

Lindab Group

Q3 2017

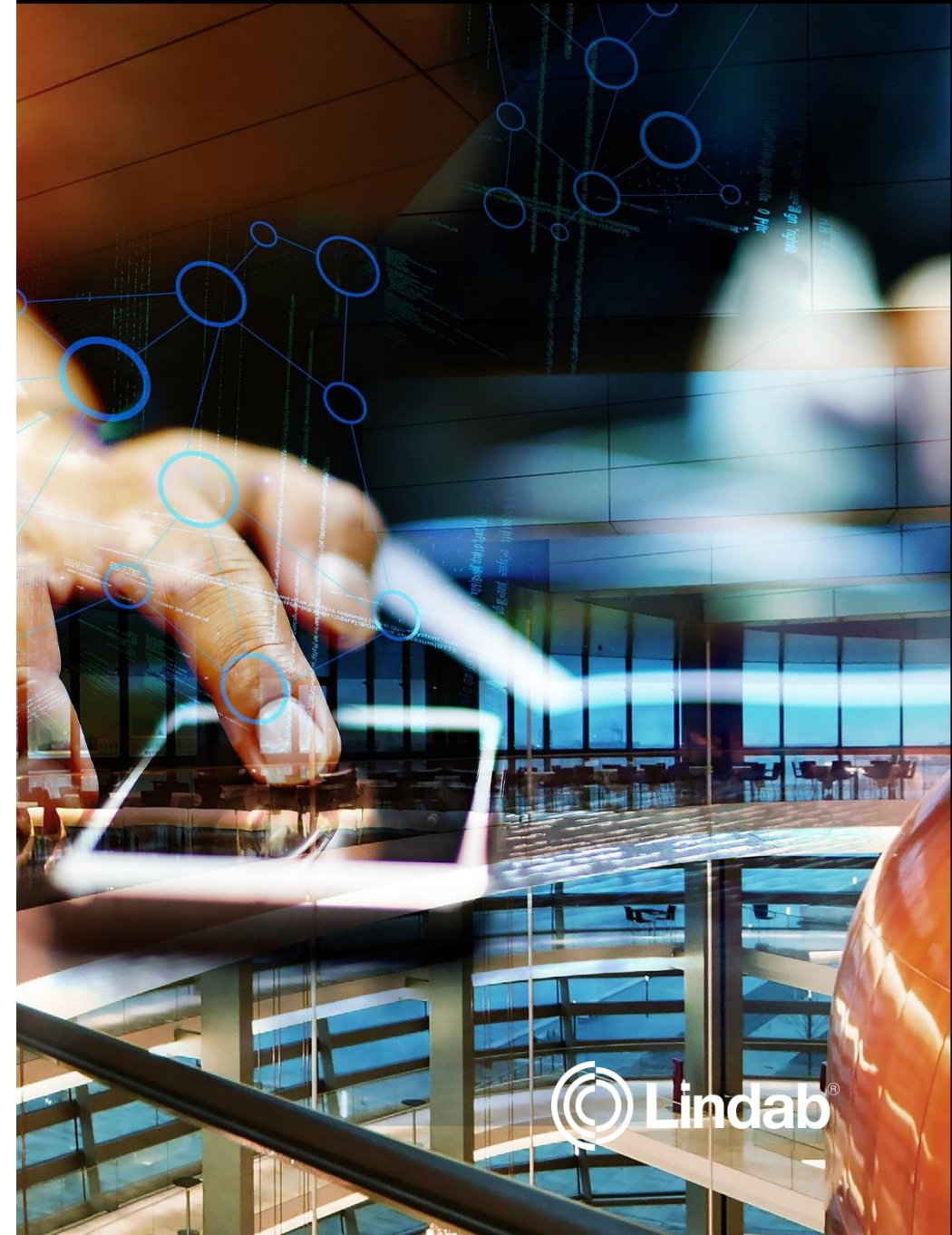
Fredrik von Oelreich, Acting President and CEO
Kristian Acebey, CFO

