



Fagerhult Group

# We light up your world

Q2 2024 presentation

July 19, 2024

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



## Return to growth in Q2

- Return to order intake and net sales growth.
- Continued growth in the renovation market where we secure many projects.
- Improvement in the gross profit margin, operating margin impacted by higher operating costs.
- Since 2021, the Group has reduced GHG emissions by 24%.
- Fagerhult launched the 'X Hydro' where 100% of the extruded aluminium is recycled.



## Q2 2024 in figures

**Order intake: 2 131 MSEK (2 107)**

+0,8% organic

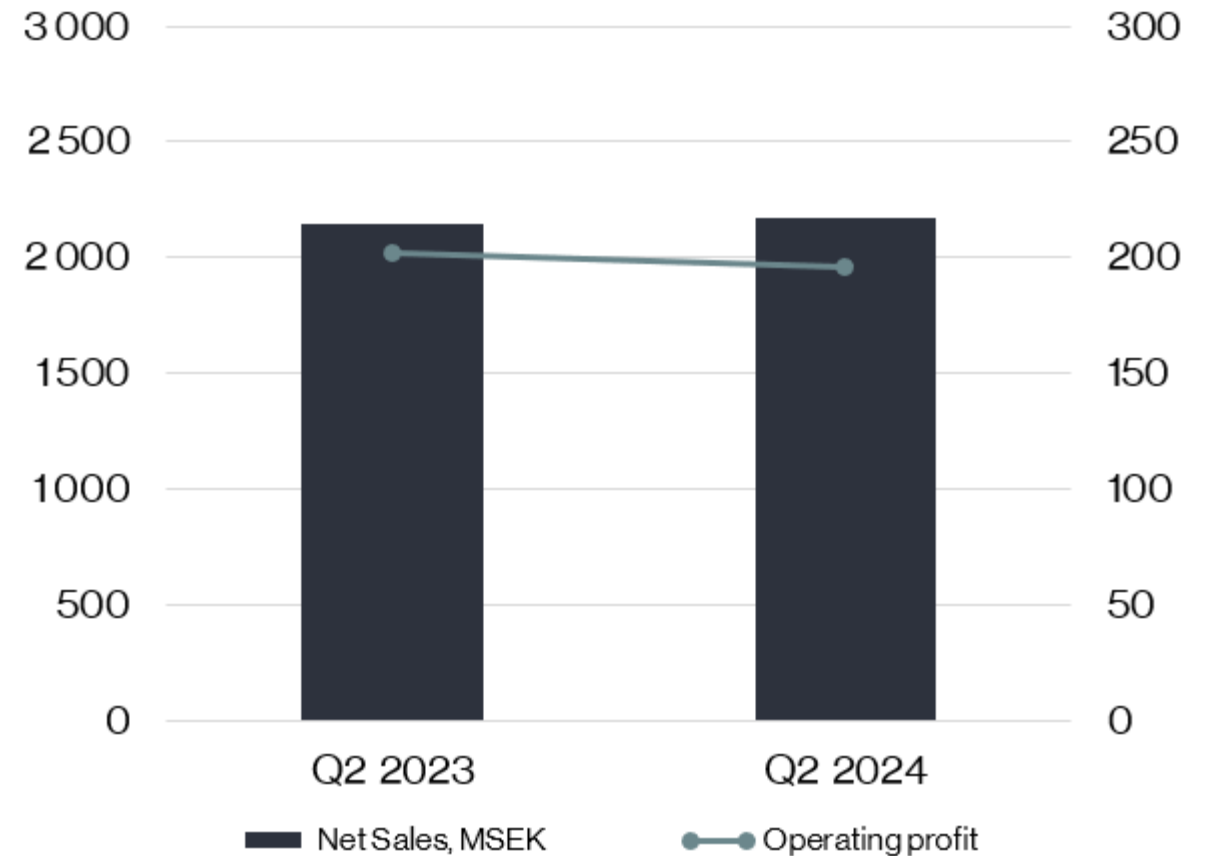
**Net sales: 2 167 MSEK (2 147)**

+0,9% organic

**Operating profit: 196 MSEK (202)**

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

**Earnings per share: 0,62 SEK (0,68)**



## YTD 2024 in figures

**Order intake: 4 233 MSEK (4 286)**

-1,3% organic

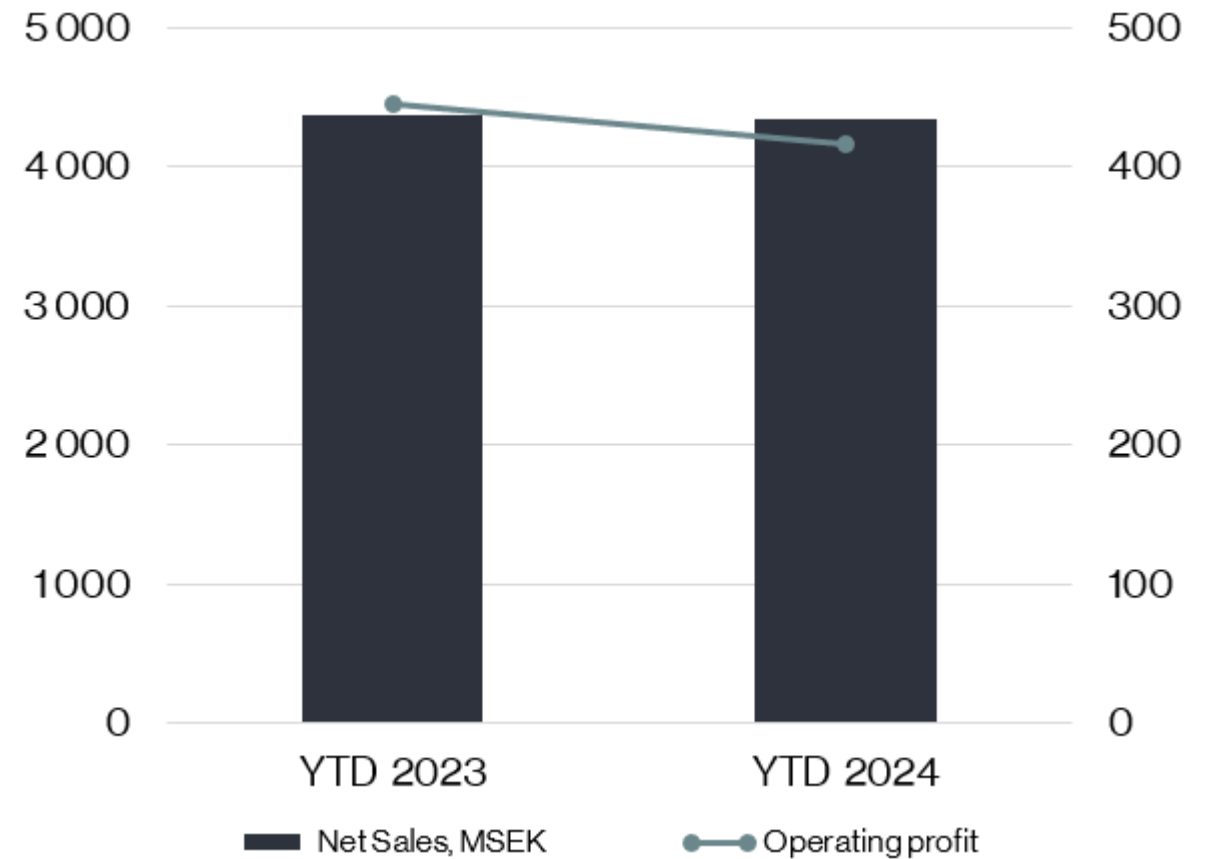
