

Lindab International AB (publ)

Interim Report January - June 2021

High sales growth and record strong results

Demand was high during the second quarter and sales increased significantly compared with the corresponding quarter previous year. All business areas developed positively with organic sales growth and improved profitability. The two largest business areas, Ventilation Systems and Profile Systems, had the highest sales and the highest operating profit ever for a single quarter. All in all, this led to a record strong operating profit.

Second quarter 2021

- Net sales increased by 24 percent to SEK 2,747 m (2,218). Organic growth was 26 percent while currency had a negative impact on net sales by 4 percent.
- Adjusted¹⁾ operating profit increased to SEK 356 m (222).
- Operating profit increased to SEK 356 m (148).
- Adjusted¹⁾ operating margin increased to 13.0 percent (10.0).
- Operating margin increased to 13.0 percent (6.7).
- Profit for the period increased to SEK 278 m (76).
- Earnings per share, before and after dilution, increased to SEK 3.64 (1.00).
- Cash flow from operating activities amounted to SEK 227 m (295).

January - June 2021

- Net sales increased by 10 percent to SEK 4,995 m (4,550). Organic growth was 13 percent while currency had a negative impact on net sales by 4 percent.
- Adjusted¹⁾ operating profit increased to SEK 549 m (406).
- Operating profit increased to SEK 549 m (332).
- Adjusted¹⁾ operating margin increased to 11.0 percent (8.9).
- Operating margin increased to 11.0 percent (7.3).
- Profit for the period increased to SEK 418 m (212).
- Earnings per share, before and after dilution, increased to SEK 5.47 (2.78).
- Cash flow from operating activities amounted to SEK 287 m (321).

Key Figures	2021 Apr-Jun	2020 Apr-Jun	Change, %	2021 Jan-Jun	2020 Jan-Jun	Change, %
Net sales, SEK m	2,747	2,218	24	4,995	4,550	10
Adjusted ¹⁾ operating profit, SEK m	356	222	60	549	406	35
Operating profit, SEK m	356	148	141	549	332	65
Adjusted ¹⁾ operating margin, %	13.0	10.0	-	11.0	8.9	-
Operating margin, %	13.0	6.7	-	11.0	7.3	-
Profit for the period, SEK m	278	76	265	418	212	97
Earnings per share, before and after dilution, SEK	3.64	1.00	265	5.47	2.78	97
Cash flow from operating activities, SEK m	227	295	-23	287	321	-11

¹⁾ Adjusted operating profit/operating margin does not include significant one-off items and restructuring costs. See 'Reconciliations' page 21.

A word from the CEO



Photo: Mette Ottosson

Lindab continued its strong development during the second quarter. Sales reached a record high level, both for the Group and for the two largest business areas Ventilation Systems and Profile Systems. The operating margin of 13.0 percent is the highest margin for a single quarter since 2008.

During the second quarter, Lindab experienced a very high demand for its products in all markets in Europe. Lindab has a robust supply chain and safe access to raw materials. Customers have appreciated the delivery security and it is a great competitive advantage, especially in times when there is a shortage of steel and other materials.

All business areas have developed positively. Both Ventilation Systems and Profile Systems report the highest sales for a quarter historically. Building Systems, which struggled in headwinds during the pandemic, has double-digit organic growth during the quarter. All in all, this takes us to the highest sales level Lindab has had in a single quarter.

“The operating margin of 13.0 percent is the highest margin for a single quarter since 2008.”

Record high operating margin

Operating profit has continued to improve, thanks to strong sales, increased efficiency from the investment program, and good cost control. We are also fast to implement price adjustments as steel prices continue to rise. The second quarter result was another step towards sustainably reaching an operating margin of at least 10 percent. During the last twelve months, the adjusted operating margin was 11.0 percent, which is a margin level that Lindab has not achieved previously.

The acquisitions make a positive contribution

In May, Lindab signed an agreement to acquire the Norwegian ventilation company H.A. Helgesen & Sønner and in July the Swedish roofing specialist Kami was acquired. The companies complement our current operations well and contribute with well-managed, highly profitable businesses. In recent quarters, we have acquired several quality companies. These have started to contribute to Lindab's growth and earnings during the quarter and we are very pleased with the development so far.

Investments for increased efficiency and safety

The ongoing investment program is having increasingly noticeable effects. Efficiency and capacity are increasing, which has helped us manage the high demand. In addition, the safety of our employees increases and the work environment is improved when manual steps are removed. During the quarter, the investments in our home area on the Bjäre Peninsula entered an intensive phase with expanded capacity at Lindab Steel for handling of steel, a new logistics centre for construction products and an Experience centre for training, meetings and product exhibitions.

“The ongoing investment program has increased the efficiency and capacity, which has helped us manage the high demand.”

Well positioned for the future

For the remainder of 2021, we believe in continued high construction activity. High steel prices will bring challenges, but during the second quarter Lindab has shown that we have an organisation that can handle the situation. Through our close cooperation with the largest players in the steel industry, we have a good view of the expected market development. Our assessment is that the shortage of steel and thus high steel prices will persist, at least for some time into the next year. We plan the business and our pricing accordingly.

The long-term demand for Lindab's ventilation products benefits from an increased interest in solutions that create healthy indoor environments and reduce energy consumption. Thanks to Lindab's product portfolio and strong presence throughout Europe, we are well positioned to continue to develop the business in a positive direction in both the short and long term.

Grevie, July 2021



Ola Ringdahl
President and CEO

Covid-19

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

The pandemic's impact on Lindab was strongest during the second quarter of 2020. Since then, construction activity has gradually returned to previous levels. During the second quarter of 2021, the impact on Lindab was minor.

Lindab's goal has been to keep factories, distribution centres and sales channels open as far as possible. Lindab customers value high availability and delivery precision. By ensuring that critical deliveries can be made, Lindab strengthens its competitiveness and increases customer loyalty.

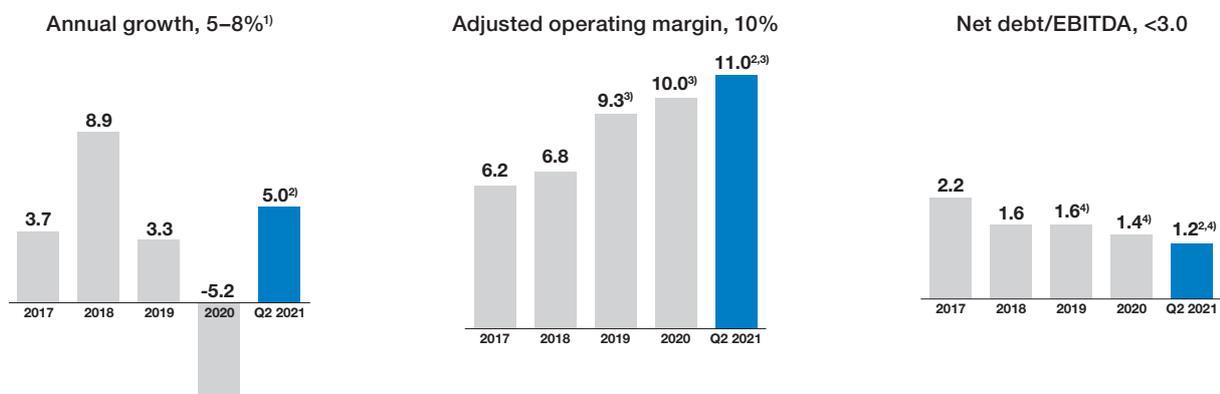
Lindab has good possibilities to secure deliveries to customers thanks to over 30 production facilities around Europe. Local stock levels have increased to further reduce the risks. Lindab has limited dependency on raw materials and components from countries outside Europe, which reduces the risk of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

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

In 2020 Lindab reduced the costs to adapt the business to a lower demand. Support measures and short-term work have been utilised to a limited extent in a few countries.

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

Long-term financial targets



¹⁾ Growth excluding currency effects.

²⁾ Rolling 12 months (R 12M).

³⁾ Excluding the effect of implemented new accounting standard IFRS 16 Leases, operating margin amounted to 10.7 percent in 2021, 9.7 percent in 2020 and 9.0 percent in 2019.

⁴⁾ Excluding the effect of implemented new accounting standard IFRS 16 Leases, net debt to EBITDA amounted to 0.6 in 2021, 0.8 in 2020 and 1.0 in 2019.

Sales, profit and cash flow

Sales and markets

Net sales during the quarter increased to SEK 2,747 m (2,218), an increase of 24 percent. Organic growth was positive by 26 percent while currency effects had a negative impact on growth of 4 percent. Structural changes, related to Lindab's acquisitions and divestments, contributed positively by 2 percent.

The sales development during the quarter remained positive for the Group, with good organic growth in all segments. The quarter was positively affected by a continued strong recovery of the construction market in Europe, which contributed to the Group reporting its highest sales ever. The comparison period was also the quarter in the previous year that had the most extensive restrictions related to covid-19.

