

Lindab International AB (publ) Interim Report

Third quarter 2018

- Net sales increased by 15 percent to SEK 2,397 m (2,081), of which organic growth was 8 percent.
- Adjusted¹⁾ operating profit increased by 29 percent to SEK 209 m (162). Operating profit amounted to SEK 200 m (154).
- Adjusted¹⁾ operating margin increased to 8.7 percent (7.8).
- Profit for the period increased by 32 percent to SEK 152 m (115).
- Earnings per share, before and after dilution, increased to SEK 1.99 (1.51).
- Cash flow from operating activities improved to SEK 262 m (-58).
- Products & Solutions will be divided into two business areas (Ventilation Systems and Profile Systems respectively) and recognised as separate segments from Q1 2019.

January - September 2018

- Net sales increased by 15 percent to SEK 6,942 m (6,057), of which organic growth was 10 percent.
- Adjusted¹⁾ operating profit increased by 18 percent to SEK 461 m (392). Operating profit amounted to SEK 400 m (383).
- Adjusted¹⁾ operating margin increased to 6.6 percent (6.5).
- Profit for the period increased by 10 percent to SEK 288 m (263).
- Earnings per share, before and after dilution, increased to SEK 3.78 (3.45).
- Cash flow from operating activities improved to SEK 355 m (64).

1) Adjusted operating profit/operating margin does not include significant one-off items and restructuring costs. See Reconciliations page 18.

A word from the CEO

Sales growth was strong in the third quarter, particularly in Eastern Europe and the Nordics. Net sales increased by 15 percent to SEK 2,397 m and adjusted operating profit increased by 29 percent to SEK 209 m.

Products & Solutions had continued good sales development with 8 percent organic growth. Net sales was SEK 2,125 m, which is the highest sales amount ever achieved in a single quarter. Steel prices have stabilised to some extent and we are beginning to see benefits from our necessary price adjustments in the market. Adjusted operating profit increased by SEK 33 m to SEK 202 m.

Building Systems had its best quarter since 2015. Organic growth was 12 percent and net sales amounted to SEK 272 m. The ongoing turnaround programme is having positive effects on both gross margin and cost levels. Adjusted operating profit increased to SEK 14 m compared to SEK -1 m during the same period last year. The market continues to develop strongly and during the quarter we signed twelve major agreements each worth in excess of SEK 10 m. The backlog is significantly higher than a year ago. We see good potential to show continued improvement going forward.

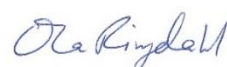
The strategic assessment of the non-ventilation related business that was initiated in 2017 has now been completed. Our strategy to build an even stronger position within our largest business – ventilation – remains highly relevant. We have a strong brand and a good market position in many geographies within Products & Solutions. The strategic review has shown that there are valuable cost synergies between the ventilation business and the remaining business within Products & Solutions. Lindab will continue to develop these businesses, but with even more focus

and accountability. Therefore, we will split Products & Solutions into two business areas (Ventilation Systems and Profile Systems) from Q1 2019.

Business area Building Systems has been thoroughly reviewed and a solid turnaround programme is ongoing. The programme has now begun to contribute positively, as demonstrated by the Q3 result, and we are ahead of schedule. Simultaneously, we have investigated a potential divestment of Building Systems. However, the indicative bids were not reflective of our view of the value of Building Systems, especially considering the current trend of improvement. We have concluded that Lindab can create more shareholder value by completing the turnaround of Building Systems, and further improve profitability. The financial improvement during Q3, combined with a strong order intake and a significantly higher backlog, indicate that we are on the right track.

By organising Lindab Group in three distinct business areas, with consequential changes in the segment reporting from Q1 2019, we will achieve more focus and transparency for the respective areas. Throughout the Group, we are taking actions to improve operating efficiency and strengthen the profitability. Lindab's financial targets remain, including the target of a long term operating margin of 10 percent.

Grevie, October 2018



Ola Ringdahl

President and CEO



Comments on the report

Sales and markets

Net sales increased by 15 percent to SEK 2,397 m (2,081) in the third quarter. Organic growth amounted to 8 percent, acquisitions contributed 1 percent and currency 6 percent.

The sales development during the quarter remained positive with strong organic growth in both segments; 7 percent for Products & Solutions and 12 percent for Building Systems. All European regions experienced strong growth with the CEE/CIS region in particular, achieving the highest growth in both segments.

Net sales for the period January - September amounted to SEK 6,942 m (6,057), an increase of 15 percent compared with the corresponding period previous year. Organic growth was 10 percent, acquisitions contributed 1 percent and currency had a positive impact of 4 percent.

Profit

Adjusted operating profit for the third quarter increased by 29 percent to SEK 209 m (162). One-off items and restructuring costs amounted to SEK -9 m (-8), see Reconciliations on page 18. Adjusted operating margin increased to 8.7 percent (7.8).

The improvement of operating profit was due to increased volume as well as a shift in the previously negative trend in gross margin development. Price increases combined with more stable raw material prices contributed towards a slight improvement of gross margin compared with the corresponding period of the previous year. Products & Solutions' operating profit increased to SEK 202 m (169), while Building Systems' operating profit increased to SEK 14 m (-1).

Profit for the period increased by 32 percent to SEK 152 m (115) and earnings per share amounted to SEK 1.99 (1.51).

Adjusted operating profit for the period January - September increased to SEK 461 m (392), which corresponds to an increase of 18 percent compared to previous year. One-off items and restructuring costs amounted to SEK -61 m (-9), see Reconciliations on page 18. Adjusted operating margin for the same period amounted to 6.6 percent (6.5).

Profit for the period January - September increased to SEK 288 m (263) and earnings per share amounted to SEK 3.78 (3.45) for the corresponding period.

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.

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 43 m (40), of which SEK 9 m (9) related to intangible assets.

Depreciation and amortisation for the period January - September amounted to SEK 126 m (122), of which SEK 27 m (26) related to intangible assets.

Tax

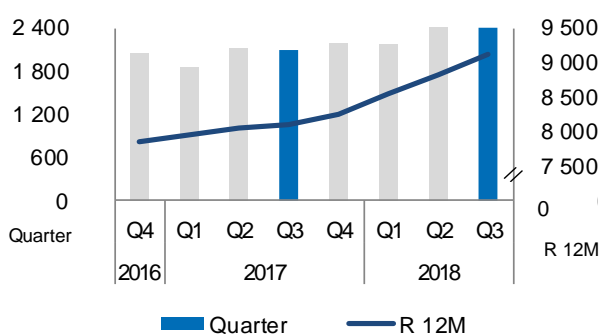
Tax on profit for the third quarter amounted to SEK 44 m (33). Earnings before tax increased to SEK 196 m (148). The effective tax rate was 22 percent (22), while the average tax rate was 19 percent (19). The higher effective tax rate compared with the average tax rate was mainly due to the fact that Lindab was not able to fully utilise carry-forward tax losses in order to reduce the total tax on profit. The negative impact of not being able to fully utilise carry-forward tax losses was less in this quarter than in the corresponding period of the previous year, but the effective tax rate impacted a slightly larger proportion of non-deductible costs.

Tax on profit for the period January - September amounted to SEK 100 m (101). Earnings before tax increased to SEK 388 m (364). The effective tax rate was 26 percent (28). The average tax rate was 19 percent (19). The lower effective tax rate during the period compared to last year was mainly due to the fact that Lindab improved its performance in a number of countries during the period, which reduced the level of unutilised carry-forward tax losses. The higher effective tax rate compared with the average tax rate is due mainly to the fact that Lindab has not been able to fully utilise carry-forward tax losses during the period in order to reduce total tax on profit, and that operating profit included less non-taxable revenue. In the second quarter it was announced that the corporate tax rate in Sweden will be reduced, effective from 1 January 2019. This change did not have a material impact on the Group's reported deferred taxes.

