



Lindab Group presentation Q2 2010

David Brodetsky, CEO
Nils-Johan Andersson, CFO





Agenda

- Highlights
- Group
- Business Areas
- Strategy
- Trends and outlook
- Q & A



Lindab Group

Highlights – Q2 Financial

Profit & loss

- Sales stable, adjusted for structure and currency
- EBIT up 13% from SEK 97 m to SEK 110 m, excluding one time items, mainly due to lower cost
- Cost and efficiency program reduced total other costs by SEK 20 m, adjusted for currency and structure (cumulative SEK 557 m compared to 2008)

Cash

- Operational Cash flow was SEK 67 m (SEK 332 m)



Lindab Group

Highlights – Q2 Market

Contrasted view by Business Area

- Ventilation – stabilization but no signs of recovery
- Building Components – recovery in residential segment, growth in all regions
- Building Systems – weak sales in quarter, improved order intake particularly in CEE and Russia/CIS



Lindab Group

Profit & Loss Q2 2010 - Group

SEK m	Period	
	10	09
Sales	1 715	1 821
EBIT*)	110	97
EBIT margin %*)	6.4	5.3
Fin. net	-42	-34
Tax	-20	-38
Net profit	+27	+13

Sales growth	-6%
Structure	0%
Currency effect	-6%
Volume / price	0%

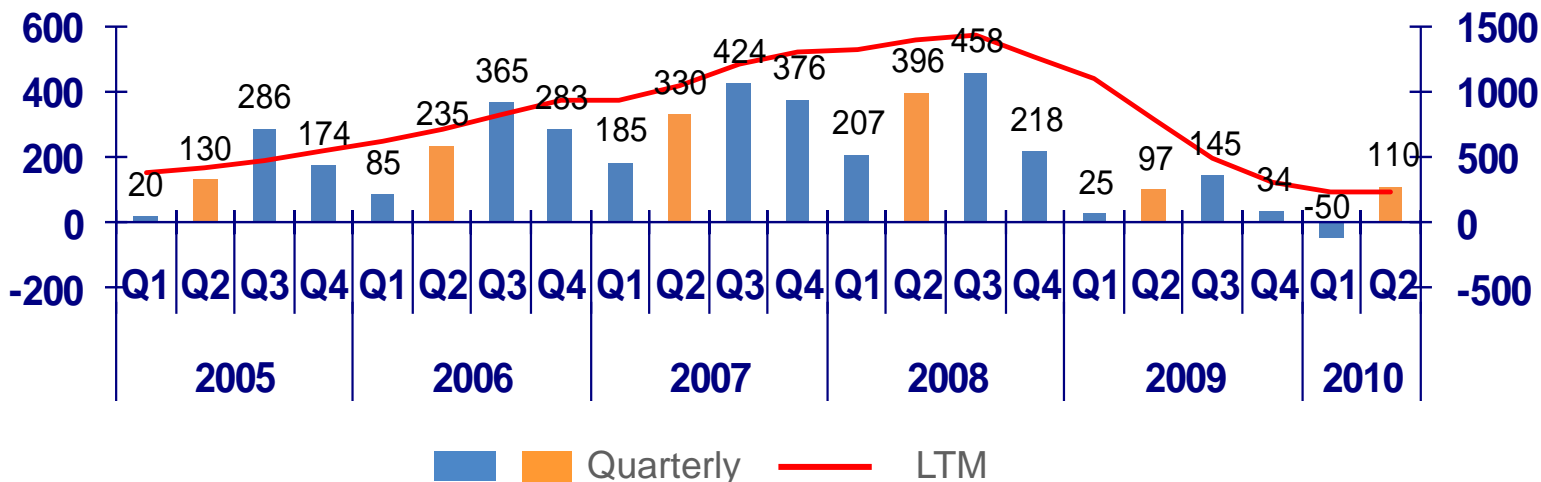
*) Q2 2010 EBIT excludes one offs of SEK -21 m and 2009 EBIT excludes one-offs of SEK -12 m

- Main explanation of higher profit: lower cost
- Financial net higher due to higher interest rates



Lindab Group

Quarterly operating profit (EBIT) SEK m



- Seasonal impact – Q1 lowest result, Q3 highest result
- EBIT LTM SEK 239 m, EBIT margin 3.7%

