

INTERIM REPORT

1 • 2025

- › **SALES** amounted to SEK 9,673 (9,494 million)
- › **OPERATING PROFIT** amounted to SEK 782 (-579) million
- › **ADJUSTED OPERATING PROFIT** amounted to SEK 782 (516) million
- › **PROFIT AFTER NET FINANCIAL ITEMS** amounted to SEK 514 (-911) million
- › **ADJUSTED PROFIT AFTER NET FINANCIAL ITEMS** amounted to SEK 514 (184) million
- › **PROFIT AFTER TAX** was SEK 391 (-861) million
- › **ADJUSTED PROFIT AFTER TAX** amounted to SEK 391 (34) million
- › **EARNINGS** per share before and after dilution, based on the average number of shares outstanding during the period, amounted to SEK 0.19 (-0.42)
- › **EARNINGS** per share adjusted for items affecting comparability before and after dilution, based on the average number of shares outstanding during the period, amounted to SEK 0.19 (0.02)

Continued signs of recovery despite a slightly cautious market and political turbulence

The first quarter of the year reinforced our assumptions about an ongoing recovery in our largest product categories. We saw a return to a more traditional seasonal pattern within the whole Group, at the same time as our improved margins strengthened our ambition to return to an operating margin level within the historical range for each business area in 2025. However, the strengthening of the Swedish currency, together with political turbulence, are areas for concern.

The Group's sales in the first quarter amounted to SEK 9,673 million, up by 1.9% compared with the corresponding period in the previous year. This meant that the long downward trend in demand has come to an end and the cautious growth we could already see towards the end of the fourth quarter of 2024 has continued.

Operating profit in the quarter rose by SEK 266 million to SEK 782 million, which corresponds to an improvement of 51.6% compared with the first quarter of the previous year. The operating margin improved from 5.4% in the first quarter of 2024 to 8.1% in the first quarter of this year.

A slight increase in sales together with the action plan implemented during 2024, as well as continued good cost control, were the main reasons for the positive earnings growth in the quarter.

We are well aware that the slightly unexpected strengthening of the Swedish currency and the political turbulence, including all the ongoing and equally unexpected tariff announcements, will not help us realize our ambition, but, as always, we will do everything in our power to achieve our goals.

Calendar

May 15, 2025

8:00 AM (CEST) Interim Report 1, January – March 2025
11:00 AM (CEST) Teleconference (in English)
5:00 PM (CEST) Annual General Meeting

Presentation of Interim Report 1, 2025
with opportunity to ask questions.

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

August 22, 2025

8:00 AM (CEST) Interim Report 2, January – June 2025
11:00 AM (CEST) Teleconference (in English)

Continued improvement in heat pumps for NIBE Climate Solutions

In the first quarter of the year we saw, in line with previous assumptions, a continued relative improvement in demand for heat pumps in the manufacturing supply chain in Europe.

The reduction in inventories that has been taking place in the European distribution chains in the past six quarters has now brought inventories back to a level where we see a clearer correlation between order intake and billing in the manufacturing supply chain and actual deliveries to end customers.

In Germany, too, where inventory reductions in the distribution chains have taken longer to implement compared with most other European markets, the mood about the future appears to be slightly more optimistic. This is particularly noticeable in the steadily growing number of applications for government subsidies for heat pump installations.

The North American heat pump market remained stable during the quarter.

Following the all too familiar turbulence in the heat pump market in the past five years, where the first four years, 2020–2023, were dominated by very strong demand while in the last year, 2024, demand came to an almost complete halt, a more traditional seasonal pattern seems to have emerged. This means that demand is lower in the first half of the year and higher in the second half of the year.

Stable but variations in NIBE Element's various market segments

The business area NIBE Element saw continued relatively stable demand in the majority of the business area's market segments. However, there were still significant variations between the different segments. The continued weak performance of new property construction and consumer-related products had a negative impact on the business area.

The performance of the semiconductor industry and products associated with electrification in several industry sectors raised hopes of a continued gradual improvement in demand.

Marketing activities and adaptation of production in NIBE Stoves

The business area NIBE Stoves is seeing weaker growth in Europe while the North American market is showing an improvement in underlying demand. However, in line with the return to a more traditional seasonal pattern, marketing activities and the adjustment of production ahead of the expected increase in sales in the second half of the year dominated the business area's operations. Cost reductions from the action plan ensured that the operating margin was maintained despite lower sales.

The lower interest rate level and expectations of further interest rate cuts in Europe provided a welcome shot in the arm for end consumers, which had a positive effect on all three business areas.



Gerteric Lindquist
Managing Director and CEO

As part of the action plan, all of our three business areas have adjusted their costs to what we believe to be a lower but gradually improving rate of growth in demand in the future. Furthermore, alongside the cost reductions in production and administration, the business areas continued their investments of development resources to strengthen and update their respective product programs. Similarly, the sales organizations were allowed to remain intact in order to maintain a good market presence.

The very ambitious investment program implemented in recent years is also creating good conditions for flexible and streamlined production, which will have a positive impact on margins as demand increases.

Continent-based component supply and production

Yet another factor worth mentioning is that we have been working for a long time to ensure that our business areas are, as far as possible, continent-based, that is, their production of products should take place on the same continent where they are sold. At the same time, we aim to have a corresponding continent-based network of sub-suppliers. This creates shorter, more secure supply chains, while also reducing vulnerabilities related to trade barriers.

Our ambition remains unchanged

Together, all of the above form the basis of our ambition to return to an operating margin within the historical range of each business area during 2025. We are, as already mentioned, well aware that the slightly unexpected strengthening of the Swedish currency and the political turbulence, including all the ongoing and equally unexpected tariff moves, will not help us realize our ambition, but, as always, we will do everything in our power to fulfill our commitment. Our long-term growth and profitability targets are also rooted in the certainty that our products are right for the times, with our whole society needing to transition to a more sustainable way of living.

