

Lindab International AB (publ) Year-End Report

Fourth quarter 2017

- Net sales increased by 7 percent to SEK 2,185 m (2,039), of which organic growth amounted to 7 percent.
- Adjusted¹⁾ operating profit increased by 6 percent to SEK 119 m (112). Operating profit amounted to SEK 109 m (112).
- Adjusted¹⁾ operating margin amounted to 5.4 percent (5.5).
- Profit for the period rose by 6 percent to SEK 84 m (79).
- Earnings per share, before and after dilution, increased to SEK 1.10 (1.04).
- Cash flow from operating activities amounted to SEK 346 m (265).
- In December, the Irish ventilation company A.C. Manufacturing Ltd was acquired.
- In January 2018, Ola Ringdahl was appointed new President and CEO of Lindab International AB. Ola will take office latest July this year, replacing acting President and CEO Fredrik von Oelreich.

January - December 2017

- Net sales increased by 5 percent to SEK 8,242 m (7,849), of which organic growth amounted to 4 percent.
- Adjusted¹⁾ operating profit amounted to SEK 511 m (511). Operating profit increased to SEK 492 m (483).
- Adjusted¹⁾ operating margin amounted to 6.2 percent (6.5).
- Profit for the period rose by 13 percent to SEK 347 m (306).
- Earnings per share, before and after dilution, increased to SEK 4.54 (4.02).
- Cash flow from operating activities amounted to SEK 410 m (499).
- The net debt/equity ratio amounted to 0.3 (0.4) at the end of the period.
- The Board of Directors proposes a dividend of SEK 1.55 (1.40) per share.

1) Adjusted operating profit/operating margin does not include significant one-off items and restructuring costs. See Reconciliations.

A word from the CEO

Lindab's net sales increased for the seventeenth consecutive quarter. Organic sales growth amounted to 7 percent during the fourth quarter and adjusted operating profit rose to SEK 119 m (112). As in the third quarter, the operating margin was affected by a reduced margin in Products & Solutions, as we did not fully compensate for the higher prices of raw material. Price increases to customers were announced during the quarter. These will take effect during the first months of 2018.

Organic growth in Products & Solutions developed very favourably, increasing by 9 percent while operating profit increased to SEK 143 m (135). Within Lindab's major markets there was particularly strong growth in Sweden, UK and France. We are experiencing particularly solid growth within our product areas Indoor Climate Solutions and Air Movement.

Building Systems had a weak quarter with a continued negative result. However, the order intake in Russia was strong and the total backlog was notably higher at the end of the quarter compared with the previous year. A comprehensive turnaround programme has been initiated to create sustainable profitability.

Lindab is the first player in Europe to receive a Eurovent certification for the highest air tightness class, class D, for our circular duct systems. This is, as a market leader, further evidence of our ongoing efforts to improve quality.

In December, the Irish company A.C. Manufacturing Ltd was acquired. The combination of Lindab and A.C. Manufacturing Ltd will further strengthen our ability to deliver complete solutions to the growing Irish ventilation market.

2017 was characterised by continued strong development in Products & Solutions where we managed to gain ground in several key markets. The poor performance in Building Systems has become more evident during the year and we are now taking necessary measures to reverse this development. The strategic evaluation of activities which are not directly linked to ventilation and indoor climate solutions is following plan. Our strategic focus is clear and we are well equipped to pursue profitable growth.

Grevie, February 2018



Fredrik von Oelreich
Acting President and CEO



Comments on the report

Sales and markets

Net sales increased by 7 percent to SEK 2,185 m (2,039) during the fourth quarter. Organic growth was 7 percent, as currency effects and acquisitions had a marginal impact.

The sales trend during the quarter remained strong in Products & Solutions with organic growth of 9 percent. All major regions showed positive development. Organic growth in Building Systems decreased by 6 percent, which was mainly related to Western Europe and the CEE region. However, the CIS region, which is an important region for Building Systems, showed continued positive development with increased sales and order intake.

Net sales during the period January-December amounted to SEK 8,242 m (7,849), which is an increase of 5 percent compared with previous year. Organic growth was 4 percent and currency had a positive impact of 1 percent while acquisitions only had a marginal impact.

Profit

Adjusted operating profit for the fourth quarter increased to SEK 119 m (112). One-off items and restructuring costs were SEK -10 m (0), see Reconciliations. Adjusted operating margin amounted to 5.4 percent (5.5).

Products & Solutions' operating profit improved to SEK 143 m (135), while Building Systems' amounted to SEK -13 m (-15). The slightly lower operating margin is primarily explained by higher raw material prices for which we did not fully compensate. A number of activities are ongoing in order to strengthen the margin and further price increases to customers were announced during the quarter.

The profit for the period increased by 6 percent to SEK 84 m (79), and earnings per share increased to SEK 1.10 (1.04).

For the period January-December, adjusted operating profit amounted to SEK 511 m (511) with an adjusted operating margin of 6.2 percent (6.5).

The profit for the period January-December increased by 13 percent to SEK 347 m (306) and earnings per share increased to SEK 4.54 (4.02) for the corresponding period.

Seasonal variations

Lindab's business is affected by seasonal variations in the construction industry and the highest proportion of net sales is normally seen during the second half of the year.

There is normally a deliberate stock build up of mainly finished goods during the first six months, which gradually becomes a

stock reduction during the second half of the year as a result of increased activity within the construction market.

Depreciation/amortisation and impairment losses

Depreciation and amortisation amounted to SEK 40 m (43), of which SEK 9 m (9) relates to intangible assets.

Depreciation and amortisation for January-December amounted to SEK 162 m (174), of which SEK 35 m (38) relates to intangible assets.

Tax

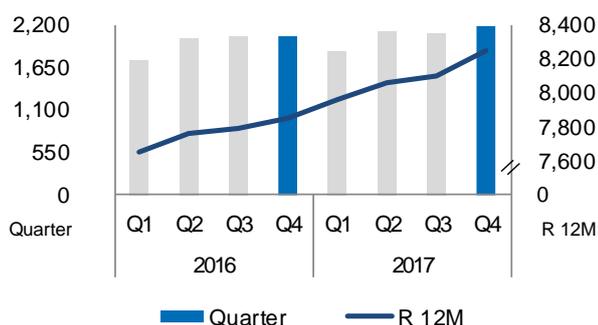
Tax on profit for the fourth quarter amounted to SEK 19 m (23). Earnings before tax was SEK 103 m (102). The effective tax rate was 18 percent (23), while the average tax rate was 20 percent (21). The lower effective tax rate during the period compared with the previous year is mainly explained by increasing utilisation of carry-forward tax losses which reduce the total tax on profit. The positive effect was partly offset by higher non-deductible expenses during the period. The lower effective tax rate compared with the average tax rate is also explained by the fact that Lindab has been able to utilise carry-forward tax losses from previous years. In the fourth quarter of the previous year, the relationship between the effective and the average tax rate was affected by Lindab's inability to fully utilise carry-forward tax losses in order to reduce the total tax expense.

