

Lindab International AB (publ)

Interim Report January - September 2020

Stable quarter with improved operating margin

Lindab's operating margin increased during the quarter. Net sales decreased, compared with the corresponding period previous year, due to the effects of covid-19. Ventilation Systems recovered during the quarter and Profile Systems continued to increase sales and earnings. Building System's sales have declined as a result of prevailing market uncertainty, but profitability has continued to be good. Lindab has a strong cash flow and balance sheet, which has enabled further acquisitions.

Third quarter 2020

- Net sales decreased by 6 percent to SEK 2,302 m (2,462). Organically, sales declined with 4 percent.
- Adjusted¹⁾ operating profit decreased by 4 percent to SEK 262 m (273).
- Operating profit amounted to SEK 266 m (273).
- Adjusted¹⁾ operating margin increased to 11.4 percent (11.1).
- Operating margin increased to 11.6 percent (11.1).
- Profit for the period amounted to SEK 198 m (212).
- Earnings per share, before and after dilution, amounted to SEK 2.59 (2.78).
- Cash flow from operating activities increased to SEK 452 m (395).
- In July, Lindab acquired the Swedish company Crenna Plåt AB, a leading manufacturer of high-quality rectangular ventilation ducts in the Swedish market.
- In September, Lindab divested IMP Klima Group, manufacturer of air handling units in Slovenia.
- After the end of the quarter, Ekovent, a leading Swedish manufacturer of ventilation and fire protection products, was acquired.

January - September 2020

- Net sales decreased by 7 percent to SEK 6,852 m (7,346). Organically, sales declined with 6 percent.
- Adjusted¹⁾ operating profit decreased by 5 percent to SEK 668 m (703).
- Operating profit amounted to SEK 598 m (703).
- Adjusted¹⁾ operating margin increased to 9.7 percent (9.6).
- Operating margin amounted to 8.7 percent (9.6).
- Profit for the period amounted to SEK 410 m (535).
- Earnings per share, before and after dilution, amounted to SEK 5.37 (7.01).
- Cash flow from operating activities increased to SEK 773 m (651).

Key Figures	2020 Jul-Sep	2019 Jul-Sep	Change, %	2020 Jan-Sep	2019 Jan-Sep	Change, %
Net sales, SEK m	2,302	2,462	-6	6,852	7,346	-7
Adjusted ¹⁾ operating profit, SEK m	262	273	-4	668	703	-5
Operating profit, SEK m	266	273	-3	598	703	-15
Adjusted ¹⁾ operating margin, %	11.4	11.1	-	9.7	9.6	-
Operating margin, %	11.6	11.1	-	8.7	9.6	-
Profit for the period, SEK m	198	212	-7	410	535	-23
Earnings per share, before and after dilution, SEK	2.59	2.78	-7	5.37	7.01	-23
Cash flow from operating activities, SEK m	452	395	14	773	651	19

1) Adjusted operating profit/operating margin does not include significant one-off items and restructuring costs. See 'Reconciliations' page 23.

A word from the CEO



Photo: Mette Ottosson

Lindab showed continued recovery during the third quarter and stands strong in a challenging time. Sales increased compared to the previous quarter, thanks to a customer-oriented organisation with high delivery capability. Rapid adjustment of costs contributed to improved profitability and the operating margin is the highest in Lindab for more than ten years.

Sales have developed positively compared to the second quarter but are slightly lower than in the third quarter previous year. We see that construction activity has gradually increased since the spring, but several of Europe's large economies continue to be negatively affected by covid-19.

Strong operating margin

The adjusted operating margin reached 11.4 percent in the third quarter and to reach that level, despite reduced sales, demonstrates quality and stability. Our decentralised organisation has adjusted costs quickly. Good profitability and a strong cash flow have given us the opportunity to continue the implementation of the strategic investment program. With increased automation, our production becomes safer and more efficient, which strengthens Lindab both short and long-term.

Acquisitions and divestments

We continued to make acquisitions during the third quarter, enabled by high profitability and strong cash flow. The ongoing pandemic has made it somewhat more difficult to work with acquisitions, but Lindab is equipped to grow through acquisitions, even under the current circumstances. During the past six months, Lindab has acquired three companies, Thor Duct, Crenna and Ekovent. All three are quality companies that complement Lindab's product range within ventilation systems.

Thor Duct provides ventilation systems for fire and smoke protection and is the market leader in the United Kingdom and Ireland. Lindab sees good growth opportunities in this niche.

Crenna is the leading manufacturer of high-quality rectangular ventilation ducts on the Swedish market. Lindab is the market leader in circular ducts. With the acquisition of Crenna, Lindab will have a complete range of ventilation ducts in Sweden.

Ekovent, acquired on 1 October, is a leading Swedish manufacturer of ventilation and fire protection products. The acquisition expands Lindab's offering in ventilation solutions and Lindab strengthens its position for fire protection in Sweden.

During the third quarter, IMP Klima and its subsidiaries were divested. At the end of June, we decided to close the business due to weak sales development and low profitability. We are pleased that we were able to find a new owner, the Dutch company Orange Climate, which will continue to manage IMP Klima and thus save many jobs.

Well positioned for the future

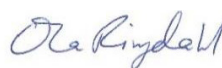
The challenges related to covid-19 are far from over, but Lindab has a robust supply chain and an organisation that is well equipped to handle the situation. The spread of infection is increasing again in Europe and we are prepared for renewed local restrictions and lockdowns.

"Rapid adjustment of costs contributed to improved profitability and the operating margin is the highest in Lindab for more than ten years."

The long-term demand for Lindab's ventilation products will benefit from an increased interest in solutions that create healthy indoor environments and reduce energy consumption. EU's directives for renovation and new construction of buildings, as well as several new support packages, should increase the demand for high quality ventilation systems. This gives Lindab possibilities to continue to develop its business in a positive direction.

Thank you to all customers who continue to choose Lindab and thank you to all employees for your efforts during this challenging time.

Grevie, October 2020



Ola Ringdahl

President and CEO

Covid-19

Lindab has the construction industry as its primary target segment and sales are concentrated in Europe with less than two percent of sales outside of Europe. Sales are affected by activity in the European construction industry, with emphasis on the countries in Northern Europe.

During the third quarter, Lindab was primarily affected by lower construction activity in Italy, France, the United Kingdom, Poland, Hungary and the Czech Republic. The demand for Lindab's products in the Nordic region has remained good.

Lindab's goal is to keep factories, distribution centers and sales channels open as far as possible. Lindab customers value high availability and delivery precision. By ensuring that critical deliveries can be made, Lindab strengthens its competitiveness and increases customer loyalty. During the third quarter, operations were open in all countries, with reduced opening hours and staffing in the countries with the lowest construction activity.

Lindab has good possibilities to secure deliveries to customers thanks to over 30 production facilities around Europe. Local stock levels have increased to further reduce the risks. Lindab has limited dependency on raw materials and components from countries outside Europe, which reduces the risk of transport disruptions. Alternative suppliers have been used when deemed necessary and this has thus reduced the dependency on individual suppliers.

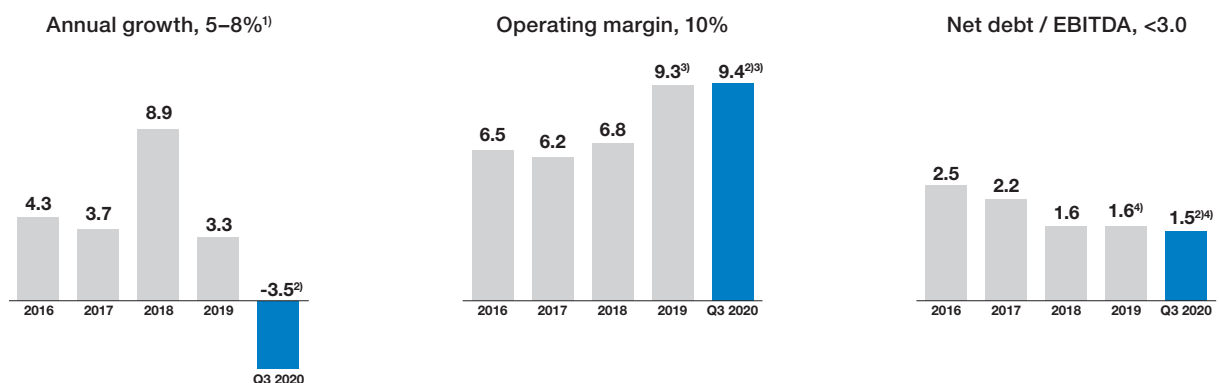
At Lindab's facilities, routines have been introduced to prevent the spread of infections and to increase the safety of employees. For confirmed covid-19 cases among Lindab's employees, measures have been taken to prevent further spread of the infection. Protective equipment has been put on stock to secure future availability.

Lindab's assessment is that covid-19 will affect sales negatively during the coming quarters. Construction projects are delayed or postponed and it is unclear how long and to what extent restrictions will last.

Lindab has reduced the costs to adapt the business to a lower demand. During the third quarter support measures and short-term work has been used to a lesser extent in the countries that were most affected.

Lindab has a strong financial position. Efficiency measures have resulted in a solid balance sheet and a strong result. The development is closely monitored and Lindab continuously evaluates different scenarios to be able to adapt operations to prevailing circumstances.

Long-term financial targets



¹⁾ Organic and acquired growth.

²⁾ Rolling 12 Months (R 12M).

³⁾ Excluding the effect of implemented new accounting standard IFRS 16 Leases, operating margin amounted to 9.0 percent in 2019 and 9.1 percent in 2020.

