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Fagerhult AB (FAG.SE)

Q1 2023 Earnings Call

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MANAGEMENT DISCUSSION SECTION

Michael Brüer

Chief Strategy & Communication Officer, Fagerhult AB

Hello everyone and welcome to the presentation of Fagerhult Group's Results for the First Quarter 2023. My name is Michael Brüer, responsible for strategy and communications here at Fagerhult Group and I will be the moderator here today.

On the call today, we have our President and CEO, Bodil Sonesson; and our CFO, Michael Wood. The presentation will start with Bodil giving us a brief update of our results for the first quarter. And Bodil will then continue to update us on the business and some examples from successful group collaboration projects. Michael will continue with more details about the performance of the group and Bodil will conclude with a brief recap. And afterwards, we will open up for questions.

We will first allow questions from the conference call, and then we will allow for questions from the webcast. You can post questions in the chat window on your screen and I will read them up for you – for Bodil and Michael. Before we start, let me also remind you that today's session is recorded and will be available on our website later today.

With that, I hand over to you, Bodil. Please go ahead.

Bodil Sonesson

President & Chief Executive Officer, Fagerhult AB

Great. Thank you, Michael, and welcome everyone to this Q1 2023 webcast. So, we are very happy to share that the strong performance from 2022 continued into 2023, where for Q1, again, as a group, we delivered great results. So, our Q1 performance was strong with organic 14.3% sales growth, delivering a 41% increase in profitability and an operating margin of 11%. Order intake at close to SEK 2.2 billion was strong, especially for the first quarter, and the rolling 12 months remains at over SEK 8 billion, and we have a healthy order backlog.

The development of the financial performance is in line with expectations and the strategic focus areas of sustainability, innovation and people and culture now form a greater share of the focus, and we begin to see the benefits impacting the results. Externally, some markets remain uncertain, but there are many opportunities to overcome these uncertainties. And a strong trend in sales of sustainable solutions for the rapidly growing renovation opportunity, as well as the EU regulation that ban fluorescent lighting starting in September this year. This means that we are – in the coming years, we will have a high demand in the market for upgrading and replacing luminous.

So, let's have a look at the detailed number for the quarter. We have a reduction in organic order intake in Q1 with minus 4.3% to SEK 2,179 million. It's important to say that the Q1 2022 showed a strong 14% organic growth as a comparative number. At the first half year 2022, the supply chain challenges were peaking and therefore customers placed orders early to reserve components.

The growth in organic net sales was a strong 14.3% and in numbers we achieved SEK 2,224 million. In EBIT, we delivered SEK 244 million with an 11% EBIT margin. This is the highest Q1 operating margin for several years. And the SEK 244 million represented a growth of 41% in operating profit compared to the first quarter last year and earnings per share was SEK 0.90.

And as always, you know in our quarter reporting, we want to give you a flavor of our focus areas. And this time, we will go back to two different areas of focus, one being sustainable innovations, where we present two of the new solutions from this quarter, one for Fagerhult Belysning and one for [indiscernible] (05:01) both launched in the quarter.

Secondly, I'd like to present some more projects in the market and they represent different applications areas and show the width of our competence, and even more importantly, they show that more and more recuperate between the different brands in the markets to be able to offer lighting solutions for every customer need. This was one of the fundamental ideas behind the business area organization, more cooperation to create growth opportunities.

And as you know, we have a global presence with our 12 lighting brands and two smart lighting brands, we cover almost all professional lighting markets with sales into 10 different professional customer segments or application areas as we call them, in everything from office, critical infrastructure, urban spaces, hospitality, culture, et cetera. But first, a few words around new legislation in the EU that has happened in Q1. We know that in order to reach the Paris climate goal, we need to renovate our buildings extensively for many years to come and EU is now taking the next step from a legislation perspective.

So, the EU's renovation and energy performance legislation which aims to decarbonize the EU's building stock by 2050 passed in the European Parliament meeting on March 14. The EU's goal is to at least double the annual energy renovation rate of buildings by 2030, starting with the 15%, with the lowest energy rating being G.

And the EU aims to standardize energy classification in Europe and to introduce modernization requirements for existing buildings and with the new energy grades, the EU wants to ban letting, financing, et cetera, of properties with the lowest energy class in G by 2032 for non-residential buildings. And we know that 15% of building's energy consumption is related to lighting. And with the latest smart lighting technology, we can generate energy savings up to 90%.

