



Lindab Group

Q1 2017

We simplify construction

Anders Berg, President and CEO
Kristian Aceky, CFO



Agenda

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



Summary and overview



Two segments with different stories

Key financial highlights Q1 2017

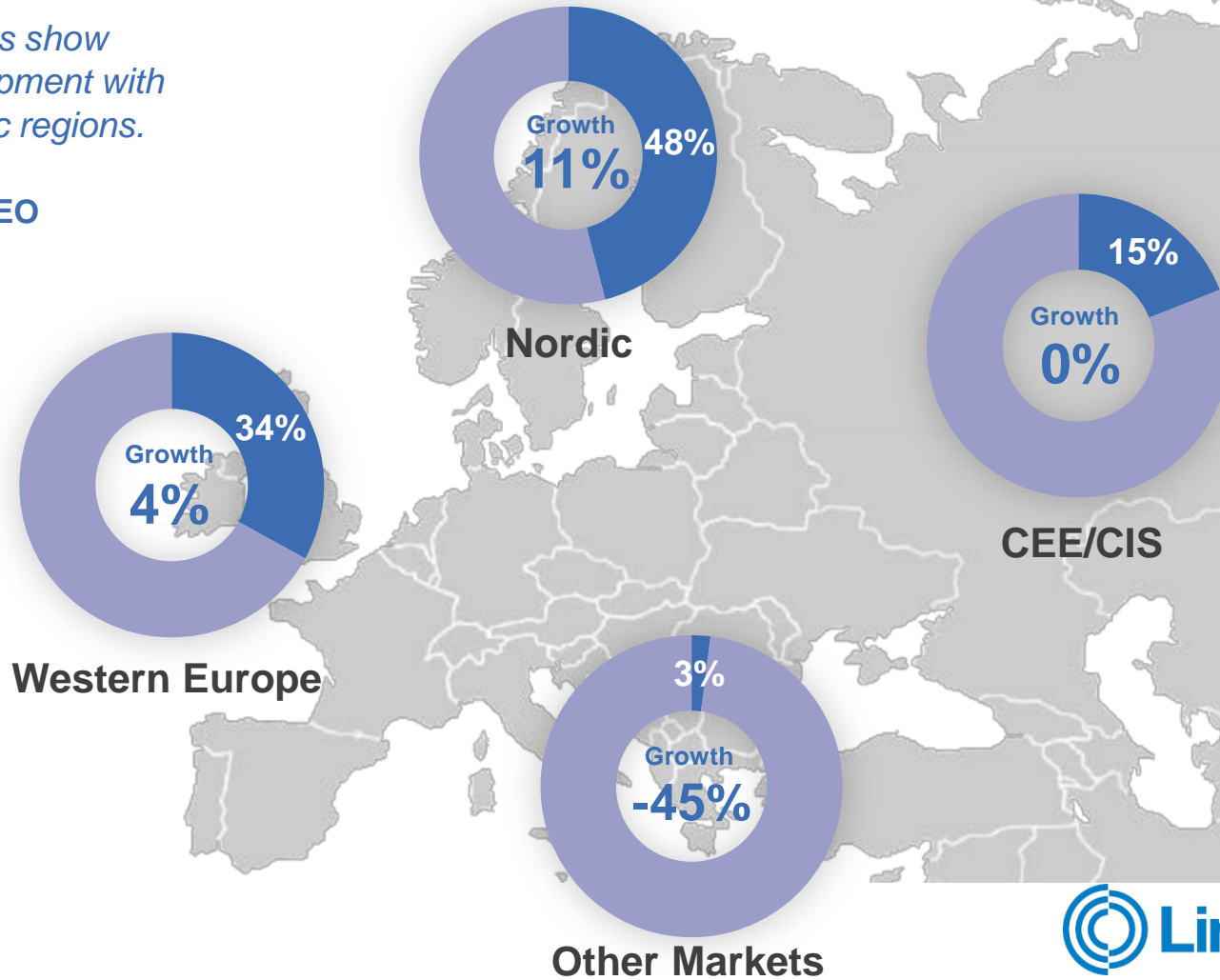
- Net sales increased to SEK 1,858 m (1,752), organic growth of 4%.
- Operating profit amounted to SEK 79 m (70), excluding one-off items of SEK -1 m (-2).
- Operating margin amounted to 4.3% (4.0), excluding one-off items.
- Continued good development in Products & Solutions while Building Systems had a weak quarter.
- Profit for the period increased 31% to SEK 42 m (32).
- Earnings per share increased to SEK 0.55 (0.42).
- Cash flow from operating activities amounted to SEK -40 m (-79).
- Net debt decreased to SEK 1,459 m (1,760).



