

Lindab International AB (publ) Interim Report

Second quarter 2017

- Net sales increased by 5 percent to SEK 2,118 m (2,016), of which organic growth amounted to 2 percent.
- Adjusted¹⁾ operating profit increased by 9 percent to SEK 151 m (139). Operating profit increased to SEK 151 m (138).
- Adjusted¹⁾ operating margin increased to 7.1 percent (6.9).
- Profit for the period increased by 23 percent to SEK 106 m (86).
- Earnings per share increased to SEK 1.39 (1.13).
- Cash flow from operating activities amounted to SEK 162 m (187).
- The net debt/equity ratio amounted to 0.4 (0.5) at the end of the period.

January - June 2017

- Net sales increased by 6 percent to SEK 3,976 m (3,768), of which organic growth amounted to 3 percent.
- Adjusted¹⁾ operating profit increased by 10 percent to SEK 230 m (209). Operating profit increased to SEK 229 m (206).
- Adjusted¹⁾ operating margin increased to 5.8 percent (5.5).
- Profit for the period increased by 25 percent to SEK 148 m (118).
- Earnings per share increased to SEK 1.94 (1.55).
- Cash flow from operating activities amounted to SEK 122 m (108).
- The net debt/equity ratio amounted to 0.4 (0.5) at the end of the period.

1) Adjusted operating profit/operating margin does not include one-off items and significant restructuring costs. See Reconciliations on page 14.

A word from the CEO

Continued focus on profitability

Lindab's net sales grew by 5 percent during the second quarter and the operating profit increased by 9 percent. This achievement is particularly thanks to our continued focus on ensuring profitability through increased sales combined with our handling of the significant rise in steel prices. Earnings per share grew by 23 percent to 1.39, with improvements in both financial items and tax rate.

Products & Solutions showed sales growth of 4 percent during the quarter, and the operating profit improved by 7 percent to SEK 161 m (151). Sales within ventilation continued to develop well, while the Building Solutions product area experienced a decline in sales compared with the previous year. This is as a result of large project deliveries in Sweden during the second quarter, which continued during the third quarter of the previous year.

We continue to see good growth in most of the markets where we are present and see a gradual strengthening of our market positions.

Building Systems recorded sales growth of 17 percent, of which half was currency related. The lower operating profit of

SEK -2 m (4) is due to continued margin pressure as a result of the significant increase in steel prices. The completed review of the business, followed by a range of initiatives, is paying off.

Our long-term and methodical efforts to develop and offer the market a comprehensive range of system solutions and related products continue. During the quarter, we won two prestigious awards for UltraLink: the "Stora Inneklimatpriset" in Sweden and the "Product Innovation of the Year Award" in the UK.

As already announced, Lindab has signed new credit agreements, ensuring improved terms and conditions and securing financing for the next three years, with options to renew.

Grevie, July 2017



Anders Berg



Comments on the report

Sales and markets

Net sales increased by 5 percent to SEK 2,118 m (2,016) during the second quarter. Organic growth was 2 percent, and currency had a positive impact on sales of 3 percent.

The sales trend during the quarter remained positive with organic growth in both segments; 1 percent in Products & Solutions and 8 percent in Building Systems. During the quarter, Lindab continued its strong focus on margins due to the significant increase in raw material prices with continuous prioritisation and balance of volume and profitability in individual projects and activities.

Net sales during the period January-June amounted to SEK 3,976 m (3,768), which is an increase of 6 percent compared with the corresponding period of the previous year. Organic growth was 3 percent, and currency had a positive impact of 3 percent.

Profit

Adjusted operating profit for the second quarter increased to SEK 151 m (139). One-off items and restructuring costs amounted to SEK 0 m (-1), see Reconciliations. Adjusted operating margin increased to 7.1 percent (6.9).

The higher adjusted operating profit for the Group is mainly due to increased sales in both segments. Products & Solutions' operating profit increased to SEK 161 m (151), while Building Systems' operating profit amounted to SEK -2 m (4).

The profit for the period increased by 23 percent to SEK 106 m (86), and earnings per share increased to SEK 1.39 (1.13).

Adjusted operating profit for the period January-June amounted to SEK 230 m (209), corresponding to an increase of 10 percent compared with the previous year. Adjusted operating margin for the same period increased to 5.8 percent (5.5).

The profit for the period January-June increased by 25 percent to SEK 148 m (118), and earnings per share amounted to SEK 1.94 (1.55) for the corresponding period.

Seasonal variations

Lindab's business is affected by seasonal variations in the construction industry, and the highest proportion of net sales is normally seen during the second half of the year.

There is normally a deliberate stock build up of mainly finished goods during the first six months, which gradually becomes a stock reduction during the second half of the year as a result of increased activity within the construction market.

Depreciation/amortisation and impairment losses

The depreciation and amortisation for the quarter is in line with the previous year and amounted to SEK 41 m (43), of which SEK 8 m (10) relates to intangible assets.

Depreciation and amortisation for the period January-June amounted to SEK 82 m (85), of which SEK 17 m (19) relates to intangible assets.

Tax

Tax expense for the second quarter amounted to SEK 40 m (42). Earnings before tax amounted to SEK 146 m (128). The effective tax rate was 27 percent (33). The average tax rate was 20 percent (21). The lower effective tax rate during the period compared with the previous year is mainly explained by the fact that the operating profit for the quarter included large non-taxable income, while the previous year included large non-deductible expenses. The higher effective tax rate compared with the average tax rate is partly due to the fact that Lindab has not been able to fully utilise carry-forward tax losses in order to reduce the total tax expense.

Tax expense for the period January-June amounted to SEK 68 m (68). Earnings before tax amounted to SEK 216 m (186). The effective tax rate was 31 percent (37). The average tax rate was 19 percent (21). The lower effective tax rate compared with the previous year is mainly explained by the fact that the operating profit included large non-taxable income, while the previous year included large non-deductible expenses. The higher effective tax rate compared with the average tax rate is partly due to the fact that Lindab has not been able to fully utilise carry-forward tax losses in order to reduce the total tax expense.

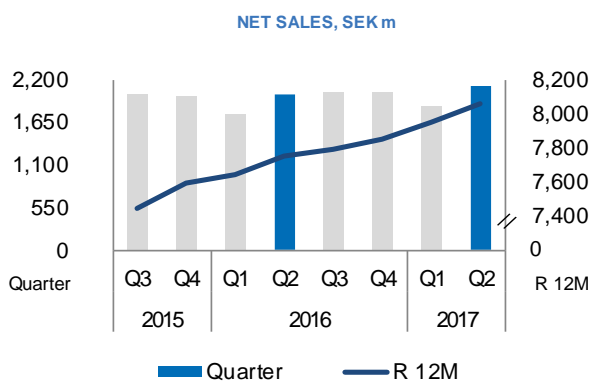
Cash flow

Cash flow from operating activities declined to SEK 162 m (187) during the second quarter. The development is mainly due to the cash flow related to working capital amounting to SEK 12 m (43), where the change in stock had the largest impact at SEK -81 m (-24). The negative development can mainly be attributed to increased raw material prices during the period.

