



Lindab Group Q3 2013



Anders Berg, CEO
Per Nilsson, CFO





Lindab Group – Q3 2013 Highlights

Small steps in the right direction

- Sales unchanged compared to last year when adjusted for currency
- EBIT (excluding one-off items) increased to SEK 195 m in Q3 compared to SEK 190 m last year
 - EBIT margin increased to 11.1% (10.7)
- Cash flow from operations improved and amounted to SEK 136 m compared to SEK 23 m in Q3 2012



Lindab Group – Q3 2013 Highlights

Small steps in the right direction

- Next step on our “Back to Basics – Into the Future” journey
 - ONE Lindab – new organisation structure launched
 - Flat geographical structure supported by product areas
 - Implementation of the new organisation on plan, linked to action program and focus on profitable growth

- Focus on generating organic growth with controlled cost levels – significant operating leverage opportunities
 - Expanding offering: e.g. EcoBuild, Residential ventilation
 - Cross-selling of products and solutions through existing footprint and distribution- and project business models
 - Lean thinking throughout



Lindab Group

Profit & Loss Q3 2013

SEK m	Q3 2013	Q3 2012
Sales	1,753	1,773
EBIT*	195	190
EBIT* %	11.1	10.7
Fin net	-27	-45
Tax	-37	-28
Net profit	101	110

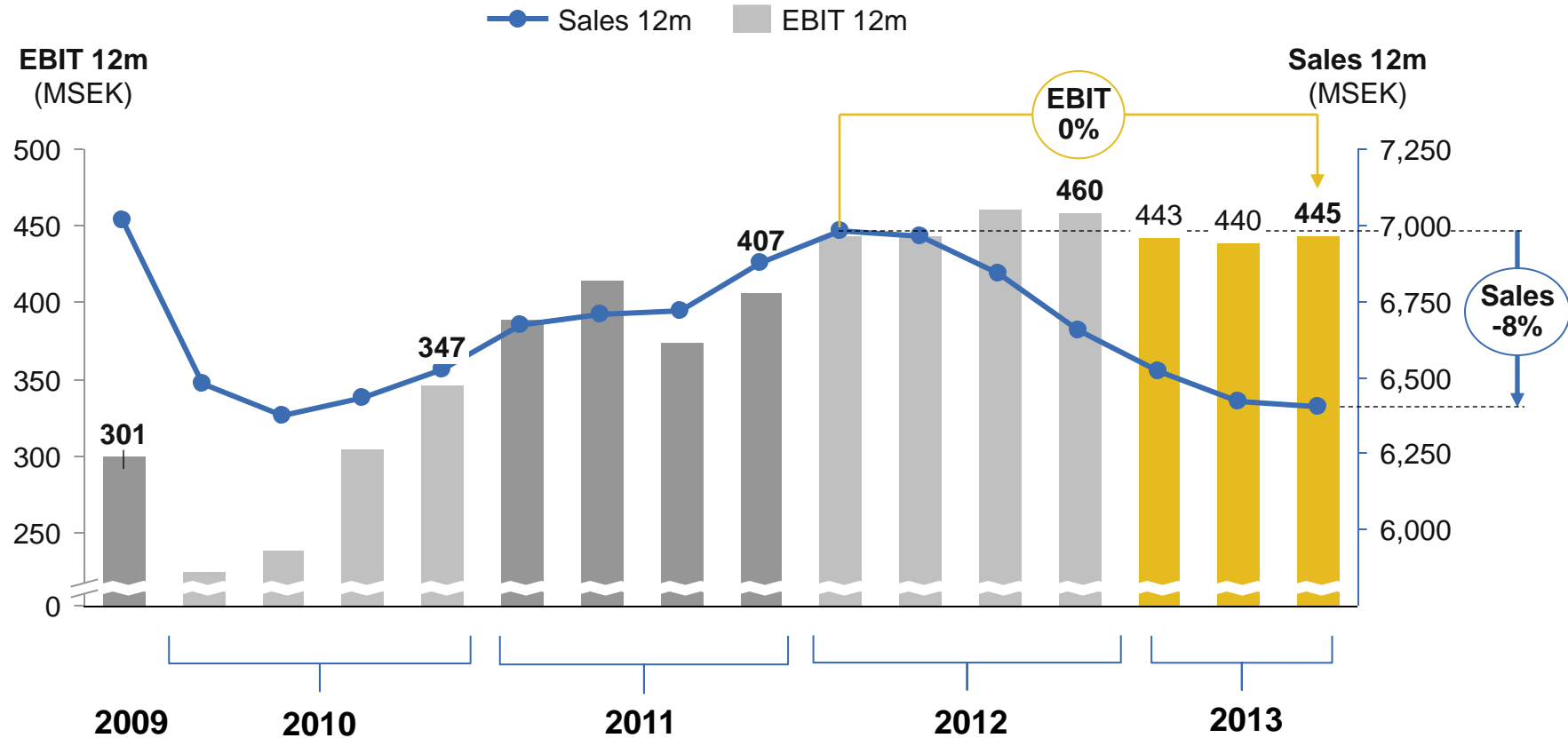
Sales growth	-1%
Structure	0%
Currency effect	-1%
Organic	0%

