

Press release 7/9/2000

Mid-year accounts:

Nobia makes kitchens its core business – profits doubled in first half

The acquisitions of Poggenpohl and Norema have made Nobia Europe's largest kitchens group.

At the same time, the Swedoor door business was sold and the window unit, Svenska Fönster, will soon be sold.

These two steps clinched the strategy of making kitchens Nobia's core business.

In April, Nobia sold its door business (Swedoor) to Danish listed company Vest-Wood A/S. Swedoor turned over about SEK 1 billion in 1999. In August, the company made arrangements to sell Svenska Fönster.

Negotiations with Skanska for the purchase of the Poggenpohl group ended in early July. The Poggenpohl group turns over SEK 2.1 billion and employs some 1,700.

At the same time, negotiations for Nobia's take-over of Norema's kitchen business were completed. Norema is part of the Norwegian stock exchange-listed Norema ASA group. Norema Kök turns over SEK 550 million and employs 600.

"This spring's acquisitions have given us a strong group with a total turnover of about SEK 6.2 billion and a staff of about 5,100," says Fredrik Cappelen, Nobia's managing director. "We have also followed through on our strategy to make kitchens our core business. "Now we plan to continue developing and expanding our already strong position on the European kitchens market. We expect to grow by at least 15–20% annually, both through organic growth and acquisitions."

Doubled profit

The group's net turnover for the first half of 2000 totalled SEK 1,789 million (2,029). In comparison, the net turnover increased by 5%.

The profit after deductions increased to SEK 78 million (not including extraordinary items). That's almost double the amount from the same period last year (SEK 41 million).

"The profit increase is primarily due to improved efficiency," Cappelen says, "but it also reflects heightened demand in Sweden, Norway and Finland."

The kitchens segment grew strongly during the period with a net turnover increase of 4% – an operating profit of SEK 99 million (59). The increase was mainly attributable to Novart in Finland and to sales in Sweden and Norway.

Star Byggprodukter's sales increased by 11%, with an operating profit of SEK 10 million (5). Svenska Fönster also showed an increase in net turnover of 15% and an operating profit of SEK 9 million (4).

For more information

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About Nobia

Nobia AB is Europe's largest kitchens group, whose new structure will see a turnover of SEK 6.2 billion and employ some 5,100. Nobia's trademarks include Marbodal, HTH, Unoform, Sigdal, Star Beka, Petra, Parma and À la Carte. The Poggenpohl group includes Poggenpohl and three other German kitchen companies: Pronorm, OPTIFIT and Goldreif, as well as Myresjökök (Sweden) and WFM (Poland). Norema Kök includes the trademarks Norema and Invita. For the moment, it also includes a window segment with the trademarks SP Fönster, Traryd Fönster and BorDörren, though this business area will soon be sold. The group also includes construction material wholesaler Star Byggprodukter AB. The products are manufactured in Sweden, Norway, Denmark, Finland, Germany and Poland. The main office is in Göteborg, Sweden. Nobia is owned by the Industri Kapital 1994 fund, the company management, Skanska AB with an ownership of just over 21%, and Norema ASA with a share of about 11%.