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Q2, 2020
20 July, 2020

Highlights Q2

- Health and safety first
- Business continuity and cash flow in focus
- Despite challenging business climate, Nordic sales close to flat
- Governmental lockdown measures had significant negative market impact in UK and Central Europe
- Restructuring in the UK and the Nordics
- New organisation announced
- Operations normalising at the end of the quarter

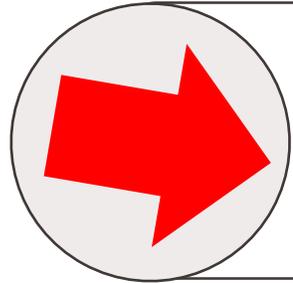


Nobia Group, Q2

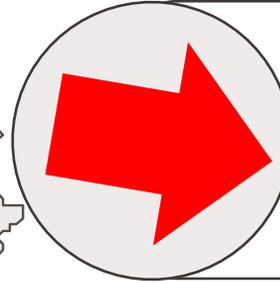
- Organic net sales declined by 25%
 - 56% decline in the UK region due to corona lockdown measures
 - Sales in the Nordics on par with last year if excluding the conversion of own stores to franchise
- Lower EBIT driven by the sales decline
- SEK -108m related to restructuring measures and IFRS9 bad debt provisions
- Strengthened financial position

	2019 Q2	2020 Q2
Net sales (SEKm)	3,751	2,741
Organic growth	-1%	-25%
Gross margin	39.1%	31.6%
EBIT (SEKm)	391	-43
EBIT margin	10.4%	-1.6%

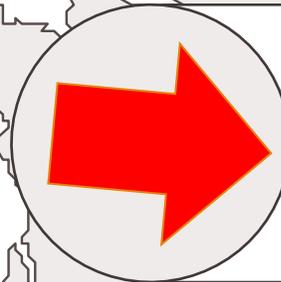
Kitchen market trend, Q2



Governmental lockdown measures in the **UK** from end March to June prevented markets from functioning normally. Growing demand for remote selling due to social distancing measures and temporary closed physical stores.

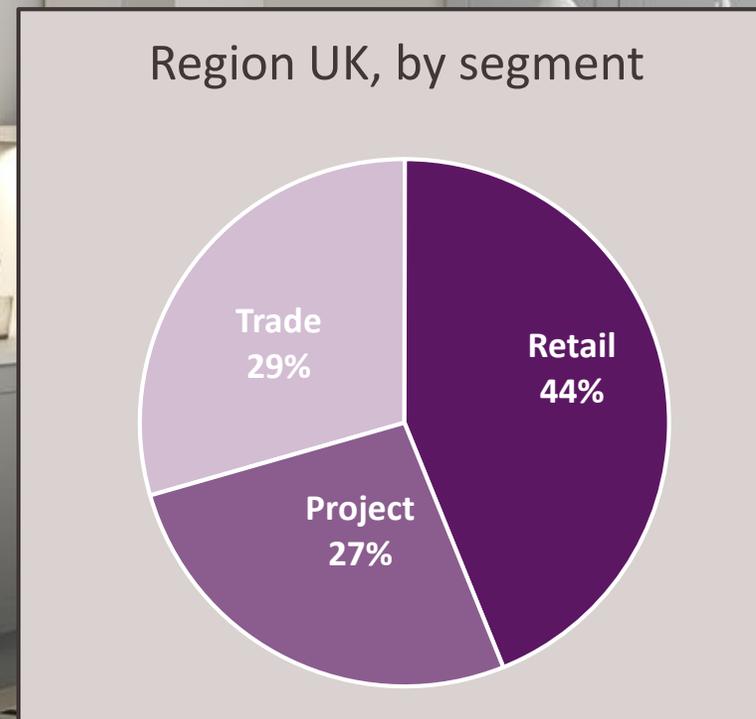
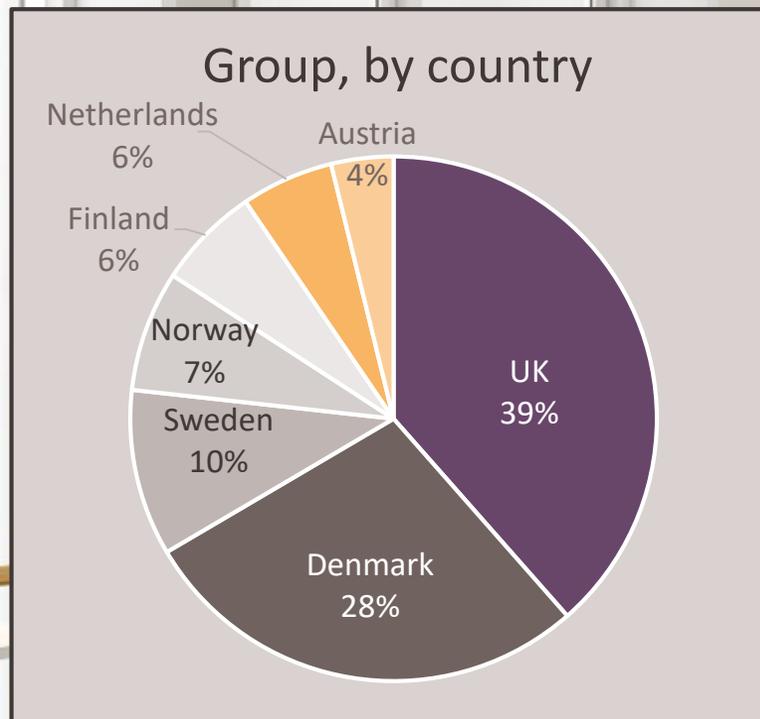


