

# Interim Report Q1

JANUARY – MARCH 2024



## Weak quarter with major structural action program initiated

### First quarter: January - March

- Net sales amounted to 316 MSEK (326)
- Order intake amounted to 275 MSEK (352)
- Order backlog amounted to 1,238 MSEK (1,392)
- Adjusted operating profit (EBITA) amounted to -3 MSEK (16)
- Adjusted operating margin amounted to -0.9 percent (5.0)
- Profit after tax amounted to -30 MSEK (2)
- Adjusted profit after tax amounted to -5 MSEK (5)
- Earnings per share amounted to -1.31 SEK (0.00)
- Adjusted earnings per share amounted to -0.24 (0.11)
- Operating cash flow amounted to 1 MSEK (34)

### Events during the quarter and from the end of the quarter

- On April 8, Balco Group AB acquired an additional twenty (20) percent of the shares in Suomen ohutlevyasennus Oy and now owns eighty (80) percent of the company. The purchase was regulated in the original purchase agreement.
- The banking agreement with Danske Bank with a sustainability-linked credit facility of 510 MSEK and an overdraft facility of 75 MSEK has been extended until March 31, 2028, with an option for a further two-year extension.

MSEK	Jan-Mar 2025	Jan-Mar 2024	Apr-Mar 2024/25	Jan-Dec 2024
Net sales	315,9	326,4	1 407,3	1 417,9
Order intake	275,0	352,0	1 299,8	1 376,8
Order backlog	1 238,0	1 392,2	1 238,0	1 309,3
Adjusted operating profit (EBITA)	-2,7	16,3	50,6	69,6
Adjusted operating margin (EBITA), %	-0,9	5,0	3,6	4,9
Net result for the period	-29,6	2,3	-27,4	4,6
Adjusted net result after tax	-5,1	4,9	14,1	24,1
Operating cash flow	1,2	34,1	105,6	138,5
Earnings per share, SEK before dilution	-1,31	-0,00	-1,26	0,05
Earnings per share, SEK, after dilution	-1,31	-0,00	-1,26	0,05
Adjusted earnings per share, SEK, before and after dilution	-0,24	0,11	0,55	0,89

*" Major structural measures implemented and planned for 31 MSEK. The savings effect of these is estimated to amount to approximately 60 MSEK on a full-year basis. "*

*" All Swedish balcony companies and our Finnish balcony company have increased their order intake during the first quarter compared to the previous year. "*

- Camilla Ekdahl, President and CEO

## Major structural action programme initiated

### Order intake and earnings

The result for Q1 is disappointing. A number of reasons have contributed to this. Several major projects in Sweden have experienced delays in their processes regarding building permits and rent tribunals, and a number of new production projects in the UK and Finland have suffered delays in their schedules. All in all, this had a negative impact on both sales and cash flow in the quarter. It has also led to overcapacity in our production units. In addition, the result is weighed down by a project deviation in a major project at our subsidiary TBO Haglinds.

Due to the weak result, we implemented several measures during the quarter to adapt the cost level to prevailing market conditions. We have implemented extensive staff reductions in both our Finnish and Danish operations.

We have also decided to discontinue production at our company TBO Haglinds in Arboga. Production will be moved to our existing facilities in Växjö and Poland. By concentrating production to fewer units, we can increase efficiency. In parallel, further organizational changes were implemented in other companies during the quarter. In total, structural costs amounted to SEK 31 million during the quarter for both implemented and future measures. The savings effect of these is estimated to amount to approximately SEK 60 million on a full-year basis.

Order intake for the quarter is lower than last year, which is mainly because in the first quarter of 2024 we had order intake for a number of major projects that lifted the total order intake.

It is always difficult to match large projects in terms of time between quarters, which is why you should see trends in Balco Group's order intake over a longer period.

### Market

Throughout 2024, we saw an increase in the number of requests for quotations, and the trend continues in the first quarter. However, the recovery in general growth is more protracted than all economic forecasts indicated in autumn. The turbulence and unrest that arose in the world around us at the beginning of the year, with tariff wars and an escalated tone in world politics, have had a negative impact on the willingness to invest. All in all, this means that we see a continued general wait for decisions in several markets, especially on the larger and more investment-heavy projects. However, the underlying need for renovation of balconies and facades remains.

In the Swedish market, requests for quotations have continued to increase. However, general uncertainty and concern are negatively impacting our business and delaying decision-making processes, even though interest rates are now at an acceptable level and inflation appears to be under control. Despite the problems we are facing, all Swedish balcony companies have had an increased order intake compared to the same period last year, which we see as positive signals for the future.

Our Finnish acquisition Riikku also saw an increase in order intake during the quarter compared to last year. There has been a stabilization in demand with a slight tendency to increase. We see that there is an opportunity to increase our share in the renovation segment and we will therefore increase our presence and investment in this segment in the coming quarters.

We continue to have a positive view of the Norwegian market and have ongoing dialogues on several major projects.

Demand for balconies in the new construction segment in Germany remains high. Balco is involved in discussions on several major projects. This segment has a lower margin, but at the same time there are large projects that, due to their size, are interesting to us. In the new construction side, early involvement of construction resources is required to be successful. As a result, and to strengthen our local presence with market-adapted products, the local engineering resources in Germany have been increased.

