



# Q4 2022 Results Presentation

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# Nobia Group, highlights Q4

- Project market compensates for softer consumer
- Organic growth driven by higher average order values
- Continued inflationary pressure
- Kitchen component manufacturing ramp-up in Jönköping
- Cost reduction program launched, incl a repositioning of UK operations
- Board proposal for AGM; no dividend paid for 2022

	2021 Q4	2022 Q4
Net sales (SEKm)	3,509	<b>3,780</b>
Organic growth (%)	2	<b>2</b>
Gross margin (%)	37.5	<b>33.4</b>
EBIT (SEKm)	238	<b>25*</b>
EBIT-margin (%)	6,8	<b>0.7*</b>

\* Excl. Items affecting comparability

# Cost reduction programme

- Annual run-rate cost savings of SEK 300m by mid 2024
- Restructuring of UK operations, rightsizing of certain Nordic and central Group functions
  - Exit of unprofitable parts of UK projects business
  - Closure of two UK manufacturing sites
  - Flattening/simplification of UK overhead structure
- Total cost SEK ~450m, recorded as items affecting comparability in Q4-22 and Q1-23



# Kitchen market development

**Nordic market:** Softer retail market. Stable project market in the period supported by housing completions.

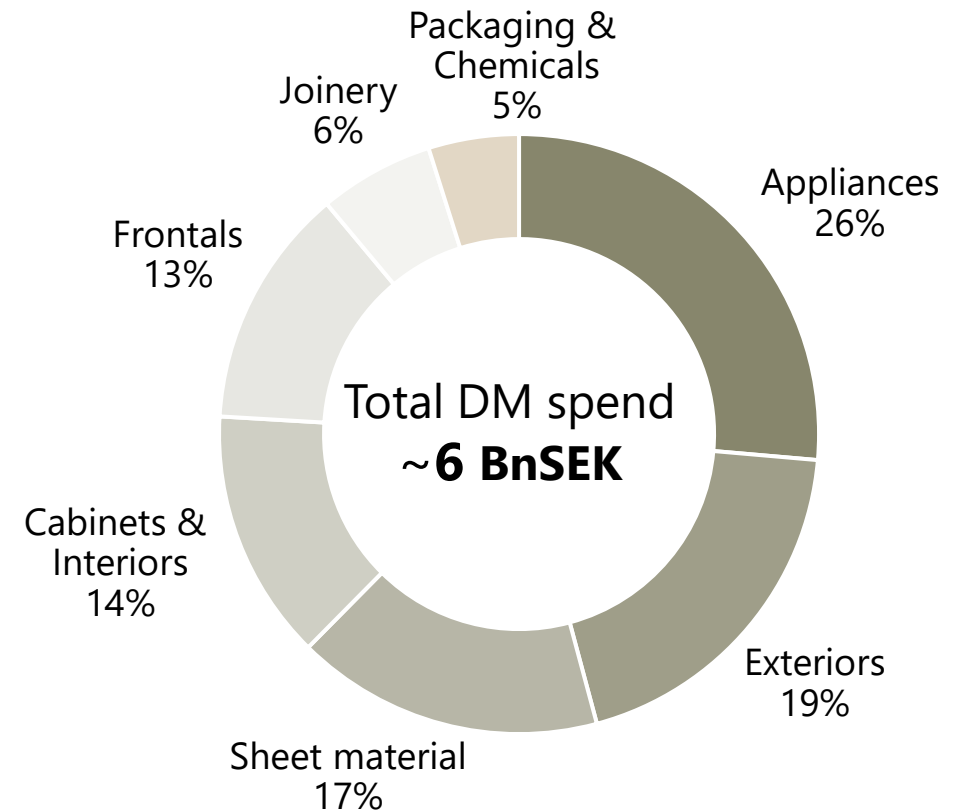
**UK:** Retail market softer. Trade market in the period on par with last year. London super-premium project market remains weak.

