BALCO GROUP

Interim Report Q2

JANUARY – JUNE 2025

Record high order intake

Second quarter: April - June

- Net sales amounted to 331 MSEK (374)
- Order intake increased by 37 percent to 519 MSEK (380)
- Order backlog increased by 4 percent to 1,439 MSEK (1,384)
- Adjusted operating profit (EBITA) amounted to 6 MSEK (19)
- Adjusted operating margin amounted to 1.9 percent (5.0)
- Result after tax amounted to 0 MSEK (3)
- Adjusted result after tax amounted to 0 MSEK (8)
- Result per share amounted to 0.00 SEK (0.15)
- Adjusted result per share amounted to 0.01 (0.36)
- Operating cash flow amounted to -30 MSEK (48)

The half-year period: January– June

- Net sales amounted to 647 MSEK (700)
- Order intake increased by 9 percent to 794 MSEK (732)
- Adjusted operating profit (EBITA) amounted to 3 MSEK (35)
- Adjusted operating margin amounted to 0.5 percent (5.0)
- Result after tax amounted to -29 MSEK (6)
- Adjusted result after tax amounted to -5 MSEK (13)
- Result per share amounted to -1.30 SEK (0.15)
- Adjusted result per share amounted to -0.23 (0.47)
- Operating cash flow amounted to -29 MSEK (82)

Events during the quarter and from the end of the quarter

- An order in the maritime segment worth approximately 80 MSEK to the French shipyard Chantiers de l'Atlantique has been received.
- Orders totaling approximately 180 MNOK have been received in Norwegian projects.
- A cooperation agreement with Altan.dk has been signed delivery of steel balconies.
- Michael Grindborn, CFO has decided to leave Balco Group for new challenges and will leave in the autumn.

MSEK	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jul-Jun 2024/25	Jan-Dec 2024
Net sales	331,1	374,0	647,0	700,4	1 364,5	1 417,9
Order intake	519,4	379,7	794,4	731,7	1 439,5	1 376,8
Order backlog	1 439,1	1 384,2	1 439,1	1 384,2	1 439,1	1 309,3
Adjusted operating profif (EBITA)	6,2	18,7	3,5	35,0	38,1	69,6
Adjusted operating margin (EBITA), %	1,9	5,0	0,5	5,0	2,8	4,9
Net result for the period	0,2	3,5	-29,5	5,8	-30,7	4,6
Adjusted net result after tax	0,2	8,2	-4,8	13,1	6,1	24,1
Operating cash flow	-30,0	48,1	-28,8	82,2	27,5	138,5
Earnings per share, SEK before dilution	0,00	0,15	-1,30	0,15	-1,41	0,05
Earnings per share, SEK, after dilution	0,00	0,15	-1,30	0,15	-1,41	0,05
Adjusted earnings per share, SEK, before and after dilution	0,01	0,36	-0,23	0,47	0,19	0,89

"The order intake in the quarter is the highest historically for Balco Group. "

" Balco has secured its first order for the French shipyard Chantiers de l'Atlantique.   The order marks Balco's re-entry into the maritime segment after a few years of interruption. "

- Camilla Ekdahl, President and CEO

Highest order intake in a quarter

Order intake in the quarter is the highest historically for Balco Group and amounted to 519 MSEK, which is an increase of 37 percent compared to the previous year. The increase comes mainly from the Swedish balcony companies, the Norwegian market and a re-entry on the maritime side.

In the Swedish market, all Swedish balcony companies have a good level of customer activity in the renovation segment and a continued increase in their order intake. The total increase in order intake for these companies is 47 percent in the quarter.

In the Norwegian market, contracts have been signed for a total order value of approximately 180 MNOK. The Norwegian market is characterized by quality-conscious housing associations and property owners who are willing to invest long-term in their housing. Most of the projects Balco is working on in Norway are projects where there is an increase in the balcony area, which is glazed in and then supplemented with integrated air-air heat pumps. This strengthens our position in turnkey projects where a glazed balcony from Balco, which in itself generates energy savings, is a trigger for making further energy-saving measures on its property.

During the quarter, Balco Group took an important step on the maritime side by securing our first ever order to France – a significant project for the French shipyard Chantiers de l'Atlantique. The project includes the delivery of balconies, railings and doors worth approximately 80 MSEK. The order marks Balco's re-entry into the maritime segment after a few years of interruption. In connection with this order, we are broadening our product range through deliveries of sliding doors, which strengthens our market offering in the maritime segment going forward.

Balco has signed a cooperation agreement for the delivery of steel balconies to Altan.dk – one of Denmark's leading suppliers of balcony solutions. The balconies will be manufactured in Balco Group's factory in Poland. The production increase will take place within the framework of existing capacity and will start shortly.

Profitability in the quarter is not satisfactory. Delays in the start-up of projects during the first half of the year amount to a value of approximately 100 MSEK. This has affected sales, cash flow and earnings.

The structural measures decided during the first quarter are proceeding as planned. The production move from TBO Haglind in Arboga to Balco's factories in Växjö and Poland has been completed. Previously planned staff reductions have been implemented at our glazing company in Finland, which are within the structural costs taken in the first quarter.

Market situation

The trend of increased activity, especially in the Swedish and Norwegian renovation markets, is continuing. The order intake for Balco Group in the second quarter indicates that customers are becoming more willing to make investment decisions, even though the processes continue to be long. The recovery in the market continues to be affected by uncertainty in the outside world, which is evident in our discussions with customers. As previously stated, balcony renovations can be postponed for a period, but the underlying demand remains.

Norway is one of Balco Group's most important markets. In June, the policy rate was lowered to 4.25 percent, which is still a significantly higher level than most other European countries. It is an important signal that the cuts have started. Although interest rates are higher, it has become clear that customers are prepared to invest in their homes and there is a demand for sustainable balcony solutions. Balco is the largest supplier of glazed balcony systems to tenant-owner associations in Norway.

There are some positive signals about the new build segment in the Nordic countries. The increase comes from a very low level and it will take longer before it will be visible in an increased order intake.

Order bookings for cruise ships to the shipyards have picked up again since the middle of last year, which has resulted in several requests for quotations to Balco. The maritime segment continues to be an interesting segment for Balco as the number of companies that can deliver balcony solutions to the shipyards is limited and the entry threshold for new players is high. The order Balco received during the quarter for Chantiers de l'Atlantique demonstrates Balco's ability to develop and adapt its offering to customer needs, and there are more products on the maritime side that may be interesting for us to be able to offer in the future based on our manufacturing and development expertise.

For our facade companies and our Danish balcony company, it continues to be a challenging market with fierce competition for projects. The Finnish market has also started to show the same trend.

Outlook

The continued increase in customer activities and high order intake in the second quarter mean that we are cautiously optimistic for the rest of the year regarding order intake for renovation projects. For the new build segment, we expect that the recovery will take longer.

The assessment is that in the coming quarters will be affected in terms of sales and earnings due to the previous low order intake. There is a continued focus on profitability-improving measures and work on structural measures and cost savings is implemented according to plan.

Camilla Ekdahl
President and CEO

Group development

The second quarter: April – June

Net sales amounted to 331 MSEK (374). Organic growth was -7 percent and currency effect was -5 percent. Net sales increased in Norway and the rest of Europe, but decreased in Sweden, Denmark and Finland.

Net sales for the renovation segment amounted to 253 MSEK (251) and net sales for the new build segment amounted to 78 MSEK (123).

Order intake increased by 37 percent to 519 MSEK (380), which is the highest in a quarter. Order intake for the renovation segment increased to 386 MSEK (254) and order intake for the new build segment increased to 133 MSEK (126).

