 Dec 2023
	Productsales	Solutionsales	Service and aftermarket	Total
Nederman Extraction & Filtration Technology	829.8	1,229.1	523.6	2,582.5
Nederman Process Technology	-	1,624.9	521.7	2,146.6
Nederman Duct & Filter Technology	772.4	59.1	7.5	839.0
Nederman Monitoring & Control Technology	583.3	47.2	102.3	732.8
Elimination	-53.8	-47.8	-11.5	-113.1
Total Nederman group	2,131.7	2,912.5	1,143.6	6,187.8

Total sales by segment and sales type, SEKm				1 Jan-31 Dec 2022
	Productsales	Solutionsales	Service and aftermarket	Total
Nederman Extraction & Filtration Technology	826.5	918.9	420.0	2,165.4
Nederman Process Technology	-	1,282.6	439.3	1,721.9
Nederman Duct & Filter Technology	722.1	53.9	14.8	790.8
Nederman Monitoring & Control Technology	512.2	19.5	74.2	605.9
Elimination	-36.7	-46.6	-21.8	-105.1
Total Nederman group	2,024.1	2,228.3	926.5	5,178.9

Revenue recognition - performance obligations

Product sales	Sales are satisfied at the point in time.
Solution sales	Performance obligations are satisfied over time. Revenue is recognised according to the project's rate of progression towards completion.
Service and aftermarket	Sales are satisfied at the point in time.

Note 5: Financial reporting in hyperinflationary economies

The Nederman group has subsidiaries in Turkey where the functional currency is Turkish Lira, which is classified as a hyperinflationary currency. This means that assets and liabilities, including goodwill and other consolidated surplus values and deficits, in Turkish Lira must be adjusted for inflation in order to reflect changes in purchasing power. Inflation and its effect on the group is monitored and assessed continually.

Pursuant to IAS 29, Nederman's subsidiary in Turkey was recognised after remeasurement for hyperinflation in the Group's financial statements. Assets and liabilities in Turkish Lira are based on cost. The index used for remeasurement of the financial statements is the consumer price index (CPI), which increased by 64.8 percent during the year. At the balance sheet date, the SEK-TRY exchange rate was 0.34.

Monetary net profit was recognised in net financial items in the consolidated income statement and amounted to an immaterial amount for the group.

Note 6: Fair value and reported value in the statement of financial position

SEKm	31 Dec 2023			
	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	-	-	788.8	788.8
Other current receivables	-	-	263.4	263.4
Cash and cash equivalents	-	-	815.2	815.2
Total	-	-	1,867.4	1,867.4
Bank loans	-	-	1,917.0	1,917.0
Other long-term liabilities	-	-	11.3	11.3
Lease liabilities	-	-	199.5	199.5
Accounts payable	-	-	423.2	423.2
Other current liabilities	-	-	1,046.6	1,046.6
Total	-	-	3,597.6	3,597.6

Note 7: 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 financial 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 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. This is a consistent application compared to previous periods. See page 25 for definitions.

SEKm	1Oct-31Dec		1Jan-31Dec	
	2023	2022	2023	2022
Operating profit	149.2	136.8	592.8	480.2
Acquisition cost	0.6	1.2	2.8	8.4
Restructuring costs	-5.6	-	14.4	-
Adjusted operating profit	144.2	138.0	610.0	488.6
Adjusted operating profit	144.2	138.0	610.0	488.6
Net sales	1,500.5	1,515.2	6,187.8	5,178.9
Adjusted operating margin	9.6%	9.1%	9.9%	9.4%
Operating profit	149.2	136.8	592.8	480.2
Amortisation of intangible assets	27.4	23.1	104.9	78.0
Acquisition cost	0.6	1.2	2.8	8.4
Restructuring costs	-5.6	-	14.4	-
Adjusted EBITA	171.6	161.1	714.9	566.6
Adjusted EBITA	171.6	161.1	714.9	566.6
Net sales	1,500.5	1,515.2	6,187.8	5,178.9
Adjusted EBITA margin	11.4%	10.6%	11.6%	10.9%
Operating profit	149.2	136.8	592.8	480.2
Depreciation and amortisation	67.2	56.9	257.5	201.8
EBITDA	216.4	193.7	850.3	682.0
EBITDA	216.4	193.7	850.3	682.0
Acquisition cost	0.6	1.2	2.8	8.4
Restructuring costs	-5.6	-	14.4	-
Adjusted EBITDA	211.4	194.9	867.5	690.4
Adjusted EBITDA	211.4	194.9	867.5	690.4
Net sales	1,500.5	1,515.2	6,187.8	5,178.9
Adjusted EBITDA margin	14.1%	12.9%	14.0%	13.3%
Equity - closing balance			2,372.0	2,186.5
Total assets (balance sheet total)			6,422.4	6,220.1
Equity/assets ratio			36.9%	35.2%
Cash and cash equivalents			815.2	721.2
Long-term interest-bearing liabilities			1,862.6	1,931.9
Long-term lease liabilities			123.1	122.0
Pension liabilities			31.1	70.5
Current interest-bearing liabilities			54.4	-
Current lease liabilities			76.4	73.9
Net debt			1,332.4	1,477.1
Net debt			1,332.4	1,477.1
Equity - closing balance			2,372.0	2,186.5
Net debt/equity ratio			56.2%	67.6%
Equity - opening balance	2,406.9	2,115.1	2,186.5	1,717.4
Equity - closing balance	2,372.0	2,186.5	2,372.0	2,186.5
Equity - average	2,389.5	2,150.8	2,279.3	1,952.0
Net profit	77.3	90.9	340.9	328.7
Return on equity	12.9%	16.9%	15.0%	16.8%

