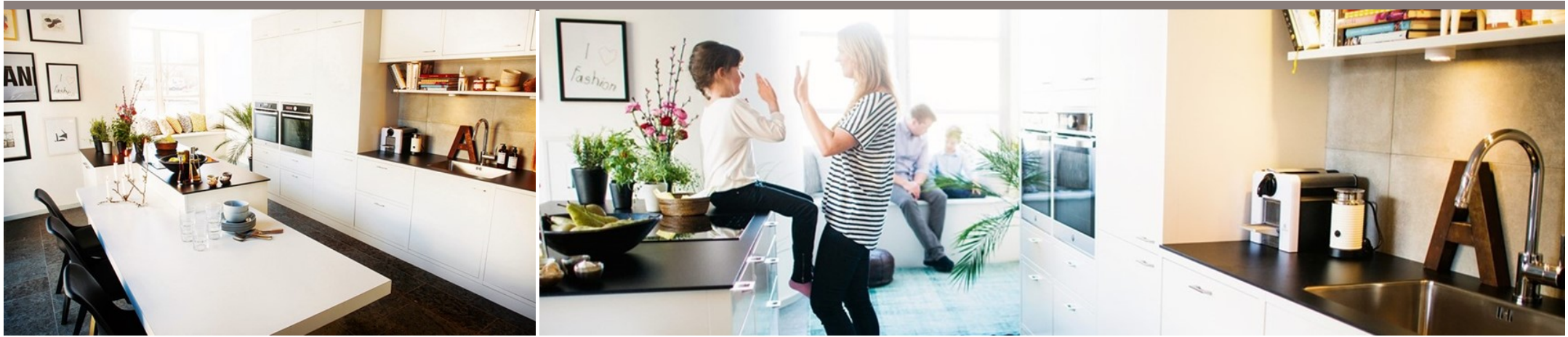


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Interim report January-June 2014

21 July 2014



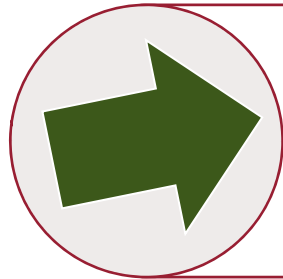
Q2 highlights

- Net sales SEK 3,314 m (3,262)
- Organic growth –3% (2)
- Gross margin 42.1% (41.2)
- EBIT margin* 8.3% (7.6)
- EBIT* SEK 275 m (249)
- Profit after tax SEK 192 m (137)
- Operating cash flow SEK 175 m (237)

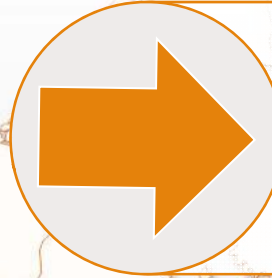
* Excluding restructuring costs



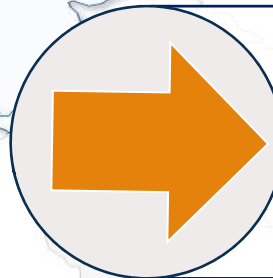
Kitchen market trend



UK market continued to grow although at a lower phase. The softening sentiment was noticeable across all price segments.