*) EBIT excluding one-off items of SEK -30 m in Q3 2013 and SEK -7 m in Q3 2012, net profit not adjusted

- Sales, adjusted for currency, is unchanged in Q3 and the negative trend from previous quarters has levelled off
- Increased EBIT and EBIT margin is explained by higher gross margins through higher efficiency and delivery of a number of successful projects



2012 - 2013: weakened sales; increased efficiency



- EBIT LTM SEK 445 m, EBIT margin 6.9%



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Cash flow Q3 2013

SEK m	Q3 2013	Q3 2012
Cash flow from		
- operating activities	234	219
- change in working capital	-36	-132
- investing activities	-16	-39
- financial net paid	-27	-36
- tax paid	-35	-28
Free cash flow	120	-16
Adjusted free cash flow*	120	-8

*) Adjusted for acquisitions and divestments

- Net debt end of Sept SEK 2,020 m (2,252) incl. change in accounting policy due to IAS 19R SEK 36 m (34)



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Cash flow Q3 – working capital development

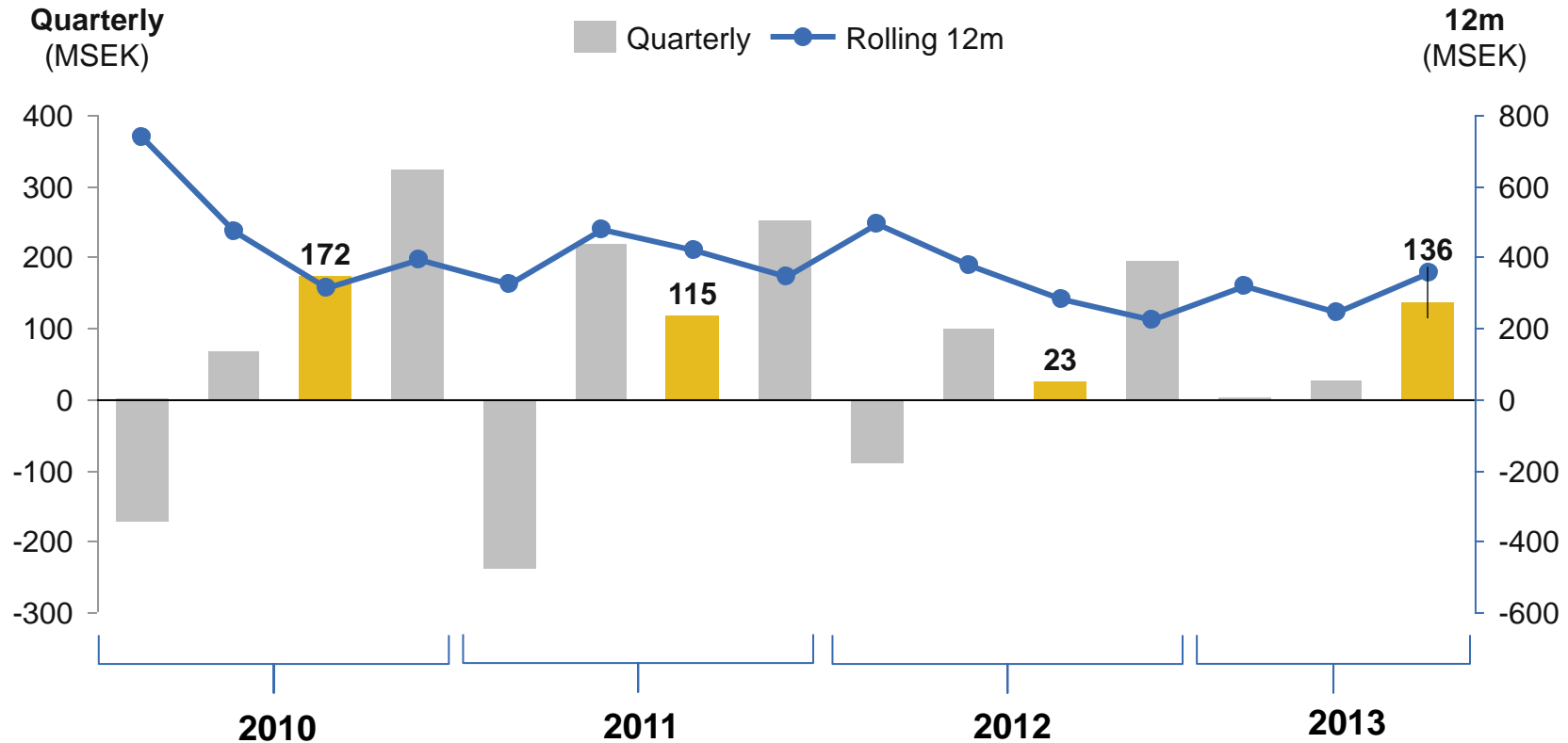
SEK m	Q3 2013	Q3 2012
Stock	-3	-15
Operating receivables	-40	-41
Operating liabilities	7	-76
Total change in working capital	-36	-132

