



Lindab Group

Q1 2020

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29 April 2020

Agenda

- Summary and overview
- Financials
- Way forward
- Summary and Q&A





Summary and overview

Key highlights Q1

- Positive development until mid-March.
- Net sales and operating profit on par with strong Q1 previous year.
- 10% operating margin in Ventilation Systems.
- Continued high level of strategic investments.
- Limited impact of covid-19 in Q1.

+1%
2,332
SALES,
SEK m

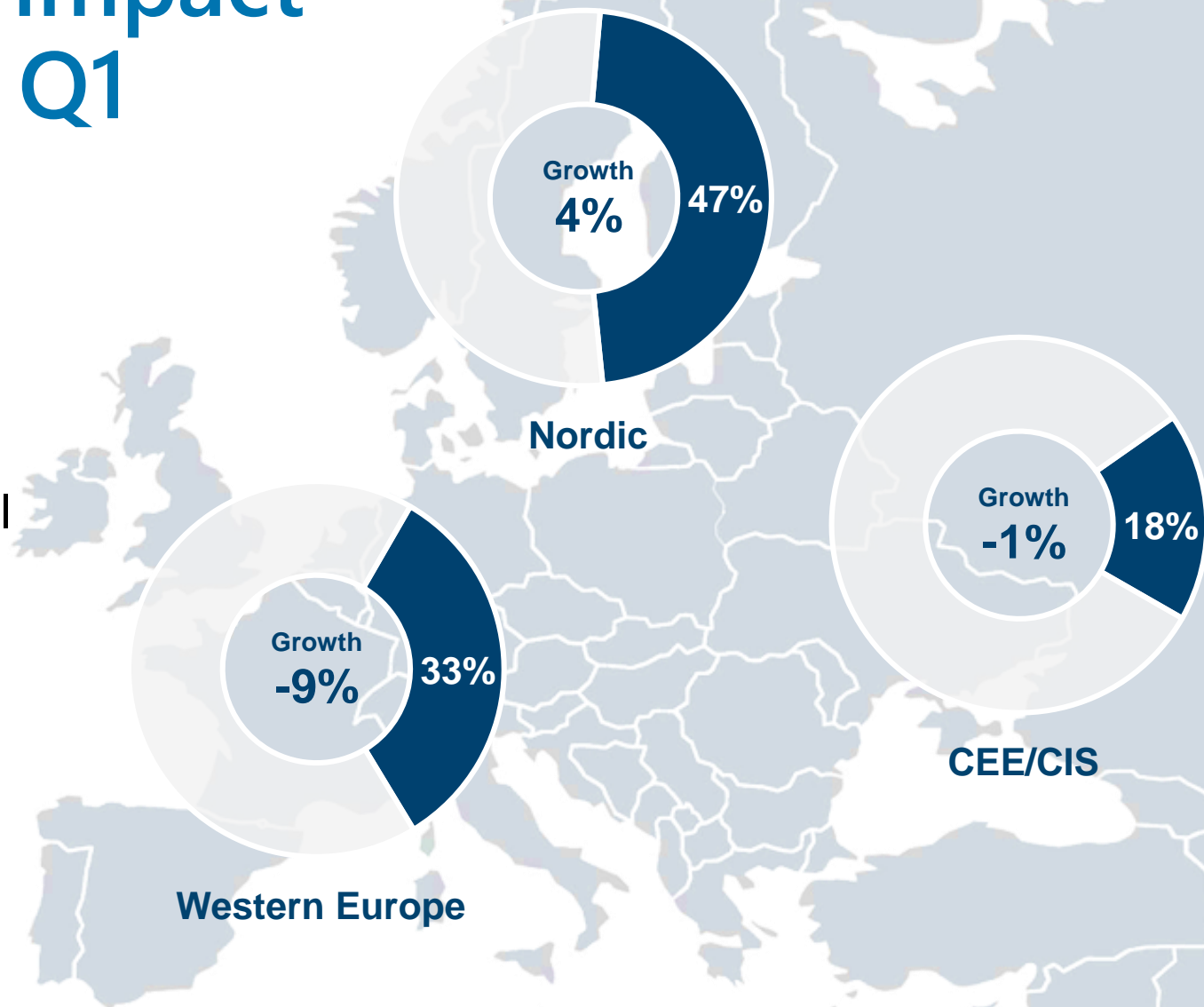
-0.4 pp
7.9%
OPERATING
MARGIN

133 (44)
INVESTMENTS,
SEK m

-4%
136
NET PROFIT
SEK m

Mixed geographic impact of covid-19 during Q1

- Strong quarter in the Nordics, especially for Profile Systems. Minor impact of covid-19.
- Western Europe had stable sales until markets closed down in several countries in the region.
- CEE/CIS reported good growth for Ventilation Systems, but a minor decline for the region in total.



