

# Interim Report Q2 January-June 2021



## The second quarter

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# 2,123

### Order intake, MSEK

Order intake was MSEK 2,123 (1,655), an increase of +28.3% adjusted to +35.3% for currency effects of MSEK -110 and disposals of MSEK -4

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# 1,845

### Net sales, MSEK

Net sales were MSEK 1,845 (1,726), an increase of +6.9% adjusted to +12.2% for currency effects of MSEK -82 and disposals of MSEK -9

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# 208

### Operating profit, MSEK

Operating profit was MSEK 208.2 (153.6), an increase of 35.5% with an operating margin of 11.3 (8.9)%

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# 138

### Net profit, MSEK

Earnings after tax were MSEK 137.7 (98.8)

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# 0.78

### Earnings per share, SEK

Earnings per share were SEK 0.78 (0.55)

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# 200

### Operating cash flow, MSEK

Cash flow from operating activities was MSEK 200.3 (230.2)

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During the second quarter we saw increased activity levels in many markets where the Group is active. The Group's recovery from the impacts of the pandemic accelerated, organic order intake was strong at +35,3%. Growth was very strong for order intake, net sales, operating profits and operating margin.

Regional growth varies depending on the most recent pandemic recovery conditions and lifting of restrictions, with the overall effect being positive.

Order intake for the quarter at 2,123 (1,655) MSEK results in organic growth of +35,3% which compares to -24,1% in Q2 2020. Organic order intake for the quarter was ahead of the pre-pandemic comparable quarter in 2019.

The order backlog has increased 493 MSEK since the start of the year and at the end of the second quarter was 1,765 (1,470) MSEK, +20% year on year.

Net sales for the quarter at 1,845 (1,726) MSEK results in organic growth of +12.2%. Currency headwinds at 82 MSEK remain significant, although less so than the first quarter.

The operating profit of 208.2 (153.6) MSEK delivers an operating margin of 11.3 (8.9)%. In the period there was 3.2 (37.6) MSEK of government subsidy income. Selling and administration expenses were 89 MSEK lower than the second quarter 2019.

Operating cash flow was positive at 200.3 (230.2) MSEK, working capital increased 37.0 (reduction 61.3) MSEK and tax paid plus financial items were 22.6 MSEK higher. Due to reduced interest costs, financial items were 20.8 (25.4) MSEK.

Availability of components and materials combined with logistics complications continue to disrupt the global supply chain. The effects have increased during the second and third quarters. The Group's operations and customer service functions continue to take all appropriate measures to ensure a good service level to our customers. Some level of improvement is anticipated in the fourth quarter.

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## CEO comments

- We are pleased to see the good results in the quarter and half year for order intake and net sales, which delivered a strong increase in profitability.
- Operating margins reached 11.3% for the quarter and 10.2% for the half year. This is a result of collective commitment and hard work from the teams in combination with a higher activity level on the market.
- The high focus on sustainable solutions continue. During the quarter, Fagerhult launched a new version of one of their best-selling products “Multilume Re:Think”. In this new version the body of the luminaire is made from 100% recyclable cardboard, reducing climate impact by 83%.
- Connected solutions continue to grow, Organic Response volumes increased 60% for the first half year.
- The work on together determining the Group’s core values has reached its role out phase and now we start the journey to live them.



”Quicker recovery and improved positive results gives confidence for the future”

Bodil Sonesson, CEO and President

## January-June

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# 3,977

**Order intake, MSEK**

Order intake was MSEK 3,977 (3,801), an overall growth of +4.6% adjusted to +11.3% for currency effects of MSEK -218 and disposals of MSEK -31

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# 3,523

**Net sales, MSEK**

Net sales were MSEK 3,523 (3,415), an overall growth of +3.2% adjusted to +9.5% for currency effects of MSEK -179 and disposals of MSEK -33

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# 361

**Operating profit, MSEK**

Operating profit was MSEK 361.1 (164.3) an increase of 119.8% with an operating margin of 10.2 (4.8)%

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# 234

**Net profit, MSEK**

Earnings after tax were MSEK 233.9 (82.4)

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# 1.31

**Earnings per share, SEK**

Earnings per share were SEK 1.31 (0.46)

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# 259

**Operating cash flow, MSEK**

Cash flow from operating activities was MSEK 258.9 (318.1)

The Group has responded well to the increase in market activity levels and delivered strongly improved results for the first half year. The trading performance is ahead of last year.

The first quarter result delivered a solid start to the year and the result for the second quarter enhanced the position. The Group enters the second half year with a healthy order backlog and confidence for the future.

The Group's half year order intake of 3,977 (3,801) MSEK shows a +4.6% increase, further increasing to +11.3% when adjusting for currency effects -218 MSEK and disposal effects -31 MSEK.

The Group's half year net sales of 3,523 (3,415) MSEK show a +3.2% increase, further increasing to +9.5% when adjusting for currency effects -179 MSEK and disposal effects -33 MSEK.

The Group's operating profits at the half year of 361.1 (164.3) MSEK show a continued improvement in operating margin from 4.8% last year to 10.2% in 2021. Selling and administrative costs are 109.9 MSEK lower than last year and government subsidy income for the half year is 8.3 (37.6) MSEK.

Operating cash flows in the period were positive at 258.9 (318.1) MSEK with the increased operating profit being offset by an increase in working capital and 65.4 MSEK increase in tax paid.

