A modern kitchen interior featuring grey shaker-style cabinetry and a white marble countertop. The countertop is adorned with fresh vegetables, including leeks, pumpkins, and cabbages. A large window on the left side of the frame provides ample natural light. The floor is made of light-colored wood. A dark semi-transparent box is overlaid on the left side of the image, containing white text.

Jon Sintorn, CEO  
Kristoffer Ljungfelt, CFO

Q2, 2020  
20 July, 2020

# Highlights Q2

- Health and safety first
- Business continuity and cash flow in focus
- Despite challenging business climate, Nordic sales close to flat
- Governmental lockdown measures had significant negative market impact in UK and Central Europe
- Restructuring in the UK and the Nordics
- New organisation announced
- Operations normalising at the end of the quarter



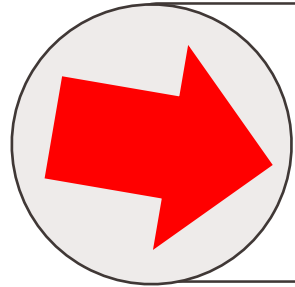
# Nobia Group, Q2

- Organic net sales declined by 25%
  - 56% decline in the UK region due to corona lockdown measures
  - Sales in the Nordics on par with last year if excluding the conversion of own stores to franchise
- Lower EBIT driven by the sales decline
- SEK -108m related to restructuring measures and IFRS9 bad debt provisions
- Strengthened financial position

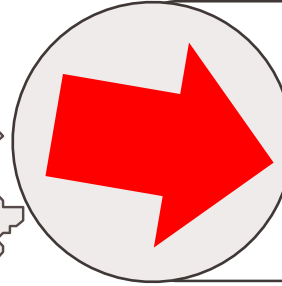
	2019 Q2	2020 Q2
Net sales (SEKm)	3,751	2,741
Organic growth	-1%	-25%
Gross margin	39.1%	31.6%
EBIT (SEKm)	391	-43
EBIT margin	10.4%	-1.6%



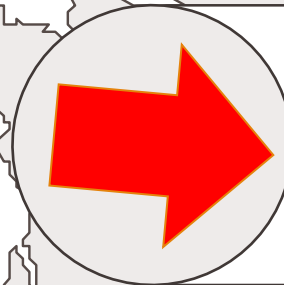
# Kitchen market trend, Q2



Governmental lockdown measures in the **UK** from end March to June prevented markets from functioning normally. Growing demand for remote selling due to social distancing measures and temporary closed physical stores.

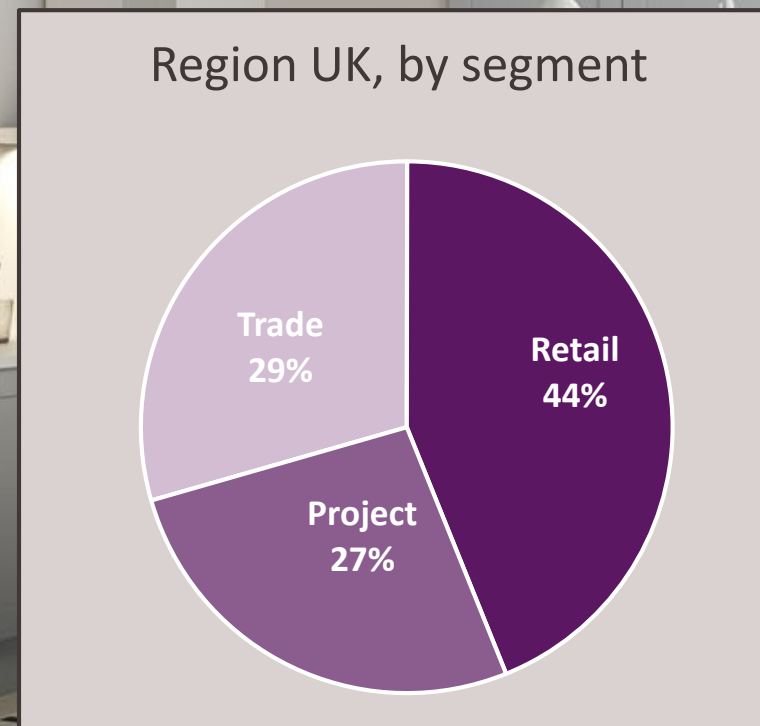
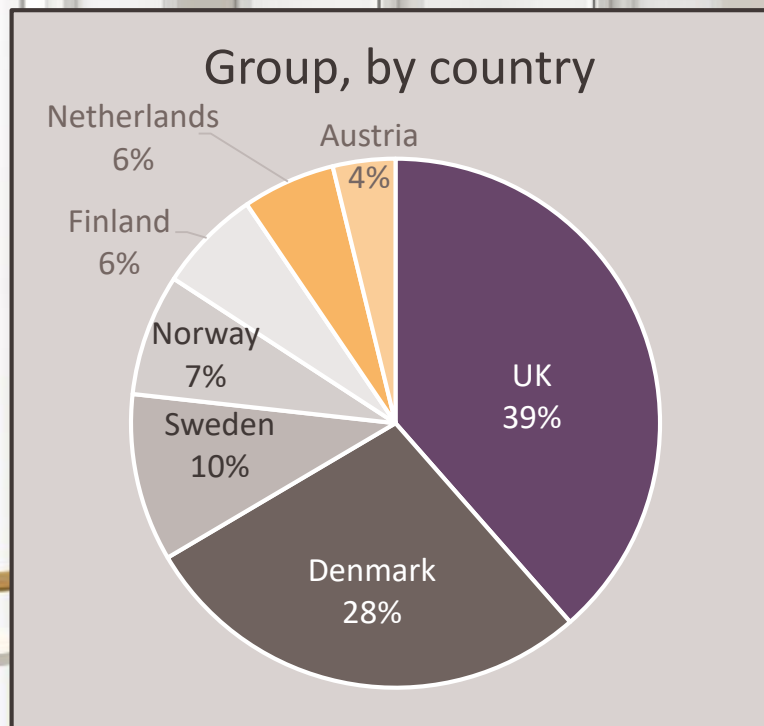


