

A scenic landscape of a fjord in Norway, featuring a blue body of water in the foreground, a small town with colorful houses on the shore, and majestic mountains with patches of snow in the background under a cloudy sky.

Q1 2015

EKORNES ASA

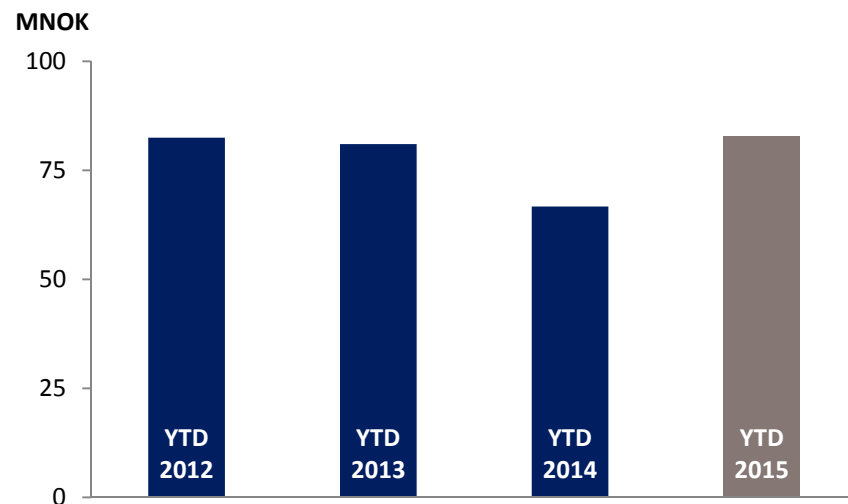
May 20th 2015, Hotel Continental, Oslo

EKORNES®

Key messages

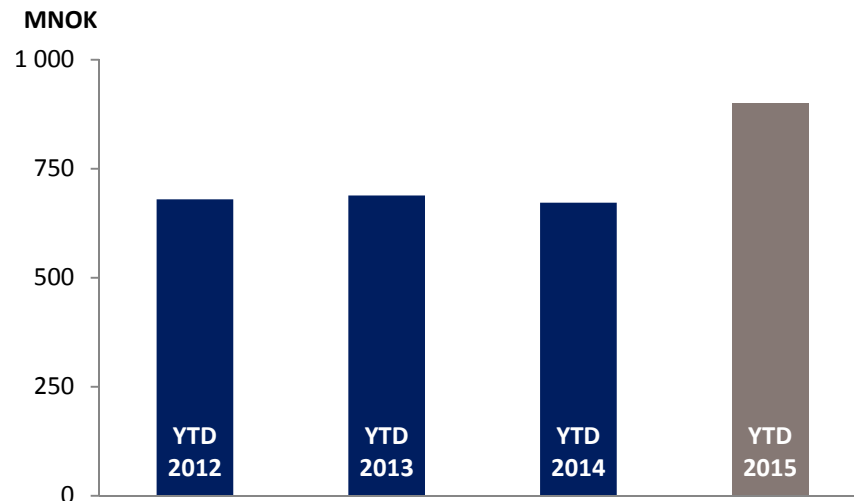
- Good development in sales revenue
- Stable development in operating margin
- IMG delivers according to plan
- New Stressless®-products well received by retailers
- Product launched in end 2014 - in stores now

Operating earnings (EBIT)



- 14.3 % increase in sales revenue from previous quarter, 13.4 % increase in earnings
- IMG earnings at NOK 24.4 million, according to expectations
- Capacity utilization 100 % in Q1, introduction of new products brings productivity down in start up-phase

