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climate™

Lindab Group Q4 and FY report 2022

9 February 2023

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President & CEO

Q4 highlights

Comparison numbers exclude the divested business area Building Systems.

Strong sales growth

- Sales growth of 26%, mainly driven by acquisitions.
- Felderer and R-Vent are the main contributors to the acquired growth.
- Highest quarterly sales ever for Ventilation Systems.

Margins temporarily under pressure

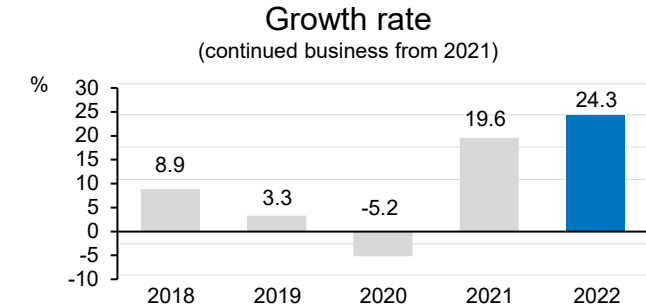
- Adjusted operating profit of SEK 244 m (311).
- Adjusted operating margin of 7.6% (12.1).
- Gross margins negatively affected by inventory effects from steel prices and increased energy-related costs.

	Q4	2022
Sales (SEK m)	3,223	12,366
Organic growth	+1%	+11%
Acquired growth	+20%	+13%
Currency effect	+5%	+4%
Adj. operating profit (SEK m)	244	1,347
Change in adj. operating profit	-22%	+6%
Adj. operating margin	7.6%	10.9%