Note 8: Alternative performance measures, cont'd

SEKm	1 Oct-31 Dec		1 Jan-31 Dec	
	2023	2022	2023	2022
Equity - average	2,389.5	2,150.8	2,279.3	1,952.0
Net debt - opening balance	1,518.6	1,516.2	1,477.1	1,067.8
Net debt - closing balance	1,332.4	1,477.1	1,332.4	1,477.1
Net debt - average	1,425.5	1,496.7	1,404.8	1,272.5
Operating capital - average	3,815.0	3,647.5	3,684.1	3,224.5
Adjusted operating profit	144.2	138.0	610.0	488.6
Return on operating capital	15.1%	15.1%	16.6%	15.2%
Net debt			1,332.4	1,477.1
Adjusted EBITDA			867.5	690.4
Net debt/Adjusted EBITDA, multiple			1.5	2.1
Profit before tax			476.2	438.8
Financial expense			147.1	64.4
Acquisition cost			2.8	8.4
Restructuring costs			14.4	-
EBT excluding financial expenses, acquisition costs and restructuring costs			640.5	511.6
Financial expense			147.1	64.4
Interest-coverage ratio, multiple			4.4	7.9
Orders received, same period in previous year	1,396.1	1,351.9	5,424.8	4,622.9
Change in orders received, organic	48.6	-200.9	80.7	218.2
Change in orders received, currency effects	4.0	134.6	214.0	382.9
Change in orders received, acquisitions	17.8	110.5	285.1	200.8
Orders received	1,466.5	1,396.1	6,004.6	5,424.8
Order growth, organic	3.5%	-14.9%	1.5%	4.8%
Order growth, currency effects	0.3%	10.0%	3.9%	8.2%
Order growth, acquisitions	1.3%	8.2%	5.3%	4.3%
Order growth	5.1%	3.3%	10.7%	17.3%
Net sales, comparative period previous year	1,515.2	1,151.5	5,178.9	4,041.8
Change in net sales, organic	-31.2	128.2	452.1	555.0
Change in net sales, currency effects	-3.3	128.3	239.4	388.2
Change in net sales, acquisitions	19.8	107.2	317.4	193.9
Net sales	1,500.5	1,515.2	6,187.8	5,178.9
Sales growth, organic	-2.1%	11.1%	8.8%	13.7%
Sales growth, currency effects	-0.2%	11.2%	4.6%	9.6%
Sales growth, acquisitions	1.3%	9.3%	6.1%	4.8%
Sales growth	-1.0%	31.6%	19.5%	28.1%

Note 9: 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 five categories: Strategic risks, Operating risks, Compliance risks, Financial risks and Cyber and information risks. For a more detailed description of these risks, refer to the Risk management section on pages 84-85 and in note 3 of the Nederman group's 2022 Annual and Sustainability Report.

Note 10: Events after the end of the reporting period

No significant events occurred after the balance sheet date.

