

# Ekornes ASA

2<sup>nd</sup> QUARTER 2013

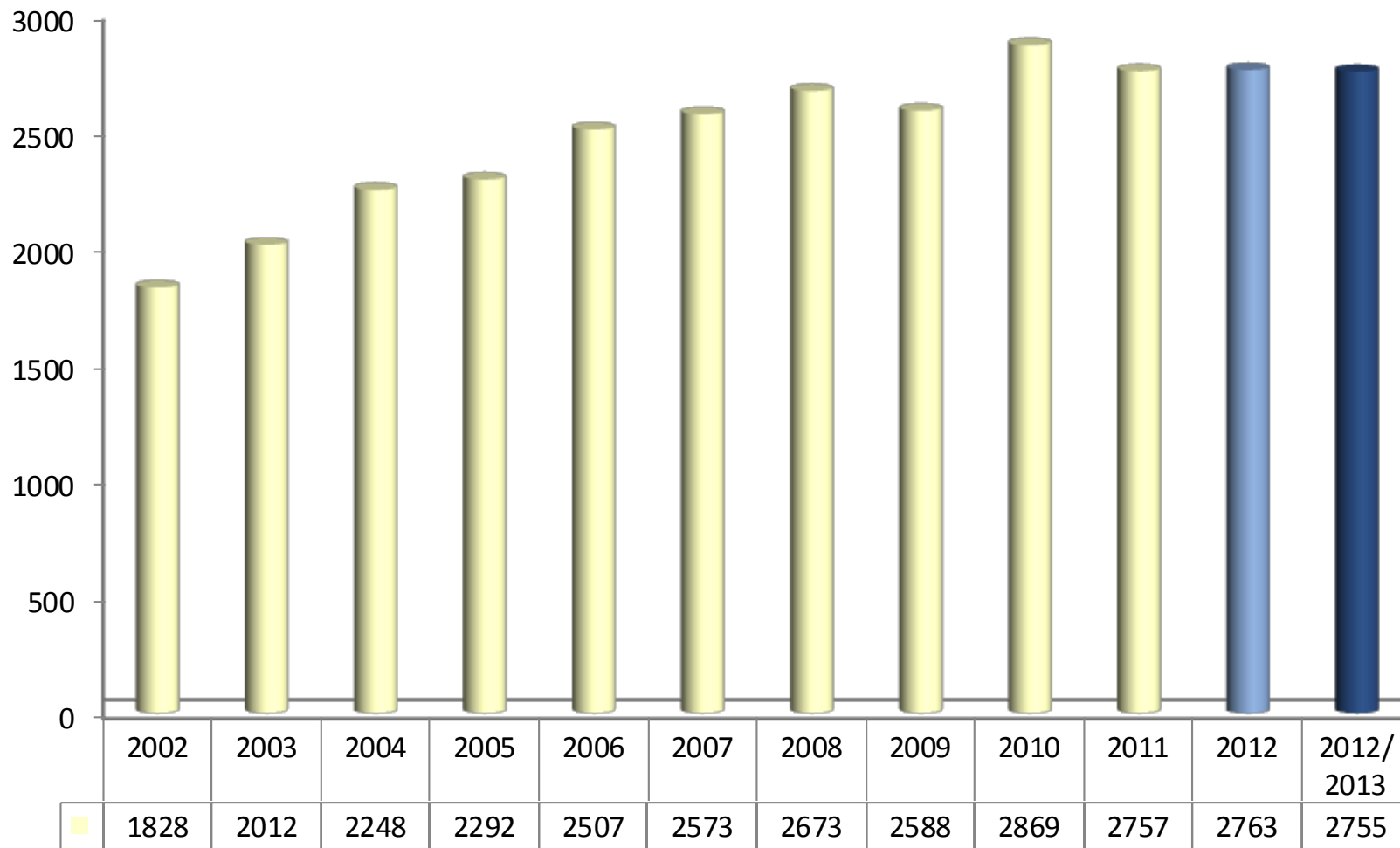


# Ekornes Q2 – Headlines:

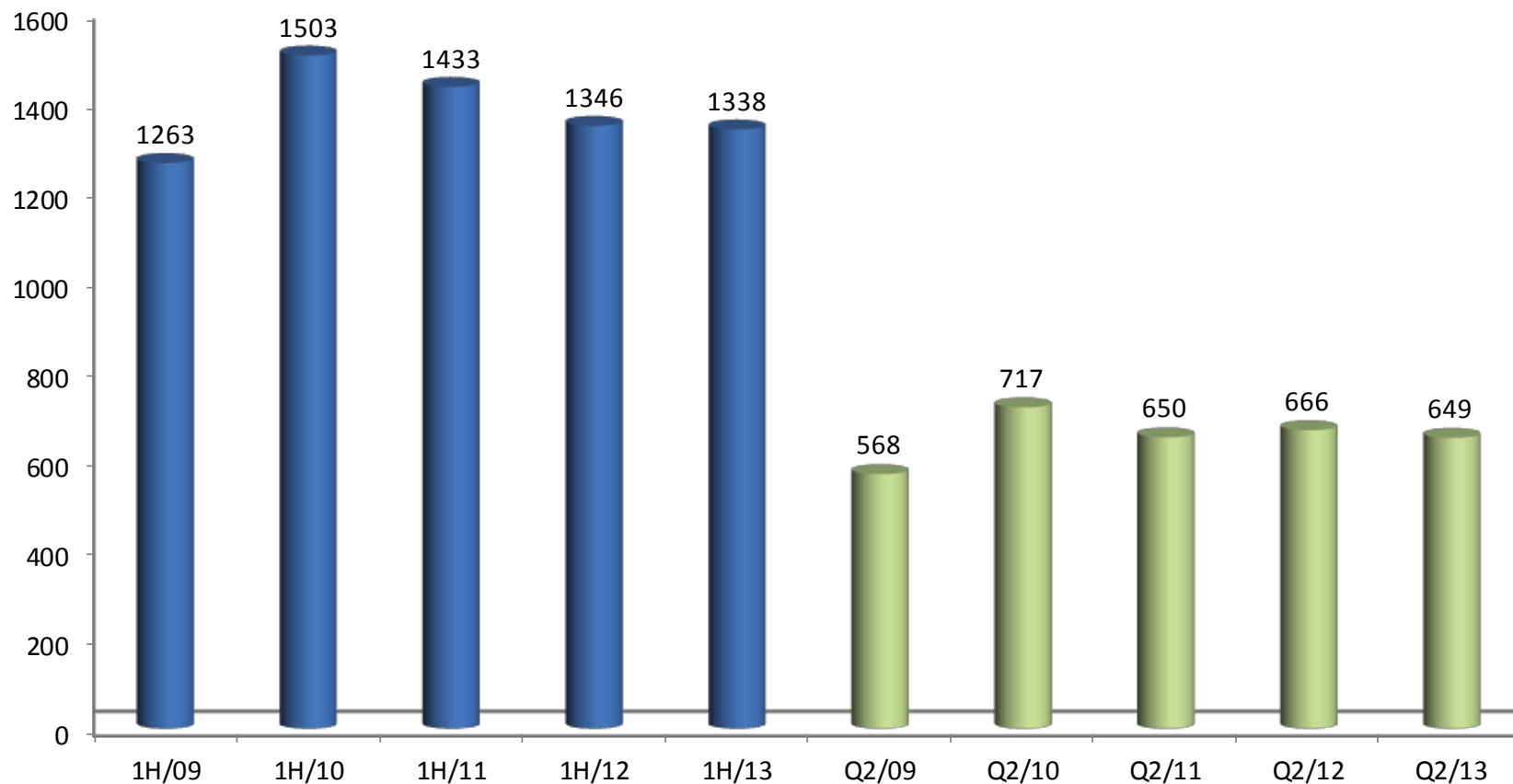
Financial numbers as if using hedge accounting (comparable to old/former reporting)

- Operating revenue: H1: NOK 1 337.8 Mill. (down 0.6% ). Q2: NOK 649.0 Mill. (down 2.5%)
- Operating margin (EBIT) H1: 12.6% (13.3%).
- In general, markets are challenging and uncertain. Consumers seem cautious in most markets. Order intake unchanged compared to H1 2012 . Q2 up 3% compared with Q2 LY using fixed exchange rates.
- New Stressless® home office chairs launched autumn 2012. Now in the market. Consumer orders through 2<sup>nd</sup> half.
- Production Stressless®
  - H1: 1 686 seats per day (H1 2012: 1,716 seats)
  - Production capacity approx. 1,600 seats into Q3 (depending on mix).
- Svane® down 3.2% compared to H1 2012. Improvement program started up – focus on costs reductions in production and improving market position.
- Order intake July 12% below July 2012. Lower capacity level planned in Q3-2013 for all production plants. 4 working days per week for 7 weeks until beginning of October.
- Foreign exchange position good. Raw material prices trend stable to slightly down but at a high level. Signals uncertain.
- Financial figures are presented according to same model as before for comparison purposes( i.e. "old model"using the IAS 39 principles for Hedge Accounting)  
Changes in the IFRS /IAS principles regarding Cash Flow Hedges and Hedge Accounting expected to be decided in Q3. Delays may occur.