We simplify construction



Agenda

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



Summary and overview



Challenging third quarter

Key financial highlights Q3 2017

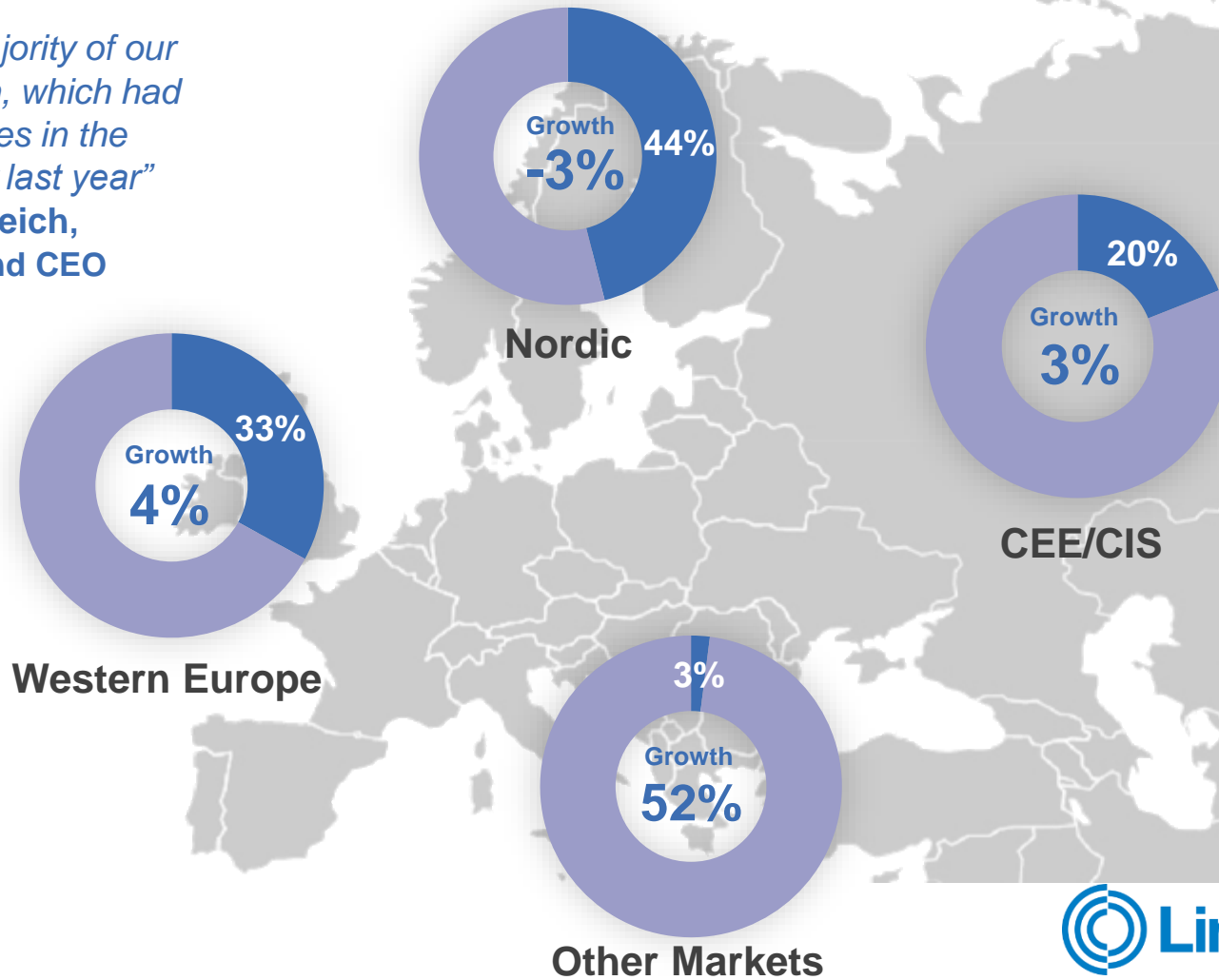
- Net sales increased to SEK 2,081 m (2,042), organic growth of 2%.
- Operating profit amounted to SEK 162 m (190), excluding one-off items of SEK -8 m (-25).
- Operating margin amounted to 7.8% (9.3), excluding one-off items.
- Profit for the period increased 6% to SEK 115 m (109).
- Earnings per share increased to SEK 1.51 (1.43).
- Cash flow from operating activities amounted to SEK -58 m (126).
- Net debt amounted to SEK 1,502 m (1,647).
- The Board has decided to assess strategic alternatives, including potential divestment of Building Systems and the non-ventilation related business within Products & Solutions.