Note. figures excl. one time items



Lindab Group

Cash flow Q2 2010

	Apr - June 2010	Apr - June 2009
Cash flow from		
- operating activities	141	113
- change in working capital	-34	259
- investing activities	-3	-44
- financial net paid	-26	-37
- tax paid	-14	-3
Free cash flow	64	288
Proforma free cash flow ¹⁾	64	300

1) Free cash flow 2009 adjusted for additional purchase price for Sipog SEK -12 m



Lindab Group

Cash flow Q2 – working capital development

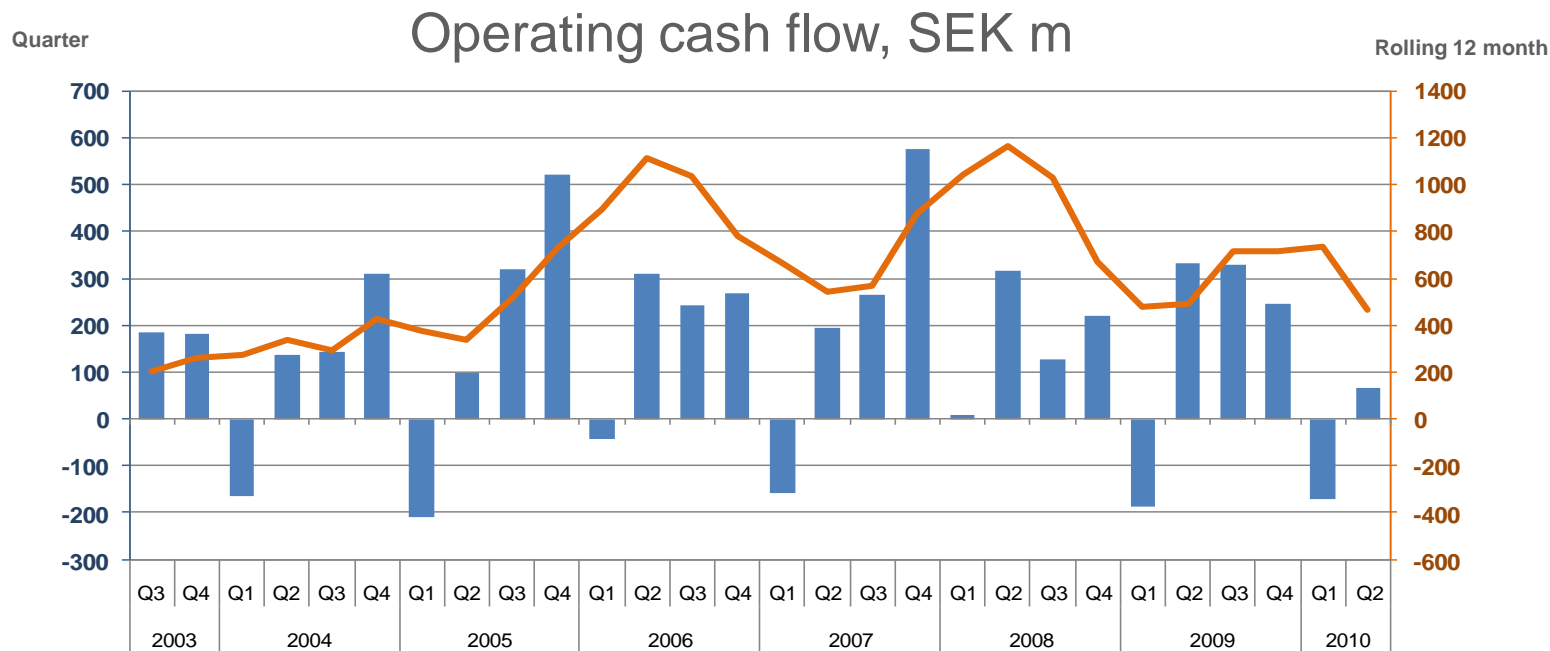
	2010 Apr - June	2009 Apr - June
Stock	-93	313
Operating receivables	-193	-5
Operating liabilities	252	-49
Total change in working capital	-34	259

- Operating receivables increased during quarter in line with higher sales volume
- Stock last year down, excess stock value opening balance 2009



