



## Interim report January – June 2020

### Second quarter 2020

- Net sales for the second quarter amounted to SEK 2,741 m (3,751).
- Organic growth was -25% (-1).
- Operating profit amounted to SEK -43m (391), corresponding to an operating margin of -1.6% (10.4).
- Operating profit was impacted by restructuring costs of SEK -93m and IFRS9 bad debt provisions of SEK -15m.
- Total currency impact on Group operating profit was negative SEK 5m.
- Profit after tax amounted to SEK -56m (290), corresponding to earnings per share after dilution of SEK -0.33 (1.71).
- Operating cash flow increased to SEK 716m (244) and net debt, excluding IFRS16 lease liabilities and pensions, declined to SEK 231m (1,221).

### Nobia Group summary

	Q2		Ch.	Jan - Jun		Ch.	Jan - Dec	12 months	Ch.
	2019	2020	%	2019	2020	%	2019	rolling	%
Net sales, SEK m	3,751	2,741	-27	7,220	6,186	-14	13,930	12,896	-7
Gross margin, %	39.1	31.6	-	38.5	34.6	-	38.1	36.2	-
Operating margin before depreciation/impairment (EBITDA), %	16.0	7.0	-	14.8	8.8	-	14.1	11.2	-
Operating profit (EBIT), SEK m	391	-43	-111	651	91	-86	1,132	572	-49
Operating margin, %	10.4	-1.6	-	9.0	1.5	-	8.1	4.4	-
Profit after financial items, SEK m	374	-72	-119	610	41	-93	1,039	470	-55
Profit/loss after tax, SEK m	290	-56	-119	473	32	-93	810	369	-54
Earnings/loss per share, before dilution, SEK	1.72	-0.33	-119	2.80	0.19	-93	4.80	2.19	-54
Earnings/loss per share, after dilution, SEK	1.71	-0.33	-119	2.80	0.19	-93	4.79	2.18	-54
Operating cash flow, SEK m	244	716	193	485	928	91	1,179	1,622	38

## Comments from the President and CEO

It has been a challenging quarter in unprecedented times. We came from a situation with relatively good demand and orderbook in March, to an escalating corona pandemic with national lockdowns, closure of factories and distribution etc., preventing us from operating in a normal manner. I will take this opportunity to thank all Nobia employees for the contributions made during this turbulent period. I am impressed with how quickly everyone acted to take control of the new situation with safety first in mind, adjusting the business when needed and taking operations and business digital, while at the same time keeping focus on cashflow and liquidity.

Even though our operations are normalizing, the pandemic still has a large negative impact on the Global economy, and we need to continue with measures to safeguard the health of our employees, customers and partners. On a positive note, demand for home renovation, and thus also the demand for kitchens, has gradually improved after the steep decline in April, giving us the opportunity to allocate more resources to sales again. By mid-June we had reopened most of our physical stores and further strengthened our digital sales capabilities to better service consumers online.

Despite an organic sales decline of 25% for the Group, driven by an unprecedented 56% drop in the UK on the back of the business restrictions, we successfully delivered a strong cash flow and strengthened our financial position. The Nordic region delivered a stable result despite the challenging environment, with sales almost on par with last year and an operating margin of 13.0 percent (14.7). Operating income for the Group excl. one-time items declined to SEK 50m (391). Cash flow increased to SEK 716m (244) taking down net debt excluding pensions and leases to SEK 231m (1,221).

At the same time as we have managed the consequences of the pandemic, we have continued to plan ahead and to execute on our strategy. To enable investments and collaboration across our strong brands and provide a stronger platform for business decisions, we carried out organisational changes in the quarter by decentralising central functions and regionalising local functions. In addition, we are taking further measures to increase efficiency in the UK, which will impact around 240 employees across the UK store network and supply chain. Earnings for the second quarter 2020 were charged with one-time costs of SEK 93m relating to these measures.

Although our operations are normalizing, we foresee that the short-term performance will continue to be impacted by the global recession, albeit not to the same extent as during the second quarter. Having said that, I am certain that the structural measures we have put in place, the continued execution on our strategic priorities and the strong balance sheet will provide solid financials and opportunities both short- and long term.

President and CEO,  
*Jon Sintorn*



## Second quarter, consolidated

### Market overview

All markets in which Nobia operates have been affected by the various government-imposed restrictions to fight the spread of coronavirus during the first half of the year. Restrictions have prevented markets from functioning normally as the temporary closure of manufacturing sites, points of sales and housing development projects has negatively impacted kitchen sales. By end of June many restrictions have been eased. Interest in home refurbishing has however increased during the corona pandemic

### Net sales, earnings and cash flow

The Group's net sales decreased to SEK 2,741m (3,751), negatively impacted by currency effects of SEK 58m and an organic decline of SEK 952m or 25% (-1) mainly due to corona pandemic-driven impact in the U.K. and Central Europe.

The gross margin declined to 31.6% (39.1) and gross profit was SEK 866m (1,465). Gross margin was impacted by under absorption on the back of lower volumes and restructuring charges. Operating profit declined to SEK -43m (391). Excluding onetime restructuring charges of SEK -93m and IFRS9 bad debt provisions of SEK -15m operating profit was SEK 65m. Changes in exchange rates impacted negatively by approx. SEK 5m.

The decline in earnings is mainly explained by the sharp drop in sales mainly in the U.K. which was in corona lock-down for a large part of the second quarter, and restructuring costs. Earnings were positively impacted by cost reduction measures and furlough subsidies. The furlough subsidies amounted to SEK 124m and are recorded under operating income/expenses.

Operating cash flow improved to SEK 716m (244) mainly driven by governmental subsidies, reduction of the account receivable balance and the strict measures to protect cash flow during the Corona pandemic.

