



## Interim report January-March 2019

### January-March 2019

- Net sales for the first quarter amounted to SEK 3,469 million (3,173).
- Organic growth was a negative 1 per cent (neg: 6).
- Operating profit amounted to SEK 260 million (255), corresponding to an operating margin of 7.5 per cent (8.0).
- Currency gains had an impact of approximately SEK 5 million on the Group's operating profit, of which a positive SEK 10 million in translation effects and a negative SEK 5 million in transaction effects.
- Profit after tax amounted to SEK 183 million (193), corresponding to earnings per share after dilution of SEK 1.09 (1.14).
- Operating cash flow amounted to SEK 241 million (64).

### Nobia Group summary

	Jan-Mar		Change, %*	Jan-Dec	Apr-Mar	
	2018	2019*			2018/2019 *	Change, %*
Net sales, SEK m	3,173	3,469	9	13,209	13,505	2
Gross margin, %	39.7	38.0	–	38.5	38.1	–
Operating margin before depreciation and impairment, %	10.4	13.4	–	10.2	11.0	–
Operating profit (EBIT), SEK m	255	260	2	1,018	1,023	0
Operating profit (EBIT) excl IAC, SEK m	255	260	2	1,084	1,089	0
Operating margin, %	8.0	7.5	–	7.7	7.6	–
Operating margin excl IAC, %	8.0	7.5	–	8.2	8.1	–
Profit after financial items, SEK m	247	236	-4	986	975	-1
Profit/loss after tax, SEK m	193	183	-5	753	743	-1
Profit/loss after tax excl IAC, SEK m	193	183	-5	808	798	-1
Earnings/loss per share, before dilution, SEK	1.14	1.09	-4	4.46	4.41	-1
Earnings/loss per share, before dilution excl IAC, SEK	1.14	1.09	-4	4.79	4.74	-1
Earnings/loss per share, after dilution, SEK	1.14	1.09	-4	4.46	4.41	-1
Earnings/loss per share, after dilution excl IAC, SEK	1.14	1.09	-4	4.79	4.74	-1
Operating cash flow, SEK m	64	241	277	599	776	30

\*2019 year's figures following the adoption of IFRS 16.

For figures excluding the impact of IFRS 16, please see next page.

**Nobia Group summary excluding the impact of IFRS 16**

	Jan-Mar		Change, %**	Jan-Dec	Apr-Mar	Change, %**
	2018	2019**		2018	2018/2019 **	
Net sales, SEK m	3,173	3,469	9	13,209	13,505	2
Gross margin, %	39.7	37.9	-	38.5	38.1	-
Operating margin before depreciation and impairment, %	10.4	9.8	-	10.2	10.0	-
Operating profit (EBIT), SEK m	255	252	-1	1,018	1,015	0
Operating profit (EBIT) excl IAC, SEK m	255	252	-1	1,084	1,081	0
Operating margin, %	8.0	7.3	-	7.7	7.5	-
Operating margin excl IAC, %	8.0	7.3	-	8.2	8.0	-
Profit after financial items, SEK m	247	243	-2	986	982	0
Profit/loss after tax, SEK m	193	189	-2	753	749	-1
Profit/loss after tax excl IAC, SEK m	193	189	-2	808	804	0
Earnings/loss per share, before dilution, SEK	1.14	1.12	-2	4.46	4.44	0
Earnings/loss per share, before dilution excl IAC, SEK	1.14	1.12	-2	4.79	4.77	0
Earnings/loss per share, after dilution, SEK	1.14	1.12	-2	4.46	4.44	0
Earnings/loss per share, after dilution excl IAC, SEK	1.14	1.12	-2	4.79	4.77	0
Operating cash flow, SEK m	64	115	80	599	650	9

\*\*2019 year's figures excluding the impact of IFRS 16.

This means that 2019 year's figures are calculated as if IAS 17 was valid for the contracts that as of 2019 are treated in accordance to IFRS 16. This applies throughout the whole report where this comment appears

## Comments from the President and CEO

Given the volatile market situation I am overall pleased with the results for the quarter. Our cost reduction programme is running according to plan and productivity is gradually recovering in our supply chain. In addition, the successful integration of Bribus is generating solid profit contribution to the Group.

Despite difficult market conditions, sales in the UK remained on the same level as the previous year. Retail sales improved somewhat on the back of a better product mix, while sales through our improved trade concept continued to grow. We have now trialled the new trade concept in 30 stores over a 6-month period with good results, and will thus expand the concept to an additional 120 stores during the year. Project sales were down in the quarter, but by the end of March our London based project business started deliveries to a number of key sites such as Southbank Place, Berkeley's South Quay Plaza and Canary Wharf Contractors. We expect these to deliver close to SEK 200 million within the next nine months.

In the Nordics our Danish business had good momentum in both project and consumer sales. I am especially pleased with the performance of our consumer sales where the two new kitchen concepts, "New York" and "Nordic Spirit", have outperformed already high sales expectations. We have also modernised the HTH website and started to roll out a revitalised store concept in Denmark during the quarter. Sales in Sweden declined in the period on the back of a softer project market. We currently estimate our Swedish contracts business, representing 5 per cent of Group sales, to have its largest volume drop in Q2/Q3 and to stabilise going into Q4.

Our reported profit generation was slightly improved versus the same period last year, supported by the Bribus acquisition. In addition, higher order values and continued reduction in our fixed cost base mitigated continued price pressure in raw materials and logistics. Performance in our supply chain has also stabilised after last year's disruptions, resulting in improved productivity in the quarter.

Looking ahead, we believe the high market volatility is likely to continue, especially as a result of Brexit. We are therefore targeting a reduction in our fixed cost base, but also pushing ahead to make further range reductions and faster supply chain consolidation in line with previous communication. All in all, I feel confident that these measures will support a continued strong balance sheet and stable cash flow in the event of a softer global economy. It will also give us head room for investments in growth opportunities and potential M&As, while still keeping dividends in line with our financial targets.

Morten Falkenberg  
President and CEO



# First quarter, consolidated

## Market overview

The overall Nordic kitchen market is deemed to be flat compared with the first quarter of 2018.

The UK kitchen market is deemed to have weakened due to increased macroeconomic uncertainty.

The kitchen market in Central Europe is deemed to have grown slightly compared with the year-earlier period.

## Net sales, earnings and cash flow

The Group's net sales amounted to SEK 3,469 million (3,173). Currency gains of SEK 136 million impacted sales. Bribus, which has been consolidated into the Group's accounts since 1 July 2018, had sales of SEK 177 million in the quarter.

Organic sales growth was a negative 1 per cent (neg: 6), primarily due to lower sales in the CE region and the conversion of Norema to franchise stores in Norway.

The gross margin amounted to 38.0 per cent (39.7). Higher sales order values was offset by structurally lower gross margins in Bribus, higher material prices and higher labor costs.

Operating profit declined due to lower sales volumes and lower gross margin.

The return on operating capital was 17.3 per cent in the past twelve-month period (Jan-Dec 2018: 21.7). The return on equity was 19.4 per cent in the past twelve-month period (Jan-Dec 2018: 20.2).

Operating cash flow improved to SEK 241 million (64), primarily as a result of the IFRS16 accounting policy and improved working capital position year-on-year. Adjusted for IFRS16, the operating cash flow was SEK 115 million (64).<sup>1)</sup>

Investments in fixed assets amounted to SEK 80 million (74).

