

# NIBE

– world-class solutions in sustainable energy



- **SALES** totalled SEK 4,412.6 million (Q2 2012: SEK 4,425.1 million)
- **PROFIT AFTER NET FINANCIAL ITEMS** was SEK 375.7 million (SEK 385.7 million)
- **PROFIT AFTER TAX** was SEK 284.7 million (SEK 288.1 million)
- **EARNINGS** per share before and after dilution were SEK 2.58 (SEK 2.62)
- **ACQUISITION OF**
  - 60% of shares in the Stovax Heating Group Ltd, UK
  - Eltwin Group, Denmark

## Interim report 2 · 2013

January – June



Gerteric Lindquist  
Managing Director and CEO

## Chief Executive's Report

# Stable margins despite a persistently weak market

Group sales for the first six months of the year declined by 0.3%, contracting by 8.6% in organic terms. During the corresponding period in 2012 sales grew by 43.6% and organic growth was 2.3%. Sales have been affected not only by the reduction in volumes, but also by the negative consequences of a strong Swedish krona.

The overall European market for all three business areas has remained cautious, which is in line with the forecasts we had made previously.

The North American market, on the other hand, has continued to develop in a positive direction, most noticeably for NIBE Element, for whom the region now accounts for a significant portion of sales.

NIBE Energy Systems has seen the Swedish heat-pump market stabilise after last year's steep decline, albeit at a level much lower than that to which we have become accustomed in recent years. In Germany, however, heat-pump sales as a whole have remained at more or less the same level as in 2012.

The situation is much the same for NIBE Stoves; here, too, the Swedish market has stabilised at a lower level than before, while sales in Germany have rallied after a weak start to the year. It is in the UK, however, that trends for this business area continue to remain strongest.

As in other quarters when there has been weak market demand, all three NIBE business areas have succeeded not only in maintaining but also in increasing their share of a number of markets during the reporting period. Good quality, a high level of innovation and a consistent approach to the way we do business would appear to be the main reasons for this success.

In view of the fact that the second half of the year is traditionally the peak season for sales and revenues, stocks have once again been systematically built up during the spring. This year, however, stock levels are lower than has previously been the case, as we have reached an agreement with production staff in Sweden that allows for greater flexibility in the way working hours are distributed over the year.

Given today's challenging market conditions, we have made great efforts to defend our margins. This has been achieved by adapting both fixed and variable costs to the prevailing situation. We are, however, careful not to compromise opportunities for our future expansion and have therefore ring-fenced our investments in product development and sales.

Stable margins are also essential if we are to be able

to pursue our acquisitions strategy. So far this year we have acquired three companies with aggregate annual sales of just over SEK 750 million. As the availability of attractive acquisition candidates is currently increasing, the prospects for further successful takeovers are good.

During the first six months of the year – despite valiant efforts from all concerned – operating profit fell by 5.4% compared with the corresponding period in 2012, while the operating margin of 9.0% was just slightly below last year's figure of 9.5%. It is important to point out, however, that these are comparisons with what was a relatively strong first-half performance in 2012. In addition to the organic contraction in sales, the strength of the Swedish krona has also had a negative impact on operating profit during the reporting period. Moreover, earnings have been charged with SEK 6.9 million in acquisition costs as opposed to a first-half figure of just SEK 1.9 million last year. Profit after net financial items fell by 2.6%, and the profit margin was 8.5% compared with 8.7% for the corresponding period in 2012.

Investments in existing operations totalled SEK 149.3 million for the first six months, compared with a figure of SEK 88.7 million last year and planned depreciation of SEK 187.9 million. It is anticipated that the rate of investment for the year as a whole will be on a par with or slightly below the planned rate of depreciation.

### Outlook for 2013

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.

While we wait for demand to pick up once again, our operational focus will be on defending our margins through continual initiatives to improve productivity and by observing great caution with regard to our fixed costs.

Markaryd, Sweden, 16 August 2013

Gerteric Lindquist  
Managing Director and CEO

### Financial targets

- Average annual sales growth of 20%
- Average operating profit 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

#### 16 August 2013

11.00 (C.E.T.) Telephone conference (in English).

The CEO presents the Interim Report by phone and answers questions.  
Tel. +46 (0)8-505 564 77

#### 15 November 2013

Q3 Report Jan – Sept 2013  
Capital Markets Day

#### 13 February 2014

Summary of the Annual Report 2013

#### April 2014

Annual Report 2013

#### 15 May 2014

Q1 Report Jan – March 2014  
Annual General Meeting 2014

## Sales

Group net sales for the period January–June totalled SEK 4,412.6 million (Q1–Q2 2012: SEK 4,425.1 million), a decline of 0.3%. Acquired sales accounted for SEK 366.2 million of this total, which means that organic growth for the reporting period fell by 8.6%.

