



Franks Kylindustri Holding AB (publ)

Interim Report for the period January to December 2024

Order intake more than doubled YoY. Entering 2025 with project order backlog up 100%. Strong operating cash flow.

Key figures

October - Dec 2024

- **PF Net sales** amounted to SEK 480m (469)
- **PF Adj. EBITDA** amounted to SEK 40m (36)
- **Cashflow from operating activities** amounted to SEK 83m (36)
- **Order intake** amounted to SEK 477m (210)
- **Order backlog** amounted to SEK 851m (425)

January - Dec 2024

- **PF Net sales** amounted to SEK 1 822m (1 833)
- **PF Adj. EBITDA** amounted to SEK 146m (166)
- **Cashflow from operating activities** amounted to SEK 71m (43)
- **Order intake** amounted to SEK 1 290m (922)

Key figures	Oct - Dec		Jan-Dec	
	2024	2023	2024	2023
Amounts in SEK thousands				
Net sales	475 011	420 644	1 760 214	1 692 047
PF net sales	480 397	469 435	1 822 113	1 833 460
EBITDA	22 962	1 663	112 799	104 613
EBIT	-4 793	-36 136	2 410	-12 383
PF Adj EBITDA	39 700	35 995	145 748	165 904
PF Adj EBITDA margin, %	8,3%	7,7%	8,0%	9,0%
Cash flow from operating activities	83 199	36 299	70 947	43 135
Net debt, interest bearing	464 259	454 832	464 259	454 832
Order intake	477 342	209 504	1 289 551	921 531
Order backlog	850 921	424 751	850 921	424 751

For definitions of key figures, see note 5.

"PF": Pro Forma adjustments of acquisitions (added) and divestments (subtracted) made as of 31 December 2024, calculated as if these acquisitions and divestments had occurred at the beginning of all the periods presented, in order to provide a like-for-like comparison between periods. Acquisitions/divestments made during 2024 included on a PF basis are the acquisition of NH3 Kølgruppen ApS, Florö Kjølservice, Svedan Industri Köleanlæg A/S, Naturlig Kulde and Storm Kulde as well as the divestment of Kyl & Värmepumpservice i Halmstad AB.

"Adj.": Adjustment of items affecting comparability, including M&A, green field as well as restructuring costs.

Figures in parentheses in the report refer to comparison period, i.e the same period last year unless otherwise is stated.

Statement by the CEO

**Order intake more than doubled YoY. Entering 2025 with project order backlog up 100%.
Strong operating cash flow.**

Sales and EBITDA increasing in the quarter

Francks reported PF net sales of SEK 480m in the quarter (SEK 469m), with a PF Adj. EBITDA of SEK 40m, which is an increase of 10% compared to last year. PF net sales for the full year landed flat to prior year, where we saw continued growth in service countered by some headwinds in our project business. Our full year PF Adj. EBITDA landed at SEK 146m, SEK -20m below last year mainly due to our weaker start of the year.

Continued good order intake and growing backlog

Our project order intake is increasing and reached SEK 477m in Q4, a SEK 268m or +128% increase YoY. Our overall project backlog keeps growing and stands at SEK 851m, with resilient order-related margins, twice the size of a year ago, and again at an all-time high for the fourth quarter in a row.

Strong operating cash flow

Our cash flow from operating activities came in at SEK 83m (36m), positively impacted both by improving operating profit and change in working capital, working both receivables and payables favorably in the period.

We continue to invest in profitable growth, now with coverage also in Finland

In October we entered into the Finnish market. We are offering our industrial cooling solutions to Finland under our Finnish name, Francks Kylmäteollisuus Suomi Oy, bringing energy efficient and sustainable industrial cooling expertise to support and help improve our new customers businesses. We won our first project order in the quarter and are building our bid pipeline in a positive way.