The organic sales growth in Ventilation Systems was strong due to good sales recovery in most of the markets in which Lindab operates. Profile Systems reported strong organic growth, primarily due to increased sales of industrial project. The sales development in both Ventilation Systems and Profile Systems has also been positively affected by Lindab continuing to be a reliable partner. Lindab has been able to manufacture and supply customers with the demanded products during the quarter, despite a general imbalance between supply and demand of raw materials. During the quarter, price increases to customers have been announced to compensate for the historically high raw material prices, which partly contributed to the sales growth. The organic sales growth in Building Systems was also positive, which was mainly explained by relatively low comparative figures due to the market slow down caused by covid-19. The market development within Building Systems remain uncertain, but there has been a clear sales recovery in relation to the first quarter of the year.

Net sales during the period January-June increased to SEK 4,995 m (4,550), an increase of 10 percent compared to the corresponding period previous year. Organic growth was positive by 13 percent while currency effects had a negative impact on growth of 4 percent. Structural changes, related to Lindab's acquisitions and divestments, contributed positively by 1 percent.

Profit

Adjusted operating profit for the quarter increased to SEK 356 m (222). No one-off items or restructuring costs were reported during the quarter compared to SEK -74 m in the corresponding period previous year. See reconciliation page 21. Adjusted operating margin increased to 13.0 percent (10.0).

Ventilation Systems' adjusted operating profit increased to SEK 213 m (125) and Profile Systems increased to SEK 149 m (92). The adjusted operating profit for Building Systems amounted to SEK 12 m (15).

The Group's improved adjusted operating profit was mainly explained by significant sales growth, structural changes and strengthened gross margin, as a result of cost efficiency measures from the previously announced investment program. The quarter's operating profit was also affected by a negative exchange rate change as a result of the strengthened Swedish SEK compared to several currencies which are significant for the Group.

Profit for the quarter increased to SEK 278 m (76) and earnings per share increased to SEK 3.64 (1.00).

Adjusted operating profit for the period January-June increased to SEK 549 m (406). No one-off items or restructuring costs were reported during the quarter compared to SEK -74 m in the corresponding period previous year. See reconciliation page 21. Adjusted operating margin increased to 11.0 percent (8.9).

Profit for the period January-June increased to SEK 418 m (212) and earnings per share increased to SEK 5.47 (2.78).

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.



Sales, profit and cash flow (cont.)

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 amortisation for the quarter amounted to SEK 106 m (99), of which SEK 7 m (7) was related to intangible assets and SEK 58 m (57) was related to the right of use assets attributable to rental and leasing agreements. No impairment losses were reported in the period compared to SEK 42 m in the corresponding period previous year. The impairment losses previous year were reported as other operating expenses in the statement of profit or loss, of which SEK 40 m were classified as one-off items and restructuring costs.

For the period January-June depreciation and amortisation amounted to SEK 208 m (197), of which SEK 15 m (14) was related to intangible assets and SEK 115 m (114) was related to the right of use assets attributable to rental and leasing agreements. Impairment losses in the period amounted to SEK 2 m (42). Of the impairment losses previous year SEK 42 m were reported as other operating expenses in the statement of profit or loss, of which SEK 40 m were classified as one-off items and restructuring costs.

Tax

Tax on profit for the quarter amounted to SEK 68 m (63). Earnings before tax was SEK 346 m (139). The effective tax rate amounted to 20 percent (45). The average tax rate was 19 percent (20). The lower effective tax rate during the quarter, compared to the same period previous year, was mainly explained by the fact that Lindab was able to recognise carry-forward tax losses to a lesser extent in previous period, in order to reduce the total tax on profit. The non-recognised carry-forward tax losses during the second quarter in the previous year were mainly attributable to recognised restructuring costs related to the decision to close IMP Klima Group. Furthermore, the effective tax rate during the second quarter in previous year was also impacted by withholding tax. The effective tax rate was in line with the average tax rate during the quarter.

Tax on profit for the period January-June amounted to SEK 111 m (103). Earnings before tax was SEK 529 m (315). The effective tax rate amounted to 21 percent (33). The average tax rate was 19 percent (20). The lower effective tax rate, compared to the same period in previous year, was mainly explained by the fact that Lindab was able to recognise carry-forward tax losses to a lesser extent in the previous period, in order to reduce the total tax on profit. The non-recognised carry-forward tax losses during previous year were mainly attributable to recognised restructuring costs related to the decision to close IMP Klima Group. Furthermore, the effective tax rate during previous year was also impacted by withholding tax. The higher effective tax rate compared to the average tax rate was, among other things, explained by the fact that Lindab was not able to fully recognise carry-forward tax losses in order to reduce the total tax on profit.

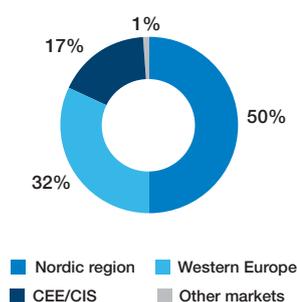
Cash flow

Cash flow before change in working capital increased by SEK 151 m and amounted to SEK 405 m (254) during the quarter. The improvement was mainly explained by the underlying operating profit, which increased by SEK 208 m and amounted to SEK 356 m (148). The underlying operating profit last year included non-cash flow affecting impairment losses/provisions of SEK 74 m, attributable to the decision to close IMP Klima Group.

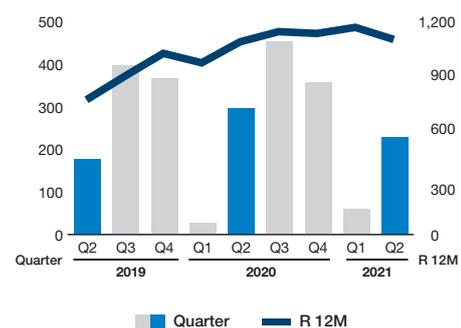
The quarter's change in working capital amounted to SEK -178 m (41). The development in change of working capital was mainly related to increased capital tied up in stock and operating receivables, while the development of accounts payable and cash advances from customers within Building Systems had a positive effect. During the quarter, cash flow from operating activities amounted to SEK 227 m (295).

Cash flow from financing activities amounted to SEK -135 m (-143) during the quarter. This included a cash outflow of SEK -58 m (-54) related to lease liabilities. Dividends to shareholders increased by SEK 63 m and amounted to SEK -130 m (-67). At the Annual General Meeting it was decided that dividends to shareholders will be paid at two occasions during the year, in May and November. Other changes in financing activities were mainly related to changes in borrowings and utilisation of credit limits.

Net sales by region, last 12 months



Cash flow from operating activities, SEK m



Sales, profit and cash flow (cont.)

For the period January-June, cash flow before change in working capital increased by SEK 140 m and amounted to SEK 621 m (481). The improvement was mainly explained by the underlying operating profit, which increased by SEK 217 m and amounted to SEK 549 m (332). The underlying operating profit last year included non-cash flow affecting impairment losses/provisions of SEK 74 m, attributable to the decision to close IMP Klima Group.

The period's change in working capital amounted to SEK -334 m (-160). In comparison with the corresponding period last year, the development from working capital was mainly related to increased capital tied up in stock and operating receivables, while the development of accounts payable and cash advances from customers within Building Systems had a positive effect. Cash flow from operating activities for the period January-June amounted to SEK 287 m (321).

For the period January-June, cash flow from financing activities amounted to SEK -115 m (-110). This included a cash outflow of SEK -115 (-111) related to lease liabilities. During the period, Lindab paid a dividend of SEK -130 m (-67). Other changes in financing activities were mainly related to changes in borrowings and utilisation of credit limits.

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

Investments and financial position

Investments

Investments in intangible assets and tangible fixed assets amounted to SEK 86 m (67) during the quarter, of which SEK 2 m (4) was related to investments in intangible assets. The investments in tangible fixed assets is mainly a part of the Group's investment program for efficiency and capacity increases in production facilities.

Cash flow from investing activities, excluding business combinations, amounted net to SEK -80 m (-66) during the quarter. The cash flow included a positive effect from the divestment of intangible assets and tangible fixed assets of SEK 6 m (1).

For the period January-June, investments in intangible assets and tangible fixed assets amounted to SEK 193 m (200), of which SEK 5 m (11) was related to investments in intangible assets. The investments in tangible fixed assets is mainly a part of the Group's investment program for efficiency and capacity increases in production facilities.

Cash flow from investing activities, excluding business combinations, amounted net to SEK -185 m (-199) during the period January-June. The cash flow included a positive effect from the sale of intangible assets and tangible fixed assets of SEK 8 m (1).

