

Fagerhult Group

We light up your world

Q2 2023 presentation

July 20, 2023

[www.fagerhultgroup.com](http://www.fagerhultgroup.com)



## Second quarter

### **Sales development**

- Organic growth at 0,4% to 2,147 MSEK
- Different activity levels in different geographic markets and applications

### **Operating margin**

- Positive gross and operating margin development, pricing improvements continue
- Increased operating margin to 9,4% (9,1%)

### **Mega-trends remains positive for the Group**

**Momentum grows in renovation and refurbishment, driven by ban of fluorescent lamps**

**Steady progress on our strategic focus areas**



## Q2 2023 in figures

**Order intake: 2 107 MSEK (2 183)**

-8,6% organic

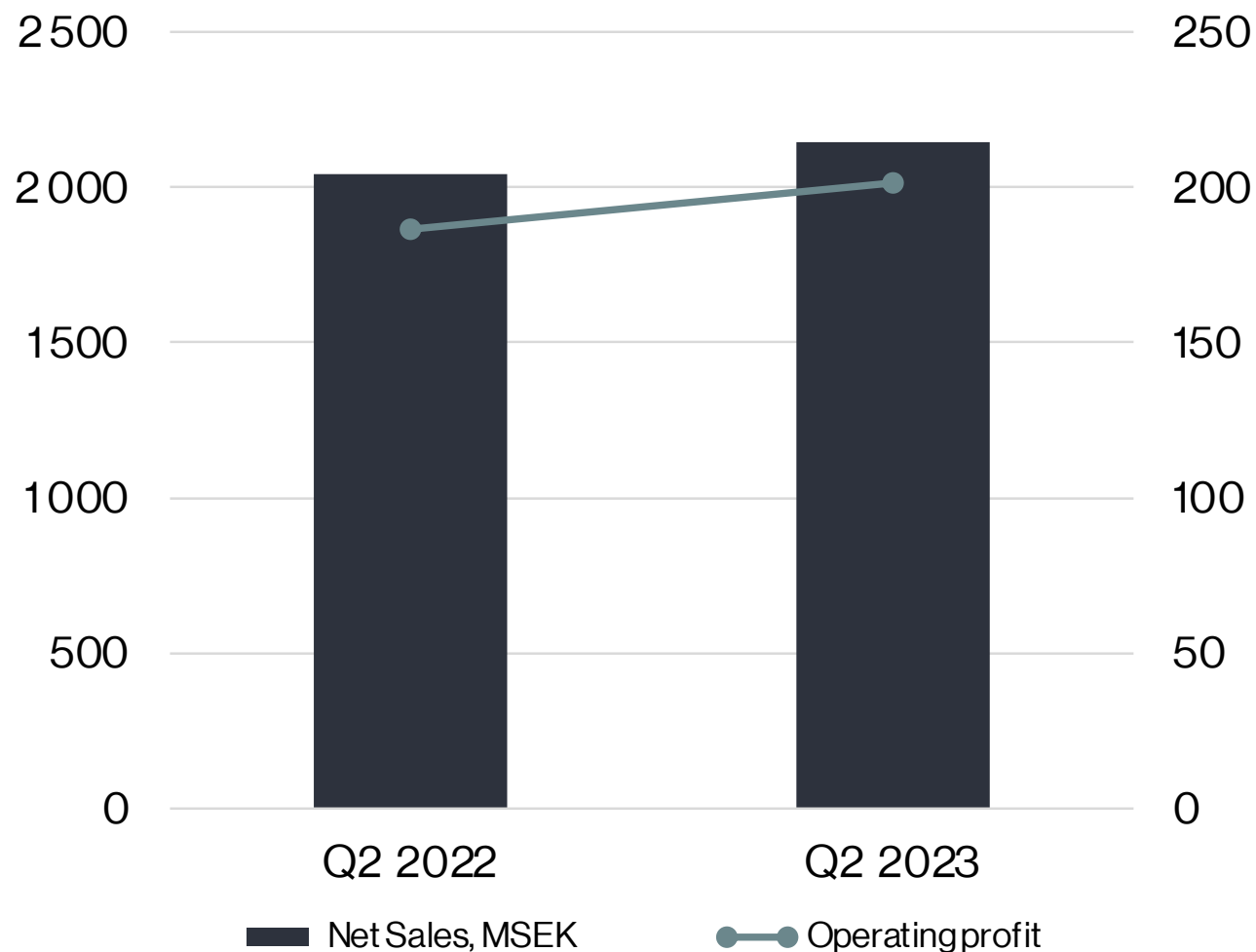
**Net sales: 2 147 MSEK (2 045)**

+0,4% organic

**Operating profit: 202 MSEK (187)**

**Operating margin: 9,4% (9,1%)**

**Earnings per share: 0,68 SEK (0,74)**



## YTD 2023 in figures

**Order intake: 4 286 MSEK (4 388)**

-6,4% organic

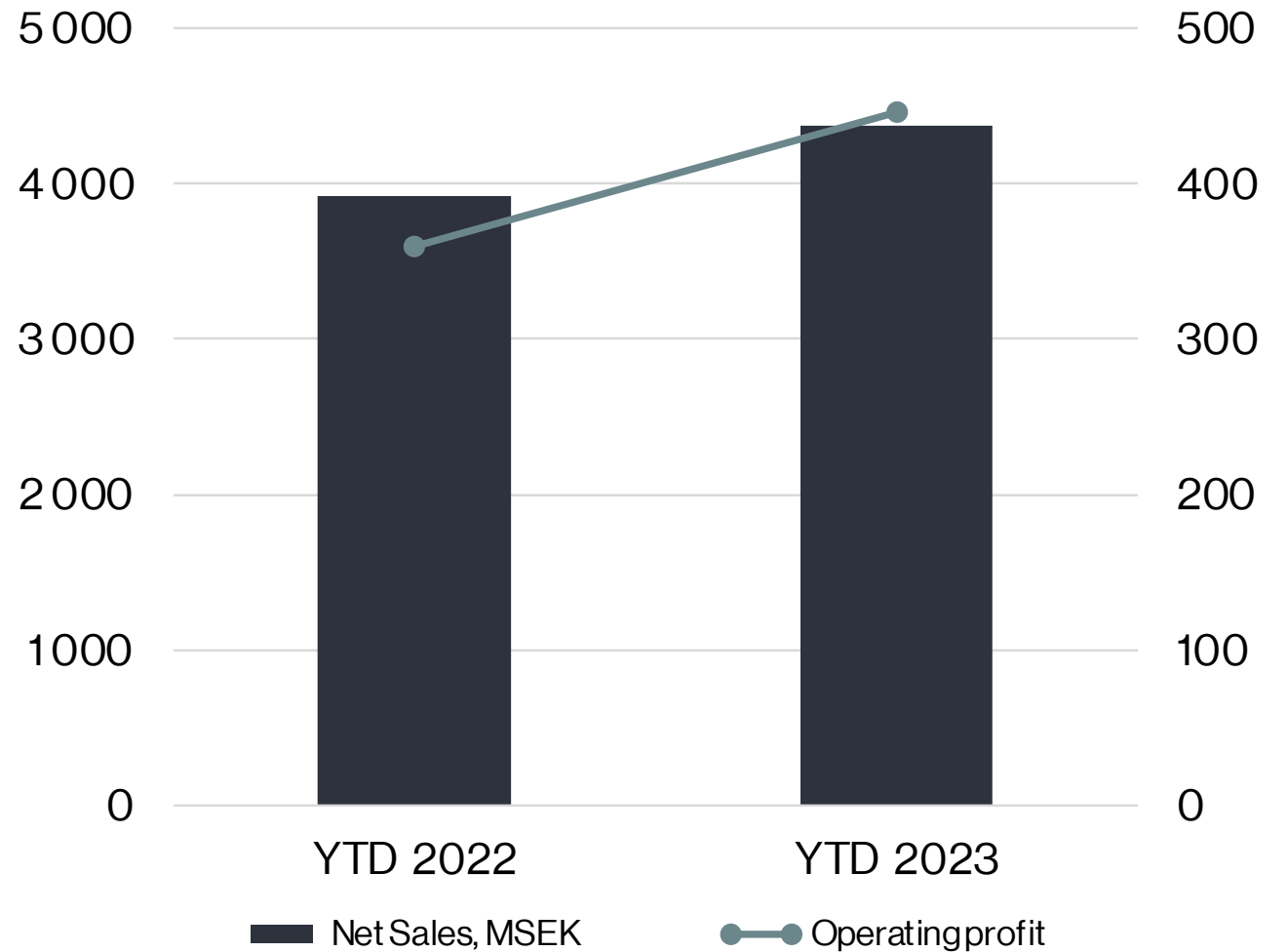
**Net sales: 4 371 MSEK (3 917)**

+7,0% organic

**Operating profit: 446 MSEK (360)**

**Operating margin: 10,2% (9,2%)**

**Earnings per share: 1,57 SEK (1,42)**



# Our operating model

Business areas

Collection

**ateljé Lyktan**

**iGuzzini**

**LED LINEAR**

**we-ef**

Premium

**FAGERHULT**

**LTS**  
LOVE TO SHINE

Professional

**ARLIGHT**

**EAGLE LIGHTING**

**Whitecroft lighting**

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

## A European Green Deal

- We need to retrofit between 3% to 3.5% of existing buildings per year if the net zero target is to be met
- Ban of buildings with energy class 'G'

## AFL100

- Major global launch – A complete new series of street lighting offering superior energy performance and outstanding optical control.
- Smart 'Wild-light' solution based on Citygrid technology to minimize light pollution and preserve biodiversity.

***we-ef***



# Customer support with AI

- At Organic Response we have embedded an AI Chatbot in our OR Customer Support Portal.
- The AI chatbot can answer 95% of the basic enquiries in more than 100 languages.



👋 Hej, ask me a question about Organic Response.

How does Organic Response work?

Today, 12:30 pm

Organic Response is a lighting control system that takes inspiration from nature to deliver a system with incredible simplicity. It operates on a Distributed Intelligence architecture, which means it does not require a centralized controller. Instead, all of the intelligence required to provide a sophisticated lighting control system is contained within the sensor nodes distributed across the installation.

Each light fitting communicates with its neighbors using wireless infrared signals. The Organic Response Sensor Node fitted into each light has enough intelligence to make its own decisions about when to turn on, and to what level of brightness. Once an area becomes vacant, each light gently dims to a LowLight state until the system is sure that nobody remains in the area. After this time, the lights switch off completely.