## Analysis of net sales

	Jan-Mar	%	SEK m
<b>2018</b>			<b>3,173</b>
Organic growth	-1		-17
– of which Nordic region	-1		-9
– of which UK region	0	1	
– of which CE region	-7		-9
Acquired units	6		177
Currency effect	4		136
<b>2019</b>	9		<b>3,469</b>

## Currency effect on operating results

	Jan-Mar	Trans-lation effect	Trans-action effect	Total effect
SEK m				
Nordic region	5	0	5	
UK region	5	-5	0	
CE region	0	0	0	
<b>Group</b>	<b>10</b>	<b>-5</b>	<b>5</b>	

## Store trend, Jan-Mar 2019

Newly opened/closed, net	-2
Number of own kitchen stores	246

I) Before the adoption of IFRS 16 lease payments were included in the operating activities and thereby affected the operating cash flow. After the adoption of IFRS 16 the lease payments are recognised in financing activities and thereby excluded from the operating cash flow.

## Net sales and profit by region

SEK m	Nordic Jan-Mar		UK Jan-Mar		Central Europe Jan-Mar		Group-wide and eliminations Jan-Mar		Group Jan-Mar		Change, %*
	2018	2019*	2018	2019*	2018	2019*	2018	2019*	2018	2019*	
<b>Net sales from external customers</b>	<b>1,682</b>	<b>1,724</b>	<b>1,367</b>	<b>1,448</b>	<b>124</b>	<b>297</b>	<b>–</b>	<b>–</b>	<b>3,173</b>	<b>3,469</b>	<b>9</b>
Net sales from other regions	0	0	–	–	0	0	0	0	–	–	–
<b>Net sales</b>	<b>1,682</b>	<b>1,724</b>	<b>1,367</b>	<b>1,448</b>	<b>124</b>	<b>297</b>	<b>0</b>	<b>0</b>	<b>3,173</b>	<b>3,469</b>	<b>9</b>
Gross profit	669	655	543	570	35	76	13	16	1,260	1,317	5
Gross margin, %	39.8	38.0	39.7	39.4	28.2	25.6	–	–	39.7	38.0	–
<b>Operating profit/loss</b>	<b>213</b>	<b>214</b>	<b>79</b>	<b>73</b>	<b>2</b>	<b>5</b>	<b>-39</b>	<b>-32</b>	<b>255</b>	<b>260</b>	<b>2</b>
Operating profit/loss excl IAC, SEK m	213	214	79	73	2	5	-39	-32	255	260	2
Operating margin, %	12.7	12.4	5.8	5.0	1.6	1.7	–	–	8.0	7.5	–
Operating margin excl IAC, %	12.7	12.4	5.8	5.0	1.6	1.7	–	–	8.0	7.5	–

\*2019 year's figures following the adoption of IFRS 16, for figures excluding the impact of IFRS 16, please see pages 19-20

## First quarter, the regions

### Nordic region

Net sales in the Nordic region amounted to SEK 1,724 million (1,682). Organic growth was a negative 1 per cent (neg: 1).

Sales were negatively impacted by the conversion of Norema stores to franchise stores in Norway. Excluding this effect the underlying organic growth was positive and amounted to 2 per cent. Consumer sales were down in the Swedish and Finnish markets, while the Danish and Norwegian markets were up versus last year. Project sales were up in all markets except Sweden, primarily driven by the Danish market.

The gross margin amounted to 38.0 per cent (39.8) negatively impacted by higher material prices and lower net productivity as well as the conversion of Norema stores to franchise.

Operating profit amounted to SEK 214 million (213), positively impacted by lower costs but negatively affected by the lower gross margin.



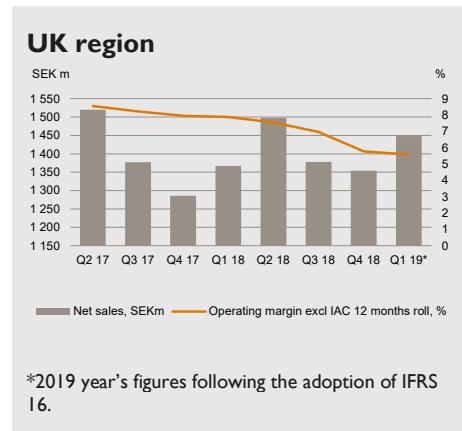
### UK region

Net sales in the UK amounted to SEK 1,448 million (1,367). Organic growth was flat (neg: 12).

Magnet sales was unchanged in the period, positively impacted by growth in trade kitchens but negatively impacted by the reduction of the joinery offer. Sales to builder merchants increased while project sales declined compared with the year-earlier period.

Gross margin amounted to 39.4 per cent (39.7) Higher sales prices were primarily offset by higher material prices and dual warehousing on the back of Brexit preparations.

Operating profit amounted to SEK 73 million (79), primarily due to lower gross margin and lower volume.



### Central Europe region

Net sales in the Central Europe region amounted to SEK 297 million (124). Organic growth was negative 7 per cent (pos: 1).

Sales growth was mainly the result of the Bribus acquisition. Organic growth declined mainly as a result of lower sales in the low end market in Austria.

The gross margin weakened to 25.6 per cent (28.2) due to lower volumes.

Operating profit amounted to SEK 5 million (2), positively impacted by the acquisition of Bribus.



## Other information

### Financing

In early July 2018, Nobia signed a new syndicated bank loan of SEK 2,000 million with two banks. This bank loan has a term of five years and includes two covenants: leverage (net debt to EBITDA) and interest cover (EBITDA to net interest expenses). At the end of Q1 2019, the bank loan had been utilised in the amount of approximately SEK 857 million.

Net debt including pension provisions amounted to a positive SEK 4,019 million (neg: 19) at the end of the first quarter. The debt/equity ratio was 95 per cent (0). Net debt excluding IFRS16 but including pension provisions amounted to a positive SEK 1,209 million (neg: 19) at the end of the first quarter. The debt/equity ratio excluding IFRS16 was 28 per cent (0).

Net financial items amounted to an expense of SEK 24 million (expense: 8). Net financial items include the net of returns on pension assets and interest expense on pension liabilities corresponding to an expense of SEK 6 million (expense: 4). The net interest expense amounted to SEK 18 million including interest on leasing. The net interest expense excluding interest on leasing amounted to SEK 4 million (expense: 4).

### Corporate acquisitions and divestments

No acquisitions or divestments took place during the period.

### Earnings from discontinued operations

No earnings from discontinued operations are recognised for the first quarter of 2019.

### Items affecting comparability

Nobia recognises items affecting comparability separately to distinguish the performance of the underlying operations. Items affecting comparability refer to items that affect comparisons insofar as they do not recur with the same regularity as other items.

No items affecting comparability (–) were recognised for the first quarter of 2019.

### Personnel

The number of employees on 31 March 2019 was 6,190 (6,126), of which 299 were employed in Bribus.

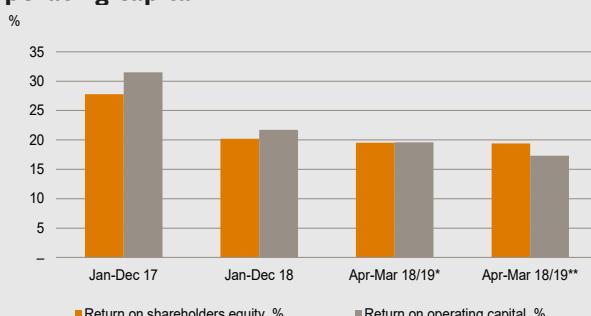
### Changes in management

Dan Josefsberg took office as Executive Vice President and Chief Strategy, Marketing and Consumer Experience Officer on 1 March 2019. Prior to Nobia, Dan Josefsberg was Managing Partner at PwC.

### Annual General Meeting

The Annual General Meeting of Nobia will take place on 2 May 2019 in Stockholm, Sweden. Further information regarding the Annual General Meeting is available on the Nobia website.

