

Fagerhult Group

We light up your world

Q4 2023 presentation

February 16, 2024

www.fagerhultgroup.com



A strong Q4 to close a record year

A strong fourth quarter

- Record level of order intake, +5,5% organic growth, and strong net sales.
- Gross margin improved, healthy operating profits and a very robust cash flow.

Full year delivered many all-time records

- Order intake, net sales, gross profit margin, operating profit, and cash flow were all new records for the Group.
- We had the highest ever year for our smart lighting solution Organic Response.

Steady progress and continued investments in our strategic focus areas.

We carry confidence with us into 2024.



Q4 2023 in figures

Order intake: 2 123 MSEK (1 964)

+5,5% organic

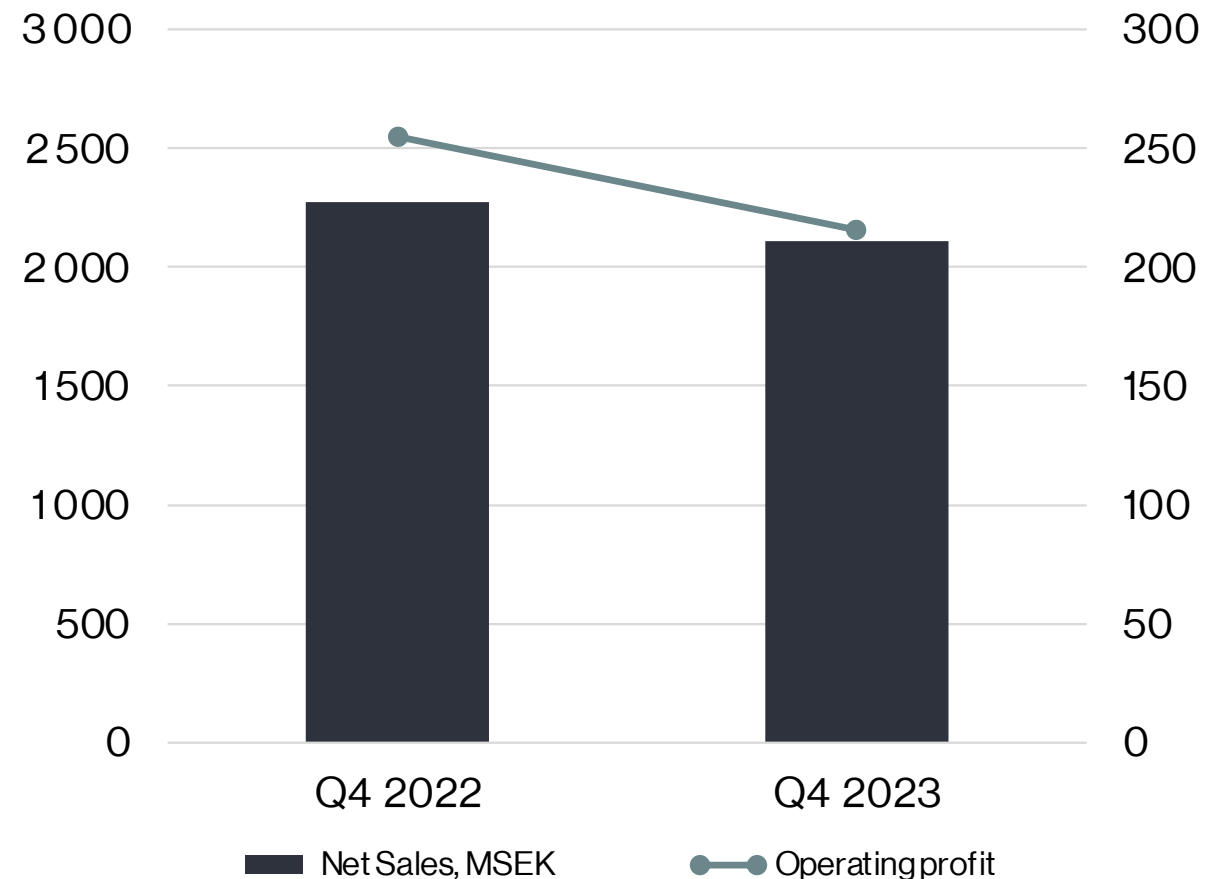
Net sales: 2 111 MSEK (2 271)

-7,7% organic

Operating profit: 216 MSEK (255)

Operating margin: 10,2% (11,2%)

Earnings per share: 0,61 SEK (0,96)



YTD 2023 in figures

Order intake: 8 435 MSEK (8 243)

