



lindab | we simplify construction

# Lindab Group

## Q1 2016

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

*We simplify construction*







# Agenda

- **Summary and overview**
- **Financials**
- **Highlights**
- **Outlook**
- **Summary and Q&A**



# Summary and overview



# Good start to 2016

## Key financial highlights Q1 2016

- 5% organic growth, very strong growth in Building Systems and 10<sup>th</sup> consecutive quarter with organic growth in Products & Solutions.
- EBIT increased to 4.0% (SEK 70 m) from 3.2% (SEK 54 m) prior year, excluding one-off items.
- Profit for the period increased to SEK 32 m (27).
- Earnings per share increased with 20% to 0.42 SEK (0.35).
- Cash flow from operations amounted to SEK -79 m (-83).
- Net debt SEK 1,760 m (1,999).



# Good start to 2016

## Key highlights Q1 2016

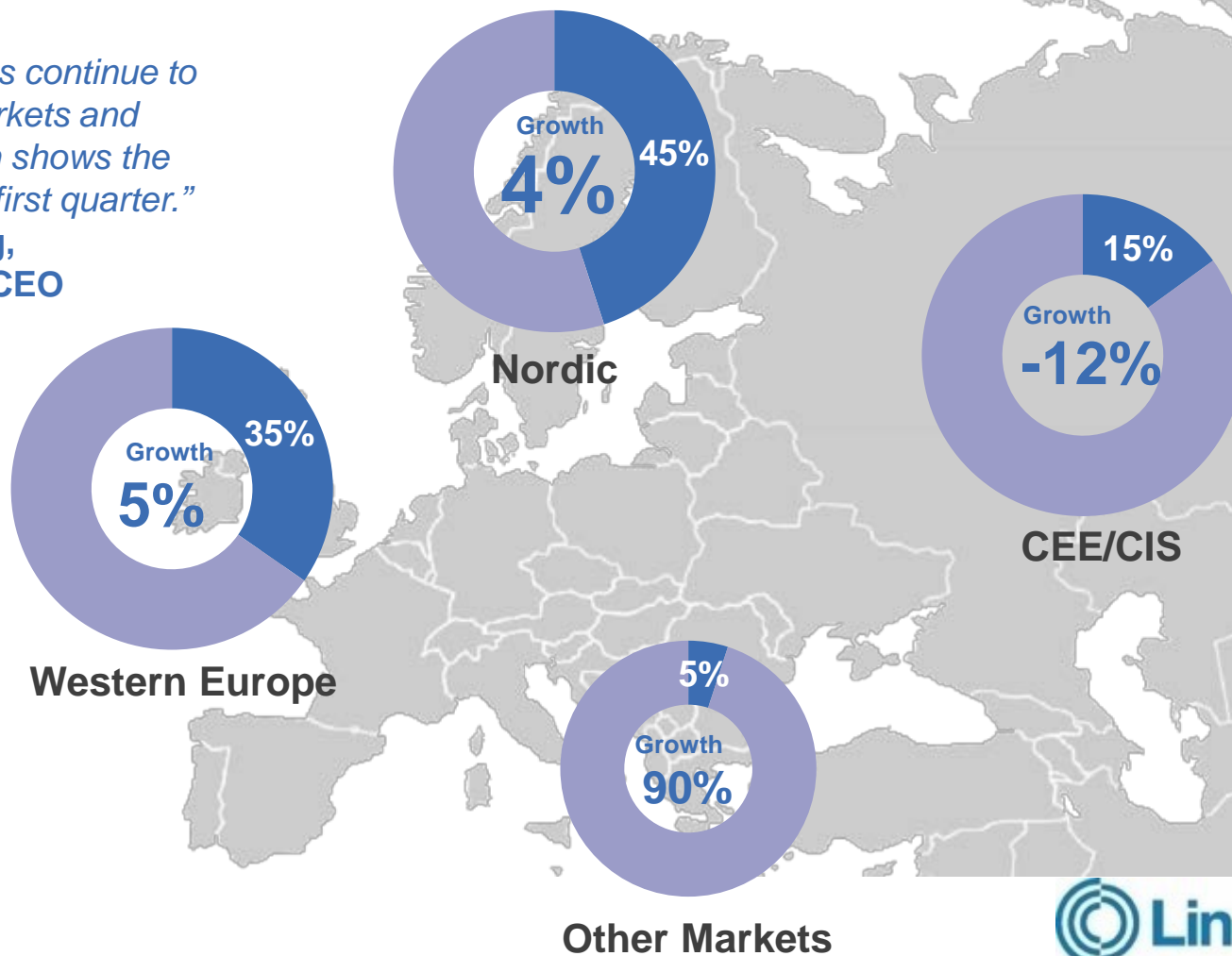
- Strong start of 2016 with the best EBIT in a Q1 since 2008 for Products & Solutions and all-time-high sales for Sweden in a first quarter.
- Launch of UltraLink – new groundbreaking measuring technology.
- Lindab participated at Nordbygg and Mostra, the two largest European construction fairs.
- Air handling units and fire dampers from IMP and MP3 adapted and certified for the Nordic markets. Very good response from the market.
- Launch of Magestic, new building product system.
- Order of SEK 60 m, Sweden and order of SEK 57 m, Russia.



