

## **NIBE INDUSTRIER'S (PUBL) CEO AND MD, GERTERIC LINDQUIST, COMMENTS ON THE SECOND QUARTER, 2025**

### **A quarter of continued recovery and a brighter outlook**

**The second quarter confirmed that the signs of improvement that we have observed since the end of the previous year have continued. While the effects of duties and tariffs have had some negative impact, it is primarily the politically unstable climate that has adversely affected the Group in the form of lower consumption and cautious consumers. The stronger Swedish krona is also partly obscuring the positive trend.**

The Group's sales in the second quarter amounted to SEK 10,082 million, an increase of only 0.5% on the second quarter of the previous year but, given the significantly stronger Swedish krona, we are clearly set on a course of continued growth. Operating profit in the quarter rose by SEK 275 million to SEK 944 million, an improvement of 41.1% compared with the second quarter of 2024. The operating margin improved by 2.7 per[1]centage points, from 6.7% in the second quarter of the previous year to 9.4% in the second quarter of this financial year. An increase in sales, together with better productivity and continued good cost control, were the main reasons for the positive earnings growth in the quarter.

In both the first and the second quarters, we have, to the best of our ability, navigated in a world around us that is beset by an unusually turbulent political environment. This has, of course, been more challenging than expected but, at the same time, we can once again say that our broad international presence, together with our decentralized organization and our broad product offering, have ensured a relatively stable performance.

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

In line with previous assumptions, we have seen a continued relative improvement in demand for heat pumps in Europe. The fact that the improvement in demand is also visible at the manufacturing stage provides confirmation that the inventories that had been built up by retailers and installation companies have dropped to more acceptable levels, resulting in a more predictable order and production situation.

The majority of the European markets are showing some degree of growth, with Germany, Italy, the Netherlands and Sweden accounting for the majority of overall growth.

Even though the overall heat pump market in Europe is still some way off its peak in 2023, future development seems positive. It is pleasing to see that end consumers are showing a preference for heat pumps instead of heating options that use fossil fuels.

The US heat pump market remained stable in the quarter. As regards the recently decided tariffs on trade between the EU and the USA, we note that these will, in principle, not affect our products, as the majority of our products aimed at the US market are produced in the USA. The current tax subsidies for heat pump installations undertaken by private individuals will be discontinued after the turn of the year but, at the same time, new financing opportunities will be introduced that will create new prospects, not least for the commercial side of our sector.

The business area's financial performance both in the second quarter and in the first half of the year signaled a continued gradual recovery. Because of this, as well as expectations of a more traditionally season-oriented pattern in demand, meaning a stronger second half of the year, it remains our ambition to return to an operating margin level within the business area's historical range during the full year. However, we also recognize that factors such as the uncertain external environment and the stronger Swedish krona will likely complicate matters.

## **Business area NIBE Element**

As in the first quarter of the year, demand was relatively stable in the majority of the business area's market segments in the second quarter. However, there are still significant variations between the segments. The industrial electrification and semiconductor segments recorded a strong performance, while demand in the segments for new property production and consumer-related products continued to report a weaker performance.

An improvement in both profit and margin was achieved by means of great flexibility, improved productivity and strict cost control despite challenging external factors.

In view of the performance in the first half of the year, together with expectations of somewhat improved demand in the second half, it remains our ambition to return to an operating margin level within the business area's historical range.

However, it is difficult to assess the consequences of the uncertain external business environment.

## **Business area NIBE Stoves**

Of the Group's business areas, NIBE Stoves reported the weakest performance compared with the second quarter of the previous year.

The main reasons for this were a clear downward trend in the European stove market due to greater caution from end consumers in a turbulent world and the return to a more pronounced traditional seasonal pattern, with the majority of sales taking place in the second half of the year.

The trend in the North American market was positive, but because all our production of stoves intended for North America is based in Canada, the tariffs introduced between the USA and Canada have impacted the operating margin. A clear improvement in demand is expected in the second half of the year thanks to successful marketing activities in the first half, as well as new product launches.

As in the case of the other two business areas, our ambition is to return to an operating margin level within the business area's historical range in 2025 but, realistically speaking, the recovery in this sector might take a little longer.

Thanks to well-adjusted cost structures, strong product ranges, a good market presence and well-invested facilities, all three of our business areas are well equipped for the future. Our strategy of moving towards continent-based manufacture and primarily continent-based sub-suppliers is also creating more secure supply chains and reducing vulnerability in respect of needs to be respect of trade obstacles.

We are also convinced that our products are a good fit for the times, with our whole society

needing to gradually transition to a more sustainable way of living.

In summary, we are, therefore, looking to the future with a significant amount of confidence.

We will not by any means hold back in our efforts to achieve our ambition to return to our three business areas' respective historical operating margin ranges for the full year 2025.

Markaryd, Sweden, August 22, 2025

Gerteric Lindquist

Managing Director and CEO

## **Contacts**

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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 20,600 (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. 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 (47) billion in 2024.

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.

## **Image Attachments**

**[Gerteric Lindquist NIBE Group 2](#)**