



# Lindab Group presentation Q2 2011



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# Agenda

- Highlights
- Financial
  - Group
  - Business Areas
- Business highlights by BA
- Trends and outlook
- Q & A



# Lindab Group

## Q2 Highlights

### Sales & Markets

- Sales increased 8%\*
- Strongest region CEE/CIS (+17%\*), due to non-residential. Residential weak.
- All Nordic markets improved (+8%\*)
- Mixed picture in West European markets (+5%\*)

### Profit & loss

- 4<sup>th</sup> successive qtr of sales growth. 5<sup>th</sup> successive qtr of EBIT improvement
- Margin was affected by price pressure and strategy rollout costs
- EBIT improved from SEK 110 m (6.4%) to SEK 135 m (7.7%) due to sales increase

### Cash

- Operational Cash flow very good at SEK 217 m (SEK 67 m)

\*adjusted for structure and currency compared to Q2 2010



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## Profit & Loss Q2 2011 - Group

SEK m	Q2 2011	Q2 2010
Sales	1 755	1 715
EBIT*	135	110
EBIT* %	7.7%	6.4%
Fin net	-39	-42
Tax	-37	-20
Net profit	60	27

Sales growth	2%
Structure	0%
Currency effect	-6%
Organic	8%

\*Q2 2010 EBIT excludes one time cost of SEK -21 m, net profit not adjusted.

- EBIT improvement mainly due to increased volume
- EBIT margin affected negatively by price pressure
- Higher cost due to roll out of strategy linked activities



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## Profit & Loss Jan - Jun 2011 - Group

SEK m	Jan - Jun 2011	Jan - Jun 2010
Sales	3 132	2 949
EBIT*	128	60
EBIT* %	4.1%	2.0%
Fin net	-76	-82
Tax	-27	-33
Net profit	8	-1

Sales growth	6%
Structure	1%
Currency effect	-7%
Organic	12%

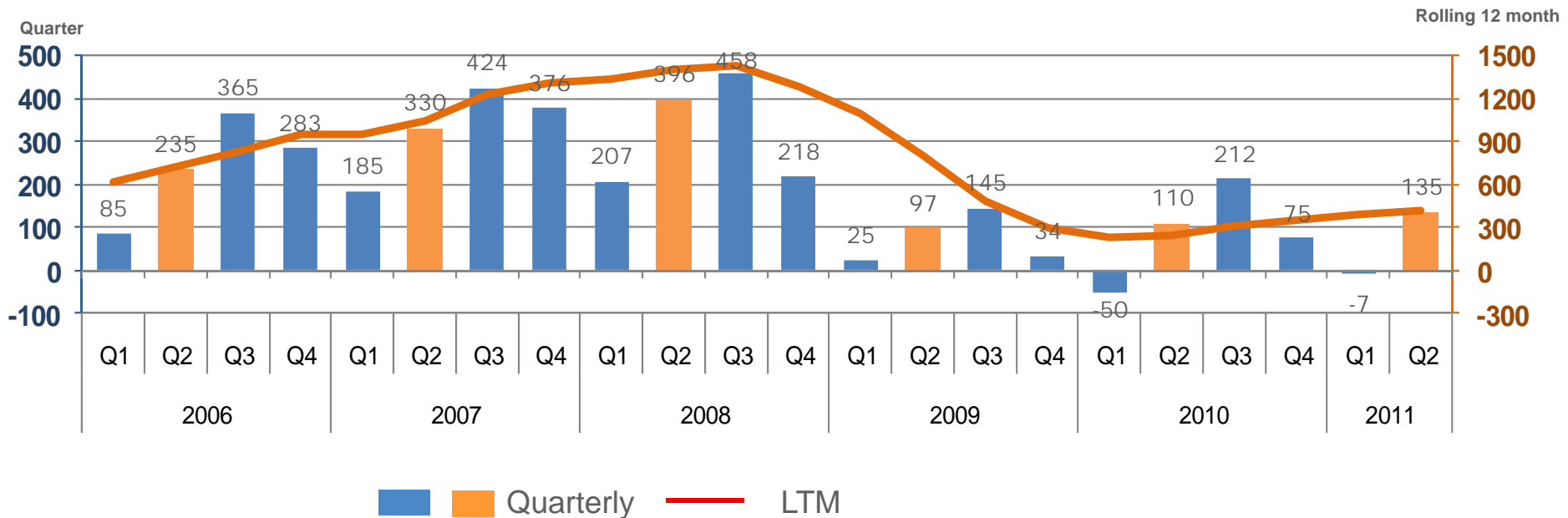
\*) H1 2011 EBIT excludes one time cost of SEK -17 m, net profit not adjusted. H1 2010 EBIT excluding one off item of SEK 54 m. Net profit not adjusted.

