

Interim report January - September 2025

Good profitability and continued investments

Quarter 3, 2025

- Orders received amounted to SEK 1,251m (1,437), equivalent to a currency neutral decline of 7.1 percent compared with the same period last year.
- Net sales amounted to SEK 1,434m (1,416), equivalent to currency neutral growth of 7.5 percent compared with the same period last year.
- Adjusted EBITA was SEK 166.4m (160.8), giving an adjusted EBITA margin of 11.6 percent (11.4).
- Operating profit amounted to SEK 137.9m (129.0), corresponding to an operating margin of 9.6 percent (9.1).
- Net profit was SEK 79.3m (70.4).
- Earnings per share* were SEK 2.27 (2.00).
- Cash flow from operating activities amounted to SEK 123.2m (180.9).

January - September 2025

- Orders received amounted to SEK 4,176m (4,372), equivalent to a currency neutral decline of 0.3 percent compared with the same period last year.
- Net sales amounted to SEK 4,279m (4,280), equivalent to currency neutral growth of 4.3 percent compared with the same period last year.
- Adjusted EBITA was SEK 467.5m (522.5), giving an adjusted EBITA margin of 10.9 percent (12.2).
- Operating profit amounted to SEK 374.1m (435.2), corresponding to an operating margin of 8.7 percent (10.2).
- Net profit was SEK 207.9m (257.8).
- Earnings per share* were SEK 5.94 (7.34).
- Cash flow from operating activities amounted to SEK 197.6m (350.5).

* Before and after dilution

CEO's comments

"Solid performance in a turbulent market environment

Our investments in product development and operational efficiency are strengthening our leading position in industrial air filtration in a market that remains dominated by uncertainty. In the third quarter, we reported higher currency neutral sales, increased profitability and a stable cash flow, while orders received declined mainly due to fewer new major investment projects among our customers.

Order activity was lower than normal during the summer months, but picked up again in September, when we secured a number of major orders in our divisions. For the third quarter as a whole, orders received decreased currency neutrally by 7.1 percent to SEK 1,251m(1,437). While it is clear that tariffs and other geopolitical factors are inhibiting customers' decisions on large investments, we are seeing a continued strong trend in our base business, with many small and medium-sized orders being placed. Furthermore, our service business is growing, both in spare parts sales and digital solutions to optimise existing systems. Sales increased currency neutrally by 7.5 percent to SEK 1,434m (1,416). Acquisitions – most recently of the Spanish company Euro-Equip in March – underpinned this trend, although performance was also positive organically. The gross margin was 39.0 percent (39.9), while the adjusted EBITA margin improved to 11.6 percent (11.4). The third quarter also included a significant negative earnings effect attributable to currency, primarily a significantly weaker USD compared with the corresponding quarter in 2024. I can confirm that we have a strong balance sheet, healthy margins and a stable operating cash flow that will enable us to continue making robust investments in profitable growth.

The extensive investments conducted in recent years to upgrade our production and logistics have made us more efficient and agile. Having a modern production footprint in our core sales markets is a top priority, and gives us added security and stability in the current turbulent geopolitical environment. In the third quarter, we completed the expansion of our production in Thomasville and Boston in the US, continued to invest in our existing facilities in Helsingborg in Sweden and in Norway, Denmark and Thailand, in parallel with implementing ongoing efficiency improvements at all of our facilities. Combined, this provides us with a more stable foundation to stand on, facilitating greater profitability when volumes pick up.

But what is most important is that we have the right product range. The solutions we launch on an ongoing basis not only help clean the air in industries across the globe, but also improve the work environment, enhance efficiency and reduce energy consumption. I am delighted that our latest innovations in fume extraction, airflow control and monitoring systems have been very well received at our exhibitions at leading industry trade shows in for instance Germany and the US. We can also see that the collaboration between our new innovation and testing center in Helsingborg and our specialised innovation hubs around the world is being ramped up further, enabling more rapid and precise product development and thereby strengthened technology leadership. New breakthrough innovations were launched and sold during the quarter, including a world-leading software for emissions analysis and reporting from Olicem in Denmark, a company we acquired in November 2024. In parallel, we are preparing for an extensive pipeline of launches at the end of 2025 and during 2026, ranging from upgraded product platforms to new, state-of-the-art digital systems.

STABILITY IN OUR DIVISIONS

Extraction & Filtration Technology noted lower orders received but at the same time recorded new orders in priority growth segments, increased sales and higher profitability. Process Technology reported continued growth in orders and sales, mainly driven by acquisitions, a strong service business and continued favourable profitability. Duct & Filter Technology's performance was again curtailed by market turbulence, but the division continued to report high profitability on the back of investments in production and logistics. Monitoring & Control Technology posted a mixed performance in a generally softer market, but continued to build both its global footprint and its market-leading product range in advanced measurement, analysis, monitoring and reporting of industrial processes.

CONTINUED MARKET UNCERTAINTY

While we see that our divisions are standing strong in the current challenging macro environment, there is still a risk that customers will continue to hold off on making larger investments. Furthermore, there are growing concerns about geopolitical and trade policies that could lead to increased protectionism in the long term. Our investments to enhance operational efficiency and accelerate product development, combined with a broader footprint in structurally growing industries, enable us to strengthen our market share in a turbulent market environment. Despite uncertainty about developments in the next few quarters, we are nonetheless convinced of the continued favourable long-term prospects for our industry and for us as a technology and market leader.

Sven Kristensson, VD"

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About Nederman

Nederman is an environmental technology company and a global leader in industrial air filtration dedicated to extracting, transporting and cleaning air to make industrial production more efficient, safe and sustainable. Based on industry leading products, solutions and services in combination with innovative IoT technology, we monitor and optimise performance and validate emissions compliance to protect people, planet and production.

The Nederman Group is listed on Nasdaq Stockholm. The Group has approximately 2,500 employees and a presence in more than 50 countries. Learn more at nedermangroup.com

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