

# nobia

Company presentation



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# Nobia's Executive Committee



**Kristoffer Ljungfelt**  
Incoming President & CEO



**Henrik Skogsfors**  
CFO



**Philip Sköld**  
EVP Strategy &  
Transformation



**George Dymond**  
EVP Commercial  
Region West (UK)



**Ole Dalsbø**  
EVP Commercial  
Region North



**Samuel Dalén**  
EVP Supply Chain



**Cecilia Forzelius**  
EVP People,  
Communications,  
Sustainability & SSC

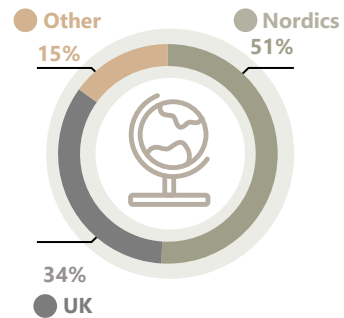


**Sara Björk**  
CIO

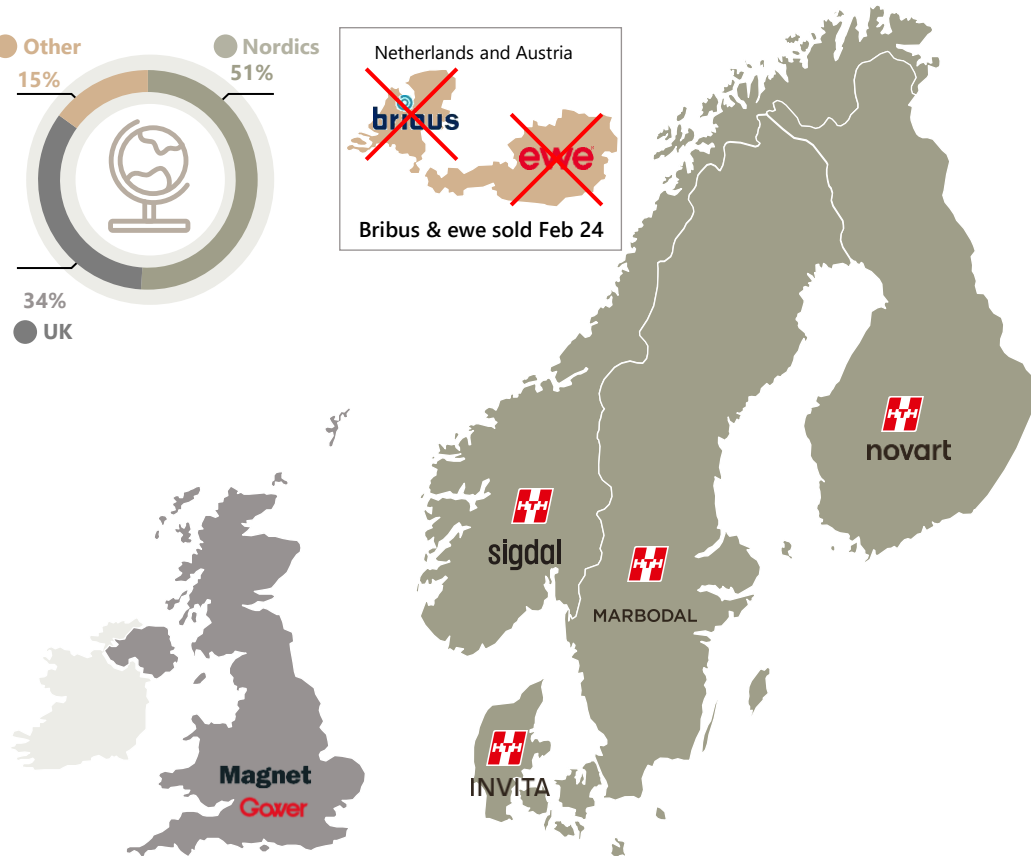
# Nobia is a leading European kitchen specialist

## Present in the Nordics and the UK

Share of sales FY 2023



Netherlands and Austria  
~~bribus~~ ~~ewe~~  
 Bribus & ewe sold Feb 24



## Proven and profitable business model

Long history of producing high quality kitchens	Portfolio of strong local brands
~90% Made-to-order production	~5,300 employees Q4 2023
~2% Net sales CAGR 2020-2023	~7% Average adj. EBIT margin 2016-2023

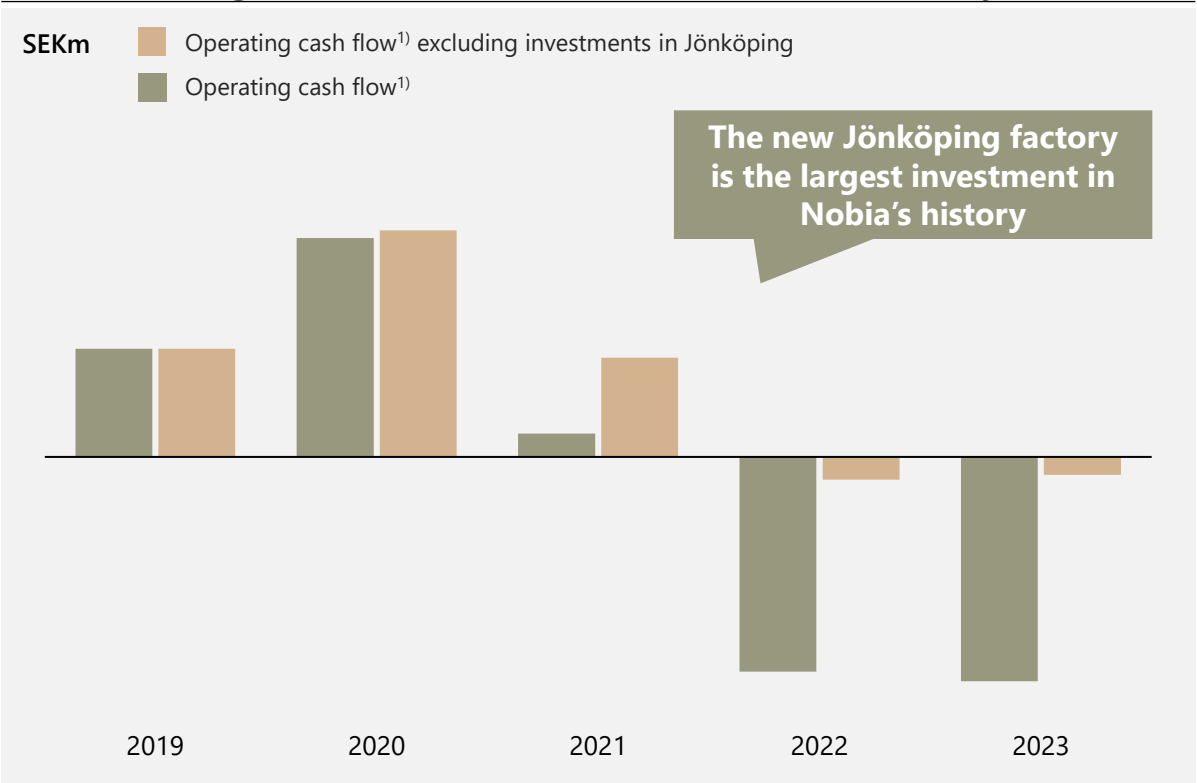
## Diversified B2C and B2B offering

Business-to-consumer (B2C)	Business-to-business (B2B)
Private customers and tradesmen	Contractors for renovation and new builds
Share of net sales 2023: 58%	Share of net sales 2023: 42%

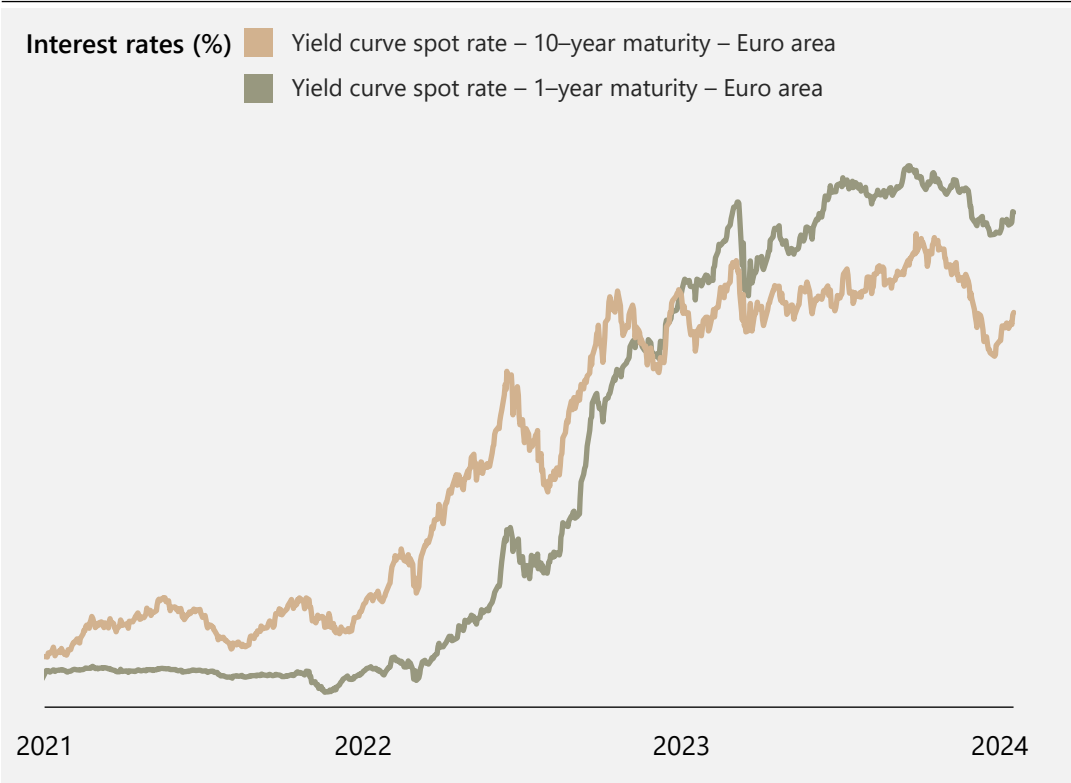
~1,000 distribution points in core markets<sup>1)</sup>

