

# Lindab International AB (publ) Interim report

## Third quarter 2016

- Net sales increased to SEK 2,042 m (2,008), of which organic growth amounted to 4 percent.
- Operating profit increased with 8.6 percent to SEK 190 m (175), excluding one-off items\* of SEK -25 m (30). Operating profit amounted to SEK 165 m (205).
- The operating margin, excluding one-off items, increased to 9.3 percent (8.7).
- Profit for the period decreased to SEK 109 m (146).
- Earnings per share decreased to SEK 1.43 (1.91).
- Cash flow from operating activities increased to SEK 126 m (117).
- The net debt/equity ratio amounted to 0.4 (0.5) at the end of the period.

## January - September 2016

- Net sales increased to SEK 5,810 m (5,609), of which organic growth amounted to 6 percent.
- Operating profit increased with 17.7 percent to SEK 399 m (339), excluding one-off items\* of SEK -28 m (30). Operating profit amounted to SEK 371 m (369).
- The operating margin, excluding one-off items, increased to 6.9 percent (6.0).
- Profit for the period decreased to SEK 227 m (242).
- Earnings per share decreased to SEK 2.98 (3.17).
- Cash flow from operating activities increased to SEK 234 m (194).
- The net debt/equity ratio amounted to 0.4 (0.5) at the end of the period.

\*See Reconciliations, page 16.

## Increased sales

### Third quarter

Both the Group's sales and operating margin continue to develop well, which is positive. Organic growth in the quarter amounted to 4 percent compared with last year, and the adjusted operating margin increased to 9.3 percent compared with 8.7 percent. Earnings per share decreased which is entirely attributable to one-off items, at the same time as the underlying business continues to have a positive trend.

Products & Solutions is developing very well; sales and the adjusted operating profit are the highest reported in a single quarter since 2008. The adjusted operating margin increased to 11.1 percent (10.3). The product areas related to ventilation continued to develop well, and I am particularly pleased with the strong increase in the Fire and Smoke product area.

Organic growth in Building Systems continued, whereas the operating profit did not develop as expected. The markets in Russia and the other CIS countries generally remain weak. We continue to develop our commercial offering and streamlining the business.

### Progress towards a more efficient business

Based on the continued review of our business, we decided to close down certain units during the quarter and also carry out activities in other areas, resulting in total one-off costs of SEK 25 m during the quarter. We are doing this to further streamline our business.

During 2015, a number of strategic activities, including acquisitions and divestments, were initiated. We focused on developing the business, for example by integrating the products of the acquired companies into our solutions. We now enter the next stage which involves further review and development of our structure and business, where our strategy and financial targets continue to set the direction.

Grevie, October 2016



Anders Berg



## Comments on the report

### Sales and markets

Net sales increased by 2 percent to SEK 2,042 m (2,008) during the third quarter. Organic growth was 4 percent, with acquisitions and divestments and currency effects, each respectively impacting sales negatively by 1 percent. Sales were the highest reported in a single quarter since 2008.

The sales trend during the quarter was positive within both segments. Products & Solutions reported organic growth of 3 percent, and Building Systems organic growth of 9 percent.

Net sales during the January-September period amounted to SEK 5,810 m (5,609), which is an increase of 4 percent compared with the corresponding period of the previous year. Organic growth was 6 percent.

### Profit

Operating profit for the third quarter increased to SEK 190 m (175), excluding one-off items of SEK -25 m (30). One-off items for the period mainly relate to restructuring costs, see Reconciliations. The operating margin, excluding one-off items, increased to 9.3 percent (8.7).

The improvement in operating profit, excluding one-off items, is mainly due to the continued good development in the Product & Solutions segment which increased its profit to SEK 203 m (186). Building Systems' result amounted to SEK -3 m (-4). Most of the profit improvement in both segments is due to the increase in volumes.

The profit for the period amounted to SEK 109 m (146), and earnings per share amounted to SEK 1.43 (1.91). The excess of the entire reduction can be attributed to items of a one-off nature in the operating profit, see Reconciliations.

Operating profit, excluding one-off items, for the period January-September amounted to SEK 399 m, which is an increase of 18 percent compared with SEK 339 m in the previous year. The operating margin, excluding one-off items, for the same period increased to 6.9 percent (6.0).

The profit for the period January-September amounted to SEK 227 m (242), and earnings per share amounted to SEK 2.98 (3.17) for the corresponding period.

### Seasonal variations

Lindab's business is affected by seasonal variations in the construction industry, and the greatest proportion of sales is normally seen during the second half of the year.

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 write-downs

The depreciation and amortisation for the quarter is in line with the previous year and amounted to SEK 46 m (44), of which SEK 9 m (9) relates to intangible fixed assets. Of this, SEK 1 m (1) relates to amortisation of the consolidated surplus value in intangible fixed assets.

Depreciation and amortisation for the period January-September amounted to SEK 131 m (125), of which SEK 28 m (24) relates to intangible fixed assets. Of this, SEK 4 m (2) relates to amortisation of the consolidated surplus value in intangible fixed assets.

### Tax

Tax expenses for the quarter amounted to SEK 48 m (49). Earnings before tax amounted to SEK 157 m (195). The effective tax rate was 31 percent (25). The average tax rate was 19 percent (20). The higher effective tax rate compared with the average tax rate is partly due to the fact that Lindab has not fully utilised tax loss carry-forwards to reduce the total tax expenses. Further, it is due to the fact that the operating profit for the period includes major, non-deductible costs, while the period in the previous year includes major, non-taxable income, both of which are mainly related to one-off items. The same items also explain the increased effective tax rate for the period compared with the same period of the previous year.

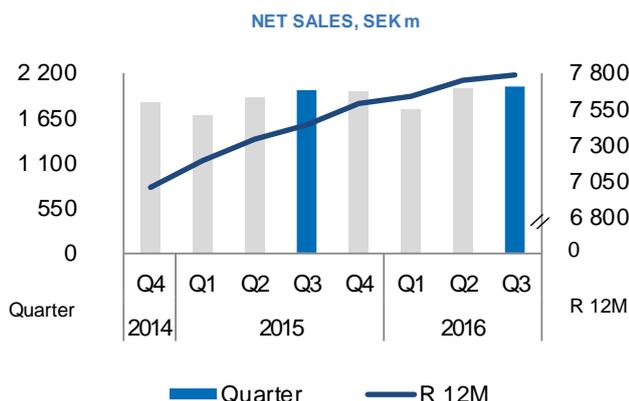
Tax expenses for the period January-September amounted to SEK 116 m (98). Earnings before tax amounted to SEK 343 m (340). The effective tax rate was 34 percent (29). The average tax rate was 20 percent (19). The higher effective tax rate compared with the previous year and compared with the average tax rate is attributable to the same items as for the quarter. Furthermore, last year was positively affected by the recognition of deferred tax on previously unrecognised tax loss carry-forwards in Germany.

### Cash flow

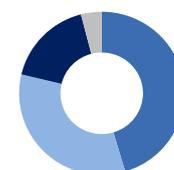
Cash flow from operating activities increased to SEK 126 m (117) in the third quarter.

Operating profit for the period amounted to SEK 165 m compared with SEK 205 m in the same period of the previous year. Last year Other reversed items not affecting cash flow amounted to SEK -45 m which mainly consisted of recognised negative goodwill resulting from the acquisition of IMP Klima and capital gains concerning the divestment of Lindab Inc.

