BALCO GROUP

Interim Report Q4

JANUARY – DECEMBER 2024

Strong cash flow in the quarter and the full year

Fourth quarter: October - December

- Net sales increased by 33 percent to 386 MSEK (290)
- Order intake increased by 22 percent to 360 MSEK (295)
- Order backlog increased by 22 percent to 1,309 MSEK (1,074)
- Adjusted operating profit (EBITA) amounted to 18 MSEK (15)
- Adjusted operating margin was 4.7 percent (5.3)
- Profit after tax amounted to -2 MSEK (7)
- Adjusted profit after tax amounted to 6 MSEK (11)
- Earnings per share amounted to -0.07 SEK (0.28)
- Adjusted earnings per share amounted to 0.28 (0.48)
- Operating cash flow improved to 58 MSEK (6)
- The board of directors proposes that the annual general meeting resolve that no dividend shall be paid for the financial year.

Full year: January– December

- Net sales increased by 17 percent to 1,418 MSEK (1,215)
- Order intake increased by 41 percent to 1,377 MSEK (977)
- Adjusted operating profit (EBITA) amounted to 70 MSEK (90)
- Adjusted operating margin was 4.9 percent (7.4)
- Profit after tax amounted to 5 MSEK (47)
- Adjusted profit after tax amounted to 24 MSEK (57)
- Earnings per share amounted to 0.05 SEK (2.09)
- Adjusted earnings per share amounted to 0.89 (2.55)
- Operating cash flow improved to 140 MSEK (4)

Events during the quarter and from the end of the quarter

No significant events after the end of the period have been reported.

MSEK	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	386,5	289,5	1 417,9	1 214,9
Order intake	359,6	295,3	1 376,8	977,0
Order backlog	1 309,3	1 073,6	1 309,3	1 073,6
Adjusted operating profif (EBITA)	18,0	15,4	69,6	89,8
Adjusted operating margin (EBITA), %	4,7	5,3	4,9	7,4
Net result for the period	-2,2	6,6	4,6	46,5
Adjusted net result after tax	6,1	11,0	24,1	56,5
Operating cash flow	57,6	5,6	138,5	3,6
Earnings per share, SEK before dilution	-0,07	0,28	0,05	2,09
Earnings per share, SEK, after dilution	-0,07	0,28	0,05	2,09
Adjusted earnings per share, SEK, before and after dilution	0,28	0,48	0,89	2,55

" During the fourth quarter, Balco AB received a major project in Norway with an order value of approximately 50 MNOK. "

" Our sustainability KPIs continue to develop in a positive direction with reduced sick leave, staff turnover and lower climate footprint. "

- Camilla Ekdahl, President and CEO

Good development in Norway

Order intake for the quarter increased by 22 percent and amounted to 360 MSEK. Order intake for the full year increased by 41 percent to 1,377 MSEK. Organic order intake was unchanged for the full year but increased by 6 percent during the second half of the year.

Sales increased by 33 percent to 386 MSEK in the quarter, of which organic growth was 1 percent. It is mainly the Danish market that is losing sales compared to the previous year. Norway and the rest of Europe show growth, while sales in Sweden were unchanged.

Earnings have been affected throughout the year by the weak order intake in the previous year. It is mainly the Danish and Swedish markets that have decreased in profitability, while we have improved profitability in Norway, Germany and the UK.

In terms of margins, we are not satisfied with the current level of profitability, but it is important to remember that we are in a weak period in terms of the economy. For us, it is of course crucial to defend profitability in the short term, but even more important is to ensure that we can retain the valuable key expertise that exists in the companies and that is necessary to be able to continue to deliver profitable and qualitative projects.

It is gratifying that operating cash flow improved both in the quarter and for the full year.

Our sustainability KPIs continue to develop in a positive direction. Both sick leave and staff turnover are improving, which is satisfying. Carbon dioxide emissions measured according to scope 1 and 2 per hour worked have also continued to decrease and our target of reducing by 35 percent by 2025 compared to 2019 has already been met. Sustainalytics' latest update shows improvement, and the risk rating has been lowered to 17.2, which places us in the top 6 percent in our industry.

Market

The market situation has been largely unchanged since the previous quarter. Inflation and interest rates are on the way down, but we have not yet seen the positive effects of this on order intake. However, we believe that our strong customer focus combined with geographical proximity to customers will provide us with continued opportunities to strengthen our market position. There is increased customer activity in the renovation segment for our balcony companies in Sweden and Norway, where we have seen a good increase in quotations and calculations throughout the year. At the same time, there continues to be a strained competitive situation for our Swedish façade companies. The Danish market continues to be cautious and there is great competition for projects. The processing times for orders are still long. Medium-term interest rates in Sweden (2-5 years) have reached a level that can be considered sustainable for financing projects, which means that the willingness to invest will increase in our largest customer group, older tenant-owner associations.

The Finnish new build market has bottomed out, but we do not yet see a rapid return for new construction of multi-family buildings in any of the Nordic countries. The Finnish renovation market continues to develop well for us with the major turnkey contracts that Suomen Ohutlvevyasennus has taken on during the third and fourth quarters. At the beginning of 2025, Finland has launched support for the construction and renovation of multi-family housing, which should have a positive impact during the year. The new build segment in the UK and Germany continues to develop positively for us. The most important competitive factor in this segment is to have an affordable product and to be able to be a stable partner to the construction companies. Our companies meet both criteria and create repeat customers for new projects.

During the fourth quarter, Balco AB received a major project in Norway with an order value of approximately 50 MNOK. Order intake and sales have developed well in Norway in 2024 with both major turnkey contracts and balcony projects. Our expanded offering with air-to-air heat pumps integrated into our balcony solutions has attracted a lot of interest. Most apartment buildings in Norway are heated with electricity, which means that a supplement with an air-to-air heat pump is an attractive solution.

