



NIBE

Interim Report 1, 2023

- › SALES totalled SEK 11,646 million (8,749) million
- › PROFIT AFTER NET FINANCIAL ITEMS amounted to SEK 1,654 (906) million
- › PROFIT AFTER TAX was SEK 1,274 (680) million
- › EARNINGS per share before and after dilution, based on the average number of shares outstanding during the period, were SEK 0.63 (SEK 0.33)
- › ACQUISITION OF-65% of the shares in the Canadian stove company Miles Industries Ltd (2023)

Strong start to the year

Continued strong demand and clear improvement in supply chain situation.

In the first three months of the year, the Group's sales grew by 33.1% (28.1%), of which 27.8% (26.8%) was organic growth. The weak Swedish krona had a positive effect on sales growth, as did the price increases introduced in the past 12 months. In real terms, organic growth was well above the target of 10%, however.

When comparing the first quarter of 2023 with the corresponding period in the previous year, it is necessary to bear in mind that, relatively strong growth notwithstanding, the first quarter of 2022 was characterized by our sub-suppliers' inability to supply requested quantities while at the same time implementing frequent, as well as steep, price increases.

The continued strong growth in demand is primarily due to the transition to a more sustainable society and volatile energy prices. With regard to the difficulties relating to materials and components supply, our sub-suppliers have for several quarters worked purposefully to adapt to the much higher level of demand, and we are delighted to see a significant improvement in both supply chain capacity and supply chain security. Unfortunately, this generally positive development has been marred by the fact that a few strategic suppliers are still lagging behind in their efforts to increase capacity. This means our supply chain problems continued in the quarter just ended. We expect to be able to gradually return to a more normal supply chain situation from the start of the second half of the year.

The business area NIBE Climate Solutions continued to report very strong growth in all targeted markets in Europe and the market is also taking off in North America. To be able to achieve acceptable delivery performance, significant efforts have been made to safeguard our sub-suppliers' delivery capacity both in the short term and from a long-term perspective. We are delighted that we are now starting to see the effects of these painstaking efforts, although we are reluctant to predict a return to a more normal supply chain situation until the second half of the year. Alongside this work, we are also implementing a very ambitious investment programme to ensure that we are always at the forefront in terms of our development capacity, our production capacity and our market presence.

The growth in sales enabled us to post a sharp increase in operating profit. The gradual improvement in delivery capacity among our sub-suppliers has also boosted our productivity as it has enabled production to run more smoothly. Altogether, this resulted in a sharp improvement in operating margin. However, this should be viewed against the background that operating profit in 2022 was burdened by write-downs of SEK 114 million in respect of our Russian operations.

The business area NIBE Stoves also recorded continued strong growth, particularly in the wood-fired products category in Europe. As before, the supply chain situation remained challenging, due to a continued shortage of a few, absolutely crucial, input goods. In this business area too, supply chain capacity is not expected to return to something akin to normal until later this year.

Our own production capacity is gradually being expanded as a result of an ambitious investment programme that also includes large investments in automation and robotics.

Our major focus on development of products with lower particle emissions is starting to bear fruit and we have begun introducing this product concept.

The strong growth in sales also boosted operating profits and combined with better price balance and good cost control, the operating margin also improved.

Calendar

May 16, 2023

08.00 (CEST) Interim Report 1, January – March 2023

11.00 (CEST) Teleconference (in English):

Presentation of Interim Report 1, 2023 and opportunity to ask questions.

Registration on our website www.nibe.com is required in order to access the presentation images and to obtain a code to be able to ask questions.

17.00 (CEST) Annual General Meeting

August 17, 2023

Interim Report 2, January – June 2023

November 15, 2023

Interim Report 3, January – September 2023

The business area NIBE Element reported mostly strong demand, particularly in product areas associated with sustainability. Pure consumer goods performed less well, however. Demand in the semiconductor industry has also declined since the fourth quarter of 2022, when the USA introduced restrictions on trade with China in respect of certain high technology equipment. However, this is expected to be a temporary dip as semiconductor production capacity is now being expanded in both North America and Europe.

This business area too was unable to escape supply chain disruptions, which have greatly tested the organization in terms of adaption and unconventional solutions in order to maintain a decent level of supply chain security as far as possible. The assessment is that a return to a more stable supply chain situation should hopefully take place in the second half of the year.

The increase in sales together with good cost control and agility and adaptability resulted in an improved operating profit, while the operating margin declined slightly, primarily as a result of a change in productivity.

Investments

Investments in our existing businesses amounted to SEK 639 million in the first quarter, compared with SEK 478 million in the previous year. Excluding leases, depreciation amounted to SEK 288 million, compared with SEK 260 million in the first quarter of 2022. In view of the expected continued good market conditions in all three business areas, together with further automation, rationalizations and sustainable development, the rate of investment in our existing businesses will remain high. In the next three to four years alone, accumulated investments are expected to amount to around SEK 10 billion, of which around half will comprise increased production capacity.

Profit

Operating profit in the first quarter improved by 86.5% compared with the corresponding period in the previous year and the operating margin rose from 10.8% to 15.1%.

Profit after net financial items improved by 82.6% in the first quarter, while the profit margin rose to 14.2% from 10.4% in the previous year.

Excluding the effect of one-off write-downs of SEK 114 million in respect of our Russian operations in the first quarter of 2022, the operating margin in the first quarter of the previous year was 12.1% and the profit margin was 11.7%.



Gerteric Lindquist
Managing Director and CEO

Outlook for 2023

- Our corporate philosophy and our strong range of products, with their focus on sustainability and energy efficiency, are in tune with the times because the transition to a fossil-free society is considered to be irrevocable.
- We are well prepared to continue being proactive on acquisitions.
- Our internal efforts to enhance efficiency, combined with our rigorous cost control, will ensure consistently healthy margins.
- All three business areas have a good geographical spread, which makes us less vulnerable to local downturns in demand.
- Our decentralised organisation, based on independent units, is well proven and creates the conditions for greater motivation and flexibility.
- The pandemic effects are continuing to fade, which is a very significant and positive factor.
- The problems relating to sub-suppliers are expected to gradually improve over the year.
- The effects of the war in Ukraine, general political unrest, interest rate developments and high energy prices are factors that are difficult to predict, however.
- However, as is our habit, and based on experience, we remain cautiously optimistic about our full-year performance.

