



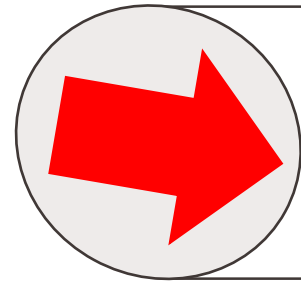
Interim report
Jan-Sep 2017
October 27, 2017

Q3 Highlights

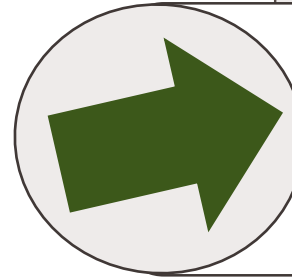
- Net sales SEK 2,905 m (2,999)
- Organic growth -1% (3)
- Gross margin 39.3% (39.0)
- EBIT SEK 318 m (336)
- EBIT margin 10.9% (11.2)
- Profit after tax SEK 264 m (246)
- Operating cash flow SEK 216 m (235)



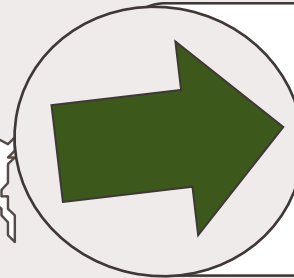
Kitchen market trend, Q3



The UK market estimated to be down on past year driven by increased macro-economic uncertainty.



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



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

Financial targets

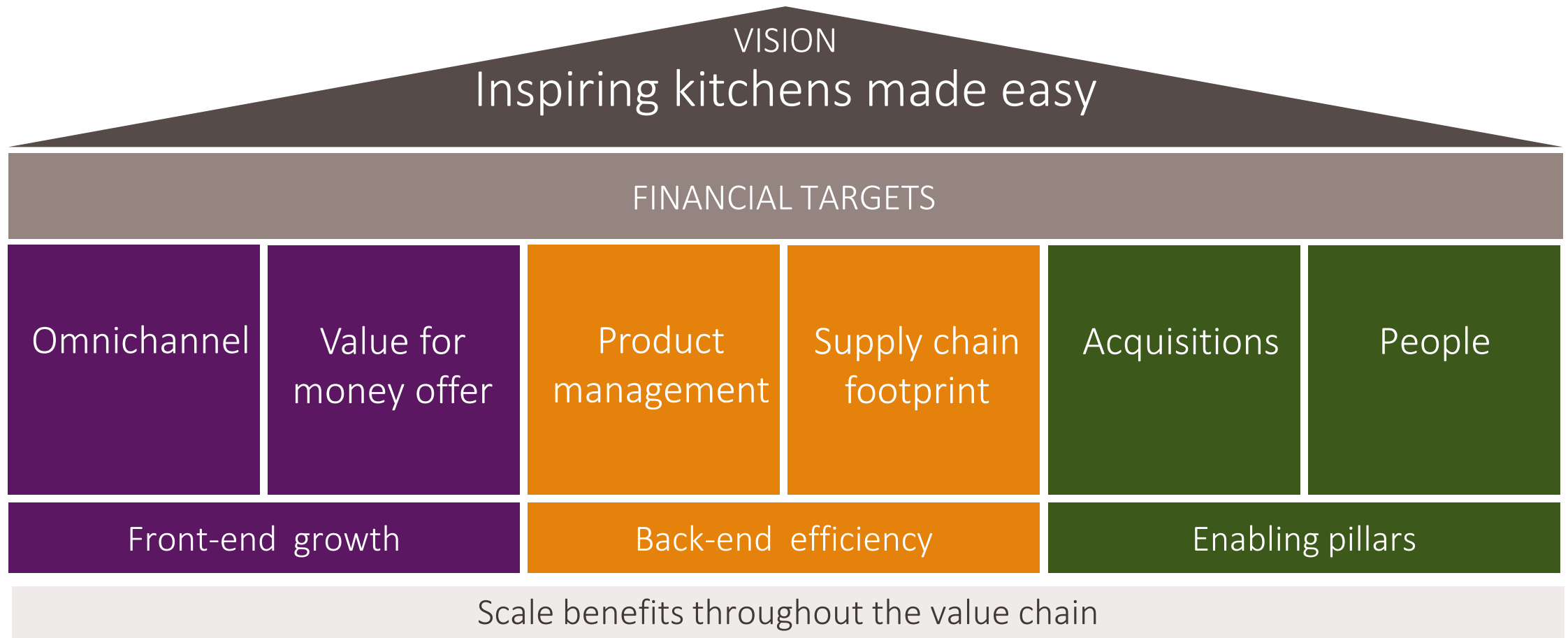
Growth
>5%
organic and
acquired

Profitability
>10%
EBIT margin

Financing
<100%
debt/equity

Dividend
40-60%
of net profit
after tax

Strategic initiatives



Nordic region

48% of net sales in Q3

- Organic growth attributable to increased project sales
- Higher deliveries of ready-to-assemble
- Gross margin improved, mainly due to higher sales values
- EBIT improved, mainly as a result of improved gross margin and increased volumes

