



Interim Report 1, 2021

- **SALES** totalled SEK 6,831 million (SEK 6,345 million)
- **PROFIT AFTER NET FINANCIAL ITEMS** amounted to SEK 833 million (SEK 574 million)
- **PROFIT AFTER TAX** was SEK 645 million (SEK 434 million)
- **EARNINGS** per share before and after dilution, based on average number of shares outstanding during the period, were SEK 1,26 (SEK 0.84)
- **ACQUISITION OF** 100% of the shares in English heat cable company Heat Trace Holdings Ltd (May)

Strong start to the year

Consolidated sales for the first quarter grew by 7,7% (10.1%), of which 3,2% (5,0%) was organic. The stronger Swedish krona had a considerably negative effect on sales growth.

Demand was fairly good overall. There was continued growth in products with a link to sustainability. It is also clear that the change in end consumer behaviour on account of the pandemic has had a positive impact on demand for products designed for home renovation. While, towards the end of Q1, 2020, we started to notice the effects of the prevailing situation in the form of lower demand, in the latter part of Q1 this year, as the world economy began to recover, we instead noticed extended delivery times and considerable price rises from several of our subcontractors, as well as shortages of components. To date, we have been able to fend off the effects of these shortages relatively successfully, but we consider that this difficult new situation will likely prevail for a number of months yet and perhaps throughout the second half of the year to some extent. We, therefore, need to continue to adapt to this situation by maintaining a large component inventory, being flexible in production, broadening our supplier base and raising our own prices.

The NIBE Climate Solutions business area experienced continued strong demand throughout the quarter on account of its marked sustainability profile. In Europe, there was positive growth throughout, as country after country approved the installation of heat pumps. Naturally, the reason for this is a desire to move away from dependence on fossil fuels for the climate control of single-family homes, apartment blocks and commercial properties in order to reduce carbon dioxide emissions.

In North America, however, growth was more hesitant, primarily on account of low gas prices and because construction has not yet returned to the levels seen before the pandemic. The new administration in Washington has, however, sent powerful signals that it wishes to focus on more sustainable social development, as also evinced by it rejoining the Paris Agreement. One solid demonstration of this change in direction is the Clean Energy for America Act, recently presented to the US Sen-

ate, where one of the proposals is that heat pump installations should be eligible for grants/tax subsidies over the next ten years. This would place a heat pump installation on the same footing as a PV panel installation, and the longer period makes it possible for more companies to set up as energy well borers.

Both the operating profit and operating margin improved considerably, primarily due to the strong real organic growth and continued good cost control.

The NIBE Element business area experienced a clear improvement in demand in virtually all main segments. However, to some extent, the strong growth must be seen against the background of a weaker Q1 in 2020. Just as for NIBE Climate Solutions, market segments with a clear sustainability profile continued to enjoy good growth, as did consumer-related market segments linked to the increased interest in renovating homes. The latter is deemed a consequence of the limitations on travel and activities away from home during the pandemic.

The entire traditional transport sector, both road and rail, also enjoyed positive growth, to which is added the febrile activity to electrify virtually all vehicles. The clear increase in investment activity in the semiconductor industry is another extremely pleasing development.

The strong real organic growth, combined with continued good cost control, permitted good growth in both the operating profit and the operating margin.

The NIBE Stoves business area enjoyed very strong sales growth in both Europe and North America. Like both NIBE Climate Solutions and NIBE Element, one important reason for this was the growth in home renovation as a result of the pandemic. Another positive factor was the relatively long, cold winter. However, in this context, it is important to remember that the situation in Q1 2020 was almost the reverse.

One overall positive trend for us is that the authorities in several countries are pushing for old stoves to be replaced with new models with

Calendar

11 May 2021

08:00 (CET) Interim Report 1, January – March 2021

11:00 (CET) Telephone conference (in English)

Presentation of Interim Report 1 2021 and opportunity to ask questions.

Registration on our website www.nibe.com is required in order to access the presentation images during the conference. To listen by phone, call +46 8 505 583 65.

August 2021

Interim Report 2, January – June 2021

November 2021

Interim Report 3, January – September 2021



higher efficiency and lower emissions of particles. This underlines once again the significance of the major investments we make in product development with the aim of constantly improving our products and trying to achieve new levels of sustainability long before the authorities have laid down new targets and rules.

The very strong organic sales growth, combined with continued good cost control, resulted in particularly good growth in both the operating profit and the operating margin.

Investments in our existing businesses amounted to SEK 236 million in the quarter, compared with last year's SEK 306 million. The depreciation rate, including leases, was SEK 329 million, compared with SEK 318 million last year. Excluding leases, the depreciation rate was SEK 240 million, compared with SEK 229 million in Q1 2020. The investment rate will vary slightly over time but against a background of continued expected growth, investments in continued capacity increases, in further automation and rationalisation and, in particular, in pure sustainability development it will continue to be equal to or just above the depreciation rate, excluding leases.

Operating profit for the first quarter improved by 35.6% compared with the corresponding period last year and the operating margin rose from 10.1% to 12.7%. It is gratifying to note that positive growth in all three business areas is behind this strong improvement.

Profit after net financial items improved by 45.1% in the first quarter compared with the corresponding period in 2020. The main reason for the improvement in net financial items is exchange gains.

Outlook for 2021

- Our corporate philosophy and our strong range of products, with their focus on sustainability and energy efficiency, are in tune with the times in which we are living.
- We are well prepared to continue to be proactive on acquisitions.
- Our internal efforts to enhance efficiency, combined with our rigorous cost control measures, 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 effects of economic trends, currency concerns, volatile energy prices and political turbulence in some parts of the world are always hard to predict.
- The outbreak of Covid-19 in Q1 2020 is another such uncertainty that has caused widespread change for most of the world's citizens and companies, including our own. Compared with 2020, the start of 2021 saw a clear improvement in the situation, with several vaccines entering into widespread use. Therefore, we hope that society will be able to return to slightly more normal conditions in the second half of the year. As is our way, we will continue to operate our businesses as normally as possible while exercising the greatest possible caution and being prepared for what the future may hold. This, and the fact that our products are largely both necessary and sustainable, permits us to be cautiously positive about our performance throughout the year, despite everything.

