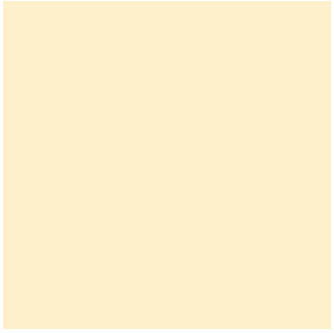
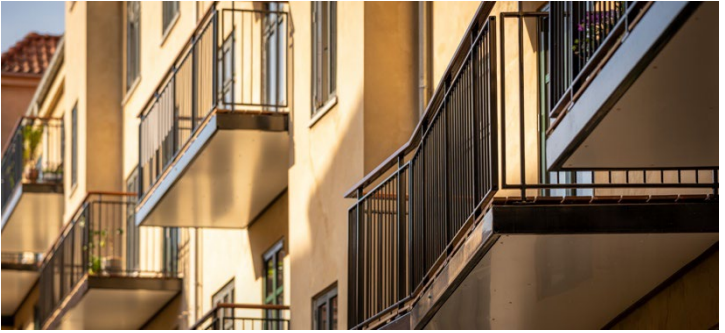


BALCO | GROUP

Q3 Report 2024

January - September

CAMILLA EKDAHL, CEO
MICHAEL GRINDBORN, CFO



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 650 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.

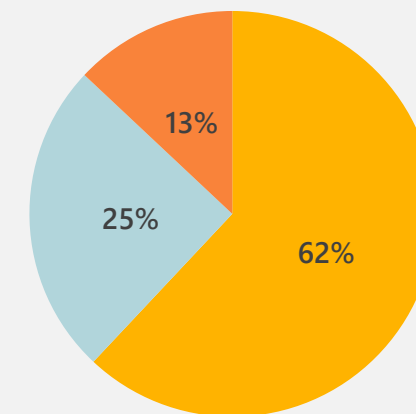
The market

- 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 (2023)



■ Sweden ■ Other Nordics ■ Other Europe



More than doubled order intake

Order intake

Order intake increased by 111 percent to 285 MSEK (135).
Organic order intake which was 49 percent higher than previous year.

Net sales

Net sales increased by 31 percent to 331 MSEK (253).
The increase comes from the acquisitions we made earlier this year.

Structural changes and cost savings

Structural changes and cost-savings of Riikku's operations and company structure.

New innovative solution

A patent has been applied for further development of our solution with air-to-air heat pumps for the Norwegian market.

Q3 2024

Order intake

285 MSEK
Jul – Sep 2024

135 MSEK
Jul – Sep 2023



Market update

We are noticing an increase in activity from a low level for our balcony companies that work with renovation.

During the quarter, Balco AB received a major turnkey project in Borås of approximately 60 MSEK which, in addition to glazed balconies, includes facade work, drainage and upgrading of green areas.

Some of our companies are exposed to greater price pressure. This applies above all to the facade companies in Sweden and our balcony company in Denmark, where also the trend of longer process times for decisions remains.

Our newly acquired Finnish company Suomen ohutlevyasennus Oy has been chosen as supplier for several major projects during the quarter and the first weeks thereafter.

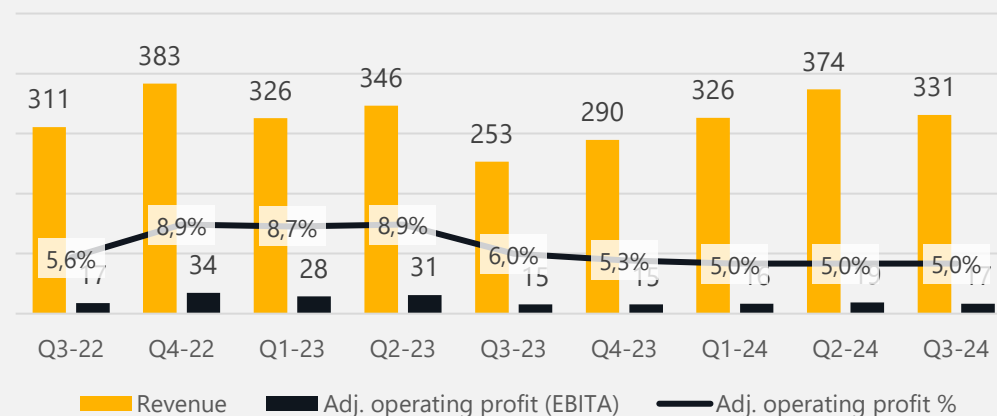
The entire Group has a strong focus on order intake, but we will be cautious about entering into price-pressured projects.



