

A serene forest scene with a stream, a modern lamp post, and sunlight filtering through the trees. The image is a promotional graphic for Fagerhult Group's Capital Markets Day. It features a dense forest of tall, thin trees with green foliage. A small stream flows through the center of the forest, reflecting the light. On the right side, a modern, minimalist lamp post stands on a grassy bank. The lamp post has a tall, thin black pole with a white section near the top, and a cylindrical, ribbed glass lamp head. The sun is low in the sky, creating a warm, golden glow that filters through the trees. The overall mood is peaceful and natural.

Fagerhult Group

# Capital Markets Day

Stockholm, August 31<sup>st</sup>

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



## Today's agenda

09:00 – 09:05	Welcome and agenda	Michael Brüer
09:05 – 09:25	We Focus - We Grow	Bodil Sonesson
09:25 – 09:45	Sustainability is Green	Anders Fransson
09:45 – 10:00	Innovation & Connectivity	Geert van der Meer
10:00 – 10:15	People & Culture Matter	Andrea Gageik
10:15 – 10:30	<i>Coffee break and exhibition</i>	
10:30 – 10:45	Business Area Collection	Mario Dreismann
10:45 – 11:00	Business Area Premium	Frank Augustsson
11:00 – 11:15	Business Area Professional	Michael Wood
11:15 – 11:30	Business Area Infrastructure	Geert van der Meer
11:30 – 11:40	Long-term ambitions	Michael Wood
11:40 – 11:55	Q&A session	
11:55 – 12:00	Closing comments	Bodil Sonesson





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We Focus – We Grow

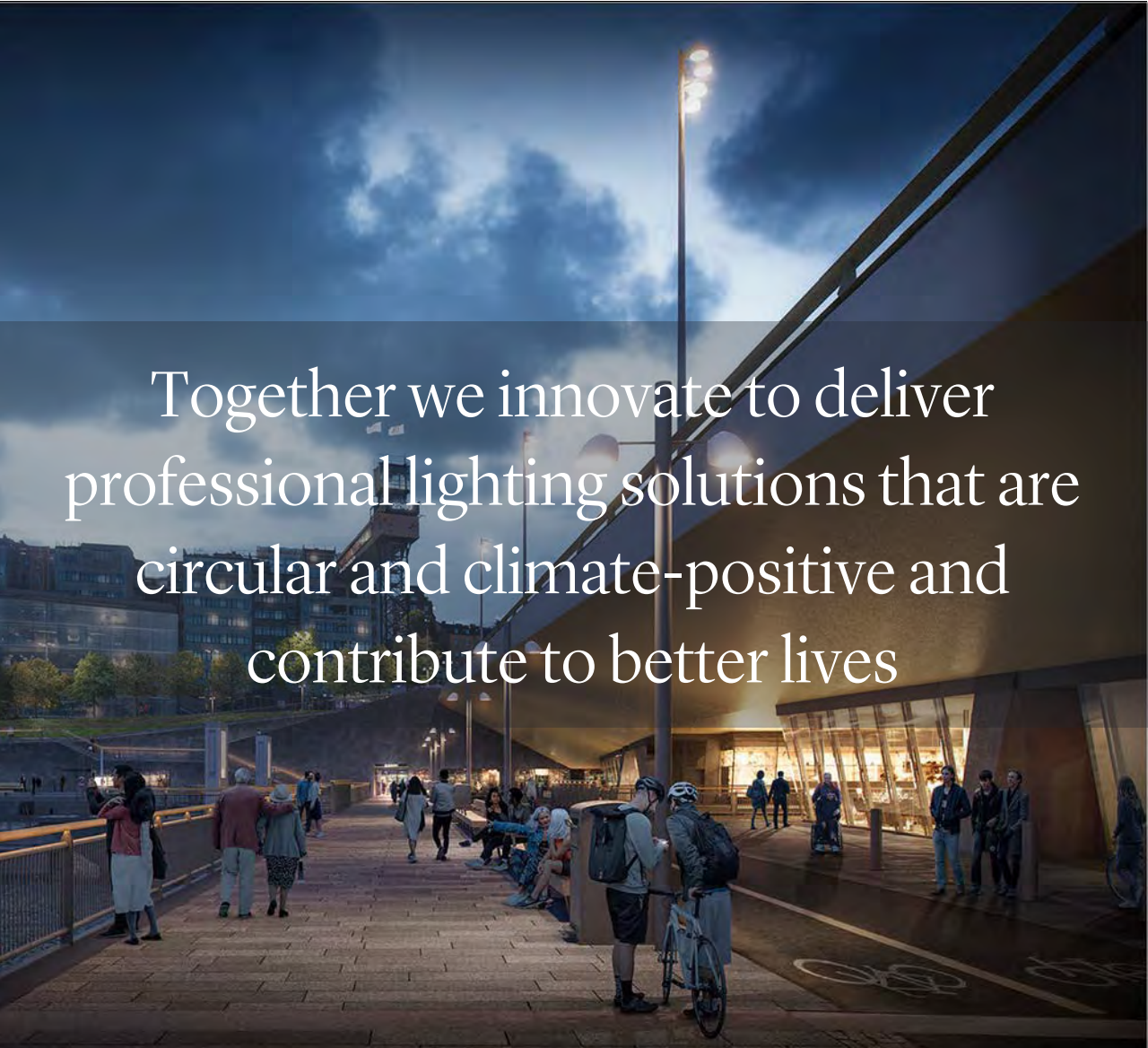
Bodil Sonesson, President and CEO

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





A world enhanced  
by light



Together we innovate to deliver  
professional lighting solutions that are  
circular and climate-positive and  
contribute to better lives

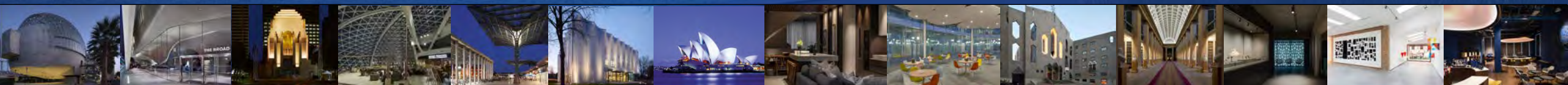




4000 employees

27 countries

14 brands





## Mega trends in our favor

- Climate change
- Shift in global economic power
- Rapid urbanization
- Digitalization and IoT

