



Interim report Jan-Jun 2017

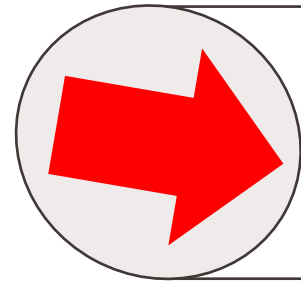
July 21, 2017

Q2 Highlights

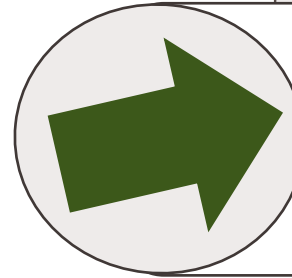
- Net sales SEK 3,408 m (3,403)
- Organic growth 1% (4)
- Gross margin 39.9% (40.1)
- EBIT SEK 413 m (420)
- EBIT margin 12.1% (12.3)
- Profit after tax SEK 314 m (302)
- Operating cash flow SEK 193 m (238)



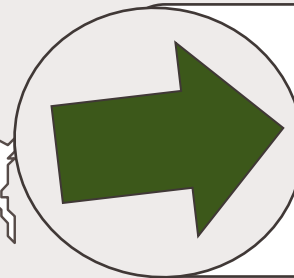
Kitchen market trend, Q2



The UK market estimated to be down on past year on the back of macro-economic uncertainty and reduced consumer confidence.



The Nordic market was up on previous year. New build completions continues to be the primary driver of the favourable development.



The market in Central Europe is estimated to have been slightly up compared with the previous year.

