



# Lindab Group

## Q4 2018

Ola Ringdahl – President and CEO

Malin Samuelsson – CFO



# Agenda

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



# Summary and overview

# Key highlights Q4 2018

## Continued sales growth and improved profitability

**+9%**

Net sales increased to SEK 2,384 m (2,185)

SEK **173**<sub>m</sub>

Adj. operating profit SEK 173 m (119)  
and adj. operating margin 7.3% (5.4)

SEK **106**<sub>m</sub>

Profit for the period increased to SEK 106 m (84).  
Earnings per share increased to SEK 1.38 (1.10)

**Proposed dividend**  
of SEK 1.75 (1.55)

**New organisational  
structure**  
has been presented

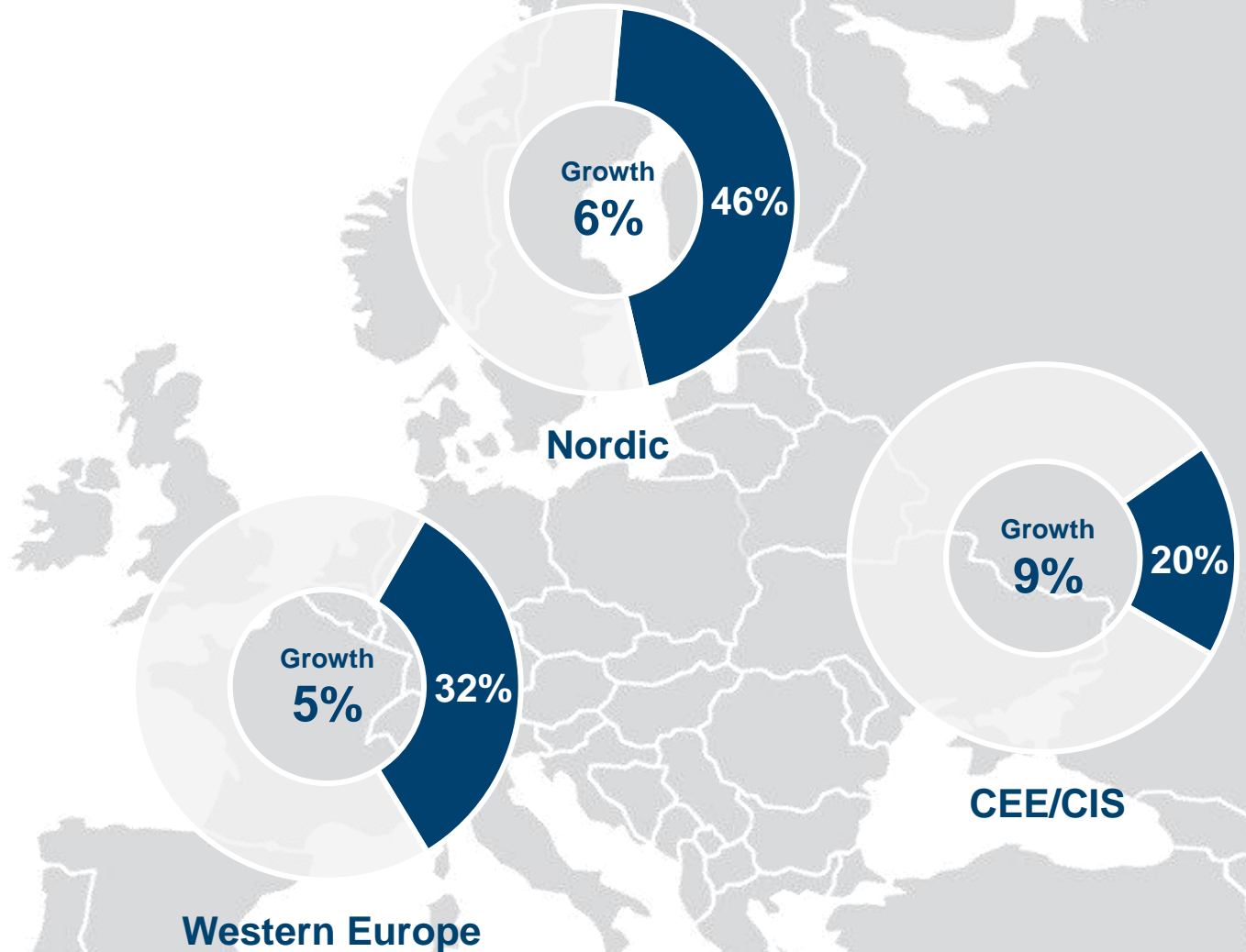
**Buildings Systems**  
turnaround according  
to plan

# Good sales development in all major regions

## CEO comments

*"All European regions had good organic growth, particularly in the CEE/CIS region followed by the Nordics"*

