



## Interim report January-June 2017

(All values in brackets refer to the corresponding period in 2016 and Poggenpohl is recognised as discontinued operations, see page 7.)

### April-June 2017

- Net sales for the second quarter amounted to SEK 3,408 million (3,403).
- Organic growth was 1 per cent (4).
- Operating profit amounted to SEK 413 million (420), corresponding to an operating margin of 12.1 per cent (12.3).
- Currency losses had an impact of approximately SEK 35 million on the Group's operating profit, of which SEK 0 million in translation effects and a negative SEK 35 million in transaction effects.
- Profit after tax amounted to SEK 314 million (302), corresponding to earnings per share after dilution of SEK 1.86 (1.80).
- Operating cash flow amounted to SEK 193 million (238).

### Nobia Group summary

	Apr-Jun			Jan-Jun			Jan-Dec		Jul-Jun	
	2016	2017	Change, %	2016	2017	Change, %	2016	2016/2017	Change, %	
Net sales, SEK m	3,403	3,408	0	6,494	6,723	4	12,648	12,877	2	
Gross margin, %	40.1	39.9	-	39.7	39.4	-	39.0	38.9	-	
Operating margin before depreciation and impairment, %	14.6	14.2	-	12.6	12.3	-	12.5	12.4	-	
Operating profit (EBIT), SEK m	420	413	-2	665	686	3	1,298	1,319	2	
Operating margin, %	12.3	12.1	-	10.2	10.2	-	10.3	10.2	-	
Profit after financial items, SEK m	406	405	0	640	668	4	1,247	1,275	2	
Profit/loss after tax, SEK m	302	314	4	473	519	10	455	501	10	
Profit/loss after tax excluding IAC, SEK m	302	314	4	473	519	10	903	949	5	
Earnings/loss per share, after dilution, SEK	1.80	1.86	3	2.81	3.07	9	2.70	2.97	10	
Earnings/loss per share, after dilution excluding IAC, SEK	1.80	1.86	3	2.81	3.07	9	5.36	5.62	5	
Operating cash flow, SEK m	238	193	-19	316	294	-7	1,031	1,009	-2	

### Comments from the CEO

"Given the conditions with fewer delivery days than last year, I am pleased with the results for the second quarter. Organic growth in the Nordic region was primarily driven by a strong increase in new housing construction in all Nordic countries. Our project sales in the UK also increased, while sales to consumers declined slightly. Although the operating profit was burdened by currency losses, our profit generation in the first half is ahead of last year's. We are now working intensively towards our target of growing organically and via acquisitions. Overall, I remain confident in our ambition to deliver profitable growth," says President and CEO Morten Falkenberg.

## Consolidated net sales, earnings and cash flow

Demand for kitchens in the Nordic region and Central Europe in the second quarter is deemed to have improved year-on-year. In the UK, the kitchen market weakened as the result of heightened macroeconomic uncertainty.

Sales increased organically 1 per cent (4), positively impacted by increased sales values and negatively affected by fewer delivery days compared with the preceding year. Currency losses of SEK 12 million (losses: 176) impacted sales.

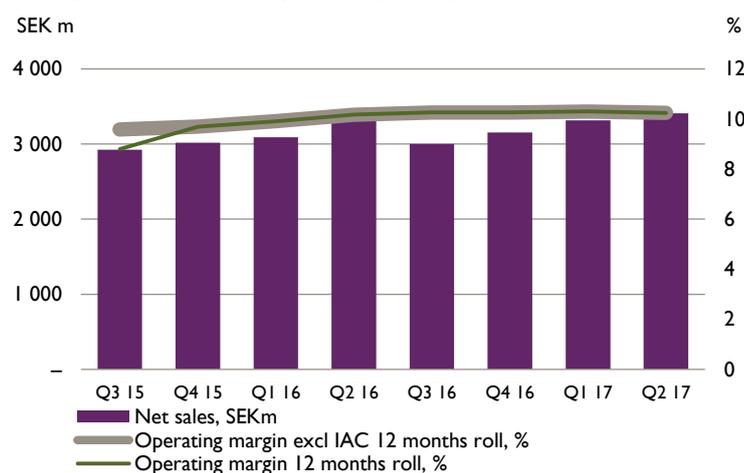
The gross margin amounted to 39.9 per cent (40.1), adversely affected by currency fluctuations and a changed sales mix, which were partly offset by higher sales values.

Operating profit declined due to lower volumes and currency losses.

The return on operating capital was 32.0 per cent in the past twelve-month period (Jan-Dec 2016: 32.5). The return on equity was 13.9 per cent in the past twelve-month period (Jan-Dec 2016: 13.0).

Operating cash flow declined due to a negative change in working capital and higher investments compared with the corresponding quarter in 2016.

### Group net sales and operating margin



### Net sales and profit by region

SEK m	Nordic Apr-Jun		UK Apr-Jun		Central Europe Apr-Jun		Group-wide and eliminations Apr-Jun		Group Apr-Jun		Change, %
	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	
<b>Net sales from external customers</b>	<b>1,626</b>	<b>1,756</b>	<b>1,633</b>	<b>1,520</b>	<b>144</b>	<b>132</b>	-	-	<b>3,403</b>	<b>3,408</b>	<b>0</b>
Net sales from other regions	0	0	-	-	0	1	0	-1	-	-	-
<b>Net sales</b>	<b>1,626</b>	<b>1,756</b>	<b>1,633</b>	<b>1,520</b>	<b>144</b>	<b>133</b>	<b>0</b>	<b>-1</b>	<b>3,403</b>	<b>3,408</b>	<b>0</b>
Gross profit	673	721	636	588	50	42	6	10	1,365	1,361	0
Gross margin, %	41.4	41.1	38.9	38.7	34.7	31.6	-	-	40.1	39.9	-
<b>Operating profit/loss</b>	<b>271</b>	<b>297</b>	<b>175</b>	<b>154</b>	<b>13</b>	<b>5</b>	<b>-39</b>	<b>-43</b>	<b>420</b>	<b>413</b>	<b>-2</b>
Operating margin, %	16.7	16.9	10.7	10.1	9.0	3.8	-	-	12.3	12.1	-

### Analysis of net sales

	Apr-Jun	
	%	SEK m
2016		3,403
Organic growth	1	20
- of which Nordic region	5	77
- of which UK region	-2	-40
- of which CE region	-12	-17
Currency effect	0	-12
Sales to Hygena	0	-3
2017	0	3,408

### Currency effect on operating results

SEK m	Trans- lation effect	Trans- action effect	Total effect
	Apr-Jun	Apr-Jun	Apr-Jun
Nordic region	10	-5	5
UK region	-10	-30	-40
CE region	0	0	0
<b>Group</b>	<b>0</b>	<b>-35</b>	<b>-35</b>

## Nordic region

### April-June 2017

- The Nordic kitchen market grew year-on-year. The increase in new housing construction remained the primary driver for the positive trend.
- Net sales amounted to SEK 1,756 million (1,626).
- Organic growth was 5 per cent (4). Currency gains of SEK 53 million (losses: 39) impacted net sales for the quarter.
- Gross profit amounted to SEK 721 million (673) and the gross margin to 41.1 per cent (41.4).
- Operating profit amounted to SEK 297 million (271) and the operating margin was 16.9 per cent (16.7).
- Currency gains totalling about SEK 5 million impacted operating profit, of which SEK 10 million in translation effects and a negative SEK 5 million in transaction effects.

