



Interim report Jan-Dec 2017

February 6, 2018

Highlights

Fourth quarter 2017

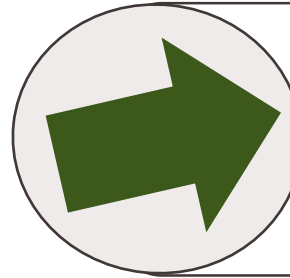
- Net sales SEK 3,116 m (3,155)
- Organic growth 0% (5)
- EBIT margin 9.1% (9.4)
- Operating cash flow SEK 196 m (480)

Full year 2017

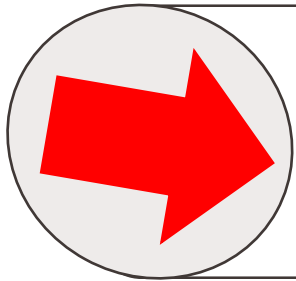
- Net sales SEK 12,744 m (12,648)
- Organic growth 2% (4)
- EBIT margin 10.1% (10.3)
- Operating cash flow SEK 706 m (1,031)



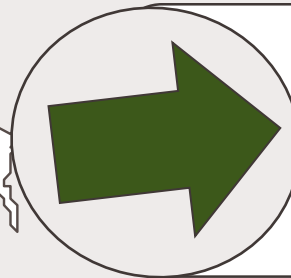
Kitchen market trend, Q4



The Nordic market grew year-on-year. New build completions continued to drive this positive trend.



The UK market weakened year-on-year driven by macroeconomic uncertainty. The market for new construction, however, continued to be favoured by low interest rates and state-sponsored incentives.



The market in Central Europe is deemed to have grown slightly year-on-year.