Markaryd, Sweden, 11 May 2021

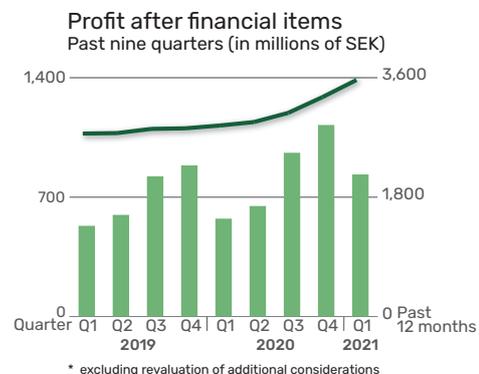
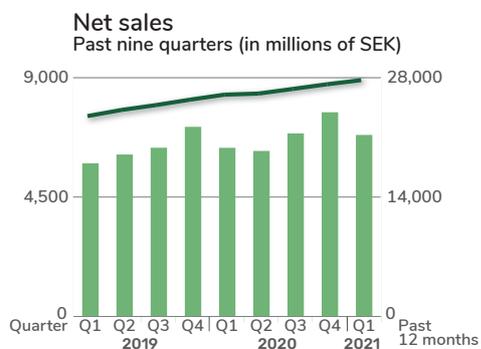
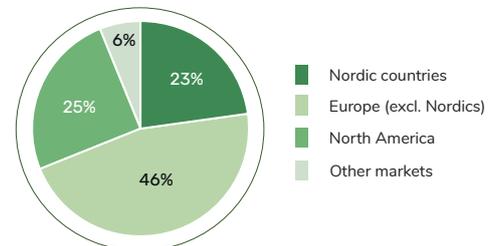
Gert Eric Lindquist
Managing Director and CEO

NIBE Group

Key ratios		Q1 2021	Q1 2020	Past 12 months	Full year 2020
Net sales	SEK m	6,831	6,345	27,632	27,146
Growth	%	7.7	10.1	6.6	7.1
of which acquired	%	4.5	5.1	7.8	8.0
Operating profit*	SEK m	865	638	3,754	3,527
Operating margin*	%	12.7	10.1	13.6	13.0
Profit after net financial items*	SEK m	833	574	3,564	3,305
Profit margin*	%	12.2	9.1	12.9	12.2
Equity/assets ratio	%	47.3	47.3	47.3	46.3
Return on equity*	%	15.2	12.2	14.6	14.5

* Profit and key ratios have been calculated excluding revaluation of additional considerations

Group sales by geographical region



Sales

Consolidated net sales totalled SEK 6,831 million (SEK 6,345 million). This corresponds to growth of 7.7%. Of the increase in sales of SEK 486 million, acquired sales were SEK 283 million, which means that organic sales increased by 3.2%.

Profit

Profit for the period after net financial items was SEK 833 million. This equates to a 45.1% increase in earnings compared with 2020. In 2020, profit after net financial items amounted to SEK 574 million. Profit for the period was charged with acquisition expenses of SEK 4 million (SEK 12 million). Return on equity, excluding revaluation of additional considerations, was 15.2% (12.2%).

Significant events after the end of the period

On 7 May, an agreement was entered into to acquire 100% of the shares in the English company Heat Trace Holding Ltd. The company develops, manufactures and markets electric heating cable for many industries around the world. The company will be consolidated into the NIBE Element business area as from 1 May 2021.

Investments

During the period, the Group made investments totalling SEK 296 million (SEK 1,638 million). A total of SEK 60 million (SEK 1,332 million) of the

investments relates to acquisitions of operations. The remaining SEK 236 million (SEK 306 million) is mainly investments in machinery and equipment 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 1,092 million (SEK 831 million). Cash flow after changes in working capital amounted to SEK 644 million (SEK 669 million).

Interest-bearing liabilities at the end of the period amounted to SEK 10,697 million, compared with SEK 10,660 million at the start of the year. At the end of the period, the Group had cash and cash equivalents of SEK 5,604 million as against SEK 5,240 million at the start of the year. The equity/assets ratio at the end of the period was 47.3%, compared with 46.3% at the start of the year and 47.3% at the corresponding time last year.

Parent

Parent activities comprise Group executive management functions, certain shared Group functions and financing. Sales for the period totalled SEK 11 million (SEK 10 million) and profit after financial items was SEK 99 million (SEK 43 million).

