



lindab | we simplify construction

Lindab Group

Q3 2016

Anders Berg, President and CEO
Kristian Aceky, CFO

We simplify construction





Agenda

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



Summary and overview



Higher sales and higher operating margin

Key financial highlights Q3 2016

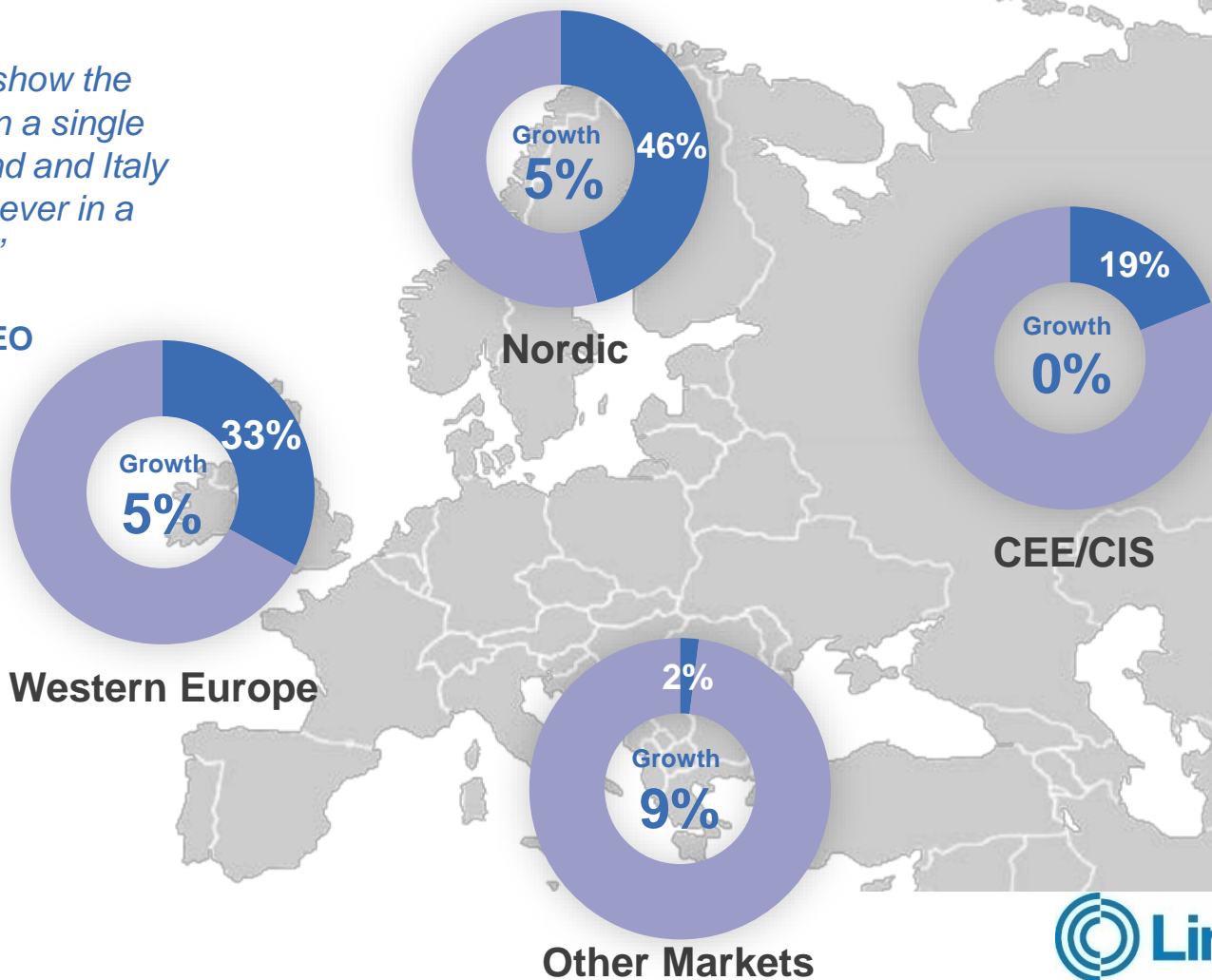
- Net sales increased to SEK 2,042 m (2,008), organic growth of 4 percent.
- Operating profit increased 8.6% to SEK 190 m (175), excluding one-off items of SEK -25 m (30).
- Operating margin increased to 9.3% (8.7), excluding one-off items.
- Profit for the period decreased to SEK 109 m (146), which is explained by one-off items.
- Earnings per share decreased to SEK 1.43 (1.91), which is explained by one-off items.
- Cash flow from operating activities increased to SEK 126 m (117).
- Net debt SEK 1,647 m (1,922).
- One-off items in Q3 mainly relates to structural cost reduction activities, including plant closures, to further increase the efficiency.



