

# Lindab International AB (publ)

## Interim Report January - June 2020

Lindab's adjusted operating margin increased during the second quarter, while net sales decreased due to restrictions related to covid-19. All business areas showed strong results under prevailing circumstances, with Profile Systems increasing both net sales and the operating margin.

The covid-19 impact on Lindab was mainly related to the extent of each country's restrictions, and thus to the effect on the construction activity, rather than changes in demand for specific products. The assessment is that covid-19 will continue to have a dampening effect on sales for the rest of the year.

### Second quarter 2020

- Net sales decreased by 14 percent to SEK 2,218 m (2,569). Organically, sales declined with 12 percent.
- Adjusted<sup>1)</sup> operating profit decreased by 7 percent to SEK 222 m (238).
- Operating profit amounted to SEK 148 m (238).
- Adjusted<sup>1)</sup> operating margin increased to 10.0 percent (9.3).
- Operating margin amounted to 6.7 percent (9.3).
- Profit for the period amounted to SEK 76 m (181).
- Earnings per share, before and after dilution, amounted to SEK 1.00 (2.38).
- Cash flow from operating activities increased to SEK 295 m (177).
- In June Lindab acquired 95 percent of the Irish ventilation company Smofir Trading Ltd., licensor of the technology under the trademark Thor Duct.
- The quarter includes one-off items and restructuring costs of SEK -74 m (-) due to Lindab's strategic decision to close the IMP Klima Group.

### January - June 2020

- Net sales decreased by 7 percent to SEK 4,550 m (4,884). Organically, sales declined with 7 percent.
- Adjusted<sup>1)</sup> operating profit decreased by 6 percent to SEK 406 m (430).
- Operating profit amounted to SEK 332 m (430).
- Adjusted<sup>1)</sup> operating margin increased to 8.9 percent (8.8).
- Operating margin amounted to 7.3 percent (8.8).
- Profit for the period amounted to SEK 212 m (323).
- Earnings per share, before and after dilution, amounted to SEK 2.78 (4.23).
- Cash flow from operating activities increased to SEK 321 m (256).

Key Figures	2020	2019	Change, %	2020	2019	Change, %
	Apr-Jun	Apr-Jun		Jan-Jun	Jan-Jun	
Net sales, SEK m	2,218	2,569	-14	4,550	4,884	-7
Adjusted <sup>1)</sup> operating profit, SEK m	222	238	-7	406	430	-6
Operating profit, SEK m	148	238	-38	332	430	-23
Adjusted <sup>1)</sup> operating margin, %	10.0	9.3	-	8.9	8.8	-
Operating margin, %	6.7	9.3	-	7.3	8.8	-
Profit for the period, SEK m	76	181	-58	212	323	-34
Earnings per share, before and after dilution, SEK	1.00	2.38	-58	2.78	4.23	-34
Cash flow from operating activities, SEK m	295	177	66	321	256	25

1) Adjusted operating profit/operating margin does not include significant one-off items and restructuring costs. See 'Reconciliations' page 21.



## A word from the CEO



Photo: Matte Ottosson

**Lindab shows strength during the quarter, in very challenging times. Thanks to rapid cost saving measures, Lindab delivers a good result and strengthened operating margin. Our customer-oriented organisation has shown strong delivery performance and we have continued to maintain a high pace in the investment program.**

Sales have been negatively affected by lockdowns of several of Europe's major economies, as a consequence of the corona pandemic.

### **Recovery in June**

During the month of June, we have seen a recovery when countries have re-opened and construction activity in Europe has gradually increased. Lindab's employees have made every effort to help the thousands of customers around Europe who depend on our deliveries to do their everyday job. We can proudly say that we have stayed open throughout the crisis and kept our promises to customers. Delivery performance has been exceptionally high thanks to our customer-oriented production and distribution systems.

### **Continued investments**

Improved profitability and a strong balance sheet enable Lindab to continue the strategic investments. We continue to develop new products and digital solutions for the future. The pace is high in the investment program, which increases our productivity and capacity within prioritised product segments. The returns on these investments are good.

### **Acquisitions strengthen Lindab**

Bolt-on acquisitions are an important part of the strategy. In June, Thor Duct was acquired to strengthen Lindab's position in fire and smoke protection ventilation systems in Ireland and the United Kingdom.

In early July, Lindab acquired Crenna, a leader in rectangular ventilation ducts in Sweden. With the acquisition, Lindab and Crenna can together offer customers throughout Sweden a complete range of ventilation ducts and accessories.

In our effort to increase the profitability of the Lindab Group, we decided at the end of June to close IMP Klima in Slovenia. The company that manufactures air handling units was acquired in 2015 and has shown weak profitability for many years. The corona crisis

further worsened the situation. We do not see a reasonable path to profitability and growth for IMP Klima. Operations will be discontinued during this year.

We create a sharper Lindab by investing in areas with growth potential where we have high competence, at the same time as we remove unprofitable operations outside our core competencies. In our decentralised structure, high demands are put on all business units to deliver the highest customer satisfaction and results in line with the Group's goals.

### **Maintained dividend to shareholders**

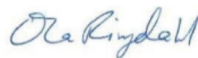
At Lindab's Annual General Meeting on 29 April, it was decided that Lindab would pay as large dividend this year as last year (SEK 1.75 per share). Although lower than what was originally proposed, the Board's aim was to find a balance between short-term caution with cash flow, and the long-term shareholder interest. Lindab demonstrates that we care about customers, employees and shareholders, even in tough times.

### **Well positioned for the future**

When we now look ahead, we assess that the general market situation over the next year will be subdued compared to the situation before the crisis. However, the long-term demand for Lindab's ventilation products benefits from an increased interest in solutions that reduce energy consumption and create healthy indoor environments. EU's directives for renovation and new construction of buildings, as well as miscellaneous new support packages, have increased the demand for high quality ventilation products.

Lindab's employees have shown that they can grow in a crisis. A decentralised organisation has enabled quick decisions. Our local managers have taken great responsibility for employees, customers and results. Together we shape a Lindab that is ready for a new global environment. Thank you to all employees for your efforts during this difficult time.

Grevie, July 2020



Ola Ringdahl

President and CEO

## Covid-19

Lindab has the construction industry as its primary target segment and sales are concentrated in Europe with less than two percent of sales outside of Europe. Sales are affected by activity in the European construction industry, with emphasis on the countries in Northern Europe.

Lindab is today present in Europe with 128 branches in 31 countries and more than 3,000 independent retailers. The largest market is the Nordic region, which represented 43 percent of sales in 2019.

During the second quarter, Lindab was primarily affected by closed construction sites in Italy, France, UK, Ireland, Belgium and Poland. Demand for Lindab's products on the Nordic construction market has remained stable.

Lindab's goal is to keep factories, distribution centers and sales channels open as far as possible. Lindab customers value high availability and delivery precision. By ensuring that critical deliveries can be made, Lindab strengthens its competitiveness and increases customer loyalty. During the second quarter, operations were open in all countries, with reduced opening hours and staffing in the countries with the lowest construction activity.

Deliveries in Europe have worked well despite increased border controls and lack of drivers. Lindab has good possibilities to secure deliveries to customers thanks to over 30 production facilities around Europe. Stock levels have increased to further reduce the risks. Lindab has limited dependency on raw materials and components from countries outside

Europe, which reduces the risk of transport disruptions. Alternative suppliers have been used when deemed necessary and this has thus reduced the dependency on individual suppliers.

At Lindab's facilities, routines have been introduced to prevent the spread of infections and to increase the safety of employees. A few cases have been identified among Lindab employees, but further spread of infection to colleagues has been prevented in all cases. Protective equipment has been put on stock to secure future availability.

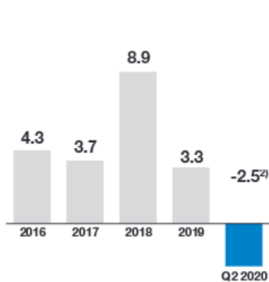
Lindab's assessment is that covid-19 will affect sales negatively during the rest of the year. Construction projects are delayed or postponed and it is unclear how long and to what extent restrictions will last.

Lindab has also initiated measures to reduce costs and to utilize the support measures implemented by several European countries. Short time work has been implemented in countries where revenue and production have been impacted the most.

Lindab has a strong financial position. Efficiency measures in 2018 and 2019 have resulted in a solid balance sheet and a strong result. The development is closely monitored and Lindab continuously evaluates different scenarios to be able to adapt operations to prevailing circumstances.

## Long-term financial targets

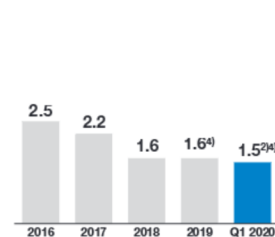
Annual growth, 5–8%<sup>1)</sup>



Operating margin, 10%



Net debt / EBITDA, <3,0



<sup>1)</sup> Organic and acquired growth.

<sup>2)</sup> Rolling 12 Months (R12 M).

<sup>3)</sup> Excluding the effect of implemented new accounting standard IFRS 16 Leases, operating margin amounted to 9.0 percent in 2019 and 9.1 percent in 2020.

<sup>4)</sup> Excluding the effect of implemented new accounting standard IFRS 16 Leases, net debt to EBITDA amounted to 1.0 in 2019 and 0.9 in 2020.

## Sales, profit and cash flow

### Sales and markets

Net sales during the quarter amounted to SEK 2,218 m (2,569), a decrease of 14 percent. Organically, sales decreased by 12 percent and currency effects had a negative impact on growth by 2 percent.

The quarter began with a subdued sales development due to the imposed restrictions related to covid-19, primarily in the regions Western and Eastern Europe. As the restrictions have been eased, a steady recovery of the sales volumes has taken place, especially at the end of the quarter. The Group's largest region in terms of sales, the Nordics, has had a lower degree of limitations than the rest of Europe. Therefore, the Nordics showed continued positive organic sales growth, while all other regions reported reduced sales during the quarter.

Sales growth varied between the segments during the quarter. Profile Systems reported continued strong organic growth while Ventilation Systems and Building Systems had negative organic sales development. Profile Systems' continued positive growth was mainly driven by increased sales of major industrial projects in the Nordics. Ventilation Systems had a negative sales development, as the segment has a greater exposure to those European markets which have been completely or partly closed, at the beginning of the quarter due to covid-19. Sales in Building Systems decreased during the quarter, mainly explained by particularly large deliveries to primarily Western Europe during the corresponding period previous year, but also because of delayed projects as a result of covid-19.

