

# Lindab International AB (publ)

## Interim Report January - March 2020

### First quarter 2020

Lindab's sales and profit during the first quarter were on a par with the previous year. Profile Systems showed high sales growth while Building Systems' sales declined. Ventilation Systems was the business area with the highest profitability with an adjusted operating margin of 10 percent.

The Group continued to develop positively until mid-March when the negative effects of covid-19 became noticeable. Overall, covid-19 had a minor impact on the first quarter's sales and profit, but is expected to have a greater impact on the coming quarters.

- Net sales increased by 1 percent to SEK 2,332 m (2,315), of which organic growth was -1 percent.
- Operating profit<sup>1)</sup> decreased by 4 percent to SEK 184 m (192).
- Operating margin<sup>1)</sup> amounted to 7.9 percent (8.3).
- Profit for the period amounted to SEK 136 m (142).
- Earnings per share, before and after dilution, amounted to SEK 1.78 (1.85).
- Cash flow from operating activities amounted to SEK 26 m (79).
- On 23 March, the Board of Directors revised the previous dividend proposal from SEK 3.60 per share to SEK 1.75 (1.75) per share. It is proposed that the dividend will be paid on two occasions.

<b>Key Figures</b>	<b>2020 Jan-Mar</b>	<b>2019 Jan-Mar</b>	<b>Change, %</b>	<b>2019 Jan-Dec</b>
Net sales, SEK m	2,332	2,315	1	9,872
Operating profit <sup>1)</sup> , SEK m	184	192	-4	915
Operating margin <sup>1)</sup> , %	7.9	8.3	-	9.3
Profit for the period, SEK m	136	142	-4	678
Earnings per share, before and after dilution, SEK	1.78	1.85	-4	8.89
Cash flow from operating activities, SEK m	26	79	-67	1,017

*1) No one-off items or restructuring costs have been reported in 2020 or 2019, whereby adjusted operating profit and adjusted operating margin are not reported for these periods.*

## A word from the CEO



Photo: Mette Ottosson

**Lindab had a strong start of the year and the positive trends from the previous year continued also in early 2020. Until mid-March, sales and profit followed our plan. After that, the effects of covid-19 became noticeable, especially in the countries in Europe that shut down large parts of the economy.**

The operating margin of 7.9 percent for the quarter is in line with the strong result for the previous year and significantly above the levels from the corresponding period in earlier years. The gross margin has continued to strengthen this quarter, thanks to increased efficiency.

Ventilation Systems has continued to improve profitability and reached ten percent operating margin during the first quarter. The business area has continued to keep a high pace in the implementation of investments to increase automation and thereby further raise the quality and efficiency in production.

Profile Systems had a strong first quarter with organic growth of 13 percent, partly due to a mild winter and strong project sales. The operating profit improved slightly, but the operating margin was lower than last year due to changed product and customer mix.

Building Systems showed a positive result for the first quarter, which normally is the seasonally weakest period of the year. As sales were record strong the corresponding period last year, the profit did not quite reach the same level during the first quarter. Sales and profit for Building Systems vary between quarters as it is a project-based business.

During the first quarter, the corona pandemic had only a limited impact on the Group's sales and profits. Lindab has 98 percent of its sales in Europe. The supply chain is robust and Lindab has been able to benefit from its established logistics and production network to ensure delivery to customers.

The extensive restrictions imposed in some countries have resulted in reduced construction activity. During the month of March this has mainly affected our sales in Italy and France. The relatively stable construction activity in the Nordic region, on the other hand, has made a positive contribution to sales development.

When we look into the second quarter, we will also see the negative effects of imposed restrictions in countries such as the UK and Ireland, and in several countries in Continental Europe. How deep this decline will be, and how long it will last, is hard to predict.

The continued focus for Lindab in 2020 will be profitability and customer satisfaction. We have initiated measures to reduce cost, based on different scenarios for how covid-19 can affect demand. Every single part of Lindab should continue to improve its long-term profitability. This requirement remains, also when the market conditions have changed in the short term.

Customer satisfaction is even more important in turbulent times. Customers should be able to rely on Lindab, and with a long-term approach we ensure that customers are still there when the corona crisis is over. Even in countries where the construction activity is very low, we stay open on a small scale to ensure delivery to customers.

Despite the uncertain market situation in Europe and the challenges it poses, we continue to prepare Lindab for the future. Lindab's strong financial position enables implementation of prioritized investments in order to build long-term competitive advantages. The stable platform we created in 2019 gives us room for action and we will continue to drive Lindab towards our long-term goals.

Finally, I would like to thank all the staff for their efforts during this special period.

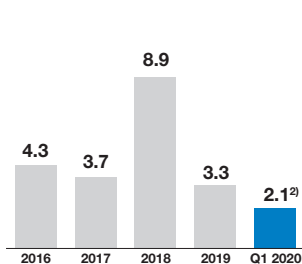
Grevie, April 2020

Ola Ringdahl

President and CEO

## Long-term financial targets

Annual growth, 5–8%<sup>1)</sup>



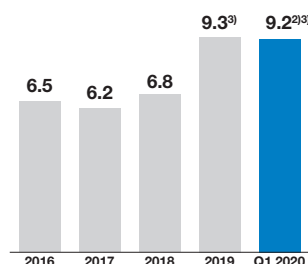
<sup>1)</sup> Organic and acquired growth.

<sup>2)</sup> Rolling 12 Months (R12 M).

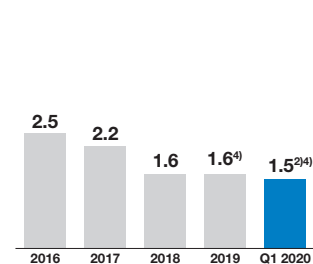
<sup>3)</sup> Excluding the effect of implemented new accounting standard IFRS 16 *Leases*, operating margin amounted to 9.0 percent in 2019 and 8.9 percent in 2020.

<sup>4)</sup> Excluding the effect of implemented new accounting standard IFRS 16 *Leases*, net debt to EBITDA amounted to 1.0 in 2019 and 1.1 in 2020.

Operating margin, 10%



Net debt / EBITDA, <3,0



## A word from the Chairman



Photo: Mette Ottosson

These are challenging times for people and businesses all over the world, which has also impacted the work of the Board of Directors. Together with The CEO and Group Management we have analysed the various scenarios for how Lindab's operations can be affected by covid-19. Our financial targets remain, although it may take longer to achieve them in these uncertain times. Lindab has a well-designed plan to reduce cost, increase efficiency and work towards the financial targets, with different level of actions depending on how long the pandemic lasts.

The efforts to strengthen Lindab and create added value have resulted in noticeable positive effects in recent years. The Board of Directors considers it important to ensure that the long-term perspective is maintained also when short-term measures are needed. We have previously decided on a number of invest-

ments to strengthen Lindab's long-term competitiveness. We are convinced that these should be implemented, although some projects will be temporarily delayed.

To secure prioritised investments, we have chosen to be careful with the cash flow. The Board has therefore proposed a revised dividend, in line with the previous year's level. The proposal also stipulates that the payment is divided into two occasions, to preserve the cash flow during the period when the effects of covid-19 are likely to be the most noticeable. With the revised dividend proposal, the Board sees that a balance has been reached between building long-term value and providing direct returns to Lindab's owners.

