

# Interim report January-March 2015

27 April 2015



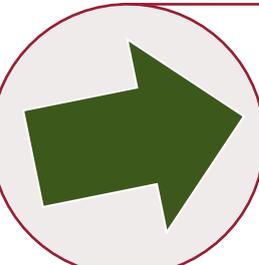


## Q1 highlights

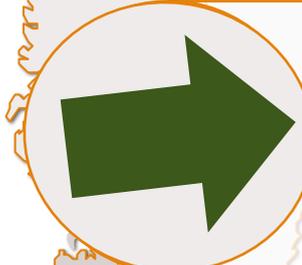
- Hygena divested on 2 March 2015
- Net sales SEK 3,251 m (2,695)
- Organic growth 5% (4)
- Gross margin 40.0% (40.1)
- EBIT margin 6.5% (5.8)
- EBIT SEK 211 m (156)
- Profit after tax SEK 153 m (47)
- Operating cash flow SEK 34 m (132)

Comparative figures for 2014 restated excluding Hygena

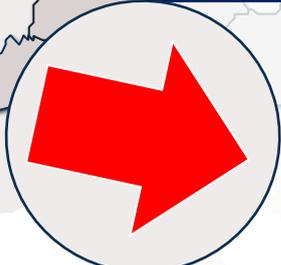
# Kitchen market trend



**UK market** continued to grow. The growth was primarily attributable to the lower priced segment of the market.

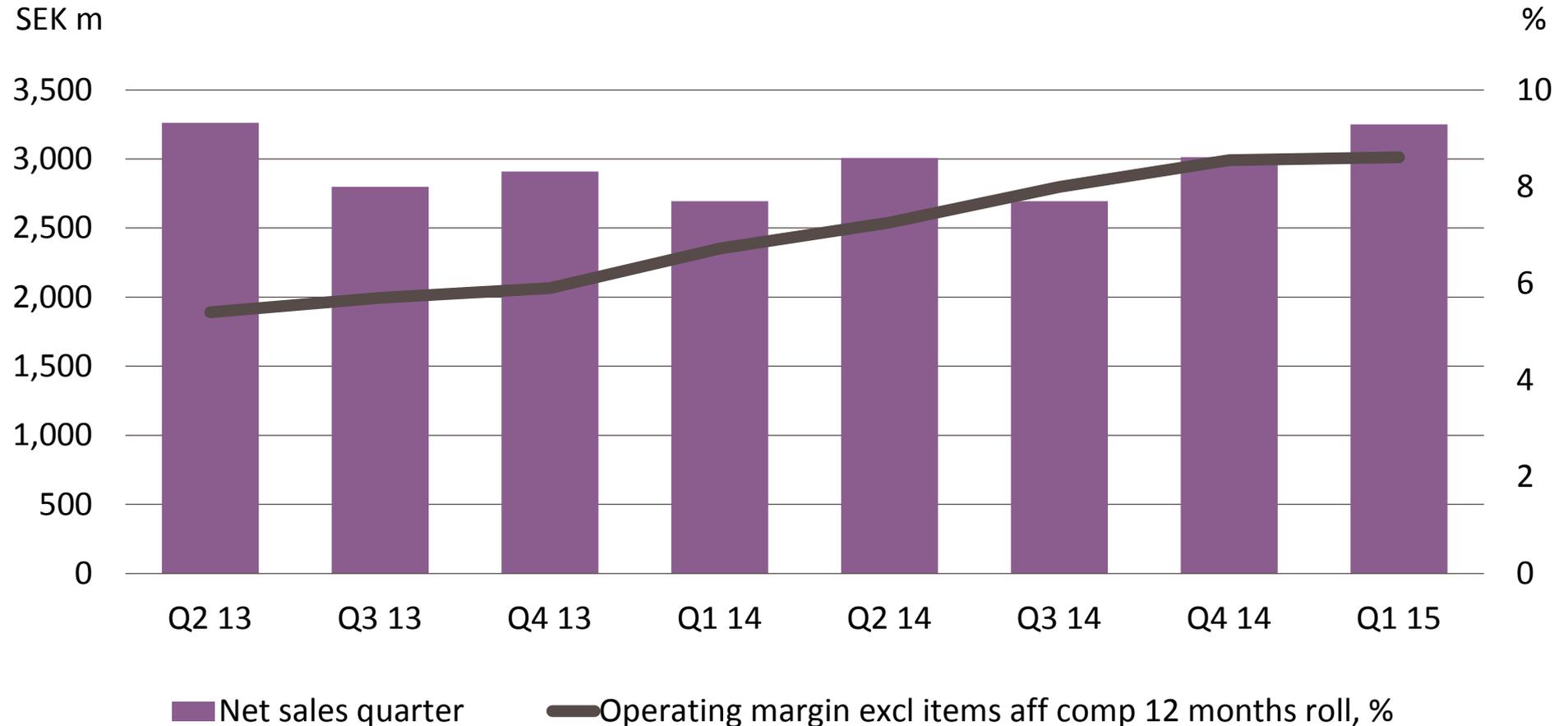


**Nordic market** estimated to have been up. Sweden remains the strongest market with growth in the consumer segment as well as in the professional segment.

