



# Lindab Group presentation Q3 2010

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We simplify construction



# Agenda

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



# Lindab Group

## Highlights – Q3 Financial

### Profit & loss

- Sales increased 8% (adjusted for structure and currency)
- EBIT up 46% from SEK 145 m to SEK 212 m, excluding one time items, mainly due to sales increase
- Steel cost increases recovered in sales prices

### Cash

- Operational Cash flow was SEK 172 m (SEK 329 m). Lower inflow due to stock increase (steel prices)



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## Highlights – Q3 Market

### Confirmation of previous trends

- Ventilation – Markets weak but stable
- Building Components – Good demand in residential segment. Sweden stands out. Best month on record in Sweden in September
- Building Systems – Improved sales due to CEE and Russia/CIS. Signals in Russia remain good



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## Profit & Loss Q3 2010 - Group

| SEK m                  | Period       |              |
|------------------------|--------------|--------------|
|                        | 10           | 09           |
| <b>Sales</b>           | <b>1 881</b> | <b>1 825</b> |
| <b>EBIT*)</b>          | <b>212</b>   | <b>145</b>   |
| <b>EBIT margin %*)</b> | <b>11.3</b>  | <b>7.9</b>   |
| <b>Fin. net</b>        | <b>-46</b>   | <b>-34</b>   |
| <b>Tax</b>             | <b>-45</b>   | <b>-39</b>   |
| <b>Net profit</b>      | <b>+114</b>  | <b>+37</b>   |

|                 |     |
|-----------------|-----|
| Sales growth    | 3%  |
| Structure       | 1%  |
| Currency effect | -6% |
| Volume / price  | 8%  |

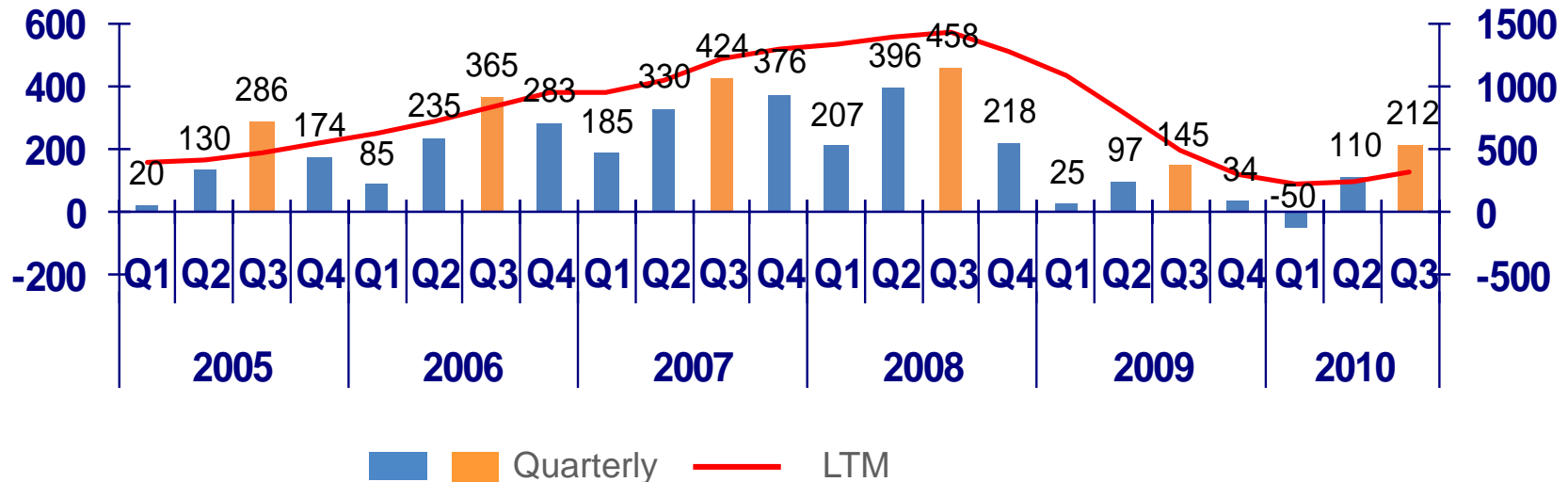
\*) Q3 2010 EBIT excludes one offs of SEK -7 m and 2009 EBIT excludes one-offs of SEK -35 m

- Main explanation higher profit: increased volume
- Financial net higher due to higher interest rates
- Tax level normalised 27%



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## Quarterly operating profit (EBIT) SEK m



- Seasonal impact – Q1 lowest result, Q3 highest result
- EBIT LTM SEK 306 m, EBIT margin 4.8%