Lindab is today a well-functioning company with a strong financial position. We will together navigate through this challenging time and be ready when demand increases again.

Grevie, April 2020

Peter Nilsson  
Chairman of the Board

## Covid-19

The construction industry is Lindab's primary target segment. Lindab's sales is concentrated to Europe with less than two percent of sales outside Europe. Sales is primarily affected by the activity in the European construction industry, with emphasis on the countries in Northern Europe. Lindab's assessment is that revenue will be negatively affected by covid-19 during the rest of the year.

Construction projects are delayed or postponed, especially in UK, France, Italy and parts of Eastern Europe. It is unclear how long the restrictions will last and it increases the uncertainty for whether construction projects will be able to proceed according to plan. Management is continuously working with different scenarios to respond to the future development.

Lindab is today present in Europe with 128 branches in 31 countries and more than 3,000 independent retailers. The largest market is the Nordic region, which represented 43 percent of sales in 2019. Lindab's goal is to keep factories, distribution and sales channels open as long as possible. Lindab's business operations are currently open in all countries, with greatly reduced capacity in countries such as Italy, France, Ireland and the UK.

Deliveries within Europe may be delayed due to increased border controls and lack of drivers. With its 30 production facilities around Europe, Lindab has good possibilities to reduce production disruptions. Lindab continues to deliver on customer orders.

Lindab has also initiated measures to reduce costs and to utilise the support measures implemented by several European countries. Short time work has been implemented in countries where revenue and production have been impacted the most.

Lindab has a strong financial position. Improvements in efficiency in 2018 and 2019 have resulted in a solid balance sheet and a strong result. As a precautionary measure, to give Lindab financial flexibility, the Board of Directors has revised the original dividend proposal. Dividend 2020 is now proposed to be at the same level as last year. The updated dividend proposal was communicated in a separate press release on 23 March 2020.

The development in Europe is closely monitored and Lindab adjusts its measures in accordance with the regulations and advice of local authorities. Information about the impact on covid-19 on the Lindab group will be published regularly on Lindab's website.

## Sales, profit and cash flow

### Sales and markets

Net sales increased by 1 percent to SEK 2,332 m (2,315) during the quarter. Organic growth was negative by 1 percent and currency contributed positively with 2 percent.

The sales development was positive until mid-March. During the second half of March a slowdown occurred, due to restrictions and prohibitions related to covid-19.

Profile Systems reported continued strong organic growth, while Ventilation Systems and Building Systems had negative organic sales development.

Due to the restrictions imposed during the quarter, the demand for Lindab's products, especially in the Ventilation Systems segment, was negatively affected. The circumstances have led to difficulties for Lindab's customers to complete their construction projects and some investment decisions have been delayed. The continued growth of Profile Systems was mainly driven by increased sales of industrial projects in the Nordic region. Sales within Building Systems decreased during the quarter, mainly explained by particularly large deliveries to Western Europe during the corresponding period previous year.

### Profit

Adjusted operating profit for the quarter amounted to SEK 184 m (192). No one-off items or restructuring costs were reported during the quarter or in the previous year. Adjusted operating margin for the quarter amounted to 7.9 percent (8.3).

Ventilation Systems' adjusted operating profit increased to SEK 151 m (149) and Profile Systems to SEK 44 m (43). Adjusted operating profit for Buildings System amounted to SEK 2 m (9).

The Group's slightly lower adjusted operating profit compared with the strong first quarter last year was mainly explained by strategic investments and a somewhat lower organic sales growth. This has partly been compensated by a strengthened gross margin.

Profit for the quarter amounted to SEK 136 m (142). Earnings per share amounted to SEK 1.78 (1.85).

### 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

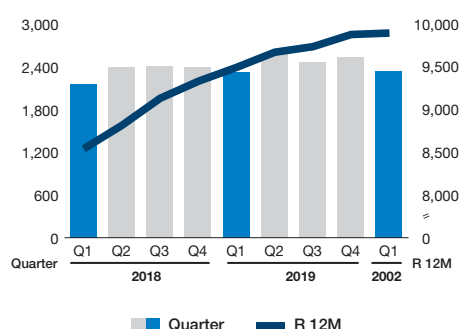
Depreciation and amortisations for the quarter amounted to SEK 98 m (95), of which SEK 7 m (7) was related to intangible assets and SEK 57 m (53) to right of use assets related to rental and leasing agreements.

No impairment losses occurred in the period nor in the corresponding period previous year.

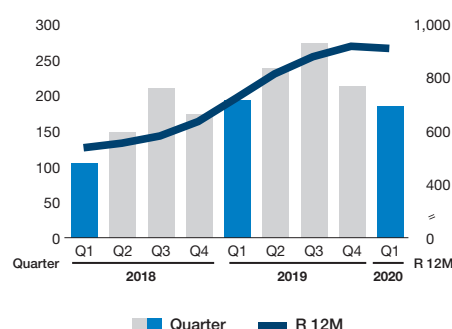
### Tax

Tax on profit for the quarter amounted to SEK 40 m (40). Earnings before tax was SEK 176 m (182). The effective tax rate amounted to 23 percent (22), while the average tax rate was 19 percent (20). The slightly higher effective tax rate, compared to the same period previous year, was mainly due to the fact that last year's result included higher non-taxable income. Additionally, Lindab generated somewhat higher unrecognized tax losses carried forward compared to the first quarter previous year. The higher effective tax rate compared to the average tax rate was mainly explained by the fact that Lindab was not able to fully recognise the carry-forward tax losses generated in the quarter in order to reduce the total tax on profit. Also the effect from non-deductible costs/non-taxable income has to some extent contributed to the slightly higher effective tax rate compared with the average tax rate.

Net sales, SEK m



Adjusted operating profit, SEK m



## Sales, profit and cash flow (cont.)

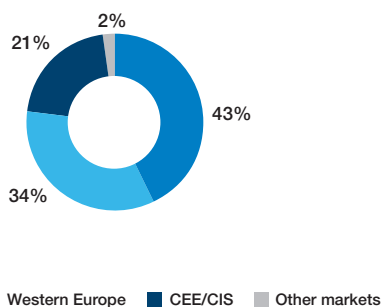
### Cash flow

Cash flow from operating activities amounted to SEK 26 m (79). The reduced level of cash flow during the quarter was primarily related to changes in working capital, which amounted to SEK -201 m (-149). The change in working capital was mainly attributed to less favourable cash flow impact from accounts payable and decreased customer advances within Building Systems. However, the negative cash flow effects were partly offset by a lower change of capital tied up in stock compared to the corresponding period previous year. During the quarter, operating profit amounted to SEK 184 m (192) and cash flow before change in working capital amounted to SEK 227 m (228).

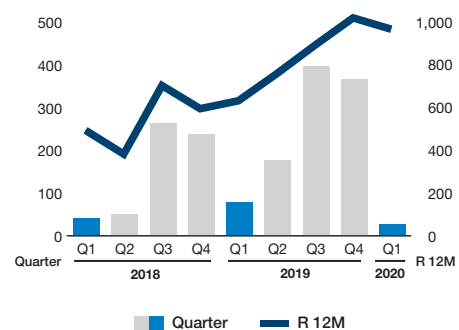
Cash flow from financing activities contributed positively during the quarter and amounted to SEK 33 m (48). This included a cash outflow impact of SEK -57 m (-53) related to lease liabilities. Other changes within the financing activities were related to changes in borrowings and the utilisation of credit limits.