Organic Response is a “plug & play” system requiring no commissioning and operates out of the box with default factory settings. However, the system also allows for simple Optimization and more advanced Configuration. Configuration offers increased energy savings, while providing a customized and very sophisticated user experience.

The Organic Response system can be controlled and monitored through the Organic Response app, which is available for both iOS and Android devices. The app allows users to make minor changes to the system to ensure user comfort and energy savings are maximized.

Can you provide more details about the Optim...

How can I download and install the Organic R...

See more

Write your message





## Financial summary Q2

MSEK	Q2 2023	Q2 2022	
<b>Net sales</b>	<b>2 147</b>	<b>2 045</b>	<b>5,0%</b>
- Organic growth	8		0,4%
- FX-differences	121		
- Business closures	-26		
<b>Operating profit</b>	<b>202</b>	<b>187</b>	<b>8,1%</b>
Operating profit, %	9,4%	9,1%	+0,3 p.p.
<b>Net profit</b>	<b>119</b>	<b>131</b>	
<b>Earnings per share, SEK</b>	<b>0,68</b>	<b>0,74</b>	
<b>Operating cash flow</b>	<b>326</b>	<b>20</b>	

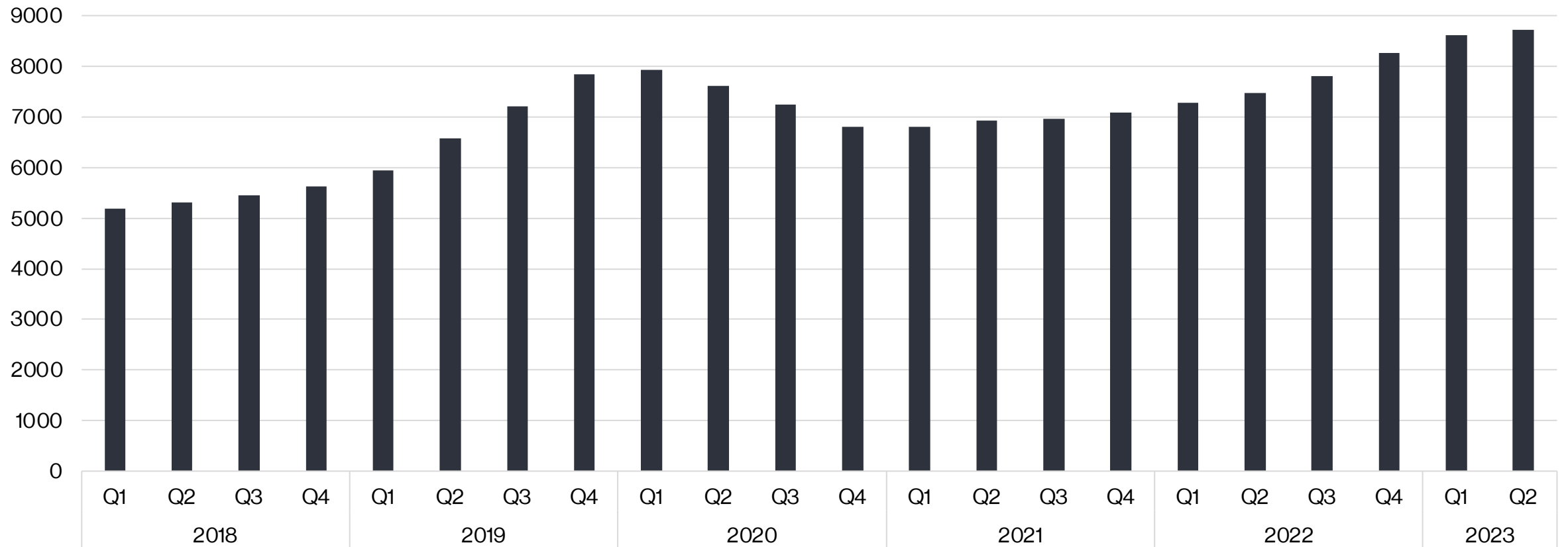
## Financial summary YTD

MSEK	Q2 2023	Q2 2022		YTD 2023	YTD 2022	
<b>Net sales</b>	<b>2 147</b>	<b>2 045</b>	<b>5,0%</b>	<b>4 371</b>	<b>3 917</b>	<b>11,6%</b>
- Organic growth	8		0,4%	275		7,0%
- FX-differences	121			214		
- Business closures	-26			-35		
<b>Operating profit</b>	<b>202</b>	<b>187</b>	<b>8,1%</b>	<b>446</b>	<b>360</b>	<b>23,9%</b>
Operating profit, %	9,4%	9,1%	+0,3 p.p.	10,2%	9,2%	+1,0 p.p.
<b>Net profit</b>	<b>119</b>	<b>131</b>		<b>277</b>	<b>251</b>	
<b>Earnings per share, SEK</b>	<b>0,68</b>	<b>0,74</b>		<b>1,57</b>	<b>1,42</b>	
<b>Operating cash flow</b>	<b>326</b>	<b>20</b>		<b>533</b>	<b>-48</b>	