### Analysis of net sales

	Q2	
	%	SEK m
<b>2019</b>		<b>3,751</b>
Organic growth	-25	-952
–of which Nordic region	-2	-31
–of which UK region	-56	-866
–of which Central Europe region	-16	-55
Currency effects	-2	-58
<b>2020</b>	<b>-27</b>	<b>2,741</b>

### Currency effect on operating profit

SEKm	Q2		
	Translation effect	Transaction effect	Total effect
Nordic region	0	-5	-5
UK region	0	0	0
CE region	0	0	0
<b>Group</b>	<b>0</b>	<b>-5</b>	<b>-5</b>

### Store development

	Q2
Newly opened/closed, net	-1
Number of own stores	231

### Net sales and profit by region

SEKm	Nordic		UK		Central Europe		Group-wide and eliminations		Group		Ch. %
	Q2		Q2		Q2		Q2		Q2		
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	
<b>Net sales from external customers</b>	<b>1,870</b>	<b>1,804</b>	<b>1,535</b>	<b>645</b>	<b>346</b>	<b>292</b>	–	–	<b>3,751</b>	<b>2,741</b>	<b>-27</b>
Net sales from other regions	0	0	–	–	0	0	0	0	–	–	–
<b>Net sales</b>	<b>1,870</b>	<b>1,804</b>	<b>1,535</b>	<b>645</b>	<b>346</b>	<b>292</b>	<b>0</b>	<b>0</b>	<b>3,751</b>	<b>2,741</b>	<b>-27</b>
Gross profit	732	669	610	94	108	82	15	21	1,465	866	-41
Gross margin, %	39.1	37.1	39.7	14.6	31.2	28.1	–	–	39.1	31.6	–
<b>Operating profit/loss</b>	<b>275</b>	<b>234</b>	<b>127</b>	<b>-239</b>	<b>32</b>	<b>25</b>	<b>-43</b>	<b>-63</b>	<b>391</b>	<b>-43</b>	<b>-111</b>
Operating margin, %	14.7	13.0	8.3	-37.1	9.2	8.6	–	–	10.4	-1.6	–

## Second quarter, the regions

### Nordic region

Despite various restrictive government measures in the Nordic countries to stop the spread of coronavirus, the Group was able to keep manufacturing sites and stores open, however with protective social distancing measures. Construction sites also remained open but activity levels were somewhat lower than before the pandemic.

Net sales in the Nordic region decreased to SEK 1,804m (1,870). Organic growth was -2% (-1), but up 1% if adjusted for the impact from transforming own stores to franchise stores. Sales continued to grow in Denmark driven by the project segment, while sales were lower in Finland, Norway and Sweden.

The gross margin amounted to 37.1% (39.1). Operating profit decreased to SEK 234m (275), including one-time restructuring costs and IFRS9 bad debt provisions of SEK -24m. An unfavourable volume impact was partly offset by higher average selling prices and cost reduction measures. Changes in exchange rates impacted operating income by SEK -40m. The operating margin declined to 13.0% (14.7).

#### Nordic region



### UK region

By end of March the UK government imposed restrictive measures to fight the spread of coronavirus. Since then Nobia's manufacturing operations and kitchen stores remained closed before gradually opening up again from the end of May. Consequently, sales were very limited during this period as the restrictions prevented selling and manufacturing. The majority of the UK employees were temporarily laid off (furloughed) during the lockdown.

Net sales in the UK declined to SEK 645m (1,535). The organic decline was 56% (-1).

The gross margin decreased to 14.6% (39.7) and the operating income margin declined to -37.1% (8.3) mainly as a result of the dramatic volume decline. Operating profit decreased to SEK -239m (127). Operating profit was charged with SEK -57m for onetime restructuring costs, related to efficiency measures impacting some 240 employees in the store network and supply chain, and IFRS9 bad debt provisions. Furlough subsidies and cost reductions had a positive impact.

#### UK region



### Central Europe region

Operations in Austria were closed from mid-March to the end of April, following government restrictions to fight the spread of coronavirus. Operations in the Netherlands, which mainly are project sales to construction companies and social housing, were impacted by corona-restrictions making it more difficult to install kitchens.

Net sales in the Central Europe region amounted to SEK 292m (346). Organic growth was -16% (-9), with declines in both the Netherlands and Austria.

The gross margin was 28.1% (31.2) and the operating margin amounted to 8.6% (9.2). Higher average selling prices and lower cost in general were offset by the impact of the lower sales volume. Operating profit declined to SEK 25m (32).

#### Central Europe region



## January - June, consolidated

### January - June 2020

- Net sales for the first six months totalled SEK 6,186m (7,220).
- Operating profit amounted to SEK 91m (651), corresponding to an operating margin of 1.5% (9.0), including onetime restructuring costs and IFRS9 bad debt provisions of SEK -108m
- Changes in exchange rates impacted operating profit negatively by SEK 40m.
- Profit after tax amounted to SEK 32m (473), corresponding to earnings per share after dilution of SEK 0.19 (2.80).
- Operating cash flow increased to SEK 928m (485) and net debt, excluding IFRS16 lease liabilities and pensions, declined to SEK 231m (1,221).

### Net sales, earnings and cash flow

Net sales for the first half-year decreased by 14% to SEK 6,186m (7,220). The organic decline was -14% (-1) primarily driven by the decline in the U.K. and Austria.

The gross margin decreased to 34.6% (38.5) and the operating margin declined to 1.5% (9.0) mainly due to the large sales volume decline. Operating profit decreased to SEK 91m (651), including onetime restructuring charges and IFRS9 bad debt provisions totalling SEK -108m. Changes in exchange rates impacted negatively by SEK 35m. Higher average sales prices, cost reductions and furlough subsidies impacted positively.

Operating cash flow improved to SEK 928m (485) mainly driven by governmental subsidies, reduction of the account receivable balance and the strict measures to protect cash flow during the corona pandemic.

### Analysis of net sales

	Jan - Jun	
	%	SEK m
<b>2019</b>		<b>7,220</b>
Organic growth	-14	-1,037
–of which Nordic region	-1	-20
–of which UK region	-32	-959
–of which Central Europe region	-9	-58
Currency effects	0	3
<b>2020</b>	<b>-14</b>	<b>6,186</b>

### Currency effect on operating profit

SEK m	Jan - Jun		
	Translation effect	Transaction effect	Total effect
Nordic region	0	-45	-45
UK region	0	5	5
CE region	0	0	0
<b>Group</b>	<b>0</b>	<b>-40</b>	<b>-40</b>

### Store development

	Jan - Jun
Newly opened/closed, net	-2
Number of own stores	231

### Net sales and profit by region

	Nordic		UK		Central Europe		Group-wide & eliminations		Group		Ch. %
	Jan - Jun		Jan - Jun		Jan - Jun		Jan - Jun		Jan - Jun		
	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	
<b>Net sales from external customers</b>	<b>3,594</b>	<b>3,543</b>	<b>2,983</b>	<b>2,050</b>	<b>643</b>	<b>593</b>	–	–	<b>7,220</b>	<b>6,186</b>	<b>-14</b>
Net sales from other regions	0	0	–	–	0	0	0	0	–	–	–
<b>Net sales</b>	<b>3,594</b>	<b>3,543</b>	<b>2,983</b>	<b>2,050</b>	<b>643</b>	<b>593</b>	<b>0</b>	<b>0</b>	<b>7,220</b>	<b>6,186</b>	<b>-14</b>
Gross profit	1,387	1,331	1,180	599	184	173	31	39	2,782	2,142	-23
Gross margin, %	38.6	37.6	39.6	29.2	28.6	29.2	–	–	38.5	34.6	–
<b>Operating profit/loss</b>	<b>489</b>	<b>432</b>	<b>200</b>	<b>-260</b>	<b>37</b>	<b>43</b>	<b>-75</b>	<b>-124</b>	<b>651</b>	<b>91</b>	<b>-86</b>
Operating margin, %	13.6	12.2	6.7	-12.7	5.8	7.3	–	–	9.0	1.5	–
Net financial items	–	–	–	–	–	–	–	–	-41	-50	-22
<b>Profit after financial items</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>610</b>	<b>41</b>	<b>-93</b>

## Other information

### Financing

Nobia has a syndicated bank loan of SEK 2,000m with two banks with maturity in 2023 and two covenants: leverage (net debt to EBITDA) and interest cover (EBITDA to net interest expenses). At the end of June 2020, SEK 1,804m of the bank loan had been utilised. Cash and cash equivalents amounted to SEK 1,565m (126).