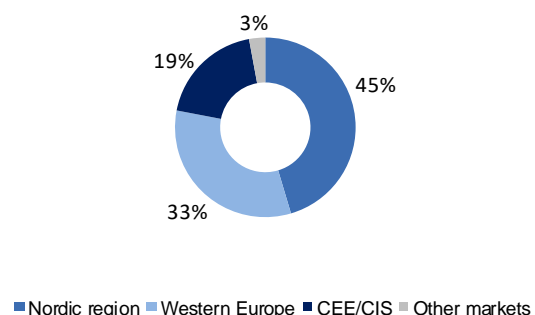
Cash flow

Cash flow from operating activities amounted to SEK 262 m (-58) during the quarter. The improvement of SEK 320 m (-184) was partly due to stronger cash flow from the underlying operating profit. However the improvement was mainly influenced by the change in working capital during the period. From a cash flow perspective, the development of capital tied up in accounts receivable was more favourable than the corresponding period of the previous year despite increased sales. At the same time, Buildings Systems received significant customer prepayments during the quarter compared with the same period of the previous year. The underlying operating profit for the period amounted to SEK 200 m (154) and cash flow before change in working capital was SEK 211 m (167).

NET SALES, SEK m



BREAKDOWN OF NET SALES BY REGION, LAST 12 MONTHS



Financing activities for the quarter resulted in a cash flow of SEK -294 m (31), which was entirely related to changes in borrowings and utilisation of credit limits.

During the period January - September cash flow from operating activities improved and amounted to SEK 355 m (64). The improvement of SEK 291 m (-170) was due almost exclusively to the positive cash flow from working capital of SEK 284 m (-205). In the previous year, the cash flow resulting from changes in stock was negatively impacted by increasing raw material prices, an effect that has not been as significant in the current year. Customer prepayments in the Building Systems segment also contributed to a substantial improvement in cash flow compared with the previous year.

Financing activities for the period January - September resulted in a cash flow of SEK -319 m (-170). The change was mainly related to utilisation of existing credit limits. Furthermore, the dividend paid to shareholders was slightly higher than in the previous year.

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

Investments

Investments in intangible and tangible fixed assets for the quarter amounted to SEK 30 m (21), of which SEK 4 m (3) related to investments in intangible assets such as IT-related projects. Assets equivalent to SEK 11 m (3) that were disposed of during the period mainly related to divestments of properties in Bosnia and Slovenia.

Net cash flow from investing activities amounted to SEK -19 m (-9) for the period. Cash flow included positive effects of SEK 11 m (12) from the sale of fixed assets, of which SEK 10 m (10) related to property disposals.

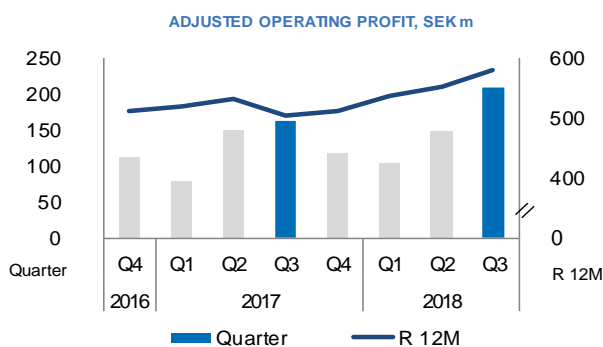
Investments in intangible and tangible fixed assets for the period January - September amounted to SEK 80 m (73). Divestments represented SEK 15 m (17) and these related mainly to disposal of properties.

Net cash flow from investing activities amounted to SEK -65 m (-47), of which SEK 15 m (26) was attributable to the positive effects from the divestment of intangible and tangible fixed assets.

Business combinations

No business combinations have been made during the current year.

During the fourth quarter 2017, Lindab acquired the Irish ventilation company A.C. Manufacturing Ltd. The acquisition was part of Lindab's strategy to further focus on indoor climate solutions and strengthen the Group's position as a supplier of complete ventilation products in selected geographical markets.



During the same quarter, Lindab also divested the dormant company Lindab Innovation AB.

For more information, see Note 3.

Financial position

Net debt amounted to SEK 1,249 m (1,502) on 30 September 2018. Currency effects reduced the net debt by SEK 12 m (23) during the quarter. The equity/assets ratio was 52 percent (51) and the net debt/equity ratio was 0.3 (0.4). Financial items for the quarter amounted to SEK -4 m (-6).

The current credit limit of SEK 1,700 m with Nordea and Danske Bank and EUR 50 m with Raiffeisen Bank International is valid until July 2021. The agreements contain covenants, which are monitored quarterly. Lindab fulfilled all the conditions as at 30 September 2018.

Pledged assets and contingent liabilities

There have not been any significant changes to pledged assets and contingent liabilities in 2018.

Parent company

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

Net sales for the period January - September amounted to SEK 3 m (3). Profit for the period amounted to SEK 2,365 m (-19). The profit included a dividend from shares in subsidiaries of SEK 2,373 m (-).

Significant risks and uncertainties

There have been no significant changes to what was stated by Lindab in its Annual Report for 2017 under Risks and Risk Management (pages 60-62).

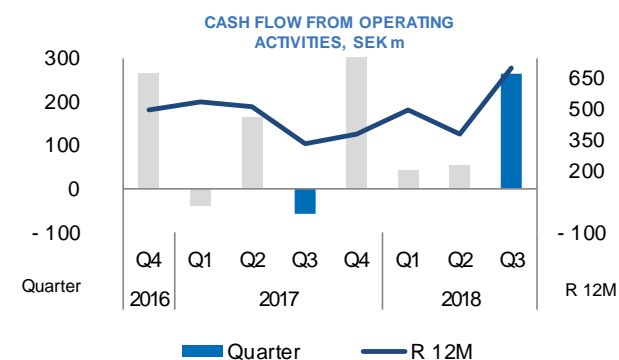
Employees

The number of employees at the end of the quarter, calculated as full-time equivalent employees, was 5,142 (5,103). Adjusted for acquisitions and divestments, the number of employees was in line with the corresponding quarter previous year.

The Lindab Share

The highest price paid for a Lindab share during the period January - September was SEK 74.50 on 21 May, and the lowest was SEK 57.80 on 3 and 8 August. The closing price on 28 September was SEK 66.50. The average trading volume of a Lindab share was 94,184 shares per day (128,773).

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 10.4 percent (10.4), Fjärde AP-fonden with 9.8 percent (8.0), Lannebo Fonder with 9.5 percent (9.5), Handelsbanken Fonder with 7.9 percent (7.3) and IF Skadeförsäkring with 5.1 percent (5.1). The ten largest holdings constituted 61.4 percent (60.7) of the shares, excluding Lindab's own holding.

Incentive programme

At the Annual General Meeting in May 2018, guidelines for the remuneration of senior executives were adopted. According to the adopted guidelines, the remuneration programme for these individuals shall include a long term variable cash pay element. This element shall be based on financial performance targets that reflect Lindab's growth in value and will be assessed over a three year measuring period. Any profit from the 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 profit for the three year measuring period of 2018 to 2020 is estimated at SEK 13 m.

At the Annual General Meeting in May 2017, a long term incentive programme was adopted, essentially with the same principles as the above decided programme. The measuring period of the programme is 2017 to 2019.