Tax on profit for the period January-December amounted to SEK 120 m (139). Earnings before tax amounted to SEK 467 m (445). The effective tax rate was 26 percent (31), while the average tax rate was 19 percent (20). The lower effective tax rate compared with the previous year is mainly explained by increasing utilisation of carry-forward tax losses which reduce the total tax on profit. It is also explained by the fact that the operating profit for the period included larger non-taxable income, while the previous year included larger non-deductible expenses. The higher effective tax rate compared with the average tax rate is due to the fact that Lindab has not been able to fully utilise carry-forward tax losses in order to reduce the total tax expense.

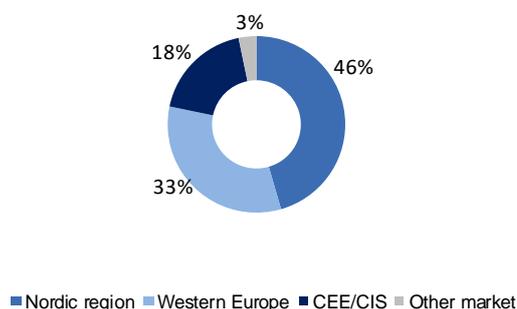
Cash flow

Cash flow from operating activities amounted to SEK 346 m (265) in the fourth quarter. The improvement in cash flow compared with the previous year was mainly related to the change in working capital during the period, which delivered a positive cash flow of SEK 236 m (156). The development in working capital was mainly due to strong cash flow from operating liabilities, where advance payments from Building Systems' customers significantly improved the cash flow during the quarter.

NET SALES, SEK m



BREAKDOWN OF NET SALES BY REGION, LAST 12 MONTHS



Financing activities for the fourth quarter showed a net cash flow of SEK -190 m (-147) which was entirely due to changes in borrowings.

For the period January-December, cash flow from operating activities decreased compared with the previous year and amounted to SEK 410 m (499) for the year. The change was due to lower cash flow from working capital. The change in operating receivables was mainly due to increased sales and the change in operating liabilities was mainly as a result of large advance payments from Building Systems customers in the previous year.

For the period January-December, cash flow from financing activities amounted to SEK -360 m (-290) and the change was mainly attributable to changes in borrowings. Furthermore, the dividend paid to shareholders was slightly higher in 2017 than in the previous year.

Cash flow from investing activities is explained under the headings "Investments" and "Business combinations".

Investments

Investments in intangible assets and tangible fixed assets amounted to SEK 27 m (39) for the quarter. Of this amount, SEK 6 m (4) constituted investments in intangible assets, which primarily concerned IT-related projects. Assets equivalent to SEK 7 m (14) were disposed of during the period. Net cash flow from investing activities amounted to SEK -20 m (-25) for the period, excluding acquisitions and divestments of subsidiaries.

For the period January-December, investments in intangible assets and tangible fixed assets amounted to SEK 100 m (125). Net cash flow from investing activities amounted to SEK -67 m (-92), excluding acquisitions and divestments of subsidiaries. This amount includes SEK 33 m (33) attributable to effects of the disposal of tangible fixed assets, with the cash flow from the disposal of land and buildings constituting a significant share of this amount.

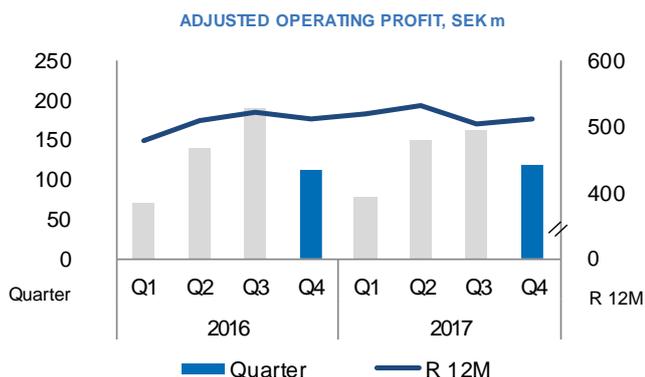
Business combinations

On 14 December, Lindab acquired the Irish ventilation company A.C. Manufacturing Ltd. With sales of approximately SEK 50 m, the company is Ireland's largest manufacturer of ventilation ducts. A.C. Manufacturing Ltd complements Lindab's existing activities in Ireland and Lindab can now offer a full range of ventilation products and systems in the Irish market.

The acquisition of A.C. Manufacturing Ltd was carried out in line with the strategy to further focus on the Group's ventilation business and strengthen Lindab's position as a supplier of complete ventilation solutions.

During the quarter, the dormant company Lindab Innovation AB was divested.

For more information, see Note 3.



Financial position

On 31 December 2017, net debt amounted to SEK 1,305 m (1,396). Currency effects increased net debt by SEK 44 m during the fourth quarter compared with a reduction of SEK 21 m in the corresponding quarter of the previous year. The equity/asset ratio amounted to 53 percent (51), and the net debt/equity ratio amounted to 0.3 (0.4). Financial items for the quarter amounted to SEK -6 m (-10). The improvement was primarily related to a lower interest rate on loans, but also higher interest income.

The existing credit agreements of SEK 1,700 m with Nordea and Danske Bank and SEK 50 m with Raiffeisen Bank International expire in July 2020. The agreements contain financial covenants, which are monitored quarterly. Lindab fulfilled all the terms on 31 December 2017.

Pledged assets and contingent liabilities

There have not been any significant changes to pledged assets and contingent liabilities in 2017.

Parent company

Net sales for the quarter amounted to SEK 1 m (1). The profit for the period amounted to SEK 20 m (20).

Net sales for the period January-December amounted to SEK 4 m (4). The profit for the period amounted to SEK 1 m (1).

Significant risks and uncertainties

There have been no significant changes to what was stated by Lindab in its Annual Report for 2016 under Risks and Risk Management (pages 62-64).

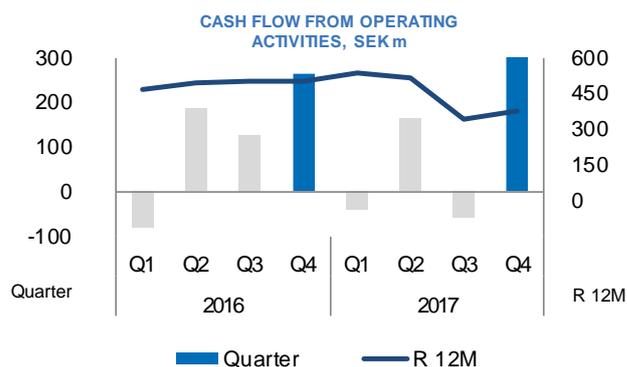
Employees

The number of employees at the end of the quarter, calculated as full-time equivalent employees, was 5,083 (5,136). Adjusted for acquisitions and divestments, the net reduction in the number of employees was 80 compared with the corresponding quarter of the previous year.

The Lindab Share

The highest price paid for Lindab shares during the period January-December was SEK 98.00 on 2 June, 5 June and 20 June, and the lowest was SEK 64.75 on 15 November. The closing price on 31 December was SEK 68.20. The average daily trading volume of the Lindab share was 138,247 shares per day (154,174).

