

Lindab Group

Q2 2017

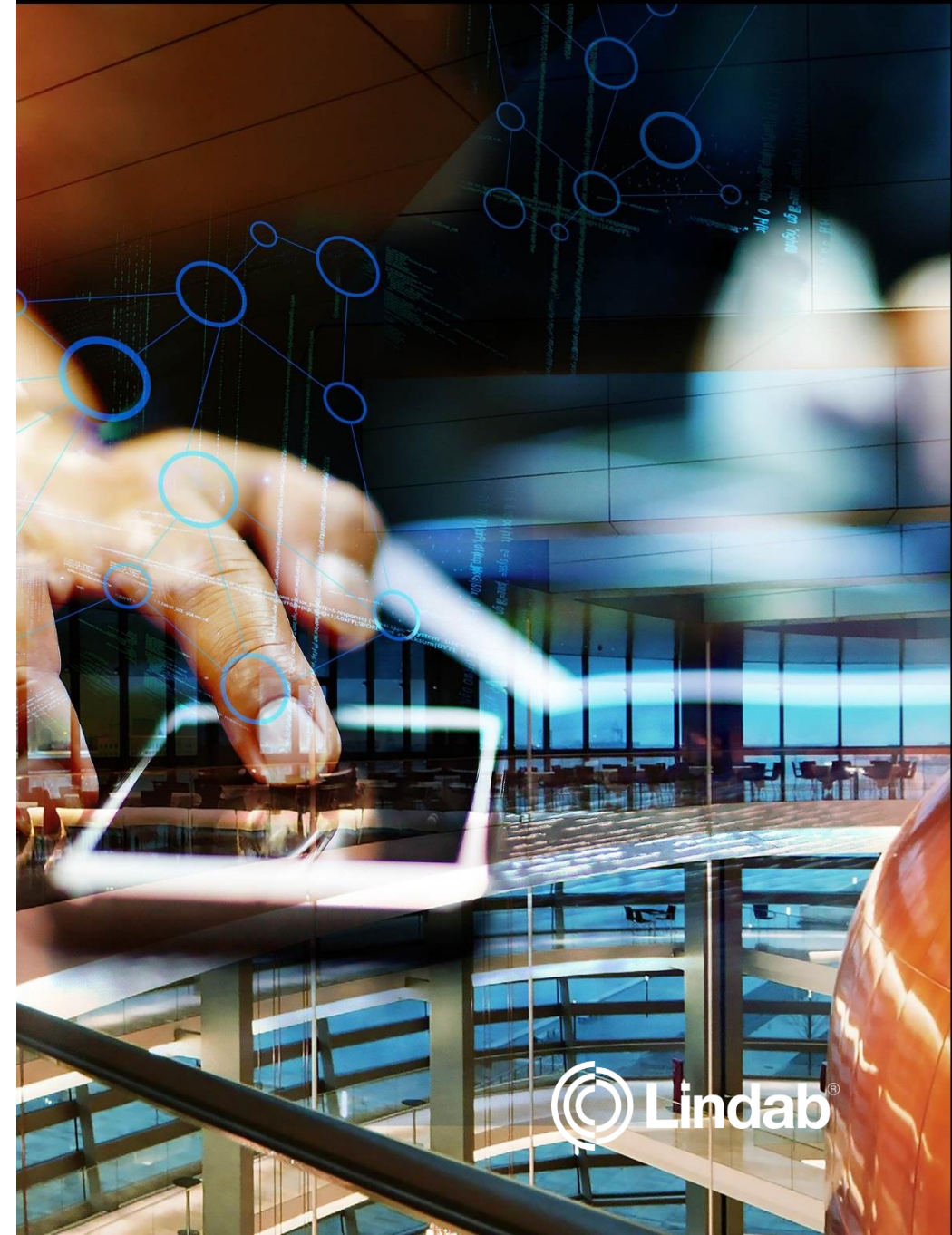
We simplify construction

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



Agenda

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



Summary and overview



Continued focus on profitability

Key financial highlights Q2 2017

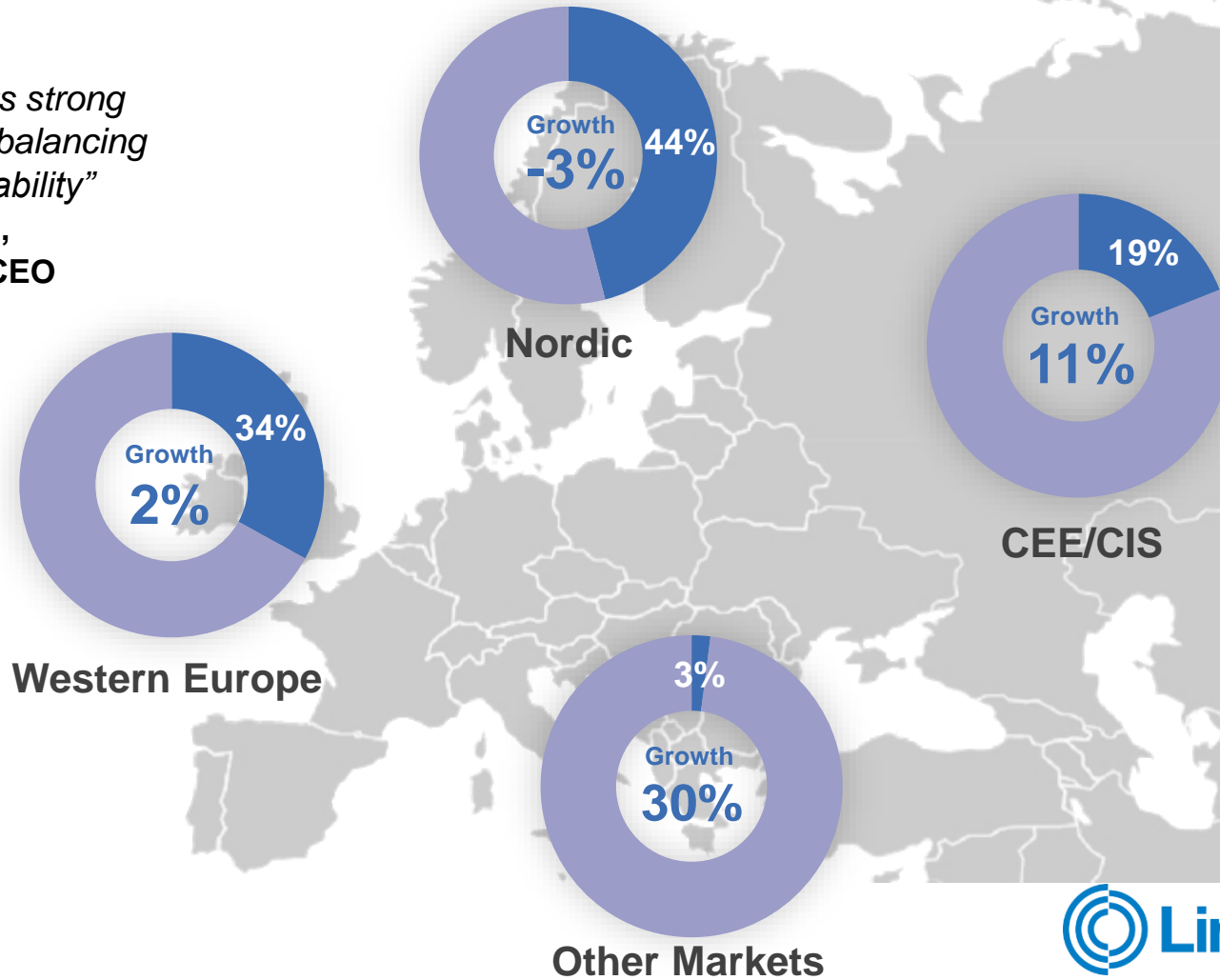
- Net sales increased to SEK 2,118 m (2,016), organic growth of 2%.
- Operating profit amounted to SEK 151 m (139), excluding one-off items of SEK 0 m (-1).
- Operating margin amounted to 7.1% (6.9), excluding one-off items.
- Profit for the period increased 23% to SEK 106 m (86).
- Earnings per share increased to SEK 1.39 (1.13).
- Cash flow from operating activities amounted to SEK 162 m (182).
- Net debt decreased to SEK 1,449 m (1,716).
- New credit agreements signed with improved terms.