Note. figures excl. one time items



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## Cash flow Q3 2010

|  | July - Sept 2010 | July - Sept 2009 |
|--|------------------|------------------|
| Cash flow from                               |                  |                  |
| - operating activities                       | 324              | 201              |
| - change in working capital                  | -92              | 176              |
| - investing activities                       | -43              | -7               |
| - financial net paid                         | -47              | -14              |
| - tax paid                                   | -13              | -34              |
| <b>Free cash flow</b>                        | <b>129</b>       | <b>322</b>       |
| <b>Proforma free cash flow <sup>1)</sup></b> | <b>129</b>       | <b>308</b>       |

1) Free cash flow 2009 adjusted for additional divestment Folke Perforering SEK 14 m



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## Cash flow Q3 – working capital development

|                                 | 2010<br>July - Sep | 2009<br>July - Sep |
|---------------------------------|--------------------|--------------------|
| Stock                           | -141               | 171                |
| Operating receivables           | 28                 | 8                  |
| Operating liabilities           | 21                 | -3                 |
| Total change in working capital | -92                | 176                |

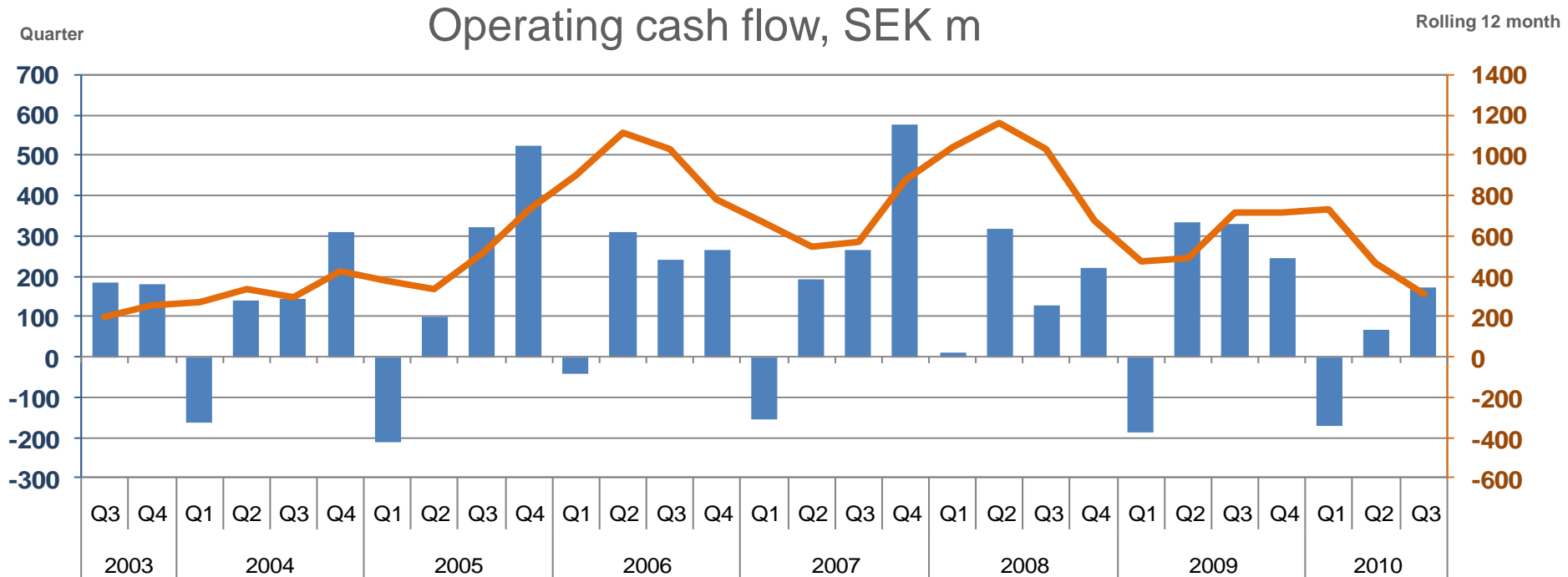
- Stock higher mainly because increased steel prices