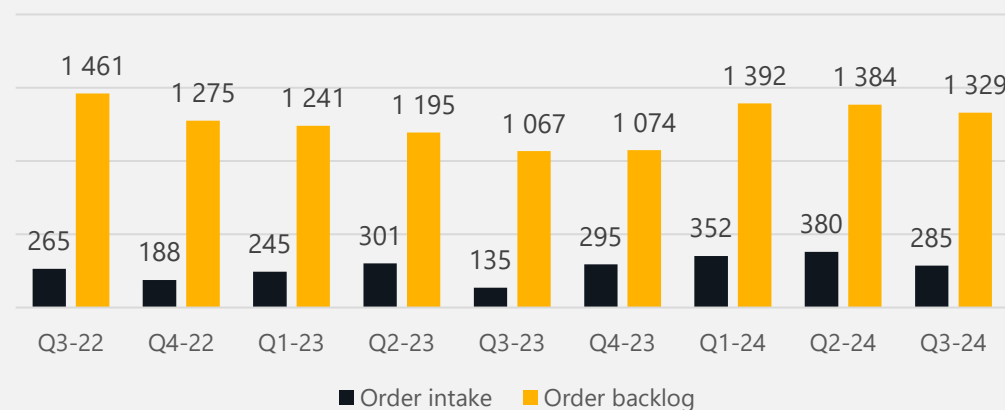
Quarterly results

- Net sales** increased by 31 percent to 331 MSEK (253). Acquired growth was 43 percent, currency effect was -4 percent, and organic growth was -8 percent.
Net sales YTD increased by 11 percent to 1,031 MSEK (925).
- Adjusted operating profit (EBITA)** amounted to 16 MSEK (15), corresponding to an adjusted operating margin (EBITA-margin) of 5.0 percent (6.0).
Adjusted operating profit (EBITA) YTD amounted to 52 MSEK (74), corresponding to an adjusted operating margin (EBITA-margin) of 5.0 percent (8.0).
- Order intake** increased by 111 percent to 285 MSEK (135). Acquired order intake was 62 percent and organic order intake was 49 percent.
Order intake YTD increased by 49 percent to 1,017 MSEK (682).
- Order backlog** increased by 25 percent to 1,329 MSEK (1,067).
- Earnings per share** amounted to -0.03 SEK (0.24).
Earnings per share YTD amounted to 0.12 SEK (1.81).
- Operating cash flow** amounted to -1 MSEK (18).
Operating cash flow YTD improved to 81 MSEK (-2).

