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Lindab Group Q2 report 2023

21 July 2023

Ola Ringdahl
President & CEO

Lars Ynner
CFO

Q2 highlights

High sales in the quarter

- Sales growth of 6%, mainly driven by acquisitions.
- Felderer, R-Vent, Muncholm, Liftasud and Irish Ventilation are the main contributors to the acquired growth.
- Highest quarterly sales ever for Lindab Group and Ventilation Systems.

Low market demand for Profile Systems

- Operating margin has improved vs. Q1 but is still negatively affected by lower market demand for Profile Systems.

Strong cash flow

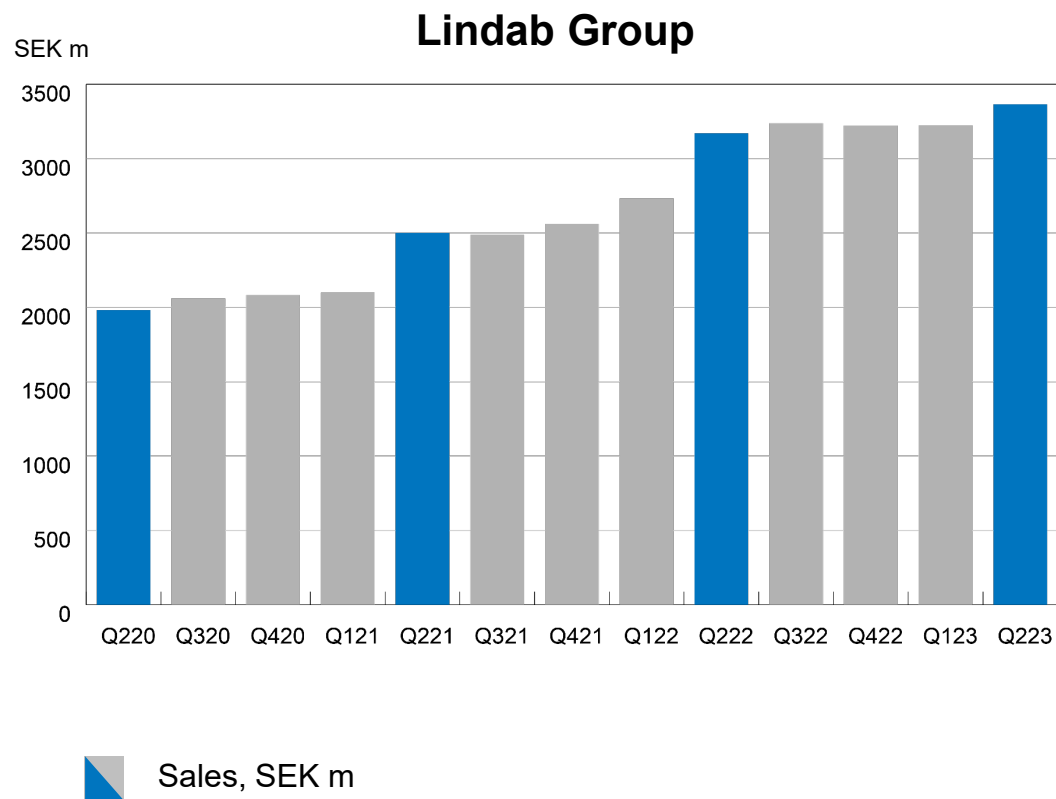
- Cash flow from operating activities increased to SEK 323 m (161) in Q2.

| | Q2/23 | Q2/22 |
|--|--------------|--------------|
| Sales (SEK m) | 3,365 | 3,171 |
| Organic growth | -13% | +14% |
| Acquired growth | +14% | +10% |
| Currency effect | +5% | +3% |
| Adj. operating profit (SEK m) | 302 | 402 |
| Change in adj. operating profit | -25% | +17% |
| Adj. operating margin | 9.0% | 12.7% |
| Cash flow, op. activities (SEK m) | 323 | 161 |