Net debt including IFRS16 lease liabilities of SEK 2,459m (2,661) amounted to SEK 3,330m (4,407). Net debt excluding lease liabilities and pensions decreased to SEK 231m (1,221). The net debt/equity ratio decreased to 84% (115) or 22% (45) excluding IFRS16 lease liabilities.

Net financial items amounted to SEK -50m (-41). Net financial items include the net of returns on pension assets and interest expense on pension liabilities corresponding to SEK -11m (-6). The net interest amounted to SEK -39m (-35), of which SEK -25m (-29) was attributable to interest on leases.

### 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 in 2020 or 2019.

### Personnel

The number of employees on 30 June 2020 was 5,958 (6,172).

### Coronavirus and its effects on Nobia

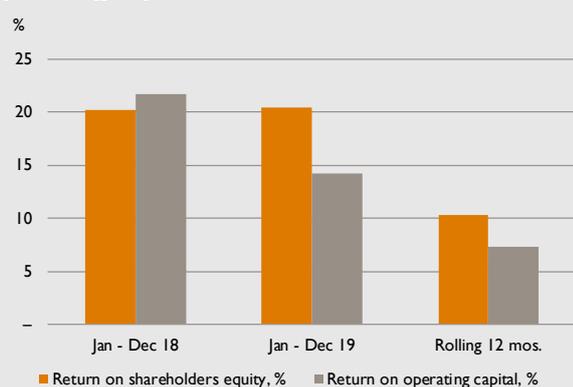
It is expected that Covid-19 will have negative impact on GDP in all the markets where Nobia is present, which could lead to higher unemployment and therefore lower demand for capital good investments like kitchens. Long term it could also hamper real estate developments which would impact Nobia's sales to the construction market.

To avoid further spread of the virus and mitigate negative effects from a potential Global recession, Nobia is taking several measures to protect its employees and safeguard the long-term financial stability. These measures include, but are not limited to, strict social distancing protocols, travel restrictions, cost cutting activities, project cancellations, reduction in capital expenditures, working capital improvements and utilization of governmental backed subsidies. In addition, every Business Unit has developed specific action plans, depending on their offering, distribution channels and geographic footprint, in order to quickly adopt to national safety regulations and the fast-changing local markets in which they operate.

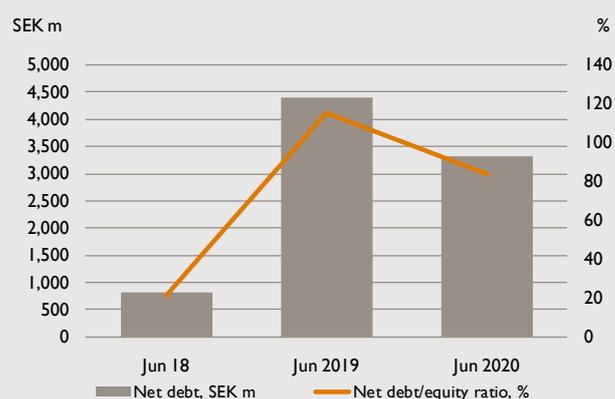
### Other significant events and activities

- Manufacturing sites and store networks gradually reopened in the UK and Austria following the easing of restrictions towards the end of Q2. Consequently, the introduced furlough programmes, backed by government subsidies, for some 2,300 employees were in place for the majority of the second quarter.
- Operations in the Nordics and the Netherlands were primarily impacted by the requirements for social distancing and more strict rules with regards to self-quarantine during illness. Sales and manufacturing have been operating with limited disruptions although certain stores in the Nordics have been temporarily closed during the quarter.
- Few orders have been cancelled as a result of the pandemic. However, due to the lock down in the UK and Austria, several orders have been moved to the second half of the year
- Due to restrictions and social distancing regulations, the demand for e-commerce and digital interaction has increased during the period. Nobia has reallocated resources towards remote selling and digital capabilities in order to capitalize on this growing demand. However, sales through the digital channel still represents a small share of total sales.

### Return on shareholders' equity and on operating capital



### Net debt and net debt/equity ratio



- Few deliveries from key suppliers have been delayed or cancelled as a result of corona. Nobia will continue to be in dialogue with key suppliers, evaluate alternative sourcing options and keep a larger safety stock of critical components to avoid disruptions in production.
- Nobia has not experienced higher overdues or customer defaults during the period but recognise that the credit risk has increased on the back of the pandemic. To mitigate the higher risk, Nobia has strengthened the cash collection process and applies a conservative valuation methodology, which results in increased provisions for eventual customer defaults in accordance with IFRS9.
- In order to avoid substantial lay-offs on the back of the sales decline, Nobia has received governmental furlough subsidies during the period, which are reflected in the Other income/expenses with total of SEK 124m (0) m for the Group, whereof UK SEK 105m (0) m, Austria SEK 13 (0) m and Sweden SEK 3 (0) m. Less than 600 employees remained on furlough at the end of June 2020, compared with around 3,000 at the end of March.
- Nobia has temporarily cut down on all non-essential capital expenditures to preserve cash during the period. All investments planned for 2020 have been re-evaluated.
- Nobia applies the amendment to IFRS16 Leases – Covid-19-Related Rent Concessions. The relief provided by the amendment means that modification calculation for rent reductions that are a direct consequence of Covid-19 do not need to be performed. No material effect regarding the rent reductions has been reported in the income statement for the period.
- Nobia has performed several internal stress tests, including impairment tests involving scenarios that the Group is potentially facing.
- Nobia's financial position and balance sheet strengthened during the quarter, with available cash and unused credit facilities approximately SEK 2.0 billion by the end of June.

