

# Lindab International AB (publ) Interim Report

## First quarter 2018

- Net sales increased by 16 percent to SEK 2,153 m (1,858), of which organic growth amounted to 13 percent.
- Adjusted<sup>1)</sup> operating profit increased by 32 percent to SEK 104 m (79). The operating profit amounted to SEK 71 m (78).
- Adjusted<sup>1)</sup> operating margin amounted to 4.8 percent (4.3).
- Profit for the period increased by 10 percent to SEK 46 m (42).
- Earnings per share, before and after dilution, increased to SEK 0.60 (0.55).
- Cash flow from operating activities amounted to SEK 42 m (-40).
- In January 2018 Ola Ringdahl was appointed new President and CEO of Lindab International AB. Ola will take office 18 June, replacing acting President and CEO Fredrik von Oelreich.

1) Adjusted operating profit/operating margin excludes significant one-off items and restructuring costs. See Reconciliations.

## A word from the CEO

In the first quarter, Lindab showed strong organic growth of 13 percent, despite fewer invoicing days as a result of the early Easter. The adjusted operating profit increased by SEK 25 m to SEK 104 m (79).

Products & Solutions sales developed positively with 8 percent organic growth. Operating profit amounted to SEK 118 m (117). Sweden, our largest market, showed a growth of 16 percent, mainly as a result of deliveries of a large Building Solutions project. Among the more important markets in eastern Europe, Poland, Hungary, Czech Republic and Romania all showed organic growth of over 10 percent. All product areas showed growth, with the exception of Rainwater and Building Products, which were negatively affected by the cold winter in the Nordic countries.

The organic growth of Building Systems amounted to 56 percent, driven by large deliveries in Russia. Operating profit improved significantly by SEK 26 m and amounted to SEK 0 m (-26). The implementation of the turnaround programme is on track and gradually began to take effect towards the end of the period. The market continues to develop well and during the period we concluded seven major agreements for orders worth over SEK 10 m. The total backlog was higher at the end of the quarter compared with the same period previous year.

The strategic assessment of our non-ventilation related businesses has entered a new phase, in which the possible option to divest Building Systems is being evaluated.

Price increases have been implemented during the first quarter with further price increases to be implemented during the second quarter. We note that steel prices have begun to increase again, which may result in a need for additional price increases.

Lindab's broader product range and the focus on complete ventilation solutions have been well received by the market, as recently indicated at the international trade fair in Milan, Mostra Convegno Expocomfort. We consistently invest in this area in order to strengthen our offering and move higher up in the value chain.

Grevie, May 2018



Fredrik von Oelreich  
Acting President and CEO

## Comments on the report

### Sales and markets

Net sales increased by 16 percent to SEK 2,153 m (1,858) during the first quarter. Sales was positively impacted by an organic growth of 13 percent; acquisitions contributed by almost 1 percent and currency by 2 percent.

Sales development was very positive in both segments during the quarter. Sales in Products & Solutions increased by 8 percent organically, while Building Systems increased by 56 percent organically. All geographical regions showed positive growth.

### Profit

The adjusted operating profit for the first quarter increased by 32 percent to SEK 104 m (79). One-off items and restructuring costs amounted to SEK -33 m (-1) – see Reconciliations. The adjusted operating margin improved to 4.8 percent (4.3).

The higher operating profit for the Group was primarily a result of increased volume in Building Systems, whose adjusted operating profit improved to SEK 0 m (-26). Operating profit for Products & Solutions amounted to SEK 118 m (117); however the increase in volume was partially offset by an unfavourable product mix.

Profit for the period increased by 10 percent to SEK 46 m (42) and earnings per share increased to SEK 0.60 (0.55).

### 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/amortisation and impairment losses were in line with the previous year and amounted to SEK 43 m (41), of which SEK 9 m (9) related to intangible assets.

### Tax

Tax on profit for the quarter decreased to SEK 22 m (28). Profit before tax amounted to SEK 68 m (70). The effective tax rate was 32 percent (40). The average tax rate was 17 percent (18). The lower effective tax rate during the period compared with the previous year is mainly explained by improved results in some countries, which generated lower amounts of unrecognised carry-forward tax losses. The higher effective tax rate compared with the average tax rate is explained primarily by the fact that Lindab has

not been able to fully utilise carry-forward tax losses in the period in order to reduce the total tax expense.

### Cash flow

Cash flow from the operating activities amounted to SEK 42 m (-40), which was an improvement of SEK 82 m compared with the corresponding period of the previous year. The positive cash flow development was related primarily to the change in working capital during the period. Both accounts payable and accrued expenses increased substantially, mainly as a result of increased purchase volumes and project related costs associated with sales during the period. Capital tied up in operating receivables increased, however not to the same extent as the increase in net sales. This is partly explained by a greater proportion of customer advances relative to net sales as well as product mix.

Financing activities showed a net cash flow of SEK -2 m (86), which was entirely related to the movement in net change borrowings.

### Investments

Investments in intangible assets and tangible fixed assets amounted to SEK 24 m (31), of which SEK 6 m (8) related to investments in intangible assets such as IT-related projects. Investments in tangible fixed assets decreased by SEK 5 m relative to the same period in the prior year, mainly as a result of larger investments in machinery in production units during the first quarter of 2017. During the period, assets corresponding to SEK 3 m (0) were disposed of. Net cash flow from investing activities amounted to SEK -21 m (-31) for the period.

### Business combinations

There have been no acquisitions or divestments during the current year.

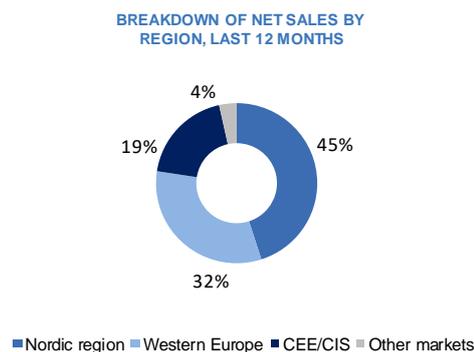
During the fourth quarter of 2017, Lindab acquired the Irish ventilation company A.C. Manufacturing Ltd. This acquisition was carried out in line with the strategy to further focus on indoor climate solutions and in order to strengthen Lindab's position as a complete supplier of ventilation products in selected geographical areas. During the same quarter the dormant company Lindab Innovation AB was divested.

