

Lindab Group presentation Q4 2010

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Agenda

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



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Highlights – Q4 Financial

Profit & loss

- Sales increased 12% (adjusted for structure and currency)
- EBIT up 121% from SEK 34 m to SEK 75 m, excluding one-off item, mainly due to sales increase
- SEK 110 m write-down of goodwill relating to Ventilation operations in the U.S.

Cash

- Operational Cash flow was SEK 324 m (SEK 245 m), mainly due to a decrease in working capital.



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Highlights – Q4 Market

Confirmation of previous trends but negative impact from early start of winter weather

- Ventilation – Markets weak but stable
- Building Components – Good start to the quarter. Substantial slowdown in 2nd half of November due to winter weather.
- Building Systems – Continued improved sales due to CEE and Russia/CIS.



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Profit & Loss Q4 2010 - Group

SEK m	Period	
	10	09
Sales	1 697	1 602
EBIT*)	75	34
EBIT margin %*)	4.4	2.1
Fin. net	-44	-36
Tax	-7	+7
Net profit	-86	+5

Sales growth	6%
Structure	1%
Currency effect	-7%
Volume / price	12%

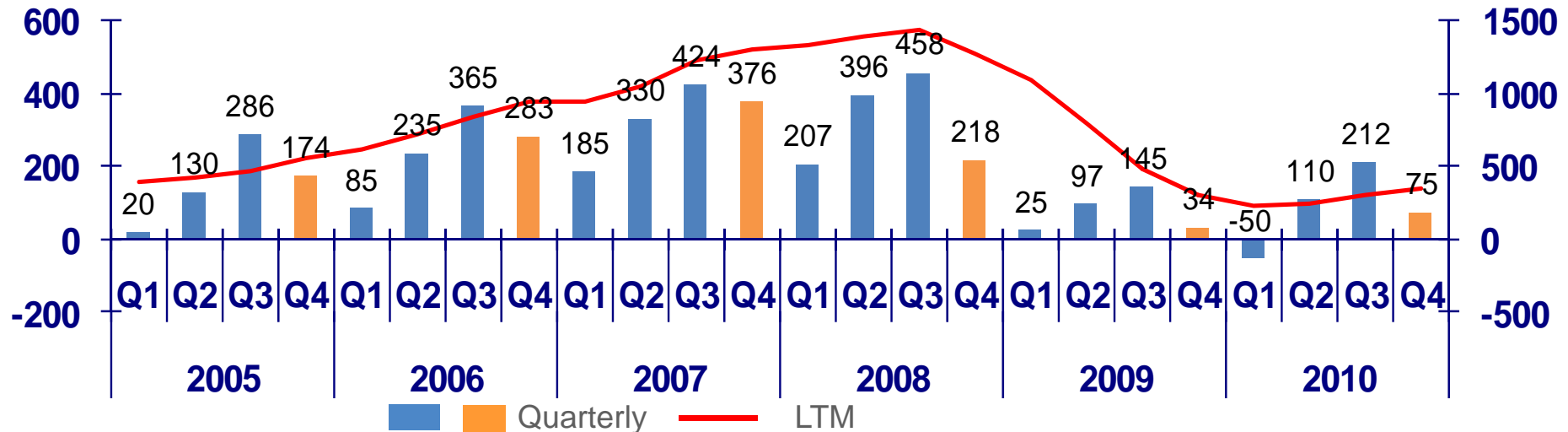
*) Q4 2010 EBIT excludes one off of SEK -110 m, net profit not adjust

- EBIT up 121%, main explanation increased volume
- Financial net in line with Q3
- Tax rate adjusted for one off 23%
- Write down goodwill 110 MSEK related to Ventilation US



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Quarterly operating profit (EBIT) SEK m



- Seasonal impact – Q1 lowest result, Q3 highest result
- EBIT LTM SEK 347 m, EBIT margin 5.3%

Note. figures excl. one time items



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Cash flow Q4 2010

	Oct - Dec 2010	Oct - Dec 2009
Cash flow from		
- operating activities	111	57
- change in working capital	207	226
- investing activities	15	-73
- financial net paid	-39	-46
- tax paid	45	8
Free cash flow	339	172
Proforma free cash flow ¹⁾	290	203

