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climate™



Lindab Group Q3 report

24 October 2024

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Q3 Summary

SALES SEK m

3,348

Adj. EBIT, SEK m

304

Adj. EBIT, %

9.1

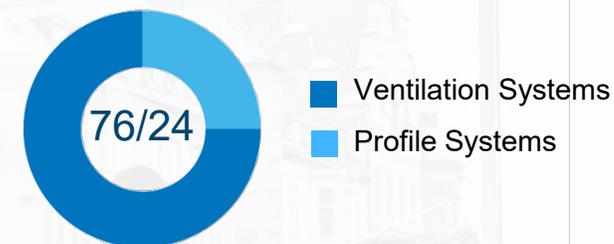
GROWTH Target 10%

| | |
|------------|-----|
| Organic | -4% |
| Structural | +9% |
| Currency | -2% |

Adj. EBIT % Target 10%

| | |
|---------------------|------|
| Ventilation Systems | 9.5% |
| Profile Systems | 8.8% |

SALES SPLIT 90/10 in 2027



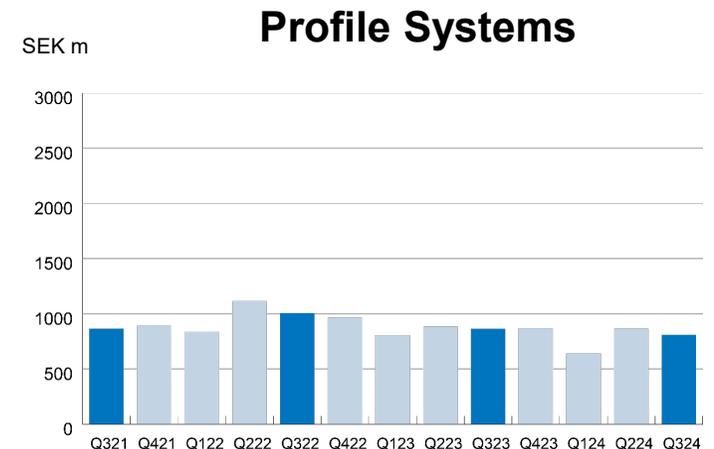
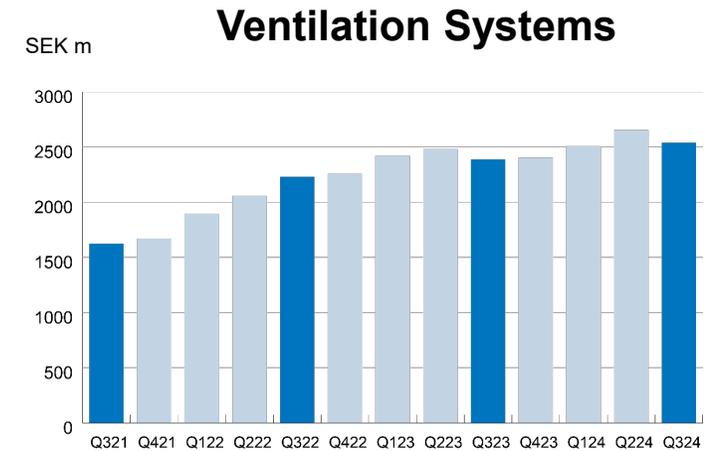
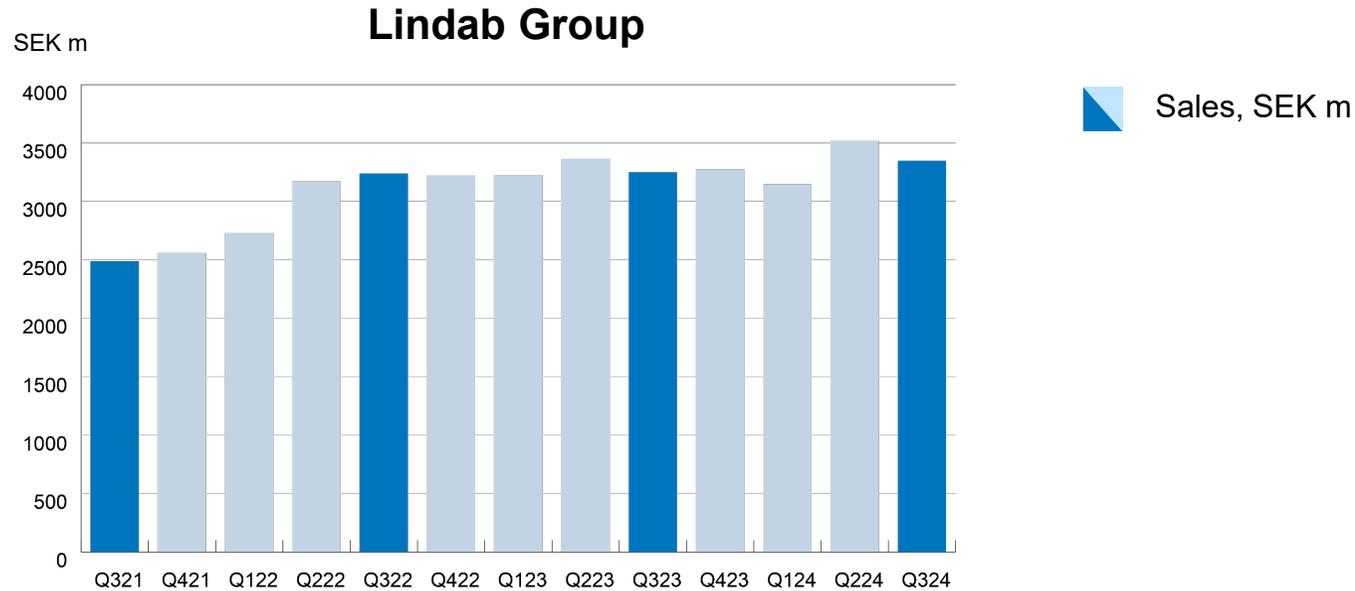
operating activities