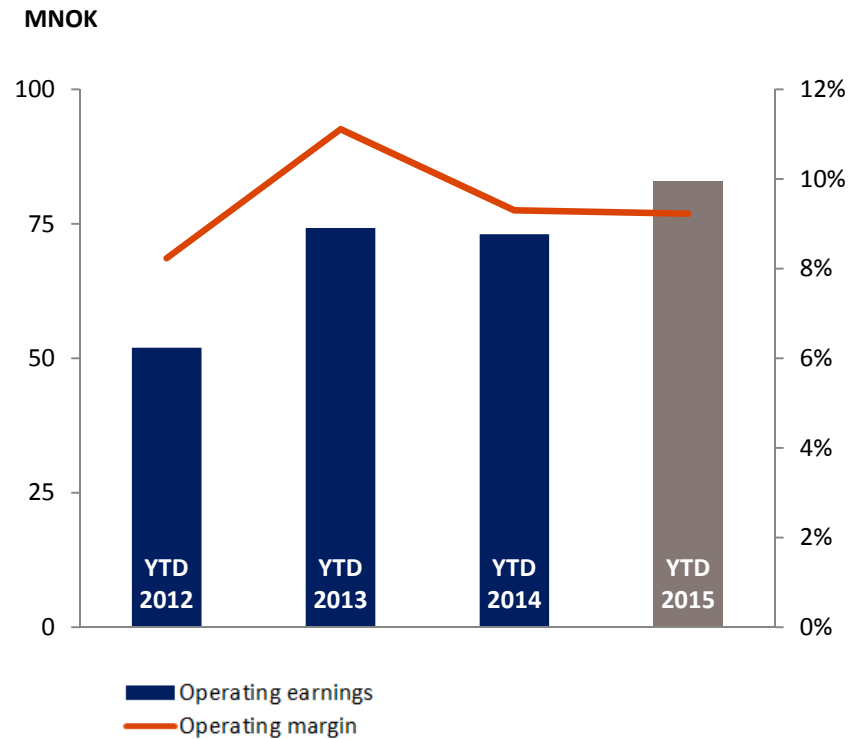
Operating revenue



- Good development in sales revenue, also excluding IMG
- Positive revenue development in Stressless®-segment.
 - Positive currency impact on revenue approx. NOK 50 million
 - due to currency hedging this does not give a impact on the earnings
- Revenues IMG were NOK 107 million in Q1
 - Ekornes acquired IMG with effect from November 1st 2014

Operating earnings and operating margin

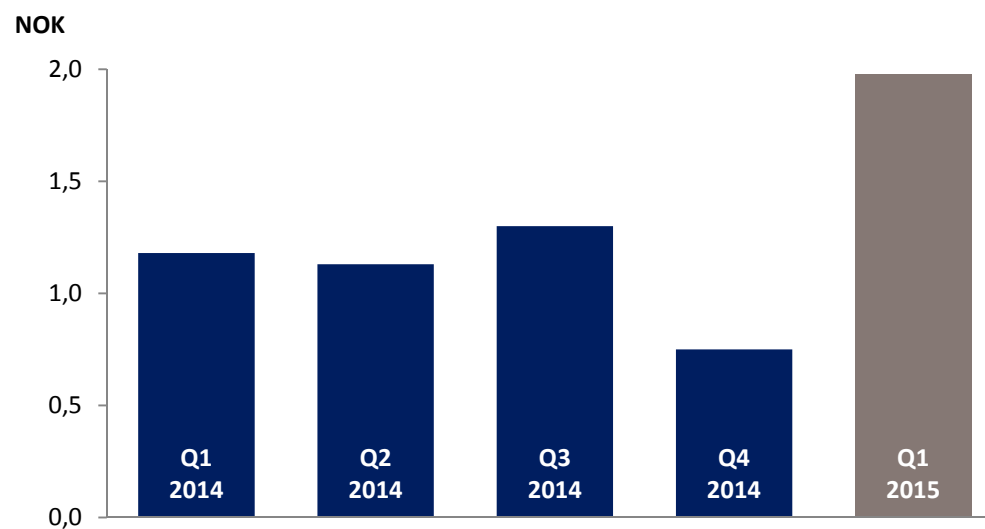
Operating margin on same level as Q1 2014 and Q4 2015



- Realization currency hedge in Q1 NOK -12 million, negative impact on operating earnings
- Contingent consideration purchase price IMG, accrual NOK 17.3 million in Q1, negative impact on operating earnings (IFRS)
- Elimination of internal revenue IMG in Q1 NOK 4.5 million, negative impact on operating earnings From Q2 2015 only minor impact
- Accrual for employee bonus in Stressless®-segment in Q1, NOK 2.6 million
 - No bonus accrual in Q1 2014
- Stable prices raw materials

