



Lindab Group

Q3 2019

Ola Ringdahl – President and CEO

Malin Samuelsson – CFO



Agenda

- Summary and overview
- Financials
- Highlights and focus going forward
- Outlook
- Summary and Q&A



Summary and overview

Key highlights Q3 2019

Improved operating profit and margin in all three business areas

+3%

Net sales increased to SEK 2,462 m (2,397)

SEK **273**_m

Adj. operating profit SEK 273 m (209)
and adj. operating margin 11.1 % (8.7)

SEK **212**_m

Profit for the period increased to SEK 212 m (152).
Earnings per share increased to SEK 2.78 (1.99)

**Good momentum in
investment programme**

**Stefaan Sonjeau
new BA Manager for
Building Systems**

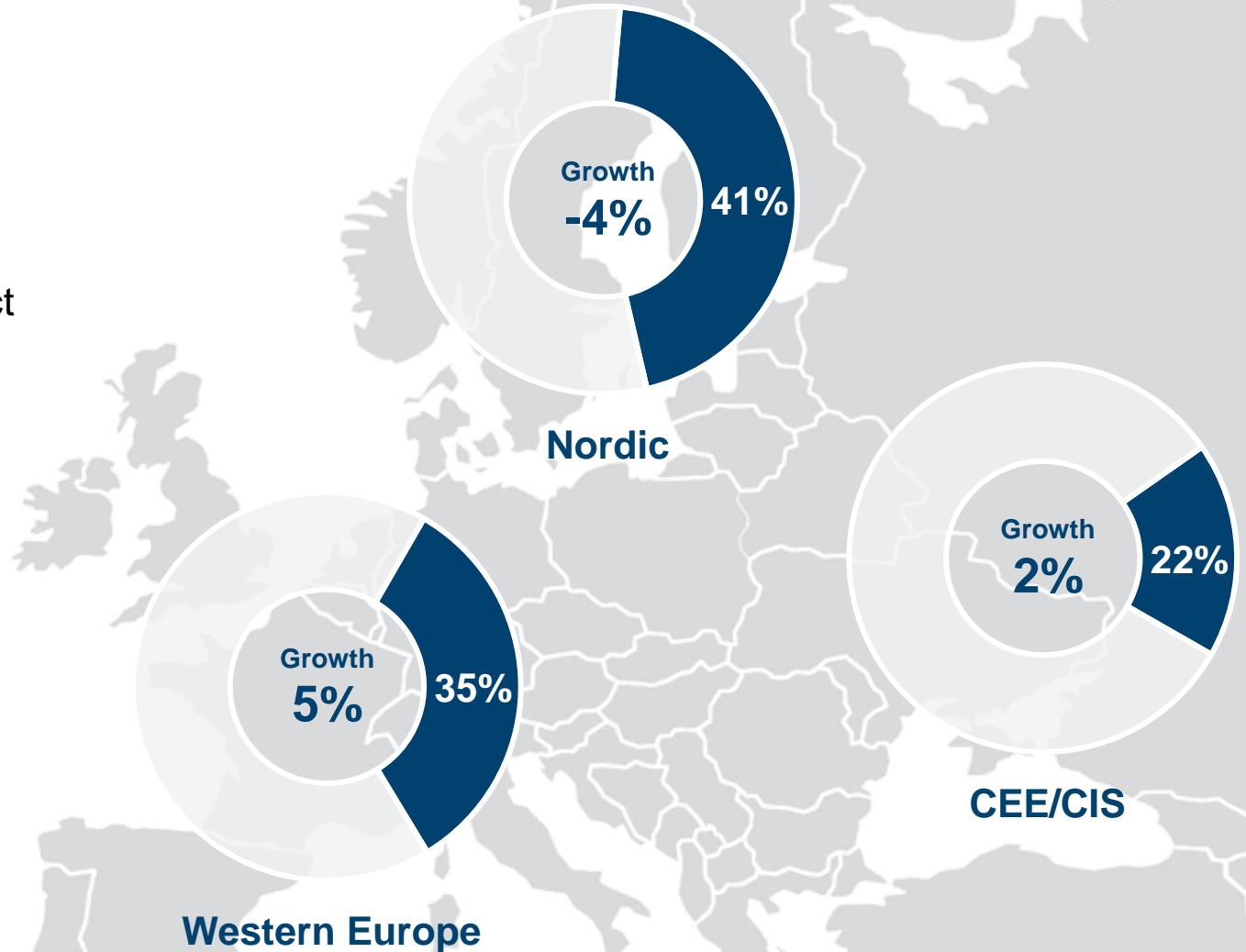
**Divestment of
Lindab Door B.V**

Organic sales growth in the quarter

CEO comments

“We focus our efforts on the countries and product areas where we can build a strong position and achieve sustainable growth”

