



Interim report January - June 2019

April - June 2019

- Net sales for the second quarter amounted to SEK 3,751m (3,503).
- Organic growth was -1% (-2).
- Operating profit amounted to SEK 391m (387), corresponding to an operating margin of 10.4% (11.0).
- Total currency impact on Group operating profit was neutral.
- Profit after tax amounted to SEK 290m (297), corresponding to earnings per share after dilution of SEK 1.71 (1.76).
- Operating cash flow amounted to SEK 244m (184).

Nobia Group summary

	Apr-Jun			Jan-Jun			Jan-Dec	Jul-Jun	Change %
	2018	2019*	Change %	2018	2019*	Change %	2018	2018/2019*	
Net sales, SEK m	3,503	3,751	7	6,676	7,220	8	13,209	13,753	4
Gross margin, %	39.8	39.1	-	39.7	38.5	-	38.5	37.9	-
Operating margin before depreciation and impairment, %	13.2	16.0	-	11.9	14.8	-	10.2	11.8	-
Operating profit (EBIT), SEK m	387	391	1	642	651	1	1,018	1,027	1
Operating profit (EBIT) excl IAC, SEK m	387	391	1	642	651	1	1,084	1,093	1
Operating margin, %	11.0	10.4	-	9.6	9.0	-	7.7	7.5	-
Operating margin excl. IAC, %	11.0	10.4	-	9.6	9.0	-	8.2	7.9	-
Profit after financial items, SEK m	381	374	-2	628	610	-3	986	968	-2
Profit after tax, SEK m	297	290	-2	490	473	-3	753	736	-2
Profit after tax excl IAC, SEK m	297	290	-2	490	473	-3	808	791	-2
Earnings per share, before dilution, SEK	1.76	1.72	-2	2.91	2.80	-4	4.46	4.36	-2
Earnings per share, before dilution excl IAC, SEK	1.76	1.72	-2	2.91	2.80	-4	4.79	4.69	-2
Earnings per share, after dilution, SEK	1.76	1.71	-3	2.90	2.80	-3	4.46	4.36	-2
Earnings/loss per share, after dilution excl. IAC, SEK	1.76	1.71	-3	2.90	2.80	-3	4.79	4.69	-2
Operating cash flow, SEK m	184	244	33	248	485	96	599	836	40

* 2019 year's figures following the adoption of IFRS 16. For relevant effects excluding the impact of IFRS 16, please see next page.

Nobia Group summary excluding the impact of IFRS 16

	Apr-Jun			Jan-Jun			Jan-Dec	Jul-Jun	
	2018	2019*	Change %	2018	2019*	Change %	2018	2018/2019*	Change %
Operating margin before depreciation and impairment, %	13.2	12.5	–	11.9	11.2	–	10.2	9.9	–
Operating profit (EBIT), SEK m	387	383	-1	642	635	-1	1,018	1,011	-1
Operating margin, %	11.0	10.2	–	9.6	8.8	–	7.7	7.4	–
Profit after financial items, SEK m	381	380	0	628	623	-1	986	981	-1
Profit/loss after tax, SEK m	297	294	-1	490	483	-1	753	746	-1
Operating cash flow, SEK m	184	107	-42	248	222	-10	599	573	-4

* 2019 year's figures excluding the impact of IFRS 16. This means that 2019 year's figures are calculated as if IAS 17 was valid for the contracts that as of 2019 are treated in accordance to IFRS 16. This applies throughout the whole report where this comment appears

Comments from the President and CEO

Group organic net sales were down 1% and operating income was slightly higher than last year's second quarter. The performance in Nordic retail coupled with improvements in our supply chain mitigated softer market conditions and increasing inflationary pressure.

In the Nordics we delivered a 2% organic sales growth, if adjusted for the conversion of Norema stores into franchise. Retail sales improved, especially in Sweden, partly thanks to the favourable trend for our new kitchen concepts. The solid retail sales more than compensated for the decline in the Swedish and Norwegian project markets and fewer delivery days due to the timing of Easter. As the Nordic project segment overall remains soft, we will redirect more resources to the consumer segment going forward.

The UK market continues to be soft on the back of Brexit uncertainty, with the retail segment remaining challenging in terms of both price and volume. However, we are continuing to grow sales through other channels, including Magnet Trade. Thus with an organic growth in the UK of -1% we estimate to have captured shares in a declining market. Deliveries to our larger projects in London are also progressing well which should give tailwind going into the second half of 2019.

In Central Europe our latest acquisition Bribus is performing above expectations and we are now investing in the supply chain to cater for profitable growth.

Our supply chain has improved compared to a difficult last year. However, there are further opportunities for efficiency improvements and we are therefore reviewing our manufacturing footprint and consolidating our ranges to the Nobia standard (K20) platform. In parallel, we are implementing price increases and cost out initiatives to offset the mounting inflationary pressure.

We believe the high market volatility and inflationary pressure is likely to continue, especially on the back of Brexit. But our recent trend in Nordic retail and UK trade coupled with improved supply chain performance puts us in a favourable position to grow market shares and improve profitability.

After nine years as the CEO and President of Nobia, I have now ended my final quarter and will soon hand over to the newly appointed CEO Jon Sintorn. I am proud to hand over a company that has a great set of assets in its dedicated employees and strong kitchen brands, and is several times more profitable and financially stronger than when I took over. I am convinced Jon together with our employees will lead Nobia to further success. I would like to extend a warm thank you to all our employees, customers and shareholders, for your support over these years.

Morten Falkenberg
President and CEO



Second quarter, consolidated

Market overview

The overall Nordic kitchen market is deemed to be flat compared with the second quarter of 2018.

The UK kitchen market is deemed to have weakened due to the continued macroeconomic uncertainty.

The kitchen market in Central Europe is deemed to be almost in-line with the preceding year.

Net sales, earnings and cash flow

The Group's net sales amounted to SEK 3,751m (3,503), positively impacted by currency effects of SEK 82m and a contribution of SEK 202m from Bribus which has been consolidated into the Group's accounts since 1 July 2018.

Organic sales growth was -1% (-2), primarily due to lower sales in the CE region driven by profitability before sales priority as well as the conversion of own Norema stores into franchise stores in Norway.

The gross margin amounted to 39.1% (39.8). The gross margin was unchanged excluding the impact from the consolidation of Bribus and the Norema conversion. Inflationary pressure in the supply chain was offset by higher sales values and enhanced efficiency.

Operating profit was slightly higher at SEK 391m (387).

The return on operating capital was 15.1% (or 18.5% adjusted for the IFRS 16 impact) in the past twelve-month period (Jan-Dec 2018: 21.7). The return on equity was 18.0% in the past twelve-month period (Jan-Dec 2018: 20.2).

Operating cash flow improved to SEK 244m (184) as a result of the IFRS16 accounting policy. Adjusted for IFRS16¹⁾, operating cash flow decreased to SEK 107m (184), mainly due to the build-up of stock related to a potential Brexit. Investments in fixed assets amounted to SEK 57m (68).

¹⁾ Before the adoption of IFRS 16 lease payments were included in the operating activities and thereby affected the operating cash flow. After the adoption of IFRS 16 the lease payments are recognised in financing activities and thereby excluded from the operating cash flow.