### Comments on performance

Organic growth was primarily attributable to increased project sales. Fewer delivery days compared with the preceding year had a negative effect on sales. Sales in the project segment grew in all markets, with the highest increase noted in Sweden. Consumer sales increased in Sweden and Denmark, were unchanged in Norway and fell in Finland.

The gross margin declined, primarily as the result of currency losses and a changed sales mix.

The improvement in operating profit was primarily the result of higher sales values that more than compensated for higher costs.

The recall of fittings for top cabinets using the K21 suspension system continued in the second quarter and the costs for this were charged to earnings. This work is expected to be completed during the third quarter.

The HTH GO kitchen concept was launched in Denmark at the end of the first quarter. The design service included in the offering is in high demand among customers and has a high degree of conversion to orders. In connection with the introduction of HTH GO, sales of kitchens under the HTH Gör Det Själv brand were discontinued.

Nobia's first omnichannel store was opened in Norway under the Sigdal brand and was well received in the market.

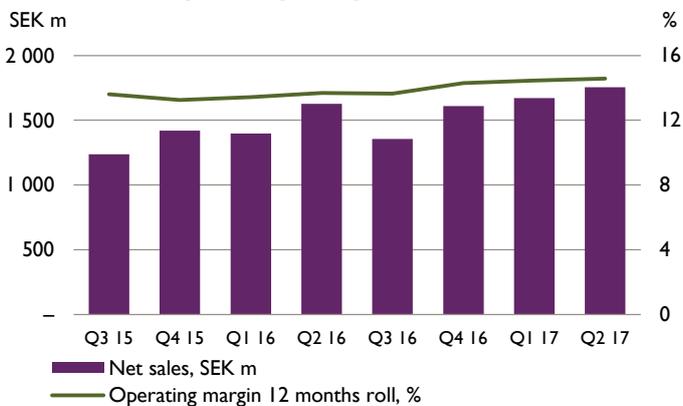
### Share of consolidated net sales, second quarter



### Store trend, April-June 2017

Renovated or relocated	–
Newly opened/closed, net	1
Number of own kitchen stores	49

### Net sales and operating margin



### Our brands



## UK region

### April-June 2017

- The UK kitchen market is deemed to have weakened year-on-year, driven by heightened macroeconomic uncertainty and lower consumer confidence.
- Net sales amounted to SEK 1,520 million (1,633).
- Organic growth was a negative 2 per cent (pos: 4). Currency losses of SEK 70 million (losses: 136) impacted net sales for the quarter.
- Gross profit amounted to SEK 588 million (636) and the gross margin to 38.7 per cent (38.9).
- Operating profit amounted to SEK 154 million (175) and the operating margin was 10.1 per cent (10.7).
- Currency losses totalling about SEK 40 million impacted operating profit, of which a negative SEK 10 million in translation effects and a negative SEK 30 million in transaction effects.

### Comments on performance

The decline in organic sales was primarily due to lower sales via Magnet to both consumers (Retail) and professional builders (Trade), but sales to builders' merchants and DIY chains (B2B) fell as well. Project sales via Commodore, CIE and Rixonway increased during the second quarter.

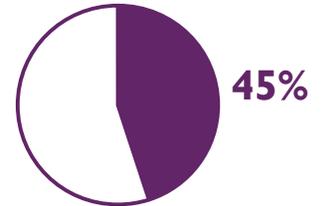
The gross margin declined slightly, mainly due to currency losses and a changed sales mix, which was partly offset by higher sales values.

The decline in operating profit was mainly attributable to the lower gross margin and lower sales volumes.

Kitchen deliveries under private label to Nobia's smaller B2B customer (Homebase) will be gradually phased out during 2017.

At the end of June, a new online service was launched for Magnet Trade that allows builders and project customers to order kitchens and other products for collection in their local store. In addition, Magnet opened an omnichannel store for consumers in Sutton, outside London, in June.

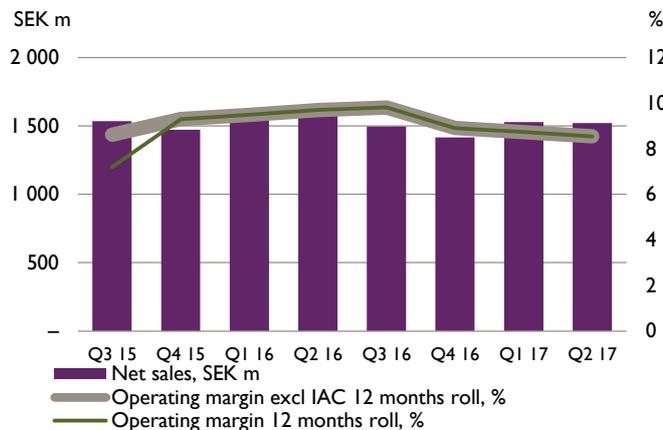
Share of consolidated net sales, second quarter



Store trend, April-June 2017

Renovated or relocated	–
Newly opened/closed, net	2
Number of own kitchen stores	214

### Net sales and operating margin



### Our brands



## Central Europe region

### April-June 2017

- Nobia’s market in the Central European region is deemed to have grown slightly year-on-year.
- Net sales amounted to SEK 132 million (144).
- Organic growth was a negative 12 per cent (pos: 11). Currency gains of SEK 5 million (losses: 1) impacted net sales for the quarter.
- Gross profit amounted to SEK 42 million (50) and the gross margin to 31.6 per cent (34.7).
- Operating profit amounted to SEK 5 million (13) and the operating margin was 3.8 per cent (9.0).
- Currency effect totalling about SEK 0 million impacted operating profit, of which SEK 0 million in translation effects and SEK 0 million in transaction effects.

Share of consolidated net sales, second quarter



### Comments on performance

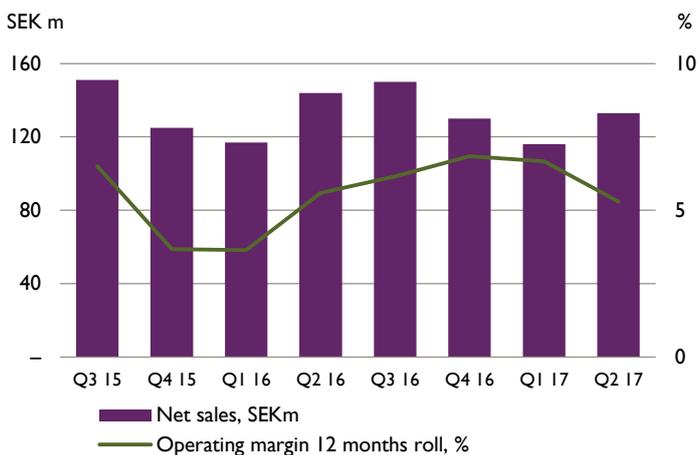
The organic sales decline was attributable to lower sales to both Austrian customers and to export.

