

# nobia

Interim Report  
January – March 2022





# Interim report

## January – March 2022

### First quarter 2022

- Net sales increased to SEK 3,779m (3,373) corresponding to organic sales growth of 6% (3).
- Operating profit decreased to SEK 182m (196), corresponding to an operating margin of 4.8% (5.8).
- Changes in exchange rates positively impacted operating profit by SEK 30m.
- Profit after tax amounted to SEK 128m (132), corresponding to earnings per share before and after dilution of SEK 0.76 (0.78).
- Operating cash flow amounted to SEK -420m (-69), of which -263m (-9) was related to investments in the new Nordic factory.
- Superfront was acquired.
- Adjusted segment reporting following organisational change\*.

	Q1			Jan-Dec	12 mos
	2021	2022	Δ%	2021	rolling
Net sales, SEK m	3,373	3,779	12	13,719	14,125
Gross margin, %	38.0	38.3	–	38.5	38.5
Operating margin before depr./impairm. (EBITDA), %	11.9	10.2	–	13.2	12.7
Operating profit (EBIT), SEK m	196	182	-7	1,009	995
Operating margin, %	5.8	4.8	–	7.4	7.0
Profit after financial items, SEK m	166	161	-3	907	902
Profit/loss after tax, SEK m	132	128	-3	706	702
Earnings/loss per share, before dilution, SEK	0.78	0.76	-3	4.19	4.16
Earnings/loss per share, after dilution, SEK	0.78	0.76	-3	4.18	4.17
Operating cash flow, SEK m	-69	-420	n.a.	670	319

### \*Adjusted segment reporting

As of the first quarter 2022, the London-based operations Commodore and CIE have been transferred from the UK region to the Central Europe region. At the same time, the Central Europe region was renamed to "Portfolio Business Units". Commodore and CIE had combined net sales of SEK 395m and an operating loss of SEK -14m in 2021. Comparative numbers in this report have been restated to reflect the change.

## CEO comment

Demand and market prices continued to be strong in the quarter. However, availability constraints in the aftermath of covid, and the situation with the war in Ukraine, continued to drive inflation on core input materials and energy.

I am pleased that we implemented extraordinary price increases early on and that we delivered a solid winter sales campaign in Magnet with double-digit growth.

Continuing on our plan to focus on and drive profitable growth in Magnet, we are launching a cost-reduction program. The program is proposed to scale down central support functions in order to invest in the customer facing organization, in line with Magnet's new revised operating model. We expect in total around 200 employees to be redundant, resulting in a run-rate annual saving of around SEK 150m. The program will entail a one-time charge of around SEK 130m to SEK 150m in the second quarter.

Organic growth continued across all Nordic markets, especially in the project segment, supported by the extraordinary price increases. The additional spike in material cost towards the end of the quarter could not be mitigated short term. It did however trigger further extraordinary price increases, which will have full effect by the end of the second quarter. Continued good performance in Denmark on the back of market share gains, and in Marbodal through the "Jordnära Färger" campaign.

In the UK, Magnet sales grew organically by 15 percent, backed by price increases and the improved proposition with strong focus on our trade customers. Price hikes in the region fully offset the increased material cost in the quarter. Our first group-wide kitchen design concept "Nordic Nature"



was named "Kitchen of the Year 2022" by UK's best-selling homes magazine, "Ideal Home". An inspiring reward, recognizing our progress and strength in design and sustainability.

Sales in our Portfolio Business Units in the quarter decreased due to the softness in the London super-premium property market and lower property completion rates in The Netherlands. Austria continued to growth double-digit. Margins were burdened by the direct material cost increase.

We expect the high market uncertainty and rising inflation to continue throughout the year. Although, judging from our strong orderbook, we do not see any immediate impact on consumer demand. Having said that, we will be mindful of operating expenses in the inflationary environment and secure that we deliver on our important strategic projects, including the new state of the art factory in Jönköping which is progressing according to plan.

*Jon Sintorn,*  
President and CEO

# First quarter consolidated

## Market overview

The overall market conditions continued to be favourable in the Nordic region. Demand in the project segment remained on a good level, and consumer demand was overall stable across the region. The UK consumer market is growing in value following a normalisation after the pandemic. Demand from UK trade customers is increasing while certain segment of the UK project market remains considerably below pre-pandemic levels, especially for premium high-rise in central London. The kitchen markets in The Netherlands and Austria remain on healthy levels.

## Net sales, earnings and cash flow

The Group's net sales increased to SEK 3,779m (3,373) and the organic growth was 6%. The Nordic and UK regions grew by 8%, while Portfolio Business Units declined by 7%.

The gross margin increased slightly to 38.3% (38.0) and gross profit increased to SEK 1,446m (1,282). The operating margin was 4.8% (5.8) and the operating profit amounted to SEK 182m (196).

Cost for direct material, energy and transportation increased in the quarter. The direct material cost inflation started in 2021, with significant impact in the second half of the year. Prices were increased to compensate for the higher cost level, having full impact from the beginning of 2022. However, due to the new situation relating to the war in Ukraine, prices on input material, energy and transport continued to increase during the first quarter. Most of this cost increase was mitigated by implementing additional price increases. The total increased cost for input material, energy and transport in the first quarter of 2022 was approximately 220 MSEK.

Sales, marketing and administrative spend was higher in the UK compared with last year, partly because of the closed stores last year due to covid restrictions, and partly due to increased administrative cost. Changes in exchange rates impacted operating profit by SEK 30m.

Operating cash flow decreased to SEK -420m (-69). Cash flow from operating activities was in line with prior year whilst investments in fixed assets increased due to the on-going construction of the new factory in Jönköping, Sweden. Net debt excl. IFRS16 leases increased to SEK 701m (293).