Lindab holds 2,375,838 (2,375,838) treasury shares, equivalent to 3.0 percent (3.0) of the total number of Lindab shares. The number of outstanding shares totals 76,331,982 (76,331,982), while the total number of shares is 78,707,820 (78,707,820).



The largest shareholders at the end of the quarter, in relation to the number of outstanding shares, were Creades AB with 10.4 percent (10.3), Fjärde AP-fonden with 9.8 percent (8.0), Lannebo Fonder with 9.1 percent (8.0), Handelsbanken Fonder with 8.1 percent (8.1) and IF Skadeförsäkring with 5.1 percent (4.9). The ten largest holdings constitute 61.2 percent (57.3) of the shares, excluding Lindab's own holding.

Incentive programme

At the Annual General Meeting in May 2017, guidelines for the remuneration of senior executives were decided upon. According to the adopted guidelines, the remuneration programme for these individuals shall among other things include a long term variable cash pay element. This element shall be based on financial performance targets that reflect Lindab's value growth and will be measured over a three year period. Any profit of the long term variable cash pay is expected to be invested in shares or share related instruments in Lindab on market terms. On adoption of the programme, the total cost in the event of maximum outcome for the three year measuring period is estimated at SEK 14 m.

Warrant programme

At the Annual General Meeting in May 2017, it was resolved to establish a warrant programme for senior executives. Under the programme, 75,000 out of a maximum of 110,000 warrants were issued by Lindab for the benefit of the wholly owned subsidiary Lindab LTIP17 AB which, in turn, disposed of the warrants to senior executives based on a market valuation pursuant to the established warrant agreement. Each warrant entitles the holder to acquire one share in Lindab at a price of SEK 108.80 at a specified period in the future. Subscription of shares based on a warrant can take place after Lindab has published the Half Year Interim Report 2020 and until 31 August during the same year.

Annual General Meeting

The Board of Directors has decided that the Annual General Meeting will be held at Hotell Skansen, Båstad, on 3 May 2018 at 15.00. Notice to attend the meeting will be sent out in due order.

Proposed dividend to shareholders

Lindab's Board of Directors proposes that the Annual General Meeting on 3 May 2018 approves a dividend of SEK 1.55 per share, which is in line with the company's dividend policy and provides dividends totalling SEK 118 m. It is proposed that the record date for the right to a dividend payout is 7 May 2018, with the dividends expected to be paid to shareholders on 11 May.

Significant events during the reporting period

In December, the Irish ventilation company A.C. Manufacturing Ltd was acquired. For more information, see Note 3. No other significant events have occurred during the reporting period.

Significant events after the reporting period

In January 2018, Ola Ringdahl was appointed new President and CEO of Lindab International AB. Ola will take office by latest July this year, replacing acting President and CEO Fredrik von Oelreich.

General information

Unless otherwise specified in this interim report, all statements refer to the Group. Figures in parentheses indicate the amount for the corresponding period of the previous year. Unless otherwise stated, amounts are in SEK m.

The report has been audited by the company's auditors.

This is a translation of the Swedish original report. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.

Segments

Products & Solutions

- Net sales during the fourth quarter amounted to SEK 1,959 m (1,804), an increase of 9 percent. Organic growth also increased by 9 percent.
- Adjusted operating margin during the fourth quarter amounted to 7.3 percent (7.5).

Sales and markets

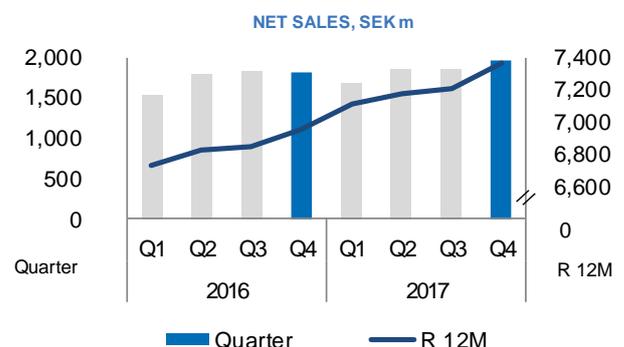
Net sales in Products & Solutions increased by 9 percent to SEK 1,959 m (1,804) during the fourth quarter. Organic growth was 9 percent, as acquisitions and currency had a marginal impact during the quarter.

Sales increased in all major regions with particularly strong growth in the CEE/CIS region and Western Europe. Important markets such as the UK, France, Poland and Hungary all experienced very positive sales trends.

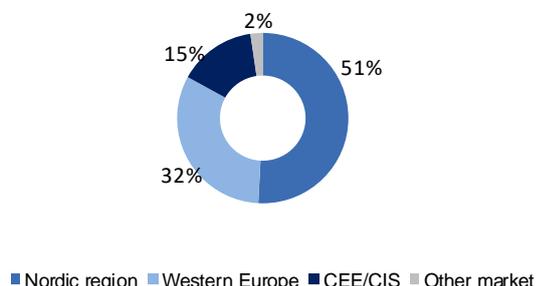
In the fourth quarter, the Nordic region also achieved good growth after a couple of weak quarters. The positive development was mainly driven by Sweden and Finland, while sales fell in Norway.

For the segment as a whole the good sales trend in ventilation continued, with a particularly strong development in the Air Movement product area. Rainwater & Building Products and the more project based Building Solutions also achieved strong growth during the quarter, which was particularly encouraging as sales within these product areas fell in the previous two quarters.

Net sales for the period January-December increased by 6 percent to SEK 7,360 m (6,949). Organic growth was 5 percent.



BREAKDOWN OF NET SALES BY REGION, LAST 12 MONTHS



Profit

During the fourth quarter, Products & Solutions' adjusted operating profit increased to SEK 143 m (135). Adjusted operating margin amounted to 7.3 percent (7.5) during the same period.

The improved operating profit was due to increased sales, while the change in operating margin mainly was attributed to a lower gross margin. Price increases to customers were announced during the quarter and a positive trend in average price levels was noted compared to the levels at the end of the third quarter.

Adjusted operating profit for the period January-December increased to SEK 590 m (565).

Activities - Products & Solutions

During the quarter, Lindab became the first player in Europe to receive Eurovent's certification for the highest air tightness class, class D, for circular duct systems Lindab Safe and Lindab Safe Click. The certification was preceded by a comprehensive review of our production and systems to ensure that the company lives up to the high quality standards.

During the quarter, the Irish ventilation company A.C. Manufacturing Ltd was acquired. For more information, see Note 3.

Building Systems

- Net sales during the fourth quarter amounted to SEK 226 m (235), a decrease of 4 percent. Organic growth declined by 6 percent.
- Adjusted operating margin during the fourth quarter amounted to -5.8 percent (-6.4).