The gross margin weakened as a result of production disruptions and lower volumes, which was partly offset by higher sales values.

Operating profit declined primarily as a result of lower sales volumes and the lower gross margin.

The introduction of a modernised production line at the factory in Wels has resulted in production and delivery disruptions as well as higher costs for the second quarter. Measures to eliminate the disruptions have been taken.

### Net sales and operating margin



### Our brands



## Group, first six months of 2017

### Januari-June 2017

- Net sales for the first six months amounted to SEK 6,723 million (6,494).
- Organic growth was 5 per cent (4).
- Operating profit amounted to SEK 686 million (665), corresponding to an operating margin of 10.2 per cent (10.2).
- Currency losses of about SEK 65 million impacted operating profit, of which a negative SEK 5 million in translation effects and a negative SEK 60 million in transaction effects.
- Profit after tax amounted to SEK 519 million (473), corresponding to earnings per share of SEK 3.07 (2.81).
- Operating cash flow amounted to SEK 294 million (316).

Sales grew organically by 5 per cent (4), distributed as 10 per cent (4) in the Nordic region, 2 per cent (3) in the UK and a negative 7 per cent (pos: 8) in Central Europe. Currency losses of SEK 97 million (losses: 277) impacted net sales.

Operating profit improved as the result of higher sales values and increased volumes, which offset currency losses and higher costs.

Group-wide items and eliminations reported an operating loss of SEK 82 million (loss: 73). The decline in earnings was attributable to increased costs for investments in strategic initiatives.

Operating cash flow weakened, primarily due to lower cash flow from investing activities compared with the year-earlier period.

Nobia's investments in fixed assets amounted to SEK 117 million (108), of which SEK 31 million (24) pertained to store investments.

### Analysis of net sales

	Jan-Jun	
	%	SEK m
2016		6,494
Organic growth	5	335
– of which Nordic region	10	302
– of which UK region	2	52
– of which CE region	-7	-19
Currency effect	-2	-97
Sales to Hygena	0	-9
2017	4	6,723

### Currency effect on operating results

SEK m	Trans-	Trans-	Total
	lation	action	
	effect	effect	effect
	Jan-Jun	Jan-Jun	Jan-Jun
Nordic region	15	-5	10
UK region	-20	-55	-75
CE region	0	0	0
<b>Group</b>	<b>-5</b>	<b>-60</b>	<b>-65</b>

### Net sales and profit by region

	Nordic		UK		Central Europe		Group-wide and eliminations		Group		Change, %
	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun	Jan-Jun		
SEK m	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	
<b>Net sales from external customers</b>	<b>3,023</b>	<b>3,428</b>	<b>3,211</b>	<b>3,047</b>	<b>260</b>	<b>248</b>	–	–	<b>6,494</b>	<b>6,723</b>	<b>4</b>
Net sales from other regions	1	0	–	–	1	1	-2	-1	–	–	–
<b>Net sales</b>	<b>3,024</b>	<b>3,428</b>	<b>3,211</b>	<b>3,047</b>	<b>261</b>	<b>249</b>	<b>-2</b>	<b>-1</b>	<b>6,494</b>	<b>6,723</b>	<b>4</b>
Gross profit	1,221	1,392	1,257	1,158	86	78	16	24	2,580	2,652	3
Gross margin, %	40.4	40.6	39.1	38.0	33.0	31.3	–	–	39.7	39.4	–
<b>Operating profit/loss</b>	<b>434</b>	<b>509</b>	<b>286</b>	<b>250</b>	<b>18</b>	<b>9</b>	<b>-73</b>	<b>-82</b>	<b>665</b>	<b>686</b>	<b>3</b>
Operating margin, %	14.4	14.8	8.9	8.2	6.9	3.6	–	–	10.2	10.2	–
Net financial items	–	–	–	–	–	–	–	–	-25	-18	28
<b>Profit after financial items</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>640</b>	<b>668</b>	<b>4</b>

## Other information

### Financing

In April, Nobia paid dividends for the 2016 financial year of approximately SEK 505 million and in May, Nobia repaid a bond loan from AB SEK Securities (Swedish Export Credit Corporation) of SEK 800 million.

Existing loan facilities on 30 June 2017 amounted to SEK 1,000 million, comprising a syndicated bank loan expiring in 2019. The bank loan was unutilised at the end of the period.

Net debt including pension provisions amounted to SEK 711 million (1,080) at the end of the second quarter. The debt/equity ratio was 21 per cent (30) at the end of the quarter.

Net financial items amounted to an expense of SEK 18 million (expense: 25). Net financial items include the net of returns on pension assets and interest expense on pension liabilities corresponding to an expense of SEK 12 million (expense: 13). The net interest expense amounted to SEK 6 million (expense: 12).

### Corporate acquisitions and divestments

Nobia announced on 19 December 2016 that it had agreed with German group Adcuram to divest the German luxury kitchen manufacturer Poggenpohl for a cash consideration corresponding to an equity value of EUR 10 million, subject to customary closing day adjustments. In connection with this, Poggenpohl was reclassified as Divested operations in accordance with IFRS 5.

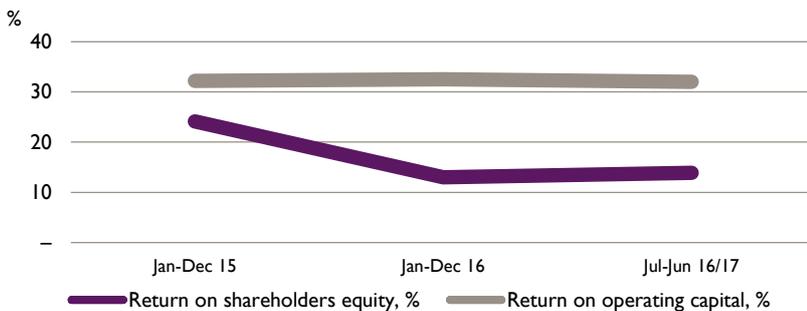
On 31 January 2017, Nobia completed the divestment of Poggenpohl, after gaining approval from the competition authorities in Germany and Austria. Nobia thus received a cash consideration of approximately EUR 10 million and payment of an internal loan of about EUR 8 million. Final settlement of the purchase consideration will take place in the third quarter.