For further information, see note 3.

### Financial position

On 31 March 2018, net debt amounted to SEK 1,369 m (1,459). Currency effects increased net debt by SEK 58 m (-6) during the quarter. The equity/asset ratio amounted to 52 percent (51) and the net debt/equity ratio amounted to 0.3 (0.4). Net financial items for the quarter amounted to SEK -3 m (-8). The improvement was primarily related to a lower interest rate on loans.

The existing credit agreements of SEK 1,700 m with Nordea and Danske Bank and EUR 50 m with Raiffeisen Bank International expire in the third quarter of 2020. The agreements contain



financial covenants, which are monitored quarterly. Lindab fulfilled all the terms on 31 March 2018.

### Pledged assets and contingent liabilities

There have not been any significant changes to pledged assets and contingent liabilities in 2018.

### Parent company

Net sales during the quarter amounted to SEK 1 m (1). Profit for the period amounted to SEK -4 m (-6).

### Significant risks and uncertainties

There have been no significant changes to what was stated by Lindab in the Annual Report for 2017, under 'Risks and risk management' (pages 60-62).

### Employees

The number of employees at the end of the quarter, calculated as full-time equivalent employees, was 5,132 (5,143). Adjusted for acquisitions and divestments, the net reduction in the number of employees was 41 compared with the corresponding quarter of the previous year.

### The Lindab Share

The highest price paid for Lindab shares during the period January-March was SEK 72.80 on 9 January and 11 January and the lowest was SEK 61.50 on 23 March. The closing price on 31 March was SEK 63.10. The average daily trading volume of the Lindab share was 112,820 shares per day (132,784).

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 9.3 percent (10.4), Handelsbanken Fonder with 7.9 percent (6.5) and IF Skadeförsäkring with 5.1 percent (5.1). The ten largest holdings constitute 61.0 percent (58.0) of the shares, excluding Lindab's own holding.

### 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 has been sent out via press release.

### 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 January 2018, Ola Ringdahl was appointed new President and CEO of Lindab International AB. Ola will take office 18 June, replacing acting President and CEO Fredrik von Oelreich.

In February 2018, CFO Kristian Aceby announced his resignation, and will leave the company during the third quarter. Recruitment of a permanent CFO is in progress.

There are no other events to report.

### Significant events after the reporting period

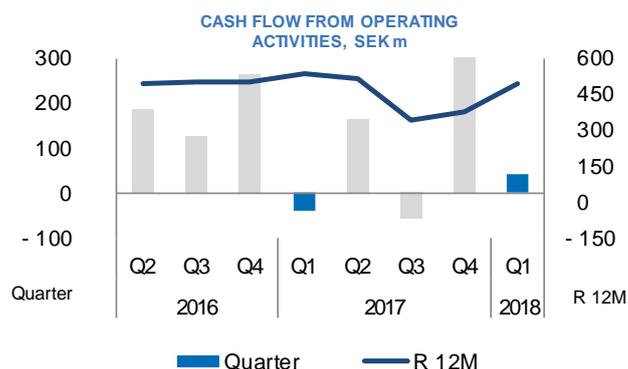
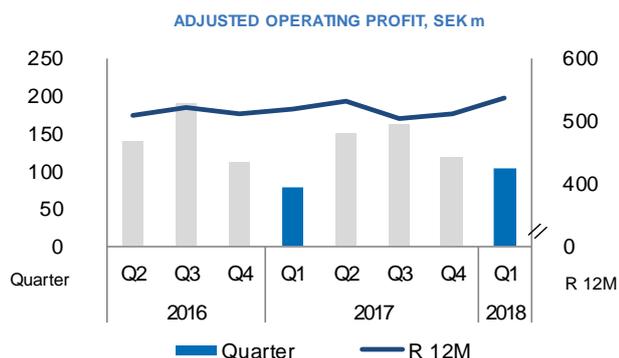
There are no events to report.

### 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 not 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 first quarter amounted to SEK 1,897 m (1,695), an increase of 12 percent of which organic growth amounted to 8 percent.
- Adjusted operating margin for the first quarter amounted to 6.2 percent (6.9).

## Sales and markets

Net sales of Products & Solutions increased by 12 percent to SEK 1,897 m (1,695) during the first quarter. Organic growth was 8 percent, while acquisitions contributed 1 percent and currency 3 percent.

Sales increased in all regions, with particularly strong growth in CEE/CIS and the Nordic countries.

The strong growth in the Nordic countries was primarily attributable to the segment's largest market, Sweden, followed by Finland, while demand weakened slightly in Norway. The particularly strong growth in Sweden was positively affected by a large project within Building Solutions.

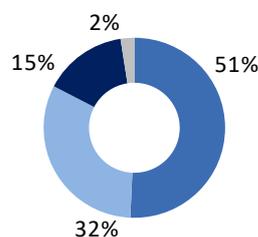
Important markets in western Europe such as UK and Germany showed good growth during the quarter, while sales decreased slightly in Italy and Switzerland. The combined growth rate for the region declined in comparison with the previous quarter.

The CEE/CIS region continued to experience very strong growth compared with the same period in the prior year. The four largest markets in the region, Poland, Hungary, Czech Republic and Romania, each achieved organic growth of over 10 percent during the quarter.

For the segment as a whole, the positive sales development in ventilation continued, with increased sales in all product areas. In particular the product area with the strongest growth was the more project based Building Solutions, with large deliveries in Sweden and the CEE/CIS region. On the other hand, sales of the most weather dependent product area, Rainwater and Building Products, decreased during the quarter, which can be explained primarily by the harsh winter weather.



BREAKDOWN OF NET SALES BY REGION, LAST 12 MONTHS



■ Nordic region ■ Western Europe ■ CEE/CIS ■ Other markets

## Profit

Products & Solutions adjusted operating profit increased to SEK 118 m (117) during the first quarter. The adjusted operating margin amounted to 6.2 percent (6.9) during the same period.

The operating profit was the highest for a first quarter since the construction boom experienced in 2008. The change in operating margin is explained by a lower gross margin, which was influenced negatively by the product mix and higher steel prices.

