

# Fagerhult Group presents a new structure with four business areas

## New structure and reporting

As previously communicated during 2019, AB Fagerhult (publ.) (“Fagerhult Group”) has during the last year worked on a strategic alignment project. The ambition has been to find new opportunities for organic growth and to strengthen both our individual brands and collaboration across the Group. This work has resulted in a new structure for the Group and a new reporting basis, effective from Jan 2020.

The new structure for Fagerhult Group is based on four Business Areas; Collection, Premium, Professional and Infrastructure. Each of our 13 brands belongs to one of the Business Areas and the selection has been done based on product applications, geographic footprint and partner focus. For details on the different Business Areas, please see Appendix 1 on page 3.

The new structure will also be reflected in a new reporting basis. For 2020 we will report financial results according to the four Business Areas. This replaces the current reporting structure based on geographical regions and product areas. In the up-coming 2020 reporting, 2019 has been re-stated to reflect the new Business Areas and allow comparable numbers. Proforma 2019 financials for the four Business Areas can be found in Appendix 2 on page 4, including net sales and operating margin per quarter.

Starting now, we will also use the ‘Fagerhult Group’ name more clearly to show the connection between our brands in our different markets. This is a change that will be implemented during 2020. For more information about the new structure, please see the new Fagerhult Group website, [www.fagerhultgroup.com](http://www.fagerhultgroup.com), and also page 14-15 in the 2019 Annual Report.

## New Fagerhult Group Management Team

There is also a new Fagerhult Group Management Team, reflecting the new Group structure with four Business Areas. The new management team consists of nine people; CEO, four Head of Business Areas, and four Group functions. For details on roles and names please see the new Fagerhult Group website; [www.fagerhultgroup.com/about-us/](http://www.fagerhultgroup.com/about-us/) (under Management team).

## Comments from CEO Bodil Sonesson:

- Despite the challenging situation with the Corona virus, we now launch our new structure for Fagerhult Group with four Business Areas.
- Our ambition with the new structure is to make sure we take advantage of all our strong brands and create a setup that is clear and easy to understand.
- We have created the new Business Areas based on each of our 13 brands different focus on product applications, geographic markets and partners.
- In all our new Business Areas we see big potential for increased collaboration and opportunities for organic growth.

## Contact information

For more information see the new website [www.fagerhultgroup.com](http://www.fagerhultgroup.com), or contact:

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## Company information

Fagerhult Group is one of Europe's leading lighting companies with 4,700 employees in 28 countries. We consist of 13 brands organized into four business areas – Collection, Premium, Professional and Infrastructure.

All our brands produce high-quality professional lighting solutions and we work mainly on specifications together with our partners. Together we cover almost every professional lighting application and our presence is worldwide.

# Appendix 1 – Fagerhult Group Business Areas

## Collection

**Exceptional lighting solutions for architectural applications worldwide.**

Collection is home to our brands with a global market footprint. All have an international product portfolio and are well-renowned in the lighting designer and architect community globally. They offer a wide product range with a focus on both indoor and outdoor architectural applications.

Brands included are; ateljé Lyktan, iGuzzini, LED Linear and WE-EF with product development and manufacturing facilities in Sweden, Italy, Canada, China, Germany and Thailand. The business area also includes all sales companies for iGuzzini, LED Linear and WE-EF.

## Premium

**Lighting solutions for all European markets and for global customers.**

Premium focuses on the European market and European-based global customers. Our Premium brands work closely with specifiers and partners to deliver premium projects, often with bespoke solutions for the customer. The majority of sales are related to indoor applications, and there is also an outdoor offering for specific markets.

Brands included are; Fagerhult and LTS with product development and manufacturing facilities in Sweden, Germany and China. The business area also includes all Fagerhult sales companies (except New Zealand) and the Organic Response Technologies business.

## Professional

**Lighting solutions for selected applications, tailored to local market demands.**

Professional focuses mainly on indoor applications for local and neighboring markets. The brands work closely together with local partners on project specifications to deliver full and complete solutions. Local production and product development allows for tailored solutions with bespoke products delivered within short lead times.

Brands included are; Arlight, Eagle Lighting, Lighting Innovations and Whitecroft, with product development and manufacturing facilities in Turkey, Australia, South Africa and the UK. The sales company in New Zealand is consolidated in this business area.

## Infrastructure

**Specialty lighting solutions for critical infrastructure and industry applications.**

Infrastructure provides lighting solutions for environments with specific requirements for installation, durability and robustness. The companies are world-leading in their areas and highly experienced in finding the best solutions for every project and customer. The majority of their sales are within Europe with some global installations.