-1,9% organic

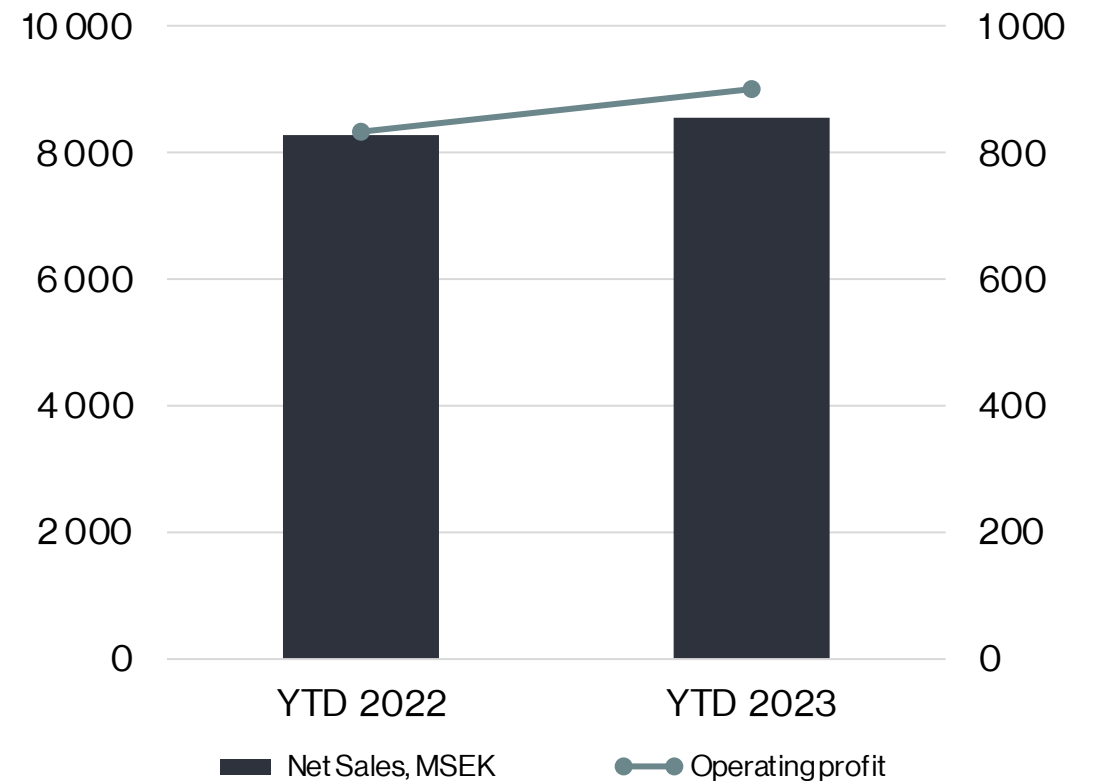
Net sales: 8 560 MSEK (8 270)

+0,2% organic

Operating profit: 901 MSEK (833)

Operating margin: 10,5% (10,1%)

Earnings per share: 3,09 SEK (3,27)



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

Forces driving adoption of smart lighting



Sustainability



Legislation



New technology

Customers adopting smart lighting

“I know for certain that we will continue to have lights throughout our buildings. In the future I’m expecting the lighting infrastructure with sensors to be a backbone to other applications in the buildings.”

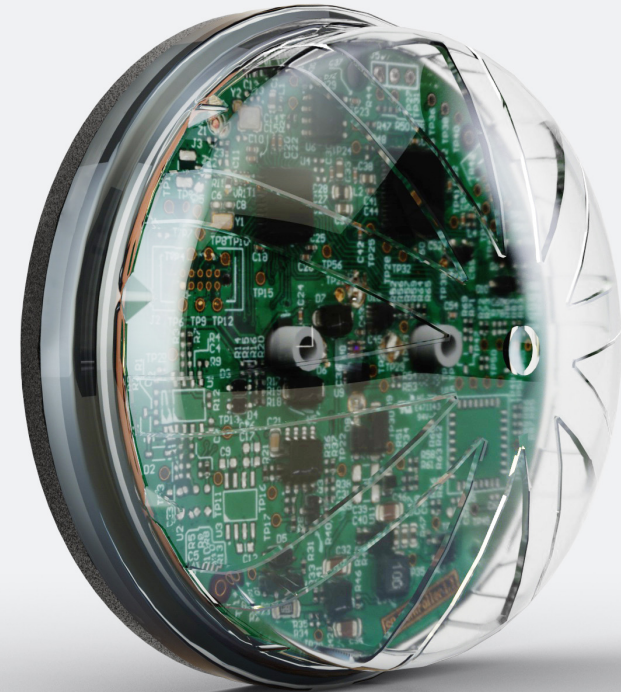
Technical R&D Manager,

“A major eye opener was when we realized that our lighting installation with Organic Response could provide us with detailed presence data from our buildings. This made my investment case to Management very strong. We see a multipurpose use of lighting, re-using data”

Head of Technology and Real Estate

Citygrid Zhaga controller

- Citygrid released a new generation Zhaga based smart controller.
- Important step forward to offer a complete smart lighting solution for outdoor applications.