# Sales development

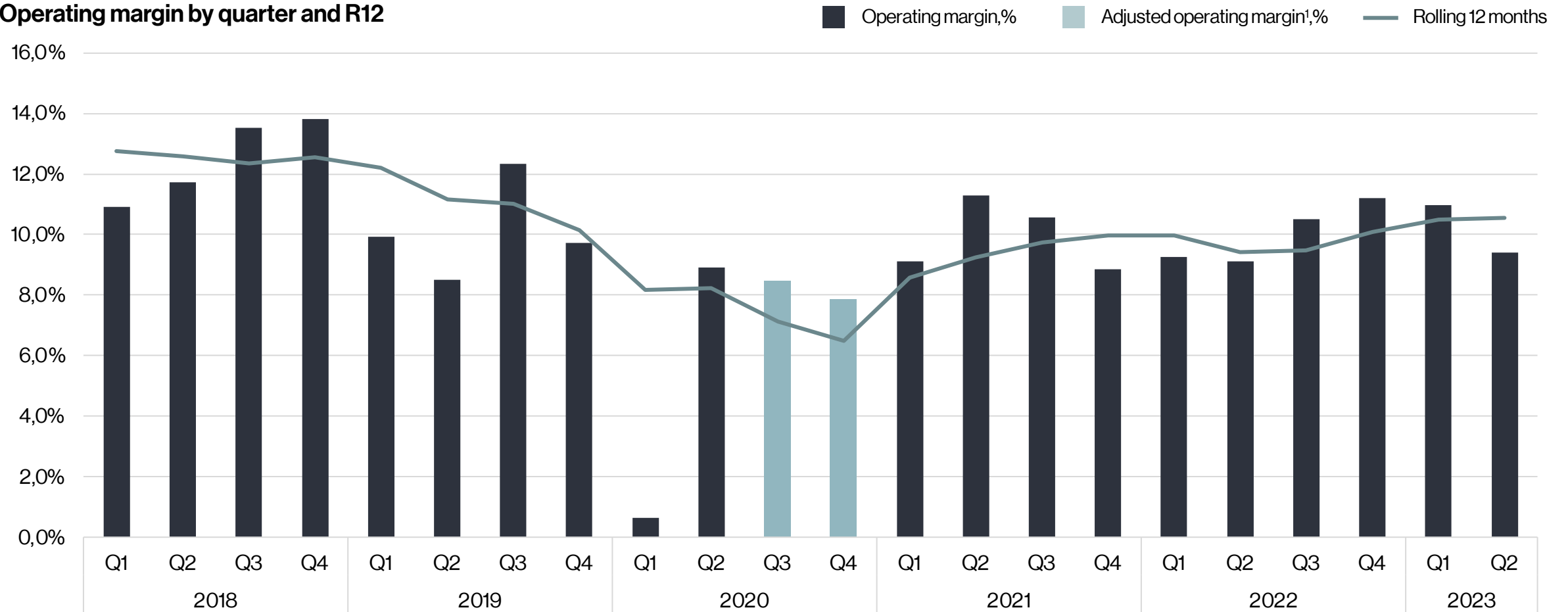
## Net sales R12

■ Net sales R12, MSEK



# Margin development

Operating margin by quarter and R12



# Collection

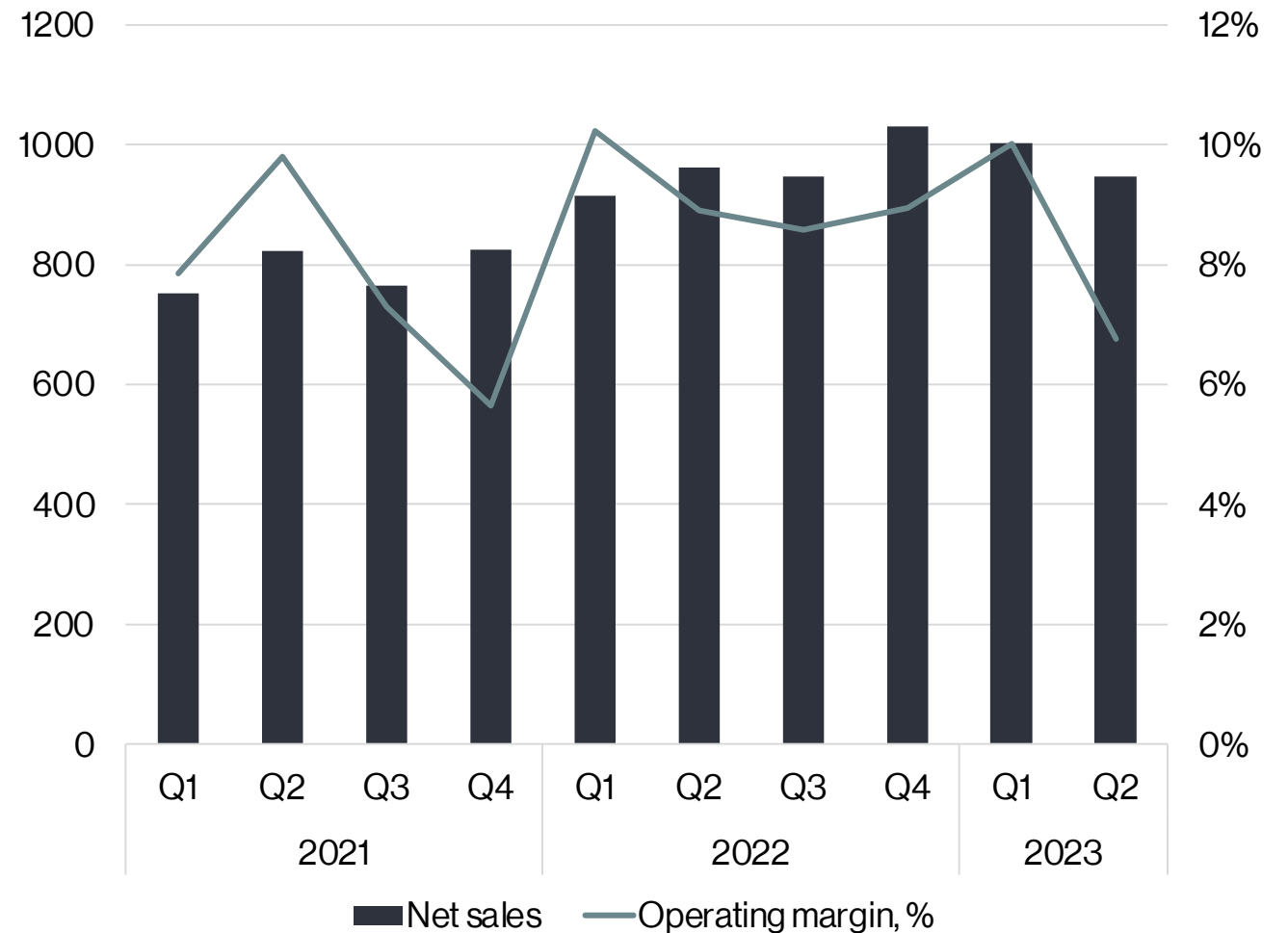
## Financials Q2

- Order intake 907 (968) MSEK, organic -12,3%
- Net sales 947 (963) MSEK, organic -8,5%
- Operating margin 6,8% (8,9%)

