



Q1 2021 Results Presentation

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Highlights Q1

- Growth and good results development for Nordic and Central Europe regions
- UK impacted by retail lockdowns and project market remaining in recovery.
- 3% organic growth for the Group and an EBIT of SEK 196m (134).
- Operating cash flow was SEK -69m (212) and financial net debt decreased to SEK 293m (1,241)
- Capital markets day



Kitchen market development



Nordic market: Consumer demand benefitting from stay-at-home trend, higher house prices and better consumer confidence. B2B supported by high level of new build projects, except for in Finland.



UK: Project market still in recovery. Social housing maintenance delayed due to pandemic. Underlying consumer demand is good, but negative impact from the retail lockdown until April 12.



Central Europe: consumer sales supported by pent-up demand following corona lockdowns and the stay-at-home trend. Housing demand in Netherlands supports new construction/project sales.



Tomorrow Together Strategy - priorities

Sustainability and Design Leadership ambition:

Leading the industry through reduced environmental footprint and beautiful and purposeful design

Growth
Acceleration

Growth Acceleration initiatives:

- Catapult trade growth
- Revitalise consumer retail
- Reinforce project leadership
- Selective geographical expansion
- Digital and data excellence

Structural Efficiency initiatives:

- Manufacturing footprint transformation
- Product platform alignment (K2020)
- Business process harmonisation

Sustainability
and Design
Leadership
ambition

Structural
Efficiency

People
Engagement

People Engagement initiatives:

- Engage and empower our people
- A collaborative culture with shared purpose & direction
- Ensure winning capabilities
- Organised for strategy execution

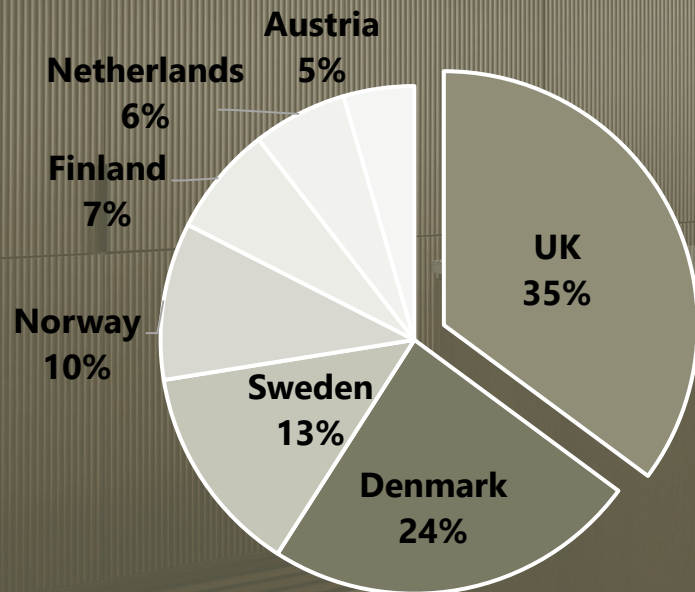
Nobia Group, Q1

- Organic net sales increased 3%
 - 9% in the Nordics and 20% in Central Europe
 - 8% decline in the UK region
- Improved EBIT driven by Nordics and CE
- Strong financial position; net cash position excl. IFRS 16 leasing and pension provisions

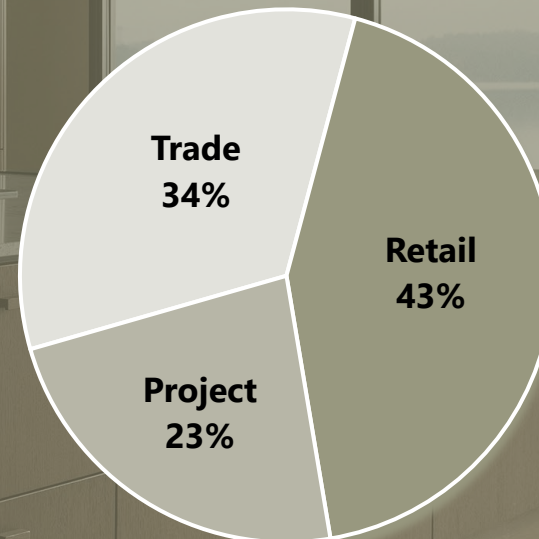
	2020 Q1	2021 Q1
Net sales (SEKm)	3,445	3,373
Organic growth	-2%	3%
Gross margin	37.0%	38.0%
EBIT (SEKm)	134	196
EBIT margin	3.9%	5.8%

Net sales, rolling 12 months

Group by country



UK Region by segment



Nordic region, Q1

- Organic net sales increased 9%
 - Good development in Denmark and Sweden
 - Project market in Finland soft
- Higher average sales values and favorable mix due to strong retail trend
- Favorable currency impact



uno form®



54% of Q1 Group sales

	2020 Q1	2021 Q1
Net sales (SEKm)	1,739	1,826
Organic growth	1%	9%
Gross margin	38.1%	39.4%
EBIT (SEKm)	198	249
EBIT margin	11.4%	13.6%

UK region, Q1

- Organic net sales declined 8%
 - Growth in trade segment
 - Consumer winter sales impacted by UK retail lockdown
 - Soft project market
 - New function for digital/remote selling/service
- Negative volume impact partly offset by favourable price and mix development
- Retail lockdown ended April 12