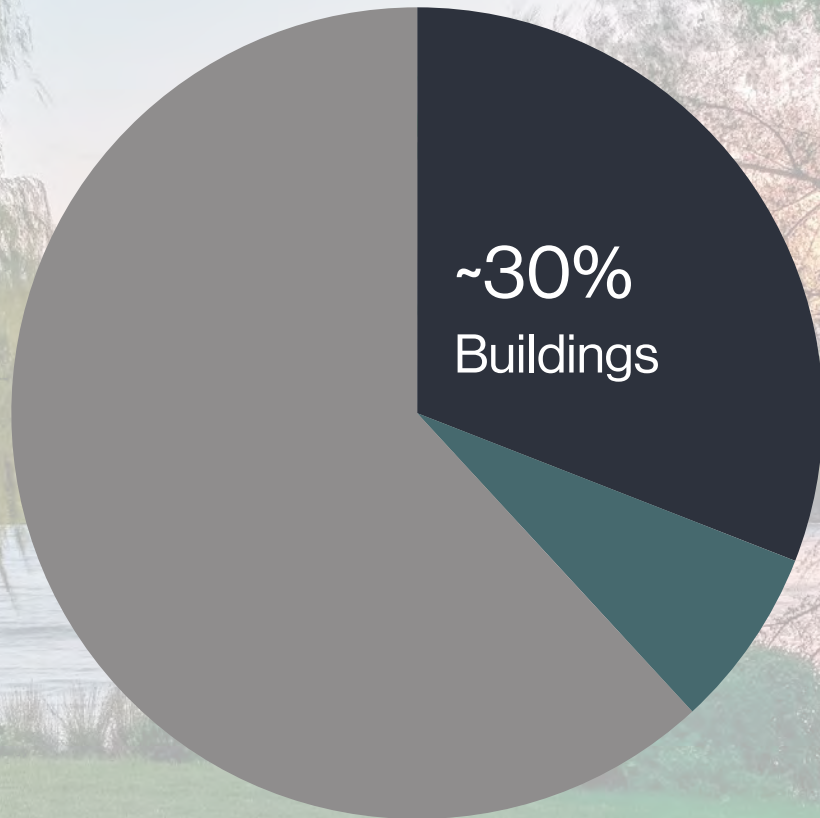
## Our position

- Energy saving technology
- Local production
- Well-being
- Connectivity





## Global energy consumption



Source: International Energy Agency 2022

15% of a building's energy consumption related to lighting

70% savings  
LED technology

70% savings  
Connectivity





European  
Commission

# A European Green Deal

Striving to be the first climate-neutral continent



2010 – 2019

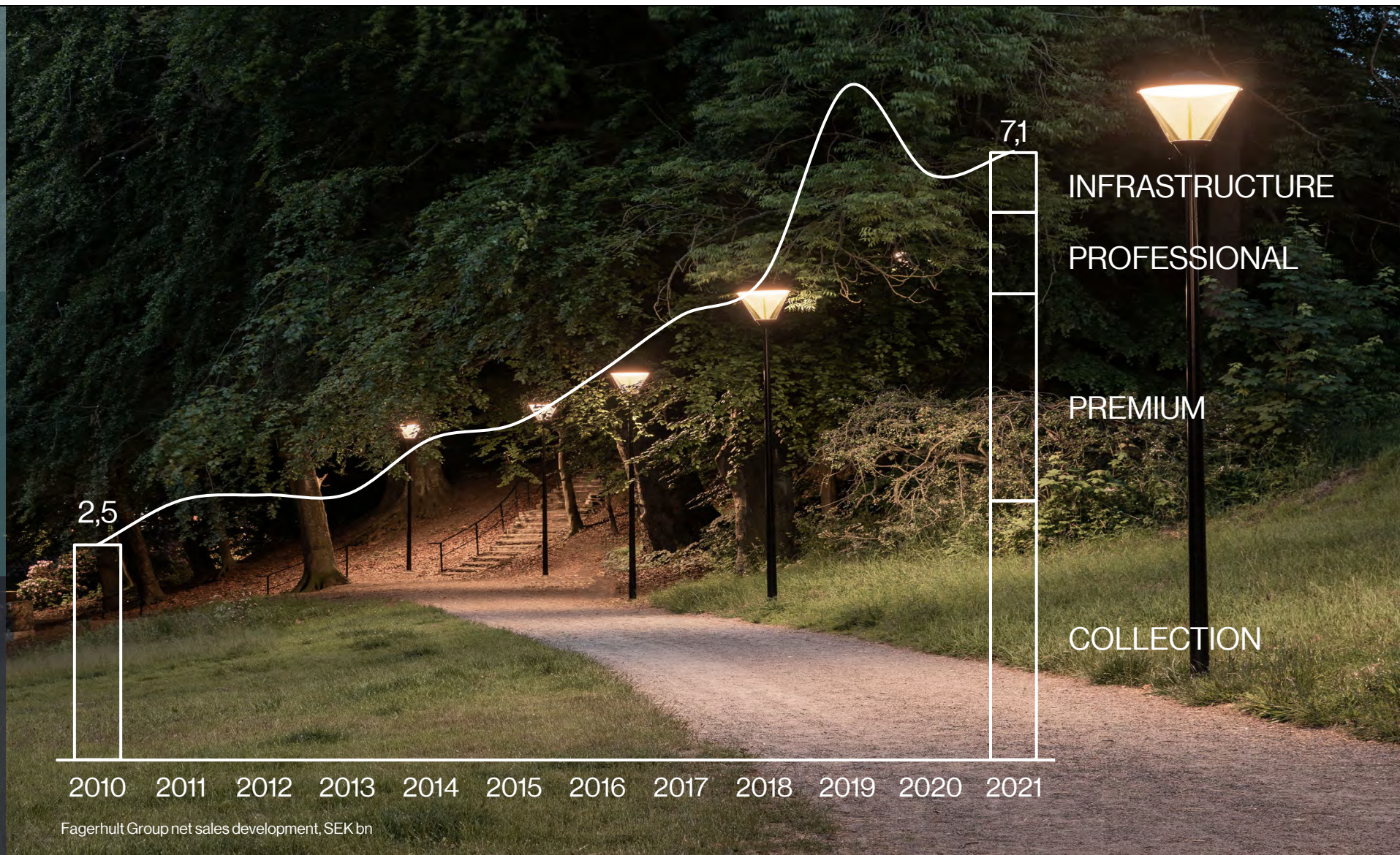
Acquisition phase

2020 – 2023

Building the foundation

2023 –

Growth phase







## Growth drivers

- ✓ Mega trends
- ✓ New geographic markets
- ✓ Sustainability
- ✓ Innovation
- ✓ Connectivity
- ✓ Thought leadership
- ✓ Mindset



## Our operating model

Business  
areas

**Collection**

**ateljé Lyktan**

**iGuzzini**

**LED LINEAR**

**we-ef**

**Premium**

**FAGERHULT**



**Professional**

**ARLIGHT**



**Infrastructure**

**designplan**  
LIGHTING

**i VALO**

**VEKO**  
LIGHTSYSTEMS

Connectivity

**organic response**

**citygrid™**

Group  
focus  
areas



**Innovation**



**Sustainability**



**People &  
Culture**

Operational  
business  
responsibility

Strategic direction  
and focus areas  
(incl. M&A)



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iGuzzini



- Premium office and education
- Luminaire body in cardboard
- Minimize total climate impact



- High-end architectural
- New design and materials
- Minimize weight



- Office and healthcare
- Modular design, upgradeable
- Cradle-to-cradle certified



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# Sustainability is Green

Anders Fransson, Chief Sustainability Officer

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



A photograph of a forest landscape. In the foreground, a small stream flows over mossy rocks. The forest is dense with tall, thin trees. A modern, cylindrical outdoor lamp post stands on the right side of the stream. The text is overlaid on the left side of the image.

Together we innovate to create value  
and deliver professional lighting  
solutions that are circular, climate  
positive and contribute to better lives

Positive  
change for  
better living







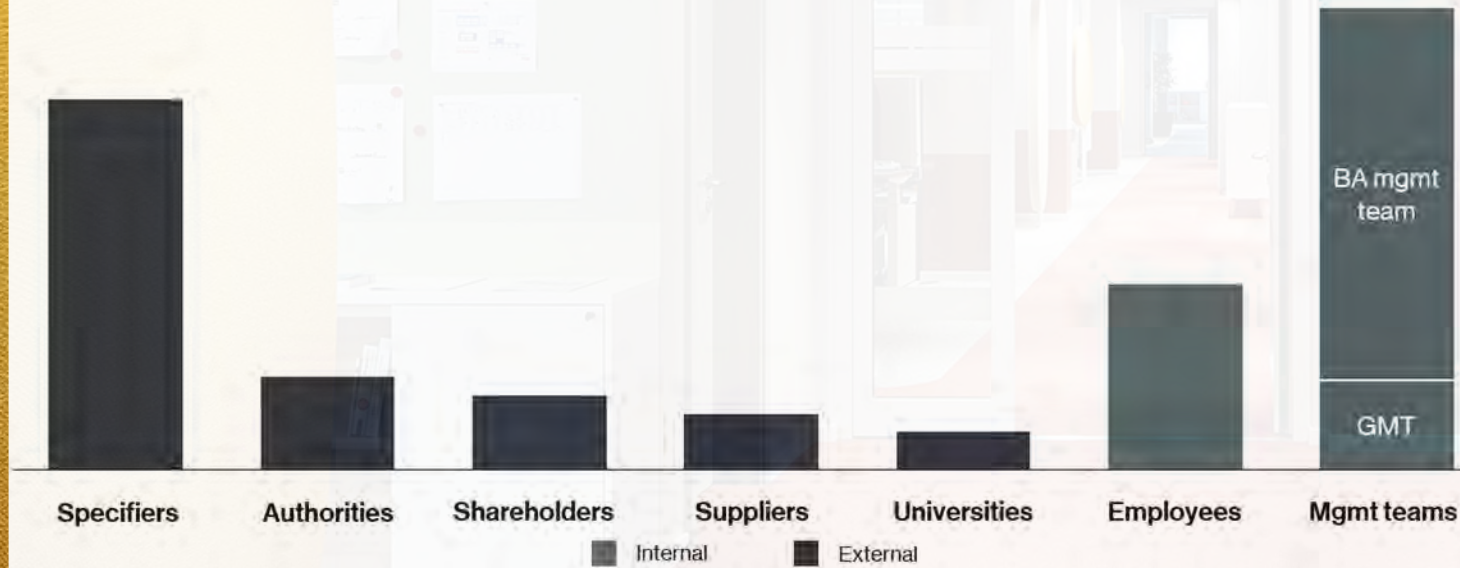
We focus where  
we can make the  
biggest impact

