

Interim Report Q3

JANUARY – SEPTEMBER 2025



Focus on profitability

Third quarter: July - September

- Net sales amounted to 277 MSEK (331)
- Order intake amounted to 222 MSEK (285)
- Order backlog increased by 4 percent to 1,377 MSEK (1,329)
- Adjusted operating profit (EBITA) amounted to 3 MSEK (17)
- Adjusted operating margin amounted to 1,1 percent (5.0)
- Result after tax amounted to -5 MSEK (1)
- Adjusted result after tax amounted to -5 MSEK (5)
- Result per share amounted to -0,23 SEK (-0.03)
- Adjusted result per share amounted to -0,23 (0.14)
- Operating cash flow amounted to 3 MSEK (-1)

The interim period: January– September

- Net sales amounted to 924 MSEK (1,031)
- Order intake amounted to 1,016 MSEK (1,017)
- Adjusted operating profit (EBITA) amounted to 6 MSEK (52)
- Adjusted operating margin amounted to 0,7 percent (5.0)
- Result after tax amounted to -34 MSEK (7)
- Adjusted result after tax amounted to -10 MSEK (18)
- Result per share amounted to -1,53 SEK (0.12)
- Adjusted result per share amounted to -0,46 (0.61)
- Operating cash flow amounted to -26 MSEK (81)

Events during the quarter and after the end of the quarter

- Andreas Lindberg is employed in the newly established position of Director of Business Development & Head of IT Balco Group, starts November 1, 2025.
- Viktor Arvidsson has been hired as the new CFO and Head of Investor Relations, starts Q1-2026.
- Michael Grindborn, CFO and Head of Investor Relations, leaves his employment with the company in connection with the Q3 report.
- Joakim Petersen-Dyggve, CEO of Riikku Rakenteet Oy, leaves his employment on 30 November. Joakim has been a member of Group Management. A successor has been recruited, but will not initially be part of the Group Management.
- First order taken in Germany with glazing system from Riikku.

MSEK	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Oct-Sep 2024/25	Jan-Dec 2024
Net sales	276,8	331,0	923,8	1 031,5	1 310,2	1 417,9
Order intake	221,8	285,5	1 016,2	1 017,2	1 375,8	1 376,8
Order backlog	1 376,7	1 328,8	1 376,7	1 328,8	1 376,7	1 309,3
Adjusted operating profit (EBITA)	2,9	16,6	6,4	51,5	24,4	69,6
Adjusted operating margin (EBITA), %	1,1	5,0	0,7	5,0	1,9	4,9
Net result for the period	-4,8	0,9	-34,2	6,7	-36,4	4,6
Adjusted net result after tax	-4,8	4,9	-9,6	18,0	-3,5	24,1
Operating cash flow	3,3	-1,4	-25,5	80,8	32,1	138,5
Earnings per share, SEK before dilution	-0,23	-0,03	-1,53	0,12	-1,61	0,05
Earnings per share, SEK, after dilution	-0,23	-0,03	-1,53	0,12	-1,61	0,05
Adjusted earnings per share, SEK, before and after dilution	-0,23	0,14	-0,46	0,61	-0,18	0,89

"First order taken in Germany with the Finnish brand Riikku"

"Balco Group strengthens Group Management in the strategic work with our brands and offerings with Andreas Lindberg taking up the newly established position as Head of Business Development "

- Camilla Ekdahl, President and CEO

Focus on profitability

Order intake for the quarter is slightly lower than in the corresponding period last year, but the positive trend remains. The last two quarters together show an increase of 11 per cent.

The Swedish balcony market continues to show an increased level of activity. A few projects in our pipeline have been postponed for decision during the quarter, but interest from customers remains. We therefore see good conditions for these projects to make a positive contribution to order intake at the end of the year.

An important step forward during the quarter is that Balco has received its first orders in Germany with glazing systems from our Finnish balcony company, Riikku. This marks a strategic step in our ambition to broaden the product portfolio and strengthen our position in the German market. By complementing the premium Balco brand with Riikku's glazing solutions, we will be able to reach new customer segments and increase our market penetration.

To further strengthen the strategic work with our brands and offerings across company and market boundaries, Balco Group has recruited Andreas Lindberg to the newly established role of Business Development Manager & Head of IT for the Group. Andreas has a long and broad experience from senior positions in industry, sales and business development.

Sales in the quarter continued to be affected by the delays we had for the start-up of projects earlier this year, which affected both earnings and cash flow in the period. Some of these projects were able to start at the end of the quarter but have not had time to have a positive effect on the quarter's earnings.

The structural measures launched earlier in the year have continued to be implemented according to plan. We now see that the cost reductions are starting to have an effect, even though profitability has not yet reached a satisfactory level as sales during the quarter have been too low. The work to streamline and optimize operations continues unabated, with the aim of creating a long-term stable and profitable foundation for the Group's growth.

Market situation

The trend of increased activity in the Swedish renovation market is continuing. Several projects, which have been dormant for some time, have been brought back to the fore and taken up for further discussions and planning. This is a positive sign of a gradually improving market in the segment. For the new construction market in Sweden, the situation remains strained, but we note a slight increase in the number of incoming inquiries in both the balcony and façade segments. This development indicates a growing interest in starting new projects.

In the Norwegian market, we are continuing to work on a number of major interesting renovation projects. However, the new production market in Norway remains weak, and Balco is therefore not prioritizing actively working with resources at this time.

The Danish balcony market remains challenging. Inquiries and projects exist, but the long decision-making processes in both tenant-owner associations and authorities have a negative impact on operations. The work to strengthen efficiency and profitability continues.