35% of Q1 Group sales

	2020 Q1	2021 Q1
Net sales (SEKm)	1,405	1,205
Organic growth	-6%	-8%
Gross margin	35,9%	35.0%
EBIT (SEKm)	-21	-47
EBIT margin	-1,5%	-3,9%

Magnet

Gower

ck commodore
kitchens

Central Europe region, Q1

- Organic net sales growth 20%
 - Growth boosted by more production days in Austria
 - Pent-up consumer demand in Austria
 - Good development for sales to new housing segment in Netherlands
- Volume growth and productivity improvements supported strong EBIT and margin development

11% of Q1 Group sales

	2020 Q1	2021 Q1
Net sales (SEKm)	301	342
Organic growth	-1%	20%
Gross margin	30.2%	31.9%
EBIT (SEKm)	18	37
EBIT margin	6.0%	10.8%



Financial position

Operating cash

- Operating cash flow decreased to SEK -69m (212) mainly due to timing effects in account payables

Strong balance sheet

- Net debt excl. leasing liabilities and pensions was SEK -164m (798)
- Leverage was 0.3 times.
(Defined as Net debt/EBITDA on rolling 12 months, excl. IFRS 16 Leases and items affecting comparability)

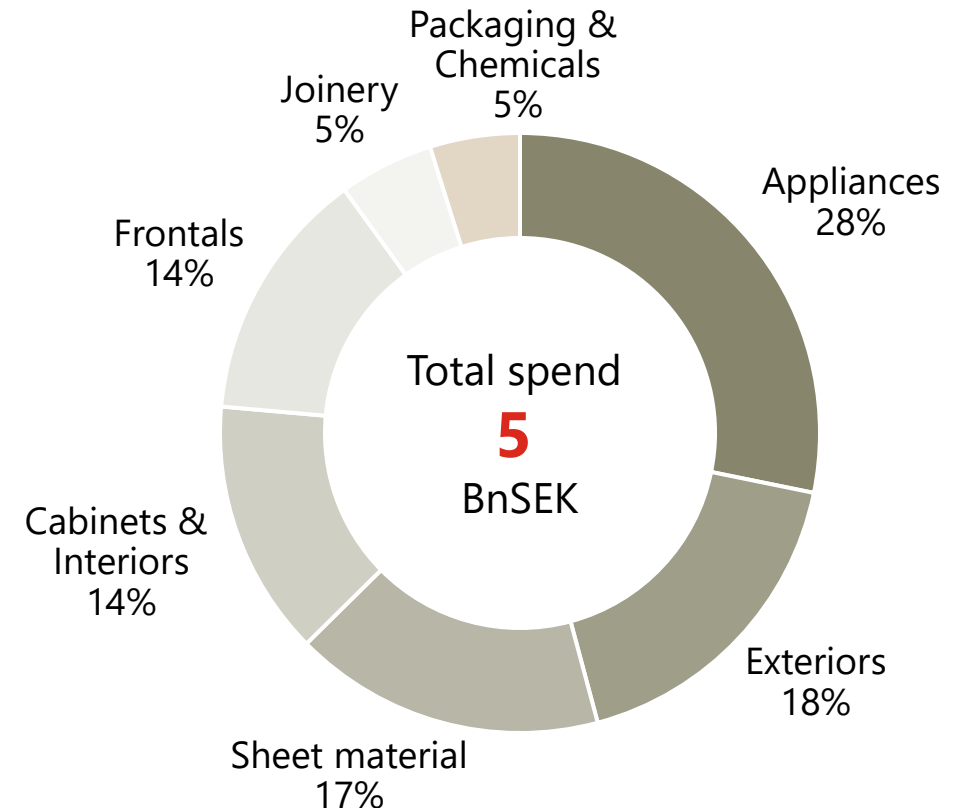
Cash flow	2020 Q1	2021 Q1
Operating cash flow	212	-69
<i>Of w. operating profit</i>	134	196
<i>Of w. change in working capital</i>	-37	-386
<i>Of w. investments in fixed assets</i>	-83	-55
Net debt	2020 31 Mar	2021 31 Mar
Borrowings	1,803	313
Net pension debt	443	457
Interest bearing assets	1,005	477
Financial Net Debt	1,241	293
Financial Net Debt / Equity, %	27	7
IFRS 16 leasing liabilities	2,624	2,115
Net debt	3,865	2,408
Net debt/Equity, %	84	53

Sourcing savings through aligned product platform and range harmonisation across the group

- Centralised organisation to drive scale benefits
- Leverage on new optimised product platform (K2020)
- Consolidating supplier base
- Value engineering initiatives

5 BnSEK
direct material spend

620
suppliers



Financial targets

- **Growth:** Average organic growth is targeted to be 3-5% per year. (previous target: organic and acquired growth of more than 5% per year on average)
- **Profitability:** The operating margin is targeted to be greater than 10% over a business cycle. (target unchanged)
- **Capital structure:** Leverage, defined as net debt (excl. IFRS 16 Leasing)/EBITDA, shall be below 2.5 times (previous target: net debt/equity ratio below 100%)
- **Dividend policy:** Dividends to shareholders shall comprise at least 40% of net profit after tax (previous target: dividend of between 40-60% of net profit after tax)



Summary

- Solid start to the year
- Markets free from direct corona restrictions following “re-opening” of the UK on April 12, but uncertainty still high
- Direct material inflation to be mitigated by higher average order values
- Potential direct material availability risk due to high activity in furniture industry
- Indicators in Nordics and Central Europe point towards continued good underlying demand
- UK market continues its recovery.





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Designing Kitchens for Life