

NIBE

– world-class solutions in sustainable energy



- **SALES** totalled SEK 27,146 million (SEK 25,342 million)
- **YEARLY PROFIT** includes revaluation of additional considerations of SEK 353 million.
- **PROFIT AFTER NET FINANCIAL ITEMS** amounted to SEK 3,658 million (SEK 2,836 million)
- **PROFIT AFTER TAX** was SEK 2,923 million (SEK 2,184 million)
- **EARNINGS** per share before and after dilution, based on average number of shares outstanding during the period, were SEK 5.69 (SEK 4.31)
- **ACQUISITION OF**
 - Serbian water heater company TIKI Group
 - 50% of shares in Turkish ventilation and air conditioning group Üntes
 - 51% of shares in Dutch heat pump distributor Nathan Holding B.V.
 - German heat pump company WATERKOTTE GmbH
 - 60% of shares in Swedish process heat company VEÅ AB
 - 87.5% of shares in Italian element company Termotech s.r.l.
- **THE BOARD OF DIRECTORS** proposes a dividend of SEK 1.55/share (SEK 1.40/share)
- **THE BOARD OF DIRECTORS** proposes a 4:1 share split

Year-end report 2020

A strong 2020 despite Covid-19 – revaluation of additional considerations has also had a very positive effect on profit

2020 was an extraordinarily different and extremely stressful year both for all societies and institutions worldwide and for all their citizens and individual companies. For us, overall demand has been fairly varied, largely reflecting the different phases of the pandemic.

The year began with generally very high demand, which then declined at the end of the first quarter. Demand then became even weaker in Q2, only to return in Q3 and Q4 with surprising vigour. This meant that, despite all the difficulties, the year as a whole enjoyed some purely organic growth, although this was slightly lower than the effect of the overall strengthening of SEK during the year. In turn, this means that organic sales fell by 0.9% (+7.9%). However, including acquisitions, annual sales rose by 7.1% (12.5%).

The trend during the year was for a relatively stable demand for products with a clear sustainability profile, which naturally benefited us. In addition, in a year like 2020, our corporate philosophy, with an extremely decentralised organisation, once again proved to be hard to beat. Our local management teams were able to cope with the effects of the uneven demand in admirable fashion, while also protecting the health of staff.

The NIBE Climate Solutions business area experienced relatively good market conditions for most of the year, despite the prevailing situation, thanks to its clear sustainability profile.

Its ambitious goal to be the market leader for sustainable, advanced climate control solutions for both single-family homes and commercial properties also places particularly heavy, constantly growing demands on the organisation. Both individual products and turnkey solutions are always expected to meet customers' legitimate requirements for performance and quality, as well as the products being certified as eco-friendly both during manufacture and throughout their life cycle, including the disposal phase.

The reward for our hard work in achieving this goal is constantly growing trust from customers in the form of continued growth. For obvious reasons, acquisition activity declined during the year. However, the five acquisitions completed at the start of the year meant that, despite everything, approximately SEK 1.5 billion in annual sales was

added to the business area. With these acquisitions, the business area continues to increase its market share, while expanding its market presence and technology base.

Both sales and profit enjoyed stable growth during the year. The businesses acquired had a significant influence on this growth throughout the year, and purely organic growth was also positive. Sales growth was good for almost all of Q1. Q2 saw a minor organic decrease, while organic growth gradually improved in the second half of the year. The strengthening of SEK in the corresponding period, however, had a negative impact on sales growth to roughly the same extent. The primary reason for the further improvement in the operating margin is continued growth, combined with good cost control and improved productivity.

The NIBE Element business area, with its large geographical spread and exposure to a large number of different market segments, was subject to major demand variation during the year.

In this business area, it was also the market segments with a clear sustainability profile that enjoyed favourable growth during the year as a whole. In addition, the semiconductor segment grew strongly, largely driven by increased electrification in the automotive industry and the expansion of 5G. Virtually all other market segments saw widely varying demand patterns.

The year began with stable demand, only to deteriorate markedly at the end of Q1 and throughout Q2. However, after the end of Q2, demand improved considerably in most market segments. Those segments that have not yet recovered are primarily commercial products such as restaurant and catering equipment and purely industrial products. This is probably explained by the considerable caution caused by the prevailing situation.

Acquisition activity in this business area was also affected by the prevailing situation. However, despite everything, seven minor bolt-on acquisitions were completed. Our experience with these minor acquisitions has been good, as they relatively quickly produced synergy gains and our market share has improved. One of the big advantages of being the market leader is that we are sought out by major potential customers that are in the process of developing pioneering new products and see us as a natural partner. Examples of this are a number of big projects in the automotive industry, which is now moving rapidly towards electrification.

Thanks to the acquisitions, sales continued to grow despite the prevailing conditions. Purely organically, the business area saw a small fall in sales, and the strong SEK further reinforced this trend. Fortunately, both the operating profit and operating margin increased during the year, which is a clear indication of our strength and ability to rapidly adapt to current market conditions, keep costs down and continue product development with no change in tempo.

Calendar

17 February 2021

08:00 (CET) Year-end report 2020

11:00 (CET) Telephone conference (in English)

Presentation of Year-end report 2020 and opportunity to ask questions.

Registration on our website www.nibe.com is required in order to access the presentation images during the conference. To listen by phone, call +46 8 505 583 50.

April 2021

Publication of 2020 Annual Report

Notice of Annual General Meeting

11 May 2021

Interim Report 1, January – March 2021

Annual General Meeting



The NIBE Stoves business area saw great variation in demand following roughly the same pattern as our two other business areas.

The year began well, but total demand fell dramatically from March to the end of June, only to improve considerably again in the second half of the year. Demand is estimated to have been roughly at the same level as in the previous year overall.

The business area continues to focus major resources on product development to enable it to further consolidate its market-leading position and to take the business area to an even higher level in terms of sustainability.

In terms of acquisitions, the sales rights to a well-known, well-reputed brand in Norway were taken over. In addition, a minority holding in another Canadian stove company has been acquired, with the option to acquire the remaining shares in the years to come.

Despite a big fall in invoicing during the spring months, the recovery over the rest of the year was even bigger. Overall, the business area had purely organic growth that was able to compensate for the strengthening of SEK by a good margin. Both the operating profit and the operating margin increased. This is very satisfying and yet another good indication of the strength of our decentralised organisation model.

Investments in our existing businesses amounted to SEK 1,109 million in the period, compared with last year's SEK 1,054 million, and the depreciation rate, including leases, was SEK 1,236 million, compared with SEK 1,036 million last year. Excluding leases, the depreciation rate was SEK 938 million, compared with SEK 813 million last year. The investment rate may vary slightly over time, but because of continued capacity increases and the need for further rationalisation investments, the investment rate over the next few years will continue to be equal to or just above the depreciation rate, excluding leases.

The yearly profit includes revaluation of additional considerations of SEK 353 million. This income is recognised on a separate line in the income statement for the year, which was not the case in previous years as the amounts were insignificant. In order to facilitate comparisons with previous years, the main figures that are affected are listed, excluding the revaluation of additional considerations. The Group's liabilities for additional considerations are reevaluated regularly and are based on the expected earnings growth in a number of the businesses acquired in recent years. The expected additional considerations are based on the business plans that we put together with the respective sellers at the time of acquisition and that have historically proved to be fairly accurate. However, the pandemic has caused the recognised liabilities relating to expected additional considerations for a number of the companies that were acquired to be revalued, which had a corresponding positive effect on the profit for the year.