⁴⁾ Excluding the effect of implemented new accounting standard IFRS 16 Leases, net debt to EBITDA amounted to 1.0 in 2019 and 0.7 in 2020.

Sales, profit and cash flow

Sales and markets

Net sales during the quarter amounted to SEK 2,302 m (2,462), a decrease of 6 percent. Organically, sales decreased by 4 percent and currency effects had a negative impact on growth by 3 percent. Structural changes contributed positively by 1 percent, mainly related to Lindab's acquisitions of Crenna and Thor Duct, see Note 4.

The quarter began with subdued demand due to the continued uncertainty related to covid-19. Sales development varied between individual markets and products. The Nordics, which is Lindab's largest region in terms of sales, had continued positive organic sales growth while the other regions had a decrease in demand compared to the same period previous year.

Sales in Ventilation Systems decreased during the quarter due to covid-19. In relation to the second quarter of the year, sales recovered, especially at the end of the period. Profile Systems reported continued positive organic growth as a result of increased sales of industrial construction projects in the Nordics. Building Systems' sales decreased during the quarter, mainly explained by a general market slowdown related to covid-19. The comparison period also included significant deliveries, primarily to Western Europe and parts of Eastern Europe.

Net sales during the period January-September amounted to SEK 6,852 m (7,346), a decrease of 7 percent compared with the corresponding period previous year. Organic sales decreased by 6 percent and currency effects had a negative impact on growth by 1 percent. Structural changes had no effect on growth during the period.

Profit

Adjusted operating profit for the quarter amounted to SEK 262 m (273). Operating profit is adjusted with a capital gain, amounting to SEK 4 m (-), related to the divestment of IMP Klima Group, see Reconciliations on page 23. Adjusted operating margin increased to 11.4 percent (11.1).

Profile Systems' adjusted operating profit increased to SEK 98 m (82), while the adjusted operating profit in Ventilation Systems amounted to SEK 158 m (168) and Building Systems amounted to SEK 16 m (34).

The improved adjusted operating margin is mainly a result of reduced costs but also strengthened gross margin. A smaller part of the reduced costs is related to received governmental grants. The Group's slightly lower adjusted operating profit, compared with the historically strong third quarter previous year, is mainly explained by reduced sales volume due to covid-19. The adjusted operating profit in the quarter was particularly strong in the Profile Systems segment, primarily driven by volume growth and strengthened gross margin.

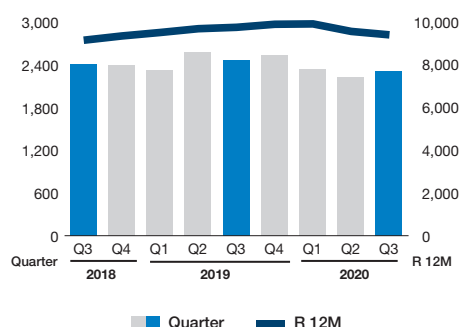
The quarter includes a positive effect on one-off items and restructuring costs corresponding to SEK 4 m (-), related to Lindab's divestment of IMP Klima Group. The capital gain is reported as other operating income. Lindab acquired the business in 2015 to establish a presence on the market for air handling units. IMP Klima Group has had a weak profitability. Sales in 2019 amounted to SEK 269 m and were reported as part of Ventilation Systems.

Profit for the quarter amounted to SEK 198 m (212) and earnings per share amounted to SEK 2.59 (2.78).

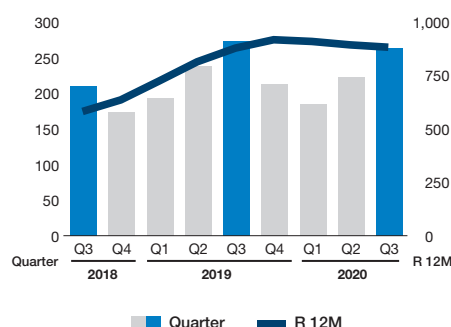
Adjusted operating profit for the period January-September amounted to SEK 668 m (703). Operating profit is adjusted for one-off items and restructuring costs, amounting to SEK -70 m (-), see Reconciliations on page 23. Adjusted operating margin increased to 9.7 percent (9.6).

Profit for the period January-September amounted to SEK 410 m (535) and earnings per share amounted to SEK 5.37 (7.01).

Net sales, SEK m



Adjusted operating profit, SEK m



Sales, profit and cash flow (cont.)

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. The largest seasonal variations can be found in the segments Profile Systems and Building Systems. Ventilation products are mainly installed indoors which is why the Ventilation Systems segment is less dependent on season or weather conditions.

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 for the quarter amounted to SEK 97 m (98), of which SEK 9 m (7) was related to intangible assets and SEK 54 m (54) to right of use assets related to rental and leasing agreements. No impairment losses were reported in the period compared to SEK 9 m in the corresponding period previous year. Impairment losses previous year were mainly related to intangible assets from previous business combinations.

For the period January–September depreciation/amortisation amounted to SEK 294 m (291), of which SEK 23 m (21) was related to intangible assets and SEK 168 m (161) to right of use assets related to rental and leasing agreements. In addition, impairment losses of SEK 42 m were reported due to decided structural changes, of which SEK 32 m were related to properties. The impairment losses have been reported as other operating expenses in the income statement, of which SEK 40 m were classified as one-off items and restructuring costs. In the corresponding period previous year impairment losses of SEK 12 m were reported.

Tax

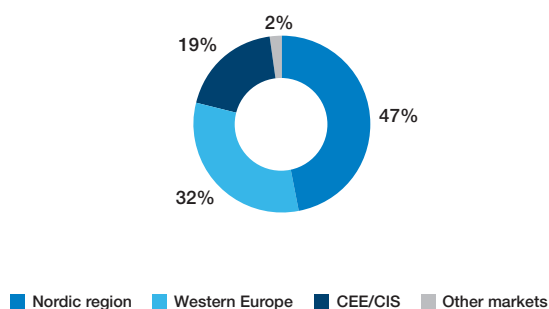
Tax on profit for the quarter amounted to SEK 59 m (55). Earnings before tax was SEK 257 m (267). The effective tax rate amounted to 23 percent (21). The average tax rate was 20 percent (21). The higher effective tax rate during the quarter, compared to the previous year, was mainly explained by the fact that Lindab was not able to fully recognise carry-forward tax losses in order to reduce the total tax on profit. The deviation between the effective tax rate and the average tax rate in the period is mainly explained by the same reason.

Tax on profit for the period January–September amounted to SEK 162 m (142). Earnings before tax was SEK 572 m (677). The effective tax rate amounted to 28 percent (21). The average tax rate was 20 percent (20). The higher effective tax rate during the period, compared to the previous year, was mainly explained by the fact that Lindab was not able to fully recognise carry-forward tax losses in order to reduce the total tax on profit. The effective tax rate during the period has furthermore been negatively impacted by withholding tax. In the period, the deviation between the effective tax rate and the average tax rate is mainly explained by the same reasons.

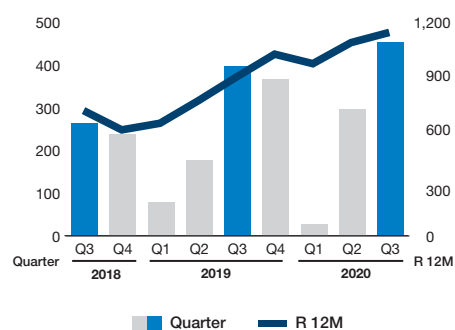
Cash flow

During the quarter, cash flow from operating activities improved with SEK 57 m and amounted to SEK 452 m (395). The improvement was mainly related to change in working capital, which had a positive cash flow of net SEK 143 m (53). In comparison with the same period last year, the largest positive cash flow effects from change in working capital were attributable to reduced capital tied up in stock and increased accounts payable. Cash flow before change in working capital amounted to SEK 309 m (342). Operating profit amounted to SEK 266 m (273).

Breakdown of net sales by region, last 12 months



Cash flow from operating activities, SEK m



Sales, profit and cash flow (cont.)

Cash flow from financing activities for the quarter amounted to SEK -157 m (-264). The development of the cash flow from financing activities was mainly related to the change in borrowings and utilisation of credit limits.

For the period January–September, cash flow from operating activities improved by SEK 122 m and amounted to SEK 773 m (651). The outcome was mainly related to change in working capital, which amounted to SEK -17 m (-213). In comparison with the same period last year, the development of change in working capital was mainly related to a minor increase of capital tied up in stock and accounts receivable. Cash flow before change in working capital amounted to SEK 790 m (864). The underlying operating profit amounted to SEK 598 m (703) but included non-cash flow affecting impairment losses / provisions of SEK -74 m (-) attributable to the decision in the second quarter to close down IMP Klima Group. In the third quarter, IMP Klima Group was divested with a reported capital gain of SEK 4 m (-).

Cash flow from financing activities for the period January–September amounted to SEK -267 m (-266). The development is mainly explained by a lower change in borrowings and lower dividend paid to shareholders, who received SEK -67 m (-134) during the period. At the Annual General Meeting in 2020 it was decided that dividends to shareholders will be paid on two occasions during the year, in May and November, respectively. The total decided dividend amount is on the same level as previous year.

Cash flow from investing activities is explained under the headings 'Investments' and 'Business combinations'.

Investments and financial position

Investments

Investments in intangible assets and tangible fixed assets for the quarter amounted to SEK 110 m (51), of which SEK 5 m (5) were related to investments in intangible assets.

Cash flow from investing activities, excluding business combinations, amounted net to SEK -106 m (-50). The cash flow included a positive effect from the divestment of tangible fixed assets amounting to SEK 4 m (1).

