

Magnet

Magnet TRADE

Gower

Alcazar
KEITTIÖT

PARMA
KEITTIÖT

PETRA
KEITTIÖT

netto
KEITTIÖT

H

INVITA

uno form

GÖR DET SELV

INTUO

Marbodal

myresjökök

NOREMA

Asigdal

ewe
KITCHEN & BATH

FM
DIE KÜCHE · DIE BAD

**OPTI
FIT**
Die Küche · Das Bad

**poggen
pohl**

hygena

**Interior
Solutions**



nobia

nobia

Interim report Q2, 2012

20 July 2012



Q2: Stable earnings in weak markets

- Net sales SEK 3,449 m (3,559)
- Organic growth -5% (1)
- EBIT SEK 205 m (241)
- Weaker demand in all regions
- UK sales affected by core supplier leaving the market
- Strong performance in the Nordics
- Lower sales in CE, Hygena improving
- Execution on strategic initiatives in a testing environment

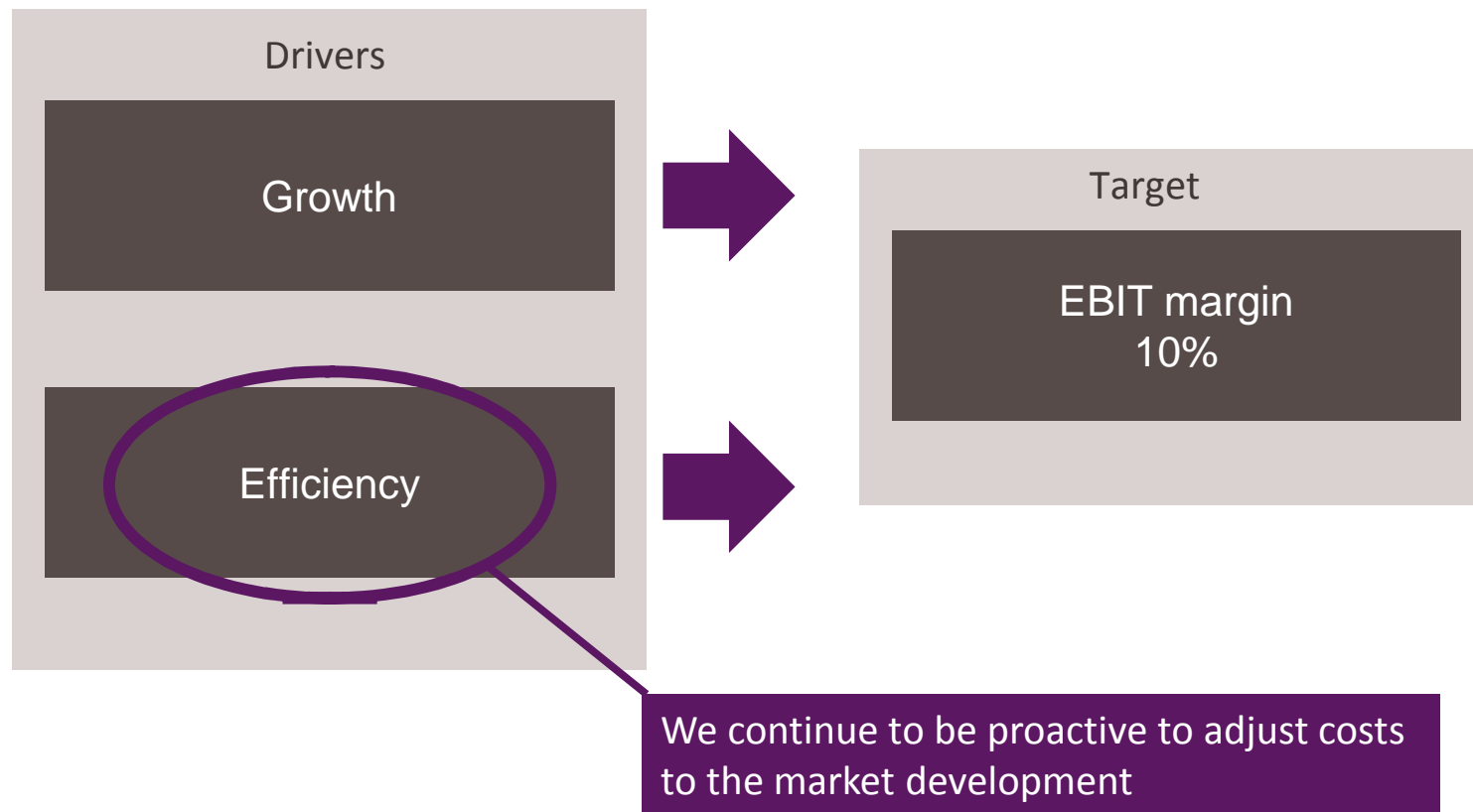
Excluding restructuring costs



Kitchen market trend



Drivers that will help us reach our financial target



Our plan to reach the 10% EBIT margin target; Incremental impact, based on top line 2010

	Run-rate EBIT impact SEK m	Run-rate EBIT margin impact	Launch date	Timeframe to run-rate	Comment
Range / Purchasing	150 – 250	1.0 – 1.6%	Q2, 2011	~ 3 years	Net purchasing benefit including expected raw materials increases
Production restruct.	250 – 300	1.6 – 2%	Q2, 2011	3 – 4 years	Will extend into 2014
Hygena turnaround	200 – 300	1.3 – 2%	Q2, 2011	2 – 3 years	Store refurbishment program largely complete by end of 2012. Investment ~SEK 250m
Front-end initiatives	250 – 350	1.6 – 2.2%	Q2, 2011	2 – 3 years	Store efficiency, pricing strategy, CRM etc
Cost-out program 1	100 – 125	0.6 – 0.8%	Q3, 2010	< 1 year	SEK 244m EBIT charge taken in Q4 2010
Cost-out program 2	125	0.8%	Q3, 2011	< 1 year	SEK 168m EBIT charge taken in Q3 and Q4 2011