The change in working capital decreased slightly compared with the previous year and amounted to SEK -42 m (-38). The development is mainly attributable to the increase in volumes in



BREAKDOWN OF NET SALES BY REGION, LAST 12 MONTHS



■ Nordic region ■ Western Europe ■ CEE/CIS ■ Other market

both segments and timing effects.

Financing activities for the quarter resulted in a cash flow of SEK -14 m (-106).

Cash flow from investing activities is explained under the headings Investments and Business combinations, see below.

For the period January-September, cash flow from operating activities amounted to SEK 234 m (194) which can mainly be attributed to the improved operating profit after reversal of items not affecting cash flow.

Financing activities for the period January-September resulted in a cash flow of SEK -143 m (64). Borrowings the previous year are due to acquisitions while repayments of borrowings were made during the current year. In addition, cash flow for the year was affected by dividends paid of SEK -95 m (-84).

## Investments

Investments in intangible and tangible fixed assets for the quarter amounted to SEK 32 m (44), of which SEK 6 m (7) refers to investments in intangible fixed assets related to IT projects. The higher investment amount in the previous year was primarily due to the acquisition of a property in Germany which was previously operationally leased. Divestments amounted to SEK 17 m (16), mainly due to divestments of properties in both periods. Net cash flow from investing activities amounted to SEK -15 m (-27), excluding acquisitions and divestments of subsidiaries.

For the period January-September, investments in fixed assets amounted to SEK 86 m (106), while divestments amounted to SEK 19 m (23). Net cash flow from investing activities amounted to SEK -67 m (-84), excluding acquisitions and divestments of subsidiaries.

## Business combinations

No acquisitions or divestments were made during the year.

On 7 August last year, the US subsidiary Lindab Inc., which is based in Portsmouth, Virginia, was divested.

On 1 July last year, the assets of the French company Froid Partn'Air with its registered office in Marseille were acquired. On the same day, the Slovenian ventilation company IMP Klima with its registered office and main business in Godovic, Slovenia, was acquired. On 3 June last year, the French company Nather S.A. was acquired. On 15 January last year, the acquisition of MP3 with its registered office in Padua was completed.

For more information, see Note 3.

## Financial position

Net debt amounted to SEK 1,647 m (1,922) on 30 September 2016. Currency effects have increased net debt by SEK 34 m compared with the previous year. The equity/assets ratio amounted to 48 percent (46) and the net debt/equity ratio

amounted to 0.4 (0.5). Financial items for the quarter amounted to SEK -8 m (-10). The lower financial items are due to lower net debt.

The current credit limit of SEK 1,600 m with Nordea/SEB was extended at the beginning of 2016 and now runs until the first quarter of 2019. The credit limit of SEK 500 m with Svensk Exportkredit remains unchanged and runs until the first quarter of 2019. The agreements contain covenants, which are monitored quarterly. Lindab fulfils all the terms of these credit agreements.

## Pledged assets and contingent liabilities

There have not been any significant changes to pledged assets and contingent liabilities in 2016.

## Parent company

Net sales for the quarter amounted to SEK 1 m (0). The profit for the period amounted to SEK -6 m (-7).

Net sales for the period January-September amounted to SEK 3 m (2). The profit for the period amounted to SEK -19 m (-19).

## Significant risks and uncertainties

There have been no significant changes to what was stated by Lindab in its Annual Report for 2015 under Risks and Risk Management (pages 62-64).

## Employees

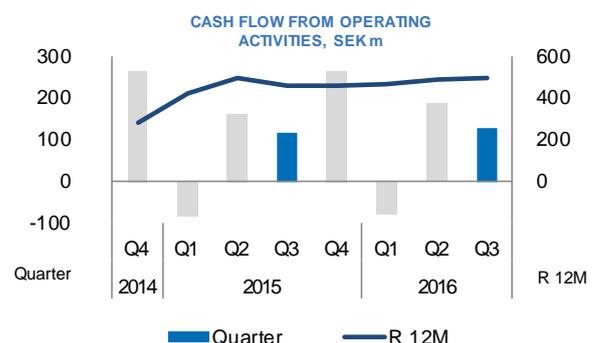
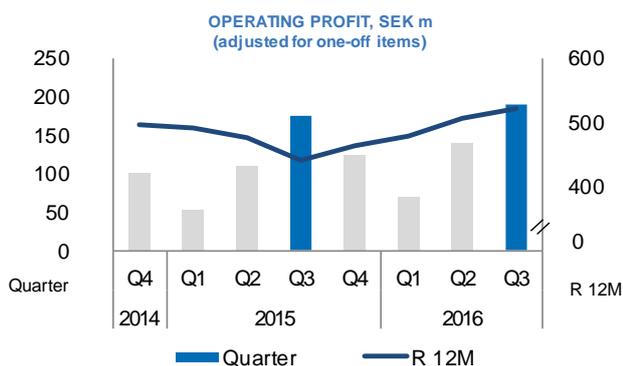
The number of employees, converted into full-time employees, amounted to 5,216 (5,109) at the end of the quarter which can primarily be attributed to higher volumes in Products & Solutions.

## The Lindab Share

The highest price paid for Lindab shares during the period January-September was SEK 87.45 on 6 September, and the lowest was SEK 54.50 on 21 January. The closing price on 30 September was SEK 84.25. The average daily trading volume of the Lindab share was 157,993 shares per day (184,168).

Lindab holds 2,375,838 (2,375,838) treasury shares, equivalent 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), while the total number of shares is 78,707,820 (78,707,820).

The largest shareholders at the end of the quarter in relation to the number of outstanding shares were Creades AB with 10.3 percent (10.3), Handelsbanken Fonder with 8.8 percent (6.2), Lannebo Fonder with 8.1 percent (8.0), Fjärde AP-fonden with 8.0 percent (7.8), and Skandia with 5.3 percent (5.7). The ten largest holdings constitute 58.6 percent (59.4) of the shares, excluding Lindab's own holding.



### Annual General Meeting

The Board has decided that the Annual General Meeting will be held on 9 May 2017. Notice to attend the meeting will be sent out in due order.

### Events after the reporting period

No significant events to report.

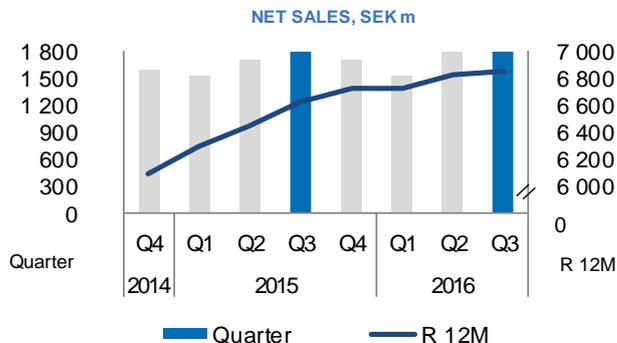
### General information

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

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.

Products fell slightly during the quarter, while sales within the more project-based product area Building Solutions continued to grow.

Net sales for the period January-September increased by 2 percent to SEK 5,145 m (5,029). Organic growth was 4 percent.



## Segments

### Products & Solutions

- Net sales during the third quarter amounted to SEK 1,823 m (1,802), an increase of 1 percent. Organic growth increased by 3 percent.
- The operating margin for the third quarter, excluding one-off items, increased to 11.1 percent (10.3).