	2016 Jul-Sep	2017 Jul-Sep
Net sales (SEK m)	1,355	1,398
Organic growth	9%	3%
Gross margin	39.6%	40.4%
EBIT (SEK m)	185	208
EBIT margin	13.7%	14.9%



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UK region

- Organic decline, primarily due to decreased B2B sales
- Gross margin declined, mainly due to currency
- EBIT declined, mainly due to lower gross margin and lower volumes

47% of net sales in Q3

	2016 Jul-Sep	2017 Jul-Sep
Net sales (SEK m)	1,495	1,377
Organic growth	-2%	-4%
Gross margin	38.3%	37.6%
EBIT (SEK m)	166	137
EBIT margin	11.1%	9.9%

Magnet

Gower

Interior
Solutions

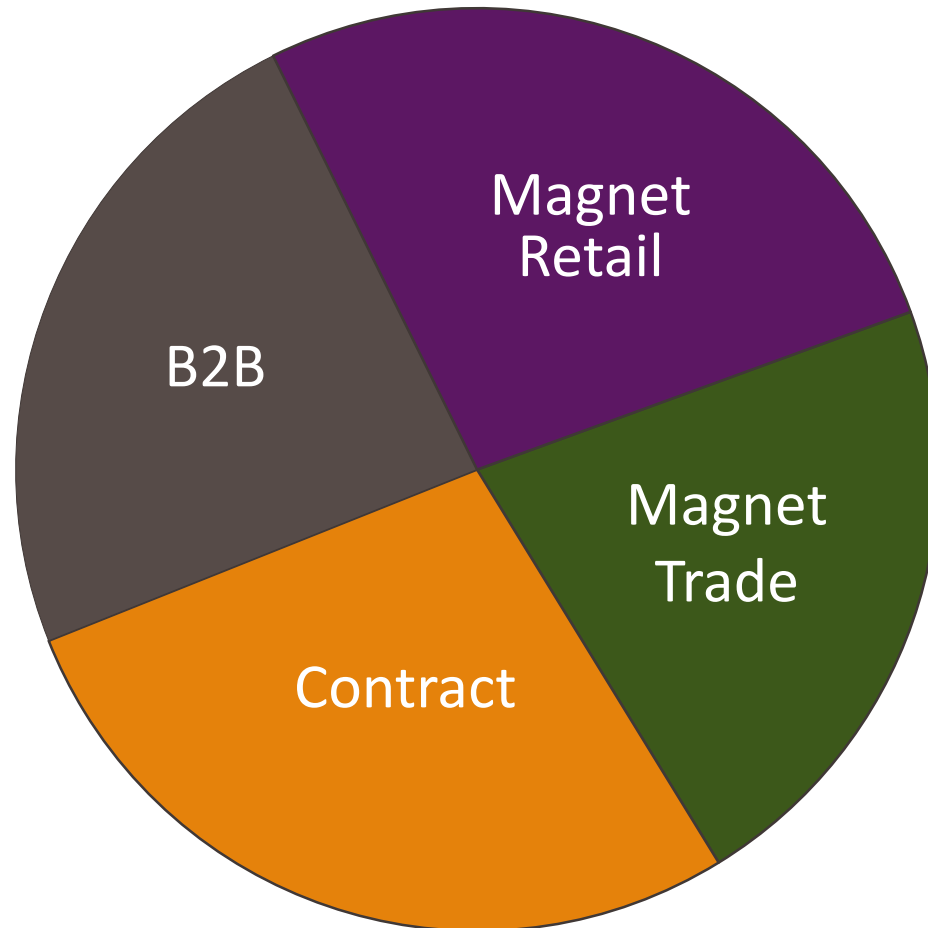
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Sales channels in the UK region

Net sales distribution, Jan-Sep 2017



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Central Europe region

5% of net sales in Q3

- Organic decline mainly due to fewer delivery days because of holiday closure
- Gross margin and EBIT declined due to lower volumes
- Efficiency in Wels successively improved

	2016 Jul-Sep	2017 Jul-Sep
Net sales (SEK m)	150	131
Organic growth	-2%	-12%
Gross margin	33.3%	31.3%
EBIT (SEK m)	14	7
EBIT margin	9.3%	5.3%

Financial position, Q3

Operating cash flow declined

- Lower earnings generation
- Increased investments

Strong balance sheet

- Low net debt/equity
- Reduced pension debt
- Strengthened cash position

SEK m	2016 Jul-Sep	2017 Jul-Sep
Operating profit	336	318
Change in working capital	-106	-88
Investments in fixed assets	-63	-70
Operating cash flow	235	216
SEK m	2016 30 Sep	2017 30 Sep
Net debt	1,159	485
- Of which pensions	1,166	765
- Of which net borrowings	-7	-280
Net debt/equity	33%	13%

Strategy and main financial targets

Focus on



Growth,
organic and
acquired



EBIT margin

Q&A