# SUSTAINABLE DEVELOPMENT GOALS





## Materiality analysis involving 70 stakeholders



**Sustainable design**

**Climate and energy efficiency**

**Diversity & inclusion**

**Connectivity**

**Health and safety**





### Circular solutions

- Reduce carbon footprint
- Integrated sensors



### Responsible operations

- Entire value chain
- Health and Safety



### Responsible people and relationships

- Diversity & Inclusion
- Code-of-conduct



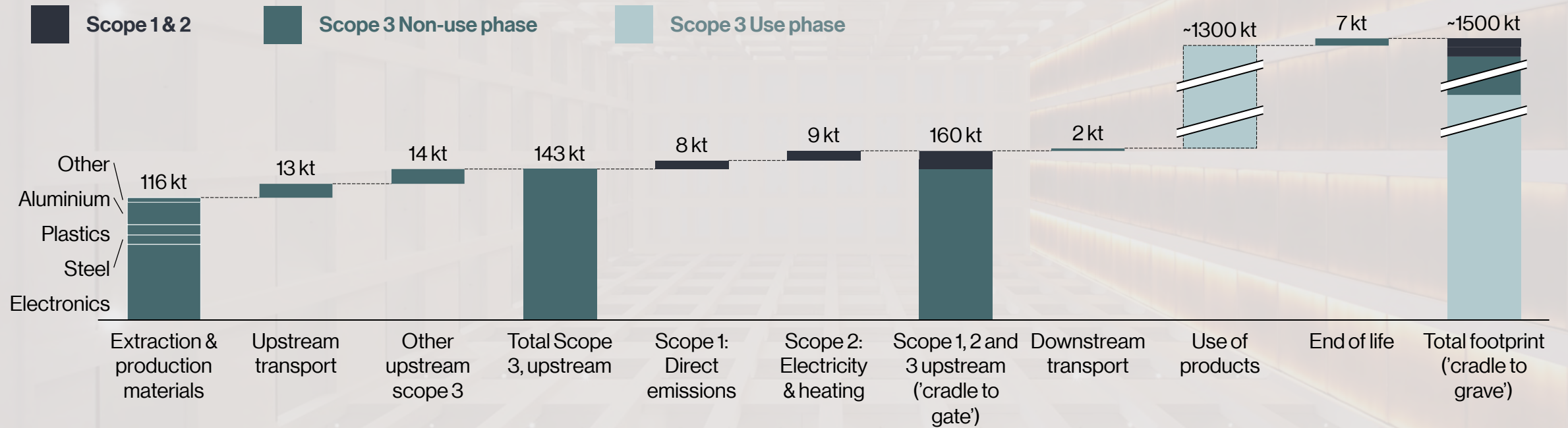
### Knowledge leaders

- Share knowledge
- Transparent & authentic





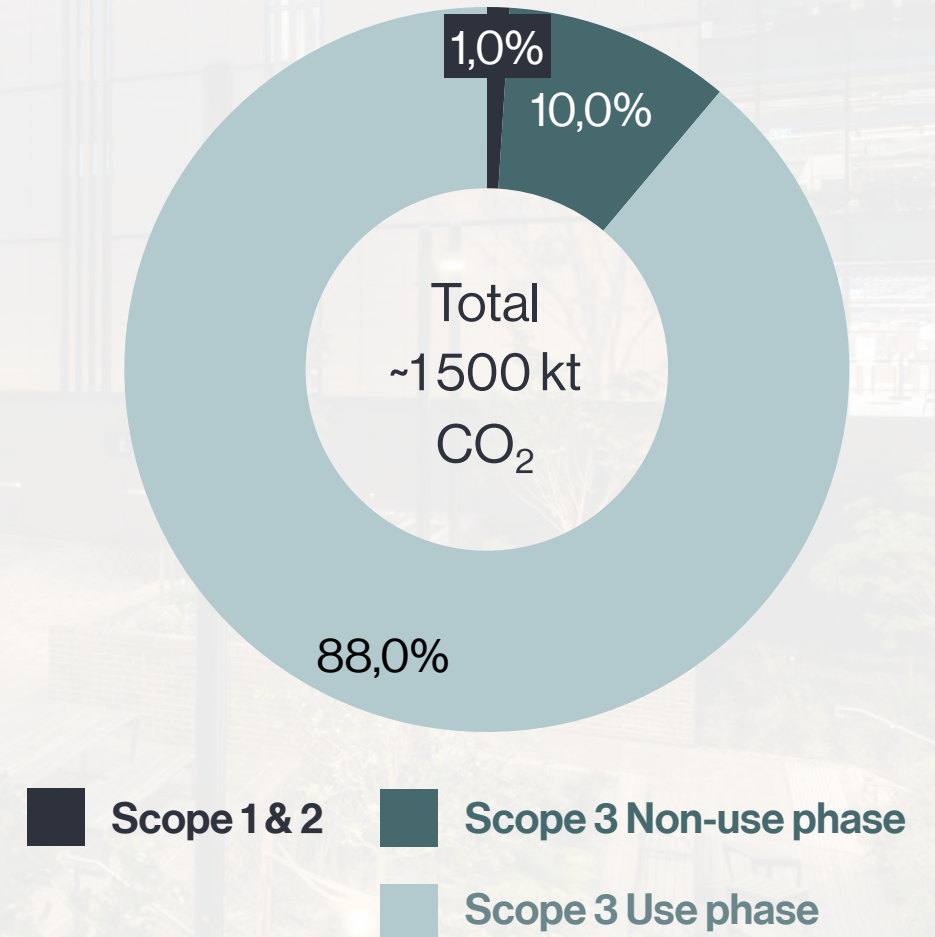
## Our CO<sub>2</sub> footprint baseline 2021