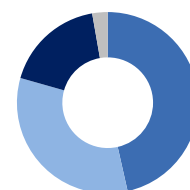
For the period January-June, cash flow from operating activities improved to SEK 122 m (108), which is mainly due to the positive development in cash flow before changes in working capital.

Financing activities for the quarter resulted in a cash flow of SEK -287 m (-169), which is mainly due to the change in borrowings of SEK -181 m (-74). The increased dividend to shareholders also had an impact of SEK -107 m (-95).

Financing activities for the period January-June resulted in a cash flow of SEK -201 m (-129).



BREAKDOWN OF NET SALES BY REGION, LAST 12 MONTHS



■ Nordic region ■ Western Europe ■ CEE/CIS ■ Other market

Cash flow from investing activities is explained under the headings Investments and Business combinations.

Investments

Investments in intangible assets and tangible fixed assets for the quarter amounted to SEK 21 m (33), of which SEK 4 m (7) relates to investments in intangible assets attributable to IT projects. Disposals amounted to SEK 14 m (1) and are mainly attributable to sale of property in Sweden. Net cash flow from investing activities amounted to SEK -7 m (-32), excluding acquisitions and divestments of subsidiaries.

For the period January-June, investments in fixed assets amounted to SEK 52 m (54), while disposals amounted to SEK 14 m (2). Net cash flow from investing activities amounted to SEK -38 m (-52), excluding acquisitions and divestments of subsidiaries.

Business combinations

No business combinations were made in the current or previous year.

Financial position

Net debt amounted to SEK 1,449 m (1,716) as at 30 June 2017. Currency effects increased net debt by SEK 19 m (21) during the quarter. The equity/asset ratio amounted to 51 percent (48), and the net debt/equity ratio amounted to 0.4 (0.5). Financial items for the quarter amounted to SEK -5 m (-10). The improvement is primarily due to lower net debt, but also due to higher income from interest.

The current credit limits of SEK 1,600 m with Nordea and SEB as well as SEK 500 m with Svensk Exportkredit run until the first quarter of 2019. The agreements contain covenants, which are monitored quarterly. Lindab fulfils all the terms of these credit agreements.

Pledged assets and contingent liabilities

There have not been any significant changes to pledged assets and contingent liabilities in 2017.

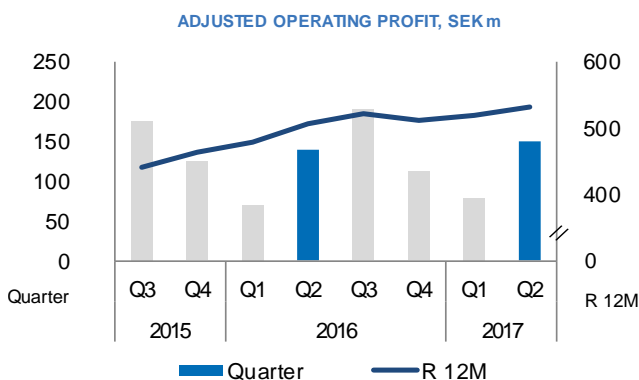
Parent company

Net sales for the quarter amounted to SEK 1 m (1). The loss for the period amounted to SEK -7 m (-7).

Net sales for the period January-June came to SEK 2 m (2). The loss for the period amounted to SEK -13 m (-13).

Significant risks and uncertainties

There have been no significant changes to what was stated by Lindab in its 2016 Annual Report under Risks and Risk Management (pages 62-64).



Employees

The number of employees at the end of the quarter, calculated as full-time equivalent employees, was 5,122 (5,140).

The Lindab Share

The highest price paid for Lindab shares during the period January-June was SEK 98.00 on 2 June, 5 June and 20 June, and the lowest was SEK 70.55 on 9 January. The closing price on 30 June was SEK 91.90. The average daily trading volume of the Lindab share was 135,825 shares per day (157,556).

Lindab holds 2,375,838 (2,375,838) treasury shares, equivalent to 3.0 percent (3.0) of the total number of Lindab shares. The number of outstanding shares totals 76,331,982 (76,331,982), while the total number of shares is 78,707,820 (78,707,820).

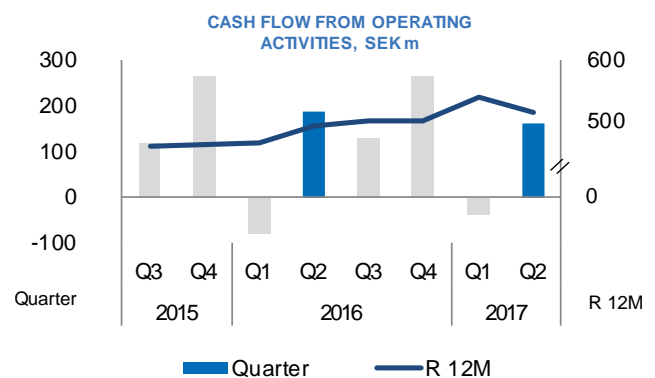
The largest shareholders at the end of the quarter in relation to the number of outstanding shares were Lannebo Fonder with 10.4 percent (8.1), Creades AB with 10.3 percent (10.3), Fjärde AP-fonden with 8.0 percent (8.0), Handelsbanken Fonder with 7.5 percent (8.1) and Skandia with 5.2 percent (5.5). The ten largest holdings constitute 59.9 percent (60.2) of the shares, excluding Lindab's own holding.

Incentive programme

At the Annual General Meeting in May 2017, guidelines for the remuneration of senior executives were decided upon. According to the adopted guidelines, the remuneration programme for these individuals must include a long-term variable cash pay element. This element must be based on financial performance targets that reflect Lindab's value growth and will be measured over a three year period. Any profit arising from the long-term variable cash pay is presumed to be invested in shares or share related instruments in Lindab, on market terms. The total cost in the event of a maximum outcome for the three year measurement period is estimated at SEK 14 m.