Net sales during the period January-June amounted to SEK 4,550 m (4,884), a decrease of 7 percent compared with the corresponding period previous year. Organically, sales decreased by 7 percent, while neither currency effects nor structural changes had any noticeable effect on growth.

### Profit

Adjusted operating profit for the quarter amounted to SEK 222 m (238). Operating profit is adjusted for one-off items and restructuring costs, amounting to SEK -74 m (-), see Reconciliations on page 21. Adjusted operating margin for the quarter increased to 10.0 percent (9.3).

Profile Systems' adjusted operating profit increased to SEK 92 m (60), while the adjusted operating profit in Ventilation Systems amounted to SEK 125 m (163) and Building Systems amounted to SEK 15 m (27).

The improved adjusted operating margin is mainly a result of reduced operating costs but also strengthened gross margin. A smaller part of the reduced operating costs are related to received governmental grants. The Group's slightly lower adjusted operating profit, compared with the historically strong second quarter previous year, is mainly explained by reduced sales volume due to covid-19. The adjusted operating profit in the quarter was particularly strong in Profile Systems, primarily driven by volume growth and lower costs.

The quarter is affected by one-off items and restructuring costs of SEK -74 m (-), which are related to Lindab's strategic decision to close IMP Klima in Slovenia and its subsidiaries in Serbia, Montenegro and Bosnia-Herzegovina. This is reported as other operating expenses. Of the amount, SEK 55 m is related to impairment losses, of which SEK 32 m is related to properties, see Reconciliations page 21. Lindab acquired IMP Klima in 2015 to establish a presence in the market for air handling units. IMP Klima Group has had a weak development and covid-19 has further worsened the situation. Sales in 2019 amounted to SEK 269 m and were reported as part of Ventilation Systems. A total of 226 employees will be affected.

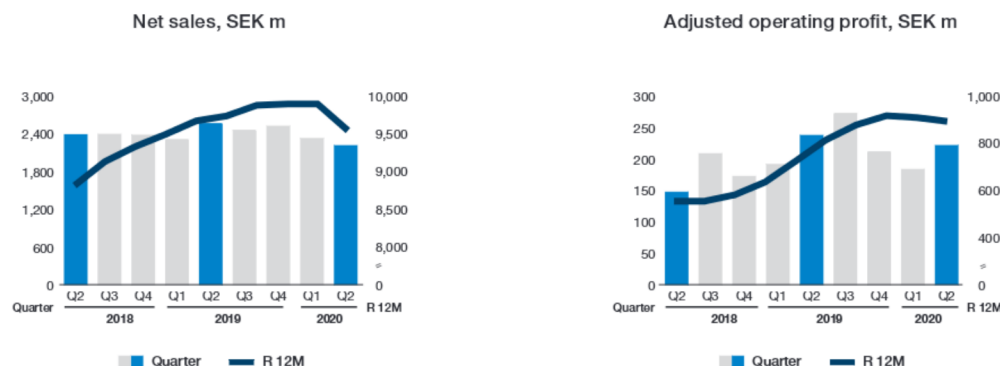
Profit for the quarter amounted to SEK 76 m (181). Earnings per share amounted to SEK 1.00 (2.38).

Adjusted operating profit for the period January-June amounted to SEK 406 m (430). Operating profit is adjusted for one-off items and restructuring costs, amounting to SEK -74 m (-), see Reconciliations on page 21. Adjusted operating margin increased to 8.9 percent (8.8).

Profit for the period for January-June amounted to SEK 212 m (323) and earnings per share amounted to SEK 2.78 (4.23).

### Seasonal variations

Lindab's business is affected by seasonal variations in the construction industry, and the highest proportion of net sales is





## Sales, profit and cash flow (cont.)

normally seen during the second half of the year. The largest seasonal variations can be found in the segments Profile Systems and Building Systems. Ventilation products are mainly installed indoors which is why the Ventilation Systems segment is less dependent on season or weather conditions.

There is normally a deliberate stock build-up of mainly finished goods during the first six months, which gradually becomes a stock reduction during the second half of the year, as a result of increased activity within the construction market.

### Depreciation/amortisation and impairment losses

Depreciation/amortisation for the quarter amounted to SEK 99 m (98), of which SEK 7 m (7) was related to intangible assets and SEK 57 m (54) to right of use assets related to rental and leasing agreements. Impairment losses of SEK 42 m due to decided structural changes have been reported in the period, of which SEK 32 m was related to properties. The impairment losses have been reported as other operating expenses in the income statement, of which SEK 40 m was classified as one-off items and restructuring costs. In the corresponding period previous year impairment losses of SEK 3 m was reported.

For the period January–June depreciation/amortisation amounted to SEK 197 m (193), of which SEK 14 m (13) was related to intangible assets and SEK 114 m (107) to right of use assets related to rental and leasing agreements. Impairment losses of SEK 42 m due to decided structural changes have been reported in the period, of which SEK 32 m was related to properties. The impairment losses have been reported as other operating expenses in the income statement, of which SEK 40 m was classified as one-off items and restructuring costs. In the corresponding period previous year impairment losses of SEK 3 m was reported.

### Tax

Tax on profit for the quarter amounted to SEK 63 m (47). Earnings before tax was SEK 139 m (228). The effective tax rate amounted to 45 percent (21). The average tax rate was 20 percent (20). The higher effective tax rate during the quarter, compared to previous year, was mainly explained by the fact that Lindab was not able to fully recognise carry-forward tax losses in order to reduce the total tax on profit. The carry-forward tax losses were mainly attribut-

able to recognised restructuring costs related to the decision to close down the IMP Klima Group. Furthermore, the effective tax rate during the quarter has been impacted by withholding tax. The higher effective tax rate compared to the average tax rate is explained by the same reasons.

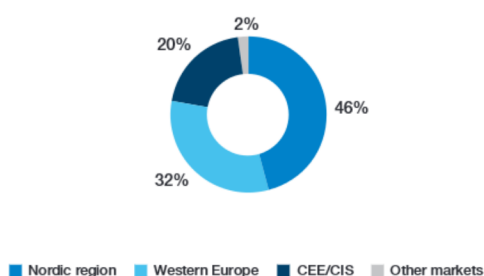
Tax on profit for the period January–June amounted to SEK 103 m (87). Earnings before tax was SEK 315 m (410). The effective tax rate amounted to 33 percent (21). The average tax rate was 20 percent (20). The higher effective tax rate during the period, compared to previous year, was mainly explained by the fact that Lindab was not able to fully recognise carry-forward tax losses in order to reduce the total tax on profit. The carry-forward tax losses were mainly attributable to recognised restructuring costs related to the decision to close down the IMP Klima Group. Furthermore, the effective tax rate during the period has been impacted by withholding tax. The higher effective tax rate compared to the average tax rate is explained by the same reasons.

### Cash flow

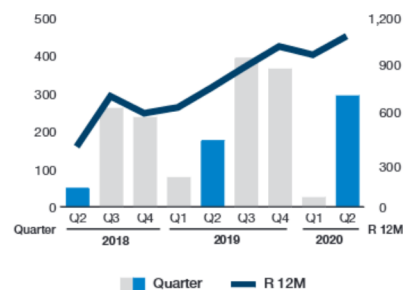
During the quarter, cash flow from operating activities improved with SEK 118 m and amounted to SEK 295 m (177). The improvement was mainly related to change in working capital, which had a positive cash flow of net SEK 41 m (-117). In comparison with the same period previous year, the largest positive cash flow effects from working capital was attributable to the settlements of accounts receivables, other current liabilities, and customer advances from customers within Building Systems. Cash flow before change in working capital amounted to SEK 254 m (294). Operating profit decreased during the quarter to SEK 148 m (238) but included non-cash flow affecting impairment losses/provisions of SEK 74 m attributable to the decision to close down IMP Klima Group.

Cash flow from financing activities amounted to SEK -143 m (-50) for the quarter. The main explanation for the lower cash flow was the change in borrowings and utilisation of credit limits. At the same time, the Group had a lower dividend paid to shareholders, amounting to SEK -67 m (-134) during the quarter. At the Annual General Meeting in April 2020 it was decided that dividends to shareholders will be paid at two occasions during the year, in

Breakdown of net sales by region, last 12 months



Cash flow from operating activities, SEK m



## Sales, profit and cash flow (cont.)

May and November, respectively. The total amount of dividend resolved is on the same level as previous year.

For the period January–June, cash flow from operating activities improved by SEK 65 m and amounted to SEK 321 m (256). The outcome was mainly related to change in working capital, which amounted to SEK -160 m (-266). In comparison with the same period previous year, the positive development from working capital was mainly related to a minor change of capital tied up in stock and accounts receivable. Cash flow before change in working capital amounted to SEK 481 m (522). The underlying operating profit amounted to SEK 332 m (430), but included non-cash flow affecting impairment losses/provisions of SEK 74 m attributable to the decision to close down IMP Klima Group compared with the same period previous year.

Cash flow from financing activities for the period January–June amounted to SEK -110 m (-2). The development is mainly explained by a lower change in borrowings and utilisation of credit limits. At the same time, the dividend paid to shareholders was lower than in the previous year.

Cash flow from investing activities is explained under the headings 'Investments' and 'Business combinations'.

## Investments and financial position

### Investments

Investments in intangible assets and tangible fixed assets for the quarter amounted to SEK 67 m (82), of which SEK 4 m (2) related to investments in intangible assets. The comparison period included the acquisition of the previously leased real estate in Switzerland of SEK 45 m.

Cash flow from investing activities, excluding business combinations, amounted to SEK -66 m (-80). The net cash flow included a positive effect from the divestment of tangible fixed assets amounting to SEK 1 m (2).

For the period January-June, investments in intangible assets and tangible fixed assets amounted to SEK 200 m (127), of which SEK 11 m (5) related to investments in intangible assets. The increased investments in tangible fixed assets were mainly a result of the Group's objective to increase efficiency and capacity in the production facilities.

Cash flow from investing activities, excluding business combinations, amounted to SEK -199 m (-124) for the period January-June. The net cash flow included a positive effect from the divestment of tangible fixed assets amounting to SEK 1 m (3).

### Business combinations

On June 5, 2020, Lindab acquired 95 percent of the Irish company Smofir Trading Ltd. The business is mainly focused on licensing of certified fire ductwork systems and component sales related to these systems. The technology is licensed under the brand of Thor Duct. The acquisition is a step to further strengthen the offering in ventilation systems in Ireland and the UK. The company is registered in Dublin, Ireland and has an annual sales of approximately SEK 21 m.

