

# NIBE

– world-class solutions in sustainable energy



- **SALES** totalled SEK 2,361.3 million (SEK 2,062.4 million)
- **PROFIT AFTER NET FINANCIAL ITEMS** was SEK 180.2 million (SEK 134.2 million)
- **PROFIT AFTER TAX** was SEK 138.3 million (SEK 98.8 million)
- **EARNINGS** per share before and after dilution were SEK 1.25 (SEK 0.90)
- **ACQUISITION OF** operations in Technibel SAS, France

Interim report 1 2014



Gerteric Lindquist  
Managing Director and CEO

## Chief Executive's Report

# Positive start to the year for all three of our business areas

Group sales for the first quarter grew by 14.5% (-2.1%). In organic terms, sales rose by 10.5% (-9.4%). In addition to better demand, first-quarter sales were also positively affected by the weaker Swedish krona.

Demand has been generally good for all three business areas. However, it is important to remember that the market for the entire first half of 2013 was particularly cautious, so we are now comparing performance with a relatively weaker quarter.

We are aware that the economic recovery is fairly fragile and we are therefore maintaining our focus on costs and significant flexibility in production. At the same time, we are constantly endeavouring to improve productivity. As a result, not only have all three business areas improved their respective operating profit but they have also significantly increased their respective operating margins.

We are also pleased to note that we are also continuing to take market shares.

Of particular note for NIBE Energy Systems is that the large heat pump markets in Europe are now showing growth once more and that the market trend has also improved in Eastern Europe. Combined with all the new product launches over recent quarters, this has resulted in healthy organic growth.

For NIBE Element, demand has improved in most market segments in Europe, North America and Asia, and we are also seeing the results of a large number of newly developed products. This has led to organic growth for the quarter being the highest in some years.

The overall wood stove market has been essentially unchanged. However, good development in the UK combined with a number of new products have resulted in good organic growth.

The first quarter saw the acquisition of operations from French company Technibel, which has annual sales of just over SEK 105 million. In keeping with previous statements we have made, we will remain active

in the ongoing consolidation of the sector within our three business areas.

Operating profit for the first quarter improved by 36.3% compared with the corresponding period last year and the operating margin rose from 7.0% to 8.3%. Operating profit was also positively affected by the weaker Swedish krona.

Profit after financial items improved by 34.3% in the first quarter compared with the corresponding period in 2013, leading to a profit margin of 7.6% versus 6.5% for the same period last year.

### Outlook for 2014

Our corporate philosophy and our product programme, with their focus on sustainability and saving energy, are well suited to the times in which we are living.

In terms of markets, most of our exposure is towards countries with strong economies.

Our financial position remains robust, which means that we are well placed to make new acquisitions.

We will be defending our margins through continual initiatives to improve productivity and by taking a cautious approach to fixed costs. There will also be a considerable focus on professional marketing and a high pace of product development.

Combined with an increasing number of positive economic signals, we can look to the future with confidence.

Markaryd, 15 May 2014

Gerteric Lindquist  
Managing Director and CEO

### Financial targets

- Average annual sales growth of 20%
- An operating margin of at least 10% of sales over a full business cycle in each business area.
- Average return on equity of at least 20% after standard deductions for tax over a full business cycle .
- Equity/assets ratio of at least 30%.

### Calendar

#### 15 May 2014

11.00 (C.E.T) Teleconference  
(in English);

Presentation of Interim Report 1 2014 and opportunity to ask questions.

NOTE – registration on our website [www.nibe.com](http://www.nibe.com) is required in order to access the presentation images during the conference.

To listen to the presentation by phone, call +46 8 519 993 56

#### 15 May 2014

17.00 (C.E.T) Annual General Meeting 2014

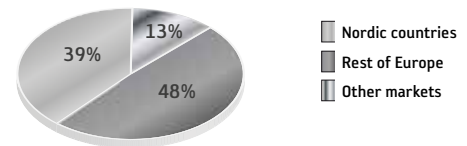
#### 15 August 2014

Interim Report 2, Jan – June 2014

#### 14 November 2014

Interim Report 3, Jan – Sept 2014

Group sales by geographical region



## Sales

Group net sales for the period totalled SEK 2,361.3 million (SEK 2,062.4 million). This corresponds to growth of 14.5%, of which 10.5% was organic growth. Acquired operations accounted for SEK 83.3 million of the total SEK 298.9 million increase in sales.

## Earnings

Profit for the quarter after net financial items was SEK 180.2 million. This equates to a 34.3% increase in earnings compared with the SEK 134.2 million for the corresponding period in 2013. Profit for the period has been charged with acquisition expenses of SEK 5.5 million versus SEK 4.7 million for the same period last year. Return on equity was 16.1%, which is the same as the corresponding period last year.

## Acquisitions

At the start of February NIBE acquired operations in French company Technibel SAS, which has annual sales of approximately SEK 105 million. Technibel is solely a sales company for air conditioning products and heat pumps under the well-established Technibel brand.