# The current situation follows a combination of events...

### Significant investments in the new factory



### Macroeconomic turbulence

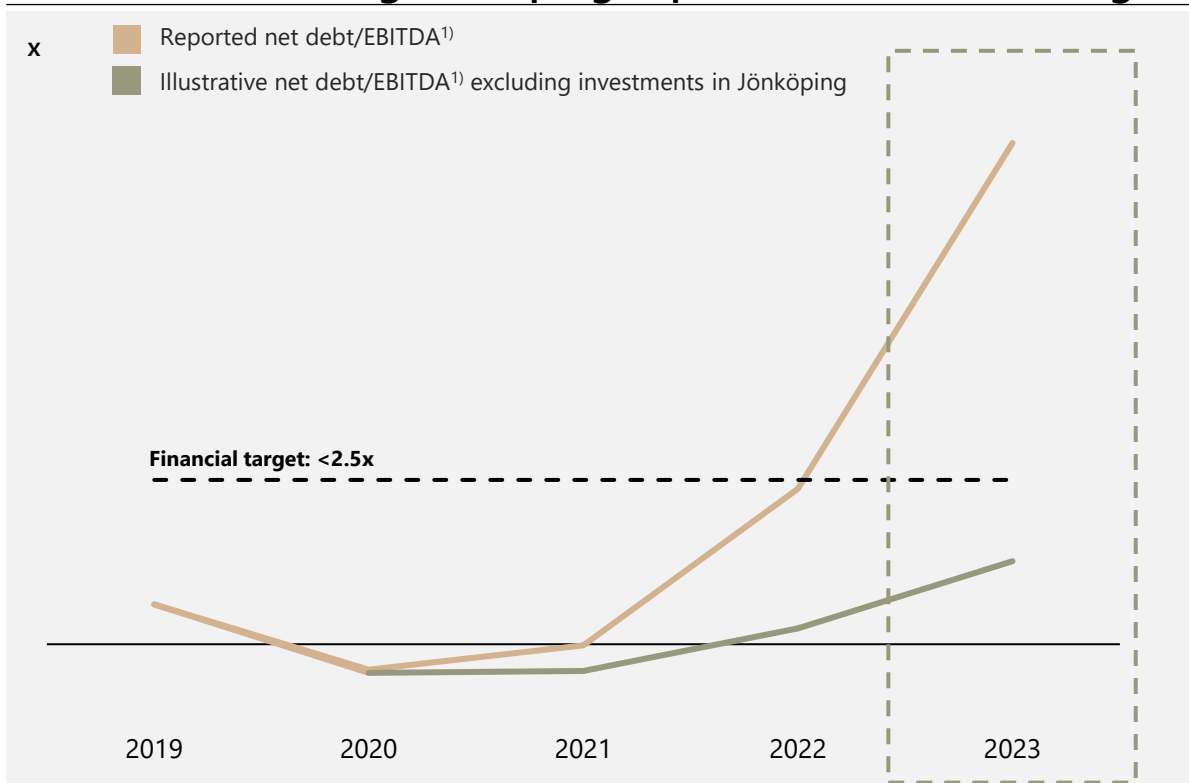


Nobia has demonstrated underlying resilience over the cycle despite turbulent markets

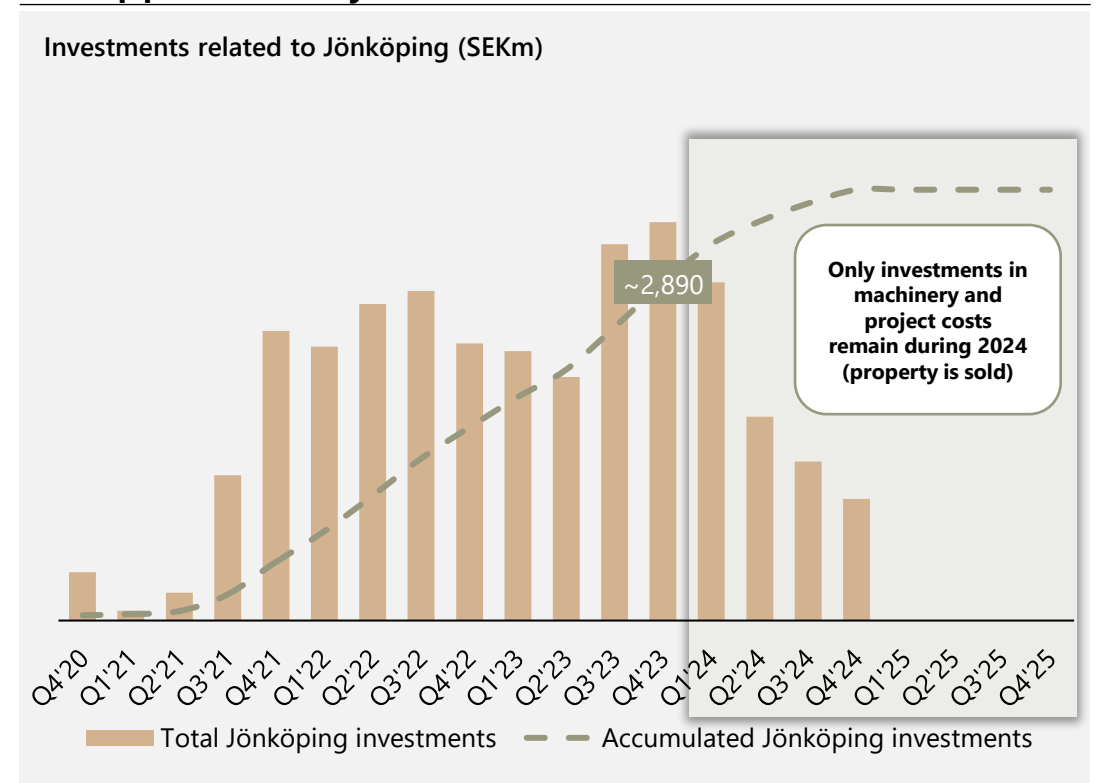
Notes: 1) Operating cash flow defined as Operating cash flow before acquisitions/divestments of subsidiaries, interest, increase/decrease in interest bearing assets, less lease payments. Source: Company information and ECB.

# ...balance sheet mainly impacted by the new factory investments

## Net debt excluding Jönköping capex within financial target



## Approximately SEK 1bn cash outflow left in 2024



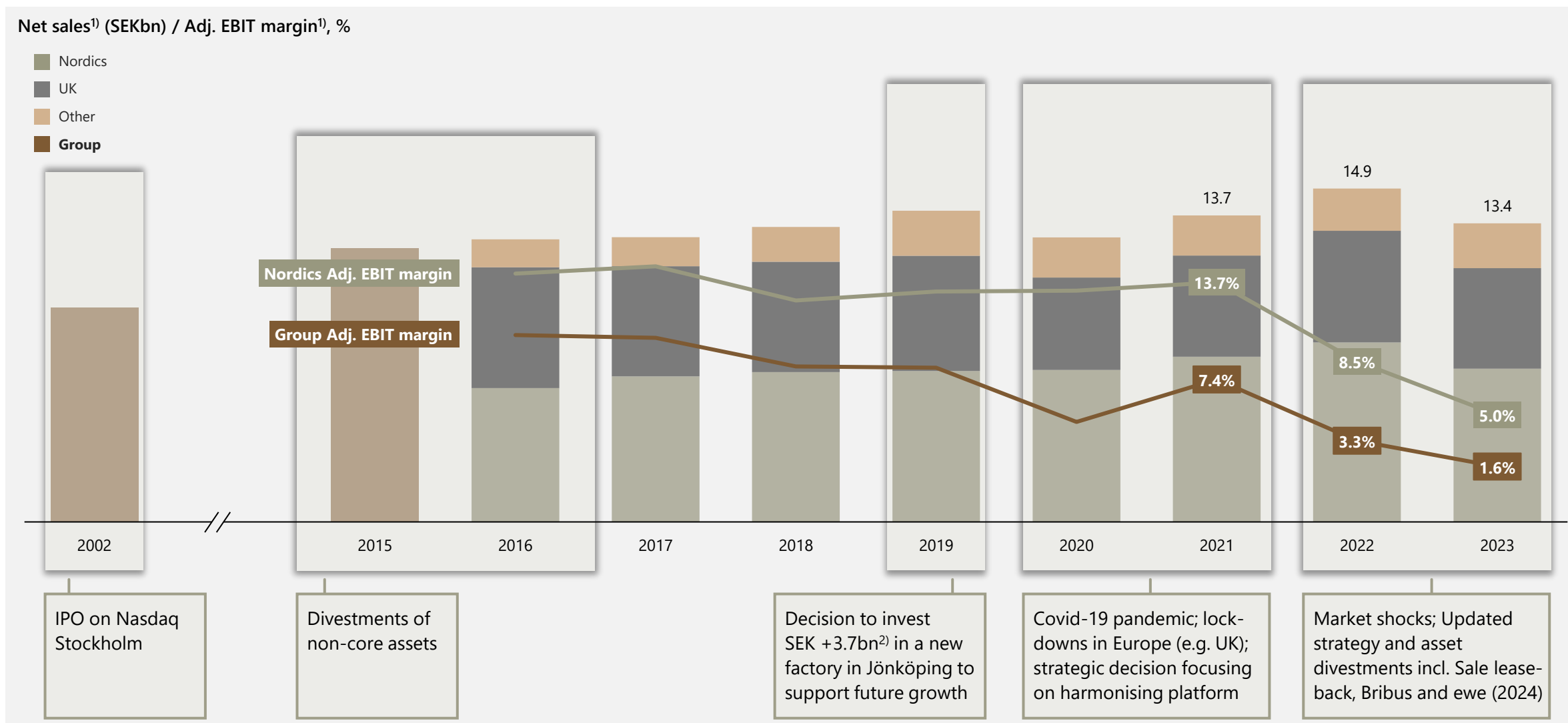
Nobia is taking active measures to strengthen its capital structure

