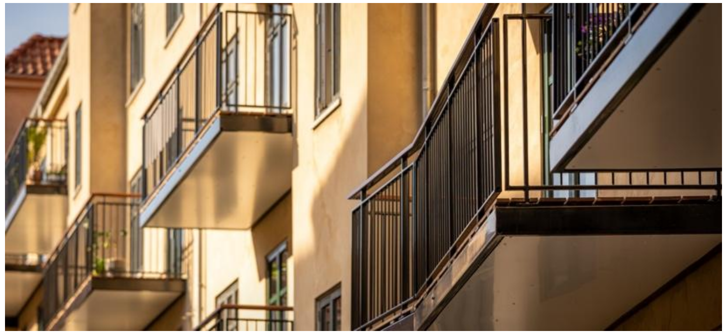
BALCO | GROUP

Q2 Report 2026

January - June

JOHAN DYBERG, Acting PRESIDENT & CEO
VIKTOR ARVIDSSON, 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 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.

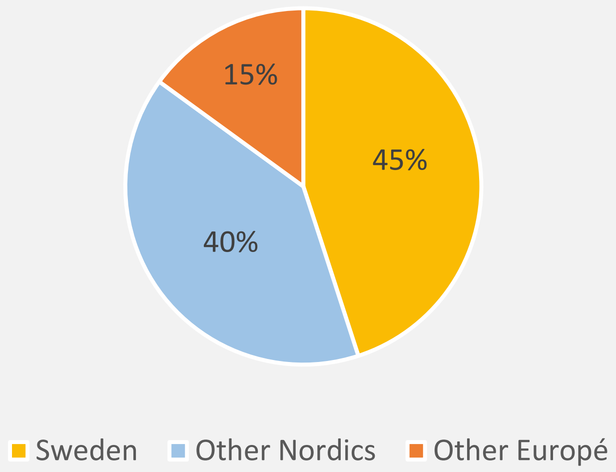
The market

- 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)



Q2 highlights

Order intake

- 16% above corresponding period last year: 600 MSEK (519).
- Order backlog +18% vs. Q2 2025.

Cash flow

- Weak operating cash flow: -62 MSEK (-30).

Net sales and profitability

- Net sales increased by 12%, (FX impact 0%)
- Net sales: 370 MSEK (331).
- Improved operating profit but still below target.

Further cost savings and structural measures

- Extensive measures implemented
- Not sufficient- further cost-saving and structural measures ongoing

Q2 2026

Order intake

600 MSEK	519 MSEK
Apr - Jun 2026	Apr - Jun 2025

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Market update

- Balco group has through its subsidiaries a strong market position known to deliver high quality solutions within the different segments and markets we together as a group are active.
- The market has been tough but we see signs of recovery mainly in the renovation segment. Focus now is to adapt the group to the current market situation, better utilize the strengths of the group and focus on profitability, and then profitable growth.
- Action plan to increase the Group's efficiency and long-term profitable growth initiated.
- Constructive dialogue with our principal bank has resulted in supplementary agreements that provide the conditions for a return to sustainable profitable growth.
- We expect to be able to present concrete measures, including financial effects, during the third quarter of this year.

70
years lifetime
City balconies

90
years lifetime
Glazed balconies

Quarterly results

- **Net sales** amounted to 370 MSEK (331).
  Organic growth was +11 percent and currency effect was 0 percent.
  Net sales YTD amounted to 669 MSEK (647).

- **Adjusted operating result (EBITA)** amounted to 12 MSEK (6), corresponding to an adjusted EBITA-margin of 3.2 percent (1.9).
  Adjusted operating profit (EBITA) YTD amounted to 12 MSEK (3), corresponding to an adjusted operating margin (EBITA-margin) of 1.8 percent (0.5).

