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Q4, 2019
February 4, 2020

Highlights Q4

- Income and margin on par with prior year Q4
 - Continued market volatility
 - Margin improvement in Nordics, organic growth in UK
- Important strategic steps taken
 - Announcement of SEK 2bn investment in automation machinery in a new factory for Nordic region
 - Continued roll-out of enhanced UK trade proposition
 - Changes in UK supply chain
- Dividend proposal SEK 4.00 per share (4.00)
 - 83% pay-out ratio

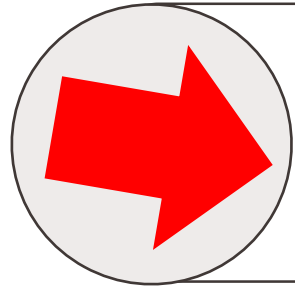


Nobia Group, Q4

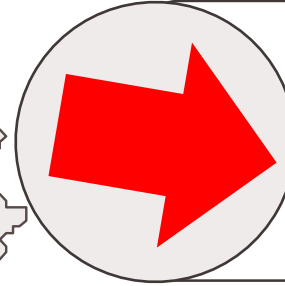
- Organic net sales declined by 2%
 - Continued growth in UK despite difficult market conditions before the referendum
 - Negative growth in Nordic project sales
- Higher reported EBIT
 - Margin improvements in the Nordic
 - Quarter impacted by costs for investments in strategic initiatives
 - Last year impacted by non-recurring cost out activity

	2018 Q4	2019 Q4
Net sales (SEKm)	3,390	3,445
Organic growth	-2%	-2%
Gross margin	37.0%	37.6%
EBIT excl. IAC (SEKm)	175	214
EBIT margin excl. IAC	5.2%	6.2%

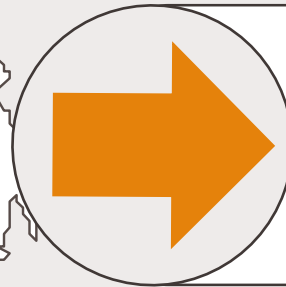
Kitchen market trend, Q4



The **UK market** is estimated to be down on prior year. Retail market and construction activity impacted by the political / Brexit uncertainty, impacting consumer confidence. Price competition remains fierce.



The **Nordic market** is deemed to be slightly down on previous year. A slightly growing market in Denmark hampered by softer project markets in foremost Norway and Finland.



The **Central Europe region market** is estimated to be almost on par with previous year.

Financial targets

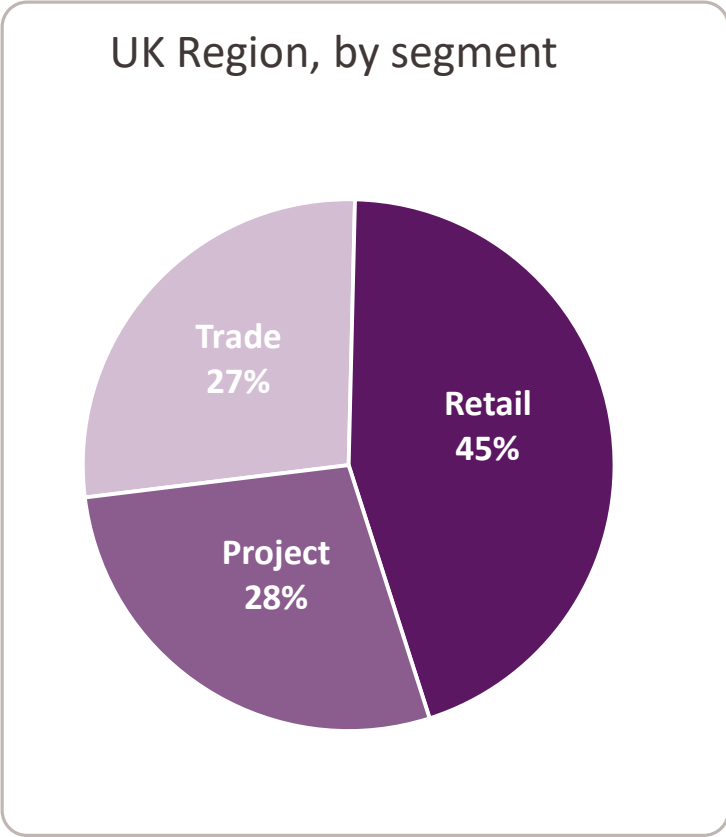
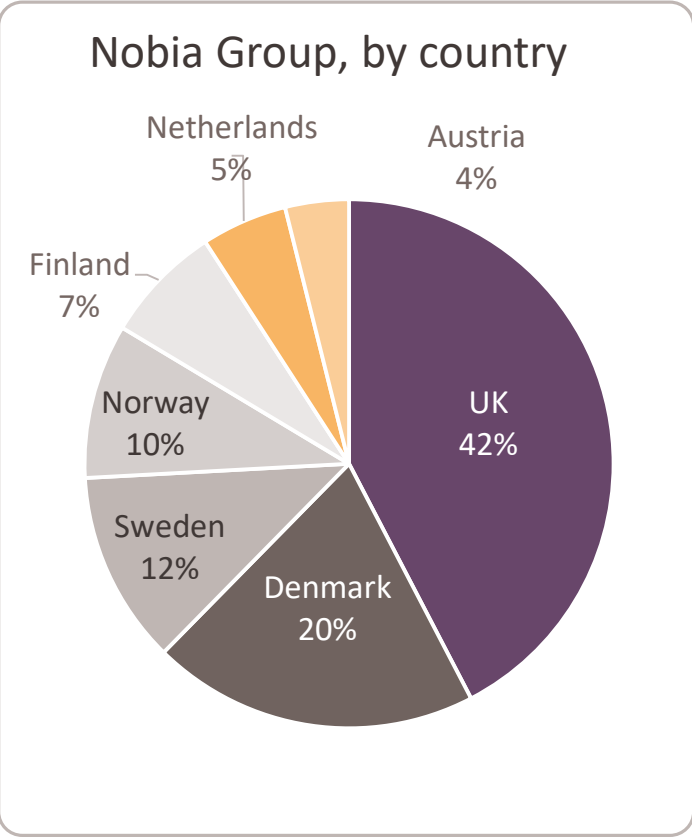
Growth
>5%
organic and
acquired