The operating profit, excluding revaluation of additional considerations, improved during the period by 16.1% compared with last year, and the operating margin improved from 12.0% to 13.0%. We can also note with satisfaction that both the operating profit and the operating margin were slightly better in all quarters this year than in the corresponding quarters last year. Operating profit does not include furlough support applied for in Sweden as a consequence of Covid-19.

Profit after net financial items, excluding revaluation of additional considerations, improved by 16.5% in the period compared with the corresponding period last year.

Outlook for 2021

- Our corporate philosophy and our strong range of products, with their focus on sustainability and energy efficiency, are in tune with the times in which we are living.
- We are well prepared to continue to be proactive on acquisitions.
- Our internal efforts to enhance efficiency, combined with our rigorous cost control measures, will ensure persistently healthy margins.
- All three of our business areas have a good geographical spread, which makes us less vulnerable to local downturns in demand.
- Our decentralised organisation, based on independent units, is tried and tested, and creates the conditions for greater motivation and flexibility.
- The effects of economic trends, currency concerns, volatile energy prices and political turbulence in some parts of the world are always hard to predict.
- The outbreak of Covid-19 in Q1 2020 is another such uncertainty that has caused widespread change for most of the world's citizens and companies, including our own. Compared with 2020, the start of 2021 has seen a clear improvement in the situation with several vaccines entering into widespread use. Therefore, we hope that society should be able to return to slightly more normal conditions in the second half of the year. As is our way, we will continue to operate our businesses as normally as possible while exercising the greatest possible caution and being prepared for what the future may hold. This, and the fact that our products are largely both necessary and sustainable, permits us to be cautiously positive about our performance throughout the year, despite everything.

Markaryd, 17 February 2021

Gert Eric Lindquist
Managing Director and CEO

NIBE Group Key ratios		2020	2019	2018	2017	2016
Net sales	SEK m	27,146	25,342	22,516	19,009	15,348
Growth	%	7.1	12.5	18.5	23.9	15.9
of which acquired	%	8.0	4.6	6.0	19.5	12.6
Operating profit*	SEK m	3,527	3,038	2,794	2,357	1,980
Operating margin*	%	13.0	12.0	12.4	12.4	12.9
Profit after net financial items*	SEK m	3,305	2,836	2,632	2,195	1,871
Profit margin*	%	12.2	11.2	11.7	11.5	12.2
Equity/assets ratio	%	46.3	47.3	47.8	45.8	46.6
Return on equity*	%	14.5	13.5	14.6	13.7	14.9

* Profit and key ratios have been calculated excluding revaluation of additional considerations

Sales

Consolidated net sales totalled SEK 27,146 million (SEK 25,342 million). This corresponds to growth of 7.1%. Of the increase in sales of SEK 1,804 million, acquired sales were SEK 2,034 million, which means that organic sales decreased by 0.9%.

Profit

Profit for the year after net financial items was SEK 3,658 million. This equates to a 29.0% increase in earnings compared with 2019. Profit for the year includes revaluation of additional considerations of SEK 353 million – see also page 15 under 'Accounting policies'. Excluding revaluation of additional considerations, the profit for the year was SEK 3,305 million, which equates to a 16.5% increase in earnings compared with 2019, when profit after net financial items amounted to SEK 2,836 million. Due to the pandemic and the restrictions consequently introduced in certain countries, some of the Group's production plants were idle for parts of the year. All three business areas were affected. However, the greatest impact was on the NIBE Stoves business area, which has relatively few production plants compared with the two other areas. Profit for the year was charged with acquisition expenses of SEK 30 million (SEK 51 million). Return on equity excluding remeasurement profit amounted to 14.5% (13.5%).

Acquisitions

January saw the completion of the acquisition of the Serbian water heater manufacturer TIKI Group, which has a strong market position in Eastern Europe and sales of approximately EUR 35 million, with an EBITDA of approximately 10%. The company was consolidated into the NIBE Climate Solutions business area as of January 2020.

February saw the acquisition of 50% of the shares in the Turkish group of companies Üntes with an agreement to acquire the remaining 50% of the shares by 2024. The company, which develops and produces ventilation and air conditioning products for commercial properties, has sales of approximately EUR 38 million and an operating margin markedly higher than 10%. The company was consolidated into the NIBE Climate Solutions business area as of March 2020.

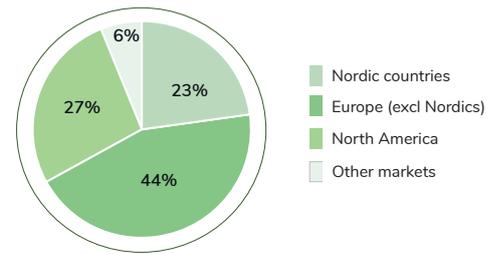
In April, 51% of the shares in Dutch company Nathan Holding B.V. were acquired, with an agreement to acquire the remaining shares later in two stages. Among other things, Nathan imports our German subsidiary AIT's heat pumps and sells complete solutions, including both drilling geothermal energy wells and underfloor heating systems. The company has annual sales of approximately EUR 50 million and an operating margin of just over 6% and was consolidated into the NIBE Climate Solutions business area as of April 2020. The acquisition value is still provisional.

In April, the heat pump company WATERKOTTE GmbH, a leading German manufacturer of heat pumps intended primarily for commercial properties, was acquired. The company has annual sales of approximately EUR 26 million and an operating margin of approximately 5% and was consolidated into the NIBE Climate Solutions business area as of April 2020. The acquisition value is still provisional.

In May, 60% of the shares in the Swedish company VEÅ AB were acquired, with an option to acquire the remaining shares within a four-year period. VEÅ develops and manufactures steam boilers and super-heated water boilers, pressure vessels and complete systems for industrial use. The company has annual sales of approximately SEK 80 million and an operating margin of well over 10% and was consolidated into the NIBE Climate Solutions business area as of July 2020. The acquisition value is still provisional.

In early July, 87.5% of the shares in Italian element company Termotech s.r.l. were acquired, with an agreement to acquire the remaining shares within a five-year period. The company, which has sales of approximately EUR 5 million and an operating margin of over 10%, was consolidated into the NIBE Element business area as of July 2020. The acquisition value is still provisional.

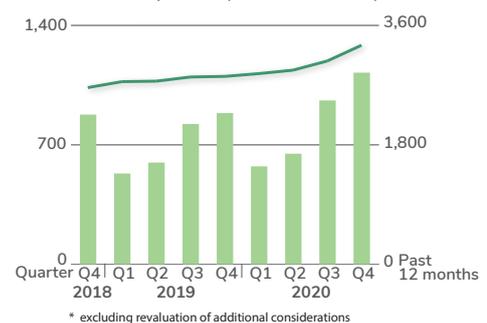
Group sales by geographical region



Net sales Past nine quarters (in millions of SEK)



Profit after financial items Past nine quarters (in millions of SEK)



Investments

During the year, the Group made investments totalling SEK 3,692 million (SEK 2,059 million). A total of SEK 2,583 million (SEK 1,005 million) of the investments relates to acquisitions of operations. The remaining SEK 1,109 million (SEK 1,054 million) is mainly investments in machinery and equipment in existing operations. The investment amount relating to acquisitions is based on initial purchase prices as well as an estimate of additional consideration to be paid.

Cash flow and financial position

Cash flow from operating activities before changes in working capital amounted to SEK 4,123 million (SEK 3,448 million). Cash flow after changes in working capital amounted to SEK 5,023 million (SEK 2,958 million).

Interest-bearing liabilities at year-end amounted to SEK 10,660 million compared with SEK 10,654 million at the start of the year. At year-end the Group had cash and cash equivalents of SEK 5,240 million as against SEK 4,703 million at the start of the year. The equity/assets ratio at year-end was 46.3%, compared with 47.3% at the start of the year. The reduction is due to exchange differences as a result of the increase in value in SEK during the year.

