



Interim report Jan-Mar 2016

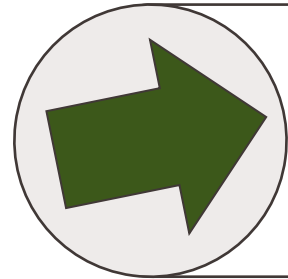
27 April 2016

Q1 highlights

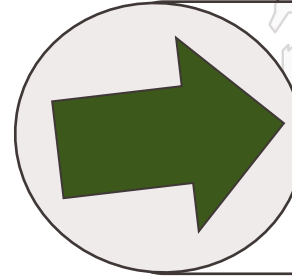
- Net sales SEK 3,323 m (3,251)
- Organic growth 3% (5)
- Gross margin 39.8% (40.0)
- EBIT SEK 235 m (211)
- EBIT margin 7.1% (6.5)
- Profit after tax SEK 171 m (153)
- Operating cash flow SEK 78 m (34)



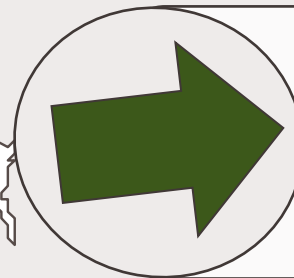
Kitchen market trend, Q1



The UK market continued to grow, despite the slightly more uncertain macro economic outlook and under the influence of high price competition

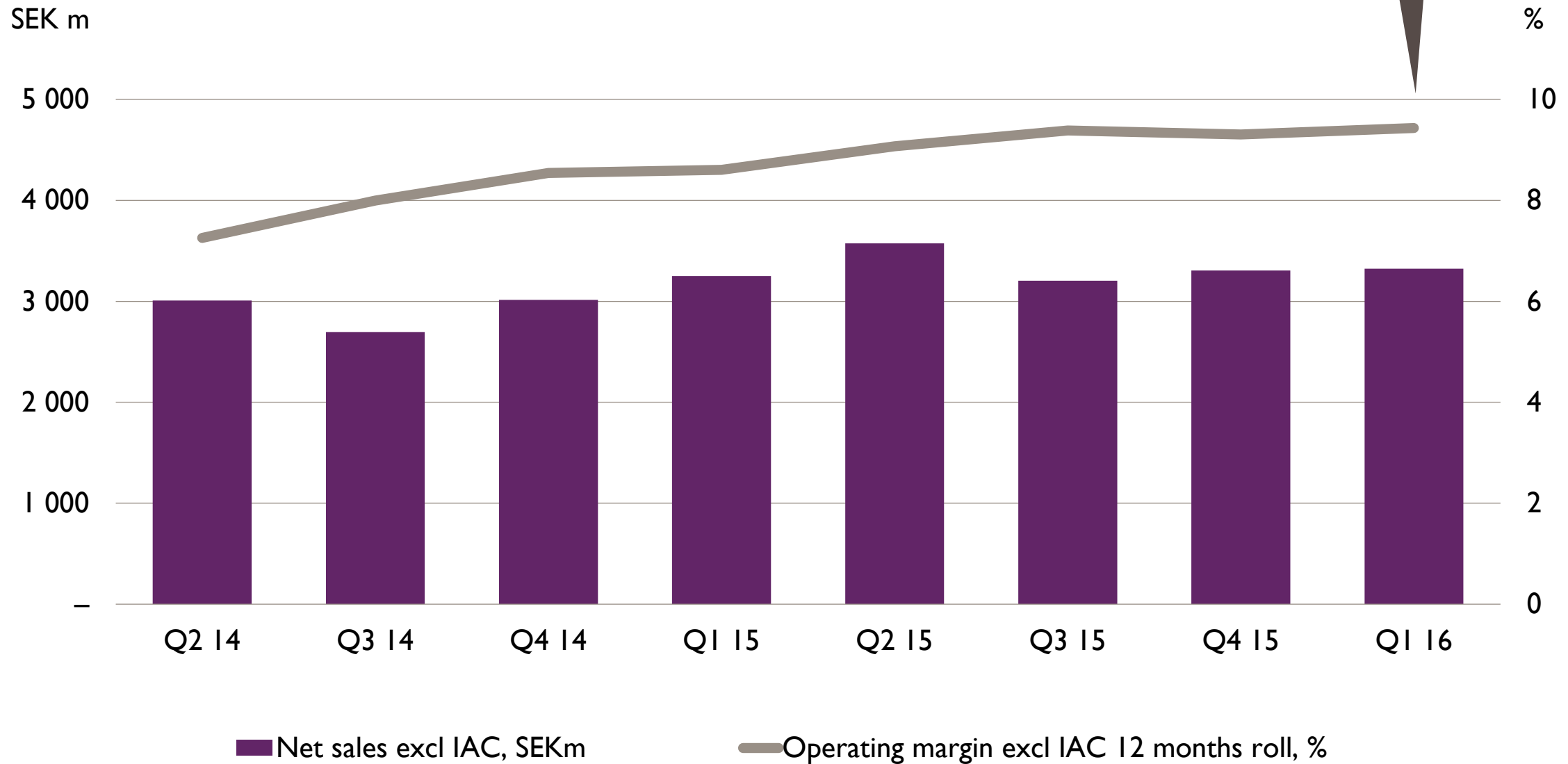


The Nordic market was up from the previous year. Sweden remained to be the primary growth engine with growth in both the consumer and the professional segment.



