BALCO GROUP

Interim Report Q2

JANUARY – JUNE 2026

Focus on increasing profitable growth

Second quarter: April - June

- Net sales amounted to SEK 370 million (331)
- Order intake increase by 16 percent to SEK 600 million (519)
- Order backlog increased by 18 percent to SEK 1,693 m (1,439)
- Adjusted operating profit (EBITA) amounted to SEK 12 m (6)
- Adjusted operating margin was 3.2 percent (1.9)
- Profit after tax amounted to SEK -1 million (0)
- Adjusted profit after tax amounted to SEK 5 million (0)
- Earnings per share amounted to SEK -0.07 (0.00)
- Adjusted earnings per share amounted to SEK 0.21 (0.01)
- Operating cash flow amounted to SEK -62 million (-30)

First half of the year: January – June

- Net sales amounted to SEK 669 million (647)
- Order intake increase by 10 percent to SEK 870 million (794)
- Adjusted operating profit (EBITA) amounted to SEK 12 million (3)
- Adjusted operating margin was 1.8 percent (0.5)
- Profit after tax amounted to SEK -1 million (-29)
- Adjusted profit after tax amounted to SEK 6 million (-5)
- Earnings per share amounted to SEK -0.10 (-1.30)
- Adjusted earnings per share amounted to SEK 0.22 (-0.23)
- Operating cash flow amounted to SEK -30 million (-29)

Events during the quarter and after the end of the quarter

- Three new members have been elected to Balco Group's Board of Directors; Michael Wickell, Johan Dyberg and Anders Davidsson, the latter having been elected as the new Chairman of the Board.
- During the quarter, Camilla Ekdahl left her position as CEO and the Board of Directors appointed Johan Dyberg as acting CEO. The process to find a new permanent CEO has been initiated and is proceeding according to plan.
- During the quarter, Balco AB signed the largest deal with a tenant-owner association in over ten years.
- Action plan to increase the Group's efficiency and long-term profitable growth is initiated.
- Supplementary agreement signed with the Group's principal bank, which entails time-limited easing of the loan terms and restrictions on dividends until the third quarter of 2027.

MSEK	apr-jun 2026	apr-jun 2025	jan-jun 2026	jan-jun 2025	jul-jun 2025/26	jan-dec 2025
Net Sales	369,7	331,1	668,6	647,0	1 316,7	1 295,1
Order intake	600,2	519,4	870,3	794,4	1 613,1	1 537,1
Order backlog	1 693,0	1 439,1	1 693,0	1 439,1	1 693,0	1 523,3
Adjusted operating profit (EBITA)	11,9	6,2	12,2	3,5	24,1	15,4
Adjusted operating margin (EBITA), %	3,2	1,9	1,8	0,5	1,8	1,2
Net result for the period	-1,2	0,2	-1,4	-29,5	-7,0	-35,0
Adjusted net result after tax	5,1	0,2	5,9	-4,8	-0,1	-10,8
Operating cash flow	-61,5	-30,0	-29,8	-28,8	98,7	99,7
Earnings per share, SEK before dilution	-0,07	0,00	-0,10	-1,30	-0,35	-1,55
Earnings per share, SEK after dilution	-0,07	0,00	-0,10	-1,30	-0,35	-1,55
Adjusted earnings per share, SEK, before and after dilution	0,21	0,01	0,22	-0,23	-0,05	-0,50

"Action plan to increase the Group's efficiency and long-term profitable growth initiated."

"Constructive dialogue with our principal bank has resulted in supplementary agreements that provide the conditions for a return to sustainable profitable growth."

- Johan Dyberg, acting President and CEO

CEO's statement

At the beginning of May, the Board of Directors decided to change the CEO of Balco Group, and in connection with this, a strategic review of the Group's various companies was initiated as well as work to increase the Group's efficiency and ability to achieve long-term profitable growth. We expect to be able to present concrete measures, including financial effects, during the third quarter of this year.

In parallel, the Board is working on the recruitment of a new permanent CEO, the process is proceeding according to plan.

During the second quarter, we had a constructive dialogue with Balco's principal bank, which resulted in a supplementary agreement regarding the Group's financing that runs until the first quarter of 2028, with an option to extend after that. The agreement entails certain time-limited easing of the loan terms, which will enable the changes required to return to a sustainable level of profitability.

The market for new construction remains challenging, mainly in the Nordic region, while we see a cautiously improving trend in the renovation side. It is gratifying to be able to report that during the quarter, Balco AB signed its largest order to a tenant-owner association in over ten years. The project in Nacka will have a turnover of a bit over SEK 100 million and will be completed in 2028.

Profit (EBITA) for the first half of the year amounted to SEK 12 million adjusted for non-recurring costs (SEK 9 million), which was an improvement compared to the corresponding period last year, but still at too low a level.

Cash flow was weak during the quarter, which is explained by the timing of building permits and the phases of projects, as well as the timing of inflow and payment of supplier invoices between the quarters.

Johan Dyberg
Acting President and CEO

Group development

Second quarter: April – June

Net sales amounted to SEK 370 million (331). Organic growth was +11 percent and currency effect was 0 percent. Net sales increased in Sweden, Norway and the rest of Europe, but decreased in Finland.

Net sales for the renovation segment amounted to SEK 274 million (253) and net sales for the new build segment amounted to SEK 96 million (78).

Order intake increased by 16 percent to SEK 600 million (519). Order intake for the renovation segment increased to SEK 474 million (386), while order intake for the new-build segment decreased to SEK 126 million (133).