Markaryd, May 16, 2023

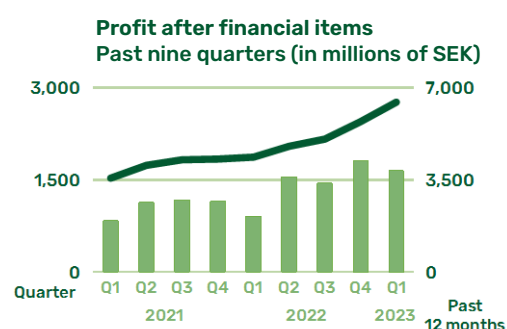
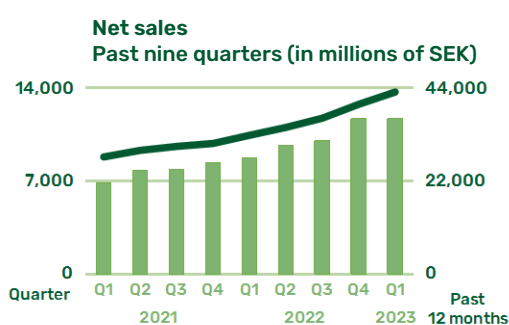
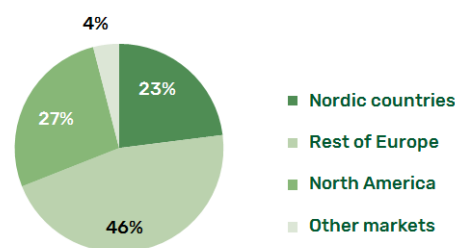
A handwritten signature in blue ink, appearing to read 'Gerteric Lindquist', written over a faint grid background.

Gerteric Lindquist
Managing Director and CEO

NIBE Group

Key figures		Q1 2023	Q1 2022	Past 12 months	Full year 2022
Net sales	SEK m	11,646	8,749	42,968	40,071
Growth	%	33.1	28.1	31.2	30.0
of which acquired	%	5.3	1.3	4.4	3.5
Operating profit	SEK m	1,755	941	6,677	5,863
Operating margin	%	15.1	10.8	15.5	14.6
Profit after net financial items	SEK m	1,654	906	6,423	5,675
Profit margin	%	14.2	10.4	14.9	14.2
Equity/assets ratio	%	52.3	50.3	52.3	51.8
Return on equity	%	17.7	15.6	19.5	18.1

Group sales by geographical region



Sales

The Group's net sales totalled SEK 11,646 million (SEK 8,749 million). This corresponds to growth of 33.1%. Of the total increase in sales of SEK 2,897 million, acquired sales amounted to SEK 464 million, which means that organic sales increased by 27.8%.

Profit

Profit for the year after net financial items amounted to SEK 1,654 million. This corresponds to an 82.6% increase in earnings compared with 2022. In the same period in the previous year, profit after net financial items amounted to SEK 906 million. At the end of the period, net financial items amounted to SEK -101 million, an increase of SEK 66 million compared with the same period in the previous year. The increase in net financial costs was due to the general interest rate situation because the Group's credit facilities mostly have variable interest rates. Profit for the year was weighed down by acquisition costs of SEK 30 (3) million. Return on equity, was 17.7% (15.6%).

Acquisitions

At the beginning of January 2023, we acquired 65% of the shares in the Canadian stove company Miles Industries Ltd, which has sales of around CAD 75 million. We have an agreement to acquire the outstanding shares not later than in 2026. The company was consolidated into NIBE Stoves as of January 2023. The acquisition balance sheet is still provisional.

Investments

During the year, the Group invested a total of SEK 1,341 (492) million. A total of SEK 702 (14) million of the investments related to acquisitions of operations. The remaining SEK 639 (478) million mainly comprised investments in machinery and equipment and buildings in existing operations. The investment amount relating to acquisitions is based on both initial considerations and an estimate of additional considerations to be paid.

Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 1,419 (939) million. Cash flow after changes in working capital amounted to SEK 392 (-145) million. The increase in working capital was primarily due to stockbuilding ahead of peak season.

Interest-bearing liabilities at the end of the period amounted to SEK 11,701 million. At the start of the year, the corresponding figure was SEK 11,357 million. At the end of March, the Group had cash and cash equivalents of SEK 4,543 million, as against SEK 5,441 million at the start of the year. The equity/assets ratio at the end of the period was 52.3%, compared with 51.8% at the start of the year and 50.3% at the corresponding time in the previous year.

Parent

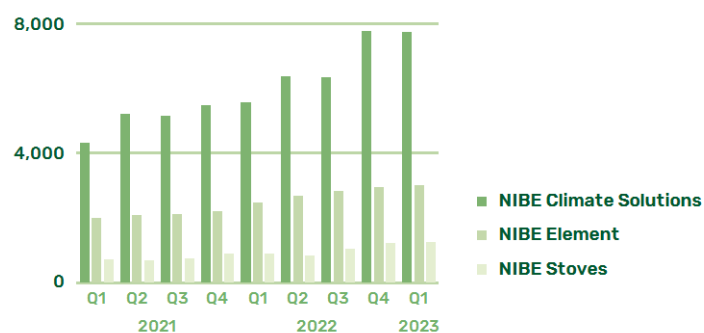
Parent activities comprise Group executive management functions, certain shared Group functions and financing. Sales for the year totalled SEK 15 (16) million and profit after financial items was SEK 12 (-29) million.