- EBIT improvement due to increased volume



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## Quarterly operating profit (EBIT) SEK m



- Seasonal impact – Q1 lowest result, Q3 highest result
- EBIT LTM SEK 415 m, EBIT margin 6.2%

Note. figures excl. one time items



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## Cash flow Q2 2011

	Apr - Jun 2011	Apr - Jun 2010
Cash flow from		
- operating activities	183	141
- change in working capital	92	-34
- investing activities	-65	-3
- financial net paid	-39	-26
- tax paid	-19	-14
<b>Free cash flow</b>	<b>152</b>	<b>64</b>
<b>Proforma free cash flow <sup>1)</sup></b>	<b>178</b>	<b>40</b>

<sup>1)</sup> Proforma free cash flow adjusted in Q2 2011 for acquisition of Airflux and Juvenco SEK -26 m and in Q2 2010 for sale of Building Systems production facilities in Hungary SEK 24 m.



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## Cash flow Q2 – working capital development

	2011 Apr - Jun	2010 Apr - Jun
Stock	-47	-93
Operating receivables	-194	-193
Operating liabilities	333	252
<b>Total change in working capital</b>	<b>92</b>	<b>-34</b>

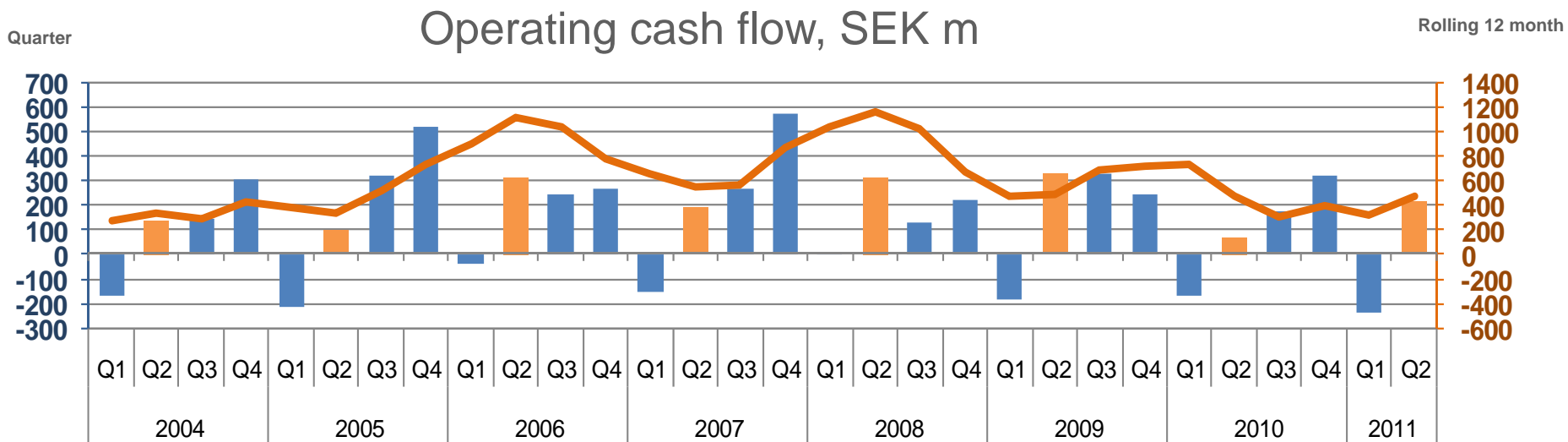
- Good stock control limit the impact from higher steel prices
- Unchanged receivables despite higher volumes
- Operating liabilities difference against last year, mainly due to timing of payments to suppliers





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## Cash flow trend



- LTM cash flow from operating activities amounted to SEK 474 m



# Business Areas



# BA Ventilation

## Profit & Loss Q2 2011

SEK m	Q2 2011	Q2 2010
Sales	896	914
EBIT*	62	59
EBIT* %	6.9	6.5

Sales growth	-2%
Structure	0%
Currency effect	-5%
Organic	3%

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

- Organic sales growth in all regions
- EBIT affected by start up costs of new Czech plant
- Improved EBIT due to sales growth



# BA Building Components Profit & Loss Q2 2011

SEK m	Q2 2011	Q2 2010
Sales	618	607
EBIT	75	70
EBIT %	12.1	11.5

Sales growth	2%
Structure	0%
Currency effect	-4%
Organic	6%

- Strong growth in Nordic
- Price pressure affected margins
- Improved EBIT due to sales growth



