



# Lindab Group Q4 2015

*“We simplify construction”*

*Anders Berg, President and CEO  
Kristian Ackeby, CFO*





# A good ending to a challenging year

## Key Highlights Q4 2015

- Sales increase 8% of which 3% organic.
- EBIT improved to 6,3% (SEK 124 m) from 5,6% (SEK 102 m) prior year, excluding one-off items.
- Products & Solutions reported the highest operating profit for the fourth quarter since 2008, validating the strategic focus.
- Cash flow from operations at SEK 266 m in line with prior year.
- Net debt SEK 1,657 m (SEK 1,746 m).
- EPS improved with close to 50% to 0,82 SEK.



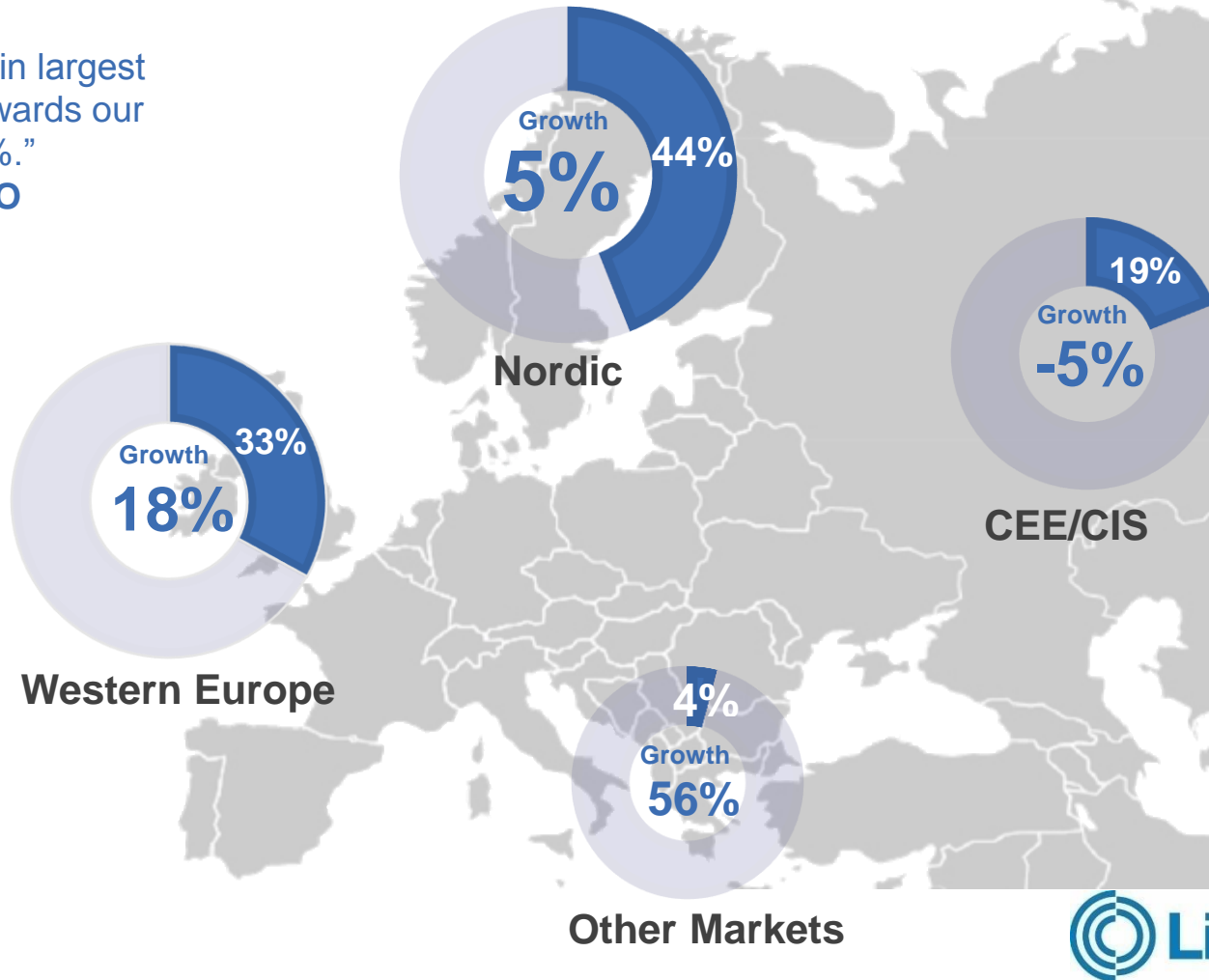
## 2015 – a year of transformation

- Important acquisitions and divestments
  - MP3, Nather and IMP Klima – complement and enhance our offering within ventilation solutions.
  - Lindab Inc. (US) – divestment due to limited synergies with the core portfolio.
- Building Systems
  - Market diversifications and focus on key account business.
- Distribution Center driving efforts in efficient availability, across the line good progress in all focus areas.
- Kristian Aceby, joined Lindab as new CFO, 1 December 2015.



# Nordic continues to be our most important market

”Good sales performance in largest markets driving growth towards our sales target of 5-8%.”  
**Anders Berg, CEO**





## Sales development by product areas

Segment/Product areas	Trend	Comments
<b>Products &amp; Solutions</b>		
Ventilation Products		Ventilation Products continues to develop with a positive organic growth in line with previous quarter driven by successful development of circular fittings business.
Indoor Climate Solutions		Indoor Climate Solutions continued during the quarter with a positive organic growth, but on a slightly lower level compared to previous quarter influenced by project deliveries and related volatility.