Warrant programme

At the Annual General Meeting in May 2017, it was resolved to establish a warrant programme for senior executives. Under the programme, 75,000 out of a maximum of 110,000 warrants were issued by Lindab for the benefit of the wholly owned subsidiary Lindab LTIP17 AB which, in turn, disposed of the warrants to senior executives based on a market valuation pursuant to the established warrant agreement. Each warrant entitles the holder to acquire one share in Lindab at a price of SEK 108.80 at some point in the future. Subscription of shares based on a warrant can take place after Lindab has published the 2020 Half Year Interim Report and until 31 August during the same year.



Annual General Meeting

At Lindab International AB's Annual General Meeting on 9 May 2017, the following resolutions were made:

- Dividend of SEK 1.40 per share with a record date of 11 May 2017.
- Re-election of the Board members Sonat Burman-Olsson, Per Bertland, Viveka Ekberg, Peter Nilsson, Bent Johannesson and election of new board members Anette Frumerie and John Hedberg. Peter Nilsson was re-elected as Chairman of the Board.
- Re-election of Deloitte AB as the company's auditor, with Hans Warén as lead auditor.
- Approval of the company's and the Group's income statement and balance sheet as well as granting of the discharge of liability for the Board of Directors and the CEO for the financial year 2016.
- Authorisation for the Board to decide on the transfer of treasury shares on one or more occasions.
- Each of the three largest shareholders must appoint a member to the Nomination Committee and the Nomination Committee must also include the Chairman of the Board.
- The establishment of a warrant programme for senior executives with a maximum of 110,000 warrants issued.

Further information can be found in the documents relating to the Annual General Meeting which is available at www.lindabgroup.com.

Events after the reporting period

As already announced, Lindab signed new credit agreements with Nordea, Danske Bank and Raiffeisen Bank International in July 2017. The new long-term credit agreements with Nordea and Danske Bank have a value of SEK 1,700 m and the agreement with Raiffeisen Bank International has a value of EUR 50 m. Both agreements are valid for three years with an option to extend the maturity by one plus one year. The new credit agreements replace existing agreements totalling SEK 2,100 m as described under Financial position.

No further significant events to report.

General information

Unless otherwise specified in this interim report, all statements refer to the Group. Figures in parentheses indicate the result for the corresponding period of the previous year. Unless otherwise stated, amounts are in SEK m.

This is a translation of the Swedish original report. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.

Segments

Products & Solutions

- Net sales during the second quarter amounted to SEK 1,856 m (1,793), an increase of 4 percent. Organic growth increased by 1 percent.
- Adjusted operating margin during the second quarter increased to 8.7 percent (8.4).

Sales and markets

Net sales for Products & Solutions increased by 4 percent to SEK 1,856 m (1,793) during the second quarter. Organic growth was 1 percent, and currency effects impacted sales positively by 3 percent.

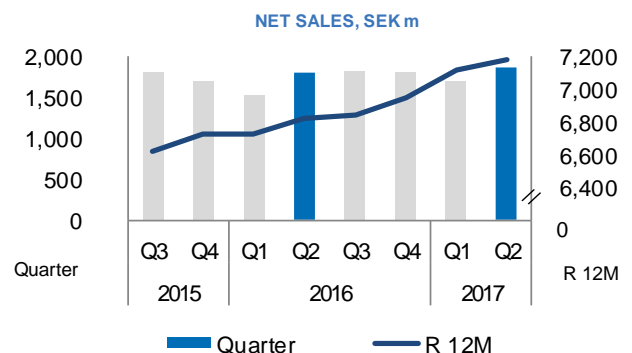
The significant increase in raw material costs continued during the quarter, prompting Lindab to opt out of certain business activities in order to prioritise margins and profitability.

Sales increased in Western and Eastern Europe, while they decreased in the Nordic region. Denmark and Finland showed continued strong growth, while sales decreased in Sweden and Norway. Swedish sales declined due to large project deliveries during the second quarter of the previous year. In Western Europe, all major markets besides Germany showed positive growth, and the CEE/CIS region continued its recovery with organic growth in the region's four largest markets, Poland, Hungary, the Czech Republic and Romania.

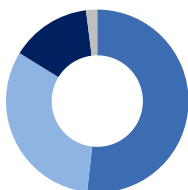
For the segment as a whole, the positive sales trend in ventilation continued, with strong growth in the three largest product areas Ventilation Products, Indoor Climate Solutions and Air Movement.

Sales of both Rainwater & Building Products and Building Solutions, however, decreased during the quarter. During the second quarter of the previous year, the largely project-based product area, Building Solutions, had particularly large deliveries to Varalöv in Sweden – its largest project so far.

Net sales for the period January-June increased by 7 percent to SEK 3,551 m (3,322). Organic growth was 5 percent.



BREAKDOWN OF NET SALES BY REGION, LAST 12 MONTHS



■ Nordic region ■ Western Europe ■ CEE/CIS ■ Other market

Profit

During the second quarter, Products & Solutions' adjusted operating profit increased to SEK 161 m (151). Adjusted operating margin increased to 8.7 percent (8.4).

The improved operating profit is mainly attributable to increased sales.

Adjusted operating profit for the period January-June increased by 22 percent to SEK 278 m (227).

Activities - Products & Solutions

During the quarter, Lindab won two prestigious awards for UltraLink: the "Stora Inneklimatpriset" in Sweden and the "Product Innovation of the Year Award" in the UK.

During the quarter, a major order for ceiling and wall solutions for a central warehouse in Sweden was signed. The order has a value of SEK 9 m.

Building Systems

- Net sales during the second quarter amounted to SEK 262 m (223), an increase of 17 percent. Organic growth increased by 8 percent.
- Adjusted operating margin during the second quarter amounted to -0.8 percent (1.8).

Sales and markets

Net sales for Building Systems increased by 17 percent to SEK 262 m (223) during the second quarter. Organic growth was 8 percent, while currency effects had a positive impact of 9 percent, mainly as a result of a strong Russian ruble.

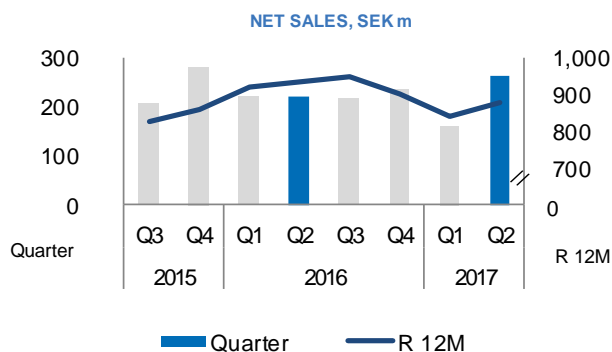
The increased sales during the quarter are mainly due to positive growth in the CEE/CIS region. Sales to Africa also grew, while sales to Western Europe decreased.

