

## Investments

During the period January - September investments, excluding company acquisitions, amounted to 209 (189); of which 118 (104) represented machines and equipment and 91 (85) property. The greatest individual investments were production premises in Switzerland and the construction and extension of production and warehousing premises in Sweden, Denmark and Croatia. Company acquisitions during the period have resulted in investments of 35 (36) in machines and equipment and 42 (1) in property. The acquisitions during the period have also resulted in an increase in goodwill of 105 (22). Investments in plant, excluding company acquisitions, comprised 82 (63) in Sweden and 127 (126) abroad.

## Company acquisitions

Scandab AB was acquired during the period. The company, which operates within the environmental sector, develops, markets, stocks and distributes products and systems for industry. The acquisition strengthens Lindab's Ventilation business area, as co-ordination benefits exist within the Transfer product area. In a rolling 12-month period Scandab is estimated to turn over 65.

On 8 May Lindab AB made an offer for Folkebolagen AB, a company listed on the OM Stockholm Stock Exchange. In total the offer was worth 148. The acquisition of Folkebolagen will strengthen Lindab's Profile business area, primarily within the Swedish market. A compulsory redemption was requested on 18 September and the last trading day was 29 September. On 30 September shareholders representing 99.7 percent of the capital and 99.8 percent of the voting rights had accepted the offer. Our judgement is that Folkebolagen will increase Lindab's profit and profit per share; however these profit effects will only be marginal during the current year. The company is estimated to turn over 500 on an annual basis.

## Personnel

At the end of September the number of people employed within the Lindab Group amounted to 3 524, compared with the 3 004 employed at the turn of the year. During the period the number of people employed in Sweden increased by 343 to 1 344; this increase is primarily related to company acquisitions. The number employed abroad increased by 177 to 2 180.

## Parent company

The sales revenue of the parent company consists exclusively of invoicing Group companies. During the period the sales of the company amounted to 39 (37). The result, after financial items, was -11 (4), of which SPP funds represented 4 (0). Investments in fixed assets amounted to 25 (2). The liquid funds of the parent company amounted to 10 (37).

## Definitions:

### Profit per share

Calculated on a weighted average of 23 895 533 shares for the period.

### Equity per share

Recorded equity distributed over a weighted average of 23 961 617 shares for 12 months.

### Return on capital employed

The return on capital employed comprises the consolidated profit after financial items with supplement for interest expenses and exchange rate differences as a percentage of the average capital employed. By capital employed is meant the total capital reduced by current, non-interest bearing liabilities. Furthermore, in accordance with the recommendations of the Swedish Industry and Commerce Stock Exchange Committee, a deduction has been made for the deferred tax liability.

## Share data

In accordance with the decision of the shareholders attending the Annual General Meeting Lindab began to repurchase its own shares. A total of 239 800 shares have been repurchased, which represents 1 percent of the total number of shares. The mandate stipulated by the Annual General Meeting amounts to a total of 960 000 shares, representing 4 percent of the total number of shares. Repurchase took place at an average price of SEK 95.35, which represents about 23. At the end of the September the total number of shares outstanding amounted to 23 760 200.

The profit per share has been calculated as a weighted average of the number of shares during the period January -September, which has been calculated as 23 995 533. The profit after full taxes amounted to SEK 6.36 for the first nine months of the year, compared with the SEK 5.62 of the preceding year.

The outstanding synthetic option programme has not affected the profit.

At the end of the period the listed price for Lindab shares on the OM Stockholm Stock Exchange was SEK 106.50. At the turn of the year the price was SEK 98.00.

## Outlook for 2000

The powerful increase in volumes is expected to continue and sales are expected to amount to about 4 300 (3 596).

During the course of the year raw-material prices have increased enormously, and those for galvanised sheet metal have gone up much more than could have been predicted. The price adjustments made during the autumn are expected to reach full effect in the beginning of next year. The profit for this year is expected to remain at the same level as last year, excluding the SPP refund.

Grevie, 26 October 2000

LINDAB AB (publ)

Carl-Gustaf Sondén

Managing Director and Chief Executive Officer

This report has not been subjected to special scrutiny by the company auditors.

## Return on equity

The return on equity comprises the profit for the period as a percentage of average equity.

## Equity/assets ratio

The equity/assets ratio has been calculated as equity as a percentage of assets, according to the balance sheet.

