Q4 Report 2025

January - December

CAMILLA EKDAHL, CEO
CARIN BENGTSSON, interim CFO

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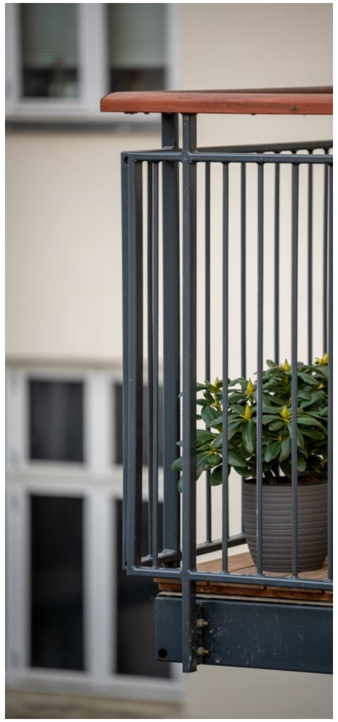
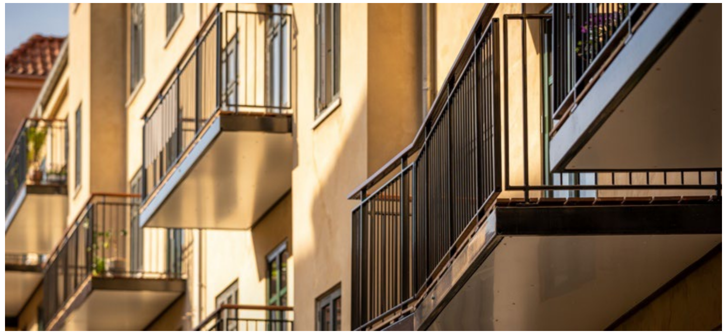




BALCO / RIIKKU / BALCO ALTANER / RK TEKNIK / TBO-HAGLINDS / STORA FASAD / SÖDERÅSEN / SUOMEN OHUTLEVYASENNUS

Snapshot of Balco Group

The Group

- Balco Group was founded in 1987 and consists of the companies Balco, Riikku, RK Teknik, TBO-Haglinds, Balco Altaner, Stora Fasad, Söderåsens Mur & Kakel and Suomen ohutlevyasennus.
- The head office is in Växjö, and the group has approximately 500 employees.

The offering

- Balco operates in two main segments: renovations and new build.
- The core expertise is supplying glazed balconies and balcony solutions, primarily on the renovation market and to tenant-owner associations and replacing existing balconies with new glazed balconies according to the Balco method.
- However, the group has a broad offering of balcony solutions, including both open and glazed balconies, as well as complementary offerings such as façade renovations.

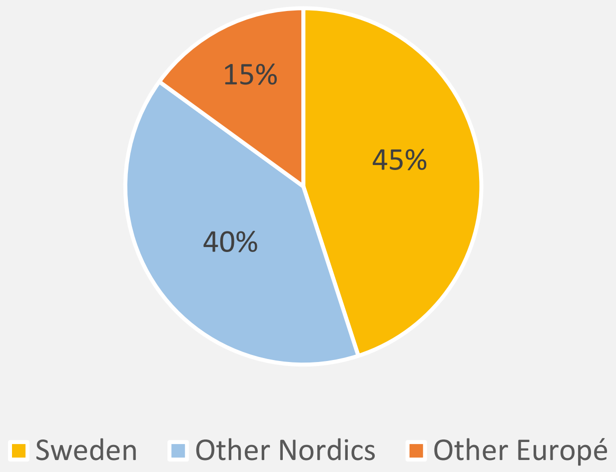
The market

- Balco Group is the market leader in the Nordics with key markets being Sweden, Denmark, Norway and Finland.
- Strong challenger position on other northern European markets.

Energy-savings

- All glazing of a balcony results in energy savings. Simpler glazing provides 5 to 10 percent energy savings, while Balco's patented glazing provides a documented energy saving of 20 to 30 percent.
- Facade renovation with additional insulation give energy savings of up to 10 percent.