Ola Ringdahl,  
President and CEO



# Solid growth in most product areas

Segment/Product areas	Growth	Comments Q4 2018
<b>Products &amp; Solutions</b>		
Ventilation Products		Continued good sales development with particularly strong growth in the Nordics and the CEE/CIS region.
Indoor Climate Solutions		Overall solid growth with strong sales development in the Nordic and CEE/CIS region.
Air Movement		Air Movement declined as a result of tough comparison against last year when there were large project deliveries to several markets.
Fire & Smoke		The good growth continues for the product area. Positive organic growth in all European regions, with particularly strong growth in CEE/CIS and the Nordic region.
Rainwater & Building Products		Sales increased in all regions with particularly good development in Sweden, Hungary and Czech Republic.
Building Solutions		Overall sales declined mainly due to fewer project deliveries to the largest market Sweden, which had a particularly strong fourth quarter previous year.
<b>Building Systems</b>		
Building Systems		Very strong growth in both West Europe and CEE region, while sales declined slightly in Africa and the CIS region.

# Financials

# Lindab Group financial highlights Q4 2018

## Strengthened profitability in both segments

- Net sales increased organically by 5% to SEK 2,384 m (2,185).
- EBIT margin increased mainly as a result of sales growth but also improved efficiency and gross margin.
- Net profit increased 26% to SEK 106 m (84).

## Key figures

SEK m	Q4'18	Q4'17	Chg %
Net Sales	2,384	2,185	9
Organic, %			5
Structure <sup>1</sup> , %			1
Currency, %			3
EBIT <sup>2</sup>	173	119	45
EBIT <sup>2</sup> , %	7.3	5.4	+1.9 pp
Fin net	-4	-6	-33
Tax	-37	-19	95
Net profit	106	84	26

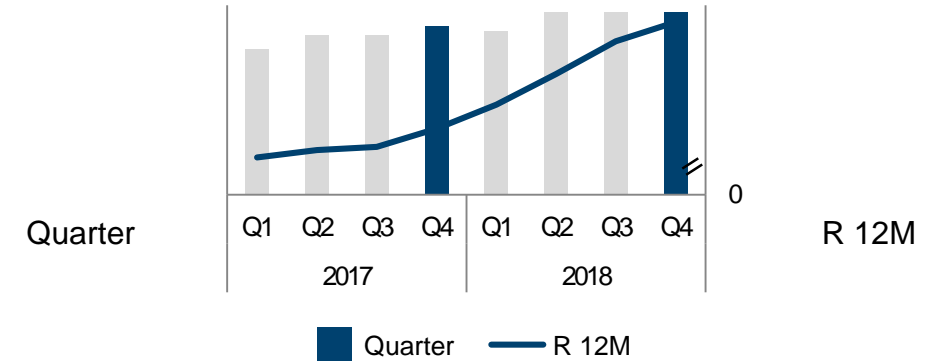


# Products & Solutions financial highlights Q4 2018

## Organic growth and improved profitability

- Net sales increased to SEK 2,123 m (1,959) with organic growth of 4%.
- Continued good growth with particularly strong sales development in the Nordics and the CEE/CIS region.
- EBIT increased to SEK 183 m (143) mainly as a result of strong sales development but also due to improved efficiency and gross margin.

## Net Sales, SEK m



## Key figures

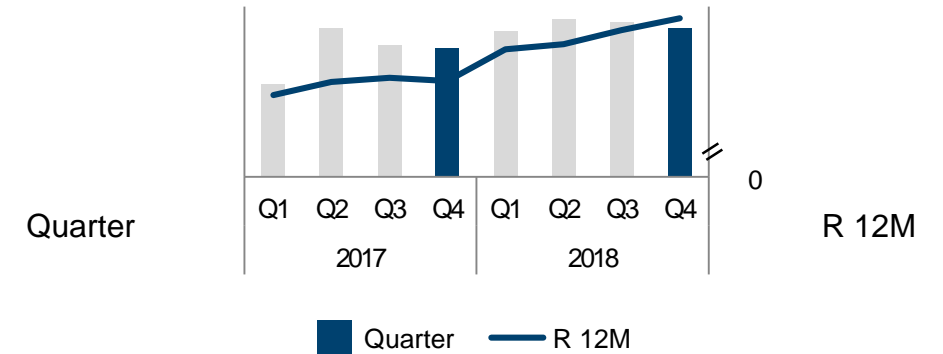
SEK m	Q4 '18	Q4 '17	Chg %
Net Sales	2,123	1,959	8
Organic, %			4
Structure <sup>1</sup> , %			1
Currency, %			3
EBIT <sup>2</sup>	183	143	28
EBIT <sup>2</sup> , %	8.6	7.3	+1.3 pp

# Building Systems financial highlights Q4 2018

## Continued turnaround according to plan

- Net sales increased to SEK 261 m (226) with organic growth of 13%.
- EBIT margin improvement mainly explained by higher sales and strengthened gross margin.
- Net order intake decreased compared to last year, however the total backlog at the end of Q4 was still clearly higher than last year, particularly in Western Europe and CEE.