### Sales and markets

Net sales for Products & Solutions increased by 1 percent to SEK 1,823 m (1,802) during the third quarter. Organic growth was 3 percent, with acquisitions and divestments and currency effects, each respectively impacting sales negatively by 1 percent. For the twelfth consecutive quarter, the segment reported positive organic growth.

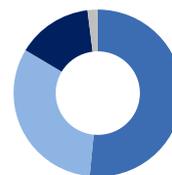
Sales continued to develop well in the Nordic region driven by strong growth in Sweden. In Norway, however, sales decreased slightly which is explained by a lower level of activity and high project sales in the comparable period.

Sales also increased in Western Europe, with organic growth reported in most markets. The UK, the region's largest market, showed strong organic growth during the period. Ireland and Italy reported the highest sales to date for a single quarter, while sales decreased in Switzerland.

Sales continued to fall in the CEE/CIS region, although at a slower pace than in the previous quarter. Poland, Hungary and the Czech Republic, the region's three largest markets, all showed positive organic growth, but not enough to fully compensate for the reduction in Romania and Russia.

The good sales trend in ventilation continued for the segment as a whole, with growth within all product areas with the exception of Air Movement, which showed slightly reduced sales due to a large project the previous year. Sales of Rainwater & Building

**BREAKDOWN OF NET SALES BY REGION, LAST 12 MONTHS**



■ Nordic region ■ Western Europe ■ CEE/CIS ■ Other market

### Profit

Products & Solutions' operating profit for the third quarter increased to SEK 203 m (186), excluding one-off items of SEK -24 m (43). One-off items for the period mainly relate to restructuring costs, see Reconciliations. The operating margin, excluding one-off items, increased to 11.1 percent (10.3).

The improvement in operating profit is primarily due to increased sales volumes, but also a slightly improved gross margin.

Operating profit for the period January-September, excluding one-off items, improved to SEK 430 m (391).

### Activities – Products & Solutions

During the first quarter, Lindab launched UltraLink – a new, unique and ground-breaking measuring technology. The test versions of UltraLink showed good results and the product was commercialised during the quarter. UltraLink was presented at VVS Dagene in Oslo, Scandinavia's largest HVAC trade fair, and is due to be launched on the Swedish and Danish markets in the fourth quarter.

A new series of small air handling units was also launched during the quarter in order to further complete our offering within energy-efficient ventilation solutions.

## Building Systems

- Net sales during the third quarter amounted to SEK 219 m (206), an increase of 6 percent. Organic growth increased by 9 percent.
- The operating margin, excluding one-off items, improved to -1.4 percent (-1.9) in the third quarter.

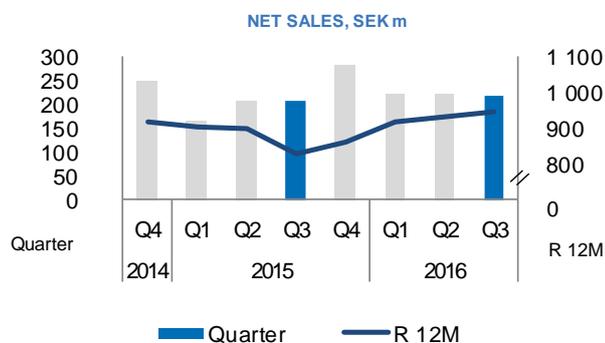
### Sales and markets

Net sales for Building Systems increased by 6 percent to SEK 219 m (206) during the third quarter. Organic growth increased by 9 percent.

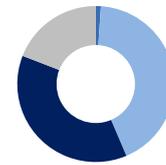
Growth during the quarter is mainly attributable to large project deliveries to Africa and Russia. The market situation in Russia and most of the other CIS countries continues to be challenging, but sales to the region increased thanks to a couple of large projects in Russia which compensated for the lower sales to Belarus, in particular. Sales to Western Europe were unchanged compared with the previous year.

The total order backlog is comparable to what it was at the same time the previous year.

Net sales for the period January-September increased by 15 percent to SEK 665 m (580). Organic growth was 19 percent.



**BREAKDOWN OF NET SALES BY REGION, LAST 12 MONTHS**



■ Nordic Region ■ Western Europe ■ CEE/CIS ■ Other Markets

### Profit

Operating profit for Building Systems, excluding one-off items, amounted to SEK -3 m (-4) during the quarter and the operating margin, excluding one-off items, amounted to -1.4 percent (-1.9).

The improvement in the operating profit and the operating margin is attributable to increased sales volumes. The margin was negatively affected by projects, that was primarily delivered in steps with lower added value during the period.

Operating profit for the period January-September, excluding one-off items, improved to SEK 3 m (-12).

### Activities – Building Systems

During the quarter, Building Systems concluded an agreement on a large order in Belarus with a value of SEK 47.5 m. The order comprises 14 separate buildings to be delivered in the course of 2017.

As previously announced Building Systems has received the largest order to date with a value of EUR 10.3 m. The order comprises of 20 separate buildings and will be delivered to Algeria mainly during 2017.

## NET SALES AND GROWTH

SEK m	2016		2015		2016		2015		2015	
	Jul-Sep		Jul-Sep		Jan-Sep		Jan-Sep		Jan-Dec	
Net sales	2 042		2 008		5 810		5 609		7 589	
Change	34		104		201		442		586	
Change, %	2		5		4		9		8	
Of which										
Organic, %	4		-1		6		2		2	
Acquisitions/divestments, %	-1		5		0		4		4	
Currency effects, %	-1		1		-2		3		2	

## NET SALES PER REGION

SEK m	2016		2015		2016		2015		2015	
	Jul-Sep	%	Jul-Sep	%	Jan-Sep	%	Jan-Sep	%	Jan-Dec	%
Nordic region	935	46	888	44	2 672	46	2 506	45	3 372	44
Western Europe	667	33	662	33	1 963	34	1 849	33	2 481	33
CEE/CIS	392	19	400	20	987	17	1 054	19	1 408	19
Other markets	48	2	58	3	188	3	200	3	328	4
<b>Total</b>	<b>2 042</b>	<b>100</b>	<b>2 008</b>	<b>100</b>	<b>5 810</b>	<b>100</b>	<b>5 609</b>	<b>100</b>	<b>7 589</b>	<b>100</b>

## NET SALES PER SEGMENT

SEK m	2016		2015		2016		2015		2015	
	Jul-Sep	%	Jul-Sep	%	Jan-Sep	%	Jan-Sep	%	Jan-Dec	%
Products & Solutions	1 823	89	1 802	90	5 145	89	5 029	90	6 727	89
Building Systems	219	11	206	10	665	11	580	10	862	11
Other operations	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2 042</b>	<b>100</b>	<b>2 008</b>	<b>100</b>	<b>5 810</b>	<b>100</b>	<b>5 609</b>	<b>100</b>	<b>7 589</b>	<b>100</b>
<b>Gross internal sales all segments</b>	<b>3</b>		<b>0</b>		<b>3</b>		<b>0</b>		<b>0</b>	

## OPERATING PROFIT, OPERATING MARGIN AND EARNINGS BEFORE TAX

SEK m	2016		2015		2016		2015		2015	
	Jul-Sep	%	Jul-Sep	%	Jan-Sep	%	Jan-Sep	%	Jan-Dec	%
Products & Solutions	203	11,1	186	10,3	430	8,4	391	7,8	504	7,5
Building Systems	-3	-1,4	-4	-1,9	3	0,5	-12	-2,1	16	1,9
Other operations	-10	-	-7	-	-34	-	-40	-	-57	-
<b>Operating profit, excluding one-off items</b>	<b>190</b>	<b>9,3</b>	<b>175</b>	<b>8,7</b>	<b>399</b>	<b>6,9</b>	<b>339</b>	<b>6,0</b>	<b>463</b>	<b>6,1</b>
One-off items*	-25	-	30	-	-28	-	30	-	6	-
<b>Operating profit, including one-off items*</b>	<b>165</b>	<b>8,1</b>	<b>205</b>	<b>10,2</b>	<b>371</b>	<b>6,4</b>	<b>369</b>	<b>6,6</b>	<b>469</b>	<b>6,2</b>
Net financial income	-8	-	-10	-	-28	-	-29	-	-38	-
<b>Earnings before tax</b>	<b>157</b>	<b>-</b>	<b>195</b>	<b>-</b>	<b>343</b>	<b>-</b>	<b>340</b>	<b>-</b>	<b>431</b>	<b>-</b>

\*) One-off items are described in Reconciliations.

