



Q1 2022 Results Presentation

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Highlights first quarter 2022

- Continued organic growth and market demand
- Further material supply disturbances and escalating raw material prices related to the war Ukraine
 - Further price increases to the market
- Group operating profit SEK 182m (196), margin of 4.8% (5.8)
 - Nordic region 8% organic growth
 - UK region 8% organic growth and a strong Winter Sales campaign
- UK transformation plan continues with cost-reduction program
- The big initiatives in “Tomorrow Together”, such as the new factory, are progressing well
 - Further moving from “planning” to “doing”
- Good order intake and solid order book
- *Commodore CIE transferred to “Portfolio Business Units” (former region Central Europe)*



Region UK transformation

- Focus on Magnet brand and OEM sales to Wickes
 - Commodore & CIE transferred to Portfolio Business Units
- Leverage renewed Magnet brand proposition
 - Retail, trade and project
- Invest in customer facing activities
 - The best kitchen designers, sales and design tools
- Availability and service levels for trade customers
- Cost-program



Cost program

- The program is proposed to scale down UK central support functions in order to invest in the customer facing organization, in line with Magnet's new revised operating model
- Annual run-rate saving of ~SEK 150m
- One-time cost of SEK 130-150m, will be charged to income in Q2
- Around 200 employees impacted, subject to customary union negotiations
- Mainly refers to the UK.

Kitchen market development



Nordic market: Continued favourable market development in consumer as well as project markets. No immediate impact from geopolitical challenges.



UK: The market is growing in value, with the trade segment taking larger share. London super-premium project market and social housing remains weak.



Austria and Netherlands:
Good underlying demand.



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

New factory in Jönköping

- Progressing according to plan
- Half of the building is raised
- First production equipment is currently being installed