## Our carbon emission baseline





We have committed



# SCIENCE BASED TARGETS

## Identified first set of levers

### Scope 1 & 2

- Low-carbon electricity
- Heating – heat pumps
- Heating – electric oven

### Scope 3 Non-use phase

- Light weighting
- Increased recycled content
- Low-carbon road transport

### Scope 3 Use phase

- Increased connectivity
- LED energy efficiency
- Low-carbon electricity





**Circular solutions**

**Science Based Targets**  
**Decarbonization projects**



**Responsible  
operations**

**Reporting and disclosing**  
**Renewable energy**



**Responsible people  
and relationships**

**Diversity & Inclusion  
strategy**



**Knowledge leaders**

**Communication**  
**Learning and training**





# Positive change for better living



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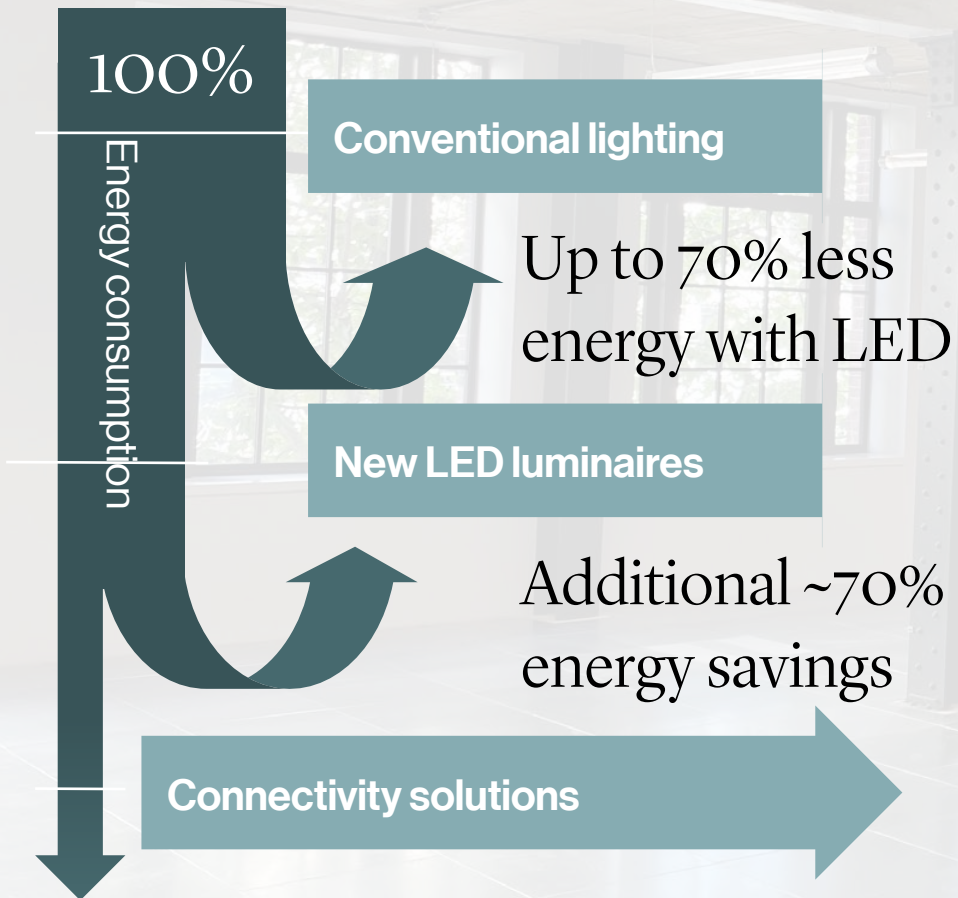
# Innovation & Connectivity

Geert van der Meer, acting Head of Connectivity

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



## Significant energy savings with new technology



### Connectivity solutions add multiple benefits

Energy savings

Lower maintenance costs

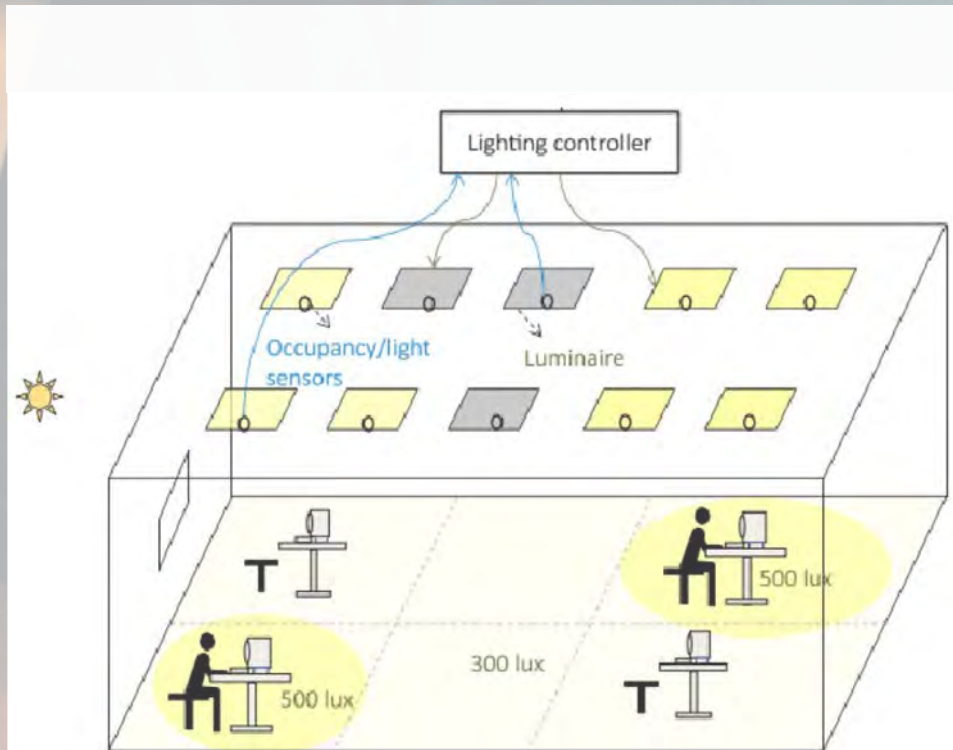
Increased well-being and safety for people

New business opportunities beyond lighting

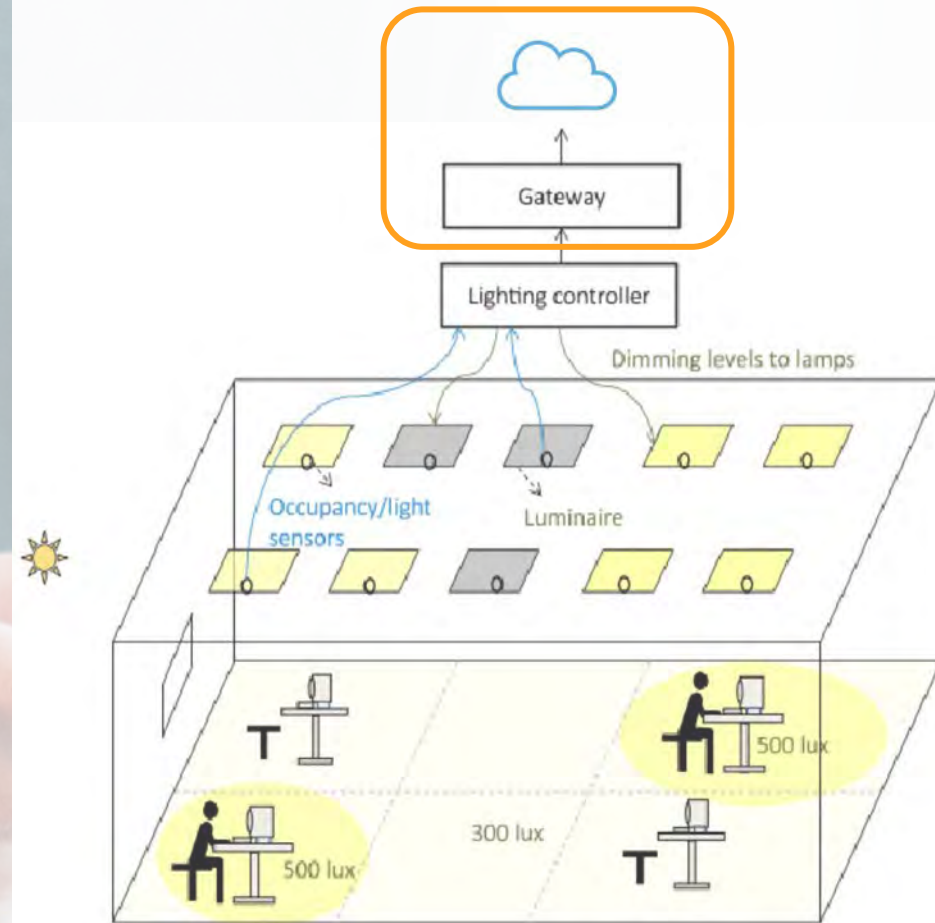
**~10%** Estimated share of projects delivered with Connectivity solutions



## Lighting control vs. Connectivity?



Traditional **lighting controls** for switching or dimming individual or multiple luminaires



**Connectivity** are networked solutions where lighting is controlled, and data can be extracted



## Connected luminaires adding value

Energy  
savings by  
motion  
detection


Increased  
visual comfort  
for people  
and wild-life

Increased  
well-being  
(indoor) and  
safety  
(outdoor)