Business combinations

On May 20, 2021, Lindab signed an agreement to acquire all shares and voting rights in the Norwegian ventilation company H.A. Helgesen & Sønner AS. The company is primarily a manufacturer of rectangular ventilation ducts and has an extensive logistics network in western Norway. The aim of the acquisition is to further complement Lindab's business presence in Norway, both in terms of products and distribution. H.A. Helgesen & Sønner AS is registered in Sula, Norway. The company has an annual turnover of approximately NOK 15 m and has 9 employees.

For more information about above mentioned acquisition and company acquisitions during the second quarter previous year, see Note 4.

Financial position

Net debt amounted to SEK 1,777 m (1,859) on 30 June 2021. Currency effects decreased net debt by SEK 15 m (126) during the quarter.

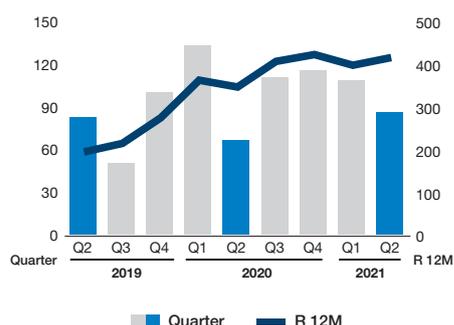
The equity/assets ratio was 52 percent (52) and the net debt/equity ratio was 0,3 (0,4). Financial items for the quarter amounted to SEK -10 m (-9).

Lindab signed new credit agreements in June, a new long-term credit agreement with Nordea and Raiffeisen Bank International of SEK 1,300 m and an agreement with Raiffeisen Bank International of EUR 70 m. The agreements replace the previous credit limit of SEK 1,400 m and the loan of EUR 50 m. Both new agreements are valid for three years with an option to extend the maturity by one plus one year. The agreements contain one covenant, which is monitored quarterly. Lindab fulfilled the condition as at 30 June 2021.

Pledged assets and contingent liabilities

In connection with repayment of loans, pledged collateral of SEK 23 m has been received in return. Apart from that, no significant changes have taken place in pledged collateral and contingent liabilities during the second quarter of 2021.

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



Investment program

- Lindab has an investment program with the objective of achieving increased capacity, higher efficiency and a safer work environment.
- During the quarter, continued investments were made in the Ventilation Systems and Profile Systems segments. The largest projects concern automated sheet metal processing centres in Prague (CZ) and Förslöv (SE), a new distribution centre in Lyon (FR), a logistics centre in Förslöv (SE) and automation of the production lines in Grevie (SE).

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 2 m (2). Loss for the period amounted to SEK 2 m (1).

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

Significant risks and uncertainties

There have been no significant changes in relation to what was stated by Lindab in its Annual Report for 2020 under Risks and Risk Management (pages 62-65).

Employees

The number of employees at the end of the quarter, calculated as full-time equivalent employees, was 5,187 (4,981). Adjusted for acquisitions and divestment, the net increase was 243 employees compared with the same period previous year. The second quarter previous year was affected by short-term work due to covid-19.

Incentive program

At the Annual General Meeting in May 2021, guidelines for the remuneration of senior executives were adopted. According to the adopted guidelines, the remuneration program for these individuals shall among other things include variable cash pay elements. These variable elements shall be based on measurable criteria, which reflects predetermined financial and qualitative targets for Lindab. Based on the resolution at the Annual General Meeting, a long-term incentive program has been implemented. The program has a three-year measuring period and any outcome in terms of long-term variable cash pay is presumed to be invested in shares or share related instruments in Lindab on market terms. The total cost in the event of maximum outcome for the three-year measuring period of 2021 to 2023 is estimated to SEK 14 m. At the Annual General Meeting in 2019 and 2020, long-term incentive programs were respectively adopted, with essentially the same principles as the above decided program. These programs measuring period are 2019-2021 respectively 2020-2022.

Share option program

At the Annual General Meeting in May 2021, it was resolved to establish a share option program for senior executives in Lindab through a directed issue of maximum 275,000 share options. As a result of this program, 183,950 share options have during the second quarter been acquired by senior executives in Lindab, according to a market valuation determined on the basis of the agreement. Each share option entitles the holder to acquire one share in Lindab at a strike price of SEK 222.00. Acquisitions of shares supported by share options may take place after Lindab has published the Q2 interim report for the year 2024 and up until 31 August of the same year. At the Annual General Meeting in 2018, 2019 and 2020, respectively, there were also resolutions to implement share option/warrant programs for senior executives. From the 2018 warrant program, there are 135,000 outstanding options, whereof 25,000 remaining in Lindab's custody, with a subscription price of SEK 86.40 exercisable in July/August 2021. From the 2019 share option program, there are 175,000 outstand-

ing options with a subscription price of SEK 120.00 exercisable during summer 2022. From the 2020 share option program there are 210,000 outstanding share options with a subscription price of SEK 101.90 exercisable during summer 2023.

Annual General Meeting

At Lindab International AB's Annual General Meeting on May 5, 2021, the following resolutions were made, among other things:

- Approval of the parent company's and the Group's income statement and balance sheet for 2020.
- Granting of discharge of liability for the members of the Board of Directors and the CEO for the financial year 2020.
- Dividend of SEK 3.40 per share distributed half-yearly which the first dividend of SEK 1.70 per share with record date May 7, and second dividend of SEK 1.70 per share with record date November 5, 2021.
- Re-election of the Board members Peter Nilsson, Per Bertland, Sonat Burman-Olsson, Viveka Ekberg, Anette Frumerie, Marcus Hedblom and Staffan Pehrson. Peter Nilsson was re-elected as Chairman of the Board.
- Re-election of Deloitte AB as the company's auditors, with Harald Jagner as principal auditor.
- Each of the three largest shareholders shall appoint a member to the Nomination Committee, and the Nomination Committee shall also include the Chairman of the Board.
- Guidelines for the remuneration of senior executives and the establishment of a share option program for senior executives with a maximum of 275,000 share options issued.
- Authorisation for the Board of Directors to decide on the transfer of treasury shares on one or more occasions.

Further information can be found in the documents from Lindab International AB's Annual General Meeting which are available at www.lindabgroup.com.

Significant events during the reporting period

During the quarter the trend of increased steel prices has continued. Lindab adjust its prices continuously to compensate for this.

In May, Lindab signed an agreement to acquire the Norwegian ventilation company H.A. Helgesen & Sønner AS, see Note 4.

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

Significant events after the reporting period

In July, Lindab acquired KAMI AB, producing and selling premium sheet metal roofs. The acquisition will strengthen Lindab's market position in northern Sweden and Norway. KAMI AB has an annual sale of approximately SEK 100 m and has 22 employees.

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

General information

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

The interim report has not been audited.

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

	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun
Net sales, SEK m	1,628	1,297	3,097	2,807
Net sales growth, %	26	-17	10	-9
Adjusted ¹⁾ operating profit, SEK m	213	125	376	276
Adjusted ¹⁾ operating margin, %	13.1	9.6	12.1	9.8
Number of employees by end of period	3,576	3,383	3,576	3,383

¹⁾ No one-off items or restructuring costs have been reported in the period January-June 2021. In the second quarter 2020, adjusted operating profit is excluding one-off items and restructuring costs of SEK -74 m. See 'Reconciliations' page 21.

Sales and markets

Net sales during the quarter increased to SEK 1,628 m (1,297), an increase of 26 percent. Organic growth was positive by 26 percent while currency effects had a negative impact on growth of 4 percent. Structural changes, related to Lindab's acquisitions and divestments, contributed positively by 4 percent.

The sales development during the quarter was positive due to the clear recovery in Europe, which resulted in Ventilation Systems reporting its highest quarter in terms of sales.

In the Nordics, sales increased in all countries except Denmark, where sales were on a par with the same period previous year. The markets in Western Europe reported a clear sales recovery. Sales growth was particularly strong in the United Kingdom, France, Ireland and Italy, all of which had extensive restrictions during the comparison period. France and Italy also reported their highest quarterly sales ever. Italy's growth was mainly driven by significant sales in the marine segment, where the shipyards have reopened. France's high sales were a result of an increase in construction activity as the country has reopened. The other core markets, Switzerland and Germany, reported good organic growth. The sales recovery in the CEE¹⁾/CIS²⁾ region was also noticeable, with positive growth in the region's five largest markets Poland, Hungary, the Czech Republic, Russia and Estonia, all of which were affected by restrictions during the same period previous year.

Net sales during the period January-June increased to SEK 3,097 m (2,807), an increase of 10 percent compared to the

corresponding period previous year. Organic growth was positive by 13 percent while currency effects had a negative impact on growth of 5 percent. Structural changes, related to Lindab's acquisitions and divestments, contributed positively by 2 percent.

Profit

Ventilation Systems' adjusted operating profit during the quarter increased to SEK 213 m (125). Adjusted operating margin increased to 13.1 percent (9.6). No one-off items or restructuring costs were reported during the quarter compared to SEK -74 m in the corresponding period previous year.

