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Lindab Group Q1 report

3 May 2024

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President & CEO

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CFO

Q1 Summary

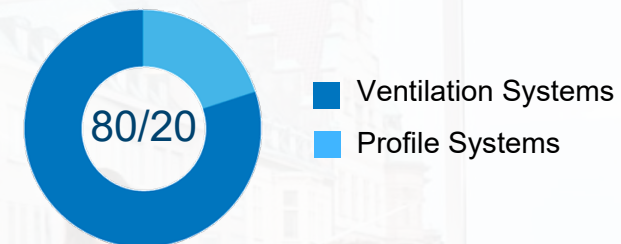
SALES SEK m

3,147

GROWTH Target 10%

Organic	-10%
Structural	7%
Currency	1%

SALES SPLIT 90/10 in 2027



EBIT SEK m EBIT %

225 7.1

EBIT % Target 10%

Ventilation Systems	9.6%
Profile Systems	-0.5%

CASH FLOW SEK m

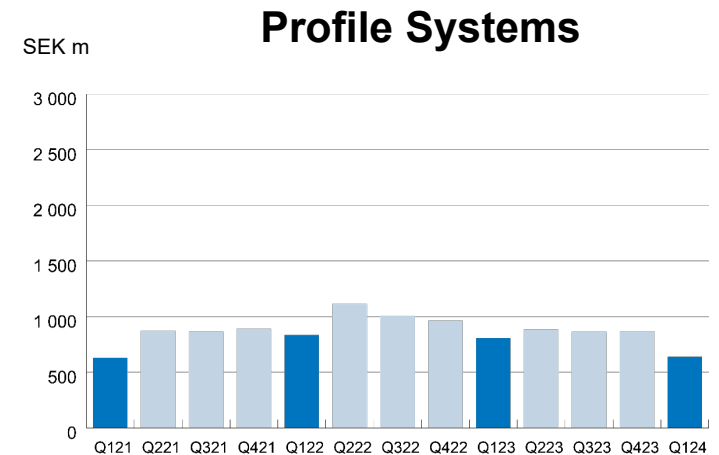
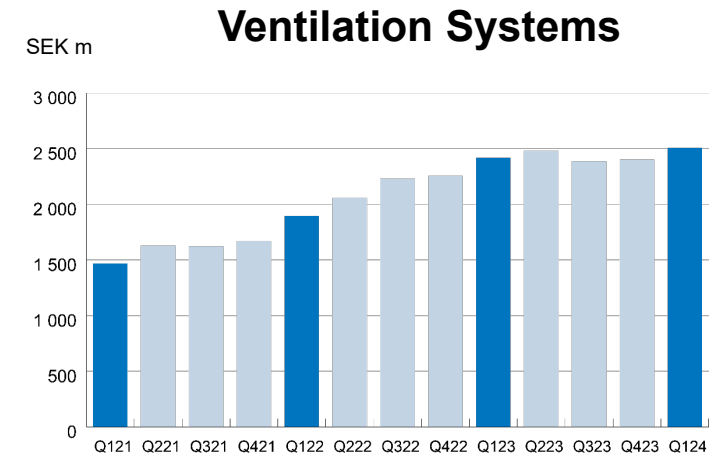
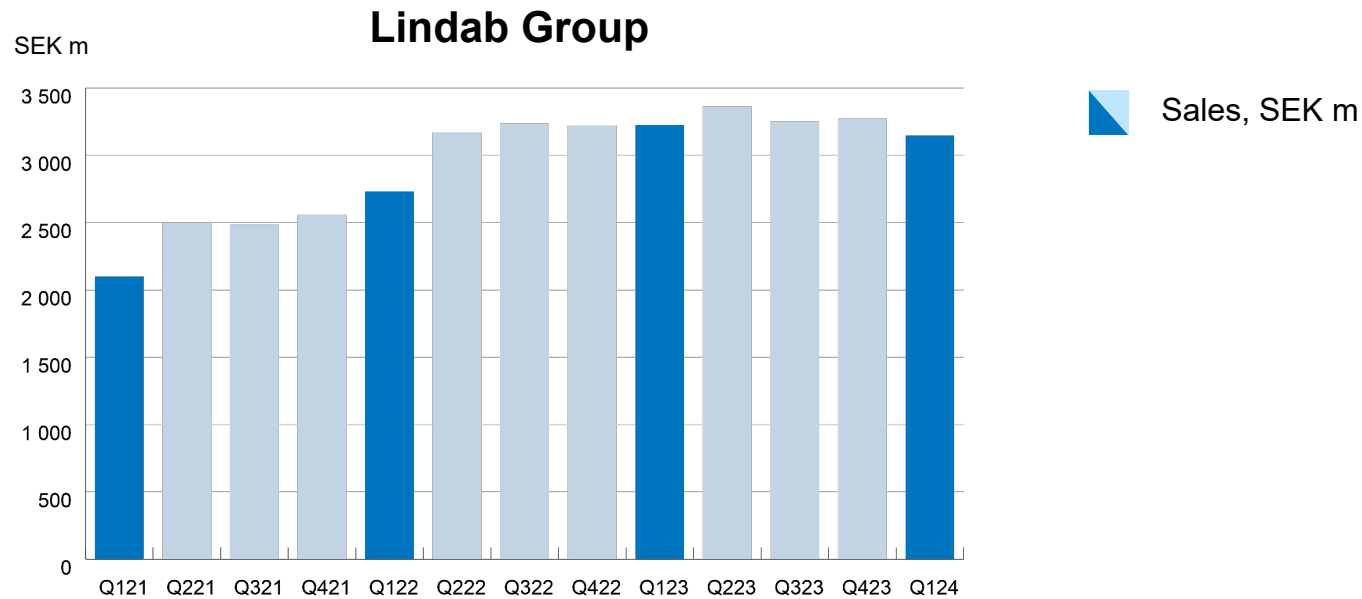
208