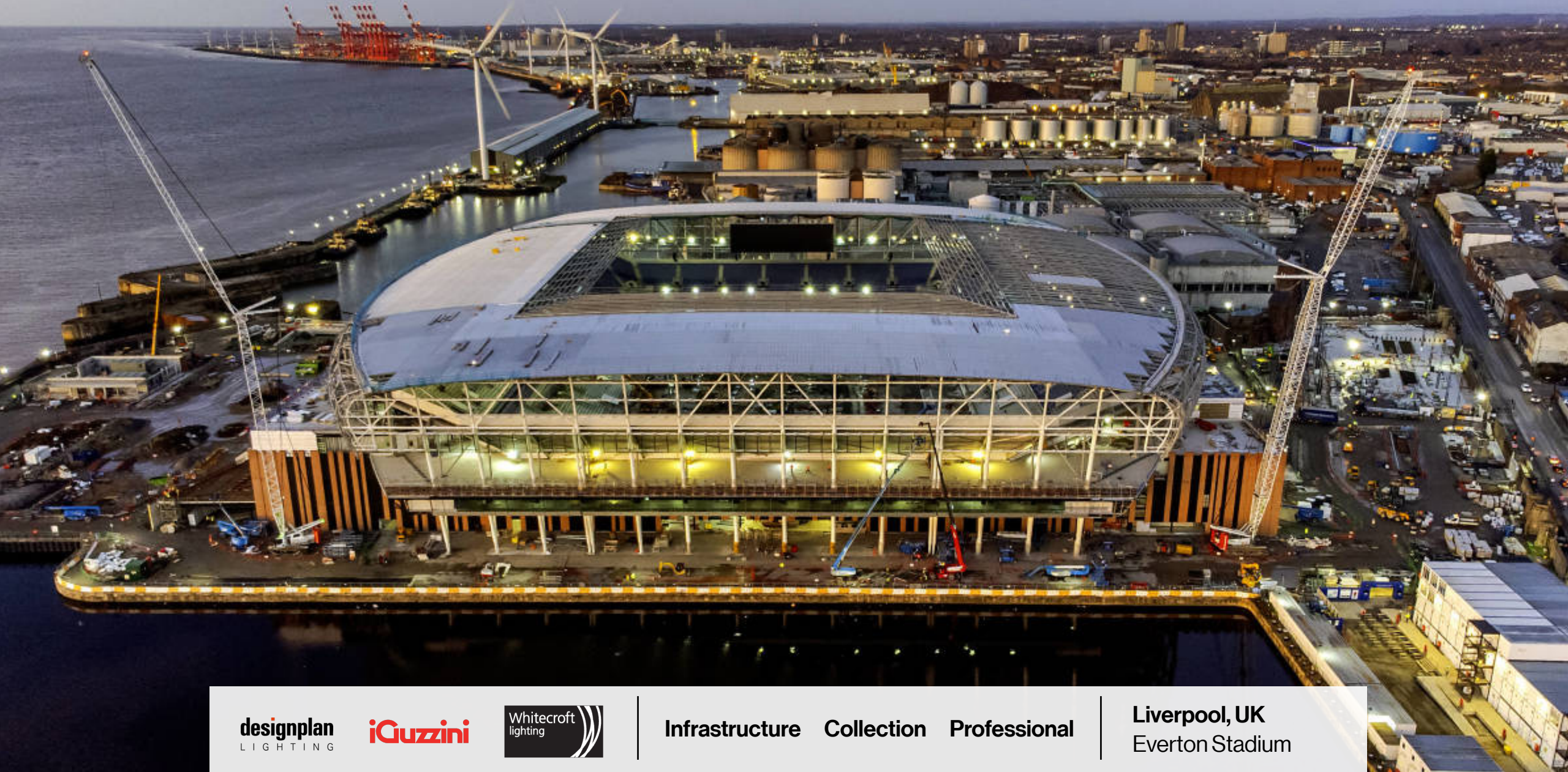


Light Shed Linen

- Light Shed Linen is the first professional lighting product made from the bio-material linen.
- As this is from a renewable source it contributes greatly to the reduction of carbon footprint from our materials.



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designplan
LIGHTING

iGuzzini

Whitecroft
lighting

Infrastructure Collection Professional

Liverpool, UK
Everton Stadium

Financial summary Q4

MSEK	Q4 2023	Q4 2022	
Net sales	2 111	2 271	-7,1%
- Organic growth	-175		-7,7%
- FX-differences	46		
- Business closures	-31		
Operating profit	216	255	-15,2%
Operating profit, %	10,2%	11,2%	-1,0 p.p.
Net profit	108	169	
Earnings per share, SEK	0,61	0,96	
Operating cash flow	365	366	