Parent

Parent activities comprise Group executive management functions, certain shared Group functions and financing. Sales for the year totalled SEK 23 million (SEK 23 million) and profit after financial items was SEK 868 million (SEK 1,824 million). Profit last year consisted largely of the sale of a minority holding in Schulthess Maschinen AG.

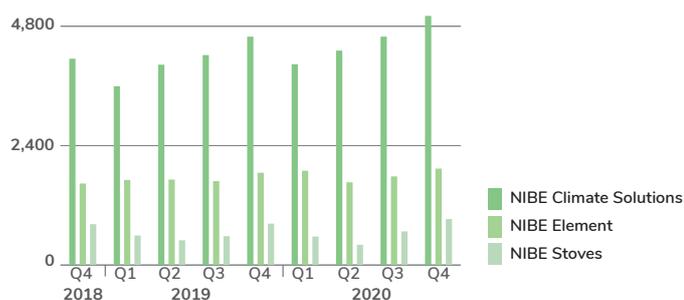
Business area trends

Quarterly data

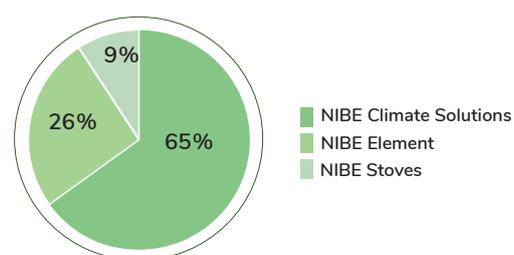
Consolidated income statement (SEK million)	2020				2019				2018
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4
Net sales	6,345	6,227	6,889	7,685	5,763	6,093	6,349	7,137	6,498
Operating expenses	-5,707	-5,545	-5,853	-6,161	-5,188	-5,434	-5,498	-6,184	-5,593
Operating profit	638	682	1,036	1,524*	575	659	851	953	905
Net financial items	-64	-34	-76	-48	-43	-63	-29	-67	-28
Profit after net financial items	574	648	960	1,476*	532	596	822	886	877
Tax	-140	-156	-192	-247	-116	-148	-187	-201	-188
Net profit	434	492	768	1,229*	416	448	635	685	689
Net sales, business areas									
NIBE Climate Solutions	4,035	4,310	4,591	5,008	3,593	4,027	4,220	4,590	4,148
NIBE Element	1,895	1,664	1,781	1,938	1,710	1,718	1,688	1,855	1,638
NIBE Stoves	573	406	676	924	593	498	580	832	821
Elimination of Group transactions	-158	-153	-159	-185	-133	-150	-139	-140	-109
Group total	6,345	6,227	6,889	7,685	5,763	6,093	6,349	7,137	6,498
Operating profit per business area									
NIBE Climate Solutions	449	585	807	849	385	523	678	691	628
NIBE Element	179	117	173	190	161	159	145	157	134
NIBE Stoves	32	1	78	160	50	14	46	142	138
Elimination of Group transactions	-22	-21	-22	325*	-21	-37	-18	-37	5
Group total	638	682	1,036	1,524*	575	659	851	953	905

* Includes income of SEK 353 million from revaluation of additional considerations

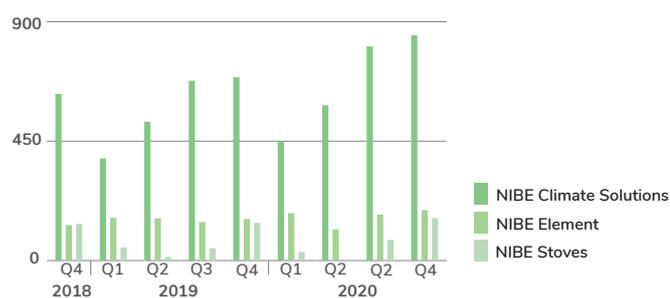
Sales per business area, last nine quarters (SEK million)



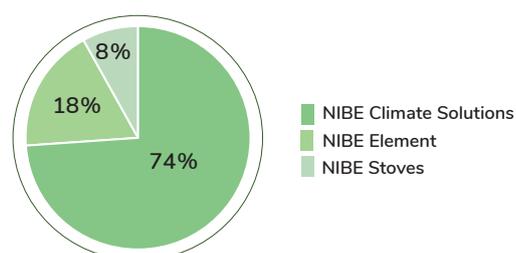
Each business area's share of total sales (Q1-4 2020)



Operating profit per business area, last nine quarters (SEK million)



Each business area's share of total profit (Q1-4 2020)



NIBE Climate Solutions business area

Sales and profit

Sales amounted to SEK 17,944 million, compared with SEK 16,430 million for 2019. Of the increase in sales of SEK 1,514 million, acquired sales accounted for SEK 1,344 million, which means that organic growth was 1.0%.

Operating profit for the year totalled SEK 2,690 million, compared with SEK 2,277 million the previous year. This equates to an operating margin of 15.0% compared with 13.9% for the previous year.

The year in brief

2020 was a very different year, characterised by greater focus on health, the climate and the environment. However, heating, cooling, hot water and ventilation for indoor climate comfort meet important needs for everyone in our society and there is always a need for them, regardless of the economic situation. These factors together contributed to a positive trend for sustainable energy solutions and higher international demand for products that are fossil-free and energy-efficient. We were therefore only affected by the effects of Covid-19 to a limited extent as demand for our intelligent heat pump solutions remained strong and even increased over the year as a whole.

Interest from end consumers in products that both save energy and use renewable energy continued to increase. However, the main feature of the year was that new political decisions were taken in a growing number of countries in Europe and in North America to accelerate conversion and, in the long term, phase out products that use fossil fuels such as oil and gas. This is good for both the environment and our industry in the short and long terms and is one of the principal reasons for the market growth.

For many years, we have invested in building up a strong international platform of companies, products and skills to become a full-service supplier of sustainable, efficient, intelligent energy solutions with the focus on indoor climate comfort for all types of property to enable us to guarantee our further expansion. Now that the market is growing, primarily in Europe, we are reinforcing our market position.

Expansion via acquisitions is a major part of our strategy. For obvious reasons, the prevailing situation means that the rate of acquisition has not been as high. However, the integration of the acquisitions completed in Q1 continued undiminished. The acquisitions are in line with our strategy to enhance our position in the commercial segment worldwide and to expand into markets that have great growth potential in Europe.

Product development is essential to continued expansion and to strengthen our profile as a market leader in sustainable energy solutions for indoor climate comfort based on renewable energy. In a growing market, in which the interest from other actors continues to increase, it is vital to be ahead of the competition at all times. During the year, we therefore continued to focus major resources on product development and the introduction of new high-performance products in all application areas.

JPI, the Joint Platform Initiative for digitisation, is yet another important step and essential if we are to maintain our position as the market leader for connected products with intelligent controls. This gives installers, the aftermarket and end consumers new opportunities to streamline installation, reduce energy use, remotely control heat pumps and benefit from program developments.

Our intensive work to switch to greener refrigerants to comply with the EU F-gas Regulation to ensure low climate impact continued during the year, and we are constantly increasing requirements for energy efficiency and quality. This is also essential if we are to maintain a leading market position in the long term.