The sales and market conditions continued to develop well in Russia, while demand was weaker in the remaining CIS countries. In the CEE region, sales increased in particular in

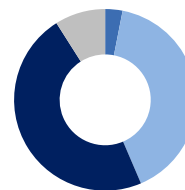
Poland and Slovenia, while the reduced sales in Western Europe are mainly due to lower activity levels in Germany and Italy during the quarter.

The order intake decreased during the quarter, but the total order volume at the end of the period was still higher than the corresponding period of the previous year.

Net sales for the period January-June decreased by 5 percent to SEK 425 m (446). Organically, sales declined by 13 percent.



BREAKDOWN OF NET SALES BY REGION, LAST 12 MONTHS



■ Nordic Region ■ Western Europe ■ CEE/CIS ■ Other Markets

Profit

Adjusted operating profit for Building Systems amounted to SEK -2 m (4) during the quarter, and adjusted operating margin amounted to -0.8 percent (1.8).

The lower operating profit is as a result of higher steel prices which put the margin on a number of projects under pressure.

Adjusted operating profit for the period January-June amounted to SEK -28 m (6).

Activities - Building Systems

An improved project management model as well as a quotation & pricing model were implemented during the quarter.

During the quarter, Building Systems signed an agreement on two major orders, each worth more than SEK 10 m; one for a warehouse in Russia and one for an industrial building in Armenia.

NET SALES AND GROWTH

	2017		2016		2017		2016		2016	
SEK m	Apr-Jun		Apr-Jun		Jan-Jun		Jan-Jun		Jan-Dec	
Net sales	2,118		2,016		3,976		3,768		7,849	
Change	102		109		208		167		260	
Change, %	5		6		6		5		3	
Of which										
Organic, %	2		8		3		6		4	
Acquisitions/divestments, %	0		1		0		1		0	
Currency effects, %	3		-3		3		-2		-1	

NET SALES PER REGION

	2017		2016		2017		2016		2016	
SEK m	Apr-Jun	%	Apr-Jun	%	Jan-Jun	%	Jan-Jun	%	Jan-Dec	%
Nordic region	939	44	952	47	1,827	46	1,737	46	3,654	47
Western Europe	711	34	681	34	1,349	34	1,296	34	2,600	33
CEE/CIS	401	19	334	17	682	17	595	16	1,352	17
Other markets	67	3	49	2	118	3	140	4	243	3
Total	2,118	100	2,016	100	3,976	100	3,768	100	7,849	100

NET SALES PER SEGMENT

	2017		2016		2017		2016		2016	
SEK m	Apr-Jun	%	Apr-Jun	%	Jan-Jun	%	Jan-Jun	%	Jan-Dec	%
Products & Solutions	1,856	88	1,793	89	3,551	89	3,322	88	6,949	89
Building Systems	262	12	223	11	425	11	446	12	900	11
Other operations	-	-	-	-	-	-	-	-	-	-
Total	2,118	100	2,016	100	3,976	100	3,768	100	7,849	100
Gross internal sales all segments	0		0		0		0		3	

OPERATING PROFIT, OPERATING MARGIN AND EARNINGS BEFORE TAX

	2017		2016		2017		2016		2016	
SEK m	Apr-Jun	%	Apr-Jun	%	Jan-Jun	%	Jan-Jun	%	Jan-Dec	%
Products & Solutions	161	8.7	151	8.4	278	7.8	227	6.8	565	8.1
Building Systems	-2	-0.8	4	1.8	-28	-6.6	6	1.3	-12	-1.3
Other operations	-8	-	-16	-	-20	-	-24	-	-42	-
Adjusted operating profit	151	7.1	139	6.9	230	5.8	209	5.5	511	6.5
One-off items and restructuring costs ¹⁾	0	-	-1	-	-1	-	-3	-	-28	-
Operating profit	151	7.1	138	6.8	229	5.8	206	5.5	483	6.2
Net financial income	-5	-	-10	-	-13	-	-20	-	-38	-
Earnings before tax	146	-	128	-	216	-	186	-	445	-

1) One-off items and restructuring costs are described in Reconciliations.

NUMBER OF EMPLOYEES

	2017		2016		2017		2016		2016	
	Apr-Jun		Apr-Jun		Jan-Jun		Jan-Jun		Jan-Dec	
Products & Solutions	4,377		4,413		4,377		4,413		4,392	
Building Systems	680		673		680		673		688	
Other operations	65		54		65		54		56	
Total	5,122		5,140		5,122		5,140		5,136	

Consolidated income statement

SEK m	2017	2016	2017	2016	Rolling 12 M	Rolling 12 M	2016
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	2016 Jul-2017 Jun	2015 Jul-2016 Jun	Jan-Dec
Net sales	2,118	2,016	3,976	3,768	8,057	7,756	7,849
Cost of goods sold	-1,544	-1,461	-2,905	-2,740	-5,875	-5,624	-5,710
Gross profit	574	555	1,071	1,028	2,182	2,132	2,139
Other operating income	22	14	36	25	83	95	72
Selling expenses	-271	-264	-538	-522	-1,077	-1,039	-1,061
Administrative expenses	-138	-137	-271	-264	-523	-522	-516
R & D expenses	-17	-16	-35	-31	-69	-63	-65
Other operating expenses	-19	-14	-34	-30	-90	-92	-86
Total operating expenses	-423	-417	-842	-822	-1,676	-1,621	-1,656
Operating profit¹⁾	151	138	229	206	506	511	483
Interest income	5	3	8	5	14	13	11
Interest expenses	-9	-11	-19	-22	-40	-47	-43
Other financial income and expenses	-1	-2	-2	-3	-5	-6	-6
Financial items	-5	-10	-13	-20	-31	-40	-38
Earnings before tax	146	128	216	186	475	471	445
Tax on profit for the period	-40	-42	-68	-68	-139	-144	-139
Profit for the period	106	86	148	118	336	327	306
–attributable to the parent company's shareholders	106	86	148	118	336	327	306
–attributable to non-controlling interest	0	0	0	0	0	0	0
Earnings per share, SEK²⁾	1.39	1.13	1.94	1.55	4.41	4.28	4.02

1) One-off items and restructuring costs, which are included in operating profit, are described in Reconciliations.

2) Based on the number of outstanding shares, i.e. excluding treasury shares.