Brands included are; Designplan Lighting, i-Valo and Veko, with product development and manufacturing facilities in UK, Finland and the Netherlands.

## Appendix 2 – Proforma 2019 financials

The table below provides the proforma 2019 results for net sales and operating profit, in MSEK, for each of the new Business Areas. IGuzzini is consolidated in Business Area Collection since March 2019.

Business Area	2019 Q1			2019 Q1 YtD		
	Net Sales	Operating Profit	Operating Margin %	Net Sales	Operating Profit	Operating Margin %
Collection	508,6	38,8	7,6%	508,6	38,8	7,6%
Premium	754,9	85,5	11,3%	754,9	85,5	11,3%
Professional	250,8	16,2	6,5%	250,8	16,2	6,5%
Infrastructure	179,3	30,3	16,9%	179,3	30,3	16,9%
IFRS 16		1,4		0,0	1,4	
Eliminations	-99,3			-99,3	0,0	
<b>Operating profit by BA</b>	<b>1 594,3</b>	<b>172,2</b>	<b>10,8%</b>	<b>1 594,3</b>	<b>172,2</b>	<b>10,8%</b>
Unallocated cost		-14,1			-14,1	
<b>Operating profit Group</b>		<b>158,1</b>			<b>158,1</b>	
Financial unallocated items		-31,6			-31,6	
<b>Profit before tax</b>		<b>126,5</b>			<b>126,5</b>	

  

Business Area	2019 Q2			2019 Q2 YtD		
	Net Sales	Operating Profit	Operating Margin %	Net Sales	Operating Profit	Operating Margin %
Collection	915,4	60,3	6,6%	1 424,0	99,1	7,0%
Premium	758,9	74,6	9,8%	1 513,8	160,1	10,6%
Professional	286,5	19,3	6,7%	537,3	35,5	6,6%
Infrastructure	182,1	34,0	18,7%	361,4	64,3	17,8%
IFRS 16		1,9		0,0	3,3	
Eliminations	-87,5			-186,8	0,0	
<b>Operating profit by BA</b>	<b>2 055,4</b>	<b>190,1</b>	<b>9,2%</b>	<b>3 649,7</b>	<b>362,3</b>	<b>9,9%</b>
Unallocated cost		-15,3			-29,4	
<b>Operating profit Group</b>		<b>174,8</b>			<b>332,9</b>	
Financial unallocated items		-19,4			-51,0	
<b>Profit before tax</b>		<b>155,4</b>			<b>281,9</b>	

  

Business Area	2019 Q3			2019 Q3 YtD		
	Net Sales	Operating Profit	Operating Margin %	Net Sales	Operating Profit	Operating Margin %
Collection	925,1	106,7	11,5%	2 349,1	205,8	8,8%
Premium	758,6	107,9	14,2%	2 272,4	268,0	11,8%
Professional	317,8	33,8	10,6%	855,1	69,3	8,1%
Infrastructure	164,6	18,1	11,0%	526,0	82,4	15,7%
IFRS 16		1,6		0,0	4,9	
Eliminations	-100,2			-287,0	0,0	
<b>Operating profit by BA</b>	<b>2 065,9</b>	<b>268,1</b>	<b>13,0%</b>	<b>5 715,6</b>	<b>630,4</b>	<b>11,0%</b>
Unallocated cost		-13,0			-42,4	
<b>Operating profit Group</b>		<b>255,1</b>			<b>588,0</b>	
Financial unallocated items		-16,8			-67,8	
<b>Profit before tax</b>		<b>238,3</b>			<b>520,2</b>	

  

Business Area	2019 Q4			2019 Q4 YtD		
	Net Sales	Operating Profit	Operating Margin %	Net Sales	Operating Profit	Operating Margin %
Collection	1 026,8	80,7	7,9%	3 375,9	286,5	8,5%
Premium	750,4	97,3	13,0%	3 022,8	365,3	12,1%
Professional	278,8	20,7	7,4%	1 133,9	90,0	7,9%
Infrastructure	173,5	18,3	10,5%	699,5	100,7	14,4%
IFRS 16		1,4		0,0	6,3	
Eliminations	-100,2			-387,2	0,0	
<b>Operating profit by BA</b>	<b>2 129,3</b>	<b>218,4</b>	<b>10,3%</b>	<b>7 844,9</b>	<b>848,8</b>	<b>10,8%</b>
Unallocated cost		-11,6			-54,0	
<b>Operating profit Group</b>		<b>206,8</b>			<b>794,8</b>	
Financial unallocated items		-31,3			-99,1	
<b>Profit before tax</b>		<b>175,5</b>			<b>695,7</b>	