## Earnings

Profit for the period after net financial items was SEK 375.7 million. Compared with the figure of SEK 385.7 million for the corresponding period in 2012, this equates to a decline in earnings of 2.6%. Profit for the period has been charged with acquisition expenses of SEK 6.9 million, as opposed to a figure of SEK 1.9 million last year.

Return on equity was 16.0% (17.2%).

## Acquisitions

At the end of January 2013 NIBE acquired a 60% stake in the English woodstove manufacturer, Stovax Heating Limited, which has annual sales equivalent to some SEK 380 million and an operating margin of approximately 15%. With a product range that includes both wood-fired and gas-fired stoves, Stovax commands a leading position in its domestic market. Stovax operations were consolidated into the NIBE Stoves business area in February 2013. Agreement has also been reached on the acquisition of the remaining 40% of shares in the company in 2016.

In accordance with a memorandum of understanding from June 2012 NIBE acquired the Eltwin Group in Denmark in February 2013. Eltwin produces steering and control technology for the energy sector and has annual sales of some SEK 85 million and an operating margin of approximately 9%. It was consolidated into the NIBE Element business area in March 2013. The acquisition value is still provisional.

## Investments

Group investments for the period January–June amounted to SEK 674.5 million (SEK 88.7 million). A total of SEK 525.2 million (SEK 0.0) of this sum relates to corporate acquisitions. The remaining SEK 149.3 million (SEK 88.7 million) is mainly investments in machinery and equipment in existing operations. The investment with regard to acquisitions is based on assumptions about the purchase price for the remaining 40% stake in the Stovax Heating Group and an estimate of the additional consideration to be paid for the Eltwin Group.

## Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 533.0 million (SEK 437.5 million). Cash flow after changes in working capital was SEK 214.7 million (SEK 94.0 million).

Interest-bearing liabilities at the end of the reporting period totalled SEK 4,750.3 million, compared with SEK 4,434.8 million at the start of the year.

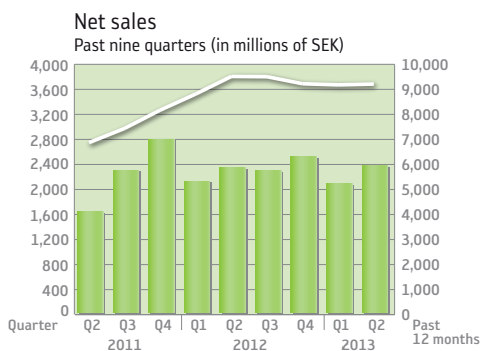
At the end of June, the Group had liquid funds of SEK 1,574.3 million as against SEK 1,710.1 million at the start of the year.

The equity/assets ratio at the end of the reporting period was 39.3%, compared with 41.9% at the start of the year and 38.1% at the corresponding point last year.

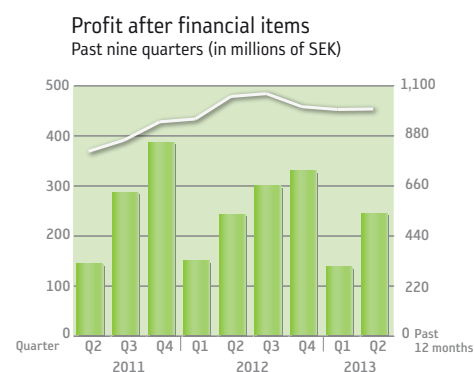
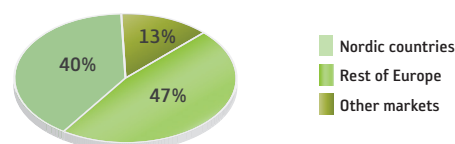
## Parent

Parent activities comprise Group executive management functions, certain shared Group functions and the financing of corporate acquisitions. Sales for the period totalled SEK 4.1 million (SEK 2.9 million) and profit after financial items was SEK 488.5 million (SEK 354.2 million). At the end of June, the parent company had liquid funds of SEK 660.1 million, compared with SEK 480.7 million at the start of the year.