### Earnings from discontinued operations

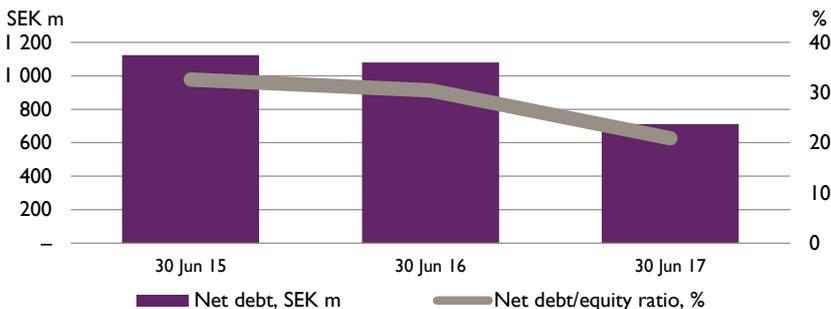
From the fourth quarter of 2016, Poggenpohl's operations are reported as discontinued operations in accordance with IFRS 5. The full-year 2015 and the period January-September 2016 have been restated with regard to the income statement, organic growth, specification of items affecting comparability, cash-flow statement and comparative data per region. These restatements are presented as an appendix to the year-end report available on the Nobia website under Investor Relations and Reports and presentations.

Nobia has acquired stores from franchisees with the intention of subsequently selling on. At the end of 2016, Nobia had two stores reported as Discontinued operations and disposal group held for sale, in accordance with IFRS 5. In the first six months of 2017, no change occurred. On 30 June 2017, Nobia had one store in Denmark and one store in Sweden recognised in accordance with IFRS 5.

### Return on shareholders' equity and operating capital



### Net debt and net debt/equity ratio



Loss after tax from discontinued operations during the first half of 2017 amounted to SEK 1 million, of which SEK 0 million pertained to Poggenpohl and a loss of SEK 1 million pertained to stores acquired from franchisees with the intention of subsequently selling on.

Loss after tax for discontinued operations for the first half of 2016 amounted to SEK 16 million, of which a loss of SEK 17 million pertained to Poggenpohl, a profit of SEK 5 million pertaining to the dissolution of a provision related to the divestment of Hygena and a loss of SEK 4 million was related to the stores acquired from franchisees with the intention of subsequently selling on.

### 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 half of 2017.

### Personnel

The number of employees at the end of the period was 6,175 (6,565). The decline in the number of employees was mainly attributable to the divestment of Poggenpohl. On 31 December 2016, Poggenpohl had 481 employees.

### Changes in the organisation and management

In order to generate efficiency gains, a new organisation will be created with a Chief Product Supply Officer, who will assume overall responsibility for manufacturing and logistics, sourcing, product development and sustainability. The aim of this organisation change is to optimise the supply chain in line with the strategy of capitalising on economies of scale.

Ola Carlsson was appointed Executive Vice President, Chief Product Supply Officer at Nobia. He will take office in the fourth quarter of 2017. Ola Carlsson currently serves as Group Vice President Global Operations at Munters and previously worked as Chief Operations Officer for Electrolux Small Appliances.

### New store concept

Nobia is introducing a new store concept that will increase customer involvement, for example, by using digital tools, improving the customer experience and making sales more efficient. The first test store opened under the Sigdal brand in Molde, Norway in April. A store opened in London in June with the same concept for the Magnet brand and a similar store will be opened in Copenhagen in September for the HTH brand.

### Transfer of treasury shares

Nobia transferred 110,419 shares in the first half of 2017. The purpose of the transfer was to deliver shares under

the Performance Share Plan resolved by Nobia's 2014 Annual General Meeting.

The 2014 Performance Share Plan encompassed approximately 100 senior executives and was based on participants investing in Nobia shares that were locked into the plan. Each Nobia share invested in under the framework of the plan entitled participants, following a vesting period of approximately three years and provided that certain conditions were fulfilled, to allotment of matching and performance shares in Nobia.

At 30 June 2017, Nobia's holding of treasury shares amounted to 6,709,571 shares.

### Significant risks

Nobia is exposed to strategic, operating and financial risks, which are described on pages 37-39 of the 2016 Annual Report.

During the first half of 2017, demand in the Nordic region and Central Europe is deemed to have improved, compared year-on-year. The kitchen market in the UK is deemed to have weakened. 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 at 30 June 2017 contained goodwill of SEK 2,338 million (2,434). The value of this asset item is tested if there are any indications of a decline in value and at least once annually.

The Board of Directors and CEO assure that the six-month report provides a fair view of the Parent Company's and the Group's operations, financial position and profits, and describes the material risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 21 July 2017

Tomas Billing  
*Chairman*

Nora Førisdal Larssen

Lilian Fossum Biner

Ricard Wennerklint

Stefan Jacobsson

Christina Ståhl

Jill Little

George Adams

Morten Falkenberg  
*President and CEO*

Per Bergström  
*Employee representative*

Marie Ströberg  
*Employee representative*

This interim report is unaudited.

Nobia AB, Corporate Registration Number 556528-2752

## Condensed consolidated income statement

SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2016	2017	2016	2017	2016	2016/17
Net sales	3,403	3,408	6,494	6,723	12,648	12,877
Cost of goods sold	-2,038	-2,047	-3,914	-4,071	-7,715	-7,872
<b>Gross profit</b>	<b>1,365</b>	<b>1,361</b>	<b>2,580</b>	<b>2,652</b>	<b>4,933</b>	<b>5,005</b>
Selling and administrative expenses	-950	-945	-1,926	-1,964	-3,682	-3,720
Other income/expenses	5	-3	11	-2	47	34
<b>Operating profit</b>	<b>420</b>	<b>413</b>	<b>665</b>	<b>686</b>	<b>1,298</b>	<b>1,319</b>
Net financial items	-14	-8	-25	-18	-51	-44
<b>Profit/loss after financial items</b>	<b>406</b>	<b>405</b>	<b>640</b>	<b>668</b>	<b>1,247</b>	<b>1,275</b>
Tax	-99	-90	-151	-148	-269	-266
<b>Profit/loss after tax from continuing operations</b>	<b>307</b>	<b>315</b>	<b>489</b>	<b>520</b>	<b>978</b>	<b>1,009</b>
Profit/loss from discontinued operations, net after tax	-5	-1	-16	-1	-523	-508
<b>Profit/loss after tax</b>	<b>302</b>	<b>314</b>	<b>473</b>	<b>519</b>	<b>455</b>	<b>501</b>
Total profit attributable to:						
Parent Company shareholders	303	314	474	519	456	501
Non-controlling interests	-1	-	-1	0	-1	0
<b>Total profit/loss</b>	<b>302</b>	<b>314</b>	<b>473</b>	<b>519</b>	<b>455</b>	<b>501</b>
Total depreciation <sup>1</sup>	76	71	152	142	287	277
Total impairment <sup>1</sup>	0	-	0	-	0	0
Gross margin, %	40.1	39.9	39.7	39.4	39.0	38.9
Operating margin, %	12.3	12.1	10.2	10.2	10.3	10.2
Return on operating capital, %	-	-	-	-	32.5	32.0
Return on shareholders equity, %	-	-	-	-	13.0	13.9
Earnings per share before dilution, SEK <sup>2</sup>	1.80	1.86	2.82	3.08	2.71	2.97
Earnings per share after dilution, SEK <sup>2</sup>	1.80	1.86	2.81	3.07	2.70	2.97
Number of shares at period end before dilution, 000s <sup>3</sup>	168,473	168,584	168,473	168,584	168,473	168,584
Average number of shares before dilution, 000s <sup>3</sup>	168,473	168,547	168,377	168,510	168,425	168,492
Number of shares after dilution at period end, 000s <sup>3</sup>	168,676	168,729	168,687	168,728	168,676	168,725
Average number of shares after dilution, 000s <sup>3</sup>	168,661	168,720	168,652	168,710	168,664	168,702