The order backlog increased by 4 percent to 1,439 MSEK (1,384). The order backlog for the renovation segment increased to 1,134 MSEK (1,029) and the order backlog for the new build segment amounted to 305 MSEK (355).

Adjusted operating profit (EBITA) amounted to 6 MSEK (19), corresponding to an adjusted operating margin of 1.9 percent (5.0).

Items affecting comparability of -0.1 MSEK (-6) were taken in the quarter linked to acquisition costs.

Net financial items amounted to -5 MSEK (-4), of which -0.4 MSEK (-0.4) relates to interest expenses linked to rights of use (leases). Interest expenses of -5 MSEK (-6).

Profit after tax amounted to 0 MSEK (3). Adjusted profit after tax amounted to 0 MSEK (8). Earnings per share amounted to 0.00 SEK (0.15). Adjusted earnings per share amounted to 0.01 SEK (0.36).

Operating cash flow amounted to -30 MSEK (48). The phases of the projects affect the cash flow between quarters.

Cash flow from operating activities before changes in working capital amounted to -4 MSEK (4) and cash flow from operating activities after changes in working capital amounted to -49 MSEK (38).

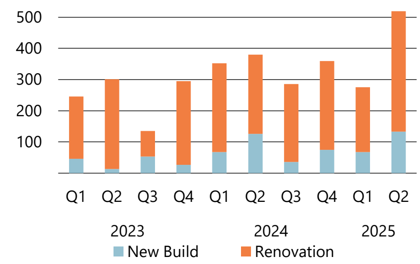
Cash flow from investing activities amounted to -30 MSEK (-3), of which -1 MSEK (-2) was replacement investments and -9 MSEK (-1) expansion investments mainly linked to product development and -20 MSEK (0) acquisition of shares in subsidiaries.

Cash flow from financing activities amounted to 71 MSEK (-6) with the largest item relating to increased utilization of the revolving credit facility.

Cash flow for the quarter amounted to -9 MSEK (29).

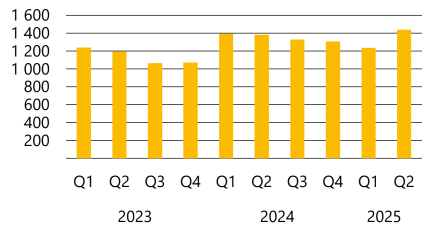
Depreciation/amortization amounted to -11 MSEK (-13), of which -5 MSEK (-4) relates to depreciation related to rights of use (lease) and -1 MSEK (-3) relates to amortization of acquired intangible assets.

Order intake per segment, MSEK



Order intake
Q2 2025
519 MSEK

Order backlog, MSEK



Net sales per geographic market, MSEK

	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jul-Jun 2024/25	Jan-Dec 2024
Sweden	147,2	169,8	282,9	302,0	587,2	606,3
Other Nordics	135,8	162,4	278,3	324,7	612,9	659,2
Other Europe	48,1	41,8	85,7	73,8	164,4	152,4
Total net sales	**331,1**	**374,0**	**647,0**	**700,4**	**1 364,5**	**1 417,9**

The half-year period: January – June

Net sales amounted to 647 MSEK (700). Acquired growth was 3 percent, currency effect was -3 percent, and organic growth was -8 percent. Net sales have increased in Norway and the rest of Europe, but decreased in Sweden, Denmark and Finland.

Net sales for the renovation segment amounted to 490 MSEK (473) and net sales for the new build segment increased to 157 MSEK (227).

Order intake increased by 9 percent to 794 MSEK (732). Order intake for the renovation segment increased to 594 MSEK (539) and order intake for the new build segment increased to 200 MSEK (193).

Adjusted operating profit (EBITA) amounted to 3 MSEK (35), corresponding to an adjusted operating margin of 0.5 percent (5.0).

Items affecting the comparability of -31 MSEK (-9) have been taken this year related to the restructuring of the organization.

Net financial items amounted to -9 MSEK (-12), of which -0.9 MSEK (-0.8) relates to interest expenses linked to rights of use (leases). Interest expenses of -10 MSEK (-11).

Profit after tax amounted to -29 MSEK (6). Adjusted profit after tax amounted to -5 MSEK (13). Earnings per share amounted to -1.30 SEK (0.15). Adjusted earnings per share amounted to -0.23 SEK (0.47).

Operating cash flow amounted to -29 MSEK (82). Delays in project start-ups and project stoppages have caused reduced invoicing by approximately SEK 100 million during the first half of the year.

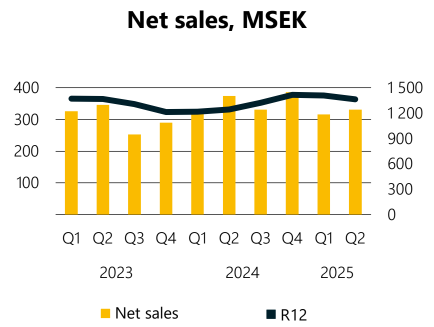
Cash flow from operating activities before changes in working capital amounted to -29 MSEK (11) and cash flow from operating activities after changes in working capital amounted to -94 MSEK (52).

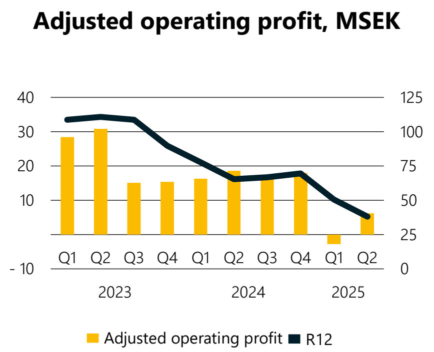
Cash flow from investing activities amounted to -47 MSEK (-85), of which -4 MSEK (-1) was replacement investments and -11 MSEK (-3) expansion investments mainly related to product development, -12 MSEK (0) reduction of long-term liabilities and -20 MSEK (-81) acquisition of shares in subsidiaries.

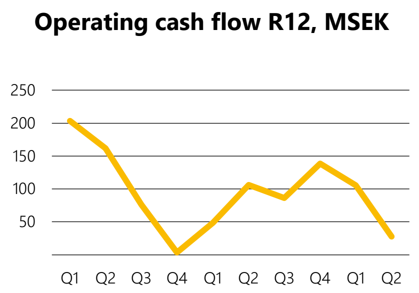
Cash flow from financing activities amounted to 52 MSEK (112) with the largest item relating to increased utilization of the revolving credit facility.

Cash flow for the full year amounted to -90 MSEK (79).

Depreciation/amortization amounted to -23 MSEK (-27), of which -11 MSEK (-9) relates to depreciation related to rights of use (lease) and -2 MSEK (-5) relates to amortization of acquired intangible assets.







Net sales per customer category, MSEK

	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jul-Jun 2024/25	Jan-Dec 2024
Tenant-owner associations	193,9	194,5	393,9	348,2	786,3	740,6
Private landlords	10,7	24,7	19,2	47,0	57,2	84,9
Publicly owned companies	5,3	12,2	11,5	24,3	40,1	52,8
Construction companies	121,2	142,7	222,4	280,9	480,9	539,5
Total net sales	**331,1**	**374,0**	**647,0**	**700,4**	**1 364,5**	**1 417,9**

Financial position

Interest-bearing net debt including lease liabilities at the end of the half-year period amounted to 436 MSEK (342). Interest-bearing net debt including lease liabilities in relation to adjusted EBITDA amounted to 5.6 times (3.3).