Demand in the UK continues to be at a high level for our products with many construction projects planned. Balco is strengthening its market presence by adding more local engineering resources to further adapt and optimize our products based on market demands.

Over the past two years, we have changed our strategic focus on the Dutch market, from a focus on glazing for condominiums, to various solutions with open balconies for transformation projects and new construction. We expect to see results from this investment in 2025.

For our façade companies and our Danish balcony company, it continues to be a challenging market with fierce competition for projects.

### Prospects

Our assessment that the overall market will gradually improve remains, but the recovery will take longer, and setbacks will occur as new unrest and uncertainty arise in our operating environment. The need for the services and products offered by Balco Group remains and we will continue to invest in sales, market and product development while making structural changes in our operations to improve our profitability. The assessment is that the coming quarters will be affected in terms of sales and earnings, but we aim to return to an earnings level in line with last year.

### Camilla Ekdahl

President and CEO

# Group development

## First quarter: January – March

Net sales amounted to 316 MSEK (326). Acquired growth was 8 percent, currency effect was -1 percent, and organic growth was -10 percent. Net sales increased in the rest of Europe and Sweden, were unchanged in Norway and Finland but decreased in Denmark.

Net sales for the renovation segment increased to 236 MSEK (222) and net sales for the new build segment amounted to 79 MSEK (104).

Order intake amounted to 275 MSEK (352). Order intake for the renovation segment amounted to 208 MSEK (285) and order intake for the new build segment amounted to 67 MSEK (67).

The order backlog amounted to 1,238 MSEK (1,392). The order backlog for the renovation segment amounted to 991 MSEK (1,038) and the order backlog for the new build segment amounted to 247 MSEK (354).

Adjusted operating profit (EBITA) amounted to -3 MSEK (16), corresponding to an adjusted operating margin of -0.9 percent (5.0).

Items affecting comparability of -31 MSEK (-3) were taken in the quarter linked to implemented and decided structural measures in the form of restructuring of the organization and the closure and relocation of a production unit in Sweden.

Net financial items amounted to -4 MSEK (-9), of which -0.4 MSEK (-0.4) relates to interest expenses linked to rights of use (leases).

Profit after tax amounted to -30 MSEK (2). Adjusted profit after tax amounted to -5 MSEK (5). Earnings per share amounted to -1.31 SEK (0.00). Adjusted earnings per share amounted to -0.24 SEK (0.11).

Operating cash flow amounted to 1 MSEK (34). The phases of the projects and building permit processes affect the cash flow between quarters.

Cash flow from operating activities before changes in working capital amounted to -25 MSEK (7) and cash flow from operating activities after changes in working capital amounted to -45 MSEK (13).

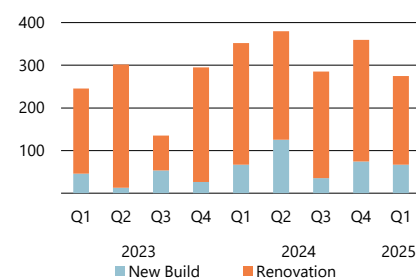
Cash flow from investing activities amounted to -16 MSEK (-82), of which -2 MSEK (-2) was replacement investments, -4 MSEK (0) was expansion investments, -12 MSEK (0) reduction of long-term liabilities and 0 MSEK (-80) acquisition of shares in subsidiaries.

Cash flow from financing activities amounted to -19 MSEK (118) with the largest item relating to reduced (increased) utilization of the revolving credit facilities.

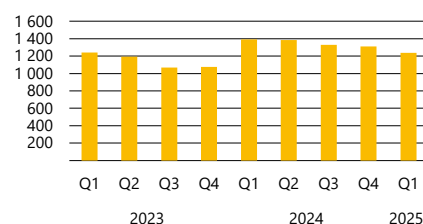
Cash flow for the quarter amounted to -81 MSEK (50).

Depreciation/amortization amounted to -12 MSEK (-13), of which -5 MSEK (-5) relates to depreciation related to rights of use (leasing) and -1 MSEK (-2) relates to amortization of acquired intangible assets.

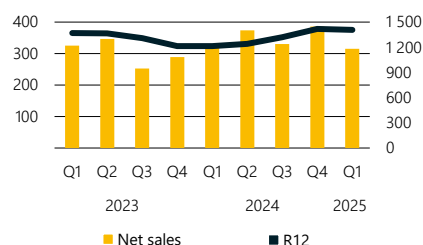
Order intake per segment, MSEK



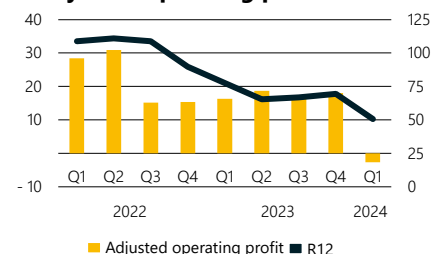
Order backlog, MSEK



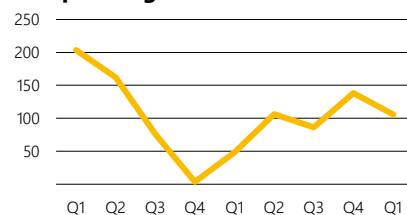
Net sales, MSEK



Adjusted operating profit, MSEK



Operating cash flow R12, MSEK



## Net sales per geographic market, MSEK

	Jan-Mar 2025	Jan-Mar 2024	Apr-Mar 2024/25	Jan-Dec 2024
Sweden	135,7	132,1	609,9	606,3
Other Nordics	142,5	162,3	639,4	659,2
Other Europe	37,6	32,0	158,0	152,4
<b>Total net sales</b>	<b>315,9</b>	<b>326,4</b>	<b>1 407,3</b>	<b>1 417,9</b>

