

Interim Report Q3

JANUARY – SEPTEMBER 2026



Continued focus on higher margins, increased efficiency and to reduce tied-up capital

Third quarter: July - September

- Net sales amounted to SEK 295 million (277)
- Order intake amounted to SEK 220 million (222)
- Order backlog increased by 14 percent to SEK 1,571 million (1,377)
- Adjusted operating profit (EBITA) amounted to SEK 1 million (3)
- Adjusted operating margin was 0.5 percent (1.1)
- Profit after tax amounted to SEK -74 million (-5)
- Adjusted profit after tax amounted to SEK -4 million (-5)
- Earnings per share amounted to SEK -3.23 (-0.23)
- Adjusted earnings per share amounted to SEK -0.21 (-0.23)
- Operating cash flow amounted to SEK -12 million (3)

Interim period: January - September

- Net sales amounted to SEK 963 million (924)
- Order intake increased by 7 percent to SEK 1,090 million (1,016)
- Adjusted operating profit (EBITA) amounted to SEK 14 million (6)
- Adjusted operating margin was 1.4 percent (0.7)
- Profit after tax amounted to SEK -75 million (-34)
- Adjusted profit after tax amounted to SEK 1 million (-10)
- Earnings per share amounted to SEK -3.33 (-1.53)
- Adjusted earnings per share amounted to SEK 0.01 (-0.46)
- Operating cash flow amounted to SEK -42 million (-26)

Events during the quarter and after the end of the quarter

- Charlotte Mattsson has been appointed as the new CEO. She will take up her position in the first quarter of 2027.
- The Group's workforce has been reduced by just over 60 people, corresponding to just over 10 percent. Production capacity is maintained.
- TBO-Haglinds has been integrated into RK Teknik and Stora Fasad Entreprenad has been integrated into Balco AB.
- Balco has discontinued its local operations in the Netherlands. Balco UK is handling the remaining commitments during a transition period.
- During the quarter, the change process resulted in restructuring costs of SEK 9 million and write-downs of SEK 79 million.
- The property previously owned by TBO-Haglinds was sold, with possession in the fourth quarter.

	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Oct-Sep	Jan-Dec
MSEK	2026	2025	2026	2025	2025/26	2025
Net Sales	294,7	276,8	963,3	923,8	1 334,6	1 295,1
Order intake	220,1	221,8	1 090,5	1 016,2	1 611,4	1 537,1
Order backlog	1 571,3	1 376,7	1 571,3	1 376,7	1 571,3	1 523,3
Adjusted operating profit (EBITA)	1,4	2,9	13,7	6,4	22,6	15,4
Adjusted operating margin (EBITA), %	0,5	1,1	1,4	0,7	1,7	1,2
Net result for the period	-74,0	-4,8	-75,4	-34,2	-76,2	-35,0
Adjusted net result after tax	-4,4	-4,8	1,5	-9,6	0,2	-10,8
Operating cash flow	-11,8	3,3	-41,5	-25,5	83,7	99,7
Earnings per share, SEK before dilution	-3,23	-0,23	-3,33	-1,53	-3,35	-1,55
Earnings per share, SEK after dilution	-3,23	-0,23	-3,33	-1,53	-3,35	-1,55
Adjusted earnings per share, SEK, before and after dilution	-0,21	-0,23	0,01	-0,46	-0,03	-0,50

"Continued focus on higher gross margins, increased efficiency and to reduced tied-up capital."

- Johan Dyberg, acting President and CEO

CEO's statement

During the third quarter, we continued to implement the measures identified in the Group's strategic review that we initiated in the middle of the second quarter. The aim is to strengthen efficiency and create better conditions for long-term profitability growth. The work has included the integration of TBO-Haglinds into RK Teknik and the integration of Stora Fasad Entreprenad into Balco AB. Balco has closed its local operations in the Netherlands and transferred the management of remaining commitments to Balco UK during a transition period. Riikku in Finland has undergone extensive efficiency improvements. The property previously owned by TBO-Haglinds has been sold, with possession taking place during the fourth quarter.

Overall, the Group's workforce has decreased by just over 60 people, corresponding to just over 10 percent. At the same time, we have maintained our production capacity. We are now seeing the first signs that the measures are starting to have an effect. The gross margin has begun to improve, while sales and administrative costs in relation to sales have begun to decrease. We expect the effect of the measures to become clearer during the fourth quarter and beyond.

For the period January to September, sales increased to SEK 963 million (SEK 924 million) and the adjusted gross margin increased to 16.0 percent (14.1 percent). Adjusted EBITA increased to SEK 14 million (SEK 6 million), after adjusting for items affecting comparability of SEK 97 million. During the quarter, the change process resulted in restructuring costs of SEK 9 million and write-downs of SEK 79 million.

We are continuing to review the strategy and will conduct the customary impairment tests of goodwill during the fourth quarter.

The Board of Directors has appointed Charlotte Mattsson as the new CEO. She will take up her position in the first quarter of 2027 and comes from the role of Vice President and General Manager for Northern Europe within the JELD-WEN Group, one of the world's leading manufacturers of doors and windows. I look forward to handing over responsibility to Charlotte in an orderly manner and then continuing to support the company through my work on the Board.

We remain confident in our strong order backlog and in order intake, which are at satisfactory levels. At the same time, we are aware that the global situation may mean that it may take longer for orders to be converted into revenue. We expect a gradual improvement in the Group's operational and financial results as the measures we have taken have an impact. The simplified Group structure frees up resources to focus on our prioritized markets and our core business.

Johan Dyberg

Acting President and CEO

Group development

Third quarter: July – September

Net sales amounted to SEK 295 million (277). Organic growth was +6 percent, and currency effect was +1 percent. Net sales increased primarily in Norway and the maritime segment, while decreased in Finland and the UK.

Net sales for the renovation segment amounted to SEK 226 million (206) and net sales for the new build segment amounted to SEK 68 million (70).

Order intake decreased by 1 percent to SEK 220 million (222). Order intake for the renovation segment decreased to SEK 165 million (188), while order intake for the new build segment increased to SEK 55 million (33).

The order backlog increased by 14 percent to SEK 1,571 million (1,377). The order backlog for the renovation segment amounted to SEK 1,109 million (1,107) and the order backlog for the new build segment increased to SEK 462 million (269).

Adjusted operating profit (EBITA) amounted to SEK 1 million (3), corresponding to an adjusted operating margin of 0.5 percent (1.1).