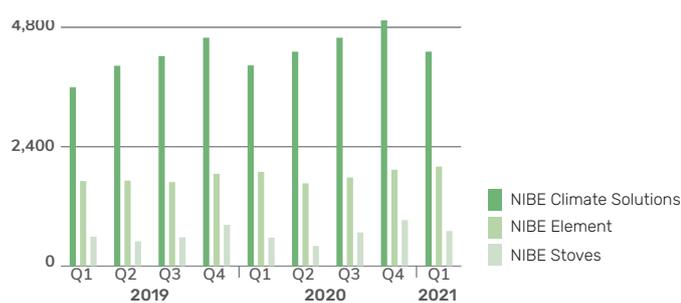
Business area trends

Quarterly data

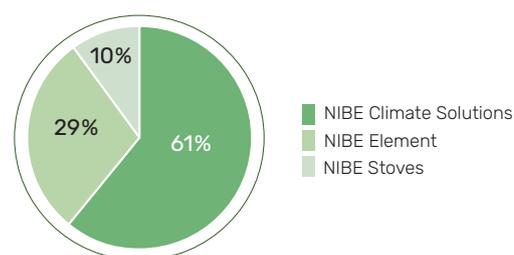
Consolidated income statement (SEK million)	2021	2020				2019			
	Q1	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	6,831	6,345	6,227	6,889	7,685	5,763	6,093	6,349	7,137
Operating expenses	- 5,966	- 5,707	- 5,545	- 5,853	- 6,161	- 5,188	- 5,434	- 5,498	- 6,184
Operating profit	865	638	682	1,036	1,524*	575	659	851	953
Net financial items	- 32	- 64	- 34	- 76	- 48	- 43	- 63	- 29	- 67
Profit after net financial items	833	574	648	960	1,476*	532	596	822	886
Tax	- 188	- 140	- 156	- 192	- 247	- 116	- 148	- 187	- 201
Net profit	645	434	492	768	1,229*	416	448	635	685
Net sales, business areas									
NIBE Climate Solutions	4,310	4,035	4,310	4,591	5,008	3,593	4,027	4,220	4,590
NIBE Element	2,001	1,895	1,664	1,781	1,938	1,710	1,718	1,688	1,855
NIBE Stoves	705	573	406	676	924	593	498	580	832
Elimination of Group transactions	- 185	- 158	- 153	- 159	- 185	- 133	- 150	- 139	- 140
Group total	6,831	6,345	6,227	6,889	7,685	5,763	6,093	6,349	7,137
Operating profit, business areas									
NIBE Climate Solutions	579	449	585	807	849	385	523	678	691
NIBE Element	216	179	117	173	190	161	159	145	157
NIBE Stoves	85	32	1	78	160	50	14	46	142
Elimination of Group transactions	- 15	- 22	- 21	- 22	325*	- 21	- 37	- 18	- 37
Group total	865	638	682	1,036	1,524*	575	659	851	953

* Includes income of SEK 353 million from revaluation of additional considerations

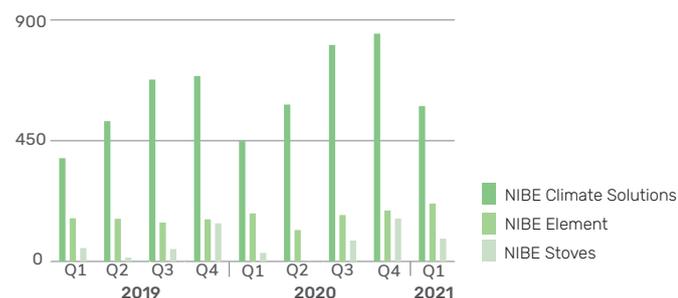
Sales per business area, last nine quarters (SEK million)



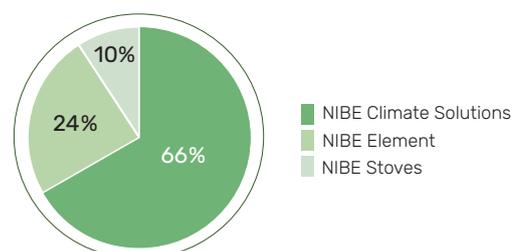
Each business area's share of total sales (Q1 2021)



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



Each business area's share of total profit (Q1 2021)



NIBE Climate Solutions business area



Key ratios		Q1 2021	Q1 2020	Past 12 mths	Full year 2020
Net sales	SEK m	4,310	4,035	18,219	17,944
Growth	%	6.8	12.3	8.0	9.2
of which acquired	%	6.2	3.1	8.2	8.8
Operating profit	SEK m	579	449	2,820	2,690
Operating margin	%	13.4	11.1	15.5	15.0
Assets	SEK m	26,136	26,554	26,136	24,981
Liabilities	SEK m	3,866	3,335	3,866	4,312
Investments in non-current assets	SEK m	138	184	639	685
Amortisation/ Depreciation	SEK m	207	177	787	756

Sales and profit

Sales for the period totalled SEK 4,310 million, compared with SEK 4,035 million for the corresponding period last year. Of the increase in sales of SEK 275 million, acquired sales accounted for SEK 251 million, which means that organic growth was 0.6%.

Operating profit for the period totalled SEK 579 million, compared with SEK 449 million the previous year. This equates to an operating margin of 13.4% compared with 11.1% for the previous year. The operating margin for the past 12 months is thus 15.5%.

Market

We have invested in building up a strong international platform of companies, products and skills to become a full-service supplier of sustainable, efficient, intelligent energy solutions with the focus on indoor climate comfort for all types of property. This affords us good opportunities for further expansion now that the market conditions for these product segments are constantly improving in most of the countries in which we operate.

The increased interest in products that both save energy and use renewable energy is one of the main reasons for the market growth. Political decisions are being made in an increasing number of countries to accelerate the transformation and ultimately phase out products that use fossil fuels such as oil and gas, which is good for both the environment and our industry in both the long and short terms. Demand has been affected by Covid-19 only to a limited extent and has even increased in some European countries.

In Western Europe, our targeted markets continue to grow. In the Netherlands, where politicians previously decided to phase out fossil fuels, market growth remains strong and we are also strengthening our market position. Germany has embarked on a similar phase-out with significant incentives to replace heat sources using fossil fuels, which also translates into good growth on this important market.

Several countries in Eastern Europe have also introduced incentive packages for the installation of more energy-efficient solutions, and our units are experiencing good growth in terms of product concepts for indoor climate comfort, primarily in heat pumps but also in water heaters.

Growth on the Swedish domestic market for heat pumps continued,

with a growing replacement market and a slightly positive trend in the construction of single-family homes. We have a strong market position in both segments, which means we can adapt to these market conditions. Demand for water heaters also grew during the year as people spent more time at home and in their holiday homes and society as a whole focused on hygiene.

In Denmark and Finland, growth also continued, and the Norwegian market, which was an exception in the Nordic region last year with its lower demand, has now become stable.