Profitability
>10%
EBIT margin

Financing
<100%
debt/equity

Dividend
40-60%
of net profit
after tax

Net sales distribution full-year 2019



Nordic region, Q4

48% of Group net sales in Q4

- Organic growth -4%
 - Organic growth was -2% excluding the impact from conversion of own stores to franchise
 - Project sales decreased from unsustainable levels in Finland
- EBIT and margin improved mainly due to higher sales values and mix
- Lower SG&A costs due to franchise conversion
- Favourable currency impact on EBIT level SEK 15m

	2018 Q4	2019 Q4
Net sales (SEKm)	1,698	1,658
Organic growth	-3%	-4%
Gross margin	37.3%	37.3%
EBIT (SEKm)	165	204
EBIT margin	9.7%	12.3%



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UK region, Q4

- Organic growth was 1% (0)
 - Retail market remained soft
 - Continued growth in Magnet Trade
 - Increased deliveries to the London project market, however growth below expectations
- Investments related to the Magnet Trade proposition and restructuring of the UK supply chain
- *Q4 2018 includes non-recurring costs of SEK -63m*

42% of Group net sales in Q4

	2018 Q4	2019 Q4
Net sales (SEK m)	1,354	1,455
Organic growth	0%	1%
Gross margin	37.3%	38.1%
EBIT excl. IAC (SEK m)	5	57
EBIT margin excl. IAC	0.4%	3.9%

Magnet

Gover

ck commodore
kitchens

rixonway
kitchens

Restructuring of UK supply chain 2019

Activities to increase capacity, leverage scale and enable future simplification / product rationalisation ...creating potential for mass customisation

- Capacity expansion at the Darlington Factory
- Dewsbury site transformed into an Assembly and Distribution unit for the project market
- Closure of stand alone distribution hub
- Manufacturing benefits expected for Q3 2020



Central Europe region, Q4

10% of Group net sales in Q4

- Organic growth -5%
 - Organic growth and improved mix in Austria
 - Sales in the Netherlands negatively impacted by delayed housing projects
- Positive impact from price and mix, offset by the lower volume and accounting changes in Bribus

	2018 Q4	2019 Q4
Net sales (SEKm)	339	332
Organic growth	-11%	-5%
Gross margin	29.8%	32.2%
EBIT (SEK m)	37	33
EBIT margin	10.9%	9.9%



Financial position

Operating cash flow improved

- Operating cash flow adjusted for IFRS16 was SEK 211m
- Underlying cash flow positively impacted by improved operating profit and working capital

Strong balance sheet

- Net debt excluding IFRS16 of SEK 1,344 m
- Net debt / equity excluding IFRS16 of 31%

Cash flow	2018 Q4	2019 Q4
Operating profit	109	214
Change in working capital	79	226
Investments in fixed assets	-177	-225
Operating cash flow	138	348
Net debt	2018 31 Dec	2019 31 Dec
IFRS 16 leasing liabilities	-	2,475
Net pension debt	505	473
Borrowings	924	1,134
Interest bearing assets	-163	-263
Net debt	1,266	3,819
Net debt/equity	32	89

Capital Markets Day

Date: March 19, 2020

Place: Tändstickspalatset,
Stockholm

Details will be available on
www.nobia.com/ir



Q&A