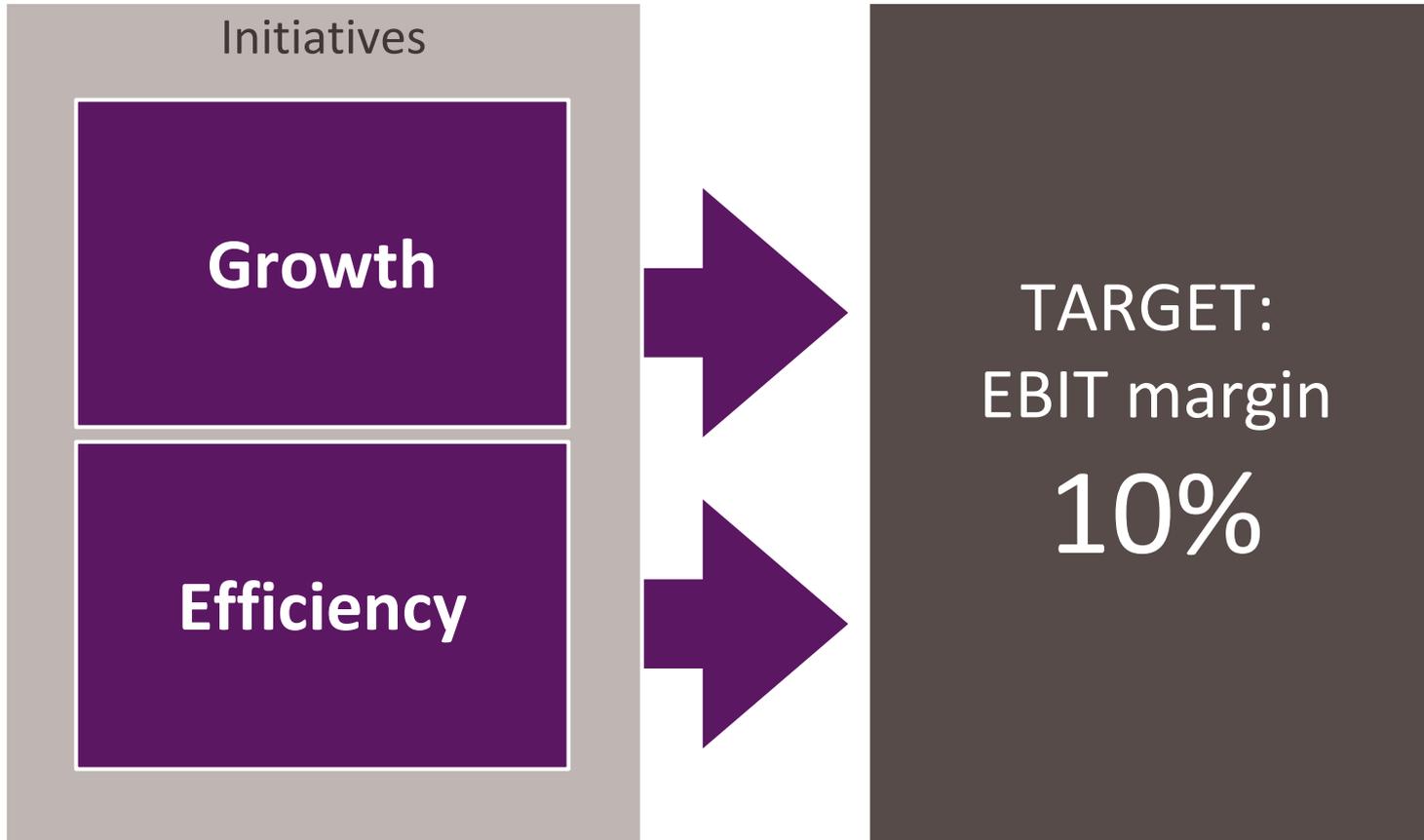


**Central Europe market** as a whole estimated to have been down. The development in Austria was particularly weak.

# Net sales and operating margin

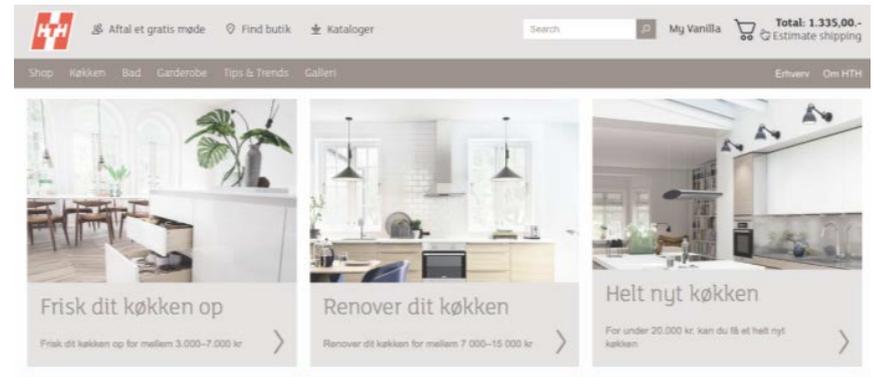


# Strategy based on Growth and Efficiency



# Growth initiatives

- Focus on **innovation** to bring small and larger innovations faster to market
  - New product launches around opportunity areas "Size 0 kitchen" and "Inspirational storage"
- Investments in **digital** to improve footfall
  - 12 new web sites launched
  - E-commerce platform in place
- Nobia-wide **front end excellence** programme
  - Common process and KPIs to follow up performance
  - Tools and coaching for store managers
- Structure for **acquisitions and partnerships**
- **New stores** in selected markets and areas



# Nordic region

- Organic growth primarily in professional segment
- Sweden remained the strongest market
- Gross margin declined slightly due to currency and sales mix
- EBIT improved from higher sales values and increased volumes

42% of net sales in Q1

	2014 Jan-Mar	2015 Jan-Mar
Net sales (SEK m)	1,262	1,385
Organic growth	6%	6%
Gross margin	39.9%	39.7%
EBIT (SEK m)	128	151
