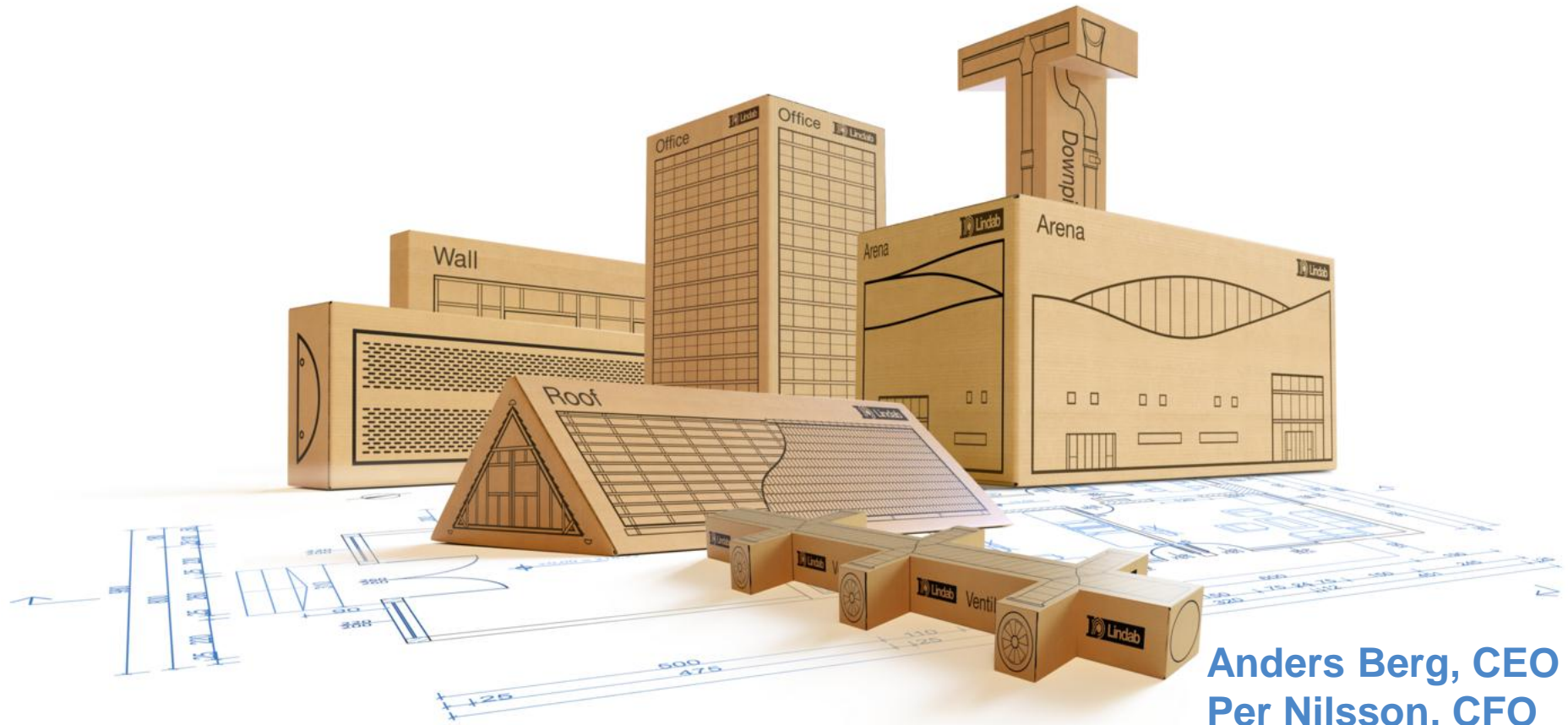




# Lindab Group Q1 2013



**Anders Berg, CEO**  
**Per Nilsson, CFO**



# Lindab Group – Q1 2013 Highlights

## Weak sales in a traditionally slow quarter

- Sales decreased 10% in Q1 compared to last year, adjusted for currency and structure
  - By BA: Ventilation -9%; Building Components -15%; Building Systems -11%
- EBIT (excluding one-off items) decreased to SEK 13 m in Q1 compared to SEK 30 m last year
  - Reduced EBIT primarily caused by lower volumes, pricing under control
- Cash flow from operations improved to SEK 3 m compared to SEK -90 m in Q1 2012



