

A modern kitchen and dining area. The kitchen features grey cabinetry, a white countertop, and a large window with three tall indoor plants. A dark dining table is set with food and glasses, surrounded by dark wooden chairs. A dark grey rug is on the floor.

Interim report Jan-Jun 2018

July 20, 2018

Q2 Highlights

- Net sales SEK 3,503 m (3,408)
- Organic growth -2% (1)
- Gross margin 39.8% (39.9)
- EBIT SEK 387 m (413)
- EBIT margin 11.0% (12.1)
- Profit after tax SEK 297 m (314)
- Operating cash flow SEK 184 m (193)

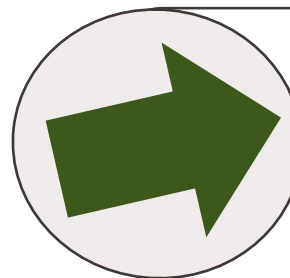


Acquisition of Bribus

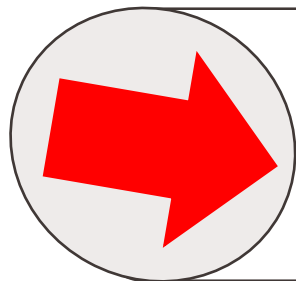


- Bribus is a leading kitchen supplier in the Netherlands – #1 in project market
- Provides a full service offering and targeting customers in social housing and large-scale property investors
- Production in a modern factory in Dinxperlo
- Net sales for 2017 around EUR 65 m and EBIT margin in line with Nobia's target
- Good growth opportunities and a solid platform for further expansion
- Consideration of SEK 60 million and maximum of SEK 5 million in earn-out, based on future performance and retained key management
- Included in Nobia's accounts from 1 July 2018

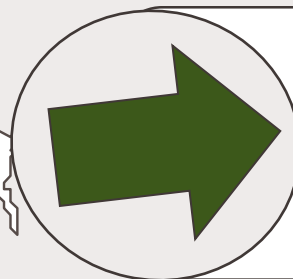
Kitchen market trend, Q2



The Nordic market was up compared to the same period the past year. New build completions continued to be the driver of the favourable development.



The UK market is estimated to have weakened slightly on past year, with the ongoing political and economic uncertainty impacting consumer confidence. Price pressure has increased, especially in the lower end of the market.



