



# Lindab Group

## Q2 2018

Ola Ringdahl – President and CEO

Kristian Aceby – CFO



# Agenda

- Summary and overview
- Financials
- Highlights
- Outlook
- Summary and Q&A



# Summary and overview

# Key highlights Q2 2018

Strong sales growth but gross margin under pressure

**+13%**

Net sales increased to SEK 2,392 m (2,118)

**SEK 148m**

Operating profit SEK 148 m (151),  
excluding one-off items of SEK -19 m (0),  
adjusted operating margin 6.2 % (7.1)

**SEK 91m**

Profit for the period decreased to SEK 91 m (106).  
Earnings per share decreased to SEK 1.19 (1.39)

**Raw material prices**  
put pressure on margin

**Strong order intake in**  
**Building Systems**

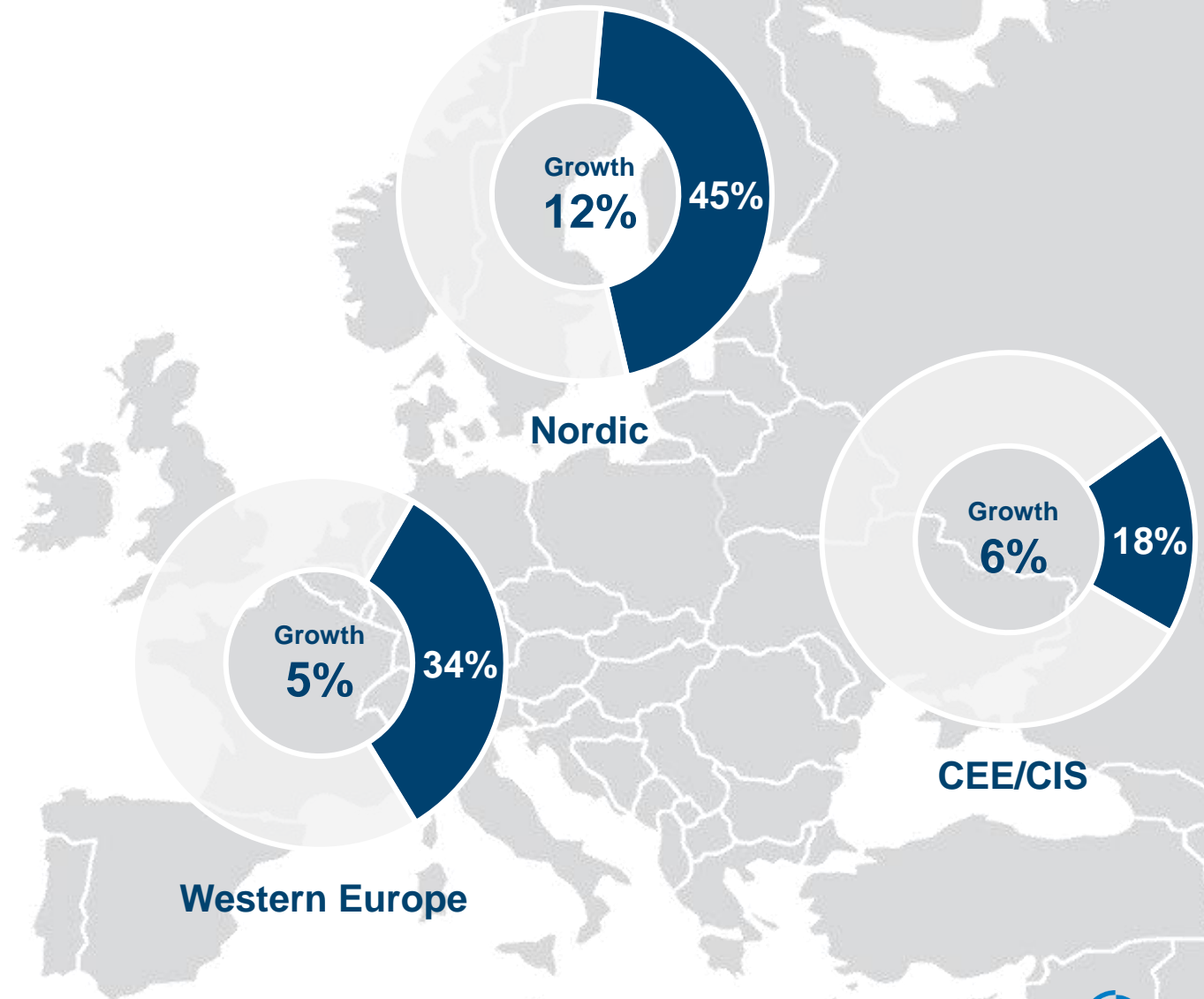
**New CEO** took office  
18 June

# Strong sales development in major markets

## CEO comments

"Continued strong sales for the Group with all time high quarterly sales for Products & Solutions"

Ola Ringdahl,  
President and CEO



# Strong growth in largest product areas

Segment/Product areas	Growth	Comments Q2 2018
<b>Products &amp; Solutions</b>		
Ventilation Products		Good growth in most markets with particularly strong development in the Nordics and CEE/CIS region.
Indoor Climate Solutions		Another quarter with double digit growth in CEE/CIS and solid growth in Nordics while sales was flat vs last year in Western Europe.
Air Movement		Air Movement declined slightly as a result of large project deliveries last year mainly to Middle East. Western Europe and CEE/CIS continues to develop strongly while sales declined in the Nordics.
