Annual Report 2017

Leading solutions
for a better indoor climate

Lindab®

90%

We humans spend up to 90 percent of our time indoors and breathe in approximately 15,000 litres of air per day. A good indoor climate with clean air is therefore crucial to our wellbeing. Lindab is one of a few companies that can offer a complete energy efficient solution to move and clean outdoor air in order to provide an optimum indoor climate suited to different environments. By engaging in a close dialogue with customers and users we develop new and innovative solutions for the future.

Contents

The formal annual accounts signed by the Board of Directors and reviewed by the auditors can be found on pages 56–106.

This document is a translation of the original, published in Swedish. In cases of any discrepancies between the Swedish and English versions, or in any other context, the Swedish original shall have precedence.

Lindab's sustainability work is reported as an integral part of this annual report. We apply the Global Reporting Initiative (GRI) guidelines for reporting of sustainability information according to GRI G4 Core. A GRI index with information references is available at www.lindabgroup.com.

Lindab is an international group that develops, manufactures, markets and distributes innovative products and solutions that simplify construction and improve the indoor climate. Founded in 1959 in Grevie, Sweden, the company currently has operations in 32 countries with approximately 5,100 employees. The Group's operations are divided into two segments – Products & Solutions and Building Systems. Sales amount to approximately SEK 8.2 billion.

Lindab 2017

Sales growth and increased focus on ventilation

- Higher net sales for the Group as a whole but considerable variations between segments.
- Improved profit for Products & Solutions, weaker performance in Building Systems.
- The Board of Directors proposes a dividend of SEK 1.55 (1.40).
- New CEO and strategic decision to evaluate the non-ventilation related business.
- Establishment of the new Energy and Climate Solutions function.
- Acquisition of the Irish company A.C. Manufacturing Ltd.

Net sales

SEK 8.2 BN

Net sales increased by 5.0% to SEK 8,242 m (7,849). Organic growth amounted to 4.0 percent.

Operating margin

6.2%

Operating margin excluding one-off items and restructuring costs amounted to 6.2% (6.5).

Operating profit

SEK 511 M

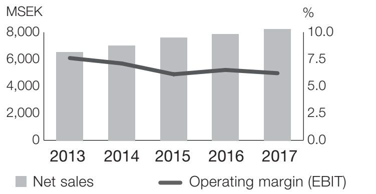
Excluding one-off items and restructuring costs of SEK –19 m (–28) the operating profit amounted to SEK 511 m (511).

Cash flow

SEK 410 M

Cash flow from operating activities fell by 17.8% to SEK 410 m (499).

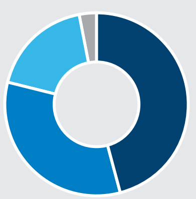
Net sales, operating margin* 2013–2017



*Operating margin excl. one-off items and restructuring costs

Over the past five years, net sales increased by 26.4%. The operating margin fluctuated between 6.1% and 7.6% in the same period.

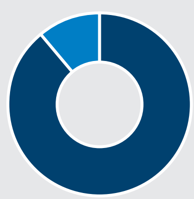
Share of net sales by region



- Nordic region, 46%
- Western Europe, 33%
- CEE/CIS*, 18%
- Other markets, 3%

* CEE = Central and Eastern Europe, CIS = Commonwealth of Independent States (former republics of the Soviet Union).

Share of net sales by segment



- Products & Solutions, 89%
- Building Systems, 11%

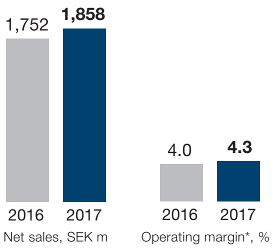
Lindab's business is divided into two separate segments with different business models, brands and customer groups.

* Europe's industry association for indoor climate, process cooling and food cold chain technologies.

Organic growth of 10 percent within Products & Solutions

Q1

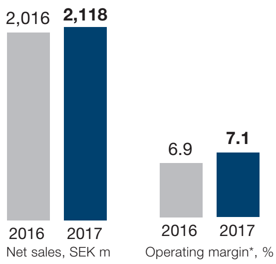
Comment:
Best first quarter for Products & Solutions since 2008, but weak quarter for Building Systems. At the ISH trade fair in Frankfurt, we presented our solution for controlling and optimising ventilation in buildings based on our complete ventilation system.



Higher profitability through increased sales and cost control

Q2

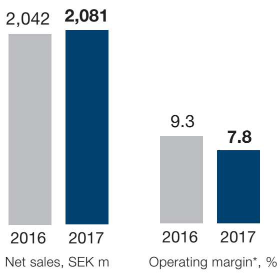
Comment:
Sales within ventilation related product areas continued to develop well, and profitability increased in Products & Solutions. Lower sales and profitability in Building Systems. We received two prestigious awards for UltraLink.



New CEO, strategic evaluation and higher raw material costs

Q3

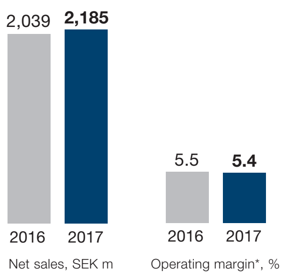
Comment:
Reduced gross margin within Products & Solutions due to higher steel prices. UltraLink 2.0 was launched and our new distribution concept was put into use. New CEO and strategic evaluation initiated of the non-ventilation related business.



Sales growth, acquisition and initiatives in Building Systems

Q4

Comment:
Strong organic growth within Products & Solutions. Weak growth within Building Systems however with higher order intake. Initiatives launched. Acquisition of the Irish company A.C. Manufacturing Ltd and Eurovent certification of our circular duct systems.



* EBIT % excluding one-off items and restructuring costs.

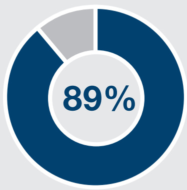
Segment

Products & Solutions

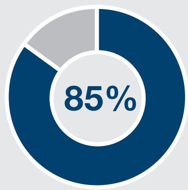
Products & Solutions offers products, solutions and systems within ventilation and construction that are energy-efficient, easy to install and well-documented. Focus is mainly on complete solutions for a pleasant, healthy and productive indoor climate.

Share of the Group

Net sales



Employees



Net sales

SEK 7.4 BN

Net sales increased by 5.9% to SEK 7,360 m (6,949). Growth in all regions, strongest in the CEE region.

Operating margin

8.0%

Operating margin excluding one-off items and restructuring costs amounted to 8.0% (8.1).

Operating profit

SEK 590 M

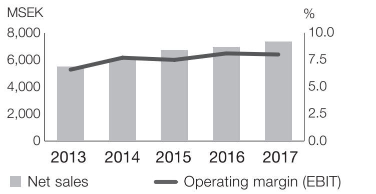
Excluding one-off items and restructuring costs of SEK –0 m (–24) the operating profit increased to SEK 590 m (565).

Number of branches

135 branches

Lindab's European branch network is an important competitive advantage. At the year end 2017, the network comprised 135 branches (136).

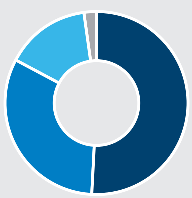
Net sales, operating margin* 2013–2017



*Operating margin excl. one-off items and restructuring costs

Over the past five years, net sales increased by 33.9%. The operating margin fluctuated between 6.6% and 8.1% in the same period.

Share of net sales by region



- Nordic region, 51%
- Western Europe, 32%
- CEE/CIS, 15%
- Other markets*, 2%

* Mainly the Middle East, Asia and the USA.

5 largest markets

1. Sweden
2. Denmark
3. UK
4. Norway
5. France

Lindab

Just over 80 percent of the products and solutions are sold under the Lindab brand.

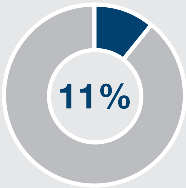
Segment

Building Systems

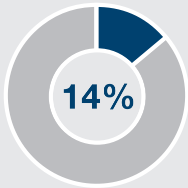
Building Systems offers complete prefabricated steel construction systems with proprietary software that simplifies the process for both designers and contractors. The ground-breaking offering is a concept for efficient construction of large buildings for mainly industry and warehousing.

Share of the Group

Net sales



Employees



Net sales

SEK 0.9 BN

Net sales decreased by 2.0% to SEK 882 m (900). Strong in the CIS region, weak in Western Europe.

Operating margin

–4.8%

Operating margin excluding one-off items and restructuring costs decreased to –4.8% (–1.3).

Operating profit

SEK –42 M

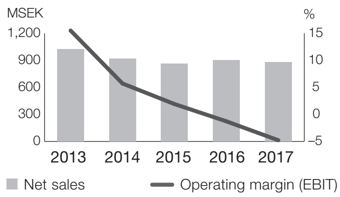
Excluding one-off items and restructuring costs of SEK 0 m (0) the operating profit decreased to SEK –42 m (–12).

Number of countries

34 countries

Continued market diversification meant that sales covered 34 countries (33) in 2017.

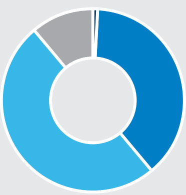
Net sales, operating margin 2013–2017



*Operating margin excl. one-off items and restructuring costs

Over the past five years, net sales decreased by 14.1%. The operating margin fluctuated between –4.8% and 15.5% in the same period.

Share of net sales by region



- Nordic region, 1%
- Western Europe, 38%
- CEE/CIS, 50%
- Other markets*, 11%

* Mainly Africa and the Middle East.

5 largest markets

1. Germany
2. Russia
3. Poland
4. Africa
5. Luxembourg

ASTRON

Building Systems' complete steel construction system is marketed under the Astron brand.

Interview with Fredrik von Oelreich, acting President and CEO

Lindab must be **a driving force** in market transformation

You joined Lindab as acting CEO in September. Why were you chosen?
I think it was because of my past experience as CEO of companies that have been in a similar situation to Lindab, where there was a need to focus the company's resources on its core business. My job is to accelerate the execution of our strategy.

What are your views on Lindab's development in 2017?
The strong construction market in Europe contributed to a continued robust demand for Lindab's products, mainly within ventilation and indoor climate. For Lindab's construction related product areas, the development was somewhat weaker. The sharply rising steel prices also had a negative impact on margins in Products & Solutions. Despite this, Lindab managed to improve profitability. The company's financial position is strong, which creates more scope for acquisitions and other investments that will drive growth.

What is your job about?
The first step is to accelerate the streamlining of the ventilation business. The pace of change is accelerating globally, and we see a great potential for offering complete solutions that increase energy efficiency and improve indoor climate. Lindab has a clear strategic focus on developing complete ventilation solutions for an increasing number of customer segments, so my job is ultimately about enabling Lindab to achieve a leading position in this growing market.

What do you see as the most important initiatives?
The recent years' acquisitions within the ventilation area and the strengthening of expertise within the organisation have provided Lindab with a strong platform on which to build. We must now move the company up the value chain and enter the end customers' decision making process, at an earlier stage. Our investment in the new Energy and Climate Solutions function is an important initiative if we are to achieve this goal. Lindab has products, solutions and know-how. By developing the technology and systems approach we can meet the demand for better indoor air quality in a more energy-efficient manner for a range of different customer groups. The fact is that only a few companies in Europe have the same strength in their offering. We believe our offering can be strengthened further. In order to grow in prioritised markets we are continually assessing potential acquisition targets which may also include complementary products as well as new technology.

Why is that necessary?
The market for ventilation and indoor climate products is growing faster than the construction market as a whole. It is a complex market with many different requirements to consider. Virtually every country in Europe still has its own requirements for specifications and solutions. Lindab must meet these requirements with a complete, relevant and flexible offering. By providing cutting-edge complete solutions we can proactively meet the needs of more customer groups and thereby boost organic growth.

Are there any areas which are given particular focus?
A particularly important area is the development of new technology and use of digitisation to increase efficiency within the company as well as making things simpler for our customers. Our focus areas include increased automation in production, more efficient distribution with automated order flows, new applications and tools within Lindab's e-commerce solutions and, not least, offering consumers different cloud solutions for monitoring and controlling ventilation systems. There were several important product launches in 2017, most notably UltraLink 2.0. This technology for measuring and controlling the air flow in ventilation systems enables significant financial and environmental savings. Given that ventilation is estimated to account for approximately 30 percent of a building's energy consumption, this type of solution will become increasingly important in the future. Lindab already has a strong position in this area, and our offering includes complete duct systems with the market's highest air tightness class.

What does the evaluation of Lindab's non-ventilation related activities involve?
In order to achieve our targets for the ventilation business we need to streamline and focus. This includes reviewing construction related activities that have limited synergy with ventilation. When it comes to Building Systems, we have introduced new initiatives to reduce the cost base and make the business more competitive. For other building products, we identified our non-core business at the beginning of 2018. We estimate that the streamlining process will be completed during the course of 2018.

What are your expectations for 2018?
Lindab has an exciting journey ahead of it, and considering everything that is happening in the company at the moment, we feel that we are already well on track. We must of course be prepared to take on any challenges that may arise, but with competent employees and the offering that is being developed in the Group, Lindab is very well positioned to drive the market's transition towards a more energy-efficient and healthy indoor climate. I also look forward to welcoming Ola Ringdahl as new President and CEO who will continue the exciting work to develop Lindab.

Ola Ringdahl joins as new President and CEO, no later than July 2018

"Lindab is well-positioned to play a leading role in the future development of ventilation. I look forward to working with Lindab's employees, Board of Directors, customers and suppliers and together take the company's development to the next level."

Born: 1972
Short bio: Ola has a M.Sc. in Business and Economics from the Stockholm School of Economics. Since 2013 President and CEO of the Nord-Lock Group, which is part of the Latour Group. Ola has also held senior positions in Capio Healthcare and Crawford.

Global trends

Global trends
drive our business

A deep understanding of how strong global trends affect the business is crucial to Lindab's long-term success. Rapid population growth and urbanisation, demands for enhanced energy efficiency as well as new technology and increased digitisation present a lot of challenges – but above all opportunities for generating sustainable, profitable growth through our leading offering.

High population growth and continued urbanisation

The demographic development with high population growth and increased urbanisation increases the need for smart, energy-efficient solutions for homes, workplaces, logistics and infrastructure as well as solutions that contribute to healthy air. Creating sustainable cities has become one of the most important challenges of our time.

15,000

The Nordic capitals are the fastest growing cities in Europe. In Stockholm, the population has grown by an average of 15,000* people a year over the past ten years.

* Source: SCB

New global economic patterns are emerging

Although emerging and developing economies are not growing as fast as they used to, in the near future they will account for over half of the global economy, in purchasing power parity terms. The higher standard of living increases the demand for services and experiences as well as solutions for healthy and comfortable living and working environments.

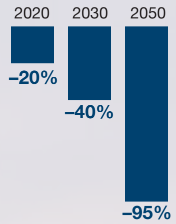
90%

Developing countries account for approximately 50 percent* of the world economy and are home to about 90 percent of the world's population.

* Source: IMF World Economic Outlook

Increased focus on energy regulations and environmental requirements

Buildings account for a large share of the world's energy consumption. They are therefore subject to an increasing number of energy directives and laws, which are also designed to help achieve various climate and energy targets. This calls for an innovative development of resource efficient, new construction techniques and a reduction in energy consumption in existing buildings.



The EU's climate targets* include a progressive reduction of carbon emissions by 2050.

* Source: ec.europa.eu/clima/

Fast development of new materials and processes

The globalisation of the construction industry leads to increased demands for performance, quality and shorter delivery times. There is a growing need for prefabrication, modularisation and faster exchange of information in order to ensure an efficient and profitable construction process. By embracing digitisation and involving every step in the value chain, it is possible to develop new materials and methods more quickly.

The digitisation of the value chain provides better opportunities for delivering the right quantity at the right time and for efficient logistics.

New technology paves the way for intelligent buildings

Better and more affordable technology has enabled intelligent solutions in construction processes and indoor climate systems. A building equipped with control and regulating systems can use sensors to make its own smart decisions based on for example presence and needs, thereby contributing to increased efficiency and lower environmental impact.

New technologies such as VR* and AR* are the next step in simplifying the construction and monitoring of smart, connected buildings.

* Virtual Reality and Augmented Reality

Our offering

How we create **value**

What affects us

How we work

Our strategy is based on insight into how strong global trends drive our business. The importance of energy-efficient solutions for creating a sustainable society is key to this and thereby the strength of our position.

Our offering

Our offering is driven by a desire for continuous improvements, not only for our customers and partners, but also for the people who use the buildings where our solutions are installed.

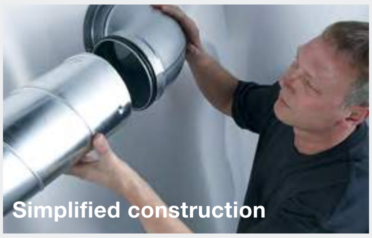
Our goal

With a vision of ultimate comfort we are now stepping up our efforts to offer leading indoor climate solutions to more and more target groups through increased expertise, service and support.


Quick and reliable deliveries


Close dialogue on development


Specification support


Simplified construction


High energy efficiency


Digital tools

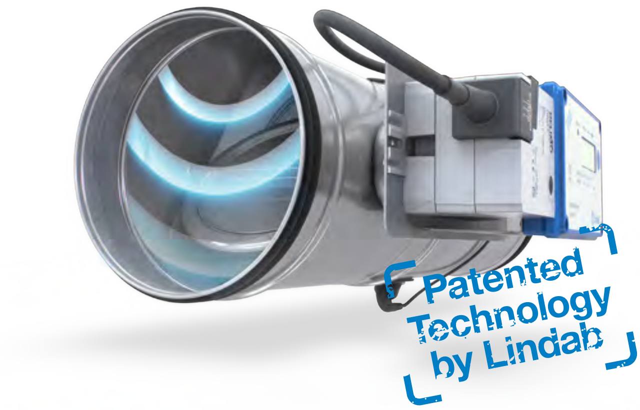
Leading solutions for a better indoor climate

Our offering

Our offering addresses the challenges of the future

We develop energy-efficient and innovative solutions

The ventilation sector needs to develop solutions that improve the indoor climate and save energy at the same time. This requires more innovation, for example through the introduction of new technology. We have stepped up our innovation efforts in recent years. With our award-winning UltraLink technology we upgrade new or existing VAV systems to create an energy-optimised ventilation system that only consumes the exact amount of energy needed. This ensures maximum energy savings that benefit both the environment and the wallet.



We continue to streamline our production and optimise our logistics

To accommodate a more complex business climate with the need for shorter lead times and increased service levels, we carry out projects to foster automation and continuous improvements in our production and implement initiatives to ensure an efficient and fully transparent supply chain. This includes a new purchasing organisation, new inventory management system and a new distribution concept.

We create a healthy and productive indoor climate

We have built up and strengthened our knowledge and acquired and developed products and solutions in order to be able to offer complete system solutions for a better indoor climate. To help customers optimise their projects, we get involved early in the process and continue to meet the customers' needs throughout the entire value chain.

We meet our customers' need for a complete offering

To ensure ultimate comfort with the lowest possible energy consumption in a building we provide our customers with a complete offering. These solutions include everything needed for the efficient completion of a project, such as high-quality products, technical support, systems, IT tools for planning, training and service.

We facilitate efficient handling and monitoring

Lindab's new cloud systems enable wireless monitoring and control of indoor climate systems via smart, connected devices. By gathering information from many systems we are able to conduct analyses to develop even better solutions.

We make buildings safer

Protection against fire and smoke is becoming increasingly important. Our offering comprises certified products such as fire gas dampers, fans and ducts that can withstand very high temperatures. We also offer complete fire-resistant system solutions for all types of building.

We make it easy to shop with us

Sales and distribution is the part of the value chain where the highest level of digitisation is found. Our complete and user-friendly online shop is available in ten markets, ensuring fast deliveries. We also offer apps for calculation and product selection, EDI systems for our large customers as well as increased automation at branches.

We simplify each step of the design and construction process

In addition to making the products available as BIM models for specifiers, we offer leading project planning tools, software packages for new construction as well as technology to optimise the energy performance of buildings. We help to simplify all parts of the construction process – from design to installation.

We contribute to a reduced environmental impact

68%

Calculations for a sample building show that UltraLink can provide energy savings of up to 68% compared with traditional airflow systems.

Strategy and targets

Our strategy for **profitable growth**

In short, our strategy is about benefiting from the strong trends we have identified by utilising our strengths and opportunities. This entails a long-term repositioning, moving from mainly producing and selling products to selling more solutions and systems.

Why did we choose this strategy?

Accelerated pace of change in the market

A few years ago, we focused our attention on the growing impact of strong global trends such as urbanisation, new technology and sustainability on our industry. In order to strengthen our competitiveness and position, we needed to quickly gain an understanding of how this development would affect us.

Growing importance of ventilation and indoor climate

A stronger demand for innovative, energy-efficient solutions for a healthy indoor climate is an important driver of the transformation of the market. Even though we had a leading offering in this area, we needed to improve our ability to create added value for more stakeholders, i.e. move higher up the value chain.

Right skills key to success

In order to successfully carry out this repositioning we needed to review our work methods and identify the need for expertise, which means training our own employees as well as new talent through recruitment and acquisitions. We identified five areas that are critical to this transformation.

Which areas do we focus on?

Market Excellence

Through our strong distribution network and broad product offering along with numerous close customer relationships, we will advance our positions in prioritised markets.

- Develop our marketing and sales skills in order to increase sales of both existing and new products.
- Review the way we physically sell our products and solutions. Have the most efficient distribution and dealer network in each individual market.
- Be proactive through increased dialogue with customers on social media and develop more digital tools that increase the availability of our offering.

Efficient Availability

We must build an efficient supply chain, from raw material purchases to the delivery of finished products to provide our customers with exactly what they need, with a perfect balance between service and costs.

- Use Lindab's combined purchasing power and centralise the supply of important product groups.
- Improve our inventory management system and contribute to increased availability for our customers.
- Free up capital tied up in raw materials and finished goods to enable investments in innovation and marketing.

Solutions

In our prioritised markets we must be the leading supplier of ventilation and indoor climate solutions that meet the needs of our different customer groups and end users.

- Become a natural partner for architects, consultants and property owners to help them select the right solutions in the early stages of new projects.
- Establish a marketing and communication strategy which is adapted to different customer groups and develop our sales organisation.
- Strengthen our capacity within technical areas and product offerings through the acquisition and development of in-house expertise.

Innovation

In all areas of the business, we aim to create a culture of innovation in order to generate ideas and ground-breaking, incremental improvements, thereby ensuring growth and profitability.

- Encourage innovative thinking by our managers and make innovations visible to all our employees.
- Establish a close cooperation between R&D and the marketing organisation to get even closer to customers and decision-makers.
- Introduce an effective process for managing and following up on different ideas in order to turn them into profitable innovations.

People

Through a dedicated leadership, a strong corporate culture and extensive investments in competency development we will ensure that we have the best team for our business.

- Introduce common working methods in the organisation in order to support recruitment, competency development and talent identification.
- Establish a strong and dedicated leadership that builds on our leadership skills, One Lindab – One Leadership.
- Become one of the most attractive employers by building on our strong values of innovation, sustainability and diversity.

What have we achieved so far?

Established cross-functional teams who are committed to developing new ground-breaking ventilation and indoor climate solutions around the topics of energy efficiency and digitisation.

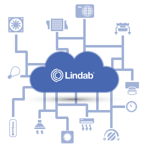
We launched the unique technology UltraLink which has the potential to revolutionise the ventilation industry.

The Lindab Academy training platform offers a wide range of e-learning courses and physical courses.

Lindab Academy

Mapped the need for competencies within the Group and launched extensive training and recruitment drives to strengthen critical, strategic competencies.

Increased the launch rate of new products and solutions with an even greater focus on new technology and exploitation of the opportunities offered by digitisation.



Our first cloud solutions enable smart monitoring of intelligent indoor climate products and systems.

The acquisition of MP3 and IMP Klima allows us to develop and offer our own complete indoor climate solutions.

MP3 advanced air solutions
Lindab IMP Klima

Through strategic acquisitions and focused R&D more complete ventilation and indoor climate solutions were developed for different customer groups within the value chain.

Optimised the branch network and launched a new concept in order to make it easier for our customers to choose the right products both when visiting physical shops and when using Lindab's digital channels.

We established a uniform and more customer-friendly shop and stock concept at our branches in the Nordic region.

With a new distribution concept for Northern Europe we have taken an important step in the optimisation of the supply chain.

Streamlined and optimised the supply chain through a new European purchasing organisation, new inventory management system and a brand-new distribution concept.

What is the next step?

Many of the completed strategic activities have now become a natural and ongoing part of the business. At the same time, we are seeing that the world around us is changing at an ever greater pace. This means that we need to accelerate the execution of the remaining parts of the strategy and further strengthen the focus on our prioritised areas, ventilation and indoor climate. We are therefore assessing Lindab's structure to see if we can free up additional resources to accelerate the development of new, innovative and leading services and system solutions that meet the needs of different customer groups in a rapidly changing market.

Full focus on a **better indoor climate**

We have established a new Energy and Climate Solutions function to step up Lindab's efforts to become a leading supplier of solutions for an optimum indoor climate. We develop solutions for different end customer segments with the aim of creating a productive and healthy indoor climate in buildings such as offices, schools and hospitals. Read more on page 26.

Strategy and targets

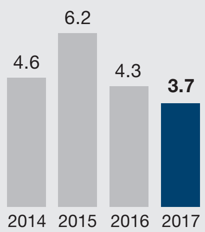
Financial targets and **target fulfilment**

Lindab's financial targets consist of a growth, profitability and debt target which must be achieved in the course of one business cycle. These targets, along with stable dividend payments, will ensure that Lindab creates long-term value for its shareholders while also reflecting the Group's focus on the profitable segments of the European construction sector.

5–8%

Annual growth

The annual growth rate should be 5–8 percent as a combination of organic and acquired growth. Euroconstruct expects the European construction sector to grow by an average of 2–3 percent a year up to 2020. By expanding our offering in rapidly growing areas such as ventilation and indoor climate and making complementary acquisitions that strengthen this focus, we will generate higher growth than the market as a whole.

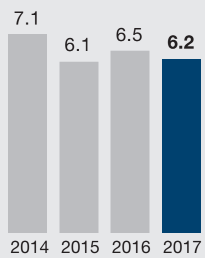


Comment
In 2017, net sales rose by 3.7 percent, adjusted for currency but including acquisitions. Over the past four years, Lindab's sales have increased by an average of 4.7 percent per year.

10%

Operating margin

By adding more services and value-adding solutions to our customer offering we will be able to improve our prices. This, combined with continuous improvements within purchasing, production and logistics, will boost our competitiveness and profitability, and make it possible to reach our target of an average operating margin of 10 percent during a business cycle.

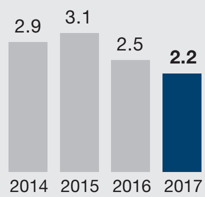


Comment
The operating margin was 6.2 percent in 2017, resulting in an average operating margin of 6.5 percent over the past four years. Rapidly rising steel prices hampered profitability in 2017.

<2.5

Net debt to EBITDA

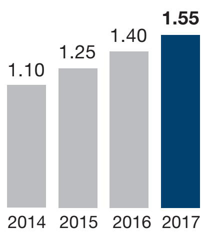
After several years of working to streamline the business and improve cash flow, Lindab now has a strong financial position. To avoid high debt levels in the future, Lindab has established a target for its debt to earnings ratio. The ratio of seasonally adjusted net debt to EBITDA, adjusted for one-off items and restructuring costs, should not exceed 2.5.



Comment
In 2017, average net debt fell to 2.2 times EBITDA, which is in line with Lindab's target, providing a strong financial platform for accelerating the strategy and investing in growth.

Dividends

The Board of Directors' policy is to distribute 30 percent of the company's net profit every year, taking into account the company's capital structure, acquisition needs and long-term financing requirements. This dividend policy was introduced in 2014 and aims to balance long-term shareholder returns and financial flexibility to ensure that Lindab can continue its investments to deliver on its strategy.

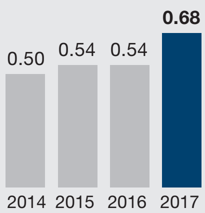


Comment
For 2017, a dividend of SEK 1.55 per share or SEK 118 m is proposed, which corresponds to 34 percent of net profit. For the past four years, Lindab distributed 33 procent of net profit. Since 2014, dividend payments have grown by an average of 12.1 per cent per year.

Lindab's sustainability efforts are an integral and natural part of the strategy. With a strong focus on a good working environment, higher energy efficiency in our own activities and through our products and by developing solutions for an optimum indoor climate we create value for many different stakeholders. Our sustainability targets are part of this important long-term work.

Attractive employer

Lindab's strategy involves long-term repositioning to generate greater added value for more stakeholders. The success of this target requires an increased focus on employee skills. Maintaining and developing key skills in the company and recruiting new key talent is therefore a priority for Lindab.

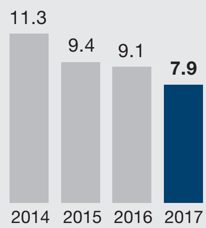


Gender structure management/employees

Comment
During 2017, we continued to focus on competence development as well as initiatives to facilitate career planning within the Group. We are seeing a growing share of women in management position, but are still underrepresented.

Lower carbon emissions

We constantly strive to improve production and logistics in order to increase efficiency and reduce costs. An important part of this work is increasing energy efficiency and maximising the use of renewable energy sources. The target is to reduce carbon emissions measured as a percentage of sales by 20 percent by 2020 from the base year 2009.

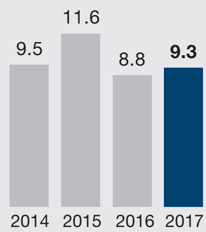


Tonnes of CO_2/SEK m (Base year: 2009 = 10.7)

Comment
Continued focus on higher energy efficiency and an increased share of renewable energy sources in production and our logistics solutions has reduced carbon emissions measured as a percentage of sales. The goal has now been achieved.

Better working environment

With 37 production units in 21 countries and a comprehensive logistics network with its own and hired transport services Lindab has a strong commitment to safety. Since 2012, we have had a zero target for accidents at work and continuously carry out new initiatives to raise employee awareness of the importance of following procedures and minimising risks.



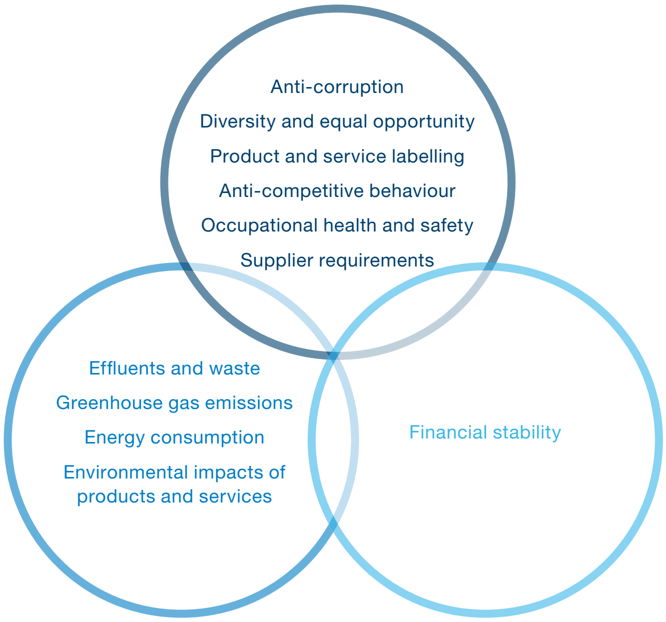
Comment
The lost-time injury frequency per million hours worked (LTIF) amounted to 9.3 in 2017, which is slightly higher than in the previous year due to an increased number of incidents in operations. Lindab's LTIF has been halved since 2011.

A **good thinking** company

Good thinking is a rooted philosophy that guides our efforts to create sustainable growth for Lindab and our stakeholders. It is the belief that good thinking leads to good solutions for the challenges we face. We want to make life simpler and more comfortable for our employees, customers and users while at the same time contribute to making the world a better place.

An important focus

In addition to the “A good thinking company” philosophy, our work is guided by our Code of Conduct and our strong core values. We also support the UN Global Compact, apply ISO 26000 and report on our sustainability efforts in accordance with the Global Reporting Initiative (GRI) G4. We have conducted a materiality analysis in accordance with the GRI, highlighting the issues we believe have the greatest economic, social and environmental impact on our business and our stakeholders. Read more about our sustainability efforts in the annual report and in the GRI index at lindabgroup.com.



Social dimension
Environmental dimension
Economic dimension

We are working towards the UN’s global goals

THE GLOBAL GOALS
For Sustainable Development

In September 2015, Agenda 2030 was adopted by the UN. It comprises 17 goals intended to guide the world towards a peaceful and sustainable development by 2030 through global and local initiatives. Our ambition is to contribute to all the goals, while focusing our attention on the goals where we can make the biggest difference.

11 SUSTAINABLE CITIES AND COMMUNITIES

We are a leading player in our industry and strive to offer products and solutions that are easy to use and at the forefront in terms of environment and quality.

3 GOOD HEALTH AND WELL-BEING

Our work on occupational health and safety covers both safe and secure workplaces for our employees as well as leading solutions for an optimum indoor climate for different users.

13 CLIMATE ACTION

The environmental impact of the construction industry is substantial, and we are constantly seeking to utilise new technology, digitisation and innovation to create solutions that reduce carbon emissions in all types of buildings.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Our products and solutions have a strong focus on innovation to create added value for customers and end users while at the same time contribute to more efficient use of resources.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

We must be a reliable and ethical partner, and we are committed to ensuring that both employees and partners observe our Code of Conduct and preventing violations of competition laws and business ethics.

Products and solutions

A growing offering for **increased customer value**

Our development work is carried out in close dialogue with different customer groups and end users. In 2017, we stepped up our investments in the development of system solutions that contribute to a better indoor climate for different users. Our offering includes leading solutions for optimum air tightness and energy efficiency.

UltraLink, our unique and energy-efficient measurement technology for ventilation applications, received two prestigious indoor climate awards in 2017.

Our Product Management function is responsible for the Group's long-term strategic R&D work. Around 30 employees are working across Lindab's geographies and product areas to develop new products and solutions based on the needs of the market. They analyse trends and engage in close dialogue with customers and other partners in order to identify Lindab's long-term focus areas. The actual development work then takes place in cross-functional teams with people from R&D, production and markets, among others.

Increased focus on optimum indoor climate

The market for ventilation and indoor climate solutions is driven by the need for greater energy efficiency and a better indoor climate to meet regulatory as well as end user requirements. We have increased our investment in this area, for example through the establishment of the Energy and Climate Solutions function. Focus is on developing complete, energy-efficient indoor climate systems for different target groups such as hotels, offices, hospitals, homes and schools. Integrating increased intelligence into the solutions, for example through coordination and visualisation via our cloud solutions, is an important part of the investment. This enables energy optimisation of the ventilation system, in that included units communicate and share important information to provide the most energy-efficient and optimum indoor climate solution.

Continued high pace of innovation

The pace of innovation within the company remained high in 2017. A range of new products and solutions were introduced with the aim of strengthening the offering for a better and more energy-efficient indoor climate. Within fire and smoke protection, we launched new smoke control systems and updated our range of fire dampers. We have taken the next step in the development of Pascal – our leading system for demand-controlled ventilation – and supplemented the offering with remote access to the installations. This is part of a future relaunch of Pascal, where we will be adding new products, new functionality and better documentation of the system. One of the most important launches in 2017 was the next generation of our unique airflow measurement unit, UltraLink. In the new version, the measurement equipment and damper are integrated into a solution that allows users to both monitor and control the

In March 2017, we attended ISH in Frankfurt, Germany – the world's leading trade fair for air conditioning technology, construction services and renewable energies. At the trade fair, we introduced a complete, energy-efficient ventilation system, showing how our solutions can be controlled through the Lindab Connect cloud solution. The system demonstrated significant financial and environmental savings.

system. UltraLink 2.0 was launched in October, initially in the Nordic region, and the solution was met with great interest from customers. In the building components area, we launched a new rectangular rainwater system during the year. In addition, we updated our popular web tool LindQST for indoor climate products and launched a new version of the Lindab Structural-Designer design program for building products.

Highest air tightness class

As part of our ambition to develop an optimum indoor climate, work is going into improving the quality and degree of standardisation of the products offered in the market. At the end of 2017, Lindab became the first company in Europe to obtain Eurovent certification for its circular duct systems, Lindab Safe and Lindab Safe Click, which meet the maximum air tightness class, class D. The certification was preceded by a comprehensive review of production and systems to ensure that we live up to the high quality standards. We see the Eurovent certification as an important tool for increasing market awareness of what creates a good indoor climate, with air tightness and energy efficiency as the primary factors. If the ventilation system is not air tight, the leak must be compensated for by increased airflow, leading to higher energy consumption and therefore increased costs and a greater than necessary environmental impact. The certification is clear evidence to the quality of our production and products. Our chilled beams and AHUs have already obtained Eurovent certification. We are working on increasing the number of certified products which complement the existing certification schemes for our products, in different countries.

Leading test centre

Lindab has some of the industry's largest and most modern technical laboratories for testing and measurement of indoor climate and ventilation solutions. The laboratories are located in Sweden, Denmark, Slovenia and Italy. In addition to testing new solutions, the laboratories perform full scale tests in cooperation with customers and other partners to test installed systems and together drive the development forward. As a result of their in-house expertise. These test centres enable Lindab to stay at the forefront of developments.

A better indoor climate for all

Olof Christensson,
Executive Vice President
of the new Energy and
Climate Solutions function

Lindab's new Energy and Climate Solutions function is responsible for the overall expansion of the development of products and solutions at Lindab. The primary goal is to become a leading provider of indoor climate solutions. Olof Christensson, Executive Vice President of the new function, says:

"Lindab has a strong position in ventilation and indoor climate solutions, a market with growing opportunities. We see a trend towards even more tightly sealed and energy-efficient buildings, which means that ventilation solutions play a key role. Urbanisation also affects the development. In many cities the outdoor air quality is so poor that the need for clean and healthy indoor air becomes a critical factor for people's health."

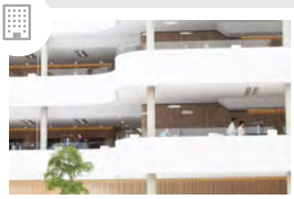
Being a leading provider of a good indoor climate means being able to offer solutions that ensure the required temperature, air quality, air volume are achieved in an energy-efficient manner. We want to be a leader not only in Europe, but eventually in other parts of the world where Lindab is able to compete. The solutions are initially focused on eight target segments with a need for efficient indoor climate solutions.

"Our ambition is to develop a complete offering that enables improved learning in schools, increased productivity among office employees, enhanced comfort in hotels and improved clinical environments at hospitals."

In order to develop these values, higher levels of intelligence are built into the solutions. The offering also includes products and solutions that are easy to install and deploy, which is part of Lindab's DNA. A platform approach is used in the development where Lindab works from a baseline for the different segments, subsequently adding important functions to each individual segment. IT tools and project support are part of the platforms in order to provide the right support for designers, consultants and installers. Lindab has software that helps these partners to easily select the right products and test different environments and parameters to ensure an optimum indoor climate is created.

"We are in constant dialogue with customers and users in order to be able to develop the right solutions for the future. Because we spend nearly 90 percent of our time indoors, it is crucial that people are aware of the difference it makes when performance is improved and optimal comfort is achieved when the indoor climate is perfect and it feels fresh and healthy. That is where our leading solutions come in."

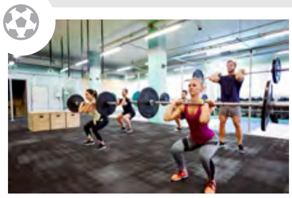
Eight target segments



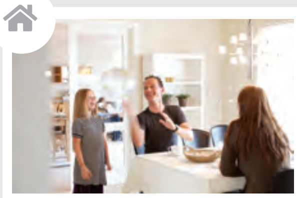
Offices and schools

Hospitals

Hotels

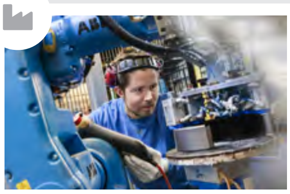


Leisure activities



Residential

Marine sector



Industrial premises

Shopping malls

Our solutions ensure **a safer hospital environment**

Ventilation and indoor climate are crucial to preventing the spread of disease in a hospital environment. In some hospital units clean air is absolutely essential to a successful recovery, for example in transplant and burn care. The reliability of each component is critical to a safe ventilation system. Lindab is able to deliver on the highest technical requirements in order to meet the strictest hygienic standards. In 2017 Lindab supplied solutions for hospitals in the UK and Ireland as well as a customised air conditioning system for a pharmaceutical factory in Belarus which is subject to the same strict hygiene standards as hospitals.

Sales and distribution

We continue to simplify and **increase availability**

We sell our products and solutions to customers either in connection with a project or through our extensive European distribution network. This includes 135 own branches, rapidly growing online sales and just over 3,000 external retailers such as builder merchants.

Our digital shopping channels are becoming increasingly important for our customers, and we continually integrate them into our project tools to facilitate our customers' planning.

Lindab operates in markets with different characteristics in terms of maturity, dynamics and regulations. Creating an understanding of each market's unique conditions is essential in order to meet the needs of the market and increase sales. One of our competitive advantages is our extensive European branch network. We continuously review our network in terms of presence, range and structure. We also make life easier for our customers by developing calculation and design apps and by offering a simple and intuitive online shop. We meet the increasing demand for products and solutions that create a better indoor climate by expanding our offering in this area. In addition to supplying complete system solutions for indoor climate, ventilation or entire buildings, we provide our customers with technical expertise, IT solutions, project support and training.

