

A modern kitchen and dining area. The kitchen features white upper cabinets and grey lower cabinets with a dark countertop. A Siemens oven is visible on the left. In the foreground, a woman and a young girl are lying on a wooden herringbone floor, reading a book together. A small table with colorful cups and a cupcake is next to them. In the background, there is a dining table with a dark top and white chairs, a window with a view of a house, and a chandelier hanging from the ceiling.

# Interim report Jan-Jun 2016

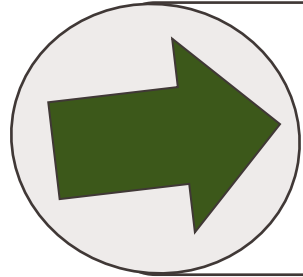
20 July 2016

# Q2 highlights

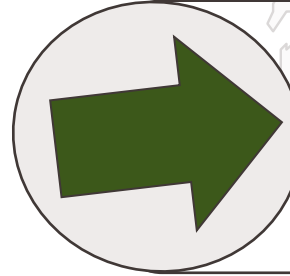
- Net sales SEK 3,667 m (3,575)
- Organic growth 4% (7)
- Gross margin 40.4% (41.1)
- EBIT SEK 414 m (400)
- EBIT margin 11.3% (11.2)
- Profit after tax SEK 302 m (289)
- Operating cash flow SEK 238 m (170)



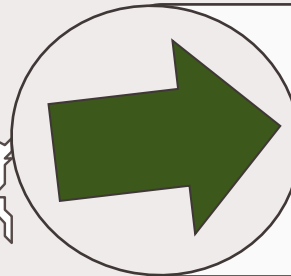
# Kitchen market trend, Q2



**The UK market** continued to grow, despite the more uncertain macro economic outlook. The EU referendum at the end of the period increased the uncertainty.

