Interim report 1 January – 30 September 2025

STRONG QUARTER IN A CHALLENGING MARKET

The Group companies' efforts to adapt their operations, together with margin-enhancing measures, have continued to yield increasing results, and operating profit for the third quarter significantly exceeded that of the comparison period. In addition to improved margins, the sale of a property company contributed to the strong earnings performance and high cash flow for the period. In terms of sales, continued growth in medical technology, pharmaceuticals, and defence, along with a slight recovery in the can manufacturing industry and the agricultural sector, offset generally lower project volumes.

Interim period summary

» Net revenue totalled SEK 2,558 million (2,458)
» Operating profit amounted to SEK 270 million (105)
» Adjusted operating profit amounted to SEK 229 million (110)
» Profit before tax amounted to SEK 212 million (51)
» Adjusted profit before tax amounted to SEK 171 million (56)
» Net profit amounted to SEK 168 million (39)
» Earnings per share were SEK 2.83 (0.66)
» Cash flow from operating activities totalled SEK 309 million (139)

Third quarter summary

» Net revenue totalled SEK 785 million (737)
» Operating profit amounted to SEK 110 million (13)
» Adjusted operating profit amounted to SEK 69 million (27)
» Profit before tax amounted to SEK 91 million (-8)
» Adjusted profit before tax amounted to SEK 50 million (6)
» Net profit amounted to SEK 75 million (-7)
» Earnings per share were SEK 1.26 (-0.11)
» Cash flow from operating activities totalled SEK 161 million (129)

Important events during the period

» In February, changes were made to the Group Management
» Divestment of a property company was realised in July
» In September, the operations of ALTEK, USA were acquired

CEO'S COMMENTS

The financial outcome for the third quarter shows that the Group companies' efforts to adapt their respective operations, together with margin-strengthening measures, are gradually having the desired effect. Profitability improvements took priority over growth, as many of our traditional markets have been experiencing weak development for some time. However, during the period we have noted some general stabilisation.

As always, we worked actively to identify businesses that complement our existing operations positively, and in September, we acquired the operations of a US company with the aim of strengthening the American Group company IPS within the Industrial Solutions business unit.

Compared with the third quarter of the previous year, revenue increased by just under 7%. The operating profit for the period of SEK 110 million (13) and operating margin of 14.0% (1.7) include a capital gain on the divestment of a property company, but even excluding this, the improvement was significant. Adjusted operating profit was SEK 69 million (27) and adjusted operating margin 8.8% (3.6). The profit margin was 11.6% (-1.2) including items affecting comparability and 6.4% (0.6) excluding these items. Cash flow from operating activities amounted to SEK 161 million (129).

Cumulatively, over the first nine months of the year, consolidated revenue increased by 4% compared with the corresponding period last year. The operating profit was strengthened to SEK 270 million (105) and the operating margin was 10.6% (4.3). Adjusted for items affecting comparability, the operating profit amounted to SEK 229 million (110) and the operating margin was 9.0% (4.5). The profit margin was 8.3% (2.1) while the adjusted profit margin came to 6.7% (2.3). Cash flow from operating activities was strong and totalled SEK 309 million (139).

Ongoing adjustments
In terms of profitability, the companies' efforts to adapt and strengthen margins continue to have an increasingly significant impact. Operating profit, excluding items affecting comparability, more than doubled year-on-year. Although the outcome in 2024 was meagre, the trend remains positive. We continue to observe variations in financial performance across individual operations within each business unit, although the downturns are slightly less pronounced. For the companies facing bigger challenges, action plans are in place and are evaluated at frequent intervals. Within the Industrial Products business unit, a decision has been made to discontinue operations at Blowtech's Norwegian unit.

Market conditions
It is difficult to convey an overall picture of market developments for the Group other than that there is generally greater stability than there was in the previous year. Higher levels of activity were seen in several industries that were previously cautious or largely stagnant. This applies, for example, to the can manufacturing industry and the agricultural sector. Volumes related to medical technology, pharmaceuticals and defence continue to grow. In packaging and food, we are awaiting decisions on a few major projects in the near term, although there is still considerable hesitation regarding customer investment plans.

Looking to the future
Market conditions are expected to remain broadly consistent in the near term compared with previous periods. The global situation continues to weigh on the business climate in several sectors. Despite this, many of our companies are gaining market share and establishing contact with new customers, even in new niches. The pace of development going forward will therefore be partly determined by when new projects and assignments are ramped up. However, we are seeing that our operations are gradually becoming more resource-efficient, thereby improving the conditions for profitable growth.

Looking ahead, our focus is to expand into new business areas and further develop our overall offering, with an emphasis on service and aftermarket, proprietary products, productisation, and concepts.

Following the recent positive earnings trend and the outcome of property sales, we are in a strong financial position that creates opportunities for proactive investments and increased acquisition activity.

ANNUAL GENERAL MEETING 2026
The upcoming AGM will take place in Jönköping on Thursday 7 May 2026.

Shareholders who wish to have an issue dealt with at the AGM, must have submitted such a request in writing to the company no later than 19 March 2026 in order for the issue to be included in the notice. The request must be sent to the company at the address: XANO Industri AB, Att. AGM 2026, Lantmätargränd 5, SE-553 20 Jönköping, or by email to ir@xano.se with "AGM 2026" as the subject.

Nomination Committee
In accordance with current instructions, the following Nomination Committee has been appointed ahead of the 2026 Annual General Meeting:

» Anna Benjamin, representative of Viem Invest AB
» Christina Tillman, representative of Pomona-gruppen AB
» Tomas Risbecker (Chair), representative of Svolder AB

Fredrik Rapp is co-opted in his capacity as Chair of the Board.

The Nomination Committee shall nominate Chair and other members of the Board, propose fees and other remuneration for Board assignments, and submit proposals for the election and remuneration of auditors. Shareholders who wish to submit proposals to the Nomination Committee are requested to contact its Chair by email at tomas.risbecker@svolder.se no later than 31 January 2026.

See also attached full report.

For more information, please contact:
» Lennart Persson, President and CEO, +46 36 31 22 33

XANO Industri AB (publ)
www.xano.se

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.