

Q2 2024 Results Presentation

Kristoffer Ljungfelt, CEO

Henrik Skogsfors, CFO



Nobia Group, highlights Q2

- Market remains soft, especially in the project segment across all geographies
- Positive sales development in retail with market share gains in the UK
- Higher gross margin due to higher share of sales in the retail segment
- Operating cash flow supported by favorable working capital development
- *Strengthening of the balance sheet continues, rights issue closed in April*
- *Jönköping – Panel manufacturing ramping up in the new factory*
- *Next step towards asset light model in the UK – Further factory consolidation and cost-out measures announced in June*

	2023 Q2	2024 Q2
Net sales (SEKm)	3,092	2,933
Organic growth (%)	-17	-6
Gross margin* (%)	35.9	39.4
SG&A costs* (excl. freight)	-931	-944
EBIT* (SEKm)	36	42
EBIT-margin* (%)	1.2	1.4
Operating cash flow	-276	-53

Measures to strengthen the balance sheet

SEK ~2,600m of net debt improvements in H1 2024

- Rights issue
- Sale and leaseback transaction
- Divestments of non-core assets

“Cost program one” completed in Q1 2024

- Annualized savings of approx. SEK 350m realized

“Cost program two” announced in Q2 2024

- Program targets SEK 200m annual savings as of 2025
- Transition to asset-light go-to-market model in the UK
- Nordic supply chain cost reductions



Strategic priorities

Maximising cost efficiency and reduction of net debt

- Restructuring program from 2023 completed with run rate savings of 350 MSEK ✓
- Divestment of non-core assets (Bribus & ewe) ✓
- Sale and leaseback of the Jönköping factory ✓
- Share rights issue ✓
- Cost out program launched in Q2 2024, addressing UK fixed cost base and efficiency improvements in Nordics

Realise full Nordic potential

- Considerably strengthen Nordic supply chain
 - Jönköping factory completion
- Harmonized product platform for improved product range (design, sustainability and cost)
- Harmonized processes and systems

Transform UK

- Transition to an asset light go-to-market model
 - Closing of underperforming own stores, while adding new distribution at builder merchants and franchise concept stores
 - Number of factories reduced to two (from five) with the closure of Halifax in Q2 2024 ✓
- Drive average order values through better products in higher price points
- Fixed cost reductions, organizational simplification and decentralization
- Exit unprofitable segments, primarily social housing