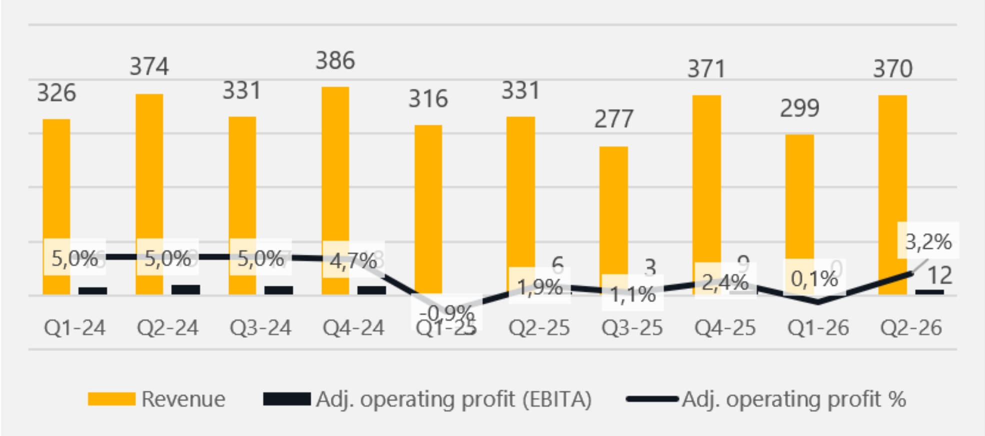
- **Order intake** amounted to 600 MSEK (519).
  Order intake YTD increased by 10 percent to 870 MSEK (794).

- **Order backlog** increased by 18 percent to 1,693 MSEK (1,439).

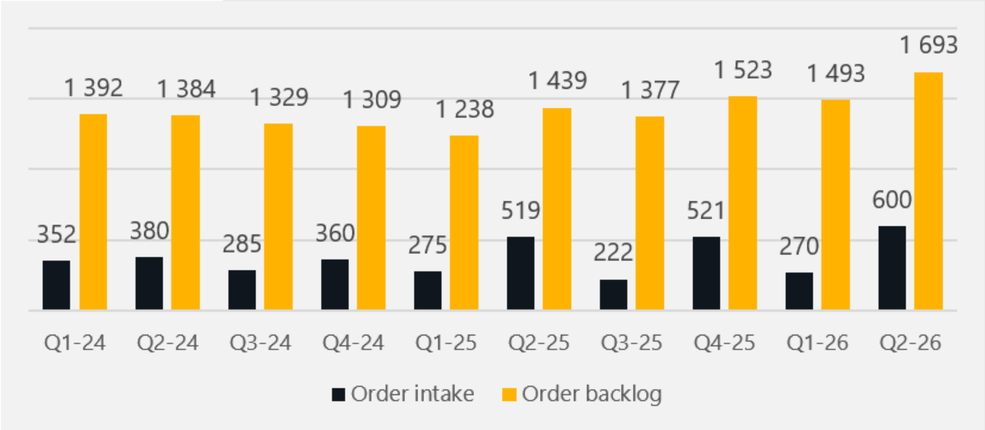
- **Adjusted earnings per share** amounted to 0.21 SEK (0.01).
  Adjusted earnings per share YTD amounted to 0.22 SEK (-0.23).
  Earnings per share amounted to -0.07 SEK (0.00).
  Earnings per share YTD amounted to -0.10 SEK (-1.30).

- **Operating cash flow** amounted to -62 MSEK (-30).
  Operating cash flow YTD amounted to -30 MSEK (-29).

REVENUE AND ADJUSTED OPERATING PROFIT, MSEK



ORDER INTAKE AND BACKLOG, MSEK



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Renovation

- **Net sales** in the quarter amounted to 274 MSEK (253), which corresponds to 74 percent (76) of the total net sales.
  Net sales YTD amounted to 503 MSEK (490).