Sales and markets

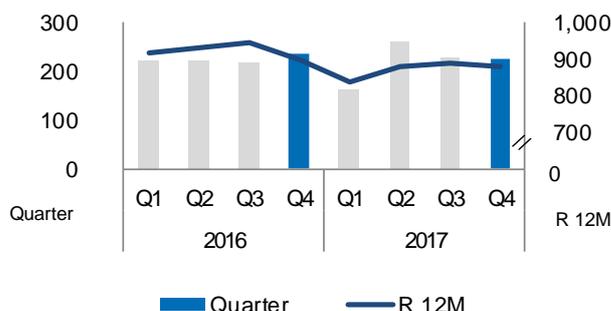
Net sales in Building Systems decreased by 4 percent to SEK 226 m (235) during the fourth quarter. Organic growth declined by 6 percent.

The lower sales during the quarter was primarily related to Western Europe and the CEE region, while the important CIS region continued its positive development with increased sales and order intake. In Western Europe sales decreased particularly in Germany and Switzerland, while the lower sales in the CEE region can be entirely attributed to Poland, which had a very strong fourth quarter in the previous year.

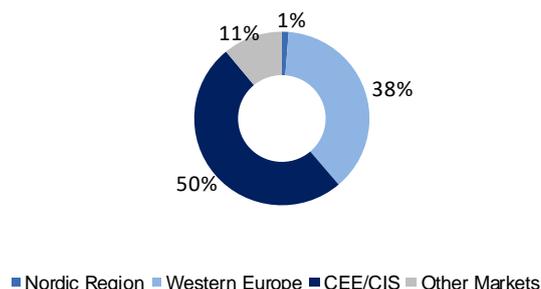
The total order intake increased during the quarter, and the order volume at the end of the period was higher than in the corresponding period of the previous year.

Net sales for the period January-December decreased by 2 percent to SEK 882 m (900). Organic growth decreased by 7 percent, while currency effects had a positive impact of 5 percent, mainly as a result of the Russian rouble.

NET SALES, SEK m



BREAKDOWN OF NET SALES BY REGION, LAST 12 MONTHS



Profit

During the fourth quarter, Building Systems' adjusted operating profit amounted to SEK -13 m (-15). Adjusted operating margin amounted to -5.8 percent (-6.4) during the same period.

The result was negatively affected by low capacity utilisation in production. The marginal improvement in operating profit was mainly due to some improved price levels for completed projects.

Adjusted operating profit for the period January-December amounted to SEK -42 m (-12).

Activities - Building Systems

During the quarter, Building Systems concluded agreements on five major orders, each worth more than SEK 10 m. The orders comprise a warehouse in Germany, a parking garage in France and a large exhibition hall, an industrial building and a building for food production in Russia.

A comprehensive turnaround programme has been initiated to improve profitability, mainly related to Western Europe, and will be implemented over a two year period. Fully implemented, earnings is expected to improve by approximately SEK 50 m, which represents a payback on investment of approximately two years.

NET SALES AND GROWTH

<i>SEK m</i>	2017		2016	
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales	2,185	2,039	8,242	7,849
Change	146	59	393	260
Change, %	7	3	5	3
Of which				
Organic, %	7	1	4	4
Acquisitions/divestments, %	0	0	0	0
Currency effects, %	0	2	1	-1

NET SALES PER REGION

<i>SEK m</i>	2017		2016		2017		2016	
	Oct-Dec	%	Oct-Dec	%	Jan-Dec	%	Jan-Dec	%
Nordic region	1,015	47	982	48	3,752	46	3,654	47
Western Europe	665	30	637	31	2,699	33	2,600	33
CEE/CIS	431	20	365	18	1,524	18	1,352	17
Other markets	74	3	55	3	267	3	243	3
Total	2,185	100	2,039	100	8,242	100	7,849	100

NET SALES PER SEGMENT

<i>SEK m</i>	2017		2016		2017		2016	
	Oct-Dec	%	Oct-Dec	%	Jan-Dec	%	Jan-Dec	%
Products & Solutions	1,959	90	1,804	88	7,360	89	6,949	89
Building Systems	226	10	235	12	882	11	900	11
Other operations	-	-	-	-	-	-	-	-
Total	2,185	100	2,039	100	8,242	100	7,849	100
Gross internal sales all segments	0		0		0		3	

OPERATING PROFIT, OPERATING MARGIN AND EARNINGS BEFORE TAX

<i>SEK m</i>	2017		2016		2017		2016	
	Oct-Dec	%	Oct-Dec	%	Jan-Dec	%	Jan-Dec	%
Products & Solutions	143	7.3	135	7.5	590	8.0	565	8.1
Building Systems	-13	-5.8	-15	-6.4	-42	-4.8	-12	-1.3
Other operations	-11	-	-8	-	-37	-	-42	-
Adjusted operating profit	119	5.4	112	5.5	511	6.2	511	6.5
One-off items and restructuring costs ¹⁾	-10	-	0	-	-19	-	-28	-
Operating profit	109	5.0	112	5.5	492	6.0	483	6.2
Net financial income	-6	-	-10	-	-25	-	-38	-
Earnings before tax	103	-	102	-	467	-	445	-

1) One-off items and restructuring costs are described in Reconciliations.

NUMBER OF EMPLOYEES

	2017		2016	
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Products & Solutions	4,329	4,392	4,329	4,392
Building Systems	688	688	688	688
Other operations	66	56	66	56
Total	5,083	5,136	5,083	5,136

Consolidated income statement

<i>SEK m</i>	2017	2016	2017	2016
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales	2,185	2,039	8,242	7,849
Cost of goods sold	-1,622	-1,503	-6,057	-5,710
Gross profit	563	536	2,185	2,139
Other operating income	26	28	79	72
Selling expenses	-282	-283	-1,068	-1,061
Administrative expenses	-139	-125	-536	-516
R & D expenses	-19	-18	-68	-65
Other operating expenses	-40	-26	-100	-86
Total operating expenses	-454	-424	-1,693	-1,656
Operating profit¹⁾	109	112	492	483
Interest income	6	3	19	11
Interest expenses	-8	-11	-36	-43
Other financial income and expenses	-4	-2	-8	-6
Financial items	-6	-10	-25	-38
Earnings before tax	103	102	467	445
Tax on profit for the period	-19	-23	-120	-139
Profit for the period	84	79	347	306
–attributable to the parent company's shareholders	84	79	347	306
–attributable to non-controlling interest	0	0	0	0
Earnings per share, SEK²⁾	1.10	1.04	4.54	4.02

1) One-off items and restructuring costs, which are included in operating profit, are described in Reconciliations.

2) Based on the number of outstanding shares, i.e. excluding treasury shares. Earnings per share is before and after dilution.