Consolidated statement of comprehensive income

SEK m	2017	2016	2017	2016	Rolling 12 M	Rolling 12 M	2016
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	2016 Jul-2017 Jun	2015 Jul-2016 Jun	Jan-Dec
Profit for the period	106	86	148	118	336	327	306
Items that will not be reclassified to the income statement							
Actuarial gains/losses, defined benefit plans	0	0	0	0	-27	23	-27
Deferred tax attributable to defined benefit plans	0	0	0	0	6	-6	6
Sum	0	0	0	0	-21	17	-21
Items that can later be reclassified to the income statement							
Translation differences, foreign operations	-1	67	27	89	131	-39	193
Hedging of net investments	-12	-24	-10	-35	-32	-17	-57
Tax attributable to hedging of net investments	3	5	2	7	7	3	12
Sum	-10	48	19	61	106	-53	148
Other comprehensive income, net of tax	-10	48	19	61	85	-36	127
Total comprehensive income	96	134	167	179	421	291	433
–attributable to the parent company's shareholders	96	134	167	179	421	291	433
–attributable to non-controlling interest	0	0	0	0	0	0	0

Consolidated statement of cash flow

<i>SEK m</i>	2017	2016	2017	2016	Rolling 12 M	Rolling 12 M	2016
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	2016 Jul- 2017 Jun	2015 Jul- 2016 Jun	Jan-Dec
OPERATING ACTIVITIES							
Operating profit	151	138	229	206	506	511	483
Reversal of depreciation/amortisation	41	43	82	85	171	171	174
Reversal of capital gains (-) / losses (+) reported in operating profit	-8	0	-8	0	-22	-3	-14
Provisions, not affecting cash flow	-1	-4	-2	-15	-11	-15	-24
Adjustment for other items not affecting cash flow	-4	-4	-2	-12	5	-60	-5
Total	179	173	299	264	649	604	614
Interest received	5	3	8	5	14	11	11
Interest paid	-9	-10	-18	-21	-38	-45	-41
Tax paid	-25	-22	-56	-51	-115	-97	-110
Cash flow before change in working capital	150	144	233	197	510	473	474
Change in working capital							
Stock (increase - /decrease +)	-81	-24	-144	-82	-139	20	-77
Operating receivables (increase - /decrease +)	-120	-125	-212	-220	-28	-50	-36
Operating liabilities (increase + /decrease -)	213	192	245	213	170	48	138
<i>Total change in working capital</i>	<i>12</i>	<i>43</i>	<i>-111</i>	<i>-89</i>	<i>3</i>	<i>18</i>	<i>25</i>
Cash flow from operating activities	162	187	122	108	513	491	499
INVESTING ACTIVITIES							
Acquisition of Group companies	-	-	-	-	-	-104	-
Divestment of Group companies	-	-	-	-	-	88	-
Investments in intangible assets	-4	-7	-12	-11	-22	-23	-21
Investments in tangible fixed assets	-17	-26	-40	-43	-101	-120	-104
Change in financial fixed assets	0	0	0	0	0	2	0
Disposal of intangible assets	0	0	0	0	0	-2	0
Disposal of tangible fixed assets	14	1	14	2	45	28	33
Cash flow from investing activities	-7	-32	-38	-52	-78	-131	-92
FINANCING ACTIVITIES							
Proceeds from borrowings	-	-	86	40	86	40	40
Repayment of borrowings	-181	-74	-181	-74	-342	-421	-235
Issue of warrants	1	-	1	-	1	-	-
Dividends to shareholders	-107	-95	-107	-95	-107	-95	-95
Cash flow from financing activities	-287	-169	-201	-129	-362	-476	-290
Cash flow for the period	-132	-14	-117	-73	73	-116	117
Cash and cash equivalents at start of the period	437	230	418	285	220	336	285
Effect of exchange rate changes on cash and cash equivalents	-3	4	1	8	9	0	16
Cash and cash equivalents at end of the period	302	220	302	220	302	220	418

Consolidated statement of financial position

SEK m	30 Jun 2017	30 Jun 2016	31 Dec 2016
ASSETS			
Non-current assets			
Goodwill	2,984	2,928	2,963
Other intangible assets	121	119	123
Tangible fixed assets	1,280	1,314	1,299
Financial interest-bearing fixed assets	45	47	45
Other financial fixed assets	71	107	75
Total non-current assets	4,501	4,515	4,505
Current assets			
Stock	1,306	1,146	1,159
Accounts receivable	1,439	1,402	1,250
Other current assets	183	157	159
Other interest-bearing receivables	9	8	12
Cash and cash equivalents	302	220	418
Total current assets	3,239	2,933	2,998
TOTAL ASSETS	7,740	7,448	7,503
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity attributable to parent company shareholders	3,909	3,593	3,848
Non-controlling interests	1	2	1
Total shareholders' equity	3,910	3,595	3,849
Non-current liabilities			
Interest-bearing provisions for pensions and similar obligations	212	191	211
Liabilities to credit institutions	1,538	1,745	1,625
Provisions	111	141	112
Other non-current liabilities	2	5	4
Total non-current liabilities	1,863	2,082	1,952
Current liabilities			
Other interest-bearing liabilities	55	55	35
Provisions	16	20	17
Accounts payable	983	903	837
Other current liabilities	913	793	813
Total current liabilities	1,967	1,771	1,702
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	7,740	7,448	7,503

Financial instruments at fair value through the income statement

SEK m	30 Jun 2017		30 Jun 2016		31 Dec 2016	
	Total carrying amount	Fair value	Total carrying amount	Fair value	Total carrying amount	Fair value
Disclosures regarding the fair value by class						
Financial assets						
Derivative receivables	7	7	7	7	11	11
Financial liabilities						
Liabilities to credit institutions	1,504	1,506	1,711	1,716	1,591	1,594
Derivative liabilities	14	14	3	3	2	2

Description of fair value

Derivatives relate to forward exchange contracts which are valued at fair value by discounting the difference between the contracted forward rate and the rate that can be subscribed for on the balance sheet date for the remaining contract term. The fair value of interest-bearing liabilities is provided for the purposes of disclosure and is calculated by discounting the future cash flows of principals and interest payments, discounted at current market interest rates.

The derivative assets, derivative liabilities and interest-bearing liabilities that exist can all be found at Level 2 in the valuation hierarchy.

For other financial assets and liabilities, the carrying amount is deemed to be a reasonable approximation of fair value. Group holdings of unlisted shares the fair value of which can not be calculated reliably are recognised at acquisition cost. The carrying amount is SEK 1 m (1).

