



Lindab Group

Q3 2018

Ola Ringdahl – President and CEO

Malin Samuelsson – CFO



Agenda

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



Summary and overview

Key highlights Q3 2018

Strong sales growth and improved profitability

+15%

Net sales increased to SEK 2,397 m (2,081)

SEK 209_m

Operating profit SEK 209 m (162),
excluding one-off items of SEK -9 m (-8),
adjusted operating margin 8.7% (7.8)

SEK 152_m

Profit for the period increased to SEK 152 m (115).
Earnings per share increased to SEK 1.99 (1.51)

Strong quarter by
Building Systems

Improved profitability in
Products & Solutions

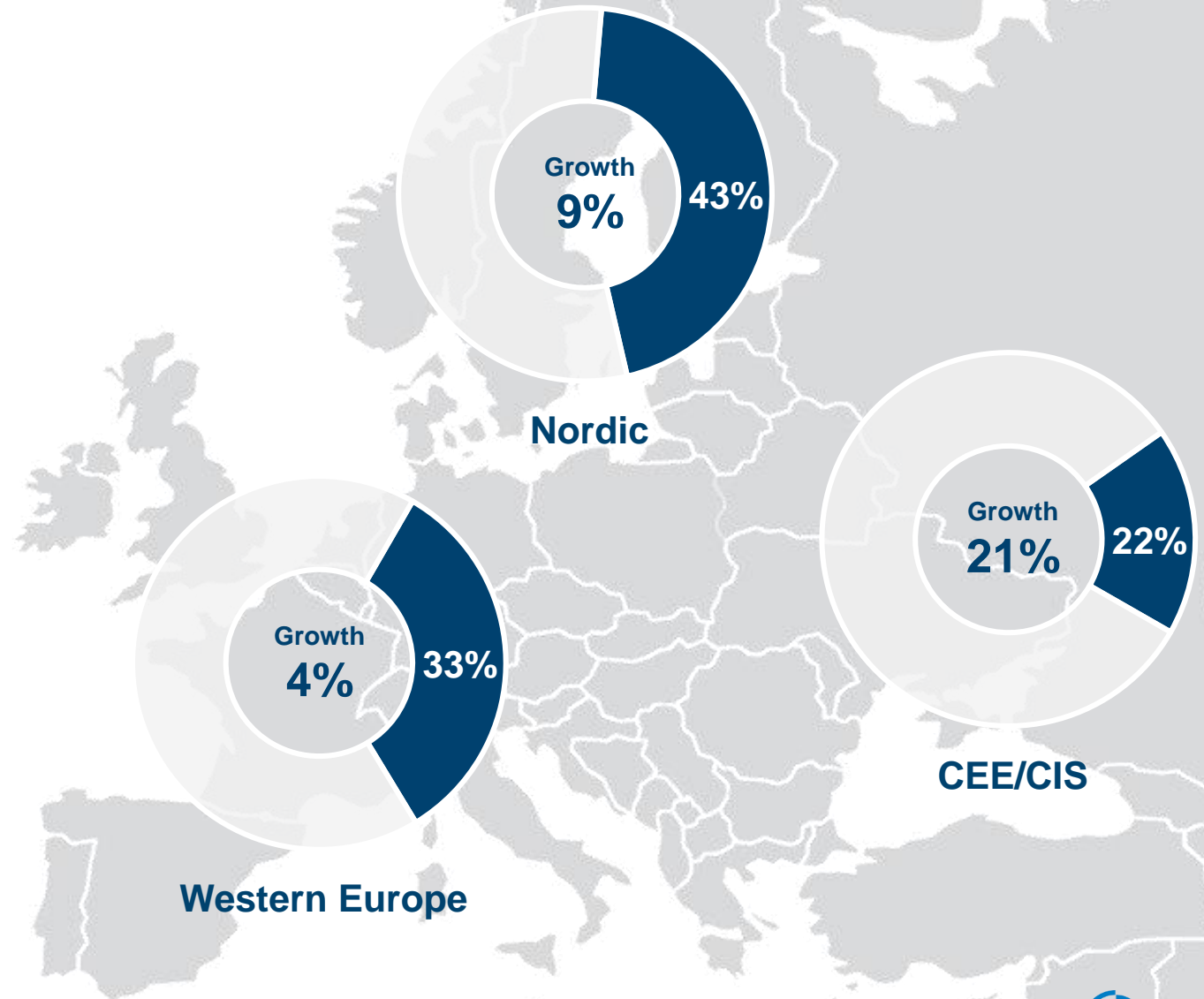
**Strategic review
completed,**
three business areas
from 2019