Ola Ringdahl,
President and CEO



Financials

Lindab Group financial highlights Q3 2019

Continued strong operating leverage

- Net sales increased organically by 1% to SEK 2,462 m (2,397).
- EBIT increased mainly as a result of strengthened gross margin and improved efficiency.
- Net profit increased to SEK 212 m (152).
- EPS increased by 39% to SEK 2.78 (1.99) in Q3 and is up 86% YTD.

Key figures

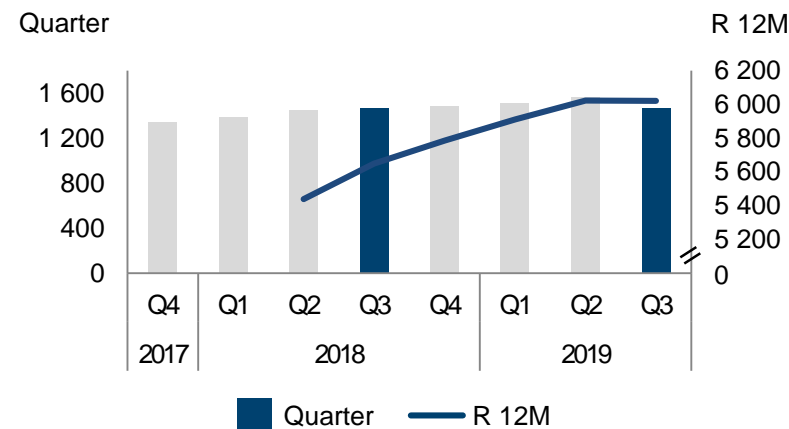
SEK m	Q3'19 Incl. IFRS 16	Q3'19 Excl. IFRS 16	Q3'18 Excl. IFRS 16	Chg % Excl. IFRS 16
Net Sales	2,462	2,462	2,397	3
Organic, %				1
Structure ¹ , %				0
Currency, %				2
EBIT ²	273	266	209	27
EBIT ² , %	11.1	10.8	8.7	+2.1 pp
Fin net	-6	1	-4	-125
Tax	-55	-55	-44	25
Net profit	212	212	152	39

Ventilation Systems financial highlights Q3 2019

Highest EBIT in a single quarter ever

- Net sales was in line with previous year and amounted to SEK 1,467 m (1,468).
- Sales volumes are affected by our continued priority to increase profitability, and a slowdown in some European markets.
- EBIT increased to SEK 168 m (129) mainly as a result of improved gross margin, favourable currency and stable operating costs.

Net Sales, SEK m



Key figures

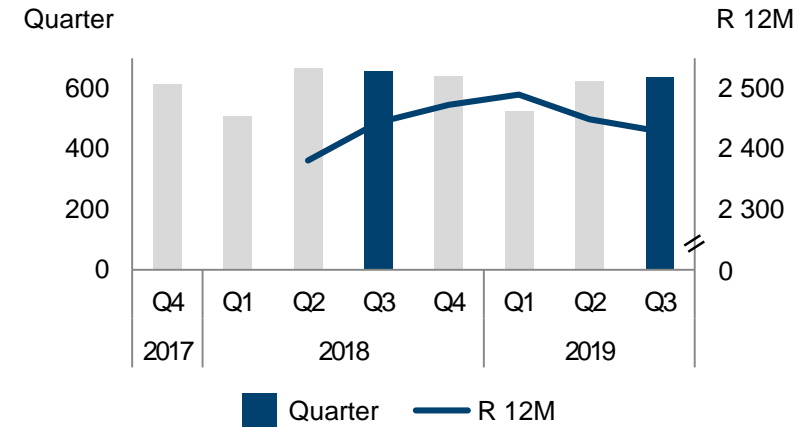
SEK m	Q3'19 Incl. IFRS 16	Q3'19 Excl. IFRS 16	Q3'18 Excl. IFRS 16	Chg % Excl. IFRS 16
Net Sales	1,467	1,467	1,468	0
Organic, %				-3
Structure ¹ , %				1
Currency, %				2
EBIT ²	168	162	129	26
EBIT ² , %	11.5	11.0	8.8	+2.2 pp

Profile Systems financial highlights Q3 2019

Improved profitability despite sales decrease

- Net sales amounted to SEK 637 m (657).
- Sales decline largely due to fewer industrial building projects in the Swedish market compared to last year.
- EBIT increased to SEK 82 m (73) mainly as a result of improved gross margin and reduced operating costs.