Structural changes

The structural changes for Riikku's subsidiaries announced in the last quarter of 2024 have been implemented and will be fully operational as of 1 January 2025. The changes have been positively received by both the internal organization and customers. Costs for the restructuring have mainly been incurred in the fourth quarter for the closure of offices and optimization of the organization.

During the past year, the Group has also worked on synergies in the Swedish balcony companies' production. This work will continue in the coming year to increase our flexibility in the event of volume changes and reduce underoccupancy in certain production units.

Prospects

In the short term, we see increased customer activity for our balcony companies that work with renovation. In the new build segment in the Nordic region, we have not yet seen a significant increase. The same applies to our Swedish façade companies and the Danish market. Our assessment is that the overall market will continue to improve gradually, but it looks like it will be a slower improvement than a fast one, which means that sales and earnings will continue to be affected. We cannot influence the market situation, but we are actively working on our focus on profitability and adaptation.

In the longer term, we continue to see positive market development as the need for renovation does not disappear but is postponed. At the same time, there is a great interest in investing in one's home environment and they want close access to an outdoor environment, which will drive demand for Balco Group's products.

Camilla Ekdahl
President and CEO

Group development

Fourth quarter: October – December

Net sales increased by 33 percent to 386 MSEK (290). Acquired growth was 34 percent, currency effect was -2 percent, and organic growth was 1 percent. Net sales increased in Norway and the rest of Europe, were unchanged in Sweden, decreased in Denmark, and acquired growth in Finland.

Net sales for the renovation segment increased to 281 MSEK (242) and net sales for the new build segment increased to 106 MSEK (48).

Order intake increased by 22 percent to 360 MSEK (295). Acquired order intake was 35 percent and organic order intake was -13 percent. Order intake for the renovation segment increased to 285 MSEK (269) and order intake for the new build segment increased to 75 MSEK (26).

The order backlog increased by 22 percent to 1,309 MSEK (1,074). The order backlog for the renovation segment increased to 1,044 MSEK (926) and the order backlog for the new build segment increased to 265 MSEK (148).

Adjusted operating profit (EBITA) increased to 18 MSEK (15), corresponding to an adjusted operating margin of 4.7 percent (5.3).

Items affecting comparability of -10 MSEK (-6) were taken in the quarter related to restructuring of the organization and the Riikku companies.

Net financial items amounted to -9 MSEK (-4), of which -0.3 MSEK (-0.4) relates to interest expenses linked to rights of use (leases) and -2 MSEK (0) relates to unrealized currency losses. Interest expenses of -5 MSEK (-4) have increased due to increased borrowing in connection with completed acquisitions.

Profit after tax amounted to -2 MSEK (7). Adjusted profit after tax amounted to 6 MSEK (11). Earnings per share amounted to -0.07 SEK (0.28). Adjusted earnings per share amounted to 0.28 SEK (0.48).

Operating cash flow improved to 58 MSEK (6). The phases of the projects affect the cash flow between quarters.

Cash flow from operating activities before changes in working capital amounted to 16 MSEK (36) and cash flow from operating activities after changes in working capital amounted to 53 MSEK (17).

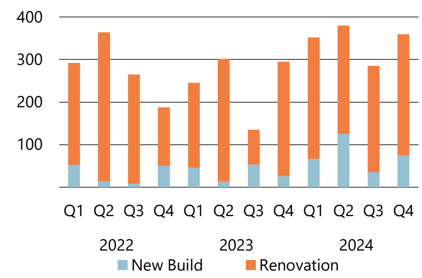
Cash flow from investing activities amounted to -9 MSEK (-3), of which -5 MSEK (-2) was replacement investments and -3 MSEK (-1) expansion.

Cash flow from financing activities amounted to 20 MSEK (-33) with the largest item relating to increased utilization of the revolving credit facility.

Cash flow for the quarter amounted to 65 MSEK (-18).

Depreciation/amortization amounted to -11 MSEK (-11), of which -4 MSEK (-5) relates to depreciation related to rights of use (lease) and -3 MSEK (-2) relates to amortization of acquired intangible assets.

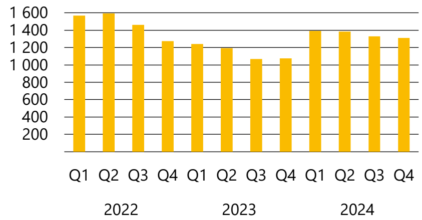
Order intake per segment, MSEK



Operating Cash flow Q4 2024

58 MSEK

Order backlog, MSEK



Net sales per geographic market, MSEK

	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Sweden	166,5	166,8	606,3	752,6
Other Nordics	169,4	81,9	659,2	310,0
Other Europe	50,6	40,8	152,4	152,3
Total net sales	**386,5**	**289,5**	**1 417,9**	**1 214,9**

Full year: January – December

Net sales increased by 17 percent to 1,418 MSEK (1,215). Acquired growth was 30 percent, currency effect was -1 percent, and organic growth was -12 percent. Net sales increased in Norway, remained unchanged in the rest of Europe, decreased in Sweden and Denmark, and acquired growth in Finland.

Net sales for the renovation segment amounted to 1,000 MSEK (1,088) and net sales for the new build segment increased to 418 MSEK (127).

Order intake increased by 41 percent to 1,377 MSEK (977). Acquired order intake was 41 percent and organic order intake was unchanged. Order intake for the renovation segment increased to 1,074 MSEK (839) and order intake for the new build segment increased to 303 MSEK (138).

Adjusted operating profit (EBITA) amounted to 70 MSEK (90), corresponding to an adjusted operating margin of 4.9 percent (7.4).

Items affecting the comparability of -25 MSEK (-13) have been taken this year related to acquisition costs and restructuring of the organization and the Riikku companies.