# Lindab Group – Q1 2013 Highlights

## Weak sales in a traditionally slow quarter

- New CEO Anders Berg took office March 18th
- Initiative to further develop Lindab based on the concept “Back to Basics – Into the future”
  - Presented, discussed and strongly committed with top 90 managers at Management Conference
  - Culture fuels growth – and the culture and people in Lindab has great proven strength
  - Truly support our customers to develop their business and generate increased profit
- Focus on generating organic growth with controlled cost levels – significant operating leverage opportunities



# Lindab Group

## Profit & Loss Q1 2013 - Group

SEK m	Q1 2013	Q1 2012
Sales	1,341	1,479
EBIT*	13	30
EBIT* %	1.0	2.0
Fin net	-33	-39
Tax	-2	1
Net profit	-28	-46

Sales growth	-9%
Structure	4%
Currency effect	-3%
Organic	-10%

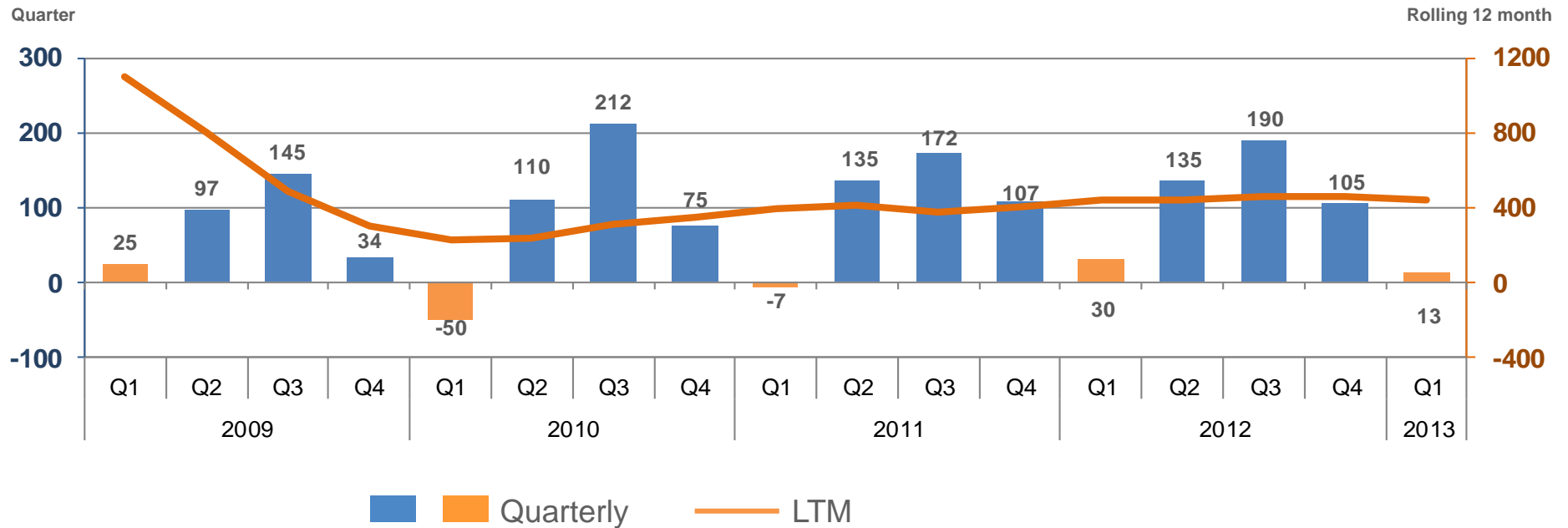
\*) EBIT excluding one-off items of SEK -6 m in Q1 2013 and SEK -38 m in Q1 2012, net profit not adjusted

- Lower sales explained by long and harsh winter together with weak underlying demand
- Decline in EBIT due to lower volumes, which to large extent been offset by implemented cost and efficiency measures



# Lindab Group

## Quarterly operating profit (EBIT) SEK m



- Seasonal impact: Q1 lowest result, Q3 highest result
- EBIT LTM SEK 443 m, EBIT margin 6.8%

Note: figures excl. one-off items



# Lindab Group

## Cash flow Q1 2013

SEK m	Q1 2013	Q1 2012
Cash flow from		
- operating activities	45	35
- change in working capital	-21	-64
- investing activities	-28	-95
- financial net paid	-29	-34
- tax paid	8	-27
<b>Free cash flow</b>	<b>-25</b>	<b>-185</b>
<b>Adjusted free cash flow</b>	<b>-15</b>	<b>-135</b>

- Net debt end of March SEK 2,140 m (1,962) incl. change in accounting policy due to IAS19 SEK 36 m (30)