## Investments

Group investments for the period January–March amounted to SEK 87.2 million (SEK 651.0 million). A total of SEK 28.3 million (SEK 573.9 million) of this sum relates to acquisitions. The remaining SEK 58.9 million (SEK 77.1 million) is mainly investments in machinery and equipment in existing operations. The investment with regard to acquisitions is based on initial purchase prices as well as an estimate of an additional consideration to be paid.

## Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 246.2 million (SEK 183.7 million). Cash flow afters changes in working capital amounted to SEK 102.4 million (SEK 21.0

million).

Interest-bearing liabilities at the end of the period amounted to SEK 4,589.9 million, compared with SEK 4,591.3 million at the start of the year.

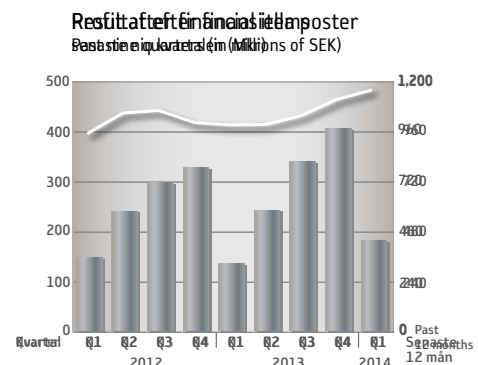
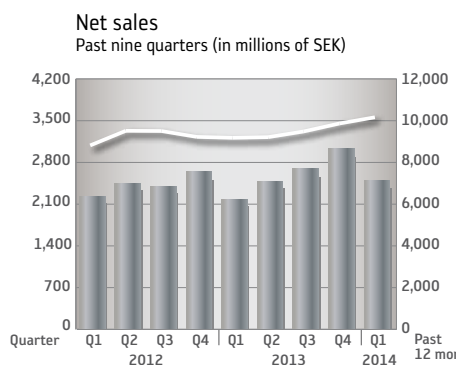
At the end of March the Group had liquid funds of SEK 2,371.0 million as against SEK 2,369.2 million at the start of the year.

The equity/assets ratio at the end of the period was 43.4%, compared with 43.0% at the start of the year and 39.6% at the corresponding point last year.

## Parent

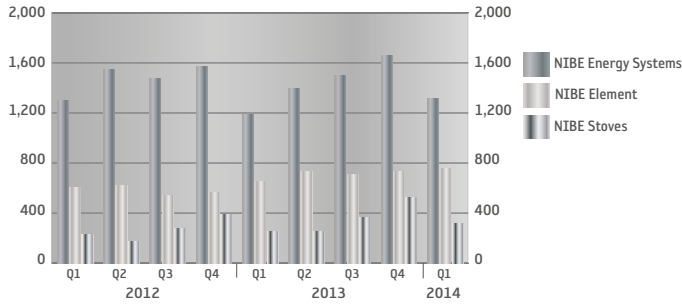
Parent activities comprise Group executive management functions, certain shared Group functions and the financing of corporate acquisitions. Sales for the period totalled SEK 4.8 million (SEK 4.0 million) and profit after financial items was SEK 260.3 million (SEK 219.7 million). At the end of the reporting period the parent company had liquid funds of SEK 1,313.1 million compared with SEK 979.5 million at the start of the year.

NIBE Group Key figures		2014 Q 1	2013 Q 1	Past 12 mths	2013 full-year
Net sales	SEK m	2,361.3	2,062.4	10,132.5	9,833.6
Growth	%	14.5	- 2.1	10.8	7.0
of which acquired	%	4.0	7.3	8.6	9.3
Operating profit	SEK m	196.4	144.1	1,231.5	1,179.2
Operating margin	%	8.3	7.0	12.2	12.0
Profit after net financial items	SEK m	180.2	134.2	1,163.4	1,117.4
Profit margin	%	7.6	6.5	11.5	11.4
Equity/assets ratio	%	43.4	39.6	43.4	43.0
Return on equity	%	16.1	16.1	17.3	16.7

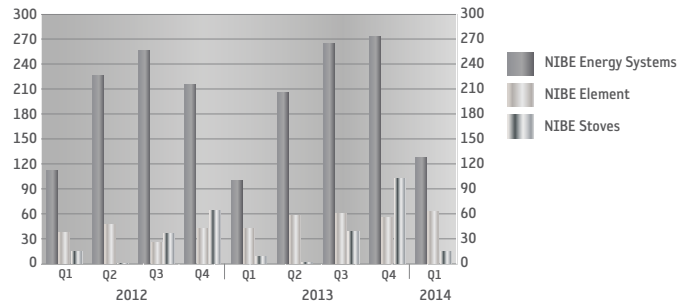


# Business Area trends

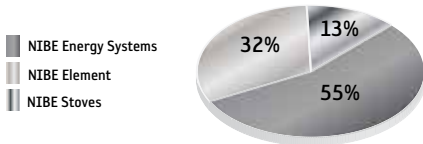
Sales by business area  
Past 9 quarters (in millions of SEK)