## Net Sales, SEK m



## Key figures

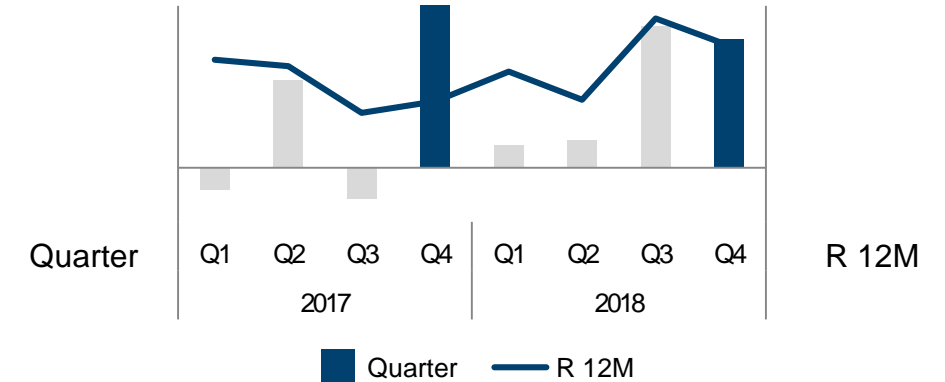
SEK m	Q4 '18	Q4 '17	Chg %
Net Sales	261	226	15
Organic, %			13
Structure <sup>1</sup> , %			0
Currency, %			2
EBIT <sup>2</sup>	0	-13	n/a
EBIT <sup>2</sup> , %	0.0	-5.8	+5.8 pp

# Lindab Group cash flow Q4 2018

## Strong cash flow 2<sup>nd</sup> half of 2018

- Adjusted free cash flow amounted to SEK 198 m (326) in Q4.
- The relatively lower cash flow generated in Q4 is mainly explained by changes in working capital, in particular accounts payable and stock values.
- Net debt amounted to SEK 1,052 m (1,305) and net debt/EBITDA improved to 1.6 (2.2).

## Cash flow operating activities, SEK m



## Key figures

SEK m	Q4'18	Q4'17
Cash flow from		
Operating activities <sup>1</sup>	211	155
Change in working capital	55	236
Investing activities	-40	-84
Financial net paid	-2	-1
Tax paid	-26	-44
Free cash flow	198	262
Adjusted free cash flow <sup>2</sup>	198	326

# Lindab Group financial highlights full year 2018

## A year with strong sales growth and gradual profitability improvement

- Net sales increased organically with 8% to SEK 9,326 m (8,242).
- EBIT margin mainly explained by higher sales and improved gross margin development during the last six months.
- Strategic assessment and restructuring activities have caused unusually high one-off costs, SEK -87 m (-19).
- Net profit increased 14% to SEK 394 m (347).
- Proposed dividend of SEK 1.75 (1.55).

## Key figures

SEK m	2018	2017	Chg %
Net Sales	9,326	8,242	13
Organic, %			8
Structure <sup>1</sup> , %			1
Currency, %			4
EBIT <sup>2</sup>	634	511	24
EBIT <sup>2</sup> , %	6.8	6.2	+0.6 pp
Fin net	-16	-25	-36
Tax	-137	-120	14
Net profit	394	347	14