## Business update

- Global high-end market facing some difficult market conditions
- Q2 order intake comparably better than Q1
- Forward looking quotation activity in iGuzzini is healthy

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



# Premium

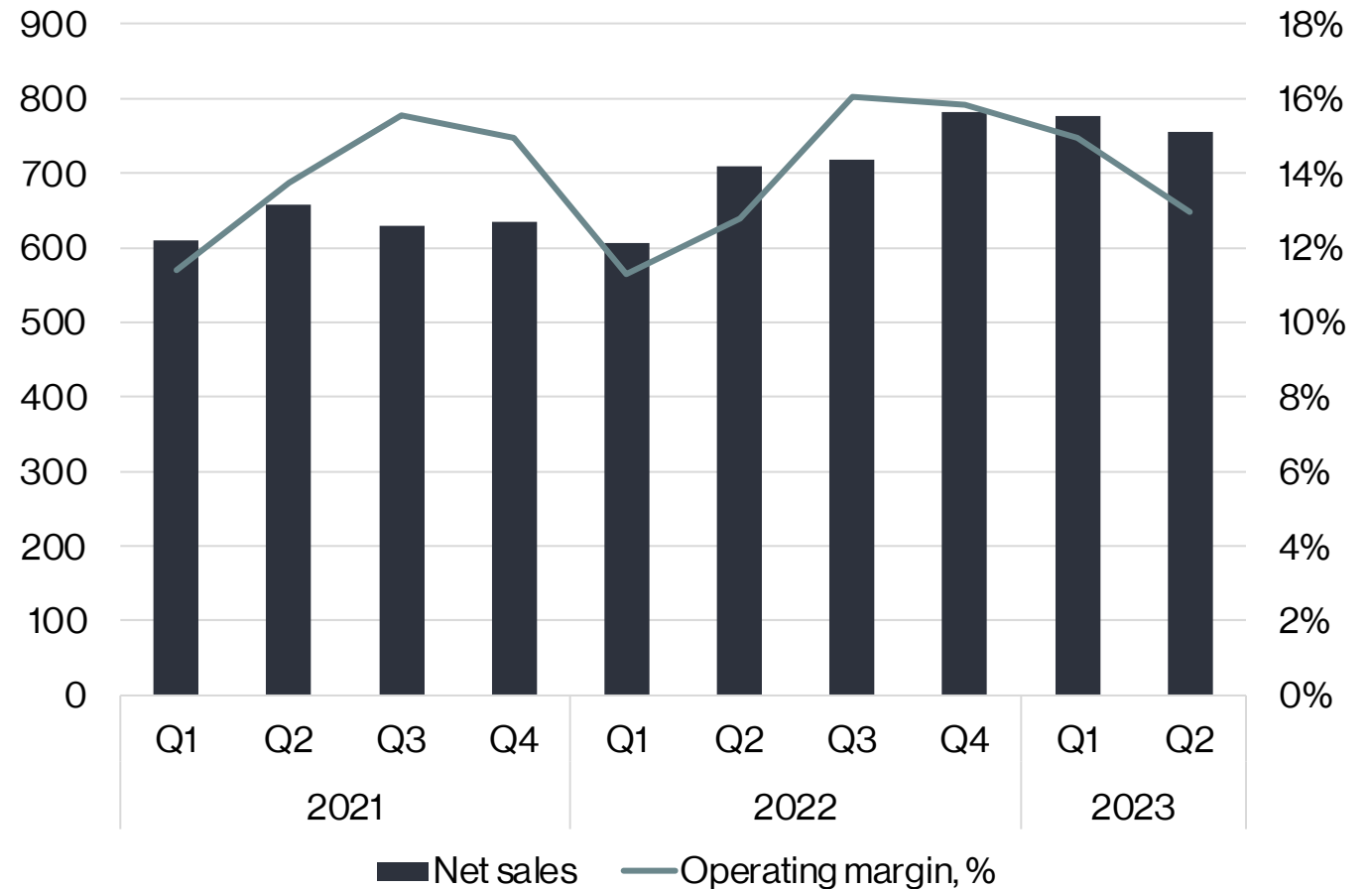
## Financials Q2

- Order intake 733 (731) MSEK, organic -3,5%
- Net sales 755 (709) MSEK, organic +2,0%
- Operating margin 13,0% (12,8%)