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

Financial targets

Growth

>5%

organic and
acquired

Profitability

>10%

EBIT margin

Financing

<100%

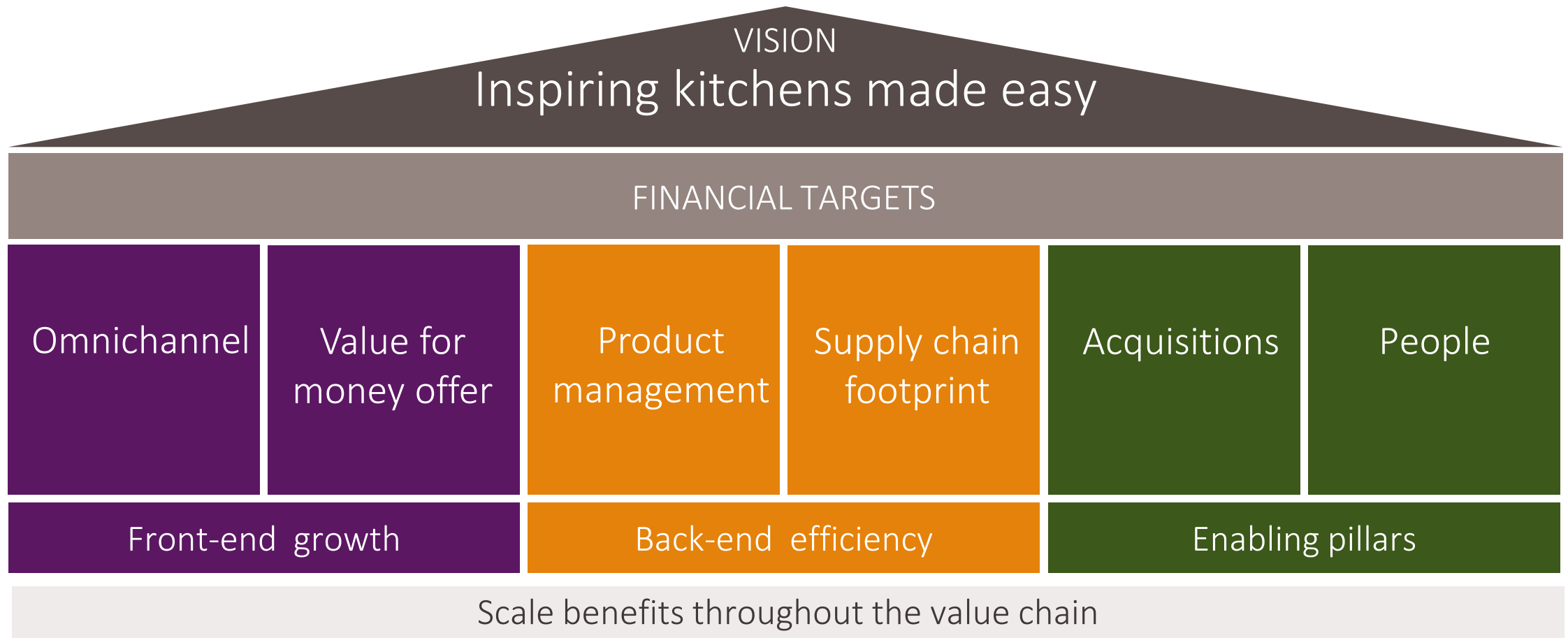
debt/equity

Dividend

40-60%

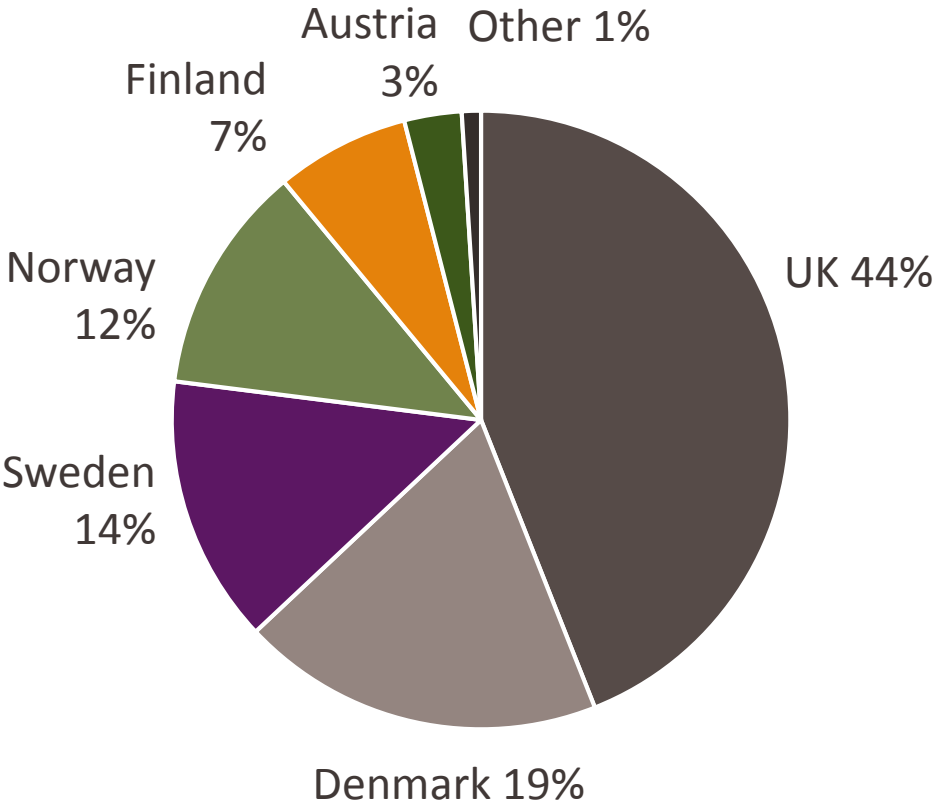
of net profit
after tax

Strategic initiatives

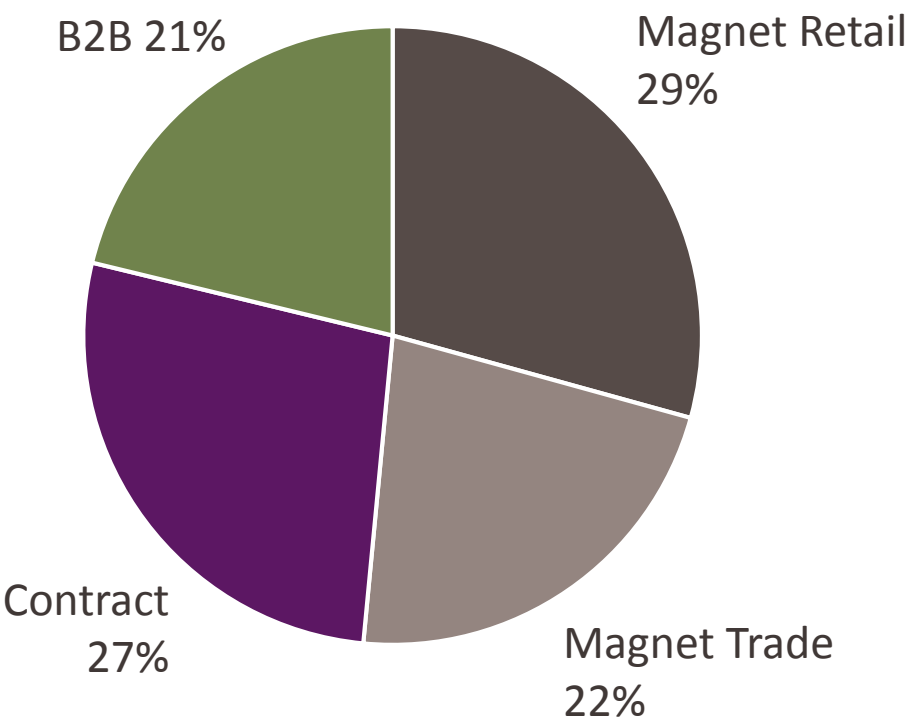


Net sales distribution, 12 months roll

Total net sales by country



UK net sales by channel



Nordic region

53% of net sales in Q2

- Organic growth affected by production disruptions in Tidaholm
- Gross margin declined due to currency, higher material prices and low productivity
- EBIT margin declined due to lower gross margins and higher costs
- Production disruptions addressed

	2017 Apr-Jun	2018 Apr-Jun
Net sales (SEK m)	1,756	1,851
Organic growth	5%	1%
Gross margin	41.1%	39.5%
EBIT (SEK m)	297	278
EBIT margin	16.9%	15.0%



uno form®



UK region

- Organic sales decline, mainly due to lower B2B sales
- Exit from Homebase and high past year project deliveries affected comparison with last year
- Gross margin improved as a result of a favourable sales mix
- EBIT margin declined due to higher material prices and lower sales values
- Strong project order book

43% of net sales in Q2

	2017 Apr-Jun	2018 Apr-Jun
Net sales (SEK m)	1,520	1,498