Warrant programme

At the Annual General Meeting in May 2018, it was resolved to establish a warrant programme for senior executives. Under this programme, 135,000 out of a maximum of 140,000 warrants were issued by Lindab for the benefit of the wholly owned subsidiary Lindab LTIP17-19 AB, which, in turn, sold the warrants to senior executives based on a market valuation pursuant to the established warrant agreement. Each warrant entitles the holder to acquire one share in Lindab at a price of SEK 86.40. Subscription of shares based on a warrant can take place after Lindab has published the half year interim report for 2021 and up until 31 August of the same year.

At the Annual General Meeting in May 2017, it was resolved to establish a warrant programme for senior executives, essentially with the same conditions as the above decided programme. 75,000 warrants were issued in 2017, each with an option to acquire a share in Lindab at a price of SEK 108.80 during summer 2020.

Annual General Meeting

The Board has decided that the Annual General Meeting will be held on 8 May 2019. Notice to the meeting will be sent out in due course.

Nomination Committee

In accordance with a resolution passed at the Annual General Meeting, the Chairman of the Board, in conjunction with the company's three largest shareholders, has appointed a Nomination Committee. Consequently, Sven Hagströmer (Creades AB), Per Colléen (Fjärde AP-fonden), Göran Espelund (Lannebo Fonder) and Peter Nilsson (Chairman of the Board of Lindab International AB) have formed a Nomination Committee prior to Lindab's Annual General Meeting in May 2019. Sven Hagströmer has been appointed as Chairman of the Nomination Committee.

Significant events during the reporting period

On 1 September, Malin Samuelsson took office as new CFO of Lindab.

Significant events after the reporting period

Products & Solutions will be divided into two business areas (Ventilation Systems and Profile Systems respectively) and recognised as separate segments from Q1 2019.

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

General information

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

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.

Segments

Products & Solutions

- Net sales during the third quarter amounted to SEK 2,125 m (1,850), an increase of 15 percent. Organic growth amounted to 7 percent.
- The adjusted operating margin for the third quarter increased to 9.5 percent (9.1).

Sales and markets

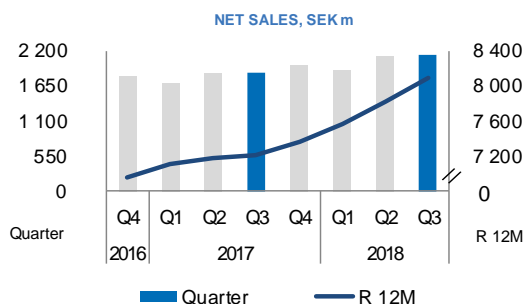
Net sales for Products & Solutions increased by 15 percent to SEK 2,125 m (1,850) during the third quarter, which was the highest sales figure ever achieved in a single quarter. Organic growth was 7 percent, acquisitions contributed 1 percent and currency effects had a positive impact of 7 percent.

Sales increased in all European regions, of which the CEE/CIS region achieved the highest growth followed by the Nordic region.

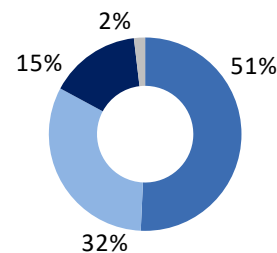
The positive sales trend in the Nordic region continued during the third quarter with strong growth in all countries. The development within Western Europe was mixed. The region's four largest markets, Great Britain, France, Germany and Ireland, all showed positive growth, while sales were slightly down in Italy and Switzerland. The underlying market trend remained strongest in the CEE/CIS region with very positive sales development in most markets, particularly in the region's two largest markets, Hungary and Poland.

For the segment as a whole the positive sales trend in ventilation continued, with strong growth in the two largest product areas Ventilation Products and Indoor Climate Solutions. Sales were down slightly in Air Movement which was mainly due to particularly large project deliveries to the Middle East in the previous year. Rainwater & Building Products and the more project based Building Solutions also experienced positive growth during the quarter.

Net sales for the period January - September increased by 14 percent to SEK 6,137 m (5,401). Organic growth was 8 percent.



BREAKDOWN OF NET SALES BY REGION, LAST 12 MONTHS



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

Profit

Products & Solutions' adjusted operating profit during the third quarter increased by 20 percent to SEK 202 m (169). Adjusted operating margin increased to 9.5 percent (9.1).

The improved operating profit was due to increased volume and also a shift in the previously negative trend of gross margin. Implemented price increases to offset higher steel prices also contributed positively. Activities to further increase the segment's gross margin and offset previous increases in raw material will continue to have the highest priority.

Adjusted operating profit for the period January - September increased to SEK 487 m (447).

Activities - Products & Solutions

A decision was made during the quarter to move production from Götene to Grevie, Sweden. The move will create synergies with other production activities on Bjäre Peninsula. Restructuring costs has been accounted for in the quarter and recognised provisions amounted to SEK 8 m.

The strategic assessment of non-ventilation related activities identified valuable cost synergies with ventilation related business activities. Lindab has therefore decided to continue developing both business areas, but with a clearer focus. As a result of this, Products & Solutions will be divided into two business areas (Ventilation Systems and Profile Systems respectively) and recognised as two separate segments from Q1 2019.

Building Systems

- Net sales during the third quarter amounted to SEK 272 m (231), an increase of 18 percent. Organic growth amounted to 12 percent.
- The adjusted operating margin for the third quarter improved to 5.1 percent (-0.4).

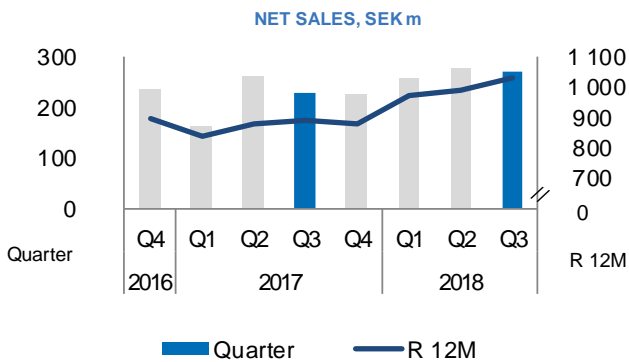
Sales and markets

Net sales for Building Systems increased by 18 percent to SEK 272 m (231) during the third quarter. Organic growth was 12 percent and currency effects had a positive impact of 6 percent. The positive currency effect was mainly due to a stronger Euro, while the Russian Rouble has weakened compared to the previous year.

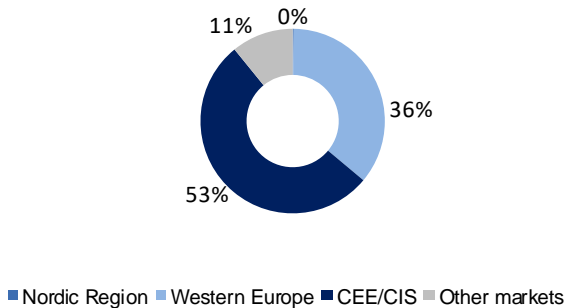
The increase in sales during the quarter was mainly attributable to very strong growth in both the CEE and CIS regions, while sales were down slightly in Western Europe. The largest sales increases were seen in the markets of Russia, Belarus and the Czech Republic. The important markets of Germany and Poland also experienced positive sales growth.

There was a strong increase in order intake received during the quarter and the backlog at the end of the period was significantly higher than the corresponding period of the previous year. Orders received were particularly high in Poland and Russia.

Net sales for the period January - September increased by 23 percent to SEK 805 m (656). Organic growth amounted to 20 percent.



BREAKDOWN OF NET SALES BY REGION, LAST 12 MONTHS



Profit

Building Systems' adjusted operating profit increased to SEK 14 m (-1) during the third quarter. Adjusted operating margin for the same period was 5.1 percent (-0.4).