Good organic sales growth across Europe

CEO comments

"Continued strong sales for the Group, particularly in the Nordics and the CEE/CIS region"

Ola Ringdahl,
President and CEO



Strong growth in most product areas

Segment/Product areas	Growth	Comments Q3 2018
Products & Solutions		
Ventilation Products		Continued good sales development in general with particularly strong growth in the Nordics and the CEE/CIS region.
Indoor Climate Solutions		Strong sales trend with good momentum in all regions.
Air Movement		Air Movement declined as a result of tough comparison against last year when there were large project deliveries to Middle East.
Fire & Smoke		Good growth in the Nordics and Western Europe while sales declined in the CEE/CIS region.
Rainwater & Building Products		Sales increased in all regions with particularly good development in Sweden.
Building Solutions		Continued double digit growth, with Sweden and Hungary as the main drivers. Strong sales trend in several other markets as well.
Building Systems		
Building Systems		Very strong growth in both the CEE and CIS regions, while sales declined slightly in Western Europe. Largest sales increases in Russia, Belarus and the Czech Republic.

Financials

Lindab Group financial highlights Q3 2018

Solid sales growth in both segments

- Net sales increased organically by 8% to SEK 2,397 m (2,081).
- EBIT margin increased mainly as a result of sales growth.
- Net profit increased 32% to SEK 152 m (115).

Key figures

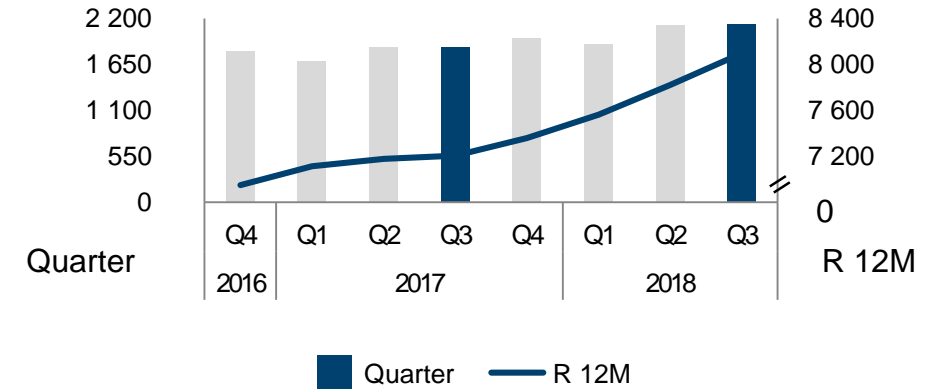
SEK m	Q3'18	Q3'17	Chg %
Net Sales	2,397	2,081	15
Organic, %			8
Structure ¹ , %			1
Currency, %			6
EBIT ²	209	162	29
EBIT ² , %	8.7	7.8	+0.9 pp
Fin net	-4	-6	-33
Tax	-44	-33	33
Tax %	22	22	-
Net profit	152	115	32

Products & Solutions financial highlights Q3 2018

Highest net sales in a quarter ever

- Net sales increased to SEK 2,125 m (1,850) with organic growth of 7%.
- Continued good growth in all European regions with particularly strong sales development in the CEE/CIS region and the Nordics.
- EBIT increased to SEK 202 m (169) mainly as a result of strong sales development.