Business area trends

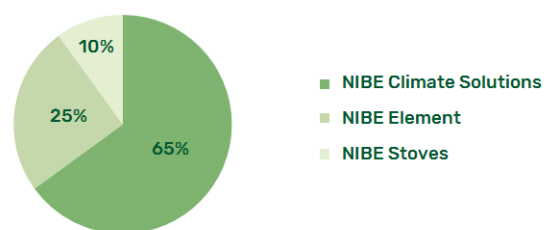
Quarterly data

Consolidated income statement (SEK million)	2023		2022			2021			
	Q1	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	11,646	8,749	9,656	9,999	11,667	6,831	7,790	7,823	8,388
Operating expenses	-9,891	-7,808	-8,087	-8,534	-9,779	-5,966	-6,568	-6,621	-7,209
Operating profit	1,755	941	1,569	1,465	1,888	865	1,222	1,202	1,179
Net financial items	-101	-35	-22	-14	-117	-32	-51	-31	-36
Profit after net financial items	1,654	906	1,547	1,451	1,771	833	1,171	1,171	1,143
Tax	-380	-226	-310	-343	-401	-188	-259	-260	-233
Net profit	1,274	680	1,237	1,108	1,370	645	912	911	910
Net sales, business areas									
NIBE Climate Solutions	7,736	5,583	6,367	6,344	7,782	4,310	5,199	5,142	5,476
NIBE Element	3,013	2,474	2,672	2,842	2,937	2,001	2,082	2,125	2,214
NIBE Stoves	1,250	900	830	1,042	1,239	705	696	746	904
Elimination of Group transactions	-353	-208	-213	-229	-291	-185	-187	-190	-206
Group total	11,646	8,749	9,656	9,999	11,667	6,831	7,790	7,823	8,388
Operating profit, business areas									
NIBE Climate Solutions	1,353	612	1,204	1,022	1,500	579	900	907	852
NIBE Element	280	250	299	325	249	216	223	213	224
NIBE Stoves	165	103	95	137	216	85	82	103	143
Elimination of Group transactions	-43	-24	-29	-19	-77	-15	17	-21	-40
Group total	1,755	941	1,569	1,465	1,888	865	1,222	1,202	1,179

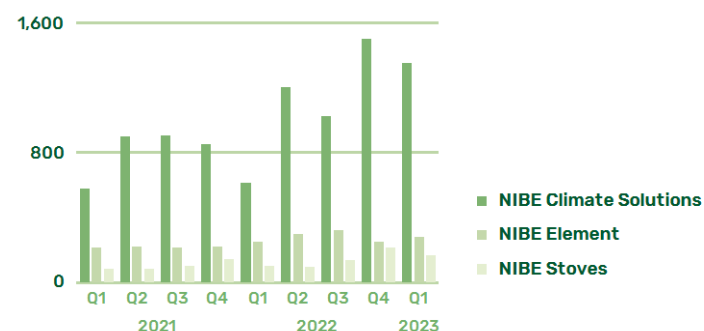
Sales per business area, last nine quarters (SEK million)



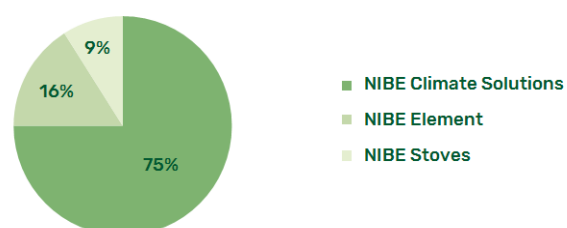
Each business area's share of total sales (Q1, 2023)



Operating profit per business area, last nine quarters (SEK million)



Each business area's share of total profit (Q1, 2023)



Business area NIBE Climate Solutions

Key figures		Q1 2023	Q1 2022	Past 12 months	Full year 2022
Net sales	SEK m	7,736	5,583	28,228	26,076
Growth	%	38.6	29.5	31.9	29.6
of which acquired	%	3.5	1.2	4.2	3.7
Operating profit	SEK m	1,353	612	5,079	4,338
Operating margin	%	17.5	11.0	18.0	16.6
Assets	SEK m	34,535	29,484	34,535	33,813
Liabilities	SEK m	6,543	4,933	6,543	6,504
Investments in non-current assets	SEK m	453	320	1,569	1,436
Amortisation/Depreciation	SEK m	229	210	893	875

Sales and profit

Sales for the period totalled SEK 7,736 million, compared with SEK 5,583 million in the corresponding period in the previous year. Of the increase in sales of SEK 2,153 million, acquired sales accounted for SEK 197 million, which means that organic growth was 35.1%.

Operating profit for the period totalled SEK 1,353 million, compared with SEK 612 million in the previous year. This equates to an operating margin of 17.5% compared with 11.0% for the previous year. The operating margin for the past 12 months is thus 18.0%.

Market

We see continued significant interest among end-consumers in both saving energy and finding fossil-free alternatives to natural gas and oil. This is driving the transition to a society that is less dependent on fossil fuels. We have long been convinced that heat pump technology is the best solution for energy-efficient and environmentally-friendly climate control of both small and large properties. Now the International Energy Agency (IEA) has confirmed this in a report stating that heat pumps are the best option for reduced climate impact.

Heat pumps are now rapidly becoming established as the solution to reducing energy consumption related to climate control of properties and to reducing emissions of carbon dioxide throughout Europe. We are therefore continuing to see very strong demand for all our heat pump solutions. The North American market has also been influenced by the development in Europe, and this is boosting demand for alternatives to current climate control products, which are primarily based on fossil fuels.

Although we have sharply increased our production capacity, our delivery capability continues to be adversely affected by external circumstances such as shortages of a number of critical components. The majority of our sub-suppliers have seen a substantial improvement in delivery capability, however.

To solve the climate change issue, in which climate control of properties is a major factor, and speed up the transition to a more sustainable society, the clear objective in a growing number of countries is that products that use fossil fuels such as oil and gas should be phased out in the long term, which is something that benefits our sector both in the short and long term.

All our targeted markets in Europe continue to show very good growth. In the Netherlands, which has made a lot of progress in the transition to fossil-free fuels, the market development for heat pumps remains strong. The German market, which is important to us, is also showing very strong growth. This is an effect both of favourable state subsidies offered to encourage the replacement of existing oil and gas boilers with energy-efficient and environmentally-friendly heat pumps, and the urgent need to become less dependent on Russian oil and gas. All the Nordic markets are also growing, which benefits us as the market leader in all the Nordic countries.