Also in the quarter, we continued our expansion in Norway through the acquisition of Naturlig Kulde in Trondheim and Storm Kulde in Telemark, southwest of Oslo. Both acquisitions strengthen our geographic coverage and capabilities.

Francks is the Nordic market leader within industrial and commercial cooling system installations and service. We all work tirelessly together with our customers to ensure safe, efficient and environmentally sound installations, helping the world become a better place.



Sören Jensen, CEO

Operations and financial performance

Operations

Francks Kylindustri Holding AB (publ) ("Francks Kylindustri", the "Group" or "Parent Company") is a wholly owned subsidiary to Francks Kylindustri Group Holding AB (Corp. reg. no 559174-4759), which is privately owned. Francks Kylindustri is a leading industrial and commercial cooling specialist in the Nordics with operations in Sweden, Norway, Denmark and Finland offering services within cooling, heating and energy-efficient installations. The company's offering covers the full lifecycle of the cooling system and consist of two main areas:

- Contracting (c. 55 % of net sales): projects covering consultation, design, construction, installation, and automation of cooling systems, with focus on system solutions based on natural refrigerants.
- Aftermarket services (c. 45 % of net sales): service of existing cooling systems, including maintenance work, regular scheduled services and check-ups of equipment and replacement of worn-out parts, generating recurring revenues.

Operations and financial performance

Francks Kylindustri was founded in the 1950s and has since established a market leading position within industrial and commercial cooling in the Nordics through a combination of organic growth and acquisitions with 30 add-on acquisitions completed since 2019.

Financial performance for the fourth quarter 2024

Net sales

Net sales amounted to SEK 475m (421). PF net sales amounted to SEK 480m (469).

Earnings

EBITDA amounted to SEK 23m (2). PF Adj. EBITDA was SEK 40m (36) with a margin of 8.3% (7,7).

Net financial items

Net financial items for the quarter amounted to an expense of SEK -11m (-9) and pertained primarily to interest expenses on the bond.

Earnings before and after tax

Earnings before tax amounted to SEK -16m (-45) and Earnings for the period amounted to SEK -27m (-49).

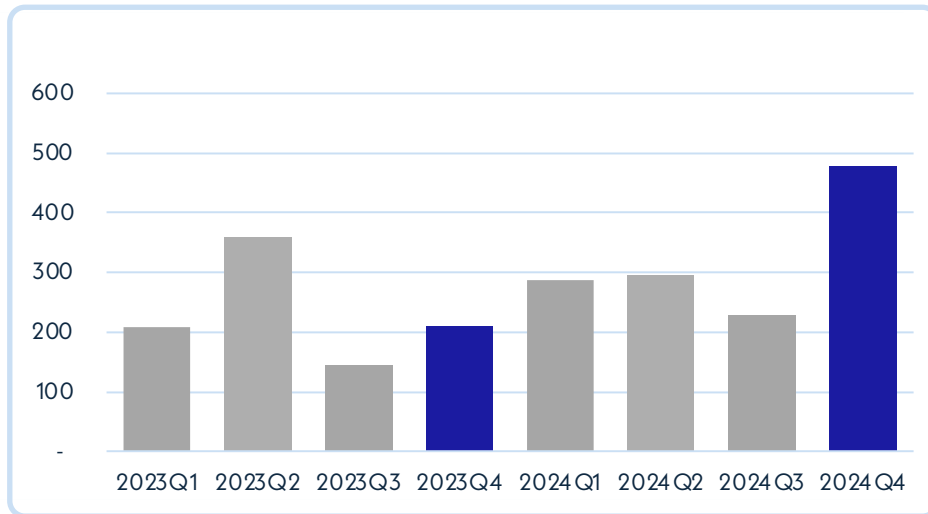
Operating cash flow

Operating cash flow amounted to SEK 83m (36) and was positively impacted by operating profit and the change in working capital. Operating cash flow before change in working capital amounted to SEK 8m (-11), positively affected by operating profit.