REVENUE AND ADJUSTED OPERATING PROFIT, MSEK



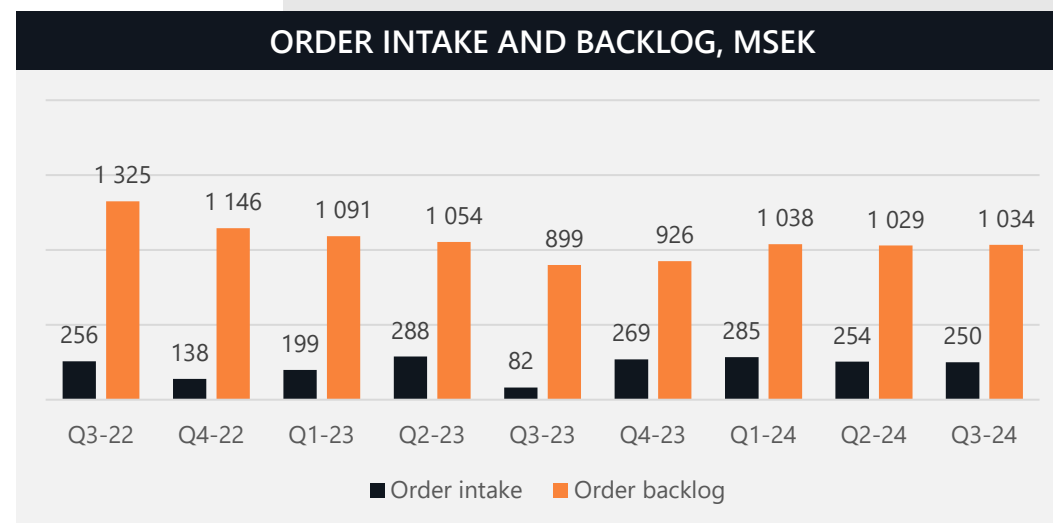
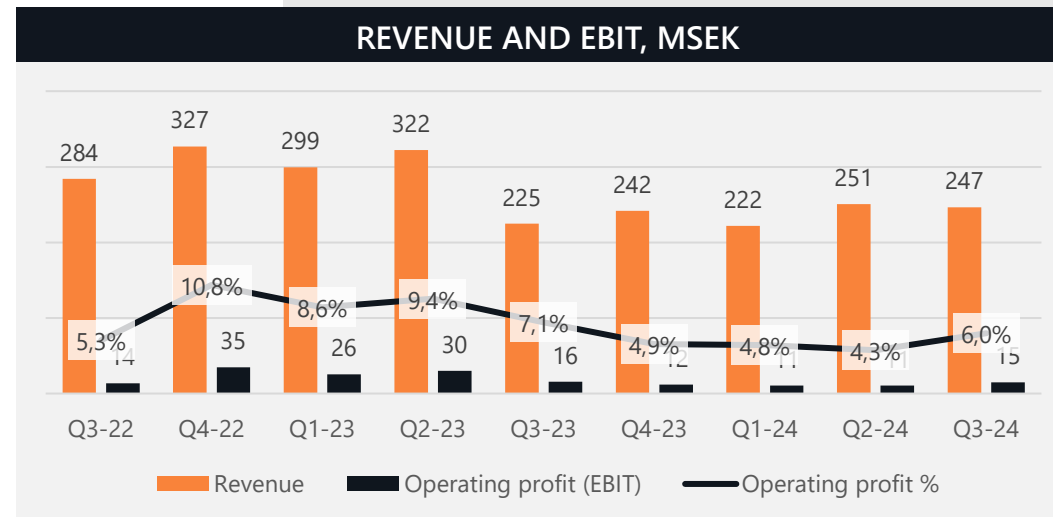
ORDER INTAKE AND BACKLOG, MSEK



Renovation

- Net sales** in the quarter increased by 10 percent to 247 MSEK (225), which corresponds to 75 percent (89) of the total net sales.
Net sales YTD amounted to 719 MSEK (846).
- Order intake** in the quarter increased by 205 percent to 250 MSEK (82), which corresponds to 88 percent (61) of the total order intake.
Order intake YTD increased by 39 percent to 789 MSEK (570).
- Adjusted operating profit (EBITA)** in the quarter amounted to 15 MSEK (16), corresponding to an adjusted operating margin of 6.0 percent (7.1).
Adjusted operating profit (EBITA) YTD amounted to 36 MSEK (72), corresponding to an adjusted operating margin (EBITA-margin) of 5.0 percent (8.5).
- Order backlog** increased by 15 percent to 1,034 MSEK (899) which corresponds to 78 percent (84) of the total order backlog

Renovation, MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Oct-Sep 2023/24	Jan-Dec 2023
Net sales	246,6	225,0	719,5	846,3	961,2	1 088,0
Adjusted operating profit (EBITA)	14,8	15,9	36,2	71,9	48,0	83,8
Adjusted operating margin (EBITA), %	6,0	7,1	5,0	8,5	5,0	7,7
Order intake	250,0	82,0	789,1	569,6	1 058,2	838,7
Order backlog	1 034,4	898,7	1 034,4	898,7	1 034,4	925,5



New build

- **Net sales** in the quarter increased by 198 percent to 84 MSEK (28), which corresponds to 25 percent (11) of the total net sales.

Net sales YTD increased by 295 percent to 312 MSEK (79).

- **Order intake** in the quarter amounted to 35 MSEK (53), which corresponds to 12 percent (39) of the total order intake.

