



# Lindab Group Q4 & FY 2020

9 February 2021

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President & CEO

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# Key highlights Q4

- Another strong quarter for Lindab.
- Organic growth for Ventilation Systems.
- Record high margin for a fourth quarter.
- Continued strong financial position.

**-4%**  
**2,314**  
SALES,  
SEK m

**+2.3 pp**  
**10.7%**  
OPERATING  
MARGIN (adj)

**115** (100)  
INVESTMENTS,  
SEK m

**-3%**  
**356**  
CASH FLOW  
SEK m<sup>1</sup>



# Key highlights FY2020

- Long-term target of 10% operating margin achieved.
- Record high profitability despite covid-19 impact on sales.
- Strong cash flow from operating activities.
- Continued investments to increase efficiency, capacity and safety
- Four acquisitions, one divestment and one technology investment.

**-6%**  
**9,166**  
SALES,  
SEK m

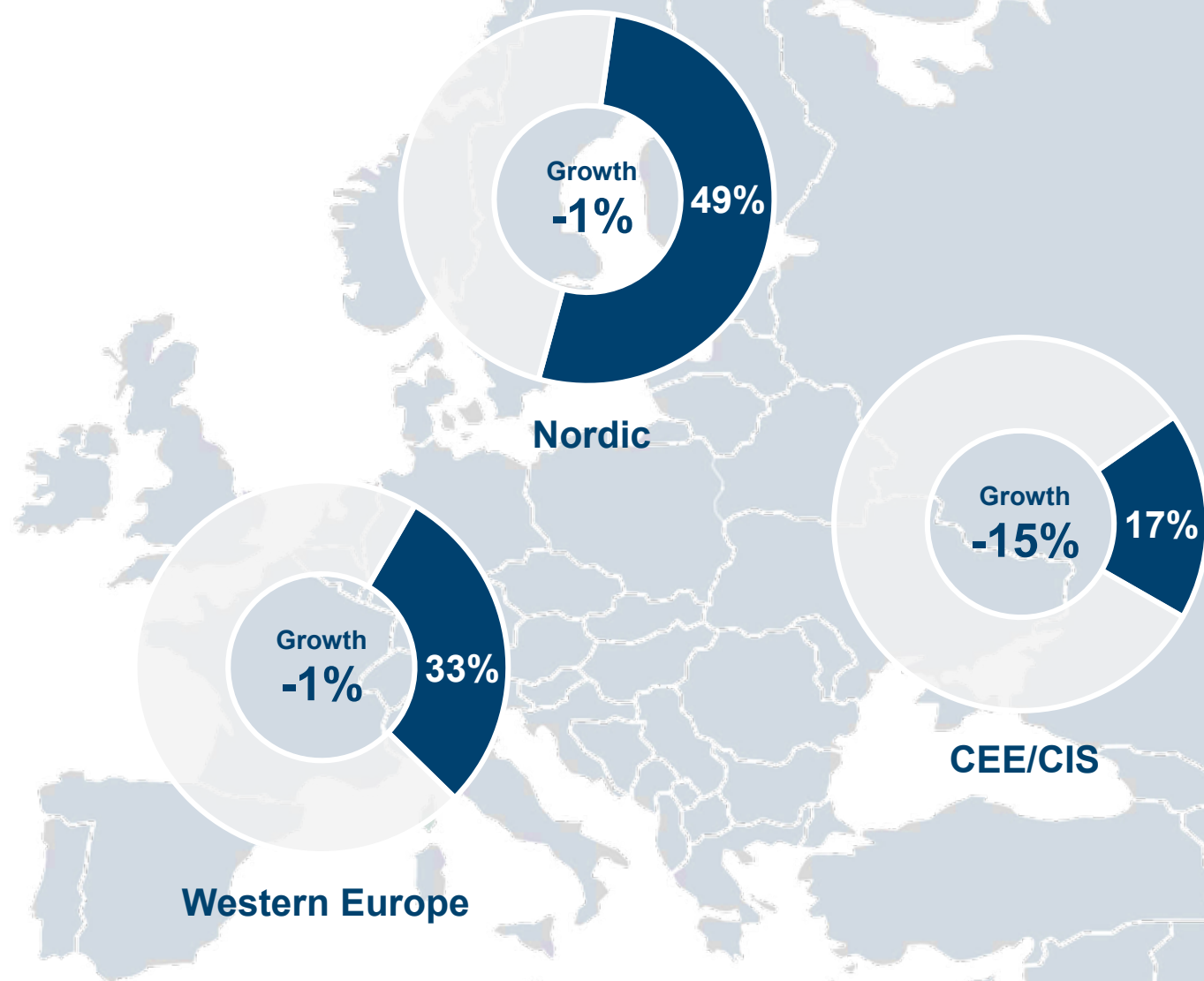
**+0.7 pp**  
**10.0%**  
OPERATING  
MARGIN (adj)