Net Sales, SEK m



Key figures

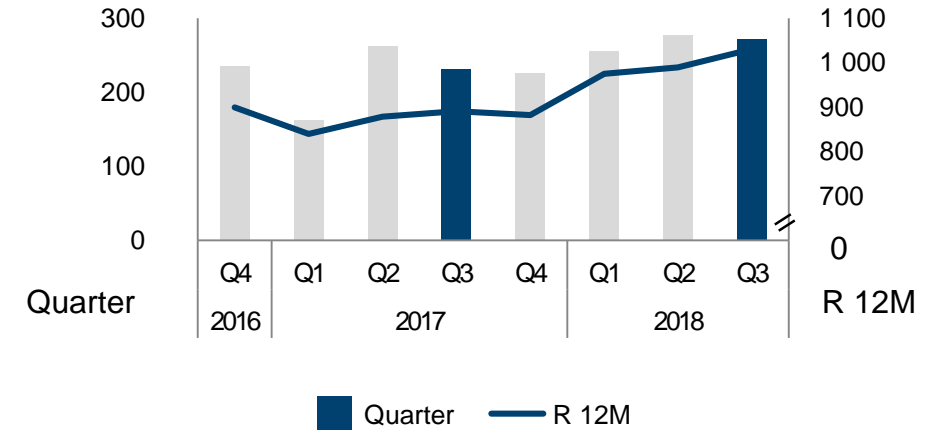
SEK m	Q3'18	Q3'17	Chg %
Net Sales	2,125	1,850	15
Organic, %			7
Structure ¹ , %			1
Currency, %			7
EBIT ²	202	169	20
EBIT ² , %	9.5	9.1	+0.4pp

Building Systems financial highlights Q3 2018

Strong quarter across the board

- Net sales increased to SEK 272 m (231) with organic growth of 12%.
- EBIT margin mainly explained by higher sales, favourable market mix and benefits from turnaround programme.
- Net order intake increased significantly compared to last year and the total backlog at the end of Q3 was clearly higher than last year.

Net Sales, SEK m



Key figures

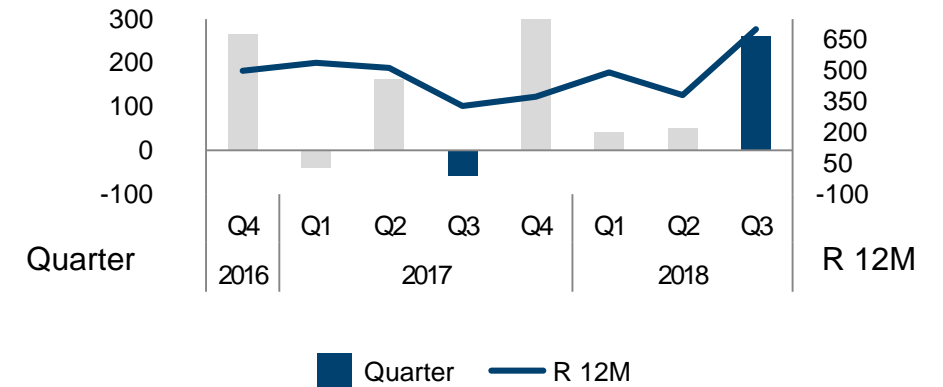
SEK m	Q3'18	Q3'17	Chg %
Net Sales	272	231	18
Organic, %			12
Structure ¹ , %			0
Currency, %			6
EBIT ²	14	-1	n/a
EBIT ² , %	5.1	-0.4	+5.5 pp

Lindab Group cash flow Q3 2018

Free cash flow positively impacted by working capital

- Adjusted free cash flow amounted to SEK 243 m (-67).
- Improved cash flow mainly related to higher level of prepayment projects and favourable impact of account receivables in comparison to same period last year.
- Net debt amounted to SEK 1,249 m (1,502).

