NIBE

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CEO AND MD, GERTERIC LINDQUIST, COMMENTS ON THE INTERIM REPORT 2, 2026

Continued good growth and further improvement in profitability

SECOND QUARTER 2026
During the quarter, net sales, profitability and operating margin continued to show good growth.

For the sixth consecutive quarter, we reported good underlying organic growth compared with the corresponding quarter of the previous year. In some quarters, the volatility of the Swedish krona has obscured this underlying trend, but the currency impact was less pronounced in the latest quarter.

Operating profit and operating margin have similarly improved for six consecutive quarters.

As previously described, we have been relatively successful in offsetting the highly unpredictable tariffs imposed by the US in two of our three business areas, while they have had a considerable negative impact on NIBE Stoves.

In addition to the tariffs, the external environment is more strained than it has been for several decades, making end consumers more cautious about investing in capital goods and purchasing homes. However, we believe we are seeing some improvement in end-consumer behavior in this respect. We are also pleased to see the clear trend towards sustainable heating solutions replacing oil and gas among private consumers as well as commercial and public property owners.

The main reasons for the good earnings development are strong organic growth in net sales, which in turn is based on a strong product range and broad international presence, as well good cost discipline and improved productivity.

The second quarter once again confirms our assessment that the traditional seasonal pattern has been re-established, with successive improvement from quarter to quarter. Accordingly, we expect a stronger second half of the year compared with the first.

Over the past two and a half years, we have once again demonstrated the strength that NIBE represents. We navigated the extremely difficult market situation in 2024 in a consistent and well-balanced manner and have completed both our ambitious investment program and our major initiative in continued product development. Today, we are seeing the results of this consistent teamwork.

Our newly developed product ranges are hard to beat, and our well-invested facilities are ready to meet the expected strong growth in demand over the coming years with high productivity and without the need for any major additional investments. Combined with the good development in net sales, profitability, operating margin and cash flow, this means the organization is brimming with confidence and optimism about the future.

BUSINESS AREA CLIMATE SOLUTIONS
In Europe, the market for heat pumps for single-family homes with hydronic heating systems continued to develop well. The market for HVAC products for commercial properties also developed well, although the growth rate was somewhat lower by comparison.

In the US, demand for heat pumps for single-family homes declined as expected following the removal of tax subsidies. It is encouraging, however, that the decline was less pronounced than expected, which could indicate that end consumers are becoming more aware of the advantages of heat pumps, although from a relatively low initial level.

Demand for HVAC equipment for commercial property remained good and, overall, the business area therefore continued to report growth in the US.

The broadening and expansion of the business area's product range presented at the Nordbygg trade fair in Stockholm in April was very well received by both Swedish and international installers. Against this background, we look forward with confidence to seeing the effects of these launches over the coming quarters.

The water heater and district heating equipment segments continued to develop at a more moderate pace.

The continued positive development in net sales, operating profit and operating margin strengthens our view that, for the full year, we will achieve an operating margin well within the 13–15% range, which reflects the business area's historically demonstrated operating margin capacity.

When making comparisons, it should also be noted that depreciation included in operating profit will be significantly higher this year than in previous years as a result of the investments we have made.

BUSINESS AREA ELEMENT
Like Climate Solutions, Element is developing very satisfactorily.

Growth in net sales is being driven primarily by demand from the semiconductor and heat pump industries and by a general trend towards increased electrification.

The fact that these are precisely the segments in which we have made our major investments in recent years further strengthens our confidence in the future.

The market for industrial products and domestic appliances, however, remained subdued, largely as a result of the underlying caution associated with the many political conflicts around the world.

The development in net sales, operating profit and operating margin strengthens our view that, for the full year, we should be able to achieve an operating margin well within the 8–11% range, which reflects the business area's historically demonstrated operating margin capacity.

BUSINESS AREA STOVES
The stove market in Europe remained subdued, probably as a result of the political uncertainty around the world.

By contrast, the market in North America remained stable.

However, our three Canadian companies have been significantly affected by the tariffs introduced between the US and Canada. The tariffs introduced in 2025 have already been difficult to manage, while the new tariffs introduced at the beginning of the second quarter of this year will be challenging to offset in the short term without losing market share.

Overall, however, the business area was able to achieve some organic growth during the quarter and, encouragingly, a significant improvement in operating profit and operating margin, despite all the challenges related to the tariffs.

As we had already indicated in the first quarter, our ambition to return the business area to an operating margin within the 10–13% range in 2026, which reflects its historically demonstrated operating margin capacity, must now be considered very difficult to achieve, as the most recently announced tariffs will have a negative impact of approximately SEK 150 million on operating profit on an annual basis. A more realistic assessment is that the operating margin will be within the 6–8% range on an annual basis in the short term. However, in the somewhat longer term, we are convinced that we will once again achieve our historically demonstrated operating margin capacity of 10–13%.

OTHER INFORMATION
In June, we entered into an agreement to acquire the business of the Italian company Beltrami, which specializes in heating solutions for commercial coffee machines. The acquisition was completed in July and is reported within the business area NIBE Element.

The purchase price is not specified, as the acquired business constitutes only a minor part of NIBE Group.

OUTLOOK FOR 2026

- 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 are 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.
- 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, Sweden, August 21, 2026

Gerteric Lindquist,
Managing Director and CEO

The information was submitted for publication, through the agency of the persons below, at 08.02 CEST on 21 August 2026

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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 (20,600) 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 exceeding SEK 40,8 (40) billion in 2025.

NIBE has been listed under the name NIBE Industrier AB on the Nasdaq Stockholm Large Cap list since 1997, with a secondary listing on the SIX Swiss Exchange since 2011.

Image Attachments
Gerteric Lindquist