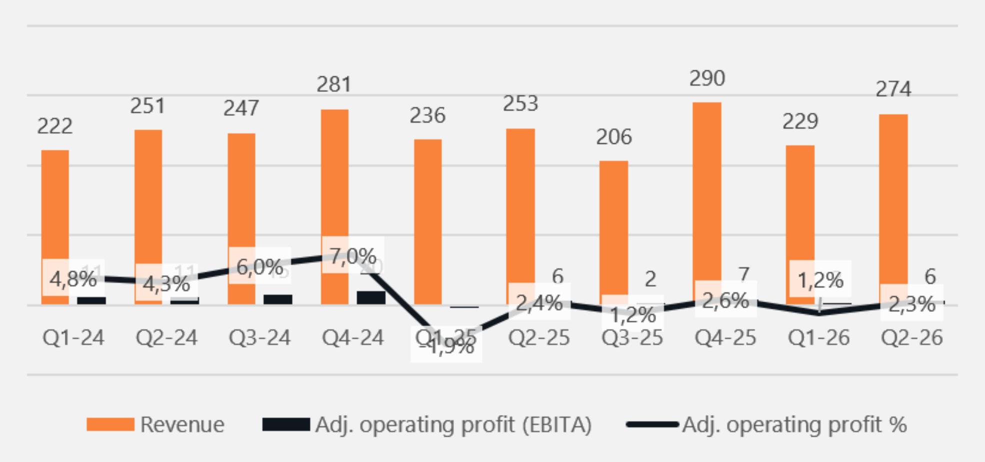
- **Order intake** in the quarter amounted to 474 MSEK (386), which corresponds to 79 percent (74) of the total order intake.
  Order intake YTD increased by 15 percent to 685 MSEK (594).

- **Adjusted operating result (EBITA)** in the quarter amounted to 6 MSEK (6), corresponding to an adjusted operating margin of 2.3 percent (2.4).
  Adjusted operating profit (EBITA) YTD amounted to 9 MSEK (1), corresponding to an adjusted operating margin (EBITA-margin) of 1.8 percent (0.3).

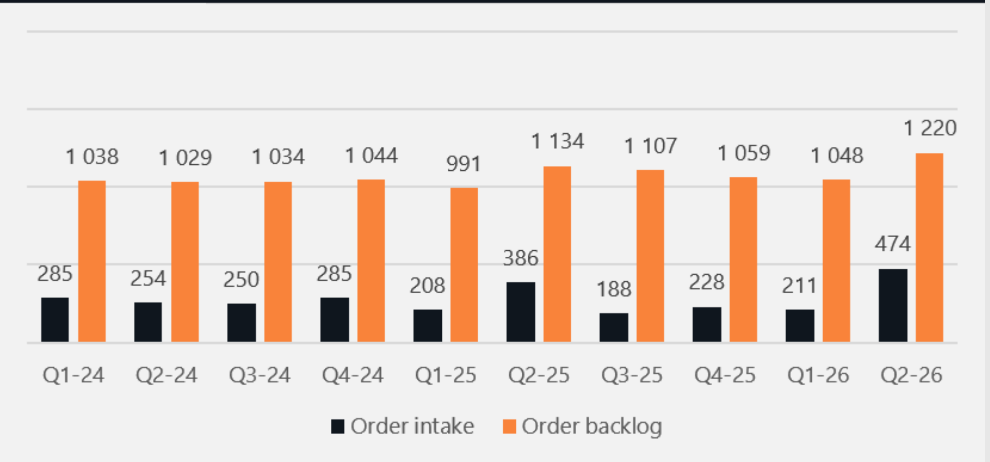
- **Order backlog** amounted to 1,220 MSEK (1,134) which corresponds to 72 percent (79) of the total order backlog.

Renovation, MSEK	apr-jun 2026	apr-jun 2025	jan-jun 2026	jan-jun 2025	jul-jun 2025/26	jan-dec 2025
Net Sales	273,7	253,1	502,6	489,6	998,7	985,6
Adjusted operating profit (EBITA)	6,2	6,0	9,0	1,4	18,7	11,2
Adjusted operating margin (EBITA), %	2,3	2,4	1,8	0,3	1,9	1,1
Order intake	474,5	386,2	685,1	594,1	1 101,7	1 010,7
Order backlog	1 219,9	1 133,8	1 219,9	1 133,8	1 219,9	1 059,5

REVENUE AND EBIT, MSEK



ORDER INTAKE AND BACKLOG, MSEK



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New build

- **Net sales** in the quarter amounted to 96 MSEK (78), which corresponds to 26 percent (24) of the total net sales.
  Net sales YTD amounted to 166 MSEK (157).