The market in Central Europe is estimated to have been slightly up compared with the previous year.

Net sales and operating margin



Strategy and target

Focus on



Operating profit



Nordic region

42% of net sales in Q1

- Organic growth primarily in the professional segment
- Gross margin declined due to currency, sales mix and increased costs from temporary supply chain issues in Finland
- EBIT improved on the back of higher sales values and lower costs

	2015 Jan-Mar	2016 Jan-Mar
Net sales (SEK m)	1,385	1,398
Organic growth	6%	4%
Gross margin	39.7%	39.2%
EBIT (SEK m)	151	163
EBIT margin	10.9%	11.7%



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UK region

- Organic growth attributable to Magnet, where both retail and contract business increased
- Gross margin declined due to lower sales values and the business model of the latest acquisition
- EBIT improved due to higher volumes, lower costs and the profit contribution from Commodore and CIE

48% of net sales in Q1

	2015 Jan-Mar	2016 Jan-Mar
Net sales (SEK m)	1,522	1,578
Organic growth	8%	2%
Gross margin	39.7%	39.4%
EBIT (SEK m)	94	111
EBIT margin	6.2%	7.0%

Magnet

Gower

Interior
Solutions

rixonway
kitchens

ck commodore
kitchens

Central Europe region

10% of net sales in Q1

- Organic growth in both Poggenpohl and the Austrian operation
- Gross margin improved as a result of higher sales values and increased volumes
- EBIT declined due to higher costs and currency

	2015 Jan-Mar	2016 Jan-Mar
Net sales (SEK m)	345	349
Organic growth	-9%	2%
Gross margin	40.6%	41.8%
EBIT (SEK m)	7	-3
EBIT margin	2.0%	-0.9%



Financial position, Q1

Operating cash flow improved

- Lower investments
- Improved operating profit

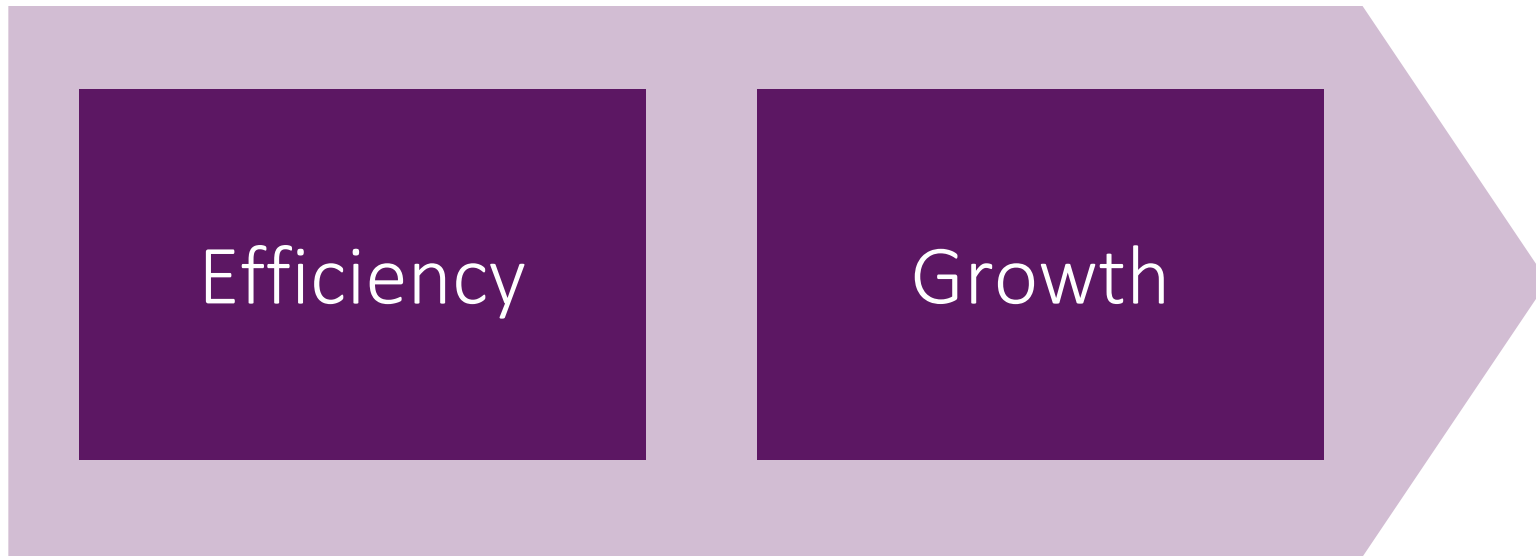
Strong balance sheet

- Lower net debt
- Lower net debt/equity ratio despite acquisition of Commodore and CIE

SEK m	2015 Jan-Mar	2016 Jan-Mar
Operating profit incl. items affecting comparability	211	235
Change in working capital	-77	-127
Investments in fixed assets	-92	-56
Operating cash flow	34	78
SEK m	2015 31 Mar	2016 31 Mar
Net debt	1,160	768
– of which pensions	1,077	760
– of which net borrowings	83	8
Net debt/equity	35%	20%

Strategy and target remain

Focus on



Operating profit



Q&A

