Q3 2024 Results Presentation

Kristoffer Ljungfelt, CEO
Henrik Skogsfors, CFO

nobia

Nobia Group, highlights Q3

- Declining project market, driven by low housing completions, but positive signs in the consumer segment across all markets
- Organic sales decline due to lower project volumes. Consumer sales increased
- Gross margin improvements driven by improved operational performance and customer mix in the Nordics
- Group wide cost programs generating above targets. UK savings driven by transition to asset light model
- Strategic priorities proceeding according to plan
- New organization implemented; decentralization to enable faster decision-making, and drive margin expansion with high local accountability

	2023 Q3	**2024 Q3**
Net sales (SEKm)	2,697	2,478
Organic growth (%)	-19	-6
Gross margin* (%)	36.6	37.4
SG&A costs* (excl. freight)	846	779
EBIT* (SEKm)	18	19
EBIT-margin* (%)	0.7	0.8
Operating cash flow	-305	-154

Comments and numbers relate to continuing operations, unless otherwise stated

** Excl. Items affecting comparability*

Strategic priorities

Maximising cost efficiency and reduction of net debt	• New Group organisation; decentralisation and local accountability will enable further cost saving measures • Run rate cost improvements of prior launched programs totalling SEK 400m • Additional cost program launched in Q2 and Q3; targeting savings of around SEK 300m
Realise full Nordic potential	• Considerably strengthen Nordic supply chain - Finalize the Jönköping factory - Transfer production from Tidaholm to Jönköping • Harmonized product platform for improved product range (design, sustainability and cost) • Harmonized processes and systems
Transform UK	• Continue transition to an asset light operating model - Closing underperforming stores - Add sales through partnerships - Consolidate supply chain • Drive average order values through better products in higher price points • Fixed cost reductions, organizational simplification and decentralization

nobia

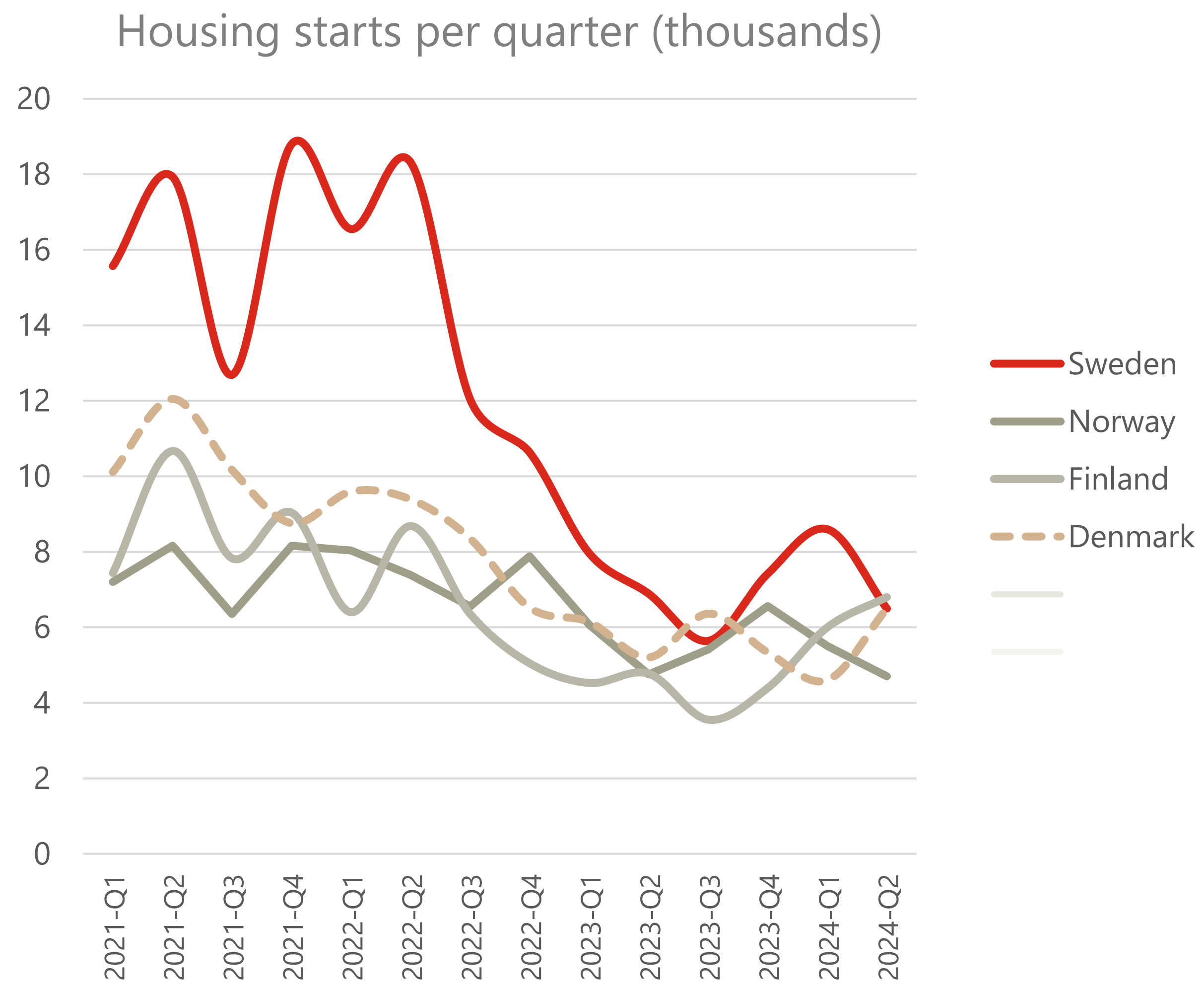
Kitchen market development, Nordic region

