

Lars I. Røiri, CEO

March 12th, 2014



Making the world
a better place to sit



SCANDINAVIAN
BUSINESS SEATING

Vision:

making the world
a better place to sit



Mission:

to offer the best seating solutions for working people!



Three strongly differentiated brands



HÅG



A differentiation strategy for competitive advantage



Key facts 2013

- Sales of 1,003 MNOK
- EBITA of 201 MNOK
- Operational EBITA of 207 MNOK
- 420,000 units produced
- Nr 1 in Scandinavia with 33% market share
- Nr 1 in Western Europe with 7% market share

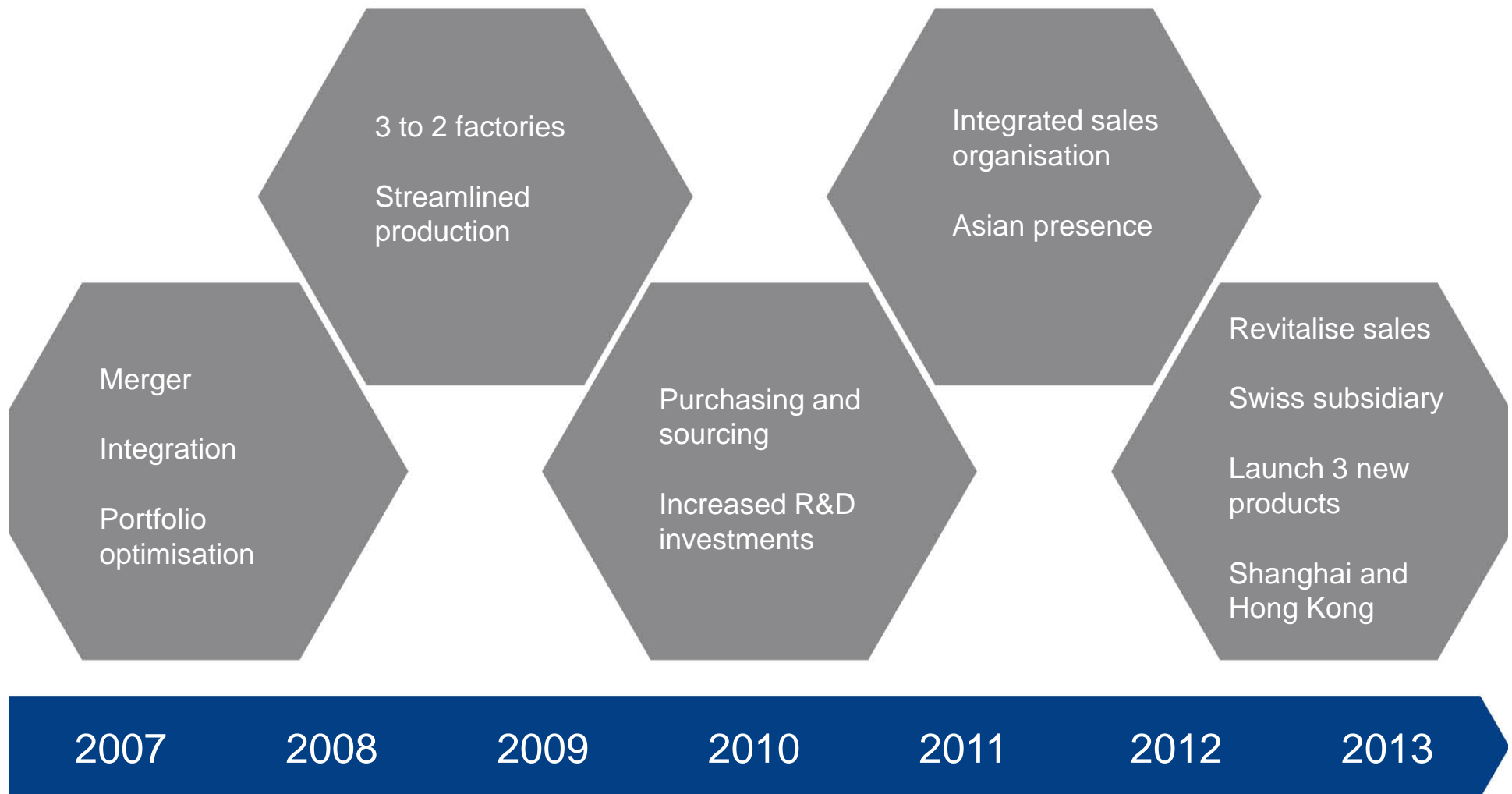


Key facts SB Seating

- Represented in all major European markets