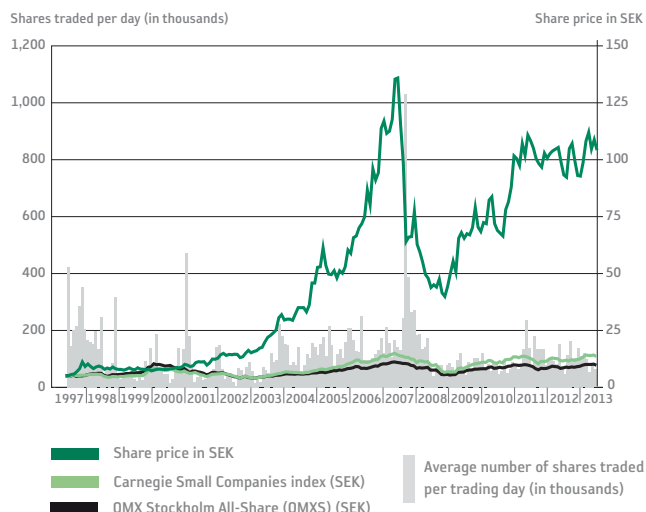
NIBE Group		2013	2012	Past	2012
Key figures	SEK m	Q 1-2	Q 1-2	12 mths	full year
Net sales	%	4,412.6	4,425.1	9,179.8	9,192.3
Growth	%	- 0.3	43.6	- 3.2	12.9
of which acquired	SEK m	8.3	41.3	7.1	19.4
Operating profit	%	398.9	421.7	1,016.3	1,039.1
Operating margin	SEK m	9.0	9.5	11.1	11.3
Profit after net financial items	%	375.7	385.7	995.4	1,005.4
Profit margin	%	8.5	8.7	10.8	10.9
Equity/assets ratio	%	39.3	38.1	39.3	41.9
Return on equity	%	16.0	17.2	16.5	15.9



## Group sales by geographical region



## NIBE share performance



## Sales and profits

Sales for the period totalled SEK 2,583.0 million, compared with SEK 2,852.2 million for the corresponding period last year. Acquired sales accounted for SEK 27.2 million of this sum, which means that organic growth was negative and declined by 10.4%

Operating profit totalled SEK 306.5 million, compared with SEK 338.2 million for the corresponding period last year. The operating margin was therefore unchanged at 11.9%. This brings the operating margin for the past 12 months to 13.8%.

## Market

The European heat-pump market continues to be dogged by subdued demand, albeit with certain local variations. Stuttering national economies, persistent financial uncertainty and record-low levels of new builds are the main reasons for the weak market.

Market trends in Eastern Europe remained depressed during the second quarter, while elsewhere in Europe variations in demand broadly reflect the economic situation in the respective country.

After a weak start to the year the heat-pump market in Germany has now stabilised at the same level as in 2012. In the UK, where the market has also stabilised after last year's steep and sudden dip, our newly launched, high-performance products are considered to have good potential to pave the way for future expansion.

The sharp downturn in the Swedish heat-pump market that we saw last year has slowed during the first six months of 2013 and demand has now flattened out, albeit at a lower level than we have seen in previous years. Taken all round, however, we continue to enjoy a strong position in all product segments. In view of our track record of good delivery reliability, several of our Swedish customers have chosen not to build up their own stocks prior to the autumn. As a result of this decision it is likely that the sales curve will rise more steeply as we move into the peak season for sales.

As far as traditional electric water-heaters are concerned, demand from the Nordic and European markets remains stable, while sales of conventional domestic boilers continue to be sluggish. With the introduction of stricter, new

energy-efficiency legislation affecting the production of hot water in Europe this year, the market for heat pumps used solely for heating hot water looks set to expand. Obviously, we see this as a good opportunity for us to grow our business.

In addition, the EU Commission's decision to include exhaust-air heat pumps in the regulatory framework for calculating renewable energy from heat pumps is also favourable news and presents this product category with further potential for growth.

## Operations

Parallel with our introduction of a large number of new products at trade fairs throughout Europe in the spring, we have also conducted numerous in-depth product training sessions to teach our customers both in Sweden and abroad more about the advances we have made in the product range.

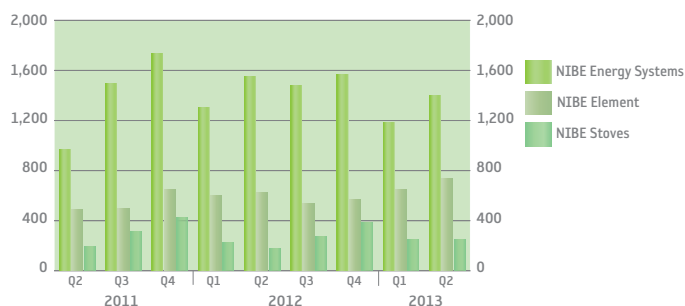
We are continually adapting production capacity in our plants and reviewing our cost structure to meet fluctuations in demand. Our determination to keep a constant close watch on fixed costs and our commitment to improve efficiency and optimise costs in all areas have played their part in helping us to maintain our operating margin despite lower volumes.

On the whole, the strong Swedish krona has had a negative effect on both sales and profits.

