

Fagerhult Group

# We light up your world

Q2 2021 presentation

August 23<sup>rd</sup> 2021

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## Second quarter

### **Sales development**

- Recovery accelerates, strong organic order intake growth
- Regional growth varies depending on local conditions

### **Operating margin**

- Strong increase in profitability
- Result of good team work and increased market activity

### **Availability of components and materials remains a challenge**

**Continued strong growth in Connectivity, volumes +60%**

**Many new exciting sustainability initiatives**

**Group Core Values ready for roll-out**



## Q2 2021 in figures

**Order intake: 2 123 MSEK (1 655)**

+35,3% organic

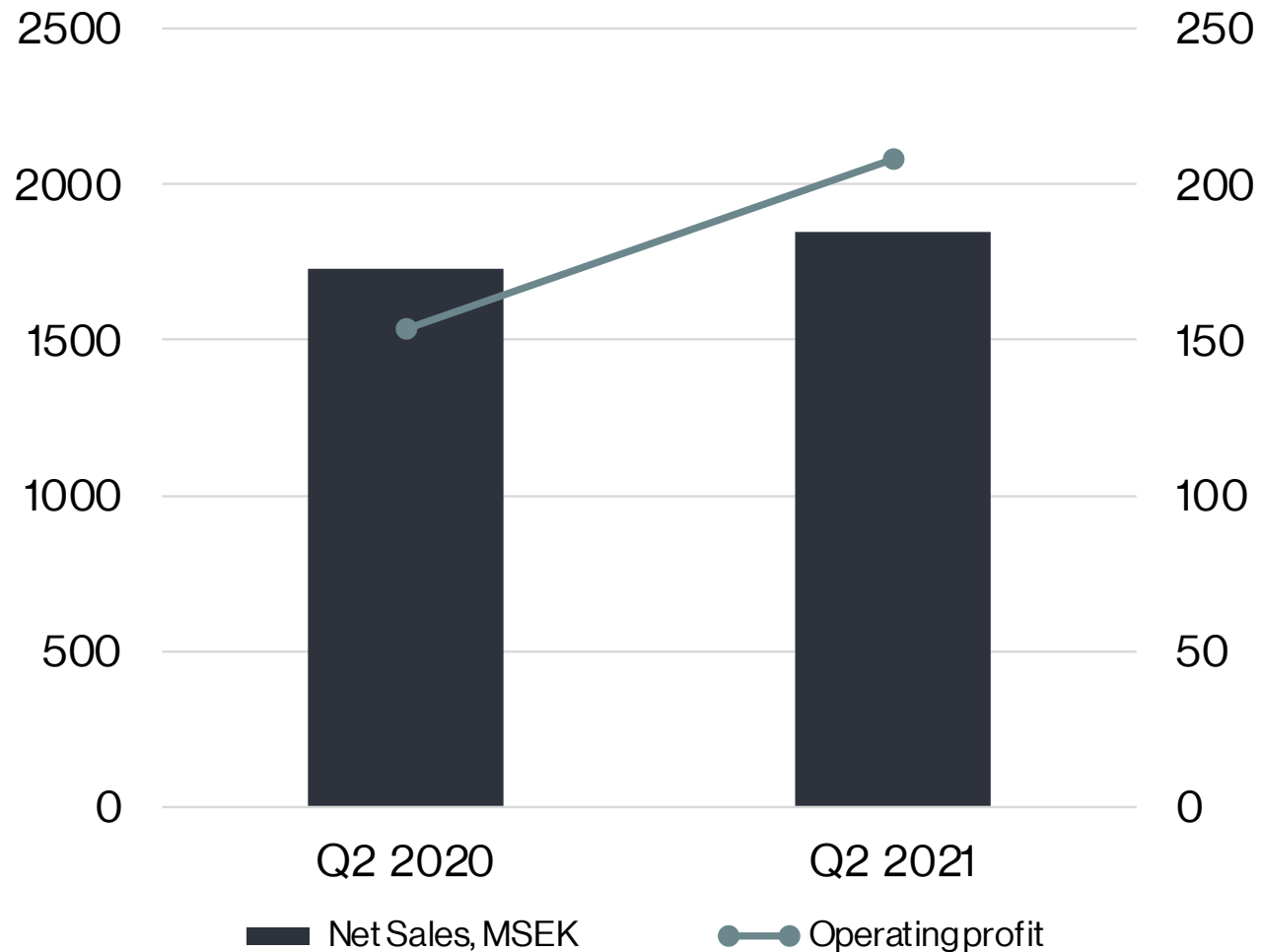
**Net sales: 1 845 MSEK (1 726)**

+12,2% organic

**Operating profit: 208,2 MSEK (153,6)**

**Operating margin: 11,3% (8,9%)**

**Earnings per share: 0,78 SEK (0,55)**



## First half year 2021 in figures

**Order intake: 3 977 MSEK (3 801)**

+11,3% organic