The higher operating profit was attributable to strong volume growth with a favourable market mix combined with the ongoing turnaround programme gradually starting to deliver positive results.

Adjusted operating profit for the period January - September increased to SEK 9 m (-29).

Activities - Building Systems

During the quarter, Building Systems signed agreements on 12 major orders, each worth more than SEK 10 m; four in Western Europe, four in the CEE region and four in the CIS region.

The potential divestment of Building Systems has been investigated as part of the strategic assessment of non-ventilation related business. Given the improvements that are currently taking place within Building Systems, the view is that Lindab can create additional value for shareholders by completing the improvement measures and continuing to increase profitability.

NET SALES AND GROWTH

SEK m	2018		2017		2018		2017		2017	
	Jul-Sep		Jul-Sep		Jan-Sep		Jan-Sep		Jan-Dec	
Net sales	2,397		2,081		6,942		6,057		8,242	
Change	316		39		885		247		393	
Change, %	15		2		15		4		5	
Of which										
Organic, %	8		2		10		2		4	
Acquisitions/divestments, %	1		-		1		-		0	
Currency effects, %	6		0		4		2		1	

NET SALES PER REGION

SEK m	2018		2017		2018		2017		2017	
	Jul-Sep	%	Jul-Sep	%	Jan-Sep	%	Jan-Sep	%	Jan-Dec	%
Nordic region	1,030	43	910	44	3,094	45	2,737	45	3,752	46
Western Europe	800	33	685	33	2,305	33	2,034	34	2,699	33
CEE/CIS	528	22	411	20	1,353	19	1,093	18	1,524	18
Other markets	39	2	75	3	190	3	193	3	267	3
Total	2,397	100	2,081	100	6,942	100	6,057	100	8,242	100

NET SALES PER SEGMENT

SEK m	2018		2017		2018		2017		2017	
	Jul-Sep	%	Jul-Sep	%	Jan-Sep	%	Jan-Sep	%	Jan-Dec	%
Products & Solutions	2,125	89	1,850	89	6,137	88	5,401	89	7,360	89
Building Systems	272	11	231	11	805	12	656	11	882	11
Other operations	-	-	-	-	-	-	-	-	-	-
Total	2,397	100	2,081	100	6,942	100	6,057	100	8,242	100
Gross internal sales all segments	0		0		0		0		0	

OPERATING PROFIT, OPERATING MARGIN AND EARNINGS BEFORE TAX

SEK m	2018		2017		2018		2017		2017	
	Jul-Sep	%	Jul-Sep	%	Jan-Sep	%	Jan-Sep	%	Jan-Dec	%
Products & Solutions	202	9.5	169	9.1	487	7.9	447	8.3	590	8.0
Building Systems	14	5.1	-1	-0.4	9	1.1	-29	-4.4	-42	-4.8
Other operations	-7	-	-6	-	-35	-	-26	-	-37	-
Adjusted operating profit	209	8.7	162	7.8	461	6.6	392	6.5	511	6.2
One-off items and restructuring costs ¹⁾	-9	-	-8	-	-61	-	-9	-	-19	-
Operating profit	200	8.3	154	7.4	400	5.8	383	6.3	492	6.0
Net financial items	-4	-	-6	-	-12	-	-19	-	-25	-
Earnings before tax	196	8.2	148	7.1	388	5.6	364	6.0	467	5.7

1) One-off items and restructuring costs are described in Reconciliations, page 18.

NUMBER OF EMPLOYEES

	2018		2017		2018		2017		2017	
	Jul-Sep		Jul-Sep		Jan-Sep		Jan-Sep		Jan-Dec	
Products & Solutions	4,377		4,354		4,377		4,354		4,329	
Building Systems	701		682		701		682		688	
Other operations	64		67		64		67		66	
Total	5,142		5,103		5,142		5,103		5,083	

Consolidated income statement

<i>SEK m</i>	2018 Jul-Sep	2017 Jul-Sep	2018 Jan-Sep	2017 Jan-Sep	Rolling 12 M 2017 Oct- 2018 Sep	Rolling 12 M 2016 Oct- 2017 Sep	2017 Jan-Dec
Net sales	2,397	2,081	6,942	6,057	9,127	8,096	8,242
Cost of goods sold	-1,749	-1,530	-5,144	-4,435	-6,766	-5,938	-6,057
Gross profit	648	551	1,798	1,622	2,361	2,158	2,185
Other operating income	16	17	64	53	90	81	79
Selling expenses	-278	-248	-853	-786	-1,135	-1,069	-1,068
Administrative expenses	-135	-126	-418	-397	-557	-522	-536
R & D expenses	-18	-14	-54	-49	-73	-67	-68
Other operating expenses	-33	-26	-137	-60	-177	-86	-100
Total operating expenses	-448	-397	-1,398	-1,239	-1,852	-1,663	-1,693
Operating profit¹⁾	200	154	400	383	509	495	492
Interest income	4	5	12	13	18	16	19
Interest expenses	-7	-9	-20	-28	-28	-39	-36
Other financial income and expenses	-1	-2	-4	-4	-8	-6	-8
Financial items	-4	-6	-12	-19	-18	-29	-25
Earnings before tax	196	148	388	364	491	466	467
Tax on profit for the period	-44	-33	-100	-101	-119	-124	-120
Profit for the period	152	115	288	263	372	342	347
–attributable to the parent company's shareholders	152	115	288	263	372	342	347
–attributable to non-controlling interests	0	0	0	0	0	0	0
Earnings per share, SEK²⁾	1.99	1.51	3.78	3.45	4.88	4.49	4.54

1) One-off items and restructuring costs, which are included in operating profit, are described in Reconciliations at page 18.

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

<i>SEK m</i>	2018 Jul-Sep	2017 Jul-Sep	2018 Jan-Sep	2017 Jan-Sep	Rolling 12 M 2017 Oct- 2018 Sep	Rolling 12 M 2016 Oct- 2017 Sep	2017 Jan-Dec
Profit for the period	152	115	288	263	372	342	347
Items that will not be reclassified to the income statement							
Actuarial gains/losses, defined benefit plans	-10	-7	-10	-7	-12	-15	-9
Deferred tax attributable to defined benefit plans	2	1	2	1	4	3	3
Sum	-8	-6	-8	-6	-8	-12	-6
Items that will later be reclassified to the income statement							
Translation differences, foreign operations	-43	-74	143	-47	253	-45	63
Hedges of net investments	12	21	-62	11	-94	18	-21
Tax attributable to hedges of net investments	-2	-4	14	-2	20	-4	4
Sum	-33	-57	95	-38	179	-31	46
Other comprehensive income, net of tax	-41	-63	87	-44	171	-43	40
Total comprehensive income	111	52	375	219	543	299	387
–attributable to the parent company's shareholders	111	52	375	219	543	299	387
–attributable to non-controlling interests	0	0	0	0	0	0	0