REVENUE PER MARKET (2025)



High order intake and strong cash flow

High order intake

- Order intake increased by 45 percent to 521 MSEK (360) in the quarter and by 12 percent to 1537 MSEK (1377) for the full year.
- During the quarter, Balco Group signed its largest order ever, valued at approximately 200 MSEK. The order relates to the delivery of sliding doors and balconies to three new cruise ships being built by the German shipyard Meyer Werft.

Good cash flow

- Operating cash flow was strong in the quarter and amounted to 125 MSEK.

Net sales and profitability

- Net sales amounted to 371 MSEK (386). Organic growth +1 percent, currency effect -5 percent.
- Profitability in the quarter was not satisfactory. Structural measures were implemented during 2025. The annual savings are estimated at 55 MSEK.

Sustainability

- Our Sustainalytics rating improved and our KPI:s continues to develop in a positive direction

Q4 2025

Order intake

521 MSEK	360 MSEK
Oct - Dec 2025	Oct - dec 2024

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Market update

- The trend of increased activity, particularly in the Swedish renovation markets, continues. The Swedish balcony companies have increased order intake by 32 percent compared to 2024.
- The Danish market remains challenging. The leadtime from decision to project start is very long.
- The Finnish market is recovering at a slower pace than in Sweden, which affects our Finnish companies in both renovation and new construction.
- The balcony market potential for new construction in UK remains substantial.
- The renovation market in Germany continues to show strong underlying demand. There are also interesting new-build projects under discussion.
  Order intake in Germany increased by 12 percent for the full year.
- The maritime segment looks positive. Increased cruise ship orders at the shipyards resulted in new orders for Balco in 2025. With the current order backlog at the shipyards, there is a potential for additional orders to Balco.
- There are some positive signals in the new build segment, but from a very low level. It will take time before this is reflected in increased order intake for our façade and balcony companies in Sweden and Finland.

70
years lifetime
City balconies

90
years lifetime
Glazed balconies

Quarterly results

- **Net sales** amounted to 371 MSEK (386).
  Organic growth was 1 percent and currency effect was -5 percent.
  Net sales YTD amounted to 1,295 MSEK (1,418).

- **Adjusted operating result (EBITA)** amounted to 9 MSEK (18), corresponding to an adjusted EBITA-margin of 2.4 percent (4.7).
  Adjusted operating profit (EBITA) YTD amounted to 15 MSEK (70), corresponding to an adjusted operating margin (EBITA-margin) of 1.2 percent (4.9).

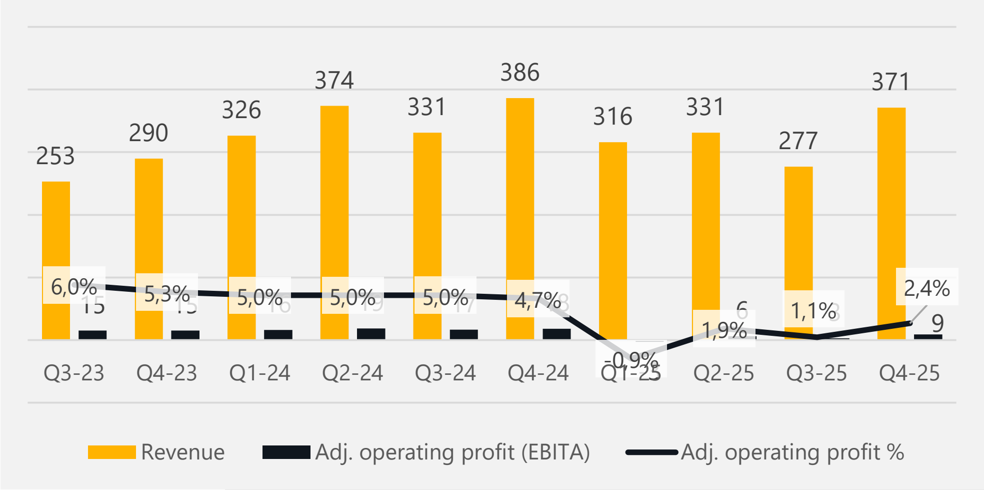
- **Order intake** amounted to 521 MSEK (360).
  Order intake YTD amounted to 1,537 MSEK (1,377).

- **Order backlog** increased by 16 percent to 1,523 MSEK (1,309).