## Activities - Products & Solutions

During the quarter, Lindab participated in the Mostra Convegno Expocomfort trade fair in Milan, Italy. MCE is an international trade fair with a focus on advanced technical solutions for heating, ventilation and energy efficiency. During the fair, a complete HVAC system including the entire air flow was presented, as was the next generation of UltraLink, which includes Bluetooth as a communication tool.

In Germany a new, modern branch in Frankfurt was established during the quarter. The new branch has a broader product range than before, in order to meet customer needs, but also to give a higher level of service and greater flexibility.

## Building Systems

- Net sales amounted to SEK 256 m (163) during the first quarter, an increase of 57 percent of which organic growth amounted to 56 percent.
- Adjusted operating margin for the first quarter amounted to 0.0 percent (-16.0).

## Sales and markets

Net sales for Building Systems increased by 57 percent to SEK 256 m (163) during the first quarter of which organic growth amounted to 56 percent, and currency had a positive effect of 1 percent.

The majority of the strong growth is explained by a continued positive trend in Russia. Austria and Africa are other markets that showed particularly good growth during the quarter, while sales declined in markets such as Germany and Poland.

The total backlog was higher compared with the same quarter of the previous year. The majority of the increase in backlog relates to planned deliveries expected in the second half of 2018.



**Profit**

During the first quarter, Building Systems' adjusted operating profit improved to SEK 0 m (-26). Adjusted operating margin amounted to 0.0 percent (-16.0) during the same period.

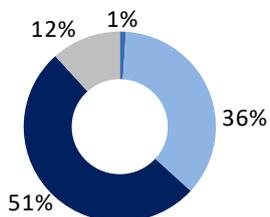
The improved result is explained primarily by increased volume, but also by improved gross margin.

**Activities - Building Systems**

During the quarter, Building Systems concluded agreements for seven major orders, each worth over SEK 10 m: four in the CIS, two in western Europe and one in CEE.

The implementation of the previously announced turnaround programme commenced during the quarter, and will continue for a period of two years.

**BREAKDOWN OF NET SALES BY REGION, LAST 12 MONTHS**



■ Nordic Region ■ Western Europe ■ CEE/CIS ■ Other markets

**NET SALES AND GROWTH**

<i>SEK m</i>	2018		2017		2017	
	Jan-Mar		Jan-Mar		Jan-Dec	
Net sales	2,153		1,858		8,242	
Change	295		106		393	
Change, %	16		6		5	
Of which						
Organic, %	13		4		4	
Acquisitions/divestments, %	1		-		0	
Currency effects, %	2		2		1	

**NET SALES PER REGION**

<i>SEK m</i>	2018		2017		2017	
	Jan-Mar	%	Jan-Mar	%	Jan-Dec	%
Nordic region	981	45	888	48	3,752	46
Western Europe	702	33	638	34	2,699	33
CEE/CIS	387	18	281	15	1,524	18
Other markets	83	4	51	3	267	3
<b>Total</b>	<b>2,153</b>	<b>100</b>	<b>1,858</b>	<b>100</b>	<b>8,242</b>	<b>100</b>

**NET SALES PER SEGMENT**

<i>SEK m</i>	2018		2017		2017	
	Jan-Mar	%	Jan-Mar	%	Jan-Dec	%
Products & Solutions	1,897	88	1,695	91	7,360	89
Building Systems	256	12	163	9	882	11
Other operations	-	-	-	-	-	-
<b>Total</b>	<b>2,153</b>	<b>100</b>	<b>1,858</b>	<b>100</b>	<b>8,242</b>	<b>100</b>
<b>Gross internal sales all segments</b>	<b>0</b>		<b>0</b>		<b>0</b>	

**OPERATING PROFIT, OPERATING MARGIN AND EARNINGS BEFORE TAX**

<i>SEK m</i>	2018		2017		2017	
	Jan-Mar	%	Jan-Mar	%	Jan-Dec	%
Products & Solutions	118	6.2	117	6.9	590	8.0
Building Systems	0	0.0	-26	-16.0	-42	-4.8
Other operations	-14	-	-12	-	-37	-
<b>Adjusted operating profit</b>	<b>104</b>	<b>4.8</b>	<b>79</b>	<b>4.3</b>	<b>511</b>	<b>6.2</b>
One-off items and restructuring costs <sup>1)</sup>	-33	-	-1	-	-19	-
<b>Operating profit</b>	<b>71</b>	<b>3.3</b>	<b>78</b>	<b>4.2</b>	<b>492</b>	<b>6.0</b>
Net financial items	-3	-	-8	-	-25	-
<b>Earnings before tax</b>	<b>68</b>	<b>-</b>	<b>70</b>	<b>-</b>	<b>467</b>	<b>-</b>

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

**NUMBER OF EMPLOYEES**

	2018		2017		2017	
	Jan-Mar		Jan-Mar		Jan-Dec	
Products & Solutions	4,377		4,395		4,329	
Building Systems	686		683		688	
Other operations	69		65		66	
<b>Total</b>	<b>5,132</b>		<b>5,143</b>		<b>5,083</b>	

## Consolidated income statement

<i>SEK m</i>	2018	2017	Rolling 12 M	Rolling 12 M	2017
	Jan-Mar	Jan-Mar	2017 Apr- 2018 Mar	2016 Apr- 2017 Mar	Jan-Dec
Net sales	2,153	1,858	8,537	7,955	8,242
Cost of goods sold	-1,608	-1,361	-6,304	-5,792	-6,057
<b>Gross profit</b>	<b>545</b>	<b>497</b>	<b>2,233</b>	<b>2,163</b>	<b>2,185</b>
Other operating income	20	14	85	75	79
Selling expenses	-281	-267	-1,082	-1,070	-1,068
Administrative expenses	-137	-133	-540	-522	-536
R & D expenses	-17	-18	-67	-68	-68
Other operating expenses	-59	-15	-144	-85	-100
<b>Total operating expenses</b>	<b>-474</b>	<b>-419</b>	<b>-1,748</b>	<b>-1,670</b>	<b>-1,693</b>
<b>Operating profit<sup>1)</sup></b>	<b>71</b>	<b>78</b>	<b>485</b>	<b>493</b>	<b>492</b>
Interest income	4	3	20	12	19
Interest expenses	-6	-10	-32	-42	-36
Other financial income and expenses	-1	-1	-8	-6	-8
<b>Financial items</b>	<b>-3</b>	<b>-8</b>	<b>-20</b>	<b>-36</b>	<b>-25</b>
<b>Earnings before tax</b>	<b>68</b>	<b>70</b>	<b>465</b>	<b>457</b>	<b>467</b>
Tax on profit for the period	-22	-28	-114	-141	-120
<b>Profit for the period</b>	<b>46</b>	<b>42</b>	<b>351</b>	<b>316</b>	<b>347</b>
–attributable to the parent company's shareholders	46	42	351	316	347
–attributable to non-controlling interests	0	0	0	0	0
<b>Earnings per share, SEK<sup>2)</sup></b>	<b>0.60</b>	<b>0.55</b>	<b>4.60</b>	<b>4.15</b>	<b>4.54</b>