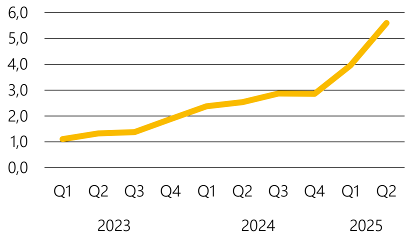
A waiver with the bank has been obtained that is valid until the end of the year. The covenants are well within this agreement.

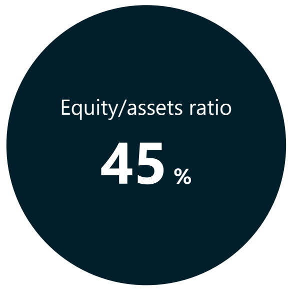
At the end of the half-year period, the Group's equity amounted to 753 MSEK (798).

The Group's equity/assets ratio was 45 percent (47).

MSEK	30-jun 2025	30-jun 2024	31-dec 2024
Non-current liabilities to credit institutions	423,7	356,9	362,9
Leasing liabilities non-current	50,1	50,4	46,3
Current liabilities to credit institutions	-	-	-
Leasing liabilities current	19,3	15,5	16,6
Cash and cash equivalents	-57,4	-81,2	-103,1
Interest-bearing net debt incl leasing debt	**435,8**	**341,6**	**322,8**
Interest-bearing net debt incl. leasing/EBITDA (12 months), times	5,6 x	3,3 x	2,9 x
Equity/assets ratio, %	45,3	46,6	48,8

External interest-bearing net debt In relation to EBITDA (proforma)





Personnel

The number of full-time employees in Balco Group amounted to 560 (655). The decrease is due to restructuring measures implemented over the past year.

Parent company

The Parent Company is headquartered in Växjö and conducts business directly and through Swedish and foreign subsidiaries. The activities of the Parent Company are mainly focused on strategic development, financial management, corporate governance issues, board work and banking relations.

Shares, share capital and shareholders

As of the end of June 2025, the number of shares in Balco Group AB amounted to 23,021,648 shares, corresponding to a share capital of 138,135,310 SEK. The five largest shareholders were Familjen Hamrin, Skandrenting AB, Swedbank Robur fonder, AB Tuna Holding and Lannebo Kapitalförvaltning.

Development per segment

Renovation

Second quarter

Net sales increased by 1 percent to 253 MSEK (251), corresponding to 76 percent (67) of total net sales.

Order intake increased by 52 percent to 386 MSEK (254), corresponding to 74 percent (67) of total order intake.

The adjusted operating profit (EBITA) amounted to 6 MSEK (11), entailing an adjusted operating margin of 2.4 percent (4.3).

The half-year period

Net sales increased by 4 percent to 490 MSEK (473), corresponding to 76 percent (68) of total net sales.

Order intake increased by 10 percent to 594 MSEK (539), corresponding to 75 percent (74) of total order intake.

The adjusted operating profit (EBITA) amounted to 1 MSEK (21), entailing an adjusted operating margin of 0.3 percent (4.5).

The order backlog increased by xx percent to 1,134 (1,029), corresponding to 79 percent (74) of the total order backlog.

Renovation, MSEK	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jul-Jun 2024/25	Jan-Dec 2024
Net sales	253,1	250,8	489,6	472,9	1 016,9	1 000,2
Adjusted operating profit (EBITA)	6,0	10,7	1,4	21,4	35,9	55,8
Adhusted operating margin (EBITA), %	2,4	4,3	0,3	4,5	3,5	5,6
Order intake	386,2	254,2	594,1	539,1	1 129,2	1 074,2
Order backlog	1 133,8	1 029,4	1 133,8	1 029,4	1 133,8	1 044,3

New build

Second quarter

Net sales amounted to 78 MSEK (123), corresponding to 24 percent (33) of total net sales.

Order intake increased by 6 percent to 133 MSEK (126), corresponding to 26 percent (33) of total order intake.

The adjusted operating profit (EBITA) increased to 1 MSEK (7), entailing an adjusted operating margin of 0.8 percent (5.5).

The half-year period

Net sales amounted to 157 MSEK (228), corresponding to 24 percent (32) of total net sales.

Order intake increased by 4 percent to 200 MSEK (193), corresponding to 25 percent (26) of total order intake.

The adjusted operating profit (EBITA) increased to 3 MSEK (12), entailing an adjusted operating margin of 1.8 percent (5.4).

The order backlog amounted to 305 MSEK (355), corresponding to 21 percent (26) of the total order backlog.

New Build, MSEK	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jul-Jun 2024/25	Jan-Dec 2024
Net sales	78,0	123,2	157,4	227,6	347,6	417,7
Adjusted operating profit (EBITA)	0,7	6,8	2,9	12,4	9,1	18,6
Adhusted operating margin (EBITA), %	0,8	5,5	1,8	5,4	2,6	4,5
Order intake	133,3	125,5	200,3	192,6	310,2	302,6
Order backlog	305,3	354,8	305,3	354,8	305,3	265,0

Operations and segment description

Balco Group is a market leader in the balcony industry and offers a range of services, from development and manufacturing to sales and installation of in-house manufactured open and glazed balcony systems. Balco has a unique method, known as the Balco method, to deliver glazed balconies and balcony solutions. The method involves removing existing balconies and replacing them with new, larger, glazed balconies with a lifespan of over 90 years, which provides the market's most economical and sustainable solution.

To offer complete and customized solutions in the balcony industry, Balco Group has several subsidiaries that work together to offer a complete solution in areas such as the manufacture and delivery of balconies, masonry and tile services, technical solutions and façade services such as renovation, window replacement and façade cleaning. Balco Group strives to meet the customer's needs and requirements by offering a combination of specialized services and expertise. Balco Group's offering contributes to increased quality of life, security and value increase for residents in apartment buildings and provides energy savings of up to 30 percent. The Group takes full responsibility for the project and guides the customer through the entire process from project planning to final inspection and service.

Segment - Renovation

Brf Muraren in Kinna, Sweden

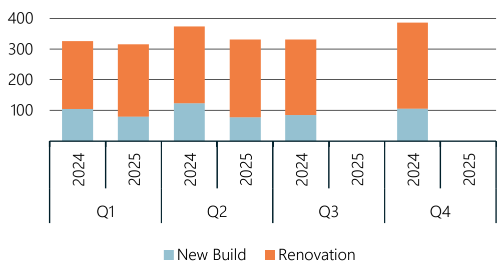
The segment includes the replacement and expansion of existing balconies, mainly glazed balconies. The main driving force is the pent-up need for renovation and the age profile of the properties. The offer also includes façade renovation.

Segment - New Build

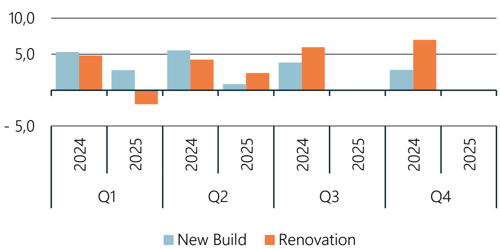
Southwark Park Road in London, UK

The segment includes balconies in the construction of multi-dwelling properties. Demand is driven by the pace of new housing production. The offer also includes façade work in new construction.

Sales development per quarter, MSEK



Operating margin per quarter, %



Sustainability

Sustainability is a prerequisite for long-term profitability for Balco Group. By focusing on sustainability, we can create a strong brand, increase customer trust, and improve our competitiveness in the long term.

