

Fagerhult Group

We light up your world

Q3 2023 presentation

October 27, 2023

www.fagerhultgroup.com

Third quarter

Yet another strong quarter and significantly ahead of last year

Order intake and net sales

- Positive order intake growth
- Net sales flat compared to last year

Operating margin

- Operating margin increased to 11,5% (10,5%)
- Positive gross margin development, pricing management and product mix

Steady progress on our strategic focus areas

Cash flow continued the strong trend



Q3 2023 in figures

Order intake: 2 026 MSEK (1 891)

+0,8% organic

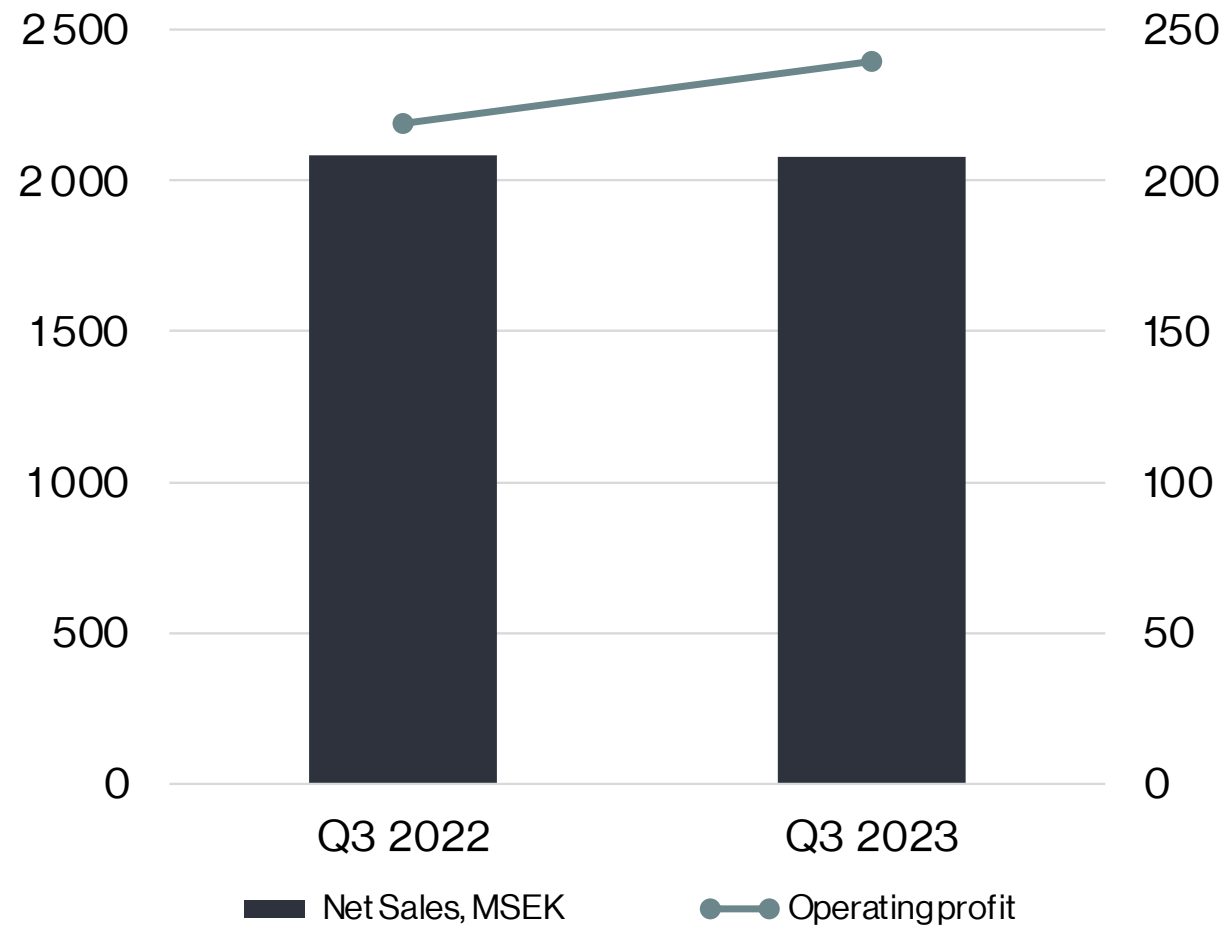
Net sales: 2 079 MSEK (2 081)

-4,0% organic

Operating profit: 240 MSEK (219)

Operating margin: 11,5% (10,5%)

Earnings per share: 0,90 SEK (0,89)



YTD 2023 in figures

Order intake: 6 312 MSEK (6 279)