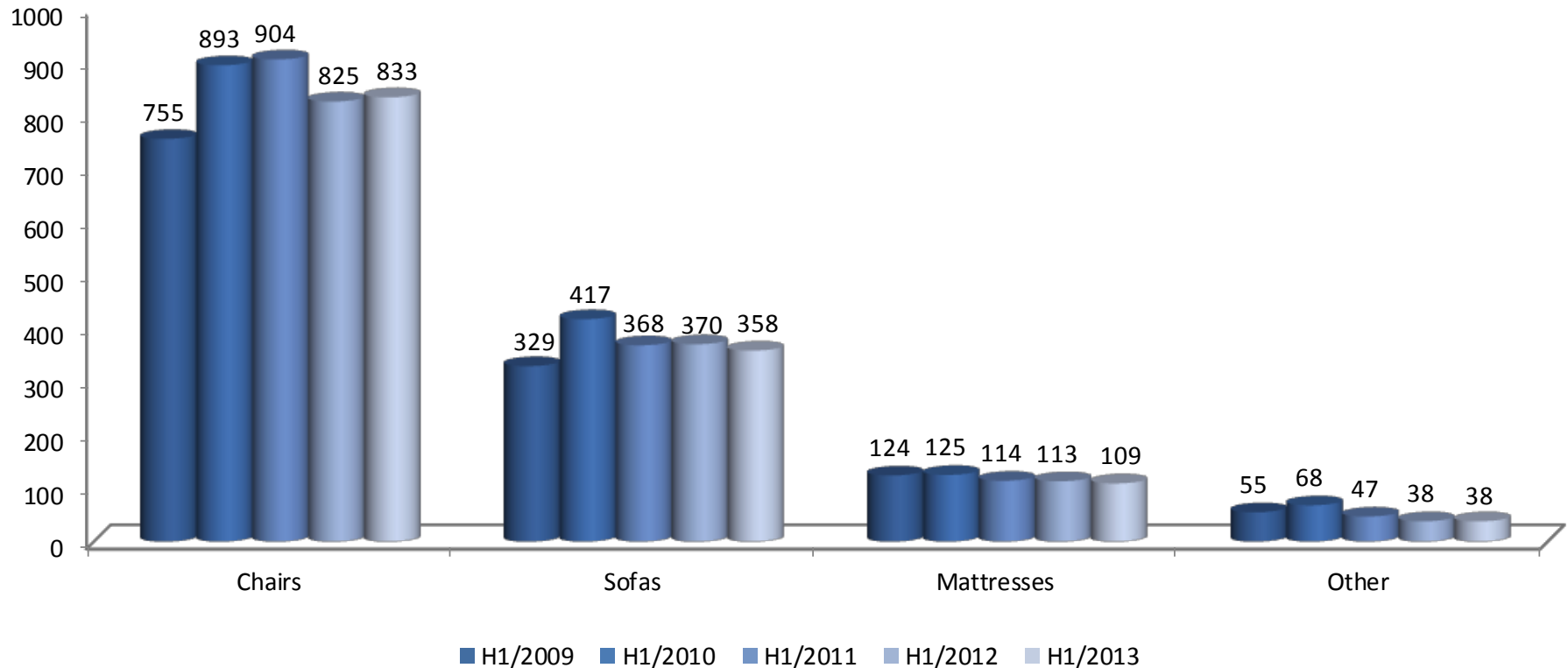
# Development in Turnover



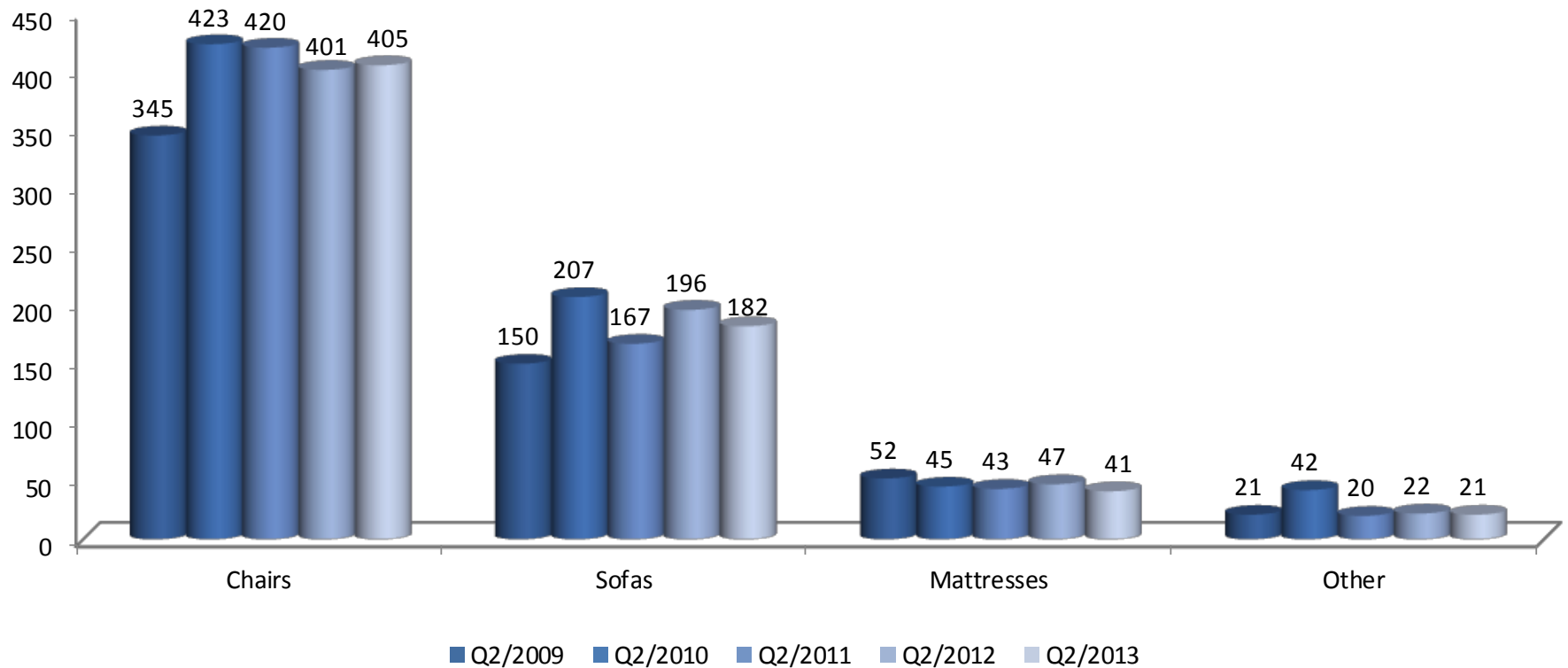
# Development in Operating Revenue



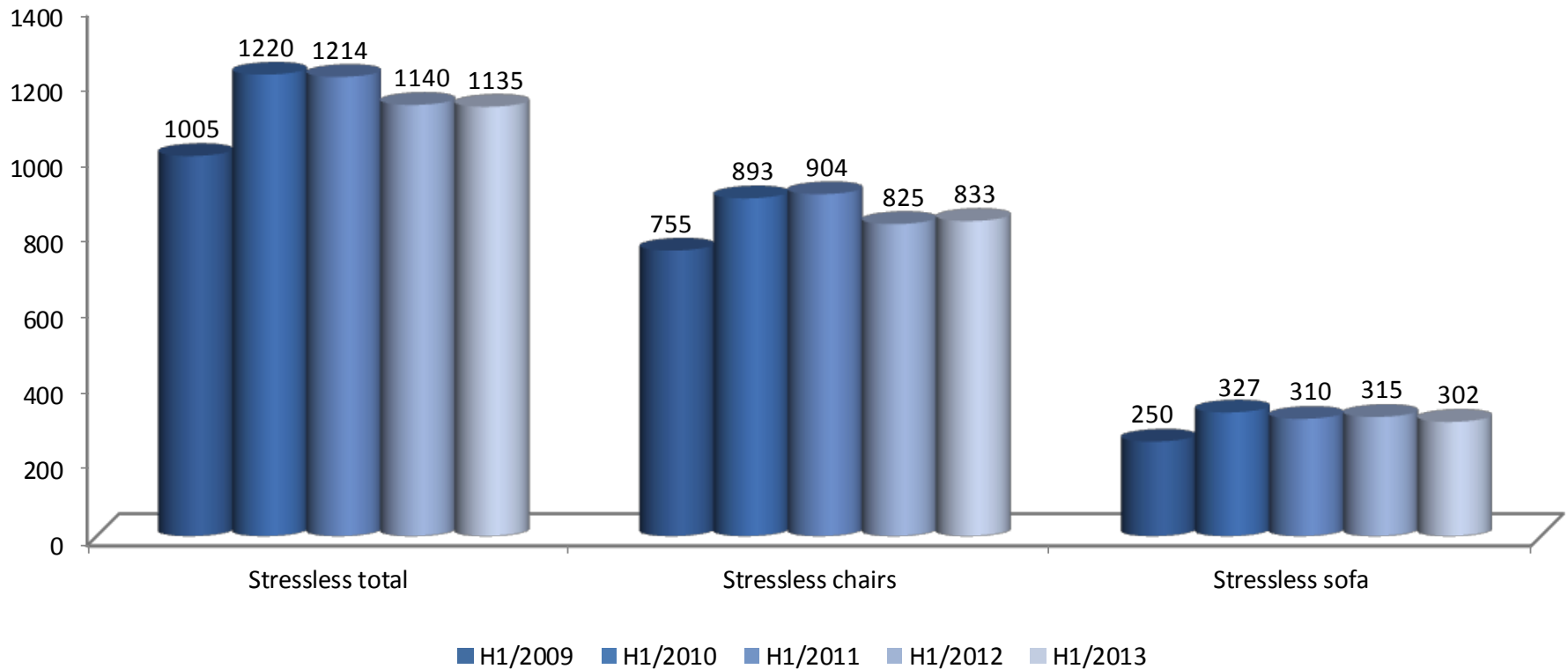
# Operating revenue by product area – Half Year



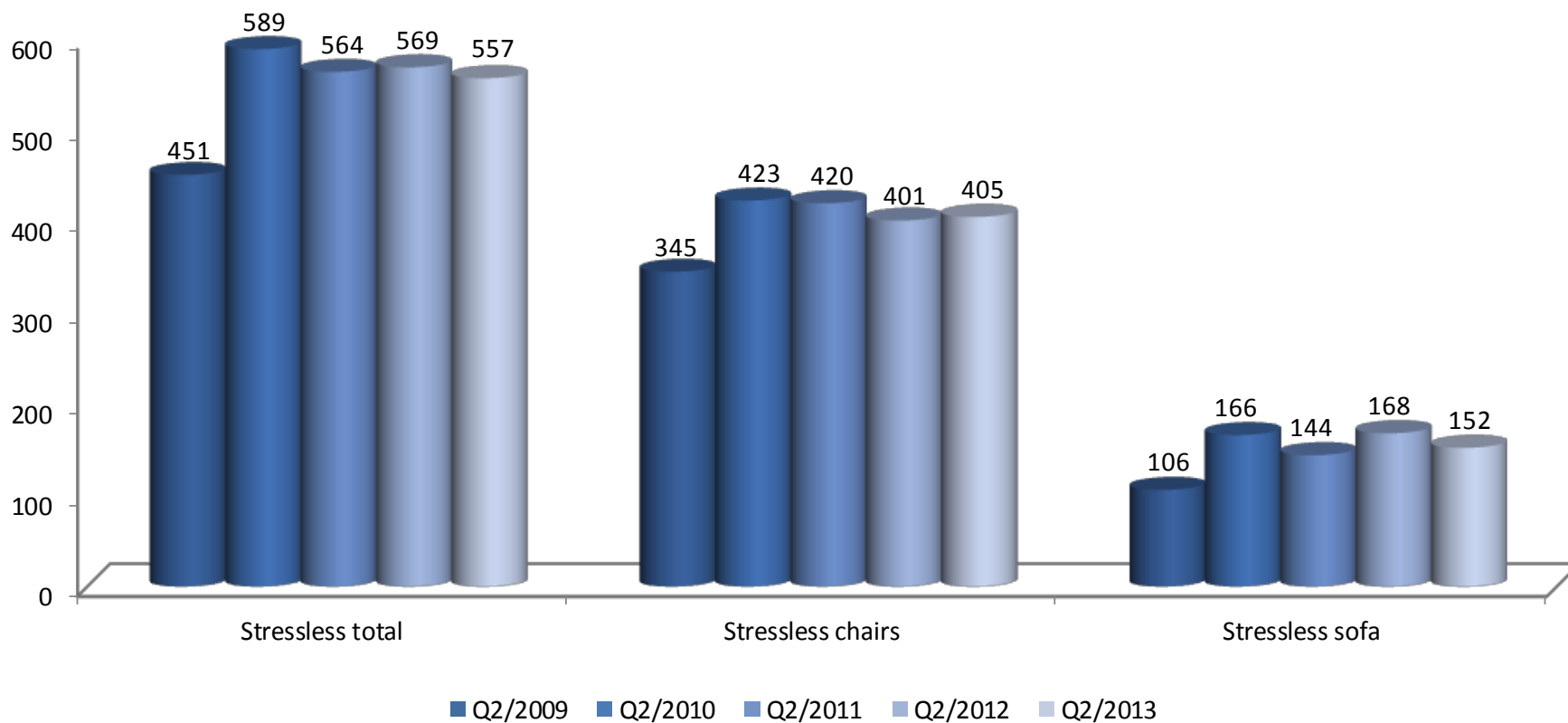
# Operating revenue by product area – Q2