Outlook for 2025

- 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 being 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 decentralized organization, based on independent units, is well proven and creates the conditions for greater motivation and flexibility.
- The more acceptable inventory levels in the distribution chains will promote demand at the manufacturing level, while the already lower interest rates and hopes of one or more cuts will act as a stimulus for general consumption and thus the economy.
- The effects of the current security situation around the world, a political development that is difficult to assess in both Europe and North America as well as in Asia, and the price volatility in relation to different types of energy, are difficult to predict.
- However, as is our habit, and based on experience, we remain optimistic about our long-term performance, even though, in view of the above, it is difficult to assess the situation.

Markaryd, Sweden, May 15, 2025

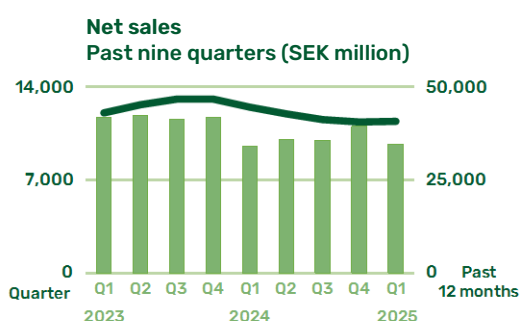
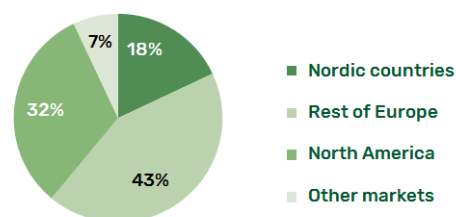
Gerteric Lindquist
Managing Director and CEO

NIBE Group

Key ratios		Q1 2025	Q1 2024	Past 12 months	Full year 2024
Net sales	SEK m	9,673	9,494	40,700	40,521
Growth	%	1.9	-18.5	-8.5	-13.1
of which acquired	%	0.1	5.5	2.0	3.3
Operating profit	SEK m	782	516 *	3,492 *	3,226 *
Operating margin	%	8.1	5.4 *	8.6 *	8.0 *
Profit after net financial items	SEK m	514	184 *	2,421 *	2,091 *
Profit margin	%	5.3	1.9 *	5.9 *	5.2 *
Equity/assets ratio	%	45.4	44.4	45.4	45.6
Return on equity	%	7.6	12.7 *	5.4 *	5.4 *

* Profit and key ratios have been calculated excl. items affecting comparability

Group sales by geographical region



* excl. items affecting comparability

Sales

The Group's net sales amounted to 9,673 SEK million (9,494 SEK million), corresponding to growth of 1.9%. Purely organic sales increased by 1.8%, while acquired sales growth was 0.1%.

Profit

Profit for the period after net financial items was SEK 514 million, corresponding to an increase of 156.4% compared with the same period in 2024, when it was SEK -911 million (adjusted SEK 184 million). Net financial items amounted to SEK -268 million at the end of the period, an improvement of SEK 64 million compared with the same period in the previous year. Profit for the period was negatively affected by acquisition expenses of SEK 1 (3) million. Return on equity was 7.61% (12.7%).

Investments

During the year, the Group invested a total of SEK 619 (470) million. The investments mainly comprised investments in buildings and machinery and equipment in existing operations. Excluding leases, the depreciation rate was SEK 370 million, compared with SEK 370 million in the corresponding period in the previous year.

The majority of the SEK 10 billion investment program adopted in 2020 has been implemented and the remaining investments in buildings will be completed during the year. The remaining investments in capacity expansion will be gradually implemented as needed to meet any increase in demand.

Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 658 (-318) million. Cash flow after changes in working capital amounted to SEK 243 (-259) million. Focused efforts to reduce high inventory levels are continuing. Interest-bearing liabilities at the end of the period amounted to SEK 23,601 million, compared with SEK 24,711 million at the start of the year. The Group's available cash and cash equivalents amounted to SEK 5,082 million at the end of the period, compared with SEK 6,177 million at the start of the period. The equity/assets ratio at the end of the period was 45.4%, compared with 45.6% at the start of the year.

Parent

Parent activities comprise Group executive management functions, certain shared Group functions and financing. Sales for the period totaled SEK 22 (21) million and profit after financial items was SEK 48 (-349) million.

Business area trends

Quarterly data

Consolidated income statement (SEK million)	2025		2024			2023			
	Q1	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net sales	9,673	9,494	10,035	9,967	11,025	11,646	11,833	11,514	11,656
Operating expenses	-8,891	-10,073	-9,366	-9,055	-9,356	-9,891	-9,986	-9,735	-10,064
Operating profit	782	-579	669	912	1,669	1,755	1,847	1,779	1,592
Net financial items	-268	-332	-273	-286	-244	-101	-146	-181	-214
Profit after net financial items	514	-911	396	626	1,425	1,654	1,701	1,598	1,378
Tax	-123	50	-180	-193	-51	-380	-378	-378	-399
Net profit	391	-861	216	433	1,374	1,274	1,323	1,220	979
Net sales, business areas									
NIBE Climate Solutions	6,022	5,834	6,516	6,502	7,185	7,736	8,122	7,839	7,676
NIBE Element	2,888	2,711	2,819	2,711	2,851	3,013	2,957	2,945	2,983
NIBE Stoves	926	1,052	802	847	1,163	1,250	1,086	1,096	1,326
Elimination of Group transactions	-163	-103	-102	-93	-174	-353	-332	-366	-329
Group total	9,673	9,494	10,035	9,967	11,025	11,646	11,833	11,514	11,656
Operating profit, business areas									
NIBE Climate Solutions	555	-462	506	726	830	1,353	1,538	1,484	1,221
NIBE Element	179	-126	142	160	186	280	243	235	184
NIBE Stoves	61	27	-3	24	95	165	101	99	168
Elimination of Group transactions	-13	-18	24	2	558	-43	-35	-39	19
Group total	782	-579	669	912	1,669	1,755	1,847	1,779	1,592
Items affecting comparability, business areas*									
NIBE Climate Solutions	0	-794	0	0	-31				
NIBE Element	0	-263	0	0	-4				
NIBE Stoves	0	-38	0	0	-22				
Acquisition-related revaluations	0	0	0	0	597				
Group total	0	-1,095	0	0	540				
Adjusted operating profit, business areas									
NIBE Climate Solutions	555	332	506	726	861				
NIBE Element	179	137	142	160	190				
NIBE Stoves	61	65	-3	24	117				
Elimination of Group transactions	-13	-18	24	2	-39				
Group total	782	516	669	912	1,129				