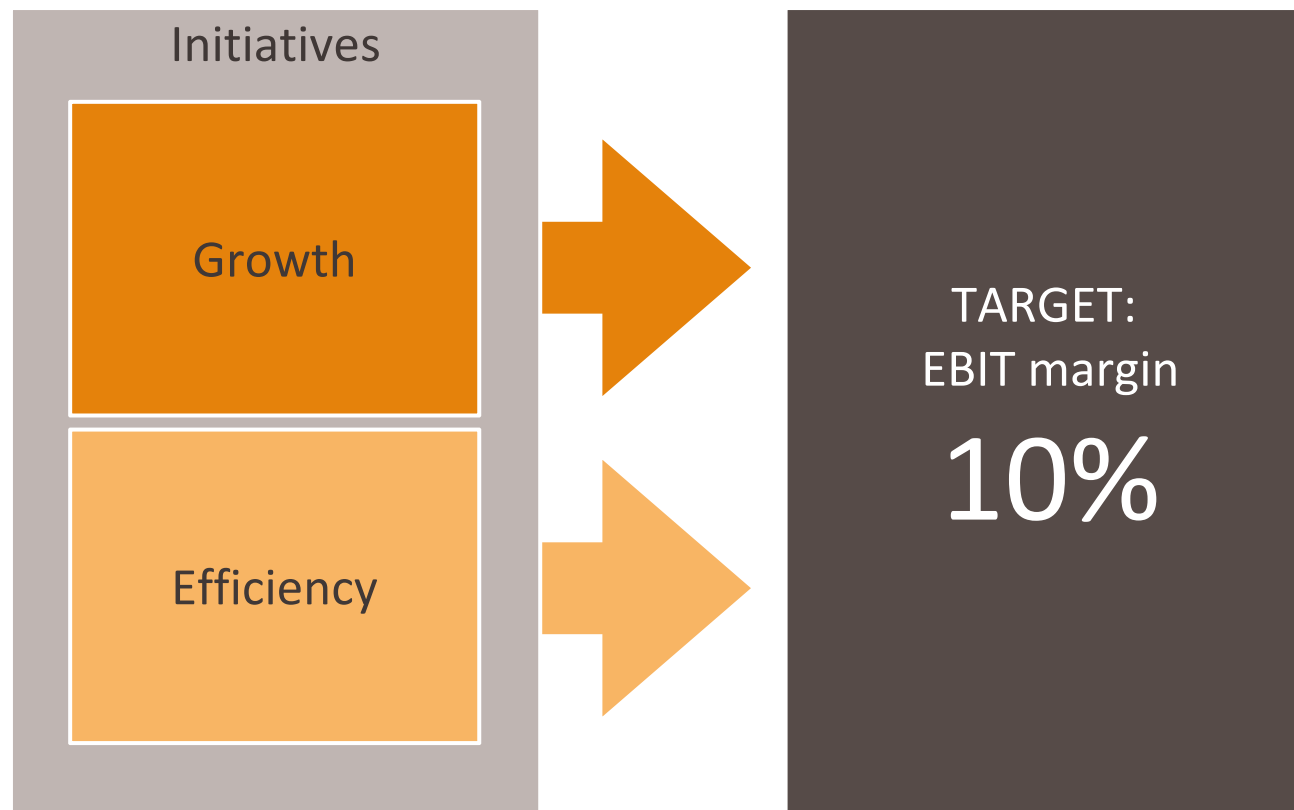


Nordic market deemed to have been unchanged compared to last year. Swedish market compensated for less favourable sentiment in Norway and Finland.