The **Nordic market** is deemed to be slightly down on previous year. Modest market growth in Denmark was off set by soft markets in the rest of the Nordics and especially Norway.



The **Central European market** was impacted by lockdown measures in most countries. Austria was heavily impacted by lock down measures in April, but has been gradually opening up since May.

# Net sales, rolling 12 months



# Nordic region, Q2

- Organic growth -2%
  - Organic growth was up 1% excluding the impact from conversion of own stores to franchise
- Currency impacted EBIT by SEK -5m
- SEK -24m of restructuring costs and IFRS9 bad debt provisions
- Higher sales values and cost reductions

66% of Group net sales in Q2

	2019 Q2	2020 Q2
Net sales (SEKm)	1,870	1,804
Organic growth	-1%	-2%
Gross margin	39.1%	37.1%
EBIT (SEKm)	275	234
EBIT margin	14.7%	13.0%



uno form®



# UK region, Q2

- Dramatic impact from corona lockdown
- Organic growth was -56% (-1)
- Stores and factories gradually opened as of end of May
- Restructuring measures affecting some ~240 employees
- SEK -57m of restructuring costs and IFRS9 bad debt provisions

24% of Group net sales in Q2

	2019 Q2	2020 Q2
Net sales (SEKm)	1,535	645
Organic growth	-1%	-56%
Gross margin	39.7%	14.6%
EBIT (SEKm)	127	-239
EBIT margin	8.3%	-37.1%