Lindab Group

Cash flow trend



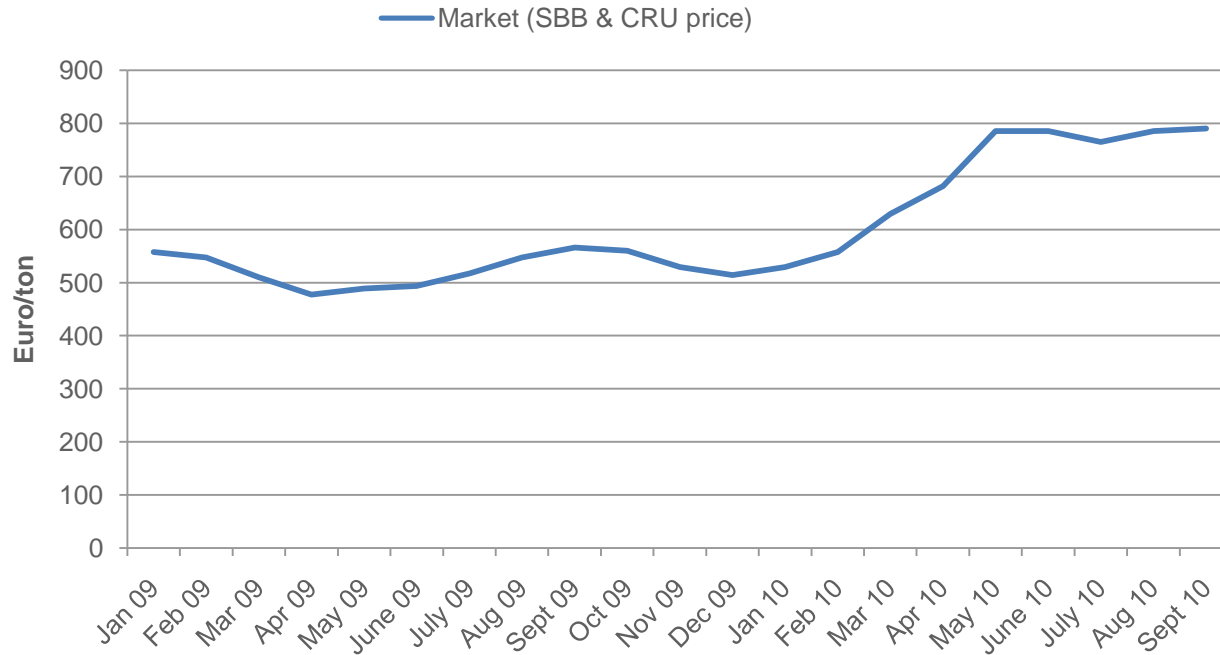
- LTM cash flow from operating activities amounted to SEK 469 m



Lindab Group

Steel Business Briefing Ltd (SBB)

HDG



- Substantial steel price increases from Q3 for Lindab
- Lindab will adjust sales prices to compensate for higher raw material cost



Business Areas



BA Ventilation

Profit & Loss Q2 2010

SEK m	Period	
	10	09
Sales	914	987
EBIT *)	59	43
EBIT margin %	6.5	4.4

Sales growth	-7%
Structure	2%
Currency effect	-6%
Volume / price	-3%

*) excluding one time cost of SEK 11 m in Q2 2010

- EBIT increase mainly explained by lower cost
- One time cost, restructuring mainly linked to cost saving program



BA Building Components

Profit & Loss Q2 2010

SEK m	Period	
	10	09
Sales	607	550
EBIT *)	70	28
EBIT margin %	11.5	5.1

Sales growth	10%
Structure	0%
Currency effect	-5%
Volume / price	15%

*) excluding one time cost of SEK 12 m in Q2 2009

- Main explanation to improved result is higher volumes
- Some positive effect from harsh winter in Q1 (catch-up)



BA Building Systems

Profit & Loss Q2 2010

SEK m	Period	
	10	09
Sales	194	277
EBIT *)	-3	29
EBIT margin %	-1.5	10.5

Sales growth	-30%
Structure	0%
Currency effect	-6%
Volume / price	-24%

*) excluding one time cost of SEK 10 m in Q2 2010

- Weak quarter depending on low order-intake during winter months
- Volume reduction explains lower result
- Cost reduction program SEK 40 m announced in the first quarter curtailed ➡ good order-intake



Strategy



Lindab's **GOLD** strategy 2010 to 2015: **8% Growth/year**

Vision: To be the preferred partner for building professionals in our core products Europewide

