

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-Sep 2018

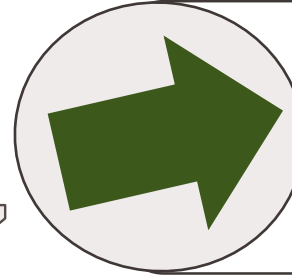
October 26, 2018

Q3 Highlights

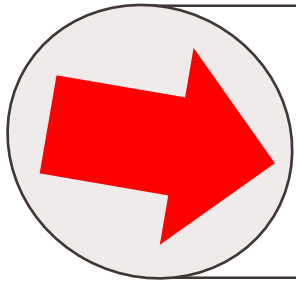
- Net sales SEK 3,143 m (2,905)
- Organic growth -5% (-1)
- Gross margin 37.7% (39.3)
- EBIT SEK 267 m (318)
- EBIT margin 8.5% (10.9)
- Profit after tax SEK 201 m (264)
- Operating cash flow SEK 213 m (216)



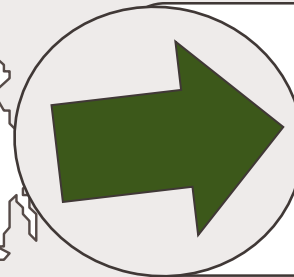
Kitchen market trend, Q3



The Nordic market was slightly up on previous year. New build completions continues to drive the favourable development, albeit at a slower rate.



The UK market is estimated to be down on past year, with the ongoing political and economic uncertainty impacting consumer confidence. Price pressure remains high.



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

Efficiency improvements

	TIME FRAME	RUN RATE IMPACT		2019 IMPACT		CAPEX & ONE OFFS
		EBIT	EBIT %	EBIT	EBIT %	
Manufacturing footprint	2019 - 2022	250	1,9%	0	0,0%	750 - 1 000
Range/ purchasing	2019 - 2021	150	1,1%	50	0,4%	0
Cost reduction program	2019 - 2020	100	0,7%	80	0,6%	80 - 100
Total		500	3,7%	130	1,0%	