Air Movement		Continues with a strong organic development also compared to last quarter, complemented by structural activities, where both fans and Air handling units continue to grow. Continued positive development in Residential Ventilation Solutions.
Fire and Smoke		Our smallest product area Fire control systems continues to develop with a strong organic growth, complemented by structural activities, where Smoke control systems develop well, however, from lower levels.
Rainwater & Building Products		Rainline product range is now back to organic growth, improving from last quarter, while Building Products as such remains soft in the development.
Building Solutions		Building Solutions did not manage to deliver organic growth during the quarter. Steel price volatility had an impact on project pricing, and Lindab has in CEE/CIS made cautious choices to have a more selective approach while the same is also valid for North Europe but to a lesser extent.
<b>Building Systems</b>		Increase related to key account business. Several new projects received during the quarter where Lindab continue to have a clear focus on market diversification.

# Financials



# A good ending to a challenging year

## Lindab Group financial highlights Q4 2015

- Good sales growth in Nordic Region, Western Europe and Africa.
- EBIT\* margin improved 0,7pp.
- Tax rate slightly improved to 31% (33%), still high since deficit not being fully utilized.
- Net profit improved 50% to SEK 63 m.

SEK m	Q4'15	Q4'14	Chg %
Sales	1,980	1,836	8
Organic, %	3		
Structure, %	5		
Currency, %	0		
EBIT*	124	102	22
EBIT*, %	6.3	5.6	0.7 pp
Fin net	-9	-18	50
Tax	-28	-21	-33
<b>Net profit</b>	<b>63</b>	<b>42</b>	<b>50</b>

*\*) Excluding one-off items of SEK -24 m in Q4 2015 and SEK -21 m in Q4 2014*



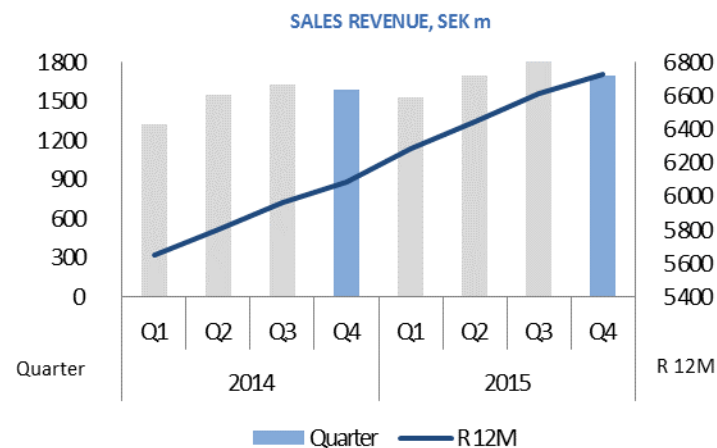
# Highest operating profit in a fourth quarter since 2008