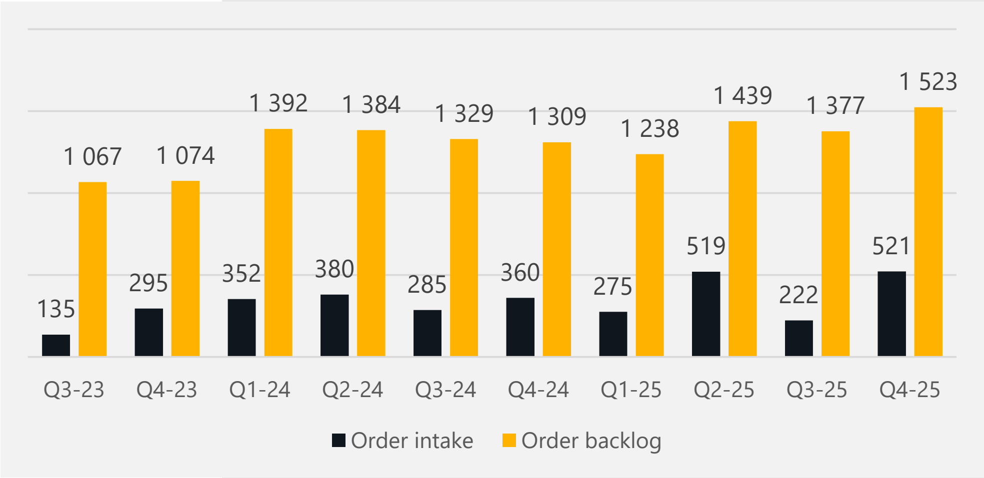
- **Adjusted earnings per share** amounted to -0.04 SEK (0.28).
  Adjusted earnings per share YTD amounted to -0.50 SEK (0.89).
  Earnings per share amounted to -0.02 SEK (-0.07).
  Earnings per share YTD amounted to -1.55 SEK (0.05).

- **Operating cash flow** amounted to 125 MSEK (58).
  Operating cash flow YTD amounted to 100 MSEK (139).

REVENUE AND ADJUSTED OPERATING PROFIT, MSEK



ORDER INTAKE AND BACKLOG, MSEK



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Renovation

- **Net sales** in the quarter amounted to 290 MSEK (281), which corresponds to 78 percent (73) of the total net sales.
  Net sales YTD amounted to 986 MSEK (1,000).

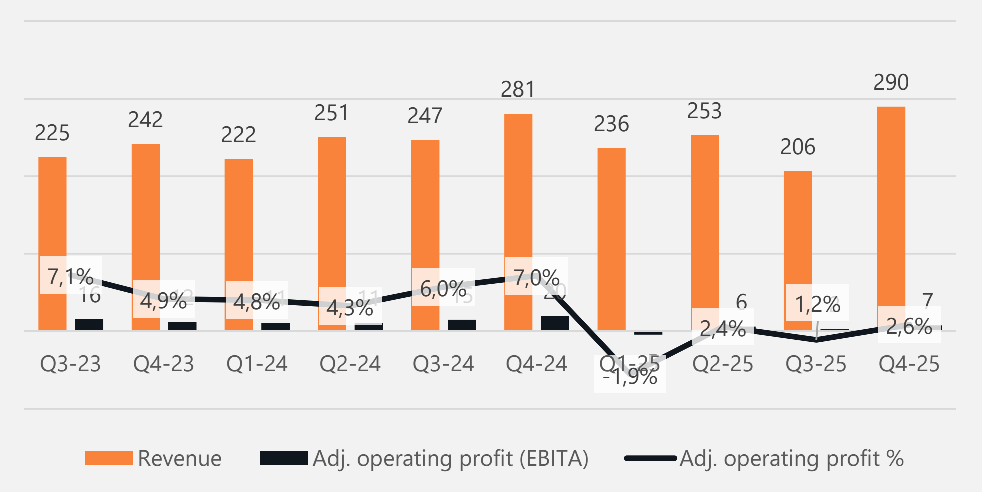
- **Order intake** in the quarter amounted to 228 MSEK (285), which corresponds to 44 percent (79) of the total order intake.
  Order intake YTD amounted to 1,011 MSEK (1,074).