And as we know, 75% to 80% of current buildings in Europe and UK are energy inefficient and those building will still be there in 2050. And currently, only about 1% of buildings undergo energy efficient renovation each year. So,

that means that we need to retrofit between 3% to 3.5% of existing buildings per year if the net zero target is to be met, so the new legislation would help a little bit with that at least to double existing rates, so a step in the right direction.

So, then let's move to innovation, and the two special new innovative solutions we want to present here today. So, a leading example, a world-class sustainable innovation was launched in the quarter by the [ph] grand (08:35) Fagerhult, it's called Kvisten. Kvisten, which translates to a small wooden branch in English. Referring to, as you can see, a wooden housed luminaire, and the reflectors are made from old recycled television sets, and the materials consists of 77% recycled materials, which result in one of the most sustainable luminaires on the market.

And into this development, Fagerhult has challenged themselves in every detail, method and material with the perception that they achieve more from a sustainable and lighting quality perspective. And for example, the end caps are attached to the luminaire without using any screws or other attachments, and this means less material, but also that it can easily be disassembled and recycled, so a circular thinking from the beginning.

The second innovation is the very elegant looking, BeTwo, it's a pendant or service mount luminaire from iGuzzini, and it's developed for hospitality, retail and office application, it promotes well-being and efficiency and at 155 lumens per watt ensures a very responsible use of energy. The system is suspended in an extremely delicate way in an addition to being installed quickly and individually. These luminaires come in many different sizes and different types. So number of variations becomes almost endless. It's like a game where you can use different colors, sizes and heights.

So, two very nice innovation in the quarter that we wanted to share with you out of the launched products. So, then let me move on to the next one, which is projects with many of our brands involved. And the first one, it's a building called Platinan in Gothenburg and it's a new landmark building with offices, hotels and meeting places developed by the real estate company Vasakronan, with its unique architecture. Platinan is special in many ways, both in size and construction and the focus on sustainability and light environment.

And as much as 99% of the building's lighting comes from the Fagerhult Group. And that is thanks to our [ph] wit (11:12) within the group where we were able to offer the customer the right light and the right place for pretty much every function in the building. So, each brand has contributed what – [ph] wit (11:24) what they do best. So, Fagerhult has been responsible for overall delivery of the general lighting. PEAB has been doing the exterior environments and LED Linear is doing power enhancing light, both interior and exterior. iGuzzini is supplying the lighting for the restaurants. And ateljé Lyktan has done the interior design solutions for the office environment. So, you can see a very big [ph] wit (11:51) of different solutions from the group.

If we look at the next example, we all know about the dramatic increase in the energy cost and this international retailer decided to change its lighting scheme and adopt a more ambient lighting feel. And iGuzzini has been the main lighting partner for over 20 years. And in this new concept, they could not meet all the [ph] presents (12:19). So all the specific needs for the all the products as the retailer wanted to add a linear solution. And then they were considering other group brands in the portfolio and they found a very good match in linear solutions from Veko and developed a new lighting solution.

So the project was done in close collaboration with Veko and before final sign off, the customer also went to the Veko factory outside Amsterdam and besides Veko, iGuzzini also involved Whitecroft the voluminous to the office and warehouse areas. So as mentioned earlier, the LED upgrade is a big market opportunity for the group. And

for this retailer, there is an upgrade needed in many stores all over the world. So iGuzzini is now working closely with Veko and Whitecroft to develop a complete offer together.

The last project I want to mention today is a newly built primary school in Fjelltun outside of Stavanger in Norway. And it's an excellent example of how our brands can collaborate and create a customized lighting solution. Classrooms are equipped with luminaires from Fagerhult. Offices and meeting rooms have pendant luminaires from ateljé Lyktan. Ceilings were equipped with luminaires from Fagerhult and LED Linear to provide decorative lighting of the ceiling and Organic Response was chosen as the smart lighting solution for the entire installation. And all the luminaires have sensors then control lighting and other functions in the building.

And the solution was actually used beyond lighting as the school had challenges with kids that did not close the water tap in the restrooms. So, the solution was to equip the restrooms with magnetic water seals, which are controlled through data from the Organic Response sensor. And this means that the water only works when someone's presence is detected and light is on. So, the solution is minimizing the risk for vandalism and water damage.