# Key investment highlights



- 1 Long history of delivering high quality kitchens
- 2 Proven Nordic business model with upside potential in the UK
- 3 Nobia has strong market positions in large addressable markets
- 4 Clear strategic initiatives to drive profitable growth
- 5 Strengthened financial position following rights issue, asset divestments and debt refinancing

# 1 Long history of delivering high quality kitchens



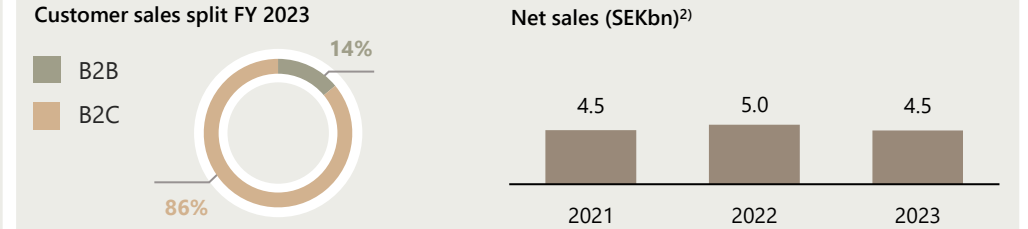
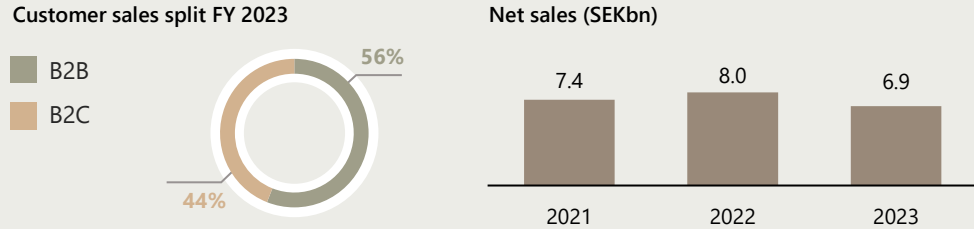


# Proven Nordic business model with upside potential in the UK

## Region Nordic

## Region UK

### CUSTOMERS AND SALES DEVELOPMENT



### SELECTED BRANDS

**MARBODAL**

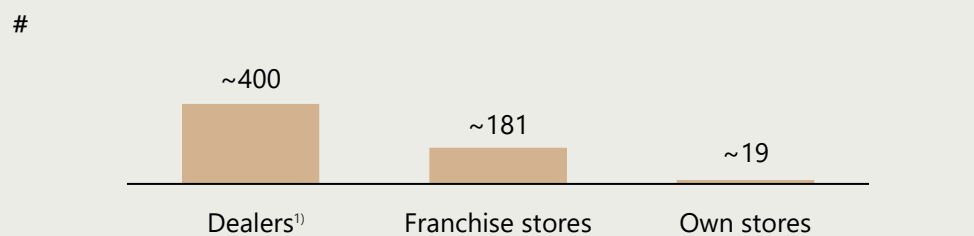
Marbodal celebrates its 100 year anniversary in 2024

INVITA   novart   uno form<sup>®</sup>   sigdal   SUPERFRONT

Magnet has over 100 years of experience in the UK market

Gower   CIE   CCL

### DISTRIBUTION CHANNELS

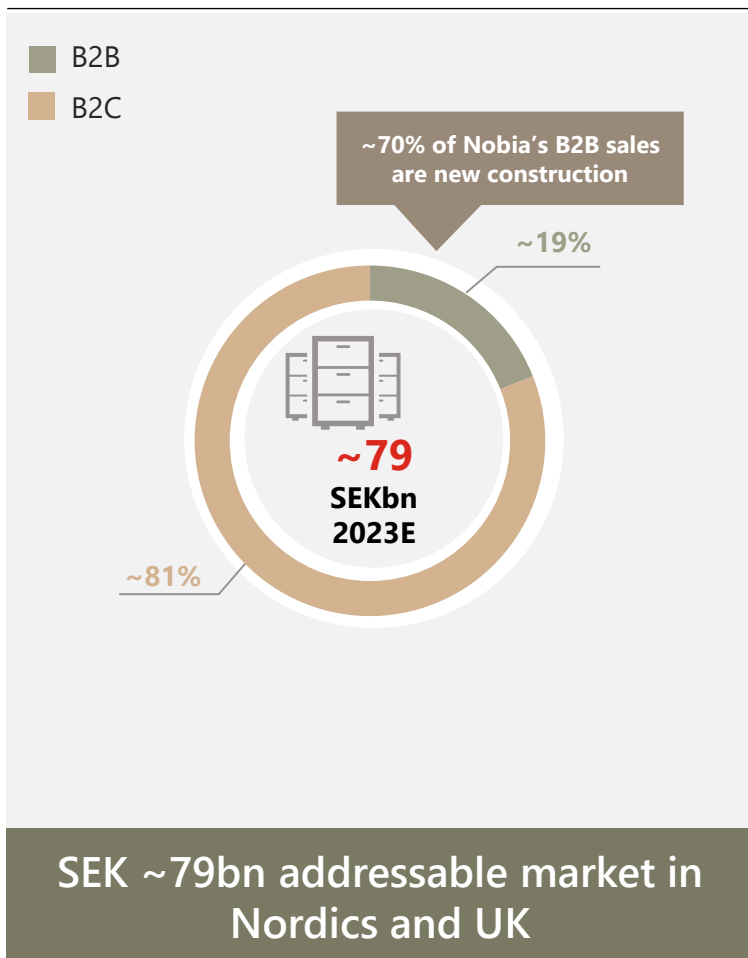


☐ Superfront, CIE and Commodore not included in segment financials as they were reported under PBU in 2022 and 2023

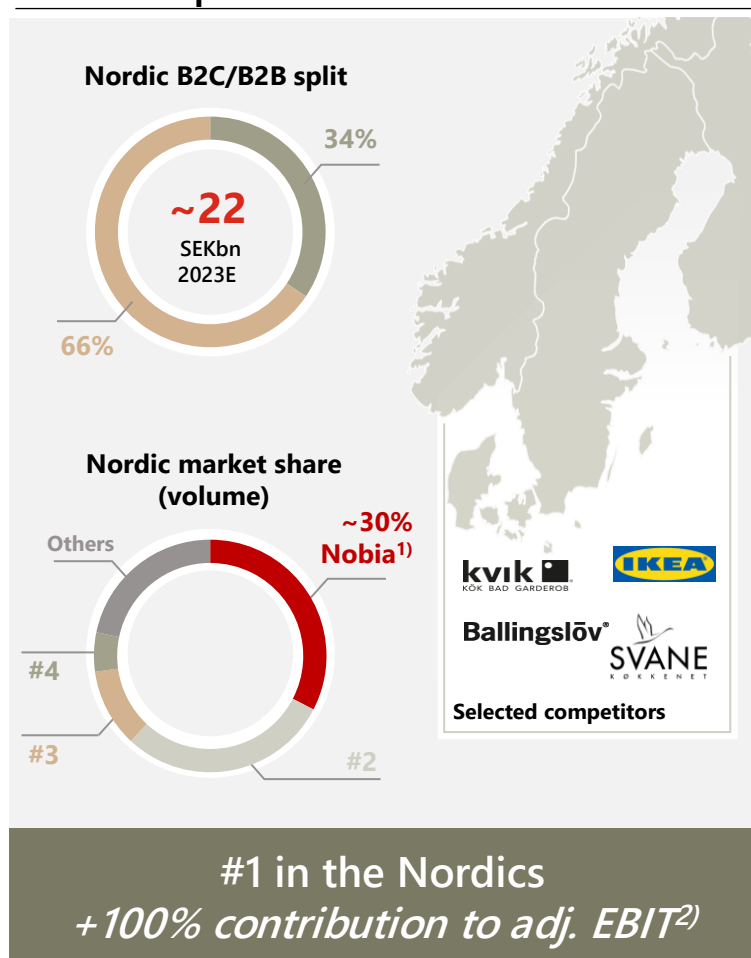
Strong local brands serving diversified customer groups through established distribution channels