## Operating margin

The operating margin has been calculated as the operating profit as a percentage of the sales of the period.



# Lindab

JANUARY – SEPTEMBER 2000



## Lindab Group, January - September 2000

All values in SEK M unless otherwise stated.

- Continued substantial growth according to plan. Sales went up by 21 percent to 3 166 (2 612), the sales increase in the third quarter amounted to 26 percent
- Sales increase 51 percent in the USA and 40 percent in Sweden
- High raw material prices have affected the profit after financial items, which amounted to 216 (195)

### Market and sales

The sales of the Lindab Group have continued to develop in a positive direction and in line with Lindab's strategy for growth increase. Significant endeavours have been made with regard to market and product development. During the first nine months of the year consolidated sales increased by 21 percent to 3 166 (2 612). Within the period volumes increased by 22 percent, of which acquired companies represented 10 percent. The strengthening of the Swedish Krona, compared with the corresponding period last year, has affected sales negatively by 3 percentage units. Sales prices went up by 2 percent during the first nine months of the year.

Sales outside of Sweden increased by 15 percent to 2 295 (1 992), which represented 72 percent (76) of consolidated sales. During the last 12-month period sales amounted to 4 123 (3 516), an increase of 17 percent.

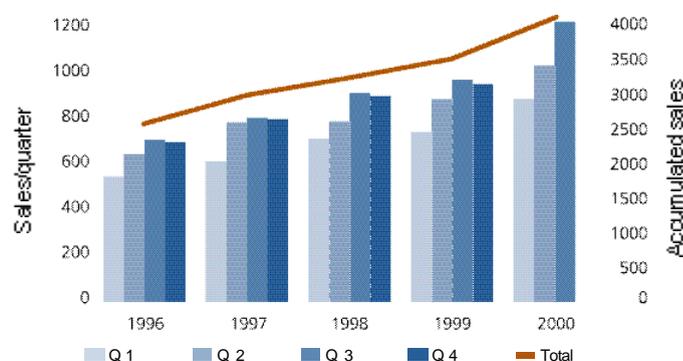
Demand for the majority of the Group's product groups has been good during the period. The business situation has been positive on those markets that are most important to Lindab. The Swedish market has remained strong. The marketing endeavours made, together with the companies acquired, have resulted in an increased market share for Lindab. Within the rest of the Nordic markets Denmark has shown good development.

Inside Western Europe the British and French markets have developed well, whereas competition has become fiercer in Germany. The slowing down of some of the Eastern European countries, primarily Poland, that became noticeable in the first six months has remained. Lindab has continued to expand in the USA, where round duct systems are being accepted more and more. The powerful sales increases on other markets can partly be explained by the acquisition of the Swiss company Barholet, which was made in October 1999.

### Sales per market

	July – Sep 2000		Jan – Sep 1999		Change in percent
	2000	1999	2000	1999	
Sweden	349	218	871	620	40
Other Nordic countries	330	288	914	818	12
EU except Nordic members	263	261	742	692	7
Eastern Europe	173	150	354	317	12
USA	76	41	190	126	51
Other markets	44	19	95	39	144
<b>Total</b>	<b>1 235</b>	<b>977</b>	<b>3 166</b>	<b>2 612</b>	<b>21</b>

### Sales per quarter, rolling 12 months



### Profit

During the period January - September the operating profit amounted to 246 (214). The greater volumes have had a positive influence on the profit. The raw-material and sheet-metal price increases that have come about during the year have been compensated for successively by sales price increases and rationalisation, but however with a time lag. The increases in costs are primarily related to marketing and sales endeavours and the consolidation of acquired companies.

The high rate of investment and company acquisitions made during recent years have given rise to increased depreciation. The period's depreciation amounted to 131 (106), of which goodwill depreciation represented 18 (13).

During the second quarter Lindab recorded SPP surplus funds as income. Based on SPP's rules the utilisation of these funds will take place over a period of three years. The current value of the expected refund amounts to 21, and has been recorded as other operating income.