Items affecting comparability of SEK -88 million (0) were taken in the quarter linked to decided and implemented structural measures in the form of restructuring of the organization. The items affecting comparability include impairment/write-downs of intangible assets in the amount of SEK 52 million, property, plant and equipment in the amount of SEK 19 million and current assets in the amount of SEK 7 million.

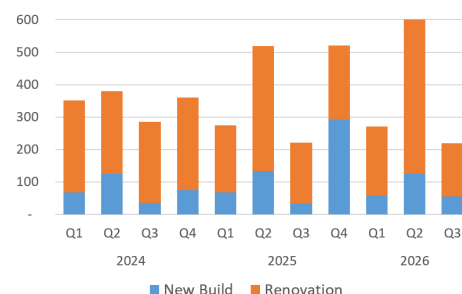
The property, which was previously owned by TBO-Haglinds, has been sold, with possession taking place during the fourth quarter. The property is on the Group's balance sheet in the line Assets held for sale.

Net financial items amounted to SEK -5 million (-8), of which SEK 0 million (0) relates to interest expenses related to rights of use (leases) and SEK +2 million (0) relates to unrealized currency changes. Interest expenses amounted to SEK -7 million (-7).

Profit after tax amounted to SEK -74 million (-5). Adjusted profit after tax amounted to SEK -4 million (-5). Earnings per share amounted to SEK -3.23 (-0.23). Adjusted earnings per share amounted to SEK -0.21 (-0.23).

Operating cash flow amounted to SEK -12 million (3). The timing of building permits and the phases of the projects, as well as the timing of inflow and payment of supplier invoices, affect the quarters.

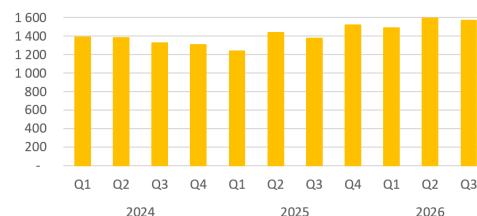
Order intake by segment, MSEK



Order intake
Q3 2026

220 MSEK

Order backlog, MSEK



Net sales by geographic market, MSEK

	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Oct-Sep 2025/26	Jan-Dec 2025
Sweden	120	121	424	404	607	587
Other Nordics	118	109	359	388	488	516
Other Europe	57	46	180	132	240	192
Total net sales	295	277	963	924	1 335	1 295

Interim period: January – September

Net sales amounted to SEK 963 million (924). Organic growth was +4 percent, and currency effect was 0 percent. Net sales increased in Norway, Sweden and the maritime segment, while decreased in Finland.

Net sales for the renovation segment amounted to SEK 729 million (696) and net sales for the new build segment amounted to SEK 234 million (228).

Order intake increased by 7 percent to SEK 1,090 million (1,016). Order intake for the renovation segment increased to SEK 850 million (782) and order intake for the new build segment increased to SEK 240 million (234).

Adjusted operating profit (EBITA) amounted to SEK 14 million (6), corresponding to an adjusted operating margin of 1.4 percent (0.7).

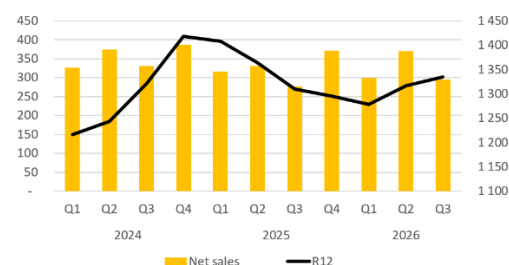
Items affecting comparability of SEK -97 million (-31) were taken this year in connection with the departure of the CEO and decided and implemented structural measures in the form of restructuring of the organization. The items affecting comparability include impairment/write-downs of intangible assets in the amount of SEK 52 million, property, plant and equipment in the amount of SEK 19 million and current assets in the amount of SEK 7 million.

Net financial items amounted to SEK -9 million (-17), of which SEK -1 million (-1) relates to interest expenses related to rights of use (leases) and SEK +13 million (0) relates to unrealized currency fluctuations. Interest expenses amounted to SEK -21 million (-17).

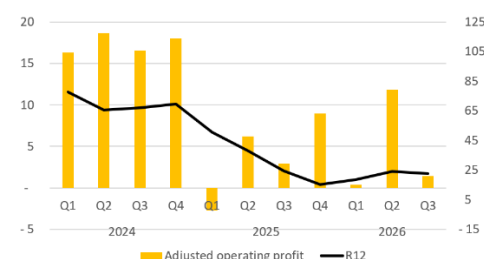
Profit after tax amounted to SEK -75 million (-34). Adjusted profit after tax amounted to SEK 1 million (-10). Earnings per share amounted to SEK -3.33 (-1.53). Adjusted earnings per share amounted to SEK 0.01 (-0.46).

Operating cash flow amounted to SEK -42 million (-26). The timing of building permits and the phases of the projects, as well as the timing of inflow and payment of supplier invoices, affect between periods.

Net sales, MSEK



Adjusted operating profit, MSEK



Operating cash flow R12, MSEK



Net sales by customer category, MSEK

	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Oct-Sep 2025/26	Jan-Dec 2025
Tenant-owner associations	118	154	442	548	679	785
Private landlords	37	9	89	28	104	43
Publicly owned companies	21	9	58	21	68	31
Construction companies	119	104	374	327	484	437
Total net sales	295	277	963	924	1 335	1 295

Financial position

Interest-bearing net debt including lease liabilities at the end of the period amounted to SEK 446 million (436). Interest-bearing net debt including lease liabilities in relation to adjusted EBITDA amounted to 6.7 times (6.8).

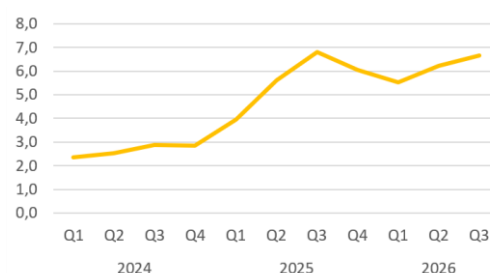
A supplementary agreement was signed earlier this year with the Group's principle bank, which entails time-limited easing of the loan terms and restrictions on dividends until the third quarter of 2027.

At the end of the period, the Group's equity amounted to SEK 668 million (744).

The Group's equity/assets ratio was 43 percent (44).