## NUMBER OF EMPLOYEES

	2016		2015		2016		2015		2015	
	Jul-Sep		Jul-Sep		Jan-Sep		Jan-Sep		Jan-Dec	
Products & Solutions	4 482		4 350		4 482		4 350		4 308	
Building Systems	680		705		680		705		704	
Other operations	54		54		54		54		54	
<b>Total</b>	<b>5 216</b>		<b>5 109</b>		<b>5 216</b>		<b>5 109</b>		<b>5 066</b>	

## Consolidated income statement

SEK m	2016	2015	2016	2015	Rolling 12 M	Rolling 12 M	2015
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	2015 Oct- 2016 Sep	2014 Oct- 2015 Sep	Jan-Dec
Net sales	2 042	2 008	5 810	5 609	7 790	7 445	7 589
Cost of goods sold	-1 467	-1 449	-4 207	-4 083	-5 642	-5 420	-5 518
<b>Gross profit</b>	<b>575</b>	<b>559</b>	<b>1 603</b>	<b>1 526</b>	<b>2 148</b>	<b>2 025</b>	<b>2 071</b>
Other operating income	19	60	44	105	53	123	114
Selling expenses	-256	-246	-778	-759	-1 049	-1 005	-1 030
Administrative expenses	-127	-127	-391	-390	-522	-511	-521
R & D expenses	-16	-15	-47	-41	-64	-55	-58
Other operating expenses	-30	-26	-60	-72	-95	-127	-107
<b>Total operating expenses</b>	<b>-410</b>	<b>-354</b>	<b>-1 232</b>	<b>-1 157</b>	<b>-1 677</b>	<b>-1 575</b>	<b>-1 602</b>
<b>Operating profit*</b>	<b>165</b>	<b>205</b>	<b>371</b>	<b>369</b>	<b>471</b>	<b>450</b>	<b>469</b>
Interest income	3	4	8	13	12	15	17
Interest expenses	-10	-14	-32	-38	-43	-51	-49
Other financial income and expenses	-1	0	-4	-4	-6	-11	-6
<b>Financial items</b>	<b>-8</b>	<b>-10</b>	<b>-28</b>	<b>-29</b>	<b>-37</b>	<b>-47</b>	<b>-38</b>
<b>Earnings before tax</b>	<b>157</b>	<b>195</b>	<b>343</b>	<b>340</b>	<b>434</b>	<b>403</b>	<b>431</b>
Tax on profit for the period	-48	-49	-116	-98	-144	-119	-126
<b>Profit for the period</b>	<b>109</b>	<b>146</b>	<b>227</b>	<b>242</b>	<b>290</b>	<b>284</b>	<b>305</b>
–attributable to the parent company's shareholders	109	146	227	242	290	284	305
–attributable to non-controlling interest	0	0	0	0	0	0	0
<b>Earnings per share, SEK**</b>	<b>1,43</b>	<b>1,91</b>	<b>2,98</b>	<b>3,17</b>	<b>3,80</b>	<b>3,72</b>	<b>3,99</b>

\*) One-off items, which are included in operating profit, are described in Reconciliations.

\*\*) Based on the number of outstanding shares, i.e. excluding treasury shares.

## Consolidated statement of comprehensive income

SEK m	2016	2015	2016	2015	Rolling 12 M	Rolling 12 M	2015
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	2015 Oct- 2016 Sep	2014 Oct- 2015 Sep	Jan-Dec
<b>Profit for the period</b>	<b>109</b>	<b>146</b>	<b>227</b>	<b>242</b>	<b>290</b>	<b>284</b>	<b>305</b>
<b>Items that will not be reclassified to the income statement</b>							
Actuarial gains/losses, defined benefit plans	-19	0	-19	0	4	-22	23
Deferred tax attributable to defined benefit plans	4	0	4	0	-2	5	-6
<b>Sum</b>	<b>-15</b>	<b>0</b>	<b>-15</b>	<b>0</b>	<b>2</b>	<b>-17</b>	<b>17</b>
<b>Items that can later be reclassified to the income statement</b>							
Translation differences, foreign operations	102	7	191	16	56	57	-119
Hedging of net investments	-29	-16	-64	-2	-30	-45	32
Tax attributable to hedging of net investments	7	3	14	0	7	10	-7
<b>Sum</b>	<b>80</b>	<b>-6</b>	<b>141</b>	<b>14</b>	<b>33</b>	<b>22</b>	<b>-94</b>
<b>Other comprehensive income, net of tax</b>	<b>65</b>	<b>-6</b>	<b>126</b>	<b>14</b>	<b>35</b>	<b>5</b>	<b>-77</b>
<b>Total comprehensive income</b>	<b>174</b>	<b>140</b>	<b>353</b>	<b>256</b>	<b>325</b>	<b>289</b>	<b>228</b>
–attributable to the parent company's shareholders	174	140	353	256	325	289	228
–attributable to non-controlling interest	0	0	0	0	0	0	0