**Net sales: 4 347 MSEK (4 371)**

-0,7% organic

**Operating profit: 417 MSEK (446)**

**Operating margin: 9,6% (10,2%)**

**Earnings per share: 1,40 SEK (1,57)**





# Our operating model

Business  
areas

Collection	Premium	Professional	Infrastructure
<b>ateljé Lyktan</b>	<b>FAGERHULT</b>	<b>ARLIGHT</b>	<b>designplan</b> LIGHTING
<b>iGuzzini</b>	 <b>LTS</b> LOVE TO SHINE	 <b>EAGLE</b> LIGHTING	 <b>VALO</b>
<b>LED LINEAR</b>			 <b>VEKO</b> LIGHTSYSTEMS
<b>we-ef</b>			

Smart lighting

 **organic response**

 **citygrid**

Strategic  
focus areas

 **Innovation**

 **Sustainability**

 **People & Culture**



## Our sustainability agenda makes good progress

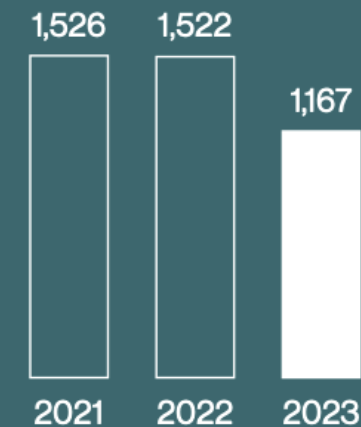
During 2023, the Group's climate goals were validated by the Science Based Targets initiative (SBTi)

Since our baseline year, 2021, the Group has reduced GHG emissions by 24 %

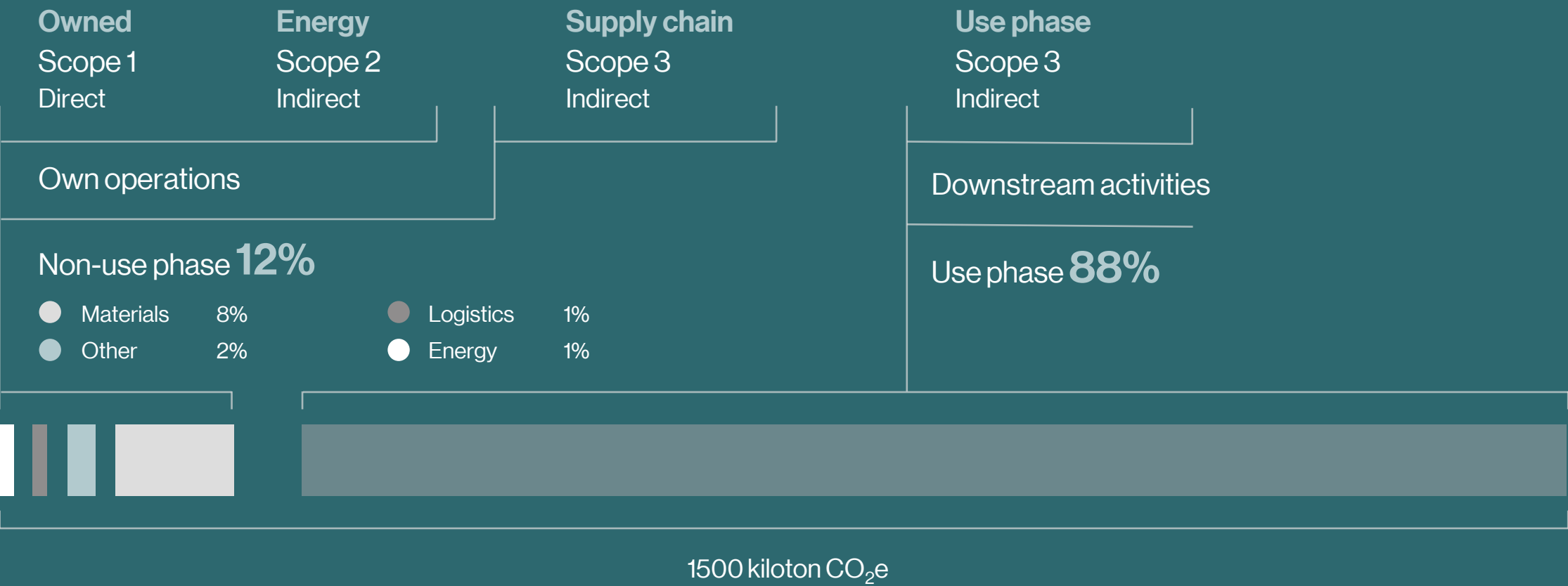
By 2045 the Group will have net-zero green-house gas emissions