Growth driven by Nordic and Western Europe

"Products & Solutions show continued strong development with growth in all geographic regions.

Anders Berg,
President and CEO





Strong growth in larger product areas

Segment/Product areas	Growth	Comments
Products & Solutions		
Ventilation Products	↗	Continued positive trend with good growth in all regions. Particularly strong sales trend in two largest markets, Sweden and Denmark.
Indoor Climate Solutions	↗	Strong growth in Nordic and Western Europe and more modest growth in CEE/CIS.
Air Movement	➡	Sales increased in both Nordic and Western Europe but weakened in CEE/CIS, primarily explained by larger project to Russia previous year.
Fire and Smoke	➡	Good growth in Western Europe driven by Ireland, UK and Germany but not enough to fully compensate for softer development in CEE.
Rainwater & Building Products	↗	Positive sales development across all regions.
Building Solutions	➡	Strong growth in Western Europe but growth rate slowed down due to tough comparison with large projects previous year in Sweden.
Building Systems	↘	Low sales in quarter. Backlog higher than previous year but with deliveries spread over longer period.

Financials



Good quarter despite challenges

Lindab Group financial highlights Q1 2017

- Net sales increased organically with 4% to SEK 1,858 m (1,752).
- Continued good development in Products & Solutions while Building Systems had a weak quarter.
- Net profit increased to SEK 42 m (32).

SEK m	Q1 '17	Q1 '16	Chg %
Net Sales	1,858	1,752	6
Organic, %			4
Structure ¹ , %			0
Currency, %			2
EBIT ²	79	70	13
EBIT ² , %	4.3	4.0	0.3 pp
Fin net	-8	-10	-20
Tax	-28	-26	8
Net profit	42	32	31

¹⁾ Net of acquisitions and divestments.

²⁾ Excluding one-off items of SEK -1 m (-2)



14th consecutive quarter with organic growth

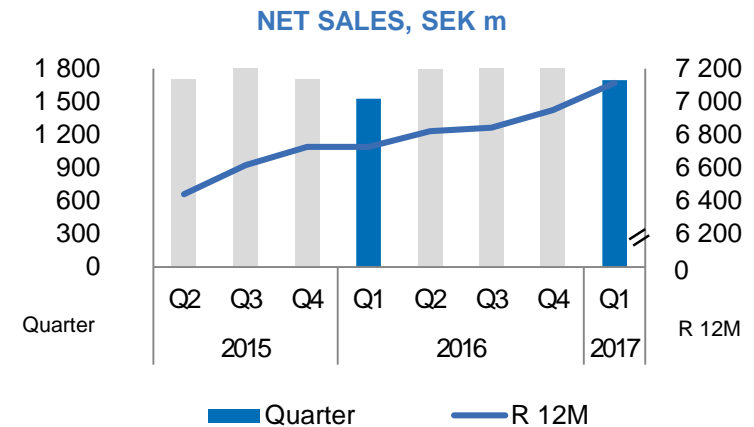
Products & Solutions financial highlights Q1 2017

- Net sales increased to SEK 1,695 m (1,529) with organic growth of 10%.
- All geographic regions show growth with particular strong sales development in the Nordic region and Western Europe.
- Good leverage with highest adjusted EBIT and EBIT% for a 1st quarter since 2008, mainly driven by increased volume.

SEK m	Q1'17	Q1'11	Chg %
Net Sales	1,695	1,529	11
Organic, %			10
Structure ¹ , %			0
Currency, %			1
EBIT ²	117	76	54
EBIT ² , %	6.9	5.0	1.9 pp

¹⁾ Net of acquisitions and divestments.