Income statement for the parent company in summary

SEKm	1 Oct-31 Dec		1 Jan-31 Dec	
	2023	2022	2023	2022
Net sales	3.2	-3.5	21.2	19.4
Administrative expenses	-52.5	-47.9	-185.3	-162.3
Research and development expenses	-	-0.1	-0.1	-0.1
Other operating revenue and expenses	-1.9	-1.1	-2.5	3.9
Operating profit/loss	-51.2	-52.6	-166.7	-139.1
Result from investment in subsidiaries	26.6	-	98.2	129.3
Other financial items	-26.1	-5.5	-49.7	-10.9
Profit/loss after financial items	-50.7	-58.1	-118.2	-20.7
Appropriations	111.9	131.1	111.9	131.1
Profit/loss before tax	61.2	73.0	-6.3	110.4
Taxes	-2.1	2.8	9.7	-0.6
Net profit/loss	59.1	75.8	3.4	109.8

Other comprehensive income for the parent company in summary

SEKm	1 Oct-31 Dec		1 Jan-31 Dec	
	2023	2022	2023	2022
Net profit/loss	59.1	75.8	3.4	109.8
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	59.1	75.8	3.4	109.8

Balance sheet for the parent company in summary

SEKm	31Dec 2023	31Dec 2022
Assets		
Total fixed assets	2,393.6	2,326.6
Total current assets	260.5	240.1
Total assets	2,654.1	2,566.7
Equity	897.0	1,022.8
Liabilities		
Total long-term liabilities	1,089.2	1,104.5
Total current liabilities	667.9	439.4
Total liabilities	1,757.1	1,543.9
Total equity and liabilities	2,654.1	2,566.7

Changes in parent company shareholders' equity in summary

SEKm	31Dec 2023	31Dec 2022
Opening balance at beginning of period	1,022.8	1,035.8
Net profit/loss	3.4	109.8
Other comprehensive income		
Total other comprehensive income for the period	-	-
Total comprehensive income for the period	3.4	109.8
Transactions with owners		
Dividend paid	-131.6	-122.8
Share-based remuneration	2.4	-
Closing balance at end of period	897.0	1,022.8

Note 1: Pledged assets and contingent liabilities for the parent company

SEKm	31Dec 2023	31Dec 2022
Pledged assets	none	none
Contingent liabilities	162.7	148.3