Growth in all regions expect the Nordics

"Sales growth in the majority of our markets except Sweden, which had large project deliveries in the corresponding quarter last year"

Fredrik von Oelreich,
Acting President and CEO





Good sales trend in ventilation business

Segment/Product areas	Growth	Comments
Products & Solutions		
Ventilation Products	➔	Continued positive sales trend in all geographical regions.
Indoor Climate Solutions	➔	Growth driven by Nordics while sales declined slightly in CEE/CIS and was on par with last year in Western Europe.
Air Movement	➔	Growth in all regions with particularly large shipments to Middle East.
Fire and Smoke	➔	Large deviation between individual markets. Decline in Western Europe but continued growth in largest market, UK, and also in Nordics and CEE/CIS.
Rainwater & Building Products	➔	Slightly negative sales development overall but with growth in rainwater systems.
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	➔	Sales growth driven by CEE while it declined in Western Europe and CIS. Market conditions and order intake continued to develop positively in Russia.

Financials



Raw material costs continue to impact

Lindab Group financial highlights Q3 2017

- Net sales increased organically with 2% to SEK 2,081 m (2,042).
- EBIT decline driven by Product & Solutions mainly due to increased raw material costs.
- Net profit increased 6% to SEK 115 m (109).

SEK m	Q3'17	Q3'16	Chg %
Net Sales	2,081	2,042	2
Organic, %			2
Structure ¹ , %			0
Currency, %			0
EBIT ²	162	190	-15
EBIT ² , %	7.8	9.3	-1.5 pp
Fin net	-6	-8	-25
Tax	-33	-48	-31
Net profit	115	109	6

¹⁾ Net of acquisitions and divestments.

²⁾ Excluding one-off items of SEK -8 m (-25)



Continued focus on pricing

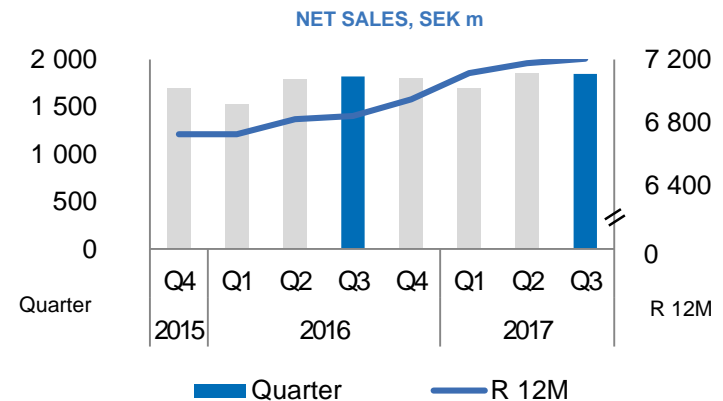
Products & Solutions financial highlights Q3 2017

- Net sales increased to SEK 1,850 m (1,823) with organic growth of 2%.
- Good sales development in Western Europe and Eastern Europe partly offset by decline in Sweden. Largest product groups within ventilation continue to show organic growth.
- EBIT decline of 17% as a result of lower gross margin.
 - Further price increases will be implemented.

SEK m	Q3'17	Q3'16	Chg %
Net Sales	1,850	1,823	1
Organic, %			2
Structure ¹ , %			0
Currency, %			-1
EBIT ²	169	203	-17
EBIT ² , %	9.1	11.1	-2.0 pp

¹⁾ Net of acquisitions and divestments.