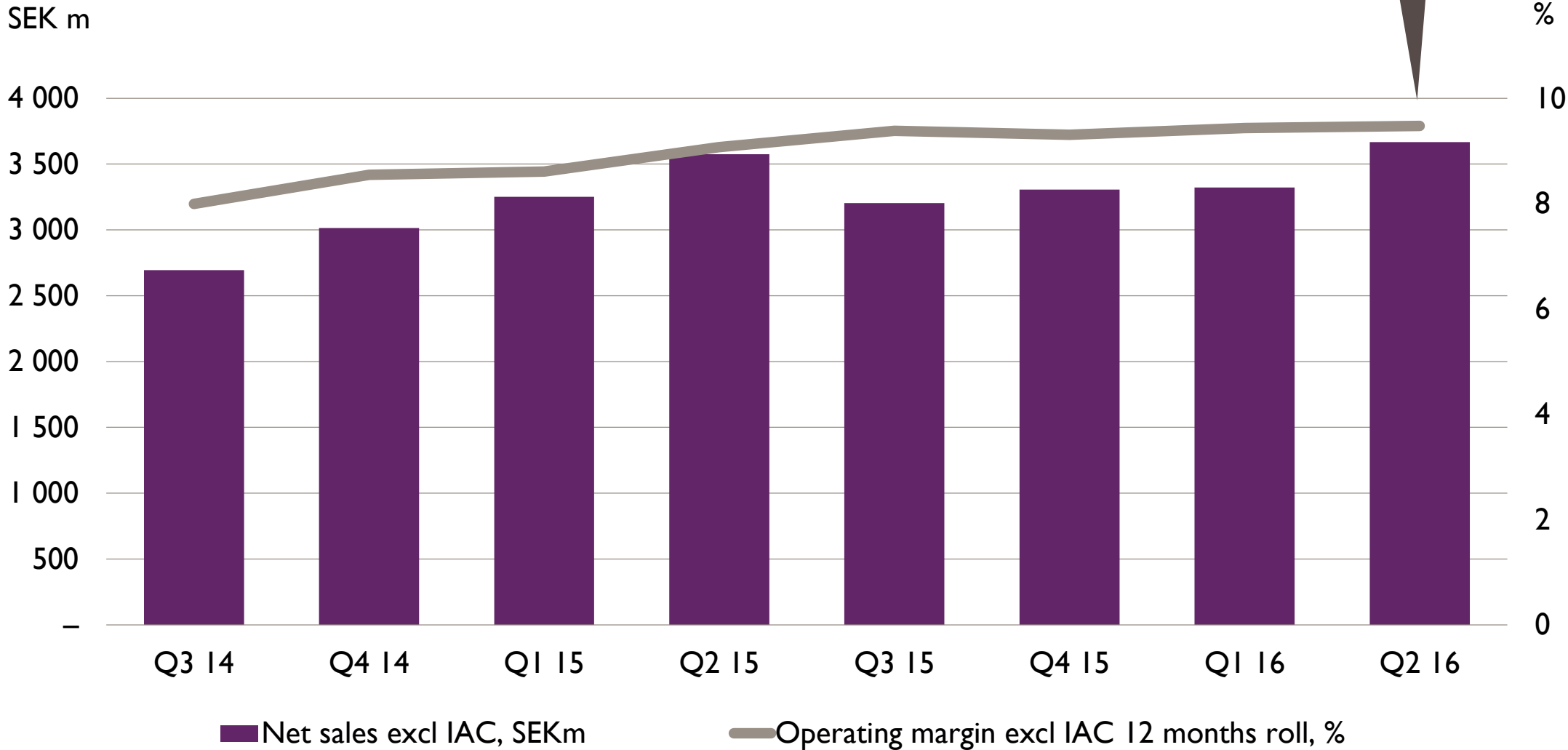


**The Nordic market** was up on previous year. New build completions was the primary driver of the favourable development.



**The market in Central Europe** is estimated to have been up compared with the previous year.

# Net sales and operating margin



# Strategy and target

Focus on



Operating profit



# Nordic region

44% of net sales in Q2

- Organic growth primarily in the professional segment
- Gross margin improved due to higher sales values and lower material costs
- EBIT improved on the back of increased sales and lower costs

	2015 Apr-Jun	2016 Apr-Jun
Net sales (SEK m)	1,609	1,626
Organic growth	10%	4%
Gross margin	41.0%	41.4%
EBIT (SEK m)	254	271
EBIT margin	15.8%	16.7%



uno form®



Marbodal®



NOREMA



# UK region

- Organic growth primarily attributable to Magnet
- Gross margin declined due to lower sales values and the business model of the latest acquisition
- EBIT improved on the back of higher volumes, lower costs and profit contribution from Commodore and CIE

45% of net sales in Q2

	2015 Apr-Jun	2016 Apr-Jun
Net sales (SEK m)	1,571	1,633
Organic growth	8%	4%
Gross margin	40.5%	38.9%
EBIT (SEK m)	156	175
EBIT margin	9.9%	10.7%

**Magnet**

**Gower**

Interior  
Solutions

rixonway  
kitchens

ck commodore  
kitchens

# Central Europe region

11% of net sales in Q2

- Organic growth in both Poggenpohl and the Austrian operation
- Gross margin declined due to sales mix, productivity and stock write-down
- EBIT declined due to lower gross margin and higher costs

	2015 Apr-Jun	2016 Apr-Jun
Net sales (SEK m)	395	408
Organic growth	-6%	5%
Gross margin	42.9%	40.9%
EBIT (SEK m)	27	8
EBIT margin	6.8%	2.0%





# Financial position, Q2

## Operating cash flow improved

- Lower investments
- Positive change in working capital

## Strong balance sheet

- Lower net debt
- Lower net debt/equity ratio despite acquisition of Commodore and CIE and higher dividend

SEK m	2015 Apr-Jun	<b>2016 Apr-Jun</b>
Operating profit	400	414
Change in working capital	-197	-174
Investments in fixed assets	-90	-52
Operating cash flow	170	238
SEK m	2015 30 Jun	<b>2016 30 Jun</b>
Net debt	1,123	1,080
– of which pensions	941	885
– of which net borrowings	182	195
Net debt/equity	33%	30%

# Strategy and target remain

Focus on



Operating profit



# Q&A