operating activities

Ventilation sales is growing as share of total revenue



Sales per year, SEK m

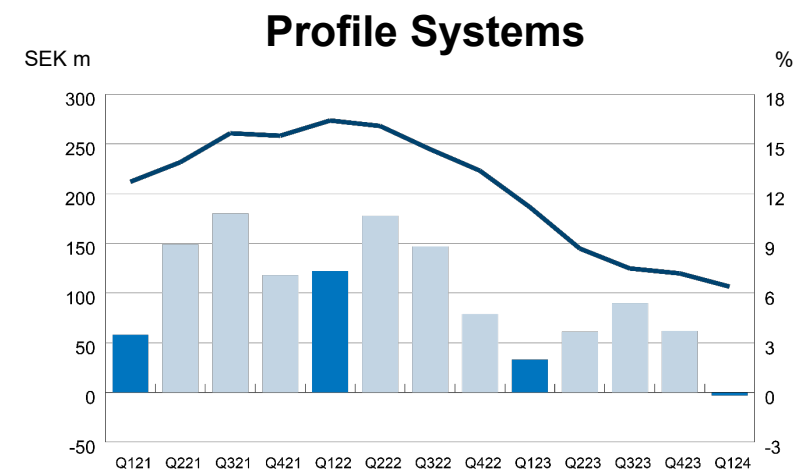
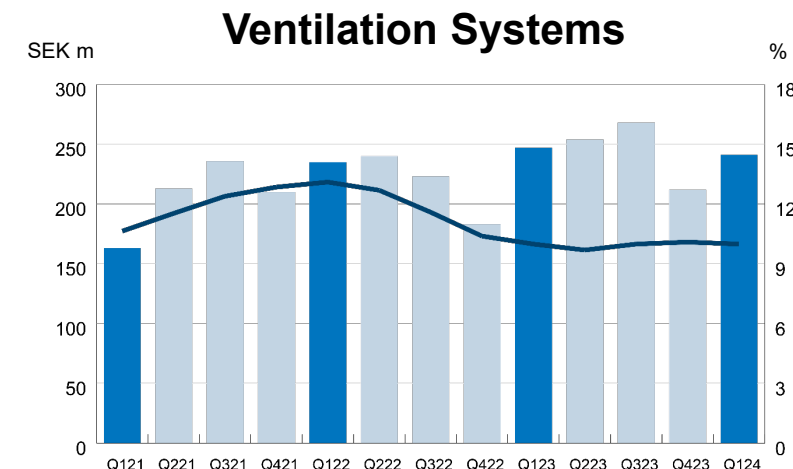
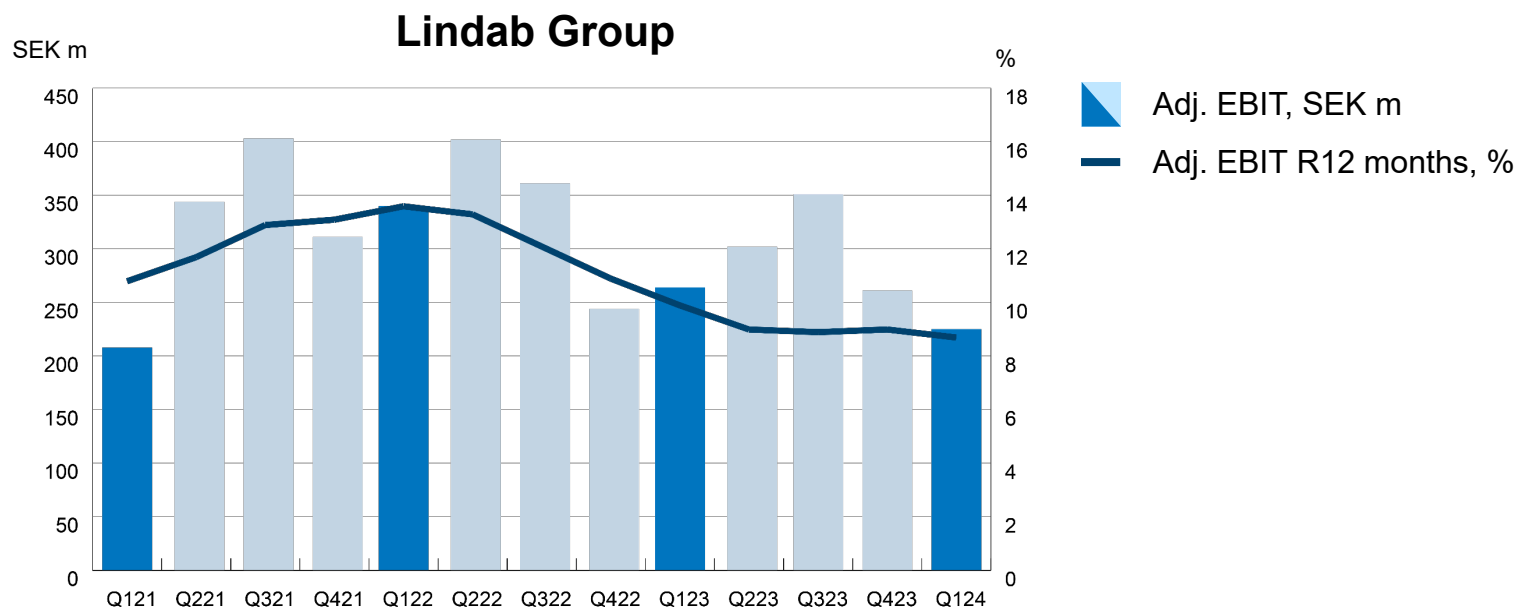


Sales, SEK m	Q1, 2024	Organic growth	Structural growth	Q1, 2023
Lindab Group	3,147	-10%	7%	3,224
Ventilation Systems	2,507	-6%	9%	2,418
Profile Systems	640	-21%	0%	806

Comparison numbers exclude the divested business area Building Systems.