The **Nordic market** is deemed to be slightly down on previous year. Modest market growth in Denmark was off set by soft markets in the rest of the Nordics and especially Norway.



The **Central European market** was impacted by lockdown measures in most countries. Austria was heavily impacted by lock down measures in April, but has been gradually opening up since May.

Net sales, rolling 12 months



Nordic region, Q2

66% of Group net sales in Q2

- Organic growth -2%
 - Organic growth was up 1% excluding the impact from conversion of own stores to franchise
- Currency impacted EBIT by SEK -5m
- SEK -24m of restructuring costs and IFRS9 bad debt provisions
- Higher sales values and cost reductions

	2019 Q2	2020 Q2
Net sales (SEKm)	1,870	1,804
Organic growth	-1%	-2%
Gross margin	39.1%	37.1%
EBIT (SEKm)	275	234
EBIT margin	14.7%	13.0%



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UK region, Q2

- Dramatic impact from corona lockdown
- Organic growth was -56% (-1)
- Stores and factories gradually opened as of end of May
- Restructuring measures affecting some ~240 employees
- SEK -57m of restructuring costs and IFRS9 bad debt provisions

24% of Group net sales in Q2

	2019 Q2	2020 Q2
Net sales (SEKm)	1,535	645
Organic growth	-1%	-56%
Gross margin	39.7%	14.6%
EBIT (SEKm)	127	-239
EBIT margin	8.3%	-37.1%

