

A woman with long blonde hair, wearing a white blouse, stands on a balcony or near a large window, looking out at a historic, multi-story brick building with many windows. She is holding a white mug. The scene is brightly lit, suggesting daytime.

For a better
climate™



Lindab Group Q3 2021

29 October 2021

Ola Ringdahl
President & CEO

Jonas Arkestad
CFO

Q3 Highlights

Strong organic growth

- High demand for Lindab's products.
- Robust supply chain and high availability appreciated by customers.
- Sales positively impacted by high steel prices.

Record high operating margin

- Operating margin well above the long-term target of 10%.
- Operating profit mainly driven by high sales.
- Positive effects from the on-going investment program.

	Continuing operations	Total operations
Sales (SEK m)	2,488	2,778
Organic growth	+19%	+20%
Acquired growth	+3%	+2%
Currency effect	-1%	-1%
Adj. operating profit (SEK m)	403	424
Adj. operating margin	16.2%	15.3%

Quarterly development – continued business

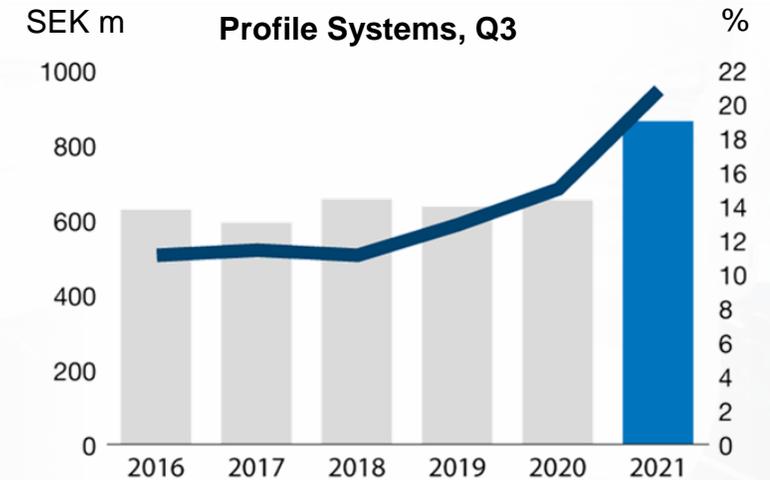
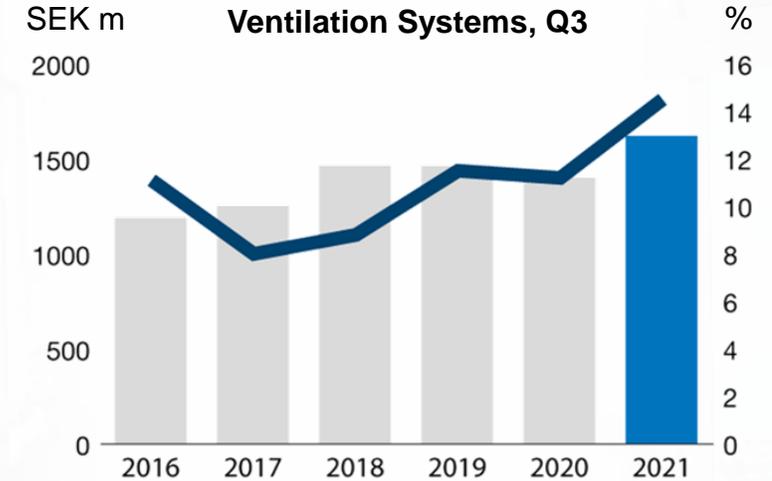
Net sales and adj. operating margin, Q3 each year

Ventilation Systems

- Strong organic growth in all geographic regions.
- Record high operating margin.
- New Experience Centre opened in Grevie, Sweden.

Profile Systems

- Strong organic growth, driven by the Nordic region.
- Increased sales from industrial building projects.
- Record high operating margin.
- Acquisition of roof specialist Kami.