Preventive  
maintenance  
by being  
connected

30%  
average price  
premium for  
a connected  
luminaire





Our first steps on in-house  
Connectivity solutions

2017  
**organic response**

Focus investments and  
Linköping competence centre

2020  
LINKÖPING, SWEDEN

In-house development of  
outdoor Connectivity solutions

2021  
**citygrid**<sup>TM</sup>



# organic response



# citygrid™



## System setup

Motion detection with sensors



Connected luminaires



Gateway to Cloud



Dashboards

Open system API's

Value beyond lighting  
with (eco-system)  
partners



## Smart buildings adding value

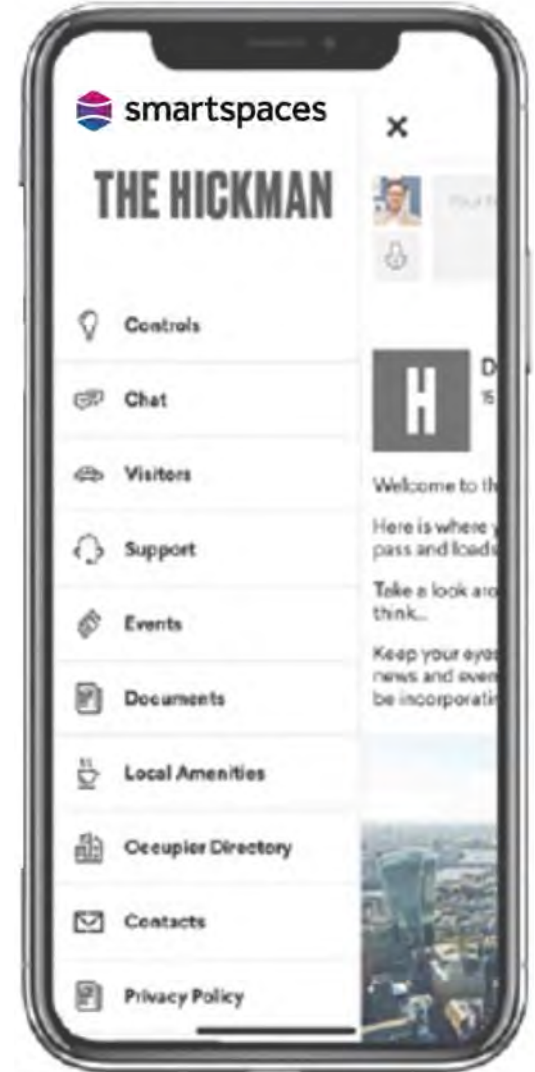
### Stakeholder

- User
- User
- User
- Facility manager
- Facility manager
- Facility manager
- Facility manager
- Security
- Property owner

### Benefits

- Control your own light
- Book a room
- Find your way, be guided
- Energy saving of full building
- Preventive maintenance warnings
- Find your assets (e.g. heart monitor)
- Clean only rooms that were used
- Better detection with extra sensors
- Identify un-used space

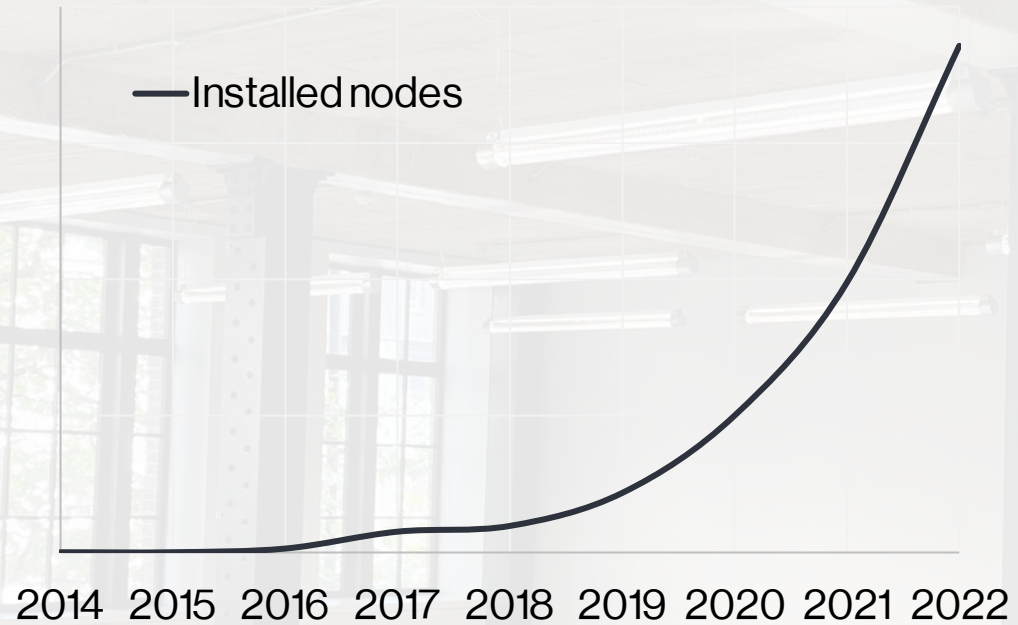
### Partner





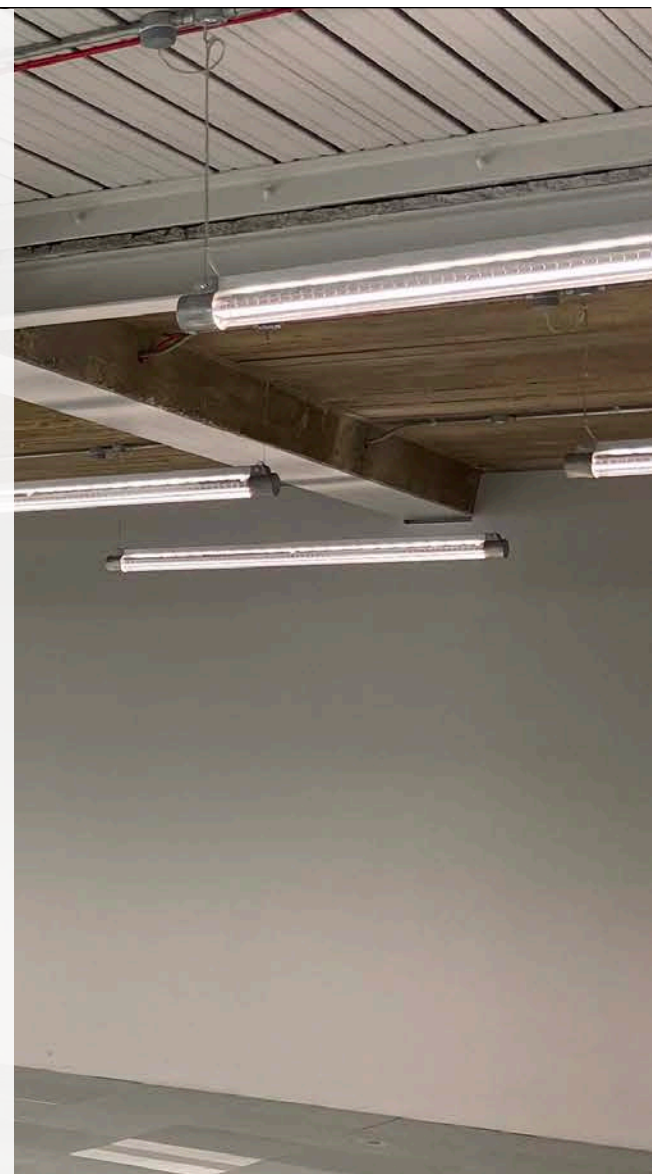


## Installed base starting to ramp-up



Sales of smart luminaires doubling year-on-year

Only around 10% of smart luminaires are connected





# We are well-positioned to harvest the Connectivity opportunity

Strong  
connections  
to specification  
community

Wide application  
coverage and  
wide portfolio

Wireless is  
a perfect  
solution for  
renovation

Footprint for  
local support  
across Europe

We are used  
to customer  
specials

Successful  
pilots in many  
markets



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Step into

the heart of

the possible

People & Culture Matter

Andrea Gageik, Chief People Officer



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## Our People and Culture agenda