Consolidated statement of comprehensive income

<i>SEK m</i>	2017	2016	2017	2016
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Profit for the period	84	79	347	306
Items that will not be reclassified to the income statement				
Actuarial gains/losses, defined benefit plans	-2	-8	-9	-27
Deferred tax attributable to defined benefit plans	2	2	3	6
Sum		-6	-6	-21
Items that will later be reclassified to the income statement				
Translation differences, foreign operations	110	2	63	193
Hedging of net investments	-32	7	-21	-57
Tax attributable to hedging of net investments	6	-2	4	12
Sum	84	7	46	148
Other comprehensive income, net of tax	84	1	40	127
Total comprehensive income	168	80	387	433
–attributable to the parent company's shareholders	168	80	387	433
–attributable to non-controlling interest	0	0	0	0

Consolidated statement of cash flow

<i>SEK m</i>	2017 Oct-Dec	2016 Oct-Dec	2017 Jan-Dec	2016 Jan-Dec
OPERATING ACTIVITIES				
Operating profit	109	112	492	483
Reversal of depreciation/amortisation	40	43	162	174
Reversal of capital gains (-) / losses (+) reported in operating profit	-1	-9	-9	-14
Provisions, not affecting cash flow	5	-6	9	-24
Adjustment for other items not affecting cash flow	2	13	-8	-5
Total	155	153	646	614
Interest received	6	3	19	11
Interest paid	-7	-11	-33	-41
Tax paid	-44	-36	-122	-110
Cash flow before change in working capital	110	109	510	474
Change in working capital				
Stock (increase - /decrease +)	111	59	-81	-77
Operating receivables (increase - /decrease +)	245	297	-99	-36
Operating liabilities (increase + /decrease -)	-120	-200	80	138
<i>Total change in working capital</i>	<i>236</i>	<i>156</i>	<i>-100</i>	<i>25</i>
Cash flow from operating activities	346	265	410	499
INVESTING ACTIVITIES				
Acquisition of Group companies	-64	-	-64	-
Divestment of Group companies	0	-	0	-
Investments in intangible assets	-6	-4	-21	-21
Investments in tangible fixed assets	-21	-35	-79	-104
Change in financial fixed assets	0	0	0	0
Disposal of intangible assets	0	0	0	0
Disposal of tangible fixed assets	7	14	33	33
Cash flow from investing activities	-84	-25	-131	-92
FINANCING ACTIVITIES				
Proceeds from borrowings	60	-	1,656	40
Repayment of borrowings	-250	-147	-1,910	-235
Issue of warrants	-	-	1	-
Dividends to shareholders	-	-	-107	-95
Cash flow from financing activities	-190	-147	-360	-290
Cash flow for the period	72	93	-81	117
Cash and cash equivalents at start of the period	263	324	418	285
Effect of exchange rate changes on cash and cash equivalents	7	1	5	16
Cash and cash equivalents at end of the period	342	418	342	418

Consolidated statement of financial position

<i>SEK m</i>	31 Dec 2017	31 Dec 2016
ASSETS		
Non-current assets		
Goodwill	3,059	2,963
Other intangible assets	136	123
Tangible fixed assets	1,285	1,299
Financial interest-bearing fixed assets	43	45
Other financial fixed assets	81	75
Total non-current assets	4,604	4,505
Current assets		
Stock	1,256	1,159
Accounts receivable	1,363	1,250
Other current assets	160	159
Other interest-bearing receivables	6	12
Cash and cash equivalents	342	418
Total current assets	3,127	2,998
TOTAL ASSETS	7,731	7,503
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity attributable to parent company shareholders	4,129	3,848
Non-controlling interests	1	1
Total shareholders' equity	4,130	3,849
Non-current liabilities		
Interest-bearing provisions for pensions and similar obligations	226	211
Liabilities to credit institutions	1,397	1,625
Provisions	109	112
Other non-current liabilities	19	4
Total non-current liabilities	1,751	1,952
Current liabilities		
Other interest-bearing liabilities	73	35
Provisions	22	17
Accounts payable	864	837
Other current liabilities	891	813
Total current liabilities	1,850	1,702
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	7,731	7,503

Financial instruments at fair value through the income statement

<i>SEK m</i>	31 Dec 2017		31 Dec 2016	
	Total carrying amount	Fair value	Total carrying amount	Fair value
Disclosures regarding the fair value by class				
Financial assets				
Derivative receivables	6	6	11	11
Financial liabilities				
Liabilities to credit institutions	1,365	1,371	1,591	1,594
Derivative liabilities	3	3	2	2

Description of fair value

Derivatives relate to forward exchange contracts which are valued at fair value by discounting the difference between the contracted forward rate and the rate that can be subscribed for on the balance sheet date for the remaining contract term. The fair value of interest bearing liabilities is provided for the purpose of disclosure and is calculated by discounting the future cash flows of principal and interest payments, discounted at current market interest rates.

The derivative assets, derivative liabilities and interest bearing liabilities that exist can all be found at Level 2 in the valuation hierarchy.

For other financial assets and liabilities, the carrying amount is deemed to be a reasonable approximation of fair value. Group holdings of unlisted shares, the fair value of which cannot be calculated reliably, are recognised at acquisition cost. The carrying amount is SEK 1 m (1).

Condensed consolidated statement of changes in equity

<i>SEK m</i>	Parent company shareholders	Non- controlling interest	Total shareholders' Equity
Opening balance, 1 January 2016	3,509	2	3,511
Profit for the period	306	0	306
Other comprehensive income, net of tax	128	-1	127
Dividends to shareholders	-95	-	-95
Closing balance, 31 December 2016	3,848	1	3,849
Opening balance, 1 January 2017	3,848	1	3,849
Profit for the period	347	0	347
Other comprehensive income, net of tax	40	0	40
Issue of warrants	1	-	1
Dividends to shareholders	-107	-	-107
Closing balance, 31 December 2017	4,129	1	4,130

Share capital

The share capital of SEK 78,707,820 is divided among 78,707,820 shares with a face value of SEK 1.00. Lindab International AB (publ) holds 2,375,838 (2,375,838) treasury shares, corresponding to 3.0 percent (3.0) of the total number of Lindab shares.

Parent company

Income statement

SEK m	2017	2016	2017	2016
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net sales	1	1	4	4
Administrative expenses	-3	-1	-6	-4
Other operating income/costs	0	0	0	0
Operating profit	-2	0	-2	0
Profit from subsidiaries	32	34	32	34
Interest expenses, internal	-5	-9	-29	-33
Earnings before tax	25	25	1	1
Tax on profit for the period	-5	-5	0	0
Profit/Loss for the period¹⁾	20	20	1	1

1) Comprehensive income corresponds to profit for all periods.

Balance sheet

SEK m	31 Dec 2017	31 Dec 2016
ASSETS		
Fixed assets		
<i>Financial fixed assets</i>		
Shares in Group companies	3,467	3,467
Financial interest-bearing fixed assets	5	6
Deferred tax assets	2	2
Total fixed assets	3,474	3,475
Current assets		
Receivables from Group companies	32	34
Current tax assets	1	0
Cash and cash equivalents	0	0
Total current assets	33	34
TOTAL ASSETS	3,507	3,509
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
<i>Restricted shareholders' equity</i>		
Share capital	79	79
Statutory reserve	708	708
<i>Non-restricted shareholders' equity</i>		
Share premium reserve	90	90
Profit brought forward	223	329
Profit/Loss for the period ¹⁾	1	1
Total shareholders' equity	1,101	1,207
Provisions		
Interest-bearing provisions	6	6
Total provisions	6	6
Non-current liabilities		
Interest-bearing liabilities to Group companies	2,226	2,198
Total non-current liabilities	2,226	2,198
Current liabilities		
Liabilities to Group companies	170	96
Accounts payable	2	-
Accrued expenses and deferred income	2	2
Total current liabilities	174	98
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,507	3,509

1) Comprehensive income corresponds to profit for all periods.