-4,3% organic

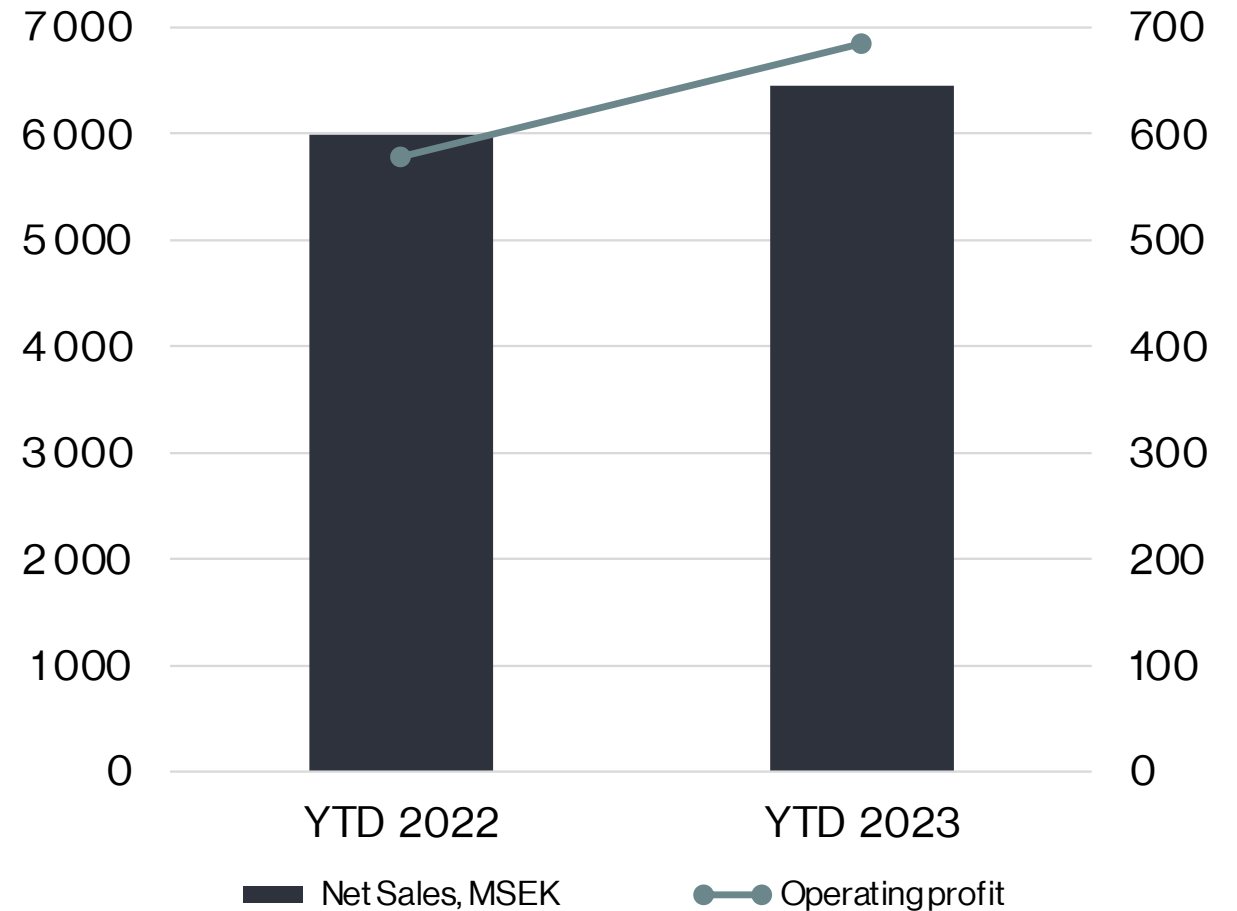
Net sales: 6 450 MSEK (5 999)

+3,2% organic

Operating profit: 685 MSEK (579)

Operating margin: 10,6% (9,6%)

Earnings per share: 2,48 SEK (2,31)



Our operating model

Business areas

Collection

ateljé Lyktan

iGuzzini

LED LINEAR

we-ef

Premium

FAGERHULT



Professional

ARLIGHT



Infrastructure

designplan
LIGHTING

i VALO

VEKO
LIGHTSYSTEMS

Smart Lighting

organic response

citygrid™

Strategic focus areas



Innovation



Sustainability



People & Culture



A world enhanced by light

30%

Buildings accounting for up to 30% of global energy consumption

15%

15% of a building's energy consumption related to lighting

90%

The latest lighting technology brings up to 90% energy savings

70%
from LED technology
+
70%
from Smart Lighting

Validated SBTi targets

- We have had our Science Based Targets validated
 - Near-term targets to be delivered until 2030
 - Long-term targets, net-zero until 2045



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

THE NET
ZERO
STANDARD

APPROVED NET-ZERO TARGETS



[#NetZeroStandard](#)

AllFive

- For over two decades AllFive has set the standard for universal luminaires
- Now the next generation has been launched with significantly better performance
- Organic Response, smart lighting functionality, bringing up to 90% energy savings

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Spacepad

- Spacepad is a new lightweight, minimalist yet highly comfortable and efficient lighting solution
- It is extremely flexible because it can rotate 360° in the vertical plane and slide in the track, allowing easy adaptation to new layouts or visual needs



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ateljé Lyktan

LED LINEAR

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iGuzzini

we-ef

Collection
Premium

Gothenburg, Sweden
World of Volvo

Financial summary Q3

MSEK	Q3 2023	Q3 2022	
Net sales	2 079	2 081	-0,1%
- Organic growth	-83		-4,0%
- FX-differences	128		
- Business closures	-47		
Operating profit	240	219	9,5%
Operating profit, %	11,5%	10,5%	+1,0 p.p.
Net profit	159	157	
Earnings per share, SEK	0,90	0,89	
Operating cash flow	312	85	