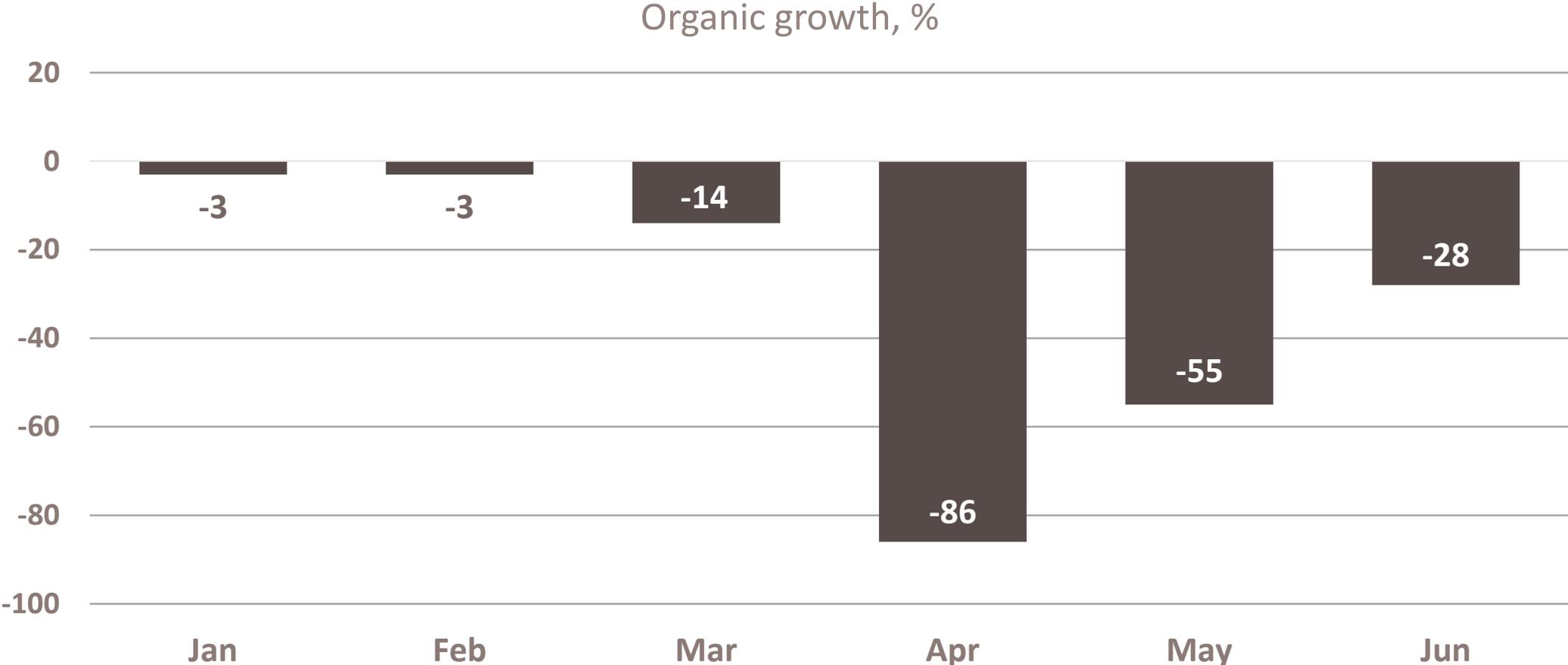
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Region UK, organic growth development



Central Europe region, Q2

11% of Group net sales in Q2

- Organic growth -16%
 - Lower sales in Austria due to corona lockdown in April
 - Sales in Netherlands decreased as kitchen installation services were affected by corona measures
- EBIT negatively impacted by the volume decline in Austria

	2019 Q2	2020 Q2
Net sales (SEKm)	346	292
Organic growth	-9%	-16%
Gross margin	31.2%	28.1%
EBIT (SEKm)	32	25
EBIT margin	9.2%	8.6%

Financial position

Operating cash flow improved

- Operating cash flow improved to SEK 716m (244)
 - governmental subsidies, reduction of account receivables and strict focus to protect cash flow during pandemic

Strong balance sheet

- Net debt excl. leasing liabilities and pensions was SEK 231m (1,221)
- Net debt/equity excl. leasing liabilities was 22% (45)

Cash flow	2019 Q2	2020 Q2
Operating cash flow	244	716
<i>Of w. operating profit</i>	391	-43
<i>Of w. change in working capital</i>	-243	537
<i>Of w. investments in fixed assets</i>	-57	-33
Net debt	2019 30 June	2020 30 June
IFRS 16 leasing liabilities	2,661	2,459
Net pension debt	525	640
Borrowings	1,289	1,805
Interest bearing assets	-130	-1,574
Net debt	4,407	3,330
Net debt/Equity, %	115	84

Reorganisation

- New Group Management structure
- Decentralizing central functions and regionalizing local functions
- Restructuring in the UK
- Migration from operating own stores to franchise in the Nordics



Market update

Operations are normalising but short term performance believed to be impacted by corona-driven recession

Nordic region

- Markets normalizing but with strict social distancing measures
- Construction sites open

UK region

- Manufacturing restarted gradually by mid May
- Magnet Trade open for call and collect, retail open by appointment only
- Construction sites mainly open

Central Europe region

- Markets normalizing but with strict social distancing measures



Q & A