Liquidity and financial position

Net debt amounted to SEK 464m (455). Cash and cash equivalents totaled SEK 139m (11). A committed bank overdraft facility of SEK100m is in place but was not used on the balance sheet date. Total assets at the end of the period amounted to SEK 1 221m (1 032), of which SEK 452m (482) pertained to intangible assets. Current assets totaled SEK 697m (488), of which SEK 352m (296) pertained to accounts receivable. At the balance sheet date, equity totaled SEK 102m (179).

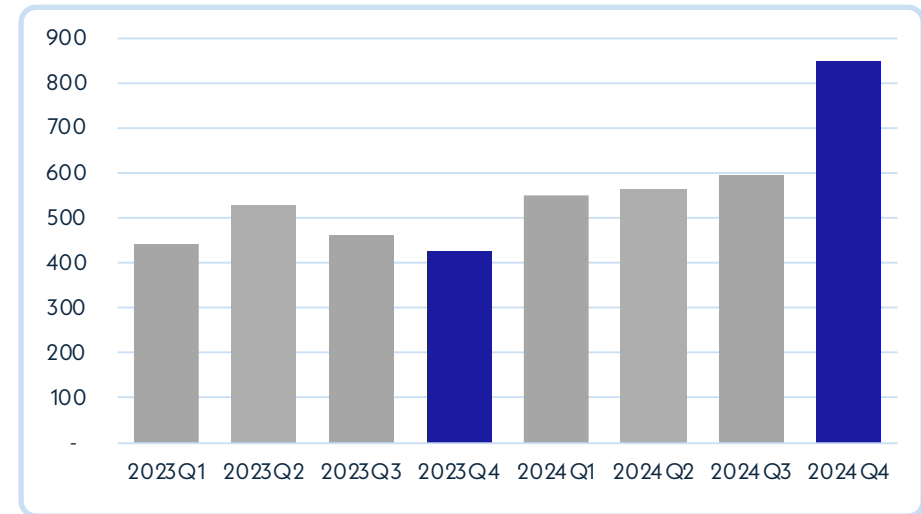
Order intake, in Msek



Order intake

In the fourth quarter, orders received amounted to SEK 477m (210), which was a year-on-year increase of SEK 267m. Orders received for the year totaled to SEK 1 290m.

Order backlog, in Msek



Order backlog

At the end of the period, the order book amounted to SEK 851m (425), more than doubled YoY.

Financial performance for the period (January-December) 2024

Net sales

Net sales amounted to SEK 1 760m (1 692). PF net sales amounted to SEK 1 822m (1 833). A weak start of 2024 with lower sales was compensated by increased activities across the business at the end of the year.

Earnings

EBITDA amounted to SEK 113m (105). PF Adj. EBITDA was SEK 146m (166) with a margin of 8,0% (9,0%). The reduction in PF Adj. EBITDA compared to last year is entirely related to Q1.

Net financial items

Net financial items amounted to an expense of SEK -54m (-33) and pertained primarily to interest expenses on the bond.

Earnings before and after tax

Earnings before tax amounted to SEK -51m (-45) and Earnings for the period amounted to SEK -68m (-63).

Operating cash flow

Operating cash flow amounted to SEK 71m (43), positively affected by change in working capital. Operating cash flow before change in working capital amounted to SEK 44m (51), positively affected by the cashflow from operating profit and negatively affected by interest paid.

Parent company

The Parent Company has its registered office in Norrköping and conducts limited operating business activities providing Group services. Earning before tax for the amount to SEK -51m, SEK 59m lower than previous year mainly due to higher financial costs.

Employees

The Group is dependent on its ability to attract and retain highly skilled and experienced employees. At the close of the period, the Group had 618 (552) employees. The breakdown between white-collar and blue-collar workers was 219/399 (194/358).

Share and ownership structure

No related party transactions with a material impact on the Group's earnings or financial position took place during the period.