**Austria and Netherlands:**  
Retail market softer. Stable project market.



# Direct material pricing impact update Q4

- Inflationary pressure continues
- Total on-cost for material, energy and transport of approx. SEK 260m in Q4
- Further mitigating price increases implemented



# Tomorrow Together Strategy - priorities

## Sustainability and Design Leadership ambition:

Leading the industry through reduced environmental footprint and beautiful and purposeful design

## Growth Acceleration initiatives:

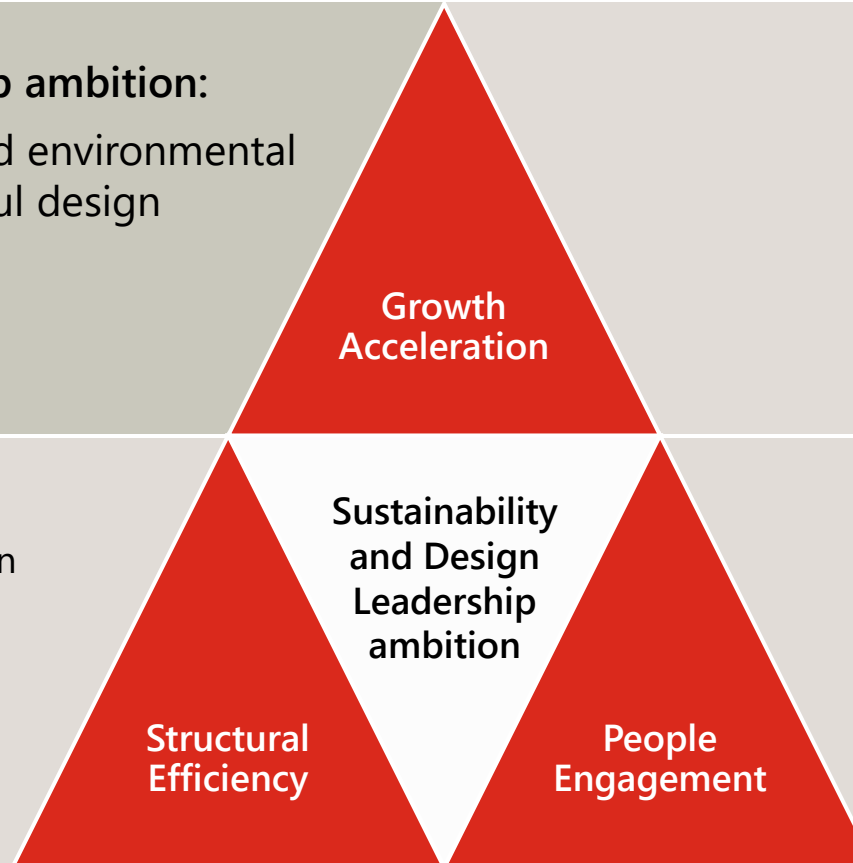
- Catapult trade growth
- Revitalise consumer retail
- Reinforce project leadership
- Selective geographical expansion
- Digital and data excellence

## Structural Efficiency initiatives:

- Manufacturing footprint transformation
- Product platform alignment (K2020)
- Business process harmonisation

## People Engagement initiatives:

- Engage and empower our people
- A collaborative culture with shared purpose & direction
- Ensure winning capabilities
- Organised for strategy execution



# Nordic region Q4

- Organic net sales declined -1% (11)
  - Growth in project sales, consumer down
- Gross margin impacted by cost inflation for materials, freight and supply chain inefficiencies
- EBIT amounted to 128\* (250), margin 6.2% (12.7)
- Ramp-up of kitchen component manufacturing in the new Jönköping factory
- Supply chain efficiency improved, but yet to normalise
- Items affecting comparability of SEK -85m related to implemented cost reductions

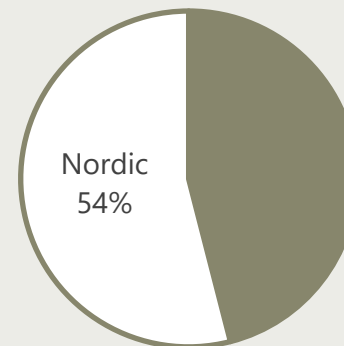


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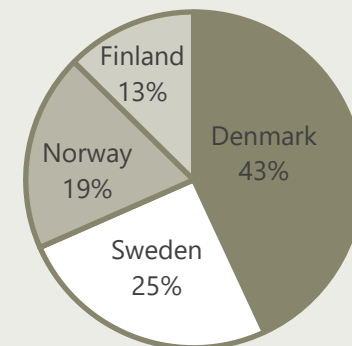
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Share of Group sales, %



Share of R12 sales by country



SEKm	2021 Q4	2022 Q4
Net sales	1,974	<b>2,057</b>
Organic growth (%)	11	<b>-1</b>
Gross margin (%)	36.8	<b>30.7</b>
EBIT	250	<b>128*</b>
EBIT-margin (%)	12,7	<b>6,2*</b>