Commodore/CIE's order book
exceeds SEK 1 billion
+>60% vs last year

Southbank Place



Battersea Power station

Lillie Square



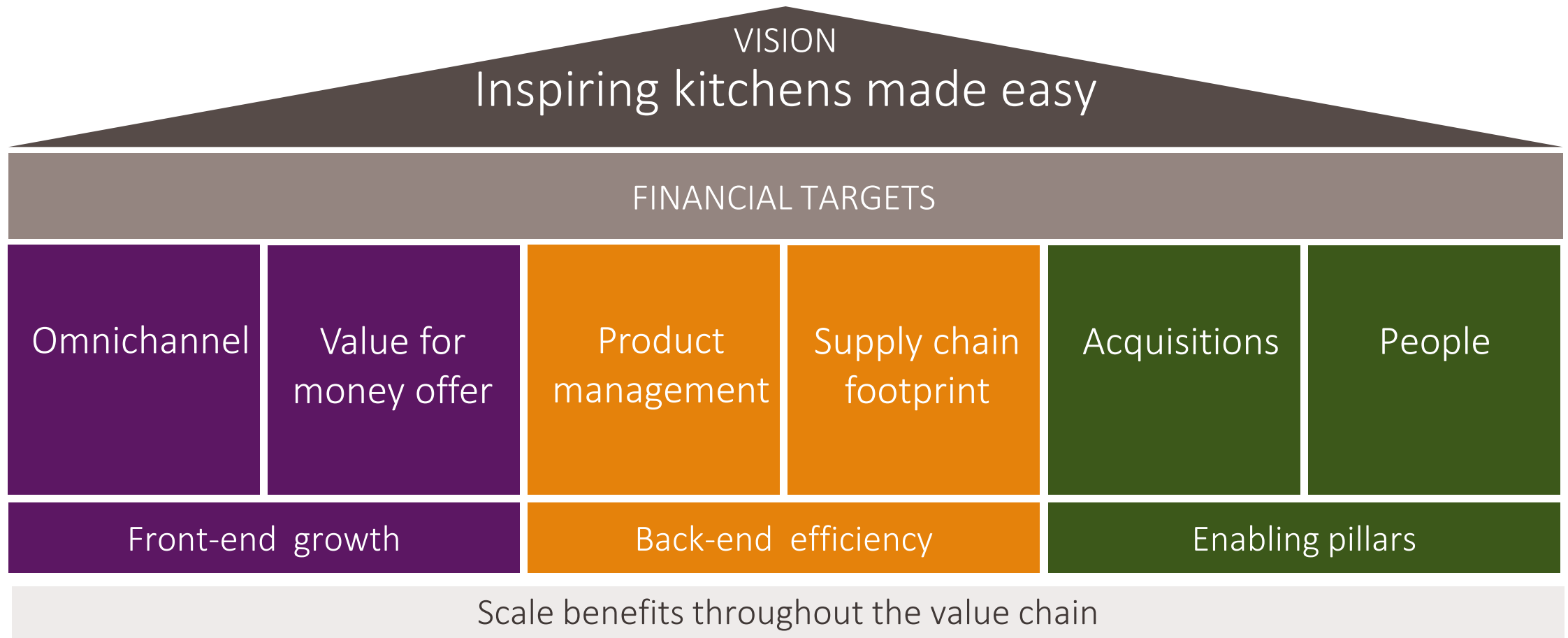
South Quay Plaza



Marble Arch Tower



Strategic initiatives



Financial targets

Growth
>5%
organic and
acquired

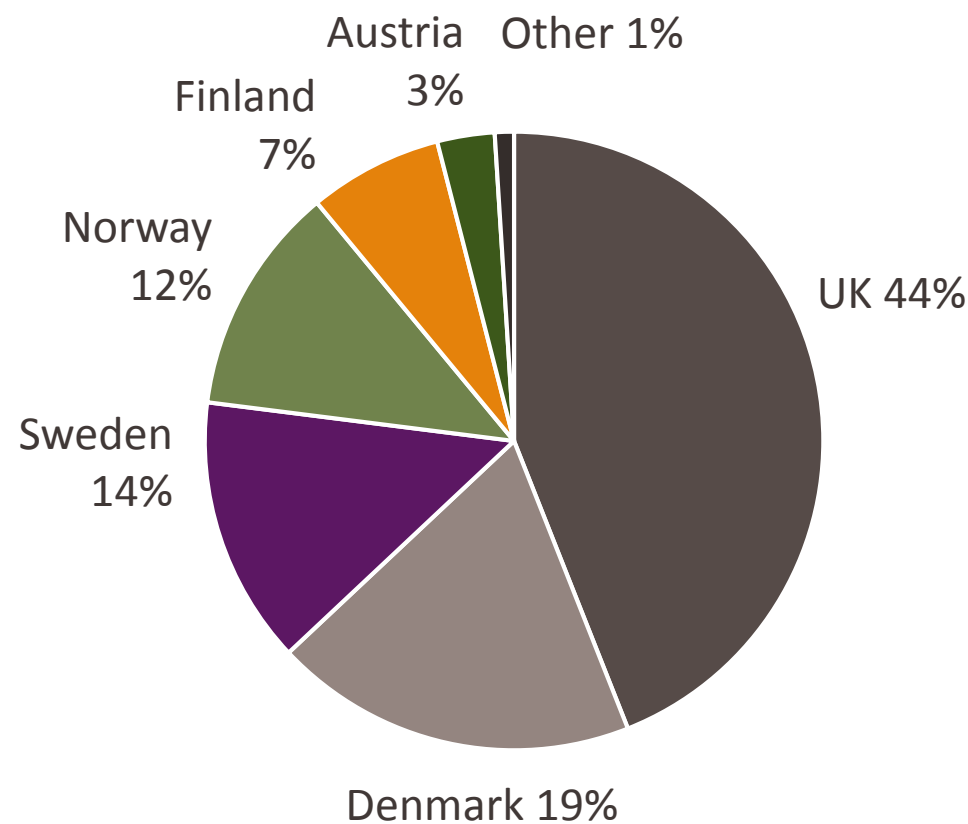
Profitability
>10%
EBIT margin

Financing
<100%
debt/equity

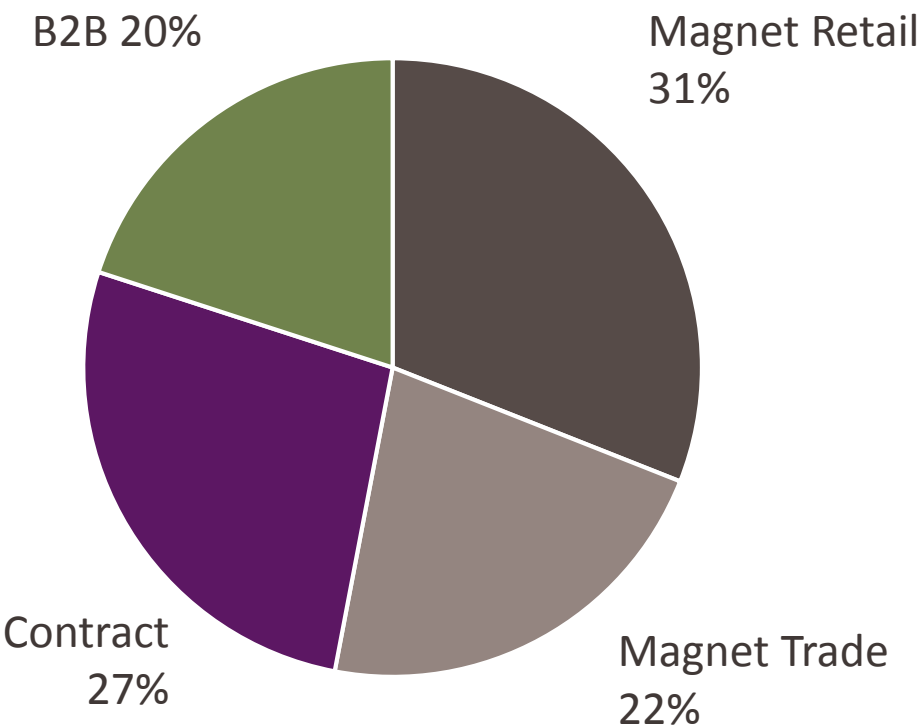
Dividend
40-60%
of net profit
after tax

Net sales distribution, 12 months roll

Total net sales by country



UK net sales by channel



Nordic region

47% of net sales in Q3

- Organic growth affected by lower consumer sales
- Project sales were unchanged
- Gross margin declined due to currency and lower productivity
- EBIT declined due to lower gross margins and lower volumes
- Manufacturing issues resolved

	2017 Jul-Sep	2018 Jul-Sep
Net sales (SEK m)	1,397	1,474
Organic growth	3%	-1%
Gross margin	40.4%	37.8%
EBIT (SEK m)	208	185
EBIT margin	14.9%	12.6%



uno form®



UK region

- Organic sales decline due to reduced B2B sales and lower project deliveries
- Gross margin improved as a result of a favourable sales mix
- EBIT declined due to lower sales volumes