So, that was the last project. And with that, I'll hand over to Michael and the thorough financial update.

Michael Wood

Chief Financial Officer, Fagerhult AB

Good morning, everybody. I'm Michael Wood, Fagerhult Group CFO. As Bodil has already mentioned, the results for the first quarter were very good and the performance of the group's businesses has picked up exactly where they left off from the end of 2022. Some might even say even in a stronger position because it is the first quarter of the year.

Overall sales growth was again significant at almost 19% with an organic element in there of 14.3%. The SEK 2.224 billion was a high for Q1 and this continued quarter after quarter strong messaging, indicates that the strategic agenda is being delivered on and that hopefully, all observers and commentators begin to understand our agenda. The confidence for the group continues to grow.

As stated last time, we see that market activity remains geographically mixed with many countries delivering continued great results. Any uncertainties are overcome by the many opportunities. We see many opportunities on the market, especially arising from the renovation and retrofit activities, as well as the support we provide to our customers in reducing energy costs and helping them to reduce their carbon footprint. Our highest priority remains to serve our customers very well and at each and at every individual touch point where we engage.

Gross profit margins continue to develop well in most businesses, and overall there is further work yielding further benefits here in the next few quarters. The operating profit at SEK 244 million delivers a strong 11% operating margin. And as Bodil has already mentioned, this is the highest operating margin since long before the COVID years. Earnings per share at SEK 0.9 per share increased 32% compared to the SEK 0.68 from 2022. As said last time we – when we met, we can expect improved cash flow results and a positive SEK 206 million compares very well with a negative SEK 68 million from last year.

Let's take a look at the rolling sales development. The development in the rolling 12 months sales continues on a strong trend. And this has continued to develop well with the rolling 12 month net sales now at just over SEK 8.6 billion. Our ambitions, of course, remain to further develop this in the coming years, both organically and through M&A.

Looking at the margins, what I referred to earlier, we're presenting the first quarter slide can be seen more clearly here. And subject to seasonal fluctuations, of course, the operating margin has increased steadily since the second half of 2020 and the 2023 Q1 margin is the highest shown for the comparative data on the slide.

You should remember that the current scale and dynamics of the group is only since early 2019 since the significant iGuzzini entity joined the group, and the recent development of the operating margin that you can see clearly on the slide is across all businesses. For larger-scale producers serving the industry, our own adjusted operating margins remain healthy compared to what we see on the market.

Okay. Let's first have a little bit of a drop into each of the business areas, a little bit of a deeper dive. Firstly we – just a quick comment and observation. In this and the following three business areas slides, we choose to show only the data since the start of the recovery from the COVID period. This is so you can focus on recent developments and don't get a little bit misled or confused by some of the ups and downs through the COVID times. We think it prevent – that presents a clearer perspective of the work that we have been doing.

Similar to last year, I repeat the obvious statement when looking at the margin development in Collection, and that is the increase in delivery with much improved consistency. For the first quarter, the business area has made a strong start with good growth and profitability. Order intake has been a bit weaker, and Bodil has already explained this as the comment regarding supply chain challenges, customer placing orders early was seen particularly in Collection.

But account to this, the inquiry tendering and quotation activity, i.e., the medium to longer term activity has been strong during the last two to three months. We will continue the journey to develop the operating margin for the whole business area and there are many ongoing projects in this regard. Bodil has taken you through a key project for the group, and that is the project of collaboration with multiple brands where we are seeing good success and project wins. This is unique ability that exists within the Fagerhult Group due to its brand strategy.

Let's go to Premium. The Premium business area continues to deliver exceptional levels of profitability and you can see clearly it is our strongest profit engine. The first quarter delivered very strong sales growth, almost 25% and the operating margin of 14.9% for the first quarter is exceptional. We see further growth and improvement here coming from innovative product development. Kvisten was one example that you were shown earlier on. As well as a clear focus on three or four application areas. Also, as a reminder, the business area funds the growing investments that we make in our technology solution with Organic Response.

Moving to Professional. Generally for business area Professional, we see improved stability and predictability. Order intake growth, especially in the UK, has been very strong at the start of the year and so we see this turning into good sales growth during the next two to three quarters. Gross margins are making good progress and development in the right direction in both Australia and the UK.