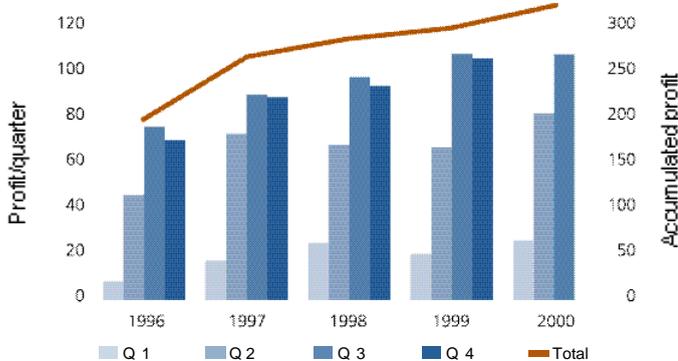
The profit, after financial items, amounted to 216 (195). The net interest has gone down by 11 to -30, due to a greater net liability caused by company acquisitions and high rate of investment. The strengthening of the Swedish Krona has affected the result negatively by 6.

The net profit amounted to 152 (135). The acquisition of Folkebolagen has marginally affected the consolidated profit but has reduced the operating margin by 0.3 percentage units, due to a change in product mix with greater volumes and lower margins.

## Consolidated income statement

	July – Sep 2000 1999		Jan – Sep 2000 1999	
Sales	1 235	977	3 166	2 612
Cost of goods sold	-929	-702	-2 360	-1 901
<b>Gross profit</b>	<b>306</b>	<b>275</b>	<b>806</b>	<b>711</b>
Selling expenses	-104	-88	-326	-273
Administrative expenses	-74	-65	-229	-200
Research and development costs	-5	-5	-18	-16
Other operating income	1	1	23	4
Other operating expenses	-3	-3	-10	-12
<b>Operating profit</b>	<b>121</b>	<b>115</b>	<b>246</b>	<b>214</b>
Interest income	1	1	4	4
Interest expenses	-14	-8	-34	-23
<b>Profit after financial items</b>	<b>108</b>	<b>108</b>	<b>216</b>	<b>195</b>
Taxes	-28	-29	-64	-60
<b>Net profit</b>	<b>80</b>	<b>79</b>	<b>152</b>	<b>135</b>

## Profit per quarter after financial items, rolling 12 months



## Business areas

### Ventilation

The business area primarily comprises round ventilation duct systems. This includes accessories such as valves, grilles, diffusers, etc, which comprise the finishing off of a duct system. Traditionally duct systems are used for the distribution of air, but they are also used for the transportation of dust, flock and the like. The business area also caters for mechanical equipment used for the manufacture of round ventilation ducts and their pertaining components. CADent, Lindab's inhouse developed program for the dimensioning and calculation of ventilation systems has now, in principle, been introduced on the majority of markets. During the third quarter the first e-trade site was started up for Lindab's ventilation products.

The sales of the business area increased by 20 percent to 1 990 (1 653), which represented 63 percent (63) of consolidated sales. The Swedish market was responsible for 23 percent (19) of sales, the other Nordic markets for 28 percent (33), the EU excepting Nordic members for 33 percent (36), Eastern Europe for 2 percent (2), the USA for 10 percent (8) and the rest of the world for 4 percent (2).

The operating profit amounted to 144 (143). The profit has been affected by the refund of surplus funds by SPP, amounting to 11 (0). Demands for the products of the business area have remained good, however greater price competition on some markets has become apparent. Sales price increases have been introduced during the third quarter, this to compensate for the greatly increased prices of galvanised sheet metal. The effect of the increased sales prices will become noticeable during the course of the end of this year and the beginning of next.

## Profile

This business area represents a broad range of sheet metal products that are used for the system solutions within the construction industry; items such as roof sheeting and cladding, rainwater systems, construction profiles and construction kits for steel halls.

During the period sales increased by 23 percent to 1 176 (959). The Swedish market was responsible for 36 percent (32) of the sales of the business area, the other Nordic markets for 31 percent (28), the EU excepting Nordic members for 6 percent (9), Eastern Europe for 27 percent (30) and the rest of the world for 0 percent (1).

The operating profit amounted to 102 (71). The refund of surplus funds from SPP represents 10 (0) of profit improvement.

The higher profit is partly due to the ever improving situation in the construction industry on Lindab's more important markets and partly due to an improved product mix and increased system sales.

