



# Lindab Group presentation Q1 2012



**David Brodetsky, CEO**  
**Per Nilsson, CFO**



# Lindab Group

## Q1 2012 Highlights – Strong improvement in EBIT

### Sales\*: Good growth 6%

- Weather conditions helped (~ 2%)
- Nordic +10%; CEE/CIS +10%; West +2%

### EBIT\*\*

- SEK 30 m (-7M Q1 2011); 2% margin (-0.5% Q1 2011)

### Cash

- Good cash flow from operations SEK -90m ( SEK -239 m)

### SEK 150 m Cost plan

- Implementation according to plan. To be substantially complete by end Q2, 2012

\* Adjusted for currency and structure

\*\* Excluding one time costs



# Lindab Group

## Profit & Loss Q1 2012 - Group

SEK m	Q1 2012	Q1 2011
Sales	1 479	1 377
EBIT*	30	-7
EBIT* %	2.0%	-0.5%
Fin net	-39	-38
Tax	1	10
Net profit	-46	-52

Sales growth	7%
Structure	1%
Currency effect	0%
Organic	6%

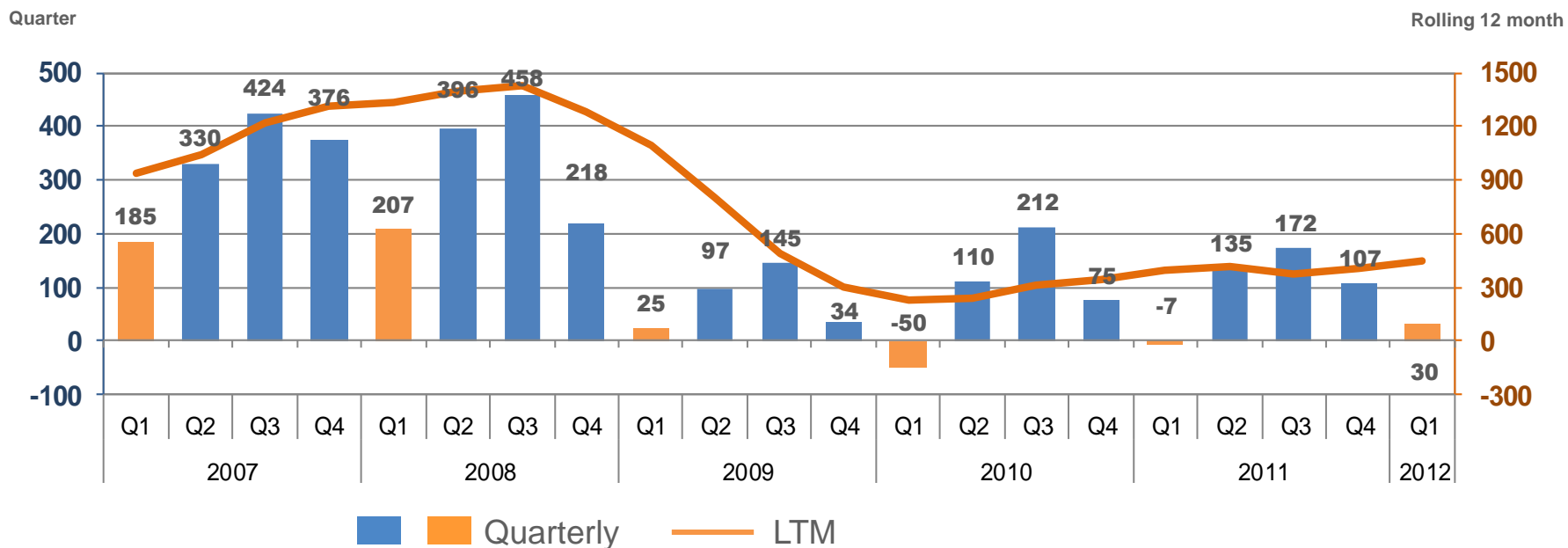
\*) Q1 2012 EBIT excludes one time cost of SEK -38 m (SEK -17m, Q1 2011), net profit not adjusted

- The improvement in EBIT is explained by higher volumes and slightly lower fixed costs
- Cost saving programme is proceeding according to plan and has yielded positive results in the quarter, mainly compensating for inflation and costs of strategic sales activities



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## Quarterly operating profit (EBIT) SEK m



- Seasonal impact – Q1 lowest result, Q3 highest result
- EBIT LTM SEK 444 m, EBIT margin 6.4%

Note: figures excl. one time items



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## Cash flow Q1 2012

SEK m	Jan – Mar 2012	Jan – Mar 2011
Cash flow from		
- operating activities	35	32
- change in working capital	-64	-213
- investing activities	-95	-12
- financial net paid	-34	-46
- tax paid	-27	-12
<b>Free cash flow</b>	<b>-185</b>	<b>-251</b>
<b>Free cash flow adj. for structure</b>	<b>-135*</b>	<b>-251</b>