The risk rating according to Sustainalytics was lowered/improved to 17.2 (19.1), which means that we are among the 6 percent with the lowest risk rating in our industry and among the 20 percent with the lowest risk rating of all companies.

Other information

Seasonality

Balco's sales and earnings are partly affected by the timing of orders, seasonal variations and the fact that the general meeting season in tenant-owner associations normally falls in the second and fourth quarters. Furthermore, the Group is positively affected by months with many working days and lack of time off, as well as negatively affected by weather factors where winters with significant snowfall mean increased costs.

Related party transactions

The related parties consist of the Board of Directors, Group Management and the CEO, partly through ownership in Balco and partly through the role of senior executive. The related parties also include the company's largest shareholders, the Hamrin family, which is represented on the board by Carl-Mikael Lindholm, and Skandrenting, which is represented on the board by Johannes Nyberg. Transactions with related parties are carried out on a market basis. For further information, see the Annual Report 2024 on pages 79 and 99.

Incentive program

Balco Group AB has two long-term incentive programs aimed at the company's senior executives and additional key employees, a total of approximately 40 employees. The incentive programs comprise a maximum of 450,000 warrants in total, which entitles the holder to subscribe for a maximum of the corresponding number of shares. Balco's total cost for the incentive programs during the term of the programs is expected to amount to approximately 3 MSEK. The programs entail a dilution corresponding to approximately 2 percent of the company's total number of shares. The senior executives of Balco have acquired 130,000 warrants amounting to a total value of 591,200 SEK. The purpose of the incentive programs is to encourage broad shareholding among Balco's employees, facilitate recruitment, retain competent employees and increase motivation to achieve or exceed the company's financial targets. For more information, see the Annual Report 2024 on pages 46, 78 and 113.

Risks and uncertainty factors

The Group and the Parent Company are exposed to various types of risks through their operations. The risks can be divided into industry- and market-related risks, business-related risks and financial risks. Industry- and market-related risks include, among other things, changes in demand because of a weaker economy or other macroeconomic changes, a changed price for raw materials that are central to Balco's production, and changes in competition or price pressure. Business-related risks include Balco's ability to develop and sell new innovative products and solutions, that the Group can attract and retain qualified employees, and that Balco's profitability is dependent on the results of the individual projects, i.e. the Group's ability to predict, calculate and deliver the projects within set financial frameworks. The financial risks are summarized under financing risk, liquidity risk, credit risk and interest rate risk. Balco's risks and uncertainties are described on pages 32–37, 43, 51, 55, 87–88, 91 and 94 of the Annual Report for 2024.

Outlook

Balco Group is one of the few complete balcony suppliers on the market that provides customized and innovative balcony solutions on a turnkey contract. Balco Group is the market leader in the Nordic region and has a challenging position in other markets where the Group operates. The market is fragmented and growing throughout Northern Europe. The value of the balcony market in the countries where Balco Group is represented is estimated at just over 40 billion SEK.

Balco Group continuously evaluates selective acquisitions that can strengthen our market position in existing markets. The timing of building permits and the phases of projects affects cash flow between quarters.

The continued increase in customer activities and high order intake in the second quarter mean that we are cautiously optimistic for the rest of the year regarding order intake for renovation projects. For the new build segment, we expect that the recovery will take longer.

The assessment is that in the coming quarters will be affected in terms of sales and earnings due to the previous low order intake. There is a continued focus on profitability-improving measures and work on structural measures and cost savings is implemented according to plan.

Events during the quarter and from the end of the quarter

- An order in the maritime segment worth approximately SEK 80 million to the French shipyard Chantiers de l'Atlantique has been received.
- Orders totalling approximately NOK 180 million have been received in Norwegian projects.
- A cooperation agreement with Altan.dk has been signed for delivery of steel balconies.
- Michael Grindborn, CFO has decided to leave Balco Group for new challenges and will leave in the autumn.

Financial targets

Revenue growth
Balco Group shall achieve growth of 10 percent per year during a business cycle.

Profitability
Earnings per share shall grow by 20 percent per year during a business cycle.

Capital structure
Interest-bearing net debt shall not exceed 2.5 times operating profit before depreciation and amortization (EBITDA), other than temporarily.

Dividend policy
Balco Group shall distribute 30-50 percent of profit after tax, taking into consideration the needs for Balco's long-term growth and prevailing market conditions

This half-year report has not been the subject of a general review by the Company's auditors in accordance with ISRE 2410.

This information comprises such information as Balco Group AB is obliged to publish in accordance with the EU Market Abuse Regulation and the Securities Market Act. The information was provided by the contact people below for publication on July 14, 2025, at 13:00 CEST.

The Board of Directors and President certify that the half-year report gives a true and fair presentation of the Parent Company's and Group's business, financial position and result of operations, and describes the material risks and uncertainties facing the Parent Company and the Group.

Växjö, July 14, 2025

Ingalill Berglund
Chairman of the Board

Mikael Andersson
Board member

Vibecke Hverven
Board member

Carl-Mikael Lindholm
Board member

Johannes Nyberg
Board member

Thomas Widstrand
Board member

Camilla Ekdahl
President and CEO

Web conference
A webcast conference call will be held at 14:00 CET on July 14, 2025, where CEO and President Camilla Ekdahl and CFO Michael Grindborn will present the report and answer questions.

To follow the webcast presentation and send written questions, please use this link:
https://www.finwire.tv/webcast/balcogroup/q2-2025/

To participate via teleconference and be able to ask questions, call in:

SE: +46 8 5052 0017
PIN: 884 2748 6432 #

For more information, please contact:
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Michael Grindborn, CFO and Head of IR, Tel: +46 70 670 18 48, michael.grindborn@balco.se

Calendar 2025/2026
Interim report Jan-Sep 2025 .... October 27, 2025
Year-end report 2025......................... February 6, 2026
Annual Report 2025........................... March 27, 2026
Interim report Jan-Mar 2026............ April 29, 2026
Annual General Meeting 2026......... May 5, 2026
Interim report Jan-Jun 2026............. July 14, 2026

Consolidated statement of comprehensive income

MSEK	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jul-Jun 2024/25	Jan-Dec 2024
Net sales	331,1	374,0	647,0	700,4	1 364,5	1 417,9
Production and project costs	-276,5	-305,1	-587,1	-564,2	-1 192,9	-1 170,0
Gross profit	**54,6**	**68,9**	**59,9**	**136,3**	**171,6**	**248,0**
Sales costs	-27,5	-33,1	-55,2	-64,2	-111,9	-120,9
Administration costs	-22,8	-26,9	-45,5	-52,6	-88,8	-95,9
Other operating income	1,2	0,6	11,0	1,0	13,7	3,7
Other operating expenses	-	-0,0	-	-0,0	-0,0	-0,0
Operating profit	**5,4**	**9,5**	**-29,7**	**20,4**	**-15,3**	**34,8**
Finance income	1,4	0,2	3,7	2,2	5,9	4,5
Finance costs	-6,7	-3,8	-13,1	-14,6	-32,8	-34,3
Result before tax	**0,1**	**5,9**	**-39,2**	**8,1**	**-42,3**	**5,0**
Income tax	0,1	-2,4	9,7	-2,3	11,6	-0,4
Net result for the period	**0,2**	**3,5**	**-29,5**	**5,8**	**-30,7**	**4,6**
Net result attributable to parent company's shareholders	0,1	3,5	-30,0	3,4	-32,3	1,1
Net result attributable to non-controlling interest	0,1	-0,0	0,5	2,4	1,6	3,5
Net profit for the period	**0,2**	**3,5**	**-29,5**	**5,8**	**-30,7**	**4,6**
Other comprehensive income						
Items that may later be reclassified to the income statement						
Translation difference when translating foreign operations	-5,7	-3,5	-7,3	3,4	-4,3	6,4
Comprehensive income for the period	**-5,6**	**0,0**	**-36,8**	**9,2**	**-35,1**	**11,0**
Comprehensive income attributable to parent company's shareholders	-5,7	0,0	-37,3	6,9	-36,7	7,5
Comprehensive income attributable to non-controlling interest	0,1	-0,0	0,5	2,4	1,6	3,5
Comprehensive income for the period	**-5,6**	**0,0**	**-36,8**	**9,2**	**-35,1**	**11,0**
Earnings per share, SEK, before dilution	0,00	0,15	-1,30	0,15	-1,41	0,05
Earnings per share, SEK, after dilution	0,00	0,15	-1,30	0,15	-1,41	0,05
Average number of shares before dilution, thousands	23 022	23 022	23 022	22 894	23 022	22 958
Average number of shares after dilution, thousands	23 022	23 022	23 022	22 894	23 022	22 958