Growth on the North American heat pump market for single-family houses has not been the same as in Europe due to low energy prices and the devastating pandemic. However, government incentives to install geothermal heat pumps are contributing to continued stable interest from end consumers. The Clean Energy for America Act is a bill that was recently presented to the US Senate. In brief, it entails tax relief of up to USD 10,000 for private individuals who install a geothermal heat pump. Significant tax reductions for commercial properties are also proposed.

Both the US and Canadian markets for climate control products for commercial properties recovered slightly after the previous year's fall in demand for construction and renovation projects. As a result of our acquisitions, we are well established in North America. Through acquisitions, we have also created platforms for Southern Europe, the Middle East and North Africa. The objective is to continue to enhance our position and we are, therefore, continuing our efforts with dedicated new resources to be able to expand through proactive product development, marketing and continued acquisitions.

43 boreholes heat and cool NIBE's recently opened production plant for heat pumps in Markaryd

To achieve NIBE's internal sustainability goals and contribute to achievement of the UN Sustainable Development Goals, the Group is switching to sustainable climate control solutions in its operations worldwide to reduce energy consumption and emissions and improve the working environment.

The most recent investment was in NIBE's new production plant for heat pumps in Markaryd. 43 boreholes and eight heat pumps with a total output of 360 kW are used to control the climate in 20,000 square metres of premises.

This generates great energy savings in an optimised production plant with considerably lower climate impact and an excellent, clean working environment for the production staff. The plant is a perfect example of how products that help reduce climate impact can also be manufactured with minimum impact on the environment.



Operations

We continue to focus major resources on product development and the introduction of new high-performance products in all application areas. This is one of the prerequisites for continued expansion and for strengthening our profile as a market leader in sustainable energy solutions for indoor climate comfort based on renewable energy in a growing market in which the interest from other operators continues to increase.

We are also working intensively to switch to more environmentally-friendly refrigerants to comply with the EU F-gas Regulation to ensure low climate impact, while also increasing requirements for energy efficiency and quality. This is also important to meet the requirements in the taxonomy proposed by the EU and essential if we are to retain our strong market position in the long term.

JPI, the Joint Platform Initiative for digitisation, continues and is an important step if we are to maintain our position as the market leader for connected products with intelligent controls. This gives installers, the aftermarket and end consumers new opportunities to streamline installation, reduce energy use, remotely control heat pumps and benefit from program developments.

We are undertaking several different marketing activities in North America, both locally and regionally in different states, to raise consumer awareness of heat pumps as an economically viable and sustainable solution for cooling and heating single-family homes. These activities are expected to boost market expansion and ultimately reduce dependence on subsidies in the US market.

Within the Group, several projects are in progress to achieve our in-

ternal sustainability goals in terms of both health and safety and reduced energy consumption. NIBE Climate Solutions actively contributes both knowledge and products as we switch to sustainable climate control solutions in the Group's operations worldwide.

The most recent acquisitions are being integrated as a matter of priority. The acquisitions are in line with our strategy to enhance our position in the commercial segment worldwide and to expand into markets that have great growth potential.

All our companies have continued to adapt their operations to the restrictions and prescribed precautionary measures in force in each country during Covid-19 and, with a few exceptions, have been able to maintain their operations.

In Q1 we were able to manage both the worldwide shortage of components and the dramatically increased prices of input goods. However, these effects will continue, which means that we will also have to increase our prices.

The operating margin was affected positively by the strong demand situation and also by the prudence employed in respect to expenses throughout the organisation on account of the prevailing situation, but without toning down our ambition in terms of future product development, market expansion and growth. We also continue to introduce cost efficiency measures in both production and the rest of our operations to maintain our underlying strong operating margin.

NIBE Element business area



Key ratios		Q1 2021	Q1 2020	Past 12 mths	Full year 2020
Net sales	SEK m	2,001	1,895	7,384	7,278
Growth	%	5.6	10.8	3.2	4.4
of which acquired	%	1.4	10.5	7.2	9.6
Operating profit	SEK m	216	179	696	659
Operating margin	%	10.8	9.5	9.4	9.1
Assets	SEK m	10,006	10,209	10,006	9,443
Liabilities	SEK m	1,835	1,904	1,835	1,758
Investments in non-current assets	SEK m	57	84	327	354
Amortisation/ Depreciation	SEK m	90	108	335	352

Sales and profit

Sales for the period totalled SEK 2,001 million, compared with SEK 1,895 million for the corresponding period last year. Of the increase in sales of SEK 106 million, acquired sales accounted for SEK 26 million, which means that organic sales increased by 4.2%.

Operating profit for the period totalled SEK 216 million, compared with SEK 179 million the previous year. This equates to an operating margin of 10.8% compared with 9.5% for the previous year. The operating margin for the past 12 months is thus 9.4%.

Market

The international element market performed well at the start of the year, but demand continues to vary dramatically between market segments and regions.

There was generally very strong demand for consumer-related products, which may be largely linked to the growing trend for home renovation as a consequence of Covid-19. This applies to sectors such as the domestic appliance industry. However, we can see a certain risk in that the higher demand has been created in part by stockpiling at our customers to cope with the general shortage of components that currently exists in many segments. The market for commercial products, for example catering equipment and commercial coffee machines, grew slightly compared to the second half of 2020 but remains weaker than at the start of the previous year.

Market segments linked to renewable energy and sustainable energy solutions continue to enjoy good growth. Demand for energy-efficient solutions for climate control, such as heat pumps, is growing among both private consumers and industrial users.

We are able to note a general increase in demand in the automotive industry. The industry is also working intensively to electrify both commercial vehicles and passenger cars. Both the number of projects and the pressure of time for their implementation are constantly increasing. Demand for projects relating to rail transport has also gradually increased.