Net Sales, SEK m



Key figures

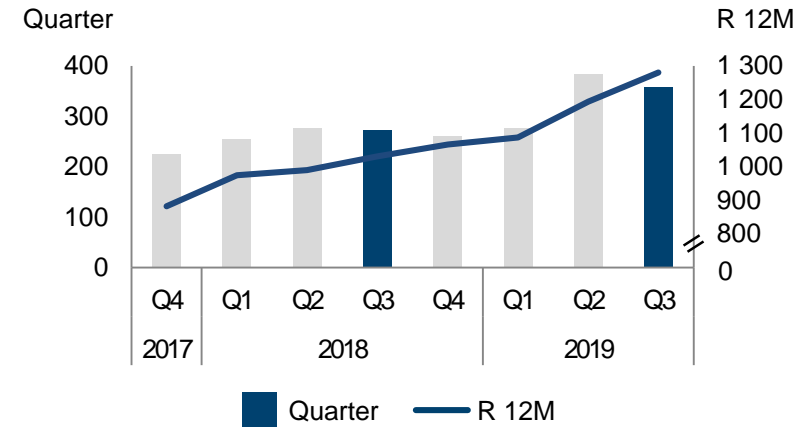
SEK m	Q3'19 Incl. IFRS 16	Q3'19 Excl. IFRS 16	Q3'18 Excl. IFRS 16	Chg % Excl. IFRS 16
Net Sales	637	637	657	-3
Organic, %				-3
Structure ¹ , %				-1
Currency, %				1
EBIT ²	82	82	73	12
EBIT ² , %	12.9	12.9	11.1	+1.8 pp

Building Systems financial highlights Q3 2019

Strong sales with improved profitability

- Net sales increased to SEK 358 m (272) with organic growth of 27%.
- EBIT improvement mainly explained by significantly higher sales volume.
- The total order backlog at the end of Q3 is slightly lower than a year ago, due to large deliveries during Q2 and Q3.

Net Sales, SEK m



Key figures

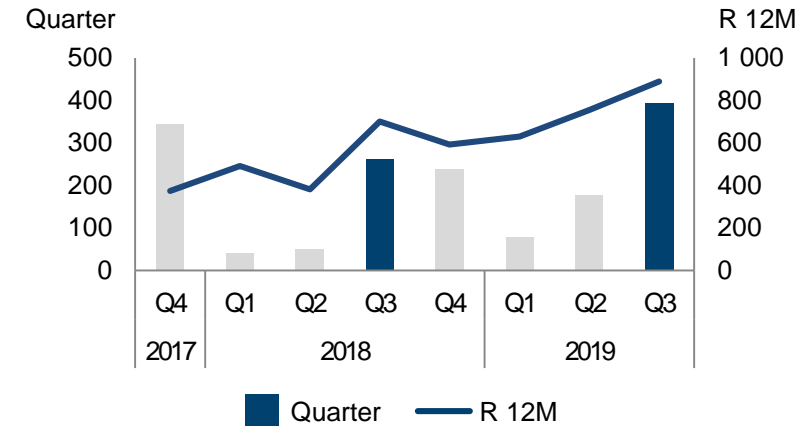
SEK m	Q3'19 Incl. IFRS 16	Q3'19 Excl. IFRS 16	Q3'18 Excl. IFRS 16	Chg % Excl. IFRS 16
Net Sales	358	358	272	32
Organic, %				27
Structure ¹ , %				0
Currency, %				5
EBIT ²	34	33	14	136
EBIT ² , %	9.5	9.2	5.1	+4.1 pp

Lindab Group cash flow Q3 2019

Continued improvement of free cash flow

- Adjusted free cash flow amounted to SEK 345 m (243) in Q3.
- The improvement in free cash flow is due to significantly higher operating profit, which has been partly offset by higher investments.
- Net debt excluding effect from IFRS 16 decreased to SEK 1,003 m (1,249).