All our units in Eastern Europe are also reporting strong expansion. Several of these markets, where we are well represented both through our own production of water heaters and sales of heat pumps, are growing very rapidly as result of efforts to reduce dependence on coal, gas and oil.

The rate of growth in the Swedish domestic market for heat pumps increased slightly in the first quarter thanks to supply chain capacity in the industry as regards heat pumps having improved. Underlying demand remains strong in the replacement products market, while new production of single-family houses has slowed down markedly. Our market position in both segments remains strong, which means we are well placed to adapt to changes in the market

Operations

We have remained fully focused on securing access to raw materials and components while also increasing capacity in our production units, which has resulted in significantly improved delivery capability. We have also seen a positive change in North America, where low unemployment has been a challenge when it comes to finding and retaining workers.

During the first few months of the year we carried out major marketing initiatives. In February, we attended one of the world's biggest international trade fairs, AHR Expo in Atlanta, USA. In March, we participated in the international trade fair ISH in Frankfurt in Germany, where heat pumps and the R290 refrigerant were a recurring theme, really reinforcing the commitment to the ongoing transition to environmentally-friendly and fossil-free climate control. Our participation boosts our profile as a market leader in energy-efficient, environmentally sustainable and intelligent product solutions for indoor comfort based on renewable energy.

Demand is expected to continue to show strong growth and to meet this we are carrying out large investments in capacity at several of our European operations. At NIBE in Markaryd an additional new production line for air/water heat pumps has come on stream, doubling our production capacity in this rapidly growing segment in Europe. In Germany, AIT has built a new heat pump plant to meet demand for heat pump production capacity. Alongside this, we are also expanding our capacity for production of pressure vessels, which are an important component in heat pump installations.

We are continuously focusing major resources on product development and the introduction of high-performance products in all application areas. This is one of the basic requirements for continued expansion. We have already launched the natural refrigerant R290 for two of our three heat pump product families and are ahead of EU requirements in this respect.

Our brand new innovation center in Markaryd has partially come on stream, with more operations moving in gradually during the spring. The center will enable us to safeguard the quality of our future product development and attract new development engineers.

Operating profit improved sharply as result of volume growth and improved materials supply, together with a continued cautious approach to fixed costs. Exchange rates also had a positive impact, while our own price increases have now taken almost full effect. In total, this means the operating margin improved significantly.

Large presence at international ISH fair

After four years, the large international trade fair ISH in Frankfurt returned in March. This time, the focus of the entire event was the ongoing transition in Europe to a fossil-free society and climate control of properties, with particular focus on heat pumps and natural refrigerants. NIBE Climate Solutions was well represented, with our companies showcasing energy-efficient and environmentally friendly climate control solutions across a total of 1,300 square metres of exhibition space. We were also able to report that NIBE started using R290 propane, the refrigerant everyone was talking about, as far back as 1997.

NIBE AB



CTC



Rhoss



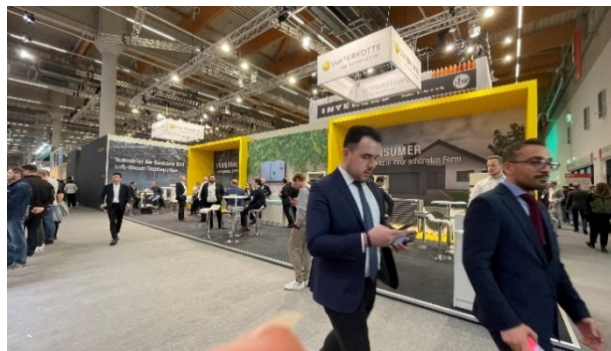
Argoclima



AIT



Waterkotte



TIKI



DZD



Business area NIBE Stoves

Key figures		Q1 2023	Q1 2022	Past 12 months	Full year 2022
Net sales	SEK m	1,250	900	4,362	4,011
Growth	%	39.0	27.6	34.4	31.5
of which acquired	%	21.5	0.0	11.1	5.4
Operating profit	SEK m	165	103	613	551
Operating margin	%	13.2	11.5	14.1	13.7
Assets	SEK m	6,143	4,087	6,143	5,000
Liabilities	SEK m	1,158	661	1,158	1,042
Investments in non-current assets	SEK m	53	16	160	123
Amortisation/Depreciation	SEK m	44	32	162	150

Sales and profit

Sales for the period totalled SEK 1,250 million, compared with SEK 900 million for the corresponding period last year. Of the increase in sales of SEK 350 million, acquired sales accounted for SEK 193 million, which means that organic growth was 17.5%.

Operating profit for the period totalled SEK 165 million, compared with SEK 103 million in the previous year. This equates to an operating margin of 13.2% compared with 11.5% for the previous year. This means that the operating margin for the past 12 months is 14.1%.

Market

The unprecedented growth in demand for wood-fired stove products in Europe continued in the first quarter of the year. Although energy prices have returned to more normal levels, the unsettled external environment has been a strong driver behind the trend to invest in an auxiliary heat source to secure heat supply ahead of next winter too.

Underlying demand in Scandinavia remained very strong, but the continued supply chain challenges throughout the industry resulted in deliveries of products to customers not reaching the expected level, although we were able to increase our production volumes. While there is significant interest in investing in a stove product, new production of single family houses is falling, which is having the opposite effect on demand.

In Germany, one of the markets reporting the largest growth in 2022, demand remains strong. It is clear that the dependence on gas needs to be reduced, which means interest in alternative heat sources is growing. Demand is also driven by government requirements under which use of older fireplaces that do not meet applicable Ecodesign requirements will not be permissible in future.

In the UK too, demand for wood-fired products remains strong, with the high energy costs in 2022 providing an incentive to invest in modern, more efficient stoves. Demand for gas-fired and electric stoves was weaker. In the same way, rising pellets prices in France resulted in demand for pellets-fired stoves falling, at the same time as demand for wood-fired products rose sharply.