Fire & Smoke		Strong growth in all regions with largest growth contribution from UK, Portugal and Finland.
Rainwater & Building Products		Good sales in Nordic region supported by previously delayed purchases due to harsh winter conditions in the first quarter.
Building Solutions		Continued double digit growth with Sweden as the main driver. Strong sales trend in several other markets as well.
<b>Building Systems</b>		
Building Systems		Good growth in Western Europe and Africa while sales declined in CEE/CIS.



# Financials

# Lindab Group financial highlights Q2 2018

## Solid sales growth in both segments

- Net sales increased organically by 8% to SEK 2,392 m (2,118).
- EBIT margin declined as a result of lower gross margin due to higher raw material costs.
- EBIT impacted by one-off items of SEK -19 (0) relating to assessment of structural alternatives and measures associated with turnaround programme.

## Key figures

SEK m	Q2'18	Q2'17	Chg %
Net Sales	2,392	2,118	13
Organic, %			8
Structure <sup>1</sup> , %			1
Currency, %			4
EBIT <sup>2</sup>	148	151	-2
EBIT <sup>2</sup> , %	6.2	7.1	-0.9 pp
Fin net	-5	-5	-
Tax	-33	-40	-18
Tax %	27	27	-
Net profit	91	106	-14

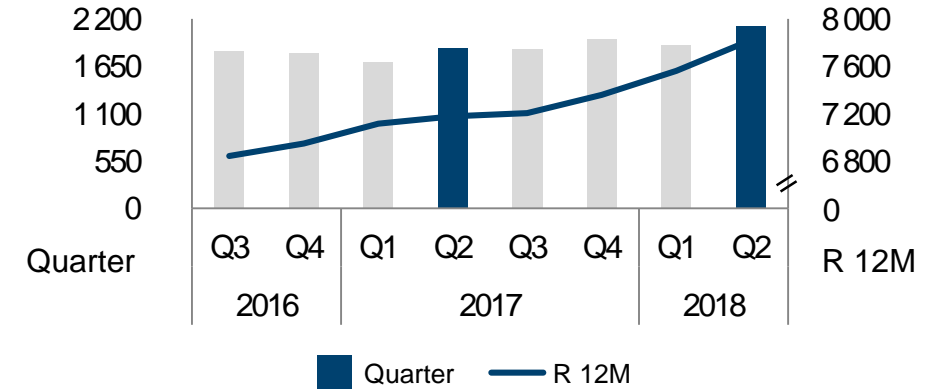


# Products & Solutions financial highlights Q2 2018

## Highest net sales in a quarter ever

- Net sales increased to SEK 2,115 m (1,856) with organic growth of 9%.
- Organic growth in all European regions with particular strong sales development in the Nordics and the CEE/CIS region.
- EBIT margin lower than last year as a result of negative product mix and increased raw material prices.