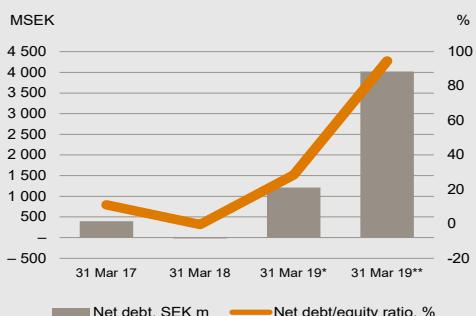
### Return on shareholders equity and on operating capital



\*2019 year's figures excluding the impact of IFRS 16.

\*\*2019 year's figures following the adoption of IFRS 16.

### Net debt and net debt/equity ratio



## Significant risks

Nobia is exposed to strategic, operating and financial risks, which are described on pages 67-69 of the 2018 Annual Report.

During the first quarter of 2019, demand in the Nordic region is deemed to be flat compared with the preceding year, while the Central European market was slightly up. In the UK, macroeconomic uncertainty as a result of Brexit negotiations and extension of Article 50 had a negative impact on the kitchen market. Nobia is continuing to capitalise on synergies and economies of scale by harmonising the product range, co-ordinating production and enhancing purchasing efficiency.

Nobia's balance sheet as of 31 March 2019 contained goodwill of SEK 3,013 million (2,488). The value of this asset item is tested if there are any indications of a decline in value and at least once annually.

Stockholm, 2 May 2019

Morten Falkenberg  
*President and CEO*

Nobia AB, Corporate Registration Number 556528-2752

*This interim report is unaudited.*

## Condensed consolidated income statement

SEK m	Jan-Mar		Jan-Dec	Apr-Mar
	2018	2019*	2018	2018/2019*
Net sales	3,173	3,469	13,209	13,505
Cost of goods sold	-1,913	-2,152	-8,119	-8,358
<b>Gross profit</b>	<b>1,260</b>	<b>1,317</b>	<b>5,090</b>	<b>5,147</b>
Selling and administrative expenses	-1,015	-1,076	-4,031	-4,092
Other income/expenses	10	19	-41	-32
<b>Operating profit</b>	<b>255</b>	<b>260</b>	<b>1,018</b>	<b>1,023</b>
Net financial items	-8	-24	-32	-48
<b>Profit/loss after financial items</b>	<b>247</b>	<b>236</b>	<b>986</b>	<b>975</b>
Tax	-54	-53	-233	-232
<b>Profit/loss after tax</b>	<b>193</b>	<b>183</b>	<b>753</b>	<b>743</b>
Total profit attributable to:				
Parent Company shareholders	193	183	753	743
<b>Total profit/loss</b>	<b>193</b>	<b>183</b>	<b>753</b>	<b>743</b>
Total depreciation <sup>1</sup>	-74	-206	-315	-447
Total impairment <sup>1</sup>	-	1	-11	-10
Gross margin, %	39.7	38.0	38.5	38.1
Operating margin, %	8.0	7.5	7.7	7.6
Return on operating capital, %	-	-	21.7	17.3
Return on shareholders equity, %	-	-	20.2	19.4
Earnings per share before dilution, SEK <sup>2</sup>	1.14	1.09	4.46	4.41
Earnings per share after dilution, SEK <sup>2</sup>	1.14	1.09	4.46	4.41
Number of shares at period end before dilution, 000s <sup>3</sup>	168,584	168,687	168,687	168,687
Average number of shares before dilution, 000s <sup>3</sup>	168,584	168,687	168,653	168,678
Number of shares after dilution at period end, 000s <sup>3</sup>	168,703	168,687	168,687	168,687
Average number of shares after dilution, 000s <sup>3</sup>	168,703	168,687	168,687	168,687

\* 2019 year's figures following the adoption of IFRS 16.

<sup>1</sup> Excluding depreciation and impairment recognised on the line Profit/loss from discontinued operations, net after tax.

<sup>2</sup> Earnings per share attributable to Parent Company shareholders.

<sup>3</sup> Excluding treasury shares.

## Consolidated statement of comprehensive income

<b>SEK m</b>	<b>Jan-Mar</b>		<b>Jan-Dec</b>	<b>Apr-Mar</b>
	<b>2018</b>	<b>2019*</b>	<b>2018</b>	<b>2018/2019*</b>
Profit/loss after tax	193	183	753	743
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Exchange-rate differences attributable to translation of foreign operations	234	221	98	85
Cash flow hedges before tax	-5 <sup>1</sup>	-14 <sup>1</sup>	-7 <sup>1</sup>	-16
Tax attributable to change in hedging reserve for the period	1 <sup>2</sup>	3 <sup>2</sup>	2 <sup>2</sup>	4
	<b>230</b>	<b>210</b>	<b>93</b>	<b>73</b>
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurements of defined benefit pension plans	36	-54	100	10
Tax relating to remeasurements of defined benefit pension plans	-6	9	-17	-2
	<b>30</b>	<b>-45</b>	<b>83</b>	<b>8</b>
<b>Other comprehensive income/loss</b>	<b>260</b>	<b>165</b>	<b>176</b>	<b>81</b>
<b>Total comprehensive income/loss</b>	<b>453</b>	<b>348</b>	<b>929</b>	<b>824</b>
<b>Total comprehensive income/loss attributable to:</b>				
Parent Company shareholders	453	348	929	824
Non-controlling interests	-	-	0	-
<b>Total comprehensive income/loss</b>	<b>453</b>	<b>348</b>	<b>929</b>	<b>824</b>

\* 2019 year's figures following the adoption of IFRS 16.

1 Reversal recognised in profit and loss amounts to a negative SEK 3 million (neg: 10), (Jan-Dec 2018, neg:10). New provision amounts to a negative SEK 11 million (pos: 5), (Jan-Dec 2018, pos: 3)

2 Reversal recognised in profit and loss amounts to SEK 1 million (pos: 2), (Jan-Dec 2018, pos: 3). New allocation amounts to SEK 2 million (neg: 1), (Jan-Dec 2018, neg: 1).

## Consolidated statement of comprehensive income

	Jan-Mar		Jan-Dec	Apr-Mar
	2018	2019*	2018	2018/2019*
<b>Items affecting comparability, SEK m</b>				
Pensionadjustment	–	–	–66	–66
<b>Items affecting comparability in operating profit</b>	–	–	<b>–66</b>	<b>–66</b>
Items affecting comparability in taxes	–	–	11	11
<b>Items affecting comparability, total profit/loss</b>	–	–	<b>–55</b>	<b>–55</b>

	Jan-Mar		Jan-Dec	Apr-Mar
	2018	2019*	2018	2018/2019*
<b>Items affecting comparability per function, SEK m</b>				
Other income/expenses	–	–	–66	–66
<b>Items affecting comparability in operating profit</b>	–	–	<b>–66</b>	<b>–66</b>
Items affecting comparability in taxes	–	–	11	11
<b>Items affecting comparability, total profit/loss</b>	–	–	<b>–55</b>	<b>–55</b>

	Jan-Mar		Jan-Dec	Apr-Mar
	2018	2019*	2018	2018/2019*
<b>Items affecting comparability in operating profit/loss per region, SEK m</b>				
UK	–	–	–66	–66
<b>Group</b>	–	–	<b>–66</b>	<b>–66</b>