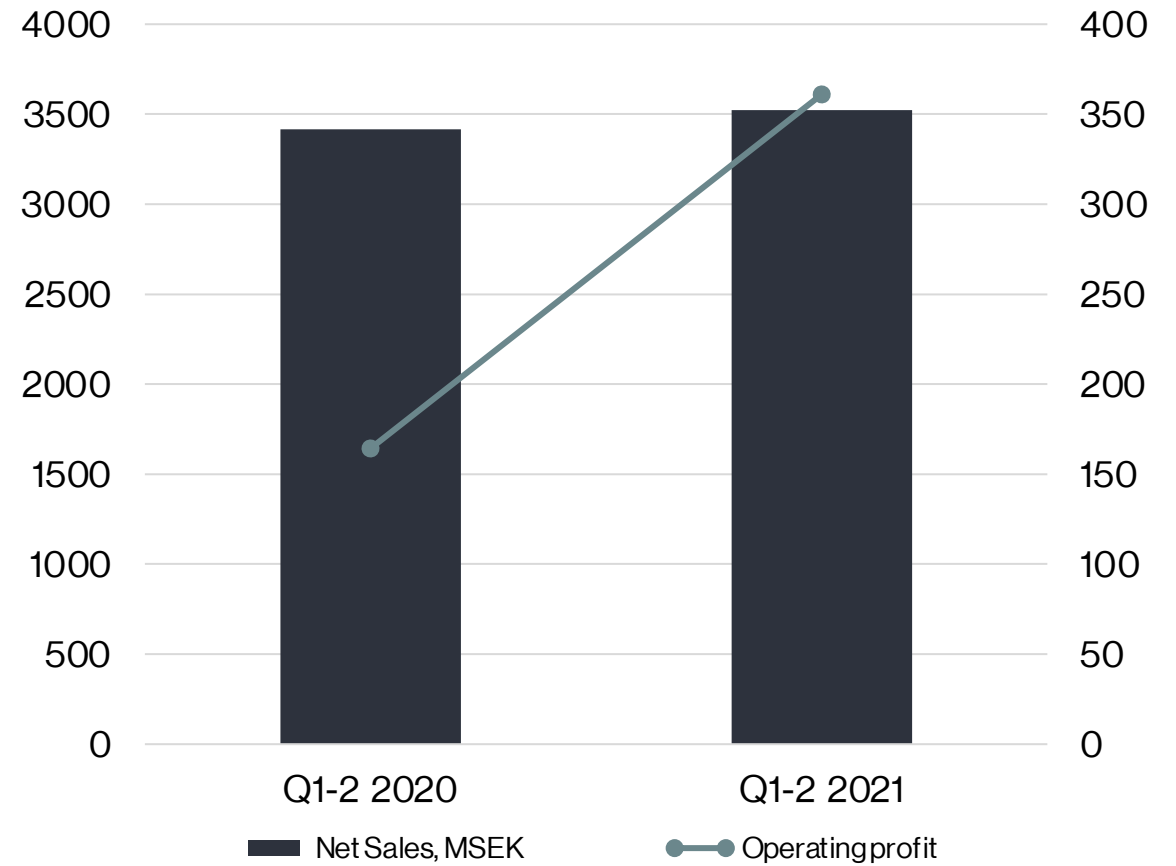
**Net sales: 3 523 MSEK (3 415)**

+9,5% organic

**Operating profit: 361,1 MSEK (164,3)**

**Operating margin: 10,2% (4,8%)**

**Earnings per share: 1,31 SEK (0,46)**



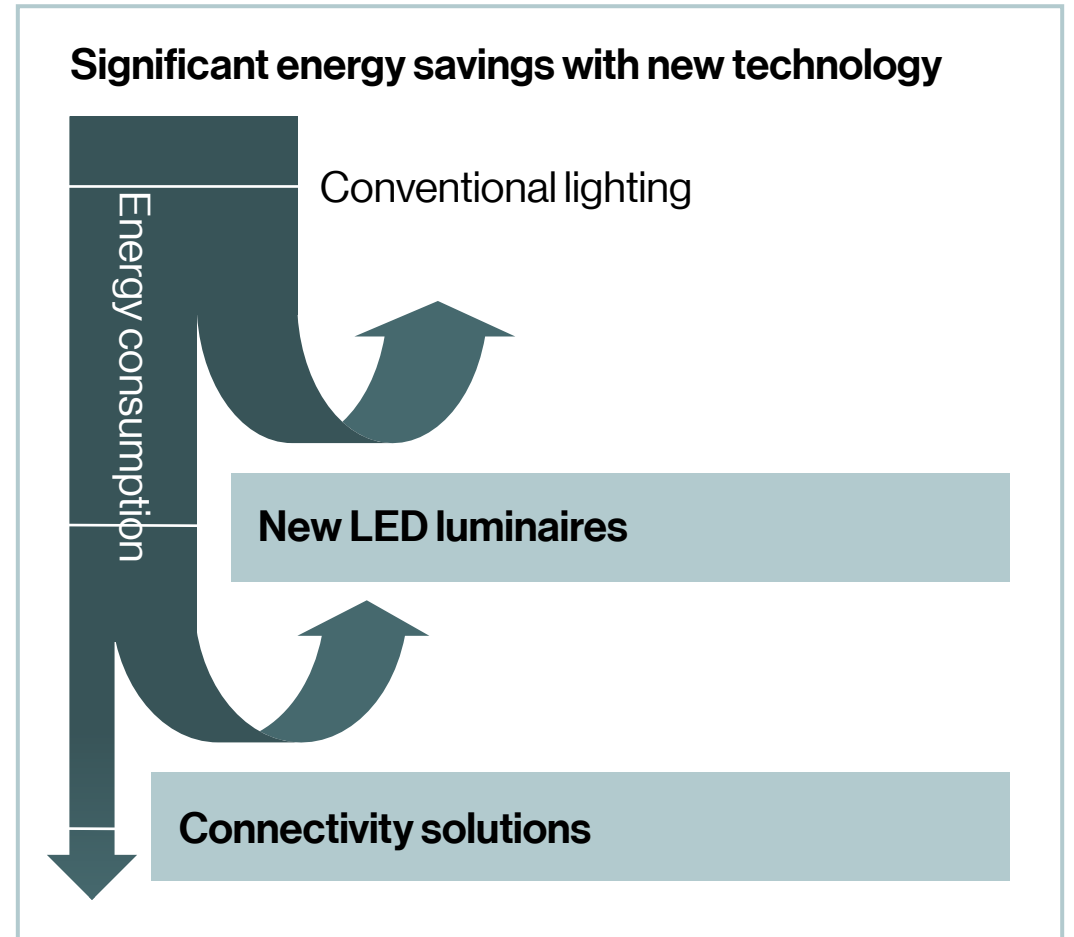


# Market potential following increased focus on sustainability and energy efficiency

## Increasing demand for energy efficient solutions, e.g.

- EU Green Deal and Renovation Wave
- UK Public Sector Decarbonisation Scheme

High quality lighting will be part of the solution and increase well-being



## Fagerhult Multilume Re:Think, reducing climate impact by 83%

- The body of the luminaire is made from 100% recyclable cardboard
- By changing metal to cardboard, the weight of the luminaire is reduced by 32%
- Smart packaging, with no plastics, reduces shipping volumes by 30%
- Total climate impact is reduced by 83%