On the marketing side, we focused on local activities and webinars to meet our customers in the Nordic region and the rest of Europe as virtually all trade fairs and other activities were cancelled due to the pandemic. Similarly, we continued to undertake a range of marketing activities in North America, primarily digitally, to reach out to consum-

NIBE Climate Solutions

Key ratios		2020	2019	2018	2017	2016
Net sales	SEK m	17,944	16,430	14,255	12,020	9,588
Growth	%	9.2	15.3	18.6	25.4	19.4
of which acquired	%	8.2	5.7	2.7	21.9	14.6
Operating profit	SEK m	2,690	2,277	1,962	1,595	1,396
Operating margin	%	15.0	13.9	13.8	13.3	14.6
Assets	SEK m	24,981	23,191	20,637	18,707	18,103
Liabilities	SEK m	4,312	2,987	2,463	2,603	2,357
Investments in non-current assets	SEK m	685	639	404	322	239
Depreciation	SEK m	756	626	448	425	362

ers and raise their awareness of heat pumps as an economically viable and sustainable solution for cooling and heating single-family homes. These activities are expected to boost market expansion and ultimately reduce dependence on subsidies on the US market.

All our companies have been exemplary in adapting their operations to the current demand situation and the restrictions and precautions in force in each country during the pandemic. The companies have been affected to varying extents, but despite everything most manufacturing companies have been able to maintain all or part of their operations, apart from the Italian company Rhoss, which was forced to shut down completely for an extended time, and Climate Master and Enertech Global in the US, which briefly shut down their operations on a number of occasions. Thanks to good flexibility in terms of production capacity and component supplies, we were able to meet the much higher demand in the second half of the year with good delivery capacity, despite the cautious stockbuilding in the spring.

NIBE Climate Solutions also actively contributes both know-how and products when climate control projects are carried out in the Group's own businesses worldwide to meet our internal sustainability goals for good working environments and reduced energy consumption.

In Europe, our targeted markets continue to grow. In the Netherlands, where politicians previously decided to phase out fossil fuels, market development remained strong and we continue to strengthen our market position. Now that Germany has also embarked on a similar phase-out with significant incentives to replace heat sources using fossil fuels, there has also been very good growth on this important market.

Several countries in Eastern Europe have also introduced incentive packages for the installation of more energy-efficient solutions, and our units have experienced good growth in terms of product concepts for indoor climate comfort, primarily in heat pumps but also in water heaters.

Growth on the Swedish domestic market for heat pumps continued, with a growing replacement market and a relatively stable market for new single-family homes. We have a strong market position in both segments. Demand for water heaters has also grown during the year as people have spent more time at home and society as a whole has focused on hygiene.

Growth also continued to be positive in Denmark and Finland. However, growth in Norway represents an exception in the Nordic region as low electricity prices there dampened demand for products such as heat pumps. The strict lockdown policy also dampened demand.

Growth on the North American heat pump market for single-family homes was not the same as in Europe on account of low energy prices, the devastating pandemic and political uncertainty. However, at the end of the year, a decision was made to extend state subsidies for the installation of geothermal heat pumps to the end of 2023, which will lend the market stability.

Both the US and Canadian markets for climate control products for commercial properties tailed off as both new construction and renovation projects were postponed due to the prevailing situation. We are well established in North America and the acquisitions of Rhoss and the Turkish company Üntes have created platforms for Southern

Europe, the Middle East and North Africa. The objective is to continue to enhance our position in Europe in this segment, and we are therefore continuing our efforts with dedicated new resources to be able to expand through proactive product development, marketing and continued acquisitions.

The operating margin was affected positively by the strong demand situation and also by the cost-saving measures introduced throughout the organisation for reasons of prudence to counteract the effects of Covid-19. This was done without lowering our ambitions for future product development, market expansion and growth.

NIBE ADDS VALUE

Hygienic ventilation solutions



Ventilation systems also clean the air

To help in the fight against Covid-19, it is becoming increasingly important to offer safe, tested air handling units that can be used for the ventilation of hygienic rooms. ÜNTES, one of the most recent corporate acquisitions in the NIBE Climate Solutions business area, has quality-assured ventilation systems for hospitals, pharmaceutical production plants and genetic laboratories. They have been tested and meet the very strictest requirements. All components and materials, including the seals used in the air handling units, eliminate odours, prevent the spread of harmful substances and do not create an environment in which microorganisms can thrive. In addition, the material that comes into contact with the air flow from the units is resistant to disinfectant.

NIBE Element business area

Sales and profit

Sales amounted to SEK 7,278 million, compared with SEK 6,971 million for 2019. Of the increase in sales of SEK 307 million, acquired sales accounted for SEK 669 million, which means that organic sales decreased by 5.2%.

Operating profit for the year totalled SEK 659 million, compared with SEK 622 million the previous year. This equates to an operating margin of 9.1% compared with 8.9% for the previous year.

The year in brief

The international element market was affected by Covid-19 to varying extents during the year. The year began stable, but this was followed by a severe downturn at the end of Q1 and throughout Q2. In the second half of the year, the market recovered in most segments except for commercial products and the industrial segment, which was severely affected by the lockdown in society and lower investment in industry. Products linked to sustainability, renewable energy and energy storage, such as heat pumps and resistors, performed well throughout the year. This was true for both private consumers and industrial applications.

As early as February, we were affected by public authority decisions leading to the closure of our operations in China. This development then gradually spread around the world as the spread of the virus accelerated. Our operations have gradually been adapted to developments in each country and our focus has been on ensuring the health and safety of our employees. Most units returned to full production in the autumn but continue to be affected by extensive safety measures.

Despite a year in which the world was turned on its head, we continued to realise our strategy and objective of becoming a global supplier, with a local presence, of components and solutions for intelligent heating and control. We did this by means of acquisitions and a number of structural measures to create competitive units within each market segment.

We continuously acquire small businesses in different markets and, in some cases, integrate them in existing businesses to further boost our market position. Seven small bolt-on acquisitions were completed during the year. Among other things, we reinforced our position in Serbia by acquiring Serbia's leading supplier of elements to the industrial sector. In the Netherlands, we completed four small acquisitions in the industrial segment and in Italy one acquisition in the control components sector. We also acquired one small unit for special elements in the US.

In recent years, we have built up substantial operations for heating and control equipment for the semiconductor industry through a combination of acquisitions and organic growth. This area saw very strong growth throughout 2020, and demand is driven by the rollout of 5G, the move in the automotive industry towards increased electrification and greater demand for data storage. In recent months, there has been a shortage of semiconductor components on the market, further boosting demand for equipment for this segment.

To enable us to maintain our operating margin target of 10% over time, where possible we have continued our intensive work to improve the competitiveness of our units through production technology ac-

NIBE Element

Key ratios		2020	2019	2018	2017	2016
Net sales	SEK m	7,278	6,971	6,349	5,102	4,252
Growth	%	4.4	9.8	24.4	20.0	13.1
of which acquired	%	9.6	4.0	15.3	10.5	9.9
Operating profit	SEK m	659	622	650	563	473
Operating margin	%	9.1	8.9	10.2	11.0	11.1
Assets	SEK m	9,443	9,314	7,655	5,916	4,294
Liabilities	SEK m	1,758	1,406	1,177	943	828
Investments in non-current assets	SEK m	354	303	214	164	125
Depreciation	SEK m	352	285	166	139	122

tion plans and other initiatives involving robotisation and automation. These measures are also being implemented in our low-cost units to cope with higher employee benefit expenses and staff shortages and to attract more qualified workers to our type of industry. We have also made energy investments in several of our units based on heat pump solutions to improve energy efficiency in combination with an improvement to the indoor environment, which is a natural part of our sustainability work.