## Business update

- Strong and fast growing momentum in renovation market and energy efficiency upgrades
- Operating margin continues to develop compared to last year

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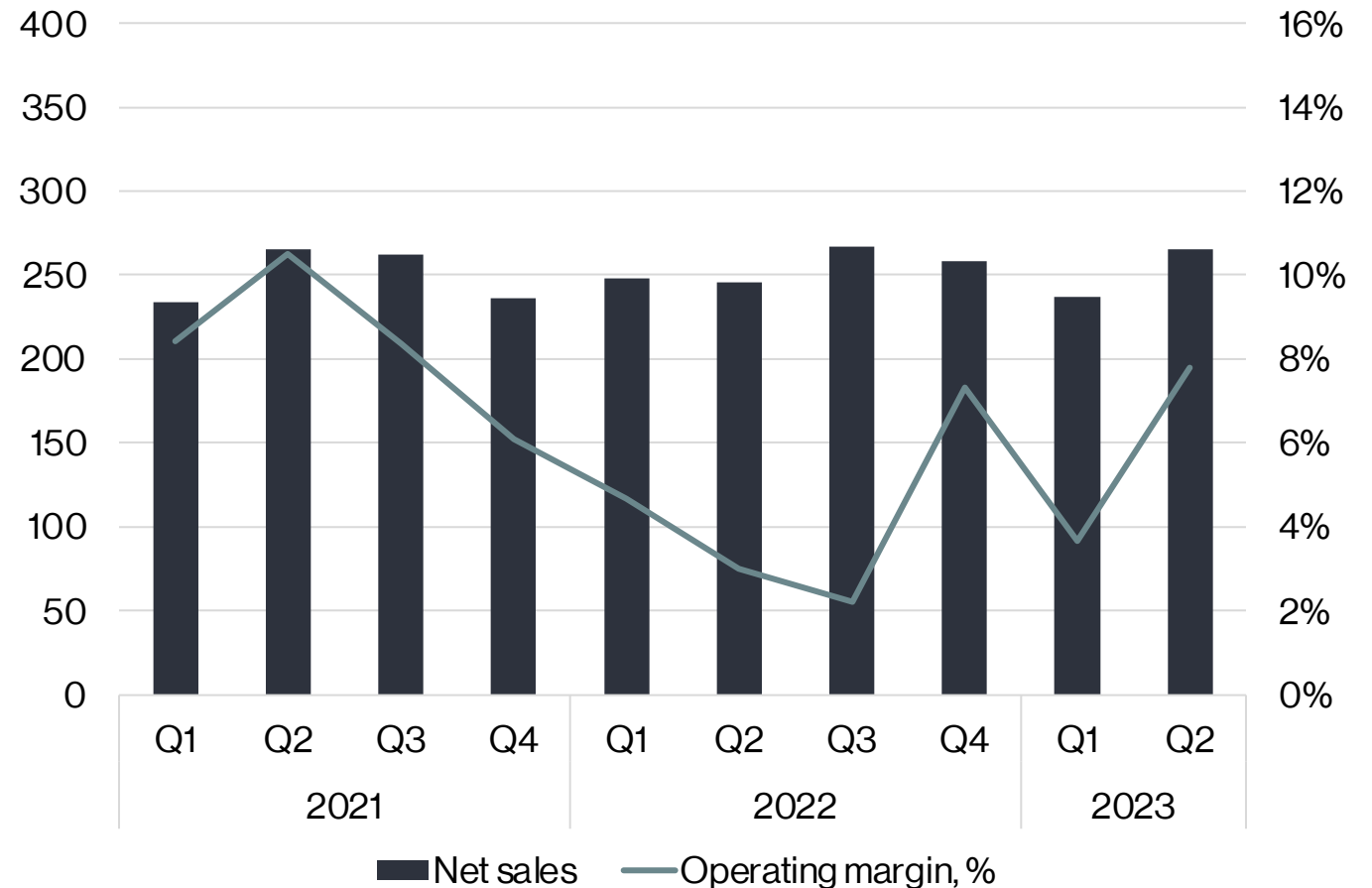
# Professional

## Financials Q2

- Order intake 240 (265) MSEK, organic -12,1%
- Net sales 266 (245) MSEK, organic 6,3%
- Operating margin 7,8% (3,0%)

## Business update

- Overall improving trends in all three markets
- YTD order intake +4,4% organic
- Government legislation in Turkey continue to negatively impact margins