For the period January–September, investments in intangible assets and tangible fixed assets amounted to SEK 310 m (178), of which SEK 16 m (10) were related to investments in intangible assets. The comparison period included the acquisition of the previously leased real estate in Switzerland of SEK 45 m. The increased investments in tangible fixed assets were mainly a result of the Group's objective to increase efficiency and capacity in the production facilities.

Cash flow from investing activities, excluding business combinations, amounted net to SEK -305 m (-174) for the period January–September. The cash flow included a positive effect from the divestment of tangible fixed assets amounting to SEK 5 m (4).

Business combinations

On September 18, Lindab divested all shares in the Slovenian subsidiary Lindab, klima sistemi, d.o.o. and its subsidiaries (IMP Klima Group). The business is primarily related to production and sales of air handling units. In June, Lindab made the strategic decision to close down IMP Klima Group, which during the second quarter resulted in recognised one-off items and restructuring costs corresponding to SEK -74 m. After the decision to close down the business an opportunity arose to divest IMP Klima Group instead, and the divestment took place during the third quarter. The sale resulted in a capital gain of SEK 4 m. The divestment of, and also the previous decision to close down, IMP Klima Group is in line with Lindab's strategy to focus on long-term sustainable and profitable growth. IMP Klima is registered in Godovic, Slovenia and had, together with its subsidiaries, an annual sales of SEK 269 m in 2019.

On July 3, 2020, Lindab acquired all shares of the Swedish company Crenna Plåt AB with its subsidiaries. The Group is primarily a leading manufacturer of high-quality rectangular ventilation ducts on the Swedish market. Through the acquisition, Lindab has further strengthened its market position and offers a complete range of ventilation ducts and ventilation related accessories in Sweden. Crenna Plåt AB is registered in Enköping, Sweden and has an annual turnover of approximately SEK 120 m.

For more information about above mentioned business combinations and company acquisitions during 2020 respectively 2019, see Note 4. For information of business combinations after the reporting period see page 8.

Financial position

Net debt amounted to SEK 1,740 m (1,996) on 30 September 2020. Currency effects increased net debt by SEK 30 m during the quarter compared to an increase by SEK 29 m compared with the same period previous year.

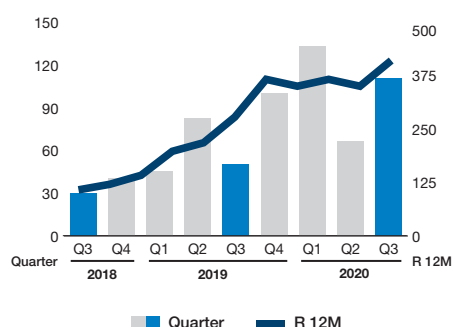
The equity/assets ratio was 52 percent (51) and the net debt/equity ratio was 0.3 (0.4). Financial items for the quarter amounted to SEK -9 m (-6). The change is mainly explained by lower interest income.

The current credit limits of SEK 1,400 m with Nordea and Danske Bank and EUR 50 m from Raiffeisen Bank International are valid until the third quarter in 2022. The agreements contain covenants, which are monitored quarterly. Lindab fulfilled all the conditions as at 30 September 2020.

Pledged assets and contingent liabilities

Pledged assets have increased with SEK 24 m in connection with business combinations. No significant changes have been made in contingent liabilities during the third quarter 2020.

Gross investments in fixed assets, excl. business combinations SEK m



Investment programme

- Lindab has increased the rate of investments in production automation in order to achieve increased capacity, efficiency and safer work environment.
- In the third quarter further investments were made within Ventilation Systems. The main projects are an automatic sheet metal processing centre in the Czech Republic and a new distribution centre in France.

Other

Parent company

Lindab International AB (publ), corporate identification number 556606-5446, is a registered limited liability company with its domicile in Båstad, Sweden. Lindab's shares are listed on Nasdaq Stockholm, Mid Cap.

Net sales for the quarter amounted to SEK 1 m (2). Loss for the period amounted to SEK 0 m (-1).

Net sales for the period January–September amounted to SEK 4 m (3). Loss for the period amounted to SEK -3 m (-2).

Significant risks and uncertainties

There have been no significant changes to what was stated by Lindab in its Annual Report for 2019 under Risks and Risk Management (pages 52–54). Additionally, risks related to covid-19 has arisen in 2020, see page 3 and Note 2.

Employees

The number of employees at the end of the quarter, calculated as full-time equivalent employees, was 4,955 (5,148). Adjusted for acquisitions and divestment, the net decrease was 80 employees compared with the corresponding period of the previous year. A significant part of the decrease is related to covid-19.

Incentive programme

At the Annual General Meeting in April 2020, guidelines for the remuneration of senior executives were adopted. According to the adopted guidelines, the remuneration programme for these individuals shall among other things include variable cash pay elements. These variable elements shall be based on measurable criteria, which reflects predetermined financial and qualitative targets for Lindab. Based on the resolution at the Annual General Meeting, a long-term incentive programme has been implemented. The programme has a three year measuring period and any outcome in terms of long term variable cash pay is presumed to be invested in shares or share related instruments in Lindab on market terms. The total cost in the event of maximum outcome for the three year measuring period of 2020 to 2022 was estimated at SEK 13 m. At the Annual General Meeting in 2018 and 2019, long term incentive programmes were respectively adopted, with essentially the same principles as the above decided programme. These programmes measuring period are 2018–2020 respectively 2019–2021.

Share option programme

At the Annual General Meeting in April 2020, it was resolved to establish a share option programme for senior executives in Lindab through a directed issue of maximum 275,000 share options. As a result of this programme, 210,000 share options have during the second quarter been acquired by senior executives in Lindab, according to a market valuation determined based on the agreement. Each share option entitles the holder to acquire one share in Lindab at a strike price of SEK 101.90. Acquisitions of shares supported by share options may take place after Lindab has published the Q2 interim report for the year 2023 and up until 31 August of the same year. At the Annual General Meeting in 2017, 2018 and 2019, respectively, there were also resolutions to implement share option/warrant programmes for senior executives. During the third quarter of 2020, 25,000 externally owned warrants, from the 2017 warrant program, were subscribed for in

accordance with agreed terms. This transaction triggered the issuing of 25,000 shares in Lindab International AB on behalf of these persons. The subscription of shares was exercised at a price of SEK 108.80 per share. Any unutilised warrants from the 2017 warrant programme have now expired. From the 2018 warrant programme, there are 110,000 outstanding options with a subscription price of SEK 86.40 exercisable during summer 2021. From the 2019 share option programme there are 175,000 outstanding options with a subscription price of SEK 120.00 during summer 2022.

Annual General Meeting

The Board has decided that the Annual General Meeting will be held on May 5, 2021. Notice to the meeting will be sent out in due course.

Dividend

The Annual General meeting, held on 29 April 2020, resolved a dividend of SEK 1.75 per share. The dividend is to be distributed half-yearly and the first payment of SEK 0.88 per share was distributed in May. The second payment of SEK 0.87 per share has 2 November as record date.

Nomination Committee

In accordance with a resolution passed at the Annual General Meeting, the Chairman of the Board, in conjunction with the company's three largest shareholders, has appointed a Nomination Committee. Consequently, Göran Espelund (Lannebo Fonder), Per Colleen (Fjärde AP-fonden), Anna Sundberg (Handelsbanken Fonder) and Peter Nilsson (Chairman of the Board of Lindab International AB) have formed a Nomination Committee prior to Lindab's Annual General Meeting in May 2021. Göran Espelund has been appointed as Chairman of the Nomination Committee.

Significant events during the reporting period

In July, Lindab acquired Crenna Plåt AB, manufacturer of high-quality rectangular ventilation ducts on the Swedish market, see Note 4.

In September Lindab divested IMP Klima Group, producer and manufacturer of air handling units, to the Dutch organisation Orange Climate B.V., see Note 4.

For information about the impact on Lindab related to covid-19, see page 3.

There are no other significant events during the reporting period to report.

Significant events after the reporting period

In October, Lindab acquired Ekovent AB, manufacturer of ventilation and fire & smoke protection products on the Swedish market. With the acquisition, Lindab will extend its offering of ventilation solutions and strengthen the Group's position in fire & smoke protection in Sweden. Ekovent has a yearly turnover of approximately SEK 123 m.

For information about the impact on Lindab related to covid-19, see page 3.

There are no other significant events after the reporting period to report.

General information

Unless otherwise indicated in this interim report, all statements refer to the Group. Figures in parentheses indicate the result for the corresponding period of the previous year. Unless otherwise indicated, amounts are in SEK m.

Segment – Ventilation Systems

Key performance indicators

	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep
Net sales, SEK m	1,405	1,467	4,212	4,540
Net sales growth, %	-4	0	-7	5
Adjusted ¹⁾ operating profit, SEK m	158	168	434	480
Adjusted ¹⁾ operating margin, %	11.2	11.5	10.3	10.6
Number of employees by end of period	3,340	3,483	3,340	3,483

¹⁾ Adjusted operating profit/operating margin does not include one-off items and restructuring costs of SEK +4 m (-) in the quarter and SEK -70 m (-) for the first nine months of the year. See 'Reconciliations' page 23.

Sales and markets

Net sales for Ventilation Systems decreased by 4 percent and amounted to SEK 1,405 m (1,467) during the quarter. Organically, sales decreased by 3 percent and currency effects had a negative impact on growth by 3 percent. Structural changes contributed positively by 2 percent, related to Lindab's acquisitions of Crenna and Thor Duct, see Note 4.