- Public sector – 15-25% depending on market
- Total market in WE is 1.6 billion Euro
- Average order size is 1.8 chairs



The SB Seating Journey



Regional performance and strategic role



Scandinavia

63%
of turnover

Strong fortress

Europe

28%
of turnover

Strategic expansion

New markets

9%
of turnover

Strategic opportunities

Industry characteristics

- Fragmented industry
- Few pan-European players
- Broad product ranges
- Swivel chair – largest segment

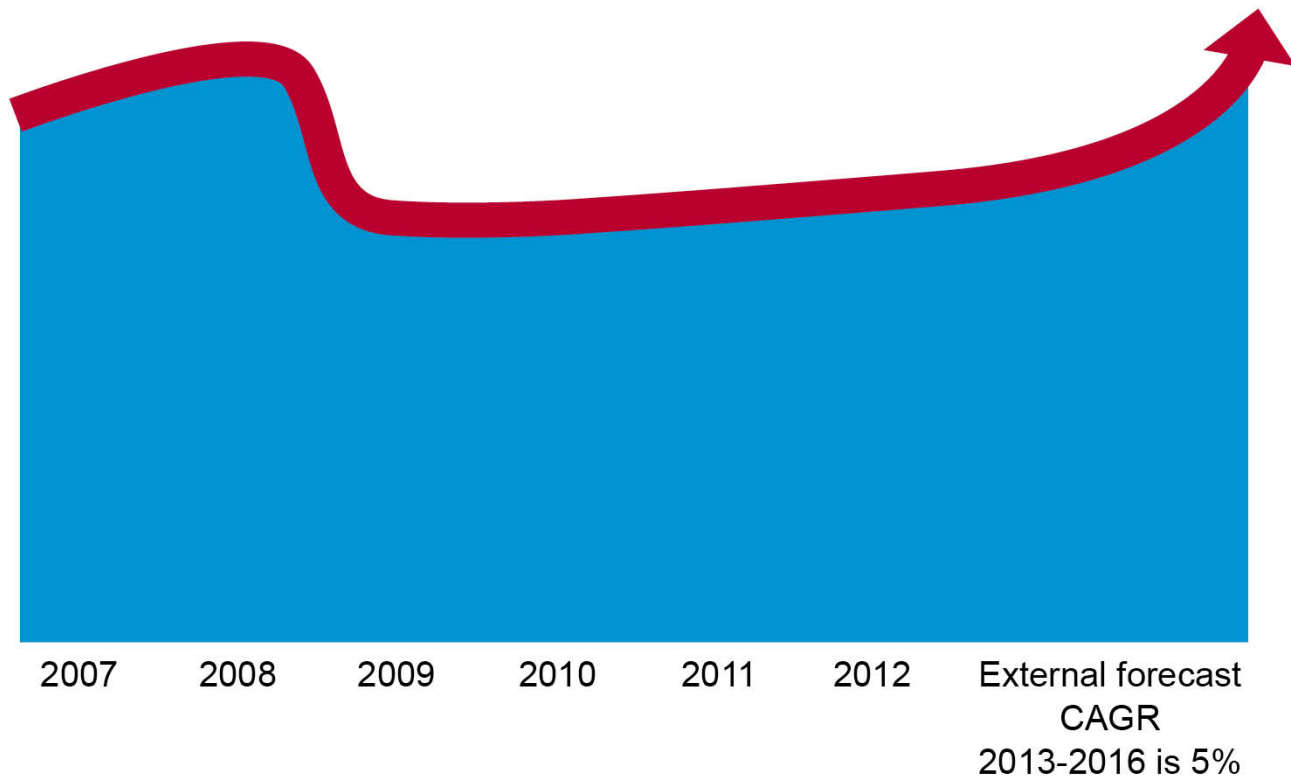


Market drivers

- GDP growth +
- Corporate investments
- Office construction
- Number of employees
- External growth forecast next three years is 5% annually