Ventilation Systems reporting solid profitability

Adj. EBIT per quarter and 12 months



Adj. EBIT, SEK m	Q1, 2024		Q1, 2023	
Lindab Group	225	7.1%	264	8.2%
Ventilation Systems	241	9.6%	247	10.2%
Profile Systems	-3	-0.5%	33	4.1%

Comparison numbers exclude the divested business area Building Systems.

Continued strong cash flow from operating activities

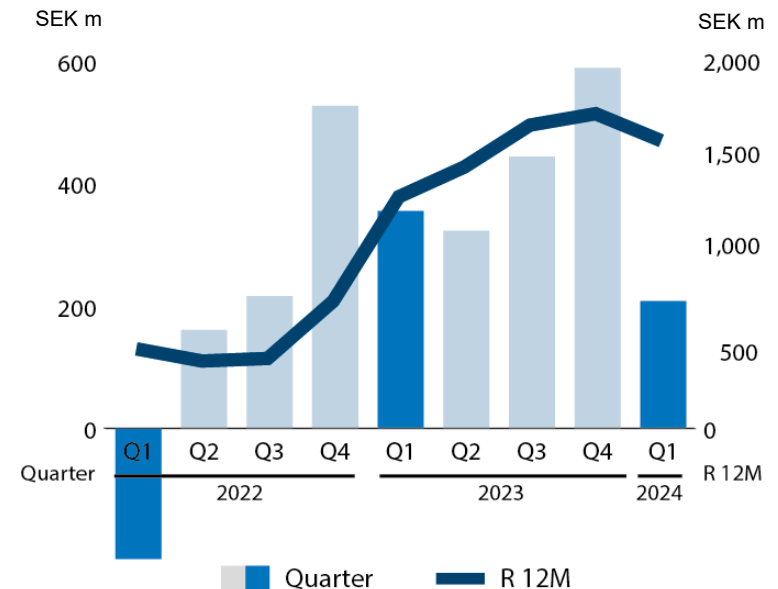
Strong financial position supports additional acquisitions

- Cash flow from operating activities amounted to SEK 208 m (355) in Q1.
- The main reason for the changed cash flow was related to working capital.
- Stock value continued to decrease but at a slower pace than the previous year.