Financial targets

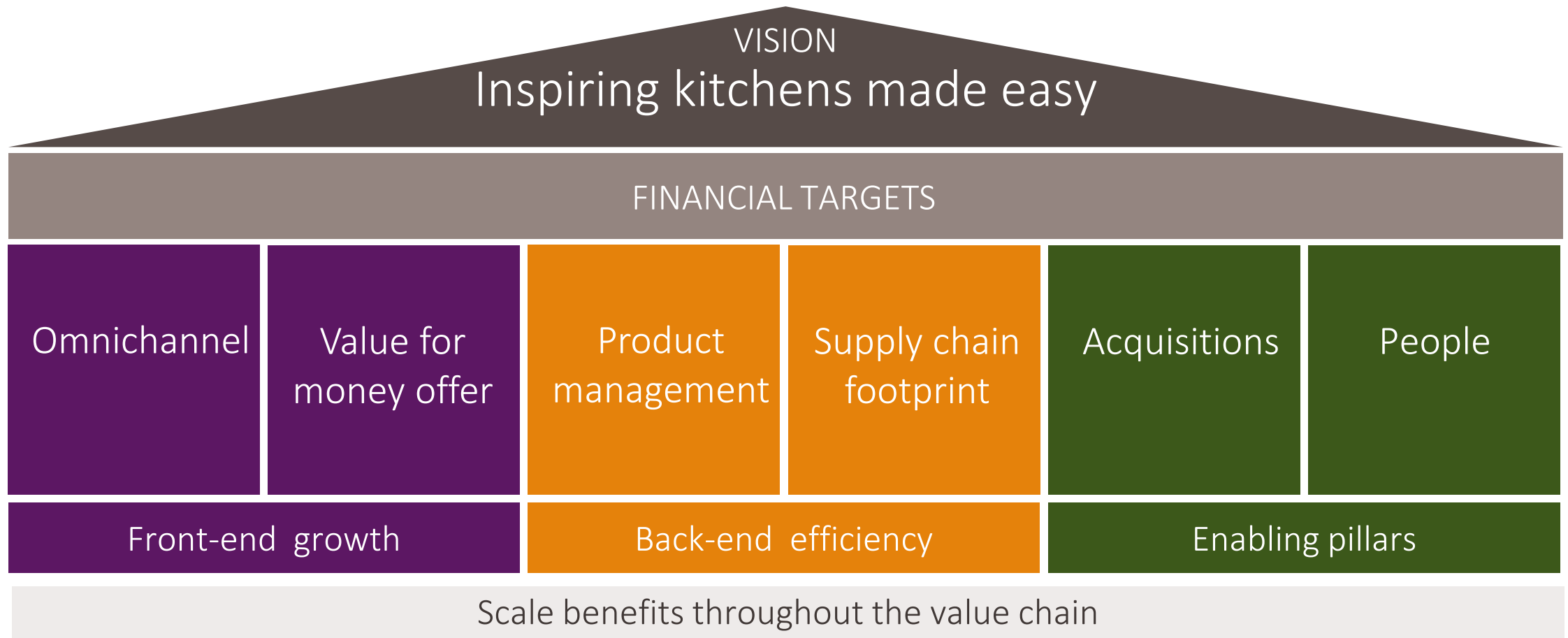
Growth
>5%
organic and
acquired

Profitability
>10%
EBIT margin

Financing
<100%
debt/equity

Dividend
40-60%
of net profit
after tax

Strategic initiatives



Nordic region

51% of net sales in Q2

- Less delivery days than last year
- Organic growth mainly attributable to increased project sales
- Gross margin declined due to currency and sales mix
- EBIT improved, primarily as a result of higher sales values

	2016 Apr-Jun	2017 Apr-Jun
Net sales (SEK m)	1,626	1,756
Organic growth	4%	5%
Gross margin	41.4%	41.1%
EBIT (SEK m)	271	297
EBIT margin	16.7%	16.9%



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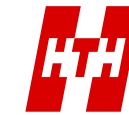
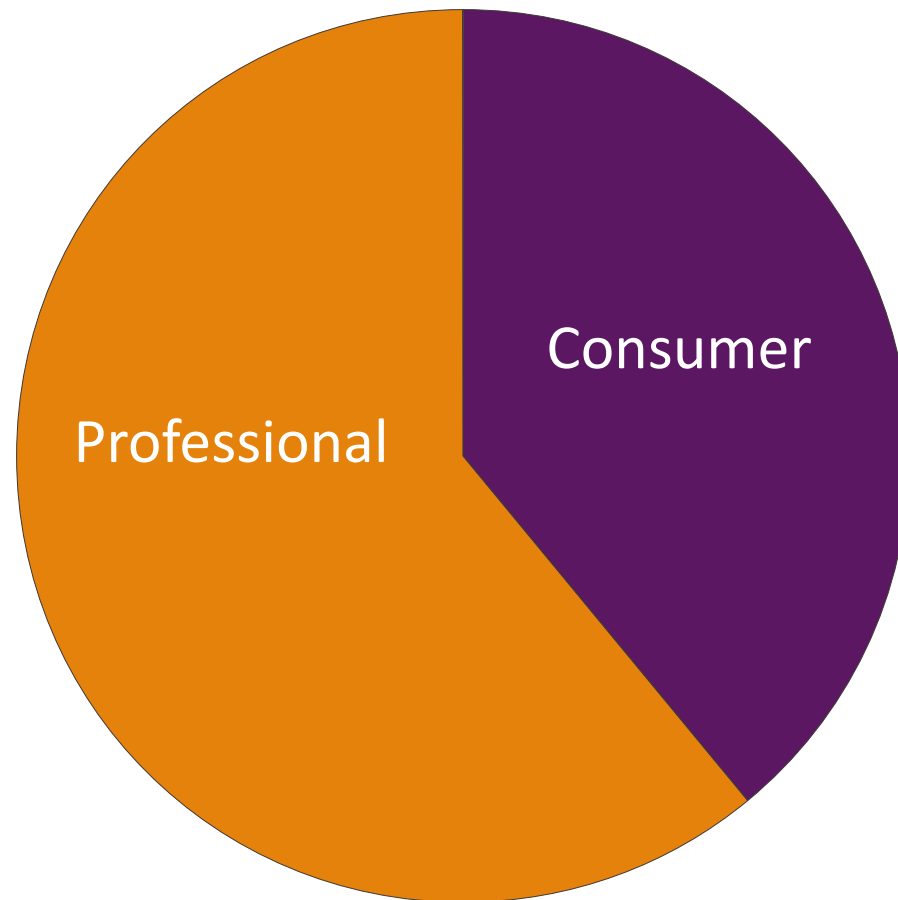
NOREMA



AlCanta
KEITTIÖT

Customer segments in the Nordic region

Net sales distribution, Jan-Jun 2017



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Ala Carte
KEITTIÖT

UK region

- Organic decline mainly attributable to Magnet and the phase-out of Homebase
- Project deliveries increased
- Gross margin declined primarily due to currency
- EBIT declined, mainly due to lower gross margin and lower volumes