* Items affecting comparability

- Action plan costs: SEK 1,095 million (Q1) + SEK 57 million (Q4) = SEK 1,152 million (full year)

- Positive effect of acquisition-related revaluations: SEK 597 million

Business area NIBE Climate Solutions

Key ratios		Q1 2025	Q1 2024	Past 12 months	Full year 2024
Net sales	SEK m	6,022	5,834	26,225	26,037
Growth	%	3.2	-24.6	-11.0	-17.0
of which acquired	%	0.0	7.3	2.5	4.2
Operating profit	SEK m	555	332 *	2,648 *	2,425 *
Operating margin	%	9.2	5.7 *	10.1 *	9.3 *
Assets	SEK m	45,201	47,165	45,201	48,102
Liabilities	SEK m	5,213	5,903	5,213	5,782
Investments in non-current assets	SEK m	249	442	1,573	1,767
Amortization/Depreciation	SEK m	322	310	1,275	1,263

* Profit and key ratios have been calculated excl. items affecting comparability

Sales and profit

Sales for the period totaled SEK 6,022 million, compared with SEK 5,834 million in the corresponding period in the previous year.

The increase in organic sales was 3.2%, corresponding to SEK 188 million. No acquired sales were recognized in the quarter.

Operating profit for the period amounted to SEK 555 million, compared with SEK -462 million in the corresponding period in the previous year, with an operating margin of 9.2%, compared with -7.9% in the previous year. Adjusted operating profit in the previous year was SEK 332 million, with a margin of 5.7%.

Slight increase in sales and improved margins

In the quarter, we saw a certain increase in demand in the manufacturing supply chain in most of the business area's markets, resulting in a corresponding increase in sales compared with the same period in the previous year. We are seeing more balanced inventory levels at most wholesalers and installers, which shows that consumer demand is now more clearly reaching manufacturer, and installers and, consequently, consumer demand. A certain increase in volumes, together with the action plan implemented in 2024 and continued strict cost control, resulted in an improved operating margin in the quarter. It remains our ambition to return to an operating margin level within the business area's historical range during the year, even though the political turbulence in the external environment is a cause for concern.

Market

Demand for heat pumps in Europe showed continued signs of a small increase in the manufacturing supply chain during the quarter, confirming underlying stable demand from end customers. This stable demand is returning distributors' inventory levels to more acceptable levels, which in turn means that consumer demand is now also having a noticeable effect on manufacturers.

We are seeing positive development in the Nordic countries and parts of Central Europe. In Germany, where it has taken longer for inventories to return to more acceptable levels and for demand to show a noticeable increase, the number of applications for subsidies for heat pump investments and installations continues to increase. The UK market is also showing positive development, with the establishment of a long-term financing program for heat pumps and simplified building permit regulations for heat pump installations.

We also see positive signals in France and parts of Eastern Europe, but the recovery in these markets is slower.

Recent interest rate reductions will benefit demand for our products. At the same time, increasing political uncertainty, especially around the focus of energy policy in Europe and North America, presents a challenge for investments in sustainable energy solutions. The uncertainty may lead to a more cautious approach by both private individuals and commercial operators on both continents.

As before, it remains our view that heat pumps are primed for clear, long-term volume growth in the European market. However, as we have clearly communicated, this growth will take place at a slower rate than many parties, politicians as well as industry players, predicted just a couple of years ago.

The North American heat pump market remained stable in the quarter and we do not expect any significant changes in the short to medium term. This is despite the political uncertainty in the region.

The commercial cooling and ventilation market was also stable in the quarter, both in Europe and North America. We have a strong product program and see continued good opportunities for growth in this segment on both continents. The commercial cooling and ventilation sector is also a general focus area for the business area's development of operations.

After several years of either very high demand, such as in 2020 to 2023, or almost zero demand, as in 2024, the demand pattern in 2025 is expected to return to a more traditional seasonal pattern, with slightly lower demand in the first half of the year and significantly higher demand in the second half of the year.

Operations

Following the implementation of the action plan initiated in the previous year, we continued to exercise strict cost control in the quarter. At the same time, in line with previous communications, we decided to retain our resources in product development and sales. These initiatives, together with efficiency improvements in the organization, have created good opportunities for operational flexibility and continued profitable growth.

The actions that have been implemented will facilitate continued product and business development and, together with the significant investments in our production units in recent years, have strengthened our operational platform. The platform is characterized by efficiency as well as a high degree of scalability, ensuring that we are well placed to meet the coming increase in demand.

Internal collaborations within the Group intensified in the quarter, with a particular focus on realizing synergies in areas such as purchasing, quality, production technology and product development. These synergies are expected to contribute to additional efficiency measures and will remain priority areas in the future.

Offering our customers and other stakeholders training and education in our HVAC solutions is a strategic priority area. This work is primarily being conducted via our regional training centers. The official opening of our new marketing and training center, NIBE World of Energy, in Markaryd in Sweden will take place in the second quarter. The center is a hub for knowledge exchange within the Group, innovation and our sustainability work. Training and education of customers and partners will be an integral part of our offering and a central component of our long-term expansion strategy.