Consumer segment;

- Consumer confidence remains low but is improving due to positive macroeconomic indicators.
- Slight recovery in housing transactions in Sweden and Denmark.
- Slight increase in demand from consumers and increasing customer activity such as kitchen design meetings.

Project segment;

- Housing new build starts on very low levels in all four countries (down 35-40%, H1-24 vs H1-22).



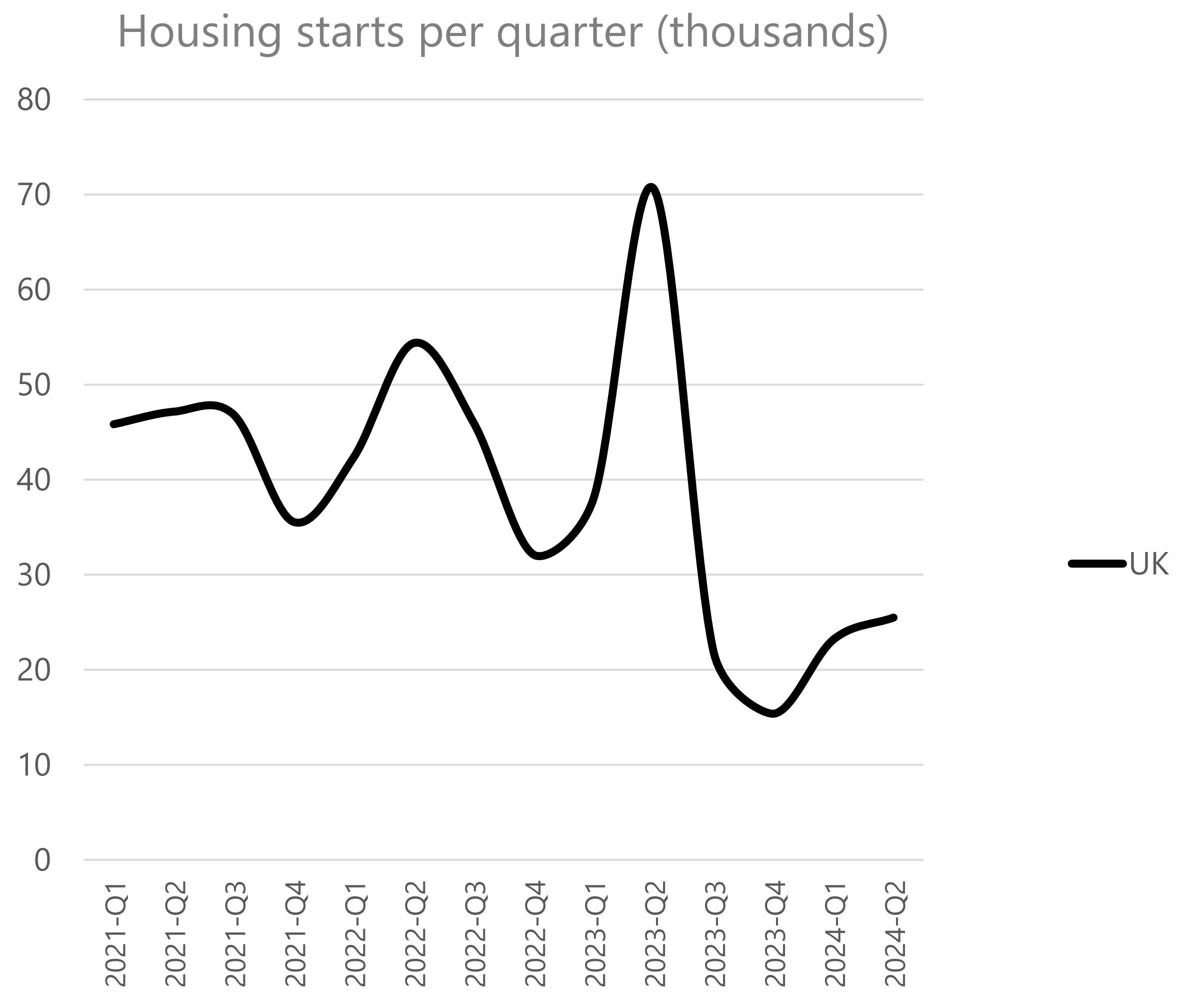
Kitchen market development, UK

Consumer segment;

- Consumer confidence remains low but improving.
- House prices return to growth, with residential transaction levels rising.

Project segment

- Housing starts well below recent years, with sequential recovery in Q2
- Significant housing undersupply; government-backed initiatives announced to drive housing starts