For more information about above mentioned acquisition and company acquisitions during the second quarter of 2019, see Note 4.

### Financial position

Net debt amounted to SEK 1,859 m (2,262) on 30 June 2020. Currency effects decreased net debt by SEK 126 m during the quarter compared to an increase by SEK 21 m in the corresponding period previous year.

The equity/assets ratio was 53 percent (49) and the net debt/equity ratio was 0.4 (0.5). Financial items for the quarter amounted to SEK -9 m (-10). The improvement is mainly explained by lower net debt.

The current credit limits of SEK 1,400 m with Nordea and Danske Bank and EUR 50 m from Raiffeisen Bank International are valid until the third quarter 2022. The agreements contain covenants, which are monitored quarterly. Lindab fulfilled all the conditions as at 30 June 2020.

### Pledged assets and contingent liabilities

No significant changes have been made in pledged collateral and contingent liabilities during the second quarter 2020.

Gross investments in fixed assets, excl. business combinations SEK m



### Investment programme

- Lindab has increased the rate of investments in production automation in order to achieve increased capacity, efficiency and safer work environment.
- In the second quarter further investments were made within Ventilation Systems, e.g. automation of production in the Czech Republic and Denmark.
- During the second quarter in the previous year, the acquisition of the previously leased real estate in Switzerland was included with SEK 45 m.

## Other

### Parent company

Lindab International AB (publ), corporate identification number 556606-5446, is a registered limited liability company with its domicile in Båstad, Sweden. Lindab's shares are listed on Nasdaq Stockholm, Mid Cap.

Net sales for the quarter amounted to SEK 2 m (1). Loss for the period amounted to SEK 1 m (-1).

Net sales for the period January-June amounted to SEK 3 m (2). Loss for the period amounted to SEK 2 m (-1).

### Significant risks and uncertainties

There have been no significant changes to what was stated by Lindab in its Annual Report for 2019 under Risks and Risk Management (pages 52-54). Additionally, risks related to covid-19 has arisen in 2020, see page 3 and Note 2.

### Employees

The number of employees at the end of the quarter, calculated as full-time equivalent employees, was 4,981 (5,277). Adjusted for acquisitions and divestment, the net decrease was 284 employees compared with the corresponding period of the previous year. The majority of the decrease is related to short term work due to covid-19.

### Incentive programme

At the Annual General Meeting in April 2020, guidelines for the remuneration of senior executives were adopted. According to the adopted guidelines, the remuneration programme for these individuals shall among other things include variable cash pay elements. These variable elements shall be based on measurable criteria, which reflects predetermined financial and qualitative targets for Lindab. Based on the resolution at the Annual General Meeting, a long term incentive programme has been implemented. The programme has a three year measuring period and any outcome in terms of long term variable cash pay is presumed to be invested in shares or share related instruments in Lindab on market terms. The total cost in the event of maximum outcome for the three year measuring period of 2020 to 2022 was estimated at SEK 13 m. At the Annual General Meeting in 2018 and 2019, long term incentive programmes were respectively adopted, with essentially the same principles as the above decided programme. These programmes measuring period are 2018-2020 respectively 2019-2021.

### Share option programme

At the Annual General Meeting in April 2020, it was resolved to establish a share option programme for senior executives in Lindab through a directed issue of maximum 275,000 share options. As a result of this programme, 210,000 share options have been acquired by senior executives in Lindab, according to a market valuation determined on the basis of the agreement. Each share option entitles the holder to acquire one share in Lindab at a strike price of SEK 101.90. Acquisitions of shares supported by share options may take place after Lindab has published the Q2 interim report for the year 2023 and up until 31 August of the same year. At the Annual General Meeting in 2017, 2018 and 2019, respectively, there were also resolutions to implement share option/warrant programmes for senior executives. From the 2017

warrant programme, there are 25,000 outstanding options with a subscription price of SEK 108.80 exercisable in July/August 2020. From the 2018 warrant programme, there are 110,000 outstanding options with a subscription price of SEK 86.40 exercisable during summer 2021. From the 2019 share option programme there are 175,000 outstanding options with a subscription price of SEK 120.00 during summer 2022.

### Annual General Meeting

At Lindab International AB's Annual General Meeting on April 29, 2020, the following resolutions were made, among others:

- Approval of the parent company's and the Group's income statement and balance sheet for 2019.
- Granting of discharge of liability for the members of the Board of Directors and the CEO for the financial year 2019.
- Dividend of SEK 1.75 per share distributed half-yearly which the first dividend of SEK 0.88 per share with record date May 4 and second dividend of SEK 0.87 per share with record date November 2, 2020.
- Re-election of the Board members Peter Nilsson, Per Bertland, Sonat Burman-Olsson, Viveka Ekberg and Anette Frumerie and new elections of Marcus Hedblom and Staffan Pehrson. John Hedberg and Bent Johannesson have declined re-election. Peter Nilsson was re-elected as Chairman of the Board.
- Re-election of Deloitte AB as the company's auditors, with Hans Warén as principal auditor.
- Each of the three largest shareholders shall appoint a member to the Nomination Committee, and the Nomination Committee shall also include the Chairman of the Board.
- Guidelines for the remuneration of senior executives and the establishment of a share option programme for senior executives and other key persons with a maximum of 275,000 share options issued.
- Authorisation for the Board of Directors to decide on the transfer of treasury shares on one or more occasions.

Further information can be found in the documents from Lindab International AB's Annual General Meeting which are available at [www.lindabgroup.com](http://www.lindabgroup.com).

### Significant events during the reporting period

In June Lindab acquired the Irish company Smofir Trading Ltd., licensor of Thor Duct, see Note 4.

In June Lindab decided to close the IMP Klima Group, see page 4.

For information about the impact on Lindab related to covid-19, see page 3.

There are no other significant events during the reporting period to report.

### Significant events after the reporting period

In July Lindab acquired Crenna Plåt AB, manufacturer of high-quality rectangular ventilation ducts on the Swedish market. With the acquisition, Lindab will have a complete range of ventilation ducts in Sweden. Crenna have yearly sales of approximately SEK 120 m.

For information about the impact on Lindab related to covid-19, see page 3.

There are no other significant events after the reporting period to report.



## Segment – Ventilation Systems

### Key performance indicators

	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun
Net sales, SEK m	1,297	1,560	2,807	3,073
Net sales growth, %	-17	8	-9	8
Adjusted <sup>1)</sup> operating profit, SEK m	125	163	276	312
Adjusted <sup>1)</sup> operating margin, %	9.6	10.4	9.8	10.2
Number of employees by end of period	3,383	3,615	3,383	3,615

<sup>1)</sup> Adjusted operating profit/operating margin does not include one-off items and restructuring costs of SEK -74 m (-). See 'Reconciliations' page 21.

### Sales and markets

Net sales for Ventilation Systems decreased by 17 percent and amounted to SEK 1,297 m (1,560) during the quarter. Organically, sales decreased by 16 percent and currency effects had a negative impact on growth by 1 percent.

Several markets had negative organic growth during the quarter as a result of the imposed restrictions due to covid-19. This has mainly affected the sales volumes in Western Europe and the CEE/CIS region. In the Nordics, on the other hand, sales decreased only slightly, as most of the Nordic markets were less affected by imposed restrictions compared with the rest of Europe.

In Western Europe, the quarter began with extensive restrictions, which have limited the construction activity in all of the region's markets. As a result, sales decreased, especially in Belgium, the UK, Ireland, France, Italy and Germany. Switzerland on the other hand, reported continued positive growth during the quarter. In the CEE/CIS region, the majority of markets, reported lower sales volumes during the quarter due to covid-19, with the exception of Hungary and Romania which reported good organic growth.

Net sales for the period January-June decreased by 9 percent to SEK 2,807 m (3,073) compared with the previous year. Organically, sales decreased by 9 percent. Neither currency nor structural changes had any noticeable effect on growth.

### Profit

Ventilation Systems' adjusted operating profit during the quarter amounted to SEK 125 m (163). Adjusted operating margin amounted to 9.6 percent (10.4). The lower adjusted operating profit is mainly explained by reduced sales volume as a result of covid-19, which was partly offset by strengthened gross margin and clearly reduced operating costs.

Operating profit is adjusted with one-off items and restructuring cost, amounting to SEK -74 m (-), see Reconciliations 21.

Adjusted operating profit for the period January-June amounted to SEK 276 m (312).

### Activities

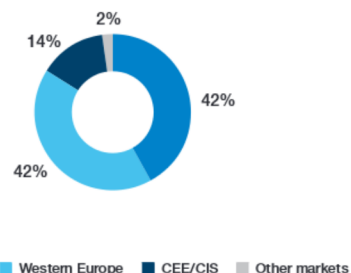
In June, Lindab acquired 95 percent of the Irish ventilation company Smofir Trading Ltd., the licensor of the trademark Thor Duct. The company's technology is the market leader, in the UK and Ireland, in dissipating fire gases and preventing the spread of fire in buildings.

In June, Lindab decided to close IMP Klima in Slovenia and its subsidiaries in Serbia, Montenegro and Bosnia-Herzegovina. IMP Klima Group has had a weak development and covid-19 has further worsened the situation.

Net sales, SEK m



Breakdown of net sales by region, last 12 months



## Segment – Profile Systems

### Key performance indicators

	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun
Net sales, SEK m	685	625	1,272	1,150
Net sales growth, %	10	-6	11	-2
Adjusted <sup>1)</sup> operating profit, SEK m	92	60	136	103
Adjusted <sup>1)</sup> operating margin, %	13.4	9.6	10.7	9.0
Number of employees by end of period	840	903	840	903

<sup>1)</sup> No one-off items or restructuring costs have been reported in 2020 or 2019.

### Sales and markets

Net sales for Profile Systems increased by 10 percent to SEK 685 m (625) during the quarter. Organically, sales increased by 12 percent while currency had a negative impact on growth by 1 percent. Structural changes had a negative impact of 1 percent, related to Lindab's subsidiaries in the Netherlands, which were divested in 2019.

The organic growth during the quarter was mainly related to the largest region, the Nordics, where significant deliveries were made on the Swedish market. The sales development of large industrial buildings varies between the quarters and has a strong impact on the sales growth of Profile Systems. This business has been particularly strong in Sweden during the first six months of the year, compared with the same period previous year. The Swedish market represents for about half of Profile Systems' sales. The second largest market in the Nordic region, Denmark, also had continued strong organic growth. Since the majority of the construction sites have been open throughout the quarter in the Nordics, covid-19 did not have any significant impact on the sales volumes.