**425** (278)  
INVESTMENTS,  
SEK m

**+11%**  
**1,129**  
CASH FLOW  
SEK m<sup>1</sup>

# Mixed geographic performance in Q4

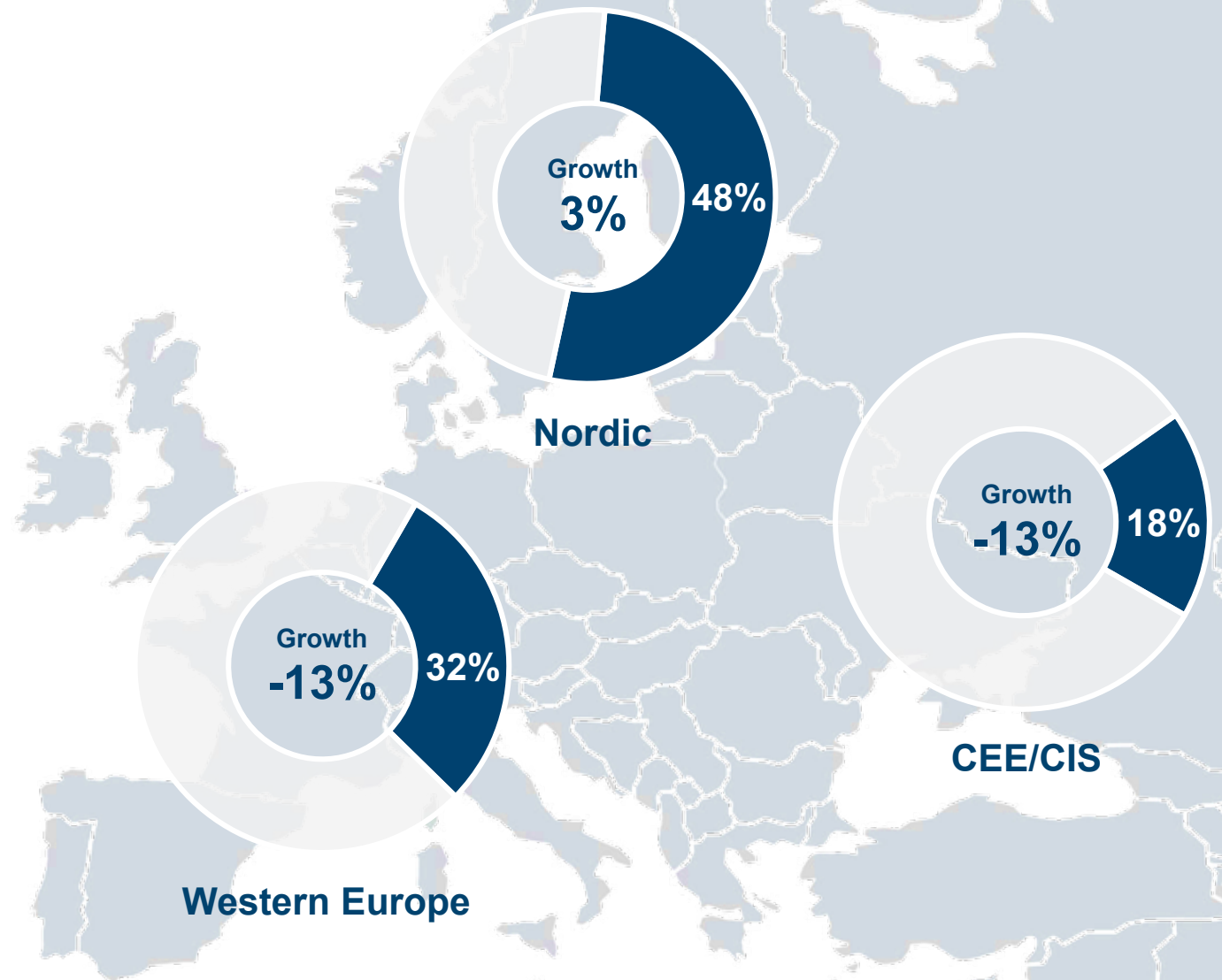
- Stable sales development in the Nordics.
- Continued sales recovery in Western Europe.
- CEE/CIS continued to be impacted by market uncertainty due to covid-19.



