

The Clean Air Company

Interim report
January - June 2024

Q2



Continued good profitability development

Quarter 2, 2024

- Orders received amounted to SEK 1,415m (1,546), equivalent to a currency neutral decline of 8.9 percent compared with the same period last year.
- Net sales amounted to SEK 1,467m (1,631), equivalent to a currency neutral decline of 10.6 percent compared with the same period last year.
- Adjusted EBITA was SEK 187.7m (195.2), giving an adjusted EBITA margin of 12.8 percent (12.0).
- Operating profit amounted to SEK 159.6m (168.5), corresponding to an operating margin of 10.9 percent (10.3).
- Net profit was SEK 97.2m (100.4).
- Earnings per share were SEK 2.77 (2.86).
- Cash flow from operating activities amounted to SEK 74.5m (97.9).

January - June 2024

- Orders received amounted to SEK 2,934m (3,051), equivalent to a currency neutral decline of 4.1 percent compared with the same period last year.
- Net sales amounted to SEK 2,864m (3,113), equivalent to a currency neutral decline of 8.3 percent compared with the same period last year.
- Adjusted EBITA was SEK 361.7m (367.9), giving an adjusted EBITA margin of 12.6 percent (11.8).
- Operating profit amounted to SEK 306.2m (295.6), corresponding to an operating margin of 10.7 percent (9.5).
- Net profit was SEK 187.4m (178.2).
- Earnings per share were SEK 5.34 (5.08).
- Cash flow from operating activities amounted to SEK 169.6m (226.6).



Sven Kristensson
CEO

CEO's comments

Higher margins and strengthened position

A constant and focused development of the range is strengthening our leading position even in the current more uncertain macro environment. This contributed to strong profitability in the second quarter, with a stable cash flow and advanced positions in structurally growing industries worldwide.

Last year's second quarter was Nederman's most profitable ever in absolute terms. The fact that we are even close to this level during the second quarter of 2024, despite considerably lower sales, is a sign of strength. I consider this confirmation that our investments in advanced digital solutions, in the service business and in increased operational efficiency are producing results. During the quarter, the gross margin increased to 40.3 percent (35.1) and the adjusted EBITA margin was 12.8 percent (12.0) including lower profitability in our largest division due to the relocation of operations in the US. Sales decreased currency neutrally by 10.6 percent to SEK 1,467m (1,631) and orders received decreased currency neutrally by 8.9 percent to SEK 1,415m (1,546). While I am not satisfied with this development, I believe we are gaining market share in the current slightly more challenging market. At the same time, we have increased our presence in structurally growing industries, such as green energy, battery manufacturing and transportation. The lower orders received, and lower sales, are entirely the result of a reduction in the number of major orders and fewer project deliveries in the Process Technology Division. The other three divisions displayed a stable or clearly positive trend in both orders received and sales for the quarter.

We can see that our investments in production and logistics are making an increasingly clear contribution to profitability. Over the past year, we have accelerated these, in response to demand, and to further advance our positions in prioritised industries. Investments are taking place in all four divisions, but differ depending on needs and strategy. The investment in Thomasville in the US, Duct & Filter Technology's plant, has given clear competitive advantages. Being able to offer fast and reliable deliveries of a large number of high-quality products can be crucial to securing new orders, not least in critical infrastructure sectors. This philosophy, to simply facilitate and strengthen possibilities for our customers, also lies behind the investment in our new ultra-modern plant in Helsingborg, the relocation of RoboVent's operations in the US, and our routine investments to upgrade the machine park and increase automation. A strong financial position and stable cash flow have enabled all of these initiatives.

As a leading global environmental technology company in advanced air filtration, we have a major focus on innovation. During the quarter, we launched a new complete industrial air filtration solution for weld-

ing fumes, and took additional steps ahead of the launch of the new generation of Insight products. Energy efficiency is an important element of our range and addresses a growing need among customers, and society as a whole. During the quarter, we launched a new range of high-vacuum dust separators for extraction and filtering of dust and fumes that is up to 60 percent more energy-efficient, and for which we have already received a number of orders. In parallel, significant interest remains from new and existing customers in our service bundle for energy-efficient filter systems, Nederman SAVE, and our efficient fan system for textile plants.

A GROWING SERVICE BUSINESS IN OUR DIVISIONS

Nederman's divisions reported continued positive development for their respective operations, where qualified service with high availability to guarantee continuous operation among customers is becoming an increasingly important feature. Extraction & Filtration Technology noted a new record number of large orders, and continued healthy growth in its service business. Process Technology also benefited from a strong trend in service that contributed to a new boost to profitability, while orders received and sales declined. Duct & Filter Technology's production and logistics initiatives in the US have strengthened competitiveness and a continued high level of profitability. Monitoring & Control Technology noted a new sales record for a single quarter and a recovery of its profitability.

CAUTIOUSLY POSITIVE IN A MORE UNCERTAIN WORLD

Even if the performance of our divisions remains largely positive, the risk remains that current interest rates and a weaker economic outlook will impact customers' investment decisions. Moreover, we believe that there is a risk that the growing geopolitical uncertainty could eventually lead to increased protectionism. However, Nederman stands strong in this macro environment. In view 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 of opportunities during the second half of the year.



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. This organisation is 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	1Apr-30Jun		Currency neutral growth	Organic growth	1Jan-30Jun		Currency neutral growth	Organic growth	Full year 2023	Jul-Jun 12 months
	2024	2023			2024	2023				
Nederman Extraction & Filtration Technology	672.7	656.8	2.0%	-0.5%	1,288.4	1,254.2	2.3%	-1.0%	2,581.2	2,615.4
Nederman Process Technology	351.9	510.1	-30.8%	-30.8%	837.6	1,034.0	-19.1%	-19.1%	1,921.0	1,724.6
Nederman Duct & Filter Technology	205.5	193.4	5.0%	5.0%	389.5	386.4	0.4%	0.4%	762.7	765.8
Nederman Monitoring & Control Technology	184.7	185.7	-1.6%	-1.6%	418.6	375.9	11.1%	11.1%	739.7	782.4
Total Nederman group	1,414.8	1,546.0	-8.9%	-9.9%	2,934.1	3,050.5	-4.1%	-5.5%	6,004.6	5,888.2

Total sales, SEKm	1Apr-30Jun		Currency neutral growth	Organic growth	1Jan-30Jun		Currency neutral growth	Organic growth	Full year 2023	Jul-Jun 12 months
	2024	2023			2024	2023				
Nederman Extraction & Filtration Technology	652.2	626.8	3.4%	-0.0%	1,288.4	1,241.2	3.3%	0.1%	2,582.5	2,629.7
Nederman Process Technology	410.1	644.4	-36.5%	-36.5%	802.4	1,157.2	-30.7%	-30.7%	2,146.6	1,791.8
Nederman Duct & Filter Technology	236.4	216.2	8.0%	8.0%	443.2	428.2	3.1%	3.1%	839.0	854.0
Nederman Monitoring & Control Technology	206.0	177.4	14.9%	14.9%	392.6	348.3	12.3%	12.3%	732.8	777.1
Elimination	-37.3	-33.9			-62.3	-62.0			-113.1	-113.4
Total Nederman group	1,467.4	1,630.9	-10.6%	-11.9%	2,864.3	3,112.9	-8.3%	-9.6%	6,187.8	5,939.2

