



Interim report 1 January – 30 September 2026

Third quarter summary

- » Net revenue totalled SEK 715 million (785)
- » Operating profit amounted to SEK 24 million (110)
- » Adjusted operating profit amounted to SEK 24 million (69)
- » Profit before tax amounted to SEK 16 million (91)
- » Adjusted profit before tax amounted to SEK 16 million (50)
- » Net profit amounted to SEK 12 million (75)
- » Earnings per share were SEK 0.21 (1.26)
- » Cash flow from operating activities amounted to SEK 92 million (161)

Interim period summary

- » Net revenue totalled SEK 2,455 million (2,558)
- » Operating profit amounted to SEK 157 million (270)
- » Adjusted operating profit amounted to SEK 159 million (229)
- » Profit before tax amounted to SEK 121 million (212)
- » Adjusted profit before tax amounted to SEK 123 million (171)
- » Net profit amounted to SEK 94 million (168)
- » Earnings per share were SEK 1.59 (2.83)
- » Cash flow from operating activities amounted to SEK 66 million (309)

Important events during the period

- » Acquisition of the Dutch service company Veldkamp
- » Updated financial targets
- » Extension of credit facilities

CEO'S COMMENTS

The subdued conditions in our primary markets continue, and in the third quarter we were unable to match the revenue level of the corresponding period last year. The adjustments made have, to some extent, offset the impact that lower volumes have had on profits. As we see many business opportunities for our companies, we have deliberately chosen to retain capacity for future growth.

Performance varies across our individual business units and companies. Overall, Precision Technology reported both growth and improved margins during the quarter, with cumulative figures in line with the previous year. Within Industrial Products, profitability is primarily being impacted negatively by the restructuring of Blowtech. The decline in volume within Industrial Solutions has a significant impact on our margins, as the business unit accounts for nearly 60 per cent of the Group's total revenue. However, we are delighted that our latest addition, Veldkamp, is making a valuable contribution.

Compared with the third quarter of the previous year, consolidated revenue decreased by 9 per cent. Operating profit for the comparative period included a capital gain of SEK 41 million from the divestment of a property company. Adjusted for this item, operating profit decreased by 64 per cent to SEK 24 million (69). The adjusted operating margin was 3.4 per cent (8.8) and the adjusted profit margin 2.3 per cent (6.4). Cash flow from operating activities amounted to SEK 92 million (161).

For the interim period as a whole, revenue decreased by 4 per cent compared with the previous year. Adjusted operating profit decreased by just over 30 per cent to SEK 159 million (229). The adjusted operating margin was 6.5 per cent (9.0) and the adjusted profit margin 5.0 per cent (6.7). Cash flow from operating activities amounted to SEK 66 million (309). Lower earnings and increased capital tied up in project-based operations were the main reasons for the weaker cash flow during the period.

Ongoing initiatives

The integration of Veldkamp plays an important role in the Industrial Solutions business unit's efforts to promote deeper exchange and cooperation between the companies. A couple of examples include the ongoing shift from predominantly project-based to more product-based operations, as well as the development of organisations focused on service and after-sales. The outcome of investments in our aftermarket offering has exceeded our expectations and will gradually contribute to more stable revenue streams.

The winding down of Blowtech's Norwegian operations within Industrial Products has placed a heavy burden on the Swedish unit, which has taken over parts of the machinery and several major production contracts. This transition has coincided with a significant increase in volumes for automotive customers, and the organisation is working intensively to ensure that production capacity meets delivery requirements.

Market conditions

There were no significant changes in market conditions during the quarter. The willingness to invest is generally low amongst several of our larger customer groups. As was the case earlier this year, activity levels are highest in the defence and infrastructure sectors, whilst demand from sectors such as food, agriculture and the furniture industry is more subdued. Our efforts to boost after-sales revenues, primarily within Industrial Solutions, are yielding good results but have not, so far, offset the shortfall in new equipment deliveries.

Looking to the future

In the short term, we believe that the Group's current business conditions will, by large, remain unchanged. At present, we are primarily being negatively affected by weak demand in the food industry. Looking ahead, we see opportunities for growth in areas such as the defence sector and through the further development of our service portfolio. The restructuring of our offering in the automotive sector will gradually improve profitability. We are securing business with new customers and have a substantial overall quote pipeline.

In a market climate that remains challenging, measures that have a positive impact on our margins will be a high priority going forward. In parallel, we are continuing to work on implementing strategic initiatives to strengthen our competitiveness in the long term.

Our financial position remains solid. This means that we are well positioned to implement further adjustments alongside more proactive investments, including complementary acquisitions to balance our existing operations.

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 3.3 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.