Consolidated balance sheet in summary

MSEK	30-jun 2025	30-jun 2024	31-dec 2024
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	532,0	513,6	515,5
Other intangible assets	283,9	278,8	279,9
Total intangible assets	**815,9**	**792,4**	**795,4**
Tangible assets			
Right-to-use assets	67,8	63,8	60,7
Property, plant and equipment	218,9	230,5	229,6
Total tangible assets	**286,8**	**294,3**	**290,4**
Financial assets	1,4	3,6	1,3
Deferred tax assets	9,7	0,8	6,3
Total non-current assets	**1 113,7**	**1 091,0**	**1 093,3**
Current assets			
Inventory	57,2	70,7	64,8
Accounts receivables	186,0	208,1	123,1
Contract assets	223,2	200,8	209,9
Other current receivables	58,4	49,2	38,5
Cash and cash equivalents	13,8	81,2	103,1
Total current assets	**538,5**	**610,1**	**539,4**
TOTAL ASSETS	**1 652,2**	**1 701,2**	**1 632,7**
EQUITY AND LIABILITIES			
Equity			
Share capital	138,1	138,1	138,1
Other capital contributions	450,8	449,9	450,8
Reserves	10,6	3,7	17,9
Retained earnings, incl. profit for year	149,2	201,7	190,0
Equity attributable to Parent Company's shareholders	**748,7**	**793,4**	**796,8**
Non-controlling interest	3,9	4,5	4,2
TOTAL EQUITY	**752,6**	**797,9**	**801,1**
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	423,7	356,9	362,9
Leasing liabilities	50,1	50,4	46,3
Other non-current liabilities	13,1	31,5	34,7
Deferred tax liabilities	65,5	70,1	66,9
Total non-current liabilities	**552,4**	**508,9**	**510,7**
Current liabilities			
Liabilities to credit institutions	-	-	-
Leasing liabilities	19,3	15,5	16,6
Contract liabilities	50,2	65,4	38,0
Accounts payables	149,9	173,6	145,7
Other current liabilities	127,8	139,9	120,5
Total current liabilities	**347,2**	**394,3**	**320,9**
TOTAL EQUITY AND LIABILITIES	**1 652,2**	**1 701,2**	**1 632,7**

Consolidated changes in Shareholders' Equity

MSEK	Share Capital	Addition al paid-in capital	Reserves	Retained earnings including comprehensive income for the	Non-controlling interest	Total equity
Opening balance 1 Jan 2024	**131,5**	**406,3**	**11,6**	**196,7**	**1,8**	**748,0**
Comprehensive income for the period						
Profit for the period	-	-	-	5,0	0,8	5,8
Other comprehensive income for the period	-	-	3,4	-	-	3,4
Total comprehensive income for the period	**-**	**-**	**3,4**	**5,0**	**0,8**	**9,2**
Transactions/ acquisitions/ disposald in holdings without c	-	-	-	-11,3	1,9	-9,4
Transactions with shareholders:						
New shares issue		43,5	-	-	-	50,2
Total transactions with Company owners	**6,7**	**43,5**	**-**	**-**	**-**	**50,2**
Closing balance 30 Jun 2024	**138,1**	**449,9**	**15,1**	**190,4**	**4,5**	**797,9**
Opening balance 1 Jan 2025	**138,1**	**450,8**	**17,9**	**190,0**	**4,2**	**801,1**
Correction of error from earlier year				-10,8		-10,8
Comprehensive income for the period						
Profit for the period	-	-	-	-30,0	0,5	-29,5
Other comprehensive income for the period	-	-	-7,3	-	-0,1	-7,4
Total comprehensive income for the period	**-**	**-**	**-7,3**	**-30,0**	**0,4**	**-36,9**
Transactions with shareholders:						
Total transactions with Company owners	**-**	**-**	**-**	**-**	**-**	**-**
Closing balance 30 Jun 2025	**138,1**	**450,8**	**10,6**	**149,2**	**3,9**	**752,6**

Consolidated Cash Flow Statements in summary

MSEK	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jul-Jun 2024/25	Jan-Dec 2024
Operating activities						
Operating profit (EBIT)	5,4	9,5	-29,7	20,4	-15,3	34,8
Adjustment for non-cash items	0,6	5,0	20,8	10,4	42,9	32,6
Interest received	1,7	0,8	2,6	1,8	4,3	3,6
Interest paid	-5,7	-7,1	-11,8	-12,9	-27,5	-28,7
Income tax paid	-5,8	-4,3	-11,2	-8,6	-8,6	-6,1
Cash flow from operating activities before changes in working capital	**-3,8**	**3,9**	**-29,3**	**11,1**	**-4,2**	**36,2**
Changes in working capital						
Increase (-)/Decrease (+) in inventories	3,8	2,7	7,0	-2,0	13,2	4,2
Increase (-)/Decrease (+) in current assets	-34,6	14,0	-82,0	-3,7	-6,6	71,6
Increase (+)/Decrease (-) in current liabilities	-14,4	17,9	10,1	46,3	-63,0	-26,7
Cash flow from operating activities	**-49,0**	**38,5**	**-94,2**	**51,7**	**-60,6**	**85,3**
Cash flow from investing activities						
Investments in intangible fixed assets	-7,0	-0,1	-10,8	-1,1	-16,0	-6,3
Investments in tangible fixed assets	-3,1	-1,0	-4,4	-2,4	-8,8	-6,8
Acquisitions of operations	-20,4	-1,4	-20,4	-81,1	-20,1	-80,8
Changes in other non-current assets/liabilities	0,1	-0,4	-11,6	-0,4	-13,0	-1,8
Cash flow from investing activities	**-30,4**	**-2,9**	**-47,2**	**-85,0**	**-57,9**	**-95,7**
Cash flow from financing activities						
Changes in bank loans	75,3	-1,0	61,9	122,5	72,3	132,8
Changes in leasing	-4,6	-5,2	-10,4	-10,3	-19,6	-19,5
New warrants issue	-0,0	-	-0,0	-	0,9	0,9
Distributed dividend to non-controlling interest	-	-	-	-	-1,2	-1,2
Cash flow from financing activities	**70,7**	**-6,2**	**51,5**	**112,2**	**52,4**	**113,1**
Cash flow for the period	**-8,8**	**29,3**	**-89,8**	**78,9**	**-66,0**	**102,7**
Cash and cash equivalents at beginning of the period	23,5	49,1	103,1	2,8	81,2	2,8
Exchange rate differential cash and cash equivalents	-0,9	2,8	0,5	-0,5	-1,4	-2,4
Cash and cash equivalents at end of the period	**13,8**	**81,2**	**13,8**	**81,2**	**13,8**	**103,1**