# Operating revenue: Product area Stressless® – Half Year

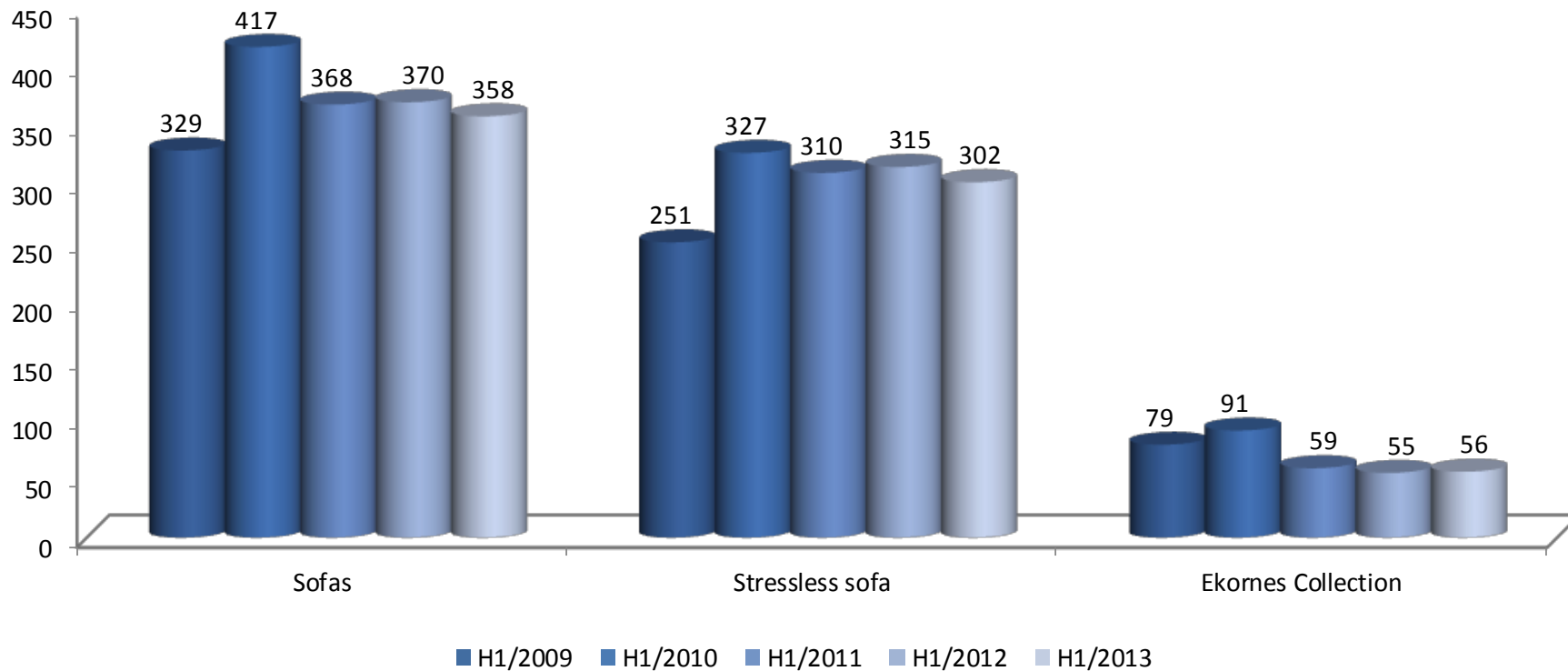


# Operating revenue: Product area Stressless® – Q2

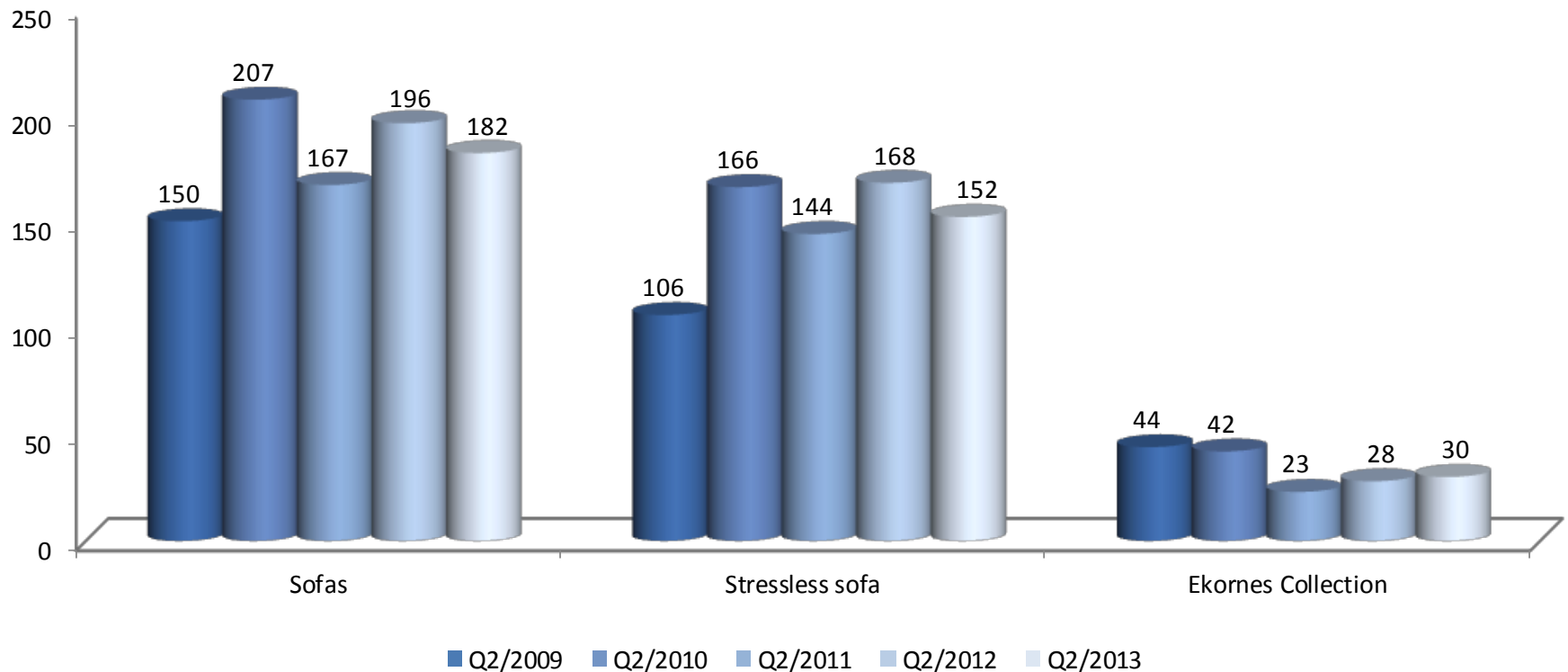




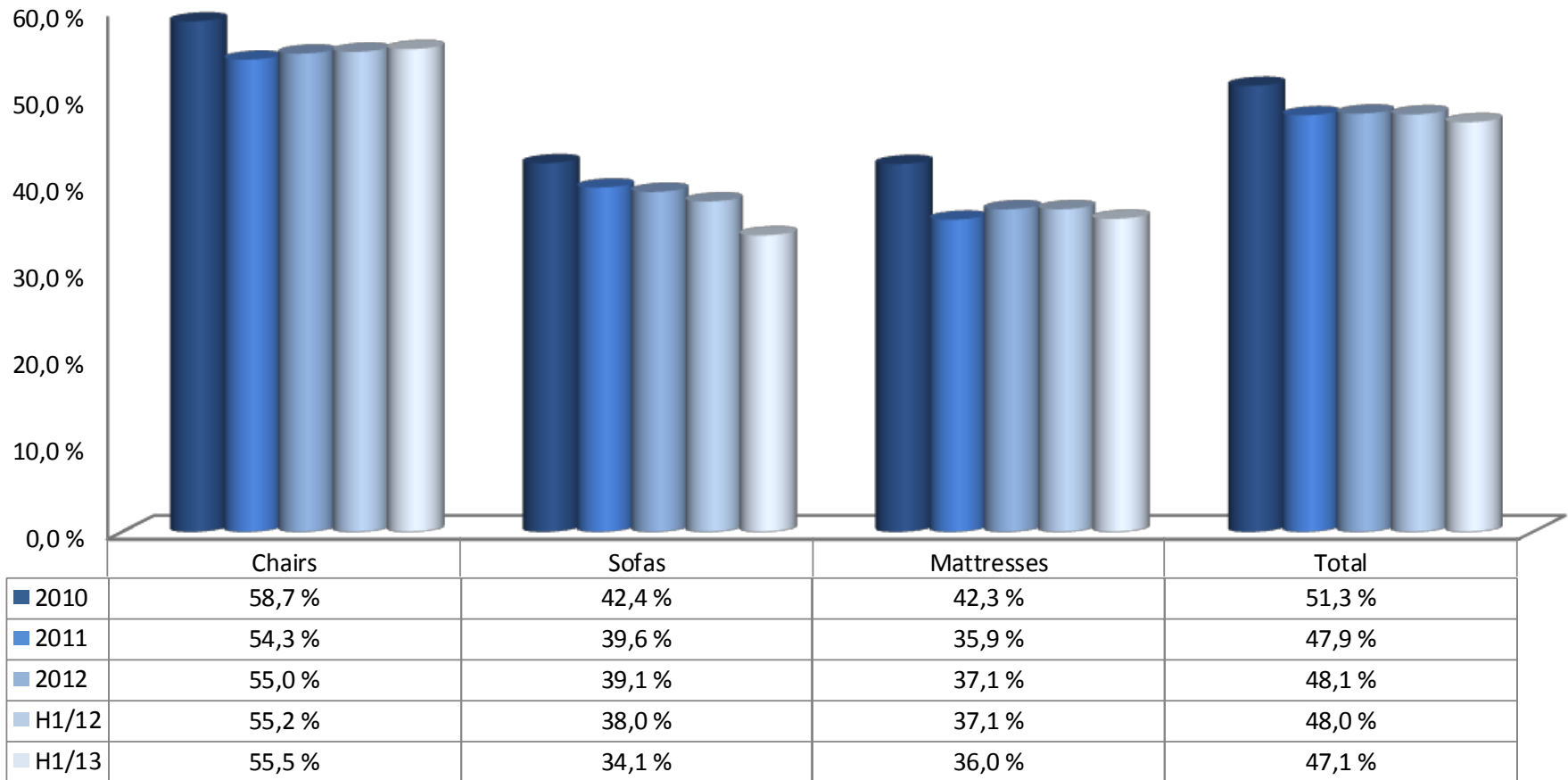
# Operating revenue: Product area Sofas – Half Year



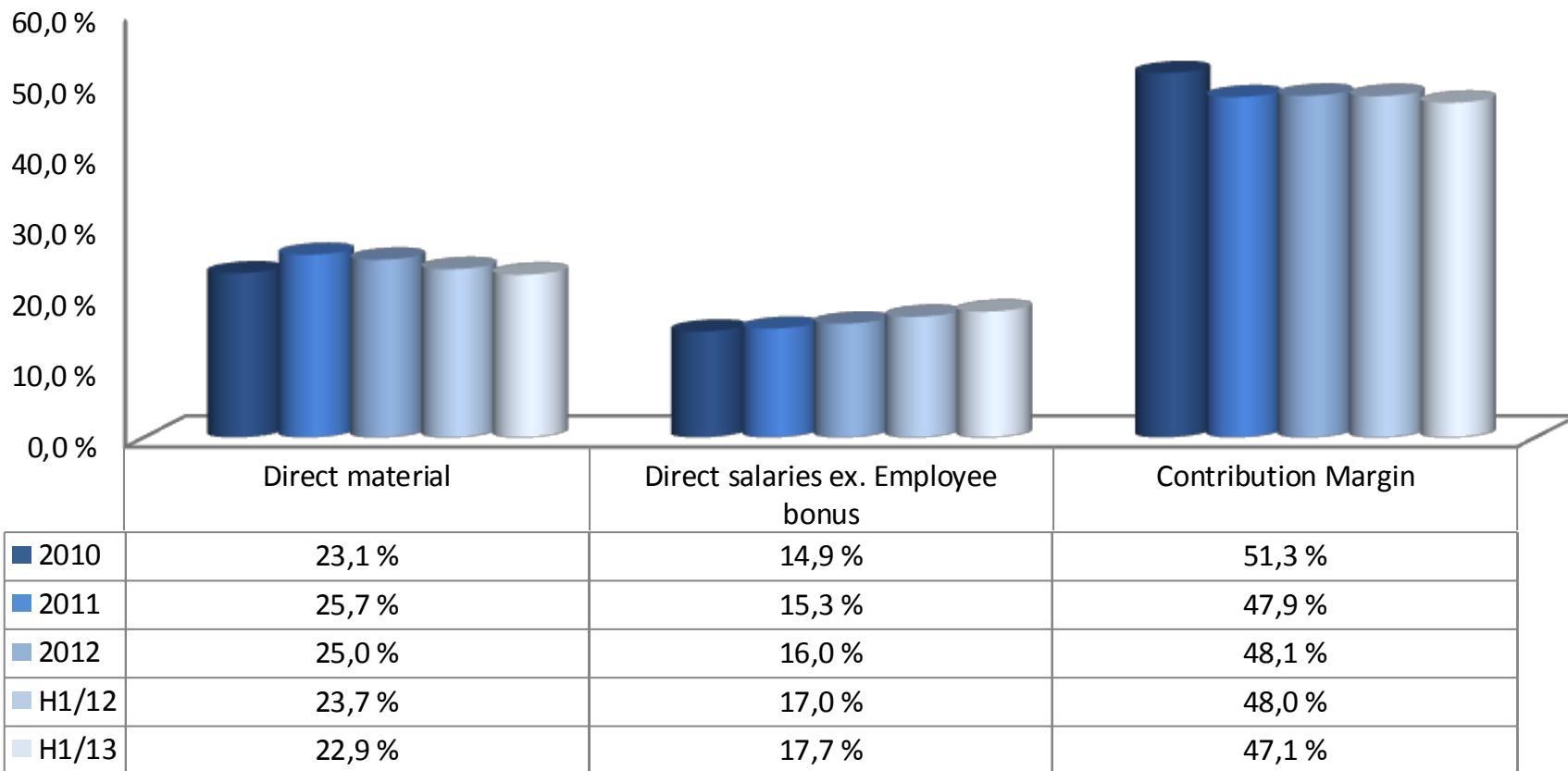
# Operating revenue: Product area Sofas – Q2