Strong growth in CEE & CIS

"Lindab continued its strong focus on margins by balancing volume and profitability"

**Anders Berg,
President and CEO**





Strong growth in larger product areas

Segment/Product areas	Growth	Comments
Products & Solutions		
Ventilation Products	➔	Continued positive sales trend in all regions with good growth in three largest markets, Sweden, Denmark and United Kingdom.
Indoor Climate Solutions	➔	Double digit growth in Western Europe and CEE/CIS but also good growth in Nordic.
Air Movement	➔	Sales continued to increase in both Nordics and Western Europe while softer in CEE/CIS.
Fire and Smoke	➔	Overall slightly lower sales but large deviation between individual markets. Continued growth in largest market, UK, and also in Nordics and CEE / CIS.
Rainwater & Building Products	➔	Slightly softer development in Nordics and continued growth in CEE.
Building Solutions	➔	Mainly project related business. Sales decline fully explained by tough comparison prior year with large deliveries in Sweden during summer 2016.
Building Systems	➔	Good sales growth driven by Russia. Backlog higher than previous but spread over a longer period in time.

Financials



Earnings growth and margin improvement

Lindab Group financial highlights Q2 2017

- Net sales increased organically with 2% to SEK 2,118 m (2,016).
- Focus to protect margins as raw material costs continued to increase significantly.
- Net profit increased 23% to SEK 106 m (86).

SEK m	Q2'17	Q2'16	Chg %
Net Sales	2,118	2,016	5
Organic, %			2
Structure ¹ , %			0
Currency, %			3
EBIT ²	151	139	9
EBIT ² , %	7.1	6.9	0.2 pp
Fin net	-5	-10	-50
Tax	-40	-42	-5
Net profit	106	86	23

¹⁾ Net of acquisitions and divestments.

²⁾ Excluding one-off items of SEK 0 m (-1)



Improved profit despite steel price increases

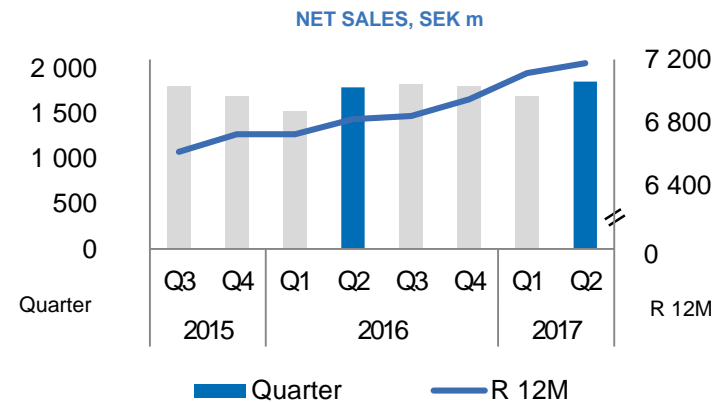
Products & Solutions financial highlights Q2 2017

- Net sales increased to SEK 1,856 m (1,793) with organic growth of 1%.
- Strong sales development in Western Europe and Eastern Europe partly offset by development in Nordics.
- Good operating leverage and improved EBIT and EBIT% .

SEK m	Q2'17	Q2'16	Chg %
Net Sales	1,856	1,793	4
Organic, %			1
Structure ¹ , %			0
Currency, %			3
EBIT ²	161	151	7
EBIT ² , %	8.7	8.4	0.3 pp

¹⁾ Net of acquisitions and divestments.

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





Improvement since last two quarters

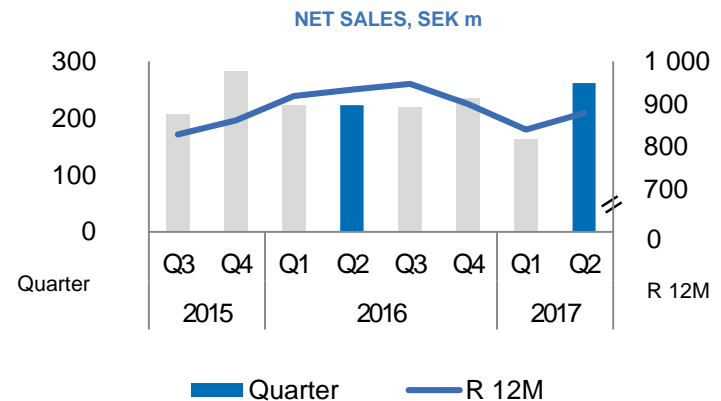
Building Systems financial highlights Q2 2017

- Net sales increased to SEK 262 m (223) with organic growth of 8%.
- Margin negatively affected by higher prices on raw material.
- Backlog at the end of Q2 higher than last year.

SEK m	Q2'17	Q2'16	Chg %
Net Sales	262	223	17
Organic, %			8
Structure ¹ , %			0
Currency, %			9
EBIT ²	-2	4	n/a
EBIT ² , %	-0.8	1.8	-2.6 pp

¹⁾ Net of acquisitions and divestments.