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





Improvement but additional measures to be taken

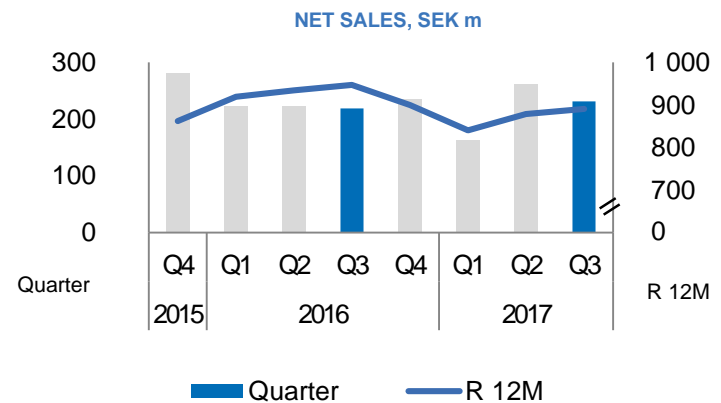
Building Systems financial highlights Q3 2017

- Net sales increased to SEK 231 m (219) with organic growth of 3%.
- EBIT increased somewhat as a result of higher sales and slightly improved gross margin.
- Total backlog at the end of Q3 was on par with same period previous year.

SEK m	Q3'17	Q3'16	Chg %
Net Sales	231	219	5
Organic, %			3
Structure ¹ , %			0
Currency, %			2
EBIT ²	-1	-3	-
EBIT ² , %	-0.4	-1.4	1.0 pp

¹⁾ Net of acquisitions and divestments.

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



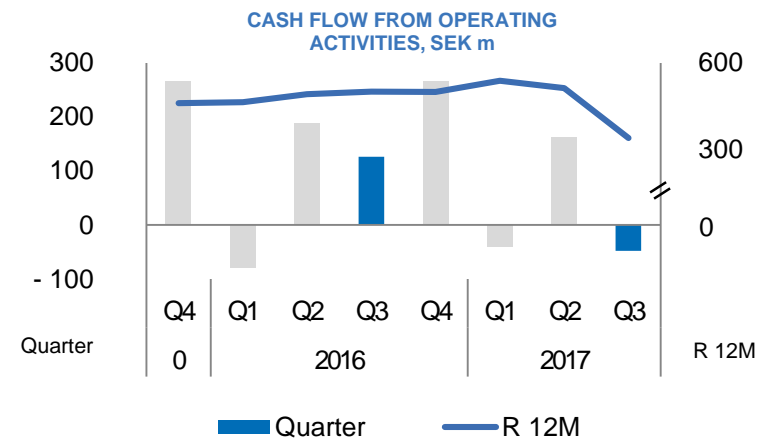


Large impact on cash flow from working capital

Lindab Group cash flow Q3 2017

- Free cash flow amounted to SEK -67 m.
- Reduced cash flow from working capital due to higher level of pre-payment projects in previous year and a greater share of receivables settled after the due date this year.
- Net debt amounted to SEK 1,502 m (1,647).

SEK m	Q3 '17	Q3 '16
Cash flow from		
- operating activities ¹	192	197
- change in working capital	-225	-42
- investing activities	-9	-15
- financial net paid	-3	-6
- tax paid	-22	-23
Free cash flow	-67	111
Adjusted free cash flow ²	-67	111



1) Excluding what is specifically stated below in table

2) Adjusted for acquisitions and divestments

Highlights

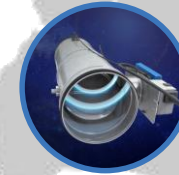


Some highlights from the quarter

Ventilation Project with focus on AHU
for new metro project in Doha



UltraLink 2.0
Launched in four markets
(SE, DK, NO, FI)