Due to some immediate government legislation in Turkey affecting social cost and pension provision, the business area operating profit and margin for the quarter was below expectations. Without this element of the cost, the positive development that we saw last quarter would have continued in a similar trajectory. And it is disappointing that that such legislation catches us [indiscernible] (21:29) it comes to us quickly, but we've dealt with it in the first quarter for 2023. So, that should not catch us again.

Infrastructure, in business area Infrastructure, once again we saw strong growth in sales and profitability. The charts are all pointing in the right direction, and this comes from all three businesses where the key message is and has been – sorry, has been and remains focus. Order intake growth also continues to be strong. And you can

see in the current and previous reports the securing of some very important projects, many have been in collaboration with other group brands, not just within infrastructure but from other business areas. Our focused approach for transport distribution centers, harsh and secure environments provides much success, and we look forward to continuing this journey.

Cash flow. The operating cash flow for the quarter was positive, just over SEK 200 million compared to negative SEK 68 million from last year, due to the natural effect of the sales growth has on accounts receivables, these remain high, but under control, and we see no signs of increased losses. Disappointingly, however, inventory levels recorded a slight increase in the quarter, which contradicted our comments in the last webcast that we took and also contradicted the trend that we saw from the summer of 2022 all the way through to the end of December last year. Our opinion stated in the last webcast regarding inventory reductions remain, and we will increase the focus here in the spring and summer.

Net debt development, first of all, a reminder that EBITDA used in these charts is adjusted for acquisitions and/or disposals, including the impact of IFRS 16 accounting, we report a closing net debt of SEK 2.9 billion just under. And a net debt EBITDA ratio of 2.18 and you can see in the gray line there a further reduction from the previous quarter. Here, we expect further reductions in the next few months as the working capital will continue to fall whilst profitability remains subject to, of course, to the dividend payment that was approved yesterday evening at the AGM.

We aimed last year for an earnings per share above SEK 3. We were aiming at that all the way through the year and the delivery finally closeout for 2022 at SEK 3.2. For the first quarter, the earnings per share was SEK 0.9 per share and so the rolling 12-month now approaches SEK 3.50 per share. And we plan to develop this further during 2023.

Finally, before handing back to Bodil for closing – before Q&A and closing, a short summary message from me. Quarterly levels of order intake at SEK 2.2 billion remain healthy. We continue to develop the growth and net margins. Internally, our unique position for collaboration grows and externally we respond very well with many great project wins in the rapidly growing renovation opportunity.

With that, I thank you for listening and hand back to Bodil.

Bodil Sonesson

President & Chief Executive Officer, Fagerhult AB

Okay. So let's have just a quick conclusion and recap slide. And the conclusion for Q1 2023 is of course positive. So our financial position is strong and we have been delivering in line with our expectations both growth and net sales and strongly improved operational margin compared to last year. We also well-positioned with regards to megatrends and we continue to see the legislation in Europe and in the UK focused to increase renovation with focus on energy efficiency. New legislation in EU and from this quarter bans non-public buildings and energy Class G from 2032.

And we continue to release innovative, sustainable lighting solution in our different brands that are very well-positioned for this trend. And at the same time, focus on light quality and bringing nice designs. These trends are also very well reflected in our order intake this quarter where we have been winning a lot of renovation projects and see an increased demand for replacement of fluorescent lighting.

So for me, the three most important points that I would like to remember from this presentation are a strong start to 2023, well-positioned for global macro trends where the trend for renovation of buildings continue to grow, and the launch of the very nice, innovative, sustainable lighting solutions will position for these market trends.

I think with that, I will hand back. We will end the presentation and open up for questions. So, I will hand back to Michael.

Michael Brüer

Chief Strategy & Communication Officer, Fagerhult AB

Thank you, and thank you, Bodil. With that, we also ask Adam to open up for questions from those on the telephone line, the conference call.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] We have a question from Mats Liss from Kepler Cheuvreux. Mats, your line is open. Please go ahead.

Mats Liss

Analyst, Kepler Cheuvreux SA (Sweden)

Q

Yeah. Hi. Thank you. Congrats on a good quarter there. A couple of questions. First, looking at the order intake for Infrastructure, it was quite good I guess and earnings as well. But what should we expect going forward? Is this a new trend and well, could you say something about that?

Bodil Sonesson

President & Chief Executive Officer, Fagerhult AB

A

I think if – hi, Mats, good morning and thank you.