# Lindab Group

## Cash flow Q1 – working capital development

SEK m	Q1 2013	Q1 2012
Stock	-140	-78
Operating receivables	-51	-26
Operating liabilities	170	40
<b>Total change in working capital</b>	<b>-21</b>	<b>-64</b>

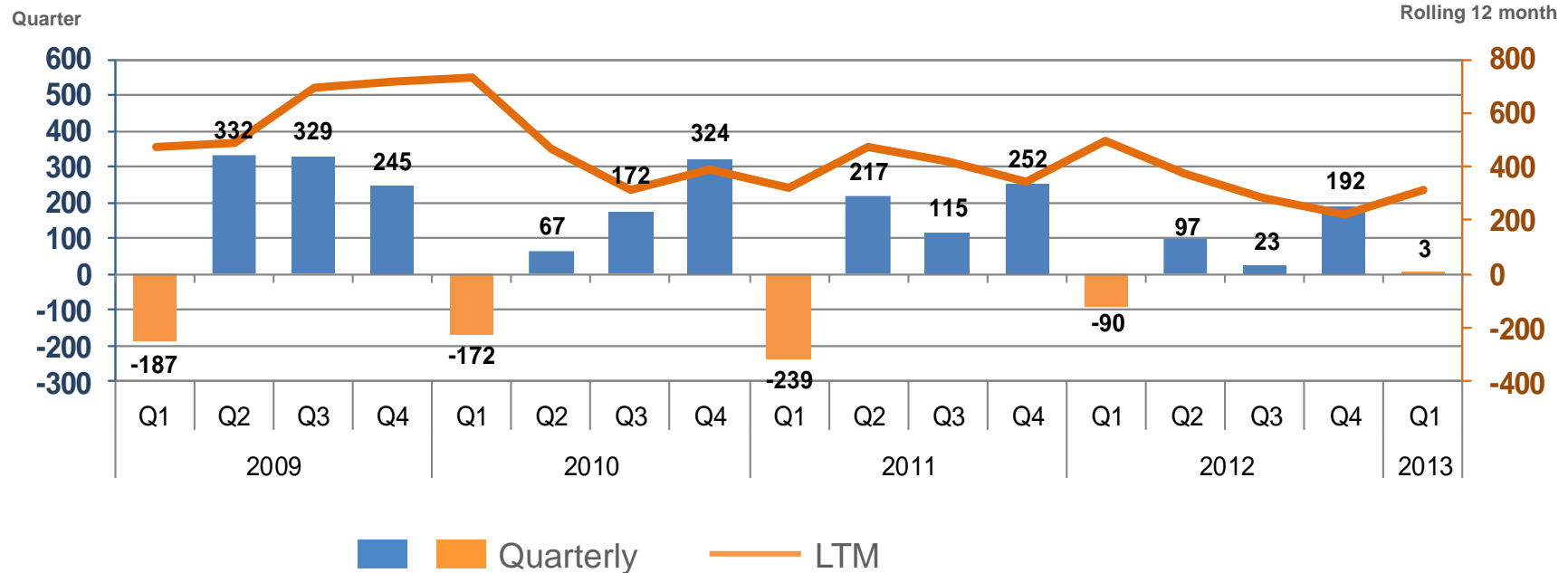
- The higher stock built up compared to last year is explained by the cold season and weaker demand in the quarter, however offset by payables