Cash flow operating activities, SEK m



Key figures

SEK m	Q3'18	Q3'17
Cash flow from		
Operating activities ¹	244	192
Change in working capital	51	-225
Investing activities	-19	-9
Financial net paid	-2	-3
Tax paid	-31	-22
Free cash flow	243	-67
Adjusted free cash flow ²	243	-67

Highlights

Highlights

Building Systems

- During the quarter Building Systems received twelve orders above SEK 10 m, whereof the two largest were:
 - Manufacturing building in Poland from a repeat customer, worth over SEK 110 m.
 - Warehouse building in Russia, worth over SEK 50 m.
- Very strong order intake and significantly higher backlog vs same period last year.
- Extension of Prerov (CZ) facility was opened on August 14th. Investment to improve efficiency as part of turnaround programme.

Extension of Prerov facility as part of turnaround programme



Ribbon cut ceremony in Prerov



Extension of Prerov facility

Example of Buildings of the Month by Buildings Systems



10,000 m² Shopping Mall in Luxembourg



13,500 m² Logistic facility in Poland

Highlights

Strategic assessment

- The strategic assessment of the non-ventilation related business that was initiated in 2017 has now been completed.
- The strategic review has shown that there are valuable cost synergies between the different businesses within Products & Solutions.
- Lindab will continue to develop these businesses, but with even more focus and accountability. Therefore, we plan to split Product & Solutions into two business areas, Ventilation Systems and Profile Systems, from Q1 2019.
- Building Systems will remain within Lindab, as we believe Lindab can create more shareholder value by completing the turnaround.



Outlook

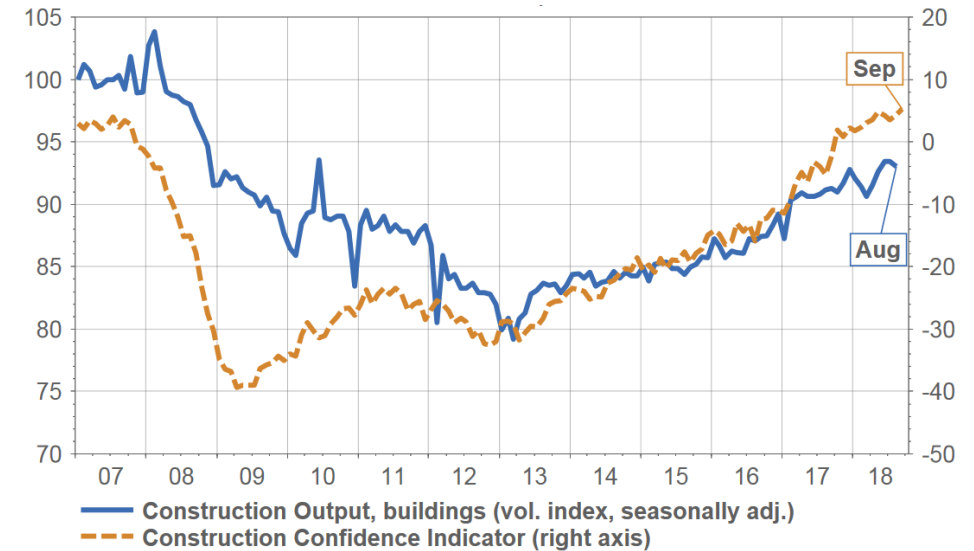
Market development

Continued good market conditions but expected slowdown

- The European economy is experiencing a slight slowdown in growth rate of both GDP and industrial order bookings. Consumer confidence has also started to reduce from a high level.
- IMF forecast GDP growth in the Euro area of 2.0% in 2018, with a slight reduction to 1.9% in 2019, which can be compared to 2.4% in 2017.
- Current construction output as well as the sentiment in the European construction market remains strong, particularly in CEE.
- Although, more markets such as, Sweden, Norway and UK are showing declining building permits and/or building starts.
- Steel prices are expected to remain at the same overall level in Q4 compared with Q3.

Construction Output & Sentiment in EU

Source: Eurostat and European Commission



Summary and Q&A

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**Thank you
Q&A**