## Products & Solutions financial highlights Q4 2015

- Good growth in the Nordic region, Germany and UK, while CEE/CIS remains challenging.
- Highest operating profit in a fourth quarter since 2008.
- Adjusted for structural changes the operating margin increased compared to last year.
- Integration of acquisitions developing according to plan.

SEK m	Q4 '15	Q4 '14	Chg %
Sales	1,698	1,587	7
Organic, %	1		
Structure, %	5		
Currency, %	1		
EBIT*	113	106	7
EBIT*, %	6.7	6.7	0 pp

\*) Excluding one-off items of SEK -8 m in Q4 2015 and SEK -13 m in Q4 2014







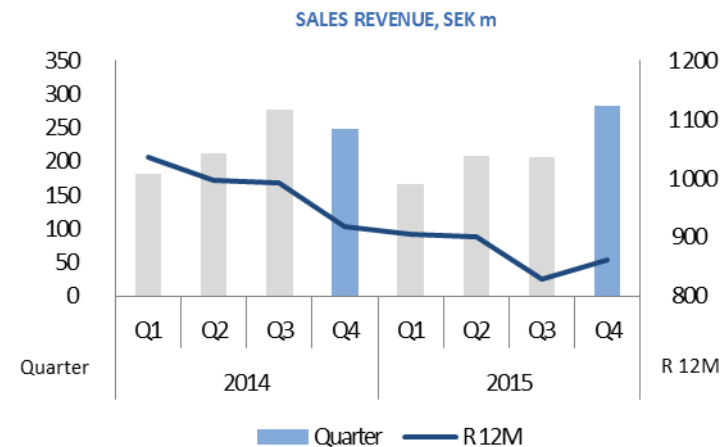
# Sales and EBIT increased significantly

## Building Systems financial highlights Q4 2015

- Organic sales increased 17%, large shipments to Africa.
- Order backlog at the end of the quarter was comparable with the same quarter last year.
- Leverage on higher volumes, EBIT\* margin improved to 9.9% (1.6%).
- Cost reduction initiatives continues, expensed SEK 9 m in Q4'15 as one-off items.

SEK m	Q4 '15	Q4 '14	Chg %
Sales	282	249	13
Organic, %	17		
Structure, %	0		
Currency, %	-4		
EBIT*	28	4	600
EBIT*, %	9.9	1.6	8.3 pp

\*) Excluding one-off items of SEK -9 m in Q4 2015 and SEK -8 m in Q4 2014





# Operating cash flow SEK 266 m in line with prior year

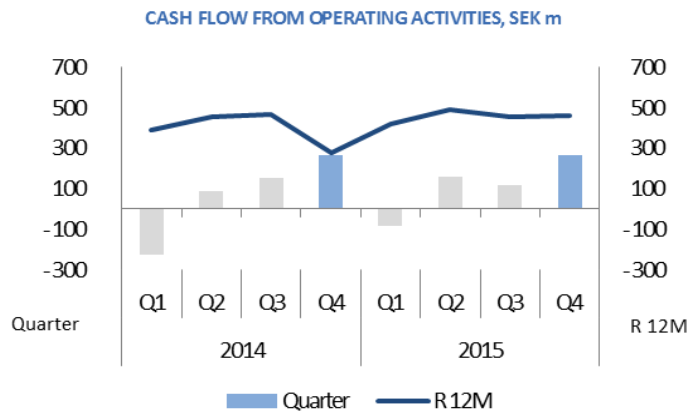
Lindab Group cash flow Q4 2015

- EBIT improved SEK 19 m.
- Stock reduction generated SEK 79 m.
- Net debt end of December amounted to SEK 1,657 m (1,746).