GHG emissions

**1,167** ktonnes CO<sub>2</sub>e



# Our footprint





# Our roadmap to reach our net-zero target

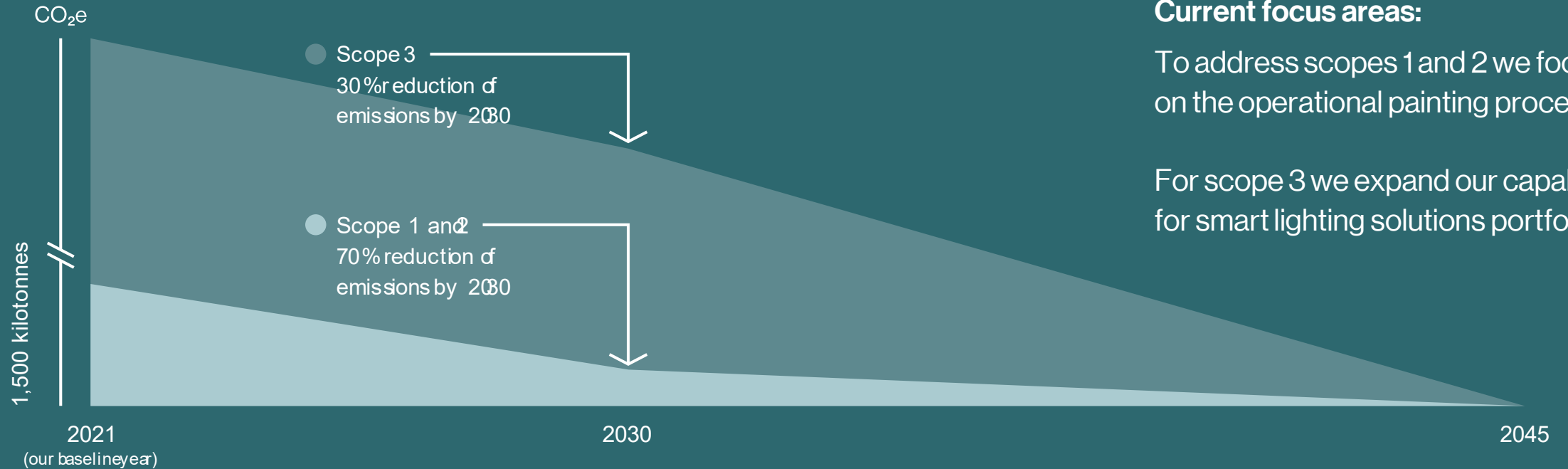


SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

THE NET  
ZERO  
STANDARD

APPROVED NET-ZERO TARGETS



## Current focus areas:

To address scopes 1 and 2 we focus on the operational painting process

For scope 3 we expand our capability for smart lighting solutions portfolio



## X Hydro

- Close cooperation with Hydro Extrusion Sweden
- Pilot project exploring circularity for aluminium extrusion
- 100% reuse, example case Telenor, Oslo

# FAGERHULT



## Trick e<sup>m</sup>

- Pushing the boundaries in lighting with revolutionary adjustable illumination
- Demonstrating iGuzzini's excellence in optics



**iGuzzini**



## VFL LED upgrade kit

- The VFL LED upgrade kit is a tailormade retrofit solution for WE-EF luminaires
- Replacement takes only 5 minutes and gives the luminaire a second life whilst increasing the light output or reducing the energy consumption by 40%

***we-ef***







**ateljé Lyktan**

Collection

**Stockholm, Sweden**  
Riddarholmen LED upgrade



## Financial summary Q2

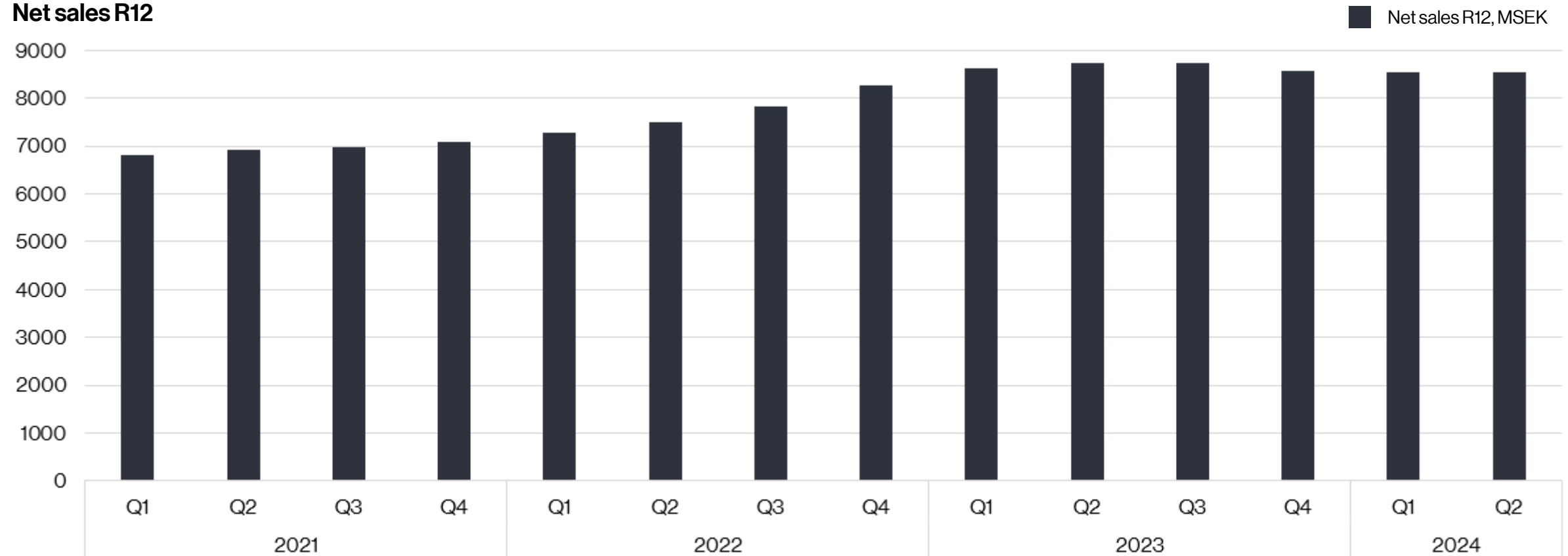
MSEK	Q2 2024	Q2 2023	
<b>Net sales</b>	<b>2 167</b>	<b>2 147</b>	<b>0,9%</b>
- Organic growth	19		0,9%
- FX-differences	1		
<b>Operating profit</b>	<b>196</b>	<b>202</b>	<b>-2,6%</b>
Operating profit, %	9,1%	9,4%	-0,3 p.p.
<b>Net profit</b>	<b>109</b>	<b>119</b>	
<b>Earnings per share, SEK</b>	<b>0,62</b>	<b>0,68</b>	
<b>Operating cash flow</b>	<b>280</b>	<b>326</b>	