Consolidated statement of cash flow

<i>SEK m</i>	2018 Jul-Sep	2017 Jul-Sep	2018 Jan-Sep	2017 Jan-Sep	Rolling 12 M 2017 Oct- 2018 Sep	Rolling 12 M 2016 Oct- 2017 Sep	2017 Jan-Dec
OPERATING ACTIVITIES							
Operating profit	200	154	400	383	509	495	492
Reversal of depreciation/amortisation and impairment losses	43	40	126	122	166	165	162
Reversal of capital gains (-) / losses (+) reported in operating profit	-1	0	-3	-8	-4	-17	-9
Provisions, not affecting cash flow	3	6	9	4	14	-2	9
Adjustment for other items not affecting cash flow	-1	-8	-4	-10	-2	3	-8
Total	244	192	528	491	683	644	646
Interest received	4	5	12	13	18	16	19
Interest paid	-6	-8	-18	-26	-25	-37	-33
Tax paid	-31	-22	-115	-78	-159	-114	-122
Cash flow before change in working capital	211	167	407	400	517	509	510
Change in working capital							
Stock (increase - /decrease +)	-34	-48	-97	-192	14	-133	-81
Operating receivables (increase - /decrease +)	-33	-132	-353	-344	-108	-47	-99
Operating liabilities (increase + /decrease -)	118	-45	398	200	278	0	80
<i>Total change in working capital</i>	<i>51</i>	<i>-225</i>	<i>-52</i>	<i>-336</i>	<i>184</i>	<i>-180</i>	<i>-100</i>
Cash flow from operating activities	262	-58	355	64	701	329	410
INVESTING ACTIVITIES							
Acquisition of Group companies	-	-	-	-	-64	-	-64
Divestment of Group companies	-	-	-	-	0	-	0
Investments in intangible assets	-3	-3	-13	-15	-19	-19	-21
Investments in tangible fixed assets	-27	-18	-67	-58	-88	-93	-79
Change in financial fixed assets	0	0	0	0	0	0	0
Disposal of intangible assets	0	0	0	0	0	0	0
Disposal of tangible fixed assets	11	12	15	26	22	40	33
Cash flow from investing activities	-19	-9	-65	-47	-149	-72	-131
FINANCING ACTIVITIES							
Proceeds from borrowings	-	1,510	94	1,596	154	1,596	1,656
Repayment of borrowings	-294	-1,479	-296	-1,660	-546	-1,807	-1,910
Issue of warrants	-	-	1	1	1	1	1
Dividends to shareholders	-	-	-118	-107	-118	-107	-107
Cash flow from financing activities	-294	31	-319	-170	-509	-317	-360
Cash flow for the period	-51	-36	-29	-153	43	-60	-81
Cash and cash equivalents at start of the period	377	302	342	418	263	324	418
Effect of exchange rate changes on cash and cash equivalents	-6	-3	7	-2	14	-1	5
Cash and cash equivalents at end of the period	320	263	320	263	320	263	342

Consolidated statement of financial position

<i>SEK m</i>	30 Sep 2018	30 Sep 2017	31 Dec 2017
ASSETS			
Non-current assets			
Goodwill	3,159	2,949	3,059
Other intangible assets	127	115	136
Tangible fixed assets	1,273	1,252	1,285
Financial interest-bearing fixed assets	43	46	43
Other financial fixed assets	95	73	81
Total non-current assets	4,697	4,435	4,604
Current assets			
Stock	1,384	1,341	1,256
Accounts receivable	1,724	1,535	1,363
Other current assets	222	186	160
Other interest-bearing receivables	14	3	6
Cash and cash equivalents	320	263	342
Total current assets	3,664	3,328	3,127
TOTAL ASSETS	8,361	7,763	7,731
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity attributable to parent company shareholders	4,387	3,961	4,129
Non-controlling interests	1	1	1
Total shareholders' equity	4,388	3,962	4,130
Non-current liabilities			
Interest-bearing provisions for pensions and similar obligations	241	219	226
Liabilities to credit institutions	1,337	1,512	1,397
Provisions	124	110	109
Other non-current liabilities	17	2	19
Total non-current liabilities	1,719	1,843	1,751
Current liabilities			
Other interest-bearing liabilities	48	83	73
Provisions	24	19	22
Accounts payable	1,038	973	864
Other current liabilities	1,144	883	891
Total current liabilities	2,254	1,958	1,850
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	8,361	7,763	7,731

Financial instruments measured at fair value through the income statement

<i>SEK m</i>	30 Sep 2018		30 Sep 2017		31 Dec 2017	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Disclosures regarding the fair value by class						
Financial assets						
Derivative receivables	12	12	1	1	6	6
Financial liabilities						
Liabilities to credit institutions	1,306	1,312	1,480	1,486	1,365	1,371
Derivative liabilities	5	5	11	11	3	3

Description of fair value

Derivatives relate to forward exchange contracts which are valued at fair value by discounting the difference between the contracted forward rate and the forward rate that can be subscribed for on the balance sheet date for the remaining contract term. The fair value of interest bearing liabilities is provided for the purpose of disclosure and is calculated by discounting the future cash flows of principal and interest payments, discounted at current market interest rates.

The derivative assets, derivative liabilities and interest bearing liabilities 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 can not be estimated reliably, are recognised at acquisition cost. The carrying amount is SEK 1 m (1).

Consolidated statement of changes in equity

SEK m	Shareholders' equity attributable to parent company shareholders						Non-controlling interests	Total shareholders' equity
	Share-capital	Other contributed capital	Foreign currency translation reserve	Profit brought forward incl. profit for the year	Total			
Opening balance, 1 January 2017	79	2,260	106	1,403	3,848	1	3,849	
Profit for the period				263	263	0	263	
Other comprehensive income, net of tax								
Actuarial gains/losses, defined benefit plans				-6	-6	-	-6	
Translation differences, foreign operations			-47		-47	0	-47	
Hedges of net investments			9		9	-	9	
<i>Total comprehensive income</i>	-	-	-38	257	219	0	219	
Dividend to shareholders				-107	-107	-	-107	
Issue of warrants				1	1	-	1	
<i>Total transactions with shareholders</i>	-	-	-	-106	-106	-	-106	
Closing balance, 30 September 2017	79	2,260	68	1,554	3,961	1	3,962	
Profit for the period				84	84	0	84	
Other comprehensive income, net of tax								
Actuarial gains/losses, defined benefit plans				0	0	-	0	
Translation differences, foreign operations			110		110	0	110	
Hedges of net investments			-26		-26	-	-26	
<i>Total comprehensive income</i>	-	-	84	84	168	0	168	
Closing balance, 31 December 2017	79	2,260	152	1,638	4,129	1	4,130	
Profit for the period				288	288	0	288	
Other comprehensive income, net of tax								
Actuarial gains/losses, defined benefit plans				-8	-8	-	-8	
Translation differences, foreign operations			143		143	0	143	
Hedges of net investments			-48		-48	-	-48	
<i>Total comprehensive income</i>	-	-	95	280	375	0	375	
Dividend to shareholders				-118	-118	-	-118	
Issue of warrants				1	1	-	1	
<i>Total transactions with shareholders</i>	-	-	-	-117	-117	-	-117	
				-8				
Closing balance, 30 September 2018	79	2,260	247	1,801	4,387	1	4,388	

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.

Appropriation of profits

In accordance with the proposal of the Board of Directors, the Annual General Meeting on 3 May 2018 resolved that dividends of SEK 1.55 per share, corresponding to SEK 118 m, would be paid for the financial year. The remaining retained earnings of SEK 195 m will be carried forward.

Parent company

Income statement

<i>SEK m</i>	2018 Jul-Sep	2017 Jul-Sep	2018 Jan-Sep	2017 Jan-Sep	2017 Jan-Dec
Net sales	1	1	3	3	4
Administrative expenses	-1	-1	-4	-3	-6
Other operating income/expenses	0	0	0	0	0
Operating profit	0		-1		-2
Profit from shares in Group Companies	-	-	2,373	-	32
Interest expenses, internal	0	-8	-9	-24	-29
Earnings before tax	0	-8	2,363	-24	1
Tax on profit for the period	0	2	2	5	0
Profit/Loss for the period¹⁾	0	-6	2,365	-19	1

1) Comprehensive income corresponds to profit for all periods.