SEK m	Q4 '15	Q4 '14
Cash flow from		
- operating activities*	146	106
- change in working capital	145	171
- investing activities	-31	-47
- financial net paid	-7	-10
- tax paid	-18	-4
Free cash flow	235	216
<b>Adjusted free cash flow**</b>	<b>230</b>	<b>226</b>

\*) Excluding what is specifically stated below in table.

\*\*) Adjusted for acquisitions (2014/2015).





## The Board of Directors proposed dividend

- Dividend policy: Lindab will distribute 30% of the company's profit after tax, taking into account the company's capital structure, acquisition needs and long term financing requirements.
- Proposed dividend: SEK 1,25 per share.
  - 31% of reported net income.
- Strong operational cash flow 2015 supports dividend proposal.
- Total proposed dividend amounts to SEK 95 m.

# Market Update



# Building Solutions

Catena's concept plant in Varalöv



*Varalöv, Sweden*

"We are pleased that the project now will start. We have been working a long time for this project. We are looking forward to see the result and we are convinced that it will be really good."

**Tomas Ledel, Project Manager at Lindab**

- Energy efficient building of SEK 22 m, Sweden.
- The building is a concept plant of 56,000 sqm e-trading logistics, Varalöv Sweden.
- Innovative Heat System in combination with Lindab's energy efficient panels and ventilation.
- Decking Profiles and Sandwich Panels.
- Deliveries February 2016.





## Products & Solutions – Fan assortment

Selling Complete Ventilation Solutions is about being our customers' expert partner



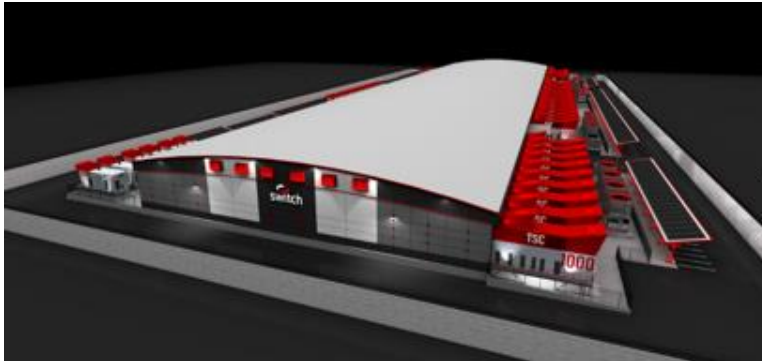
- Information overload and too many choices don't help us make the best decision.
- We would often prefer someone we trust, helping us to find the best option.
- At Lindab we love to simplify daily life for our customers, so bringing neatness and order to our vast fan assortment seemed natural.
- A group wide fan range, working closer with fewer strategic partners.
- Launched in November 2015.





## Building Systems

Example of significant orders in the quarter



*Supernap, Italy*



*Sports arena, Russia*

- Supernap data center, SEK 48 m, Italy.
- Deliveries will mainly be carried out during the first half of 2016.
- State-of-the-art data center designed to the highest standards for safety, sustainability and water tightness.
  
- Sports arena, SEK 43 m, Russia.
- The delivery will be carried out during the second half of 2016.
- Several Astron single-storey and multi-storey blocks, 28,880 sqm.







# New smoke control systems launched in selected markets

Solutions for a safe indoor environment



- Every component in our solutions is tested in the harshest of environments and is certified in accordance with the strictest standards.
- Lindab's Smoke Control System is designed to control combustion gases and direct them out of the building.
- The solution is made up of a number of components such as combustion gas dampers, compensators, and ducts which are reliable even at very high temperatures. Smoke is evacuated by means of one or more mechanical fans.



# Strategy in action

## Round revolution going into Circular Evolution, Lindab at Expo Interclima in Paris



### Residential Solutions

Lindab can supply a whole indoor climate package for a safe, comfortable and healthy indoor climate in all types of residential buildings.

