

# NIBE

– world-class solutions in sustainable energy



- **SALES** totalled SEK 9,833.6 million (Q4 2012: SEK 9,192.3 million)
- **PROFIT AFTER NET FINANCIAL ITEMS** was SEK 1,117.4 million (SEK 1,005.4 million)
- **PROFIT AFTER TAX** was SEK 858.0 million (SEK 763.5 million)
- **EARNINGS** per share before and after dilution were SEK 7.78 (SEK 6.93)
- **THE BOARD** proposes a dividend of SEK 2.35/share (SEK 2.00/share)
- **ACQUISITION OF**
  - 60% of the shares in the Stovax Heating Group Ltd, UK
  - Eltwin Group, Denmark
  - operations in Technibel SAS, France (2014)

Year-end report 2013



Gerteric Lindquist  
Managing Director and CEO

## Chief Executive's Report

# Healthy profit trend and stable margins enable continued expansion

Group sales in 2013 grew by 7.0% (12.9%). However, acquired growth accounted for 9.3% (19.4%) of total sales, which means that organic growth was negative and declined by 2.3% (6.5%). Apart from a weaker level of demand, sales for the year were also affected negatively by the strength of the Swedish krona.

Since we were aware that 2013 was likely to be a weaker year in terms of demand, our main objectives were to attempt to retain and preferably raise our margins, to continue to strengthen our market positions and to identify strategic acquisition candidates.

Through methodical efforts to adapt fixed costs, create a high level of flexibility in production capacity and further develop productivity, both NIBE Energy Systems and NIBE Element have succeeded in improving their operating margins and NIBE Stoves managed to retain the previous year's level. Meanwhile, all three business areas have stepped up the rate of product development, which has resulted in a considerable number of product launches.

It was also gratifying to see that we succeeded in continuing to consolidate our market positions through consistent marketing initiatives, affordable products, high product quality and professional customer support.

In terms of the market, the best news for NIBE Energy Systems was the stabilisation and slight increases in the heat-pump markets in Germany, France and Switzerland, combined with a manifest improvement in the Swedish heat-pump market during the latter part of 2013.

For NIBE Element, the most positive market trend was in North America, which is now also the business area's largest market following the acquisitions of Emerson Heating Products and Springfield Wire.

The UK has now become the largest market for NIBE Stoves, following the acquisition of Stovax. The UK market has also been the only one of the main markets where demand has displayed a clear positive trend, which has benefitted both Stovax and the business area's other UK operations.

Two corporate acquisitions were completed during the year; Stovax and Eltwin, with combined sales of approximately SEK 500 million. It is highly likely that consolidation will continue to take place within the industry in all three of our business areas. Our industrial profile and strong balance sheet put us in an excellent position to participate actively in this process.

As noted back in the autumn, the European market is suffering from a generally weak construction

industry and a considerable number of countries are experiencing a very low level of industrial activity, while positive economic indications are becoming increasingly tangible. Furthermore, it appears that as on many previous occasions, North America is acting as the engine as the tempo in the global economy once again begins to pick up.

One observation that emphasises that we are over the worst of the economic downturn is the fact that our sales trend in 2013 was the opposite of 2012, when the first half of the year was strong while the second half underperformed. In 2013, the first half was weak and the second half saw signs of recovery.

Operating profit improved by 13.5% over the year as a whole compared with 2012, and the operating margin improved to 12.0% (11.3%). This is despite the fact that the strength of the Swedish krona has had a negative impact on operating profit.

Profit after net financial items climbed 11.2% compared with 2012, and the profit margin was 11.4% (10.9%). The fact that net financial items for the year differ so greatly from the previous year's is chiefly attributable to the previous year's exchange gains of SEK 27.8 million, relating to bank credit facilities in foreign currencies. There is no equivalent item in net financial items for 2013.

## 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 observing great caution with regard to our 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, Sweden, 13 February 2014

Gerteric Lindquist  
Managing Director and CEO

### Financial targets

- Average annual sales growth of 20%
- 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

#### 13 February 2014

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

Presentation of the Year-end Report 2013 and chance to ask questions.

NEW - those wishing to have access to the presentation slides during the conference will need to register on our website [www.nibe.com](http://www.nibe.com).