The business area's product development remains a focus area, particularly in light of the ongoing technical transition towards products featuring natural refrigerants and a high energy efficiency rating in line with future EU regulations. A corresponding transition to refrigerants with low global warming potential (GWP) is also taking place in North America.

The business area's results improved in the quarter as a direct result of consumer demand now reaching manufacturers, continued good cost control following the implementation of the action plan, and proactive investments in marketing and sales. Against the background of the measures and adjustments implemented throughout the organization, our continued ambition is to return to an operating margin level within the business area's historical range during 2025.

NIBE WORLD OF ENERGY

A place for meetings, training and inspiration



Yesterday, Wednesday, May 14, County Governor Maria Arnholm officially opened NIBE World of Energy.

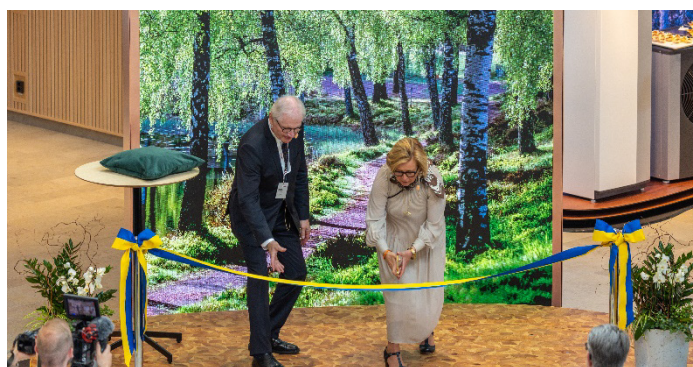
Right at the heart of NIBE's operations in Markaryd in the Swedish province of Småland, we are now officially opening the doors to NIBE World of Energy – our new visitor and training center.

The building brings together Nordic architecture and intelligent, sustainable energy solutions. Featuring natural materials and with a large focus on sustainability, the building conforms to the highest environmental standard in the environmental classification system, "Miljöbyggnad Gold".

The 5,540 m² facility, which has been designed to align with NIBE's belief that reduced environmental impact is best achieved by means of innovative and energy efficient solutions, contains spaces for meetings, practical and theoretical training in the company's products and future energy solutions, social interaction and physical exercise.

"I am convinced that NIBE World of Energy will become a natural European center for discussion, training and development in efficient and renewable energy use," says County Governor Maria Arnholm. "I am very proud of this great initiative in our region," she adds.

NIBE World of Energy is the crowning glory of a comprehensive investment program in Markaryd, which also includes a new innovation center with the most advanced product development and laboratories in the industry, including 42,000 m² of new production space.



Business area NIBE Element

Key ratios		Q1 2025	Q1 2024	Past 12 months	Full year 2024
Net sales	SEK m	2,888	2,711	11,269	11,092
Growth	%	6.5	-10.0	-2.8	-6.8
of which acquired	%	0.5	1.9	1.2	1.6
Operating profit	SEK m	179	137 *	671 *	629 *
Operating margin	%	6.2	5.1 *	6.0 *	5.7 *
Assets	SEK m	15,385	15,676	15,385	16,421
Liabilities	SEK m	2,513	2,986	2,513	2,587
Investments in non-current assets	SEK m	72	134	510	571
Amortization/Depreciation	SEK m	150	137	577	564

* Profit and key ratios have been calculated excl. items affecting comparability

Sales and profit

Sales amounted to SEK 2,888 million, compared with SEK 2,711 million in the corresponding period in the previous year.

The increase in organic sales was 6.0%, corresponding to SEK 163 million. As a result of acquired sales, corresponding to SEK 14 million, the total increase in sales was SEK 177 million.

Operating profit for the period totaled SEK 179 million, compared with SEK -126 million in the previous year, with an operating margin of 6.2%, compared with -4.7% in the previous year. Adjusted operating profit in the previous year was SEK 137 million, with a margin of 5.1%.

Stable demand in an unpredictable environment

Demand was relatively stable in the majority of the business area's market segments in the early part of the year. However, there were still significant variations between the different segments, with the continued weaker performance of new property construction and consumer-related products having an impact on the business area. In the semiconductor industry and products associated with electrification in several industry sectors, the gradual improvement in demand continued. It remains our ambition to return to an operating margin level within the business area's historical range during the year even though the political turbulence in the external environment is a cause for concern.

Market

Demand was stable in the majority of the business area's market segments during the quarter. However, there were still large variations between the different segments, which continued to require significant flexibility and preparedness.

The weak development in new property construction in Europe continued to adversely affect the business area's sales to customers in manufacturing of e.g. convectors and domestic appliances. We have received signals from heat pump manufacturing customers that their finished goods inventories have fallen to more acceptable levels while component inventories are still considered to be too high, which is why we are still waiting to see a recovery at our stage of the supply chain.

In several of the business area's market segments, we found that customers' inventories had been reduced to acceptable levels and that demand was steadily improving. However, it is still difficult to assess when a recovery may take place in the remaining segments. In particular, this applies to segments where a significant proportion of sales comprises sales to the HVAC industry and domestic appliance manufacturers.

The ambition to reduce harmful CO2 emissions 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. Most of these solutions involve some form of electric heating and control, which benefits the business area because of its well-established position internationally in these product areas.

The electrification of vehicles is presenting new business opportunities for the business area, with regard to both passenger cars and commercial vehicles. However, this market too is currently characterized by increased uncertainty due to political decisions and because of technical issues impacting the launch of customers' products.

Demand in the railway sector is showing a growing trend, both in respect of infrastructure and heating of railway vehicles.

The semiconductor segment has shown steady positive growth since the beginning of 2024. Large investments in expanding the semiconductor industry in both North America and Europe are currently being made, with the aim of reducing dependence on Asian suppliers in what is a key technology area for many industries. This will increase demand for our components and systems. Among other things, development is being driven by new applications and technical requirements in artificial intelligence (AI), but also by the fact that we are launching a large number of new products in this area.