## Financial position

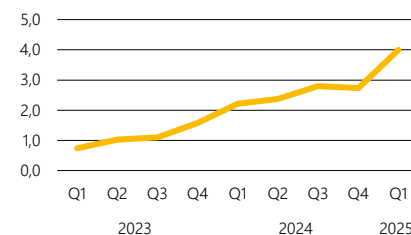
Interest-bearing net debt including lease liabilities amounted to 355 MSEK (377). Interest-bearing net debt including lease liabilities in relation to adjusted EBITDA amounted to 3.9 times (3.2).

Interest-bearing net debt excluding lease liabilities amounted to 285 MSEK (310). Interest-bearing net debt excluding lease liabilities in relation to adjusted EBITDA amounted to 4.0 times (3.2).

The Group's equity amounted to 769 MSEK (801).

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

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



MSEK	31-mar 2025	31-mar 2024	31-dec 2024
Non-current liabilities to credit institutions	349,6	343,5	362,9
Leasing liabilities non-current	50,3	49,4	46,3
Current liabilities to credit institutions	-	15,7	-
Leasing liabilities current	20,0	17,3	16,6
Cash and cash equivalents	-64,7	-49,1	-103,1
<b>Interest-bearing net debt incl leasing debt</b>	<b>355,3</b>	<b>376,7</b>	<b>322,8</b>
<i>Interest-bearing net debt excl leasing debt</i>	<i>284,9</i>	<i>310,1</i>	<i>259,9</i>
Interest-bearing net debt incl. leasing/EBITDA (12 months), times	3,9 x	3,2 x	2,9 x
Interest-bearing net debt excl. leasing/EBITDA (12 months), times	4,0 x	3,2 x	2,8 x
Equity/assets ratio, %	47,2	46,9	48,8

## Personnel

The number of full-time employees in Balco Group amounted to 562 (673) as of the end of March 2025. 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 March 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 company has one (1) series of shares. Each share entitles the owner to one vote at the general meeting. The number of shareholders was 4.686. The five largest shareholders were Familjen Hamrin, Skandrenting AB, Lannebo Kapitalförvaltning, Swedbank Robur fonder and AB Tuna Holding.

## Net sales per customer category, MSEK

	Jan-Mar 2025	Jan-Mar 2024	Apr-Mar 2024/25	Jan-Dec 2024
Tenant-owner associations	200,0	153,7	786,8	740,6
Private landlords	8,5	22,3	71,2	84,9
Publicly owned companies	6,2	12,1	46,9	52,8
Construction companies	101,2	138,3	502,4	539,5
<b>Total net sales</b>	<b>315,9</b>	<b>326,4</b>	<b>1 407,3</b>	<b>1 417,9</b>

# Development per segment

## Renovation

### First quarter

Net sales increased by 6 percent to 236 MSEK (222), corresponding to 75 percent (68) of total net sales.

Order intake amounted to 208 MSEK (285), corresponding to 76 percent (81) of total order intake.

The adjusted operating profit (EBITA) amounted to -5 MSEK (11), entailing an adjusted operating margin of -1.9 percent (4.8).

The order backlog amounted to 991 (1,038), corresponding to 80 percent (75) of the total order backlog.

<b>Renovation, MSEK</b>	<b>Jan-Mar 2025</b>	<b>Jan-Mar 2024</b>	<b>Apr-Mar 2024/25</b>	<b>Jan-Dec 2024</b>
Net sales	236,4	222,0	1 014,6	1 000,2
Adjusted operating profit (EBITA)	-4,6	10,7	40,5	55,8
Adjusted operating margin (EBITA), %	-1,9	4,8	4,0	5,6
Order intake	208,0	284,9	997,3	1 074,2
Order backlog	991,1	1 037,8	991,1	1 044,3

## New build

### First quarter

Net sales amounted to 79 MSEK (104), corresponding to 25 percent (32) of total net sales.

Order intake amounted to 67 MSEK (67), corresponding to 24 percent (19) of total order intake.

The adjusted operating profit (EBITA) amounted to 2 MSEK (6), entailing an adjusted operating margin of 2.8 percent (5.3).

The order backlog amounted to 247 MSEK (354), corresponding to 20 percent (25) of the total order backlog.

<b>New Build, MSEK</b>	<b>Jan-Mar 2025</b>	<b>Jan-Mar 2024</b>	<b>Apr-Mar 2024/25</b>	<b>Jan-Dec 2024</b>
Net sales	79,4	104,4	392,8	417,7
Adjusted operating profit (EBITA)	2,2	5,6	15,2	18,6
Adjusted operating margin (EBITA), %	2,8	5,3	3,9	4,5
Order intake	67,0	67,1	302,5	302,6
Order backlog	246,9	354,4	246,9	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 customers' 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.