Demand for consumer products grew in the second half of the year. This is linked to the growing renovation market as a consequence of people spending more time at home during Covid-19. For example, demand for domestic appliances grew on all markets compared with the same period last year. In this sector, demand is driven in part by product development to achieve higher sustainability and a lower carbon footprint.

After a weak start to the year in the automotive industry, with underlying weak demand followed by a severe downturn in the spring, when many of the manufacturers' production units were closed, we noted a big increase in demand in the second half of the year. Electric and hybrid vehicle activity continues to increase in terms of both supplies and development projects. During the year, we were nominated for a number of strategic supply projects in this sector. However, several development projects were delayed for a while on account of extensive furloughs at our customers' development departments. Exchange rates and trade policy have remained volatile, which is having a considerable effect on pricing and competitiveness. In this situation, having production units in different currency zones and geographical regions gives us a clear advantage.

All units had to apply strict cost control and adapt their operations rapidly to the prevailing demand situation. Our ambition was also to maintain the pace of ongoing investment and development projects to ensure future growth. Overall, this resulted in the operating margin improving on last year's result.



A number of energy investments were made during the year, including in the new premises of LOVAL, which operates in Finland. This contributes to our own operations being even more carbon neutral, which is a natural part of our sustainability work.

NIBE Stoves business area

Sales and profit

Sales amounted to SEK 2,579 million, compared with SEK 2,503 million for 2019. Of the increase in sales of SEK 76 million, acquired sales accounted for SEK 21 million, which means that organic growth was 2.1%.

Operating profit for the year totalled SEK 271 million, compared with SEK 252 million the previous year. This equates to an operating margin of 10.5% compared with 10.1% for the previous year.

The year in brief

Demand for stove products fluctuated dramatically in the past year. After a stable start, demand fell dramatically in both Europe and North America at the end of Q1 in connection with the outbreak of the pandemic. In Q2, demand remained at a very low level, only to recover at the start of the peak season in September. Demand subsequently increased considerably, driven largely by increased interest among end consumers in investing in their own homes in the context of Covid-19. Demand was also affected positively by various political decisions to phase out old products that do not meet Ecodesign requirements. Overall, demand roughly stabilised on most of our targeted markets and in some cases demand also increased to some extent.

The focus on climate impact and sustainability is also greater in our industry and we are continuing to allocate significant resources to improving the products' performance and combustion to meet the requirements of future consumers. Our products already, of course, meet the latest Ecodesign requirements that will be introduced in 2022 and the requirements recently introduced in North America, but our ambition is to develop our products to achieve even lower emissions.

In the prevailing situation, we were able to make changes and carry out a number of marketing activities and product launches in an entirely new way, closer to our customers and via digital media. These activities, along with intensified sales promotion work, were appreciated by our retailers.

Our production units were affected by Covid-19 to varying extents. The production units in the United Kingdom and Canada were completely shut down for different lengths of time in the spring; in the United Kingdom for the longest, as all businesses were closed for two months. However, our other production units in Sweden and Poland were in operation and able to meet market demand for products.

Nevertheless, the end of the year saw longer delivery times than usual on account of the unexpectedly rapid recovery in demand during the peak season, combined with disruption in supply chains from a number of subcontractors. This also resulted in longer lead times for installation. The entire industry was in a similar situation and our assessment is that we maintained our strong market position despite challenges supplying our customers with products at the end of the year.

We are also continuing to realise our strategy to expand via acquisitions. At the end of June, Nordpeis completed a strategic acquisition of the sales rights to Dovre's products in Norway. The range is a good addition for us and helps us further reinforce our position and move towards a market-leading position in Norway as well.

The majority of the remaining shares in Canadian company Fireplace International, FPI were acquired during the year. Immediately after the 2020/21 year-end, 10% of the shares in Canadian company Pacific Energy were acquired with an option to acquire the remainder over the next few years. The company, founded back in 1978, has a wide range of mainly wood-fired products, as well as gas-fired products that are sold under a number of brand names in North America and Australia. We are thus further reinforcing our position on the North American market.

The Nordic region continues to be an important market for us and we have an overall market-leading position thanks to a well-developed network of retailers and several strong brands. The Swedish market grew slightly and, in addition to the increased interest in the home, construction of new single-family homes continued undiminished. The Danish market declined slightly after the withdrawal of subsidies to stimulate the scrapping of old, less green products. However, new stimulus measures will be launched soon as old stove products are to be scrapped or replaced when a property changes owner. Replacing older products with modern technology that produces lower emis-

NIBE Stoves

Key ratios		2020	2019	2018	2017	2016
Net sales	SEK m	2,579	2,503	2,379	2,236	1,766
Growth	%	3.0	5.2	6.4	26.6	6.9
of which acquired	%	0.9	1.6	1.9	25.0	7.3
Operating profit	SEK m	271	252	265	275	223
Operating margin	%	10.5	10.1	11.2	12.3	12.7
Assets	SEK m	3,391	3,614	3,304	2,958	3,274
Liabilities	SEK m	515	442	407	364	387
Investments in non-current assets	SEK m	99	73	80	48	42
Depreciation	SEK m	128	124	77	77	59

sions quickly improves air quality. Demand in Norway fell after several years of rising demand. This is due to a slowdown in construction and a slightly cautious approach among consumers.

German politicians also decided to phase out old stove products that do not meet the Ecodesign requirements. This affected demand for all types of product positively, particularly in the second half of the year.

The United Kingdom is the market that was affected most by the pandemic, with a total lockdown of society for two months. Demand returned in the second half of the year and the overall assessment is that the market has almost completely recovered. Demand for electric products continues to rise and we have captured market shares in this growing product segment.

The French market for stove products performed similarly to other European markets. Despite a strong recovery in the second half of the year, the market as a whole is estimated not to have quite reached last year's levels. The trend towards more minimalist, modern design continues to grow, while products with a traditional domestic design are becoming less popular.

Total demand for stove products in North America increased during the year as a result of an extremely positive recovery in the peak season due to increased interest in renovation and in installing safe products in the home in turbulent times. Stricter new requirements for wood-fired products were introduced, which is very positive for the environment and drives development forwards. It also benefits us as all of our products already meet the new requirements.

The operating margin increased above last year's level, the effect of the much improved demand situation, combined with well-balanced cost-savings programmes in our businesses. We continued our proactive measures for the future in terms of product development and marketing with no let-up in pace.



The characteristic feature of the year was the many end consumers spent more time at home and started renovation projects in which a stove was high on the wish list.

Condensed income statement

(SEK million)	Group				Parent	
	Fourth quarter	Fourth quarter				
	2020	2019	2020	2019	2020	2019
Net sales	7,685	7,137	27,146	25,342	23	23
Cost of goods sold	-5,083	-4,733	-18,171	-17,036	0	0
Gross profit	2,602	2,404	8,975	8,306	23	23
Selling expenses	-1,021	-1,032	-3,917	-3,765	0	0
Administrative expenses	-514	-483	-1,895	-1,757	-85	-100
Revaluation of additional considerations	353	0	353	0	0	0
Other operating income	104	64	364	254	0	0
Operating profit	1,524*	953	3,880*	3,038	-62	-77
Net financial items	-48	-67	-222	-202	930	1,901
Profit after net financial items	1,476*	886	3,658*	2,836	868	1,824
Appropriations	0	0	0	0	133	204
Tax	-247	-201	-735	-652	-14	-1
Net profit	1,229*	685	2,923*	2,184	987	2,027
Net profit attributable to Parent shareholders	1,212*	675	2,866	2,170	987	2,027
Net profit attributable to non-controlling interest	17	10	57	14	0	0
Net profit	1,229*	685	2,923*	2,184	987	2,027
Includes depreciation according to plan as follows	304	278	1,236	1,036	0	0
Net earnings per share before and after dilution, SEK	2.40	1.34	5.69	4.31	0	0