In Finland, the recovery is taking place at a slower pace than in Sweden, which affects our Finnish companies in both renovation and new construction. At the same time, there remains a significant need for renovation measures, in particular with regard to the external building envelope of buildings and the replacement of older glazing systems. This provides good conditions for future growth, especially in the renovation segment.

Outlook

Our assessment is that the trend of an incipient recovery in the renovation market will continue, and that activity will gradually strengthen in the coming quarters. However, we believe that the recovery in the new production segment will take longer.

Profitability is not at a satisfactory level, which means that our focus continues to be on implementing and following up on profitability improvement measures. At the same time, we maintain a readiness to quickly meet increasing demand when the market strengthens further.

In conclusion, I would like to extend a warm thank you to Michael Grindborn for his efforts and commitment during his time as CFO of Balco Group. At the same time, we welcome Viktor Arvidsson as the new CFO. Viktor's experience from listed and manufacturing companies makes him a valuable addition to Balco Group's Group Management going forward.

Camilla Ekdahl

President and CEO

Group development

The third quarter: July – September

Net sales amounted to 277 MSEK (331). Organic growth was -13 percent and currency effect was -3 percent. Net sales increased in the rest of Europe, but decreased in Norway, Sweden, Denmark and Finland.

Net sales for the renovation segment amounted to 206 MSEK (247) and net sales for the new build segment amounted to 70 MSEK (84).

Order intake amounted to 222 MSEK (285). Order intake for the renovation segment amounted to 188 MSEK (250) and order intake for the new build segment amounted to 33 MSEK (35).

The order backlog increased by 4 percent to 1,377 MSEK (1,329). The order backlog for the renovation segment increased to 1,107 MSEK (1,034) and the order backlog for the new build segment amounted to 269 MSEK (294).

Adjusted operating profit (EBITA) amounted to 3 MSEK (17), corresponding to an adjusted operating margin of 1,1 percent (5.0).

Items affecting comparability of 0 MSEK (-5) were taken in the quarter linked to acquisition costs.

Net financial items amounted to -8 MSEK (-9), of which -0.4 MSEK (-0.3) relates to interest expenses linked to rights of use (leases). Interest expenses of -7 MSEK (-6).

Profit after tax amounted to -5 MSEK (1). Adjusted profit after tax amounted to -5 MSEK (5). Earnings per share amounted to -0,23 SEK (-0.03). Adjusted earnings per share amounted to -0,23 SEK (0.14).

Operating cash flow amounted to 3 MSEK (-1). The phases of the projects affect the cash flow between quarters.

Cash flow from operating activities before changes in working capital amounted to 2 MSEK (10) and cash flow from operating activities after changes in working capital amounted to -9 MSEK (-20).

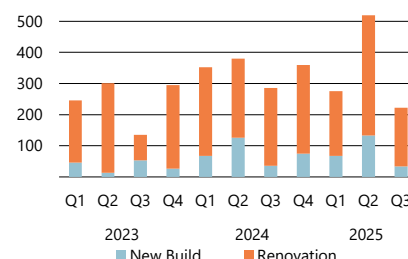
Cash flow from investing activities amounted to 0 MSEK (-2), of which 0 MSEK (0) was replacement investments and 0 MSEK (-2) expansion investments.

Cash flow from financing activities amounted to 44 MSEK (-19) with the largest item relating to increased utilization of the revolving credit facility.

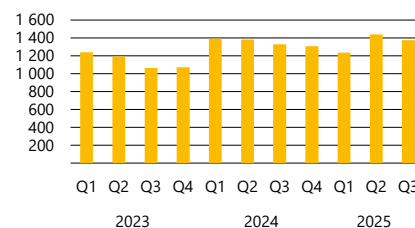
Cash flow for the quarter amounted to 34 MSEK (-41).

Depreciation/amortization amounted to -11 MSEK (-13), of which -6 MSEK (-5) relates to depreciation related to rights of use (lease) and -1 MSEK (-2) relates to amortization of acquired intangible assets.

Order intake per segment, MSEK



Order backlog, MSEK



Net sales per geographic market, MSEK

	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Oct-Sep 2024/25	Jan-Dec 2024
Sweden	121,0	137,8	404,0	439,8	570,5	606,3
Other Nordics	109,4	165,2	387,7	489,9	557,1	659,2
Other Europe	46,3	28,1	132,1	101,8	182,7	152,4
Total net sales	276,8	331,0	923,8	1 031,5	1 310,2	1 417,9

The interim period: January – September

Net sales amounted to 924 MSEK (1,031). Acquired growth was 2 percent, currency effect was -3 percent, and organic growth was -9 percent. Net sales increased in the rest of Europe but decreased in Norway, Sweden, Denmark and Finland.

Net sales for the renovation segment amounted to 696 MSEK (719) and net sales for the new build segment increased to 228 MSEK (312).

Order intake amounted to 1,016 MSEK (1,017). Order intake for the renovation segment amounted to 782 MSEK (789) and order intake for the new build segment amounted to 234 MSEK (228).

Adjusted operating profit (EBITA) amounted to 6 MSEK (52), corresponding to an adjusted operating margin of 0,7 percent (5.0).

Items affecting the comparability of -31 MSEK (-14) have been taken this year related to the restructuring of the organization.

Net financial items amounted to -17 MSEK (-21), of which -1,3 MSEK (-1.2) relates to interest expenses linked to rights of use (leases). Interest expenses of -17 MSEK (-17).

Profit after tax amounted to -34 MSEK (7). Adjusted profit after tax amounted to -10 MSEK (18). Earnings per share amounted to -1,53 SEK (0.12). Adjusted earnings per share amounted to -0,46 SEK (0.61).