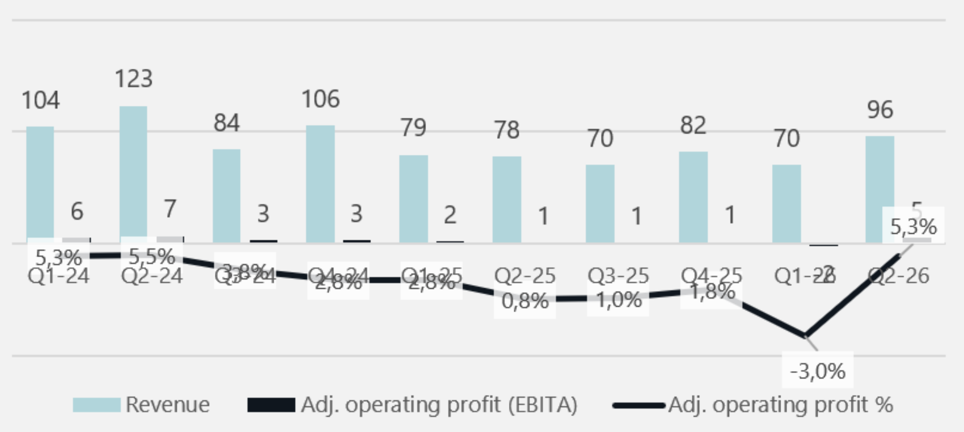
- **Order intake** in the quarter amounted to 126 MSEK (133), which corresponds to 21 percent (26) of the total order intake.
  Order intake YTD decreased by 8 percent to 185 MSEK (200).

- **Adjusted operating result (EBITA)** in the quarter amounted to 5 MSEK (1), corresponding to an adjusted operating margin of 5.3 percent (0.8).
  Adjusted operating profit (EBITA) YTD amounted to 3 MSEK (3), corresponding to an adjusted operating margin (EBITA-margin) of 1.8 percent (1.8).

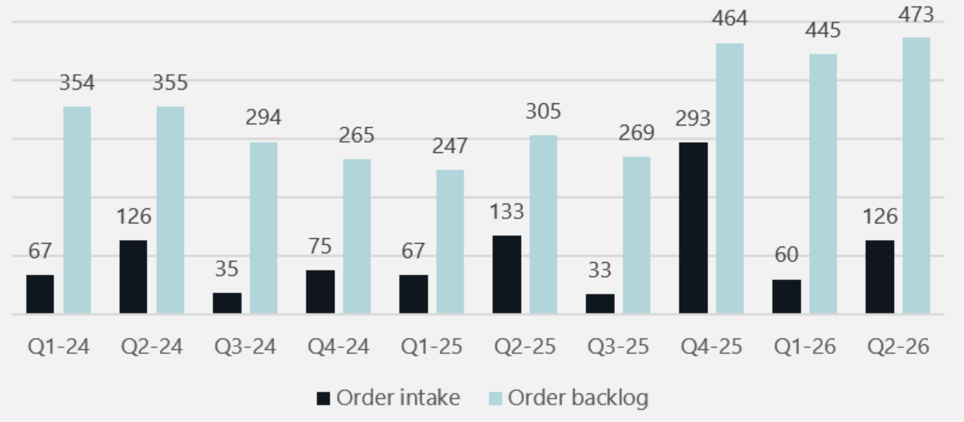
- **Order backlog** amounted to 473 MSEK (305) which corresponds to 28 percent (21) of the total order backlog.