Cash flow
from operating activities

208 SEK m ^{-41%}

Quarterly cash flow
from operating activities

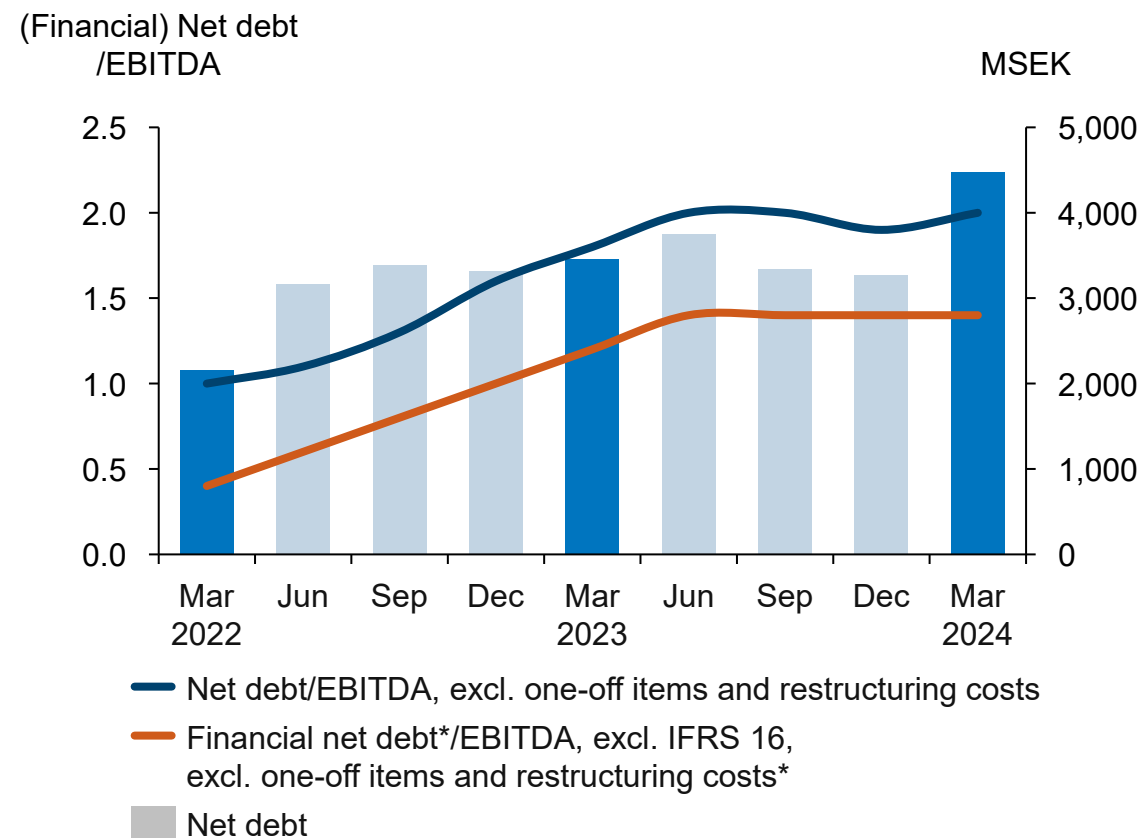


Net debt

- Net debt amounted to SEK 4,447 m (3,456), of which SEK 1,501 m (1,283) is related to leasing liabilities.
- Net debt/EBITDA amounted to 2.0 (1.8).
- Financial Net debt/EBITDA amounted to 1.4 (1.2)
- The change in net debt vs. previous year is mainly related to increased borrowings because of completed acquisitions.

Net debt / EBITDA **2.0**

Financial Net debt / EBITDA **1.4**



*Financial net debt: Net debt excluding leasing liabilities and pension related posts.
 *Financial net debt/EBITDA excluding IFRS 16 : Average financial net debt in relation to EBITDA, excluding IFRS 16 and excluding leasing liabilities and pension related posts.



Building a stronger Lindab

Accelerating profitable growth



2009-2017

Debt reduction

Generated profits and cash flow was used to pay off debt and get Lindab back on track after the financial crisis.

2018-2023

Investing in the business

Focus on fewer markets and product areas. Investments in automation. Started to acquire high-quality companies.

2024-2027

Accelerating profitable growth