To listen to the presentation via telephone, call +46 8 519 993 68

#### April 2014

Annual Report 2013

#### 15 May 2014

Q1 Report, Jan - March 2014  
Annual General Meeting 2014

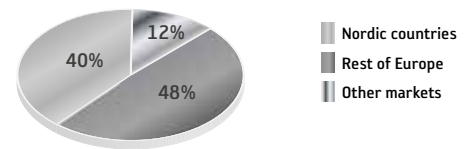
#### 15 August 2014

Q2 Report, Jan - June 2014

#### 14 November 2014

Q3 Report, Jan - Sept 2014

Group sales by geographical region



## Sales

Group net sales amounted to SEK 9,833.6 million (SEK 9,192.3 million), corresponding to growth of 7.0%. Acquired sales accounted for SEK 857.4 million of this total, which means that organic growth for the reporting period fell by 2.3%.

## Earnings

Profit for the year after net financial items was SEK 1,117.4 million, which represents growth of 11.2% compared with the figure for 2012, when profit after net financial items amounted to SEK 1,005.4 million. The previous year's net financial items included a positive effect from exchange gains relating to bank credit facilities in foreign currencies of SEK 27.8 million, while such an item is not included in net financial items for 2013. Profit for the year has been charged with acquisition expenses of SEK 8.9 million, as opposed to a figure of SEK 14.5 million the previous year. When adjusted to take into account the effects of these items, the increase in earnings was 13.5%. Return on equity was 16.7% (15.9%).

## Acquisitions

At the end of January 2013 NIBE acquired a 60% stake in the UK wood-stove 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. Agreement has also been reached on the acquisition of the remaining 40% of shares in the company in 2016.

In accordance with the memorandum of understanding from June 2012, NIBE acquired the Eltwin Group in Denmark in February, with operations focused on measuring and control technology for the energy sector. The Eltwin Group, which has annual sales of some SEK 85 million and an operating margin of approximately 9%, was consolidated into the NIBE Element business area in March 2013.

## Significant events after the end of the period

At the beginning of February, operations were acquired in the 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 year amounted to SEK 911.6 million (SEK 477.5 million). A total of SEK 602.4 million (SEK 226.0) of this sum relates to corporate acquisitions. The remaining SEK 309.2 million (SEK 251.5 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 assumptions about the 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 1,283.3 million (SEK 1,072.5 million). Cash flow after changes in working capital was SEK 1,097.1 million (SEK 1,019.3 million).

Interest-bearing liabilities at the end of the year amounted to SEK 4,591.3 million. At the beginning of the year, equivalent liabilities totalled SEK 4,517.6 million.

The Group had liquid funds of SEK 2,369.2 million at the end of the year as against SEK 1,710.1 million at the start of the year.

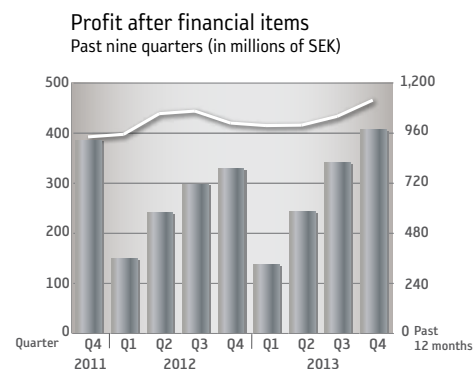
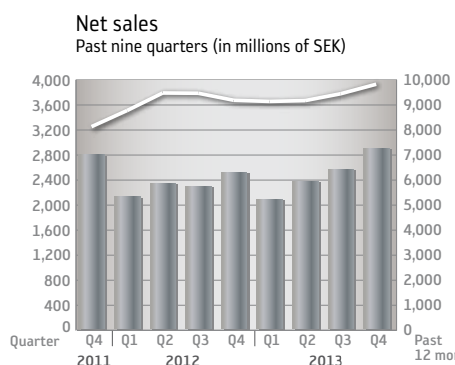
The equity/assets ratio at the end of the year was 43.0%, compared with 41.9% at the start of the year.

## Parent

Parent activities comprise Group executive management functions, certain Group functions and the financing of corporate acquisitions. Sales for the period totalled SEK 6.3 million (SEK 4.9 million) and profit after financial items was SEK 527.3 million (SEK 600.7 million). At the end of the period, the parent company had liquid funds of SEK 979.5 million as against SEK 480.7 million at the start of the year.