1.  
Group Core  
Values

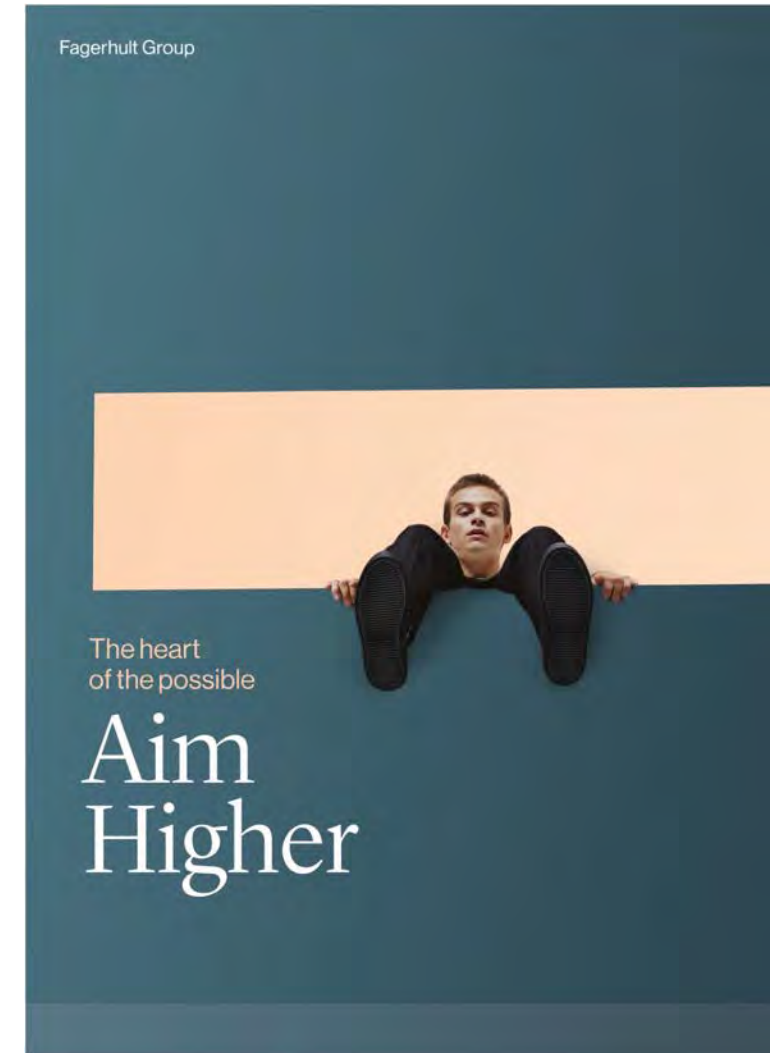
2.  
Leadership  
Value Guidelines

3.  
Talent Engine

4.  
Diversity &  
Inclusion

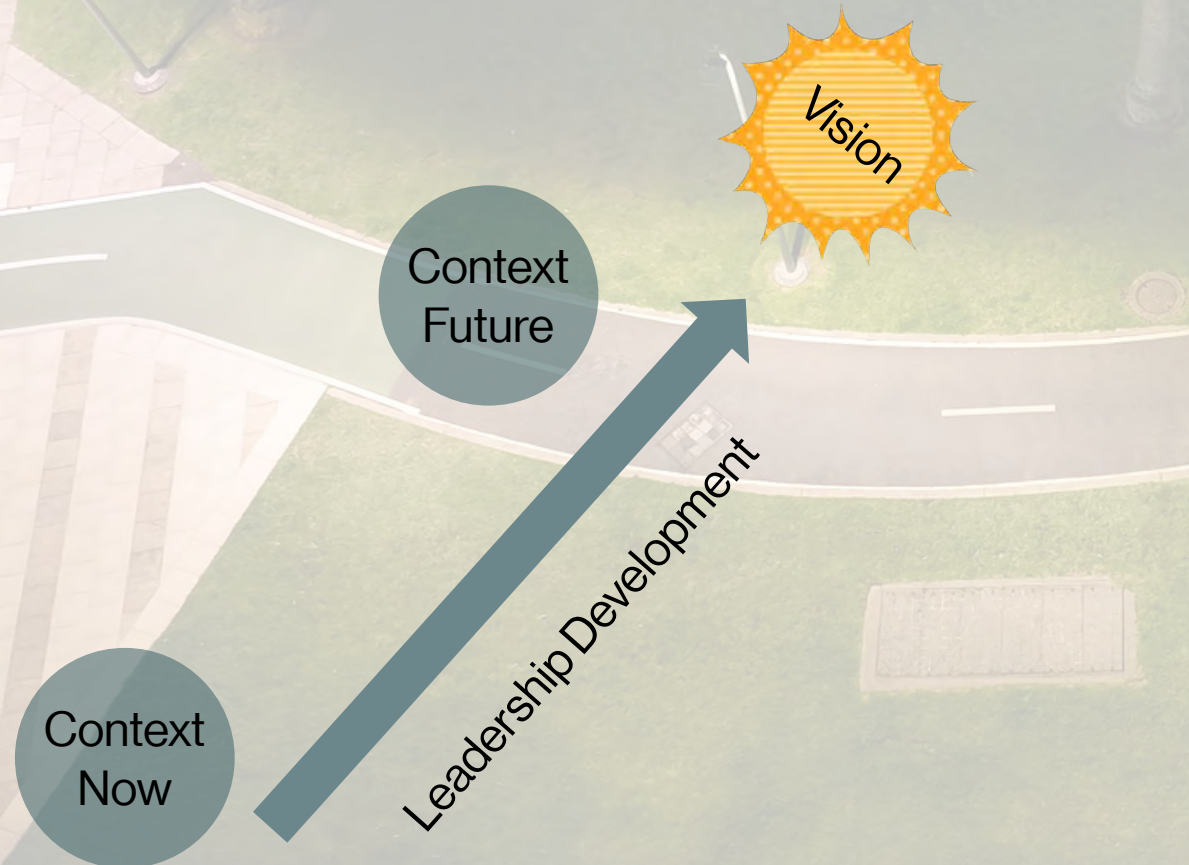
**Performance**  
Business Impact  
People Impact







# Leadership Value Guidelines











## Diversity & Inclusion agenda

EQUAL OPPORTUNITIES

EQUAL TREATMENT





Strong Culture  
builds  
Strong Companies





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# Business Area Collection

Mario Dreismann, Head of Business Area Collection

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



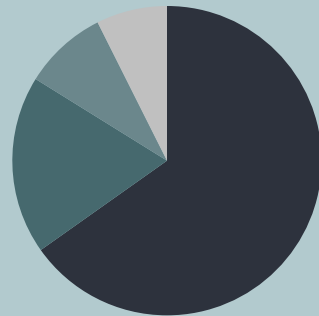
**ateljé Lyktan**

**LED LINEAR**

**iGuzzini**

**we-ef**

3 162 MSEK  
Net sales 2021



■ iGuzzini    ■ LED Linear  
■ WE-EF    ■ ateljé Lyktan



Architects  
Lighting designers  
Specifications

Architectural  
applications

Indoor and  
outdoor







Office



Retail



Hospitality & Residential



Culture



Urban spaces



Street & Pathways



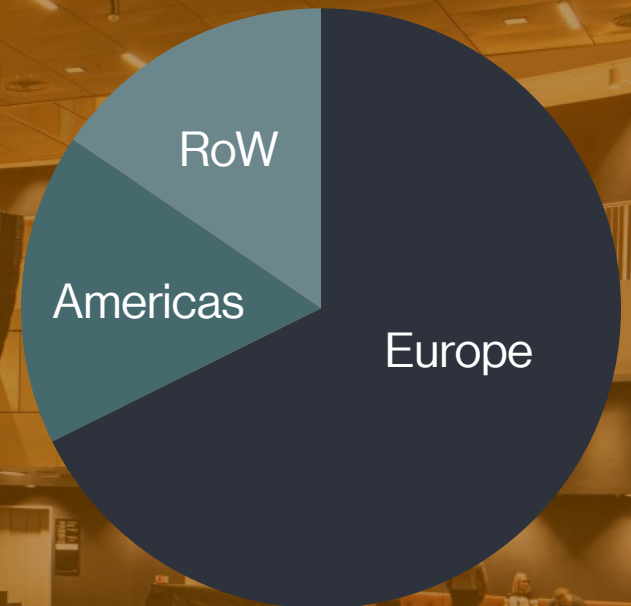
## Operations

- ✓ Sweden
- ✓ Germany
- ✓ Italy
- ✓ France
- ✓ Canada
- ✓ US
- ✓ Australia
- ✓ Thailand
- ✓ China

## Sales offices



## Sales split









# Increase Market Presence

Growth opportunity

- Selected key markets
- Connectivity
- Renovation trend





# Innovation

Growth opportunity

- State-of-the-art solutions
- Design principles
  - Superior lighting quality
  - Sustainability
  - Connectivity
  - High-end design





# Business Area Collaboration

Growth opportunity

- Align Go-To-Market
- Cross-selling
- Thought leadership
- First successes celebrated