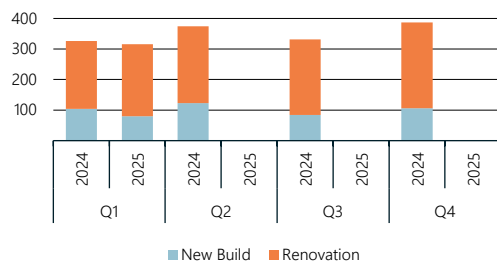
## Segment - Renovation



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.

### Sales development per quarter, MSEK



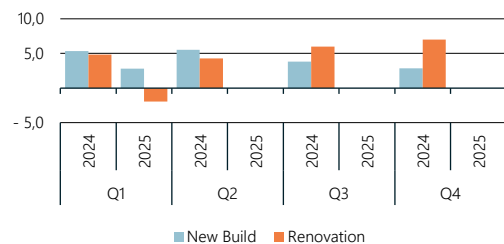
## Segment - New Build



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.

### 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 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

On 8 April, Balco Group AB acquired an additional twenty (20) percent of the shares in Suomen ohutlevyasennus Oy and now owns eighty (80) percent of the company. The purchase was regulated in the original purchase agreement.

The banking agreement with Danske Bank with a sustainability-linked credit facility of 510 MSEK and an overdraft facility of 75 MSEK has been extended until March 31, 2028, with an option for a further two-year extension.

# 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 interim report has not been subject to review according to 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 April 28, 2025.

Växjö, April 28, 2025

Camilla Ekdahl  
President and CEO

## Web conference

A webcast conference call will be held at 14:00 CET on April 28, 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/q1-2025/>

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

Phone: +46 8 5050 0829  
PIN: 876 8494 1841 #

## 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](mailto:michael.grindborn@balco.se)

## Calendar 2025/2026

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 6, 2026



# Consolidated statement of comprehensive income

MSEK	Jan-Mar 2025	Jan-Mar 2024	Apr-Mar 2024/25	Jan-Dec 2024
Net sales	315,9	326,4	1 407,3	1 417,9
Production and project costs	-310,5	-259,1	-1 221,4	-1 170,0
<b>Gross profit</b>	<b>5,3</b>	<b>67,4</b>	<b>185,9</b>	<b>248,0</b>
Sales costs	-27,7	-31,1	-117,5	-120,9
Administration costs	-22,6	-25,7	-92,9	-95,9
Other operating income	9,8	0,4	13,2	3,7
Other operating expenses	-	-0,0	-0,0	-0,0
<b>Operating profit</b>	<b>-35,2</b>	<b>11,0</b>	<b>-11,3</b>	<b>34,8</b>
Finance income	2,3	2,0	4,7	4,5
Finance costs	-6,4	-10,8	-29,9	-34,3
<b>Result before tax</b>	<b>-39,2</b>	<b>2,2</b>	<b>-36,5</b>	<b>5,0</b>
Income tax	9,6	0,1	9,1	-0,4
<b>Net result for the period</b>	<b>-29,6</b>	<b>2,3</b>	<b>-27,4</b>	<b>4,6</b>
Net result attributable to parent company's shareholders	-30,0	-0,1	-28,9	1,1
Net result attributable to non-controlling interest	0,4	2,4	1,5	3,5
<b>Net profit for the period</b>	<b>-29,6</b>	<b>2,3</b>	<b>-27,4</b>	<b>4,6</b>
<b>Other comprehensive income</b>				
<i>Items that may later be reclassified to the income statement</i>				
Translation difference when translating foreign operations	-1,6	6,9	-2,1	6,4
<b>Comprehensive income for the period</b>	<b>-31,2</b>	<b>9,2</b>	<b>-29,5</b>	<b>11,0</b>
Comprehensive income attributable to parent company's shareholders	-31,6	6,8	-31,0	7,5
Comprehensive income attributable to non-controlling interest	0,4	2,4	1,5	3,5
<b>Comprehensive income for the period</b>	<b>-31,2</b>	<b>9,2</b>	<b>-29,5</b>	<b>11,0</b>
Earnings per share, SEK, before dilution	-1,31	-0,00	-1,26	0,05
Earnings per share, SEK, after dilution	-1,31	-0,00	-1,26	0,05
Average number of shares before dilution, thousands	23 021,6	22 766,0	23 021,6	22 957,7
Average number of shares after dilution, thousands	23 021,6	22 766,0	23 021,6	22 957,7