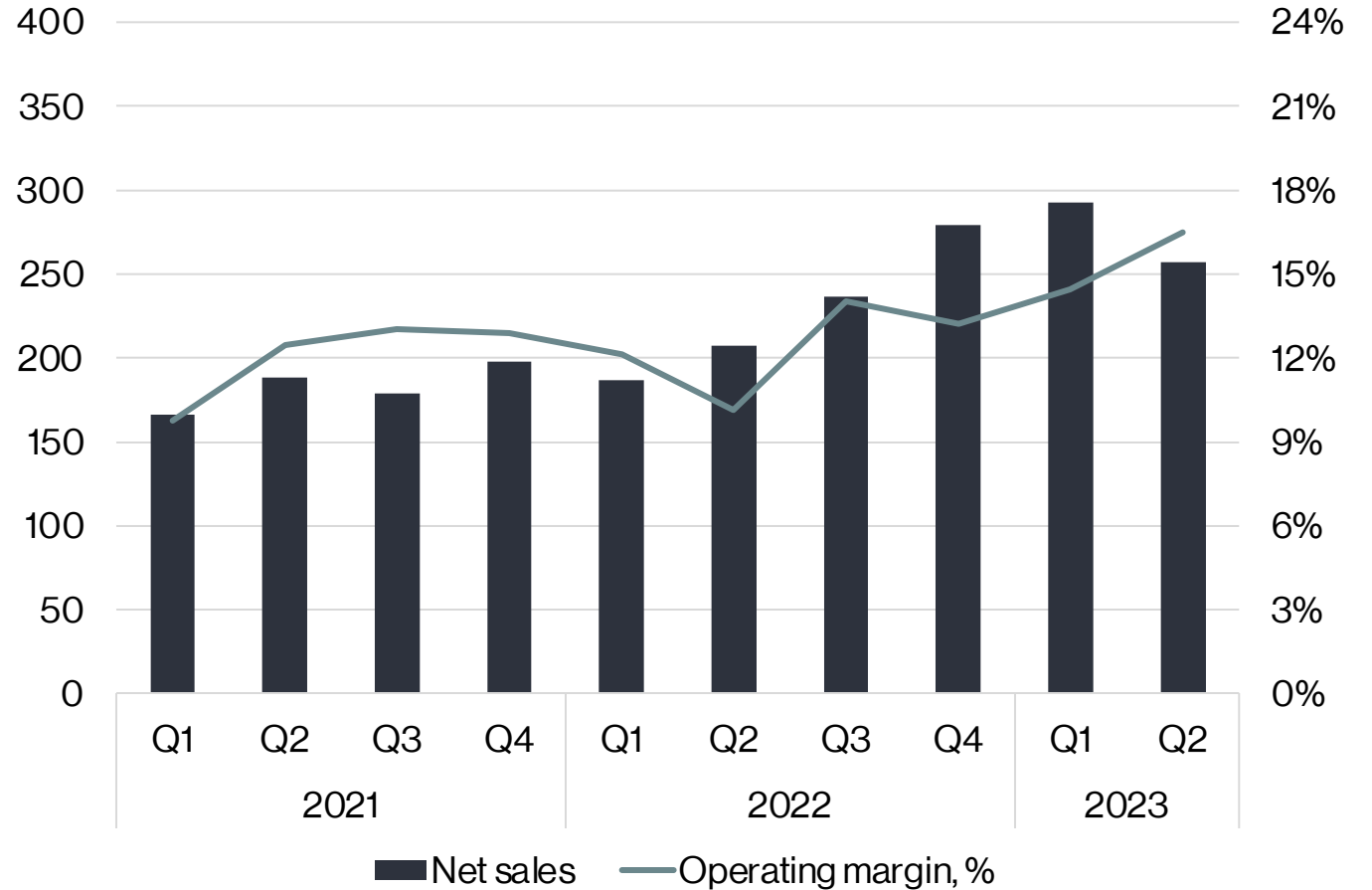
# Infrastructure

## Financials Q2

- Order intake 227 (220) MSEK, organic -5,9%
- Net sales 257 (207) MSEK, organic +14,1%
- Operating margin 16,5% (10,1%)