Key ratios

MSEK	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jul-Jun 2024/25	Jan-Dec 2024
Net sales	331,1	374,0	647,0	700,4	1 364,5	1 417,9
Order intake	519,4	379,7	794,4	731,7	1 439,5	1 376,8
Order backlog	1 439,1	1 384,2	1 439,1	1 384,2	1 439,1	1 309,3
Gross profit	54,6	68,9	59,9	136,3	171,6	248,0
Adjusted Gross Profit	54,6	72,2	88,1	139,6	211,0	262,5
EBITDA	16,7	22,9	-6,7	46,9	31,3	84,9
Adjusted EBITDA	16,8	28,9	24,4	56,2	77,9	109,6
Operating profit (EBITA)	6,1	12,7	-27,7	25,7	-8,5	44,9
Adjusted operating profit (EBITA)	6,2	18,7	3,5	35,0	38,1	69,6
Operating profit (EBIT)	5,4	9,5	-29,7	20,4	-15,3	34,8
Adjusted operating profit (EBIT)	5,5	15,5	1,5	29,7	31,2	59,5
Gross profit margin, %	16,5	18,4	9,3	19,5	12,6	17,5
Adjusted gross margin, %	16,5	19,3	13,6	19,9	15,5	18,5
EBITDA margin, %	5,1	6,1	-1,0	6,7	2,3	6,0
Adjusted EBITDA margin, %	5,1	7,7	3,8	8,0	5,7	7,7
Operating profit margin (EBITA), %	1,9	3,4	-4,3	3,7	-0,6	3,3
Adjusted operating profit margin (EBITA), %	1,9	5,0	0,5	5,0	2,6	5,3
Operating profit margin (EBIT), %	1,6	2,5	-4,6	2,9	-1,1	2,5
Adjusted operating profit margin (EBIT), %	1,7	4,1	0,2	4,2	2,3	4,2
Operating cash flow	-30,0	48,1	-28,8	82,2	27,5	138,5
Operating cash conversion, %	-179,1	166,5	-117,8	146,3	35,3	126,3
Capital employed, R12	1 162,3	1 068,8	1 162,3	1 068,8	1 162,3	1 145,2
Capital employed, excl. goodwill, R12	643,5	569,5	643,5	569,5	643,5	631,0
Equity	748,7	793,4	748,7	793,4	748,7	796,8
Interest-bearing net debt incl leasing debt	435,8	341,6	435,8	341,6	435,8	322,8
Interest-bearing net debt excl leasing debt	366,3	275,7	366,3	275,7	366,3	259,9
Interest-bearing net debt incl. leasing/Adjusted EBITDA 12 months, times	5,6	3,3	5,6	3,3	5,6	2,9
Interest-bearing net debt excl. leasing/EBITDA (12 months), times	6,3	3,2	6,3	3,2	6,3	2,8
Return on capital employed, %, (12 months)	2,7	5,3	2,7	5,3	2,7	5,2
Return on capital employed, excl. goodwill, %, (12 months)	4,9	10,0	4,9	10,0	4,9	9,4
Return on invested capital, %, (12 months)	-4,1	2,3	-4,1	2,3	-4,1	0,6
Equity/assets ratio, %	45,3	46,6	45,3	46,6	45,3	48,8
Number of full-time employees on the closing date	560	655	560	655	560	621
Average number of shares before dilution, thousands	23 022	23 022	23 022	22 894	23 022	22 958
Average number of shares after dilution, thousands	23 022	23 022	23 022	22 894	23 022	22 958
Equity per share, SEK	33	34	33	35	33	35
Earnings per share, SEK before dilution	0,00	0,15	-1,30	0,15	-1,41	0,05
Earnings per share, SEK, after dilution	0,00	0,15	-1,30	0,15	-1,41	0,05
Adjusted earnings per share, SEK, before and after dilution	0,01	0,36	-0,23	0,47	0,19	0,89

Parent Company, income statement in summary

MSEK	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jul-Jun 2024/25	Jan-Dec 2024
Net sales	6,6	5,9	13,3	11,9	25,2	23,7
Administrative expenses	-6,8	-6,3	-13,2	-10,9	-23,7	-21,4
Operating profit	**-0,1**	**-0,4**	**0,2**	**1,0**	**1,5**	**2,3**
Interest income and similar profit/loss items	3,5	1,7	8,4	4,5	15,6	11,7
Interest expenses and similar profit/loss items	-6,5	-3,9	-10,8	-13,0	-26,7	-28,9
Dividend / result from group company	-	272,7	-	272,7	-8,6	264,2
Profit/loss after financial items	**-3,1**	**270,1**	**-2,2**	**265,2**	**-18,2**	**249,3**
Appropriations	-	-	-	-	33,8	33,8
Tax	0,6	0,5	0,5	1,5	-4,9	-3,8
Net profit/loss for the period	**-2,5**	**270,7**	**-1,8**	**266,8**	**10,7**	**279,2**

In the Parent Company there are no items that are reported as other comprehensive income, so total comprehensive income is consistent with the profit for the period.

Parent company, balance sheet in summary

MSEK	30-jun 2025	30-jun 2024	31-dec 2024
ASSETS			
Non-current assets			
Financial assets			
Shares in group companies	1 077,1	1 079,3	1 066,6
Other non-current assets	5,0	3,3	4,5
Total non-current assets	**1 082,0**	**1 082,6**	**1 071,0**
Current assets			
Receivables from group companies	274,4	120,9	177,5
Other current receivables	17,8	15,2	8,3
Cash and cash equivalents	9,7	68,5	97,7
Total current assets	**301,8**	**204,5**	**283,5**
TOTAL ASSETS	**1 383,9**	**1 287,1**	**1 354,6**
EQUITY AND LIABILITIES			
Equity			
Restricted equity	138,1	138,1	138,1
Non-restricted equity	697,4	685,8	699,2
Total equity	**835,6**	**823,9**	**837,3**
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	425,0	325,0	350,0
Other non-current liabilities	14,9	31,8	34,9
Total non-current liabilities	**439,9**	**356,8**	**384,9**
Current liabilities			
Liabilities to group companies	79,4	78,3	110,0
Other current liabilities	29,0	28,1	22,4
Total current liabilities	**108,4**	**106,5**	**132,4**
TOTAL EQUITY AND LIABILITIES	**1 383,9**	**1 287,1**	**1 354,6**

Notes

Note 1 Accounting principles

This consolidated interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The interim report for the Parent Company has been prepared in accordance with RFR 2 and Chapter 9, Interim Reports, of the Swedish Annual Accounts Act. For both the Parent Company and the Group, accounting principles and calculation bases have been applied in the same manner as for the 2024 Annual Report, which was prepared in accordance with the International Financial Reporting Standards as adopted by the EU and interpretations thereof. The interim information on pages 1-9 forms an integral part of this financial report.

Note 2 Business segments

Balco reports according to the following segments:

Renovation: includes replacement and expansion of existing balconies as well as installation of new balconies on apartment buildings without balconies. The segment's main market driver is the age profile of the residential property portfolio.

New Build: includes installation of balconies in conjunction with the construction of apartment buildings and balcony solutions in the maritime area. The segment is mainly driven by the rate of new residential construction.