Mats Liss

Analyst, Kepler Cheuvreux SA (Sweden)

Q

Good morning.

Bodil Sonesson

President & Chief Executive Officer, Fagerhult AB

A

I think if you look into the trend, you can look quite a long way back if you look into infrastructure that we've seen a growing trend. So, I think that is very clear. Then you can always look into what is the exact percentages of that. But I think if we look at the business area as such, it has strong indicators, both on order intake and net sales and our profitability. And I think we've had – if I go back, I think since we started the new business area, they have been focusing on their different segments in the market where they are present.

And I think we see that paying off. And then they also – if you take a little bit of a longer perspective, that still means that there is a lot of possibilities in other geographical markets and in other infrastructure focused applications. So I think if you take a little bit of a longer perspective, yes, we see this trend going to continue in this market. So, it's not a one-off and I think it's been going on for quite some while already. So, we are positive with regards to infrastructure. Many, many, many opportunities.

Mats Liss

Analyst, Kepler Cheuvreux SA (Sweden)

Q

[indiscernible] (29:25) well, you mentioned the European ban of fluorescent lighting and how important is that ban? Is it something that will sort of well, make the renovation trend booming here in the coming quarters?

Bodil Sonesson

President & Chief Executive Officer, Fagerhult AB

A

I don't know if I would use the word booming, but I think it will be much more of a longer perspective because I think they're banning it. It's banned from a production standpoint. But that still means that there will be a lot of fluorescent lighting who is in distribution channels, et cetera. We saw that also – when it happened the same in the consumer market many years ago and from 2008 and it took some time.

So, of course, it will – all of these, the new EU legislation, the focus we need on renovation from the climate perspective, and the longer trend that we have no choice but we need to renovate. So, fluorescent – the ban on fluorescent is, of course, adding on to this. But I don't think it will be one big spike. I think you will see it consistently being part of our growth drivers for quite a long time to come.

But having said that, I think if you look what has happened in the last few months is that the installer market have discovered this now. So we're doing a lot of trainings, for example, in explaining what's happening, also to people to understand that if you would go in and only change the fluorescent lighting without doing – looking at the complete luminaire solution, you would, for example, break the [ph] CE ceiling (31:11) of it. So, there is also a knowledge that we need to bring to the market. But, of course, it's positive for us. Did that answer your question?

Mats Liss

Analyst, Kepler Cheuvreux SA (Sweden)

Q

Yeah. I guess it's a trend. And then looking at order intake, it was sort of well, as I expected anyway, but given the increased renovation thought of the mix there, should we expect more well – in for out orders during the quarter now also that maybe, well, it's not included yet, but I guess the lead times are shorter. I guess I read that in the report.

Bodil Sonesson

President & Chief Executive Officer, Fagerhult AB

A

Yes. The answer is yes. We see that. So, a year ago that wasn't possible with the supply chain solution and therefore people ask [indiscernible] (32:04) longer time ahead. So, we've seen the market going back to more normal parts that you see more in and out, so a little bit more short-term oriented possibilities on the delivery side than we had before. Then this is I think a bit different because it's also depending on our different businesses, we see that more in some business areas than in others, depending on the end customer markets that we work with. But the answer is yes.

Michael Wood

Chief Financial Officer, Fagerhult AB

A

Just a little additional information, Mats, I don't know whether you're just going back to one of your earlier questions on the fluorescent ban here in Europe, it's total [indiscernible] (32:43) it's the production of fluorescent lamps here in Europe as well as the importing of fluorescent lamps into Europe from – maybe from elsewhere, so we can imagine there will be distribution warehouses committed to the ceilings of these things. But with a 65% to 70% installed fluorescent base here in Europe's buildings that will quickly be consumed.

So manufacturing of them, importing them [ph] ceases (33:14), existing inventory levels of them around the European distribution centers will quickly reduce. And that's why we see this led replacement renovation as a positive opportunity. We're already gaining there. And the supply chain improvements that we've seen in this last six months, I suppose will help us facilitate that.

Mats Liss

Analyst, Kepler Cheuvreux SA (Sweden)

Q

Well, yeah. Great. Then I guess, well, looking at a mix here of [ph] size (33:53) and volume, I guess you have been able to adapt to cost increases. Have you done that to full extent or still room to make adjustments or do you need to make adjustment to handle the cost increases?