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

Breakdown of net sales by region, last 12 months



Cash flow from operating activities, SEK m



## Investments and financial position

### Investments

Investments in intangible assets and tangible fixed assets for the quarter amounted to SEK 133 m (45), of which SEK 7 m (3) related to investments in intangible assets. The increased investments in tangible fixed assets were mainly a result of the Group's objective to increase efficiency and capacity in production facilities.

Cash flow from investing activities amounted to SEK -133 m (-44). The net cash flow included a positive impact from divestment of tangible fixed assets amounting to SEK 0 m (1).

### Business combinations

There have been no acquisitions or divestments during the current quarter or the corresponding period previous year.

### Financial position

Net debt amounted to SEK 2,093 m (2,130) on 31 March 2020. Currency effects increased net debt by SEK 143 m (38) during the quarter.

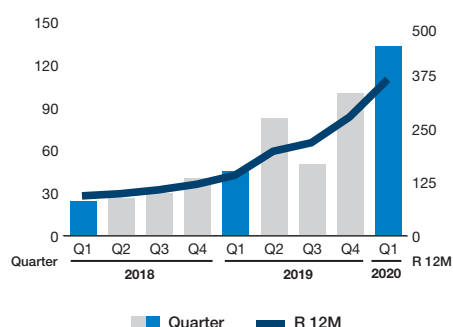
The equity/assets ratio was 52 percent (49) and the net debt/equity ratio was 0.4 (0.5). Financial items for the quarter amounted to SEK -8 m (-10) and the improvement was mainly explained by lower net debt.

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 July 2022. The agreements contain covenants, which are monitored quarterly. Lindab fulfilled all the conditions as of 31 March 2020.

### Pledged assets and contingent liabilities

No significant changes have been made in pledged assets and contingent liabilities during the first 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 safety.
- Significant investments were made during the first quarter within Ventilation Systems, e.g. automation of production in the Czech Republic and Denmark.

## 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 (1). Loss for the period amounted to SEK 1 m (0).

### 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.

### Employees

The number of employees at the end of the quarter, calculated as full-time equivalent employees, was 5,162 (5,148). Adjusted for acquisitions and divestment the number of employees was 5,123 (5,133), a net decrease of 10 employees compared with the corresponding quarter of the previous year.

### Annual General Meeting

The Board has decided that the Annual General Meeting will be held on 29 April 2020. Notice to the meeting has been given via press release.

### Proposed dividend to shareholders

Lindab's Board of Directors proposes to the Annual General Meeting on April 29, 2020, to resolve on a cash dividend distribution of SEK 1.75 (1.75) per share. This is an amended and lowered dividend distribution proposal, which was communicated by a press release on March 23, 2020. The Board's amendment is made in order to take a cautious approach considering the general uncertainty created by the measures taken to slow down the spread of covid-19. The amended proposal means that the dividend level from previous year is maintained and it corresponds to a dividend totalling SEK 134 m. Additionally, the Board of Directors proposes that the dividend will be distributed semi-annually, by SEK 0.88 and SEK 0.87 per share and payment date. Proposed record dates for dividend distribution are May 4 and November 2, 2020, with expected dividend payments to shareholders on May 7 and November 5, 2020.

### Significant events during the reporting period

On March 23 the Board of Director published an amended dividend proposal, as a consequence of the financial uncertainty in the light of covid-19. The changed proposal for dividend distribution equals SEK 1.75 per share, divided on two payments. See further 'Proposed dividend to shareholders'.

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

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.

The report has not been audited by the company's auditors.

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.

## Segment – Ventilation Systems

### Key performance indicators

	2020 Jan-Mar	2019 Jan-Mar	2019 Jan-Dec
Net sales, SEK m	1,510	1,513	6,018
Net sales growth, %	0	9	4
Adjusted <sup>1)</sup> operating profit, SEK m	151	149	609
Adjusted <sup>1)</sup> operating margin, %	10.0	9.8	10.1
Number of employees by end of period	3,543	3,514	3,545

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

### Sales and markets

Net sales for Ventilation Systems amounted to SEK 1,510 m (1,513) during the quarter. Organically, net sales decreased by 3 percent while structure contributed positively with 1 percent and currency effects had a positive impact of 2 percent.

A number of markets had negative sales development during the quarter due to the restrictions imposed related to covid-19. Same period previous year also had historically high sales volumes, for a first quarter, primarily in the CEE/CIS region and the Nordic region.

In the Nordics, the sales volume decreased slightly on all markets due to particularly high volumes during the corresponding period previous year. The Nordic region was less affected by the imposed restrictions compared to other European markets. The markets in Western Europe had a somewhat divided sales development with good growth in particularly Switzerland, Germany and Italy while France, the UK and Ireland had decreased sales. The positive sales development in Italy was mainly due to significant deliveries in the beginning of the year, primarily to the shipyard industry, before the restrictions related to covid-19 were imposed in the country. The markets in France, the UK and Ireland have all been affected by the measures implemented, by each government, during the latter part of March. The sales growth in the CEE/CIS region remained positive during the quarter, with strong growth in Hungary, Slovenia and Russia. Markets such as Poland, the Czech Republic and Romania, on the other hand, had negative sales development, despite good demand, as all had historically

high sales volumes in the first quarter last year. In addition, all these markets have been impacted to some extent by the restrictions imposed at the end of the quarter.

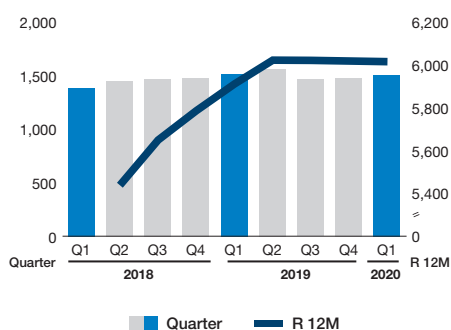
### Profit

Ventilation Systems' adjusted operating profit during the quarter amounted to SEK 151 m (149). Adjusted operating margin increased to 10.0 percent (9.8). The adjusted operating profit improved due to a strengthened gross margin, despite somewhat lower sales volume. The operating costs have at the same time been stable in relation to previous year, which has contributed to the positive profit improvement. Cost saving measures were initiated at the end of the quarter in order to align the business to lower sales volumes due to covid-19. These measures have had no noticeable impact on profit during the quarter.

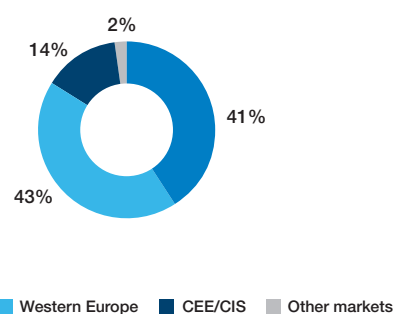
### Activities

During the quarter, Lindab signed an agreement to deliver ventilation products worth of SEK 10 m to a building in Gothenburg, Sweden, consisting hotel, offices and meeting places. Lindab will, among other things, deliver circular ducts, silencers, dampers and Lindab's UltraLink solution. UltraLink is a unique technology for precise and reliable measurement and control of airflow, which provides an optimal indoor climate with the lowest possible energy consumption.

