



## Interim report 1 January – 31 March 2025

### THE FIRST QUARTER

#### Improved margins

Volume additions from last year's acquisitions combined with positive, albeit modest, organic growth resulted in an 8 per cent increase in revenue compared to last year's first quarter. We saw effects of implemented cost adjustments and the profit outcome was significantly higher than in the corresponding period last year. Some market niches showed a certain degree of recovery, and we experienced a more general stabilisation in demand.

#### Quarter summary

- » Net revenue totalled SEK 893 million (825)
- » Operating profit amounted to SEK 83 million (31)
- » Profit before tax amounted to SEK 63 million (17)
- » Net profit amounted to SEK 48 million (13)
- » Earnings per share were SEK 0.81 (0.22)
- » Cash flow from operating activities amounted to SEK 18 million (23)

#### Important events during the period

In February 2025, Marilyn Lindh, Chief Sustainability Officer at XANO, was appointed member of the Group Management, which since before included Lennart Persson, President and CEO, and Marie Ek Jonson, CFO.

### CEO'S COMMENTS

We are pleased to see a steady increase in the positive impact of the tough decisions and measures implemented throughout last year. The extensive restructuring and reorganisation activities that were carried out in terms of both operations and organisations represented a kind of reboot for several of our units. Some work remains to be done, but the focus going forward is to fully capitalise on the adjustments made so far.

Overall, the market situation for the Group's companies has somewhat stabilised, while investments related to the launch of new production for new customers have begun to deliver returns. However, continued weak demand in several segments, as well as projects being delayed, has prompted further cost-cutting activities.

Group revenue rose by 8 per cent in relation to the previous year's opening quarter. Operating profit improved by 164 per cent and the operating margin amounted to 9.3 per cent (3.8). The profit margin was 7.0 per cent (2.1). Cash flow from operating activities totalled SEK 18 million (23).

#### Performance

All three business units showed growth and significantly higher results compared to the first quarter last year. Most notable was the development for the Industrial Solutions business unit, where actions taken contributed to a significant strengthening of last year's weak margins and a 200 per cent improvement in operating profit. Within Industrial Products, performance varied across the business unit, but as a whole it also outperformed the comparative period. In Precision Technology, which had a good first quarter of 2024, several of the companies improved further and the business unit reported overall strengthened profitability.

#### Market conditions

During the period, our relevant markets have shown signs of demand stabilisation and an increase in optimism. Defence and medtech are among the sectors that have stood out positively. There continue to be very few major new automation projects to tender for, but the can manufacturing industry is showing some signs of recovery, as is the agricultural sector. In China, the overall business climate remains subdued, but our local unit has reversed the downward trend.

**Looking to the future**

The cautious attitude that has prevailed in several of our traditionally strong customer segments persists to a large extent, even though the mood around us is generally perceived as being more optimistic than it has been in a long time.

One additional source of insecurity is the new US trade policy – the consequences of this type of rapid and erratic decisions are difficult to predict. We have not yet seen any direct impact, and we are engaging in frequent discussions with our customers and suppliers to minimise negative effects as far as possible.

As a result, we face both ongoing and new challenges moving forward. However, we feel confident in the work that has been done and is still ongoing to adapt our operations to changing circumstances. We have further developed and broadened our overall offering while establishing ourselves in new business niches.

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.*