## Net Sales, SEK m



## Key figures

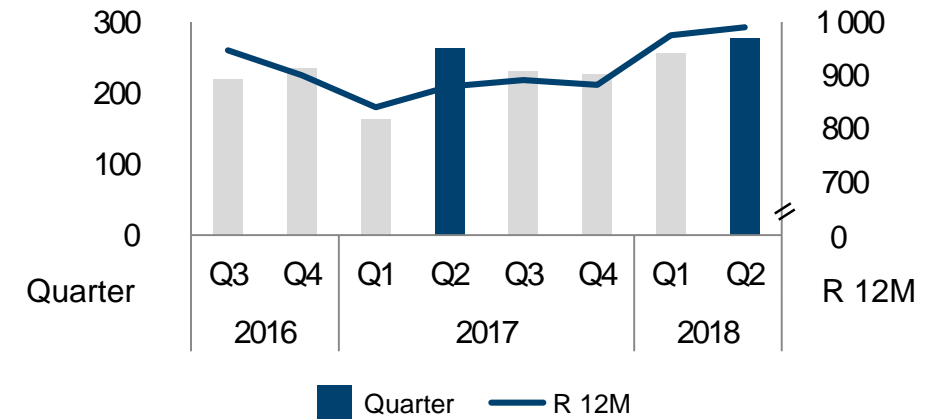
SEK m	Q2'18	Q2'17	Chg %
Net Sales	2,115	1,856	14
Organic, %			9
Structure <sup>1</sup> , %			1
Currency, %			4
EBIT <sup>2</sup>	167	161	4
EBIT <sup>2</sup> , %	7.9	8.7	-0.8 pp

# Building Systems financial highlights Q2 2018

## Continued solid sales development

- Net sales increased to SEK 277 m (262) with organic growth of 4%.
- EBIT decline mainly explained by unfavourable product mix.
- Net order intake increased compared to last year and the total backlog at the end of Q2 was higher than last year.

## Net Sales, SEK m



## Key figures

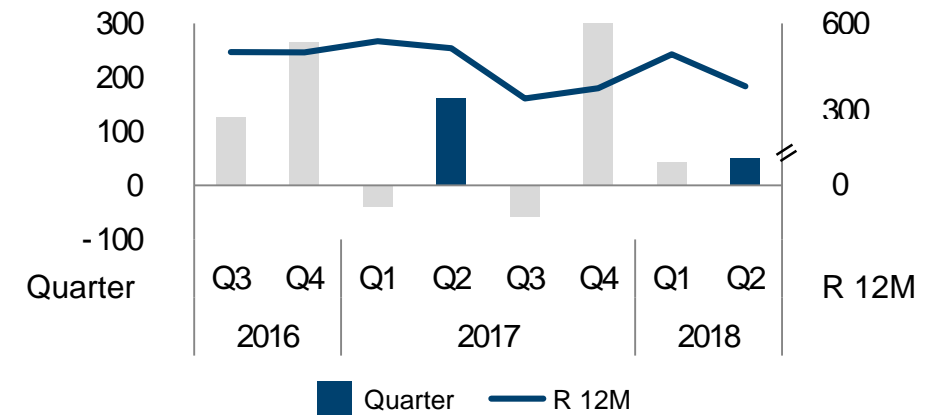
SEK m	Q2'18	Q2'17	Chg %
Net Sales	277	262	6
Organic, %			4
Structure <sup>1</sup> , %			0
Currency, %			2
EBIT <sup>2</sup>	-5	-2	2
EBIT <sup>2</sup> , %	-1.8	-0.8	-1.0 pp

# Lindab Group cash flow Q2 2018

## Free cash flow impacted by sales increase

- Adjusted free cash flow amounted to SEK 26 m (155).
- The decline is mainly explained by;
  - Change in working capital driven by higher sales.
  - Investing activities impacted by sale of fixed assets last year.
  - Higher tax paid mainly due to timing.
- Net debt amounted to SEK 1,487 m (1,449). Movements in exchange rates increased net debt by SEK 106 m.