# Consolidated balance sheet in summary

MSEK	31-mar 2025	31-mar 2024	31-dec 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Intangible assets</b>			
Goodwill	512,9	513,0	515,5
Other intangible assets	274,0	283,9	279,9
<b>Total intangible assets</b>	<b>786,9</b>	<b>796,9</b>	<b>795,4</b>
<b>Tangible assets</b>			
Right-to-use assets	68,3	66,3	60,7
Property, plant and equipment	219,6	236,7	229,6
<b>Total tangible assets</b>	<b>288,0</b>	<b>303,0</b>	<b>290,4</b>
Financial assets	1,3	3,6	1,3
Deferred tax assets	8,5	0,5	6,3
<b>Total non-current assets</b>	<b>1 084,7</b>	<b>1 104,0</b>	<b>1 093,3</b>
<b>Current assets</b>			
Inventory	60,5	73,9	64,8
Accounts receivables	157,5	221,2	123,1
Contract assets	222,9	203,6	209,9
Other current receivables	43,6	46,0	38,5
Cash and cash equivalents	23,5	49,1	103,1
<b>Total current assets</b>	<b>508,0</b>	<b>593,7</b>	<b>539,4</b>
<b>TOTAL ASSETS</b>	<b>1 592,6</b>	<b>1 697,8</b>	<b>1 632,7</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	138,1	138,1	138,1
Other capital contributions	450,8	449,9	450,8
Reserves	4,9	18,5	17,9
Retained earnings, incl. profit for year	158,3	190,2	190,0
<b>Equity attributable to Parent Company's shareholders</b>	<b>752,2</b>	<b>796,7</b>	<b>796,8</b>
Non-controlling interest	4,4	4,6	4,2
<b>TOTAL EQUITY</b>	<b>756,6</b>	<b>801,3</b>	<b>801,1</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Liabilities to credit institutions	349,6	343,5	362,9
Leasing liabilities	50,3	49,4	46,3
Other non-current liabilities	12,9	38,4	34,7
Deferred tax liabilities	64,8	71,3	66,9
<b>Total non-current liabilities</b>	<b>477,6</b>	<b>502,5</b>	<b>510,7</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	-	15,7	-
Leasing liabilities	20,0	17,3	16,6
Contract liabilities	47,5	41,1	38,0
Accounts payables	143,4	160,3	145,7
Other current liabilities	147,5	159,5	120,5
<b>Total current liabilities</b>	<b>358,4</b>	<b>393,8</b>	<b>320,9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 592,6</b>	<b>1 697,6</b>	<b>1 632,7</b>

# 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
<b>Opening balance 1 Jan 2024</b>	<b>131,5</b>	<b>406,3</b>	<b>11,6</b>	<b>196,7</b>	<b>1,8</b>	<b>748,0</b>
<b>Comprehensive income for the period</b>						
Profit for the period	-	-	-	-0,1	2,4	2,3
Other comprehensive income for the period	-	-	6,9	-	-	6,9
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>6,9</b>	<b>-0,1</b>	<b>2,4</b>	<b>9,2</b>
Transactions/ acquisitions/ disposals in holdings without c	-	-	-	-	0,4	0,4
<b>Transactions with shareholders:</b>						
New shares issue		43,5	-	-8,1	-	42,1
<b>Total transactions with Company owners</b>	<b>6,7</b>	<b>43,5</b>	<b>-</b>	<b>-8,1</b>	<b>-</b>	<b>42,1</b>
<b>Closing balance 31 Mar 2024</b>	<b>138,1</b>	<b>449,9</b>	<b>18,5</b>	<b>188,6</b>	<b>4,6</b>	<b>799,7</b>
<b>Opening balance 1 Jan 2025</b>	<b>138,1</b>	<b>450,8</b>	<b>17,9</b>	<b>190,0</b>	<b>4,2</b>	<b>801,1</b>
<b>Comprehensive income for the period</b>						
Profit for the period	-	-	-	-31,7	0,4	-31,3
Other comprehensive income for the period	-	-	-13,0	-	-0,2	-13,2
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-13,0</b>	<b>-31,7</b>	<b>0,2</b>	<b>-44,5</b>
<b>Transactions with shareholders:</b>						
<b>Total transactions with Company owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing balance 31 Mar 2025</b>	<b>138,1</b>	<b>450,8</b>	<b>4,9</b>	<b>158,3</b>	<b>4,4</b>	<b>756,6</b>

# Consolidated Cash Flow Statements in summary

MSEK	Jan-Mar 2025	Jan-Mar 2024	Apr-Mar 2024/25	Jan-Dec 2024
<b>Operating activities</b>				
Operating profit (EBIT)	-35,2	11,0	-11,3	34,8
Adjustment for non-cash items	20,2	5,4	47,4	32,6
Interest received	0,9	1,0	3,5	3,6
Interest paid	-6,1	-5,8	-28,9	-28,7
Income tax paid	-5,4	-4,3	-7,1	-6,1
<b>Cash flow from operating activities before changes in working capital</b>	<b>-25,5</b>	<b>7,2</b>	<b>3,5</b>	<b>36,2</b>
<b>Changes in working capital</b>				
Increase (-)/Decrease (+) in inventories	3,2	-4,7	12,2	4,2
Increase (-)/Decrease (+) in current assets	-47,4	-17,7	41,9	71,6
Increase (+)/Decrease (-) in current liabilities	24,4	28,4	-30,7	-26,7
<b>Cash flow from operating activities</b>	<b>-45,2</b>	<b>13,2</b>	<b>26,9</b>	<b>85,3</b>
<b>Cash flow from investing activities</b>				
Investments in intangible fixed assets	-3,8	-0,9	-9,1	-6,3
Investments in tangible fixed assets	-1,3	-1,4	-6,7	-6,8
Acquisitions of operations	-	-79,7	-1,1	-80,8
Changes in other non-current assets/liabilities	-11,7	-	-13,5	-1,8
<b>Cash flow from investing activities</b>	<b>-16,7</b>	<b>-82,0</b>	<b>-30,4</b>	<b>-95,7</b>
<b>Cash flow from financing activities</b>				
Changes in bank loans	-13,4	123,5	-4,0	132,8
Changes in leasing	-5,8	-5,1	-20,2	-19,5
New warrants issue	-	-	0,9	0,9
Distributed dividend to non-controlling interest	-	-	-1,2	-1,2
<b>Cash flow from financing activities</b>	<b>-19,1</b>	<b>118,4</b>	<b>-24,5</b>	<b>113,1</b>
<b>Cash flow for the period</b>	<b>-81,0</b>	<b>49,6</b>	<b>-27,9</b>	<b>102,7</b>
Cash and cash equivalents at beginning of the period	103,1	2,8	49,1	2,8
Exchange rate differential cash and cash equivalents	1,4	-3,3	2,3	-2,4
<b>Cash and cash equivalents at end of the period</b>	<b>23,5</b>	<b>49,1</b>	<b>23,5</b>	<b>103,1</b>