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



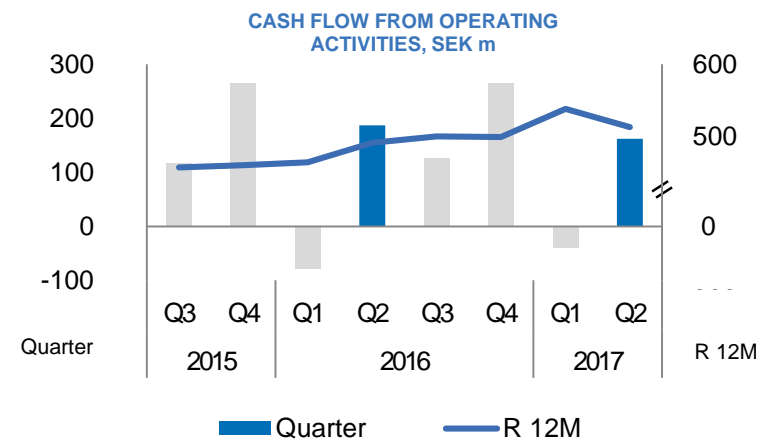


Stable cash flow with reduced net debt

Lindab Group cash flow Q2 2017

- Free cash flow at same level as last year.
- Reduced positive cash flow from working capital due to increased raw material prices that has generated higher stock value.
- Net debt amounted to SEK 1,449 m (1,716).

SEK m	Q2'17	Q2'16
Cash flow from		
- operating activities ¹	179	173
- change in working capital	12	43
- investing activities	-7	-32
- financial net paid	-4	-7
- tax paid	-25	-22
Free cash flow	155	155
Adjusted free cash flow ²	155	155



1) Excluding what is specifically stated below in table

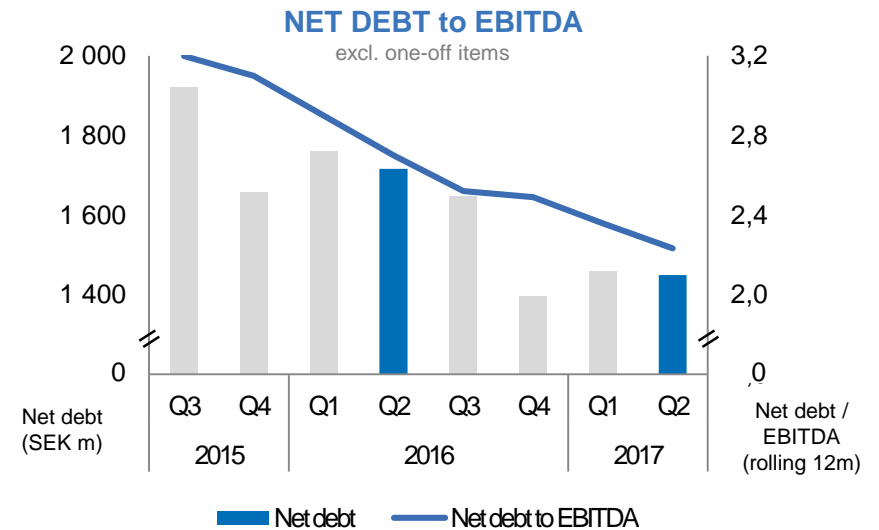
2) Adjusted for acquisitions and divestments



Improved financial position

Lindab Group Refinanced two credit agreements

- Revolving Credit Facility amounting to SEK 1,700 m, replacing current of SEK 1,600 m.
- Term loan amounting to EUR 50 m, replacing current of SEK 500 m.
- Improved terms and savings approximately SEK 8 m on annual basis when changeover completed.



Highlights



Highlights

Lindab UltraLink receives two prestigious awards

- **Product Innovation of the Year Award (UK)**
“...an unique product that changes measurement of flows and temperatures in ventilation systems.”
- **Stora Inneklimatpriset 2016 (Sweden)**
“UltraLink provides new innovative possibilities to energy efficiently control the airflow and facilitate alignment and operation.”