<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

SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2016	2017	2016	2017	2016	2016/17
Profit/loss after tax	302	314	473	519	455	501
<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	-25	-22	-150	-76	-172	-98
Cash flow hedges before tax	3	15	3	20	-8	9
Tax attributable to change in hedging reserve for the period	-1	-3	-1	-4	2	-1
	<b>-23</b>	<b>-10</b>	<b>-148</b>	<b>-60</b>	<b>-178</b>	<b>-90</b>
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of defined benefit pension plans	-151	4	-218	38	-312	-56
Tax relating to remeasurements of defined benefit pension plans	31	-1	44	-7	49	-2
	<b>-120</b>	<b>3</b>	<b>-174</b>	<b>31</b>	<b>-263</b>	<b>-58</b>
<b>Other comprehensive income/loss</b>	<b>-143</b>	<b>-7</b>	<b>-322</b>	<b>-29</b>	<b>-441</b>	<b>-148</b>
<b>Total comprehensive income/loss</b>	<b>159</b>	<b>307</b>	<b>151</b>	<b>490</b>	<b>14</b>	<b>353</b>
<b>Total comprehensive income/loss attributable to:</b>						
Parent Company shareholders	160	307	152	490	15	353
Non-controlling interests	-1	-	-1	0	-1	0
<b>Total comprehensive income/loss</b>	<b>159</b>	<b>307</b>	<b>151</b>	<b>490</b>	<b>14</b>	<b>353</b>

## Condensed consolidated balance sheet

SEK m	30 Jun		31 Dec
	2016	2017	2016
<b>ASSETS</b>			
Goodwill	2,434	2,338	2,359
Other intangible fixed assets	107	118	126
Tangible fixed assets	1,657	1,351	1,384
Long-term receivables, interest-bearing (IB)	4	3	3
Long-term receivables	29	29	28
Deferred tax assets	250	165	176
<b>Total fixed assets</b>	<b>4,481</b>	<b>4,004</b>	<b>4,076</b>
Inventories	987	945	857
Accounts receivable	1,596	1,617	1,240
Current receivables, interest-bearing (IB)	2	18	1
Other receivables	406	418	320
<i>Total current receivables</i>	<i>2,004</i>	<i>2,053</i>	<i>1,561</i>
Cash and cash equivalents (IB)	616	138	1,005
Assets held for sale	4	5 <sup>1</sup>	506
<b>Total current assets</b>	<b>3,611</b>	<b>3,141</b>	<b>3,929</b>
<b>Total assets</b>	<b>8,092</b>	<b>7,145</b>	<b>8,005</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Share capital	58	58	58
Other capital contributions	1,478	1,484	1,481
Reserves	-227	-317	-257
Profit brought forward	2,240	2,178	2,133
<i>Total shareholders' equity attributable to Parent Company shareholders</i>	<i>3,549</i>	<i>3,403</i>	<i>3,415</i>
Non-controlling interests	3	–	4
<b>Total shareholders' equity</b>	<b>3,552</b>	<b>3,403</b>	<b>3,419</b>
Provisions for pensions (IB)	885	819	894
Other provisions	101	98	79
Deferred tax liabilities	135	85	84
Other long-term liabilities, interest-bearing (IB)	810	7	6
<b>Total long-term liabilities</b>	<b>1,931</b>	<b>1,009</b>	<b>1,063</b>
Current liabilities, interest-bearing (IB)	7	44	801
Current liabilities	2,601	2,688	2,393
Liabilities attributable to assets held for sale	1	1 <sup>1</sup>	329
<b>Total current liabilities</b>	<b>2,609</b>	<b>2,733</b>	<b>3,523</b>
<b>Total shareholders' equity and liabilities</b>	<b>8,092</b>	<b>7,145</b>	<b>8,005</b>
<b>BALANCE-SHEET RELATED KEY RATIOS</b>			
Equity/assets ratio, %	44	48	43
Debt/equity ratio, %	30	21	14
Net debt, closing balance, SEK m	1,080	711	493
Operating capital, closing balance, SEK m	4,632	4,114	3,912
Capital employed, closing balance, SEK m	5,254	4,273	5,182

<sup>1</sup> Change compared with 31 December 2016 primarily due to divestment of Poggenpohl.

## 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 shareholders equity
Opening balance, 1 January 2016	58	1,478	-81	2	2,361	3,818	4	3,822
Profit/loss for the period	-	-	-	-	474	474	-1	473
Other comprehensive income/loss for the period	-	-	-150	2	-174	-322	0	-322
<b>Total comprehensive income for the period</b>	-	-	<b>-150</b>	<b>2</b>	<b>300</b>	<b>152</b>	<b>-1</b>	<b>151</b>
Dividend	-	-	-	-	-421	-421	0	-421
Allocation of share saving schemes	-	0	-	-	-	0	-	0
<b>Closing balance, 30 June 2016</b>	<b>58</b>	<b>1,478</b>	<b>-231</b>	<b>4</b>	<b>2,240</b>	<b>3,549</b>	<b>3</b>	<b>3,552</b>
Opening balance, 1 January 2017	58	1,481	-253	-4	2,133	3,415	4	3,419
Profit/loss for the period	-	-	-	-	519	519	0	519
Other comprehensive income/loss for the period	-	-	-76	16	31	-29	0	-29
<b>Total comprehensive income/loss for the period</b>	-	-	<b>-76</b>	<b>16</b>	<b>550</b>	<b>490</b>	<b>0</b>	<b>490</b>
Dividend	-	-	-	-	-505	-505	-	-505
Change in non-controlling interests	-	-	-	-	-	-	-4	-4
Allocation of share saving schemes	-	3	-	-	-	3	-	3
<b>Closing balance, 30 June 2017</b>	<b>58</b>	<b>1,484</b>	<b>-329</b>	<b>12</b>	<b>2,178</b>	<b>3,403</b>	<b>-</b>	<b>3,403</b>