## Condensed consolidated balance sheet

SEK m	31 Mar		31 Dec
	2018	2019*	2018
<b>ASSETS</b>			
<b>Fixed assets</b>			
Goodwill	2,488	3,013	2,887
Other intangible fixed assets	141	177	184
Tangible fixed assets <sup>1</sup>	1,438	4,495	1,547
Long-term receivables, interest-bearing (IB)	4	2	2
Long-term receivables	35	43	42
Deferred tax assets	112	109	97
<b>Total fixed assets</b>	<b>4,218</b>	<b>7,839</b>	<b>4,759</b>
<b>Current assets</b>			
Inventories	985	1,127	962
Accounts receivable	1,506	1,704	1,426
Current receivables, interest-bearing (IB)	31	2	33
Other receivables	507	382	458
<b>Total current receivables</b>	<b>2,044</b>	<b>2,088</b>	<b>1,917</b>
Cash and cash equivalents (IB)	536	222	128
<b>Total current assets</b>	<b>3,565</b>	<b>3,437</b>	<b>3,007</b>
<b>Total assets</b>	<b>7,783</b>	<b>11,276</b>	<b>7,766</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	58	57	57
Other capital contributions	1,488	1,484	1,484
Reserves	-34	39	-171
Profit brought forward	3,093	2,665	2,527
<b>Total shareholders' equity attributable to Parent Company shareholders</b>	<b>4,605</b>	<b>4,245</b>	<b>3,897</b>
<b>Total shareholders' equity</b>	<b>4,605</b>	<b>4,245</b>	<b>3,897</b>
<b>Long-term liabilities</b>			
Provisions for pensions (IB) <sup>3</sup>	545	571	505
Other provisions	36	39	42
Deferred tax liabilities	88	75	75
Other long-term liabilities, interest-bearing (IB) <sup>2</sup>	7	3,290	850
Other long-term liabilities, non interest-bearing	-	32	44
<b>Total long-term liabilities</b>	<b>676</b>	<b>4,007</b>	<b>1,516</b>
<b>Current liabilities</b>			
Current liabilities, interest-bearing (IB) <sup>3</sup>	0	384	74
Current liabilities	2,502	2,640	2,279
<b>Total current liabilities</b>	<b>2,502</b>	<b>3,024</b>	<b>2,353</b>
<b>Total shareholders' equity and liabilities</b>	<b>7,783</b>	<b>11,276</b>	<b>7,766</b>
<b>BALANCE-SHEET RELATED KEY RATIOS</b>			
Equity/assets ratio, %	59	38	50
Debt/equity ratio, %	0	95	32
Debt/equity ratio excluding the impact of IFRS 16, %	0	28	32
Net debt, closing balance, SEK m	-19	4 019	1 266
Operating capital, closing balance, SEK m	4,586	8,264	5,163
Capital employed, closing balance, SEK m	5,157	8,490	5,326

1) Of which, right of use assets amounted to SEK 2,897 million on 31 March 2019 2) Of which, long-term lease liabilities amounted to SEK 2,426 million on 31 March 2019 3) Of which short-term lease liabilities amounted to SEK 384 million on 31 March 2019.

## Statement of changes in consolidated shareholders' equity

### Attributable to Parent Company shareholders

SEK m	Share capital	Other capital contributions	Exchange-rate differences attributable to translation of foreign operations	Cash-flow hedges after tax	Profit brought forward	Total	Non-controlling interests	Total share-holders equity
Opening balance, 1 January 2018	58	1,486	-271	7	2,874	4,154	0	4,154
New accounting principles, financial instruments	-	-	-	-	-4	-4	0	-4
Restated opening balance, 1 January 2018	58	1,486	-271	7	2,870	4,150	0	4,150
Profit/loss for the period	-	-	-	-	193	193	0	193
Other comprehensive income/loss for the period	-	-	234	-4	30	260	0	260
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>234</b>	<b>-4</b>	<b>223</b>	<b>453</b>	<b>0</b>	<b>453</b>
Allocation of share saving schemes	-	2	-	-	-	2	-	2
<b>Closing balance, 31 Mars 2018</b>	<b>58</b>	<b>1,488</b>	<b>-37</b>	<b>3</b>	<b>3,093</b>	<b>4,605</b>	<b>-</b>	<b>4,605</b>
Opening balance, 1 January 2019	57	1,484	-173	2	2,527	3,897	-	3,897
Profit/loss for the period	-	-	-	-	183	183	-	183*
Other comprehensive income/loss for the period	-	-	221	-11	-45	165	-	165
<b>Total comprehensive income/loss for the period</b>	<b>-</b>	<b>-</b>	<b>221</b>	<b>-11</b>	<b>138</b>	<b>348</b>	<b>-</b>	<b>348</b>
<b>Closing balance, 31 Mars 2019</b>	<b>57</b>	<b>1,484</b>	<b>48</b>	<b>-9</b>	<b>2,665</b>	<b>4,245</b>	<b>-</b>	<b>4,245</b>

## Condensed consolidated cash-flow statement

SEK m	Jan-Mar		Jan-Dec	Apr-Mar
	2018	2019*	2018	2018/2019*
<i>Operating activities</i>				
Operating profit	255	260	1,018	1,023
Depreciation/Impairment	74 <sup>1</sup>	205 <sup>2</sup>	326 <sup>3</sup>	457
Adjustments for non-cash items	7	10	126	129
Tax paid	-77	-100	-261	-284
Change in working capital	-127	-61	-208	-142
<b>Cash flow from operating activities</b>	<b>132</b>	<b>314</b>	<b>1,001</b>	<b>1,183</b>
<i>Investing activities</i>				
Investments in fixed assets	-74	-80	-414	-420
Other items in investing activities	6	7	12	13
Interest received	0	0	2	2
Change in interest-bearing assets	-12	31	-12	31
Acquisition of operations	-	0	-558	-558
<b>Cash flow from investing activities</b>	<b>-80</b>	<b>-42</b>	<b>-970</b>	<b>-932</b>
Operating cash flow before acquisition/divestment of operations, interest, increase/decrease of interest-bearing assets	64	241 <sup>1</sup>	599	776
Total cashflow from operating and investing activities	52	272	31	251
<i>Financing activities</i>				
Interest paid	-3	-18	-13	-28
Change in interest-bearing liabilities	-9 <sup>4</sup>	-206 <sup>5</sup>	818 <sup>6</sup>	621
Dividend	-	0	-1,180	-1,180
<b>Cash flow from financing activities</b>	<b>-12</b>	<b>-224</b>	<b>-375</b>	<b>-587</b>
Cash flow for the period excluding exchange-rate differences in cash and cash equivalents	40	48	-344	-336
Cash and cash equivalents at beginning of the period	473	128	473	536
Cash flow for the period	40	48	-344	-336
Exchange-rate differences in cash and cash equivalents	23	46	-1	22
<b>Cash and cash equivalents at period-end</b>	<b>536</b>	<b>222</b>	<b>128</b>	<b>222</b>

\*2019 year's figures following the adoption of IFRS 16.

1 No impairment took place during the period.

2 Reversal of impairment amounted to SEK 1 million and pertained to equipment, tools, fixtures and fittings.

3 Impairments amounted to SEK 11 million and pertained to equipment, tools, fixtures and fittings. SEK 2 million and kitchen displays SEK 9 million.

4 No repayment or raising of loans took place during the period.

5 No repayment or raising of loans took place during the period. Amortisation of leasing amounted to SEK 112 million.

6 Raising and repayment of loans totalling SEK 802 million.

## Analysis of net debt

SEK m	Jan-Mar		Jan-Dec	Apr-Mar
	2018	2019*	2018	2018/2019*
<b>Opening balance</b>	<b>77</b>	<b>1,266</b>	<b>77</b>	<b>-19</b>
OB lease liabilities, new accounting principle	-	2,716	-	2,716
New lease contracts/Closed lease contracts in advance, net	-	107	-	107
Acquisition of operations	-	-	618	618
Translation differences	-1	91	-6	86
Operating cash flow	-64	-241	-599	-776
Interest paid, net	3	18	11	26
Remeasurements of defined benefit pension plans	-36	54	-100	-10
Other change in pension liabilities	2	8	85	91
Dividend	-	-	1,180	1,180
<b>Closing balance</b>	<b>-19</b>	<b>4,019</b>	<b>1,266</b>	<b>4,019</b>

\*2019 year's figures following the adoption of IFRS 16.

