

A modern kitchen and dining area. The kitchen features grey cabinetry, a white countertop, and a large window with three tall indoor plants. A dining table with dark wood chairs is set with food and glasses. A dark grey semi-transparent box is overlaid on the left side of the image, containing the text.

# Interim report Jan-Mar 2019

May 2, 2019

# Highlights Q1

- Net sales SEK 3,469 m (3,173)
- Organic growth -1% (-6%)
- Gross margin 38,0% (39,7%)
- EBIT SEK 260 m (255)
- EBIT margin 7,5% (8,0%)
- Profit after tax SEK 183 m (193)
- Operating cash flow SEK 241 m (64)





# Jon Sintorn new CEO of Nobia



## PRESS RELEASE

Nobia AB (publ)  
2 May 2019

### Jon Sintorn new CEO of Nobia

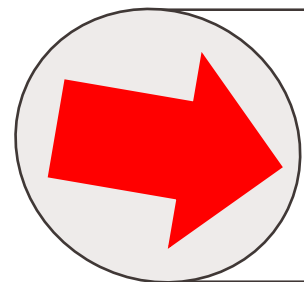
After nine years as CEO of Nobia, one of Europe's largest kitchen specialists with operations covering the entire value chain, Morten Falkenberg is stepping down from his position at the company. Morten Falkenberg, who is a Board member of the companies Velux Group and Fagerhult, will transition into new roles including industrial advisor for Nobia's largest owner, Nordstjeman. Jon Sintorn, who most recently served as President and CEO of Permobil, will succeed Morten Falkenberg at the latest on September 1, 2019. Jon Sintorn has entered an agreement with Nordstjeman to acquire, today or over the next few days, 1.5 million call options at a market price of approximately SEK 7 million.

Over the past decade, Nobia has demonstrated a positive development with a strengthened balance sheet and an increasing operating margin, rising from about 2 percent to about 10 percent. Today, Nobia manufactures and sell kitchens in seven European countries through its own stores as well as through franchise stores and retailers.

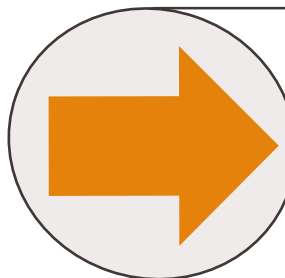
"I am very pleased to have had the opportunity to lead Nobia for nearly a decade, with the improved results I have been able to achieve together with all of Nobia's employees. Nobia is a stronger company today with better margins, a simplified structure and a business that is once again delivering annual dividends to its shareholders. It feels like the right time to step down," says Nobias outgoing CEO Morten Falkenberg.

"Morten Falkenberg has successfully led Nobia. He has guided the company very well through the financial crisis, made several bolt-on acquisitions and simplified the company's structure. Nobia is now able to better leverage its strong market position, the company's economies of scale and its increasingly streamlined production. As the Chairman of the Board, I would like to express the gratitude we all feel

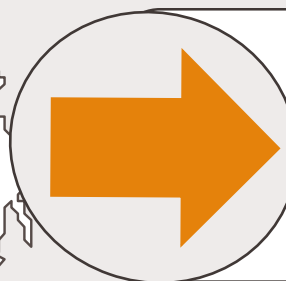
# Kitchen market trend, Q1



**UK market** is estimated to be down on PY, with ongoing political and economic uncertainty impacting consumer confidence. Price competition remains fierce



**Nordic market** is deemed to be on par with previous year. A growing market particularly in Denmark was offset by softer market conditions in Sweden