## Condensed consolidated cash-flow statement

	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
SEK m	2016	2017	2016	2017	2016	2016/17
<i>Operating activities</i>						
Operating profit	420	413	665	686	1,298	1,319
Operating profit/loss for discontinued operations	-8	-1	-15	-2	-466	-453
Depreciation/Impairment	86	71	172 <sup>1</sup>	142 <sup>2</sup>	657 <sup>3</sup>	627
Adjustments for non-cash items	6	0	-1	-24	95	72
Tax paid	-48	-52	-114	-101	-230	-217
Change in working capital	-174	-183	-301	-300	-73	-72
<b>Cash flow from operating activities</b>	<b>282</b>	<b>248</b>	<b>406</b>	<b>401</b>	<b>1,281</b>	<b>1,276</b>
<i>Investing activities</i>						
Investments in fixed assets	-52	-61	-108	-117	-290	-299
Other items in investing activities	8	6	18	10	40	32
Interest received	1	0	1	1	1	1
Change in interest-bearing assets	2	-16	3	-17	4	-16
Acquisition of operations	-	-	0	-	0	-
Divestment of operations	-	-6	-	-85	-	-85
<b>Cash flow from investing activities</b>	<b>-41</b>	<b>-77</b>	<b>-86</b>	<b>-208</b>	<b>-245</b>	<b>-367</b>
Operating cash flow before acquisition/divestment of operations interest, increase/decrease of interest-bearing assets	238	193	316	294	1,031	1,009
Total cashflow from operating and investing activities	241	171	320	193	1,036	909
<i>Financing activities</i>						
Interest paid	-4	-2	-11	-7	-21	-17
Change in interest-bearing liabilities <sup>5</sup>	-17	-781	-30	-807 <sup>4</sup>	-71	-848
Dividend	-421	-505	-421	-505	-421	-505
<b>Cash flow from financing activities</b>	<b>-442</b>	<b>-1,288</b>	<b>-462</b>	<b>-1,319</b>	<b>-513</b>	<b>-1,370</b>
Cash flow for the period excluding exchange-rate differences in cash and cash equivalents	-201	-1,117	-142	-1,126	523	-461
Cash and cash equivalents at beginning of the period	804	1,243	765	1,266	765	616
Cash flow for the period	-201	-1,117	-142	-1,126	523	-461
Exchange-rate differences in cash and cash equivalents <sup>5</sup>	13	12	-7	-2	-22	-17
<b>Cash and cash equivalents at period-end</b>	<b>616</b>	<b>138</b>	<b>616</b>	<b>138</b>	<b>1,266 <sup>6</sup></b>	<b>138</b>

<sup>1</sup> Impairment amounted to SEK 2 million and pertained to kitchen displays SEK 1 million and equipment, tools, fixtures and fittings SEK 1 million.

<sup>2</sup> No impairment was recognised during the period.

<sup>3</sup> Impairment amounted to SEK 332 million and pertained to land and buildings SEK 151 million, plant and machinery SEK 28 million, equipment, tools, fixtures and fittings SEK 47 million, kitchen displays SEK 46 million, goodwill SEK 58 million and other tangible assets SEK 2 million.

<sup>4</sup> Repayment of loan totalling SEK 800 million. No repayment or raising of loans during the corresponding period 2016 or the full year 2016.

<sup>5</sup> Refer to Note 1 on page 16.

<sup>6</sup> Of which SEK 261 million is recognised on the line Assets held for sale.

## Analysis of net debt

SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2016	2017	2016	2017	2016	2016/17
<b>Opening balance</b>	<b>768</b>	<b>396</b>	<b>774</b>	<b>493</b>	<b>774</b>	<b>1,080</b>
Acquisition of operations	–	–	0	–	0	–
Divestment of operations	–	6	–	23	–	23
Translation differences	-31	-9	-40	1	-31	10
Operating cash flow	-238	-193	-316	-294	-1,031	-1,009
Interest paid, net	3	2	10	6	20	16
Remeasurements of defined benefit pension plans	151	-4	218	-38	312	56
Other change in pension liabilities	6	8	13	15	28	30
Dividend	421	505	421	505	421	505
<b>Closing balance</b>	<b>1,080</b>	<b>711</b>	<b>1,080</b>	<b>711</b>	<b>493</b>	<b>711</b>

## Note 1 – 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 2016 Annual Report.

### Consolidated cash-flow statement – correction of error

Earlier periods have been restated to reflect the discovery of error in the classification of translation effects of cash and cash equivalents in the cash-flow statement. These translation effects were historically recognised in financing activities on the line “Change in interest-bearing liabilities” but have been corrected and are now recognised as “Exchange-rate differences in cash and cash equivalents.” Corrections for historical periods are as follows:

Apr-Jun 2016	SEK -15 million
Jan-Jun 2016	SEK -29 million
Jan-Dec 2016	SEK -59 million

## Note 2 – References

Segment information, pages 2 and 6.

Loan and shareholders' equity transactions, page 7. Divestment of operations, pages 7 and 8.

Items affecting comparability, page 8.

## Note 3 – Financial instruments – fair value

The carrying amounts of the Group's financial assets and liabilities are recognised at amortised cost, corresponding to a reasonable approximation of their fair values. Financial instruments measured at fair value in the balance sheet are forward agreements comprising assets at a value of SEK 44 million (31 Dec 2016: 9) and liabilities at a value of SEK 26 million (31 Dec 2016: 12). The measurement of these items is attributable to level 2 of the fair value hierarchy, meaning based on indirectly observable market data. The supplementary purchase consideration of SEK 53 million pertaining to the acquisition of Commodore and CIE is conditional upon the business performance and is valued at level 3 of the fair value hierarchy. During the fourth quarter of 2016, SEK 22 million was paid out. The remaining provision amounts to SEK 22 million restated at the applicable balance-sheet date.

## Note 4 – Related-party transactions

The Parent Company invoiced Group-wide services to subsidiaries in an amount of SEK 109 million (115) during the first half of 2017. The Parent Company reported a loss of SEK 4 million (0) from participations in Group companies.

## Parent Company

### Condensed Parent Company income statement

SEK m	Apr-Jun		Jan - Jun		Jan-Dec	Jul-Jun
	2016	2017	2016	2017	2016	2016/17
Net sales	56	57	115	115	219	219
Administrative expenses	-72	-81	-142	-154	-301	-313
<b>Operating loss</b>	<b>-16</b>	<b>-24</b>	<b>-27</b>	<b>-39</b>	<b>-82</b>	<b>-94</b>
Profit from shares in Group companies	-	-3	-	-4	-76	-80
Other financial income and expenses	2	-9	4	-15	-1	-20
<b>Profit/loss after financial items</b>	<b>-14</b>	<b>-36</b>	<b>-23</b>	<b>-58</b>	<b>-159</b>	<b>-194</b>
Tax on profit/loss for the period	-1	0	-1	0	-20	-19
<b>Profit/loss for the period</b>	<b>-15</b>	<b>-36</b>	<b>-24</b>	<b>-58</b>	<b>-179</b>	<b>-213</b>