Helsingborg, 15 February 2024

Johan Menckel
Chairman

Anders Borg
Board member

Gunilla Fransson
Board member

Ylva op den Velde Hammargren
Board member

Sam Strömerstén
Board member

Sven Kristensson
Board member and
CEO

Definitions

PERFORMANCE MEASURE	DEFINITION	PURPOSE
Return on equity	Net profit for the year after tax divided by average equity.	Return on equity shows the return on owners' capital in accounting terms. This measure is primarily used to analyse owner profitability over time.
Return on operating capital	Adjusted operating profit as a percentage of average operating capital.	A profitability measure that shows the return on the capital used to operate the core business. Return on operating capital is one of Nederman group's long-term financial targets.
EBITA	Operating profit before amortisation and impairment of intangible assets.	EBITA is reported because this is a measure often monitored by investors, analysts and other stakeholders to measure the company's financial results. The measure excludes the amortisation and impairment of intangible assets.
EBITA margin	EBITA as a percentage of sales.	
EBITDA	Operating profit before depreciation, amortisation and impairment.	EBITDA is reported because this is a measure often monitored by investors, analysts and other stakeholders to measure the company's financial results. The measure excludes depreciation, amortisation and impairment, thereby showing the business's capacity to generate resources for investments and payment to financiers.
EBITDA margin	EBITDA as a percentage of net sales.	
Equity per share	Equity divided by the average number of shares outstanding.	This measure shows how much equity is represented by each share.
Adjusted EBITA	Operating profit before amortisation and impairment of intangible assets, excluding acquisition and restructuring costs.	Adjusted EBITA is deemed to provide a fair view of the underlying operation's earnings, whereby earnings exclude amortisation and impairment of intangible assets and non-recurring items. This is a primary performance measure within the Nederman group in the internal control of the group and the segments.
Adjusted EBITA margin	Adjusted EBITA as a percentage of sales.	The adjusted EBITA margin is one of the Nederman group's long-term profitability targets. Adjusted EBITA margin is deemed to provide a fair view of the underlying operation's profitability, when this profitability excludes depreciation, amortisation and impairment, as well as income items that are non-recurring. This is a primary performance measure within the Nederman group in the internal control of the group and the segments.
Adjusted EBITDA	Operating profit before depreciation, amortisation and impairment, excluding acquisition and restructuring costs.	Adjusted EBITDA is recognised because this is a measure often monitored by investors, analysts and other stakeholders to measure the company's financial results. The measure excludes depreciation, amortisation and impairment, as well as non-recurring items. The measure shows the business's capacity for investments and payment to financiers.
Adjusted EBITDA margin	Adjusted EBITDA as percentage of sales.	
Adjusted EBITDA/ Net financial items	Adjusted EBITDA divided by net financial items	The performance measure shows how many times current earnings (adjusted EBITDA) covers the company's net financial items.
Adjusted operating profit	Operating profit excluding acquisition and restructuring cost.	Shows the result from operational activities excluding non-recurring items.
Adjusted operating margin	Adjusted operating profit as a percentage of net sales.	
Capital turnover rate	Net sales divided by average operating capital.	Shows the efficiency of the use of operating capital.
Net debt	Interest-bearing liabilities (including pensions) less cash and cash equivalents.	The measurement shows debt and is used to monitor the debt trend and to identify the need for refinancing. This measure comprises a component of the debt ratio.
Net debt/ adjusted EBITDA	Net debt divided by adjusted EBITDA.	The performance measure shows how many times greater net debt is in relation to adjusted EBITDA. This is a performance measure monitored by investors, analysts and other stakeholders.
Net debt /equity ratio	Net debt divided by equity.	A measure that shows the loan-to-value ratio, which comprises the correlation between debt and equity. This makes it a measure of financial position and stability. A good level of net debt/equity ratio provides favourable conditions for growth opportunities, while the dividend policy can be upheld.
Operating capital	Equity plus net debt.	Operating capital shows how much capital there is in the operation. This measure is mainly used to calculate the return on operating capital.
Organic growth	Growth rate that does not come from acquisitions or currency effects, compared with the corresponding period in the preceding year.	Organic growth enables a comparison over time for the companies that have been a part of the Nederman group for more than 12 months, excluding effects of changed exchange rates. The measure is used to show the ability to generate growth in existing operations.
Earnings per share (before dilution)	Net profit for the year attributable to parent company shareholders in relation to the average number of shares outstanding.	Earnings per share shows how much of the period's earnings that each share provides entitlement to.
Earnings per share (after dilution)	Net profit for the year attributable to parent company shareholders in relation to the average number of shares outstanding plus the average number of convertibles and warrants, as calculated in accordance with IAS 33.	
Interest-coverage ratio	Profit before tax with a reversal of financial expenses and acquisition costs in relation to financial expenses.	The performance measure shows the capacity to cover the financial expenses. The performance measure states how many times the group's earnings cover the financial expenses.
Operating profit	Operating profit after depreciation, amortisation and impairment.	Shows the earnings from operational activities.
Operating margin	Operating profit as a percentage of net sales.	
Equity/assets ratio	Equity divided by total assets (balance sheet total).	This performance measure reflects the company's financial position and thus its long-term payment capacity. A healthy equity/assets ratio, in other words, a strong financial position, provides the requirements to be able to manage weak economic periods and to capitalise on future growth opportunities.
Currency neutral growth	Currency neutral growth is the growth rate that does not come from currency effects, compared with the corresponding period in the preceding year.	Currency neutral growth comprises organic growth plus growth from acquired subsidiaries, which are deemed to provide a fair view of the operations' development. Currency neutral growth is one of Nederman group's long-term financial targets.
Annual average	Average of the balance at the beginning and end of the year.	

INVITATION TO TELEPHONE CONFERENCE

A telephone conference regarding the report will be held, in English, Thursday 15 February 2024 at 10:00 a.m. CET. Nederman's President and CEO, Sven Kristensson and CFO, Matthew Cusick will present the report and answer questions.

Teleconference

Please register on the link below if you wish to participate via teleconference. After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference.

conference.financialhearings.com/teleconference/?id=50047272

Webcast

If you wish to participate via webcast please use the link below.
ir.financialhearings.com/nederman-holding-q4-report-2023

FINANCIAL CALENDAR

- Annual Report 2023 15 March 2024
- Interim report 1 25 April 2024
- Annual General Meeting 26 April 2024
- Interim report 2 12 July 2024
- Interim report 3 22 October 2024

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 8:00 a.m. CET on 15 February.

AUDITOR'S REVIEW

The year-end report has not been reviewed by the company's auditor.

FURTHER INFORMATION CAN BE OBTAINED FROM

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A global technology company

Nederman is a world-leading environmental technology company that develops products and systems for advanced air filtration. Our products and solutions protect people, planet and production from the harmful effects of industrial processes. Our offering comprises individual products, complete future-proof IIoT solutions, project design, installation, commissioning and service.

Our head office is located in Helsingborg and we currently have about 2,500 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 designed to promote health and safety, enhance production efficiency and minimise the customers' environmental impact. We lead the development of digital products and solutions that future-proof our customers' operations in terms of 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.

MARKET-LEADING POSITIONS

Since the start, 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. The brand portfolio is continuously evaluated, while we simultaneously actively analyse potential acquisitions.