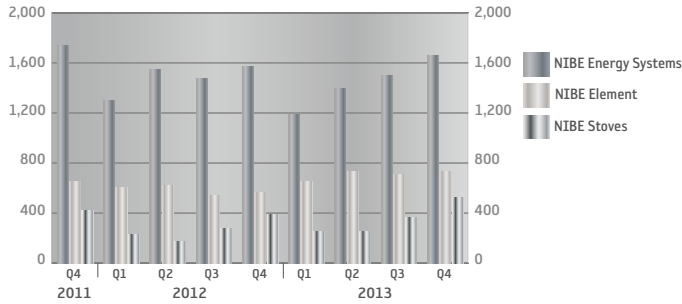
## NIBE Group

Key figures		2013	2012
Net sales	SEK m	9,833.6	9,192.3
Growth	%	7.0	12.9
of which acquired	%	9.3	19.4
Operating profit	SEK m	1,179.2	1,039.1
Operating margin	%	12.0	11.3
Profit after net financial items	SEK m	1,117.4	1,005.4
Profit margin	%	11.4	10.9
Equity/assets ratio	%	43.0	41.9
Return on equity	%	16.7	15.9

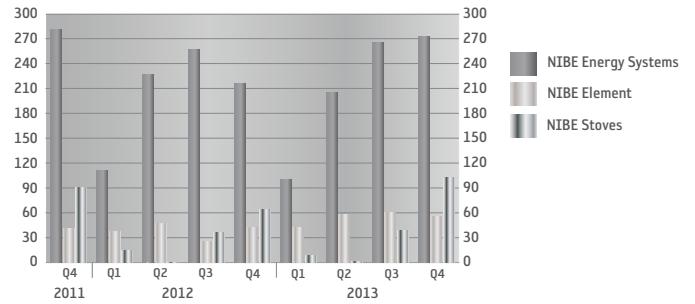


# Business Area trends

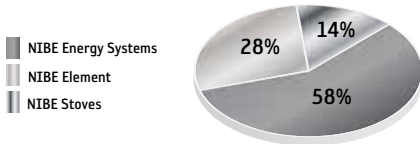
Sales by business area  
Past 9 quarters (in millions of SEK)



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



Business area contributions to sales



Business area contributions to profit



Construction of new homes is increasing at a cautious pace in Germany, Sweden and the UK, all of which are key markets for us. Forthcoming energy-saving subsidies for private homes in the UK are sparking renewed interest in heat pumps. In addition, the EU Commission's decision to include exhaust-air heat pumps in the regulatory framework for calculating renewable energy is also favourable news and presents further potential for growth.

## Sales and profit

Sales amounted to SEK 5,739.9 million compared with SEK 5,901.1 million in 2012. Acquired sales accounted for SEK 40.0 million of this total, which means that organic growth for the reporting period fell by 3.4%.

Operating profit totalled SEK 844.2 million, compared with SEK 807.4 million the previous year. The operating margin for the first half of the year rose from 13.7% in 2012 to 14.7%.

## The year in brief

In 2013, our main focus has been on safeguarding our operating margin by adapting the businesses on the various markets in Europe to the generally weak market trend. We have also managed to improve our operating margin, despite lower sales, through considerable flexibility in production capacity over the year and by adapting our cost structure to levels of demand.

Our increased focus on product development in recent years, which is a key element of our expansion strategy, has resulted in a record number of products being launched on the market within almost all product segments, starting during the first half of 2013. Our robust product range and increased market presence has enabled us to strengthen our position on several markets, despite weaker demand.

Since the new generation of products is one of our primary tools in boosting market shares in Europe, we spent the second half of the year combining market launches with extensive product training sessions on all the markets we have been cultivating.

The synergy effects of acquisitions completed over the past few years are also beginning to feel more evident as our products can now be launched through several sales channels and on more markets than previously. Additional opportunities exist to refine the coordination of product development and production between the various divisions within the business area.

Despite acquisition discussions taking place on a number of occasions, no new acquisitions came to fruition in 2013, however, the established expansion strategy, including corporate acquisitions, remains firmly in place. As regards organic growth, we are continuing to focus all our energy on product development and market expansion, with an increasing emphasis on climate-controlled system solutions for heating, cooling, ventilation and energy recovery.

Market trends in Europe for our main area, heat pumps, were relatively weak overall but have shown significant variation between the various

markets. While several of the countries that experienced weak development in 2012 have since stabilised and in some cases increased slightly during the second half of the year, the countries in Eastern Europe have seen a downturn compared with the previous year. All in all this means that the four largest heat-pump markets in Europe, i.e. France, Germany, Sweden and Switzerland, all now have stable development.

Construction of new homes is on the increase at a cautious pace in Germany, Sweden and the UK, which are all key markets for us. Forthcoming energy-saving subsidies for private homes in the UK are sparking renewed interest in heat pumps. The EU Commission's decision to include exhaust-air heat pumps in the regulatory framework for calculating renewable energy is also favourable news and presents further potential for growth.