Distribution Centre
Opened in the beginning of
September



**Lindab delivered
Air Handling Units**
for a hospital in Ireland



Complete range of Lindab products
delivered for project in Hungary



Building Systems
Receives order worth SEK 16 m
in France



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

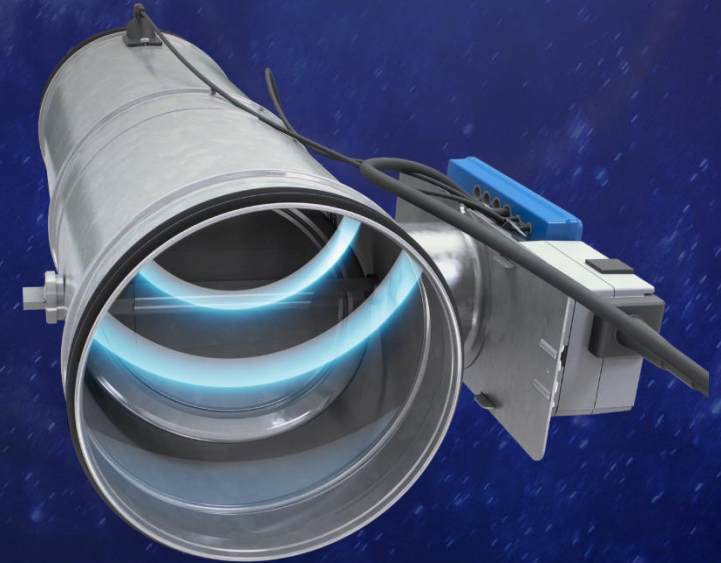


Highlights

Lindab UltraLink 2.0

The world needs energy-smart solutions

- UltraLink version 2.0 released on the market during third quarter.
- UltraLink 2.0 enables optimization of ventilation systems, which means energy savings, to help meet the tough climate targets
- Total energy efficient ventilation solutions – both the environment and economy will benefit from this.





Highlights

Lindab UltraLink 2.0

Maximum savings and ultrasmart benefits
for everyone

680 MWh

For an office in Stockholm measuring 10,000 m², with a ventilation system calculated to last for 20 years, the potential energy savings would be 680 MWh¹ per year.

68%

Compared to traditional VAV²- and CAV³ systems, you can save up to 68% over time.