### Reorganization and restructuring for increased efficiency

In line with the Nobia strategy to target growth, structural efficiency, people engagement and becoming a sustainability and design leader, the Group is making organizational changes. The new organisation, effective as of 1 September 2020, will enable stronger regional accountability, faster decision making and improved speed of execution. The new organisation will consist of three regions responsible for selling, marketing and servicing customers - the Nordic region, the UK region and the Central Europe region, and a Group-wide Product Supply function. As a result, the Nordic region will become a pan-Nordic commercial region headed by Ole Dalsbø, whereas in the past it was organised on a country basis. In the UK Peter Kane will step down after 36 years of service at Nobia and be replaced by Dan Carr as Head of Commercial Region UK on an acting basis. The

reorganization will not affect the reporting of Nobia's operating segments.

In connection with the reorganisation the UK region is implementing measures to increase efficiency which will impact around 240 employees across the UK store network and supply chain. Furthermore, in the Nordic region, Nobia will continue recent years' migration from operating own kitchen specialist stores to a franchise-based distribution model, which results in an impairment of assets.

Earnings for the second quarter 2020 have been charged with restructuring cost totalling SEK 93m, of which SEK 22m is noncash. SEK 51m relates to the UK, SEK 27m to Group-wide costs and SEK 15m to the Nordic region.

### Changes in Group Management

Following the introduction of the new organisation, group management will as of 1 September comprise Jon Sintorn (President and CEO), Kristoffer Ljungfelt (CFO and acting CIO), Dan Josefsberg (EVP Customer Experience, Marketing & Communication), Ola Carlsson (EVP Product Supply), Thomas Myringer (EVP People & Culture), Ole Dalsbø (EVP Commercial region Nordic) and Dan Carr (Acting EVP Commercial Region UK).

Cecilia Forzelius has been appointed new EVP People & Culture and will succeed Thomas Myringer as of 1 September. Cecilia most recently held the position as Chief People Officer at Transcom, and before that various HR-roles at Transcom, Skandia and Telia.

### Annual General Meeting

Nobia's Annual General Meeting 2020 (AGM) was held in Stockholm on Tuesday, 5 May. The AGM resolved to adopt all proposals, including appropriation of profits, meaning that no dividend is paid for the financial year 2019 and the election of and fees to Board members and auditors. Further information regarding decisions and proposals at the AGM is available on Nobia's website: <http://www.nobia.com/agm2020>

## Significant risks

Nobia has a model for risk management, which aims to identify, control and manage risks. The identified risks and how they are managed are reported to the Nobia Board of Directors on a regular basis.

Nobia's financing and management of financial risks is centralised within the Nobia finance function and is conducted on the basis of a finance policy established by the Board of Directors. Financial risks refer primarily to currency exchange rates, interest rates, financing, tax and credit risks. In the ordinary course of business, the Group is exposed to legal risks such as commercial, product liability and other disputes and provides for them as appropriate.

Whilst it is not possible to predict the full implications of Brexit, the Group continues to review impacts, as it is considered to be material for the Group. The demand for Nobia's products is affected by changes in the customers' investment and production levels. A general economic downturn, a widespread financial crisis and other macroeconomic disturbances may, directly or indirectly, affect the Group negatively both in terms of revenues and profitability.

The major risks to Nobia's operations due to the corona pandemic is continued or new close downs of manufacturing, continued or more severe restrictions on social distancing, and lower demand for kitchens following a potential economic downturn affecting both the buying power of retail customers and a slowdown of building and renovating projects. The extent of the impact of the Corona pandemic on Nobia's business will continue to depend on numerous evolving factors that are difficult to accurately predict. These include the duration and scope of the pandemic, economic conditions during and after the pandemic, governmental actions that have been taken, or may be taken in the future, in response to the pandemic, and changes in consumer behaviour in response to the pandemic.

For a more detailed description of Nobia's risks and uncertainties, as well as risk management, refer to pages 52-58 in the 2019 Annual Report and "Coronavirus and its effects on Nobia" on page 6 in this interim report.

The Board of Directors and CEO assure that this 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, 20 July 2020

Nora Førisdal Larssen  
*Chair*

George Adams  
*Board member*

Marlene Forsell  
*Board member*

Jan Svensson  
*Board member*

Arja Taaveniku  
*Board member*

Carsten Rasmussen  
*Board member*

Jon Sintorn  
*President & CEO*

Per Bergström  
*Employee representative*

Therese Asthede  
*Employee representative*

This interim report has not been subject for review by the Group's auditors.

Nobia AB, Corporate Registration Number 556528-2752

## Condensed consolidated income statement

SEK m	Q2		Jan - Jun		Jan - Dec	12 months
	2019	2020	2019	2020	2019	rolling
Net sales	3,751	2,741	7,220	6,186	13,930	12,896
Cost of goods sold	-2,286	-1,875	-4,438	-4,044	-8,625	-8,231
<b>Gross profit</b>	<b>1,465</b>	<b>866</b>	<b>2,782</b>	<b>2,142</b>	<b>5,305</b>	<b>4,665</b>
Selling and administrative expenses	-1,094	-1,086	-2,170	-2,226	-4,293	-4,349
Other income/expenses	20	177	39	175	120	256
<b>Operating profit</b>	<b>391</b>	<b>-43</b>	<b>651</b>	<b>91</b>	<b>1,132</b>	<b>572</b>
Net financial items	-17	-29	-41	-50	-93	-102
<b>Profit after financial items</b>	<b>374</b>	<b>-72</b>	<b>610</b>	<b>41</b>	<b>1,039</b>	<b>470</b>
Tax	-84	16	-137	-9	-229	-101
<b>Profit after tax</b>	<b>290</b>	<b>-56</b>	<b>473</b>	<b>32</b>	<b>810</b>	<b>369</b>
Total profit attributable to:						
Parent Company shareholders	290	-56	473	32	810	369
Total depreciation	-210	-215	-416	-431	-838	-853
Total impairment	-	-21	1	-21	3	-19
Gross margin, %	39.1	31.6	38.5	34.6	38.1	36.2
Operating margin, %	10.4	-1.6	9.0	1.5	8.1	4.4
Return on operating capital, %	-	-	-	-	14.2	7.3
Return on shareholders equity, %	-	-	-	-	20.4	10.3
Earnings per share before dilution, SEK	1.72	-0.33	2.80	0.19	4.80	2.19
Earnings per share after dilution, SEK	1.71	-0.33	2.80	0.19	4.79	2.18
Number of shares at period end before dilution, 000s <sup>1</sup>	168.687	168.853	168.687	168.853	168,853	168.853
Average number of shares before dilution, 000s <sup>1</sup>	168.687	168.853	168.687	168.853	168,770	168.853
Number of shares after dilution at period end, 000s <sup>1</sup>	169.068	169.290	169.068	169.257	169,328	169.287
Average number of shares after dilution, 000s <sup>1</sup>	168.800	168.961	168.744	169.053	169,044	169.072

<sup>1)</sup> Excluding treasury shares.

