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Lindab Group Q3 report 2022

25 October 2022

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President & CEO



Q3 highlights

Lindab continues to develop in a positive direction.

Comparison numbers exclude the divested business area Building Systems.

Strong sales growth

- Sales growth of 30%, mainly driven by acquisitions.
- Felderer and R-Vent are main contributors to the acquired growth.

Operating profit still solid, but lower margins

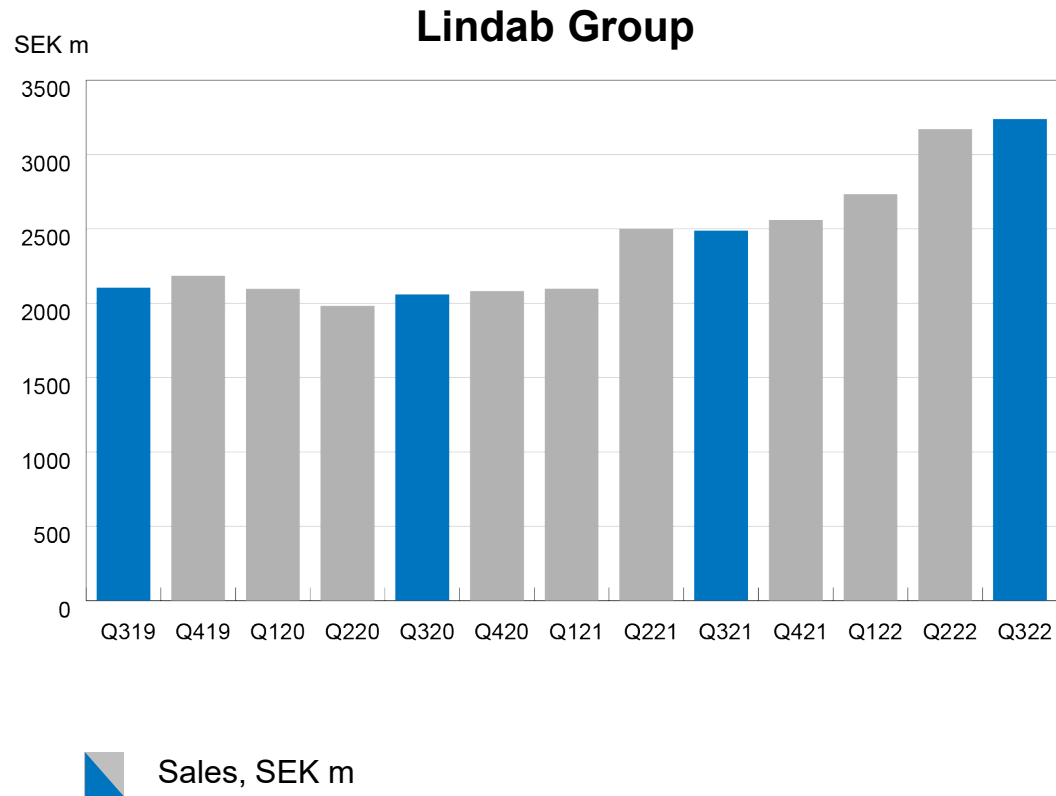
- Operating profit (adj.) of SEK 361 (403) m.
- Operating margin (adj.) of 11.1% (16.2).
- High comparison numbers in Q3 previous year for Lindab.
- Lower average margins in acquired companies when they are joining Lindab.

	Q3	YTD
Sales (SEK m)	3,239	9,143
Organic growth	+7%	+14%
Acquired growth	+20%	+11%
Currency effect	+3%	+4%
Adj. operating profit (SEK m)	361	1,103
Change in operating profit	-10%	+15%
Adj. operating margin	11.1%	12.1%

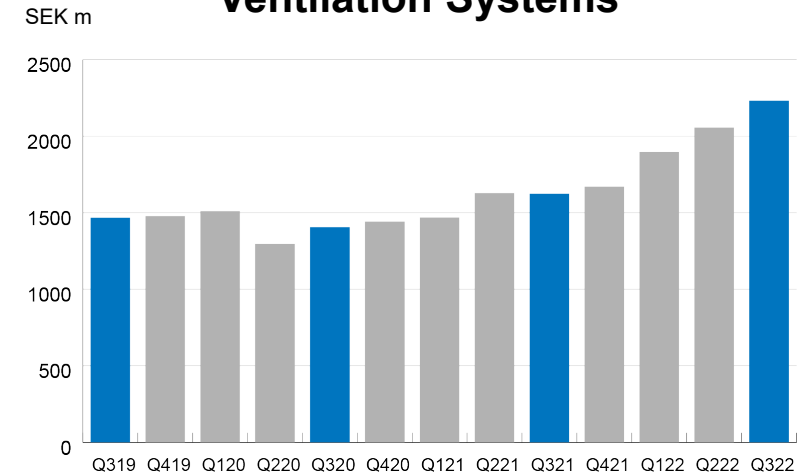
Strong sales supported by pricing and acquisitions