Note: Information refers to share of total sales and organic growth in Q4 compared to the same quarter last year. Other markets represent 1% of sales.

# Geographic performance FY

- Stable sales development throughout the year in the Nordics.
- Western Europe impacted by covid-19 in 1<sup>st</sup> half of the year but recovered in 2<sup>nd</sup> half of the year.
- CEE/CIS impacted by market uncertainty due to covid-19.



Note: Information refers to share of total sales and organic growth in Q4 compared to the same quarter last year. Other markets represent 2% of sales.





## Financials

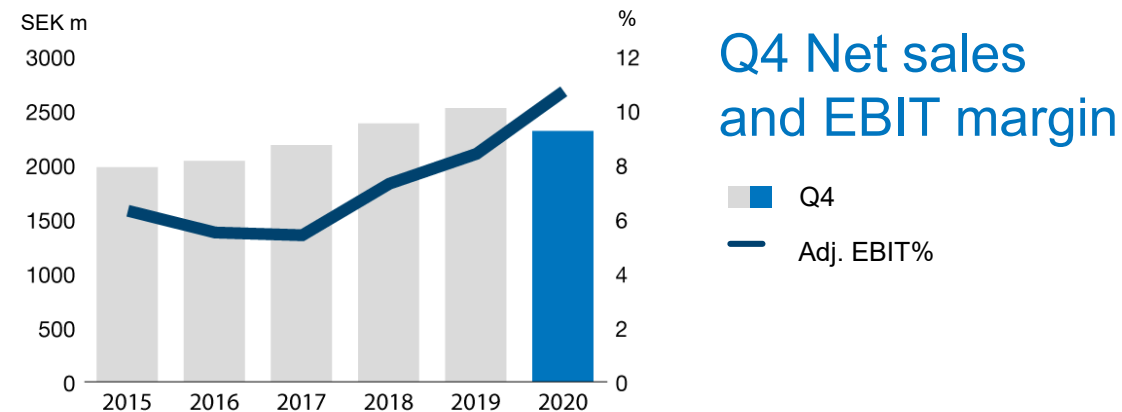
# Lindab Group Q4 financial highlights



## Improved EBIT margin in all three segments

- Sales were affected by continued uncertainty related to covid-19.
- EBIT and EBIT margin improved significantly due to strengthened gross margin, reduced costs and contributions from acquisitions/divestment.
- Highest EBIT margin for a fourth quarter since 2008.
- Government grants of SEK 5 m in the quarter.
- EBIT negatively impacted by strengthened SEK.