The order backlog increased by 18 percent to SEK 1,693 million (1,439). The order back-log for the renovation segment increased to SEK 1,220 million (1,134) and the order backlog for the new build segment amounted to SEK 473 million (305).

Adjusted operating profit (EBITA) amounted to SEK 12 million (6), corresponding to an adjusted operating margin of 3.2 percent (1.9).

Items affecting comparability of SEK -8.1 million (-0.1) were taken in the quarter linked to the departure of the CEO and decided and implemented structural measures in the form of restructuring of the organization.

Net financial items amounted to SEK -5 million (-5), of which SEK -0.4 million (-0.4) relates to interest expenses related to rights of use (leasing) and SEK +2 million (-1) is attributable to unrealized currency fluctuations. Interest expenses amounted to SEK -7 million (-5).

Profit after tax amounted to SEK -1 million (0). Adjusted profit after tax amounted to SEK 5 million (0). Earnings per share amounted to SEK -0.07 (0.00). Adjusted earnings per share amounted to SEK 0.21 (0.01).

Operating cash flow amounted to SEK -62 million (-30). 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 the quarters.

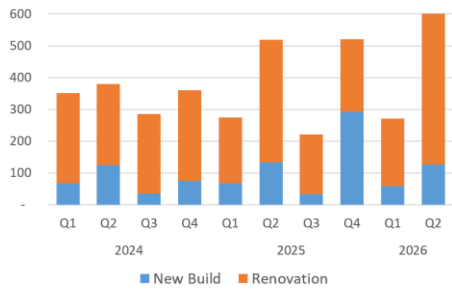
Cash flow from operating activities before changes in working capital amounted to SEK -4 million (-4) and cash flow from operating activities after changes in working capital amounted to SEK -88 million (-49).

Cash flow from investing activities amounted to SEK 0 million (-30), of which SEK 0 million (-1) was replacement investments and SEK 0 million (-9) expansion investments.

Cash flow from financing activities amounted to SEK -2 million (71), with the largest item pertaining to changes in leasing.

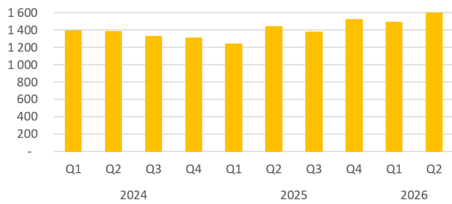
Depreciation amounted to SEK -12 million (-11), of which SEK -5 million (-5) relates to depreciation related to rights of use (leasing) and SEK -1 million (-1) relates to depreciation and amortization of acquired intangible assets.

Order intake by segment, MSEK



Order intake
Q2 2026
600 MSEK

Order backlog, MSEK



Net Sales per geographic market, MSEK

	apr-jun 2026	apr-jun 2025	jan-jun 2026	jan-jun 2025	jul-jun 2025/26	jan-dec 2025
Sweden	166,4	147,2	304,5	282,9	608,3	586,8
Other Nordics	127,3	135,8	241,6	278,3	479,6	516,3
Other Europe	76,0	48,1	122,4	85,7	228,8	192,0
Total net sales	**369,7**	**331,1**	**668,6**	**647,0**	**1 316,7**	**1 295,1**

First half of the year: January – June

Net sales amounted to SEK 669 million (647). Organic growth was +4 percent and currency effect was -1 percent. Net sales have increased in Sweden, Norway and the rest of Europe, but decreased in Denmark and Finland.

Net sales for the renovation segment amounted to SEK 503 million (490) and net sales for the new build segment amounted to SEK 166 million (157).

Order intake increased by 10 percent to SEK 870 million (794). Order intake for the renovation segment increased to SEK 685 million (594) and order intake for the new-build segment decreased to SEK 185 million (200).

Adjusted operating profit (EBITA) amounted to SEK 12 million (3), corresponding to an adjusted operating margin of 1.8 percent (0.5).

Items affecting comparability of SEK -9 million (-31) were taken this year linked to the departure of the CEO and decided and implemented structural measures in the form of restructuring of the organization.

Net financial items amounted to SEK -4 million (-9), of which SEK -0.7 million (-0.9) relates to interest expenses related to rights of use (leases) and SEK +11 million (+1) relates to unrealized currency changes. Interest expenses amounted to SEK -15 million (-10).

Profit after tax amounted to SEK -1 million (-29). Adjusted profit after tax amounted to SEK 6 million (-5). Earnings per share amounted to SEK -0.10 (-1.30). Adjusted earnings per share amounted to SEK 0.22 (-0.23).

Operating cash flow amounted to SEK -30 million (-29). 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.

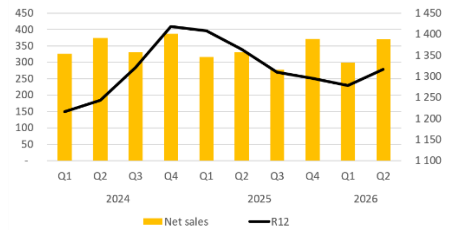
Cash flow from operating activities before changes in working capital amounted to SEK -5 million (-29) and cash flow from operating activities after changes in working capital amounted to SEK -68 million (-94).

Cash flow from investing activities amounted to SEK -11 million (-47), of which SEK 0 million (-4) was replacement investments and SEK -1 million (-11) expansion investments, mainly related to product development, and SEK -10 million (-12) reduction of long-term liabilities.

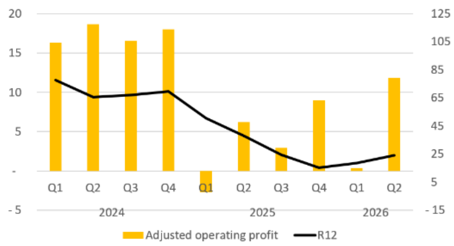
Cash flow from financing activities amounted to SEK -8 million (52), with the largest item pertaining to changes in leasing.