Operating cash flow amounted to -26 MSEK (81).

Cash flow from operating activities before changes in working capital amounted to -27 MSEK (21) and cash flow from operating activities after changes in working capital amounted to -103 MSEK (32).

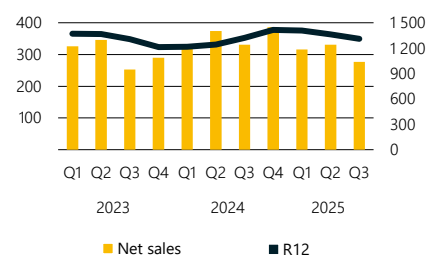
Cash flow from investing activities amounted to -48 MSEK (-87), of which -4 MSEK (-1) was replacement investments and -12 MSEK (-5) expansion investments mainly related to product development, -12 MSEK (-1) reduction of long-term liabilities and -20 MSEK (-81) acquisition of shares in subsidiaries.

Cash flow from financing activities amounted to 96 MSEK (93) with the largest item relating to increased utilization of the revolving credit facility.

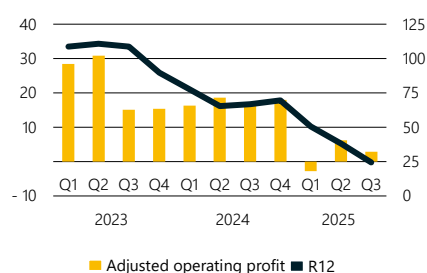
Cash flow for the full year amounted to -55 MSEK (38).

Depreciation/amortization amounted to -34 MSEK (-39), of which -16 MSEK (-14) relates to depreciation related to rights of use (lease) and -3 MSEK (-7) relates to amortization of acquired intangible assets.

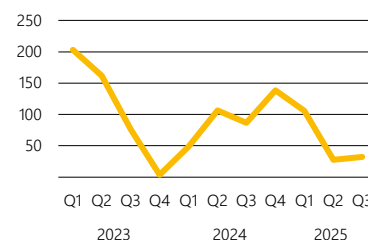
Net sales, MSEK



Adjusted operating profit, MSEK



Operating cash flow R12, MSEK



Net sales per customer category, MSEK

	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Oct-Sep 2024/25	Jan-Dec 2024
Tenant-owner associations	153,9	180,6	547,8	528,8	759,6	740,6
Private landlords	9,2	20,1	28,5	67,1	46,3	84,9
Publicly owned companies	9,2	14,4	20,7	38,6	35,0	52,8
Construction companies	104,4	116,0	326,8	397,0	469,4	539,5
Total net sales	276,8	331,0	923,8	1 031,5	1 310,2	1 417,9

Financial position

Interest-bearing net debt including lease liabilities at the end of the interim period amounted to 436 MSEK (302). Interest-bearing net debt including lease liabilities in relation to adjusted EBITDA amounted to 6.8 times (2.8).

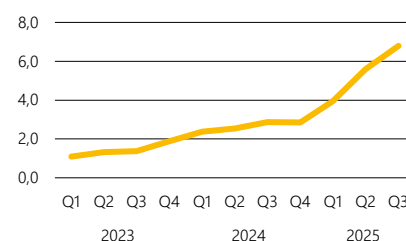
A waiver with the bank was obtained in June that is valid until the end of the year. The covenants are well within this agreement.

At the end of the half-year period, the Group's equity amounted to 744 MSEK (791).

The Group's equity/assets ratio was 44 percent (49).

MSEK	30-sep 2025	30-sep 2024	31-dec 2024
Non-current liabilities to credit institutions	474,2	337,0	362,9
Leasing liabilities non-current	46,7	48,1	46,3
Current liabilities to credit institutions	-	-	-
Leasing liabilities current	17,2	13,1	16,6
Cash and cash equivalents	-102,1	-96,1	-147,8
Interest-bearing net debt incl leasing debt	436,0	302,2	278,0
Interest-bearing net debt incl. leasing/EBITDA (12 months), times	6,8 x	2,8 x	2,5 x
Equity/assets ratio, %	43,8	48,6	48,6

External interest-bearing net debt In relation to EBITDA



Equity/assets ratio

44 %

Personnel

The number of full-time employees in Balco Group amounted to 555 (631). 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 September 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 four largest shareholders were Familjen Hamrin, Skandrenting AB, Swedbank Robur fonder and AB Tuna Holding.

Development by segment

Renovation

Third quarter

Net sales amounted to 206 MSEK (247), corresponding to 75 percent (75) of total net sales.

Order intake amounted to 188 MSEK (250), corresponding to 85 percent (88) of total order intake.

The adjusted operating profit (EBITA) amounted to 2 MSEK (15), entailing an adjusted operating margin of 1.2 percent (6.0).

The interim period

Net sales amounted to 696 MSEK (719), corresponding to 75 percent (76) of total net sales.

Order intake amounted to 782 MSEK (789), corresponding to 77 percent (75) of total order intake.

The adjusted operating profit (EBITA) amounted to 4 MSEK (36), entailing an adjusted operating margin of 0.6 percent (5.0).

The order backlog increased by 7 percent to 1,107 (1,034), corresponding to 80 percent (78) of the total order backlog.