Focus

Ventilation

- ✓ Aggressively grow fittings
- ✓ Expand distribution in selected key markets
- ✓ Step change growth in Comfort
- ✓ Separate supply and distribution to enhance performance

Building Components

- ✓ Separate focus between residential and non-residential
- ✓ Aggressively grow Rainline & residential Europewide
- ✓ Strengthen non-residential sales in our 8 core markets

Building Systems

- ✓ 1st focus – larger buildings
- ✓ Grow Builder-dealer net
- ✓ Strengthen direct sales in Russia & CIS
- ✓ Develop a more cost competitive smaller building concept

New geographic growth focus: Russia and CIS
Acquisitions to strengthen core positions





Strategy Follow-up

- GOLD Strategy launched in June
- Kicked off
 - Internally "90 Group" meeting
 - Externally with Capital market day on June 14th
- Cascading of strategy initiated in all Business Areas
- Initial reporting and follow-up of activities in "Fill The Gap"
GOLD activities in Q3.





Strategy Follow-up – Ventilation

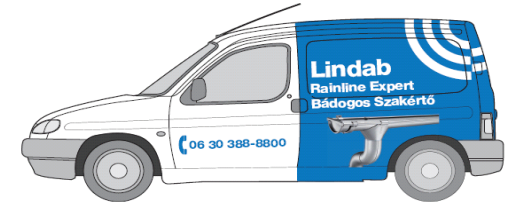
- New organisation implemented (separation between supply and distribution)
- Reinforced Distribution – new branch in Trollhätten opened on July 1st (joint branch with Building Components)
- Grow Comfort - integration of IVK ongoing. Sales started in other regions





Strategy Follow-up – Building Components

- Over 30 Rainline centers established in CEE so far in 2010
- New Business Unit in Estonia opens on July 1st – focus on residential
- Nordic agreement with Building merchants adds 250 potential sales points, mainly supporting residential offering





Strategy Follow-up – Building Systems

- 2 major new orders for Direct sales in Russia (>SEK 40 m)
Good synergies with Ventilation and Building Components
- Builder-dealer conference held in Yaroslavl, Russia ~ 30 BD's attending
- Salesmen switched from other markets to Direct sales in Russia





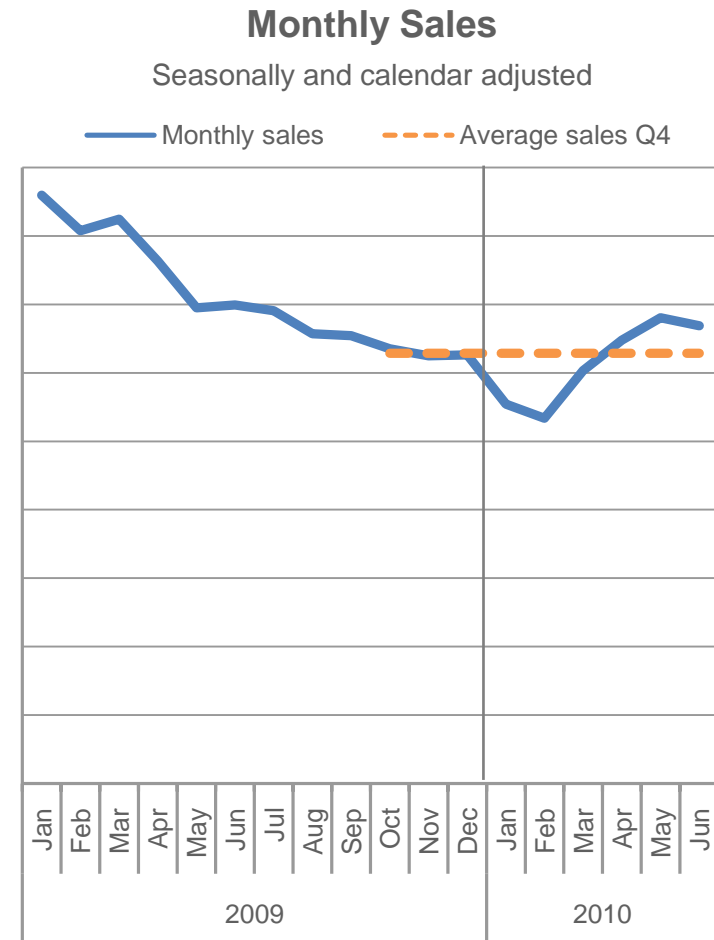
Trends and outlook



Lindab Group

Seasonally adjusted sales trend by month

- Hard to interpret underlying market trends due to special winter conditions
- Clear catch-up effect in Q2
- Encouraging signs in the residential market
- Nordic regions stands out positively. The underlying demand in WE and CEE/CIS has recovered to pre-winter levels