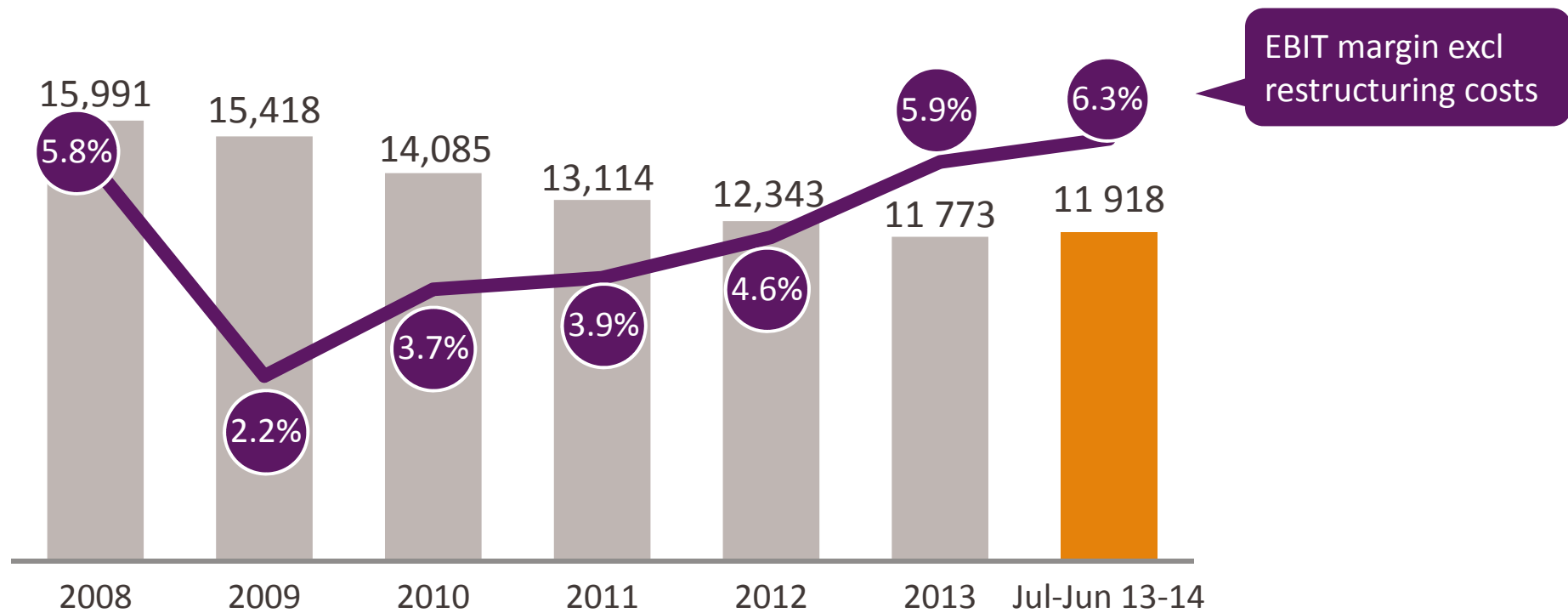
Continental Europe market growth is estimated to have been unchanged compared to previous year. France still in decline.

Strategy to increase profitability



Net sales and EBIT margin from 2008

SEK M



Growth initiatives

- Focus on **innovation** to bring small and larger innovations faster to market
 - Central innovation team and road map in place
- Investments in **digital** to improve footfall
 - Web site platform with improved functionality
 - 7 new web sites launched (Poggenpohl, Goldreif, Hygena, Marbodal, HTH, Sigdal and Magnet)
- Nobia-wide **front end excellence** programme
 - Common process and KPIs to follow up performance
 - Tools and coaching for store managers
 - World class planning software
- Structure for **acquisitions and partnerships**
- **New stores** in selected markets and areas



UK region

- Organic sales decline attributable to lower volumes in Magnet
- Negative impact from the number of delivery days
- Earnings improved, mainly as a result of higher gross margin and cost savings
- Magnet's transition to Group-wide standard dimension according to plan

34% of net sales in Q2

	2013 Apr-Jun	2014 Apr-Jun
Net sales (SEK m)	1,086	1,173
Organic growth	8%	-2%
Gross margin	39.5%	40.7%
EBIT (SEK m)	77	103
EBIT margin	7.1%	8.8%

Magnet

Gower



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Nordic region

- Organic sales decline primarily attributable to professional segment
- Negative impact from the number of delivery days
- Margins affected by negative currency effects

44% of net sales in Q2

	2013 Apr-Jun	2014 Apr-Jun
Net sales (SEK m)	1,449	1,448
Organic growth	1%	-2%
Gross margin	42.2%	41.4%
EBIT (SEK m)	224	207
EBIT margin	15.5%	14.3%



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Continental Europe region

- Organic sales decline attributable to lower volumes in Hygena
- Optifit had sales of SEK 28 m in Q2 2013
- Margins improved due to higher sales values and lower material prices

22% of net sales in Q2

	2013 Apr-Jun	2014 Apr-Jun
Net sales (SEK m)	756	724
Organic growth	-6%	-5%
Gross margin	39.7%	43.1%
EBIT* (SEK m)	-10	0
EBIT margin*	-1.3%	0.0%