# Highlights

# Highlights

## Building Systems

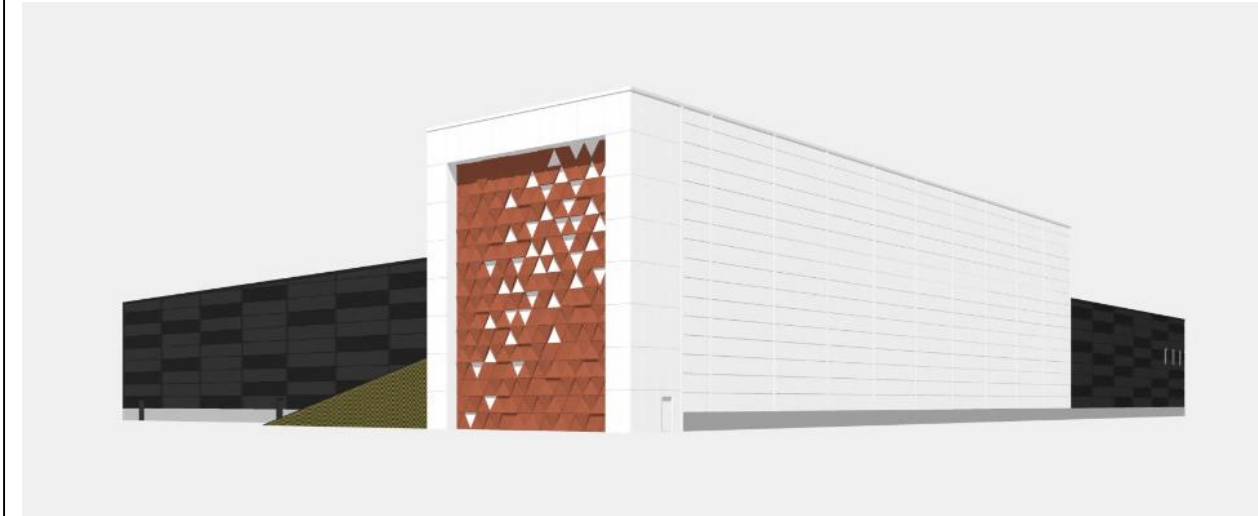
- During the quarter Building Systems received four orders above SEK 10 m.
- Our investment in the Prerov facility (CZ) delivered its first project that was fully engineered and produced from the site.
  - Parking garage in Schwertberg, Austria
  - Details: Value: 1.3 MEUR.  
Capacity: 332 cars
  - Handover in October 2018



# Highlights

## Product & Solutions

- Lindab will deliver an energy-efficient building to Catena, totaling 11,000 square meters, to their new logistics area located in Helsingborg.
- Lindab will deliver sandwich panels to the walls and high profile to the roof and doors.
- The building is expected to be finalised during autumn 2019.



*“Since Catena is a company that priorities energy-efficient buildings with high quality, I regard it as a quality mark for us at Lindab that we continue our cooperation...”*  
- Joakim Lönnberg - MD Lindab Sweden.

# Outlook



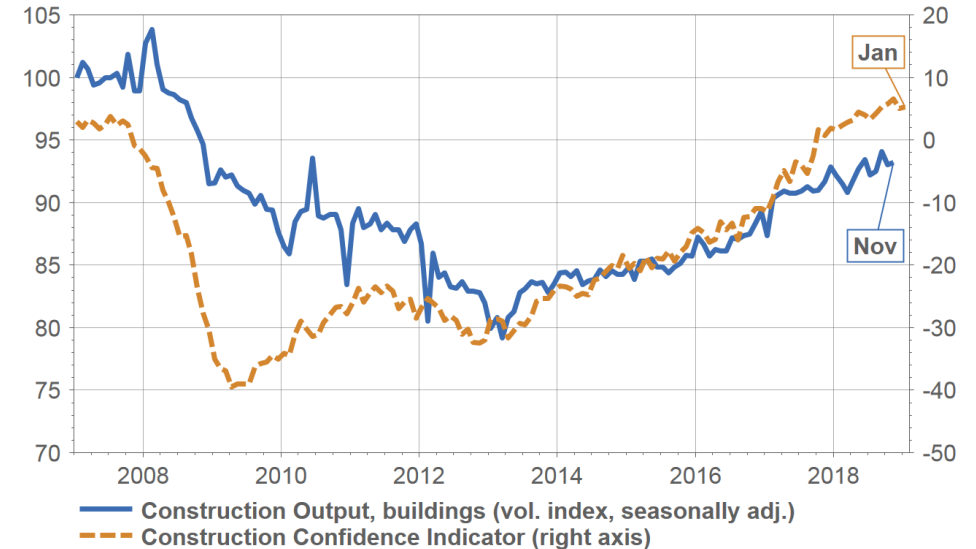
# Market development

## Increased market uncertainty but still good overall demand

- The European economy is currently experiencing a slowdown in growth rate of both GDP and industrial order bookings. Consumer confidence has also started to reduce.
- IMF forecast GDP growth in the Euro area of 1.6% in 2019, a reduction from 1.8% in 2018 and 2.4% in 2017.
- Uncertainty regarding trade tariffs and Brexit effects remain.
- The construction market, particularly the non-residential part, is late cyclical and both output and market sentiment currently remain rather good in most markets, particularly in CEE.
- Euroconstruct forecast that European building construction will have real growth of 1.3% in 2019, a slowdown from estimated 2.3% growth in 2018 and 4.7% in 2017.
- Steel prices are currently overall rather stable.

## Construction Output & Sentiment in EU

Source: Eurostat and European Commission



# Summary and Q&A

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**Thank you  
Q&A**