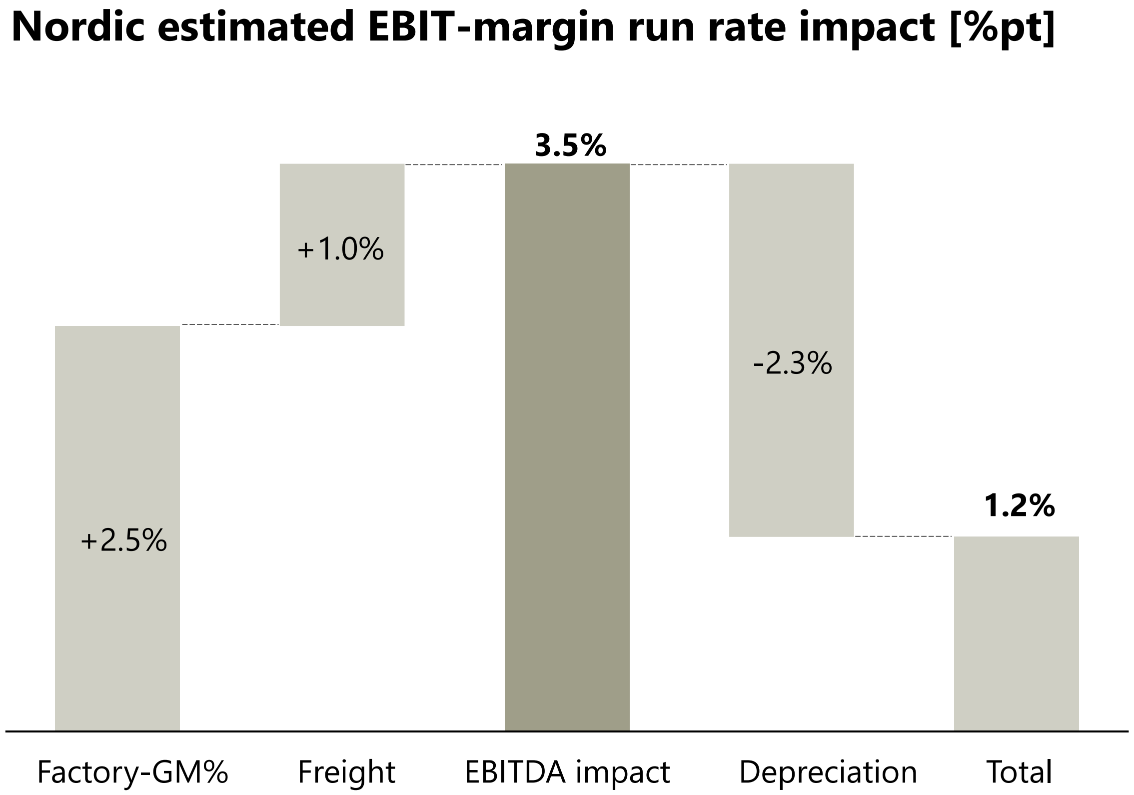


State-of-the-art new Jönköping factory

- Ramp up in 2025, starting from January
- Customized kitchens at large scale in Europe's most modern kitchen factory
- Latest automation and digitalization technology
- Step-change performance in efficiency, flexibility, scale and lead times
- Future proof customer benefits; superior quality, design and customization possibilities, delivery precision and service levels
- ECO-labeled kitchens produced in a BREEM Excellent building

nobia

Nordic supply chain recap



Finalization of new factory is progressing well

- Completed industrialization of panels, flat pack cabinets and certain frontals
- Industrialization of frontal manufacturing and full kitchen assembly ongoing
- Remaining capex ~650 MSEK (and ~300 MSEK remaining payment sale & leaseback transaction)
- Full ramp-up during 2025 when manufacturing is transferred from Tidaholm

nobia

The road to an asset light operating model in the UK

1

Phase 1 – 2023/24

- Exit unprofitable business
- Flatten organization
- Cost-out
- First phase of supply chain consolidation (closing of Dewsbury)

2

Phase 2 – 2023/24

- Change operating model by targeting the mass premium segment for higher AOV with the Magnet brand
- New product development for mass premium position
- Trial partnership model
- Second phase of supply chain consolidation (closing of Halifax)

3

Phase 3 – 2024/25

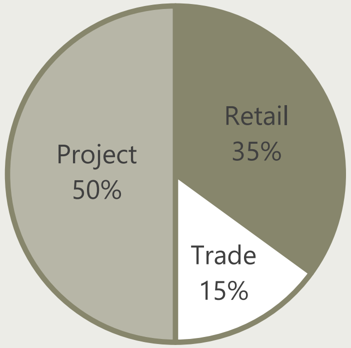
- Capitalize on mass premium.
- Expand the asset light distribution model by leveraging external partnerships.
- Improve distribution and logistic setup.

nobia

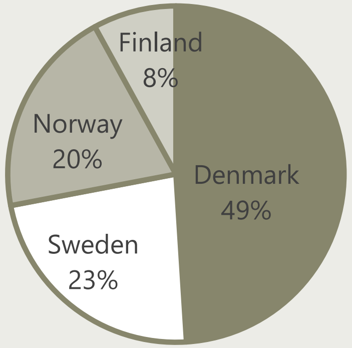
Nordic region Q3

- Organic net sales declined -11% (-22)
- Consumer sales slightly up, while project segment continues to decline double digit
- Gross margin improvement driven by higher average order values and supply chain improvements
- EBIT improvement despite the volume decline
- Further cost reductions announced, targeting SEK ~40m (in addition to the SEK -38m cost reductions announced in Q2)