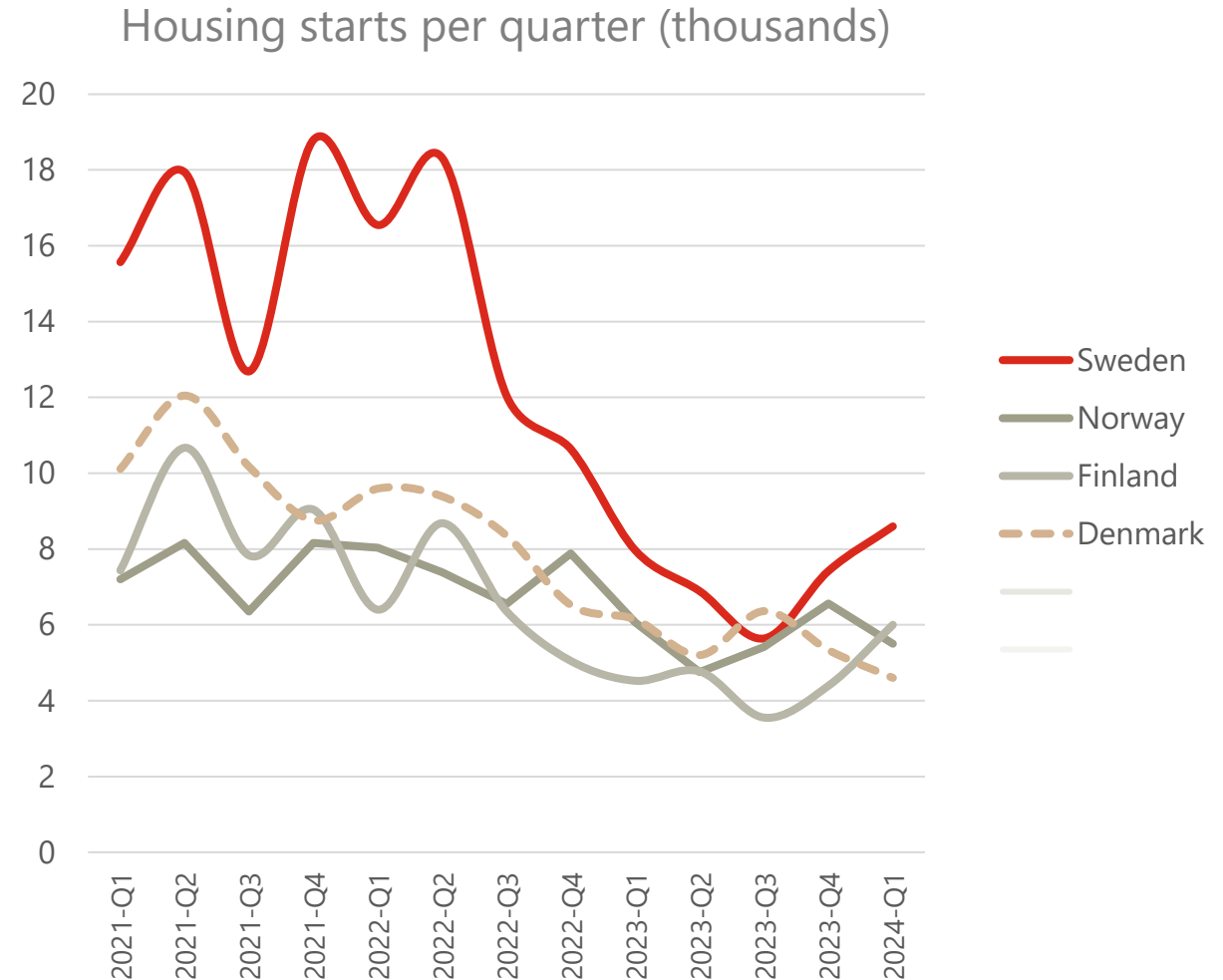
Kitchen market development, Nordic region

Consumer segment;

Consumer confidence slowly trending up, from low levels. Housing transactions slightly up in Sweden and Norway. Overall, slight increase in demand from consumers

Project segment;

Housing new build starts on very low levels in all four countries. Full-year market development estimated to be significantly down vs prior year. However, y-o-y increase in housing starts in Sweden and Finland