In April, CONTURA participated in the new trade fair – WORLD OF FIREPLACES – in Leipzig in Germany, which attracted more than 200 exhibitors from our industry. Contura, which represents a completely new trade fair concept, launched a brand new product concept focusing on technology of the future. The trade fair was well attended and there was a wonderful atmosphere in and around Contura's stand.

In North America, demand for gas-fired products has declined and the total market is now back to the more normal levels seen before the pandemic. Demand for wood-fired products remains good as these are a reliable auxiliary heat source in case of malfunction of the ordinary heating system in the home.

Operations

Extremely high inflow of orders for wood-fired products in the past few years has resulted in unusually large backlogs of orders throughout the industry, which in turn has resulted in long delivery times for new orders. We are working very hard to further increase volumes at our production plants but the continued shortage of key components from a small number of sub-suppliers is making it difficult to meet customer demand in the short term. We expect to see a gradual improvement over the year, however. In North America, production capacity for gas-fired products has been adjusted to match prevailing market conditions.

The first large trade fair for stove products took place in April. It was held in Germany and was very well received by visitors. Several of our brands were represented at the fair to meet customers in person and launch new products. Contura, our Swedish brand, presented its brand new future concept, Contura Zero. This concept means that products can have built-in cleaning equipment that significantly reduces particle emissions without adversely impacting the design and flame visibility of the products.

Shortly after the turn of the year, we acquired 65% of the shares in Miles Industries of Canada, a family-owned company whose products are sold under the well-known Valor brand. The company has built up a strong network of retailers in both Canada and the USA over several decades, resulting in a very strong and well-established market position in North America. In total, we now have a very strong platform in North America for continued profitable growth.

Both our operating profit and operating margin increased in the first quarter of the year as a result of higher sales volumes together with essential price increases, favorable exchange rates and a continued cautious approach to fixed costs.

Business area NIBE Element

Key figures		Q1 2023	Q1 2022	Past 12 months	Full year 2022
Net sales	SEK m	3,013	2,474	11,464	10,925
Growth	%	21.8	23.7	28.9	29.7
of which acquired	%	3.0	1.7	2.2	1.9
Operating profit	SEK m	280	250	1,153	1,123
Operating margin	%	9.3	10.1	10.1	10.3
Assets	SEK m	14,419	11,764	14,419	14,100
Liabilities	SEK m	2,485	2,085	2,485	2,276
Investments in non-current assets	SEK m	131	143	597	609
Amortisation/Depreciation	SEK m	118	103	474	459

Sales and profit

Sales for the period totalled SEK 3,013 million, compared with SEK 2,474 million in the corresponding period in the previous year. Of the increase in sales of SEK 539 million, acquired sales accounted for SEK 73 million, which means that organic sales increased by 18.8%.

Operating profit for the period totalled SEK 280 million, compared with SEK 250 million in the previous year. This equates to an operating margin of 9.3% compared with 10.1% for the previous year. This means that the operating margin for the past 12 months is 10.1%.

Market

Demand in the majority of the business area's market segments remained strong in the first quarter of the year. However, both demand and deliveries were still affected by the various disruptions in international supply chains. Although this situation has improved compared with the previous year, it still has a significant impact on us and requires significant flexibility and preparedness, as well as gradual adaptation of operations.

Besides the generally strong demand, we saw a strong increase in several of our market segments, particularly products linked to sustainability, renewable energy and energy-efficient solutions for climate control, such as heat pumps. This applies both to products for private and commercial use.

The ambition to reduce greenhouse gas emissions also means that the number of industrial projects based on electric heating is growing steadily. Demand for various kinds of energy storage solutions is also growing. The majority of these solutions involve some form of electric heating and control. Demand for products for the wind power industry declined as a result of a significant drop in the number of projects in 2023, largely due to delays in permitting processes. However, the assessment is that this market will improve significantly next year.

Demand for products in the consumer segment, such as domestic appliances and direct electric heating, declined compared with the previous year. This was due to a combination of lower consumer demand and inventory adjustments by our customers. The market for commercial products, for example catering equipment and commercial coffee machines, also reported continued strong demand.

Electrification of vehicles means new business opportunities for us, both with regard to passenger cars and commercial vehicles.

Demand in the semiconductor industry has fallen since the USA introduced trade restrictions in respect of exports of advanced technology to China at the end of 2022, as the same time as demand in certain product segments declined. Demand is expected to pick up in the long term, however, a trend that will be further strengthened by future investments in expansion of the semiconductor industry in both North America and Europe, in order to reduce dependence on Asia in this important technology area.

Operations

To meet increased demand, we have continued to increase production capacity at our units both through recruitment and investments in capacity in the segments reporting strong organic growth. At the same time, we are reducing production capacity in segments with falling demand. In parallel with this, we have implemented additional investments in robotics and automation as well as productivity improvement measures in order to maintain competitiveness and keep the operating margin at the target level of 10%.

Sharp increases in the price of materials, services and energy, as well as rising freight costs, have also forced us to introduce successive price rises of our own to compensate for this development. Overall, our customers have been understanding and have accepted these price adjustments.

Exchange rates remain volatile, with a considerable effect on pricing and competitiveness. In this situation, our international presence with production units in different currency zones gives us a clear advantage. In general, there are labor shortages in many of the countries where we have production units.

Despite falling demand in certain key product segments, overall growth has been strong and we have been able to increase our operating profit, thanks to good control of fixed costs and rapid adjustment of each business area to the prevailing demand and delivery situation.



We are seeing strong interest in electric heat solutions for industrial processes. The demand is due to businesses wishing to make the transition from fossil fuels to electric heating in order to reduce their CO2 emissions. The heat solution shown above is a customized product by our Danish company JEVI for drying of raw materials within the food industry.