# Lindab Group

## Cash flow trend

Operating cash flow, SEK m



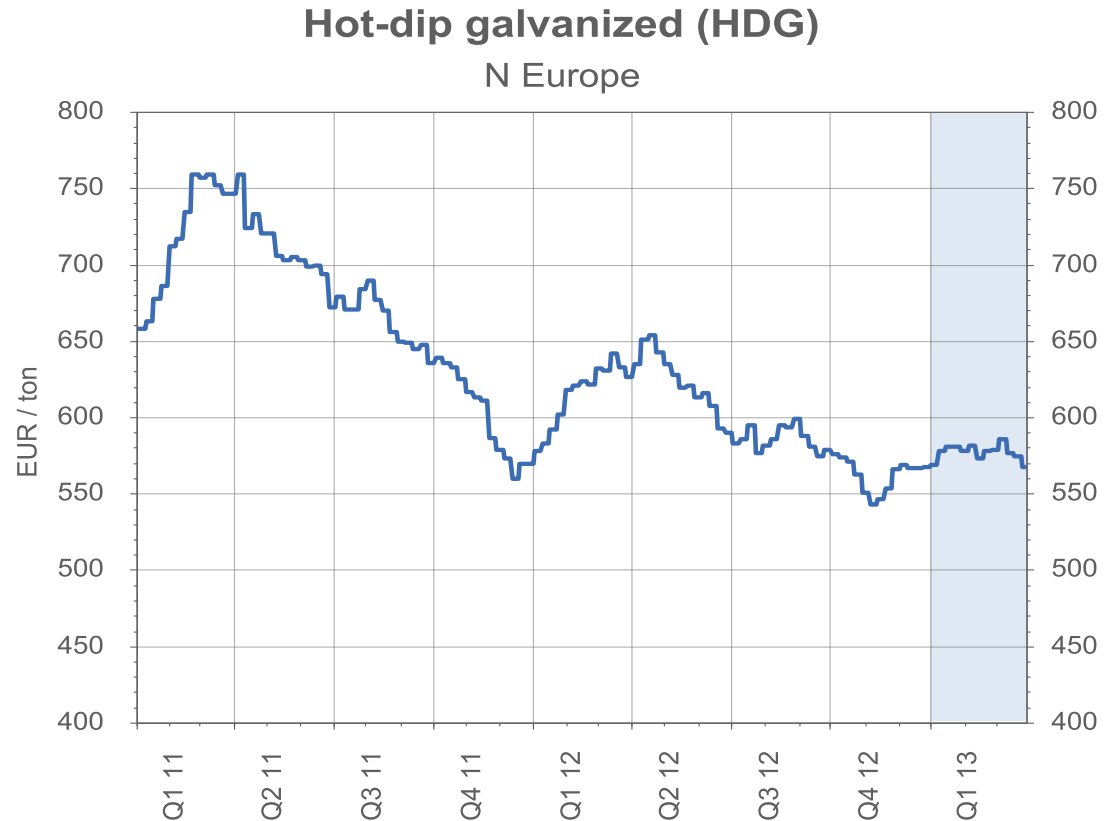
- LTM cash flow from operating activities amounted to SEK 315 m





# Steel spot prices – flattened out in Q1

- Small increase from Q4 flattened out in Q1
- Moderate steel cost increases expected for Lindab in Q2



Källa: Thomson Reuters Datastream & the Steel Index



# Business Areas



# BA Ventilation

## Profit & Loss Q1 2013

SEK m	Q1 2013	Q1 2012
Sales	841	909
EBIT*	52	66
EBIT* %	6.2	7.3

Sales growth	-7%
Structure	5%
Currency effect	-3%
Organic	-9%

\*) excluding one-off items of SEK -3 m in Q1 2013 and SEK -16 m in Q1 2012

- Lower volumes due to lower demand in most markets with some exceptions e.g. France and Russia
- The decrease in EBIT is explained by the lower volumes partly offset by lower fixed cost level as a result from implemented cost and efficiency activities
- Centrum Klima continue to contribute positively in both sales and EBIT



# BA Building Components Profit & Loss Q1 2013

SEK m	Q1 2013	Q1 2012
Sales	327	367
EBIT	-31	-12
EBIT %	-9.5	-3.3

Sales growth	-11%
Structure	6%
Currency effect	-2%
Organic	-15%

\*) excluding one-off items of SEK -1 m in Q1 2013 and SEK 0 m in Q1 2012

- Low demand in all regions with harsh winter weather throughout the whole quarter having additional negative effect on the volumes
- EBIT decreased due to sales decline, which was partly offset by lower fixed costs



# BA Building Systems

## Profit & Loss Q1 2013

SEK m	Q1 2013	Q1 2012
Sales	173	203
EBIT	0	-10
EBIT %	0.0	-4.9

Sales growth	-15%
Structure	0%
Currency effect	-4%
Organic	-11%

\*) excluding one-off items of SEK 0 m in Q1 2013 and SEK -19 m in Q1 2012

- Sales declined in Western Europe and to a lesser extent in CEE/CIS, mainly due to low order intake in Q3 12 and the harsh winter
- Order intake in Q1 higher than in same period previous year. Increase most notable in CEE/CIS.
- EBIT improved due to the effects of the cost and efficiency activities implemented



# Back to basics – into the future



# Back to Basics - into the Future

## Strong foundations - new mind-set

- Organic growth – comprehensive action programme with enhanced execution focus
- Operational leverage
- Cost programme continues - strive for enhanced effectiveness and productivity
- Release creativity and innovation power - challenge what we do to do it even better





# Back to Basics - into the Future

## Strong foundations - new mind-set



”