## Business update

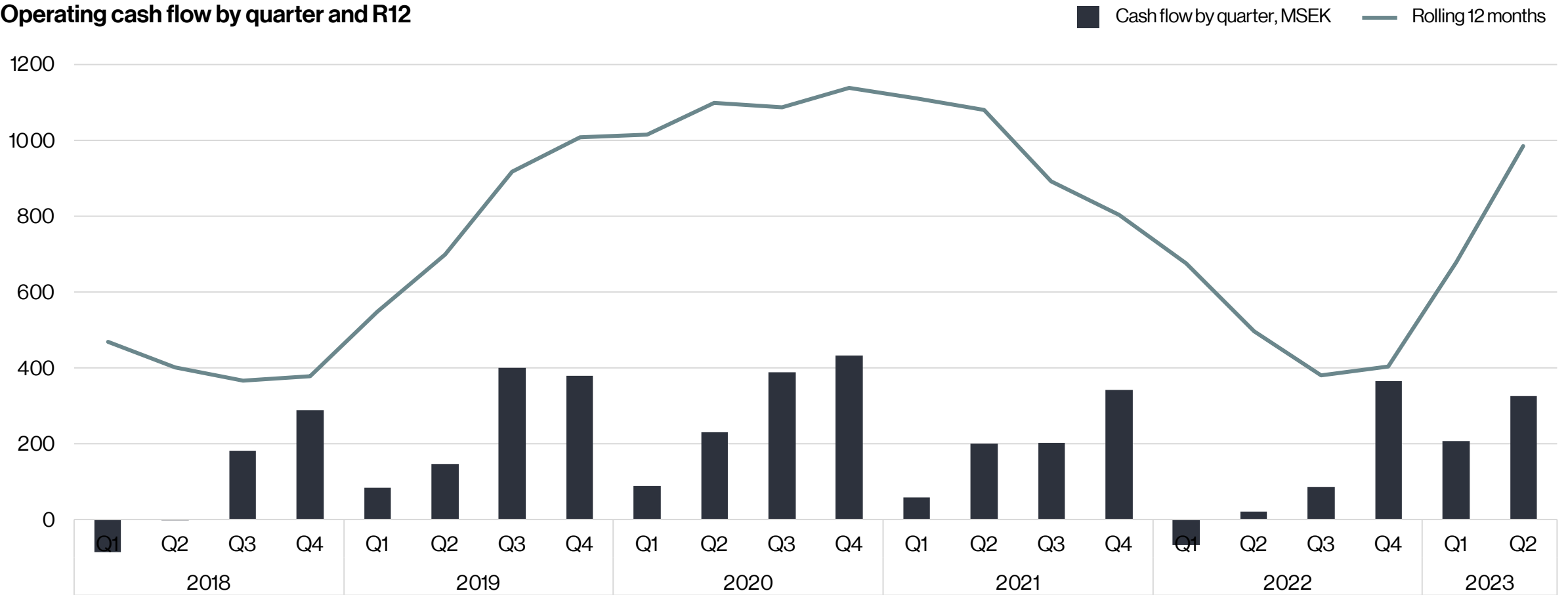
- Good growth in all three businesses
- Strong and improving operating margins
  - all time high in Q2





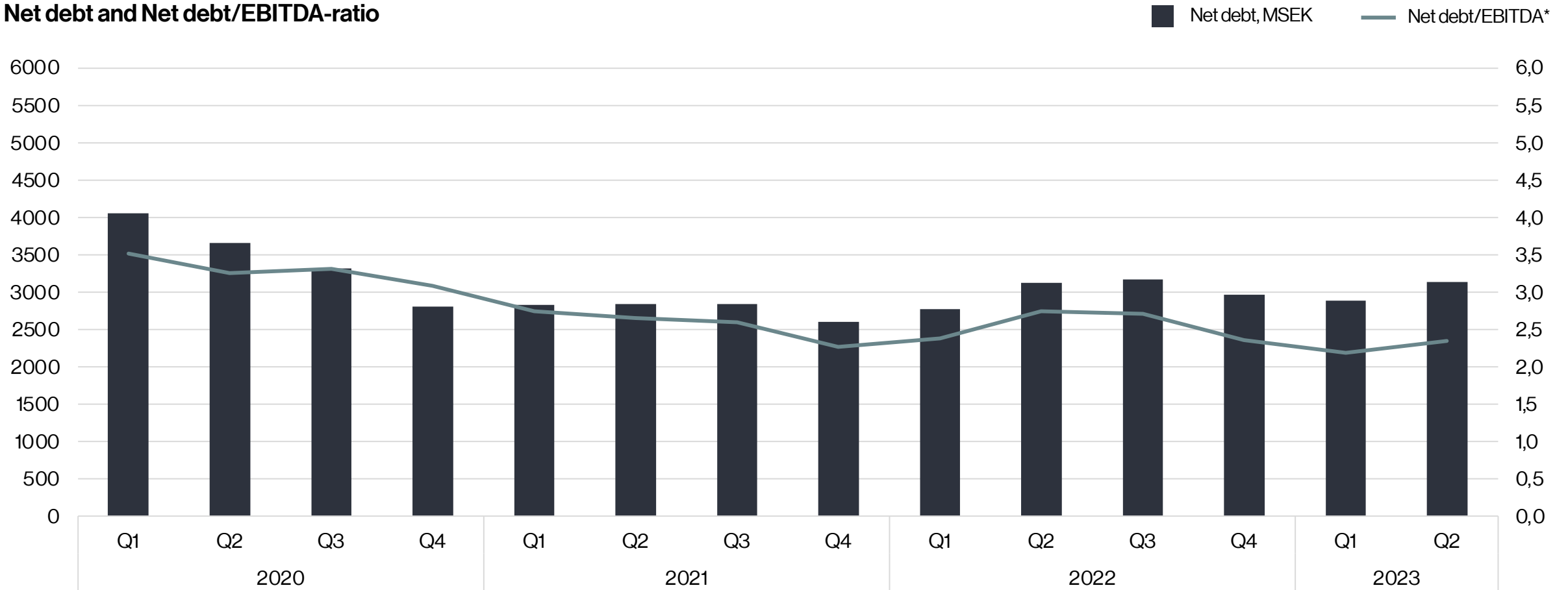
# Cash flow

Operating cash flow by quarter and R12



# Net debt development

Net debt and Net debt/EBITDA-ratio



# Earnings per share

Earnings per share by quarter and R12



## Conclusions and recap

- Continued resilient results during these uncertain times.
- The Group's financial performance remains robust, we have improving margins and a healthy order backlog.
- Some markets demonstrate a high activity level and some remain with uncertainties, particularly in the higher end segments.
- Strong momentum for renovation market following the ban of fluorescent lamps, where our smart lighting solutions save up to 90% energy.