In the Nordic region, the Swedish heat-pump market has been the one that has recovered the fastest following the previous year's sharp decline. After a weak start to the year, there was some market growth during the third quarter, which has since strengthened further in Q4. Our own market position has been further reinforced in 2013, as we increased market share in all product areas. In Norway too we have strengthened our market position considerably, despite a somewhat tentative market trend.

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 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.

## NIBE Energy Systems

Key figures		2013	2012
Net sales	SEK m	5,739.9	5,901.1
Growth	%	- 2.7	18.3
of which acquired	%	0.7	24.3
Operating profit	SEK m	844.2	807.4
Operating margin	%	14.7	13.7
Assets	SEK m	8,098.6	8,108.3
Liabilities	SEK m	6,837.7	7,069.0
Investments in fixed assets	SEK m	185.7	176.2
Depreciation	SEK m	240.4	247.0

## Different speeds for different needs

Our new inverter-controlled heat pumps adapt automatically to the effect required by a building over the year. When more heat and hot water are needed, the compressor increases the effect, and when less is needed, the number of revolutions is decreased. This generates optimum savings as the heat pump always maintains the correct speed all year round.



## Sales and profit

Sales amounted to SEK 2,821.8 million compared with SEK 2,336.8 million in 2012. The increase in sales was SEK 485.0 million with acquired sales accounting for SEK 424.5 million of this sum, which means that organic growth was 2.6%.

Operating profit for the year totalled SEK 216.7 million, compared with SEK 152.5 million the previous year. The operating margin was 7.7% compared with 6.5% in 2012.

## The year in brief

In 2013 we continued to fulfill our objective of becoming a global supplier with a more comprehensive product range for measuring, control and heating, both through acquisitions and the launch of new products for the international market.

The acquisition of the element manufacturing business of Springfield Wire, which was completed at the end of 2012, has enabled us to strengthen our position as one of the very top companies in the industry in North America. Following the acquisition there have been extensive efforts to integrate the acquired units and restructure our entire North American operations. This has resulted in the units in the US and Mexico becoming more specialised, which in turn has generated opportunities to cut costs and boost our competitive edge in terms of technology and customer service.

A number of structural measures have also been implemented in other operations within the business area, with the aim of boosting profitability and achieving the target operating margin within a couple of years' time. Combined with growth within certain profitable industry segments, the measures carried out have contributed to an improved operating margin. Several of the businesses are also exceeding the target level.

We extended our production facility in Poland during the year to satisfy levels of demand for European quality production, with the advantage of lower labour costs. The move also provides us with a firm base for future cost-effective expansion.

The acquisition of the Danish Eltwin Group in the spring strengthens our focus on a more comprehensive product offering, including measuring and control technology within the area of energy. Product development collaboration with other units in the Group functions extremely well and in addition to its existing operations in Denmark, Eltwin has established a manufacturing unit for volume production in Poland.

Demand for heating elements in the international market has gradually picked up during the year and for our comparable units, total volumes are slightly above 2012 levels, while there is still considerable variation between different markets and product areas.

The European construction industry has in general seen weak development, but with a degree of stabilisation in the second half of the year on the markets in northern Europe. In North America we have noted a gradual increase from both the comfort sector and the white goods sector.

Demand from product areas related to the automotive industry was stable, and here too the trend has been most positive in North America. Several innovative products for the automotive industry were launched in 2013, which are expected to boost sales over the next few years. Considerable expansion is underway and investments are being made in rail infrastructure around the world, which also aided sales in this area.

The general industrial economy, which affects our sales to commercial and industrial customers, showed some signs of improvement during the year. It was chiefly products related to oil and gas that saw healthy demand, and we also successfully launched a number of products in this area on the global market.

Sales of resistors, a product area that serves many customers in the energy-saving and renewable energy segments, continue to develop positively.

With uncertainty regarding raw material and currency trends, which significantly affect pricing and competitiveness, it is an advantage for us to have production units in different currency zones.

## NIBE Element

Key figures		2013	2012
Net sales	SEK m	2,821.8	2,336.8
Growth	%	20.8	10.0
of which acquired	%	18.2	17.3
Operating profit	SEK m	216.7	152.5
Operating margin	%	7.7	6.5
Assets	SEK m	2,758.2	2,425.0
Liabilities	SEK m	2,480.0	2,244.8
Investments in fixed assets	SEK m	83.0	82.9
Depreciation	SEK m	91.7	79.5



### Extended production facility in Poland

We extended our production facility in Poland during the year to satisfy levels of demand for European quality production, with the advantage of lower labour costs. The move also provides us with a firm base for future cost-effective expansion.