Material risks and uncertainties

Through its operations, the Group is exposed to business risk and financial risk. Business risks can include the risk of poor performance in installation projects and service agreements impacting profitability as well as liability risk in the form of performance guarantees. Francks continually monitors the financial status of projects to ensure that individual project calculations are not exceeded.

Other business risks include, inter alia, the ability to retain and attract skilled personnel as well as environmental risks. Management of such risks is part of Francks' business process.

Financial risks include, inter alia, liquidity and credit risks as well as macroeconomic factors including fluctuations in raw material prices, interest rates and currency. Francks works continuously with risk identification and assessment to minimize risks.

Outlook

The Group has not published any forecast for 2025.

Significant events in the fourth quarter

22 November, Francks Kylindustri and Therma Industri continue the expansion in Norway through the acquisition of Naturlig Kulde.

2 December, Francks Kylindustri and Therma Industri continue the expansion in Norway through the acquisition of Storm Kulde.

Significant events after the end of the period

In February we strengthen our position in Gothenburg and adjacent areas through the acquisition of NR Kyl, a specialist offering installation and service within cooling and heat pumps for the commercial cooling segment.

Consolidated income statement

Consolidated income statement		Oct - Dec		Jan-Dec	
Amounts in SEK thousands	Note	2024	2023	2024	2023
Net sales	2	475 011	420 644	1 760 214	1 692 047
Other income		5 309	2 764	11 416	9 874
Total sales		480 320	423 408	1 771 630	1 701 922
COGS		-235 509	-229 202	-893 806	-933 726
Other external costs		-61 873	-57 640	-210 482	-176 808
Personel costs		-159 518	-134 364	-550 833	-484 502
Amortisation and depreciation	4	-27 755	-37 799	-110 389	-116 996
Other operating expenses		-457	-539	-3 710	-2 273
Operating profit		-4 793	-36 136	2 410	-12 383
<i>Financial income</i>		6 495	1 982	16 552	7 469
<i>Financial costs</i>		-17 277	-10 624	-70 190	-40 387
Financial items - net		-10 783	-8 643	-53 638	-32 918
Group contribution		0	-106	0	-106
Earnings before tax		-15 575	-44 884	-51 228	-45 407
Income Taxes		-12 375	-7 047	-17 802	-20 651
Deferred taxes		783	2 680	783	2 680
EARNINGS FOR THE PERIOD		-27 168	-49 251	-68 247	-63 378
Earnings related to parent company shareholders		-27 123	-49 513	-67 871	-62 922
Earnings from holdings without controlling influence		-45	262	-376	-457

Consolidated statement of financial position

ASSETS

Consolidated statement of financial position		Dec	
Amounts in SEK thousands	Note	2024	2023
Fixed assets			
Intangible fixed assets		451 683	481 584
<i>Capitalized expenditure for development and similar work</i>		919	1 798
<i>Patents, licenses and similar rights</i>		306	435
<i>Goodwill</i>		450 458	479 351
Tangible fixed assets		70 551	60 654
<i>Land and buildings</i>		0	210
<i>Cost of improvements to leased property</i>		3 052	2 497
<i>Equipment, tools, fixtures and fittings</i>		67 499	57 947
<i>Construction in progress</i>		0	0
Financial fixed assets		1 955	1 363
<i>Other long-term securities</i>		1 480	976
<i>Deferred tax assets</i>		187	185
<i>Other long-term receivables</i>		287	202
Total fixed Assets		524 189	543 601
Current assets			
Inventory		41 119	30 991
Accounts receivable		352 262	296 453
Other receivables		19 203	16 236
Deferred tax assets		999	0
Work-in-Progress		77 033	76 224
Prepayments and accrued income		67 356	56 604
Cash and Cash equivalents		139 095	11 466
Totale current assets		697 065	487 975
TOTAL ASSETS		1 221 255	1 031 576