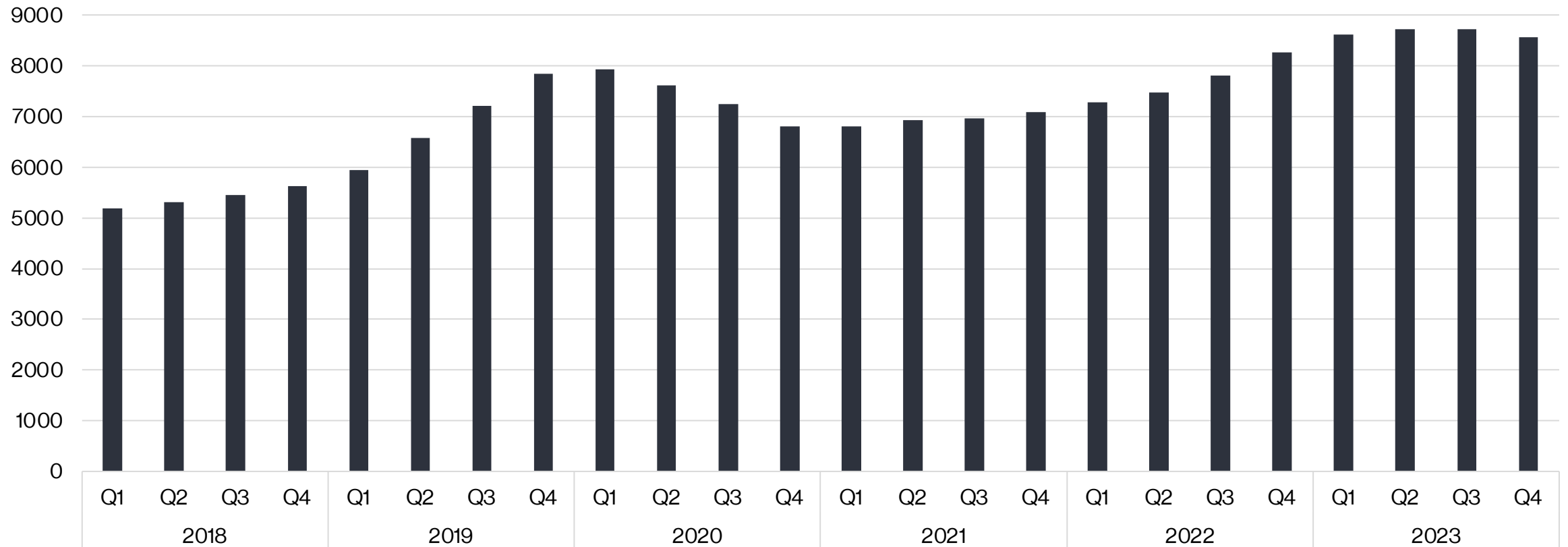
Financial summary YTD

MSEK	YTD 2023	YTD 2022	
Net sales	8 560	8 270	3,5%
- Organic growth	16		0,2%
- FX-differences	387		
- Business closures	-113		
Operating profit	901	833	8,1%
Operating profit, %	10,5%	10,1%	+0,4 p.p.
Net profit	544	576	
Earnings per share, SEK	3,09	3,27	
Operating cash flow	1 209	403	