## Sales and profit

Sales amounted to SEK 1,395.3 million compared with SEK 1,064.4 million in 2012. The increase in sales was SEK 330.9 million, but as acquired sales accounted for SEK 393.0 million of this sum, organic growth was negative and declined by 5.8%.

Operating profit for the year totalled SEK 151.8 million, compared with SEK 115.8 million the previous year. The operating margin remained unchanged compared with 2012, at 10.9%.

## The year in brief

Despite a persistently tentative European market for wood stoves and challenging market conditions, we have succeeded in fulfilling our objective of continuing to be a stable player with healthy profitability. Fixed total costs have been reduced without jeopardising our long-term ambitions, and capacity in our production units has been adapted to the prevailing situation as regards demand. All in all this has resulted in an operating margin that has remained unchanged compared with the previous year.

We further expanded our product portfolio during the year by launching a number of new products under all brands, all of which were positively received by our customers. Most of our new products have also been ready for delivery in time for the peak season in the autumn, however some models have experienced slight delays, which has had some impact on sales.

Being able to offer comprehensive chimney systems is a key element of our concept of providing our customers with turnkey solutions, mainly on the Scandinavian markets. To further improve our offering, a number of product changes have been implemented to the existing chimney range, while an entirely new range was launched on the Norwegian market.

The acquisition of 60% of the shares in the British firm Stovax Heating Group Ltd, which was completed at the start of the year, is an excellent complement to our offering both in geographical and product terms. In addition to wood-burning products under the Stovax brand, the company's product portfolio also includes an extensive range of gas and electric stove products sold under the Gazco brand. Since the acquisition the company has experienced excellent growth, which combined with persistently strong organic growth in our other British operations has resulted in the UK now becoming our single largest market.

The UK is also the only one of the markets we have been focusing on that is displaying a robust improvement in demand for all types of stove products. The rise in demand is a result of the UK's slightly faster economic recovery compared with many other countries in Europe, but also the relatively long and cold winter 2012/2013. This extended the sales season at the beginning of the year, and also meant that the traditional peak season in the autumn started earlier than normal.

Demand for stove products in the Nordic region continued to drop in 2013 on all markets and what we are experiencing now is the company's weakest level of demand to date. The primary explanation for this situation is continued restraint among consumers as regards investment in consumer durables and renovating their homes.

In Germany and France, demand has remained relatively stable despite a generally weak economy. Demand dipped slightly in Germany during the latter part of the year, which was probably due to the unusually warm autumn.

Consistent marketing efforts via a strong European network of distributors, combined with the launch of several new products, have enabled us to retain a solid position on our main markets. Together with the cost adjustments that have been implemented, without reducing our long-term investments in product development and marketing, this provides us with a firm basis for 2014.

## NIBE Stoves

Key figures		2013	2012
Net sales	SEK m	1,395.3	1,064.4
Growth	%	31.1	- 7.7
of which acquired	%	36.9	0.0
Operating profit	SEK m	151.8	115.8
Operating margin	%	10.9	10.9
Assets	SEK m	1,592.2	1,037.6
Liabilities	SEK m	1,015.6	525.5
Investments in fixed assets	SEK m	26.6	21.0
Depreciation	SEK m	52.6	42.0



*Stoves' product range includes chimney systems. Being able to offer comprehensive chimney systems is a key element of our concept of providing our customers with turnkey solutions, mainly on the Scandinavian markets. To further improve our offering, a number of product changes have been implemented to the existing chimney range. At the same time, a completely new range of chimneys has been launched, in which the combustion air is supplied via a separate integrated channel in the chimney.*