## Consolidated statement of comprehensive income

SEK m	Q2		Jan - Jun		Jan - Dec	12 months
	2019	2020	2019	2020	2019	rolling
Profit after tax	290	-56	473	32	810	369
<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	-55	-334	166	-191	241	-116
Cash flow hedges before tax	15	-28	1 <sup>1</sup>	24 <sup>1</sup>	-19 <sup>1</sup>	4
Tax attributable to change in hedging reserve for the period	-3	6	0 <sup>2</sup>	-5 <sup>2</sup>	4 <sup>2</sup>	-1
	<b>-43</b>	<b>-356</b>	<b>167</b>	<b>-172</b>	<b>226</b>	<b>-113</b>
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of defined benefit pension plans	20	-219	-34	-190	6	-150
Tax relating to remeasurements of defined benefit pension plans	-3	37	6	32	0	26
	<b>17</b>	<b>-182</b>	<b>-28</b>	<b>-158</b>	<b>6</b>	<b>-124</b>
<b>Other comprehensive income</b>	<b>-26</b>	<b>-538</b>	<b>139</b>	<b>-330</b>	<b>232</b>	<b>-237</b>
<b>Total comprehensive income</b>	<b>264</b>	<b>-595</b>	<b>612</b>	<b>-298</b>	<b>1,042</b>	<b>132</b>
Total comprehensive income attributable to:						
Parent Company shareholders	264	-595	612	-298	1,042	132

<sup>1)</sup> Reversal recognized in profit and loss amounts to a positive SEK 15m (neg: 3). New provision amounts to a positive SEK 10m (pos: 4). (Jan-Dec 2019: pos: 15)

<sup>2)</sup> Reversal recognized in profit and loss amounts to a negative SEK 3m (pos: 1). New provision amounts to a negative SEK 2m (neg: -1). (Jan-Dec 2019: neg: 3)

## Condensed consolidated balance sheet

SEK m	30 Jun		31 Dec
	2019	2020	2019
<b>ASSETS</b>			
Goodwill	2,983	2,933	3,042
Other intangible fixed assets	167	182	232
Tangible fixed assets	1,561	1,553	1,641
Right-of-use assets	2,742	2,485	2,549
Long-term receivables, interest-bearing (IB)	3	2	2
Long-term receivables	58	98	103
Deferred tax assets	79	94	72
<b>Total fixed assets</b>	<b>7,593</b>	<b>7,347</b>	<b>7,641</b>
Inventories	1,108	1,040	1,145
Accounts receivable	1,767	1,384	1,371
Current receivables, interest-bearing (IB)	1	7	4
Other receivables	461	385	428
<i>Total current receivables</i>	<i>2,229</i>	<i>1,776</i>	<i>1,803</i>
Cash and cash equivalents (IB)	126	1,565	257
<b>Total current assets</b>	<b>3,463</b>	<b>4,381</b>	<b>3,205</b>
<b>Total assets</b>	<b>11,056</b>	<b>11,728</b>	<b>10,846</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Share capital	57	57	57
Other capital contributions	1,493	1,501	1,497
Reserves	-4	-117	55
Profit brought forward	2,297	2,542	2,668
<i>Total shareholders' equity attributable to Parent Company shareholders</i>	<i>3,843</i>	<i>3,983</i>	<i>4,277</i>
<b>Total shareholders' equity</b>	<b>3,843</b>	<b>3,983</b>	<b>4,277</b>
Provisions for pensions (IB)	525	640	473
Other provisions	35	56	37
Deferred tax liabilities	51	54	49
Lease liabilities, interest-bearing (IB)	2,287	2,041	2,113
Other long-term liabilities, interest-bearing (IB)	1,289	1,805	1,134
Other long-term liabilities, non interest-bearing	32	1	33
<b>Total long-term liabilities</b>	<b>4,219</b>	<b>4,597</b>	<b>3,839</b>
Current lease liabilities, interest-bearing (IB)	374	418	362
Other current liabilities, interest-bearing (IB)	62	-	0
Current liabilities and provisions	2,558	2,730	2,368
<b>Total current liabilities</b>	<b>2,994</b>	<b>3,148</b>	<b>2,730</b>
<b>Total shareholders' equity and liabilities</b>	<b>11,056</b>	<b>11,728</b>	<b>10,846</b>
<b>BALANCE-SHEET RELATED KEY RATIOS</b>			
Equity/assets ratio, %	35	34	39
Debt/equity ratio, %	115	84	89
Net debt, closing balance, SEK m	4,407	3,330	3,819
Operating capital, closing balance, SEK m	8,250	7,313	8,096
Capital employed, closing balance, SEK m	8,380	8,887	8,359

## Statement of changes in consolidated shareholders' equity

SEK m	Attributable to Parent Company shareholders					Total share-holders equity
	Share capital	Other capital contributions	Exchange-rate differences attributable to translation of foreign operations	Cash-flow hedges after tax	Profit brought forward	
Opening balance, 1 January 2019	57	1,484	-173	2	2,527	3,897
Profit for the period	-	-	-	-	473	473
Other comprehensive income for the period	-	-	166	1	-28	139
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>166</b>	<b>1</b>	<b>445</b>	<b>612</b>
Dividend	-	-	-	-	-675	-675
Treasury share reissued	-	9	-	-	-	9
Allocation of share saving schemes	-	0	-	-	-	0
<b>Closing balance, 30 Jun 2019</b>	<b>57</b>	<b>1,493</b>	<b>-7</b>	<b>3</b>	<b>2,297</b>	<b>3,843</b>
Opening balance, 1 January 2020	57	1,497	68	-13	2,668	4,277
Profit for the period	-	-	-	-	32	32
Other comprehensive income/loss for the period	-	-	-191	19	-158	-330
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-191</b>	<b>19</b>	<b>-126</b>	<b>-298</b>
Allocation of share saving schemes	-	4	-	-	-	4
<b>Closing balance, 30 June 2020</b>	<b>57</b>	<b>1,501</b>	<b>-123</b>	<b>6</b>	<b>2,542</b>	<b>3,983</b>