## Financial summary YTD

MSEK	Q2 2024	Q2 2023		YTD 2024	YTD 2023	
<b>Net sales</b>	<b>2 167</b>	<b>2 147</b>	<b>0,9%</b>	<b>4 347</b>	<b>4 371</b>	<b>-0,5%</b>
- Organic growth	19		0,9%	-30		-0,7%
- FX-differences	1			6		
<b>Operating profit</b>	<b>196</b>	<b>202</b>	<b>-2,6%</b>	<b>417</b>	<b>446</b>	<b>-6,5%</b>
Operating profit, %	9,1%	9,4%	-0,3 p.p.	9,6%	10,2%	-0,6 p.p.
<b>Net profit</b>	<b>109</b>	<b>119</b>		<b>138</b>	<b>158</b>	
<b>Earnings per share, SEK</b>	<b>0,62</b>	<b>0,68</b>		<b>1,40</b>	<b>1,57</b>	
<b>Operating cash flow</b>	<b>280</b>	<b>326</b>		<b>394</b>	<b>533</b>	

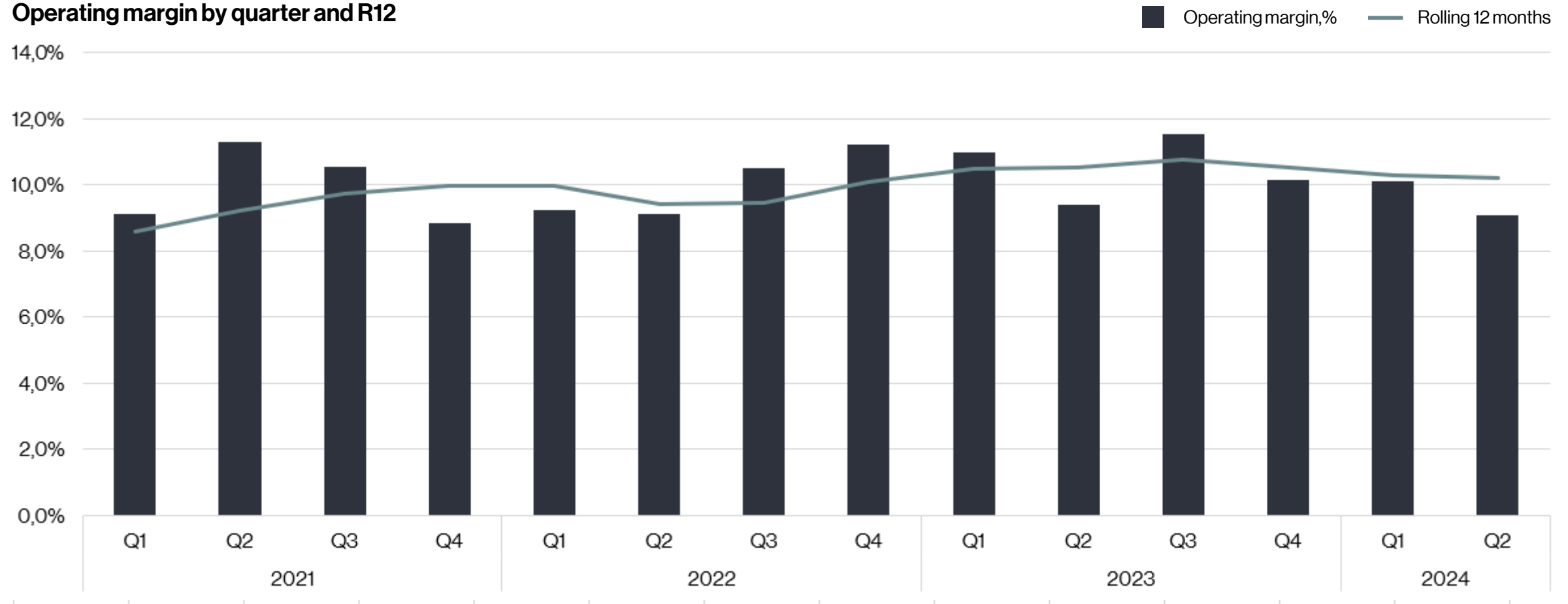
# Sales development

## Net sales R12



# Margin development

## Operating margin by quarter and R12





# Collection

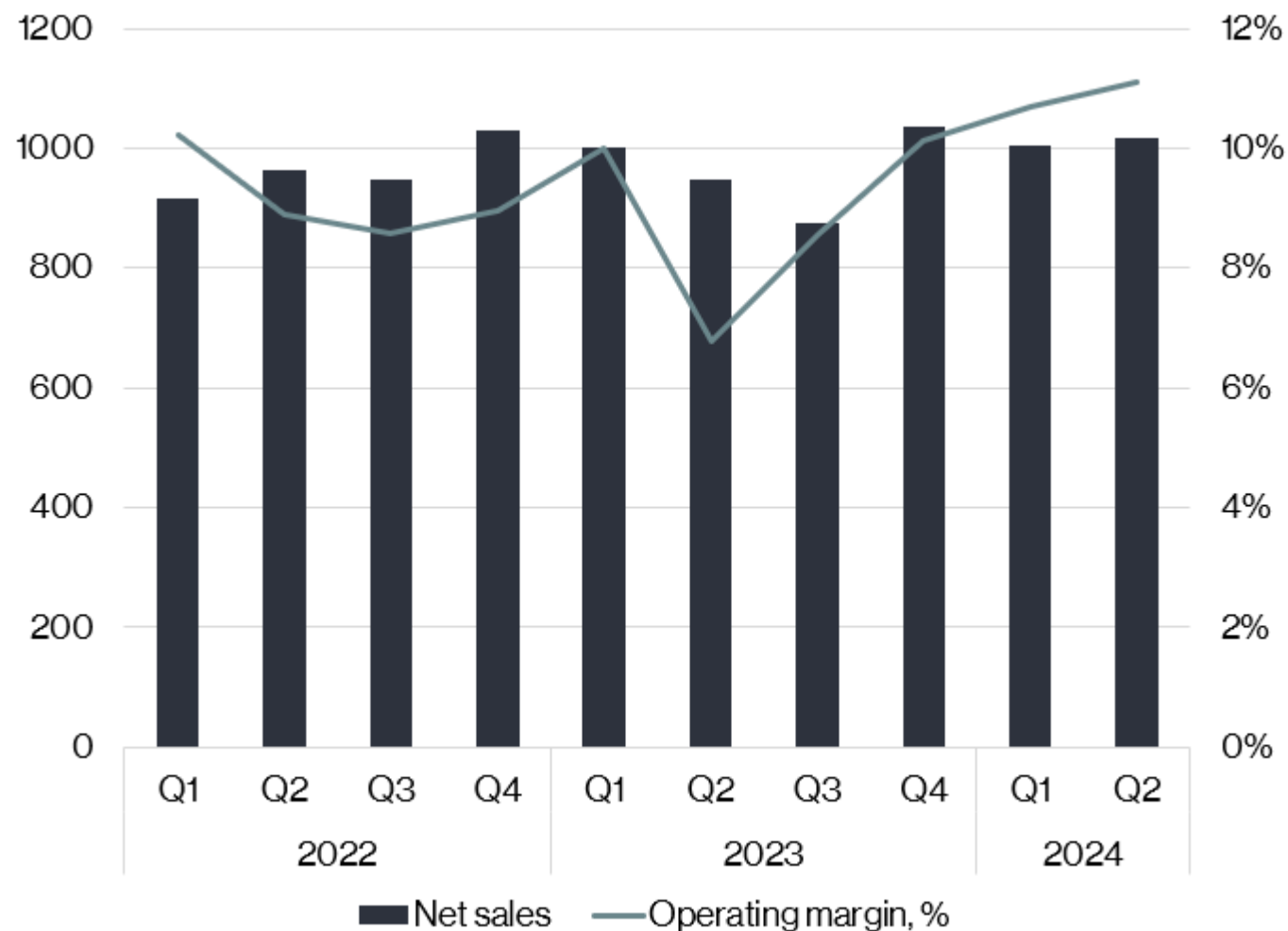