### Analysis of net sales

	Q1	
	Δ%	SEK m
<b>2021</b>		<b>3,373</b>
Organic growth	6	220
-of which Nordic region	8	154
-of which UK region	8	97
-of which Portfolio BUs	-7	-31
Acquisition of companies	0	15
Currency effects	5	171
<b>2022</b>	<b>12</b>	<b>3,779</b>

### Currency effect on operating profit

SEK m	Q1		
	Translati- on effect	Transacti- on effect	Total
Nordic region	5	15	20
UK region	-5	15	10
Portfolio BUs	0	0	0
<b>Group</b>	<b>0</b>	<b>30</b>	<b>30</b>

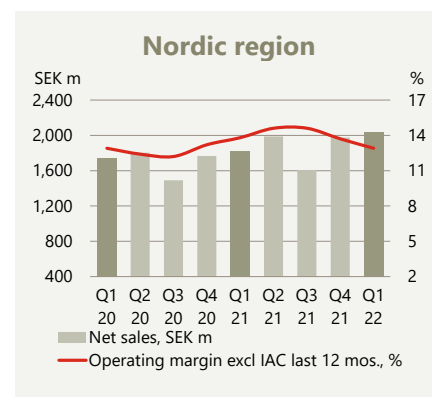
SEK m	Nordic		UK		Portfolio BUs		Group cost and eliminations		Group		
	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Q1	Δ%
<b>Net sales</b>	<b>1,826</b>	<b>2,040</b>	<b>1,092</b>	<b>1,279</b>	<b>455</b>	<b>460</b>	<b>0</b>	<b>0</b>	<b>3,373</b>	<b>3,779</b>	<b>12</b>
Gross profit	720	737	410	558	121	134	31	17	1,282	1,446	13
Gross margin, %	39.4	36.1	37.5	43.6	26.6	29.1	-	-	38.0	38.3	-
<b>Operating profit/loss</b>	<b>249</b>	<b>213</b>	<b>-38</b>	<b>0</b>	<b>28</b>	<b>20</b>	<b>-43</b>	<b>-51</b>	<b>196</b>	<b>182</b>	<b>-7</b>
Operating margin, %	13.6	10.4	-3.5	0.0	6.2	4.3	-	-	5.8	4.8	-

## First quarter, the regions

### Nordic region

Net sales in the Nordic region increased to SEK 2,040m (1,826). Organic growth was 8% (9) with growth in all countries. Overall market conditions continued to be favourable in the region.

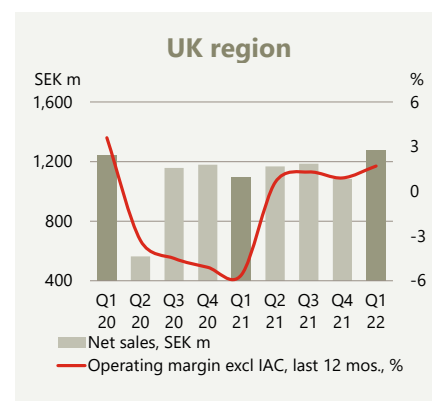
The gross margin decreased to 36.1% (39.4). Operating profit decreased to SEK 213m (249) and the corresponding operating margin was 10.4% (13.6). Increased average order values did not fully compensate for the additional increased cost for raw materials, energy and transportation in the first quarter. Changes in exchange rates impacted operating profit positively by SEK 20m.



### UK region

Following the organisational adjustments in the first quarter 2022, Region UK includes Magnet brand sales to retail, trade and project customers, and the OEM sales to Wickes. Net sales in the UK region increased to SEK 1,279m (1,092). Organic growth was 8% (-6). Adjusted for the discontinuation of sales to Benchmarx, the organic sales growth was 17%, with good contribution from all customer segments.

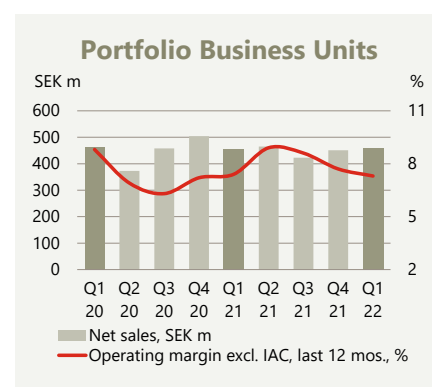
Gross margin increased to 43.6% (37.5). Direct material costs increased, which was more than offset by higher average order values and a favourable sales mix. The operating profit improved to break-even (SEK -38m). The higher gross profit was partly offset by costs for upgrading selective of parts of the store network, marketing, new products and improved product availability. The operating margin rose to 0% (-3.5). Currency impact on operating profit was SEK 10m.



### Portfolio Business Units

Following the organisational adjustments in the first quarter 2022, Portfolio Business Units include Bribus (The Netherlands), Ewe (Austria), Superfront (Sweden) and Commodore and CIE (the UK). Net sales were SEK 460m (455) and the organic growth was -7% (4). Organic growth was positive in Austria, while Netherlands was flat, mainly due to fewer production days. Commodore & CIE decreased due to continued weakness in the London super-premium property market. Superfront was acquired in January 2022 and contributed with SEK 15m in net sales.

Gross margin increased to 29.1% (26.6). Operating profit decreased to SEK 20m (28) and the operating margin declined to 4.3% (6.2). Increased average order values did not fully compensate for the increased cost for raw materials, energy and transportation.



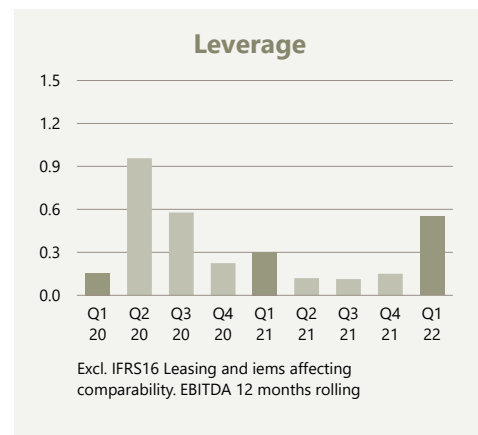
## Other information

### Financing

Nobia's long-term financing consists of two multicurrency revolving credit facilities totalling SEK 5 billion. A SEK 2 billion facility with a maturity in 2024 (with the option to request an extension of one year at the lenders' sole discretion) and a SEK 3 billion facility with maturity in 2025. The facilities have leverage (net debt / EBITDA) and interest cover (EBITDA to net interest expenses) covenants. At the end of March 2022, SEK 2,000m had been utilised. Group cash and cash equivalents amounted to SEK 1,394m (476).

Net debt including IFRS 16 lease liabilities of SEK 1,741m (2,115) and pension provisions of SEK 97m (457), amounted to SEK 2,442m (2,408). Net debt excluding IFRS 16 lease liabilities and pensions amounted to SEK 604m (-164). The net debt/equity ratio, excluding IFRS 16 lease liabilities, was 13% (7) or 47% (53) including those liabilities. Pension provisions decreased due to changes in discount rates. Leverage, (net debt/EBITDA, excluding IFRS 16 leases and items affecting comparability on 12 months rolling basis) was 0.55 times (0.30).