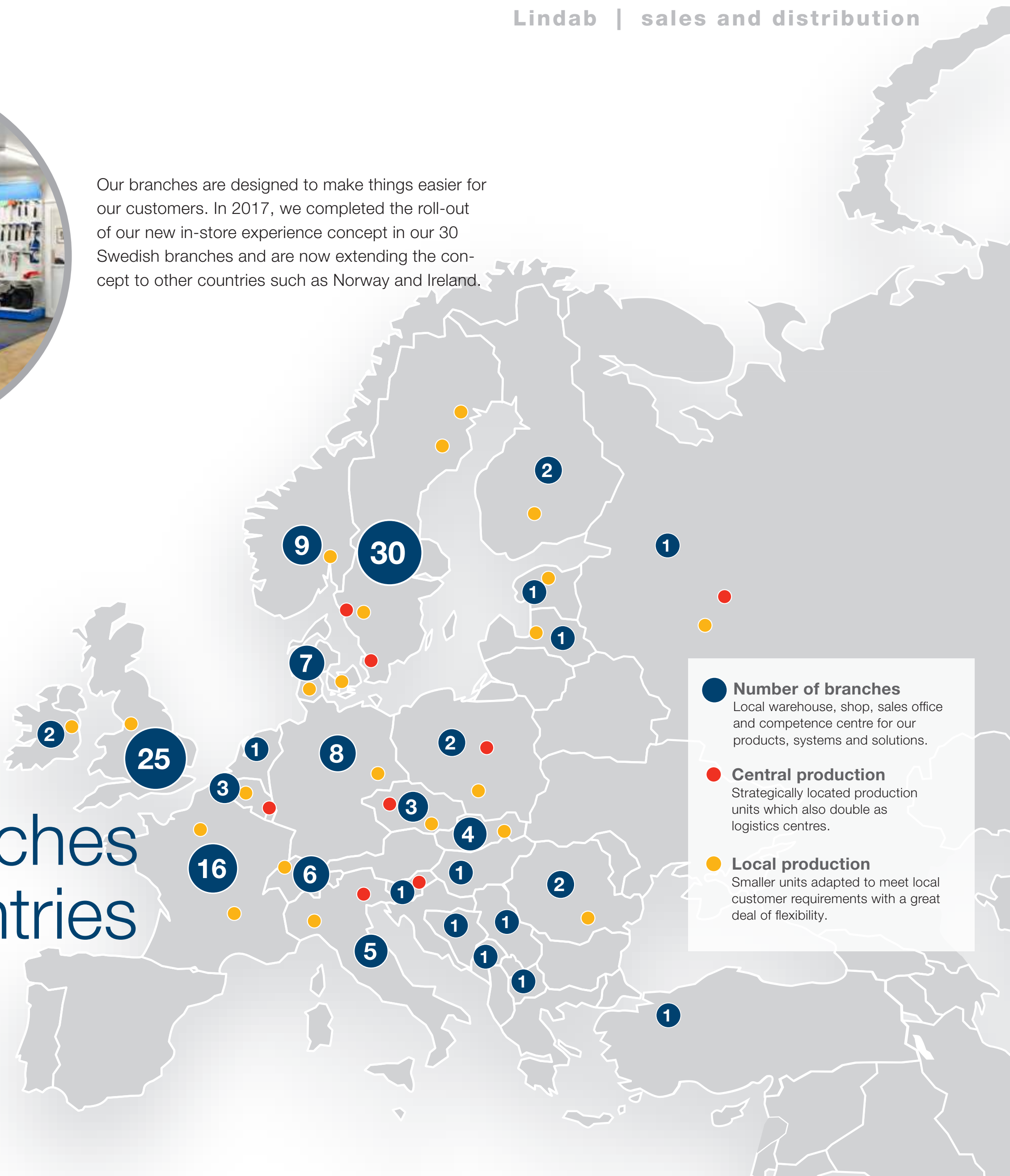
Value for all customer groups

At Lindab we not only create value by distributing high quality products, but we also add value across the entire value chain with our comprehensive offering of different solutions which meet the needs of all the stakeholders involved. In cooperation with architects and consultants we specify construction and ventilation solutions for large projects. Our offering includes products and solutions with support and service and software that simplify design and planning. For installers and plate fitters we offer a comprehensive service and provide access to a complete range of products that simplify handling and installation. In collaboration with building and ventilation contractors we strive to deliver a larger share of their complete solution to the end customer. Our dialogue with architects, consultants and property owners contributes to profitable investments supports maintenance and facilitates construction calculations with a range of solutions. As a leader in ventilation and indoor climate we are committed to accelerating the industry's development towards standardisation and higher energy efficiency.

Focus on project sales

In a project business, the solution is based on performance, functionality and environmental considerations – often with the aim of meeting the particular need of a specific building. Our customers and partners tend to be consultants, architects or build-

Our branches are designed to make things easier for our customers. In 2017, we completed the roll-out of our new in-store experience concept in our 30 Swedish branches and are now extending the concept to other countries such as Norway and Ireland.



135 branches
32 countries

ing contractors who need a bespoke solution which may involve several product areas within Lindab. Indoor climate solutions, sandwich panels and prefabricated steel construction systems are usually sold as part of a project. The share of project sales continues to grow in nearly all markets.

Growing online sales

We are always seeking to make life simpler for our customers. During the year, we continued to develop our e-commerce solutions, launched support for configurable products and took the next step towards selling our solutions online. We launched our online shop in Belgium and Poland, and successfully relaunched the shop in the UK. Sales via our digital channels are growing rapidly; in Denmark, for example, they account for nearly 30 percent of total sales, helping to strengthen our position in important customer groups and boosting the Group's total sales.

Our brands

Lindab's offering includes the Lindab brand and a number of independent or product-related brands with strong positions in a particular market or product area. In the case of acquisitions, there is initially a firm focus on continuing to develop the brands of the acquired company.

Production and processes

Continuous improvements strengthen our competitiveness

In 2017, we continued our efforts to optimise the supply chain to further improve efficiency and strengthen customer service. The goal is to make high quality products available at all times to quickly meet customer demands in each individual market.

Zero tolerance of occupational injuries in our production and logistics is a natural goal for a leading industry player such as Lindab.

In a rapidly changing market, customers are increasingly demanding greater simplification, speed, flexibility and reliability. To meet these demands and strengthen our competitiveness, we are constantly working on improvements and obtaining synergies within corporate governance and recycling, working capital and automation. Monitoring is conducted using key performance indicators whereby the total delivery capacity, supply chain costs and impact on capital employed can be assessed.

Competitive production

We make continuous improvements through Lean procedures and continually invest in new technology. In just a few years, we have increased productivity at our large factories thanks to enhanced automation of production lines, as is the case of our largest factory in Prague, the Czech Republic. At the end of the year, we had a total of 37 production units in the Group, of which eight are centrally and strategically located in main markets, often with highly automated production of processed products. All major production units are certified according to the ISO 9001 and 14001 quality management and environmental management systems.

Efficient purchasing

Our new European purchasing organisation is now fully implemented. The goal is to increase the efficiency of all purchasing functions in order to reduce costs and strengthen the supply chain. In 2017, we exceeded our efficiency targets. The most important product groups and suppliers were systematically reviewed within each purchasing area, and strategic purchasers have been appointed for the most strategic categories. This provides synergies between the different units and markets. We closely monitor and analyse the development in Group purchases in order to further strengthen our focus on long term and sustainable supplier relations. Our major suppliers endorse and commit themselves to complying with the requirements of our Code of Ethics. 2018 will see the launch of a supplier oriented Code of Conduct which will be gradually introduced to our suppliers.

Strengthened inventory management

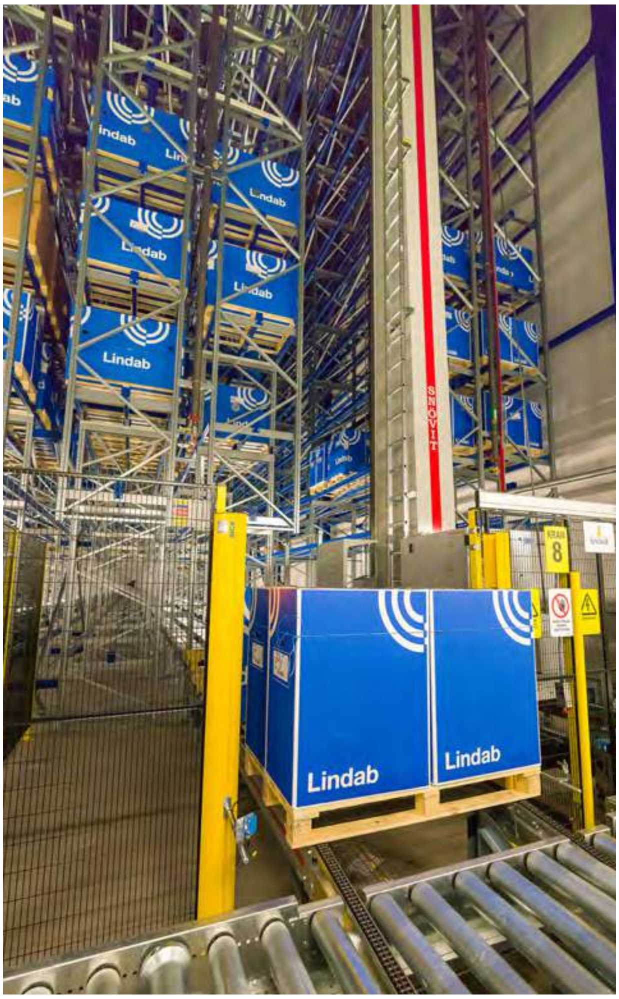
In parallel with our investment in more efficient purchasing, we are working to improve inventory management in the Group. We have developed our own system that enables fast and efficient supply of products from production units and suppliers

Complete Lindab solution

The shell of our new distribution centre in Grevie, Sweden, consists of an Astron steel construction system supplemented by Lindab sandwich panels, sheet roof, gates and rainwater system. The building is also equipped with a complete indoor climate system where all components, from air handling units through ducts and silencers to the diffusers that spread fresh temperate air throughout the premises, are Lindab products and systems.

21,500

A 21-metre high warehouse with 21,500 pallet spaces and a total area of 10,600 square metres. This is the heart of our new logistics concept for Northern Europe. With ingoing deliveries handled mainly by auto pallet movers and with space for ten trucks at a time in the loading zone, the efficiency of distribution to Lindab's branches and different customer groups will improve further.



to branches and construction sites. This inventory management model is implemented for all Lindab's products, both finished products and stock for our own production. An important part of the model is the fully automated ordering system which will be gradually rolled out at our branches, where new products are automatically added when the stock reaches a certain level or on the basis of forecasts of seasonal needs and other trends. In cooperation with the purchasing organisation work is being done to identify potential savings in transportation in order to harness the full potential of the Group during purchasing negotiations and in the optimisation of our vehicle fleet.

New distribution concept

The key to achieving our inventory management goal is to make the distribution of our products to customers and branches, as efficient as possible, hence our focus on a new distribution concept for the Group which will first be rolled out in Northern Europe. The concept was launched in autumn 2017 and comprises a large distribution centre in Grevie, Sweden, featuring an automated high-bay storage area and picking/packing area, as well as robotic technology and system support aimed at simplifying processes. The result will be a more efficient and environmentally friendly distribution concept where we can increase our vehicles' fill rate through intelligent inventory management and packing. This allows us to effectively meet the trend of a growing supply consisting of small deliveries to our branches and directly to our customers, including all customers who order products from our online shop.

Employees

Competence development is crucial to success

Based on a strong corporate culture with a firm focus on the customer's best interests we increased our investment in competence development and strengthening our employer brand. The goal is to build up expertise within systems and solutions and to be one of the most attractive employers in the industry.

"Share your passion."

Share your passion is our new common communication concept which is aimed at strengthening Lindab's employer brand.

In 2017, we continued to focus on strengthening our strategic expertise within systems, solutions and services in order to accelerate the work to adapt the organisation in the ongoing transformation of the Group. We identified critical roles and the competencies associated with these roles. We then analysed the existing expertise in parts of the Group which will serve as the basis for further training of our employees. The entire process is supported by Group wide automated performance processes tools which provide support and consensus at performance appraisal interviews.

Employee development

Within the framework of our Lindab Academy training platform we have established a comprehensive library of e-learning courses and physical courses. During the performance appraisal interview employees and managers are encouraged to draw up an individual development plan, which may include courses from the platform. Completed courses are added to the employee's internal CV which facilitates internal recruitment and appointment of project roles, thereby increasing the employee's development opportunities. During the year, we supplemented our web-based induction training with on-site training for senior-level positions. Our dedicated work on competence and employee development resulted in Lindab receiving the Competensumpriset 2017 award.

COMPETENSUM

An annual Swedish award which is presented to a company which is considered to be a role model for creating successful and competitive organisations.

Increased diversity a priority

Diversity is important to Lindab. An inclusive workplace with an employee distribution that reflects the diversity in society with respect to gender, age, ethnicity and background, fosters creativity, innovation and utilisation of different competencies. At Lindab we are convinced that this also helps to boost profitability, making it a focus area for us. Our equal opportunity policy is applied in connection with recruitment, and for some positions English takes precedence over local languages. Within the

The right expertise for each project

Each customer project is unique. Consequently, it is important that our employees have the right expertise and that the different functions work closely together for the benefit of the customer. In Øresund Park in Copenhagen, Denmark, experts from many different Lindab units are working together with the contractor Pro Ventilation to ensure that 450 new apartments are supplied with fresh, clean ventilation air with the highest air tightness class. Here are a few of the Lindab people who were involved in the extensive project:

Frank Ohlrich, Key Account Manager

"As Key Account Manager I am responsible for some of the largest ventilation contractors on Sealand, Denmark. In Øresund Park I am responsible for the dialogue and negotiations with the customer Pro Ventilation. The project is progressing well, and we have a proactive dialogue in order to support the work. Among other things, we have quickly met the customer's need for bespoke ventilation products."

Bettina B. Jensen, Purchasing Manager

"As purchasing manager of Lindab Denmark I was involved at the early stage of the project to ensure that processes ran smoothly and that we maintained our focus on what is important. I found that the close cooperation with other Lindab units made it possible to quickly identify changes in the project, allowing us to respond accordingly and work proactively."

Rasmus Hansen, Sales Technician

"As sales technician I am responsible for technical consulting, tendering and sales. In this project, I was responsible for developing product specifications, and then coordinating the deliveries with Pro Ventilation and Lindab's purchasing, production and warehouse units. After only a few minor initial adjustments, I am happy to say that everything went smoothly."

company we highlight success stories that illustrate the diversity of our employees in specialist functions and at an executive level, show the career opportunities that Lindab offers. Our local managers are responsible for diversity and equal opportunities within their respective unit. We have a clear zero tolerance policy for all forms of harassment and encourage employees to report incidents either to their immediate manager or our whistleblower function, which can be accessed via the intranet and guarantees full anonymity. In addition to the equal opportunity policy, our conduct is guided by our Code of Conduct which is implemented throughout the organisation.

The best employer

Diversity and equal opportunity are part of our efforts to make Lindab one of the most attractive employers in the industry, which will enable us to retain and recruit important talent for the successful execution of our strategy. We have developed a new career site which will be rolled out in all countries, and have launched a joint communication concept with a focus on better indoor climate and sustainable responsibility in order to strengthen Lindab's employer brand. All countries in the Group are encouraged to step up their efforts to promote Lindab within the organisation through the sharing of annual plans, knowledge and information amongst other initiatives. Local employee surveys are carried out to gauge employee well-being and satisfaction with Lindab as an employer. We have a strong presence at external job fairs, and trainee programmes are launched in different parts of the Group.

GREAT PLACE TO WORK® Best Workplaces 2017 Denmark

In Denmark we conducted an employee satisfaction survey in cooperation with the organisation Great Place to Work. As a result of the survey, Lindab was named one of the country's best places to work. *Read more at lindab.com/dk.*

Our markets

Our geographical **markets**

In 2017, the European construction market recorded the strongest growth since 2006, with growth taking place across the board. Economic recovery, low interest rates, continued urbanisation and an emerging investment need are the main reasons for the strong development.

Market segment

Europe*

New construction and renovation

Non-residential construction and residential

*Source: Euroconstruct. Data does not include Russia/CIS, and in the CEE region only the Czech Republic, Hungary, Poland and Slovakia.

Lindab

New construction and renovation

Non-residential construction and residential

Comment

Our exposure in the European construction market differs from the market as a whole. We generally have a larger share of new construction and non-residential construction as our end market. Renovation and residential construction are important segments for us, however, in light of the growing demand for ventilation and indoor climate solutions in both new and existing buildings.

Lindab in **the Nordic region**

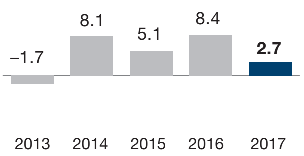
Share of net sales

46%

Strong position within most product areas with continued high growth potential, mainly within indoor climate solutions.

Distribution, segment

Sales growth, %



The distribution centre in Grevie, Sweden, is an example of a complete construction and ventilation solution from Lindab.

UltraLink 2.0 was successfully launched in the four Nordic markets in autumn 2017.

The 450 new apartments in Øresund Park in Copenhagen, Denmark, are supplied with fresh, clean ventilation air from Lindab InDomo duct systems, air tightness class D.

The Finnish town of Äänekoski is now home to Finland's largest manufacturing plant for organic products with complete ventilation solutions supplied by Lindab.

Macro facts 2017* Population: 26.5 million | Construction activity: +6.8% | Construction investments per capita: EUR 4,400

*Source: Euroconstruct's forecast, December 2017

The Nordic region is Lindab's largest region in terms of sales, production and number of employees. We have a considerable market position within the majority of Lindab's product groups, particularly within ventilation, indoor climate solutions, rainwater systems and other selected construction product groups. Lindab's brand is strong and associated with quality of the highest order.

In Sweden and Norway, ventilation and building products are sold in all 39 branches. Part of the product range is also sold by external retailers such as builder's merchants. In addition, direct deliveries are made to construction sites. In autumn 2017, the first deliveries were made to branches, retailers and construction sites from Lindab's new distribution centre in Grevie, Sweden.

Lindab's growth rate in the region declined in 2017. All countries showed a continued high level of construction activity during the year, however towards the end of the year activity levels declined in Sweden and Norway. Lindab's sales growth was positive in all four countries. In Finland we turned several years of negative sales growth into positive growth in 2017. Ventilation and indoor climate solutions once again accounted for the strongest growth in the region.

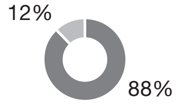
Lindab in **Western Europe**

Share of net sales

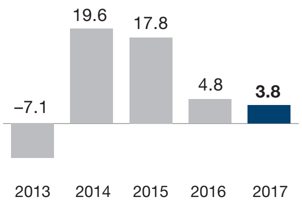
33%

Generally strong positions in selected markets, mainly in ventilation, but several product areas have great potential.

Distribution, segment



Sales growth, %



In Ireland we focused on hospital and specialist units with our leading solutions for clean and safe air movement.

In December 2017, we acquired the Irish ventilation company A.C. Manufacturing Ltd with 40 employees.

ISH in Germany, which was held in March 2017, is the world's largest trade fair for air conditioning technology, at which we launched new important ventilation solutions.

In Switzerland the construction of the world's longest railway tunnel – which boasts Lindab fire protection and ventilation systems – is underway.

Macro facts 2017* Population: 383.6 million | Construction activity: +3.3% | Construction investments per capita: EUR 2,658

*Source: Euroconstruct's forecast, December 2017

Through acquisitions and organic growth, Lindab has built up extensive operations, primarily in the ventilation area in Western Europe. The largest markets are the UK, Germany and France. Sales of building products represent a relatively small share but are growing in, for example, the UK and Germany. Building Systems sells complete steel construction systems throughout the region, with Germany being the largest market.

Lindab's branches in the region mainly sell ventilation products, and sales are adapted to the individual needs of each market. Project sales in the region are significant, for example within Fire & Smoke and Air Movement. Building Systems mainly sells its steel construction systems via building contractors.

Lindab's sales in the region continued to develop positively in 2017, with the stronger demand driven by ventilation, indoor climate solutions and air movement. The development was supported by a higher level of construction activity in all countries in the region. However, Lindab's sales growth still varied considerably between the countries. The strongest development was recorded in Ireland and France. The UK also continued to develop well, also within rainwater systems and building products.

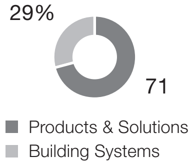
Lindab in **CEE/CIS**

Share of net sales

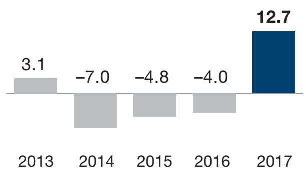
18%

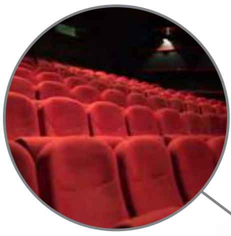
Potential in the CEE region for all product areas, mainly ventilation. Building Systems has a strong position in the CIS region and there is a potential for ventilation.

Distribution, segment

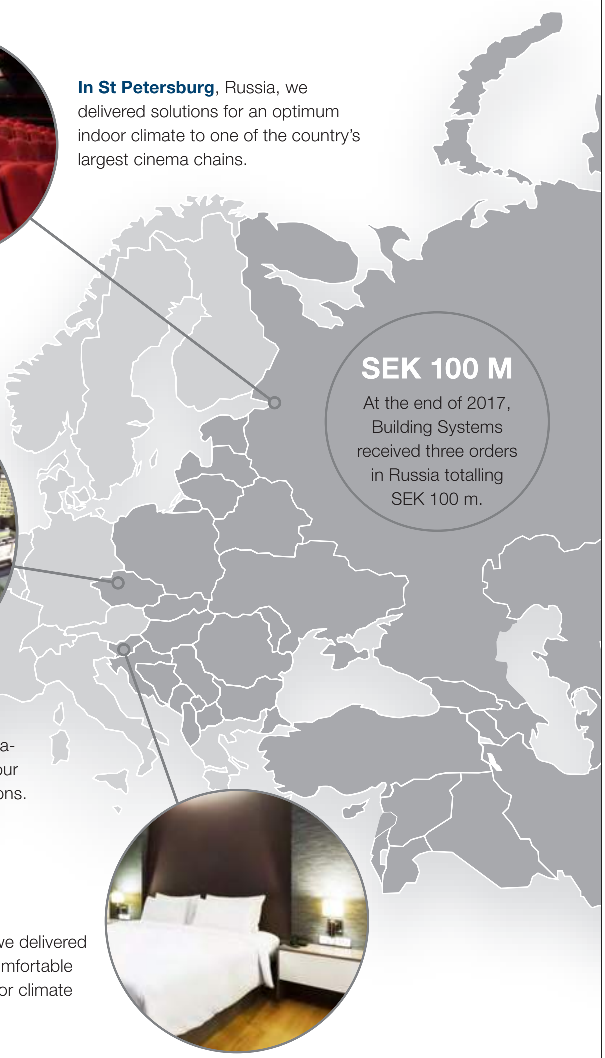


Sales growth, %





In St Petersburg, Russia, we delivered solutions for an optimum indoor climate to one of the country's largest cinema chains.



Luka Living in Prague, the Czech Republic, is a sustainable and innovative urban project that now feature our ventilation and indoor climate solutions.

In Ljubljana, Slovenia, we delivered leading solutions for a comfortable and energy-efficient indoor climate to a large hotel chain.

Macro facts 2017* Population: 64.2 million | Construction activity: +7.9% | Construction investments per capita: EUR 933

*Source: Euroconstruct's forecast from December 2017 (applies only to the Czech Republic, Hungary, Poland and Slovakia)

In the CEE region, Lindab has long had a strong position in building products. Through organic growth and acquisitions Lindab has also built up an important position within ventilation and indoor climate throughout the region, with Poland, Hungary and the Czech Republic as the largest markets. In Russia and other CIS countries, Building Systems has built up a niche position within complete steel construction systems, but Lindab is also strengthening its long-term position within ventilation.

The building products are mainly sold via independent distributors, while ventilation products are sold through our own branches or delivered directly to the construction sites. Sales of air movement products are often associated with major projects. Building Systems' building systems are sold via Key Accounts and via a network of building contractors.

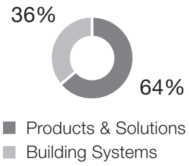
After several years of negative growth in Russia and the CIS region, sales recovered slightly in 2017 thanks to a better market situation. Building Systems' sales in Russia grew by 39 percent. In the CEE region, Products & Solutions continued the positive development within the product areas ventilation and air movement. Poland and Hungary were the segment's largest markets, while Serbia and Romania recorded the strongest growth, however from low levels.

Lindab in **Other markets**

Share of net sales

3%

Distribution, segment



Although our main market is Europe, our solutions are deployed in many other markets. They are often related to a specific project or an existing customer's business. The large share of project-oriented sales in Other markets leads to considerable variations in sales from year to year. In 2017, sales increased, among other things due to large projects in the Middle East. Building Systems has a relatively strong presence in Africa through Key Accounts, but also sells its solutions in Asia and the Middle East.

In Shanghai, China, and other locations in Asia Lindab attends various trade fairs to demonstrate its machines for the processing of duct components – a product category which has sharply boosted sales in Asia in the past few years.

In Doha, Qatar, design and construction of the city's first subway is underway. Lindab has supplied 200 AHUs and complementary indoor climate products, focusing on creating a pleasant, energy-efficient indoor climate in a region with outdoor temperatures above 40 degrees.

In Africa, Building Systems continues to strengthen its presence, most recently with the delivery of its largest order ever: 30,000-square metre Astron buildings for sugar production in Algeria. Over the years, approximately 150 prefabricated steel buildings have been introduced in nearly 20 African countries.

Our solutions contribute to **a good night's sleep**

The most important financial key performance indicator in the hotel industry is the occupancy rate which depends completely on the guest's well-being. Important comfort requirements are fresh air and a quiet and comfortable room. The ventilation solution should always exceed the guest's expectations. Lindab's compact, integrated and demand-controlled indoor climate solutions help to ensure that the guest has a perfect stay. In 2017, we delivered our solutions to hotels in Portugal, Switzerland and Slovenia, among others, ensuring a better night's sleep for tens of thousands of guests each year.

Risk management

Lindab **risk management**

Successful management of risks which might affect the business are critical to the execution of our strategy. We apply a systematic process for identifying and minimising the impact of various risks which involves all parts of the business.

We have a structured approach to identifying and preventing risks. This work involves all business units and Group functions with the aim of raising awareness throughout the organisation, from operational decision makers to the Board of Directors, of the identified risks and their impact on Lindab's business.

Clear reporting structure

Identified risks are divided into four main risk areas. Reporting, monitoring and control are conducted through formally established procedures and processes. The clear structure provides a platform for a common approach to what should be prioritised, prevented and addressed within the Group. Each risk has a sponsor, which is a person from the operational management team. Each risk also has an owner to ensure that activities are linked to the risks, that the activities are carried out and that the status is kept up-to-date and the sponsor is informed. Reports are made to the Board once a year.

Assessment of probability and impact

For all identified risks, an assessment is made of the probability of the risk occurring and, if it does, the potential financial impact of the risk at Group, regional and country level. To provide an overall picture of the risk exposure within the Group, the risks are then placed in a matrix and divided into three levels – low, medium and high – to determine future risk management.
One or more activities are proposed for all risks, the aim being to mitigate their short-term and long-term impact. A plan for corrective action is developed for any high-level risks to prevent them from occurring. In 2017, Lindab had no risks at this level.

Priorities for 2017

The risk management work is closely linked to the Group's strategy work. A separate risk assessment is carried out of the consequences of the ongoing strategic evaluation of the Group's non-ventilation related business. Business ethics were and remain another prioritised risk area in 2017.

Risk areas

Operational risks
Steel price development
Stoppages
Bad debt losses
Disputes
IS/IT

Compliance risks
Business ethics
Environment
Working environment
Internal control
Taxes

Strategic risks
Competition
Customer behaviour
Macro-economy/market
Geopolitical

Financial risks
Financing
Liquidity
Interest rates
Currency

For a more comprehensive description of the Group's risks and risk management, see the Directors' Report on pages 59–62 and Note 3 on pages 81–83.

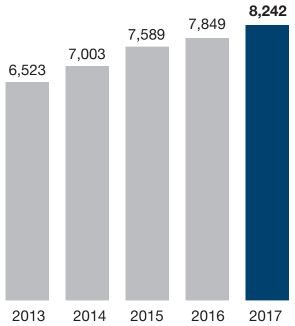
Business ethics a priority

Our strong focus on business ethics is a natural consequence of Lindab's extensive and sometimes complex customer and supplier relations. We have zero tolerance for all kinds of unethical or corrupt behaviour. The organisation's work in this area is supported by Lindab's Code of Conduct. In 2017, the Code's anti-corruption policy was updated and an e-learning course on the subject will be rolled out to salaried employees and sales personnel in the Group. The Code of Conduct was also further adjusted to address Lindab's requirements for its suppliers' environmental and working conditions. This Supplier Code of Conduct is continuously being rolled out via Lindab's new purchasing organisation.

Five-year overview

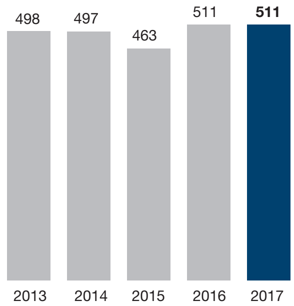
Five-year overview

Lindab's sales growth over the past five years has mainly been driven by a strong demand within ventilation-related product areas in most markets. During the same period, sales of building products varied greatly between product groups and regions. Building Systems' poor development during the same period affected sales, and above all the Group's profitability, negatively.



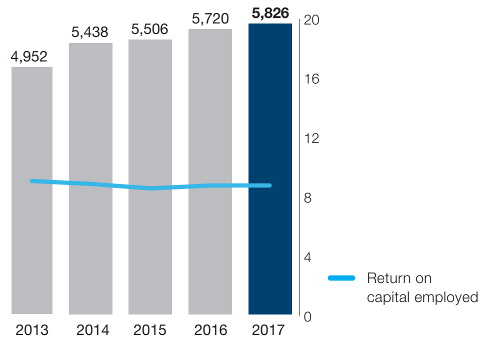
Net sales, SEK m

Net sales increased by 5.0 percent in 2017. Organic growth amounted to 4.0 percent.



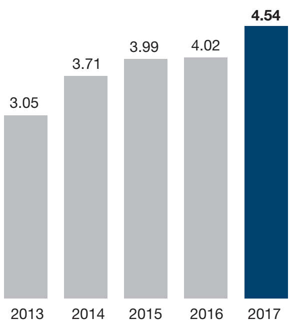
Operating profit (EBIT), excl. one-off items, SEK m

Operating profit was largely unchanged compared with 2016. Higher raw material costs had a negative impact on profitability.



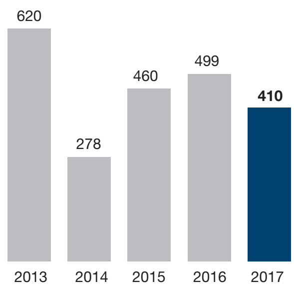
Capital employed, SEK m, and return on capital employed, %

Capital employed increased in 2017, mainly due to higher working capital and acquisitions. Returns were unchanged at 8.8 percent.



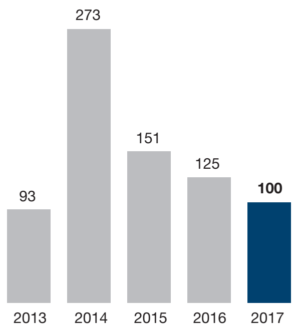
Diluted earnings per share, SEK

Strong financial items and a lower effective tax rate contributed to an increase in earnings per share for the eighth consecutive year.



Cash flow from operating activities, SEK m

The cash flow deteriorated mainly due to higher working capital, impacted by lower advance payments and increased sales.



Gross investments in fixed assets, excl. acquisitions and divestments, SEK m

Gross investments in its own balance sheet remained low in 2017 where focus was on selected efficiency measures, maintenance investments and reinvestments.

The Lindab share

The Lindab **share**

The Lindab share was listed on the Stockholm Stock Exchange in December 2006. The share is currently traded on the Exchange's MidCap list and is included in the Industrials sector. In 2017, the share price decreased by 6.6 percent to SEK 68.20, resulting in a market capitalisation of SEK 5.4 billion at the end of the year.

Lindab´s shares decline can be compared with the NASDAQ Stockholm OMX All Share Index and the Industrials sector which rose by 6.4 percent and 21.8 percent respectively during the same period. During the year, around 35 m Lindab shares were traded at a value of approximately SEK 2.8 billion. The Lindab share is traded on several exchanges and trading platforms. The official trade via NASDAQ OMX accounted for the bulk of the share turnover. The rest of the turnover was made on unofficial trading platforms such as BATS Chi-X CXE, Boat and Turquoise.

The share and shareholders

Lindab only has class A shares. Each share entitles the holder to one vote and an equal share of the company's results. Having previously exercised various repurchase rights, Lindab holds 2,375,838 treasury shares which do not carry voting rights or the right to receive dividends. At the end of the year, Lindab had 6,970 (7,257) shareholders. The largest shareholder is the investment firm Creades with 10.4 percent of the number of outstanding shares. After having increased its holding during the year from 8 percent to 9.8 percent of its outstanding shares, Fjärde AP-fonden became Lindab's second-largest shareholder. The ten largest shareholders' shareholdings amounted to 61.2 percent. Foreign shareholdings amounted to 28 percent. Lindab's own holding corresponds to about 3.0 percent. The shareholding remained unchanged during 2017. At the end of the year, Lindab's Executive Management, excluding related parties, held 83,500 shares and 45,000 warrants with a strike price of SEK 108.80 in 2020. Current legislation, the company's Articles of Association, agreements or other regulations to which the company is subject do not contain any offers of first refusal, pre-emption clauses or other restrictions on the right to transfer shares in the company.

Incentive programme

For more information on remuneration and the employee option programme, including the above warrant programme, see Note 6 on page 87.

5 Frequently asked questions from investors in 2017

How does a potentially weaker Nordic construction market affect your business?
The Nordic market has seen strong growth in the past few years, driven by residential construction, in particular. Lindab's greatest exposure is within non-residential construction, but a general decline in market sentiment may close have an impact on Lindab.

How successful have you been in dealing with the rising steel prices in 2017?
Following increases at the end of 2016, the prices of raw materials continued to climb during 2017. We continuously review our price lists to limit the impact of the higher steel prices on our margin, and have on several occasions carried out price adjustments. The rising raw material prices also resulted in a continuous assessment of the balance between volume and profitability in individual projects and activities.

What steps are you taking to improve cash flow?
Cash flow fell in 2017 due to higher working capital. Capital tied up in stock remains in focus as always and we are working actively to streamline inventory management and optimise stock levels. When analysing the cash flow, it is also important to understand that advance payments from customers can have a big impact between periods. These advance payments relate to project sales within Building Systems, where payment terms may vary depending on the market, counterparty and project value.

What do the new credit agreements mean to your financial strength?
In July 2017, we signed new credit agreements with three banks totalling SEK 1,700 m and EUR 50 m. The agreements replace the previous credit limit and loans totalling SEK 2,100 m and give us improved terms and secure the financing for the next three years with an option to extend the agreements. This, combined with a low indebtedness, provides good opportunities for continued investment.

Why does your tax rate vary so much?
The lower effective tax rate in 2017 was mainly due to the fact that we were able to utilise carry-forward tax losses to a greater extent. Furthermore, the operating profit for the year included major non-taxable income, while the previous year included major non-deductible expenses. The higher effective tax rate compared with the average tax rate is partly due to the fact that we have not been able to fully utilise carry-forward tax losses for the year in order to reduce the total tax expenses.

For more and up-to-date information on the share, visit www.lindabgroup.com

Share price performance in 2017

Share price performance 1 January–31 December 2017, SEK

- The price decreased by 6.6 percent to SEK 68.20.
- The highest price paid was SEK 98.00 on 2, 5 and 20 June, and the lowest price paid was SEK 64.75 on 15 November.
- An average of 138,247 shares (154,174) were traded every day, and the turnover rate was 45 percent (51).
- At the end of the year, of the 5 (6) analysts monitoring Lindab's progress, 3 (3) made the recommendation to Buy/Increase, 2 (2) the recommendation to Hold and 0 (1) the recommendation to Sell/Reduce.

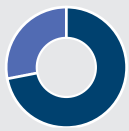
The Board of Directors proposes a dividend of SEK 1.55 (1.40) for the financial year 2017 which is in line with Lindab's dividend policy of distributing 30 percent of the after-tax result, taking into account Lindab's capital structure, acquisition needs and long-term financing requirements.

Lindab's largest shareholders

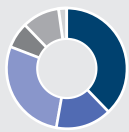
		2017	2016
	Shares	**Capital & votes, %**	Capital & votes, %
Creades	7,929,322	10.4	10.3
Fjärde AP-fonden	7,516,491	9.8	8.0
Lannebo Fonder	6,970,113	9.1	8.0
Handelsbanken Fonder AB RE JPMEL	6,215,982	8.1	8.1
IF Skadeförsäkring AB (publ)	3,890,055	5.1	5.1
Skandia	3,884,146	5.1	5.2
Other	39,925,873	52.4	55.3
Total number of outstanding shares*	**76,331,982**	**100.0**	100.0

**Total number of shares excl. Lindab's own holding of 2,375,838 (2,375,838) shares.*

Distribution of ownership, %



- Sweden, 72 (76)
- Rest of the world, 28 (24)



- Financial companies, 38 (41)
- Other legal entities, 15 (18)
- Foreign shareholders, 28 (24)
- Private individuals, 7 (7)
- Pension funds, 10 (8)
- Associations, 2 (2)

Data per share

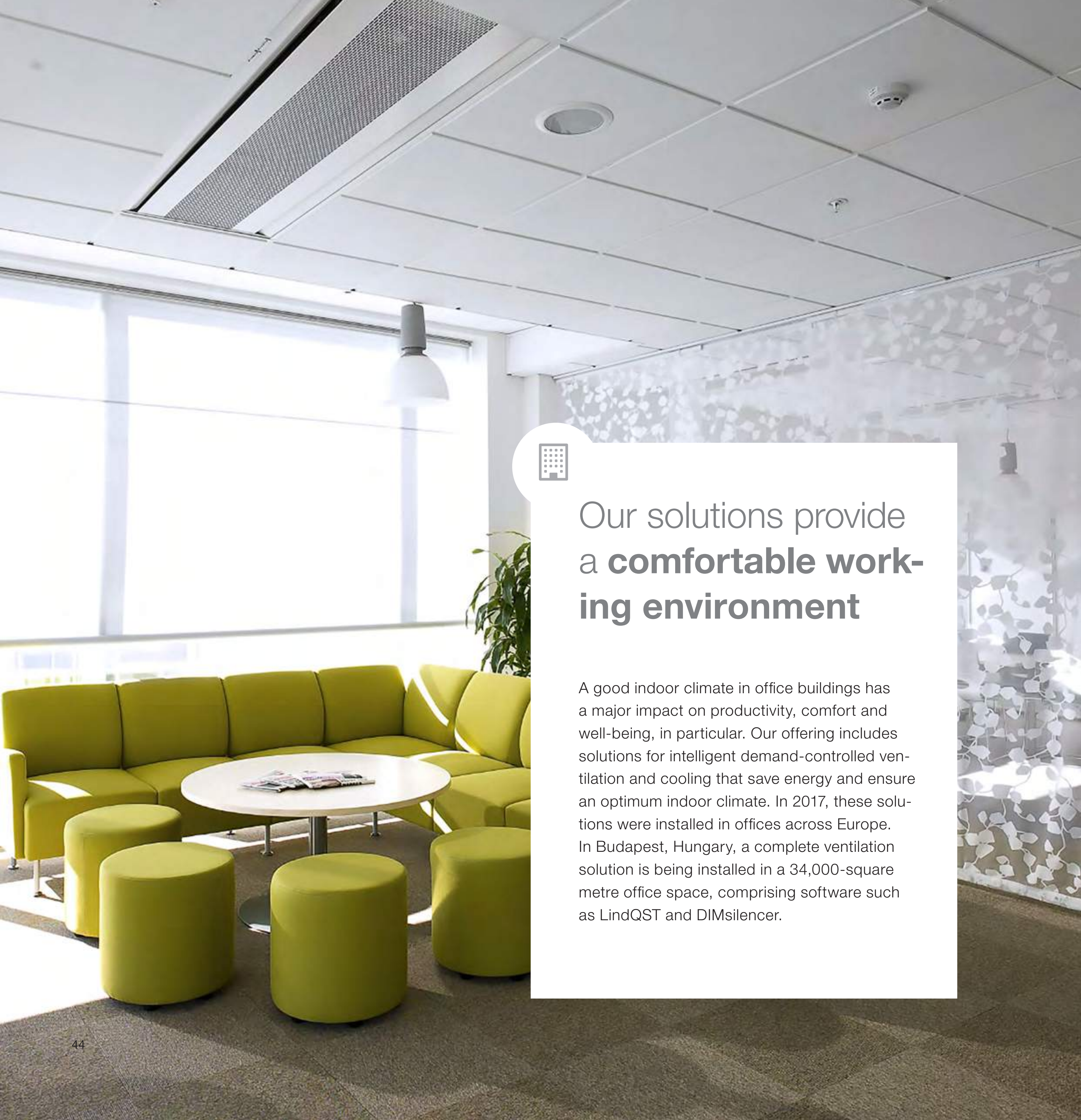
SEK per share unless otherwise specified	**2017**	2016	2015	2014	2013	2012	2011	2010	2009
Diluted earnings per share (EPS)	4.54	4.02	3.99	3.71	3.05	1.61	1.21	0.36	0.45
Earnings per share[1)]	4.54	4.02	3.99	3.71	3.05	1.61	1.21	0.36	0.45
Dividends	1.55[2)]	1.40	1.25	1.10	-	-	1.00	1.00	-
Dividend yield, %[3)]	2.27	1.90	1.99	1.68	N/A*	N/A	2.67	1.13	N/A
Dividend in % of the after-tax result[1)]	34.1	35.0	31.0	30.0	N/A	N/A	82.4	277.8	N/A
Quoted price, at end of period	68.20	73.05	62.90	65.60	63.40	43.00	37.40	88.25	73.50
Highest quoted price	98.00	89.60	78.35	83.70	65.20	57.95	95.80	105.00	91.00
Lowest quoted price	64.75	54.50	55.95	52.35	42.17	37.17	31.84	61.25	40.00
Shareholder's equity, after dilution	54.09	50.41	45.98	43.81	38.87	35.15	35.83	36.57	40.16
Number of outstanding shares, after dilution	76,331,982	76,331,982	76,331,982	76,331,982	76,331,982	75,331,982	75,331,982	74,772,429	74,772,429

1) Based on the current number of outstanding shares at the end of the year. 2) Proposed dividend. 3) Dividend as a percentage of the quoted price at the end of the period.