## Note I – Accounting policies

This interim report has been prepared in accordance with IFRS, with the application of IAS 34 Interim Financial Reporting. For the Parent Company, accounting policies are applied in accordance with Chapter 9, Interim Reports, of the Swedish Annual Accounts Act. Nobia has applied the same accounting policies in this interim report as were applied in the 2018 Annual Report, except for the recognition of leases (IFRS 16). A description of the new accounting policies in their entirety is provided in the 2018 Annual Report.

### IFRS 16 Leases

Nobia applies *IFRS 16 Leases* from 1 January 2019. IFRS 16 introduces a standardised lease recognition model for lessees. Nobia assess whether a lease contract is, or contains, a lease at the start of the contract. For cases in which Nobia is deemed to be a lessee, a right-of-use asset is recognised that represents a right to use the underlying asset and a lease liability that represents an obligation to pay lease payments. There are exemptions for short-term leases (leases with a maximum term of 12 months) and low-value assets. For leases that meet the exemption criteria, the Group recognises lease payments as an operating expense straight-line over the lease term.

Recognition for the lessor is similar to the current standard, meaning that the lessor continues to classify leases as finance or operating leases.

IFRS 16 Leases replaces previous IFRSs related to accounting for leases.

In 2018, Nobia identified material contracts that were deemed to be affected by IFRS 16 Leases. These contracts were divided into the asset classes of premises, vehicles and other. The conclusion drawn after the review of the leases was that premises is the class of asset that will have the greatest impact on the carrying amounts of assets and liabilities due to the introduction of IFRS 16 Leases. Nobia also intends to direct its subsidiaries to make as similar assessments as possible by applying a number of Group-wide guidelines on, for example, extension options, interest and lease payments.

The lease liability is initially measured at the present value of future lease payments that were not paid on the commencement date, discounted by a weighted average incremental borrowing rate. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of lease liabilities include the following:

- fixed payments, less any incentives payable to be received when the lease is signed,
- variable lease payments that depend on an index or rate, initially measured using the index or rates on the commencement date,
- amounts expected to be payable by the lessee under a residual value guarantee,
- the exercise price under a purchase option that the lessee is reasonably certain to exercise, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Lease liabilities are presented together with long-term and short-term financial interest-bearing liabilities, with specifications in the notes to the balance sheet. Lease liabilities are recognised in subsequent periods by the liability being increased to reflect the effect of the interest and reduced to reflect effect of the paid lease payments.

The right-of-use asset is initially measured at the amount of the lease liability, plus lease payments paid at or prior to the commencement date of the lease. The right-of-use asset is recognised in subsequent periods at

cost minus depreciation and impairment. Right-of-use assets are depreciated over the estimated useful life or, if it is shorter, the contracted lease term. If a lease transfers ownership at the end of the lease term or if the cost includes the reasonable certain exercise of a purchase option, the right-of-use asset is depreciated over the useful life. Depreciation starts on the commencement date of the lease.

Nobia applies the principles of IAS 36 for the impairment of right-of-use assets and recognises this in the same manner as described for tangible fixed assets recognised under IAS 16.

The right-of-use asset is presented together with tangible fixed assets, with specifications in the notes to the balance sheet.

Variable lease payments that do not depend on an index or rate are not included in the measurement of lease liabilities or right-of-use assets. Such lease payments are recognised as an expense in operating profit in the period in which they arise.

On 1 January 2019, Nobia recognised additional lease liabilities of SEK 2,716 million and right-of-use assets (plus advance payments on 31 December 2018) of SEK 2,802 million, see table below.

	Recognised balance-sheet items 1 January 2019	Restated balance-sheet items 1 January 16	Restated balance-sheet items 1 January 2019
<b>Assets</b>			
Tangible fixed assets	1,547	2,802	4,349
Other receivables	458	-86	372
<b>Total effect on assets</b>	<b>2,005</b>	<b>2,716</b>	<b>4,721</b>
<b>Liabilities</b>			
Long-term and short-term liabilities, interest-bearing	924	2,716	3,640
<b>Total effect on liabilities</b>	<b>924</b>	<b>2,716</b>	<b>3,640</b>

### **Transition and exemption rules**

Nobia decided to apply the modified retrospective approach. This meant that the accumulated effect of IFRS 16 was recognised in profit brought forward in the opening balance for 1 January 2019 without restating comparative figures. Nobia measured the right-of-use (the asset) at the amount corresponding to the lease liability (plus advance payments on 31 December 2018), which entailed that the accumulated effect in profit brought forward in the opening balance did not arise.

Nobia applies the exemption rule of using the same discount rate for a portfolio of leases with similar characteristics.

Leases of low value (assets valued at less than about SEK 50,000 in new condition) – mainly comprising computers, printers/photocopiers and coffee machines – are not included in the lease liability but are expensed straight-line over the lease term. The Group is not deemed to have any material short-term leases (leases with a term of a maximum of 12 months). Nobia also applies the exemption rule of not including long-term leases whose remaining lease term is less than 12 months from the date of initial application.

### **Other disclosures**

The weighted average incremental borrowing rate used on the date of initial application (1 January 2019) is 1.96 per cent.

For more information about the effects of the performance measures and similar after the introduction of IFRS 16, refer to the pages 25-27 “Reconciliation of alternative performance measures.”

## Note 2 – References

Segment information, pages 4 and 5.

Loan and shareholder's equity transactions, page 6.

Items affecting comparability, page 6.

Net sales by product group, page 24.

## Note 3 – Financial instruments – fair value

Nobia's financial assets essentially comprise non-interest-bearing and interest-bearing receivables whereby cash flows only represent payment for the initial investment and, where applicable, for the time value and interest. These are intended to be held to maturity and are recognised at amortised cost, which is a reasonable approximation of fair value. Financial liabilities are primarily recognised at amortised cost.

Financial instruments measured at fair value in the balance sheet are currency forward contracts comprised of assets at a value of SEK 3 million (31 Dec 2018: 13) and liabilities at a value of SEK 41 million (31 Dec 2018: 19). These items are measured according to level 2 of the fair value hierarchy, meaning based on indirect observable market data. Nobia's financial instruments are measured at fair value and included in the balance sheet on the rows “Other receivables” and “Current liabilities”.

## Note 4 – Related-party transactions

There is no sale and manufacturing of kitchens in the Parent Company. The Parent Company invoiced Group-wide services to subsidiaries in an amount of SEK 68 million (62) during the first quarter of 2019. The Parent Company's reported dividends from participations in Group companies totalled SEK 0 million (0).