In relation to the second quarter of the year, there has been a clear sales recovery, especially in Western Europe but also in some markets in the CEE/CIS region. Common to all these markets is that they have been less affected by general restrictions compared with the second quarter of the year, when several of these countries were completely or partially closed down. Compared to previous year, sales decreased in all European regions during the quarter due to the uncertain market development related to covid-19. The Nordics had a relatively stable sales development during the quarter.

In the Nordics, sales decreased slightly in all markets except for Finland, where growth was strong. The markets in Western Europe had a more varied sales development with good growth in Ireland, Italy and France, while sales decreased in the United Kingdom and Switzerland. Sales were particularly strong during the comparison period previous year for Switzerland. The United Kingdom, in addition to covid-19, was also affected by the ongoing Brexit process. In the CEE/CIS region, the majority of the markets reported decreased sales compared to the same period previous year, with the exception of Romania and Slovakia, both reported good organic growth. The CEE/CIS region has generally

been surrounded by more uncertainty related to covid-19, which weakened the general market development in this region during the quarter, compared with other European regions.

Net sales for the period January-September decreased by 7 percent to SEK 4,212 m (4,540) compared with the previous year. Organically, sales decreased by 7 percent. Currency effects had a negative impact on growth by 1 percent while structural changes contributed positively by 1 percent.

Profit

Ventilation Systems' adjusted operating profit during the quarter amounted to SEK 158 m (168). Adjusted operating margin amounted to 11.2 percent (11.5). The lower adjusted operating profit is mainly explained by reduced sales volume and slightly weaker gross margin, which was partly offset by clearly reduced costs.

Operating profit is adjusted with a capital gain, amounting to SEK 4 m (-), related to the divestment of IMP Klima Group. The capital gain is reported as other operating income.

Adjusted operating profit for the period January-September amounted to SEK 434 m (480).

Activities

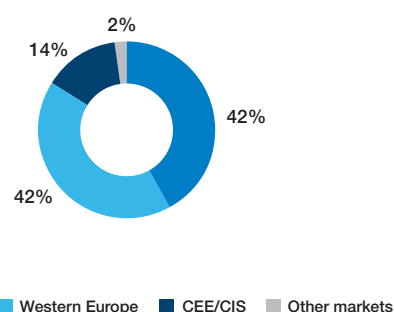
In July, Lindab acquired the ventilation company Crenna, a manufacturer of high-quality rectangular ventilation ducts on the Swedish market. With the acquisition, Lindab will have a complete range of ventilation ducts in Sweden.

In September, Lindab divested IMP Klima Group, manufacturer of air handling units.

Net sales, SEK m



Breakdown of net sales by region, last 12 months



Segment – Profile Systems

Key performance indicators

	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep
Net sales, SEK m	654	637	1,926	1,787
Net sales growth, %	3	-3	8	-2
Adjusted ¹⁾ operating profit, SEK m	98	82	234	185
Adjusted ¹⁾ operating margin, %	15.0	12.9	12.1	10.4
Number of employees by end of period	862	896	862	896

¹⁾ No one-off items or restructuring costs have been reported in 2020 or 2019.

Sales and markets

Net sales for Profile Systems increased by 3 percent to SEK 654 m (637) during the quarter. Organically, sales increased by 5 percent while currency had a negative impact on growth by 2 percent.

Sales continued to develop well for Profile Systems during the quarter, as a result of continued good growth, primarily in the Nordics but also in Western Europe. Sales to the CEE/CIS region, on the other hand, decreased during the quarter.

In the Nordics, sales increased due to continued good organic growth in the region's two largest markets, Sweden and Denmark. The Swedish market, which accounts for about half of Profile Systems' sales, had significant deliveries to industrial construction projects. Sweden also had good growth in rainwater systems, which has benefited from a "stay at home" effect. This was driven by, among other things, increased demand from the consumer market. Construction sites in the Nordics have generally remained open during the quarter, which resulted in covid-19 not having any significant impact on the sales volume.

Sales development in the CEE/CIS region decreased during the quarter in general, but varied between individual markets. Good organic growth was reported in Poland and Slovakia, while sales in the region's largest market, Hungary, decreased compared with the same period previous year. Most of the markets in the CEE/CIS region have been affected by the uncertainty associated with covid-19. Sales in Western Europe, on the other hand, continued to report positive growth, although this region only represent a smaller share of Profile Systems total sales.

Net sales for the period January–September increased by 8 percent to SEK 1,926 m (1,787) compared with the previous year. Organically, sales increased by 10 percent, while currency and structural changes had a negative impact on growth by 1 percent, respectively.

Profit

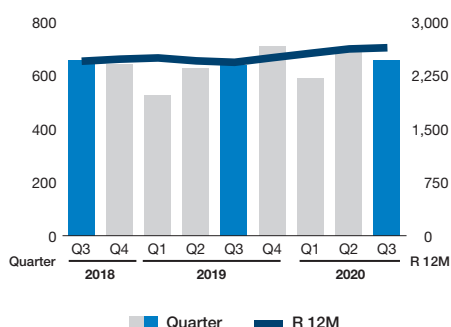
Profile Systems' adjusted operating profit during the quarter increased to SEK 98 m (82). Adjusted operating margin increased to 15.0 percent (12.9). The improved adjusted profit is mainly explained by a strong volume growth but also to a somewhat strengthened gross margin.

Adjusted operating profit for the period January–September increased by 26 percent to SEK 234 m (185).

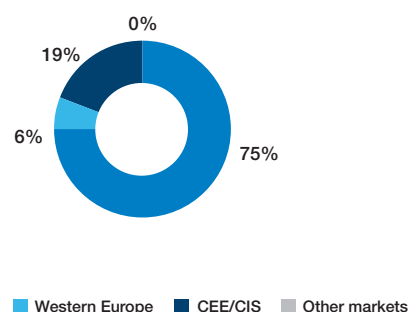
Activities

In September, Lindab received Byggeriet's Energy Award 2020 in Denmark, for Lindab's roof system with integrated solar cells, SolarRoof. The motivation was that Lindab has combined an established technology for sheet metal roofs with the latest technology in solar energy.

Net sales, SEK m



Breakdown of net sales by region, last 12 months



Segment – Building Systems

Key performance indicators

	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep
Net sales, SEK m	243	358	714	1,019
Net sales growth, %	-32	32	-30	27
Adjusted ¹⁾ operating profit, SEK m	16	34	33	70
Adjusted ¹⁾ operating margin, %	6.6	9.5	4.6	6.9
Number of employees by end of period	706	729	706	729

1) No one-off items or restructuring costs have been reported in 2020 or 2019.

Sales and markets

Net sales for Building Systems decreased by 32 percent to SEK 243 m (358) during the quarter. Organically, sales decreased by 26 percent and currency effects had a negative impact by 6 percent.

The decreased sales during the quarter was mainly explained by a general slowdown related to covid-19. The comparison period also included significant large project deliveries, primarily to the markets of Luxembourg, France and Poland. This has generated a sales decrease in both Western Europe and CEE¹⁾ compared with the same period previous year. The segment's second largest market, Germany, on the other hand, had strong growth. Sales to CIS²⁾ decreased slightly due to lower sales in Russia.

Order intake decreased during the quarter. The order backlog at the end of the period was lower compared to the corresponding period previous year, especially in CEE¹⁾ and CIS²⁾, respectively.

Net sales for the period January-September decreased by 30 percent to SEK 714 m (1,019) compared with the previous year. Organically, sales decreased by 28 percent and currency changes had a negative impact on growth by 2 percent.

Profit

Building Systems' adjusted operating profit amounted to SEK 16 m (34) during the quarter. Adjusted operating margin was 6.6 percent (9.5).

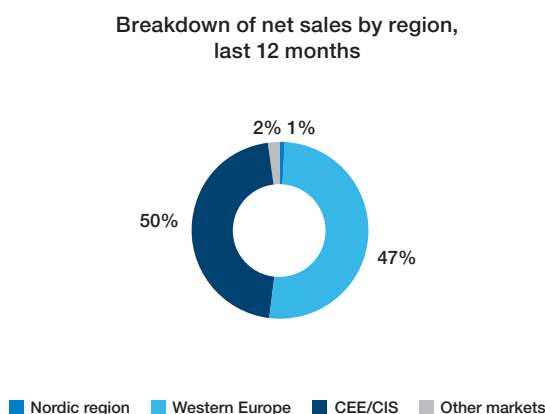
The lower adjusted operating profit is explained by significantly lower sales volume and slightly negative currency changes due to a weakened Russian rouble. This has been partially offset by a strengthened gross margin and lower fixed production costs compared with the same period previous year. During the quarter, a number of cost-saving measures were also implemented, in order to adapt the business to lower sales volume. Among other things, the quarter was affected with costs of SEK -5 m related to a voluntary pre-retirement program. In addition to this, Buildings Systems has received governmental grants of SEK 3 m.

Adjusted operating profit for the period January-September amounted to SEK 33 m (70).

Activities

During the quarter, Building Systems signed agreements on seven major orders, each worth more than SEK 10 m; four in CIS²⁾, two in Western Europe and one in the CEE¹⁾ region.

