



Lindab Group

Q3 2020

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Agenda

- Summary and overview
- Financials
- Acquisitions & structural changes
- Summary and Q&A





Summary and overview

Key highlights Q3

- Positive market development since Q2.
- Recovery in Ventilation Systems.
Strong growth in Profile Systems.
Challenging market for Building Systems.
- Record high operating margin.
- Strong cash flow from operating activities.
- Acquisitions of Crenna and Ekovent.
Divestment of IMP Klima.
- Lindab SolarRoof awarded energy prize in Denmark.

-6%
2,302
SALES,
SEK m

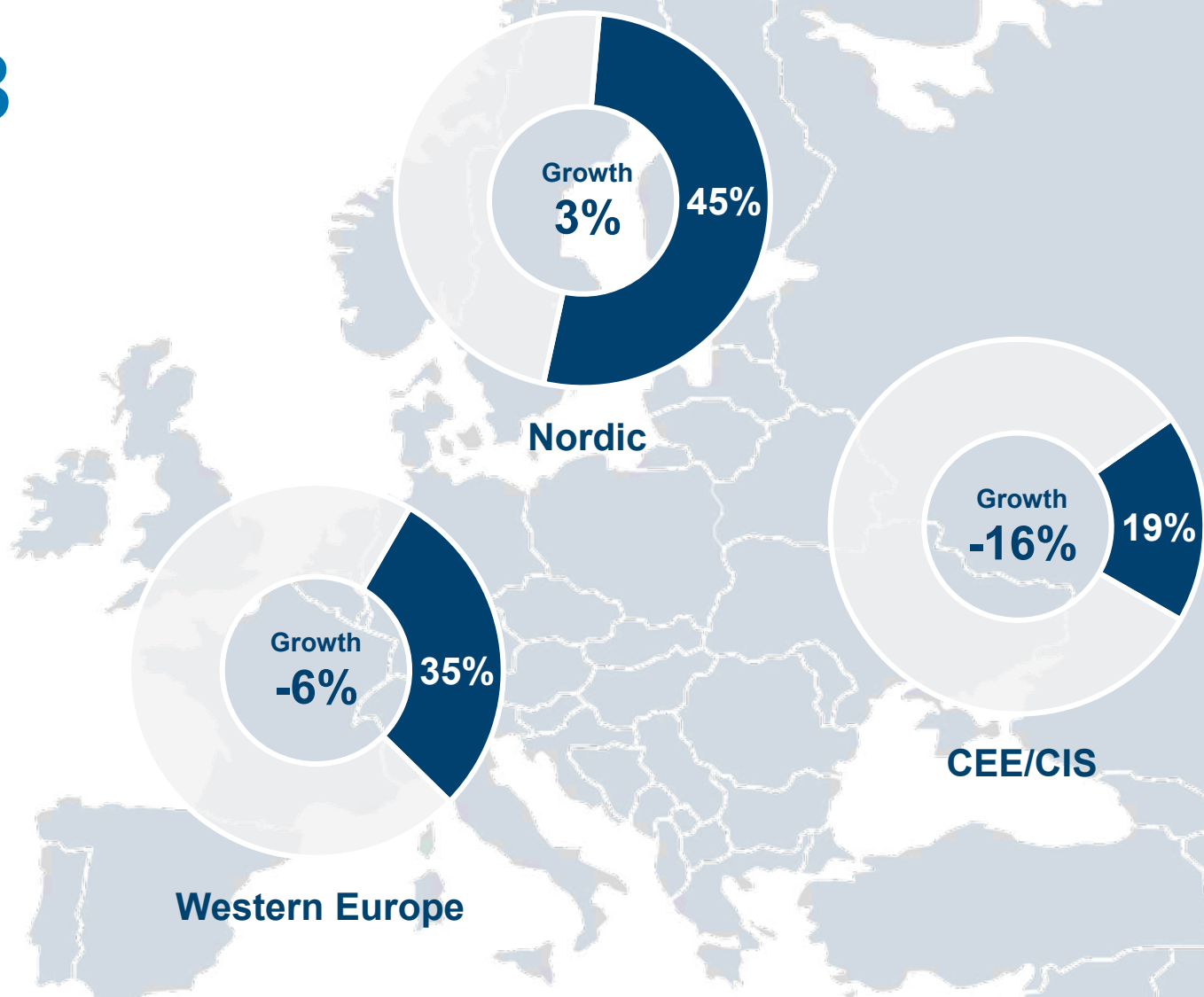
+0.3 pp
11.4%
OPERATING
MARGIN (adj)