Statement of comprehensive income

Net profit	1,229*	685	2,923*	2,184	987	2,027
Other comprehensive income						
Items that will not be reclassified to profit or loss						
Actuarial gains and losses in retirement benefit plans	33	-108	21	-233	0	0
Tax	-6	23	-4	49	0	0
	27	-85	17	-184	0	0
Items that may be reclassified to profit or loss						
Cash flow hedges	8	8	4	7	0	0
Hedging of net investment	33	8	45	-23	0	0
Exchange differences arising on translation of foreign operations	-1,484	-802	-2,310	790	0	0
Tax	108	65	157	-32	0	0
	-1,335	-721	-2,104	742	0	0
Total other comprehensive income	-1,308	-806	-2,087	558	0	0
Total comprehensive income	-79*	-121	836*	2,742	987	2,027
Comprehensive income attributable to Parent shareholders	-89*	-129	785*	2,727	987	2,027
Comprehensive income attributable to non-controlling interest	10	8	51	15	0	0
Total comprehensive income	-79*	-121	836*	2,742	987	2,027

*Including revaluation of additional considerations of SEK 353 million.

Condensed balance sheet

(SEK million)	Group		Parent	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Intangible assets	18,958	18,703	0	0
Property, plant and equipment	5,350	4,963	0	0
Financial assets	655	589	15,499	16,114
Total non-current assets	24,963	24,255	15,499	16,114
Inventories	4,431	4,403	0	0
Current receivables	4,149	4,400	182	657
Investments in securities etc.	201	227	0	0
Cash and bank balances	4,593	3,944	35	0
Total current assets	13,374	12,974	217	657
Total assets	38,337	37,229	15,716	16,771
Equity	17,737	17,604	9,414	9,133
Non-current liabilities and provisions, non-interest-bearing	4,859	4,759	523	303
Non-current liabilities and provisions, interest-bearing	6,298	7,653	4,100	5,600
Current liabilities and provisions, non-interest-bearing	5,081	4,212	179	232
Current liabilities and provisions, interest-bearing	4,362	3,001	1,500	1,503
Total equity and liabilities	38,337	37,229	15,716	16,771

Key ratios

		2020	2019	2018	2017	2016
Growth	%	7.1	12.5	18.5	23.9	15.9
Operating profit	SEK m	3,880	3,038	2,829	2,344	1,980
Operating profit, excluding revaluation of additional considerations	SEK m	3,527	3,038	2,794	2,357	1,980
Operating margin	%	14.3	12.0	12.6	12.3	12.9
Operating profit, excluding revaluation of additional considerations	%	13.0	12.0	12.4	12.4	12.9
Profit margin	%	13.5	11.2	11.8	11.5	12.2
Operating profit, excluding revaluation of additional considerations	%	12.2	11.2	11.7	11.5	12.2
Investments in non-current assets, including acquisitions	SEK m	3,692	2,059	2,479	2,026	5,156
Cash and equivalents	SEK m	5,240	4,703	3,562	3,803	2,926
Working capital, incl. cash and bank balances	SEK m	8,293	8,762	7,604	6,524	5,503
as share of net sales	%	30.5	34.6	33.8	34.3	35.9
Working capital, excl. cash and bank balances	SEK m	3,499	4,591	4,416	3,102	3,001
as share of net sales	%	12.9	18.1	19.6	16.3	19.6
Interest-bearing liabilities/Equity	%	60.6	60.8	60.0	70.1	70.4
Equity/assets ratio	%	46.3	47.3	47.8	45.8	46.6
Return on capital employed	%	14.6	12.3	13.0	11.5	11.8
Return on capital employed, excluding revaluation of additional considerations	%	13.4	12.3	12.8	11.5	11.8
Return on equity	%	16.1	13.5	14.8	13.7	14.9
Return on capital employed, excluding revaluation of additional considerations	%	14.5	13.5	14.6	13.7	14.9
Net debt/EBITDA	times	1.1	1.6	1.7	1.9	2.4
Operating profit, excluding revaluation of additional considerations	times	1.2	1.6	1.7	1.9	2.4
Interest coverage ratio	times	8.7	7.6	8.8	9.6	9.6
Operating profit, excluding revaluation of additional considerations	times	7.9	7.6	8.7	9.6	9.6

Data per share

		2020	2019	2018	2017	2016
Net profit per share						
(total 504,016,622 shares)	SEK	5.69	4.31	4.11	3.38	2.93
Net earnings per share excluding revaluation of additional considerations	SEK	4.98	4.31	4.05	3.45	2.93
Equity per share	SEK	34.90	34.74	30.57	25.41	24.06
Closing day share price	SEK	269.70	162.40	90.92	78.60	71.80

Sales by geographical region

(SEK million)	NIBE Climate Solutions	NIBE Element	NIBE Stoves	Eliminations	Total
Nordic countries	4,899	1,210	664	- 437	6,336
Europe (excl. Nordics)	8,706	2,228	1,239	- 199	11,974
North America	3,853	2,824	595	- 18	7,254
Other countries	486	1,016	81	- 1	1,582
Total	17,944	7,278	2,579	- 655	27,146

Time of accounting for sales

(SEK million)	NIBE Climate Solutions	NIBE Element	NIBE Stoves	Eliminations	Total
Deliverables taken up as revenue once	17,508	7,278	2,579	- 655	26,710
Deliverables taken up as revenue gradually	436	0	0	0	436
Total	17,944	7,278	2,579	- 655	27,146

SERVICE CONTRACTS

For certain products in Climate Solutions, NIBE offers customers the opportunity to sign one-year service contracts, under which NIBE undertakes to perform maintenance service and remedy certain defects that are not covered by the warranty provided. The scope of defects cannot be reliably predicted, so pricing is based on experience. Payment is received from customers annually in advance, so deferred income will be taken up as revenue gradually over the coming 12-month period.

EXTENDED WARRANTY PERIOD CONTRACTS

For certain products in Climate Solutions, NIBE offers customers the opportunity to sign contracts for warranty periods that exceed those provided as standard. Standard warranty periods depend both on the type of product and the market in question. The longest contracts expire within six years. The scope of defects cannot be reliably predicted, so pricing is based on experience. Payment is received from customers on delivery of goods. Deferred income will be taken up as revenue gradually over the coming six-year period.

Financial instruments measured at fair value

(SEK million)	31 Dec 2020	31 Dec 2019
Current receivables		
Currency futures	12	8
Commodity futures	2	1
Total	14	9
Financial assets		
Interest rate derivatives	0	8
Current liabilities and provisions, non-interest-bearing		
Currency futures	0	0
Commodity futures	0	0
Total	0	0

No instruments have been offset in the statement of financial position, so all instruments are recognised at their gross value. For a detailed account of the measurement process, see Note 2 in the Annual Report for 2019. For other consolidated financial assets and liabilities, the carrying amounts represent a reasonable approximation of their fair value. A specification of the financial assets and liabilities involved is given in Note 7 in the Annual Report for 2019.

Condensed cash flow statement

(SEK million)	2020	2019
Cash flow from operating activities	4,123	3,448
Change in working capital	900	- 490
Investing activities	- 2,901	- 1,623
Financing activities	- 1,192	- 439
Exchange difference in cash and equivalents	- 307	86
Change in cash and cash equivalents	623	982

Change in equity – summaries

(SEK million)	2020	2019
Opening equity	17,604	15,421
Effect of change in accounting policy ¹	0	- 10
Adjusted opening equity	17,604	15,411
Shareholders' dividend	- 706	- 655
Capital contribution from non-controlling interest	0	41
Dividend to non-controlling interest	- 1	- 1
Change in non-controlling interest	4	66
Comprehensive income for the period	836	2,742
Closing equity	17,737	17,604

1) IFRS 16 was implemented with retrospective effect on opening equity.