\* Excl. Items affecting comparability

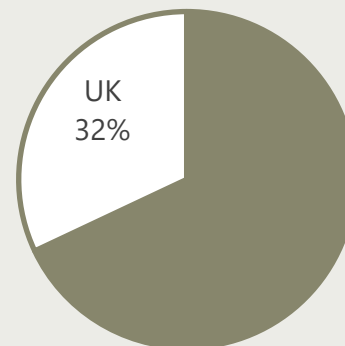
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# UK region Q4

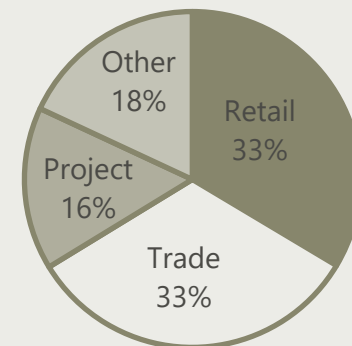
- Organic growth 5% (-12), driven by price
  - Growth in retail OEM sales
  - Magnet slightly up
- Price increases compensated for direct material and volume impact
- Higher SG&A cost level due to long-term investments in stores, design capacity and branding/marketing
- Second cost reduction programme launched
- Operating profit SEK -72m (1)

**Magnet** **Gover**

Share of Group sales, %



Share of R12 sales by segment



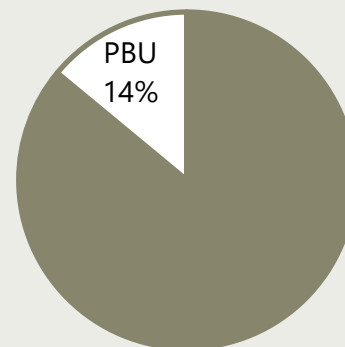
SEKm	2021 Q4	2022 Q4
Net sales	1,084	<b>1,196</b>
Organic growth (%)	-12	<b>5</b>
Gross margin (%)	43.3	<b>40.2</b>
EBIT	1	<b>-72</b>
EBIT-margin (%)	0.1	<b>-6.0</b>



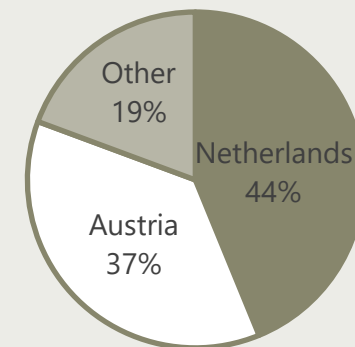
# Portfolio Business Units Q4

- Organic net sales growth 6% (-10)
  - Organic growth in Netherlands and Austria
  - Continued weak market for Commodore & CIE's luxury London segments
- Higher average order values driven by price increases, offset by cost inflation and weak UK operations
- Operating profit SEK 27m (41)
- *Restructuring of Commodore & CIE operations*

Share of Group sales, %



Share of R12 sales by country



SEKm	2021 Q4	2022 Q4
Net sales	451	<b>527</b>
Organic growth (%)	-10	<b>6</b>
Gross margin (%)	30.6	<b>28.1</b>
EBIT	41	<b>27</b>
EBIT-margin (%)	9.1	<b>5.1</b>

# Financial position

- Cash flow from operating activities impacted by favorable working capital development, offset by the lower operating profit
- Investments in fixed assets of SEK 484m, mainly related to Jönköping factory investment
- Financial net debt of SEK 1,839m (-24)
- Leverage\* amounted to 2.36 times excluding IFRS16 and pensions (0.15)

\*Financial net debt and excl. items affecting comparability

Cash flow	Q4 2021	Q4 2022
Cash flow from operating activities	530	398
Operating cash flow	-2	-81
<i>Of w. operating profit</i>	238	-131
<i>Of w. change in working capital</i>	194	389
<i>Of w. investments in fixed assets</i>	-534	-484
Net debt	31 Dec, 2021	31 Dec 2022
Borrowings	400	2,181
Net pension debt	223	384
Interest bearing assets	424	342
Financial Net Debt	-24	1,839
Financial Net Debt / Equity, %	-1	39
IFRS 16 leasing liabilities	1,815	1,757
Net debt	2,014	3,980
Net debt/Equity, %	41	84

# Going forward

- Continued price increases and drive towards higher average order values
- Execute on the cost program and the re-positioning of UK
- Normalise productivity in Nordic supply chains
- Keep momentum in the major strategic initiatives
- Capital Markets Day, 22 March in the new factory in Jönköping





# nobia

Designing Kitchens for Life