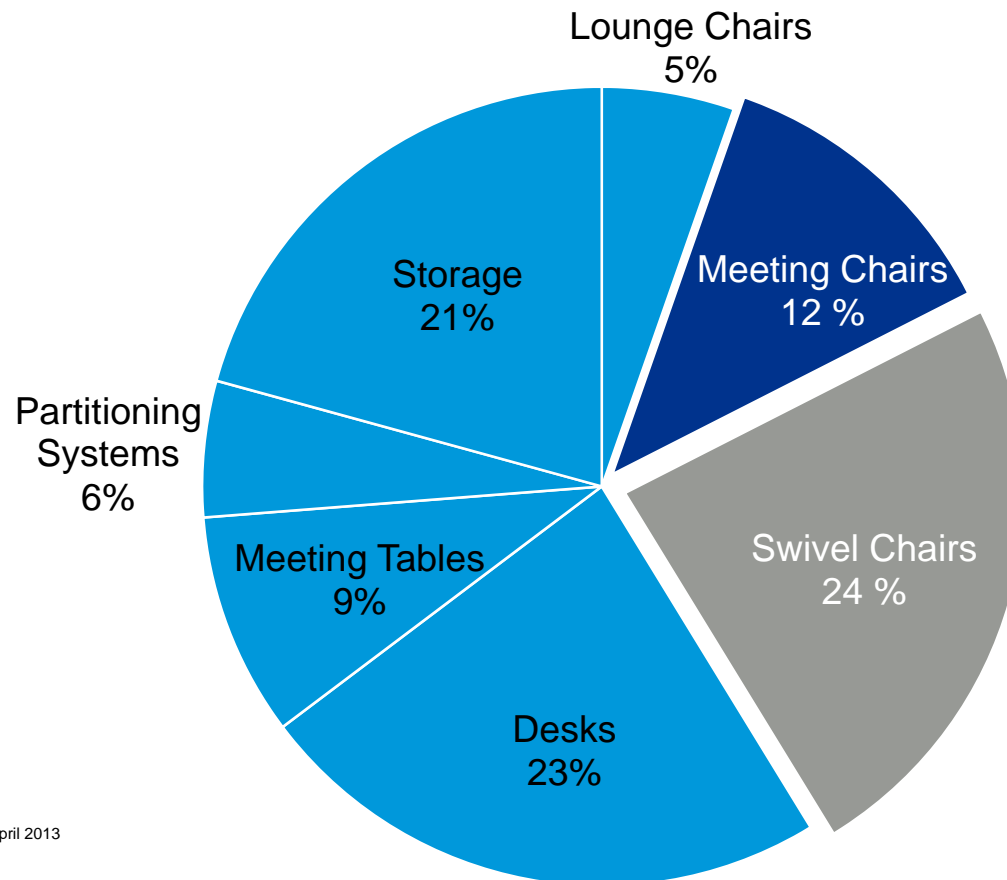
Swivel chair market in Western Europe since 2007



Source: Interconnection Consulting
- Office Furniture in Western Europe 2013 as published in April 2013