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





A weak quarter with lower sales and earnings

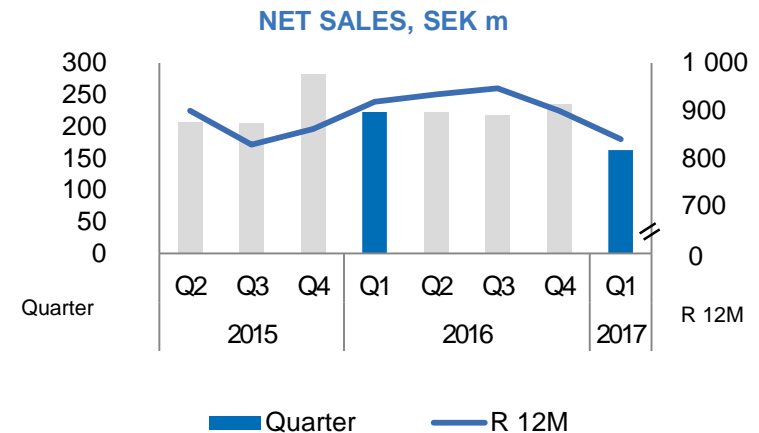
Building Systems financial highlights Q1 2017

- Net sales declined 33% organically to SEK 163 m (223), partly due to larger key account shipments to Africa and Italy last year.
- Margin negatively affected by low volumes and higher prices on raw material.
- Backlog at the end of Q1 higher than last year.

SEK m	Q1'17	Q1'16	Chg %
Net Sales	163	223	-27
Organic, %			-33
Structure ¹ , %			0
Currency, %			6
EBIT ²	-26	2	n/a
EBIT ² , %	-16.0	0.9	-16.9 pp

¹⁾ Net of acquisitions and divestments.

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



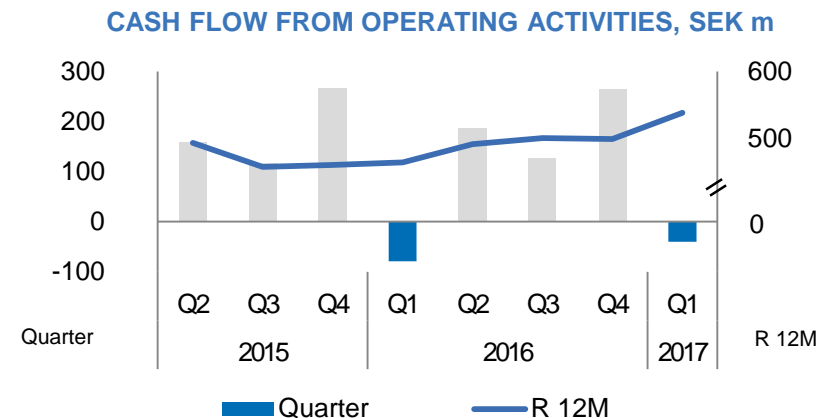


Improved cash flow

Lindab Group cash flow Q1 2017

- Higher cash flow mainly generated from operating activities.
- Improvements in working capital due to increased pre-payments from customers.
- Net debt amounted to SEK 1,459 m (1,760).

SEK m	Q1'17	Q1'16
Cash flow from		
- operating activities ¹	120	91
- change in working capital	-123	-132
- investing activities	-31	-20
- financial net paid	-6	-9
- tax paid	-31	-29
Free cash flow	-71	-99
Adjusted free cash flow ²	-71	-99



1) Excluding what is specifically stated below in table

2) Adjusted for acquisitions and divestments

Highlights



Highlights

Next step in execution of our strategy

- As next step in the execution of our strategy we now create the new function “Energy and Climate Solutions”, which is accountable for the product and solution development, sales and marketing as well as driving the development of the “digital value chain”.
- It is a pleasure to announce the recruitment of Olof Christensson who will lead the development, reporting to CEO Anders Berg, and being a member of the Executive Management Team of Lindab Group.
- Olof most recently served as President Engineering Services at Semcon in Gothenburg and will start with Lindab from mid-August.