## Cash flow operating activities, SEK m



## Key figures

SEK m	Q2'18	Q2'17
Cash flow from		
Operating activities <sup>1</sup>	160	179
Change in working capital	-66	12
Investing activities	-25	-7
Financial net paid	-2	-4
Tax paid	-41	-25
Free cash flow	26	155
Adjusted free cash flow <sup>2</sup>	26	155

# Highlights

# Some highlights from the quarter

## CEO comments

“Lindab solar cell roofing is our new and innovative solar panel that is integrated into the metal roof, only 2 mm thick with particularly good weather resistance. An Intelligent and integrated roofing solution for green energy“

Ola Ringdahl,  
President and CEO



**Lindab solar cell roofing**  
Intelligent and integrated roofing solution for green energy



**Participated in Nordbygg**  
The largest venue for the real estate industry in the Nordics



**Building Systems**  
Receive order worth SEK ~25 m in Germany

**Products & Solutions**  
Received ICS order worth SEK ~9 m in Finland



**Ventilation**  
Lindab supplied full ventilation solution worth SEK ~10 m in Russia

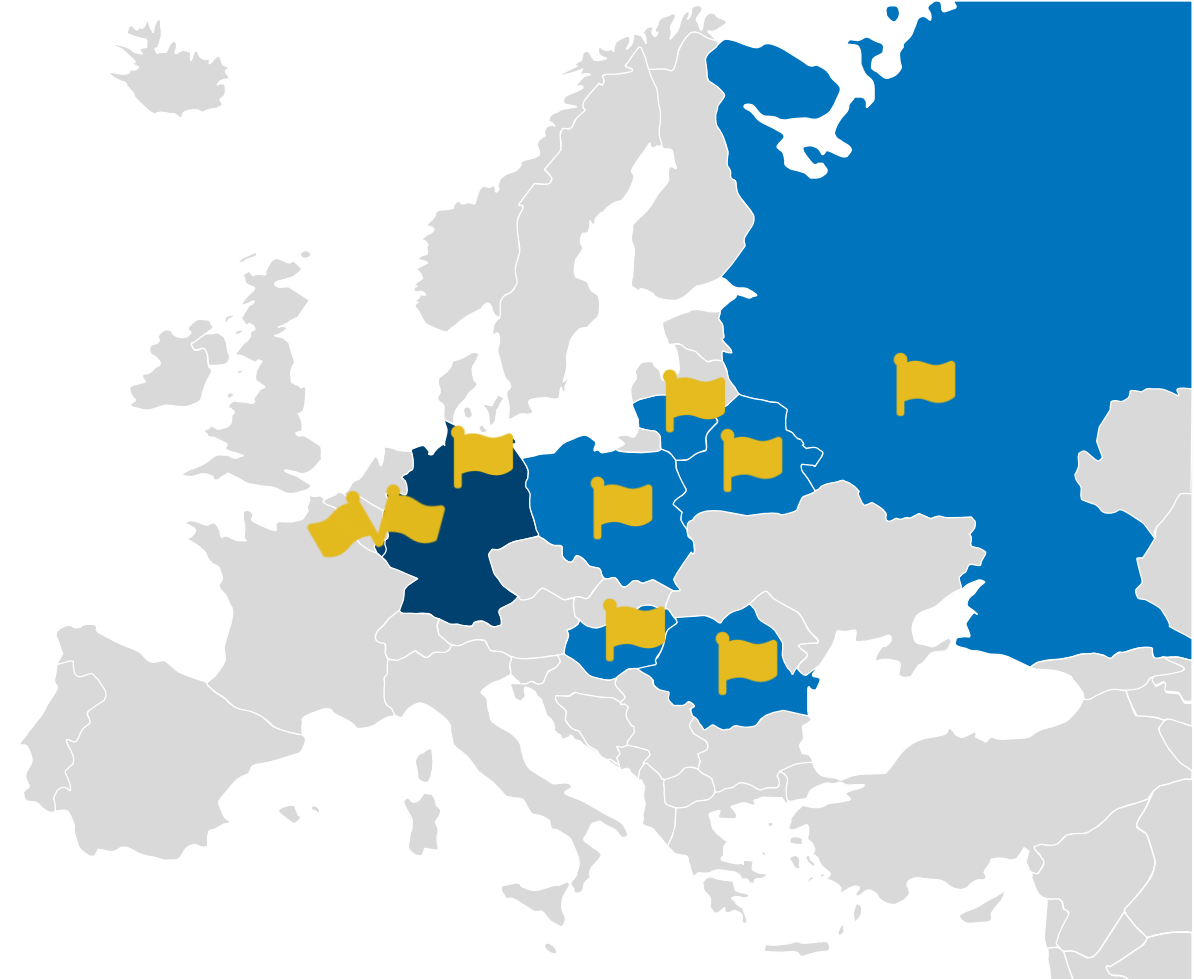


# Highlights

## Building Systems

- Building Systems received nine orders above SEK 10 m.