1) Central and Eastern Europe
2) Commonwealth of Independent States



Net sales and segments

Net sales and growth

SEK m	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Net sales	2,302	2,462	6,852	7,346	9,872
Change	-160	65	-494	404	546
Change, %	-6	3	-7	6	6
Of which					
Organic, %	-4	1	-6	3	3
Acquisitions/divestments, %	1	0	0	0	0
Currency effects, %	-3	2	-1	3	3

Net sales per region

SEK m	2020 Jul-Sep	%	2019 Jul-Sep	%	2020 Jan-Sep	%	2019 Jan-Sep	%	2019 Jan-Dec	%
Nordic region	1,034	45	1,000	41	3,270	48	3,114	42	4,236	43
Western Europe	801	35	872	35	2,221	32	2,644	36	3,445	35
CEE/CIS	426	18	552	22	1,246	18	1,474	20	2,034	21
Other markets	41	2	38	2	115	2	114	2	157	1
Total	2,302	100	2,462	100	6,852	100	7,346	100	9,872	100

Net sales per segment

SEK m	2020 Jul-Sep	%	2019 Jul-Sep	%	2020 Jan-Sep	%	2019 Jan-Sep	%	2019 Jan-Dec	%
Ventilation Systems	1,405	61	1,467	59	4,212	62	4,540	62	6,018	61
Profile Systems	654	28	637	26	1,926	28	1,787	24	2,494	25
Building Systems	243	11	358	15	714	10	1,019	14	1,360	14
Total	2,302	100	2,462	100	6,852	100	7,346	100	9,872	100
Gross internal sales all segments	9		8		33		22		30	

Operating profit, operating margin and earnings before tax

SEK m	2020 Jul-Sep	%	2019 Jul-Sep	%	2020 Jan-Sep	%	2019 Jan-Sep	%	2019 Jan-Dec	%
Ventilation Systems	158	11.2	168	11.5	434	10.3	480	10.6	609	10.1
Profile Systems	98	15.0	82	12.9	234	12.1	185	10.4	270	10.8
Building Systems	16	6.6	34	9.5	33	4.6	70	6.9	85	6.3
Other operations	-10	-	-11	-	-33	-	-32	-	-49	-
Adjusted operating profit	262	11.4	273	11.1	668	9.7	703	9.6	915	9.3
One-off items and restructuring costs ¹⁾	4	-	-	-	-70	-	-	-	-	-
Operating profit	266	11.6	273	11.1	598	8.7	703	9.6	915	9.3
Net financial items	-9	-	-6	-	-26	-	-26	-	-34	-
Earnings before tax	257	11.1	267	10.8	572	8.4	677	9.2	881	8.9

¹⁾ One-off items and restructuring costs are described in 'Reconciliations' page 23.

Number of employees by end of period

	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Ventilation Systems	3,340	3,483	3,340	3,483	3,545
Profile Systems	862	896	862	896	882
Building Systems	706	729	706	729	727
Other operations	47	40	47	40	42
Total	4,955	5,148	4,955	5,148	5,196

Consolidated income statement

SEK m	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	R 12M 2019 Oct- 2020 Sep	R 12M 2018 Oct- 2019 Sep	2019 Jan-Dec
Net sales	2,302	2,462	6,852	7,346	9,378	9,730	9,872
Cost of goods sold	-1,634	-1,757	-4,916	-5,313	-6,752	-7,064	-7,149
Gross profit	668	705	1,936	2,033	2,626	2,666	2,723
Other operating income	25	12	65	51	83	62	69
Selling expenses	-260	-286	-813	-878	-1,119	-1,166	-1,184
Administrative expenses	-124	-125	-393	-401	-541	-550	-549
R & D expenses	-14	-15	-45	-46	-63	-64	-64
Other operating expenses	-29	-18	-152	-56	-176	-98	-80
Total operating expenses	-402	-432	-1,338	-1,330	-1,816	-1,816	-1,808
Operating profit¹⁾	266	273	598	703	810	850	915
Interest income	2	7	12	14	19	19	21
Interest expenses	-10	-13	-34	-37	-47	-43	-50
Other financial income and expenses	-1	0	-4	-3	-6	-6	-5
Financial items	-9	-6	-26	-26	-34	-30	-34
Earnings before tax	257	267	572	677	776	820	881
Tax on profit for the period	-59	-55	-162	-142	-223	-179	-203
Profit for the period	198	212	410	535	553	641	678
–attributable to the parent company's shareholders	198	212	410	535	553	641	678
–attributable to non-controlling interests	0	-	0	-	0	0	-
Earnings per share, SEK²⁾	2.59	2.78	5.37	7.01	7.25	8.39	8.89

1) One-off items and restructuring costs, which are included in operating profit, are described in 'Reconciliations' on page 23.

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

SEK m	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	R 12M 2019 Oct- 2020 Sep	R 12M 2018 Oct- 2019 Sep	2019 Jan-Dec
Profit for the period	198	212	410	535	553	641	678
Items that will not be reclassified to the income statement							
Actuarial gains/losses, defined benefit plans	-10	-14	-18	-41	-28	-34	-51
Deferred tax attributable to defined benefit plans	2	2	4	8	6	7	10
Sum	-8	-12	-14	-33	-22	-27	-41
Items that will later be reclassified to the income statement							
Translation differences, foreign operations	-37	60	-154	215	-238	180	131
Hedges of net investments	-5	-26	-15	-65	22	-63	-28
Tax attributable to hedges of net investments	1	6	3	14	-5	13	6
Sum	-41	40	-166	164	-221	130	109
Other comprehensive income, net of tax	-49	28	-180	131	-243	103	68
Total comprehensive income	149	240	230	666	310	744	746
–attributable to the parent company's shareholders	149	240	230	666	310	744	746
–attributable to non-controlling interests	0	-	0	0	0	0	-

Consolidated statement of cash flow

SEK m	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	R 12M 2019 Oct- 2020 Sep	R 12M 2018 Oct- 2019 Sep	2019 Jan-Dec
OPERATING ACTIVITIES							
Operating profit	266	273	598	703	810	850	915
Reversal of depreciation/amortisation and impairment losses	97	107	336	303	433	345	400
Reversal of capital gains (-)/losses (+) reported in operating profit	-6	4	-6	2	-7	5	1
Provisions, not affecting cash flow	5	0	23	-17	31	5	-9
Adjustment for other items not affecting cash flow	2	-1	-2	-3	-5	-6	-6
Total	364	383	949	988	1,262	1,199	1,301
Interest received	1	6	11	14	18	18	21
Interest paid	-12	-12	-35	-33	-48	-39	-46
Tax paid	-44	-35	-135	-105	-197	-131	-167
Cash flow before change in working capital	309	342	790	864	1,035	1,047	1,109
Change in working capital							
Stock (increase -/decrease +)	35	-34	-4	-133	42	-107	-87
Operating receivables (increase -/decrease +)	-35	-21	-237	-291	34	125	-20
Operating liabilities (increase +/decrease -)	143	108	224	211	28	-176	15
<i>Total change in working capital</i>	<i>143</i>	<i>53</i>	<i>-17</i>	<i>-213</i>	<i>104</i>	<i>-158</i>	<i>-92</i>
Cash flow from operating activities	452	395	773	651	1,139	889	1,017
INVESTING ACTIVITIES							
Acquisition of Group companies	-86	-	-125	-33	-128	-33	-36
Divestment of Group companies	16	2	16	2	16	2	2
Investments in intangible assets	-5	-5	-16	-10	-20	-13	-14
Investments in tangible fixed assets	-105	-46	-294	-168	-390	-205	-264
Change in financial fixed assets	0	0	0	0	0	0	0
Disposal of intangible assets	-	-	-	-	-	0	-
Disposal of tangible fixed assets	4	1	5	4	13	4	12
Cash flow from investing activities	-176	-48	-414	-205	-509	-245	-300
FINANCING ACTIVITIES							
Proceeds from borrowings	-	-	90	238	90	238	238
Repayment of borrowings	-106	-210	-130	-210	-294	-437	-374
Repayment of leasing-related liabilities	-53	-53	-164	-160	-218	-160	-214
Issue/repurchase of share options/warrants	2	-1	4	0	4	0	0
Dividends to shareholders	-	-	-67	-134	-67	-135	-134
Cash flow from financing activities	-157	-264	-267	-266	-485	-494	-484
Cash flow for the period	119	83	92	180	145	150	233
Cash and cash equivalents at start of the period	485	399	536	289	493	320	289
Effect of exchange rate changes on cash and cash equivalents	-29	11	-53	24	-63	23	14
Cash and cash equivalents at end of the period	575	493	575	493	575	493	536

Consolidated statement of financial position

SEK m	30 Sep 2020	30 Sep 2019	31 Dec 2019
ASSETS			
Non-current assets			
Goodwill	3,254	3,263	3,211
Other intangible assets	111	101	97
Tangible fixed assets	1,426	1,402	1,374
Right of use assets	1,042	935	1,009
Financial interest-bearing fixed assets	35	38	34
Other financial fixed assets	22	7	8
Deferred tax assets	103	99	118
Total non-current assets	5,993	5,845	5,851
Current assets			
Stock	1,441	1,534	1,468
Accounts receivable	1,524	1,640	1,349
Other current assets	232	236	219
Other interest-bearing receivables	56	36	15
Cash and cash equivalents	575	493	536
Total current assets	3,828	3,939	3,587
TOTAL ASSETS	9,821	9,784	9,438
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity attributable to parent company shareholders	5,127	4,947	5,027
Non-controlling interest	0	-	-
Total shareholders' equity	5,127	4,947	5,027
Non-current liabilities			
Interest-bearing provisions for pensions and similar obligations	303	274	283
Liabilities to credit institutions	1,027	1,199	1,001
Leasing liabilities	834	769	798
Deferred tax liabilities	100	103	112
Provisions	25	22	23
Other non-current liabilities	8	15	9
Total non-current liabilities	2,297	2,382	2,226
Current liabilities			
Other interest-bearing liabilities	7	97	33
Leasing liabilities	235	224	241
Provisions	21	26	26
Accounts payable	837	874	763
Other current liabilities	1,297	1,234	1,122
Total current liabilities	2,397	2,455	2,185
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	9,821	9,784	9,438

Financial instruments measured at fair value through the income statement

SEK m	30 Sep 2020		30 Sep 2019		31 Dec 2019	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Disclosures regarding the fair value by class						
Financial assets						
Derivative receivables	4	4	35	35	15	15
Financial liabilities						
Liabilities to credit institutions	1,031	1,033	1,171	1,175	1,004	1,007
Derivative liabilities	3	3	4	4	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 to credit institutions 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 to credit institutions 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 cannot be estimated reliably, are recognised at acquisition cost. The carrying amount is SEK 1 m (1).