	30-Sept 2026	30-Sept 2025	31-Dec 2025
MSEK			
Non-current liabilities to credit institutions	464,8	474,2	475,0
Leasing liabilities non-current	40,1	46,7	43,8
Current liabilities to credit institutions	0,2	0,0	0,2
Leasing liabilities current	15,8	17,2	21,1
Cash and cash equivalents	-75,4	-102,1	-190,0
Interest-bearing net debt incl leasing debt	445,7	436,0	350,2
Interest-bearing net debt incl leasing/EBITDA (12 months), times	6,7 x	6,8 x	6,0 x
Equity/assets ratio %	43,1	43,8	42,5

External interest-bearing net debt in relation to EBITDA



Equity/assets ratio

43 %

Personnel

The number of full-time employees in Balco Group amounted to 515 (555) at the end of September 2026. The decrease is due to restructuring measures implemented during the past year.

The parent company

The Parent Company is headquartered in Växjö and conducts operations 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 September 30, 2026, the number of shares in Balco Group AB amounted to 23,021,648 shares, corresponding to a share capital of SEK 138,135,310. 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 4,207. The three largest shareholders were Herenco AB (26%), Ringvågen Venture AB (18%) and AB Tuna Holding (5%).

Development by segment

Renovation

Third quarter

Net sales increased by 10 percent to SEK 226 million (206). The segment accounted for 77 percent (75) of total sales. Order intake decreased by 12 percent to SEK 165 million (188), corresponding to 75 percent (85) of total order intake. Adjusted operating profit (EBITA) amounted to SEK 4 million (2), corresponding to an adjusted operating margin of 1.7 percent (1.2).

Interim period

Net sales increased by 5 percent to SEK 729 million (696). The segment accounted for 76 percent (75) of total sales. Order intake increased by 9 percent to SEK 850 million (782), corresponding to 78 percent (77) of total order intake. Adjusted operating profit (EBITA) amounted to SEK 13 million (4), corresponding to an adjusted operating margin of 1.7 percent (0.6). The order backlog amounted to SEK 1,109 million (1,107), corresponding to 71 percent (80) of the total order backlog.

	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Oct-Sep 2025/26	Jan-Dec 2025
Renovation, MSEK						
Net Sales	226	206	729	696	1019	986
Adjusted operating profit (EBITA)	4	2	13	4	20	11
Adjusted operating margin (EBITA), %	1,7	1,2	1,7	0,6	2,0	1,1
Order intake	165	188	850	782	1 079	1 011
Order backlog	1 109	1 107	1 109	1 107	1 109	1 059

New build

Third quarter

Net sales amounted to SEK 68 million (70). The segment accounted for 23 percent (25) of total sales. Order intake increased by 67 percent to SEK 55 million (33), corresponding to 25 percent (15) of total order intake. Adjusted operating profit (EBITA) amounted to SEK -3 million (1), corresponding to an adjusted operating margin of -3.9 percent (1.0).

Interim period

Net sales amounted to SEK 234 million (228). The segment accounted for 24 percent (25) of total sales. Order intake increased by 3 percent to SEK 240 million (234), corresponding to 22 percent (23) of total order intake. Adjusted operating profit (EBITA) amounted to SEK 0 million (4), corresponding to an adjusted operating margin of 0.1 percent (1.6). The order backlog amounted to SEK 462 million (269), corresponding to 29 percent (20) of the total order backlog.

	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Oct-Sep 2025/26	Jan-Dec 2025
New Build, MSEK						
Net Sales	68	70	234	228	316	309
Adjusted operating profit (EBITA)	-3	1	0	4	2	5
Adjusted operating margin (EBITA), %	-3,9	1,0	0,1	1,6	0,6	1,6
Order intake	55	33	240	234	533	526
Order backlog	462	269	462	269	462	464

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 sale and installation of in-house manufactured open and glazed balcony systems. Balco has a unique method, known as the Balco method, for delivering 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 driver is the pent-up need for renovation and the age profile of the properties. The offer also includes façade renovation.

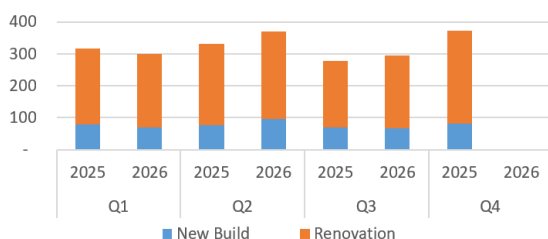
Segment - New build



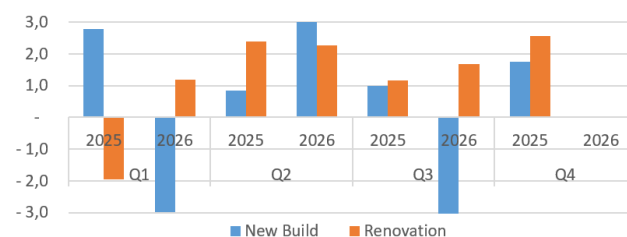
Southwark Park Road in London, UK

The segment includes balconies in the construction of multi-dwelling properties and balcony projects in the maritime market. Demand is driven by the pace of new housing production. The offering also includes façade work in new construction.

Sales development by quarter, MSEK



Operating margin per quarter, %



Sustainability

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

The risk rating according to Sustainalytics' latest survey for Balco Group was 17.5 (17.2), which means that we were among the 5 percent with the lowest risk rating in our industry "Building Products".

Other information

Seasonality

Balco Group'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 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 shareholder, the Hamrin family, which is represented on the Board of Directors by Carl-Mikael Lindholm, and during part of the year also Skandrenting, which was represented on the Board of Directors by Johannes Nyberg. Transactions with related parties are carried out on a market basis. For further information, see the Annual Report 2025 on pages 79 and 99.

Incentive program

Balco Group has a long-term incentive program aimed at the company's senior executives and additional key employees, a total of approximately 30 employees. The incentive program comprises a maximum of 230,000 warrants in total, which entitles the holder to subscribe for a maximum of the corresponding number of shares. Balco Group's total cost for the incentive program during the term of the program is expected to amount to approximately SEK 1 million. The program entails 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 SEK 248,400. The purpose of the incentive programs is to encourage broad share ownership among Balco Group's employees, facilitate recruitment, retain competent employees and increase the motivation to achieve or exceed the company's financial targets. For more information, see the Annual Report 2025 on pages 45, 78 and 113.

Risks and uncertainties

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, financial risks, regulatory risks and sustainability risks. Industry- and market-related risks include, among other things, changes in demand as a result of a weaker economy or other macroeconomic changes, changed prices for raw materials that are central to Balco Group's production, and changes in competition or price pressure. Business-related risks include Balco Group's ability to develop and sell new innovative products and solutions, that the Group is able to attract and retain qualified employees, and that Balco Group'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 currency risk, financing and liquidity risk, credit risk and interest rate risk. Regulatory risks include, among other things, the impact of political decisions on the business, changes in accounting standards, as well as disputes and legal uncertainties. Sustainability-related risks include, for example, changes in the surrounding world and the company's climate impact. Balco Group's risks and uncertainties are described on pages 31–36, 42, 51, 59, 87–88, 91 and 94 of the Annual Report for 2025.