Depreciation amounted to SEK -24 million (-23), of which SEK -11 million (-11) relates to depreciation related to rights of use (leasing) and SEK -1 million (-2) relates to depreciation and amortization of acquired intangible assets.

Net sales, MSEK



Adjusted operating profit, MSEK



Operating cash flow R12, MSEK

Net sales per customer category, MSEK

	apr-jun 2026	apr-jun 2025	jan-jun 2026	jan-jun 2025	jul-jun 2025/26	jan-dec 2025
Tenant-owner associations	170,4	193,9	323,5	393,9	714,4	784,8
Private landlords	29,7	10,7	52,0	19,2	75,5	42,7
Publicly owned companies	20,6	5,3	37,7	11,5	56,8	30,6
Construction companies	149,0	121,2	255,3	222,4	469,9	437,0
Total net sales	**369,7**	**331,1**	**668,6**	**647,0**	**1 316,7**	**1 295,1**

Financial position

Interest-bearing net debt including lease liabilities at the end of the period amounted to SEK 422 million (436). Interest-bearing net debt including lease liabilities in relation to adjusted EBITDA amounted to 6.2 times (5.6).

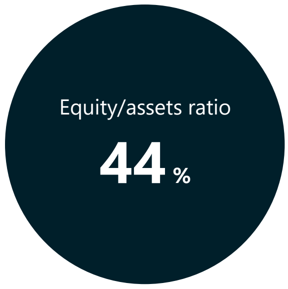
Supplementary agreement signed with the Group's principal bank, which entails time-limited easing of the loan terms and restrictions on dividends until the third quarter of 2027.

At the end of the period, the Group's equity amounted to SEK 738 million (753).

The Group's equity/assets ratio was 44 percent (45).

External interest-bearing net debt in relation to EBITDA

MSEK	30-Jun 2026	30-Jun 2025	31-Dec 2025
Non-current liabilites to credit institutions	475,2	423,7	475,0
Leasing libabilites non-current	42,0	50,1	43,8
Current liabilities to credit institutions	0,2	0,0	0,2
Leasing libabilities current	18,1	19,3	21,1
Cash and cash equivalents	-113,6	-57,4	-190,0
Interest-bearing net debt incl leasing debt	**421,9**	**435,8**	**350,2**
Interest-bearing net debt incl leasing/EBITDA (12 months), times	6,2 x	5,6 x	6,0 x
Equity/assets ratio %	44,3	45,3	42,5



Personnel

The number of full-time employees in Balco Group amounted to 526 (560) at the end of June 2026. The decrease is due to restructuring measures implemented over the past year.

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 June 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 4,320. The three largest shareholders were Herenco AB (26%), Ringvägen Venture AB (18%) and AB Tuna Holding (5%).

Development by segment

Renovation

Second quarter
Net sales increased by 8 percent to SEK 274 million (253). The segment accounted for 74 percent (76) of total sales.

Order intake increased by 23 percent to SEK 474 million (386), corresponding to 79 percent (74) of total order intake.

Adjusted operating profit (EBITA) amounted to SEK 6 million (6), corresponding to an adjusted operating margin of 2.3 percent (2.4).

First half of the year
Net sales increased by 3 percent to SEK 503 million (490). The segment accounted for 75 percent (76) of total sales.

Order intake increased by 15 percent to SEK 685 million (594), corresponding to 79 percent (75) of total order intake.

Adjusted operating profit (EBITA) amounted to SEK 9 million (1), corresponding to an adjusted operating margin of 1.8 percent (0.3).

The order backlog increased by 8 percent to SEK 1,220 million (1,134), corresponding to 72 percent (79) of the total order backlog.

Renovation, MSEK	**apr-jun 2026**	**apr-jun 2025**	**jan-jun 2026**	**jan-jun 2025**	**jul-jun 2025/26**	**jan-dec 2025**
Net Sales	273,7	253,1	502,6	489,6	998,7	985,6
Adjusted operating profit (EBITA)	6,2	6,0	9,0	1,4	18,7	11,2
Adjusted operating margin (EBITA), %	2,3	2,4	1,8	0,3	1,9	1,1
Order intake	474,5	386,2	685,1	594,1	1 101,7	1 010,7
Order backlog	1 219,9	1 133,8	1 219,9	1 133,8	1 219,9	1 059,5

New build

Second quarter
Net sales amounted to SEK 96 million (78). The segment accounted for 26 percent (24) of total sales.

Order intake decreased by 6 percent to SEK 126 million (133), corresponding to 21 percent (26) of total order intake.

Adjusted operating profit (EBITA) amounted to SEK 5 million (1), corresponding to an adjusted operating margin of 5.3 percent (0.8).

First half of the year
Net sales amounted to SEK 166 million (157). The segment accounted for 25 percent (24) of total sales.

Order intake decreased by 8 percent to SEK 185 million (200), corresponding to 21 percent (25) of total order intake.

Adjusted operating profit (EBITA) amounted to SEK 3 million (3), corresponding to an adjusted operating margin of 1.8 percent (1.8).

The order backlog amounted to SEK 473 million (305), corresponding to 28 percent (21) of the total order backlog.