Analysis of net sales

	Apr-Jun	
	%	SEK m
2018		3,503
Organic growth	-1	-36
–of which Nordic region	-1	-12
–of which UK region	-1	-11
–of which Central Europe	-9	-13
Acquired units	6	202
Currency effects	2	82
2019	7	3,751

Currency effect on operating results

SEK m	Apr-Jun		
	Trans- lation effect	Trans- action effect	Total effect
Nordic region	5	-15	-10
UK region	5	5	10
CE region	0	0	0
Group	10	-10	0

Store trend, Apr-Jun 2019

Newly opened/closed, net	-6
Number of own kitchen stores	240

Net sales and profit by region

SEK m	Nordic Apr-Jun		UK Apr-Jun		Central Europe Apr-Jun		Group-wide and eliminations Apr-Jun		Group Apr-Jun		Change, %
	2018	2019*	2018	2019*	2018	2019*	2018	2019*	2018	2019*	
Net sales from external customers	1,851	1,870	1,498	1,535	154	346	–	–	3,503	3,751	7
Net sales from other regions	0	0	–	–	1	0	-1	0	–	–	–
Net sales	1,851	1,870	1,498	1,535	155	346	-1	0	3,503	3,751	7
Gross profit	731	732	599	610	50	108	13	15	1,393	1,465	5
Gross margin, %	39.5	39.1	40.0	39.7	32.3	31.2	–	–	39.8	39.1	–
Operating profit/loss	278	275	134	127	9	32	-34	-43	387	391	1
Operating margin, %	15.0	14.7	8.9	8.3	5.8	9.2	–	–	11.0	10.4	–

*2019 year's figures following the adoption of IFRS 16, for figures excluding the impact of IFRS 16, please see page 21.

Second quarter, the regions

Nordic region

Net sales in the Nordic region amounted to SEK 1,870m (1,851).

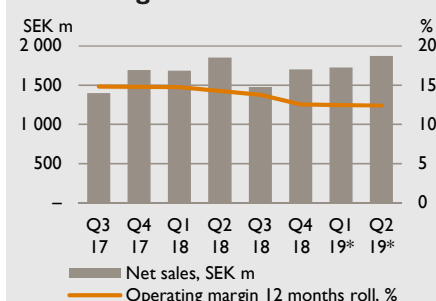
Organic growth was -1% (+1).

Sales were negatively impacted by the conversion of Norema stores to franchise stores in Norway. Excluding this effect, the underlying organic growth was positive and amounted to 2%. In addition, sales were also impacted by fewer trading days due to the timing of Easter. Project sales were up in Denmark and Finland while consumer sales increased in all markets but Denmark.

The gross margin amounted to 39.1% (39.5). Higher sales values and positive mix due to the higher retail sales were primarily offset by currency and inflationary pressure in the supply chain.

Operating profit amounted to SEK 275m (278).

Nordic region



*2019 year's figures following the adoption of IFRS 16.

UK region

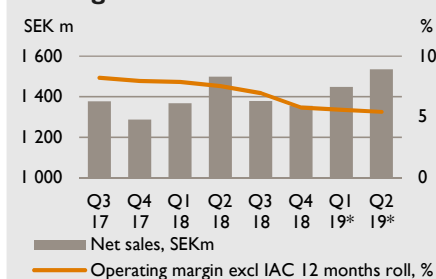
Net sales in the UK amounted to SEK 1,535m (1,498). Organic growth was -1% (-6).

Net sales in Magnet Retail declined while Magnet Trade improved, positively impacted by growth in trade kitchens but negatively affected by the reduction of the joinery offer. Sales to builder merchants improved while the contracts business was slightly down in the quarter.

Gross margin amounted to 39.7% (40.0). Higher sales values and cost reductions were offset primarily by an unfavourable channel mix trend, mainly due to lower retail sales.

Operating profit amounted to SEK 127m (134).

UK region



*2019 year's figures following the adoption of IFRS 16.

Central Europe region

Net sales in the Central Europe region amounted to SEK 346m (155).

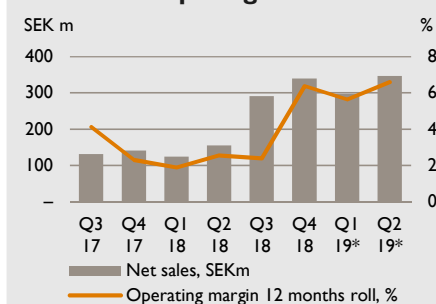
Organic growth was -9% (+10).

The higher sales were mainly the result of the consolidation of Bribus which added SEK 202m. Organic growth declined primarily due to lower sales in the low-end market in Austria, in order to prioritize profit ahead of volume.

The gross margin weakened to 31.2% (32.3). Improved average order values were offset mainly by structurally lower gross margins in Bribus and lower volumes.

Operating profit amounted to SEK 32m (9), positively impacted by the acquisition of Bribus.

Central Europe region



*2019 year's figures following the adoption of IFRS 16.

First six months, consolidated

January-June 2019

- Net sales for the first six months totalled SEK 7,220m (6,676).
- Operating profit totalled SEK 651m (642), corresponding to an operating margin of 9.0% (9.6).
- Currency had a positive effect of SEK 5m on the Group's operating profit, of which a positive SEK 20m in translation effects and a negative SEK 15m in transaction effects.
- Profit after tax amounted to SEK 473m (490), corresponding to earnings per share before dilution of SEK 2.80 (2.91) and after dilution of SEK 2.80 (2.90).
- Operating cash flow amounted to SEK 485m (248).

Comments on performance

Net sales were positively impacted by currency effects of SEK 218m. Organic sales growth was -1% (-4).

The gross margin decreased to 38.5% (39.7) impacted by higher direct material costs and other inflationary pressure in the supply chain and a structurally lower margin in Bribus which has been consolidated since July 1, 2018. Higher sales values and improved efficiency had a positive impact. Operating profit increased to SEK 651m (642).

Operating cash flow improved to SEK 485m (248) as a result of the IFRS16 accounting policy. Adjusted for IFRS16, the operating cash flow was SEK 222m (248)¹. Investments in fixed assets amounted to SEK 137m (142), of which SEK 48m (27) pertained to store investments.

¹) Before the adoption of IFRS 16 lease payments were included in the operating activities and thereby affected the operating cash flow. After the adoption of IFRS 16 the lease payments are recognised in financing activities and thereby excluded from the operating cash flow.

Analysis of net sales

	Jan-Jun	
	%	SEK m
2018		6,676
Organic growth	-1	-53
–of which Nordic region	-1	-21
–of which UK region	0	-10
–of which Central Europe region	-8	-22
Acquired units	6	379
Currency effects	3	218
2019	8	7,220

Currency effect on operating results

SEK m	Jan-Jun		
	Trans- lation effect	Trans- action effect	Total effect
Nordic region	10	-15	-5
UK region	10	0	10
CE region	0	0	0
Group	20	-15	5

Store trend, Jan-Jun 2019

Newly opened/closed, net	-8
Number of own kitchen stores	240

Net sales and profit by region

SEK m	Nordic Jan-Jun		UK Jan-Jun		Central Europe Jan-Jun		Group-wide and eliminations Jan-Jun		Group Jan-Jun		Change %
	2018	2019*	2018	2019*	2018	2019*	2018	2019*	2018	2019*	
Net sales from external customers	3,533	3,594	2,865	2,983	278	643	–	–	6,676	7,220	8
Net sales from other regions	0	0	–	–	1	0	-1	0	–	–	–
Net sales	3,533	3,594	2,865	2,983	279	643	-1	0	6,676	7,220	8
Gross profit	1,400	1,387	1,142	1,180	85	184	26	31	2,653	2,782	5
Gross margin, %	39.6	38.6	39.9	39.6	30.5	28.6	–	–	39.7	38.5	–
Operating profit/loss	491	489	213	200	11	37	-73	-75	642	651	1
Operating margin, %	13.9	13.6	7.4	6.7	3.9	5.8	–	–	9.6	9.0	–
Net financial items	–	–	–	–	–	–	–	–	-14	-41	–
Profit after financial items	–	–	–	–	–	–	–	–	628	610	-3

*2019 year's figures following the adoption of IFRS 16, for figures excluding the impact of IFRS 16, please see page 21.