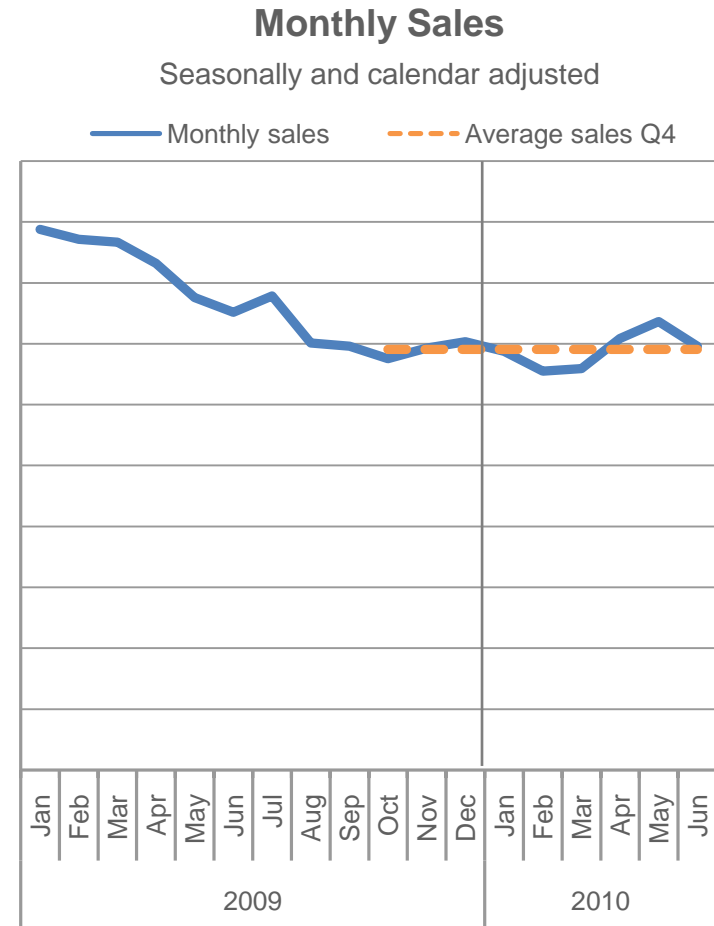




BA Ventilation

Seasonally adjusted sales trend by month

- Overall stabilization in demand but no clear signs of recovery
- Positive development in Sweden, Switzerland and France
- Still tough conditions in Denmark and UK