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 challenger position in the 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 SEK 40 billion.

We remain confident in our strong order backlog and in order intake, which are at satisfactory levels. At the same time, we are aware that the global situation may mean that it may take longer for orders to be converted into revenue. We expect a gradual improvement in the Group's operational and financial results as the measures we have taken have an impact. The simplified Group structure frees up resources to focus on our prioritized markets and our core business.

Events during the quarter and after the end of the quarter

- Charlotte Mattsson has been appointed as the new CEO. She will take up her position in the first quarter of 2027.
- The Group's workforce has been reduced by just over 60 people, corresponding to just over 10 percent. Production capacity is maintained.
- TBO-Haglinds has been integrated into RK Teknik and Stora Fasad Entreprenad has been integrated into Balco AB.
- Balco has discontinued its local operations in the Netherlands. Balco UK is handling the remaining commitments during a transition period.
- During the quarter, the change process resulted in restructuring costs of SEK 9 million and write-downs of SEK 79 million.
- The property previously owned by TBO-Haglinds was sold, with possession in the fourth quarter.

Financial targets

Revenue growth

Balco Group's net sales shall grow by 10 percent annually during a business cycle

Profitability

Earnings per share to grow by 20 percent per year over a business cycle

Capital structure

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

Dividend policy

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

The interim report has been subject to a review in accordance with ISRE 2410 by the company's auditors.

This information is information that Balco Group AB is obliged to make public pursuant to the EU Market Abuse Regulation.

The information was submitted for publication, through the agency of the contact persons set out below, on 26 October 2026 at 13:00 CET.

Växjö, 26 October 2026

Johan Dyberg

Board member and acting President & CEO

Web conference

A webcasted conference will be held on October 26, 2026 at 14:00 CET where acting President and CEO Johan Dyberg and CFO Viktor Arvidsson will present the report and answer questions.

To follow the webcast and submit written questions, please use this link

<https://www.finwire.tv/webcast/balcogroup/q3-2026/>

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

SE: +46 8 5052 0017

PIN: 811 7315 5172 #

For more information, please contact:

Johan Dyberg, acting President and CEO, Tel: +46 73-312 81 78, joan.dyberg@balco.se

Viktor Arvidsson, CFO and Head of IR, Tel: +46 70-864 92 23, viktor.arvidsson@balco.se

Calendar 2026/2027

Year-end report 2026 February 8, 2027

Annual Report 2026 April 5, 2027

Interim Report Jan-Mar 2027 April 26, 2027

Annual General Meeting 2027 4 May 2027

Interim Report Jan-Jun 2027 14 July 2027

Interim Report Jan-Sep 2027 25 October 2027

Auditor's audit report

Balco Group AB (publ)

Org. nr 556821-2319

Introduction

We have conducted a review of the summary financial information (the interim report) for Balco Group AB (publ) as of September 30, 2026 and the nine-month period ending on that date. The Board of Directors and the CEO are responsible for preparing and presenting this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

The scope and scope of the review

We have conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information by the company's elected auditor*. A review consists of making requests, primarily to persons responsible for financial and accounting matters, to perform analytical reviews and to undertake other review procedures. A review has a different focus and a significantly smaller scope compared to the focus and scope of an audit under the ISA and generally accepted auditing practices. The review procedures taken during a review do not enable us to obtain such assurance that we are aware of all important circumstances that could have been identified if an audit had been performed. The stated conclusion based on a review therefore does not have the certainty that an explicit conclusion based on an audit has.

Conclusion

Based on our review, no circumstances have come to light that give us reason to believe that the interim report has not, in all material respects, been prepared for the Group in accordance with IAS 34 and the Annual Accounts Act and for the Parent Company in accordance with the Annual Accounts Act.

Växjö, 26 October 2026

KPMG AB

Michael Johansson

Authorized Public Accountant

Auditor in charge

Consolidated statement of comprehensive income

	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Oct-Sep 2025/26	Jan-Dec 2025
MSEK						
Net sales	294,7	276,8	963,3	923,8	1 334,6	1 295,1
Production and project costs	-339,4	-234,7	-899,1	-821,8	-1 212,9	-1 135,6
Gross profit	-44,6	42,1	64,3	102,0	121,7	159,4
Sales costs	-24,6	-21,7	-81,2	-76,9	-110,2	-105,9
Administration costs	-18,1	-18,8	-69,4	-64,2	-90,0	-84,8
Other operating income	0,1	0,6	0,6	11,6	1,9	12,9
Other operating expenses	0,0	0,0	0,0	0,0	-0,4	-0,4
Operating profit	-87,2	2,2	-85,8	-27,6	-76,9	-18,7
Finance income	2,7	1,0	15,8	4,7	15,8	4,7
Finance costs	-7,7	-8,7	-24,3	-21,8	-36,0	-33,5
Result before tax	-92,2	-5,5	-94,3	-44,7	-97,1	-47,5
Income tax	18,3	0,7	18,9	10,4	20,9	12,5
Net result for the period	-74,0	-4,8	-75,4	-34,2	-76,2	-35,0
Net result attributable to parent company's shareholders	-74,4	-5,4	-76,6	-35,3	-77,0	-35,8
Net result attributable to non-controlling interest	0,4	0,6	1,2	1,1	0,9	0,8
Net profit for the period	-74,0	-4,8	-75,4	-34,2	-76,2	-35,0
Other comprehensive income						
Items that may later be reclassified to the income statement						
Translation differences when translating foreign operations	4,5	-2,4	10,0	-9,7	5,1	-14,7
Comprehensive income for the period	-69,5	-7,1	-65,4	-43,9	-71,1	-49,7
Comprehensive income attributable to parent company's shareholders	-69,8	-7,7	-66,6	-45,0	-72,0	-50,5
Comprehensive income attributable to non-controlling interest	0,4	0,6	1,2	1,1	0,9	0,8
Comprehensive income for the period	-69,5	-7,1	-65,4	-43,9	-71,1	-49,7
Earnings per share, SEK, before dilution	-3,23	-0,23	-3,33	-1,53	-3,35	-1,55
Earnings per share, SEK, after dilution	-3,23	-0,23	-3,33	-1,53	-3,35	-1,55
Average number of shares before dilution, thousands	23 022	23 022	23 022	23 022	23 022	23 022
Average number of shares after dilution, thousands	23 022	23 022	23 022	23 022	23 022	23 022