Renovation, MSEK	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Oct-Sep 2024/25	Jan-Dec 2024
Net sales	206,4	246,6	696,0	719,5	976,7	1 000,2
Adjusted operating profit (EBITA)	2,4	14,8	3,9	36,2	23,5	55,8
Adjusted operating margin (EBITA), %	1,2	6,0	0,6	5,0	2,4	5,6
Order intake	188,4	250,0	782,5	789,1	1 067,6	1 074,2
Order backlog	1 107,5	1 034,4	1 107,5	1 034,4	1 107,5	1 044,3

New build

Third quarter

Net sales amounted to 70 MSEK (84), corresponding to 25 percent (25) of total net sales.

Order intake amounted to 33 MSEK (35), corresponding to 15 percent (12) of total order intake.

The adjusted operating profit (EBITA) amounted to 1 MSEK (3), entailing an adjusted operating margin of 1.0 percent (3.8).

The interim period

Net sales amounted to 228 MSEK (312), corresponding to 25 percent (24) of total net sales.

Order intake increased by 2 percent to 234 MSEK (228), corresponding to 23 percent (25) of total order intake.

The adjusted operating profit (EBITA) amounted to 4 MSEK (16), entailing an adjusted operating margin of 1.6 percent (5.0).

The order backlog amounted to 269 MSEK (294), corresponding to 20 percent (22) of the total order backlog.

New Build, MSEK	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Oct-Sep 2024/25	Jan-Dec 2024
Net sales	70,4	84,4	227,8	312,0	333,6	417,7
Adjusted operating profit (EBITA)	0,7	3,2	3,6	15,6	6,6	18,6
Adjusted operating margin (EBITA), %	1,0	3,8	1,6	5,0	2,0	4,5
Order intake	33,4	35,4	233,7	228,1	308,2	302,6
Order backlog	269,2	294,4	269,2	294,4	269,2	265,0

Operations and segment description

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

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

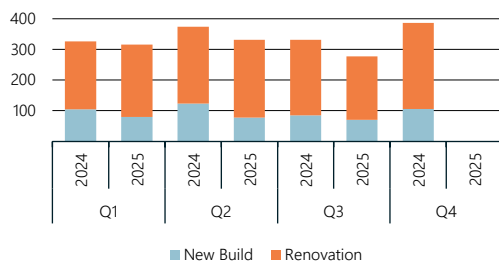
Segment - Renovation



Brf Muraren in Kinna, Sweden

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

Sales development per quarter, MSEK



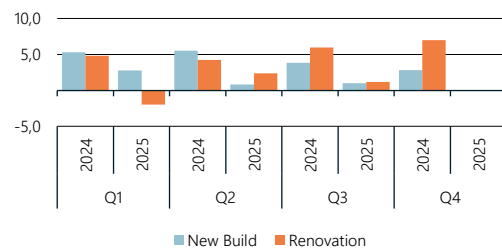
Segment - New Build



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 one long-term incentive program aimed at the company's senior executives and additional key employees, a total of approximately 30 employees. The incentive programs comprise a maximum of 230,000 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 1 MSEK. The programs entail a dilution corresponding to approximately 1 percent of the company's total number of shares. The senior executives of Balco have acquired 60,000 warrants amounting to a total value of 248,400 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.

Our assessment is that the trend of an incipient recovery in the renovation market will continue, and that activity will gradually strengthen in the coming quarters. However, we believe that the recovery in the new production segment will take longer. Profitability is not at a satisfactory level, which means that our focus continues to be on implementing and following up on profitability improvement measures.

Events during the quarter and after the end of the quarter

- Andreas Lindberg is employed in the newly established position of Director of Business Development & Head of IT Balco Group, starts November 1, 2025.
- Viktor Arvidsson has been hired as the new CFO and Head of Investor Relations, starts Q1-2026.
- Michael Grindborn, CFO and Head of Investor Relations, leaves his employment with the company in connection with the Q3 report.
- Joakim Petersen-Dyggve, CEO of Riikku Rakenteet Oy, leaves his employment on 30 November. Joakim has been a member of Group Management. A successor has been recruited, but will not initially be part of the Group Management.
- First order taken in Germany with glazing system from Riikku.

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 been subject to a review of ISRE 2410 by the company's auditors.

This information comprises such information as Balco Group AB is obliged to publish in accordance with the EU Market Abuse Regulation. The information was provided by the contact person below for publication on October 27 2025, at 13:00 CET.

Växjö, October 27, 2025

Camilla Ekdahl
President and CEO

Web conference

A webcast conference call will be held at 14:00 CET on October 27, 2025, where CEO and President Camilla Ekdahl, CFO Michael Grindborn and interim CFO Carin Bengtsson 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/q3-2025/>

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

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

For more information, please contact:

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Carin Bengtsson, interim CFO, Tel: +46 73 412 87 67, carin.bengtsson@balco.se