## iGuzzini continue to develop their operational excellence

- iGuzzini awarded 'Bronze level' World Class Manufacturing
- WCM is a global manufacturing standard for efficiency, safety and quality in operations
- iGuzzini also acknowledged for their sustainability efforts, awarded EcoVadis Silver in Q1



## Continued strong development for our Connectivity solutions

- Two systems within the Group:
  - Indoor:  **organic response**
  - Outdoor:  **seneco**
- Organic Response volumes increased 60% for the first half year
  - Multiple partnerships/integrations launched, e.g., Sony and Securitas
- Seneco integration continues with good progress across the Group



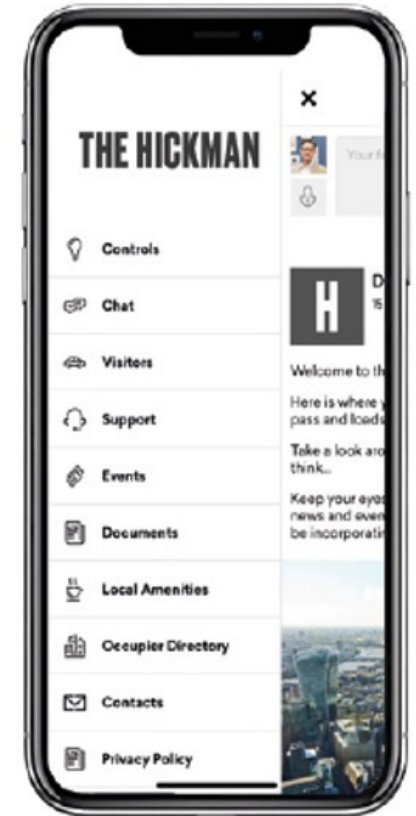


## Case: Hickman – One of the smartest buildings in the world



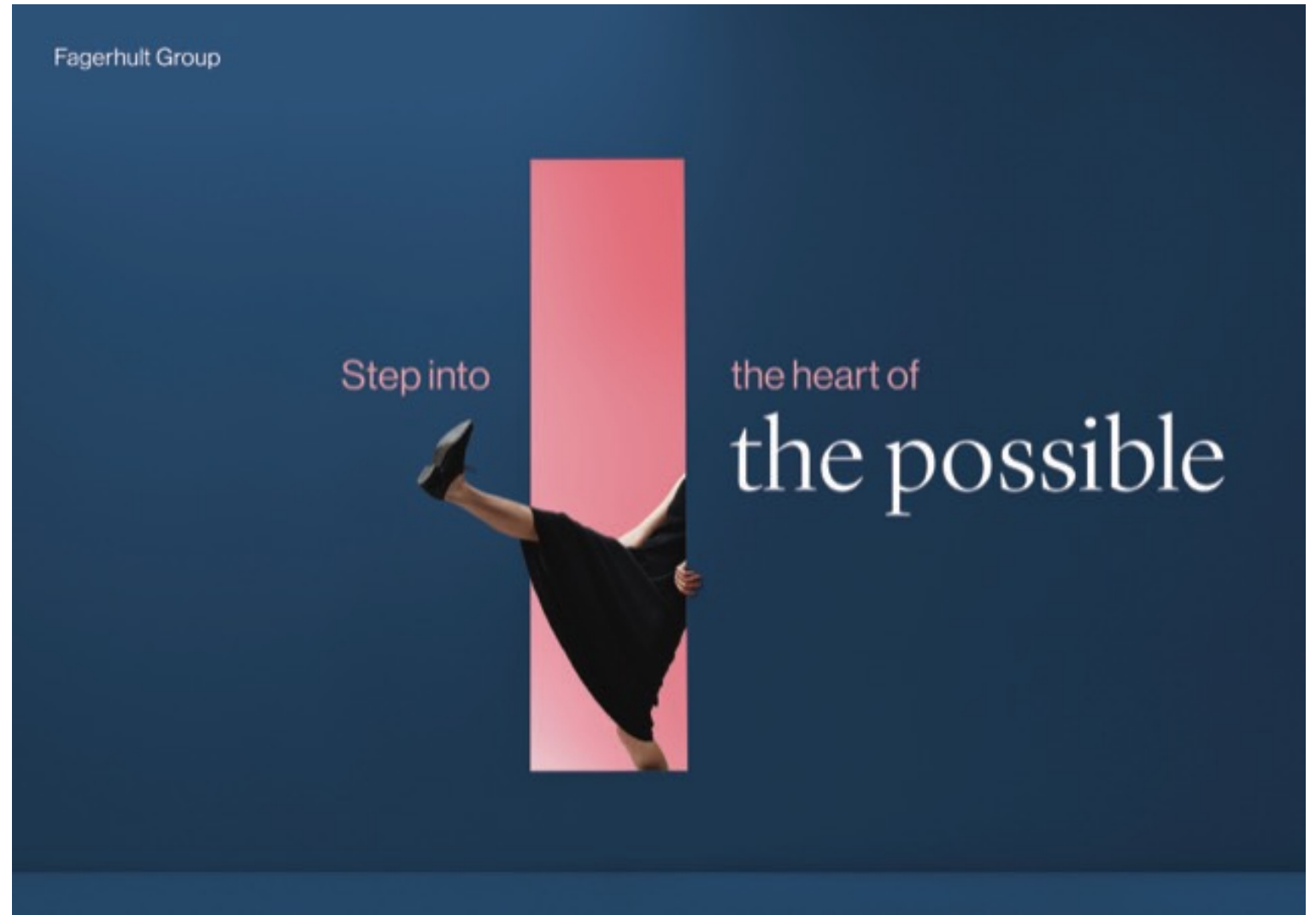
### Project in short:

