



# Lindab Group presentation Q2 2012



David Brodetsky, CEO  
Per Nilsson, CFO



# Lindab Group - Q2 2012 Highlights

## Strengthening Ventilation through a strategic acquisition

- 96.7% of Centrum Klima acquired in qtr
- Ventilation distribution leader in Poland
- Successful business: Strong growth; Sales ~ SEK 200 m; >10% EBIT
- Excellent synergies
  - Fittings – Distribution
- Delisting planned for Q3
- Consolidated from May 2012





# Lindab Group - Q2 2012 Highlights

## Margin improves in spite of weak sales and steel cost increases

- Sales\*: -5% versus Q2, 2011
  - Ventilation -4%; Building Components -11%; Building Systems +8%
- EBIT\*\*: 7.8% margin (7.7% Q2 2011)
- Cash: Positive cash flow from operations SEK 97m (SEK 217 m)

\* Adjusted for currency and structure

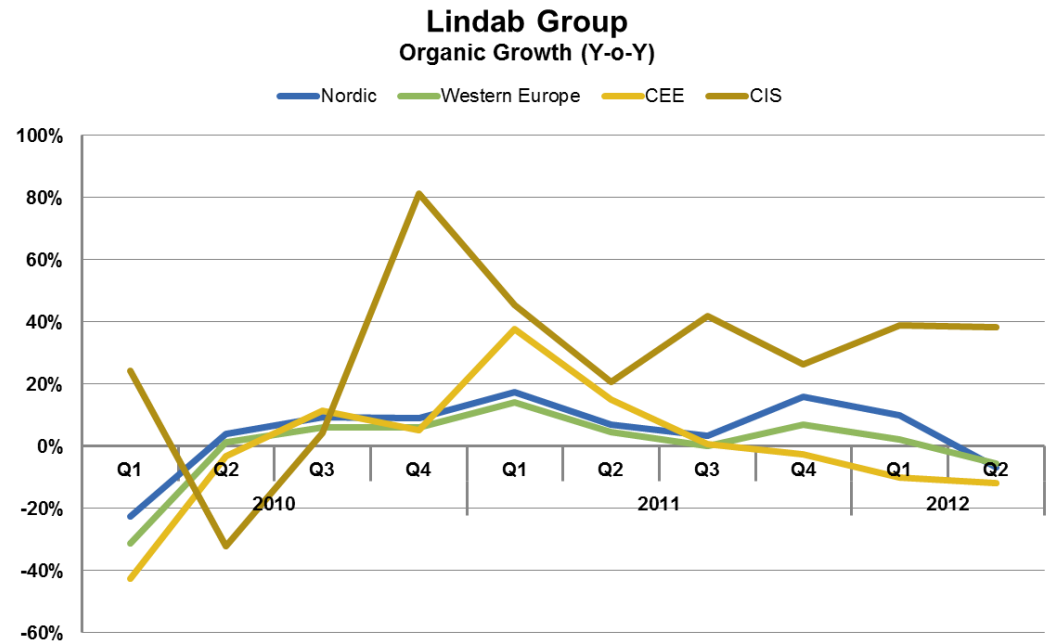
\*\* Excluding one time costs



# Lindab Group - Q2 2012 Highlights

## Sales momentum weak in most markets

- Macro economic situation creating weakness and uncertainty
- Russia the notable exception





# Lindab Group

## Profit & Loss Q2 2012 - Group

SEK m	Q2 2012	Q2 2011
Sales	1 737	1 755
EBIT*	135	135
EBIT* %	7.8	7.7
Fin net	-39	-38
Tax	-24	-37
Net profit	56	60