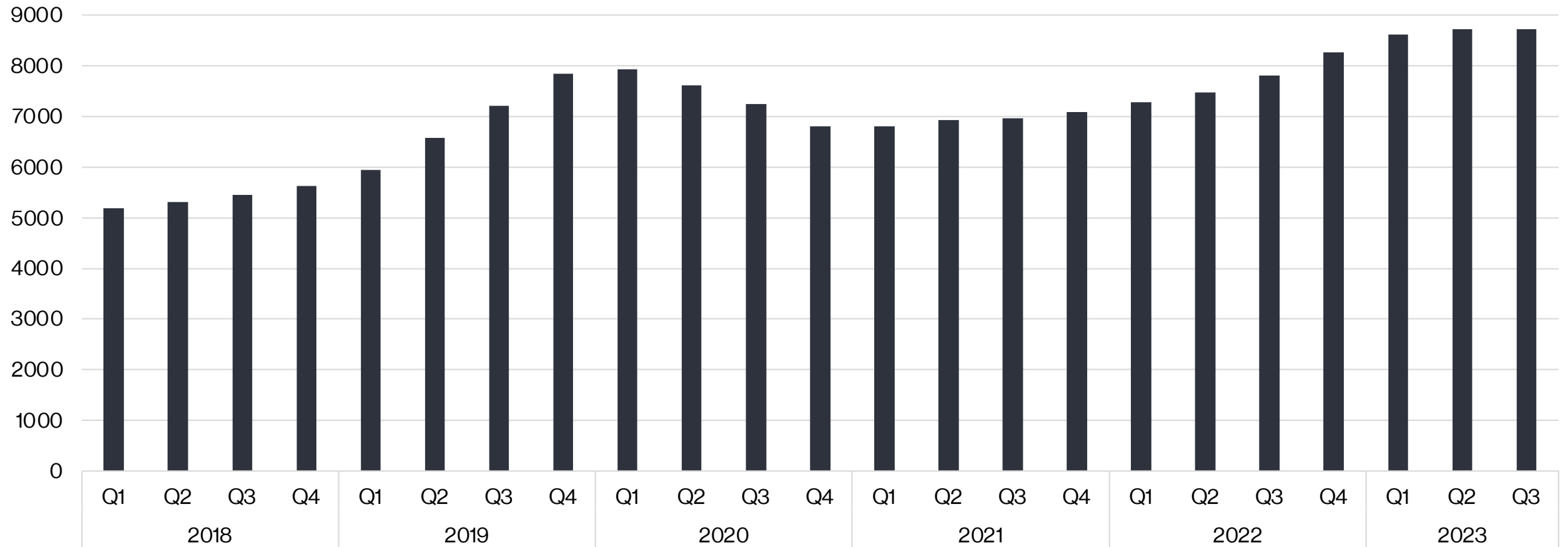
Financial summary YTD

MSEK	YTD 2023	YTD 2022	
Net sales	6 450	5 999	7,5%
- Organic growth	191		3,2%
- FX-differences	342		
- Business closures	-82		
Operating profit	685	579	18,4%
Operating profit, %	10,6%	9,6%	+1,0 p.p.
Net profit	436	408	
Earnings per share, SEK	2,48	2,31	
Operating cash flow	844	37	