New Build, MSEK	apr-jun 2026	apr-jun 2025	jan-jun 2026	jan-jun 2025	jul-jun 2025/26	jan-dec 2025
Net Sales	96,0	78,0	165,9	157,4	318,0	309,4
Adjusted operating profit (EBITA)	5,1	0,7	3,0	2,9	5,1	5,0
Adjusted operating margin (EBITA), %	5,3	0,8	1,8	1,8	1,6	1,6
Order intake	125,7	133,3	185,3	200,3	511,4	526,5
Order backlog	473,2	305,3	473,2	305,3	473,2	463,8

REVENUE AND EBIT, MSEK



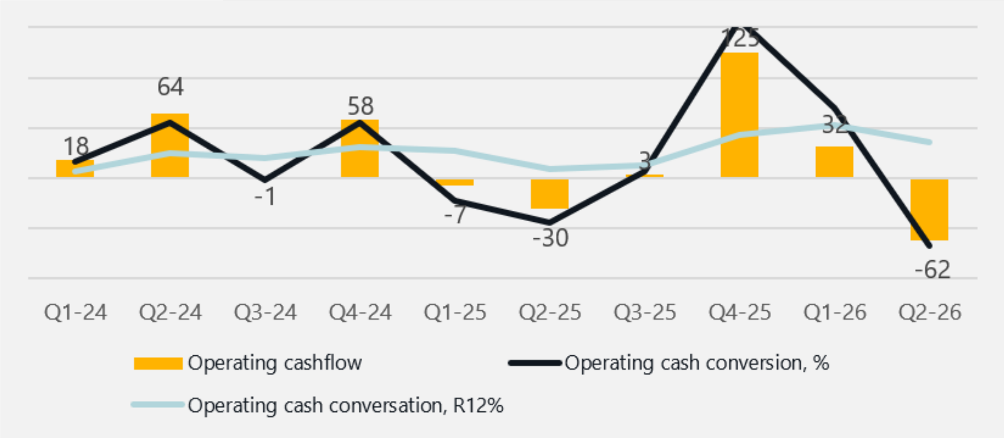
ORDER INTAKE AND BACKLOG, MSEK



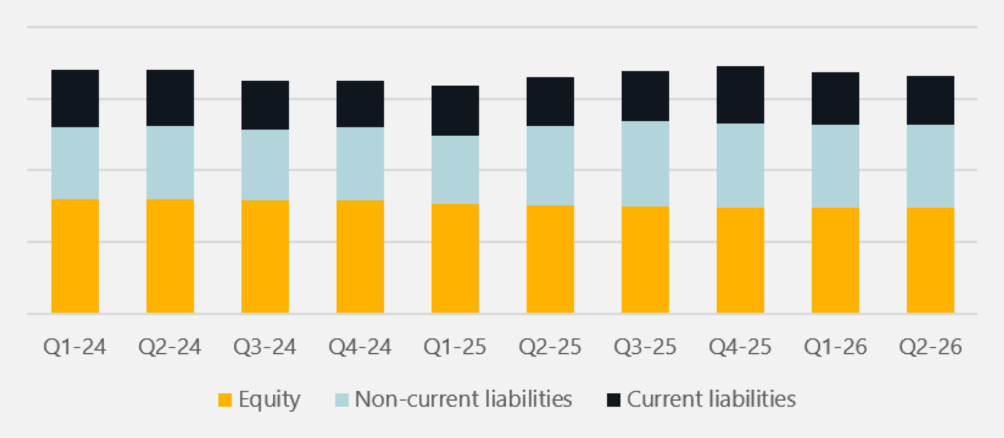
Financial position

- At the end of the quarter, the Group's equity amounted to 738 MSEK (753). Equity/assets ratio at 44 percent (45).
- Interest-bearing net debt including leasing debt in relation to adjusted EBITDA amounted to 6.2 times (5.6).
- We have signed a supplementary bank agreement that runs until the first quarter of 2028. The covenants are within this agreement.

OPERATING CASH FLOW, MSEK



EQUITY, LIABILITIES AND NET DEBT



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Concluding remarks

Outlook

- Balco group has through its subsidiaries a strong market position known to deliver high quality solutions within the different segments and markets we together as a group are active.
- The market has been tough but we see signs of recovery mainly in the renovation segment. Focus now is to adapt the group to the current market situation, better utilize the strengths of the group and focus on profitability, and then profitable growth.
- Action plan to increase the Group's efficiency and long-term profitable growth initiated.
- Constructive dialogue with our principal bank has resulted in supplementary agreements that provide the conditions for a return to sustainable profitable growth.

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

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Q&A

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