# BA Building Systems

## Profit & Loss Q2 2011

SEK m	Q2 2011	Q2 2010
Sales	241	194
EBIT	9	-3
EBIT %	3.7	-1.5

Sales growth	24%
Structure	0%
Currency effect	-11%
Organic	35%

\*) excluding one offs of SEK -10 m in Q2 2010

- Strong growth in all main markets, particularly in Russia
- Improved EBIT due to sales growth

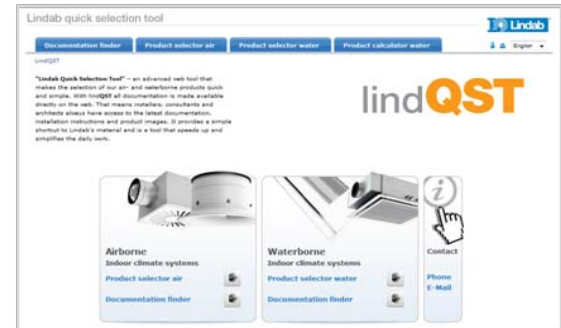


# Business highlights by BA



# Ventilation

- Distribution
  - Acquisition of Airflux, Belgium innovative concept of “self-service stores”
  - Acquisition of Juvenco, Danish distributor, specialised in ventilation fans
  - New branch opened in Bordeaux
  
- Successful launch of LindQST (Lindab Quick Selection Tool) – a web tool that makes the selection of our indoor climate products quick and simple.
  
- Improvement actions:
  - Divestment of small non-core business, Benone (Swiss installation company) in July
  - New Prague plant on track - Danish Comfort production moved by end Q2





# Building Components

- Focus Residential:
  - New "click" standing seam roofing product, which simplifies installation, well suited for residential housing. Launched in 8 markets.
- Steel benefits
  - Growing trend to use steel studs in both external walls and partition walls – good growth in Nordic region
- 2 major orders in CEE/CIS:
  - Largest Russian BC order to date  
~ SEK 4 m, for roof covering
  - ~ SEK 5 m order for landmark building, Cluj Arena in Romania for roofing and walls

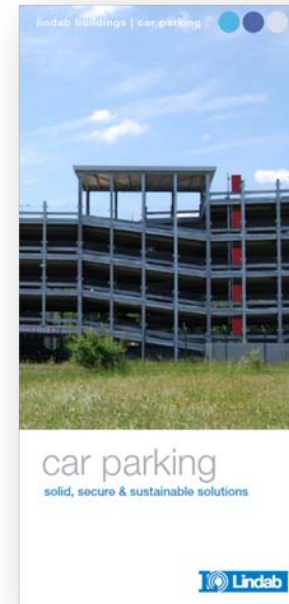






# Building Systems

- Increased focus on multi-storey car park buildings segment (2 completed in Lux, 1 more underway)  
*large span – lightweight – fast = simplifying construction*
- Intensified efforts to Builder-dealer partners with no sales in 2010:  
*21 of these Builders-dealers have ordered buildings YTD in 2011*



Lindab Buildings | car parking

### Individual Buildings

Lindab Buildings is Europe's preferred partner for industrial and commercial steel buildings.

- ✓ Experienced: 50 years
- ✓ Reliable: 50,000 buildings
- ✓ Flexible: various possibilities

Lindab Buildings develops, produces and delivers single parking decks and multi-storey car parks in best quality and with short construction times.

The design of Lindab Buildings' car parks complies in every aspect with current security directives.

An optimized lane width allows two-way traffic and the curves and ramps are designed to provide a maximum of traffic security.



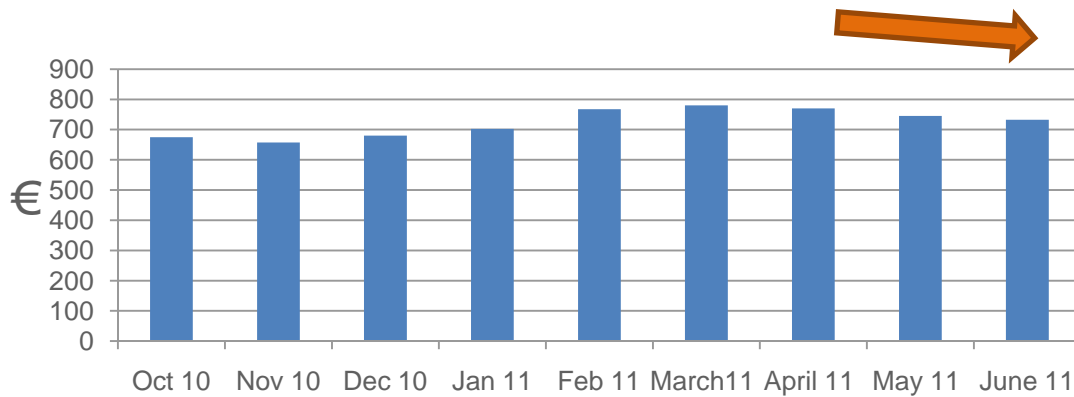


# Trends and outlook



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## Steel (Hot dipped galvanized spot prices)