### Office Solutions

Lindab helps you to customise the right solution for a productive indoor climate and can meet requests for the most specialised solutions.

### Hotel Solutions

Lindab's solutions help ensure that the guest has a perfect stay, at the lowest possible energy cost.

### Hospital Solutions

Lindab can meet the very highest technical requirements where maximum hygiene safety needs to be assured, such as operating theatres, laboratories and intensive care wards.

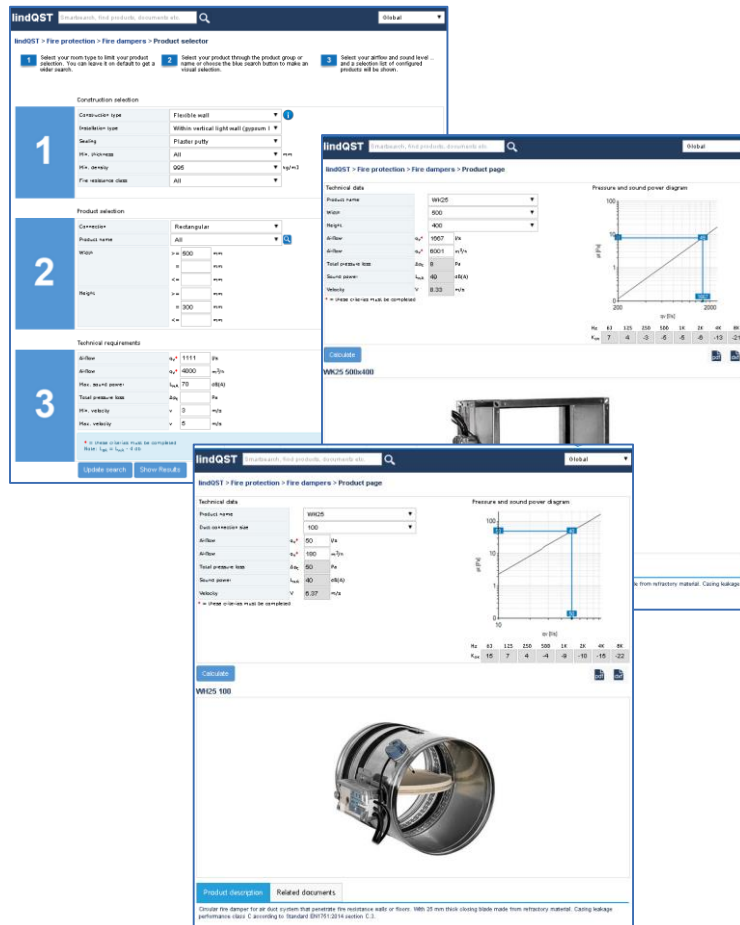
### Leisure Solutions

Lindab has delivered indoor climate solutions for a long list of different buildings in the leisure industry – many with exceptional requirements and highly specialised requests.



# Moving forward fast on Software Development

Simplify construction by providing leading support to customers



- New lindQST – the leading advanced web tool that makes document search and room dimensioning easy. With lindQST all documentation is made available directly on the web and mobile devices.
- Fire damper selector and calculator
  - *New 3D powered Indoor Climate Designer.*
  - *New principle of chilled beam velocity presentation.*
  - *Sound and flow visualization.*
  - *Improved project management.*



# Outlook



# Soft improvement of European construction market

## Market development

- The recovery of the European construction market remains soft. Sentiment is improving but output growth is lagging behind, uncertainty in the development is apparent.
- Ventilation business develops stronger than the overall construction market.
- Declining raw material prices has negative economic impact on net exporting markets like Russia and Norway.
- We continue to improve our customer offering and market penetration and see improved market shares in targeted markets.

Construction output & sentiment in EU

Source: Eurostat & European Commission





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# Thank you

Annual General Meeting

3 May, 2016, 4.00 pm

Location: Grevieparken, Båstad, Sweden

