

## **NIBE INDUSTRIER'S (PUBL) CEO AND MD, GERTERIC LINDQUIST, COMMENTS ON THE YEAR- END REPORT, 2025**

### **CONFIRMATION OF RECOVERY FOR THE YEAR AS A WHOLE- ROBUST DEVELOPMENT IN THE FOURTH QUARTER**

**Our performance in the fourth quarter, as in the previous three quarters, served to confirm that the market in general has gradually improved since the end of 2024.**

**We have, so far, managed the impact of imposed and changing duties and tariffs satisfactorily, while political tension and turbulence increased during the past quarter, which held back consumer and investment demand.**

**Operating profit improved significantly in the fourth quarter but was adversely affected by acquisition-related revaluations.**

The imposed, and often highly variable, duties and tariffs have, as mentioned, proven difficult to manage. Political tension and turbulence, which, if anything, appeared to increase in the fourth quarter, were the factors that probably had the most negative impact on consumption and willingness to invest, both among individual consumers and businesses.

While the stronger Swedish krona is welcome in many respects, a direct comparison of the quarter's net sales and earnings with the corresponding period of the previous year obscures the positive purely organic development.

The Group's net sales for the fourth quarter amounted to SEK 11,000 million, which is 0.2% lower than in the same quarter in the previous year. The strengthening of the Swedish krona had a negative impact of SEK 771 million on net sales, resulting in growth of 6.8% at fixed exchange rates.

Adjusted operating profit improved to SEK 1,438 million in the fourth quarter, compared with SEK 1,129 million in the previous year. As a result, the adjusted operating margin improved to 13.1% in the fourth quarter from 10.2% in the same quarter in the previous year. Items affecting comparability amounted to SEK -178 million in the quarter and comprised negative effects of acquisition-related revaluations. By contrast, in the fourth quarter of 2024, the positive effects of acquisition-related revaluations amounted to SEK 597 million.

Purely organic growth in net sales, together with good cost control and improved productivity, are the main explanations for the positive earnings trend both for the quarter and the year as a whole.

Despite the sharp decline in demand during 2024 and the turbulent external environment in 2025, we have succeeded in ensuring a relatively stable and positive development in both net sales and operating profit over the past year. We see this as confirmation that our strategy of a decentralized organization, a broad international presence and a wide, high-performing product range is working well. This strategy has proven difficult to surpass from both a defensive and an offensive perspective.

### **Business area NIBE Climate Solutions**

The relative improvement in demand for heat pumps in Europe is explained by some growth in most markets, with Germany, Italy, the Netherlands, Sweden and now also also Denmark showing the strongest growth.

Our assessment, shared by the sector as a whole, is that the heat pump market will continue to show stable annual growth for many years to come. Through the extensive investments in product development and efficient manufacturing capacity that have been carried out in recent years, we have future-proofed our operations and are well prepared to continue playing a leading role in this development.

The North American market for geothermal heat pumps remained stable in the fourth quarter. As has already been described, the customs duties and tariffs introduced have had virtually no impact on us, as the vast majority of manufacturing takes place in the US, while only a marginal part is manufactured in Canada.

After the turn of the year, the previous US tax subsidies for the installation of heat pumps in private homes have been removed. It is still too early to assess the consequences, but we continue our work on further market development and alternative financing solutions.

The development of both net sales and earnings in the fourth quarter supports our assumptions of a continued gradual recovery and a more traditional seasonal demand pattern, implying a stronger second half of the year.

The ambition to return to a full-year operating margin within the range of 13-15%, which represents the business area's historically demonstrated capability, has also been met. However, the uncertain external environment and the strengthening of the Swedish krona presented significant challenges, which makes an operating margin of 15.7% in the fourth quarter and 13.0% for the full year a clear demonstration of strength.

### **Business area NIBE Element**

Demand remained relatively stable in the fourth quarter, but with significant variations between the business area's various targeted market segments. The positive development in rail-based transport and HVAC continued. However, low new residential property production kept demand for construction-related products subdued, which was also the case for purely consumer-related products.

The industrial sector, which is closely linked to the automotive industry, has also been weaker. However, demand in the semiconductor segment returned again after a couple of subdued months following the mid-year point.

Both operating profit and operating margin improved further in the fourth quarter and the operating margin was 7.9%, compared with 6.7% in the corresponding quarter in the previous year.