# Nobia has strong market positions in large addressable markets

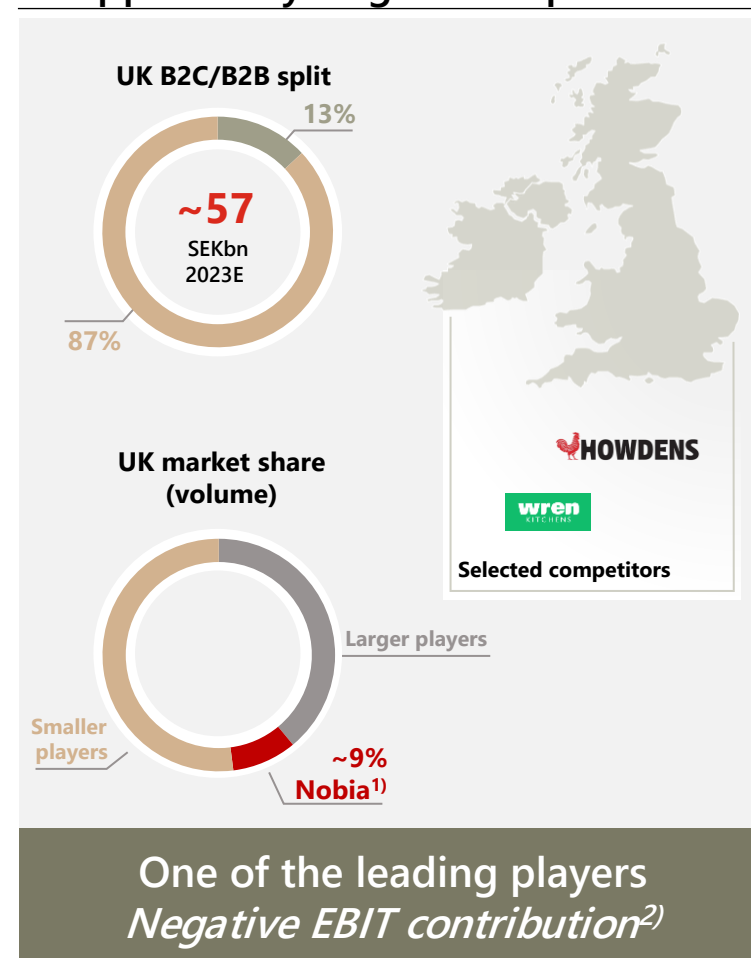
## Nordics + UK



## Well positioned in the Nordics

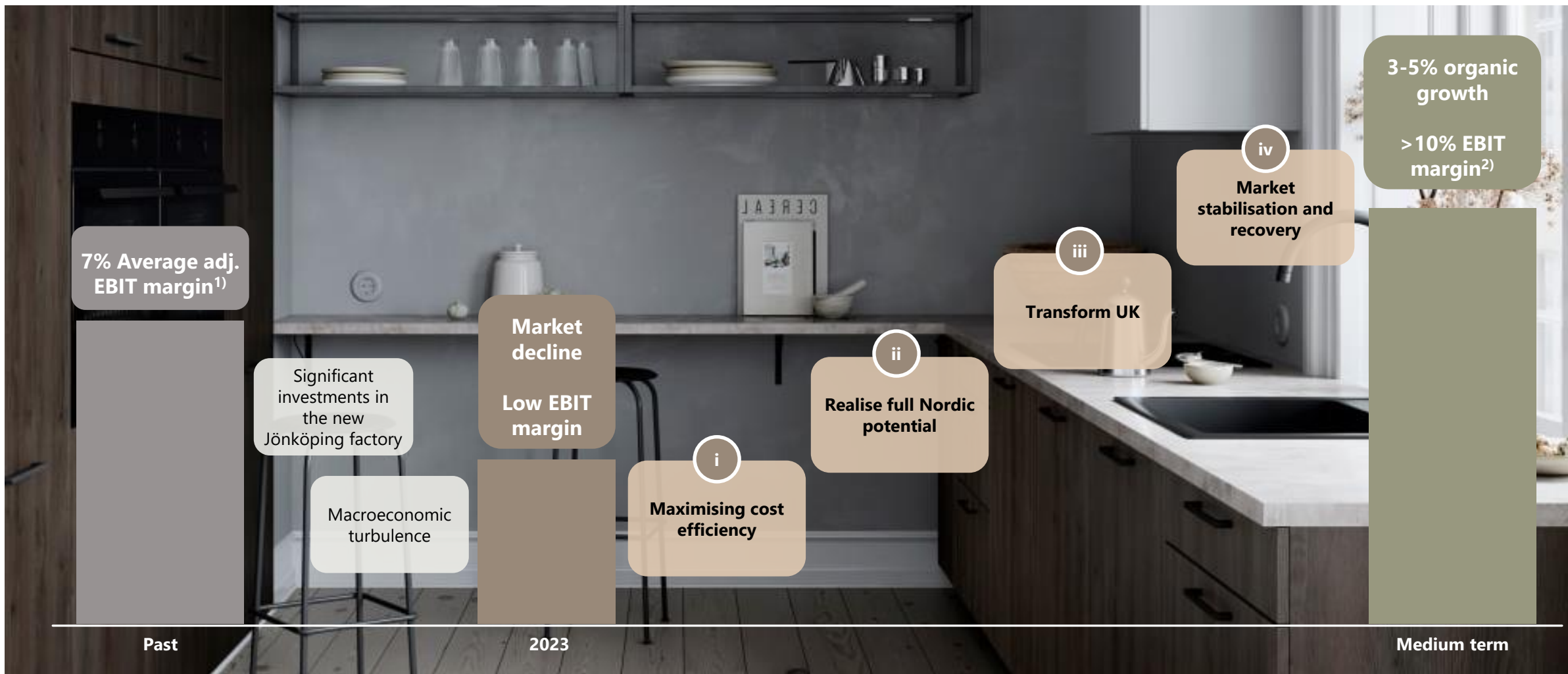


## Opportunity to grow UK presence



4

# Clear strategic initiatives to drive profitable growth



# 4 Nobia has taken several strategic actions strengthening its financial position and maximising cost efficiency

## Cost out program in January 2023

- Reduction of fixed overhead costs
- Exiting unprofitable segments
- Consolidating manufacturing footprint
- Shared service centre build up

Estimated annual cost savings of SEK ~350m, of which SEK ~280m realised 2023

## Sale of Jönköping factory building

- Sale and leaseback transaction of factory building in February 2024
- Annual rent of SEK ~88m
- Rental agreement recognised on balance sheet according to IFRS16




SEK 1,350m property value

SEK 1.1bn cash proceeds<sup>1)</sup>

20-year lease contract<sup>2)</sup>


## Sale of Bribus

- On 12 February 2024, Nobia announced the sale of Dutch subsidiary Bribus
- Focused mainly on social housing Bribus synergies with the group were limited
- Purchase consideration of approx. EUR 64m<sup>3)</sup>
- The transaction was closed in March 2024



## Sale of ewe

- On 19 February 2024, Nobia announced the sale of Austrian subsidiary ewe
- Purchase consideration of approx. EUR 24m<sup>4)</sup>
- The transaction was closed in March 2024



Notes: 1) Out of the cash proceeds, approximately SEK 330m are withheld by the buyer and will be paid to Nobia according to certain conditions up until the final completion of the property. In addition, the buyer will assume expenditures for completing the remaining construction work. The sale resulted in an impairment of the property book value of approximately SEK 100m in Q4 2023. 2) The contract includes an option to extend for another 20 years. 3) The transaction was partly financed by a three year vendor loan by Nobia of EUR 5 million. The buyer received the net cash in Bribus at the time of completion of the transaction, which amounted to approximately EUR 14 million. 4) The buyer received the net cash in ewe at the time of completion of the transaction, which amounted to EUR 2.4 million as per 30 September 2023. Source: Company information.

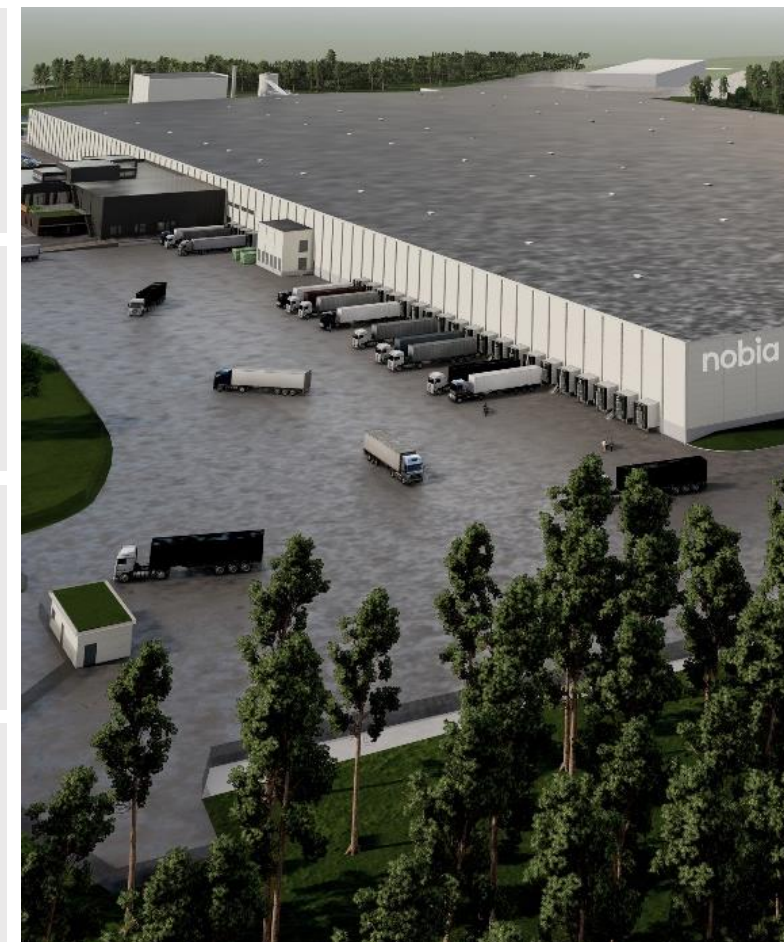


# 4 New custom-built factory a key enabler for driving growth and profitability in line with financial targets...

Enabling...

