Divestment of Astron Building Systems & updated financial targets

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Lindab divests Business Area Building Systems

- Building Systems is Lindab's division for steel buildings, sold under the Astron brand.
- The buyer is the French construction company Groupe Briand.
- The divestment is subject to anti-trust approval in Russia.
- Astron's sales was SEK 946 million in 2020, which corresponds to 10% of Lindab's total sales.
- Astron's adjusted EBIT margin was 5.9% in 2020 compared to Lindab's adjusted EBIT margin of 10.0%.
- One-time cost of app SEK 430 million. No cash flow effect.

Increased focus on ventilation systems

- Increased focus on the core business where Lindab has the right knowledge to grow sales and profitability. Ventilation Systems will account for two thirds of the revenue and Profiles Systems for one third.
- Lindab has standardised manufacturing of high-volume products while Astron has a typical project business with customer unique solutions.
- Exit from Kazakhstan, Belarus and Luxemburg.
- Significant reduction of sales in Russia. Less exposure to the volatile Russian Rubel.
- Business Area Ventilation Systems and Profile Systems are well integrated with shared purchasing, production and distribution.

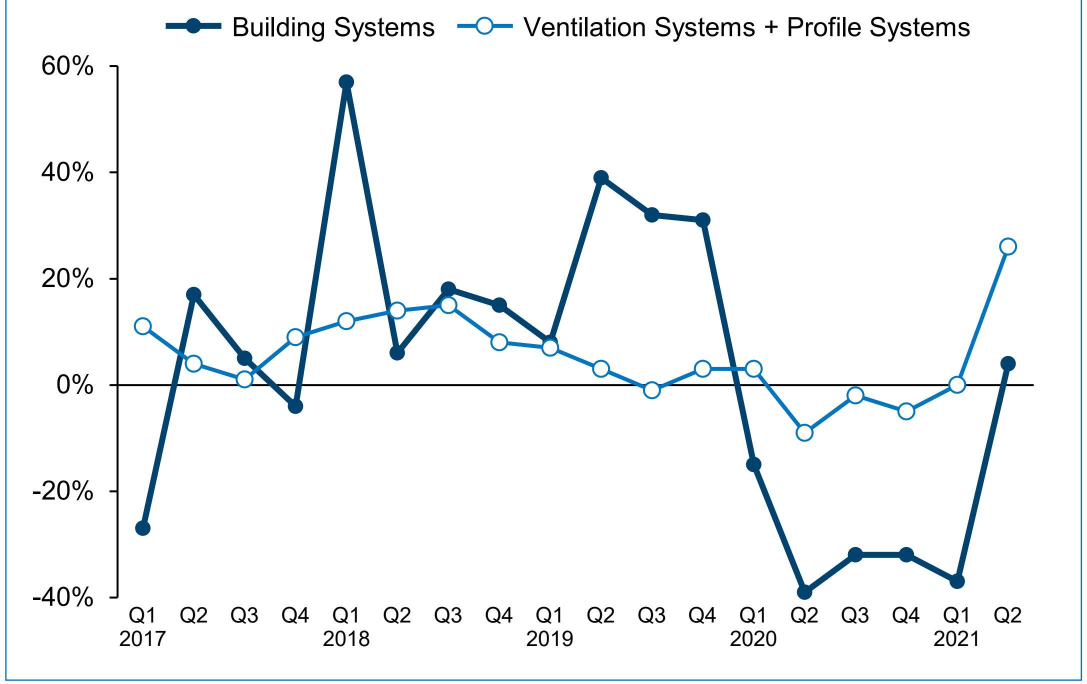
Financial effects

- As of now, Building Systems will be recognized as an asset held for sale and a discontinued operation in the financial statements.
- In terms of income statement, this implies that the total financial performance of the segment will be recognized as a net value.
- The classification asset held for sale and discontinued operation will be kept until the divestment is finalized.
- One time cost of SEK 430 m will be recognized in Q3. The cost is primarily related to impairment of goodwill.
- The divestment transaction is not expected to have a material net cash flow impact for the Group.