**N/A = Not applicable*

Corporate governance report

Lindab International AB (publ) is a Swedish public limited company which, according to the Articles of Association, develops, manufactures and sells products to the ventilation industry and the construction industry. Lindab is listed on the NASDAQ OMX Nordic Exchange in Stockholm. Lindab applies the Swedish Code of Corporate Governance ("the Code").



Our solutions provide a **comfortable working environment**

A good indoor climate in office buildings has a major impact on productivity, comfort and well-being, in particular. Our offering includes solutions for intelligent demand-controlled ventilation and cooling that save energy and ensure an optimum indoor climate. In 2017, these solutions were installed in offices across Europe. In Budapest, Hungary, a complete ventilation solution is being installed in a 34,000-square metre office space, comprising software such as LindQST and DIMsilencer.

Chairman's comments

Peter Nilsson has served as Chairman of the Board since May 2016. In 2017, the Board of Directors held 11 minuted meetings.

How did the Board perform in 2017?

It performed well. We continued to professionalise and modernise our working methods, among other things by anchoring the formal processes for the Remuneration Committee and the Audit Committee. It is important to stress that this is all part of the governance which we take most seriously and fees for the committee members are now included in the Nomination Committee's proposals to the Annual General Meeting. We have also established procedures for quickly introducing new Board members to the duties of the Board of Directors and to Lindab's operations – an initiative from which our two new Board members Anette Frumerie and John Hedberg have benefited. Anette's vast experience from the construction industry and John's solid financial expertise will strengthen the Board of Directors' collective expertise and experience.

What else happened during the year?

The Nomination Committee conducted a Board evaluation which found that the working environment on the Board and the interaction with the Executive Management has further improved. A close dialogue between the Board and Management is absolutely essential in view of the developments in the market, where conditions are changing rapidly as a result of digitisation and globalisation. Our Board meetings are characterised by speed and efficiency. We have introduced a fixed agenda item at the end of every meeting, where everyone present has the opportunity to assess the meeting and provide suggestions for improvements. A simple measure which further improves the quality of the Board's work. We also continued to actively promote diversity on the Board and in the company as a whole. The Board has adopted an equal opportunity policy for Lindab to ensure that no one is discriminated against based on gender, religion, ethnicity, etc. We are also working to achieve diversity and a gender balance on the Board and apply rule 4.1 of the Code as a diversity policy when the Nomination Committee puts forward a proposal to the Board prior to the Annual General Meeting.

What were the most important decisions?

Most notable was this autumn's decision to replace the CEO and evaluate Lindab's non-core business. The decisions were as a result of the strategic review conducted in 2016, where we established clear targets for the company in cooperation with the Executive Management. During the autumn of 2017, we found that the market conditions called for a faster execution of the strategy, hence the decision to replace the CEO and assess the areas of the business that we do not see as a natural part of the strategy. We need to focus our resources on the ventilation business, as this is where Lindab has the greatest opportunities for creating sustainable and profitable growth.

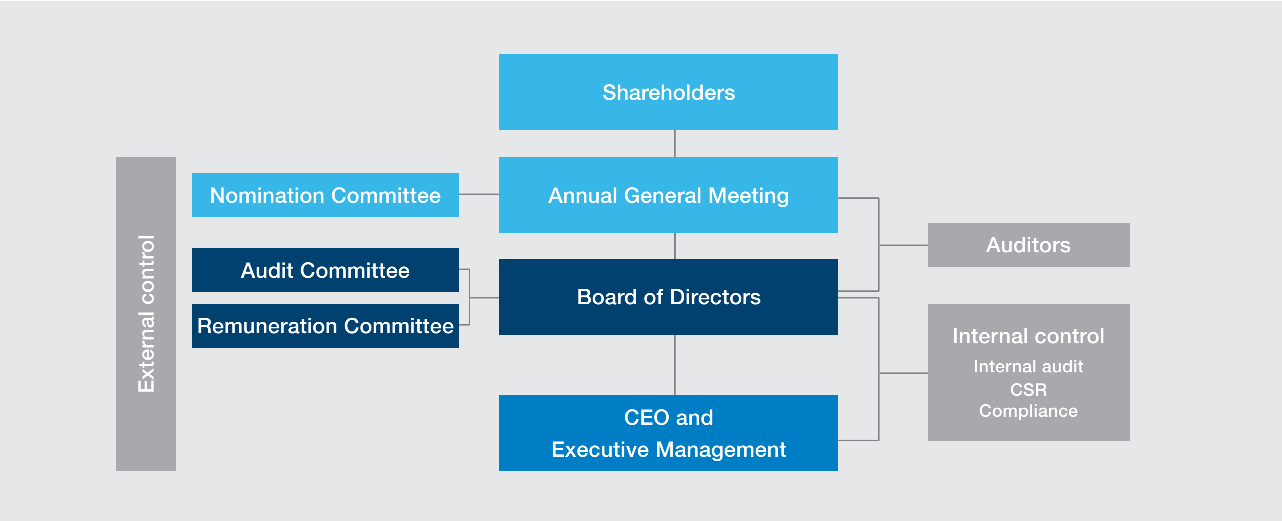
What is your primary focus in 2018?

All the important building blocks for the work of the Board of Directors are in place, and we now have a balanced and knowledgeable Board that works to safeguard Lindab's long-term interests. In addition, we have recruited Ola Ringdahl as the new permanent President and CEO of Lindab. Ola joins Lindab latest July 2018. Our immediate focus is on completing the evaluation and at the same time supporting Management in their work to accelerate the execution of the strategy. Quite simply, we need to do what we said we should do – develop Lindab as a leading supplier of ventilation and indoor climate solutions. This will also help us to meet our financial targets.

Important events in 2017

- Decision to replace the CEO.
- Decision to initiate an evaluation of Lindab's non-ventilation related business.
- Appointment of Anette Frumerie and John Hedberg as new Board members.

How Lindab is governed

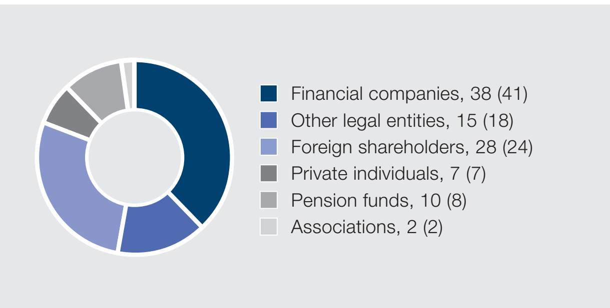


The corporate governance of Lindab is based on the Articles of Association, the Companies Act, the Annual Accounts Act, the Board's rules of procedure, the regulations of the Stockholm Stock Exchange, the Swedish Code of Corporate Governance ("the Code") and other applicable Swedish laws and regulations.

Shareholders

Lindab has 76,331,982 outstanding shares, of one class only, with an equal right to a share of the company's assets and results. In addition, Lindab has 2,375,838 treasury shares of the same class, bringing the total number of shares to 78,707,820. On 31 December 2017, there were 6,970 (7,257) shareholders in Lindab. The largest shareholders, in relation to the number of outstanding shares, were Creades with 10.4 percent (10.3), Fjärde AP-fonden with 9.8 percent (8.0), Lannebo Fonder with 9.1 percent (8.0) and Handelsbanken Fonder with 8.1 percent (8.1). At the end of the year, the ten largest shareholders held 61.2 percent of the outstanding shares. More information about Lindab's shareholders and the share's performance in 2017 can be found on pages 42–43.

Distribution of ownership, %



Annual General Meeting

Shareholders' rights to decide on Lindab matters are exercised at the Annual General Meeting or, where appropriate, at the Extraordinary General Meeting, which is Lindab's highest decision making body. The Annual General Meeting is usually held during April or May in the Municipality of Ängelholm or Båstad, Sweden. The Annual General Meeting decides on matters referred to in the Companies Act and the Code, including matters concerning amendments of the Articles of Association and election of the Board of Directors and auditors.

Annual General Meeting 2017

The Annual General Meeting for the financial year 2016 was held on 9 April 2017 in Grevieparken, in the Municipality of Båstad. Approximately 200 shareholders were present. The minutes of the Annual General Meeting have been available on the company's website since 16 May 2017. In addition to other matters, the 2017 Annual General Meeting adopted resolutions regarding

- re-election of the Board members Sonat Burman-Olsson, Per Bertland, Viveka Ekberg, Peter Nilsson, Bent Johannesson and election of new Board members Anette Frumerie and John Hedberg
- re-election of Peter Nilsson as Chairman of the Board
- re-election of the registered accounting firm Deloitte AB as the company's auditors
- procedure for the Nomination Committee
- guidelines for remuneration of senior executives
- warrant programme for senior executives.
- dividend of SEK 1.40 per share
- authorisation for the Board to decide on the transfer of treasury shares.

Annual General Meeting 2018

The Annual General Meeting for the financial year 2017 will be held on 3 May 2018 at 15.00 at Hotel Skansen, Båstad, in the Municipality of Båstad. In accordance with the Articles of Association, notice to attend the Annual General Meeting will be published in the Official Swedish Gazette ("Post and Inrikes Tidningar"), as well as on the company's website. The fact that notice has been given will be published in Dagens Industri. Shareholders wishing to attend the meeting must be entered into the company's share register five working days before the meeting, i.e. 26 April 2018, and must notify the company as specified in the notice to attend the 2018 Annual General Meeting.

Nomination Committee

The Nomination Committee submits proposals to the Annual General Meeting for the election of the Chairman of the Meeting, Board of Directors, Chairman of the Board, auditors, fees for the Board and auditors, as well as composition of the Nomination Committee prior to the next Annual General Meeting.

At the 2017 Annual General Meeting, it was resolved that the company must have a Nomination Committee consisting of a minimum of four members, one of whom will be the Chairman of the Board. The Chairman of the Nomination Committee must be the member who is appointed by the largest shareholder, unless agreed otherwise by the Nomination Committee. The Nomination Committee's mandate period runs until a new Nomination Committee has been appointed. A Nomination Committee was constituted on 3 October 2017, comprising

– Sven Hagströmer, representative for Creades (Chairman)
– Per Colléen, representative for Fjärde AP-fonden
– Göran Espelund, representative for Lannebo Fonder
– Peter Nilsson, Chairman of Lindab International AB (publ).

In accordance with the resolution of the Annual General Meeting, the Nomination Committee must evaluate the composition and work of the Board of Directors and submit proposals for the 2018 Annual General Meeting with regard to

– election of the Chairman at the 2018 Annual General Meeting
– election of the Board and Chairman of the Board
– election of auditors
– fees for the Board of Directors, any Board committee and auditors
– composition of the Nomination Committee for the 2019 Annual General Meeting.

The Nomination Committee held one minuted meeting in 2017. In 2018, the Nomination Committee held two minuted meetings prior to the 2018 Annual General Meeting.

Shareholders wishing to contact the Nomination Committee may send an e-mail to valberedningen@lindab.com or write to "Lindab's Nomination Committee, Att: Fredrik Liedholm, Lindab International AB, 269 82 Båstad, Sweden."

Board of Directors

According to the Articles of Association, the Board must consist of no less than three and no more than ten members, with a maximum of ten deputies. Members and deputies are elected at the Annual General Meeting for the period from the date of the Annual General Meeting until the end of the next Annual General Meeting. The employees also appoint two employee representatives to the Board as well as two deputies.

Composition of the Board of Directors in 2017

At the Annual General Meeting on 9 May 2017, it was resolved that the Board of Directors should consist of seven members without deputies. The CEO is the rapporteur for the Board of Directors. The Board meetings are also attended by some members of the Executive Management. The various assignments of the Board members are shown on pages 50–51.

Chairman's responsibilities

The Chairman leads the Board's work, follows its activities in dialogue with the CEO and is responsible for other Board members receiving the information and documentation necessary for carrying out well-informed discussions and resolutions. The Chairman represents the company in matters regarding ownership.

Responsibilities of the Board of Directors

The Board of Directors ensures that the Group's organisation, management and guidelines for the management of the Group's affairs are appropriate and that the internal control is satisfactory. In addition, the Board of Directors' responsibilities include establishing policies and targets as well as internal control instruments, deciding on key matters, presenting the financial statements as well as evaluating the operational management and ensuring succession planning. The Board of Directors' responsibilities also include supervising the CEO's work through continuous monitoring of operations.

Work of the Board of Directors

The work of the Board of Directors is governed by rules of procedure approved annually. The rules of procedure include the instructions to the company's CEO, the duties of the Chairman, the Board's meeting procedures as well as decision-making procedures together with instructions and policies.

During 2017, the Board of Directors met 11 times. At each ordinary meeting, the financial performance was reported and followed up on. The Board held one meeting with the auditors, without the Executive Management present, to review the cooperation with the Executive Management regarding implementation of the audit process and other related matters. Certain members of the Executive Management were present at all Board meetings.

Key issues at each Board meeting

– 10 February	Year-End Report, dividend, auditors' report (current)
– 19 March	Annual Report
– 20 March	Notice to attend the Annual General Meeting
– 9 May	Interim Report
– 9 May	Constitutive meeting
– 15 June	Group refinancing
– 19 July	Interim Report
– 21–22 Sept	Visit to subsidiary in Luxembourg, strategy
– 24 Sept	Organisational changes
– 25 Oct	Interim Report
– 8 December	Budget

The work of the Board of Directors and the CEO was evaluated during the financial year. The evaluation showed that the CEO and the Board perform their duties very well.

The Board of Directors and breakdown of Board fees

Name	Elected Year	Company	Ownership	Board fee incl. committee, SEK	Remuneration Committee meetings	Audit Committee meetings	Board meetings
Peter Nilsson	2016	Independent	Independent	698,700	5/5	-	11/11
Pontus Andersson [1)]	1995			25,300	-	-	11/11
Per Bertland	2016	Independent	Independent	324,000	5/5	-	11/11
Marianne Brismar [3)]	2015	Independent	Dependent	100,000	-	3/3	4/4
Sonat Burman Olsson	2011	Independent	Independent	304,000	-	-	10/11
Anette Frumerie [2)]	2017	Independent	Independent	237,333	-	4/4	7/7
Viveka Ekberg	2016	Independent	Independent	370,700	-	7/7	11/11
John Hedberg [2)]	2017	Independent	Dependent	237,333	-	4/4	7/7
Bent Johannesson	2016	Independent	Independent	304,000	-	2/3	11/11
Anders Lundberg [1)]	2016			25,300	-	-	10/11
Hans Porat [3)]	2014	Independent	Independent	100,000	-	-	4/4
Summa				**2,626,666**			

1) Employee representatives replaced by deputies in their absence
2) Elected to the Board on 9 May 2017, mandate period covered seven meetings
3) Resigned from the Board on 9 May 2017, mandate period covered four meetings

Remuneration of the Board of Directors

At the Annual General Meeting on 9 May 2017, fees totalling SEK 2,550,000 were resolved and allocated as follows: SEK 663,000 to the Chairman of the Board, SEK 306,000 to each of the other elected Board members and SEK 25,500 to each of the employee representatives.

Board's responsibility for financial reporting

The Board of Directors ensures quality of internal financial reporting through instructions to the CEO, and through instructions relating to financial reporting to the Board of Directors. Furthermore, the Board of Directors ensures quality of external financial reporting through detailed discussions of interim reports, the annual report and the year-end report at Board meetings and during reviews with the auditors.

Audit Committee

The Board has appointed an Audit Committee which is responsible for strengthening and streamlining the Board's supervisory responsibilities in terms of internal control, audit, internal audit, risk management, accounting and financial reporting. The Audit Committee will also prepare matters pertaining to procurement of audit and other audit services and prepare certain accounting and auditing matters to be dealt with by the Board of Directors. Up until the 2017 Annual General Meeting, the Audit Committee consisted of Chairman Viveka Ekberg, Marianne Brismar and Bent Johannesson. After the Annual General Meeting the Audit Committee consisted of Chairman Viveka Ekberg, Anette Frumerie and John Hedberg. The work of the Audit Committee is guided by rules of procedure which are approved by the Board. In 2017, the Committee met on seven occasions. The auditors were present at all occasions. The Committee provides continuous oral and written reports to the Board and submits proposals on matters requiring the Board's consent. A fee of SEK 100,000 is paid to the Chairman of the Audit Committee, and each of the ordinary members receive a fee of SEK 50,000.

Remuneration Committee

The Board has appointed a Remuneration Committee which will present proposals to the Board concerning remuneration matters and continuously monitor and assess remuneration structures and levels for the CEO and other senior executives in the Group's Executive Management. In 2017, the Remuneration Committee consisted of Chairman Peter Nilsson and Per Bertland. In 2017, the Committee met on five occasions. The Committee provides continuous oral reports to the Board and submits proposals on matters requiring the Board's consent. A fee of SEK 60,000 is paid to the Chairman of the Remuneration Committee, and the ordinary member receives a fee of SEK 30,000.

Auditors

Lindab's elected auditors review the company's annual report and accounts, as well as the management of the Board of Directors and the CEO. The auditors work according to an audit plan and report their findings to the Executive Management throughout the year and at least once annually to the Board of Directors. The auditors also attend the Annual General Meeting to present the Auditors' Report which describes the review process and observations made.

At the 2017 Annual General Meeting, the accounting firm Deloitte AB was elected as the company's auditor. Authorised public accountant Hans Warén was appointed as lead auditor. Hans Warén is also appointed by other listed companies, but this does not encroach on the time necessary to carry out his work for Lindab. The accounting firm Deloitte AB does not perform any services that could raise doubts about their independence. Nor have the services performed by the auditors for Lindab, over and above the audit services, altered this opinion.

Auditors' fees

In 2017, the auditors' fees paid to Deloitte AB amounted to SEK 0.5 m for the parent company and SEK 6.2 m for the Group. Fees paid to Deloitte for other services to the Group amounted to SEK 0.6 m.

External control

The external regulations concerning Lindab's corporate governance include the Companies Act, the Annual Accounts Act, rules for issuers of shares on the NASDAQ OMX Nordic Exchange, Stockholm, and the Code.

Internal control

The internal corporate governance includes the Board's adopted rules of procedure together with codes and policies as well as other corporate governance documents such as directives adopted by the Executive Management. Lindab's Corporate Governance Policy and Code of Conduct constitute the two overall most important policy documents. Lindab has set up a Corporate Governance Committee whose main task is to ensure good corporate governance within the Group.

Internal audit

Lindab has an internal audit function maintained by an external party. The duties of this function are continuously reported to the Audit Committee by the CFO, which in turn reports to the Board of Directors. The internal audit is designed to ensure that the Group's targets are met in terms of appropriate and effective processes, and that the financial statements are prepared in accordance with applicable laws and regulations.

Sustainability

An important part of the governance of the Group is Lindab's commitment to sustainability. Among other things, sustainability deals with how Lindab treats its employees and conducts itself in society. Sustainability is also concerned with Lindab's focused work on continuous environmental improvements.

Compliance

Compliance is about ensuring that Lindab complies with laws and other applicable regulations and that company operates according to the highest standards of integrity and ethics. Within this area, Lindab has, among other things, adopted policies to prevent all forms of corruption and anti-competitive behaviour.

CEO and Executive Management

Anders Berg served as President and CEO of Lindab until 28 September 2017, when he was terminated from his position and Fredrik von Oelreich joined the Executive Management as acting President and CEO. For the full year 2017, the Executive Management comprised Kristian Ackeby, CFO, Fredrik Liedholm, General Counsel and M&A and HR Director, and Bengt Andersson, Product and Market Director, Olof Christensson, Energy and Climate Solutions Manager, joined the Executive Management on 14 August 2017.

Policies

Corporate Governance Policy

Lindab has identified three main areas – sustainability, internal control and compliance – as central to its corporate governance and has set up a Corporate Governance Committee, CGC, which is primarily responsible for ensuring good corporate governance within the Group.

Code of Conduct

For Lindab and all its employees, it is important that laws, regulations and ethical values are respected and followed. Lindab ensures this through Lindab's Code of Conduct.

Communications Policy

The policy ensures that the public receives coherent and correct information about Lindab and its business, including financial targets, and that Lindab fulfils the requirements of the stock exchange regarding information to the stock market.

Insider Policy

This policy contains rules to prevent improper trading in shares or other financial instruments in Lindab by individuals who possess information that is not known by the market.

IPR Policy

The policy describes the strategy and guidelines for Lindab's management and protection of intellectual property rights.

IT Policy

The policy contains comprehensive rules for the Group's IT use and management. The goal is to ensure access to the IT structure that has been built to enable the efficient running of the business.

Anti-corruption Policy

The policy is the regulatory framework for Lindab's business and employees. Lindab has zero tolerance for corruption.

Competition Law Policy

It is important that the Group and its employees observe competition legislation. The adopted Competition Law Policy prevents violations of competition legislation.

Environmental Policy

The Environmental Policy governs Lindab's work on environmental issues and ensures that the company's operations consider the environment and that the product solutions offered help to make buildings more energy-efficient.

Working Environment Policy

The policy has a clear message on responsibility issues and that the key to a safe working environment is prevention.

Treasury Policy

The Treasury Policy defines the framework for Lindab Group's management of financial risks and transactions. These issues are handled centrally by the Group's treasury function in order to minimise costs.

Equal Opportunity Policy

The Policy establishes guidelines to ensure that all Lindab employees receive equal treatment and that no one is discriminated against based on their gender, religion, ethnicity, etc.

Board of Directors

	Peter Nilsson, Chairman	Per Bertland	Sonat Burman-Olsson
Born:	1962	1957	1958
Elected:	2016	2016	2011
Status:	Independent	Independent	Independent
Other offices held:	Senior Industrial Advisor at EQT. Chairman of Eton AB, Independent Vetcare Ltd and Unilode International AG, member of the Board of Directors of Cramo Oyj.	President and CEO of Beijer Ref AB. Chairman of the Board of Directors of several of Beijer Ref's subsidiaries and AB Dendera Holding. Advisor to Small Cap Partners SCP and member of the Board of Directors of various foundations.	Member of the Board of Directors of Tredje AP-fonden, International Chamber of Commerce, Svensk Handel and Svensk Dagligvaruhandel.
Former offices held:	President and CEO of Sanitec and Duni AB. Chairman of the Board of Directors of Duni AB, Securitas Direct AB and Sanitec Holdings Oy. Various management positions within the Swedish Match Group.	CFO and COO of Beijer Ref. CFO of Indra AB and Ötab Sport AB, which is part of the Aritmos Group.	President and CEO of COOP Sverige. Deputy CEO and CFO of the ICA Group. Vice President of the Electrolux Group responsible for Global Marketing Strategies. Senior Vice President of Operational Development at Electrolux Europe and Vice President of Finance at Electrolux International (Asia & Latin America).
Main qualifications:	M.Sc. in Business and Economics, Stockholm School of Economics.	M.Sc. in Business and Economics, Lund University.	M.Sc. in Business and Economics, Executive MBA and retail management training in Oxford and at Harvard.
Holding:	28,800 shares	5,000 shares	0 shares

Board committees

Remuneration Committee
The Remuneration Committee consists of two Board members: Peter Nilsson (Chairman) and Per Bertland.

Audit Committee
The Audit Committee consists of three Board members: Viveka Ekberg (Chairman), Anette Frumerie and John Hedberg.

Auditors

Deloitte AB

Lead auditor:

Hans Warén

Born: 1964

Authorised public accountant, Deloitte AB, Gothenburg, Sweden.

Auditor to Lindab since 2014.

Extensive experience in publicly listed companies.

			
Viveka Ekberg	Anette Frumerie	John Hedberg	Bent Johannesson
1962	1968	1972	1954
2016	2017	2017	2016
Independent	Independent	Dependent	Independent
Chairman of Apoteket AB's Pension Fund. Member of the Board of Directors of Apoteket AB's Pension Fund, Magnolia Bostad AB, Piab Group AB, SPP Pension & Försäkring, Svolder, the foundation Affärsvärlden, Centre for Justice and others.	CEO of Besqab AB. Member of the Board of Directors of the Swedish Construction Federation and Svedbergs i Dalstorp AB.	CEO of Creades AB. Chairman of the Board of Directors of NOTE AB and member of the Board of Directors of Acne Studios and LOTS Group, a company in the Scania Group.	None.
CEO of PP Pension, Nordic Manager of Morgan Stanley Investment Management, Associate Partner at Brummer & Partners, Manager of SEB Institutionell Förvaltning and share analyst at Alfred Berg Fondkommission and Affärsvärlden.	Business Unit President of Residential Development Nordic at Skanska (publ), Business Unit Manager of International Property Development & Construction at JM AB (publ) and other positions within the JM Group.	Advisor to NC Advisory AB and Nordic Capitals Fonder, management consultant at McKinsey & Co and various positions at Bonnier and Relacom.	CEO of Ramböll Sverige AB. Regional Director of Scandiaconsult AB. Head of the construction division of Kvaerner Pulping. Self-employed construction consultant. Board engagements within the Ramboll Group. Member of the Board of Directors of Almega, Svenska Teknik and Designföretagen, of which two years as Chairman.
M.Sc. in Business and Economics, Stockholm School of Economics.	M.Sc. in Industrial Engineering, KTH Royal Institute of Technology in Stockholm.	M.Sc. in Business and Economics, Stockholm School of Economics.	M.Sc. in Industrial Engineering, Chalmers University of Technology.
11,900 shares	1,000 shares	0 shares	0 shares

Pontus Andersson

Born: 1966

Elected: 1995

Employee representative for Unionen. Employed since 1987 and currently works as a development engineer.

Holding: 250 shares

Anders Lundberg

Born: 1962

Elected: 2016

Employee representative for LO (Swedish Trade Union Confederation). Employed since 1997 and currently Chairman of Verkstadsklubben IF Metall.

Holding: 10 shares

Executive Management

Fredrik von Oelreich

Born: 1961

Acting President and CEO

Acting since 2017. Member of the Executive Management since 2017.

Holding: 20,000 shares

Professional experience: President and CEO of Candyking Holding AB, Duni AB and 15 years' experience from various positions within the Swedish Match Group.

Main qualifications: M.Sc. in Business and Economics, Stockholm School of Economics.

Kristian Ackeby

Born: 1977

Executive Vice President and CFO

Employed since 2015. Member of the Executive Management since 2015.

Holding: 10,000 shares, 20,000 WT*

Professional experience: Various positions within the Autoliv Group and most recently Vice President of Corporate Control. Former Financial Manager of Coop Inköp and Kategori AB.

Main qualifications: B.Sc. in Business and Economics, University of Skövde.

Bengt Andersson

Born: 1960

Executive Vice President of Corporate Development

Employed since 1991. Member of the Executive Management since 2014.

Holding: 49,000 shares, 5,000 WT*

Related party holdings: 6,690 shares

Professional experience: Has held various positions within the Lindab Group, including Executive Vice President of Technology, Research and Product Development, Marketing Manager of Lindab Profil, and Production Manager of Lindab Ventilation.

Main qualifications: Technical college graduate in mechanical engineering.

Olof Christensson

Born: 1966

Executive Vice President of Energy and Climate Solutions

Employed since 2017. Member of the Executive Management since 2017.

Holding: 2,000 shares

Professional experience: President of Engineering Services at Semcon Group, CEO of Asko Hushåll AB, Market and Sales Director of Sensel AB – Vattenfall Group, Regional Director of Storel AB – Sonepar Group, Regional Director of Stena Technoworld AB – Stena Metall Group.

Main qualifications: M.Sc. in Business and Economics, Karlstad University.

Fredrik Liedholm

Born: 1964

Executive Vice President and General Counsel, M&A and HR Director.

Employed since 2014. Member of the Executive Management since 2014.

Holding: 2,500 shares, 20,000 WT*

Professional experience: Legal counsel, Frigoscandia Equipment AB, Associate General Counsel, FMC Techno-logies, Advokatfirman Lindahl, and most recently General Counsel, Kockums AB.

Main qualifications: Master of Laws, Lund University.

*WT = Warrants 2017/2020

Remuneration of senior executives

Remuneration principles

At the 2017 Annual General Meeting, guidelines for the remuneration of senior executives were established. The guidelines are based on remuneration that reflects the market and environment in which the executives operate. The remuneration should be competitive, facilitate recruitment and motivate employees to remain with the company. The remuneration should consist of a fixed salary, short- and long-term variable cash salary, pension and other benefits. The fixed salary should be individually determined based on the individual executive's specific responsibilities, experience, expertise and performance. The fixed salary should be reviewed at least every two years.

The short-term variable cash salary should be based on the executive's performance relative to individually established targets. For the CEO the short-term variable cash salary amounts to a maximum of 50 percent of the fixed salary, and for other senior executives a maximum of 40 percent of the fixed salary. The long-term variable cash salary should be linked to financial performance targets that reflect the company's value growth during a three-year period. For the CEO the long-term variable cash salary amounts to a maximum of 70 percent of the fixed salary, and for other senior executives a maximum of 40 percent of the fixed salary. Any profit of the long-term variable variable cash salary is presumed to be invested in shares or share-related instruments (e.g. warrants) in order to increase the executive's shareholding in Lindab and ensure alignment between the interests of shareholders and senior executives.

The pension must be a defined contribution plan. Senior executives who are not covered by the ITP plan should receive a maximum of 30 percent of their annual fixed salary as an annual contribution-based pension. Other benefits should not constitute a significant part of the total remuneration. In special cases, the Board of Directors has the right to deviate from the guidelines. The Board of Directors did not exercise this mandate in 2017. Remuneration and other benefits for the Executive Management are shown in the table on the right. A further SEK 4.8 m has been recognised relating to social security contributions, including special employers' contributions to pensions.

Remuneration of the CEO

In 2017, the fixed salary for former President and CEO Anders Berg totalled SEK 4,200,000. Anders Berg was also entitled to a variable salary of up to 50 percent of his fixed salary. Pension contribution entitlements amounted to 30 percent of the fixed salary. In addition, Anders Berg was entitled to a company car and certain other benefits. Payments received by Anders Berg in the period January to September 2017 are shown in a separate table. The notice period for Anders Berg was 12 months on the part of the company and 6 months on the part of Anders Berg. During the notice period from 28 September, Anders Berg is entitled to retain his salary and employee benefits, excluding part of short term variable salary. Anders Berg is bound by a non-competition clause for a period of two years from the termination of employment, during which he is entitled to separate remuneration. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to Anders Berg.

Remuneration and other benefits for the Executive Management in 2017

SEK	Fredrik von Oelreich	Anders Berg*	Remuneration of other members of the Executive Management*	Total
Fee	1,770,000	-	-	1,770,000
Fixed salary incl. holiday pay	-	3,202,500	7,069,412	10,271,912
Variable salary	-	1,066,778	1,571,958	2,638,736
Pensions	-	945,291	2,034,237	2,979,528
Benefits	-	36,550	225,091	261,641
Total	**1,770,000**	**5,251,119**	**10,900,698**	**17,921,817**
Termination salary incl. benefits and pension		6,159,050	-	6,159,050
Total	**1,770,000**	**11,410,169**	**10,900,698**	**24,080,867**

* Excluding social charges and special payroll tax.

Remuneration of other members of the Executive Management

During the year, the Executive Management comprised, in addition to President and CEO Anders Berg, Fredrik von Oelreich, acting President and CEO, Kristian Ackeby, CFO, Fredrik Liedholm, General Counsel and M&A and HR Director, Bengt Andersson, Product and Market Director, and Olof Christensson, Energy and Climate Solutions Manager. The remuneration of the Executive Management follows the guidelines adopted by the Annual General Meeting. The employment contracts of the current Executive Management include notice periods of 12 months on the part of the company and 6 months on the part of the employee. During the notice period, the company may exercise the right to give the employee garden leave, whereby any salary from another employer will be deducted from the salary the employee receives from Lindab during the notice period. The Executive Management is bound by non-competition clauses effective for one year from the termination of employment, during which they are entitled to separate remuneration. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to the employee.

Evaluation

The Board has monitored and evaluated the company's programmes for variable remuneration of the Executive Management, the application of guidelines for remuneration of senior executives and applicable remuneration structures and levels of remuneration in the company. The variable remuneration of the Executive Management has been found to be appropriate and in accordance with the guidelines laid down by the Annual General Meeting. The application of guidelines for the remuneration of senior executives was also found to be correct and the Board's assessment is that the remuneration of senior executives ensures a good balance between motivating employees and providing competitive compensation. Thus, the remuneration structures and levels within the company are well balanced and in accordance with market practice.

The Board of Directors' Report on Internal Control

The Board of Directors' Report on Internal Control for the Financial Year 2017

Lindab's Board of Directors is responsible for the Group's internal control in accordance with the Swedish Companies Act and the Swedish Code of Corporate Governance. Lindab's financial reporting complies with the laws and regulations applicable to companies listed on the NASDAQ OMX Nordic Exchange as well as the local regulations of each of the countries where the company operates. The description in this report is consistent with the Annual Accounts Act and is therefore limited to the internal control of financial reporting. The purpose of the report is to give shareholders and other stakeholders an understanding of how the internal control is organised at Lindab with regards to financial reporting.

The Board of Directors' description of the internal control is based on the structure found in COSO's (Committee of Sponsoring Organisations of the Treadway Commission) framework for internal control. This report has been prepared against this background.

Control environment and control instruments

In order to create and maintain a working control environment, the Board of Directors has established a number of fundamental documents that are important for the financial reporting. These specifically include the Board of Directors' rules of procedure, instructions for the CEO and the committees. The primary responsibility for enforcing the Board's instructions regarding the control environment resides with the CEO. He reports regularly to the Board as part of established routines.

The Board also has an Audit Committee serving as a preparatory forum which considers matters related to the Group's financial statements, internal control, reporting and accounting policies as well as the consequences of potential changes these matters. The Audit Committee has regular contact with the company's external auditors and is also responsible for verifying the auditors' independence and qualifications as well as following the agreed remuneration.

Lindab's internal control structure is based on a management system which is rooted in the Group's organisation and methods for running the business, with clearly defined roles, responsibilities and delegated authority. Guidance documents, such as policies and guidelines, including the adopted Code of Ethics, also play an important role in the control structure. The guidance documents relating to accounting and financial reporting make up the most important parts of the control environment with regard to the financial reporting.

Risk assessment

The Group carries out an ongoing risk assessment to identify material risks. Lindab's risk management consists of identifying, measuring and taking an active position on the identified risks, with a view to either accepting, minimising or eliminating a potential risk based on the adopted strategy. Lindab has a risk management programme, Enterprise Risk Management (ERM), covering all parts of the business, including segments and the Group's individual operating functions. The aim is to work on the prevention of risks in a structured way and make gradual improvements.

The main risk associated with the financial statements is considered to be material misstatements in the accounts, e.g. regarding the accounting and valuation of assets, liabilities, income, expenses, assessments of complex and/or changed business relationships, etc. Further risks include fraud and losses as a result of embezzlement. Risk management is built into every process, while various methods are used to evaluate and limit risks, and ensure that the risks to which Lindab is exposed are managed according to established policies, instructions and follow-up procedures. The aim is to minimise material risks and promote accurate accounting, reporting and disclosure of information.

Control activities

Control activities are designed to manage the risks that the Board of Directors and management consider to be significant for the business, the internal control and the financial reporting. Effectiveness and reliable processes are essential to ensuring compliance with applicable rules, regulations and guidelines.

The control structure consists of clear roles within the organisation that allow for efficient division of responsibilities for specific control activities, the aim being to discover and prevent any risk of reporting errors. Such activities may include clear decision-making processes for major decisions such as acquisitions, major investments, divestments, agreements and analytical follow-ups.

Another important task for Lindab's organisation is to implement, develop and maintain the Group's control routines, focusing on critical business issues. Process managers at various levels are responsible for implementing the necessary controls regarding the financial reporting. The accounting and reporting processes include controls pertaining to valuation, accounting policies and estimates. All reporting units have their own controllers/financial managers who are responsible for ensuring accurate financial reporting. Continual analysis of the financial reporting in the individual unit, together with the analysis performed at Group level, is important to ensure that the financial statements are free from material misstatement. The Group's controller organisation plays an important role in the internal control process and is responsible for ensuring that the financial reporting for each unit is accurate, complete and timely.

During the year, the Group completed the work on developing standardised process requirements and internal control activities relating to financial reporting at company level. The purpose of the work is to create a transparent system that facilitates the monitoring of financial flows. The newly established control model will gradually be rolled out in all active companies in a uniform manner, and documentation efforts concerning process/control identification have been initiated in selected units.

Information and communication

Lindab has internal information and communication channels aimed at promoting completeness and accuracy in the financial statements, for example by means of guidance documents such as internal guidelines, directives and policies. Regular updates and communication concerning changes in accounting policies, reporting requirements or other types of information are made available and known to the employees concerned. The organisation has access to all key documents on internal control and governance via the Group's intranet (Lindnet).

The Board of Directors receives financial reporting on a regular basis. External information and communication is governed by the company's Information Policy which describes Lindab's general principles for disclosure of information.

Follow-up

The Group's compliance with adopted policies and guidelines is followed up by the Board of Directors and Executive Management. The company's financial situation is discussed at every Board meeting. The Board's Remuneration Committee and Audit Committee play an important role in matters concerned with remuneration, financial statements and internal control.

Before the publication of interim and annual reports, the Audit Committee and the Board of Directors review the financial statements. Lindab's management conducts monthly performance follow-ups, analysing deviations from the budget, forecasts and previous years. The external auditors' duties also include an annual review of the internal control of the group companies, the findings of which are also reported to the Board of Directors. The findings of the preliminary audit of the Q3 report and the audit of the annual accounts are also reported to the Board of Directors by the external auditors. The auditors usually attend two Board meetings per year.

Lindab has identified three main areas (CSR, internal control and compliance) within corporate governance and has set up a Corporate Governance Committee, which is primarily responsible for ensuring good corporate governance within the Group.

Internal audit

Lindab has an internal audit function which is an integral part of the Group's financial function. This function continuously reports to Lindab's Executive Management which, in turn, reports to the Audit Committee. The direction and scope of the internal audit work is determined by the Audit Committee. The internal audit is designed to ensure that the Group's targets are met in terms of appropriate and effective processes, and that the financial statements are prepared in accordance with applicable laws and regulations.

Båstad, 18 March 2018
Board of Lindab International AB (publ)

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the general meeting of the shareholders in Lindab International corporate identity number 556606-5446

This is a translation of the Swedish language original. In the events of any differences between this translation and the Swedish original the latter shall prevail.

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the financial year 2017 on pages 44–55 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

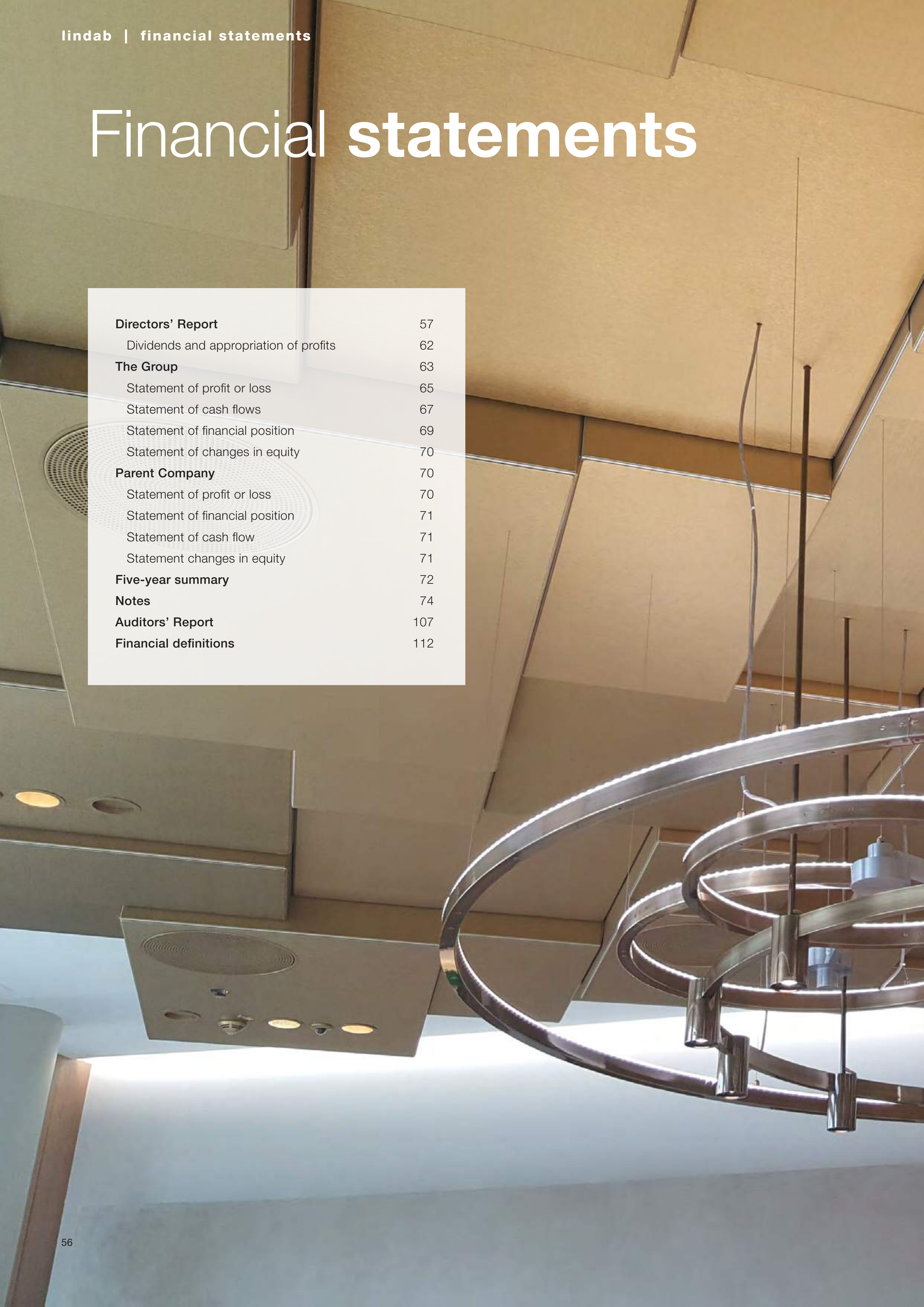
Our examination has been conducted in accordance with FAR's auditing standard RevU 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Gothenburg, 18 March 2018
Deloitte AB
Hans Warén
Authorised Public Accountant

Financial **statements**



Directors' Report

- Net sales for 2017 increased by 5 percent to SEK 8,242 m (7,849) of which organic growth amounted to 4 percent.
- Adjusted operating profit, which is excluding one-off items and restructuring costs of SEK –19 m (–28), was on par with the previous year and amounted to SEK 511 m (511).
- The Board of Directors proposes a dividend of SEK 1.55 (1.40).