General market uncertainty increased in the quarter because of the rise in trade conflicts around the world following the changes in US trade policy. We are closely monitoring developments and will take any measures we consider appropriate on an ongoing basis. Our large, international organization, with around 100 production units spread across the world, ensures we are in a good position to respond to and adapt to new situations.

Overall, there is a risk that the current development will lead to a decline in demand in a number of the business area's product segments.

Operations

In order to be able to meet the expected increase in demand in segments with potentially strong organic growth in a cost-effective and flexible way, the business area has, in recent years, increased the production capacity of the relevant entities, both in terms of automation and capacity investments. At the same time, the sharp and rapid decline in demand in the construction industry has resulted in increased costs due to excess capacity in the short term. The semiconductor industry too saw a build-up of excess capacity in the wake of the above-mentioned trade war, but this is now being reduced.

As part of the action plan implemented in 2024, we reduced the number of employees in the organization and implemented a number of changes in production flows and capacity utilization in order to adapt to the prevailing market conditions in the short term. At the same time, as a subcontractor we need to be able to quickly increase capacity again when, as we know from experience, demand relatively suddenly picks up again.

Continuing exchange rate volatility is having a considerable effect on pricing and competitiveness in our market segments. However, in this situation, our international presence with production units in different currency zones gives us an advantage.

In general, there are continuing shortages of skilled labor in several of the countries in which we have production units.

We have a clear ambition to return to an operating margin within the business area's historical range in 2025 by means of our completed action plan and increased sales.

Business area NIBE Stoves

Key ratios		Q1 2025	Q1 2024	Past 12 months	Full year 2024
Net sales	SEK m	926	1,052	3,738	3,864
Growth	%	-12.0	-15.8	-18.0	-18.8
of which acquired	%	0.0	1.9	0.5	1.0
Operating profit	SEK m	61	65 *	199 *	203 *
Operating margin	%	6.6	6.2 *	5.3 *	5.3 *
Assets	SEK m	6,605	7,030	6,605	7,005
Liabilities	SEK m	1,135	768	1,135	1,182
Investments in non-current assets	SEK m	29	78	109	159
Amortization/Depreciation	SEK m	54	56	220	222

* Profit and key ratios have been calculated excl. items affecting comparability

Sales and profit

Sales for the period amounted to SEK 926 million, compared with SEK 1,052 million in the corresponding period in the previous year.

The decline in organic sales was 12%, corresponding to SEK 126 million. No acquired sales were recognized in the quarter.

Operating profit for the period totaled SEK 61 million, compared with SEK 27 million in the previous year, with an operating margin of 6.6%, compared with 2.6% in the previous year. Adjusted operating profit in the previous year was SEK 65 million, with a margin of 6.2%

Marketing activities and production adjustments

In line with the return to a more traditional seasonal pattern, marketing activities and adjustment of production ahead of the expected increase in sales in the second half of the year dominated operations. We are seeing weaker growth in Europe while the North American market is showing an improvement in underlying demand. Cost reductions from the action plan have allowed the operating margin to be maintained despite lower sales. It remains our ambition to return to an operating margin level within the business area's historical range during the year even though the political turbulence in the external environment is a cause for concern.

Market

The trend from the latter part of the previous year has continued into the first few months of 2025. A slight improvement in demand for stove products in North America was offset by a continued decline in demand in Europe. It is also clear that the stove heating sector is returning to a traditional seasonal pattern of lower sales in the first half of the year and a larger proportion of sales in the second half. Excess inventories at retailers in Europe have gradually returned to acceptable levels, and orders received from retailers were reflected in sales to end consumers in the way we used to see in the years before 2020, that is, before the pandemic and Russia's invasion of Ukraine.

Increasingly uncertain external conditions and hesitation around the implementation of additional interest rate cuts had a dampening effect on both demand for consumer durables and interest in renovation. A mild winter with low energy prices, combined with a low level of new construction of all types of residential property and holiday homes were other factors that contributed to reducing demand for stove products.

Overall, the dampening and constraining effects, combined with high comparative figures, meant that demand remained weak in Sweden and Norway, which are the two main Scandinavian markets.

Denmark is a relatively small market for stove products but reported a stable performance after several years of falling demand.

The German market largely followed the development in Scandinavia, with sales of wood-fired stove products falling. The main reasons for this were low energy prices and uncertain conditions in the world around us.

In the UK, the trend towards a return to a historic pattern of demand for the various types of stove products continued. Gas-fired products are once again becoming the dominant category, while demand for wood-fired products fell slightly. Demand for electric stoves remains good and relatively stable. Overall demand declined.

The French market followed the development in the other European markets but the rate of decline was lower. Demand for pellet stoves increased, but from a low level.

In North America we saw a slight increase in demand for stove products towards the end of the previous year. This trend, which is mostly confined to the USA, continued at the start of 2025. Demand for gas-fired products, which is the clearly dominant product group in North America, showed some improvement, while the trend of increased interest in electric stoves continued..

Operations

As a result of the return to a traditional seasonal pattern, the first quarter was characterized by a large number of marketing activities for all brands in the business area in all main markets. The aim is both to conduct sales-driving activities ahead of the important peak season in the second half of the year and work long term to further strengthen our market position.

Because demand remains relatively weak, we are adapting production capacity in our manufacturing units in Europe to the current, season-oriented market situation. In North America, our production capacity is already well matched to demand. Production plans have followed the normal seasonal pattern for a while now, in order to ensure competitive delivery times and a high degree of delivery reliability for the coming peak season.

Despite lower sales in the first quarter of the year, the operating margin improved slightly compared with the previous year, primarily as a result of the cost-saving effects of the action plan implemented in 2024. Additionally, we are continuing our long-term efforts in sales, marketing and product development with the ambition to return to an operating margin level within the business area's historical range in 2025.