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



## Key figures

SEK m	Q4'20	Q4'19	Change %
Net sales	2,314	2,526	-8
Organic, %			-4
Structure <sup>1</sup> , %			+1
Currency, %			-5
EBIT <sup>2</sup>	248	212	+17
EBIT <sup>2</sup> , %	10.7	8.4	2.3pp
Net profit, SEK m	186	143	+30

# Ventilation Systems Q4 financial highlights

## Return to organic sales growth during the quarter

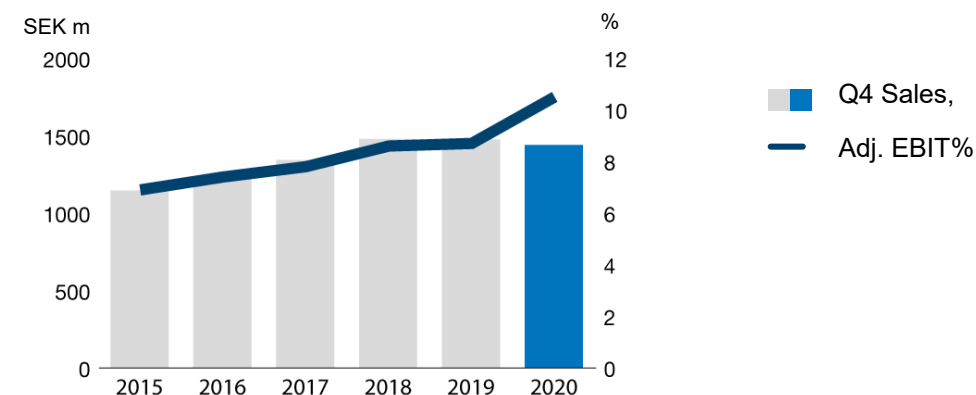
- Net sales amounted to SEK 1,442 m (1,478), and organically sales increased by 1% during the quarter.
- Continued sales recovery in most markets, especially Western Europe.
- Adj. EBIT/EBIT-margin improved due to strengthened gross margin and reduced costs, but also due to completed acquisitions and divestments.
- Government grants of SEK 2 m in the quarter.

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).

## Q4 Net sales and EBIT margin<sup>1</sup>



## Key figures

SEK m	Q4'20	Q4'19	Change, %
Net sales	1,442	1,478	-2
Organic, %			+1
Structure <sup>2</sup> , %			+1
Currency, %			-4
EBIT <sup>3</sup>	152	129	+18
EBIT <sup>3</sup> , %	10.5	8.7	+1.8 pp

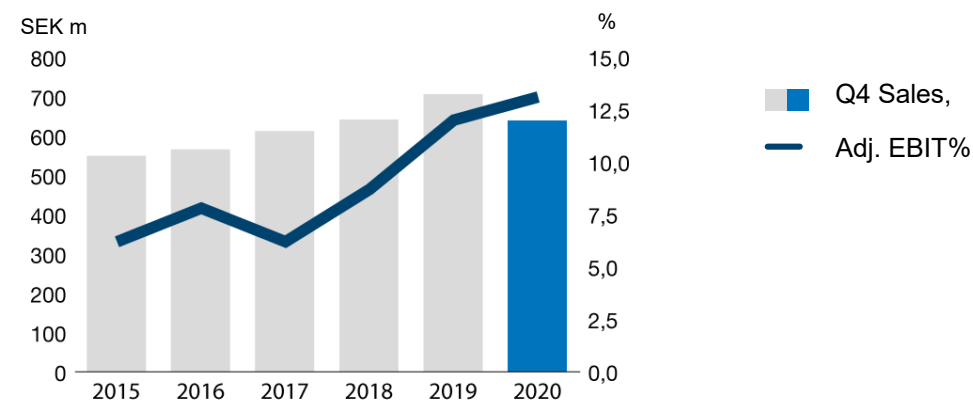


# Profile Systems Q4 financial highlights

## EBIT margin continued to improve

- Net sales amounted to SEK 640 m (707). The organic decline of 7% was mainly due to large project deliveries in Sweden and CEE during the corresponding quarter last year.
- Strengthened gross margin contributed to improved EBIT-margin.
- Government grants of SEK 1 m in the quarter.