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>	2018	2017	Rolling 12 M	Rolling 12 M	2017
	Jan-Mar	Jan-Mar	2017 Apr- 2018 Mar	2016 Apr- 2017 Mar	Jan-Dec
<b>Profit for the period</b>	<b>46</b>	<b>42</b>	<b>351</b>	<b>316</b>	<b>347</b>
<b>Items that will not be reclassified to the income statement</b>					
Actuarial gains/losses, defined benefit plans	-	-	-9	-27	-9
Deferred tax attributable to defined benefit plans	-	-	3	6	3
<b>Sum</b>	<b>-</b>	<b>-</b>	<b>-6</b>	<b>-21</b>	<b>-6</b>
<b>Items that will later be reclassified to the income statement</b>					
Translation differences, foreign operations	168	28	203	199	63
Hedges of net investments	-55	2	-78	-44	-21
Tax attributable to hedges of net investments	12	-1	17	9	4
<b>Sum</b>	<b>125</b>	<b>29</b>	<b>142</b>	<b>164</b>	<b>46</b>
<b>Other comprehensive income, net of tax</b>	<b>125</b>	<b>29</b>	<b>136</b>	<b>143</b>	<b>40</b>
<b>Total comprehensive income</b>	<b>171</b>	<b>71</b>	<b>487</b>	<b>459</b>	<b>387</b>
–attributable to the parent company's shareholders	171	71	487	459	387
–attributable to non-controlling interests	0	0	0	0	0

## Consolidated statement of cash flow

<i>SEK m</i>	2018 Jan-Mar	2017 Jan-Mar	Rolling 12 M 2017 Apr- 2018 Mar	Rolling 12 M 2016 Apr- 2017 Mar	2017 Jan-Dec
<b>OPERATING ACTIVITIES</b>					
Operating profit	71	78	485	493	492
Reversal of depreciation/amortisation and impairment losses	43	41	164	173	162
Reversal of capital gains (-) / losses (+) reported in operating profit	-2	0	-11	-14	-9
Provisions, not affecting cash flow	13	-1	23	-14	9
Adjustment for other items not affecting cash flow	-1	2	-11	5	-8
<b>Total</b>	<b>124</b>	<b>120</b>	<b>650</b>	<b>643</b>	<b>646</b>
Interest received	4	3	20	12	19
Interest paid	-6	-9	-30	-39	-33
Tax paid	-43	-31	-134	-112	-122
<b>Cash flow before change in working capital</b>	<b>79</b>	<b>83</b>	<b>506</b>	<b>504</b>	<b>510</b>
<b>Change in working capital</b>					
Stock (increase - /decrease +)	-51	-63	-69	-82	-81
Operating receivables (increase - /decrease +)	-123	-92	-130	-33	-99
Operating liabilities (increase + /decrease -)	137	32	185	149	80
<i>Total change in working capital</i>	<i>-37</i>	<i>-123</i>	<i>-14</i>	<i>34</i>	<i>-100</i>
<b>Cash flow from operating activities</b>	<b>42</b>	<b>-40</b>	<b>492</b>	<b>538</b>	<b>410</b>
<b>INVESTING ACTIVITIES</b>					
Acquisition of Group companies	-	-	-64	-	-64
Divestment of Group companies	-	-	0	-	0
Investments in intangible assets	-6	-8	-19	-25	-21
Investments in tangible fixed assets	-18	-23	-74	-110	-79
Change in financial fixed assets	0	0	0	0	0
Disposal of intangible assets	0	0	0	0	0
Disposal of tangible fixed assets	3	0	36	32	33
<b>Cash flow from investing activities</b>	<b>-21</b>	<b>-31</b>	<b>-121</b>	<b>-103</b>	<b>-131</b>
<b>FINANCING ACTIVITIES</b>					
Proceeds from borrowings	-	86	1,570	86	1,656
Repayment of borrowings	-2	-	-1,912	-235	-1,910
Issue of warrants	-	-	1	-	1
Dividends to shareholders	-	-	-107	-95	-107
<b>Cash flow from financing activities</b>	<b>-2</b>	<b>86</b>	<b>-448</b>	<b>-244</b>	<b>-360</b>
<b>Cash flow for the period</b>	<b>19</b>	<b>15</b>	<b>-77</b>	<b>191</b>	<b>-81</b>
Cash and cash equivalents at start of the period	342	418	437	230	418
Effect of exchange rate changes on cash and cash equivalents	15	4	16	16	5
<b>Cash and cash equivalents at end of the period</b>	<b>376</b>	<b>437</b>	<b>376</b>	<b>437</b>	<b>342</b>