# Contribution margin by product area

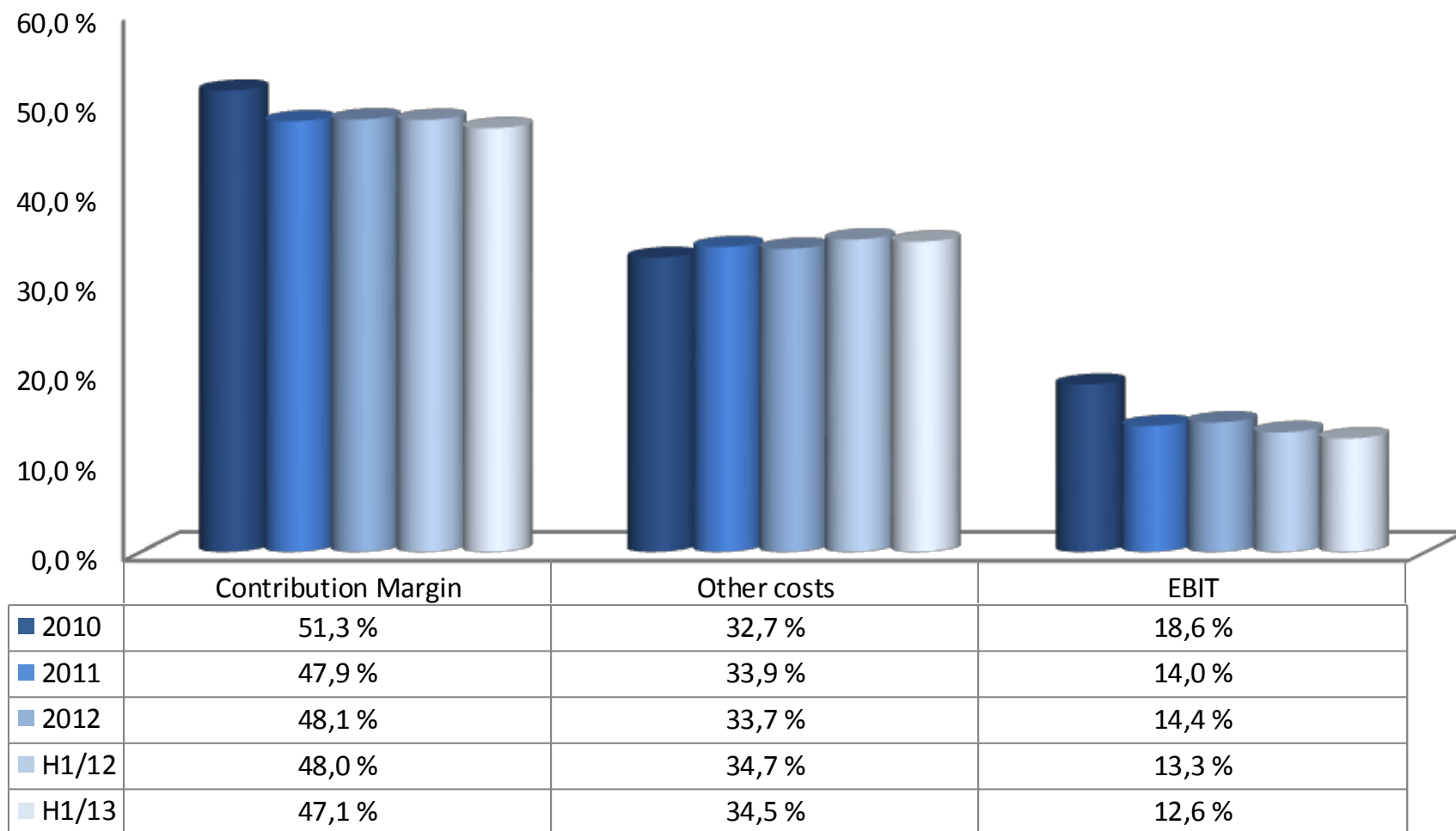


# Development in direct costs



# Contribution and Operating Margin (EBIT)

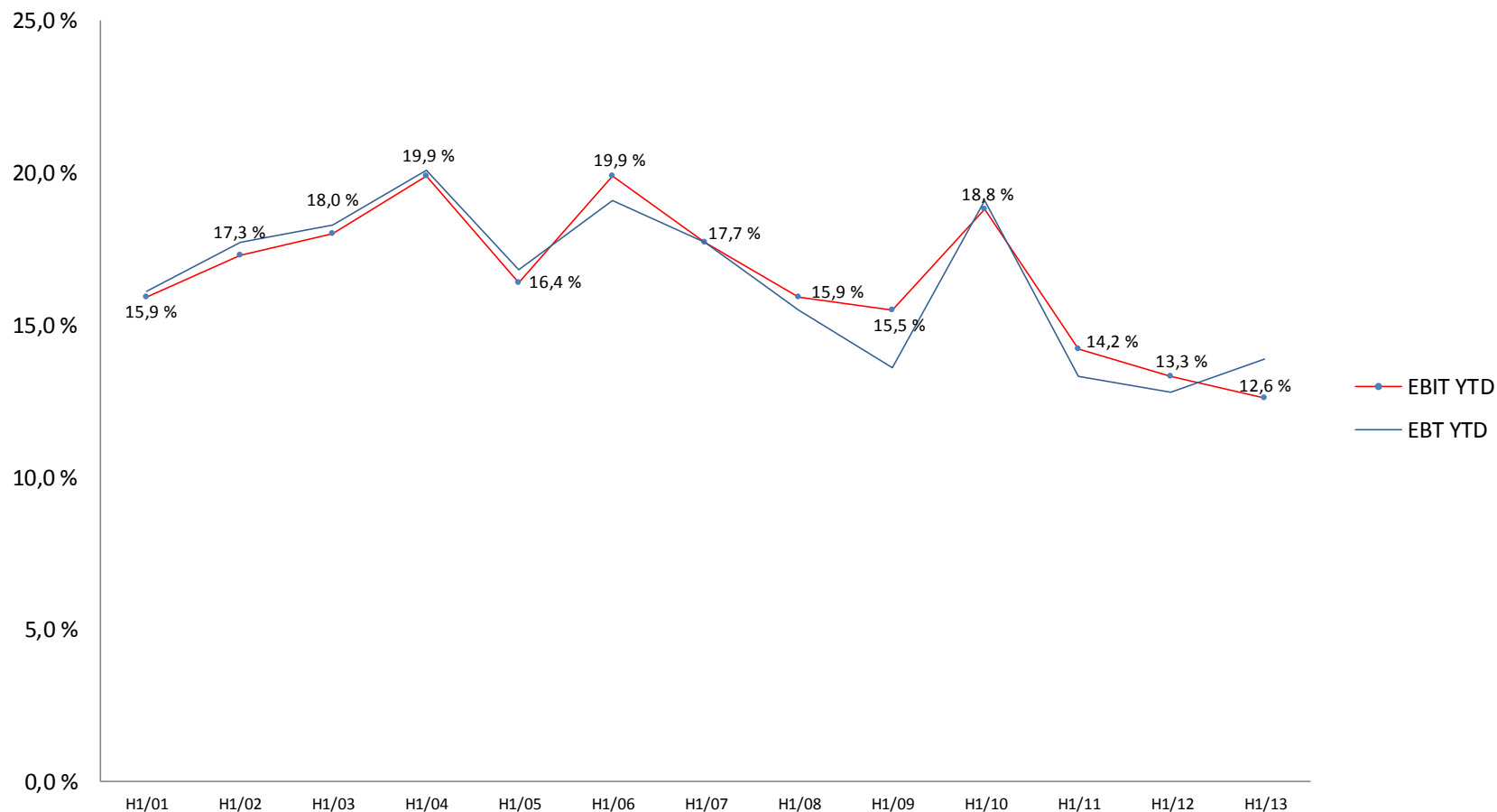
(old reporting model)



# Development in Operating result (EBIT) and Pre-tax margin (EBT)(old reporting model)

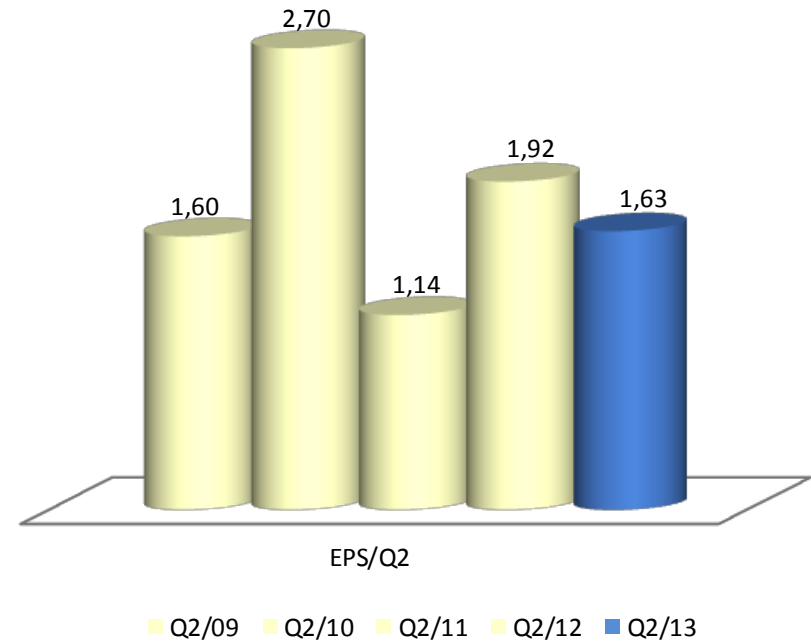
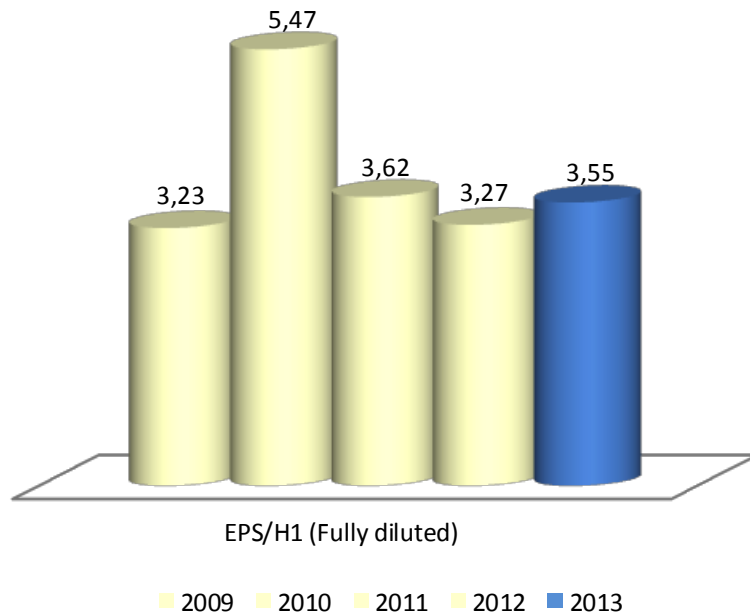