Sales growth	-1%
Structure	4%
Currency effect	0%
Organic	-5%

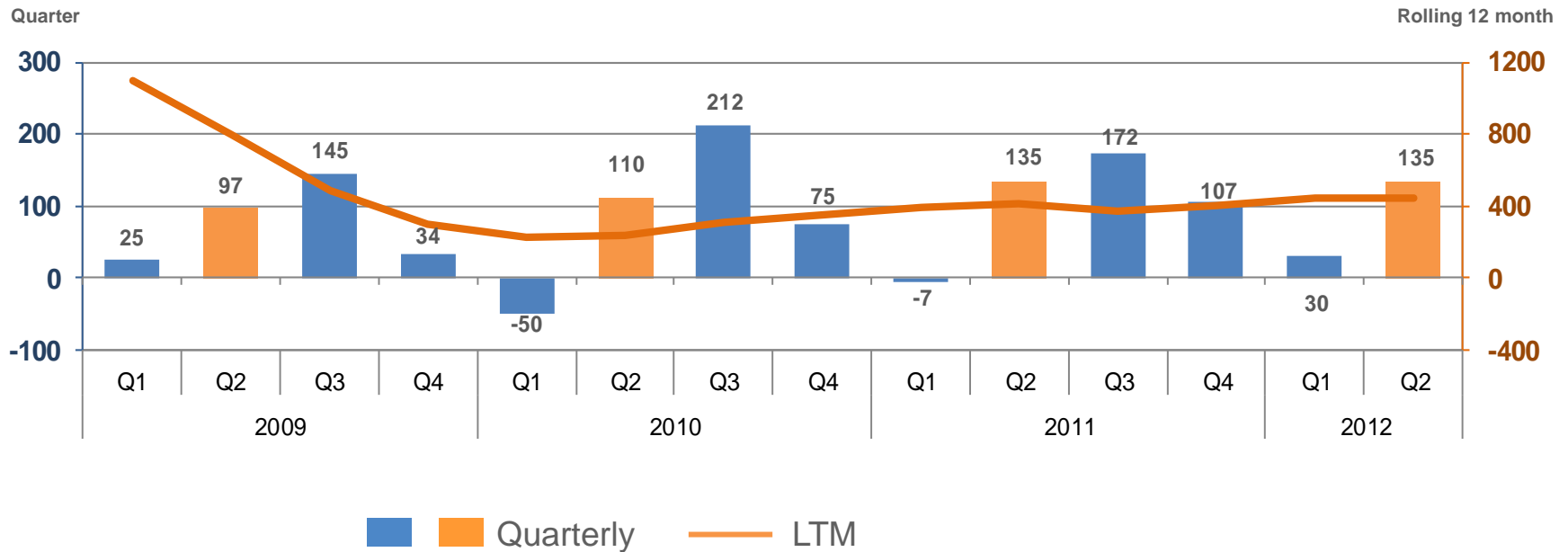
\*) Q2 2012 EBIT excludes one time cost of SEK -16 m (SEK 0 m, Q2 2011), net profit not adjusted

- The improvement in EBIT margin is explained by higher gross margins and lower fixed costs
- Cost saving program has yielded positive results in the quarter, some activities are ahead of plan and some slightly delayed, full year effect in line with target
- One time cost recorded so far SEK 69 m, full cost programme estimate SEK 110 m



# Lindab Group

## Quarterly operating profit (EBIT) SEK m



- Seasonal impact – Q1 lowest result, Q3 highest result
- EBIT LTM SEK 444 m, EBIT margin 6.4%

Note: figures excl. one time items



# Lindab Group

## Cash flow Q2 2012

SEK m	Apr – Jun 2012	Apr – Jun 2011
Cash flow from		
- operating activities	145	183
- change in working capital	12	92
- investing activities	-266	-65
- financial net paid	-31	-39
- tax paid	-29	-19
<b>Free cash flow</b>	<b>-169</b>	<b>152</b>
<b>Free cash flow adj. for structure</b>	<b>53*</b>	<b>152</b>

\* Adjusted for acquisition of Centrum Klima, SEK -222 m

- Net debt end of June SEK 2,192 m (2,243)





# Lindab Group

## Cash flow Q2 – working capital development

SEK m	Apr– Jun 2012	Apr – Jun 2011
Stock	-32	-47
Operating receivables	-144	-194
Operating liabilities	188	333
<b>Total change in working capital</b>	<b>12</b>	<b>92</b>

- Lower cash flow from change in working capital explained by timing effect in payment of operating liabilities