CASH FLOW SEK m

259

Continued growth for Ventilation Systems, driven by acquisitions

Sales per year, SEK m



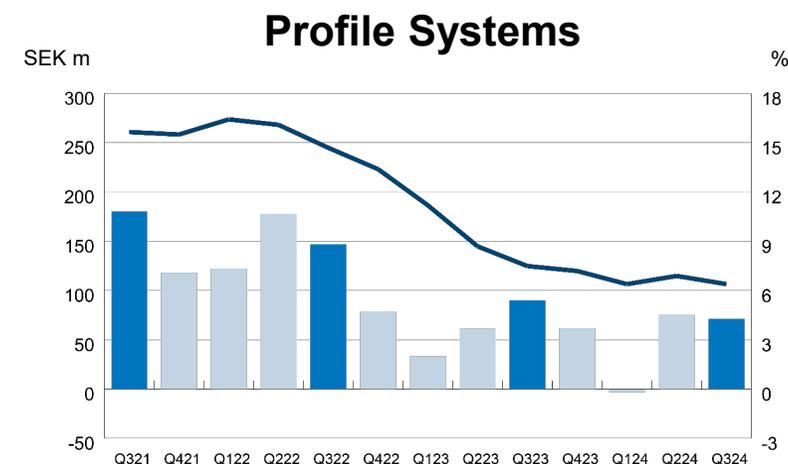
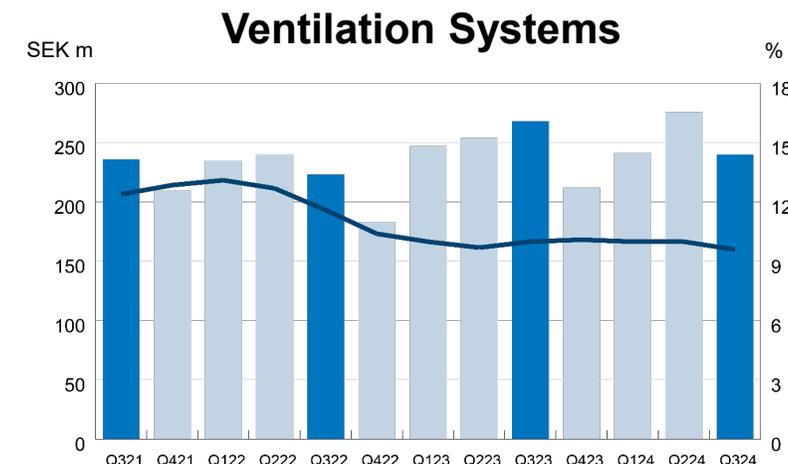
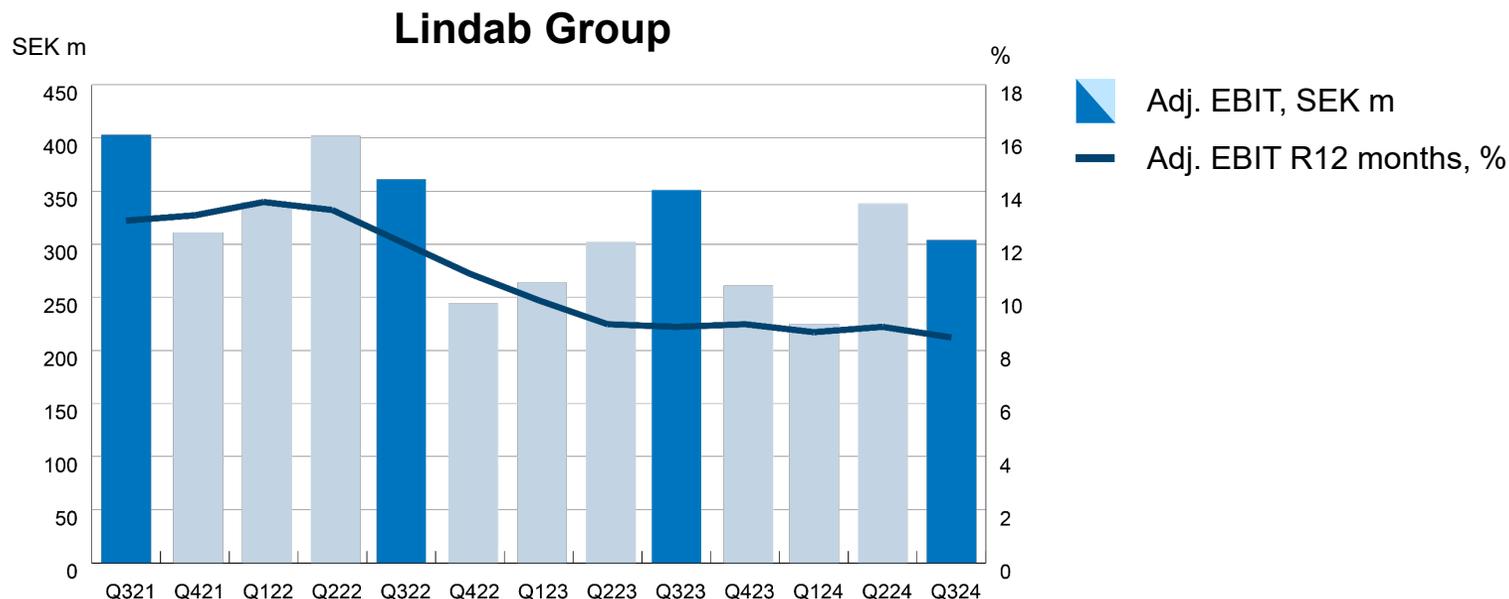
| Sales, SEK m | Q3, 2024 | Organic growth | Structural growth | Q3, 2023 |
|---------------------|----------|----------------|-------------------|----------|
| Lindab Group | 3,348 | -4% | 9% | 3,251 |
| Ventilation Systems | 2,538 | -3% | 11% | 2,388 |
| Profile Systems | 810 | -5% | - | 863 |

Comparison numbers exclude the divested business area Building Systems.