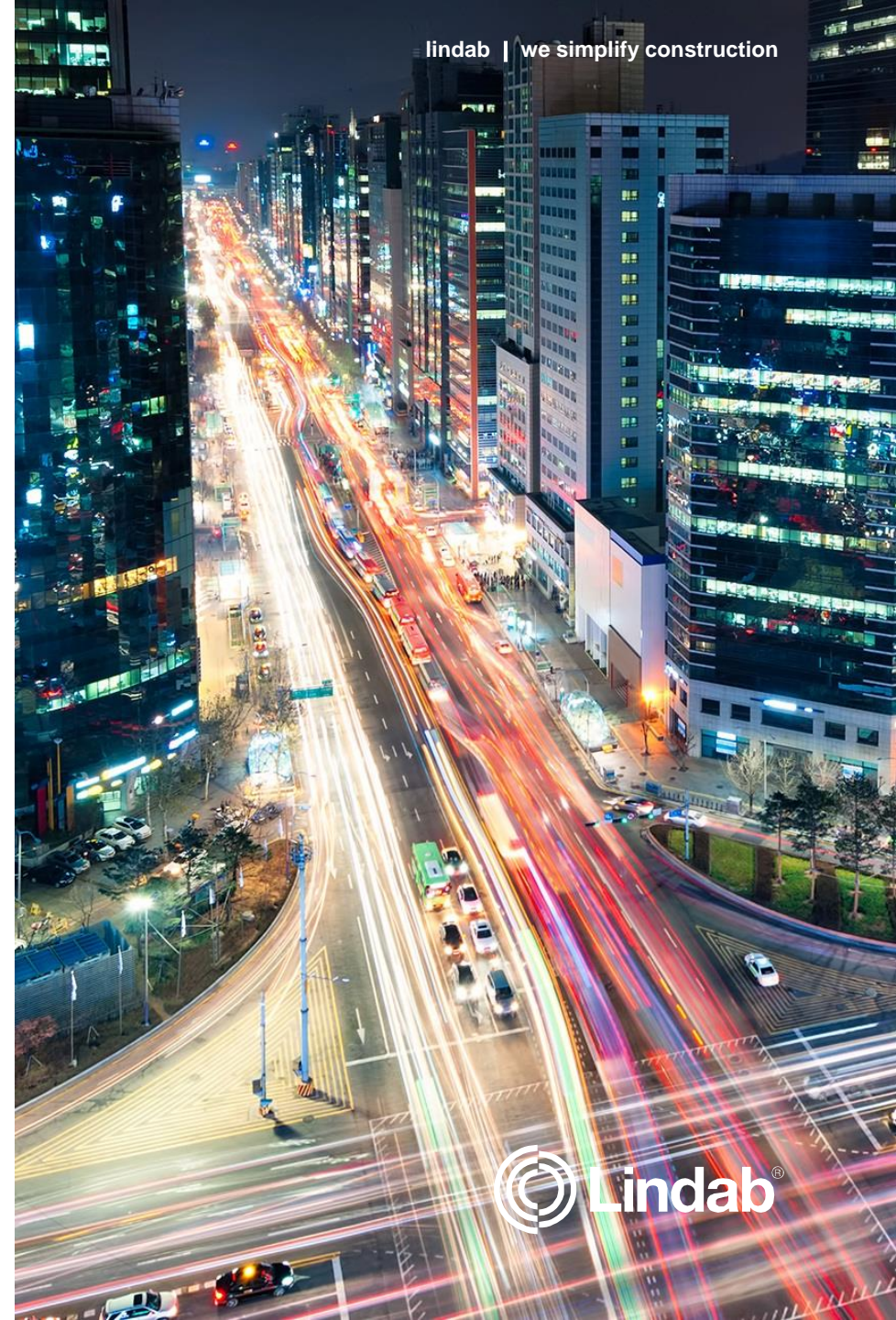
Savings SEK >10M

Total savings compared to VAV – and CAV systems can over a period of 20 year be more than SEK 10 m.

1) MWh: megawatt hour.

15 2) Variable Air Volume - ventilating, heating, and/or air-conditioning (HVAC) system.

3) Constant Air Volume - ventilating, heating, and/or air-conditioning (HVAC) system.