UK region

- Lower sales, primarily in Trade
- Sales affected by Oakworth Joinery leaving the market
- Gross margin improved
- Earnings reduced due to lower volumes
- Roll-out of range according to plan



	2011 Apr-Jun	2012 Apr-Jun
Net sales SEK m	1,137	1,084
Gross margin	37.8%	39.8%
EBIT SEK m	57	51
EBIT margin	5.0%	4.7%

Excluding restructuring costs

Nordic region

- Higher sales, primarily in Norway and Finland
- Professional sales increased, while consumer sales declined
- Gross margin improved
- Earnings increase as a result of higher volumes, price increases and cost savings



	2011 Apr-Jun	2012 Apr-Jun
Net sales SEK m	1,432	1,481
Gross margin	38.6%	39.8%
EBIT SEK m	159	179
EBIT margin	11.1%	12.1%

Excluding restructuring costs

Continental Europe region

- Sales affected by less project deliveries, refurbishments and low traffic in Hygena
- Hygena improvement on the back of stronger sales in refurbished stores
- Delayed project deliveries in Poggenpohl
- Gross margin weakened
- EBIT declined – cost reductions and price increases could partly offset lower volumes



	2011 Apr-Jun	2012 Apr-Jun
Net sales SEK m	993	888
Gross margin	41.7%	40.2%
EBIT SEK m	41	22
EBIT margin	4.1%	2.5%

Excluding restructuring costs

Q2: Financial highlights

- Net sales SEK 3,449 m (3,559)
- Organic growth -5% (1)
- Gross margin 40.1% (40.0)
- EBIT SEK 205 m (241)
- EBIT margin 5.9% (6.8)
- Restructuring costs SEK 62 m (24)
- Profit after tax SEK 82 m (137)
- Operating cash flow SEK 198 m (96)
- Debt/equity ratio 46% (43)

Excluding restructuring costs



Financial position

Operating cash flow

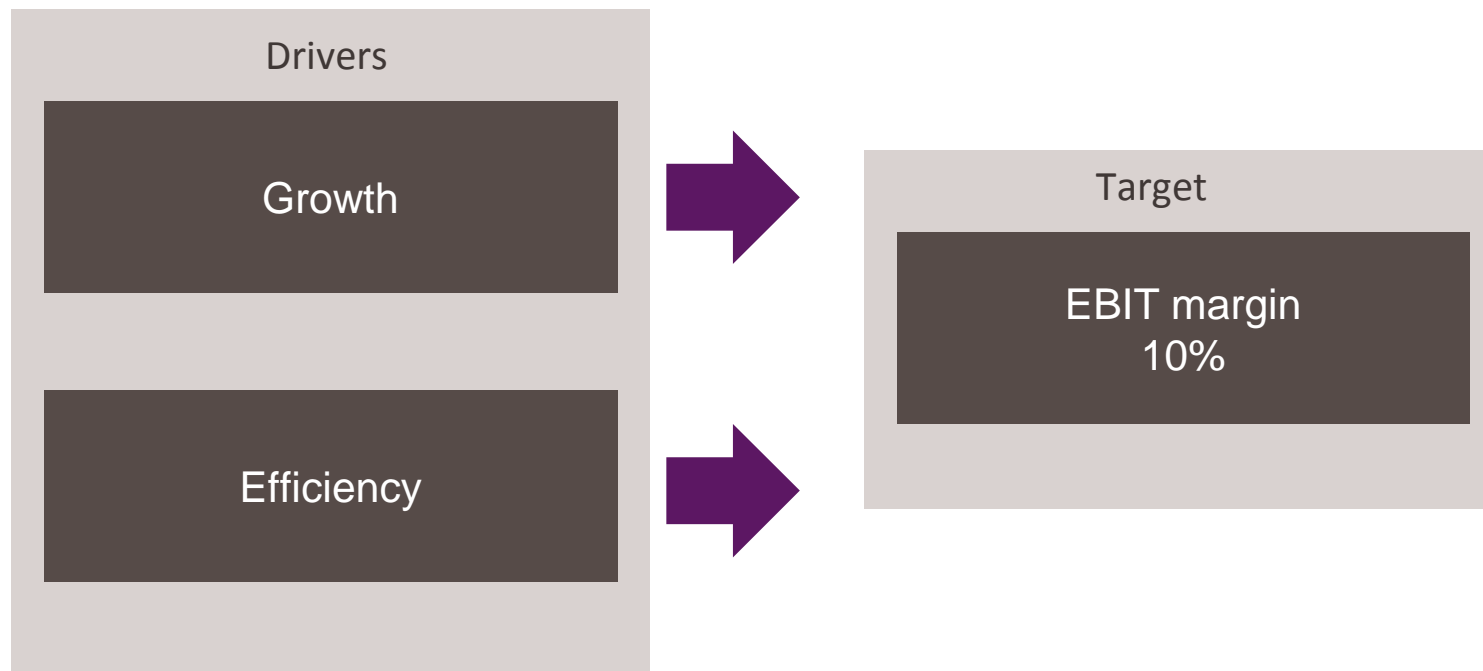
- Positive development of working capital
- Payment for real estate
- Lower profit generation

Net debt

- Increase mainly due to investments

SEK m	Q2 2011	Q2 2012
Change in working capital	-129	13
Operating cash flow	96	198

SEK m	2011 30 Jun	2012 30 Jun
Net debt	1,541	1,646
- of which pensions	557	561
Net debt/equity	43%	46%



Q & A