Condensed income statement

(SEK million)	Group				Parent	
	Jan-Mar 2023	Jan-Mar 2022	Past 12 months	Full year 2022	Jan-Mar 2023	Jan-Mar 2022
Net sales	11,646	8,749	42,968	40,071	15	16
Cost of goods sold	-7,748	-6,173	-29,037	-27,462	0	0
Gross profit	3,898	2,576	13,931	12,609	15	16
Selling expenses	-1,505	-1,165	-5,261	-4,921	0	0
Administrative expenses	-777	-594	-2,831	-2,648	-62	-35
Other operating income	139	124	838	823	0	0
Operating profit	1,755	941	6,677	5,863	-47	-19
Net financial items	-101	-35	-254	-188	59	-10
Profit after net financial items	1,654	906	6,423	5,675	12	-29
Tax	-380	-226	-1,434	-1,280	0	0
Net profit	1,274	680	4,989	4,395	12	-29
Net profit attributable to Parent shareholders	1,270	662	4,959	4,351	12	-29
Net profit attributable to non-controlling interest	4	18	30	44	0	0
Net profit	1,274	680	4,989	4,395	12	-29
Includes amortisation/depreciation according to plan as follows	391	345	1,530	1,484	0	0
Net profit per share before and after dilution, SEK	0.63	0.33	2.46	2.16	0	0

Statement of comprehensive income

Net profit	1,274	680	4,989	4,395	12	-29
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Actuarial gains and losses in retirement benefit plans	0	0	160	160	0	0
Tax	0	0	-34	-34	0	0
	0	0	126	126	0	0
Items that may be reclassified to profit or loss						
Cash flow hedges	-1	18	-19	0	0	0
Hedging of net investments	-21	-5	-107	-91	0	0
Exchange differences on translation of foreign operations	92	436	2,779	3,123	0	0
Tax	18	-32	-122	-172	0	0
	88	417	2,531	2,860	0	0
Total other comprehensive income	88	417	2,657	2,986	0	0
Total comprehensive income	1,362	1,097	7,646	7,381	12	-29
Comprehensive income attributable to Parent shareholders	1,358	1,076	7,601	7,319	12	-29
Comprehensive income attributable to non-controlling interest	4	21	45	62	0	0
Total comprehensive income	1,362	1,097	7,646	7,381	12	-29

Condensed balance sheet

(SEK million)	Group			Parent		
	31 Mar 2023	31 Mar 2022	31 Dec 2022	31 Mar 2023	31 Mar 2022	31 Dec 2022
Intangible assets	23,082	20,696	22,568	0	0	0
Property, plant and equipment	9,002	6,422	8,273	0	0	0
Financial assets	1,051	642	1,001	18,420	16,534	18,162
Total non-current assets	33,135	27,760	31,842	18,420	16,534	18,162
Inventories	11,334	7,435	10,191	0	0	0
Current receivables	7,546	5,886	7,144	120	96	379
Investments in securities, etc	191	164	190	0	0	0
Cash and bank balances	3,854	4,036	4,627	0	102	0
Total currents assets	22,925	17,521	22,152	120	198	379
Total assets	56,060	45,281	53,994	18,540	16,732	18,541
Equity	29,335	22,754	27,973	9,839	9,047	9,827
Non-current liabilities, non-interest bearing	6,201	5,307	5,869	1,520	547	1,500
Non-current liabilities, interest bearing	7,091	7,662	6,399	4,251	5,500	4,250
Current liabilities, non-interest bearing	8,823	6,701	8,795	80	38	114
Current liabilities, interest bearing	4,610	2,857	4,958	2,850	1,600	2,850
Total equity and liabilities	56,060	45,281	53,994	18,540	16,732	18,541

Key figures

		Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Growth	%	33.1	28.1	30.0
Operating profit	SEK m	1,755	941	5,863
Operating margin	%	15.1	10.8	14.6
Profit margin	%	14.2	10.4	14.2
Investments in non-current assets, including acquisitions	SEK m	1,341	492	3,745
Available cash and equivalents	SEK m	4,543	4,624	5,441
Working capital incl. cash and bank balances	SEK m	14,102	10,820	13,357
as share of net sales	%	32.8	33.0	33.3
Working capital excl. cash and bank balances	SEK m	10,057	6,620	8,540
as share of net sales	%	23.4	20.2	21.3
Interest-bearing liabilities/Equity	%	39.9	46.2	40.6
Equity/assets ratio	%	52.3	50.3	51.8
Return on capital employed	%	17.7	14.2	17.7
Return on equity	%	17.7	15.6	18.1
Net debt/EBITDA	times	0.9	1.1	0.9
Interest coverage ratio	times	10.9	11.7	10.1

Data per share

		Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Net earnings per share (total 2,016,066,488 shares)	SEK	0.63	0.33	2.16
Equity per share	SEK	14.53	11.17	13.86
Closing day share price	SEK	117.80	105.05	97.10

Sales by geographical region

(SEK million)	NIBE Climate Solutions	NIBE Element	NIBE Stoves	Eliminations	Total
Nordic region	2,074	517	276	-228	2,639
Europe (excl. Nordic region)	3,828	1,129	589	-119	5,427
North America	1,665	1,088	357	-6	3,104
Other countries	169	279	28	0	476
Total	7,736	3,013	1,250	-353	11,646

Time of accounting for sales

(SEK million)	NIBE Climate Solutions	NIBE Element	NIBE Stoves	Eliminations	Total
Deliverables taken up as revenue once	7,573	3,013	1,250	-353	11,483
Deliverables taken up as revenue gradually	163	0	0	0	163
Total	7,736	3,013	1,250	-353	11,646

SERVICE CONTRACTS

For certain products in Climate Solutions, NIBE offers customers the opportunity to sign one-year service contracts, under which NIBE undertakes to perform maintenance service and remedy certain defects that are not covered by the warranty provided. The scope of defects cannot be reliably predicted, so pricing is based on experience. Payment is received from customers annually in advance, so deferred income will be taken up as revenue gradually over the coming 12-month period.

EXTENDED WARRANTY PERIOD CONTRACTS

For certain products in Climate Solutions, NIBE offers customers the opportunity to sign contracts for warranty periods that exceed those provided as standard. Standard warranty periods depend both on the type of product and the market in question. The longest contracts expire within six years. The scope of defects cannot be reliably predicted, so pricing is based on experience. Payment is received from customers on delivery of goods. Deferred income will be taken up as revenue gradually over the coming six-year period.