Other information

Financing

In early July 2018, Nobia signed a new syndicated bank loan of SEK 2,000m with two banks. This bank loan has a term of five years and includes two covenants: leverage (net debt to EBITDA) and interest cover (EBITDA to net interest expenses). At the end of Q2 2019, the bank loan had been utilised in the amount of approximately SEK 1,284m.

Net debt including pension provisions amounted to SEK 4,407m (825) at the end of the second quarter. The debt/equity ratio was 115% (21). Net debt excluding IFRS16 but including pension provisions amounted to a SEK 1,746m (825). The debt/equity ratio excluding IFRS16 was 45% (21).

Net financial items amounted to an expense of SEK 41m (expense: 14). Net financial items include the net of returns on pension assets and interest expense on pension liabilities corresponding to an expense of SEK 6m (expense: 8). The net interest amounted to an expense of SEK 35m including interest on leasing. The net interest expense excluding interest on leasing amounted to SEK 6m (expense: 6).

Corporate acquisitions and divestments

No acquisitions or divestments took place during the period.

Items affecting comparability

Nobia recognises items affecting comparability separately to distinguish the performance of the underlying operations. Items affecting comparability refer to items that affect comparisons insofar as they do not recur with the same regularity as other items.

No items affecting comparability (–) were recognised for the first six months of 2019.

Personnel

The number of employees on 30 June 2019 was 6,172 (6,069), of which 298 were employed in Bribus.

Announcement of new President and CEO

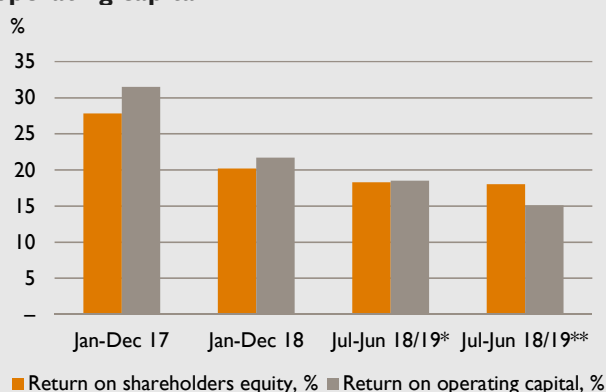
On 2 May, it was announced that Jon Sintorn has been appointed new CEO and President of Nobia. Jon Sintorn, who most recently served as President and CEO of Permobil, will succeed Morten Falkenberg at the latest on 1 September 2019. Morten Falkenberg will transition into new roles including industrial advisor for Nobia's largest owner.

Annual General Meeting

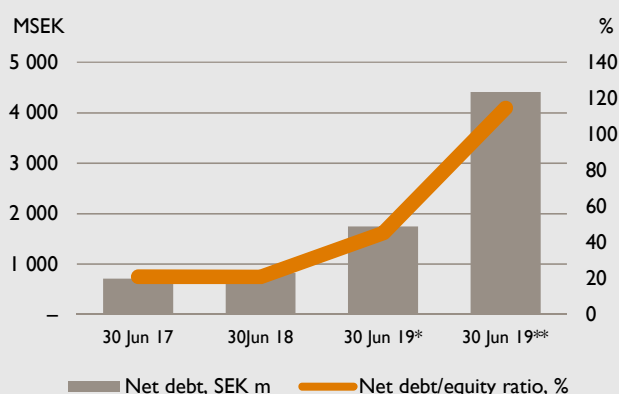
The Annual General Meeting (AGM) of Nobia took place on 2 May 2019. The AGM resolved to adopt the dividend proposal of SEK 4,00 per share for the 2018 fiscal year. Furthermore, the AGM resolved the other proposals regarding election of and fees to Board members and auditors, the guidelines for remuneration to Group Management, the Performance Share Plan and transfer of bought-back shares under the plan and the authorisation to acquire and sell shares.

Further information regarding the Annual General Meeting is available on Nobia's website.

Return on shareholders' equity and on operating capital



Net debt and net debt/equity ratio



*2019 excluding the impact of IFRS 16. **2019 following the adoption of IFRS 16.

Significant risks

Nobia is exposed to strategic, operating and financial risks, which are described on pages 67-69 of the 2018 Annual Report.

In the ordinary course of business, the Group is exposed to legal risks such as commercial, product liability and other disputes and provides for them as appropriate.

Nobia Group has operations, both sales and production, in the UK and thus can be impacted by a potential Brexit scenario. The Group has performed an analysis and

initiated mitigation activities in order to minimize any potential impact.

Financial risks refer primarily to currency exchange rates, interest rates, financing, tax and credit risks. Risk management within Nobia Group is regulated by a financial policy established by the Board of Directors.

Nobia's balance sheet as of 30 June 2019 contained goodwill of SEK 2,983 million (2,498). The value of this asset item is tested if there are any indications of a decline in value and at least once annually.

The Board of Directors and CEO assure that this six-month report provides a fair view of the Parent Company's and the Group's operations, financial position and profits, and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 19 July 2019

Hans Eckerström
Chairman

Nora Førisdal Larssen

Marlene Forsell

Stefan Jacobsson

Jill Little

George Adams

Morten Falkenberg
President and CEO

Per Bergström
Employee representative

Therese Asthede
Employee representative

This interim report has not been subject to review by the Company's auditors.

Nobia AB, Corporate Registration Number 556528-2752

Condensed consolidated income statement

SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2018	2019*	2018	2019*	2018	2018/2019*
Net sales	3,503	3,751	6,676	7,220	13,209	13,753
Cost of goods sold	-2,110	-2,286	-4,023	-4,438	-8,119	-8,534
Gross profit	1,393	1,465	2,653	2,782	5,090	5,219
Selling and administrative expenses	-1,017	-1,094	-2,032	-2,170	-4,031	-4,169
Other income/expenses	11	20	21	39	-41	-23
Operating profit	387	391	642	651	1,018	1,027
Net financial items	-6	-17	-14	-41	-32	-59
Profit after financial items	381	374	628	610	986	968
Tax	-84	-84	-138	-137	-233	-232
Profit after tax	297	290	490	473	753	736
Total profit attributable to:						
Parent Company shareholders	297	290	490	473	753	736
Total depreciation	-76	-210	-150	-416	-315	-581
Total impairment	-	-	-	1	-11	-10
Gross margin, %	39.8	39.1	39.7	38.5	38.5	37.9
Operating margin, %	11.0	10.4	9.6	9.0	7.7	7.5
Return on operating capital, %	-	-	-	-	21.7	15.1
Return on shareholders' equity, %	-	-	-	-	20.2	18.0
Earnings per share before dilution, SEK ¹	1.76	1.72	2.91	2.80	4.46	4.36
Earnings per share after dilution, SEK ¹	1.76	1.71	2.90	2.80	4.46	4.36
Number of shares at period end before dilution, 000s ²	168,687	168,687	168,687	168,687	168,687	168,687
Average number of shares before dilution, 000s ²	168,653	168,687	168,618	168,687	168,653	168,687
Number of shares after dilution at period end, 000s ²	168,792	169,068	168,792	169,068	168,687	169,068
Average number of shares after dilution, 000s ²	168,767	168,800	168,742	168,744	168,687	168,715

* 2019 year's figures following the adoption of IFRS 16.