- More than 1300 Organic Response nodes installed
- Luminaires and lighting control integrated into smart building eco-system
- SmartSpaces App to deliver an exceptional user experience for tenants



## Group Core values

- Launch starting in September
- Involvement of 1800+ colleagues
- Perspective on future needs









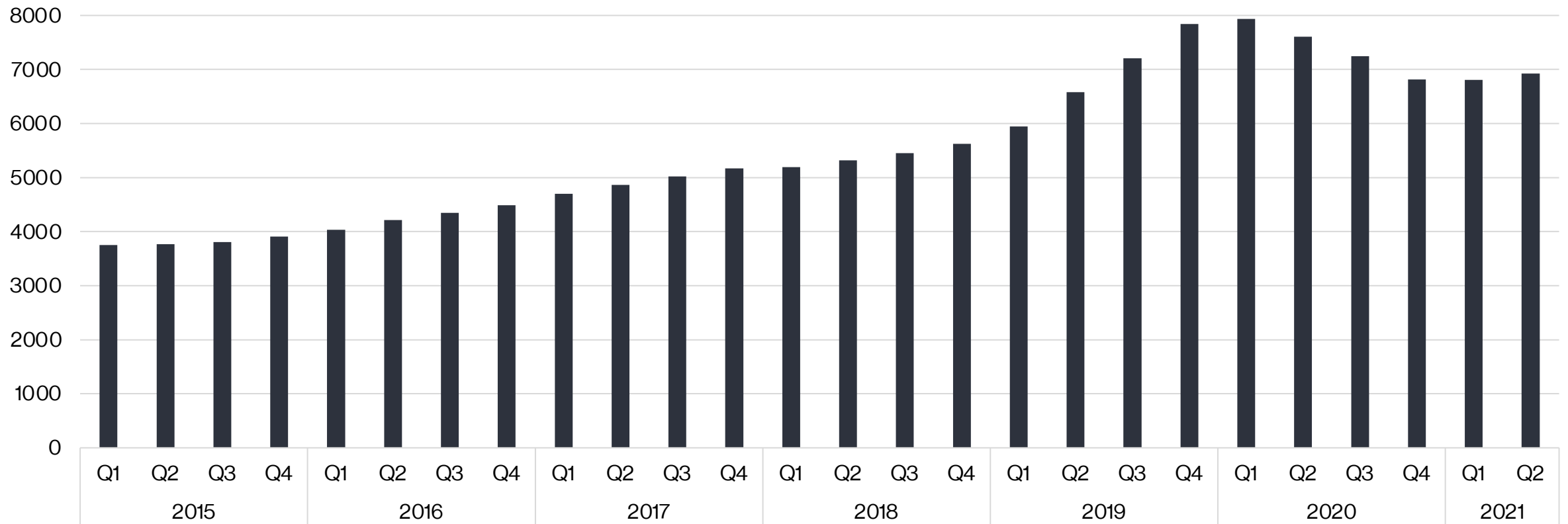
## Financial summary

MSEK	Q2 2020	Q2 2021		Q1-2 2020	Q1-2 2021	
<b>Net sales</b>	<b>1726</b>	<b>1845</b>	<b>6,9%</b>	<b>3 415</b>	<b>3 523</b>	<b>3,2%</b>
- Organic growth		210	12,2%		320	9,5%
- FX-differences		-82			-179	
- Acquisition / divestment		-9			-33	
<b>Operating profit</b>	<b>154</b>	<b>208</b>		<b>164</b>	<b>361</b>	
Operating profit, %	8,9%	11,3%		4,8%	10,2%	
<b>Net profit</b>	<b>99</b>	<b>138</b>		<b>82</b>	<b>234</b>	
<b>Earnings per share, SEK</b>	<b>0,55</b>	<b>0,78</b>		<b>0,46</b>	<b>1,31</b>	
<b>Operating cash flow</b>	<b>230</b>	<b>200</b>		<b>318</b>	<b>259</b>	