Key performance indicators

SEK m	2017				2016				2015
	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec
Net sales	2,185	2,081	2,118	1,858	2,039	2,042	2,016	1,752	1,980
Growth, %	7	2	5	6	3	2	6	3	8
of which organic	7	2	2	4	1	4	8	5	3
of which acquisitions/divestments	0	-	-	-	0	-1	1	0	5
of which currency effects	0	0	3	2	2	-1	-3	-2	0
Operating profit before depreciation and amortisation	149	194	192	119	155	211	181	110	143
Operating profit	109	154	151	78	112	165	138	68	100
Adjusted operating profit	119	162	151	79	112	190	139	70	124
Earnings before tax	103	148	146	70	102	157	128	58	91
Profit for the period	84	115	106	42	79	109	86	32	63
Operating margin, %	5.0	7.4	7.1	4.2	5.5	8.1	6.8	3.9	5.1
Adjusted operating margin, %	5.4	7.8	7.1	4.3	5.5	9.3	6.9	4.0	6.3
Profit margin, %	4.7	7.1	6.9	3.8	5.0	7.7	6.4	3.3	4.6
Cash flow from operating activities	346	-58	162	-40	265	126	187	-79	266
Cash flow from operating activities per share, SEK	4.53	-0.76	2.12	-0.52	3.47	1.65	2.45	-1.03	3.48
Investments intangible assets and tangible fixed assets	27	21	21	31	39	32	33	21	45
Number of shares outstanding, thousands	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332
Average number of shares outstanding, thousands	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332
Earnings per share, SEK ¹⁾	1.10	1.51	1.39	0.55	1.04	1.43	1.13	0.42	0.82
Shareholders' equity attributable to parent company shareholders	4,129	3,961	3,909	3,919	3,848	3,768	3,593	3,554	3,509
Shareholders' equity attributable to non-controlling interests	1	1	1	1	1	1	2	2	2
Shareholders' equity per share, SEK	54.09	51.89	51.21	51.34	50.41	49.37	47.08	46.56	45.98
Net debt	1,305	1,502	1,449	1,459	1,396	1,647	1,716	1,760	1,657
Net debt/equity ratio, times	0.3	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5
Equity/asset ratio, %	53.4	51.0	50.5	51.0	51.3	48.1	48.3	49.1	49.1
Return on equity, %	8.8	8.8	8.8	8.5	8.4	8.1	9.3	8.9	8.8
Return on capital employed, %	8.8	8.8	9.1	8.8	8.8	8.6	9.3	8.8	8.6
Interest coverage ratio, times	14.7	17.6	16.4	8.3	10.6	16.2	13.0	6.2	9.2
Net debt/EBITDA, excluding one-off items and restructuring costs	2.2	2.3	2.2	2.4	2.5	2.5	2.7	2.9	3.1
Number of employees	5,083	5,103	5,122	5,143	5,136	5,216	5,140	5,100	5,066

SEK m	2017	2016	2015	2014
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Net sales	8,242	7,849	7,589	7,003
Growth, %	5	3	8	7
of which organic	4	4	2	5
of which acquisitions/divestments	0	0	4	0
of which currency effects	1	-1	2	2
Operating profit before depreciation and amortisation	654	657	637	625
Operating profit	492	483	469	467
Adjusted operating profit	511	511	463	497
Earnings before tax	467	445	431	386
Profit for the period	347	306	305	283
Operating margin, %	6.0	6.2	6.2	6.7
Adjusted operating margin, %	6.2	6.5	6.1	7.1
Profit margin, %	5.7	5.7	5.7	5.5
Cash flow from operating activities	410	499	460	278
Cash flow from operating activities per share, SEK	5.37	6.54	6.03	3.64
Investments intangible assets and tangible fixed assets	100	125	151	273
Number of shares outstanding, thousands	76,332	76,332	76,332	76,332
Average number of shares outstanding, thousands	76,332	76,332	76,332	76,332
Earnings per share, SEK ¹⁾	4.54	4.02	3.99	3.71
Shareholders' equity attributable to parent company shareholders	4,129	3,848	3,509	3,344
Shareholders' equity attributable to non-controlling interests	1	1	2	-
Shareholders' equity per share, SEK	54.09	50.41	45.98	43.81
Net debt	1,305	1,396	1,657	1,746
Net debt/equity ratio, times	0.3	0.4	0.5	0.5
Equity/asset ratio, %	53.4	51.3	49.1	48.0
Return on equity, %	8.8	8.4	8.8	9.0
Return on capital employed, %	8.8	8.8	8.6	8.9
Interest coverage ratio, times	14.1	11.4	9.7	5.9
Net debt/EBITDA, excluding one-off items and restructuring costs	2.2	2.5	3.1	2.9
Number of employees	5,083	5,136	5,066	4,536

1) Earnings per share is before and after dilution.

NOTE 1 ACCOUNTING POLICIES

The consolidated accounts for the interim report, like the annual accounts for 2016, have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board RFR 1, Supplementary Accounting Rules for Groups.

This interim report has been prepared in accordance with IAS 34. The Group has applied the same accounting policies as described in the Annual Report for 2016.

None of the new or amended standards, interpretations and improvements adopted by the EU have had any significant effect on the Group.

As of 1 January 2018, the Group will apply IFRS 15 Revenue from Contracts with Customers, which comes into force at that time. The new standard contains a comprehensive and principles-based five-step model for revenue recognition of customer contracts, which are not covered by other applicable standards. The core principle is that recognised revenue should reflect the expected consideration in connection with the performance of a contractual commitment and correspond to the consideration to which Lindab is entitled when transferring control of the products delivered to the customer.

In 2017, Lindab assessed the impact of the new standard by identifying and analysing the Group's most significant revenue streams. The result of the analysis was that revenue will essentially be recognised at the same time as under the current standard with respect to both Products & Solutions and Building Systems. There will be some small changes following the changed recognition time for certain revenue related components of customer contracts, but Lindab's assessment of these differences in the recognition between the different revenue standards, will be insignificant. Based on the completed analysis of the impact of IFRS 15 on Lindab's reported revenue, the impact is considered to be insignificant.

As of 1 January 2018, Lindab will apply IFRS 9 Financial Instruments which replaces IAS 39 Financial Instruments. IFRS 9 deals with the classification, measurement and recognition of financial assets and liabilities. The part of the standard which will affect the Group's measurement method is the new model for the calculation of credit loss provisions concerning financial assets. The change is that the current incurred loss method will be replaced by a new expected loss method. The effects of the transition to IFRS 9 are not considered to have any substantial impact on the Group's reported assets due to the nature of the receivables.