- **Adjusted operating result (EBITA)** in the quarter amounted to 7 MSEK (20), corresponding to an adjusted operating margin of 2.6 percent (7.0).
  Adjusted operating profit (EBITA) YTD amounted to 11 MSEK (56), corresponding to an adjusted operating margin (EBITA-margin) of 1.1 percent (5.6).

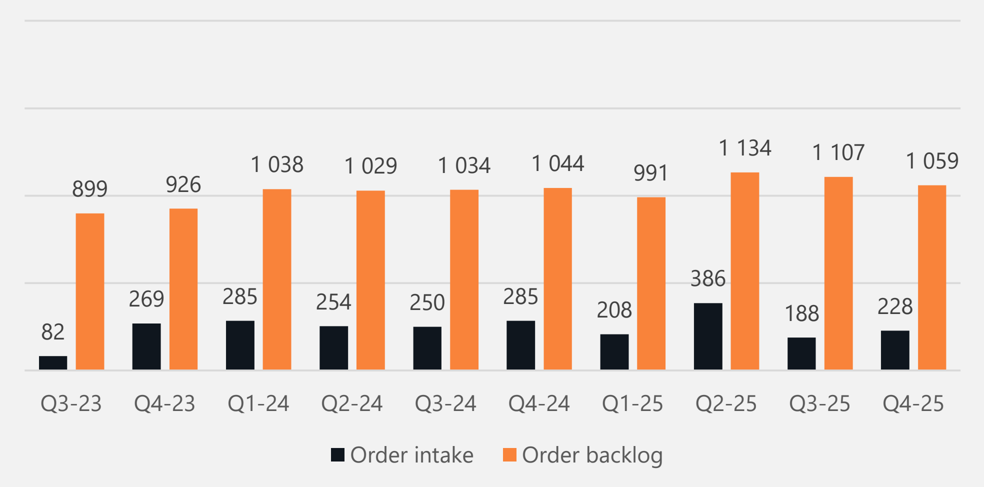
- **Order backlog** amounted to 1,059 MSEK (1,044) which corresponds to 70 percent (80) of the total order backlog.

Renovation, MSEK	**Oct-Dec 2025**	**Oct-Dec 2024**	**Jan-Dec 2025**	**Jan-Dec 2024**
Net sales	289,6	280,7	985,6	1 000,2
Adjusted operating profit (EBITA)	7,4	19,7	11,2	55,8
Adjusted operating margin (EBITA), %	2,6	7,0	1,1	5,6
Order intake	228,2	285,1	1 010,7	1 074,2
Order backlog	1 059,5	1 044,3	1 059,5	1 044,3

REVENUE AND EBIT, MSEK



ORDER INTAKE AND BACKLOG, MSEK



New build

- **Net sales** in the quarter amounted to 82 MSEK (106), which corresponds to 22 percent (27) of the total net sales.
  Net sales YTD amounted to 309 MSEK (418).

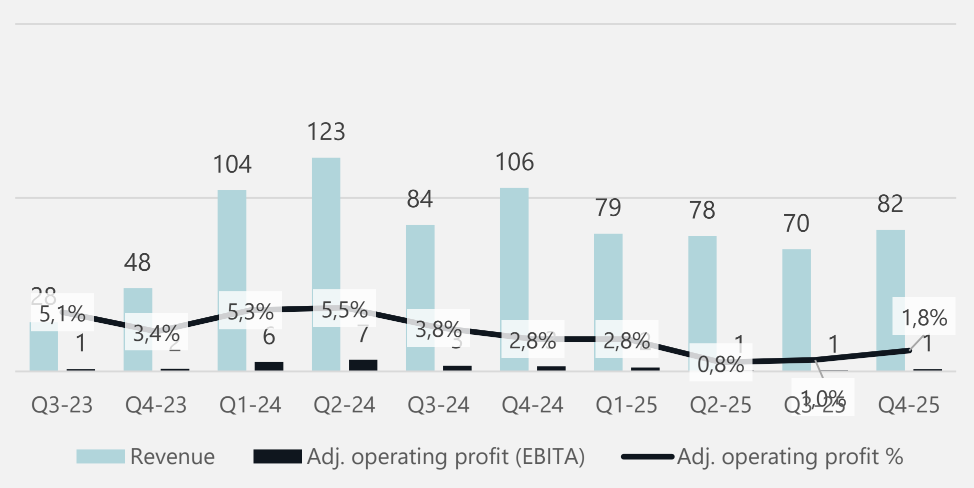
- **Order intake** in the quarter amounted to 293 MSEK (75), which corresponds to 56 percent (21) of the total order intake.
  Order intake YTD amounted to 526 MSEK (303).