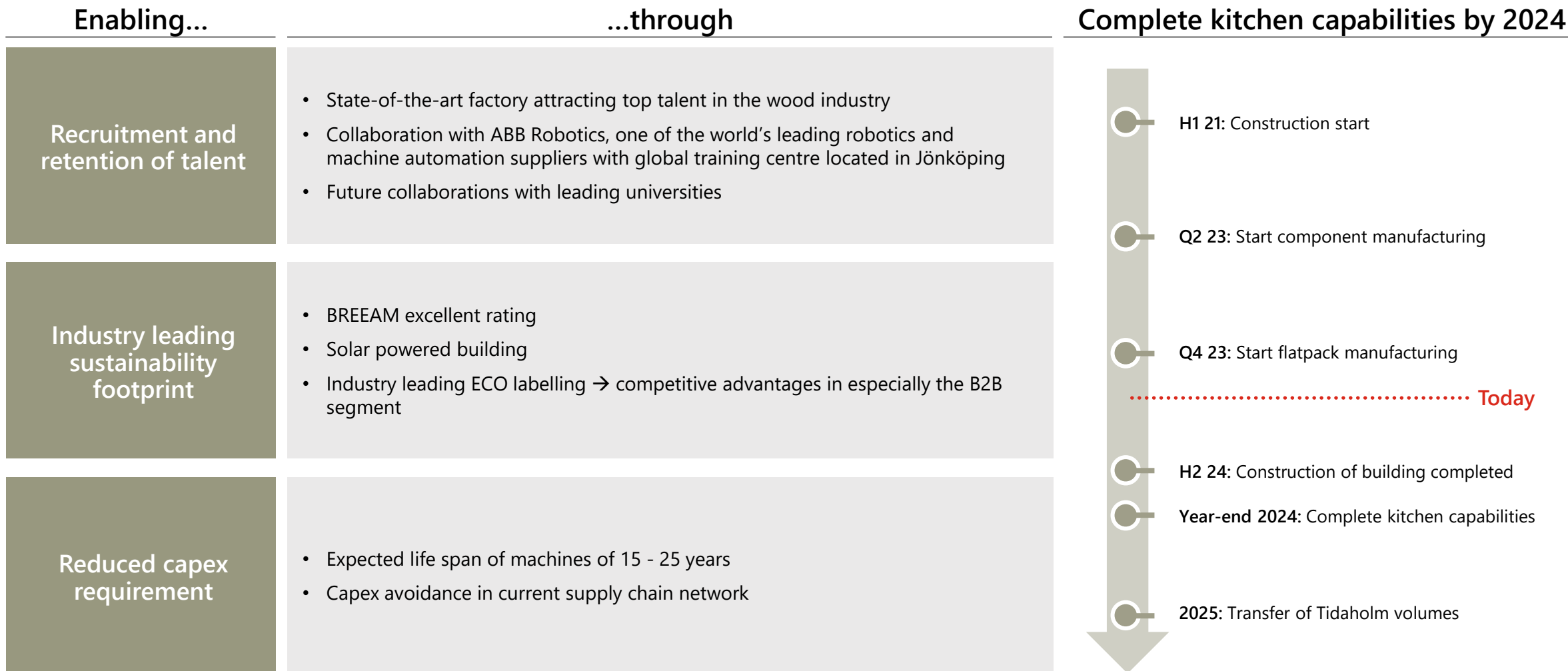
...through

<p>Organic sales growth</p>	<ul style="list-style-type: none"> <li>Increasing product customisation and quality driving market share gains and unlocking new customer segments</li> <li>Increasing max capacity from 11k to 19k cabinets per day</li> <li>Reducing lead times from ~4 weeks to ~3 days → Key advantage in B2B segment</li> </ul>
<p>Increased average order values</p>	<ul style="list-style-type: none"> <li>"Made-to-measure" and "paint-to-order" supporting premium pricing</li> <li>Stringent optic controls and advanced digital track-and-trace capability providing superior quality and service</li> <li>Enhanced internal logistics supporting a broader assortment of third-party products, leading to increased basket size</li> </ul>
<p>Significant product cost reductions</p>	<ul style="list-style-type: none"> <li>30-40% reduction in conversion cost through high level of automation</li> <li>Cabinet assembly time cut from &gt;1 minute to ~12 seconds</li> <li>Upgraded technology reduces scrap rate by ~60% (from ~8% to ~3%)</li> </ul>
<p>Further rationalisation in supply chain</p>	<ul style="list-style-type: none"> <li>Implementing a single product platform across the network leads to significant SKU reductions (K2020)<sup>1)</sup></li> <li>Enabling specialisation in remaining manufacturing units</li> <li>Consolidating to one Nobia fleet enhances distribution cost efficiency</li> </ul>



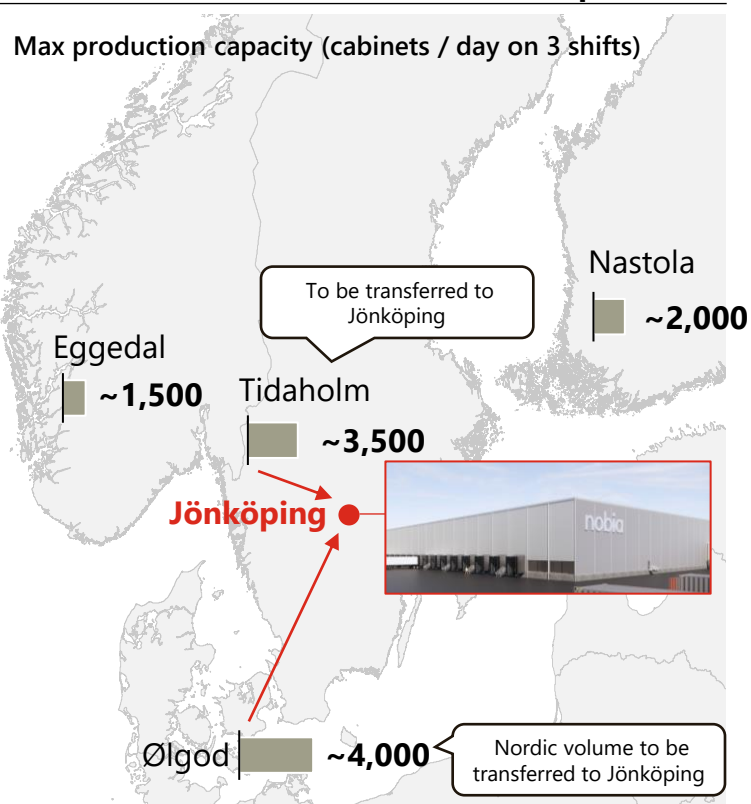
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# ...while also providing qualitative advantages including an unmatched sustainability profile

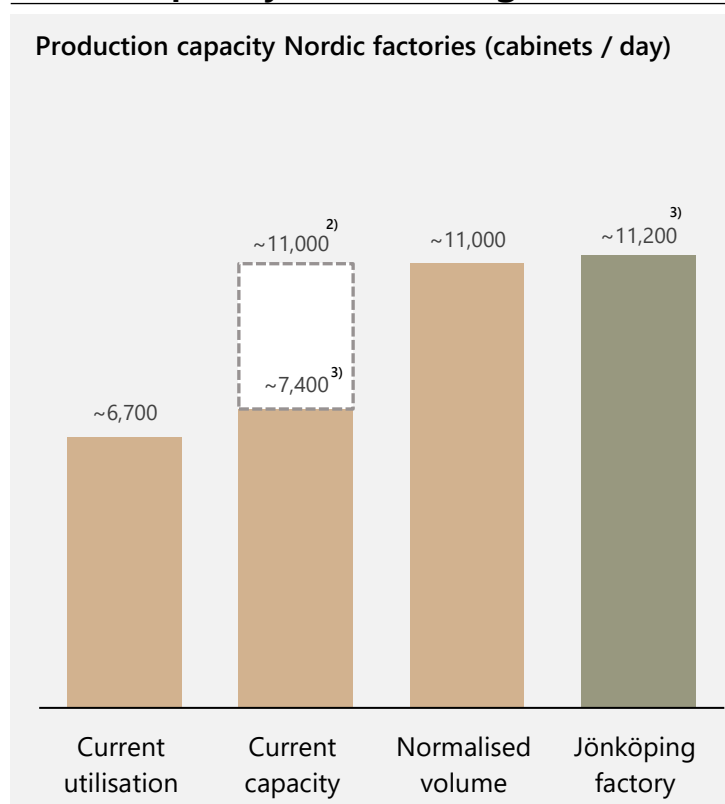


# 4 Consolidating supply network and increasing capacity

## Consolidation of Nordic footprint<sup>1)</sup>



## Capacity for future growth



## Providing key advantages

- ✓ Resilient production network with decreased fixed costs and flexibility to adjust volumes

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- ✓ Stable operations on two shifts increasing accuracy and quality

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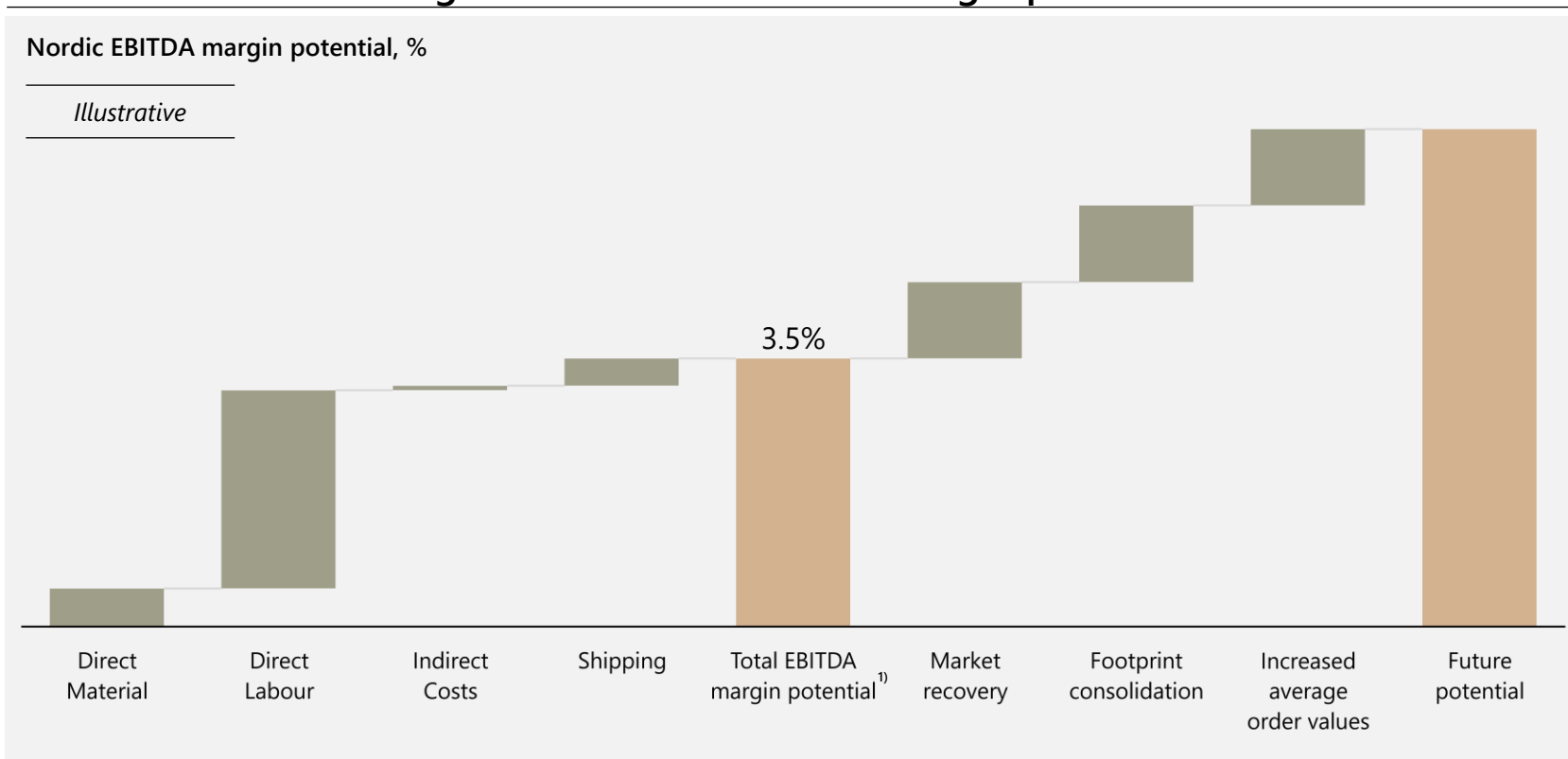
- ✓ Improved customer offering

