



Lindab Group

Q1 2018

Fredrik von Oelreich – Acting President and CEO

Kristian Aceby – CFO



Agenda

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



Summary and overview

Key highlights Q1 2018

Strong organic growth and higher profit

+16%

Net sales increased to SEK 2,153 m (1,858)

4.8%

Operating profit SEK 104 m (79), excluding one-off items of SEK -33 m (-1), adjusted operating margin 4.8% (4.3)

+10%

Profit for the period increased to SEK 46 m (42). Earnings per share increased to SEK 0.60 (0.55)

Solid Improvement in
Building Systems

Moving towards a **world of Solutions** – Mostra fair, Italy

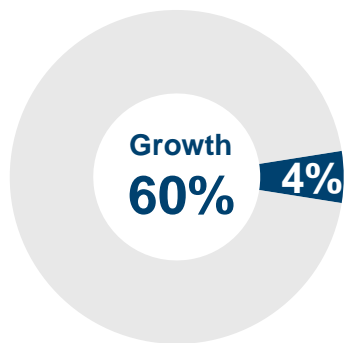
Strategic assessment has entered a new phase

Strong sales development in all regions

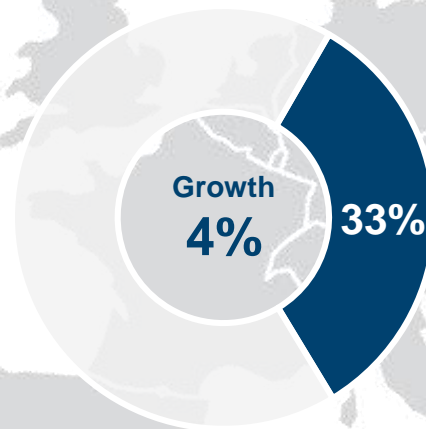
CEO comments

"It is very satisfying to see solid growth across the entire company"

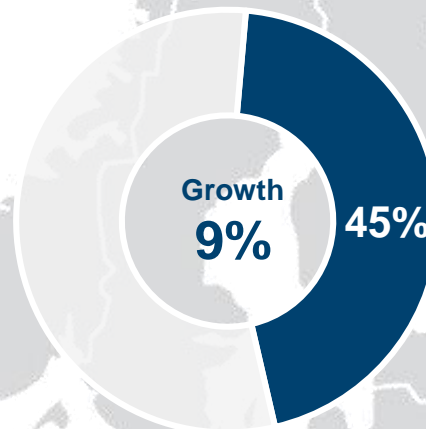
Fredrik von Oelreich,
Acting President and CEO



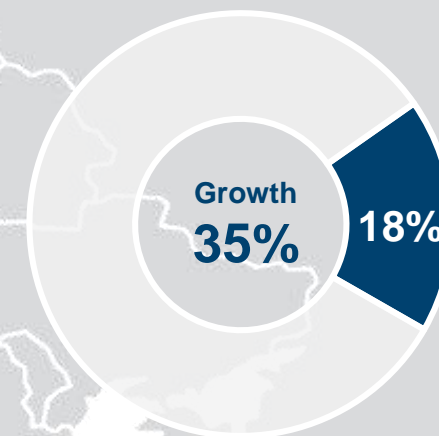
Other Markets



Western Europe



Nordic



CEE/CIS

Healthy organic growth in most product areas

Segment/Product areas	Growth	Comments
Products & Solutions		
Ventilation Products	→	Large deviations between individual markets, with overall good growth in CEE/CIS and the Nordics while Western Europe was on par with last year.
Indoor Climate Solutions	→	Double digit growth in CEE/CIS and solid growth in Western Europe while sales declined slightly in Nordics.
Air Movement	↗	Growth in all regions with particularly good growth in Western Europe and CEE/CIS.
Fire & Smoke	↗	Strong growth in all regions with largest growth contribution from Germany, Italy, Finland and Hungary.
Rainwater & Building Products	→	Lower sales as result of winter conditions across Europe. Dependence of outdoor work by tinsmiths.
Building Solutions	↗	Very strong growth in the largest market Sweden combined with good growth in most other markets.
Building Systems		
Building Systems	↗	Strong sales development in all main regions, particularly in CEE/CIS as a result of strong momentum in Russia.

Financials

Lindab Group financial highlights Q1 2018

Improved profit driven by increased volume

- Net sales increased organically with 13% to SEK 2,153 m (1,858).
- EBIT improvement driven by increased volume in both Product & Solutions and Building Systems, which was partly offset by reduced gross margin within Product & Solutions.
- Net profit increased 10% to SEK 46 m (42).