Note: Information refers to share of total sales and organic growth in Q1 compared to the same quarter last year. Other markets represent 2% of sales.



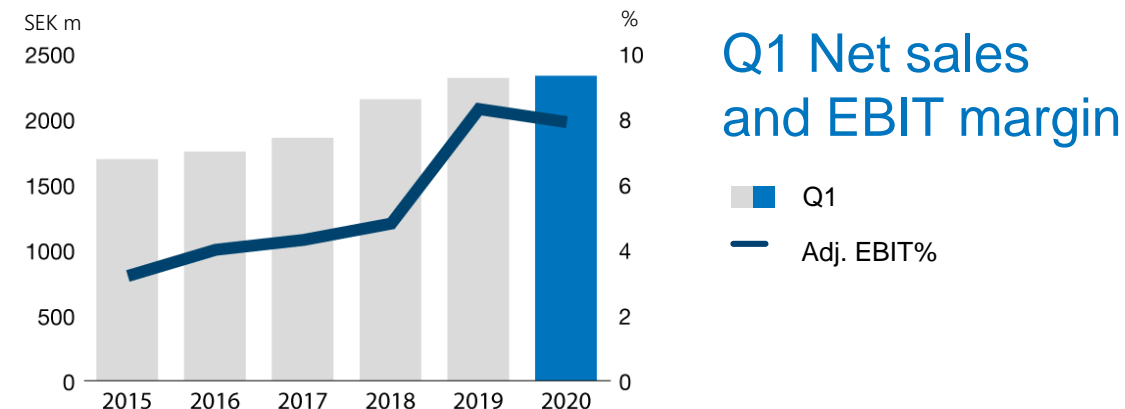
Financials

Lindab Group financial highlights

Positive development of Sales and EBIT until mid-March.

- Net sales increased by 1% to SEK 2,332 m (2,315). Organic growth was -1%, mainly due to effects of covid-19.
- Operating margin was 7.9% (8.3). EBIT was affected negatively by covid-19 during the second half of March, due to declining sales in countries under lockdown.
- Earnings per share decreased in line with EBIT, to SEK 1.78 (1.85) per share.

1) Net of acquisitions and divestments.
2) Excluding one-off items of SEK 0 m (0).



Key figures

SEK m	Q1'20	Q1'19	Change %
Net Sales	2,332	2,315	1
Organic, %			-1
Structure ¹ , %			0
Currency, %			2
EBIT ²	184	192	-4
EBIT ² , %	7.9	8.3	-0,4pp
Net profit, SEK m	136	142	-4

Ventilation Systems Q1 financial highlights

Improved operating margin despite covid-19 impact

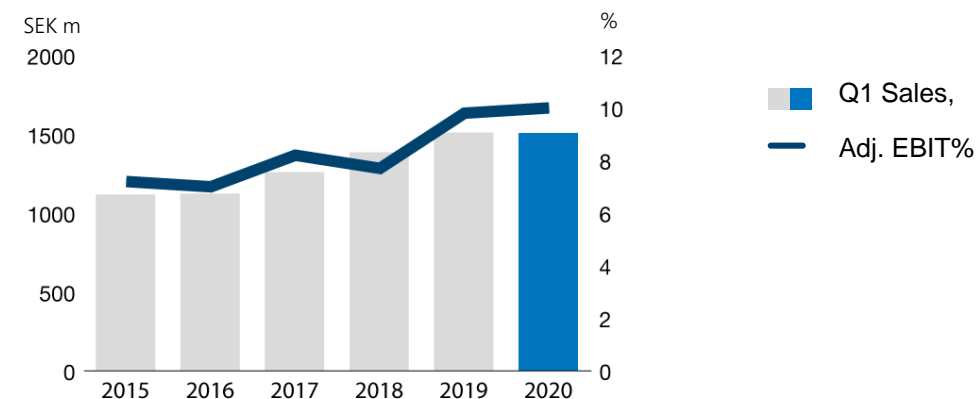
- Net sales was in line with previous year and amounted to SEK 1,510 m (1,513).
- Sales volume was impacted in a number of markets due to covid-19. Q1-19 also had historically high sales volumes, primarily in the CEE/CIS region and the Nordics
- EBIT margin increased to 10.0% (9.8) due to strengthened gross margin and cost control.

1) The values for 2015 to 2017 are best estimates by Lindab since the segment was not established during this period.

2) Net of acquisitions and divestments.

3) Excluding one-off items of SEK 0 m (0).