The new factory is tailored for high-volume production of personalised kitchens

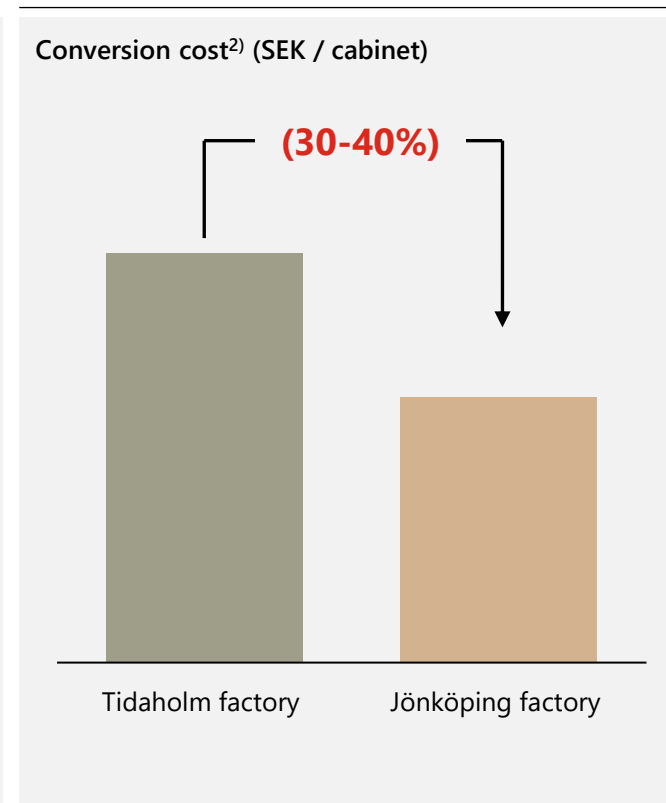
4

# Increased operational efficiency and improved offering

## Significant Nordic EBITDA margin potential



## Conversion cost effect

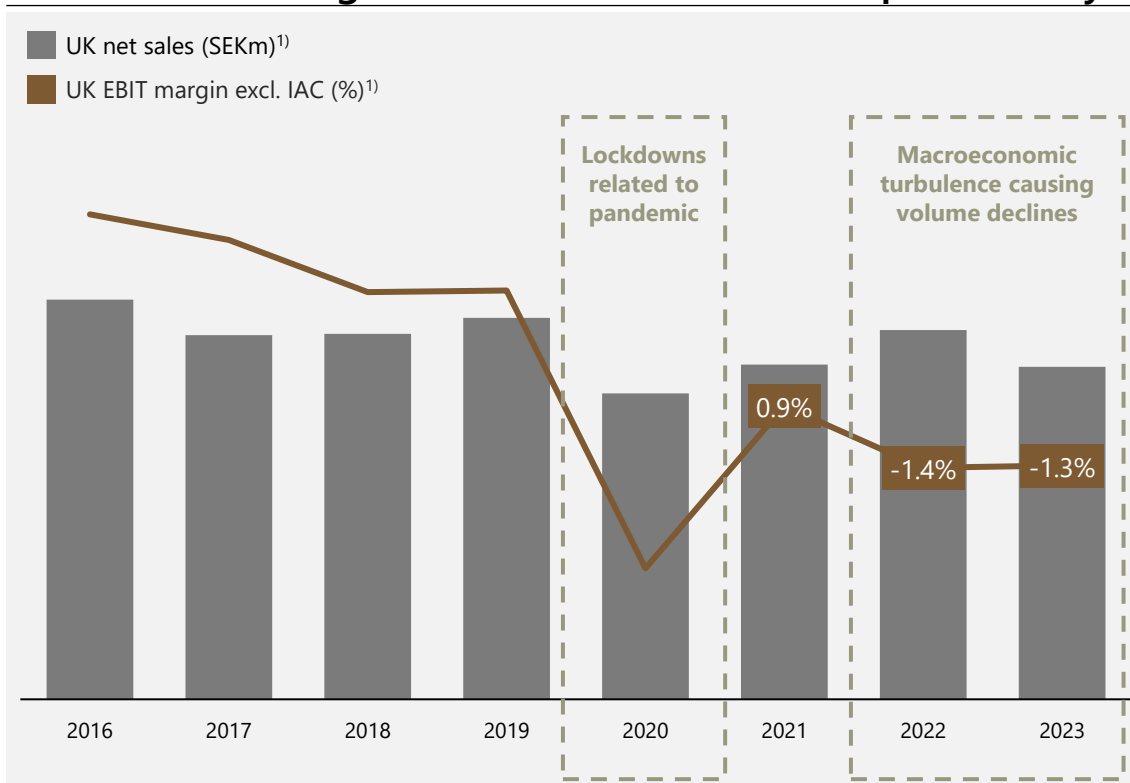


New Jönköping factory is expected to improve Nordic EBITDA margin by ~3.5 p.p.<sup>1)</sup> with additional potential upside from increased volumes, additional footprint consolidation and increased average order values