Balance sheet

<i>SEK m</i>	30 Sep 2018	30 Sep 2017	31 Dec 2017
ASSETS			
Fixed assets			
<i>Financial fixed assets</i>			
Shares in Group companies	3,467	3,467	3,467
Financial interest-bearing fixed assets	6	6	5
Deferred tax assets	2	2	2
Total fixed assets	3,475	3,475	3,474
Current assets			
Receivables from Group companies	0	0	32
Current tax assets	2	6	1
Cash and cash equivalents	0	0	0
Total current assets	2	6	33
TOTAL ASSETS	3,477	3,481	3,507
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
<i>Restricted shareholders' equity</i>			
Share capital	79	79	79
Statutory reserve	708	708	708
<i>Non-restricted shareholders' equity</i>			
Share premium reserve	90	90	90
Profit brought forward	105	223	223
Profit/Loss for the period ¹⁾	2,365	-19	1
Total shareholders' equity	3,347	1,081	1,101
Provisions			
Interest-bearing provisions	6	6	6
Total provisions	6	6	6
Non-current liabilities			
Interest-bearing liabilities to Group companies	0	2,221	2,226
Total non-current liabilities	0	2,221	2,226
Current liabilities			
Liabilities to Group companies	122	169	170
Accounts payable	0	-	2
Accrued expenses and deferred income	2	4	2
Total current liabilities	124	173	174
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	3,477	3,481	3,507

1) Comprehensive income corresponds to profit for all periods.

Key performance indicators

SEK m	2018				2017			2016	
	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep
Net sales	2,397	2,392	2,153	2,185	2,081	2,118	1,858	2,039	2,042
Grow th, %	15	13	16	7	2	5	6	3	2
of w hich organic	8	8	13	7	2	2	4	1	4
of w hich acquisitions/divestments	1	1	1	0	-	-	-	0	-1
of w hich currency effects	6	4	2	0	0	3	2	2	-1
Operating profit before depreciation and amortisation	243	169	114	149	194	192	119	155	211
Operating profit	200	129	71	109	154	151	78	112	165
Adjusted operating profit	209	148	104	119	162	151	79	112	190
Earnings before tax	196	124	68	103	148	146	70	102	157
Profit for the period	152	91	46	84	115	106	42	79	109
Operating margin, %	8.3	5.4	3.3	5.0	7.4	7.1	4.2	5.5	8.1
Adjusted operating margin, %	8.7	6.2	4.8	5.4	7.8	7.1	4.3	5.5	9.3
Profit margin, %	8.2	5.2	3.2	4.7	7.1	6.9	3.8	5.0	7.7
Cash flow from operating activities	262	51	42	346	-58	162	-40	265	126
Cash flow from operating activities per share, SEK	3.43	0.67	0.55	4.53	-0.76	2.12	-0.52	3.47	1.65
Investments intangible assets and tangible fixed assets	30	26	24	27	21	21	31	39	32
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⁾	1.99	1.19	0.60	1.10	1.51	1.39	0.55	1.04	1.43
Shareholders' equity attributable to parent company shareholders	4,387	4,276	4,300	4,129	3,961	3,909	3,919	3,848	3,768
Shareholders' equity attributable to non-controlling interests	1	1	1	1	1	1	1	1	1
Shareholders' equity per share, SEK	57.47	56.02	56.32	54.09	51.89	51.21	51.34	50.41	49.37
Net debt	1,249	1,487	1,369	1,305	1,502	1,449	1,459	1,396	1,647
Net debt/equity ratio, times	0.3	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4
Equity/asset ratio, %	52.5	50.6	52.3	53.4	51.0	50.5	51.0	51.3	48.1
Return on equity, %	8.9	8.2	8.7	8.8	8.8	8.8	8.5	8.4	8.1
Return on capital employed, %	8.8	8.1	8.6	8.8	8.8	9.1	8.8	8.8	8.6
Interest coverage ratio, times	30.3	19.0	11.7	14.7	17.6	16.4	8.3	10.6	16.2
Net debt/EBITDA, excluding one-off items and restructuring costs	1.9	2.0	2.1	2.2	2.3	2.2	2.4	2.5	2.5
Number of employees	5,142	5,195	5,132	5,083	5,103	5,122	5,143	5,136	5,216

SEK m	2018	2017	2017	2016	2015
	Jan-Sep	Jan-Sep	Jan-Dec	Jan-Dec	Jan-Dec
Net sales	6,942	6,057	8,242	7,849	7,589
Grow th, %	15	4	5	3	8
of w hich organic	10	2	4	4	2
of w hich acquisitions/divestments	1	-	0	0	4
of w hich currency effects	4	2	1	-1	2
Operating profit before depreciation and amortisation	526	505	654	657	637
Operating profit	400	383	492	483	469
Adjusted operating profit	461	392	511	511	463
Earnings before tax	388	364	467	445	431
Profit for the period	288	263	347	306	305
Operating margin, %	5.8	6.3	6.0	6.2	6.2
Adjusted operating margin, %	6.6	6.5	6.2	6.5	6.1
Profit margin, %	5.6	6.0	5.7	5.7	5.7
Cash flow from operating activities	355	64	410	499	460
Cash flow from operating activities per share, SEK	4.65	0.84	5.37	6.54	6.03
Investments intangible assets and tangible fixed assets	80	73	100	125	151
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 ¹⁾	3.78	3.45	4.54	4.02	3.99
Shareholders' equity attributable to parent company shareholders	4,387	3,961	4,129	3,848	3,509
Shareholders' equity attributable to non-controlling interests	1	1	1	1	2
Shareholders' equity per share, SEK	57.47	51.89	54.09	50.41	45.98
Net debt	1,249	1,502	1,305	1,396	1,657
Net debt/equity ratio, times	0.3	0.4	0.3	0.4	0.5
Equity/asset ratio, %	52.5	51.0	53.4	51.3	49.1
Return on equity, %	8.9	8.8	8.8	8.4	8.8
Return on capital employed, %	8.8	8.8	8.8	8.8	8.6
Interest coverage ratio, times	20.5	14.0	14.1	11.4	9.7
Net debt/EBITDA, excluding one-off items and restructuring costs	1.9	2.3	2.2	2.5	3.1
Number of employees	5,142	5,103	5,083	5,136	5,066

1) Earnings per share is before and after dilution.

NOTE 1 ACCOUNTING POLICIES

The consolidated accounts for the interim report have been prepared in line with the annual consolidated accounts for 2017, 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 2017 except for revenue recognition and financial instruments (see below).

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 information has been disclosed in notes to the financial statements as well as in other pages of the interim report.

New or amended standards which came into force during 2018

IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial instruments are applied by Lindab as of 1 January 2018. Neither IFRS 15 nor IFRS 9, as described in the Annual Report for 2017, have had a significant impact on Lindab and no restatement of historical figures has been made. Accounting policies according to IFRS 15 and IFRS 9 applied by Lindab are presented below.

Revenue recognition

IFRS 15 is based on a five step model for revenue recognition of customer contracts and the core principle is that revenue recognition shall reflect the expected consideration in connection with the performance of contractual commitments to customers and corresponds to the consideration to which the Group is entitled when transferring control of the products and services delivered to the counterparty.

Revenue streams

Leading up to 2018, Lindab evaluated the effects of the new revenue standard by identifying and analysing the most significant revenue streams in the Group. The result of the analysis was that revenue in all material aspects shall be recognised in the same manner as the previous standard, with respect to both Products & Solutions and Building Systems.