## Income Statement summaries

(in millions of SEK)	Group				Parent	
	Q 4 2013	Q 4 2012	2013	2012	2013	2012
Net sales	2,876.1	2,496.0	9,833.6	9,192.3	6.3	4.9
Cost of goods sold	- 1,845.8	- 1,608.7	- 6,461.8	- 6,032.1	0.0	0.0
<b>Gross profit</b>	<b>1,030.3</b>	<b>887.3</b>	<b>3,371.8</b>	<b>3,160.2</b>	<b>6.3</b>	<b>4.9</b>
Selling expenses	- 488.0	- 455.8	- 1,738.5	- 1,709.4	0.0	0.0
Administrative expenses	- 160.8	- 146.2	- 579.7	- 542.5	- 36.3	- 27.1
Other income	41.6	19.8	125.6	130.8	0.0	0.1
<b>Operating profit</b>	<b>423.1</b>	<b>305.1</b>	<b>1,179.2</b>	<b>1,039.1</b>	<b>- 30.0</b>	<b>- 22.1</b>
Net financial items	- 19.3	18.9	- 61.8	- 33.7	557.3	622.8
<b>Profit after net financial items</b>	<b>403.8</b>	<b>324.0</b>	<b>1,117.4</b>	<b>1,005.4</b>	<b>527.3</b>	<b>600.7</b>
Appropriations	0.0	0.0	0.0	0.0	0.0	- 1.1
Tax	- 93.6	- 71.7	- 259.4	- 241.9	- 1.4	- 1.3
<b>Net profit</b>	<b>310.2</b>	<b>252.3</b>	<b>858.0</b>	<b>763.5</b>	<b>525.9</b>	<b>598.3</b>
<b>Net profit attributable to Parent shareholders</b>	<b>310.2</b>	<b>252.3</b>	<b>858.0</b>	<b>763.5</b>	<b>525.9</b>	<b>598.3</b>
<i>Includes depreciation according to plan as follows</i>	<i>98.0</i>	<i>93.0</i>	<i>384.6</i>	<i>368.4</i>	<i>0.0</i>	<i>0.0</i>
<i>Net profit per share before and after dilution in SEK</i>	<i>2.81</i>	<i>2.29</i>	<i>7.78</i>	<i>6.93</i>		

## Statement of comprehensive income

<b>Net profit</b>	<b>310.2</b>	<b>252.3</b>	<b>858.0</b>	<b>763.5</b>	<b>525.9</b>	<b>598.3</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	35.4	- 64.1	35.4	- 64.1	0.0	0.0
Tax	- 7.5	13.2	- 7.5	13.2	0.0	0.0
	<b>27.9</b>	<b>- 50.9</b>	<b>27.9</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	- 1.2	- 7.1	- 5.1	1.5	- 0.4	0.0
Hedge of net investment	- 88.1	- 90.8	- 82.1	69.9	- 81.7	68.6
Exchange differences	187.8	140.7	120.0	- 192.8	0.0	0.0
Tax	19.2	37.0	19.2	- 6.9	18.0	- 6.3
	<b>117.7</b>	<b>79.8</b>	<b>52.0</b>	<b>- 128.3</b>	<b>- 64.1</b>	<b>62.3</b>
<b>Total other comprehensive income</b>	<b>145.6</b>	<b>28.9</b>	<b>79.9</b>	<b>- 179.2</b>	<b>- 64.1</b>	<b>62.3</b>
<b>Total comprehensive income</b>	<b>455.8</b>	<b>281.2</b>	<b>937.9</b>	<b>584.3</b>	<b>461.8</b>	<b>660.6</b>
<b>Total comprehensive income attributable to Parent shareholders</b>	<b>455.8</b>	<b>281.2</b>	<b>937.9</b>	<b>584.3</b>	<b>461.8</b>	<b>660.6</b>

1) For further information relating to changes in IAS 1, please refer to page 10 under the heading "Accounting policies".

## Balance Sheet summaries

(in millions of SEK)	Group		Parent	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
Intangible assets	6,153.6	5,598.2	0.0	0.0
Tangible assets	1,889.1	1,880.8	0.0	0.0
Financial assets	155.2	152.3	8,187.4	7,148.9
<b>Total non-current assets</b>	<b>8,197.9</b>	<b>7,631.3</b>	<b>8,187.4</b>	<b>7,148.9</b>
Inventories	1,760.0	1,685.0	0.0	0.0
Current receivables	1,414.7	1,338.8	72.9	22.9
Current investments	3.0	0.0	0.0	0.0
Cash and bank balances	1,591.2	934.3	579.5	80.7
<b>Total current assets</b>	<b>4,768.9</b>	<b>3,958.1</b>	<b>652.4</b>	<b>103.6</b>
<b>Total assets</b>	<b>12,966.8</b>	<b>11,589.4</b>	<b>8,839.8</b>	<b>7,252.5</b>
Equity	5,575.4	4,857.9	3,360.8	3,119.4
Untaxed reserves	0.0	0.0	1.1	1.1
Non-current liabilities and provisions, non-interest bearing	1,267.2	893.6	517.5	187.5
Non-current liabilities and provisions, interest bearing	4,390.7	4,013.6	4,796.7	3,530.0
Current liabilities and provisions, non-interest bearing	1,532.9	1,320.3	22.6	29.7
Current liabilities and provisions, interest bearing	200.6	504.0	141.1	384.8
<b>Total equity and liabilities</b>	<b>12,966.8</b>	<b>11,589.4</b>	<b>8,839.8</b>	<b>7,252.5</b>