EBIT margin	10.1%	10.9%



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## UK region

- Organic growth in both Magnet and B2B
- Simply Magnet well-received
- Rixonway added net sales of SEK 132 m
- Gross margin weakened on the back of lower sales values and the different Rixonway business model
- EBIT improved, mainly due to higher volumes and the Rixonway profit

47% of net sales in Q1

	2014 Jan-Mar	2015 Jan-Mar
Net sales (SEK m)	1,099	1,522
Organic growth	2%	8%
Gross margin	40.4%	39.7%
EBIT (SEK m)	51	94
EBIT margin	4.6%	6.2%

**Magnet**

**Gower**



**rixonway  
kitchens**

# Central Europe region

- Hygena divested 2 March 2015
- Organic sales decline in both Austria and in Poggenpohl
- Gross margin improved due to higher sales values and currency gains
- EBIT declined from lower volumes and a one time cost of SEK 8 m

11% of net sales in Q1

	2014 Jan-Mar	2015 Jan-Mar
Net sales (SEK m)	335	345
Organic growth	8%	-9%
Gross margin	39.1%	40.6%
EBIT (SEK m)	18	7
EBIT margin	5.4%	2.0%



# Financial position, Q1

## Operating cash flow declined

- Negative change in working capital
  - UK inventory
  - growth
  - timing
- Higher investments, now on par with depreciation