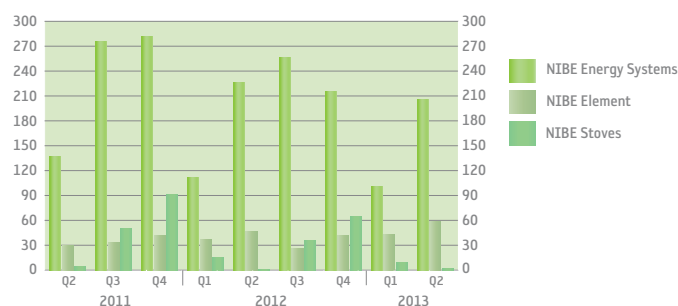
NIBE Energy Systems		2013	2012	Past	2012
Key figures		Q 1-2	Q 1-2	12 mths	full year
Net sales	SEK m	2,583.0	2,852.2	5,632.0	5,901.1
Growth	%	- 9.4	62.6	- 7.5	18.3
Operating profit	SEK m	306.5	338.2	775.7	807.4
Operating margin	%	11.9	11.9	13.8	13.7
Assets	SEK m	7,957.4	8,423.0	7,957.4	8,108.3
Liabilities	SEK m	6,615.5	7,407.2	6,615.5	7,069.0
Investment in fixed assets	SEK m	68.6	75.7	169.1	176.2
Depreciation	SEK m	118.9	124.3	241.6	247.0

## Business Area trends

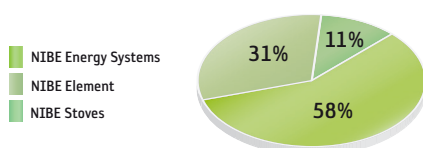
Sales by business area  
Past 9 quarters (in millions of SEK)



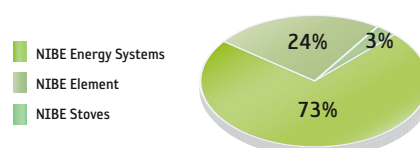
Operating profit by business area  
Past 9 quarters (in millions of SEK)



Business area contributions to sales



Business area contributions to profit





## Sales and profits

Sales for the period totalled SEK 1,384.3 million, compared with SEK 1,228.2 million for the corresponding period last year. The increase in sales was SEK 156.1 million, but as acquired sales accounted for SEK 198.4 million of this sum, organic growth was negative and declined by 3.4%.

Operating profit totalled SEK 100.8 million, compared with SEK 83.6 million for the corresponding period last year. The operating margin for the first half of the year rose from 6.8% in 2012 to 7.3%. This means that the operating margin for the past 12 months is also 6.8%.

## Market

After a weak finish to 2012, overall demand for heating elements in the international market has gradually picked up over the first six months of this year. However, volumes for comparable units are still somewhat lower than for the corresponding period last year.

The construction industry continues to underperform, particularly in Southern Europe, although there are signs that the situation is stabilising further north. In North America, on the other hand, we have noted an increase in demand from both the comfort sector and the white goods sector.

Demand from product areas related to the automotive industry has, generally speaking, remained stable, although here too the trend has been most positive in North America.

Sales to commercial and industrial customers have been stable throughout the period and demand has been good from product segments related to the oil and gas industries.

Sales of resistors, a product area that serves many customers in the energy-saving and renewable energy segments, have developed positively over the course of the first six months.

Generally speaking, there is still a great deal of uncertainty and caution among our customers. However, we believe that after dramatically reducing stocks last autumn, their stock levels have now returned to normal. This means that sales during the remainder of the year will mainly depend on the development of the economy as a whole.

We are continuing our commitment to R&D work and launching new products with an enhanced system content, thus gradually increasing the proportion of products that, in addition to the heating elements themselves, incorporate functions for measuring and control. The acquisition of the Eltwin Group earlier in the year has reinforced this development.

## Operations

During the first six months of the year work has continued on a broad front to integrate the North American units in the recently acquired Springfield Wire company into the business area's existing operations. This involves transforming the plants in the USA and Mexico into specialist units, which in turn improves profitability through a process of rationalisation, the introduction of new technology and access to a broader customer base. The next step will be to intensify marketing efforts directed at key commercial and industrial segments of the market in North America in order to further expand our market shares.

With continuing turmoil around raw material prices and exchange rates and the effect this has on pricing and competitiveness, it is an advantage for us to have production units in different currency zones. Even so, the rise in value of the Swedish krona continues to have a negative effect on both sales and earnings.

NIBE Element Key figures		2013 Q 1-2	2012 Q 1-2	Past 12 mths	2012 full year
Net sales	SEK m	1,384.3	1,228.2	2,492.9	2,336.8
Growth	%	12.7	26.1	4.8	10.0
Operating profit	SEK m	100.8	83.6	169.7	152.5
Operating margin	%	7.3	6.8	6.8	6.5
Assets	SEK m	2,726.5	2,392.5	2,726.5	2,425.0
Liabilities	SEK m	2,534.4	2,224.6	2,534.4	2,244.8
Investment in fixed assets	SEK m	41.8	23.7	101.0	82.9
Depreciation	SEK m	44.1	40.2	83.4	79.5

# NIBE Stoves



## Sales and profits

Sales for the period totalled SEK 503.4 million, compared with SEK 401.9 million for the corresponding period last year. The increase in sales was SEK 101.5 million, but as acquired sales accounted for SEK 140.5 million of this sum, organic growth was negative and declined by 9.7%.