Key figures

SEK m	Q1 '18	Q1 '17	Chg %
Net Sales	2,153	1,858	16
Organic, %			13
Structure ¹ , %			1
Currency, %			2
EBIT ²	104	79	32
EBIT ² , %	4.8	4.3	-0.5 pp
Fin net	-3	-8	-63
Tax	-22	-28	-21
Net profit	46	42	10

1) Net of acquisitions and divestments.

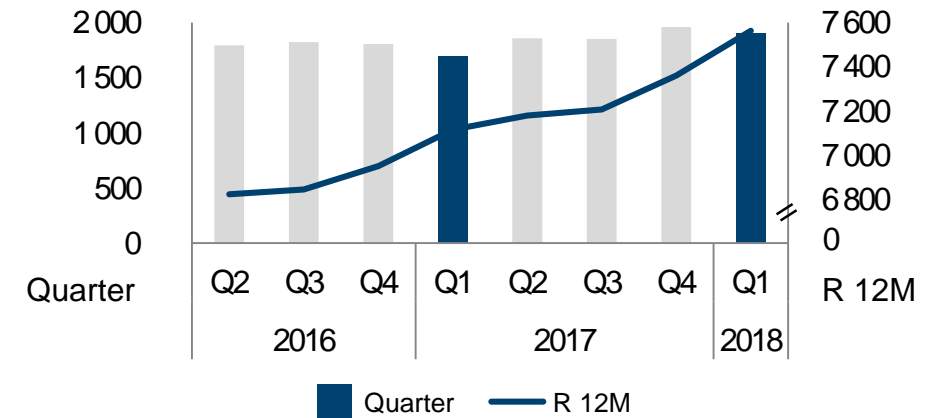
2) Excluding one-off items of SEK -33 m (-1)

Products & Solutions financial highlights Q1 2018

Strong sales development

- Net sales increased to SEK 1,897 m (1,695) with organic growth of 8%.
- Good sales development in all major regions, especially in CEE/CIS and the Nordics. The particular strong sales development in the Nordics was positively impacted by a large project within Building Solutions.
- EBIT margin lower than last year as a result of negative product mix and increased raw material prices.

Net Sales, SEK m



Key figures

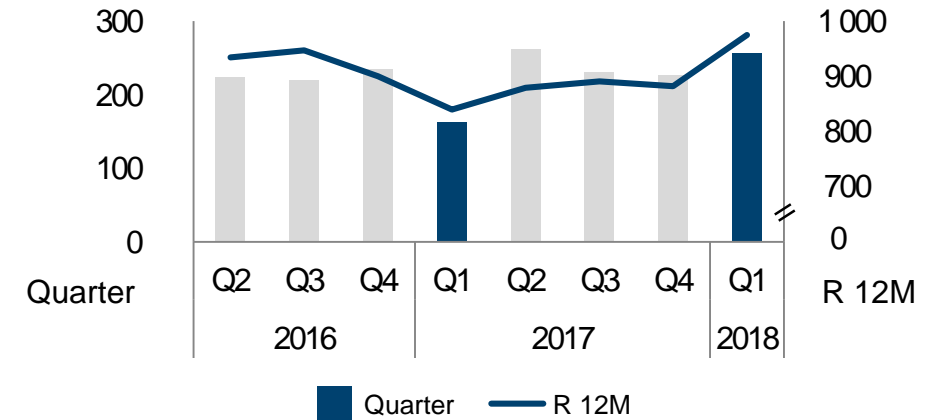
SEK m	Q1 '18	Q1 '17	Chg %
Net Sales	1,897	1,695	12
Organic, %			8
Structure ¹ , %			1
Currency, %			3
EBIT ²	118	117	1
EBIT ² , %	6.2	6.9	-0.7 pp

Building Systems financial highlights Q1 2018

Russia main driver for significant improvement

- Net sales increased to SEK 256 m (163) with organic growth of 56%.
- EBIT improvement mainly explained by increased volume but also higher gross margin.
- Total backlog at the end of Q1 was higher compared to same period previous year. It is mainly the part of the backlog that is scheduled for the 2nd half of the year that has increased.
- Turnaround program developing according plan.