Apr-Jun	**Renovation**		**New Build**		**Group-wide**		**Eliminations**		**Total**	
MSEK	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Net sales – External revenue	253,1	250,8	78,0	123,2	-	-	-	-	331,1	374,0
Net sales – Internal revenue	-	-	-	-	6,6	5,9	-6,6	-5,9	-	-
Total sales	**253,1**	**250,8**	**78,0**	**123,2**	**6,6**	**5,9**	**-6,6**	**-5,9**	**331,1**	**374,0**
Operating profit (EBIT)	**5,4**	**6,9**	**0,6**	**3,6**	**-0,5**	**-1,0**	**-**	**-**	**5,4**	**9,5**
Depreciation included with	10,5	9,4	0,8	4,1	-	-	-	-	11,3	13,4
of which amortization	0,7	0,5	0,1	2,7	-	-	-	-	0,7	3,2
Items affecting comparison	-	3,3	-	0,5	0,1	2,2	-	-	0,1	6,0
Adjusted operating profit (EBITA)	**6,0**	**10,7**	**0,7**	**6,8**	**-0,5**	**1,2**	**-**	**-**	**6,2**	**18,7**
Adjusted operating margin	2,4%	4,3%	0,8%	5,5%					1,9%	5,0%
Operating profit (EBIT)	5,4	6,9	0,6	3,6	-0,5	-1,0	-	-	5,4	9,5
Finance income	-	-	-	-	1,4	0,2	-	-	1,4	0,2
Finance cost	-	-	-	-	-6,7	-3,8	-	-	-6,7	-3,8
Profit before tax	**5,4**	**6,9**	**0,6**	**3,6**	**-5,9**	**-4,6**	**-**	**-**	**0,1**	**5,9**

Jan-Jun	**Renovation**		**New Build**		**Group-wide**		**Eliminations**		**Total**	
MSEK	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Net sales – External revenue	489,6	472,9	157,4	227,6	-	-	-	-	647,0	700,4
Net sales – Internal revenue	-	-	-	-	13,3	11,9	-13,3	-11,9	-	-
Total sales	**489,6**	**472,9**	**157,4**	**227,6**	**13,3**	**11,9**	**-13,3**	**-11,9**	**647,0**	**700,4**
Operating profit (EBIT)	**-25,6**	**15,5**	**-3,1**	**9,1**	**-1,1**	**-4,2**	**-**	**-**	**-29,7**	**20,4**
Depreciation included with	19,7	20,4	3,3	6,1	-	-	-	-	23,0	26,5
of which amortization	1,9	2,6	0,1	2,7	-	-	-	-	2,0	5,3
Items affecting comparison	25,1	3,3	5,9	0,5	0,3	5,4	-	-	31,2	9,3
Adjusted operating profit (EBITA)	**1,4**	**21,4**	**2,9**	**12,4**	**-0,8**	**1,2**	**-**	**-**	**3,5**	**35,0**
Adjusted operating margin (EBITA)	0,3%	4,5%	1,8%	5,4%					0,5%	5,0%
Operating profit (EBIT)	-25,6	15,5	-3,1	9,1	-1,1	-4,2	-	-	-29,7	20,4
Finance income	-	-	-	-	3,7	2,2	-	-	3,7	2,2
Finance cost	-	-	-	-	-13,1	-14,6	-	-	-13,1	-14,6
Profit before tax	**-25,6**	**15,5**	**-3,1**	**9,1**	**-10,5**	**-16,6**	**-**	**-**	**-39,2**	**8,1**

Note 3 Reconciliation with IFRS financial statements

Balco's financial statements include alternative performance measures, which complement the measures that are defined or specified in applicable rules for financial reporting. Alternative performance measures are presented since, as in their context, they provide clearer or more in-depth information than the measures defined in applicable rules for financial reporting. The alternative performance measures are derived from the Company's consolidated financial reporting and are not measured in accordance with IFRS.

MSEK	30-jun 2025	30-jun 2024	31-dec 2024
Interest-bearing net debt incl leasing debt			
Non-current interest-bearing liabilities	473,8	407,3	409,2
Current interest-bearing liabilities	19,3	15,5	16,6
Cash and cash equivalents	-57,4	-81,2	-103,1
Interest-bearing net debt incl leasing debt	**435,8**	**341,6**	**322,8**
Adjusted EBITDA (R12)	77,9	104,3	109,6
Interest-bearing net debt/EBITDA (R12), times	**5,6**	**3,3**	**2,9**
Return on capital employed			
Equity	748,7	793,4	796,8
Interest-bearing net debt	435,8	341,6	322,8
Average capital employed	1 181,5	1 056,9	1 053,7
Adjusted operating profit (EBIT), (R12)	31,2	56,9	59,5
Return on capital employed, %	**2,6**	**5,4**	**5,6**
Equity/assets ratio			
Equity attributable to owners of the parent company	748,7	793,4	796,8
Total assets	1 652,2	1 701,2	1 632,7
Equity/assets ratio, %	**45,3**	**46,6**	**48,8**

MSEK	Apr-Jun 2025	Apr-Jun 2024	Jan-Jun 2025	Jan-Jun 2024	Jul-Jun 2024/25	Jan-Dec 2024
Adjusted operating profit (EBIT)						
Operating profit (EBIT	5,4	9,5	-29,7	20,4	-15,3	34,8
Items affecting comparison						
Re-structuring costs	-	3,7	30,9	3,9	45,6	18,5
Acquisition costs	0,1	2,3	0,3	5,4	1,0	6,2
Adjusted operating profit (EBIT)	**5,5**	**15,5**	**1,5**	**29,7**	**31,2**	**59,5**
Operating profit (EBITA)	-	-	-	-	-	-
Operating profit (EBIT)	5,4	9,5	-29,7	20,4	-15,3	34,8
Amortization	0,7	3,2	2,0	5,3	6,8	10,1
Operating profit (EBITA)	**6,1**	**12,7**	**-27,7**	**25,7**	**-8,5**	**44,9**
Adjusted operating profit (EBITA)	-	-	-	-	-	-
Adjusted operating profit (EBIT)	5,5	15,5	1,5	29,7	31,2	59,5
Amortization	0,7	3,2	2,0	5,3	6,8	10,1
Adjusted operating profit (EBITA)	**6,2**	**18,7**	**3,5**	**35,0**	**38,1**	**69,6**
Adjusted net result						
Net result	0,2	3,5	-29,5	5,8	-30,7	4,6
Items affecting comparison after tax	0,0	4,7	24,6	7,3	36,8	19,5
Adjusted net result	**0,2**	**8,2**	**-4,8**	**13,1**	**6,1**	**24,1**
EBITDA						
Operating profit (EBIT)	5,4	9,5	-29,7	20,4	-15,3	34,8
Depreciation and amortization	11,3	13,4	23,0	26,5	46,6	50,1
EBITDA	**16,7**	**22,9**	**-6,7**	**46,9**	**31,3**	**84,9**
Adjusted EBITDA						
Adjusted operating profit (EBIT)	5,5	15,5	1,5	29,7	31,2	59,5
Depreciation and amortization	11,3	13,4	23,0	26,5	46,6	50,1
Adjusted EBITDA	**16,8**	**28,9**	**24,4**	**56,2**	**77,9**	**109,6**
Investments, excluding expansion investments						
Investments in intangible fixed assets	-7,0	-0,1	-10,8	-1,1	-16,0	-6,3
Investments in tangible fixed assets	-3,1	-1,0	-4,4	-2,4	-8,8	-6,8
of which expansion investments	8,9	0,9	10,6	2,8	14,7	6,9
Investments, excluding expansion investments	**-1,2**	**-0,2**	**-4,5**	**-0,6**	**-10,2**	**-6,2**
Operating cash flow						
Adjusted EBITDA	16,8	28,9	24,4	56,2	77,9	109,6
Changes in working capital	-45,6	19,4	-48,7	26,6	-40,2	35,1
Investments, excluding expansion investments	-1,2	-0,2	-4,5	-0,6	-10,2	-6,2
Operating cash flow	**-30,0**	**48,1**	**-28,8**	**82,2**	**27,5**	**138,5**
Net Sales excluding acquisitions						
Net Sales	331,1	374,0	647,0	700,4	1 364,5	1 417,9
Acquired net sales	-	-105,6	-24,6	-206,4	-233,1	-414,9
Net Sales excluding acquisitions	**331,1**	**268,4**	**622,4**	**494,0**	**1 131,4**	**1 003,0**
Adjusted earnings per share						
Net result attributable to parent company's shareholders	0,1	3,5	-30,0	3,4	-32,3	1,1
Items affecting comparison after tax	0,0	4,7	24,6	7,3	36,8	19,5
Adjusted earnings per share	**0,01**	**0,36**	**-0,23**	**0,47**	**0,19**	**0,89**