EQUITY AND LIABILITIES

Consolidated statement of financial position		Dec	
Amounts in SEK thousands	Note	2024	2023
EQUITY			
Equity attributable to Parent Company's shareholders		168 215	240 227
Share capital		540	540
<i>Retaining earnings and other equity capital</i>		167 675	239 687
Earnings for the period		-67 871	-62 922
Total Equity attributable to parent company		100 344	177 305
Holdings without controlling influence		1 276	1 676
Equity attributable to the minority interest		1 276	1 676
Total Equity		101 620	178 981
LIABILITIES			
Provisions			
<i>Pension and other employee obligations</i>		1 876	1 220
<i>Provisions for deferred tax</i>		13 580	10 755
<i>Other provisions</i>		14 106	9 414
Total Provisions		29 563	21 389
Long-term liabilities			
Bonds	3	550 000	0
Liabilities to credit institutions	3	35 768	401 283
Other long-term liabilities	3	2 752	5 709
Total Long-term liabilities		588 520	406 992
Current liabilities			
Liabilities to credit institutions	3	17 586	65 015
Accounts payable		133 685	118 157
Tax liabilities		12 469	15 258
Other current liabilities		131 022	79 648
Accrued expenses and deferred income		206 790	146 136
Total Current liabilities		501 552	424 214
TOTAL EQUITY AND LIABILITIES		1 221 255	1 031 576

Consolidated statement of changes in equity

Amounts in SEK thousands	Note	Share Capital	Reserves	Retained earnings incl. net profit	Holdings without controlling influence	Total equity
Opening balance 1 January 2023		540	9 783	235 643	2 275	248 242
Change in Equity						
Net profit for the period		0	0	-62 922	-457	-63 378
Other capital contribution		0	0	64 992	0	64 992
Exchange rate difference		0	-10 405	0	-348	-10 753
Change in group structure				1 670		1 670
Closing balance 31 December 2023		540	-622	239 383	1 471	240 772
Opening balance 1 January 2024		540	-9 626	186 390	1 676	178 981
Change in Equity						
Net profit for the period		0	0	-67 871	-376	-68 247
Other capital contribution		0	0	1 721	0	1 721
Exchange rate difference		0	-4 994	-1 198	-24	-6 216
Change in group structure		0	0	-4 619	0	-4 619
Closing balance 31 December 2024		540	-14 619	114 424	1 276	101 620

Consolidated statement of cash flows

Amounts in SEK thousands	Note	Oct - Dec		Jan-Dec	
		2024	2023	2024	2023
Operating cash flow					
Operating profit		-4 793	-36 136	2 410	-12 383
Adjustment för non-cash items		30 850	34 601	111 910	110 707
<i>Reversal of depreciation</i>		27 755	25 346	110 389	104 543
<i>Other non-cash items</i>		3 095	9 255	1 521	6 164
Interest received		2 957	1 721	4 715	3 627
Interest paid		-15 652	-11 493	-50 457	-35 943
Tax Paid		-5 275	-133	-24 527	-15 087
Operating cash flow before change in working capital		8 087	-11 440	44 051	50 921
Change in working capital					
Increase/decrease from change in inventory		-5 564	2 903	-6 185	5 887
Increase/decrease current receivables		3 578	54 385	-45 312	-13 408
Increase/decrease current liabilities		77 098	-9 549	78 393	-265
Operating cash flow		83 199	36 299	70 947	43 135
Cash flow from investing activities					
Increase/decrease in fixed assets		-1 210	-22	-3 563	2 063
Increase/decrease in intangible assets		0	-640	304	-664
Increase/decrease financial assets		-834	-54	-512	-193
Acquisitions and divestitures in subsidiaries		-4 858	3 772	-43 383	-33 255
Cash flow from investing activities		-6 902	3 056	-47 154	-32 049
Cash flow from financing activities					
Borrowed loans		0	0	550 000	44 602
Repayment of borrowings		0	-12 014	-411 907	-44 862
New issue / shareholder contribution		0	0	0	0
Increase/decrease in short term financial debts		-2 185	-4 958	-23 749	-26 089
Cash flow from financing activities		-2 185	-16 972	114 344	-26 349
Cash flow for the period					
		74 112	22 383	138 137	-15 263
Opening cash and cash equivalents		65 233	-19 435	1 831	17 899
Effects of exchange rate changes on cash and cash equivalents		-250	-1 117	-873	-805
Closing cash and cash equivalents		139 095	1 831	139 095	1 831