Operating profit totalled SEK 10.5 million, compared with SEK 15.5 million for the corresponding period last year. The operating margin for the first half of the year was 2.1%, as against 3.9% for the period January to June in 2012. This brings the operating margin for the past 12 months to 9.5%.

## Market

Overall the market for wood stoves in Europe has contracted somewhat this year as a result of the region's prevailing economic problems, uncertainty about how long this financial anxiety will last, and the very low numbers of domestic new builds. However, the situation does vary between markets and different types of wood stove product.

Demand from the Nordic markets continues to fall, although the decline is less steep than last year. In Sweden there is great reluctance to invest in consumer durables and very few new homes are being built. In neighbouring Norway the economy remains basically strong, yet here too there are increasingly clear signs of a downturn in consumption that obviously also affects sales of wood stove products.

So far this year demand in the UK has risen, probably as a consequence of the long, cold winter and a greater willingness among British consumers to invest in wood stove products to meet part of their primary heating needs and to reduce their energy costs.

After a cautious start to the year, demand in Germany has picked up and evened out at a relatively good level. In France, on the other hand, demand has dropped somewhat in comparison with 2012.

In Northern and Central Europe demand is still greatest for freestanding wood stoves and wood-burning inserts with a modern design, two segments that constitute the main focus of our product range.

## Operations

Production capacity in our manufacturing units has been closely matched to current demand over the first six months. However, as we now approach our peak sales period, we will step up production significantly; this, together with the stocks we have built up during the spring, will ensure our usual high degree of delivery reliability throughout the rest of the year.

The new products launched in spring have been very positively received in all of our main markets and are now ready for delivery in time for the important sales season that starts in September. Early in the year we also began a marketing campaign for chimney systems in Norway, based on our strong standing as a supplier of complete chimney systems in Sweden.

During the first six months of the year the newly acquired Stovax Heating Group has made very good progress and, together with recent strong organic growth in our other UK operations, this has contributed towards firmly establishing the UK as one of the business area's major markets.

The reduced operating profit is attributable solely to lower sales volumes as a result of the very weak market for wood stove products. We have, however, chosen not to reduce our long-term investment in product development and marketing.

NIBE Stoves Key figures		2013 Q 1-2	2012 Q 1-2	Past 12 mths	2012 full year
Net sales	SEK m	503.4	401.9	1,165.9	1,064.4
Growth	%	25.3	- 3.0	2.2	- 7.7
Operating profit	SEK m	10.5	15.5	110.8	115.8
Operating margin	%	2.1	3.9	9.5	10.9
Assets	SEK m	1,518.5	1,075.8	1,518.5	1,037.6
Liabilities	SEK m	1,073.0	626.8	1,073.0	525.5
Investment in fixed assets	SEK m	12.5	12.6	20.9	21.0
Depreciation	SEK m	24.8	21.2	45.6	42.0

## Income Statement summaries

(in millions of SEK)	Group						Parent	
	Q2 2013	Q2 2012	Jan-June 2013	Jan-June 2012	Past 12 mths	Full year 2012	Jan-June 2013	Jan-June 2012
Net sales	2,350.2	2,318.4	4,412.6	4,425.1	9,179.8	9,192.3	4.1	2.9
Cost of goods sold	- 1,553.9	- 1,521.9	- 2,962.2	- 2,951.3	- 6,043.0	- 6,032.1	0.0	0.0
<b>Gross profit</b>	<b>796.3</b>	<b>796.5</b>	<b>1,450.4</b>	<b>1,473.8</b>	<b>3,136.8</b>	<b>3,160.2</b>	<b>4.1</b>	<b>2.9</b>
Selling expenses	- 426.3	- 436.3	- 822.5	- 853.6	- 1,678.3	- 1,709.4	0.0	0.0
Administrative expenses	- 143.5	- 137.0	- 282.7	- 271.1	- 554.1	- 542.5	- 19.4	- 14.9
Other income	28.3	40.7	53.7	72.6	111.9	130.8	0.0	0.0
<b>Operating profit</b>	<b>254.8</b>	<b>263.9</b>	<b>398.9</b>	<b>421.7</b>	<b>1,016.3</b>	<b>1,039.1</b>	<b>- 15.3</b>	<b>- 12.0</b>
Net financial items	- 13.3	- 24.6	- 23.2	- 36.0	- 20.9	- 33.7	503.8	366.2
<b>Profit after net financial items</b>	<b>241.5</b>	<b>239.3</b>	<b>375.7</b>	<b>385.7</b>	<b>995.4</b>	<b>1,005.4</b>	<b>488.5</b>	<b>354.2</b>
Tax	- 55.6	- 59.5	- 91.0	- 97.6	- 235.3	- 241.9	0.0	0.0
<b>Net profit</b>	<b>185.9</b>	<b>179.8</b>	<b>284.7</b>	<b>288.1</b>	<b>760.1</b>	<b>763.5</b>	<b>488.5</b>	<b>354.2</b>
<b>Net profit attributable to Parent shareholders</b>	<b>185.9</b>	<b>179.8</b>	<b>284.7</b>	<b>288.1</b>	<b>760.1</b>	<b>763.5</b>	<b>488.5</b>	<b>354.2</b>
<i>Includes depreciation according to plan as follows</i>	95.3	93.2	187.9	185.7	370.6	368.4	0.0	0.0
<i>Net profit per share before and after dilution in SEK</i>	1.69	1.63	2.58	2.62	6.89	6.93		