Investment and maintenance in the rest of industry was at a lower level than normal last year but, at the start of this year, we saw an increase in demand in this area as well.

In recent years, we have built up substantial operations as a supplier of heating and control equipment for the semiconductor industry through a combination of acquisitions and organic growth. Demand in this segment has seen very strong growth since autumn 2019, driven by the rollout of 5G, the move in the automotive industry towards increased electrification and greater demand for data storage. The dramatic increase has now resulted in an acute shortage of components throughout the market, leading in turn to a much higher level of investment in semiconductor production, which is in our favour both in the short term and in the years to come.

Operations

We continue to work intensively to improve the competitiveness of our units in each market segment. This includes further investments in areas such as the use of industrial robots and automation, along with other traditional measures to boost productivity. This is essential if we are to maintain the operating margin at the established target of 10%.

Exchange rates remain volatile, with a considerable effect on pricing and competitiveness. In this situation, having production units in different currency zones gives us a clear advantage.

At the start of the year, we noted considerably longer delivery times and dramatic increases in the price of several of our input goods. This means that we will need to raise our own prices in a number of segments.

Since the start of 2020, our operations have been affected by Covid-19. Units have gradually adapted to developments in each country and our focus has been on ensuring the health and safety of our employees. Most units are back at full production, while others are still subject to local lockdowns.

All units had to apply strict cost control and adapt their operations rapidly to the prevailing demand situation. Our ambition is also to maintain the pace of investment and development projects to ensure future growth. Overall, the strong demand and prudence in respect of expenses have resulted in improvement in the operating margin.

NIBE Stoves business area



Key ratios		Q1 2021	Q1 2020	Past 12 mths	Full year 2020
Net sales	SEK m	705	573	2,711	2,579
Growth	%	23.1	- 3.3	9.2	3.0
of which acquired	%	1.0	0.0	1.1	0.9
Operating profit	SEK m	85	32	323	271
Operating margin	%	12.0	5.5	11.9	10.5
Assets	SEK m	3,633	3,614	3,633	3,391
Liabilities	SEK m	542	472	542	515
Investments in non-current assets	SEK m	23	21	102	99
Amortisation/Depreciation	SEK m	32	34	126	128

Sales and profit

Sales for the period totalled SEK 705 million, compared with SEK 573 million for the corresponding period last year. Of the increase in sales of SEK 132 million, acquired sales accounted for SEK 6 million, which means that organic growth was 22.1%.

Operating profit for the period totalled SEK 85 million, compared with SEK 32 million the previous year. This equates to an operating margin of 12.0% compared with 5.5% for the previous year. The operating margin for the past 12 months is thus 11.9%.

Market

Demand for stove products at the start of the year was very strong in both Europe and North America and the extremely positive trend from the second half of 2020 continued. Demand is driven principally by greater investment in the home on account of the ongoing pandemic. However, the relatively cold winter also had a positive effect.

Overall demand in Scandinavia has increased greatly so far this year, with the biggest upturn in Norway and Denmark. This may be partially due to weak comparative figures for the same period last year. The Swedish market also performed extremely well. It is clear that the change in consumer behaviour towards more investment in home renovation instead of travel and entertainment also had a positive impact on demand for stove products.

Demand also rose somewhat in the UK at the start of the year, but the continued lockdown had the effect of slowing growth. The situation is gradually improving as restrictions are eased and retailers are able to open their stores again. Sales of electric stoves are currently growing more than other product groups.

Demand in Germany was very strong throughout the start of the year and was in fact already strong last year, largely as a result of official requirements that old products that do not meet future Ecodesign requirements may not be used in the future.

Despite the prevailing circumstances and new restrictions, demand for stove products in France has grown so far this year. In addition to greater interest in investments in the home, the relatively cold winter also fostered demand for both wood-fired and pellet-fired products.

Demand in North America for both gas-fired and wood-fired products increased dramatically for the same reasons as in other markets. In addition, retail stores were generally more open to end consumers than in many large countries in Europe. At the beginning of the year, a subsidy programme was also introduced in the US. This entails a considerable subsidy when consumers buy a wood-fired stove with an efficiency of over 75%. The impact has been limited to date, but demand is expected to grow in the future as a result of the initiative.

Operations

The rapid, dramatic increase in demand in Q4 2020 resulted in longer delivery times than normal and an unusually high order surplus for us, which had a positive impact on net sales in Q1 of this year. The situation was similar for more or less all companies in the industry and we, therefore, consider that our strong market position can be maintained. As it is important for us to be able to offer competitive delivery times and high delivery precision, strong measures were taken to boost production capacity, both to catch up and to be able to meet the continued strong demand in all our product segments.

The most recent period also suffered from longer delivery times and higher uncertainty in the supply chain from our subcontractors, which are also affected by the pandemic. Despite a number of measures having been taken, this may affect our production capacity in the current year.

As part of the continued consolidation of the stove industry in the Nordic region, the Danish stove company Westfire A/S was acquired as an asset acquisition. The business will be added to the Danish company Varde Ovne A/S, which thus reinforces its market position.

The operating margin so far this year is much improved on the corresponding period last year. The main reason for this is the marked improvement in demand on all our targeted markets, combined with continued prudence in respect of expenses. We are also continuing with our proactive measures for the future in terms of product development and marketing.

