

Interim report Jan-Mar 2018

April 27, 2018

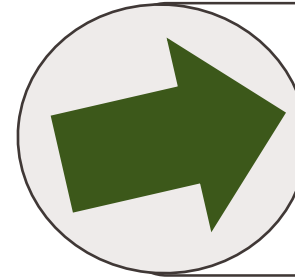


Q1 Highlights

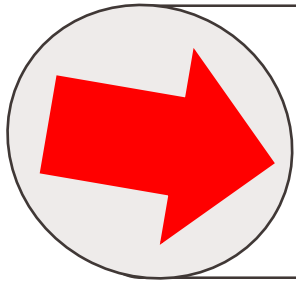
- Net sales SEK 3,173 m (3,315)
- Organic growth -6% (10)
- Gross margin 39.7% (38.9)
- EBIT SEK 255 m (273)
- EBIT margin 8.0% (8.2)
- Profit after tax SEK 193 m (205)
- Operating cash flow SEK 64 m (101)



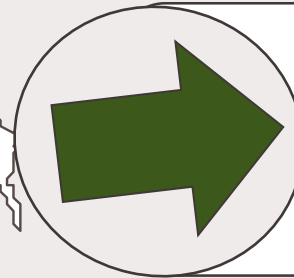
Kitchen market trend, Q1



The Nordic market grew year-on-year. New build completions continued to be the driver of the positive trend, albeit at a slower rate than previously.



The UK market is estimated to be down on past year, driven by the macroeconomic uncertainty. Poor weather conditions also affected the market causing project delays.



The Central Europe region market is estimated to have been slightly up on previous year.