Sales development

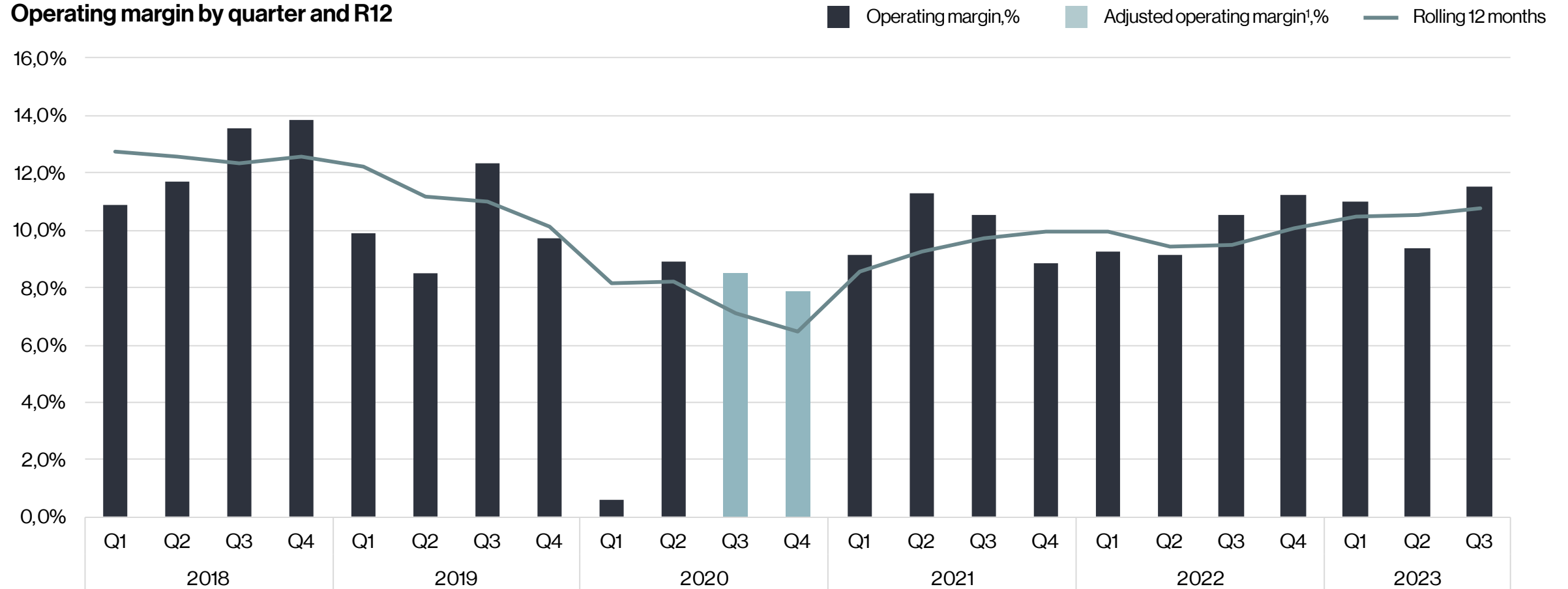
Net sales R12

■ Net sales R12, MSEK



Margin development

Operating margin by quarter and R12



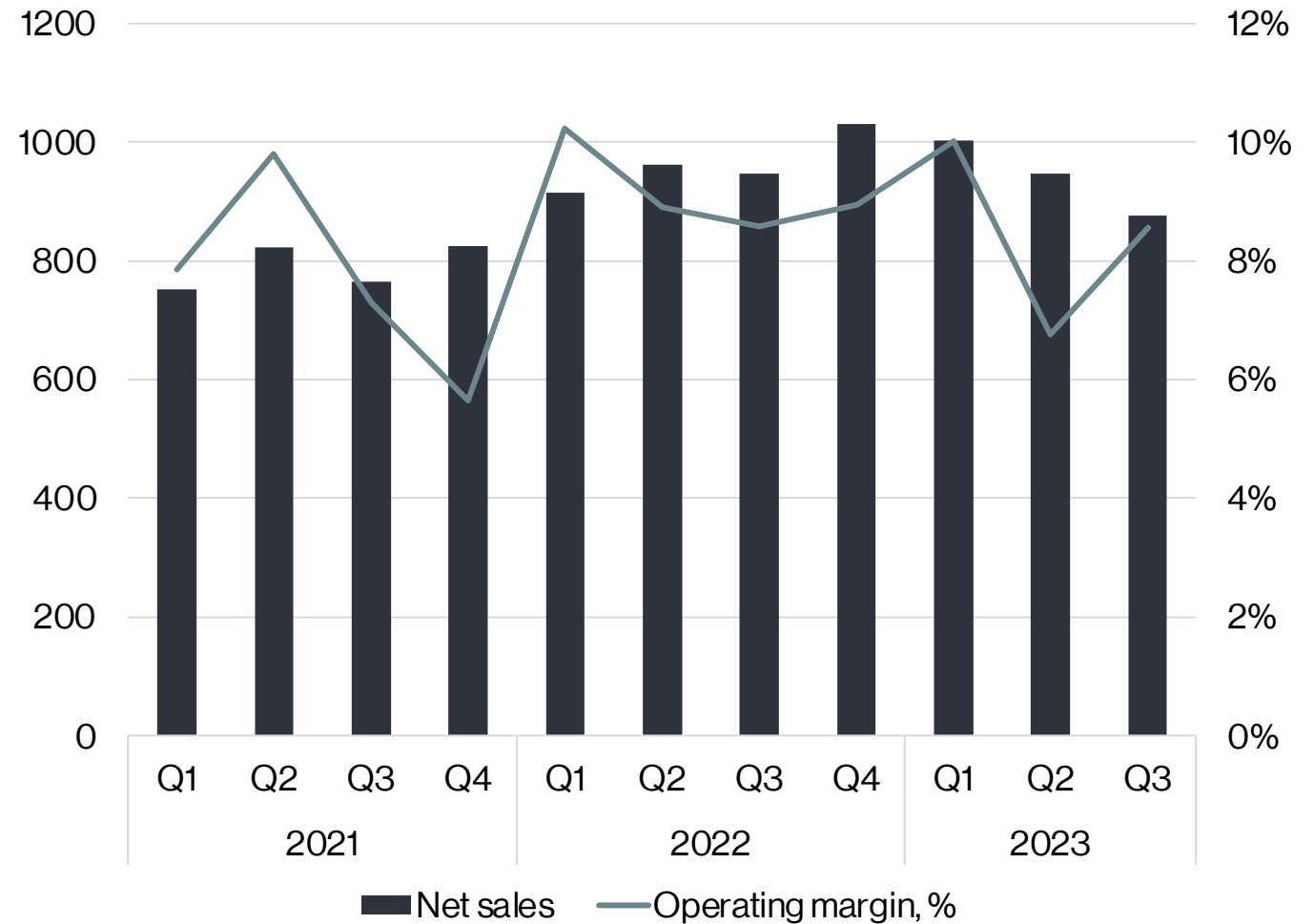
Collection

Financials Q3

- Order intake 950 (840) MSEK, organic 5,8%
- Net sales 875 (946) MSEK, organic -13,9%
- Operating margin 8,5% (8,6%)

Business update

- WE-EF: Western Sydney Airport
- iGuzzini: Arts and Performance Centre, University of Dallas
- Positive order intake trend, will help net sales improve.
- Good cost control and a strongly developing gross profit margins kept the operating margin flat.



