

Lammhults Design Group's Year-end Report 2025

Stable finish to a year of change

Fourth Quarter

- Net revenue amounted to MSEK 250.5 (261.1)
- The adjusted gross margin increased by 0.4% to 37.9% (37.5)
- The adjusted operating profit amounted to MSEK 19.8 (22.9)
- Free cash flow including leasing amounted to MSEK 42.3 (33.5)
- The order backlog increased by 13% to 235.3 MSEK (208.3)

Comments from CEO Susanna Hilleskog

Stable quarter with higher order intake and improved gross margins

The fourth quarter closed at a stable level, underlining the continued strength of our underlying business. Market conditions remain weak, but the composition of our portfolio - combining both niche and breadth - contributed to stability during the period.

Revenue was largely in line with the fourth quarter of the previous year, adjusted for negative currency effects due to a stronger Swedish krona. On the positive side, we primarily saw an increase in order intake of 3.5 percent and an order backlog 13 percent higher at the end of the period compared with the previous year. The adjusted gross margin also showed positive development, reaching 37.9 percent, an improvement of 0.4 percentage points for the period.

The Library Interiors business area closed the year with a strong fourth quarter, resulting in higher revenue and solid profitability. Office Interiors continued its efficiency and transformation journey, with slightly improved adjusted operating profit and higher order intake, despite a continued weak market.

Overall, we report an adjusted operating profit for the period of 19.8 MSEK, corresponding to an adjusted operating margin of 7.9 percent. Free cash flow, including leasing, amounted to 42.3 MSEK (33.5).

Considering the prevailing market conditions and all forward-looking initiatives being implemented across different areas, we are relatively pleased with the outcome for the fourth quarter at Group level.

Improved full-year results in a subdued market

At year-end, we can note that we continue to maintain a high level of activity, focusing on efficiency, cost savings, and forward-looking initiatives in a market environment, with revenue in line with the previous year. Despite challenges, our efforts across multiple areas have strengthened the adjusted gross margin by 1.7 percentage points to 37.1 percent and improved

the adjusted operating profit from 4.1 MSEK to 27.8 MSEK. The adjusted operating margin thus increased from 0.5 percent to 3.2 percent on a full-year basis.

Cost impact of the action program concludes

The full year improvement in the underlying business reflects the sum of many different actions and changes within Office Interiors. As previously communicated, we need to simultaneously manage both acceleration and restraint in parallel to become more relevant and better prepared for the future. We are approximately halfway through realizing the expected effects of the action program and continue with initiatives that will impact 2026. While the full implementation effect is expected by the end of 2026, the financial burden of the action program was concluded in the fourth quarter of 2025.

Ready for the next phase of the transformation journey

A central part of the Group's transformation journey is our business concept, "Scandinavian design. Multiplied.", which aims to unite our strong brands and multiply their strengths through increased collaboration. By year-end, we are better positioned than at the start of 2025, with continued focus on what we can influence ourselves. Much has already been achieved, while considerable work remains to secure the path toward our desired position, targeting growth and an EBIT margin of 8-10%.

I would like to sincerely thank all our customers and partners for their trust during 2025. A special thanks also to our employees, whose dedication has strengthened our position for the future as ONE TEAM. We look forward to an exciting 2026 with new opportunities!

Invitation to Year-end Report presentation

Today at 09:30 CET, the report will be presented by CEO Susanna Hilleskog and CFO Jesper Langebro in a live webcast for the press and the financial market. The presentation will be held in Swedish. Written questions can be submitted via the webcast.

To participate in the presentation, please use the link below:

<https://lammhults-design-group.events.nderes.com/q4-report-2025>

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About Lammhults Design Group

Lammhults Design Group is a Swedish furniture group specializing in interiors for public spaces and office environments. The business is organized into two business areas: Office Interiors and Library Interiors. The Group generates profitable growth through long-term ownership of furniture and interior design companies. Built on customer insight, innovation, design

excellence, and sustainability, we bring together some of Scandinavia's leading brands in collaboration with top industry designers. The company is listed on Nasdaq Stockholm Small Cap.

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