"Nordic Nature" wins Ideal Home's Kitchen of the Year award



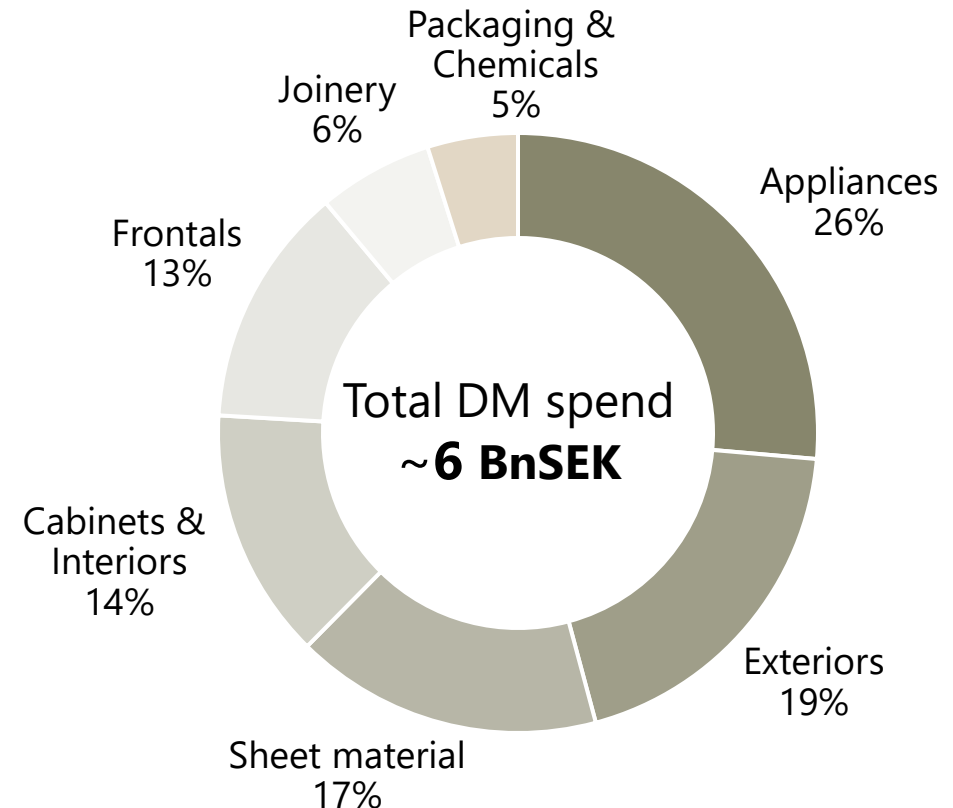
Nobia Group, Q1

- Continued good organic growth, supported by price increases
 - 8% up in Nordics
 - 8% up in the UK
 - Decline of 7% in Portfolio Business Units
- EBIT declined to SEK 182m (196)
 - Extraordinary price increases
 - Material, energy and transport on cost of approx. SEK 220m
 - Sales and marketing increase due to closed stores prior year
- EBIT margin amounted to 4.8% (5.8)

	2021 Q1	2022 Q1
Net sales (SEKm)	3,373	3,779
Organic growth, (%)	3	6
Gross margin, (%)	38.0	38.3
EBIT (SEKm)	196	182
EBIT margin (%)	5.8	4.8

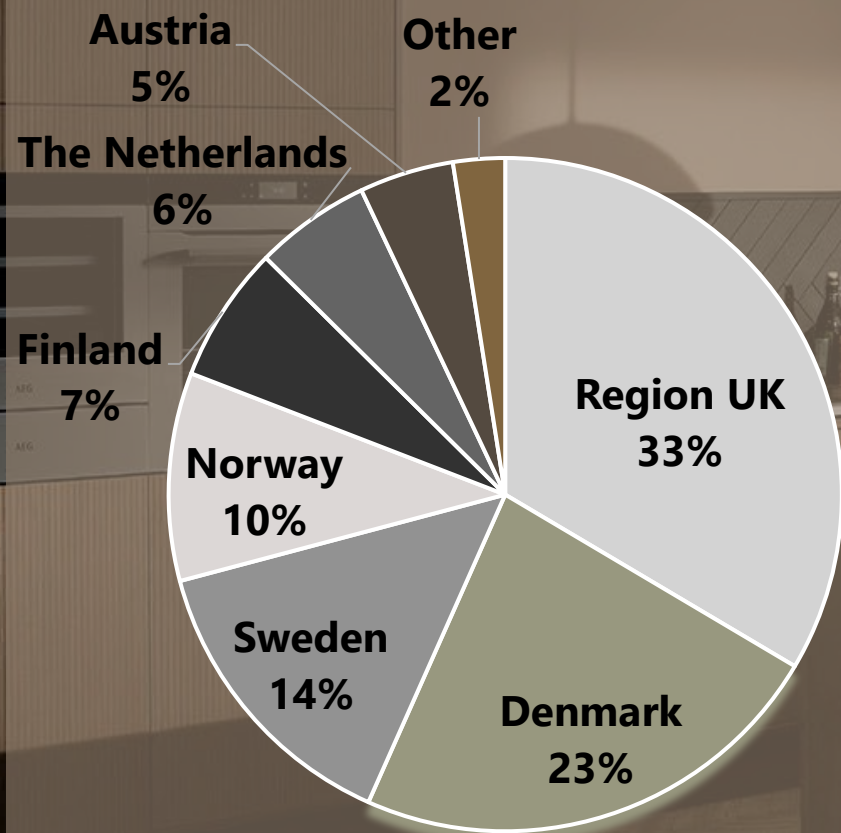
Direct material pricing impact update

- Significant inflationary pressure on direct material continues
 - First wave of increases after Corona lockdowns
 - Second wave of increases following the war in Ukraine
- On cost for material, energy and transport of approx. SEK 220m in the quarter
- Product availability improving in general
- Further extraordinary price increases necessary to fend off the latest surge in material cost. Will have full effect towards the end of Q2

