



Year-end report 2025

STRONG FINANCIAL PERFORMANCE IN 2025

The 2025 year-end results show revenue growth of nearly 3 per cent and a significant year-on-year improvement in profit. Efforts across the Group to strengthen profitability have had a clearly positive impact on margins. After a somewhat weaker order intake in the second half of the year, fourth-quarter revenue declined compared with the previous year. Decreased volumes, together with a less favourable sales mix in the Industrial Solutions and Precision Technology business units, resulted in lower profit for the fourth quarter compared with the corresponding period last year.

Full-year summary

- » Net revenue totalled SEK 3,402 million (3,315)
- » Operating profit amounted to SEK 319 million (183)
- » Adjusted operating profit amounted to SEK 286 million (174)
- » Profit before tax amounted to SEK 247 million (115)
- » Adjusted profit before tax amounted to SEK 214 million (106)
- » Net profit amounted to SEK 178 million (100)
- » Earnings per share were SEK 3.01 (1.69)
- » Cash flow from operating activities totalled SEK 450 million (172)
- » The Board proposes a dividend of SEK 1.00 (–) per share

Fourth-quarter summary

- » Net revenue totalled SEK 844 million (857)
- » Operating profit amounted to SEK 49 million (78)
- » Adjusted operating profit amounted to SEK 57 million (64)
- » Profit before tax amounted to SEK 35 million (64)
- » Adjusted profit before tax amounted to SEK 43 million (50)
- » Net profit amounted to SEK 10 million (61)
- » Earnings per share were SEK 0.18 (1.03)
- » Cash flow from operating activities totalled SEK 141 million (33)

Important events during the year

- » Divestment of a property company was realised in July
- » In September, the operations of ALTEK, USA were acquired

Events after the end of the year

- » The Dutch service company Veldkamp was acquired in January
- » Updated financial targets for 2026

CEO'S COMMENTS

The Group's full-year figures show revenue slightly above the previous year's outcome with significantly improved profitability. Our margins have been strengthened by the cost-cutting activities carried out in the Group companies, and further efforts are underway in several areas. However, changing conditions in our primary markets continue to challenge us. Lower order intake in the latter half of the year led to fourth-quarter revenue and profits below those of the corresponding period in 2024.

Compared to the fourth quarter of last year, net revenue decreased by 1.5 per cent. The operating profit for the period, SEK 49 million (78), corresponds to an operating margin of 5.8 per cent (9.1) and includes items affecting comparability of SEK -8 million (14). Adjusted operating profit amounted to SEK 57 million (64) and the adjusted operating margin was 6.8 per cent (7.5). The profit margin was 4.1 per cent (7.5) including items affecting comparability and 5.1 per cent (5.9) exclusive of those items. The quarter's cash flow from operating activities amounted to SEK 141 million (33).

Full-year revenue increased by nearly 3 per cent compared to the previous year. Operating profit strengthened to SEK 319 million (183) and the operating margin was 9.4 per cent (5.5). Adjusted for items affecting comparability, operating profit was SEK 286 million (174) and the operating margin was 8.4 per cent (5.3). The profit margin was 7.3 per cent (3.5), while the adjusted profit margin was 6.3 per cent (3.2). Cash flow from operating activities was strong and totalled SEK 450 million (172).

Ongoing activities

As a Group, we delivered a noticeable improvement in profits compared with the previous year. However, we continue to see significant variations in both order intake and financial performance between individual operations within each business unit. In companies facing the greatest challenges, further measures are being implemented based on adapted activity plans.

Blowtech's Norwegian unit continues to wind down its operations, and this will be completed during Q2 2026. The transfer of machinery and production to the Swedish sister company is taking place gradually.

Market conditions

Constantly changing conditions in our traditional markets have continued to significantly affect the Group's companies. The previously subdued can manufacturing industry recovered somewhat, while other niches related to packaging and food, as well as medtech and pharmaceuticals, appear to be more cautious. The growth trend in the defence sector continues, and deliveries to the automotive industry have increased temporarily as a result of termination of contracts.

Looking to the future

No major changes in current market conditions are expected in the near future. For the Group's project-based operations within the Industrial Solutions business unit, this means a challenging start to 2026. While global conditions remain uncertain, our other business units remain positive about their future prospects. Several major projects are underway within Industrial Products, and more are planned for the future. Meanwhile, companies within Precision Technology are gradually strengthening their relationships with customers linked to defence and security, where growth potential is believed to be high. New assignments remain somewhat slow, reflecting the sector's long preparation cycles.

Our focus on further developing the Group's overall offering, with an emphasis on growth of aftermarket sales, was bolstered by the acquisition of the service company Veldkamp in January 2026. Veldkamp strengthens Industrial Solutions' expertise in the can manufacturing industry through the introduction of new products and circular solutions.

We are well positioned to continue our intensive efforts to enter new markets and business niches, and to make further strategic acquisitions.

FINANCIAL TARGETS

From 2026, we are updating our financial targets to better reflect market conditions and our long-term strategy. The new external target of an EBIT margin of 12 per cent over time replaces the previous profit margin target of 8 per cent over time.

PROPOSED DIVIDEND

The Board of Directors proposes that the Annual General Meeting allocates a dividend of SEK 1.00 (–) per share, totalling SEK 59.3 million (–) based on the current number of outstanding shares. No dividend was paid last year. It is proposed that the dividend be paid in two instalments, SEK 0.50 in May and SEK 0.50 in November. The proposed dividend represents approx. 33 per cent (–) of net profit for the period.

See also attached full report.

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XANO develops, acquires and operates niche engineering companies offering manufacturing and development services for industrial products and automation equipment. The Group's operations are divided into three business units and are represented in the Nordic countries, Estonia, the Netherlands, Poland, China, the USA and Australia. Consolidated revenue totals SEK 3.4 billion and the number of employees is approx. 1,300. XANO's Class B shares were introduced on the stock exchange in 1988 and are listed on Nasdaq Stockholm in the Mid Cap segment.