



# Q2 2022 Results Presentation

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# Nobia Group, highlights Q2

- Market holding up well
  - Project market driven by strong housing completions
- Net sales SEK 3.9bn with organic growth 3%
  - Solid order book remains
- Gross profit 36.3% (39.0)
  - SEK ~270m direct material headwind. Prices have stabilized on a high level
  - Compensating price increases are not yet having full impact
  - Temporary supply chain constraints in Nordic region
- Operating profit SEK 212m\* (347), margin of 5.4% (9.6)
- Strategic initiatives progressing well
  - UK transformation leading to higher sales and gross margin
  - Cost reduction program launched
  - New Jönköping factory ahead of plan and budget
  - First Group-wide digital sales solution launched for our two largest brands

	2021 Q2	2022 Q2
Net sales (SEKm)	3,622	<b>3,890</b>
Organic growth (%)	35	<b>3</b>
Gross margin (%)	39.0	<b>36.3</b>
EBIT (SEKm) *	347	<b>212</b>
EBIT-margin (%) *	9.6	<b>5.4</b>

\* Excl. Items affecting comparability

# Kitchen market development



**Nordic market:** Stable market development in consumer. Project segment holding up well on the back of new housing completions



**UK:** Growing in value. Trade segment gaining share in market. London super-premium project market remains weak.

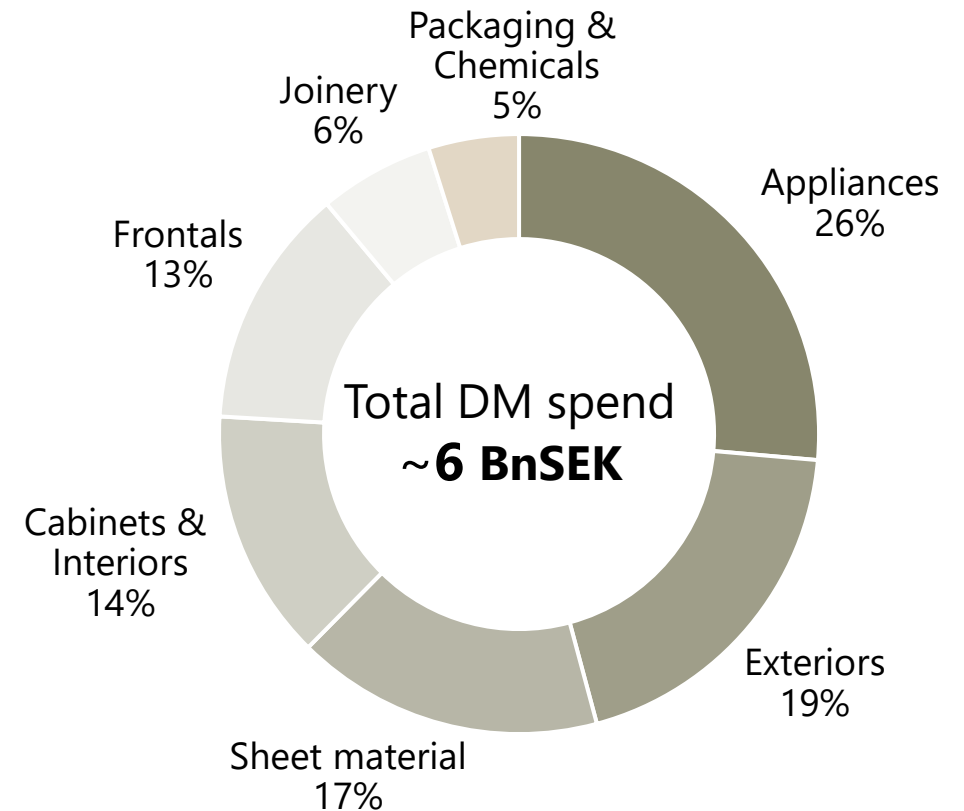


**Austria and Netherlands:** Stable underlying demand.



# Direct material pricing impact update Q2

- Significant inflationary pressure on direct material
- Total on-cost for material, energy and transport of approx. SEK 270m in Q2
- Material prices flattening out on a high level
- Latest extraordinary price increases will materialize during second half of the year



# 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

# Structural efficiency

- New Jönköping factory ahead of schedule and budget
  - Around 50% of the factory building completed
  - First production machinery installed
  - Some component manufacturing to start before year-end
- Shared services centre in Vilnius operational
- First Group-wide digital sales solution for the two largest brands HTH and Magnet





# Nordic region

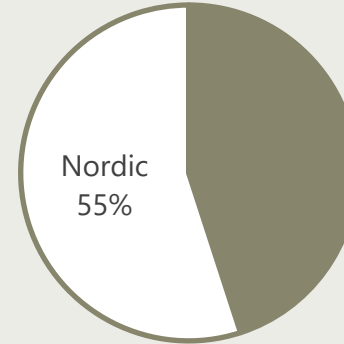
- Organic net sales increased 6%
  - Growth in Denmark and Finland
  - Good demand in project segment
  - Continued solid orderbook
- EBIT amounted to SEK 248m\* (321), margin of 11.5% (16.1)
  - Price increases and favorable mix due to more sales at higher price points
  - Margin burdened by inflationary pressure, price increases yet to deliver the full effect
  - Capacity constraints in supply chain resulting in adverse manufacturing cost