Strong brands, unique  
products, global presence

Investing in market growth  
opportunities

Innovation and  
collaboration





# Business Area Premium

Frank Augustsson, Head of Business Area Premium

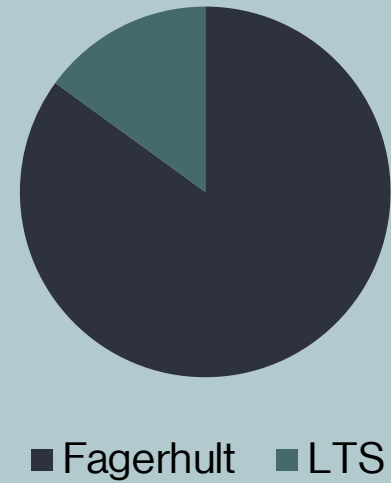


**FAGERHULT**

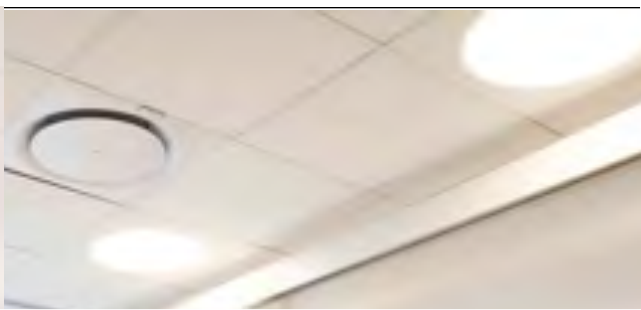
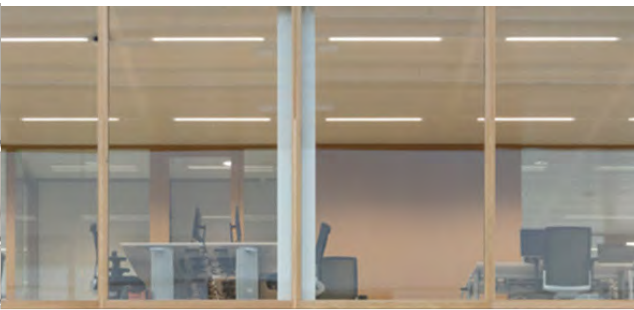
2 531 MSEK  
Net sales 2021



Office  
Education  
Healthcare  
Retail







## Retail

Market: 16 SEK bn

Sales  
split



## Office

Market: 19 SEK bn

Sales  
split



**FAGERHULT**

## Education

Market: 2 SEK bn

Sales  
split



**FAGERHULT**

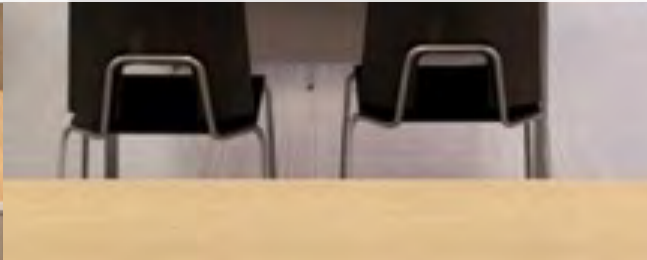
## Healthcare

Market: 4 SEK bn

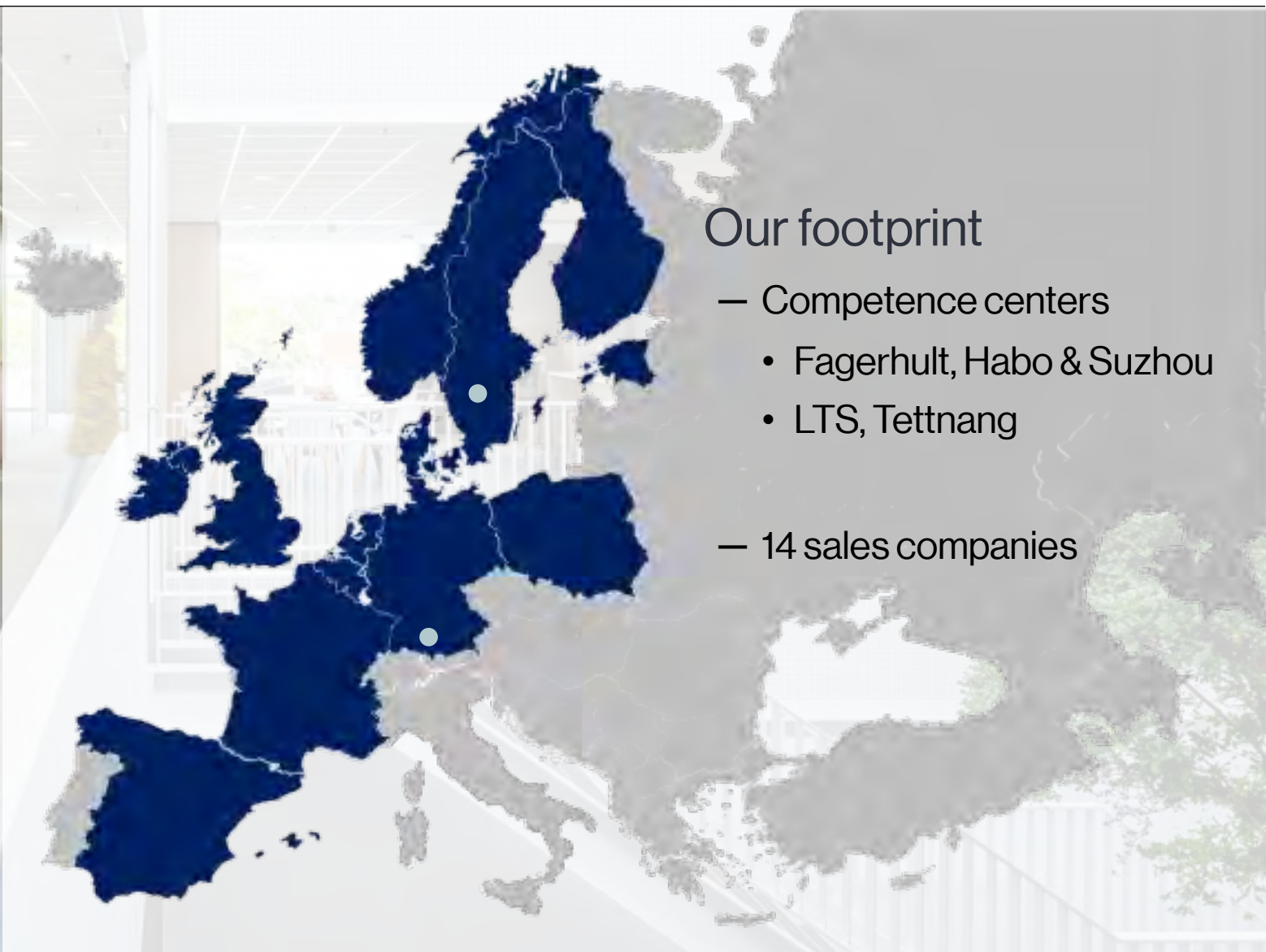
Sales  
split



**FAGERHULT**







## Our footprint

- Competence centers
  - Fagerhult, Habo & Suzhou
  - LTS, Tettnang
- 14 sales companies



## Our ambitions mid-term

Top 2 in Europe  
in our selected  
applications

Grow in new  
and existing  
markets

3 initiatives for growth





## DACH growth – Office

## Growth opportunity

- 
- Europe's no. 1 lighting market
    - Office market 400 MEUR
  - Key market opportunities:
    - Sustainable and Connected solutions
    - German Metropolitan areas





## Retail – Partnership

Growth opportunity

- European retailers with global ambitions
- Future store concepts
- Part of brand building
- Retailers with sustainability focus