The Board and the CEO of Lindab International AB (publ.), corporate identification number 556606-5446, registered in Sweden and with its head office in Båstad, hereby present their Annual Report for the financial year 2017.

Lindab International AB constitutes the parent company of the Lindab Group. The Lindab share is quoted on the Nasdaq OMX Nordic Exchange Stockholm, Mid Cap (list for medium-sized companies) under the ticker symbol LIAB.

The business

Lindab develops, manufactures, markets and distributes products and system solutions for improved indoor climate and simplified construction. The product portfolio includes complete ventilation, cooling/heating systems and products, construction products such as rainwater systems, roof and wall cladding as well as industrial buildings. Lindab also offers complete, ready-to-use steel construction systems. All 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 creates more added value for customers.

Lindab has a stable platform for its business. The goal now is to create even more added value for all stakeholders and to be a market leader in selected niches. This is to be achieved by continuing to keep up with strong global trends such as urbanisation, new technology, smart buildings and an increased focus on health/environment and energy efficiency. Taking advantage of these strong trends moves Lindab and the development of the product portfolio higher up in the value chain, which means that the Group is increasingly focusing on complete solutions and systems rather than individual products. During the year, Lindab also decided to initiate a review of the non-ventilation related business with the aim of further streamlining and focusing on prioritised business areas.

Operationally Lindab is managed through a matrix organisation and the business is continuously assessed based on the two segments Products & Solutions and Building Systems. Products & Solutions includes complete systems for both ventilation and indoor climate solutions as well as a construction area which offers complete rainwater systems, lightweight construction and sheet metal for roof and facade solutions. Building Systems produces and sells complete steel building systems. Lindab's business is also based on a geographically distributed sales organisation supported by six product and system areas with common production and purchasing functions.

Financial targets and target fulfilment 2017

Lindab's strategy is to create value for people and the environment, but the Group's strategy also aims to create value for the shareholders and other stakeholders based on a business model with clear financial targets. Since 2014 Lindab has been working towards agreed financial targets within the categories of growth, profitability and capital. The targets aim to create long term value for shareholders, increase Lindab's financial strength and enable the Group's future investments in profitable growth segments in the European construction sector. The Group's fulfilment of these targets is measured during the course of one business cycle. The targets are as follows:

- The annual growth rate should be 5-8 percent as a combination of organic and acquired growth.
- The operating margin* should average 10 percent.
- The ratio of seasonally adjusted Net Debt** to EBITDA, excluding one-off items and restructuring costs, should not exceed 2.5.

** Excluding one-off items and restructuring costs.*
*** Average Net Debt for the year.*

Lindab's policy is that dividends to shareholders should normally comprise 30 percent of the profit for the year, taking into account Lindab's capital structure, acquisition needs and long term financing needs.

In 2017, Lindab's sales trend, adjusted for currency effects, was in line with the previous year, amounting to 4 percent (4). With a strong focus on innovation, value adding solutions and improved efficiency, Lindab's profitability target is to be achieved in a business cycle. The operating margin for 2017, excluding one-off items and restructuring costs, decreased to 6.2 percent (6.5). At the end of 2017, the seasonally adjusted Net Debt was 2.2 (2.5) times greater than EBITDA, excluding one-off items and restructuring costs. Lindab's Board of Directors proposes that the Annual General Meeting approve a dividend of SEK 1.55 (1.40) per share, corresponding to dividends of SEK 118 m (107) and 34 percent (35) of net profit.

Financial key performance indicators

Amounts in SEK m unless otherwise indicated.	**2017**	2016	Change, %
Net sales	8,242	7,849	5
Growth distribution, of which:			
Organic growth, %	4	4	
Acquired/divested, %	0	0	
Currency effects, %	1	–1	
Operating profit before depreciation and amortisation	654	657	0
Adjusted operating profit[1]	511	511	0
Operating profit	492	483	2
Earnings before tax	467	445	5
Profit for the year	347	306	13
Cash flow from operating activities	410	499	–18
EBITDA margin, %	7.9	8.4	
Adjusted operating margin, %[1]	6.2	6.5	
Shareholders' equity	4,130	3,849	7
Net Debt	1,305	1,396	–9
Return on shareholders' equity, %	8.8	8.4	
Return on capital employed, %	8.8	8.8	
Net Debt/EBITDA, excluding one-off items and restructuring costs	2.2	2.5	
Net Debt/equity ratio, times	0.3	0.4	
Average no. of employees	5,143	5,134	0

1) For one-off items and restructuring costs, see the table on page 65.

Business combinations

During December the acquisition of the Irish company A.C. Manufacturing Ltd took place, whose activities mainly include the production and sale of rectangular ventilation duct systems. The acquisition is part of Lindab's strategy to further focus on ventilation, and the combination of Lindab and A.C. Manufacturing Ltd will further strengthen the Group's ability to deliver complete solutions to the growing Irish market.

The dormant company Lindab Innovation AB was divested during 2017.

For further information on business combinations, see Note 5.

Research and development

Lindab is a driver in the development of more effective and resource-efficient construction. The focus is, among other things, on finding solutions that will increase the degree of standardisation in construction projects, contribute to lower resource consumption and create a better indoor climate. This includes the development of software and new technologies to facilitate the planning process for customer projects and installations. Research and development projects are carried out in-house as well as in cooperation with suppliers, and include development and materials strength, health and environmental aspects.

Lindab's work in research and development has historically been divided between different product areas such as construction, ventilation and indoor climate. With increased focus on system solutions and expertise added through acquisitions, expertise is increasingly centralised in order to leverage the Group's full potential.

During the year, Lindab continued the establishment of cross-functional teams which will apply new working methods to come up with suggestions for new ventilation products and solutions. The aim of the new structure and working methods is to help meet the demand of a number of identified customer segments, which will form the basis for Lindab's future sales. The establishment of the new Energy and Climate Solutions function makes it possible to develop complete solutions for the identified target groups. Product development is mainly focused on the development of a number of platforms. These platforms form the base from which future demand-based segment adjustments can be built upon. Commercial business development takes place in the same organisation, working closely with research and development in order to make the most of new opportunities offered by increased digitisation and technology content.

The pace of innovation was high during the year which saw the launch of ventilation solutions such as the second generation of UltraLink as well as a new generation of rainwater systems and new building solutions. Lindab is also the first supplier in Europe to obtain Eurovent certification for its duct systems which meet the highest air tightness class, class D. With the certification, Lindab sets new standards for quality and energy efficiency in the European ventilation market. In addition, new generators of IT solutions and project support were launched. The aim is to simplify every stage of the design and construction process in order to help increase the level of quality and profitability for all parties involved. In the construction area, activities included new paint systems for rainwater systems and a renovation concept for façade panels as well as the introduction of a comprehensive BIM library to support and streamline project planning and design.

For 2017, research and development costs amounted to SEK 68 m (65), of which SEK 56 m (53) was related to Products & Solutions, and SEK 10 m (11) to Building Systems. The number of people employed within the Group's product development departments totalled 75 (75), of whom 60 (58) were within Products & Solutions, and 15 (17) within Building Systems.

Personnel and personnel development

In 2017, the average number of employees in the Lindab Group totalled 5,143 (5,134), an increase of 9 people. The number of employees at the end of the year was 5,083 (5,136), however, which is a reduction of 53 people compared with the previous year. Adjusted for acquisitions and divestments, there was a net reduction in the number of employees of 80 people at the end of the year. The average number of employees in Sweden was 1,127 (1,122), corresponding to 22 percent (22) of all employees in the Group. For further details on the average number of employees and personnel costs, please refer to Note 6.

Lindab is continually working to build a uniform culture within the organisation and promote professional working methods through Group-wide guidelines and principles, such as a code of conduct and equal opportunity policy. In order to secure a solid platform for its business while at the same time making the most of the employees' strengths, Lindab has standardised processes and tools for performance appraisals, job descriptions, succession planning and competence development. In 2017, the Group increased its focus on strategic investment in skills development in line with the accepted business strategy and thus accelerate the development of systems and solutions know how within selected business areas.

Guidelines for remuneration of senior executives

The most recently resolved remuneration principles for senior executives as well as the Board's suggested guidelines that will apply from the next Annual General Meeting are detailed in Note 6.

Profit sharing system

For all employees with permanent positions in the Swedish Lindab companies, there is an agreement for annual payment of contributions into a profit sharing foundation. These provisions are based on the earnings of the Swedish group companies. In 2017, the provisions amounted to SEK 7 m (7), including special employers' contributions. At the end of 2017, the profit sharing foundation held 215,500 shares (143,500) in Lindab. In addition to the Swedish profit sharing scheme, there is also a small profit sharing scheme in one of Lindab's French companies. See also Note 6.

Sustainability report

Lindab's sustainability work is firmly linked to the company's long-term value creation and its relationship with customers, employees and other stakeholders. Sustainability covers areas such as environment, human rights, labour and social issues and anti-corruption. The sustainability work is governed by a number of policies and guidelines, notably the company's Code of Conduct, environmental policy, working environment policy, equal opportunity policy, anti-corruption policy, ISO 26000 and the UN Global Compact. These policies cover issues relating to environment, human rights, labour and social issues and anti-corruption. The work is based on identified risks and opportunities within these areas. The risks that are considered to be material to the business, and how they are managed, are reported on page 40 and pages 59-62 of this annual report. Risk is also part of the efforts to prioritise which sustainability issues the company should focus on.

Lindab's sustainability report is prepared in accordance with GRI. The contents of the sustainability report appear from the GRI index which can be found on Lindab's website www.lindabgroup.com/sustainability.

A review of the different areas within the framework of part 6 of the Annual Accounts Act, with page references for more information, is provided below.

Business model

Lindab develops, manufactures, markets and distributes products and solutions for improved indoor climate and simplified construction. All products and solutions are characterised by high quality, ease of assembly, energy efficiency and environmentally friendly design and are delivered with high levels of service. The goal is to create value for all stakeholders in the value chain. Read more about Lindab's business model and how the company creates value on pages 12-15.

Environment

Lindab's ongoing environmental work is governed by the Group's environmental policy. Direct responsibility for environmental issues rests with the local companies. Environmental risks and how they are managed are described on page 40 and pages 59-62. Environmental performance indicators are reported on page 21 and on page 7 in the GRI index which is available at www.lindabgroup.com/sustainability.

Human rights

Lindab's Code of Conduct describes the ethical values that should be respected and upheld in relation to employees and customers. Work is going into developing a Code of Conduct for suppliers to guide the requirements that Lindab places on its suppliers' environmental and working conditions. Lindab supports the UN Global Compact and is working towards Agenda 2030, the UN's 17 sustainable development goals. Read more on page 23. Lindab has zero tolerance for any act against human rights. With zero tolerance as a fundamental part of the culture, this is not assessed as a material risk in the business and, consequently, Lindab has no separate performance indicators or review procedures in this area.

Employee and social conditions

Lindab's Code of Conduct covers occupational health and safety, antidiscrimination, social commitment and respect for employee and customer integrity issues. The Code of Conduct is implemented throughout the organisation and continuously updated and followed up. Lindab has also formulated a working environment policy which has a clear message on responsibility issues and that the key to a safe working environment is prevention. Lindab has a zero target for accidents at work and is committed to raising employee awareness of the importance of following procedures and minimising risks. Read more on page 21. The equal opportunity policy establishes guidelines to ensure that all employees at Lindab receive equal treatment and that no one is discriminated against based on their gender, religion, ethnicity, etc. Lindab encourages employees to report incidents of discrimination and harassment either to their immediate superior or via the company's whistleblower function which guarantees full anonymity. Employee appraisal interviews are held annually, and employee satisfaction surveys are carried out at regular intervals in the different countries. The indicators used for follow-up are absenteeism, work accidents, gender balance and results of employee satisfaction surveys. Read more about Lindab's work on employee issues on pages 32-33.

Anti-corruption

Lindab has a strong focus on business ethics which is supported by the company's Code of Conduct. It includes an anti-corruption policy which was updated in 2017. The policy is the regulatory anti-corruption framework for Lindab's business and employees. In 2018, an e-learning course connected to the Code of Conduct and anti-corruption will be held for the Group's salaried employees and sales personnel. Training in anti-corruption issues is also provided as part of the induction programme for new employees. Lindab has zero tolerance for all kinds of unethical or corrupt behaviour and encourages employees to report any well-founded suspicions of irregularities or violations, for example via the company's whistleblower function.

Environment

Consistent environmental work

Lindab gives priority to working actively to minimise the environmental impact of the Group's operations and products, and, consequently, the Group's environmental policy forms the basis for Lindab's environmental work. As part of these efforts, all of Lindab's major production units are certified under the ISO 9001 quality management system and the 14001 environmental management system.

Products

Lindab is working actively on product development as well as continuous improvements to existing products. The objective is to continually develop new high quality and environmentally friendly products that improve the customers' environmental performance and energy efficiency. As evidence of the Group's ongoing efforts to improve quality, during the year Lindab became the first supplier in Europe to receive Eurovent certification for its circular duct systems Lindab Safe and Lindab Safe Click which meet the highest air tightness class, class D.

Environmental permits

The majority of Lindab's production units do not normally fall under specific environmental regulations or permits. The companies report to the regulatory bodies in each country in accordance with local regulations.

In Sweden, operating permits are required for the production unit in Grevie. The permit relates to facilities where metalworking is performed mechanically and where the total tank volume for oils in the metalworking machines is greater than 20 m^3. Other Swedish operations are either obliged to declare or do not require permits.

Environmental impact

Lindab's production of steel products has a relatively limited impact on the environment. The Group carries out activities on properties where soil contamination may occur. The company controls, monitors and addresses any issues in consultation with the local authorities. The waste products generated during production consist primarily of scrap metal which is recovered completely. Other waste is recycled up to 90 percent. Anything not used is sorted and disposed of in accordance with applicable regulations.

Climate impact

Lindab's climate impact stems from energy consumption as well as from the consumption of raw materials. Several projects focusing on energy efficiency and reducing scrap volumes are being conducted within the Group.

Corporate governance

Please refer to the Corporate Governance Report on pages 44-55.

Risks and risk management

Exposure to risk is, to a certain extent, part of the business activities. Lindab's risk management consists of identifying, measuring and trying to prevent risks from occurring, and continually making improvements to minimise potential risks. For the Group, risk prevention is principally aimed at preventing potential risks from developing into damage and/or losses. If this does not succeed, the next step is to mitigate the effect of damage that has already occurred.

The Group's risks have been divided into four main risk areas: Operational risks, Strategic risks, Financial risks and Compliance risks. The probability of each risk and its impact on Lindab's business is assessed continuously with a subsequent action plan. Reporting, monitoring and controls are conducted through formally established procedures and processes. The Group's main identified risk areas are described below.

Operational risks

Steel price development

Lindab purchases large quantities of steel, mainly in the form of sheet metal, and is influenced by developments in the market for raw materials. The purchasing strategy developed by Lindab is based on long-standing relations with the most important suppliers of steel and sheet metal, enabling the company to purchase directly from steel mills rather than intermediaries. Lindab's close relationship with steel mills has enabled it to develop special grades of steel and specific finishes that are adapted to the company's systems and products. Lindab only purchases steel to meet stock holding requirements and does not speculate or hedge on future steel prices.

Lindab has chosen to centralise all steel purchasing in order to utilise its size to secure competitive prices and terms with steel mills, thereby gaining competitive advantages over smaller competitors. A thorough internal review is also being conducted to enable the Group to react and adapt its prices to customers in the event of price increases that cannot be absorbed by the organisation through rationalisation.

Stoppages

Lindab may be affected by stoppages due to various reasons such as breakdowns and strikes, as well as other reasons outside of the Group's control. Due to its global presence, the Group has the ability to move its operations to other locations should any unit be negatively affected, thereby ensuring that any projects undertaken are completed.

The Group's global insurance programmes cover property damage, stoppages and breakdowns.

Bad debt losses

Lindab sells its products to a large number of customers, which means that the Group has limited exposure to individual bad debt losses. However, there is always a risk that a customers' financial position may change, which can negatively impact their ability to pay, which may in turn, result in Lindab not receiving payment for products sold. In order to minimise the risk of bad debt losses, a number of companies within the Group have insured their receivables against bad debt losses. Furthermore, the Group obtains credit information about customers whenever possible. Lindab's single largest customer accounts for 1.9 percent (1.7) of the Group's annual sales.

Until 31 December 2017, the Group applied the principle that for accounts receivable which are overdue by 180 to 360 days, a provision of 50 percent of the balance should be made, while for accounts receivable which are overdue by more than 360 days, a provision for 100 percent of the amount should be made, in so far as the receivables are not covered by credit insurance nor has the Group obtained security corresponding to the amount due. In addition, provisions are made for individual accounts receivables which are significantly exposed to a risk of bad debt, that do not fall within the description above.

Based on the above principle, the provision for bad debts amounted to SEK 88 m (97) on 31 December 2017. During the year, SEK 13 m (23) concerning provisions for bad debts was expensed, equivalent to 0.1 percent (0.3) of the Group's net sales; see Note 21.

Unlike the provision method for potential bad debt losses, the risk of bad debt losses has not changed after 31 December 2017. As a result of the new standard (IFRS 9), as of 2018 the company will change its assessment method for the calculation of the credit loss provision for accounts receivable. However, the change is not deemed to have any substantial financial impact on the Group's carrying amounts. For further information, see Note 2.

Disputes

The financial risk associated with disputes relates to the costs that may arise from the Group's involvement in various legal disputes. The responsibility for monitoring and guiding the legal risk management lies with Lindab's legal department led by the Group's General Counsel. During the year, Group companies were only involved in minor disputes that are directly related to the business.

Within the Building Systems segment, provisions are regularly made for potential future claims. Provisions are based, among other things, on Building Systems' historical claims costs. In addition, provisions are made, both within Building Systems and within Products & Solutions, for disputes that are deemed likely to result in a risk of having to pay compensation. The warranty provision for 2017 amounted to SEK 11 m (8). For more information, see Note 24.

IS/IT

Lindab harmonises business processes and consolidates the Group's IS/IT systems with the aim of establishing an efficient and sustainable value chain that offers customer and market segments delivery and service that match the overall cost.

To ensure high availability and disaster preparedness and to minimise the risk of disruptions to critical business systems, the relevant degree of redundancy in IT infrastructure equipment has been established (communication lines, servers, storage and server rooms).

Regular risk analyses are conducted of critical IS/IT systems, including identification, analysis and mitigation measures.

A Group wide project methodology has been implemented to ensure uninterrupted implementation when rolling out harmonised business processes and consolidated IS/IT systems.

Strategic risks

Competition

In the various markets, Lindab competes against a large number of small companies and a small number of relatively large national and multinational companies. The company's competitors include Ruukki Construction, Tata Steel, Arcelor Mittal Construction, Marley, Balex Metal, Budmat, Pruszynski, Fläkt Woods, Swegon, Systemair, Trox, Goldbeck and Llentab.

To face up to this competition, Lindab has opted to use highly automated central production units for volume products. These products can be easily transported. This is combined with smaller, local production units for products that require local adaptation.

Through a well developed distribution network, Lindab can stay informed of changes, trends and new demands from customers and lay the foundations for the adaptation of products, systems solutions and services.

Lindab's primary raw material is steel, mainly in sheet metal form and Lindab's competitive strength is partially affected by changes in the price of raw materials.

Lindab is continuously rationalising production, distribution and organisation to maintain its competitive edge. Steel has many advantages over competing materials such as plastic and concrete. Customer campaigns also have an influence on customers' product choices. Lindab is working towards building long term relationships with customers and to provide added value by simplifying construction through the use of Lindab's products and system solutions.

Customer behaviour

Demand for Lindab's products is affected by changes in customers' investment plans and production levels. Customers' investments can change if the political or economic situation in a country or an industry changes. Lindab has its own operations in 32 countries, which balances the various country specific risks in the construction industry. However, since construction is a cyclical industry, it is not possible to protect against a downturn in the global economy. The current economic climate in Europe is affecting the majority of Lindab's markets and therefore has an impact on Lindab. Similarly, any political unrest or instability may have an effect on Lindab.

Macro-economy/market

Lindab's business is late in the construction cycle, with approximately 80 percent of sales derived from non-residential construction and a range of products and solutions that are mostly installed at a later stage of the construction process. Generally, over time the construction market follows overall GDP growth, although with greater fluctuation. The market for non-residential construction is often somewhat later in the business cycle than residential construction as the projects involved are generally larger and extend over longer lead times.

During normal business cycles, this allows Lindab some flexibility to manage capacity planning. However, in the event of macroeconomic crises, such as the financial crisis of 2008, the opposite generally occurs with rapid and significantly greater fluctuations in construction activity compared with the general economy.

Financial risks

For a description of financial risks, see Note 3.

Compliance risks

Taxes

Lindab has operations in many different countries, especially in Europe, and has noted generally that the tax laws and their application have become more complex. Predictability has declined and it is increasingly important to have up-to-date and fully functional systems and processes for managing taxes and levies.

Within the field of income taxes, focus is also on transfer pricing issues, which relate to the prices agreed in cross-border transactions between related companies. Internal prices affect revenues and costs and thereby taxable profits in the countries where the companies operate. The internationally accepted view is that the conditions should be consistent with what would be agreed between independent parties, known as the arm's length principle. Most of the countries where Lindab operates are members of the OECD. Lindab is continuously working to ensure that the Group complies with the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations, in terms of pricing, documentation and in general. In 2017, additional work was carried out to, for the first time, prepare and quality assure the Group wide country by country reporting and to report it to the tax authorities.

Lindab is working to develop and adapt procedures to identify tax risks and manage them effectively. Lindab has regular contact with tax advisors for the interpretation of tax laws and to assess how various issues should be handled. An incorrect treatment could affect Lindab through higher operating expenses or tax expenses together with interest and penalties.

The Group is not involved in any tax disputes that could have a material negative impact on the Group's result or financial position.

Environment

Lindab is actively working to minimise the environmental impact created by the Group's operations and products. Lindab's Environmental policy is a key document that forms the basis for the Group's environmental work. Lindab's production of steel products has a minimal environmental impact. In cases where there is a risk of environmental liability, an assessment is made to determine whether a provision is required. During 2016 and 2017, no provisions were made for anticipated future environmental liabilities. The waste products generated through production consist mainly of scrap metal which is recovered completely and other waste, of which up to 90 percent is recycled. Anything not used is sorted and disposed of in accordance with applicable regulations.

In order to protect the company and third parties in the event of environmental accidents, Lindab has environmental insurance where required by local law, and in some cases this has been extended to include voluntary insurance environmental liability. The insurance includes liability for damages that are part of or are the result of environmental damage.

Business ethics

Lindab's reputation is a valuable asset that can be influenced by Lindab's actions as well as by external stakeholders. Lindab Group strives to avoid engaging in conduct that might jeopardise Lindab's good standing. Lindab aims to be a good corporate citizen wherever the Group is active. A Code of Conduct has been formulated and implemented in the Group to ensure that all employees in Lindab's markets follow best business practice.

In the construction industry and in the various geographical markets where Lindab operates, there are some players whose conduct is not consistent with good business practice. Lindab has long had a competition policy that is continuously reviewed and updated. Conduct that breaches competition rules is unacceptable. Lindab has zero tolerance towards corruption and an anti-corruption policy exists to ensure that conduct which might be regarded as corruption does not take place in the Group.

Work environment

A good and safe working environment is a strategic issue for the Group. Lindab's work environment policy is implemented in the Group with clearly defined responsibilities for both managers and employees. Emphasis is placed on preventive work, which is done in cooperation amongst Management, employees, safety organisations and occupational health organisation.

Accidents that resulted in time lost from work of at least one day are monitored and reported as LTIF (Lost Time Injury Frequency). During the period 2014-2016, LTIF fell from 12.3 to 8.8, but increased slightly to 9.3 in 2017. In the event of very serious accidents involving a risk of permanent disability, the President and CEO is informed within 24 hours and corrective and preventive actions are followed up and implemented within two weeks. In 2017, one serious accident occurred. The person injured has made a full recovery.

Share capital

On 31 December 2017, the share capital amounted to SEK 78,707,820 consisting of 78,707,820 class A shares only. All shares have a face value of SEK 1.00.

Lindab holds 2,375,838 treasury shares (2,375,838), equivalent to 3.0 percent (3.0) of the total number of Lindab shares. The number of outstanding shares is 76,331,982 (76,331,982).

In 2017, it was decided to establish a warrant programme for senior executives, and consequently 75,000 warrants were issued and disposed on market terms. Each warrant entitles the holder to acquire one share in Lindab at an agreed price of SEK 108.80 at a specified time in 2020.

All shares have the same right to dividend and surplus in the event of liquidation and they entitle the holder to one vote at Lindab's Annual General Meeting. According to Lindab's Articles of Association, issued share capital must not fall below SEK 60 m or exceed SEK 240 m, and the number of shares must not fall below 60,000,000 or exceed 240,000,000.

There are no restrictions in law or in the Articles of Association relating to the transferability of shares.

On 31 December 2017, the company had a market capitalisation of SEK 5,206 m (5,576) and 6,970 shareholders (7,257). The largest shareholder in relation to outstanding shares is Creades AB, which owns 10.4 percent (10.3). It is followed by Fjärde AP-fonden with 9.8 percent (8.0), Lannebo Fonder with 9.1 percent (8.0), Handelsbanken Fonder with 8.1 percent (8.1) and IF Skadeförsäkring with 5.1 percent (4.9). These five largest shareholders together hold 42.5 percent (39.3) of the share capital and votes. The ten largest holdings constitute 61.2 percent (57.3) of the shares, excluding Lindab's own holding.

There are no restrictions on how many shares a shareholder can represent at an Annual General Meeting. Lindab is unaware of any agreements between shareholders that may result in restrictions in their right to transfer shares.

The Articles of Association state that the Board members are elected at the Annual General Meeting. The appointment and dismissal of Board members are otherwise governed by provisions in the Companies Act and the Code of Corporate Governance. In addition, the Companies Act states that changes to the Articles of Association, as appropriate, should be resolved at general meetings.

Dividends

Dividend policy

Lindab's dividend policy is to distribute the equivalent of 30 percent of net profit. However, the company's capital structure, acquisition needs and long term financing requirements will always be taken into consideration.

Proposed appropriation of profits for the financial year 2017

Lindab's Board of Directors proposes that the Annual General Meeting on 3 May 2018 approve a dividend of SEK 1.55 per share, which is in line with the company's dividend policy and provides dividends totalling SEK 118 m. It is proposed that the record date for the right to a dividend payout be 7 May 2018, with the dividend expected to be paid to shareholders on 11 May 2018.

At the disposal of the Annual General Meeting:

SEK	2017
Profit brought forward	312,321,418
Profit for the year	839,378
Profit carried forward	**313,160,796**

The Board of Directors proposes the following appropriation of profits:

SEK	
Dividend to shareholders, SEK 1.55 per share	118,314,572
To be carried forward	194,846,224
Total	**313,160,796**

Net sales and profit

- Net sales increased by 5 percent to SEK 8,242 m (7,849), of which organic growth amounted to 4 percent and currency had a positive impact of 1 percent.
- The adjusted operating profit was in line with the previous year and amounted to SEK 511 m (511). Operating profit increased by 2 percent to SEK 492 m (483).
- Profit for the year amounted to SEK 347 m (306), an increase of 13 percent. Reported earnings per share was SEK 4.54 (4.02).

Net sales

Net sales amounted to SEK 8,242 m (7,849), which was an increase of 5 percent compared with the previous year. Organic growth amounted to 4 percent. Currency effects impacted sales positively by 1 percent, while completed acquisitions and divestments only had a marginal impact on sales. Foreign net sales increased by 7 percent and amounted to SEK 6,246 m (5,846), corresponding to 76 percent (74) of the Group's total sales.

Lindab has own operations in 32 countries (32), and the geographical breakdown of total sales in 2017 was 46 percent (47) in the Nordic region, 33 percent (33) in Western Europe, 18 percent (17) in CEE/CIS and 3 percent (3) in other markets.

In 2017, Lindab recorded positive organic growth in all quarters. The large Products & Solutions segment recorded organic growth of 5 percent for the full year, while organic growth in Building Systems fell by 7 percent. The sales trend in Products & Solutions was particularly strong in Western and Eastern Europe. However, the sales trend in Building Systems was negative due to poor sales in Western Europe, in particular.

Seasonal variations

Lindab's business is affected by seasonal variations in the construction industry, and the highest proportion of net sales is normally seen during the second half of the year.

Gross profit

Gross profit increased by 2 percent to SEK 2,185 m (2,139). The gross margin amounted to 27 percent (27) of net sales.

Other operating income

Other operating income amounted to SEK 79 m (72). This income was primarily related to exchange rate gains on operating receivables/liabilities in 2016 and 2017. In addition, capital gains on the disposal of fixed assets contributed to other operating income by SEK 9 m (17).

Indirect costs

Selling and administrative expenses increased by just under 2 percent to SEK 1,604 m (1,577), equivalent to 19 percent (20) of net sales. Research and development expenses amounted to SEK 68 m (65), equivalent to 0.8 percent (0.8) of net sales.

Other operating expenses

Other operating expenses amounted to SEK 100 m (86). The expenses largely consist of exchange rate losses on operating receivables/liabilities. Other operating expenses include one-off items and restructuring costs of SEK 19 m (17), see one-off items and restructuring costs on page 65.

Depreciation/amortisation and impairment losses

Total depreciation, amortisation and impairment losses for the year, included in the costs per function (see Note 8) amounted to SEK 162 m (174), of which SEK 35 m (38) concerns intangible assets. Of this, SEK 4 m (5) relates to amortisation of the consolidated surplus value in intangible assets.

Operating profit

Operating profit increased to SEK 492 m (483) and this improvement was entirely attributable to the Products & Solutions segment, whereas Building Systems' operating profit developed negatively during the year. The adjusted operating profit was in line with the previous year and amounted to SEK 511 m (511). Adjusted operating margin fell to 6.2 percent (6.5).

Total one-off items and restructuring costs which impacted operating profit amounted to SEK –19 m (–28); see also the specification of one-off items and restructuring costs on page 65. One-off items and restructuring costs for the year primarily relate to costs for the termination of the former President and CEO, structural changes and the costs associated with the review of the non-ventilation related business. In the prior year one-off items and restructuring costs mainly related to cost reduction initiatives.

Earnings before tax

Earnings before tax amounted to SEK 467 m (445), an increase of 5 percent. Financial items improved during the year to SEK –25 m (–38), among other things due to improved credit terms associated with the signing of new credit agreements during summer 2017.

Taxes

The Group's tax expense for the year amounted to SEK –120 m (–139)

Net sales and growth

	2017	2016	2015
Net sales, SEK m	8,242	7,849	7,589
Change, SEK m	393	260	586
Change, %	5	3	8
Of which			
Organic growth, %	4	4	2
Acquisitions/divestments, %	0	0	4
Currency effects, %	1	–1	2

Net sales by region

SEK m	**2017**	**Share, %**	2016	Share, %	2015	Share, %
Nordic region	3,752	46	3,654	47	3,372	44
Western Europe	2,699	33	2,600	33	2,481	33
CEE/CIS	1,524	18	1,352	17	1,408	19
Other markets	267	3	243	3	328	4
Total	**8,242**	**100**	**7,849**	**100**	**7,589**	**100**

and the effective tax rate amounted to 26 percent (31). Current tax amounted to SEK –126 m (–120), and deferred tax amounted to SEK 6 m (–19). The average tax rate was 19 percent (20). It has been calculated by weighting the subsidiaries' earnings before tax against the local tax rate for each country.

The lower effective tax rate compared with the previous year is mainly explained by the fact that Lindab to a larger extent has been able to utilise carry-forward tax losses which reduced the total tax expense. It is also explained by the fact that the operating profit for the year included major non-taxable income, while the previous year included larger non-deductible expenses. The higher effective tax rate compared with the average tax rate is due to the fact that Lindab has not been able to fully utilise carry-forward tax losses. For further information, see Note 14.

Profit for the year and earnings per share

Profit for the year amounted to SEK 347 m (306), corresponding to after-tax earnings per share (before and after dilution) of SEK 4.54 (4.02).

Comprehensive income

Comprehensive income amounted to SEK 387 m (433). Comprehensive income includes Other comprehensive income, comprising translation differences arising when foreign operations are translated to SEK, the value of hedges of net investments, actuarial gains and losses regarding defined benefit plans and tax. Translation differences concerning foreign businesses and hedges of net investments accounted for most of the year-on-year difference. The development in translation differences was driven primarily by net investments.

Performance by segment

The Group's operations are reported in two segments, Products & Solutions and Building Systems. The distribution of net sales and operating profit by segment is shown in the table below.

Products & Solutions segment

Products & Solutions' product and solution offering includes products and complete 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.

Net sales amounted to SEK 7,360 m (6,949), an increase of 6 percent, of which 5 percent was organic growth. In 2017, sales increased in all geographical regions, and most of the product areas in the ventilation area recorded positive organic growth. Sales were especially good within ventilation products, indoor climate solutions and air movement, while they fell within fire safety. Sales within the rainwater systems and building products segments also grew, while sales of building solutions fell.

The organic sales growth remained positive in the Nordic region. Denmark, which is the region's second-largest market, saw particularly good development. Finland and Norway also showed good growth, while sales decreased slightly in Sweden as a result of large project deliveries the previous year. During the year, Western Europe showed clear organic growth in most markets. The strong growth in Ireland in 2016 also continued in 2017, resulting in new record sales. Furthermore, Lindab completed a business combination in the Irish market at the end of the year in order to further strengthen its future presence in the growing local ventilation market. Sales continued to grow in the UK and no measurable negative impact was noted due to Brexit. In the CEE/CIS region which accounts for 15 percent of the segment's sales, growth was also very strong throughout the year, with organic growth in the region's four largest markets Poland, Hungary, the Czech Republic and Romania.

Adjusted operating profit increased by 4 percent to SEK 590 m (565). Adjusted operating margin amounted to 8.0 percent (8.1). The improvement in the operating profit is mainly attributable to higher sales volume driven in particular by Western and Eastern Europe.

Building Systems segment

Building Systems offers complete prefabricated steel construction systems and proprietary IT software that simplifies the project planning and quotation process for designers and contractors.

Net sales amounted to SEK 882 m (900) in 2017, which is a reduction of 2 percent compared with the previous year. Adjusted for currency effects the decrease was 7 percent.

The sales trend during the year varied greatly between the individual markets. The CEE/CIS region saw good sales growth during the year, while sales to Western Europe fell. In the CEE/CIS region, growth was mainly driven by two of the segment´s important markets, Russia and Belarus. The sales and market environment has improved in both countries, with Russia in particular. Both countries had a stable order intake at the end of the year. In contrast, sales decreased in Poland. At the same time, the market situation in Western Europe was challenging with reduced sales in most countries, including Germany – the segment's largest market. Sales to Africa fell during year, which is mainly explained by particularly large project deliveries in the previous year.

Adjusted operating profit amounted to SEK –42 m (–12). Adjusted operating margin amounted to –4.8 percent (–1.3). Most of the decline in earnings can be attributed to reduced sales in individual markets, low capacity utilisation in production and increased raw material prices.

Net sales, operating profit and operating margin, % by segment

	Net sales					Operating profit					Operating margin, %				
SEK m	**2017**	2016	2015	2014	2013	**2017**	2016	2015	2014	2013	**2017**	2016	2015	2014	2013
Products & Solutions	7,360	6,949	6,727	6,084	5,496	590	565	504	471	360	8.0	8.1	7.5	7.7	6.6
Building Systems	882	900	862	919	1,027	–42	–12	16	52	159	–4.8	–1.3	1.9	5.7	15.5
Other operations	-	-	-	-	-	–37	–42	–57	–26	–21	ET	ET	ET	ET	ET
Total, adjusted for one-off items and restructuring costs	**8,242**	**7,849**	**7,589**	**7,003**	**6,523**	**511**	**511**	**463**	**497**	**498**	**6.2**	**6.5**	**6.1**	**7.1**	**7.6**
One-off items and restructuring costs	-	-	-	-	-	–19	–28	6	–30	–46	ET	ET	ET	ET	ET
Total, including one-off items and restructuring costs	**8,242**	**7,849**	**7,589**	**7,003**	**6,523**	**492**	**483**	**469**	**467**	**452**	**6.0**	**6.2**	**6.2**	**6.7**	**6.9**

Consolidated statement of profit or loss

SEK m	Note	2017	2016
Net sales	7	8,242	7,849
Cost of goods sold	6, 8, 9, 27	–6,057	–5,710
Gross profit		**2,185**	**2,139**
Other operating income	12	79	72
Selling expenses	6, 8, 9, 27	–1,068	–1,061
Administrative expenses	6, 8, 9, 10, 27	–536	–516
R&D expenses	6, 8, 9, 11	–68	–65
Other operating expenses	9, 12	–100	–86
Total operating expenses		**–1,693**	**–1,656**
Operating profit		**492**	**483**
Interest income	13	19	11
Interest expenses	13	–36	–43
Other financial income and expenses	13	–8	–6
Financial items		**–25**	**–38**
Earnings before tax		**467**	**445**
Tax on profit for the year	14	–120	–139
Profit for the year		**347**	**306**
– of which attributable to parent company shareholders		*347*	*306*
– of which attributable to non-controlling interests		*0*	*0*
Earnings per share before and after dilution, SEK	15	4.54	4.02

Consolidated statement of comprehensive income

SEK m	Note	2017	2016
Profit for the year		**347**	**306**
Items that will not be reclassified to the income statement			
Actuarial gains/losses, defined benefit plans		–9	–27
Deferred tax attributable to defined benefit plans		3	6
Total		**–6**	**–21**
Items that will later be reclassified to the income statement			
Translation differences, foreign operations		63	193
Hedges of net investments		–21	–57
Deferred tax attributable to hedges of net investments		4	12
Total		**46**	**148**
Other comprehensive income, net of tax		**40**	**127**
Comprehensive income		**387**	**433**
– of which attributable to parent company shareholders		*387*	*433*
– of which attributable to non-controlling interests		*0*	*0*

Specification of one-off items and restructuring costs

2017	**Products & Solutions**	**Building Systems**	**Other operations**	**Total**
Adjusted operating profit	590	–42	–37	511
One-off items and restructuring costs	-	-	–19	–19*
Operating profit	**590**	**–42**	**–56**	**492**
2016				
Adjusted operating profit	565	–12	–42	511
One-off items and restructuring costs	–24	-	–4	–28**
Operating profit	**541**	**–12**	**–46**	**483**

Operating profit has been adjusted for the following one-off items and restructuring costs, which are reported as other operating income, other operating expenses and depreciation and amortisation.

2017 SEK -19 m relating to severance costs for the President and CEO, evaluation of structural alternatives and governance project.*

*2016** SEK -28 m relating to a cost-reduction programme and governance project.*

Cash flow

- Cash flow from operating activities amounted to SEK 410 m (499).
- Investments in tangible fixed assets amounted to SEK –79 m (–104).
- Acquisitions of subsidiaries impacted investing activities by SEK –64 m (-).

Cash flow from operating activities

Cash flow from operating activities declined compared with the previous year and amounted to SEK 410 m (499). Despite an increase in consolidated cash flow from operating activities before changes in working capital, there was a net reduction of SEK –89 m (39) compared with the previous year, as a result of the negative impact of increased working capital.

Changes in working capital amounted to SEK –100 m (25). The increase in stock had a negative impact on cash flow of SEK –81 m (–77) and the increase in operating receivables had a negative impact of SEK –99 m (–36). The change in operating liabilities had a positive effect on cash flow of SEK 80 m (138). The largest factors impacting changes in working capital relate to sales growth in Products & Solutions as well as the impact of higher advance payments from Building Systems´ customers in the previous year.

Items not affecting cash flow

Items not affecting cash flow include unrealised exchange rate differences, provisions, depreciation and amortisation. Realised gains and losses resulting from the sale of assets are eliminated since the cash effect from the disposal of fixed assets and operations is reported separately under cash flow from investing activities.

Cash flow from investing activities

Investments in intangible assets and tangible fixed assets amounted to SEK 100 m (125). The majority of investments during the year mainly consisted of maintenance investments, reinvestments as well as various efficiency investments in production facilities. In terms of cash flows, the Group's investment activities were positively affected by the disposal of intangible assets and tangible fixed assets to the amount of SEK 33 m (33), relating primarily to the disposal of properties in both years.

Net cash flow from investing activities amounted to SEK –67 m (–92), excluding acquisitions and divestments of subsidiaries.

Business combinations

On 14 December, Lindab acquired the Irish company A.C. Manufacturing Ltd. Part of the purchase price was settled in connection with the acquisition, resulting in an outflow to the seller affecting cash flow by SEK –69 m (-). At the time of the acquisition, the company had liquid net assets of SEK 5 m (-), impacting on the Group's net cash flow SEK –64 m (-). For further information on the acquisition of A.C. Manufacturing Ltd, see Note 5.

During the year, Lindab divested the dormant company Lindab Innovation AB. The purchase price received in connection with the divestment amounted to SEK 0 m (-).

Financing activities

Cash flow from financing activities amounted to SEK –360 m (–290). The increase relative to the prior year consisted mainly of changes in borrowings during the year, as well as the distribution to shareholders of SEK –107 m (–95) which was slightly higher than the previous year.

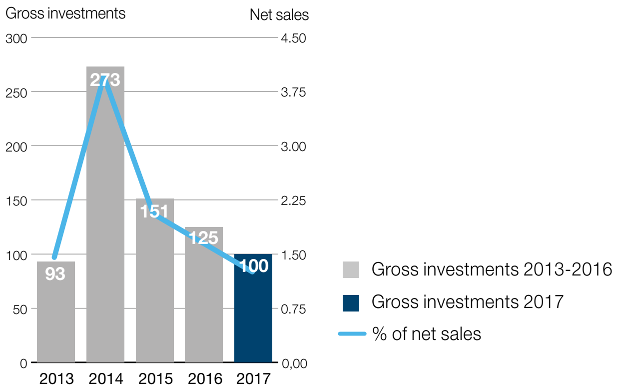
At the end of the year, consolidated Net Debt amounted to SEK 1,305 m (1,396). Currency effects increased Net Debt by SEK 12 m compared with the previous year, while repayments of borrowings contributed to the total reduction in Net Debt.