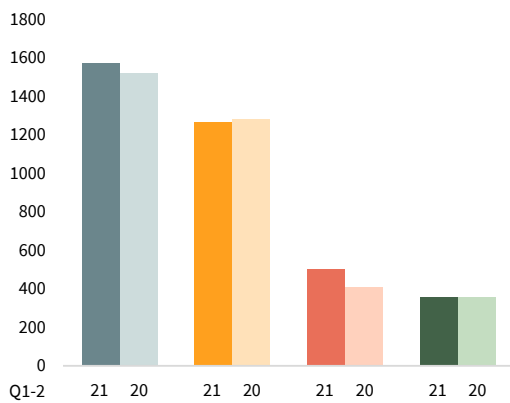
Financial items of 43.0 (52.7) MSEK include 10.0 (13.4) MSEK for IFRS16 and an 8.4 MSEK reduction in interest costs. The tax expense in the period of 84.2 (29.2) MSEK results in a 26.5 (26.2)% tax rate.

# Business areas

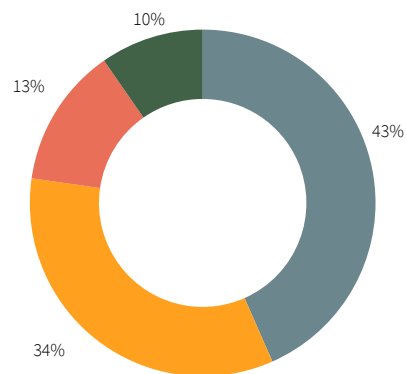
## Net sales and operating profit by business area

	Net sales				Operating profit				Operating margin %			
	Q2		Q1-2		Q2		Q1-2		Q2		Q1-2	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Collection	822.0	810.7	1,573.6	1,517.9	80.6	91.3	139.1	55.3	9.8	11.3	8.8	3.6
Premium	657.6	611.7	1,266.7	1,281.1	90.3	50.5	159.7	97.6	13.7	8.3	12.6	7.6
Professional	264.7	217.0	499.0	407.0	27.8	16.4	47.5	13.4	10.5	7.6	9.5	3.3
Infrastructure	188.1	164.8	354.4	354.8	23.4	19.5	39.6	45.0	12.4	11.8	11.2	12.7
Lighting Innovations	-	3.1	-	21.3	-	-6.8	-	-12.1	-	-	-	-
Eliminations	-86.7	-81.3	-170.5	-166.7	-	-	-	-	-	-	-	-
<b>Results by business area</b>	<b>1,845.7</b>	<b>1,726.0</b>	<b>3,523.2</b>	<b>3,415.4</b>	<b>222.1</b>	<b>170.9</b>	<b>385.9</b>	<b>199.2</b>	<b>12.0</b>	<b>9.9</b>	<b>11.0</b>	<b>5.8</b>
IFRS 16	-	-	-	-	2.0	2.1	5.0	4.5	-	-	-	-
Unallocated cost	-	-	-	-	-15.9	-19.4	-29.8	-39.4	-	-	-	-
<b>Operating profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>208.2</b>	<b>153.6</b>	<b>361.1</b>	<b>164.3</b>	<b>11.3</b>	<b>8.9</b>	<b>10.2</b>	<b>4.8</b>
Financial items	-	-	-	-	-20.8	-25.4	-43.0	-52.7	-	-	-	-
<b>Profit before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>187.4</b>	<b>128.2</b>	<b>318.1</b>	<b>111.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

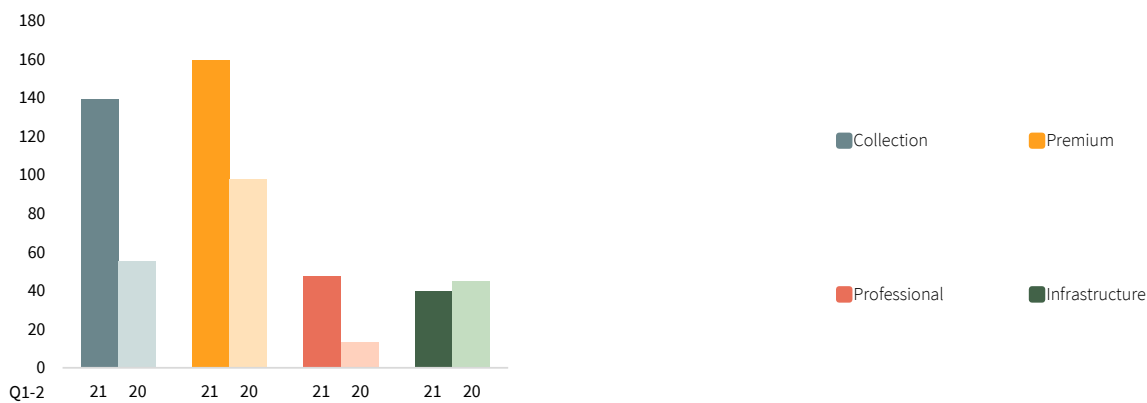
Net sales per business area, MSEK



Sales share per business area, %



Operating profit per business area, MSEK



## Collection

Collection is home to our brands with a global market footprint. All have an international product portfolio and are well-renowned in the lighting designer and architect communities globally. They offer a wide product range with a focus on indoor and outdoor architectural applications.

Brands included are; ateljé Lyktan, iGuzzini, LED Linear and WE-EF with product development and manufacturing facilities in Sweden, Italy, Canada, China, Germany and Thailand. The business area also includes all sales companies for iGuzzini, LED Linear and WE-EF as well as the newly acquired outdoor lighting connectivity business Seneco based in Denmark.

We begin to see a good level of collaboration on many aspects across the four businesses and the progress on identified strategic projects continues at a steady pace.

Business area order intake for the second quarter of 893 (707) MSEK shows an organic growth of +35.2%.

Net sales for the second quarter were 822 (811) MSEK, an organic increase of 7.4%.