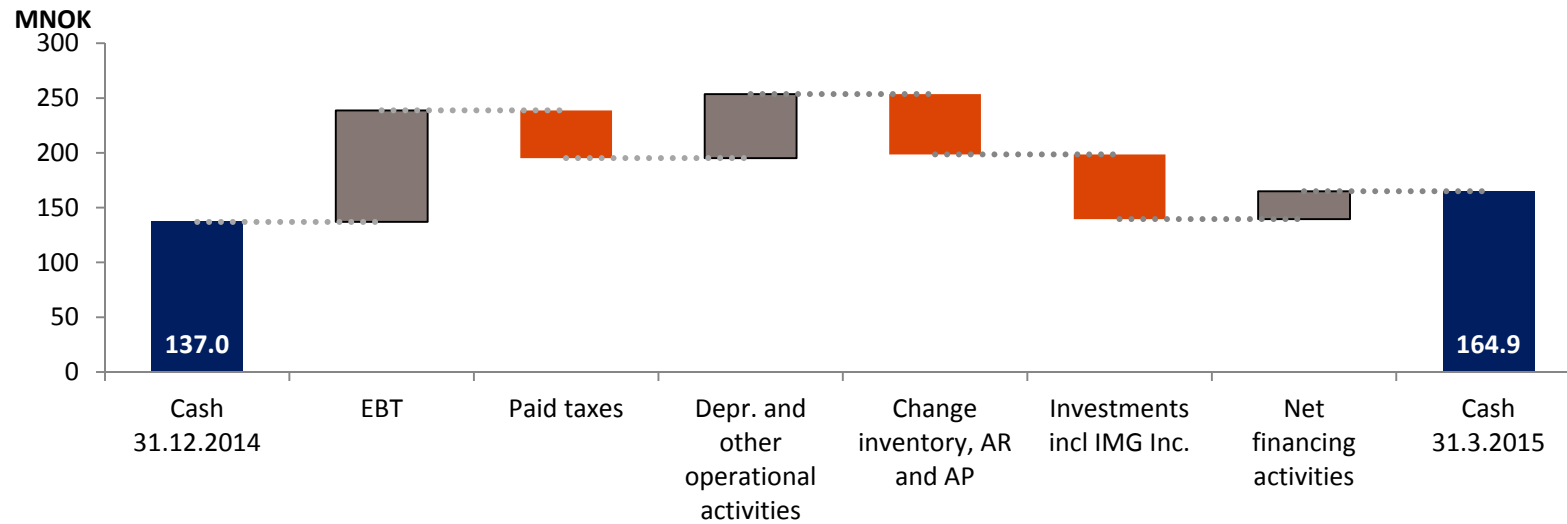


Earnings per share (EPS)



Cash flow

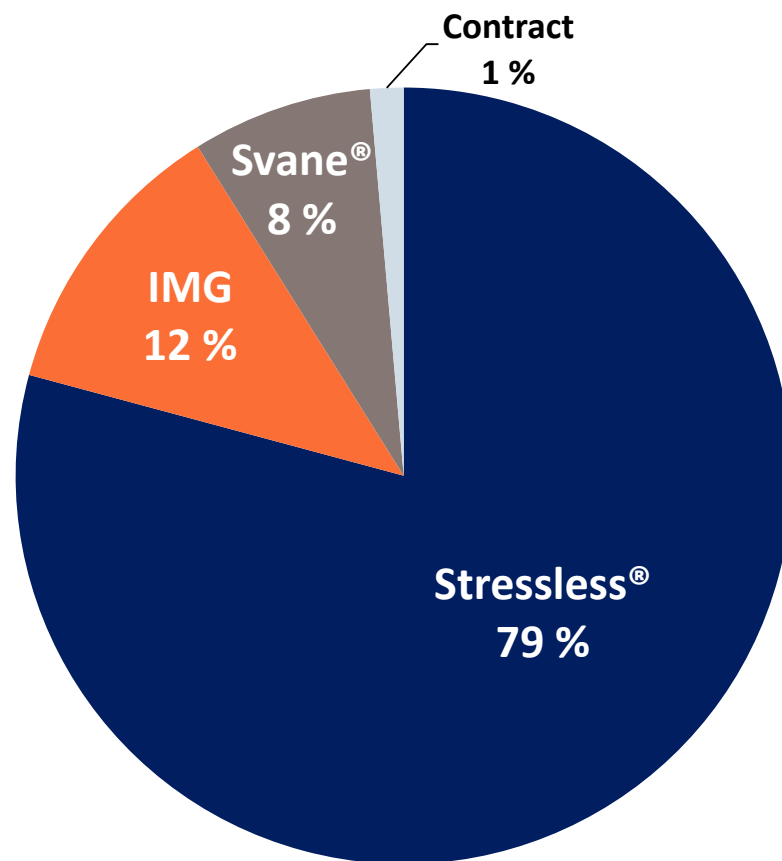
- Increase in accounts receivables due to increase in sales revenue
- Investment activities includes acquisition of IMG Inc. (NOK 24.8 million)