Q1 Net sales and EBIT margin¹



Key figures

SEK m	Q1'20	Q1'19	Change, %
Net Sales	1,510	1,513	0
Organic, %			-3
Structure ² , %			1
Currency, %			2
EBIT ³	151	149	1
EBIT ³ , %	10.0	9.8	0.2 pp

Profile Systems Q1 financial highlights

Strong sales growth and EBIT in line with previous year.

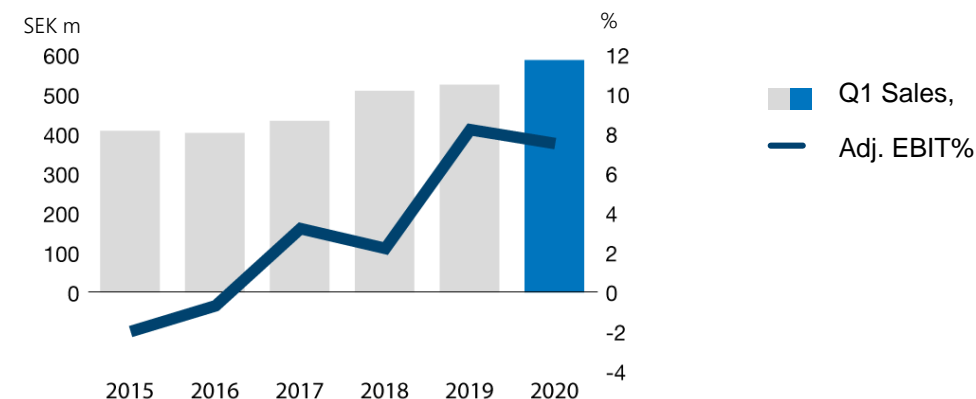
- Net sales increased organically by 13% to SEK 587 m (525).
- Sales growth driven by the Nordics, mainly due to large deliveries of industrial projects in Sweden.
- EBIT increased to SEK 44 m (43) with a slightly lower EBIT margin 7.5% (8.2), due to changed product and customer mix.

1) The values for 2015 to 2017 are best estimates by Lindab since the segment was not established during this period.

2) Net of acquisitions and divestments.

3) Excluding one-off items of SEK 0 m (0).

Q1 Net sales and EBIT margin¹



Key figures

SEK m	Q1'20	Q1'19	Change, %
Net Sales	587	525	12
Organic, %			13
Structure ² , %			-1
Currency, %			0
EBIT ³	44	43	2
EBIT ³ , %	7.5	8.2	-0.7 pp

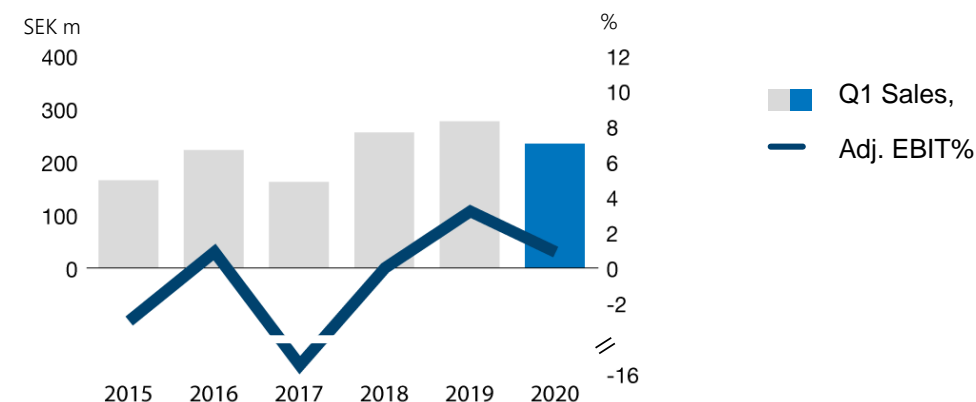
Building Systems Q1 financial highlights

Profitable Q1 despite lower sales

- Net sales decreased organically by 18% to SEK 235 m (277).
- EBIT amounted to SEK 2 m (9), explained by lower sales volumes, partly offset by lower operating costs.
- Net order intake decreased compared to last year and the total order backlog at the end of Q1 is lower than a year ago.
- Cost measures implemented to meet declining sales, in line of covid-19.

1) Net of acquisitions and divestments.
2) Excluding one-off items of SEK 0 m (0).