# Sales development

## Net sales R12

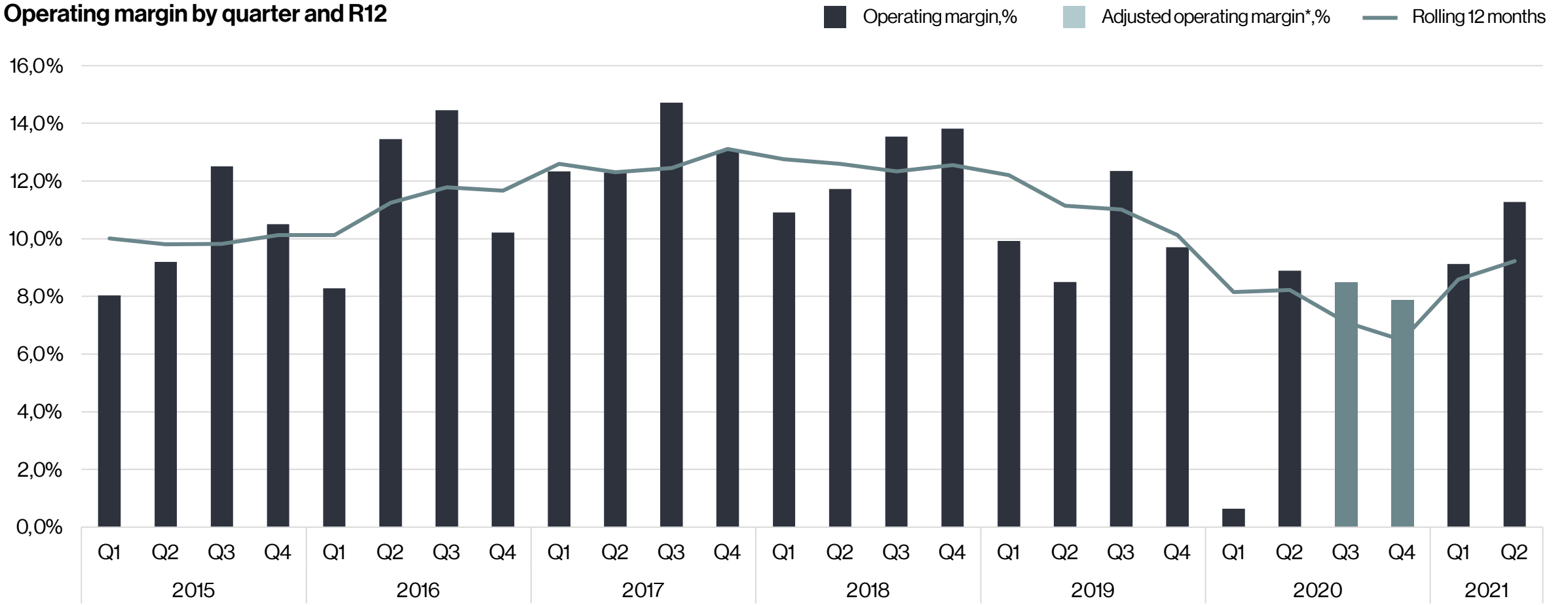
Net sales R12, MSEK





# Margin development

Operating margin by quarter and R12



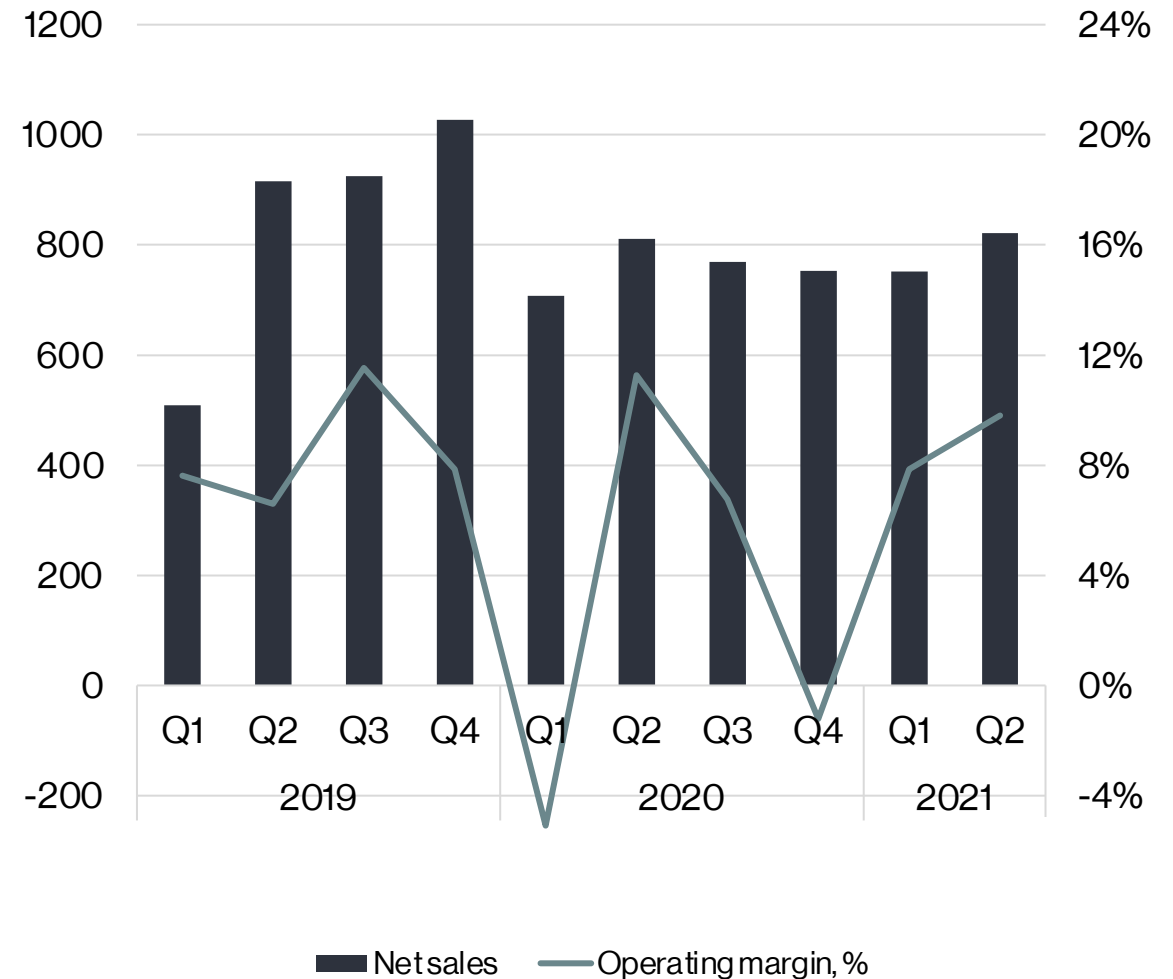
# Business Area Collection

## Financials Q2

- Order intake 893 (707) MSEK, organic 35,2%
- Net sales 822 (811) MSEK, organic 7,4%
- Operating margin 9,8% (11,3%)