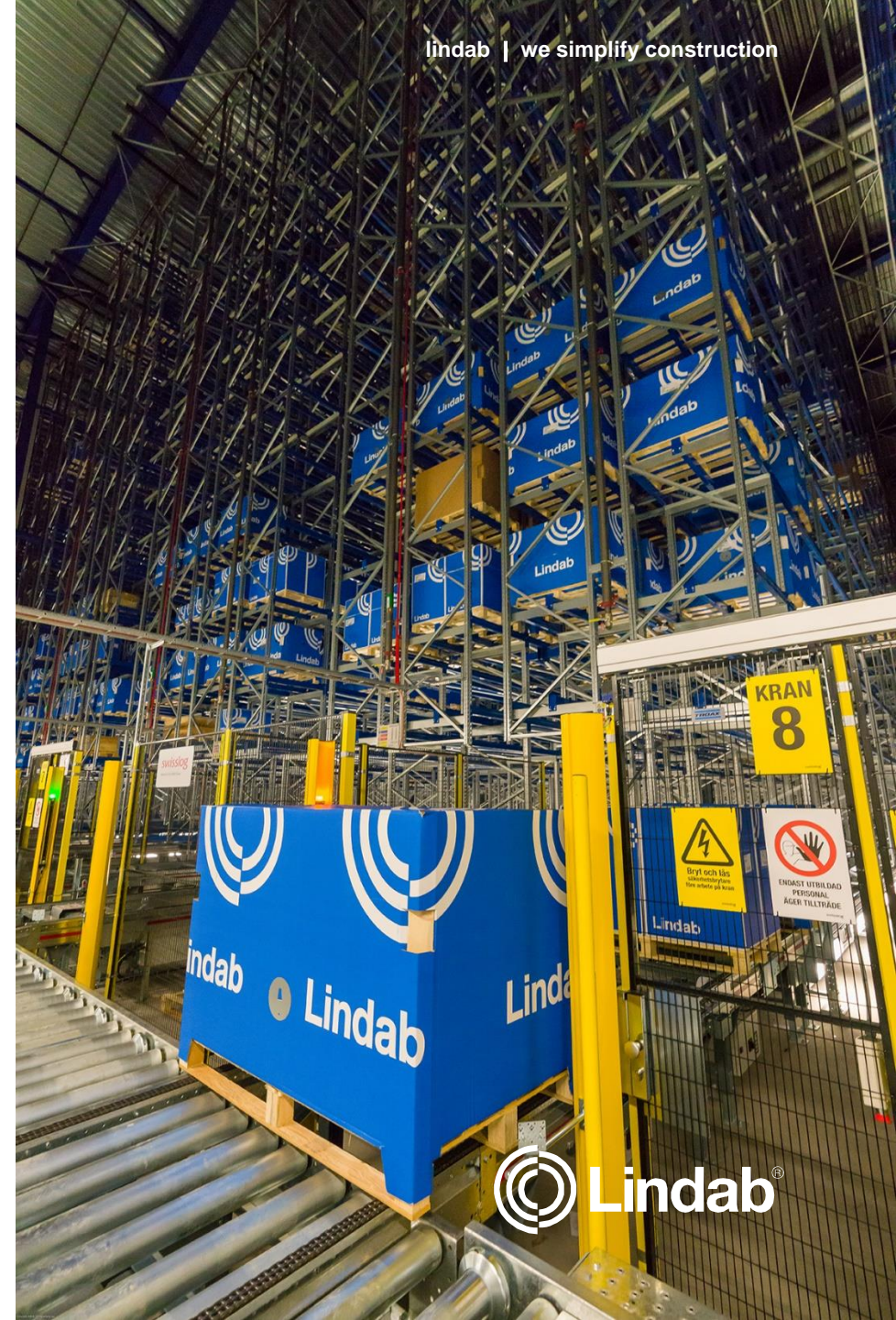


Highlights

Distribution Centre

Our Distribution Centre in Grevie, Sweden

- During September, the new Distribution Centre was opened.
- Utilisation will gradually increase over the next six months. The change in setup is going according to plan.
- The distribution concept will be further developed during 2018.
- Investment SEK 160 m, financed via lease. Payback estimated to approximately 5 years.