IFRS 16 Leases comes into force on 1 January 2019. Under this standard, virtually all leases must be presented in the statement of financial position. Lindab has not yet identified what impact, if any, IFRS 16 will have on the Group's financial position, but the balance sheet total will increase through activation of agreements that are currently classified as operating leases. The Group has no plans to early adopt IFRS 16.

The parent company's financial statements are prepared in accordance with the Annual Accounts Act and RFR 2, Accounting for legal entities, and according to the same accounting policies as were applied in the Annual Report for 2016.

Information reported in accordance with IAS 34 Interim Financial Reporting is provided in the notes and elsewhere in the interim report.

NOTE 2 EFFECTS OF CHANGES IN ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant estimates and assumptions are described in Note 4 of the Annual Report for 2016.

No changes have been made to these estimates or assumptions which could have a material impact on the interim report.

NOTE 3 BUSINESS COMBINATIONS

On 14 December 2017, the Irish company A.C. Manufacturing Ltd was acquired by Lindab. The company's activities mainly include production and sales of rectangular ventilation duct systems. The acquisition is part of Lindab's strategy to further focus on indoor climate solutions and strengthen the Group's position as a supplier of a complete range of ventilation products in selected geographical markets. With the addition of A.C. Manufacturing Ltd, Lindab now offers a full range of ventilation solutions and products in the Irish market. A.C. Manufacturing Ltd has its head office in Dublin, Ireland. The company has annual sales of approximately SEK 50 m and an expected annual operating profit of SEK 10 m. The company has around 30 employees.

The total acquisition cost for A.C. Manufacturing Ltd was SEK 87 m, of which 69 million was paid on completion of the acquisition in December. The remaining SEK 18 m comprise an unconditional additional purchase price of SEK 3 m and a conditional one of SEK 15 m. The conditional additional purchase price will be paid if future expectations regarding identified profitability levels are met during the period 2018-2020. The possible undiscounted amount of the future conditional additional purchase price is between SEK 0-15 m. On 31 December 2017, it was considered likely that a maximum profit would occur. Costs related to the acquisition process amount to SEK 3 m and are included in other operating expenses.

According to a preliminary analysis of the acquisition, the acquisition will result in goodwill of SEK 48 m. Among other things, the goodwill relates to market expertise, operation of the existing business and synergies resulting from Lindab's current activities in the ventilation area. None of the goodwill concerns deductible income tax paid. For a specification of acquired assets and liabilities at the date of acquisition as well as a preliminary acquisition price allocation, see the table below:

SEK m	Total acquisitions	
	31 Dec 2017	31 Dec 2016
Purchase price	87	-
Assets and liabilities included in acquisition		
Intangible fixed assets	20	-
Tangible fixed assets	15	-
Stock	3	-
Current assets	9	-
Cash and cash equivalents	5	-
Non-current liabilities	-2	-
Current liabilities	-11	-
Fair value acquired net assets	39	-
Goodwill	48	-

A.C. Manufacturing Ltd was consolidated into Lindab as of 14 December 2017. The acquisition of the company resulted in a sales increase of SEK 3 m for the Group from the acquisition date to 31 December 2017. The effect on the Group's profit for the period was marginal. If the acquisition had been completed on 1 January 2017, the Group's net sales would have increased by approximately SEK 49 m and the profit for the period by some SEK 5 m (exclusive of non-recurring items). A.C. Manufacturing Ltd is part of the Products & Solutions segment.

On 6 December 2017, the Swedish subsidiary Lindab Innovation AB with its head office in Båstad, Sweden, was divested. The company's business was to manage patents, but the company has been dormant. An amount of SEK 0 m was received as part of the divestment, corresponding to the company's shareholders' equity and balance sheet total.

Lindab Innovation AB was part of Lindab up to and including November 2017. The company was dormant and had neither generated sales nor had any impact on the Group's profit for the period during the year.

No acquisitions or divestments were made by Lindab in 2016.

NOTE 4 OPERATING SEGMENTS

The Group's segments comprise Products & Solutions and Building Systems. The basis for the division into segments is the different customer offerings provided by each segment. Products & Solutions' business is based on a geographically distributed sales organisation supported by six product and system areas with central production and purchasing functions. The Building Systems segment consists of a separately integrated project organisation. The Other segment comprises parent company functions.

Information about earnings from external customers and adjusted operating profit by operating segment is shown in the tables on page 6.

Earnings from other segments represent only small amounts and a breakdown of these amounts by segment is therefore deemed irrelevant.

Inter-segment transfer pricing is determined on an arms-length basis, i.e. between parties that are independent of one another, are well informed and have an interest in the implementation of the transaction. Assets and investments are reported wherever the asset is located.

Assets and liabilities per segment that have changed by more than 10 percent compared with the end of 2016 are shown below:

- Products & Solutions: Other receivables increased by 10 percent.
- Building Systems: Stock increased by 16 percent, and Other assets decreased by 13 percent.

NOTE 5 TRANSACTIONS WITH RELATED PARTIES

Lindab's related parties and the extent of transactions with its related parties are described in Note 29 of the Annual Report for 2016.

At the Annual General Meeting in May 2017, it was resolved to establish a warrant programme for senior executives. Under the programme, 75,000 warrants were acquired by senior executives during the second quarter. See more under Warrant programme.

During the year, there have been no other transactions between Lindab and related parties which have had a significant impact on the company's position and profit.

This interim report for Lindab International AB (publ) has been submitted following approval by the Board of Directors.

Båstad, 7 February 2018

Fredrik von Oelreich

Acting President and CEO

Auditor's review report

Introduction

We have reviewed the interim report for Lindab International AB (publ), org nr 556606-5446, for the period 1 January 2017 to 31 December 2017. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act and for the parent company in accordance with the Annual Accounts Act.

Gothenburg, 7 February 2018

Deloitte AB

Hans Warén

Authorised Public Accountant

Reconciliations, key performance indicators not defined according to IFRS

The company presents certain financial measures in the interim report which are not defined according to IFRS. The company considers these measures to provide valuable supplementary information for investors and the company's management as they enable the assessment of relevant trends. Lindab's definitions of these measures may differ from other companies' definitions of the same terms. These financial measures should therefore be seen as a supplement rather than as a replacement for measures defined according to IFRS. Definitions of measures which are not defined according to IFRS and which are not mentioned elsewhere in the interim report are presented below. Reconciliation of these measures is shown in the tables below. As the amounts in the tables below have been rounded off to SEK m, the calculations do not always add up due to round-off.

Operating profit excluding one-off items is replaced by Adjusted operating profit as of the second quarter 2017. The monetary value is the same, but the definition has been changed as the company recognises one-off items and significant restructuring costs separately to describe the results of the underlying activities.

Reconciliations

Amounts in SEK m unless otherwise indicated.