Net financial items amounted to SEK -21m (-30), of which net of returns on pension assets and interest expense on pension liabilities was SEK -0m (-7), interest on leases was SEK -9m (-10) and other net interest expense was SEK -12m (-13).



### Acquisition of Superfront

On January 14, 2022, Nobia acquired 100% of the shares in Superfront, a Sweden-based direct-to-consumer business that designs and sells kitchen and storage such as frontals, handles and legs. Superfront has built significant brand awareness since it was introduced in 2013, mainly through digital and social media marketing, with a strong focus on design and sustainability. Net sales in 2021 amounted to approximately SEK 65m with a double-digit operating margin. Products are sold almost entirely online across Europe. Superfront is included in Portfolio Business Units. Further information is provided in Note 5 on page 14.

### Annual General Meeting and dividend proposal

Nobia's Annual General Meeting (AGM) will be held in Stockholm on 5 May 2022. For the 2021 fiscal year, the Board of Directors proposes a dividend of SEK 2.50 (2.00) per share, corresponding to a total dividend of about SEK 421m. The record day for the right to receive a dividend is 9 May 2022 and the final day for trading in Nobia shares including the right to receive dividend is 5 May 2022. If the Annual General Meeting resolves in accordance with the Board of Directors' proposal, the dividend is expected to be paid through Euroclear Sweden AB on Thursday, 12 May 2022.

Information related to the AGM, such as proposals, notice, decisions, minutes, is available on <https://www.nobia.com/about-us/corporate-governance/shareholders-meeting/>

### Construction of the new factory in Jönköping

The work of building the new factory is progressing according to plan. About half of the building has been erected and the first production machines will be delivered during the second quarter. The total investment until completion 2024 is approximately SEK 3.5bn, of which manufacturing equipment is approximately SEK 2bn and the factory building SEK 1.5bn, with the majority of the investments in the period 2022 – 2023.



## The war in Ukraine

Nobia is closely monitoring the developing situation in Ukraine. As a consequence of Russia's invasion, the estimate is that commodity and energy prices will continue to be volatile and any potential cost increases will need to be mitigated by manufacturers, leading to higher market prices for the end customer. Nobia has no sales or production in Russia nor Ukraine.

## Changes to the business area reporting

The business area reporting (regions) has been adjusted following changes to the organisation. As of the first quarter of 2022, the London-based premium brands Commodore and CIE were transferred from the UK region to the Central Europe region. At the same time, the Central Europe region was renamed to "Portfolio Business Units". Commodore and CIE had combined net sales of SEK 395m and an operating loss of SEK -14m in 2021. All numbers in this interim report have been restated to reflect the change. After the change, Portfolio Business Units will consist of the independent businesses Bribus (The Netherlands), Ewe (Austria), Superfront (Sweden) and now also Commodore and CIE (UK), and will be headed by Philip Sköld in addition to his role as EVP Strategy and Transformation.

The change will enable the regional UK management to concentrate on the Magnet brand and the Wickes OEM business. Commodore and CIE serve a very specific international customer base with a core focus on premium high-rise in central London. Given that a large share of kitchens sold are sourced from external suppliers, few synergies in terms of supply chain, customers and administration exist within the rest of the UK business.

## Significant events after the close of the quarter

### Cost reduction program related mainly to the UK

Nobia continues to execute on the plan to focus on and drive profitable growth in Magnet in the UK. With a revised Magnet operating model, the regional administrative functions will be reduced to cater for investments in customer facing sales activities and improved profitability. A potential redundancy of around 200 employees, of which the majority in the UK, has been identified. The program will entail an estimated one-time cost of around SEK 130-150m, which will be charged as items affecting comparability in the second quarter. On an annualized basis, savings are expected to amount to around SEK 150m, of which half will be realized in 2022. The proposed staff reductions are subject to customary union negotiations.

## Risks

Financial risks refer primarily to currency exchange rates, interest rates, financing, tax and credit risks. In the ordinary course of business, the Group is exposed to legal risks such as commercial, product liability and other disputes and provides for them as appropriate. The demand for Nobia's products is affected by changes in the customers' investment and production levels. A general economic downturn, a widespread financial crisis, pandemic-related restrictions or other macroeconomic disturbances may, directly or indirectly, affect the Group negatively both in terms of revenues and profitability. For a more detailed description of Nobia's risks and uncertainties, as well as risk management, refer to the 2021 Annual Report.

The current unprecedented uncertainty in the global markets may affect Nobia's market environment. Russia's invasion of Ukraine has raised energy prices globally and created supply chain disruptions, the impacts of which are yet to be fully seen. Higher production costs and concerns of availability of some raw materials have generated inflationary pressure in many markets.

Bottlenecks in foremost transportation and installation services have become apparent, especially in the UK since it left the EU. To ensure availability and mitigate higher input cost, actions such as collaboration with suppliers and price increases has been carried out, last year as well as in the first quarter this year, although there will be a lag until the price increases have full effect, due to the maturity of the order book.

Stockholm, 5 May 2022

*Jon Sintorn*

President and CEO

Nobia AB, Corporate Registration Number 556528-2752

*This interim report has not been subject to review by the company's auditors.*



## Consolidated income statement

SEK m	Q1		Jan-Dec	12 mos
	2021	2022	2021	rolling
Net sales	3,373	3,779	13,719	14,125
Cost of goods sold	-2,091	-2,333	-8,441	-8,683
<b>Gross profit</b>	<b>1,282</b>	<b>1,446</b>	<b>5,278</b>	<b>5,442</b>
Selling and administrative expenses	-1,113	-1,287	-4,367	-4,541
Other income/expenses	27	23	98	94
<b>Operating profit</b>	<b>196</b>	<b>182</b>	<b>1,009</b>	<b>995</b>
Net financial items	-30	-21	-102	-93
<b>Profit after financial items</b>	<b>166</b>	<b>161</b>	<b>907</b>	<b>902</b>
Tax	-34	-33	-201	-200
<b>Profit after tax</b>	<b>132</b>	<b>128</b>	<b>706</b>	<b>702</b>
Total profit attributable to:				
Parent Company shareholders	132	128	706	702
Earnings per share before dilution, SEK	0.78	0.76	4.19	4.16
Earnings per share after dilution, SEK	0.78	0.76	4.18	4.17

## Consolidated statement of comprehensive income

SEK m	Q1		Jan-Dec	12 mos
	2021	2022	2021	rolling
Profit after tax	132	128	706	702
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange-rate differences attributable to translation of foreign operations	271	33	321	83
Cash flow hedges before tax (1)	-5	-6	13	12
Tax attributable to change in hedging reserve for the period (2)	1	1	-3	-3
	<b>267</b>	<b>28</b>	<b>331</b>	<b>92</b>
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurements of defined benefit pension plans	109	118	286	295
Tax relating to remeasurements of defined benefit pension plans	-19	-30	-55	-66
	<b>90</b>	<b>88</b>	<b>231</b>	<b>229</b>
<b>Other comprehensive income</b>	<b>357</b>	<b>116</b>	<b>562</b>	<b>321</b>
<b>Total comprehensive income</b>	<b>489</b>	<b>244</b>	<b>1,268</b>	<b>1,023</b>
Total comprehensive income attributable to:				
Parent Company shareholders	489	244	1,268	1,023

(1) Reversal recognised in profit and loss amounts to a SEK 4m (12).