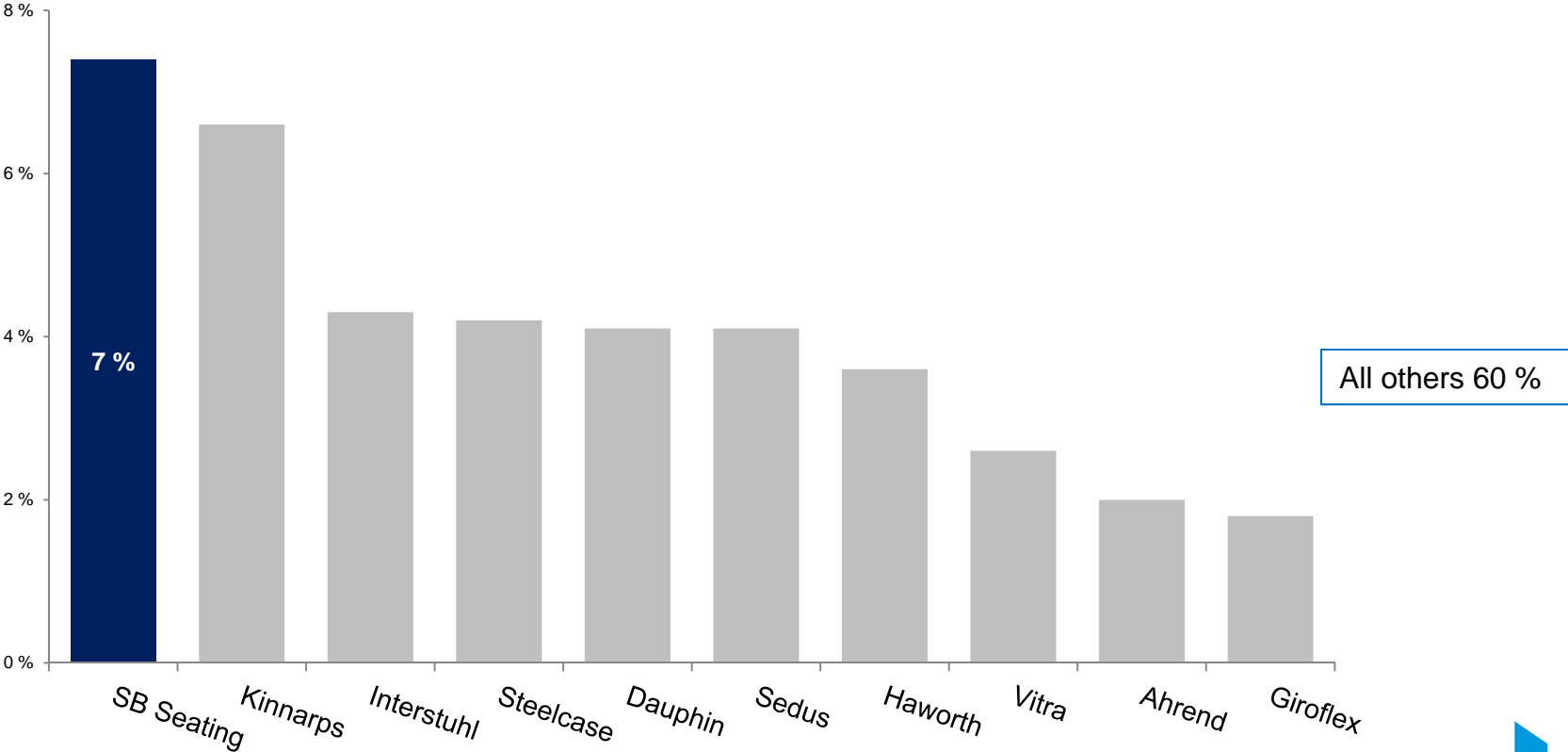
Swivel chair is the largest and most profitable segment



Source: Interconnection Consulting
- Office Furniture in Western Europe 2013 as published in April 2013