## Financials Q2

- Order intake 894 (907) MSEK, organic -1,9%
- Net sales 1 017 (947) MSEK, organic +6,9%
- Operating margin 11,1% (6,8%)

## Business update

- Organic growth of +6,9% in net sales for the quarter
- Second consecutive quarter with record high operating margin
- Projects; WE-EF, Governors Island project, New York, USA; LED Linear, Peel Plaza in Amsterdam, The Netherlands

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



# Premium

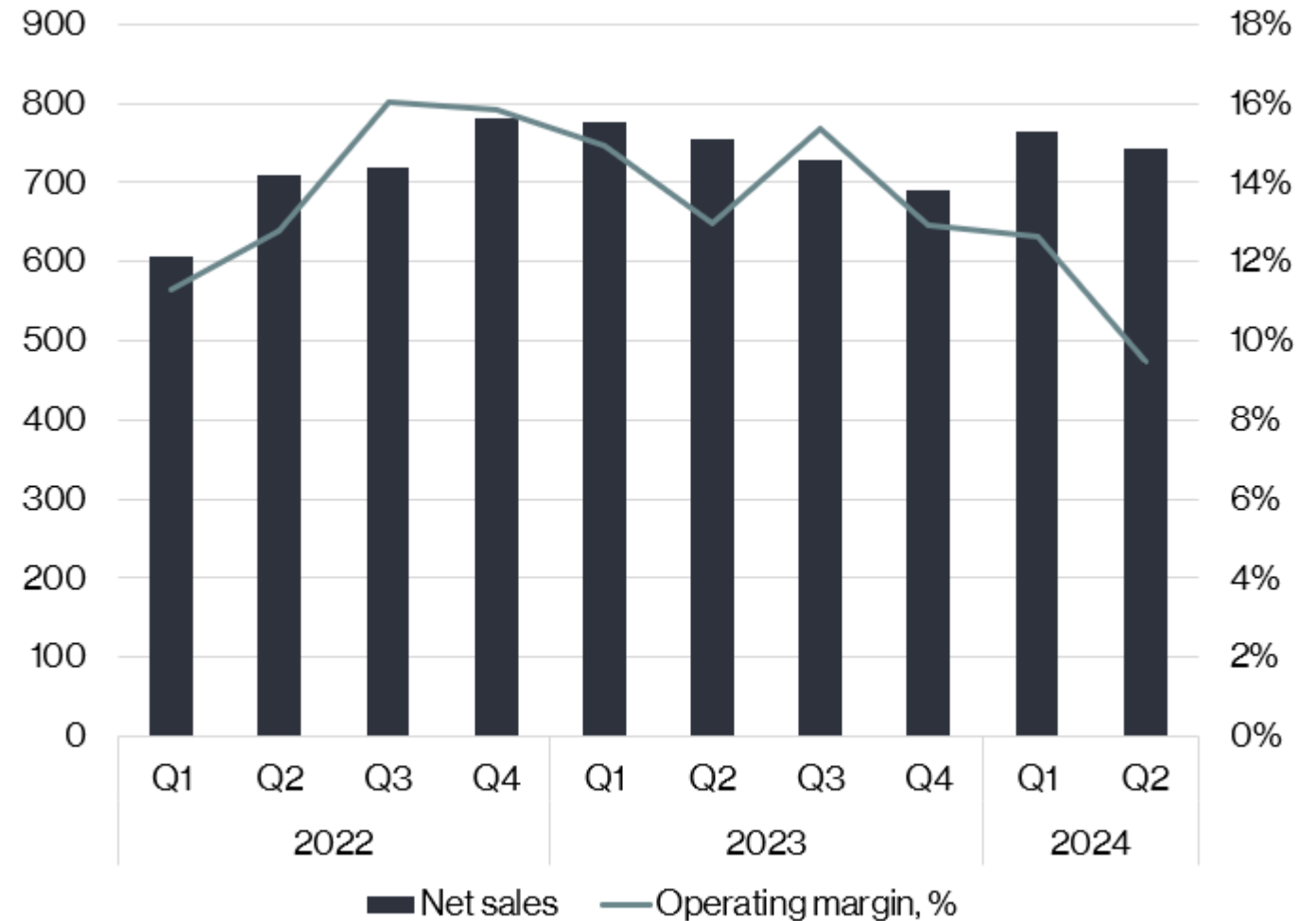
## Financials Q2

- Order intake 735 (733) MSEK, organic -0,3%
- Net sales 743 (755) MSEK, organic -2,1%
- Operating margin 9,5% (13,0%)