■ Sales Q3,
— Adj. EBIT%, Q3

Q3 Financials

Cash flow

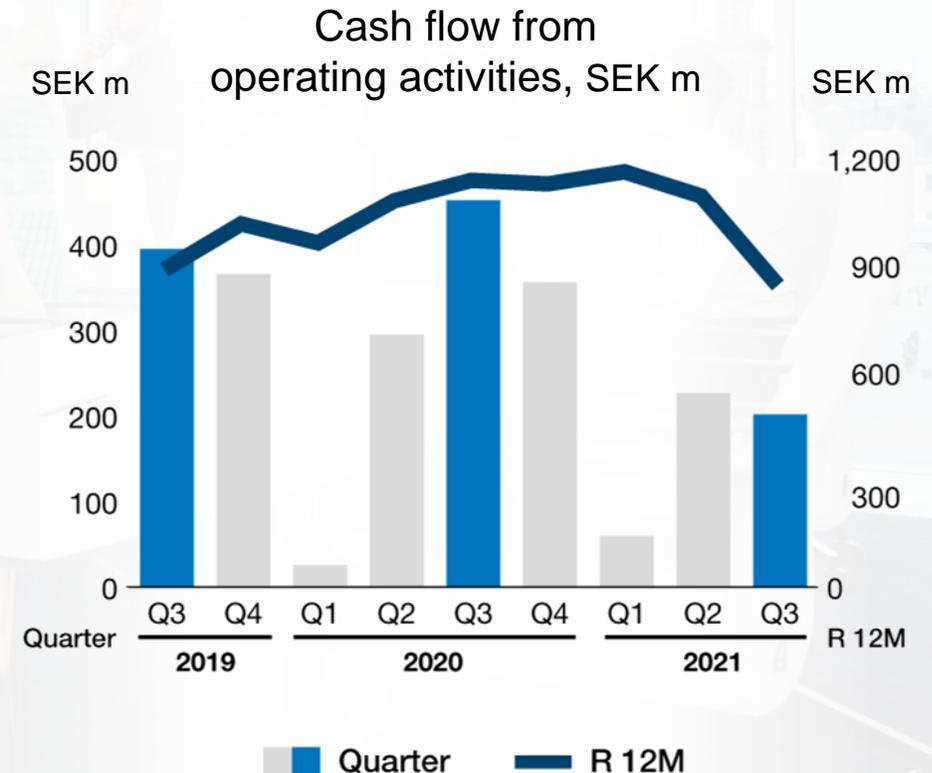
- Higher sales and increased raw material prices have led to a corresponding increase in working capital.
- Cash flow excluding changes in working capital improved, mainly due to higher operating profit.
- Free cash flow adjusted for M&A amounted to SEK 107 m in Q3.
- Divestment of Astron Building Systems is estimated to have a minor impact on cash flow.

Strong balance sheet

- The ratio Net debt / EBITDA continued to decrease.

Cash flow from operating activities **202** SEK m ^{-55%}

Net debt / EBITDA **1.1** ^{-0.4}





Building a stronger Lindab

Increased focus on Lindab's core business after the divestment of Astron

- Agreement signed on 23 September, with expected closing within 2-4 months.
- Increased focus on Lindab's core business.
- Exit from Kazakhstan, Belarus and Luxemburg. Lindab will be present in 20 countries.
- Significant reduction of exposure to Russia.
- Business Areas Ventilation Systems and Profile Systems are well integrated with shared purchasing, production and distribution.



Financial effects of the divestment

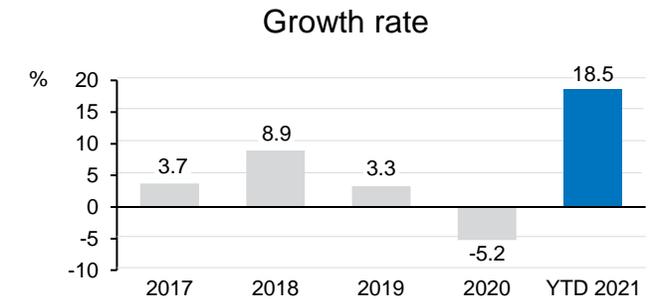
- Astron Building Systems is recognised as asset held for sale and discontinued operation in the financial statements of Q3.
- One-time costs of SEK 432 m are recognised in the quarter, mainly related to impairment of goodwill.
- The divestment is not expected to have a material impact on the net cash flow of Lindab Group.
- The transaction is subject to anti-trust approval in Russia.