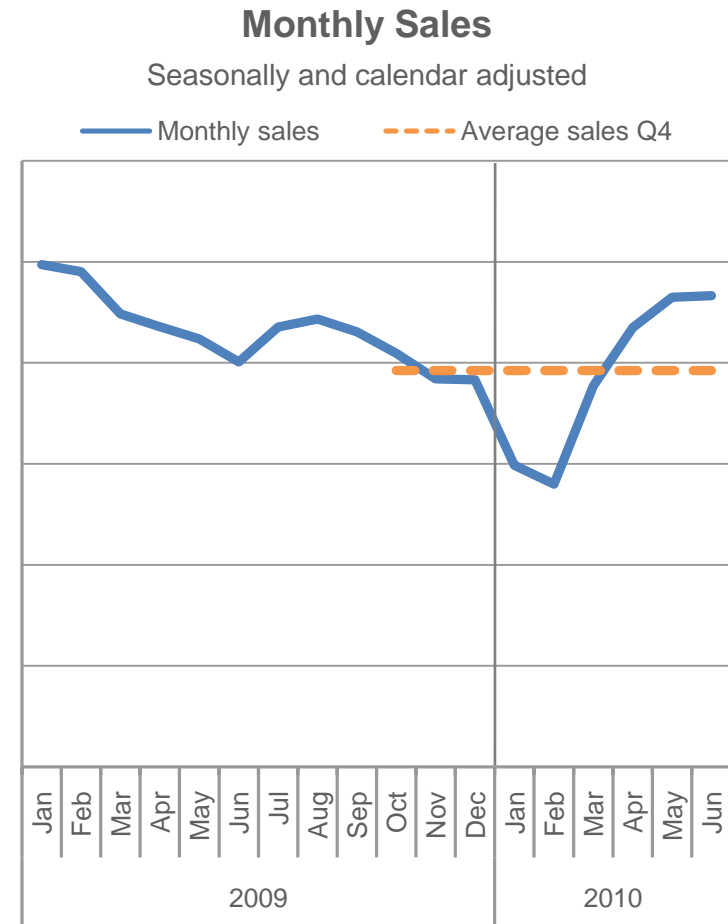




BA Building Components

Seasonally adjusted sales trend by month

- Strongly affected by the harsh winter weather, especially in CEE/CIS and then “catch-up”
- Encouraging signs in the residential market
- Continued strong development particularly in the important Swedish market

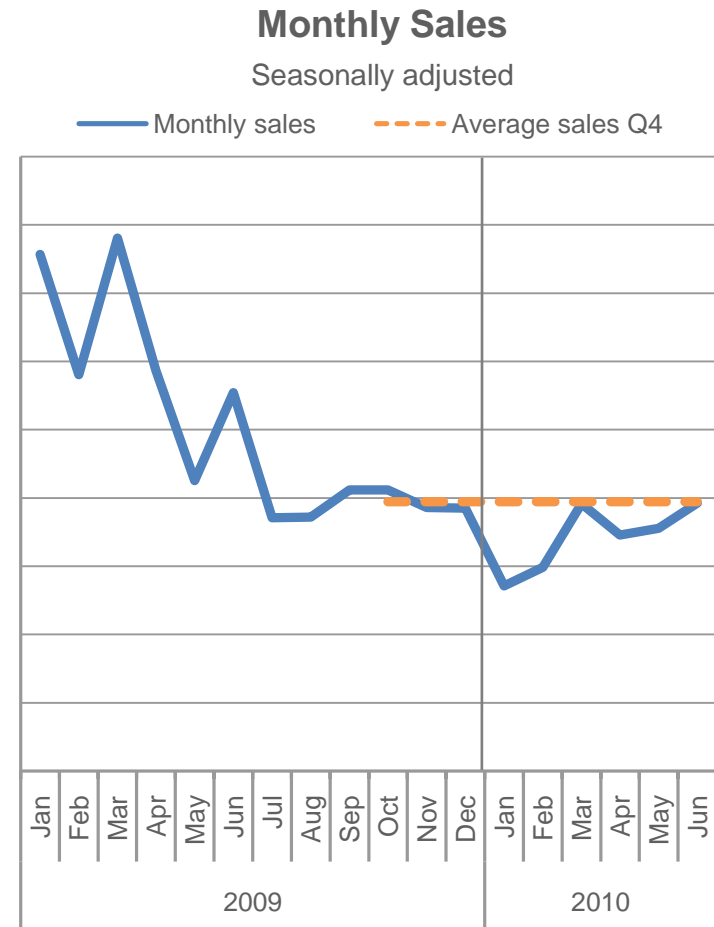




BA Building Systems

Seasonally adjusted sales trend by month

- Several building projects delayed due to harsh winter weather
- Large share of industrial buildings; the most severely hit non-residential segment
- Clear growth in new orders since March, mainly driven by FDI in Russia





European building markets (Western Europe)

Euroconstruct, updated 2010-06-25

- Large variation in outlook between individual markets
 - Sweden stands out from a positive perspective in both residential and non-residential construction

- The residential market is starting to recover in 2010
 - The Nordic region leads the recovery: strong growth forecasted already in 2010
 - Other markets will experience a much later and slower recovery, especially the PIIGS countries

- The European non-residential market will bottom out first in 2011 and the following recovery is forecasted to be slow
 - Public construction will weaken as a consequence of the debt crisis
 - Low industrial capacity utilisation hampers industrial building segment
 - High vacancy level in offices



Market Outlook

- Still too early to conclude how much demand in Q2 is “catch up” following winter and how much is underlying demand
- Contrasted trends by segment
 - residential showing clear sign of recovery
 - non-residential stabilizing in most markets
- Mixed geographical signals
- No change to previous outlook
 - residential (20% of sales) expected to recover in 2010
 - start of non-residential recovery in 2nd half of 2011



We simplify construction