Cash flow operating activities, SEK m



Key figures

SEK m	Q3'19 Incl. IFRS 16	Q3'19 Excl. IFRS 16	Q3'18 Excl. IFRS 16
Cash flow from			
Operating activities	383	323	244
Change in working capital	53	53	51
Investing activities	-48	-48	-19
Financial net paid	-6	1	-2
Tax paid	-35	-35	-31
Free cash flow	347	294	243
Adjusted free cash flow ¹	345	292	243

Highlights and focus going forward

Highlights in the quarter

Ventilation Systems

Lindab's IT tool Pascal Designer was launched, which enables the user to easily install the indoor climate system PASCAL with Lindab's products.

Profile Systems

Lindab divested the Dutch subsidiary Lindab Door B.V in accordance with the strategy to focus on long-term sustainable profitability.

An order of SEK 43 m was signed for delivery to a large logistics terminal in Sweden intended for the handling of general cargo, parcels and letters. Lindab will, among other things, deliver the frame, roof and wall solutions to the building.

Building Systems

Building Systems booked nine major orders, each worth more than SEK 10 m; seven in the CIS region and two in Western Europe.

Stefaan Sonjeau took office as the new business area manager for Building Systems.



Current focus areas

Decentralisation with clearer accountability



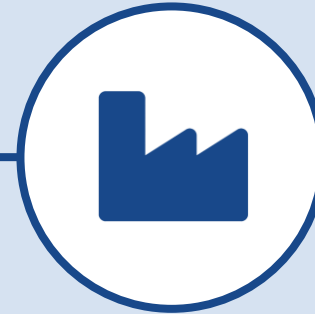
Sustainable profitability in line with financial targets



Customer satisfaction through delivery excellence



Investment in efficiency and capacity



Outlook

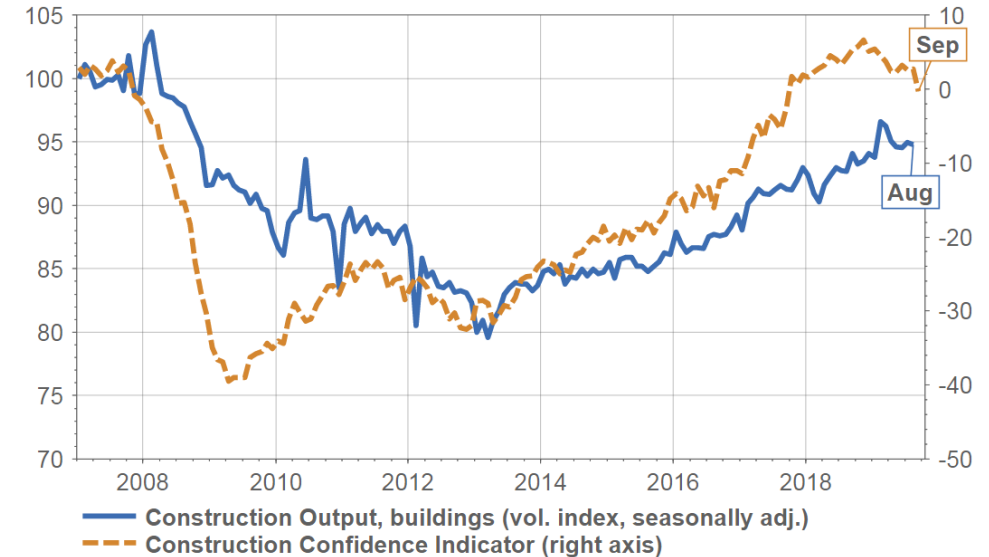
Market development

Reduced growth rate in European construction market

- The European economy continues to slow down with weak development in export dependent countries like Germany and Sweden while domestic demand and consumer confidence, so far, have stayed rather firm.
- In October, IMF revised down their quarterly updated GDP forecast for the Euro area from 1.3% to 1.2% growth in 2019 and from 1.6% to 1.4% growth in 2020.
- The sentiment in the European construction markets are weakening from high levels.
- Some positive signs are seen from the declining Swedish construction market as granted building permits for non-residential buildings, Lindab's largest segment, has increased in first half of 2019 versus prior year.¹

Construction Output & Sentiment in EU

Source: Eurostat and European Commission



Summary and Q&A

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**Thank you
Q&A**