### Parent Company balance sheet

SEK m	30 Jun		31 Dec
	2016	2017	2016
<b>ASSETS</b>			
<b>Fixed assets</b>			
Shares and participations in Group companies	2,086	1,378	1,469
Deferred tax assets	0	5	0
<b>Total fixed assets</b>	<b>2,086</b>	<b>1,383</b>	<b>1,469</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Accounts receivable	2	7	1
Receivables from Group companies	2,645	2,332	2,868
Other receivables	9	45	3
Prepaid expenses and accrued income	45	49	47
Cash and cash equivalents	364	56	949
<b>Total current assets</b>	<b>3,065</b>	<b>2,489</b>	<b>3,868</b>
<b>Total assets</b>	<b>5,151</b>	<b>3,872</b>	<b>5,337</b>
<b>SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
<i>Restricted shareholders' equity</i>			
Share capital	58	58	58
Statutory reserve	1,671	1,671	1,671
	<b>1,729</b>	<b>1,729</b>	<b>1,729</b>
<i>Non-restricted shareholders' equity</i>			
Share premium reserve	52	52	52
Buy-back of shares	-391	-391	-391
Profit brought forward	1,945	1,267	1,948
Profit/loss for the period	-24	-58	-179
	<b>1,582</b>	<b>870</b>	<b>1,430</b>
<b>Total shareholders' equity</b>	<b>3,311</b>	<b>2,599</b>	<b>3,159</b>
<b>Long term liabilities</b>			
Provisions for pensions	15	16	16
Deferred tax liabilities	0	5	0
Liabilities to credit institutes	800	-	-
<b>Total long-term liabilities</b>	<b>815</b>	<b>21</b>	<b>16</b>
<b>Current liabilities</b>			
Liabilities to credit institutes	-	43	800
Accounts payable	15	29	15
Liabilities to Group companies	987	1,102	1,276
Other liabilities	3	55	27
Accrued expenses and deferred income	20	23	44
<b>Total current liabilities</b>	<b>1,025</b>	<b>1,252</b>	<b>2,162</b>
<b>Total shareholders' equity, provisions and liabilities</b>	<b>5,151</b>	<b>3,872</b>	<b>5,337</b>

## Comparative data per region

Net sales, SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2016	2017	2016	2017	2016	2016/17
Nordic	1,626	1,756	3,024	3,428	5,988	6,392
UK	1,633	1,520	3,211	3,047	6,122	5,958
Central Europe	144	133	261	249	541	529
Group-wide and eliminations	0	-1	-2	-1	-3	-2
<b>Group</b>	<b>3,403</b>	<b>3,408</b>	<b>6,494</b>	<b>6,723</b>	<b>12,648</b>	<b>12,877</b>

Gross profit, SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2016	2017	2016	2017	2016	2016/17
Nordic	673	721	1,221	1,392	2,402	2,573
UK	636	588	1,257	1,158	2,323	2,224
Central Europe	50	42	86	78	172	164
Group-wide and eliminations	6	10	16	24	36	44
<b>Group</b>	<b>1,365</b>	<b>1,361</b>	<b>2,580</b>	<b>2,652</b>	<b>4,933</b>	<b>5,005</b>

Gross margin, %	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2016	2017	2016	2017	2016	2016/17
Nordic	41.4	41.1	40.4	40.6	40.1	40.3
UK	38.9	38.7	39.1	38.0	37.9	37.3
Central Europe	34.7	31.6	33.0	31.3	31.8	31.0
<b>Group</b>	<b>40.1</b>	<b>39.9</b>	<b>39.7</b>	<b>39.4</b>	<b>39.0</b>	<b>38.9</b>

Operating profit, SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2016	2017	2016	2017	2016	2016/17
Nordic	271	297	434	509	856	931
UK	175	154	286	250	545	509
Central Europe	13	5	18	9	37	28
Group-wide and eliminations	-39	-43	-73	-82	-140	-149
<b>Group</b>	<b>420</b>	<b>413</b>	<b>665</b>	<b>686</b>	<b>1,298</b>	<b>1,319</b>

Operating margin, %	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2016	2017	2016	2017	2016	2016/17
Nordic	16.7	16.9	14.4	14.8	14.3	14.6
UK	10.7	10.1	8.9	8.2	8.9	8.5
Central Europe	9.0	3.8	6.9	3.6	6.8	5.3
<b>Group</b>	<b>12.3</b>	<b>12.1</b>	<b>10.2</b>	<b>10.2</b>	<b>10.3</b>	<b>10.2</b>

## Quarterly data per region

Net sales, SEK m	2016				2017	
	I	II	III	IV	I	II
Nordic	1,398	1,626	1,355	1,609	1,672	1,756
UK	1,578	1,633	1,495	1,416	1,527	1,520
Central Europe	117	144	150	130	116	133
Group-wide and eliminations	-2	0	-1	0	0	-1
<b>Group</b>	<b>3,091</b>	<b>3,403</b>	<b>2,999</b>	<b>3,155</b>	<b>3,315</b>	<b>3,408</b>

Gross profit, SEK m	2016				2017	
	I	II	III	IV	I	II
Nordic	548	673	537	644	671	721
UK	621	636	573	493	570	588
Central Europe	36	50	50	36	36	42
Group-wide and eliminations	10	6	10	10	14	10
<b>Group</b>	<b>1,215</b>	<b>1,365</b>	<b>1,170</b>	<b>1,183</b>	<b>1,291</b>	<b>1,361</b>

Gross margin, %	2016				2017	
	I	II	III	IV	I	II
Nordic	39.2	41.4	39.6	40.0	40.1	41.1
UK	39.4	38.9	38.3	34.8	37.3	38.7
Central Europe	30.8	34.7	33.3	27.7	31.0	31.6
<b>Group</b>	<b>39.3</b>	<b>40.1</b>	<b>39.0</b>	<b>37.5</b>	<b>38.9</b>	<b>39.9</b>

Operating profit, SEK m	2016				2017	
	I	II	III	IV	I	II
Nordic	163	271	185	237	212	297
UK	111	175	166	93	96	154
Central Europe	5	13	14	5	4	5
Group-wide and eliminations	-34	-39	-29	-38	-39	-43
<b>Group</b>	<b>245</b>	<b>420</b>	<b>336</b>	<b>297</b>	<b>273</b>	<b>413</b>

Operating margin, %	2016				2017	
	I	II	III	IV	I	II
Nordic	11.7	16.7	13.7	14.7	12.7	16.9
UK	7.0	10.7	11.1	6.6	6.3	10.1
Central Europe	4.3	9.0	9.3	3.8	3.4	3.8
<b>Group</b>	<b>7.9</b>	<b>12.3</b>	<b>11.2</b>	<b>9.4</b>	<b>8.2</b>	<b>12.1</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 22-24.