Michael Wood

Chief Financial Officer, Fagerhult AB

A

Well, we have been doing adjustments in – during the first quarter, certainly earlier on in the first quarter of 2023 on, of course, in project lighting, things take a little bit time to materialize through the quotation order invoicing cycle. But I think I've mentioned in my delivery of the margin development we can expect further development of this in the coming quarters as we move through 2023.

Mats Liss

Analyst, Kepler Cheuvreux SA (Sweden)

Q

Great. And well, Michael, you've mentioned the cash flow that you were a bit disappointed that you haven't been able to deliver on the indication made last time. But you continue to see opportunities to reduce inventories. Is that right?

Michael Wood

Chief Financial Officer, Fagerhult AB

A

That's correct, yeah. Yeah. [indiscernible] (35:09) whether there's a little bit of psychology and I don't know you shouldn't talk about psychology when you're on an earnings call. But, sometimes when you get into the new year, you return to work and you say, oh, let's buy some more product and put it on the shelves in our warehouses. And we think that's what's going on, which is not – which is disappointing to see. They did come down towards the end of the quarter. So, if I'm breaking the quarter down into months, then March was lower than January and February. So, that short-term blip happened. It's now beginning to come down in March and we expect further reductions as we go through.

Bodil Sonesson

President & Chief Executive Officer, Fagerhult AB

A

And as Michael said, it's a focus area for us, and we will continue to be for the full year.

Mats Liss

Analyst, Kepler Cheuvreux SA (Sweden)

Q

Great. And just fine – for the record, I guess looking at CapEx, you had some investing activities going on there. Is there run rate to be expected during coming quarters as well? Are there any larger funds to be expected?

Michael Wood

Chief Financial Officer, Fagerhult AB

A

Yeah. I think the investments will grow a little bit. What we see there are investments being required for sustainability and carbon footprint reductions in many of our locations. There are some solar panels, as an example for that. Painting solutions as further examples. And as you've seen from Kvisten and BeTwo, we do completely encourage our businesses to continue a high level of investment in product development.

Mats Liss

Analyst, Kepler Cheuvreux SA (Sweden)

Q

Okay. Great. Okay, great. Thanks a lot.

Michael Wood

Chief Financial Officer, Fagerhult AB

A

Thanks, Mats.

Operator: We have no further questions from the phone lines, so I'll hand back to the team for webcast questions.

Michael Brüer

Chief Strategy & Communication Officer, Fagerhult AB

A

Thank you, Adam. And we have a question from the webcast. That during the second quarter, the group will refinance SEK 2 billion of the loan portfolio, and this is approved by the board and lenders credit committees. Could you provide an integral and the terms on how they compare to the previous terms?

Michael Wood

Chief Financial Officer, Fagerhult AB

A

Yeah, sure. Obviously, we can't tell you how much we're going to be paying to borrow some money. That would be unfair. But what we can say, we have good partnerships with our two main providers based in Stockholm, good relationships there. And we've gone for two straight five-year term loans is that we can say because that will become public information. So, two straight year – five-year term loans. And what we see for the levels of those in terms of the level of interest rate, it's – we discussed it yesterday at the board, and it is very comparable with what we see with larger organizations today and more favorable to what we see with smaller organizations today. And that probably is as much as I would like to say or can say.

Michael Brüer

Chief Strategy & Communication Officer, Fagerhult AB

And with that, there was very few questions in the – from the webcast audience today. So, with that, I think we are done with questions for today. So maybe some last comments from you, Bodil, before we end this webcast.

Bodil Sonesson

President & Chief Executive Officer, Fagerhult AB

Yes, of course, Michael. So, I would like to reiterate that it's positive to see a strong start of the year, also I think even more positively following on a strong Q4, so a very stable and good – continued good financial development. I'd also like to highlight, we spoke a little about it in the questions as well I think we see many – the market for renovation and what opportunities that bring to us. I think that is really, really nice to see and the fact that we have been focusing so much and continue to do it on sustainable innovations, which makes us very, very well-positioned for that. I think those are maybe the two main conclusions of today.

Michael Brüer

Chief Strategy & Communication Officer, Fagerhult AB

Thank you. And thank you, everyone, for joining today's conference call. We will publish our Q2 results then on July 20. And our next webcast will follow at our Q3 report so that's on October 27. So quite a bit out in time. So thank you, everyone, for today and have a nice day.

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