The higher adjusted operating profit is mainly explained by a significant sales growth and structural changes but also strengthened gross margin, which was partly offset by increased costs. This together has resulted in Ventilation Systems reporting its highest quarter in terms of profit. The increased costs are due to Lindab's sales and production facilities been in full operation during the quarter, unlike the corresponding period previous year, where certain units had reduced opening hours and staffing due to restrictions.

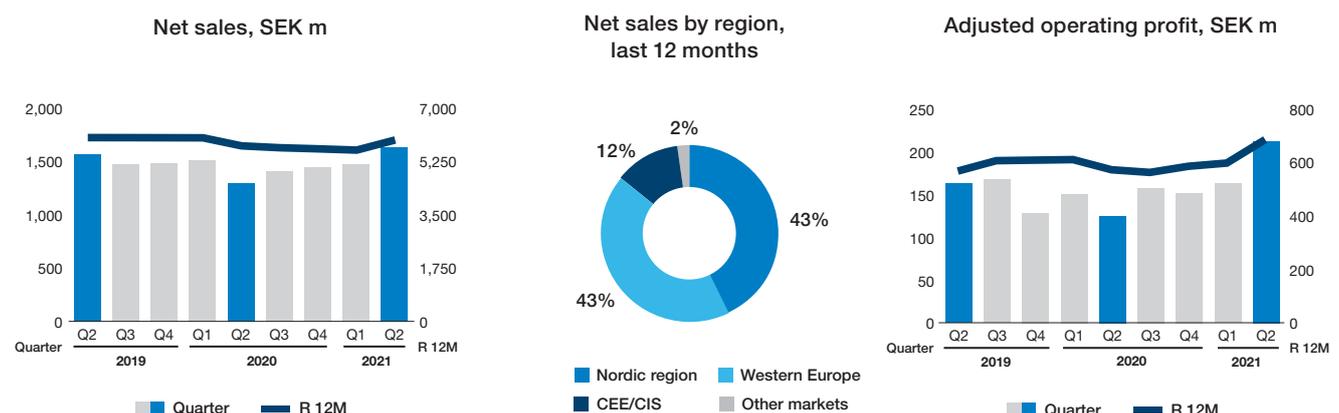
Adjusted operating profit for the period January-June increased to SEK 376 m (276). No one-off items or restructuring costs were reported during the period compared to SEK -74 m in the corresponding period previous year.

Activities

In May, Lindab signed an agreement to acquire the Norwegian ventilation company H.A. Helgesen & Sønner AS. Through the acquisition Lindab gets access to sales and production of rectangular ventilation ducts and distribution in western Norway.

¹⁾ CEE - Central and Eastern Europe

²⁾ CIS - Commonwealth of Independent States



Segment – Profile Systems

Key performance indicators

	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun
Net sales, SEK m	873	685	1,503	1,272
Net sales growth, %	27	10	18	11
Adjusted ¹⁾ operating profit, SEK m	149	92	207	136
Adjusted ¹⁾ operating margin, %	17.1	13.4	13.8	10.7
Number of employees by end of period	879	840	879	840

1) No one-off items or restructuring costs have been reported in 2021 or 2020.

Sales and markets

Net sales for Profile Systems increased by 27 percent to SEK 873 m (685) during the quarter. Organic growth was 29 percent, while currency effects had a negative impact of 2 percent.

Sales continued to develop well for Profile Systems during the quarter, which reported its highest quarter in terms of sales due to strong sales growth in most of its markets. During the quarter, further price increases were announced to customers to compensate for the historically high raw material prices, which partly contributed to sales growth.

The organic growth during the quarter was strong in the largest region, the Nordics. All countries within the Nordics reported strong organic growth except Denmark, which was on par with the previous year's high sales volume. Sweden, which is the largest market in terms of sales, reported strong growth in all product areas such as rainwater, roof and wall cladding and steel profiles for wall, roof and floor constructions. During the quarter, significant deliveries were also made to two major logistics terminals.

The sales development in the CEE/CIS region increased during the quarter due to strong demand in all of its markets. Most of the markets in the CEE/CIS region had restrictions due to covid-19 in the comparison period. Particularly strong organic growth was reported in Hungary, Romania and Poland.

Western Europe reported continued positive sales growth, but the impact was marginal as the region represents only a small part of Profile Systems' total sales.

Net sales during the period January-June increased to SEK 1,503 m (1,272), an increase of 18 percent compared to the corresponding period previous year. Organic growth was 21 percent while currency effects had a negative impact on growth of 3 percent.

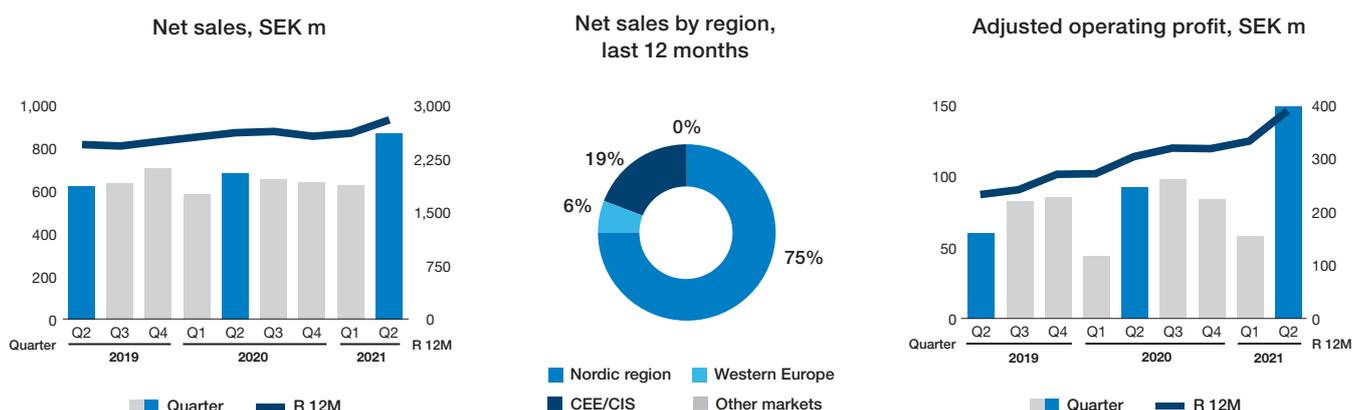
Profit

Profile Systems' adjusted operating profit during the quarter increased to SEK 149 m (92). Adjusted operating margin increased to 17.1 percent (13.4). The improved adjusted operating profit, despite relatively high comparative figures, is mainly explained by strong organic sales growth and strengthened gross margin, which was partly offset by higher costs. This together has resulted in Profile Systems reported its highest quarter in terms of profit.

Adjusted operating profit for the period January-June increased to SEK 207 m (136).

Activities

During the quarter, Lindab completed a new logistics centre for Profile Systems in Sweden. The logistics building, which is a complete Lindab building of approximately 9,000 m², enables increased storage capacity, improved delivery precision to the customer and also a safer working environment. The logistics building is part of Lindab's strategic goal of meeting the increased demand for Lindab's products within Profile Systems.



Segment – Building Systems

Key performance indicators

	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun
Net sales, SEK m	246	236	395	471
Net sales growth, %	4	-39	-16	-29
Adjusted ¹⁾ operating profit, SEK m	12	15	-3	17
Adjusted ¹⁾ operating margin, %	4.9	6.4	-0.8	3.6
Number of employees by end of period	680	711	680	711

1) No one-off items or restructuring costs have been reported in 2021 or 2020.

Sales and markets

Net sales for Building Systems increased by 4 percent to SEK 246 m (236) during the quarter. Organic growth was 14 percent, while currency effects had a negative impact of 10 percent, mainly related to a weaker Russian ruble.

The increase in sales during the quarter is mainly explained by strong growth in both the CIS and CEE regions, while sales to Western Europe decreased. The market development within Building Systems remains uncertain, but there has been a clear sales recovery in relation to the first quarter of the year. Of the segment's larger markets, Poland, Italy, Belarus and France, all reported strong organic growth, while sales to Germany and Russia decreased. The comparison period was also affected by the effects related to covid-19, where several markets had restrictions in both Western Europe and the CEE/CIS region. This has resulted in that several major investment decisions being postponed over the past twelve months.

The order intake decreased during the quarter. The order backlog at the end of the quarter was lower than the corresponding period last year.

Net sales during the period January-June amounted to SEK 395 m (471), a decrease of 16 percent compared to corresponding period previous year. Organically, sales decreased by 7 percent and currency had a negative impact on growth by 9 percent.