Net sales and operating margin



Financial targets

Growth

>5%

organic and
acquired

Profitability

>10%

EBIT margin

Financing

<100%

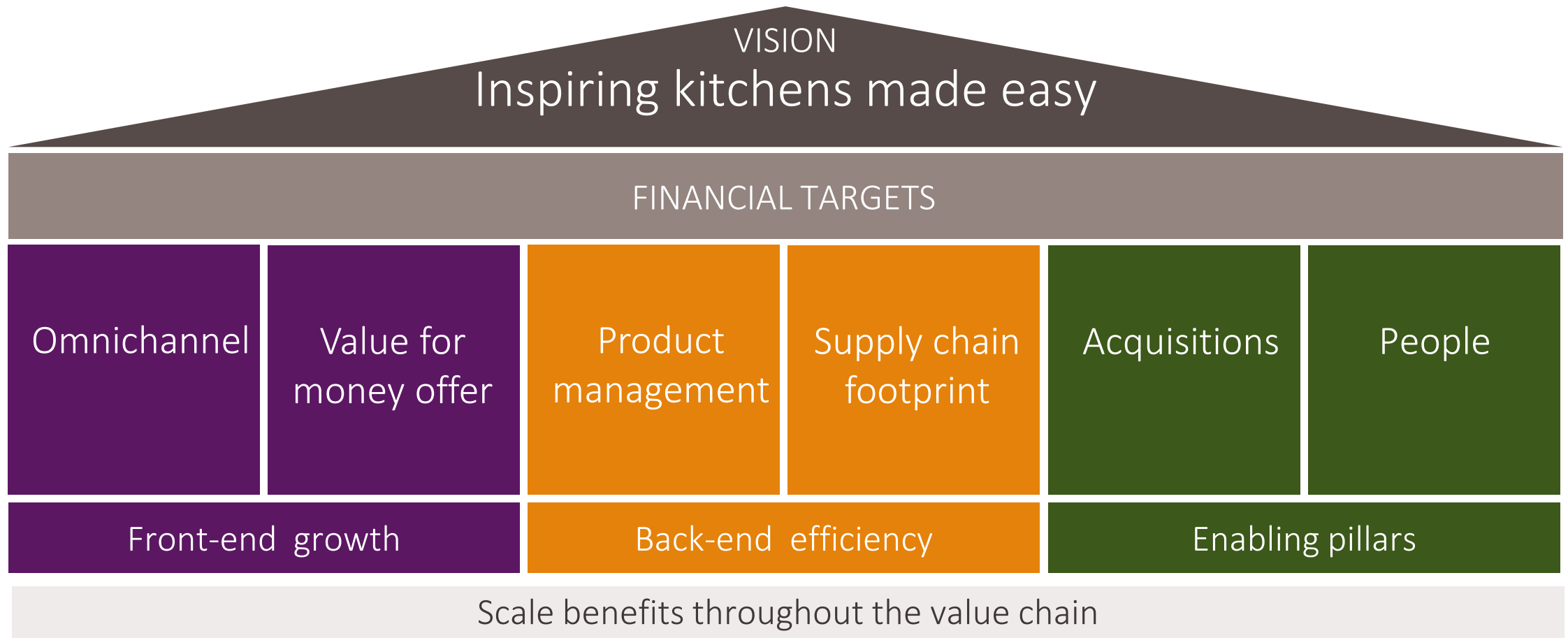
debt/equity

Dividend

40-60%

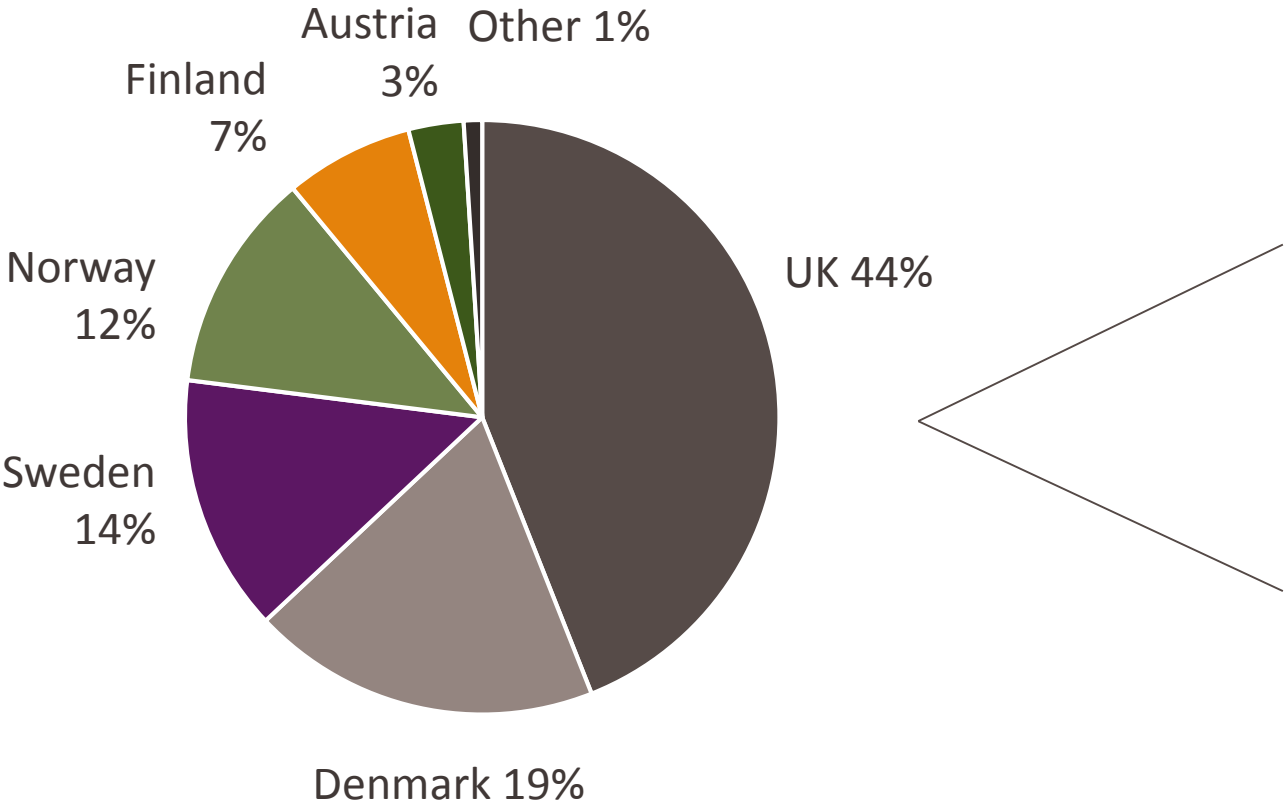
of net profit
after tax

Strategic initiatives

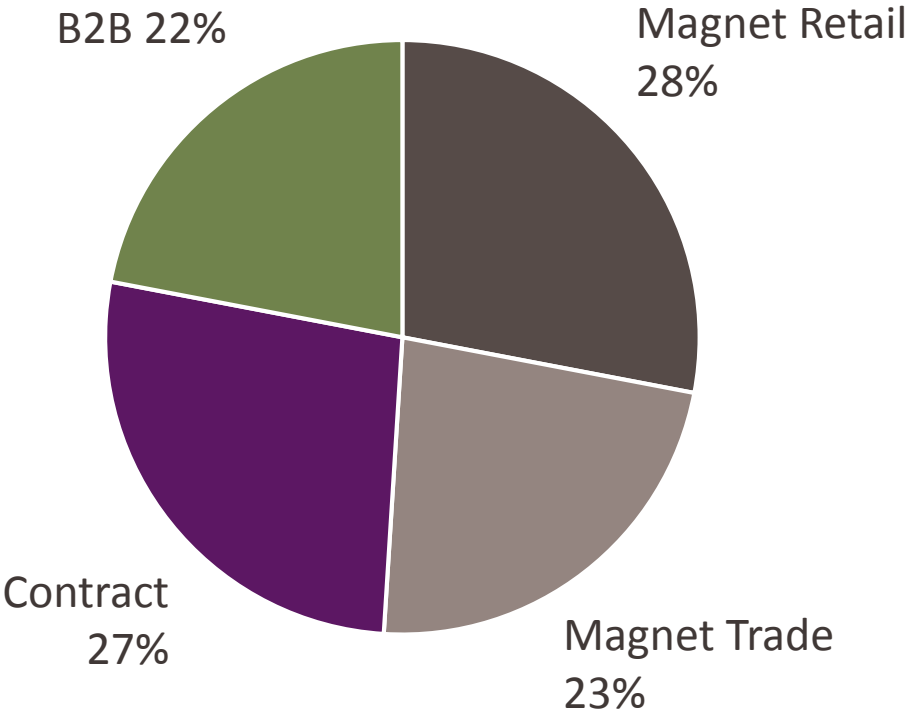


Net sales distribution, 12 months roll

Total net sales by country



UK net sales by channel



Nordic region

53% of net sales in Q1

- Organic growth affected by fewer delivery days
- Gross margin declined due to currency and higher material prices
- EBIT margin unchanged
- Ready-to-assemble continued to grow

	2017 Jan-Mar	2018 Jan-Mar
Net sales (SEK m)	1,672	1,682
Organic growth	16%	-1%
Gross margin	40.1%	39.8%
EBIT (SEK m)	212	213
EBIT margin	12.7%	12.7%



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UK region

- Organic sales decline, primarily due to exit of Homebase and lower project deliveries than last year
- Gross margin improved as a result of favourable sales mix and higher sales values
- EBIT margin declined due to lower volumes
- Repositioning of Magnet well received

43% of net sales in Q1

	2017 Jan-Mar	2018 Jan-Mar
Net sales (SEK m)	1,527	1,367