¹ Earnings per share attributable to Parent Company shareholders.

² Excluding treasury shares.

Consolidated statement of comprehensive income

SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2018	2019*	2018	2019*	2018	2018/2019*
Profit/loss after tax	297	290	490	473	753	736
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Exchange-rate differences attributable to translation of foreign operations	33	-55	267	166	98	-3
Cash flow hedges before tax	-5	15	-10 ¹	1 ¹	-7 ¹	4
Tax attributable to change in hedging reserve for the period	1	-3	2 ²	0 ²	2 ²	0
	29	-43	259	167	93	1
Items that will not be reclassified to profit or loss						
Remeasurements of defined benefit pension plans	147	20	183	-34	100	-117
Tax relating to remeasurements of defined benefit pension plans	-25	-3	-31	6	-17	20
	122	17	152	-28	83	-97
Other comprehensive income/loss	151	-26	411	139	176	-96
Total comprehensive income	448	264	901	612	929	640
Total comprehensive income attributable to:						
Parent Company shareholders	448	264	901	612	929	640

* 2019 year's figures following the adoption of IFRS 16.

¹ Reversal recognised in profit and loss amounts to a negative SEK 3m (neg: 10), (Jan-Dec 2018, neg:10). New provision amounts to a SEK 4m (pos: 0), (Jan-Dec 2018, pos: 3)

² Reversal recognised in profit and loss amounts to SEK 1m (pos: 2), (Jan-Dec 2018, pos: 3). New allocation amounts to a negative SEK 1m (pos: 0), (Jan-Dec 2018, neg: 1).

Items affecting comparability

	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2018	2019	2018	2019	2018	2018/2019
Items affecting comparability, SEK m						
Pension adjustment	-	-	-	-	-66	-66
Items affecting comparability in operating profit	-	-	-	-	-66	-66
Items affecting comparability in taxes	-	-	-	-	11	11
Items affecting comparability, total profit	-	-	-	-	-55	-55
Items affecting comparability per function, SEK m						
Other income/expenses	-	-	-	-	-66	-66
Items affecting comparability in operating profit	-	-	-	-	-66	-66
Items affecting comparability in taxes	-	-	-	-	11	11
Items affecting comparability, total profit	-	-	-	-	-55	-55
Items affecting comparability in operating profit per region, SEK m						
UK	-	-	-	-	-66	-66
Group	-	-	-	-	-66	-66

Condensed consolidated balance sheet

SEK m	30 Jun		31 Dec
	2018	2019*	2018
ASSETS			
Goodwill	2,498	2,983	2,887
Other intangible fixed assets	135	167	184
Tangible fixed assets ¹	1,442	4,303	1,547
Long-term receivables, interest-bearing (IB)	4	3	2
Long-term receivables	35	58	42
Deferred tax assets	84	79	97
Total fixed assets	4,198	7,593	4,759
Inventories	964	1,108	962
Accounts receivable	1,702	1,767	1,426
Current receivables, interest-bearing (IB)	31	1	33
Other receivables	519	461	458
<i>Total current receivables</i>	<i>2,252</i>	<i>2,229</i>	<i>1,917</i>
Cash and cash equivalents (IB)	52	126	128
Total current assets	3,268	3,463	3,007
Total assets	7,466	11,056	7,766
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital	58	57	57
Other capital contributions	1,488	1,493	1,484
Reserves	-5	-4	-171
Profit brought forward	2,332	2,297	2,527
<i>Total shareholders' equity attributable to Parent Company shareholders</i>	<i>3,873</i>	<i>3,843</i>	<i>3,897</i>
Total shareholders' equity	3,873	3,843	3,897
Provisions for pensions (IB)	383	525	505
Other provisions	34	35	42
Deferred tax liabilities	87	51	75
Other long-term liabilities, interest-bearing (IB) ²	442	3,576	850
Other long-term liabilities, non interest-bearing	-	32	44
Total long-term liabilities	946	4,219	1,516
Current liabilities, interest-bearing (IB) ³	87	436	74
Current liabilities	2,560	2,558	2,279
Total current liabilities	2,647	2,994	2,353
Total shareholders' equity and liabilities	7,466	11,056	7,766
BALANCE-SHEET RELATED KEY RATIOS			
Equity/assets ratio, %	52	35	50
Debt/equity ratio, %	21	115	32
Debt/equity ratio excluding the impact of IFRS 16, %	21	45	32
Net debt, closing balance, SEK m	825	4,407	1,266
Operating capital, closing balance, SEK m	4,698	8,250	5,163
Capital employed, closing balance, SEK m	4,785	8,380	5,326

* 2019 year's figures following the adoption of IFRS 16.

¹⁾ Of which, right of use assets amounted to SEK 2,742m on 30 June 2019 ²⁾ Of which, long-term lease liabilities amounted to SEK 2,287m on 30 June 2019 ³⁾ Of which short-term lease liabilities amounted to SEK 374m on 30 June 2019.

Statement of changes in consolidated shareholders' equity

SEK m	Attributable to Parent Company shareholders					
	Share capital	Other capital contributions	Exchange-rate differences attributable to translation of foreign operations	Cash-flow hedges after tax	Profit brought forward	Total shareholders equity
Opening balance, 1 January 2018	58	1,486	-271	7	2,874	4,154
New accounting principles, financial instruments	-	-	-	-	-4	-4
Restated opening balance, 1 January 2018	58	1,486	-271	7	2,870	4,150
Profit for the period	-	-	-	-	490	490
Other comprehensive income/loss for the period	-	-	267	-8	152	411
Total comprehensive income for the period	-	-	267	-8	642	901
Dividend	-	-	-	-	-1,180	-1,180
Allocation of share saving schemes	-	2	-	-	-	2
Closing balance, 30 June 2018	58	1,488	-4	-1	2,332	3,873
Opening balance, 1 January 2019	57	1,484	-173	2	2,527	3,897
Profit/ for the period	-	-	-	-	473	473
Other comprehensive income/loss for the period	-	-	166	1	-28	139
Total comprehensive income for the period	-	-	166	1	445	612
Dividend	-	-	-	-	-675	-675
Treasury share reissued	-	9	-	-	-	9
Allocation of share saving schemes	-	0	-	-	-	0
Closing balance, 30 June 2019	57	1,493	-7	3	2,297	3,843