Alternative performance measures

This interim report contains references to several performance measures. Some of these measures are defined in IFRS, while others are alternative measures and are not reported in accordance with applicable financial reporting frameworks or other legislation. The measures are used by Balco to help both investors and management to analyze its operations. The measures used in this interim report are described below, together with definitions and the reason for their use.

Alternative performance measures	Definition	Reason for use
Return on equity	Income for the period divided by the average shareholder equity for the period. The average calculated as the average of the opening balance and the closing balance for the period.	Return on equity shows the return that is generated on the shareholders' capital that is invested in the company.
Return on capital employed	Adjusted EBITA as a percentage of average capital employed for the period. The average calculated as the average of the opening balance and the closing balance for the period.	Return on capital employed shows the return that is generated on capital employed by the company and is used by Balco to monitor profitability as it relates to the capital efficiency of the company.
Return on capital employed excluding goodwill	Adjusted EBITA as a percentage of average capital employed for the period excluding goodwill. Average calculated as the average of the opening balance and the closing balance for the period.	Balco believes that return on capital employed excluding goodwill together with return on capital employed shows a complete picture of Balco's capital efficiency.
Gross income	Revenue less production and project costs.	Shows the effectiveness of Balco's operations and together with EBIT provides a complete picture of the operating profit generation and expenses.
Gross margin	Gross income as a percentage of net sales.	Ratio is used for analysis of the company's effectiveness and profitability.
EBITDA	Earnings before interest, tax, depreciation, and amortization.	Balco believes that EBITDA shows the profit generated by the operating activities and is a good measure of cash flow from operations.
Interest-bearing net debt relative to adjusted EBITDA	Interest-bearing external net debt divided by adjusted EBITDA.	Balco believes this ratio helps to show financial risk and is a useful measure for Balco to monitor the level of the company's indebtedness.
Adjusted EBITDA	EBITDA as adjusted for items affecting comparability. For a reconciliation of adjusted EBITDA to income for the period.	Balco believes that adjusted EBITDA is a useful measure for showing the company's profit generated by the operating activities after adjusting for items affecting comparability, and primarily uses adjusted EBITDA for purposes of calculating the company's operating cash flow and cash conversion.
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of net sales.	Balco believes that adjusted EBITDA margin is a useful measure for showing the company's profit generated by the operating activities after non-recurring items.
Adjusted EBIT margin	Adjusted EBIT as a percentage of net sales.	Balco believes that adjusted EBIT margin is a useful measure for showing the company's profit generated by the operating activities.
Adjusted EBIT	EBIT adjusted for items affecting comparability. For a reconciliation of adjusted EBIT to income for the period.	Balco believes that adjusted EBITA is a useful measure for showing the company's profit generated by the operating activities, and primarily uses adjusted EBIT for calculating the company's return on capital employed.
Adjusted EBITA margin	Adjusted EBITA as a percentage of net sales.	Balco believes that adjusted EBITA margin is a useful measure for showing the company's profit generated by the operating activities.
Adjusted EBITA	EBITA adjusted for items affecting comparability. For a reconciliation of adjusted EBIT to income for the period.	Balco believes that adjusted EBIT is a useful measure for showing the company's profit generated by the operating activities, and primarily uses adjusted EBIT for calculating the company's return on capital employed.
Items affecting comparability	Items affecting comparability are significant items reported separately due to their size or frequency, e.g., restructuring costs, write-downs, divestments, and acquisition costs.	Balco believes that adjustment for items affecting comparability improves the possibility of comparison over time by excluding items with irregularity in frequency or size. This is to give a more accurate picture of the underlying operating profit.

Alternative performance measures	Definition	Reason for use
Operating cash conversion	Operating cash flow divided by adjusted EBITDA.	Balco believes this is a good measure for comparing cash flow with operating profit.
Operating cash flow	Adjusted EBITDA increased/decreased with changes in net working capital less investments, excluding expansion investments.	Operating cash flow is used by Balco to monitor business performance.
Organic growth	Net sales excluding acquired growth current period divided by net sales during the corresponding period last year.	Organic growth excludes the effects of changes in the Group's structure, which enables a comparison of net sales over time.
Interest-bearing net deb	The sum of non-current interest-bearing liabilities and current interest-bearing liabilities.	Balco believes interest-bearing net debt is a useful measure to show the company’s total debt financing.
Net working capital	Current assets excluding cash and cash equivalents and current tax assets less non-interest-bearing liabilities excluding current tax liabilities.	This measure shows how much net working capital that is tied up in the operations and can be put in relation to sales to understand how effectively net working capital tied up in the operations is used.
EBIT margin	EBIT as a percentage of net sales.	Balco believes EBIT margin is a useful measure together with net sales growth and net working capital to monitor value creation.
EBIT	Earnings before interest and tax.	Balco believes that EBIT shows the profit generated by the operating activities.
EBITA margin	EBITA as a percentage of net sales.	Balco believes EBITA margin is a useful measure together with net sales growth and net working capital to monitor value creation.
EBITA	EBIT excluding amortization on acquired intangible assets.	Balco's growth strategy includes acquiring companies. In order to better illustrate the development of the underlying business, the management has chosen to follow EBITA, which is an expression of the operating profit before depreciation and write-downs of acquired intangible assets.
Equity/asset ratio	Equity divided on total assets.	Balco believes that equity to asset ratio is a useful measure for the company's survival.
Capital employed	Equity plus interest-bearing net debt.	Capital employed is used by Balco to indicate the general capital efficiency of the company.
Capital employed excluding goodwill	Capital employed minus goodwill.	Capital employed excluding goodwill is used together with capital employed by Balco as a measure of the company's capital efficiency.

Balco Group in brief

Balco Group is a market leader in the balcony industry, where we develop, manufacture, sell, and take responsibility for the installation of our own bespoke open and glazed balcony systems. The Group's customized products contribute to enhanced quality of life, security, and increased value for residents in multi-occupancy buildings. Furthermore, Balco Group's standardized glazing systems result in reduced energy consumption.

560 employees

7 markets

1,364 MSEK net sales in 2024

35,000 sqm total production area

Balco Group was established in 1987 and is a group consisting of producing and selling companies. The group is the market leader in the Nordics and operates in several markets in northern Europe. The head office is in Växjö. A general and distinctive feature of the companies in the Group is that they control the entire value chain - from sales work to installed balcony - through a decentralised and efficient sales process.

BALCO GROUP