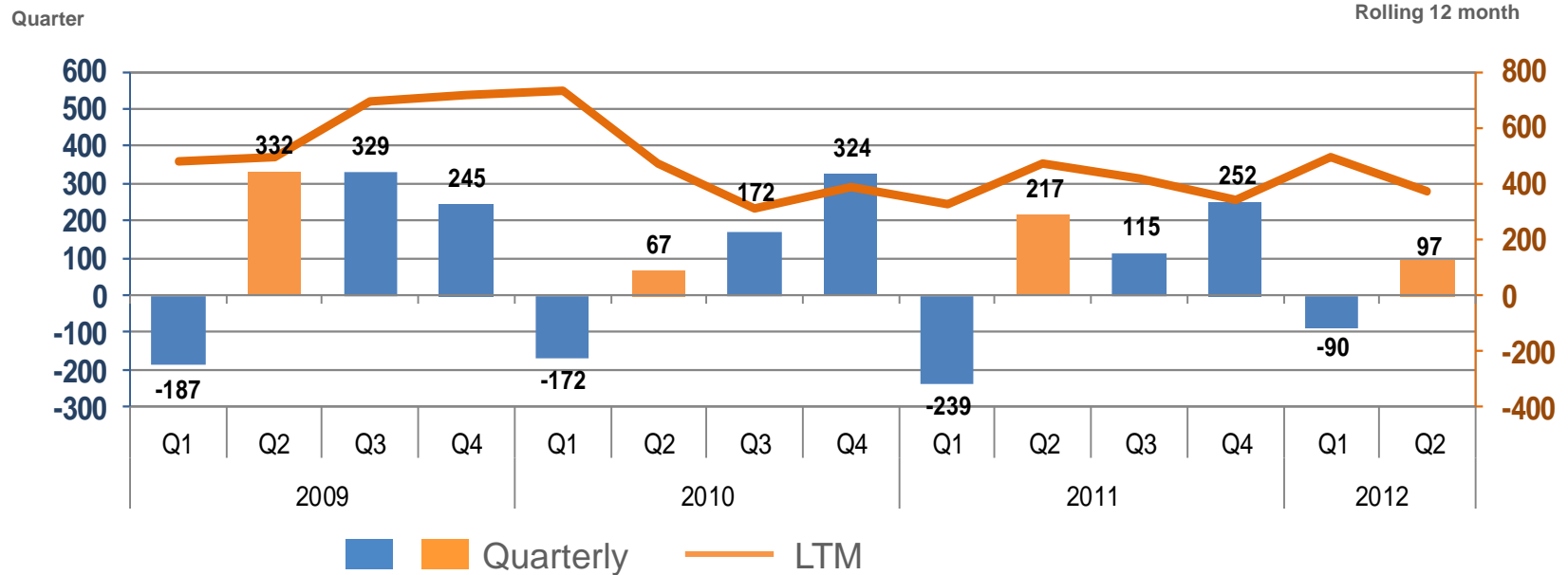




# Lindab Group

## Cash flow trend

### Operating cash flow, SEK m



- LTM cash flow from operating activities amounted to SEK 374 m



# Business Areas



# BA Ventilation

## Profit & Loss Q2 2012

SEK m	Q2 2012	Q2 2011
Sales	902	896
EBIT*	69	62
EBIT* %	7.6	6.9

Sales growth	1%
Structure	4%
Currency effect	1%
Organic	-4%

\*) excluding one time cost of SEK -15m in Q2 2012 and SEK -0m in Q2 2011

- Sales stable due to acquisitions (mainly Centrum Klima) offsetting organic sales decline of 4%
- EBIT increase due to higher gross margins and lower fixed cost



# BA Building Components Profit & Loss Q2 2012

SEK m	Q2 2012	Q2 2011
Sales	576	618
EBIT	51	75
EBIT %	8.9	12.1

Sales growth	-7%
Structure	5%
Currency effect	-1%
Organic	-11%

\*) excluding one time cost of SEK -1m in Q2 2012 and SEK -0m in Q2 2011

- Lower sales due to weakened demand in all regions
- EBIT decreased due to lower volumes but partly offset by lower fixed costs
- Panel start-up costs Q2, 2012 and benefits from lower priced Asian steel in Q2, 2011 affect the comparison with last year negatively.



# BA Building Systems Profit & Loss Q2 2012

SEK m	Q2 2012	Q2 2011
Sales	259	241
EBIT	24	9
EBIT %	9.3	3.7

Sales growth	7%
Structure	0%
Currency effect	-1%
Organic	8%

- Positive growth in CEE/CIS driven by good sales in the two largest markets, Russia and Belarus
- EBIT increased due to higher volumes and improved gross margin



# Business highlights by BA



# Ventilation

- New Flexi-shop, self-service branch, in Brussels, Belgium (total 6)
- Synergies with Building Systems for industrial ventilation solutions. Two orders in Belarus totalling SEK 14 m.