Updated long-term financial targets

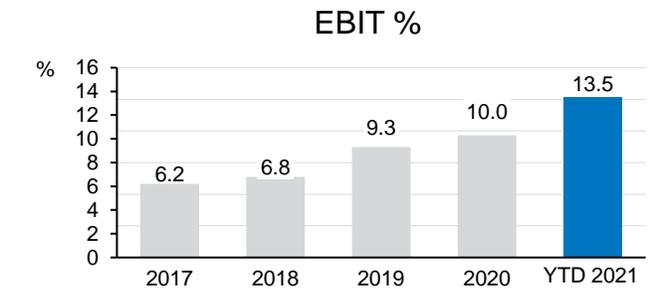
>10%

The **annual growth rate** should exceed 10 percent, as a combination of organic and acquired growth.



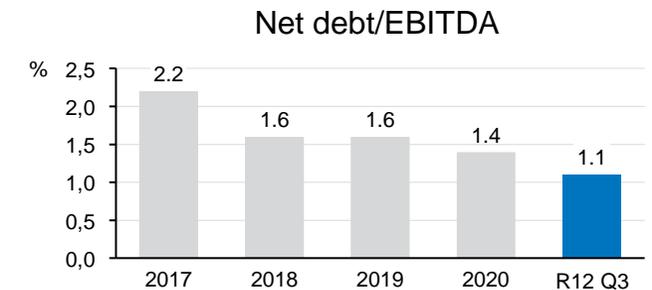
>10%

The **operating margin** should exceed 10 percent, excluding one-off items and restructuring costs.



<3.0

The **net debt to EBITDA** ratio should not exceed 3.0, measured over a 12 month average.



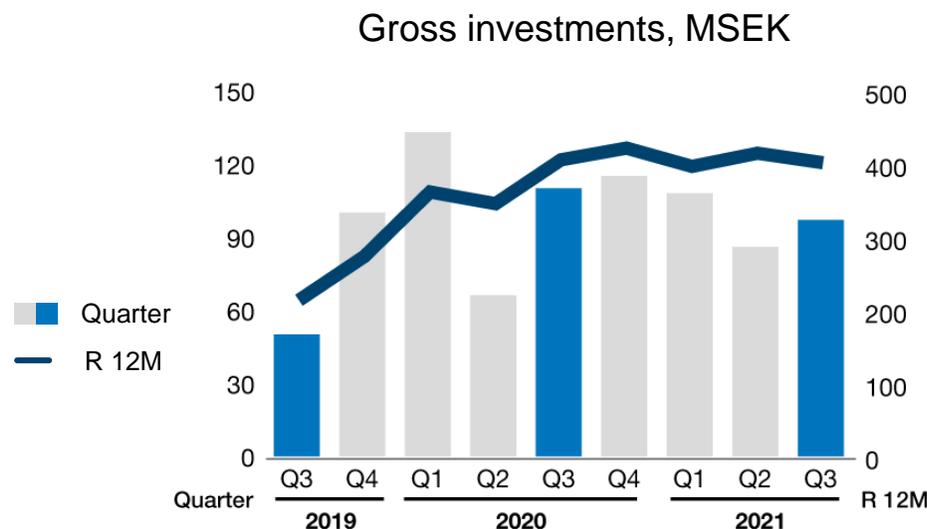
Note: from 2019 applies IFRS 16 Leases.



Accelerate profitable growth

Investments to increase efficiency, capacity and safety

- SEK 97 m invested in Q3, with attractive payback.
- The current investment program will continue until 2025.
- Increased automation to improve efficiency, new equipment to create a safer work environment and expansion of regional production and warehouse facilities to meet increased demand.
- Effects of the investment program are becoming increasingly noticeable, but a majority of the efficiency gains are still ahead of us.



Automatic sheet metal processing centre in Förslöv (SE).

Acquisitions of high-quality companies

- Well-managed, successful companies
- Complement Lindab's business in selected regions and product areas

7 July – Kami, Sweden



6 October – Tecnovent, Switzerland





Way forward

Priorities 2021-2022

- Continue the launch of new products for renovation of buildings in Europe (EU Green Deal).
- Secure continued high delivery performance to customers and ensure raw material availability.
- Implement the investment program at high pace.
- Nurture the acquisition pipeline.
- Implement EU taxonomy and further detail our sustainability targets.
- Continue to be fast moving in a decentralised organisation.



Lindab DCV ONE – a complete room supply unit



**Thank you!
Questions?**