Strong growth in large markets

"Products & Solutions show the highest reported sales in a single quarter since 2008. Ireland and Italy have the highest sales ever in a single quarter."

Anders Berg,
President and CEO



Note: Information refers to share of total sales and organic growth in Q3 compared to the same quarter last year



Organic growth in both segments

| Segment/Product areas | Trend | Comments |
|---------------------------------|-------|--|
| Products & Solutions | | |
| Ventilation Products | | Growth in all regions with particularly strong trend in Nordic region. |
| Indoor Climate Solutions | | Continued good progress in most of the key markets. |
| Air Movement | | Decline due to a large project in Belarus previous year. Nordic and Western Europe show good organic growth. |
| Fire and Smoke | | Integration of acquisition and strategic focus drives strong organic growth. |
| Rainwater & Building Products | | Relatively stable sales in Nordic region but weak sales in CEE/CIS. |
| Building Solutions | | Strong growth primarily related to large project sales in Sweden. |
| Building Systems | | Large project shipments to Africa and Russia while CIS remains weak. |

Financials



Strong organic growth

Lindab Group financial highlights Q3 2016

- Organic growth in both segments.
- EBIT adjusted for one-off items increased with sales growth as key driver.
- Net profit decreased to SEK 109 m (146) due to one-off items.

| SEK m | Q3'16 | Q3'15 | Chg % |
|----------------------------|-------|-------|--------|
| Net Sales | 2,042 | 2,008 | 2 |
| Organic, % | 4 | | |
| Structure ¹ , % | -1 | | |
| Currency, % | -1 | | |
| EBIT ² | 190 | 175 | 9 |
| EBIT ² , % | 9.3 | 8.7 | 0.6 pp |
| Fin net | -8 | -10 | -20 |
| Tax | -48 | -49 | -2 |
| Net profit | 109 | 146 | -25 |

¹⁾ Net of acquisitions and divestments.

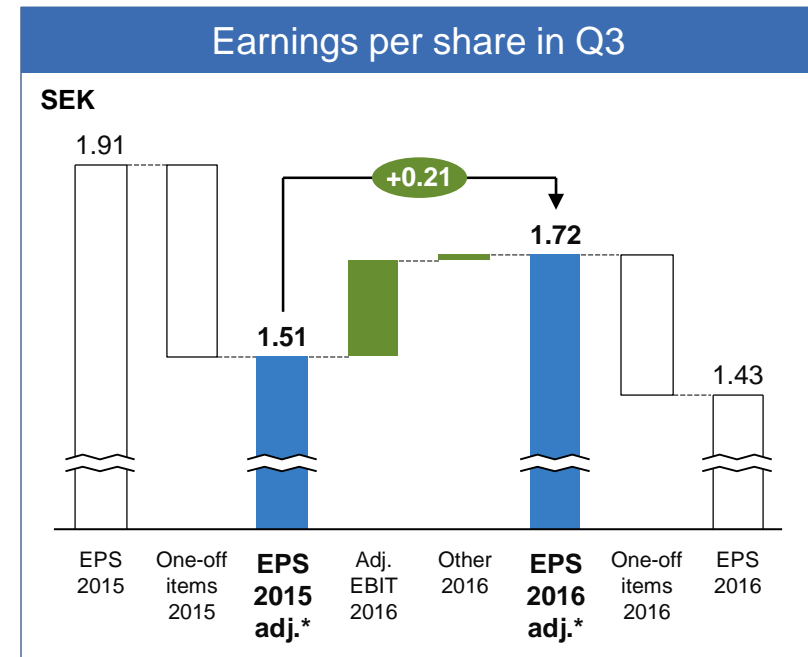
²⁾ Excluding one-off items of SEK -25 m (30)



Underlying earnings improving

Lindab Group financial highlights Q3 2016

- Decline in earnings per share in Q3 fully explained by impact from one-off items in 2016 and 2015.
- Underlying earnings per share increased SEK 0.21 or 14%.
- One-off items this year mainly relates to cost reduction initiatives including plant closures and prior year largest impact in one-off items was negative goodwill.



*) EPS adjusted for one-off items net of tax .