## Business update

- Profitability position much improved compared to last year
- Profitability in Q2 2020 reflecting re-opening of operations at iGuzzini
- Continued collaboration across businesses on joint strategic initiatives



# Business Area Premium

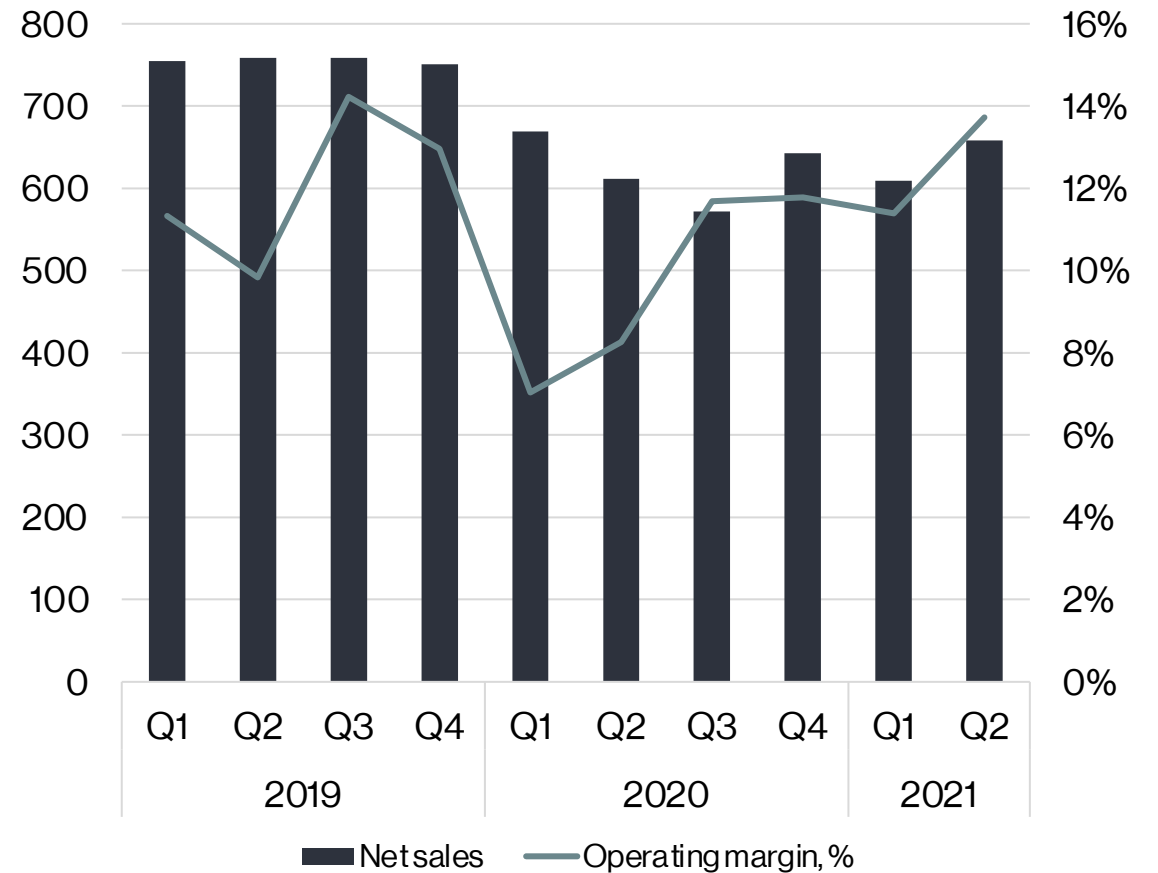
## Financials Q2

- Order intake 710 (580) MSEK, organic 26,2%
- Net sales 658 (612) MSEK, organic 10,2%
- Operating margin 13,7% (8,3%)

## Business update

- Continued strong profitability recovery following re-structuring
- Starting to deliver on sales synergies from European growth opportunities
- Launch of new sustainable products, e.g. Multilume Re:Think

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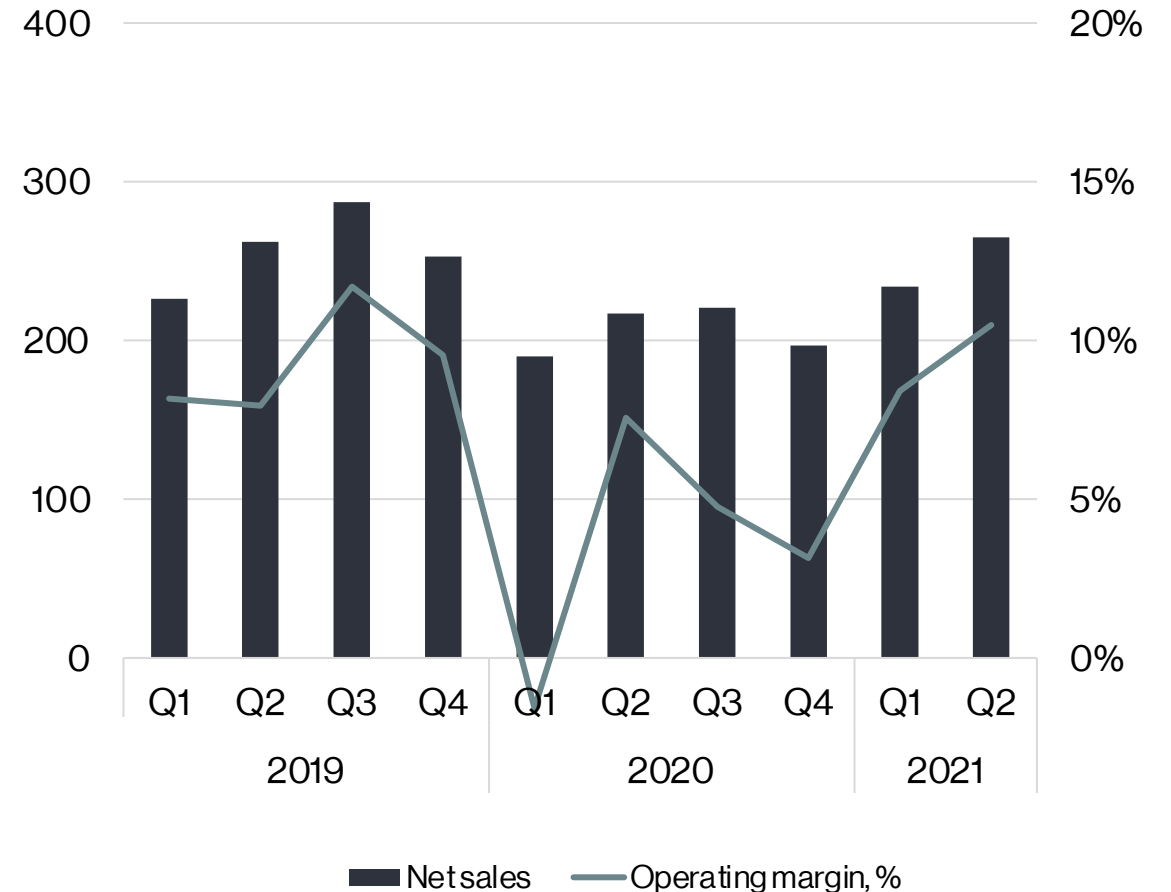
# Business Area Professional

