

Interim report January-June 2015

20 July 2015

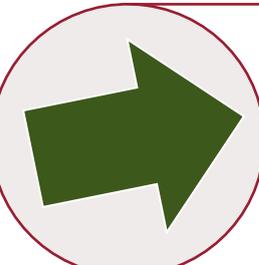




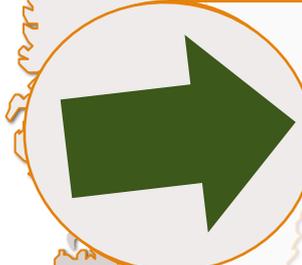
Q2 highlights

- Net sales SEK 3,575 m (3,007)
- Organic growth 7% (-1)
- Gross margin 41.1% (41.0)
- EBIT margin 11.2% (9.7)
- EBIT SEK 400 m (293)
- Profit after tax SEK 289 m (192)
- Operating cash flow SEK 170 m (175)

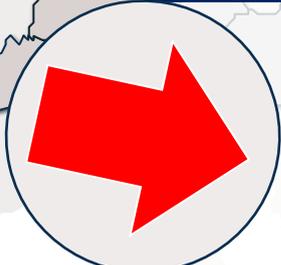
Kitchen market trend



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

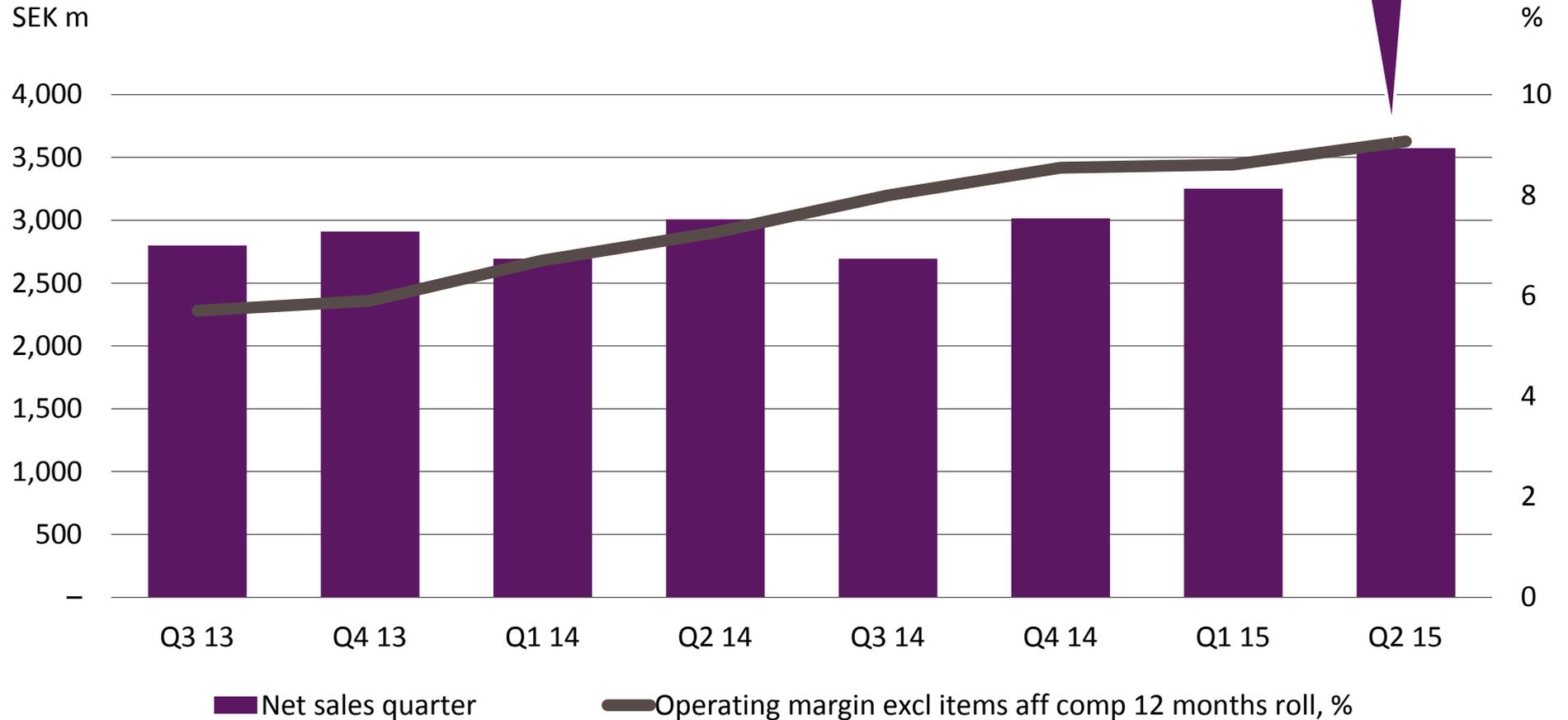


Nordic market estimated to have been up. Sweden remains the strongest market with growth in the consumer segment as well as in the professional segment.

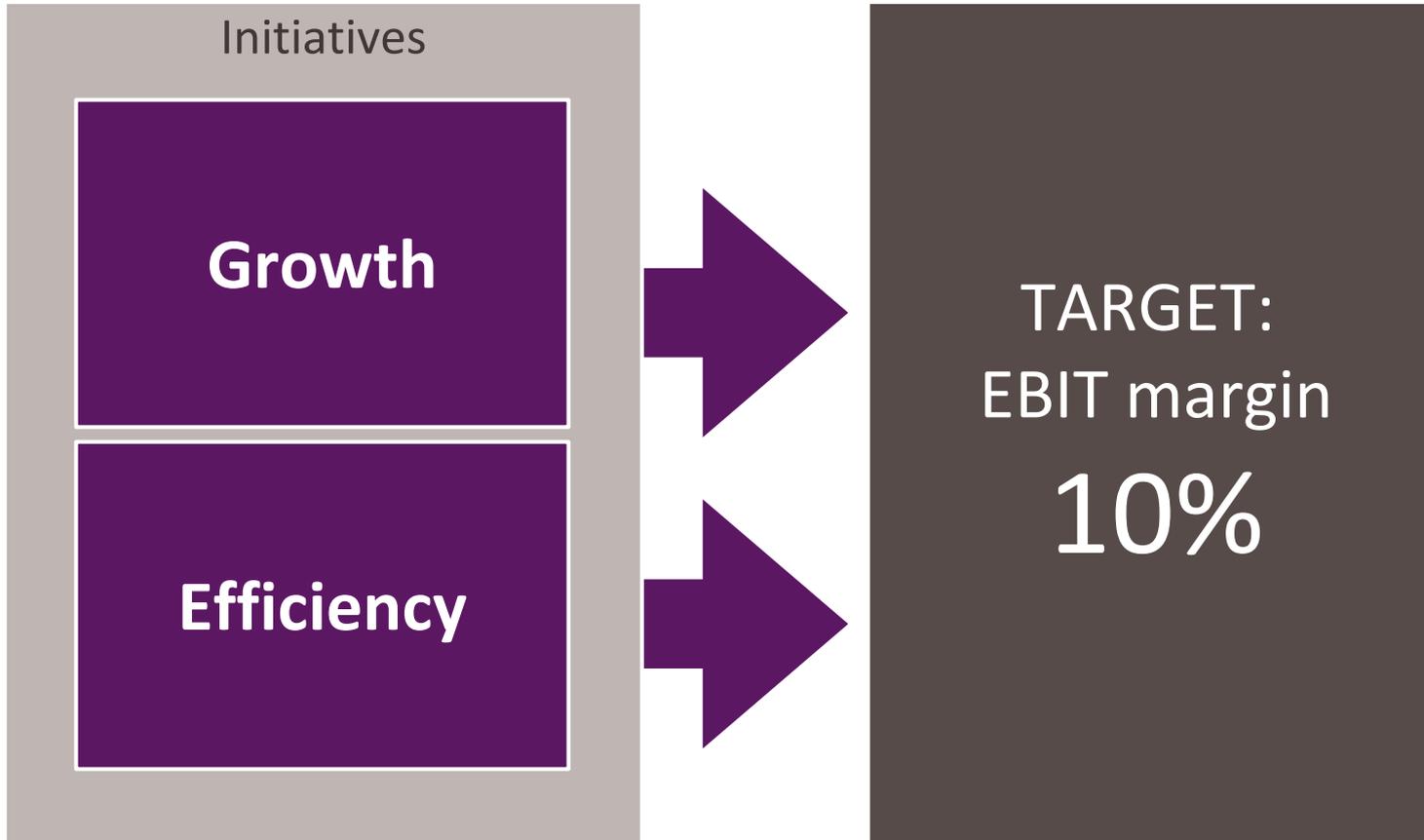


Central Europe market as a whole estimated to have been down. The development in Austria was particularly weak.