Organic growth	-2%	-6%
Gross margin	38.7%	40.0%
EBIT (SEK m)	154	134
EBIT margin	10.1%	8.9%

Magnet

Gower

rixonway
kitchens

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kitchens

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Central Europe region

- Organic growth as a result of increased sales in Austria
- Gross margin improved due to higher productivity and increased prices
- EBIT margin improved

4% of net sales in Q2

	2017 Apr-Jun	2018 Apr-Jun
Net sales (SEK m)	133	155
Organic growth	-12%	10%
Gross margin	31.6%	32.3%
EBIT (SEK m)	5	9
EBIT margin	3.8%	5.8%

Financial position, Q2

Operating cash flow declined

- Lower profit generation
- Higher investments

Strong balance sheet

- Net debt SEK 825 m end of June
 - Share dividend of SEK 1,180 m paid in April
 - Reduced pension debt
- New bank loan utilised in the amount of approx. SEK 1,080 in July

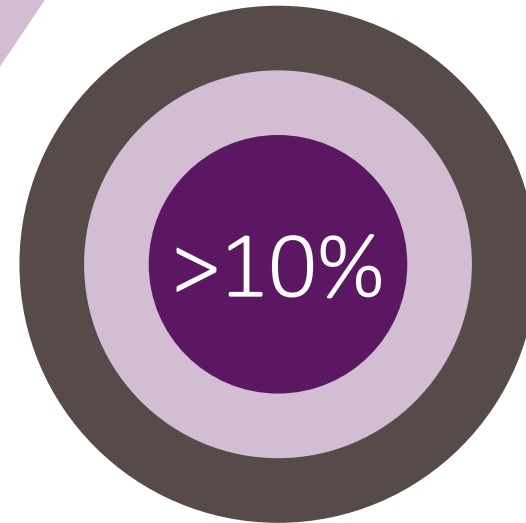
SEK m	2017 Apr-Jun	2018 Apr-Jun
Operating profit	413	387
Change in working capital	-183	-158
Investments in fixed assets	-61	-68
Operating cash flow	193	184
SEK m	2017 30 Jun	2018 30 Jun
Net debt	711	825
- Of which pensions	819	383
- Of which net borrowings	-108	442
Net debt/equity	21%	21%

Strategy and main financial targets

Focus on



Growth,
organic and
acquired



EBIT margin

Q&A