- The improved cash flow from change in working capital is mainly due to the change in operating liabilities. This is explained by advance payments from customers.



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Operating cash flow trend



- LTM cash flow from operating activities amounted to SEK 357 m



Business Areas



BA Ventilation

Profit & Loss Q3 2013

SEK m	Q3 2013	Q3 2012
Sales	901	904
EBIT*	79	85
EBIT* %	8.8	9.4

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

*) excluding one-off items of SEK -9 m in Q3 2013 and SEK -6 m in Q3 2012

- Sales unchanged in the quarter with growth in markets like Norway and Denmark while weaker demand in Sweden and UK
- Lower EBIT explained by higher cost levels due to provisions for guarantee commitments



BA Building Components

Profit & Loss Q3 2013

SEK m	Q3 2013	Q3 2012
Sales	571	576
EBIT*	64	67
EBIT* %	11.2	11.6

Sales growth	-1%
Structure	0%
Currency effect	0%
Organic	-1%

*) excluding one-off items of SEK -1 m in Q3 2013 and SEK -1 m in Q3 2012

- Reduced decline rate in sales for the third quarter in a row. Growth in Sweden and Denmark while Finland and some CEE markets are still weak
- The lower EBIT is explained by lower volumes and somewhat lower gross margins which has been partially offset by a lower fixed cost level