Continued good growth with leverage

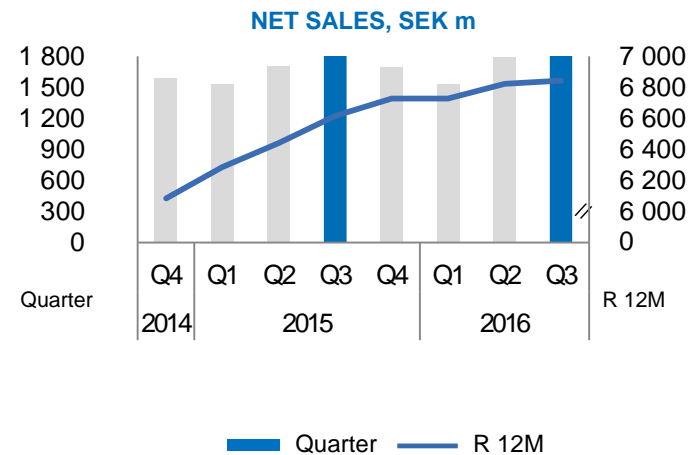
Products & Solutions financial highlights Q3 2016

- Strong sales development in the Nordic region and Western Europe.
- EBIT increased 9% as result of higher sales and improved gross margin.
- Structural activities initiated in Q3 to improve efficiency.

| SEK m | Q3'16 | Q3'15 | Chg % |
|----------------------------|-------|-------|--------|
| Net Sales | 1,823 | 1,802 | 1 |
| Organic, % | 3 | | |
| Structure ¹ , % | -1 | | |
| Currency, % | -1 | | |
| EBIT ² | 203 | 186 | 9 |
| EBIT ² , % | 11.1 | 10.3 | 0.8 pp |

¹⁾ Net of acquisitions and divestments.

²⁾ Excluding one-off items of SEK -24 m (30)





Strong sales but disappointing margin

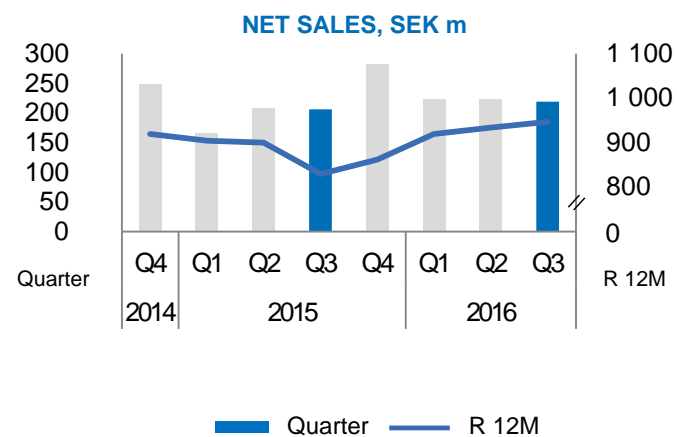
Building Systems financial highlights Q3 2016

- Organic sales increased 9%, large shipments to Russia and Africa.
- Margin negatively affected by project mix.
- Order backlog comparable with same period last year.

| SEK m | Q3'16 | Q3'15 | Chg % |
|----------------------------|-------|-------|--------|
| Net Sales | 219 | 206 | 6 |
| Organic, % | 9 | | |
| Structure ¹ , % | 0 | | |
| Currency, % | -3 | | |
| EBIT ² | -3 | -4 | n/a |
| EBIT ² , % | -1.4 | -1.9 | 0.5 pp |

¹⁾ Net of acquisitions and divestments.

²⁾ Excluding one-off items of SEK 0 m (0)



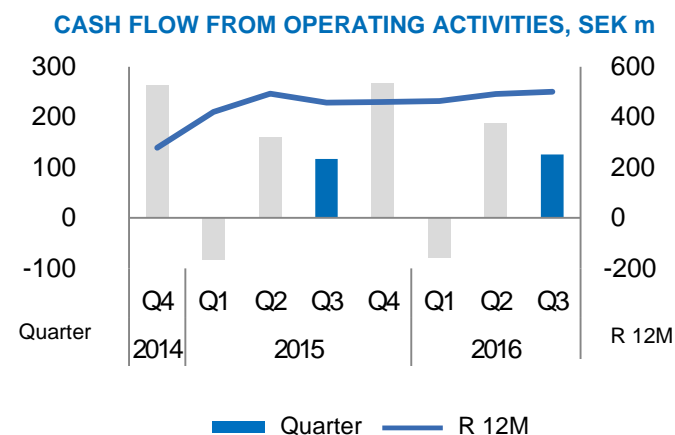


Cash flow used to improve net debt

Lindab Group cash flow Q3 2016

- Lower investing activities compared to prior year and higher cash flow from operating activities.
- Negative development in working capital mainly due to volume and timing.
- Net debt amounted to SEK 1,647 m (1,922).

| SEK m | Q3 '16 | Q3 '15 |
|--------------------------------------|--------|--------|
| Cash flow from | | |
| - operating activities ¹ | 197 | 194 |
| - change in working capital | -42 | -38 |
| - investing activities | -15 | -48 |
| - financial net paid | -6 | -11 |
| - tax paid | -23 | -28 |
| Free cash flow | 111 | 69 |
| Adjusted free cash flow ² | 111 | 90 |



1) Excluding what is specifically stated below in table

2) Adjusted for acquisitions and divestment (2015)

Highlights



Progress towards a more efficient company

Aligning our structure

- One-off items SEK 25 m, of which SEK 24 m relates to cost saving activities including plant closures.
- Including both cash and non-cash items.
- Largest item relates to closure of business and move of production entity in eastern Europe, communicated to employees.
- Payback expected to be less than 3 years on average.