Net financial items amounted to -30 MSEK (-14), of which -1.5 MSEK (-1.5) relates to interest expenses linked to rights of use (leases) and -3 MSEK (0) relates to unrealized currency losses. Interest expenses of -22 MSEK (-13) have increased, due to increased borrowing in connection with completed acquisitions.

Profit after tax amounted to 5 MSEK (47). Adjusted profit after tax amounted to 24 MSEK (57). Earnings per share amounted to 0.05 SEK (2.09). Adjusted earnings per share amounted to 0.89 SEK (2.55).

Operating cash flow improved to 139 MSEK (4). The phases of the projects affect the cash flow between quarters.

Cash flow from operating activities before changes in working capital amounted to 36 MSEK (91) and cash flow from operating activities after changes in working capital amounted to 85 MSEK (-26).

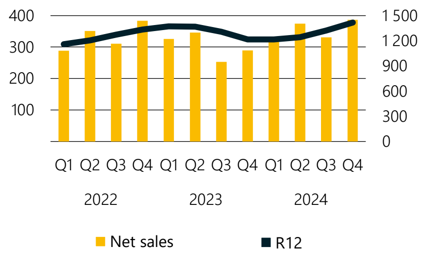
Cash flow from investing activities amounted to -96 MSEK (-53), of which -7 MSEK (-7) was replacement investments and -7 MSEK (-7) expansion investments and -81 MSEK (-39) acquisition of shares in subsidiaries.

Cash flow from financing activities amounted to 113 MSEK (30) with the largest item relating to increased utilization of the revolving credit facility.

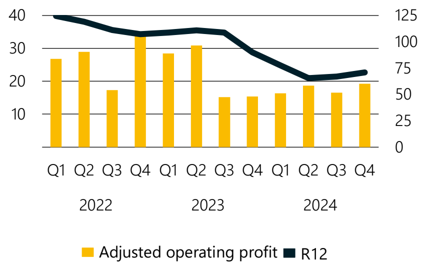
Cash flow for the full year amounted to 103 MSEK (-49).

Depreciation/amortization amounted to -50 MSEK (-44), of which -18 MSEK (-20) relates to depreciation related to rights of use (lease) and -10 MSEK (-7) relates to amortization of acquired intangible assets.

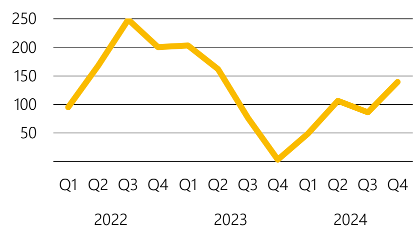
Net sales, MSEK



Adjusted operating profit, MSEK



Operating cash flow R12, MSEK



Net sales per customer category, MSEK

	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Tenant-owner associations	211,8	190,6	740,6	790,3
Private landlords	17,9	39,3	84,9	118,5
Publicly owned companies	14,2	10,2	52,8	50,5
Construction companies	142,6	49,4	539,5	255,6
Total net sales	**386,5**	**289,5**	**1 417,9**	**1 214,9**

Financial position

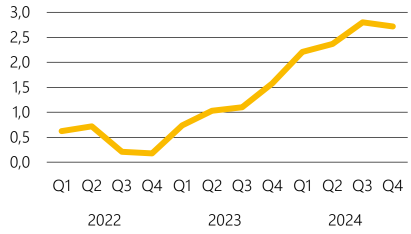
Interest-bearing net debt including lease liabilities at the end of the year amounted to 323 MSEK (242). Proforma, including 12 months of earnings from acquired companies, interest-bearing net debt including lease liabilities in relation to adjusted EBITDA was 2.9 times (1.9).

Interest-bearing net debt excluding lease liabilities amounted to 260 MSEK (171). Proforma, including 12 months of earnings from acquired companies, interest-bearing net debt excluding lease liabilities in relation to adjusted EBITDA was 2.7 times (1.6).

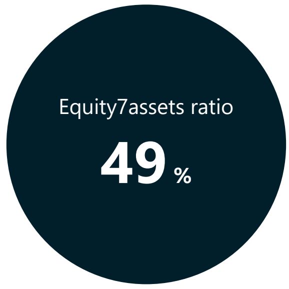
At the end of the year, the Group's equity amounted to 801 MSEK (748).

The Group's equity/assets ratio was 49 percent (59).

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



MSEK	**31-dec 2024**	**31-dec 2023**
Non-current liabilities to credit institutions	362,9	174,2
Leasing liabilities non-current	46,3	51,2
Leasing liabilities current	16,6	19,0
Cash and cash equivalents	-103,1	-2,8
Interest-bearing net debt incl leasing debt	**322,8**	**241,6**
Interest-bearing net debt excl leasing debt	*259,9*	*171,4*
Interest-bearing net debt incl. leasing/EBITDA (12 months), times	2,9	1,9
Interest-bearing net debt incl. leasing/EBITDA (proforma) (12 months), times	2,9	1,9
Interest-bearing net debt excl. leasing/EBITDA (12 months), times	2,8	1,6
Interest-bearing net debt excl. leasing/EBITDA (proforma) (12 months), times	2,7	1,6
Equity/assets ratio, %	48,8	58,9



Personnel

The number of full-time employees in Balco Group amounted to 621 (490) as of the end of December 2024. The increase comes from the acquired companies Riikku Group Oy and Suomen ohutlevyasennus Oy.

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 December 2024, 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 number of shareholders was 4.889. The five largest shareholders were Familjen Hamrin, Skandrenting AB, Lannebo Kapitalförvaltning, Swedbank Robur fonder and AB Tuna Holding.

Development per segment

Renovation

Fourth quarter

Net sales increased by 16 percent to 281 MSEK (242), corresponding to 73 percent (83) of total net sales.

Order intake increased by 6 percent to 285 MSEK (269), corresponding to 79 percent (91) of total order intake.