BA Building Systems

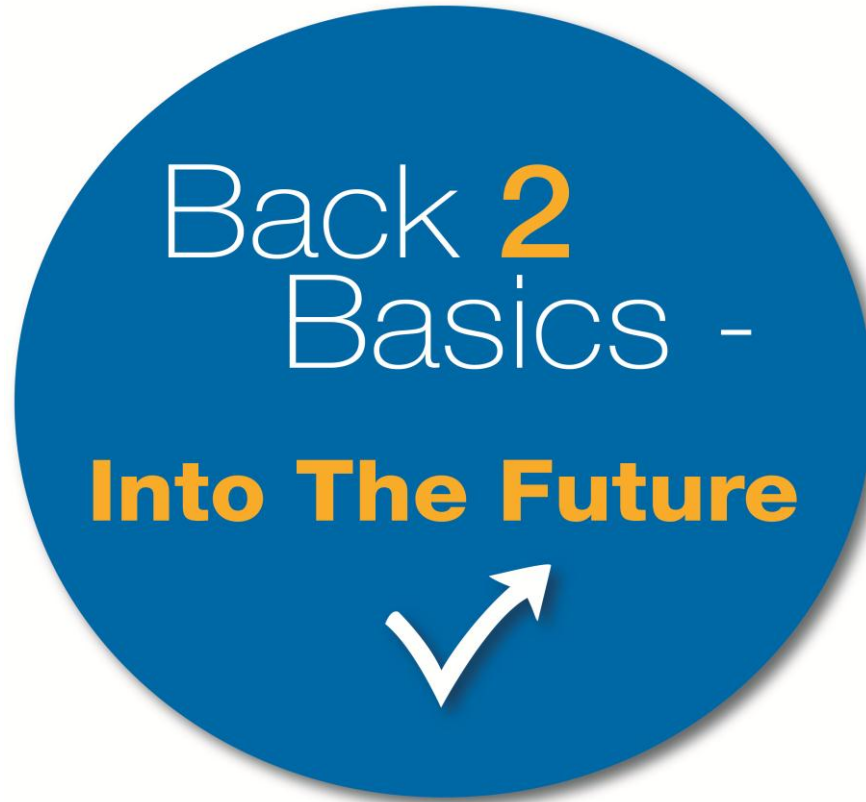
Profit & Loss Q3 2013

SEK m	Q3 2013	Q3 2012
Sales	281	293
EBIT*	55	48
EBIT* %	19.6	16.4

Sales growth	-4%
Structure	0%
Currency effect	-2%
Organic	-2%

*) excluding one-off items of SEK -1 m in Q3 2013

- Lower sales in the quarter as a result of negative sales development in CEE/CIS, partially offset by growth in Western Europe, in particular Germany
- Order intake in line with last year Q3, order book remains at a higher level than last year
- EBIT and EBIT margins improved from increased gross margins following delivery of a number of successful projects and implemented efficiency activities

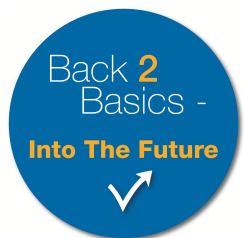


Growth – Operations – Innovation



Back to Basics – Into the Future

- **Organic growth**
Comprehensive action programme
- **Operational leverage**
Cost programme on plan
- **Innovation**
Release creativity, speed and execution





Profitable Growth: One Lindab = One bottom line



Organic Growth

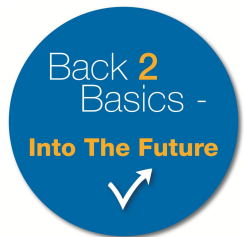
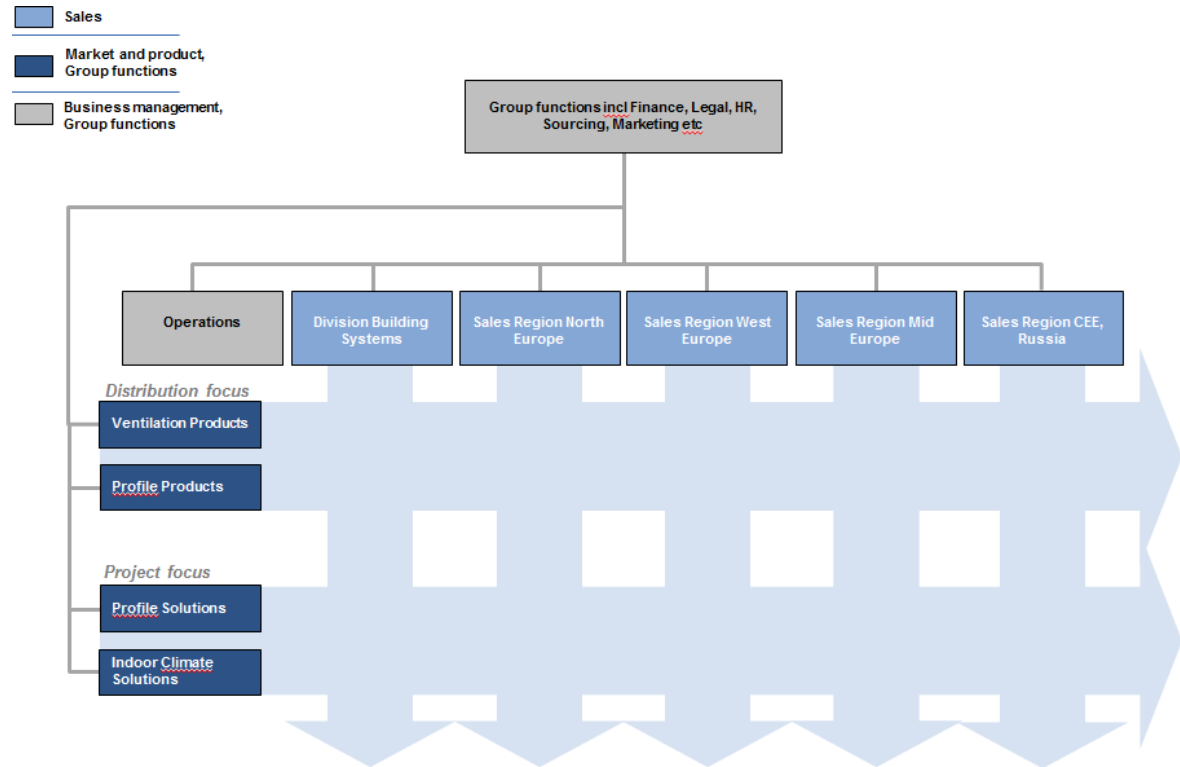
Simplify execution