Operating profits for the second quarter decreased from 91.3 MSEK last year to 80.6 MSEK in the current year. The reason for the decline is the special Covid situation during Q2 2020 as the iGuzzini business delivered an exceptional result following re-opening of operations after a Covid-19 imposed closure.

For the year to date the overall profitability position is much improved compared to last year.

# 822

Net sales, MSEK

# 81

Operating profit, MSEK

# 9.8

Operating margin, %

**ateljé Lyktan**

**iGuzzini**

**LED LINEAR**

**we-ef**

Collection	Q2, 2021	Q2, 2020	Q1-2, 2021	Q1-2, 2020
Net sales	822.0	810.7	1,573.6	1,517.9
(of which, intercompany sales)	(23.5)	(22.3)	(44.8)	(44.6)
Operating profit	80.6	91.3	139.1	55.3
Operating margin, %	9.8	11.3	8.8	3.6
Sales growth, %	1.4	-11.4	3.7	6.6
Sales growth, adjusted for exchange rate differences, %	7.4	-11.9	10.0	5.1
Growth in operating profit, %	-11.7	51.4	151.5	-44.2

## Premium

Premium focuses on the European market and European-based global customers. Our Premium brands work closely with specifiers and partners to deliver premium projects, often with bespoke solutions. The majority of sales are related to indoor applications and there is also an outdoor offering for specific markets.

Brands included are Fagerhult and LTS with product development and manufacturing facilities in Sweden, Germany and China. The business area also includes all Fagerhult sales companies (except New Zealand) and the Organic Response Technologies business in Australia and Sweden.

For the Premium business area we have identified and make progress on several significant European growth opportunities where we already see sales synergies taking place.

Our lighting connectivity solution, Organic Response continues to develop well. The 79% volume growth in 2020 is followed by a further 60% volume growth in the first half year 2021. Project penetration is still low at less than 10% and presents a significant opportunity for the future.

Business area order intake for the second quarter of 710 (580) MSEK shows an organic growth of +26.2%.

Net sales for the second quarter were 658 (612) MSEK, an organic growth of +10.2%.

Operating profits increased to 90.3 (50.5) MSEK in the quarter and the business area has successfully increased the operating margin to 13.7%.

# 658

Net sales, MSEK

# 90

Operating profit, MSEK

# 13.7

Operating margin, %

## FAGERHULT



Premium	Q2, 2021	Q2, 2020	Q1-2, 2021	Q1-2, 2020
Net sales	657.6	611.7	1,266.7	1,281.1
<i>(of which, intercompany sales)</i>	<i>(33.9)</i>	<i>(36.0)</i>	<i>(72.9)</i>	<i>(70.6)</i>
Operating profit	90.3	50.5	159.7	97.6
Operating margin, %	13.7	8.3	12.6	7.6
Sales growth, %	7.5	-19.4	-1.1	-15.4
Sales growth, adjusted for exchange rate differences, %	10.2	-18.3	2.2	-15.3
Growth in operating profit, %	78.8	-32.3	63.6	-39.0

## Professional

Professional focuses mainly on indoor applications for local and neighbouring markets. The brands work closely together with local partners on project specifications to deliver full and complete solutions. Local production and product development allows for tailored solutions with bespoke products delivered within short lead times.

Brands included are; Arlight, Eagle and Whitecroft, with product development and manufacturing facilities in Turkey, Australia and the UK. The sales company in New Zealand is consolidated in this business area.

For the companies in the Professional business area, we are already seeing a good level of knowledge sharing and product exchange.

Business area order intake for the second quarter of 283 (212) MSEK, shows an organic growth of +38.8%, all three businesses contribute to the growth.

Net sales for the second quarter were 265 (217) MSEK, an organic increase of 28.2% with strong growth in the UK.

Operating profits improved to 27.8 (16.4) MSEK in the second quarter and the operating margin was 10.5 (7.6)%.

Professional	Q2, 2021	Q2, 2020	Q1-2, 2021	Q1-2, 2020
Net sales	264.7	217.0	499.0	407.0
<i>(of which, intercompany sales)</i>	<i>(21.0)</i>	<i>(18.1)</i>	<i>(39.1)</i>	<i>(42.5)</i>
Operating profit	27.8	16.4	47.5	13.4
Operating margin, %	10.5	7.6	9.5	3.3
Sales growth, %	22.0	-17.2	22.6	-16.6
Sales growth, adjusted for exchange rate differences, %	28.2	-15.0	30.7	-15.6
Growth in operating profit, %	69.5	-21.2	254.5	-65.9

# 265

Net sales, MSEK

# 28

Operating profit, MSEK

# 10.5

Operating margin, %

ARLIGHT 

 EAGLE  
LIGHTING

 Whitecroft  
lighting



## Infrastructure

Infrastructure provides lighting solutions for environments with specific requirements for installation, durability and robustness. The companies are world-leading in their areas and highly experienced in finding the best solutions for every project and customer. The majority of their sales are within Europe with some global installations.

Brands included are; Designplan, i-Valo and Veko, with product development and manufacturing facilities in UK, Finland and the Netherlands.

We see a significant growth opportunity for the business area in many European markets, particularly in the Nordics, Germany and the UK.

Business area order intake for the second quarter of 237 (152) MSEK shows an organic growth of +65.0%. During the quarter the business area secured two large projects totalling almost 50 MSEK. One for a South American papermill and one for a UK prison.

Net sales for the second quarter were 188 (165) MSEK, an organic growth of +19.2%.

Operating profits increased to 23.4 (19.5) MSEK and the operating margin is 12.4 (11.8)%.