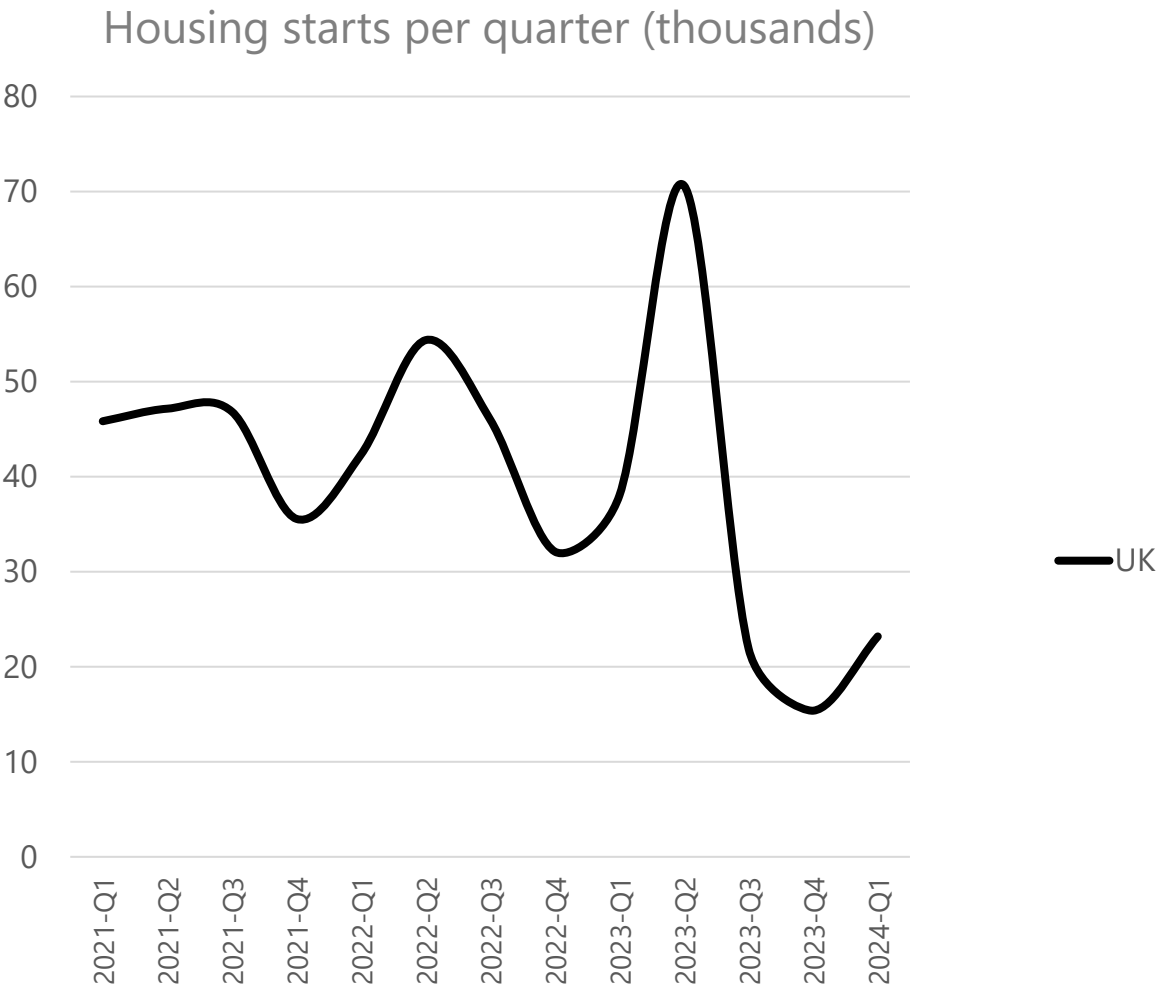
Kitchen market development, UK

Consumer segment

Consumer confidence low, but improvement over the past months and the highest level since November 2021.

Project segment

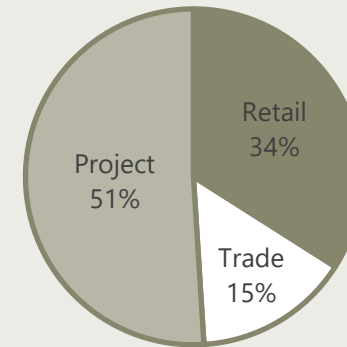
Housing new build starts down significantly vs recent years, partly as an effect of new construction brought forward due to changes to building regulations. Sequential bounce-back in Q1.



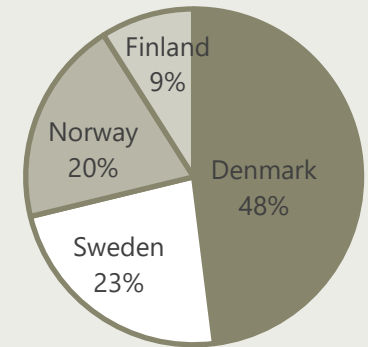
Nordic region Q2

- Organic net sales declined -14% (-17)
- Consumer sales slightly up, while project segment showed significant decline
- Gross margin improvement driven by favorable segment and product mix
- EBIT improvement, despite challenging project market segment
- Items affecting comparability of SEK -34m related to factory transition cost and supply chain cost reductions targeting annual savings of SEK 38 as of 2025 (press release on June 27)