With investments in place, the focus is on profitable growth, both organic and through acquisitions.

REVENUE
SEK B

~7

9-13

20

EBIT MARGIN
%

6%

10%

>10%


VENTILATION
%

~55%

~70%

~90%

Short term focus areas



Profitability and
cost control

Implement actions to reduce sensitivity to market fluctuations. Continued focus on cost control.



Competitive
products

Increased focus on R&D and product management to stay competitive in current and future product offerings.



Efficiency from
investments

Ensure that the implemented investments are delivering according to the agreed plan.



Sustainability
improvements

Increase the pace and activity level for sustainability improvements in our business.



Benefits from
acquisitions

Improve support to acquired companies to increase the benefits for Lindab Group and for the newly added companies.

Focus on increased profitability

- Price increases
- Synergies from acquisitions
- Footprint rationalization
- Special focus on Profile Systems
 - Pricing
 - Shrink into shape
 - Structural measures

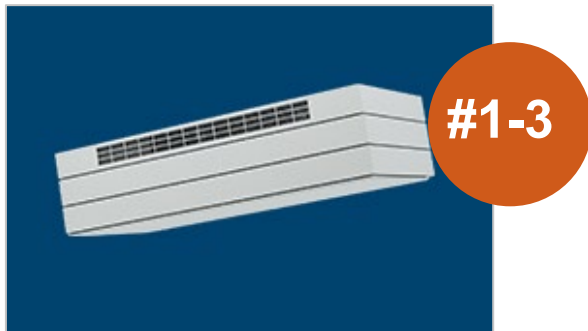
Profitability and
cost control



Product technologies

AIR DISTRIBUTION

Duct systems to transport the air to all parts of the building.