Calendar 2025/2026

Year-end report 2025..... February 6, 2026

Annual Report 2025..... March 27, 2026

Interim report Jan-Mar 2026..... April 27, 2026

Annual General Meeting 2026..... May 5, 2026

Interim report Jan-Jun 2026..... July 14, 2026

Interim report Jan-Sep 2026..... October 26, 2026

Consolidated statement of comprehensive income

MSEK	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Oct-Sep 2024/25	Jan-Dec 2024
Net sales	276,8	331,0	923,8	1 031,5	1 310,2	1 417,9
Production and project costs	-234,7	-277,5	-821,8	-841,6	-1 150,1	-1 170,0
Gross profit	42,1	53,6	102,0	189,8	160,1	248,0
Sales costs	-21,7	-25,5	-76,9	-89,7	-108,1	-120,9
Administration costs	-18,8	-19,8	-64,2	-72,4	-87,7	-95,9
Other operating income	0,6	1,2	11,6	2,2	13,1	3,7
Other operating expenses	-	-0,0	-	-0,0	-0,0	-0,0
Operating profit	2,2	9,5	-27,6	29,9	-22,7	34,8
Finance income	1,0	0,4	4,7	2,7	6,5	4,5
Finance costs	-8,7	-9,2	-21,8	-23,8	-32,4	-34,3
Result before tax	-5,5	0,8	-44,7	8,8	-48,6	5,0
Income tax	0,7	0,2	10,4	-2,1	12,1	-0,4
Net result for the period	-4,8	0,9	-34,2	6,7	-36,4	4,6
Net result attributable to parent company's shareholders	-5,4	-0,7	-35,3	2,7	-37,0	1,1
Net result attributable to non-controlling interest	0,6	1,6	1,1	4,0	0,6	3,5
Net profit for the period	-4,8	0,9	-34,2	6,7	-36,4	4,6
Other comprehensive income						
Items that may later be reclassified to the income statement						
Translation difference when translating foreign operations	-2,4	-1,5	-9,7	1,9	-5,2	6,4
Comprehensive income for the period	-7,1	-0,5	-43,9	8,7	-41,6	11,0
Comprehensive income attributable to parent company's shareholders	-7,7	-2,2	-45,0	4,7	-42,2	7,5
Comprehensive income attributable to non-controlling interest	0,6	1,6	1,1	4,0	0,6	3,5
Comprehensive income for the period	-7,1	-0,5	-43,9	8,7	-41,6	11,0
Earnings per share, SEK, before dilution	-0,23	-0,03	-1,53	0,12	-1,61	0,05
Earnings per share, SEK, after dilution	-0,23	-0,03	-1,53	0,12	-1,61	0,05
Average number of shares before dilution, thousands	23 022	23 022	23 022	22 936	23 022	22 958
Average number of shares after dilution, thousands	23 022	23 022	23 022	22 936	23 022	22 958

Consolidated balance sheet in summary

MSEK	30-sep 2025	30-sep 2024	31-dec 2024
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	531,5	515,0	515,5
Other intangible assets	282,1	276,6	279,9
Total intangible assets	813,6	791,6	795,4
Tangible assets			
Right-to-use assets	62,1	59,0	60,7
Property, plant and equipment	213,6	224,6	229,6
Total tangible assets	275,8	283,6	290,4
Financial assets	0,9	3,6	1,3
Deferred tax assets	9,5	0,8	6,3
Total non-current assets	1 099,8	1 079,6	1 093,3
Current assets			
Inventory	61,2	70,7	64,8
Accounts receivables	213,3	179,8	123,1
Contract assets	206,4	197,1	199,7
Other current receivables	62,6	51,5	38,5
Cash and cash equivalents	48,1	39,4	103,1
Total current assets	591,5	538,4	529,2
TOTAL ASSETS	1 691,4	1 618,0	1 622,5
EQUITY AND LIABILITIES			
Equity			
Share capital	138,1	138,1	138,1
Other capital contributions	450,8	450,8	450,8
Reserves	8,2	13,6	17,9
Retained earnings, incl. profit for year	143,0	183,4	181,9
Equity attributable to Parent Company's shareholders	740,1	785,9	788,7
Non-controlling interest	4,4	4,6	4,2
TOTAL EQUITY	744,5	790,5	793,0
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	474,2	337,0	362,9
Leasing liabilities	46,7	48,1	46,3
Other non-current liabilities	12,6	36,6	34,7
Deferred tax liabilities	65,1	67,4	64,8
Total non-current liabilities	598,5	489,1	508,6
Current liabilities			
Liabilities to credit institutions	-	-	-
Leasing liabilities	17,2	13,1	16,6
Contract liabilities	82,8	61,0	38,0
Accounts payables	126,1	147,1	145,7
Other current liabilities	122,3	117,1	120,5
Total current liabilities	348,4	338,3	320,9
TOTAL EQUITY AND LIABILITIES	1 691,4	1 618,0	1 622,5

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 2024	131,5	406,3	11,6	196,7	1,8	748,0
Correction of error from earlier year				-8,1		-8,1
Updated opening balance	131,5	406,3	11,6	188,6	1,8	739,8
Comprehensive income for the period						
Profit for the period	-	-	-	2,7	4,0	6,7
Other comprehensive income for the period	-	-	1,9	-	-	1,9
Total comprehensive income for the period	-	-	1,9	2,7	4,0	8,7
Transactions/ acquisitions/ disposals in holdings without control	-	-	-	-7,9	-1,2	-9,1
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 30 Sep 2024	138,1	450,8	13,6	183,4	4,6	790,5
Opening balance 1 Jan 2025	138,1	450,8	17,9	181,9	4,2	793,0
Comprehensive income for the period						
Profit for the period	-	-	-	-35,3		-35,3
Other comprehensive income for the period	-	-	-9,7	-	1,1	-8,6
Total comprehensive income for the period	-	-	-9,7	-35,3	1,1	-43,9
Transactions/ acquisitions/ disposals in holdings without control	-	-	-	-3,6	-1,0	-4,5
Transactions with shareholders:						
New warrants issue	-	-0,0	-	-	-	-0,0
Total transactions with Company owners	-	-0,0	-	-	-	-0,0
Closing balance 30 Sep 2025	138,1	450,8	8,2	143,0	4,4	744,5

Note: Correction of error refers to incorrect project accounting – percentage of completion revenue recognition for a few projects in 2023. The correction affects the following accounts: Contract assets -10,2 MSEK, Equity -8,1 MSEK, Deferred tax -2,1 MSEK, which has had a corresponding impact on the balance sheet as of December 31, 2024.

