

## Interim report January-June 2019

### Quarter 2, 2019

- Incoming orders amounted to SEK 1,044.1m (912.1), which currency adjusted is an increase of 10.3 percent compared with the same period last year.
- Net sales amounted to SEK 1,096.2m (863.9), which currency adjusted is an increase of 22.2 percent compared with the same period last year.
- Adjusted operating profit was SEK 84.9m (73.1)\*, giving an adjusted operating margin of 7.7 percent (8.5)\*.
- Operating profit was SEK 84.5m (69.3)\*, giving an operating margin of 7.7 percent (8.0)\*.
- Net profit was SEK 54.4m (43.6)\*.
- Earnings per share were SEK 1.55 kr (1.24)\*.

### January – June, 2019

- Incoming orders amounted to SEK 2,063.1m (1,693.8), which currency adjusted is an increase of 16.1 percent compared with the same period last year.
- Net sales amounted to SEK 2,132.6m (1,649.7), which currency adjusted is an increase of 23.2 percent compared with the same period last year.
- Adjusted operating profit was SEK 158.0m (136.0)\*, giving an adjusted operating margin of 7.4 percent (8.2)\*.
- Operating profit was SEK 156.6m (132.2)\*, giving an operating margin of 7.3 percent (8.0)\*.
- Net profit was SEK 100.6m (80.3)\*.
- Earnings per share were SEK 2.87 (2.29)\*.

\* In the transition to IFRS 16, the Group has applied a retroactive method, which means that the figures for the 2018 financial year have been restated in accordance with the new standard.

### CEO's comments

**“Overall, the second quarter of the year was a good quarter for Nederman. Orders received increased to SEK 1,044.1m (912.1m) equivalent to a currency-neutral growth of 10.3 percent. Net sales also developed positively in the quarter and totalled SEK 1,096.2m (863.9m), equivalent to a currency-neutral growth of 22.2 percent. Adjusted operating profit increased to SEK 84.9m (73.1m)\*.**

Development in the quarter is in line with our expectations. Europe posted a strong quarter. In North America, three of our four divisions posted good progress. In Asia, development was significantly weaker. One explanation for this is the concern arising from the trade conflict between the US and China, which has meant that our customers are delaying their investment decisions. Although market conditions in Asia are challenging, we are not satisfied with how our sales have developed in the region.

## **Our new organisation and the latest acquisitions are delivering**

Our new organisation, with four global divisions, is now fully operational and we are beginning to see positive results in the form of greater focus and high energy. Our latest acquisitions are also fully integrated in the new organisational structure and are contributing significantly to Nederman's development. This applies not least to Luwa, which demonstrated considerable strength during the quarter. We also saw solid evidence of Luwa's strong brand and good customer relations in the quarter. We will build on this strong confidence from our customers by further strengthening Luwa's service offering with attractive IoT solutions.

## **Outlook**

Many of our markets, not least the USA and China, continue to be characterised by uncertainty. The risk of trade conflicts and financial uncertainty means that decisions about major investments are being delayed and that large projects are being postponed. Despite these geopolitical challenges, our basic view is one of cautious optimism. Environmental issues will continue to be important for our customers and we have strengthened our positions in several key areas where we see that future growth will occur. In Europe and North America, we will build on Nederman's strengths as a leading environmental technology company. In regard to developments in Asia, which are not in line with our ambitions, we will carefully review our activities to see how we can reverse the trend."

## **Sven Kristensson, CEO**

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## **Facts about Nederman**

At Nederman we are dedicated to filtering, cleaning and recycling air to make industrial environments more efficient, safe and sustainable. We shape the future by delivering performance insight, process optimisation and emissions compliance based on an innovative IoT platform in combination with industry leading products and solutions. We have been doing business since 1944 and today we are represented by more than 2300 devoted employees in 50 countries worldwide, making us a leading global company. The Nederman Group is listed on Nasdaq Stockholm. Learn more at [nedermangroup.com](http://nedermangroup.com)

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