**The Central Europe region market** is estimated to be almost on par with previous year

# Financial targets

Growth

**>5%**

organic and  
acquired

Profitability

**>10%**

EBIT margin

Financing

**<100%**

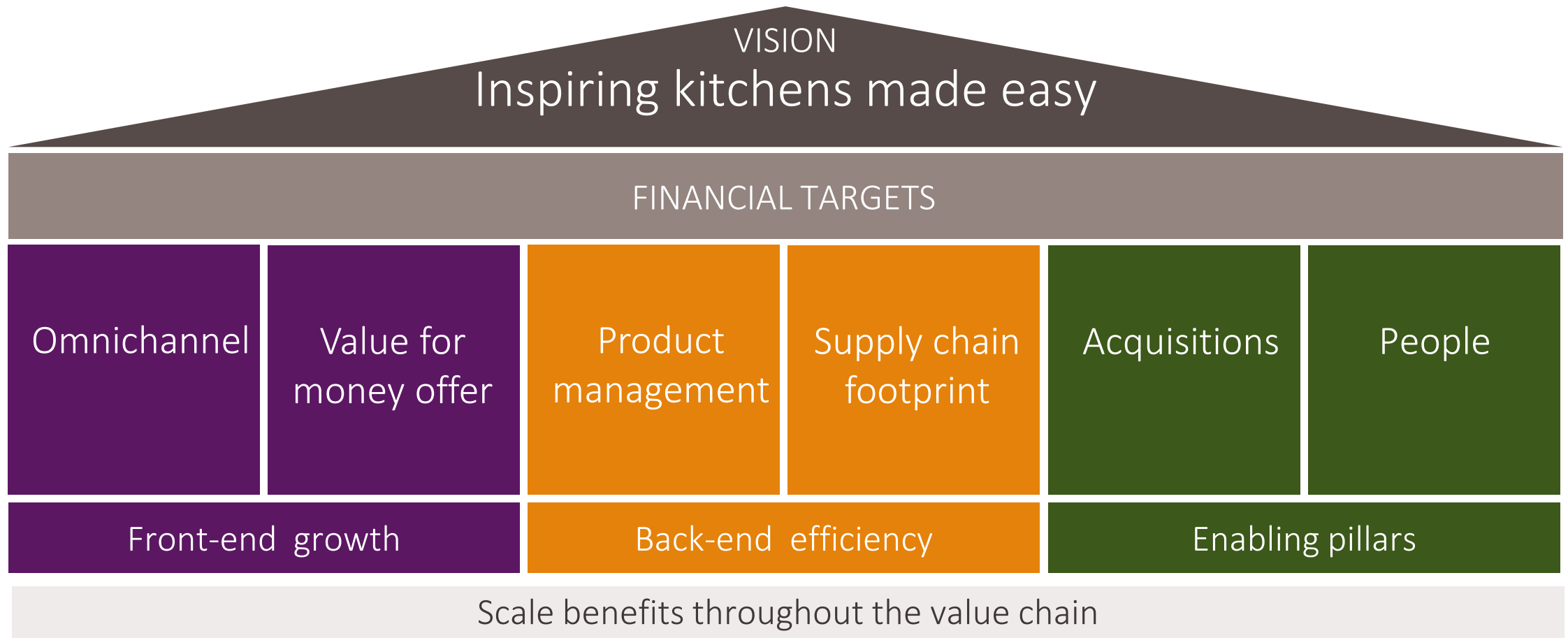
debt/equity

Dividend

**40-60%**

of net profit  
after tax

# Strategic initiatives



# Nordic region, Q1

- Organic growth negatively affected by Norema's conversion of own stores to franchise
- Sales decline in Sweden was mitigated by growth in Denmark
- Gross margin declined primarily as a consequence of higher material prices, higher labour cost and Norema's conversion of own stores to franchise
- SG&A declined due to the cost out program and Norema's conversion of own stores to franchise
- EBIT in line with same period last year

## 50% of net sales in Q1

	2018 Jan-Mar	2019 Jan-Mar
Net sales (SEK m)	1,682	1,724
Organic growth	-1%	-1%
Gross margin	39.8%	38.0%
EBIT (SEK m)	213	214
EBIT margin	12.7%	12.4%



uno form®



# UK region, Q1

- Organic growth was flat. Sales through retail and the enhanced trade concept increased while project sales declined
- New trade concept trialled in 30 stores for 6 months with positive results
- Project deliveries to key developments in central London started end of March
- Gross margin declined primarily as a consequence of higher material prices
- EBIT declined as a result of higher material prices

42% of net sales in Q1

	2018 Jan-Mar	2019 Jan-Mar
Net sales (SEK m)	1,367	1,448
Organic growth	-12%	0%
Gross margin	39.7%	39.4%
EBIT (SEK m)	79	73
EBIT margin	5.8%	5.0%

**Magnet**

**Gower**

**ck** commodore  
kitchens

**rixonway**  
kitchens

**nobia**



# Central Europe region, Q1

- Bribus Net sales of SEK 177 million
- Organic growth declined due to lower sales in the low end segment in Austria
- Gross margin declined as a result of lower volumes in Austria
- EBIT increased, mainly as a result of the acquisition of Bribus

8% of net sales in Q1

	2018 Jan-Mar	2019 Jan-Mar
Net sales (SEK m)	124	297
Organic growth	1%	-7%
Gross margin	28.2%	25.6%
EBIT (SEK m)	2	5
EBIT margin	1.6%	1.7%

# Financial position, Q1

## Operating cash flow improved

- Improved working capital vs PY
- Positive effect from IFRS16
- Operating cash flow adjusted for IFRS16 of SEK 115 million

## Strong balance sheet

- Increased net debt due to IFRS 16
- Net debt excluding IFRS16 of SEK 1,209 million
- Net debt/ equity excluding IFRS16 of 28%
- Net debt impacted by the acquisition of Bribus in July 2018

SEK m	2018 Jan-Mar	2019 Jan-Mar
Operating profit	255	260
Change in working capital	-127	-61
Investments in fixed assets	-74	-80
Operating cash flow	64	241
SEK m	2018 31 Mar	2019 31 Mar
Net debt	-19	4,019
- Of which pensions	545	571
- Of which net borrowings	- 564	3,448
Net debt/equity	0%	95%

# Strategy and main financial targets

Focus on



Growth,  
organic and  
acquired



EBIT margin

# Q&A