Do something. Either lead, follow, or get out of the way,

**Ted Turner** founder of CNN

- Customers success drives our success – excellent feedback from customers on what Lindab brings to their business
- Further strengthen distribution
- Use proven strength in Lindab’s business model to explore market opportunities in “non-core” markets
- Business excellence, enhanced collaboration and developed sourcing
- Lead the development of solutions in our core segments





# Organic Growth



# Multi brand – Multi channel approach

To change nothing – nothing improves

- Premium solutions and brand – Lindab!
- Local business tailored to individual customers with full support of Lindab Group
- Relaunch of two strong brands and concepts: Lindab Systemline (small steel buildings in Nordics and CEE) and Astron (pre-engineered solutions)
- Further develop Lindab's different brands, concepts and offerings, examples:
  - Rainline
  - Spiro and Centrum Klima
  - Unite
  - Doorline





# The core business fundamentals

Lindab's business idea = support our customers to success

- Close to the customer – "simplify shopping"
- Deliver more value to customers
- Add products (develop sourcing and product development)
- Expand distribution in Nordics – explore new market opportunities



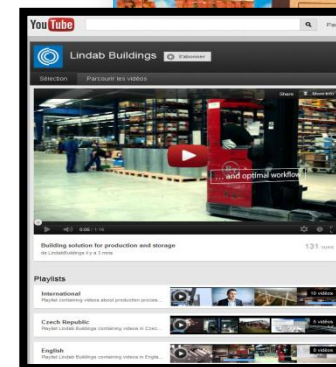
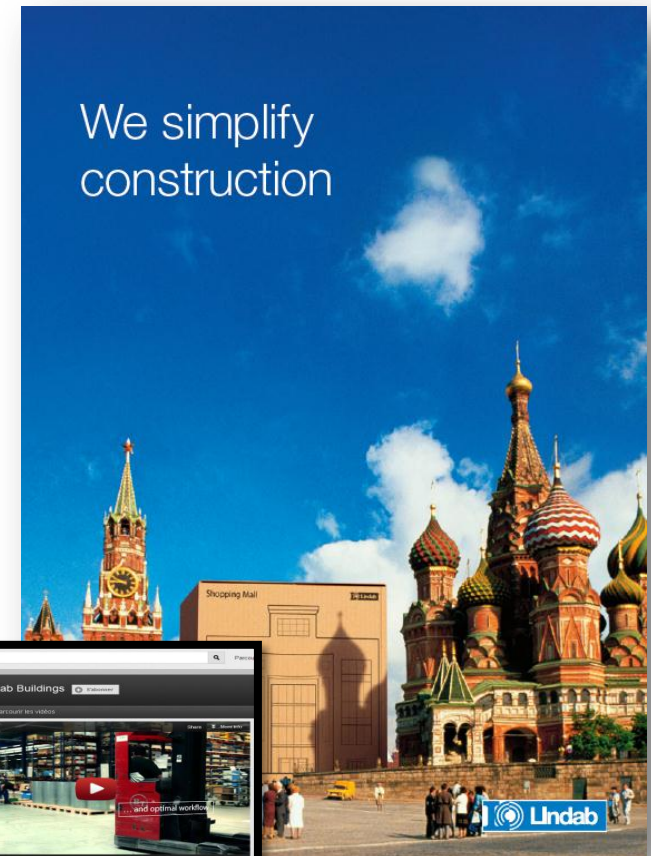
**"Customer success drives our success"**

*service, availability, access, complete package*



# Business highlights from Q1 2013

- Tough market with harsh weather conditions – outlook continue to be uncertain – it is up to us
  - Air duct systems successful start-up in Russia
  - Important customer agreements (Sweden, Norway) both ADS and Comfort products
  - Enhanced e-business in Denmark (Norway, UK next)
  - Promising development with new products and solutions
  - Yaroslavl plant expansion completed and in operation
  - Distribution agreement for our RdBX "click-studs" in Denmark (complete partition wall solution)





# Significant Operating Leverage



## Platform for growth and increased profitability

- Cost programme continues
- Easy to ramp up production - "world-class" efficient production units
- Develop further synergies (purchasing, sourcing, distribution, best-practice, ERP)
- Several main restructuring activities completed and good prospect to grow the business
- Sandwich panel enhances industrial offer. Develop KAM structure further.
- One strong Lindab



## Cost programme on track towards new target 300 m

- Additional activities for example:
  - Restructuring in Finland
  - Restructuring in low-performing units CEE and WE
  - Optimising admin and back-office
  - HQ reduction
  
- One-time costs approx. SEK 170 m. Total SEK 120 m recorded up until end of Q1.