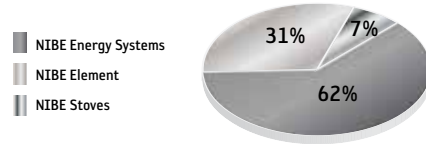
Operating profit by business area  
Past 9 quarters (in millions of SEK)



Business area contributions to sales



Business area contributions to profit



**Unique housing project using NIBE heat pumps**

Above the courthouse in Örnsköldsvik, Sweden, which was built in 1967, the internationally renowned architect Gert Wingårdh has created a colourful apartment block. NIBE's geothermal heat pumps provide both the apartments and the courthouse facilities, covering a total of 5,000 square meters with both heat and hot water.

## Sales and profit

Sales for the period totalled SEK 1,312.5 million, compared with SEK 1,185.3 million for the corresponding period last year. The increase in sales was SEK 127.2 million with acquired sales accounting for SEK 11.1 million of this sum, which means that organic growth was 9.8%.

Operating profit for the period totalled SEK 127.2 million, compared with SEK 101.1 million the previous year. This equated to an operating margin of 9.7% compared with 8.5% for the previous year. This means that the operating margin for the past 12 months is 14.8%.

## Market

The market in Europe for our main business area of heat pumps has stabilised and most markets are showing an upward trend, albeit from a low level. Increased new construction of single-family houses and the goal of increasing the use of renewable energy in Europe is contributing to growth. Demand is a fairly good reflection of the economic conditions in the respective countries, but the four largest heat-pump markets in Europe, i.e. France, Germany, Sweden and Switzerland, all now have stable development.

The market trend in Europe of using energy recovery from both outdoor and indoor air is continuing and fits well with our development focus and our latest product launches.

The start of April saw the launch of the second part of the UK's RHI (Renewable Heating Incentive) financial support programme. This programme has now been expanded to subsidise owners of both commercial properties and of single domestic dwellings and small homes. The subsidy is paid in cash in relation to the amount of renewable energy used and depending on the type of product used. Our historically strongest product area, geothermal heat pumps, is the type of heat pump that provides the highest subsidy. We believe that in the long-term this programme will have a positive impact through the increased use of heat pumps in the UK and our newly introduced products are therefore believed to have good expansion opportunities on this market.

Last year's weaker market performance in Eastern Europe has bottomed out and all markets showed sales growth in the first quarter.

The Swedish heat pump market has continued to grow this year. It is particularly pleasing that demand for product for larger properties has increased significantly following last year's decline. This segment accounts for the largest percentage of overall market growth and is also the segment in which our market share is increasing most. Our total market share for heat pumps has also increased significantly, and as a result we have further strengthened our already solid market position. Performance in other parts of the Nordic heat pump market has also been stable.

For traditional electric water-heaters, performance in the Nordic and European markets remains stable, while sales of conventional domestic boilers remain sluggish. With more stringent legal requirements regarding energy efficiency in the production of hot water, the market for heat pumps used solely for heating hot water looks set to expand, which we regard as a good opportunity for growth.

### **Several of our brands were represented at the Swedish trade fair Nordbygg.**

A number of Energy Systems' brands were represented at the Nordbygg trade fair in Stockholm. NIBE presented several new products, including the first showing of the new air/air heat product segment. This new segment will allow us to break into new markets and gain further market share.

## Operations

Our participation in the important North European trade fair Nordbygg in Stockholm at the start of April was a show of strength. NIBE presented numerous newly developed products and most of these have performed very well in the Swedish Energy Agency's independent product tests, in which we have achieved the best results. Inverter control of compressors is becoming increasingly important and we are now able to offer our own proprietary systems, in addition to which we are also launching new generations of products in air, exhaust air, ground-source and geothermal segments. Our ground-source and geothermal products have achieved the market's best annual heat factor in the Swedish Energy Agency's tests.

One of the main new products at the trade fair was NIBE's market launch of air/air heat pumps, an entirely new product segment for us, which offers new business opportunities.

In February NIBE acquired operations in Technibel SAS in France, which is a pure sales company based just outside Lyon. Technibel, which is a well-established brand in France and known for its climate control products and heat pumps, has annual sales of around SEK 105 million and 25 employees. Coordination with our own French company means we now have a broad product offering with three brands and a sales organisation covering the whole of France. This could enable us to become a significant market player now that the French market has stabilised and is once again moving in the right direction.