New provision amounts to SEK -10m (-5). (Jan-Dec 2021: -4)

(2) Reversal recognised in profit and loss amounts to a SEK -1m (-5).

New provision amounts to SEK 2m (1). (Jan-Dec 2021: 1)

## Consolidated balance sheet

SEK m	31 Mar 2021	31 Mar 2022	31 Dec 2021
<b>ASSETS</b>			
Goodwill	2,989	3,093	3,014
Other intangible fixed assets	212	409	354
Tangible fixed assets	1,387	2,119	1,847
Right-of-use assets	2,124	1,795	1,848
Long-term receivables, interest-bearing (IB)	0	0	0
Long-term receivables	95	83	88
Deferred tax assets	98	70	61
<b>Total fixed assets</b>	<b>6,905</b>	<b>7,569</b>	<b>7,212</b>
Inventories	1,076	1,302	1,211
Accounts receivable	1,594	1,701	1,325
Current receivables, interest-bearing (IB)	1	2	2
Other receivables	402	505	457
<i>Total current receivables</i>	<i>1,997</i>	<i>3,510</i>	<i>1,784</i>
Cash and cash equivalents (IB)	476	1,394	422
<b>Total current assets</b>	<b>3,549</b>	<b>4,904</b>	<b>3,417</b>
<b>Total assets</b>	<b>10,454</b>	<b>12,473</b>	<b>10,629</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Share capital	57	57	57
Other capital contributions	1,508	1,460	1,465
Reserves	-78	14	-14
Profit brought forward	3,038	3,631	3,415
<i>Total shareholders' equity attributable to Parent Company shareholders</i>	<i>4,525</i>	<i>5,162</i>	<i>4,923</i>
<b>Total shareholders' equity</b>	<b>4,525</b>	<b>5,162</b>	<b>4,923</b>
Provisions for pensions (IB)	457	97	223
Other provisions	63	43	46
Deferred tax liabilities	46	73	31
Lease liabilities, interest-bearing (IB)	1,694	1,400	1,444
Other long-term liabilities, interest-bearing (IB)	313	2,000	400
Other long-term liabilities, non interest-bearing	0	8	0
<b>Total long-term liabilities</b>	<b>2,573</b>	<b>3,621</b>	<b>2,144</b>
Current lease liabilities, interest-bearing (IB)	421	341	371
Accounts payable	1,309	1,744	1,604
Current liabilities and provisions	1,626	1,605	1,587
<b>Total current liabilities</b>	<b>3,356</b>	<b>3,690</b>	<b>3,562</b>
<b>Total shareholders' equity and liabilities</b>	<b>10,454</b>	<b>12,473</b>	<b>10,629</b>

## Changes in consolidated shareholders' equity

SEK m	Attributable to Parent Company shareholders					Total share-holders equity
	Share capital	Other capital contributions	Exchange-rate differences attributable to translation of foreign operations	Cash-flow hedges after tax	Profit brought forward	
Opening balance, 1 Jan 2021	57	1,506	-331	-14	2,816	4,034
Profit for the period	–	–	–	–	132	132
Other comprehensive income for the period	–	–	271	-4	90	357
<b>Total comprehensive income for the period</b>	–	–	<b>271</b>	<b>-4</b>	<b>222</b>	<b>489</b>
Allocation of share saving schemes	–	2	–	–	–	2
<b>Closing balance, 31 Mar 2021</b>	<b>57</b>	<b>1,508</b>	<b>-60</b>	<b>-18</b>	<b>3,038</b>	<b>4,525</b>
Opening balance, 1 January 2022	57	1,465	-10	-4	3,415	4,923
Profit for the period	–	–	–	–	128	128
Other comprehensive income/loss for the period	–	–	33	-5	88	116
<b>Total comprehensive income for the period</b>	–	–	<b>33</b>	<b>-5</b>	<b>216</b>	<b>244</b>
Allocation of performance share plan	–	-5	–	–	–	-5
<b>Closing balance, 31 Mar 2022</b>	<b>57</b>	<b>1,460</b>	<b>23</b>	<b>-9</b>	<b>3,631</b>	<b>5,162</b>

Number of Treasury shares: 2,040,637.

## Key ratios, Group

SEK m	Q1		Jan-Dec	12 mos
	2021	2022	2021	rolling
Gross profit	1,282	1,446	5,278	5,442
Gross margin, %	38.0	38.3	38.5	38.5
EBITDA	400	386	1,809	1,795
EBITDA, %	11.9	10.2	13.2	12.7
Total depreciation	-204	-204	-800	-800
Total impairment	–	–	–	–
Operating profit	196	182	1,009	995
Operating margin, %	5.8	4.8	7.4	7.0
Return on operating capital, %			15.1	13.7
Return on shareholders equity, %			15.9	14.5
Operating cash flow	-69	-420	670	319
Earnings per share before dilution, SEK	0.78	0.76	4.19	4.16
Earnings per share after dilution, SEK	0.78	0.76	4.18	4.17
Number of shares at period end before dilution, thousands (1)	168,853	168,253	168,253	168,253
Average number of shares before dilution, thousands (1)	168,853	168,253	168,597	168,597
Number of shares after dilution at period end, thousands (1)	169,333	168,434	168,635	168,155
Average number of shares after dilution, thousands (1)	168,971	168,298	169,979	168,499
Equity/assets ratio, %	43	41	46	
Debt/equity ratio, %	53	47	41	
Net debt, closing balance, SEK m	2,408	2,442	2,014	
Operating capital, closing balance, SEK m	6,933	7,604	6,937	
Capital employed, closing balance, SEK m	7,410	9,000	7,361	
Number of employees	5,944	6,282	6,052	