Adjusted EBITA, SEKm	1Apr-30Jun		1Jan-30Jun		Full year 2023	Jul-Jun 12 months
	2024	2023	2024	2023		
Nederman Extraction & Filtration Technology	78.0	84.5	181.1	173.4	339.5	347.2
Nederman Process Technology	54.4	73.9	85.9	116.3	209.0	178.6
Nederman Duct & Filter Technology	49.4	40.9	92.0	82.5	156.5	166.0
Nederman Monitoring & Control Technology	38.9	34.3	66.7	67.2	152.6	152.1
Other - non-allocated	-33.0	-38.4	-64.0	-71.5	-142.7	-135.2
Total Nederman group	187.7	195.2	361.7	367.9	714.9	708.7

Adjusted EBITA margin	1Apr-30Jun		1Jan-30Jun		Full year 2023	Jul-Jun 12 months
	2024	2023	2024	2023		
Nederman Extraction & Filtration Technology	12.0%	13.5%	14.1%	14.0%	13.1%	13.2%
Nederman Process Technology	13.3%	11.5%	10.7%	10.1%	9.7%	10.0%
Nederman Duct & Filter Technology	20.9%	18.9%	20.8%	19.3%	18.7%	19.4%
Nederman Monitoring & Control Technology	18.9%	19.3%	17.0%	19.3%	20.8%	19.6%
Total Nederman group	12.8%	12.0%	12.6%	11.8%	11.6%	11.9%



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 second quarter, orders received increased currency neutrally by 2.0 percent and sales increased currency neutrally by 3.4 percent. The adjusted EBITA margin was 12.0 percent (13.5).

DEVELOPMENT DURING THE QUARTER

The increase in orders received was driven by a higher number of large orders. However, activity was dampened for medium-sized orders in the wake of rising economic uncertainty in certain markets. Good growth was once again reported for service. An earlier strong trend for solutions has created a platform for a growing service business. Product sales also performed well during the quarter. Increased volumes, a better mix and efficient deliveries made a positive contribution to profitability but were unable to offset higher costs for RoboVent's move to new premises in the US. Profitability was also dampened by higher R&D expenditure and a low number of medium-sized orders, which normally have higher margins. An order backlog containing a substantial number of large orders and a solid core business offers good support to sales in forthcoming quarters.

Ten major orders were registered during the quarter, a record for a single quarter, of which four in EMEA, four in Americas and two in APAC. Three orders concerned applications in woodworking and welding. Major orders were also secured in structurally growing and prioritised industries. One order was received in wind power and one for destruction of radioactive material. Other major orders were secured in the defence and transport sectors. In terms of solutions, orders were secured in food and healthcare.

Among the division's regions, EMEA again reported healthy growth in orders received and sales. The four aforementioned major orders made a strong contribution to orders received. No major orders were registered during the corresponding quarter of 2023. Activity was positive in large parts of the region, with the Nordic region at the forefront with three major orders. Turkey also displayed a strong trend, that included the country's first order for the division's SAVE technology. Continued caution is seen among customers in Germany and Poland.

Americas reported lower orders received compared with a strong corresponding quarter last year, when a significant order in woodworking in the US stood out. Also in the second quarter of 2024, the US noted healthy order growth and accounted for all of the region's four major orders. The relocation of RoboVent's operations to a new plant was also completed during the quarter. This will enable increased capacity and efficiency.

APAC noted a recovery in orders received compared with recent quarters, though it was lower than the corresponding strong quarter in 2023. The two major orders secured during the quarter – one in China and one in Australia – made a significant contribution. However, the challenges in the region remain, with a weak performance from India and countries in Southeast Asia during the quarter. New legislation for occupational health in Australia are expected to have a positive impact on the division's solutions to extract welding fumes. An order was also secured for a data centre application in Australia.

KEY ACTIVITIES

- The newly developed low vacuum plug-and-play, MCP-GO Smartfilter was launched.
- The newly developed PAK-M was launched as part of a new, energy efficient, high vacuum range for dust and fume extraction and filtration.
- The Future of Welding concept was launched to fulfil the requirements of the latest ISO standard.
- RoboVent in the US completed the relocation of production and offices to a new facility.
- The division's digital solutions for fume extraction were presented at two health and safety conferences in the US and Sweden.

SEKm	Note	1Apr-30Jun		Currency neutral growth	Organic growth	1Jan-30Jun		Currency neutral growth	Organic growth	Full year 2023	Jul-Jun 12 months
		2024	2023			2024	2023				
External orders received		672.7	656.8	2.0%	-0.5%	1,288.4	1,254.2	2.3%	-1.0%	2,581.2	2,615.4
Total sales	3	652.2	626.8	3.4%	-0.0%	1,288.4	1,241.2	3.3%	0.1%	2,582.5	2,629.7
Adjusted EBITA		78.0	84.5			181.1	173.4			339.5	347.2
Adjusted EBITA margin		12.0%	13.5%			14.1%	14.0%			13.1%	13.2%

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 second quarter, orders received decreased currency neutrally by 30.8 percent and sales decreased currency neutrally by 36.5 percent. The adjusted EBITA margin increased to 13.3 percent (11.5).

DEVELOPMENT DURING THE QUARTER

Unlike the two preceding quarters, only two major orders were reported in the second quarter, which combined with a slowdown in cyclical industries dampened order growth. Lower sales for the quarter were expected in terms of planned project deliveries. Service continued its stable development and increased its share of the division's sales. Despite lower sales, the EBITA margin strengthened during the quarter to a new record level. A better sales mix and continued high efficiency in manufacturing and delivery played a part, in addition to minor non-recurring income from the sale of a small warehouse facility in Germany.

A deterioration in the global economy in the wake of geopolitical turmoil and weakness in certain markets and segments is expected to lead to continued lower orders received over the next few quarters. Meanwhile, the division's long-term potential remains considerable, with investments in new segments and new markets expected to generate healthy returns. The pipeline also includes several major projects that could make a robust contribution to the order backlog.

The division's orders received in the textile segment increased compared with the corresponding quarter in 2023, but from low levels. Capacity utilisation at spinning mills remains low, which is curbing demand for new equipment. Some improvement can, however, be noted in market conditions in several major markets, including China, the world's largest textile market. A major order was secured in India during the quarter. The innovative fan system for textile plants that the division launched in 2023 continues to attract a large amount of interest from customers, since it contributes to significant and important energy savings. Moreover, the division has continued to gradually increase its presence in the adjacent non-woven segment.

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. For the segment as a whole, both orders received and sales declined compared with the corresponding quarter of 2023. The strategic initiatives to grow in Americas with the same range and with favourable profitability, as in EMEA, continued with undiminished energy. A significant order was secured for a smelter project in the US during the quarter. Despite short-term uncertainty related to the global economic trend, the potential within the segment is considerable, particularly in aluminium recycling.