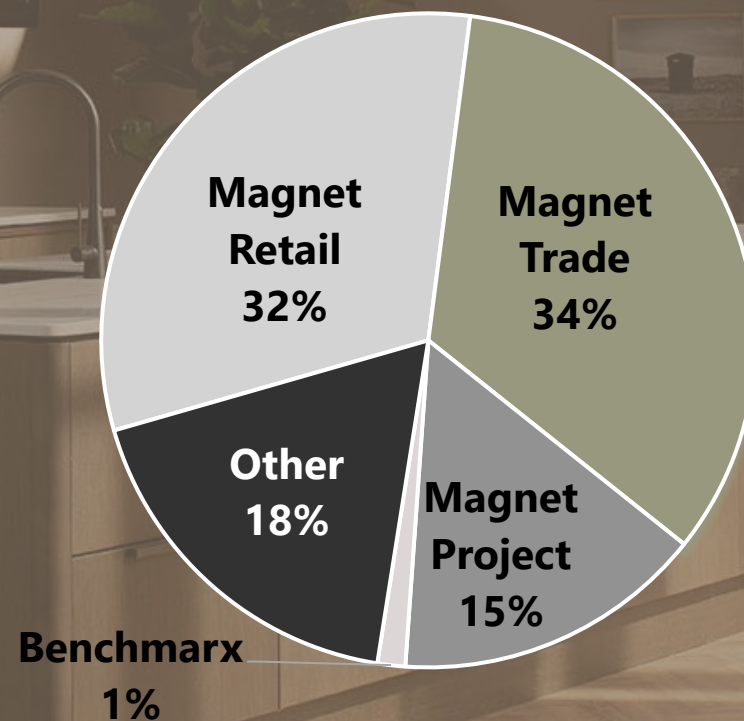


Net sales, rolling 12 months

The Group



Region UK



Nordic region, Q1

- Organic net sales increased 8%
 - Growth across all markets
- Higher average order values and favorable mix
- Gross margin burdened by inflationary pressure
- Continued solid orderbook



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54% of Q1 Group sales

	2021 Q1	2022 Q1
Net sales (SEKm)	1,826	2,040
Organic growth (%)	9	8
Gross margin (%)	39.4	36.1
EBIT (SEKm)	249	213
EBIT margin (%)	13.6	10.4

UK region, Q1

- Organic net sales growth 8% (-6)
 - 17% growth excl. the discontinued Benchmarx sales
 - Strong winter sales campaign in Magnet
 - Improved average order values
- EBIT increased from a loss to breakeven
 - Increased average order values strengthened gross margin
 - Sales and marketing increase due to retail stores being closed prior year
- Cost-program initiated

34% of Q4 Group sales

	2021 Q1	2022 Q1
Net sales (SEKm)	1,092	1,279
Organic growth, (%)	-6	8
Gross margin, (%)	37.5	43.6
EBIT (SEKm)	-38	0
EBIT margin (%)	-3.5	0

Magnet **Gower**

Portfolio Business Units, Q1

- Organic net sales declined 7%
 - Weak market for Commodore & CIE's luxury London segments
 - Double-digit growth in Austria
 - First quarter with Superfront
- Lower EBIT due to inflationary environment
 - Higher direct material cost
 - Increased average order values

12% of Q4 Group sales

	2021 Q1	2022 Q1
Net sales (SEKm)	455	460
Organic growth, (%)	4	-7
Gross margin, (%)	26.6	29.1
EBIT (SEKm)	28	20
EBIT margin (%)	6.2	4.3

Financial position

- Operating cash flow of SEK -420m (-69)
 - Cash flow from operating activities in line with prior year
 - Investment in fixed assets increased due to the new factory in Jönköping
- Strong balance sheet
 - Financial net debt of SEK 701m (293)
 - Leverage* amounted to 0.55 times (0.30)

*Net debt/EBITDA on rolling 12 months, excl. IFRS 16 Leases and items affecting comparability

Cash flow	2021 Q1	2022 Q1
Operating cash flow	-69	-420
<i>Of w. operating profit</i>	196	182
<i>Of w. change in working capital</i>	-386	-382
<i>Of w. investments in fixed assets</i>	-55	-387
	2020	2021
Net debt	31 Dec	31 Dec
Borrowings	313	2,000
Net pension debt	457	97
Interest bearing assets	477	1,396
Financial Net Debt	293	701
Financial Net Debt / Equity, %	7	13
IFRS 16 leasing liabilities	2,115	1,741
Net debt	2,408	2,442
Net debt/Equity, %	53	47

Going forward

- Good market conditions short term
- Material price increases expected to continue
- Average order value improvements expected
- Cost program
- Continued investments in Tomorrow Together strategy





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Designing Kitchens for Life