Consolidated balance sheet in summary

MSEK	30-Sept 2026	30-Sept 2025	31-Dec 2025
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	530,2	531,5	527,9
Other intangible assets	233,9	282,1	279,9
Total intangible assets	764,0	813,6	807,7
Tangible assets			
Right-to-use assets	53,9	62,1	63,0
Property, plant and equipment	165,6	213,6	208,6
Total tangible assets	219,5	275,8	271,6
Financial assets	0,2	0,9	0,5
Deferred tax assets	19,5	9,5	13,9
Total non-current assets	1 003,3	1 099,8	1 093,7
Current assets			
Inventory	65,0	61,2	60,8
Accounts receivables	179,4	213,3	184,4
Contract assets	177,5	206,4	180,5
Other current receivables	64,9	62,6	45,1
Cash and cash equivalents	35,9	48,1	158,1
Assets held for sale	14,5	0,0	0,0
Total current assets	537,3	591,5	628,9
TOTAL ASSETS	1 540,6	1 691,4	1 722,6
EQUITY AND LIABILITIES			
Equity			
Share capital	138,1	138,1	138,1
Other capital contributions	450,8	450,8	450,8
Reserves	13,2	8,2	3,2
Retained earnings, incl. profit for the year	61,7	143,0	140,4
Equity attributable to Parent Company's shareholders	663,9	740,1	732,5
Non-controlling interest	4,2	4,4	3,7
TOTAL Equity	668,1	744,5	736,1
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	464,8	474,2	475,0
Leasing liabilities	40,1	46,7	43,8
Other non-current liabilities	1,1	12,6	11,6
Deferred tax liabilities	43,2	65,1	59,0
Total non-current liabilities	549,3	598,5	589,5
Current liabilities			
Liabilities to credit institutions	0,2	0,0	0,2
Leasing liabilities	15,8	17,2	21,1
Contract liabilities	85,2	82,8	103,1
Accounts payables	113,6	126,1	157,6
Other current liabilities	105,4	122,3	115,0
Liabilities associated with assets classified as held for sale	3,0	0,0	0,0
Total current liabilities	323,2	348,4	396,9
TOTAL EQUITY AND LIABILITIES	1 540,6	1 691,4	1 722,6

Consolidated changes in Shareholders' Equity

MSEK	Share Capital	Addition al paid-in capital	Reserves	Retained earnings including comprehensive income for the year	Non-controlling interest	Total equity
Opening balance 1 Jan 2025	138,1	450,8	17,9	181,9	4,2	793,0
Correction of errors from previous years						
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				-3,6	-1,0	-4,5
Transactions with shareholders:						
Total transactions with Company owners	0,0	-0,0	0,0	0,0	0,0	-0,0
Closing balance 30 Sep 2025	138,1	450,8	8,2	143,0	4,4	744,5
Opening balance 1 Jan 2026	138,1	450,8	3,2	140,4	3,7	736,1
Comprehensive income for the period						
Profit for the period				-76,6	1,2	-75,4
Other comprehensive income for the period			10,0			10,0
Total comprehensive income for the period			10,0	-76,6	1,2	-65,4
Transactions/acquisitions/disposals in holdings without				-2,1	-0,6	-2,7
Transactions with shareholders:						
Total transactions with Company owners	0,0	0,0	0,0	-2,1	-0,6	-2,7
Closing balance 30 Sep 2026	138,1	450,8	13,2	63,8	4,8	668,1

Consolidated cash flow statement in summary

MSEK	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Oct-Sep 2025/26	Jan-Dec 2025
Operating activities						
Operating profit (EBIT)	-87,2	2,2	-85,8	-27,6	-76,9	-18,7
Adjustment for non-cash items	99,6	11,1	116,2	31,8	110,9	26,5
Interest received	0,5	0,9	2,4	3,5	3,6	4,7
Interest paid	-7,1	-8,0	-22,7	-19,8	-33,0	-30,1
Income tax paid	-4,7	-3,8	-14,5	-15,0	-11,0	-11,5
Cash flow from operating activities before changes in working capital	1,1	2,3	-4,4	-27,0	-6,5	-14,1
Changes in working capital						
Increase (-)/Decrease (+) in inventories	-2,1	-4,2	-3,5	2,8	-3,4	2,8
Increase (-)/Decrease (+) in current assets	-2,7	-14,1	-6,0	-96,0	55,3	-34,8
Increase (+)/Decrease (-) in current liabilities	-20,1	6,7	-78,0	16,8	-18,7	76,0
Cash flow from operating activities	-23,7	-9,3	-91,9	-103,5	26,6	15,0
Cash flow from investing activities						
Investments in tangible fixed assets	-2,8	-0,2	-3,1	-11,0	-4,7	-12,6
Investments in intangible fixed assets	-0,9	-0,2	-1,6	-4,6	-1,2	-4,2
Acquisitions of operations	0,0	0,0	0,0	-20,4	-0,2	-20,6
Changes in other non-current assets/liabilities	-0,1	0,0	-10,2	-11,6	-10,3	-11,6
Cash flow from investing activities	-3,9	-0,5	-15,0	-47,6	-16,5	-49,1
Cashflow from financing activities						
Changes in bank loans	-12,8	50,5	-10,2	112,5	-9,0	113,6
Changes in leasing	-5,8	-5,9	-17,4	-16,3	-23,4	-22,4
New warrants issue	0,0	0,0	0,0	0,0	0,0	0,0
Distributed dividend to non-controlling interest	-2,0	-0,4	-0,7	-0,4	-0,7	-0,4
Cashflow from financing activities	-20,6	44,2	-28,2	95,8	-33,2	90,8
Cash flow for the period	-48,2	34,5	-135,1	-55,3	-23,0	56,8
Cash and cash equivalents at beginning of the period	82,2	13,8	158,1	103,1	48,1	103,1
Exchange rate differential cash and cash equivalents	2,0	-0,2	12,9	0,4	10,8	-1,8
Cash and cash equivalents at end of the period	35,9	48,1	35,9	48,1	35,9	158,1