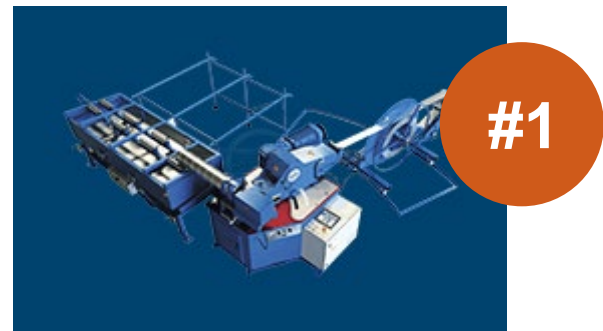


DECENTRALISED VENTILATION

Ventilation for each room with no need for ventilation ducts. Main focus on renovation.

AIR DIFFUSION

Distribution and extraction of the air in a room through air diffusers in the ceiling and walls.



DUCT AUTOMATION

Machinery for automation of duct manufacturing.

FIRE & SMOKE

Ventilation products to prevent the spread of fire and smoke.



Investments to increase efficiency, capacity and safety

- SEK 64 m (97) invested in Q1.
- The strategic investment program, running since 2019, will be completed in 2024.
- With current investments in automation and capacity, the production volumes can increase without increasing costs, leading to strengthened margins when organic growth returns.
- Current investment focus is now shifting from production hardware to digital tools and services.

Efficiency from investments



Ensure that the implemented investments are delivering according to the agreed plan.

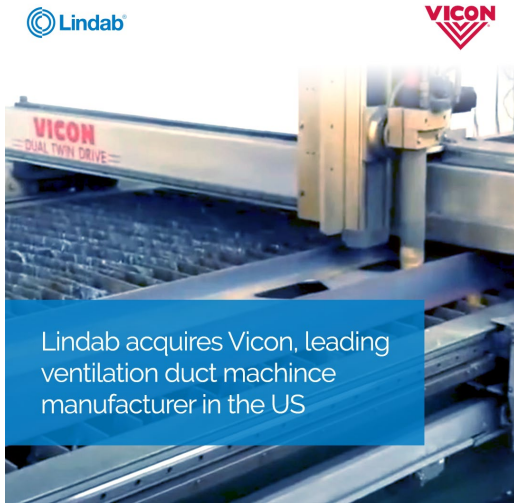
Increased demand for solutions to reduce energy consumption

- Joint project with property owner Castellum to install fossil-free ventilation ducts and fittings in a renovation project in Sweden. First renovation project ever to include fossil-free ventilation.
- Signed 7-year contract with H2 Green Steel for delivery of app.150.000 tons of near zero emission steel, starting in 2026.
- Signed contract for renewable energy for Lindab Group, with the potential to reduce Lindab's emissions from operations with more than 50%.



Sustainability
improvements

Acquisitions of high-quality companies



January/February
Vicon, US



January/March
Airmaster, Denmark



March/April
TGA KlimaPartner, Germany

RECENT ACQUISITIONS	Sales* SEK m
2024	
TGA KlimaPartner	50
Airmaster	542
Vicon	260
2023	
HAS-Vent	280
Firmac	40
Ventilace EU	42
Irish Ventilation & Filtration	100
Raab Lüftungstechnik	160



* Annual sales communicated at the time of the acquisition

Market outlook

Market outlook

- The European ventilation market is estimated to have declined by 5% in volume during the first quarter. For Profile Systems, the market is estimated to have declined by 20-25% in the Nordics.
- We expect the market demand to remain weak during the first half of 2024. If interest rates are cut early, this could trigger increased demand during the second half of the year.
- Medium and long-term demand outlook for ventilation is strong, supported by the need for energy-efficient buildings and healthy indoor climate.





**Thank you!
Questions?**