# Development in Operating result (EBIT) and Pre-tax margin (EBT)(old reporting model) – Half Year:



# Development EPS fully diluted (Figures in NOK)

(old reporting model)





# Income Statement

(Mill. NOK)	<b>H1/13</b>		<b>H1/12</b>	
<b>Operating revenues</b>	<b>1 337,8</b>	<b>100,0 %</b>	<b>1345,5</b>	<b>100,0 %</b>
Materials	306,0	22,9 %	318,5	23,7 %
Salaries and social costs	417,2	31,2 %	408,0	30,3 %
Other operating expenses	380,6	28,4 %	379,0	28,2 %
Depreciation	65,3	4,9 %	61,6	4,6 %
<b>Total operating costs</b>	<b>1 169,1</b>	<b>87,4 %</b>	<b>1 167,1</b>	<b>86,7 %</b>
<b>Operating result</b>	<b>168,7</b>	<b>12,6 %</b>	<b>178,4</b>	<b>13,3 %</b>
Net financial income/expenses	-0,9	-0,1 %	-0,8	-0,1 %
Profit/loss currency exchange	18,5	1,4 %	-5,8	-0,4 %
<b>Ordinary result before taxes</b>	<b>186,3</b>	<b>13,9 %</b>	<b>171,8</b>	<b>12,8 %</b>
Calculated taxes ordinary result	-55,5	-4,1 %	-51,6	-3,8 %
<b>Ordinary result after taxes</b>	<b>130,8</b>	<b>9,8 %</b>	<b>120,2</b>	<b>8,9 %</b>
<b>EPS</b>	<b>3,55</b>		<b>3,27</b>	

# Income Statement

(Mill. NOK)	Q2/13		Q2/12	
<b>Operating revenues</b>	<b>649,0</b>	<b>100,0 %</b>	<b>665,9</b>	<b>100,0 %</b>
Materials	149,1	23,0 %	153,1	23,0 %
Salaries and social costs	205,3	31,6 %	206,5	31,0 %
Other operating expenses	183,0	28,2 %	179,6	27,0 %
Depreciation	33,2	5,1 %	30,8	4,6 %
<b>Total operating costs</b>	<b>570,6</b>	<b>87,9 %</b>	<b>570,0</b>	<b>85,6 %</b>
<b>Operating result</b>	<b>78,4</b>	<b>12,1 %</b>	<b>95,9</b>	<b>14,4 %</b>
Net financial income/expenses	0,1	0,0 %	-0,6	-0,1 %
Profit/loss currency exchange	7,0	1,1 %	6,2	0,9 %
<b>Ordinary result before taxes</b>	<b>85,5</b>	<b>13,2 %</b>	<b>101,5</b>	<b>15,2 %</b>
Calculated taxes ordinary result	-25,5	-3,9 %	-31,2	-4,7 %
<b>Ordinary result after taxes</b>	<b>60,0</b>	<b>9,2 %</b>	<b>70,3</b>	<b>10,6 %</b>
<b>EPS</b>	<b>1,63</b>		<b>1,92</b>	

# Income Statement 1 July – 30 June

(Mill. NOK)	12/13		11/12	
<b>Operating revenues</b>	<b>2 755,0</b>	<b>100,0 %</b>	<b>2 669,9</b>	<b>100,0 %</b>
Materials	679,3	25,4 %	677,9	25,4 %
Salaries and social costs	802,1	30,0 %	761,6	28,5 %
Other operating expenses	755,4	28,3 %	743,6	27,9 %
Depreciation	128,8	4,8 %	126,0	4,7 %
<b>Total operating costs</b>	<b>2 365,6</b>	<b>88,6 %</b>	<b>2 309,1</b>	<b>86,5 %</b>
<b>Operating result</b>	<b>389,4</b>	<b>14,6 %</b>	<b>360,8</b>	<b>13,5 %</b>
Net financial income/expenses	-3,3	-0,1 %	-1,6	-0,1 %
Profit/loss currency exchange	2,4	0,1 %	11,5	0,4 %
<b>Ordinary result before taxes</b>	<b>388,5</b>	<b>14,6 %</b>	<b>370,7</b>	<b>13,9 %</b>
Calculated taxes ordinary result	-122,1	-4,6 %	-110,1	-4,1 %
<b>Ordinary result after taxes</b>	<b>266,4</b>	<b>10,0 %</b>	<b>260,6</b>	<b>9,8 %</b>
<b>EPS</b>	<b>7,23</b>		<b>7,09</b>	

# Balance Sheet

(Mill. NOK)	H1/13	H1/12
<b>Total Long Term Assets</b>	<b>937,8</b>	<b>950,5</b>
Inventories	354,4	364,3
Trade Debtors	430,0	440,2
Other Current Assets	42,2	52,1
Value of forward contracts	125,9	177,1
Cash and Bank Deposits	58,5	-
<b>Total Current Assets</b>	<b>1 011,0</b>	<b>1 033,7</b>
<b>TOTAL ASSETS</b>	<b>1 948,8</b>	<b>1 984,2</b>
<b>Total Equity</b>	<b>1 547,5</b>	<b>1 520,3</b>
Provisions, commitments, deferred tax	40,7	53,6
Trade Creditors	99,5	112,1
Taxes, VAT and national insurance	84,2	45,0
Value of forward contracts	-	-
Bank loans	-	88,5
Other current liabilities	176,9	164,7
<b>Total Liabilities</b>	<b>401,3</b>	<b>463,9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 989,5</b>	<b>1 984,2</b>

# Balance Sheet

(Mill. NOK)	H1/13	Q4/12
<b>Total Fixed Assets</b>	<b>937,8</b>	<b>932,7</b>
Inventory	354,4	315,9
Trade Debtors	430,0	354,5
Other Current Assets	42,2	52,4
Value of forward contracts	125,9	258,2
Cash and Bank Deposits	58,5	273,3
<b>Total Current Assets</b>	<b>1 011,0</b>	<b>1 254,3</b>
<b>TOTAL ASSETS</b>	<b>1 948,8</b>	<b>2 187,0</b>
<b>Total Equity</b>	<b>1 547,5</b>	<b>1 704,7</b>
Provisions, commitments, deferred tax	40,7	78,2
Trade Creditors	99,5	95,3
Taxes, VAT and national insurance	84,2	123,7
Value of forward contracts	-	-
Bank loans	-	-
Other current liabilities	176,9	185,1
<b>Total Liabilities</b>	<b>401,3</b>	<b>482,3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 948,8</b>	<b>2 187,0</b>

# Statement of Cash Flow

(Mill. NOK)	H1/13	H1/12	2012	2011
<b>Net cash flow from:</b>				
Operating activities	59,2	-72,6	331,2	330,3
Investing activities	-71,4	-37,1	-79,0	-142,8
Financing activities	-202,5	-276,2	-276,2	-331,4
<b>Net change in cash and cash equivalents</b>	<b>-214,8</b>	<b>-385,9</b>	<b>-24,0</b>	<b>-143,9</b>
Cash and cash equivalents at the beginning of period	273,4	297,4	297,4	441,3
<b>Cash and cash equivalents at the end of period</b>	<b>58,5</b>	<b>-88,5</b>	<b>273,4</b>	<b>297,4</b>

# Development in Total Capital, Net-working Capital and Equity

(Mill. NOK)	<b>H1/13</b>	<b>H1/12</b>	<b>2012</b>	<b>2011</b>
Total capital	1 948,8	1 984,2	2 187,9	2 099,1
Net-working capital*	524,5	445,8	592,0	588,5
Equity	1 547,5	1 520,3	1 704,7	1 657,9
Equity ratio	79,4 %	76,6 %	77,9 %	79,0 %

\*Not included the market value of forward contracts.

# Official (new reporting)

Published and official numbers  
**NOT** using Hedge Accounting



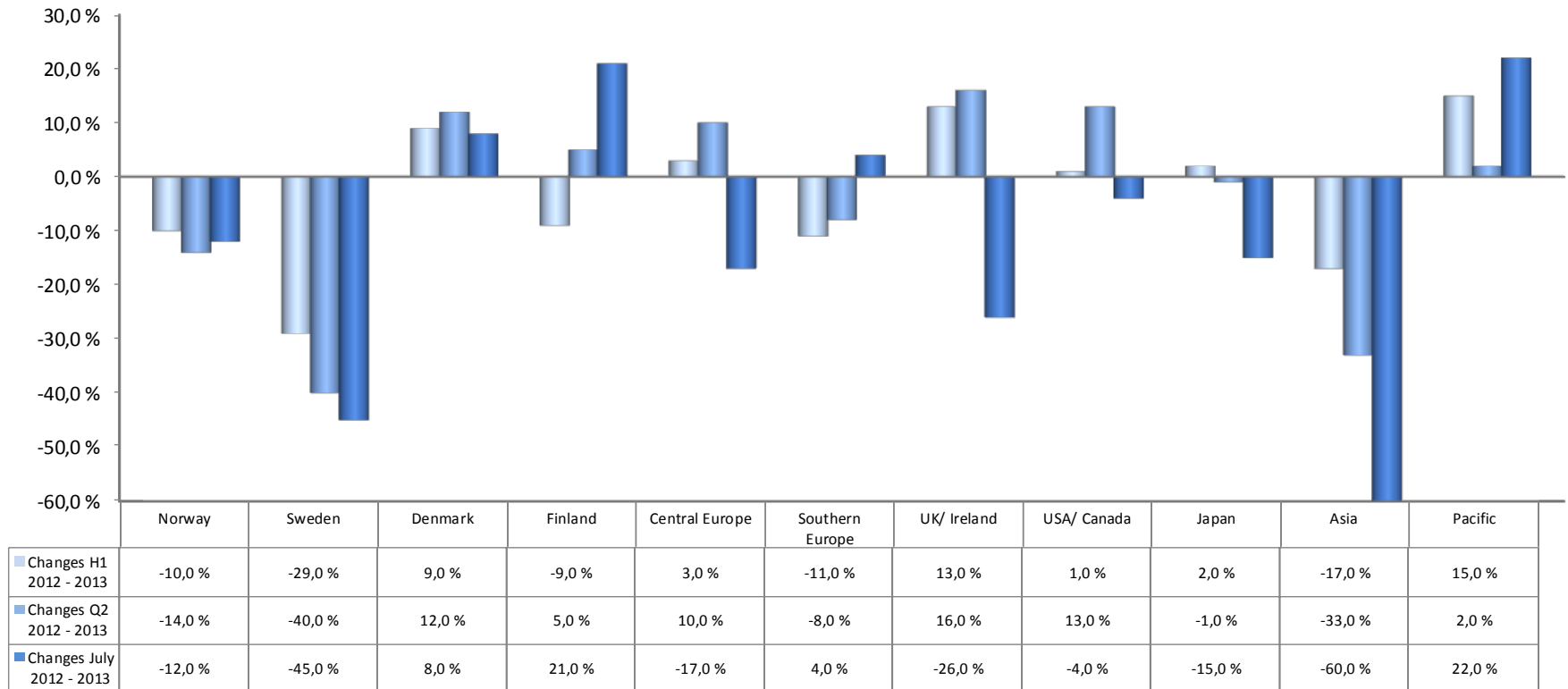
## Year end figures- **NOT** using Hedge Accounting (new reporting)