Analysis of net sales Nordic Region	Apr-Jun		Jan-Jun	
	%	SEK m	%	SEK m
2016		1,626		3,023
Organic growth	5	77	10	302
Currency effect	3	53	3	103
2017	8	1,756	13	3,428

Analysis of net sales UK Region	Apr-Jun		Jan-Jun	
	%	SEK m	%	SEK m
2016		1,633		3,211
Organic growth	-2	-40	2	52
Currency effect	-4	-70	-6	-207
Sales to Hygena	0	-3	0	-9
2017	-7	1,520	-5	3,047

Analysis of net sales Central Europe Region	Apr-Jun		Jan-Jun	
	%	SEK m	%	SEK m
2016		144		260
Organic growth	-12	-17	-7	-19
Currency effect	4	5	3	7
2017	-8	132	-5	248

Operating profit before depreciation and impairment, SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2016	2017	2016	2017	2016	2016/17
Operating profit	420	413	665	686	1,298	1,319
Depreciation and impairment	76	71	152	142	287	277
<b>Operating profit before depreciation and impairment</b>	<b>496</b>	<b>484</b>	<b>817</b>	<b>828</b>	<b>1,585</b>	<b>1,596</b>
Net sales	3,403	3,408	6,494	6,723	12,648	12,877
<b>% of Net sales</b>	<b>14.6%</b>	<b>14.2%</b>	<b>12.6%</b>	<b>12.3%</b>	<b>12.5%</b>	<b>12.4%</b>

Profit/loss after tax excluding IAC, SEK m	Apr-Jun		Jan-Jun		Jan-Dec	Jul-Jun
	2016	2017	2016	2017	2016	2016/17
Profit/loss after tax	302	314	473	519	455	501
Items affecting comparability net after tax	-	-	-	-	448	448
<b>Profit/loss after tax excluding IAC</b>	<b>302</b>	<b>314</b>	<b>473</b>	<b>519</b>	<b>903</b>	<b>949</b>

## Reconciliation of alternative performance measures, cont.

Net debt SEKm	30 Jun		31 Dec
	2016	2017	2016
Provisions for pensions (IB)	885	819	894
Other long-term liabilities, interest-bearing (IB)	810	7	6
Current liabilities, interest-bearing (IB)	7	44	801
Interest-bearing liabilities booked as liabilities attributable to assets held for sale (IB)	-	-	62
<b>Interest-bearing liabilities</b>	<b>1,702</b>	<b>870</b>	<b>1,763</b>
Long-term receivables, interest-bearing (IB)	-4	-3	-3
Current receivables, interest-bearing (IB)	-2	-18	-1
Interest-bearing assets booked as assets held for sale (IB)	-	-	-261
Cash and cash equivalents (IB)	-616	-138	-1,005
<b>Interest-bearing assets</b>	<b>-622</b>	<b>-159</b>	<b>-1,270</b>
<b>Net debt</b>	<b>1,080</b>	<b>711</b>	<b>493</b>

Operating capital SEK m	30 Jun		31 Dec
	2016	2017	2016
<b>Total assets</b>	<b>8,092</b>	<b>7,145</b>	<b>8,005</b>
Other provisions	-101	-98	-79
Deferred tax liabilities	-135	-85	-84
Current liabilities, non interest-bearing	-2,601	-2,688	-2,393
Liabilities attributable to assets held for sale, non interest-bearing	-1	-1	-267
<b>Non-interest-bearing liabilities</b>	<b>-2,838</b>	<b>-2,872</b>	<b>-2,823</b>
<b>Capital employed</b>	<b>5,254</b>	<b>4,273</b>	<b>5,182</b>
Interest-bearing assets	-622	-159	-1,009
Interest-bearing assets booked as assets held for sale (IB)	-	-	-261
<b>Operating capital</b>	<b>4,632</b>	<b>4,114</b>	<b>3,912</b>

Average operating capital SEK m	Jan-Dec	Jul-Jun
	2016	2016/17
OB Operating capital	4,596	4,632
OB Net operating assets discontinued operations	-535	-502
CB Operating capital	3,912	4,114
CB Net operating assets discontinued operations	22	-4
<b>Average operating capital before adjustments of acquisition and divestments</b>	<b>3,998</b>	<b>4,120</b>
Adjustment for acquisitions and divestments not occurred in the middle of the period	0	-
<b>Average operating capital</b>	<b>3,998</b>	<b>4,120</b>

Average equity SEK m	Jan-Dec	Jul-Jun
	2016	2016/17
OB Equity attributable to Parent Company shareholders	3,818	3,549
CB Equity attributable to Parent Company shareholders	3,415	3,403
<b>Average equity before adjustment of increases and decreases in capital</b>	<b>3,617</b>	<b>3,476</b>
Adjustment for increases and decreases in capital not occurred in the middle of the period	-106	126
<b>Average equity</b>	<b>3,511</b>	<b>3,602</b>

## Definitions

Performance measure	Calculation	Purpose
<b>Return on shareholders' equity</b>	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 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.
<b>Return on operating capital</b>	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.
<b>Gross margin</b>	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.
<b>EBITDA</b>	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 financiers and is used for comparisons over time.
<b>Items affecting comparability</b>	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.
<b>Net debt</b>	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.
<b>Operating capital</b>	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.

Performance measure	Calculation	Purpose
<b>Operating cash flow</b>	Cash flow from operating activities including cash flow from investing activities, excluding cash flow from acquisitions/divestments of operations, interest received, 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 financiers of loans and equity or for use in growth through acquisitions.
<b>Organic growth</b>	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.
<b>Region</b>	Region corresponds to an operating segment under IFRS 8.	
<b>Earnings per share</b>	Net profit for the period divided by a weighted average number of outstanding shares during the period.	
<b>Operating margin</b>	Operating profit as a percentage of net sales.	The 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.
<b>Debt/equity ratio</b>	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.
<b>Equity/assets ratio</b>	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 downturns and financial preparedness for growth. It also provides a minor advantage in the form of financial gearing.
<b>Capital employed</b>	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.

**Performance  
measure****Calculation****Purpose**

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**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 or +46 (0)705 95 51 00:

- Morten Falkenberg, President and CEO
- Kristoffer Ljungfelt, CFO
- Lena Schattauer, Head of Communication and Investor Relations

### Presentation

The interim report will be presented on Friday, 21 July at 2:00 p.m. 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)8 505 564 74
- From the UK: +44 (0)203 364 5374
- From the US: +1 855 753 22 30

### Financial calendar

27 October 2017	Interim report January-September 2017
6 February 2018	Interim report January-December 2017
10 April 2018	Annual General Meeting 2018
27 April 2017	Interim report January-March 2017

This information is such that Nobia is obliged to made 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 21 July 2017 at 1:00 p.m. CET.

Nobia develops and sells kitchens through some twenty strong brands in Europe, including Magnet in the UK; HTH, Norema, Sigdal, Invita, Marbodol in Scandinavia; Petra and A la Carte in Finland and Ewe, FM and Intuo in Austria. Nobia generates profitability by combining economies of scale with attractive kitchen offerings. The Group has approximately 6,000 employees and net sales of about SEK 13 billion. The Nobia share is listed on the Nasdaq Stockholm under the ticker NOBI. Website: [www.nobia.com](http://www.nobia.com)

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.com](http://www.nobia.com). Corporate Registration Number: 556528–2752 • Board domicile: Stockholm, Sweden