## Q4 Net sales and EBIT margin<sup>1</sup>



## Key figures

SEK m	Q4'20	Q4'19	Change, %
Net sales	640	707	-9
Organic, %			-7
Structure <sup>2</sup> , %			-
Currency, %			-2
EBIT <sup>3</sup>	84	85	-1
EBIT <sup>3</sup> , %	13.1	12.0	1.1 pp

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).

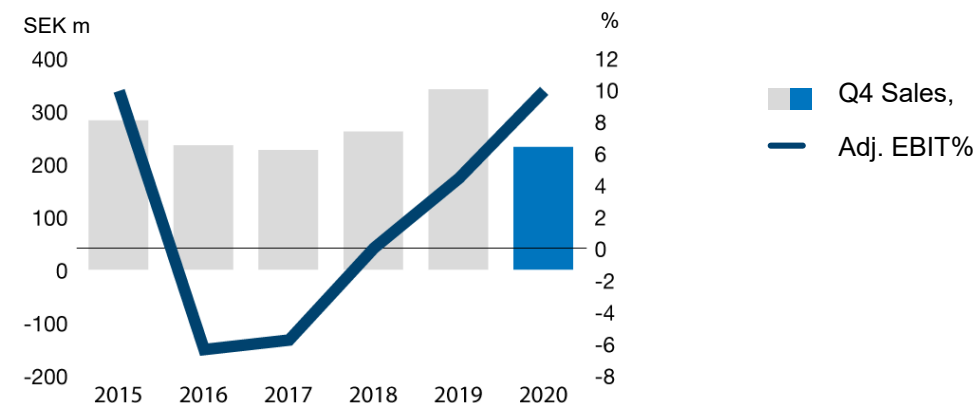
# Building Systems Q4 financial highlights

## Strong EBIT margin despite significantly lower sales

- Net sales decreased organically by 23% to SEK 232 m (341). The comparison period included major project deliveries.
- General market slowdown due to covid-19 as several planned constructions projects have been postponed.
- Activities to strengthen gross margin, and cost saving measures to adapt the business to lower sales, have had a positive effect on EBIT and EBIT margin.
- Significant negative currency impact on sales and EBIT due to weaker RUB.
- Government grants of SEK 3 m in the quarter.

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

## Q4 Net sales and EBIT margin<sup>1</sup>



## Key figures

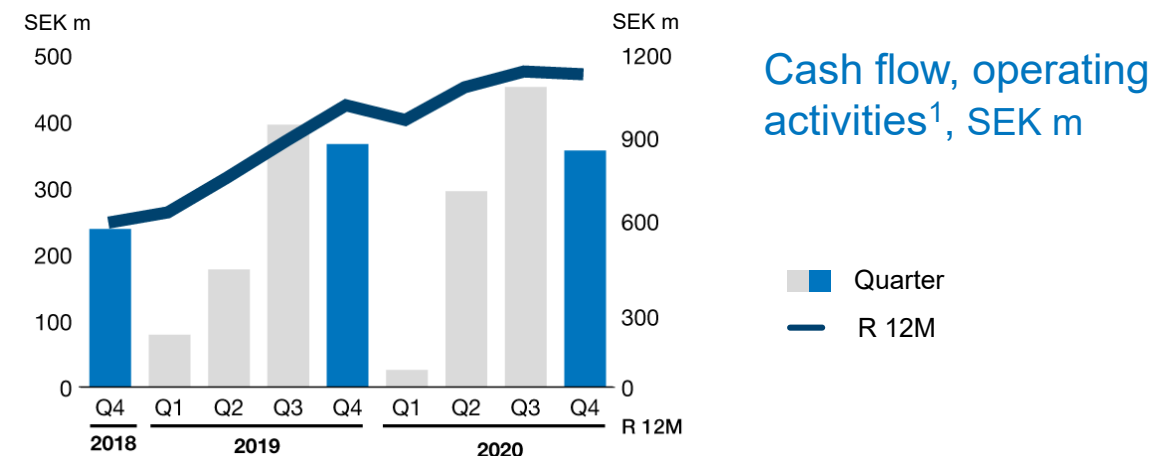
SEK m	Q4'20	Q4'19	Change, %
Net sales	232	341	-32
Organic, %			-23
Structure <sup>1</sup> , %			-
Currency, %			-9
EBIT <sup>2</sup>	23	15	+53
EBIT <sup>2</sup> , %	9.9	4.4	+5.5 pp