The adjusted operating profit (EBITA) increased to 20 MSEK (12), entailing an adjusted operating margin of 7.0 percent (4.9).

Full year

Net sales amounted to 1,000 MSEK (1,088), corresponding to 71 percent (90) of total net sales.

Order intake increased by 28 percent to 1,074 MSEK (839), corresponding to 78 percent (86) of total order intake.

The adjusted operating profit (EBITA) amounted to 56 MSEK (84), entailing an adjusted operating margin of 5.6 percent (7.7).

The order backlog increased by 13 percent to 1,044 (926), corresponding to 80 percent (86) of the total order backlog.

Renovation, MSEK	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	280,7	241,7	1 000,2	1 088,0
Adjusted operating profit (EBITA)	19,7	11,8	55,8	83,8
Adhusted operating margin (EBITA), %	7,0	4,9	5,6	7,7
Order intake	285,1	269,1	1 074,2	838,7
Order backlog	1 044,3	925,5	1 044,3	925,5

New build

Fourth quarter

Net sales increased by 121 percent to 106 MSEK (48), corresponding to 27 percent (17) of total net sales.

Order intake increased by 184 percent to 75 MSEK (26), corresponding to 21 percent (9) of total order intake.

The adjusted operating profit (EBITA) increased to 3 MSEK (2), entailing an adjusted operating margin of 2.8 percent (3.4).

Full year

Net sales increased by 229 percent to 418 MSEK (127), corresponding to 29 percent (10) of total net sales.

Order intake increased by 119 percent to 303 MSEK (138), corresponding to 22 percent (14) of total order intake.

The adjusted operating profit (EBITA) increased to 19 MSEK (5), entailing an adjusted operating margin of 4.5 percent (3.8).

The order backlog increased by 79 percent to 265 MSEK (148), corresponding to 20 percent (14) of the total order backlog.

New Build, MSEK	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	105,8	47,9	417,7	126,9
Adjusted operating profit (EBITA)	3,0	1,6	18,6	4,8
Adhusted operating margin (EBITA), %	2,8	3,4	4,5	3,8
Order intake	74,5	26,2	302,6	138,3
Order backlog	265,0	148,1	265,0	148,1

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

Sjøsiden Boligpark, Norway

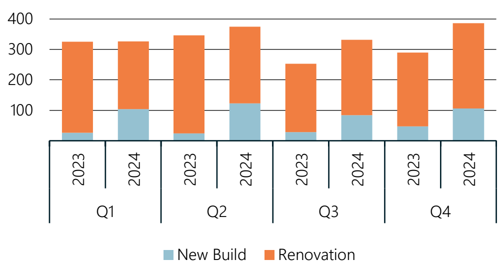
The segment includes the replacement and expansion of existing balconies, mainly glazed balconies. The main driving force is the pent-up need for renovation and the age profile of the properties. The offer also includes façade renovation.

Segment - New Build

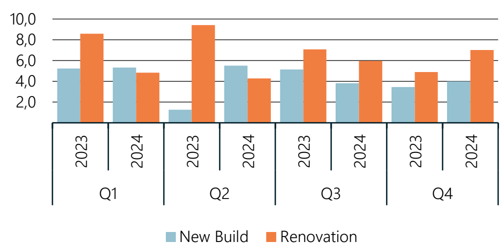
New Road Rainham, UK

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.

Sickness absence for 2024 decreased to 3.6 percent (3.7).

Employee turnover decreased to 7.9 percent (9.9).

The accident frequency increased to 11.4 (5.1), where the increase comes from the acquired companies, where training programs have been initiated to increase safety on construction sites and reduce the number of accidents.

Carbon dioxide emissions according to Scope 1 per hour worked decreased to 957 g/h (1,200) and for Scope 2 to 460 g/h (509).

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 2023 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 entitle 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 the motivation to achieve or exceed the company's financial targets. For more information, see the Annual Report 2023 on pages 76, 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 picture 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 30–35, 42, 87–88, 91 and 94 of the Annual Report for 2023.

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 lower order intake over the past year will affect sales and earnings in the coming quarters. We continue to focus on costs and adjust the organization based on changes in occupancy and order intake but retain important expertise so that the company is not damaged in the long term.

Events during the quarter and from the end of the quarter

No significant events after the end of the period have been reported.

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

The year-end report has not been subject to a review in accordance with ISRE 2410 by the company's auditors.

This information is information that Balco Group AB is obliged to make public pursuant to the EU Market Abuse Regulation.
The information was submitted for publication, through the agency of the contact persons set out below, at 13:00 CET on February 10, 2025.

Växjö, February 10, 2025

Camilla Ekdahl
President and CEO

Web conference
A webcast conference call will be held at 14:00 CET on February 10, 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/year-end-report-2024/

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

SE: +46 8 4468 2488
PIN: 873 3804 3534 #

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Calendar 2025/2026
Annual Report 2024 .... March 14, 2025
Interim report Jan-Mar 2025 .... April 28, 2025
Annual General Meeting 2025 .... May 6, 2025
Interim report Jan-Jun 2025 .... July 14, 2025
Interim report Jan-Sep 2025 .... October 27, 2025
Year-end report Jan-Dec 2024 .... February 2, 2025