1) Free cash flow 2010 adjusted for LB Kiel divestment SEK +49 m and 2009 adjusted for final acquisition settlement of Sipog Group SEK -31 m



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Cash flow Q4 – working capital development

	2010 Oct - Dec	2009 Oct - Dec
Stock	176	105
Operating receivables	348	298
Operating liabilities	-317	-177
Total change in working capital	207	226

- Stock reduction, mainly volume, limited impact for currency and price
- Volume reduction both raw material and finished goods
- Reduced receivables and liabilities in line with seasonality in the business

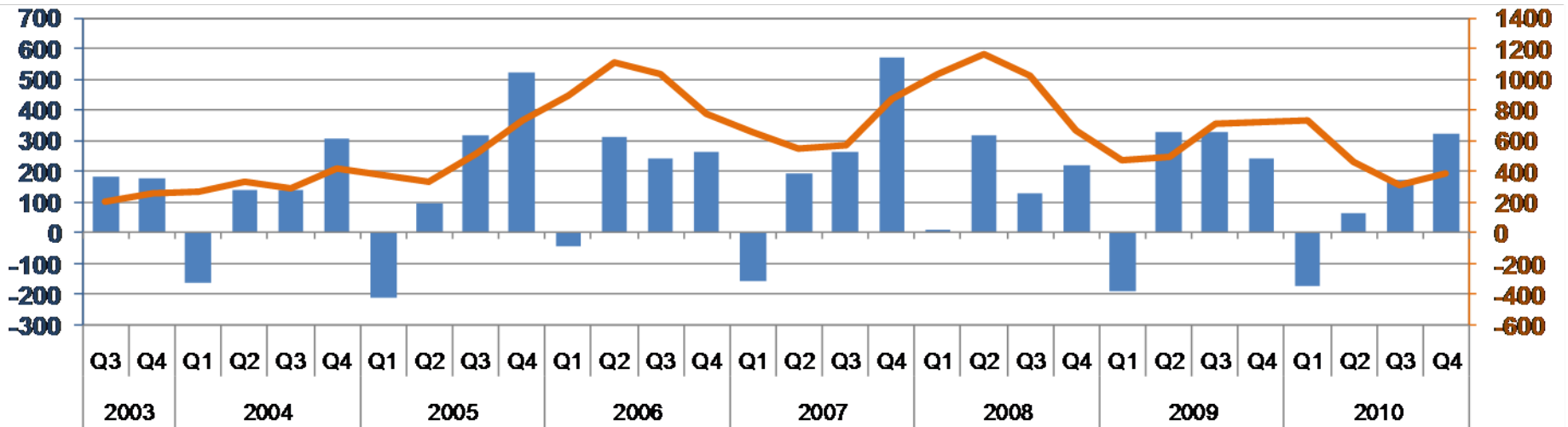


Lindab Group Cash flow trend

Operating cash flow, SEK m

Rolling 12 month

Quarter

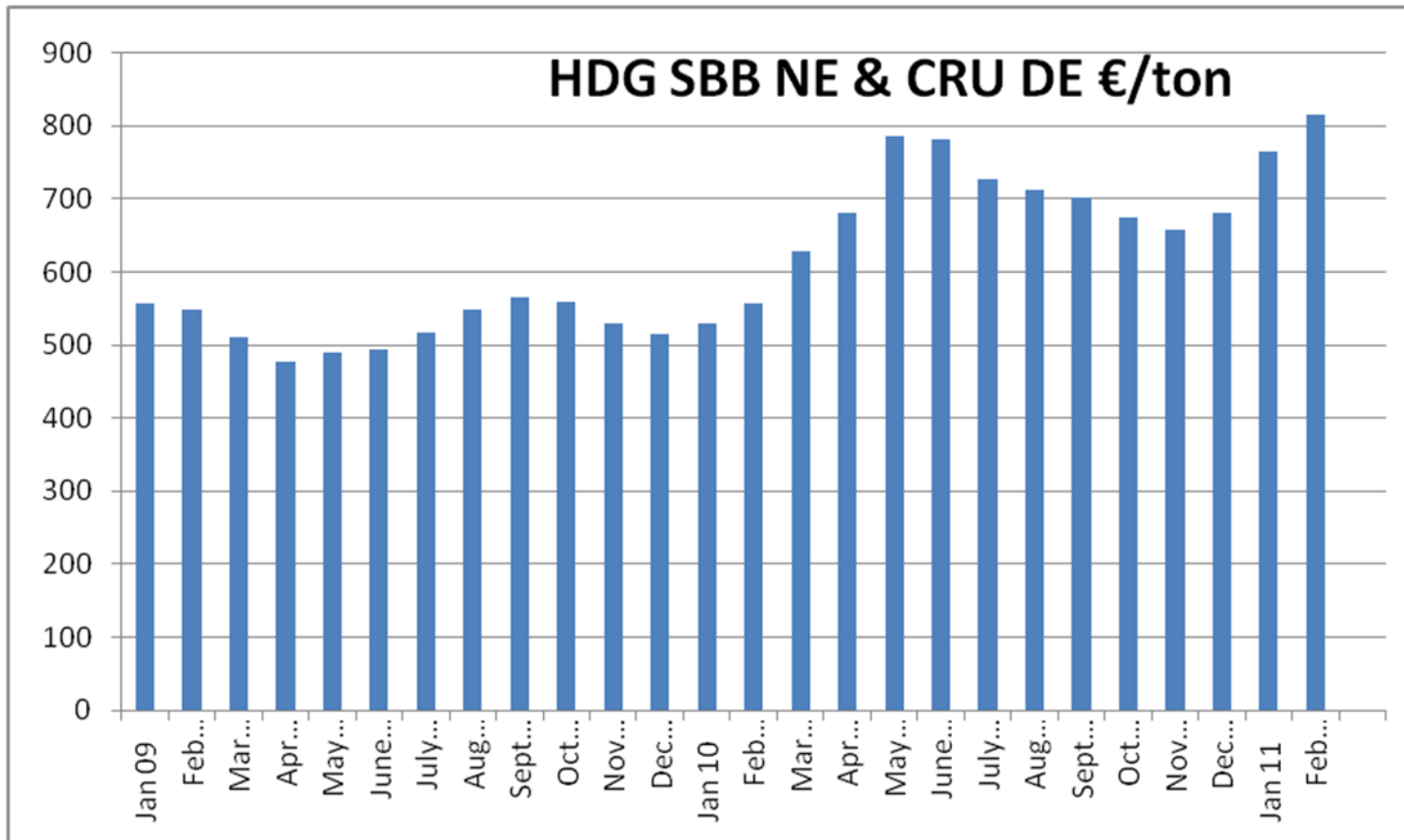


- LTM cash flow from operating activities amounted to SEK 391 m



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Steel Business Briefing Ltd (SBB)



- February 2011 is a forecast



Business Areas



BA Ventilation

Profit & Loss Q4 2010

SEK m	Period	
	10	09
Sales	870	861
EBIT *)	32	17
EBIT margin %	3.7	2.0

Sales growth	1%
Structure	2%
Currency effect	-7%
Volume / price	6%

*) excluding one time cost of SEK 110 m in Q4 2010

- Volume growth and good cost control



BA Building Components

Profit & Loss Q4 2010

SEK m	Period	
	10	09
Sales	538	543
EBIT *)	26	44
EBIT margin %	4.8	8.1

Sales growth	-1%
Structure	0%
Currency effect	-6%
Volume / price	5%

*) excluding one time cost of SEK 12 m in Q4 2009

- Higher cost mainly connected to marketing activities
- Lower GP, not fully compensated for higher steel prices



BA Building Systems

Profit & Loss Q4 2010

SEK m	Period	
	10	09
Sales	289	198
EBIT *)	27	-18
EBIT margin %	9.3	-9.1

Sales growth	46%
Structure	0%
Currency effect	-13%
Volume / price	59%

*) excluding one offs of SEK +12 m in Q4 2009

- Higher result explained by higher volume



Strategy implementation



Revised strategy – action – examples

- Ventilation
 - Improve profitability: Extension of 10 000 m² production space in Czech Republic on track for Q2.