# Key ratios

<b>MSEK</b>	<b>Jan-Mar 2025</b>	<b>Jan-Mar 2024</b>	<b>Apr-Mar 2024/25</b>	<b>Jan-Dec 2024</b>
Net sales	315,9	326,4	1 407,3	1 417,9
Order intake	275,0	352,0	1 299,8	1 376,8
Order backlog	1 238,0	1 392,2	1 238,0	1 309,3
Gross profit	5,3	67,4	185,9	248,0
Adjusted Gross Profit	33,5	67,4	228,6	262,5
EBITDA	-23,5	24,0	37,4	84,9
Adjusted EBITDA	7,7	27,3	90,0	109,6
Operating profit (EBITA)	-33,8	13,0	-2,0	44,9
Adjusted operating profit (EBITA)	-2,7	16,3	50,6	69,6
Operating profit (EBIT)	-35,2	11,0	-11,3	34,8
Adjusted operating profit (EBIT)	-4,0	14,2	41,3	59,5
Gross profit margin, %	1,7	20,6	13,2	17,5
Adjusted gross margin, %	10,6	20,6	16,2	18,5
EBITDA margin, %	-7,4	7,4	2,7	6,0
Adjusted EBITDA margin, %	2,4	8,4	6,4	7,7
Operating profit margin (EBITA), %	-10,7	4,0	-0,2	3,3
Adjusted operating profit margin (EBITA), %	-0,9	5,0	4,1	5,3
Operating profit margin (EBIT), %	-11,1	3,4	-0,8	2,5
Adjusted operating profit margin (EBIT), %	-1,3	4,4	2,9	4,2
Operating cash flow	1,2	34,1	105,6	138,5
Operating cash conversion, %	16,2	124,9	117,4	126,3
Capital employed, R12	1 139,1	1 029,7	1 139,1	1 145,2
Capital employed, excl. goodwill, R12	624,8	537,4	624,8	631,0
Equity	752,2	796,7	752,2	796,8
Interest-bearing net debt incl leasing debt	355,3	376,7	355,3	322,8
Interest-bearing net debt excl leasing debt	284,9	310,1	284,9	259,9
Interest-bearing net debt incl. leasing/Adjusted EBITDA 12 months, times	3,9	3,2	3,9	2,9
Interest-bearing net debt excl. leasing/EBITDA (12 months), times	4,0	3,2	4,0	2,8
Return on capital employed, %, (12 months)	3,6	6,8	3,6	5,2
Return on capital employed, excl. goodwill, %, (12 months)	6,6	13,1	6,6	9,4
Return on invested capital, %, (12 months)	-3,6	4,4	-3,6	0,6
Equity/assets ratio, %	47,2	46,9	47,2	48,8
Number of full-time employees on the closing date	562	673	562	621
Average number of shares before dilution, thousands	23 021,6	22 766,0	23 021,6	22 957,7
Average number of shares after dilution, thousands	23 021,6	22 766,0	23 021,6	22 957,7
Equity per share, SEK	32,67	34,99	32,67	34,71

## Parent Company, income statement in summary

MSEK	Jan-Mar 2025	Jan-Mar 2024	Apr-Mar 2024/25	Jan-Dec 2024
Net sales	6,7	5,9	24,5	23,7
Administrative expenses	-6,4	-4,6	-23,2	-21,4
<b>Operating profit</b>	<b>0,3</b>	<b>1,3</b>	<b>1,3</b>	<b>2,3</b>
Interest income and similar profit/loss items	4,9	2,8	13,8	11,7
Interest expenses and similar profit/loss items	-4,3	-9,1	-24,1	-28,9
Dividend / result from group company	-	-	264,2	264,2
<b>Profit/loss after financial items</b>	<b>0,9</b>	<b>-4,9</b>	<b>255,1</b>	<b>249,3</b>
Appropriations	-	-	33,8	33,8
Tax	-0,2	1,0	-5,0	-3,8
<b>Net profit/loss for the period</b>	<b>0,7</b>	<b>-3,9</b>	<b>283,9</b>	<b>279,2</b>