Market decline puts pressure on operating margins



Adj. EBIT per quarter and 12 months



| Adj. EBIT, SEK m | Q3, 2024 | | Q3, 2023 | |
|---------------------|----------|------|----------|-------|
| Lindab Group | 304 | 9.1% | 351 | 10.8% |
| Ventilation Systems | 240 | 9.5% | 268 | 11.2% |
| Profile Systems | 71 | 8.8% | 90 | 10.4% |

Comparison numbers exclude the divested business area Building Systems.

Continued solid cash flow from operating activities

Solid financial position supports additional acquisitions

- Cash flow from operating activities amounted to SEK 259 m (444) in Q3.

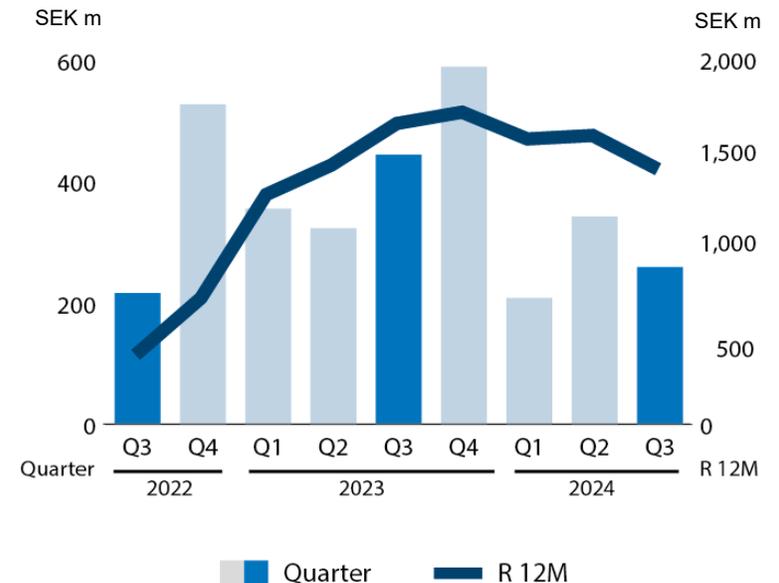
One-time costs in Q3

- Impairment of Leapcraft: SEK -30 m

Cash flow
from operating activities

259 SEK m

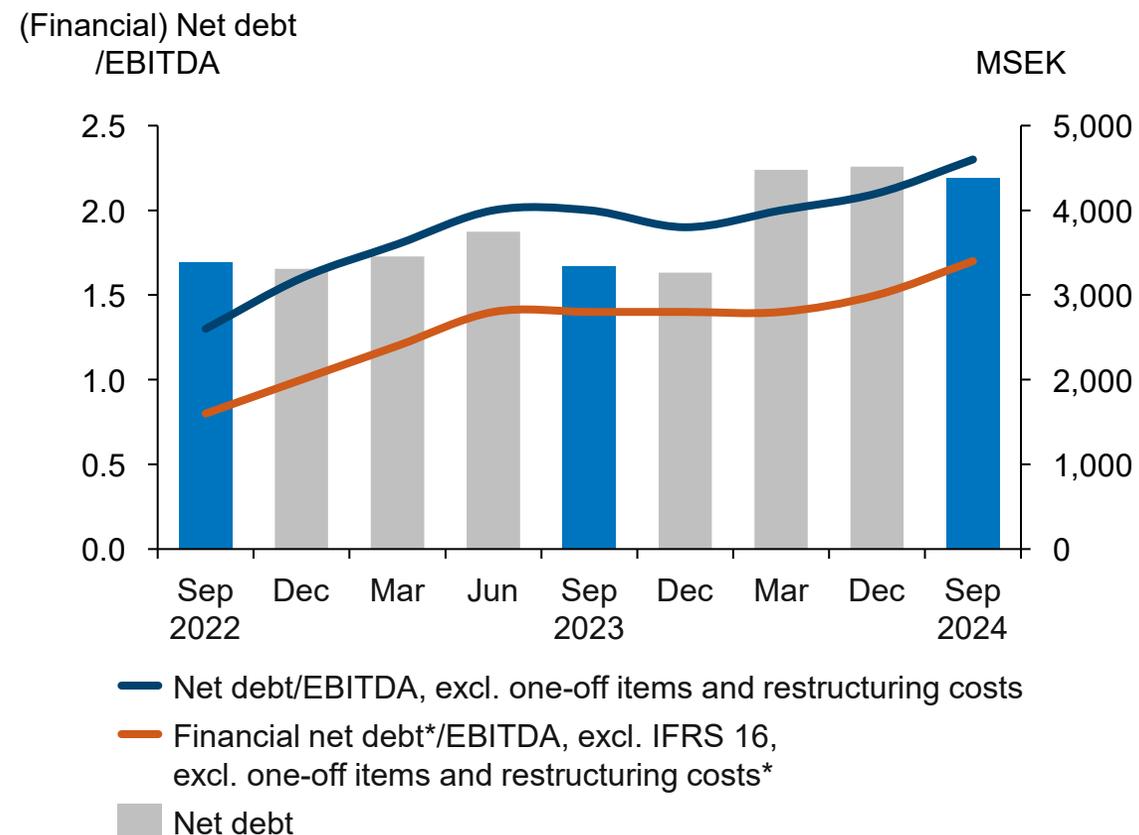
Quarterly cash flow
from operating activities