## Strong growth in large markets

*"I am proud that our sales continue to grow in our large markets and especially that Sweden shows the highest sales ever for a first quarter."*

**Anders Berg,  
President and CEO**





# Organic growth in both segments

Segment/Product areas	Trend	Comments
<b>Products &amp; Solutions</b>		
Ventilation Products	➔	Mixed picture with good growth in Nordic but a somewhat weaker development in Western Europe, primarily in Germany and France.
Indoor Climate Solutions	➔	Positive sales trend in all regions.
Air Movement	➔	Continued strong trend due to strategic activities and underlying demand.
Fire and Smoke	➔	Integration of MP3 and strategic focus drives good organic growth.
Rainwater & Building Products	➔	Weak sales in CEE/CIS but positive development for Rainline in both the Nordic markets and in Western Europe.
Building Solutions	➔	Returned to growth after slow Q4. SEK 60 m order for energy efficient logistic center booked in Sweden.
<b>Building Systems</b>	➔	Very strong growth driven by key account sales to Africa and Italy.

# Financials





# Good start to 2016

## Lindab Group financial highlights Q1 2016

- Organic growth in both segments.
- EBIT increased as a combination of higher sales and margin.
- Tax rate increased due to loss carry-forwards not being fully recognised.

SEK m	Q1 '16	Q1 '15	Chg %
Net Sales	1,752	1,694	3
Organic, %	5		
Structure, %	0		
Currency, %	-2		
EBIT <sup>1</sup>	70	54	30
EBIT <sup>1</sup> , %	4.0	3.2	0.8 pp
Fin net	-10	-13	23
Tax	-26	-14	-86
Net profit	32	27	19

<sup>1)</sup> Excluding one-off items of SEK -2 m (0)



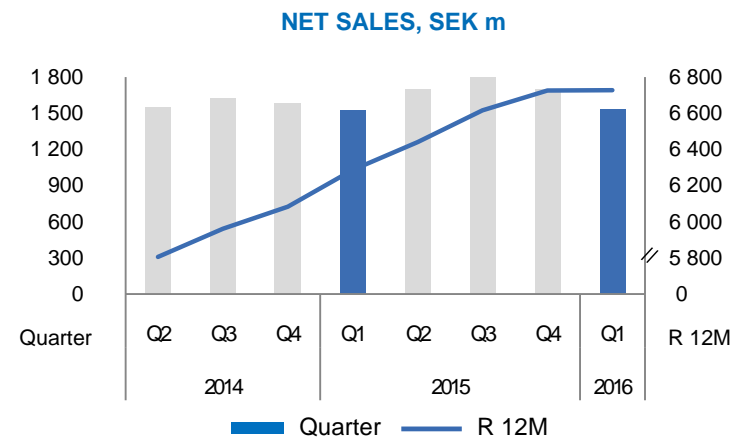
# Good performance in mixed market conditions

## Products & Solutions financial highlights Q1 2016

- Good growth in the Nordic region, with all time high in Sweden for a first quarter.
- EBIT increased 4% despite uneven sales development between markets.
- Integration of acquisitions developing according to plan.

SEK m	Q1 '16	Q1 '15	Chg %
Net Sales	1,529	1,528	0
Organic, %	1		
Structure, %	1		
Currency, %	-2		
EBIT <sup>1</sup>	76	73	4
EBIT <sup>1</sup> , %	5.0	4.8	0.2 pp

<sup>1)</sup> Excluding one-off items of SEK 0 m (0)