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-mar 2025	31-mar 2024	31-dec 2024
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Financial assets</b>			
Shares in group companies	1 057,0	1 639,9	1 066,6
Other non-current assets	4,5	3,4	4,5
<b>Total non-current assets</b>	<b>1 061,5</b>	<b>1 643,3</b>	<b>1 071,0</b>
<b>Current assets</b>			
Receivables from group companies	211,1	52,8	177,5
Other current receivables	10,5	9,6	8,3
Cash and cash equivalents	18,4	29,4	97,7
<b>Total current assets</b>	<b>240,0</b>	<b>91,8</b>	<b>283,5</b>
<b>TOTAL ASSETS</b>	<b>1 301,5</b>	<b>1 735,2</b>	<b>1 354,6</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Restricted equity	138,1	138,1	138,1
Non-restricted equity	699,9	415,1	699,2
<b>Total equity</b>	<b>838,1</b>	<b>553,2</b>	<b>837,3</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Liabilities to credit institutions	350,0	276,8	350,0
Other non-current liabilities	14,2	32,2	34,9
<b>Total non-current liabilities</b>	<b>364,2</b>	<b>309,0</b>	<b>384,9</b>
<b>Current liabilities</b>			
Liabilities to group companies	77,5	843,6	110,0
Other current liabilities	21,8	29,4	22,4
<b>Total current liabilities</b>	<b>99,2</b>	<b>873,0</b>	<b>132,4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 301,5</b>	<b>1 735,2</b>	<b>1 354,6</b>



# 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 1-8 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.

Jan-Mar MSEK	Renovation		New Build		Group-wide		Eliminations		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Net sales – External revenue	236,4	222,0	79,4	104,4	-	-	-	-	315,9	326,4
Net sales – Internal revenue	-	-	-	-	6,7	5,9	-6,7	-5,9	-	-
<b>Total sales</b>	<b>236,4</b>	<b>222,0</b>	<b>79,4</b>	<b>104,4</b>	<b>6,7</b>	<b>5,9</b>	<b>-6,7</b>	<b>-5,9</b>	<b>315,9</b>	<b>326,4</b>
<b>Operating profit (EBIT)</b>	<b>-30,9</b>	<b>8,7</b>	<b>-3,7</b>	<b>5,6</b>	<b>-0,5</b>	<b>-3,3</b>	-	-	<b>-35,2</b>	<b>11,0</b>
Depreciation included with	9,2	11,1	2,4	2,0	-	-	-	-	11,7	13,1
of which amortization	1,3	2,1	0,1	-	-	-	-	-	1,3	2,1
Items affecting comparison	25,1	-	5,9	-	0,2	3,3	-	-	31,1	3,3
<b>Adjusted operating profit (EBITA)</b>	<b>-4,6</b>	<b>10,7</b>	<b>2,2</b>	<b>5,6</b>	<b>-0,3</b>	-	-	-	<b>-2,7</b>	<b>16,3</b>
Adjusted operating margin	-1,9%	4,8%	2,8%	5,3%					-0,9%	5,0%
Operating profit (EBIT)	-30,9	8,7	-3,7	5,6	-0,5	-3,3	-	-	-35,2	11,0
Finance income	-	-	-	-	2,3	2,0	-	-	2,3	2,0
Finance cost	-	-	-	-	-6,4	-10,8	-	-	-6,4	-10,8
<b>Profit before tax</b>	<b>-30,9</b>	<b>8,7</b>	<b>-3,7</b>	<b>5,6</b>	<b>-4,6</b>	<b>-12,0</b>	-	-	<b>-39,2</b>	<b>2,2</b>

### 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-mar 2025	31-mar 2024	31-dec 2024
<b>Interest-bearing net debt incl leasing debt</b>			
Non-current interest-bearing liabilities	399,9	392,9	409,2
Current interest-bearing liabilities	20,0	32,9	16,6
Cash and cash equivalents	-64,7	-49,1	-103,1
<b>Interest-bearing net debt incl leasing debt</b>	<b>355,3</b>	<b>376,7</b>	<b>322,8</b>
Adjusted EBITDA (R12)	90,0	116,2	109,6
<b>Interest-bearing net debt/EBITDA (R12), times</b>	<b>3,9</b>	<b>3,2</b>	<b>2,9</b>
<b>Interest-bearing net debt excl leasing debt</b>			
Interest-bearing net debt incl leasing debt	355,3	376,7	322,8
Leasing liabilities non-current	-50,3	-49,4	-46,3
Leasing liabilities current	-20,0	-17,3	-16,6
<b>Interest-bearing net debt excl leasing debt</b>	<b>284,9</b>	<b>310,1</b>	<b>259,9</b>
<b>Interest-bearing net debt/EBITDA excl leasing (R12), times</b>			
Adjusted EBITDA (R12)	90,0	116,2	109,6
Leasing depreciations (R12)	-18,7	-19,1	-18,4
Adjusted EBITDA (R12) excl leasing depreciations	71,3	97,1	91,2
<b>Interest-bearing net debt/EBITDA excl leasing (R12), times</b>	<b>4,0</b>	<b>3,2</b>	<b>2,8</b>
<b>Return on capital employed</b>			
Equity	752,2	796,7	796,8
Interest-bearing net debt	355,3	376,7	322,8
Average capital employed	1 161,1	1 052,4	1 053,7
Adjusted operating profit (EBIT), (R12)	41,3	70,4	59,5
<b>Return on capital employed, %</b>	<b>3,6</b>	<b>6,7</b>	<b>5,6</b>
<b>Equity/assets ratio</b>			
Equity attributable to owners of the parent company	752,2	796,7	796,8
Total assets	1 592,6	1 697,6	1 632,7
<b>Equity/assets ratio, %</b>	<b>47,2</b>	<b>46,9</b>	<b>48,8</b>