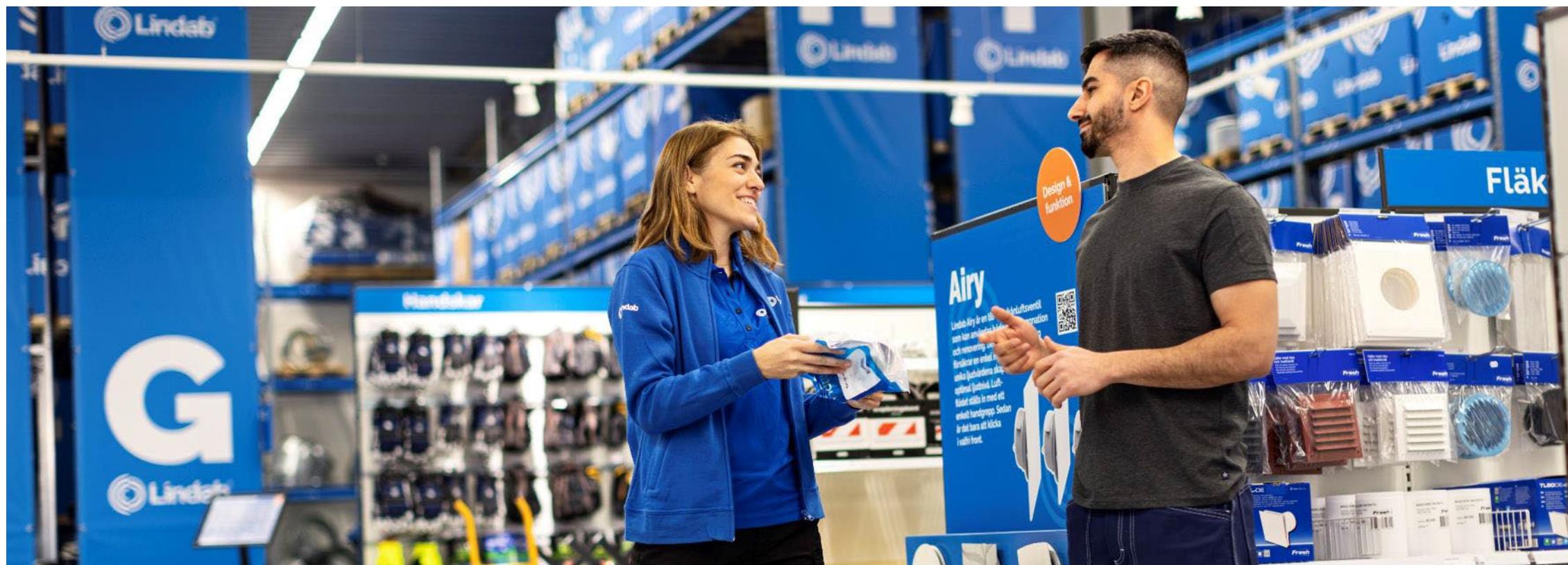
Net debt

- Net debt amounted to SEK 4,385 m (3,334), of which SEK 1,473 m (1,341) is related to leasing liabilities.
- Net debt/EBITDA amounted to 2.3 (2.0).
- Financial Net debt/EBITDA amounted to 1.7 (1.4).
- The change in net debt vs. previous year is mainly related to increased borrowings because of completed acquisitions.

Net debt / EBITDA **2.3**
 Financial Net debt / EBITDA **1.7**



*Financial net debt: Net debt excluding leasing liabilities and pension related posts.
 *Financial net debt/EBITDA excluding IFRS 16 : Average financial net debt in relation to EBITDA, excluding IFRS 16 and excluding leasing liabilities and pension related posts.



Building a stronger Lindab

Accelerating profitable growth



2009-2017

Debt reduction

Generated profits and cash flow was used to pay off debt and get Lindab back on track after the financial crisis.

2018-2023

Investing in the business

Focus on fewer markets and product areas. Investments in automation. Started to acquire high-quality companies.

2024-2027

Accelerating profitable growth

With investments in place, the focus is on profitable growth, both organic and through acquisitions.

REVENUE
SEK B

~7

9-13

20

EBIT MARGIN
%

6%

10%

>10%

VENTILATION
%

~55%

~70%

~90%

Measures to increase profitability

Additional cost reductions will be implemented in Q4 to secure satisfactory margins in 2025.

More attention to internal synergies with acquired companies.

Acceleration of structural actions in Profile Systems, with focus on Eastern Europe.



Investments to increase efficiency, capacity and safety

- Investments YTD was SEK 181 m (273).
- The strategic investment program, running since 2019, will be completed in 2024.