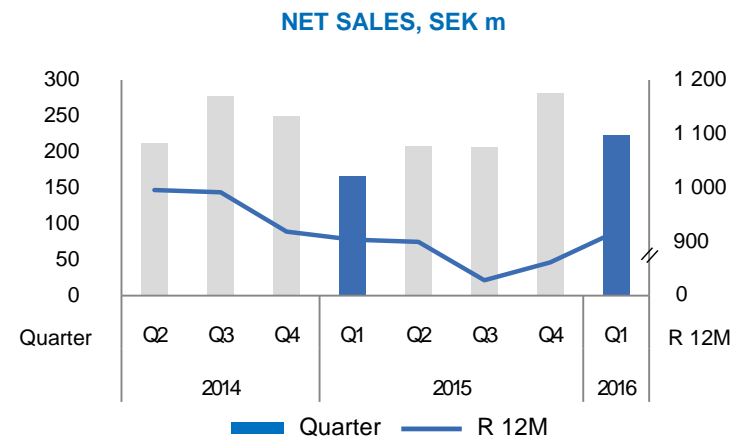
# Profit for the first time in Q1 since 2009

## Building Systems financial highlights Q1 2016

- Organic sales increased 38%, large shipments to Africa and Italy.
- EBIT margin increased as a leverage on higher volumes.
- Order backlog at the end of the quarter was comparable with the same period last year.

SEK m	Q1 '16	Q1 '15	Chg %
Net Sales	223	166	34
Organic, %	38		
Structure, %	0		
Currency, %	-4		
EBIT <sup>1</sup>	2	-5	200
EBIT <sup>1</sup> , %	0.9	-3.0	3.9 pp

<sup>1)</sup> Excluding one-off items of SEK 0 m (0)





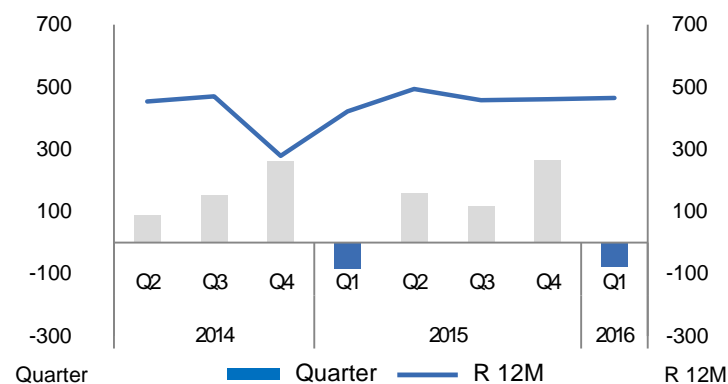
# Operating cash flow in line with last year

Lindab Group cash flow Q1 2016

- EBIT increased SEK 14 m.
- Impact from working capital negative SEK -8 m mainly due to the higher sales.
- Net debt amounted to SEK 1,760 m (1,999).

SEK m	Q1 '16	Q1 '15
Cash flow from		
- operating activities <sup>1</sup>	91	67
- change in working capital	-132	-124
- investing activities	-20	-174
- financial net paid	-9	-6
- tax paid	-29	-20
Free cash flow	-99	-257
Adjusted free cash flow <sup>2</sup>	-99	-116

CASH FLOW FROM OPERATING ACTIVITIES, SEK m



1) Excluding what is specifically stated below in table  
 2) Adjusted for acquisitions (2015)