The overall ambition for the year has been for the operating margin to return to the business area's historically demonstrated capacity, which is within the range of 8–11%. However, a certain slowdown in sales during the third quarter made it impossible to fully achieve this, and the full year therefore ended with an operating margin of 7.0%, as also indicated in the Q3 report published in November.

## **Business area NIBE Stoves**

NIBE Stoves continued to be the business area reporting the weakest performance compared with 2024. This was the case both for the fourth quarter and the full year.

The main reason for this is that the European stove market continues to be characterized by a cautious approach among end consumers, which in turn is largely due to a subdued economic climate and the turbulent external environment. To some extent, the excess demand during the pandemic and the sharp rise in energy prices following Russia's invasion of Ukraine may also have resulted in some temporary market saturation.

The traditional seasonal pattern has been re-established but due to the conditions referred to above and the unusually warm fall, this has not been enough to reverse the trend.

In North America, primarily the US, demand showed a more positive trend, which to some extent offset the weaker performance in Europe. However, a notable headwind has been the trade tariffs introduced between the US and Canada, which, despite our own cost savings and moderate price increases, have reduced the operating margin.

Despite the weaker demand situation, it is encouraging to note that we have consistently maintained, and in several markets increased, our market shares. We take this as confirmation that our broad and continuously renewed product offering, combined with consistent market engagement, represents a successful strategy.

In the fourth quarter, the operating margin remained at 10.2%, the same level as in the same period in the previous year, despite the decline in net sales. The full-year operating margin was only 4.1%, well below last year's 5.3% and being far from the ambition to bring it back within the range of 10–13%, which represents the business area's historically demonstrated capability.

## **The year as a whole**

With adapted cost structures, strong product ranges, a solid market presence and well-invested, efficient facilities, all three of our business areas are well positioned for the future. Our strategy of pursuing region-based manufacturing, with primarily region-based sub-suppliers, is also creating more secure supply chains and reducing vulnerability to trade barriers. We are also convinced that our products are a good fit for the times, with our whole society needing to gradually transition to reduced dependence on fossil fuels. In summary, we look to the future with a significant amount of confidence.

The Group's net sales for the full year amounted to SEK 40,841 million. The strengthening of the Swedish krona had a negative impact of SEK 1,818 million on net sales, resulting in growth of 5.3% at fixed exchange rates. Adjusted operating profit for the full year amounted to SEK 4,303 million. Another effect of the recovery is an improvement in the net debt /EBITDA ratio, from 3.5 in 2024 to 2.7 in 2025.

Our clear ambition for 2025 has been to try to return to our three business areas' historically demonstrated operating margin ranges. To sum up 2025, we returned to clear organic

growth and a sharp improvement in operating profit and operating margin. Business area NIBE Climate Solutions achieved the stated ambition, with an operating margin of 13%. Business area NIBE Element was one percentage point short of the ambition of 8.0%, corresponding to SEK 113 million. Business area NIBE Stoves was 5.9 percentage points short of the stated ambition of 10%, corresponding to SEK 205 million.

For the Group, this represents a total deviation from the ambition of SEK 318 million, corresponding to 0.78 percentage points, excluding currency effects. It may not need repeating, but our clear ambition for 2026 is continued organic growth and, naturally, for all three business areas to position themselves within the historically demonstrated respective operating margin range.

## **OUTLOOK FOR 2025**

- Our corporate philosophy and our strong range of products, with their focus on energy efficiency and sustainability are in tune with the times in which we are living.
- We have broad experience and are therefore well prepared to continue being proactive on acquisitions.
- Our internal efforts to enhance efficiency, combined with investments made in our facilities and 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.
- However, the effects of the current security situation around the world, exchange rate developments and price volatility in relation to different types of energy are difficult to assess.
- However, as is our habit, and based on experience, we remain optimistic about our own performance both in 2026 and in the longer term, although, in light of the above, the external outlook is naturally difficult to assess.

Markaryd, February 12, 2026

Gerteric Lindquist  
Managing Director and CEO

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## **About Us**

### **NIBE Group**

#### **- an international Group with companies and a presence worldwide**

The NIBE Group is an international company 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 20,500 (22,600) 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. 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 under SEK 40 (40) billion in 2025.

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.