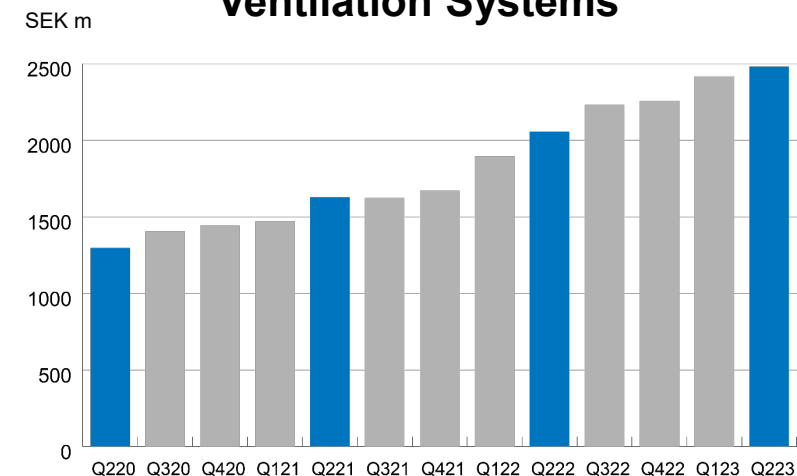
Strong sales in Ventilation Systems, driven by acquisitions