(Tall i NOK mill.)	(Figures in NOK mill.)		
		Q2-13	Q2-12
<b>Driftsinntekter</b>	<b>Operating revenues</b>	<b>1 318,6</b>	<b>1 314,2</b>
<b>Driftsresultat</b>	<b>Operating result</b>	<b>149,5</b>	<b>147,1</b>
<b>Finansielle poster:</b>	<b>Financial items:</b>		
Gevinst/tap valutakontrakter	Profit/Loss hedging contracts	25,8	31,3
Verdiendring urealiserte terminkontrakter	Change in value unrealised forward contracts	-132,3	29,1
Netto agio balansejusteringer	Net balance sheet adjustments	11,9	-5,8
Netto andre finansielle poster	Net other financial items	-0,9	-0,8
<b>Netto finansposter</b>	<b>Net financial items</b>	<b>-95,4</b>	<b>53,8</b>
<b>Ordinært resultat før skattekostnad</b>	<b>Ordinary result before taxes</b>	<b>54,1</b>	<b>200,9</b>
Skattekostnad	Tax on ordinary result	-18,5	-59,7
<b>Årets resultat</b>	<b>Profit for the year</b>	<b>35,6</b>	<b>141,2</b>

# Statement of comprehensive income

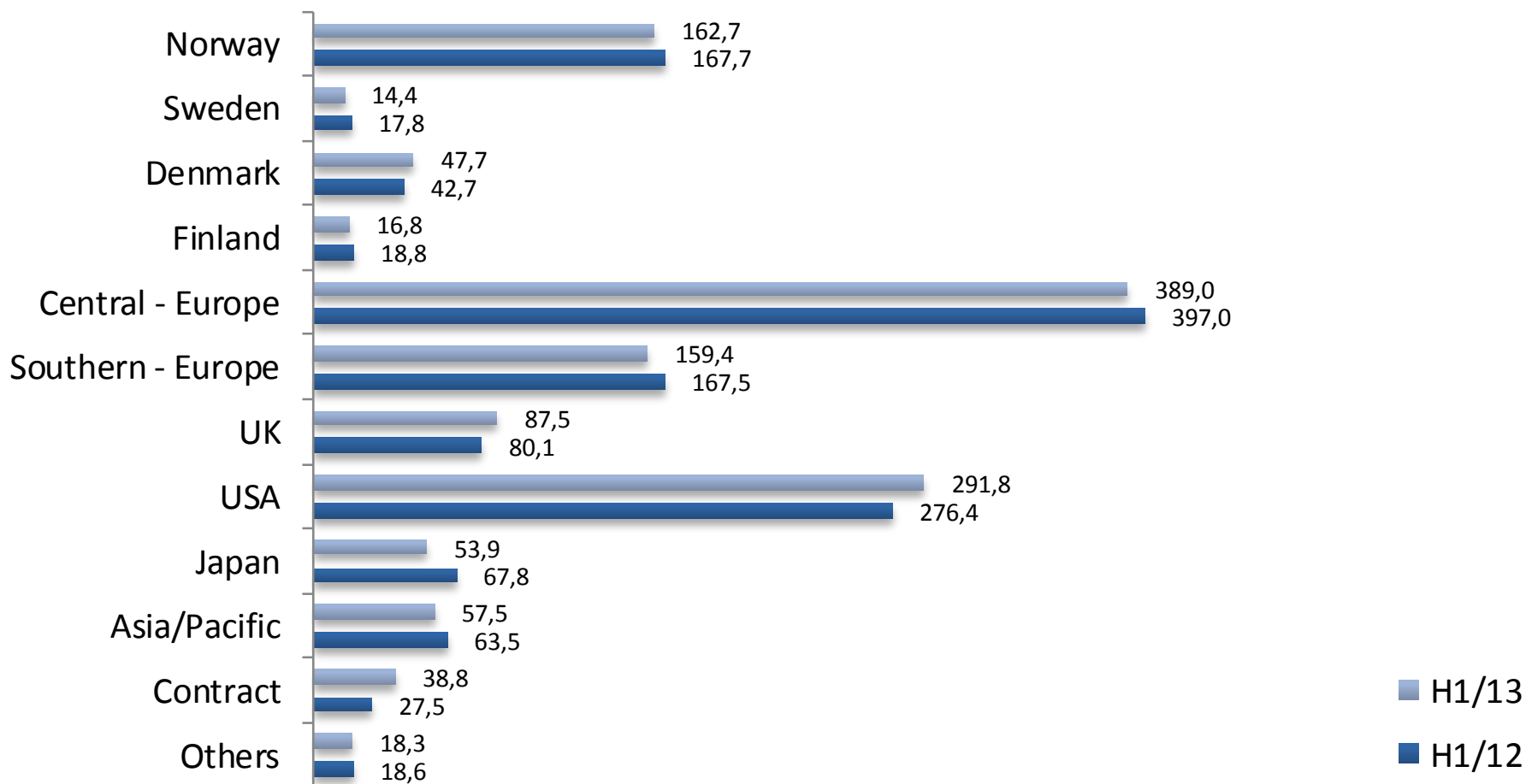
(Tall i NOK mill.)	(Figures in NOK mill.)	Q2 - 2013	
		New reporting	Former/Old reporting
<b>Resultat etter skatt</b>	<b>Profit after taxes</b>	<b>35,6</b>	<b>130,8</b>
<b>Andre inntekter og kostnader:</b>	<b>Other comprehensive income:</b>		
Aktuarmessige gevinster på ytelsesbaserte pensjonsordninger	Actuarial gains on defined benefit plans	-	-
Endring utsatt skatt – pensjoner	Change in deferred tax – pensions	-	-
Endring verdi kontantstrømsikring	Change in value cash-flow hedging		-132,3
Endring utsatt skatt - kontantstrømsikring	Change in deferred tax – cash-flow hedging		27,1
Omregningsdifferanse	Translation differences	3,6	3,6
Omregningsdifferanse - netto finansiering datterselskap	Translation differences net financing subsidiaries	8,4	8,4
Endring utsatt skatt - netto finansiering datterselskap	Change in deferred tax - net financing subsidiaries	-2,3	-2,3
<b>Sum andre inntekter og kostnader</b>	<b>Total other comprehensive income</b>	<b>9,7</b>	<b>-85,5</b>
<b>Totalresultat</b>	<b>Total comprehensive income</b>	<b>45,3</b>	<b>45,3</b>

# Change in order influx per market (%)

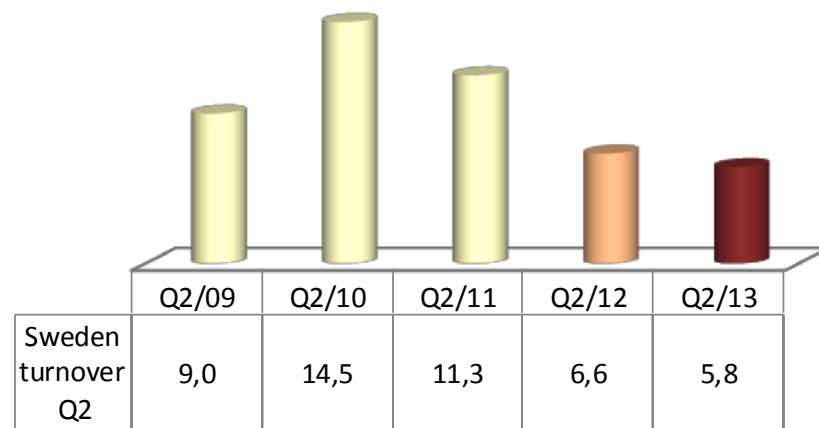
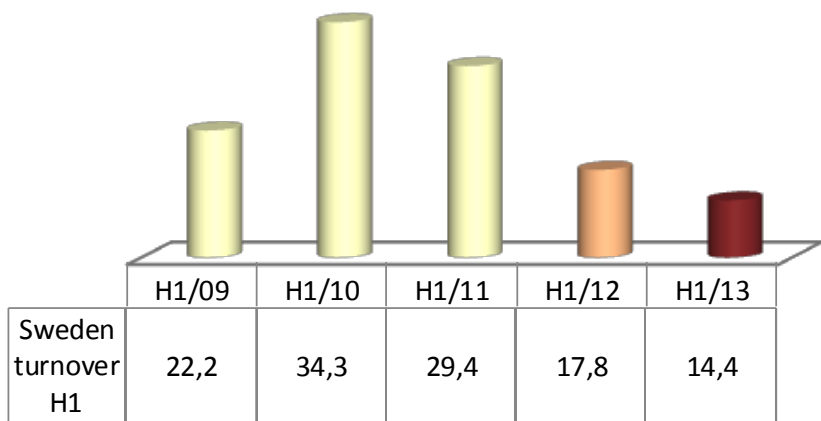
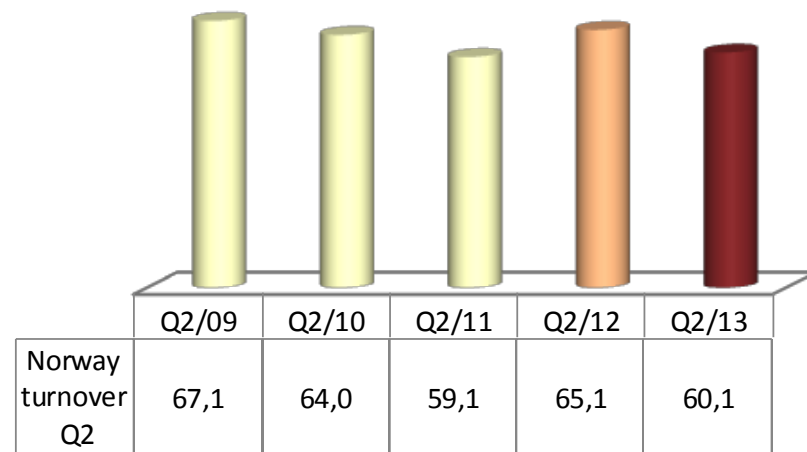
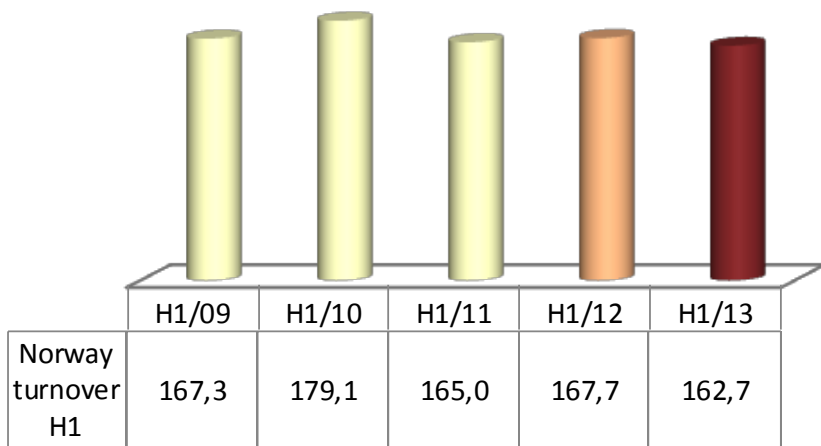


(in local currency)