Consolidated statement of changes in equity

<i>SEK m</i>	Parent company shareholders	Non- controlling interest	Total shareholders' Equity
Opening balance, 1 January 2016	3,509	2	3,511
Profit for the period	118	0	118
Other comprehensive income, net of tax	61	0	61
Dividends to shareholders	-95	-	-95
Closing balance, 30 June 2016	3,593	2	3,595
Profit for the period	188	0	188
Other comprehensive income, net of tax	67	-1	66
Closing balance, 31 December 2016	3,848	1	3,849
Opening balance, 1 January 2017	3,848	1	3,849
Profit for the period	148	0	148
Other comprehensive income, net of tax	19	0	19
Issue of warrants	1	-	1
Dividends to shareholders	-107	-	-107
Closing balance, 30 June 2017	3,909	1	3,910

Share capital

The share capital of SEK 78,707,820 is divided among 78,707,820 shares with a face value of SEK 1.00. Lindab International AB (publ) holds 2,375,838 (2,375,838) treasury shares, corresponding to 3.0 percent (3.0) of the total number of Lindab shares.

Proposed appropriation of profits

In accordance with the proposal of the Board of Directors, the Annual General Meeting on 9 May 2017 resolved that dividends of SEK 1.40 per share, corresponding to SEK 107 m, would be paid for the financial year. The remaining retained earnings of SEK 312 m will be carried forward.

Parent company

Income statement

<i>SEK m</i>	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Jan-Dec
Net sales	1	1	2	2	4
Administrative expenses	-1	-1	-2	-2	-4
Other operating income/costs	0	0	0	0	0
Operating profit	0	0	0	0	0
Profit from subsidiaries	-	-	-	-	34
Interest expenses, internal	-8	-8	-16	-16	-33
Earnings before tax	-8	-8	-16	-16	1
Tax on profit for the period	1	1	3	3	0
Profit/Loss for the period¹⁾	-7	-7	-13	-13	1

1) Comprehensive income corresponds to profit for all periods.

Balance sheet

<i>SEK m</i>	30 Jun 2017	30 Jun 2016	31 Dec 2016
ASSETS			
Fixed assets			
<i>Financial fixed assets</i>			
Shares in Group companies	3,467	3,467	3,467
Financial interest-bearing fixed assets	6	7	6
Deferred tax assets	2	2	2
Total fixed assets	3,475	3,476	3,475
Current assets			
Receivables from Group companies	0	0	34
Current tax assets	4	4	0
Cash and cash equivalents	0	0	0
Total current assets	4	4	34
TOTAL ASSETS	3,479	3,480	3,509
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
<i>Restricted shareholders' equity</i>			
Share capital	79	79	79
Statutory reserve	708	708	708
<i>Non-restricted shareholders' equity</i>			
Share premium reserve	90	90	90
Profit brought forward	223	329	329
Profit/Loss for the period ¹⁾	-13	-13	1
Total shareholders' equity	1,087	1,193	1,207
Provisions			
Interest-bearing provisions	6	7	6
Total provisions	6	7	6
Non-current liabilities			
Interest-bearing liabilities to Group companies	2,214	2,182	2,198
Total non-current liabilities	2,214	2,182	2,198
Current liabilities			
Liabilities to Group companies	168	95	96
Accrued expenses and deferred income	4	3	2
Total current liabilities	172	98	98
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,479	3,480	3,509

1) Comprehensive income corresponds to profit for all periods.

Key performance indicators

SEK m	2017		2016				2015		
	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun
Net sales	2,118	1,858	2,039	2,042	2,016	1,752	1,980	2,008	1,907
Growth, %	5	6	3	2	6	3	8	5	9
of which organic	2	4	1	4	8	5	3	-1	3
of which acquisitions/divestments	0	0	0	-1	1	0	5	5	3
of which currency effects	3	2	2	-1	-3	-2	0	1	3
Operating profit before depreciation and amortisation	192	119	155	211	181	110	143	248	151
Operating profit	151	78	112	165	138	68	100	205	110
Adjusted operating profit	151	79	112	190	139	70	124	175	110
Earnings before tax	146	70	102	157	128	58	91	196	103
Profit for the period	106	42	79	109	86	32	63	146	68
Operating margin, %	7.1	4.2	5.5	8.1	6.8	3.9	5.1	10.2	5.8
Adjusted operating margin, %	7.1	4.3	5.5	9.3	6.9	4.0	6.3	8.7	5.8
Profit margin, %	6.9	3.8	5.0	7.7	6.4	3.3	4.6	9.8	5.4
Cash flow from operating activities	162	-40	265	126	187	-79	266	117	160
Cash flow from operating activities per share, SEK	2.12	-0.52	3.47	1.65	2.45	-1.03	3.48	1.53	2.10
Investments intangible assets and tangible fixed assets	21	31	39	32	33	21	45	44	27
Number of shares outstanding, thousands	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332
Average number of shares outstanding, thousands	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332
Earnings per share, SEK	1.39	0.55	1.04	1.43	1.13	0.42	0.82	1.91	0.89
Shareholders' equity attributable to parent company shareholders	3,909	3,919	3,848	3,768	3,593	3,554	3,509	3,537	3,397
Shareholders' equity attributable to non-controlling interests	1	1	1	1	2	2	2	2	-
Shareholders' equity per share, SEK	51.21	51.34	50.41	49.37	47.08	46.56	45.98	46.34	44.50
Net debt	1,449	1,459	1,396	1,647	1,716	1,760	1,657	1,922	1,957
Net debt/equity ratio, times	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	0.6
Equity/asset ratio, %	50.5	51.0	51.3	48.1	48.3	49.1	49.1	45.7	45.4
Return on equity, %	8.8	8.5	8.4	8.1	9.3	8.9	8.8	8.3	8.5
Return on capital employed, %	9.1	8.8	8.8	8.6	9.3	8.8	8.6	8.2	8.3
Interest coverage ratio, times	16.4	8.3	10.6	16.2	13.0	6.2	9.2	14.6	9.9
Net debt/EBITDA, excluding one-off items and restructuring costs	2.2	2.4	2.5	2.5	2.7	2.9	3.1	3.2	3.1
Number of employees	5,122	5,143	5,136	5,216	5,140	5,100	5,066	5,109	4,866