Key ratios

MSEK	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Oct-Sep 2025/26	Jan-Dec 2025
Net sales	294,7	276,8	963,3	923,8	1 334,6	1 295,1
Order intake	220,1	221,8	1 090,5	1 016,2	1 611,4	1 537,1
Order backlog	1 571,3	1 376,7	1 571,3	1 376,7	1 571,3	1 523,3
Gross profit	-44,6	42,1	64,3	102,0	121,7	159,4
Adjusted Gross Profit	42,4	42,1	153,9	130,2	210,7	183,1
EBITDA	-3,9	13,6	21,2	6,9	41,6	27,4
Adjusted EBITDA	12,6	13,7	46,9	38,1	66,8	58,0
Operating profit (EBITA)	-34,1	2,9	-31,2	-24,8	-21,6	-15,2
Adjusted operating profit (EBITA)	1,4	2,9	13,7	6,4	22,6	15,4
Operating profit (EBIT)	-87,2	2,2	-85,8	-27,6	-76,9	-18,7
Adjusted operating profit (EBIT)	0,8	2,2	11,6	3,6	19,8	11,9
Gross profit margin, %	-15,1	15,2	6,7	11,0	9,1	12,3
Adjusted gross margin, %	14,4	15,2	16,0	14,1	15,8	14,1
EBITDA-margin, %	-1,3	4,9	2,2	0,7	3,1	2,1
Adjusted EBITDA-margin, %	4,3	4,9	4,9	4,1	5,0	4,5
Operating profit margin (EBITA), %	-11,6	1,1	-3,2	-2,7	-1,6	-1,2
Adjusted operating profit margin (EBITA), %	0,5	1,1	1,4	0,7	1,7	1,2
Operating profit margin (EBIT), %	-29,6	0,8	-8,9	-3,0	-5,8	-1,4
Adjusted operating profit margin (EBIT), %	0,3	0,8	1,2	0,4	1,5	0,9
Operating cash flow	-11,8	3,3	-41,5	-25,5	83,7	99,7
Operating cash conversion, %	-94,0	24,2	-88,5	-66,9	125,2	171,9
Capital employed, R12	1 667,6	1 179,6	1 667,6	1 179,6	1 667,6	1 180,3
Capital employed, excl goodwill, R12	1 138,7	656,6	1 138,7	656,6	1 138,7	654,3
Equity	663,9	740,1	663,9	740,1	663,9	732,5
Interest-bearing net debt incl leasing debt	445,7	436,0	445,7	436,0	445,7	350,2
Interest-bearing net debt excl leasing debt	389,7	372,1	389,7	372,1	389,7	285,3
Interest-bearing net debt incl leasing/Adjusted EBITDA 12 months, times	6,7	6,8	6,7	6,8	6,7	6,0
Interest-bearing net debt excl leasing/Adjusted EBITDA 12 months, times	8,7	8,6	8,7	8,6	8,7	7,9
Return on capital employed, % (12 months)	1,2	1,6	1,2	1,6	1,2	1,0
Return on capital employed, excl goodwill, % (12 months)	1,7	2,9	1,7	2,9	1,7	1,8
Return on invested capital, % (12 months)	-11,5	-4,9	-11,5	-4,9	-11,5	-4,8
Equity/assets ratio, %	43,1	43,8	43,1	43,8	43,1	42,5
Number of full-time employees on the closing date	515	555	515	555	515	513
Average number of shares before dilution, thousands	23 022	23 022	23 022	23 022	23 022	23 022
Average number of shares after dilution, thousands	23 022	23 022	23 022	23 022	23 022	23 022
Equity per share, SEK	29	32	29	32	29	32
Earnings per share, SEK before dilution	-3,23	-0,23	-3,33	-1,53	-3,35	-1,55
Earnings per share, SEK after dilution	-3,23	-0,23	-3,33	-1,53	-3,35	-1,55
Adjusted earnings per share, SEK, before and after dilution	-0,21	-0,23	0,01	-0,46	-0,03	-0,50

Parent Company, income statement in summary

MSEK	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Oct-Sep 2025/26	Jan-Dec 2025
Net Sales	8,4	6,8	25,0	20,1	31,7	26,8
Sales costs	-0,6	0,1	-2,7	0,1	-3,3	-0,6
Administrative expenses*	-112,7	-6,4	-132,7	-19,5	-139,2	-26,1
Operating profit	-105,0	0,4	-110,5	0,6	-107,5	0,8
Interest income and similar profit/loss items	3,9	4,3	12,5	12,7	15,3	15,5
Interest expenses and similar profit/loss items	-7,5	-7,9	-23,9	-18,7	-32,7	-27,4
Dividend / result from group companies	1,6	1,4	2,9	1,4	-14,5	-16,0
Profit/loss after financial items	-107,0	-1,7	-119,0	-4,0	-139,4	-27,1
Appropriations	-8,3	0,0	-10,4	0,0	-21,2	-10,8
Tax	1,7	0,3	4,6	0,8	8,9	5,1
Net profit/loss for the period	-113,7	-1,4	-124,8	-3,2	-151,6	-32,8

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.

* Administrative expenses include a MSEK 107 impairment of shares in group companies

Parent Company, balance sheet in summary

MSEK	30-Sept 2026	30-Sept 2025	31-Dec 2025
ASSETS			
Non-current assets			
Financial assets			
Shares in group companies	978,0	1 077,1	1 071,7
Other non-current assets	9,0	4,9	8,4
Total non-current assets	987,0	1 082,0	1 080,1
Current assets			
Receivables from group companies	223,1	273,3	234,2
Other current receivables	28,7	19,3	14,7
Cash and cash equivalents	34,1	44,6	154,6
Total current asstes	286,0	337,3	403,4
TOTAL ASSETS	1 272,9	1 419,2	1 483,5
EQUITY AND LIABILITIES			
Equity			
Restricted equity	138,1	138,1	138,1
Non-restricted equity	541,5	696,1	666,4
Total Equity	679,6	834,3	804,5
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	465,0	475,0	475,0
Other non-current liabilities	4,8	15,0	14,9
Total non-current liabilities	469,8	490,0	489,9
Current liabilities			
Liabilities to group companies	100,1	68,3	165,5
Other current liabilities	23,4	26,7	23,6
Total current liabilities	123,4	95,0	189,1
TOTAL EQUITY AND LIABILITIES	1 272,9	1 419,2	1 483,5