Consolidated statement of cash flows

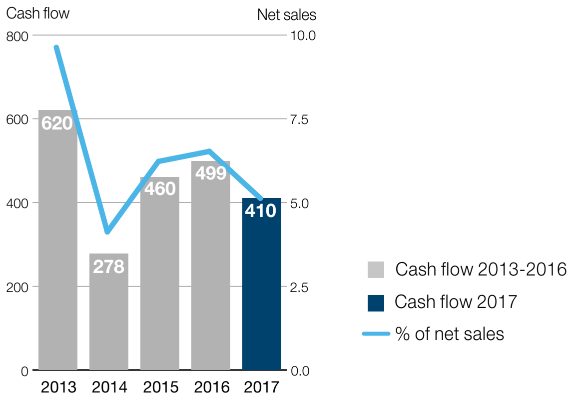
SEK m	Note	**2017**	2016
Operating activities			
Operating profit		492	483
Reversal of depreciation/amortisation and impairment losses	8	162	174
Reversal of capital gains (-)/losses (+) reported in operating profit		–9	–14
Provisions, not affecting cash flow		9	–24
Adjustment for other items not affecting cash flow		–8	–5
Total		**646**	**614**
Interest received		19	11
Interest paid		–33	–41
Tax paid		–122	–110
Cash flow from operating activities before change in working capital		**510**	**474**
Change in working capital*			
Stock (increase - /decrease +)		–81	–77
Operating receivables (increase - /decrease +)		–99	–36
Operating liabilities (increase + /decrease -)		80	138
Total change in working capital		*–100*	*25*
Cash flow from operating activities		**410**	**499**
Investing activities			
Acquisition of Group companies	5	–64	-
Divestment of Group companies	5	0	-
Investments in intangible assets	16	–21	–21
Investments in tangible fixed assets	17	–79	–104
Change in financial fixed assets		0	0
Disposal of intangible assets	16	0	0
Disposal of tangible fixed assets	17	33	33
Cash flow from investing activities		**–131**	**–92**
Financing activities			
Proceeds from borrowings		1,656	40
Repayment of borrowings		–1,910	–235
Issue of warrants		1	-
Dividend to shareholders		–107	–95
Cash flow from financing activities		**–360**	**–290**
Cash flow for the year		**–81**	**117**
Cash and cash equivalents at the beginning of the year		418	285
Effect of exchange rate changes on cash and cash equivalents		5	16
Cash and cash equivalents at the end of the year		**342**	**418**

*) *Working capital, see definition on page 112.*

Gross investments in fixed assets, excl. acquisitions and disposals, SEK m, and in relation to net sales, %



Cash flow from operating activities, SEK m, and in relation to net sales, %



Financial position

- The equity/asset ratio increased to 53.4 percent (51.3)
- Net Debt fell to SEK 1,305 m (1,396).
- The Net Debt/equity ratio amounted to 0.3 (0.4) at the end of the year.

Fixed assets and investments

Information about changes in the structure of fixed assets can be found in the comments to the Statement of cash flows on page 66.

Stock and accounts receivable

Stock and accounts receivable increased compared with the previous year. Stock amounted to SEK 1,256 m (1,159), which is an increase of 8 percent (11). Accounts receivable amounted to SEK 1,363 m (1,250), which is an increase of 9 percent (6). The increase relative to the prior year is mainly due to increased sales in Products & Solutions as well as a slightly higher share of unsettled receivables at the due date, relative to the prior year resulting in upward pressure on the accounts receivable balance. 31 December 2017, stock and accounts receivable relative to net sales amounted to 15 percent (15) and 17 percent (16) respectively.

Cash and cash equivalents

Cash and cash equivalents amounted to SEK 342 m (418) at the end of the year. Escrow accounts amounting to SEK 3 m (3) are included in cash and cash equivalents. On 31 December 2017, available cash and cash equivalents, including unused credit facilities, amounted to SEK 1,615 m (1,404) based on an underlying credit limit of SEK 2,192 m (2,100).

Capital employed

Average consolidated capital employed, including goodwill and consolidated surplus value, amounted to SEK 5,784 m (5,642), which is marginally higher than the previous year. Return on capital employed, including goodwill, amounted to 8.8 percent (8.8).

Shareholders' equity

Shareholders' equity amounted to SEK 4,130 m (3,849) at the end of 2017. During the year, Net translation differences, foreign operations and Hedges of net investments, exclusive of tax, had a positive impact on shareholders' equity of SEK 42 m (136). At the same time, shareholders' equity was reduced by SEK –9 m (–27), exclusive of tax, due to actuarial losses relating to defined benefit plans. Shareholders' equity was also affected by SEK 1 m (-) through the issue of warrants for senior executives in accordance with the Annual General Meeting's resolution in May 2017. Dividend to shareholders amounted to SEK –107 m (–95) as resolved by the Annual General Meeting. Shareholders' equity per share amounted to SEK 54.09 (50.41) at the end of the year, and return on shareholders' equity for the year amounted to 8.8 percent (8.4).

Net Debt

On 31 December 2017, Net Debt amounted to SEK 1,305 m (1,396). Currency effects increased Net Debt by SEK 12 m compared with the previous year, while repayments of borrowings contributed to the reduction in Net Debt. The Net Debt comprises non-current and current interest bearing liabilities, including interest bearing provisions less interest bearing assets, cash holdings and bank balances. Interest bearing liabilities amounted to SEK 1,696 m (1,871), of which SEK 226 m (211) was provisions for pensions. Interest bearing assets including cash and bank balances amounted to SEK 391 m (475).

The Net Debt is part of the Group's financial targets. The goal is that the ratio of seasonally adjusted Net Debt* to EBITDA, excluding one-off items and restructuring costs, should not exceed 2.5. The Net Debt/equity ratio, i.e. Net Debt relative to shareholders' equity, was 0.3 times (0.4).

** Average Net Debt for the year.*

Interest coverage ratio

The interest coverage ratio, which expresses the Group's ability to pay interest, was 14.1 times (11.4).

Equity/asset ratio

The Group's equity/asset ratio, i.e. shareholders' equity relative to total assets, amounted to 53.4 percent (51.3).

Credit agreements

During the year, Lindab signed new credit agreements. The new long term credit agreements with Nordea and Danske Bank have a value of SEK 1,700 m and the agreement with Raiffeisen Bank International has a value of EUR 50 m. The agreements replace the previous credit agreement of SEK 1,600 m and a loan of SEK 500 m. The new agreements are valid for three years, expiring in July 2020, with an option to extend the maturity by one plus one year.

Pledged assets and contingent liabilities

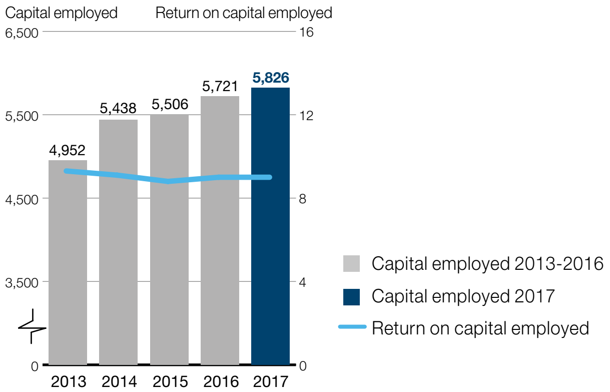
Pledged assets amounted to SEK 21 m (22), and contingent liabilities amounted to SEK 19 m (19).

Consolidated statement of financial position

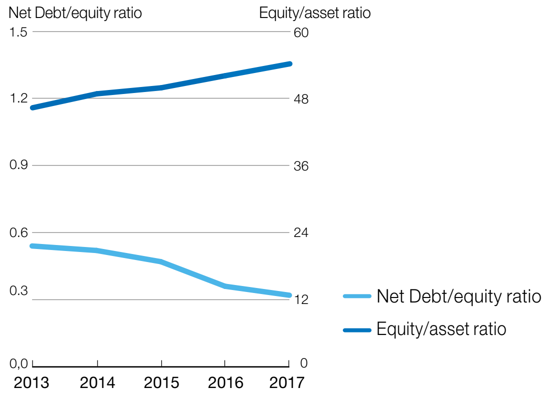
SEK m	Note	**31 Dec 2017**	31 Dec 2016
ASSETS			
Fixed assets			
Intangible assets			
Capitalised expenditure for development work	16	19	20
Patents and similar rights	16	12	14
Goodwill	16	3,059	2,963
Other intangible assets	16	105	89
Total intangible assets		*3,195*	*3,086*
Tangible fixed assets			
Buildings and land	17, 27	805	799
Machinery and equipment	17	443	439
Construction in progress and advance payments on fixed tangible assets	17	37	61
Total tangible fixed assets		*1,285*	*1,299*
Financial fixed assets			
Financial investment	23	43	45
Deferred tax assets	14	74	67
Other investments held as fixed assets	18	4	4
Other non-current receivables	19	3	4
Total financial fixed assets		*124*	*120*
Total fixed assets		**4,604**	**4,505**
Current assets			
Stock	20	1,256	1,159
Accounts receivable	21	1,363	1,250
Other receivables	21	67	65
Current tax assets		5	13
Prepaid expenses and accrued income	21	88	81
Prepaid expenses and accrued income, interest bearing	21	6	12
Cash and cash equivalents		342	418
Total current assets		**3,127**	**2,998**
TOTAL ASSETS		**7,731**	**7,503**

SEK m	Note	**31 Dec 2017**	31 Dec 2016
EQUITY AND LIABILITIES			
Shareholders' equity			
Shareholders' equity attributable to parent company shareholders			
Share capital	22	79	79
Other contributed capital		2,260	2,260
Translation reserve		152	106
Profit brought forward, incl. profit for the year		1,638	1,403
		4,129	3,848
Non-controlling interests		*1*	*1*
Total shareholders' equity		**4,130**	**3,849**
Non-current liabilities			
Interest bearing liabilities			
Liabilities to credit institutions	25	1,397	1,625
Provisions for pensions and similar obligations	23	226	211
Total interest bearing liabilities		*1,623*	*1,836*
Non-interest bearing liabilities			
Deferred tax liabilities	14	96	95
Other provisions	24	13	17
Other liabilities		19	4
Total non-interest bearing liabilities		*128*	*116*
Total non-current liabilities		**1,751**	**1,952**
Current liabilities			
Interest bearing liabilities			
Liabilities to credit institutions	25	4	2
Bank overdraft facilities	25	65	29
Accrued expenses and deferred income	26	4	4
Total interest bearing liabilities		*73*	*35*
Non-interest bearing liabilities			
Advance payments from customers		189	158
Accounts payable		864	837
Current tax liabilities		27	34
Other provisions	24	22	17
Other liabilities		147	134
Accrued expenses and deferred income	26	528	487
Total non-interest bearing liabilities		*1,777*	*1,667*
Total current liabilities		**1,850**	**1,702**
TOTAL EQUITY AND LIABILITIES		**7,731**	**7,503**

Capital employed, SEK m and return on capital employed, %



Net Debt/equity ratio and equity/asset ratio, times and %



Consolidated statement of changes in equity

	Shareholders' equity attributable to parent company shareholders						
SEK m	Share capital	Other contributed capital	Foreign currency translation reserve	Profit brought forward incl. profit for the year	Total	Non-controlling interests	Total shareholders' equity
Opening balance, 1 January 2016	**79**	**2,260**	**–43**	**1,213**	**3,509**	**2**	**3,511**
Profit for the year				306	306	-	306
Other comprehensive income, net of tax							
Actuarial gains/losses, defined benefit plans				–21	–21		–21
Translation differences, foreign operations			194		194	–1	193
Hedges of net investments			–45		–45		–45
Total comprehensive income	*-*	*-*	*149*	*285*	*434*	*–1*	*433*
Dividend to shareholders				–95	–95		–95
Transactions with shareholders	*-*	*-*	*-*	*–95*	*–95*	*-*	*–95*
Closing balance, 31 December 2016	**79**	**2,260**	**106**	**1,403**	**3,848**	**1**	**3,849**
Profit for the year				347	347	-	347
Other comprehensive income, net of tax							
Actuarial gains/losses, defined benefit plans				–6	–6		–6
Translation differences, foreign operations			63		63	0	63
Hedges of net investments			–17		–17		–17
Total comprehensive income	*-*	*-*	*46*	*341*	*387*	*0*	*387*
Dividend to shareholders				–107	–107		–107
Issue of warrants				1	1		1
Total transactions with shareholders	*-*	*-*	*-*	*–106*	*–106*	*-*	*–106*
Closing balance, 31 December 2017	**79**	**2,260**	**152**	**1,638**	**4,129**	**1**	**4,130**

Parent company

The parent company is a holding company that holds the shares in Lindab AB, where the head office functions are carried out. Lindab AB, which is the original parent company of the Lindab Group, also directly owns the majority of the subsidiaries. Since 2017, the parent company has also been the owner of Lindab LTIP17 AB. The company was established in connection with the implementation of a warrant programme for senior executives in accordance with a resolution at the Annual General Meeting that same year.

The parent company's net sales for the financial year amounted to SEK 4 m (4). Profit for the year amounted to SEK 1 m (1). Group contributions received from subsidiaries amounted to SEK 32 m (34). No dividends from subsidiaries were received in 2016 or 2017.

Statement of profit and loss

SEK m	Note	**2017**	2016
Net sales		4	4
Administrative expenses	6, 9, 10	–6	–4
Other operating income	12	-	-
Other operating expenses	12	-	-
Operating profit		**–2**	**0**
Profit from subsidiaries	13	32	34
Interest expenses, internal	13	–29	–33
Earnings before tax		**1**	**1**
Tax on profit for the year	14	0	0
Profit for the year*		**1**	**1**

*) *Comprehensive income corresponds to profit for the year for all periods.*

Statement of financial position

SEK m	Note	31 Dec 2017	31 Dec 2016
ASSETS			
Fixed assets			
Financial fixed assets			
Shares in Group companies	30	3,467	3,467
Financial interest bearing fixed assets		5	6
Deferred tax assets		2	2
Total fixed assets		**3,474**	**3,475**
Current assets			
Receivables from Group companies		32	34
Current tax assets		1	0
Cash and cash equivalents		0	0
Total current assets		**33**	**34**
TOTAL ASSETS		**3,507**	**3,509**
EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted shareholders' equity			
Share capital	22	79	79
Statutory reserve		708	708
Non-restricted shareholders' equity			
Share premium reserve		90	90
Profit brought forward		223	329
Profit for the year*		1	1
Total shareholders' equity		**1,101**	**1,207**
Provisions			
Interest bearing provisions		6	6
Total provisions		**6**	**6**
Non-current liabilities			
Interest bearing liabilities to Group companies		2,226	2,198
Total non-current liabilities		**2,226**	**2,198**
Current liabilities			
Non-interest bearing liabilities			
Liabilities to Group companies		170	96
Accounts payable		2	-
Accrued expenses and deferred income	26	2	2
Total non-interest bearing liabilities		*174*	*98*
Total current liabilities		**174**	**98**
TOTAL EQUITY AND LIABILITIES		**3,507**	**3,509**

**) Comprehensive income corresponds to profit for the year for all periods.*

Shareholders' equity

See Note 22, Shareholders' equity and number of shares, for information on share transactions and the mandate granted by the Annual General Meeting.

Risks, risk management and internal control

See the Directors' Report, pages 57-62, the Corporate Governance Report on pages 44-55 and Note 3.

Statement of cash flow

SEK m	2017	2016
Operating activities		
Operating profit	–2	0
Provisions, not affecting cash flow	1	0
Interest paid	–29	–33
Tax paid	–1	0
Cash flow from operating activities before change in working capital	**–31**	**–33**
Change in working capital		
Operating receivables	0	0
Operating liabilities	76	62
Cash flow from operating activities	**45**	**29**
Financing activities		
Loans from Group companies	28	32
Group contributions received	34	34
Dividend paid	–107	–95
Cash flow from financing activities	**–45**	**–29**
Cash flow for the year	**0**	**0**
Cash and cash equivalents at the beginning of the year	0	0
Cash and cash equivalents at the end of the year	**0**	**0**

Changes in parent company equity

	Shareholders' equity attributable to parent company shareholders					
	Restricted shareholders' equity		Non-restricted shareholders' equity			
SEK m	Share capital	Statutory reserve	Share premium reserve	Profit brought forward	Profit for the year*	Total shareholders' equity
Opening balance, 1 January 2016	**79**	**708**	**90**	**423**	**1**	**1,301**
Profit for the year					1	1
Transactions with shareholders						
Dividend to shareholders				–95		–95
Closing balance, 31 December 2016	**79**	**708**	**90**	**329**	**1**	**1,207**
Profit for the year					1	1
Transactions with shareholders						
Dividend to shareholders				–107		–107
Closing balance, 31 December 2017	**79**	**708**	**90**	**223**	**1**	**1,101**

**) Comprehensive income corresponds to profit for the year for all periods.*

The Group: Five-year summary

Amounts in SEK m unless otherwise indicated.

Net sales and profit	2017	2016	2015	2014	2013
Net sales	8,242	7,849	7,589	7,003	6,523
Growth, %	5	3	8	7	–2
of which organic growth	4	4	2	5	–1
of which acquisitions/divestments	0	0	4	0	1
of which currency effects	1	–1	2	2	–2
Sales abroad, %	76	74	76	75	76
Operating profit before depreciation and amortisation – EBITDA	654	657	637	625	609
Depreciation/amortisation	162	174	168	158	157
Operating profit	492	483	469	467	452
One-off items and restructuring costs[1)]	–19	–28	6	–30	–46
Adjusted operating profit	511	511	463	497	498
Earnings before tax	467	445	431	386	329
Profit for the year	347	306	305	283	233
Comprehensive income	387	433	228	366	283
Cash flow					
Cash flow from operating activities	410	499	460	278	620
Cash flow from investing activities	–131	–92	–288	–292	–111
Cash flow from financing activities	–360	–290	–177	–24	–482
Cash flow for the year	–81	117	–5	–38	27
Operating cash flow	484	544	442	58	546
Capital employed and financing					
Total assets	7,731	7,503	7,149	6,961	6,517
Capital employed	5,826	5,720	5,506	5,438	4,952
Net Debt	1,305	1,396	1,657	1,746	1,612
Shareholders' equity attributable to parent company owners	4,129	3,848	3,509	3,344	2,967
Shareholders' equity attributable to non-controlling interests	1	1	2	-	-
Data per share					
Average number of outstanding shares, thousands	76,332	76,332	76,332	76,332	76,332
Number of outstanding shares, thousands	76,332	76,332	76,332	76,332	76,332
Earnings per share, SEK	4.54	4.02	3.99	3.71	3.05
Shareholders' equity per share, SEK	54.09	50.41	45.98	43.81	38.87
Cash flow from operating activities per share, SEK	5.37	6.54	6.03	3.64	8.12
Dividend per share (for 2017 as proposed by the Board of Directors), SEK	1.55	1.40	1.25	1.10	-
P/E ratio	15.0	18.2	15.8	17.7	20.8
Quoted price at year-end, LIAB, SEK	68.20	73.05	62.90	65.60	63.40
Market capitalisation at year-end	5,206	5,576	4,801	5,007	4,839
Investments					
Intangible assets and tangible fixed assets	100	125	151	273	93

1) One-off items and restructuring costs for

- *2017, totalling SEK -19 m, comprise severance costs for the President and CEO, evaluation of structural alternatives and governance project.*
- *2016, totalling SEK -28 m, comprise a cost-reduction programme and governance project.*
- *2015, totalling SEK 6 m, comprise structure-related items, cost-reduction initiatives, dissolution of negative goodwill and a governance project.*
- *2014, totalling SEK -30 m, comprise restructuring costs as a result of the reorganisation.*
- *2013, totalling SEK -46 m, comprise the cost-reduction programme and reorganisation.*

For Lindab, one-off items and restructuring costs are considered to exist in the case of events that do not form part of ordinary business transactions, and when each individual amount is of a considerable size and will therefore affect the profit or loss and key performance indicators.

Key performance indicators	2017	2016	2015	2014	2013
EBITDA margin, %	7.9	8.4	8.4	8.9	9.3
Operating margin, %	6.0	6.2	6.2	6.7	6.9
Adjusted operating margin, %	6.2	6.5	6.1	7.1	7.6
Profit margin, %	5.7	5.7	5.7	5.5	5.0
Return on capital employed, %	8.8	8.8	8.6	8.9	9.1
Return on shareholders' equity, %	8.8	8.4	8.8	9.0	8.5
Equity/asset ratio, %	53.4	51.3	49.1	48.0	45.5
Net Debt/EBITDA, excluding one-off items and restructuring costs	2.2	2.5	3.1	2.9	3.1
Net Debt/equity ratio, times	0.3	0.4	0.5	0.5	0.5
Interest coverage ratio, times	14.1	11.4	9.7	5.9	3.6

Employees					
Average no. of employees	5,143	5,134	5,052	4,541	4,368
of which abroad	4,016	4,012	3,951	3,466	3,350
Number of employees at end of period	5,083	5,136	5,066	4,536	4,371
Payroll expenses including social security contributions and pension expenses	2,144	2,029	1,969	1,778	1,659
Sales per employee, SEK k	1,603	1,529	1,502	1,542	1,493

For financial definitions, see page 112.

Notes

Note 01 General information

Lindab International AB, with its head office in Båstad, and registered in Sweden under corporate identification number 556606-5446 (the parent company) and its subsidiaries (referred to collectively as the Group) and its operations are described in the Directors' Report. The address of the company's head office is Lindab International AB, SE-269 82 Båstad, Sweden.

These consolidated accounts have been approved for publication by the Board of Directors and the CEO on 18 March 2018. The statement of comprehensive income and statement of financial position, as well as the parent company's income statement and balance sheet, will be matters for approval at the Annual General Meeting of shareholders on 3 May 2018.

Information on the structure of the Group at the end of the financial year is shown in Note 31.

Unless otherwise indicated, amounts are in SEK m.

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.

Note 02 Summary of important accounting policies

The most important accounting policies that have been applied when preparing these consolidated accounts are detailed below. Unless otherwise stated, these principles have been applied consistently for all the years presented.

Basis for the preparation of accounts

Lindab prepares its consolidated accounts in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Recommendation 1, Supplementary Accounting Rules for Groups, from the Swedish Financial Reporting Board.

Lindab applies the cost method when measuring assets and liabilities, except for certain financial instruments which are measured at fair value.

New or revised IFRS standards and new interpretations 2017
In this annual report, the Group and the parent company have, for the first time, applied the new and revised standards and interpretations that must be applied to financial years beginning on or after 1 January 2017. Apart from the changes mentioned below, these standards and interpretations have not had a material impact on the Group's or the parent company's financial statements.

IAS 7 Statement of Cash Flows (amendment). IAS 7 has been amended to include enhanced disclosure requirements in respect of changes in liabilities arising from financing activities. The Group and the parent company provide this information in Note 25.

No new or revised IFRS standards have been adopted early.

New or revised standards and new interpretations which have not yet come into effect
A number of new and revised standards and interpretations have been issued by the International Accounting Standards Board (IASB) and IFRS Interpretations Committee (IFRIC) which come into effect for financial years beginning after 1 January 2018. These standards and interpretations have not been applied by Lindab in the preparation of these financial statements, but the new and revised standards and interpretations which, in future, are expected to affect the consolidated financial statements in the period in which they are applied for the first time are:

- IFRS 9 Financial Instruments. Must be applied to financial years beginning on or after 1 January 2018.
- IFRS 15 Revenue from Contracts with Customers, including amendments and clarifications to IFRS 15. Must be applied to financial years beginning on or after 1 January 2018.
- IFRS 16 Leases. Must be applied to financial years beginning on or after 1 January 2019.

Other standards and interpretations that have not yet come into force are not deemed to have a significant impact on the consolidated financial statements.

IFRS 9 *Financial Instruments replaces IAS 39 Financial Instruments: Recognition and measurement.* IFRS 9 contains new principles for how financial assets must be classified and measured. Which measurement category a financial asset belongs to is determined partly by the company's business model (the purpose of holding the financial asset) and partly the contractual cash flow of the financial asset. The new standard also contains new rules for devaluation testing of financial assets, which means that the previous "incurred loss method" is replaced by a new "expected loss method". The impairment rules of IFRS 9 are based on a three-stage model, where the recognition of impairment is controlled by changes in the credit risk associated with the financial assets. In other words, it is no longer necessary for a loss event to occur in order to recognise impairment. However, the standard contains simplification rules for accounts receivable and lease receivables. This means that a reserve for credit losses may be recognised directly and no assessment is needed as regards changes in credit risk.

As regards hedge accounting, the three types of hedge accounting models currently outlined in IAS 39 remain (cash flow hedges, fair value hedges and hedges of net investments). However, IFRS 9 does allow for greater flexibility in terms of which transactions hedge accounting can be applied to. The standard provides better opportunities for hedging risk components in non-financial items and for several types of instruments to be included in a hedging relationship. The quantitative efficiency requirement of 80-125 percent has also been abolished.

Based on the completed analysis, IFRS 9 will mainly affect the company's measurement method for the calculation of credit loss provisions for financial assets. In terms of value, however, the standard will not have any significant effect on Lindab's reporting and consequently there will be no restatement of prior periods. Going forward, IFRS 9 will be applied from the first mandatory application date and comparative figures are not restated due to immateriality.

IFRS 15 *Revenue from Contracts with Customers replaces IAS 18 Revenue and IAS 11 Construction Contracts as well as associated interpretations.* IFRS 15 introduces a principles-based five-step model for revenue recognition of customer contracts. The core principle is that recognised revenue should reflect the expected consideration in connection with the performance of a contractual commitment to customers and correspond to the consideration to which the Group is entitled when transferring control of the products and services delivered to the customer.

In 2017, Lindab assessed the impact of the new standard by identifying and analysing the Group's most significant revenue streams. The result of the analysis was that revenue will essentially be recognised at the same time as under the current standard with respect to both Products & Solutions and Building Systems. There will be some small changes following the changed recognition time for certain revenue-related components of customer contracts (such as the time for recognition of cash discounts), but Lindab assess that these differences in recognition between the different revenue standards will be insignificant. In light of this analysis, there will be no restatement of previously reported financial figures.

Lindab's current business model is based on offering customers individual standardised products, customised technical solutions or entire ventilation, cooling/heating systems through the Products & Solutions segment. The segment also offers building products such as steel rainwater systems, roof/wall cladding, steel profiles for wall, roof and floor structures as well as industrial buildings. Building Systems offers customers prefabricated steel construction systems, which may consist of individual parts or complete solutions for the entire outer shell (i.e. frames, walls, ceilings and accessories). As with the current standard, most of the revenue arising from the sale of these products is recognised at the time when control has passed to the customer, which is usually when the products are physically delivered to the customer.

Note 2, cont.

In some cases, the Group offers customisation of systems and solutions, which may also include elements of the installation and/or commissioning. Overall, this represents a very limited part of the Group's sales and going forward the new standard is deemed to have a minor impact on reporting in this respect, as the provision of these services is normally considered to take place when the customer obtains and consumes the benefits at the time of delivery. Contractually, any installation and/or commissioning can be a separate component or included in the product sold. This may affect the time for revenue recognition, as there may be divergent assessments of whether they are individual or integrated performance obligations. From a materiality perspective, the transition to IFRS 15 is not judged to have a material effect on the Group's reporting and financial statements in this respect.

Products sold are covered by warranty which depends on the nature and application of the product. As a general rule, the warranty only covers original product defects. Long warranty periods may occur within individual product groups, but depending on what the warranty covers and how the product should be used/maintained, warranties are not regarded as an added service warranty. Consequently, the warranties are not recognised as separate performance obligations according to IFRS 15, instead the warranties will be recognised in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets in future.

In conclusion, the implementation of IFRS 15 will not will have any significant effect on Lindab's reporting and consequently there will be no restatement of prior periods. The standard will be applied retroactively for the Group.

IFRS 16 *Leases* will replace IAS 17 Leases. For the lessee IFRS 16 implies that virtually all leases must be presented in the statement of financial position. The classification of operating and finance leases is therefore no longer necessary. The underlying asset is presented in the statement of financial position. In subsequent periods, the right of use is recognised at acquisition cost less depreciation and any impairment and adjusted for any revaluations of the lease liabilities. Lease liabilities are presented in the statement of financial position and continuously recognised at amortised cost less lease payments. Lease liabilities are reassessed in the event of changes in the lease period, residual value guarantees and any changes in lease payments.

Short-term leases (12 months or less) and leases with a low value underlying asset are not required to be recognised in the balance sheet. These will be recognised in operating profit in the same way as current operating leases.

Lindab has not yet identified what impact IFRS 16 will have on the Group's financial position, but the balance sheet total will increase through activation of agreements that are currently classified as operating leases. The consolidated income statement will also be affected in that current operating expenses related to operating leases will be replaced by depreciation and interest expenses. In 2018, Lindab will carry out a project to identify all leases and analyse and calculate the impact of IFRS 16 on the consolidated financial statements. Procedures will also be established to ensure correct reporting according to the new standard once it has been implemented.

Consolidated accounts

The consolidated accounts comprise the parent company, Lindab International AB, and the companies over which the parent company has a controlling influence, i.e. subsidiaries. Controlling influence exists when the parent company has influence over the investment object, is exposed to, or is entitled to variable returns from its commitment to the investment object and can use its influence over the investment object to affect its returns.

The parent company reassesses whether a controlling influence exists if the facts and circumstances suggest that one or more of the factors listed above have changed.

Consolidation of a subsidiary takes place from the date the parent company gains a controlling influence until the date it ceases to have a controlling influence over the subsidiary. This means that revenues and expenses for a subsidiary that was acquired or divested during the current financial year are included in the consolidated statement of income and other comprehensive income from the date the parent company gains a controlling influence until the date the parent company ceases to have a controlling influence.

Consolidated profits and components of other comprehensive income are attributable to the parent company's owners.

The accounting policies of subsidiaries have been adjusted where necessary to conform with the Group's accounting policies. All inter-company transactions, dealings and unrealised gains and losses attributable to inter-company transactions are eliminated when preparing the consolidated accounts.

Business combinations

Business combinations are accounted for using the acquisition method. The transferred consideration for the business combination is measured at fair value on the acquisition date, which is calculated as the sum of the respective values at acquisition date of the assets issued, liabilities incurred or assumed, and equity interests issued in exchange for control of the acquired business. Acquisition-related costs are recognised in the income statement when incurred.

The transferred consideration also includes the fair value at the acquisition date for the assets or liabilities resulting from an agreement on the conditional purchase price. Changes in the fair value of the conditional purchase price that arise as a result of additional information received after the acquisition date about facts and circumstances that existed on the acquisition date qualify as adjustments during the valuation period and are adjusted retroactively, with a corresponding adjustment of goodwill. All other changes in the fair value of a conditional purchase price that are classified as an asset or a liability are recognised in accordance with the applicable standard. The conditional purchase price, which is classified as shareholders' equity, is not revalued and its subsequent settlement is recognised in shareholders' equity.

In the case of acquisitions where the balance of the transferred consideration, any non-controlling interests and the fair value on the acquisition date of previous shareholdings exceeds the fair value on the acquisition date of the identifiable acquired net assets, the difference is recognised as goodwill in the statement of financial position. If the difference is negative, it is recognised as a gain on a bargain purchase, negative goodwill, directly in profit or loss.

Translation of foreign subsidiaries and foreign currency

The consolidated financial statements are presented in Swedish krona (SEK), which is the parent company's functional currency and reporting currency. The income statements and balance sheets for operations abroad, subsidiaries and associates are submitted in their functional currencies and translated into the Group's reporting currency. The functional currency is the same as the local currency for the reporting entity's accounts.

All assets and liabilities of subsidiaries are translated using the exchange rate at the balance sheet date, and revenues and expenses are translated at average exchange rates for the year. The exchange rate differences arising when consolidating are carried directly to other comprehensive income. On divestment of a subsidiary that entails a loss of control, the accumulated translation difference is reversed and recognised in the consolidated profit as part of the capital gain.

Transactions in foreign currencies are translated to the functional currency at the prevailing exchange rate on the date of the transaction. Swedish group companies' receivables and liabilities in foreign currencies are valued at the exchange rate at the balance sheet date. Exchange rate gains and losses that arise when paying and translating monetary assets and liabilities in foreign currencies at the exchange rate at the balance sheet date are reported in the statement of comprehensive income. Exchange rate differences relating to operations are shown as other operating income/expenses, Note 12, and are thereby included in operating profit. Exchange rate differences of a financial nature are reported in financial income and expenses, Note 13.

Internal pricing

Market based pricing is used for inter-company transactions.

Segment reporting

Lindab's operations are reported by segment. The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's segments comprise Products & Solutions and Building Systems.

The presentation of each segment is based on the accounting policies described in this note. Standard commercial industry terms are applied to transactions between the segments.

Group information on geographical areas for the segments is based on the country in which the transfer of risks and benefits takes place.

Segment reporting is presented in Note 7 Segment reporting.

Revenue recognition
Revenue from the sale of goods is recognised when the most significant risks and rewards associated with ownership of the goods have been transferred to the buyer, i.e. when Lindab retains neither the right to dispose of the goods nor has actual control over the goods sold, when it is probable that payment will be received and the related revenues and expenses can be calculated reliably. In the case of products requiring installation, revenue is recognised when the installation is completed. Installation services are only sold in connection with the sale of products and are not marketed as separate services in the company's product portfolio.

Lindab's net sales in the Product & Solutions segment are predominantly generated by individual products and system solutions (several product components are delivered as a single product solution to the customer, for example a ventilation system) and to a lesser extent installation work. Installation work is only offered to customers in connection with the sale of products. Net sales are recognised net of VAT, less taxes on goods, returns, freight and discounts.

The Building Systems segment produces and sells complete steel building systems and has project oriented activities. Revenue recognition mainly occurs upon each part delivery as set out in the contract when the material financial risks and benefits associated with ownership have been transferred to the buyer. When it is probable that the total project cost will exceed the total revenue, the expected loss is immediately expensed.

Other revenue includes payment for any sales that occur in addition to ordinary activities, such as gains on fixed assets sold and exchange rate gains relating to operations.

Interest income is reported with consideration given to accrued interest at the balance sheet date. Received dividends are reported when the right to receive dividends has been established.

Personnel costs
Incentive programme
In 2017, the company adopted guidelines for the remuneration of senior executives, which means, among other things, that they are entitled to variable long term cash compensation. The compensation depends on the financial performance targets that reflect Lindab's value growth during a three-year period. The incentive programme is recognised in accordance with IAS 19 Employee Benefits and is reported during the vesting period as an expense and current liability.

Financial income and expenses
Finance income comprises interest income on funds invested and dividend plus gains on financial instruments that are measured through profit or loss. This item also includes gains on hedges of net investments, which are considered as the ineffective portion of the hedge and profit when the hedging instrument matures or is sold, or when a hedge no longer meets the criteria for hedge accounting. The transaction is recognised immediately in the income statement in financial items.

Financial expenses comprise interest expenses on borrowings, interest components relating to defined benefit plans, effects of the reversal of discounted provisions as well as losses on financial instruments measured at fair value through profit or loss. This item also includes losses on hedges of net investments, which are considered as the ineffective portion of the hedge and profit when the hedging instrument matures or is sold, or when a hedge no longer meets the criteria for hedge accounting. The transaction is recognised immediately in the income statement in financial items.

Interest income and interest expenses on financial instruments are recognised according to the effective interest method. Dividend income is recognised when the right to receive payment has been established. Exchange rate gains and losses are reported net.

Borrowing costs
Borrowing costs are carried as an expense in the period they are incurred, unless they relate to assets that take a substantial amount of time to get ready for use or sale. In such cases, they must be capitalised in accordance with IAS 23 Borrowing Costs.

Income taxes
Recorded tax comprises current tax and deferred tax. Current tax is tax that is to be paid or received during the current fiscal year. This also includes adjustments to tax attributable to previous years. Deferred tax is recognised for income taxes recoverable in future periods in respect of taxable temporary differences. The measurement of deferred tax is based on expected liabilities and receivables at the balance sheet date using the tax rates for individual companies decided or announced at the balance sheet date.

The tax effect is recognised in the same way as attributable to transactions, i.e. in comprehensive income, in other comprehensive income or directly in shareholders' equity.

Deferred tax receivables are reported to the extent that it is likely that future taxable profits will be available and against which the temporary differences may be utilised. Deferred tax receivables and liabilities are offset when there is a legal right to offset current tax receivables and liabilities and when the deferred taxes are levied by the same tax authorities.

Deferred tax assets in respect of carry-forward tax losses are recognised to the extent that the losses are expected to be used to lower tax payments in the foreseeable future. See Note 14 for information on tax on profit for the year and deferred tax receivables and liabilities.

One-off items
Items which are 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. Restructuring costs are not included in one-off items.

Earnings per share
The item is shown directly adjacent to the statement of comprehensive income. Earnings per share are not affected by preference shares or convertible debentures since there are none. However, since 2017, 75,000 warrants have been issued which may affect the future calculation of earnings per share. Subscription of shares based on a warrant can take place in summer 2020, and one option will then entitle the holder to acquire one share in Lindab.

If the number of shares changes during the year, a weighted average is calculated for the outstanding shares during the period.

Intangible assets
Goodwill
Goodwill arising from the acquisition of a company and operations is assessed according to IFRS 3 Business Combinations. See also the section on the consolidated accounts on page 76. Goodwill on acquisitions of subsidiaries is reported under intangible assets. Goodwill is tested for impairment at least once a year, or when there is any indication of this. Goodwill is reported as the acquisition value less accumulated impairment losses.

To establish whether there is any indication of impairment, the recoverable amount is determined by estimating the discounted future cash flows for the entity to which the goodwill is attributed. In such case, the estimate is made on the lowest cash-generating units within the business. For the Lindab Group, the two segments Products & Solutions and Building Systems are regarded as the lowest level of cash-generating units that are tested for impairment.

Gains or losses on the divestment of a subsidiary or associate include the remaining carrying amount of the goodwill relating to the unit sold.

Brands, patents and similar rights
Brands, patents and similar rights are reported at acquisition cost less accumulated amortisation. Amortisation is made on a straight-line basis over the estimated useful life of between 5 and 20 years. The useful life is reviewed at least once a year.

Software
Acquired software licences are capitalised on the basis of the costs arising when the software in question was acquired and put into operation. These costs are amortised over an estimated useful life of between 3 and 5 years. The useful life is reviewed at least once a year.

Capitalised expenditure for development work
Costs for research undertaken in order to gain new scientific or technical knowledge are charged as they are incurred.

Note 2, cont.

Development costs, where the outcome is used for planning or establishing the production of new or greatly improved processes or products, are capitalised when it is considered that the process or product is technically and commercially viable. Costs that will be capitalised include material costs, direct labour costs and a reasonable proportion of indirect costs. Capitalised development costs are carried at the acquisition value less accumulated amortisation and impairment losses. Amortisation and impairment losses are recognised in the income statement for the Group under research and development costs. The estimated useful life is 3 years. The useful life is reviewed at least once a year.

Tangible fixed assets

Land and buildings principally comprise factories and offices. These are recognised as the acquisition value less the accumulated depreciation and any impairment losses recorded. The planned depreciation is based on the acquisition value of fixed assets and is calculated with consideration to the estimated useful life. The useful life is reviewed at least once a year. Land is not depreciated. Additional expenses are added to the asset's carrying amount or are shown as a separate asset, depending on which is the most appropriate. Additional expenses should only be added to the carrying amount of assets when it is likely that the financial benefits resulting from the additional expense will result in future economic benefits to the Group and if the asset can be reliably measured. All other forms of repair and maintenance are reported as costs in the statement of comprehensive income during the period in which they arise.

The acquisition value of assets is divided into material components and each component must be depreciated separately over its estimated useful life, i.e. component depreciation. This applies to buildings as well as to machinery and equipment. During the investment year, machinery, equipment, vehicles and computers are depreciated from the time that they are put into use or, if that is not possible, for half of the calendar year based on the depreciation rates shown below.

The following depreciation periods have been used

Buildings	20-50 years
Land improvements	20 years
Machinery and equipment	5-15 years
Vehicles and computers	3-5 years

Impairment losses

Impairment testing of intangible assets, excluding goodwill, is performed whenever there is an indication of impairment. However, intangible assets not yet available for use are tested at least once a year for any indication of impairment. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of the value in use and the fair value less costs to sell. In assessing value in use, the estimated future cash flows after tax are discounted. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the need for impairment has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and if the recoverable amount is higher than the carrying amount. An impairment loss is reversed only to the extent that the asset's carrying amount after reversal does not exceed the carrying amount, net of depreciation and amortisation, which would have been reported if no impairment loss had been recognised.

An annual impairment test for the cash-generating units to which goodwill has been allocated is performed in the fourth quarter, or when there is an indication of impairment. Impairment testing as well as recognition of impairment of goodwill is performed in the same manner as for intangible assets. However, an impairment loss in respect of goodwill is not reversed.

Impairment testing as well as the recognition or reversal of impairment of tangible fixed assets is performed in the same manner as for intangible assets above.

Financial instruments

Financial instruments are any type of agreement giving rise to a financial asset, financial liability or equity instrument in another company. These include cash and cash equivalents, investments, investments held as fixed assets, interest-bearing receivables, accounts receivable, trade creditors, borrowing and derivative instruments.

Purchases and sales of financial assets and liabilities are recognised on the trade date. A financial asset or financial liability is included in the statement of financial position when the company is subject to the instrument's contractual terms. Financial assets are derecognised from the statement of financial position when the right to obtain cash flow from an asset matures or is transferred to another party by transferring all risks and benefits associated with the asset to the other party. A financial liability is derecognised from the statement of financial position when the obligation has been met, cancelled or has matured. Accounts receivable are recognised in the statement of financial position once an invoice has been sent. Liabilities are recognised when the counterparty has a contractual obligation to pay, even though an invoice has not yet been received. Accounts payable are recognised once an invoice has been received.

Financial instruments are initially recognised at their acquisition value corresponding to the instrument's fair value at the date of acquisition plus transaction costs for all financial instruments apart from the financial instruments classified under the financial assets category which are recognised at fair value through profit or loss where transaction costs are recognised directly in the income statement.

Classification of financial assets and liabilities

Financial assets are classified in the Group as either:

- Financial assets measured at fair value through profit or loss,
- Financial assets held-to-maturity,
- Loan receivables and accounts receivable, or
- Available-for-sale financial assets.