SEK m	2017	2016	2016	2015	2014
	Jan-Jun	Jan-Jun	Jan-Dec	Jan-Dec	Jan-Dec
Net sales	3,976	3,768	7,849	7,589	7,003
Growth, %	6	5	3	8	7
of which organic	3	6	4	2	5
of which acquisitions/divestments	0	1	0	4	0
of which currency effects	3	-2	-1	2	2
Operating profit before depreciation and amortisation	311	291	657	637	625
Operating profit	229	206	483	469	467
Adjusted operating profit	230	209	511	463	497
Earnings before tax	216	186	445	431	386
Profit for the period	148	118	306	305	283
Operating margin, %	5.8	5.5	6.2	6.2	6.7
Adjusted operating margin, %	5.8	5.5	6.5	6.1	7.1
Profit margin, %	5.4	4.9	5.7	5.7	5.5
Cash flow from operating activities	122	108	499	460	278
Cash flow from operating activities per share, SEK	1.60	1.41	6.54	6.03	3.64
Investments intangible assets and tangible fixed assets	52	54	125	151	273
Number of shares outstanding, thousands	76,332	76,332	76,332	76,332	76,332
Average number of shares outstanding, thousands	76,332	76,332	76,332	76,332	76,332
Earnings per share, SEK	1.94	1.55	4.02	3.99	3.71
Shareholders' equity attributable to parent company shareholders	3,909	3,593	3,848	3,509	3,344
Shareholders' equity attributable to non-controlling interests	1	2	1	2	-
Shareholders' equity per share, SEK	51.21	47.08	50.41	45.98	43.81
Net debt	1,449	1,716	1,396	1,657	1,746
Net debt/equity ratio, times	0.4	0.5	0.4	0.5	0.5
Equity/asset ratio, %	50.5	48.3	51.3	49.1	48.0
Return on equity, %	8.8	9.3	8.4	8.8	9.0
Return on capital employed, %	9.1	9.3	8.8	8.6	8.9
Interest coverage ratio, times	12.3	9.5	11.4	9.7	5.9
Net debt/EBITDA, excluding one-off items and restructuring costs	2.2	2.7	2.5	3.1	2.9
Number of employees	5,122	5,140	5,136	5,066	4,536

NOTE 1 ACCOUNTING POLICIES

The consolidated accounts for the interim report, like the annual accounts for 2016, have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board RFR 1, Supplementary Accounting Rules for Groups.

This interim report has been prepared in accordance with IAS 34. The Group has applied the same accounting policies as described in the 2016 Annual Report.

None of the new or amended standards, interpretations and improvements adopted by the EU have had any significant effect on the Group.

The parent company's financial statements are prepared in accordance with the Annual Accounts Act and RFR 2, Accounting for legal entities, and according to the same accounting policies as were applied to the 2016 Annual Report.

Information reported in accordance with IAS 34 Interim Financial Reporting is provided in the notes and elsewhere in the interim report.

NOTE 2 EFFECTS OF CHANGES IN ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant estimates and assumptions are described in Note 4 of the 2016 Annual Report.

No changes have been made to these estimates or assumptions which could have a material impact on the interim report.

NOTE 3 OPERATING SEGMENTS

The Group's segments comprise of Products & Solutions and Building Systems. The basis for the division into segments is the different customer offerings provided by each segment. Products & Solutions' business is based on a geographically distributed sales organisation supported by six product and system areas

with central production and purchasing functions. The Building Systems segment consists of a separately integrated project organisation. The Other segment comprises of parent company functions.

Information about earnings from external customers and adjusted operating profit by operating segment is shown in the tables on page 6.

Earnings from other segments contribute only small amounts and a breakdown of this sum by segment is therefore deemed irrelevant.

Inter-segment transfer pricing is determined on an arms-length basis, i.e. between parties that are independent of one another, are well informed and have an interest in the implementation of the transaction. Assets and investments are reported wherever the asset is located.

Assets and liabilities per segment that have changed by more than 10 percent compared with the end of 2016 are shown below:

- Products & Solutions: Stock has increased by 12 percent, and Other assets have increased by 19 percent.
- Building Systems: Stock has increased by 18 percent, Other assets have decreased by 22 percent, and Other liabilities have increased by 27 percent.

NOTE 4 TRANSACTIONS WITH RELATED PARTIES

Lindab's related parties and the extent of transactions with its related parties are described in Note 29 of the 2016 Annual Report.

At the Annual General Meeting in May 2017, it was resolved to establish a warrant programme for senior executives. Under the programme, 75,000 warrants were acquired by senior executives during the quarter. See more under Warrant programme.

During the year, there have been no other transactions between Lindab and related parties which have had a significant impact on the company's financial position and income statement.

The Board and the CEO hereby affirm that the Interim Report for Lindab International AB (publ) gives a true and fair view of the company's and the Group's operations, financial position and results and describes significant risks and uncertainties that the company and the companies in the Group are facing.

Båstad, 19 July 2017

Peter Nilsson
Chairman

Anders Berg
President and CEO

Per Bertland
Board member

Sonat Burman-Olsson
Board member

Viveka Ekberg
Board member

Anette Frumerie
Board member

John Hedberg
Board member

Bent Johannesson
Board member

Pontus Andersson
Employee representative

Anders Lundberg
Employee representative

This report has not been subject to review by Lindab's auditors

Reconciliations, key performance indicators not defined according to IFRS

The company presents certain financial measures in the Interim Report which are not defined according to IFRS. The company considers these measures to provide valuable supplementary information for investors and the company's management as they enable the assessment of relevant trends. Lindab's definitions of these measures may differ from other companies' definitions of the same terms. These financial measures should therefore be seen as a supplement rather than as a replacement for measures defined according to IFRS. Definitions of measures which are not defined according to IFRS and which are not mentioned elsewhere in the Interim Report are presented below. Reconciliation of these measures are shown in the tables below. As the amounts in the tables below have been rounded off to SEK m, the calculations do not always add up due to rounding.

Operating profit excluding one-off items is replaced by Adjusted operating profit. The values are the same, but the definition has been changed as the company recognises one-off items and significant restructuring costs separately to describe the results of the underlying activities.

Reconciliations

Amounts in SEK m unless otherwise indicated.

	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Jan-Dec
Interest coverage ratio, times					
Earnings before tax	146	128	216	186	445
Interest expenses	9	11	19	22	43
Total	155	139	235	208	488
Interest expenses	9	11	19	22	43
Interest coverage ratio, times	16.4	13.0	12.3	9.5	11.4

	30 Jun 2017	30 Jun 2016	31 Dec 2016
Net debt			
Non-current interest-bearing provisions for pensions and similar obligations	212	191	211
Non-current liabilities to credit institutions	1,538	1,745	1,625
Current other interest-bearing liabilities	55	55	35
Total liabilities	1,805	1,991	1,871
Financial interest-bearing fixed assets	45	47	45
Other interest-bearing receivables	9	8	12
Cash and cash equivalents	302	220	418
Total assets	356	275	475
Net debt	1,449	1,716	1,396

	2017 Jan-Jun	2016 Jan-Jun	2016 Jan-Dec
Net debt/EBITDA			
Average net debt	1,533	1,827	1,695
Adjusted operating profit, rolling tw elve months	532	508	511
Depreciation/amortisation and impairment losses, rolling tw elve months	168	171	174
EBITDA	700	679	685
Net debt/EBITDA, times	2.2	2.7	2.5

	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Jan-Dec
One-off items and restructuring costs					
Operating profit	151	138	229	206	483
Products & Solutions	-	-	-	-	-24
Building Systems	-	-	-	-	-
Other operations	0	-1	-1	-3	-4
Adjusted operating profit	151	139	230	209	511

Operating profit has been adjusted by the following one-off items per quarter:

1/2017 SEK -1 m relating to governance projects.