Some highlights from the quarter

New range of compact Air Handling Units



Simplified DCV (Demand controlled ventilation) system for a perfectly sustainable indoor climate



Strengthened establishments in Stockholm



Lindab in Ireland reaching all time high, driven by Ventilation Residential Solutions and Air Movement



DC progress on plan

Lindab in Italy reaching all time high, Lindab Marine and Fire & Smoke driving growth

Lindab is supplying the complete fire system for the 11 high rise buildings and 14 flats buildings in Istanbul, Turkey with strict European norm standards

Lindab's division Building Systems (Astron) receives order worth 10,3 MEUR in Algeria



Find out more on YouTube by clicking on the icons above



Building Systems largest order

Largest order ever in Building Systems more than 50 years' of history

- Order value of 10,3 MEUR.
- Complex of Astron buildings for a new sugar production unit in Algeria.
- Including 20 buildings from standard buildings to very advanced multi-storey buildings.
- Primarily delivered during 2017.
- Scope of delivery include design, production and on-site support.



Sugar Refinery, Algeria

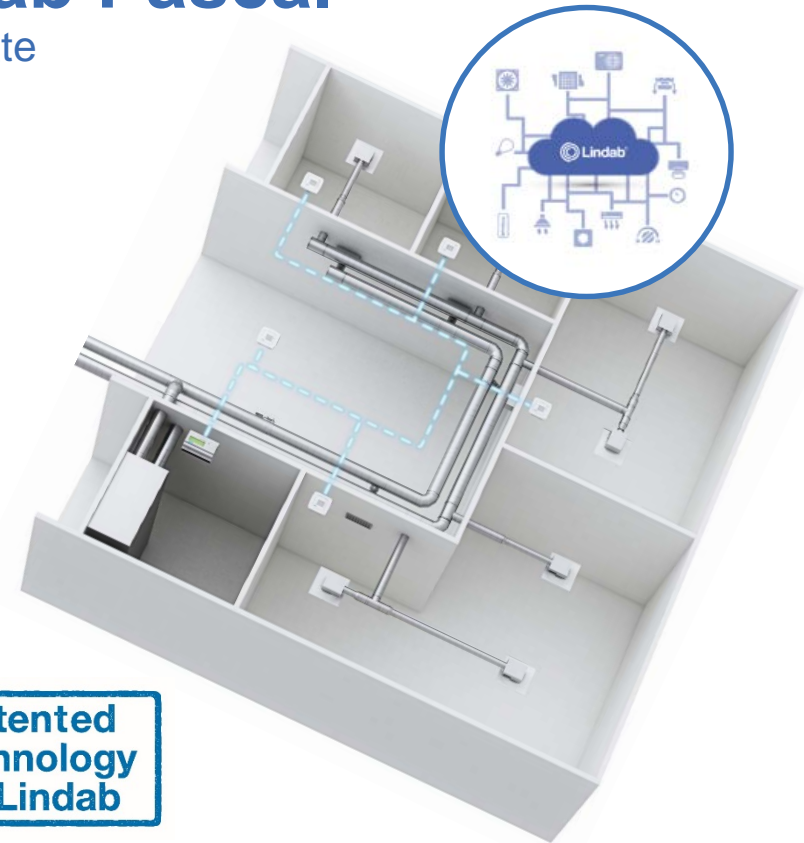


New enhanced version of Lindab Pascal

Simplified systems for a perfectly sustainable indoor climate

- Save ~30 % of the energy compared to traditional demand controlled systems in the market and up to 80% of the energy compared to traditional constant air volume system.
- For an “average European office building” this translate into energy savings of more than 10%.
- The recent product update, Pascal Master Web, is adding on new cloud-based control system capabilities.

**Patented
Technology
by Lindab**





New range of Air Handling Units

Lindab Plug & Play Compact Air Handling Units

- Perfect solution for smaller non-residential premises.
- Keeping it simple with flexible installation in limited spaces.
- Optimized price-performance ratio and a new cloud-based control system.
- Complete set of accessories and with integration into Lindab's ventilation ecosystem.



Outlook



Market development

Continued slowly improving end market

- The European construction market continue to develop at modest growth levels.
- Euroconstruct expect Lindab's main end market, the non-residential building market, to continue development at current levels also in 2017.
- Irish and Swedish markets particularly strong while CIS remain challenging.
- Geopolitical landscape remains a risk with Brexit and elections coming up in Europe and globally in Q4 and 2017.
- We continue to improve our customer offering and increase targeted market shares.

Construction output & sentiment in EU

Source: Eurostat & European Commission



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.”