Condensed income statement

(SEK million)	Group				Parent	
	Jan-Mar 2021	Jan-Mar 2020	Past 12 months	Full year 2020	Jan-Mar 2021	Jan-Mar 2020
Net sales	6,831	6,345	27,632	27,146	11	10
Cost of goods sold	- 4,601	- 4,357	- 18,415	- 18,171	0	0
Gross profit	2,230	1,988	9,217	8,975	11	10
Selling expenses	- 976	- 977	- 3,916	- 3,917	0	0
Administrative expenses	- 488	- 462	- 1,921	- 1,895	- 23	- 23
Revaluation of additional considerations	0	0	353	353	0	0
Other operating income	99	89	374	364	0	0
Operating profit	865	638	4,107*	3,880*	- 12	- 13
Net financial items	- 32	- 64	- 190	- 222	111	56
Profit after net financial items	833	574	3,917	3,658	99	43
Tax	- 188	- 140	- 783	- 735	- 1	1
Net profit	645	434	3,134	2,923	98	44
Net profit attributable to Parent shareholders	634	422	3,078	2,866	98	44
Net profit attributable to non-controlling interest	11	12	56	57	0	0
Net profit	645	434	3,134	2,923	98	44
Includes amortisation/depreciation according to plan as follows:	329	318	1,247	1,236	0	0
Net profit per share before and after dilution, SEK	1.26	0.84	6.11	5.69	0	0

Statement of comprehensive income

Net profit	645	434	3,134*	2,923*	98	44
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Actuarial gains and losses in retirement benefit plans	0	0	21	21	0	0
Tax	0	0	- 4	- 4	0	0
	0	0	17	17	0	0
Items that may be reclassified to profit or loss						
Cash flow hedges	- 13	- 34	25	4	0	0
Hedging of net investment	- 16	- 30	59	45	0	0
Exchange differences on translation of foreign operations	874	1,351	- 2,787	- 2,310	0	0
Tax	- 73	- 96	180	157	0	0
	772	1,191	- 2,523	- 2,104	0	0
Total other comprehensive income	772	1,191	- 2,506	- 2,087	0	0
Total comprehensive income	1,417	1,625	628	836	98	44
Comprehensive income attributable to Parent shareholders	1,404	1,606	583	785	98	44
Comprehensive income attributable to non-controlling interest	13	19	45	51	0	0
Total comprehensive income	1,417	1,625	628*	836*	98	44

*Including revaluation of additional considerations of SEK 353 million.

Condensed balance sheet

(SEK million)	Group			Parent		
	31/03/2021	31/03/2020	31/12/2020	31/03/2021	31/03/2020	31/12/2020
Intangible assets	19,630	20,777	18,958	0	0	0
Property, plant and equipment	5,468	5,463	5,350	0	0	0
Financial assets	701	626	655	15,739	17,169	15,499
Total non-current assets	25,799	26,866	24,963	15,739	17,169	15,499
Inventories	4,957	4,914	4,431	0	0	0
Current receivables	4,518	4,848	4,149	55	75	182
Investments in securities, etc.	214	246	201	0	0	0
Cash and bank balances	4,974	3,533	4,593	36	0	35
Total current assets	14,663	13,541	13,374	91	75	217
Total assets	40,462	40,407	38,337	15,830	17,244	15,716
Equity	19,154	19,229	17,737	9,512	9,177	9,414
Non-current liabilities and provisions, non-interest-bearing	5,012	5,100	4,859	540	662	523
Non-current liabilities and provisions, interest-bearing	6,300	7,863	6,298	4,100	5,601	4,100
Current liabilities and provisions, non-interest-bearing	5,599	5,188	5,081	178	304	179
Current liabilities and provisions, interest-bearing	4,397	3,027	4,362	1,500	1,500	1,500
Total equity and liabilities	40,462	40,407	38,337	15,830	17,244	15,716

Key ratios

		Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Growth	%	7.7	10.1	7.1
Operating profit	SEK m	865	638	3,880
Operating profit, excluding revaluation of additional considerations	SEK m	865	638	3,527
Operating margin	%	12.7	10.1	14.3
Operating margin, excluding revaluation of additional considerations	%	12.7	10.1	13.0
Profit margin	%	12.2	9.1	13.5
Profit margin, excluding revaluation of additional considerations	%	12.2	9.1	12.2
Investments in non-current assets, including acquisitions	SEK m	296	1,638	3,692
Available cash and equivalents	SEK m	5,604	4,322	5,240
Working capital, incl. cash and bank balances as share of net sales	SEK m %	9,064 32.8	8,353 32.2	8,293 30.5
Working capital, excl. cash and bank balances as share of net sales	SEK m %	3,876 14.0	4,574 17.6	3,499 12.9
Interest-bearing liabilities/Equity	%	55.8	56.6	60.1
Equity/assets ratio	%	47.3	47.3	46.3
Return on capital employed	%	15.1	11.5	14.6
Return on capital employed, excluding revaluation of additional considerations	%	13.9	11.5	13.4
Return on equity	%	16.7	12.2	16.1
Return on equity, excluding revaluation of additional considerations	%	15.2	12.2	14.5
Net debt/EBITDA	times	1.0	1.7	1.1
Net debt/EBITDA, excluding revaluation of additional considerations	times	1.1	1.7	1.2
Interest coverage ratio	times	7.7	5.7	8.7
Interest coverage ratio, excluding revaluation of additional considerations	times	7.7	5.7	7.9

Data per share

		Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Net earnings per share (total 504,016,622 shares)	SEK	1.26	0.84	5.69
Net earnings per share excluding revaluation of additional considerations	SEK	1.26	0.84	4.98
Equity per share	SEK	37.68	37.93	34.90
Closing day share price	SEK	270.80	144.60	269.70

Sales by geographical region

(SEK million)	NIBE Climate Solutions	NIBE Element	NIBE Stoves	Eliminations	Total
Nordic region	1,200	335	185	- 125	1,595
Europe (excl. Nordic region)	2,178	676	329	- 53	3,130
North America	821	745	174	- 7	1,733
Other countries	111	245	17	0	373
Total	4,310	2,001	705	- 185	6,831

Time of accounting for sales

(SEK million)	NIBE Climate Solutions	NIBE Element	NIBE Stoves	Eliminations	Total
Deliverables taken up as revenue once	4,196	2,001	705	- 185	6,717
Deliverables taken up as revenue gradually	114	0	0	0	114
Total	4,310	2,001	705	- 185	6,831

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 instruments measured at fair value

(SEK million)	31 Mar 2021	31 Mar 2020	31 Dec 2020
Current receivables			
Currency futures	0	0	12
Commodity futures	1	0	2
Total	1	0	14
Financial assets			
Interest rate derivatives	0	3	0
Current liabilities and provisions, non-interest-bearing			
Currency futures	0	21	0
Commodity futures	0	4	0
Total	0	25	0

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 2020. 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 2020.