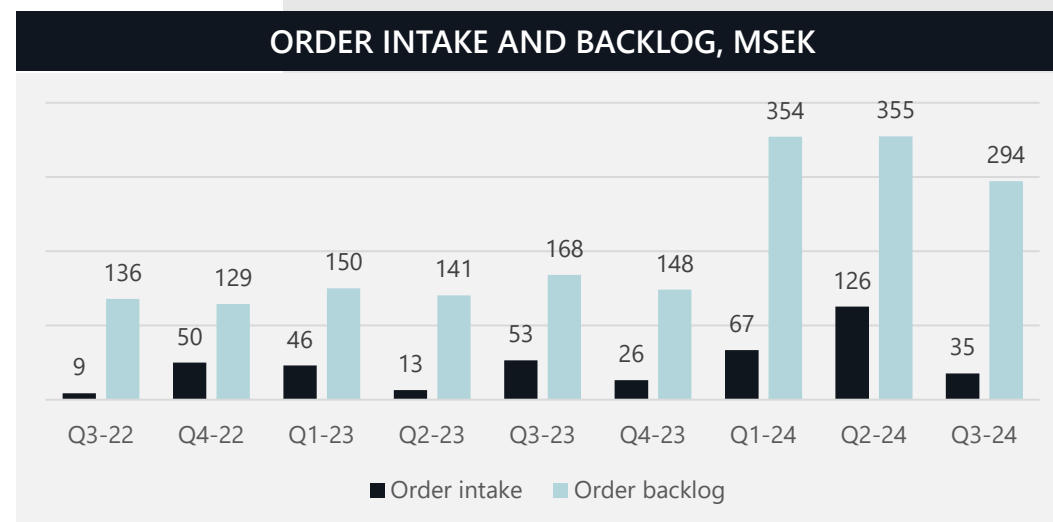
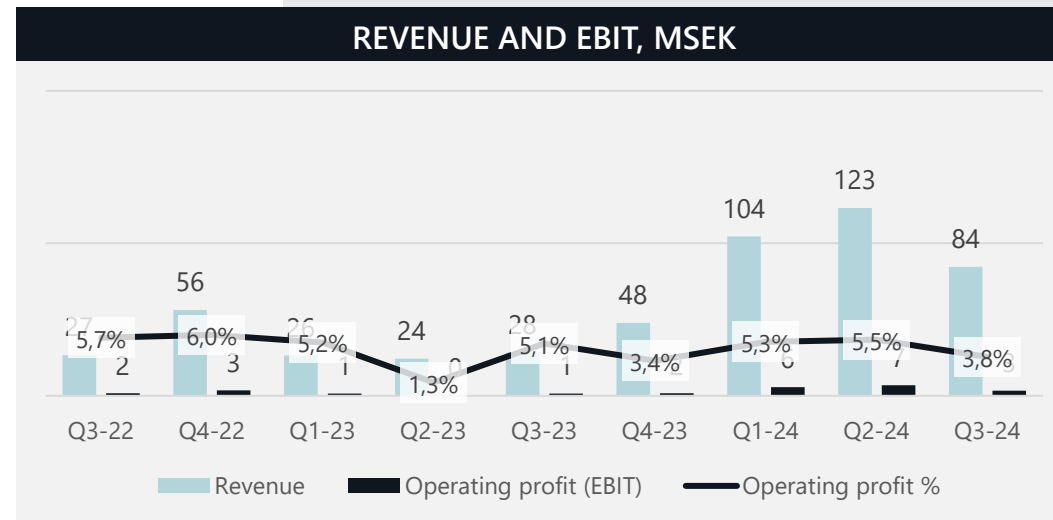
Order intake YTD increased by 103 percent to 228 MSEK (112).

- **Adjusted operating profit (EBITA)** in the quarter amounted to 3 MSEK (1), corresponding to an adjusted operating margin of 3.8 percent (5.1).

Adjusted operating profit (EBITA) YTD amounted to 16 MSEK (3), corresponding to an adjusted operating margin (EBITA-margin) of 5.0 percent (4.0).