110 ⁽⁵¹⁾
INVESTMENTS,
SEK m

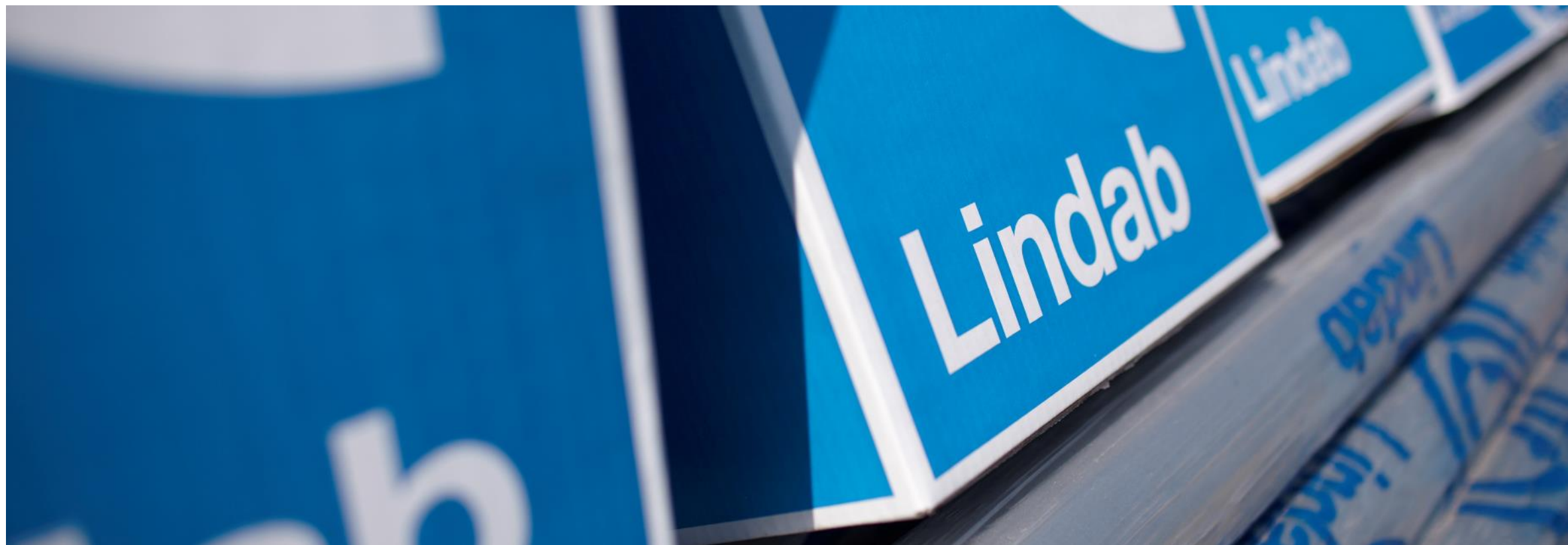
+14%
452
CASH FLOW
SEK m¹

Mixed geographic performance in Q3

- Strong quarter in the Nordics, accelerated by Profile Systems.
- Clear recovery in Western Europe compared to Q2.
- CEE/CIS continued to be impacted by market uncertainty due to covid-19.



Note: Information refers to share of total sales and organic growth in Q3 compared to the same quarter last year. Other markets represent 1% of sales.