## Consolidated statement of financial position

<i>SEK m</i>	31 Mar 2018	31 Mar 2017	31 Dec 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	3,164	2,966	3,059
Other intangible assets	137	122	136
Tangible fixed assets	1,314	1,301	1,285
Financial interest-bearing fixed assets	42	45	43
Other financial fixed assets	89	74	81
<b>Total non-current assets</b>	<b>4,746</b>	<b>4,508</b>	<b>4,604</b>
<b>Current assets</b>			
Stock	1,343	1,226	1,256
Accounts receivable	1,491	1,326	1,363
Other current assets	245	175	160
Other interest-bearing receivables	15	20	6
Cash and cash equivalents	376	437	342
<b>Total current assets</b>	<b>3,470</b>	<b>3,184</b>	<b>3,127</b>
<b>TOTAL ASSETS</b>	<b>8,216</b>	<b>7,692</b>	<b>7,731</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity attributable to parent company shareholders	4,300	3,919	4,129
Non-controlling interests	1	1	1
<b>Total shareholders' equity</b>	<b>4,301</b>	<b>3,920</b>	<b>4,130</b>
<b>Non-current liabilities</b>			
Interest-bearing provisions for pensions and similar obligations	230	211	226
Liabilities to credit institutions	1,533	1,625	1,397
Provisions	120	109	109
Other non-current liabilities	20	3	19
<b>Total non-current liabilities</b>	<b>1,903</b>	<b>1,948</b>	<b>1,751</b>
<b>Current liabilities</b>			
Other interest-bearing liabilities	39	125	73
Provisions	28	15	22
Accounts payable	1,012	856	864
Other current liabilities	933	828	891
<b>Total current liabilities</b>	<b>2,012</b>	<b>1,824</b>	<b>1,850</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>8,216</b>	<b>7,692</b>	<b>7,731</b>

### Financial instruments at fair value through the income statement

<i>SEK m</i>	31 Mar 2018		31 Mar 2017		31 Dec 2017	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Disclosures regarding the fair value by class</b>						
<b>Financial assets</b>						
Derivative receivables	14	14	19	19	6	6
<b>Financial liabilities</b>						
Liabilities to credit institutions	1,499	1,505	1,590	1,592	1,365	1,371
Derivative liabilities	14	14	1	1	3	3

#### 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 forward 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 of the valuation hierarchy.

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

## Consolidated statement of changes in equity

### Shareholders' equity attributable to parent company shareholders

<i>SEK m</i>	Share- capital	Other contributed capital	Foreign cur- rency transla- tion reserve	Profit brought forward incl. profit for the year	Total	Non- controlling interests	Total shareholders' equity
<b>Opening balance, 1 January 2017</b>	<b>79</b>	<b>2,260</b>	<b>106</b>	<b>1,403</b>	<b>3,848</b>	<b>1</b>	<b>3,849</b>
Profit for the period				42	42	0	42
Other comprehensive income, net of tax							
Translation differences, foreign operations			28		28	0	28
Hedges of net investments			1		1	-	1
<i>Total comprehensive income</i>	-	-	29	42	71	0	71
<b>Closing balance, 31 March 2017</b>	<b>79</b>	<b>2,260</b>	<b>135</b>	<b>1,445</b>	<b>3,919</b>	<b>1</b>	<b>3,920</b>
Profit for the period				305	305	0	305
Other comprehensive income, net of tax							
Actuarial gains/losses, defined benefit plans				-6	-6	-	-6
Translation differences, foreign operations			35		35	0	35
Hedges of net investments			-18		-18	-	-18
<i>Total comprehensive income</i>	-	-	17	299	316	0	316
Dividend to shareholders				-107	-107	-	-107
Issue of warrants				1	1	-	1
<i>Total transactions with shareholders</i>	-	-	-	-106	-106	-	-106
<b>Closing balance, 31 December 2017</b>	<b>79</b>	<b>2,260</b>	<b>152</b>	<b>1,638</b>	<b>4,129</b>	<b>1</b>	<b>4,130</b>
Profit for the period				46	46	0	46
Other comprehensive income, net of tax							
Translation differences, foreign operations			168		168	0	168
Hedges of net investments			-43		-43	-	-43
<i>Total comprehensive income</i>	-	-	125	46	171	0	171
<b>Closing balance, 31 March 2018</b>	<b>79</b>	<b>2,260</b>	<b>277</b>	<b>1,684</b>	<b>4,300</b>	<b>1</b>	<b>4,301</b>

### 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.

### Proposed appropriation of profits

Lindab's Board of Directors proposes that the Annual General Meeting on 3 May 2018 approves a dividend of SEK 1.55 per share and that the remaining retained earnings are carried forward.

# Parent company

## Income statement

<i>SEK m</i>	2018 Jan-Mar	2017 Jan-Mar	2017 Jan-Dec
Net sales	1	1	4
Administrative expenses	-1	-1	-6
Other operating income/expenses	0	0	0
<b>Operating profit</b>	<b>0</b>	<b>0</b>	<b>-2</b>
Profit from subsidiaries	-	-	32
Interest expenses, internal	-5	-8	-29
<b>Earnings before tax</b>	<b>-5</b>	<b>-8</b>	<b>1</b>
Tax on profit for the period	1	2	0
<b>Profit/Loss for the period<sup>1)</sup></b>	<b>-4</b>	<b>-6</b>	<b>1</b>

1) Comprehensive income corresponds to profit for all periods.

## Balance sheet

<i>SEK m</i>	31 Mar 2018	31 Mar 2017	31 Dec 2017
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Financial fixed assets</i>			
Shares in Group companies	3,467	3,467	3,467
Financial interest-bearing fixed assets	6	6	5
Deferred tax assets	2	2	2
<b>Total fixed assets</b>	<b>3,475</b>	<b>3,475</b>	<b>3,474</b>
<b>Current assets</b>			
Receivables from Group companies	0	0	32
Current tax assets	1	2	1
Cash and cash equivalents	0	0	0
<b>Total current assets</b>	<b>1</b>	<b>2</b>	<b>33</b>
<b>TOTAL ASSETS</b>	<b>3,476</b>	<b>3,477</b>	<b>3,507</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
<i>Restricted shareholders' equity</i>			
Share capital	79	79	79
Statutory reserve	708	708	708
<i>Non-restricted shareholders' equity</i>			
Share premium reserve	90	90	90
Profit brought forward	223	330	223
Profit/Loss for the period <sup>1)</sup>	-4	-6	1
<b>Total shareholders' equity</b>	<b>1,096</b>	<b>1,201</b>	<b>1,101</b>
<b>Provisions</b>			
Interest-bearing provisions	6	6	6
<b>Total provisions</b>	<b>6</b>	<b>6</b>	<b>6</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities to Group companies	2,230	2,206	2,226
<b>Total non-current liabilities</b>	<b>2,230</b>	<b>2,206</b>	<b>2,226</b>
<b>Current liabilities</b>			
Liabilities to Group companies	142	62	170
Accounts payable	-	-	2
Accrued expenses and deferred income	2	2	2
<b>Total current liabilities</b>	<b>144</b>	<b>64</b>	<b>174</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,476</b>	<b>3,477</b>	<b>3,507</b>

1) Comprehensive income corresponds to profit for all periods.