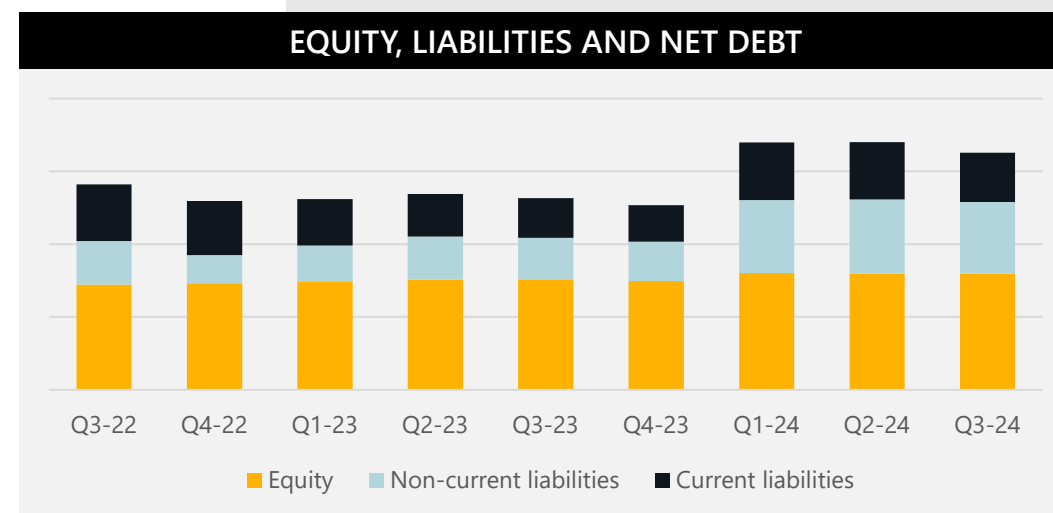
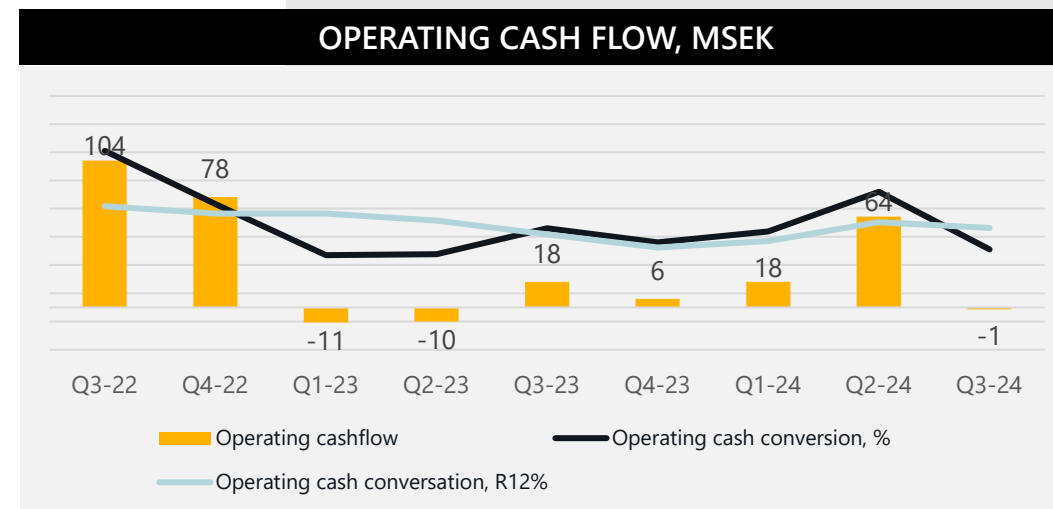
- **Order backlog** increased by 75 percent to 294 MSEK (168) which corresponds to 22 percent (16) of the total order backlog

New Build, MSEK	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Oct-Sep 2023/24	Jan-Dec 2023
Net sales	84,4	28,3	312,0	79,1	359,8	126,9
Adjusted operating profit (EBITA)	3,2	1,5	15,6	3,1	17,2	4,8
Adjusted operating margin (EBITA), %	3,8	5,1	5,0	4,0	4,8	3,8
Order intake	35,4	53,0	228,1	112,1	254,3	138,3
Order backlog	294,4	168,2	294,4	168,2	294,4	148,1



Financial position

- At the end of the quarter, the Group's equity amounted to 799 MSEK (758). Equity ratio at 49 % (57).
- Interest-bearing net debt excluding leasing debt in relation to adjusted EBITDA (proforma) amounted to 2.8 times (1.1)
- Bank agreement with Danske Bank which is valid until October 12, 2026, with a sustainability-linked RCF of 510 MSEK and an overdraft facility of 75 MSEK.



Acquisition strategy

Long experience in acquisitions

- Acquisitions are an important part of Balco Group's growth strategy. Our experience from previous acquisitions has given us a clear and structured process for the successful integration and development of the acquired companies.

What are we looking for?

- European balcony companies or companies with activities that can complement Balco's Green Transformation product offering
- Strong position in a niche market
- Profitable, well-managed companies
- Business philosophy and culture in line with Balco Group
- Sustainable business model
- Continued commitment from management and key employees.

What do we offer?

- Financial stability
- Collaboration and knowledge sharing within the Balco Group
- Decentralized business model where the company retains its own brand, identity and culture
- Expertise and resources in sustainability, digitalization and business development



Concluding remarks

Summary

Net sales in Q3 of 331 MSEK and adj. EBITA-margin 5.0 percent.

Order intake in Q3 285 MSEK +111 percent.

Outlook

- Customer activity has continued to increase.
- Net sales and profit will continue to be affected in the coming quarters.
- All companies in the Group have a strong focus on costs.





Q&A

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