# Parent Company

## Condensed Parent Company income statement

SEK m	Jan-Mar		Jan-Dec	Apr-Mar
	2018	2019	2018	2018/2019
Net sales	63	68	254	259
Administrative expenses	-73	-62	-265	-254
Other income	1	1	3	3
Other expenses	-1	-1	-3	-3
<b>Operating profit/loss</b>	<b>-10</b>	<b>6</b>	<b>-11</b>	<b>5</b>
Profit from shares in Group companies	0	0	793	793
Other financial income and expenses	89	78	40	29
<b>Profit/loss after financial items</b>	<b>79</b>	<b>84</b>	<b>822</b>	<b>827</b>
Tax	0	0	-5	-5
<b>Profit/loss after tax</b>	<b>79</b>	<b>84</b>	<b>817</b>	<b>822</b>

## Parent Company balance sheet

SEK m	31 Mar		31 Dec
	2018	2019	2018
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible fixed assets	-	2	-
Shares and participations in Group companies	1,381	1,378	1,378
Deferred tax assets	6	5	4
<b>Total fixed assets</b>	<b>1,387</b>	<b>1,385</b>	<b>1,382</b>
<b>Current assets</b>			
Current receivables			
Accounts receivable	2	1	26
Receivables from Group companies	2,946	2,631	2,483
Other receivables	83	50	56
Prepaid expenses and accrued income	47	63	62
Cash and cash equivalents	355	120	38
<b>Total current assets</b>	<b>3,433</b>	<b>2,865</b>	<b>2,665</b>
<b>Total assets</b>	<b>4,820</b>	<b>4,250</b>	<b>4,047</b>
<b>SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Restricted shareholders' equity			
Share capital	58	57	57
Statutory reserve	1,671	1,671	1,671
	<b>1,729</b>	<b>1,728</b>	<b>1,728</b>
Non-restricted shareholders' equity			
Share premium reserve	52	52	52
Buy-back of shares	-385	-92	-92
Profit brought forward	2,153	1,496	678
Profit/loss for the period	79	84	817
	<b>1,899</b>	<b>1,540</b>	<b>1,455</b>
<b>Total shareholders' equity</b>	<b>3,628</b>	<b>3,268</b>	<b>3,183</b>
<b>Long term liabilities</b>			
Provisions for pensions	18	19	19
Deferred tax liabilities	6	5	5
Long term interest-bearing liabilities	0	1	0
<b>Total long-term liabilities</b>	<b>24</b>	<b>24</b>	<b>24</b>
<b>Current liabilities</b>			
Liabilities to credit institutes	-	0	25
Other interest-bearing liabilities	-	1	-
Accounts payable	18	17	24
Liabilities to Group companies	1,074	880	729
Current tax liabilities	24	0	11
Other liabilities	31	38	33
Accrued expenses and deferred income	21	21	18
<b>Total current liabilities</b>	<b>1,168</b>	<b>957</b>	<b>840</b>
<b>Total shareholders' equity, provisions and liabilities</b>	<b>4,820</b>	<b>4,250</b>	<b>4,047</b>

## Comparative data per region

	Jan-Mar			Jan-Dec		Apr-Mar	
	2018	2019*	2019**	2018	2018/2019*	2018/2019**	
<b>Net sales, SEK m</b>							
Nordic	1,682	1,724	1,724	6,705	6,747	6,747	
UK	1,367	1,448	1,448	5,597	5,678	5,678	
Central Europe	124	297	297	909	1,082	1,082	
Group-wide and eliminations	0	0	0	-2	-2	-2	
<b>Group</b>	<b>3,173</b>	<b>3,469</b>	<b>3,469</b>	<b>13,209</b>	<b>13,505</b>	<b>13,505</b>	

	Jan-Mar			Jan-Dec		Apr-Mar	
	2018	2019*	2019**	2018	2018/2019*	2018/2019**	
<b>Gross profit, SEK m</b>							
Nordic	669	655	655	2,590	2,576	2,576	
UK	543	569	570	2,190	2,216	2,217	
Central Europe	35	76	76	256	297	297	
Group-wide and eliminations	13	16	16	54	57	57	
<b>Group</b>	<b>1,260</b>	<b>1,316</b>	<b>1,317</b>	<b>5,090</b>	<b>5,146</b>	<b>5,147</b>	

	Jan-Mar			Jan-Dec		Apr-Mar	
	2018	2019*	2019**	2018	2018/2019*	2018/2019**	
<b>Gross margin, %</b>							
Nordic	39.8	38.0	38.0	38.6	38.2	38.2	
UK	39.7	39.3	39.4	39.1	39.0	39.0	
Central Europe	28.2	25.6	25.6	28.2	27.4	27.4	
<b>Group</b>	<b>39.7</b>	<b>37.9</b>	<b>38.0</b>	<b>38.5</b>	<b>38.1</b>	<b>38.1</b>	

	Jan-Mar			Jan-Dec		Apr-Mar	
	2018	2019*	2019**	2018	2018/2019*	2018/2019**	
<b>Operating profit, SEK m</b>							
Nordic	213	211	214	841	839	842	
UK	79	68	73	257	246	251	
Central Europe	2	5	5	58	61	61	
Group-wide and eliminations	-39	-32	-32	-138	-131	-131	
<b>Group</b>	<b>255</b>	<b>252</b>	<b>260</b>	<b>1,018</b>	<b>1,015</b>	<b>1,023</b>	

	Jan-Mar			Jan-Dec		Apr-Mar	
	2018	2019*	2019**	2018	2018/2019*	2018/2019**	
<b>Operating profit excl IAC, SEK m</b>							
Nordic	213	211	214	841	839	842	
UK	79	68	73	323	312	317	
Central Europe	2	5	5	58	61	61	
Group-wide and eliminations	-39	-32	-32	-138	-131	-131	
<b>Group</b>	<b>255</b>	<b>252</b>	<b>260</b>	<b>1,084</b>	<b>1,081</b>	<b>1,089</b>	

\*2019 year's figures excluding the impact of IFRS 16

\*\*2019 year's figures following the adoption of IFRS 16.

## Comparative data per region, cont.

	Jan-Mar			Jan-Dec		Apr-Mar	
	2018	2019*	2019**	2018	2018/2019*	2018/2019**	
<b>Operating margin, %</b>							
Nordic	12.7	12.2	12.4	12.5	12.4	12.5	
UK	5.8	4.7	5.0	4.6	4.3	4.4	
Central Europe	1.6	1.7	1.7	6.4	5.6	5.6	
<b>Group</b>	<b>8.0</b>	<b>7.3</b>	<b>7.5</b>	<b>7.7</b>	<b>7.5</b>	<b>7.6</b>	

	Jan-Mar			Jan-Dec		Apr-Mar	
	2018	2019*	2019**	2018	2018/2019*	2018/2019**	
<b>Operating margin excl IAC, %</b>							
Nordic	12.7	12.2	12.4	12.5	12.4	12.5	
UK	5.8	4.7	5.0	5.8	5.5	5.6	
Central Europe	1.6	1.7	1.7	6.4	5.6	5.6	
<b>Group</b>	<b>8.0</b>	<b>7.3</b>	<b>7.5</b>	<b>8.2</b>	<b>8.0</b>	<b>8.1</b>	

\*2019 year's figures excluding the impact of IFRS 16

\*\*2019 year's figures following the adoption of IFRS 16.

## Quarterly data per region

	2018				2019
	I	II	III	IV	I
<b>Net sales, SEK m</b>					
Nordic	1,682	1,851	1,474	1,698	1,724
UK	1,367	1,498	1,378	1,354	1,448
Central Europe	124	155	291	339	297
Group-wide and eliminations	0	-1	0	-1	0
<b>Group</b>	<b>3,173</b>	<b>3,503</b>	<b>3,143</b>	<b>3,390</b>	<b>3,469</b>

	2018				2019*
	I	II	III	IV	I
<b>Gross profit, SEK m</b>					
Nordic	669	731	557	633	655
UK	543	599	543	505	570
Central Europe	35	50	70	101	76
Group-wide and eliminations	13	13	14	14	16
<b>Group</b>	<b>1,260</b>	<b>1,393</b>	<b>1,184</b>	<b>1,253</b>	<b>1,317</b>

	2018				2019*
	I	II	III	IV	I
<b>Gross margin, %</b>					
Nordic	39.8	39.5	37.8	37.3	38.0
UK	39.7	40.0	39.4	37.3	39.4
Central Europe	28.2	32.3	24.1	29.8	25.6
<b>Group</b>	<b>39.7</b>	<b>39.8</b>	<b>37.7</b>	<b>37.0</b>	<b>38.0</b>

	2018				2019*
	I	II	III	IV	I
<b>Operating profit, SEK m</b>					
Nordic	213	278	185	165	214
UK	79	134	105	-61	73
Central Europe	2	9	10	37	5
Group-wide and eliminations	-39	-34	-33	-32	-32
<b>Group</b>	<b>255</b>	<b>387</b>	<b>267</b>	<b>109</b>	<b>260</b>

	2018				2019*
	I	II	III	IV	I
<b>Operating profit excl IAC, SEK m</b>					
Nordic	213	278	185	165	214
UK	79	134	105	5	73
Central Europe	2	9	10	37	5
Group-wide and eliminations	-39	-34	-33	-32	-32
<b>Group</b>	<b>255</b>	<b>387</b>	<b>267</b>	<b>175</b>	<b>260</b>

\*2019 year's figures following the adoption of IFRS 16.