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## Cash flow trend

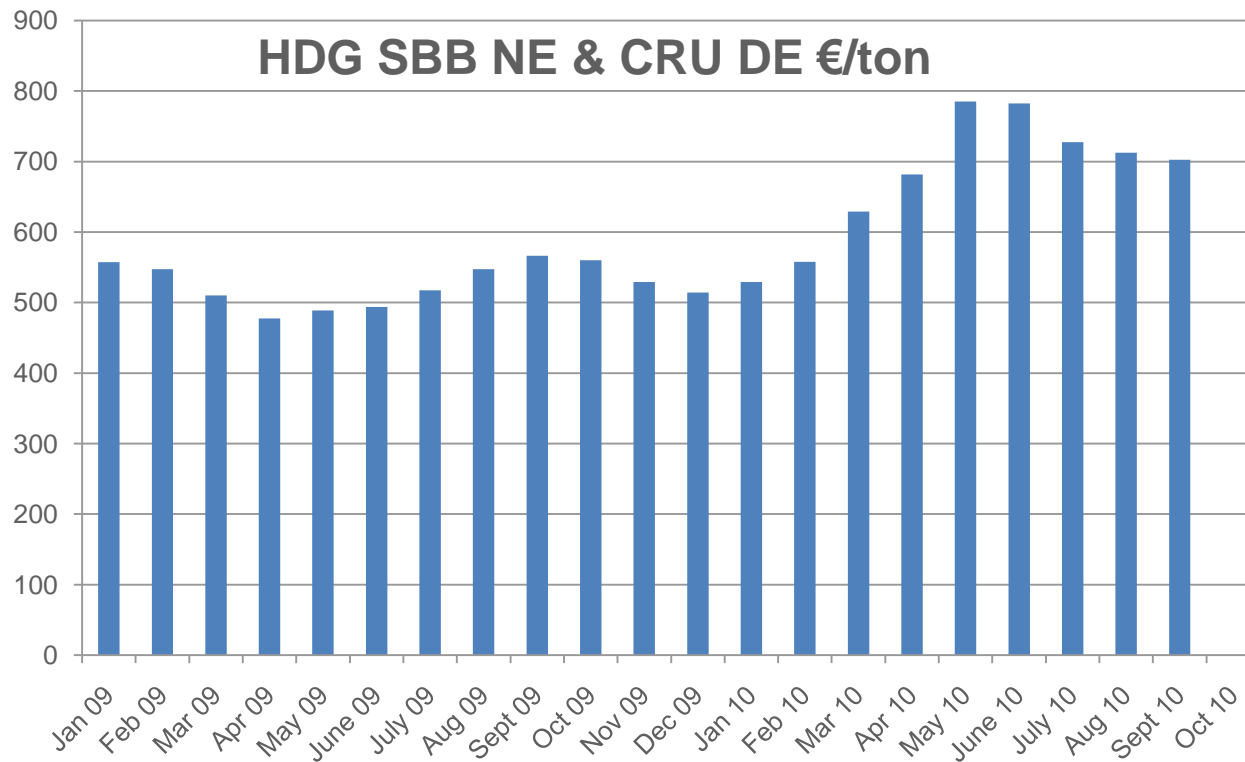


- LTM cash flow from operating activities amounted to SEK 312 m



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## Steel Business Briefing Ltd (SBB)



- Substantial steel price increases in Q3 for Lindab



# Business Areas



# BA Ventilation

## Profit & Loss Q3 2010

| SEK m                | Period     |            |
|----------------------|------------|------------|
|                      | 10         | 09         |
| <b>Sales</b>         | <b>924</b> | <b>953</b> |
| <b>EBIT *)</b>       | <b>70</b>  | <b>76</b>  |
| <b>EBIT margin %</b> | <b>7.6</b> | <b>8.0</b> |

|                 |     |
|-----------------|-----|
| Sales growth    | -3% |
| Structure       | 2%  |
| Currency effect | -6% |
| Volume / price  | 1%  |

\*) excluding one time cost of SEK 7 m in Q3 2010 and SEK 19 m in Q3 2009

- Lower gross margin partially compensated by lower cost
- One time cost, restructuring production in US



# BA Building Components

## Profit & Loss Q3 2010

| SEK m                | Period      |             |
|----------------------|-------------|-------------|
|                      | 10          | 09          |
| <b>Sales</b>         | <b>695</b>  | <b>650</b>  |
| <b>EBIT</b>          | <b>123</b>  | <b>93</b>   |
| <b>EBIT margin %</b> | <b>17.7</b> | <b>14.3</b> |

|                 |     |
|-----------------|-----|
| Sales growth    | 7%  |
| Structure       | 0%  |
| Currency effect | -6% |
| Volume / price  | 13% |

- Main explanation improved result, higher volumes
- Good operating leverage, cost under control