Condensed income statement

(SEK million)	Group				Parent	
	Jan-Mar 2025	Jan-Mar 2024	Past 12 months	Full year 2024	Jan-Mar 2025	Jan-Mar 2024
Net sales	9,673	9,494	40,700	40,521	22	21
Cost of goods sold	-6,804	-7,789	-28,562	-29,547	0	0
Gross profit	2,869	1,705	12,138	10,974	22	21
Selling expenses	-1,360	-1,484	-5,774	-5,898	0	0
Administrative expenses	-852	-923	-3,483	-3,554	-46	-41
Other operating income	125	123	1,151	1,149	0	0
Operating profit	782	-579	4,032	2,671	-25	-20
Net financial items	-268	-332	-1,071	-1,135	73	-329
Profit after net financial items	514	-911	2,961	1,536	48	-349
Tax	-123	50	-547	-374	0	4
Net profit	391	-861	2,414	1,162	48	-345
Net profit attributable to Parent shareholders	392	-857	2,422	1,173	48	-345
Net profit attributable to non-controlling interests	-1	-4	-8	-11	0	0
Net profit	391	-861	2,414	1,162	48	-345
Includes amortization/depreciation according to plan as follows	527	503	2,073	2,049	0	0
Earnings per share before and after dilution, SEK	0.19	-0.42	1.20	0.58	0	0

Statement of comprehensive income

Net profit	391	-861	2,414	1,162	48	-345
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Actuarial gains and losses in retirement benefit plans	0	0	-47	-47	0	0
Tax	0	0	6	6	0	0
	0	0	-41	-41	0	0
Items that may be reclassified to profit or loss						
Cash flow hedges	38	-8	-21	-67	0	0
Hedging of net investments	267	-198	321	-144	0	0
Exchange differences on translation of foreign operations	-2,965	1,737	-2,269	2,436	0	0
Tax	76	-45	20	-101	0	0
	-2,584	1,486	-1,949	2,124	0	0
Total other comprehensive income	-2,584	1,486	-1,990	2,083	0	0
Total comprehensive income	-2,193	625	424	3,245	48	-345
Comprehensive income attributable to Parent shareholders	-2,182	629	432	3,248	48	-345
Comprehensive income attributable to non-controlling interests	-11	-4	-8	-3	0	0
Total comprehensive income	-2,193	625	424	3,245	48	-345

Condensed balance sheet

(SEK million)	Group			Parent		
	31 Mar 2025	31 Mar 2024	31 Dec 2024	31 Mar 2025	31 Mar 2024	31 Dec 2024
Intangible assets	30,055	31,997	32,241	0	0	0
Property, plant and equipment	12,612	12,145	13,214	0	0	0
Financial assets	1,566	1,500	1,524	25,970	25,529	26,170
Total non-current assets	44,233	45,642	46,979	25,970	25,529	26,170
Inventories	9,866	12,847	10,644	0	0	0
Current receivables	7,245	7,049	7,176	494	118	505
Investments in securities, etc	383	398	579	0	0	0
Cash and bank balances	4,256	3,443	5,028	1	0	1
Total current assets	21,750	23,737	23,427	495	118	506
Total assets	65,983	69,379	70,406	26,465	25,647	26,676
Equity	29,946	30,831	32,140	8,299	9,004	8,252
Non-current liabilities, non-interest bearing	4,578	5,778	4,990	1,059	1,002	1,119
Non-current liabilities, interest bearing	16,990	17,185	17,625	12,142	11,667	12,295
Current liabilities, non-interest bearing	7,859	9,448	8,565	1,165	2,524	1,211
Current liabilities, interest bearing	6,610	6,137	7,086	3,800	1,450	3,800
Total equity and liabilities	65,983	69,379	70,406	26,465	25,647	26,676

Key ratios

		Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Growth	%	1.9	-18.5	-13.1
Operating profit	SEK m	782	-579	2,671
Operating profit excl. items affecting comparability	SEK m	782	516	3,226
Operating margin	%	8.1	-6.1	6.6
Operating margin excl. items affecting comparability	%	8.1	5.4	8.0
Profit margin	%	5.3	-9.6	3.8
Profit margin excl. items affecting comparability	%	5.3	1.9	5.2
Investments in non-current assets incl. acquisitions	SEK m	619	470	2,328
Available cash and cash equivalents	SEK m	5,082	4,492	6,177
Working capital incl. cash and bank balances	SEK m	13,891	14,289	14,862
as share of net sales	%	34.1	32.1	36.7
Working capital excl. cash and bank balances	SEK m	9,252	10,448	9,255
as share of net sales	%	22.7	23.5	22.8
Interest-bearing liabilities/Equity	%	78.8	75.6	76.9
Equity/assets ratio	%	45.4	44.4	45.6
Return on capital employed	%	8.3	9.7	5.8
Return on capital employed excl. items affecting comparability	%	7.3	11.7	6.8
Return on equity	%	7.6	9.8	4.0
Return on equity excl. items affecting comparability	%	6.2	12.7	5.4
Net debt/EBITDA	times	3.1	2.9	3.9
Net debt/EBITDA excl. action plan	times	3.1	2.5	3.2
Net debt/EBITDA excl. items affecting comparability	times	3.4	2.5	3.5
Interest coverage ratio	times	2.2	-0.9	1.9
Interest coverage ratio excl. items affecting comparability	times	2.2	1.4	2.3

Data per share

		Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Earnings per share (total 2,016,066,488 shares)	SEK	0.19	-0.42	0.58
Earnings per share excl. items affecting comparability	SEK	0.19	0.02	0.80
Equity per share	SEK	14.84	15.27	15.92
Closing day share price	SEK	37.93	52.56	43.24

Sales by geographical region

(SEK million)	NIBE Climate Solutions	NIBE Element	NIBE Stoves	Eliminations	Total
Nordic region	1,339	371	156	-114	1,752
Europe (excl. Nordic region)	2,970	882	400	-39	4,213
North America	1,520	1,197	349	-6	3,060
Other countries	193	438	21	-4	648
Total	6,022	2,888	926	-163	9,673

Timing of revenue recognition

(SEK million)	NIBE Climate Solutions	NIBE Element	NIBE Stoves	Eliminations	Total
Deliverables recognized as revenue at a point in time	5,887	2,732	926	-164	9,381
Service	39	0	0	0	39
Warranty	24	1	0	0	25
Other	72	155	0	1	228
Deliverables recognized as revenue over time	135	156	0	1	292
Total	6,022	2,888	926	-163	9,673

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 recognized 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 recognized as revenue gradually over the coming six-year period.