(1) Excluding treasury shares

# Consolidated cash-flow statement

SEK m	Q1		Jan-Dec	12 mos
	2021	2022	2021	rolling
<b>Operating activities</b>				
Operating profit	196	182	1,009	995
Depreciation/Impairment	204 <sup>1</sup>	204 <sup>2</sup>	800 <sup>3</sup>	800
Adjustments for non-cash items	5	5	30	30
Tax paid	-41	-51	-182	-192
Change in working capital	-386	-382	-117	-113
<b>Cash flow from operating activities</b>	<b>-22</b>	<b>-42</b>	<b>1,540</b>	<b>1,520</b>
<b>Investing activities</b>				
Investments in intangible and tangible fixed assets	-55	-387	-892	-1,224
Other items in investing activities	8	9	22	23
Interest received	0	0	2	2
Change in interest-bearing assets	1	0	0	-1
Acquisition of companies	-	-59	-	-59
<b>Cash flow from investing activities</b>	<b>-46</b>	<b>-437</b>	<b>-868</b>	<b>-1,259</b>
<b>Total cashflow from operating and investing activities</b>	<b>-68</b>	<b>-479</b>	<b>672</b>	<b>261</b>
<b>Financing activities</b>				
Interest paid	-23	-23	-82	-82
Change in interest-bearing liabilities	-105 <sup>4</sup>	1,429 <sup>5</sup>	-469 <sup>6</sup>	1,065
Repurchase of shares	-	-	-43	-43
Dividend	-	-	-338	-338
<b>Cash flow from financing activities</b>	<b>-128</b>	<b>1,406</b>	<b>-932</b>	<b>602</b>
<b>Cash flow for the period excluding exchange-rate differences in cash and cash equivalents</b>	<b>-196</b>	<b>927</b>	<b>-260</b>	<b>863</b>
Cash and cash equivalents at beginning of the period	635	422	635	476
Cash flow for the period	-196	927	-260	863
Exchange-rate differences in cash and cash equivalents	37	45	47	55
<b>Cash and cash equivalents at period-end</b>	<b>476</b>	<b>1,394</b>	<b>422</b>	<b>1,394</b>

Operating Cash flow * SEK m	Q1		Jan-Dec	12 mos
	2021	2022	2021	rolling
Cash flow from operating activities	-22	-42	1,540	1,520
Investments in fixed assets	-55	-387	-892	-1,224
Other items in investing activities	8	9	22	23
<b>Operating cash flow before acquisition/divestment of operations, interest, change in interest-bearing assets</b>	<b>-69</b>	<b>-420</b>	<b>670</b>	<b>319</b>

\* Alternative Performance Measure, refer to "Definitions".

1) No impairments during the period.

2) No impairments during the period.

3) No impairments during the period.

4) Net of repayment and raising of loans amounted to SEK 28m. Amortisation of leasing amounted to SEK 112m.

5) Net of repayment and raising of loans amounted to SEK 1 600m. Amortisation of leasing amounted to SEK 142m.

6) Net of repayment and raising of loans amounted to SEK 114m. Amortisation of leasing amounted to SEK 493m.



## Analysis of net debt

SEK m	Q1		Jan-Dec	12 mos
	2021	2022	2021	rolling
Opening balance, net debt	2,387	2,014	2,387	2,408
New leasing contracts/Closed leasing contracts in advance, net	-57	55	19	131
Acquisition of operations	-	72	-	72
Translation differences	86	-28	81	-33
Operating cash flow	69	420	-670	-319
Interest paid, net	23	23	80	80
Remeasurements of defined benefit pension plans	-109	-118	-298	-307
Other change in pension liabilities	9	4	34	29
Treasury share reissued	-	-	43	43
Dividend	-	-	338	338
<b>Closing balance, net debt</b>	<b>2,408</b>	<b>2,442</b>	<b>2,014</b>	<b>2,442</b>

## Notes

### Note 1 - Accounting policies

This interim report has been prepared in accordance with IFRS, with the application of IAS 34 Interim Financial Reporting. For the Parent Company, accounting policies are applied in accordance with Chapter 9, Interim Reports, of the Swedish Annual Accounts Act. Nobia has applied the same accounting policies in this interim report as were applied in the 2021 Annual Report. A description of new accounting policies in their entirety is provided in the 2021 Annual Report.

### Note 2 - References

Segment information pages 4 - 6. Loan and shareholder's equity transactions, page 7. Items affecting comparability, page 14. Net sales by product group, page 21.

### Note 3 - Financial instruments - fair value

Nobia's financial assets essentially comprise non-interest-bearing and interest-bearing receivables whereby cash flows only represent payment for the initial investment and, where applicable, for the time value and interest. These are intended to be held to maturity and are recognised at amortised cost, which is a reasonable approximation of fair value. Financial liabilities are primarily recognised at amortised cost.

Financial instruments measured at fair value in the balance sheet are currency forward contracts comprised of assets at a value of SEK 8m (13) and liabilities at a value of SEK 44m (37). These items are measured according to level 2 of the fair value hierarchy, meaning based on indirect observable market data. Nobia's financial instruments are measured at fair value and included in the balance sheet on the rows " Other receivables" and "Current liabilities".

### Note 4 - Related-party transactions

There is no sale and manufacturing of kitchens in the Parent Company. The Parent Company invoiced Group-wide services to subsidiaries in an amount of SEK 86m (88) during the first quarter of 2022 . The Parent Company's reported dividends from participations in Group companies totalled SEK 698m (0).

### Note 5 – Acquisition of operations

On January 14, 2022, Nobia acquired 100 percent of the share capital in Superfront, a Sweden-based company that designs and sells kitchens and storage such as doors, handles and legs directly to consumers. The acquisition has been reported through the application of the acquisition method. Superfront has built

up a significant brand awareness since it was introduced in 2013, mainly through marketing in digital and social media, with a strong focus on design and sustainability. The products are sold almost exclusively online throughout Europe. Net sales in 2021 amounted to approximately SEK 65m with an operating margin in excess of ten percent. Following the acquisition, Superfront had sales of SEK 15m and the operating margin was slightly lower in the first quarter of 2022 compared with the full year 2021. Transaction costs for the acquisition amounted to SEK 2m and are reported in the Group's operating profit. Additional purchase consideration consisting of two components, which are conditional on the development of the business for the financial years 2022, 2023 and 2024, can be paid in three annual instalments with the first payment in 2023. Nobia's assessment is that additional purchase consideration to an estimated fair value of SEK 13m will be paid. The acquisition analysis below is preliminary as the acquisition values at fair value have not been definitively determined.