Infrastructure	Q2, 2021	Q2, 2020	Q1-2, 2021	Q1-2, 2020
Net sales	188.1	164.8	354.4	354.8
<i>(of which, intercompany sales)</i>	<i>(8.3)</i>	<i>(4.9)</i>	<i>(13.7)</i>	<i>(90.1)</i>
Operating profit	23.4	19.5	39.6	45.0
Operating margin, %	12.4	11.8	11.2	12.7
Sales growth, %	14.1	-9.5	-0.1	-1.8
Sales growth, adjusted for exchange rate differences, %	19.2	-9.4	5.0	-3.1
Growth in operating profit, %	20.0	-42.6	-12.0	-30.0

# 188

Net sales, MSEK

# 23

Operating profit, MSEK

# 12.4

Operating margin, %

**designplan**  
L I G H T I N G

**i VALO**

**VEKO**  
— LIGHTSYSTEMS

## Seneco A/S (Seneco)

To strengthen our connectivity offering for outdoor environments, the Fagerhult Group acquired the remaining 80% shares in Seneco for a cash consideration of 13.0 MSEK. Seneco is a Danish based outdoor lighting connectivity company founded in 2010. In 2017 we acquired an initial 20% of the shares. For more information refer to the press release on 8 April 2021.

## Financial position

The Group's equity/assets ratio at the end of the reporting period was 47.9 (42.6)%. Cash and bank balances at the end of the period were 1,618 (1,177) MSEK and consolidated equity was 6,032 (5,499) MSEK.

The 59 MSEK reduction in operating cash flow for the year to date results from a 154 (reduction 35) MSEK increase in working capital and additional taxes paid of 65 MSEK.

The net debt at the end of the period is 2,844 (3,657) MSEK. Included within the net debt is 747 (892) MSEK relating to IFRS16 accounting. During the second quarter the final earn-out payment of 110 MSEK was paid for the 2018 Veko acquisition and the 88 MSEK dividend was also paid.

Pledged assets and contingent liabilities amounted to SEK 17.7 million (18.3) and SEK 6.5 million (4.1) respectively.

## Investments

The Group's net investments in non-current assets was 58 (81) MSEK. The figure does not include investments in subsidiaries, which were 110 (105) MSEK.

## Employees

The average number of employees during the period was 4,165 (4,579).

## Parent company

AB Fagerhult's operations comprise Group Management, financing and business development activities. The profit after financial items was 103.1 (201.2) MSEK. The number of employees during the period was 15 (8).

## Accounting principles

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual accounts Act. The information for the interim period on pages 1-18 is an integral part of this financial report. The Parent Company's interim report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.

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Applied accounting principles are unchanged in comparison with those described in Fagerhult's annual report for the financial year 2020.

Income from government support as a result of Covid-19 is included in Other operating income in the income statement.

## Risks and uncertainties

The Group's significant risks and uncertainties consist primarily of business risks, and financial risks associated with currencies and interest rates. Through the company's international operations, the Fagerhult Group is subject to financial exposure arising from currency fluctuations as well as the regionalised uncertainty of political situations.

The most prominent risks, however, are currency risks arising from export sales and imports of raw materials and components. This exposure is reduced by hedging the flow of sensitive currencies, based on individual assessment. Currency risk also arises in the translation of foreign net assets and earnings.

For more information about the company's risks, refer to the 2020 Annual Report and the section on risks on the Group's website. In addition to the risks described in the company's Annual Report and the risks linked to the ongoing Covid-19 pandemic, no other significant risks are considered to have arisen.

## Outlook for 2021

The Group continues to recover from the Covid-19 pandemic. We develop an increasingly stable operation and from this platform we achieve organic growth. Of course, the pandemic persists, and uncertainties continue but at a reduced level. The progress during 2021 is clearly demonstrated and we are confident that the positive trends will continue, however, the recovery to pre-Covid levels on an annual basis, in our opinion, will take a little longer.

Market activity levels are returning, we see organic growth and we continue with a stable cost base and the combination of these will positively impact the year.

The challenges in the global supply chain have increased and are set to endure for several months yet. However, the Group's supply chain relationships are strong, the collaboration and communication are frequent and resources are appropriately applied.

## Declaration

The Board of Directors and Chief Executive Officer warrant that the interim report gives a true and fair picture of the company's and Group's operations, financial position and results, and describes all significant risks and uncertainties faced by the Group

Habo, 23 August 2021  
AB Fagerhult (publ)

Jan Svensson  
*Chairman*

Eric Douglas  
*Vice chairman*

Morten Falkenberg  
*Board Member*

Cecilia Fasth  
*Board Member*

Annica Bresky  
*Board Member*

Teresa Enander  
*Board Member*

Magnus Nell  
*Board Member & Employee Representative*

Lars-Åke Johansson  
*Board Member & Employee Representative*

Bodil Sonesson  
*President and CEO*

An investor webcast following the Quarter 2 Report 2021 will be held on 23 August 2021 at 15:30 CET.

A link to the webcast will be available on <http://ir.fagerhultgroup.com>.

A Management presentation will also be published on <http://ir.fagerhultgroup.com>.

This report has not been subject to a review by the company's auditor.

Interim report for the third quarter 2021 will be released on 29<sup>th</sup> October.