Financial instruments measured at fair value

(SEK million)	31 Mar 2025	31 Mar 2024	31 Dec 2024
Current receivables			
Currency futures	16	38	-22
Commodity futures	0	0	0
Total	16	38	-22
Current liabilities and provisions, non-interest bearing			
Currency futures	0	0	0
Commodity futures	0	-1	-1
Total	0	-1	-1
Non-current liabilities and provisions, interest bearing			
Interest rate derivatives	-2	-20	53
Total	-2	-20	53

No instruments have been offset in the statement of financial position, so all instruments are recognized at their gross value. For a detailed account of the measurement process, see Note 29 in the Annual Report for 2024. 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 2024.

Condensed cash flow statement

(SEK million)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Cash flow from operating activities	658	-318	3,826
Change in working capital	-415	59	180
Investing activities	-619	-470	-2,845
Financing activities	-245	126	-64
Exchange difference in cash and cash equivalents	-346	161	227
Change in cash and cash equivalents	-967	-442	1,324

Condensed statement of changes in equity

(SEK million)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Opening equity	32,140	30,207	30,207
Shareholders' dividend	0	0	-1,310
Dividend to non-controlling interests	-1	-1	-2
Change in non-controlling interests	0	0	3
Comprehensive income for the period	-2,193	625	3,242
Closing equity	29,946	30,831	32,140

Alternative performance measures

Operating margin excl items affecting comparability

(SEK million)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Operating profit	782	-579	2,671
Items affecting comparability	0	1,095	555
Operating profit excl items affecting comparability	782	516	3,226
Net sales	9,673	9,494	40,521
Operating margin excl. items affecting comparability, %	8.1	5.4	8.0

Profit margin excl. items affecting comparability

(SEK million)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Profit after financial items	514	-911	1,536
Items affecting comparability	0	1,095	555
Profit excl. items affecting comparability	514	184	2,091
Net sales	9,673	9,494	40,521
Profit margin excl. items affecting comparability, %	5.3	1.9	5.2

Net investments in non-current assets

(SEK million)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Acquisition of non-current assets	638	476	2,352
Disposal of non-current assets	-19	-6	-24
Net investments in non-current assets, incl. acquisitions	619	470	2,328

Available cash and cash equivalents

(SEK million)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Cash and bank balances	4,256	3,443	5,028
Investments in securities, etc.	383	398	579
Unutilized overdraft facilities	443	651	570
Available cash and cash equivalents	5,082	4,492	6,177

Working capital incl. cash and bank balances

(SEK million)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Total current assets	21,750	23,737	23,427
Current liabilities and provisions, non-interest bearing	-7,859	-9,448	-8,565
Working capital, incl. cash and bank balances	13,891	14,289	14,862
Net sales, past 12 months	40,700	44,497	40,521
Working capital, including cash and bank balances, in relation to net sales, %	34.1	32.1	36.7

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.

Working capital excl. cash and bank balances

(SEK million)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Inventories	9,866	12,847	10,644
Current receivables	7,245	7,049	7,176
Current liabilities and provisions, non-interest bearing	-7,859	-9,448	-8,565
Working capital excl. cash and bank balances	9,252	10,448	9,255
Net sales, past 12 months	40,700	44,497	40,521
Working capital excluding cash and bank balances, in relation to net sales, %	22.7	23.5	22.8

Return on capital employed

(SEK million)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Profit after net financial items, past 12 months	2,961	3,766	1,536
Financial expenses, past 12 months	1,609	1,418	1,647
Profit before financial expenses	4,570	5,184	3,183
Items affecting comparability	-540	1,095	555
Profit excl. items affecting comparability	4,030	6,279	3,738
Capital employed at start of period	56,851	52,979	52,979
Capital employed at end of period	53,547	54,153	56,851
Average capital employed	55,199	53,566	54,915
Return on capital employed, %	8.3	9.7	5.8
Operating profit excl. items affecting comparability, %	7.3	11.7	6.8

Return on equity

(SEK million)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Profit after net financial items, past 12 months	2,961	3,766	1,536
Standard tax rate, %	20.6	20.6	20.6
Profit after net financial items, after tax	2,351	2,990	1,220
Of which attributable to Parent shareholders	2,359	2,987	1,231
Equity at start of period	32,098	30,160	30,160
Equity at end of period	29,910	30,788	32,098
Average equity	31,004	30,474	31,129
Return on equity, %	7.6	9.8	4.0

Return on equity excl. items affecting comparability

(SEK million)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Profit after net financial items, past 12 months	2,961	3,766	1,536
Items affecting comparability	-540	1,095	555
Profit excl. Items affecting comparability	2,421	4,861	2,091
Standard tax rate, %	20.6	20.6	20.6
Profit after net financial items, after tax	1,922	3,860	1,660
Of which attributable to Parent shareholders	1,930	3,857	1,671
Equity at start of period	32,098	30,160	30,160
Equity at end of period	29,910	30,788	32,098
Average equity	31,004	30,474	31,129
Return on equity, excl. items affecting comparability, %	6.2	12.7	5.4