## Statement of comprehensive income

<b>Net profit</b>	<b>185.9</b>	<b>179.8</b>	<b>284.7</b>	<b>288.1</b>	<b>760.1</b>	<b>763.5</b>	<b>488.5</b>	<b>354.2</b>
<b>Other comprehensive income</b>								
<b>Items that will not be reclassified to profit or loss <sup>1)</sup></b>								
Actuarial gains and losses in retirement benefit plans	0.0	0.0	0.0	0.0	-64.1	- 64.1	0.0	0.0
Tax	0.0	0.0	0.0	0.0	13.2	13.2	0.0	0.0
	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>- 50.9</b>	<b>- 50.9</b>	<b>0.0</b>	<b>0.0</b>
<b>Items that may be reclassified to profit or loss <sup>1)</sup></b>								
Cash flow hedges	- 11.4	-5.2	- 5.9	2.7	- 7.1	1.5	0.0	0.0
Hedge of net investment	- 127.4	7.7	- 3.6	19.8	46.5	69.9	- 3.7	19.7
Exchange differences	248.2	- 45.1	- 39.3	- 55.4	- 176.7	- 192.8	0.0	0.0
Tax	31.0	- 0.7	2.5	- 5.6	1.2	- 6.9	0.8	- 5.2
	<b>140.4</b>	<b>- 43.3</b>	<b>- 46.3</b>	<b>- 38.5</b>	<b>- 136.1</b>	<b>- 128.3</b>	<b>- 2.9</b>	<b>14.5</b>
<b>Total other comprehensive income</b>	<b>140.4</b>	<b>- 43.3</b>	<b>- 46.3</b>	<b>- 38.5</b>	<b>- 187.0</b>	<b>- 179.2</b>	<b>- 2.9</b>	<b>14.5</b>
<b>Total comprehensive income</b>	<b>326.3</b>	<b>136.5</b>	<b>238.4</b>	<b>249.6</b>	<b>573.1</b>	<b>584.3</b>	<b>485.6</b>	<b>368.7</b>
<b>Total comprehensive income attributable to Parent shareholders</b>	<b>326.3</b>	<b>136.5</b>	<b>238.4</b>	<b>249.6</b>	<b>573.1</b>	<b>584.3</b>	<b>485.6</b>	<b>368.7</b>

1) For further information relating to changes in IAS 1, please refer to page 8 under the heading "Accounting policies".

## Balance Sheet summaries

(in millions of SEK)	Group			Parent		
	30 June 2013	30 June 2012	31 Dec 2012	30 June 2013	30 June 2012	31 Dec 2012
Intangible assets	6,059.5	5,579.9	5,598.2	0.0	0.0	0.0
Tangible assets	1,855.0	1,846.6	1,880.8	0.0	0.0	0.0
Financial assets	166.0	143.5	152.3	8,285.0	7,050.5	7,148.9
<b>Total non-current assets</b>	<b>8,080.5</b>	<b>7,570.0</b>	<b>7,631.3</b>	<b>8,285.0</b>	<b>7,050.5</b>	<b>7,148.9</b>
Inventories	1,884.8	1,859.1	1,685.0	0.0	0.0	0.0
Current receivables	1,634.3	1,633.7	1,338.8	60.8	9.2	22.9
Cash and bank balances	802.1	820.1	934.3	260.0	53.0	80.7
<b>Total current assets</b>	<b>4,321.2</b>	<b>4,312.9</b>	<b>3,958.1</b>	<b>320.8</b>	<b>62.2</b>	<b>103.6</b>
<b>Total assets</b>	<b>12,401.7</b>	<b>11,882.9</b>	<b>11,589.4</b>	<b>8,605.8</b>	<b>7,112.7</b>	<b>7,252.5</b>
Equity	4,875.8	4,523.2	4,857.9	3,384.5	2,827.5	3,119.4
Untaxed reserves	0.0	0.0	0.0	1.1	0.0	1.1
Non-current liabilities and provisions, non-interest bearing	1,245.4	855.3	893.6	530.6	153.4	187.5
Non-current liabilities and provisions, interest bearing	4,316.4	4,468.0	4,013.6	4,300.0	3,744.5	3,530.0
Current liabilities and provisions, non-interest bearing	1,530.2	1,522.6	1,320.3	16.8	8.8	29.7
Current liabilities and provisions, interest bearing	433.9	513.8	504.0	372.8	378.5	384.8
<b>Total equity and liabilities</b>	<b>12,401.7</b>	<b>11,882.9</b>	<b>11,589.4</b>	<b>8,605.8</b>	<b>7,112.7</b>	<b>7,252.5</b>