Net Sales, SEK m



Key figures

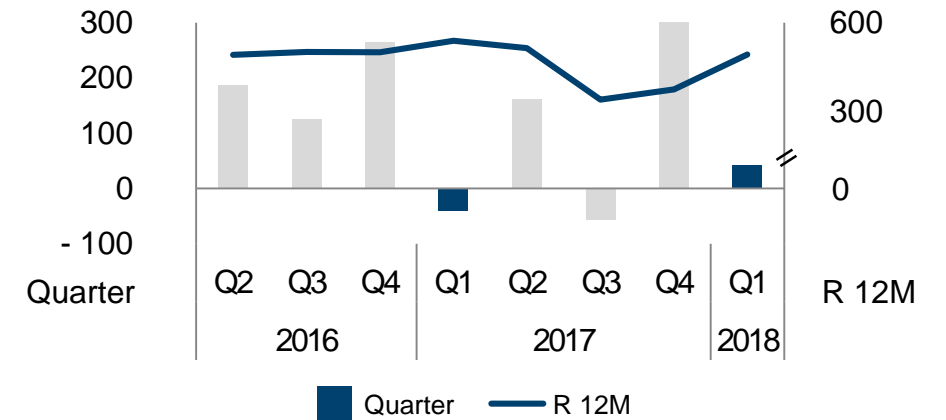
SEK m	Q1 '18	Q1 '17	Chg %
Net Sales	256	163	57
Organic, %			56
Structure ¹ , %			0
Currency, %			1
EBIT ²	0	-26	-
EBIT ² , %	0,0	-16,0	16.0 pp

Lindab Group cash flow Q1 2018

Positive impact from working capital

- Adjusted free cash flow improved SEK 92 m in Q1 and amounted to SEK 21 m.
- The improvement is mainly explained by better cash flow from change in working capital, with operating liabilities as main contributor.
- Net debt amounted to SEK 1,369 m (1,459).

Cash flow operating activities, SEK m



Key figures

SEK m	Q1 '18	Q1 '17
Cash flow from		
Operating activities ¹	124	120
Change in working capital	-37	-123
Investing activities	-21	-31
Financial net paid	-2	-6
Tax paid	-43	-31
Free cash flow	21	-71
Adjusted free cash flow ²	21	-71

Highlights

Some highlights from the quarter

CEO comments

“With our broader product range we continuously move towards more value added solutions“

Fredrik von Oelreich,
Acting President and CEO



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



Highlights

Enter a World of Solutions

- Lindab group attended Mostra Convegno Expocomfort in Milano, Italy*.
- Lindab showcased a full HVAC system covering the entire airflow from air handling units to diffuser with fire and smoke control including UltraLink with Bluetooth for measuring and monitoring.
- Lindab presented the next generation UltraLink 3.0 with Bluetooth communication technology.



Highlights

Developing complete solutions for specific customer segments



Offices and schools



Hospitals



Hotels



Leisure activities



Residential



Marine sector



Industrial premises



Shopping malls

Outlook

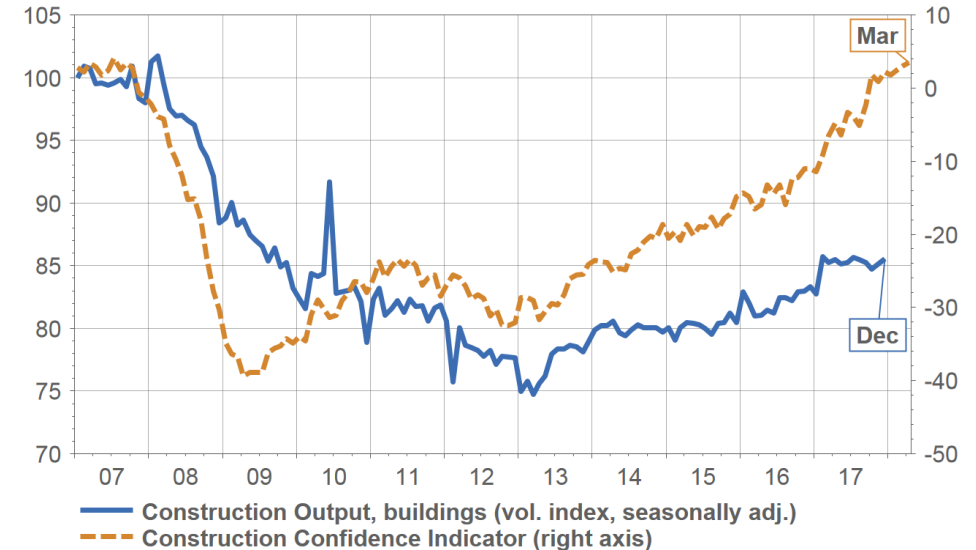
Market development

Continued good market development with a few exceptions

- Continued good macroeconomic development in Europe with high industrial capacity utilisation, industrial order books and consumer confidence.
- Euroconstruct forecasted the growth rate in the European construction market to slow down during 2018, but still at 2.3%.
- The sentiment in the European construction market remains strong, particularly in CEE, but a few markets like Norway and the Swedish residential markets are showing weaker signs.
- Steel prices moving upwards in Q2.

Construction Output & Sentiment in EU

Source: Eurostat and European Commission



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Our short term focus

Prioritised areas



Thank you
Q&A