## Business update

- The year-to-date order intake in Premium remains
- Operating margin lower due to volumes and investments in smart lighting
- Projects; Fagerhult, Stockholm streetlighting project and Nordea headquarter LED replacement

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# Professional

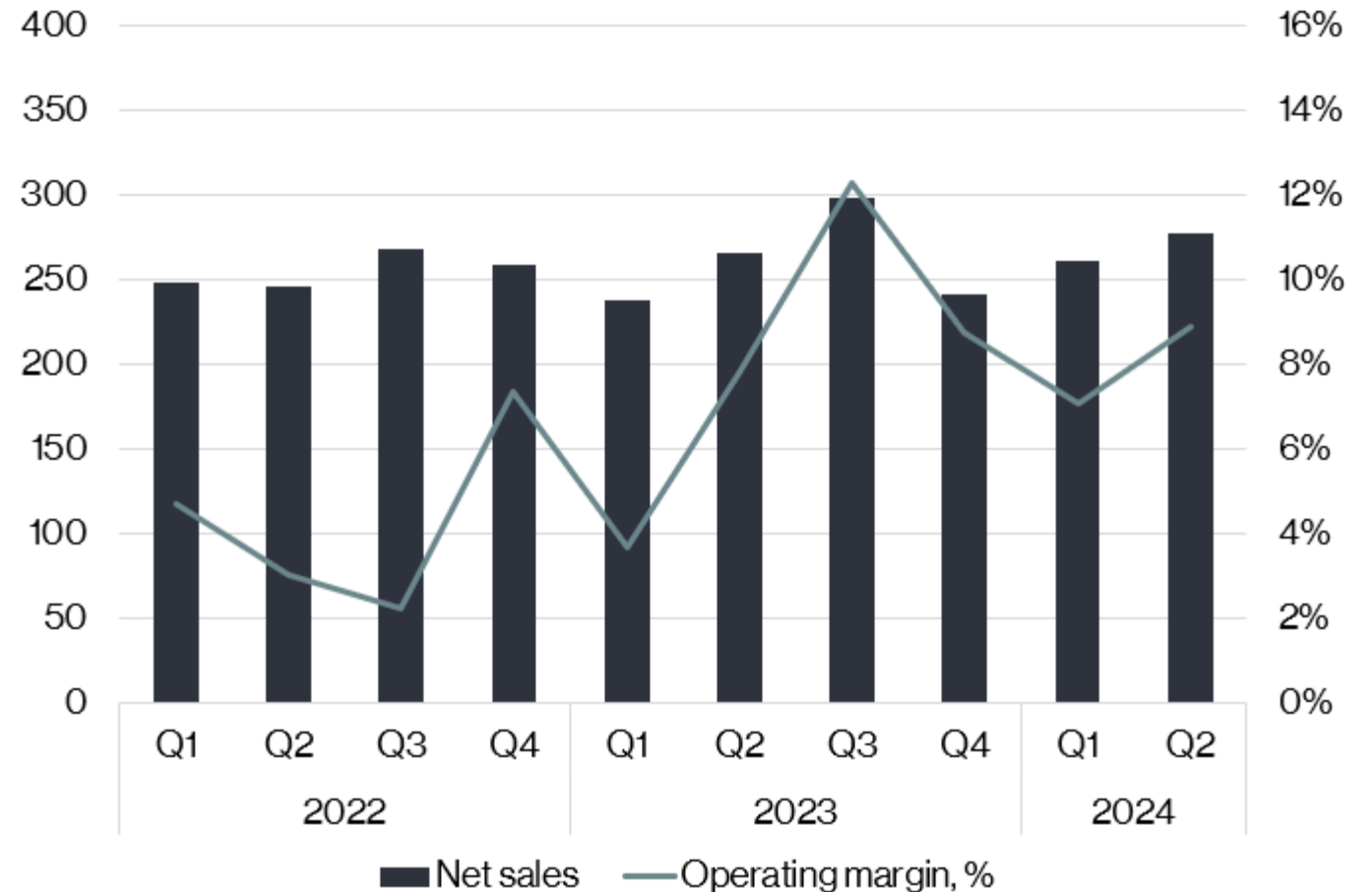
## Financials Q2

- Order intake 269 (240) MSEK, organic +13,8%
- Net sales 277 (266) MSEK, organic +8,7%
- Operating margin 8,8% (7,8%)

## Business update

- Organic growth of +8,7% in net sales
- The operating margin trend remains positive for the quarter and year to date
- Projects; Whitecroft, Bank of America building in London, with an LED retrofit; Eagle Lighting, University School of Medicine in Christchurch, New Zealand

ARLIGHT



# Infrastructure

## Financials Q2

- Order intake 233 (227) MSEK, organic +1,8%
- Net sales 205 (257) MSEK, organic –20,9%
- Operating margin 4,9% (16,5%)