Key figures		Jan-June 2013	Jan-June 2012	Full year 2012
Growth	%	- 0.3	43.6	12.9
Operating margin	%	9.0	9.5	11.3
Profit margin	%	8.5	8.7	10.9
Investments in fixed assets	SEK m	674.5	88.7	477.5
Unappropriated liquid assets	SEK m	1,574.3	1,360.7	1,710.1
Working capital, incl. cash and bank balances as share of net sales	SEK m %	2,357.1 25.7	2,276.6 24.0	2,133.8 23.2
Working capital, excl. cash and bank balances as share of net sales	SEK m %	1,555.0 16.9	1,456.5 15.4	1,199.5 13.0
Interest-bearing liabilities/ Equity	%	97.4	110.1	93.0
Solidity (Equity/Assets ratio)	%	39.3	38.1	41.9
Return on capital employed	%	11.5	12.4	11.8
Return on equity	%	16.0	17.2	15.9
Net debt/EBITDA	times	2.8	2.8	2.5
Interest coverage ratio	times	9.1	8.4	11.0

Data per share		Jan-June 2013	Jan-June 2012	Full year 2012
Net profit per share <sup>1)</sup> (total 110,253,638 shares)	SEK	2.58	2.62	6.93
Equity per share	SEK	44.22	41.03	44.06
Closing day share price	SEK	105.30	94.25	93.75

1) Directed issue of 214,201 shares in April 2012. Net profit per share has been calculated on a weighted average of the number of shares outstanding. The average number of shares was 110,253,638 in the first six months of 2013 compared with 110,110,437 shares in the first six months of 2012.

## Statement of cash flow – summaries

(in millions of SEK)	Jan-June 2013	Jan-June 2012	Full year 2012
Cash flow from operating activities	533.0	437.5	1,072.5
Change in working capital	- 318.3	- 343.5	- 53.2
Investment activities	- 336.9	- 88.7	- 477.5
Financing activities	- 3.8	- 160.1	- 586.8
Exchange rate difference in liquid assets	- 6.2	- 32.2	- 27.8
<b>Change in liquid assets</b>	<b>- 132.2</b>	<b>- 187.0</b>	<b>- 72.8</b>

## Change in equity – summaries

(in millions of SEK)	Jan-June 2013	Jan-June 2012	Full year 2012
Equity brought forward	4,857.9	4,487.2	4,487.2
Effect of change in accounting policies <sup>1)</sup>	0.0	- 15.0	- 15.0
Adjusted opening equity	4,857.9	4,472.2	4,472.2
Directed issue	0.0	21.9	21.8
Shareholders' dividend	- 220.5	- 220.5	- 220.5
Forfeited shareholders' dividend <sup>2)</sup>	0.0	0.0	0.1
Total comprehensive income for the period <sup>1)</sup>	238.4	249.6	584.3
<b>Equity carried forward</b>	<b>4,875.8</b>	<b>4,523.2</b>	<b>4,857.9</b>

<sup>1)</sup> IAS 19 "Employee Benefits" has been applied retroactively. See page 8 under the heading "Accounting policies".

<sup>2)</sup> Dividends from 2002 that have not been redeemed and have therefore expired.