Consolidated statement of comprehensive income

MSEK	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	386,5	289,5	1 417,9	1 214,9
Production and project costs	-328,3	-239,1	-1 170,0	-969,5
Gross profit	**58,1**	**50,5**	**248,0**	**245,4**
Sales costs	-31,2	-26,8	-120,9	-108,4
Administration costs	-23,5	-22,3	-95,9	-76,7
Other operating income	1,5	6,8	3,7	10,3
Other operating expenses	-0,0	-0,1	-0,0	-0,2
Operating profit	**4,9**	**8,0**	**34,8**	**70,4**
Finance income	1,8	1,0	4,5	3,7
Finance costs	-10,6	-5,4	-34,3	-18,1
Result before tax	**-3,9**	**3,7**	**5,0**	**56,0**
Income tax	1,7	2,9	-0,4	-9,5
Net result for the period	**-2,2**	**6,6**	**4,6**	**46,5**
Net result attributable to parent company's shareholders	-1,7	6,1	1,1	45,9
Net result attributable to non-controlling interest	-0,5	0,4	3,5	0,6
Net profit for the period	**-2,2**	**6,6**	**4,6**	**46,5**
Other comprehensive income				
Items that may later be reclassified to the income statement				
Translation difference when translating foreign operations	4,3	-0,1	6,3	3,4
Comprehensive income for the period	**2,2**	**6,5**	**10,8**	**49,9**
Comprehensive income attributable to parent company's shareholders	2,7	6,1	7,3	49,2
Comprehensive income attributable to non-controlling interest	-0,5	0,4	3,5	0,6
Comprehensive income for the period	**2,2**	**6,5**	**10,8**	**49,9**
Earnings per share, SEK, before dilution	-0,07	0,28	0,05	2,09
Earnings per share, SEK, after dilution	-0,07	0,28	0,05	2,09
Average number of shares before dilution, thousands	23 021,6	21 909,3	22 957,7	21 909,3
Average number of shares after dilution, thousands	23 021,6	21 909,3	22 957,7	21 909,3

Consolidated balance sheet in summary

MSEK	31-dec 2024	31-dec 2023
ASSETS		
Non-current assets		
Intangible assets		
Goodwill	515,5	485,2
Other intangible assets	279,9	142,2
Total intangible assets	**795,4**	**627,3**
Tangible assets		
Right-to-use assets	60,7	70,5
Property, plant and equipment	229,6	161,9
Total tangible assets	**290,4**	**232,4**
Financial assets	1,3	-
Deferred tax assets	6,3	0,3
Total non-current assets	**1 093,3**	**860,1**
Current assets		
Inventory	64,8	51,5
Accounts receivables	123,1	138,0
Contract assets	209,9	177,1
Other current receivables	38,5	37,7
Cash and cash equivalents	103,1	2,8
Total current assets	**539,4**	**407,2**
TOTAL ASSETS	**1 632,7**	**1 267,2**
EQUITY AND LIABILITIES		
Equity		
Share capital	138,1	131,5
Other capital contributions	450,8	406,3
Reserves	17,9	11,6
Retained earnings, incl. profit for year	190,0	196,7
Equity attributable to Parent Company's shareholders	**796,8**	**746,1**
Non-controlling interest	4,2	1,8
Summa eget kapital	**801,1**	**748,0**
LIABILITIES		
Non-current liabilities		
Liabilities to credit institutions	362,9	174,2
Leasing liabilities	46,3	51,2
Other non-current liabilities	34,7	1,4
Deferred tax liabilities	66,9	41,7
Total non-current liabilities	**510,7**	**268,5**
Current liabilities		
Leasing liabilities	16,6	19,0
Contract liabilities	38,0	50,0
Accounts payables	145,7	91,0
Other current liabilities	120,5	90,7
Total current liabilities	**320,9**	**250,7**
TOTAL EQUITY AND LIABILITIES	**1 632,7**	**1 267,2**

Consolidated changes in Shareholders' Equity

MSEK	Share Capital	Additional paid-in capital	Reserves	Retained earnings including comprehensive income for the year	Non-controlling interest	Total equity
Opening balance 1 Jan 2023	**131,5**	**406,3**	**8,3**	**183,7**	**1,2**	**731,0**
Comprehensive income for the period						
Profit for the period	-	-	-	45,9	0,6	46,5
Other comprehensive income for the period	-	-	3,4	-	-	3,4
Total comprehensive income for the period	**-**	**-**	**3,4**	**45,9**	**0,6**	**49,9**
Transactions with shareholders:						
Distributed dividend	-	-	-	-32,9	-	-32,9
New warrants issue	-	0,0	-	-	-	0,0
Total transactions with Company owners	**-**	**0,0**	**-**	**-32,9**	**-0,0**	**-32,9**
Closing balance 31 Dec 2023	**131,5**	**406,3**	**11,6**	**196,7**	**1,8**	**748,0**
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	-	-	-	1,1	3,5	4,6
Other comprehensive income for the period	-	-	6,3	-	0,1	6,4
Total comprehensive income for the period	**-**	**-**	**6,3**	**1,1**	**3,6**	**11,0**
Transactions/ acquisitions/ disposald in holdings without control	-	-	-	-7,8	-1,2	-9,0
Transactions with shareholders:						
New shares issue	6,7	43,5	-	-	-	50,2
New warrants issue	-	0,9	-	-	-	0,9
Total transactions with Company owners	**6,7**	**44,5**	**-**	**-**	**-**	**51,1**
Closing balance 31 Dec 2024	**138,1**	**450,8**	**17,9**	**190,0**	**4,2**	**801,1**