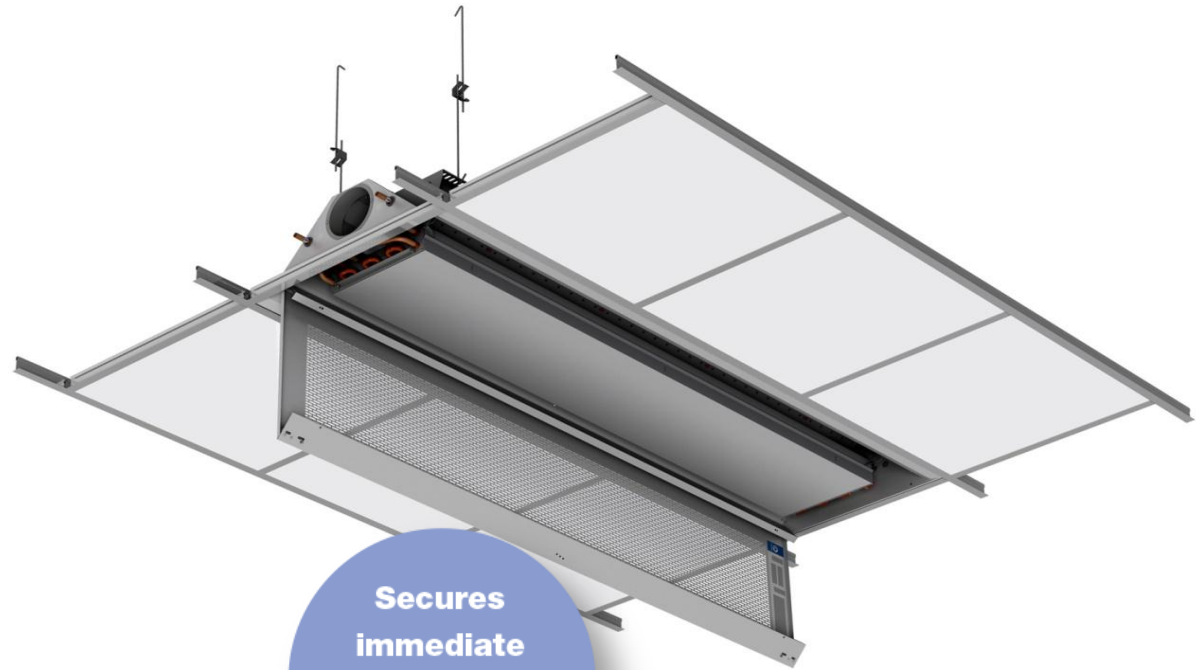
# Innovation in Q1 2013





# Launch of Lindab Solo – a revolution in chilled beams

- Documented to save up to 45 % cooling energy
- Installation and investment savings
- Maintenance and running costs savings
- Very well received



**Secures  
immediate  
return on your  
investment!**



# Outlook



# Market developments

- Overall fairly weak in our core markets
- Main positives since autumn from a Lindab perspective:
  - Downward risk reduced – “we see a floor that we can build from”
    - Important for shortening the lead time for investment decisions amongst customers
  - Swedish residential market is showing some signs of improvement
- Non-residential construction market is late cyclical and Lindab’s products are mainly used in the later parts of the building process
  - The slightly more positive macroeconomic developments since autumn gives hope of improving underlying market towards end of the year



## Lindab going forward

- Highly committed teams to focus on growth activities - build on strong platform and monitor key metrics including ROCE
- Dare to think in new ways - continuous improvement and growth
- Turn our expertise into concrete plans and activities
- Motivation and energy!



# The fundamentals are in place – and have been there a long time

## Culture fuels growth

### CUSTOMER SUCCESS

- Customers success drives our success
- Simplifying construction makes our customers business more efficient
- Leading not following the development of solutions in our core segments



### DOWN TO EARTH

- Long-lasting relations built on uncomplicated, humble and trustworthy approach
- Effective and quick decision-making, avoiding bureaucracy
- Sound judgment when spending company money



### NEATNESS AND ORDER

- Neat and clean everywhere affects efficiency and the overall impression
- Order in all of our activities
- Pride in positively presenting the company





## Other information:

### Annual General Meeting

15 May, Lindab Arena, Ängelholm, 2 p.m. CET

- Proposals:
  - Zero-dividend
  - No new incentive programme



# Thank You