## Key figures

		2013	2012	2011	2010	2009
Growth	%	7.0	12.9	25.0	13.2	- 1.0
Operating margin	%	12.0	11.3	12.2	12.2	11.0
Profit margin	%	11.4	10.9	11.6	11.4	9.8
Investments in fixed assets	SEK m	911.6	477.5	5,560.2	405.9	217.9
Unappropriated liquid assets	SEK m	2,369.2	1,710.1	1,659.8	1,664.1	1,572.3
Working capital, incl. cash and bank balances as share of net sales	SEK m %	3,035.3 30.9	2,133.8 23.2	2,069.2 25.4	1,308.7 20.1	1,315.0 22.9
Working capital, excl. cash and bank balances as share of net sales	SEK m %	1,444.1 14.7	1,199.5 13.0	1,062.2 13.0	899.1 13.8	965.8 16.8
Interest-bearing liabilities/Equity	%	82.3	93.0	108.1	45.6	69.4
Equity/assets ratio	%	43.0	41.9	38.2	48.2	45.7
Return on capital employed	%	12.4	11.8	16.0	22.2	16.8
Return on equity	%	16.7	15.9	19.9	23.4	20.2
Net debt/EBITDA	times	1.9	2.5	3.0	0.7	1.4
Interest coverage ratio	times	12.4	11.0	10.7	11.8	7.3

## Data per share

		2013	2012	2011	2010	2009
Net profit per share <sup>1)</sup> (total 110,253,638 shares)	SEK	7.78	6.93	6.87	5.84	4.36
Equity per share	SEK	50.57	44.06	40.78	26.34	23.24
Closing day share price	SEK	145.00	93.75	101.75	102.75	69.00

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 2013 compared with 110,182,238 shares in 2012.

## Financial instruments measured at fair value

(in millions of SEK)	31 Dec 2013	31 Dec 2012
<b>Current receivables</b>		
Currency futures	0.4	1.5
Raw materials futures	0.0	0.1
<b>Total</b>	<b>0.4</b>	<b>1.6</b>
<b>Current liabilities and provisions, non interest-bearing</b>		
Currency futures	4.1	0.4
Raw materials futures	0.2	0.0
<b>Total</b>	<b>4.3</b>	<b>0.4</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 2012. 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 2012.

## Statement of cash flow – summaries

(in millions of SEK)	2013	2012
Cash flow from operating activities	1,283.3	1,072.5
Change in working capital	- 186.2	- 53.2
Investment activities	- 502.7	- 477.5
Financing activities	50.6	- 586.8
Exchange rate difference in liquid assets	11.9	- 27.8
<b>Change in liquid assets</b>	<b>656.9</b>	<b>- 72.8</b>

## Change in equity – summaries

(in millions of SEK)	2013	2012
Equity brought forward	4,857.9	4,487.2
Effect of change in accounting policies <sup>1)</sup>	0.0	- 15.0
Adjusted opening equity	4,857.9	4,472.2
Directed issue	0.0	21.8
Shareholders' dividend	- 220.5	- 220.5
Forfeited shareholders' dividend <sup>2)</sup>	0.1	0.1
Total comprehensive income for the period <sup>1)</sup>	937.9	584.3
<b>Equity carried forward</b>	<b>5,575.4</b>	<b>4,857.9</b>

<sup>1)</sup> IAS 19 "Employee benefits" has been applied retroactively. See page 10 under the heading "Accounting policies".

<sup>2)</sup> Dividends from 2002 and 2003 that have not been redeemed and have therefore expired.