The customised solutions segment recorded both lower orders received and sales for the quarter, in part due to reduced activity in the mining sector and the chemical industry. The division's projects often represent minor parts of major capital investments, which brings a risk of dampened demand in the event of increased economic uncertainty. Nonetheless, the division is optimistic, as strategic and sustainability-oriented investments in the mining and petrochemical industries, for example, are expected to favour demand for the division's equipment in the long term.

KEY ACTIVITIES

- The investment in a new sandblasting and paint line in the division's plant in Germany has been completed, thereby supporting increased production capacity, lower costs and decreased transport needs as several production stages have been moved in-house.
- Continued roll-out of the new energy efficient fan for the textile industry.

SEKm	Note	1Apr-30Jun		Currency neutral growth	Organic growth	1Jan-30Jun		Currency neutral growth	Organic growth	Full year 2023	Jul-Jun 12 months
		2024	2023			2024	2023			2023	2023
External orders received		351.9	510.1	-30.8%	-30.8%	837.6	1,034.0	-19.1%	-19.1%	1,921.0	1,724.6
Total sales	3	410.1	644.4	-36.5%	-36.5%	802.4	1,157.2	-30.7%	-30.7%	2,146.6	1,791.8
Adjusted EBITA		54.4	73.9			85.9	116.3			209.0	178.6
Adjusted EBITA margin		13.3%	11.5%			10.7%	10.1%			9.7%	10.0%

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

In the second quarter, orders received increased currency neutrally by 5.0 percent and sales increased currency neutrally by 8.0 percent. The adjusted EBITA margin increased to 20.9 percent (18.9).

DEVELOPMENT DURING THE QUARTER

The improvement in orders received was driven by Nordfab, with high growth in EMEA, APAC and the US. New orders were secured in growth segments, such as battery manufacturing, food and green energy. Profitability was positively impacted by improved production and inventory processes in the US, which was a result of earlier investments in Nordfab's plant in Thomasville. Menardi also contributed to increased profitability.

The US accounts for the bulk of the division's sales, which encompass ducting systems operations, under the Nordfab brand, and the smaller filter solutions operations, under the Menardi brand. During the quarter, Nordfab's orders received and sales in the US grew strongly, both compared with the corresponding quarter last year and the previous quarter. New, major orders were secured in battery manufacturing, which highlighted the need to increase capacity for the division's production of ducting for heavy loads. The unique Nordfab Now concept, with delivery within 24 hours, was launched in early April and accounted for almost one fifth of the volume of orders in Thomasville. Several warehouse robots were ordered, with delivery in October, to increase automation and the new solar panel installation has generated more than half of the electricity consumed by the plant during the first half of the year.

Orders received and sales also grew significantly in EMEA compared with both the corresponding quarter last year and the preceding quarter. Following a weak start, demand improved in EMEA in May and June. A major order was secured in the Netherlands for a large kitchen factory in the US. Even the UK, which after three years of constant growth noted stagnating demand for part of the first half of the year, demonstrated stronger order growth towards the end of the quarter.

In APAC, a slight recovery in orders received was noted in Australia, though this remained low and profitability is unsatisfactory. During the quarter, operations were relocated to new premises in Brisbane, which offers better storage for the Nordfab Quick Fit (QF) ducting system, which was launch in the country at the end of 2023. In Thailand, orders received declined compared with the preceding quarter but remained unchanged compared with the corresponding quarter in 2023.

Orders received for Menardi, the division's filter operation, declined in the US compared with the corresponding quarter in 2023 but remain at historically high levels. Orders received in May were the second highest ever for a single month, only surpassed by May 2023. During the quarter, a large order was secured from a major steel producer and from a manufacturer of carbon black. Efficient deliveries and high production utilisation contributed to further considerable profitability improvements during the quarter.

KEY ACTIVITIES

- Nordfab Now, with guaranteed product delivery within 24 hours, was launched on 8 April.
- BIM Object, a digital product platform used by technical consultants, was launched in the US and Europe and resulted in a large number of product downloads from subscribers.
- A cost-savings programme has been initiated in Australia, with effect from 1 July 2024.
- In response to a sharp increase in demand for the division's ducting during peak periods, measures have been initiated to increase capacity and efficiency for short and long-term needs.

SEKm	Note	1 Apr-30 Jun		Currency neutral growth	Organic growth	1 Jan-30 Jun		Currency neutral growth	Organic growth	Full year 2023	Jul-Jun 12 months
		2024	2023			2024	2023			2023	
External orders received		205.5	193.4	5.0%	5.0%	389.5	386.4	0.4%	0.4%	762.7	765.8
Totalsales	3	236.4	216.2	8.0%	8.0%	443.2	428.2	3.1%	3.1%	839.0	854.0
Adjusted EBITA		49.4	40.9			92.0	82.5			156.5	166.0
Adjusted EBITA margin		20.9%	18.9%			20.8%	19.3%			18.7%	19.4%

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

In the second quarter, orders received decreased currency neutrally by 1.6 percent while sales increased currency neutrally by 14.9 percent. The adjusted EBITA margin was 18.9 percent (19.3).

DEVELOPMENT DURING THE QUARTER

The slight decline in the division's orders received during the quarter was in part due to many major orders being secured in the first quarter of 2024, which was a record quarter. NEO Monitors performed strongest among the division's brands and EMEA among the regions. The substantial order backlog contributed to the new sales record for a single quarter noted in the second quarter. Here too, NEO Monitors reported the strongest performance, driven by continued investments to increase production capacity, closely followed by Gasmot with many successful deliveries of its portable products. Profitability improved compared with the previous quarter. Higher sales volumes, efficient project deliveries and a larger share of portable products contributed to higher margins. The order backlog remains substantial and provides the conditions for positive sales development even in the quarters ahead. Signs of weaker development and price pressure in some segments on certain markets in Asia means that there is a risk of somewhat dampened demand.

The success of Gasmot's portable products, such as the GT6000 Mobilis emissions analyser, continued. During the quarter, a large five-year service contract was secured with LUFA, the accredited service laboratory of the Lower Saxony Chamber of Agriculture, that includes five portable analysers.

Gasmot also secured orders for CO₂ reduction, health and safety applications, in industrial hygiene and for civil security and crisis management. In parallel, NEO Monitors continued to develop closer partnerships with existing customers in oil and gas, with several significant orders during the quarter. Auburn FilterSense secured important orders in steel production, food and machine automation.

In the different regions, orders received increased sharply in EMEA, driven by strong development for Gasmot and NEO Monitors. Major orders were secured in France, the UK and Switzerland. Sales increased even more strongly, mainly driven by Gasmot's successes.

In APAC, sales increased strongly during the second quarter, mainly driven by NEO Monitors' activities in the region with several large project deliveries. NEO Monitors close collaboration with existing customers within oil and gas also bore fruit, with new major orders secured in China and India. Work to develop the division's distribution and sales organisation in China is beginning to generate increasingly clear results.

Americas noted lower sales for the quarter. Fewer major project deliveries for NEO Monitors dampened development, while Gasmot and Auburn FilterSense reported figures that were in line with last year. Gasmot also secured new, attractive orders in the region, including in industrial hygiene and from several universities. Activity for Auburn FilterSense has begun to pick up, and several large orders were secured in the region during the quarter.