All financial targets achieved 2022

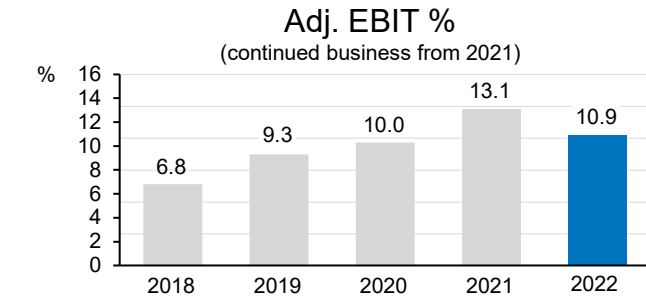
>10%

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



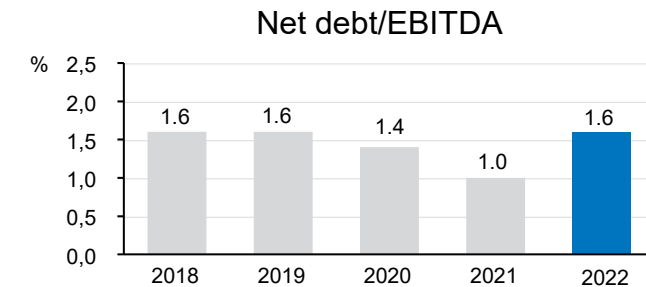
>10%

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



<3.0

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

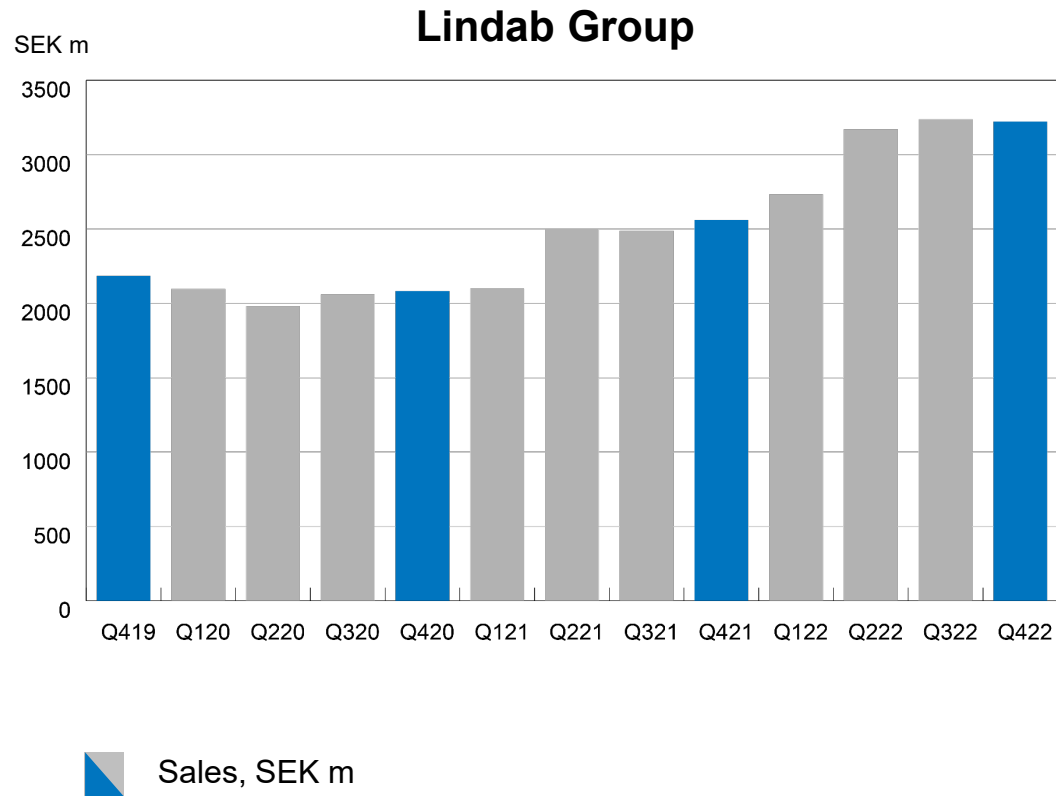


Note: from 2019 applies IFRS 16 Leases

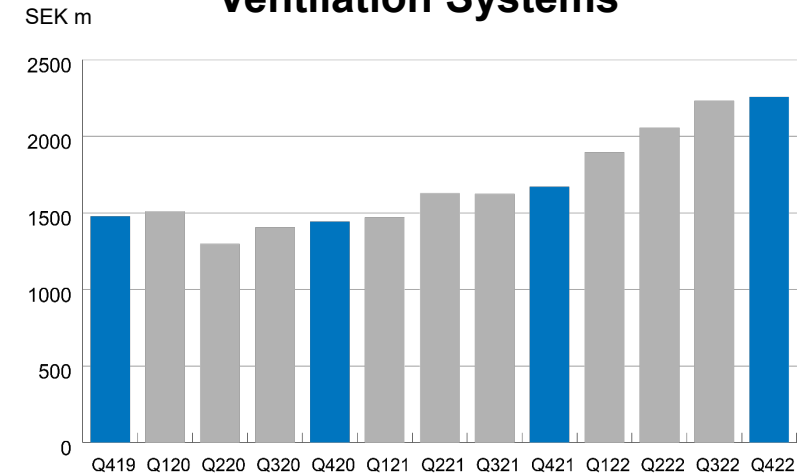
Strong sales supported by acquisitions and pricing