Net sales, SEK m



Breakdown of net sales by region, last 12 months





## Segment – Profile Systems

### Key performance indicators

	2020 Jan-Mar	2019 Jan-Mar	2019 Jan-Dec
Net sales, SEK m	587	525	2,494
Net sales growth, %	12	3	1
Adjusted <sup>1)</sup> operating profit, SEK m	44	43	270
Adjusted <sup>1)</sup> operating margin, %	7.5	8.2	10.8
Number of employees by end of period	857	885	882

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

### Sales and markets

Net sales for Profile Systems increased by 12 percent to SEK 587 m (525) during the quarter. Organically, sales increased by 13 percent and the currency effect was 0 percent. Structure had a negative effect of 1 percent, related to Lindab's subsidiary in the Netherlands, which was divested during 2019.

Sales continued to develop well for Profile Systems during the quarter, as a result of strong growth in the Nordic region. The first quarter of the year is usually the most volatile in terms of sales volumes and profit, as the weather conditions combined with deliveries to major industrial projects can have a major impact on the segment.

The organic growth during the quarter was mainly related to the largest region, the Nordics, where significant deliveries have been made to a large construction project in Sweden. Furthermore, the mild weather conditions were also favourable during the quarter, which had a positive impact on the products that are installed outdoors, such as rainwater systems and steel profiles for the wall and roof products. Profile Systems is strongly impacted by the development in the Swedish market, as this stands for about half of Profile Systems' total sales. The second largest individual market, Denmark, also showed good organic growth. The sales development in the CEE/CIS region was somewhat negative as a whole, but varied between individual markets. Good organic growth was reported in Poland and the Czech Republic, while

sales in the region's largest market, Hungary, were slightly lower compared to the same period previous year. Western Europe had strong sales growth, although this region has a minor impact on Profile Systems as a whole.

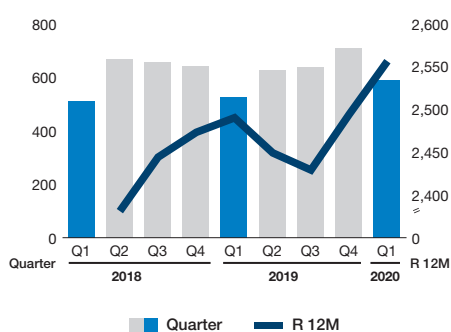
### Profit

Profile Systems' adjusted operating profit during the quarter increased to SEK 44 m (43). Adjusted operating margin amounted to 7.5 percent (8.2). The improvement in adjusted operating profit was mainly due to significantly higher sales volumes, which was partly offset by higher operating costs and negative currency effects compared with the same period previous year. The somewhat lower adjusted operating margin was a result of a changed product- and customer mix, as the proportion of sales of industrial projects was higher during the quarter compared to the same period previous year.

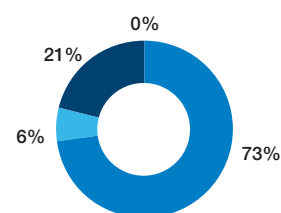
### Activities

Lindab continues to see great interest in the solar cell solution, SolarRoof, which was launched in early 2019. During the quarter, an agreement was signed with a housing company where Lindab will deliver Lindab RooFit and SolarRoof to four apartment buildings. Lindab has adapted the solar cell modules to shading, roof barriers and details such as walkway in the cam.

Net sales, SEK m



Breakdown of net sales by region, last 12 months



## Segment – Building Systems

### Key performance indicators

	2020 Jan-Mar	2019 Jan-Mar	2019 Jan-Dec
Net sales, SEK m	235	277	1,360
Net sales growth, %	-15	8	28
Adjusted <sup>1)</sup> operating profit, SEK m	2	9	85
Adjusted <sup>1)</sup> operating margin, %	0.9	3.2	6.3
Number of employees by end of period	715	706	727

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 15 percent to SEK 235 m (277) during the quarter. Organically, sales decreased by 18 percent and currency effects had a positive impact of 3 percent.

The decreased sales during the quarter was mainly explained by particularly large project deliveries to Germany and Poland, during the same period previous year. This has also affected the sales in both Western Europe and CEE<sup>1)</sup> as a whole, compared to the same period previous year. However, sales growth in the CIS region<sup>2)</sup> remained positive during the quarter. Among Building Systems' remaining major markets, Russia, France and Switzerland, all had particularly strong growth while sales to Luxembourg decreased. During the quarter, sales to northern part of Africa occurred unlike previous year. Sales to markets outside Europe are historically volatile and are depending on individual projects.

The restrictions related to covid-19 imposed at the end of the quarter in most markets, had a minor impact on Building Systems during the quarter.

The order intake declined during the quarter and the order backlog was lower at the end of the period compared to the same period previous year, especially for Western Europe and the CEE region. However, the backlog was significantly higher in the CIS region.

1) Central and Eastern Europe

2) Commonwealth of Independent States

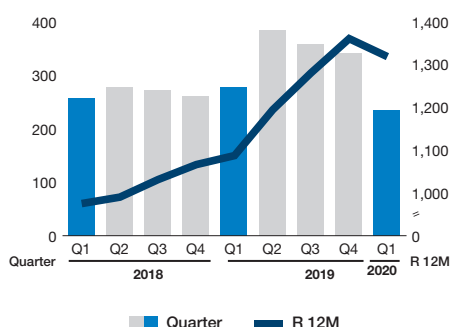
### Profit

Building Systems' adjusted operating profit amounted to SEK 2 m (9) during the quarter. Adjusted operating margin amounted to 0.9 percent (3.2). The lower adjusted operating margin is explained by lower sales volume which has been partly offset by lower operating costs compared to the same period previous year. The adjusted operating profit was particularly high previous year due to significant deliveries of large projects in Germany and Poland. A number of cost saving measures were initiated at the end of the quarter in order to align the business to lower sales volumes due to covid-19.

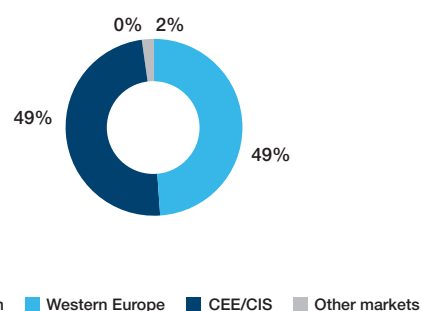
### Activities

During the quarter, Building Systems signed agreements on seven major orders, each worth more than SEK 10 m; four in the CIS region and three in Western Europe.