## Quarterly data

Consolidated Income Statements (in millions of SEK)	2013		2012				2011		
	Q1	Q2	Q1	Q2	Q3	Q4	Q2	Q3	Q4
Net sales	2,062.4	2,350.2	2,106.7	2,318.4	2,271.2	2,496.0	1,618.6	2,281.6	2,777.3
Operating expenses	- 1,918.3	- 2,095.4	- 1,948.9	- 2,054.5	- 1,958.9	- 2,190.9	- 1,466.6	- 1,967.0	- 2,377.7
<b>Operating profit</b>	<b>144.1</b>	<b>254.8</b>	<b>157.8</b>	<b>263.9</b>	<b>312.3</b>	<b>305.1</b>	<b>152.0</b>	<b>314.6</b>	<b>399.6</b>
Net financial expenses	- 9.9	- 13.3	- 11.4	- 24.6	- 16.6	18.9	- 11.6	- 31.2	- 16.1
<b>Profit after net financial expenses</b>	<b>134.2</b>	<b>241.5</b>	<b>146.4</b>	<b>239.3</b>	<b>295.7</b>	<b>324.0</b>	<b>140.4</b>	<b>283.4</b>	<b>383.5</b>
Tax	- 35.4	- 55.6	- 38.1	- 59.5	- 72.6	- 71.7	- 36.6	- 66.2	- 113.1
<b>Net profit</b>	<b>98.8</b>	<b>185.9</b>	<b>108.3</b>	<b>179.8</b>	<b>223.1</b>	<b>252.3</b>	<b>103.8</b>	<b>217.2</b>	<b>270.4</b>

### Net Sales – Business Areas

NIBE Energy Systems	1,185.3	1,397.7	1,303.4	1,548.8	1,477.8	1,571.1	969.7	1,498.5	1,735.1
NIBE Element	649.8	734.5	603.8	624.4	540.5	568.1	490.7	500.0	650.1
NIBE Stoves	252.3	251.1	226.0	175.9	276.5	386.0	192.4	313.9	424.6
Elimination of Group transactions	- 25.0	- 33.1	- 26.5	- 30.7	- 23.6	- 29.2	- 34.2	- 30.8	- 32.5
<b>Group</b>	<b>2,062.4</b>	<b>2,350.2</b>	<b>2,106.7</b>	<b>2,318.4</b>	<b>2,271.2</b>	<b>2,496.0</b>	<b>1,618.6</b>	<b>2,281.6</b>	<b>2,777.3</b>

### Operating profit – Business Areas

NIBE Energy Systems	101.1	205.4	111.6	226.6	256.7	212.5	136.6	275.9	281.2
NIBE Element	42.4	58.4	37.0	46.6	25.7	43.2	30.1	33.7	41.3
NIBE Stoves	8.9	1.6	15.1	0.4	35.9	64.4	3.9	49.7	90.7
Elimination of Group transactions	- 8.3	- 10.6	- 5.9	- 9.7	- 6.0	- 15.0	- 18.6	- 44.7	- 13.6
<b>Group</b>	<b>144.1</b>	<b>254.8</b>	<b>157.8</b>	<b>263.9</b>	<b>312.3</b>	<b>305.1</b>	<b>152.0</b>	<b>314.6</b>	<b>399.6</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 second quarter of 2013 has been drawn up in accordance with IAS 34 "Interim Financial Reporting". The same accounting policies as those adopted for this report are described on pages 64–66 of the company's Annual Report for 2012 with the exception of the revised versions of IAS 19 ("Employee benefits") and IAS 1 ("Presentation of Financial Statements"). The changes to IAS 19 mean that the Group will cease to apply the "corridor method" and will instead recognise all actuarial gains or losses on a current basis in Other comprehensive income. Past service cost will be recognised immediately. Interest expense and the expected return on plan assets will be replaced by a net interest figure calculated using the discount rate, based on the net surplus or net deficit in the defined-benefit plan. The revision to IAS 19 will be applied retroactively, which means that the figure for equity brought forward in January 2012 has been adjusted by SEK -15.0 million after tax, and other comprehensive income for 2012 has been adjusted by SEK -53.1 million after tax. This also means that there has been a redistribution for 2012 between profit or loss, which has fallen by SEK -2.2 million, and other comprehensive income, which has risen by SEK +2.2 million. The most significant change in IAS 1 is the requirement that items recognised in Other comprehensive income are presented in two compilations, one comprising items that might subsequently be reclassified to profit or loss, the other comprising items that will not be reclassified to profit or loss; for example, translation differences in consolidated assets and liabilities will be reclassified in instances where these are divested. 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 last year and the same accounting policies apply as those described on page 65 of the company's Annual Report for 2012.

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 form part of the Group.

Markaryd, Sweden – 16 August 2013



Arvid Gierow  
Chairman of the Board



Georg Brunstam  
Director



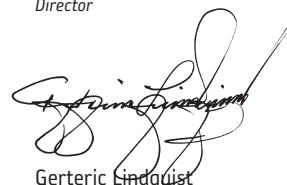
Eva-Lotta Kraft  
Director



Hans Linnarson  
Director



Anders Pålsson  
Director



Gerteric Lindquist  
Managing Director & CEO

This interim 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 2012.

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 8.00 (C.E.T.) on 16 August 2013.

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

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