New Build, MSEK	**apr-jun 2026**	**apr-jun 2025**	**jan-jun 2026**	**jan-jun 2025**	**jul-jun 2025/26**	**jan-dec 2025**
Net Sales	96,0	78,0	165,9	157,4	318,0	309,4
Adjusted operating profit (EBITA)	5,1	0,7	3,0	2,9	5,1	5,0
Adjusted operating margin (EBITA), %	5,3	0,8	1,8	1,8	1,6	1,6
Order intake	125,7	133,3	185,3	200,3	511,4	526,5
Order backlog	473,2	305,3	473,2	305,3	473,2	463,8

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

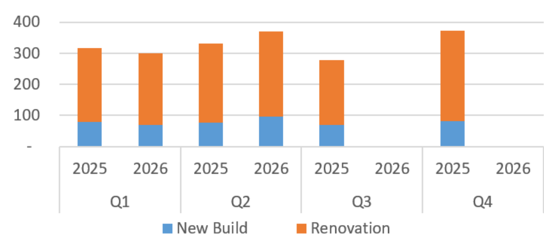
The segment includes the replacement and expansion of existing balconies, mainly glazed balconies. The main driver is the pent-up need for renovation and the age profile of the properties. The offer also includes façade renovation.

Segment – New Build

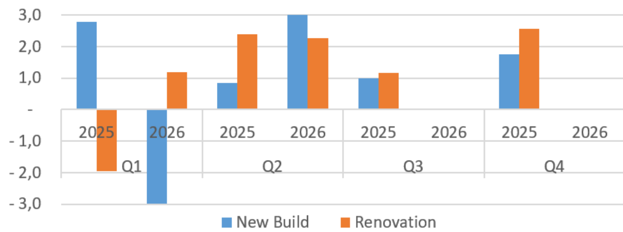
Southwark Park Road in London, UK

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 was raised/deteriorated marginally to 17.5 (17.2), which means that we are 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 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 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 carrried 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 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 uncertanties. 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. Our assessment is that the trend of an incipient recovery in the renovation market will continue, however, the geopolitical turmoil and its impact on material prices may have an inhibiting effect. The recovery in the new build segment is expected to take longer.

The profitability of Balco Group is still not satisfactory, which is why new cost-cutting programs are being implemented. Supplementary agreement signed with the Group's principal bank, which entails time-limited easing of the loan terms and restrictions on dividends until the third quarter of 2027.

Events during the quarter and after the end of the quarter
- Three new members have been elected to Balco Group's Board of Directors; Michael Wickell, Johan Dyberg and Anders Davidsson, the latter having been elected as the new Chairman of the Board.
- During the quarter, Camilla Ekdahl left her position as CEO and the Board of Directors appointed Johan Dyberg as acting CEO. The process to find a new permanent CEO has been initiated and is proceeding according to plan.
- During the quarter, Balco AB signed the largest deal with a tenant-owner association in over ten years.
- Action plan to increase the Group's efficiency and long-term profitable growth is initiated.
- Supplementary agreement signed with the Group's principal bank, which entails time-limited easing of the loan terms and restrictions on dividends until the third quarter of 2027.

Financial targets

Revenue growth
Balco Group´s net sales shall grow by 10 percent annually during a business cycle

Profitability
Earnings per share shall grow by 20 percent annually 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

This half-year report has not been the subject of a general review by the Company's auditors in accordance with ISRE 2410.

This information comprises such information as Balco Group AB is obliged to publish in accordance with the EU Market Abuse Regulation and the Securities Market Act. The information was provided by the contact people below for publication on July 14, 2026, at 13:00 CEST.

The Board of Directors and President certify that the half-year report gives a true and fair presentation of the Parent Company's and Group's business, financial position and result of operations, and describes the material risks and uncertainties facing the Parent Company and the Group.

Växjö, July 14, 2026

Anders Davidsson
Chairman of the Board

Thomas Widstrand
Board member

Vibecke Hverven
Board member

Carl-Mikael Lindholm
Board member

Michael Wickell
Board member

Johan Dyberg
Board member & acting President & CEO

Webbkonferens
A webcast conference call will be held at 14:00 CEST on July 14, 2026, where acting President and CEO Johan Dyberg and CFO Viktor Arvidsson will present the report and answer questions.

To follow the webcast presentation and send written questions, please use this link: https://www.fin-wire.tv/webcast/balcogroup/q2-2026/

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

SE: +46 8 5050 0829
PIN: 986 8710 0177 #

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

Calendar 2026/2027
Interim report Jan-Sep 2026 .... October 26, 2026
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......... May 4, 2027
Interim report Jan-Jun 2027 .... July 14, 2027