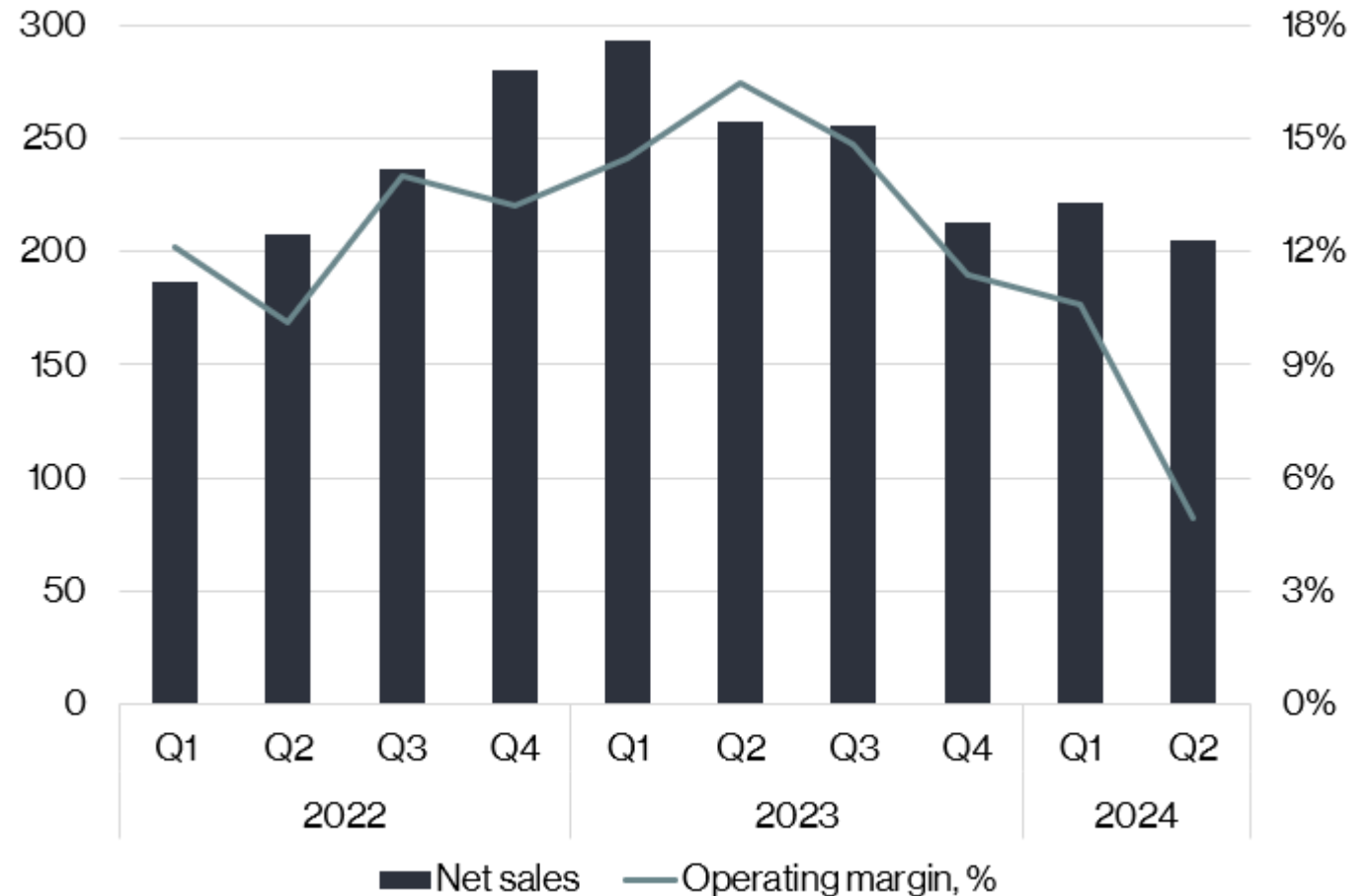
## Business update

- The business area is currently experiencing softer market conditions, net sales impacted by the low Q1 order intake, Q2 order intake is improved
- Challenges in Veko, full business and structure review initiated
- Designplan having continued good traction in Germany with Deutsche Bahn and their 'Green Transformation', aiming to become carbon neutral by 2040