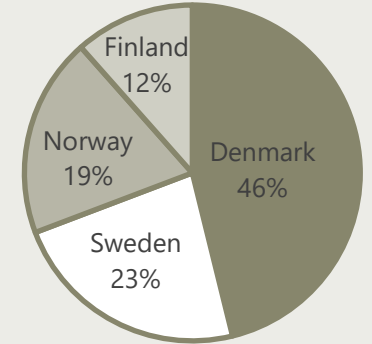
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Share of Group sales, %



Sales by country, %



	2021 Q2	2022 Q2
Net sales (SEKm)	1,989	<b>2,155</b>
Organic growth (%)	13	<b>6</b>
Gross margin (%)	40.0	<b>35.6</b>
EBIT (SEKm)*	321	<b>248</b>
EBIT-margin (%)*	16.1	<b>11.5</b>

\* Excl. Items affecting comparability

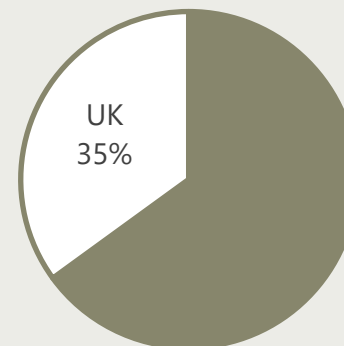
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# UK region

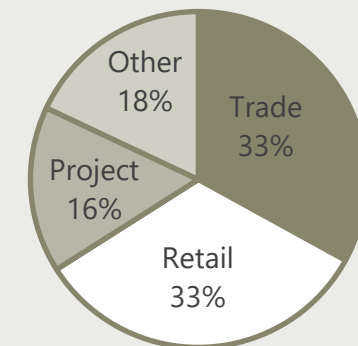
- Organic net sales growth 5%
  - 10% growth excl. the discontinued Benchmarx sales
  - Magnet retail up 30% on back of strong winter sales
  - Price increases and more sales at higher price points
- New product introductions and price driving higher average order values
- Operating profit SEK 14m\* (34)
  - SG&A increased due to larger number of sales designers and last year's corona-related governmental support
- Cost-program completed, will have impact as of Q3-22

**Magnet** **Gover**

Share of Group sales, %



Sales by segment, %



	2021 Q2	2022 Q2
Net sales (SEKm)	1,168	<b>1,286</b>
Organic growth (%)	107	<b>5</b>
Gross margin (%)	38.5	<b>41.2</b>
EBIT (SEKm)*	34	<b>14</b>
EBIT-margin (%)*	2.9	<b>1.1</b>

\*Excl. Items affecting comparability

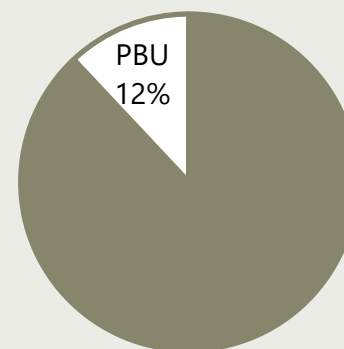
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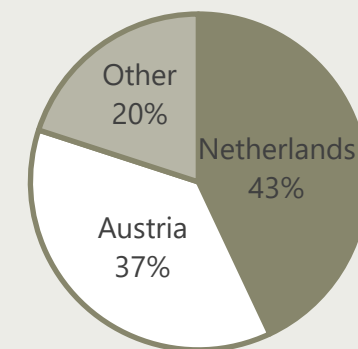
# Portfolio Business Units

- Organic net sales declined 11%
  - Continued growth in Austria
  - Sales in Netherlands impacted by temporary production stop following suspected cyber attack
  - Weak market for Commodore & CIE's luxury London segments
- Operating profit SEK 9m (39)
  - Continued improvement in Austria
  - Decline in Netherlands due to the temporary production stop
  - Further decrease in Commodore & CIE
- Production in Netherlands normalised as of end Q2

Share of Group sales, %



Distribution of sales, %



	2021 Q2	2022 Q2
Net sales (SEKm)	465	<b>450</b>
Organic growth (%)	29	<b>-11</b>
Gross margin (%)	30.0	<b>23.6</b>
EBIT (SEKm)	39	<b>9</b>
EBIT-margin (%)	8.4	<b>2.0</b>

# Financial position

- Cash flow from operating activities SEK 694m (685)
- Operating cash flow of SEK 286m (618), impacted by the investments in Jönköping
- Strong balance sheet
  - Financial net debt of SEK 989m (159)
  - Leverage\* amounted to 0.86 times (0.12)

\*Excl. Items affecting comparability

Cash flow	Q2 2021	Q2 2022
Cash flow from operating activities	685	694
Operating cash flow	618	286
<i>Of w. operating profit</i>	347	62
<i>Of w. change in working capital</i>	147	391
<i>Of w. investments in fixed assets</i>	-73	-408
Net debt	30 Jun, 2021	30 Jun 2022
Borrowings	483	1800
Net pension debt	414	95
Interest bearing assets	738	906
Financial Net Debt	159	989
Financial Net Debt / Equity, %	4	20
IFRS 16 leasing liabilities	1,889	1,679
Net debt	2,048	2,668
Net debt/Equity, %	47	54

# Going forward

- Stable market demand
- Continued price increases and drive towards higher average order values
- Manage supply chain constraints
- Keep momentum in the major strategic initiatives
- Cost-out savings SEK 140m annually







# nobida

Designing Kitchens for Life