Sales development

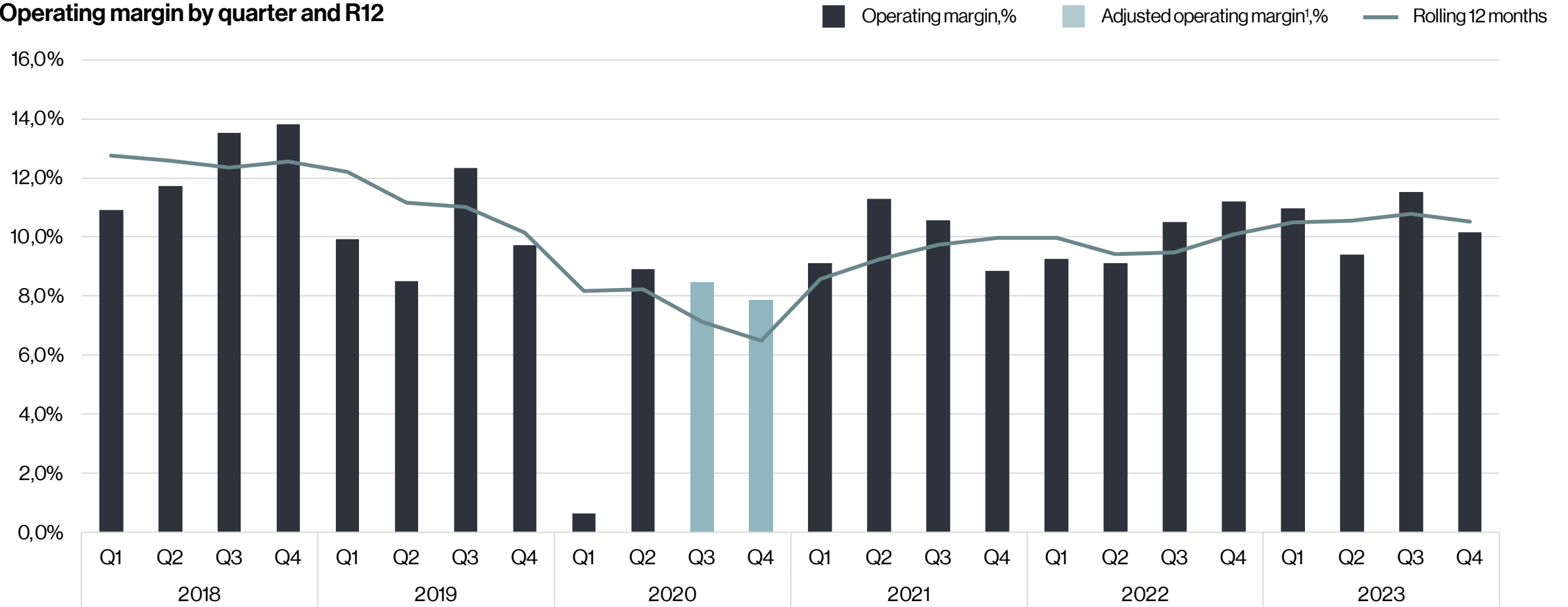
Net sales R12

■ Net sales R12, MSEK



Margin development

Operating margin by quarter and R12



Collection

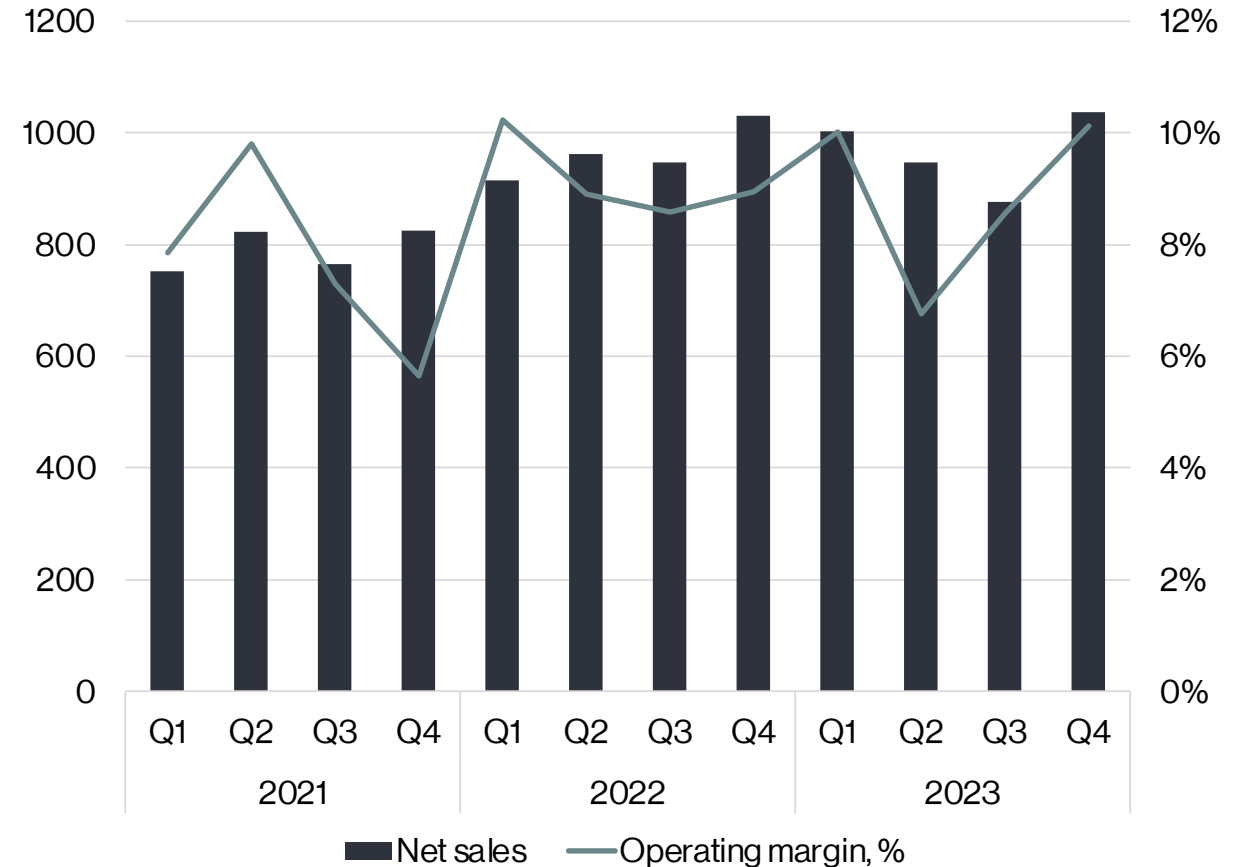
Financials Q4

- Order intake 989 (865) MSEK, organic 10,6%
- Net sales 1035 (1030) MSEK, organic +0,5%
- Operating margin 10,1% (8,9%)

Business update

- Higher operating margin following high sales levels and good gross profit margin development.
- iGuzzini: Frankfurt Terminal 3 airport project in Germany
- LED Linear: High-end yacht project in collaboration with Fagerhult UK specification team.