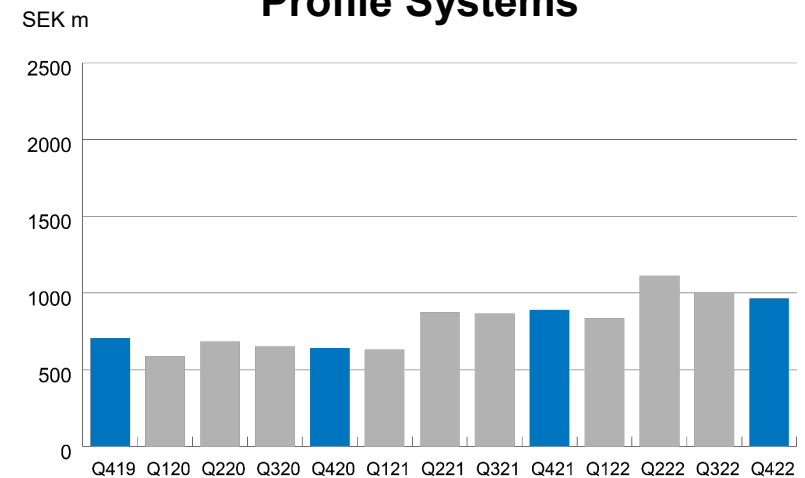
Sales per quarter, SEK m



Ventilation Systems



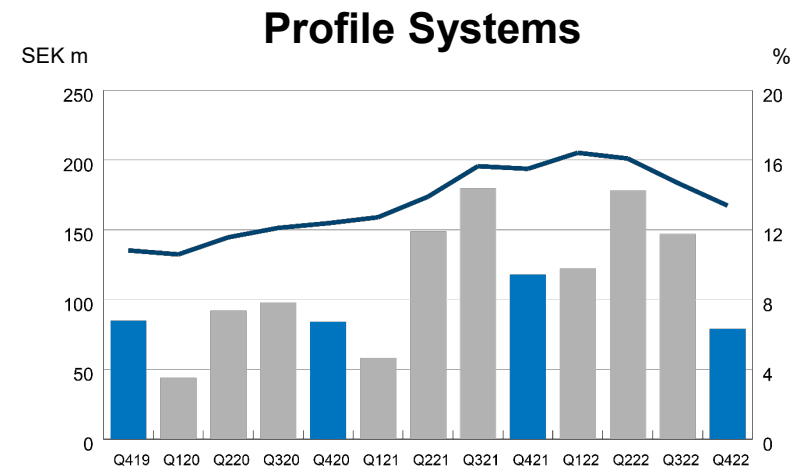
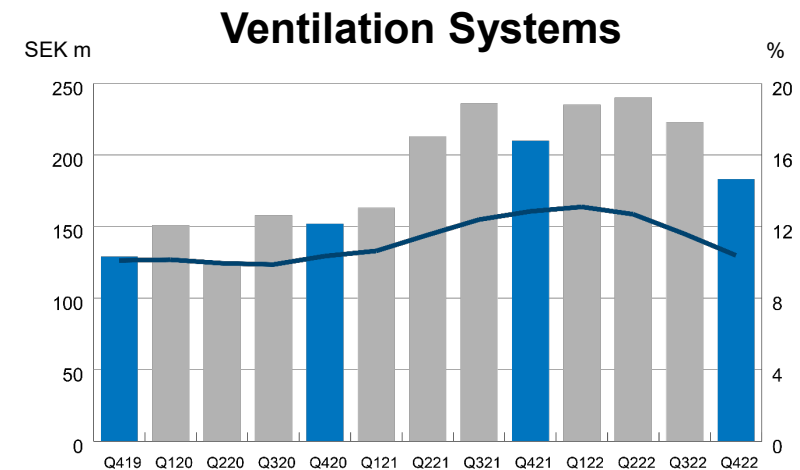
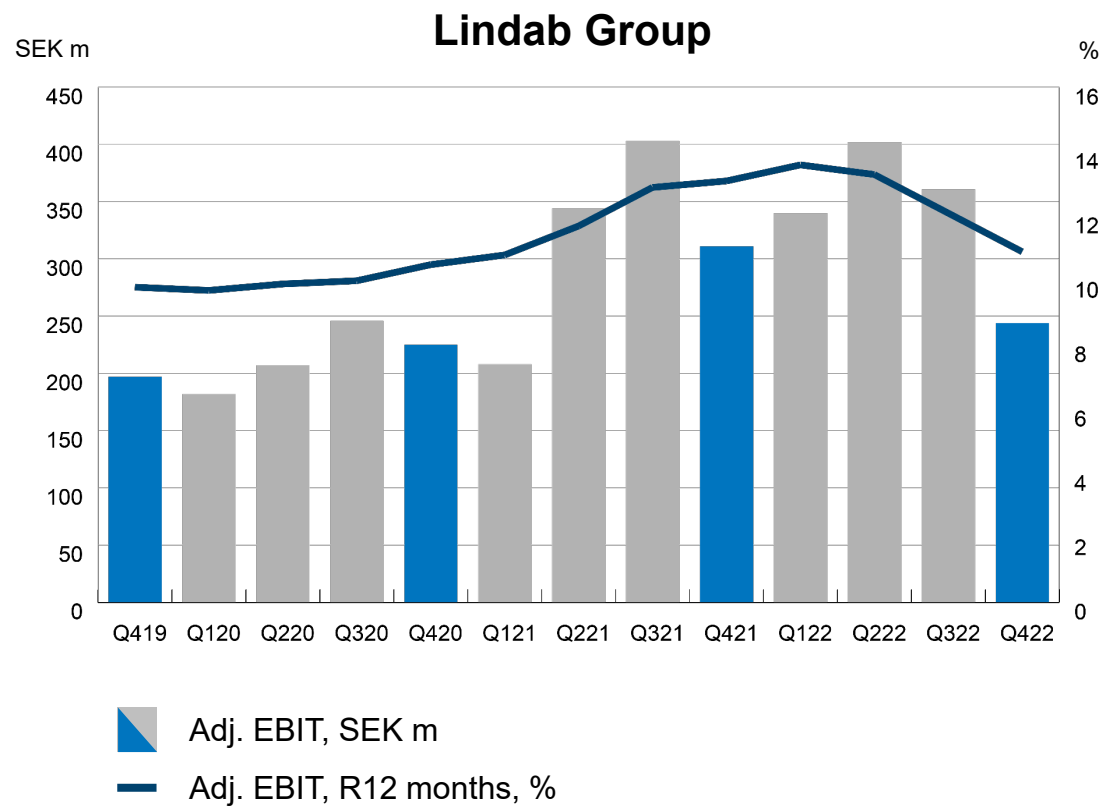
Profile Systems



Comparison numbers exclude the divested business area Building Systems.