Condensed consolidated cash-flow statement

SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2018	2019*	2018	2019*	2018	2018/19*
<i>Operating activities</i>						
Operating profit	387	391	642	651	1,018	1,027
Depreciation/Impairment	76	210	150 ¹	415 ²	326 ³	591
Adjustments for non-cash items	-10	-8	-3	2	126	131
Tax paid	-46	-43	-123	-143	-261	-281
Change in working capital	-158	-243	-285	-304	-208	-227
Cash flow from operating activities	249	307	381	621	1,001	1,241
<i>Investing activities</i>						
Investments in fixed assets	-68	-57	-142	-137	-414	-409
Other items in investing activities	3	-6	9	1	12	4
Interest received	1	1	1	1	2	2
Change in interest-bearing assets	1	0	-11	31	-12	30
Acquisition of operations	-	-	-	-	-558	-558
Cash flow from investing activities	-63	-62	-143	-104	-970	-931
Operating cash flow before acquisition/divestment of operations interest, increase/decrease of interest-bearing assets	184	244	248	485	599	836
Total cashflow from operating and investing activities	186	245	238	517	31	310
<i>Financing activities</i>						
Interest paid	-4	-19	-7	-37	-13	-43
Change in interest-bearing liabilities	542	333	533 ⁴	127 ⁵	818 ⁶	412
Treasury share reissued	-	9	-	9	-	9
Dividend	-1,180	-675	-1,180	-675	-1,180	-675
Cash flow from financing activities	-642	-352	-654	-576	-375	-297
Cash flow for the period excluding exchange-rate differences in cash and cash equivalents	-456	-107	-416	-59	-344	13
Cash and cash equivalents at beginning of the period	536	222	473	128	473	52
Cash flow for the period	-456	-107	-416	-59	-344	13
Exchange-rate differences in cash and cash equivalents	-28	11	-5	57	-1	61
Cash and cash equivalents at period-end	52	126	52	126	128	126

*2019 year's figures following the adoption of IFRS 16.

1) No impairment took place during the period.

2) Reversal of impairment amounted to SEK 1m and pertained to equipment, tools, fixtures and fittings.

3) Impairments amounted to SEK 11m and pertained to equipment, tools, fixtures and fittings SEK 2m and kitchen displays SEK 9m.

4) Raising of loans amounted to SEK 430m.

5) Net of repayment and raising of loans amounted to SEK 400m. Amortisation of leasing amounted to SEK 234m.

6) Raising and repayment of loans totalling SEK 802m.

Analysis of net debt

SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2018	2019*	2018	2019*	2018	2018/2019*
Opening balance	-19	4,019	77	1,266	77	825
OB leasing liabilities new accounting principle	-	-	-	2,716	-	2,716
New leasing contracts/Closed leasing contracts in advance, net	-	-16	-	91	-	91
Acquisition of operations	-	-	-	-	618	618
Translation differences	-15	-13	-16	78	-6	88
Operating cash flow	-184	-244	-248	-485	-599	-836
Interest paid, net	3	18	6	36	11	41
Remeasurements of defined benefit pension plans	-147	-20	-183	34	-100	117
Other change in pension liabilities	7	-3	9	5	85	81
Treasury share reissued	-	-9	-	-9	-	-9
Dividend	1,180	675	1,180	675	1,180	675
Closing balance	825	4,407	825	4,407	1,266	4,407

*2019 year's figures following the adoption of IFRS 16.

Note I – Accounting policies

This interim report has been prepared in accordance with IFRS, with the application of IAS 34 Interim Financial Reporting. For the Parent Company, accounting policies are applied in accordance with Chapter 9, Interim Reports, of the Swedish Annual Accounts Act. Nobia has applied the same accounting policies in this interim report as were applied in the 2018 Annual Report, except for the recognition of leases (IFRS 16). A description of the new accounting policies in their entirety is provided in the 2018 Annual Report.

IFRS 16 Leases

Nobia applies *IFRS 16 Leases* from 1 January 2019. IFRS 16 introduces a standardised lease recognition model for lessees. Nobia assess whether a lease contract is, or contains, a lease at the start of the contract. For cases in which Nobia is deemed to be a lessee, a right-of-use asset is recognised that represents a right to use the underlying asset and a lease liability that represents an obligation to pay lease payments. There are exemptions for short-term leases (leases with a maximum term of 12 months) and low-value assets. For leases that meet the exemption criteria, the Group recognises lease payments as an operating expense straight-line over the lease term.

Recognition for the lessor is similar to the current standard, meaning that the lessor continues to classify leases as finance or operating leases.

IFRS 16 Leases replaces previous IFRSs related to accounting for leases.

In 2018, Nobia identified material contracts that were deemed to be affected by IFRS 16 Leases. These contracts were divided into the asset classes of premises, vehicles and other. The conclusion drawn after the review of the leases was that premises is the class of asset that will have the greatest impact on the carrying amounts of assets and liabilities due to the introduction of IFRS 16 Leases. Nobia also intends to direct its subsidiaries to make as similar assessments as possible by applying a number of Group-wide guidelines on, for example, extension options, interest and lease payments.

The lease liability is initially measured at the present value of future lease payments that were not paid on the commencement date, discounted by a weighted average incremental borrowing rate. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of lease liabilities include the following:

- fixed payments, less any incentives payable to be received when the lease is signed,
- variable lease payments that depend on an index or rate, initially measured using the index or rates on the commencement date,
- amounts expected to be payable by the lessee under a residual value guarantee,
- the exercise price under a purchase option that the lessee is reasonably certain to exercise, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Lease liabilities are presented together with long-term and short-term financial interest-bearing liabilities, with specifications in the notes to the balance sheet. Lease liabilities are recognised in subsequent periods by the liability being increased to reflect the effect of the interest and reduced to reflect effect of the paid lease payments.

The right-of-use asset is initially measured at the amount of the lease liability, plus lease payments paid at or prior to the commencement date of the lease. The right-of-use asset is recognised in subsequent periods at cost minus depreciation and impairment. Right-of-use assets are depreciated over the estimated useful life or, if it is shorter, the contracted lease term. If a lease transfers ownership at the end of the lease term or if the cost includes the reasonable certain exercise of a purchase option, the right-of-use asset is depreciated over the useful life. Depreciation starts on the commencement date of the lease.

Nobia applies the principles of IAS 36 for the impairment of right-of-use assets and recognises this in the same manner as described for tangible fixed assets recognised under IAS 16.

The right-of-use asset is presented together with tangible fixed assets, with specifications in the notes to the balance sheet.

Variable lease payments that do not depend on an index or rate are not included in the measurement of lease liabilities or right-of-use assets. Such lease payments are recognised as an expense in operating profit in the period in which they arise.

On 1 January 2019, Nobia recognised additional lease liabilities of SEK 2,716m and right-of-use assets (plus advance payments on 31 December 2018) of SEK 2,802m, see table below.

	Recognised balance- sheet items 1 January 2019	Restatement to IFRS 16	Restated balance- sheet items 1 January 2019
Assets			
Tangible fixed assets	1,547	2,802	4,349
Other receivables	458	-86	372
Total effect on assets	2,005	2,716	4,721
Liabilities			
Long-term and short-term liabilities, interest-bearing	924	2,716	3,640
Total effect on liabilities	924	2,716	3,640

Transition and exemption rules

Nobia decided to apply the modified retrospective approach. This meant that the accumulated effect of IFRS 16 was recognised in profit brought forward in the opening balance for 1 January 2019 without restating comparative figures. Nobia measured the right-of-use (the asset) at the amount corresponding to the lease liability (plus advance payments on 31 December 2018), which entailed that the accumulated effect in profit brought forward in the opening balance did not arise.

Nobia applies the exemption rule of using the same discount rate for a portfolio of leases with similar characteristics.

Leases of low value (assets valued at less than about SEK 50,000 in new condition) – mainly comprising computers, printers/photocopiers and coffee machines – are not included in the lease liability but are expensed straight-line over the lease term. The Group is not deemed to have any material short-term leases (leases with a term of a maximum of 12 months). Nobia also applies the exemption rule of not including long-term leases whose remaining lease term is less than 12 months from the date of initial application.