Net sales and operating margin

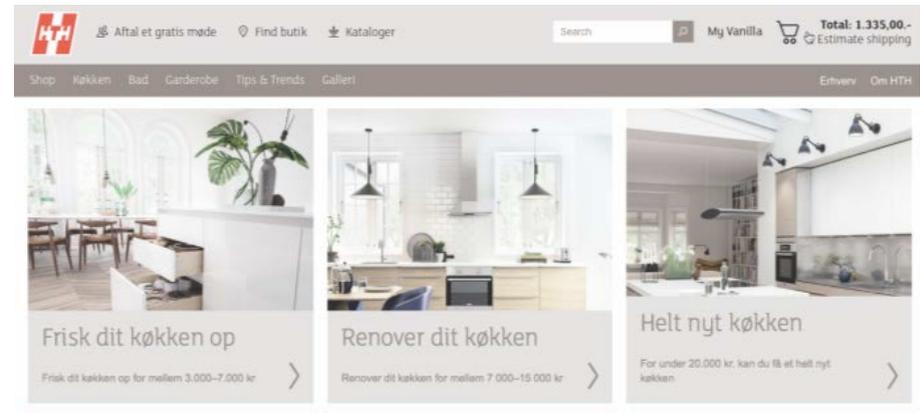


Strategy based on Growth and Efficiency



Growth initiatives

- Focus on **innovation** to bring small and larger innovations faster to market
 - Product launches around opportunity areas
"Size 0 kitchen" and "Inspirational storage"
- Investments in **digital** to improve footfall
 - New web sites
 - E-commerce platform in place
 - Online drawing tool launched
- 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

45% of net sales in Q2

- Organic growth in both professional and consumer segment
- Gross margin declined due to currency, cost increases and sales mix
- EBIT improved from higher sales values and increased volumes

	2014 Apr-Jun	2015 Apr-Jun
Net sales (SEK m)	1,448	1,609
Organic growth	-2%	10%
Gross margin	41.4%	41.0%
EBIT (SEK m)	207	254
EBIT margin	14.3%	15.8%



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UK region

- Organic growth primarily in Magnet, but also B2B grew
- Simply Magnet well-received
- Rixonway's net sales SEK 104 m
- Gross margin declined on the back of lower sales values and the impact of the Rixonway business model
- EBIT improved mainly due to higher volumes and currency

44% of net sales in Q2

	2014 Apr-Jun	2015 Apr-Jun
Net sales (SEK m)	1,173	1,571
Organic growth	-2%	8%
Gross margin	40.7%	40.5%
EBIT (SEK m)	103	156
EBIT margin	8.8%	9.9%

Magnet

Gower



**rixonway
kitchens**

Central Europe region

- Organic sales decline in both Austria and Poggenpohl
- Gross margin improved due to higher sales values and currency
- EBIT improved from higher sales values and currency

11% of net sales in Q2

	2014 Apr-Jun	2015 Apr-Jun
Net sales (SEK m)	387	396
Organic growth	9%	-6%
Gross margin	39.0%	42.9%
EBIT (SEK m)	22	27
EBIT margin	5.7%	6.8%