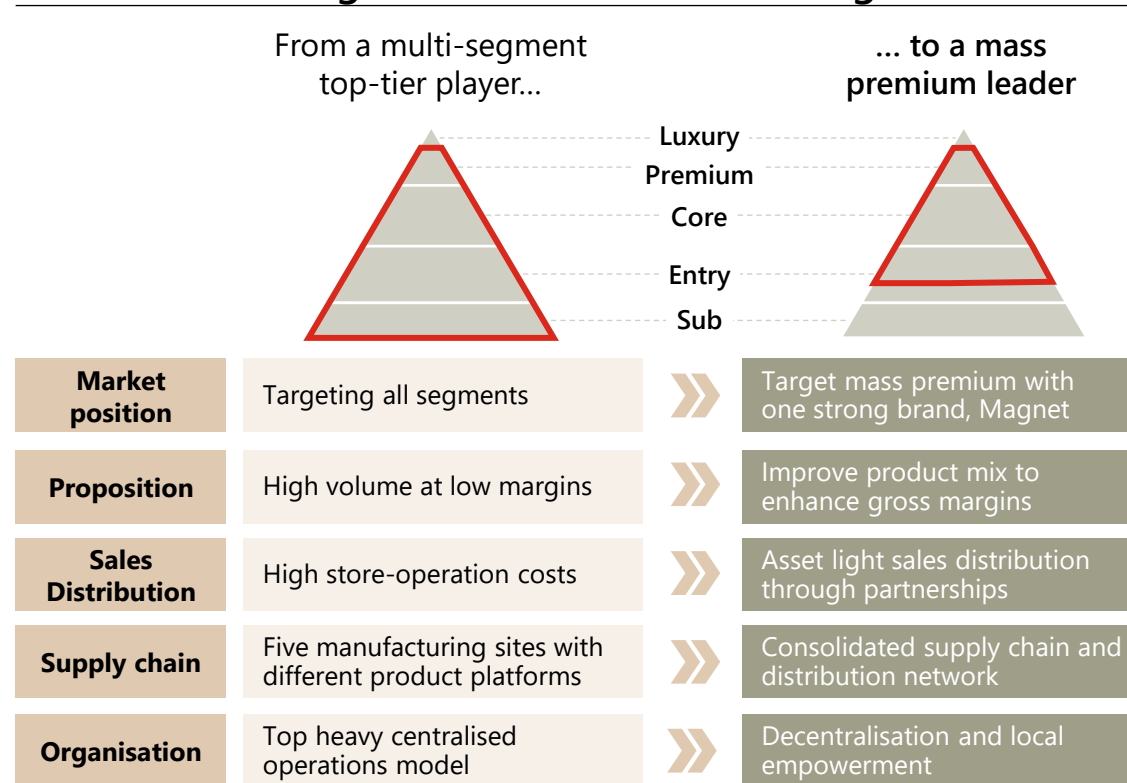


# 4 Strategic move in the UK to a focused mass premium leader

## UK business targeted to return to historical profitability



## Strategic shift for core brand Magnet



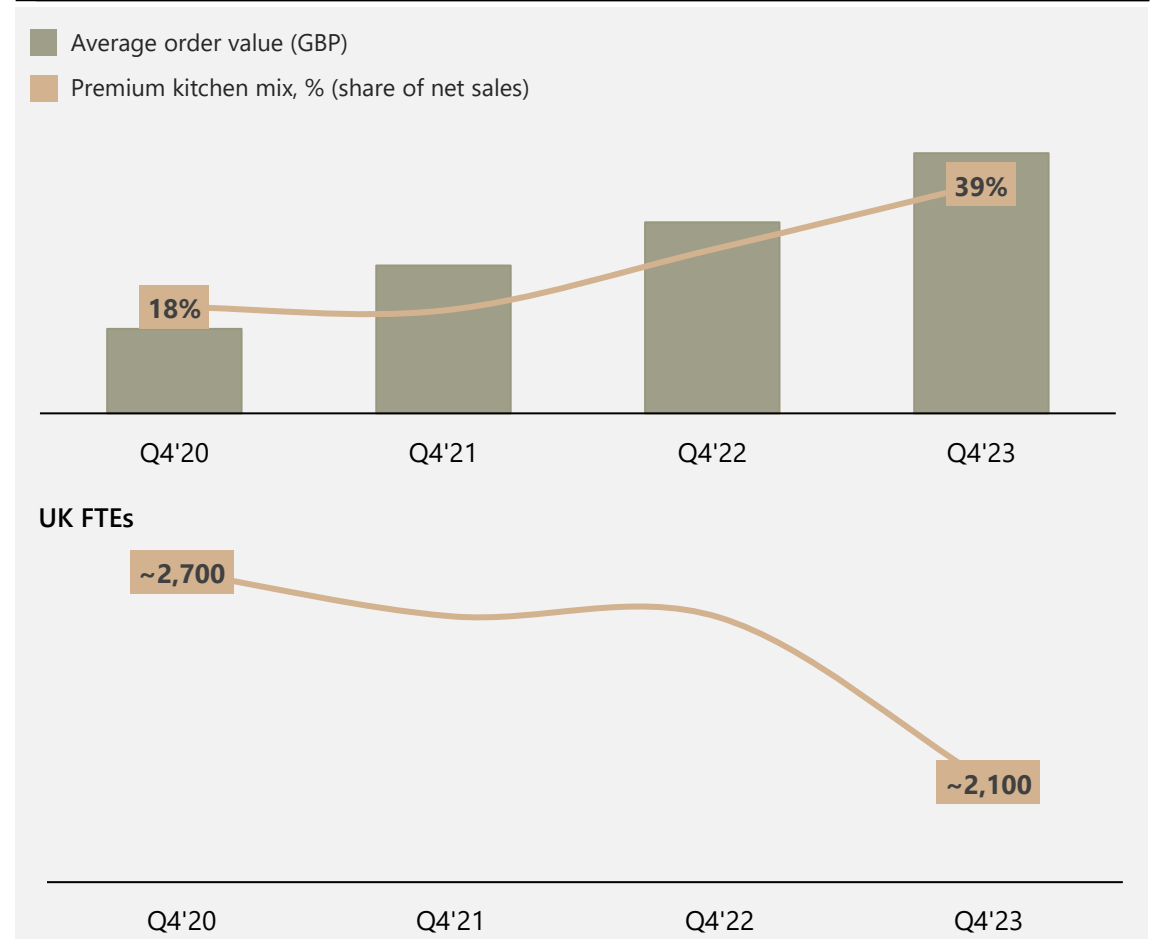
New local management team and strategy in place to restore profitability and grow market share

# 4 The UK transformation is underway to show progress in 2024

## Key strategic actions already carried out

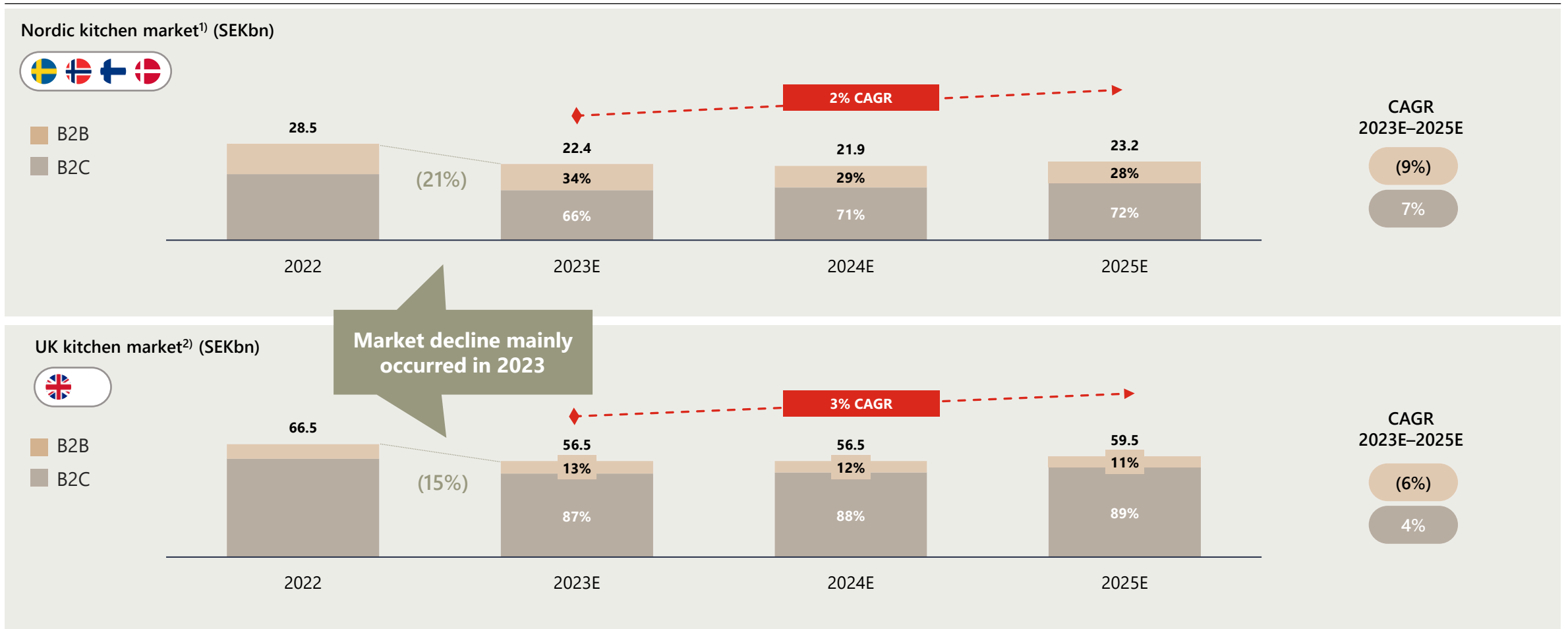
<b>1 MARKET POSITION</b> >	<ul style="list-style-type: none"> <li>• Exit of unprofitable business, mainly in social housing</li> <li>• Discontinued low-end kitchen ranges</li> </ul>
<b>2 PROPOSITION</b> >	<ul style="list-style-type: none"> <li>• Launch of premium kitchen ranges, paint to order and new supplier partnerships in the premium space</li> <li>• Improved product design recognition through influencers and across digital platforms</li> </ul>
<b>3 SALES DISTRIBUTION</b> >	<ul style="list-style-type: none"> <li>• Asset light sales distribution model through partnerships, shop in shop solutions and franchising</li> <li>• Closure of unprofitable stores in non-affluent areas</li> </ul>
<b>4 SUPPLY CHAIN</b> >	<ul style="list-style-type: none"> <li>• Closure of manufacturing sites</li> <li>• Consolidation of distribution points from ~150 to 10</li> </ul>
<b>5 ORGANISATION</b> >	<ul style="list-style-type: none"> <li>• Large cost out in 2023, downsize of central overheads</li> <li>• P/L-based commission structure for local empowerment and entrepreneurship</li> </ul>

## KPIs indicating positive effects



4

# Kitchen market expected to stabilise in 2024 and starting to recover in 2025





# 4 Structural trends to drive long-term market growth

1

## Structural undersupply of housing

### Large undersupply of housing<sup>1)</sup>

-  Undersupply of **175,000** homes
-  Undersupply of **4,300,000** homes

### Long-term targets for new build<sup>2)</sup>

-  **67,000** homes/year
-  **29,000** homes/year
-  **30,000** homes/year
-  **300,000** homes/year

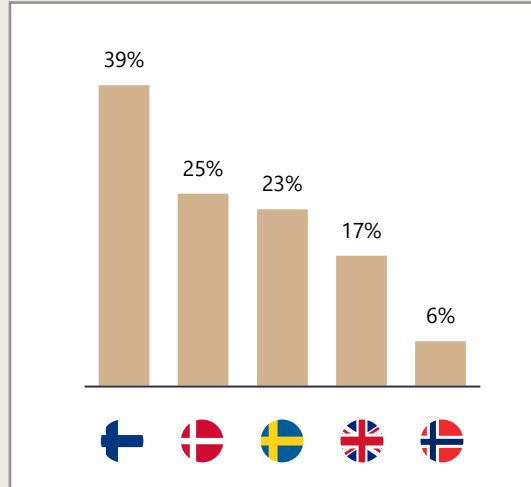
Key driver  
B2B segment



*Long term targets to cater both new demand and current undersupply*

2

## Moving activity and property transactions

### Property transactions growth 2023-25E<sup>3)</sup>



-  Increasing consumer confidence
-  Decreasing interest rates

3

## Propensity to renovate





Macroeconomic climate 

Consumer confidence 

Propensity to renovate 

4

## Value of kitchens

-  Desire for premium materials
-  Value-added features
-  Increasing personalisation and customisation
-  Kitchens being a lifestyle product