Alternative performance measures

Alternative performance measures are financial measures that are used by the company's management and by investors to evaluate the Group's profit and financial position using calculations that cannot be directly derived from the financial statements. The alternative performance measures provided in this report may be calculated using methods that differ from those used to produce similar measures by other companies.

Operating margin, excluding revaluation of additional considerations

(SEK million)	2020	2019
Operating profit	3,880	3,038
Revaluation of additional considerations	- 353	0
Operating profit, excluding revaluation of additional considerations	3,527	3,038
Net sales	27,146	25,342
Operating margin, excluding revaluation of additional considerations, %	13.0	12.0

Profit margin after net financial items excluding revaluation of additional considerations

(SEK million)	2020	2019
Profit after net financial items	3,658	2,836
Revaluation of additional considerations	- 353	0
Profit after financial items, excluding revaluation of additional considerations	3,305	2,836
Net sales	27,146	25,342
Profit margin after net financial items, excluding revaluation of additional considerations, %	12.2	11.2

Net investments in non-current assets

(SEK million)	2020	2019
Acquisition of non-current assets	3,716	2,073
Disposal of non-current assets	- 24	- 14
Investments in fixed assets including acquisitions	3,692	2,059

Cash and equivalents

(SEK million)	2020	2019
Cash and bank balances	4,593	3,944
Investments in securities etc.	201	227
Unutilised overdraft facilities	446	532
Cash and equivalents	5,240	4,703

Working capital, including cash and bank balances

(SEK million)	2020	2019
Total current assets	13,374	12,974
Current liabilities and provisions, non-interest-bearing	- 5,081	- 4,212
Working capital, including cash and bank balances	8,293	8,762
Net sales, past 12 months	27,146	25,342
Working capital, including cash and bank balances, in relation to net sales, %	30.5	34.6

Working capital, excluding cash and bank balances

(SEK million)	2020	2019
Inventories	4,431	4,403
Current receivables	4,149	4,400
Current liabilities and provisions, non-interest-bearing	- 5,081	- 4,212
Working capital, excluding cash and bank balances	3,499	4,591
Net sales, past 12 months	27,146	25,342
Working capital, excluding cash and bank balances, in relation to net sales, %	12.9	18.1

Return on capital employed

(SEK million)	2020	2019
Profit after net financial items, past 12 months	3,658	2,836
Financial expenses, past 12 months	477	429
Profit before financial expenses	4,135	3,265
Revaluation of additional considerations	- 353	0
Operating profit, excluding revaluation of additional considerations	3,782	3,265
Capital employed at start of period	28,258	24,660
Capital employed at end of period	28,393	28,258
Average capital employed	28,326	26,459
Return on capital employed, %	14.6	12.3
Return on capital employed, excluding revaluation of additional considerations, %	13.4	12.3

Return on equity

(SEK million)	2020	2019
Profit after net financial items, past 12 months	3,658	2,836
Standard tax rate, %	21.4	21.4
Profit after net financial items, after tax	2,875	2,229
Of which attributable to Parent shareholders	2,818	2,215
Equity at start of period	17,509	15,406
Equity at end of period	17,588	17,509
Average equity	17,549	16,458
Return on equity, %	16.1	13.5

Return on equity, excluding revaluation of additional considerations

(SEK million)	2020	2019
Profit after net financial items, past 12 months	3,658	2,836
Revaluation of additional considerations	- 353	0
Operating profit, excluding revaluation of additional considerations	3,305	2,836
Standard tax rate, %	21.4	21.4
Profit after net financial items, after tax	2,598	2,229
Of which attributable to Parent shareholders	2,541	2,215
Equity at start of period	17,509	15,406
Equity at end of period	17,588	17,509
Average equity	17,549	16,458
Return on equity, excluding revaluation of additional considerations, %	14.5	13.5

Net debt/EBITDA

(SEK million)	2020	2019
Non-current liabilities and provisions, interest-bearing	6,298	7,653
Current liabilities and provisions, interest-bearing	4,362	3,001
Cash and bank balances	- 4,593	- 3,944
Investments in securities etc.	- 201	- 227
Net debt	5,866	6,483
Operating profit, past 12 months	3,880	3,038
Depreciation/amortisation and impairment, past 12 months	1,237	1,037
EBITDA	5,117	4,075
Revaluation of additional considerations	- 353	0
EBITDA, excluding revaluation of additional considerations	4,764	4,075
Net debt/EBITDA, times	1.1	1.6
Net debt/EBITDA, excluding revaluation of additional considerations, times	1.2	1.6

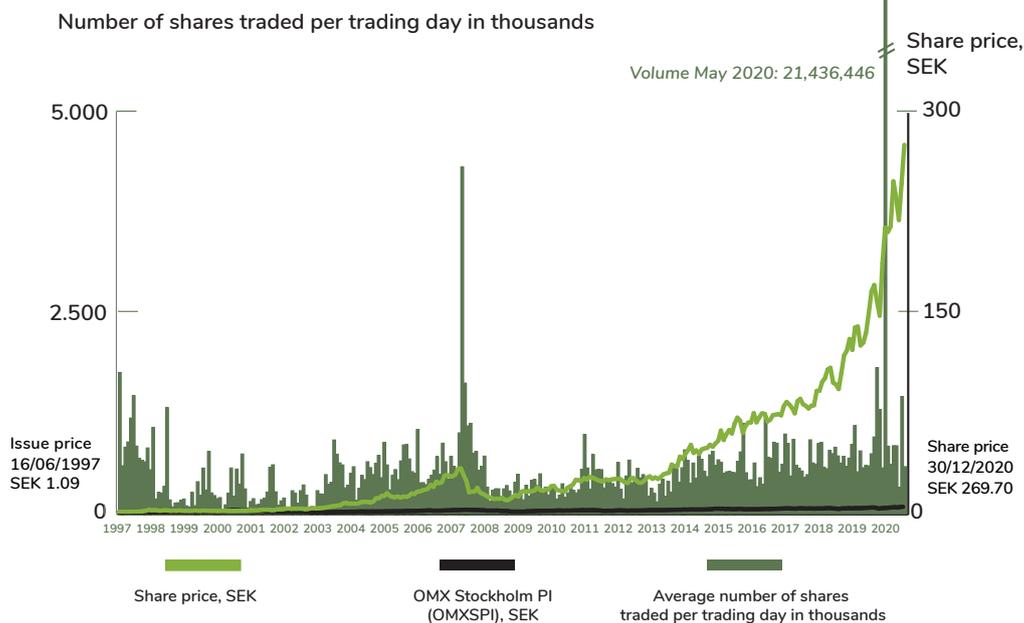
Interest coverage ratio

(SEK million)	2020	2019
Profit after net financial items	3,658	2,836
Financial expenses	477	429
Profit before financial expenses	4,135	3,265
Revaluation of additional considerations	- 353	0
Operating profit, excluding revaluation of additional considerations	3,782	3,265
Net sales	27,146	25,342
Interest coverage ratio, times	8.7	7.6
Interest coverage ratio, excluding revaluation of additional considerations, times	7.9	7.6

Net profit per share, excluding revaluation of additional considerations

(SEK million)	2020	2019
Net profit attributable to Parent shareholders	2,866	2,170
Revaluation of additional considerations	- 353	0
Operating profit, excluding revaluation of additional considerations	2,513	2,170
Net profit per share excluding revaluation of additional considerations, in SEK	4.98	4.31

NIBE-share



NIBE shares

NIBE's class B shares are listed on the NASDAQ Nordic Large Cap list in Stockholm, with a secondary listing on the SIX Swiss Exchange in Zurich. The NIBE share's closing price on 31 December 2020 was SEK 269.70.