## Condensed consolidated cash-flow statement

SEK m	Q2		Jan - Jun		Jan - Dec	12 months
	2019	2020	2019	2020	2019	rolling
<i>Operating activities</i>						
Operating profit	391	-43	651	91	1,132	572
Depreciation/Impairment	210	236	415 <sup>1</sup>	452 <sup>2</sup>	835 <sup>3</sup>	872
Adjustments for non-cash items	-8	4	2	3	29	30
Tax paid	-43	12	-143	-13	-305	-175
Change in working capital	-243	537	-304	500	-58	746
<b>Cash flow from operating activities</b>	<b>307</b>	<b>746</b>	<b>621</b>	<b>1,033</b>	<b>1,633</b>	<b>2,045</b>
<i>Investing activities</i>						
Investments in fixed assets	-57	-33	-137	-116	-465	-444
Other items in investing activities	-6	3	1	11	11	21
Interest received	1	-10	1	0	1	0
Change in interest-bearing assets	0	38	31	-3	29	-5
<b>Cash flow from investing activities</b>	<b>-62</b>	<b>-2</b>	<b>-104</b>	<b>-108</b>	<b>-424</b>	<b>-428</b>
<b>Total cashflow from operating and investing activities</b>	<b>245</b>	<b>744</b>	<b>517</b>	<b>925</b>	<b>1,209</b>	<b>1,617</b>
<i>Financing activities</i>						
Interest paid	-19	-8	-37	-35	-70	-68
Change in interest-bearing liabilities	333	-80	127 <sup>4</sup>	454 <sup>5</sup>	-386 <sup>6</sup>	-59
Treasury share reissued	9	-	9	-	9	-
Dividend	-675	-	-675	-	-675	-
<b>Cash flow from financing activities</b>	<b>-352</b>	<b>-88</b>	<b>-576</b>	<b>419</b>	<b>-1,122</b>	<b>-127</b>
<b>Cash flow for the period excluding exchange-rate differences in cash and cash equivalents</b>	<b>-107</b>	<b>656</b>	<b>-59</b>	<b>1,344</b>	<b>87</b>	<b>1,490</b>
Cash and cash equivalents at beginning of the period	222	958	128	257	128	126
Cash flow for the period	-107	656	-59	1,344	87	1,490
Exchange-rate differences in cash and cash equivalents	11	-49	57	-36	42	-51
<b>Cash and cash equivalents at period-end</b>	<b>126</b>	<b>1,565</b>	<b>126</b>	<b>1,565</b>	<b>257</b>	<b>1,565</b>

<sup>1</sup>) Reversal of impairment amounted to SEK 1m and pertained to equipment, tools, fixtures and fittings.

<sup>2</sup>) Impairments during the period amounted to SEK 21m and pertained to other intangible assets.

<sup>3</sup>) Reversal of impairment amounted to SEK 3m and pertained to equipment, tools, fixtures and fittings by SEK 1m and kitchen displays by SEK 2m.

<sup>4</sup>) No repayment or raising of loans has been done during the period. Amortisation of leasing amounted to SEK 234m.

<sup>5</sup>) Net of repayment and raising of loans amounted to SEK 671m. Amortisation of leasing amounted to SEK 205m.

<sup>6</sup>) Net of repayment and raising of loans amounted to SEK 240m. Amortisation of leasing amounted to SEK 475m.

Operating Cash flow * SEK m	Q2		Jan - Jun		Jan - Dec	12 months
	2019	2020	2019	2020	2019	rolling
Cash flow from operating activities	307	746	621	1,033	1,633	2,045
Investments in fixed assets	-57	-33	-137	-116	-465	-444
Other items in investing activities	-6	3	1	11	11	21
<b>Operating cash flow before acquisition/divestment of operations, interest, change in interest-bearing assets</b>	<b>244</b>	<b>716</b>	<b>485</b>	<b>928</b>	<b>1,179</b>	<b>1,622</b>

\* Alternative performance measure, refer to "Definitions".

## Analysis of net debt

SEK m	Q2		Jan - Jun		Jan - Dec	12 months
	2019	2020	2019	2020	2019	rolling
<b>Opening balance</b>	<b>4,019</b>	<b>3,865</b>	<b>1,266</b>	<b>3,819</b>	<b>1,266</b>	<b>4,407</b>
OB leasing liabilities new accounting principle	-	-	2,716	-	2,716	-
New leasing contracts/Closed leasing contracts in advance, net	-16	80	91	264	115	288
Translation differences	-13	-144	78	-62	155	15
Operating cash flow	-244	-716	-485	-928	-1,179	-1,622
Interest paid, net	18	18	36	35	69	68
Remeasurements of defined benefit pension plans	-20	217	34	188	-6	148
Other change in pension liabilities	-3	10	5	14	17	26
Treasury share reissued	-9	-	-9	-	-9	-
Dividend	675	-	675	-	675	-
<b>Closing balance</b>	<b>4,407</b>	<b>3,330</b>	<b>4,407</b>	<b>3,330</b>	<b>3,819</b>	<b>3,330</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 2019 Annual Report. A description of new accounting policies in their entirety is provided in the 2019 Annual Report.

## Note 2 – References

Segment information page 4.

Loan and shareholder's equity transactions, page 6.

Items affecting comparability, page 6.

Net sales by product group, page 18.

## 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 19 million (31 Dec 2019: 5) and liabilities at a value of SEK 9 million (31 Dec 2019: 24). 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 73 million (68) during the second quarter of 2020. 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	Q2		Jan - Jun		Jan - Dec	12 months
	2019	2020	2019	2020	2019	rolling
Net sales	68	73	136	151	281	296
Administrative expenses	-78	-99	-140	-227	-332	-419
Other operating income	2	3	3	5	6	8
Other operating expense	-1	-4	-2	-5	-4	-7
<b>Operating loss</b>	<b>-9</b>	<b>-27</b>	<b>-3</b>	<b>-76</b>	<b>-49</b>	<b>-122</b>
Profit from shares in Group companies	-	-	-	-	500	500
Other financial income and expenses	7	-165	85	-73	70	-88
<b>Profit/loss after financial items</b>	<b>-2</b>	<b>-192</b>	<b>82</b>	<b>-149</b>	<b>521</b>	<b>290</b>
Group contribution received	-	-	-	-	150	150
Group contribution paid	-	-	-	-	-187	-187
Tax on profit/loss for the period	0	0	0	0	0	0
<b>Profit/loss for the period</b>	<b>-2</b>	<b>-192</b>	<b>82</b>	<b>-149</b>	<b>484</b>	<b>253</b>