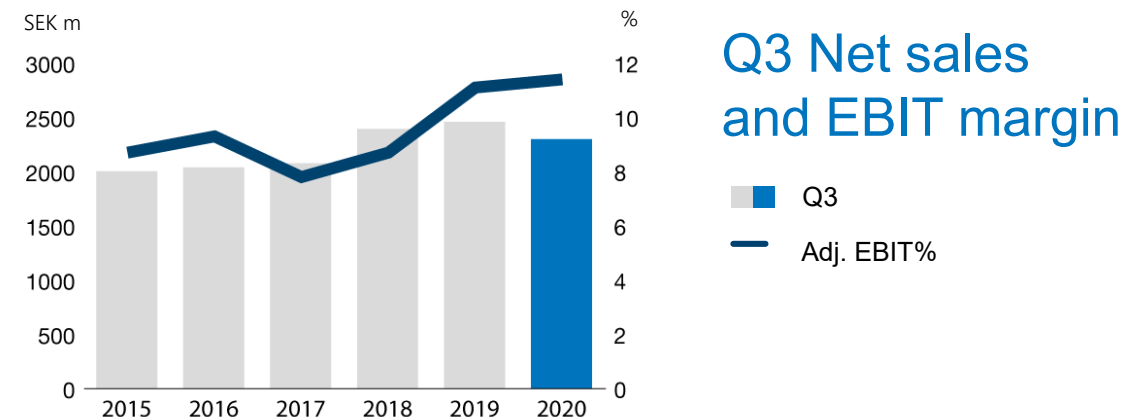
Financials

Lindab Group financial highlights

Improved EBIT margin, despite uncertainty related to covid-19.

- Net sales decreased by 6% to SEK 2,302 m (2,462). Organically sales declined by 4%, mainly due to lower sales in Building Systems.
- Adjusted EBIT margin improved to 11.4% (11.1). The margin improvement was mainly due to cost savings to adapt to lower sales but also strengthened gross margin.
- Earnings per share amounted to SEK 2.59 (2.78), due to lower sales and higher tax.

1) Net of acquisitions and divestments.
2) Excluding one-off items of SEK +4 m (0).



Key figures

SEK m	Q3'20	Q3'19	Change %
Net sales	2,302	2,462	-6
Organic, %			-4
Structure ¹ , %			+1
Currency, %			-3
EBIT ²	262	273	-4
EBIT ² , %	11.4	11.1	0.3pp
Net profit, SEK m	198	212	-7

Ventilation Systems Q3 financial highlights

Sales recovery during the quarter

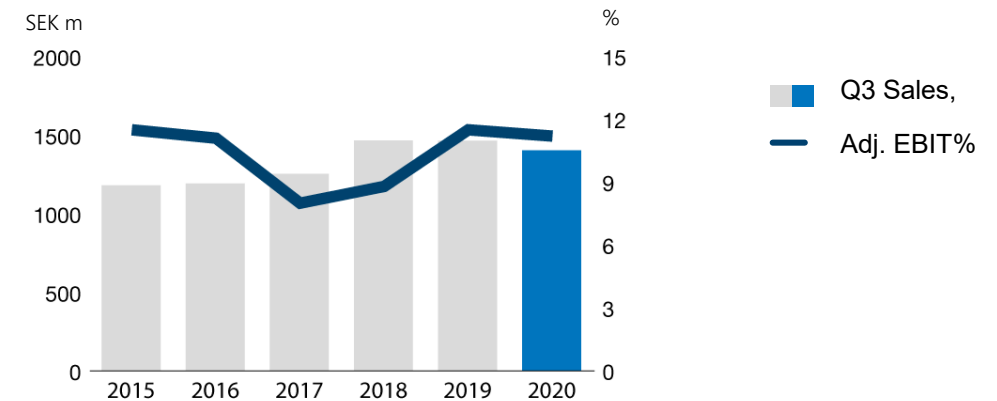
- Net sales decreased organically by 3% to SEK 1,405 m (1,467).
- Sales recovery during the quarter compared to Q2, especially in Western Europe.
- Continued stable sales development in the Nordics.
- Solid adjusted EBIT margin of 11.2% (11.5) despite lower sales volumes, due to reduced costs.

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 +4 m (0).

Q3 Net sales and EBIT margin¹



Key figures

SEK m	Q3'20	Q3'19	Change, %
Net sales	1,405	1,467	-4
Organic, %			-3
Structure ² , %			+2
Currency, %			-3
EBIT ³	158	168	-6
EBIT ³ , %	11.2	11.5	-0.3 pp