Condensed cash flow statement

(SEK million)	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Cash flow from operating activities	1,092	831	4,123
Change in working capital	- 448	- 162	900
Investing activities	- 296	- 1,163	- 2,901
Financing activities	- 94	- 79	- 1,192
Exchange difference in cash and equivalents	140	181	- 307
Change in cash and equivalents	394	- 392	623

Change in equity - summaries

(SEK million)	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Opening equity	17,737	17,604	17,604
Shareholders' dividend	0	0	- 706
Dividend to non-controlling interest	0	0	- 1
Change in non-controlling interest	0	0	4
Comprehensive income for the period	1,417	1,625	836
Closing equity	19,154	19,229	17,737

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.

Operating margin, excluding revaluation of additional considerations

(SEK million)	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Operating profit	865	638	3,880
Revaluation of additional considerations	0	0	- 353
Operating profit, excluding revaluation of additional considerations	865	638	3,527
Net sales	6,831	6,345	27,146
Operating margin, excluding revaluation of additional considerations, %	12.7	10.1	13.0

Profit margin, excluding revaluation of additional considerations

(SEK million)	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Profit after net financial items	833	574	3,658
Revaluation of additional considerations	0	0	- 353
Profit, excluding revaluation of additional considerations	833	574	3,305
Net sales	6,831	6,345	27,146
Profit margin, excluding revaluation of additional considerations, %	12.2	9.1	12.2

Net investments in non-current assets

(SEK million)	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Acquisition of non-current assets	299	1,642	3,716
Disposal of non-current assets	- 3	- 4	- 24
Net investments in non-current assets, including acquisitions	296	1,638	3,692

Available cash and equivalents

(SEK million)	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Cash and bank balances	4,974	3,533	4,593
Investments in securities, etc.	214	246	201
Unutilised overdraft facilities	416	543	446
Available cash and equivalents	5,604	4,322	5,240

Working capital, including cash and bank balances

(SEK million)	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Total current assets	14,663	13,541	13,374
Current liabilities and provisions, non-interest-bearing	- 5,599	- 5,188	- 5,081
Working capital, including cash and bank balances	9,064	8,353	8,293
Net sales, past 12 months	27,632	25,924	27,146
Working capital, including cash and bank balances, in relation to net sales, %	32.8	32.2	30.5

Working capital, excluding cash and bank balances

(SEK million)	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Inventories	4,957	4,914	4,431
Current receivables	4,518	4,848	4,149
Current liabilities and provisions, non-interest-bearing	- 5,599	- 5,188	- 5,081
Working capital, excluding cash and bank balances	3,876	4,574	3,499
Net sales, past 12 months	27,632	25,924	27,146
Working capital excluding cash and bank balances relative to net sales, %	14.0	17.6	12.9

Return on capital employed

(SEK million)	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Profit after net financial items, past 12 months	3,917	2,878	3,658
Financial expenses, past 12 months	479	472	477
Profit before financial expenses	4,396	3,350	4,135
Revaluation of additional considerations	- 353	0	- 353
Profit, excluding revaluation of additional considerations	4,043	3,350	3,782
Capital employed at start of period	28,396	28,258	28,258
Capital employed at end of period	29,850	30,119	28,396
Average capital employed	29,123	29,189	28,327
Return on capital employed, %	15.1	11.5	14.6
Operating profit, excluding revaluation of additional considerations, %	13.9	11.5	13.4

Return on equity

(SEK million)	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Profit after net financial items, past 12 months	3,917	2,878	3,658
Standard tax rate, %	20.6	21.4	21.4
Profit after net financial items, after tax	3,110	2,262	2,875
Of which attributable to Parent shareholders	3,054	2,237	2,818
Equity at start of period	17,588	17,509	17,509
Equity at end of period	18,992	19,115	17,588
Average equity	18,290	18,312	17,549
Return on equity, %	16.7	12.2	16.1

Return on equity, excluding revaluation of additional considerations

(SEK million)	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Profit after net financial items, past 12 months	3,917	2,878	3,658
Revaluation of additional considerations	- 353	0	- 353
Profit, excluding revaluation of additional considerations	3,564	2,878	3,305
Standard tax rate, %	20.6	21.4	21.4
Profit after net financial items, after tax	2,830	2,262	2,598
Of which attributable to Parent shareholders	2,774	2,237	2,541
Equity at start of period	17,588	17,509	17,509
Equity at end of period	18,992	19,115	17,588
Average equity	18,290	18,312	17,549
Return on equity, excluding revaluation of additional considerations, %	15.2	12.2	14.5

Net debt/EBITDA

(SEK million)	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Non-current liabilities and provisions, interest-bearing	6,300	7,863	6,298
Current liabilities and provisions, interest-bearing	4,397	3,027	4,362
Cash and bank balances	- 4,974	- 3,533	- 4,593
Investments in securities, etc.	- 214	- 246	- 201
Net debt	5,509	7,111	5,866
Operating profit, past 12 months	4,107	3,101	3,880
Depreciation/amortisation and impairment, past 12 months	1,248	1,110	1,237
EBITDA	5,355	4,211	5,117
Revaluation of additional considerations	- 353	0	- 353
EBITDA, excluding revaluation of additional considerations	5,002	4,211	4,764
Net debt/EBITDA, times	1.0	1.7	1.1
Net debt/EBITDA, excluding revaluation of additional considerations, times	1.1	1.7	1.2