Premium

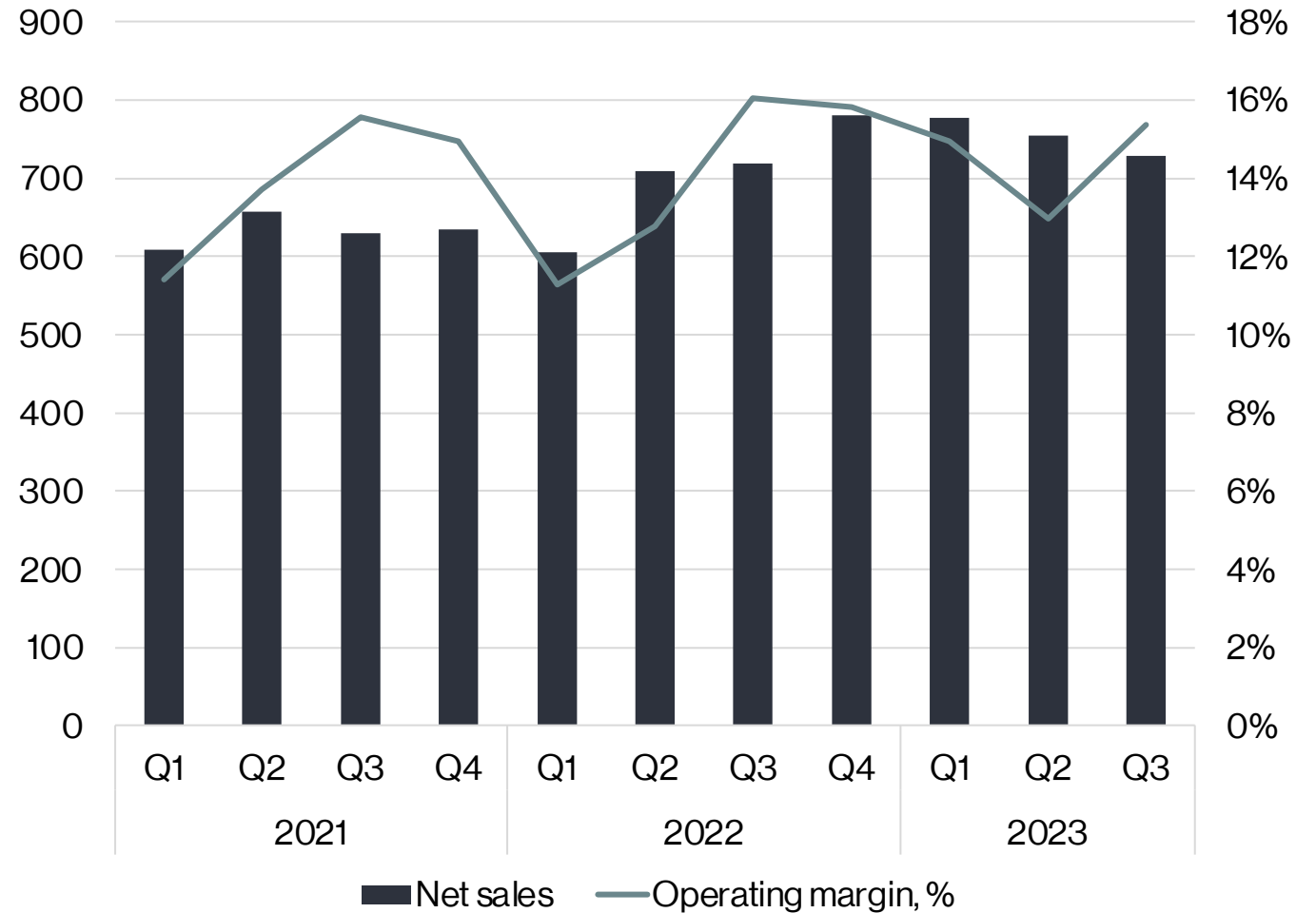
Financials Q3

- Order intake 608 (609) MSEK, organic -5,7%
- Net sales 729 (719) MSEK, organic -3,9%
- Operating margin 15,4% (16,0%)

Business update

- Fagerhult: the new art building at Gothenburg University.
- Strong demand in renovation market and energy efficiency upgrades.
- Consistently high operating margins following improved gross profit margins and continued cost control.