Information can be obtained from;

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**AB Fagerhult (publ.)**  
Corporate ID no. 556110-6203

# Group

Condensed financial statements

## Income statement

	2021 Q2 3 months	2020 Q2 3 months	2021 Q1-2 6 months	2020 Q1-2 6 months	2020/2021 Jul-Jun 12 months	2020 Jan-Dec 12 months
Net sales	1,845.7	1,726.0	3,523.2	3,415.4	6,924.1	6,816.3
Cost of goods sold	-1,140.6	-1,106.8	-2,198.6	-2,202.5	-4,413.2	-4,417.1
<b>Gross profit</b>	<b>705.1</b>	<b>619.2</b>	<b>1,324.6</b>	<b>1,212.9</b>	<b>2,510.9</b>	<b>2,399.2</b>
Selling expenses	-355.3	-373.8	-707.5	-809.2	-1,434.5	-1,536.2
Administrative expenses	-159.0	-143.5	-303.8	-312.0	-606.5	-614.7
Other operating income	17.4	51.7	47.8	72.6	153.4	178.2
Other operating expenses	-	-	-	-	-94.0	-94.0
<b>Operating profit</b>	<b>208.2</b>	<b>153.6</b>	<b>361.1</b>	<b>164.3</b>	<b>529.3</b>	<b>332.5</b>
Financial items	-20.8	-25.4	-43.0	-52.7	-106.1	-115.8
<b>Profit before tax</b>	<b>187.4</b>	<b>128.2</b>	<b>318.1</b>	<b>111.6</b>	<b>423.2</b>	<b>216.7</b>
Tax	-49.7	-29.4	-84.2	-29.2	300.7	355.7
<b>Net profit for the period</b>	<b>137.7</b>	<b>98.8</b>	<b>233.9</b>	<b>82.4</b>	<b>723.9</b>	<b>572.4</b>
Net profit for the period attributable to shareholders of the Parent Company	137.0	97.6	230.4	80.7	715.4	565.7
Net profit for the period attributable to Non-controlling interests	0.7	1.2	3.5	1.7	8.5	6.7
<b>Sum</b>	<b>137.7</b>	<b>98.8</b>	<b>233.9</b>	<b>82.4</b>	<b>723.9</b>	<b>572.4</b>
<b>Earnings per share, based on net profit for the period attributable to the shareholders of the Parent Company</b>						
Earnings per share before dilution, SEK	0.78	0.55	1.31	0.46	4.06	3.21
Earnings per share after dilution, SEK	0.78	0.55	1.31	0.46	4.06	3.21
Average number of outstanding shares before dilution, thousands	176,147	176,142	176,147	176,136	176,147	176,142
Average number of outstanding shares after dilution, thousands	176,147	176,142	176,147	176,136	176,147	176,142
Number of outstanding shares, thousands	176,147	176,147	176,147	176,147	176,147	176,147
<b>STATEMENT OF COMPREHENSIVE INCOME</b>						
<b>Net profit for the period</b>	<b>137.7</b>	<b>98.8</b>	<b>233.9</b>	<b>82.4</b>	<b>723.9</b>	<b>572.4</b>
<b>Other comprehensive income</b>						
<i>Items which may not be reclassified in the income statement:</i>						
Revaluation of pension plans	2.7	-	2.7	-	6.3	3.6
<i>Items which may be reclassified in the income statement:</i>						
Translation differences	-72.7	-285.0	85.1	-90.6	-94.8	-270.5
<b>Other comprehensive income for the period, net after tax</b>	<b>-70.0</b>	<b>-285.0</b>	<b>87.8</b>	<b>-90.6</b>	<b>-88.5</b>	<b>-266.9</b>
<b>Total comprehensive income for the period</b>	<b>67.7</b>	<b>-186.2</b>	<b>321.7</b>	<b>-8.2</b>	<b>635.4</b>	<b>305.5</b>
Total comprehensive income attributable to shareholders of the Parent Company	67.0	-187.4	316.9	-9.9	626.7	299.9
Total comprehensive income attributable to Non-controlling interests	0.7	1.2	4.8	1.7	8.7	5.6
<b>Sum</b>	<b>67.7</b>	<b>-186.2</b>	<b>321.7</b>	<b>-8.2</b>	<b>635.4</b>	<b>305.5</b>

## Balance sheet

	30 Jun 2021	30 Jun 2020	31 dec 2020
Intangible assets	5,718.6	5,968.7	5,657.8
Tangible fixed assets	2,373.3	2,698.6	2,469.6
Financial assets	225.2	218.5	219.4
Inventories	1,123.9	1,260.5	997.7
Accounts receivable - trade	1,349.5	1,363.6	1,122.2
Other non-interest-bearing current assets	185.0	218.2	171.2
Cash and cash equivalents	1,617.9	1,176.6	1,624.0
<b>Total assets</b>	<b>12,593.4</b>	<b>12,904.7</b>	<b>12,261.9</b>
Equity	6,031.6	5,498.6	5,802.6
Long-term interest-bearing liabilities	4,241.2	4,614.0	4,254.5
Long-term non-interest-bearing liabilities	544.1	1,064.7	547.5
Short-term interest-bearing liabilities	220.7	219.3	181.0
Short-term non-interest-bearing liabilities	1,555.8	1,508.1	1,476.3
<b>Total equity and liabilities</b>	<b>12,593.4</b>	<b>12,904.7</b>	<b>12,261.9</b>