- **Adjusted operating result (EBITA)** in the quarter amounted to 1 MSEK (3), corresponding to an adjusted operating margin of 1.8 percent (2.8).
  Adjusted operating profit (EBITA) YTD amounted *to 5 MSEK (19), corresponding to an adjusted operating margin (EBITA-margin) of 1.6 percent (4.5).*

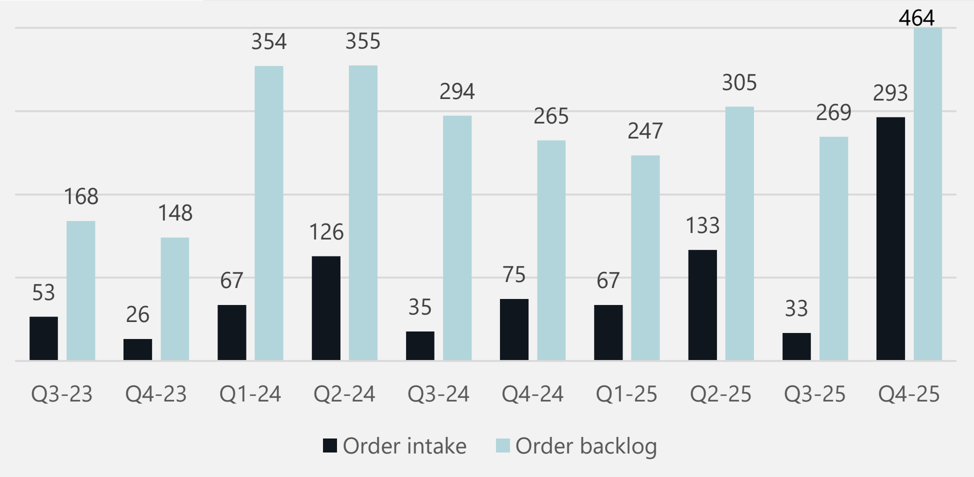
- **Order backlog** amounted to 464 MSEK (265) which corresponds to 30 percent (20) of the total order backlog.

New Build, MSEK	Oct-Dec 2025	Oct-Dec 2024	Jan-Dec 2025	Jan-Dec 2024
Net sales	81,6	105,8	309,4	417,7
Adjusted operating profit (EBITA)	1,4	3,0	5,0	18,6
Adjusted operating margin (EBITA), %	1,8	2,8	1,6	4,5
Order intake	292,8	74,5	526,5	302,6
Order backlog	463,8	265,0	463,8	265,0