Profitability lower than plan in Q4

Adj. EBIT per quarter and R12 months



Comparison numbers exclude the divested business area Building Systems.

Solid financial position supports continued growth



Cash flow

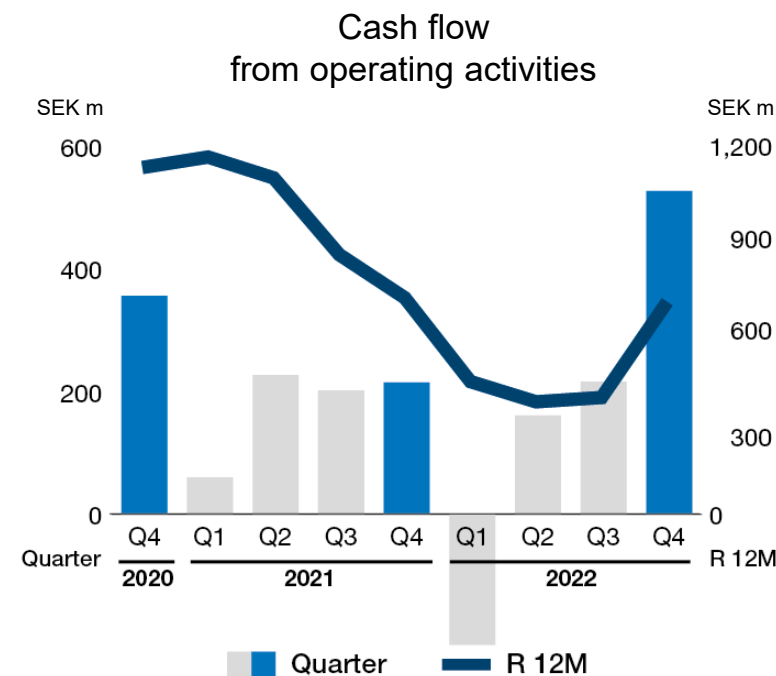
- Cash flow from operating activities increased to SEK 527 m (215) in Q4.
- The change in working capital was mainly related to less capital tied up in stock.
- Free cash flow adjusted for M&A increased to SEK 446 m (110) in Q4.

Net debt

- Net debt amounted to SEK 3,310 m (1,696).
- The change in net debt vs previous year, is mainly a result of acquisitions and increased inventory values.