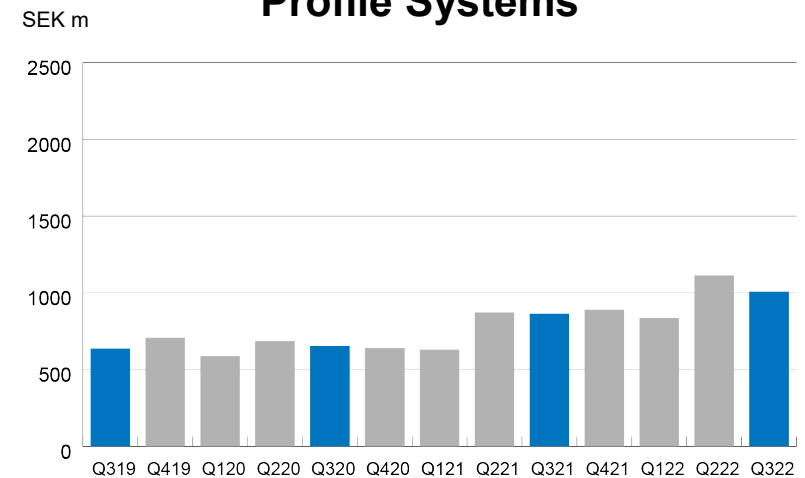
Sales per quarter, SEK m



Ventilation Systems



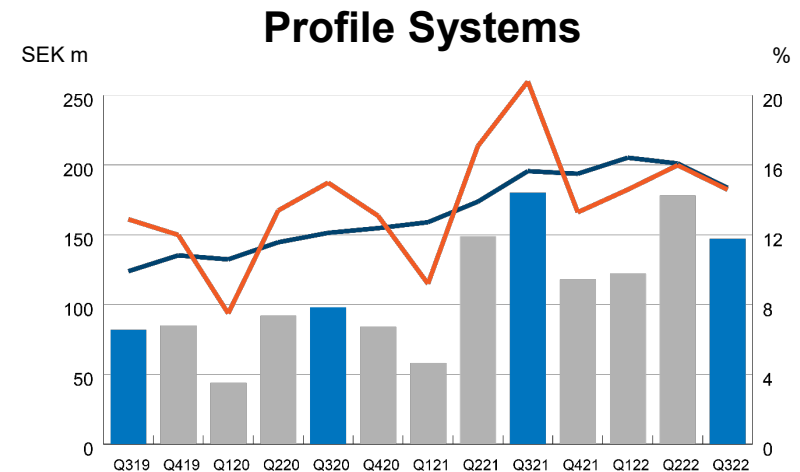
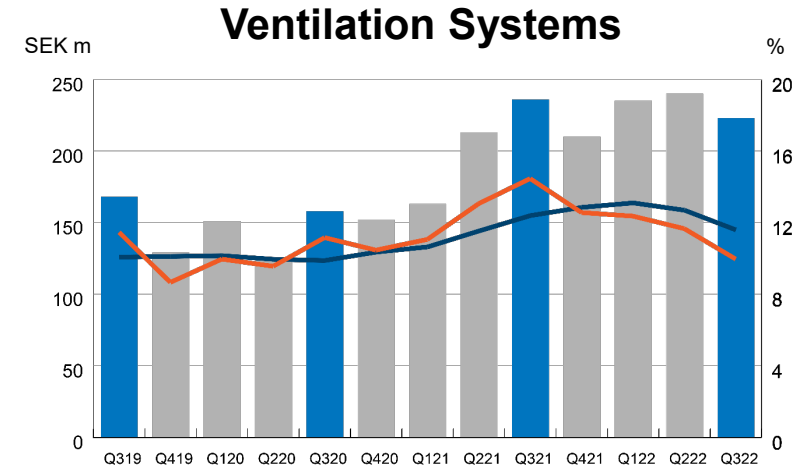
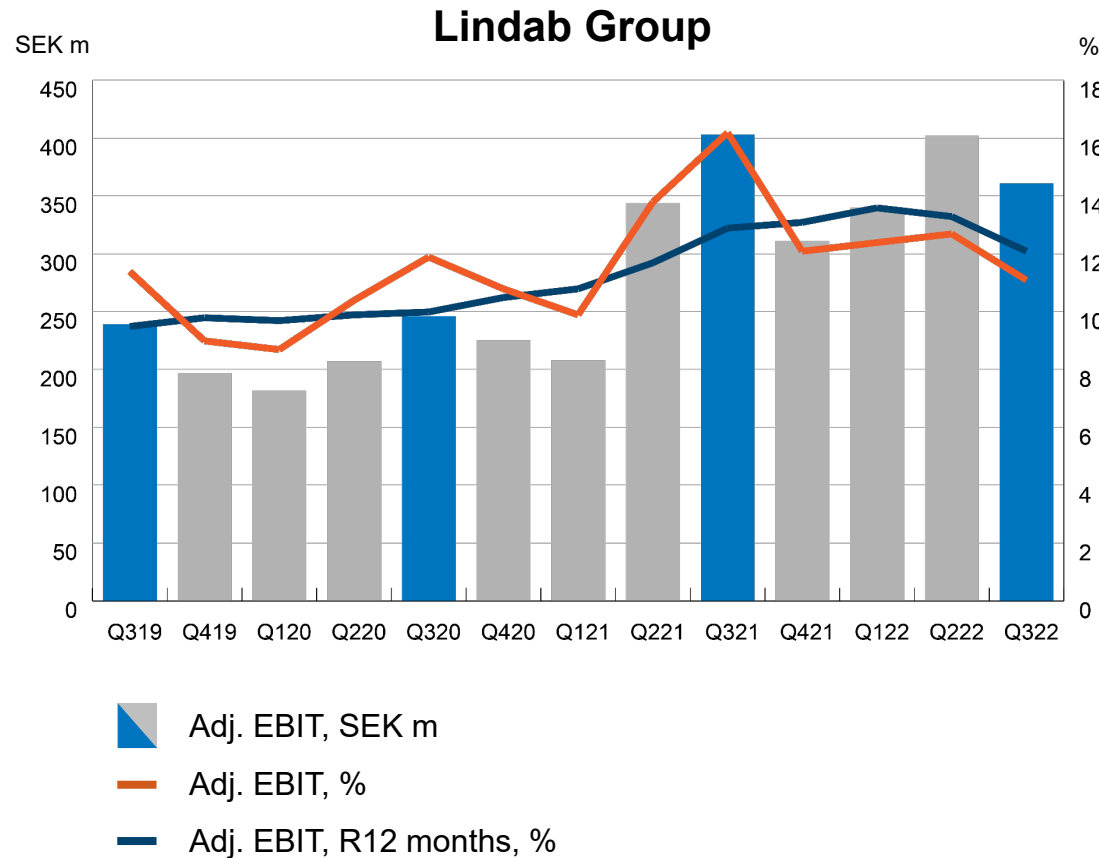
Profile Systems



Comparison numbers exclude the divested business area Building Systems.

Solid profit during challenging times

Adj. EBIT per quarter and R12 months



Comparison numbers exclude the divested business area Building Systems.