KEY ACTIVITIES

- Continued investments to increase production capacity for NEO Monitors.
- Ongoing preparation for the launch of the next generation of Insight products within the framework of OTC (Operational Technology Center).

SEKm	Note	1 Apr-30 Jun		Currency neutral growth	Organic growth	1 Jan-30 Jun		Currency neutral growth	Organic growth	Full year 2023	Jul-Jun 12 months
		2024	2023			2024	2023			2023	
External orders received		184.7	185.7	-1.6%	-1.6%	418.6	375.9	11.1%	11.1%	739.7	782.4
Total sales	3	206.0	177.4	14.9%	14.9%	392.6	348.3	12.3%	12.3%	732.8	777.1
Adjusted EBITA		38.9	34.3			66.7	67.2			152.6	152.1
Adjusted EBITA margin		18.9%	19.3%			17.0%	19.3%			20.8%	19.6%

Quarter 2, 2024

ORDERS RECEIVED AND SALES

Orders received during the quarter amounted to SEK 1,415m (1,546), equivalent to a currency neutral decline of 8.9 percent compared with the same period last year.

Sales for the quarter amounted to SEK 1,467m (1,631), equivalent to a currency neutral decline of 10.6 percent compared with the same period last year.

CASH FLOW

Cash flow from operating activities amounted to SEK 74.5m (97.9) and cash flow for the period was SEK -158.2m (-112.4).

Other adjustments for non-cash items totalled SEK -8.8m (10.3) where the main difference year-on-year concerns the sale of a property in Germany and differences in provisions of SEK -13.6m. The change in the quarter's working capital is improved compared with the preceding year at SEK -52.3m (-74.0). This is primarily attributable to lower accounts receivable.

Cash flow from investing activities was SEK -59.1m (-55.2) and is linked to higher investments in fixed assets at the new plants in Helsingborg and RoboVent in Detroit, US, as well as in production and warehouse equipment at Norfab US in Thomasville, US.

Financial activities for the quarter amounted to SEK -173.6m (-155.1) and the difference is primarily due to a higher dividend of SEK 138.7m (131.6) and the repayment of utilised overdraft facilities.

PROFIT/LOSS

Adjusted EBITA amounted to SEK 187.7m (195.2). Adjusted EBITA margin was 12.8 percent (12.0).

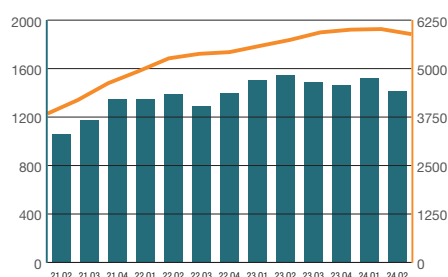
Operating profit amounted to SEK 159.6m (168.5), corresponding to an operating margin of 10.9 percent (10.3).

Profit before tax decreased to SEK 133.1m (138.1). Net profit was SEK 97.2m (100.4), which yielded earnings per share of SEK 2.77 (2.86).

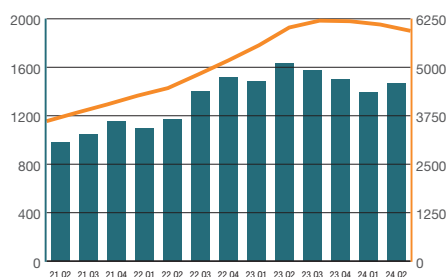
CAPITAL EXPENDITURE

Capital expenditure in intangible and tangible assets amounted to SEK 67.0m (52.5).

Orders received, SEKm

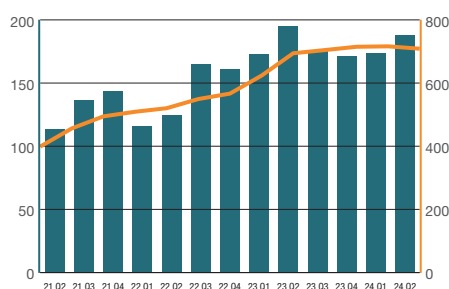


Total sales, SEKm

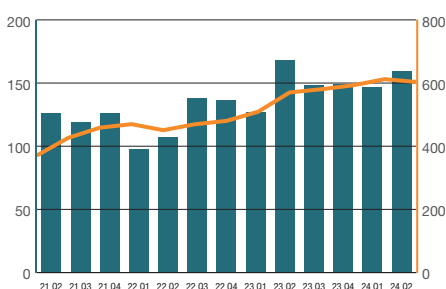


■ Quarter
■ Rolling four quarters

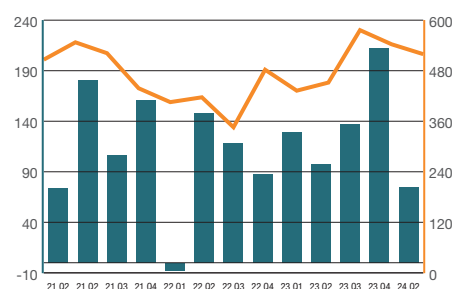
Adjusted EBITA, SEKm



Operating profit, SEKm



Cash flow from operating activities, SEKm



January – June 2024

ORDERS RECEIVED AND SALES

Orders received during the period amounted to SEK 2,934m (3,051), equivalent to a currency neutral decline of 4.1 percent compared with the same period last year.

Sales for the quarter amounted to SEK 2,864m (3,113), equivalent to a currency neutral decline of 8.3 percent compared with the same period last year.

PROFIT/LOSS

Adjusted EBITA amounted to SEK 361.7m (367.9). Adjusted EBITA margin was 12.6 percent (11.8).

Operating profit amounted to SEK 306.2m (295.6), corresponding to an operating margin of 10.7 percent (9.5).

Profit before tax increased to SEK 256.7m (242.3). Net profit was SEK 187.4m (178.2), which yielded earnings per share of SEK 5.34 (5.08).

CASH FLOW

Cash flow from operating activities amounted to SEK 169.6m (226.6) and cash flow for the period was SEK -250.4m (-94.9).

Other adjustments for non-cash items totalled SEK -36.2m (28.7) where the main difference is due to the restructuring programme in 2023 and the sale of a property in Germany. The change in the quarter's working capital is improved compared with the preceding year at SEK -92.5m (-98.4). This is primarily attributable to lower accounts receivable.

Cash flow from investing activities was SEK -110.4m (-102.5) and is linked to higher investments in fixed assets and the absence of acquisitions during this year.

Financial activities for the quarter amounted to SEK -309.6m (-219.0) and in addition to a higher dividend the difference is linked to the repayment of loans of SEK -100.0m (-52.1) as well as the repayment of previously utilised overdraft facilities of SEK -29.2m.

CAPITAL EXPENDITURE

Capital expenditure in intangible and tangible assets amounted to SEK 119.0m (99.8), of which capitalised development expenses amounted to SEK 27.9m (25.6).

FINANCIAL POSITION AND FINANCING

At the end of the period, the group had SEK 585.4m in cash and cash equivalents as well as SEK 143.4m in available but unutilised overdraft facilities.