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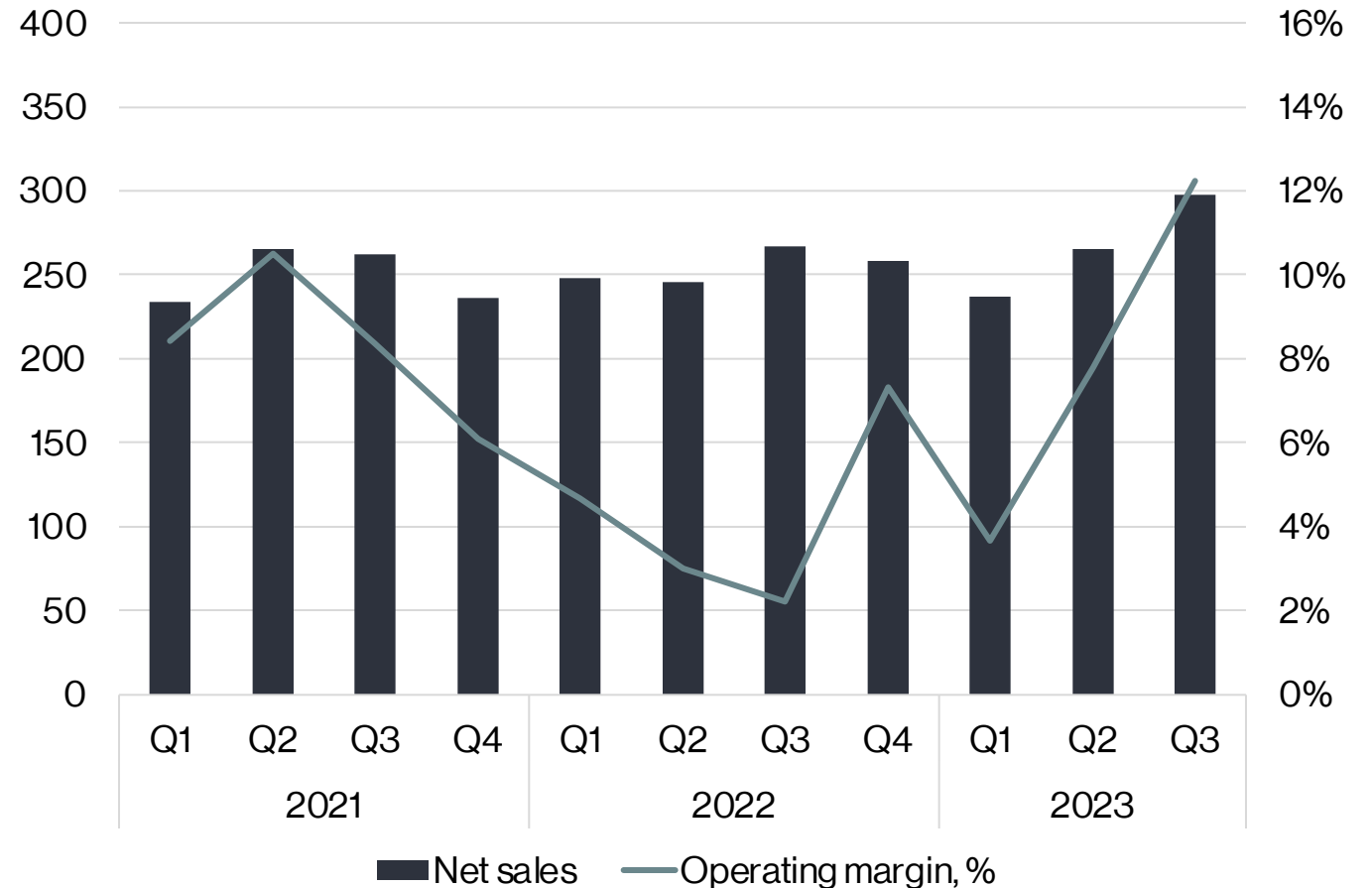
Professional

Financials Q3

- Order intake 261 (172) MSEK, organic 49,4%
- Net sales 297 (267) MSEK, organic 9,9%
- Operating margin 12,2% (2,2%)

Business update

- Eagle Lighting: Victorian State energy refurbishment
- Continued strong performance in all three countries, YTD order intake +15,6% organic
- In the UK and Australia, the improved result arises from a combination of growth, strong gross profit development and a cost reduction