### Parent Company balance sheet

SEK m	30 jun		31 Dec
	2019	2020	2019
<b>ASSETS</b>			
<b>Fixed assets</b>			
Tangible fixed assets	2	30	29
Shares and participations in Group companies	1,378	1,382	1,380
Deferred tax assets	4	5	6
<b>Total fixed assets</b>	<b>1,384</b>	<b>1,417</b>	<b>1,415</b>
<b>Current assets</b>			
<i>Current receivables</i>			
Accounts receivable	5	3	1
Receivables from Group companies	2,073	2,162	2,212
Other receivables	50	31	70
Prepaid expenses and accrued income	53	109	84
Cash and cash equivalents	28	651	158
<b>Total current assets</b>	<b>2,209</b>	<b>2,956</b>	<b>2,525</b>
<b>Total assets</b>	<b>3,593</b>	<b>4,373</b>	<b>3,940</b>
<b>SHAREHOLDERS' EQUITY, PROVISIONS AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
<i>Restricted shareholders' equity</i>			
Share capital	57	57	57
Statutory reserve	1,671	1,671	1,671
	<b>1,728</b>	<b>1,728</b>	<b>1,728</b>
<i>Non-restricted shareholders' equity</i>			
Share premium reserve	52	52	52
Buy-back of shares	-92	-82	-82
Profit brought forward	821	1,311	823
Profit/loss for the period	82	-149	484
	<b>863</b>	<b>1,132</b>	<b>1,277</b>
<b>Total shareholders' equity</b>	<b>2,591</b>	<b>2,860</b>	<b>3,005</b>
<b>Long-term liabilities</b>			
Provisions for pensions	20	21	21
Deferred tax liabilities	4	5	5
Long term interest-bearing liabilities	1	21	22
<b>Total long-term liabilities</b>	<b>25</b>	<b>47</b>	<b>48</b>
<b>Current liabilities</b>			
Liabilities to credit institutes	34	-	-
Other interest-bearing liabilities	1	7	6
Accounts payable	23	31	44
Liabilities to Group companies	896	1,367	790
Current tax liabilities	0	-	0
Other liabilities	3	29	29
Accrued expenses and deferred income	20	32	18
<b>Total current liabilities</b>	<b>977</b>	<b>1,466</b>	<b>887</b>
<b>Total shareholders' equity, provisions and liabilities</b>	<b>3,593</b>	<b>4,373</b>	<b>3,940</b>

## Comparative data per region

	Q2		Jan - Jun		Jan - Dec	12 months
	2019	2020	2019	2020	2019	rolling
<b>Net sales, SEK m</b>						
Nordic	1,870	1,804	3,594	3,543	6,753	6,702
UK	1,535	645	2,983	2,050	5,902	4,969
Central Europe	346	292	643	593	1,275	1,225
Group-wide and eliminations	0	0	0	0	0	0
<b>Group</b>	<b>3,751</b>	<b>2,741</b>	<b>7,220</b>	<b>6,186</b>	<b>13,930</b>	<b>12,896</b>

	Q2		Jan - Jun		Jan - Dec	12 months
	2019	2020	2019	2020	2019	rolling
<b>Gross profit, SEK m</b>						
Nordic	732	669	1,387	1,331	2,567	2,511
UK	610	94	1,180	599	2,282	1,701
Central Europe	108	82	184	173	394	383
Group-wide and eliminations	15	21	31	39	62	70
<b>Group</b>	<b>1,465</b>	<b>866</b>	<b>2,782</b>	<b>2,142</b>	<b>5,305</b>	<b>4,665</b>

	Q2		Jan - Jun		Jan - Dec	12 months
	2019	2020	2019	2020	2019	rolling
<b>Gross margin, %</b>						
Nordic	39.1	37.1	38.6	37.6	38.0	37.5
UK	39.7	14.6	39.6	29.2	38.7	34.2
Central Europe	31.2	28.1	28.6	29.2	30.9	31.3
<b>Group</b>	<b>39.1</b>	<b>31.6</b>	<b>38.5</b>	<b>34.6</b>	<b>38.1</b>	<b>36.2</b>

	Q2		Jan - Jun		Jan - Dec	12 months
	2019	2020	2019	2020	2019	rolling
<b>Operating profit, SEK m</b>						
Nordic	275	234	489	432	886	829
UK	127	-239	200	-260	345	-115
Central Europe	32	25	37	43	98	104
Group-wide and eliminations	-43	-63	-75	-124	-197	-246
<b>Group</b>	<b>391</b>	<b>-43</b>	<b>651</b>	<b>91</b>	<b>1,132</b>	<b>572</b>

	Q2		Jan - Jun		Jan - Dec	12 months
	2019	2020	2019	2020	2019	rolling
<b>Operating margin, %</b>						
Nordic	14.7	13.0	13.6	12.2	13.1	12.4
UK	8.3	-37.1	6.7	-12.7	5.8	-2.3
Central Europe	9.2	8.6	5.8	7.3	7.7	8.5
<b>Group</b>	<b>10.4</b>	<b>-1.6</b>	<b>9.0</b>	<b>1.5</b>	<b>8.1</b>	<b>4.4</b>

## Quarterly data per region

Net sales, SEK m	2019				2020	
	Q1	Q2	Q3	Q4	Q1	Q2
Nordic	1,724	1,870	1,501	1,658	1,739	1,804
UK	1,448	1,535	1,464	1,455	1,405	645
Central Europe	297	346	300	332	301	292
Group-wide and eliminations	0	0	0	0	0	0
<b>Group</b>	<b>3,469</b>	<b>3,751</b>	<b>3,265</b>	<b>3,445</b>	<b>3,445</b>	<b>2,741</b>

Gross profit, SEK m	2019				2020	
	Q1	Q2	Q3	Q4	Q1	Q2
Nordic	655	732	562	618	662	669
UK	570	610	548	554	505	94
Central Europe	76	108	103	107	91	82
Group-wide and eliminations	16	15	15	16	18	21
<b>Group</b>	<b>1,317</b>	<b>1,465</b>	<b>1,228</b>	<b>1,295</b>	<b>1,276</b>	<b>866</b>

Gross margin, %	2019				2020	
	Q1	Q2	Q3	Q4	Q1	Q2
Nordic	38.0	39.1	37.4	37.3	38.1	37.1
UK	39.4	39.7	37.4	38.1	35.9	14.6
Central Europe	25.6	31.2	34.3	32.2	30.2	28.1
<b>Group</b>	<b>38.0</b>	<b>39.1</b>	<b>37.6</b>	<b>37.6</b>	<b>37.0</b>	<b>31.6</b>

Operating profit, SEK m	2019				2020	
	Q1	Q2	Q3	Q4	Q1	Q2
Nordic	214	275	193	204	198	234
UK	73	127	88	57	-21	-239
Central Europe	5	32	28	33	18	25
Group-wide and eliminations	-32	-43	-42	-80	-61	-63
<b>Group</b>	<b>260</b>	<b>391</b>	<b>267</b>	<b>214</b>	<b>134</b>	<b>-43</b>

Operating margin, %	2019				2020	
	Q1	Q2	Q3	Q4	Q1	Q2
Nordic	12.4	14.7	12.9	12.3	11.4	13.0
UK	5.0	8.3	6.0	3.9	-1.5	-37.1
Central Europe	1.7	9.2	9.3	9.9	6.0	8.6
<b>Group</b>	<b>7.5</b>	<b>10.4</b>	<b>8.2</b>	<b>6.2</b>	<b>3.9</b>	<b>-1.6</b>