## Quarterly data per region, cont.

	2018				2019*
	I	II	III	IV	I
<b>Operating margin, %</b>					
Nordic	12.7	15.0	12.6	9.7	12.4
UK	5.8	8.9	7.6	-4.5	5.0
Central Europe	1.6	5.8	3.4	10.9	1.7
<b>Group</b>	<b>8.0</b>	<b>11.0</b>	<b>8.5</b>	<b>3.2</b>	<b>7.5</b>
	2018				2019*
	I	II	III	IV	I
<b>Operating margin excl IAC, %</b>					
Nordic	12.7	15.0	12.6	9.7	12.4
UK	5.8	8.9	7.6	0.4	5.0
Central Europe	1.6	5.8	3.4	10.9	1.7
<b>Group</b>	<b>8.0</b>	<b>11.0</b>	<b>8.5</b>	<b>5.2</b>	<b>7.5</b>

\*2019 year's figures following the adoption of IFRS 16.

## Operating capital per region

	31 Mar		31 Dec
	2018	2019*	2018
<b>Operating capital Nordic region, SEK m</b>			
Operating assets	2 243	2 254	3 581
Operating liabilities	1 255	1 255	1 255
<b>Operating capital</b>	<b>988</b>	<b>999</b>	<b>2 326</b>
	31 Mar		31 Dec
	2018	2019*	2018
<b>Operating capital UK region, SEK m</b>			
Operating assets	2 923	3 148	4 455
Operating liabilities	1 119	1 173	1 173
<b>Operating capital</b>	<b>1 804</b>	<b>1 975</b>	<b>3 282</b>
	31 Mar		31 Dec
	2018	2019*	2018
<b>Operating capital Central Europe region, SEK m</b>			
Operating assets	229	468	635
Operating liabilities	84	164	164
<b>Operating capital</b>	<b>145</b>	<b>304</b>	<b>471</b>
	31 Mar		31 Dec
	2018	2019*	2018
<b>Operating capital Group-wide and eliminations, SEK m</b>			
Operating assets	1 817	2 375	2 379
Operating liabilities	168	194	194
<b>Operating capital</b>	<b>1 649</b>	<b>2 181</b>	<b>2 185</b>
	31 Mar		31 Dec
	2018	2019*	2018
<b>Operating capital, SEK m</b>			
Operating assets	7 212	8 245	11 050
Operating liabilities	2 626	2 786	2 786
<b>Operating capital</b>	<b>4 586</b>	<b>5 459</b>	<b>8 264</b>

\*2019 year's figures excluding the impact of IFRS 16

\*\*2019 year's figures following the adoption of IFRS 16.

## Comparative data by product group

<b>Net sales Nordic by product group, %</b>	Jan-Mar		Jan-Dec	Apr-Mar
	2018	2019	2018	2018/2019
Kitchen furnitures	67	67	67	67
Installation services	5	6	6	6
Other products	28	27	27	27
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

<b>Net sales UK by product group, %</b>	Jan-Mar		Jan-Dec	Apr-Mar
	2018	2019	2018	2018/2019
Kitchen furnitures	63	65	62	63
Installation services	5	5	6	6
Other products	32	30	32	31
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

<b>Net sales Central Europe by product group, %</b>	Jan-Mar		Jan-Dec	Apr-Mar
	2018	2019	2018	2018/2019
Kitchen furnitures	93	59	72	66
Installation services	0	11	7	9
Other products	7	30	21	25
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

<b>Net sales Group by product group, %</b>	Jan-Mar		Jan-Dec	Apr-Mar
	2018	2019	2018	2018/2019
Kitchen furnitures	67	65	65	65
Installation services	5	6	6	6
Other products	28	29	29	29
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

## Reconciliation of alternative performance measures

Nobia presents certain financial performance measures in the interim report that are not defined according to IFRS, known as alternative performance measures. Nobia believes that these measures provide valuable complementary information to investors and the company's management since they facilitate assessments of trends and the company's performance. Because not all companies calculate performance measures in the same way, these are not always comparable with those measures used by other companies. Consequently, the performance measures are not to be seen as replacements for measures defined according to IFRS. For definitions of the performance measures that Nobia uses, see pages 27-28.

Jan-Mar		
<b>Analysis of external net sales Nordic Region</b>		
	%	SEK m
2018		1,682
Organic growth	-1	-9
Currency effecs	3	51
2019	3	1,724

Jan-Mar		
<b>Analysis of external net sales UK Region</b>		
	%	SEK m
2018		1,367
Organic growth	0	1
Currency effecs	6	80
2019	6	1,448

Jan-Mar		
<b>Analysis of external net sales Central Europe Region</b>		
	%	SEK m
2018		124
Organic growth	-7	-9
Acquired units	144	177
Currency effecs	4	5
2019	141	297

	Jan-Mar		Jan-Dec		Apr-Mar*	Apr-Mar**
	2018	2019*	2019**	2018	2018/2019*	2018/2019**
<b>Operating profit before depreciation and impairment, SEK m</b>						
Operating profit	255	252	260	1,018	1,015	1,023
Depreciation and impairment	74	87	205	326	339	457
<b>Operating profit before depreciation and impairment</b>	<b>329</b>	<b>339</b>	<b>465</b>	<b>1,344</b>	<b>1,354</b>	<b>1,480</b>
Net Sales	3,173	3,469	3,469	13,209	13,505	13,505
<b>% of sales</b>	<b>10.4%</b>	<b>9.8%</b>	<b>13.4%</b>	<b>10.2%</b>	<b>10.0%</b>	<b>11.0%</b>

	Jan-Mar			Jan-Dec		Apr-Mar*	Apr-Mar**
	2018	2019*	2019**	2018	2018/2019*	2018/2019**	
<b>Profit/loss after tax excluding IAC, SEK m</b>							
Profit/loss after tax	193	189	183	753	749	743	
Items affecting comparability net after tax	-	-	-	55	55	55	
<b>Profit/loss after tax excluding IAC</b>	<b>193</b>	<b>189</b>	<b>183</b>	<b>808</b>	<b>804</b>	<b>798</b>	

\*2019 year's figures excluding the impact of IFRS 16

\*\*2019 year's figures following the adoption of IFRS 16.