**designplan**  
LIGHTING

**VALO**

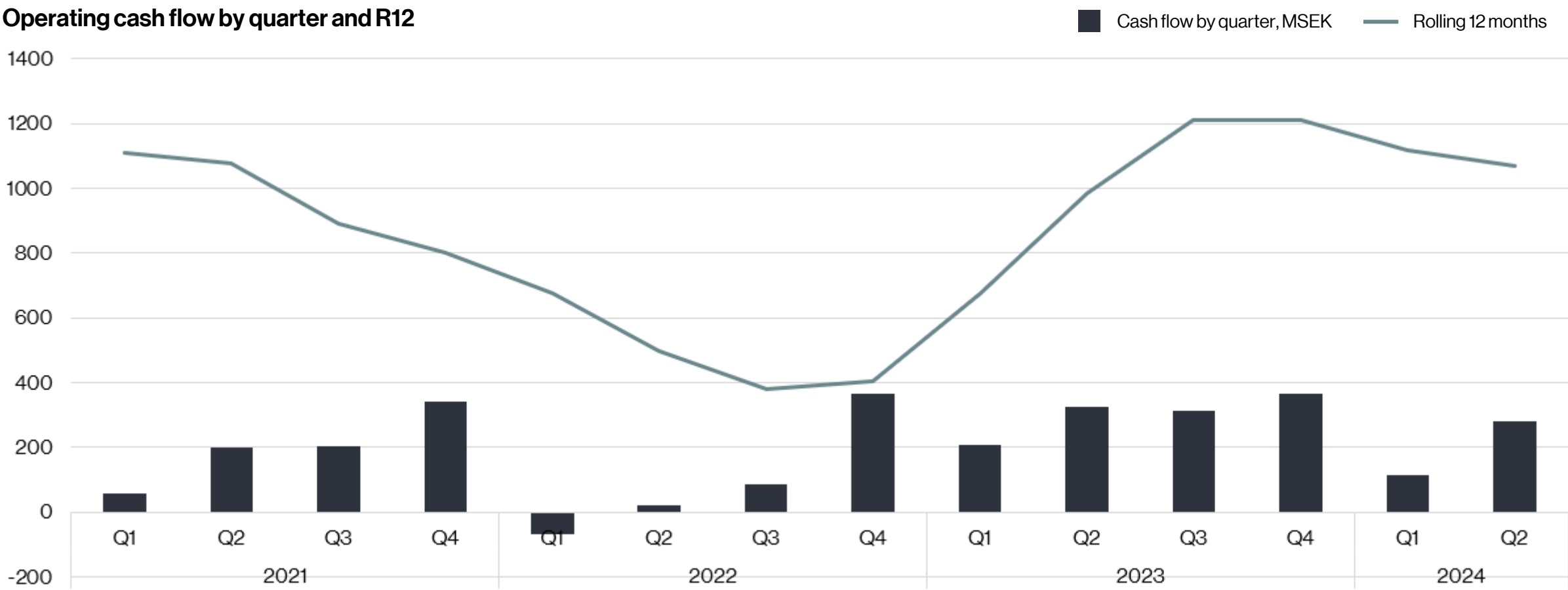
**VEKO**  
LIGHTSYSTEMS





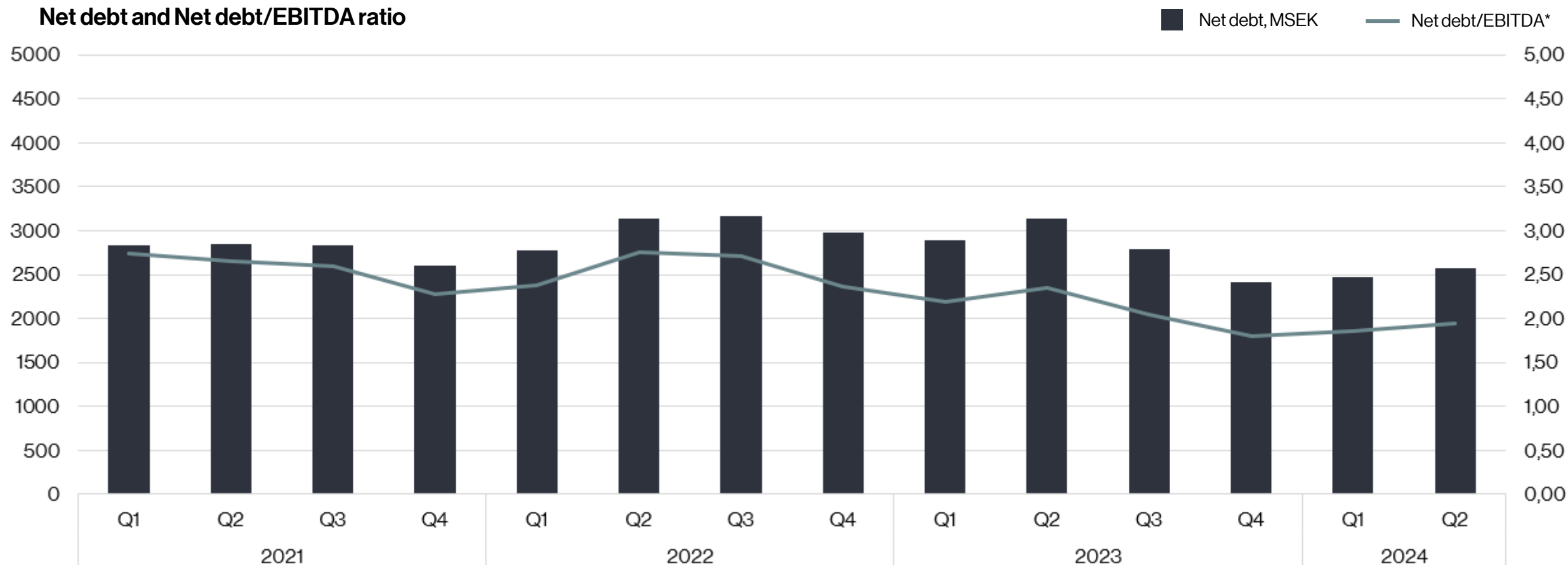
# Cash flow

Operating cash flow by quarter and R12



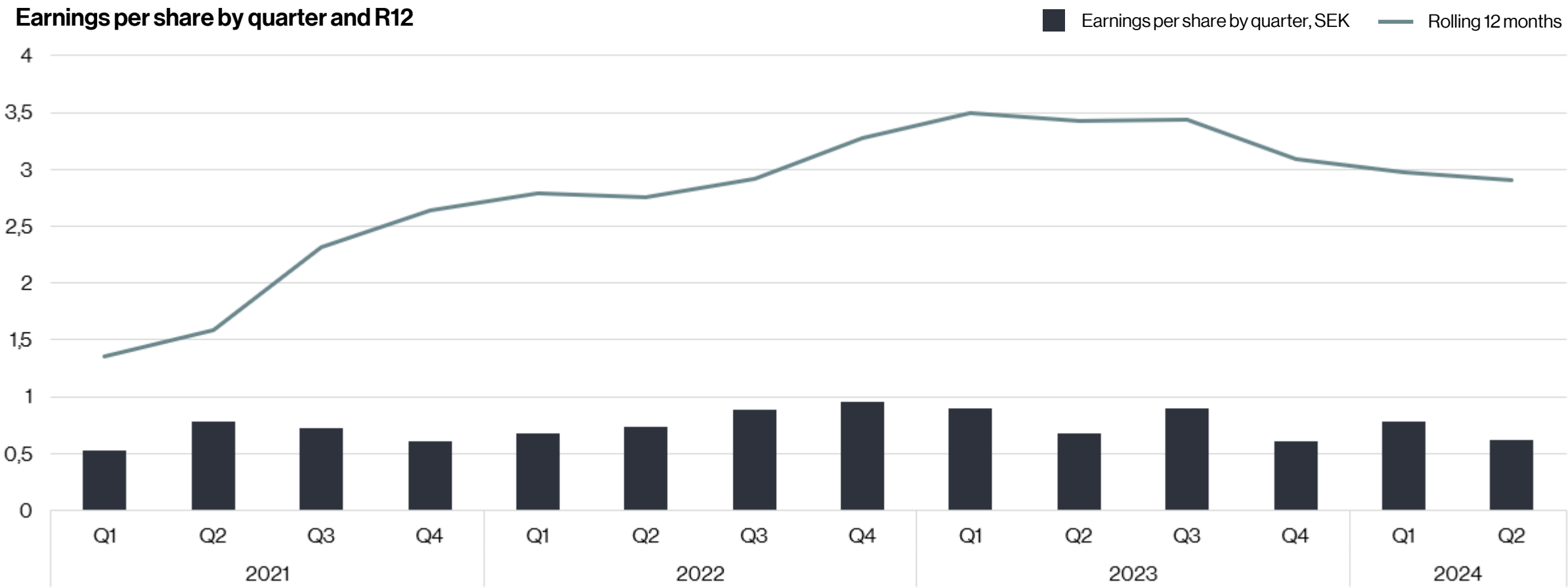
# Net debt development

## Net debt and Net debt/EBITDA ratio



# Earnings per share

Earnings per share by quarter and R12



## Conclusions and recap Q2

- We return to growth for order intake and net sales
- We see continued growth in the renovation market where our solutions secure many projects
- We are well positioned for when the markets pick-up and there is less uncertainty





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LED LINEAR

Collection

Tokyo, Japan  
Tokyu Kabukicho Tower