# Lindab Group Q4 cash flow

## Strong cash flow, supporting continued high investments and M&A activities

- Continued strong cash flow from operating activities.
- Lower free cash flow versus previous year due to significantly higher investing and acquisitions activities.
- The strong cash flow from operating activities during the year enabled Lindab to decrease net debt to SEK 1,640 m (1,771) at year end.
- Net debt/EBITDA ratio decreased to 1.4 (1.6).

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	Q4'20	Q4'19
Operating profit adj. for non-cash items	364	313
Change in working capital	53	121
Financial net paid	-10	-6
Tax paid	-51	-62
Cash flow, operating activities	356	366
Investing and M&A activities	-249	-95
Free cash flow	107	271
Free cash flow adjusted for M&A	241	274

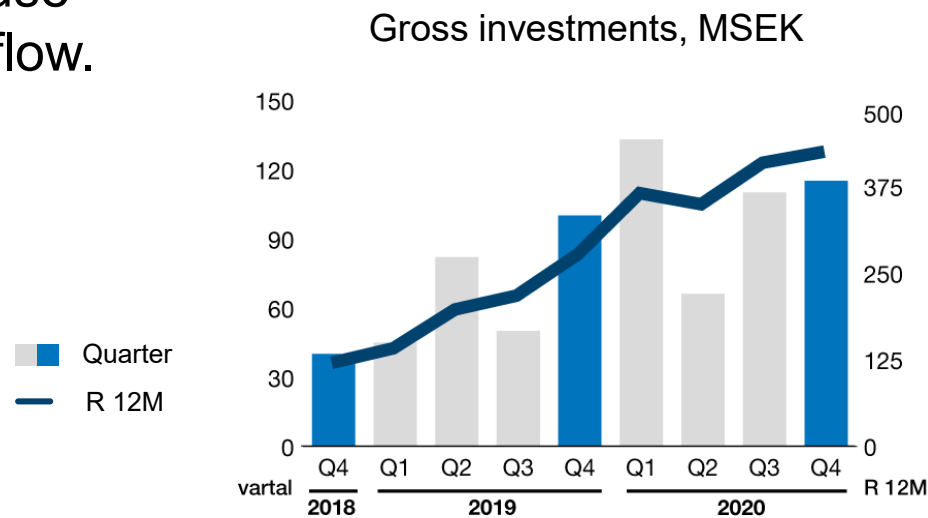




## Investment program

# Investments to increase efficiency, capacity and safety

- SEK 425 m invested in 2020, with attractive payback.
- Increased automation to improve efficiency.
- New equipment to create a safer work environment.
- Expansion of regional production facilities to meet increased demand.
- New and expanded warehouse facilities to optimise logistic flow.





## Acquisitions & structural changes



# Acquisitions during Q4, 2020

## Ekoment, SE (1 Oct).

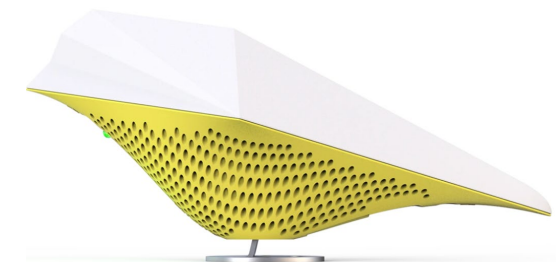
- The acquisition expands Lindab's offering in ventilation solutions and Lindab strengthens its position in fire & smoke protection in Sweden.
- Revenue of SEK 123 m with 64 employees.
- Ekoment's operating margin is in line with Lindab's.