Financial liabilities are classified in the Group as either:

- Financial liabilities measured at fair value through profit or loss, or
- Other financial liabilities.

The classification determines the measurement and recognition of changes in value.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for Lindab's financial instruments is determined based on current market prices where available. Fair value for quoted investments and derivatives is based on current purchase prices and interest rates. If market prices are not available, the fair value of each instrument is determined using various valuation techniques.

Amortised cost

Amortised cost refers to the amount at which the asset or liability measured is initially recognised net of amortisation and impairment losses as well as additions for the accrual of the initial amount and the maturity amount.

Financial assets measured at fair value through profit or loss

For Lindab, financial assets measured at fair value through profit or loss include derivative assets not used in hedge accounting and which are therefore included in the sub-category referred to as held for trading. The result of the change in fair value of assets in this category is reported in the income statement during the period in which they arise.

For foreign exchange contracts, such as currency futures, the fair value is calculated by discounting the difference between the contracted forward rate and the forward rate that can be subscribed to on the balance sheet date for the remaining contract period.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity periods, which the Group does not intend to sell before their maturity date. The assets are recognised at amortised cost using the so-called effective interest method, which means that an accrual is made to ensure that a constant return is obtained.

For disclosure purposes, a fair value is calculated based on quoted prices in active markets or, if quoted prices are not available, by discounting future cash flows using current interest rates.

Loan receivables and accounts receivable

Loan receivables and accounts receivable are non-derivative financial assets with fixed or determinable cash flows that are not traded in an active market. This type of receivable normally arises when the Group pays cash to another party or supplies a customer with products or services without intending to convert the receivable into cash. Loan receivables and accounts receivable are recognised at amortised cost less any impairment, i.e. at the amount that is expected to flow in to the Group. The expected maturity period for accounts receivable is short, and therefore the value is reported at the nominal amount without discounting.

For disclosure purposes, a fair value is calculated for non-current receivables by discounting future cash flows using current interest rates. For current receivables, such as accounts receivable, with a remaining maturity of less than six months, the carrying amount is considered to reflect fair value.

Available-for-sale financial assets
Available-for-sale financial assets include non-derivative financial assets that are either classified as assets that can be sold or do not fall into any of the other categories. The assets are measured at fair value with fair value changes in other comprehensive income. On being sold, accumulated changes in value are reversed against profit for the year. Holdings of unlisted shares are recognised at the acquisition cost in cases where a reliable fair value cannot be determined. Other investments held as fixed assets, Note 18, are included in this category since they have not been classified in any other category.

Financial liabilities measured at fair value through profit or loss
Financial liabilities at fair value in the income statement include derivative liabilities not used in hedge accounting and which are therefore included in the subcategory referred to as held for trading. The result from the change in fair value on financial instruments in this category is reported in the profit for the year during the period in which they arise.

For a description of how fair value is calculated, see above under "Financial assets measured at fair value through profit or loss".

Impairment losses
On each balance sheet date, Lindab evaluates whether there is objective evidence that a financial asset or group of financial assets require an impairment loss to be recorded because of past events. Objective evidence may be a breach of contract, such as a default or delay in interest or principal payments, significant financial difficulties of the debtor and the decrease of customers' creditworthiness. The carrying amount after impairment losses on assets is calculated as the present value of future cash flows discounted at the effective interest rate in effect when the asset was initially recognised. Assets with a short maturity period are not discounted. An impairment loss is charged to the income statement. In the event of bankruptcy, the asset is derecognised from the statement of financial position.

Other financial liabilities
This category includes loans, other financial liabilities and accounts payable. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Cash and cash equivalents
Cash and cash equivalents include cash holdings and bank balances as well as current investments with high liquidity which can be quickly converted into a known amount of cash and which are subject to an insignificant risk from foreign currency fluctuations. Bank overdrafts are reported in the statement of financial position as part of borrowings in current liabilities.

Derivatives
The Lindab Group uses derivative instruments to cover risks of currency and interest rate exposure. The holding of financial derivatives consists of currency swaps and currency futures. Currency risk in the Group is managed through foreign exchange contracts entered into with a third party for the biggest gross flows in each period.

Derivatives are recognised in the statement of financial position on the trade date and measured at fair value, both initially and subsequently. The method of recognising the gain or loss arising on revaluation depends on whether the derivative is recognised as a hedging instrument, and if so, the nature of the item being hedged.

Hedges of net investments in foreign operations
Hedges of net investments in foreign operations are reported according to the principles for hedge accounting in IAS 39. In order to apply these principles, the hedging must be documented in accordance with the regulatory requirements. This means that there should be a designated hedging relationship between the hedging instrument and the hedged items, as well as a link to the company's risk management policy and the risk management goals. In addition, the hedge is expected to be highly effective and it must be possible for this effectiveness to be measured in a reliable way.

Lindab uses loans as hedging instruments. The profit or loss on the hedging instrument relating to the effective hedge is recognised in other comprehensive income. The ineffective portion of the profit or loss is recognised immediately in the income statement under financial items. Profit or loss recognised in other comprehensive income is reclassified to the income statement when the foreign operation is divested.

Stock
The Group's stock is reported excluding inter-company profits. Inter-company profits generated within the Lindab Group are eliminated at Group level and therefore have no impact on operating profit. Stock is valued at the lower of cost and net realisable value for raw materials, consumables and purchased finished goods. The same applies to work in progress, whose acquisition cost is calculated based on the value of production costs generated during processing. Goods produced have been valued at the lower of production costs and net sales value. Obsolescence has therefore been taken into account in the evaluation. Market prices apply when pricing deliveries between group companies.

Shareholders' equity
Share capital
Transaction costs directly attributable to the issue of new shares or warrants are reported, net of tax, in shareholders' equity as a deduction from the issue proceeds.

Dividends
Dividends to parent company shareholders are reported as a liability in the consolidated financial statements during the period in which the dividend was approved by the parent company shareholders.

Repurchase and redemption of shares
The repurchase and redemption of shares are allocated directly to profit carried forward where appropriate. For the repurchase and redemption of shares, see Note 22.

Warrants
At the Annual General Meeting in 2017, it was resolved to establish a warrant programme for senior executives. Under the programme, 75,000 warrants were issued and sold to senior executives based on a market valuation. The programme is thus a market transaction with related parties, and no part of the programme should be seen as share-based remuneration. Each warrant entitles the holder to acquire one share in Lindab at an agreed price of SEK 108.80 at some point in the future (July/August 2020). Issued warrants are valued using the Black-Scholes model, and any value adjustments are recognised in equity.

Provisions
IAS 37 Provisions, Contingent Liabilities and Contingent Assets is applied to provisions, except for provisions regarding personnel, where IAS 19 Employee Benefits is applied.

A provision is only reported when:
There is an actual legal or informal obligation resulting from a past event, it is likely that costs will arise to settle the obligation and the amount can be estimated reliably.

The amount reported as a provision is the best estimate of the expense required to meet the obligation in question at the balance sheet date.

Provisions for pensions and similar obligations
Pensions are generally funded through payments to insurance companies, where the payments are determined based on periodic actuarial calculations. The Group has both defined benefit and defined contribution plans.

A defined contribution plan is defined as a plan where the company pays set contributions to a separate legal entity and has no obligation to pay additional contributions, even if the legal entity does not have sufficient assets to pay the benefits relating to the employees' service until the balance sheet date. There are significant defined contribution plans in Sweden, Denmark, Finland and Germany, among other countries.

All plans that are not defined contribution plans are considered to be defined benefit plans. A special characteristic of defined benefit plans is that they state an amount for the pension benefit that an employee will receive on retirement, usually based on factors such as age, years of service and salary. The most comprehensive defined benefit plans are in Sweden.

The liability reported in the balance sheet for defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligations are calculated annually by independent actuaries using the projected unit credit method. The pre-

Note 2, cont.

sent value of the obligation is determined by discounting estimated future cash outflows using the discount rate in the same currency in which the benefits will be paid with maturities comparable to the current pension obligation. The discount rate for each country is determined on the basis of the market rate of investment-grade corporate bonds. In countries with no market for such bonds, the government bond yield is used. The calculations are based on actuarial assumptions as assessed each quarter, and are made at least once a year. The discount rate for the Swedish pension obligation has been established using the market rate of housing bonds according to their yield curve.

Actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions are recognised in other comprehensive income during the period in which they arise. Payroll tax attributable to actuarial gains and losses is included in determining the actuarial gains and losses.

Costs relating to past service are recognised directly in the income statement.

Defined benefit plans can be unfunded or entirely or partially funded. In the case of funded plans, the company makes contributions to, for example, specific funds or foundations. These plan assets are valued at fair value and reduce the projected pension obligation so that the net reporting is made in the statement of financial position.

In some cases, pension obligations in Sweden have been secured through the purchase of endowment insurance as a benefit for the insured. Where these obligations are defined contributions in nature, they are recognised as pension provisions, defined contribution obligations and corresponding assets in the endowment insurance at the fair value of plan assets for defined contribution obligations. The liability of the endowment insurance is measured at the best estimate of future payments, which corresponds to the fair value of the asset. The provision for special employers' contributions is calculated based on the carrying amount of the endowment insurance fund.

Other contributions to employees are reported as expenses during the period when the employee performs the services to which the benefits pertain.

Leases

Leases where Lindab largely assumes all risks and benefits associated with the asset are reported as finance leases. All other leases are classified as operating leases. Lindab has entered into finance and operating leases, see Note 27.

Finance leases

At the beginning of the lease term, finance leases are reported at the lower of fair value for the asset in the lease and the current value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet under other borrowings. Lease payments are proportionally distributed between financial costs and reduced lease obligations in order to obtain a constant rate on the remaining debt. The asset's useful life corresponds to the Group's policy for owned assets.

Gains on the sale and leaseback of property and equipment under finance leases are deferred and amortised over the lease period. Sale and leaseback agreements are classified in accordance with the above principles for finance and operating leases.

Operating leases

Fees payable under operating leases are charged to the income statement on a straight-line basis over the period for each lease. Benefits that have been received and may be received as an incentive to conclude an operating lease are also distributed on a straight-line basis over the lease period.

If a sale and leaseback transaction results in an operating lease and it is obvious that the transaction is completed at fair value, the Group reports any profit or loss immediately.

Statement of cash flows

Lindab applies the indirect method. The purpose is to provide a basis in order to assess the company's ability to generate cash and the company's need for this. The following definitions have been used. Cash and bank consists of cash as well as deposits held with banks and equivalent institutions. Cash and cash equivalents other than cash and bank include current liquid investments that can easily be converted into cash and that are exposed to an insignificant risk from foreign currency fluctuations. Cash flow is the flow of cash and cash equivalents coming into and going out from the company. Operating activities are the main income generating activities of the company and other activities that are not investing or financing activities. Investing activities consist of the acquisition and disposal of fixed assets and investments that do not qualify as cash equivalents. Financing activities are activities that result in changes to the size and composition of the company's shareholders' equity and borrowings.

Pledged assets and contingent liabilities

Pledged assets are reported if Lindab has pledged assets for the company's or the Group's liabilities or obligations. These can include debts and provisions that may be shown in the statement of financial position, though not necessarily. The pledged assets may be tied to assets in the statement of financial position or encumbrances. The assets are entered at their carrying amount and encumbrances at their nominal value. Shares in group companies are reported at their value in the Group.

Contingent liabilities are recognised when there is a potential obligation arising from past events and occurrence is confirmed only by one or more uncertain future events or when there is an obligation that is not recognised as a liability or provision as it is unlikely that an outflow of resources will be required. See also Note 28.

Government grants

Government grants are actions by the government intended to provide a financial benefit that is specific to a company or a category of company fulfilling certain criteria. Government assistance is conditional upon the recipient complying with certain conditions. Here, the term government refers to government agencies or authorities and similar bodies, regardless of geographical location. Grants related to assets are reported as a deduction in the carrying amount of the asset and grants related to income are recognised as a deduction of the related expenses.

Related party disclosures

Transactions and agreements with related parties and/or private individuals are accounted for according to IAS 24 Related Party Disclosures. In the Group, expenses arising from inter-company transactions are eliminated and are thus not included in this disclosure/reporting requirement. For the full extent of these transactions, see Note 29 Transactions with related parties.

Parent company accounts

The parent company's financial statements are prepared and presented in accordance with the Annual Accounts Act (ÅRL) and Recommendations from the Swedish Financial Reporting Board (RFR), RFR 2. RFR 2 requires the parent company to apply all EU approved IFRS standards and pronouncements as far as possible under the Annual Accounts Act, taking into account the relationship between accounting and taxation. The recommendation includes the exemptions to IFRS that must be considered and the additions that must be made.

Changes in accounting policies

Changes in accounting policies which affected the parent company in 2017 mainly concerned the extended disclosure requirement for changes in liabilities arising from financing activities (associated with IAS 7). This information can be found in Note 25. Apart from this, there are no significant effects or other changes in other standards which affect the parent company's reporting. On 31 December 2017, there were no forward-looking new announced standards or interpretations which are expected to have a material effect on the parent company's reporting.

Note 03 Financial risks

Financial risks

Financial risks include financing, liquidity, interest rate and currency risks. The work on financial risks is an integral part of Lindab's business. All risks are managed in accordance with Lindab's established policies. The Group's treasury function is responsible for these risks and also supports the Group's companies in the implementation of financial policies and guidelines. Follow-up on compliance with the Treasury policy is made on a regular basis and the result is reported to the Board of Directors.

Risk	Exposure	Comments
Financing		
Financing risk is the risk that financing of the Group's capital requirements and refinancing of outstanding credits are impeded or become more expensive.	On 31 December 2017, Lindab's total credit limits amounted to SEK 2,192 m (2,100).	Lindab's credit agreements with Nordea/Danske Bank and Raiffeisen Bank International include two covenants in the form of the Net Debt to EBITDA ratio and the interest coverage ratio, which are followed up quarterly. Lindab assesses that the credit conditions will be fulfilled. According to the Group's Treasury policy, long term financing should always be in place 12 months before existing financing expires.
Liquidity		
Liquidity risk is defined as the risk that the Group would incur increased costs due to a lack of liquidity.	At year-end, the Group's available cash and cash equivalents, including unused credit facilities, amounted to SEK 1,615 m (1,404), based mainly on the above mentioned credit limits and overdraft. See the table for "Liquidity risk" on page 82.	All centrally managed loan maturities are planned in relation to the consolidated cash flow. The aforementioned credit agreements safeguards liquidity needs. Lindab's operations are seasonal, which has an effect on the cash flow. During the period January-June, cash flow is usually negative and then becomes positive in July-December. According to the Group's Treasury policy, the Group must at all times have available funds, including unused credit facilities, to cover all obligations of the business.
Interest		
Interest rate risk is the risk that changes in current interest rates will have a negative effect on the Group.	Lindab is a net borrower. The Net Debt at year-end amounted to SEK 1,305 m (1,396), which means that rising interest rates would have had an adverse effect on the Group.	Surplus liquidity is used to amortise existing loans. In accordance with the Treasury policy, the fixed interest rate period will be 1-12 months. On 31 December 2017 it was 3 months (3). The interest rate calculated as the Group's interest expense relative to average interest bearing liabilities amounted to 2.0 percent (2.2).
Currency		
Currency risk is the risk of negative effects on the Group's statement of comprehensive income, cash flow and statement of financial position as a result of changes in exchange rates: • The profit is affected when income and expenses in foreign currencies are translated into Swedish kronor. • The statement of financial position is affected when assets and liabilities in foreign currencies are recalculated in Swedish kronor. The risk can be divided into transaction risk and translation risk.		
Transaction risk		
Transaction risk is the risk that occurs when transactions are made in a currency other than the local company's functional currency. A company may also have monetary assets and liabilities in a currency other than the functional currency which are translated to the local currency using the exchange rate at the balance sheet date. The translation of the monetary assets and liabilities results in currency effects which are recognised in the statement of comprehensive income.	75 percent (74) of the Group's sales are made in currencies other than SEK. Sales are made in 16 (16) different currencies, the most important of which, besides SEK, are EUR, DKK, GBP and NOK. Lindab's net exposure, related to the consolidated statement of comprehensive income, translated to SEK is approximately SEK 200 m (100) annually. SEK 11 m (11) of the transaction exposure entered in the balance sheet was hedged at the end of the year.	To reduce currency exposure, the Group attempts to match inflows and outflows of different currencies by, for example, using the same currency for invoicing as purchasing. Each individual Group company is responsible for identifying its own currency exposure. Some special orders, projects, investments and purchases can be hedged to create certainty of future cash flows. The treasury function is responsible for the Group's overall currency exposure, and makes decisions and implements any hedging of subsidiaries' exposure.
Translation risk		
Translation differences arise when translating foreign subsidiaries' statements of financial position in local currency to Swedish kronor. The income statement is translated at the average rate for the year and the statement of financial position is translated at the rate on December 31. The translation difference is applied to other comprehensive income. Translation exposure is the risk that the translation difference represents in terms of the impact on comprehensive income. Parts of this exposure have been hedged since 2013.	At the end of 2017, the Group's net investments in foreign currency amounted to SEK 3,805 m (3,969). The biggest currencies are EUR with SEK 1,337 m (1,364), DKK with SEK 518 m (507) and PLN with SEK 396 m (370). SEK 1,252 m (1,231) is hedged by taking out loans in foreign currency and a currency swap.	Hedging of the Group's translation exposure is determined by the CFO in accordance with the Group's Treasury policy.
Lindab AB has currency risks in its lending and borrowing to Group companies, which mainly takes place in the Group companies' local currency.	Lindab AB's lending and borrowing in foreign currency at the end of 2017 amounted to SEK 945 m (638) and SEK 376 m (408) respectively.	The currency risk in these transactions is hedged using forward exchange agreements. These are evaluated monthly and the effect is recognised in financial items in the statement of comprehensive income.

Note 3, cont.

Liquidity risk

The table below analyses the Group's financial liabilities, broken down according to the time remaining until the contractual maturity date.

On 31 December 2017	< 3 months	between 3-12 months	between 1-2 years	between 2-5 years	> 5 years
Borrowings (excluding finance lease liabilities)	4	79	18	1,392	2
Finance lease liabilities	3	9	12	19	-
Derivative instruments	325	355	-	-	-
Accounts payable and other liabilities	864	239	-	-	-

On 31 December 2016	< 3 months	between 3-12 months	between 1-2 years	between 2-5 years	> 5 years
Borrowings (excluding finance lease liabilities)	8	54	31	1,591	2
Finance lease liabilities	0	3	3	12	23
Derivative instruments	79	382	-	-	-
Accounts payable and other liabilities	837	215	-	-	-

The amounts included in the table are the contractual undiscounted cash flows. The derivatives flow refers to the gross flow of currency futures. The liquidity risk is limited as it is covered by available credit limits and inflows of financial assets.

Currency futures

Equivalent in SEK m		31 Dec 2017 Amount	31 Dec 2017 Term in months	31 Dec 2016 Amount	31 Dec 2016 Term in months
Sell	EUR	–399	3	–323	3
Sell	USD	–4	1	-	-
Sell	CHF	–89	3	-	-
Sell	NOK	–20	3	–22	3
Sell	CZK	–162	3	–111	3
Sell	PLN	–5	3	-	-
Sell	TRY	–1	3	–4	3
Sell total		*–680*		*–460*	
Buy	EUR	8	3	11	3
Buy	USD	75	3	83	2
Buy	CHF	-	-	67	3
Buy	HRK	-	-	5	3
Buy	HUF	28	3	45	2
Buy	RON	-	-	2	1
Buy	RUB	185	6	105	6
Buy total		*296*		*318*	
Net		**–384**		**–142**	

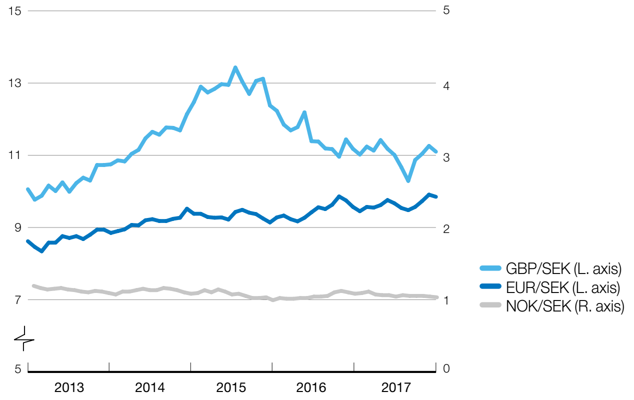
Offsetting of assets and liabilities within ISDA agreements

There is no balance sheet offsetting as the Lindab Group has a right to offset under the ISDA agreement. The right of offset amounts to SEK 3 m (2) in accordance with the table below.

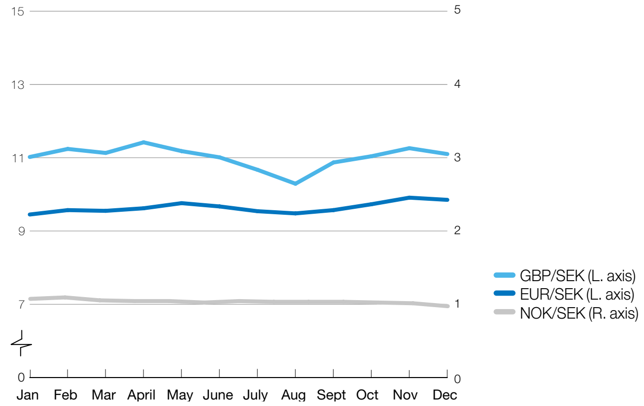
On 31 December 2017	Amounts recognised in the balance sheet	Financial agreements	Net
Assets			
Currency derivatives	6	–3	3
Liabilities			
Currency derivatives	–3	3	0
Total	**3**	**0**	**3**

On 31 December 2016	Amounts recognised in the balance sheet	Financial agreements	Net
Assets			
Currency derivatives	11	–2	9
Liabilities			
Currency derivatives	–2	2	0
Total	**9**	**0**	**9**

Exchange rate development 2013-2017



Exchange rate development January-December 2017



The following exchange rates have been used for translation of foreign operations

Country	Currency	Currency code	Average exchange rate Jan-Dec 2017	Average exchange rate Jan-Dec 2016	Rate on balance sheet date 2017	Rate on balance sheet date 2016
Euroland	1	EUR	9.63	9.47	9.85	9.57
Denmark	1	DKK	1.29	1.27	1.32	1.29
Norway	1	NOK	1.03	1.02	1.00	1.05
Poland	1	PLN	2.26	2.17	2.36	2.17
Romania	1	RON	2.11	2.11	2.11	2.11
Russia	100	RUB	14.66	12.84	14.31	14.97
Switzerland	1	CHF	8.67	8.68	8.43	8.91
UK	1	GBP	10.98	11.58	11.10	11.18
Czech Republic	100	CZK	36.60	35.02	38.49	35.40
Hungary	100	HUF	3.11	3.04	3.17	3.08
USA	1	USD	8.53	8.56	8.23	9.10

Sensitivity analysis

	Change	Sensitivity, SEK m 31 Dec 2017	Sensitivity, SEK m 31 Dec 2016
Currency fluctuation, sales	+/-1%	+/-62	+/-58
Currency fluctuation, purchase of raw materials	+/-1%	+/-30	+/-28
Currency fluctuation, net assets	+/-1%	+/-28	+/-27
Currency fluctuation, Net Debt	+/-1%	+/-11	+/-11
Fluctuations in interest rates, %	+/-1%	+/-13	+/-14

The calculations are based on 2016 and 2017 volumes and assume that all else remains unchanged, for example that sales prices are not adjusted in response to changes in steel prices.

Currency fluctuation, sales and purchase of raw material

75 percent (74) of Lindab's total sales and 77 percent (77) of total raw material purchases are made in currencies other than SEK which means that fluctuations in SEK affect the Group's profit or loss. Raw material purchases represent the only major currency exposure in terms of costs. A fluctuation of +/- 1 percent in SEK affects sales by SEK 62 m (58) and raw material purchases by SEK 30 m (28). The most important currencies are EUR, DKK, GBP and NOK. USD is also an important currency as far as raw material purchases are concerned.

Currency fluctuation, net assets

Lindab's net assets in foreign currency amount to SEK 3,805 m (3,969). The single largest net assets are in EUR followed by DKK, PLN and HUF. SEK 1,252 m (1,231) of the net assets is hedged via loans and currency swaps. A fluctuation of +/ 1 percent in SEK, taking into account existing hedging arrangements, affects net assets by SEK 28 m (27).

Currency fluctuation, Net Debt

Lindab's Net Debt amounts to SEK 1,305 m (1,396), of which 82 percent (79) is in currencies other than SEK. The greatest exposures in foreign currency are made up of loans in EUR and CHF. A fluctuation of +/- 1 percent in SEK affects Net Debt by SEK 11 m (11), of which SEK 10 m (11) is recognised in other comprehensive income.

Fluctuations in interest rates

Changes in interest rates affect Lindab's profitability and cash flow. A change of +/- 1 percent in interest rates affects Lindab's profit by SEK 13 m (14), of which interest expenses amount to SEK 11 m (13) and rental costs for existing sale and leaseback contracts amount to SEK 2 m (1).

Asset management

Lindab's managed capital comprises the sum of shareholders' equity and the Group's Net Debt, totalling SEK 5,435 m (5,245).

The Group's capital will be used to retain a high degree of flexibility and to finance acquisitions. Any surplus capital will be transferred to Lindab's shareholders.

The overall goal of asset management is to ensure the Group's ability to continue as a going-concern, while ensuring that the Group's funds are being used in the best way to give shareholders a good return and lenders a good level of security.

Lindab is governed on the basis of the financial targets detailed below:

- The annual growth rate should be 5-8 percent as a combination of organic and acquired growth.
- The operating margin (EBIT) should average at 10 percent during a business cycle.
- The ratio of seasonally adjusted Net Debt* to EBITDA, excluding one-off items and restructuring costs, should not exceed 2.5.

** Average Net Debt for the year.*

Dividends to shareholders must normally comprise 30 percent of the profit for the year, taking into account Lindab's capital structure, acquisition needs and long term financing needs.

Examples of active measures include the proposal by Lindab's Board of Directors to pay a dividend of SEK 1.55 per share for 2017. See also Note 22.

To ensure the availability of financing, it is important to meet the obligations to the banks arising from the credit agreements. The credit agreements include two covenants in the form of the Net Debt to EBITDA ratio and the interest coverage ratio. Lindab fulfils these obligations.

Lindab's Treasury policy has been approved by the Board of Directors and this constitutes a framework of guidelines and regulations for the financing operations that are centralised at Group Finance. This enables the Group to monitor all financial risk positions and safeguard common interests. At the same time, this brings about cost efficiency, economies of scale and skills development.

Credit risk management

Customer credit risk is managed by each business unit and is covered by the Group's established policies, procedures and controls. Individual credit limits are identified and assessed. Outstanding accounts receivable are regularly monitored and portions of outstanding accounts receivable are covered by credit insurance. Lindab's exposure to individual customers is limited as Lindab's biggest customer accounts for 1.9 percent (1.7) of the Group's total net sales. Credit risks from deposits held with banks and financial institutions are managed by the Group's central treasury function in accordance with Group policy. The total credit risk exposure corresponds to the recognised value of financial assets.

Note 04 Key accounting estimates and judgments

IFRS is a principles-based framework and contains no detailed rules under normal circumstances, but instead develops the overall principles that should characterise the financial statements. This implies that significant estimates and judgments must be made by Lindab which may give rise to specific consequences in the financial statements. The judgments made are central to the financial outcome, and these are combined with detailed information.

Estimates and judgments are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are deemed reasonable in the circumstances.

In the application of accounting policies, various assumptions have been made that may substantially affect the amounts presented in Lindab's financial statements.

Impairment testing of goodwill

Important sources of estimation uncertainty

The Group continually tests the goodwill for impairment in accordance with the accounting policies described in Note 2. The impairment test is based on a review of the recoverable amount. The value is estimated based on the management's estimates of future cash flows which are based on internal business plans and forecasts.

Reported goodwill amounted to SEK 3,059 m (2,963) at the end of the year, of which SEK 2,665 m (2,581) related to Products & Solutions and SEK 394 m (382) related to Building Systems.

Assessments in connection with the application of the Group's accounting policies

When testing for impairment, a management assessment is required of various factors, particularly with regard to events which may affect the value of goodwill, the assumptions underlying cash flow forecasts and whether the discounting of these cash flows is reasonable. Changes in the assumptions made by the management may result in a different outcome and a different future financial position. For further information on impairment testing of goodwill, see Note 16.

Leases

Assessments in connection with the application of the Group's accounting policies

In accordance with IAS 17, leases will be classified as finance or operating leases. According to IAS 17, a finance lease is a contract whereby the financial risks and benefits associated with ownership of an object are essentially transferred from the lessor to the lessee. A lease other than a finance lease is an operating lease.

A sale and leaseback transaction is the sale of an asset and subsequent a lease of the same asset in accordance with a subsequent lease. In the event of a sale and leaseback transaction, where an operating lease is in effect and where it is clear that the sales price and terms of the lease are based on fair value, the sale is judged to have taken place and any profit or loss incurred is therefore reported in the period in which the sale took place.

In IAS 17, a number of criteria are presented that are individually or collectively indicative for the classification of lease as either a finance or operating lease.

Note 27 describes the most significant leases that Lindab has entered into. These relate to production units in Luxembourg and Switzerland as well as production units and office premises in Sweden. The properties in Sweden were previously owned by Lindab, which is why these transactions are referred to as sale and leaseback transactions.

The Swedish and Swiss leases include an option for Lindab to acquire the properties at market value when the leases expire. The market value is based on an independent valuation. The options are therefore not worded in such a way that it is apparent that they will be utilised. Lindab also has the option of extending the contracts for which market-based compensation will then be paid. Altogether, this means that the entire financial benefit attributable to the value of the properties goes to the lessor.

The durations of the leases are less than the properties' economic life and the present value of the minimum lease payments payable, including residual value guarantees, are around 15 percent lower than the properties' estimated fair value upon commencement of the contracts.

IAS 17 shows that an overall judgment must be performed in order to clarify whether the financial benefits and risks associated with ownership of a leased asset rests with the lessee or the lessor. Having weighed the evidence of the criteria described in IAS 17, Lindab assessed that the financial benefits and risks associated with ownership rest primarily with the lessor, explaining why the contracts are recorded as operating leases.

Further information regarding these leases is provided in Note 27.

Deferred tax assets

Important sources of estimation uncertainty

Deferred tax assets and liabilities are reported for temporary differences and unutilised carry-forward tax losses. Deferred tax assets, which are primarily attributable to carry-forward tax losses, are reported to the extent that it is likely that future taxable surpluses will be available, against which the accumulated loss may be utilised. The Group's carry-forward tax losses relate primarily to countries with long or indefinite periods of utilisation. Lindab recognises deferred tax assets based on the management's estimates of future taxable results in various tax jurisdictions.

At the end of 2017, deferred tax assets related to carry-forward tax losses totalled SEK 41 m (35), see Note 14.

Recognition of stock

Important sources of estimation uncertainty

Stock is recognised at the lower of cost and net realisable value. Valuations and assessments of stock are governed by internal regulations which all companies within the Group are obliged to comply with. The aim is to ensure that stock is valued at the lower of cost and net realisable value at all times.

When calculating the net sales value, an assessment is made of discontinued items, surplus items, damaged goods, and the estimated sales value based on available information. On 31 December 2017, the provision for stock obsolescence amounted to SEK 63 m (57), see Note 20.

Bad debts

Important sources of estimation uncertainty

An assessment of unpaid accounts receivable provides the basis for bad debts. The provision for bad debts is based on a calculation in accordance with the internal regulations, combined with an individual assessment. The judgment is made based on the circumstances that may significantly impact the valuation, such as the solvency and financial position of significant customers as known at the balance sheet date.

Lindab's judgment is that the assumptions that have been made about the future do not involve any significant risk of material adjustments in the carrying amounts for the next financial year, see also Bad debt losses in the section on Risk in the Directors' Report. At the end of 2017, the provision for bad debts amounted to SEK 88 m (97), see Note 21.

Other provisions

Important sources of estimation uncertainty

Provisions for future expenses resulting from the warranty commitments are reported at the estimated amount required to settle the commitment at the balance sheet date. The estimated amount is based on calculations, judgments and experience. Through experience, Lindab has developed a common calculation principle for warranty provisions. The provision is calculated using a statistics-based percentage in relation to sales over the last ten years less actual warranty costs.

Lindab's production of steel products has a relatively limited impact on the environment. The Group pursues activities on properties where soil contamination may occur. In cases where there is a risk of environmental liability, a judgment is made to determine whether a provision is required based on known information, the perceptions of representatives and other advisors, the probability that a present obligation exists and the reliability of the figure that the obligation is estimated to amount to.

The amount reported as a provision is the best estimate of the expenditure that is required to meet the obligation in question at the balance sheet date. The Group's reporting of provisions means that SEK 35 m (34) is reported as other provisions, see Note 24.

Outstanding legal matters are reviewed regularly. An assessment is made of whether a liability should be recognised and whether an obligation has resulted from an event. Furthermore, it is assessed whether an outflow of economic resources is likely to be required to settle the obligation, and whether a reliable estimate of the amount can be made.

Whether an existing obligation is likely or not is a matter of judgment. The risk types for these provisions vary, and the management assesses the nature of the provision and scope when determining whether an outflow of resources is likely or not.

The Group companies are only involved in minor disputes that are directly attributable to the business. Appropriate provisions are made where the judgment resulted in risk.

Pension

Important sources of estimation uncertainty

Provisions and the costs of post-employment benefits, mainly pensions, depend on the assumptions made when the debt is calculated. Specific assumptions and actuarial calculations are made for each of the countries where Lindab's operations result in such obligations. The assumptions concern discount rates, inflation, salary growth rates, departure rates, mortality and other factors.

In determining the discount rate, Lindab takes into account the discount rate for each country which is denominated in the currency in which the benefits will be paid and which have a maturity corresponding to the estimates for the current pension obligation. Other important assumptions are based in part on prevailing market conditions. Lindab assesses actuarial assumptions on a quarterly basis and adjusts them as appropriate. Any change in these assumptions will impact the carrying amount of the pension obligations.

For a sensitivity analysis, see Note 23.

The Group's provisions for defined benefit plans amounted to SEK 184 m (166) net after deductions for plan assets.

Note 05 Business combinations

Business combinations in 2017

On 14 December 2017, Lindab acquired 100 percent of the votes and shares in the Irish company A.C. Manufacturing Ltd. The company's activities mainly include production and sales of rectangular ventilation duct systems. The acquisition is part of Lindab's strategy to further focus on indoor climate solutions and strengthen the Group's position as a supplier of complete ventilation products in selected geographical markets. With the addition of A.C Manufacturing Ltd, Lindab now offers a full range of ventilation solutions and products in the Irish market. A.C. Manufacturing Ltd has its head office in Dublin, Ireland. The company has annual sales of approximately SEK 50 m and an expected annual operating profit of SEK 10 m. The company has around 30 employees.

The total acquisition cost for A.C. Manufacturing Ltd was SEK 87 m, of which SEK 69 m was paid to the former owners on completion of the acquisition in December. The remaining SEK 18 m comprise an unconditional additional purchase price of SEK 3 m and a conditional purchase price of SEK 15 m. The conditional additional purchase price will be paid if future expectations regarding identified performance levels, based on gross margins, are met in the period 2018-2020. The possible undiscounted amount of the future conditional additional purchase price is between SEK 0-15 m. On 31 December 2017, it was deemed likely that a maximum profit would occur, triggering an unconditional additional purchase price of SEK 3 m and a conditional purchase price of SEK 15 m. Costs related to the acquisition amounted to SEK 3 m and are included in other operating expenses.

According to a preliminary analysis of the acquisition, the acquisition resulted in goodwill of SEK 48 m. Among other things, the goodwill relates to market expertise, operation of the existing business and synergies resulting from Lindab's current activities in the ventilation area. None of the goodwill concerns deductible income tax paid. For a specification of acquired assets and liabilities at the date of acquisition as well as a preliminary acquisition price allocation, see the table in this note.

A.C. Manufacturing Ltd was consolidated into Lindab as of 14 December 2017. The acquisition of the company resulted in a sales increase of SEK 3 m for the Group from the acquisition date to 31 December 2017. The effect on the Group's profit for the year was marginal. If the acquisition was completed on 1 January 2017, the Group's net sales would have increased by approximately SEK 49 m and the profit for the year by some SEK 5 m (exclusive of non-recurring items). A.C. Manufacturing Ltd is part of the Products & Solutions segment.

On 6 December 2017, the Swedish subsidiary Lindab Innovation AB with its head office in Båstad, Sweden, was divested. The company's business was to manage patents, but the company has been dormant. An amount of SEK 0 m was received as part of the divestment, corresponding to the company's shareholders' equity and balance sheet total.

Lindab Innovation AB was part of Lindab up to and including November 2017. The company was dormant and had neither generated sales nor had any impact on the Group's profit for the year.

Business combinations in 2016

No acquisitions or divestments were made by Lindab in 2016.

Note 5, cont.

Transferred consideration, goodwill and effect on cash and cash equivalents

The table below provides information on the purchase price, goodwill and the acquisition/divestment's impact on the Group's cash and cash equivalents.

	Acquired businesses		Divested businesses	
	2017	2016	**2017**	2016
Consideration transferred on acquisition/divestment	69	-	0	-
Future conditional additional purchase price	15	-	-	
Future unconditional additional purchase price	3	-	-	-
Direct costs relating to acquisitions/divestments*	3	-	0	-
Total acquisitions/divestments	**90**	**-**	**0**	**-**
Less direct costs relating to acquisitions/divestments	–3	-	0	-
Total transferred consideration/additional purchase price	**87**	**-**	**0**	**-**
Fair value of acquired/divested net assets/liabilities	39	-	0	-
Goodwill/capital gain	**48**	**-**	**0**	**-**
Consideration transferred on acquisition/divestment	69	-	0	-
Direct costs relating to acquisitions/divestments	0	-	0	-
Cash and cash equivalents in the acquired/divested subsidiary	–5	-	0	-
Effect of acquisition/divestment on consolidated cash and cash equivalents	**64**	**-**	**0**	**-**

** The cost is recognised in the income statement under other operating expenses.*

No portion of reported goodwill is deductible for income tax.

The fair value of acquired assets and liabilities is largely consistent with their book value, with the exception of identified intangible assets, and the net value of acquired assets is essentially the same as its gross value.

Acquired/divested assets and liabilities

Acquired/divested net assets, liabilities and goodwill related to acquisitions/divestments are shown below.

	Acquired businesses		Divested businesses	
	2017	2016	**2017**	2016
Intangible assets	20	-	0	-
Tangible fixed assets	15	-	-	-
Financial fixed assets	0	-	-	-
Deferred tax assets	0	-	-	-
Stock	3	-	-	-
Accounts receivable and other current assets	9	-	-	-
Cash and cash equivalents	5	-	0	-
Total acquired/divested assets	**52**	**-**	**0**	**-**
Non-current liabilities	-	-	-	-
Deferred tax liabilities	2	-	-	-
Current liabilities	11	-	-	-
Total acquired/divested liabilities	**13**	**-**	**-**	**-**
Fair value of acquired/divested net assets	**39**	**-**	**0**	**-**
Goodwill	48	-	-	-
Capital gain	-	-	0	-
Consideration transferred on acquisition/divestment, including future conditional/unconditional additional purchase price	**87**	**-**	**0**	**-**

Note 06 Employees and senior executives

Average no. of employees

	31 Dec 2017			31 Dec 2016		
	Men	**Women**	**Total**	Men	Women	Total
Parent company, Sweden	-	-	-	-	-	-
Subsidiaries						
Sweden	914	213	1,127	910	212	1,122
Belgium	20	5	25	22	5	27
Bosnia and Herzegovina	12	5	17	47	8	55
Denmark	378	113	491	376	109	485
Estonia	61	10	71	61	6	67
Finland	69	13	82	71	15	86
France	111	34	145	111	32	143
Ireland	56	6	62	29	5	34
Italy	94	49	143	92	49	141
Croatia	1	-	1	1	-	1
Latvia	14	2	16	14	1	15
Lithuania	-	-	-	7	1	8
Luxembourg	195	22	217	206	24	230
Macedonia	-	1	1	-	1	1
Montenegro	1	1	2	1	1	2
Netherlands	13	4	17	12	3	15
Norway	86	9	95	84	11	95
Poland	241	112	353	245	112	357
Romania	70	14	84	79	16	95
Russia	249	49	298	252	58	310
Switzerland	83	10	93	84	9	93
Serbia	3	3	6	3	3	6
Slovakia	30	18	48	31	13	44
Slovenia	192	60	252	190	61	251
UK	242	62	304	231	57	288
Czech Republic	687	208	895	668	205	873
Turkey	1	-	1	3	1	4
Germany	102	24	126	105	24	129
Hungary	135	30	165	125	26	151
USA	5	1	6	5	1	6
Subsidiaries total	*4,065*	*1,078*	*5,143*	*4,065*	*1,069*	*5,134*
Group total	**4,065**	**1,078**	**5,143**	**4,065**	**1,069**	**5,134**

Gender balance among senior executives

Parent company						
The Board, elected by shareholders	4	3	7	4	3	7
The Board, employee representatives	2	-	2	2	-	2
The Group						
CEO/Executive Management	5	-	5*	4	-	4

** Anders Berg was part of the Executive Management until 28 September 2017, when he was replaced by Fredrik von Oelreich. Olof Christensson joined the Executive Management on 14 August 2017.*

Personnel costs

	2017			2016		
Salaries and other benefits	**Board/CEO and Executive Management**	**Other employees**	**Total salaries and other benefits**	Board/CEO and Executive Management	Other employees	Total salaries and other benefits
Parent company, Sweden	2.7	-	2.7	2.4	-	2.4
Subsidiaries total	59.0	1,619.1	1,678.1	58.9	1,535.1	1,594.0
Group total	**61.7**	**1,619.1**	**1,680.8**	**61.3**	**1,535.1**	**1,596.4**

Payroll overheads						
Parent company, Sweden	0.8	-	0.8	0.7	-	0.7
of which pensions	0.1	-	0.1	0.0	-	0.0
Group total	19.6	443.8	463.4	19.4	413.2	432.6
of which pensions	6.4	100.8	107.2	5.5	93.8	99.3
Total personnel costs	**81.3**	**2,062.9**	**2,144.2**	**80.7**	**1,948.3**	**2,029.0**

Of the total pension provisions in the statement of financial position of SEK 226 m (211), SEK 38 m (39) comprises pension obligations relating to former CEOs. The obligations are invested in endowment insurance funds. These are valued at SEK 38 m (39). In 2016 and 2017, Lindab incurred no costs for pension obligations relating to former CEOs.