ateljé Lyktan **iGuzzini** LED LINEAR **we-ef**



Premium

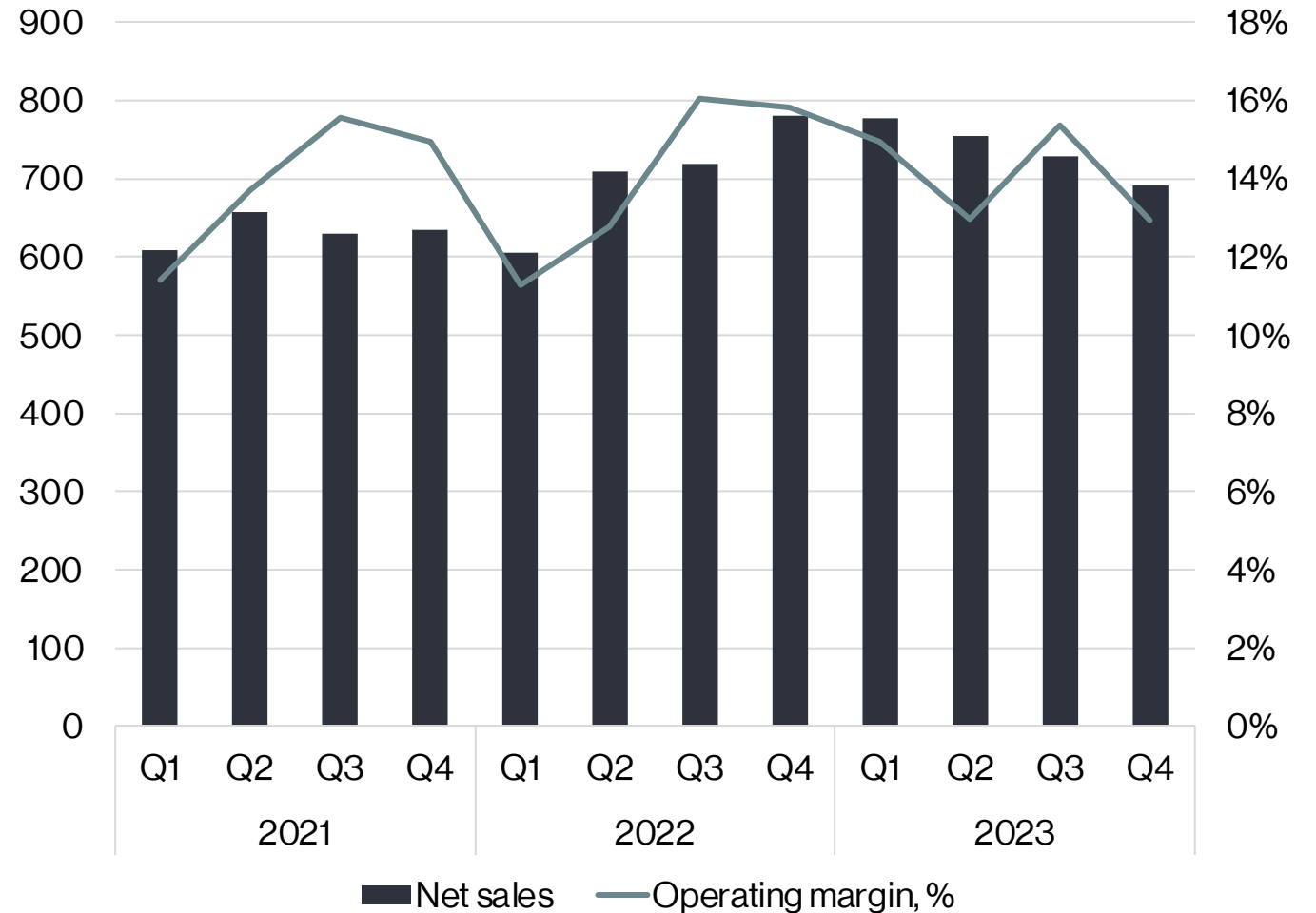
Financials Q4

- Order intake 707 (680) MSEK, organic +1,9%
- Net sales 691 (781) MSEK, organic -13,2%
- Operating margin 12,9% (15,8%)

Business update

- Difficult comparison period, last year sales were positively affected by the supply chain recovery period.
- Full year sales growth of +4.9%, maintaining high level operating margin of 14.1%.
- Fagerhult: main sponsor for the Nobel week Lights in Stockholm.

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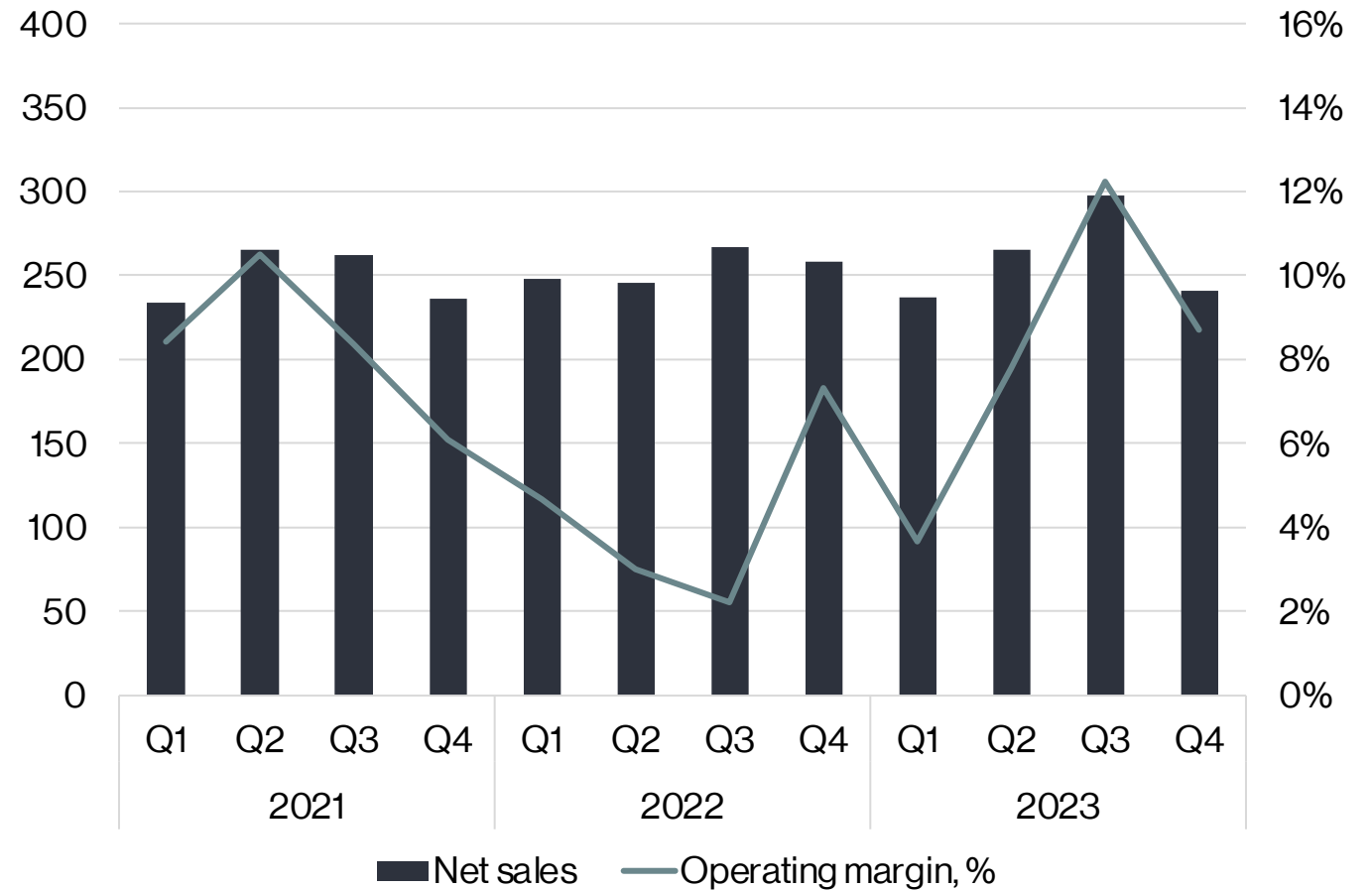
Professional

Financials Q4

- Order intake 198 (218) MSEK, organic -6,0%
- Net sales 241 (258) MSEK, organic -3,2%
- Operating margin 8,7% (7,3%)

Business update

- Full year organic order intake growth of +10.5%.
- Continued strong recovery performance in all three countries.
- Operating margin continues to recover following pricing management and cost control .