Q1 Net sales and EBIT margin



Key figures

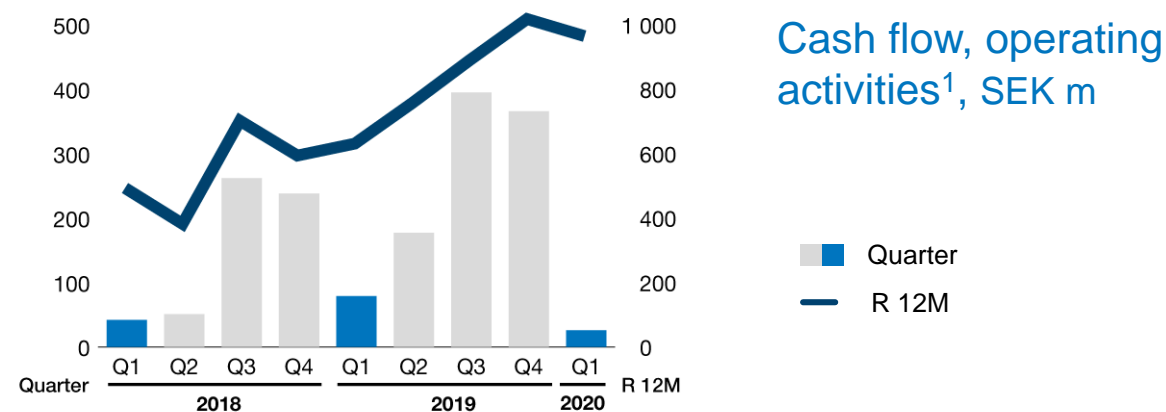
SEK m	Q1'20	Q1'19	Change, %
Net Sales	235	277	-15
Organic, %			-18
Structure ¹ , %			0
Currency, %			3
EBIT ²	2	9	-78
EBIT ² , %	0.9	3.2	-2.3 pp

Lindab Group Q1 cash flow

Free cash flow impacted by higher investments

- Free cash flow before M&A amounted to SEK -107 m (35) in Q1.
- Investments in strategic projects have impacted free cash flow. Cash flow from investing activities was SEK -133 m (-44).
- Net debt decreased to SEK 2,093 m (2,130) which gives a net debt/equity ratio of 0.4 (0.5).

1) The latest accounting standard for lease agreements (IFRS 16) has a positive impact on cash flow from operating activities from Q1 2019 onwards.



Key figures

SEK m	Q1'20	Q1'19
Operating profit adj. for non-cash items	278	276
Change in working capital	-201	-149
Financial net paid	-7	-7
Tax paid	-44	-41
Cash flow, operating activities	26	79
Investing activities	-133	-44
Free cash flow before M&A	-107	35
Free cash flow	-107	35

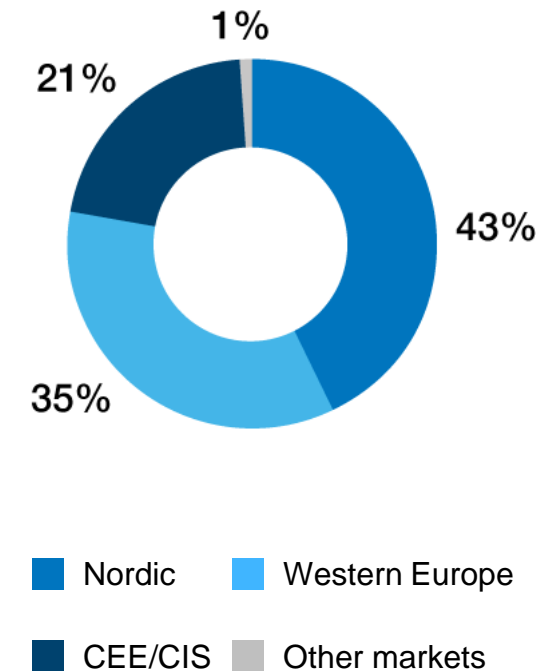


Way forward

Covid-19 impact

- Limited impact on sales in Q1, however the revenues will be more affected in Q2.
- 98% of sales in Europe, with the Nordics being the largest region.
- Robust supply chain with 30 production facilities close to customers.
- Cost reductions initiated. Short term work implemented.

Geographic revenue split (2019)



Focus areas for 2020

Decentralisation with
clear accountability



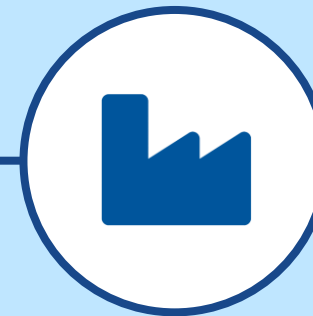
Sustainable
profitability in line with
financial targets



Customer satisfaction
through delivery
excellence



Investment in
efficiency, capacity
and digital support





Summary and Q&A

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**Thank you!
Questions?**