Consolidated Cash Flow Statements in summary

MSEK	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Oct-Sep 2024/25	Jan-Dec 2024
Operating activities						
Operating profit (EBIT)	2,2	9,5	-27,6	29,9	-22,7	34,8
Adjustment for non-cash items	11,1	12,5	31,8	22,9	41,5	32,6
Interest received	0,9	0,7	3,5	2,5	4,6	3,6
Interest paid	-8,0	-7,5	-19,8	-20,4	-28,0	-28,7
Income tax paid	-3,8	-5,7	-15,0	-14,3	-6,8	-6,1
Cash flow from operating activities before changes in working capital	2,3	9,5	-27,0	20,6	-11,4	36,2
Changes in working capital						
Increase (-)/Decrease (+) in inventories	-4,2	-0,0	2,8	-2,0	9,0	4,2
Increase (-)/Decrease (+) in current assets	-14,1	22,2	-96,0	18,5	-42,9	71,6
Increase (+)/Decrease (-) in current liabilities	6,7	-51,5	16,8	-5,2	-4,8	-26,7
Cash flow from operating activities	-9,3	-19,8	-103,5	31,9	-50,1	85,3
Cash flow from investing activities						
Investments in intangible fixed assets	-0,2	-1,5	-11,0	-2,5	-14,8	-6,3
Investments in tangible fixed assets	-0,2	-0,5	-4,6	-2,9	-8,6	-6,8
Acquisitions of operations	-	0,3	-20,4	-80,8	-20,4	-80,8
Changes in other non-current assets/liabilities	0,0	-0,4	-11,6	-0,8	-12,6	-1,8
Cash flow from investing activities	-0,5	-2,0	-47,6	-87,0	-56,4	-95,7
Cash flow from financing activities						
Changes in bank loans	50,5	-14,2	112,5	108,3	137,0	132,8
Changes in leasing	-5,9	-4,9	-16,3	-15,1	-20,6	-19,5
New warrants issue	-0,0	0,9	-0,0	0,9	-0,0	0,9
Distributed dividend to non-controlling interest	-0,4	-1,2	-0,4	-1,2	-0,4	-1,2
Cash flow from financing activities	44,2	-19,3	95,8	92,9	116,0	113,1
Cash flow for the period	34,5	-41,2	-55,3	37,8	9,6	102,7
Cash and cash equivalents at beginning of the period	13,8	81,2	103,1	2,8	39,4	2,8
Exchange rate differential cash and cash equivalents	-0,2	-0,7	0,4	-1,2	-0,9	-2,4
Cash and cash equivalents at end of the period	48,1	39,4	48,1	39,4	48,1	103,1

Key ratios

MSEK	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Oct-Sep 2024/25	Jan-Dec 2024
Net sales	276,8	331,0	923,8	1 031,5	1 310,2	1 417,9
Order intake	221,8	285,5	1 016,2	1 017,2	1 375,8	1 376,8
Order backlog	1 376,7	1 328,8	1 376,7	1 328,8	1 376,7	1 309,3
Gross profit	42,1	53,6	102,0	189,8	160,1	248,0
Adjusted Gross Profit	42,1	56,2	130,2	195,8	196,9	262,5
EBITDA	13,6	22,4	6,9	69,4	22,5	84,9
Adjusted EBITDA	13,7	27,4	38,1	83,6	64,1	109,6
Operating profit (EBITA)	2,9	11,6	-24,8	37,3	-17,2	44,9
Adjusted operating profit (EBITA)	2,9	16,6	6,4	51,5	24,4	69,6
Operating profit (EBIT)	2,2	9,5	-27,6	29,9	-22,7	34,8
Adjusted operating profit (EBIT)	2,2	14,5	3,6	44,2	19,0	59,5
Gross profit margin, %	15,2	16,2	11,0	18,4	12,2	17,5
Adjusted gross margin, %	15,2	17,0	14,1	19,0	15,0	18,5
EBITDA margin, %	4,9	6,8	0,7	6,7	1,7	6,0
Adjusted EBITDA margin, %	4,9	8,3	4,1	8,1	4,9	7,7
Operating profit margin (EBITA), %	1,1	3,5	-2,7	3,6	-1,2	3,3
Adjusted operating profit margin (EBITA), %	1,1	5,0	0,7	5,0	1,8	5,3
Operating profit margin (EBIT), %	0,8	2,9	-3,0	2,9	-1,7	2,5
Adjusted operating profit margin (EBIT), %	0,8	4,4	0,4	4,3	1,4	4,2
Operating cash flow	3,3	-1,4	-25,5	80,8	32,1	138,5
Operating cash conversion, %	24,2	-5,1	-66,9	96,6	50,2	126,3
Capital employed, R12	1 179,6	1 106,2	1 179,6	1 106,2	1 179,6	1 137,1
Capital employed, excl. goodwill, R12	656,6	599,5	656,6	599,5	656,6	622,9
Equity	740,1	785,9	740,1	785,9	740,1	788,7
Interest-bearing net debt incl leasing debt	436,0	302,2	436,0	302,2	436,0	278,0
Interest-bearing net debt excl leasing debt	372,1	240,9	372,1	240,9	372,1	215,1
Interest-bearing net debt incl. leasing/Adjusted EBITDA 12 months, times	6,8	2,8	6,8	2,8	6,8	2,5
Interest-bearing net debt excl. leasing/EBITDA (12 months), times	8,6	2,7	8,6	2,7	8,6	2,4
Return on capital employed, %, (12 months)	1,6	5,4	1,6	5,4	1,6	5,7
Return on capital employed, excl. goodwill, %, (12 months)	2,9	9,7	2,9	9,7	2,9	9,6
Return on invested capital, %, (12 months)	-4,9	1,7	-4,9	1,7	-4,9	0,6
Equity/assets ratio, %	43,8	48,6	43,8	48,6	43,8	48,6
Number of full-time employees on the closing date	555	631	555	631	555	621
Average number of shares before dilution, thousands	23 022	23 022	23 022	22 936	23 022	22 958
Average number of shares after dilution, thousands	23 022	23 022	23 022	22 936	23 022	22 958
Equity per share, SEK	32	34	32	34	32	34
Earnings per share, SEK before dilution	-0,23	-0,03	-1,53	0,12	-1,61	0,05
Earnings per share, SEK, after dilution	-0,23	-0,03	-1,53	0,12	-1,61	0,05
Adjusted earnings per share, SEK, before and after dilution	-0,23	0,14	-0,46	0,61	-0,18	0,89