Net debt/EBITDA

(SEK million)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Non-current liabilities and provisions, interest bearing	16,990	17,185	17,625
Current liabilities and provisions, interest bearing	6,611	6,137	7,086
Cash and bank balances	-4,256	-3,443	-5,028
Investments in securities, etc.	-383	-398	-579
Net debt	18,962	19,481	19,104
Operating profit, past 12 months	4,032	4,639	2,671
Depreciation/amortization and impairment, past 12 months	2,007	2,168	2,245
EBITDA	6,039	6,807	4,916
Items affecting comparability, action plan	57	1,095	1,152
Items affecting comparability	-540	1,095	555
EBITDA excl. action plan	6,096	7,902	6,068
EBITDA excl. items affecting comparability	5,499	7,902	5,471
Net debt/EBITDA, times	3.1	2.9	3.9
Net debt/EBITDA excl. action plan, times	3.1	2.5	3.2
Net debt/EBITDA excl. items affecting comparability, times	3.4	2.5	3.5

Interest coverage ratio

(SEK million)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Profit after net financial items	514	-911	1,536
Financial expenses	445	483	1,647
Profit before financial expenses	959	-428	3,183
Items affecting comparability	0	1,095	555
Profit excl. items affecting comparability	959	667	3,738
Interest coverage ratio, times	2.2	-0.9	1.9
Interest coverage ratio excl. items affecting comparability, times	2.2	1.4	2.3

Earnings per share excl. items affecting comparability

(SEK million)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Net profit attributable to Parent shareholders	392	-857	1,173
Items affecting comparability	0	895	441
Net profit excl. items affecting comparability	392	38	1,614
Earnings per share excl. items affecting comparability	0.19	0.02	0.80

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 2025 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 140–175 of the Annual Report for 2024.

Reporting for the Parent follows the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities.

Related party transactions have taken place to the same extent as in the previous year and the same accounting policies apply as described on page 141 of the Annual Report for 2024.

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 set by the company. Throughout the 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 2024.

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 2024.

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 15, 2025

Hans Linnarson
Chairman of the Board

James Ahrgren
Board member

Camilla Ekdahl
Board member

Eva Karlsson
Board member

Gerteric Lindquist
Managing Director and CEO

Anders Pålsson
Board member

Eva Thunholm
Board member

The NIBE share

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, 2025 was SEK 37,93.

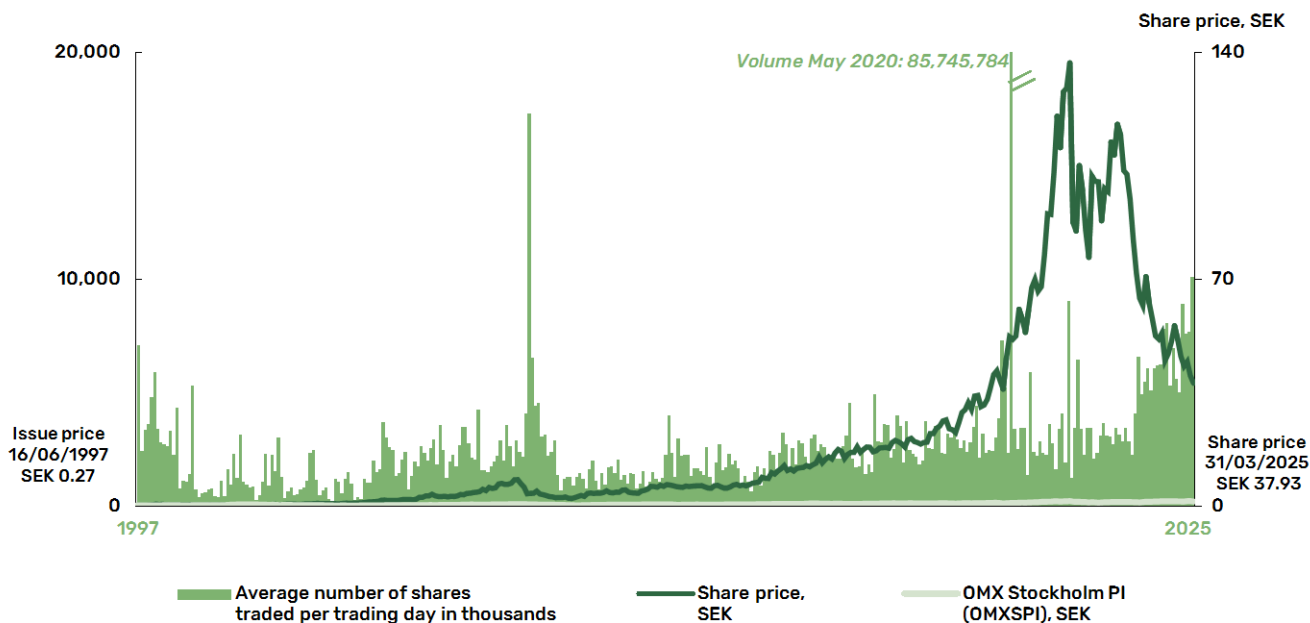
In the first three months of 2025, NIBE's share price fell by 12.3%, from SEK 43,24 to SEK 37,93. In the same period, the OMX Stockholm PI (OMXSPI) fell by 0.98% and the OMX Stockholm 30 (OMXS30) increased by 1.01%.

At the end of March 2025, NIBE's market capitalization, based on the latest price paid, was SEK 76,469 million.

A total of 531,851,543 NIBE shares were traded, which corresponds to a share turnover of 105.5% in the first quarter of 2025.

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

Number of shares traded per trading day in thousands



The information in this Interim Report is information that NIBE Industrier AB is obliged to publish under the Swedish Securities Market Act and/or the Financial Instruments Trading Act. This information was submitted for publication at 8:00 AM (CEST) on May 15, 2025.

Please email any questions to:

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



NIBE Group

– an international Group with companies and a presence worldwide

The NIBE Group is an international Group that contributes to a reduced 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 Swedish province of Småland more than 70 years ago, NIBE has grown into an international company with an average of 20,600 (22,500) 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. In 2024, the Group's sales amounted to just over SEK 40 (47) billion.

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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