- With current investments in automation and capacity, the production volumes can increase without increasing costs, leading to strengthened margins when organic growth returns.
- Current investment focus is now shifting from production hardware to digital tools and services.

Efficiency from investments



Ensure that the implemented investments are delivering according to the agreed plan.

Acquisitions of high-quality companies



ATiB, France

RECENT ACQUISITIONS

2024

| | Sales* SEK m | Consolidated as of |
|------------------|-----------------|-----------------------|
| ATiB | 250 | 2 Oct |
| Venti | 120 | 2 Jul |
| TGA KlimaPartner | 50 | 2 Apr |
| Airmaster | 542 | 1 Mar |
| Vicon | <u>260</u> | 8 Feb |
| | 1,222 | |

2023

| | | |
|--------------------------------|------------|-------------|
| HAS-Vent | 280 | 5 Oct 2023 |
| Firmac | 40 | 2 May 2023 |
| Ventilace EU | 42 | 5 Jun 2023 |
| Irish Ventilation & Filtration | 100 | 3 Mar 2023 |
| Raab Lüftungstechnik | <u>160</u> | 28 Feb 2023 |
| | 622 | |

* Annual sales communicated at the time of the acquisition

Market outlook

- The European ventilation market is estimated to have declined by 5% in volume during the first nine months.
- For Profile Systems, the Nordic market has stabilised on a low level.
- Early signs of recovery have been noted for Profile Systems in the Nordic region during Q3.
- For Ventilation Systems, the European market is expected to be challenging, with low volumes, until mid-2025.
- The outlook for medium and long-term demand is strong, supported by the need for energy-efficient buildings and a healthy indoor climate. Legislation, such as the Energy Performance of Buildings Directive (EPBD), benefits Lindab.





**Thank you!
Questions?**