2/2017 SEK 0 m. The quarter has not been affected by one-off items.

1/2016 SEK -2 m relating to governance projects.

2/2016 SEK -1 m relating to governance projects.

3/2016 SEK -25 m relating to cost reduction initiatives and governance projects.

4/2016 SEK 0 m. The quarter has not been affected by one-off items.

	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Jan-Dec
Operating profit before depreciation/amortisation - EBITDA					
Operating profit	151	138	229	206	483
Depreciation/amortisation and impairment losses	41	43	82	85	174
Operating profit before depreciation/amortisation - EBITDA	192	181	311	291	657

	2017 Apr-Jun	2016 Apr-Jun	2017 Jan-Jun	2016 Jan-Jun	2016 Jan-Dec
Organic growth					
Change Net sales	102	109	208	167	260
Of w hich					
Organic	34	146	107	227	322
Acquisitions/divestments	-	14	-	23	8
Currency effects	68	-51	101	-83	-70

	30 Jun 2017	30 Jun 2016	31 Dec 2016
Return on capital employed			
Total assets	7,740	7,448	7,503
Provisions	111	141	112
Other non-current liabilities	2	5	4
Total non-current liabilities	113	146	116
Provisions	16	20	17
Accounts payable	983	903	837
Other current liabilities	913	793	813
Total current liabilities	1,912	1,716	1,667
Capital employed	5,715	5,586	5,720
Earnings before tax, rolling twelve months	475	471	445
Financial expenses, rolling twelve months	46	53	49
Total	521	524	494
Average capital employed	5,741	5,651	5,642
Return on capital employed, %	9.1	9.3	8.8
Return on shareholders' equity			
Profit for the period, rolling twelve months	336	327	306
Average shareholders' equity	3,809	3,518	3,655
Return on shareholders' equity, %	8.8	9.3	8.4

Definitions

Key performance indicator according to IFRS

Earnings per share, SEK

Profit for the period attributable to parent company shareholders to average number of shares outstanding.

Key performance indicators not defined according to IFRS

Adjusted operating margin

Adjusted operating profit expressed as a percentage of net sales.

Adjusted operating profit

Operating profit adjusted for one-off items and restructuring costs when the amount is significant in size.

Cash flow from operating activities per share, SEK

Cash flow from operating activities to number of shares at the end of the period.

Equity/asset ratio

Shareholders' equity including non-controlling interests, expressed as a percentage of total assets.

Interest coverage ratio, times

Earnings before tax plus interest expense to interest expense.

Investments in intangible assets and tangible fixed assets

Investments excluding acquisitions and divestments of companies.

Net debt

Interest-bearing provisions and liabilities less interest-bearing assets and cash and cash equivalents.

Net debt/EBITDA

Average net debt in relation to EBITDA, excluding one-off items and restructuring costs, based on a rolling twelve-month calculation.

Net debt/equity ratio

Net debt to shareholders' equity including non-controlling interests.

One-off items and restructuring costs

Items not included in the ordinary business transactions and when each amount is significant in size and therefore has an effect on the profit or loss and key performance indicators, are classified as one-off items and restructuring costs.

Operating margin

Operating profit expressed as a percentage of net sales.

Operating profit

Profit before financial items and tax.

Operating profit before depreciation/amortisation - EBITDA

Operating profit before planned depreciation/amortisation.

Organic growth

Change in sales adjusted for currency effects as well as acquisitions and divestments compared with the same period of the previous year.

Profit margin

Earnings before tax expressed as a percentage of net sales.

Return on capital employed

Earnings before tax after adding back financial expenses based on a rolling twelve-month calculation, expressed as a percentage of average capital employed¹⁾. Capital employed refers to total assets less non-interest-bearing provisions and liabilities.

Return on shareholders' equity

Profit for the period attributable to parent company shareholders based on a rolling twelve-month calculation, expressed as a percentage of average shareholders' equity¹⁾ attributable to parent company shareholders.

Shareholders' equity per share, SEK

Shareholders' equity attributable to parent company shareholders to number of shares outstanding at the end of the period.

1) Average capital is based on the quarterly value.

Financial calendar

Interim Report January-September	26 October 2017
Year-End report	8 February 2018

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Lindab in brief

The Group had sales of SEK 7,849 m in 2016 and is established in 32 countries with approximately 5,100 employees.

The main market is non-residential construction, which accounts for 80 percent of sales, while residential construction accounts for 20 percent of sales. During 2016, the Nordic region accounted for 47 percent, Western Europe 33 percent, CEE/CIS (Central and Eastern Europe plus other former Soviet states) 17 percent and Other markets 3 percent of total sales.

The share is listed on the Nasdaq OMX Nordic Exchange, Stockholm List, Mid Cap, under the ticker symbol LIAB.

Business concept

Lindab develops, manufactures, markets and distributes products and system solutions for simplified construction and improved indoor climate.

Business model

Lindab's product and solution offering includes products and entire systems for ventilation, cooling and heating, as well as construction products and building solutions such as steel rainwater systems, roofing and wall cladding, steel profiles for wall, roof and beam constructions and large span buildings. Lindab also offers complete, pre-engineered steel construction

systems under the Astron brand. These are complete building solutions comprising the outer shell with the main structure, wall, roof and accessories.

Lindab's products are characterised by high quality, ease of assembly, energy efficiency and environmentally friendly design and are delivered with high levels of service. Altogether, this provides greater customer value.

Lindab's value chain is characterised by a good balance between centralised and decentralised functions. The distribution has been developed in order to be close to the customer. Sales are made through around 140 Lindab branches and just under 3,000 retailers, with the exception of Building Systems, which conducts sales through a network of nearly 300 building contractors.

The information provided here represents information that Lindab International AB (publ) is obliged to make public under the EU's market abuse regulation and the Securities Market Act. This information was made public by the above-mentioned contacts on 20 July 2017 at 07.40 (GET).

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