## Consolidated statement of cash flow

<i>SEK m</i>	2016 Jul-Sep	2015 Jul-Sep	2016 Jan-Sep	2015 Jan-Sep	Rolling 12 M 2015 Oct- 2016 Sep	Rolling 12 M 2014 Oct- 2015 Sep	2015 Jan-Dec
<b>Operating activities</b>							
Operating profit	165	205	371	369	471	450	469
Reversal of depreciation/amortisation	46	44	131	125	174	165	168
Reversal of capital gains (-) / losses (+) reported in operating profit	-5	-11	-5	-13	3	-10	-5
Provisions, not affecting cash flow	-3	1	-18	-17	-19	-14	-18
Adjustment for other items not affecting cash flow	-6	-45	-18	-28	-22	-49	-32
<b>Total</b>	<b>197</b>	<b>194</b>	<b>461</b>	<b>436</b>	<b>607</b>	<b>542</b>	<b>582</b>
Interest received	3	3	8	13	11	15	16
Interest paid	-9	-14	-30	-37	-40	-49	-47
Tax paid	-23	-28	-74	-78	-92	-82	-96
<b>Cash flow from operating activities before change in working capital</b>	<b>168</b>	<b>155</b>	<b>365</b>	<b>334</b>	<b>486</b>	<b>426</b>	<b>455</b>
<b>Change in working capital</b>							
Stock (increase - /decrease +)	-54	23	-136	9	-57	106	88
Operating receivables (increase - /decrease +)	-113	-127	-333	-348	-36	-106	-51
Operating liabilities (increase + /decrease -)	125	66	338	199	107	31	-32
<i>Total change in working capital</i>	<i>-42</i>	<i>-38</i>	<i>-131</i>	<i>-140</i>	<i>14</i>	<i>31</i>	<i>5</i>
<b>Cash flow from operating activities</b>	<b>126</b>	<b>117</b>	<b>234</b>	<b>194</b>	<b>500</b>	<b>457</b>	<b>460</b>
<b>Investing activities</b>							
Acquisition of Group companies	-	-109	-	-261	5	-271	-256
Divestment of Group companies	-	88	-	88	0	88	88
Investments in intangible fixed assets	-6	-7	-17	-16	-22	-22	-21
Investments in tangible fixed assets	-26	-37	-69	-90	-109	-129	-130
Change in financial fixed assets	0	1	0	-1	1	-1	0
Disposal of intangible fixed assets	0	-3	0	1	-1	1	0
Disposal of tangible fixed assets	17	19	19	22	28	30	31
<b>Cash flow from investing activities</b>	<b>-15</b>	<b>-48</b>	<b>-67</b>	<b>-257</b>	<b>-98</b>	<b>-304</b>	<b>-288</b>
<b>Financing activities</b>							
Proceeds from borrowings	-	-	40	256	40	256	256
Repayment of borrowings	-14	-106	-88	-106	-329	-322	-347
Shares for allocation, incentive programme	-	0	-	-2	-	-2	-2
Dividends to shareholders	0	-	-95	-84	-95	-84	-84
<b>Cash flow from financing activities</b>	<b>-14</b>	<b>-106</b>	<b>-143</b>	<b>64</b>	<b>-384</b>	<b>-152</b>	<b>-177</b>
<b>Cash flow for the period</b>	<b>97</b>	<b>-37</b>	<b>24</b>	<b>1</b>	<b>18</b>	<b>1</b>	<b>-5</b>
Cash and cash equivalents at start of the period	220	336	285	300	301	301	300
Effect of exchange rate changes on cash and cash equivalents	7	2	15	0	5	-1	-10
<b>Cash and cash equivalents at end of the period</b>	<b>324</b>	<b>301</b>	<b>324</b>	<b>301</b>	<b>324</b>	<b>301</b>	<b>285</b>

## Consolidated statement of financial position

<i>SEK m</i>	30 Sep 2016	30 Sep 2015	31 Dec 2015
<b>ASSETS</b>			
<b>Fixed assets</b>			
Goodwill	2 980	2 957	2 897
Other intangible fixed assets	117	131	123
Tangible fixed assets	1 322	1 353	1 301
Financial interest-bearing fixed assets	47	46	47
Other financial fixed assets	109	112	108
<b>Total fixed assets</b>	<b>4 575</b>	<b>4 599</b>	<b>4 476</b>
<b>Current assets</b>			
Stock	1 219	1 150	1 045
Accounts receivable	1 511	1 467	1 177
Other current assets	187	212	160
Other interest-bearing receivables	13	12	6
Cash and cash equivalents	324	301	285
<b>Total current assets</b>	<b>3 254</b>	<b>3 142</b>	<b>2 673</b>
<b>TOTAL ASSETS</b>	<b>7 829</b>	<b>7 741</b>	<b>7 149</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Equity attributable to owners of the parent	3 768	3 537	3 509
Equity attributable to non-controlling interests	1	2	2
<b>Total shareholders' equity</b>	<b>3 769</b>	<b>3 539</b>	<b>3 511</b>
<b>Non-current liabilities</b>			
Interest-bearing provisions for pensions and similar obligations	206	209	189
Liabilities to credit institutions	1 777	1 889	1 713
Provisions	138	129	136
Other non-current liabilities	1	9	5
<b>Total non-current liabilities</b>	<b>2 122</b>	<b>2 236</b>	<b>2 043</b>
<b>Current liabilities</b>			
Other interest-bearing liabilities	48	183	93
Provisions	24	29	30
Accounts payable	942	910	790
Other current liabilities	924	844	682
<b>Total current liabilities</b>	<b>1 938</b>	<b>1 966</b>	<b>1 595</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>7 829</b>	<b>7 741</b>	<b>7 149</b>

## Financial instruments

<i>SEK m</i>	30 Sep 2016		30 Sep 2015		31 Dec 2015	
	Total carrying amount	Fair value	Total carrying amount	Fair value	Total carrying amount	Fair value
<b>Disclosures regarding the fair value by class</b>						
<b>Financial assets</b>						
Derivative receivables	13	13	3	3	4	4
<b>Financial liabilities</b>						
Liabilities to credit institutions	1 741	1 744	1 847	1 852	1 676	1 681
Derivative liabilities	3	3	17	17	12	12

### 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 rate that can be subscribed for on the balance sheet date for the remaining contract term. The fair value of interest-bearing liabilities is provided for the purposes of disclosure and is calculated by discounting the future cash flows of principals and interest payments, discounted at current market interest rates.

The derivative assets, derivative liabilities and interest-bearing liabilities that exist can all be found at Level 2 in the valuation hierarchy.

For other financial assets and liabilities, the carrying amount is deemed to be a reasonable approximation of fair value. Group holdings of unlisted shares the fair value of which cannot be calculated reliably are recognised at acquisition cost. The carrying amount is SEK 1 m (2).

## Consolidated statement of changes in equity

<i>SEK m</i>	Owners of the parent	Non-controlling interest	Total shareholders' Equity
<b>Opening balance, 1 January 2015</b>	<b>3 344</b>	-	<b>3 344</b>
Profit for the period	242	-	242
Other comprehensive income, net of tax	14	-	14
Incentive programme <sup>1)</sup>	0	-	0
Maturity of futures contracts to acquire treasury shares, incentive programme	17	-	17
Effect unused shares, incentive programme	6	-	6
Shares to be allocated, incentive programme	-2	-	-2
Dividends to shareholders	-84	-	-84
Acquisition of non-controlling interest	-	2	2
<b>Closing balance, 30 September 2015</b>	<b>3 537</b>	<b>2</b>	<b>3 539</b>
Profit for the period	63	0	63
Other comprehensive income, net of tax	-91	0	-91
<b>Closing balance, 31 December 2015</b>	<b>3 509</b>	<b>2</b>	<b>3 511</b>
<b>Opening balance, 1 January 2016</b>	<b>3 509</b>	<b>2</b>	<b>3 511</b>
Profit for the period	227	0	227
Other comprehensive income, net of tax	127	-1	126
Dividends to shareholders	-95	-	-95
<b>Closing balance, 30 September 2016</b>	<b>3 768</b>	<b>1</b>	<b>3 769</b>

- 1) At the 2012 Annual General Meeting, it was decided to introduce a long-term incentive programme. To ensure that Lindab holds shares for the maximum allocation, futures contracts have been signed with third parties to acquire treasury shares, which means that no dilution occurs. The incentive programme initiated during 2012 fell due in 2014 and was paid out in June 2015.

### 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.

### Proposed appropriation of profits

In accordance with the proposal of the Board of Directors, the Annual General Meeting on 3 May 2016 resolved that dividend of SEK 1.25 per share, corresponding to SEK 95 m, would be paid for the financial year. It was resolved that the remainder of the retained earnings, SEK 418 m, should be carried forward.