Profile Systems Q3 financial highlights

Strong sales growth and improved EBIT margin

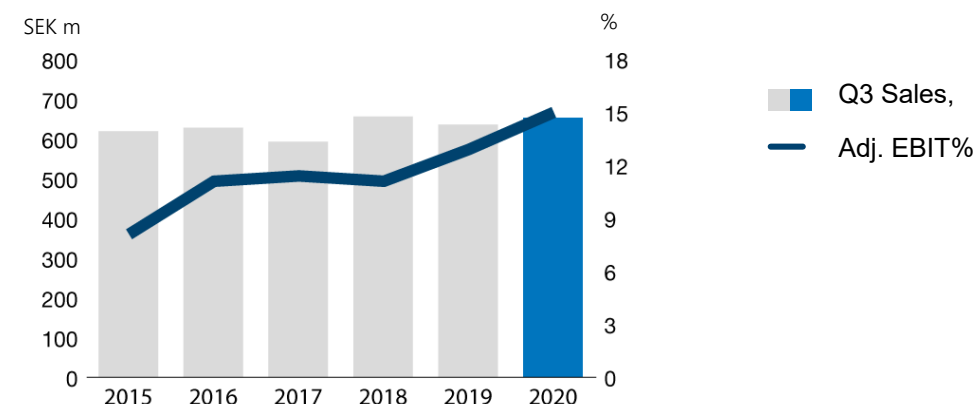
- Net sales increased organically by 5% to SEK 654 m (637).
- Sales growth driven by the Nordics, mainly due to large deliveries of industrial projects in Sweden. Strong growth also in rainwater systems.
- EBIT margin increased to 15.0% (12.9), due to higher sales volumes and strengthened gross margin.

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).

Q3 Net sales and EBIT margin¹



Key figures

SEK m	Q3'20	Q3'19	Change, %
Net sales	654	637	3
Organic, %			5
Structure ² , %			0
Currency, %			-2
EBIT ³	98	82	20
EBIT ³ , %	15.0	12.9	2.1 pp

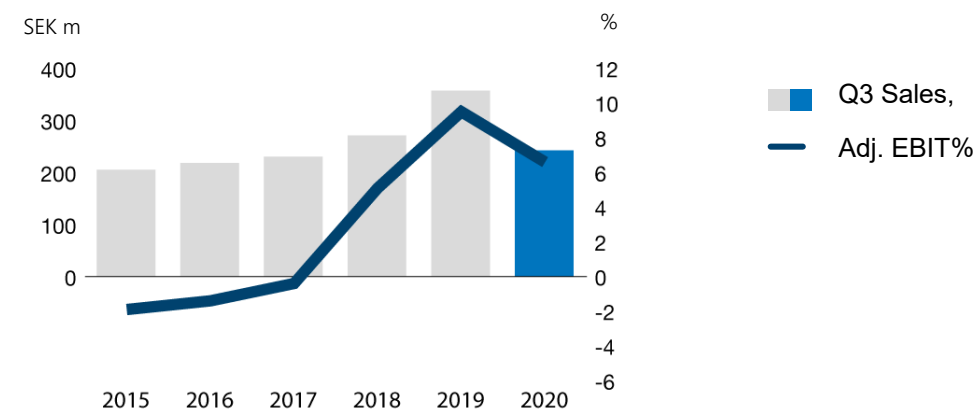
Building Systems Q3 financial highlights

Good EBIT margin despite significantly lower sales

- Net sales decreased organically by 26% to SEK 243 m (358). Sales in Q3 2019 was unusually strong, influencing the comparison numbers.
- EBIT margin of 6.6% (9.5). Lower sales volumes were partly offset by reduced costs and strengthened gross margin.
- Net order intake decreased compared to Q3 previous year. Stable order backlog in Western Europe but lower in CEE/CIS.