The sales development in in the CEE/CIS region decreased during the quarter compared with the same period previous year. Most of the markets in the CEE/CIS region have had limitations and restrictions on the construction market, due to covid-19. As a result, all of its markets reported declining sales, with the exception of the Czech Republic. Sales in Western Europe, on the other hand, had continued positive growth, although this region only represent a smaller share of Profile Systems total sales.

Net sales for the period January–June increased by 11 percent to SEK 1,272 m (1,150) compared with the previous year. Organically, sales increased by 13 percent, while currency and structural changes had a negative impact on growth by 1 percent, respectively.

### Profit

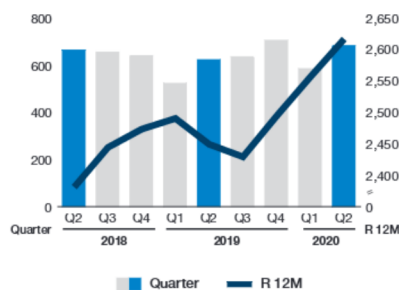
Profile Systems' adjusted operating profit during the quarter increased to SEK 92 m (60). Adjusted operating margin increased to 13.4 percent (9.6). The improved adjusted profit is explained by a strong volume growth and noticeable reduced operating costs. The gross margin decreased slightly, due to changed product- and customer mix compared with the same period previous year.

Adjusted operating profit for the period January–June increased by 32 percent to SEK 136 m (103).

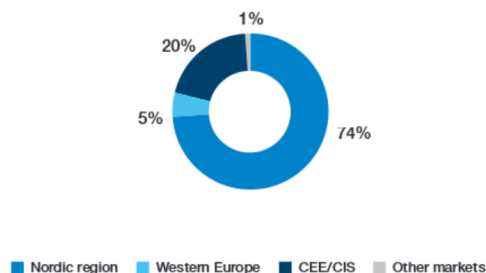
### Activities

Padel as a sport is growing in Sweden and Lindab delivered four padel court buildings during the quarter. One example is Båstad's latest padel and office building where Lindab has delivered a complete "Lindab Hall" with frame, wall cladding and roof. The building will contain five courts, a shop, bistro and office facilities on three floor levels.

Net sales, SEK m



Breakdown of net sales by region, last 12 months



## Segment – Building Systems

### Key performance indicators

	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun
Net sales, SEK m	236	384	471	661
Net sales growth, %	-39	39	-29	24
Adjusted <sup>1)</sup> operating profit, SEK m	15	27	17	36
Adjusted <sup>1)</sup> operating margin, %	6.4	7.0	3.6	5.4
Number of employees by end of period	711	717	711	717

1) No one-off items or restructuring costs have been reported in 2020 or 2019.

### Sales and markets

Net sales for Building Systems decreased by 39 percent to SEK 236 m (384) during the quarter. Organically, sales decreased by 37 percent and currency effects had a negative impact by 2 percent.

The decreased sales during the quarter was mainly explained by particularly large deliveries to the final stages of projects, primarily in Germany but also Poland, during the same quarter previous year. Sales development was also affected by the imposed restrictions related to covid-19. Sales decreased in both Western Europe and CEE<sup>1)</sup> compared with the same period previous year. However, sales development in the CIS<sup>2)</sup> remained positive during the quarter due to increased sales in the region's largest market, Russia.

Order intake increased during the quarter while the order backlog was lower at the end of the period compared with the corresponding period previous year.

Net sales for the period January-June decreased by 29 percent to SEK 471 m (661) compared with the previous year. Organically, sales decreased by 29 percent. Neither currency nor structural changes had any noticeable effect on growth.

### Profit

Building Systems' adjusted operating profit amounted to SEK 15 m (27) during the quarter. Adjusted operating margin was 6.4 percent (7.0). The lower adjusted operating profit is explained by significantly lower sales volume, which has been partially offset by a strengthened gross margin and lower operating costs compared with the same period last year. The adjusted operating profit was particularly high previous year due to significant large project deliveries, mainly in Germany and Poland. During the quarter, a number of cost-saving measures, were implemented, to adapt the business to the lower sales volumes. In addition, Buildings Systems has benefited from received governmental grants.

Adjusted operating profit for the period January-June amounted to SEK 17 m (36).

### Activities

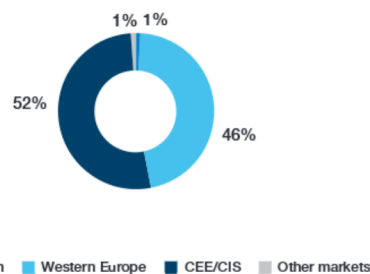
During the quarter, Building Systems signed agreements on seven major orders, each worth more than SEK 10 m; six in Western Europe and one in the CEE region.

1) Central and Eastern Europe

2) Commonwealth of Independent States



**Breakdown of net sales by region, last 12 months**



## Net sales and segments

### Net sales and growth

SEK m	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Net sales	2,218	2,569	4,550	4,884	9,872
Change	-351	177	-334	339	546
Change, %	-14	7	-7	7	6
Of which					
Organic, %	-12	5	-7	4	3
Acquisitions/divestments, %	0	0	0	0	0
Currency effects, %	-2	2	0	3	3

### Net sales per region

SEK m	2020 Apr-Jun	%	2019 Apr-Jun	%	2020 Jan-Jun	%	2019 Jan-Jun	%	2019 Jan-Dec	%
Nordic region	1,143	52	1,067	41	2,236	49	2,114	43	4,236	43
Western Europe	640	29	940	37	1,420	31	1,772	36	3,445	35
CEE/CIS	405	18	513	20	820	18	922	19	2,034	21
Other markets	30	1	49	2	74	2	76	2	157	1
<b>Total</b>	<b>2,218</b>	<b>100</b>	<b>2,569</b>	<b>100</b>	<b>4,550</b>	<b>100</b>	<b>4,884</b>	<b>100</b>	<b>9,872</b>	<b>100</b>

### Net sales per segment

SEK m	2020 Apr-Jun	%	2019 Apr-Jun	%	2020 Jan-Jun	%	2019 Jan-Jun	%	2019 Jan-Dec	%
Ventilation Systems	1,297	58	1,560	61	2,807	62	3,073	63	6,018	61
Profile Systems	685	31	625	24	1,272	28	1,150	24	2,494	25
Building Systems	236	11	384	15	471	10	661	13	1,360	14
<b>Total</b>	<b>2,218</b>	<b>100</b>	<b>2,569</b>	<b>100</b>	<b>4,550</b>	<b>100</b>	<b>4,884</b>	<b>100</b>	<b>9,872</b>	<b>100</b>
<b>Gross internal sales all segments</b>	<b>14</b>		<b>8</b>		<b>24</b>		<b>14</b>		<b>30</b>	

### Operating profit, operating margin and earnings before tax

SEK m	2020 Apr-Jun	%	2019 Apr-Jun	%	2020 Jan-Jun	%	2019 Jan-Jun	%	2019 Jan-Dec	%
Ventilation Systems	125	9.6	163	10.4	276	9.8	312	10.2	609	10.1
Profile Systems	92	13.4	60	9.6	136	10.7	103	9.0	270	10.8
Building Systems	15	6.4	27	7.0	17	3.6	36	5.4	85	6.3
Other operations	-10	-	-12	-	-23	-	-21	-	-49	-
<b>Adjusted operating profit</b>	<b>222</b>	<b>10.0</b>	<b>238</b>	<b>9.3</b>	<b>406</b>	<b>8.9</b>	<b>430</b>	<b>8.8</b>	<b>915</b>	<b>9.3</b>
One-off items and restructuring costs <sup>1)</sup>	-74	-	-	-	-74	-	-	-	-	-
<b>Operating profit</b>	<b>148</b>	<b>6.7</b>	<b>238</b>	<b>9.3</b>	<b>332</b>	<b>7.3</b>	<b>430</b>	<b>8.8</b>	<b>915</b>	<b>9.3</b>
Net financial items	-9	-	-10	-	-17	-	-20	-	-34	-
<b>Earnings before tax</b>	<b>139</b>	<b>6.3</b>	<b>228</b>	<b>8.9</b>	<b>315</b>	<b>6.9</b>	<b>410</b>	<b>8.4</b>	<b>881</b>	<b>8.9</b>

1) One-off items and restructuring costs are described in 'Reconciliations' page 21.

### Number of employees by end of period

	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Ventilation Systems	3,383	3,615	3,383	3,615	3,545
Profile Systems	840	903	840	903	882
Building Systems	711	717	711	717	727
Other operations	47	42	47	42	42
<b>Total</b>	<b>4,981</b>	<b>5,277</b>	<b>4,981</b>	<b>5,277</b>	<b>5,196</b>



## Consolidated income statement

SEK m	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	R 12M 2019 Jul- 2020 Jun	R 12M 2018 Jul- 2019 Jun	2019 Jan-Dec
Net sales	2,218	2,569	4,550	4,884	9,538	9,665	9,872
Cost of goods sold	-1,604	-1,868	-3,283	-3,556	-6,876	-7,056	-7,149
<b>Gross profit</b>	<b>614</b>	<b>701</b>	<b>1,267</b>	<b>1,328</b>	<b>2,662</b>	<b>2,609</b>	<b>2,723</b>
Other operating income	17	16	39	39	69	66	69
Selling expenses	-251	-307	-553	-592	-1,145	-1,158	-1,184
Administrative expenses	-129	-142	-268	-276	-541	-560	-549
R & D expenses	-15	-16	-31	-31	-64	-67	-64
Other operating expenses	-88	-14	-122	-38	-164	-113	-80
<b>Total operating expenses</b>	<b>-466</b>	<b>-463</b>	<b>-935</b>	<b>-898</b>	<b>-1,845</b>	<b>-1,832</b>	<b>-1,808</b>
<b>Operating profit<sup>1)</sup></b>	<b>148</b>	<b>238</b>	<b>332</b>	<b>430</b>	<b>817</b>	<b>777</b>	<b>915</b>
Interest income	4	4	10	7	24	16	21
Interest expenses	-12	-12	-24	-24	-50	-37	-50
Other financial income and expenses	-1	-2	-3	-3	-5	-7	-5
<b>Financial items</b>	<b>-9</b>	<b>-10</b>	<b>-17</b>	<b>-20</b>	<b>-31</b>	<b>-28</b>	<b>-34</b>
<b>Earnings before tax</b>	<b>139</b>	<b>228</b>	<b>315</b>	<b>410</b>	<b>786</b>	<b>749</b>	<b>881</b>
Tax on profit for the period	-63	-47	-103	-87	-219	-168	-203
<b>Profit for the period</b>	<b>76</b>	<b>181</b>	<b>212</b>	<b>323</b>	<b>567</b>	<b>581</b>	<b>678</b>
–attributable to the parent company's shareholders	76	181	212	323	567	581	678
–attributable to non-controlling interests	0	-	0	-	0	0	-
<b>Earnings per share, SEK<sup>2)</sup></b>	<b>1.00</b>	<b>2.38</b>	<b>2.78</b>	<b>4.23</b>	<b>7.44</b>	<b>7.60</b>	<b>8.89</b>

1) One-off items and restructuring costs, which are included in operating profit, are described in 'Reconciliations' on page 21.