NIBE Energy Systems		2014	2013	Past	2013
Key figures		Q 1	Q 1	12 mths	full-year
Net sales	SEK m	1,312.5	1,185.3	5,867.0	5,739.9
Growth	%	10.7	- 9.1	1.5	- 2.7
of which acquired	%	0.9	0.9	0.7	0.7
Operating profit	SEK m	127.2	101.1	870.3	844.2
Operating margin	%	9.7	8.5	14.8	14.7
Assets	SEK m	8,001.8	7,689.1	8,001.8	8,098.6
Liabilities	SEK m	1,131.9	991.6	1,131.9	1,067.7
Investments in fixed assets	SEK m	45.7	30.1	201.2	185.7
Depreciation	SEK m	59.2	59.4	240.2	240.4





## Sales and profit

Sales for the period totalled SEK 758.7 million, compared with SEK 649.8 million for the corresponding period last year. The increase in sales was SEK 108.9 million with acquired sales accounting for SEK 31.7 million of this sum, which means that organic growth was 11.9%.

Operating profit for the period totalled SEK 63.2 million, compared with SEK 42.4 million the previous year. This equates to an operating margin of 8.3% compared with 6.5% for the same period last year. This means that the operating margin for the past 12 months is 8.1%.

## Market

Both demand on the international element market and general industrial economic industrial activity, which both gradually improved last year, continued to show positive development in the first quarter.

We are generally seeing increased demand in Northern Europe and the UK, while Southern European markets appear to have stabilised, albeit at a relatively low level, following several years of decline.

In contrast to the unusually mild winter in Europe, North America had a cold winter which led to a sharp increase in demand for residential heating products. In addition, performance of the domestic appliance market has been weaker but we believe it will recover this year.

The Asian market continues to show stable growth in most sections of the market.

Areas relating to residential heating are seeing increased sales of products for renewable and efficient energy solutions.

Within the industrial sector, it is mainly products related to energy production for oil, gas and wind power that have seen good demand. Our market presence and position in this sector have been further strengthened by the successful global launch of a number of unique products. We also see good opportunities for further expansion.

The transport sector, which includes both the automotive industry and rail-based traffic, has also experienced a positive start to the year. A number of new innovative products for the automotive industry and new customer projects focussing on environmental improvements are contributing to increased sales.

## Operations

We are continuing to take structural measures to create competitive units within each market segment. This involves further investments in areas such as the use of industrial robots and automation. At the same time, we are also focussing on reviews of production technology to ensure good productivity and efficiency in order to reach our targeted operating margin level.

The specialisation of the North America units has been successfully implemented and has also produced the expected results. The first half of 2014 will also see coordination of administration, which we believe will generate further positive effects.

Our market presence will also be further strengthened in both North America and Asia as we are continuing to expand our sales organisation, particularly for industrial and commercial products.

With continuing volatility around raw material prices and exchange rates and the significant effect this has on pricing and competitiveness, it is an advantage for us to have production units in different currency zones.

NIBE Element		2014	2013	Past	2013
Key figures		Q 1	Q 1	12 mths	full-year
Net sales	SEK m	758.7	649.8	2,930.8	2,821.8
Growth	%	16.8	7.6	23.0	20.8
of which acquired	%	4.9	13.9	15.6	18.2
Operating profit	SEK m	63.2	42.4	237.5	216.7
Operating margin	%	8.3	6.5	8.1	7.7
Assets	SEK m	2,803.4	2,633.8	2,803.4	2,758.2
Liabilities	SEK m	568.4	458.5	568.4	547.6
Investments in fixed assets	SEK m	13.9	17.7	79.2	83.0
Depreciation	SEK m	24.7	21.4	95.0	91.7



### Cold winter in North America

The recent cold winter in North America resulted in strong demand for residential heating products, which benefited our customers through a marked increase in sales, which in turn benefitted us as a B2B company.

## Sales and profit

Sales for the period totalled SEK 320.2 million, compared with SEK 252.3 million for the corresponding period last year. The increase in sales was SEK 67.9 million with acquired sales accounting for SEK 40.5 million of this sum, which means that organic growth was 10.9%.

Operating profit totalled SEK 15.0 million, compared with SEK 8.9 million for the corresponding period last year. The operating margin rose from 3.5% last year to 4.7%. This means that the operating margin for the past 12 months is 10.8%.

## Market

So far this year the overall European wood stove market is at around the same level as last year. The exception is the UK market, which has continued to perform very strongly, as well as the Norwegian market which saw a weaker start to the year than in 2013.

Within Scandinavia, demand in Sweden and Denmark has stabilised following several years of sharp decline. Demand is historically still very low, which is mainly due to consumer caution in investing in durable goods. The positive effects of a slight increase in single-family house construction are not expected to be felt in the sector until the second half of the year.

Demand in Norway, a relatively large wood stove market, continued to decrease in the first quarter. This is mainly due to a general slowdown in the economy and a lower level of construction, as well as an unusually mild winter which exacerbated the decline.

The UK is experiencing faster economic recovery than many other European countries. Combined with greater mobility in the housing market as a result of generous financing options, this is resulting in a further increase in demand for wood stove products.

Despite signals of a general economic pickup, demand has not increased appreciably in Germany, which is partly due to the unusually mild winter allied with relatively low energy prices.