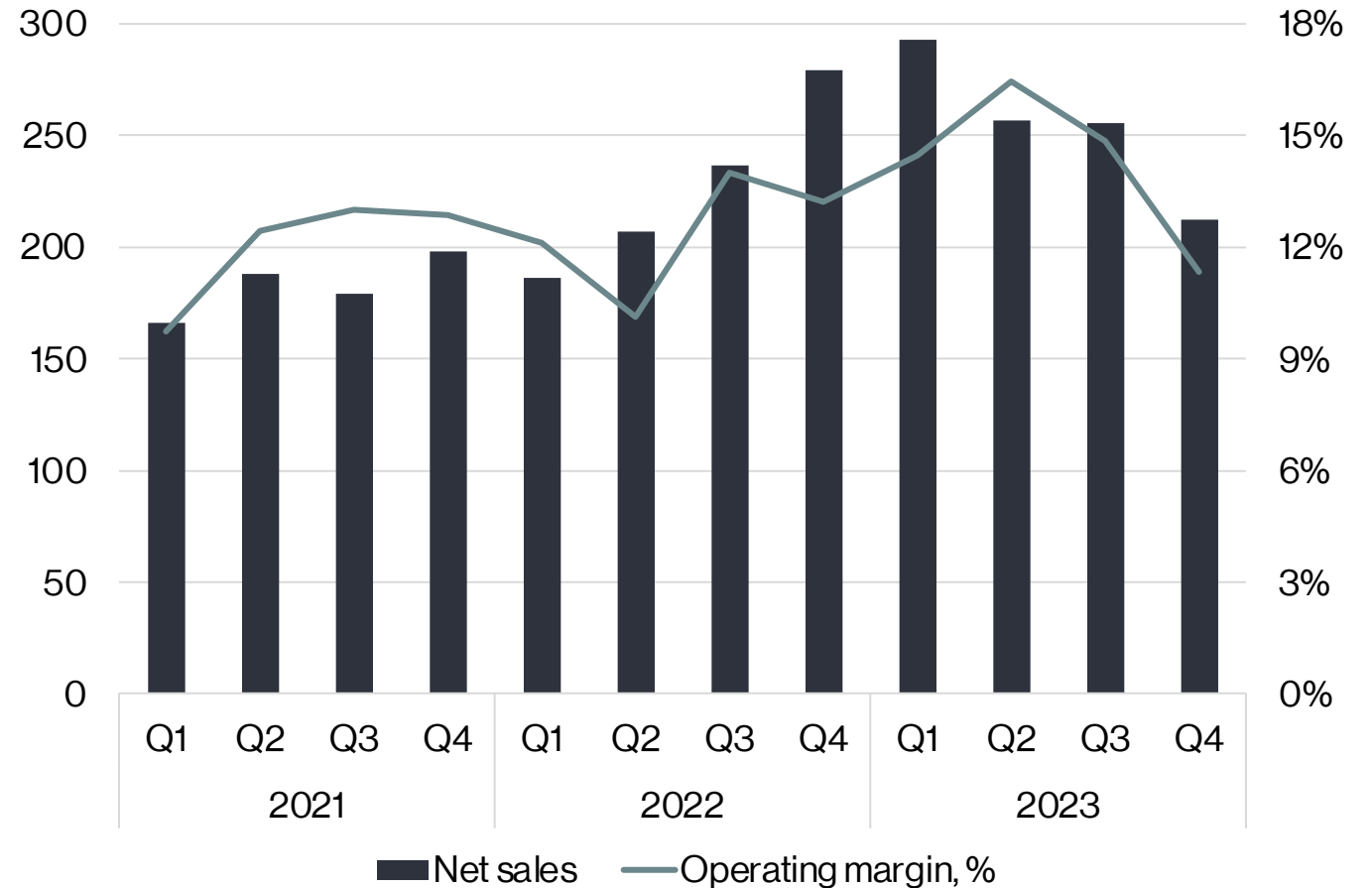
Infrastructure

Financials Q4

- Order intake 229 (201) MSEK, organic +8,5%
- Net sales 212 (280) MSEK, organic -27,2%
- Operating margin 11,4% (13,2%)