Net sales, SEK m



Breakdown of net sales by region, last 12 months



## Net sales and segments

### Net sales and growth

SEK m	2020 Jan-Mar	2019 Jan-Mar	2019 Jan-Dec
Net sales	2,332	2,315	9,872
Change	17	162	546
Change, %	1	8	6
Of which			
Organic, %	-1	5	3
Acquisitions/divestments, %	0	-	0
Currency effects, %	2	3	3

### Net sales per region

SEK m	2020 Jan-Mar	%	2019 Jan-Mar	%	2019 Jan-Dec	%
Nordic region	1,093	47	1,047	45	4,236	43
Western Europe	780	33	832	36	3,445	35
CEE/CIS	415	18	409	18	2,034	21
Other markets	44	2	27	1	157	1
<b>Total</b>	<b>2,332</b>	<b>100</b>	<b>2,315</b>	<b>100</b>	<b>9,872</b>	<b>100</b>

### Net sales per segment

SEK m	2020 Jan-Mar	%	2019 Jan-Mar	%	2019 Jan-Dec	%
Ventilation Systems	1,510	65	1,513	65	6,018	61
Profile Systems	587	25	525	23	2,494	25
Building Systems	235	10	277	12	1,360	14
<b>Total</b>	<b>2,332</b>	<b>100</b>	<b>2,315</b>	<b>100</b>	<b>9,872</b>	<b>100</b>
<b>Gross internal sales all segments</b>	<b>10</b>		<b>6</b>		<b>30</b>	

### Operating profit, operating margin and earnings before tax

SEK m	2020 Jan-Mar	%	2019 Jan-Mar	%	2019 Jan-Dec	%
Ventilation Systems	151	10.0	149	9.8	609	10.1
Profile Systems	44	7.5	43	8.2	270	10.8
Building Systems	2	0.9	9	3.2	85	6.3
Other operations	-13	-	-9	-	-49	-
<b>Adjusted operating profit</b>	<b>184</b>	<b>7.9</b>	<b>192</b>	<b>8.3</b>	<b>915</b>	<b>9.3</b>
One-off items and restructuring costs <sup>1)</sup>	-	-	-	-	-	-
<b>Operating profit</b>	<b>184</b>	<b>7.9</b>	<b>192</b>	<b>8.3</b>	<b>915</b>	<b>9.3</b>
Net financial items	-8	-	-10	-	-34	-
<b>Earnings before tax</b>	<b>176</b>	<b>7.5</b>	<b>182</b>	<b>7.8</b>	<b>881</b>	<b>8.9</b>

1) One-off items and restructuring costs are described in 'Reconciliations' page 19.

### Number of employees by end of period

	2020 Jan-Mar	2019 Jan-Mar	2019 Jan-Dec
Ventilation Systems	3,543	3,514	3,545
Profile Systems	857	885	882
Building Systems	715	706	727
Other operations	47	43	42
<b>Total</b>	<b>5,162</b>	<b>5,148</b>	<b>5,196</b>

## Consolidated income statement

SEK m	2020 Jan-Mar	2019 Jan-Mar	R 12M 2019 Apr- 2020 Mar	R 12M 2018 Apr- 2019 Mar	2019 Jan-Dec
Net sales	2,332	2,315	9,889	9,488	9,872
Cost of goods sold	-1,679	-1,688	-7,140	-6,975	-7,149
<b>Gross profit</b>	<b>653</b>	<b>627</b>	<b>2,749</b>	<b>2,513</b>	<b>2,723</b>
Other operating income	22	23	68	78	69
Selling expenses	-302	-285	-1,201	-1,145	-1,184
Administrative expenses	-139	-134	-554	-564	-549
R & D expenses	-16	-15	-65	-70	-64
Other operating expenses	-34	-24	-90	-144	-80
<b>Total operating expenses</b>	<b>-469</b>	<b>-435</b>	<b>-1,842</b>	<b>-1,845</b>	<b>-1,808</b>
<b>Operating profit<sup>1)</sup></b>	<b>184</b>	<b>192</b>	<b>907</b>	<b>668</b>	<b>915</b>
Interest income	6	3	24	16	21
Interest expenses	-12	-12	-50	-32	-50
Other financial income and expenses	-2	-1	-6	-7	-5
<b>Financial items</b>	<b>-8</b>	<b>-10</b>	<b>-32</b>	<b>-23</b>	<b>-34</b>
<b>Earnings before tax</b>	<b>176</b>	<b>182</b>	<b>875</b>	<b>645</b>	<b>881</b>
Tax on profit for the period	-40	-40	-203	-155	-203
<b>Profit for the period</b>	<b>136</b>	<b>142</b>	<b>672</b>	<b>490</b>	<b>678</b>
–attributable to the parent company's shareholders	136	142	672	490	678
–attributable to non-controlling interests	-	-	-	0	-
<b>Earnings per share, SEK<sup>2)</sup></b>	<b>1.78</b>	<b>1.85</b>	<b>8.82</b>	<b>6.41</b>	<b>8.89</b>

1) One-off items and restructuring costs, which are included in operating profit, are described in 'Reconciliations' on page 19.

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 Jan-Mar	2019 Jan-Mar	R 12M 2019 Apr- 2020 Mar	R 12M 2018 Apr- 2019 Mar	2019 Jan-Dec
<b>Profit for the period</b>	<b>136</b>	<b>142</b>	<b>672</b>	<b>490</b>	<b>678</b>
<b>Items that will not be reclassified to the income statement</b>					
Actuarial gains/losses, defined benefit plans	-5	-	-56	-3	-51
Deferred tax attributable to defined benefit plans	1	-	11	1	10
<b>Sum</b>	<b>-4</b>	<b>-</b>	<b>-45</b>	<b>-2</b>	<b>-41</b>
<b>Items that will later be reclassified to the income statement</b>					
Translation differences, foreign operations	90	102	119	42	131
Hedges of net investments	-85	-21	-92	-26	-28
Tax attributable to hedges of net investments	18	5	19	6	6
<b>Sum</b>	<b>23</b>	<b>86</b>	<b>46</b>	<b>22</b>	<b>109</b>
<b>Other comprehensive income, net of tax</b>	<b>19</b>	<b>86</b>	<b>1</b>	<b>20</b>	<b>68</b>
<b>Total comprehensive income</b>	<b>155</b>	<b>228</b>	<b>673</b>	<b>510</b>	<b>746</b>
–attributable to the parent company's shareholders	155	228	673	510	746
–attributable to non-controlling interests	-	-	-	0	-