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

Q3 Net sales and EBIT margin



Key figures

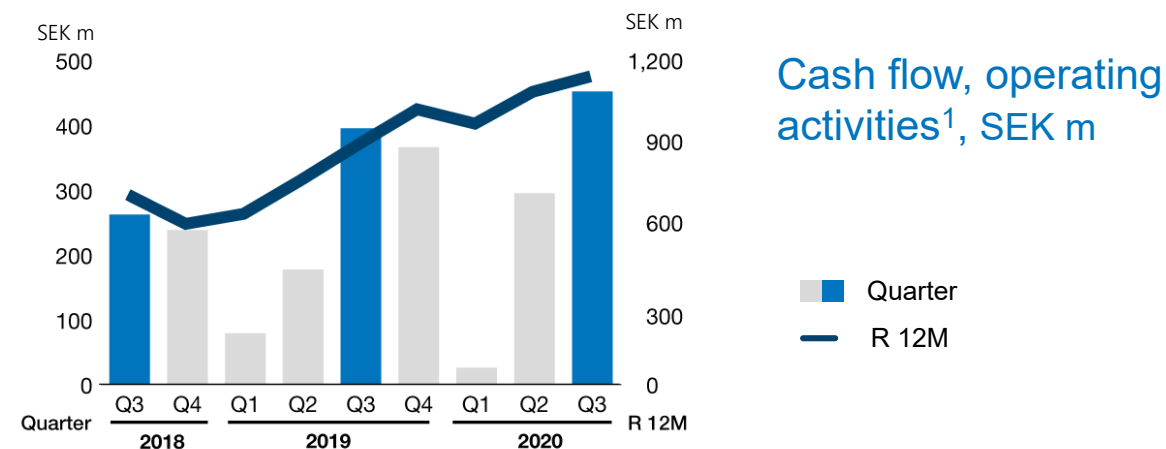
SEK m	Q3'20	Q3'19	Change, %
Net sales	243	358	-32
Organic, %			-26
Structure ¹ , %			0
Currency, %			-6
EBIT ²	16	34	-53
EBIT ² , %	6.6	9.5	-2.9 pp

Lindab Group Q3 cash flow

Strong long-term cash flow trend from operating activities

- Free cash flow adjusted for M&A amounted to SEK 346 m (345) in Q3.
- The improvement in cash flow from operating activities is driven by changes in working capital, which was partly offset by higher tax paid.
- Cash flow from investing and M&A activities was SEK -176 m (-48).
- Net debt decreased to SEK 1,740 m (1,996) which gives a net debt/equity ratio of 0.3 (0.4).

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	Q3'20	Q3'19
Operating profit adj. for non-cash items	364	383
Change in working capital	143	53
Financial net paid	-11	-6
Tax paid	-44	-35
Cash flow, operating activities	452	395
Investing and M&A activities	-176	-48
Free cash flow	276	347
Free cash flow adjusted for M&A	346	345



Acquisitions & structural changes

Divestment of IMP Klima

- Lindab acquired IMP Klima in 2015 to establish a presence in the air handling unit market. It has shown weak development and it has been a loss-making business for several years.
- Orange Climate B.V. showed interest to acquire the business after the decision to close down was announced. The transaction was finalised on 18 September.
- Sales in 2019 was SEK 269 m, reported as part of Business Area Ventilation Systems. 226 employees are affected.
- Total one-time costs of SEK -70 m YTD.



Crenna - rectangular ventilation ducts in Sweden



- Lindab acquired Crenna Plåt AB on 3 July.
- With the acquisition, Lindab will have a complete range of ventilation ducts in Sweden.
- Crenna has production units in Enköping, Stockholm and Gothenburg.
- Revenue of approximately SEK 120 m with 85 employees. Crenna's operating margin is in line with Lindab's.

Ekovent, ventilation and fire & smoke protection in the Nordics

- Lindab acquired Ekovent on 1 October.
- The acquisition expands Lindab's offering in ventilation solutions and Lindab strengthens its position in fire & smoke protection in Sweden.
- Ekovent has its head office and two production facilities in Vellinge, outside of Malmö, as well as sales offices in Stockholm and Gothenburg.
- Revenue of approximately SEK 123 m with 64 employees. Ekovent's operating margin is in line with Lindab's.

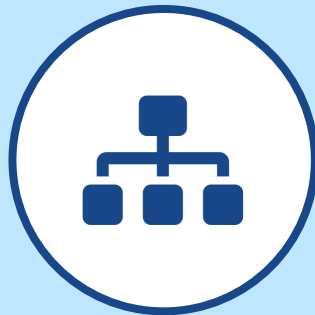




Summary and Q&A

Focus areas for 2020

Decentralisation with
clear accountability



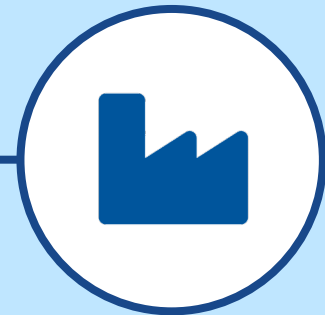
Sustainable
profitability in line with
financial targets



Customer satisfaction
through delivery
excellence



Investment in
efficiency, capacity
and digital support



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**Thank you!
Questions?**