Highlights

Solution sales – Recipe for profitable growth

Complexity

Simplicity

Details



- Office Property
- Karlskrona, Sweden
- Complete Solution
- Ordervalue: SEK >3 m
- Air Handling Units, Fire Dampers System, Ducts, Silencers, Diffusers, Fire dampers, Pascal



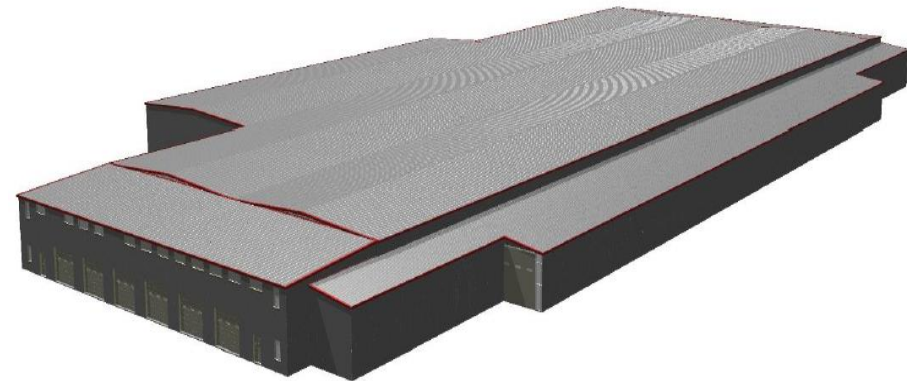


Highlights

Examples of prestigious orders

- Product & Solutions received three larger orders during the quarter – including a second stage warehouse project for Rusta which results in a order value of SEK 9 m. Consists of ceiling and wall solutions (approx. 9000 m² panels).

- Building Systems received two larger orders during the quarter. An industrial building in Armenia to the value of SEK 19 m and a warehouse in Russia to the value of SEK 13 m, were delivery and assembly is carried out by the Astron Builder.



Warehouse with total area of 9144 m²



Highlights

Building Systems turnaround continues

- The result in Q2 2017 has improved compared to Q1.
- Building Systems is still challenged from not being able to successfully compensate for the significant increases in raw materials, impacting “steel intense” deliveries.
- An improved project management model as well as a quotation and pricing model were implemented during the quarter.
- Proactive work with turnaround by strengthening our profitable markets and development of market and sales organization.





Some highlights from the quarter

Digitalisation drives change



Product & Solutions

Rusta has a continued strong confidence in us, received order worth SEK 9 m



Building Systems
Receives order worth SEK 13 m in Russia



UltraLink

Receives Product Innovation of the Year Award



Complete range of Lindab products

Delivered for the five-star Hotel Intercontinental in Ljubljana.



Transit

Lindab takes part in the construction of the longest railway tunnel in the world (CH)



Ventilation Project
for Michelin in Romania



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

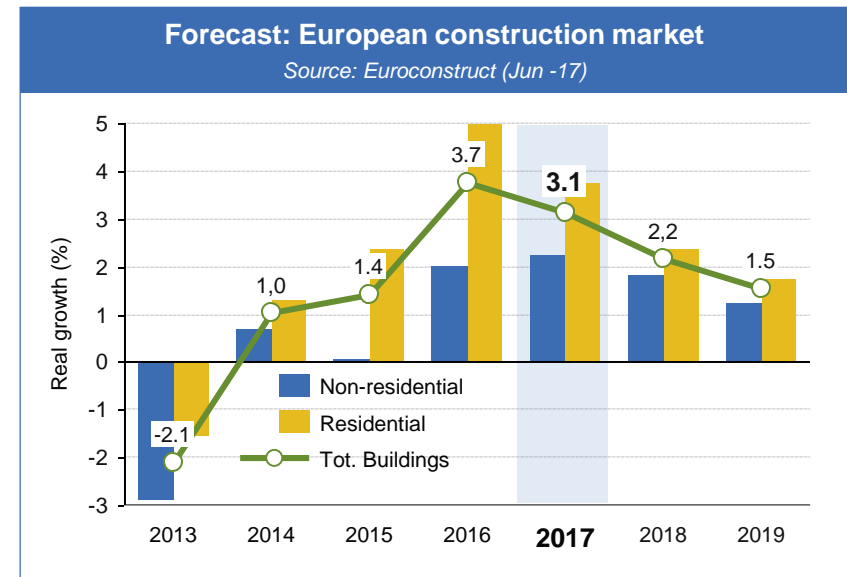
Outlook



Market development

Slightly adjusted forecast by Euroconstruct

- Euroconstruct forecast the European construction market to grow 3.1% in 2017.
- Growth mainly driven by residential market.
- The Nordic region is forecasted to slow down from high growth rates in coming two years while CEE is expected to have the opposite development.
- We continue to improve our customer offering to increase targeted market shares.



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.”