Consolidated Cash Flow Statements in summary

MSEK	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Operating activities				
Operating profit (EBIT)	4,9	8,0	34,8	70,4
Adjustment for non-cash items	9,6	4,9	32,6	38,9
Interest received	1,1	1,0	3,6	3,7
Interest paid	-8,2	-5,0	-28,7	-16,5
Income tax paid	8,2	26,6	-6,1	-5,8
Cash flow from operating activities before changes in working capital	**15,6**	**35,6**	**36,2**	**90,7**
Changes in working capital				
Increase (-)/Decrease (+) in inventories	6,2	7,2	4,2	7,4
Increase (-)/Decrease (+) in current assets	53,1	-3,2	71,6	4,3
Increase (+)/Decrease (-) in current liabilities	-21,5	-22,1	-26,7	-128,5
Cash flow from operating activities	**53,4**	**17,4**	**85,3**	**-26,1**
Cash flow from investing activities				
Investments in intangible fixed assets	-3,8	-2,1	-6,3	-5,6
Investments in tangible fixed assets	-4,0	-1,0	-6,8	-7,7
Acquisitions of operations	-	-	-80,8	-39,5
Changes in other non-current assets/liabilities	-1,0	-	-1,8	-
Cash flow from investing activities	**-8,7**	**-3,1**	**-95,7**	**-52,9**
Cash flow from financing activities				
Changes in bank loans	24,6	-8,6	132,8	85,8
Changes in leasing	-4,3	-7,6	-19,5	-23,4
New warrants issue	-	-	0,9	0,0
Distributed dividend to non-controlling interest	-	-	-1,2	-
Distributed dividend to parent company's shareholders	-	-16,4	-	-32,9
Cash flow from financing activities	**20,2**	**-32,7**	**113,1**	**29,6**
Cash flow for the period	**64,9**	**-18,3**	**102,7**	**-49,4**
Cash and cash equivalents at beginning of the period	39,4	21,6	2,8	51,9
Exchange rate differential cash and cash equivalents	-1,3	-0,5	-2,4	0,4
Cash and cash equivalents at end of the period	**103,1**	**2,8**	**103,1**	**2,8**

Key ratios

MSEK	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	386,5	289,5	1 417,9	1 214,9
Order intake	359,6	295,3	1 376,8	977,0
Order backlog	1 309,3	1 073,6	1 309,3	1 073,6
Gross profit	58,1	50,5	248,0	245,4
Adjusted Gross Profit	66,8	54,2	262,5	252,9
EBITDA	15,6	19,0	84,9	114,7
Adjusted EBITDA	26,0	24,6	109,6	127,4
Operating profit (EBITA)	7,6	9,7	44,9	77,1
Adjusted operating profit (EBITA)	18,0	15,4	69,6	89,8
Operating profit (EBIT)	4,9	8,0	34,8	70,4
Adjusted operating profit (EBIT)	15,3	13,7	59,5	83,0
Gross profit margin, %	15,0	17,4	17,5	20,2
Adjusted gross margin, %	17,3	18,7	18,5	20,8
EBITDA margin, %	4,0	6,6	6,0	9,4
Adjusted EBITDA margin, %	6,7	8,5	7,7	10,5
Operating profit margin (EBITA), %	2,0	3,4	3,2	6,4
Adjusted operating profit margin (EBITA), %	4,7	5,3	4,9	7,4
Operating profit margin (EBIT), %	1,3	2,8	2,5	5,8
Adjusted operating profit margin (EBIT), %	4,0	4,7	4,2	6,8
Operating cash flow	57,6	5,6	138,5	3,6
Operating cash conversion, %	221,8	22,8	126,3	2,8
Capital employed, R12	1 145,2	969,2	1 145,2	969,2
Capital employed, excl. goodwill, R12	631,0	483,9	631,0	483,9
Equity	796,8	746,1	796,8	746,1
Interest-bearing net debt incl leasing debt	322,8	241,6	322,8	241,6
Interest-bearing net debt excl leasing debt	259,9	171,4	259,9	171,4
Interest-bearing net debt incl. leasing/Adjusted EBITDA 12 months, times	2,9	1,9	2,9	1,9
Interest-bearing net debt excl. leasing/EBITDA (12 months), times	2,8	1,6	2,8	1,6
Return on capital employed, %, (12 months)	5,2	8,6	5,2	8,6
Return on capital employed, excl. goodwill, %, (12 months)	9,4	17,2	9,4	17,2
Return on invested capital, %, (12 months)	0,6	6,2	0,6	6,2
Equity/assets ratio, %	49	59	49	59
Number of full-time employees on the closing date	621	490	621	490
Average number of shares before dilution, thousands	23 021,6	21 909,3	22 957,7	21 909,3
Average number of shares after dilution, thousands	23 021,6	21 909,3	22 957,7	21 909,3
Equity per share, SEK	34,61	34,06	34,71	34,06

Parent Company, income statement in summary

MSEK	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Net sales	5,9	8,0	23,7	26,4
Administrative expenses	-6,0	-11,4	-21,4	-24,7
Operating profit	**-0,1**	**-3,4**	**2,3**	**1,7**
Interest income and similar profit/loss items	4,1	3,0	11,7	6,9
Interest expenses and similar profit/loss items	-10,7	-5,0	-28,9	-19,4
Dividend / result from group company	-13,4	25,2	264,2	37,9
Profit/loss after financial items	**-20,1**	**19,7**	**249,3**	**27,0**
Appropriations	33,8	47,9	33,8	47,9
Tax	-5,5	-8,9	-3,8	-7,7
Net profit/loss for the period	**8,2**	**58,7**	**279,2**	**67,1**

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	31-dec 2024	31-dec 2023
ASSETS		
Non-current assets		
Financial assets		
Shares in group companies	1 066,6	1 458,2
Other non-current assets	4,5	3,4
Total non-current assets	**1 071,0**	**1 461,6**
Current assets		
Receivables from group companies	177,5	89,7
Other current receivables	8,3	6,2
Cash and cash equivalents	97,7	-
Total current assets	**283,5**	**95,8**
TOTAL ASSETS	**1 354,6**	**1 557,4**
EQUITY AND LIABILITIES		
Equity		
Restricted equity	138,1	131,5
Non-restricted equity	699,2	375,5
Total equity	**837,3**	**507,0**
LIABILITIES		
Non-current liabilities		
Liabilities to credit institutions	350,0	150,0
Other non-current liabilities	34,9	3,1
Total non-current liabilities	**384,9**	**153,1**
Current liabilities		
Liabilities to credit institutions	-	3,4
Liabilities to group companies	110,0	874,7
Other current liabilities	22,4	19,2
Total current liabilities	**132,4**	**897,4**
TOTAL EQUITY AND LIABILITIES	**1 354,6**	**1 557,4**

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 2023 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.