Strong financial position supports continued growth

Cash flow

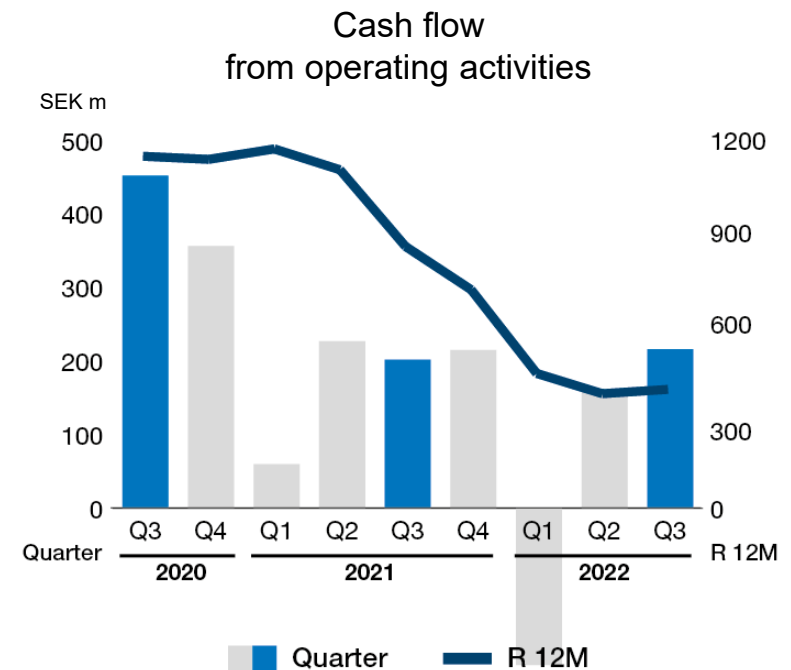
- Cash flow from operating activities increased to SEK 216 m (202).
- Free cash flow adjusted for M&A increased to SEK 156 m (107) in Q3.
- Steel prices have stabilised during Q3. On current price levels it will have a positive impact on Lindab's cash flow going forward.

Net debt

- Net debt amounted to SEK 3,390 m (1,836).
- The change in net debt is mainly a result of acquisitions and raw material stock values.

Cash flow
from operating activities before
change in working capital **415** SEK m ^{-8%}

Net debt / EBITDA **1.3** ^{+0.2}





Building a stronger Lindab

Acquisitions of high-quality companies

- Eight acquisitions in 2022, of which four in Q3. Total annual sales of SEK 1,900 m.
- Contributed with 20% growth in Q3.
- Acquired companies have contributed positively to the operating profit, but initially had a lower operating margin in average than Lindab in general.

June/July
Muncholm, Denmark
Revenue: SEK 250 m



July
Girovent, Sweden
Revenue: SEK 55 m



September
DISYS Technologies, UK
Revenue: SEK 18 m

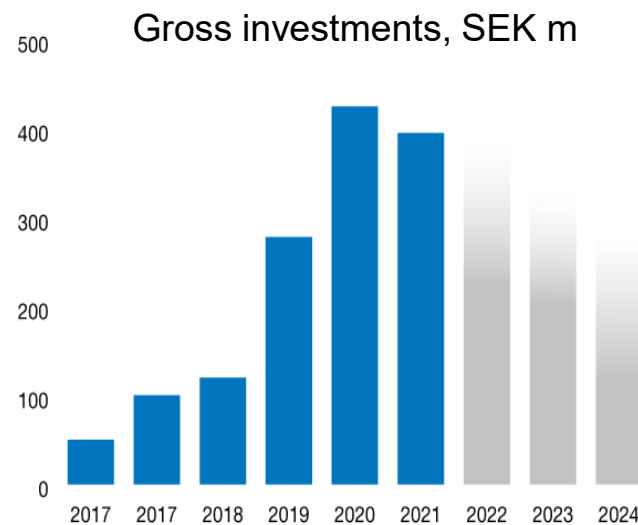


September
Liftasud, France
Revenue: SEK 250 m



Investments to increase efficiency, capacity and safety

- SEK 72 m (97) invested in Q3, with attractive payback.
- The current investment program will continue until 2025.
- Focus on increased automation, expansion of capacity and improved safety.
- Investment in renewable energy for Lindab's production units.



Expansion of Unite's operations in Uddevalla (SE).

Increased demand for energy-efficient and sustainable solutions

- Increased demand for energy-efficient ventilation systems when energy prices rise.
- High energy prices should increase the pace of the renovation wave in EU and the implementation of EU's Green Deal.
- Larger customers are prioritising suppliers with a strong sustainability profile.
- Lindab is a prioritised volume partner to the fossil-free steel suppliers SSAB and H2 Green Steel.
- A green product line will be launched when fossil-free steel becomes available.

85%

85 percent of the buildings in EU are not considered energy efficient.

1%

Only 1 percent of EU's buildings undergo energy renovation every year.

Outlook & Priorities

Market outlook

- Short term demand expected to be gradually lower due to higher costs, rising interest rates and longer decision times.
- Medium and long term demand for healthy indoor environments remain strong. Growing demand for energy-savings, driven by higher energy prices.

Lindab near-term priorities

- Pro-active cost measures.
- Pricing actions to mitigate energy and transport cost.
- Attractive acquisition opportunities.



**Thank you!
Questions?**