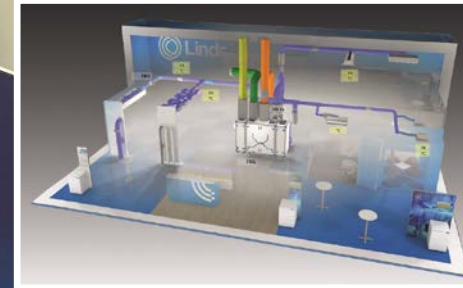
Highlights

ISH trade fair, Frankfurt, Germany

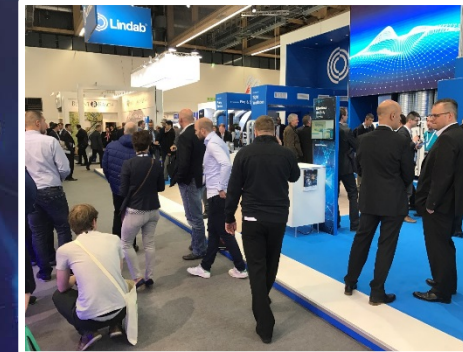
- Participated in the world's leading trade fair within building, energy, air-conditioning technology, and renewable energy
- Lindab showcased a complete energy efficient ventilation system to show Lindab's complete solutions managed through a cloud-solution – Lindab Connect.
- Significant savings in terms of money and environmental impact.

Simplifying
a digital
future of
construction

Lindab IT Solutions



Performance monitored in realtime for the complete ventilation solution



Visitors monitored in realtime



Energy efficient ventilation solutions built on the core offer from Lindab

” Thanks a lot that you have given me so much time today to better understand your system offering. This helped me to picture where we can apply [Lindab's offering]. Impressive what you created in just some years! It created a totally different picture of the value you are offering to your customers.



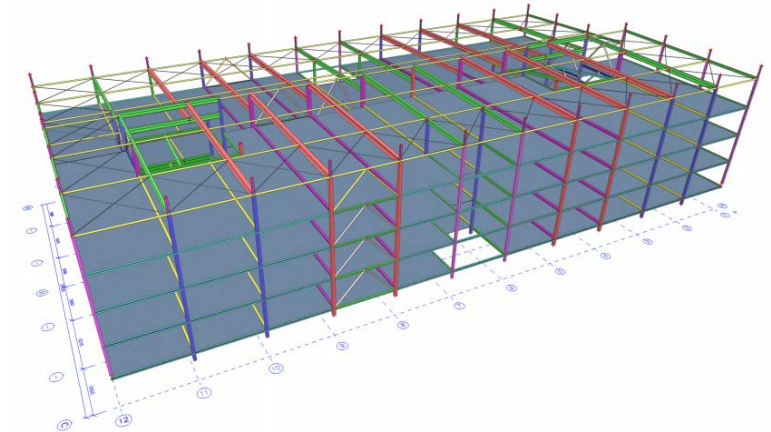


Highlights

Examples of prestigious orders

- Product & Solutions Finland, received an order to supply ventilation ducts, fittings and fire dampers to the Former YLEs radio and television HQ that's being renovated to modern office standards. The total order value is approximately SEK 8 m.

- Building Systems received five larger orders during the quarter. For example, to supply full assembling of a parking complex building in Germany to the value of EUR 2.2 m, and a warehouse in Russia to the value of EUR 1.4 m, where delivery and assembly is carried out by the Astron Builder.



Parking garage with ~600 lots

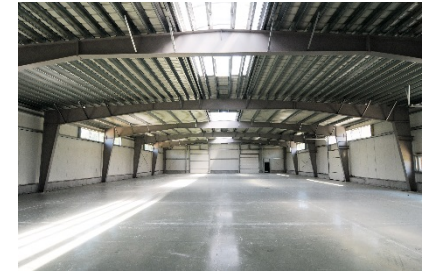




Building Systems

Challenges in the quarter

- The weak result in Q1 2017 explained by low sales volume combined with higher steel prices that result in a low gross margin.
- Building Systems is still challenged from not been able to successfully compensate for the significant increases in raw materials, impacting “steel intense” deliveries.
- Management changes implemented to further drive turn-around plan starts to show impact.
- Backlog continues to grow but with longer delivery schedules due to product mix. Russian market shows some recovery in combination with a stronger currency.
- We expect challenges to start to phase out during Q2 2017.