\* Adjusted for acquisition of Plannja's project business, SEK 50 m



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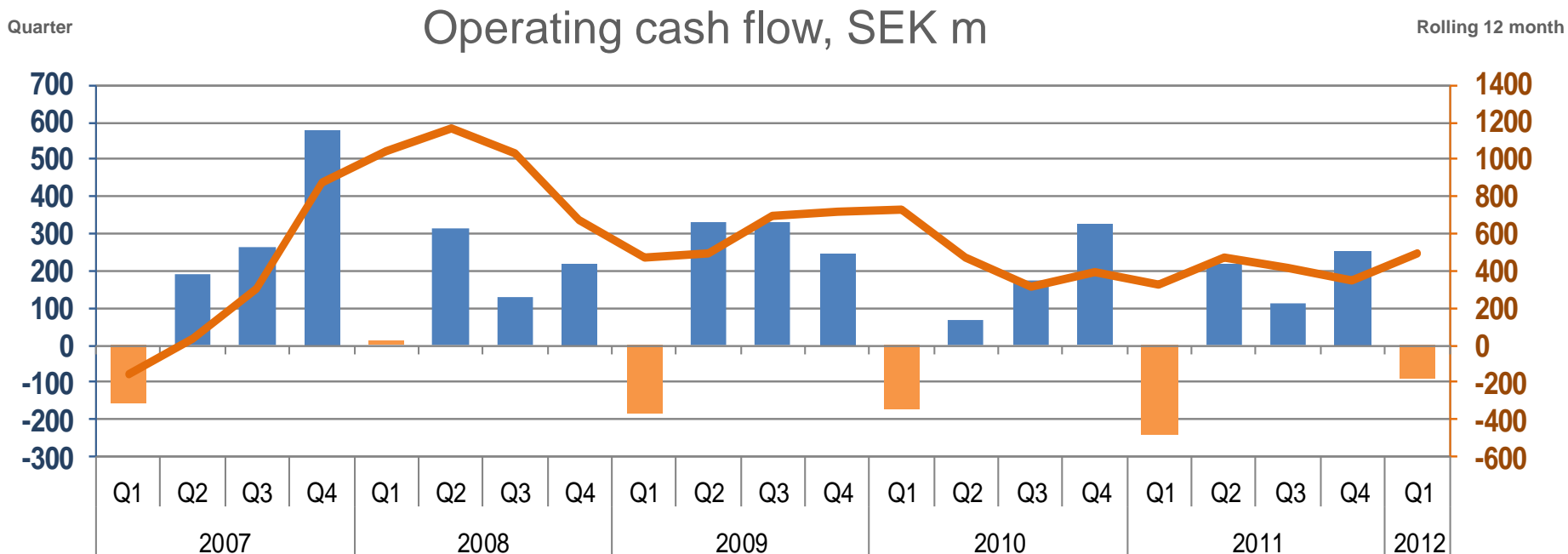
## Cash flow Q1 – working capital development

SEK m	Jan – Mar 2012	Jan – Mar 2011
Stock	-78	-108
Operating receivables	-26	-113
Operating liabilities	40	8
<b>Total change in working capital</b>	<b>-64</b>	<b>-213</b>

- Less capital tied up in working capital compared to last year is the main reason for the improved cash flow



# Lindab Group Cash flow trend



- LTM cash flow from operating activities amounted to SEK 494 m



# Business Areas





# BA Ventilation

## Profit & Loss Q1 2012

SEK m	Q1 2012	Q1 2011
Sales	909	846
EBIT*	66	49
EBIT* %	7.3	5.8

Sales growth	7%
Structure	1%
Currency effect	0%
Organic	6%

\*) excluding one time cost of SEK -16 m in Q1 2012 and SEK -17 m in Q1 2011

- Continued strong growth in the Nordic region and CEE/CIS while growth rate slowed down in Western Europe
- EBIT increase due to higher volumes



# BA Building Components Profit & Loss Q1 2012

SEK m	Q1 2012	Q1 2011
Sales	367	354
EBIT	-12	-17
EBIT %	-3.3	-4.8

Sales growth	4%
Structure	0%
Currency effect	0%
Organic	4%

- Continued strong sales growth in the Nordic region, especially in the two largest markets Sweden and Denmark. Growth supported by milder winter.
- Sales decline in CEE/CIS, mainly due to continued low demand and unfavourable weather conditions
- EBIT increase due to higher volumes and lower fixed costs



# BA Building Systems

## Profit & Loss Q1 2012

SEK m	Q1 2012	Q1 2011
Sales	203	177
EBIT	-10	-24
EBIT %	-4.9	-13.6

Sales growth	15%
Structure	0%
Currency effect	1%
Organic	14%

\*) excluding one time cost of SEK -19 m in Q1 2012

- Good growth in both CEE/CIS and Western Europe, driven by strong sales in the two largest markets, Russia and Germany
- EBIT increase due to higher volumes and improved gross margin



# Business highlights by BA



# Ventilation

- Distribution:
  - New Flexi-shop, self-service branch, in Frankfurt, Germany (total 5)
- Market activities
  - Presence at 8 different trade shows
  - Launch of InCapsa at the Nordbygg Trade Show in Sweden.
  - Launch of several innovative Comfort products: Premum/Premax chilled beam and Pascal, VAV system



Premum & Premax  
- Flexibility when it is needed...