- Spot prices reduced in Q2

Source: average spot prices reported by SBB & CRU



# Euroconstruct update June 2011 - Non Residential

## UK downgrade pushes back overall recovery

Report date	2012 growth	2013 growth
June 2011	0.2%	2.5%
December 2010	1.0%	2.0%

Main reason for Euroconstruct's downward revision compared to the December report is outlook in UK.

Also, PIIGS and Nordic reduced (Nordic reduced in % because of a higher than expected pace of growth in 2011)

NB: Percentages are Euroconstruct unadjusted forecasts for the 19 Euroconstruct countries



# Euroconstruct update June 2011 - Residential

## Austerity packages reduce forecast growth

Report date	2012 growth	2013 growth
June 2011	2.6%	3.0%
December 2010	3.1%	3.5%

Euroconstruct's downward revisions are mainly due to tough austerity packages in PIIGS & CEE.

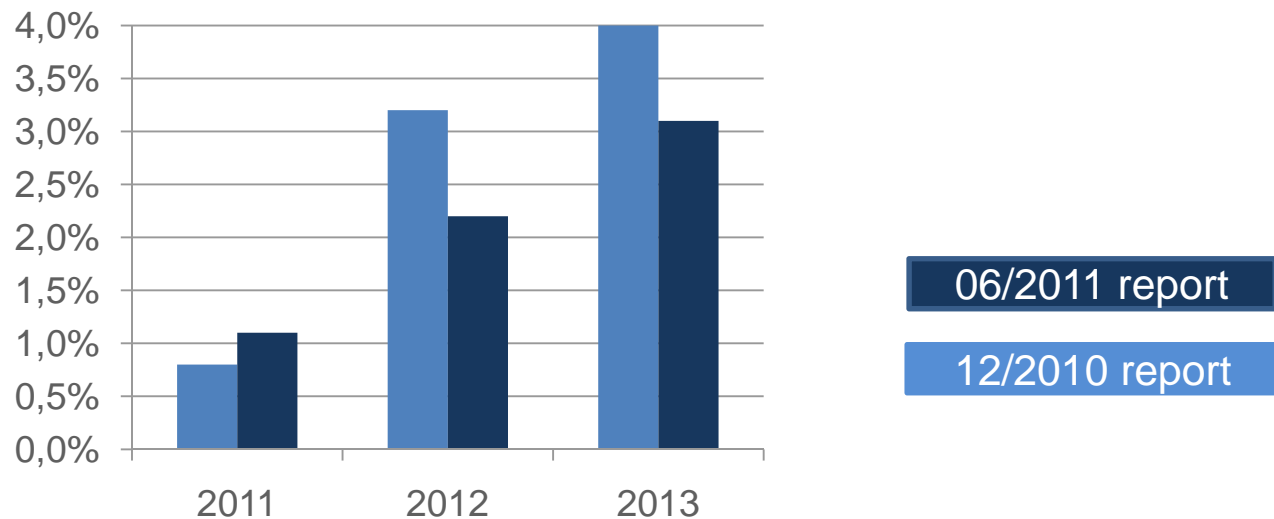
NB: Percentages are Euroconstruct unadjusted forecasts for the 19 Euroconstruct countries



# Euroconstruct update adjusted for Lindab's mix\*

Slightly more cautious outlook than their 12/2010 report

- An improvement for 2011 (Nordic markets impact)
- Reduced but accelerating growth rates for both 2012 and 2013



\*Adjusted for Lindab's Market mix, segment and time adjusted



## Q2 – Outlook - CEO comment

In total, the first half year saw organic growth of 12% primarily due to strong Nordic markets as well as an improvement in Building Systems sales particularly in CEE/CIS.

Considering our good growth in the first 6 months of the year, the 8 % organic growth target for 2011 now seems more achievable. However, the underlying demand remains uncertain, particularly in light of the current Euro-crisis, which has led to lower business confidence.

External market forecasts point to a growing recovery for our key segment, non-residential construction, in 2012 and gaining pace in 2013.



# Thank you

## Q & A