## Consolidated statement of cash flow

<i>SEK m</i>	<b>2020</b>	<b>2019</b>	<b>R 12M</b>	<b>R 12M</b>	<b>2019</b>
	<b>Jan-Mar</b>	<b>Jan-Mar</b>	<b>2019 Apr- 2020 Mar</b>	<b>2018 Apr- 2019 Mar</b>	<b>Jan-Dec</b>
<b>OPERATING ACTIVITIES</b>					
Operating profit	184	192	907	668	915
Reversal of depreciation/amortisation and impairment losses	98	95	403	220	400
Reversal of capital gains (-)/losses (+) reported in operating profit	0	-1	2	1	1
Provisions, not affecting cash flow	-3	-9	-3	9	-9
Adjustment for other items not affecting cash flow	-1	-1	-6	-7	-6
<b>Total</b>	<b>278</b>	<b>276</b>	<b>1,303</b>	<b>891</b>	<b>1,301</b>
Interest received	5	3	23	15	21
Interest paid	-12	-10	-48	-28	-46
Tax paid	-44	-41	-170	-139	-167
<b>Cash flow before change in working capital</b>	<b>227</b>	<b>228</b>	<b>1,108</b>	<b>739</b>	<b>1,109</b>
<b>Change in working capital</b>					
Stock (increase -/decrease +)	-84	-126	-45	-146	-87
Operating receivables (increase -/decrease +)	-258	-257	-21	-71	-20
Operating liabilities (increase +/decrease -)	141	234	-78	108	15
<i>Total change in working capital</i>	<i>-201</i>	<i>-149</i>	<i>-144</i>	<i>-109</i>	<i>-92</i>
<b>Cash flow from operating activities</b>	<b>26</b>	<b>79</b>	<b>964</b>	<b>630</b>	<b>1,017</b>
<b>INVESTING ACTIVITIES</b>					
Acquisition of Group companies	-	-	-36	-	-36
Divestment of Group companies	-	-	2	-	2
Investments in intangible assets	-7	-3	-18	-13	-14
Investments in tangible fixed assets	-126	-42	-348	-128	-264
Change in financial fixed assets	0	0	0	0	0
Disposal of intangible assets	-	-	-	0	-
Disposal of tangible fixed assets	0	1	11	13	12
<b>Cash flow from investing activities</b>	<b>-133</b>	<b>-44</b>	<b>-389</b>	<b>-128</b>	<b>-300</b>
<b>FINANCING ACTIVITIES</b>					
Proceeds from borrowings	90	101	227	195	238
Repayment of borrowings	-	-	-374	-520	-374
Repayment of leasing-related liabilities	-57	-53	-218	-53	-214
Issue/repurchase of share options/warrants	-	-	0	0	0
Dividends to shareholders	-	-	-134	-119	-134
<b>Cash flow from financing activities</b>	<b>33</b>	<b>48</b>	<b>-499</b>	<b>-497</b>	<b>-484</b>
<b>Cash flow for the period</b>	<b>-74</b>	<b>83</b>	<b>76</b>	<b>5</b>	<b>233</b>
Cash and cash equivalents at start of the period	536	289	380	376	289
Effect of exchange rate changes on cash and cash equivalents	-12	8	-6	-1	14
<b>Cash and cash equivalents at end of the period</b>	<b>450</b>	<b>380</b>	<b>450</b>	<b>380</b>	<b>536</b>

## Consolidated statement of financial position

<i>SEK m</i>	31 Mar 2020	31 Mar 2019	31 Dec 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	3,312	3,193	3,211
Other intangible assets	103	106	97
Tangible fixed assets	1,496	1,317	1,374
Right of use assets	985	974	1,009
Financial interest-bearing fixed assets	34	38	34
Other financial fixed assets	8	7	8
Deferred tax assets	117	97	118
<b>Total non-current assets</b>	<b>6,055</b>	<b>5,732</b>	<b>5,851</b>
<b>Current assets</b>			
Stock	1,574	1,499	1,468
Accounts receivable	1,584	1,550	1,349
Other current assets	285	251	219
Other interest-bearing receivables	12	20	15
Cash and cash equivalents	450	380	536
<b>Total current assets</b>	<b>3,905</b>	<b>3,700</b>	<b>3,587</b>
<b>TOTAL ASSETS</b>	<b>9,960</b>	<b>9,432</b>	<b>9,438</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Shareholders' equity attributable to parent company shareholders	5,182	4,643	5,027
<b>Total shareholders' equity</b>	<b>5,182</b>	<b>4,643</b>	<b>5,027</b>
<b>Non-current liabilities</b>			
Interest-bearing provisions for pensions and similar obligations	295	236	283
Liabilities to credit institutions	1,117	1,207	1,001
Leasing liabilities	779	817	798
Deferred tax liabilities	109	107	112
Provisions	22	23	23
Other non-current liabilities	9	15	9
<b>Total non-current liabilities</b>	<b>2,331</b>	<b>2,405</b>	<b>2,226</b>
<b>Current liabilities</b>			
Other interest-bearing liabilities	161	91	33
Leasing liabilities	237	217	241
Provisions	23	27	26
Accounts payable	936	1,024	763
Other current liabilities	1,090	1,025	1,122
<b>Total current liabilities</b>	<b>2,447</b>	<b>2,384</b>	<b>2,185</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>9,960</b>	<b>9,432</b>	<b>9,438</b>

### Financial instruments measured at fair value through the income statement

<i>SEK m</i>	31 Mar 2020		31 Mar 2019		31 Dec 2019	
Disclosures regarding the fair value by class	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
Derivative receivables	11	11	19	19	15	15
<b>Financial liabilities</b>						
Liabilities to credit institutions	1,120	1,122	1,173	1,177	1,004	1,007
Derivative liabilities	39	39	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 shareholders' equity
	Share-capital	Other contributed capital	Foreign currency translation reserve	Profit brought forward incl. profit for the year	
<b>Closing balance, 31 December 2018</b>	<b>79</b>	<b>2,260</b>	<b>213</b>	<b>1,912</b>	<b>4,464</b>
Changed accounting principles				-49	-49
<b>Opening balance, 1 January 2019</b>	<b>79</b>	<b>2,260</b>	<b>213</b>	<b>1,863</b>	<b>4,415</b>
Profit for the period				142	142
Other comprehensive income, net of tax					
Translation differences, foreign operations			102		102
Hedges of net investments			-16		-16
<i>Total comprehensive income</i>	-	-	86	142	228
<b>Closing balance, 31 March 2019</b>	<b>79</b>	<b>2,260</b>	<b>299</b>	<b>2,005</b>	<b>4,643</b>
Profit for the period				536	536
Other comprehensive income, net of tax					
Actuarial gains/losses, defined benefit plans				-41	-41
Translation differences, foreign operations			29		29
Hedges of net investments			-6		-6
<i>Total comprehensive income</i>	-	-	23	495	518
Dividend to shareholders				-134	-134
Issue of warrants				0	0
<i>Transactions with shareholders</i>	-	-	-	-134	-134
<b>Closing balance, 31 December 2019</b>	<b>79</b>	<b>2,260</b>	<b>322</b>	<b>2,366</b>	<b>5,027</b>
Profit for the period				136	136
Other comprehensive income, net of tax					
Actuarial gains/losses, defined benefit plans				-4	-4
Translation differences, foreign operations			90		90
Hedges of net investments			-67		-67
<i>Total comprehensive income</i>	-	-	23	132	155
<b>Closing balance, 31 March 2020</b>	<b>79</b>	<b>2,260</b>	<b>345</b>	<b>2,498</b>	<b>5,182</b>

### Share capital

The share capital of SEK 78,707,820 is divided among 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 76,331,982 (76,331,982).

### Proposed dividend to shareholders

Lindab's Board of Directors proposes to the Annual General Meeting on April 29, 2020, to approve a dividend distribution of SEK 1.75 per share and the remaining retained earnings to be carried forward.

# Parent company

## Income statement

<i>SEK m</i>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Jan-Mar</b>	<b>Jan-Mar</b>	<b>Jan-Dec</b>
Net sales	1	1	5
Administrative expenses	-2	-1	-7
Other operating income/expenses	-	0	0
<b>Operating profit</b>	<b>-1</b>	<b>0</b>	<b>-2</b>
Profit from subsidiaries	-	-	12
Interest expenses, internal	0	0	-2
<b>Earnings before tax</b>	<b>-1</b>	<b>0</b>	<b>8</b>
Tax on profit for the period	0	0	-2
<b>Profit/Loss for the period<sup>1)</sup></b>	<b>-1</b>	<b>0</b>	<b>6</b>

1) Comprehensive income corresponds to profit for all periods.