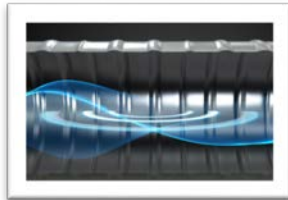


# Highlights



# Exciting quarter with a lot of activities

Highlights from the quarter



**UltraLink**  
New technology



**SEK 60 m**  
Order Varalöv, Sweden



**Nordbygg fair**  
Sweden  
Introduction of products from IMP and MP3 to the Nordic Markets



**Wireless air-flow sensors**

First "Internet of Things" (IoT) prototype project finished



**Magestic**  
New building product system



**Mostra fair**  
Italy

**SEK 57 m**  
Order Kaliningrad, Russia

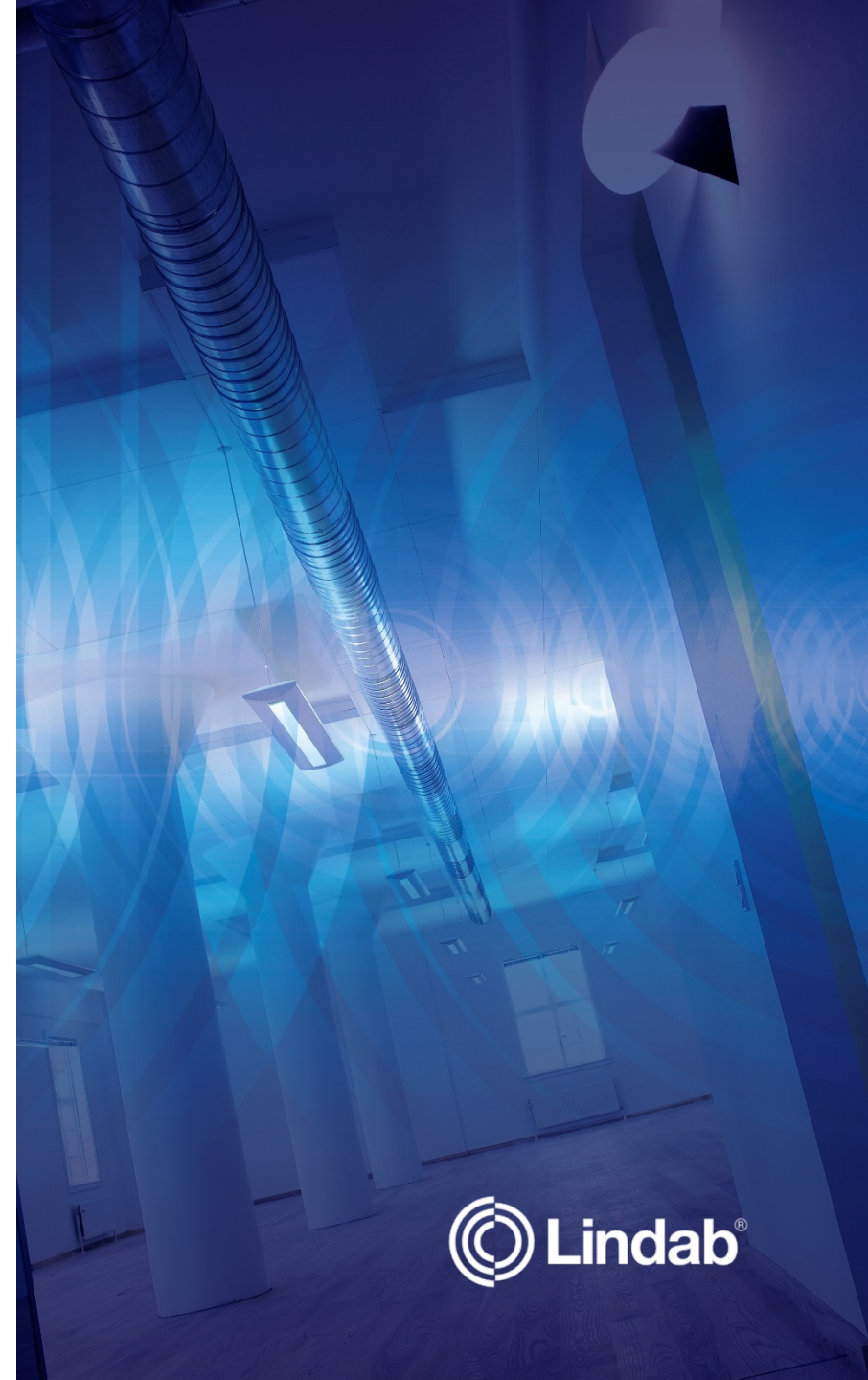




# UltraLink

The only thing you can't measure is its potential

- A new innovation from Lindab for measuring air flow and temperature without loss of pressure in the ventilation system.
- Important part of the future's indoor climate solutions.
- New products and solutions will be introduced in 2016.
- Important step to integrate our solutions to future technologies such as IoT.







# Important fairs in 2016

Nordbygg and Mostra

- At Nordbygg, products from IMP Klima and MP3 were introduced for the Nordic markets.
- At Mostra we presented the integration of MP3 and IMP Klima and our complete offering within ventilation.
- Very positive response from the market on strategy and development of Lindab, gaining interest on new products and solutions, launched in 2016.







# Lindab Magestic

Next generation of building products

- Lindab Magestic - an "un-painted" building product system in core markets.
- A product with excellent capabilities when exposed to severe conditions combined with a fantastic aging effect.
- Available both for rainwater products and standing seam applications with best possible environmental performance.
- Launched during 2016.



# Outlook



# Continued soft improvement of construction market

## Market development

- The recovery of the European construction market remains soft.
- Ventilation business develops stronger than the overall construction market.
- Increased market uncertainty due to volatile raw material prices and slightly downward revised forecasts<sup>1</sup> for European economic growth.
- 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



<sup>1</sup> Source: IMF World Economic Outlook (Apr 2016)



# Summary and Q&A





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# Thank you Q&A

*“Lindab’s innovative solutions create ultimate comfort in the buildings of the future.”*