Parent Company income statement

Consolidated income statement		Oct - Dec		Jan-Dec	
Amounts in SEK thousands	Note	2024	2023	2024	2023
Net sales		3 000	2 999	12 000	11 999
Cost of goods sold		0	0	-1	0
Gross profit		3 000	2 999	11 999	11 999
Sales and administrative expenses		-2 621	-3 064	-11 565	-11 986
Other revenue		0	0	0	0
Depreciations					
Other expenses		-4 934	-949	-11 983	-2 280
Operating profit		-4 555	-1 013	-11 549	-2 267
<i>Financial income</i>		1 299	4	2 616	4
<i>Financial costs</i>		-13 978	-1 426	-45 547	-4 922
Financial items - net		-12 678	-1 422	-42 931	-4 918
Financial statement dispositions		3 371	16 655	3 371	16 655
Earnings before tax		-13 862	14 220	-51 108	9 470
Income Taxes		122	-1 981	0	-1 981
Deferred taxes		0	0	0	0
EARNINGS FOR THE PERIOD		-13 740	12 239	-51 108	7 489

Parent Company balance sheet

Amounts in SEK thousands	Note	Dec	
		2024	2023
ASSETS			
Fixed assets		411 621	409 411
Current assets		499 422	45 717
TOTAL ASSETS		911 042	455 128
EQUITY AND LIABILITIES			
Equity with total influence		319 570	372 451
Equity without total influence		0	0
Long-term liabilities		552 673	54 129
Current liabilities		38 799	28 548
TOTAL EQUITY AND LIABILITIES		911 042	455 128

Notes

Note 1: Accounting policies

The consolidated accounts have been prepared in accordance with the Annual Accounts Act, BFNAR 2012:1 and Consolidated Financial Statements (K3). The accounting policies are unchanged compared with the previous year. For more detailed information, see "Årsredovisning och Koncernredovisning för Francks Kylindustri Group Holding AB 2023".

Due to the future listing of our bonds on Nasdaq Stockholm, the group will change the accounting principle from BFNAR 2012:1 Annual Accounts and Consolidated Accounts (K3) to IFRS (International Financial Reporting Standards). This means that all the financial reports will in the future be prepared according to IFRS.

The most significant difference between K3 and IFRS consists of the fact that the amortization will be lower as goodwill is no longer amortized, but instead annual impairment tests are performed. Other differences consist, among others, of additional identified intangible assets within business combinations in the form of customer relationships and brands as well as amortization of these, in principle all leasing agreements are reported in the balance sheet as right-of-use assets and lease liabilities and instead of lease payments in the income statement, depreciation of the right-of-use assets and interest expenses attributable to the lease liability are reported.

Note 2: Net sales

Consolidated Amounts in SEK thousands	Oct - Dec		Jan-Dec	
	2024	2023	2024	2023
Net sales				
Contracting	246 615	228 363	932 914	944 163
Service	228 396	192 282	827 301	747 885
Total	475 011	420 644	1760 214	1692 047

Note 3: Liabilities to credit institutions

Amounts in SEK thousands	December	
	2024	2023
Long-term liabilities		
Bond	550 000	0
Loan Bank	0	376 932
Lease liabilities	35 768	24 351
Other long-term liabilities	2 752	5 709
Current liabilities		
Loan Bank	0	37 899
Lease liabilities	17 586	17 481
Bank overdraft	0	9 635
Total	606 106	472 007