# Parent company

## Income statement

<i>SEK m</i>	2016 Jul-Sep	2015 Jul-Sep	2016 Jan-Sep	2015 Jan-Sep	2015 Jan-Dec
Net sales	1	0	3	2	3
Administrative expenses	-1	0	-3	-2	-4
Other operating income/costs	0	0	0	0	0
<b>Operating profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-1</b>
Profit from subsidiaries	-	-	-	-	34
Interest expenses, internal	-8	-8	-24	-24	-32
<b>Earnings before tax</b>	<b>-8</b>	<b>-8</b>	<b>-24</b>	<b>-24</b>	<b>1</b>
Tax on profit for the period	2	1	5	5	0
<b>Profit for the period*</b>	<b>-6</b>	<b>-7</b>	<b>-19</b>	<b>-19</b>	<b>1</b>

\*) Comprehensive income corresponds to profit for all periods.

## Balance sheet

<i>SEK m</i>	30 Sep 2016	30 Sep 2015	31 Dec 2015
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Financial fixed assets</i>			
Shares in Group companies	3 467	3 467	3 467
Financial interest-bearing fixed assets	7	7	7
Deferred tax assets	2	2	2
<b>Total fixed assets</b>	<b>3 476</b>	<b>3 476</b>	<b>3 476</b>
<b>Current assets</b>			
Receivables from Group companies	-	0	34
Current tax assets	5	6	0
Cash and cash equivalents	0	0	0
<b>Total current assets</b>	<b>5</b>	<b>6</b>	<b>34</b>
<b>TOTAL ASSETS</b>	<b>3 481</b>	<b>3 482</b>	<b>3 510</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
<i>Restricted shareholder's equity</i>			
Share capital	79	79	79
Statutory reserve	708	708	708
<i>Non-restricted shareholder's equity</i>			
Share premium reserve	90	90	90
Profit brought forward	329	423	423
Profit for the period*	-19	-19	1
<b>Total shareholders' equity</b>	<b>1 187</b>	<b>1 281</b>	<b>1 301</b>
<b>Provisions</b>			
Interest-bearing provisions	7	7	7
<b>Total provisions</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Non-current liabilities</b>			
Interest-bearing liabilities to Group companies	2 190	2 158	2 166
<b>Total non-current liabilities</b>	<b>2 190</b>	<b>2 158</b>	<b>2 166</b>
<b>Current liabilities</b>			
<i>Non-interest-bearing liabilities</i>			
Liabilities to Group companies	95	33	34
Accrued expenses and deferred income	2	3	2
<i>Total non-interest-bearing liabilities</i>	<b>97</b>	<b>36</b>	<b>36</b>
<b>Total current liabilities</b>	<b>97</b>	<b>36</b>	<b>36</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>3 481</b>	<b>3 482</b>	<b>3 510</b>

\*) Comprehensive income corresponds to profit for all periods.

## Key performance indicators

SEK m	2016			2015			2014		
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Net sales	2 042	2 016	1 752	1 980	2 008	1 907	1 694	1 836	1 904
Growth, %	2	6	3	8	5	9	12	3	9
of which organic	4	8	5	3	-1	3	5	1	5
of which acquisitions/divestments	-1	1	0	5	5	3	3	0	0
of which currency effects	-1	-3	-2	0	1	3	4	2	4
Operating profit before depreciation and amortisation	211	181	110	143	248	151	95	121	244
Operating profit	165	138	68	100	205	110	54	81	205
Operating profit, excluding one-off items	190	139	70	124	175	110	54	102	210
Earnings before tax	157	128	58	91	196	103	41	63	193
Profit for the period	109	86	32	63	146	68	27	42	145
Operating margin, %	8,1	6,8	3,9	5,1	10,2	5,8	3,2	4,4	10,8
Operating margin, excluding one-off items, %	9,3	6,9	4,0	6,3	8,7	5,8	3,2	5,6	11,0
Profit margin, %	7,7	6,4	3,3	4,6	9,8	5,4	2,4	3,4	10,1
Cash flow from operating activities	126	187	-79	266	117	160	-83	263	153
Cash flow from operating activities per share, SEK	1,65	2,45	-1,03	3,48	1,53	2,10	-1,09	3,45	2,00
Investments intangible/tangible fixed assets	32	33	21	45	44	27	36	45	30
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	1,43	1,13	0,42	0,82	1,91	0,89	0,35	0,55	1,90
Equity attributable to owners of the parent	3 768	3 593	3 554	3 509	3 537	3 397	3 442	3 344	3 311
Equity attributable to non-controlling interests	1	2	2	2	2	-	-	-	-
Equity per share, SEK	49,37	47,08	46,56	45,98	46,34	44,50	45,09	43,81	43,38
Net debt	1 647	1 716	1 760	1 657	1 922	1 957	1 999	1 746	1 883
Net debt/equity ratio, times	0,4	0,5	0,5	0,5	0,5	0,6	0,6	0,5	0,6
Equity/asset ratio, %	48,1	48,3	49,1	49,1	45,7	45,4	46,1	48,0	45,3
Return on equity, %	8,1	9,3	8,9	8,8	8,3	8,5	9,1	9,0	11,2
Return on capital employed, %	8,6	9,3	8,8	8,6	8,2	8,3	8,6	8,9	10,4
Interest coverage ratio, times	16,2	13,0	6,2	9,2	14,6	9,9	4,3	5,8	14,9
Net debt/EBITDA, excluding one-off items	2,5	2,7	2,9	3,1	3,2	3,1	3,0	2,9	2,7
Number of employees	5 216	5 140	5 086	5 066	5 109	4 866	4 769	4 536	4 468

SEK m	2016	2015	2015	2014	2013
	Jan-Sep	Jan-Sep	Jan-Dec	Jan-Dec	Jan-Dec
Net sales	5 810	5 609	7 589	7 003	6 523
Growth, %	4	9	8	7	-2
of which organic	6	2	2	5	-1
of which acquisitions/divestments	0	4	4	0	1
of which currency effects	-2	3	2	2	-2
Operating profit before depreciation and amortisation	502	494	637	625	609
Operating profit	371	369	469	467	452
Operating profit, excluding one-off items	399	339	463	497	498
Earnings before tax	343	340	431	386	329
Profit for the period	227	242	305	283	233
Operating margin, %	6,4	6,6	6,2	6,7	6,9
Operating margin, excluding one-off items, %	6,9	6,0	6,1	7,1	7,6
Profit margin, %	5,9	6,1	5,7	5,5	5,0
Cash flow from operating activities	234	194	460	278	620
Cash flow from operating activities per share, SEK	3,07	2,54	6,03	3,64	8,12
Investments intangible/tangible fixed assets	86	106	151	273	93
Number of shares outstanding, thousands	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
Earnings per share, SEK	2,98	3,17	3,99	3,71	3,05
Equity attributable to owners of the parent	3 768	3 537	3 509	3 344	2 967
Equity attributable to non-controlling interests	1	2	2	-	-
Equity per share, SEK	49,37	46,34	45,98	43,81	38,87
Net debt	1 647	1 922	1 657	1 746	1 612
Net debt/equity ratio, times	0,4	0,5	0,5	0,5	0,5
Equity/asset ratio, %	48,1	45,7	49,1	48,0	45,5
Return on equity, %	8,1	8,3	8,8	9,0	8,5
Return on capital employed, %	8,6	8,2	8,6	8,9	9,1
Interest coverage ratio, times	11,7	9,9	9,7	5,9	3,6
Net debt/EBITDA, excluding one-off items	2,5	3,2	3,1	2,9	3,1
Number of employees	5 216	5 109	5 066	4 536	4 371

## NOTE 1 ACCOUNTING PRINCIPLES

The consolidated accounts for the interim report, like the annual accounts for 2015, have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU, the 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 principles as described in the Annual Report for 2015.