Profit

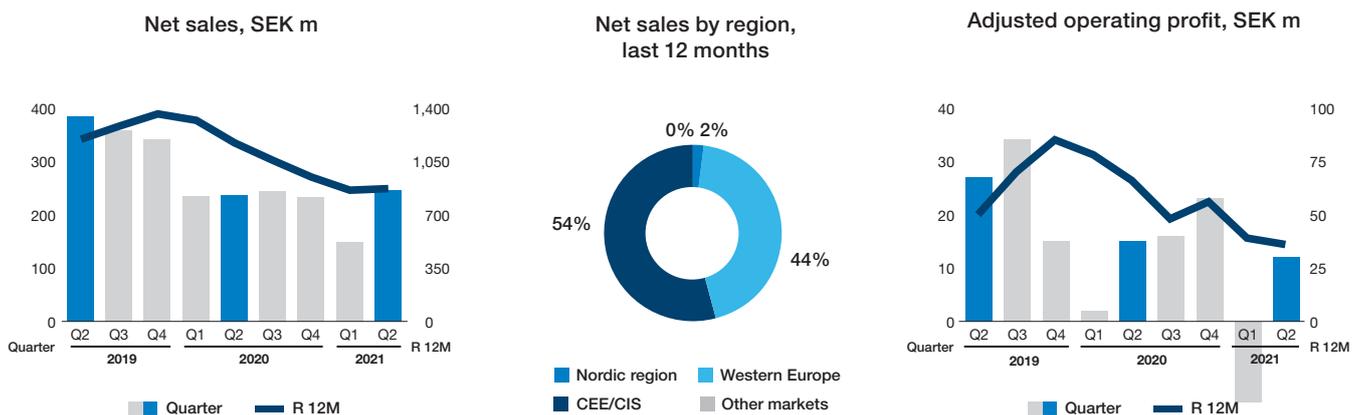
Building Systems' adjusted operating profit amounted to SEK 12 m (15) during the quarter. Adjusted operating margin was 4.9 percent (6.4).

The slightly lower adjusted operating profit is explained by higher costs and a negative change of the exchange rate, mainly related to a weaker Russian ruble. This has been partly offset by increased sales growth and a strengthened gross margin. In addition to this, Building Systems received government support of SEK 1 m (7).

Adjusted operating profit for the period January-June amounted to SEK -3 m (17).

Activities

During the quarter, Building Systems signed agreements for nine major orders, each worth more than SEK 10 m; four in Western Europe and five in Eastern Europe.



Net sales and segments

Net sales and growth

SEK m	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
Net sales	2,747	2,218	4,995	4,550	9,166
Change	529	-351	445	-334	-706
Change, %	24	-14	10	-7	-7
Of which					
Organic, %	26	-12	13	-7	-6
Acquisitions/divestments, %	2	0	1	0	1
Currency effects, %	-4	-2	-4	0	-2

Net sales per region

SEK m	2021 Apr-Jun	%	2020 Apr-Jun	%	2021 Jan-Jun	%	2020 Jan-Jun	%	2020 Jan-Dec	%
Nordic region	1,366	50	1,143	52	2,517	50	2,236	49	4,403	48
Western Europe	843	31	640	29	1,564	31	1,420	31	2,973	32
CEE/CIS	498	18	405	18	839	17	820	18	1,642	18
Other markets	40	1	30	1	75	2	74	2	148	2
Total	2,747	100	2,218	100	4,995	100	4,550	100	9,166	100

Net sales per segment

SEK m	2021 Apr-Jun	%	2020 Apr-Jun	%	2021 Jan-Jun	%	2020 Jan-Jun	%	2020 Jan-Dec	%
Ventilation Systems	1,628	59	1,297	58	3,097	62	2,807	62	5,654	62
Profile Systems	873	32	685	31	1,503	30	1,272	28	2,566	28
Building Systems	246	9	236	11	395	8	471	10	946	10
Total	2,747	100	2,218	100	4,995	100	4,550	100	9,166	100
Gross internal sales all segments	10		14		19		24		43	

Operating profit, operating margin and earnings before tax

SEK m	2021 Apr-Jun	%	2020 Apr-Jun	%	2021 Jan-Jun	%	2020 Jan-Jun	%	2020 Jan-Dec	%
Ventilation Systems	213	13.1	125	9.6	376	12.1	276	9.8	586	10.4
Profile Systems	149	17.1	92	13.4	207	13.8	136	10.7	318	12.4
Building Systems	12	4.9	15	6.4	-3	-0.8	17	3.6	56	5.9
Other operations	-18	-	-10	-	-31	-	-23	-	-44	-
Adjusted operating profit	356	13.0	222	10.0	549	11.0	406	8.9	916	10.0
One-off items and restructuring costs ¹⁾	-	-	-74	-	-	-	-74	-	-70	-
Operating profit	356	13.0	148	6.7	549	11.0	332	7.3	846	9.2
Net financial items	-10	-	-9	-	-20	-	-17	-	-35	-
Earnings before tax	346	12.6	139	6.3	529	10.6	315	6.9	811	8.8

1) One-off items and restructuring costs are described in 'Reconciliations' page 21.

Number of employees by end of period

	2021 Apr-Jun	%	2020 Apr-Jun	%	2021 Jan-Jun	%	2020 Jan-Jun	%	2020 Jan-Dec	%
Ventilation Systems	3,576	69	3,383	68	3,576	69	3,383	68	3,476	68
Profile Systems	879	17	840	17	879	17	840	17	860	17
Building Systems	680	13	711	14	680	13	711	14	692	14
Other operations	52	1	47	1	52	1	47	1	50	1
Total	5,187	100	4,981	100	5,187	100	4,981	100	5,078	100

Consolidated statement of profit or loss

SEK m	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	R 12M 2020 Jul- 2021 Jun	R 12M 2019 Jul- 2020 Jun	2020 Jan-Dec
Net sales	2,747	2,218	4,995	4,550	9,611	9,538	9,166
Cost of goods sold	-1,926	-1,604	-3,536	-3,283	-6,796	-6,876	-6,543
Gross profit	821	614	1,459	1,267	2,815	2,662	2,623
Other operating income	10	17	24	39	73	69	88
Selling expenses	-296	-251	-588	-553	-1,137	-1,145	-1,102
Administrative expenses	-147	-129	-287	-268	-537	-541	-518
R&D expenses	-17	-15	-33	-31	-66	-64	-64
Other operating expenses	-15	-88	-26	-122	-85	-164	-181
Total operating expenses	-465	-466	-910	-935	-1,752	-1,845	-1,777
Operating profit¹⁾	356	148	549	332	1,063	817	846
Interest income	2	4	4	10	8	24	14
Interest expenses	-10	-12	-21	-24	-42	-50	-45
Other financial income and expenses	-2	-1	-3	-3	-4	-5	-4
Financial items	-10	-9	-20	-17	-38	-31	-35
Earnings before tax	346	139	529	315	1,025	786	811
Tax on profit for the period	-68	-63	-111	-103	-223	-219	-215
Profit for the period	278	76	418	212	802	567	596
–attributable to the Parent company's shareholders	278	76	418	212	802	567	596
–attributable to non-controlling interests	0	0	0	0	0	0	0
Earnings per share, SEK²⁾	3.64	1.00	5.47	2.78	10.49	7.44	7.80

1) One-off items and restructuring costs, which are included in operating profit, are described in 'Reconciliations' on page 21.

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	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	R 12M 2020 Jul- 2021 Jun	R 12M 2019 Jul- 2020 Jun	2020 Jan-Dec
Profit for the period	278	76	418	212	802	567	596
Items that will not be reclassified to the statement of profit or loss							
Actuarial gains/losses, defined benefit plans	3	-3	14	-8	27	-32	5
Deferred tax attributable to defined benefit plans	-1	1	-3	2	-6	6	-1
Total	2	-2	11	-6	21	-26	4
Items that will later be reclassified to the statement of profit or loss							
Translation differences, foreign operations	-16	-207	97	-117	-142	-141	-356
Hedges of net investments	12	75	-9	-10	48	1	47
Tax attributable to hedges of net investments	-2	-16	2	2	-10	0	-10
Total	-6	-148	90	-125	-104	-140	-319
Other comprehensive income, net of tax	-4	-150	101	-131	-83	-166	-315
Total comprehensive income	274	-74	519	81	719	401	281
–attributable to the Parent company's shareholders	274	-74	519	81	719	401	281
–attributable to non-controlling interests	0	0	0	0	0	0	0