Consolidated statement of comprehensive income

MSEK	apr-jun 2026	apr-jun 2025	jan-jun 2026	jan-jun 2025	jul-jun 2025/26	jan-dec 2025
Net sales	369,7	331,1	668,6	647,0	1 316,7	1 295,1
Production and project costs	-308,7	-276,5	-559,7	-587,1	-1 108,2	-1 135,6
Gross profit	**61,1**	**54,6**	**108,9**	**59,9**	**208,4**	**159,4**
Sales costs	-29,2	-27,5	-56,6	-55,2	-107,4	-105,9
Administration costs	-29,0	-22,8	-51,3	-45,5	-90,6	-84,8
Other operating income	0,2	1,2	0,5	11,0	2,4	12,9
Other operating expenses	0,0	0,0	0,0	0,0	-0,4	-0,4
Operating profit	**3,1**	**5,4**	**1,5**	**-29,7**	**12,5**	**-18,7**
Finance income	3,3	1,4	13,2	3,7	14,2	4,7
Finance costs	-8,4	-6,7	-16,7	-13,1	-37,0	-33,5
Result before tax	**-2,0**	**0,1**	**-2,1**	**-39,2**	**-10,3**	**-47,5**
Income tax	0,8	0,1	0,7	9,7	3,4	12,5
Net result for the period	**-1,2**	**0,2**	**-1,4**	**-29,5**	**-7,0**	**-35,0**
Net result attributable to parent company´s shareholders	-1,5	0,1	-2,2	-30,0	-8,0	-35,8
Net result attributable to non-controlling interest	0,3	0,1	0,8	0,5	1,1	0,8
Net profit for the period	**-1,2**	**0,2**	**-1,4**	**-29,5**	**-7,0**	**-35,0**
Other comprehensive income						
Items that may later be reclassified to the income statement						
Translation differences when translating foreign operations	3,3	-5,7	5,5	-7,3	-1,9	-14,7
Comprehensive income for the period	**2,1**	**-5,6**	**4,1**	**-36,8**	**-8,9**	**-49,7**
Comprehensive income attributable to parent company´s shareholders	1,8	-5,7	3,3	-37,3	-9,9	-50,5
Comprehensive income attributable to non-controlling interest	0,3	0,1	0,8	0,5	1,1	0,8
Comprehensive income for the period	**2,1**	**-5,6**	**4,1**	**-36,8**	**-8,9**	**-49,7**
Earnings per share, SEK, before dilution	-0,07	0,00	-0,10	-1,30	-0,35	-1,55
Earnings per share, SEK, after dilution	-0,07	0,00	-0,10	-1,30	-0,35	-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-Jun 2026	30-Jun 2025	31-Dec 2025
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	529,1	532,0	527,9
Other intangible assets	281,5	283,9	279,9
Total intangible assets	**810,6**	**815,9**	**807,7**
Tangible assets			
Right-to-use assets	58,1	67,8	63,0
Property, plant and equipment	201,5	218,9	208,6
Total tangible assets	**259,5**	**286,8**	**271,6**
Financial assets	0,1	1,4	0,5
Deferred tax assets	17,6	9,7	13,9
Total non-current assets	**1 087,8**	**1 113,7**	**1 093,7**
Current assets			
Inventory	62,6	57,2	60,8
Accounts receivables	180,9	186,0	184,4
Contract assets	183,8	223,2	180,5
Other current receivables	60,4	58,4	45,1
Cash and cash equivalents	80,9	13,8	158,1
Total current assets	**568,5**	**538,5**	**628,9**
TOTAL ASSETS	**1 656,3**	**1 652,2**	**1 722,6**
EQUITY AND LIABILITES			
Equity			
Share capital	138,1	138,1	138,1
Other capital contributions	450,8	450,8	450,8
Reserves	8,7	10,6	3,2
Retaind earnings, incl. profit for the year	136,1	149,2	140,4
Equity attributable to Parent Company´s shareholders	**733,7**	**748,7**	**732,5**
Non-controlling interest	4,2	3,9	3,7
TOTAL Equity	**737,9**	**752,6**	**736,1**
LIABILITIES			
Non-current liabilites			
Liabilities to credit institutions	475,2	423,7	475,0
Leasing liabilities	42,0	50,1	43,8
Other non-current liabilities	1,1	13,1	11,6
Deferred tax liabilities	59,3	65,5	59,0
Total non-current liabilities	**577,6**	**552,4**	**589,5**
Current liabilities			
Liabilities to credit institutions	0,2	0,0	0,2
Leasing liabilities	18,1	19,3	21,1
Contract liabilites	78,5	50,2	103,1
Accounts payables	122,8	149,9	157,6
Other current liabilities	121,2	127,8	115,0
Total current liabilites	**340,8**	**347,2**	**396,9**
TOTAL EQUITY AND LIABILITIES	**1 656,3**	**1 652,2**	**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**	**190,0**	**4,2**	**801,1**
Correction of errors from previous years				-10,8		-10,8
Comprehensive income for the period						
Profit for the period				-30,0	0,5	-29,5
Other comprehensive income for the period			-7,3		-0,1	-7,4
Total comprehensive income for the period			**-7,3**	**-30,0**	**0,4**	**-36,9**
Transactions/acquisitions/disposals in holdings without				0,0	0,0	0,0
Transactions with shareholders:						
Total transactions with Company owners		**-0,0**				**-0,0**
Closing balance 30 jun 2025	138,1	450,8	10,6	149,2	3,9	752,6
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				-4,3	0,5	-3,8
Other comprehensive income for the period			5,5			5,5
Total comprehensive income for the period			**5,5**	**-4,3**	**0,5**	**1,7**
Transactions with shareholders:				**0,0**	**-0,0**	**-0,0**
Total transactions with Company owners						
Closing balance 30 jun 2026	138,1	450,8	8,7	136,1	4,2	737,9