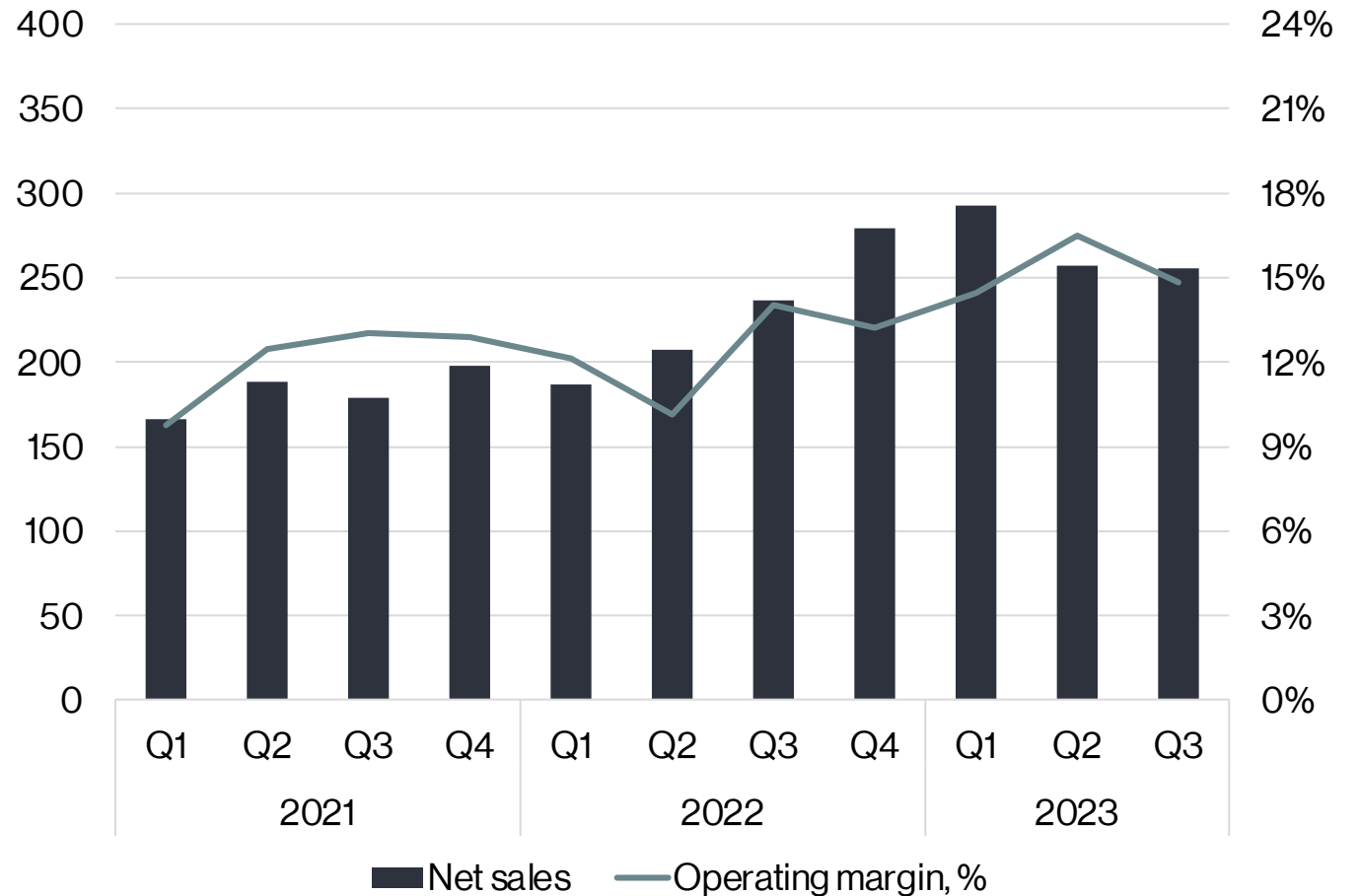
Infrastructure

Financials Q3

- Order intake 207 (270) MSEK, organic -31,1%
- Net sales 255 (236) MSEK, organic -2,6%
- Operating margin 14,8% (14,0%)

Business update

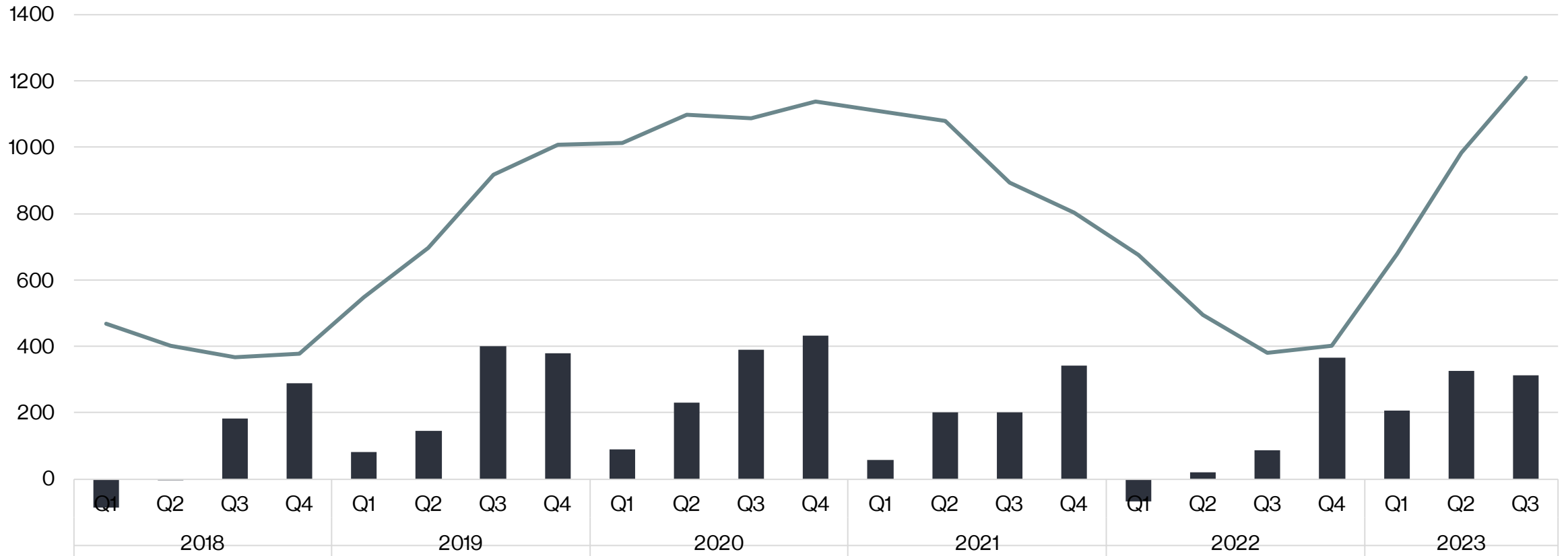
- Designplan: Deutsche Bahn retrofit project
- Order intake decline mainly due to the decision to pause the low profitability horticulture segment.
- Positive margin development comes from pricing management and product mix/application area focus.