Currency hedge policy changed in Q1 2015

- Previously Ekornes has hedged close to all net currency exposure up to 36 months ahead, using forward contracts. IMG has not done any currency hedging.
- In Q1 2015 the currency hedge policy has been changed, and Ekornes from now will hedge only 18 months ahead. The hedging level will be decreasing throughout the period. This will give effect from Q1 2018.

Segments

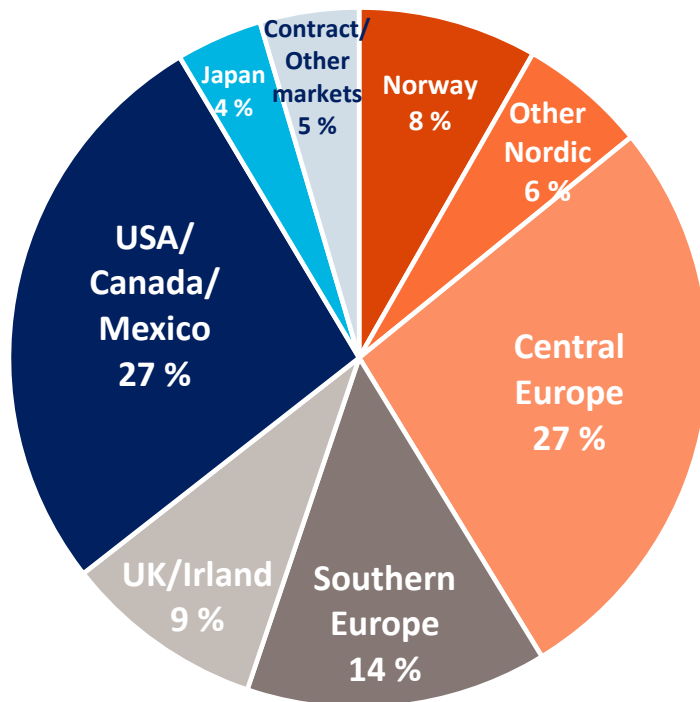


Stressless® - positive revenue development, stable margin



- Operating margin 10.4 % in Q1
- Increase in revenues, also after currency effect elimination
- New collections in stores Q1 2015 and Q2 2015
 - Well received by retailers
- Good sales development in main markets

Stressless® - markets



- Good sales development in main markets
 - Positive development in Norway. Good sales period in January in addition to launch of new models
 - USA shows increase in revenue
 - Revenues in Central Europe in line with previous year, good development in order entry

Stressless® - products and production



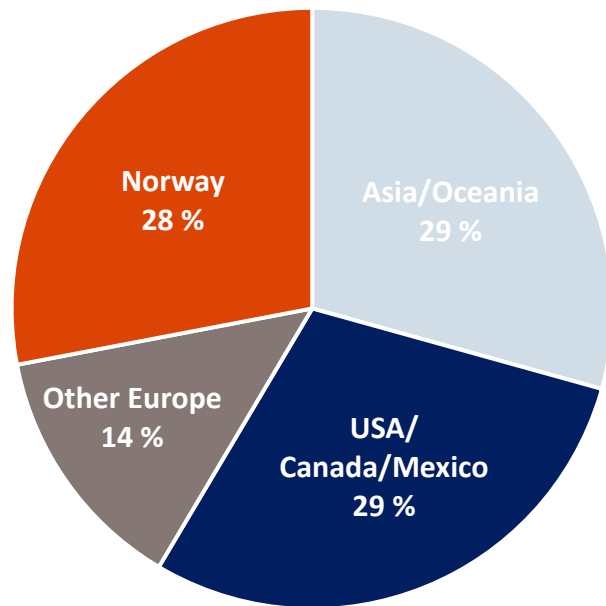
- Stressless®YOU in stores from late April
- Production start in Q1 for all new products launched fall 2014
 - productivity temporarily down in start-up period, 1 699 seats produced / day in Q1
- Production capacity at 1 750 seats per day
 - dependent on product mix