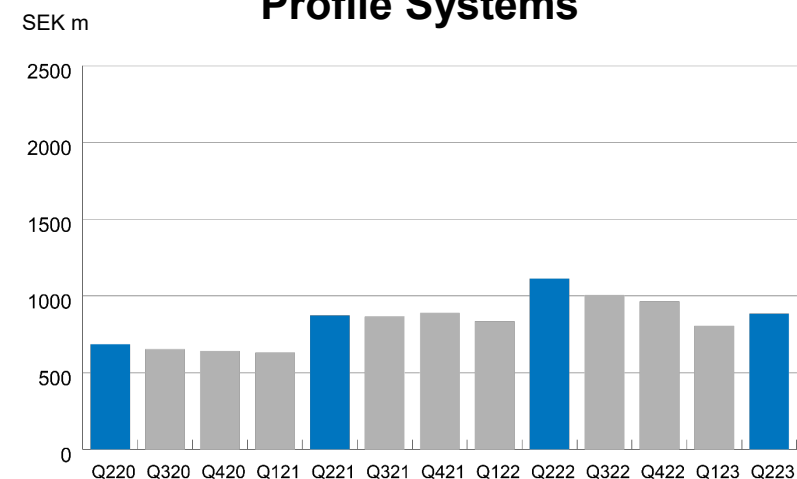
Sales per quarter, SEK m



Ventilation Systems



Profile Systems

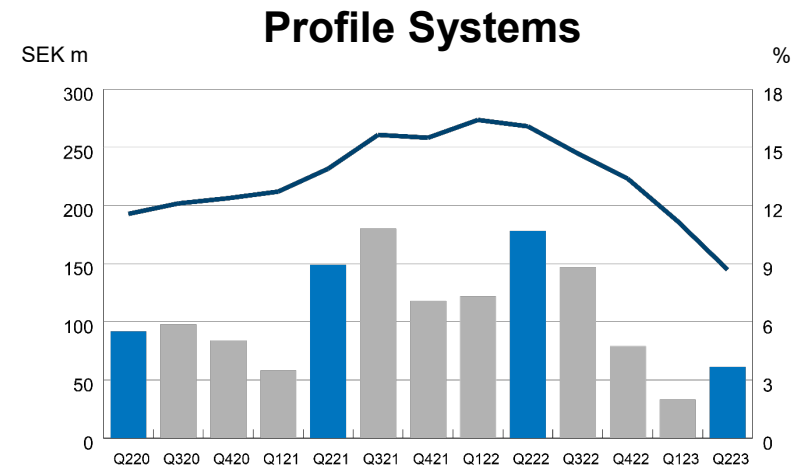
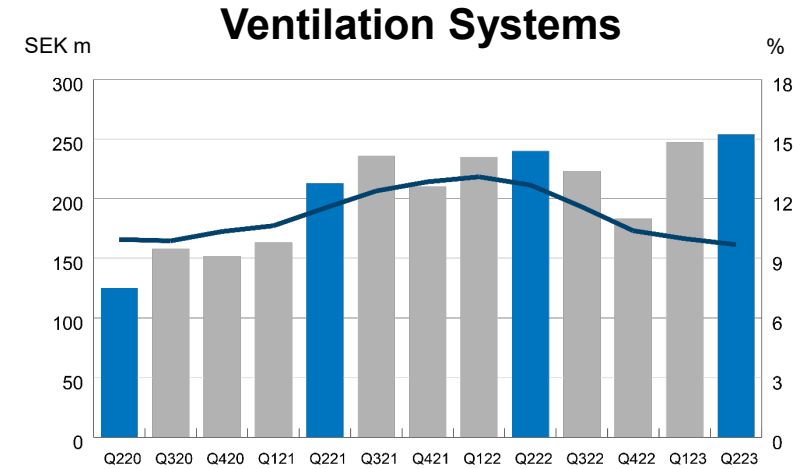
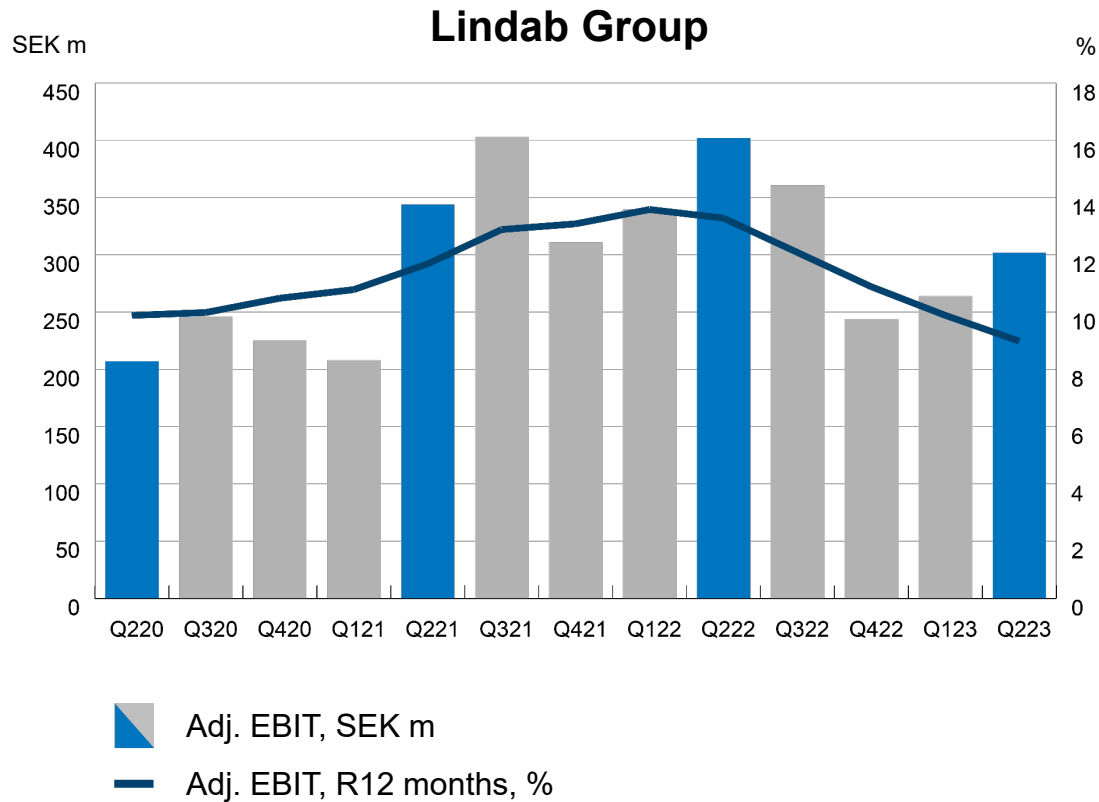


Comparison numbers exclude the divested business area Building Systems.

Ventilation Systems above 10% operating margin YTD



Adj. EBIT per quarter and R12 months