Financial instrument measured at fair value

(SEK million)	31 Mar 2023	31 Mar 2022	31 Dec 2022
Current receivables			
Currency futures	3	13	10
Commodity futures	0	7	3
Total	3	20	13
Current liabilities and provisions, non-interest bearing			
Currency futures	0	0	11
Commodity futures	2	0	0
Total	2	0	11

No instruments have been offset in the statement of financial position, so all instruments are recognised at their gross value. For a detailed account of the measurement process, see Note 29 in the Annual Report for 2022. For other consolidated financial assets and liabilities, the carrying amounts represent a reasonable approximation of their fair value. A specification of the financial assets and liabilities involved is given in Note 29 in the Annual Report for 2022.

Condensed cash flow statement

(SEK million)	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Cash flow from operating activities	1,419	939	5,800
Change in working capital	-1,027	-1,084	-3,186
Investing activities	-1,066	-492	-2,778
Financing activities	-105	34	-151
Exchange difference in cash and equivalents	7	57	386
Change in cash and equivalents	-772	-546	71

Change in equity - summaries

(SEK million)	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Opening equity	27,973	21,657	21,657
Effect of applying IAS29*	0	0	186
Adjusted opening equity	27,973	21,657	21,843
Shareholders' dividend	0	0	-1,008
Dividend to non-controlling interest	0	0	-1
Change in non-controlling interest	0	0	-242
Comprehensive income for the period	1,362	1,097	7,381
Closing equity	29,335	22,754	27,973

*IAS 29 has been implemented - for more information, see Accounting policies.

Alternative performance measures

Alternative performance measures are financial measures that are used by the company's management and by investors to evaluate the Group's profit and financial position using calculations that cannot be directly derived from the financial statements. The alternative performance measures provided in this report may be calculated using methods that differ from those used to produce similar measures that are used by other companies.

Net investments in non-current assets

(SEK million)	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Acquisition of non-current assets	1,350	498	3,767
Disposal of non-current assets	-9	-6	-22
Net investments in non-current assets, including acquisitions	1,341	492	3,745

Available cash and cash equivalents

(SEK million)	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Cash and bank balances	3,854	4,036	4,627
Investments in securities, etc.	191	164	190
Unutilised overdraft facilities	498	424	624
Available cash and cash equivalents	4,543	4,624	5,441

Working capital, including cash and bank balances

(SEK million)	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Total current assets	22,925	17,521	22,152
Current liabilities and provisions, non-interest bearing	-8,823	-6,701	-8,795
Working capital, including cash and bank balances	14,102	10,820	13,357
Net sales, past 12 months	42,968	32,750	40,071
Working capital, including cash and bank balances, in relation to net sales, %	32.8	33.0	33.3

Working capital, excluding cash and bank balances

(SEK million)	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Inventories	11,334	7,435	10,191
Current receivables	7,546	5,886	7,144
Current liabilities and provisions, non-interest bearing	-8,823	-6,701	-8,795
Working capital, excluding cash and bank balances	10,057	6,620	8,540
Net sales, past 12 months	42,968	32,750	40,071
Working capital, excluding cash and bank balances, in relation to net sales, %	23.4	20.2	21.3

Return on capital employed

(SEK million)	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Profit after net financial items, past 12 months	6,423	4,391	5,675
Financial expenses, past 12 months	708	238	626
Profit before financial expenses	7,131	4,629	6,301
Capital employed at start of period	39,330	31,977	31,977
Capital employed at end of period	41,037	33,273	39,330
Average capital employed	40,184	32,625	35,654
Return on capital employed, %	17.7	14.2	17.7

Return on equity

(SEK million)	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Profit after net financial items, past 12 months	6,423	4,391	5,675
Standard tax rate, %	20.6	20.6	20.6
Profit after net financial items, after tax	5,100	3,486	4,506
Of which attributable to Parent shareholders	5,070	3,421	4,462
Equity at start of period	27,935	21,438	21,438
Equity at end of period	29,293	22,514	27,935
Average equity	28,614	21,976	24,687
Return on equity, %	17.7	15.6	18.1

Net debt/EBITDA

(SEK million)	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Non-current liabilities and provisions, interest bearing	7,091	7,662	6,399
Current liabilities and provisions, interest bearing	4,610	2,857	4,958
Cash and bank balances	-3,854	-4,036	-4,627
Investments in securities, etc.	-191	-164	-190
Net debt	7,656	6,319	6,540
Operating profit, past 12 months	6,677	4,544	5,863
Depreciation/amortisation and impairment, past 12 months	1,561	1,427	1,597
EBITDA	8,238	5,971	7,460
Net debt/EBITDA excluding revaluation of additional considerations, multiple	0.9	1.1	0.9

Interest coverage ratio

(SEK million)	Jan-Mar 2023	Jan-Mar 2022	Full year 2022
Profit after net financial items	1,654	906	5,675
Financial expenses	167	85	626
Profit before financial expenses	1,821	991	6,301
Interest coverage ratio, multiple	10.9	11.7	10.1

Accounting policies

NIBE Industrier's consolidated accounts are prepared in accordance with International Financial Reporting Standards (IFRS). NIBE Industrier's interim report for the first quarter of 2023 has been prepared in accordance with IAS 34 Interim Financial Reporting Disclosures in accordance with IAS 34 16A are presented in the financial statements and related notes as well as in other parts of the interim report.

For the Group, the accounting policies applied in this report are the same as those described on pages 100–139 of the Annual Report for 2022. The Group started to apply IAS 29 Financial Reporting in Hyperinflationary Economies in 2022 as a result of its operations in Turkey. Application had an effect on opening balance equity in 2022 as comparative figures are not restated.

Reporting for the Parent follows the Swedish Annual Accounts Act and the Swedish Financial Accounting Standards Board's recommendation RFR 2 Reporting for Legal Entities.