- Sales organisation strengthened with arrival of Mats Gärdfors from 1st January 2011
- Focus on improving profitability of US business – change in management



Revised strategy – action – examples

- Building Components

- Focus on residential ~ over 50 Rainline centers in 2010



- Q1 2011 Launch prepared for new “click” residential, standing seam roof





Revised strategy – action – examples

- Building Systems
 - Russia - decision to increase capacity of Yaroslavl plant by 30% by end 2012





Proposals to Annual General Meeting



Proposals to Annual General Meeting

- Dividend – proposal is 1 SEK/share
- Board changes
 - Svend Holst-Nielsen will not seek re-election as chairman
 - Proposal is that Ulf Gundemark becomes new Chairman
 - New board member proposal – Sonat Burman-Olsson



Trends and outlook



Forecasts by Euroconstruct* (Dec 2010)

- The European residential market has started to recover but the non-residential market is lagging behind
- A general recovery in European non-residential construction cannot be expected until the later part of 2011
- The Nordic region leads the recovery in developed Europe while the outlook for Western Europe is still weak, especially in the PIIGS markets
- Forecast for the European construction market in 2011:
 - Residential: +1.9%
 - Non-residential: -1.2%

*) Construction forecast organisation covering 19 European markets (15 from Western Europe and 4 from CEE)

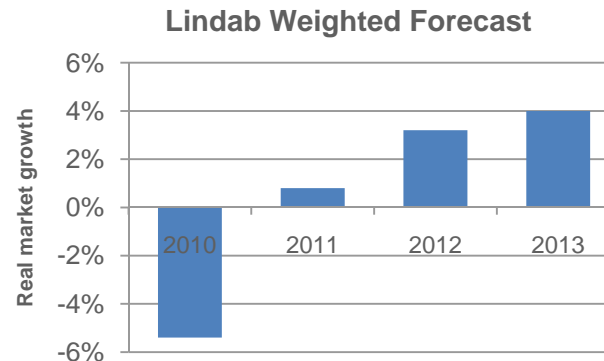


Forecasts by Euroconstruct (Dec 2010)

- Lindab has a favourable market mix
 - Large share of sales to strong Nordic region (45%)
 - Small exposure to struggling PIIGS markets (<3%)
- ...but products are used late in the construction process



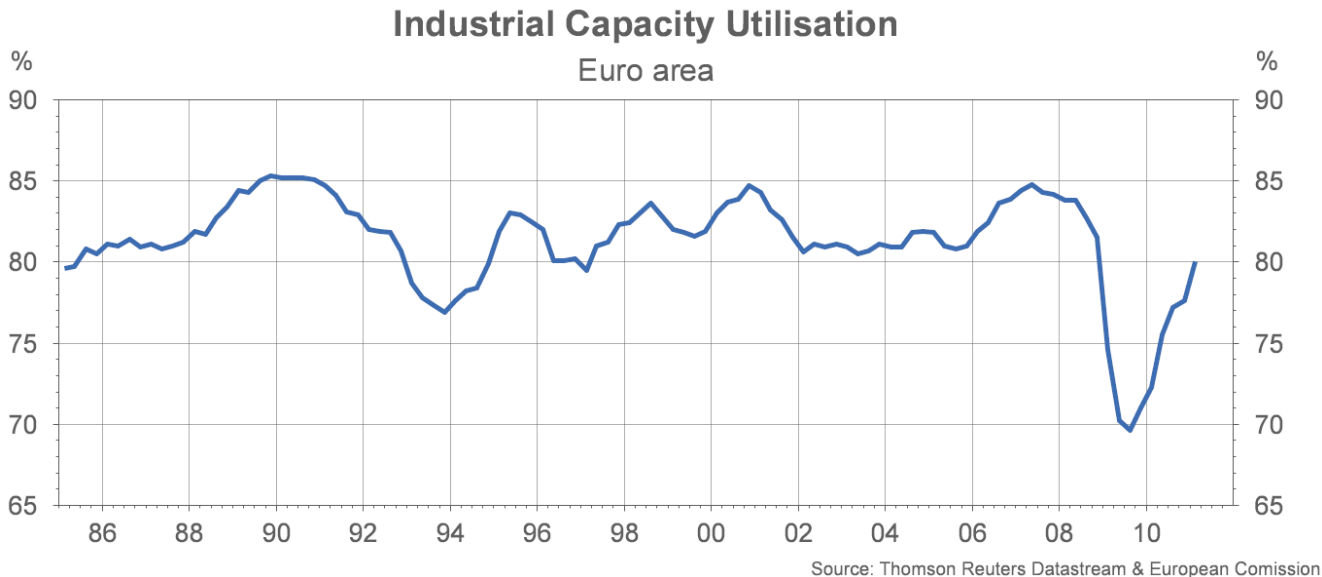
Lindab mix 2011: +1%
(market, segment and time adjusted)