# BA Building Systems

## Profit & Loss Q3 2010

| SEK m                | Period      |             |
|----------------------|-------------|-------------|
|                      | 10          | 09          |
| <b>Sales</b>         | <b>262</b>  | <b>219</b>  |
| <b>EBIT *)</b>       | <b>28</b>   | <b>-12</b>  |
| <b>EBIT margin %</b> | <b>10.7</b> | <b>-5.5</b> |

|                 |     |
|-----------------|-----|
| Sales growth    | 20% |
| Structure       | 0%  |
| Currency effect | -9% |
| Volume / price  | 29% |

\*) excluding one time cost of SEK 26 m in Q3 2009

- Higher result due to higher volumes and margin
- Cost unchanged compared to Q3 2009



# Strategy



# Revised strategy – action – examples

- Ventilation
  - Improve profitability. Additional 10 000 m<sup>2</sup> production space in Czech Republic to move labor intensive products from Q2 2011







# Revised strategy – action – examples

- Building Components
  - Focus on residential ~10 Rainline centers opened in Q3 (>40YTD)





# Revised strategy – action – examples

- Building Systems
  - Focus on Russia. Capacity and efficiency improvement - Yaroslavl, Russia





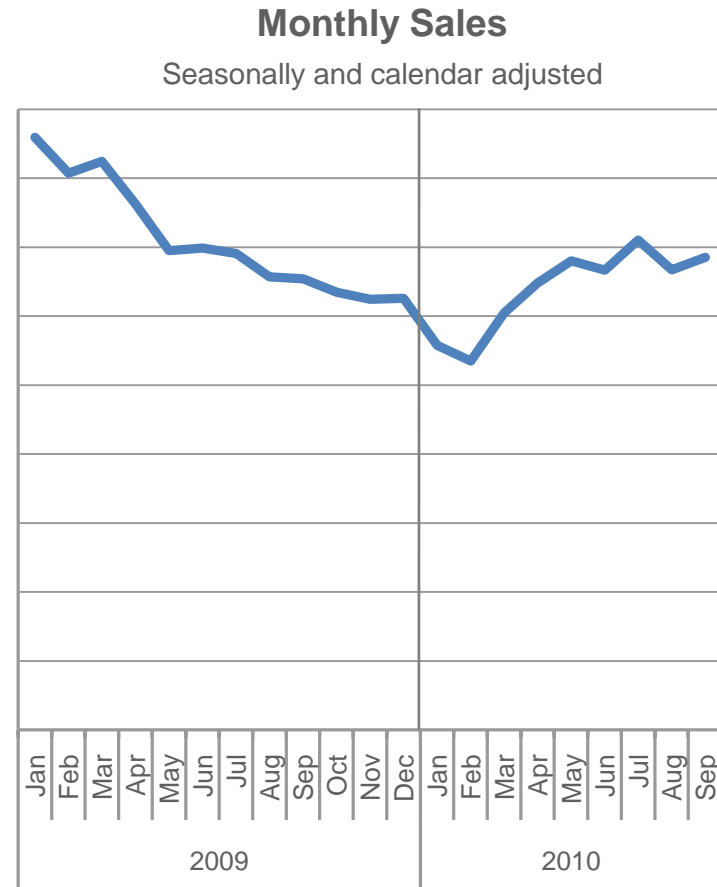
# Trends and outlook



# Lindab Group

## Seasonally adjusted sales trend by month

- Q3 higher than same period last year and seasonally adjusted sales level has stabilised since May
- Q2 was boosted by catch-up effect → underlying sales trend still positive
- The currency effect was -6% in Q3 vs. same period last year
- The Swedish market continues to lead the recovery