45% of net sales in Q2

	2016 Apr-Jun	2017 Apr-Jun
Net sales (SEK m)	1,633	1,520
Organic growth	4%	-2%
Gross margin	38.9%	38.7%
EBIT (SEK m)	175	154
EBIT margin	10.7%	10.1%

Magnet

Gower

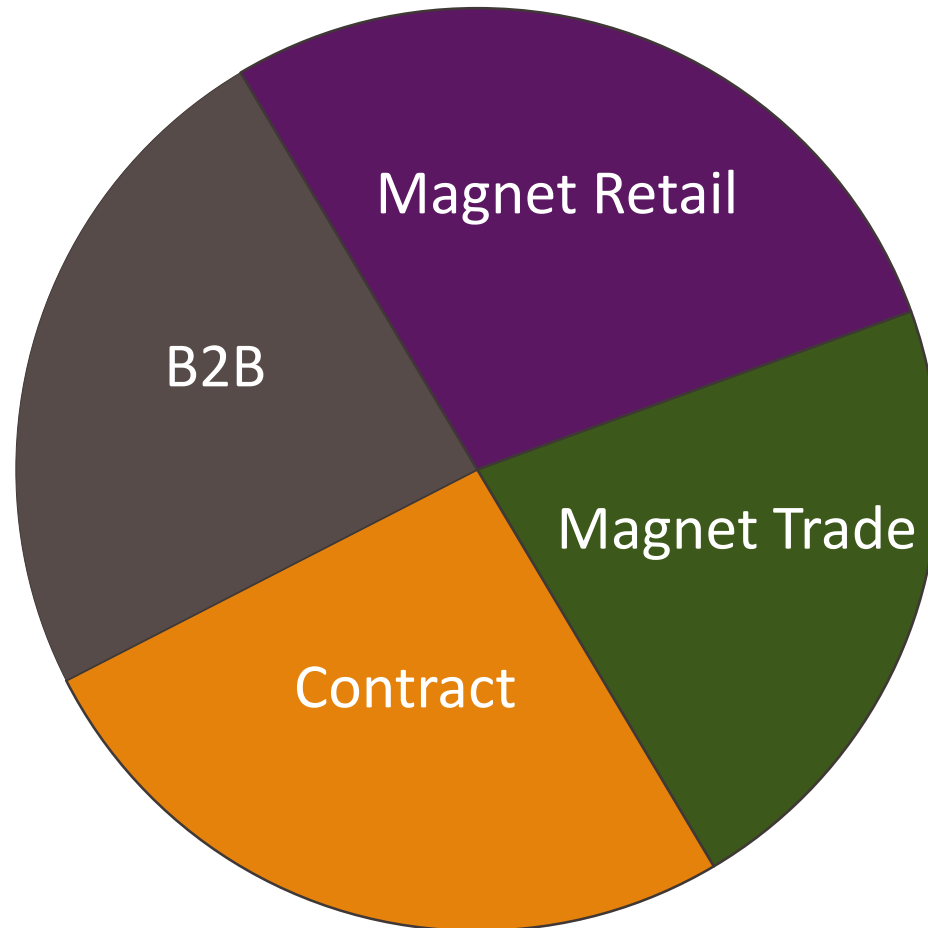
Interior
Solutions

rixonway
kitchens

ck commodore
kitchens

Sales channels in the UK region

Net sales distribution, Jan-Jun 2017



Magnet

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Central Europe region

4% of net sales in Q2

- Organic decline due to lower sales in Austria and abroad
- Gross margin and EBIT affected by temporarily production and delivery disruptions

	2016 Apr-Jun	2017 Apr-Jun
Net sales (SEK m)	144	132
Organic growth	11%	-12%
Gross margin	34.7%	31.6%
EBIT (SEK m)	13	5
EBIT margin	9.0%	3.8%

Financial position, Q2

Operating cash flow declined

- Lower earnings
- Negative change in working capital
- Higher investments

Strong balance sheet

- Low net debt
- Net cash position
- Dividend of SEK 505 m paid in April and bond loan of SEK 800 m repaid in May

SEK m	2016 Apr-Jun	2017 Apr-Jun
Operating profit	420	413
Change in working capital	-174	-183
Investments in fixed assets	-52	-61
Operating cash flow	238	193
SEK m	2016 30 Jun	2017 30 Jun
Net debt	1,080	711
- Of which pensions	885	819
- Of which net borrowings	195	-108
Net debt/equity	30%	21%

Strategy and main financial targets

Focus on



Growth,
organic and
acquired



EBIT margin

Q&A