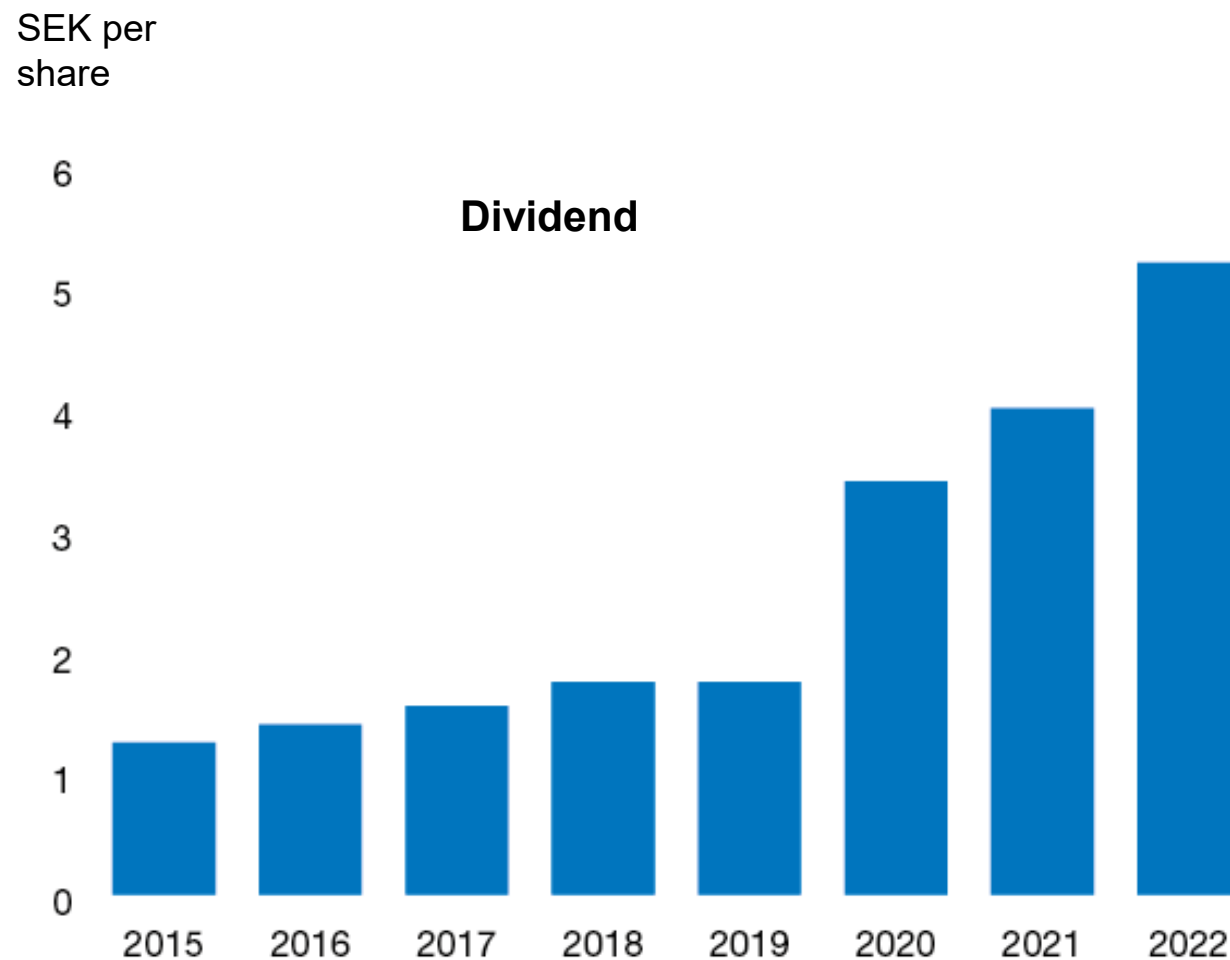
Cash flow
from operating activities **+145%**
527 SEK m