Oct-Dec	Renovation		New Build		Group-wide		Eliminations		Total	
MSEK	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Net sales – External revenue	280,7	241,7	105,8	47,9	-	-	-	-	386,5	289,5
Net sales – Internal revenue	-	-	-	-	5,9	8,0	-5,9	-8,0	-	-
Total sales	**280,7**	**241,7**	**105,8**	**47,9**	**5,9**	**8,0**	**-5,9**	**-8,0**	**386,5**	**289,5**
Operating profit (EBIT)	**17,0**	**4,6**	**-7,4**	**1,6**	**-4,7**	**1,9**	**-**	**-**	**4,9**	**8,0**
Depreciation included with	8,2	10,3	2,5	0,7	-	-	-	-	10,7	10,9
of which amortization	1,6	1,7	1,1	-	-	-	-	-	2,7	1,7
Items affecting comparison	1,1	5,6	9,3	-	0,0	0,0	-	-	10,4	5,6
Adjusted operating profit (EBITA)	**19,7**	**11,8**	**3,0**	**1,6**	**-4,6**	**1,9**	**-**	**-**	**18,0**	**15,4**
Adjusted operating margin	7,0%	4,9%	2,8%	3,4%					4,7%	5,3%
Operating profit (EBIT)	17,0	4,6	-7,4	1,6	-4,7	1,9	-	-	4,9	8,0
Finance income	-	-	-	-	1,8	1,0	-	-	1,8	1,0
Finance cost	-	-	-	-	-10,6	-5,4	-	-	-10,6	-5,4
Profit before tax	**17,0**	**4,6**	**-7,4**	**1,6**	**-13,5**	**-2,5**	**-**	**-**	**-3,9**	**3,7**

Jan-Dec	Renovation		New Build		Group-wide		Eliminations		Total	
MSEK	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Net sales – External revenue	1 000,2	1 088,0	417,7	126,9	-	-	-	-	1 417,9	1 214,9
Net sales – Internal revenue	-	-	-	-	23,7	26,4	-23,7	-26,4	-	-
Total sales	**1 000,2**	**1 088,0**	**417,7**	**126,9**	**23,7**	**26,4**	**-23,7**	**-26,4**	**1 417,9**	**1 214,9**
Operating profit (EBIT)	**41,7**	**66,4**	**4,2**	**4,6**	**-11,1**	**-0,7**	**-**	**-**	**34,8**	**70,4**
Depreciation included with	38,2	41,4	11,9	2,9	-	-	-	-	50,1	44,3
of which amortization	5,8	6,6	4,2	0,2	-	-	-	-	10,1	6,8
Items affecting comparison	8,3	10,7	10,2	-	6,2	1,9	-	-	24,7	12,7
Adjusted operating profit (EBITA)	**55,8**	**83,8**	**18,6**	**4,8**	**-4,9**	**1,2**	**-**	**-**	**69,6**	**89,8**
Adjusted operating margin (EBITA)	5,6%	7,7%	4,5%	3,8%					4,9%	7,4%
Operating profit (EBIT)	41,7	66,4	4,2	4,6	-11,1	-0,7	-	-	34,8	70,4
Finance income	-	-	-	-	4,5	3,7	-	-	4,5	3,7
Finance cost	-	-	-	-	-34,3	-18,1	-	-	-34,3	-18,1
Profit before tax	**41,7**	**66,4**	**4,2**	**4,6**	**-40,9**	**-15,0**	**-**	**-**	**5,0**	**56,0**

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	31-dec 2024	31-dec 2023
Interest-bearing net debt incl leasing debt		
Non-current interest-bearing liabilities	409,2	225,4
Current interest-bearing liabilities	16,6	19,0
Cash and cash equivalents	-103,1	-2,8
Interest-bearing net debt incl leasing debt	**322,8**	**241,6**
Adjusted EBITDA (R12)	109,6	127,4
Interest-bearing net debt/EBITDA (R12), times	**2,9 x**	**1,9 x**
Interest-bearing net debt excl leasing debt		
Interest-bearing net debt incl leasing debt	322,8	241,6
Leasing liabilities non-current	-46,3	-51,2
Leasing liabilities current	-16,6	-19,0
Interest-bearing net debt excl leasing debt	**259,9**	**171,4**
Interest-bearing net debt/EBITDA excl leasing (R12), times		
Adjusted EBITDA (R12)	109,6	127,4
Leasing depreciations (R12)	-18,4	-20,2
Adjusted EBITDA (R12) excl leasing depreciations	*91,2*	*107,1*
Interest-bearing net debt/EBITDA excl leasing (R12), times	**2,8**	**1,6**
Return on capital employed		
Equity	796,8	746,1
Interest-bearing net debt	322,8	241,6
Average capital employed	1 053,7	911,2
Adjusted operating profit (EBIT), (R12)	59,5	83,0
Return on capital employed, %	**5,6**	**9,1**
Equity/assets ratio		
Equity attributable to owners of the parent company	796,8	746,1
Total assets	1 632,7	1 267,2
Equity/assets ratio, %	**48,8**	**58,9**