* Excluding restructuring costs

hygena

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Financial position, Q2

Lower operating cash flow

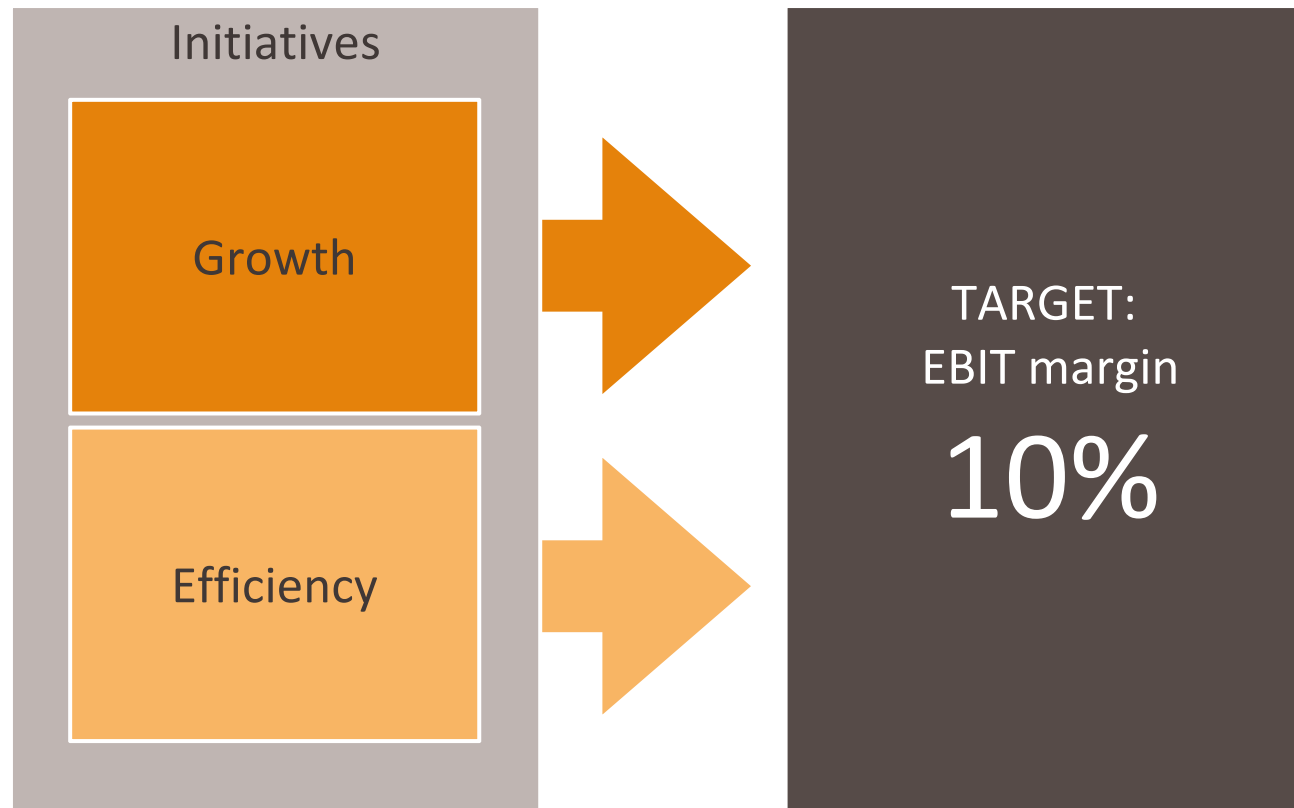
- Negative change in working capital, partly due to last year's reduction of extra safety stock held for the divestment of Optifit
- Higher investments

Lower net debt

- Lower net borrowings
- Lower net debt/equity due to strong cash flow the first six months and reduced pension debt

SEK m	Q2 2013	Q2 2014
Operating profit including restructuring cost	213	275
Change in working capital	-23	-95
Investments in fixed assets	55	67
Operating cash flow	237	175
SEK m	2013 30 Jun	2014 30 Jun
Net debt	1,592	1,095
– of which pensions	726	690
– of which net borrowings	866	405
Net debt/equity	57%	32%

Strategy and target remain



Q&A