## Financials Q2

- Order intake 283 (212) MSEK, organic 38,8%
- Net sales 265 (217) MSEK, organic 28,2%
- Operating margin 10,5% (7,6%)

## Business update

- Profitability improvements following sales growth and lower costs
- Good level of knowledge sharing and product exchange
- Launch of new Eagle Lighting branding, including New Zealand



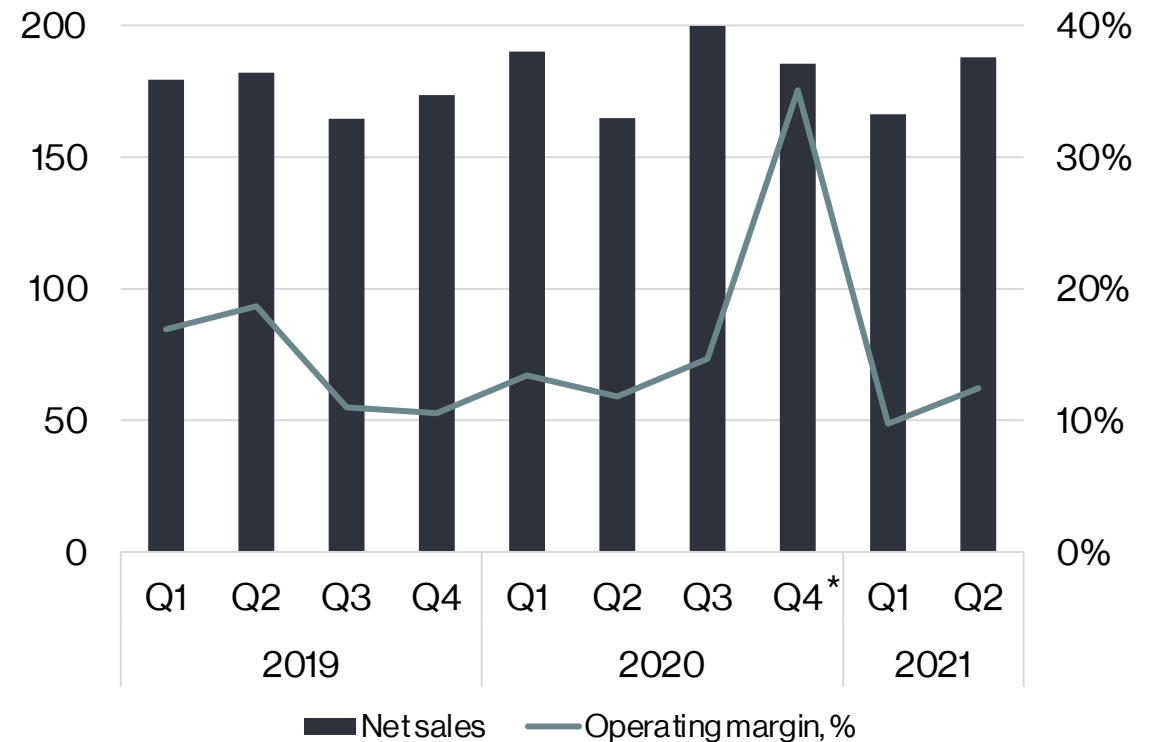
# Business Area Infrastructure

## Financials Q2

- Order intake 237 (152) MSEK, organic 65,0%
- Net sales 188 (165) MSEK, organic 19,2%
- Operating margin 12,4% (11,8%)

## Business update

- Two large projects with positive effect on order intake in Q2
- Significant growth opportunities in many European markets