Consolidated statement of changes in equity

SEK m	Shareholders' equity attributable to parent company shareholders				Total	Non-controlling interests	Total shareholders' equity
	Share-capital	Other contributed capital	Foreign currency translation reserve	Profit brought forward incl. profit for the year			
Closing balance, 31 December 2018	79	2,260	213	1,912	4,464	-	4,464
Changed accounting principles				-49	-49	-	-49
Opening balance, 1 January 2019	79	2,260	213	1,863	4,415	-	4,415
Profit for the period				535	535	-	535
Other comprehensive income, net of tax							
Actuarial gains/losses, defined benefit plans				-33	-33	-	-33
Translation differences, foreign operations			215		215	-	215
Hedges of net investments			-51		-51	-	-51
<i>Total comprehensive income</i>	-	-	164	502	666	-	666
Dividend to shareholders				-134	-134	-	-134
Issue of share options				0	0	-	0
<i>Transactions with shareholders</i>	-	-	-	-134	-134	-	-134
Closing balance, 30 September 2019	79	2,260	377	2,231	4,947	-	4,947
Profit for the period				143	143	-	143
Other comprehensive income, net of tax							
Actuarial gains/losses, defined benefit plans				-8	-8	-	-8
Translation differences, foreign operations			-84		-84	-	-84
Hedges of net investments			29		29	-	29
<i>Total comprehensive income</i>	-	-	-55	135	80	-	80
Repurchase of warrants				0	0	-	0
<i>Transactions with shareholders</i>	-	-	-	0	0	-	0
Closing balance, 31 December 2019	79	2,260	322	2,366	5,027	-	5,027
Profit for the period				410	410	0	410
Other comprehensive income, net of tax							
Actuarial gains/losses, defined benefit plans				-14	-14	-	-14
Translation differences, foreign operations			-154		-154	-	-154
Hedges of net investments			-12		-12	-	-12
<i>Total comprehensive income</i>	-	-	-166	396	230	0	230
Issue of shares	0	2			2	-	2
Dividend to shareholders				-134	-134	-	-134
Issue of share options				2	2	-	2
<i>Transactions with shareholders</i>	-	2	-	-132	-130	-	-130
Closing balance, 30 September 2020	79	2,262	156	2,630	5,127	0	5,127

Share capital

During the third quarter of 2020, 25,000 shares were issued in Lindab International AB on behalf of warrant owner in the 2017 warrant programme (see further Share option programme at page X). At September 30, 2020, the share capital equalled SEK 78,732,820 (78,707,820) divided among 78,732,820 (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. The number of outstanding shares totals 76,356,982 (76,331,982).

Proposed dividend to shareholders

In accordance with the proposal of the Board of Directors, the Annual General Meeting on April 29, 2020 resolved that dividends of SEK 1.75 per share, corresponding SEK 134 m, would be paid for the financial year. The remaining retained earnings of SEK 2,308 m will be carried forward. Dividend of SEK 1.75 per share will be distributed half-yearly which the first dividend of SEK 0.88 per share, corresponding to SEK 67 m, with record date May 4 and second dividend of SEK 0.87 per share, corresponding to SEK 67 m, with record date November 2, 2020.

Parent company

Income statement

SEK m	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Net sales	1	2	4	3	5
Administrative expenses	-2	-3	-6	-5	-7
Other operating income/expenses	-	0	-	0	0
Operating profit	-1	-1	-2	-2	-2
Profit from subsidiaries	-	-	-	-	12
Interest expenses, internal	0	-1	-2	-1	-2
Earnings before tax	-1	-2	-4	-3	8
Tax on profit for the period	1	1	1	1	-2
Profit/Loss for the period¹⁾	0	-1	-3	-2	6

1) Comprehensive income corresponds to profit for all periods.

Statement of financial position

SEK m	30 Sep 2020	30 Sep 2019	31 Dec 2019
ASSETS			
Non-current assets			
<i>Financial fixed assets</i>			
Shares in Group companies	3,467	3,467	3,467
Financial interest-bearing fixed assets	5	5	5
Deferred tax assets	1	1	1
Total non-current assets	3,473	3,473	3,473
Current assets			
Receivables from Group companies	0	0	12
Current tax assets	0	1	-
Cash and cash equivalents	0	0	0
Total current assets	0	1	12
TOTAL ASSETS	3,473	3,474	3,485
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
<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	2,221	2,345	2,346
Profit/Loss for the period	-3	-2	6
Total shareholders' equity	3,095	3,220	3,229
Provisions			
Interest-bearing provisions	5	5	5
Total provisions	5	5	5
Current liabilities			
Liabilities to Group companies	304	247	248
Accounts payable	0	0	-
Current tax liability	-	-	1
Other current liabilities	67	-	-
Accrued expenses and deferred income	2	2	2
Total current liabilities	373	249	251
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,473	3,474	3,485

Key performance indicators

SEK m	2020			2019				2018 ²⁾	
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Net sales	2,302	2,218	2,332	2,526	2,462	2,569	2,315	2,384	2,397
Growth, %	-6	-14	1	6	3	7	8	9	15
of which organic	-4	-12	-1	3	1	5	5	5	8
of which acquisitions/divestments	1	0	0	0	0	0	-	1	1
of which currency effects	-3	-2	2	3	2	2	3	3	6
Operating profit before depreciation/amortisation and impairment losses	363	289	282	309	380	339	287	189	243
Operating profit	266	148	184	212	273	238	192	147	200
Adjusted operating profit	262	222	184	212	273	238	192	173	209
Earnings before tax	257	139	176	204	267	228	182	143	196
Profit for the period	198	76	136	143	212	181	142	106	152
Operating margin, %	11.6	6.7	7.9	8.4	11.1	9.3	8.3	6.2	8.3
Adjusted operating margin, %	11.4	10.0	7.9	8.4	11.1	9.3	8.3	7.3	8.7
Profit margin, %	11.1	6.3	7.5	8.1	10.8	8.9	7.8	6.0	8.2
Cash flow from operating activities	452	295	26	366	395	177	79	238	262
Cash flow from operating activities per share, SEK	5.92	3.87	0.34	4.79	5.18	2.32	1.03	3.12	3.43
Free cash flow	276	190	-107	271	347	64	35	198	243
Adjusted free cash flow	346	229	-107	274	345	97	35	198	243
Cash flow, investments in intangible assets/tangible fixed assets	110	67	133	100	51	82	45	40	30
Number of shares outstanding, thousands	76,357	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332
Average number of shares outstanding, thousands	76,334	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332
Earnings per share, SEK ¹⁾	2.59	1.00	1.78	1.88	2.78	2.38	1.85	1.38	1.99
Shareholders' equity attributable to parent company shareholders	5,127	4,976	5,182	5,027	4,947	4,708	4,643	4,464	4,387
Shareholders' equity attributable to non-controlling interests	0	0	-	-	-	-	-	0	1
Shareholders' equity per share, SEK	67.15	66.06	67.89	65.86	64.80	61.68	60.83	58.49	57.47
Net debt	1,740	1,859	2,093	1,771	1,996	2,262	2,130	1,052	1,249
Adjusted net debt	671	894	1,077	732	1,003	1,265	1,096	1,052	1,249
Net debt/equity ratio, times	0.3	0.4	0.4	0.4	0.4	0.5	0.5	0.2	0.3
Equity/asset ratio, %	52.2	52.0	52.0	53.3	50.6	49.2	49.2	57.2	52.5
Return on equity, %	10.9	11.4	13.7	14.3	13.8	12.9	11.1	9.1	8.9
Return on capital employed, %	11.0	11.1	12.5	13.6	12.8	12.6	10.9	9.4	8.8
Interest coverage ratio, times	24.9	12.8	15.9	16.5	22.9	20.0	15.8	24.4	30.3
Net debt/EBITDA, excl. one-off items and restructuring costs	1.5	1.5	1.5	1.6	1.5	1.5	1.6	1.6	1.9
Number of employees by end of period	4,955	4,981	5,162	5,196	5,148	5,277	5,148	5,071	5,142