<b>Net assets and goodwill acquired, SEK m</b>	<b>2021</b>	<b>2022</b>
Cash purchase price	–	72
Additional purchase price	–	13
Fair value of net assets acquired	–	-20
<b>Goodwill</b>	<b>–</b>	<b>65</b>

Goodwill is attributable to Superfront's underlying earnings, the expected growth of the company in the coming years, and to synergies that are expected to be achieved through coordination of, for example, purchasing and administration. Goodwill is not expected to be tax deductible. In fair value of acquired net asset years Intellectual property in the form of design to a net value of SEK 12m.

<b>Fair value of net assets acquired, SEK m</b>	<b>2021</b>	<b>2022</b>
Cash	–	13
Tangible fixed assets	–	1
Intangible fixed assets	–	16
Right of use assets, IFRS 16	–	3
Stock	–	4
Receivables	–	4
Liabilities, non interest bearing	–	-14
Lease liabilities, interest bearing		-3
Tax	–	-1
Net deferred tax	–	-3
<b>Fair value of net assets acquired</b>	<b>–</b>	<b>20</b>

<b>SEK m</b>	<b>2021</b>	<b>2022</b>
Cash statutory purchase price	–	72
Cash and cash equivalents in acquired subsidiary	–	13
<b>Reduction of Group's liquid assets upon acquisition</b>	<b>–</b>	<b>59</b>

## Parent Company

Parent Company income statement	Q1		Jan-Dec	12 mos
SEK m	2021	2022	2021	rolling
Net sales	89	86	390	387
Administrative expenses	-119	-127	-517	-525
Other operating income/expenses	-1	1	1	3
<b>Operating loss</b>	<b>-31</b>	<b>-40</b>	<b>-125</b>	<b>-134</b>
Financial items, net	137	747	653	1,263
<b>Profit/loss after financial items</b>	<b>106</b>	<b>707</b>	<b>528</b>	<b>1,129</b>
Group contribution received	–	0	180	180
Tax on profit/loss for the period	0	0	-1	-1
<b>Profit/loss for the period</b>	<b>106</b>	<b>707</b>	<b>707</b>	<b>1,308</b>

Parent Company balance sheet	31 Mar	31 Mar	31 Dec
SEK m	2021	2022	2021
Total fixed assets	1,418	1,623	1,572
Total current assets	3,381	4,868	3,583
<b>Total assets</b>	<b>4,799</b>	<b>6,491</b>	<b>5,155</b>
<b>Total shareholders' equity</b>	<b>2,914</b>	<b>3,828</b>	<b>3,128</b>
<b>Total long-term liabilities</b>	<b>47</b>	<b>46</b>	<b>40</b>
Total current liabilities	1,838	2,617	1,988
<b>Total shareholders' equity, provisions and liabilities</b>	<b>4,799</b>	<b>6,491</b>	<b>5,155</b>

## Comparative data per region\*

	Q1		Jan-Dec	12 mos
<b>Net sales, SEK m</b>	2021	2022	2021	rolling
Nordic	1,826	2,040	7,396	7,610
UK	1,092	1,279	4,530	4,717
Portfolio Business Units	455	460	1,794	1,799
Group-wide and eliminations	0	0	-1	-1
<b>Group</b>	<b>3,373</b>	<b>3,779</b>	<b>13,719</b>	<b>14,125</b>

	Q1		Jan-Dec	12 mos
<b>Gross profit, SEK m</b>	2021	2022	2021	rolling
Nordic	720	737	2,831	2,848
UK	410	558	1,851	1,999
Portfolio Business Units	121	134	526	539
Group-wide and eliminations	31	17	70	56
<b>Group</b>	<b>1,282</b>	<b>1,446</b>	<b>5,278</b>	<b>5,442</b>

	Q1		Jan-Dec	12 mos
<b>Gross margin, %</b>	2021	2022	2021	rolling
Nordic	39.4	36.1	38.3	37.4
UK	37.5	43.6	40.9	42.4
Portfolio Business Units	26.6	29.1	29.3	30.0
<b>Group</b>	<b>38.0</b>	<b>38.3</b>	<b>38.5</b>	<b>38.5</b>

	Q1		Jan-Dec	12 mos
<b>Operating profit, SEK m</b>	2021	2022	2021	rolling
Nordic	249	213	1,016	980
UK	-38	0	41	79
Portfolio Business Units	28	20	139	131
Group-wide and eliminations	-43	-51	-187	-195
<b>Group</b>	<b>196</b>	<b>182</b>	<b>1,009</b>	<b>995</b>

	Q1		Jan-Dec	12 mos
<b>Operating margin, %</b>	2021	2022	2021	rolling
Nordic	13.6	10.4	13.7	12.9
UK	-3.5	0.0	0.9	1.7
Portfolio Business Units	6.2	4.3	7.7	7.3
<b>Group</b>	<b>5.8</b>	<b>4.8</b>	<b>7.4</b>	<b>7.0</b>

### \*Adjusted segment reporting

As of the first quarter 2022, the London-based operations Commodore and CIE have been transferred from the UK region to the Central Europe region. At the same time, the Central Europe region was renamed to "Portfolio Business Units".

Comparative numbers in this report have been restated to reflect the change.



## Quarterly data per region

Net sales, SEK m	2021				2022
	Q1	Q2	Q3	Q4	Q1
Nordic	1,826	1,989	1,607	1,974	2,040
UK	1,092	1,168	1,186	1,084	1,279
Portfolio Business Units	455	465	423	451	460
Group-wide and eliminations	0	0	-1	0	0
<b>Group</b>	<b>3,373</b>	<b>3,622</b>	<b>3,215</b>	<b>3,509</b>	<b>3,779</b>

Gross profit, SEK m	2021				2022
	Q1	Q2	Q3	Q4	Q1
Nordic	720	795	590	726	737
UK	410	450	522	469	558
Portfolio Business Units	121	140	127	138	134
Group-wide and eliminations	31	27	30	-18	17
<b>Group</b>	<b>1,282</b>	<b>1,412</b>	<b>1,269</b>	<b>1,315</b>	<b>1,446</b>

Gross margin, %	2021				2022
	Q1	Q2	Q3	Q4	Q1
Nordic	39.4	40.0	36.7	36.8	36.1
UK	37.5	38.5	44.0	43.3	43.6
Portfolio Business Units	26.6	30.1	30.0	30.6	29.1
<b>Group</b>	<b>38.0</b>	<b>39.0</b>	<b>39.5</b>	<b>37.5</b>	<b>38.3</b>