## Key performance indicators

SEK m	2018		2017			2016			
	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net sales	2,153	2,185	2,081	2,118	1,858	2,039	2,042	2,016	1,752
Growth, %	16	7	2	5	6	3	2	6	3
of which organic	13	7	2	2	4	1	4	8	5
of which acquisitions/divestments	1	0	-	-	-	0	-1	1	0
of which currency effects	2	0	0	3	2	2	-1	-3	-2
Operating profit before depreciation and amortisation	114	149	194	192	119	155	211	181	110
Operating profit	71	109	154	151	78	112	165	138	68
Adjusted operating profit	104	119	162	151	79	112	190	139	70
Earnings before tax	68	103	148	146	70	102	157	128	58
Profit for the period	46	84	115	106	42	79	109	86	32
Operating margin, %	3.3	5.0	7.4	7.1	4.2	5.5	8.1	6.8	3.9
Adjusted operating margin, %	4.8	5.4	7.8	7.1	4.3	5.5	9.3	6.9	4.0
Profit margin, %	3.2	4.7	7.1	6.9	3.8	5.0	7.7	6.4	3.3
Cash flow from operating activities	42	346	-58	162	-40	265	126	187	-79
Cash flow from operating activities per share, SEK	0.55	4.53	-0.76	2.12	-0.52	3.47	1.65	2.45	-1.03
Investments intangible assets and tangible fixed assets	24	27	21	21	31	39	32	33	21
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 <sup>1)</sup>	0.60	1.10	1.51	1.39	0.55	1.04	1.43	1.13	0.42
Shareholders' equity attributable to parent company shareholders	4,300	4,129	3,961	3,909	3,919	3,848	3,768	3,593	3,554
Shareholders' equity attributable to non-controlling interests	1	1	1	1	1	1	1	2	2
Shareholders' equity per share, SEK	56.32	54.09	51.89	51.21	51.34	50.41	49.37	47.08	46.56
Net debt	1,369	1,305	1,502	1,449	1,459	1,396	1,647	1,716	1,760
Net debt/equity ratio, times	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.5	0.5
Equity/asset ratio, %	52.3	53.4	51.0	50.5	51.0	51.3	48.1	48.3	49.1
Return on equity, %	8.7	8.8	8.8	8.8	8.5	8.4	8.1	9.3	8.9
Return on capital employed, %	8.6	8.8	8.8	9.1	8.8	8.8	8.6	9.3	8.8
Interest coverage ratio, times	11.7	14.7	17.6	16.4	8.3	10.6	16.2	13.0	6.2
Net debt/EBITDA, excluding one-off items and restructuring costs	2.1	2.2	2.3	2.2	2.4	2.5	2.5	2.7	2.9
Number of employees	5,132	5,083	5,103	5,122	5,143	5,136	5,216	5,140	5,100

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

1) Earnings per share is before and after dilution.

## NOTE 1 ACCOUNTING POLICIES

The consolidated accounts for the interim report have been prepared in line with the annual consolidated accounts for 2017, in accordance with 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 2017 except for revenue recognition and financial instruments (see below).

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

Information in terms of IAS 34 Interim financial information has been disclosed in notes to the financial statements as well as in other pages of the interim report.

### New or amended standards which came into force during 2018

IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial instruments are applied by Lindab as of 1 January 2018. Neither IFRS 15 nor IFRS 9, as described in the Annual Report for 2017, have had a significant impact on Lindab and no restatement of historical figures has been made. Accounting policies according to IFRS 15 and IFRS 9 applied by Lindab are presented below.

#### Revenue recognition

IFRS 15 is based on a five step model for revenue recognition of customer contracts and the core principle is that revenue recognition shall reflect the expected consideration in connection with the performance of contractual commitments to customers and corresponds to the consideration to which the Group is entitled when transferring control of the products and services delivered to the counterparty.

#### Revenue streams

Leading up to 2018, Lindab evaluated the effects of the new revenue standard by identifying and analysing the most significant revenue streams in the Group. The result of the analysis was that revenue in all material aspects shall be recognised in the same manner as the previous standard, with respect to both Products & Solutions and Building Systems.

The revenue streams within the segment of Products & Solutions relates to Lindab's offering of individual standardised products, customised technical solutions or complete systems for ventilation and cooling/heating. The segment also offers building products such as steel rainwater systems, roof/wall cladding, steel profiles for wall, roof and floor structures as well as steel buildings. The segment of Building Systems offers prefabricated steel construction systems, which may consist of individual parts or complete solutions for the entire outer shell (i.e. frames, walls, ceilings and accessories). In some cases customisation of systems and solutions may also include elements of installation and/or commissioning. However, these revenue elements are very limited and do not represent a significant part of the Group's sales. Potential installation services are only offered in connection with sales of products and are not marketed as separate services in the Group's product portfolio.

#### Performance obligations and timing of revenue recognition

Sale of a product (single or integrated) is considered as a performance obligation and the revenue is recognised when the performance obligation is fulfilled and the customer takes control of the product, i.e. at a certain point in time (usually in connection with the physical delivery to the counterparty).

When Lindab produces and sells complete construction systems, sales may be project oriented. The majority of revenue is then recognised at each stage of delivery in accordance with the contract and when the customer has taken control over the product.

Revenue from possible installation services/commissioning is normally recognised on completion of the the work. However, the timing of the recognition could vary depending on whether the service is considered to be a separate performance obligation or an integrated part, depending on the agreed terms and conditions.

If it is probable that the total project costs will exceed total revenue the anticipated loss is immediately accounted for as an expense.