SEK m	2020	2019	2019	2018 ²⁾	2017 ²⁾
	Jan-Sep	Jan-Sep	Jan-Dec	Jan-Dec	Jan-Dec
Net sales	6,852	7,346	9,872	9,326	8,242
Growth, %	-7	6	6	13	5
of which organic	-6	3	3	8	4
of which acquisitions/divestments	0	0	0	1	0
of which currency effects	-1	3	3	4	1
Operating profit before depreciation/amortisation and impairment losses	934	1,006	1,315	715	654
Operating profit	598	703	915	547	492
Adjusted operating profit	668	703	915	634	511
Earnings before tax	572	677	881	531	467
Profit for the period	410	535	678	394	347
Operating margin, %	8.7	9.6	9.3	5.9	6.0
Adjusted operating margin, %	9.7	9.6	9.3	6.8	6.2
Profit margin, %	8.4	9.2	8.9	5.7	5.7
Cash flow from operating activities	773	651	1,017	593	410
Cash flow from operating activities per share, SEK	10.13	8.53	13.32	7.77	5.37
Free cash flow	359	446	717	488	279
Adjusted free cash flow	468	477	751	488	343
Cash flow to investments in intangible assets and tangible fixed assets	310	178	278	120	100
Number of shares outstanding, thousands	76,357	76,332	76,332	76,332	76,332
Average number of shares outstanding, thousands	76,334	76,332	76,332	76,332	76,332
Earnings per share, SEK ¹⁾	5.37	7.01	8.89	5.16	4.54
Dividend per share, SEK	-	-	1.75 ³⁾	1.75	1.55
Shareholders' equity attributable to parent company shareholders	5,127	4,947	5,027	4,464	4,129
Shareholders' equity attributable to non-controlling interests	0	-	-	0	1
Shareholders' equity per share, SEK	67.15	64.80	65.86	58.49	54.09
Net debt	1,740	1,996	1,771	1,052	1,305
Adjusted net debt	671	1,003	732	1,052	1,305
Net debt/equity ratio, times	0.3	0.4	0.4	0.2	0.3
Equity/asset ratio, %	52.2	50.6	53.3	57.2	53.4
Return on equity, %	10.9	13.8	14.3	9.1	8.8
Return on capital employed, %	11.0	12.8	13.6	9.4	8.8
Interest coverage ratio, times	17.6	19.6	18.8	21.4	14.1
Net debt/EBITDA, excl. one-off items and restructuring costs	1.5	1.5	1.6	1.6	2.2
Number of employees end of period	4,955	5,148	5,196	5,071	5,083

1) Earnings per share is before and after dilution.

2) In 2019, Lindab implemented IFRS 16 Leases. By applying relief rules comparative figures from previous periods have not been restated, i.e. there is no full comparability to reported figures for 2018 and earlier periods.

3) Dividend of SEK 1.75 per share divided in two payouts, SEK 0.88 per share in May 2020 and SEK 0.87 per share in November 2020.

Notes

NOTE 1 – ACCOUNTING POLICIES

The consolidated accounts for the interim report have been prepared in line with the annual consolidated accounts for 2019, 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 2019. 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 reporting has been disclosed in notes to the financial statements as well as in other pages of the interim report.

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 2019.

NOTE 2 – EFFECTS OF CHANGES IN ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant estimates and judgements are described in Note 4 in the Annual Report for 2019. No essential changes have been made to these estimates or judgements which could have a material impact on the interim report. It should be noted that as consequence of covid-19, Lindab has carefully reassessed the need for changed estimates and judgements in connection with preparation of the interim report. This reassessment has, like for the two first quarters of the year, resulted in some adjustments of applied calculation rates in the valuation of expected credit losses for accounts receivable. The changed estimate of expected bad debt losses of those receivables has impacted all valuation categories, from accounts receivable that are not yet due to receivables that are overdue by more than 360 days, and resulted in a negative impact on operating profit corresponding to fully SEK 3 m. The recognised impact of SEK 3 m mainly affected the result during the first quarter.

NOTE 3 – GOVERNMENT GRANTS

Government grants are recognised in the financial statements when there is a reasonable assurance that Lindab complies with the conditions attached to the grants and when the grants will be received. Government grants compensating for specific costs are recognised as cost reductions in the income statement and thus classified within the same category as the underlying cost. Government grants in the nature of more general allowances are recognised as other operating income. If government grants are received as a consequence of investment in fixed assets, the acquisition value of the acquired asset is reduced by the value of the recognised grant.

Due to covid-19, Lindab has recognised government grants corresponding to SEK 35 m for the period January to September, whereof the SEK 9 m was recognised during the third quarter. The

grants received primarily related to compensation for employee related costs and has thus been classified as cost reductions per category of cost in the income statement. In addition to the government grants, the Group has also recognised lower costs through reductions of employee related social security contributions corresponding to SEK 8 m as a result of covid-19. The impact of reductions on operating profit equalled SEK 0 m in the third quarter.

NOTE 4 – BUSINESS COMBINATIONS

Business combinations in 2020

Lindab, klima sistemi, d.o.o. (IMP Klima Group)

On September 18, Lindab divested all shares and voting rights of the Slovenian subsidiary Lindab, klima sistemi, d.o.o. and its subsidiaries in Bosnia-Herzegovina, Macedonia, Montenegro and Serbia (IMP Klima Group). The business is primarily related to production and sales of air handling units. The divestment also included an intercompany loan receivable versus Lindab, klima sistemi, d.o.o.

In June, Lindab made the strategic decision to close down IMP Klima Group, which for the second quarter resulted in recognised one-off items and restructuring costs corresponding to SEK -74 m. In August, a letter of intent was signed with a potential buyer of the companies/business. Less than a month later, IMP Klima Group was divested to an external party. The divestment of, and also the previous decision to close down, IMP Klima Group is in line with Lindab's strategy to focus on long-term sustainable and profitable growth.

The sales consideration for IMP Klima Group was partly settled at the time of divestment. The remaining part of the consideration will be settled before the end of the first quarter in 2021. The divestment of IMP Klima Group and the associated intercompany loan receivable resulted in a capital gain of SEK 4 m, including transaction related costs. The capital gain is recognised as other operating income and per definition also classified as a one-off item.

In 2019, IMP Klima Group had a turnover of SEK 269 m and recognised an operating result of SEK -2 m. The Group had approximately 226 employees at the time of divestment. IMP Klima Group was part of the Ventilation Systems segment.

Crenna Plåt AB

On July 3, 2020, Lindab acquired all shares and voting rights of the Swedish company Crenna Plåt AB with its subsidiaries. Crenna Group is primarily a leading manufacturer of high-quality rectangular ventilation ducts on the Swedish market. Through the acquisition, Lindab has further strengthened its market position and can now offer a complete range of ventilation ducts and ventilation related accessories in Sweden. Crenna Plåt AB is registered in Enköping, Sweden. The Crenna Group has annual sales of approximately SEK 120 m and 85 employees.

The purchase consideration of Crenna Plåt AB was mainly settled at the time of the acquisition. Transaction related costs amounted to SEK 1 m, recognised as other operating expenses.

Notes (cont.)

According to the preliminary purchase price allocation analysis, the acquisition resulted in a goodwill. This is due to, among other things, a strong knowledge of rectangular ventilation ducts and a well-established market presence in Sweden within this product segment. Identified intangible assets in the acquired group mainly relates to the brand Crenna.

Crenna Plåt AB with subsidiaries is consolidated in Lindab as of July 3, 2020. The acquisition of Crenna Group has increased the sales of Lindab by SEK 25 m, from the time of the acquisition until September 30, 2020. The net profit has had a marginal impact. If the acquisition had been implemented as of January 1, 2020, the Group's net sales would have increased by approximately SEK 87 m. Crenna Plåt with subsidiaries is part of the Ventilation Systems segment.

Smofir Trading Ltd. (Thor Duct)

On June 5, 2020, Lindab acquired 95 percent of the shares and voting rights in the Irish company Smofir Trading Ltd. The business is mainly focused on licensing of certified fire ductwork systems and component sales related to these systems. The technology is licensed under the brand of Thor Duct and the operation is primarily related to customers in Ireland and the UK. The acquisition is a step for Lindab to further strengthen the offering in ventilation systems in the markets in question. Smofir Trading Ltd. is registered in Dublin, Ireland. The company has an annual sales of approximately SEK 21 m and one employee.

The purchase consideration of Smofir Trading Ltd. was settled at the time of the acquisition. The purchase agreement included an option entitling Lindab to acquire the remaining 5 percent of the shares and voting rights later. Transaction related costs amounted to SEK 2 m, recognised as other operating expenses.

According to the preliminary purchase price allocation analysis, the acquisition resulted in a goodwill. This is due to, among other things, the market leading position in Ireland and the United Kingdom as well as expected synergies. Identified intangible assets in Smofir Trading Ltd. mainly relate to technology and license agreements.

Smofir Trading Ltd. is consolidated in Lindab as of June 5, 2020. The acquisition of the company has had a marginal impact on the Group's sales and net profit from the time of acquisition until September 30, 2020. If the acquisition had been implemented as of January 1, 2020, the Group's net sales had increased by approximately SEK 15 m. Smofir Trading Ltd. is part of the Ventilation Systems segment.

Other

The cash flow related to acquisitions also included, beside above mentioned transactions, settlement of some conditional additional purchase considerations. This additional purchase considerations related to the acquisition of A.C. Manufacturing Ltd. in 2017 and was settled versus the previous owner during the second quarter of 2020.

Acquired and divested assets/liabilities in 2020

SEK m	Acquired ¹⁾ business 30 Sep 2020 ³⁾	Divested ²⁾ business 30 Sep 2020
Intangible assets	21	0
Tangible fixed assets	46	97
Right of use assets	20	0
Financial fixed assets	21	0
Stock	5	5
Current assets	20	32
Cash and cash equivalents	8	10
Total acquired/divested assets	141	144
Deferred tax liabilities	-16	-2
Non-current lease liabilities	-16	-1
Non-current liabilities	-14	-57
Current lease liabilities	-4	0
Current liabilities	-27	-52
Total acquired/divested liabilities	-77	-112
Fair value of acquired/divested net assets	64	32
Goodwill ⁴⁾	72	-
Consideration including additional contingent consideration⁵⁾	136	

1) Acquired business relates to Crenna Plåt AB and Smofir Trading Ltd. (Thor Duct).