Operating profit, SEK m	2021				2022
	Q1	Q2	Q3	Q4	Q1
Nordic	249	321	196	250	213
UK	-38	34	44	1	0
Portfolio Business Units	28	39	31	41	20
Group-wide and eliminations	-43	-47	-43	-54	-51
<b>Group</b>	<b>196</b>	<b>347</b>	<b>228</b>	<b>238</b>	<b>182</b>

Operating margin, %	2021				2022
	Q1	Q2	Q3	Q4	Q1
Nordic	13.6	16.1	12.2	12.7	10.4
UK	-3.5	2.9	3.7	0.1	0.0
Portfolio Business Units	6.2	8.4	7.3	9.1	4.3
<b>Group</b>	<b>5.8</b>	<b>9.6</b>	<b>7.1</b>	<b>6.8</b>	<b>4.8</b>

## Operating capital per region

	31 Mar		31 dec
	2021	2022	2021
<b>Operating capital Nordic region, SEK m</b>			
Operating assets	3,068	3,272	3,049
Operating liabilities	1,578	1,773	1,794
<b>Operating capital</b>	<b>1,490</b>	<b>1,499</b>	<b>1,255</b>
	31 Mar		31 dec
	2021	2022	2021
<b>Operating capital UK region, SEK m</b>			
Operating assets	3,507	3,337	3,477
Operating liabilities	1,096	1,096	968
<b>Operating capital</b>	<b>2,411</b>	<b>2,241</b>	<b>2,509</b>
	31 Mar		31 dec
	2021	2022	2021
<b>Operating capital Portfolio Business Units, SEK m</b>			
Operating assets	899	956	614
Operating liabilities	280	297	250
<b>Operating capital</b>	<b>619</b>	<b>659</b>	<b>364</b>
	31 Mar		31 dec
	2021	2022	2021
<b>Operating capital Group-wide and eliminations, SEK m</b>			
Operating assets	2,502	3,511	3,065
Operating liabilities	89	306	256
<b>Operating capital</b>	<b>2,413</b>	<b>3,205</b>	<b>2,809</b>
	31 Mar		31 dec
	2021	2022	2021
<b>Operating capital, SEK m</b>			
Operating assets	9,976	11,076	10,205
Operating liabilities	3,043	3,472	3,268
<b>Operating capital</b>	<b>6,933</b>	<b>7,604</b>	<b>6,937</b>

## Comparative data by product group

Net sales	Q1		Jan-Dec	12 mos
Nordic by product group, %	2021	2022	2021	rolling
Kitchen furnitures	68	71	69	70
Installation services	5	4	5	5
Other products	27	25	26	25
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Net sales	Q1		Jan-Dec	12 mos
UK by product group, %	2021	2022	2021	rolling
Kitchen furnitures	65	67	63	64
Installation services	4	3	4	4
Other products	31	30	33	32
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Net sales	Q1		Jan-Dec	12 mos
Portfolio Business Units by product group, %	2021	2022	2021	rolling
Kitchen furnitures	53	60	57	59
Installation services	11	9	10	10
Other products	36	31	33	31
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Net sales	Q1		Jan-Dec	12 mos
Group by product group, %	2021	2022	2021	rolling
Kitchen furnitures	65	68	66	67
Installation services	5	5	5	5
Other products	30	27	29	28
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

## Reconciliation of alternative performance measures (1)

Nobia presents certain financial performance measures in the interim report that are not defined according to IFRS, known as alternative performance measures. Nobia believes that these measures provide valuable complementary information to investors and the company's management since they facilitate assessments of trends and the company's performance. Because not all companies calculate performance measures in the same way, these are not always comparable with those measures used by other companies. Consequently, the performance measures are not to be seen as replacements for measures defined according to IFRS. For definitions of the performance measures that Nobia uses, see pages 24-25.

		Q1
<b>Analysis of external net sales Nordic Region</b>	%	SEK m
2021		1,826
Organic growth	8	154
Currency effects	4	60
<b>2022</b>	<b>12</b>	<b>2,040</b>

		Q1
<b>Analysis of external net sales UK Region</b>	%	SEK m
2021		1,092
Organic growth	8	97
Currency effects	9	90
<b>2022</b>	<b>17</b>	<b>1,279</b>

		Q1
<b>Analysis of external net sales Portfolio Business Units</b>	%	SEK m
2021		455
Organic growth	-7	-31
Acquisition of companies	3	15
Currency effects	4	21
<b>2022</b>	<b>1</b>	<b>460</b>

	Q1		Jan-Dec	12 mos
<b>Operating profit before depreciation and impairment (EBITDA), SEK m</b>	2021	2022	2021	rolling
Operating profit	196	182	1,009	995
Depreciation and impairment	204	204	800	800
<b>Operating profit before depreciation and impairment (EBITDA)</b>	<b>400</b>	<b>386</b>	<b>1,809</b>	<b>1,795</b>
Net Sales	3,373	3,779	13,719	14,125
<b>% of sales</b>	<b>11.9</b>	<b>10.2</b>	<b>13.2</b>	<b>12.7</b>

	Jan-Dec	12 mos
<b>Average equity, SEK m</b>	2021	rolling
OB Equity attributable to Parent Company shareholders	4,034	4,525
CB Equity attributable to Parent Company shareholders	4,923	5,162
<b>Average equity</b>	<b>4,479</b>	<b>4,844</b>

## Reconciliation of alternative performance measures (2)

	31 Mar 2021	31 Mar 2022	31 Dec 2021
<b>Net debt, SEK m</b>			
Provisions for pensions (IB)	457	97	223
Other long-term liabilities, interest-bearing (IB)	2,007	3,400	1,844
Current liabilities, interest-bearing (IB)	421	341	371
<b>Interest-bearing liabilities</b>	<b>2,885</b>	<b>3,838</b>	<b>2,438</b>
Long-term receivables, interest -bearing (IB)	0	0	0
Current receivables, interest-bearing (IB)	-1	-2	-2
Cash and cash equivalents (IB)	-476	-1,394	-422
<b>Interest-bearing assets</b>	<b>-477</b>	<b>-1,396</b>	<b>-424</b>
<b>Net debt</b>	<b>2,408</b>	<b>2,442</b>	<b>2,014</b>