Business update

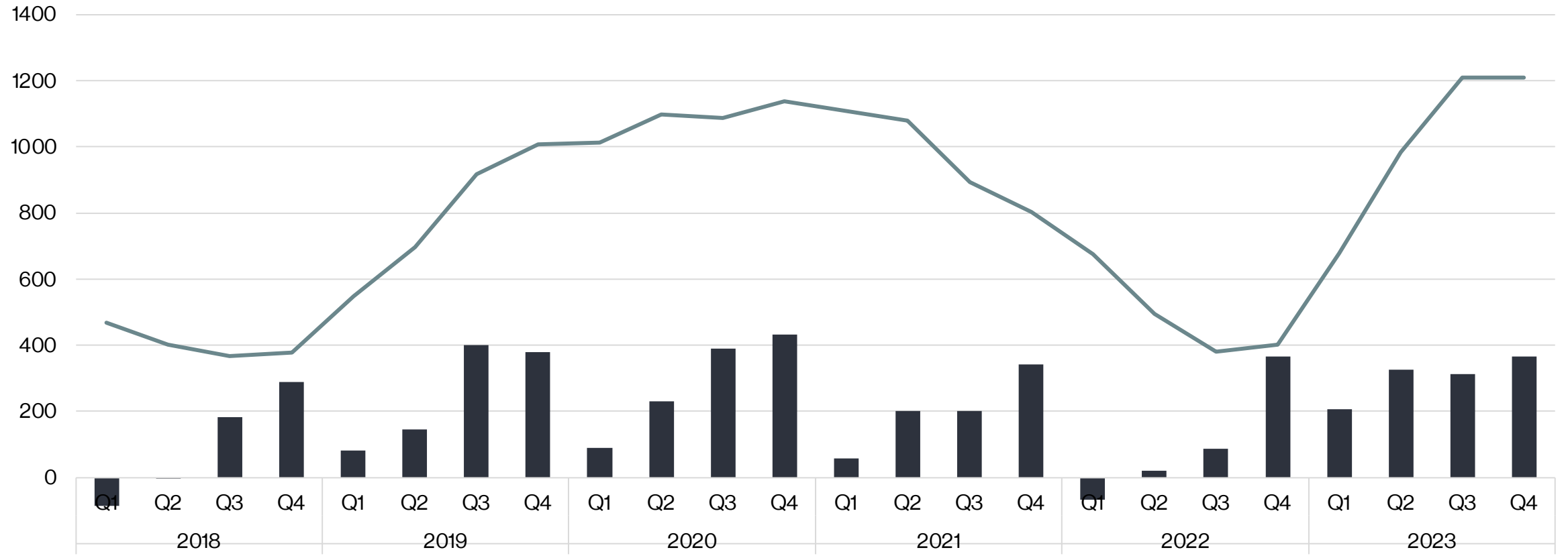
- Full year net sales for the first time above 1 bn SEK and a +1.9 p.p. operating margin improvement to 14.4 (12.5)%.
- Designplan: Largest ever German based custodial order for JVA Passau, Germany
- Veko: H&M distribution centre in Cheb, Slovakia



Cash flow

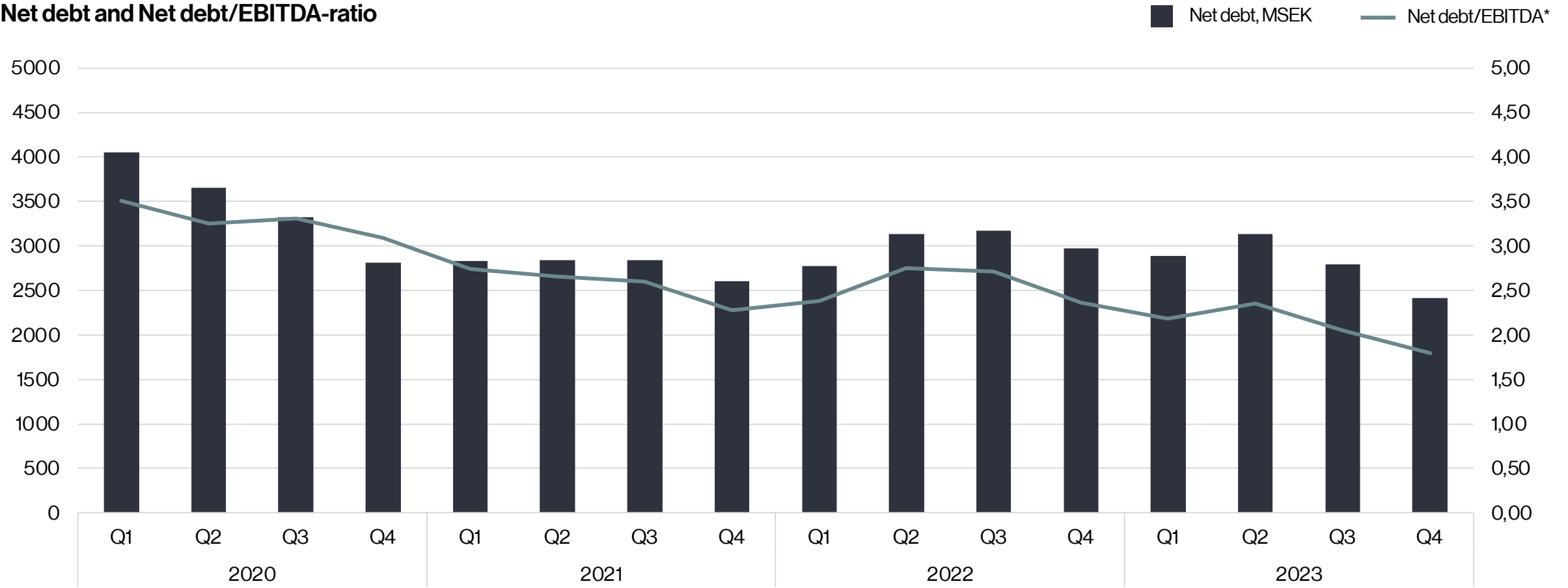
Operating cash flow by quarter and R12

■ 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





Conclusions and recap

- The fourth quarter performance included a record level of order intake at +5,5% organic, trending positive since Q2.
- The full year delivered many all-time high records, including order intake, net sales, gross profit margin and operating profit.
- Strong cash flow at record levels, surplus used for repayments of term loans to reduce future interest expense.
- Good traction for our smart lighting solutions and a wider adoption amongst key customers.
- Continued strong momentum for the renovation market following the ban of fluorescent lamps.



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