- Strengthen distribution
- Develop project business
- Leverage culture and capabilities

Close to the customer – Business is local

Deliver more value to customers both in distribution and project business

Increase our offering (improve sourcing and product development)



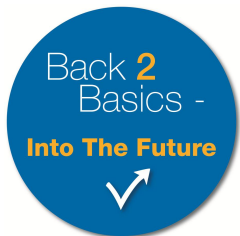
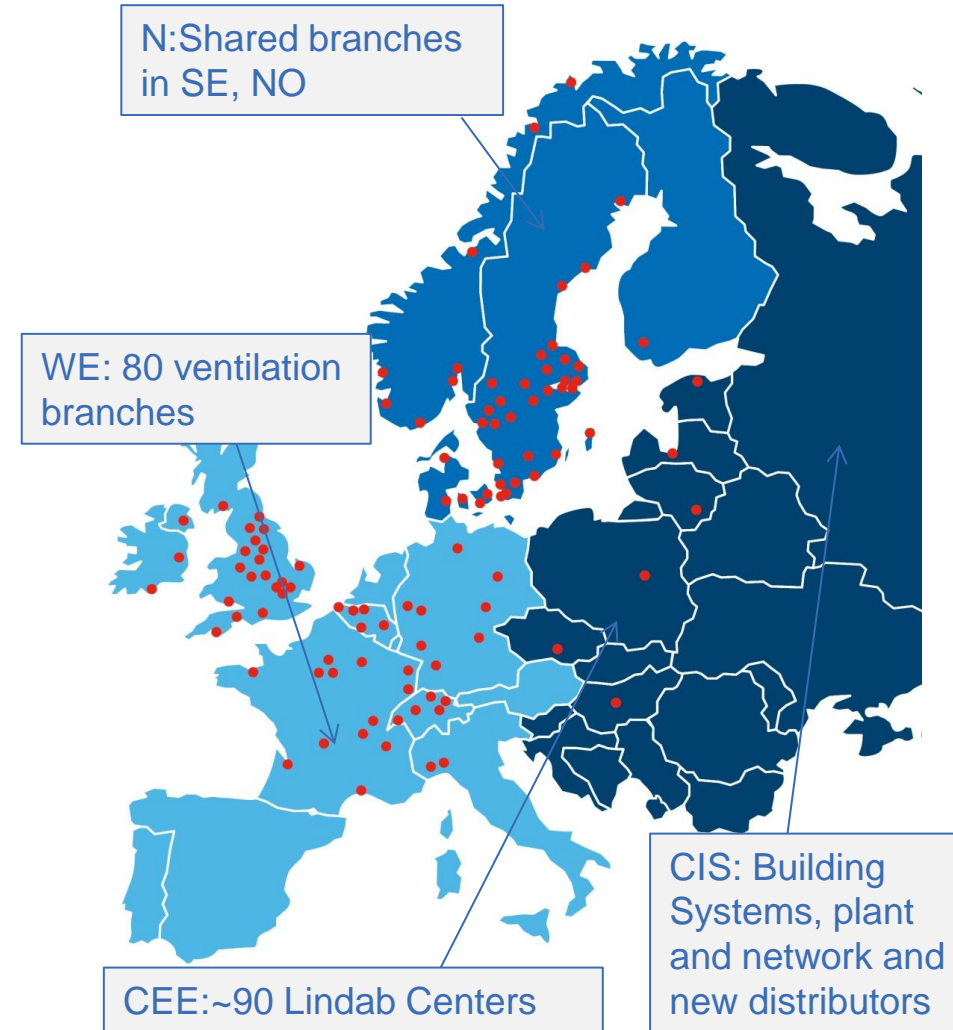


Organic Growth Activities

Simplify cross-selling and up-selling

The new organisational structure will simplify cross-selling, leveraging on positions of strength