Lindab Pascal  
- Simplified VAV solution with full potential...



# Building Components

- Acquisition: Plannja's sandwich panel production and project sales
  - Strong potential in Nordic industrial segment
- Distribution in Western Europe:
  - Regional Sales Manager Stuttgart
  - Builder's Merchants deal with Bavarian chain: + 9 outlets
- Residential:
  - Developing the "Rainline Centers" by adding more products and renaming them "Lindab Centers"



*Lindab's first own produced sandwich panel*





# Building Systems

- Downsizing of Czech production unit in Prerov
  - Part of cost programme
  - Around 90 employees affected
  - Diekirch, Luxembourg and Yaroslavl, Russia = main production plants
  - Some high labour content production, engineering, sales and customer support remain in Cz.
- Focus Russia/CIS – 4 orders above 10 MSEK in CIS
  - Alutech, Belarus, new production unit SEK 13 m.





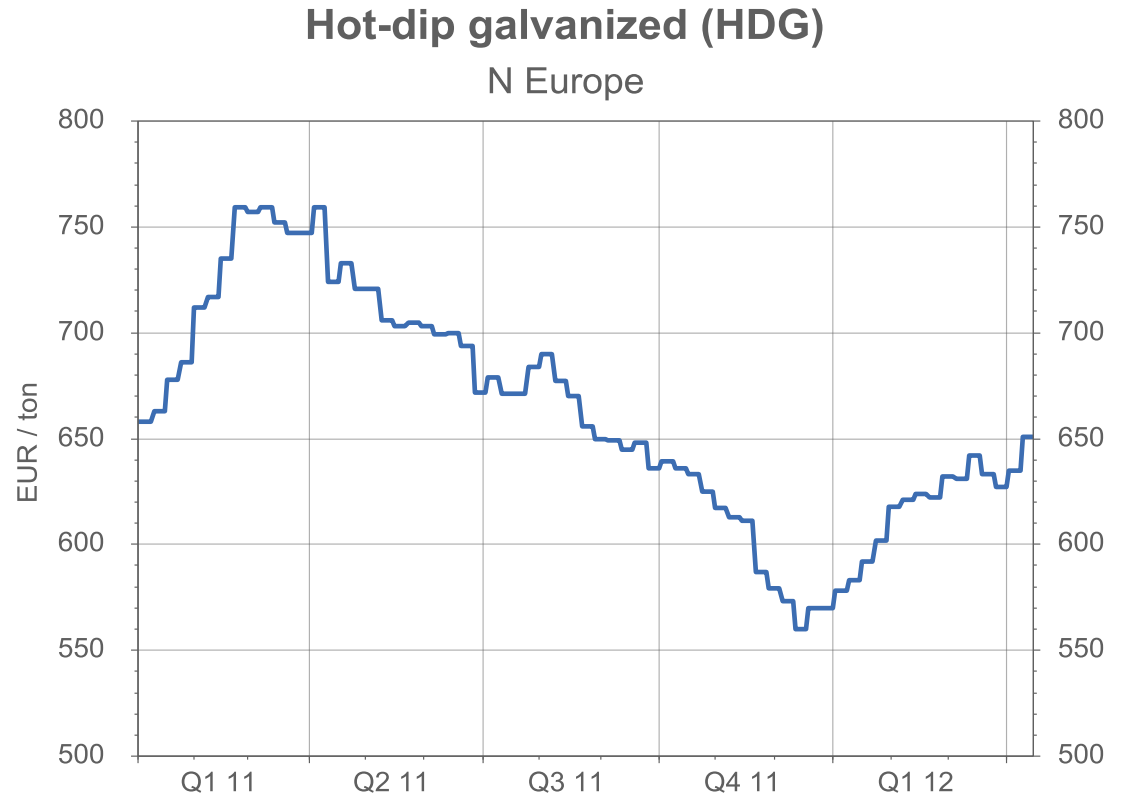
# Trends and outlook





# Steel spot prices – increasing

- Lindab steel costs will increase from Q2 2012
- Lindab sales prices will be increased to compensate



Source: Thomson Reuters Datastream & the Steel Index



## Outlook - CEO comment

“The market outlook remains uncertain and it is difficult to draw conclusions from a low season period.

Nevertheless, our 2012 performance will benefit from sales initiatives and the cost saving programme, which will be substantially implemented by the end of Q2. Additionally, price increases are being implemented to offset steel and other cost increases.

Overall we expect 2012 to be a further step in the right direction taking the underlying EBIT towards the 10% goal by the end of 2013 and for the full year 2014.”



## Other information

- Capital Markets Day 2012
  - August 23, 2012, Grevie, Båstad
  - Contact Helena Stacey: [helena.stacey@lindab.com](mailto:helena.stacey@lindab.com)
  
- Launch of Lindab's Youtube channel:  
<http://www.youtube.com/user/LindabGroup>