2) Based on the number of outstanding shares, i.e. excluding treasury shares. Earnings per share is before and after dilution.

## Consolidated statement of comprehensive income

SEK m	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	R 12M 2019 Jul- 2020 Jun	R 12M 2018 Jul- 2019 Jun	2019 Jan-Dec
<b>Profit for the period</b>	<b>76</b>	<b>181</b>	<b>212</b>	<b>323</b>	<b>567</b>	<b>581</b>	<b>678</b>
<b>Items that will not be reclassified to the income statement</b>							
Actuarial gains/losses, defined benefit plans	-3	-27	-8	-27	-32	-30	-51
Deferred tax attributable to defined benefit plans	1	6	2	6	6	7	10
<b>Sum</b>	<b>-2</b>	<b>-21</b>	<b>-6</b>	<b>-21</b>	<b>-26</b>	<b>-23</b>	<b>-41</b>
<b>Items that will later be reclassified to the income statement</b>							
Translation differences, foreign operations	-207	53	-117	155	-141	77	131
Hedges of net investments	75	-18	-10	-39	1	-25	-28
Tax attributable to hedges of net investments	-16	3	2	8	0	5	6
<b>Sum</b>	<b>-148</b>	<b>38</b>	<b>-125</b>	<b>124</b>	<b>-140</b>	<b>57</b>	<b>109</b>
<b>Other comprehensive income, net of tax</b>	<b>-150</b>	<b>17</b>	<b>-131</b>	<b>103</b>	<b>-166</b>	<b>34</b>	<b>68</b>
<b>Total comprehensive income</b>	<b>-74</b>	<b>198</b>	<b>81</b>	<b>426</b>	<b>401</b>	<b>615</b>	<b>746</b>
–attributable to the parent company's shareholders	-74	198	81	426	401	615	746
–attributable to non-controlling interests	0	-	0	-	0	0	-

## Consolidated statement of cash flow

<i>SEK m</i>	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	R 12M 2019 Jul- 2020 Jun	R 12M 2018 Jul- 2019 Jun	2019 Jan-Dec
<b>OPERATING ACTIVITIES</b>							
Operating profit	148	238	332	430	817	777	915
Reversal of depreciation/amortisation and impairment losses	141	101	239	196	443	281	400
Reversal of capital gains (-)/losses (+) reported in operating profit	0	-1	0	-2	3	0	1
Provisions, not affecting cash flow	21	-8	18	-17	26	8	-9
Adjustment for other items not affecting cash flow	-3	-1	-4	-2	-8	-6	-6
<b>Total</b>	<b>307</b>	<b>329</b>	<b>585</b>	<b>605</b>	<b>1,281</b>	<b>1,060</b>	<b>1,301</b>
Interest received	5	5	10	8	23	16	21
Interest paid	-11	-11	-23	-21	-48	-33	-46
Tax paid	-47	-29	-91	-70	-188	-127	-167
<b>Cash flow before change in working capital</b>	<b>254</b>	<b>294</b>	<b>481</b>	<b>522</b>	<b>1,068</b>	<b>916</b>	<b>1,109</b>
<b>Change in working capital</b>							
Stock (increase -/decrease +)	45	27	-39	-99	-27	-107	-87
Operating receivables (increase -/decrease +)	56	-13	-202	-2/0	48	113	-20
Operating liabilities (increase +/decrease -)	-60	-131	81	103	-7	-166	15
<i>Total change in working capital</i>	<i>41</i>	<i>-117</i>	<i>-160</i>	<i>-266</i>	<i>14</i>	<i>-160</i>	<i>-92</i>
<b>Cash flow from operating activities</b>	<b>295</b>	<b>177</b>	<b>321</b>	<b>256</b>	<b>1,082</b>	<b>756</b>	<b>1,017</b>
<b>INVESTING ACTIVITIES</b>							
Acquisition of Group companies	-39	-33	-39	-33	-42	-33	-36
Divestment of Group companies	-	-	-	-	2	-	2
Investments in intangible assets	-4	-2	-11	-5	-20	-11	-14
Investments in tangible fixed assets	-63	-80	-189	-122	-331	-186	-264
Change in financial fixed assets	0	0	0	0	0	0	0
Disposal of intangible assets	-	-	-	-	-	0	-
Disposal of tangible fixed assets	1	2	1	3	10	14	12
<b>Cash flow from investing activities</b>	<b>-105</b>	<b>-113</b>	<b>-238</b>	<b>-157</b>	<b>-381</b>	<b>-216</b>	<b>-300</b>
<b>FINANCING ACTIVITIES</b>							
Proceeds from borrowings	-	137	90	238	90	238	238
Repayment of borrowings	-24	-	-24	-	-398	-520	-3/4
Repayment of leasing-related liabilities	-54	-54	-111	-107	-218	-107	-214
Issue/repurchase of share options/warrants	2	1	2	1	1	0	0
Dividends to shareholders	-6/	-134	-6/	-134	-6/	-135	-134
<b>Cash flow from financing activities</b>	<b>-143</b>	<b>-50</b>	<b>-110</b>	<b>-2</b>	<b>-592</b>	<b>-524</b>	<b>-484</b>
<b>Cash flow for the period</b>	<b>47</b>	<b>14</b>	<b>-27</b>	<b>97</b>	<b>109</b>	<b>16</b>	<b>233</b>
Cash and cash equivalents at start of the period	450	380	536	289	399	377	289
Effect of exchange rate changes on cash and cash equivalents	-12	5	-24	13	-23	6	14
<b>Cash and cash equivalents at end of the period</b>	<b>485</b>	<b>399</b>	<b>485</b>	<b>399</b>	<b>485</b>	<b>399</b>	<b>536</b>

## Consolidated statement of financial position

SEK m	30 Jun 2020	30 Jun 2019	31 Dec 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	3,196	3,232	3,211
Other intangible assets	115	112	97
Tangible fixed assets	1,428	1,382	1,374
Right of use assets	936	939	1,009
Financial interest-bearing fixed assets	35	38	34
Other financial fixed assets	7	7	8
Deferred tax assets	115	98	118
<b>Total non-current assets</b>	<b>5,832</b>	<b>5,808</b>	<b>5,851</b>
<b>Current assets</b>			
Stock	1,484	1,488	1,468
Accounts receivable	1,501	1,623	1,349
Other current assets	239	219	219
Other interest-bearing receivables	1b	2f	1b
Cash and cash equivalents	485	399	536
<b>Total current assets</b>	<b>3,724</b>	<b>3,756</b>	<b>3,587</b>
<b>TOTAL ASSETS</b>	<b>9,556</b>	<b>9,564</b>	<b>9,438</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity attributable to parent company shareholders	5,043	4,708	5,027
Non-controlling interest	0	-	-
<b>Total shareholders' equity</b>	<b>5,043</b>	<b>4,708</b>	<b>5,027</b>
<b>Non-current liabilities</b>			
Interest-bearing provisions for pensions and similar obligations	297	260	283
Liabilities to credit institutions	1,108	1,336	1,001
Leasing liabilities	739	776	798
Deferred tax liabilities	104	109	112
Provisions	21	22	23
Other non-current liabilities	8	15	9
<b>Total non-current liabilities</b>	<b>2,277</b>	<b>2,518</b>	<b>2,226</b>
<b>Current liabilities</b>			
Other interest-bearing liabilities	24	133	33
Leasing liabilities	226	221	241
Provisions	40	24	26
Accounts payable	766	902	763
Other current liabilities	1,180	1,058	1,122
<b>Total current liabilities</b>	<b>2,236</b>	<b>2,338</b>	<b>2,185</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>9,556</b>	<b>9,564</b>	<b>9,438</b>

### Financial instruments measured at fair value through the income statement

SEK m	30 Jun 2020		30 Jun 2019		31 Dec 2019	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Disclosures regarding the fair value by class</b>						
<b>Financial assets</b>						
Derivative receivables	12	12	26	26	1b	1b
<b>Financial liabilities</b>						
Liabilities to credit institutions	1,111	1,112	1,305	1,308	1,004	1,007
Derivative liabilities	5	5	5	5	3	3

### Description of fair value

Derivatives relate to forward exchange contracts which are valued at fair value by discounting the difference between the contracted forward rate and the forward rate that can be subscribed for on the balance sheet date for the remaining contract term. The fair value of interest bearing liabilities to credit institutions is provided for the purpose of disclosure and is calculated by discounting the future cash flows of principal and interest payments, discounted at current market interest rates.

The derivative assets, derivative liabilities and interest bearing liabilities to credit institutions that exist can all be found at Level 2 of the valuation hierarchy.

For other financial assets and liabilities, the carrying amount is deemed to be a reasonable approximation of fair value. The Group holdings of unlisted shares, the fair value of which cannot be estimated reliably, are recognised at acquisition cost. The carrying amount is SEK 1 m (1).