Organic growth	6%	-12%
Gross margin	37.3%	39.7%
EBIT (SEK m)	96	79
EBIT margin	6.3%	5.8%

Magnet

Gower

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kitchens**

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Central Europe region

- Organic growth
- Margins declined due to sales mix
- Value proposition change initiated

4% of net sales in Q1

	2017 Jan-Mar	2018 Jan-Mar
Net sales (SEK m)	116	124
Organic growth	-2%	1%
Gross margin	31.0%	28.2%
EBIT (SEK m)	4	2
EBIT margin	3.4%	1.6%

Financial position, Q1

Operating cash flow declined

- Negative change in working capital
- Higher investments

Strong balance sheet

- Negative net debt including pension debt end of first quarter
- Share dividend totalling SEK 1,180 m paid in April 2018
- Bank loan of about SEK 650 m utilised

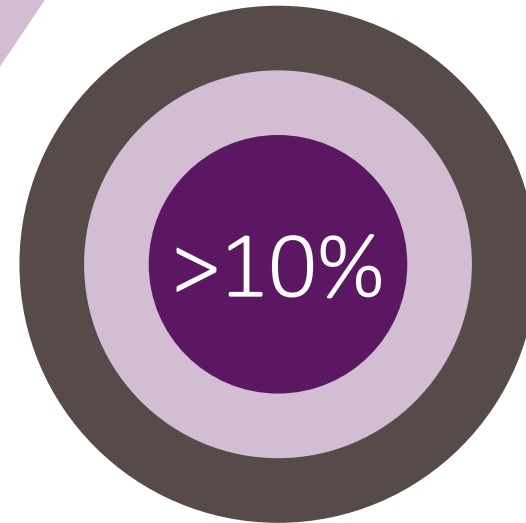
SEK m	2017 Jan-Mar	2018 Jan-Mar
Operating profit	273	255
Change in working capital	-117	-127
Investments in fixed assets	-56	-74
Operating cash flow	101	64
SEK m	2017 31 Mar	2018 31 Mar
Net debt	396	-19
- Of which pensions	835	545
- Of which net borrowings	-439	-564
Net debt/equity	11%	0%

Strategy and main financial targets

Focus on



Growth,
organic and
acquired



EBIT margin

Q&A