France has seen a fluctuation in demand for wood stove products, with wood-burning stoves taking a slight back seat to pellet-fired stoves, especially in newly constructed single-family housing.

## Operations

Last year's numerous product launches, which largely complement our existing range, have contributed to increased sales in the first quarter of the year. In addition, our focus on a broader offering within the chimney systems product area has generated results in the form of increased market share in Scandinavia.

Following a year of numerous product launches, this year will be focussing on further improving the productivity of our manufacturing units. Slightly more stable demand also results in a more consistent rate of production, providing good conditions for efficient manufacturing and high security of supply.

UK-based Stovax Heating Group, which was acquired just over a year ago, has performed very strongly owing to healthy demand on the UK domestic market, combined with consistent and professional management of the company in which continued independence and significant responsibility are key.

NIBE Stoves		2014	2013	Past	2013
Key figures		Q 1	Q 1	12 mths	full-year
Net sales	SEK m	320.2	252.3	1,463.2	1,395.3
Growth	%	26.9	11.6	34.2	31.1
of which acquired	%	16.0	25.1	34.5	36.9
Operating profit	SEK m	15.0	8.9	157.9	151.8
Operating margin	%	4.7	3.5	10.8	10.9
Assets	SEK m	1,554.5	1,502.3	1,554.5	1,592.2
Liabilities	SEK m	201.6	187.3	201.6	206.1
Investments in fixed assets	SEK m	3.8	5.6	24.8	26.6
Depreciation	SEK m	13.4	11.7	54.3	52.6



### Strong market performance in the UK

The UK has experienced quicker economic recovery than many other European countries, which has increased demand for wood stove products. The acquisition of Stovax Heating Group combined with our own market activities has enabled us to also achieve a market-leading position in the UK. Our strongest brands on this market are Stovax, Gazco and Contura.

## Income Statement summaries

(in millions of SEK)	Group				Parent	
	Jan-March 2014	Jan-March 2013	Past 12 mths	full-year 2013	Jan-Mar 2014	Jan-Mar 2013
Net sales	2,361.3	2,062.4	10,132.5	9,833.6	4.8	4.0
Cost of goods sold	- 1,576.7	- 1,408.3	- 6,630.2	- 6,461.8	0.0	0.0
<b>Gross profit</b>	<b>784.6</b>	<b>654.1</b>	<b>3,502.3</b>	<b>3,371.8</b>	<b>4.8</b>	<b>4.0</b>
Selling expenses	- 454.6	- 396.2	- 1,796.9	- 1,738.5	0.0	0.0
Administrative expenses	- 156.7	- 139.2	- 597.2	- 579.7	- 9.1	- 7.8
Other operating income	23.1	25.4	123.3	125.6	0.0	0.0
<b>Operating profit</b>	<b>196.4</b>	<b>144.1</b>	<b>1,231.5</b>	<b>1,179.2</b>	<b>- 4.3</b>	<b>- 3.8</b>
Net financial items	- 16.2	- 9.9	- 68.1	- 61.8	264.6	223.5
<b>Profit after net financial items</b>	<b>180.2</b>	<b>134.2</b>	<b>1,163.4</b>	<b>1,117.4</b>	<b>260.3</b>	<b>219.7</b>
Tax	- 41.9	- 35.4	- 265.9	- 259.4	0.0	0.0
<b>Net profit</b>	<b>138.3</b>	<b>98.8</b>	<b>897.5</b>	<b>858.0</b>	<b>260.3</b>	<b>219.7</b>
<b>Net profit attributable to Parent shareholders</b>	<b>138.3</b>	<b>98.8</b>	<b>897.5</b>	<b>858.0</b>	<b>260.3</b>	<b>219.7</b>
<i>Includes depreciation according to plan as follows</i>	97.3	92.6	389.3	384.6	0.0	0.0
<i>Net profit per share before and after dilution in SEK</i>	1.25	0.90	8.14	7.78		

## Statement of comprehensive income

<b>Net profit</b>	<b>138.3</b>	<b>98.8</b>	<b>897.5</b>	<b>858.0</b>	<b>260.3</b>	<b>219.7</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit or loss</b>						
Actuarial gains and losses in retirement benefit plans	0.0	0.0	35.4	35.4	0.0	0.0
Tax	0.0	0.0	- 7.5	- 7.5	0.0	0.0
	<b>0.0</b>	<b>0.0</b>	<b>27.9</b>	<b>27.9</b>	<b>0.0</b>	<b>0.0</b>
<b>Items that may be reclassified to profit or loss</b>						
Cash flow hedges	1.9	5.5	- 8.8	- 5.1	- 0.6	0.0
Hedging of net investment	- 20.5	123.8	- 226.4	- 82.1	- 20.5	122.9
Exchange differences	25.7	- 287.4	433.1	120.0	0.0	0.0
Tax	3.8	- 28.6	51.7	19.2	4.4	- 27.0
	<b>10.9</b>	<b>- 186.7</b>	<b>249.6</b>	<b>52.0</b>	<b>- 16.7</b>	<b>95.9</b>
<b>Total other comprehensive income</b>	<b>10.9</b>	<b>- 186.7</b>	<b>277.5</b>	<b>79.9</b>	<b>- 16.7</b>	<b>95.9</b>
<b>Total comprehensive income</b>	<b>149.2</b>	<b>- 87.9</b>	<b>1,175.0</b>	<b>937.9</b>	<b>243.6</b>	<b>315.6</b>
<b>Total comprehensive income attributable to Parent shareholders</b>	<b>149.2</b>	<b>- 87.9</b>	<b>1,175.0</b>	<b>937.9</b>	<b>243.6</b>	<b>315.6</b>