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 2025 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	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Net sales - External revenue	226,4	206,4	68,3	70,4	-	-	-	-	294,7	276,8
Net sales - Internal revenue	-	-	-	-	8,4	6,8	-8,4	-6,8	-	-
Total sales	226,4	206,4	68,3	70,4	8,4	6,8	-8,4	-6,8	294,7	276,8
Operating profit (EBIT)	-84,5	1,7	-3,1	0,6	0,3	-0,2	-	-	-87,2	2,2
Deprec/write-down included with	81,4	10,3	2,0	1,2	-	-	-	-	83,4	11,5
of which amortization/impairment	53,0	0,7	0,1	0,1	-	-	-	-	53,1	0,7
Other items affecting comparison	35,2	-	0,4	-	-	0,0	-	-	35,6	0,0
Adjusted operating profit (EBITA)	3,8	2,4	-2,7	0,7	0,3	-0,2	-	-	1,4	2,9
Adjusted operating margin	1,7%	1,2%	-3,9%	1,0%	-	-	-	-	0,5%	1,1%
Operating profit (EBIT)	-84,5	1,7	-3,1	0,6	0,3	-0,2	-	-	-87,2	2,2
Finance income	-	-	-	-	2,7	1,0	-	-	2,7	1,0
Finance cost	-	-	-	-	-7,6	-8,7	-	-	-7,6	-8,7
Profit before tax	-84,5	1,7	-3,1	0,6	-4,6	-7,9	-	-	-92,2	-5,5

Jul-Sep MSEK	Renovation		New Build		Group-wide		Eliminations		Total	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Net sales - External revenue	729,1	696,0	234,2	227,8	-	-	-	-	963,3	923,8
Net sales - Internal revenue	-	-	-	-	25,0	20,1	-25,0	-20,1	-	-
Total sales	729,1	696,0	234,2	227,8	25,0	20,1	-25,0	-20,1	963,3	923,8
Operating profit (EBIT)	-79,5	-23,8	-0,6	-2,4	-5,7	-1,3	-	-	-85,8	-27,6
Deprec/write-down included with	101,1	30,0	5,7	4,5	-	-	-	-	106,9	34,5
of which amortization/impairment	54,4	2,6	0,2	0,2	-	-	-	-	54,5	2,8
Other items affecting comparison	37,7	25,1	0,9	5,9	6,3	0,3	-	-	44,9	31,2
Adjusted operating profit (EBITA)	12,7	3,9	0,3	3,6	0,6	-1,0	-	-	13,7	6,4
Adjusted operating margin	1,7%	0,6%	0,1%	1,6%	-	-	-	-	1,4%	0,7%
Operating profit (EBIT)	-79,5	-23,8	-0,6	-2,4	-5,7	-1,3	-	-	-85,8	-27,6
Finance income	-	-	-	-	15,8	4,7	-	-	15,8	4,7
Finance cost	-	-	-	-	-24,3	-21,8	-	-	-24,3	-21,8
Profit before tax	-79,5	-23,8	-0,6	-2,4	-14,2	-18,4	-	-	-94,3	-44,7

Note 3 Reconciliation against financial statements in accordance with IFRS

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-Sept 2026	30-Sept 2025	31-Dec 2025
Interest-bearing net debt incl leasing debt			
Non-current interest-bearing liabilities	505,0	520,9	518,9
Current interest-bearing liabilities	16,1	17,2	21,3
Cash and cash equivalents	-75,4	-102,1	-190,0
Interest-bearing net debt incl leasing debt	445,7	436,0	350,2
Adjusted EBITDA (R12)	66,8	64,1	58,0
Interest-bearing net debt/EBITDA (R12), times	6,7 x	6,8 x	6,0 x
Return on capital employed			
Equity	663,9	740,1	732,5
Interest-bearing net debt	445,7	436,0	350,2
Average capital employed	1 256,9	1 187,4	1 113,0
Adjusted operating profit (EBIT), (R12)	19,8	19,0	11,9
Return on capital employed, %	1,6	1,6	1,1
Equity/assets ratio			
Equity attributable to owners of the parent company	663,9	740,1	732,5
Total assets	1 540,6	1 691,4	1 722,6
Equity/assets ratio, %	43,1	43,8	42,5

MSEK	Jul-Sep 2026	Jul-Sep 2025	Jan-Sep 2026	Jan-Sep 2025	Oct-Sep 2025/26	Jan-Dec 2025
Adjusted operating profit (EBIT)						
Operating profit (EBIT)	-87,2	2,2	-85,8	-27,6	-76,9	-18,7
Items affecting comparison	88,0	0,0	97,3	30,9	96,7	30,3
Acquisition costs	0,0	0,0	0,0	0,3	0,0	0,3
Adjusted operating profit (EBIT)	0,8	2,2	11,6	3,6	19,8	11,9
Operating profit (EBITA)						
Operating profit (EBIT)	-87,2	2,2	-85,8	-27,6	-76,9	-18,7
Amortization and impairment	53,1	0,7	54,5	2,8	55,3	3,5
Operating profit (EBITA)	-34,1	2,9	-31,2	-24,8	-21,6	-15,2
Adjusted operating profit (EBITA)						
Adjusted operating profit (EBIT)	0,8	2,2	11,6	3,6	19,8	11,9
Amortization and impairment*	0,7	0,7	2,1	2,8	2,8	3,5
Adjusted operating profit (EBITA)	1,4	2,9	13,7	6,4	22,6	15,4
Adjusted net result						
Net result	-74,0	-4,8	-75,4	-34,2	-76,2	-35,0
Items affecting comparison after tax	69,5	0,0	76,9	24,6	76,4	24,2
Adjusted net result	-4,4	-4,8	1,5	-9,6	0,2	-10,8
EBITDA						
Operating profit (EBIT)	-87,2	2,2	-85,8	-27,6	-76,9	-18,7
Depreciation and amortization	83,4	11,5	106,9	34,5	118,6	46,1
EBITDA	-3,9	13,6	21,2	6,9	41,6	27,4
Adjusted EBITDA						
Adjusted operating profit (EBIT)	0,8	2,2	11,6	3,6	19,8	11,9
Depreciation and amortization*	11,8	11,5	35,4	34,5	47,0	46,1
Adjusted EBITDA	12,6	13,7	46,9	38,1	66,8	58,0
Investments, excluding expansions investments						
Investments in intangible fixed assets	-2,8	-0,2	-3,1	-11,0	-4,7	-12,6
Investments in tangible fixed assets	-0,9	-0,2	-1,6	-4,6	-1,2	-4,2
of which expansion investments	3,7	0,9	4,3	11,6	5,0	12,3
Investments, excluding expansions investments	-0,0	0,5	-0,5	-4,1	-1,0	-4,5
Operating cash flow						
Adjusted EBITDA	12,6	13,7	46,9	38,1	66,8	58,0
Changes in working capital	-24,3	-10,8	-87,9	-59,5	17,8	46,2
Investments, excluding expansions investments	-0,1	0,5	-0,5	-4,1	-1,0	-4,5
Operating cash flow	-11,8	3,3	-41,5	-25,5	83,7	99,7
Net Sales excluding acquisitions						
Net Sales	294,7	276,8	963,3	923,8	1 334,6	1 295,1
Acquired net sales	0,0	0,0	0,0	-24,6	0,0	-24,6
Net Sales excluding acquisitions	294,7	276,8	963,3	899,2	1 334,6	1 270,5
Adjusted earnings per share						
Net result attributable to parent company's shareholders	-74,4	-5,4	-76,6	-35,3	-77,0	-35,8
Items affecting comparison after tax	69,5	0,0	76,9	24,6	76,4	24,2
Adjusted earnings per share	-0,21	-0,23	0,01	-0,46	-0,03	-0,50