	2017	2016	2017	2016
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Interest coverage ratio, times				
Earnings before tax	103	102	467	445
Interest expenses	8	11	36	43
Total	111	113	503	488
Interest expenses	8	11	36	43
Interest coverage ratio, times	14.7	10.6	14.1	11.4
Net debt			31 Dec 2017	31 Dec 2016
Non-current interest-bearing provisions for pensions and similar obligations			226	211
Non-current liabilities to credit institutions			1,397	1,625
Current other interest-bearing liabilities			73	35
Total liabilities			1,696	1,871
Financial interest-bearing fixed assets			43	45
Other interest-bearing receivables			6	12
Cash and cash equivalents			342	418
Total assets			391	475
Net debt			1,305	1,396
Net debt/EBITDA			2017	2016
Average net debt			1,474	1,695
Adjusted operating profit, rolling tw elve months			511	511
Depreciation/amortisation and impairment losses, rolling tw elve months			162	174
EBITDA			673	685
Net debt/EBITDA, times			2.2	2.5
One-off items and restructuring costs				
	2017	2016	2017	2016
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Operating profit	109	112	492	483
Products & Solutions	-	-	-	-24
Building Systems	-	-	-	-
Other operations	-10	-	-19	-4
Adjusted operating profit	119	112	511	511
Operating profit has been adjusted by the following one-off items and restructuring costs per quarter:				
1/2017	SEK -1 m relating to governance projects.			
2/2017	SEK 0 m. The quarter has not been affected by one-off items and/or restructuring costs.			
3/2017	SEK -8 m relating to severance costs for the President and CEO but also governance projects.			
4/2017	SEK -10 m relating to the evaluation of structural alternatives and governance projects.			
1/2016	SEK -2 m relating to governance projects.			
2/2016	SEK -1 m relating to governance projects.			
3/2016	SEK -25 m relating to cost reduction initiatives and governance projects.			
4/2016	SEK 0 m. The quarter has not been affected by one-off items and/or restructuring costs.			
Operating profit before depreciation/amortisation - EBITDA				
	2017	2016	2017	2016
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Operating profit	109	112	492	483
Depreciation/amortisation and impairment losses	40	43	162	174
Operating profit before depreciation/amortisation - EBITDA	149	155	654	657
Organic growth				
	2017	2016	2017	2016
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Change Net sales	146	59	393	260
Of w hich				
Organic	143	15	287	322
Acquisitions/divestments	3	0	3	8
Currency effects	0	44	103	-70

	31 Dec 2017	31 Dec 2016
Return on capital employed		
Total assets	7,731	7,503
Provisions	109	112
Other non-current liabilities	19	4
Total non-current liabilities	128	116
Provisions	22	17
Accounts payable	864	837
Other current liabilities	891	813
Total current liabilities	1,777	1,667
Capital employed	5,826	5,720
Earnings before tax, rolling twelve months	467	445
Financial expenses, rolling twelve months	45	49
Total	512	494
Average capital employed	5,784	5,642
Return on capital employed, %	8.8	8.8
Return on shareholders' equity		
Profit for the period, rolling twelve months	347	306
Average shareholders' equity	3,954	3,655
Return on shareholders' equity, %	8.8	8.4

Definitions

Key performance indicator according to IFRS

Earnings per share, SEK

Profit for the period attributable to parent company shareholders to average number of shares outstanding.

Key performance indicators not defined according to IFRS

Adjusted operating margin

Adjusted operating profit expressed as a percentage of net sales.

Adjusted operating profit

Operating profit adjusted for one-off items and restructuring costs when the amount is significant in size.

Cash flow from operating activities per share, SEK

Cash flow from operating activities to number of shares outstanding at the end of the period.

Equity/asset ratio

Shareholders' equity including non-controlling interests, expressed as a percentage of total assets.

Interest coverage ratio, times

Earnings before tax plus interest expense to interest expense.

Investments in intangible assets and tangible fixed assets

Investments excluding acquisitions and divestments of companies.

Net debt

Interest-bearing provisions and liabilities less interest-bearing assets and cash and cash equivalents.

Net debt/EBITDA

Average net debt in relation to EBITDA, excluding one-off items and restructuring costs, based on a rolling twelve-month calculation.

Net debt/equity ratio

Net debt to shareholders' equity including non-controlling interests.

One-off items and restructuring costs

Items not included in the ordinary business transactions and when each amount is significant in size and therefore has an effect on the profit or loss and key performance indicators, are classified as one-off items and restructuring costs.

Operating margin

Operating profit expressed as a percentage of net sales.

Operating profit

Profit before financial items and tax.

Operating profit before depreciation/amortisation - EBITDA

Operating profit before planned depreciation/amortisation.

Organic growth

Change in sales adjusted for currency effects as well as acquisitions and divestments compared with the same period of the previous year.

Profit margin

Earnings before tax expressed as a percentage of net sales.

Return on capital employed

Earnings before tax after adding back financial expenses based on a rolling twelve-month calculation, expressed as a percentage of average capital employed¹⁾. Capital employed refers to total assets less non-interest-bearing provisions and liabilities.

Return on shareholders' equity

Profit for the period attributable to parent company shareholders based on a rolling twelve-month calculation, expressed as a percentage of average shareholders' equity¹⁾ attributable to parent company shareholders.

Shareholders' equity per share, SEK

Shareholders' equity attributable to parent company shareholders to number of shares outstanding at the end of the period.

1) Average capital is based on the quarterly value.

Financial calendar

Annual Report	March 2018, week 13
Interim Report January-March	3 May 2018
Annual General Meeting	3 May 2018
Interim Report January-June	19 July 2018
Interim Report January-September	25 October 2018

All financial reports will be published at www.lindab.com.

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For more information, please also visit www.lindab.com.

Lindab in brief

The Group had sales of SEK 8,242 m in 2017 and is established in 32 countries with approximately 5,100 employees.

The main market is non-residential construction, which accounts for 80 percent of sales, while residential construction accounts for 20 percent of sales. During 2017, the Nordic region accounted for 46 percent, Western Europe for 33 percent, CEE/CIS (Central and Eastern Europe plus other former Soviet states) for 18 percent and Other markets for 3 percent of total sales.

The share is listed on the Nasdaq OMX Nordic Exchange, Stockholm List, Mid Cap, under the ticker symbol LIAB.

Business concept

Lindab develops, manufactures, markets and distributes products and system solutions for simplified construction and improved indoor climate.

Business model

Lindab's product and solution offering includes products and entire systems for ventilation, cooling and heating, as well as construction products and building solutions such as steel rainwater systems, roofing and wall cladding, steel profiles for wall, roof and beam constructions and large span buildings. Lindab also offers complete, pre-engineered steel construction

systems under the Astron brand. These are complete building solutions comprising the outer shell with the main structure, wall, roof and accessories.

Lindab's products are characterised by high quality, ease of assembly, energy efficiency and environmentally friendly design and are delivered with high levels of service. Altogether, this provides greater customer value.

Lindab's value chain is characterised by a good balance between centralised and decentralised functions. The distribution has been developed in order to be close to the customer. Sales are made through around 140 Lindab branches and approximately 3,000 retailers, with the exception of Building Systems, which conducts sales through a network of nearly 300 building contractors.

The Year-End Report provided here represents information that Lindab International AB (publ) is obliged to make public under the EU's market abuse regulation and the Securities Market Act. This information was made public by the above-mentioned contacts on 8 February 2018 at 07.40 (CET).

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