Consolidated cash flow statement in summary

MSEK	apr-jun 2026	apr-jun 2025	jan-jun 2026	jan-jun 2025	jul-jun 2025/26	jan-dec 2025
Operating activites						
Operating profit (EBIT)	3,1	5,4	1,5	-29,7	12,5	-18,7
Adjustment for non-cash items	5,7	0,6	16,7	20,8	22,4	26,5
Interest received	0,7	1,7	1,9	2,6	4,0	4,7
Interest paid	-7,8	-5,7	-15,6	-11,8	-33,9	-30,1
Income tax paid	-5,3	-5,8	-9,9	-11,2	-10,2	-11,5
Cash flow from operating activities before changes in working capital	**-3,7**	**-3,8**	**-5,5**	**-29,3**	**-5,3**	**-14,1**
Changes in working capital						
Increase (-)/Decrease (+) in inventories	0,6	3,8	-1,4	7,0	-5,6	2,8
Increase (-)/Decrease (+) in current assets	-53,4	-34,6	-3,4	-82,0	43,8	-34,8
Increase (+)/Decrease (-) in current liabilities	-31,3	-14,4	-57,9	10,1	8,1	76,0
Cash flow from operating activities	**-87,8**	**-49,0**	**-68,1**	**-94,2**	**41,1**	**15,0**
Cash flow from investing activities						
Investments in tangible fixed assets	0,0	-7,0	-0,3	-10,8	-2,1	-12,6
Investments in intangible fixed assets	-0,4	-3,1	-0,7	-4,4	-0,6	-4,2
Acquisitions of operations	0,0	-20,4	0,0	-20,4	-0,2	-20,6
Changes in other non-current assets/liabilities	0,4	0,1	-10,1	-11,6	-10,2	-11,6
Cash flow from investing activities	**0,0**	**-30,4**	**-11,1**	**-47,2**	**-13,0**	**-49,1**
Cashflow from financing activities						
Changes in bank loans	2,5	75,3	2,6	61,9	54,3	113,6
Changes in leasing	-5,8	-4,6	-11,6	-10,4	-23,6	-22,4
New warrants issue	0,0	0,0	0,0	0,0	0,0	0,0
Distributed dividend to non-controlling interest	1,3	0,0	1,3	0,0	1,0	-0,4
Cashflow from financing activities	**-1,9**	**70,7**	**-7,6**	**51,5**	**31,7**	**90,8**
Cash flow for the period	**-89,7**	**-8,8**	**-86,9**	**-89,8**	**59,7**	**56,8**
Cash and cash equivalents at beginning of the period	169,4	23,5	158,1	103,1	13,8	103,1
Exchange rate differential cash and cash equivalents	2,5	-0,9	11,0	0,5	8,7	-1,8
Cash and cash equivalents at end of the period	**82,2**	**13,8**	**82,2**	**13,8**	**82,2**	**158,1**

Key ratios

MSEK	apr-jun 2026	apr-jun 2025	jan-jun 2026	jan-jun 2025	jul-jun 2025/26	jan-dec 2025
Net sales	369,7	331,1	668,6	647,0	1 316,7	1 295,1
Order intake	600,2	519,4	870,3	794,4	1 613,1	1 537,1
Order backlog	1 693,0	1 439,1	1 693,0	1 439,1	1 693,0	1 523,3
Gross profit	61,1	54,6	108,9	59,9	208,4	159,4
Adjusted Gross Profit	69,1	54,6	118,2	88,1	217,2	183,1
EBITDA	14,9	16,7	25,0	-6,7	59,2	27,4
Adjusted EBITDA	23,0	16,8	34,3	24,4	67,9	58,0
Operating profit (EBITA)	3,8	6,1	2,9	-27,7	15,4	-15,2
Adjusted operating profit (EBITA)	11,9	6,2	12,2	3,5	24,1	15,4
Operating profit (EBIT)	3,1	5,4	1,5	-29,7	12,5	-18,7
Adjusted operating profit (EBIT)	11,1	5,5	10,8	1,5	21,2	11,9
Gross profit margin, %	16,5	16,5	16,3	9,3	15,8	12,3
Adjusted gross margin, %	18,7	16,5	17,7	13,6	16,5	14,1
EBITDA-margin, %	4,0	5,1	3,7	-1,0	4,5	2,1
Adjusted EBITDA-margin, %	6,2	5,1	5,1	3,8	5,2	4,5
Operating profit margin (EBITA), %	1,0	1,9	0,4	-4,3	1,2	-1,2
Adjusted operating profit margin (EBITA), %	3,2	1,9	1,8	0,5	1,8	1,2
Operating profit margin (EBIT), %	0,8	1,6	0,2	-4,6	0,9	-1,4
Adjusted operating profit margin (EBIT), %	3,0	1,7	1,6	0,2	1,6	0,9
Operating cash flow	-61,5	-30,0	-29,8	-28,8	98,7	99,7
Operating cash conversion, %	-267,7	-179,1	-86,7	-117,8	145,4	171,9
Capital employed, R12	1 688,2	1 162,3	1 688,2	1 162,3	1 688,2	1 180,3
Capital employed, excl goodwill, R12	1 159,0	643,5	1 159,0	643,5	1 159,0	654,3
Equity	733,7	748,7	733,7	748,7	733,7	732,5
Interest-bearing net debt incl leasing debt	421,9	435,8	421,9	435,8	421,9	350,2
Interest-bearing net debt excl leasing debt	361,9	366,3	361,9	366,3	361,9	285,3
Interest-bearing net debt incl leasing/Adjusted EBITDA 12 months, times	6,2	5,6	6,2	5,6	6,2	6,0
Interest-bearing net debt excll leasing/Adjusted EBITDA 12 months, times	7,9	6,3	7,9	6,3	7,9	7,9
Return on capital employed, % (12 months)	1,3	2,7	1,3	2,7	1,3	1,0
Return on capital employed, excl goodwill, % (12 months)	1,8	4,9	1,8	4,9	1,8	1,8
Return on invested capital, % (12 months)	-0,9	-4,1	-0,9	-4,1	-0,9	-4,8
Equity/assets ratio, %	44,3	45,3	44,3	45,3	44,3	42,5
Number of full-time employees on the closing date	526	560	526	560	526	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	32	33	32	33	32	32
Earnings per share, SEK before dilution	-0,07	0,00	-0,10	-1,30	-0,35	-1,55
Earnings per share, SEK after dilution	-0,07	0,00	-0,10	-1,30	-0,35	-1,55
Adjusted earnings per share, SEK, berfore and after dilution	0,21	0,01	0,22	-0,23	-0,05	-0,50