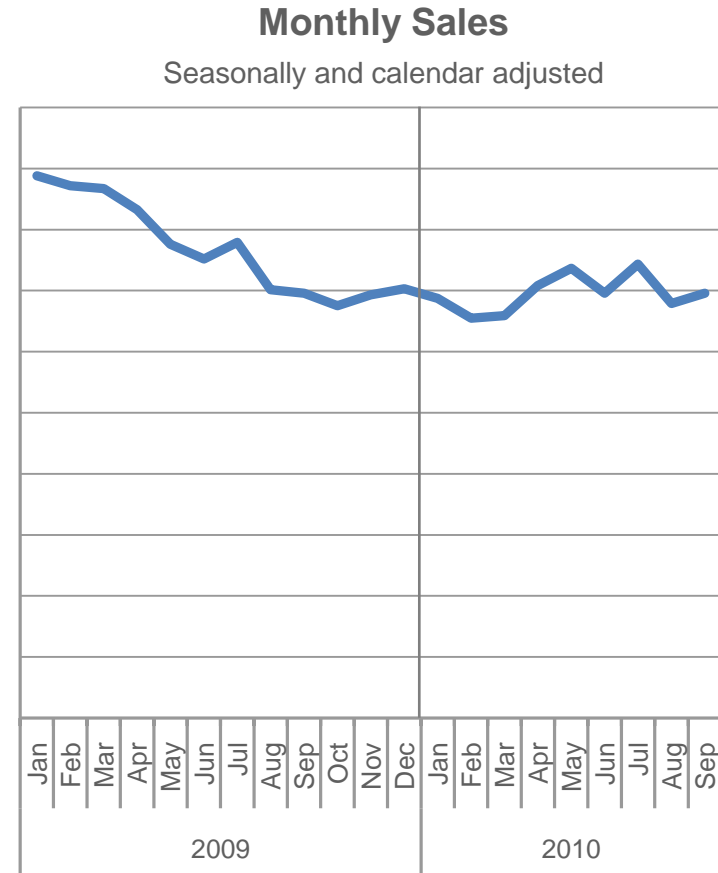




# BA Ventilation

## Seasonally adjusted sales trend by month

- Stable overall sales trend, though large variations between individual markets
- Positive trend in Sweden and Finland. Stable in Germany and UK. Weak in Denmark.
- The currency effect was -6% in Q3 vs. same period last year
- The non-residential market remains weak

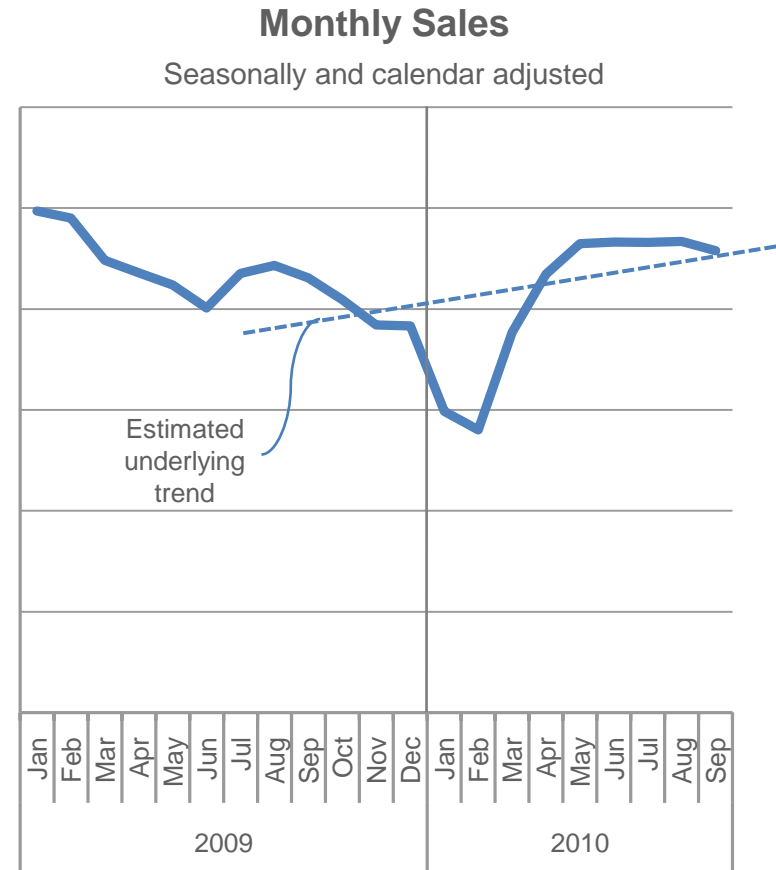




# BA Building Components

## Seasonally adjusted sales trend by month

- Sales level clearly above last year mainly residential
- Q2 was boosted by catch-up effect → underlying sales trend still positive
- Strong sales development in the Nordic region while CEE/CIS is improving more slowly
- The Swedish market leads the recovery; best ever sales month in September
- Danish market starting to show signs of improvement
- The currency effect was -6% in Q3 vs. same period last year





# BA Building Systems

## Seasonally adjusted sales trend by month

- Improved sales, bookings remains on a good level, especially in CIS
- Continued positive signals from the Russian market
- The currency effect was -9% in Q3 vs. same period last year





# Market Outlook

- Residential (20%) expected to continue recovery, mainly in Nordic
  - Mainly affects Building Components
  
- Non-residential (80%) expected to remain stable. External indicators point to the start of a recovery in 2<sup>nd</sup> half 2011
  - First affected should be Building Components and Building Systems
  - Ventilation products later in the building process



