



# Interim report Jan-Mar 2017

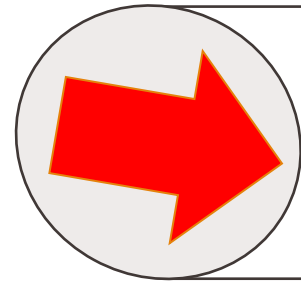
April 28, 2017

# Q1 Highlights

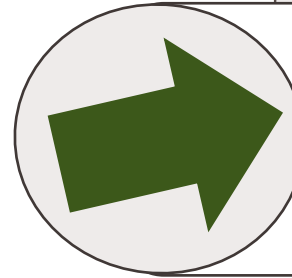
- Net sales SEK 3,315 m (3,091)
- Organic growth 10% (3)
- Gross margin 38.9% (39.3)
- EBIT SEK 273 m (245)
- EBIT margin 8.2% (7.9)
- Profit after tax SEK 205 m (171)
- Operating cash flow SEK 101 m (78)



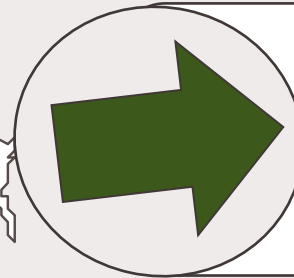
# Kitchen market trend, Q1



**The UK market** estimated to be down on the back of macro-economic uncertainty and reduced consumer confidence.

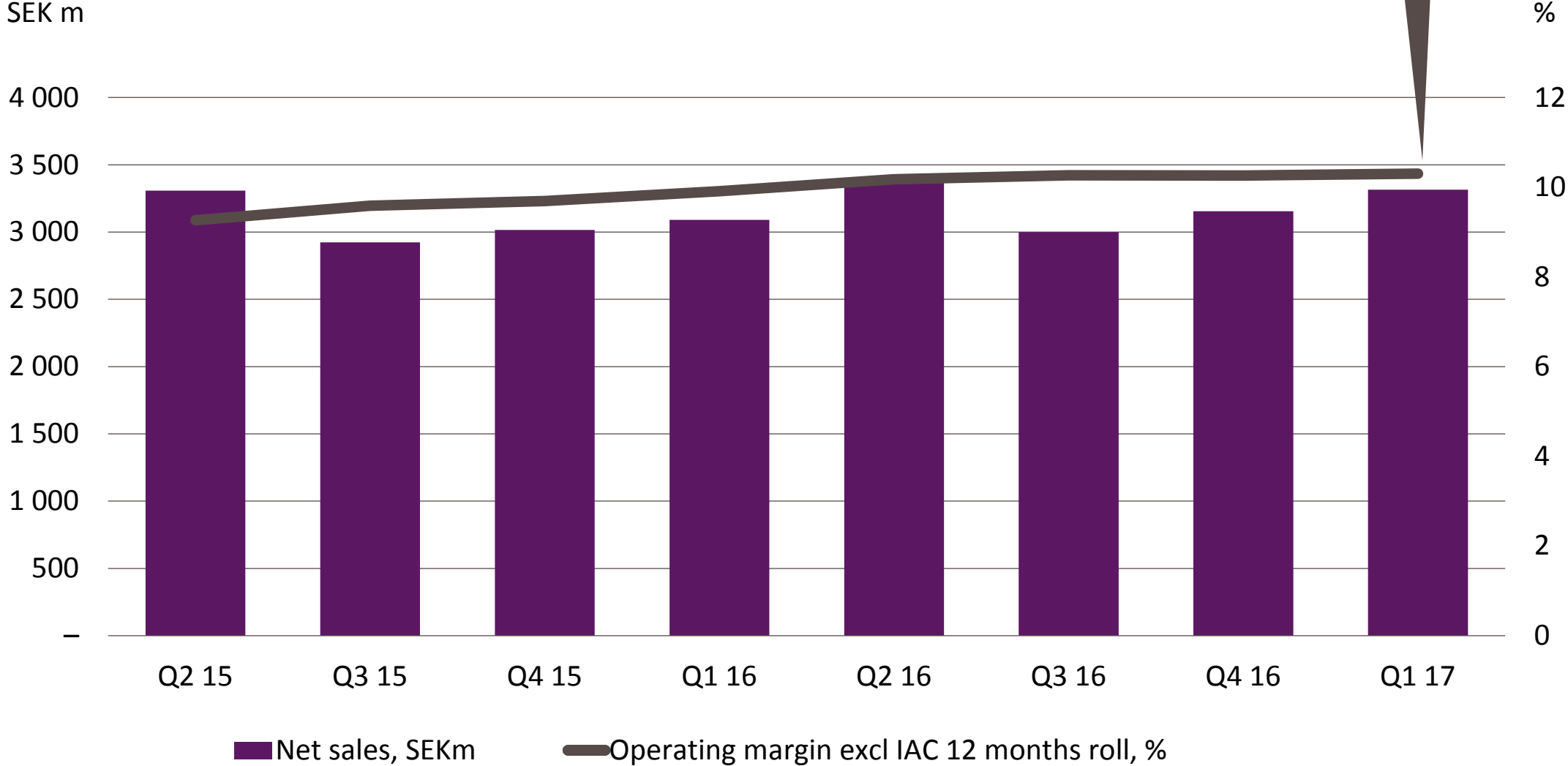


**The Nordic market** was up on previous year. New build completions continues to be the primary driver of the favourable development.