None of the new or amended standards, interpretations and improvements adopted by the EU have had any significant effect on the Group. The ESMA Guidelines on Alternative Performance Measures are applied as of 3 July 2016 and include disclosure requirements relating to financial measures that are not defined according to IFRS.

The parent company's financial statements are prepared in accordance with the Annual Accounts Act and RFR 2, Accounting for legal entities, and according to the same accounting principles that were applied to the Annual Report for 2015.

Information reported in accordance with IAS 34 Interim Financial Reporting is provided in the notes and elsewhere in the interim report.

## NOTE 2 EFFECTS OF CHANGES IN ACCOUNTING ESTIMATES

Significant estimates and assumptions are described in Note 4 in the Annual Report for 2015.

There have not been any changes made to anything that could have a material impact on the interim report.

## NOTE 3 BUSINESS COMBINATIONS

No acquisitions or divestments were made during the year.

SEK m	Total acquisitions	
	30 Sep 2016	30 Sep 2015
<b>Purchase price</b>	-	<b>300</b>
<b>Assets and liabilities included in acquisition</b>		
Intangible fixed assets	-	77
Tangible fixed assets	-	178
Financial fixed assets	-	17
Stock	-	58
Current assets	-	118
Cash and cash equivalents	-	39
Non-current liabilities	-	-81
Current liabilities	-	-168
<b>Fair value acquired net assets</b>	-	<b>238</b>
<b>Goodwill</b>	-	<b>96</b>
<b>Negative goodwill</b>	-	<b>-34</b>

SEK m	Total divestments	
	30 Sep 2016	30 Sep 2015
<b>Sales price</b>	-	<b>97</b>
<b>Assets and liabilities included in divestment</b>		
Intangible fixed assets	-	2
Tangible fixed assets	-	40
Financial fixed assets	-	13
Stock	-	9
Current assets	-	26
Cash and cash equivalents	-	9
Non-current liabilities	-	-2
Current liabilities	-	-12
<b>Fair value divested net assets</b>	-	<b>85</b>
<b>Capital gain</b>	-	<b>12</b>

The following acquisitions and divestments were made during 2015 as a whole:

On 7 August, the US subsidiary Lindab Inc. was divested whose business covers production and sale of ventilation ducts and components, mainly in the eastern regions of the USA. Lindab Inc., which is based in Portsmouth, Virginia, has operated as an independent unit on the US market and the company will continue to be a distributor of Lindab's products. In 2014, the company had sales of just under SEK 150 m and 98 employees. The divestment allows Lindab to further focus its resources on its core business and accelerate the strategic move towards profitable growth. The sales price amounted to SEK 97 m and included a capital gain of SEK 12 m. The capital gain after transaction costs amounted to SEK 2 m.

On 1 July, the assets of the French company Froid Partn'Air were acquired whose business covers distribution of ventilation and indoor climate products in the region around Marseille in France. The company has annual sales of around SEK 13 m and five employees. The acquisition strengthens Lindab's presence and distribution in this area which is the third most populous area in France. The purchase price amounted to SEK 2 m, and the acquisition did not result in any consolidated goodwill. The direct costs related to the acquisition amounted to SEK 0 m.

On 1 July, the Slovenian ventilation company IMP Klima was acquired. The business comprises products and solutions for ventilation and indoor climate with cutting-edge expertise within AHUs, cleanroom technology and floor convectors. IMP Klima has its registered office and main business in Godovic, Slovenia. The company has sales of around SEK 230 m with an operating profit of approximately SEK 1 m for the past 12 months up to and including June 2015 and about 360 employees. The acquisition is a strategic step for Lindab towards developing its position as a complete supplier of ventilation and indoor climate solutions. The purchase price amounted to EUR 1. The purchase agreement also included the repayment of loans of around SEK 146 m. Negative goodwill was recognised in other operating income and amounted to SEK 34 m. The direct costs related to the acquisition amounted to SEK 3 m.

On 3 June, the French company Nather S.A. was acquired whose business mainly covers products and solutions for residential ventilation. The company has annual sales of approximately SEK 45 m and 17 employees. The company's sales are mainly in France, and the acquisition is expected to produce synergies primarily within sales and purchasing. The acquisition strengthens Lindab's market position in the form of complete residential ventilation solutions in the French market and nearby markets.

The purchase price amounted to SEK 11 m, and the acquisition resulted in consolidated goodwill of SEK 10 m. The direct costs related to the acquisition amounted to SEK 0 m.

The agreement on the acquisition of MP3, which was concluded in December 2014, was completed on 15 January 2015. MP3 is a leading manufacturer of indoor climate solutions, with specialist knowledge in fire protection. MP3 has its registered office in Padua in Northern Italy, annual sales of approximately SEK 210 m, with an operating profit of around SEK 20 m, and 95 employees. MP3 is integrated into Lindab's business, which means synergy gains, mainly in sales, but also in terms of costs. The purchase price amounted to SEK 141 m. The direct costs related to the acquisition amounted to SEK 2 m. The total cash flow effect of the acquisition amounted to SEK 143 m. Fair value of acquired identifiable intangible fixed assets of SEK 51 m, including brands, distribution networks and licences. The acquisition included consolidated goodwill of SEK 91 m on 31 December 2015.

#### NOTE 4 OPERATING SEGMENTS

Lindab's business is based on a geographically distributed sales organisation supported by six product and system areas with central production and purchasing functions. The basis for the division into segments is the different products that each segment supplies. The Group's segments comprise Products & Solutions and Building Systems. The Other segment comprises parent company functions.

Information about revenues from external customers and operating profit by operating segment, excluding one-off items, is shown in the tables on page 6.

Revenues from other segments contribute only small amounts and a breakdown of this sum by segment is therefore deemed irrelevant.

Inter-segment transfer pricing is determined on an arms-length basis, i.e. between parties that are independent of one another, are well informed and have an interest in the implementation of the transaction. Assets and investments are reported wherever the asset is located.

Assets and liabilities per segment that have changed by more than 10 percent compared with the end of 2015 are shown below:

- Products & Solutions: Stock has increased by 15 percent, and Other assets have increased by 32 percent.
- Building Systems: Stock has increased by 25 percent, and Other liabilities have increased by 25 percent.

#### NOTE 5 TRANSACTIONS WITH RELATED PARTIES

Lindab's related parties and the extent of transactions with its related parties are described in Note 29 of the Annual Report for 2015.