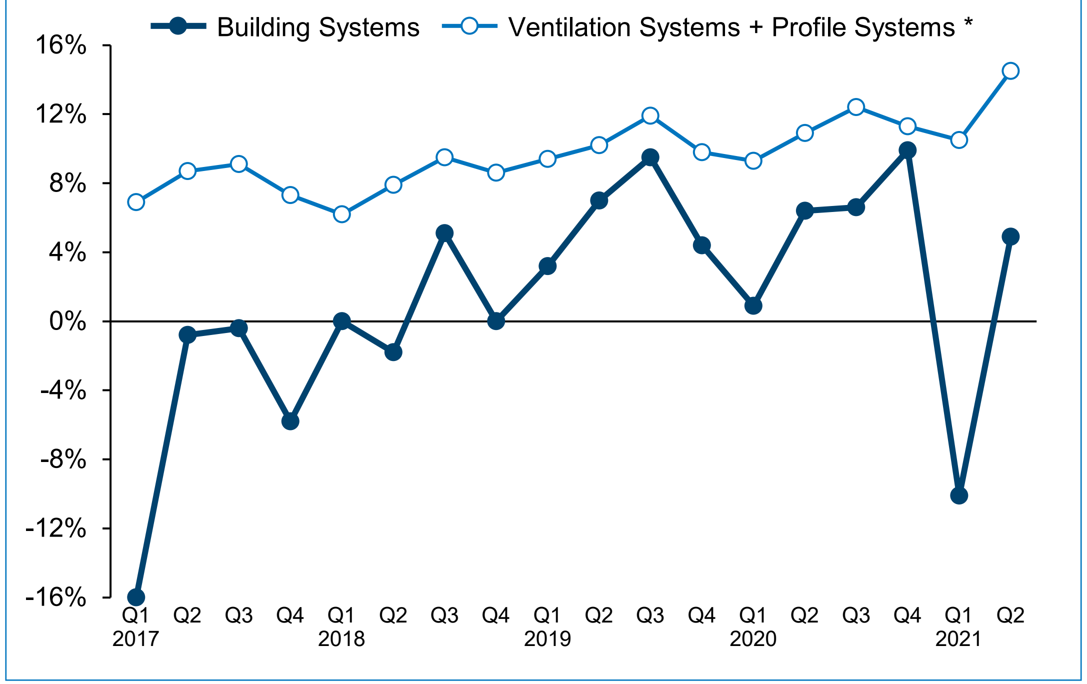
Building Systems compared to remaining Lindab

- Building Systems has generally had a much more volatile sales development compared to remaining Lindab, which is due to significant seasonality and dependence on both large projects and more volatile growth markets.
- The profitability in the two remaining Business Areas has been significantly higher and more stable in last 5 years compared to Building Systems.

Sales growth % (YoY)



Adjusted EBIT%



*) Excluding the Other segment.

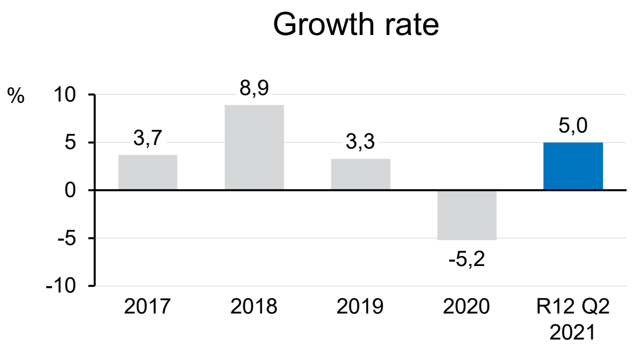
The new Lindab
Rolling 12 months (July 2020 – June 2021)

SEK million	Lindab	Astron	Lindab excl. Astron	Change
External sales	9,611	870	8,741	-9%
EBIT	1,063	36	1,027	-3%
EBIT %	11.1%	4.1%	11.7%	+0.6 p.p.
One off items	4	0	4	
Adj. EBIT	1,059	36	1,023	-3%
Adj EBIT %	11.0%	4.1%	11.7%	+0.7 p.p.
EPS (SEK)	10.49	0.29	10.20	-3%