In addition, there was a credit facility of SEK 706.6m within the framework of Nederman's loan agreement with SEB and SHB. In 2024, loans were raised in the amount of SEK 3.5m and repayments amounted to SEK 100.0m.

Equity in the group as of 30 June 2024 amounted to SEK 2,517.0m (2,381.7). Dividends to shareholders were made in the amount of SEK 3.95 per share, or a total of SEK 138.7m, and were paid out in the second quarter. The total number of shares outstanding was 35,115,353 at the end of the period.

The equity/assets ratio for the group was 38.1 percent (36.5) as of 30 June 2024. The net debt/equity ratio was 63.1 percent (64.6).

NUMBER OF EMPLOYEES

The average number of employees during the period was 2,379 (2,334). The number of employees at the end of the period was 2,476 (2,454).

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 10.8m (11.7) and is related to service revenue from subsidiaries. Net profit/loss for the period amounted to SEK 52.2m (-61.2).

Key figures, group

SEKm	1Apr-30Jun		1Jan-30Jun		Fullyear	Jul-Jun
	2024	2023	2024	2023	2023	12months
Orders received	1,414.8	1,546.0	2,934.1	3,050.5	6,004.6	5,888.2
Net sales	1,467.4	1,630.9	2,864.3	3,112.9	6,187.8	5,939.2
Adjusted EBITA	187.7	195.2	361.7	367.9	714.9	708.7
Adjusted EBITA margin	12.8%	12.0%	12.6%	11.8%	11.6%	11.9%
Adjusted EBITDA	226.5	231.7	438.6	441.7	867.5	864.4
Adjusted EBITDA margin	15.4%	14.2%	15.3%	14.2%	14.0%	14.6%
Operating profit	159.6	168.5	306.2	295.6	592.8	603.4
Operating margin	10.9%	10.3%	10.7%	9.5%	9.6%	10.2%
Adjusted operating profit	159.6	168.9	306.2	316.4	610.0	599.8
Adjusted operating margin	10.9%	10.4%	10.7%	10.2%	9.9%	10.1%
Profit before tax	133.1	138.1	256.7	242.3	476.2	490.6
Net profit	97.2	100.4	187.4	178.2	340.9	350.1
Earnings per share, SEK	2.77	2.86	5.34	5.08	9.71	9.97
Return on equity	15.3%	17.3%	15.3%	15.6%	15.0%	14.3%
Return on operating capital	15.9%	17.8%	15.7%	16.7%	16.6%	14.9%
Net debt					1,332.4	1,588.7
Net debt/equity ratio					56.2%	63.1%
Net debt/Adjusted EBITDA, multiple					1.5	1.8
Interest-coverage ratio, multiple					4.4	4.1

Regions

External orders received, SEKm	1Apr-30Jun		1Jan-30Jun		Fullyear	Jul-Jun
	2024	2023	2024	2023	2023	12months
Americas	513.4	649.1	1,088.7	1,251.1	2,323.8	2,161.4
EMEA	633.0	562.9	1,346.4	1,180.3	2,613.3	2,779.4
APAC	268.4	334.0	499.0	619.1	1,067.5	947.4
Total Nederman group	1,414.8	1,546.0	2,934.1	3,050.5	6,004.6	5,888.2

External net sales, SEKm	1Apr-30Jun		1Jan-30Jun		Fullyear	Jul-Jun
	2024	2023	2024	2023	2023	12months
Americas	576.1	651.3	1,137.5	1,218.7	2,423.4	2,342.2
EMEA	648.3	715.8	1,271.2	1,394.3	2,735.2	2,612.1
APAC	243.0	263.8	455.6	499.9	1,029.2	984.9
Total Nederman group	1,467.4	1,630.9	2,864.3	3,112.9	6,187.8	5,939.2



Outlook

Demand is slightly slower, but our base business and strong digital range enable us to assert ourselves well in the current market. Even if the performance of our divisions is largely positive, there is a risk that, for example, current interest rates and a weaker economic outlook will impact customers' investment decisions. Moreover, the growing geopolitical uncertainty could lead to increased protectionism. In view 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 of opportunities during 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.

Consolidated statement of profit or loss in summary

SEKm	Note	1Apr-30Jun		1Jan-30Jun		Fullyear 2023	Jul-Jun 12months
		2024	2023	2024	2023		
Net sales	2.3	1,467.4	1,630.9	2,864.3	3,112.9	6,187.8	5,939.2
Cost of goods sold		-875.5	-1,057.9	-1,725.9	-1,999.5	-3,941.6	-3,668.0
Gross profit		591.9	573.0	1,138.4	1,113.4	2,246.2	2,271.2
Selling expenses		-287.9	-267.9	-553.0	-524.8	-1,075.2	-1,103.4
Administrative expenses		-122.4	-124.0	-245.0	-236.7	-472.4	-480.7
Research and development expenses		-23.6	-14.7	-47.6	-38.6	-78.6	-87.6
Restructuring costs		-	-	-	-20.0	-14.4	5.6
Other operating income/expenses		1.6	2.1	13.4	2.3	-12.8	-1.7
Operating profit		159.6	168.5	306.2	295.6	592.8	603.4
Financial income and expenses	4	-26.5	-30.4	-49.5	-53.3	-116.6	-112.8
Profit before tax		133.1	138.1	256.7	242.3	476.2	490.6
Taxes		-35.9	-37.7	-69.3	-64.1	-135.3	-140.5
Net profit		97.2	100.4	187.4	178.2	340.9	350.1
Net profit attributable to:							
The parent company's shareholders		97.2	100.4	187.4	178.2	340.9	350.1
Earnings per share		2.77	2.86	5.34	5.08	9.71	9.97
before dilution (SEK)		2.77	2.86	5.34	5.08	9.71	9.97
after dilution (SEK)		2.77	2.86	5.34	5.08	9.71	9.97

Consolidated statement of other comprehensive income in summary

SEKm	1Apr-30Jun		1Jan-30Jun		Fullyear 2023	Jul-Jun 12months
	2024	2023	2024	2023		
Net profit	97.2	100.4	187.4	178.2	340.9	350.1
Other comprehensive income						
Items that cannot be reclassified to net profit						
Revaluation of defined-benefit pension plans	-	-	-	-	35.0	35.0
Tax attributable to revaluation of defined-benefit pension plans	-	-	-	-	-7.0	-7.0
	-	-	-	-	28.0	28.0
Items that have been or can be reclassified to net profit						
Exchange differences arising on translation of foreign operations	-25.7	157.3	94.4	146.2	-54.2	-106.0
	-25.7	157.3	94.4	146.2	-54.2	-106.0
Other comprehensive income for the period, net of tax	-25.7	157.5	94.4	146.2	-26.2	-78.0
Total comprehensive income for the period	71.5	257.7	281.8	324.4	314.7	272.1
Total comprehensive income attributable to:						
The parent company's shareholders	71.5	257.7	281.8	324.4	314.7	272.1