Consolidated statement of cash flow

SEK m	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	R 12M 2020 Jul- 2021 Jun	R 12M 2019 Jul- 2020 Jun	2020 Jan-Dec
OPERATING ACTIVITIES							
Operating profit	356	148	549	332	1,063	817	846
Reversal of depreciation/amortisation and impairment losses	106	141	210	239	409	443	438
Reversal of capital gains (-)/losses (+) reported in operating profit	-1	0	-2	0	-5	3	-3
Provisions, not affecting cash flow	2	21	0	18	18	26	36
Adjustment for other items not affecting cash flow	-2	-3	-4	-4	-4	-8	-4
Total	461	307	753	585	1,481	1,281	1,313
Interest received	1	5	3	10	6	23	13
Interest paid	-12	-11	-21	-23	-45	-48	-47
Tax paid	-45	-47	-114	-91	-209	-188	-186
Cash flow from operating activities before change in working capital	405	254	621	481	1,233	1,068	1,093
Change in working capital							
Stock (increase -/decrease +)	-156	45	-287	-39	-245	-27	3
Operating receivables (increase -/decrease +)	-281	56	-618	-202	-372	48	44
Operating liabilities (increase +/decrease -)	259	-60	571	81	479	-7	-11
<i>Total change in working capital</i>	<i>-178</i>	<i>41</i>	<i>-334</i>	<i>-160</i>	<i>-138</i>	<i>14</i>	<i>36</i>
Cash flow from operating activities	227	295	287	321	1,095	1,082	1,129
INVESTING ACTIVITIES							
Acquisition of Group-/associated companies	-12	-39	-12	-39	-283	-42	-310
Divestment of Group companies	-	-	-	-	67	2	67
Investments in intangible assets	-2	-4	-5	-11	-21	-20	-27
Investments in tangible fixed assets	-84	-63	-188	-189	-397	-331	-398
Change in financial fixed assets	0	0	0	0	0	0	0
Disposal of intangible assets	1	-	1	-	1	-	-
Disposal of tangible fixed assets	5	1	7	1	11	10	5
Cash flow from investing activities	-92	-105	-197	-238	-622	-381	-663
FINANCING ACTIVITIES							
Proceeds from borrowings	50	-	127	90	127	90	90
Repayment of borrowings	-	-24	-	-24	-109	-398	-133
Repayment of leasing-related liabilities	-58	-54	-115	-111	-226	-218	-222
Issue/repurchase of share options/shares	3	2	3	2	5	1	4
Dividends to shareholders	-130	-67	-130	-67	-197	-67	-134
Cash flow from financing activities	-135	-143	-115	-110	-400	-592	-395
Cash flow for the period	0	47	-25	-27	73	109	71
Cash and cash equivalents at start of the period	531	450	541	536	485	399	536
Effect of exchange rate changes on cash and cash equivalents	0	-12	15	-24	-27	-23	-66
Cash and cash equivalents at end of the period	531	485	531	485	531	485	541

Consolidated statement of financial position

<i>SEK m</i>	30 Jun 2021	30 Jun 2020	31 Dec 2020
ASSETS			
Non-current assets			
Goodwill	3,281	3,196	3,239
Other intangible assets	103	115	112
Tangible fixed assets	1,642	1,428	1,513
Right of use assets	948	936	953
Financial interest-bearing fixed assets	30	35	30
Other financial fixed assets	25	7	26
Deferred tax assets	100	115	76
Total non-current assets	6,129	5,832	5,949
Current assets			
Stock	1,731	1,484	1,425
Accounts receivable	1,823	1,501	1,278
Other current assets	282	239	182
Other interest-bearing receivables	10	15	30
Cash and cash equivalents	531	485	541
Total current assets	4,377	3,724	3,456
TOTAL ASSETS	10,506	9,556	9,405
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity attributable to Parent company shareholders	5,440	4,976	5,178
Non-controlling interest	0	0	0
Total shareholders' equity	5,440	4,976	5,178
Non-current liabilities			
Interest-bearing provisions for pensions and similar obligations	273	297	279
Liabilities to credit institutions	999	1,108	976
Lease liabilities	711	739	745
Deferred tax liabilities	110	104	92
Provisions	22	21	24
Other non-current liabilities	5	8	8
Total non-current liabilities	2,120	2,277	2,124
Current liabilities			
Other interest-bearing liabilities	105	24	9
Lease liabilities	260	226	232
Provisions	23	40	27
Accounts payable	1,082	766	712
Other current liabilities	1,476	1,247	1,123
Total current liabilities	2,946	2,303	2,103
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	10,506	9,556	9,405

Financial instruments measured at fair value through the consolidated statement of profit or loss

<i>SEK m</i>	30 Jun 2021		30 Jun 2020		31 Dec 2020	
Disclosures regarding the fair value by class	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets						
Derivative receivables	3	3	12	12	30	30
Financial liabilities						
Liabilities to credit institutions	1,003	1,004	1,111	1,112	981	982
Derivative liabilities	2	2	5	5	4	4

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 rate.

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 4 m (4).

Consolidated statement of changes in equity

SEK m	Shareholders' equity attributable to Parent company shareholders				Total	Non-controlling interests	Total shareholders' equity
	Share-capital	Other contributed capital	Foreign currency translation reserve	Profit brought forward incl. profit for the year			
Closing balance, 31 December 2019	79	2,260	322	2,366	5,027	-	5,027
Profit for the period				212	212	0	212
Other comprehensive income, net of tax							
Actuarial gains/losses, defined benefit plans				-6	-6	-	-6
Translation differences, foreign operations			-117		-117	-	-117
Hedges of net investments			-8		-8	-	-8
<i>Total comprehensive income</i>	-	-	-125	206	81	0	81
Issuance of share options				2	2	-	2
Dividends to shareholders				-134	-134	-	-134
<i>Transactions with shareholders</i>	-	-	-	-132	-132	-	-132
Closing balance, 30 June 2020	79	2,260	197	2,440	4,976	0	4,976
Profit for the period				384	384	0	384
Other comprehensive income, net of tax							
Actuarial gains/losses, defined benefit plans				10	10	-	10
Translation differences, foreign operations			-239		-239	0	-239
Hedges of net investments			45		45	-	45
<i>Total comprehensive income</i>	-	-	-194	394	200	0	200
Issuance of shares	0	2			2	-	2
<i>Transactions with shareholders</i>	0	2	-	-	2	-	2
Closing balance, 31 December 2020	79	2,262	3	2,834	5,178	0	5,178
Profit for the period				418	418	0	418
Other comprehensive income, net of tax							
Actuarial gains/losses, defined benefit plans				11	11	-	11
Translation differences, foreign operations			97		97	0	97
Hedges of net investments			-7		-7	-	-7
<i>Total comprehensive income</i>	-	-	90	429	519	0	519
Issuance of share options				3	3	-	3
Dividends to shareholders				-260	-260	-	-260
<i>Transactions with shareholders</i>	-	-	-	-257	-257	-	-257
Closing balance, 30 June 2021	79	2,262	93	3,006	5,440	0	5,440

Share capital

At June 30, 2021, the share capital equalled SEK 78,732,820 (78,707,820) divided among 78,732,820 (78,707,820) shares with a face value of SEK 1.00. Lindab International AB (publ) holds 2,375,838 (2,375,838) treasury shares, corresponding to 3.0 percent (3.0) of the total number of Lindab shares. The number of outstanding shares totals 76,356,982 (76,331,982).

Dividend to shareholders

In accordance with the proposal of the Board of Directors, the Annual General Meeting on May 5, 2021, decided that dividends of SEK 3.40 per share, corresponding to SEK 260 m, would be paid for the financial year. The remaining retained earnings of SEK 2,063 m will be carried forward. The dividend of SEK 3.40 per share will be distributed half-yearly, with the first dividend of SEK 1.70 per share, corresponding to SEK 130 m, with record date May 7 and the second dividend of SEK 1.70 per share, corresponding to SEK 130 m, with record date November 5, 2021.

Parent company

Statement of profit or loss

SEK m	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
Net sales	2	2	3	3	5
Administrative expenses	-3	-2	-4	-4	-7
Operating profit	-1	0	-1	-1	-2
Profit from subsidiaries	-	-	-	-	20
Interest expenses, internal	-2	-1	-3	-1	-4
Earnings before tax	-3	-1	-4	-2	14
Tax on profit for the period	1	0	1	0	-3
Profit or loss for the period¹⁾	-2	-1	-3	-2	11

1) Comprehensive income corresponds to profit for all periods.