Note 6, cont.

In 2017, the total remuneration paid to Board members totalled SEK 2,727 k (2,400), broken down in the table below.

At the Annual General Meeting on 9 May 2017, it was resolved that the fees for the Board members would amount to a total of SEK 2,550 k. Of this, SEK 663 k would be paid to the Chairman of the Board, SEK 306 k to each of the Board's elected members, and SEK 25,5 k to each of the employee representatives. Fees for Board members serving on the Audit Committee amount to SEK 100 k for the Chairman and SEK 50k for each of the ordinary members of the Audit Committee. Fees for Board members serving on the Remuneration Committee amount to SEK 60 k for the Chairman and SEK 30 k for the ordinary member of the Remuneration Committee. The total fees to the Audit Committee and the Remuneration Committee should not exceed SEK 320 k. In total, a fee of SEK 2,870 k can be paid to the Board and members of committees as decided by the Annual General Meeting 2017.

Board fees, including committee remuneration

SEK (thousands)	**2017**	2016
Peter Nilsson (elected in 2016)	698.7	433.3
Per Bertland (elected in 2016)	324.0	200.0
Sonat Burman-Olsson	304.0	300.0
Viveka Ekberg (elected in 2016)	370.7	200.0
Anette Frumerie (elected in 2017)	237.3	-
John Hedberg (elected in 2017)	237.3	-
Bent Johannesson (elected in 2016)	304.0	200.0
Pontus Andersson	25.3	25.0
Anders Lundberg (elected in 2016)	25.3	8.3
Marianne Brismar (resigned in 2017)	100.0	300.0
Hans Porat (resigned in 2017)	100.0	300.0
Markku Rantala (resigned in 2016)	-	16.7
Kjell Nilsson (resigned in 2016)	-	216.7
Erik Eberhandsson (resigned in 2016)	-	100.0
Per Frankling (resigned in 2016)	-	100.0
Total	**2,726.6**	**2,400.0**

None of the Board members or deputies are entitled to any benefits upon termination of their Board services.

Remuneration to Executive Management and other terms of employment

SEK	**Fredrik von Oelreich**	**Anders Berg***	**Remuneration of other Executive Management***	**Total**
Fee	1,770,000	-	-	1,770,000
Fixed salary incl. holiday pay	-	3,202,500	7,069,412	10,271,912
Variable salary	-	1,066,778	1,571,958	2,638,736
Pension expenses	-	945,291	2,034,237	2,979,528
Benefits	-	36,550	225,091	261,641
Total	**1,770,000**	**5,251,119**	**10,900,698**	**17,921,817**
Termination salary incl benefits and pension	-	6,159,050	-	6,159,050
Total	**1,770,000**	**11,410,169**	**10,900,698**	**24,080,867**

** Excluding social charges and special payroll tax.*

Fixed and variable salaries

Remuneration to Executive Management is based on a combination of fixed and variable salaries. The variable salary comprises a short-term and long term cash remuneration programme which is based on the results achieved.

At present, the variable salary is based on consolidated profits. The maximum short term variable salary amounts to 40 percent of the employee's fixed salary, with the exception of the company's President and CEO, who is entitled to a variable salary up to a maximum of 50 percent of his annual fixed salary. The long term variable cash salary amounts to a maximum of 40 percent of the employee's fixed salary, with the exception of the company's President and CEO, who is entitled to a variable salary up to a maximum of 70 percent of his annual fixed salary. Anders Berg's fixed salary for 2017 totalled SEK 4,200,000. Pension contribution entitlements amount to 30 percent of the fixed salary. In addition, Anders Berg has the right to a company car and certain other benefits. Payments received by Anders Berg in 2017 are shown in the table above.

CEO Anders Berg was part of the Executive Management until 28 September when he was replaced by acting CEO Fredrik von Oelreich. Kristian Ackeby, CFO, Fredrik Liedholm, General Counsel and M&A and HR Director, and Bengt Andersson, Product- and marketing Director, were part of the Executive Management throughout 2017. Olof Christensson, Director of Energy and Climate Solutions, has been part of the Executive Management since August 2017. Ordinary remuneration for the CEO and the other members of the Executive Management in 2017 is shown in the table. The ordinary remuneration for Anders Berg concerns the period up to 28 September. Remuneration for Fredrik von Oelreich concerns the period from 28 September to 31 December. In addition to the following costs, Lindab also made provisions for termination salary to the former President and CEO Anders Berg in 2017. Termination salary is paid until 28 September 2018. The reported termination salary of SEK 6,159,050 contains a variable remuneration component, which may change in the future depending on the achievement of the Group´s goals.

Termination regulations

The termination of former CEO Anders Berg's position on 28 September 2017 triggered a contractual 12-month notice period. During the notice period, Anders Berg is entitled to retain his salary and employee benefits, excluding part of the variable salary. Anders Berg is bound by a non-competition clause that is valid for two years from the termination of employment, during which he is entitled to separate remuneration. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to Anders Berg. As a result of the termination of Anders Berg on 28 September 2017, the company has made provisions for salaries and benefits in line with the employment contract.

The notice period for other senior executives is 12 months on the part of the company and 6 months on the part of the employee. During the notice period, the company may exercise the right to give the employee garden leave, whereby any salary from another employer will be deducted from the salary the employee receives from Lindab during the notice period. Other senior executives are bound by non-competition clauses effective for one year from the termination of employment, during which they are entitled to separate remuneration. The company is entitled to waive the non-competition clause, which will result in no remuneration being paid to the employee.

Pension expenses

The retirement age for all senior executives is 65.

The company has agreed to pay pension contributions for Anders Berg equivalent to 30 percent of his fixed salary. Pension payments until 28 September 2017 amounted to SEK 945 k. In addition, pension costs are included in the reported termination salary until 28 September 2018.

Other senior executives are entitled to pension benefits. The pension will be a defined contribution plan based on the same principles as the fixed salary. The costs of pension contributions for these individuals totalled SEK 2,034 k (1,443).

Bonus scheme

In addition to the variable salaries for the Executive Management, there is a bonus scheme for other senior executives. The bonus scheme is based on performance-oriented targets. Depending on the individual's position, bonuses are equivalent to 10-40 percent of the annual salary.

Profit-sharing plan

Since 1980, the company has paid contributions into a profit sharing foundation for employees in Sweden, in accordance with the agreement. The current agreement is effective up to and including 2018. The annual payments are based on the earnings of the Swedish group companies. The maximum amount is adjusted upwards annually using the Consumer Price Index (CPI). Payments for the year amounted to SEK 6,931k (6,604), including special employers' contributions.

During the years 2001-2006, when Lindab shares were not listed on the stock exchange, investments were placed in the owner company Ratos AB. As of 2007, investments have once again been made in Lindab shares. Gradually, as older funds are replaced, the remaining funds will be invested in Lindab shares. At the end of 2017, the foundation held 215,500 (143,500) Lindab shares.

A smaller profit sharing plan also exists in one of Lindab's French companies.

Incentive programme

At the Annual General Meeting in May 2017, guidelines for the remuneration of senior executives were established. According to the adopted guidelines, the remuneration programme for these individuals will include a long term variable cash pay element. This element will be based on financial performance targets that reflect Lindab's value growth and will be assessed over a three year measuring period. Any profit of the long term variable cash salary is presumed to be invested in shares or share related instruments in Lindab on market terms. On adoption of the programme, the total costs in the event of maximum profit for the three year measuring period were estimated at SEK 14 m.

Warrant programme

At the Annual General Meeting in May 2017, it was resolved to establish a warrant programme for senior executives. Under the programme, 75,000 out of a maximum of 110,000 warrants were issued by Lindab for the benefit of the wholly owned subsidiary Lindab LTIP17 AB which, in turn, sold the warrants to senior executives based on a market valuation pursuant to the established warrant agreement. Each warrant entitles the holder to acquire one share in Lindab at a price of SEK 108.80 at some point in the future. Subscription of shares based on a warrant can take place after Lindab has published the interim report for 2020 and until 31 August of the same year.

Guidelines for remuneration of senior executives

The 2017 Annual General Meeting resolved on the following guidelines for remuneration for senior executives:

- Remuneration to senior executives will be based upon the market in which the company operates and the environment in which each of the executives work; it will be competitive, facilitate the recruitment of new executives as well as motivate senior executives to remain with the company.
- The remuneration system consists of the following: fixed salaries, variable salaries, pensions and benefits as specified below.
- Fixed salaries and benefits will be established on an individual basis according to the criteria outlined above and the specific skills of each individual.
- Variable salaries are paid on achieving clearly established targets for the Group. Variable salaries are paid as a percentage of fixed salaries and have a cap not exceeding 50 percent of the fixed remuneration.
- The pension will be a defined contribution plan. The extent of the pension is based on the same criteria as apply to fixed remuneration and is based partly on fixed and partly on variable salaries.
- In special cases, the Board of Directors has the right to deviate from the guidelines. The Board of Directors has not exercised this right in 2017.

As regards guidelines for senior executives for the time from the next Annual General Meeting, reference is made to the Board of Directors' upcoming proposal ahead of the 2018 Annual General Meeting.

Note 07 Segment reporting

	Products & Solutions		Building Systems		Other		Total		Elimination		Total	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
Net sales, external	7,360	6,949	882	900	-	-	8,242	7,849	-	-	8,242	7,849
Net sales, internal	0	0	0	3	-	-	0	3	0	–3	0	0
Net sales, total	**7,360**	**6,949**	**882**	**903**	**-**	**-**	**8,242**	**7,852**	**0**	**–3**	**8,242**	**7,849**
Adjusted operating profit before depreciation and amortisation	**718**	**704**	**–19**	**13**	**-26**	**-32**	**673**	**685**	**-**	**-**	**673**	**685**
Depreciation/amortisation and impairment losses	–128	–139	–23	–25	–11	–10	–162	–174	-	-	–162	–174
Adjusted operating profit	**590**	**565**	**–42**	**–12**	**–37**	**–42**	**511**	**511**	**-**	**-**	**511**	**511**
One-off items and restructuring costs	-	–24	-	-	–19	–4	–19	–28	-	-	–19	–28
Operating profit	**590**	**541**	**–42**	**–12**	**–56**	**–46**	**492**	**483**	**-**	**-**	**492**	**483**
Financial items											–25	–38
Earnings before tax											**467**	**445**
Tax on profit for the year											–120	–139
Profit for the year											**347**	**306**
Fixed assets excl. financial assets	3,753	3,645	560	566	167	174	4,480	4,385	-	-	4,480	4,385
Stock	1,089	1,016	167	143	-	-	1,256	1,159	-	-	1,256	1,159
Other assets	1,402	1,270	120	139	310	322	1,832	1,731	–314	–335	1,518	1,396
Undistributed assets											477	563
Total assets								**7,275**	**–314**	**–335**	**7,731**	**7,503**
Shareholders' equity											4,130	3,849
Other liabilities	1,706	1,641	311	292	79	56	2,096	1,989	–314	–335	1,782	1,654
Undistributed liabilities											1,819	2,000
Total equity and liabilities							**2,096**	**1,989**	**–314**	**–335**	**7,731**	**7,503**
Gross investments in fixed assets	83	107	9	11	8	7	100	125	-	-	100	125

Note 7, cont.

Geographical information

Net sales from external customers (based on place of residence)

Below is a summary of external net sales for Lindab's largest markets, based on the customer's residence. Lindab's largest customer accounts for 1.9 percent (1.7) of the Group's total sales, meaning that Lindab's dependence on individual customers is limited.

Country	2017	Percent
Sweden	1,996	24
Denmark	893	11
UK	685	8
Germany	572	7
Norway	549	7
Other	3,547	43
Total	**8,242**	**100**

Country	2016	Percent
Sweden	2,003	26
Denmark	823	10
UK	670	9
Germany	608	8
Norway	534	7
Other	3,211	40
Total	**7,849**	**100**

Fixed assets per country

Fixed assets relate to intangible assets and tangible fixed assets and are broken down by individual important countries in terms of production capacity.

Country	2017	Percent
Sweden	266	19
Czech Republic	246	17
Denmark	175	12
Slovenia	142	10
Russia	115	8
Poland	100	7
Other	377	27
Total	**1,421**	**100**
Goodwill	3,059	-
Total	**4,480**	**-**

Country	2016	Percent
Sweden	284	20
Czech Republic	228	16
Denmark	180	13
Slovenia	144	10
Russia	131	9
Poland	97	7
Other	358	25
Total	**1,422**	**100**
Goodwill	2,963	-
Total	**4,385**	**-**

Segment information

The Group's segments comprise Products & Solutions and Building Systems. The basis for the split into segments is the different customer offerings provided by each segment. Products & Solutions' business is based on a geographically distributed sales organisation supported by six product and system areas with central production and purchasing functions. The Building Systems segment consists of a separately integrated project organisation. Other relates to undistributed items and includes parent company functions, among other things.

Lindab's financial targets that form the basis for the running of the business are growth, profitability, capital structure and dividend policy, see the Directors' Report on page 57.

The segments are responsible for the management of operational assets and their performance is calculated at this level, while the treasury function is responsible for financing at the Group and country level. Undistributed assets thus mainly comprise pension assets and current and deferred tax assets. Undistributed liabilities mainly comprise net borrowing, pension provisions as well as current and deferred tax liabilities.

The purchase and processing of steel is done centrally for the most part. Profit/loss items from the part of those activities that are sold internally are allocated to segments of consolidation for the segments.

Inter-segment transfer pricing is determined on an arms-length basis i.e. between parties that are independent of one another, are well informed and have an interest in the implementation of the transaction. Assets and investments are reported wherever the asset is located.

Note 08 Depreciation/amortisation and impairment losses by type of asset and by function

	Group	
Depreciation/amortisation	**2017**	2016
Capitalised expenditure for development work (Note 16)	6	6
Patents and similar rights (Note 16)	3	-
IT and other intangible fixed assets (Note 16)	25	32
Buildnings and land (Note 17)	35	33
Machinery and other technical facilities (Note 17)	70	77
Equipment, tools and installations (Note 17)	21	23
Total	**160**	**171**
Impairment losses		
Buildnings and land (Note 17)	1	3
Machinery and other technical facilities (Note 17)	1	-
Equipment, tools and installations (Note 17)	0	0
Total	**2**	**3**
Total depreciation/amortisation and impairment losses by type of asset	**162**	**174**
Total depreciation/amortisation distributed by function		
Cost of goods sold	108	119
Selling expenses	19	20
Administrative expenses	26	24
R&D expenses	7	8
Total	**160**	**171**
Total impairment losses distributed by function		
Cost of goods sold	2	3
Total	**2**	**3**
Total depreciation/amortisation and impairment losses distributed by function	**162**	**174**

Note 09 Costs distributed by cost items

	Group		Parent company	
	2017	2016	**2017**	2016
Cost of direct materials	3,902	3,643	-	-
Personnel costs (Note 6)	2,201	2,080	4	3
Depreciation/amortisation and impairment losses (Notes 8, 16, 17)	162	174	-	-
Other operating expenses	1,564	1,541	2	1
Total	**7,829**	**7,438**	**6**	**4**

In the statement of comprehensive income, the costs are classified according to function. The cost of goods sold, selling expenses, administrative expenses, R&D expenses and other operating expenses total SEK 7,829 m (7,438). A breakdown of these costs into key cost categories is shown above. Personnel costs consist of employed members of staff, SEK 2,144 m (2,029), and temporary employees, SEK 57 m (51).

Note 10 Auditors' fees and expenses

Auditors' fees

An audit includes an examination of the annual accounts, a judgment of the accounting policies used and the significant estimates that were made by the management. This also includes a review in order to determine whether the Board of Directors and CEO may be discharged from liability.

	Group		Parent company	
	2017	2016	**2017**	2016
Deloitte				
Audit assignments	6.2	6.5	0.5	0.5
Other audit engagements separate from audit assignments	0.1	0.0	-	-
Tax advice	0.1	0.2	-	-
Other assignments	0.4	3.3	-	-
Total Deloitte	*6.8*	*10.0*	*0.5*	*0.5*
Other				
Audit assignments	1.0	0.9	-	-
Tax advice	0.0	0.0	-	-
Other assignments	0.0	0.0	-	-
Total Other	*1.0*	*0.9*	-	-
Total	**7.8**	**10.9**	**0.5**	**0.5**

Note 11 Research and development

Research and development costs amount to SEK 68 m (65) and are reported directly in the statement of comprehensive income, of which SEK 6 m (6) relates to the amortisation of capitalised development expenditure. For capitalised development expenditure, see Note 16.

Note 12 Other operating income and expenses

	Group		Parent company	
Income	**2017**	2016	**2017**	2016
Exchange rate differences in operating receivables/liabilities	56	50	-	-
Capital gains on the disposal of fixed assets	10	18	-	-
Other	13	4	-	-
Total	**79**	**72**	**-**	**-**
Expenses				
Exchange rate differences in operating receivables/liabilities	64	–61	-	-
Capital losses on the disposal of fixed assets	–1	–4	-	-
Other	–36 *	–21 **	-	-
Total	**–101**	**–86**	**-**	**-**

** Other mainly comprises costs associated with the termination of the President and CEO, evaluation of structural alternatives, costs relating to the acquisition of A.C. Manufacturing Ltd as well as cost reduction programme and governance project.*

*** Other mainly comprises cost reduction programme and governance project.*

Note 13 Financial income and expenses

	Group		Parent company	
Result from participations in Group companies	**2017**	2016	**2017**	2016
Group contributions received	-	-	32	34
Total	*-*	*-*	*32*	*34*
Interest income				
External	19	11	-	-
Total	*19*	*11*	*-*	*-*
Interest expenses				
External	–32	–39	-	-
To Group companies	-	-	–29	–33
For pensions, net	–4	–4	-	-
Total	*–36*	*–43*	*–29*	*–33*
Other financial income and expenses				
Exchange rate gains	0	0	-	-
Exchange rate losses	–5	–1	-	-
Other financial expenses	–3	–5	-	-
Total	*–8*	*–6*	*-*	*-*
Total	**–25**	**–38**	**3**	**1**

Net profit from financial assets and liabilities at fair value through profit or loss amounts to SEK –36 m (26) and comprises price effects in connection with the measurement of a forward exchange agreement. This item is recognised in the Group's comprehensive income under "Other financial income and expenses" in financial items.

Note 14 Tax on profit for the year

Income tax in the statement of comprehensive income consists mainly of the following components:

	Group		Parent company	
	2017	2016	**2017**	2016
Income statement				
Current tax				
Tax on profit for the year	–125	–119	0	0
Adjustments in respect of previous years	–1	–1	0	0
Total current tax	*–126*	*–120*	*0*	*0*
Deferred tax				
Occurrence and reversal of temporary differences	6	–20	-	-
Effect of changed tax rates abroad	-	1	-	-
Total deferred tax	*6*	*–19*	*-*	*-*
Total reported tax expense in the income statement	**–120**	**–139**	**0**	**0**
Other comprehensive income				
Deferred tax attributable to defined benefit plans	3	6	-	-
Deferred tax attributable to net investment hedges	4	12	-	-
Total reported tax expense in other comprehensive income	**7**	**18**	**-**	**-**

The Group's tax expenses for the year amounted to SEK 120 m (139) and the effective tax rate amounted to 26 percent (31).

The average tax rate was 19 percent (20). It has been calculated by weighting the subsidiaries' earnings before tax against the local tax rate for each country.

The difference between the effective tax rate and the average tax rate was 7 percentage points (11). This difference was due in part to adjustments of tax attributable to previous years, revaluations of deferred tax on carry-forward tax losses and deferred tax not being fully recognised on this year´s tax losses in some subsidiaries. Changes in tax rates in different countries also have an effect as the liabilities and receivables relating to deferred taxes must be adjusted to the new tax rates. Furthermore, tax adjustments such as non-deductible expenses and non-taxable income also had an impact.

The tax rate in Sweden is 22 percent. The main reasons for the difference between the Swedish corporate tax rate and the Lindab Group's tax rate based on the earnings before tax are shown in the table below.

The higher tax rate in the Lindab Group was largely attributable to not recognised losses incurred during the year of SEK –36 m (–32), where an assessment is made of the possibility of utilising it against future taxable surpluses in the respective tax domicile. Taxes attributable to previous years may also affect the tax rate, but for 2017 the impact was limited to SEK 1 m (–9). Recognition of deferred tax on carry-forward tax losses attributable to previous years amounted to SEK 13 m (–2) and was mainly related to Germany and Finland.

	Group			
	2017	**Percent**	2016	Percent
Earnings before tax	467		445	
Tax in accordance with current tax rates for the company	–103	–22.0	–98	–22.0
Reconciliation with reported tax				
Effect of other tax rates for companies abroad	13	2.7	7	1.6
Unrecognised tax loss, incurred during the year	–36	–7.7	–32	–7.3
Tax attributable to previous years	–1	–0.2	–4	–1.0
Non-deductible expenses	–16	–3.4	–12	–2.7
Non-taxable income	15	3.2	9	2.0
Effect of changed tax rates on deferred tax	-	-	–1	–0.2
Reassessment of deferred tax attributable to carry-forward tax losses	13	2.8	–2	–0.4
Reassessment of other deferred tax assets	0	0.0	–5	–1.0
Other	–5	–1.1	–1	–0.2
Reported tax expense	**–120**	**–25.7**	**–139**	**–31.2**

Deferred tax assets and liabilities at year-end, not taking into consideration any offsets made within the same fiscal jurisdiction, are detailed below:

	Deferred tax assets		Deferred tax liabilities		Net	
	31 Dec 2017	31 Dec 2016	**31 Dec 2017**	31 Dec 2016	**31 Dec 2017**	31 Dec 2016
Intangible assets	3	8	–13	–12	–10	–4
Tangible fixed assets	3	4	–56	–63	–53	–59
Financial fixed assets	-	-	-	-	-	-
Stock	14	17	–1	–1	13	16
Receivables	6	8	0	–2	6	6
Provisions	41	33	–1	0	40	33
Liabilities	0	0	-	-	0	0
Leases	1	1	–1	–2	0	–1
Other	0	4	–11	–9	–11	–5
Carry-forward tax losses	41	35	-	-	41	35
Tax allocation reserves	-	-	–48	–49	–48	–49
Total	**109**	**110**	**–131**	**–138**	**–22**	**–28**
Offsetting of receivables/liabilities	–35	–43	35	43	-	-
Reported in the statement of financial position	**74**	**67**	**–96**	**–95**	**–22**	**–28**

Reconciliation of deferred liabilities/assets, net	**2017**	2016
Opening balance	–28	–15
Reported in the statement of comprehensive income	6	–19
Acquisitions of subsidiaries (Note 5)	–2	-
Divestments of subsidiaries (Note 5)	-	-
Reported in other comprehensive income and shareholders' equity:		
– adjustment of defined benefit plans, pensions	3	6
Translation differences	–1	1
Other	-	–1
Closing balance	**–22**	**–28**

Expiry dates for unused carry-forward tax losses	**31 Dec 2017**	31 Dec 2016
Next year	6	33
In 2-4 years	29	32
In 5-6 years	34	50
After 6 years	682	584
– thereof without expiry date	*574*	*513*
Total	**751**	**699**

Deferred tax assets for carry-forward tax losses are reported to the extent that it is likely that they will be able to be used to lower future taxable income.

At the end of the year, the Group had carry-forward tax losses of approximately SEK 928 m (852), of which SEK 177 m (153) forms the basis for the deferred tax asset of SEK 41 m (35).

The remaining unrecognised carry-forward tax losses of SEK 751 m (699) should result in a deferred tax asset of SEK 204 m (180). They have not been taken into consideration, however, as it is not considered possible to determine whether Lindab can utilise them in the foreseeable future, or it is considered unlikely that Lindab will be able to utilise them.

Note 15 Earnings per share

Before and after dilution	**2017**	2016
Profit attributable to parent company shareholders, SEK m	347	306
Weighted average number of outstanding ordinary shares	76,331,982	76,331,982
Earnings per share before and after dilution (SEK per share)	**4.54**	**4.02**

Undiluted earnings per share

Undiluted earnings per share is calculated by dividing the profit attributable to parent company shareholders by a weighted average number of outstanding ordinary shares during the period, excluding repurchased shares held by the parent company as treasury shares. There is no dilutive effect for the period or for the comparative period.

Note 16 Intangible assets

	Capitalised expenditure for development work	Patents and similar rights	IT and other intangible assets	Brands	Goodwill	Total
1 January-31 December 2016						
Accumulated acquisition values						
Opening balance	35	81	308	68	2,897	3,389
Acquisitions	4	0	17	-	0	21
Disposals	-	-	–2	-	-	–2
Reclassifications	0	12	–2	-	-	10
Translation differences for the year	1	1	10	0	66	78
Closing balance	**40**	**94**	**331**	**68**	**2,963**	**3,496**
Accumulated amortisation according to plan						
Opening balance	–14	–79	–229	–47	0	–369
Amortisation for the year	–6	-	–31	–1	-	–38
Disposals	-	-	2	-	-	2
Reclassifications	-	0	2	-	-	2
Translation differences for the year	0	–1	–6	-	-	–7
Closing balance	**–20**	**–80**	**–262**	**–48**	**0**	**–410**
Accumulated impairment losses						
Opening balance	0	0	0	0	0	0
Impairment losses for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Translation differences for the year	-	-	0	-	0	0
Closing balance	**0**	**0**	**0**	**0**	**0**	**0**
Net residual value at start of year	21	2	79	21	2,897	3,020
Net residual value at end of year	**20**	**14**	**69**	**20**	**2,963**	**3,086**
1 January-31 December 2017						
Accumulated acquisition values						
Opening balance	40	94	331	68	2,963	3,496
Items relating to acquisitions of subsidiaries (Note 5)	-	-	20	-	48	68
Acquisitions	4	1	16	-	-	21
Disposals	0	0	–3	-	-	–3
Reclassifications	0	0	5	-	-	5
Translation differences for the year	1	–1	14	0	48	62
Closing balance	**45**	**94**	**383**	**68**	**3,059**	**3,649**
Accumulated amortisation according to plan						
Opening balance	–20	–80	–262	–48	0	–410
Amortisation for the year	–6	–3	–24	–1	-	–34
Disposals	0	0	2	-	-	2
Reclassifications	-	-	–2	-	-	–2
Translation differences for the year	0	1	–11	-	-	–10
Closing balance	**–26**	**–82**	**–297**	**–49**	**0**	**–454**
Accumulated impairment losses						
Opening balance	0	0	0	0	0	0
Impairment losses for the year	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Translation differences for the year	-	-	-	-	-	-
Closing balance	**0**	**0**	**0**	**0**	**0**	**0**
Net residual value at start of year	20	14	69	20	2,963	3,086
Net residual value at end of year	**19**	**12**	**86**	**19**	**3,059**	**3,195**

Capitalised expenditure for development work mainly relates to internally generated capitalised expenses for software development and certificates. Other intangible assets consist mainly of software and customer lists.

Impairment testing of goodwill

At least once a year, the Group assesses whether there is any indication of impairment of goodwill in accordance with the accounting policies described in Note 2. The assessment is based on the financial budgets, forecasts and business plans which have been approved by the Executive Management and which are based on the going concern assumption.

The assessment of the indication of impairment must be based on the smallest cash-generating unit, which for the Lindab Group is considered to be the strongly integrated operating and reporting segments, Products & Solutions and Building Systems.

Lindab performed its impairment test on 30 November 2017. The recoverable amount for the cash-generating units is based on estimates of value in use. These calculations are based on estimated future cash flows after tax based on financial budgets and forecasts for each segment, covering the period up to 2022. Key assumptions used for calculating value in use are gross margins, discount rates and growth assumptions following the close of the forecasting period. The gross margin assumption consists of material assumptions about sales volumes, sales prices and raw material prices. These are based on historical results and an assessment of future development. Where possible, the assessment of future development also included external sources of information; for example, information from Euroconstruct has been applied to forward-looking sales forecasts.

The discount rate has been estimated based on a weighted cost of capital after tax of 8.0 percent (8.1) and has been used for all cash-generating units for discounting estimated cash flows after tax. After-tax amounts are used in the calculations when it comes to both cash flow and discount rate as the available models for calculating the discount rate include a tax element. This discounting is not materially different from discounting based on projected cash flows before tax and the pre-tax discount levels required by IFRS. The applied discount rate corresponds to a discount rate before tax of 10.0 percent (9.8) and has been based on the Group's weighted average tax rate.

The discount rate represents the current market assessment of the risks specific to Lindab, taking into account individual risks in the underlying assets that have not been included in the calculations for the cash flow. The calculation of the discount rate is based on the Group's specific situation and is derived from its weighted average cost of capital (WACC). WACC takes into account both liabilities and shareholders' equity. The capital cost of shareholders' equity is based on expected returns from the Group's investors. The cost of the Group's liabilities is based on the interest bearing liabilities that Lindab is obliged to redeem. Group-specific risks are considered through an individually considered beta factor. The beta factor is assessed annually on the basis of publicly available market data.

Cash flows beyond 2022 have been extrapolated using an estimated average long term growth of 1.0 percent (1.0), which is in line with the average growth in markets where the segments are operating in accordance with forecasts made by the construction industry's economic institutions. The assumption includes a weighting of the growth forecast for the underlying geographical markets, the Nordic region, Western Europe and CEE/CIS.

Both segments conduct operations within construction as the main line of business, with a shared concept regarding the development, production, marketing and distribution of products and system solutions. The risk profile is considered to be uniform since, taken together, the segments operate in similar geographical markets. The same assumptions have therefore been made regarding the discount rate and long term growth for each segment.

In order to support the impairment testing of goodwill performed within the Group, a comprehensive analysis was made regarding the sensitivity of the variables used in the model. A deterioration of each of the main assumptions included in the calculation of value in use shows that the recoverable amount exceeds the carrying amount of all testing conducted within Products & Solutions. Within Building Systems the sensitivity analyses performed approach a scenario of possible impairment, however at balance sheet date the individual analyses and application of conservative assumptions continue to support the carrying amount of goodwill. In the sensitivity analysis, a reasonable change in the gross margin, the discount rate and a growth assumption has been taken into account. The analyses conducted in Building Systems before the end of 2017 showed that the long term gross margin can be reduced by 0.5 percent before an indication of impairment arises, whereas the discount rate can be increased by 0.3 percent without this affecting the carrying amount of goodwill. For Products & Solutions, the conducted sensitivity analyses showed good safety margins.

As a result of the performed calculations and analyses, no indication of impairment of goodwill was found at the end of 2017, based on the going concern assumption.

Allocated goodwill by segment	**31 Dec 2017**	31 Dec 2016
Products & Solutions	2,665	2,581
Building Systems	394	382
Total goodwill	**3,059**	**2,963**

Note 17 Tangible fixed assets

	Buildings and land	Machinery and other technical facilities	Equipment, tools and installations	Plants under construction, buildings	Plants under construction, machinery	Total
1 January-31 December 2016						
Accumulated acquisition values						
Opening balance	1,136	1,723	433	6	48	3,346
Acquisitions	8	41	27	6	22	104
Disposals	–47	–42	–23	-	–1	–113
Reclassifications	–4	7	–1	–1	–18	–17
Translation differences for the year	75	51	3	1	0	130
Closing balance	**1,168**	**1,780**	**439**	**12**	**51**	**3,450**
Accumulated depreciation according to plan						
Opening balance	–335	–1,358	–328	0	0	–2,021
Depreciation for the year	–33	–77	–23	-	-	–133
Disposals	22	40	21	-	-	83
Reclassifications	4	1	0	-	-	5
Translation differences for the year	–21	–36	–1	-	-	–58
Closing balance	**–363**	**–1,430**	**–331**	**0**	**0**	**–2,124**
Reversed impairment losses						
Opening balance	–3	–17	–2	–2	0	–24
Impairment losses for the year	–3	-	-	0	0	–3
Reversed losses	0	-	-	0	-	0
Disposals	0	-	0	0	-	0
Reclassifications	-	-	-	-	-	0
Translation differences for the year	0	0	0	0	-	0
Closing balance	**–6**	**–17**	**–2**	**–2**	**0**	**–27**
Net residual value at start of year	798	348	103	4	48	1,301
Net residual value at end of year	**799**	**333**	**106**	**10**	**51**	**1,299**
1 January-31 December 2017						
Accumulated acquisition values						
Opening balance	1,168	1,780	439	12	51	3,450
Items relating to acquisitions of subsidiaries (Note 5)	12	3	0	-	-	15
Acquisitions	10	37	16	3	13	79
Disposals	–12	–15	–7	–3	–1	–38
Reclassifications	6	18	1	–9	–29	–13
Translation differences for the year	38	40	4	0	1	83
Closing balance	**1,222**	**1,863**	**453**	**3**	**35**	**3,576**
Accumulated depreciation according to plan						
Opening balance	–363	–1,430	–331	0	0	–2,124
Depreciation for the year	–35	–70	–21	-	-	–126
Disposals	1	14	7	-	-	22
Reclassifications	0	7	3	-	-	10
Translation differences for the year	–12	–30	–2	-	-	–44
Closing balance	**–409**	**–1,509**	**–344**	**0**	**0**	**–2,262**
Reversed impairment losses						
Opening balance	–6	–17	–2	–2	0	–27
Impairment losses for the year	–4	–1	0	0	0	–5
Reversed losses	3	0	-	-	-	3
Disposals	-	-	-	2	-	2
Reclassifications	0	0	0	0	0	0
Translation differences for the year	–1	0	0	–1	0	–2
Closing balance	**–8**	**–18**	**–2**	**–1**	**0**	**–29**
Net residual value at start of year	799	333	106	10	51	1,299
Net residual value at end of year	**805**	**336**	**107**	**2**	**35**	**1,285**

Note 18 Other investments held as fixed assets

	Group	
	31 Dec 2017	31 Dec 2016
Opening balance	4	4
Acquisitions/divestments	0	0
Translation differences for the year	0	0
Book value	**4**	**4**

Non-current holdings of unlisted shares are reported here. Associates are included at a book value of SEK 0 m (0), see Note 29. Other holdings of SEK 4 m (4) mainly constitute smaller holdings owned by Group companies.

Note 19 Other non-current receivables

	Group	
	31 Dec 2017	31 Dec 2016
Opening balance	4	4
Decrease/increase	–1	0
Book value	**3**	**4**

Other non-current receivables primarily consist of deposits for leased premises.

Note 20 Stock

	Group	
	31 Dec 2017	31 Dec 2016
Raw materials and supplies	579	527
Work in progress	59	54
Finished goods and goods for resale	618	578
Total	**1,256**	**1,159**

Direct material costs for the year amounted to SEK 3,902 m (3,643), including an adjustment of the provision for obsolescence of SEK 1 m (–1). In addition, the provision for obsolescence for finished goods has been increased by SEK 5 m (1). The provision for obsolescence for stock amounts to SEK 63 m (57), equivalent to 5 percent (5) of the stock value before deduction for obsolescence. Currency effects increased the provision by SEK 0 m (3) during the year.

Note 21 Current receivables

	Group					
	Accounts receivable		Accrued income [1]		Other receivables[2]	
Number of days overdue	**31 Dec 2017**	31 Dec 2016	**31 Dec 2017**	31 Dec 2016	**31 Dec 2017**	31 Dec 2016
Not overdue	1,078	1,012	19	22	67	65
< 90 days	242	205	-	-	0	0
90-180 days	26	16	-	-	-	0
180-360 days	15	20	-	-	0	0
> 360 days	90	94	-	-	0	0
Total accounts receivable	**1,451**	**1,347**	**19**	**22**	**67**	**65**
Provision for bad debts	–88	–97	-	-	-	-
Total	**1,363**	**1,250**	**19**	**22**	**67**	**65**

1) Accrued income only relates to the exchange rate gain on forward exchange agreements amounting to SEK 6 m (12) and bonus income of SEK 13 m (10).

2) Other receivables relate only to VAT amounting to SEK 41 m (38) and other receivables of SEK 26 m (27).

	Group	
Change in the provision for bad debts	**2017**	2016
Opening balance	97	89
Added via acquisitions	-	-
Increase in provision	15	31
Actual losses	–19	–18
Cancellation of provisions	–7	–9
Translation differences	2	4
Closing balance	**88**	**97**

	Group	
Prepaid expenses and accrued income	**31 Dec 2017**	31 Dec 2016
Prepaid rental and lease expenses	7	6
Accrued exchange gain, forward exchange agreement	6	12
Insurance premiums	7	8
Accrued bonus income	13	10
Other prepaid expenses	61	57
Total	**94**	**93**

In 2017, the result was impacted by SEK 13 m (23) due to provisions for bad debts and expensed bad debt losses for the year.

Provisions for bad debts are made in accordance with internal regulations and normally when the receivables have been due for more than 180 days. An impairment of 50 percent is then made for accounts receivable that have been due for up to 360 days. Thereafter, an impairment of 100 percent is made. In addition, provisions are made for individually significant exposures that do not fall within the description above. It should be noted that the Group's model for provisions for bad debts will be changed from 1 January 2018 as a result of the implementation of IFRS 9. Further information can be found in Note 2.

On 31 December 2017, the Group had outstanding accounts receivable of SEK 10 m (7) which were overdue, but where no indication of impairment was deemed to exist. The judgment was made against the backdrop of current cases in which Lindab received some form of security for claims.

	Group	
Other receivables	**31 Dec 2017**	31 Dec 2016
VAT recoverable	41	38
Advance payments to employees	0	0
Travel advances	1	1
Other receivables	25	26
Total	**67**	**65**

Note 22 Shareholders' equity and number of shares

The table below indicates the changes in Lindab's share capital and the number of shares as of 2001.

Years	Action	Number of shares Class A	Class B[1]	Change in share capital (SEK 000's)	Total share capital (SEK 000's)
2001	New formation	1,000	-	100	100
	Issue of new shares	9,000	-	900	1,000
2002	Share split (100:1)	1,000,000	-	-	1,000
2006	Share split (8:1)	8,000,000	-	-	1,000
	Issue of new shares	-	2,988,810	374	1,374
	Redemption of shares and reduction of share capital	–2,988,810	-	-374	1,000
	Redemption of shares and reduction of share capital	-	–2,988,810	-374	626
	Bonus issue	-	-	74,542	75,168
	Share split (15:1)	75,167,850	-	-	75,168
	Exercised options	3,539,970	-	3,540	78,708
Closing balance		**78,707,820**	**-**	**-**	**78,708**
Number of treasury shares		–2,375,838	-	-	-
Total number of outstanding shares at year-end		**76,331,982**	**-**	**-**	**-**

1) All class B shares were redeemed in May 2006 and this type of share has been removed by a change to the Articles of Association.

The share capital of SEK 78,708 k is divided among 78,707,820 shares.

Treasury shares

In 2008, 3,935,391 treasury shares were repurchased, amounting to SEK 348 m. In 2010, IVK-Tuote Oy was acquired through the transfer of 559,553 treasury shares to the seller of the company. In 2012, 1,000,000 treasury shares were sold, amounting to SEK 52 m. The number of treasury shares thereby decreased to 2,375,838 and the number of outstanding shares increased to 76,331,982. Treasury shares have remained unchanged since 2012.

Nature and purpose of reserves within shareholders' equity

The foreign currency translation reserve comprises all exchange rate differences that arise when translating financial statements from foreign operations that prepare their financial statements in a currency other than the currency of the consolidated financial statements. The translation reserve also includes the cumulative net change in the hedging of net investments in foreign businesses. Lindab uses loans as hedging instruments.

Proposed appropriation of profit

SEK	**2017**
Profit brought forward	312,321,418
Profit for the year	839,378
Total profit carried forward	**313,160,796**

The Board of Directors and the CEO propose that the above amount is to be distributed as follows:

SEK	
Dividend to shareholders, SEK 1.55 per share	118,314,572
To be carried forward	194,846,224
Total	**313,160,796**

The proposed dividend for 2016 of SEK 1.40 per share decided by the Annual General Meeting on 9 May 2017 has been paid. Total dividends paid amounted to SEK 106,864,775.

Note 23 Provisions for pensions and similar obligations

Provisions for pensions and similar obligations include, apart from pensions, other post-employment benefits paid to employees, e.g. upon termination of employment. The majority of employees in the Lindab Group are comprised by defined contribution plans. Some countries also have defined benefit plans for pensions or terminations. The table below indicates the pension costs and liabilities as well as the material assumptions used in their calculations.

The retirement and family pension plans for salaried employees in Sweden are guaranteed through insurance cover with Alecta, in the so-called ITP2 plan. According to a statement from the Swedish Financial Reporting Board, UFR 10, this is a defined benefit plan that includes several employers. For the financial years 2017 (2016), the company did not have access to the information required to report its proportionate share of the plan's obligations, plan assets and expenses which meant that it was not possible to report this as a defined benefit plan. The pension plan is in accordance with ITP, which is guaranteed through insurance with Alecta and is therefore shown as a defined contribution plan. The contribution to the defined benefit retirement and family pension plan is calculated individually and is dependent on the salary, previously earned pension and expected remaining working life of the person concerned. Anticipated contributions for pension insurance cover with Alecta amount to SEK 6 m (6) for the next reporting period. The Group's share of the total contributions to the plan and the Group's share of the total number of active members in the plan amount to 0.03 and 0.06 percent (0.04 and 0.06) respectively.

A surplus or deficit with Alecta may mean a refund for the Group or alternatively lower or higher future charges. At the end of the year, Alecta's surplus in terms of the collective consolidation level amounted to 154 percent (149). The collective consolidation level comprises the market value of the trustee's assets as a percentage of the insurance commitments calculated according to the trustee's actuarial assumptions.

The expenses for defined contribution plans amounted to SEK 98 m (95).

Lindab is mainly exposed to a number of risk categories by way of its defined benefit plans. These concern risks related with the size of the actual payment. The increased life expectancy of the beneficiaries and inflation which affect salaries and pensions are the primary risks affecting the size of future payments and thereby also the size of the obligation. The second category concerns the return on investments. Pension funds are invested in different financial instruments where returns are exposed to changes in the market. Weak returns can reduce the size of the investments and may result in insufficient pension funds to cover future pension payments. The third category concerns measurement and affects the recognition of the size of the pension liabilities. The discount rate used to calculate the present value of the pension liabilities varies, thereby affecting the liabilities. The discount rate also affects interest expense or income under financial items, as well as the costs incurred to generate the earnings for the year.