MSEK	Oct-Dec 2024	Oct-Dec 2023	Jan-Dec 2024	Jan-Dec 2023
Adjusted operating profit (EBIT)				
Operating profit (EBIT	4,9	8,0	34,8	70,4
Items affecting comparison				
Re-structuring costs	10,4	5,6	18,5	10,7
Acquisition costs	0,0	0,0	6,2	1,9
Adjusted operating profit (EBIT)	**15,3**	**13,7**	**59,5**	**83,0**
Operating profit (EBITA)				
Operating profit (EBIT)	4,9	8,0	34,8	70,4
Amortization	2,7	1,7	10,1	6,8
Operating profit (EBITA)	**7,6**	**9,7**	**44,9**	**77,1**
Adjusted operating profit (EBITA)				
Adjusted operating profit (EBIT)	15,3	13,7	59,5	83,0
Amortization	2,7	1,7	10,1	6,8
Adjusted operating profit (EBITA)	**18,0**	**15,4**	**69,6**	**89,8**
Adjusted net result				
Net result	-2,2	6,6	4,6	46,5
Items affecting comparison after tax	8,2	4,5	19,5	10,0
Adjusted net result	**6,1**	**11,0**	**24,1**	**56,5**
EBITDA				
Operating profit (EBIT)	4,9	8,0	34,8	70,4
Depreciation and amortization	10,7	10,9	50,1	44,3
EBITDA	**15,6**	**19,0**	**84,9**	**114,7**
Adjusted EBITDA				
Adjusted operating profit (EBIT)	15,3	13,7	59,5	83,0
Depreciation and amortization	10,7	10,9	50,1	44,3
Adjusted EBITDA	**26,0**	**24,6**	**109,6**	**127,4**
Investments, excluding expansion investments				
Investments in intangible fixed assets	-3,8	-2,1	-6,3	-5,6
Investments in tangible fixed assets	-4,0	-1,0	-6,8	-7,7
of which expansion investments	2,5	2,6	6,9	7,0
Investments, excluding expansion investments	**-5,2**	**-0,5**	**-6,2**	**-6,4**
Operating cash flow				
Adjusted EBITDA	26,0	24,6	109,6	127,4
Changes in working capital	36,9	-18,5	35,1	-117,4
Investments, excluding expansion investments	-5,2	-0,5	-6,2	-6,4
Operating cash flow	**57,6**	**5,6**	**138,5**	**3,6**
Net Sales excluding acquisitions				
Net Sales	386,5	289,5	1 417,9	1 214,9
Acquired net sales	-99,3	-6,3	-414,9	-64,6
Net Sales excluding acquisitions	**287,2**	**283,2**	**1 003,0**	**1 150,3**

Note 4 Acquisition

On January 22, Balco Group entered into an agreement on and completed the acquisition of all shares in Riikku Group Oy, one of Finland's leading companies in balcony glazing. The acquisition is consolidated from 1 January 2024 and is expected to contribute positively to earnings per share during the full year 2024.Through the acquisition, Balco Group establishes a strong position in the Finnish balcony market and strengthens the range in the new construction segment. The acquisition also strengthens Balco Group's market position in the Nordics, in line with the group's long-term strategy.

Riikku Group Oy was founded in 2005 and is one of Finland's two largest balcony glazing companies. The company mainly works with new build, but also sells in the renovation segment. Riikku's head office is in Alavus, Finland and has sales offices in several Finnish cities as well as subsidiaries in Sweden, Norway, and Finland. The Riikku Group had a turnover of approximately 40 MEUR in 2023 with an operating margin that was slightly lower than Balco Group's. Riikku has a modern and well-invested production facility of approximately 7,500 m2 in Alavus. Riikku and its subsidiaries will continue to be run by the current management with Joakim Petersen-Dyggve as Managing Director.

The agreed purchase price amounts to 15 MEUR on a cash and debt-free basis. 3 MEUR will be paid with newly issued shares to Riikku's former owners. The remaining 12 MEUR is financed with own cash and was paid half upon entry and half over the next four years with a quarter per year. The acquisition calculation is definite.

The purchase price comprises the following components (MSEK)	
Cash payment	78,5
Present value calculated future payments	39,2
Aquired net assets	-117,7
Goodwill	**-**

The following assets and liabilities were included in the acquisition (MSEK)	
Cash and cash equivalents	2,2
Tangible fixed assets	64,3
Intangible assets	104,6
Inventories	15,9
Receivables	84,3
Liabilities	-133,8
Deferred tax liabilities	-19,8
Acquired net assets	**117,7**

On March 6, Balco Group entered into an agreement and completed the acquisition of sixty percent of the shares in Suomen ohutlevyasennus Oy, a Finnish general contracting and facade company. The acquisition is consolidated from 1 March 2024 and is expected to contribute positively to earnings per share during the full year 2024.

Through the acquisition, Balco Group further strengthens its position on the Finnish market and expands the offer in the renovation segment as well as in turnkey and green transformation. Balco Group's latest acquisition Riikku is a major supplier to Suomen Ohutlevyasennus and together the two acquisitions lead to the group establishing itself as a leading player in Finland.

Suomen ohutlevyasennus Oy was founded in 1984 and is a turnkey company with facade renovation as an area of expertise. The projects mainly include facade renovation with additional insulation and often installation of balcony glazing. Over 90 percent of the company's turnover comes from the renovation segment, and the customers are tenant-owned associations and construction companies. The company is located in Turku, Finland and had a turnover of just over 11 MEUR in 2023 with a higher operating margin than Balco Group's for several years. Suomen ohutlevyasennus will continue to be run by co-owners Jukka Stam and Mikko Jokinen.

The agreed purchase price amounts to 5.4 MEUR for 60 percent of the shares on a cash and debt-free basis. 1.4 MEUR is paid with newly issued shares to Suomen ohutlevyasennus' previous owners. The remaining EUR 4 million is financed with own cash and the access was paid. The acquisition calculation is definite.

The purchase price comprises the following components (MSEK)	
Cash payment	60,9
Aquired net assets	-34,8
Goodwill	**26,1**

The following assets and liabilities were included in the acquisition (MSEK)	
Cash and cash equivalents	4,3
Tangible fixed assets	9,8
Intangible assets	44,3
Receivables	11,1
Liabilities	-25,4
Deferred tax liabilities	-9,3
Acquired net assets	**34,8**

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.

621 employees

7 markets

1,418 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