## Quarterly data

Consolidated Income Statements (in millions of SEK)	2013				2012				2011
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4
Net sales	2,062.4	2,350.2	2,544.9	2,876.1	2,106.7	2,318.4	2,271.2	2,496.0	2,777.3
Operating expenses	- 1,918.3	- 2,095.4	- 2,187.7	- 2,453.0	- 1,948.9	- 2,054.5	- 1,958.9	- 2,190.9	- 2,377.7
<b>Operating profit</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>	<b>399.6</b>
Net financial expenses	- 9.9	- 13.3	- 19.3	- 19.3	- 11.4	- 24.6	- 16.6	18.9	- 16.1
<b>Profit after net financial expenses</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>	<b>383.5</b>
Tax	- 35.4	- 55.6	- 74.8	- 93.6	- 38.1	- 59.5	- 72.6	- 71.7	- 113.1
<b>Net profit</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>	<b>270.4</b>
Net sales Business Areas									
NIBE Energy Systems	1,185.3	1,397.7	1,498.9	1,658.0	1,303.4	1,548.8	1,477.8	1,571.1	1,735.1
NIBE Element	649.8	734.5	704.5	733.0	603.8	624.4	540.5	568.1	650.1
NIBE Stoves	252.3	251.1	368.7	523.2	226.0	175.9	276.5	386.0	424.6
Elimination of Group transactions	- 25.0	- 33.1	- 27.2	- 38.1	- 26.5	- 30.7	- 23.6	- 29.2	- 32.5
<b>Group</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>	<b>2,777.3</b>
Operating profit Business Areas									
NIBE Energy Systems	101.1	205.4	264.9	272.8	111.6	226.6	256.7	212.5	281.2
NIBE Element	42.4	58.4	59.9	56.0	37.0	46.6	25.7	43.2	41.3
NIBE Stoves	8.9	1.6	38.3	103.0	15.1	0.4	35.9	64.4	90.7
Elimination of Group transactions	- 8.3	- 10.6	- 5.9	- 8.7	- 5.9	- 9.7	- 6.0	- 15.0	- 13.6
<b>Group</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>	<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 year-end report for 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 in the previous year and the same accounting policies apply as those described on page 65 of the company's Annual Report for 2012.

## 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 2012.

## NIBE share

NIBE's class B share is listed on the NASDAQ OMX Stockholm Exchange, Large Cap list. The NIBE share's closing price on 31 December 2013 was SEK 145.00. In 2013, NIBE's share price rose by 54,7% from SEK 93.75 to SEK 145.00. During the same period, the OMX Stockholm All-share (OMXS) went up by 23,18%. At the end of 2013, the market capitalisation of NIBE, based on the latest price paid, was SEK 15.987. In 2013 a total of 20.293.343 NIBE shares were traded, which corresponds to a share turnover of 18,4% over the year.

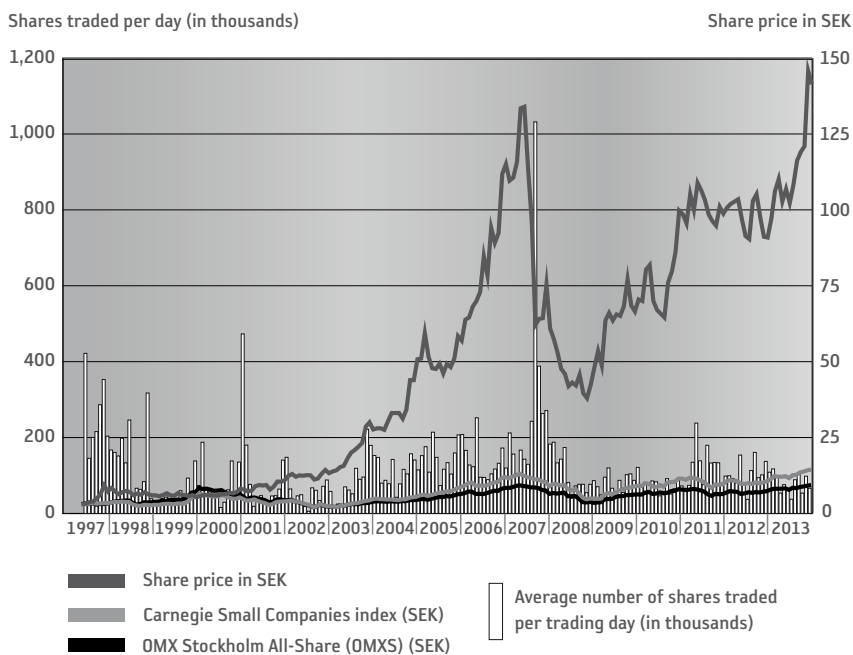
## Annual General Meeting

The Annual General Meeting of shareholders will be held on Thursday 15 May 2014, at 17.00 (5pm) at NIBE in Markaryd, Sweden.

## Dividend

The Board of Directors proposes that the Annual General Meeting approve a dividend of SEK 2.35 per share (SEK 2.00) for the financial year 2013.

## NIBE share performance



This year-end 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, 13 February 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 2012.



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 the fields of 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 year-end report. This information was made available to the media for publication at 08.00 (C.E.T.) on 13 February 2014.

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