## Consolidated statement of changes in equity

SEK m	Shareholders' equity attributable to parent company shareholders				Total	Non-controlling interests	Total shareholders' equity
	Share-capital	Other contributed capital	Foreign currency translation reserve	Profit brought forward incl. profit for the year			
<b>Closing balance, 31 December 2018</b>	<b>79</b>	<b>2,260</b>	<b>213</b>	<b>1,912</b>	<b>4,464</b>	<b>-</b>	<b>4,464</b>
Changed accounting principles				-49	-49	-	-49
<b>Opening balance, 1 January 2019</b>	<b>79</b>	<b>2,260</b>	<b>213</b>	<b>1,863</b>	<b>4,415</b>	<b>-</b>	<b>4,415</b>
Profit for the period				323	323	-	323
Other comprehensive income, net of tax							
Actuarial gains/losses, defined benefit plans				-21	-21	-	-21
Translation differences, foreign operations			155		155	-	155
Hedges of net investments			-31		-31	-	-31
<i>Total comprehensive income</i>	<i>-</i>	<i>-</i>	<i>124</i>	<i>302</i>	<i>426</i>	<i>-</i>	<i>426</i>
Dividend to shareholders				-134	-134	-	-134
Issue of share options				1	1	-	1
<i>Transactions with shareholders</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-133</i>	<i>-133</i>	<i>-</i>	<i>-133</i>
<b>Closing balance, 31 March 2019</b>	<b>79</b>	<b>2,260</b>	<b>337</b>	<b>2,032</b>	<b>4,708</b>	<b>-</b>	<b>4,708</b>
Profit for the period				355	355	-	355
Other comprehensive income, net of tax							
Actuarial gains/losses, defined benefit plans				-20	-20	-	-20
Translation differences, foreign operations			-24		-24	-	-24
Hedges of net investments			9		9	-	9
<i>Total comprehensive income</i>	<i>-</i>	<i>-</i>	<i>-15</i>	<i>335</i>	<i>320</i>	<i>-</i>	<i>320</i>
Repurchase of warrants				-1	-1	-	-1
<i>Transactions with shareholders</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-1</i>	<i>-1</i>	<i>-</i>	<i>-1</i>
<b>Closing balance, 31 December 2019</b>	<b>79</b>	<b>2,260</b>	<b>322</b>	<b>2,366</b>	<b>5,027</b>	<b>-</b>	<b>5,027</b>
Profit for the period				212	212	0	212
Other comprehensive income, net of tax							
Actuarial gains/losses, defined benefit plans				-6	-6	-	-6
Translation differences, foreign operations			-117		-117	-	-117
Hedges of net investments			-8		-8	-	-8
<i>Total comprehensive income</i>	<i>-</i>	<i>-</i>	<i>-125</i>	<i>206</i>	<i>81</i>	<i>0</i>	<i>81</i>
Dividend to shareholders				-67	-67	-	-67
Issue of share options				2	2	-	2
<i>Transactions with shareholders</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-65</i>	<i>-65</i>	<i>-</i>	<i>-65</i>
<b>Closing balance, 30 jun 2020</b>	<b>79</b>	<b>2,260</b>	<b>197</b>	<b>2,507</b>	<b>5,043</b>	<b>0</b>	<b>5,043</b>

### Share capital

The share capital of SEK 78,707,820 is divided among 78,707,820 shares with a face value of SEK 1.00. Lindab International AB (publ) holds 2,375,838 (2,375,838) treasury shares, corresponding to 3.0 percent (3.0) of the total number of Lindab shares. The number of outstanding shares totals 76,331,982 (76,331,982).

### Proposed dividend to shareholders

In accordance with the proposal of the Board of Directors, the Annual General Meeting on April 29, 2020 resolved that dividends of SEK 1.75 per share, corresponding SEK 134 m, would be paid for the financial year. The remaining retained earnings of SEK 2,308 m will be carried forward. Dividend of SEK 1.75 per share will be distributed half-yearly which the first dividend of SEK 0.88 per share, corresponding to SEK 67 m, with record date May 4 and second dividend of SEK 0.87 per share, corresponding to SEK 67 m, with record date November 2, 2020.



# Parent company

## Income statement

SEK m	2020 Apr-Jun	2019 Apr-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
Net sales	2	1	3	2	5
Administrative expenses	-2	-2	-4	-3	-7
Other operating income/expenses	-	0	-	0	0
<b>Operating profit</b>	<b>0</b>	<b>-1</b>	<b>-1</b>	<b>-1</b>	<b>-2</b>
Profit from subsidiaries	-	-	-	-	12
Interest expenses, internal	-1	0	-2	0	-2
<b>Earnings before tax</b>	<b>-1</b>	<b>-1</b>	<b>-2</b>	<b>-1</b>	<b>8</b>
Tax on profit for the period	0	0	0	0	-2
<b>Profit/Loss for the period<sup>1)</sup></b>	<b>-1</b>	<b>-1</b>	<b>-2</b>	<b>-1</b>	<b>6</b>

1) Comprehensive income corresponds to profit for all periods.

## Statement of financial position

SEK m	30 Jun 2020	30 Jun 2019	31 Dec 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Financial fixed assets</i>			
Shares in Group companies	3,467	3,467	3,467
Financial interest-bearing fixed assets	5	5	5
Deferred tax assets	1	1	1
<b>Total non-current assets</b>	<b>3,473</b>	<b>3,473</b>	<b>3,473</b>
<b>Current assets</b>			
Receivables from Group companies	1	0	12
Current tax assets	-	1	-
Cash and cash equivalents	0	0	0
<b>Total current assets</b>	<b>1</b>	<b>1</b>	<b>12</b>
<b>TOTAL ASSETS</b>	<b>3,474</b>	<b>3,474</b>	<b>3,485</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
<i>Restricted shareholders' equity</i>			
Share capital	79	79	79
Statutory reserve	708	708	708
<i>Non-restricted shareholders' equity</i>			
Share premium reserve	90	90	90
Profit brought forward	2,285	2,345	2,346
Profit/Loss for the period	-2	-1	6
<b>Total shareholders' equity</b>	<b>3,160</b>	<b>3,221</b>	<b>3,229</b>
<b>Provisions</b>			
Interest-bearing provisions	5	5	5
<b>Total provisions</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Current liabilities</b>			
Liabilities to Group companies	306	246	248
Accounts payable	0	0	-
Current tax liability	1	-	1
Accrued expenses and deferred income	2	2	2
<b>Total current liabilities</b>	<b>309</b>	<b>248</b>	<b>251</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,474</b>	<b>3,474</b>	<b>3,485</b>

## Key performance indicators

SEK m	2020		2019				2018 <sup>2)</sup>		
	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun
Net sales	2,218	2,332	2,526	2,462	2,569	2,315	2,384	2,397	2,392
Growth, %	-14	1	6	3	7	8	9	15	13
of which organic	-12	-1	3	1	5	5	5	8	8
of which acquisitions/divestments	0	0	0	0	0	-	1	1	1
of which currency effects	-2	2	3	2	2	3	3	6	4
Operating profit before depreciation/amortisation and impairment losses	289	282	309	380	339	287	189	243	169
Operating profit	148	184	212	2/3	238	192	14/	200	129
Adjusted operating profit	222	184	212	273	238	192	173	209	148
Earnings before tax	139	176	204	267	228	182	143	196	124
Profit for the period	76	136	143	212	181	142	106	152	91
Operating margin, %	6.7	7.9	8.4	11.1	9.3	8.3	6.2	8.3	5.4
Adjusted operating margin, %	10.0	7.9	8.4	11.1	9.3	8.3	7.3	8.7	6.2
Profit margin, %	6.3	7.5	8.1	10.8	8.9	7.8	6.0	8.2	5.2
Cash flow from operating activities	295	26	366	395	177	79	238	262	51
Cash flow from operating activities per share, SEK	3.87	0.34	4.79	5.18	2.32	1.03	3.12	3.43	0.67
Free cash flow	190	-107	271	347	64	35	198	243	26
Adjusted free cash flow	229	-107	274	345	97	35	198	243	26
Cash flow, investments in intangible assets/tangible fixed assets	67	133	100	51	82	45	40	30	26
Number of shares outstanding, thousands	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332
Average number of shares outstanding, thousands	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332
Earnings per share, SEK <sup>1)</sup>	1.00	1.78	1.88	2.78	2.38	1.85	1.38	1.99	1.19
Shareholders' equity attributable to parent company shareholders	5,043	5,182	5,02/	4,94/	4,708	4,643	4,464	4,38/	4,2/6
Shareholders' equity attributable to non-controlling interests	0	-	-	-	-	-	0	1	1
Shareholders' equity per share, SEK	66.06	67.89	65.86	64.80	61.68	60.83	58.49	57.47	56.02
Net debt	1,859	2,093	1,771	1,996	2,262	2,130	1,052	1,249	1,487
Adjusted net debt	894	1,077	732	1,003	1,265	1,096	1,052	1,249	1,487
Net debt/equity ratio, times	0.4	0.4	0.4	0.4	0.5	0.5	0.2	0.3	0.3
Equity/asset ratio, %	52.8	52.0	53.3	50.6	49.2	49.2	57.2	52.5	50.6
Return on equity, %	11.4	13.7	14.3	13.8	12.9	11.1	9.1	8.9	8.2
Return on capital employed, %	11.1	12.5	13.6	12.8	12.6	10.9	9.4	8.8	8.1
Interest coverage ratio, times	12.8	15.9	16.5	22.9	20.0	15.8	24.4	30.3	19.0
Net debt/EBITDA, excl. one-off items and restructuring costs	1.5	1.5	1.6	1.5	1.5	1.6	1.6	1.9	2.0
Number of employees by end of period	4,981	5,162	5,196	5,148	5,277	5,148	5,071	5,142	5,195

SEK m	2020	2019	2019	2018 <sup>2)</sup>	2017 <sup>2)</sup>
	Jan-Jun	Jan-Jun	Jan-Dec	Jan-Dec	Jan-Dec
Net sales	4,550	4,884	9,872	9,326	8,242
Growth, %	-7	7	6	13	5
of which organic	-/	4	3	8	4
of which acquisitions/divestments	0	0	0	1	0
of which currency effects	0	3	3	4	1
Operating profit before depreciation/amortisation and impairment losses	571	626	1,315	715	654
Operating profit	332	430	915	547	492
Adjusted operating profit	406	430	915	634	511
Earnings before tax	315	410	881	531	467
Profit for the period	212	323	678	394	347
Operating margin, %	7.3	8.8	9.3	5.9	6.0
Adjusted operating margin, %	8.9	8.8	9.3	6.8	6.2
Profit margin, %	6.9	8.4	8.9	5.7	5.7
Cash flow from operating activities	321	256	1,017	593	410
Cash flow from operating activities per share, SEK	4.21	3.35	13.32	7.77	5.37
Free cash flow	83	99	717	488	279
Adjusted free cash flow	122	132	751	488	343
Cash flow to investments in intangible assets and tangible fixed assets	200	127	278	120	100
Number of shares outstanding, thousands	76,332	76,332	76,332	76,332	76,332
Average number of shares outstanding, thousands	76,332	76,332	76,332	76,332	76,332
Earnings per share, SEK <sup>1)</sup>	2.78	4.23	8.89	5.16	4.54
Dividend per share, SEK	-	-	1.75 <sup>3)</sup>	1.75	1.55
Shareholders' equity attributable to parent company shareholders	5,043	4,708	5,027	4,464	4,129
Shareholders' equity attributable to non-controlling interests	0	-	-	0	1
Shareholders' equity per share, SEK	66.06	61.68	65.86	58.49	54.09
Net debt	1,859	2,262	1,771	1,052	1,305
Adjusted net debt	894	1,265	732	1,052	1,305
Net debt/equity ratio, times	0.4	0.5	0.4	0.2	0.3
Equity/asset ratio, %	52.8	49.2	53.3	57.2	53.4
Return on equity, %	11.4	12.9	14.3	9.1	8.8
Return on capital employed, %	11.1	12.6	13.6	9.4	8.8
Interest coverage ratio, times	14.3	17.9	18.8	21.4	14.1
Net debt/EBITDA, excl. one-off items and restructuring costs	1.5	1.5	1.6	1.6	2.2
Number of employees end of period	4,981	5,277	5,196	5,071	5,083

1) Earnings per share is before and after dilution.