Other disclosures

The weighted average incremental borrowing rate used on the date of initial application (1 January 2019) is 1.96%.

For more information about the effects of the performance measures and similar after the introduction of IFRS 16, refer to the pages 25-26 "Reconciliation of alternative performance measures."

Note 2 – References

Segment information, pages 4 and 5.

Loan and shareholder's equity transactions, page 7.

Items affecting comparability, page 7.

Net sales by product group, page 24.

Note 3 – Financial instruments – fair value

Nobia's financial assets essentially comprise non-interest-bearing and interest-bearing receivables whereby cash flows only represent payment for the initial investment and, where applicable, for the time value and interest. These are intended to be held to maturity and are recognised at amortised cost, which is a reasonable approximation of fair value. Financial liabilities are primarily recognised at amortised cost.

Financial instruments measured at fair value in the balance sheet are currency forward contracts comprised of assets at a value of SEK 14m (31 Dec 2018: 13) and liabilities at a value of SEK 11m (31 Dec 2018: 19). These items are measured according to level 2 of the fair value hierarchy, meaning based on indirect observable market data. Nobia's financial instruments are measured at fair value and included in the balance sheet on the rows "Other receivables" and "Current liabilities".

Note 4 – Related-party transactions

There is no sale and manufacturing of kitchens in the Parent Company. The Parent Company invoiced Group-wide services to subsidiaries in an amount of SEK 136m (127) during the first half of 2019. The Parent Company's reported dividends from participations in Group companies totalled SEK 0m (0).

Parent Company

Condensed Parent Company income statement

SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2018	2019	2018	2019	2018	2018/2019
Net sales	65	68	128	136	254	262
Administrative expenses	-70	-78	-143	-140	-265	-262
Other operating income	2	2	3	3	3	3
Other operating expenses	0	-1	-1	-2	-3	-4
Operating loss	-3	-9	-13	-3	-11	-1
Profit from shares in Group companies	0	-	-	-	793	793
Other financial income and expenses	23	7	112	85	40	13
Profit/loss after financial items	20	-2	99	82	822	805
Tax on profit/loss for the period	0	0	0	0	-5	-5
Profit/loss for the period	20	-2	99	82	817	800

Parent Company balance sheet

SEK m	30 Jun		31 Dec
	2018	2019	2018
ASSETS			
Fixed assets			
Tangible fixed assets	-	2	-
Shares and participations in Group companies	1,381	1,378	1,378
Deferred tax assets	5	4	4
Total fixed assets	1,386	1,384	1,382
Current assets			
<i>Current receivables</i>			
Accounts receivable	5	5	26
Receivables from Group companies	2,213	2,073	2,483
Other receivables	76	50	56
Prepaid expenses and accrued income	49	53	62
Cash and cash equivalents	12	28	38
Total current assets	2,355	2,209	2,665
Total assets	3,741	3,593	4,047
SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES			
Shareholders' equity			
<i>Restricted shareholders' equity</i>			
Share capital	58	57	57
Statutory reserve	1,671	1,671	1,671
	1,729	1,728	1,728
<i>Non-restricted shareholders' equity</i>			
Share premium reserve	52	52	52
Buy-back of shares	-379	-92	-92
Profit brought forward	967	821	678
Profit for the period	99	82	817
	739	863	1,455
Total shareholders' equity	2,468	2,591	3,183
Long term liabilities			
Provisions for pensions	18	20	19
Deferred tax liabilities	5	4	5
Long term interest-bearing liabilities	-	1	-
Total long-term liabilities	23	25	24
Current liabilities			
Liabilities to credit institutes	60	34	25
Other interest-bearing liabilities	-	1	-
Accounts payable	18	23	24
Liabilities to Group companies	1,113	896	729
Current tax liabilities	18	0	11
Other liabilities	27	3	33
Accrued expenses and deferred income	14	20	18
Total current liabilities	1,250	977	840
Total shareholders' equity, provisions and liabilities	3,741	3,593	4,047

Comparative data per region

Net sales, SEK m	Apr-Jun			Jan-Jun			Jan-Dec		Jul-Jun	
	2018	2019*	2019**	2018	2019*	2019**	2018	2018/2019*	2018/2019**	
Nordic	1,851	1,870	1,870	3,533	3,594	3,594	6,705	6,766	6,766	
UK	1,498	1,535	1,535	2,865	2,983	2,983	5,597	5,715	5,715	
Central Europe	155	346	346	279	643	643	909	1,273	1,273	
Group-wide and eliminations	-1	-	-	-1	-	-	-2	-1	-1	
Group	3,503	3,751	3,751	6,676	7,220	7,220	13,209	13,753	13,753	

Gross profit, SEK m	Apr-Jun			Jan-Jun			Jan-Dec		Jul-Jun	
	2018	2019*	2019**	2018	2019*	2019**	2018	2018/2019*	2018/2019**	
Nordic	731	731	732	1,400	1,386	1,387	2,590	2,576	2,577	
UK	599	610	610	1,142	1,179	1,180	2,190	2,227	2,228	
Central Europe	50	107	108	85	183	184	256	354	355	
Group-wide and eliminations	13	16	15	26	32	31	54	60	59	
Group	1,393	1,464	1,465	2,653	2,780	2,782	5,090	5,217	5,219	

Gross margin, %	Apr-Jun			Jan-Jun			Jan-Dec		Jul-Jun	
	2018	2019*	2019**	2018	2019*	2019**	2018	2018/2019*	2018/2019**	
Nordic	39.5	39.1	39.1	39.6	38.6	38.6	38.6	38.1	38.1	
UK	40.0	39.7	39.7	39.9	39.5	39.6	39.1	39.0	39.0	
Central Europe	32.3	30.9	31.2	30.5	28.5	28.6	28.2	27.8	27.9	
Group	39.8	39.0	39.1	39.7	38.5	38.5	38.5	37.9	37.9	

Operating profit, SEK m	Apr-Jun			Jan-Jun			Jan-Dec		Jul-Jun	
	2018	2019*	2019**	2018	2019*	2019**	2018	2018/2019*	2018/2019**	
Nordic	278	272	275	491	483	489	841	833	839	
UK	134	123	127	213	191	200	257	235	244	
Central Europe	9	31	32	11	36	37	58	83	84	
Group-wide and eliminations	-34	-43	-43	-73	-75	-75	-138	-140	-140	
Group	387	383	391	642	635	651	1,018	1,011	1,027	

Operating profit excl IAC, SEK m	Apr-Jun			Jan-Jun			Jan-Dec		Jul-Jun	
	2018	2019*	2019**	2018	2019*	2019**	2018	2018/2019*	2018/2019**	
Nordic	278	272	275	491	483	489	841	833	839	
UK	134	123	127	213	191	200	323	301	310	
Central Europe	9	31	32	11	36	37	58	83	84	
Group-wide and eliminations	-34	-43	-43	-73	-75	-75	-138	-140	-140	
Group	387	383	391	642	635	651	1,084	1,077	1,093	

Operating margin, %	Apr-Jun			Jan-Jun			Jan-Dec		Jul-Jun	
	2018	2019*	2019**	2018	2019*	2019**	2018	2018/2019*	2018/2019**	
Nordic	15.0	14.5	14.7	13.9	13.4	13.6	12.5	12.3	12.4	
UK	8.9	8.0	8.3	7.4	6.4	6.7	4.6	4.1	4.3	
Central Europe	5.8	9.0	9.2	3.9	5.6	5.8	6.4	6.5	6.6	
Group	11.0	10.2	10.4	9.6	8.8	9.0	7.7	7.4	7.5	

Operating margin excl IAC, %	Apr-Jun			Jan-Jun			Jan-Dec		Jul-Jun	
	2018	2019*	2019**	2018	2019*	2019**	2018	2018/2019*	2018/2019**	
Nordic	15.0	14.5	14.7	13.9	13.4	13.6	12.5	12.3	12.4	
UK	8.9	8.0	8.3	7.4	6.4	6.7	5.8	5.3	5.4	
Central Europe	5.8	9.0	9.2	3.9	5.6	5.8	6.4	6.5	6.6	
Group	11.0	10.2	10.4	9.6	8.8	9.0	8.2	7.8	7.9	

*2019 year's figures excluding the impact of IFRS 16. **2019 year's figures following the adoption of IFRS 16.