Share of R12 sales by segment



Share of R12 sales by country



SEKm	2023 Q3	**2024 Q3**
Net sales	1,490	1,283
Organic growth (%)	-22	-11
Gross margin* (%)	33.0	36.6
SG&A cost (excl. freight)*	324	287
EBIT* (SEK m)	92	104
EBIT-margin* (%)	6.2	8.1

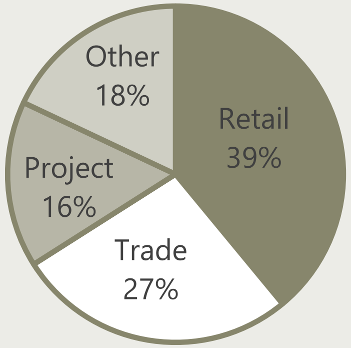
* Excl. Items affecting comparability

nobia

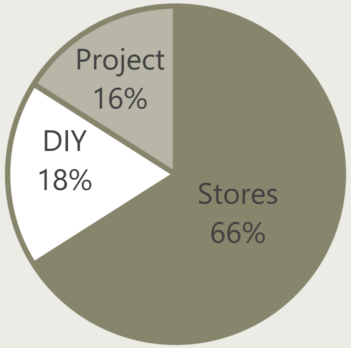
UK region Q3

- Organic sales flat (-17%)
- Continued market headwinds in project and trade sales was compensated by growth in consumer sales
- Gross margin erosion due to volume under absorption and lower average order values
- Cost reductions materializing
- Transition to asset-light operating model continues with further closures of underperforming stores
- Further cost reductions announced in Q3, targeting SEK ~20m
- *Cost program announced in Q2 to generate annual savings of SEK 160m as of 2025*

Share of R12 sales by segment



Share of R12 sales by channel



SEKm	2023 Q3	**2024 Q3**
Net sales	1 208	1 195
Organic growth (%)	-17	0
Gross margin* (%)	39,7	38,0
SG&A cost (excl. freight)*	468	446
EBIT* (SEK m)	-43	-49
EBIT-margin* (%)	-3.6	-4.1

* Excl. Items affecting comparability

nobia

Financial position

- Cash flow improvement driven by lower investments in fixed assets
- Investments in Jönköping factory SEK 93m (362)
- Financial net debt** decreased to SEK 2,320bn (3,039)

- *Measures to improve the financial position completed during the first half-year, resulting in a net cash flow of SEK 2,600bn year-to-date incl the rights issue*

Cash flow	2023 Q3	**2024 Q3**
Cash flow from operating activities	177	-20
Operating cash flow	-305	-154
*Of w. operating profit**	*99*	*-37*
Of w. change in working capital	*-143*	*-156*
Of w. investments in fixed assets	*-484*	*-138*
Net debt	30 Sep, 2023	**30 Sep, 2024**
Borrowings	3,377	2,514
Interest bearing assets	338	194
*Financial Net Debt***	*3,039*	*2,320*
Financial Net Debt / Equity, %	65	45
IFRS 16 leasing liabilities	1,688	2,438
Net pension debt	410	256
Net debt	5,137	5,014
Net debt/Equity, %	110	98

*Incl. Items affecting comparability

**Net debt excl. IFRS16 leasing and pension debt

Priorities going forward

- Advance on our strategic agenda
  - Ramp-up Jönköping factory
  - Turnaround of the UK operations, including review of further activities
  - Deliver on our cost out programs
- Leverage daily operations in new decentralized organisation
  - Capture growth in consumer sales
  - Increase average order values
  - Productivity enhancing activities
  - Disciplined cost control
  - Strict working capital governance


nobia
Designing Kitchens for Life