Consolidated statement of financial position in summary

SEKm	Note	30 June 2024	30 June 2023	31 Dec 2023
Assets				
Goodwill		2,069.6	2,092.8	2,017.8
Other intangible assets		640.1	657.8	625.1
Tangible assets		491.2	431.0	443.5
Right-of-use assets		313.3	214.1	190.2
Long-term receivables		9.9	4.9	8.2
Deferred tax assets		145.3	131.3	127.7
Total fixed assets		3,669.4	3,531.9	3,412.5
Inventories		936.1	961.6	873.3
Accounts receivable	5	782.3	852.2	788.8
Other current receivables	5	625.4	515.2	532.6
Cash and cash equivalents	5	585.4	662.4	815.2
Total current assets		2,929.2	2,991.4	3,009.9
Total assets		6,598.6	6,523.3	6,422.4
Equity				
		2,517.0	2,381.7	2,372.0
Liabilities				
Long-term interest-bearing liabilities	5	1,287.3	1,897.3	1,862.6
Long-term lease liabilities	5	235.9	137.9	123.1
Other long-term liabilities	5	1.5	29.5	11.3
Pension liabilities		31.4	70.5	31.1
Other provisions		32.8	29.7	37.5
Deferred tax liabilities		120.6	119.9	120.0
Total long-term liabilities		1,709.5	2,284.8	2,185.6
Current interest-bearing liabilities	5	531.4	10.5	54.4
Current lease liabilities	5	88.1	85.8	76.4
Accounts payable	5	437.2	520.4	423.2
Other short-term liabilities	5	1,246.9	1,168.2	1,232.9
Provisions		68.5	71.9	77.9
Total short-term liabilities		2,372.1	1,856.8	1,864.8
Total liabilities		4,081.6	4,141.6	4,050.4
Total equity and liabilities		6,598.6	6,523.3	6,422.4

Consolidated statement of changes in equity in summary

SEKm	30 June 2024	30 June 2023	31 Dec 2023
Opening balance at beginning of period	2,372.0	2,186.5	2,186.5
Net profit	187.4	178.2	340.9
Other comprehensive income			
Change in translation reserve for the period	94.4	146.2	-54.2
Revaluation of defined-benefit pension plans, net of tax	-	-	28.0
Total other comprehensive income for the period	94.4	146.2	-26.2
Total comprehensive income for the period	281.8	324.4	314.7
Transactions with group owners			
Dividend paid	-138.7	-131.6	-131.6
Share-based payments	1.9	2.4	2.4
Closing balance at end of period	2,517.0	2,381.7	2,372.0

Consolidated statement of cash flows in summary

SEKm	Note	1 Apr-30 Jun		1 Jan-30 Jun		Fully year	Jul-Jun
		2024	2023	2024	2023	2023	12 months
Operating profit		159.6	168.5	306.2	295.6	592.8	603.4
Adjustment for:							
Depreciation and amortisation of fixed assets		66.9	63.2	132.4	125.7	258.5	265.2
Other adjustments for non-cash items		-8.8	10.3	-36.2	28.7	29.1	-35.8
Interest received and paid including other financial items		-36.6	-17.4	-55.1	-29.3	-81.9	-107.7
Taxes paid		-54.3	-52.7	-85.2	-95.7	-214.3	-203.8
Cash flow from operating activities before changes in working capital		126.8	171.9	262.1	325.0	584.2	521.3
Cash flow from changes in working capital		-52.3	-74.0	-92.5	-98.4	-7.9	-2.0
Cash flow from operating activities		74.5	97.9	169.6	226.6	576.3	519.3
Net investment in fixed assets		-59.1	-52.0	-110.9	-99.3	-198.3	-209.9
Acquisitions of business operations		-	-3.2	0.5	-3.2	-38.4	-34.7
Cash flow from investing activities		-59.1	-55.2	-110.4	-102.5	-236.7	-244.6
Dividend paid		-138.7	-131.6	-138.7	-131.6	-131.6	-138.7
Cash flow from other financing activities		-34.9	-23.5	-170.9	-87.4	-92.6	-176.1
Cash flow from financing activities		-173.6	-155.1	-309.6	-219.0	-224.2	-314.8
Cash flow for the period		-158.2	-112.4	-250.4	-94.9	115.4	-40.1
Cash and cash equivalents at beginning of period		748.2	740.8	815.2	721.2	721.2	662.4
Translation differences		-4.6	34.0	20.6	36.1	-21.4	-36.9
Cash and cash equivalents at end of period		585.4	662.4	585.4	662.4	815.2	585.4

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 83 of the 2023 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.

External orders received, SEKm	1Apr-30Jun		2024	1Jan-30Jun		Fullyear 2023	Jul-Jun 12months
	2024	2023		2024	2023		
Nederman Extraction & Filtration Technology	672.7	656.8	1,288.4	1,254.2	2,581.2	2,615.4	
Nederman Process Technology	351.9	510.1	837.6	1,034.0	1,921.0	1,724.6	
Nederman Duct & Filter Technology	205.5	193.4	389.5	386.4	762.7	765.8	
Nederman Monitoring & Control Technology	184.7	185.7	418.6	375.9	739.7	782.4	
Total Nederman group	1,414.8	1,546.0	2,934.1	3,050.5	6,004.6	5,888.2	

Total sales, SEKm	1Apr-30Jun		2024	1Jan-30Jun		Fullyear 2023	Jul-Jun 12months
	2024	2023		2024	2023		
Nederman Extraction & Filtration Technology	652.2	626.8	1,288.4	1,241.2	2,582.5	2,629.7	
Nederman Process Technology	410.1	644.4	802.4	1,157.2	2,146.6	1,791.8	
Nederman Duct & Filter Technology	236.4	216.2	443.2	428.2	839.0	854.0	
Nederman Monitoring & Control Technology	206.0	177.4	392.6	348.3	732.8	777.1	
Elimination	-37.3	-33.9	-62.3	-62.0	-113.1	-113.4	
Total Nederman group	1,467.4	1,630.9	2,864.3	3,112.9	6,187.8	5,939.2	

Adjusted EBITA, SEKm	1Apr-30Jun		2024	1Jan-30Jun		Fullyear 2023	Jul-Jun 12months
	2024	2023		2024	2023		
Nederman Extraction & Filtration Technology	78.0	84.5	181.1	173.4	339.5	347.2	
Nederman Process Technology	54.4	73.9	85.9	116.3	209.0	178.6	
Nederman Duct & Filter Technology	49.4	40.9	92.0	82.5	156.5	166.0	
Nederman Monitoring & Control Technology	38.9	34.3	66.7	67.2	152.6	152.1	
Other - non-allocated	-33.0	-38.4	-64.0	-71.5	-142.7	-135.2	
Total Nederman group	187.7	195.2	361.7	367.9	714.9	708.7	

Adjusted EBITA margin	1Apr-30Jun		2024	1Jan-30Jun		Fullyear 2023	Jul-Jun 12months
	2024	2023		2024	2023		
Nederman Extraction & Filtration Technology	12.0%	13.5%	14.1%	14.0%	13.1%	13.2%	
Nederman Process Technology	13.3%	11.5%	10.7%	10.1%	9.7%	10.0%	
Nederman Duct & Filter Technology	20.9%	18.9%	20.8%	19.3%	18.7%	19.4%	
Nederman Monitoring & Control Technology	18.9%	19.3%	17.0%	19.3%	20.8%	19.6%	
Total Nederman group	12.8%	12.0%	12.6%	11.8%	11.6%	11.9%	