- Strong project order book

44% of net sales in Q3

	2017 Jul-Sep	2018 Jul-Sep
Net sales (SEK m)	1,377	1,378
Organic growth	-4%	-9%
Gross margin	37.6%	39.4%
EBIT (SEK m)	137	105
EBIT margin	9.9%	7.6%

Magnet

Gower

rixonway
kitchens

ck commodore
kitchens

nobia

Central Europe region

- Bribus had sales of SEK 144 million
- Organic growth as a result of increased sales in Austria
- Lower gross margin due to Bribus
- EBIT improved

9% of net sales in Q3

	2017 Jul-Sep	2018 Jul-Sep
Net sales (SEK m)	131	291
Organic growth	-12%	3%
Gross margin	31.3%	24.1%
EBIT (SEK m)	7	10
EBIT margin	5.3%	3.4%

Financial position, Q3

Operating cash flow almost flat

- Higher investments
- Positive change in working capital

Strong balance sheet

- Increased net debt due to acquisition of Bribus
- Reduced pension debt

SEK m	2017 Jul-Sep	2018 Jul-Sep
Operating profit	318	267
Change in working capital	-88	-2
Investments in fixed assets	-70	-95
Operating cash flow	216	213
SEK m	2017 30 Sep	2018 30 Sep
Net debt	485	1,256
- Of which pensions	765	411
- Of which net borrowings	-208	845
Net debt/equity	13%	32%

Strategy and main financial targets

Focus on



Growth,
organic and
acquired



EBIT margin

Q&A