The revenue streams within the segment of Products & Solutions relates to Lindab's offering of individual standardised products, customised technical solutions or complete systems for ventilation and cooling/heating. The segment also offers building products such as steel rainwater systems, roof/wall cladding, steel profiles for wall, roof and floor structures as well as steel buildings. The segment of Building Systems offers prefabricated steel construction systems, which may consist of individual parts or complete solutions for the entire outer shell (i.e. frames, walls, ceilings and accessories). In some cases customisation of systems and solutions may also include elements of installation and/or commissioning. However, these revenue elements are very limited and do not represent a significant part of the Group's sales. Potential installation services are only offered in connection with sales of products and are not marketed as separate services in the Group's product portfolio.

Performance obligations and timing of revenue recognition

Sale of a product (single or integrated) is considered as a performance obligation and the revenue is recognised when the performance obligation is fulfilled and the customer takes control

of the product, i.e. at a certain point in time (usually in connection with the physical delivery to the counterparty).

When Lindab produces and sells complete construction systems, sales may be project oriented. The majority of revenue is then recognised at each stage of delivery in accordance with the contract and when the customer has taken control over the product.

Revenue from possible installation services/commissioning is normally recognised on completion of the the work. However, the timing of the recognition could vary depending on whether the service is considered to be a separate performance obligation or an integrated part, depending on the agreed terms and conditions.

If it is probable that the total project costs will exceed total revenue the anticipated loss is immediately accounted for as an expense.

Warranties

Products sold are covered by warranties which depend on the nature and application of the product. As a general rule, warranties only cover original product defects. Long warranty periods may occur within individual product groups, but depending on what the warranty covers and requirements regarding how the product should be used/maintained, warranties are not considered as an added service warranty. Hence, warranties are not recognised as separate performance obligations in terms of IFRS 15, instead the warranties are accounted for in accordance with IAS 37 Provisions, contingent liabilities and contingent assets.

Transaction price

Volume discounts are applied based on sales to counterparties during a predefined period, together with cash discounts. Revenue from these types of sales are recognised at an agreed price, net of any discounts. Discounts are estimated based on the expected value method.

Financial instruments

In comparison to IAS 39, IFRS 9 has new principles for the classification and valuation of financial assets. The classification of financial assets is dependent on the Group's business model (the purpose of holding the financial asset) and the financial asset's contractual cash flows. The categories of financial assets according to IFRS 9 are as follows:

- Financial assets valued at amortised cost;
- Financial assets valued at fair value through other comprehensive income;
- Financial assets valued at fair value through the income statement.

Financial liabilities are valued at amortised cost or fair value through the income statement.

The new categories for classification have no significant impact on Lindab's accounting and valuation in relation to IAS 39. For all material aspects relating to the accounting policies regarding financial instruments, Lindab refers to the Annual Report. The implementation of IFRS 9 has however implied a change in the valuation method for the valuation of provision for credit losses relating to financial assets, the principle is described below.

Impairment of financial assets

In accordance with IFRS 9 Lindab applies the requirement for impairment on expected credit losses relating to financial assets and a provision for these impairments is accounted for as a writedown of the asset. At each balance sheet date, the provision is valued to an amount that corresponds to the expected credit loss for the remaining maturity period. For accounts receivable and any lease receivables Lindab applies simplified policies,

which mean that the provision for losses is valued at an amount corresponding to the remaining maturity period. The purpose of the valuation of expected credit losses is to reflect an objective and probable amount, time value of money, reasonable information from previous events that are possible to verify, present circumstances and forecasts for future financial conditions. Lindab bases the estimate of expected credit losses mainly on an individual assessment of the receivable in question together with information about historical losses for similar assets and counterparties, taking into consideration potential future events. The criteria for the computation of credit losses will be continuously evaluated to reflect the current situation and Lindab's best estimate of future events.

New or amended standards that have not yet come into force

On 1 January 2019 IFRS 16 Leases will come into effect. Based on this new standard almost all leases need to be presented in the statement of financial position, except for short-term lease agreements and lease agreements whereby the underlying asset is of a low value. Lindab has not yet assured what impact IFRS 16 will have on the Group's financial position, but the balance sheet total will increase by capitalisation of agreements that at present are classified as operating leases. Furthermore, the Group's consolidated income statement will be impacted by current operating expenses related to operational lease agreements, which will be replaced by depreciation and interest expense. Lindab does not plan to early adopt IFRS 16.

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 2017.

NOTE 2 EFFECTS OF CHANGES IN ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant estimates and judgements are described in Note 4 in the Annual Report for 2017. No changes have been made to these estimates and judgements that would have a substantial impact on this interim report.

NOTE 3 BUSINESS COMBINATIONS

No business combinations have been made during the current year.

During 2017 the following acquisitions and divestments were made:

On 14 December 2017, Lindab acquired 100 percent of the votes and shares in the Irish company A.C. Manufacturing Ltd. The company's activities mainly include production and sales of rectangular ventilation duct systems. The acquisition was a part of Lindab's strategy to further focus on indoor climate solutions and to strengthen the Group's position as a supplier of complete ventilation products in selected geographical markets. A.C. Manufacturing Ltd is registered in Dublin, Ireland. The company has annual sales of approximately SEK 50 m and an expected annual operating profit of SEK 10 m. The company has around 30 employees.

The total acquisition cost for A.C. Manufacturing Ltd amounted to SEK 87 m, whereof SEK 69 m was paid on completion of the acquisition in December 2017 (SEK 64 m net after adjustment for liquid funds in the acquired company). The majority of the remaining SEK 18 m comprises of a conditional purchase price,

which will be settled if future expected profitability levels (based on gross margins) are met during 2018–2020. The possible undiscounted amount of the future conditional additional purchase price is between SEK 0–15 m. As at 31 September 2018 the previous assessment remains unchanged, whereby a maximum outcome is expected to occur. This implies that the income statement and statement of financial position has not been affected by any changes in judgements relating to the value of the agreed additional conditional purchase price. Costs related to the acquisition amounted to SEK 3 m.

According to the preliminary analysis of the acquisition, the acquisition resulted in goodwill of SEK 48 m. For a specification of acquired assets and liabilities as per acquisition date and preliminary acquisition price allocation, please see table below. The fair value of all acquired net assets are preliminary until the final valuation is made.

SEK m	Acquired businesses	
		31 Dec 2017
Intangible assets	-	20
Tangible fixed assets	-	15
Stock	-	3
Current assets	-	9
Cash and cash equivalents	-	5
Deferred tax liabilities	-	-2
Current liabilities	-	-11
Fair value of acquired net assets	-	39
Goodwill	-	48
Total purchase price including future conditional/unconditional additional purchase price	-	87

On 6 December 2017, the Swedish subsidiary Lindab Innovation AB, registered in Båstad, Sweden was divested. The company's business was to manage patents, but the company was dormant. An amount of SEK 0 m was received as part of the divestment, corresponding to the company's shareholders' equity and balance sheet total.

NOTE 4 OPERATING SEGMENTS

The Group's operating segments comprise Products & Solutions and Building Systems. The basis for the division into segments is the different customer offerings provided by each segment. Products & Solutions' business is based on a geographically distributed sales organisation supported by a number of product and systems areas with central production and purchase functions. The Building Systems segment consists of a separately integrated project organisation. The Other segment comprises parent company and other shared functions.

Information about revenue from external customers and adjusted operating profit per operating segment is shown in the tables on page 7.

Revenue from other segments represents only small amounts and a breakdown of these amounts by segment is therefore deemed immaterial.

Internal transfer pricing between the segments in the Group are based on the arm's-length principle, i.e. between parties which are independent from 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 2017 are shown below:

- Products & Solutions: Stock has increased by 12 percent, Other operating receivables have increased by 26 percent and Shareholder's equity has increased by 15 percent.
- Building Systems: Operating receivables have increased by 20 percent, Shareholder's equity has changed by 17 percent and Other operating liabilities have increased by 48 percent.