#### Warranties

Products sold are covered by warranties which depend on the nature and application of the product. As a general rule, warranties only cover original product defects. Long warranty periods may occur within individual product groups, but depending on what the warranty covers and requirements regarding how the product should be used/maintained, warranties are not considered as an added service warranty. Hence, warranties are not recognised as separate performance obligations in terms of IFRS 15, instead the warranties are accounted for in accordance with IAS 37 Provisions, contingent liabilities and contingent assets.

#### Transaction price

Volume discounts are applied based on sales to counterparties during a predefined period, together with cash discounts. Revenue from these types of sales are recognised at an agreed price, net of any discounts. Discounts are estimated based on the expected value method.

#### Financial instruments

In comparison to IFRS 39, IFRS 9 has new principles for the classification and valuation of financial assets. The classification of financial assets is dependent on the Group's business model (the purpose of holding the financial asset) and the financial asset's contractual cash flows. The categories of financial assets according to IFRS 9 are as follows:

- Financial assets valued at amortised cost;
- Financial assets valued at fair value through other comprehensive income;
- Financial assets valued at fair value through the income statement.

Financial liabilities are valued at amortised cost or fair value through the income statement.

The new categories for classification have no significant impact on Lindab's accounting and valuation in relation to IFRS 39. For all material aspects relating to the accounting policies regarding financial instruments, Lindab refers to the Annual Report. The implementation of IFRS 9 has however implied a change in the valuation method for the valuation of provision for credit losses relating to financial assets, the principle is described below.

#### Impairment of financial assets

In accordance with IFRS 9 Lindab applies the requirement for impairment on expected credit losses relating to financial assets and a provision for these impairments is accounted for as a writedown of the asset. At each balance sheet date, the provision is valued to an amount that corresponds to the expected credit loss for the remaining maturity period. For accounts receivable and any lease receivables Lindab applies simplified policies, which mean that the provision for losses is valued at an amount corresponding to the remaining maturity period. The purpose of the valuation of expected credit losses is to reflect an objective and probable amount, time value of money, reasonable information from previous events that are possible to verify, present circumstances and forecasts for future financial conditions. Lindab bases the

estimate of expected credit losses mainly on an individual assessment of the receivable in question together with information about historical losses for similar assets and counterparties, taking into consideration potential future events. The criteria for the computation of credit losses will be continuously evaluated to reflect the current situation and Lindab's best estimate of future events.

### New or amended standards that have not yet come into force

On 1 January 2019 IFRS 16 Leases will come into effect. Based on this new standard almost all leases need to be presented in the statement of financial position, except for short-term lease agreements and lease agreements whereby the underlying asset is of a low value. Lindab has not yet identified what impact IFRS 16 will have on the Group's financial position, but the balance sheet total will increase by capitalisation of agreements that at present are classified as operating leases. Furthermore, the Group's consolidated income statement will be impacted by current operating expenses related to operational lease agreements, which will be replaced by depreciation and interest expense. Lindab does not plan to early adopt IFRS 16.

### The parent company

The financial statements for the parent company are prepared according to the Swedish 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 2017.

## NOTE 2 EFFECTS OF CHANGES IN ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant estimates and judgements are described in Note 4 in the Annual Report for 2017. No changes have been made to these estimates and judgements that would have a substantial impact on this interim report.

## NOTE 3 BUSINESS COMBINATIONS

No acquisitions or divestments have been made during Q1.

During 2017 the following acquisitions and divestments were made:

On 14 December 2017, Lindab acquired 100 percent of the votes and shares in the Irish company A.C. Manufacturing Ltd. The company's activities mainly include production and sales of rectangular ventilation duct systems. The acquisition was a part of Lindab's strategy to further focus on indoor climate solutions and to strengthen the Group's position as a supplier of complete ventilation products in selected geographical markets. A.C. Manufacturing Ltd is registered 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 amounted to SEK 87 m, whereof SEK 69 m was paid on completion of the acquisition in December 2017 (SEK 64 m net after adjustment for liquid funds in the acquired company). The majority of the remaining SEK 18 m comprises of a conditional purchase price, which will be settled if future expected profitability levels (based on gross margins) are met during 2018–2020. The possible undiscounted amount of the future conditional additional purchase price is between SEK 0–15 m. As at 31 March 2018 the previous assessment remains unchanged, whereby a maximum outcome is expected to occur. This implies that the income statement and statement of financial position has not been affected by any

changes in judgements relating to the value of the agreed additional conditional purchase price. Costs related to the acquisition amounted to SEK 3 m.

According to the preliminary analysis of the acquisition, the acquisition resulted in goodwill of SEK 48 m. For a specification of acquired assets and liabilities as per acquisition date and preliminary acquisition price allocation, please see table below. The fair value of all acquired net assets are preliminary until the final valuation is made.

SEK m	Acquired businesses		
	31 Mar 2018	31 Mar 2017	31 Dec 2017
Intangible assets	-	-	20
Tangible fixed assets	-	-	15
Stock	-	-	3
Current assets	-	-	9
Cash and cash equivalents	-	-	5
Deferred tax liabilities	-	-	-2
Current liabilities	-	-	-11
<b>Fair value of acquired net assets</b>	-	-	<b>39</b>
Goodwill	-	-	48
<b>Total purchase price including future conditional/unconditional additional purchase price</b>	-	-	<b>87</b>

On 6 December 2017, the Swedish subsidiary Lindab Innovation AB, registered in Båstad, Sweden was divested. The company's business was to manage patents, but the company was 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.

## NOTE 4 OPERATING SEGMENTS

The Group's operating 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 a number of product and systems areas with central production and purchase functions. The Building Systems segment consists of a separately integrated project organisation. The Other segment comprises parent company and other shared functions.

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

Revenue from other segments represents only small amounts and a breakdown of these amounts by segment is therefore deemed immaterial.

Internal transfer pricing between the segments in the Group are based on the arm's-length principle, i.e. between parties which are independent from 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, which have changed by more than 10 percent compared to year-end 2017 are:

- Products & Solutions: Other receivables have increased by 12 percent and Equity has increased by 13 percent.
- Building Systems: Other receivables have increased by 14 percent and Other liabilities have increased by 11 percent.

## **NOTE 5 RELATED PARTY TRANSACTIONS**

Lindab's related parties and the extent of related party transactions are described in Note 29 in the Annual Report for 2017.