Statement of financial position

SEK m	30 Jun 2021	30 Jun 2020	31 Dec 2020
ASSETS			
Non-current assets			
<i>Financial fixed assets</i>			
Shares in Group companies	3,467	3,467	3,467
Financial interest-bearing fixed assets	4	5	4
Deferred tax assets	1	1	1
Total non-current assets	3,472	3,473	3,472
Current assets			
Receivables from Group companies	1	1	21
Cash and cash equivalents	0	0	0
Total current assets	1	1	21
TOTAL ASSETS	3,473	3,474	3,493
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
<i>Restricted shareholders' equity</i>			
Share capital	79	79	79
Statutory reserve	708	708	708
<i>Unrestricted shareholders' equity</i>			
Share premium reserve	90	90	90
Profit brought forward	1,973	2,218	2,222
Profit/Loss for the period	-3	-2	11
Total shareholders' equity	2,847	3,093	3,110
Provisions			
Interest-bearing provisions	4	5	4
Total provisions	4	5	4
Current liabilities			
Liabilities to Group companies	489	306	373
Accounts payable	0	0	0
Current tax liability	1	1	4
Accrued expenses and deferred income	2	2	2
Other current liabilities	130	67	-
Total current liabilities	622	376	379
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,473	3,474	3,493

Key performance indicators

SEK m	2021		2020				2019		
	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun
Net sales	2,747	2,248	2,314	2,302	2,218	2,332	2,526	2,462	2,569
Growth, %	24	-4	-8	-6	-14	1	6	3	7
of which organic	26	0	-4	-4	-12	-1	3	1	5
of which acquisitions/divestments	2	1	1	1	0	0	0	0	0
of which currency effects	-4	-5	-5	-3	-2	2	3	2	2
Operating profit before depreciation/amortisation and impairment losses	462	297	350	363	289	282	309	380	339
Operating profit	356	193	248	266	148	184	212	273	238
Adjusted operating profit	356	193	248	262	222	184	212	273	238
Earnings before tax	346	183	239	257	139	176	204	267	228
Profit for the period	278	140	186	198	76	136	143	212	181
Operating margin, %	13.0	8.6	10.7	11.6	6.7	7.9	8.4	11.1	9.3
Adjusted operating margin, %	13.0	8.6	10.7	11.4	10.0	7.9	8.4	11.1	9.3
Profit margin before tax, %	12.6	8.1	10.3	11.1	6.3	7.5	8.1	10.8	8.9
Cash flow from operating activities	227	60	356	452	295	26	366	395	177
Cash flow from operating activities per share, SEK	2.97	0.79	4.66	5.92	3.87	0.34	4.79	5.18	2.32
Free cash flow	135	-45	107	276	190	-107	271	347	64
Adjusted free cash flow	147	-45	241	346	229	-107	274	345	97
Cash flow, investments in intangible assets/tangible fixed assets	86	107	115	110	67	133	100	51	82
Number of shares outstanding, thousands	76,357	76,357	76,357	76,357	76,332	76,332	76,332	76,332	76,332
Average number of shares outstanding, thousands	76,353	76,347	76,357	76,334	76,332	76,332	76,332	76,332	76,332
Earnings per share, SEK ¹⁾	3.64	1.83	2.43	2.59	1.00	1.78	1.88	2.78	2.38
Shareholders' equity attributable to Parent company shareholders	5,440	5,423	5,178	5,127	4,976	5,182	5,027	4,947	4,708
Shareholders' equity attributable to non-controlling interests	0	0	0	0	0	-	-	-	-
Shareholders' equity per share, SEK	71.24	71.02	67.82	67.15	65.19	67.89	65.86	64.80	61.68
Net debt	1,777	1,759	1,640	1,740	1,859	2,093	1,771	1,996	2,262
Adjusted net debt	806	772	663	671	894	1,077	732	1,003	1,265
Net debt/equity ratio, times	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.5
Equity/asset ratio, %	51.8	53.8	55.1	52.2	52.1	52.0	53.3	50.6	49.2
Return on equity, %	15.3	11.5	11.6	10.9	11.4	13.7	14.3	13.8	12.9
Return on capital employed, %	14.1	11.4	11.5	11.0	11.2	12.5	13.6	12.8	12.6
Interest coverage ratio, times	34.8	18.4	23.2	24.9	12.8	15.9	16.5	22.9	20.0
Net debt/EBITDA, excl. one-off items and restructuring costs	1.2	1.3	1.4	1.5	1.5	1.5	1.6	1.5	1.5
Number of employees by end of period	5,187	5,098	5,078	4,955	4,981	5,162	5,196	5,148	5,277

SEK m	2021	2020	2020	2019	2018 ²⁾
	Jan-Jun	Jan-Jun	Jan-Dec	Jan-Dec	Jan-Dec
Net sales	4,995	4,550	9,166	9,872	9,326
Growth, %	10	-7	-7	6	13
of which organic	13	-7	-6	3	8
of which acquisitions/divestments	1	0	1	0	1
of which currency effects	-4	0	-2	3	4
Operating profit before depreciation/amortisation and impairment losses	759	571	1,284	1,315	715
Operating profit	549	332	846	915	547
Adjusted operating profit	549	406	916	915	634
Earnings before tax	529	315	811	881	531
Profit for the period	418	212	596	678	394
Operating margin, %	11.0	7.3	9.2	9.3	5.9
Adjusted operating margin, %	11.0	8.9	10.0	9.3	6.8
Profit margin before tax, %	10.6	6.9	8.8	8.9	5.7
Cash flow from operating activities	287	321	1,129	1,017	593
Cash flow from operating activities per share, SEK	3.76	4.21	14.79	13.32	7.77
Free cash flow	90	83	466	717	488
Adjusted free cash flow	102	122	709	751	488
Cash flow to investments in intangible assets and tangible fixed assets	193	200	425	278	120
Number of shares outstanding, thousands	76,357	76,332	76,357	76,332	76,332
Average number of shares outstanding, thousands	76,353	76,332	76,340	76,332	76,332
Earnings per share, SEK ¹⁾	5.47	2.78	7.80	8.89	5.16
Dividend per share, SEK	-	-	3.40 ³⁾	1.75	1.75
Shareholders' equity attributable to Parent company shareholders	5,440	4,976	5,178	5,027	4,464
Shareholders' equity attributable to non-controlling interests	0	0	0	-	0
Shareholders' equity per share, SEK	71.24	65.19	67.82	65.86	58.49
Net debt	1,777	1,859	1,640	1,771	1,052
Adjusted net debt	806	894	663	732	1,052
Net debt/equity ratio, times	0.3	0.4	0.3	0.4	0.2
Equity/asset ratio, %	51.8	52.1	55.1	53.3	57.2
Return on equity, %	15.3	11.4	11.6	14.3	9.1
Return on capital employed, %	14.1	11.2	11.5	13.6	9.4
Interest coverage ratio, times	26.5	14.3	19.0	18.8	21.4
Net debt/EBITDA, excl. one-off items and restructuring costs	1.2	1.5	1.4	1.6	1.6
Number of employees end of period	5,187	4,981	5,078	5,196	5,071

1) Earnings per share is before and after dilution.

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

3) Dividend for 2020 is to be distributed at two occasions, SEK 1.70 per share in May 2021 and SEK 1.70 per share in November 2021.

Notes

NOTE 1 – ACCOUNTING POLICIES

The consolidated accounts for the interim report have, line with the annual consolidated accounts for 2020, been prepared 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 2020. 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 2020.

NOTE 2 – EFFECTS OF CHANGES IN ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant estimates and judgements are described in Note 4 in the Annual Report for 2020. No essential changes have been made to these estimates or judgements which could have a material impact on the interim report. It should be noted that as consequence of covid-19, Lindab has carefully assessed the need for changed estimates and judgements in connection with preparation of the interim report. This assessment has, like for the first quarter and the corresponding period last year, resulted in some adjustments of applied calculation rates in the valuation of expected credit losses for accounts receivable. The changed estimate of expected bad debt losses of those receivables has impacted all valuation categories, from accounts receivable that are not yet due to receivables that are overdue by more than 360 days.

NOTE 3 – GOVERNMENT GRANTS

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

Due to covid-19, Lindab has recognised government grants corresponding to SEK 8 m (26) during the first two quarters of the year. The grants received were primarily attributable to compen-

sation for employee related costs and have thus been classified as cost reductions per category of cost in the income statement. In addition to the government grants, the Group has also during the period recognised lower costs through reductions of employee related social security contributions corresponding to SEK 1 m (8) as a result of covid-19.

NOTE 4 – BUSINESS COMBINATIONS

Business combinations in January-June, 2021

H.A. Helgesen & Sønner AS

On May 20, 2021, Lindab signed an agreement to acquire all shares and voting rights in the Norwegian ventilation company H.A. Helgesen & Sønner AS. The company is primarily a manufacturer of rectangular ventilation ducts and has an extensive logistics network in western Norway. The aim of the acquisition is to further complement Lindab's business presence in Norway, both in terms of products and distribution. H.A. Helgesen & Sønner AS is registered in Sula, Norway. The company has an annual turnover of approximately NOK 15 m and has 9 employees.

Lindab is expected to take over the ownership of H.A. Helgesen & Sønner AS during the third quarter of 2021, and then will also the main part of the purchase consideration be settled. The company will be part of the Ventilation Systems segment.

Other

In terms of 2021, the cash flow related to acquisitions derives from settlement of conditional additional purchase considerations in terms of previously made business combinations

Business combinations in January-June, 2020

Smofir Trading Ltd. (Thor Duct)

On June 5, 2020, Lindab acquired 95 percent of the shares and voting rights in the Irish company Smofir Trading Ltd. The business is mainly focused on licensing of certified fire ductwork systems and component sales related to these systems. The acquisition was a step for Lindab to further strengthen the offering in ventilation systems in Ireland and the UK. The company as annual turnover of approximately SEK 21 m.

NOTE 5 – OPERATING SEGMENTS

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

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

Notes (cont.)