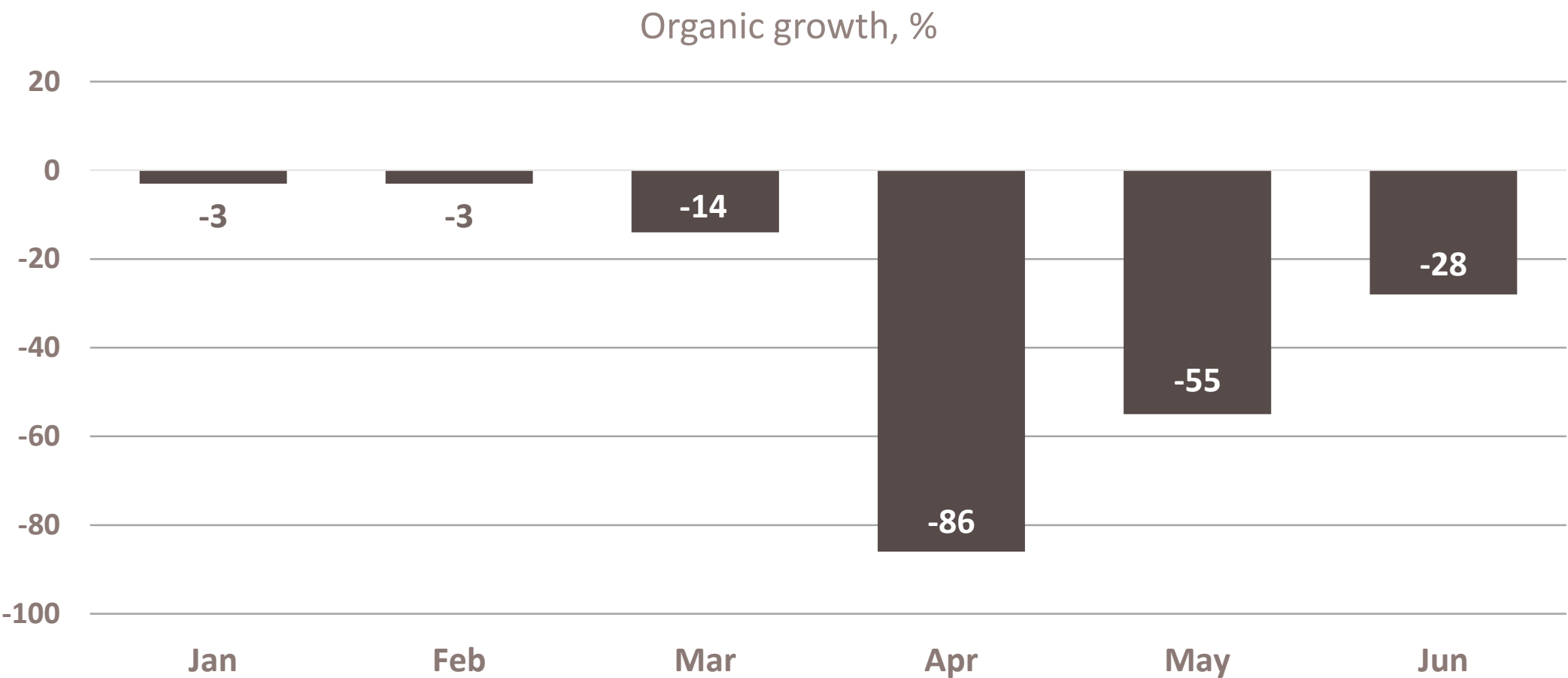
**Magnet**

**Gower**

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kitchens

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kitchens

# Region UK, organic growth development





# Central Europe region, Q2

- Organic growth -16%
  - Lower sales in Austria due to corona lockdown in April
  - Sales in Netherlands decreased as kitchen installation services were affected by corona measures
- EBIT negatively impacted by the volume decline in Austria

11% of Group net sales in Q2

	2019 Q2	2020 Q2
Net sales (SEKm)	346	292
Organic growth	-9%	-16%
Gross margin	31.2%	28.1%
EBIT (SEKm)	32	25
EBIT margin	9.2%	8.6%

# Financial position

## Operating cash flow improved

- Operating cash flow improved to SEK 716m (244)
  - governmental subsidies, reduction of account receivables and strict focus to protect cash flow during pandemic

## Strong balance sheet

- Net debt excl. leasing liabilities and pensions was SEK 231m (1,221)
- Net debt/equity excl. leasing liabilities was 22% (45)

Cash flow	2019 Q2	2020 Q2
<b>Operating cash flow</b>	<b>244</b>	<b>716</b>
<i>Of w. operating profit</i>	391	-43
<i>Of w. change in working capital</i>	-243	537
<i>Of w. investments in fixed assets</i>	-57	-33
<b>Net debt</b>	<b>2019 30 June</b>	<b>2020 30 June</b>
IFRS 16 leasing liabilities	2,661	2,459
Net pension debt	525	640
Borrowings	1,289	1,805
Interest bearing assets	-130	-1,574
<b>Net debt</b>	<b>4,407</b>	<b>3,330</b>
Net debt/Equity, %	115	84

# Reorganisation

- New Group Management structure
- Decentralizing central functions and regionalizing local functions
- Restructuring in the UK
- Migration from operating own stores to franchise in the Nordics





# Market update

*Operations are normalising but short term performance believed to be impacted by corona-driven recession*

## Nordic region

- Markets normalizing but with strict social distancing measures
- Construction sites open

## UK region

- Manufacturing restarted gradually by mid May
- Magnet Trade open for call and collect, retail open by appointment only
- Construction sites mainly open

## Central Europe region

- Markets normalizing but with strict social distancing measures



# Q & A