Note 4: Depreciations & Amortisations

Amounts in SEK thousands	Oct - Dec		Jan-Dec	
	2024	2023	2024	2023
Depreciations Tangible fixed assets	-5 432	-4 290	-27 471	-26 980
Amortisations Intangible assets	-22 323	-22 365	-82 917	-78 872
Impairment Intangible assets	0	-11 144	0	-11 144
Total	-27 755	-37 799	-110 389	-116 996

Note 5. Definition of calculated key figures

Francks Kylindustri presents certain key figures which is not found in the income statement nor the balance sheet. Franck Kylindustri's considered opinion is that these key figures provide useful supplemental information to shareholders and the Group management, since they enable the evaluation of trends and the Group's performance. Definitions and calculation of these key figures are provided below.

Consolidated Amounts in SEK thousands	Oct - Dec		Jan - Dec	
	2024	2023	2024	2023
PF net sales				
Net sales	475 011	420 644	1 760 214	1 692 047
PF Adj.	5 386	48 791	61 899	141 413
PF net sales	480 397	469 435	1 822 113	1 833 460
EBITDA				
Operating profit (EBIT)	-4 793	-36 136	2 410	-12 383
Amortisation and depreciation	27 755	37 799	110 389	116 996
EBITDA	22 962	1 663	112 799	104 613
Items affecting comparability				
M&A and Green field related costs	5 758	7 797	10 702	11 695
Restructuring costs	467	226	2 281	1 745
Other items affecting comparability	1 291	0	1 677	0
Items affecting comparability	7 516	8 022	14 660	13 440
PF EBITDA				
Operating profit (EBIT)	-4 793	-36 136	2 410	-12 383
Amortisation and depreciation	27 755	37 799	110 389	116 996
PF Adjustments	9 222	26 310	18 289	47 851
PF EBITDA	32 184	27 973	131 088	152 464
PF Adj. EBITDA				
PF EBITDA	32 184	27 973	131 088	152 464
Items affecting comparability	7 516	8 022	14 660	13 440
PF Adj. EBITDA	39 700	35 995	145 748	165 904
PF Adj. EBITDA margin, %				
PF Adj. EBITDA	39 700	35 995	145 748	165 904
PF net sales	480 397	469 435	1 822 113	1 833 460
PF Adj. EBITDA margin, %	8,3%	7,7%	8,0%	9,0%
Net debt, interest bearing				
Interest bearing liabilities	550 000	424 466		
Lease liabilities	53 354	41 832		
Cash & cash equivalents	-139 095	-11 466		
Net debt, interest bearing	464 259	454 832		

Certification

The Board of Directors and the CEO assure that the interim report provides a fair overview of the Parent Company's and the Groups operations, positions and results and describes significant risks and uncertainties that are facing the Parent Company and the companies of the Group.

Norrköping, February 21, 2025
Francks Kylindustri Holding AB (publ)

Sören Jensen
CEO

Tomas Johansson
Chairman of the Board

Håkan Bergqvist
Member of the Board

Marcus Planting-Bergloo
Member of the Board

Oskar Oxenstierna
Member of the Board

This interim report has not been subject to special review by the Group's auditors.

Financial calendar 2025

Interim report January-March 23 May 2025

Interim report January-June 29 August 2025

Interim report January-September 28 November 2025

For more information, please contact:

CEO, Sören Jensen
soren.jensen@francksref.com
+46 76 130 14 66

CFO, Kerstin Levin
kerstin.levin@francksref.com
+46 70 344 52 65

This information is information that Francks Kylindustri Holding AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. This information was submitted through agency of the above contacts for publication on February 21 2025 at 09:00 a.m. (CEST).



Francks Kylindustri is the leading industrial and commercial refrigeration specialist in the Nordic region, with operations in Sweden, Norway, Denmark and Finland. In 2024, Francks Kylindustri had a turnover of approximately 1.8 billion SEK and employed 600+ people.