Market leader in Western Europe within swivel chair segment

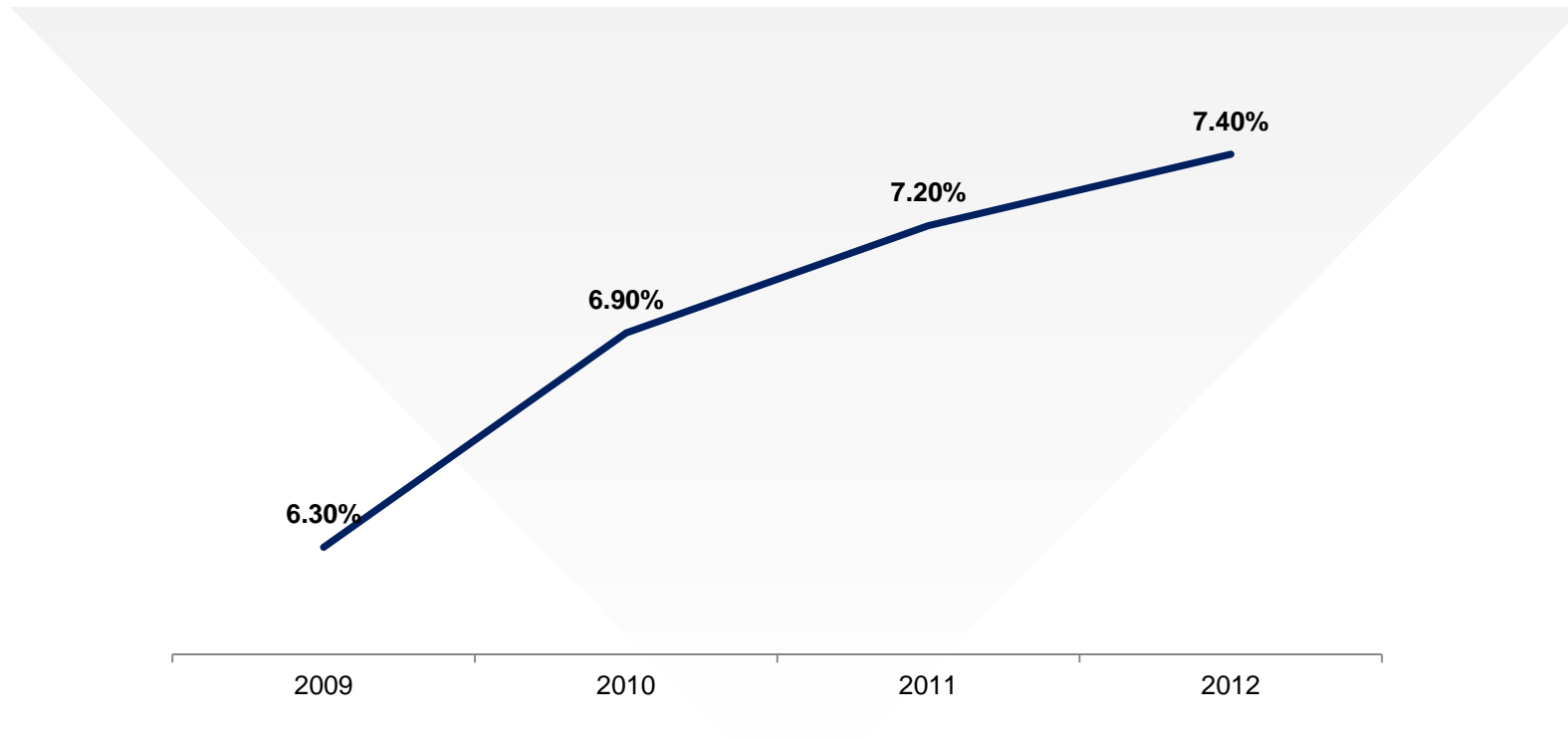


Source: Interconnection Consulting
- Office Furniture in Western Europe 2013 as published in April 2013



Ambition

Market leader in Western Europe with 10% market share for swivel chairs



Source: Interconnection Consulting
- Office Furniture in Western Europe 2013 as published in April 2013



Strategic building blocks

Europe

- Growth in Scandinavia, Sweden and Denmark
- Grow footholds in European markets



R&D

- Invest more than 5% of net sales in product dev.