## Cash flow statement

	2021 Q2 3 months	2020 Q2 3 months	2021 Q1-2 6 months	2020 Q1-2 6 months	2021 Jul-Jun 12 months	2020 Jan-Dec 12 months
<b>Operating profit</b>	<b>208.2</b>	<b>153.6</b>	<b>361.1</b>	<b>164.3</b>	<b>529.3</b>	<b>332.5</b>
Adjustments for non-cash items	82.1	45.7	218.0	227.9	478.6	488.5
Financial items	-14.0	-7.7	-26.6	-35.0	-59.0	-67.4
Tax paid	-39.0	-22.7	-139.5	-74.1	-172.0	-106.6
<b>Funds contributed from operating activities before change in working capital</b>	<b>237.3</b>	<b>168.9</b>	<b>413.0</b>	<b>283.1</b>	<b>776.9</b>	<b>647.0</b>
Change in working capital	-37.0	61.3	-154.1	35.0	301.8	490.9
<b>Cash flow from operating activities</b>	<b>200.3</b>	<b>230.2</b>	<b>258.9</b>	<b>318.1</b>	<b>1,078.7</b>	<b>1,137.9</b>
Cash flow from investing activities	-151.1	-30.4	-163.6	-179.0	-277.4	-292.8
Cash flow from financing activities	-88.8	-65.7	-130.8	-66.2	-333.5	-268.9
<b>Cash flow for the period</b>	<b>-39.6</b>	<b>134.1</b>	<b>-35.5</b>	<b>72.9</b>	<b>467.8</b>	<b>576.2</b>
Cash and cash equivalents at beginning of period	1,673.6	1,110.2	1,624.0	1,133.5	1,176.6	1,133.5
Translation differences in cash and cash equivalents	-16.1	-67.7	29.4	-29.8	-26.5	-85.7
<b>Cash and cash equivalents at end of period</b>	<b>1,617.9</b>	<b>1,176.6</b>	<b>1,617.9</b>	<b>1,176.6</b>	<b>1,617.9</b>	<b>1,624.0</b>

## Key ratios and data per share

	2021 Q2 3 Months	2020 Q2 3 Months	2021 Q1-2 6 months	2020 Q1-2 6 months	2021 Jul-Jun 12 months	2020 Jan-Dec 12 months
Sales growth, %	6.9	-16.0	3.2	-6.4	-9.0	-13.1
Growth in operating profit, %	35.5	-12.1	119.8	-50.6	-15.5	-58.2
Growth in profit before tax, %	46.2	-17.5	185.0	-60.4	-19.5	-68.9
Operating margin, %	11.3	8.9	10.2	4.8	7.6	4.9
Profit margin, %	10.2	7.4	9.0	3.3	6.1	3.2
Cash liquidity, %	91.1	68.1	91.1	68.1	91.1	98.0
Net debt/EBITDA ratio	2.2	3.3	2.4	4.5	2.7	3.2
Equity/assets ratio, %	47.9	42.6	47.9	42.6	47.9	47.3
Capital employed, MSEK	10,494	10,332	10,494	10,332	10,494	10,238
Return on capital employed, %	7.8	6.6	7.1	3.5	5.2	3.5
Return on equity, %	9.1	7.2	7.9	3.0	12.6	10.1
Net debt, MSEK	2,844	3,657	2,844	3,657	2,844	2,812
Gross investment in non-current assets, MSEK	29.6	40.7	58.3	81.3	160.6	183.6
Net investment in non-current assets, MSEK	29.6	40.7	58.3	81.3	160.6	183.6
Depreciation/amortisation/impairment of non-current assets, MSEK	113.2	120.8	221.9	244.5	535.8	558.4
Number of employees	4,175	4,640	4,165	4,579	4,218	4,419
Equity per share, SEK	34.24	31.22	34.24	31.22	34.24	32.94
Number of outstanding shares, thousands	176,147	176,147	176,147	176,147	176,147	176,147

For more information about the Key ratios and the definitions applied, please refer to AB Fagerhult's website under "Investor/Financial data/Financial glossary." The website also includes the definition of any Alternative Performance Measures used whereas this report details the financial aspect to these.

## Changes in equity

## Attributable to shareholders of the Parent Company

	Share capital	Other contributed capital	Reserves	Retained earnings	Non- controlling interest	Total equity
<b>Equity at 1 January 2020</b>	<b>100.4</b>	<b>3,194.6</b>	<b>-185.9</b>	<b>2,352.2</b>	<b>39.9</b>	<b>5,501.2</b>
Net profit for the period				80.7	1.7	82.4
Other comprehensive income for the period			-90.6	-		-90.6
Total comprehensive income for the period			-90.6	80.7	1.7	-8.2
Performance share plan				5.6		5.6
<b>Equity at 30 June 2020</b>	<b>100.4</b>	<b>3,194.6</b>	<b>-276.5</b>	<b>2,438.5</b>	<b>41.6</b>	<b>5,498.6</b>
<b>Equity at 1 January 2021</b>	<b>100.4</b>	<b>3,194.6</b>	<b>-455.3</b>	<b>2,924.7</b>	<b>38.2</b>	<b>5,802.6</b>
Net profit for the period				230.4	3.5	233.9
Other comprehensive income for the period			83.8	2.7	1.3	87.8
Total comprehensive income for the period			83.8	233.1	4.8	321.7
Performance share plan				-4.6		-4.6
Dividend paid, SEK 0.50 per share				-88.1		-88.1
<b>Equity at 30 June 2021</b>	<b>100.4</b>	<b>3,194.6</b>	<b>-371.5</b>	<b>3,065.1</b>	<b>43.0</b>	<b>6,031.6</b>

# Parent company

Condensed financial statements

## Income statement

	2021 Q2 3 Months	2020 Q2 3 Months	2021 Q1-2 6 Months	2020 Q1-2 6 Months	2020/2021 Jul-Jun 12 months	2020 Jan-Dec 12 months
Net sales	7.0	4.0	14.3	7.6	18.4	11.7
Administrative expenses	-19.0	-19.8	-34.2	-38.8	-54.9	-59.5
<b>Operating profit</b>	<b>-12.0</b>	<b>-15.8</b>	<b>-19.9</b>	<b>-31.2</b>	<b>-36.5</b>	<b>-47.8</b>
Income from shares in subsidiaries	89.0	214.6	89.0	214.6	-8.3	117.3
Financial items	8.5	-13.9	34.0	17.8	27.6	11.4
<b>Profit before appropriations and tax</b>	<b>85.5</b>	<b>184.9</b>	<b>103.1</b>	<b>201.2</b>	<b>-17.2</b>	<b>80.9</b>
Tax	0.7	-	-2.9	-	4.7	7.6
<b>Net profit</b>	<b>86.2</b>	<b>184.9</b>	<b>100.2</b>	<b>201.2</b>	<b>-12.5</b>	<b>88.5</b>