Present long-term financial targets

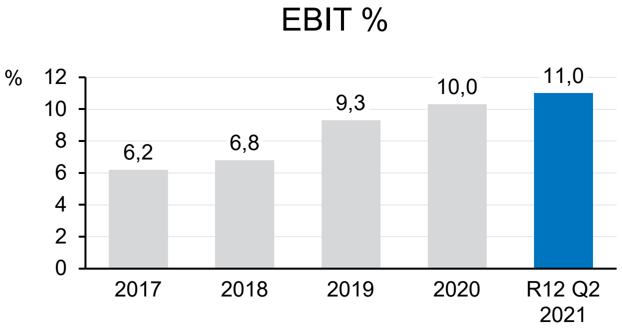
5-8%

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



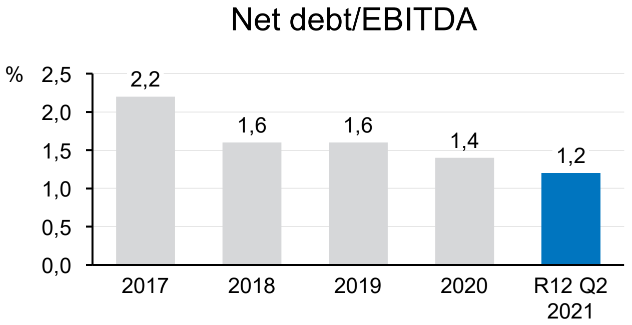
10%

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.

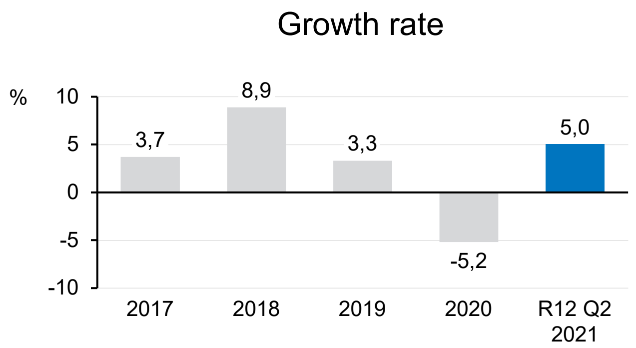


1) IFRS 16 *Leases* has changed the prerequisites of how EBIT-margin and Net debt to EBITDA are calculated. The comparable numbers, excluding effects from IFRS16 *Leases*, would be 9.0% for 2019, 9.7% for 2020 and 10.7% for 2021 in terms of EBIT-margin. For Net debt to EBITDA the corresponding figures would be 1.0 for 2019, 0.8 for 2020 and 0.6 for 2021.

Updated long-term financial targets

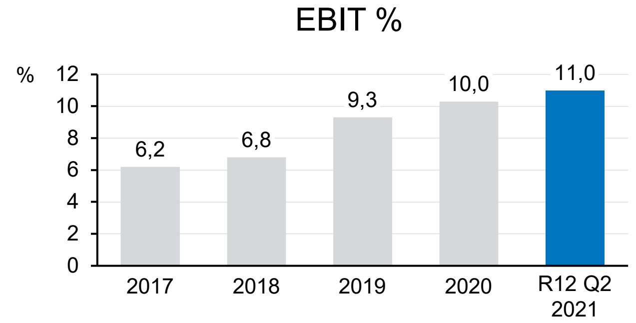
>10%

The **annual growth rate** should exceed 10 percent, as a combination of organic and acquired growth.



>10%

The **operating margin** should exceed 10 percent, excluding one-off items and restructuring costs.



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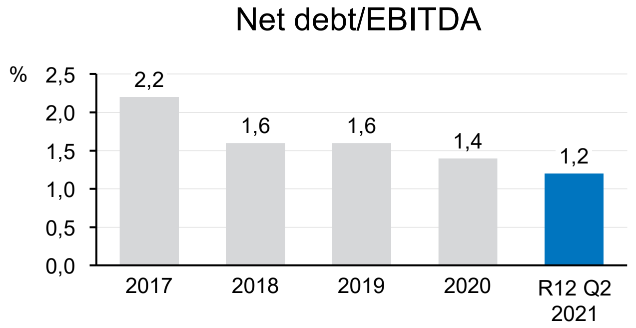

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Thank you!
Questions?