Note 3: Revenue from customer contracts

Total sales by segment and sales type, SEKm	Productsales	Solutionsales	1 Apr-30 Jun 2024	
			Service and aftermarket	Total
Nederman Extraction & Filtration Technology	211.2	298.6	142.4	652.2
Nederman Process Technology	-	291.3	118.8	410.1
Nederman Duct & Filter Technology	216.6	18.7	1.1	236.4
Nederman Monitoring & Control Technology	161.6	8.0	36.4	206.0
Elimination	-16.5	-19.6	-1.2	-37.3
Total Nederman group	572.9	597.0	297.5	1,467.4

Total sales by segment and sales type, SEKm	Productsales	Solutionsales	1 Apr-30 Jun 2023	
			Service and aftermarket	Total
Nederman Extraction & Filtration Technology	198.8	297.4	130.6	626.8
Nederman Process Technology	-	500.0	144.4	644.4
Nederman Duct & Filter Technology	193.7	19.1	3.4	216.2
Nederman Monitoring & Control Technology	133.6	12.8	31.0	177.4
Elimination	-10.6	-17.3	-6.0	-33.9
Total Nederman group	515.5	812.0	303.4	1,630.9

Total sales by segment and sales type, SEKm	Productsales	Solutionsales	1 Jan-30 Jun 2024	
			Service and aftermarket	Total
Nederman Extraction & Filtration Technology	433.9	574.1	280.4	1,288.4
Nederman Process Technology	-	553.4	249.0	802.4
Nederman Duct & Filter Technology	412.1	29.1	2.0	443.2
Nederman Monitoring & Control Technology	312.6	16.7	63.3	392.6
Elimination	-26.9	-31.8	-3.6	-62.3
Total Nederman group	1,131.7	1,141.5	591.1	2,864.3

Total sales by segment and sales type, SEKm	Productsales	Solutionsales	1 Jan-30 Jun 2023	
			Service and aftermarket	Total
Nederman Extraction & Filtration Technology	424.9	560.9	255.4	1,241.2
Nederman Process Technology	-	892.9	264.3	1,157.2
Nederman Duct & Filter Technology	383.6	34.8	9.8	428.2
Nederman Monitoring & Control Technology	273.6	18.4	56.3	348.3
Elimination	-19.6	-31.0	-11.4	-62.0
Total Nederman group	1,062.5	1,476.0	574.4	3,112.9

Total sales by segment and sales type, SEKm	Productsales	Solutionsales	Full year 2023	
			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

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 4: 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 24.7 percent during the year. At the balance sheet date, the SEK-TRY exchange rate was 0.32.

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

Note 5: Fair value and reported value in the statement of financial position

SEKm	Measured at fair value via income statement	Derivatives that are used for hedge accounting	Financial instruments not reported at fair value	30 June 2024 Total carrying amount
Accounts receivable	-	-	782.3	782.3
Other current receivables	-	-	305.2	305.2
Cash and cash equivalents	-	-	585.4	585.4
Total	-	-	1,672.9	1,672.9
Bank loans	-	-	1,818.7	1,818.7
Other long-term liabilities	-	-	1.5	1.5
Lease liabilities	-	-	324.0	324.0
Accounts payable	-	-	437.2	437.2
Other short-term liabilities	17.7	-	1,047.3	1,065.0
Total	17.7	-	3,628.7	3,646.4

Note 6: Related party transactions

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 7: Alternative performance measures

In addition to information on our reported IFRS results, we provide certain information on an underlying business performance basis. We believe that our underlying business performance measures provide meaningful supplemental information to both management, investors and other stakeholders. These underlying business performance measures should not be viewed in isolation or as substitutes to the equivalent IFRS measures, but should be used in conjunction with the most directly comparable IFRS measures in the reported results. This is a consistent application compared to previous periods. See page 24 for definitions.

SEKm	1 Apr-30 Jun		1 Jan-30 Jun		Full year 2023	Jul-Jun 12 months
	2024	2023	2024	2023		
Operating profit	159.6	168.5	306.2	295.6	592.8	603.4
Acquisition cost	-	0.4	-	0.8	2.8	2.0
Restructuring costs	-	-	-	20.0	14.4	-5.6
Adjusted operating profit	159.6	168.9	306.2	316.4	610.0	599.8
Adjusted operating profit	159.6	168.9	306.2	316.4	610.0	599.8
Net sales	1,467.4	1,630.9	2,864.3	3,112.9	6,187.8	5,939.2
Adjusted operating margin	10.9%	10.4%	10.7%	10.2%	9.9%	10.1%
Operating profit	159.6	168.5	306.2	295.6	592.8	603.4
Amortisation of intangible assets	28.1	26.3	55.5	51.5	104.9	108.9
Acquisition cost	-	0.4	-	0.8	2.8	2.0
Restructuring costs	-	-	-	20.0	14.4	-5.6
Adjusted EBITA	187.7	195.2	361.7	367.9	714.9	708.7
Adjusted EBITA	187.7	195.2	361.7	367.9	714.9	708.7
Net sales	1,467.4	1,630.9	2,864.3	3,112.9	6,187.8	5,939.2
Adjusted EBITA margin	12.8%	12.0%	12.6%	11.8%	11.6%	11.9%
Operating profit	159.6	168.5	306.2	295.6	592.8	603.4
Depreciation and amortisation	66.9	62.8	132.4	125.3	257.5	264.6
EBITDA	226.5	231.3	438.6	420.9	850.3	868.0
EBITDA	226.5	231.3	438.6	420.9	850.3	868.0
Acquisition cost	-	0.4	-	0.8	2.8	2.0
Restructuring costs	-	-	-	20.0	14.4	-5.6
Adjusted EBITDA	226.5	231.7	438.6	441.7	867.5	864.4
Adjusted EBITDA	226.5	231.7	438.6	441.7	867.5	864.4
Net sales	1,467.4	1,630.9	2,864.3	3,112.9	6,187.8	5,939.2
Adjusted EBITDA margin	15.4%	14.2%	15.3%	14.2%	14.0%	14.6%
Equity - closing balance					2,372.0	2,517.0
Total assets (balance sheet total)					6,422.4	6,598.6
Equity/assets ratio					36.9%	38.1%
Cash and cash equivalents					815.2	585.4
Long-term interest-bearing liabilities					1,862.6	1,287.3
Long-term lease liabilities					123.1	235.9
Pension liabilities					31.1	31.4
Current interest-bearing liabilities					54.4	531.4
Current lease liabilities					76.4	88.1
Net debt					1,332.4	1,588.7
Net debt					1,332.4	1,588.7
Equity - closing balance					2,372.0	2,517.0
Net debt/equity ratio					56.2%	63.1%
Equity - opening balance	2,582.3	2,253.2	2,372.0	2,186.5	2,186.5	2,381.7
Equity - closing balance	2,517.0	2,381.7	2,517.0	2,381.7	2,372.0	2,517.0
Equity - average	2,549.7	2,317.5	2,444.5	2,284.1	2,279.3	2,449.4
Net profit	97.2	100.4	187.4	178.2	340.9	350.1
Return on equity	15.3%	17.3%	15.3%	15.6%	15.0%	14.3%