# Building Components

- Integration of sandwich panel production and project sales proceeding well
  - 48 people
  - Burglar-resistant sandwich panel launched
- Efficiency improvement – Slovakia – move from rented facilities to own renovated facility with production, warehouse and offices





# Building Systems

- Focus Russia/CIS continues – including 2 large orders totalling SEK 80 m
- New smaller building concept development finalised – to be launched in early 2013



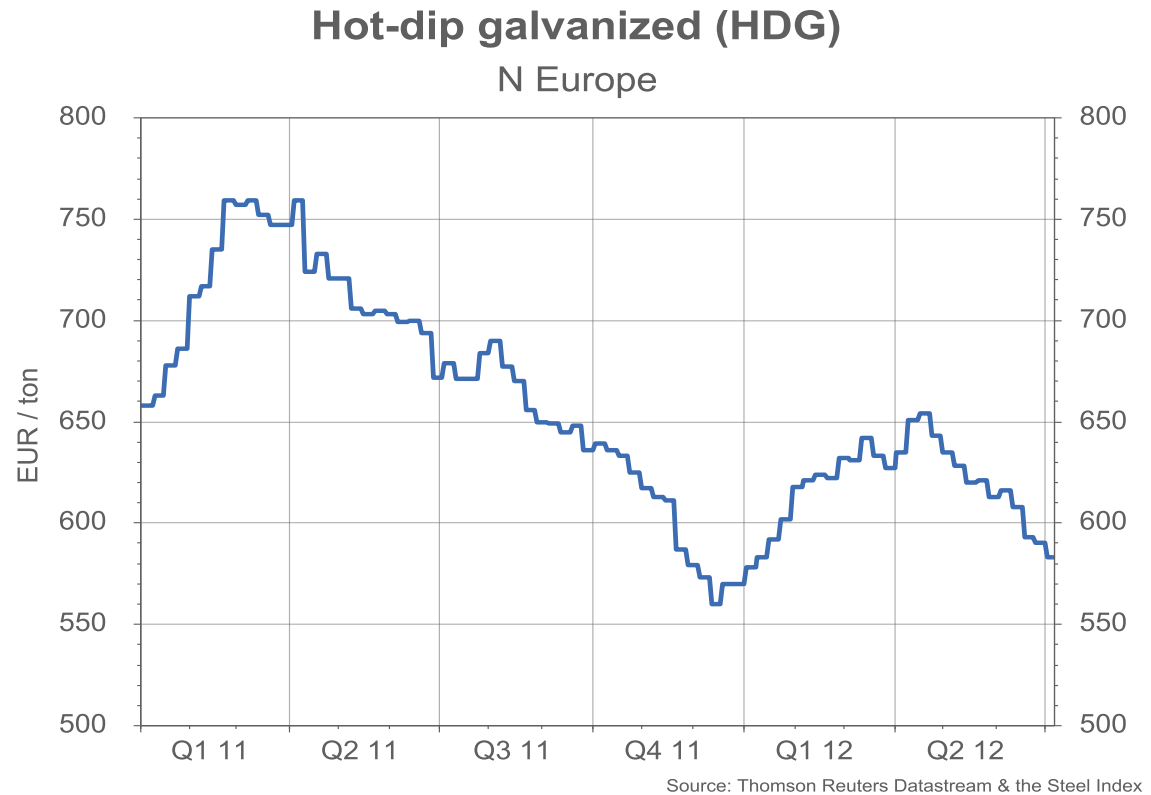


# Trends and outlook



# Steel spot prices – reduced during Q2

- Moderate steel cost reductions expected for Q3 purchases for Lindab, but levels will remain above Q1





# Market indicators - Euroconstruct

- Euroconstruct's June forecast was revised downwards from the previous November 2011 report
- Main downward revisions affecting Lindab are the Swedish market, particularly residential, and the CEE region: largest revisions for Building Components
- Lindab weighted forecast:
  - 2012: -0.5% (0.8%)
  - 2013: 0.6% (2.0%)
- Lindab comment: Reliability of forecasts uncertain, particularly longer term. Outlook dependent on development of macro economic situation. Difficult to predict future demand although recovery expected to be slow and drawn out



## Outlook - CEO comment

“The markets are expected to remain weak in the months ahead. However, Lindab’s performance will be supported by the accelerating impact of the SEK 150 million cost saving plan that is now largely implemented. Longer term, the macro economic forecasts indicate that construction recovery will be slow and drawn out, which underlines the importance of continuing our own initiatives to support the 2014 EBIT goal of 10 percent for the Group.”



# Other information

- Capital Markets Day 2012
  - August 23, 2012, Grevie, Båstad
  - Contact Helena Stacey: [helena.stacey@lindab.com](mailto:helena.stacey@lindab.com)



# Thank You