# Cash flow

Operating cash flow by quarter and R12

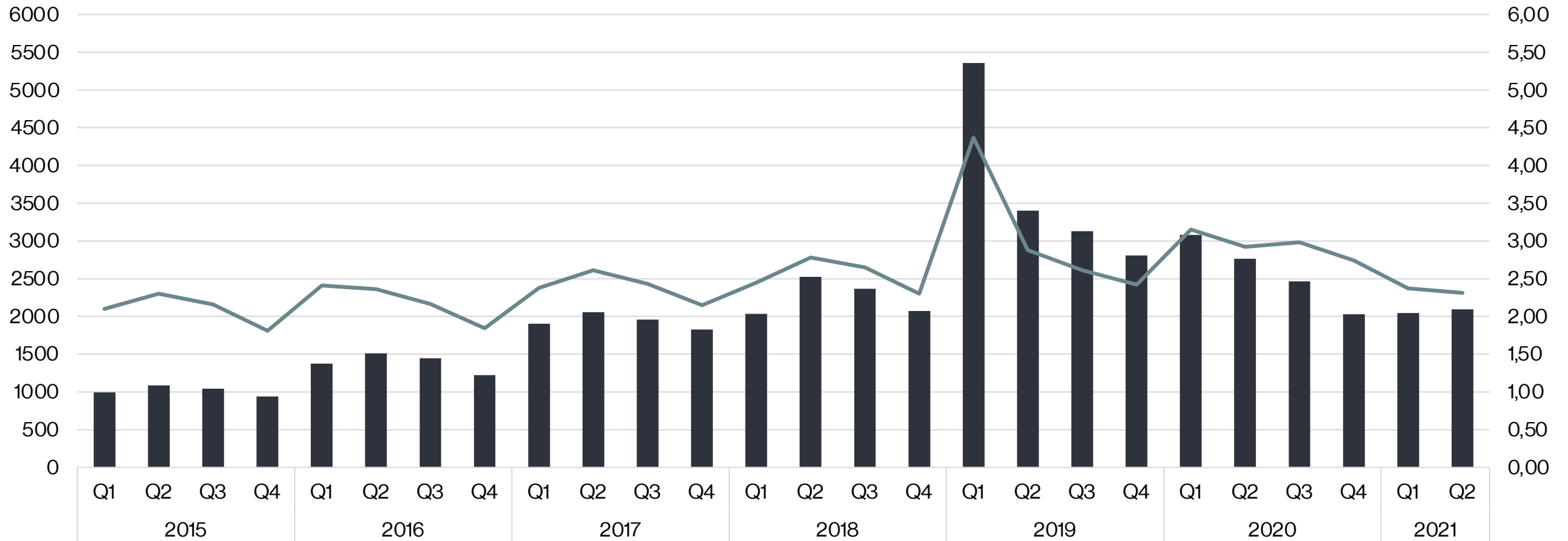




# Net debt development

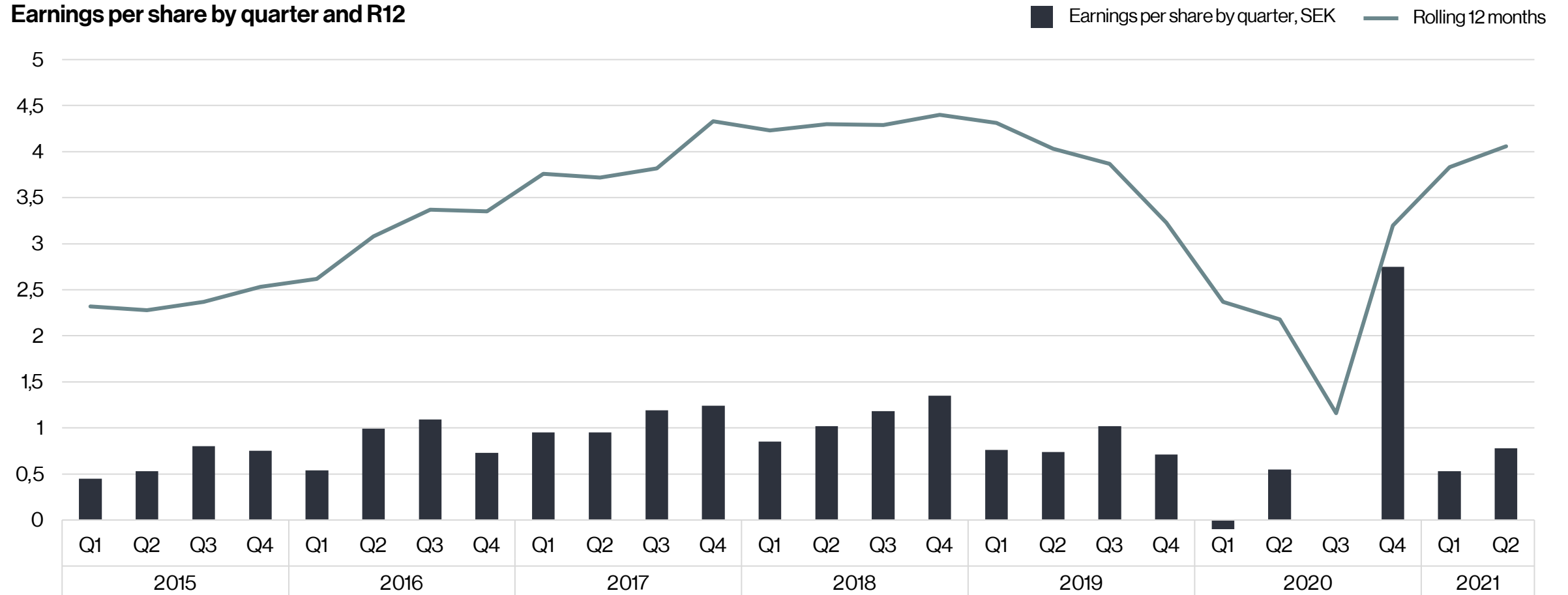
Net debt and Net debt/EBITDA-ratio

■ Net debt, MSEK    — Net debt/EBITDA\*



# Earnings per share

Earnings per share by quarter and R12



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## Conclusions and recap

- Accelerated recovery
- Strong organic order intake growth
- Profitability improvements
- Supply chain challenges
- Continued collaboration
- Good progress with strategic initiatives





# Q&A Session