## Reconciliation of alternative performance measures, cont.

<b>Net debt SEK m</b>	31 Mar		31 Dec	
	2018	2019*	2019**	2018
Provisions for pensions (IB)	545	571	571	505
Other long-term liabilities, interest-bearing (IB)	7	864	3290	850
Current liabilities, interest-bearing (IB)	0	0	384	74
<b>Interest-bearing liabilities</b>	<b>552</b>	<b>1,435</b>	<b>4,245</b>	<b>1,429</b>
Long-term receivables, interest -bearing (IB)	-4	-2	-2	-2
Current receivables, interest-bearing (IB)	-31	-2	-2	-33
Cash and cash equivalents (IB)	-536	-222	-222	-128
<b>Interest-bearing assets</b>	<b>-571</b>	<b>-226</b>	<b>-226</b>	<b>-163</b>
<b>Net debt</b>	<b>-19</b>	<b>1,209</b>	<b>4,019</b>	<b>1,266</b>

<b>Operating capital SEK m</b>	31 Mar		31 Dec	
	2018	2019*	2019**	2018
<b>Total assets</b>	<b>7,783</b>	<b>8,471</b>	<b>11,276</b>	<b>7,766</b>
Other provisions	-36	-70	-70	-42
Deferred tax liabilities	-88	-75	-75	-75
Current liabilities, non interest-bearing	-	-32	-32	-44
Liabilities attributable to assets held for sale, non interest-bearing	-2,502	-2,609	-2,609	-2,279
<b>Non-interest-bearing liabilities</b>	<b>-2,626</b>	<b>-2,786</b>	<b>-2,786</b>	<b>-2,440</b>
<b>Capital employed</b>	<b>5,157</b>	<b>5,685</b>	<b>8,490</b>	<b>5,326</b>
Interest-bearing assets	-571	-226	-226	-163
<b>Operating capital</b>	<b>4,586</b>	<b>5,459</b>	<b>8,264</b>	<b>5,163</b>

<b>Average operating capital SEK m</b>	Jan-Dec	Apr-Mar	Apr-Mar
	2018	2018/2019*	2018/2019**
OB Operating capital	4,231	4,586	4,586
CB Operating capital	5,163	5,459	8,264
<b>Average operating capital before adjustments of acquisition and divestments</b>	<b>4,697</b>	<b>5,023</b>	<b>6,425</b>
Adjustment for the effect due to adaption of IFRS 16 not occurred in the middle of the period	-	-	-678
Adjustment for acquisitions and divestments not occurred in the middle of the period	0	166	166
<b>Average operating capital</b>	<b>4,697</b>	<b>5,189</b>	<b>5,913</b>

<b>Average equity SEK m</b>	Jan-Dec	Apr-Mar	Apr-Mar
	2018	2018/2019*	2018/2019**
OB Equity attributable to Parent Company shareholders	4,154	4,605	4,605
CB Equity attributable to Parent Company shareholders	3,897	4,251	4,245
<b>Average equity before adjustment of increases and decreases in capital</b>	<b>4,026</b>	<b>4,428</b>	<b>4,425</b>
Adjustment for increases and decreases in capital not occurred in the middle of the period	-295	-590	-590
<b>Average equity</b>	<b>3,731</b>	<b>3,838</b>	<b>3,835</b>

\*2019 year's figures excluding the impact of IFRS 16

\*\*2019 year's figures following the adoption of IFRS 16.

## Definitions

Performance measure	Calculation	Purpose
Return on shareholders' equity	Net profit for the period as a percentage of average shareholders' equity attributable to Parent Company shareholders based on opening and closing balances for the period. The calculation of average shareholders' equity has been adjusted for increases and decreases in capital.	Return on shareholders' equity shows the total return on shareholders' capital in accounting terms and reflects the effects of both the operational profitability and financial gearing. The measure is primarily used to analyse shareholder profitability over time.
Return on operating capital	Operating profit as a percentage of average operating capital based on opening and closing balances for the period excluding net assets attributable to discontinued operations. The calculation of average operating capital has been adjusted for acquisitions and divestments.	Return on operating capital shows how well the operations use net capital that is tied up in the company. It reflects how both cost and capital-efficient net sales are generated, meaning the combined effect of the operating margin and the turnover rate of operating capital. The measure is used in profitability comparisons between operations in the Group and to assess the Group's profitability over time.
Gross margin	Gross profit as a percentage of sales.	This measure reflects the efficiency of the part of the operations that is primarily linked to production and logistics. It is used to measure cost efficiency in this part of the operations.
EBITDA	Earnings before depreciation/amortisation and impairment.	To simplify, the measure shows the earnings-generating cash flow in the operations. It provides a view of the ability of the operations, in absolute terms, to generate resources for investment and payment to financers and is used for comparisons over time.
Items affecting comparability	Items that affect comparability in so far as they do not reoccur with the same regularity as other items.	Reporting items affecting comparability separately clearly shows the performance of the underlying operations.
Net debt	Interest-bearing liabilities less interest-bearing assets. Interest-bearing liabilities include pension liabilities.	Net debt is used to monitor the debt trend and see the level of the refinancing requirement. The measure is used as a component in the debt/equity ratio.
Operating capital	Capital employed excluding interest-bearing assets.	Operating capital shows the amount of capital required by the operations to conduct its core operations. It is mainly used to calculate the return on operating capital.
Operating cash flow	Cash flow from operating activities including cash flow from investing activities, excluding cash flow from acquisitions/divestments of operations, interest received, and increase/decrease in interest-bearing assets.	This measure comprises the cash flow generated by the underlying operations. The measure is used to show the amount of funds at the company's disposal for paying financers of loans and equity or for use in growth through acquisitions.
Organic growth	Change in net sales, excluding acquisitions, divestments and changes in exchange rates.	Organic growth facilitates a comparison of sales over time by comparing the same operations and excluding currency effects.
Region	Region corresponds to an operating segment under IFRS 8.	
Earnings per share	Net profit for the period divided by a weighted average number of outstanding shares during the period.	
Operating margin	Operating profit as a percentage of net sales.	This measure reflects the operating profitability of the operations. It is used to monitor the flexibility and efficiency of the operations before taking into account capital tied up. The performance measure is used both internally in governance and monitoring of the operation, and for benchmarking with other companies in the industry.

## Definitions, cont.

Performance measure	Calculation	Purpose
Debt/equity ratio	Net debt as a percentage of shareholders' equity including non-controlling interests.	A measure of the ratio between the Group's two forms of financing. The measure shows the percentage of the loan capital in relation to capital invested by the owners, and is thus a measure of financial strength but also the gearing effect of lending. A higher debt/equity ratio means a higher financial risk and higher financial gearing.
Equity/assets	Shareholders' equity including non-controlling interests as a percentage of balance-sheet total.	This measure reflects the company's financial position and thus its long-term solvency. A healthy equity ratio/strong financial position provides preparedness for managing periods of economic downturn and financial preparedness for growth. It also provides a minor advantage in the form of financial gearing.
Capital employed	Balance-sheet total less non-interest-bearing provisions and liabilities.	The capital that shareholders and lenders have placed at the company's disposal. It shows the net capital invested in the operations, such as operating capital, with additions for financial assets.
Currency effects	"Translation effects" refers to the currency effects arising when foreign results and balance sheets are translated to SEK. "Transaction effects" refers to the currency effects arising when purchases or sales are made in currency other than the currency of the producing country (functional currency).	

## Information to shareholders

### For further information

Contact any of the following on +46 (0)8 440 16 00:

- Morten Falkenberg, President and CEO
- Kristoffer Ljungfelt, CFO

### Presentation

The interim report will be presented on Thursday, 2 May at 15.00 CET in a webcast teleconference that can be followed on Nobia's website. To participate in the teleconference, call one of the following numbers:

- From Sweden: +46 (0)8 56 64 26 51
- From the UK: +44 (0)33 33 00 08 04
- From the US: +1 631 913 14 22
- PIN CODE: 76 48 75 64 #

### Financial calendar

19 July 2019  
23 October 2019

Interim Report January-June 2019  
Interim Report January-September 2019

This interim report is information such that Nobia is obliged to make public pursuant to the EU's Market Abuse Regulation and the Swedish Securities Market Act. The information was submitted for publication, through the agency of the contact person set out above, on 2 May 2019 at 08:45 CET.

Box 70376 • 107 24 Stockholm, Sweden • Office address: Klarabergsviadukten 70 A5 • Tel +46 8 440 16 00 • Fax +46 8 503 826 49 • [www.nobia.se](http://www.nobia.se). Corporate Registration Number: 556528-2752 • Board domicile: Stockholm, Sweden