## Balance sheet

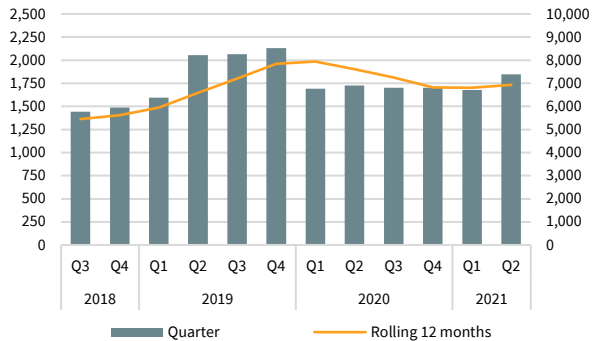
	30 Jun 2021	30 Jun 2020	31 dec 2020
Financial assets	7,095.2	7,286.8	7,087.1
Other non interest bearing receivables	43.2	132.1	52.8
Cash & Bank	908.2	648.1	952.1
<b>Total assets</b>	<b>8,046.6</b>	<b>8,067.0</b>	<b>8,092.0</b>
Equity	3,923.3	4,029.4	3,913.7
Long-term interest bearing liabilities	3,236.1	3,420.1	3,210.3
Long-term non interest bearing liabilities	5.9	0.2	4.8
Short-term interest bearing liabilities	880.0	583.8	928.1
Short-term non interest bearing liabilities	1.3	33.5	35.1
<b>Total Equity and Liabilities</b>	<b>8,046.6</b>	<b>8,067.0</b>	<b>8,092.0</b>

## Changes in equity

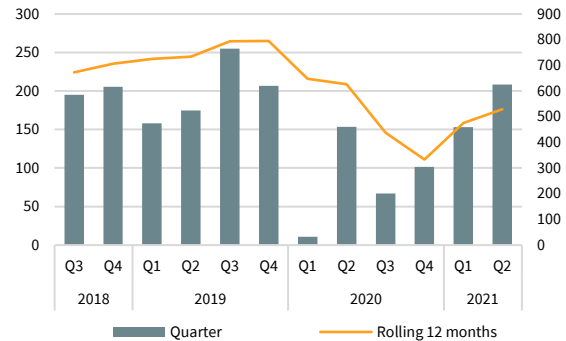
	Share capital	Statutory reserve	Retained earnings	Total equity
<b>Equity at 1 January 2020</b>	<b>100.4</b>	<b>159.4</b>	<b>3,564.3</b>	<b>3,824.1</b>
Net profit for the period			201.2	201.2
Performance share program			4.1	4.1
<b>Equity at 30 Juni 2020</b>	<b>100.4</b>	<b>159.4</b>	<b>3,769.6</b>	<b>4,029.4</b>
<b>Equity at 1 January 2021</b>	<b>100.4</b>	<b>159.4</b>	<b>3,653.9</b>	<b>3,913.7</b>
Net profit for the period			100.2	100.2
Performance share plan			-2.5	-2.5
Dividend paid, SEK 0.50 per share			-88.1	-88.1
<b>Equity at 30 June 2021</b>	<b>100.4</b>	<b>159.4</b>	<b>3,663.5</b>	<b>3,923.3</b>