## Balance Sheet summaries

(in millions of SEK)	Group			Parent		
	31 Mar 2014	31 Mar 2013	31 Dec 2013	31 Mar 2014	31 Mar 2013	31 Dec 2013
Intangible non-current assets	6,186.5	5,879.6	6,153.6	0.0	0.0	0.0
Property, plant and equipment	1,882.6	1,825.2	1,889.1	0.0	0.0	0.0
Non-current financial assets	161.4	149.0	155.2	8,217.9	7,718.3	8,187.4
<b>Total non-current assets</b>	<b>8,230.5</b>	<b>7,853.8</b>	<b>8,197.9</b>	<b>8,217.9</b>	<b>7,718.3</b>	<b>8,187.4</b>
Inventories	1,855.9	1,770.4	1,760.0	0.0	0.0	0.0
Current receivables	1,538.5	1,539.3	1,414.7	67.8	9.5	72.9
Current investments	0.0	0.0	3.0	0.0	0.0	0.0
Cash and bank balances	1,578.8	887.7	1,591.2	913.1	304.6	579.5
<b>Total current assets</b>	<b>4,973.2</b>	<b>4,197.4</b>	<b>4,768.9</b>	<b>980.9</b>	<b>314.1</b>	<b>652.4</b>
<b>Total assets</b>	<b>13,203.7</b>	<b>12,051.2</b>	<b>12,966.8</b>	<b>9,198.8</b>	<b>8,032.4</b>	<b>8,839.8</b>
Equity	5,724.6	4,770.0	5,575.4	3,604.4	3,435.0	3,360.8
Untaxed reserves	0.0	0.0	0.0	1.1	1.1	1.1
Non-current liabilities and provisions, non-interest bearing	1,276.2	1,263.9	1,267.2	517.3	542.9	517.5
Non-current liabilities and provisions, interest bearing	4,379.2	4,119.2	4,390.7	4,899.5	3,665.6	4,796.7
Current liabilities and provisions, non-interest bearing	1,613.0	1,419.0	1,532.9	23.7	15.5	22.6
Current liabilities and provisions, interest bearing	210.7	479.1	200.6	152.8	372.3	141.1
<b>Total equity and liabilities</b>	<b>13,203.7</b>	<b>12,051.2</b>	<b>12,966.8</b>	<b>9,198.8</b>	<b>8,032.4</b>	<b>8,839.8</b>



Key figures		Jan-Mar 2014	Jan-Mar 2013	full-year 2013
Growth	%	14.5	- 2.1	7.0
Operating margin	%	8.3	7.0	12.0
Profit margin	%	7.6	6.5	11.4
Investments in fixed assets	SEK m	87.2	651.0	911.6
Unappropriated liquid assets	SEK m	2,371.0	1,648.4	2,369.2
Working capital, incl. cash and bank balances as share of net sales	SEK m %	3,149.3 31.1	2,299.3 25.1	3,035.3 30.9
Working capital, excl. cash and bank balances as share of net sales	SEK m %	1,570.5 15.5	1,411.6 15.4	1,444.1 14.7
Interest-bearing liabilities/Equity	%	80.2	96.4	82.3
Equity/assets ratio	%	43.4	39.6	43.0
Return on capital employed	%	12.4	11.6	12.4
Return on equity	%	16.1	16.1	16.7
Net debt/EBITDA	times	1.9	2.7	1.9
Interest coverage ratio	times	7.6	9.4	12.4

Data per share		Jan-Mar 2014	Jan-Mar 2013	Full-year 2013
Net profit per share (total 110,253,638 shares)	SEK	1.25	0.90	7.78
Equity per share	SEK	51.92	43.26	50.57
Closing day share price	SEK	166.50	113.30	145.00

Financial instruments measured at fair value		31 Mar 2014	31 Mar 2013	31 Dec 2013
<b>(in millions of SEK)</b>				
<b>Current receivables</b>				
Currency futures		2.4	7.6	7.2
Raw materials futures		0.5	0.1	0.3
<b>Total</b>		<b>2.9</b>	<b>7.7</b>	<b>7.5</b>
<b>Current liabilities and provisions, non interest-bearing</b>				
Currency futures		5.0	1.6	11.0
Raw materials futures		0.0	0.2	0.5
<b>Total</b>		<b>5.0</b>	<b>1.8</b>	<b>11.5</b>

No instruments have been offset in the statement of financial position, so all instruments are recognised at their gross value. For a detailed account of the measurement process, see Note 2 in the Annual Report for 2013. In respect of other financial assets and liabilities in the Group, the carrying amounts represent a reasonable approximation of their fair value. A specification of the financial assets and liabilities involved is given in Note 7 in the Annual Report for 2013.