IMG – development meets expectations in Q1



- Operating margin 25.2 % in Q1
- Several product launched in the quarter, well received in the market
- IMG acquired IMG USA Inc. in January 2015

IMG - markets



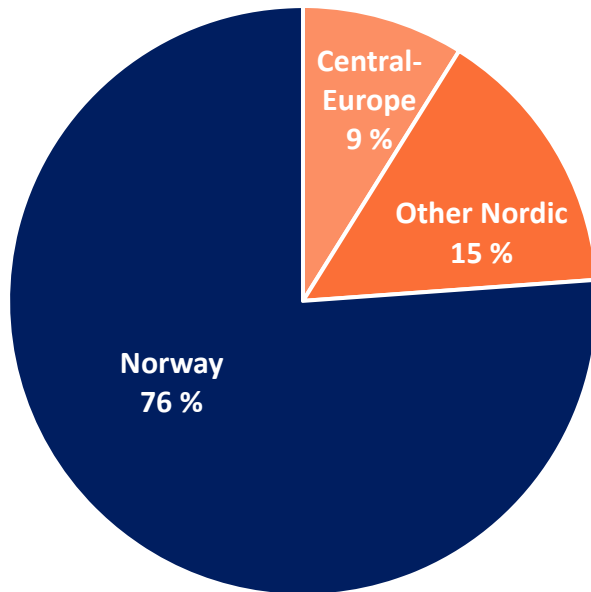
- Good development in all markets
- Introduction in German market according to plan

Svane[®] - improvements, but still challenging



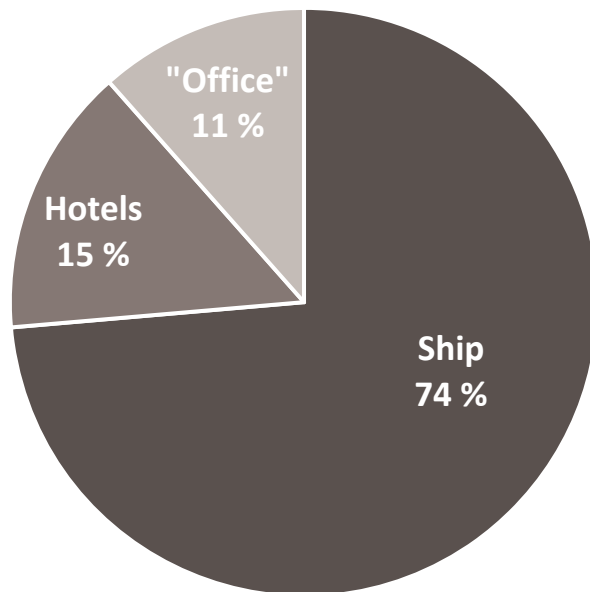
- Operating margin positive in Q1 (2 %)
 - Positive development on cost side gives significant improvement in operating margin, but still not at a satisfactory level
- The Svane[®] 630[™] came to stores throughout March, April and first half of May
- Challenging period when changing collection

Svane[®] - markets



- Compared to Q1 2014;
 - Stable development in Norway
 - Sales increase in Central-Europe
 - Decline in sales in Sweden and Denmark
- Good development in all markets compared to Q4 2014

Contract



- Operating margin 12.2 % in Q1
 - In Q1 2014 the operating margin was negative, as the department in Oslo was still running at a loss
- Challenging market development on deliveries to ship/oil related industries

Outlook

- Order income April slightly down from April 2014
 - Order income stable for Stressless[®], decrease in Svane[®]- and Contract-segment
 - Order income in IMG meets expectations
- No capacity changes in Q2
- Q2 presentation August 19th
 - Summary from Ekornes' current ongoing strategy process will be communicated at Q2 presentation
 - New Stressless[®]-products will be launched in October



Financial calendar

19th August 2015	Q2 result 2015
19th August 2015	Presentation Q2 2015, with webcast

16th November 2015	Q3 result 2015
16th November 2015	Presentation Q3 2015

**Presentations are held at
Hotel Continental, Oslo - at 08.00 a.m.**

CEO: Olav Holst-Dyrnes

olav.holst.dyrnes@ekornes.com
Phone: + 47 70 25 52 03
Mobile: + 47 93 48 31 01

CFO: Trine-Marie Hagen

trine-marie.hagen@ekornes.com
Phone: + 47 70 25 52 04
Mobile: + 47 99 61 75 05