Financial targets

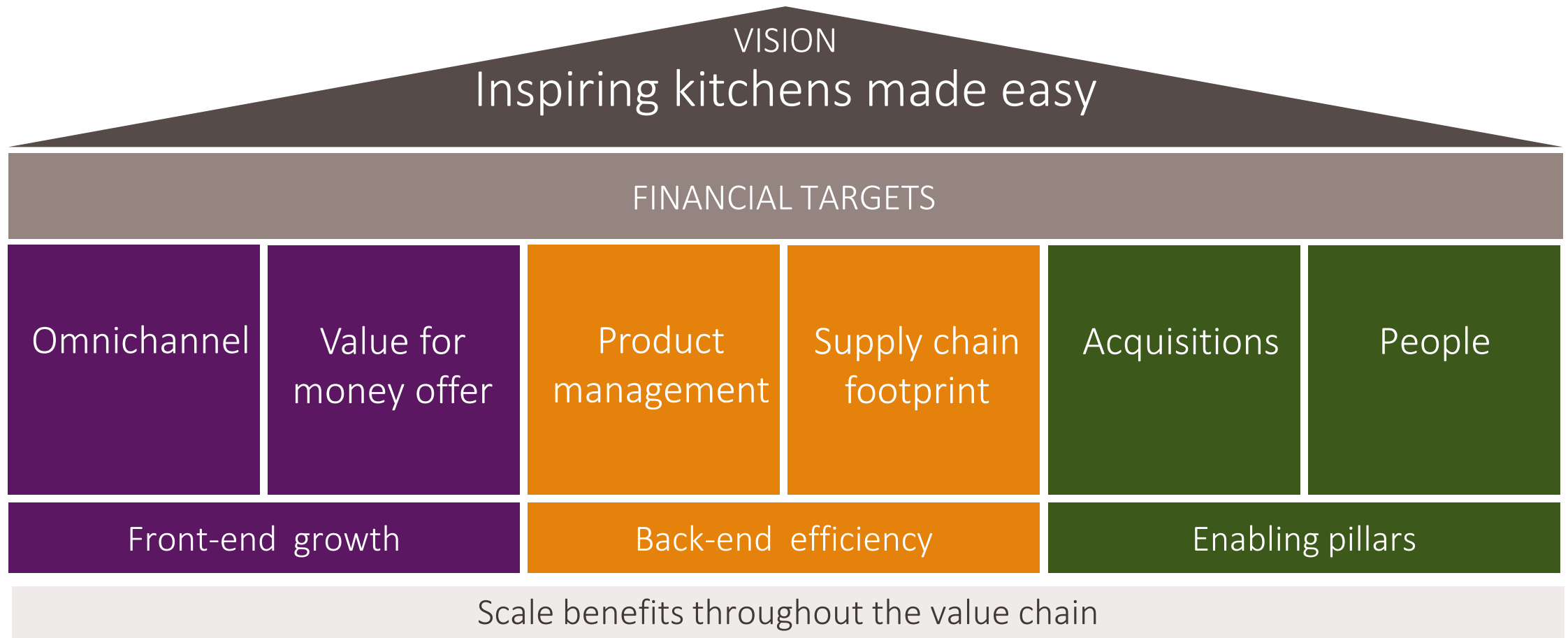
Growth
>5%
organic and
acquired

Profitability
>10%
EBIT margin

Financing
<100%
debt/equity

Dividend
40-60%
of net profit
after tax

Strategic initiatives



Nordic region

54% of net sales in Q4

- Organic growth as a result of increased project sales
- Gross margin improved, mainly due to higher sales values
- EBIT improved
- Ready-to-assemble continued to grow

	2016 Oct-Dec	2017 Oct-Dec
Net sales (SEK m)	1,609	1,690
Organic growth	9%	6%
Gross margin	40.0%	40.3%
EBIT (SEK m)	237	246
EBIT margin	14.7%	14.6%



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sigdal

NOREMA



AlCanta
KEITTIÖT

UK region

- Organic decline, primarily due to lower B2B sales and exit of Homebase
- Gross margin improved
- Discontinuation of Interior Solutions at a cost of approx. SEK 15 m
- EBIT declined due to lower sales, currency and higher costs
- Repositioning of Magnet well received

41% of net sales in Q4

	2016 Oct-Dec	2017 Oct-Dec
Net sales (SEK m)	1,416	1,286
Organic growth	1%	-8%
Gross margin	34.8%	38.6%
EBIT (SEK m)	93	67
EBIT margin	6.6%	5.2%