Parent Company, income statement in summary

MSEK	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Oct-Sep 2024/25	Jan-Dec 2024
Net sales	6,8	6,0	20,1	17,8	26,0	23,7
Administrative expenses	-6,4	-4,5	-19,5	-15,4	-25,5	-21,4
Operating profit	0,4	1,4	0,6	2,4	0,5	2,3
Interest income and similar profit/loss items	4,3	3,1	12,7	7,6	16,8	11,7
Interest expenses and similar profit/loss items	-7,9	-5,2	-18,7	-18,2	-29,4	-28,9
Dividend / result from group company	1,4	4,8	1,4	277,5	-11,9	264,2
Profit/loss after financial items	-1,7	4,1	-4,0	269,3	-24,0	249,3
Appropriations	-	-	-	-	33,8	33,8
Tax	0,3	0,1	0,8	1,7	-4,7	-3,8
Net profit/loss for the period	-1,4	4,3	-3,2	271,0	5,0	279,2

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

Parent company, balance sheet in summary

MSEK	30-sep 2025	30-sep 2024	31-dec 2024
ASSETS			
Non-current assets			
Financial assets			
Shares in group companies	1 077,1	1 080,0	1 066,6
Other non-current assets	4,9	3,7	4,5
Total non-current assets	1 082,0	1 083,7	1 071,0
Current assets			
Receivables from group companies	273,3	194,8	177,5
Other current receivables	19,3	17,0	8,3
Cash and cash equivalents	44,6	34,4	97,7
Total current assets	337,3	246,2	283,5
TOTAL ASSETS	1 419,2	1 329,9	1 354,6
EQUITY AND LIABILITIES			
Equity			
Restricted equity	138,1	138,1	138,1
Non-restricted equity	696,1	691,0	699,2
Total equity	834,3	829,1	837,3
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	475,0	324,3	350,0
Other non-current liabilities	15,0	32,2	34,9
Total non-current liabilities	490,0	356,5	384,9
Current liabilities			
Liabilities to group companies	68,3	120,7	110,0
Other current liabilities	26,7	23,7	22,4
Total current liabilities	95,0	144,3	132,4
TOTAL EQUITY AND LIABILITIES	1 419,2	1 329,9	1 354,6

Notes

Note 1 Accounting principles

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

Note 2 Business segments

Balco reports according to the following segments:

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

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

Jul-Sep MSEK	Renovation		New Build		Group-wide		Eliminations		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Net sales – External revenue	206,4	246,6	70,4	84,4	-	-	-	-	276,8	331,0
Net sales – Internal revenue	-	-	-	-	6,8	6,0	-6,8	-6,0	-	-
Total sales	206,4	246,6	70,4	84,4	6,8	6,0	-6,8	-6,0	276,8	331,0
Operating profit (EBIT)	1,7	9,2	0,6	2,4	-0,2	-2,2	-	-	2,2	9,5
Depreciation included with	10,3	9,6	1,2	3,4	-	-	-	-	11,5	13,0
of which amortization	0,7	1,6	0,1	0,5	-	-	-	-	0,7	2,1
Items affecting comparison	-	3,9	-	0,3	0,0	0,7	-	-	0,0	5,0
Adjusted operating profit (EBITA)	2,4	14,8	0,7	3,2	-0,2	-1,4	-	-	2,9	16,6
Adjusted operating margin	1,2%	6,0%	1,0%	3,8%					1,1%	5,0%
Operating profit (EBIT)	1,7	9,2	0,6	2,4	-0,2	-2,2	-	-	2,2	9,5
Finance income	-	-	-	-	1,0	0,4	-	-	1,0	0,4
Finance cost	-	-	-	-	-8,7	-9,2	-	-	-8,7	-9,2
Profit before tax	1,7	9,2	0,6	2,4	-7,9	-10,9	-	-	-5,5	0,8

Jan-Sep MSEK	Renovation		New Build		Group-wide		Eliminations		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Net sales – External revenue	696,0	719,5	227,8	312,0	-	-	-	-	923,8	1 031,5
Net sales – Internal revenue	-	-	-	-	20,1	17,8	-20,1	-17,8	-	-
Total sales	696,0	719,5	227,8	312,0	20,1	17,8	-20,1	-17,8	923,8	1 031,5
Operating profit (EBIT)	-23,8	24,7	-2,4	11,6	-1,3	-6,4	-	-	-27,6	29,9
Depreciation included with	30,0	30,0	4,5	9,5	-	-	-	-	34,5	39,5
of which amortization	2,6	4,2	0,2	3,2	-	-	-	-	2,8	7,4
Items affecting comparison	25,1	7,2	5,9	0,9	0,3	6,1	-	-	31,2	14,2
Adjusted operating profit (EBITA)	3,9	36,2	3,6	15,6	-1,0	-0,2	-	-	6,4	51,5
Adjusted operating margin (EBITA)	0,6%	5,0%	1,6%	5,0%					0,7%	5,0%
Operating profit (EBIT)	-23,8	24,7	-2,4	11,6	-1,3	-6,4	-	-	-27,6	29,9
Finance income	-	-	-	-	4,7	2,7	-	-	4,7	2,7
Finance cost	-	-	-	-	-21,8	-23,8	-	-	-21,8	-23,8
Profit before tax	-23,8	24,7	-2,4	11,6	-18,4	-27,5	-	-	-44,7	8,8