During the year, no related party transactions have taken place between Lindab and related parties which have had a significant impact on the company's performance and financial position.

This interim report for Lindab International AB (publ) has been submitted following approval by the Board of Directors.  
Båstad, 2 May 2018

Fredrik von Oelreich  
Acting President and CEO

# 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.

	2018	2017	2017
	Jan-Mar	Jan-Mar	Jan-Dec
<b>Interest coverage ratio, times</b>			
Earnings before tax	68	70	467
Interest expenses	6	10	36
<b>Total</b>	<b>74</b>	<b>80</b>	<b>503</b>
Interest expenses	6	10	36
<b>Interest coverage ratio, times</b>	<b>11.7</b>	<b>8.3</b>	<b>14.1</b>
<b>Net debt</b>	<b>31 Mar 2018</b>	<b>31 Mar 2017</b>	<b>31 Dec 2017</b>
Non-current interest-bearing provisions for pensions and similar obligations	230	211	226
Non-current liabilities to credit institutions	1,533	1,625	1,397
Current other interest-bearing liabilities	39	125	73
<b>Total liabilities</b>	<b>1,802</b>	<b>1,961</b>	<b>1,696</b>
Financial interest-bearing fixed assets	42	45	43
Other interest-bearing receivables	15	20	6
Cash and cash equivalents	376	437	342
<b>Total assets</b>	<b>433</b>	<b>502</b>	<b>391</b>
<b>Net debt</b>	<b>1,369</b>	<b>1,459</b>	<b>1,305</b>
<b>Net debt/EBITDA</b>	<b>31 Mar 2018</b>	<b>31 Mar 2017</b>	<b>31 Dec 2017</b>
Average net debt	1,417	1,626	1,474
Adjusted operating profit, rolling twelve months	536	520	511
Depreciation/amortisation and impairment losses, rolling twelve months	164	170	162
<b>EBITDA</b>	<b>700</b>	<b>690</b>	<b>673</b>
<b>Net debt/EBITDA, times</b>	<b>2.1</b>	<b>2.4</b>	<b>2.2</b>
<b>One-off items and restructuring costs</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>Jan-Mar</b>	<b>Jan-Mar</b>	<b>Jan-Dec</b>
<b>Operating profit</b>	<b>71</b>	<b>78</b>	<b>492</b>
Products & Solutions	-	-	-
Building Systems	-10	-	-
Other operations	-23	-1	-19
<b>Adjusted operating profit</b>	<b>104</b>	<b>79</b>	<b>511</b>
<b>Operating profit has been adjusted by the following one-off items and restructuring costs per quarter:</b>			
1/2018 SEK -33 related to assessment of structural alternatives and measures associated with turnaround programme.			
1/2017 SEK -1 m relating to governance projects.			
2/2017 SEK 0 m. The quarter was not 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.			
<b>Operating profit before depreciation/amortisation - EBITDA</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>Jan-Mar</b>	<b>Jan-Mar</b>	<b>Jan-Dec</b>
Operating profit	71	78	492
Depreciation/amortisation and impairment losses	43	41	162
<b>Operating profit before depreciation/amortisation - EBITDA</b>	<b>114</b>	<b>119</b>	<b>654</b>
<b>Organic growth</b>	<b>2018</b>	<b>2017</b>	<b>2017</b>
	<b>Jan-Mar</b>	<b>Jan-Mar</b>	<b>Jan-Dec</b>
Change Net sales	295	106	393
Of which			
Organic	237	73	287
Acquisitions/divestments	11	-	3
Currency effects	47	33	103

	31 Mar 2018	31 Mar 2017	31 Dec 2017
<b>Return on capital employed</b>			
Total assets	8,216	7,692	7,731
Provisions	120	109	109
Other non-current liabilities	20	3	19
<b>Total non-current liabilities</b>	<b>140</b>	<b>112</b>	<b>128</b>
Provisions	28	15	22
Accounts payable	1,012	856	864
Other current liabilities	933	828	891
<b>Total current liabilities</b>	<b>1,973</b>	<b>1,699</b>	<b>1,777</b>
<b>Capital employed</b>	<b>6,103</b>	<b>5,881</b>	<b>5,826</b>
Earnings before tax, rolling twelve months	465	457	467
Financial expenses, rolling twelve months	41	47	45
<b>Total</b>	<b>506</b>	<b>504</b>	<b>512</b>
Average capital employed	5,860	5,717	5,784
<b>Return on capital employed, %</b>	<b>8.6</b>	<b>8.8</b>	<b>8.8</b>
<b>Return on shareholders' equity</b>			
Profit for the period, rolling twelve months	351	316	347
Average shareholders' equity	4,045	3,737	3,954
<b>Return on shareholders' equity, %</b>	<b>8.7</b>	<b>8.5</b>	<b>8.8</b>

## 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 employed<sup>1)</sup>. 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' equity<sup>1)</sup> 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 General Meeting	3 May 2018
Interim Report January-June	19 July 2018
Interim Report January-September	25 October 2018
Year-End Report	7 February 2019

All financial reports will be published at [www.lindab.com](http://www.lindab.com).

## For further information, please contact:

Fredrik von Oelreich, acting President and CEO      E-mail: [fredrik.vonoelreich@lindab.com](mailto:fredrik.vonoelreich@lindab.com)  
Kristian Ackeby, CFO      E-mail: [kristian.ackeby@lindab.com](mailto:kristian.ackeby@lindab.com)  
Telephone +46 (0) 431 850 00

For more information, please also visit [www.lindab.com](http://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.

Notification of interim report is information that Lindab International AB (publ) is obliged to publish in accordance with the EU's market abuse ordinance and securities market legislation. The information was supplied by the above-mentioned contact persons for publication on 3 May 2018 at 07:40 (CEST).

## Lindab International AB (publ)

SE-269 82 Båstad, Sweden

Visiting address: Järnvägsgatan 41, Grevie, Sweden

Corporate identification number 556606-5446

Tel: +46 (0) 431 850 00

Fax: +46 (0) 431 850 10

E-mail [lindab@lindab.com](mailto:lindab@lindab.com) [www.lindabgroup.com](http://www.lindabgroup.com) <https://www.facebook.com/LindabGroup>