## Net debt almost unchanged

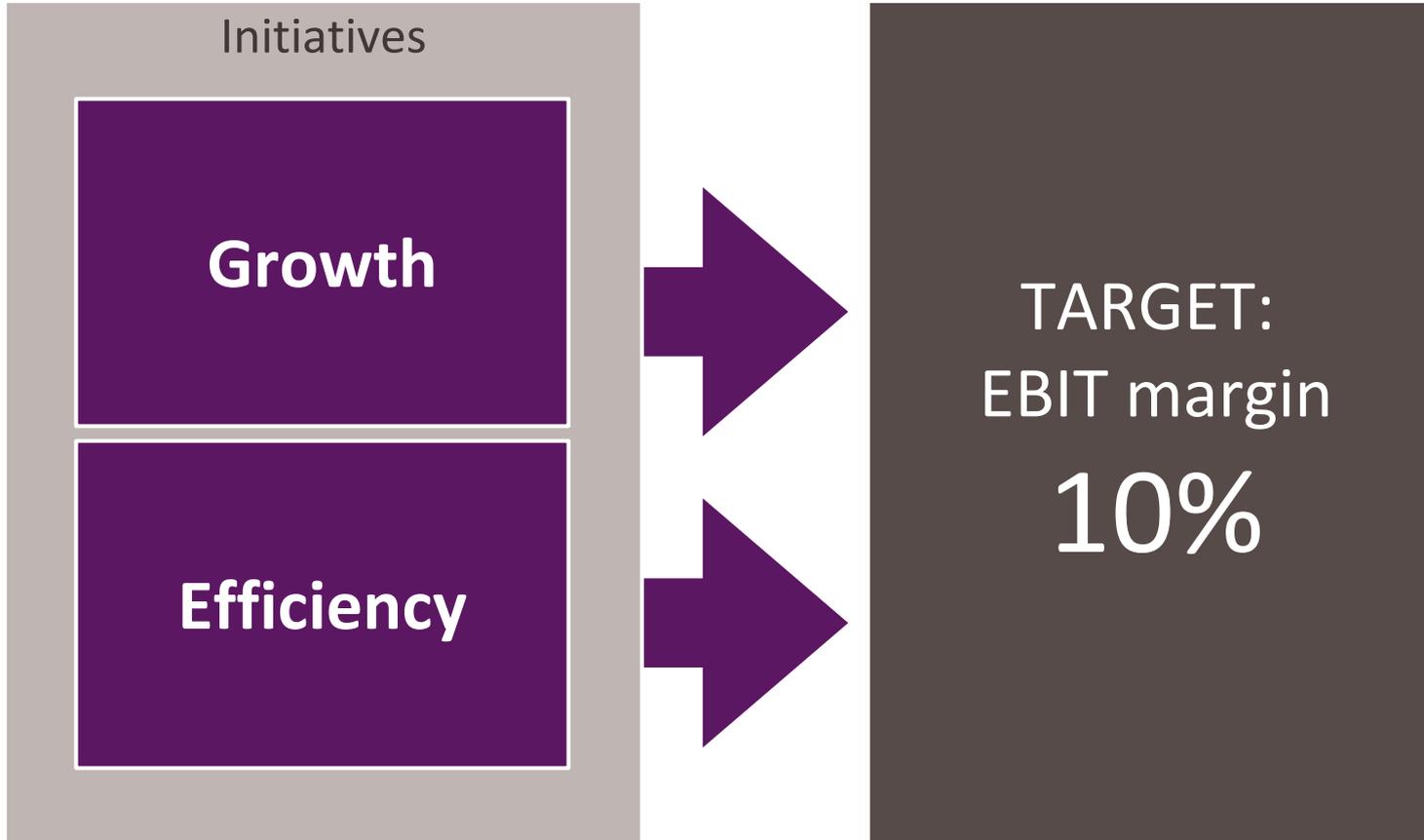
- Pension debt increased mainly due to lower discount rate
- Lower net borrowings
- Net debt/equity ratio flat despite acquisition of Rixonway

SEK m	Q1 2014	Q1 2015
Operating profit including restructuring cost	156	211
Change in working capital	23	-77
Investments in fixed assets	-54	-92
Operating cash flow	132	34

SEK m	2014 31 Mar	2015 31 Mar
Net debt	1,104	1,160
– of which pensions	652	1,077
– of which net borrowings	452	83
Net debt/equity	35%	35%

# Strategy for a strong Nobia remains



# Q&A