## Aer Faber, NO (3 Dec)

- With the acquisition, Lindab will strengthen its presence in the Oslo area. Aer Faber also has extensive experience in production of rectangular ventilation ducts.
- Revenue of NOK 50 m with 21 employees.
- Aer Faber's operating margin is higher than Lindab's.

## Leapcraft, DK (Nov)

- Acquisition of 37% of the shares.
- Leapcraft offers an analysis service that continuously monitor the indoor climate and identifies how the ventilation system should be adjusted.





## Summary & Way forward

# Long-term financial targets

5-8%

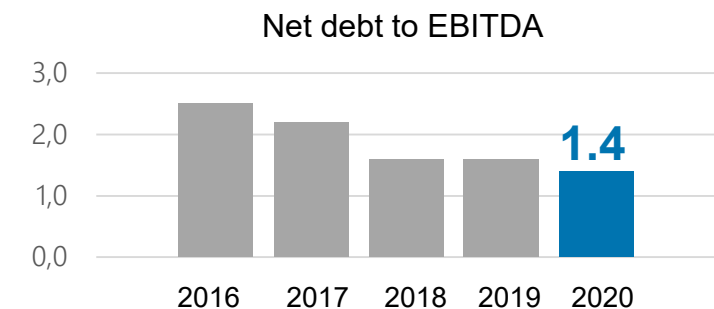
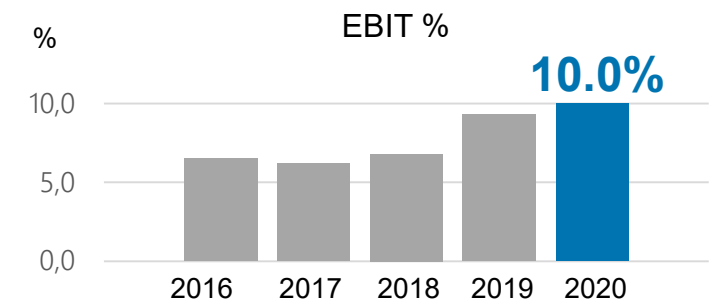
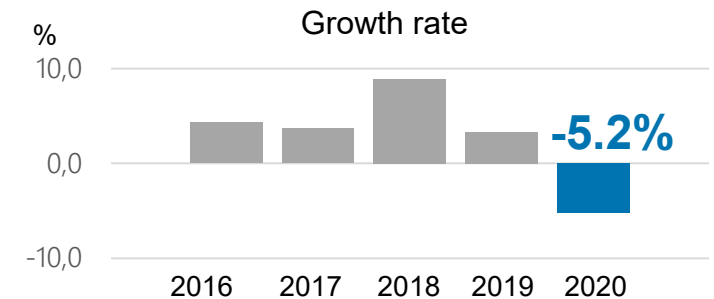
The **annual growth rate** should be 5–8 percent as a combination of organic and acquired growth.

10%

The **operating margin**, EBIT, should average at least 10 percent over the course of one business cycle.

<3.0

The **net debt** to EBITDA ratio should not exceed 3.0, measured over a 12 month average.

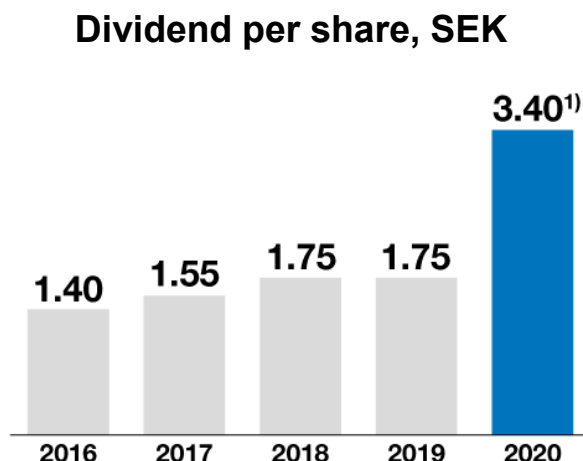


Note: Excluding the effect of implemented new accounting standard IFRS 16 Leases, operating margin amounted to 9.0 percent in 2019 and 9.7 percent in 2020. Net debt to EBITDA amounted to 1.0 in 2019 and 0.8 in 2020.