Some highlights from the quarter

Lindab Connect
Our cloud service offering



Competensum Award
Lindab has been awarded the Swedish Competensum Award for 2017 due to our conscious work with competencies and employee development.



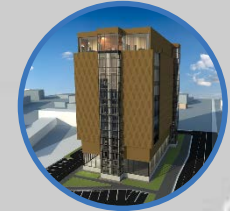
Product & Solutions
Receives a SEK 8 m order in Finland



Market Excellence
New establishment in Dublin, Ireland



Building Systems
receives order worth EUR 1.7 m in Mongolia and one order worth EUR 1.4 m in Russia



ISH
Lindab participated in the world's leading trade fair in Frankfurt, Germany



Find out more on YouTube by clicking on the icons on the map

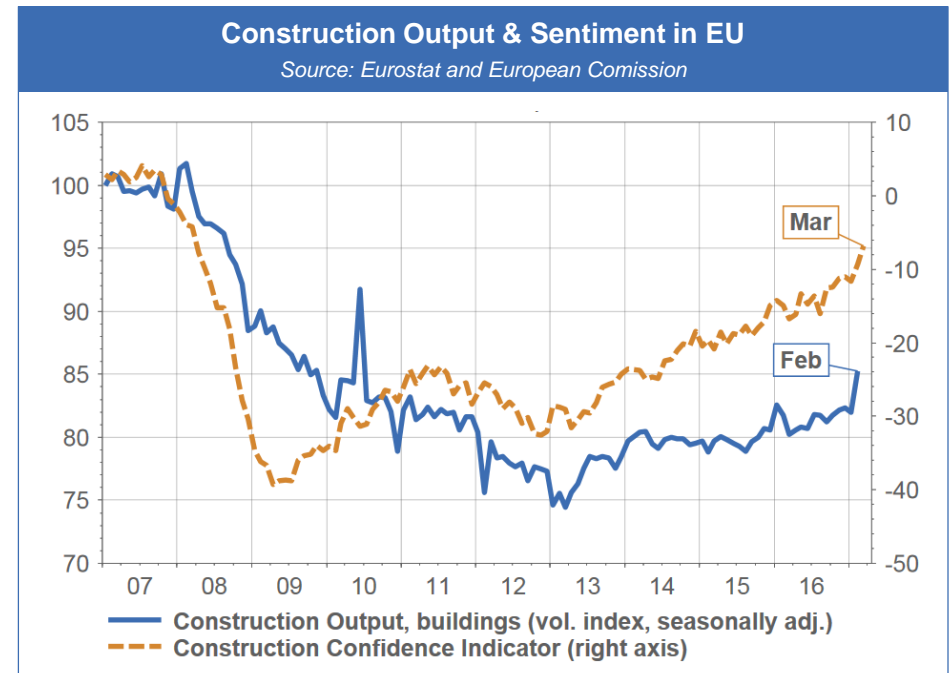
Outlook



Market development

Continued improving end market in uncertain geopolitical landscape

- Macroeconomic development in Europe with improving industrial order books, higher industrial capacity utilisation and improving consumer confidence.
- The European construction market also continue to improve but Euroconstruct predict slightly lower growth rate moving forward.
- Market uncertainty due to Brexit negotiations, elections and increased global geopolitical tension.
- We continue to improve our customer offering and increase targeted market shares.



Summary and Q&A



Good quarter with different stories in segments

Key financial highlights Q1 2017

- Net sales increased to SEK 1,858 m (1,752), organic growth of 4%.
- Operating profit amounted to SEK 79 m (70), excluding one-off items of SEK -1 m (-2).
- Operating margin amounted to 4.3% (4.0), excluding one-off items.
- Continued good development in Products & Solutions while Building Systems had a weak quarter.
- Profit for the period increased 31% to SEK 42 m (32).
- Earnings per share increased to SEK 0.55 (0.42).
- Cash flow from operating activities amounted to SEK -40 m (-79).
- Net debt decreased to SEK 1,459 m (1,760).

Thank you Q&A

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