Cash flow

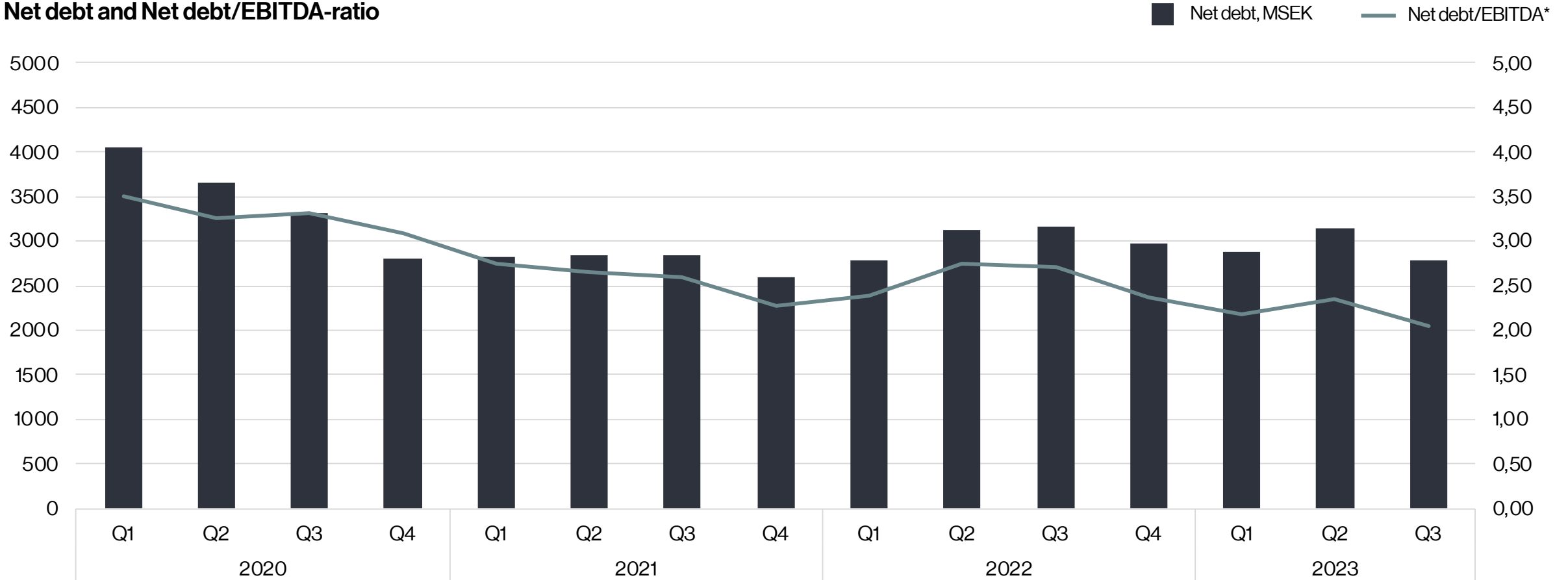
Operating cash flow by quarter and R12

■ Cash flow by quarter, MSEK — Rolling 12 months



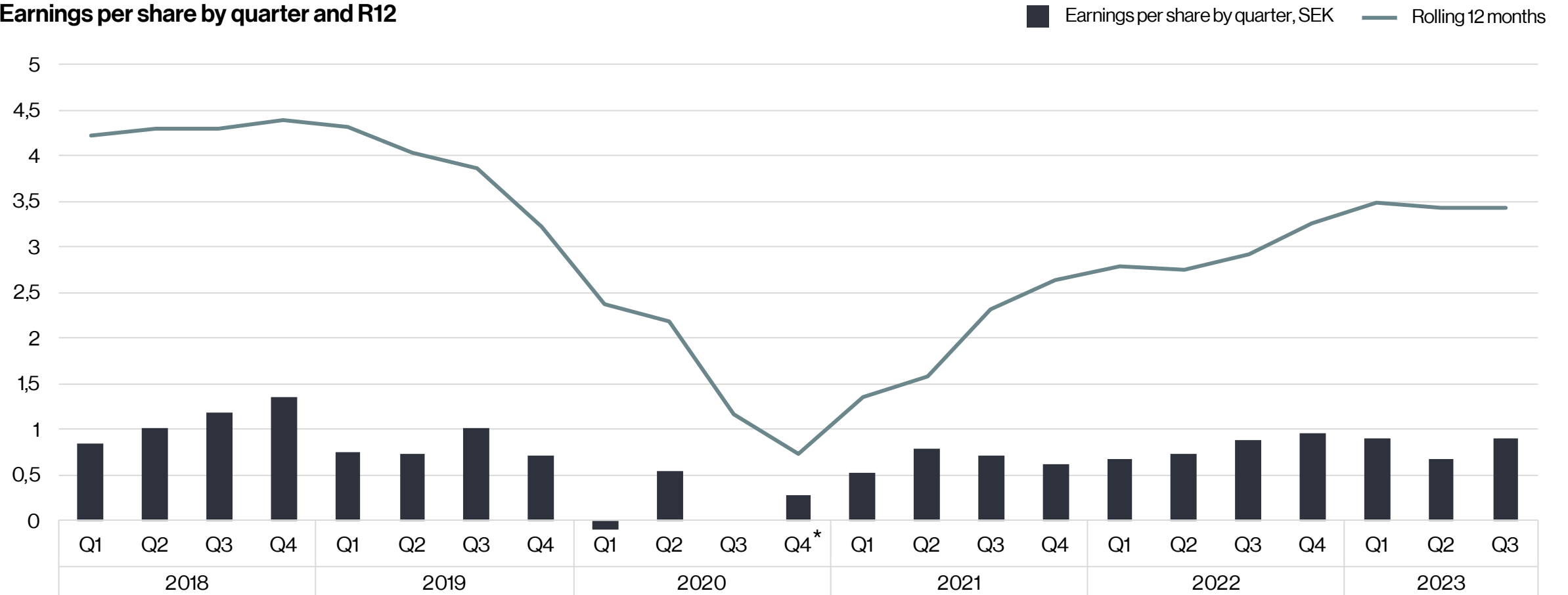
Net debt development

Net debt and Net debt/EBITDA-ratio



Earnings per share

Earnings per share by quarter and R12



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Professional
Infrastructure

Somerset, UK
Hinkley Point C

Conclusions and recap

- Yet another strong quarter and significantly ahead of last year – order intake, margins and cash developed positive.
- A quarter with high activity, good variety of projects across most markets.
- Our Science Based Targets are validated, both our near-term and long-term targets, becoming Net-Zero by 2045.
- Strong momentum for the renovation market following the ban of fluorescent lamps, where our smart lighting solutions save up to 90% energy.