2) Divested business relates to Lindab, klima sistemi, d.o.o. (IMP Klima Group).

3) The purchase price allocations were preliminary as of September 30, due to not finalised valuations of identified intangible assets.

4) No portion of reported goodwill is deductible for income tax.

5) Includes a conditional additional purchase consideration amounting to SEK 8 m, which will be settled fully or partly if future expectations regarding identified sales and profitability levels are met during a 12-month period. Possible undiscounted amount of the future conditional additional purchase consideration is between SEK 0-8 m. On 30 September, 2020, it was considered likely that a maximum consideration would occur.

Business combinations in 2019

Ductmann Ltd.

On April 2, 2019, Lindab acquired all shares and voting rights in the British ventilation company Ductmann Ltd., whose business is mainly focused on production and sale of rectangular ducts and fire-rated ducting for ventilation systems. The acquisition was a natural step for Lindab to further strengthen the offering in ventilation systems in the United Kingdom. Ductmann Ltd. is registered in Dudley, United Kingdom. The company has annual sales of approximately SEK 43 m and 40 employees.

The purchase consideration of Ductmann Ltd. was mainly settled in cash at the time of acquisition. Transaction related costs amounted to SEK 1 m, recognised as other operating expenses.

NOTE 5 – OPERATING SEGMENTS

The Group's segments comprise Ventilation Systems, Profile Systems and Building Systems. The basis for segmental reporting is the various customer offers provided by each business area. The customer offers within each segment are as follows:

- Ventilation Systems offers air duct systems with accessories and indoor climate solutions for ventilation of heating and cooling to installers and other customers in the ventilation industry.
- Profile Systems offers the construction industry products and systems in sheet metal for rainwater systems, cladding for ceilings and walls as well as steel profiles for wall, ceiling and beam constructions.
- Building Systems offers complete prefabricated steel construction systems.

Both Ventilation Systems' and Profile Systems' operations are managed based on geographically divided sales organisations, which are supported by a number of product and system areas with joint production and purchasing functions for each business area. Building Systems consists of a separate integrated project organisation. What is reported under Other includes the parent company's and other common functions.

Information on income from external customers and adjusted operating profit per operating segment is presented in the tables on page 12. Internal prices between the Group's segments are set based on the principle of arm's length, that is, between parties that are independent of each other, well-informed and have an interest in the transaction being carried out. Assets and investments are reported where the asset exists.

NOTE 6 - RELATED PARTY TRANSACTIONS

Lindab's related parties and the extent of transactions with its related parties are described in Note 31 of the Annual Report for 2019.

At the Annual General Meeting in April 2020, it was resolved to adopt a share option programme for senior executives. Under the programme, 210,000 share options were acquired by senior executives during the second quarter. During the third quarter of 2020, 25,000 previously issued warrants to senior executives, in the established warrant program in 2017, were subscribed for in accordance with agreed terms. See further details under 'Share option programme', page 8.

During the year, there have been no other transactions between Lindab and related parties which have had a significant impact on the company's position and profit.

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

Båstad, 23 October 2020

Ola Ringdahl

President and CEO

Auditor's review report

Introduction

We have reviewed the interim report for Lindab International AB (publ), org nr 556606-5446, for the period 1 January 2020 to 30 September 2020. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim financial report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial report based on our review

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act and for the parent company in accordance with the Annual Accounts Act.

Gothenburg, 23 October 2020

Deloitte AB

Hans Warén

Authorised Public Accountant

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.

Reconciliations

Amounts in SEK m unless otherwise indicated.

Return on shareholders' equity	30 Sep 2020	30 Sep 2019	31 Dec 2019
Profit for the period, rolling twelve months	553	641	678
Average shareholders' equity	5,065	4,630	4,758
Return on shareholders' equity, %	10.9	13.8	14.3

Return on capital employed	30 Sep 2020	30 Sep 2019	31 Dec 2019
Total assets	9,821	9,784	9,438
Provisions and deferred tax liabilities	125	125	135
Other non-current liabilities	8	15	9
Total non-current liabilities	133	140	144
Provisions	21	26	26
Accounts payable	837	874	763
Other current liabilities	1,297	1,234	1,122
Total current liabilities	2,155	2,134	1,911
Capital employed	7,534	7,510	7,383
Earnings before tax, rolling twelve months	776	820	881
Financial expenses, rolling twelve months	50	49	55
Total	826	869	936
Average capital employed	7,527	6,804	6,870
Return on capital employed, %	11.0	12.8	13.6

	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
One-off items and restructuring costs					
Operating profit	266	273	598	703	915
Ventilation Systems	4	-	-70	-	-
Profile Systems	-	-	-	-	-
Building Systems	-	-	-	-	-
Other operations	-	-	-	-	-
Adjusted operating profit	262	273	668	703	915

One-off items and restructuring costs during the first nine months were related to the decision to divest IMP Klima Group. Of the total amount of SEK -70 m, SEK -40 m were related to impairment of fixed assets (of which SEK -32 m was related to properties), SEK -15 m to impairment of stock, SEK -19 m to personnel provisions and SEK 4 m to capital gain from the divestment.

	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Free cash flow					
Cash flow from operating activities	452	395	773	651	1,017
Cash flow from investing activities	-176	-48	-414	-205	-300
Free cash flow	276	347	359	446	717
Cash flow related to divestments and acquisitions	-70	2	-109	-31	-34
Adjusted free cash flow	346	345	468	477	751

Net debt	30 Sep 2020	30 Sep 2019	31 Dec 2019
Non-current interest-bearing provisions for pensions and similar obligations	303	274	283
Non-current liabilities to credit institutions	1,027	1,199	1,001
Non-current leasing liabilities	834	769	798
Current interest-bearing liabilities	242	321	274
Total liabilities	2,406	2,563	2,356
Financial interest-bearing fixed assets	35	38	34
Other interest-bearing receivables	56	36	15
Cash and cash equivalents	575	493	536
Total assets	666	567	585
Net debt	1,740	1,996	1,771

Adjusted net debt	30 Sep 2020	30 Sep 2019	31 Dec 2019
Net debt	1,740	1,996	1,771
Liabilities related to leasing	-1,069	-993	-1,039
Adjusted net debt	671	1,003	732

Net debt/EBITDA	30 Sep 2020	30 Sep 2019	31 Dec 2019
Average net debt	1,851	1,870	2,052
Adjusted operating profit, rolling twelve months	880	876	915
Depreciation/amortisation and impairment losses, rolling twelve months	393	344	400
EBITDA	1,273	1,220	1,315
Net debt/EBITDA, times	1.5	1.5	1.6

Organic growth	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Change Net sales	-160	65	-494	404	546
Of which					
Organic	-104	11	-439	217	291
Acquisitions/divestments	24	7	21	17	19
Currency effects	-80	47	-76	170	236

Interest coverage ratio, times	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Earnings before tax	257	267	572	677	881
Interest expenses	10	13	34	37	50
Total	267	280	606	714	931
Interest expenses	10	13	34	37	50
Interest coverage ratio, times	24.9	22.9	17.6	19.6	18.8

Operating profit before depreciation/amortisation-EBITDA	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan-Dec
Operating profit	266	273	598	703	915
Depreciation/amortisation and impairment losses	97	107	336	303	400
<i>Of which one-off items and restructuring costs</i>	-	-	40	-	-
Operating profit before depreciation/amortisation-EBITDA	363	380	934	1,006	1,315

General Information

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.

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, based on a rolling twelve-month calculation.

Key performance indicators not defined according to IFRS

Adjusted Free Cash Flow: Cash flow from operations and cash flow from investments, excluding company acquisitions/divestments.

Adjusted Net debt: Net debt excluding liabilities related to leasing.

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.

Free Cash Flow: Cash flow from operations and cash flow from investments.

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.

1) Average capital is based on the quarterly value.

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 employed¹⁾. 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' equity¹⁾ 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.

Lindab in brief

The Group had sales of SEK 9,872 m in 2019 and is established in 31 countries with approximately 5,000 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 2019, the Nordic region accounted for 43 percent, Western Europe for 35 percent, CEE/CIS (Central and Eastern Europe) for 21 percent and Other markets for 1 percent of total sales.

The share is listed on the Nasdaq 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 130 Lindab branches and approximately 3,000 retailers, with the exception of Building Systems, which conducts sales through a network of approximately 300 building contractors.

Lindab share

January - September 2020

Share price performance: +29%
Average share turnover/day: 207,750

Highest price paid (September 28): 159.80 SEK
Lowest price paid (March 19): 64.30 SEK
Closing price September 30: 156.40 SEK

Market cap September 30: SEK 11,942 m
Total no. of shares: 78,732,820
- *whereof treasury shares*: 2,375,838
- *whereof outstanding shares*: 76,356,982

Share price performance 2019/2020 (R12 M), SEK



Press- and analyst meetings

A live audiocast will be held at 13:00 pm (CEST) on 23 October. The Interim Report will be presented by Ola Ringdahl, President and CEO, and Malin Samuelsson, CFO.

To access the audiocast, please call:

Phone +46 (0) 8 566 426 93

Alternatively phone +44 333 300 9270

The audiocast and presentation can be followed live via Lindab's homepage.

For more information see www.lindabgroup.com.

Calendar

Year-End Report	9 February 2021
Interim Report January - March	5 May 2021
Annual General Meeting	5 May 2021
Interim Report January - June	20 July 2021
Interim Report January - September	27 October 2021

All financial reports will be published at www.lindabgroup.com.

This is information that Lindab International AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out below, at 07:40 am (CEST) on 23 October 2020.

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