## Statement of cash flow – summaries

(in millions of SEK)	Jan-Mar 2014	Jan-Mar 2013	Full-year 2013
Cash flow from operating activities	246.2	183.7	1,255.4
Change in working capital	- 143.8	- 162.7	- 186.2
Investment activities	- 87.2	- 243.0	- 474.8
Financing activities	- 24.5	200.4	50.6
Exchange difference in liquid funds	- 3.1	- 25.0	11.9
<b>Change in liquid assets</b>	<b>- 12.4</b>	<b>- 46.6</b>	<b>656.9</b>

## Change in equity – summaries

(in millions of SEK)	Jan-Mar 2014	Jan-Mar 2013	Full-year 2013
Equity brought forward	5,575.4	4,857.9	4,857.9
Shareholders' dividend	0.0	0.0	- 220.5
Repaid dividend to shareholders <sup>1)</sup>	0.0	0.0	0.1
Total comprehensive income for the period	149.2	- 87.9	937.9
<b>Equity carried forward</b>	<b>5,724.6</b>	<b>4,770.0</b>	<b>5,575.4</b>

<sup>1)</sup> Dividends from 2003 that have not been redeemed and have therefore expired.

## Quarterly data

Consolidated income statements (in millions of SEK)	2014	2013				2012			
	Q 1	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	2,361.3	2,062.4	2,350.2	2,544.9	2,876.1	2,106.7	2,318.4	2,271.2	2,496.0
Operating expenses	- 2,164.9	- 1,918.3	- 2,095.4	- 2,187.7	- 2,453.0	- 1,948.9	- 2,054.5	- 1,958.9	- 2,190.9
<b>Operating profit</b>	<b>196.4</b>	<b>144.1</b>	<b>254.8</b>	<b>357.2</b>	<b>423.1</b>	<b>157.8</b>	<b>263.9</b>	<b>312.3</b>	<b>305.1</b>
Net financial items	- 16.2	- 9.9	- 13.3	- 19.3	- 19.3	- 11.4	- 24.6	- 16.6	18.9
<b>Profit after net financial items</b>	<b>180.2</b>	<b>134.2</b>	<b>241.5</b>	<b>337.9</b>	<b>403.8</b>	<b>146.4</b>	<b>239.3</b>	<b>295.7</b>	<b>324.0</b>
Tax	- 41.9	- 35.4	- 55.6	- 74.8	- 93.6	- 38.1	- 59.5	- 72.6	- 71.7
<b>Net profit</b>	<b>138.3</b>	<b>98.8</b>	<b>185.9</b>	<b>263.1</b>	<b>310.2</b>	<b>108.3</b>	<b>179.8</b>	<b>223.1</b>	<b>252.3</b>
Net sales Business Areas									
NIBE Energy Systems	1,312.5	1,185.3	1,397.7	1,498.9	1,658.0	1,303.4	1,548.8	1,477.8	1,571.1
NIBE Element	758.7	649.8	734.5	704.5	733.0	603.8	624.4	540.5	568.1
NIBE Stoves	320.2	252.3	251.1	368.7	523.2	226.0	175.9	276.5	386.0
Elimination of Group transactions	- 30.1	- 25.0	- 33.1	- 27.2	- 38.1	- 26.5	- 30.7	- 23.6	- 29.2
<b>Group total</b>	<b>2,361.3</b>	<b>2,062.4</b>	<b>2,350.2</b>	<b>2,544.9</b>	<b>2,876.1</b>	<b>2,106.7</b>	<b>2,318.4</b>	<b>2,271.2</b>	<b>2,496.0</b>
Operating profit Business Areas									
NIBE Energy Systems	127.2	101.1	205.4	264.9	272.8	111.6	226.6	256.7	212.5
NIBE Element	63.2	42.4	58.4	59.9	56.0	37.0	46.6	25.7	43.2
NIBE Stoves	15.0	8.9	1.6	38.3	103.0	15.1	0.4	35.9	64.4
Elimination of Group transactions	- 9.0	- 8.3	- 10.6	- 5.9	- 8.7	- 5.9	- 9.7	- 6.0	- 15.0
<b>Group total</b>	<b>196.4</b>	<b>144.1</b>	<b>254.8</b>	<b>357.2</b>	<b>423.1</b>	<b>157.8</b>	<b>263.9</b>	<b>312.3</b>	<b>305.1</b>

## Accounting policies

NIBE Industrier's consolidated accounts are drawn up in accordance with International Financial Reporting Standards (IFRS). NIBE Industrier's interim report for the first quarter of 2014 has been drawn up in accordance with IAS 34 "Interim Financial Reporting". Segment-based reporting has been amended compared with previous periods so that liabilities in segments are now only recognised if they are operating liabilities. Comparative figures for previous periods have been adjusted correspondingly. In other respects, the same accounting policies as those adopted for this report are described on pages 66–68 of the company's Annual Report for 2013. Reporting for the Parent follows the Swedish Annual Accounts Act and recommendation RFR 2 of the Swedish Financial Accounting Standards Council ("Reporting for Legal Entities"). In the case of transactions with associates, these have taken place to the same extent as in the previous year and the same accounting policies apply as those described on page 66 of the company's Annual Report for 2013.