Parent company, income statement in summary

MSEK	apr-jun 2026	apr-jun 2025	jan-jun 2026	jan-jun 2025	jul-jun 2025/26	jan-dec 2025
Net Sales	8,3	6,6	16,5	13,3	30,0	26,8
Administrative expenses	-13,1	-6,8	-20,0	-13,2	-32,9	-26,1
Operating profit	**-4,9**	**-0,1**	**-3,5**	**0,2**	**-2,8**	**0,8**
Interest income and similar profit/loss items	3,6	3,5	8,6	8,4	15,8	15,5
Interest expenses and similar profit/loss items	-8,1	-6,5	-16,5	-10,8	-33,1	-27,4
Dividend / result from group companies	1,3	0,0	1,3	0,0	-14,7	-16,0
Profit/loss after financial items	**-8,1**	**-3,1**	**-9,9**	**-2,2**	**-34,8**	**-27,1**
Appropriations	-2,1	0,0	-2,1	0,0	-12,9	-10,8
Tax	2,3	0,6	2,9	0,5	7,5	5,1
Net profit/loss for the period	**-7,8**	**-2,5**	**-9,1**	**-1,8**	**-40,1**	**-32,8**

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

Parent company, balance sheet in summary

MSEK	30-Jun 2026	30-Jun 2025	31-Dec 2025
ASSETS			
Non-current assets			
Financial assets			
Shares in group companies	1 085,3	1 077,1	1 071,7
Other non-current assets	8,8	5,0	8,4
Total non-current assets	**1 094,1**	**1 082,0**	**1 080,1**
Current assets			
Receivables from group companies	195,9	274,4	234,2
Other current receivables	25,2	17,8	14,7
Cash and cash equivalents	79,5	9,7	154,6
Total current asstes	**300,6**	**301,8**	**403,4**
TOTAL ASSETS	**1 394,7**	**1 383,9**	**1 483,5**
EQUITY AND LIABILITIES			
Equity			
Restricted equity	138,1	138,1	138,1
Non-restricted equity	655,2	697,4	666,4
Total Equity	**793,3**	**835,6**	**804,5**
LIABILITIES			
Non-current liabilities			
Liabilities to credit institutions	475,0	425,0	475,0
Other non-current liabilities	4,8	14,9	14,9
Total non-current liabilities	**479,8**	**439,9**	**489,9**
Current liabilities			
Liabilities to group companies	90,3	79,4	165,5
Other current liabilities	31,2	29,0	23,6
Total current liabilities	**121,6**	**108,4**	**189,1**
TOTAL EQUITY AND LIABILITIES	**1 394,7**	**1 383,9**	**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.

apr-jun	**Renovation**		**New Build**		**Group-wide**		**Eliminations**		**Total**	
MSEK	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
Net sales - External revenue	273,7	253,1	96,0	78,0	-	-	-	-	369,7	331,1
Net sales - Internal revenue	-	-	-	-	8,3	6,6	-8,3	-6,6	-	-
Total sales	**273,7**	**253,1**	**96,0**	**78,0**	**8,3**	**6,6**	**-8,3**	**-6,6**	**369,7**	**331,1**
Operating profit (EBIT)	**4,0**	**5,4**	**4,8**	**0,6**	**-5,8**	**-0,5**	**-**	**-**	**3,1**	**5,4**
Depreciation included with	9,8	10,5	2,0	0,8	-	-	-	-	11,8	11,3
of which amortizarion	0,7	0,7	0,1	0,1	-	-	-	-	1,5	0,7
Items affecting comparison	1,5	-	0,3	-	6,3	0,1	-	-	8,1	0,1
Adjusted operating profit (EBITA)	**6,2**	**6,0**	**5,1**	**0,7**	**0,5**	**-0,5**	**-**	**-**	**11,9**	**6,2**
Adjusted operating margin	2,3%	2,4%	5,3%	0,8%			-	-	3,2%	1,9%
Operating profit (EBIT)	4,0	5,4	4,8	0,6	-5,8	-0,5	-	-	3,1	5,4
Finance income	-	-	-	-	3,3	1,4	-	-	3,3	1,4
Finance cost	-	-	-	-	-8,3	-6,7	-	-	-8,3	-6,7
Profit before tax	**5,7**	**5,4**	**4,8**	**0,6**	**-10,8**	**-4,6**	**-**	**-**	**-2,0**	**0,1**

apr-jun	**Renovation**		**New Build**		**Group-wide**		**Eliminations**		**Total**	
MSEK	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
Net sales - External revenue	502,6	489,6	165,9	157,4	-	-	-	-	668,6	647,0
Net sales - Internal revenue	-	-	-	-	16,5	13,3	-16,5	-13,3	-	-
Total sales	**502,6**	**489,6**	**165,9**	**157,4**	**16,5**	**13,3**	**-16,5**	**-13,3**	**668,6**	**647,0**
Operating profit (EBIT)	**5,0**	**-25,6**	**2,5**	**-3,1**	**-6,1**	**-1,1**	**-**	**-**	**1,5**	**-29,7**
Depreciation included with	19,7	19,7	3,8	3,3	-	-	-	-	23,6	23,0
of which amortizarion	1,4	1,9	0,1	0,1	-	-	-	-	1,5	2,0
Items affecting comparison	2,5	25,1	0,5	5,9	6,3	0,3	-	-	9,3	31,2
Adjusted operating profit (EBITA)	**9,0**	**1,4**	**3,0**	**2,9**	**0,2**	**-0,8**	**-**	**-**	**12,2**	**3,5**
Adjusted operating margin	1,8%	0,3%	1,8%	1,8%			-	-	1,8%	0,5%
Operating profit (EBIT)	5,0	-25,6	2,5	-3,1	-6,1	-1,1	-	-	1,5	-29,7
Finance income	-	-	-	-	13,2	3,7	-	-	13,2	3,7
Finance cost	-	-	-	-	-16,7	-13,1	-	-	-16,7	-13,1
Profit before tax	**5,0**	**-25,6**	**2,5**	**-3,1**	**-9,5**	**-10,5**	**-**	**-**	**-2,1**	**-39,2**