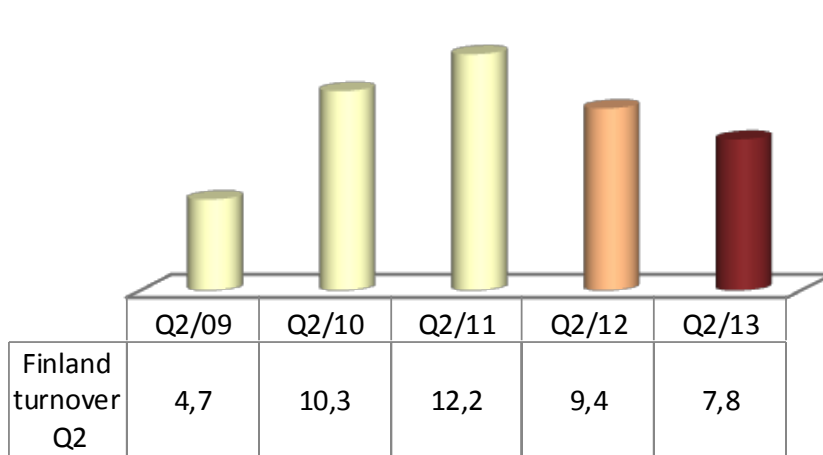
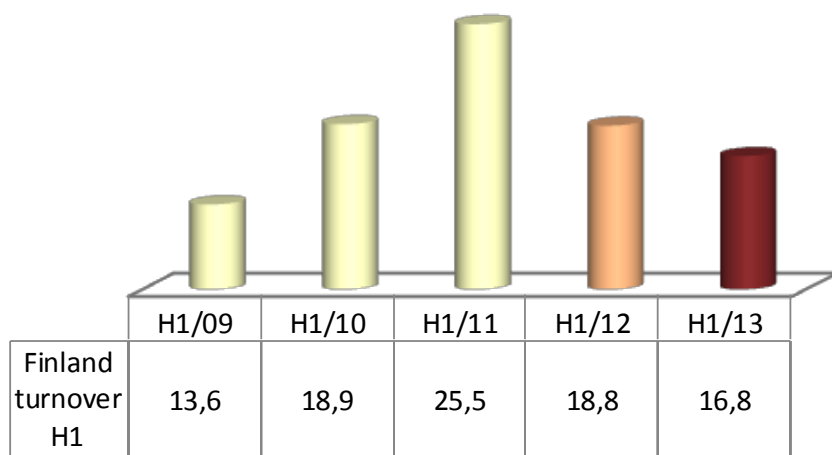
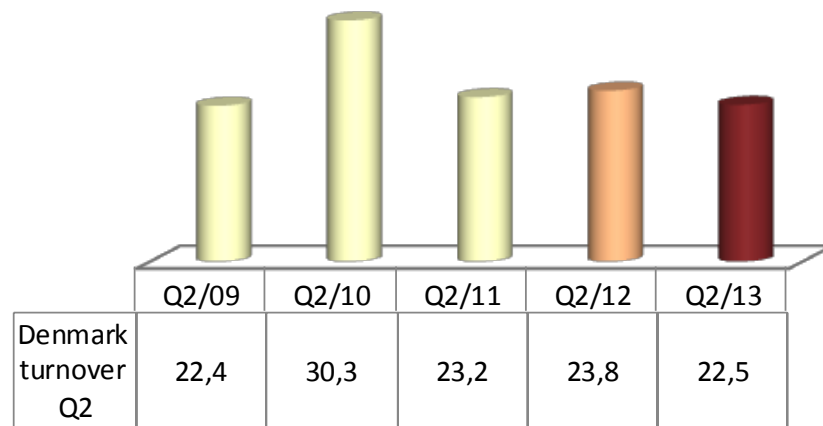
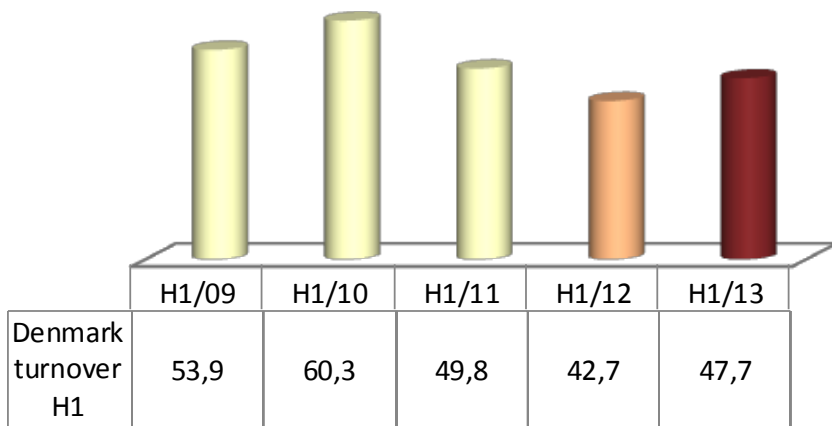
# Operating revenue per market – Q1



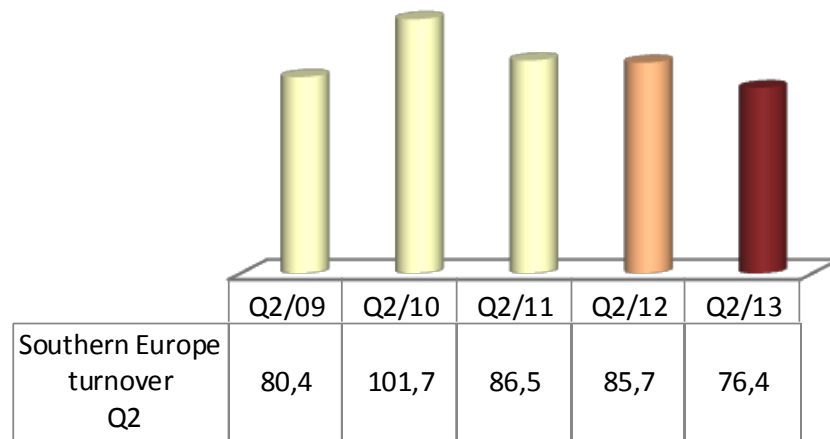
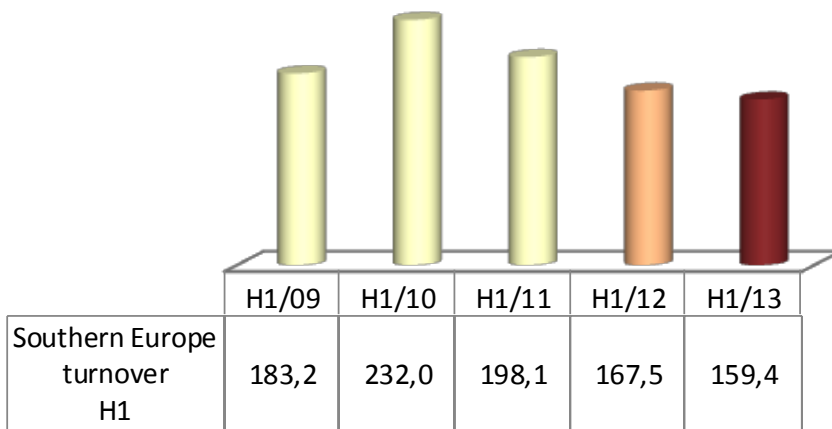
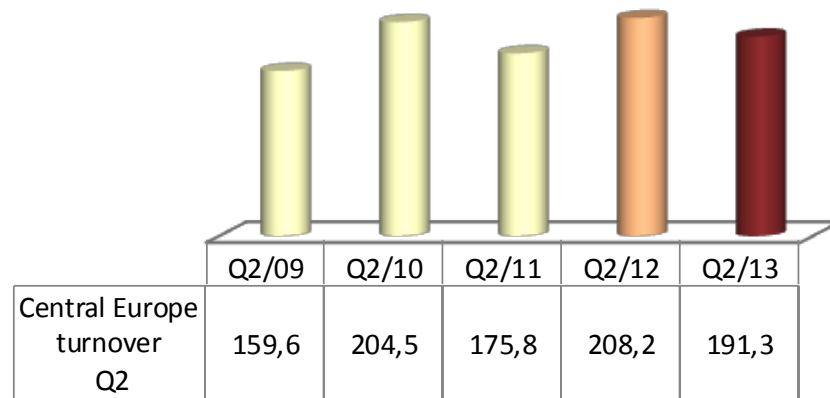
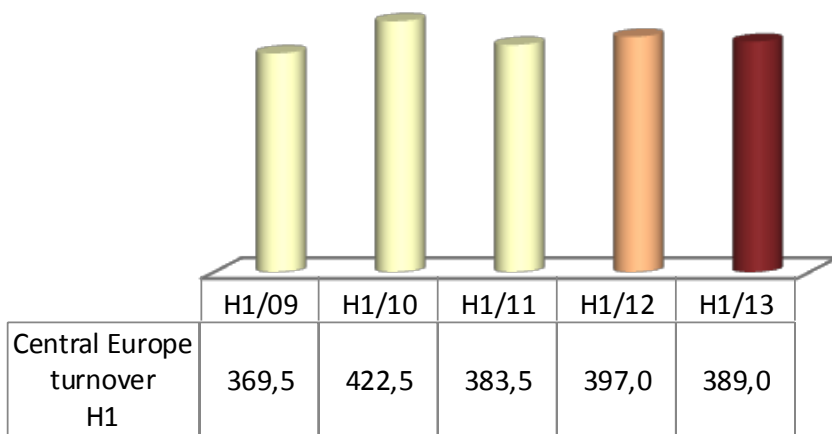
# Turnover per market (Mill. NOK)