## Statement of financial position

<i>SEK m</i>	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>	<b>31 Dec 2019</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<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
<b>Total non-current assets</b>	<b>3,473</b>	<b>3,473</b>	<b>3,473</b>
<b>Current assets</b>			
Receivables from Group companies	1	0	12
Current tax assets	-	0	-
Cash and cash equivalents	0	0	0
<b>Total current assets</b>	<b>1</b>	<b>0</b>	<b>12</b>
<b>TOTAL ASSETS</b>	<b>3,474</b>	<b>3,473</b>	<b>3,485</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
<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	2,352	2,479	2,346
Profit/Loss for the period	-1	0	6
<b>Total shareholders' equity</b>	<b>3,228</b>	<b>3,356</b>	<b>3,229</b>
<b>Provisions</b>			
Interest-bearing provisions	5	5	5
<b>Total provisions</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Current liabilities</b>			
Liabilities to Group companies	238	111	248
Accounts payable	0	-	-
Current tax liability	1	-	1
Accrued expenses and deferred income	2	1	2
<b>Total current liabilities</b>	<b>241</b>	<b>112</b>	<b>251</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3,474</b>	<b>3,473</b>	<b>3,485</b>



## Key performance indicators

SEK m	2020		2019			2018 <sup>3)</sup>			
	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
Net sales	2,332	2,526	2,462	2,569	2,315	2,384	2,397	2,392	2,153
Growth, %	1	6	3	7	8	9	15	13	16
of which organic	-1	3	1	5	5	5	8	8	13
of which acquisitions/divestments	0	0	0	0	-	1	1	1	1
of which currency effects	2	3	2	2	3	3	6	4	2
Operating profit before depreciation/amortisation and impairment losses	282	309	380	339	287	189	243	169	114
Operating profit	184	212	273	238	192	147	200	129	71
Adjusted operating profit	184	212	273	238	192	173	209	148	104
Earnings before tax	176	204	267	228	182	143	196	124	68
Profit for the period	136	143	212	181	142	106	152	91	46
Operating margin, %	7.9	8.4	11.1	9.3	8.3	6.2	8.3	5.4	3.3
Adjusted operating margin, %	7.9	8.4	11.1	9.3	8.3	7.3	8.7	6.2	4.8
Profit margin, %	7.5	8.1	10.8	8.9	7.8	6.0	8.2	5.2	3.2
Cash flow from operating activities	26	366	395	177	79	238	262	51	42
Cash flow from operating activities per share, SEK	0.34	4.79	5.18	2.32	1.03	3.12	3.43	0.67	0.55
Free cash flow	-107	271	347	64	35	198	243	26	21
Adjusted free cash flow	-107	274	345	97	35	198	243	26	21
Cash flow, investments in intangible assets/tangible fixed assets	133	100	51	82	45	40	30	26	24
Number of shares outstanding, thousands	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332
Average number of shares outstanding, thousands	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332	76,332
Earnings per share, SEK <sup>1)</sup>	1.78	1.88	2.78	2.38	1.85	1.38	1.99	1.19	0.60
Shareholders' equity attributable to parent company shareholders	5,182	5,027	4,947	4,708	4,643	4,464	4,387	4,276	4,300
Shareholders' equity attributable to non-controlling interests	-	-	-	-	-	0	1	1	1
Shareholders' equity per share, SEK	67.89	65.86	64.80	61.68	60.83	58.49	57.47	56.02	56.32
Net debt	2,093	1,771	1,996	2,262	2,130	1,052	1,249	1,487	1,369
Adjusted net debt	1,077	732	1,003	1,265	1,096	1,052	1,249	1,487	1,369
Net debt/equity ratio, times	0.4	0.4	0.4	0.5	0.5	0.2	0.3	0.3	0.3
Equity/asset ratio, %	52.0	53.3	50.6	49.2	49.2	57.2	52.5	50.6	52.3
Return on equity, %	13.7	14.3	13.8	12.9	11.1	9.1	8.9	8.2	8.7
Return on capital employed, %	12.5	13.6	12.8	12.6	10.9	9.4	8.8	8.1	8.6
Interest coverage ratio, times	15.9	16.5	22.9	20.0	15.8	24.4	30.3	19.0	11.7
Net debt/EBITDA, excl. one-off items and restructuring costs	1.5	1.6	1.5	1.5	1.6	1.6	1.9	2.0	2.1
Number of employees by end of period	5,162	5,196	5,148	5,277	5,148	5,071	5,142	5,195	5,132

SEK m	2019	2018 <sup>3)</sup>	2017 <sup>3)</sup>
	Jan-Dec	Jan-Dec	Jan-Dec
Net sales	9,872	9,326	8,242
Growth, %	6	13	5
of which organic	3	8	4
of which acquisitions/divestments	0	1	0
of which currency effects	3	4	1
Operating profit before depreciation/amortisation and impairment losses	1,315	715	654
Operating profit	915	547	492
Adjusted operating profit	915	634	511
Earnings before tax	881	531	467
Profit for the period	678	394	347
Operating margin, %	9.3	5.9	6.0
Adjusted operating margin, %	9.3	6.8	6.2
Profit margin, %	8.9	5.7	5.7
Cash flow from operating activities	1,017	593	410
Cash flow from operating activities per share, SEK	13.32	7.77	5.37
Free cash flow	717	488	279
Adjusted free cash flow	751	488	343
Cash flow to investments in intangible assets and tangible fixed assets	278	120	100
Number of shares outstanding, thousands	76,332	76,332	76,332
Average number of shares outstanding, thousands	76,332	76,332	76,332
Earnings per share, SEK <sup>1)</sup>	8.89	5.16	4.54
Dividends per share, SEK	1.75 <sup>2)</sup>	1.75	1.55
Shareholders' equity attributable to parent company shareholders	5,027	4,464	4,129
Shareholders' equity attributable to non-controlling interests	-	0	1
Shareholders' equity per share, SEK	65.86	58.49	54.09
Net debt	1,771	1,052	1,305
Adjusted net debt	732	1,052	1,305
Net debt/equity ratio, times	0.4	0.2	0.3
Equity/asset ratio, %	53.3	57.2	53.4
Return on equity, %	14.3	9.1	8.8
Return on capital employed, %	13.6	9.4	8.8
Interest coverage ratio, times	18.8	21.4	14.1
Net debt/EBITDA, excl. one-off items and restructuring costs	1.6	1.6	2.2
Number of employees end of period	5,196	5,071	5,083

1) Earnings per share is before and after dilution.

2) Proposed dividend.

3) 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.

## 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 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 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 SEK 3 m during the first quarter.

### NOTE 3 – BUSINESS COMBINATIONS

No business combinations have been made during first quarter of 2020.

### NOTE 4 – 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 11. 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 5 - 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.