## Cash flow and net liability

The net cash flow of the Lindab Group amounted to -454 (-49). The consolidated net liability - the difference between interest-bearing liabilities and liquid funds - amounted to 978. The reason for the negative cash flow lies mainly in investments of 391 of which company acquisitions represent 182 and an increased working capital of 244, which to a certain extent is seasonal, but which has also been affected by the acquisitions made to an extent of 113. In total the acquisitions have increased the net liability by 255. During the month of May the dividend representing SEK 3.00 (2.00) per share was paid, representing a total of 72 (48). The repurchase of own shares has increased the net liability by 23.

The consolidated liquid funds amounted to 154 (115). Liquid funds, including unutilised overdraft facilities, amounted to 801; of which 455 pertained to the parent company.

The consolidated equity amounted to 1 321 (1 181). The equity/assets ratio was 38 percent (45).

## Consolidated cash flow statement

	Jan – Sep 2000	Jan – Sep 1999	Jan – Dec 1999
<b>Current operations</b>			
Operating profit	246	214	323
Depreciation	131	106	142
<b>Operative cash flow</b>	<b>377</b>	<b>320</b>	<b>465</b>
Financial items	-30	-19	-22
Tax paid	-64	-60	-88
<b>Cash flow from current operations before changes in working capital</b>	<b>283</b>	<b>241</b>	<b>355</b>
Changes in working capital	-244	8	47
<b>Cash flow from current operations</b>	<b>39</b>	<b>249</b>	<b>402</b>
Investments, including company acquisitions	-391	-248	-354
<b>Cash flow after investments</b>	<b>-352</b>	<b>1</b>	<b>48</b>
Dividend	-72	-48	-48
Repurchase of own shares	-23	-	-
Other items	-7	-2	-3
<b>Net cash flow</b>	<b>-454</b>	<b>-49</b>	<b>-3</b>
Changes in interest-bearing liabilities	456	15	6
<b>Changes in liquid funds</b>	<b>2</b>	<b>-34</b>	<b>3</b>

## Summarised consolidated income statement, annual values

	Oct '99 - Sep '00 12 months	Oct '98 - Sep '99 12 months	Jan - Dec '99 12 months
<b>Sales</b>	4 123	3 516	3 569
Cost of goods sold	-3 045	-2 551	-2 586
<b>Gross profit</b>	1 078	965	983
Selling expenses	-419	-363	-366
Administrative expenses	-308	-269	-279
Research and development costs	-24	-23	-22
Other operating income	37	8	18
Other operating expenses	-9	-6	-11
<b>Operating profit</b>	355	312	323
Interest income	7	9	7
Interest expenses	-40	-32	-29
<b>Profit after financial items</b>	322	289	301
Taxes	-94	-72	-90
<b>Net profit</b>	228	217	211

## Summarised consolidated balance sheet

	30 Sep '00	30 Sep '99	31 Dec '99
<i>Assets</i>			
Intangible fixed assets	191	128	105
Tangible fixed assets	1 328	1 050	1 139
Financial fixed assets	43	42	41
Stock	789	603	585
Other receivables	935	699	562
Cash and bank	154	115	152
<b>Total assets</b>	3 440	2 637	2 584
<i>Equity and liabilities</i>			
Equity	1 321	1 181	1 256
Provisions	189	177	175
Long-term liabilities	1 077	610	621
Current liabilities	853	669	532
<b>Total equity and liabilities</b>	3 440	2 637	2 584

## Key figures

(23 760 200 shares)*	Jan - Sep 2000	Jan - Sep 1999	Oct '99- Sep '00	Oct '98 - Sep '99	1999	1998	1997
Profit per share, SEK	6.36	5.62	9.52	9.04	8.80	8.60	7.52
Equity per share, SEK			55.13	49.20	52.35	47.23	39.15
Return on capital employed, percent			17	18	18	20	22
Return on equity, percent			18	20	18	20	21
Equity/assets ratio			38	45	49	47	44

\* regards number of shares outstanding at the end of September

## Sales and profit, by business area

	Ventilation		Profile		Ventilation		Profile		Total	
	2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
Sales	730	577	505	400	1 990	1 653	1 176	959	3 166	2 612
Operating profit	64	66	57	49	144	143	102	71	246	214
Financial income and expenses	-8	-6	-5	-1	-19	-14	-11	-5	-30	-19
Profit after financial items	56	60	52	48	125	129	91	66	216	195
Profit margin, percent	8.8	11.4	11.3	12.3	7.2	8.7	8.7	7.4	7.8	8.2