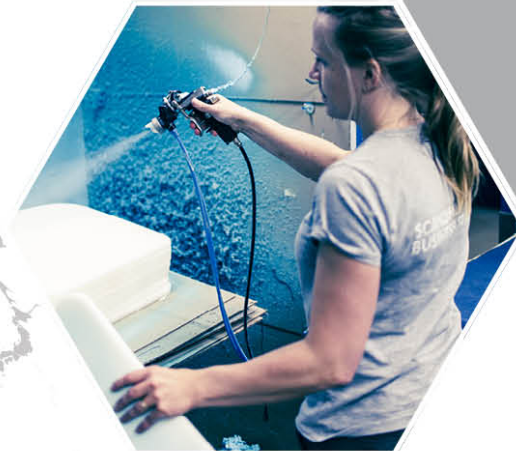
New markets

- China and South east Asia



M&A

- Active role in the consolidation of the industry



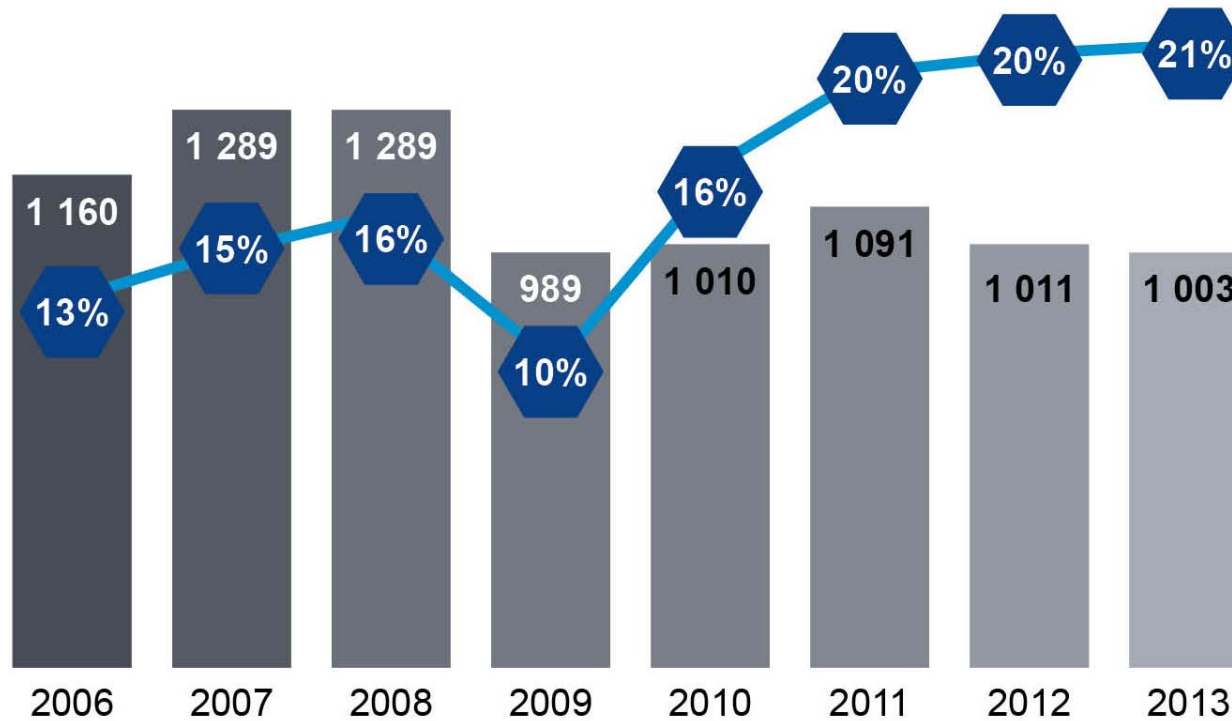
Efficiency for the future

- Two highly scalable and advanced sites
- Fully invested
- Assembly factories
- Component sourcing – taking advantage of low cost sourcing
- Capacity to double volumes within existing setup