- **N:** Shared branch network – develop, expand our own channels, builders’ merchants and project sales
- **WE:** Ventilation stronghold -> leverage broader offering building products
- **CEE:** Stronghold for Rainline and Coverline, leverage Ventilation and broader offering





Q3 Organic Growth Activities

Distribution:

- Mobile shop launched in Sweden
- Nordic distribution agreement for Rainline, roof and wall-claddings in 300 XL-Bygg outlets in Sweden, Denmark and Norway – sales increase for the coming three years.
- SEK 12 m ventilation system order for Lego in Hungary
- SEK 11 m for Oslo Airport, Norway
- Plan for development of branch network on plan

Project sales:

- SEK 13 m industrial HVAC solution to furniture manufacturer in Belarus (existing customer of Astron buildings)
- SEK 60 m for Astron building in Russia
- Sandwich panel sales moving gradually in the right direction
- Focus on Indoor Climate Solutions





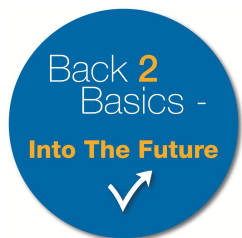
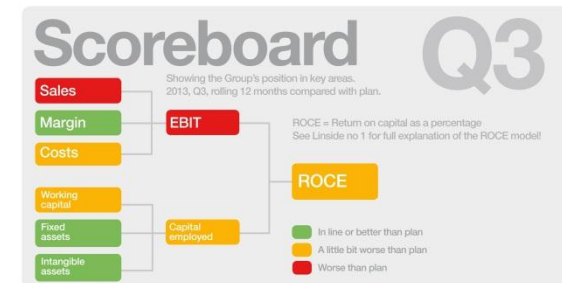
Operating Leverage



Operating Leverage

Platform for growth and increased profitability

- Cost programme full effect
- Focus on ROCE
- "World-class" efficient production units, IT, Purchasing/sourcing, Marketing = central functions
- Lean management throughout – simplify execution





Simplifying Operations

Improving efficiency through Lean

Examples:

- Karlovarska production unit: Rectangular duct production output increased by 60% through re-arranging the layout and simplifying process and support flow (Q3 compared with Q1)
- Panel production, 5 S successfully introduced, resulting in increased efficiency, higher OEE and delivery accuracy.



Increased demand for e.g. smoke evacuation systems means need for increased production of rectangular ducts



Innovation



Pull-driven customer offerings

Residential ventilation

- Our customers face the challenge of meeting tough European energy targets
- Ventilating the house with heat recovery is an easy way to meet the ventilation and energy requirements
- Strong potential: estimated market growth 20% p.a.

Package and communicate

- Lindab core products – high quality
- Lindab competence

= Lindab Inside



why

- Get a better indoor climate.
- Get fresh air all the time.
- Make significant energy savings.
- Prevent allergies, mould and damp.
- Upgrade the standard of your house.

Naturally you can translate the word "why" to your own language. The arguments above are examples. If you add or use other arguments, remember that they always must answer the question: **Why install home ventilation?**

how?

- Removes the stale, polluted air and provides fresh, clean air.
- Heats the house by re-using the heat in the removed air.
- Enhances the indoor air quality and the building standard.
- Lets you take control of the air inside.

Naturally you can translate the word "how" to your own language. The arguments above are examples. If you add or use other arguments, remember that they always must answer the question: **How does home ventilation work and what are the advantages?**

aha!

- Lindab is the right choice for you and your house.
- Easy-to-manage and silent system.
- Designed and effective valves and grilles.
- Complete home ventilation in a package.
- Reliable system and supplier.
- Energy class A.

The word "aha!" is easy to understand in most languages and doesn't need to be translated. It is a strong expression and a great attention magnet. The arguments above are examples. If you add or use other arguments, remember that they always must describe what Lindab really is, and what benefits and solutions you get.



Two successful concepts

- InCapsa = simplifying energy-efficient refurbishment
 - Kalmar, 84 flats

- InDomo = concept for integrated duct system in new buildings
 - Copenhagen, 418 + 128 flats
 - Dublin, nursing home with 50 bedrooms and other living/working spaces.

Lindab InDomo Integrated residential ventilation

Lindab InDomo is a full line of products and solutions that will provide your next new-build with an energy-saving, extremely tight system.