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

# Net sales and operating margin



# Financial targets

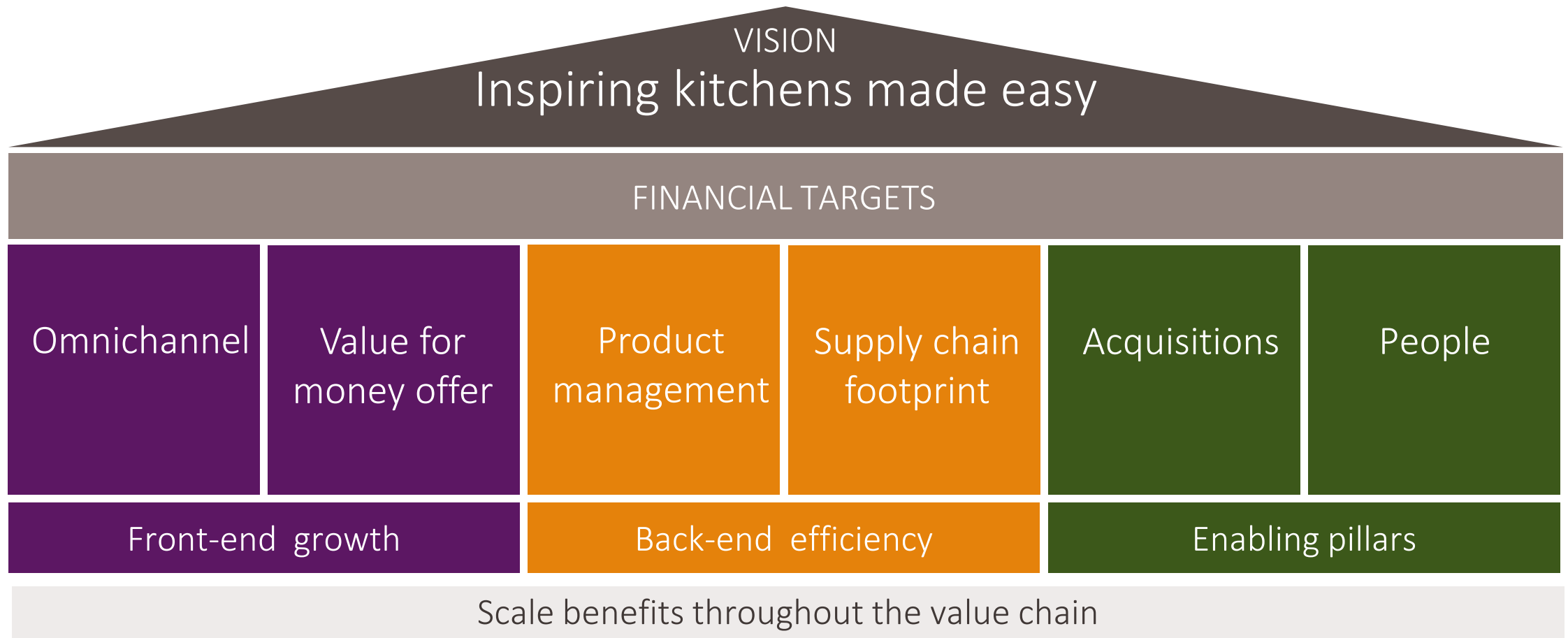
Growth  
**>5%**  
organic and  
acquired

Profitability  
**>10%**  
EBIT margin

Financing  
**<100%**  
debt/equity

Dividend  
**40-60%**  
of net profit  
after tax

# Strategic initiatives



# Nordic region

50% of net sales in Q1

- Organic growth mainly attributable to increased sales to project segment and more delivery days
- Gross margin improved
- EBIT improved as a result of higher volumes and increased sales values

	2016 Jan-Mar	2017 Jan-Mar
Net sales (SEK m)	1,398	1,672
Organic growth	4%	16%
Gross margin	39.2%	40.1%
EBIT (SEK m)	163	212
EBIT margin	11.7%	12.7%



uno form®



Marbodal®

sigdal

NOREMA



AlCorte  
KEITTIÖT

# UK region

- Organic growth mainly attributable to increased project sales
- B2B sales declined
- Gross margin declined, primarily due to currency and sales mix
- EBIT declined, mainly due to lower gross margin and higher costs

46% of net sales in Q1

	2016 Jan-Mar	2017 Jan-Mar
Net sales (SEK m)	1,578	1,527
Organic growth	2%	6%
Gross margin	39.4%	37.3%
EBIT (SEK m)	111	96
EBIT margin	7.0%	6.3%

**Magnet**

**Gower**

Interior  
Solutions

rixonway  
kitchens

ck commodore  
kitchens

nobia



# Central Europe region

4% of net sales in Q1

- Poggenpohl classified as Discontinued operations and divested 31 January 2017
- Organic decline attributable to lower volumes
- Gross margin improved slightly
- EBIT declined

	2016 Jan-Mar	2017 Jan-Mar
Net sales (SEK m)	117	116
Organic growth	5%	-2%
Gross margin	30.8%	31.0%
EBIT (SEK m)	5	4
EBIT margin	4.3%	3.4%

# Financial position, Q1

## Operating cash flow improved

- Positive change in working capital
- Improved earnings

## Strong balance sheet

- Low net debt
- Net cash position
- Dividend SEK 505 m paid in April

SEK m	2016 Jan-Mar	<b>2017 Jan-Mar</b>
Operating profit	245	273
Change in working capital	-127	-117
Investments in fixed assets	-56	-56
Operating cash flow	78	101

SEK m	2016 31 Mar	<b>2017 31 Mar</b>
Net debt	768	396
- Of which pensions	760	835
- Of which net borrowings	8	-439
Net debt/equity	20%	11%

# Strategy and main financial targets

Focus on



Growth,  
organic and  
acquired



EBIT margin

# Q&A