Note 7: Alternative performance measures, cont'd

SEKm	1Apr-30Jun		1Jan-30Jun		Fullyear 2023	Jul-Jun 12 months
	2024	2023	2024	2023		
Equity - average	2,549.7	2,317.5	2,444.5	2,284.1	2,279.3	2,449.4
Net debt - opening balance	1,327.4	1,408.3	1,332.4	1,477.1	1,477.1	1,539.6
Net debt - closing balance	1,588.7	1,539.6	1,588.7	1,539.6	1,332.4	1,588.7
Net debt - average	1,458.1	1,473.9	1,460.6	1,508.3	1,404.8	1,564.2
Operating capital - average	4,007.8	3,791.4	3,905.1	3,792.5	3,684.1	4,013.6
Adjusted operating profit	159.6	168.9	306.2	316.4	610.0	599.8
Return on operating capital	15.9%	17.8%	15.7%	16.7%	16.6%	14.9%
Net debt					1,332.4	1,588.7
Adjusted EBITDA					867.5	864.4
Net debt/Adjusted EBITDA, multiple					1.5	1.8
Profit before tax					476.2	490.6
Financial expense					147.1	155.6
Acquisition cost					2.8	2.0
Restructuring costs					14.4	-5.6
EBT excluding financial expenses, acquisition costs and restructuring costs					640.5	642.6
Financial expense					147.1	155.6
Interest-coverage ratio, multiple					4.4	4.1
Orders received, same period in previous year	1,546.0	1,389.6	3,050.5	2,734.4	5,424.8	
Change in orders received, organic	-153.6	-29.9	-168.0	-73.9	80.7	
Change in orders received, currency effects	6.4	79.0	9.0	159.3	214.0	
Change in orders received, acquisitions	16.0	107.3	42.6	230.7	285.1	
Orders received	1,414.8	1,546.0	2,934.1	3,050.5	6,004.6	
Order growth, organic	-9.9%	-2.1%	-5.5%	-2.6%	1.5%	
Order growth, currency effects	0.4%	5.7%	0.3%	5.8%	3.9%	
Order growth, acquisitions	1.0%	7.7%	1.4%	8.4%	5.3%	
Order growth	-8.5%	11.3%	-3.8%	11.6%	10.7%	
Net sales, comparative period previous year	1,630.9	1,171.8	3,112.9	2,266.0	5,178.9	
Change in net sales, organic	-194.3	253.0	-297.7	437.1	452.1	
Change in net sales, currency effects	9.2	87.8	9.3	173.5	239.4	
Change in net sales, acquisitions	21.6	118.3	39.8	236.3	317.4	
Net sales	1,467.4	1,630.9	2,864.3	3,112.9	6,187.8	
Sales growth, organic	-11.9%	21.6%	-9.6%	19.3%	8.8%	
Sales growth, currency effects	0.6%	7.5%	0.3%	7.7%	4.6%	
Sales growth, acquisitions	1.3%	10.1%	1.3%	10.4%	6.1%	
Sales growth	-10.0%	39.2%	-8.0%	37.4%	19.5%	

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 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 66–67 and in note 3 of the Nederman group's 2023 Annual and Sustainability Report.

Note 9: Events after the end of the reporting period

No significant events have occurred after the end of the reporting period.

Income statement for the parent company in summary

SEKm	1 Apr-30 Jun		1 Jan-30 Jun		Full year 2023	Jul-Jun 12 months
	2024	2023	2024	2023		
Net sales	5.6	6.3	10.8	11.7	21.2	20.3
Administrative expenses	-46.9	-46.9	-97.7	-90.6	-185.3	-192.4
Research and development expenses	-	3.0	-0.1	-0.0	-0.1	-0.2
Other operating income and expenses	0.2	0.1	0.7	-0.4	-2.5	-1.4
Operating profit/loss	-41.1	-37.5	-86.3	-79.3	-166.7	-173.7
Result from investment in subsidiaries	130.7	37.5	156.9	37.5	98.2	217.6
Other financial items	-29.8	-24.8	-30.1	-24.5	-49.7	-55.3
Profit/loss after financial items	59.8	-24.8	40.5	-66.3	-118.2	-11.4
Appropriations	-	-	-	-	111.9	111.9
Profit/loss before tax	59.8	-24.8	40.5	-66.3	-6.3	100.5
Taxes	7.0	1.6	11.7	5.1	9.7	16.3
Net profit/loss	66.8	-23.2	52.2	-61.2	3.4	116.8

Other comprehensive income for the parent company in summary

SEKm	1 Apr-30 Jun		1 Jan-30 Jun		Full year 2023	Jul-Jun 12 months
	2024	2023	2024	2023		
Net profit/loss	66.8	-23.2	52.2	-61.2	3.4	116.8
Other comprehensive income for the period, net of tax	-	-	-	-	-	-
Total comprehensive income for the period	66.8	-23.2	52.2	-61.2	3.4	116.8

Balance sheet for the parent company in summary

SEKm	30June 2024	30June 2023	31Dec 2023
Assets			
Total fixed assets	2,407.8	2,351.0	2,393.6
Total current assets	275.0	92.0	260.5
Total assets	2,682.8	2,443.0	2,654.1
Equity	812.4	832.4	897.0
Liabilities			
Total long-term liabilities	1,081.2	1,106.4	1,089.2
Total short-term liabilities	789.2	504.2	667.9
Total liabilities	1,870.4	1,610.6	1,757.1
Total equity and liabilities	2,682.8	2,443.0	2,654.1

Changes in parent company shareholders' equity in summary

SEKm	30June 2024	30June 2023	31Dec 2023
Opening balance at beginning of period	897.0	1,022.8	1,022.8
Net profit/loss	52.2	-61.2	3.4
Other comprehensive income			
Total other comprehensive income for the period	-	-	-
Total comprehensive income for the period	52.2	-61.2	3.4
Transactions with owners			
Dividend paid	-138.7	-131.6	-131.6
Share-based payments	1.9	2.4	2.4
Closing balance at end of period	812.4	832.4	897.0

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

SEKm	30June 2024	30June 2023	31Dec 2023
Pledged assets	none	none	none
Contingent liabilities	169.3	146.4	162.7

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

Helsingborg, 12 July 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, Friday 12 July 2024 at 10.00 a.m. CEST. Nederman's 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=50048540

Webcast

If you wish to participate via webcast please use the link below.

ir.financialhearings.com/nederman-holding-q2-report-2024

FINANCIAL CALENDAR

- Interim report 3 22 October 2024
- Interim report 4 13 February 2025

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. CEST on 12 July.

AUDITOR'S REVIEW

The interim report has not been reviewed by the company's auditor.

FURTHER INFORMATION CAN BE OBTAINED FROM

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

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

For further information, see Nederman's website

www.nedermangroup.com

ADDRESS

Nederman Holding AB (publ),
Box 602, 251 06 Helsingborg, Sweden
Telephone: +46 (0)42 18 87 00
Swedish corporate identity no.: 556576-4205

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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.