	31 Mar 2021	31 Mar 2022	31 Dec 2021
<b>Net debt excl. IFRS 16 Leases and pension provisions, SEK m</b>			
<b>Net debt</b>	<b>2,408</b>	<b>2,442</b>	<b>2,014</b>
Of which IFRS 16 Leases	2,115	1,741	1,815
Of which provisions for pensions	457	97	223
<b>Net debt excl. IFRS 16 Leases</b>	<b>293</b>	<b>701</b>	<b>199</b>
<b>Net debt excl. IFRS 16 Leases and provision for pensions</b>	<b>-164</b>	<b>604</b>	<b>-24</b>

	31 Mar 2021	31 Mar 2022	31 Dec 2021
<b>Operating capital, SEK m</b>			
<b>Total assets</b>	<b>10,454</b>	<b>12,473</b>	<b>10,629</b>
Other provisions	-63	-43	-46
Deferred tax liabilities	-46	-73	-31
Other long-term liabilities, non interest-bearing	-	-8	0
Current liabilities, non interest-bearing	-2,935	-3,349	-3,191
<b>Non-interest-bearing liabilities</b>	<b>-3,044</b>	<b>-3,473</b>	<b>-3,268</b>
<b>Capital employed</b>	<b>7,410</b>	<b>9,000</b>	<b>7,361</b>
Interest-bearing assets	-477	-1,396	-424
<b>Operating capital</b>	<b>6,933</b>	<b>7,604</b>	<b>6,937</b>

	Jan-Dec 2021	12 mos rolling
<b>Average operating capital, SEK m</b>		
OB Operating capital	6,421	6,933
CB Operating capital	6,937	7,604
<b>Average operating capital</b>	<b>6,679</b>	<b>7,269</b>



## Definitions

Performance measure	Calculation	Purpose
Return on shareholders' equity	Net profit for the period as a percentage of average shareholders' equity attributable to Parent Company shareholders based on opening and closing balances for the period. The calculation of average shareholders' equity has been adjusted for increases and decreases in capital.	Return on shareholders' equity shows the total return on shareholders' capital in accounting terms and reflects the effects of both the operational profitability and financial gearing. The measure is primarily used to analyse shareholder profitability over time.
Return on operating capital	Operating profit as a percentage of average operating capital based on opening and closing balances for the period excl. net assets attributable to discontinued operations. The calculation of average operating capital has been adjusted for acquisitions and divestments.	Return on operating capital shows how well the operations use net capital that is tied up in the company. It reflects how both cost and capital-efficient net sales are generated, meaning the combined effect of the operating margin and the turnover rate of operating capital. The measure is used in profitability comparisons between operations in the Group and to assess the Group's profitability over time.
Gross margin	Gross profit as a percentage of sales.	This measure reflects the efficiency of the part of the operations that is primarily linked to production and logistics. It is used to measure cost efficiency in this part of the operations.
EBITDA	Earnings before depreciation/amortisation and impairment.	To simplify, the measure shows the earnings-generating cash flow in the operations. It provides a view of the ability of the operations, in absolute terms, to generate resources for investment and payment to financiers and is used for comparisons over time.
Items affecting comparability	Items that affect comparability in so far as they do not reoccur with the same regularity as other items.	Reporting items affecting comparability separately clearly shows the performance of the underlying operations.
Net debt	Interest-bearing liabilities less interest-bearing assets. Interest-bearing liabilities include provisions for pensions and leases.	Net debt is a liquidity metric used to determine how well a company can pay all of its debts, pension liabilities and leasing obligations if they were due immediately. The measure is used as a component in the debt/equity ratio.
Operating capital	Capital employed excl. interest-bearing assets.	Operating capital shows the amount of capital required by the operations to conduct its core operations. It is mainly used to calculate the return on operating capital.
Operating cash flow	Cash flow from operating activities including cash flow from investing activities, excl. cash flow from acquisitions/divestments of operations, interest received, and increase/decrease in interest-bearing assets.	This measure comprises the cash flow generated by the underlying operations. The measure is used to show the amount of funds at the company's disposal for paying financiers of loans and equity or for use in growth through acquisitions.

Performance measure	Calculation	Purpose
Organic growth	Change in net sales, excl. acquisitions, divestments and changes in exchange rates.	Organic growth facilitates a comparison of sales over time by comparing the same operations and excl. currency effects.
Region	Region corresponds to an operating segment under IFRS 8.	
Earnings per share	Net profit for the period divided by a weighted average number of outstanding shares during the period.	
Operating margin	Operating profit as a percentage of net sales.	This measure reflects the operating profitability of the operations. It is used to monitor the flexibility and efficiency of the operations before taking into account capital tied up. The performance measure is used both internally in governance and monitoring of the operation, and for benchmarking with other companies in the industry.
Debt/equity ratio	Net debt as a percentage of shareholders' equity including non-controlling interests.	A measure of the ratio between the Group's two forms of financing. The measure shows the percentage of the loan capital in relation to capital invested by the owners, and is thus a measure of financial strength but also the gearing effect of lending. A higher debt/equity ratio means a higher financial risk and higher financial gearing.
Equity/assets	Shareholders' equity including non-controlling interests as a percentage of balance-sheet total.	This measure reflects the financial position and thus the long-term solvency. A healthy equity ratio/strong financial position provides preparedness for managing periods of economic downturn and financial preparedness for growth. It also provides a minor advantage in the form of financial gearing.
Capital employed	Balance-sheet total less non-interest-bearing provisions and liabilities.	The capital that shareholders and lenders have placed at the company's disposal. It shows the net capital invested in the operations, such as operating capital, with additions for financial assets.
Currency effects	"Translation effects" refers to the currency effects arising when foreign results and balance sheets are translated to SEK. "Transaction effects" refers to the currency effects arising when purchases or sales are made in currency other than the currency of the producing country (functional currency).	



## For further information

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- Kristoffer Ljungfelt, CFO
- Tobias Norrby, Head of Investor Relations

## Presentation

The interim report will be presented on Thursday May 5th at 10:00 CET in a webcast teleconference that can be followed on Nobia's website or on <https://edge.media-server.com/mmc/p/a8r8mfrx>

To participate in the teleconference, and thus have the possibility to ask questions, call one of the following numbers:

Sweden: +46 8 566 18 467  
UK: +44 (0) 2071 928338  
USA: +1 646 741 3167  
Pin code: 5250097#

## Financial calendar

July 19, Interim report for January – June 2022.

November 2, Interim report for January - September 2022.

The Annual General Meeting 2022 will be held in Stockholm on May 5.

*This interim report is information such that Nobia is obliged to make public pursuant to the EU's Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on 5 May 2022 at 08:30 CET.*

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