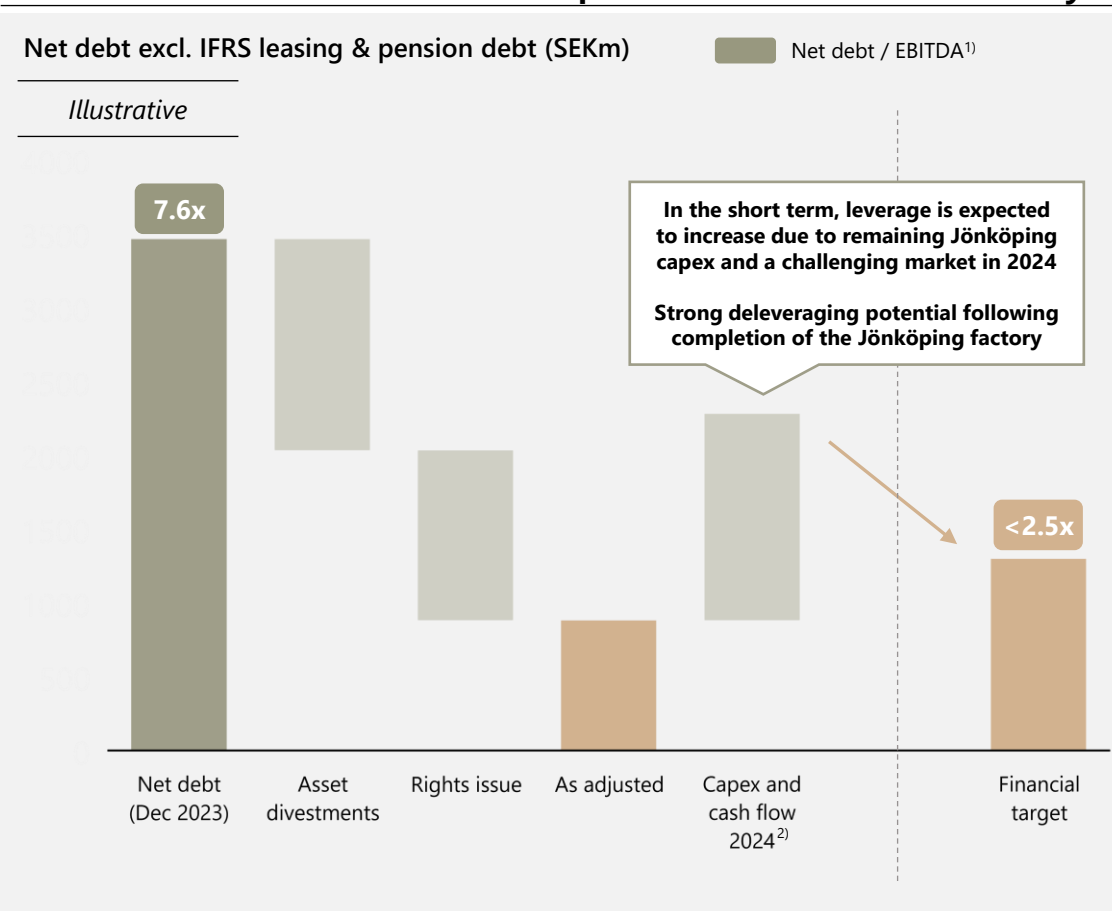


# 5 Strengthened financial position allowing completion of Jönköping investment and operational flexibility

## Fully guaranteed rights issue and re-financing

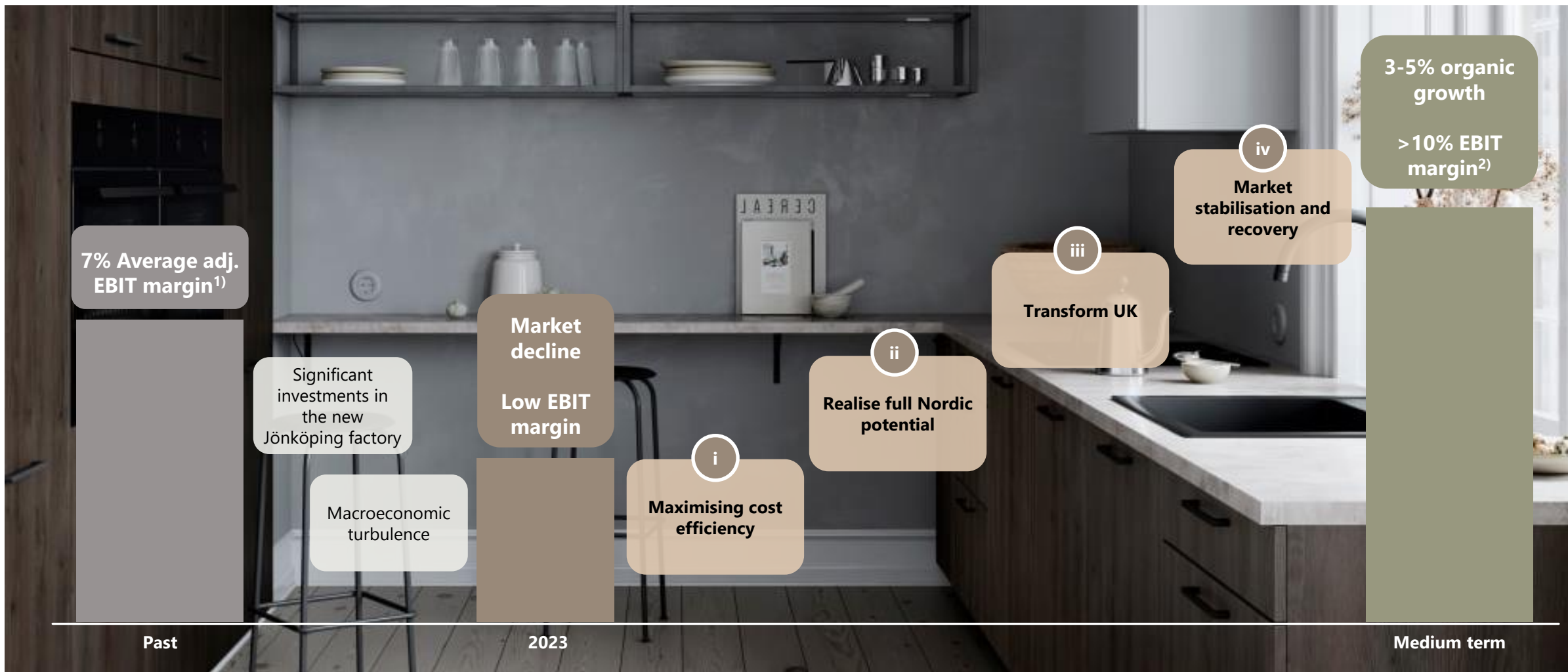
Gross proceeds	<ul style="list-style-type: none"> <li>Approximately SEK 1,250m</li> </ul>
Subscription and guarantee undertakings	<ul style="list-style-type: none"> <li>Subscription- and guarantee undertakings covering 100% of the issue from the three largest shareholders (Nordstjernan AB, If Skadeförsäkring AB and the Fourth Swedish National Pension Fund)</li> </ul>
Use of proceeds	<ul style="list-style-type: none"> <li>Finance remaining investments for the Jönköping factory and to strengthen the balance sheet allowing for operational and financial flexibility</li> </ul>
Refinancing of senior facilities	<ul style="list-style-type: none"> <li>Amendment and extension of current SEK 5bn revolving credit facilities, which will be partly repaid, and reduced to SEK 3,450m</li> <li>The remaining facilities will be extended to June 2027</li> </ul>
Indicative timeline	<ul style="list-style-type: none"> <li>Publication of terms: On or about 20 March 2024</li> <li>EGM: On or about 26 March 2024</li> <li>Publication of prospectus: On or about 2 April 2024</li> <li>Subscription period: 3 April – 17 April 2024</li> </ul>

## Material debt reduction to provide financial flexibility

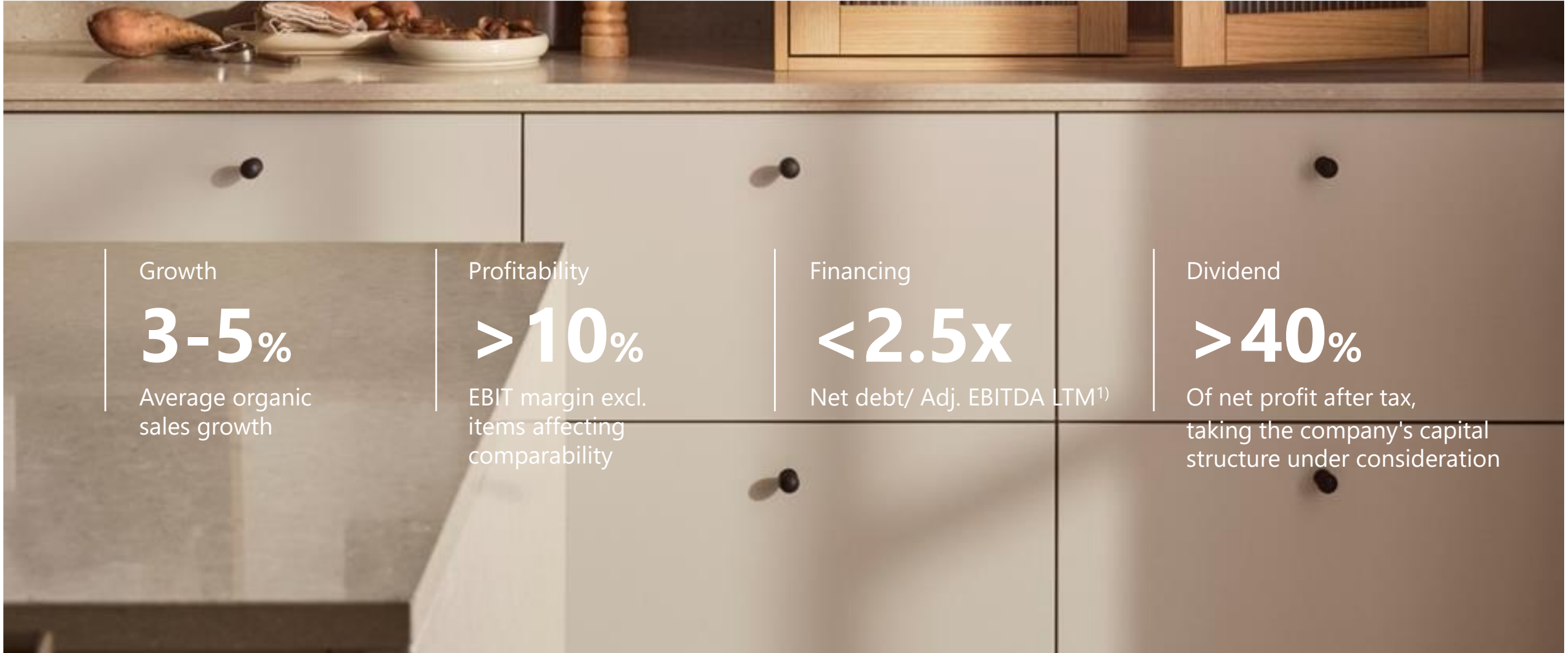


Notes: 1) Calculated excluding IFRS 16 Leasing, pension debt and items affecting comparability. 2) Company estimate that is subject to considerable uncertainty and based upon a number of assumptions relating to, among others, the development of the Company's industry, business, results of operations and financial condition. The company's business, results of operations and financial condition, and the development of the industry and the macroeconomic environment in which the Company operates, may differ materially from, and be more negative than, those assumed by the Company's when preparing the estimate. As a result, the Company's estimate is subject to uncertainties and contingencies, some of which are beyond its control, and no assurance can be given that the Company will be able to reach this estimate or that the Company's financial condition or results of operations will not be materially different from this. Source: Company information.

# 5 Clear strategic initiatives to drive profitable growth



## 5 Medium term financial targets maintained



# Key investment highlights



**nobia**

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# nobia

Designing Kitchens for Life