Comparison numbers exclude the divested business area Building Systems.

Strong cash flow supports continued growth

Strong cash flow

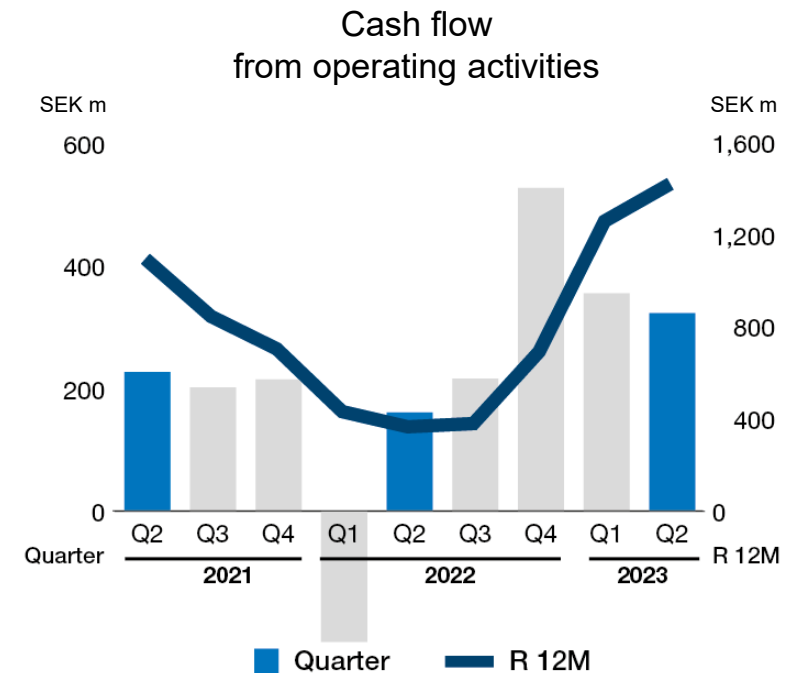
- Cash flow from operating activities increased to SEK 323 m (161) in Q2.
- The change in working capital was mainly related to less capital tied up in stock.
- Free cash flow adjusted for M&A increased to SEK 216 m (63) in Q2.