Share of R12 sales by segment



Share of R12 sales by country



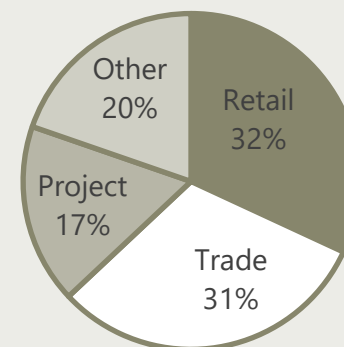
SEKm	2023 Q2	2024 Q2
Net sales	1,869	1,614
Organic growth (%)	-17	-14
Gross margin* (%)	31.9	38.2
SG&A cost (excl. freight)*	-394	-397
EBIT* (SEK m)	101	113
EBIT-margin* (%)	5.4	7.0

* Excl. Items affecting comparability

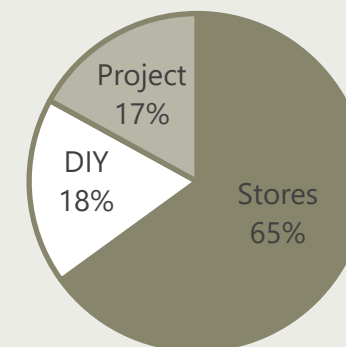
UK region Q2

- Organic sales increased by 5% (-15%) following growth during the winter consumer sales campaign. Continued market headwinds in project and trade segments
- Consumer segment market share gains
- Project volumes considerably down
- Higher cost of doing business will be mitigated by the newly launched cost out program
- Items Affecting Comparability of SEK -179m to generate annual savings of SEK 160m as of 2025
 - closure of the Halifax manufacturing
 - further measures in the transition to an asset-light model by closing underperforming stores that are up for lease renewal
 - further decentralizing of operations.

Share of R12 sales by segment



Share of R12 sales by channel



SEKm	2023 Q2	2024 Q2
Net sales	1,223	1,319
Organic growth (%)	-15	5
Gross margin* (%)	40.7	40.6
SG&A cost (excl. freight)*	-478	-516
EBIT* (SEK m)	-24	-32
EBIT-margin* (%)	-2.0	-2.4

* Excl. Items affecting comparability

Financial position

- Cash flow improvement driven by phasing of working capital
- Investments in Jönköping factory SEK 157m (240)
- Financial net debt of SEK 1,934bn (2,505)
- Measures to improve the financial position successfully completed, resulting in a net cash flow of SEK 2,600bn year-to-date incl the rights issue
 - Sale and leaseback of Jönköping factory building, sale of Bribus (The Netherlands) and ewe (Austria), rights issue

*Financial net debt, rolling 12 months, excl. items affecting comparability and IFRS 16

Cash flow	2023 Q2	2024 Q2
Cash flow from operating activities	66	165
Operating cash flow	-276	-53
<i>Of w. operating profit*</i>	14	-171
<i>Of w. change in working capital</i>	-180	83
<i>Of w. investments in fixed assets</i>	-356	-227
Net debt	30 Jun, 2023	30 Jun, 2024
Borrowings	3,173	2,000
Interest bearing assets	668	66
<i>Financial Net Debt**</i>	2,505	1,934
Financial Net Debt / Equity, %	52	38
IFRS 16 leasing liabilities	1,718	2,411
Net pension debt	383	286
Net debt	4,606	4,631
Net debt/Equity, %	95	90

*Incl. Items affecting comparability

**Net debt excl. IFRS16 leasing and pension debt



Priorities going forward

- Continue to capitalize on our brand strengths in the somewhat improving retail market
- Investigate further opportunities for cost out measures in H2 to compensate for weak project market with no improvements expected in 2024
- Drive efficiency improvements in supply chain to compensate for lower volumes
- Focus on completing our strategic initiatives
 - Maximising cost efficiency and reduction of net debt
 - Realising full Nordic potential
 - UK Transformation



nobia

Designing Kitchens for Life