MSEK	Jan-Mar 2025	Jan-Mar 2024	Apr-Mar 2024/25	Jan-Dec 2024
<b>Adjusted operating profit (EBIT)</b>				
Operating profit (EBIT)	-35,2	11,0	-11,3	34,8
Items affecting comparison				
Re-structuring costs	30,9	0,1	49,3	18,5
Acquisition costs	0,2	3,1	3,3	6,2
<b>Adjusted operating profit (EBIT)</b>	<b>-4,0</b>	<b>14,2</b>	<b>41,3</b>	<b>59,5</b>
<b>Operating profit (EBITA)</b>				
Operating profit (EBIT)	-35,2	11,0	-11,3	34,8
Amortization	1,3	2,1	9,3	10,1
<b>Operating profit (EBITA)</b>	<b>-33,8</b>	<b>13,0</b>	<b>-2,0</b>	<b>44,9</b>
<b>Adjusted operating profit (EBITA)</b>				
Adjusted operating profit (EBIT)	-4,0	14,2	41,3	59,5
Amortization	1,3	2,1	9,3	10,1
<b>Adjusted operating profit (EBITA)</b>	<b>-2,7</b>	<b>16,3</b>	<b>50,6</b>	<b>69,6</b>
<b>Adjusted net result</b>				
Net result	-29,6	2,3	-27,4	4,6
Items affecting comparison after tax	24,6	2,6	41,5	19,5
<b>Adjusted net result</b>	<b>-5,1</b>	<b>4,9</b>	<b>14,1</b>	<b>24,1</b>
<b>EBITDA</b>				
Operating profit (EBIT)	-35,2	11,0	-11,3	34,8
Depreciation and amortization	11,7	13,1	48,7	50,1
<b>EBITDA</b>	<b>-23,5</b>	<b>24,0</b>	<b>37,4</b>	<b>84,9</b>
<b>Adjusted EBITDA</b>				
Adjusted operating profit (EBIT)	-4,0	14,2	41,3	59,5
Depreciation and amortization	11,7	13,1	48,7	50,1
<b>Adjusted EBITDA</b>	<b>7,7</b>	<b>27,3</b>	<b>90,0</b>	<b>109,6</b>
<b>Investments, excluding expansion investments</b>				
Investments in intangible fixed assets	-3,8	-0,9	-9,1	-6,3
Investments in tangible fixed assets	-1,3	-1,4	-6,7	-6,8
of which expansion investments	1,7	1,9	6,7	6,9
<b>Investments, excluding expansion investments</b>	<b>-3,3</b>	<b>-0,4</b>	<b>-9,2</b>	<b>-6,2</b>
<b>Operating cash flow</b>				
<b>Adjusted EBITDA</b>	7,7	27,3	90,0	109,6
Changes in working capital	-3,1	7,2	24,8	35,1
Investments, excluding expansion investments	-3,3	-0,4	-9,2	-6,2
<b>Operating cash flow</b>	<b>1,2</b>	<b>34,1</b>	<b>105,6</b>	<b>138,5</b>
<b>Net Sales excluding acquisitions</b>				
Net Sales	315,9	326,4	1 407,3	1 417,9
Acquired net sales	-24,6	-100,9	-338,6	-414,9
<b>Net Sales excluding acquisitions</b>	<b>291,3</b>	<b>225,6</b>	<b>1 068,7</b>	<b>1 003,0</b>

# 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
<b>Return on equity</b>	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.
<b>Return on capital employed</b>	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.
<b>Return on capital employed excluding goodwill</b>	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.
<b>Gross income</b>	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.
<b>Gross margin</b>	Gross income as a percentage of net sales.	Ratio is used for analysis of the company's effectiveness and profitability.
<b>EBITDA</b>	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.
<b>Interest-bearing net debt relative to adjusted EBITDA</b>	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.
<b>Adjusted EBITDA</b>	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.
<b>Adjusted EBITDA margin</b>	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.
<b>Adjusted EBIT margin</b>	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.
<b>Adjusted EBIT</b>	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.
<b>Adjusted EBITA margin</b>	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.
<b>Adjusted EBITA</b>	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.
<b>Items affecting comparability</b>	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
<b>Operating cash conversion</b>	Operating cash flow divided by adjusted EBITDA.	Balco believes this is a good measure for comparing cash flow with operating profit.
<b>Operating cash flow</b>	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.
<b>Organic growth</b>	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.
<b>Interest-bearing net deb</b>	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.
<b>Net working capital</b>	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.
<b>EBIT margin</b>	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.
<b>EBIT</b>	Earnings before interest and tax.	Balco believes that EBIT shows the profit generated by the operating activities.
<b>EBITA margin</b>	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.
<b>EBITA</b>	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.
<b>Equity/asset ratio</b>	Equity divided on total assets.	Balco believes that equity to asset ratio is a useful measure for the company's survival.
<b>Capital employed</b>	Equity plus interest-bearing net debt.	Capital employed is used by Balco to indicate the general capital efficiency of the company.
<b>Capital employed excluding goodwill</b>	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.

**562** employees

**7** markets

**1,407** MSEK net sales R12

**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