## Operating capital per region

	30 Jun		31 Dec
	2019	2020	2019
<b>Operating capital Nordic region, SEK m</b>			
Operating assets	3,564	3,440	3,212
Operating liabilities	1,293	1,581	1,298
<b>Operating capital</b>	<b>2,271</b>	<b>1,859</b>	<b>1,914</b>

	30 Jun		31 Dec
	2019	2020	2019
<b>Operating capital UK region, SEK m</b>			
Operating assets	4,371	3,686	4,283
Operating liabilities	997	948	881
<b>Operating capital</b>	<b>3,374</b>	<b>2,738</b>	<b>3,402</b>

	30 Jun		31 Dec
	2019	2020	2019
<b>Operating capital Central Europe region, SEK m</b>			
Operating assets	636	628	595
Operating liabilities	193	204	172
<b>Operating capital</b>	<b>443</b>	<b>424</b>	<b>423</b>

	30 Jun		31 Dec
	2019	2020	2019
<b>Operating capital Group-wide and eliminations, SEK m</b>			
Operating assets	2,355	2,398	2,493
Operating liabilities	193	106	136
<b>Operating capital</b>	<b>2,162</b>	<b>2,292</b>	<b>2,357</b>

	30 Jun		31 Dec
	2019	2020	2019
<b>Operating capital, SEK m</b>			
Operating assets	10,926	10,152	10,583
Operating liabilities	2,676	2,839	2,487
<b>Operating capital</b>	<b>8,250</b>	<b>7,313</b>	<b>8,096</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 24-25.

<b>Analysis of external net sales Nordic Region</b>	Q2		Jan - Jun	
	%	SEK m	%	SEK m
2019		1,870		3,594
Organic growth	-2	-31	-1	-20
Currency effects	-2	-35	-1	-31
2020	-4	1,804	-1	3,543

<b>Analysis of external net sales UK Region</b>	Q2		Jan - Jun	
	%	SEK m	%	SEK m
2019		1,535		2,983
Organic growth	-56	-866	-32	-959
Currency effects	-2	-24	1	26
2020	-58	645	-31	2,050

<b>Analysis of external net sales Central Europe Region</b>	Q2		Jan - Jun	
	%	SEK m	%	SEK m
2019		346		643
Organic growth	-16	-55	-9	-58
Currency effects	0	1	1	8
2020	-16	292	-8	593

<b>Operating profit before depreciation and impairment (EBITDA), SEK m</b>	Q2		Jan - Jun		Jan - Dec	12 months
	2019	2020	2019	2020	2019	rolling
Operating profit	391	-43	651	91	1,132	572
Depreciation and impairment	210	236	415	452	835	872
<b>Operating profit before depreciation and impairment (EBITDA)</b>	<b>601</b>	<b>193</b>	<b>1,066</b>	<b>543</b>	<b>1,967</b>	<b>1,444</b>
Net Sales	3,751	2,741	7,220	6,186	13,930	12,896
<b>% of sales</b>	<b>16.0%</b>	<b>7.0%</b>	<b>14.8%</b>	<b>8.8%</b>	<b>14.1%</b>	<b>11.2%</b>

## Reconciliation of alternative performance measures, cont.

	30 Jun		31 Dec
	2019	2020	2019
<b>Net debt, SEK m</b>			
Provisions for pensions (IB)	525	640	473
Other long-term liabilities, interest-bearing (IB)	3,576	3,846	3,247
Current liabilities, interest-bearing (IB)	436	418	362
<b>Interest-bearing liabilities</b>	<b>4,537</b>	<b>4,904</b>	<b>4,082</b>
Long-term receivables, interest-bearing (IB)	-3	-2	-2
Current receivables, interest-bearing (IB)	-1	-7	-4
Cash and cash equivalents (IB)	-126	-1,565	-257
<b>Interest-bearing assets</b>	<b>-130</b>	<b>-1,574</b>	<b>-263</b>
<b>Net debt</b>	<b>4,407</b>	<b>3,330</b>	<b>3,819</b>

	30 Jun		31 Dec
	2019	2020	2019
<b>Operating capital, SEK m</b>			
<b>Total assets</b>	<b>11,056</b>	<b>11,728</b>	<b>10,846</b>
Other provisions	-35	-56	-37
Deferred tax liabilities	-51	-54	-49
Other long-term liabilities, non interest-bearing	-32	-1	-33
Current liabilities, non interest-bearing	-2,558	-2,730	-2,368
<b>Non-interest-bearing liabilities</b>	<b>-2,676</b>	<b>-2,841</b>	<b>-2,487</b>
<b>Capital employed</b>	<b>8,380</b>	<b>8,887</b>	<b>8,359</b>
Interest-bearing assets	-130	-1,574	-263
<b>Operating capital</b>	<b>8,250</b>	<b>7,313</b>	<b>8,096</b>

	Jan - Dec	12 months
	2019	rolling
<b>Average operating capital, SEK m</b>		
OB Operating capital	5,163	8,250
CB Operating capital	8,096	7,313
<b>Average operating capital before adjustments of acquisitions and divestments</b>	<b>6,630</b>	<b>7,782</b>
Adjustment for the effect due to adaption of IFRS 16 not occurred in the middle of the period	1,358	-
<b>Average operating capital</b>	<b>7,988</b>	<b>7,782</b>

	Jan - Dec	12 months
	2019	rolling
<b>Average equity, SEK m</b>		
OB Equity attributable to Parent Company shareholders	3,897	3,843
CB Equity attributable to Parent Company shareholders	4,277	3,984
<b>Average equity before adjustment of increases and decreases in capital</b>	<b>4,087</b>	<b>3,914</b>
Adjustment for increases and decreases in capital not occurred in the middle of the period	-112	337
<b>Average equity</b>	<b>3,975</b>	<b>4,251</b>

## 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 financiers 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 financiers 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.

<b>Performance measure</b>	<b>Calculation</b>	<b>Purpose</b>
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 or [ir@nobia.com](mailto:ir@nobia.com)

- Kristoffer Ljungfelt, CFO
- Tobias Norrby, Head of Investor Relations

### Presentation

The interim report will be presented on Monday, 20 July at 15:00 CET in a webcast teleconference that can be followed on Nobia's website or on <https://edge.media-server.com/mmc/p/mm7t45kt>

To participate in the teleconference, and thus have the possibility to ask questions, call one of the following numbers:

Sweden: +46 8 566 42651  
UK: +44 3333 000804  
USA: +1 6319 131422

Pincode: 60204196#

### Financial calendar

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November 2                      Interim report for January - September 2020

*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 20 July 2020 at 14:00 CET.*

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