Magnet

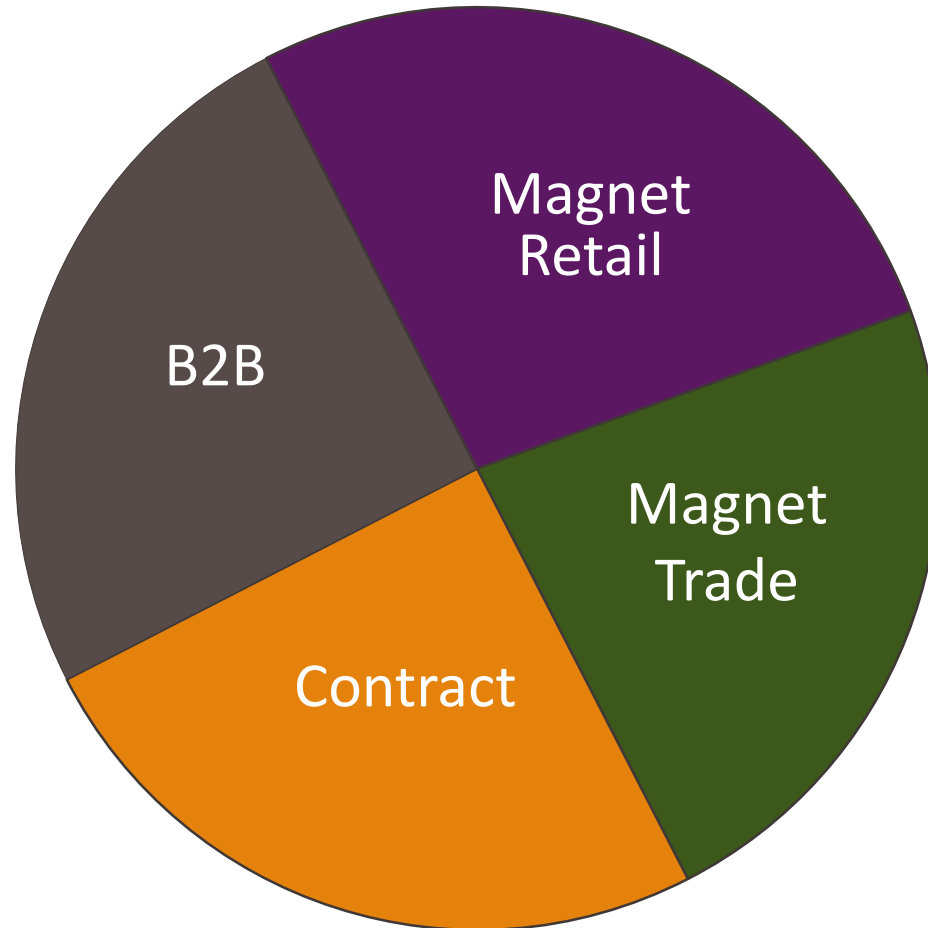
Gower

**rixonway
kitchens**

ck commodore
kitchens

Sales channels in the UK region

Net sales distribution, Jan-Dec 2017



Magnet

Gower

rixonway
kitchens

ck commodore
kitchens

Central Europe region

5% of net sales in Q4

- Organic growth
- Gross margin declined
- EBIT declined due to lower gross margin and increased costs
- Production disruptions eliminated

	2016 Oct-Dec	2017 Oct-Dec
Net sales (SEK m)	130	141
Organic growth	0%	7%
Gross margin	27.7%	23.4%
EBIT (SEK m)	5	-4
EBIT margin	3.8%	-2.8%

Financial position, Q4

Negative change in working capital

- Low payable position in the UK

Strong balance sheet

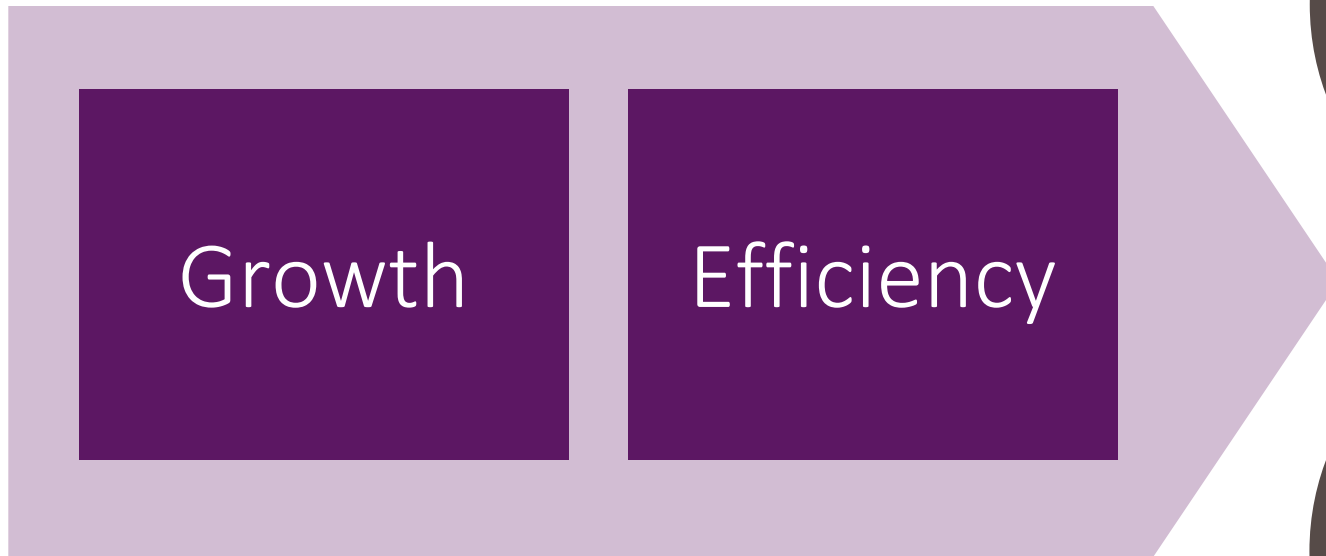
- Reduced pension debt due to changes in actuarial assumptions
- Low net debt/equity ratio and net cash position
- Proposed ordinary dividend of 3.50 SEK + extra ordinary dividend of 3.50 SEK corresponding to approx. SEK 1,180 m

SEK m	2016 Oct-Dec	2017 Oct-Dec
Operating profit	297	282
Change in working capital	334	60
Investments in fixed assets	-119	-132
Operating cash flow	480	196
SEK m	2016 31 Dec*	2017 31 Dec
Net debt	493	77
- Of which pensions	955	567
- Of which net borrowings	-462	-490
Net debt/equity	14%	2%

* Including assets and liabilities classified as Assets held for sales

Strategy and main financial targets

Focus on



Growth,
organic and
acquired



EBIT margin

Q&A