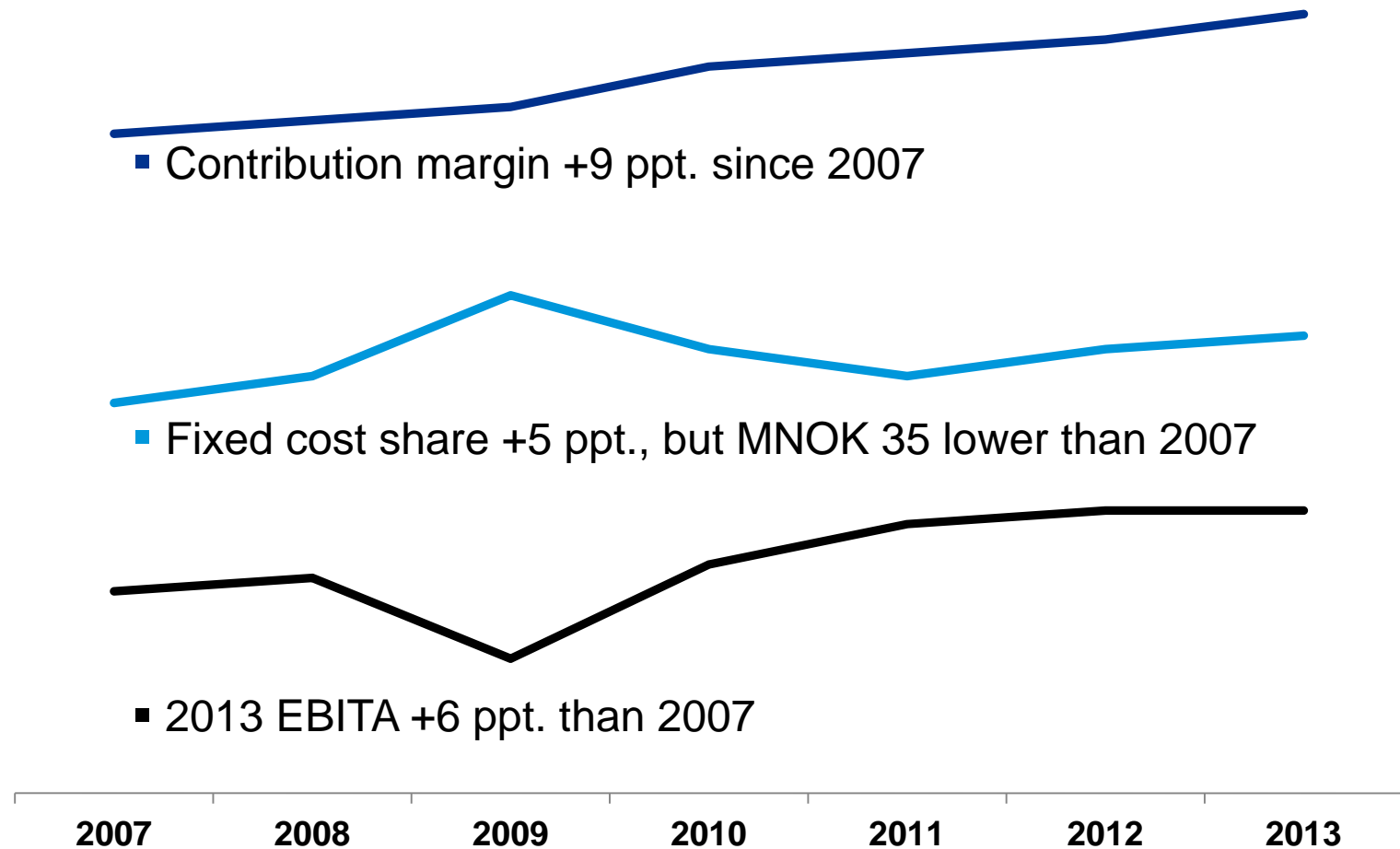
Financial performance 2007-2013

Net Sales MNOK and operational EBITA %



Steady development

of contribution margin and fixed cost under control gives a strong profitable position



- Contribution margin +9 ppt. since 2007

- Fixed cost share +5 ppt., but MNOK 35 lower than 2007

- 2013 EBITA +6 ppt. than 2007



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