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, 27 October 2016

Anders Berg  
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 2016 to 30 September 2016. 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, 27 October 2016

Deloitte AB

Hans Warén

Authorised Public Accountant

## Reconciliation tables KPIs, non-IFRS measures

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

#### Interest coverage ratio, times

SEK m	2016 Jul-Sep	2015 Jul-Sep	2016 Jan-Sep	2015 Jan-Sep	2015 Jan-Dec
Earnings before tax	157	196	343	340	431
Interest expenses	10	14	32	38	49
<b>Total</b>	<b>167</b>	<b>210</b>	<b>375</b>	<b>378</b>	<b>480</b>
Interest expenses	10	14	32	38	49
<b>Interest coverage ratio, times</b>	<b>16,2</b>	<b>14,6</b>	<b>11,7</b>	<b>9,9</b>	<b>9,7</b>

#### Net debt

SEK m	30 Sep 2016	30 Sep 2015	31 Dec 2015
Non-current interest-bearing provisions for pensions and similar obligations	206	209	189
Non-current liabilities to credit institutions	1 777	1 889	1 713
Current other interest-bearing liabilities	48	183	93
<b>Total liabilities</b>	<b>2 031</b>	<b>2 281</b>	<b>1 995</b>
Financial interest-bearing fixed assets	47	46	47
Other interest-bearing receivables	13	12	6
Cash and cash equivalents	324	301	285
<b>Total assets</b>	<b>384</b>	<b>359</b>	<b>338</b>
<b>Net debt</b>	<b>1 647</b>	<b>1 922</b>	<b>1 657</b>

#### Net debt/EBITDA

SEK m	Rolling 12 M 2015 Oct- 2016 Sep	Rolling 12 M 2014 Oct- 2015 Sep	2015 Jan-Dec
Average net debt	1 745	1 966	1 960
Operating profit excluding one-off items	523	441	463
Depreciation and amortisation	169	165	168
<b>EBITDA</b>	<b>692</b>	<b>606</b>	<b>631</b>
<b>Net debt/EBITDA</b>	<b>2,5</b>	<b>3,2</b>	<b>3,1</b>

#### One-off items

SEK m	2016 Jul-Sep	2015 Jul-Sep	2016 Jan-Sep	2015 Jan-Sep	2015 Jan-Dec
<b>Operating profit including one-off items</b>	<b>165</b>	<b>205</b>	<b>371</b>	<b>369</b>	<b>469</b>
Products & Solutions	-24	43	-24	43	35
Building Systems	-	-	-	-	-9
Other operations	-1	-13	-4	-13	-20
<b>Operating profit excluding one-off items</b>	<b>190</b>	<b>175</b>	<b>399</b>	<b>339</b>	<b>463</b>

#### Operating profit has been adjusted by the following one-off items per quarter:

- 1/2016 SEK -2 m relating to governance projects.  
 2/2016 SEK -1 m relating to governance projects.  
 3/2016 SEK -25 m relating to cost-reduction initiatives and governance projects.

- 1/2015 The quarter has not been affected by one-off items.  
 2/2015 The quarter has not been affected by one-off items.  
 3/2015 SEK 30 m relating to structure-related income and costs, among other Negative goodwill SEK 34 m and governance projects.  
 4/2015 SEK -24 m relating to structure-related income and costs, cost-reduction initiatives and governance projects.

#### Operating profit before depreciation and amortisation - EBITDA

SEK m	2016 Jul-Sep	2015 Jul-Sep	2016 Jan-Sep	2015 Jan-Sep	2015 Jan-Dec
Operating profit	165	205	371	369	469
Depreciation and amortisation	46	43	131	125	168
<b>Operating profit before depreciation and amortisation - EBITDA</b>	<b>211</b>	<b>248</b>	<b>502</b>	<b>494</b>	<b>637</b>

#### Organic growth

SEK m	2016 Jul-Sep	2015 Jul-Sep	2016 Jan-Sep	2015 Jan-Sep	2015 Jan-Dec
Change Net sales	34	104	201	442	586
Of which					
Organic	80	-19	307	102	159
Acquisitions/divestments	-15	95	8	194	275
Currency effects	-31	28	-114	146	152

Return on capital employed, %	30 Sep 2016	30 Sep 2015	31 Dec 2015
<i>SEK m</i>			
Total assets	7 829	7 741	7 149
Provisions	138	129	136
Other non-current liabilities	1	9	5
<b>Total non-current liabilities</b>	<b>139</b>	<b>138</b>	<b>141</b>
Provisions	24	29	30
Accounts payable	942	910	790
Other current liabilities	924	844	682
<b>Total current liabilities</b>	<b>1 890</b>	<b>1 783</b>	<b>1 502</b>
<b>Capital employed</b>	<b>5 800</b>	<b>5 820</b>	<b>5 506</b>
Earnings before tax	434	403	431
Financial expenses	51	62	57
<b>Total</b>	<b>485</b>	<b>465</b>	<b>488</b>
Average capital employed	5 661	5 661	5 654
<b>Return on capital employed, %</b>	<b>8,6</b>	<b>8,2</b>	<b>8,6</b>

Return on equity, %	30 Sep 2016	30 Sep 2015	31 Dec 2015
<i>SEK m</i>			
Profit for the period	290	284	305
Average equity	3 594	3 406	3 446
<b>Return on equity, %</b>	<b>8,1</b>	<b>8,3</b>	<b>8,8</b>

## Definitions

### Number of employees

Number of employees converted to full-time positions at the end of the period.

### 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

#### Cash flow from operating activities per share, SEK

Cash flow from operating activities to number of shares at the end of the period.

#### Equity/asset ratio

Shareholder's equity including non-controlling interests, expressed as a percentage of total assets.

#### Interest coverage ratio, times

Earnings before tax plus interest expenses to interest expenses.

#### Investments in intangible/tangible fixed assets

Investments in fixed assets excluding acquisitions and divestments of companies

#### Net debt

Interest-bearing provisions and liabilities less interest-bearing assets and cash and cash equivalents.

#### Net debt/EBITDA

Average net debt in relation to EBITDA, excluding one-off items, based on a rolling twelve-month calculation.

#### Net debt/equity ratio

Net debt to shareholder's equity including non-controlling interests.

### One-off items

Items not included in the regular business transactions and when each amount is significant in size and therefore has an effect on the profit or loss and key ratios are classified as one-off items.

### Operating margin

Operating profit expressed as a percentage of net sales.

### Operating margin, excluding one-off items

Operating profit, excluding one-off items, 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

### Operating profit, excluding one-off items

Profit before financial items and tax adjusted for one-off items.

### 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 plus financial expenses based on a rolling twelve-month calculation, expressed as a percentage of average capital employed\*. Capital employed refers to total assets less non-interest-bearing provisions and liabilities.

### Return on shareholder's equity

Profit for the period attributable to parent company shareholders based on a rolling twelve-month calculation, expressed as a percentage of average shareholder's equity\* attributable to parent company shareholders.

### Shareholder's equity per share, SEK

Shareholder's equity attributable to parent company shareholders to number of shares outstanding at the end of the period.

\* ) Average capital is based on the quarterly value.

## Financial calendar

Year-end report	10 February 2017
Annual Report	April 2017
Interim Report January-March	9 May 2017
Annual General Meeting	9 May 2017

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## Lindab in brief

The Group had sales of SEK 7,589 m in 2015 and is established in 32 countries with approximately 5,100 employees.

The main market is non-residential construction, which accounts for 80 percent of sales, while residential accounts for 20 percent of sales. During 2015, the Nordic market accounted for 44 percent, Western Europe for 33 percent, CEE/CIS (Central and Eastern Europe plus other former Soviet states) for 19 percent and other markets for 4 percent of total sales.

The share is listed on the Nasdaq OMX Nordic Exchange, 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 140 Lindab branches and just under 3,000 retailers, with the exception of Building Systems, which conducts sales through a network of nearly 300 building contractors.

The information provided here represents information that Lindab International AB (publ) is obliged to make public under the EU's market abuse regulation. This information was made public by the above-mentioned contacts on 27 October 2016 at 07.40 (CET).

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