Lindab InDomo is a full line of manifolds and plenum boxes designed for integration into the building construction. They can be used in combination with Lindab Safe® duct systems or semi-rigid PE ducts.



All manifolds and boxes are fitted with Lindab Safe®. Lindab InDomo achieves airtightness class D, no matter what kind of duct system you use.

If you need special dimensions, we tailor-make them for you.



The Smart Lock function simplifies and secures joining semi-rigid ducting.

Lindab InDomo is proven and tested in our laboratory. We provide extensive documentation for your project.

Lindab InCapsa Incapsulation system for renovation

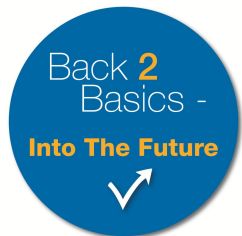
Lindab InCapsa is our solution for efficient residential ventilation renovation. Now the ventilation fitter can do both the installation of the duct system as well as the encapsulation.

There's no need for carpenters or painters to carry out time-consuming plasterboarding and painting. Covering the ventilation is five times faster with Lindab InCapsa compared to the traditional way.

Install. Cover. Done!



The secret behind Lindab InCaps is our patented consol and the smart incapsulation system.





Innovation – Q3 examples

- Lindab Construline – for energy-efficiency and sustainability
 - Concept Passive House in Poland ready, campaign in Czech Republic
 - 12% sales increase in Q3 in CEE and Nordics
 - New Wall-selector App – to help professionals quickly find the right wall construction with regards to sound and fire-resistance

- Roof window concept launched in Romania: simplifying for customers and leveraging on Lindab’s strong brand



Casa ta este un proiect complex atât din perspectiva renovării, cât și în cazul unei construcții noi. Una dintre provocări este să găsești la maxim potențialul aceluși, înfrunghi aceste aspecte practice și cele estetice deopotrivă.

Acoperișul în pereți îți oferă un spațiu suplimentar ce poate fi adaptat nevoilor familiei tale. Dacă vrei să obții cele mai bune rezultate, este important să alegi un produs de calitate, sigur și durabil. Joacă-te cu lumina! Calitatea spațiului de la mansardă depinde în mare măsură de dimensiunile și mai ales poziționarea ferestrelor.

Asem echilibrarea unei asemenea soluții, ce include și ferestrele de mansardă, este la îndemână la Lindab unde ai soluția completă, integrată și adaptată nevoilor tale.

Lindab

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Acoperișul Lindab **Lindab**

Lindab Profile este o divizie a Grupului Lindab care dezvoltă, produce și promovează soluții și sisteme eficiente, economice și estetice din oțel pentru industria construcțiilor.

Lindab Profile este prezentă prin unități de producție și distribuție în 31 de țări din Europa. Secția centrală al Grupului Lindab este Foråbo, în sudul Suediei.

Fila Lindab România a fost înființată în 1994. În 100+ ani de activitate pe piața românească, ne-am născut ca furnizori de produse și servicii de calitate superioară și parteneri de încredere atât pentru antreprenorii de construcții și investitorii instituționali, cât și pentru clienții particulari.

Produsele și sistemele constructive Lindab sunt disponibile prin rețeaua națională de distribuție.

Lindab LT
 Ferestre de mansardă

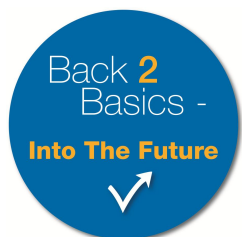
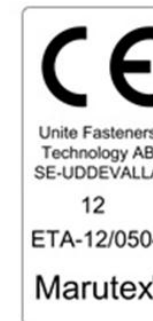
Lindab



Innovation – Q3 examples

- New Builders EcoBuild configurator launched as “App”. Application available on website, tablets and mobile-phones.
 - 5 orders already booked in Q3
 - New Builders recruited
 - Some EcoBuild leads turned into larger Astron buildings

- CE-marking and European technical approval for Unite’s self-drilling, state-of-the-art fastener, Marutex





Outlook



Outlook – comment from the CEO

- Slightly brighter for European construction market
- However, still many uncertainties in the macro-economic outlook
- We focus on creating offerings that are attractive irrespective of market conditions = Customer success = Our success > Lindab simplifies construction together with our customers
- Back to Basics - Into the Future: One Lindab, flatter organisation
- One Lindab means we must be more agile and use capabilities and competencies in a more effective way



Thank You