## Risks and uncertainties

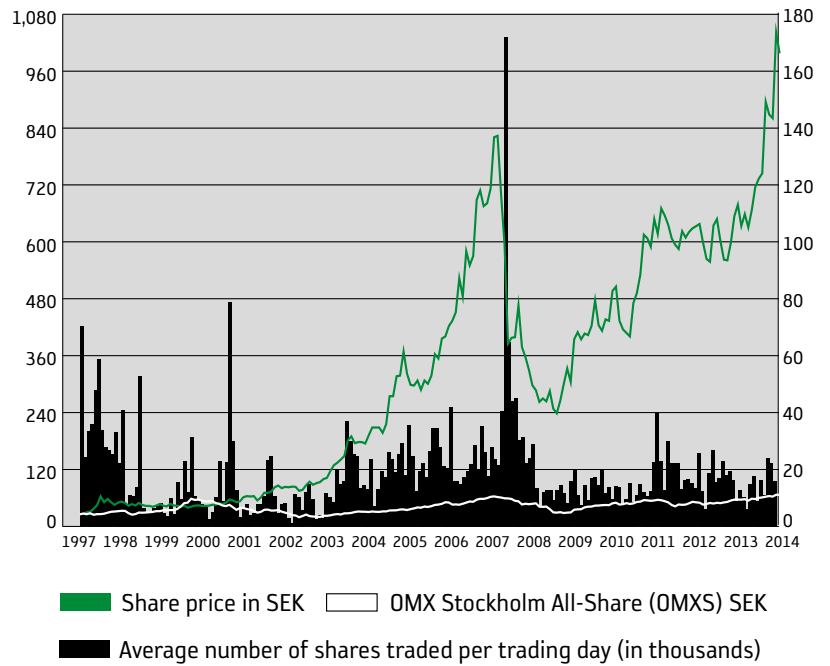
NIBE Industrier is an international industrial group that is represented in around 40 countries. As such, it is exposed to a number of business and financial risks. Risk management is therefore an important process with regard to the goals that the company has set up. Throughout the NIBE Group, efficient risk management routines are an ongoing process within the framework of the Group's operational management and a natural part of the continual follow-up of activities. It is our opinion that no significant risks or uncertainties have arisen in addition to those described in NIBE Industrier's Annual Report for 2013.

## NIBE shares

NIBE's class B shares are listed on the NASDAQ OMX Stockholm Exchange, Large Cap list. The NIBE share's closing price at 31 March 2014 was SEK 166.50. In the first quarter of 2014, NIBE's share price rose by 14.8%, from SEK 145.00 to SEK 166.50. During the same period, the OMX Stockholm All-share index (OMXS) increased by 3.9%. This means that, at the end of March 2014 the market capitalisation of NIBE, based on the latest price paid, amounted to SEK 18,357.2 million. A total of 7,745,676 NIBE shares were traded, which corresponds to a share turnover of 28.1% in the first quarter of 2014.

Shares traded per day (in thousands)

Share price in SEK



This interim report provides an accurate picture of the business activities, financial position and earnings of the Parent and the Group, and describes any significant risks and uncertainties faced by the Parent and the companies that comprises the Group.

Markaryd, 15 May 2014

Arvid Gierow  
Chairman of the Board

Georg Brunstam  
Director

Eva-Lotta Kraft  
Director

Hans Linnarson  
Director

Anders Pålsson  
Director

Gerteric Lindquist  
Managing Director & CEO

The information in this report has not been subjected to scrutiny by the company's auditors.  
For other information and definitions, please refer to the company's Annual Report for 2013.



NIBE is an international heating technology company with business operations organised in three separate business areas, NIBE Energy Systems, NIBE Element and NIBE Stoves. Our vision is to create world-class solutions in sustainable energy. Our mission is to offer energy technology products and solutions that combine high quality with innovation. This work builds on the NIBE Group's wide-ranging expertise in product development, manufacturing and marketing.

NIBE Industrier AB is obliged by Swedish law (The Securities Market Act and/ or The Financial Instruments Trading Act) to publish the information in this interim report. This information was made available to the media for publication at 08.00 (C.E.T.) on 15 May 2014.

Please e-mail any questions you have with regard to this report to:  
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**NIBE**

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