Quarterly data per region

Net sales, SEK m	2018				2019*	
	I	II	III	IV	I	II
Nordic	1,682	1,851	1,474	1,698	1,724	1,870
UK	1,367	1,498	1,378	1,354	1,448	1,535
Central Europe	124	155	291	339	297	346
Group-wide and eliminations	0	-1	0	-1	0	0
Group	3,173	3,503	3,143	3,390	3,469	3,751

Gross profit, SEK m	2018				2019*	
	I	II	III	IV	I	II
Nordic	669	731	557	633	655	732
UK	543	599	543	505	570	610
Central Europe	35	50	70	101	76	108
Group-wide and eliminations	13	13	14	14	16	15
Group	1,260	1,393	1,184	1,253	1,317	1,465

Gross margin, %	2018				2019*	
	I	II	III	IV	I	II
Nordic	39.8	39.5	37.8	37.3	38.0	39.1
UK	39.7	40.0	39.4	37.3	39.4	39.7
Central Europe	28.2	32.3	24.1	29.8	25.6	31.2
Group	39.7	39.8	37.7	37.0	38.0	39.1

Operating profit, SEK m	2018				2019*	
	I	II	III	IV	I	II
Nordic	213	278	185	165	214	275
UK	79	134	105	-61	73	127
Central Europe	2	9	10	37	5	32
Group-wide and eliminations	-39	-34	-33	-32	-32	-43
Group	255	387	267	109	260	391

Operating profit excl IAC, SEK m	2018				2019*	
	I	II	III	IV	I	II
Nordic	213	278	185	165	214	275
UK	79	134	105	5	73	127
Central Europe	2	9	10	37	5	32
Group-wide and eliminations	-39	-34	-33	-32	-32	-43
Group	255	387	267	175	260	391

Operating margin, %	2018				2019*	
	I	II	III	IV	I	II
Nordic	12.7	15.0	12.6	9.7	12.4	14.7
UK	5.8	8.9	7.6	-4.5	5.0	8.3
Central Europe	1.6	5.8	3.4	10.9	1.7	9.2
Group	8.0	11.0	8.5	3.2	7.5	10.4

Operating margin excl IAC, %	2018				2019*	
	I	II	III	IV	I	II
Nordic	12.7	15.0	12.6	9.7	12.4	14.7
UK	5.8	8.9	7.6	0.4	5.0	8.3
Central Europe	1.6	5.8	3.4	10.9	1.7	9.2
Group	8.0	11.0	8.5	5.2	7.5	10.4

*2019 year's figures following the adoption of IFRS 16.

Operating capital per region

	30 Jun			31 Dec
	2018	2019*	2019**	2018
Operating capital Nordic region, SEK m				
Operating assets	3,009	2,303	3,564	2,031
Operating liabilities	1,087	1,293	1,293	1,245
Operating capital	1,922	1,010	2,271	786

	30 Jun			31 Dec
	2018	2019*	2019**	2018
Operating capital UK region, SEK m				
Operating assets	2,301	3,149	4,371	2,812
Operating liabilities	1,270	997	997	843
Operating capital	1,031	2,152	3,374	1,969

	30 Jun			31 Dec
	2018	2019*	2019**	2018
Operating capital Central Europe region, SEK m				
Operating assets	243	470	636	462
Operating liabilities	110	193	193	170
Operating capital	133	277	443	292

	30 Jun			31 Dec
	2018	2019*	2019**	2018
Operating capital Group-wide and eliminations, SEK m				
Operating assets	1,826	2,353	2,355	2,298
Operating liabilities	214	193	193	182
Operating capital	1,612	2,160	2,162	2,116

	30 Jun			31 Dec
	2018	2019*	2019**	2018
Operating capital, SEK m				
Operating assets	7,379	8,275	10,926	7,603
Operating liabilities	2,681	2,676	2,676	2,440
Operating capital	4,698	5,599	8,250	5,163

*2019 year's figures excluding the impact of IFRS 16

**2019 year's figures following the adoption of IFRS 16.

Reconciliation of alternative performance measures

Nobia presents certain financial performance measures in the interim report that are not defined according to IFRS, known as alternative performance measures. Nobia believes that these measures provide valuable complementary information to investors and the company's management since they facilitate assessments of trends and the company's performance. Because not all companies calculate performance measures in the same way, these are not always comparable with those measures used by other companies. Consequently, the performance measures are not to be seen as replacements for measures defined according to IFRS. For definitions of the performance measures that Nobia uses, see pages 27-28.

	Apr-Jun		Jan-Jun	
	%	SEK m	%	SEK m
Analysis of external net sales Nordic region				
2018		1,851		3,533
Organic growth	-1	-12	-1	-21
Currency effects	2	31	2	82
2019	1	1,870	2	3,594

	Apr-Jun		Jan-Jun	
	%	SEK m	%	SEK m
Analysis of external net sales UK region				
2018		1,498		2,865
Organic growth	-1	-11	0	-10
Currency effects	4	48	3	128
2019	3	1,535	2	2,983

	Apr-Jun		Jan-Jun	
	%	SEK m	%	SEK m
Analysis of external net sales CE region				
2018		154		278
Organic growth	-9	-13	-8	-22
Acquired units	130	202	136	379
Currency effects	3	3	3	8
2019	124	346	131	643

	Apr-Jun			Jan-Jun			Jan-Dec	Jul-Jun	
	2018	2019*	2019**	2018	2019*	2019**	2018	2018/ 2019*	2018/ 2019**
Operating profit before depreciation and impairment SEK m									
Operating profit	387	383	391	642	635	651	1,018	1,011	1,027
Depreciation and impairment	76	86	210	150	173	415	326	349	591
Operating profit before depreciation and impairment	463	469	601	792	808	1,066	1,344	1,360	1,618
Net Sales	3,503	3,751	3,751	6,676	7,220	7,220	13,209	13,753	13,753
% of sales	13.2%	12.5%	16.0%	11.9%	11.2%	14.8%	10.2%	9.9%	11.8%

	Apr-Jun			Jan-Jun			Jan-Dec	Jul-Jun	
	2018	2019*	2019**	2018	2019*	2019**	2018	2018/ 2019*	2018/ 2019**
Profit after tax excl. IAC SEK m									
Profit after tax	297	294	290	490	483	473	753	746	736
Items affecting comparability net after tax	-	-	-	-	-	-	55	55	55
Profit after tax excl. IAC	297	294	290	490	483	473	808	801	791

*2019 year's figures excluding the impact of IFRS 16

**2019 year's figures following the adoption of IFRS 16.

Reconciliation of alternative performance measures, cont.