* Impairment of assets is included in Items affecting comparison and hence included in Adjusted operating profit (EBIT)

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 KPIs	Definition	Purpose
Return on equity	Profit for the period divided by average equity attributable to the parent company's shareholders. The average is calculated as the average of the opening balance and the closing balance for each period.	The measure shows the return generated on the shareholders' capital invested in the company.
Return on capital employed	Adjusted operating profit (EBITA) divided by average capital employed. The average is calculated as the average of the opening balance and the closing balance for each period.	The measure shows the return generated on capital employed and is used by Balco to track the profitability of the business as the measure refers to capital efficiency.
Return on capital employed excluding goodwill	Adjusted operating profit (EBITA) divided by average capital employed excluding goodwill. The average is calculated as the average of the opening balance and the closing balance for each period.	Balco believes that return on capital employed excluding goodwill, together with return on employment, shows an overall picture of Balco's capital efficiency.
Gross profit	Net sales less production and project costs.	Shows efficiency in Balco's operations and together with EBIT provides an overall picture of the ongoing profit generation and cost picture.
Gross margin	Gross profit as a percentage of net sales.	Key figures are used for the analysis of efficiency and value creation.
EBITDA	Profit before interest, tax, depreciation and amortization.	Balco believes that EBITDA is a useful measure to show the profit generated in operating activities and a good measure of cash flow from operating activities.
Interest-bearing net debt in relation to adjusted EBITDA	Interest-bearing external net debt as a share of adjusted EBITDA.	Balco believes that this measure is helpful in demonstrating financial risk and that it is a useful measure for monitoring the company's level of debt.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability. For a reconciliation of adjusted EBITDA with profit for the period.	Balco believes that adjusted EBITDA is a useful measure to show the profit generated in operating activities adjusted for items affecting comparability and primarily uses adjusted EBITDA when calculating the company's operating cash flow and cash conversion.
Adjusted EBITDA margin	Adjusted EBITDA as a share of net sales.	Balco believes that the adjusted EBITDA margin is a useful measure to show the profit generated in operating activities.
Adjusted operating margin (EBIT)	Adjusted operating profit (EBIT) as a share of net sales.	Balco believes that adjusted operating margin (EBIT) is a useful measure to show the profit generated in operating activities after adjusting for non-recurring items.
Adjusted operating profit (EBIT)	Operating profit (EBIT) adjusted for items affecting comparability. For a reconciliation of adjusted operating profit (EBIT) with profit for the period.	Balco therefore considers adjusted operating profit (EBIT) to be a useful measure to show the result generated in operating activities and primarily uses the measure to calculate return on capital employed (see above).
Adjusted operating margin (EBITA)	Adjusted operating profit (EBITA) as a share of net sales.	Balco believes that adjusted operating margin (EBITA) is a useful measure to show the profit generated in operating activities after adjusting for non-recurring items.

Alternative KPIs	Definition	Purpose
Adjusted operating profit (EBITA)	Operating profit (EBITA) adjusted for items affecting comparability. For a reconciliation of adjusted operating profit (EBITA) with profit for the period.	Balco therefore considers adjusted operating profit (EBITA) to be a useful measure to show the profit generated in operating activities and primarily uses the measure to calculate return on capital employed (see above).
Items affecting comparability	Items affecting comparability are significant items that are recognized separately due to their size or frequency, such as restructuring charges, impairments, divestments and acquisition costs.	Balco believes that adjustment for items affecting comparability improves the possibility of comparison over time by excluding items with irregularities in frequency or size. This is to provide a more accurate picture of the underlying operating profit.
Operating cash conversion	Operating cash flow divided by adjusted EBITDA.	Balco considers this to be a good measure for comparing cash flow with operating profit.
Operating cash flow	Adjusted EBITDA increased/decreased with changes in working capital and decreased with investments, excluding expansion investments.	Balco uses operating cash flow to track the development of the business.
Organic growth	Net sales excluding acquired growth in the current period divided by net sales in 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 debt	Total long- and short-term interest-bearing liabilities reduced by cash and cash equivalents and interest-bearing receivables.	Balco believes that net debt is a useful measure to show the Group's total debt financing.
Working capital	Current assets, excluding cash and cash equivalents and current tax assets, reduced by interest-free current liabilities, excluding current tax liabilities.	This measure shows how much working capital is tied up in the business and can be put in relation to turnover to understand how effectively tied up working capital is used.
Operating margin (EBIT)	Operating profit (EBIT) as a share of net sales.	Balco believes that operating margin (EBIT) together with sales growth and adjusted working capital is a useful measure to track value creation in the business.
Operating profit (EBIT)	Earnings before interest and tax.	Balco believes that operating profit (EBIT) is a useful metric to show the profit generated in operating activities.
Operating margin (EBITA)	Operating profit (EBITA) as a share of net sales.	Balco believes that operating margin (EBITA) together with sales growth and adjusted working capital is a useful measure to track value creation in the business.
Operating profit (EBITA)	Operating profit (EBIT), excluding depreciation and amortization of acquired intangible non-current assets.	Balco's growth strategy includes acquisitions of companies. In order to better illustrate the development of the underlying business, management has chosen to follow EBITA, which is an expression of operating profit before depreciation and amortization of acquired intangible assets.
Equity ratio	Equity divided by total assets.	Balco believes that the equity ratio is a useful measure for the company's survival.
Capital employed	Equity increased with interest-bearing net debt.	Capital employed is used by Balco as a measure of the Group's overall capital efficiency.
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 increased quality of life, security and increased value for the residents of apartment buildings. In addition, Balco Group's standardized glazing systems generates reduced energy consumption.

515 employees

7 markets

SEK 1,335 million 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 Nordic region and operates in a number of markets in Northern Europe. The head office is located in Växjö. A general and distinctive feature of the companies in the Group is a decentralised and efficient sales process that controls the entire value chain – from sales work to installed balconies.

BALCO
GROUP