Note 3 Reconciliation with IFRS financial statements

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

MSEK	30-sep 2025	30-sep 2024	31-dec 2024
Interest-bearing net debt incl leasing debt			
Non-current interest-bearing liabilities	520,9	385,1	409,2
Current interest-bearing liabilities	17,2	13,1	16,6
Cash and cash equivalents	-102,1	-96,1	-147,8
Interest-bearing net debt incl leasing debt	436,0	302,2	278,0
Adjusted EBITDA (R12)	64,1	108,2	109,6
Interest-bearing net debt/EBITDA (R12), times	6,8	2,8	2,5
Return on capital employed			
Equity	740,1	794,0	796,8
Interest-bearing net debt	436,0	302,2	278,0
Average capital employed	1 187,4	1 061,9	1 049,6
Adjusted operating profit (EBIT), (R12)	19,0	57,9	59,5
Return on capital employed, %	1,6	5,4	5,7
Equity/assets ratio			
Equity attributable to owners of the parent company	740,1	785,9	788,7
Total assets	1 691,4	1 618,0	1 622,5
Equity/assets ratio, %	43,8	48,6	48,6

MSEK	Jul-Sep 2025	Jul-Sep 2024	Jan-Sep 2025	Jan-Sep 2024	Oct-Sep 2024/25	Jan-Dec 2024
Adjusted operating profit (EBIT)						
Operating profit (EBIT)	2,2	9,5	-27,6	29,9	-22,7	34,8
Items affecting comparison						
Re-structuring costs	-	4,2	30,9	8,1	41,3	18,5
Acquisition costs	0,0	0,7	0,3	6,1	0,3	6,2
Adjusted operating profit (EBIT)	2,2	14,5	3,6	44,2	19,0	59,5
Operating profit (EBITA)	-	-	-	-	-	-
Operating profit (EBIT)	2,2	9,5	-27,6	29,9	-22,7	34,8
Amortization	0,7	2,1	2,8	7,4	5,5	10,1
Operating profit (EBITA)	2,9	11,6	-24,8	37,3	-17,2	44,9
Adjusted operating profit (EBITA)	-	-	-	-	-	-
Adjusted operating profit (EBIT)	2,2	14,5	3,6	44,2	19,0	59,5
Amortization	0,7	2,1	2,8	7,4	5,5	10,1
Adjusted operating profit (EBITA)	2,9	16,6	6,4	51,5	24,4	69,6
Adjusted net result						
Net result	-4,8	0,9	-34,2	6,7	-36,4	4,6
Items affecting comparison after tax	0,0	3,9	24,6	11,3	32,9	19,5
Adjusted net result	-4,8	4,9	-9,6	18,0	-3,5	24,1
EBITDA						
Operating profit (EBIT)	2,2	9,5	-27,6	29,9	-22,7	34,8
Depreciation and amortization	11,5	13,0	34,5	39,5	45,1	50,1
EBITDA	13,6	22,4	6,9	69,4	22,5	84,9
Adjusted EBITDA						
Adjusted operating profit (EBIT)	2,2	14,5	3,6	44,2	19,0	59,5
Depreciation and amortization	11,5	13,0	34,5	39,5	45,1	50,1
Adjusted EBITDA	13,7	27,4	38,1	83,6	64,1	109,6
Investments, excluding expansion investments						
Investments in intangible fixed assets	-0,2	-1,5	-11,0	-2,5	-14,8	-6,3
Investments in tangible fixed assets	-0,2	-0,5	-4,6	-2,9	-8,6	-6,8
of which expansion investments	0,9	1,6	11,6	4,4	14,1	6,9
Investments, excluding expansion investments	0,5	-0,4	-4,1	-1,0	-9,3	-6,2
Operating cash flow						
Adjusted EBITDA	13,7	27,4	38,1	83,6	64,1	109,6
Changes in working capital	-10,8	-28,5	-59,5	-1,8	-22,6	35,1
Investments, excluding expansion investments	0,5	-0,4	-4,1	-1,0	-9,3	-6,2
Operating cash flow	3,3	-1,4	-25,5	80,8	32,1	138,5
Net Sales excluding acquisitions						
Net Sales	276,8	331,0	923,8	1 031,5	1 310,2	1 417,9
Acquired net sales	-	-109,2	-24,6	-315,7	-123,8	-414,9
Net Sales excluding acquisitions	276,8	221,8	899,2	715,8	1 186,4	1 003,0
Adjusted earnings per share						
Net result attributable to parent company's shareholders	-5,4	-0,7	-35,3	2,7	-37,0	1,1
Items affecting comparison after tax	0,0	3,9	24,6	11,3	32,9	19,5
Adjusted earnings per share	-0,23	0,14	-0,46	0,61	-0,18	0,89

Alternative performance measures

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

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

Alternative performance measures	Definition	Reason for use
		over time by excluding items with irregularity in frequency or size. This is to give a more accurate picture of the underlying operating profit.
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.

555 employees

7 markets

1,310 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