In 2020, NIBE's share price rose by 66.1%, from SEK 162.40 to SEK 269.70. During the same period, the OMX Stockholm PI (OMXSPI) increased by 12.9%.

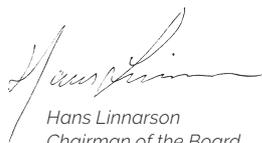
This means that, at the end of December 2020, the market capitalisation of NIBE, based on the latest price paid, amounted to SEK 135,933 million.

In 2020 a total of 256,323,277 NIBE shares were traded, corresponding to a share turnover of 50.9% over the year.

All figures were recalculated following the 4:1 splits implemented in 2003, 2006 and May 2016, and the dilution effect of the preferential rights issue in October 2016.

This year-end report provides an accurate picture of the business activities, financial position and earnings of the Parent and the Group, and describes any significant risks and uncertainties faced by the Parent and the companies that comprise the Group.

Markaryd, 17 February 2021



Hans Linnarson
Chairman of the Board



Georg Brunstam
Director



Jenny Larsson
Director



Anders Pålsson
Director



Jenny Sjö Dahl
Director



Gerteric Lindqvist
Managing Director and
CEO

Accounting policies

NIBE Industrier's consolidated accounts are drawn up in accordance with the International Financial Reporting Standards (IFRS). NIBE Industrier's year-end report for 2020 has been drawn up in accordance with IAS 34 'Interim Financial Reporting'. Disclosures in accordance with IAS 34 16A are presented in the financial statements and related note information as well as in other parts of the year-end report.

The accounting policies applied to the Group are those described on pages 88-91 in the Annual Report for 2019, except that revaluation of additional considerations is now recognised on a separate line in the consolidated income statement with retroactive effect. Results from the revaluation of the Group's liabilities for additional purchase consideration are presented as revaluation of additional considerations in the Group's Income Statement. They were previously recognised as administrative expenses or other operating income as the amounts were significant. To improve comparability with previous periods, key ratios relating to the income statement have also been presented excluding revaluation of additional considerations.

Reporting for the Parent follows the Swedish Annual Accounts Act and recommendation RFR 2 of the Swedish Financial Ac-

counting Standards Council ("Reporting for Legal Entities").

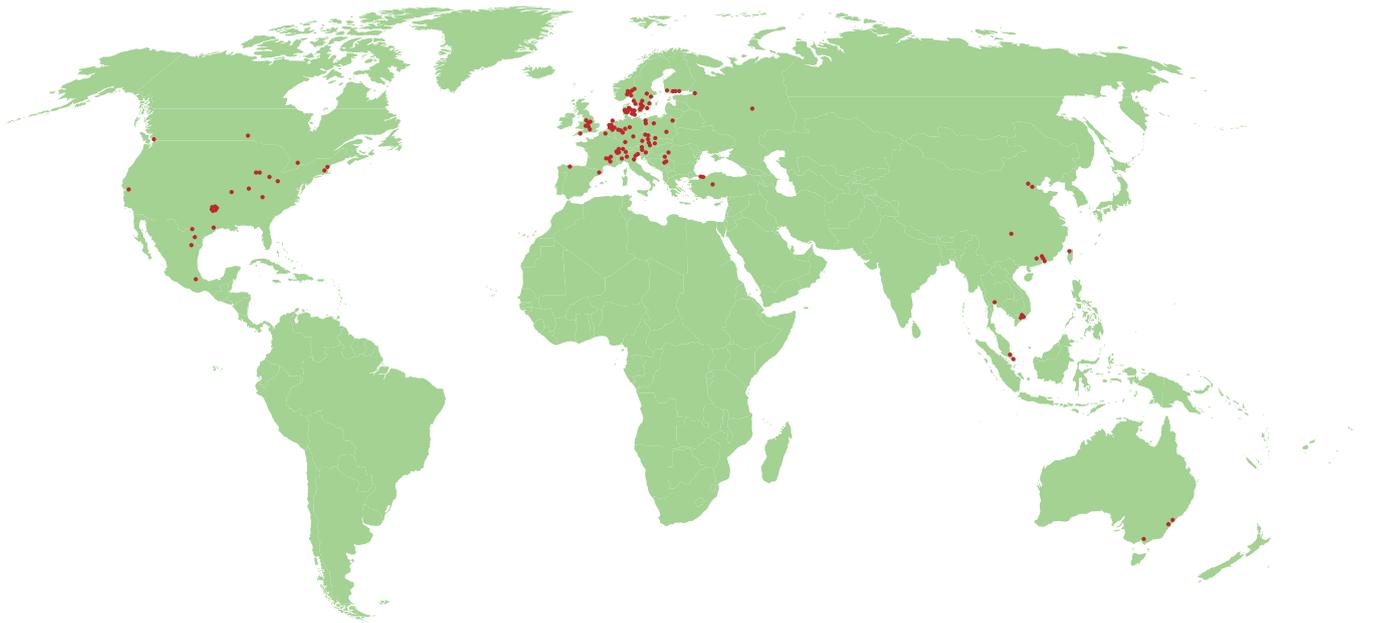
In the case of transactions with associates, these have taken place to the same extent as in the previous year and the same accounting policies apply as those described on page 89 of the company's Annual Report for 2019.

Risks and uncertainties

NIBE Industrier is an international industrial group that is represented in around 40 countries. As such, it is exposed to several business and financial risks. Risk management is therefore an important process relative to the goals that the company has set up. Throughout the NIBE Group, efficient risk management routines are an ongoing process within the framework of the Group's operational management and a natural part of the continual follow-up of activities. It is our opinion that no significant risks or uncertainties have arisen in addition to those described in NIBE Industrier's Annual Report for 2019.

The information in this report has not been subjected to scrutiny by the company's auditors.

For other information on definitions, please refer to the company's Annual Report for 2019.



NIBE Group – a global Group with companies and a presence worldwide

NIBE Group is a global organisation that contributes to a lower carbon footprint and better utilisation of energy. In our three business areas – Climate Solutions, Element and Stoves – we develop, manufacture and market a wide range of eco-friendly, energy-efficient solutions for indoor climate comfort in all types of properties, plus components and solutions for intelligent heating and control in industry and infrastructure.

From its beginnings in the Småland city of Markaryd nearly 70 years ago, NIBE has grown into an international company with an average of 18,700 (17,000) employees and a global presence. From the very start, the company has been driven by a strong culture of entrepreneurship and a passion for responsible business operation. Its success factors are long-term investments in sustainable product development and strategic acquisitions. Combined, these factors have brought about strong, targeted growth, which generated sales of just over SEK 27 (25) billion in 2020.

NIBE has been listed under the name NIBE Industrier AB on the Nasdaq Nordic Large Cap list since 1997, with a secondary listing on the SIX Swiss Exchange since 2011.

NIBE Industrier AB is obliged by Swedish law (the Securities Market Act and/or the Financial Instruments Trading Act) to publish the information in this interim report. This information was made available to the media for publication at 08.00 (C.E.T.) on 17 February 2021.

Please email any questions you have about this report to:
Gerteric Lindquist, MD and Group CEO, gerteric.lindquist@nibe.se
Hans Backman, CFO, hans.backman@nibe.se

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