# Dividend

- Lindab's dividend policy is to pay out at least 40% of net profits as dividend.
- The Board of Directors proposes a dividend of SEK 3.40 per share, in accordance with the policy.
- The proposed dividend equals 44% of the EPS of SEK 7.80.
- The dividend is proposed to be split in two equal payments, one in May and one in November.



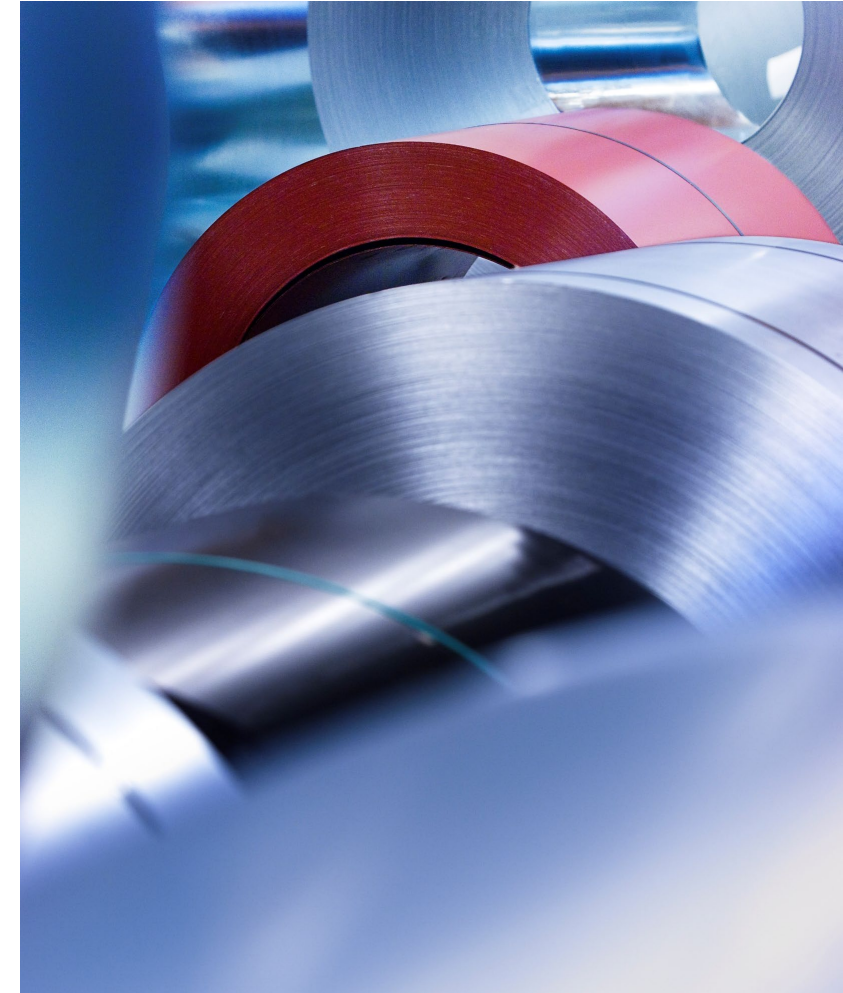
1) Proposal from the Board of Directors to the Annual General Meeting.



# Market development going forward

## Continued market recovery with increasing steel prices

- Euroconstruct forecast the European construction market for buildings to have declined almost 9% in 2020.
- The market is expected to recover with around 4% real growth in 2021.
- Steel prices started to increase during the autumn, with particularly large increases in last few months. Continued increases are expected throughout the first half of 2021.
- Lindab is adjusting its prices to compensate for the higher cost of raw material.



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**Thank you!  
Questions?**