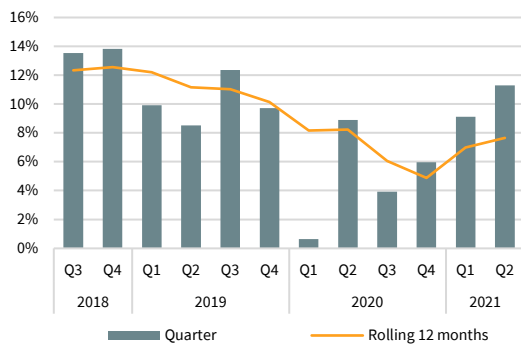
## Net sales, MSEK



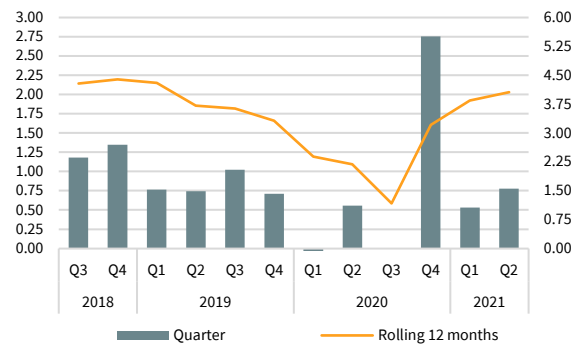
## Operating profit, MSEK



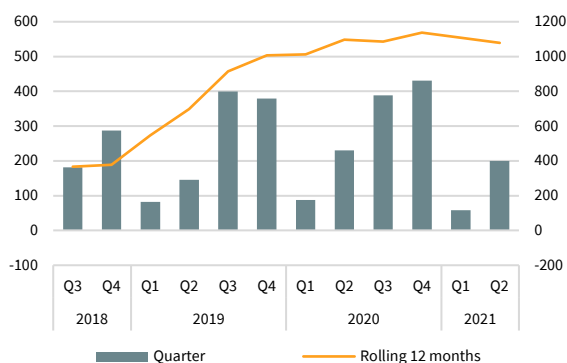
## Operating margin, %



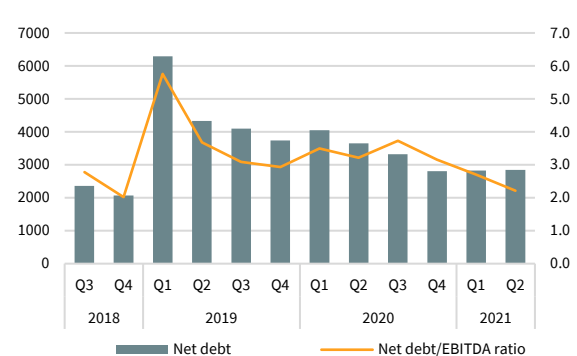
## Earnings per share, SEK



## Operating cashflow



## Net debt and Net debt EBITDA ratio

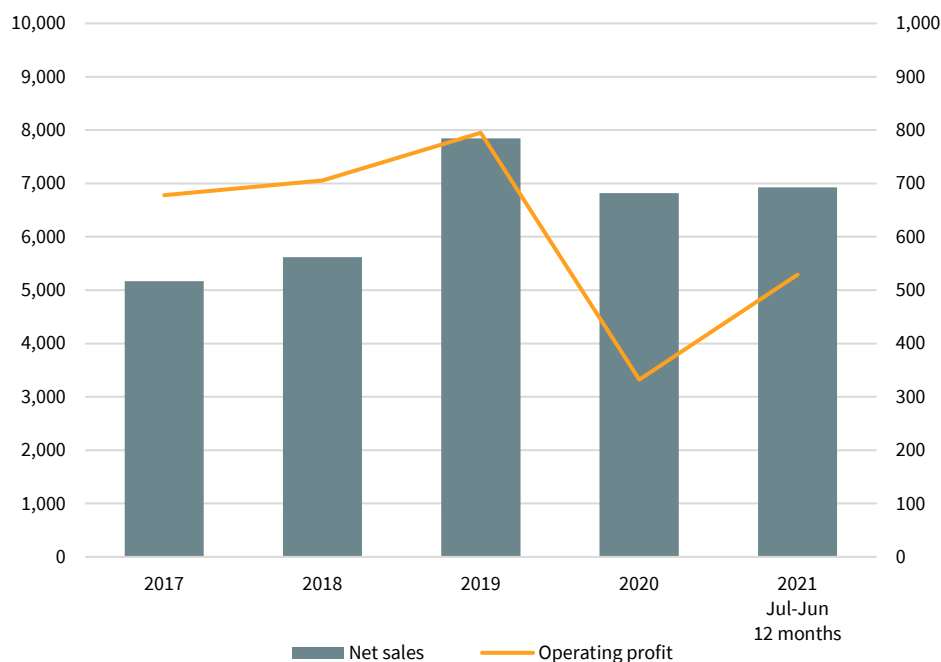


## Key ratios and data per share

	2017	2018	2019	2020	2021 Jul-Jun 12 months
Net sales, MSEK	5,170.3	5,621.0	7,844.9	6,816.3	6,924.1
Operating profit, MSEK *	677.9	705.8	794.8	332.5	529.3
Profit before tax, MSEK *	652.5	666.7	695.7	216.7	423.2
Earnings per share, SEK *	4.32	4.39	3.32	3.21	4.06
Sales growth, % *	15.1	8.7	39.6	-13.1	-9.0
Growth in operating profit, % *	29.3	4.1	12.6	-58.2	-15.5
Growth in profit before tax, % *	26.8	2.2	4.3	-68.9	-19.5
Operating margin, % *	13.1	12.6	10.1	4.9	7.6
Net debt/EBITDA ratio *	2.2	2.0	2.9	3.2	2.7
Equity/assets ratio, % *	31.0	32.2	42.0	47.3	47.9
Capital employed, MSEK *	4,670	5,010	10,372	10,238	10,494
Return on capital employed, % *	16.8	14.8	10.8	3.5	5.2
Return on equity, % *	28.1	25.0	13.5	10.1	12.6
Net debt, MSEK *	1,830	2,073	3,737	2,812	2,844
Net investment in non-current assets, MSEK *	177.1	123.3	242.7	183.6	160.6
Depreciation/amortisation/impairment of non-current assets, MSEK *	158.2	320.3	478.8	558.4	535.8
Number of employees	3,241	3,384	4,465	4,419	4,218

\* Impacted by IFRS 16 from 2019-01-01

## Net sales and operating profit, MSEK



## Notes

### Note 1 - IFRS 16 Leases

This note explains the effects in the Group's financial report when applying IFRS 16 Leases. In the balance sheet and income statement, IFRS 16 leases had the following impact:

#### IFRS 16 Balance sheet impact

	30 Jun 2021	30 Jun 2020	31 dec 2020
Tangible fixed assets	736.0	888.1	776.4
Financial assets	6.3	5.2	5.5
Other non-interest-bearing current assets	-16.2	-18.8	-15.7
Equity	-21.2	-17.2	-18.3
Long-term interest-bearing liabilities	620.6	745.0	651.1
Short-term interest-bearing liabilities	126.7	146.7	133.4

#### IFRS 16 Income statement impact

	2021 Q2 3 Months	2020 Q2 3 Months	2021 Q1-2 6 Months	2020 Q1-2 6 Months	2020/2021 Jul-Jun 12 months	2020 Jan-Dec 12 months
Reversal of leasing costs under IAS 17	39.4	43.1	78.5	87.5	162.2	171.2
Depreciation	-37.4	-41.0	-73.5	-83.0	-152.4	-161.9
Operating profit	2.0	2.1	5.0	4.5	13.2	12.7
Profit before tax	-2.2	-3.8	-5.0	-8.9	-8.3	-12.2
Net profit for the period	-1.7	-2.9	-3.9	-6.8	-6.5	-9.4