Related party transactions have taken place to the same extent as in the previous year and the same accounting policies have been applied as those described on page 101 of the company's Annual Report for 2022.

Risks and uncertainties

NIBE Industrier is an international industrial group that is represented in around 40 countries. As such, it is exposed to several business and financial risks. Risk management is, therefore, an important process relative to the goals that the company has set up. Throughout the NIBE Group, efficient risk management routines are an ongoing process within the framework of the Group's operational management and a natural part of the continual follow-up of activities. It is our opinion that no significant risks or uncertainties have arisen in addition to those described in NIBE Industrier's Annual Report for 2022.

The information in this report has not been reviewed by the company's auditors. For further information on definitions, please refer to the company's Annual Report for 2022.

The interim report provides a fair review of the business, financial position and results of the Parent and the Group and describes the principal risks and uncertainties facing the Parent and companies in the Group.

Markaryd, Sweden, May 16, 2023

Hans Linnarson
Chairman of the Board

Georg Brunstam
Director

Eva Karlsson
Director

Jenny Larsson
Director

Gerteric Lindquist
Managing Director and CEO

Anders Pålsson
Director

Eva Thunholm
Director

NIBE shares

NIBE's class B shares are listed on the NASDAQ Nordic Large Cap list in Stockholm, with a secondary listing on the SIX Swiss Exchange in Zurich. The NIBE share's closing price on March 31, 2023 was SEK 117.80.

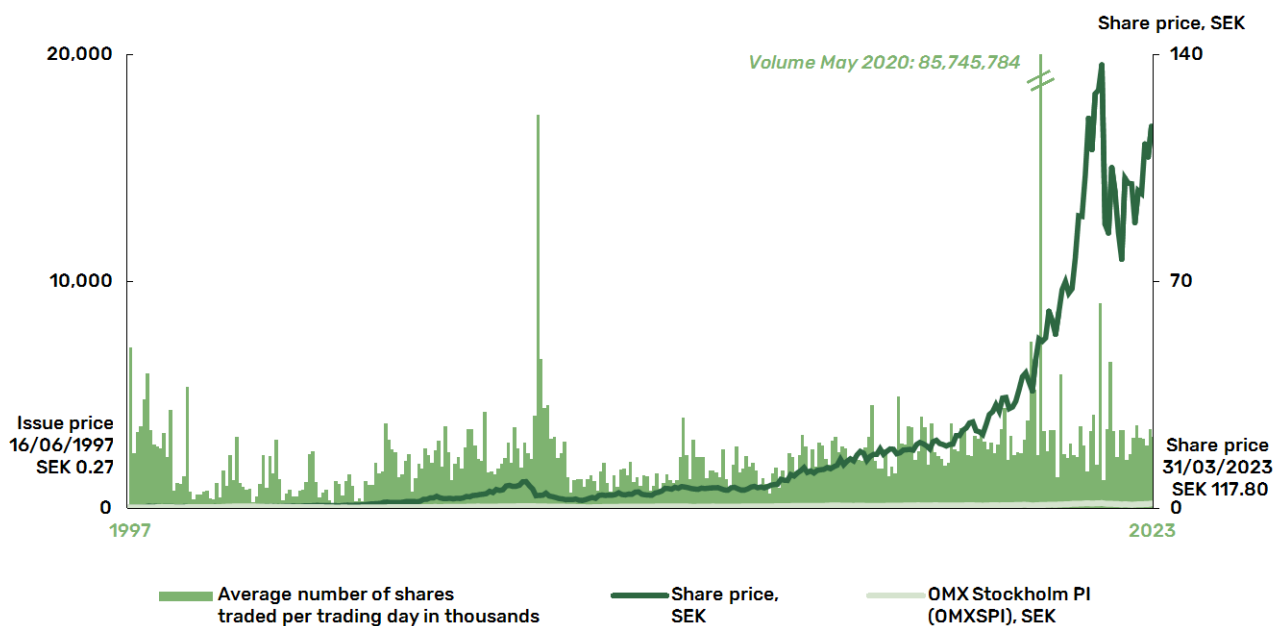
During the first three months of 2023, NIBE's share price rose by 21.3%, from SEK 97.10 to SEK 117.80. In the same period, the OMX Stockholm PI (OMXSPI) increased by 7.8%.

At the end of March 2023, the market capitalization of NIBE, based on the latest price paid, amounted to SEK 237,493 million.

A total of 199,344,086 NIBE shares were traded, which corresponds to a share turnover of 39.5% in the first quarter of 2023.

All figures were restated following the 4:1 splits implemented in 2003, 2006, 2016 and May 2021, and the dilution effect of the preferential rights issue in October 2016.

Number of shares traded per trading day in thousands



NIBE Industrier AB is obliged by Swedish law (the Securities Market Act and/or the Financial Instruments Trading Act) to publish the information in this interim report. This information was made available to the media for publication at 08.00 (CEST) on May 16, 2023.

Please email any questions to:

Gerteric Lindquist, MD and Group CEO, gerteric.lindquist@nibe.se

Hans Backman, CFO, hans.backman@nibe.se



NIBE Group

- an international Group with companies and a presence worldwide

NIBE Group is an international organization that contributes to a lower carbon footprint and better utilization of energy. In our three business areas – Climate Solutions, Element and Stoves – we develop, manufacture and market a wide range of environmentally-friendly, energy-efficient solutions for indoor climate comfort in all types of properties, plus components and solutions for intelligent heating and control in industry and infrastructure.

Since its beginnings in the town of Markaryd in the province of Småland 70 years ago, NIBE has grown into an international company with an average of 21,300 (20,400) employees and an international presence. From the very start, the company has been driven by a strong culture of entrepreneurship and a passion for corporate responsibility. It's success factors are long-term investments in sustainable product development and strategic acquisitions. Combined, these factors have brought about strong, targeted growth, which generated sales of just over SEK 40 billion (SEK 30 billion) in 2022.

NIBE has been listed under the name NIBE Industrier AB on the Nasdaq Nordic Large Cap list since 1997, with a secondary listing on the SIX Swiss Exchange since 2011.

NIBE

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