Net debt SEK m	2018	30 Jun		31 Dec
		2019*	2019**	2018
Provisions for pensions (IB)	383	525	525	505
Other long-term liabilities, interest-bearing (IB)	442	1289	3576	850
Current liabilities, interest-bearing (IB)	87	62	436	74
Interest-bearing liabilities	912	1,876	4,537	1,429
Long-term receivables, interest -bearing (IB)	-4	-3	-3	-2
Current receivables, interest-bearing (IB)	-31	-1	-1	-33
Cash and cash equivalents (IB)	-52	-126	-126	-128
Interest-bearing assets	-87	-130	-130	-163
Net debt	825	1,746	4,407	1,266

Operating capital SEK m	2018	30 Jun		31 Dec
		2019*	2019**	2018
Total assets	7,466	8,405	11,056	7,766
Other provisions	-34	-35	-35	-42
Deferred tax liabilities	-87	-51	-51	-75
Other long-term liabilities, non interest-bearing	-	-32	-32	-44
Current liabilities, non interest-bearing	-2 560	-2 558	-2 558	-2 279
Non-interest-bearing liabilities	-2 681	-2 676	-2 676	-2 440
Capital employed	4 785	5 729	8 380	5 326
Interest-bearing assets	-87	-130	-130	-163
Operating capital	4 698	5 599	8 250	5 163

Average operating capital SEK m	Jan-Dec		Jul-Jun
	2018	2019*	2019**
OB Operating capital	4,231	4,698	4,698
CB Operating capital	5,163	5,599	8,250
Average operating capital before adjustments of acquisition and divestments	4,697	5,149	6,474
Adjustment for the effect due to adaption of IFRS 16 not occurred in the middle of the period	-	-	0
Adjustment for acquisitions and divestments not occurred in the middle of the period	0	333	333
Average operating capital	4,697	5,482	6,807

Average equity SEK m	Jan-Dec		Jul-Jun
	2018	2019*	2019**
OB Equity attributable to Parent Company shareholders	4,154	3,873	3,873
CB Equity attributable to Parent Company shareholders	3,897	3,853	3,843
Average equity before adjustment of increases and decreases in capital	4,026	3,863	3,858
Adjustment for increases and decreases in capital not occurred in the middle of the period	-295	225	225
Average equity	3,731	4,088	4,083

*2019 year's figures excluding the impact of IFRS 16. **2019 year's figures following the adoption of IFRS 16.

Definitions

Performance measure	Calculation	Purpose
Return on shareholders' equity	Net profit for the period as a percentage of average shareholders' equity attributable to Parent Company shareholders based on opening and closing balances for the period. The calculation of average shareholders' equity has been adjusted for increases and decreases in capital.	Return on shareholders' equity shows the total return on shareholders' capital in accounting terms and reflects the effects of both the operational profitability and financial gearing. The measure is primarily used to analyse shareholder profitability over time.
Return on operating capital	Operating profit as a percentage of average operating capital based on opening and closing balances for the period excluding net assets attributable to discontinued operations. The calculation of average operating capital has been adjusted for acquisitions and divestments.	Return on operating capital shows how well the operations use net capital that is tied up in the company. It reflects how both cost and capital-efficient net sales are generated, meaning the combined effect of the operating margin and the turnover rate of operating capital. The measure is used in profitability comparisons between operations in the Group and to assess the Group's profitability over time.
Gross margin	Gross profit as a percentage of sales.	This measure reflects the efficiency of the part of the operations that is primarily linked to production and logistics. It is used to measure cost efficiency in this part of the operations.
EBITDA	Earnings before depreciation/amortisation and impairment.	To simplify, the measure shows the earnings-generating cash flow in the operations. It provides a view of the ability of the operations, in absolute terms, to generate resources for investment and payment to financiers and is used for comparisons over time.
Items affecting comparability	Items that affect comparability in so far as they do not reoccur with the same regularity as other items.	Reporting items affecting comparability separately clearly shows the performance of the underlying operations.
Net debt	Interest-bearing liabilities less interest-bearing assets. Interest-bearing liabilities include pension liabilities.	Net debt is used to monitor the debt trend and see the level of the refinancing requirement. The measure is used as a component in the debt/equity ratio.
Operating capital	Capital employed excluding interest-bearing assets.	Operating capital shows the amount of capital required by the operations to conduct its core operations. It is mainly used to calculate the return on operating capital.
Operating cash flow	Cash flow from operating activities including cash flow from investing activities, excluding cash flow from acquisitions/divestments of operations, interest received, and increase/decrease in interest-bearing assets.	This measure comprises the cash flow generated by the underlying operations. The measure is used to show the amount of funds at the company's disposal for paying financiers of loans and equity or for use in growth through acquisitions.
Organic growth	Change in net sales, excluding acquisitions, divestments and changes in exchange rates.	Organic growth facilitates a comparison of sales over time by comparing the same operations and excluding currency effects.
Region	Region corresponds to an operating segment under IFRS 8.	
Earnings per share	Net profit for the period divided by a weighted average number of outstanding shares during the period.	
Operating margin	Operating profit as a percentage of net sales.	This measure reflects the operating profitability of the operations. It is used to monitor the flexibility and efficiency of the operations before taking into account capital tied up. The performance measure is used both internally in governance and monitoring of the operation, and for benchmarking with other companies in the industry.

Definitions, cont.

Performance measure	Calculation	Purpose
Debt/equity ratio	Net debt as a percentage of shareholders' equity including non-controlling interests.	A measure of the ratio between the Group's two forms of financing. The measure shows the percentage of the loan capital in relation to capital invested by the owners, and is thus a measure of financial strength but also the gearing effect of lending. A higher debt/equity ratio means a higher financial risk and higher financial gearing.
Equity/assets	Shareholders' equity including non-controlling interests as a percentage of balance-sheet total.	This measure reflects the company's financial position and thus its long-term solvency. A healthy equity ratio/strong financial position provides preparedness for managing periods of economic downturn and financial preparedness for growth. It also provides a minor advantage in the form of financial gearing.
Capital employed	Balance-sheet total less non-interest-bearing provisions and liabilities.	The capital that shareholders and lenders have placed at the company's disposal. It shows the net capital invested in the operations, such as operating capital, with additions for financial assets.
Currency effects	"Translation effects" refers to the currency effects arising when foreign results and balance sheets are translated to SEK. "Transaction effects" refers to the currency effects arising when purchases or sales are made in currency other than the currency of the producing country (functional currency).	

Information to shareholders

For further information

Contact any of the following on +46 (0)8 440 16 00:

- Morten Falkenberg, President and CEO
- Kristoffer Ljungfelt, CFO
- Tobias Norrby, Head of Investor Relations

Presentation

The interim report will be presented on Friday, 19 July at 14.00 CET in a webcast teleconference that can be followed on Nobia's website. To participate in the teleconference, call one of the following numbers:

Sweden: +46 8 56 64 26 51

UK: +44 33 33 00 08 04

USA: +1 63 19 13 14 22

Pin code: 97 24 56 22 #

Financial calendar

23 October 2019

Interim Report January-September 2019

This interim report is information such that Nobia is obliged to make public pursuant to the EU's Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact person set out above, on 19 July 2019 at 13:00 CET.

Box 70376 • 107 24 Stockholm, Sweden • Office address: Klarabergsviadukten 70 A5 • Tel +46 8 440 16 00 •
Fax +46 8 503 826 49 • www.nobia.se. Corporate Registration Number: 556528-2752 • Board domicile: Stockholm, Sweden