- An improved project management model as well as a quotation and pricing model are gradually improving the margins in backlog.
- Work with the turnaround programme is ongoing and will systematically increase the performance this and next year.

## Location of orders booked



# Outlook



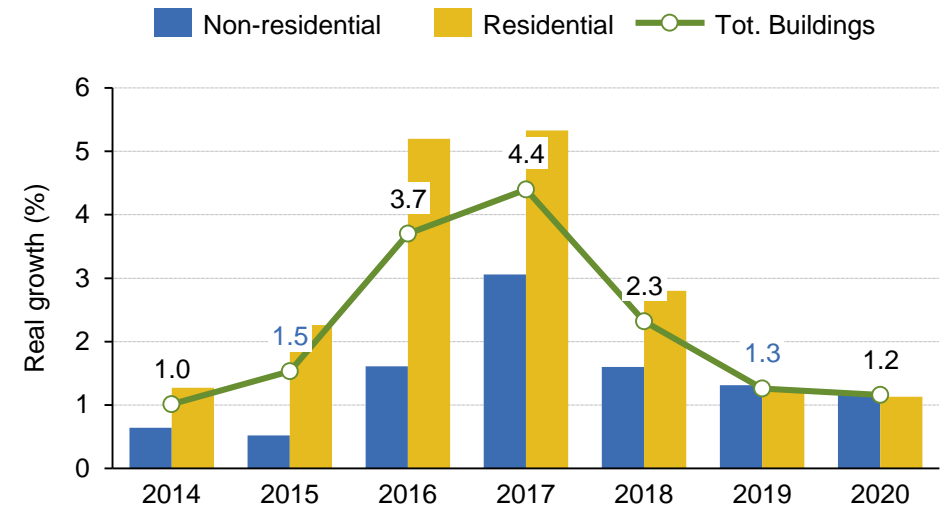
# Market development

## Continued growth at a lower pace

- Overall continued good macroeconomic development in Europe. Though, risks have increased lately with aggressive US trade negotiations and higher political uncertainties.
- Euroconstruct forecast the growth rate in the European construction market to slow down from 4.4% growth in 2017 to 2.3% in 2018 and 1.3% in 2019.
- The sentiment in the European construction market remains strong, particularly in CEE, but a few markets like Sweden, Norway and UK have started to show weaker new build activity.
- Steel prices are expected to remain at the same level in Q3 as in Q2.

## Forecast: European construction market

Source: Euroconstruct (June 2018)



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**Thank you  
Q&A**