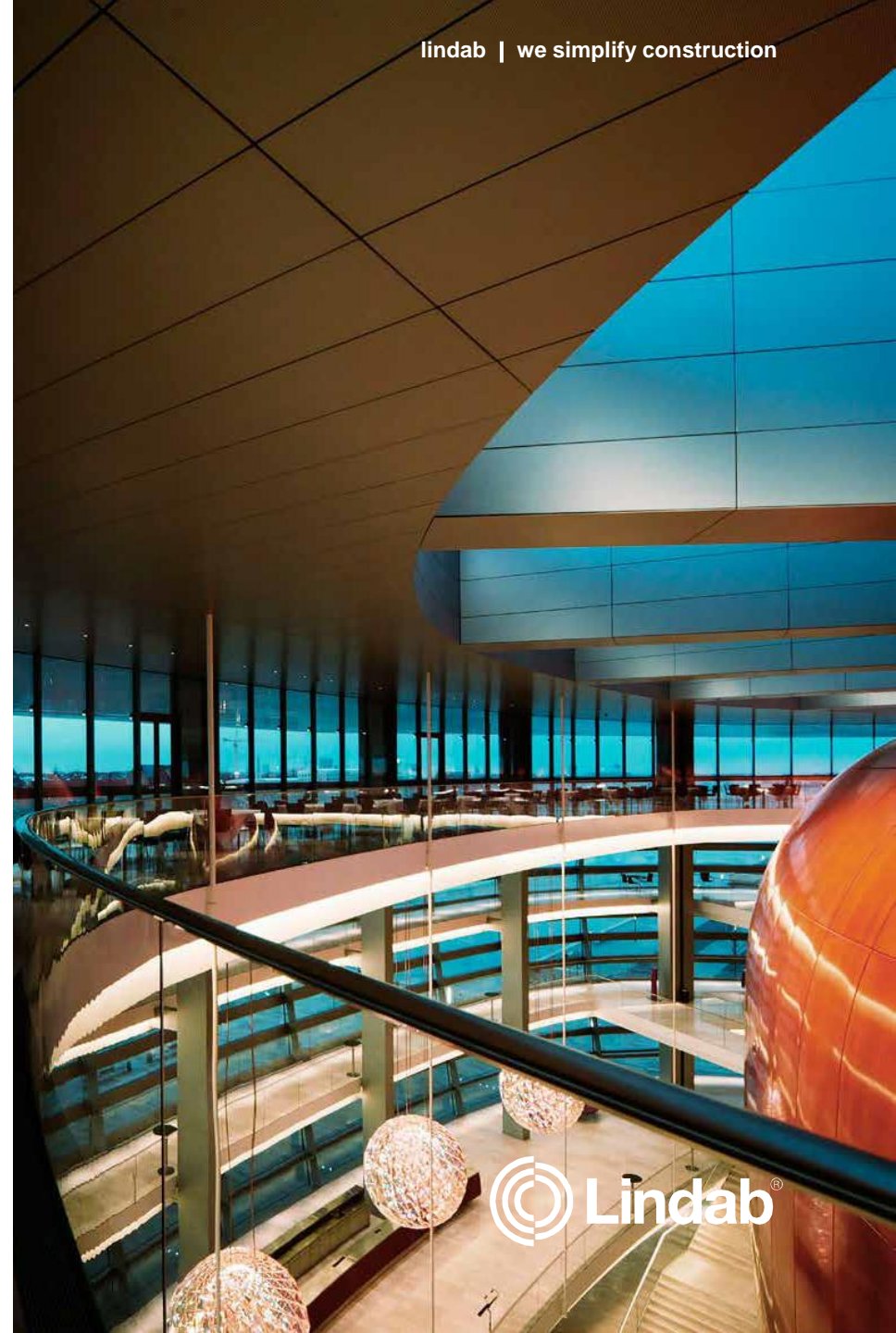




Highlights

Lindab accelerates strategy

- Lindab has a solid foundation for the strategy to focus on indoor climate and ventilation solutions.
- The Board has decided to accelerate the execution of the current strategy.
- Decision taken to assess strategic alternatives, including potential divestment of Building Systems and non-ventilation related business within Products & Solutions.



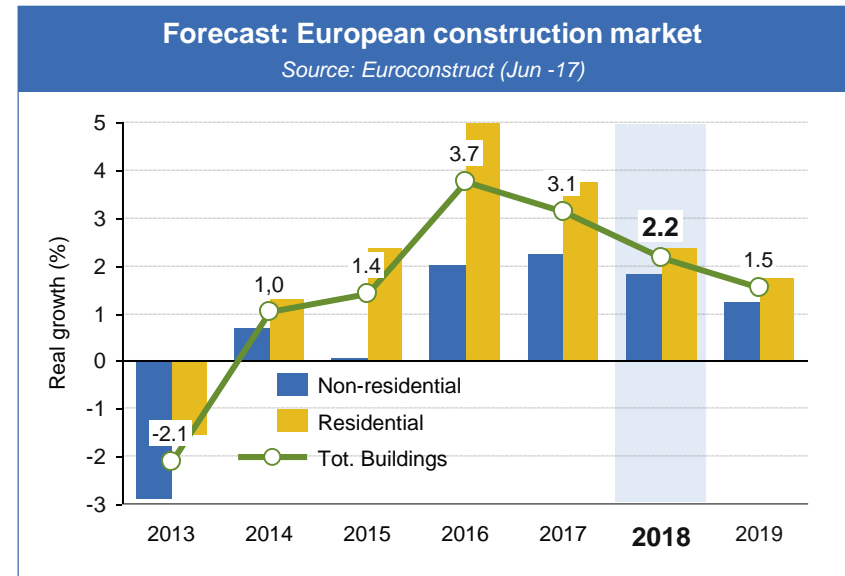
Outlook



Market development

Good market growth but expected to slow down going forward

- Overall good macroeconomic development in Europe with improving industrial capacity utilisation, industrial order books and consumer confidence.
- Euroconstruct forecast the European construction market to grow 3.1% in 2017 followed by a slight slowdown to 2.2% growth in 2018.
- The Nordic region is forecasted to slow down from high growth rates while CEE is expected to have the opposite development.
- Raw material prices expected to increase in Q4 compared with Q3.



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.”