REVENUE AND EBIT, MSEK



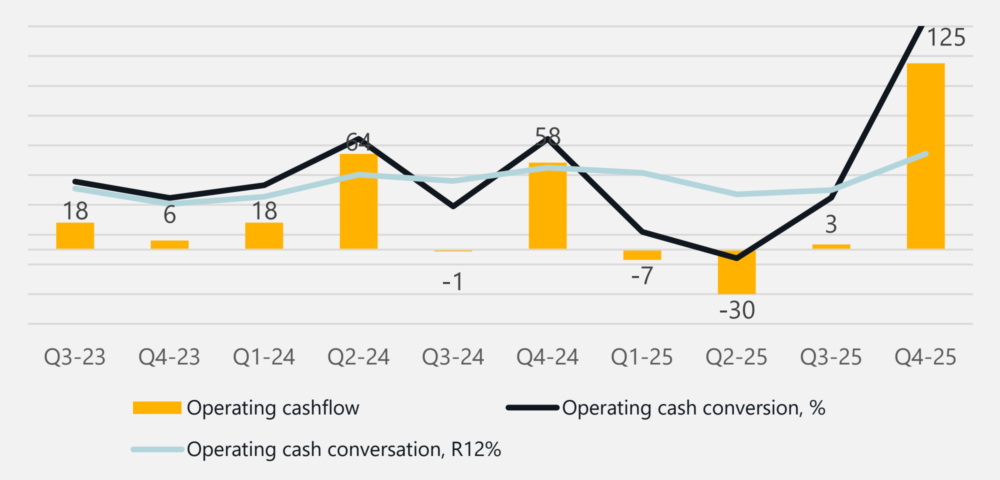
ORDER INTAKE AND BACKLOG, MSEK



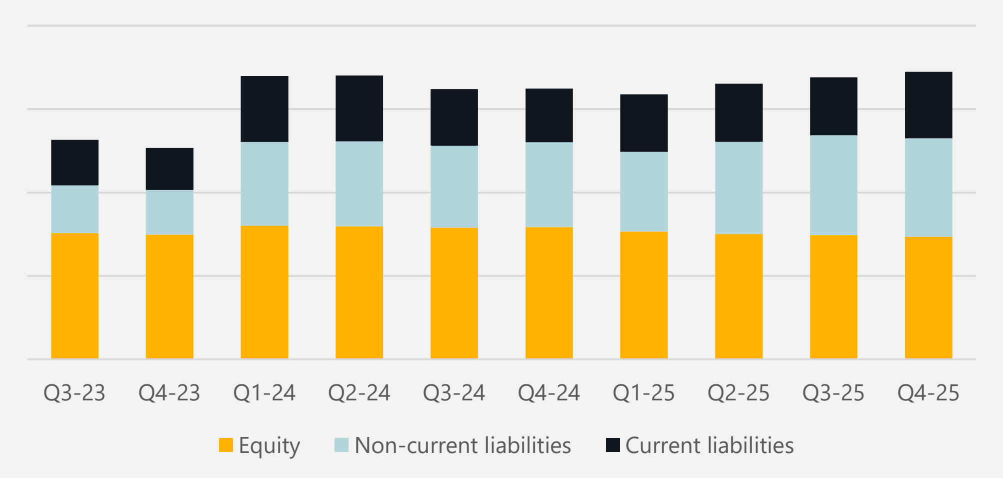
Financial position

- At the end of the quarter, the Group's equity amounted to 736 MSEK (793). Equity/assets ratio at 43 percent (49).
- Interest-bearing net debt including leasing debt in relation to adjusted EBITDA amounted to 6.0 times (2.5) down from 6.8 times in quarter 3.
- In December, a waiver was obtained together with an amendment to the existing credit agreement. The covenants are within this agreement.

OPERATING CASH FLOW, MSEK



EQUITY, LIABILITIES AND NET DEBT



Sustainability update

- The Sustainalytics risk rating improved to 16.6 (17.2), placing us among the top 5 percent with the lowest risk rating in our industry ,"Building Products".
- Sickness absence for 2025 decreased to 3.2 percent (3.6).
- Employee turnover decreased to 7.3 percent (7.8).
- Carbon dioxide emissions (Scope 1 and 2), measured as grams per hour worked, increased due to fewer hours worked. However, total carbon dioxide emissions, measured in kilograms, decreased by 10 percent.

Concluding remarks

Outlook

- We are cautiously optimistic about order intake for renovation projects in Sweden and Norway in 2026.
- Our assessment is that Finland will continue to recover more slowly than Sweden, but we expect an increase, particularly in the renovation segment, in 2026.
- We do not yet see a clear turnaround in the Danish market,
- The renovation market remains – timing.
- In the new build segment in the Nordic countries, we expect that the recovery for the balcony companies will take longer time.
- We see a potential for further growth in 2026 in both Germany and the UK.
- With a broader product offering in the maritime segment, combined with strong order inflow to the shipyards, we have a positive outlook for the maritime business.
- Future market development and recovery may be affected by the geopolitical situation.
- The company will continue to work on the capital structure and profitability improvement measures until the desired capacity utilization and profit level have been achieved.

Balco Group has a strong market position with high quality and long durability.

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Q&A

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