Net debt

- Net debt amounted to SEK 3,747 m (3,169), of which SEK 1,393 m (1,111) is related to leasing liabilities.
- The change in net debt vs. previous year is mainly a result of acquisitions.

Cash flow from operating activities **323 SEK m**

Net debt / EBITDA **2.0**



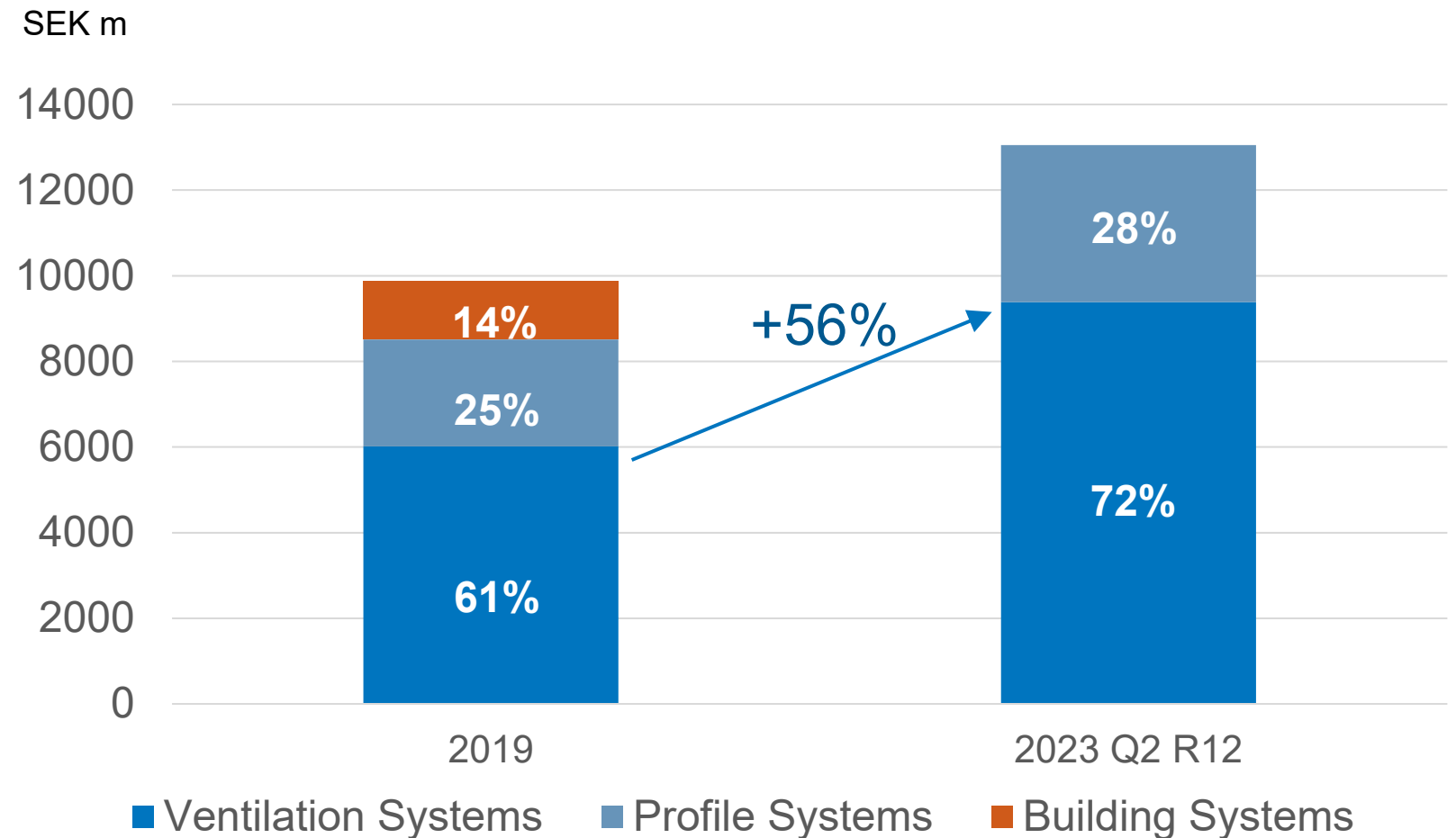


Building a stronger Lindab

A leading European ventilation company

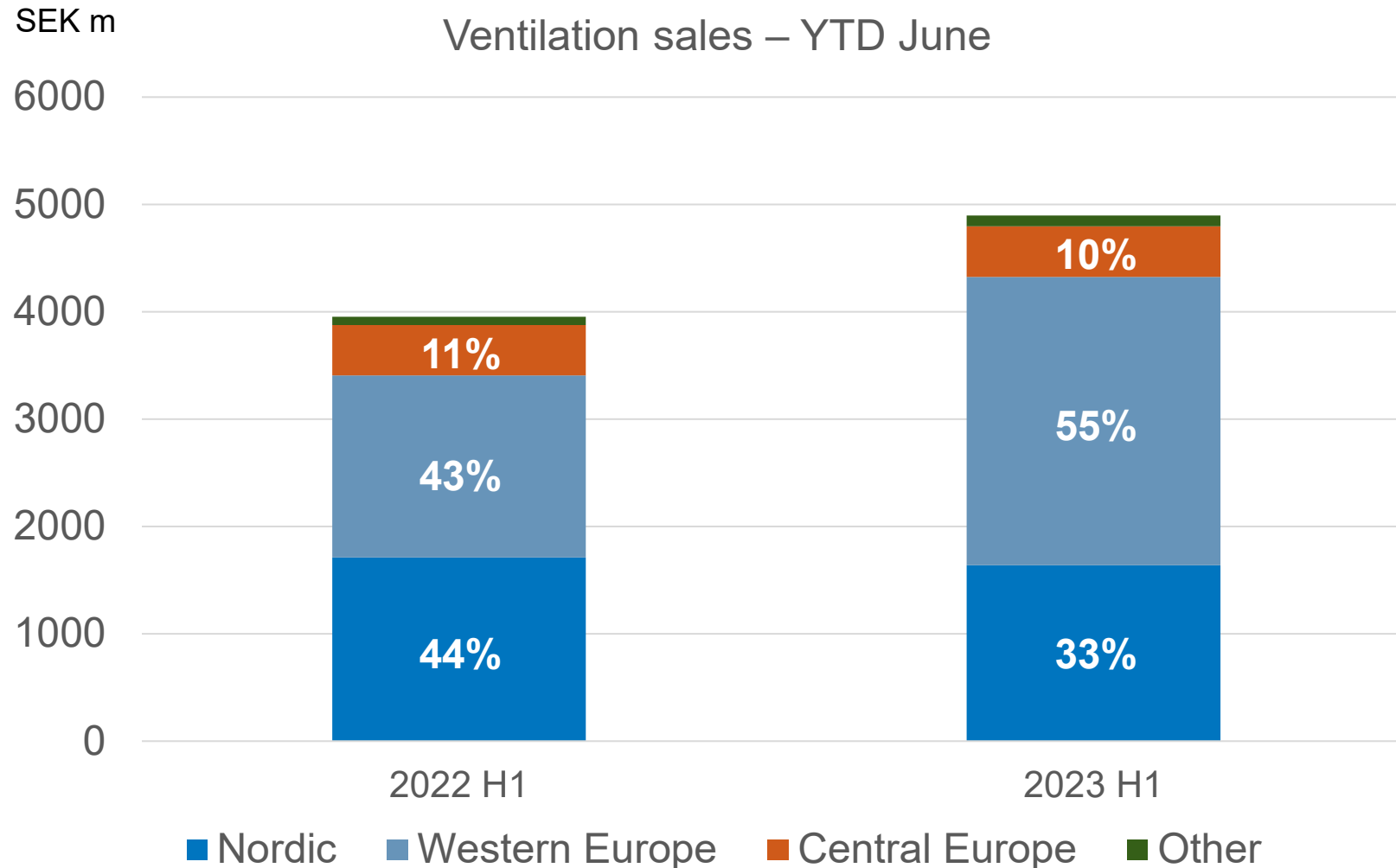
Total sales, Lindab Group

Major increase in ventilation revenue and share of total sales since 2019.