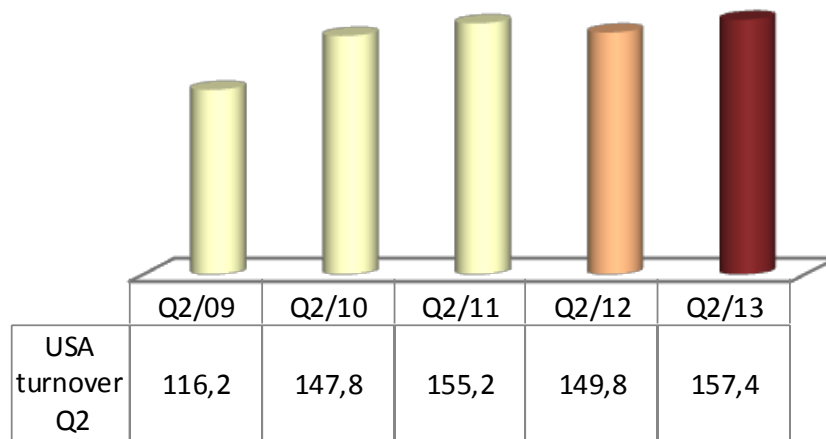
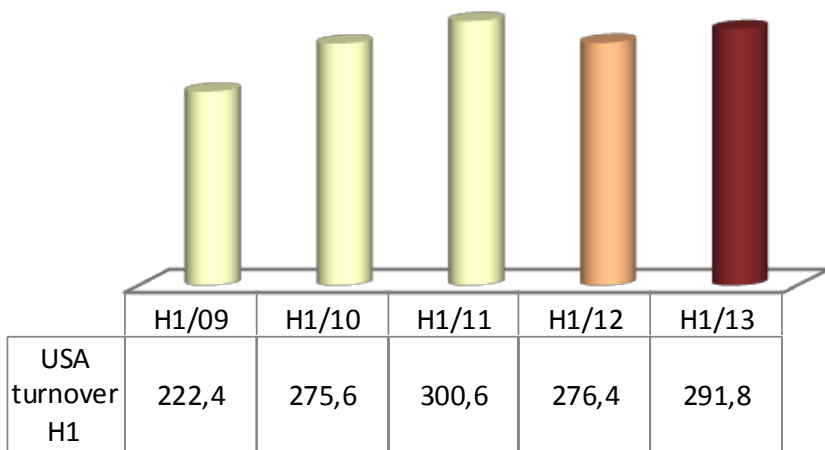
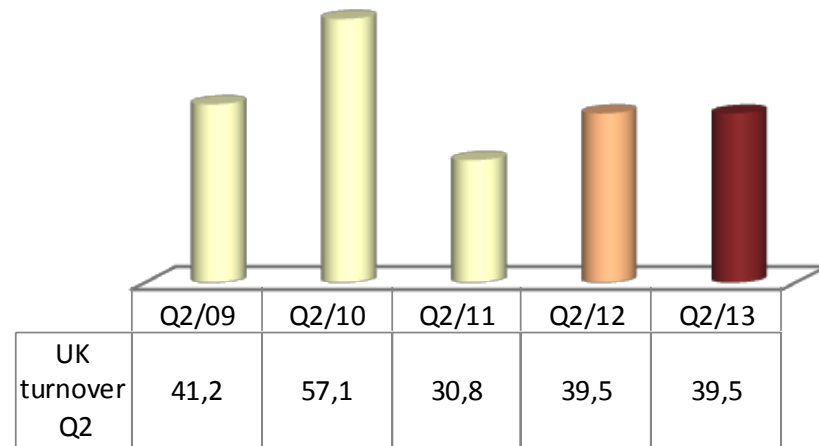
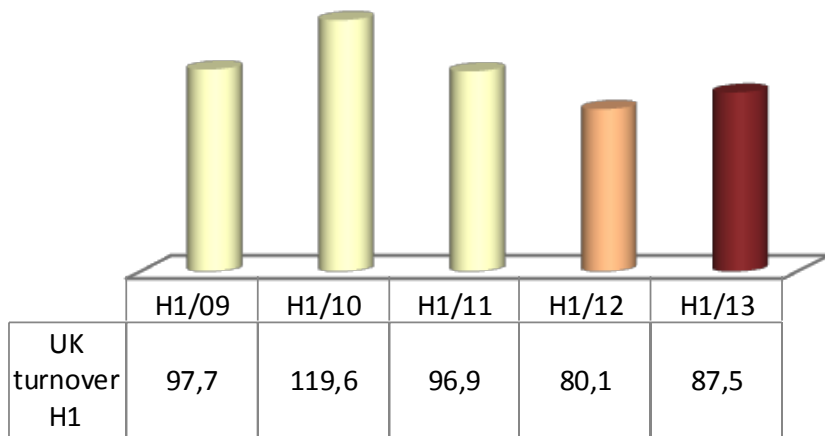
# Turnover per market (Mill. NOK)



# Turnover per market (Mill. NOK)

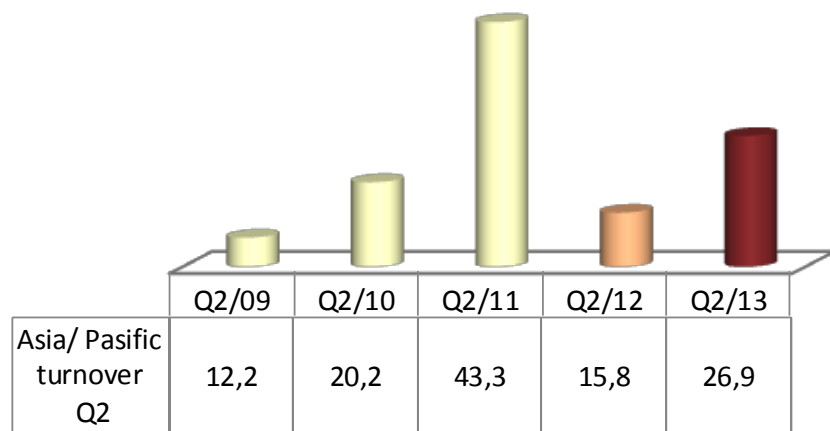
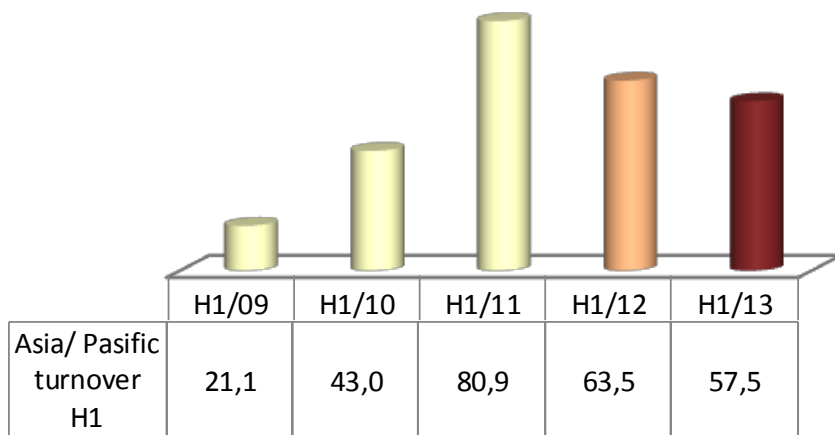
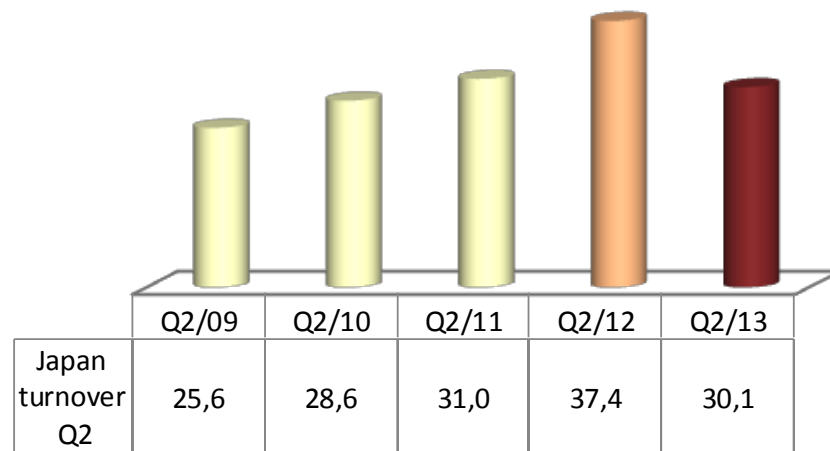
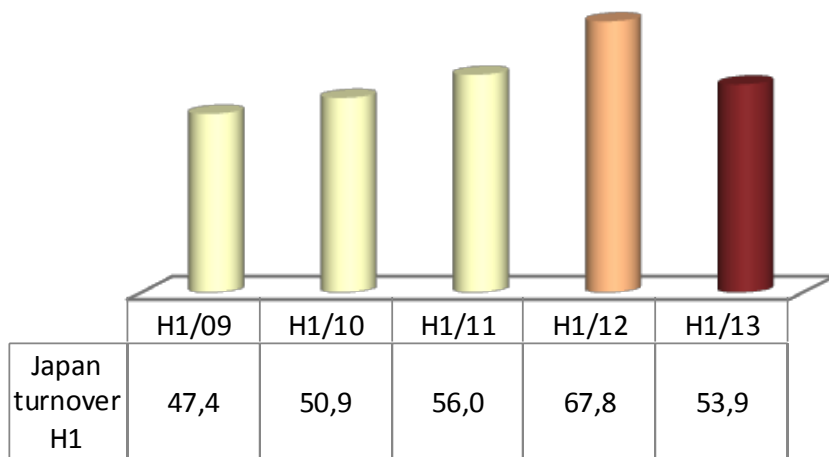


# Turnover per market (Mill. NOK)

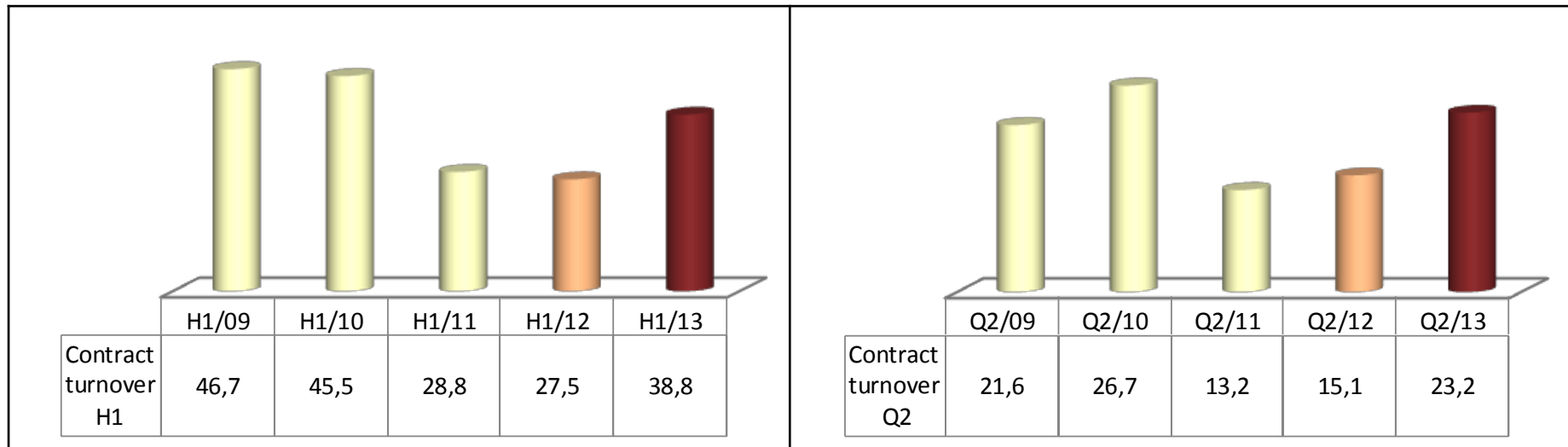




# Turnover per market (Mill. NOK)



# Turnover per market (Mill. NOK)



# Coming events:

14 November 2013 3<sup>rd</sup> Quarter Result 2013.

15 November 2013 Presentation 3<sup>rd</sup> Quarter Result 2013,  
Hotel Continental, Oslo - at 08.00 a.m.

# Largest shareholders (05.08.2013):

Shareholders	Country	Percentage
1. NORDSTJERNAN AB	SWE	15,45 %
2. FOLKETRYGDFONDET	NOR	10,51 %
3. J.P. Morgan Chase Ba NORDEA TREATY ACCOUN	GBR	5,41 %
4. STATE STREET BANK AN A/C CLIENT OMNIBUS D	USA	4,74 %
5. PARETO AKSJE NORGE	NOR	4,67 %
6. J.P. Morgan Chase Ba SPECIAL TREATY LENDI	GBR	4,12 %
7. ODIN NORGE	NOR	3,89 %
8. UNHJEM BERIT VIGDIS EKORNES	NOR	2,91 %
9. MERTENS GUNNHILD EKORNES (JPMBSA)	NOR	2,88 %
10. JP Morgan Chase Bank HANDELSBANKEN NORDIC	FIN	2,40 %
Other shareholders approx. 2,363		43,02 %
Proportion	Norwegian shareholders	51,88 %
	Non-Norwegian shareholders	48,12 %

# Board of Directors | Group Management

- Olav Kjell Holtan – Chairman
- Kjersti Kleven – Vice Chairman
- Bjørn Gulden
- Stian Ekornes
- Nora Förisdal Larssen
- CEO: Nils-Fredrik Drabløs  
[Nils-Fredrik.Drablos@ekornes.com](mailto:Nils-Fredrik.Drablos@ekornes.com)  
Phone: +47 70 25 52 22  
Mobile: +47 90 01 78 92
- CFO: Robert Svendsen  
[robert.svendsen@ekornes.com](mailto:robert.svendsen@ekornes.com)  
Phone: +47 70 25 52 13  
Mobile: +47 91 89 50 24

## Employee Representatives:

- Sveinung Utgård
- Tone Helen Hanken
- Wenche Elvegård