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 and other common functions.

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

The Board of Directors and the CEO hereby confirm that the interim report for Lindab International AB (publ) gives a true and fair picture of the company's and the Group's operations, financial position and results and describes significant risks and uncertainties that the company and the companies in the Group are facing.

Båstad, 20 July 2021

Peter Nilsson
Chairman of the Board

Per Bertland
Board member

Sonat Burman-Olsson
Board member

Viveka Ekberg
Board member

Anette Frumerie
Board member

Marcus Hedblom
Board member

Staffan Pehrson
Board member

Pontus Andersson
Employee representative

Anders Lundberg
Employee representative

Ola Ringdahl
President and CEO

NOTE 6 - RELATED PARTY TRANSACTIONS

Lindab's related parties and the extent of transactions with its related parties are described in Note 33 of the Annual Report for 2020.

At the Annual General Meeting in May 2021, it was resolved to adopt a share option program for senior executives. Under the program, 183,950 share options were acquired by senior executives during the second quarter. See more under 'Share option program', page 8.

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

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.

	30 Jun 2021	30 Jun 2020	31 Dec 2020
Return on shareholders' equity			
Profit for the period, rolling twelve months	802	567	596
Average shareholders' equity	5,255	4,968	5,125
Return on shareholders' equity, %	15.3	11.4	11.6

	30 Jun 2021	30 Jun 2020	31 Dec 2020
Return on capital employed			
Total assets	10,506	9,556	9,405
Provisions and deferred tax liabilities	132	125	116
Other non-current liabilities	5	8	8
Total non-current liabilities	137	133	124
Provisions	23	40	27
Accounts payable	1,082	766	712
Other current liabilities	1,476	1,247	1,123
Total current liabilities	2,581	2,053	1,862
Capital employed	7,788	7,370	7,419
Earnings before tax, rolling twelve months	1,025	786	811
Financial expenses, rolling twelve months	49	50	49
Total	1,074	836	860
Average capital employed	7,599	7,493	7,522
Return on capital employed, %	14.1	11.2	11.5

	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
One-off items and restructuring costs					
Operating profit	356	148	549	332	846
Ventilation Systems	-	74	-	74	-70
Profile Systems	-	-	-	-	-
Building Systems	-	-	-	-	-
Other operations	-	-	-	-	-
Adjusted operating profit	356	222	549	406	916

In the second quarter 2020, operating profit includes one-off items and restructuring costs of SEK -74 m, related to Lindab's closure of IMP Klima Group. Operating profit for the period January to December 2020 includes one-off items and restructuring costs of SEK -74 m, related to Lindab's closure and divestment of IMP Klima Group.

	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
Free cash flow					
Cash flow from operating activities	227	295	287	321	1,129
Cash flow from investing activities	-92	-105	-197	-238	-663
Free cash flow	135	190	90	83	466
Cash flow related to divestments and acquisitions	-12	-39	-12	-39	-243
Adjusted free cash flow	147	229	102	122	709

	30 Jun 2021	30 Jun 2020	31 Dec 2020
Net debt			
Non-current interest-bearing provisions for pensions and similar obligations	273	297	279
Non-current liabilities to credit institutions	999	1,108	976
Non-current lease liabilities	711	739	745
Current interest-bearing liabilities	365	250	241
Total liabilities	2,348	2,394	2,241
Financial interest-bearing fixed assets	30	35	30
Other interest-bearing receivables	10	15	30
Cash and cash equivalents	531	485	541
Total assets	571	535	601
Net debt	1,777	1,859	1,640
Adjusted net debt			
Net debt	1,777	1,859	1,640
Liabilities related to leasing	-971	-965	-977
Adjusted net debt	806	894	663

	30 Jun 2021	30 Jun 2020	31 Dec 2020
Net debt/EBITDA			
Average net debt	1,756	1,927	1,824
Adjusted operating profit, rolling twelve months	1,059	891	916
Depreciation/amortisation and impairment losses, rolling twelve months, excluding one-off items and restructuring costs	409	403	398
EBITDA, rolling twelve months	1,468	1,294	1,314
Net debt/EBITDA, times	1.2	1.5	1.4

Organic growth	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
Change Net sales	529	351	445	-334	-706
Of which					
Organic	579	-313	589	-335	-550
Acquisitions/divestments	46	-6	66	-3	35
Currency effects	-96	-32	-210	4	-191

Interest coverage ratio	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
Earnings before tax	346	139	529	315	811
Interest expenses	10	12	21	24	45
Total	356	151	550	339	856
Interest expenses	10	12	21	24	45
Interest coverage ratio, times	34.8	12.8	26.5	14.3	19.0

Operating profit before depreciation/amortisation-EBITDA	2021 Apr-Jun	2020 Apr-Jun	2021 Jan-Jun	2020 Jan-Jun	2020 Jan-Dec
Operating profit	356	148	549	332	846
Depreciation/amortisation and impairment losses	106	141	210	239	438
<i>Of which one-off items and restructuring costs</i>	-	40	-	40	40
Operating profit before depreciation/amortisation-EBITDA	462	289	759	571	1,284

Definitions

Key performance indicator according to IFRS

Earnings per share, SEK: Profit for the period attributable to Parent company shareholders to average number of shares outstanding, based on a rolling twelve-month calculation.

Key performance indicators not defined according to IFRS

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

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

Adjusted operating margin: Adjusted operating profit expressed as a percentage of net sales.

Adjusted operating profit: Operating profit adjusted for one-off items and restructuring costs when the amount is significant in size.

Cash flow from operating activities per share, SEK: Cash flow from operating activities to number of shares outstanding at the end of the period.

Equity/asset ratio: Shareholders' equity including non-controlling interests, expressed as a percentage of total assets.

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

Interest coverage ratio, times: Earnings before tax plus interest expense to interest expense

Investments in intangible assets and tangible fixed assets: Investments excluding acquisitions and divestments of companies.

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

1) Average capital is based on the quarterly value.

NET debt/EBITDA: Average net debt in relation to EBITDA, excluding one-off items and restructuring costs, based on a rolling twelve-month calculation.

Net debt/equity ratio: Net debt to shareholders' equity including non-controlling interests.

One-off items and restructuring costs: Items not included in the ordinary business transactions and when each amount is significant in size and therefore has an effect on the profit or loss and key performance indicators, are classified as one-off items and restructuring costs.

Operating margin: Operating profit expressed as a percentage of net sales.

Operating profit: Profit before financial items and tax.

Operating profit before depreciation/amortisation - EBITDA: Operating profit before planned depreciation/amortisation.

Organic growth: Change in sales adjusted for currency effects as well as acquisitions and divestments compared with the same period of the previous year.

Profit margin: Earnings before tax expressed as a percentage of net sales.

Return on capital employed: Earnings before tax after adding back financial expenses based on a rolling twelve-month calculation, expressed as a percentage of average capital employed¹⁾. Capital employed refers to total assets less non-interest-bearing provisions and liabilities.

Return on shareholders' equity: Profit for the period attributable to Parent company shareholders based on a rolling twelve-month calculation, expressed as a percentage of average shareholders' equity¹⁾ attributable to Parent company shareholders.

Shareholders' equity per share, SEK: Shareholders' equity attributable to Parent company shareholders to number of shares outstanding at the end of the period.

Lindab in brief

The Group had sales of SEK 9,166 m in 2020 and is established in 24 countries with approximately 5,000 employees.

The main market is non-residential construction, which accounts for 80 percent of sales, while residential construction accounts for 20 percent of sales. During 2020, the Nordic region accounted for 48 percent, Western Europe for 32 percent, CEE/CIS (Central and Eastern Europe) for 18 percent and Other markets for 2 percent of total sales.

The share is listed on the Nasdaq Stockholm, 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 - June 2021

Share price performance:	+17%
Average share turnover/day:	218,363
Highest price paid (June 2):	206.60 SEK
Lowest price paid (January 4):	168.30 SEK
Closing price June 30:	199.70 SEK
Market cap June 30:	SEK 15,248 m
Total no. of shares:	78,732,820
- <i>whereof treasury shares:</i>	2,375,838
- <i>whereof outstanding shares:</i>	76,356,982

Share price performance 2020/2021, SEK



Press- and analyst meetings

A live audiocast will be held at 1:00 pm (CEST) on July 20, 2021. The Interim Report will be presented by Ola Ringdahl, President and CEO, and Madeleine Hjelmberg, Acting CFO.

To access the audiocast, please call:

Phone +46 (0) 8 505 583 69

Alternatively phone +44 333 300 9261

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

For more information see www.lindabgroup.com.

Calendar

Interim Report January - September October 29, 2021

Year-End Report February 11, 2022

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

This is information that Lindab International AB (publ) is obliged to make public pursuant to the Securities Markets Act. The information was submitted for publication, through the agency of the contact persons set out below, at 07:40 am (CEST) on July 20, 2021.

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