Major geographic diversification

Sales, Business area Ventilation Systems



Acquisitions of high-quality companies

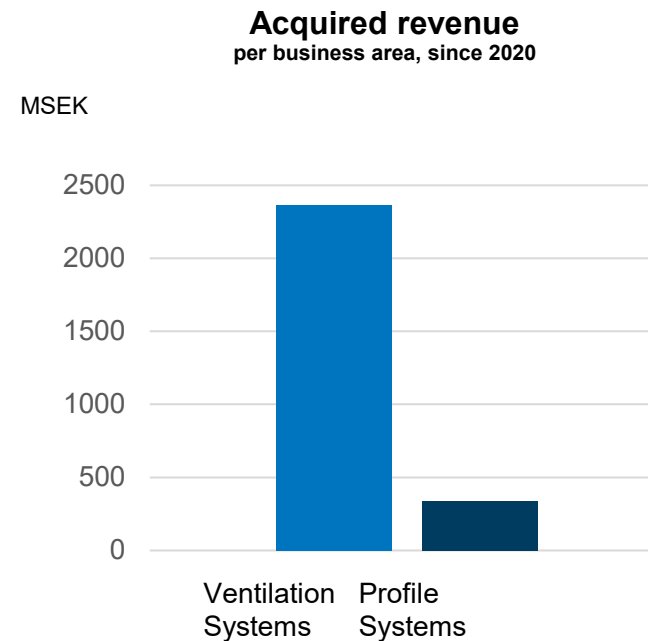
- Four acquisitions in 2023, two in Q1 and two in Q2.
- 21 acquisitions in total since 2020, adding SEK 2.7 billion in revenue.
- Divestment of SEK 1.3 billion in revenue during 2020-2022.



April
Ventilace EU, Czech Republic
Revenue: SEK 42 m

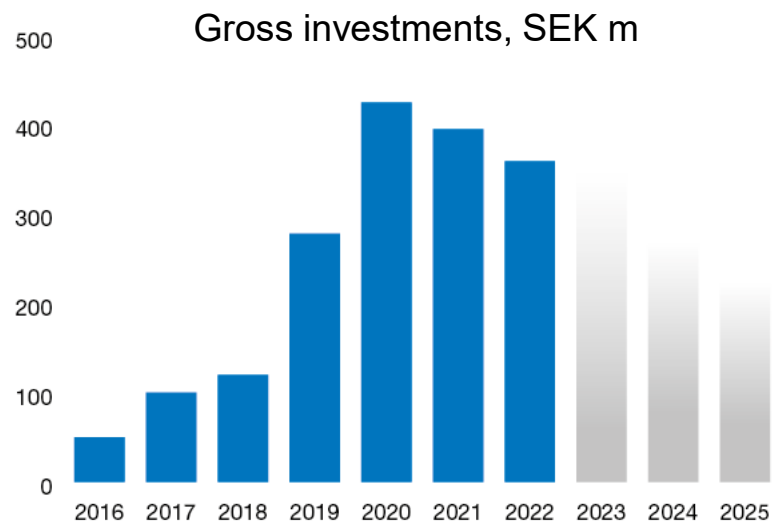


May
Firmac, United Kingdom
Revenue: SEK 40 m



Investments to increase efficiency, capacity and safety

- SEK 108 m (99) invested in Q2, 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.



Lindab first in the world with ventilation ducts in fossil-free steel

- As one of few companies in the world, Lindab will receive a test delivery of fossil-free steel from SSAB this year.
- Lindab will offer selected customers a limited number of ventilation and building construction products made from fossil-free steel.
- In the beginning of this year, Lindab launched a series of decarbonised steel products made of recycled steel.



Outlook & Priorities

Market outlook

- The demand for ventilation systems is stable in most parts of Europe.
- Profile Systems has high exposure to the Swedish market where new construction has slowed down.
- The ventilation market has shown more stability due to increased renovation and demand for energy-efficient ventilation systems.
- 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, with special focus on Profile Systems.
- Price management to offset inflation effects.
- Attractive acquisition opportunities.





**Thank you!
Questions?**