2) In 2019, Lindab implemented IFRS 16 Leases. By applying relief rules comparative figures from previous periods have not been restated, i.e. there is no full comparability to reported figures for 2018 and earlier periods.

3) Dividend of SEK 1.75 per share divided in two payouts, SEK 0.88 per share in May 2020 and SEK 0.87 per share in November 2020.

## Notes

### NOTE 1 – ACCOUNTING POLICIES

The consolidated accounts for the interim report have been prepared in line with the annual consolidated accounts for 2019, in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board RFR 1, Supplementary Accounting Rules for Groups.

This interim report has been prepared in accordance with IAS 34. The Group has applied the same accounting policies as described in the Annual Report for 2019. None of the new or amended standards, interpretations or improvements adopted by the EU have had any significant impact on the Group.

Information in terms of IAS 34 Interim financial reporting has been disclosed in notes to the financial statements as well as in other pages of the interim report.

#### The parent company

The financial statements for the parent company are prepared according to the Swedish Annual Accounts Act and RFR 2, Accounting for legal entities and according to the same accounting policies as were applied in the Annual Report for 2019.

### NOTE 2 – EFFECTS OF CHANGES IN ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant estimates and judgements are described in Note 4 in the Annual Report for 2019. No essential changes have been made to these estimates or judgements which could have a material impact on the interim report. It should be noted that as consequence of covid-19, Lindab has carefully reassessed the need for changed estimates and judgements in connection with preparation of the interim report. This reassessment has, like for the first quarter, resulted in some adjustments of applied calculation rates in the valuation of expected credit losses for accounts receivable. The changed estimate of expected bad debt losses of those receivables has impacted all valuation categories, from accounts receivable that are not yet due to receivables that are overdue by more than 360 days, and resulted in a negative impact on operating profit corresponding to SEK 3 m. The recognised impact of SEK 3 m mainly affected the result during the first quarter.

### NOTE 3 – GOVERNMENT GRANTS

Government grants are recognised in the financial statements when there is a reasonable assurance that Lindab complies with the conditions attached to the grants and when the grants will be received. Government grants compensating for specific costs are recognised as cost reductions in the income statement and thus classified within the same category as the underlying cost. Government grants in the nature of more general allowances are recognised as other operating income. If government grants are received as a consequence of investment in fixed assets, the acquisition value of the acquired asset is reduced by the value of the recognised grant.

Due to covid-19, Lindab has recognised government grants corresponding to SEK 26 m for the period January–June, whereof the majority corresponds to the second quarter. The grants

primarily related to compensation for employee related costs and has thus been classified as cost reductions per category of cost in the income statement. In addition to the government grants, the Group has also recognised lower costs through reductions of employee related social security contributions corresponding to SEK 8 m as a result of covid-19.

### NOTE 4 – BUSINESS COMBINATIONS

On June 5, 2020, Lindab acquired 95 percent of the shares and voting rights in the Irish company Smofir Trading Ltd. The business is mainly focused on licensing of certified fire ductwork systems and component sales related to these systems. The technology is licensed under the brand of Thor Duct and the operation is primarily related to customers in Ireland and the UK. The acquisition is a step for Lindab to further strengthen the offering in ventilation systems in the markets in question. Smofir Trading Ltd. is registered in Dublin, Ireland. The company as an annual sales of approximately SEK 21 m.

The purchase consideration of Smofir Trading Ltd. was settled at the time of acquisition and the net cash flow, after adjustments for cash and cash equivalents of the acquired company, amounted to net SEK 33 m. There are no additional purchase considerations. However, the agreement included an option entitling Lindab to acquire the remaining 5 percent of the shares and voting rights later. Costs related to the acquisition amounted to SEK 1 m.

According to preliminary purchase price allocation analysis, the acquisition results in a goodwill of approximately SEK 18 m. This is due to, among other things, the market leading position in Ireland and the UK as well as expected synergies.

Smofir Trading Ltd. is consolidated in Lindab as of June 5, 2020. The acquisition of the company has had a marginal impact on the Group's sales and net profit from the time of acquisition until June 30, 2020. If the acquisition had been implemented as of January 1, 2020, the Group's net sales had increased by approximately SEK 10 m. Smofir Trading Ltd. is part of the Ventilation Systems segment.

During the second quarter of 2020, the cash flow related to business combinations also included, beside above mentioned transaction, settlement of some conditional additional purchase considerations. This additional purchase consideration amounted to SEK 6 m and was related to the acquisition of A.C. Manufacturing Ltd in December 2017.

During January–June 2019, the following business combinations took place:

On April 2, 2019, Lindab acquired all shares and voting rights in the British ventilation company Ductmann Ltd., whose business is mainly focused on production and sale of rectangular ducts and fire-rated ducting for ventilation systems. The acquisition was a natural step for Lindab to further strengthen the offering in ventilation systems in the UK market. Ductmann Ltd. is registered in Dudley, UK. The company has annual sales of approximately SEK 43 m.

## Notes (cont.)

The purchase consideration of Ductmann Ltd. was mainly settled in cash at the time of acquisition and the net cash flow, after adjustment for cash and cash equivalents of the acquired company, amounted to SEK 33 m. There were no additional purchase considerations. The acquisition resulted in a goodwill of SEK 15 m. Cost related to the acquisition amounted to SEK 1 m

### NOTE 5 – OPERATING SEGMENTS

The Group's segments comprise Ventilation Systems, Profile Systems and Building Systems. The basis for segmental reporting is the various customer offers provided by each business area. The customer offers within each segment are as follows:

- Ventilation Systems offers air duct systems with accessories and indoor climate solutions for ventilation of heating and cooling to installers and other customers in the ventilation industry.
- Profile Systems offers the construction industry products and systems in sheet metal for rainwater systems, cladding for ceilings and walls as well as steel profiles for wall, ceiling and beam constructions.
- Building Systems offers complete prefabricated steel construction systems.

Both Ventilation Systems' and Profile Systems' operations are managed based on geographically divided sales organisations, which are supported by a number of product and system areas

with joint production and purchasing functions for each business area. Building Systems consists of a separate integrated project organisation. What is reported under Other includes the parent company's and other common functions.

Information on income from external customers and adjusted operating profit per operating segment is presented in the tables on page 12. Internal prices between the Group's segments are set based on the principle of arm's length, that is, between parties that are independent of each other, well-informed and have an interest in the transaction being carried out. Assets and investments are reported where the asset exists.

### NOTE 6 - RELATED PARTY TRANSACTIONS

Lindab's related parties and the extent of transactions with its related parties are described in Note 31 of the Annual Report for 2019.

At the Annual General Meeting in April 2020, it was resolved to adopt a share option programme for senior executives. Under the programme, 210,000 share options were acquired by senior executives during the second quarter. See more under 'Share option programme', page 8.

During the year, there have been no other transactions between Lindab and related parties which have had a significant impact on the company's position and profit.

The Board of Directors and the CEO hereby confirm that the interim report for Lindab International AB (publ) gives a true and fair picture of the company's and the Group's operations, financial position and results and describes significant risks and uncertainties that the company and the companies in the Group are facing.

Båstad, 17 July 2020

Peter Nilsson  
Chairman of the Board

Per Bertland  
Board member

Sonat Burman-Olsson  
Board member

Viveka Ekberg  
Board member

Anette Frumerie  
Board member

Marcus Hedblom  
Board member

Staffan Pehrson  
Board member

Pontus Andersson  
Employee representative

Anders Lundberg  
Employee representative

Ola Ringdahl  
President and CEO



## Reconciliations, key performance indicators not defined according to IFRS

The company presents certain financial measures in the interim report which are not defined according to IFRS. The company considers these measures to provide valuable supplementary information for investors and the company's management as they enable the assessment of relevant trends. Lindab's definitions of these measures may differ from other companies' definitions of the same terms. These financial measures should therefore be seen as a

supplement rather than as a replacement for measures defined according to IFRS. Definitions of measures which are not defined according to IFRS and which are not mentioned elsewhere in the interim report are presented below. Reconciliation of these measures is shown in the tables below. As the amounts in the tables below have been rounded off to SEK m, the calculations do not always add up due to round-off.

### Reconciliations

Amounts in SEK m unless otherwise indicated.