Interest coverage ratio

(SEK million)	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Profit after net financial items	833	574	3,658
Financial expenses	124	122	477
Profit before financial expenses	957	696	4,135
Revaluation of additional considerations	0	0	- 353
Profit, excluding revaluation of additional considerations	957	696	3,782
Interest coverage ratio, times	7.7	5.7	8.7
Interest coverage ratio, excluding revaluation of additional considerations, times	7.7	5.7	7.9

Net profit per share excluding revaluation of additional considerations

(SEK million)	Jan-Mar 2021	Jan-Mar 2020	Full year 2020
Net profit attributable to Parent shareholders	634	422	2,866
Revaluation of additional considerations	0	0	- 353
Net profit, excluding revaluation of additional considerations	634	422	2,513
Net profit per share excluding revaluation of additional considerations	1.26	0.84	4.98

Accounting policies

NIBE Industrier's consolidated accounts are drawn up in accordance with the International Financial Reporting Standards (IFRS). NIBE Industrier's interim report for the first quarter of 2021 has been drawn up in accordance with IAS 34 Interim Financial Reporting. Disclosures in accordance with IAS 34 16A are presented in the financial statements and related note information as well as in other parts of the interim report.

For the Group, the same accounting policies as those adopted for this report are described on pages 102-139 of the company's Annual Report for 2020.

Reporting for the Parent follows the Swedish Annual Accounts Act and recommendation RFR 2 of the Swedish Financial Accounting Standards Council ('Reporting for Legal Entities').

Transactions with associates have taken place to the same extent as in the previous year and the same accounting policies apply as those described on page 103 of the company's Annual Report for 2020.

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 2020.

The information in this report has not been subjected to scrutiny by the company's auditors.

For other information on definitions, please refer to the company's Annual Report for 2020.

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 (CET) on 11 May 2021.

Please email any questions to:
Gerteric Lindquist, MD and Group CEO, gerteric.lindquist@nibe.se
Hans Backman, CFO, hans.backman@nibe.se

This interim report provides an accurate picture of the business activities, financial position and earnings of the Parent and the Group, and describes any significant risks and uncertainties faced by the Parent and the companies that comprise the Group.

Markaryd, Sweden, 11 May 2021

Hans Linnarson
Chairman of the Board

Georg Brunstam
Director

Jenny Larsson
Director

Anders Pålsson
Director

Jenny Sjödahl
Director

Gerteric Lindquist
Managing Director and
CEO

NIBE shares

NIBE shares, Q1

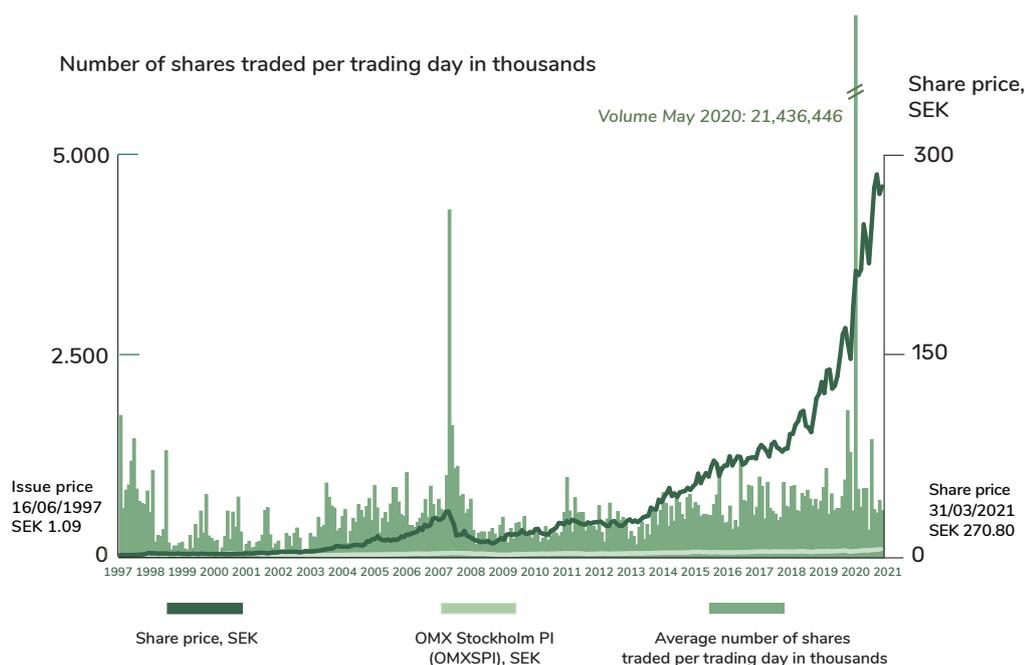
NIBE's class B shares are listed on the NASDAQ Nordic Large Cap list in Stockholm, with a secondary listing on the SIX Swiss Exchange in Zurich. The NIBE share's closing price at 31 March 2021 was SEK 270.80.

In the first quarter of 2021, NIBE's share price rose by 0.4%, from SEK 269.70 to SEK 270.80. During the same period, the OMX Stockholm PI (OMXSPI) increased by 13.7%.

This means that, at the end of March 2021, the market capitalisation of NIBE, based on the latest price paid, amounted to SEK 136,488 million.

A total of 36,348,375 NIBE shares were traded, which corresponds to a share turnover of 28.9% in the first quarter of 2021.

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





NIBE Group

– a global Group with companies and a presence worldwide

NIBE Group is a global organisation that contributes to a lower carbon footprint and better utilisation 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 nearly 70 years ago, NIBE has grown into an international company with an average of 18,700 (17,000) employees and a global presence. From the very start, the company has been driven by a strong culture of entrepreneurship and a passion for responsible business operation. Its 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 27 (25) billion in 2020.

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.

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