Financial position, Q2

Operating cash flow declined

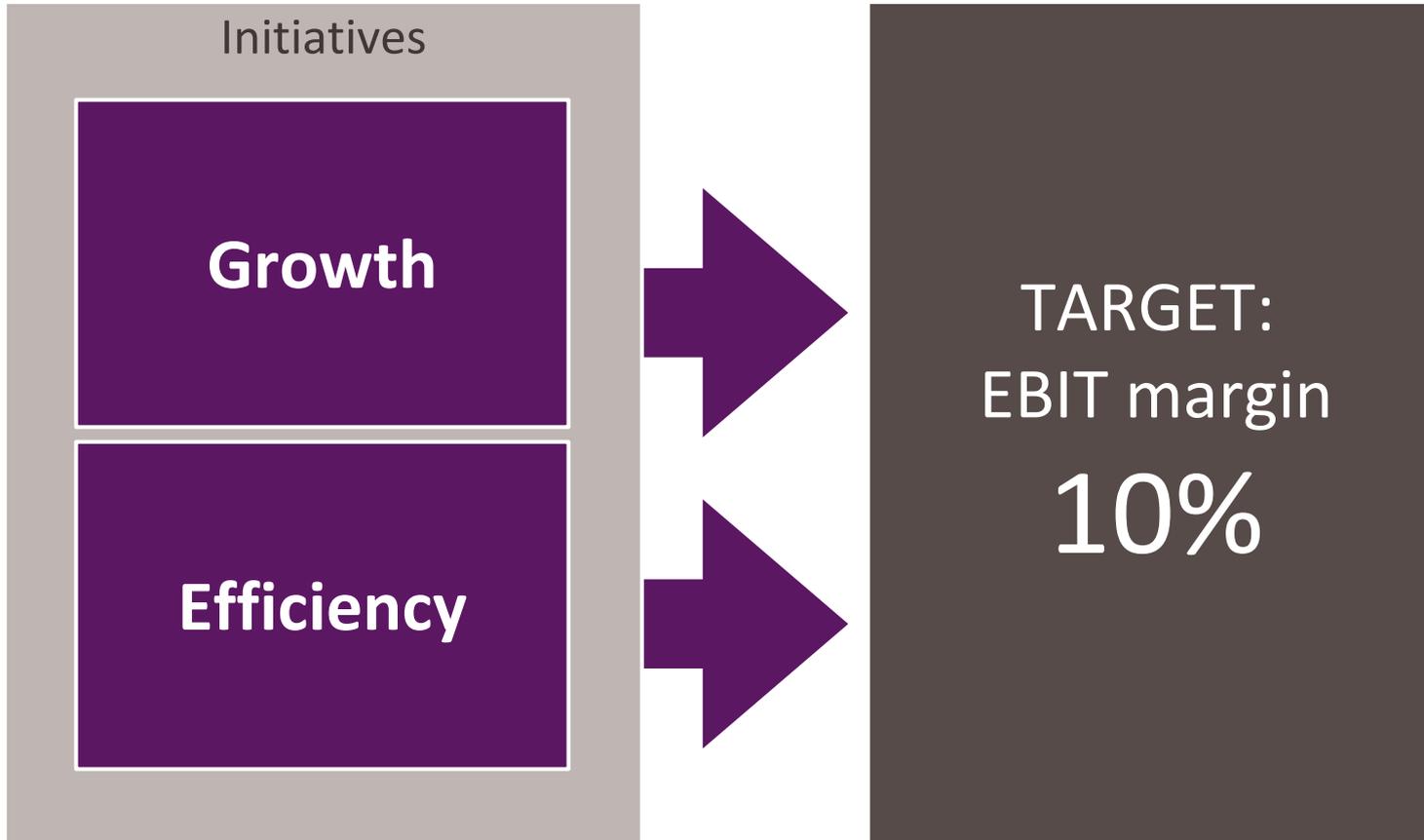
- Negative change in working capital
 - UK inventory
 - growth
 - timing
- Higher investments, now on par with depreciation

Net debt almost unchanged

- Pension debt increased mainly due to lower discount rate
- Lower net borrowings
- Net debt/equity almost unchanged despite acquisition of Rixonway and increased share dividend

SEK m	2014 Apr-Jun	2015 Apr-Jun
Operating profit including restructuring cost	293	400
Change in working capital	-95	-197
Investments in fixed assets	-67	-90
Operating cash flow	175	170
SEK m	2014 30 Jun	2015 30 Jun
Net debt	1,095	1,123
– of which pensions	690	941
– of which net borrowings	405	182
Net debt/equity	32%	33%

Strategy for a strong Nobia remains



Q&A

