

Strong first six months

Continued good demand but also severe materials and component shortages. One-off expenses from winding up the Russian operations and a one-off gain from the divestment of an additional 26% of the shares in Schulthess.

- Sales rose by 25.9% to SEK 18,405 million (SEK 14,621 million)
- Profit after net financial items amounted to SEK 2,453 million (SEK 2,004 million)
- Earnings per share amounted to SEK 0.93 (SEK 0.76)
- One-off expenses of SEK 114 million from winding up Russian operations
- One-off gain of SEK 232 million from the divestment of an additional 26% of the shares in Schulthess Maschinen AG of Switzerland
- Acquisitions of Argoclima of Italy and Pacific Energy of Canada (after the end of the period)

“Demand remained strong in all three business areas in the first half of the year and, as before, we see three reasons for this. Our clear sustainability profile is an advantage when more and more consumers are realising that moving away from fossil fuels is an important factor in solving the climate change issue. The home refurbishment trend that started during the pandemic has continued at the same intensive pace as before. Furthermore, the horrifying invasion of Ukraine has led to most European countries and their citizens realising that we must become entirely independent of Russian oil and gas, which is further driving demand for our products,” explains Gerteric Lindquist, CEO and MD of NIBE.

“The large problems in the supply chain, particularly in respect of components, remain. However, our sub-suppliers are working resolutely to try to adjust to a completely different level of demand and we are receiving some signals that the situation will gradually improve in the second half of the year. However, the uncertainty factor is significant because of the complex nature of the delivery problems, with semiconductor shortages, labour shortages, vulnerable supply chains and an uncertain freight market among the problems that are most difficult to overcome. All of this has in turn reduced our delivery reliability and increased lead times for our customers, which is truly regrettable. In anticipation of an expected improvement, we are doing everything in our power to help our customers by means of maximum flexibility in production, increased buffer inventories and restructuring where possible. The sharp price rises introduced by sub-suppliers have also forced us to introduce our own substantial price increases. However, there is naturally a slight delay before these take effect.”

“Since we are convinced that the supply-side problems are ultimately of a transient nature and we also perceive good opportunities for growth in all three business areas, we are currently implementing a very ambitious investment programme. The rate of investment will double in the next three to four years and we expect to invest just over SEK 5 billion in increased production capacity alone. In particular, the current paradigm shift in the market in respect of the transition from oil and gas to heat pumps will require a significant increase in production capacity.”

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“The obvious decision to wind up our Russian operations following Russia’s terrible invasion of Ukraine burdened the first-quarter operating profit by a one-off expense of SEK 114 million in the form of estimated write-downs.”

“Shortly before the end of June, we divested an additional 26% of the shares in Schulthess Maschinen AG. The transaction is entirely in line with the divestment process started in 2019, which entails a gradual divestment of the entire washing machine and tumble drier operations. The transaction generated a one-time gain of SEK 232 million.”

“Even though it’s difficult to make predictions in the current business climate, we are cautiously optimistic about 2022 thanks to our geographic spread, focus on sustainability, stable profitability and good financial preparedness for further offensive acquisitions,” says Gerteric Lindquist.

Press information

A teleconference in English (+46 8 566 427 05) will be held for press and analysts today at 11:00 CEST with CEO Gerteric Lindquist and CFO Hans Backman.

NB: You must be registered at www.nibe.com to view the images for the presentation.

For more information: Gerteric Lindquist, CEO and Hans Backman, CFO; +46 (0)433 273 000

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NIBE Group – a global organisation 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 70 years ago, NIBE has grown into a global Group with an average of 20,400 (18,700) employees and a global presence. From the very start, the company has been driven by a strong culture of entrepreneurship and a passion for corporate responsibility. 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 30 billion (SEK 27 billion) in 2021.

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.