Net debt / EBITDA **+0.6**
1.6



Increased dividend

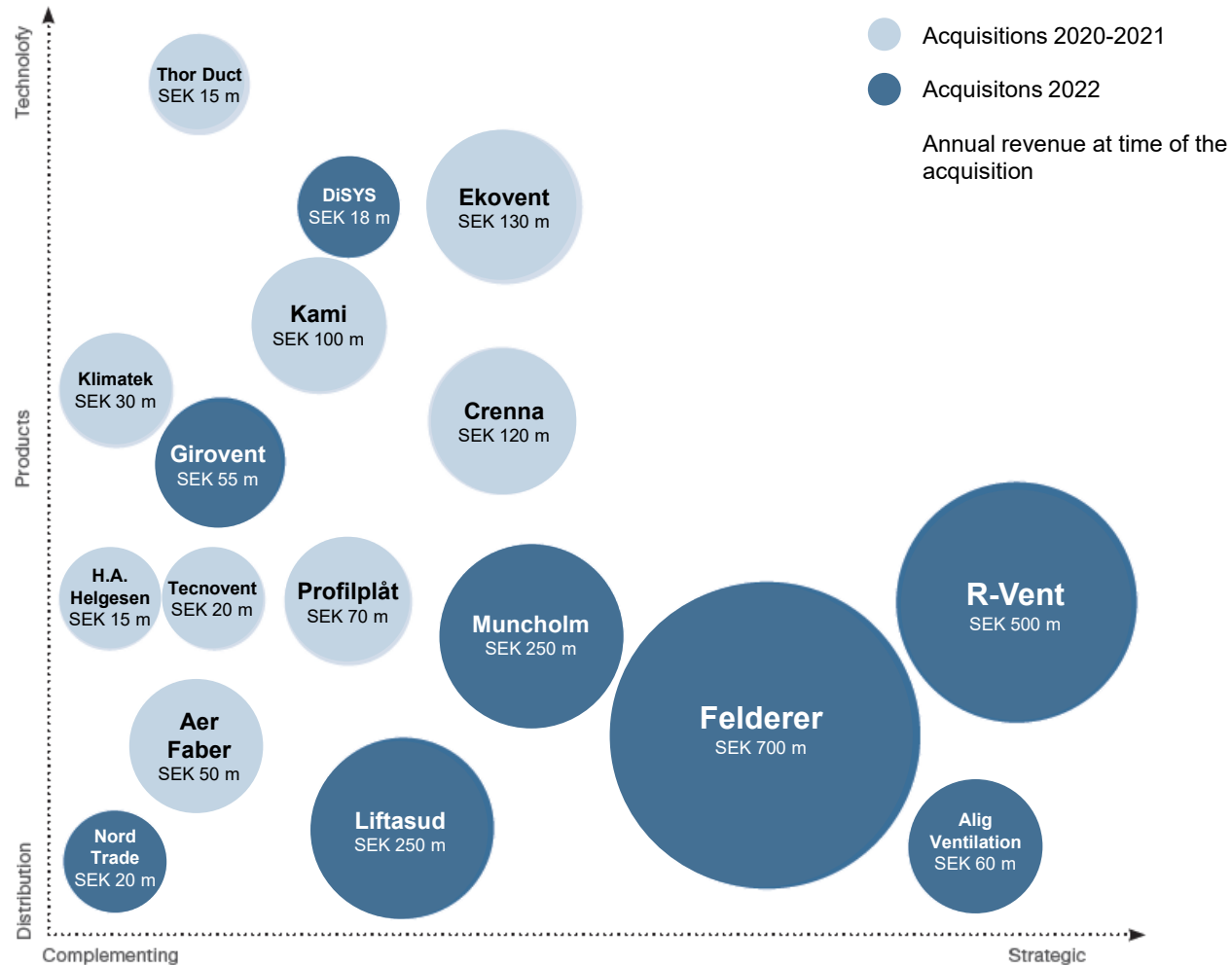
- Dividend policy of at least 40% of net profit.
- Strong net profit and a solid financial position.
- Board of Directors proposes a dividend of SEK 5.20 (4.00), a 30% increase





Building a stronger Lindab

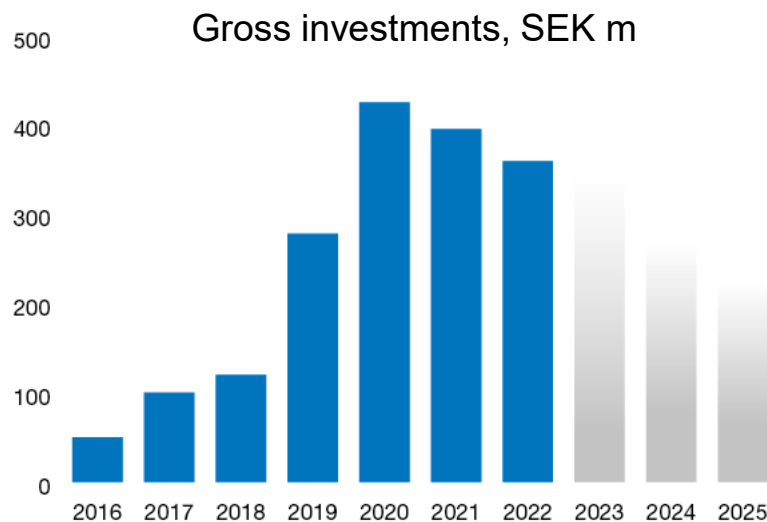
Acquisitions of high-quality companies



- 8 acquisitions in 2022 and 17 acquisitions since 2020.
- Total annualized sales of SEK 1,900 m added in 2022.
- Contributed with 13% growth in 2022.

Investments to increase efficiency, capacity and safety

- SEK 359 m (395) invested in 2022, 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.



Automation of the T-piece production in Grevie (SE).

For a better climate

- 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.
- Commitment to Science Based Targets initiative to contribute to reduced emissions of greenhouse gases.
- Launch of low-carbon emissions steel products for roofs and facades in January. Will be extended to rectangular ventilation ducts and roof hoods later in the year.



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Outlook & Priorities

Market outlook

- The market trends during the second half of 2022 are estimated to continue during the beginning of 2023.
- The ventilation market is expected to be less affected than the market for building products.
- 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 costs.
- Attractive acquisition opportunities.



**Thank you!
Questions?**