NOTE 5 RELATED PARTY TRANSACTIONS

Lindab's related parties and the extent of transactions with its related parties are described in Note 29 of the Annual Report for 2017.

At the Annual General Meeting in May 2018, it was resolved to adopt a warrant programme for senior executives. Under the programme, 135,000 warrants were acquired by senior executives during the second quarter. See more under Warrant programme, page 4.

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

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

Båstad, 24 October 2018

Ola Ringdahl
President and CEO

Auditor's review report

Introduction

We have reviewed the interim report for Lindab International AB (publ), org nr 556606-5446, for the period 1 January 2018 to 30 September 2018. 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, 24 October 2018

Deloitte AB

Hans Warén

Authorised Public Accountant

Reconciliations, key performance indicators not defined according to IFRS

The company presents certain financial measures in the interim report which are not defined according to IFRS. The company considers these measures to provide valuable supplementary information for investors and the company's management as they enable the assessment of relevant trends. Lindab's definitions of these measures may differ from other companies' definitions of the same terms. These financial measures should therefore be seen as a supplement rather than as a replacement for measures defined according to IFRS. Definitions of measures which are not defined according to IFRS and which are not mentioned elsewhere in the interim report are presented below. Reconciliation of these measures is shown in the tables below. As the amounts in the tables below have been rounded off to SEK m, the calculations do not always add up due to round-off.

Operating profit excluding one-off items is replaced by Adjusted operating profit as of the second quarter 2017. The monetary value is the same, but the definition has been changed as the company recognises one-off items and significant restructuring costs separately to describe the results of the underlying activities.

Reconciliations

Amounts in SEK m unless otherwise indicated.

	2018 Jul-Sep	2017 Jul-Sep	2018 Jan-Sep	2017 Jan-Sep	2017 Jan-Dec
Interest coverage ratio, times					
Earnings before tax	196	148	388	364	467
Interest expenses	7	9	20	28	36
Total	203	157	408	392	503
Interest expenses	7	9	20	28	36
Interest coverage ratio, times	30.3	17.6	20.5	14.0	14.1
Net debt			30 Sep 2018	30 Sep 2017	31 Dec 2017
Non-current interest-bearing provisions for pensions and similar obligations			241	219	226
Non-current liabilities to credit institutions			1,337	1,512	1,397
Current other interest-bearing liabilities			48	83	73
Total liabilities			1,626	1,814	1,696
Financial interest-bearing fixed assets			43	46	43
Other interest-bearing receivables			14	3	6
Cash and cash equivalents			320	263	342
Total assets			377	312	391
Net debt			1,249	1,502	1,305
Net debt/EBITDA			30 Sep 2018	30 Sep 2017	31 Dec 2017
Average net debt			1,403	1,512	1,474
Adjusted operating profit, rolling tw elve months			580	504	511
Depreciation/amortisation and impairment losses, rolling tw elve months			166	165	162
EBITDA			746	669	673
Net debt/EBITDA, times			1.9	2.3	2.2
One-off items and restructuring costs					
	2018 Jul-Sep	2017 Jul-Sep	2018 Jan-Sep	2017 Jan-Sep	2017 Jan-Dec
Operating profit	200	154	400	383	492
Products & Solutions	-8	-	-9	-	-
Building Systems	-3	-	-16	-	-
Other operations	2	-8	-36	-9	-19
Adjusted operating profit	209	162	461	392	511
Operating profit has been adjusted by the following one-off items and restructuring costs per quarter:					
1/2018 SEK -33 related to assessment of structural alternatives and measures associated with turnaround programme.					
2/2018 SEK -19 related to assessment of structural alternatives and measures associated with turnaround programme.					
3/2018 SEK -9 related to restructuring program and measures associated with turnaround programme.					
1/2017 SEK -1 m relating to governance projects.					
2/2017 SEK 0 m. The quarter was not affected by one-off items and/or restructuring costs.					
3/2017 SEK -8 m relating to severance costs for the President and CEO but also governance projects.					
4/2017 SEK -10 m relating to the evaluation of structural alternatives and governance projects.					
Operating profit before depreciation/amortisation - EBITDA					
	2018 Jul-Sep	2017 Jul-Sep	2018 Jan-Sep	2017 Jan-Sep	2017 Jan-Dec
Operating profit	200	154	400	383	492
Depreciation/amortisation and impairment losses	43	40	126	122	162
Operating profit before depreciation/amortisation - EBITDA	243	194	526	505	654
Organic growth					
	2018 Jul-Sep	2017 Jul-Sep	2018 Jan-Sep	2017 Jan-Sep	2017 Jan-Dec
Change Net sales	316	39	885	247	393
Of which					
Organic	161	38	572	145	287
Acquisitions/divestments	18	-	44	-	3
Currency effects	137	1	269	102	103

	30 Sep 2018	30 Sep 2017	31 Dec 2017
Return on capital employed			
Total assets	8,361	7,763	7,731
Provisions	124	110	109
Other non-current liabilities	17	2	19
Total non-current liabilities	141	112	128
Provisions	24	19	22
Accounts payable	1,038	973	864
Other current liabilities	1,144	883	891
Total current liabilities	2,206	1,875	1,777
Capital employed	6,014	5,776	5,826
Earnings before tax, rolling twelve months	491	466	467
Financial expenses, rolling twelve months	36	44	45
Total	527	510	512
Average capital employed	5,984	5,779	5,784
Return on capital employed, %	8.8	8.8	8.8
Return on shareholders' equity			
Profit for the period, rolling twelve months	372	342	347
Average shareholders' equity	4,212	3,882	3,954
Return on shareholders' equity, %	8.9	8.8	8.8

Definitions

Key performance indicator according to IFRS

Earnings per share, SEK

Profit for the period attributable to parent company shareholders to average number of shares outstanding.

Key performance indicators not defined according to IFRS

Adjusted 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.

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.

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.

1) Average capital is based on the quarterly value.

Financial calendar

Year-End Report	13 February 2019
Interim Report January – March	8 May 2019
Annual General Meeting	8 May 2019
Interim Report January – June	18 July 2019
Interim Report January – September	24 October 2019

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

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Lindab in brief

The Group had sales of SEK 8,242 m in 2017 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 construction accounts for 20 percent of sales. During 2017, the Nordic region accounted for 46 percent, Western Europe for 33 percent, CEE/CIS (Central and Eastern Europe plus other former Soviet states) for 18 percent and Other markets for 3 percent of total sales.

The share is listed on the Nasdaq Stockholm List, Mid Cap, under the ticker symbol LIAB.

Business concept

Lindab develops, manufactures, markets and distributes products and system solutions for simplified construction and improved indoor climate.

Business model

Lindab's product and solution offering includes products and entire systems for ventilation, cooling and heating, as well as construction products and building solutions such as steel rainwater systems, roofing and wall cladding, steel profiles for wall, roof and beam constructions and large span buildings. Lindab also offers complete, pre-engineered steel construction

systems under the Astron brand. These are complete building solutions comprising the outer shell with the main structure, wall, roof and accessories.

Lindab's products are characterised by high quality, ease of assembly, energy efficiency and environmentally friendly design and are delivered with high levels of service. Altogether, this provides greater customer value.

Lindab's value chain is characterised by a good balance between centralised and decentralised functions. The distribution has been developed in order to be close to the customer. Sales are made through around 140 Lindab branches and approximately 3,000 retailers, with the exception of Building Systems, which conducts sales through a network of nearly 300 building contractors.

Notification of interim report is information that Lindab International AB (publ) is obliged to publish in accordance with the EU Market Abuse Regulation. The information was supplied by the above-mentioned contact persons for publication on 25 October 2018 at 07:40 (CEST).

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