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-jun 2026	30-jun 2025	31-dec 2025
Interest-bearing net debt incl leasing debt			
Non-current interest-bearing liabilities	517,2	473,8	518,9
Current interest-bearing liabilities	18,3	19,3	21,3
Cash and cash equivalents	-113,6	-57,4	-190,0
Interest-bearing net debt incl leasing debt	**421,9**	**435,8**	**350,2**
Adjusted EBITDA (R12)	67,9	77,9	58,0
Interest-bearing net debt/EBITDA (R12), times	**6,2 x**	**5,6 x**	**6,0 x**
Return on capital employed			
Equity	733,7	748,7	732,5
Interest-bearing net debt	421,9	435,8	350,2
Average capital employed	1 284,0	1 181,5	1 113,0
Adjusted operating profit (EBIT), (R12)	21,2	31,2	11,9
Return on capital employed, %	**1,7**	**2,6**	**1,1**
Equity/assets ratio			
Equity attributable to owners of the parent company	733,7	748,7	732,5
Total assets	1 656,3	1 652,2	1 722,6
Equity/assets ratio, %	**44,3**	**45,3**	**42,5**

MSEK	apr-jun 2026	apr-jun 2025	jan-jun 2026	jan-jun 2025	jul-jun 2025/26	jan-dec 2025
Adjusted operating profit (EBIT)						
Operating profit (EBIT)	3,1	5,4	1,5	-29,7	12,5	-18,7
Re-structuring costs	8,1	-0,0	9,3	30,9	8,7	30,3
Acquisition costs	0,0	0,1	0,0	0,3	0,0	0,3
Adjusted operating profit (EBIT)	**11,1**	**5,5**	**10,8**	**1,5**	**21,2**	**11,9**
Operating profit (EBITA)						
Operating profit (EBIT)	3,1	5,4	1,5	-29,7	12,5	-18,7
Amortization	0,7	0,7	1,5	2,0	2,9	3,5
Operating profit (EBITA)	**3,8**	**6,1**	**2,9**	**-27,7**	**15,4**	**-15,2**
Adjusted operating profit (EBITA)						
Adjusted operating profit (EBIT)	11,1	5,5	10,8	1,5	21,2	11,9
Amortization	0,7	0,7	1,5	2,0	2,9	3,5
Adjusted operating profit (EBITA)	**11,9**	**6,2**	**12,2**	**3,5**	**24,1**	**15,4**
Adjusted net result						
Net result	-1,2	0,2	-1,4	-29,5	-7,0	-35,0
Items affecting comparison after tax	6,4	0,0	7,3	24,6	6,9	24,2
Adjusted net result	**5,1**	**0,2**	**5,9**	**-4,8**	**-0,1**	**-10,8**
EBITDA						
Operating profit (EBIT)	3,1	5,4	1,5	-29,7	12,5	-18,7
Depreciation and amortization	11,8	11,3	23,6	23,0	46,7	46,1
EBITDA	**14,9**	**16,7**	**25,0**	**-6,7**	**59,2**	**27,4**
Adjusted EBITDA						
Adjusted operating profit (EBIT)	11,1	5,5	10,8	1,5	21,2	11,9
Depreciation and amortization	11,8	11,3	23,6	23,0	46,7	46,1
Adjusted EBITDA	**23,0**	**16,8**	**34,3**	**24,4**	**67,9**	**58,0**
Investments, excluding expansions investments						
Investments in intangible fixed assets	0,0	-7,0	-0,3	-10,8	-2,1	-12,6
Investments in tangible fixed assets	-0,4	-3,1	-0,7	-4,4	-0,6	-4,2
of which expansion investments	0,2	8,9	0,5	10,6	2,2	12,3
Investments, excluding expansions investments	**-0,1**	**-1,2**	**-0,5**	**-4,5**	**-0,5**	**-4,5**
Operating cash flow						
Adjusted EBITDA	23,0	16,8	34,3	24,4	67,9	58,0
Changes in working capital	-84,4	-45,6	-63,6	-48,7	52,1	46,2
Investments, excluding expansions investments	-0,1	-1,2	-0,5	-4,5	-0,8	-4,5
Operating cash flow	**-61,5**	**-30,0**	**-29,8**	**-28,8**	**119,1**	**99,7**
Net Sales excluding acquisitions						
Net Sales	369,7	331,1	668,6	647,0	1 316,7	1 295,1
Acquired net sales	0,0	0,0	0,0	-24,6	0,0	-24,6
Net Sales excluding acquisitions	**369,7**	**331,1**	**668,6**	**622,4**	**1 316,7**	**1 270,5**
Adjusted earnings per share						
Net result attributable to parent company's shareholders	-1,5	0,1	-2,2	-30,0	-8,0	-35,8
Items affecting comparison after tax	6,4	0,0	7,3	24,6	6,9	24,2
Adjusted earnings per share	**0,21**	**0,01**	**0,22**	**-0,23**	**-0,05**	**-0,50**

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.

526 employees

7 markets

1 317 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 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