Source: Calculations based on forecasts from Euroconstruct (Dec 2010)



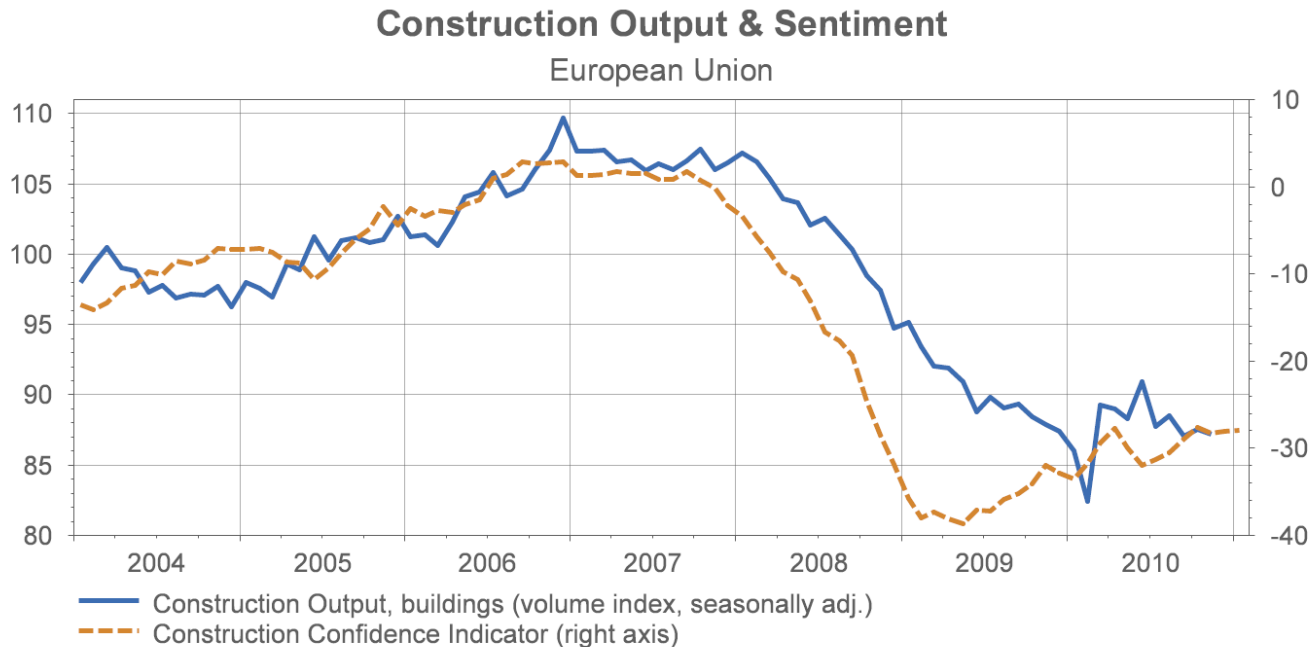
Market Indicators



- Industrial capacity utilisation is recovering strongly in Europe, though still below long term state of equilibrium
- Further increase in capacity utilisation needed before recovery can be expected in the industrial building segment



Market Indicators



Source: Thomson Reuters Datastream, Eurostat & European Commission

- Confidence is slowly improving in the European construction industry
- ...but construction output of buildings (residential + non-residential) has still not started to recover



Building Statistics

Building permits, starts, and output

- Nordic
 - Strong development in all markets except Denmark
- Western Europe
 - Mixed picture, residential improving while non-residential is still weak in most markets
- CEE/CIS
 - Limited availability of reliable statistics, especially for Russia and CIS
 - Overall weak indicators. Most indicators flattened out in the autumn, though on a much lower level than previous year.



Market Outlook – CEO comment

- The start of the recovery is expected to be slow for the European Construction market and particularly the non-residential segment (80% of Lindab's sales)
- Euroconstruct forecasts adjusted to Lindab's mix points to an underlying market growth of only 1% this year, but 3 to 4% in 2012/2013
- Under these conditions, although we expect to perform better than the construction market in general, it is unlikely that we will reach our organic sales growth target of 8% for 2011