	30 Jun 2020	30 Jun 2019	31 Dec 2019
<b>Return on shareholders' equity</b>			
Profit for the period, rolling twelve months	567	581	678
Average shareholders' equity	4,981	4,496	4,758
<b>Return on shareholders' equity, %</b>	<b>11.4</b>	<b>12.9</b>	<b>14.3</b>

	30 Jun 2020	30 Jun 2019	31 Dec 2019
<b>Return on capital employed</b>			
<b>Total assets</b>	<b>9,556</b>	<b>9,564</b>	<b>9,438</b>
Provisions and deferred tax liabilities	125	131	135
Other non-current liabilities	8	15	9
<b>Total non-current liabilities</b>	<b>133</b>	<b>146</b>	<b>144</b>
Provisions	40	24	26
Accounts payable	766	902	763
Other current liabilities	1,180	1,058	1,122
<b>Total current liabilities</b>	<b>1,986</b>	<b>1,984</b>	<b>1,911</b>
<b>Capital employed</b>	<b>7,437</b>	<b>7,434</b>	<b>7,383</b>
Earnings before tax, rolling twelve months	786	749	881
Financial expenses, rolling twelve months	50	50	55
<b>Total</b>	<b>836</b>	<b>799</b>	<b>936</b>
Average capital employed	7,507	6,342	6,870
<b>Return on capital employed, %</b>	<b>11.1</b>	<b>12.6</b>	<b>13.6</b>

	2020 Jan-Jun	2019 Jan-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
<b>One-off items and restructuring costs</b>					
<b>Operating profit</b>	<b>148</b>	<b>238</b>	<b>332</b>	<b>430</b>	<b>915</b>
Ventilation Systems	74	-	74	-	-
Profile Systems	-	-	-	-	-
Building Systems	-	-	-	-	-
Other operations	-	-	-	-	-
<b>Adjusted operating profit</b>	<b>222</b>	<b>238</b>	<b>406</b>	<b>430</b>	<b>915</b>

One-off items and restructuring costs during the second quarter 2020 was related to the decision to close IMP Klimp Group. Of the total amount of SEK -74 m, SEK -40 m was related to impairment of fixed assets (of which SEK -32 m was related to properties), SEK -15 m to impairment of stock and SEK -19 m to personnel provisions.

	2020 Jan-Jun	2019 Jan-Jun	2020 Jan-Jun	2019 Jan-Jun	2019 Jan-Dec
<b>Free cash flow</b>					
Cash flow from operating activities	295	177	321	256	1,017
Cash flow from investing activities	-105	-113	-238	-157	-300
<b>Free cash flow</b>	<b>190</b>	<b>64</b>	<b>83</b>	<b>99</b>	<b>717</b>
Cash flow related to divestments and acquisitions	39	33	39	33	34
<b>Adjusted free cash flow</b>	<b>229</b>	<b>97</b>	<b>122</b>	<b>132</b>	<b>751</b>

	30 Jun 2020	30 Jun 2019	31 Dec 2019
<b>Net debt</b>			
Non-current interest-bearing provisions for pensions and similar obligations	297	260	283
Non-current liabilities to credit institutions	1,108	1,336	1,001
Non-current leasing liabilities	739	776	798
Current interest-bearing liabilities	250	354	274
<b>Total liabilities</b>	<b>2,394</b>	<b>2,726</b>	<b>2,356</b>
Financial interest-bearing fixed assets	35	38	34
Other interest-bearing receivables	15	27	15
Cash and cash equivalents	485	399	536
<b>Total assets</b>	<b>535</b>	<b>464</b>	<b>585</b>
<b>Net debt</b>	<b>1,859</b>	<b>2,262</b>	<b>1,771</b>

	30 Jun 2020	30 Jun 2019	31 Dec 2019
<b>Adjusted net debt</b>			
Net debt	1,859	2,262	1,771
Liabilities related to leasing	-965	-997	-1,039
<b>Adjusted net debt</b>	<b>894</b>	<b>1,265</b>	<b>732</b>

	30 Jun 2020	30 Jun 2019	31 Dec 2019
<b>Net debt/EBITDA</b>			
Average net debt	1,927	1,694	2,052
Adjusted operating profit, rolling twelve months	891	812	915
Depreciation/amortisation and impairment losses, rolling twelve months	403	281	400
<b>EBITDA</b>	<b>1,294</b>	<b>1,093</b>	<b>1,315</b>
<b>Net debt/EBITDA, times</b>	<b>1.5</b>	<b>1.5</b>	<b>1.6</b>

<b>Organic growth</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Jan-Dec</b>
Change Net sales	-351	177	-334	339	546
Of which					
Organic	-313	114	-336	206	291
Acquisitions/divestments	-6	10	-3	10	19
Currency effects	-32	53	4	123	236

<b>Interest coverage ratio, times</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Jan-Dec</b>
Earnings before tax	139	228	315	410	881
Interest expenses	12	12	24	24	50
<b>Total</b>	<b>151</b>	<b>240</b>	<b>339</b>	<b>434</b>	<b>931</b>
Interest expenses	12	12	24	24	50
<b>Interest coverage ratio, times</b>	<b>12.8</b>	<b>20.0</b>	<b>14.3</b>	<b>17.9</b>	<b>18.8</b>

<b>Operating profit before depreciation/amortisation-EBITDA</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Jan-Jun</b>	<b>Jan-Dec</b>
Operating profit	148	238	332	430	915
Depreciation/amortisation and impairment losses	141	101	239	196	400
<i>Of which one-off items and restructuring costs</i>	<i>40</i>	<i>-</i>	<i>40</i>	<i>-</i>	<i>-</i>
<b>Operating profit before depreciation/amortisation-EBITDA</b>	<b>289</b>	<b>339</b>	<b>571</b>	<b>626</b>	<b>1,315</b>

### General information

Unless otherwise indicated in this interim report, all statements refer to the Group. Figures in parentheses indicate the result for the corresponding period of the previous year. Unless otherwise indicated, amounts are in SEK m.

The report has not been audited by the company's auditors.

This is a translation of the Swedish original report. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.

## Definitions

### Key performance indicator according to IFRS

**Earnings per share, SEK:** Profit for the period attributable to parent company shareholders to average number of shares outstanding.

### Key performance indicators not defined according to IFRS

**Adjusted Free Cash Flow:** Cash flow from operations and cash flow from investments, excluding company acquisitions/divestments.

**Adjusted Net debt:** Net debt excluding liabilities related to leasing.

**Adjusted operating margin:** Adjusted operating profit expressed as a percentage of net sales.

**Adjusted operating profit:** Operating profit adjusted for one-off items and restructuring costs when the amount is significant in size.

**Cash flow from operating activities per share, SEK:** Cash flow from operating activities to number of shares outstanding at the end of the period.

**Equity/asset ratio:** Shareholders' equity including non-controlling interests, expressed as a percentage of total assets.

**Free Cash Flow:** Cash flow from operations and cash flow from investments.

**Interest coverage ratio, times:** Earnings before tax plus interest expense to interest expense

**Investments in intangible assets and tangible fixed assets:** Investments excluding acquisitions and divestments of companies.

**Net debt:** Interest-bearing provisions and liabilities less interest-bearing assets and cash and cash equivalents.

*1) Average capital is based on the quarterly value.*

**NET debt/EBITDA:** Average net debt in relation to EBITDA, excluding one-off items and restructuring costs, based on a rolling twelve-month calculation.

**Net debt/equity ratio:** Net debt to shareholders' equity including non-controlling interests.

**One-off items and restructuring costs:** Items not included in the ordinary business transactions and when each amount is significant in size and therefore has an effect on the profit or loss and key performance indicators, are classified as one-off items and restructuring costs.

**Operating margin:** Operating profit expressed as a percentage of net sales.

**Operating profit:** Profit before financial items and tax.

**Operating profit before depreciation/amortisation - EBITDA:** Operating profit before planned depreciation/amortisation.

**Organic growth:** Change in sales adjusted for currency effects as well as acquisitions and divestments compared with the same period of the previous year.

**Profit margin:** Earnings before tax expressed as a percentage of net sales.

**Return on capital employed:** Earnings before tax after adding back financial expenses based on a rolling twelve-month calculation, expressed as a percentage of average capital employed<sup>1)</sup>. Capital employed refers to total assets less non-interest-bearing provisions and liabilities.

**Return on shareholders' equity:** Profit for the period attributable to parent company shareholders based on a rolling twelve-month calculation, expressed as a percentage of average shareholders' equity<sup>1)</sup> attributable to parent company shareholders.

**Shareholders' equity per share, SEK:** Shareholders' equity attributable to parent company shareholders to number of shares outstanding at the end of the period.

## Lindab in brief

The Group had sales of SEK 9,872 m in 2019 and is established in 31 countries with approximately 5,000 employees.

The main market is non-residential construction, which accounts for 80 percent of sales, while residential construction accounts for 20 percent of sales. During 2019, the Nordic region accounted for 43 percent, Western Europe for 35 percent, CEE/CIS (Central and Eastern Europe) for 21 percent and Other markets for 1 percent of total sales.

The share is listed on the Nasdaq Stockholm List, Mid Cap, under the ticker symbol LIAB.

### Business concept

Lindab develops, manufactures, markets and distributes products and system solutions for simplified construction and improved indoor climate.

### Business model

Lindab's product and solution offering includes products and

entire systems for ventilation, cooling and heating, as well as construction products and building solutions such as steel rainwater systems, roofing and wall cladding, steel profiles for wall, roof and beam constructions and large span buildings. Lindab also offers complete, pre-engineered steel construction systems under the Astron brand. These are complete building solutions comprising the outer shell with the main structure, wall, roof and accessories.

Lindab's products are characterised by high quality, ease of assembly, energy efficiency and environmentally friendly design and are delivered with high levels of service. Altogether, this provides greater customer value.

Lindab's value chain is characterised by a good balance between centralised and decentralised functions. The distribution has been developed in order to be close to the customer. Sales are made through around 130 Lindab branches and approximately 3,000 retailers, with the exception of Building Systems, which conducts sales through a network of approximately 300 building contractors.

## Lindab share

### January - June 2020

Share price performance:	-9%
Average share turnover/day:	238,224
Highest price paid (February 20):	131.60 SEK
Lowest price paid (March 19):	64.30 SEK
Closing price June 30:	109.20 SEK
Market cap June 30:	SEK 8,335 m
Total no. of shares:	78,707,820
- whereof treasury shares:	2,375,838
- whereof outstanding shares:	76,331,982

Share price performance 2019/2020 (R12 M), SEK



## Press- and analyst meetings

A live audiocast will be held at 13:00 pm (CEST) on 17 July. The Interim Report will be presented by Ola Ringdahl, President and CEO, and Malin Samuelsson, CFO.

To access the audiocast, please call:  
 Phone +46 (0) 8 505 583 65  
 Alternatively phone +44 333 300 9274

The audiocast and presentation can be followed live via Lindab's homepage.

For more information see [www.lindabgroup.com](http://www.lindabgroup.com).

## Calendar

Interim Report January - September 23 October 2020  
 Year-End Report 9 February 2021

All financial reports will be published at [www.lindabgroup.com](http://www.lindabgroup.com).

This is information that Lindab International AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out below, at 07:40 am (CEST) on 17 July 2020.

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