Reported in the statement of financial position

Specification of defined benefit pension obligations, etc.	**31 Dec 2017**	31 Dec 2016
Present value of funded defined benefit obligations	58	54
Fair value of plan assets for defined benefit obligations	–37	–34
Net value of funded plans	*21*	*20*
Present value of unfunded defined benefit obligations	163	146
Net Debt in the statement of financial position for defined benefit obligations	**184**	**166**
Allocated to pensions, defined contribution obligations	42	45
Pension liability as per the statement of financial position	**226**	**211**
Fair value of plan assets for defined contribution obligations	–43	–45
Financial investments as per the statement of financial position	**–43**	**–45**

For funded defined benefit plans, the net pension obligation after deductions for plan assets is reported in the statement of financial position. Funded plans with net assets, i.e. where the assets exceed the obligations, are reported as financial investments. Funded defined contribution plans are reported gross in the statement of financial position, the assets as Financial investments, and the obligations as Provisions for pensions and similar obligations.

Of the total pension provisions in the statement of financial position of SEK 226 m (211), SEK 38 m (39) comprises pension obligations relating to former CEOs. The obligations are invested in endowment insurance funds. These are valued at SEK 38 m (39).

Costs recognised in the statement of profit and loss as per the table below include expenses for service during the current year, expenses for past service, net interest expenses and gains and losses on settlements. Net interest is recognised in financial items.

	2017		2016	
Change in plan assets and defined benefit obligations during the year	**Assets**	**Obligations**	Assets	Obligations
Opening balance	–34	200	–21	163
Pension expenses are reported in the statement of profit and loss				
– Expenses for service in the current year	0	10	-	5
– Interest expenses/income	0	4	0	4
Total	*–34*	*214*	*–21*	*172*
Revaluations recognised in other comprehensive income				
– Return on plan assets, excl. amounts included in interest expenses/income	0	-	-	-
– Gain/loss arising from changes in demographic assumptions	-	–3	–19	32
– Gain/loss arising from changes in financial assumptions	–3	10	-	12
– Experience-based gains/losses	0	4	-	–2
Total	*–3*	*11*	*–19*	*42*
Exchange rate differences	0	0	–1	3
Contributions by employer	–3	0	–3	1
Reclassification/conversion to defined contribution plan	0	5	6	–9
Benefits paid	3	–9	4	–9
Closing balance	**–37**	**221**	**–34**	**200**

The weighted average maturity for the defined benefit pension obligation amounts to 19.2 years (19.7).

	31 Dec 2017		31 Dec 2016	
Most important actuarial assumptions	**Sweden**	**Other**	Sweden	Other
Discount rate, %	2.6-2.7	0.7-1.6	2.8	0.7-1.7
Future salary increases, %	3.0	0.0-3.0	3.0	0.0-3.0
Future pension increases, %	1.9	0.0-1.8	1.5	0.0-1.8
Net Debt breakdown, SEK m	135	49	125	41

Other includes pension plans in Luxembourg, Italy, France, Germany, Switzerland and Slovenia.

The choice of discount rate in Sweden was based on the market rate applicable to housing bonds with a duration corresponding to the average residual maturity of the obligation.

In 2017, the pension obligation in Slovenia was reclassified from Other provisions to Provision for pensions and similar obligations. The obligation amounts to SEK 5 m (5).

In 2016, defined benefit plans in Norway were converted to defined contribution plans. The value of the converted plans was SEK 3 m.

Note 23, cont.

The sensitivity of the defined benefit obligation for changes in the main assumptions are:		Effect on the defined benefit plans: 31 Dec 2017 Increase in the assumption	31 Dec 2017 Decrease in the assumption	31 Dec 2016 Increase in the assumption	31 Dec 2016 Decrease in the assumption
Discount rate	+/- 0.5%	–14	13	–12	10
Changes in future salary increases	+/- 0.5%	10	–12	9	–11
Changes in future pension increases	+/- 0.5%	10	–10	9	–9

The sensitivity analysis has been based on one change in the assumptions while all others remain constant. The projected unit credit method is used for calculating the pension liability as well as for calculating the sensitivity of the defined benefit obligations for significant actuarial assumptions.

During 2017, the Group changed the life expectancy assumption applied in the Swedish companies to DUS14. Up until then, the Group had applied the PRI2011 assumption. The transition to DUS14 has reduced the pension obligation by SEK 3 m.

Plan assets are as follows:	31 Dec 2017	Percent	31 Dec 2016	Percent
Shares	7	19	6	17
Bonds	6	16	8	23
Property	3	8	2	7
Insured pension reserves	16	43	15	44
Other	5	14	3	9
Total	**37**	**100**	**34**	**100**

Maturity analysis regarding expected contributions to the defined benefit plans in the future:	2017	2016
Within 12 months	8	6
Between 2 and 5 years	28	26
Between 5 and 10 years	46	44
Total	**82**	**76**

Parent company

The company's pension obligation for former CEOs is classified as a contribution based plan. See also Note 6.

Note 24 Other provisions

2016	Group: Restructuring provision	Warranty provision	Other	Total
Opening balance	26	14	11	51
Increase during the year	3	13	7	23
Exercised during the year	–18	–20	–5	–43
Exchange rate differences	1	1	1	3
Closing balance	**12**	**8**	**14**	**34**
Breakdown in the statement of financial position				
Other non-current provisions	3	4	10	17
Other current provisions	9	4	4	17
Total	**12**	**8**	**14**	**34**

2017	Group: Restructuring provision	Warranty provision	Other	Total
Opening balance	12	8	14	34
Increase during the year	11	34	2	47
Utilised during the year	–9	–31	–3	–43
Exchange rate differences	1	0	–4	–3
Closing balance	**15**	**11**	**9**	**35**
Breakdown in the statement of financial position				
Other non-current provisions	5	3	5	13
Other current provisions	10	8	4	22
Total	**15**	**11**	**9**	**35**

The restructuring provision consists of provisions for cost-reduction initiatives.

The warranty provisions of SEK 11 m (8) include estimated future expenses for defects in delivered items or work carried out, and provisions for actual claims.

Building Systems has a common calculation principle for warranty provisions covering the entire warranty period, which spans five to ten years. This is calculated using a statistics-based percentage in relation to sales over the last ten years less actual warranty costs. The projected warranty provision is reduced by SEK 5 m (3) in actual known claims, which usually occur in connection with deliveries.

The estimated future warranty provisions amount to SEK 2 m (2). In addition, there are individual provisions for specific products of SEK 0 m (0).

Other provisions relate mainly to personnel-related provisions and a provision for environmental liability of SEK 3 m (3). The assessment of the provision for environmental liability is based on known information, the perceptions of representatives and other advisors, the probability that a present obligation exists and the reliability of the figure that the obligation is estimated to amount to.

Note 25 Consolidated borrowing and financial instruments

	Group		Parent company	
Non-current borrowings	**31 Dec 2017**	31 Dec 2016	**31 Dec 2017**	31 Dec 2016
Bank loans	1,397	1,625	-	-
Current borrowings				
Liabilities to credit institutions	4	2	-	-
Overdraft facilities	65	29	-	-
Total borrowing	**1,466**	**1,656**	**-**	**-**

Bank loans include lease liabilities of SEK 36 m (34). The current share of the lease liabilities amounted to SEK 3 m (2) and is included in liabilities to credit institutions. Total borrowings include pledged liabilities, bank loans with security, of SEK 6 m (7). Security for these loans consists of mortgage deeds in properties.

Fixed rates only apply to the financing of property loans in Switzerland. These loans amounted to SEK 6 m (7).

Available cash and cash equivalents including unused credit facilities in the Group amounted to SEK 1,615 m (1,404). The parent company has no unused credit facilities.

According to the Group's Treasury policy, the fixed interest rate must not exceed 12 months. On 31 December 2017 it was 3 months (3). The majority of consolidated borrowing currently has a variable interest rate.

Consolidated borrowing broken down by different currencies:

	Group		Parent company	
Amounts in SEK m	**31 Dec 2017**	31 Dec 2016	**31 Dec 2017**	31 Dec 2016
SEK	405	497	-	-
EUR	851	940	-	-
CHF	175	185	-	-
PLN	35	34	-	-
	1,466	**1,656**	**-**	**-**

Change in liabilities, financing activities

Group, SEK m	**31 Dec 2016**	**Cash flow**	**Acquisitions/ divestments**	**Reclassifica-tions**	**Translation differences**	**Fair value measurement**	**Other**	**31 Dec 2017**
Non-current financial liabilities	1,625	–247	-	-	19	-	-	1,397
Current financial liabilities	2	2	-	-	0	-	-	4
Bank overdraft facilities	29	35	-	-	1	-	-	65
Derivatives	0	–44	-	-	8	-	36	0
Total financial liabilities, including derivatives	1,656	–254	0	0	28	0	36	1,466

Parent company, SEK m	**31 Dec 2016**	**Cash flow**	**Acquisitions/ divestments**	**Reclassifica-tions**	**Translation differences**	**Fair value measurement**	**Other**	**31 Dec 2017**
Non-current financial liabilities	2,198	-	-	-	-	-	28	2,226
Total financial liabilities, including derivatives	2,198	0		0	0	0	28	2,226

Information on carrying amount by category and fair value by class

	31 Dec 2017					31 Dec 2016				
Financial assets	**Available-for-sale financial assets**	**Held for trading**	**Loan receiva-bles and accounts receivable**	**Total carrying amount**	**Fair value**	Available-for-sale financial assets	Held for trading	Loan receiva-bles and accounts receivable	Total carrying amount	Fair value
Other investments held as fixed assets	1	-	-	1	-	1	-	-	1	-
Other non-current receivables	-	-	3	3	-*	-	-	4	4	-*
Derivative assets	-	6	-	6	6	-	11	-	11	11
Accounts receivable	-	-	1,363	1,363	-*	-	-	1,250	1,250	-*
Other receivables	-	-	16	16	-*	-	-	20	20	-*
Accrued income	-	-	13	13	-*	-	-	10	10	-*
Cash and cash equivalents	-	-	342	342	-*	-	-	418	418	-*
Total financial assets	**1**	**6**	**1,737**	**1,744**	**6**	**1**	**11**	**1,702**	**1,715**	**11**

	31 Dec 2017				31 Dec 2016			
Financial liabilities	**Held for trading**	**Other financial liabilities**	**Total carrying amount**	**Fair value**	Held for trading	Other financial liabilities	Total carrying amount	Fair value
Overdraft facilities	-	–65	–65	–65	-	–29	–29	–29
Liabilities to credit institutions	-	–1,365	–1,365	–1,371	-	–1,591	–1,591	–1,594
Derivative liabilities	–3	-	–3	-3	–2	-	–2	–2
Accounts payable	-	–864	–864	-*	-	–837	–837	-*
Other liabilities	-	–32	–32	-*	-	–16	–16	-*
Accrued expenses	-	–222	–222	-*	-	–199	–199	-*
Total financial liabilities	**–3**	**–2,548**	**–2,551**	**–1,439**	**–2**	**–2,672**	**–2,674**	**–1,625**

Note 25, cont.

Description of fair value

Other investments held as fixed assets

No information about fair value regarding shares and participations is provided. Lindab considers that a fair value cannot be calculated in a reliable manner, and that the market for these holdings is limited.

Other non-current receivables

Other non-current receivables consist of cash deposited as security for rent, which means that the carrying amount is considered to be a reasonable approximation of fair value.

Interest bearing liabilities

The fair value of interest bearing liabilities is provided for the purposes of disclosure and is calculated by discounting the future cash flows of principals and interest payments, discounted at current market rates.

Derivatives

Currency futures are valued at fair value by discounting the difference between the contracted forward rate and the rate that can be subscribed for at the balance sheet date for the remaining contract term.

*Other financial assets and liabilities (see page 101)

For cash and cash equivalents, accounts receivable, other receivables, accrued income, accounts payable, overdraft facilities, other liabilities and accrued expenses with a remaining maturity of less than 6 months, the carrying amount is considered to reflect the fair value.

Valuation hierarchy

The table below shows financial instruments measured at fair value, based on the classification in the fair value hierarchy. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1),
- Other observable input data for the asset or liability other than the quoted prices included in Level 1, either directly, (i.e. as price quotations) or indirectly, (i.e. derived from price quotations) (Level 2),
- Input data for the asset or liability that is not based on observable market data (i.e. non-observable input data) (Level 3).

	31 Dec 2017				31 Dec 2016			
Assets	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss								
Derivative assets	-	6	-	6	-	11	-	11
Total assets	**-**	**6**	**-**	**6**	**-**	**11**	**-**	**11**

	31 Dec 2017				31 Dec 2016			
Liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value through profit or loss								
Derivative liabilities	-	–3	-		-	–2	-	–2
Measured at fair value for disclosure purposes								
Overdraft facilities	-	–65	-		-	–29	-	–29
Liabilities to credit institutions	-	–1,371	-		-	–1,594	-	–1,594
Total liabilities	**-**	**–1,439**	**-**		**-**	**–1,625**	**-**	**–1,625**

There have been no transfers between the different levels during the year. The company has not offset any financial instruments in the balance sheet.

At the end of 2017, there was no obligation to acquire treasury shares.

Note 26 Accrued expenses and deferred income

	Group		**Parent company**	
	31 Dec 2017	31 Dec 2016	**31 Dec 2017**	31 Dec 2016
Salaries and holiday pay	182	167	-	-
Share of profits	8	9	-	-
Payroll overheads	100	98	1	1
Bonuses to customers	147	141	-	-
Accrued exchange loss, forward exchange agreements	3	2	-	-
Other costs	92	74	1	1
Total	**532**	**491**	**2**	**2**

Note 27 Leases

Operating leases

Lease costs for assets held through operating leases such as rented premises, machinery and office equipment are reported in operating expenses and amount to SEK 34 m (32), of which property rental costs amounted to SEK 27 m (25).

Future payments for non-cancellable operating leases amount to SEK 280 m (318) and are broken down as follows:

	31 Dec 2017	31 Dec 2016
Year 1	39	35
Years 2-5	137	153
Year 6 and later	104	130
	280	**318**

Variable charges consist of variable interest rates, with the exception of the lease with Credit Suisse which has a fixed interest rate. An increase in interest rates of one percentage point increases total lease costs by SEK 2 m (1).

Existing leases vary in length from 7 to 22 years. Within the Group, there are companies with options contracts giving them the right to buy back properties sold to leasing companies.

If the option giving the right to buy back is exercised, the property's market value determines the purchase price. None of the Group's leases contain restrictions regarding shareholders' equity or financing opportunities.

The above table includes the following major items.

In October 2014, Lindab entered into a 15-year operating lease with Credit Suisse for a newly built production property in Switzerland. The rent for 2017 amounted to SEK 3 m (3). There is an option to acquire the property when the lease expires.

In September 2013, the properties in Båstad were acquired by DSL Renting from DAL Nordic Finance AB, and in June 2015 existing leases were renegotiated in connection with the financing of the new distribution centre. In 2017, two adjacent properties with a value of SEK 9 m were also added to the leases. The properties have been leased back by Lindab through operating leases that expire in June 2020. The rent for 2017 amounted to SEK 10 m (8).

In January 2010, Lindab sold a production facility in Luxembourg. This property was acquired by DAL Nordic Finance AB for a purchase price of SEK 285 m. Lindab leased back the property through a 5-year operating lease and had the option to buy back the production facility when the lease expires.

In January 2015, Lindab exercised its option to buy back the production facility. The property's book value at the time of completion is estimated at EUR 25 m, corresponding to the estimated market value. Mortgaging of the property totalled the same amount. At the same time, the property was sold to a third party and a long term lease signed. The rent for 2017 amounted to SEK 12 m (12). The lease is associated with the commitment described in Note 28.

Finance leases

Finance leases are included in the balance sheet under land and buildings with SEK 35 m (35) and under machinery and software with SEK 1 m (2). In 2017, costs for these contracts, excluding deferred tax, amounted to SEK 7 m (5). Future obligations for finance leases amount to SEK 43 m (42) and are broken down as follows:

	Nominal value (present value)	
	31 Dec 2017	31 Dec 2016
Year 1	12 (11)	7 (6)
Years 2-5	31 (28)	35 (32)
Year 6 and later	-	-
	43 (39)	**42 (38)**

Interest rates were determined upon commencement of the leases. All leases have fixed repayments; the included variable charges do not amount to substantial sums.

Note 28 Pledged assets and contingent liabilities

	Group		Parent company	
Pledged assets	**31 Dec 2017**	31 Dec 2016	**31 Dec 2017**	31 Dec 2016
Property mortgages	21	22	-	-
Floating charges	-	-	-	-
Total	**21**	**22**	**-**	**-**

All pledged assets refer to security for liabilities to credit institutions.

	Group		Parent company	
Contingent liabilities	**31 Dec 2017**	31 Dec 2016	**31 Dec 2017**	31 Dec 2016
Guarantee commitment for entered credit agreements	-	-	1,416	1,587
Other guarantees and sureties	17	17	-	-
Pension obligations	2	2	-	-
Total	**19**	**19**	**1,416**	**1,587**

The credit agreements concluded with Nordea/Danske Bank and Raiffeisen Bank International during the year replace the previous credit agreements with Nordea/SEB and SEK. The new agreements expire in July 2020. At year-end, the total credit limit was SEK 2,192 m (2,100). The agreements contain covenants, which are monitored quarterly. Lindab fulfils the terms of these credit agreements.

Group companies have signed a guarantee for Building Systems in Luxembourg in case the company should fail to meet its obligations under the terms of the lease, see Note 27. Important obligations under the terms of the signed lease include the payment of all rental costs until 2030, renovation of an industrial property, maintenance of the property, and responsibility for its operation and environmental impact.

In the leases for the properties in Båstad and Switzerland described in Note 27, Group companies have signed a guarantee for the payment of all rental costs until the expiry of the contract. In the lease for the property in Switzerland, the guarantee is limited to CHF 1.5 m (1.5).

As part of the Group's ordinary business activities and according to standard professional practice, the Group has signed guarantees for the fulfilment of various contractual obligations in relation to large suppliers. There was no indication at year-end that these contractual guarantees will result in any payment being required.

Note 29 Transactions with related parties

Transactions with related parties can affect a company's financial results and position. Information must therefore be provided about parties that may be considered related to the Lindab Group.

Related parties

The parent company has direct and indirect control over its subsidiaries, see Note 31. The parent company's transactions and dealings with subsidiaries consist of the transactions shown below and what follows from agreements with the management, see Note 6.

Present and former members of the Board and the Executive Management with their respective inner circles have been deemed to be related parties. Salaries, remuneration, benefits, pension entitlements, termination benefits, etc. for the President and CEO, members of the Board and other senior executives are presented in Notes 6 and 23.

The associate Meak B.V. in the Netherlands is also considered to be a related party. Since the extent of these transactions is negligible, however, they have not been specified below.

Other transactions with related parties are specified below	Group companies	
Parent company	**2017**	2016
Net sales	4	4
Dividend and Group contributions to the parent company	32	34
Interest income from the parent company	29	33
Non-current receivables in the parent company	2,226	2,198
Current receivables in the parent company	170	96
Current liabilities to the parent company	32	34

Other transactions with related parties

At the Annual General Meeting in 2017, it was resolved to establish a warrant programme for senior executives. Under the programme, 75,000 warrants were acquired by senior executives during the year. For further information on the warrant programme, see Note 6. The acquisition of warrants is based on a market valuation pursuant to the established warrant programme, and the warrants do not constitute share-based remuneration to related parties.

For information about the incentive programmes aimed at participants in various management positions at Lindab, see Note 6.

In addition to that stated above, none of Lindab's Board members, deputy Board members, senior executives or shareholders have or are participating in any business transaction with the company that is unusual in nature or terms or is important for the company's business as a whole, or has taken place during the current financial year or in the last three financial years. This also applies to transactions in previous financial years which in some respects have not yet been settled or concluded. Lindab has no outstanding loans to any of these people, nor have any guarantees or surety been signed on their behalf.

In general, transactions with related parties have taken place on terms equivalent to those that apply to arm´s-length business transactions.

Note 30 Events after the reporting period

Ola Ringdahl has been appointed new President and CEO of Lindab International AB. Ola will take office latest July 2018.

No other significant events have occurred after the reporting period.

Note 31 Group companies and associates

The Group operates in several markets, which means that the Group has subsidiaries in many parts of the world. The parent company has a controlling influence over a subsidiary when it is exposed or is entitled to variable returns from its commitment to the subsidiary and can affect returns by using its controlling influence over the subsidiary. In principle, all subsidiaries are owned directly or indirectly, 100 percent, by the parent company Lindab International AB. Subsidiaries that are not 100 percent owned are considered to have non-controlling interests that are not essential to the Group.

	Currency code	Corporate identification number	Domicile	Share in %	Recorded value
Lindab AB [1]	SEK	556068-2022	Båstad, Sweden	100	3,467*
Lindab Sverige AB [2]	SEK	556247-2273	Båstad, Sweden	100	
Lindab Steel AB [3,4]	SEK	556237-8660	Båstad, Sweden	100	
Lindab Ventilation AB [3]	SEK	556026-1587	Båstad, Sweden	100	
Lindab Götene AB [3]	SEK	556961-9918	Båstad, Sweden	100	
Lindab Ryssland AB [7]	SEK	556960-0322	Båstad, Sweden	0	
Lindab Profil AB [3]	SEK	556071-4320	Båstad, Sweden	100	
Astron Buildings S.A. [2,3,4]	EUR	RC B91774	Diekirch, Luxembourg	0	
Lindab s.r.o. [2]	CZK	49613332	Prague, Czech Republic	15	
Lindab N.V. [2,3]	EUR	BE 464.910.211	Gent, Belgium	0	
U-nite Fasteners Technology AB [2,4]	SEK	556286-9858	Uddevalla, Sweden	100	
Lindab Fastigheter AB [5]	SEK	556629-2271	Båstad, Sweden	100	
Lindab Ryssland AB [7]	SEK	556960-0322	Båstad, Sweden	100	
Lindab LLC [2,3]	RUB	105781261234	Moscow, Russia	100	
Astron Buildings LLC [2,3,4]	RUB	USRN 1067611020840	Yaroslavl, Russia	99	
Astron Buildings S.A. [2,3,4]	EUR	RC B91774	Diekirch, Luxembourg	100	
Lindab Treasury AB [8]	SEK	556044-4704	Båstad, Sweden	100	
Astron Buildings S.A.S. [2]	EUR	RCS 327 258 943	Bussy-St-Martin, France	100	
Astron Buildings s.r.o. [3]	CZK	633 19 675	Prerov, Czech Republic	100	
OOO Astron Buildings LLC [9]	RUB	OGRN 1047796961464	Moscow, Russia	100	
Astron Buildings Sp. z o.o. [2]	PLN	KRS 0000039952	Lomianki, Poland	1	
Astron Buildings LLC [2,3,4]	RUB	USRN 1067611020840	Yaroslavl, Russia	1	
Lindab SIA [2]	EUR	40003602009	Riga, Latvia	100	
UAB Lindab [2,3]	EUR	111788414	Vilnius, Lithuania	100	
Lindab d.o.o. [2]	HRK	80182671	Zaprešić, Croatia	100	
Lindab AS [2,3]	EUR	10424824	Harju mk, Estonia	100	
Oy Lindab Ab [2,3]	EUR	0920791-3	Esbo, Finland	100	
Lindab s.r.o. [2,3]	CZK	49613332	Prague, Czech Republic	85	
LLC Spiro [2]	RUB	1117604013108	Yaroslavl, Russia	1	
Spiro International S.A. [2,3]	CHF	CH-217.0.135.550-1	Bösingen, Switzerland	100	
LLC Spiro [2]	RUB	1117604013108	Yaroslavl, Russia	99	
Lindab Havalandirma LTD STI [2]	TRY	877776	Istanbul, Turkey	100	
Spiral Helix Inc. [2,3]	USD	36-4381930	Chicago IL, USA	100	
Lindab SRL [2,3]	RON	J23/1168/2002	Ilfov, Romania	100	
Lindab Ukraine LLC [9]	UAH	34300449	Kiev, Ukraine	100	
Lindab Kft. [2,3]	HUF	13-09-065422	Biatorbagy, Hungary	100	
Lindab AS [2,3]	NOK	929 805 925	Oslo, Norway	100	
Lindab Sp. z o.o. [2,3]	PLN	KRS 0000043661	Wieruchow, Poland	100	
Lindab S.r.l [2,3]	EUR	12002580152	Volpiano, Italy	100	
MP3 S.r.l [2,3]	EUR	3345850964	Padua, Italy	100	
Lindab N.V. [2,3]	EUR	BE 464.910.211	Gent, Belgium	100	
Lindab A/S [2,3]	DKK	CVR no. 33 12 42 28	Haderslev, Denmark	100	
Lindab Door B.V. [2]	EUR	33291638	Groeneken, the Netherlands	100	
Meak B.V. [2]	EUR	18042479	Utrecht, the Netherlands	40	
Lindab GmbH [2,3]	EUR	HRB 2276 AH	Bargteheide, Germany	100	
Astron Buildings GmbH [2]	EUR	HRB 8007	Mainz, Germany	100	
Astron Buildings Sp. z o.o. [2]	PLN	KRS 0000039952	Lomianki, Poland	99	
Lindab SRL [2,3]	RON	J23/1168/2002	Ilfov, Romania	0	
Lindab AG [2,3]	CHF	CH-170.3.023.237-3	Otelfingen, Switzerland	100	
Lindab Ltd [2,3]	GBP	1641399	Northampton, UK	100	
Lindab France S.A.S. [2,3]	EUR	31 228 513 300 061	Montluel, France	100	
Lindab (IRL) Ltd [2]	EUR	44222	Dublin, Ireland	100	
A.C. Manufacturing Ltd [2,3]	EUR	311282	Dublin, Ireland	100	
Lindab a.s. [2,3]	EUR	36 214 604	Jamník, Slovakia	100	
Kalnesa Holdings Limited [9]	EUR	303110	Nicosia, Cyprus	100	
Spircus Enterprises Limited [9]	EUR	303031	Nicosia, Cyprus	100	
Lindab IMP Klima d.o.o. [2,3]	EUR	5519225000	Godovič, Slovenia	100	
Lindab d.o.o. Belgrad [2]	RSD	17421557	Belgrade, Serbia	100	
Lindab d.o.o.e.l. Skopje [2]	MKD	5439833	Skopje, Macedonia	100	
Lindab d.o.o. Podgorica [2]	EUR	27146453	Podgorica, Montenegro	100	
Lindab d.o.o. Sarajevo [2]	BAM	4200550810003	Sarajevo, Bosnia	100	
Uniklima d.d. [3]	BAM	4200240030008	Ilidža, Bosnia	95	
Lindab LTIP17 AB	SEK	559106-9033	Båstad, Sweden	100	0

** The number of shares owned amounts to 23,582,857.*

1) Group functions
2) Sales company
3) Production company
4) Purchasing company
5) Property company
6) Patent business
7) Holding company
8) Treasury business
9) Dormant company

The Board of Directors and the President and CEO hereby affirm that the consolidated accounts and annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and generally accepted accounting standards, and give a true and fair view of the Group's and the parent company's financial position and results of operations, and that the Directors' Report gives a true and fair view of the Group's and parent company's business, financial position and results of operation, and describe material risks and uncertainties that the parent company and the companies included in the Group are facing.

Båstad, 18 March 2018

Peter Nilsson
Chairman

Per Bertland
Board member

Sonat Burman-Olsson
Board member

Viveka Ekberg
Board member

Anette Frumerie
Board member

John Hedberg
Board member

Bent Johannesson
Board member

Pontus Andersson
Employee representative

Anders Lundberg
Employee representative

Fredrik von Oelreich
Acting President and CEO

Our audit report was submitted on 18 March 2018.

Deloitte AB

Hans Warén
Authorised Public Accountant

Auditors' Report

To the Annual General Meeting of Lindab International AB (publ) corporate identification number 556606-5446

This is a translation of the Swedish language original. In the events of any differences between this translation and the Swedish original the latter shall prevail.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Lindab International AB (publ) for the financial year 2017 except for the corporate governance statement on pages 44-55 and the sustainability report on pages 58-59. The annual accounts and consolidated accounts of the company are included on pages 57-106.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2017 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2017 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not include the corporate governance statement on pages 44-55 and the sustainability report on pages 58-59.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the statement of comprehensive income and the statement of financial position of the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis of opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Valuation of goodwill

Description of risk

In the consolidated balance sheet goodwill amounts to MSEK 3 059 as of 31 December 2017. This goodwill arose from former ownership changes and acquisitions. The value of the goodwill is dependent on future earnings in the cash generating units related to the goodwill and it is assessed for impairment at least once a year. The impairment test is based on several complex matters including a high degree of judgment such as assumptions for growth, profitability and cost of capital (WACC). Any changes in these assumptions may result in an impairment. Management has not identified any need for impairment for 2017.

We have considered valation of goodwill as a key audit matter as a result of its signficance and the sensitivity for changes in made assumptions.

Goodwill related to the segment Building Systems amounts to MSEK 394. The operations have during 2017 been negatively affected by a stagnated growth and deteriorated profitability. If management's assumptions about future growth and earnings are not met, a need for impairment may arise.

For further information, please refer to note 2 - Accounting principles for the consolidated accounts, note 4 – Important assumptions and judgments and note 16 – Intangible assets.

Our audit procedures

Our audit procedures included, but were not limited to:

- Review and testing of Lindab's procedures for impairment testing of goodwill and reconciliation of significant assumptions against budget and business plan
- Testing of management's assumptions, mainly related to the variables that have the greatest impact on the impairment testing, such as growth, earnings and capital cost (WACC) and performing sensitivity analyses for assessment of head room for each cash generating unit
- Review of management's assumptions and judgments regarding expected development of the Building Systems by analysing how previous assumptions have changed due to the development of the operations and the current market situation
- Review of completeness and correctness in relevant notes to the financial statements.

Our valuation specialists have been involved in the review.

Information other than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-56 and 110-116. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated. If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Lindab International AB (publ) for the financial year 2017 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibilities

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Deloitte AB, Gothenburg, was appointed auditors of Lindab International AB (publ) by the general meeting of the shareholders on 29 April 2014 with Hans Warén as auditor in charge and has been the company's auditors since that date.

Gothenburg, 18 March 2018
Deloitte AB

Hans Warén
Authorised Public Accountant

Auditor´s report on the statutory sustainability report

To the Annual General Meeting of Lindab International AB (publ) corporate identification number 556606-5446

This is a translation of the Swedish language original. In the events of any differences between this translation and the Swedish original the latter shall prevail.

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability report for the year 2017 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard *RevR 12* The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Gothenburg, 18 March 2018
Deloitte AB

Hans Warén
Authorised Public Accountant

Reconciliations of key performance indicators not defined according to IFRS

The company presents certain financial measures in the Annual 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 Annual 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 rounding-off. Operating profit excluding one-off items is replaced by Adjusted operating profit as of 2017. The monetary value is the same, but the definition has been changed as the company recognises one-off items and significant restructuring costs separately to describe the results of the underlying activities.

Amounts in SEK m unless otherwise indicated.

Interest coverage ratio	**2017**	**2016**	**2015**	**2014**	**2013**
Earnings before tax	467	445	431	386	329
Interest expenses	36	43	49	79	127
Total	**503**	**488**	**480**	**465**	**456**
Interest expenses	36	43	49	79	127
Interest coverage ratio, times	**14.1**	**11.4**	**9.7**	**5.9**	**3.6**

Net Debt	**2017**	**2016**	**2015**	**2014**	**2013**
Non-current interest bearing provisions for pensions and similar obligations	226	211	189	201	169
Non-current interest bearing liabilities to credit institutions	1,397	1,625	1,713	1,765	1,645
Current interest bearing liabilities to credit institutions	4	2	7	8	6
Current interest bearing bank overdraft facilities	65	29	70	99	160
Current interest bearing accrued expenses and deferred income	4	4	16	21	6
Total liabilities	**1,696**	**1,871**	**1,995**	**2,094**	**1,986**
Interest bearing financial investment	43	45	47	46	42
Interest bearing prepaid expenses and accrued income	6	12	6	2	1
Cash and cash equivalents	342	418	285	300	331
Total assets	**391**	**475**	**338**	**348**	**374**
Net Debt	**1,305**	**1,396**	**1,657**	**1,746**	**1,612**

Net Debt/EBITDA	**2017**	**2016**	**2015**	**2014**	**2013**
Average Net Debt	1,474	1,695	1,960	1,923	2,036
Adjusted operating profit	511	511	463	497	498
Depreciation/amortisation and impairment losses	162	174	168	158	157
EBITDA	**673**	**685**	**631**	**655**	**655**
Net Debt/EBITDA, times	**2.2**	**2.5**	**3.1**	**2.9**	**3.1**

One-off items and restructuring costs	**2017**	**2016**	**2015**	**2014**	**2013**
Operating profit	**492**	**483**	**469**	**467**	**452**
Products & Solutions	-	–24	35	–21	–24
Building Systems	-	-	–9	–11	–1
Other operations	–19	–4	–20	2	–21
Adjusted operating profit	**511**	**511**	**463**	**497**	**498**

Operating profit before depreciation and amortisation – EBITDA	**2017**	**2016**	**2015**	**2014**	**2013**
Operating profit	492	483	469	467	452
Depreciation/amortisation and impairment losses	162	174	168	158	157
Operating profit before depreciation and amortisation – EBITDA	**654**	**657**	**637**	**625**	**609**
Net sales	8,242	7,849	7,589	7,003	6,523
EBITDA margin, %	**7.9**	**8.4**	**8.4**	**8.9**	**9.3**

Organic growth	2017	2016	2015	2014	2013
Change, net sales	393	260	586	480	–133
Of which					
Organic	287	322	159	314	–85
Acquisitions/divestments	3	8	275	2	76
Currency effects	103	–70	152	164	–124

Return on capital employed	2017	2016	2015	2014	2013
Total assets	7,731	7,503	7,149	6,961	6,517
Deferred tax liabilities	96	95	115	96	132
Other provisions	13	17	21	15	44
Other liabilities	19	4	5	5	10
Total non-current liabilities	**128**	**116**	**141**	**116**	**186**
Advance payments from customers	189	158	85	159	132
Accounts payable	864	837	790	650	681
Current tax liabilities	27	34	45	20	11
Other provisions	22	17	30	52	62
Other liabilities	147	134	104	99	92
Accrued expenses and deferred income	528	487	448	427	401
Total current liabilities	**1,777**	**1,667**	**1,502**	**1,407**	**1,379**
Capital employed	**5,826**	**5,720**	**5,506**	**5,438**	**4,952**
Earnings before tax	467	445	431	386	329
Financial expenses	45	49	57	88	132
Total	**512**	**494**	**488**	**474**	**461**
Average capital employed	5,784	5,642	5,654	5,347	5,059
Return on capital employed, %	**8.8**	**8.8**	**8.6**	**8.9**	**9.1**

Return on shareholders' equity	2017	2016	2015	2014	2013
Profit for the year	347	306	305	283	233
Average shareholders' equity	3,954	3,655	3,446	3,149	2,725
Return on shareholders' equity, %	**8.8**	**8.4**	**8.8**	**9.0**	**8.5**

Financial definitions

Key performance indicators defined according to IFRS

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

Key performance indicators not defined according to IFRS

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.

Capital employed
Balance sheet total less non-interest bearing provisions and liabilities.

Cash flow from operating activities per share, SEK
Cash flow from operating activities to number of outstanding shares.

EBITDA margin
EBITDA margin has been calculated as the profit before planned depreciation and before amortisation of the consolidated surplus value in intangible assets (EBITDA), expressed as a percentage of net sales.

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

Interest coverage ratio
Earnings before tax plus interest expenses to interest expenses.

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

Net Debt
Interest bearing provisions and liabilities less interest bearing assets and cash and cash equivalents.

Net Debt/EBITDA
Average Net Debt 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.

Number of shares
The weighted average number of shares outstanding at the end of the period plus any additional shares in accordance with IAS 33.

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 cash flow
Cash flow from operating activities excluding one-off items and restructuring costs as well as tax paid but including net investments in intangible assets and tangible fixed assets.

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

Operating profit
Profit before financial items and tax.

Operating profit before depreciation and amortisation – EBITDA
Profit before planned depreciation and 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.

P/E ratio
Quoted price at year-end divided by the earnings per share.

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

Return on capital employed
Return on capital employed comprises the Group's earnings before tax after reversal of financial expenses expressed as a percentage of average capital employed.

Return on shareholders' equity
Return on shareholders' equity comprises profit for the year attributable to parent company shareholders, expressed as a percentage of average shareholders' equity attributable to parent company shareholders.

Sales abroad, %
Sales reported for each country to which products or services have been delivered, expressed as a percentage of net sales for the year.

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

Working capital
Working capital comprises stock, operating receivables and operating liabilities, and is obtained from the statement of financial position but adjusted where appropriate for items not affecting cash flow. The operating receivables consist of accounts receivable, other receivables as well as non-interest bearing prepaid expenses and accrued income. Operating liabilities include other non-interest bearing non-current liabilities, advance payments from customers, accounts payable, other current liabilities as well as non-interest bearing accrued expenses and deferred income.

Glossary

Augmented Reality (AR)
A technology that enhances reality/one's current perception of reality with superimposed computer-generated elements such as sounds, video, graphics or GPS data.

BIM
BIM is short for Building Information Modeling. A BIM model is a virtual model of real buildings. All information from a building's life cycle is collected and organised in the model.

CEE
Central and Eastern Europe.

CIS
Commonwealth of Independent States (former Soviet Republics).

Euroconstruct
Euroconstruct is a European network with a focus on the building and construction market. The network covers 19 countries, each represented by a carefully selected organisation, research firm or institution. The reports published by the network review the conditions on the European construction market in the coming years.

Eurovent
The Eurovent Association is Europe's industry association for indoor climate, process cooling and food cold chain technologies. The association is responsible for developing and offering third-party certification of ventilation and cooling products, among other things.

Branches
Local warehouse, shop, sales office and competence centre for Lindab's products, systems and solutions.

Renewable energy
Examples of renewable energy are hydropower, wind power, solar energy and bioenergy.

Global Reporting Initiative (GRI)
International sustainability reporting guidelines. The fourth-generation guidelines are called G4.

Sustainable development
Usually defined as "a society that meets today's needs without compromising the ability of future generations to meet their own needs". This definition comes from the World Commission on Environment and Development, formally known as the Brundtland Commission.

Key Accounts
Large customers with which Lindab has a strategic collaboration to create long-term partnerships.

Quality management system
A system to ensure the quality of the company's products and services, including its organisational structure, responsibilities and activities. Certified according to ISO 9001.

Lean
A philosophy concerned with the way in which resources are managed. Its purpose is to identify and eliminate all factors in a production process that do not create value for the end customer.

LTIF
An international measure that indicates the number of accidents per million hours worked.

Environmental management system
A system that streamlines and organises environmental work with the aim of making continuous improvements. Certified according to ISO 14001.

Variable Air Volume (VAV)
A type of heating, ventilation and/or air conditioning system which varies the airflow as needed in an energy-efficient manner.

Virtual Reality (VR)
Computer technology which uses virtual reality headsets or several projected environments to generate realistic images, sounds and other emotions that simulates a user's physical presence in a virtual or imaginary environment.

Information to **shareholders**

Annual General Meeting

The Annual General Meeting for Lindab International AB (publ) will be held on Tuesday 3 May 2018 at 15.00 at Hotel Skansen, Båstad, in the Municipality of Båstad, Sweden.

Registration

Shareholders wishing to attend the Annual General Meeting must be registered in the register of shareholders maintained by Euroclear Sweden AB no later than 26 April 2018, and must notify Lindab International AB (publ) of their intention to attend the meeting no later than 16.00 on 26 April 2018.

Please register using one of the following methods:
- via the website: www.lindabgroup.com
- by telephone: +46 (0)431 850 00 or
- by post: Lindab International AB (publ), "Annual General Meeting", 269 82 Båstad, Sweden.

In order to attend the meeting and exercise their voting rights, shareholders who have nominee-registered shares through a bank or other nominee must request temporary registration in their own name in the share register maintained by Euroclear Sweden AB. Such registration must be completed at Euroclear Sweden AB no later than Thursday 26 April 2018. Shareholders must notify their bank or other trustee well in advance of this date. The notification must include the shareholder's name, personal or corporate identification number, shareholding, address, telephone number and, where applicable, information regarding assistants and proxies.

Shareholders who wish to be represented by a proxy at the meeting must issue a written, dated power of attorney for such proxy. A proxy form is available on the company's website www.lindabgroup.com. A power of attorney issued by a legal entity must be accompanied by a copy of the certificate of registration for such legal entity. To facilitate admission to the meeting, the original power of attorney and authorisation documents must reach the company no later than Thursday 26 April 2018.

Reports

Digital reports can be downloaded from our website www.lindabgroup.com.

Nomination Committee

The Nomination Committee proposes the election of Board members, auditors, the Chairman of the Annual General Meeting, Board fees and the composition of the Nomination Committee prior to the Annual General Meeting in 2018.

Prior to the Annual General Meeting in 2018, the Nomination Committee consists of:
- Sven Hagströmer, representative for Creades AB (Chairman)
- Per Colléen, representative for Fjärde AP-fonden
- Göran Espelund, representative for Lannebo Fonder
- Peter Nilsson, Chairman of Lindab International AB (publ)

Financial statements for the financial year 2018

Interim Report January–March, Q1	3 May 2018
Interim Report January–June, Q2	19 July 2018
Interim Report January–September, Q3	25 October 2018
Q4 and Year-End Report	February 2019
Annual Report 2018	April 2019

Our solutions enhance **the experience**

Sports arenas, cinemas, concert halls and opera houses are complex structures. Multiple activities often have to take place at the same time without interfering with each other. In addition to a comfortable indoor climate, the acoustic requirements are usually strict coupled with a strong focus on energy-efficient solutions. Lindab can deliver ventilation and indoor climate solutions to exceptional standards and requirements. In 2017, such solutions were installed in everything from Russian cinemas to French multi-purpose arenas.

www.lindab.com
The Lindab website provides extensive information about the Group. You will also find contact details and addresses for all our companies worldwide.

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Lindab®