During the year, there have been no 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, 29 April 2020

Ola Ringdahl  
President and CEO

## 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.

<b>Return on shareholders' equity</b>	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>	<b>31 Dec 2019</b>
Profit for the period, rolling twelve months	672	490	678
Average shareholders' equity	4,901	4,415	4,758
<b>Return on shareholders' equity, %</b>	<b>13.7</b>	<b>11.1</b>	<b>14.3</b>

<b>Return on capital employed</b>	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>	<b>31 Dec 2019</b>
<b>Total assets</b>	<b>9,960</b>	<b>9,432</b>	<b>9,438</b>
Provisions	131	130	135
Other non-current liabilities	9	15	9
<b>Total non-current liabilities</b>	<b>140</b>	<b>145</b>	<b>144</b>
Provisions	23	27	26
Accounts payable	936	1,024	763
Other current liabilities	1,090	1,025	1,122
<b>Total current liabilities</b>	<b>2,049</b>	<b>2,076</b>	<b>1,911</b>
<b>Capital employed</b>	<b>7,771</b>	<b>7,211</b>	<b>7,383</b>
Earnings before tax, rolling twelve months	875	645	881
Financial expenses, rolling twelve months	56	41	55
<b>Total</b>	<b>931</b>	<b>686</b>	<b>936</b>
Average capital employed	7,462	6,275	6,870
<b>Return on capital employed, %</b>	<b>12.5</b>	<b>10.9</b>	<b>13.6</b>

<b>One-off items and restructuring costs</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Jan-Mar</b>	<b>Jan-Mar</b>	<b>Jan-Dec</b>
<b>Operating profit</b>	<b>184</b>	<b>192</b>	<b>915</b>
Ventilation Systems	-	-	-
Profile Systems	-	-	-
Building Systems	-	-	-
Other operations	-	-	-
<b>Adjusted operating profit</b>	<b>184</b>	<b>192</b>	<b>915</b>

No one-off items or restructuring costs have been reported in 2020 or 2019, whereby adjusted operating profit and adjusted operating margin are not reported for these periods.

<b>Free cash flow</b>	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>	<b>31 Dec 2019</b>
Cash flow from operating activities	26	79	1,017
Cash flow from investing activities	-133	-44	-300
<b>Free cash flow</b>	<b>-107</b>	<b>35</b>	<b>717</b>
Cash flow related to divestments and acquisitions	-	-	34
<b>Adjusted free cash flow</b>	<b>-107</b>	<b>35</b>	<b>751</b>

<b>Net debt</b>	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>	<b>31 Dec 2019</b>
Non-current interest-bearing provisions for pensions and similar obligations	295	236	283
Non-current liabilities to credit institutions	1,117	1,207	1,001
Non-current leasing liabilities	779	817	798
Current other interest-bearing liabilities	398	308	274
<b>Total liabilities</b>	<b>2,589</b>	<b>2,568</b>	<b>2,356</b>
Financial interest-bearing fixed assets	34	38	34
Other interest-bearing receivables	12	20	15
Cash and cash equivalents	450	380	536
<b>Total assets</b>	<b>496</b>	<b>438</b>	<b>585</b>
<b>Net debt</b>	<b>2,093</b>	<b>2,130</b>	<b>1,771</b>
<b>Adjusted net debt</b>	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>	<b>31 Dec 2019</b>
Net debt	2,093	2,130	1,771
Liabilities related to leasing	-1,016	-1,034	-1,039
<b>Adjusted net debt</b>	<b>1,077</b>	<b>1,096</b>	<b>732</b>

<b>Net debt/EBITDA</b>	<b>31 Mar 2020</b>	<b>31 Mar 2019</b>	<b>31 Dec 2019</b>
Average net debt	2,005	1,511	2,052
Adjusted operating profit, rolling twelve months	907	722	915
Depreciation/amortisation and impairment losses, rolling twelve months	403	220	400
<b>EBITDA</b>	<b>1,310</b>	<b>942</b>	<b>1,315</b>
<b>Net debt/EBITDA, times</b>	<b>1.5</b>	<b>1.6</b>	<b>1.6</b>

<b>Organic growth</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Jan-Mar</b>	<b>Jan-Mar</b>	<b>Jan-Dec</b>
Change Net sales	17	162	546
Of which			
Organic	-22	92	291
Acquisitions/divestments	3	-	19
Currency effects	36	70	236

<b>Interest coverage ratio, times</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Jan-Mar</b>	<b>Jan-Mar</b>	<b>Jan-Dec</b>
Earnings before tax	176	182	881
Interest expenses	12	12	50
<b>Total</b>	<b>188</b>	<b>194</b>	<b>931</b>
Interest expenses	12	12	50
<b>Interest coverage ratio, times</b>	<b>15.9</b>	<b>15.8</b>	<b>18.8</b>

<b>Operating profit before depreciation/amortisation-EBITDA</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>
	<b>Jan-Mar</b>	<b>Jan-Mar</b>	<b>Jan-Dec</b>
Operating profit	184	192	915
Depreciation/amortisation and impairment losses	98	95	400
<b>Operating profit before depreciation/amortisation-EBITDA</b>	<b>282</b>	<b>287</b>	<b>1,315</b>

## 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.

### 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 employed<sup>1)</sup>. 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' equity<sup>1)</sup> 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 5,200 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.

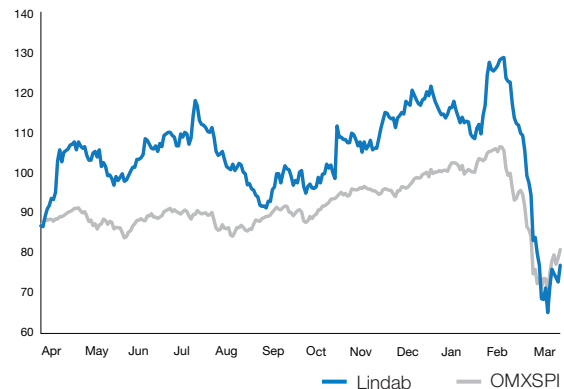
Lindab's value chain is characterised by a good balance between centralised and decentralised functions. The distribution has been developed in order to be close to the customer. Sales are made through around 130 Lindab branches and approximately 3,000 retailers, with the exception of Building Systems, which conducts sales through a network of approximately 300 building contractors.

## Lindab share

### January - March 2020

Share price performance:	-36%
Average share turnover/day:	231,646
Highest closing price (February 20):	131.60 SEK
Lowest closing price (March 19):	64.30 SEK
Closing price March 31:	77.00 SEK
Market cap March 31:	SEK 5,878 m
Total no. of shares:	78,707,820
- <i>whereof treasury shares:</i>	2,375,838
- <i>whereof outstanding shares:</i>	76,331,982

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



## Press- and analyst meetings

A live audiocast will be held at 13:00 pm (CEST) on 29 April. 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) 8 505 583 65

Alternatively phone +44 333 300 9262

The audiocast and presentation can be followed live via Lindabs homepage.

For more information see [www.lindabgroup.com](http://www.lindabgroup.com).

## Calendar

Annual General Meeting	29 April 2020
Interim Report January - June	17 July 2020
Interim Report January - September	23 October 2020
Year-End Report	9 February 2021

All financial reports will be published at [www.lindabgroup.com](http://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 29 April 2020.

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