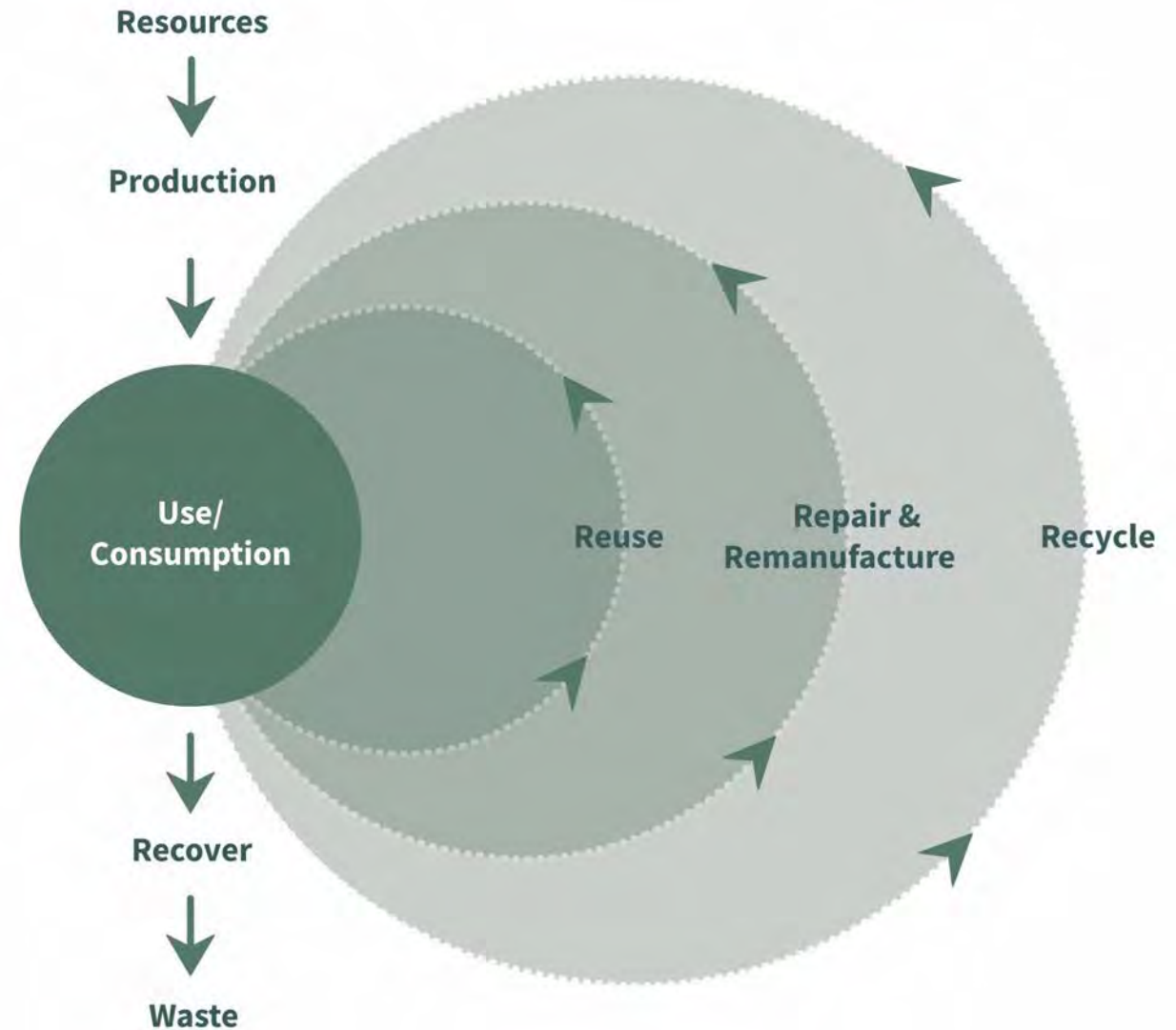


## Re:Think - Circular Solutions

Growth opportunity

- Fast growing expectations and demands
- Sustainability targets within real estate
- Renovation market
- Efficiency, Connectivity

Project Greenhouse, Solna Stockholm





## Our ambitions mid-term

Top 2 in Europe  
in our selected  
applications

Grow in new  
and existing  
markets

3 initiatives for growth



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# Business Area Professional

Catharina Flink, Head of Business Area Professional

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

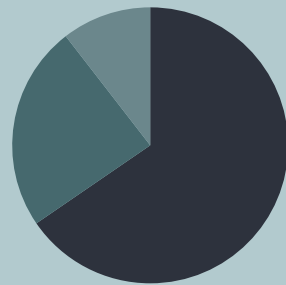




997 MSEK  
Net sales 2021



National Champions  
Local manufacturing  
Bespoke solutions



■ Whitecroft  
■ Eagle Lighting  
■ Arlight

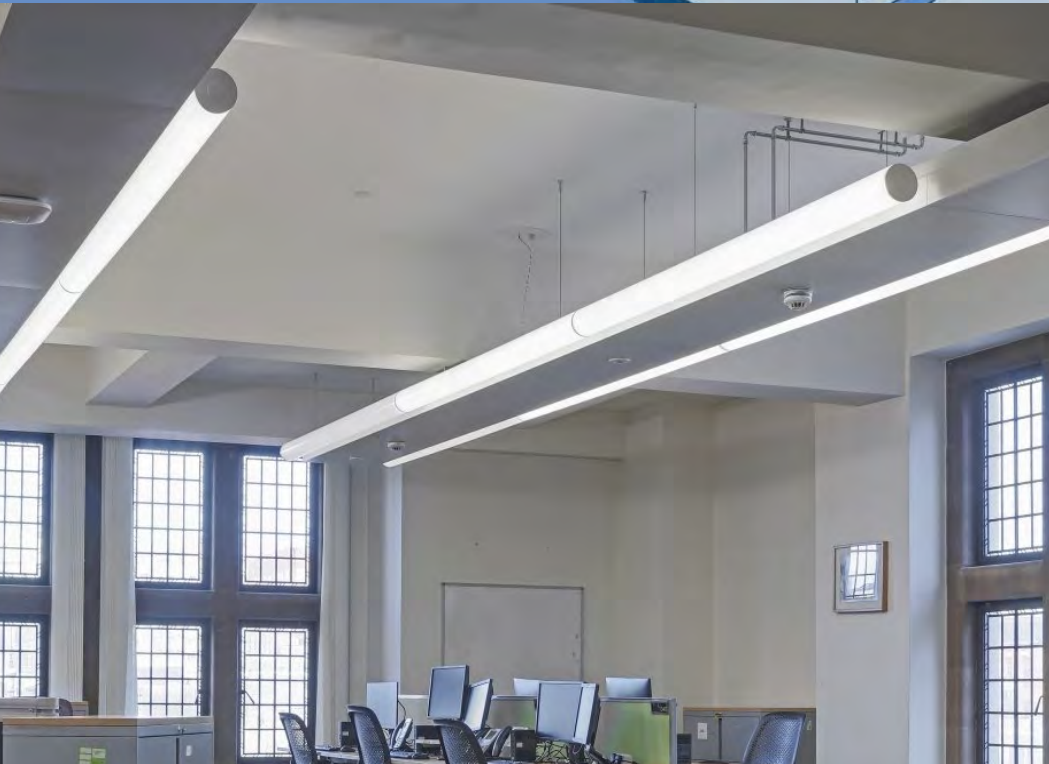


Office  
Education  
Healthcare





# Vitality ReLight

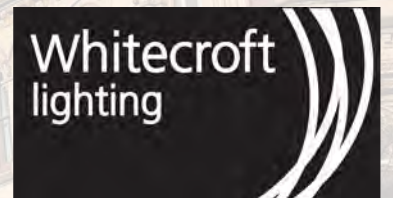


## Manchester Town Hall


### **Circular Economy success**

2350 light fittings upgraded

38 tonnes of CO<sub>2</sub> saved/year







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# Business Area Infrastructure

Geert van der Meer, Head of Business Area Infrastructure

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



**designplan**  
LIGHTING

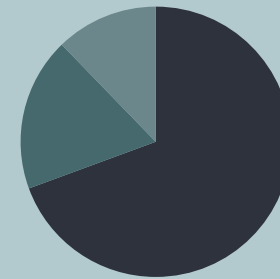
**i VALO**

**VEKO**  
LIGHTSYSTEMS

731 MSEK  
Net sales 2021



Infrastructure  
Hazardous conditions  
Industrial plants  
Horticulture



■ Veko  
■ Designplan  
■ I-Valo







### **Hazardous conditions**

- Energy
- Pulp & Paper
- Metal & Steel
- Mining



### **Horticulture**

- Greenhouse

### **Infrastructure**

- Transport
- Custodial
- Data centers



### **Industrial**

- Light industry
- Distribution centers







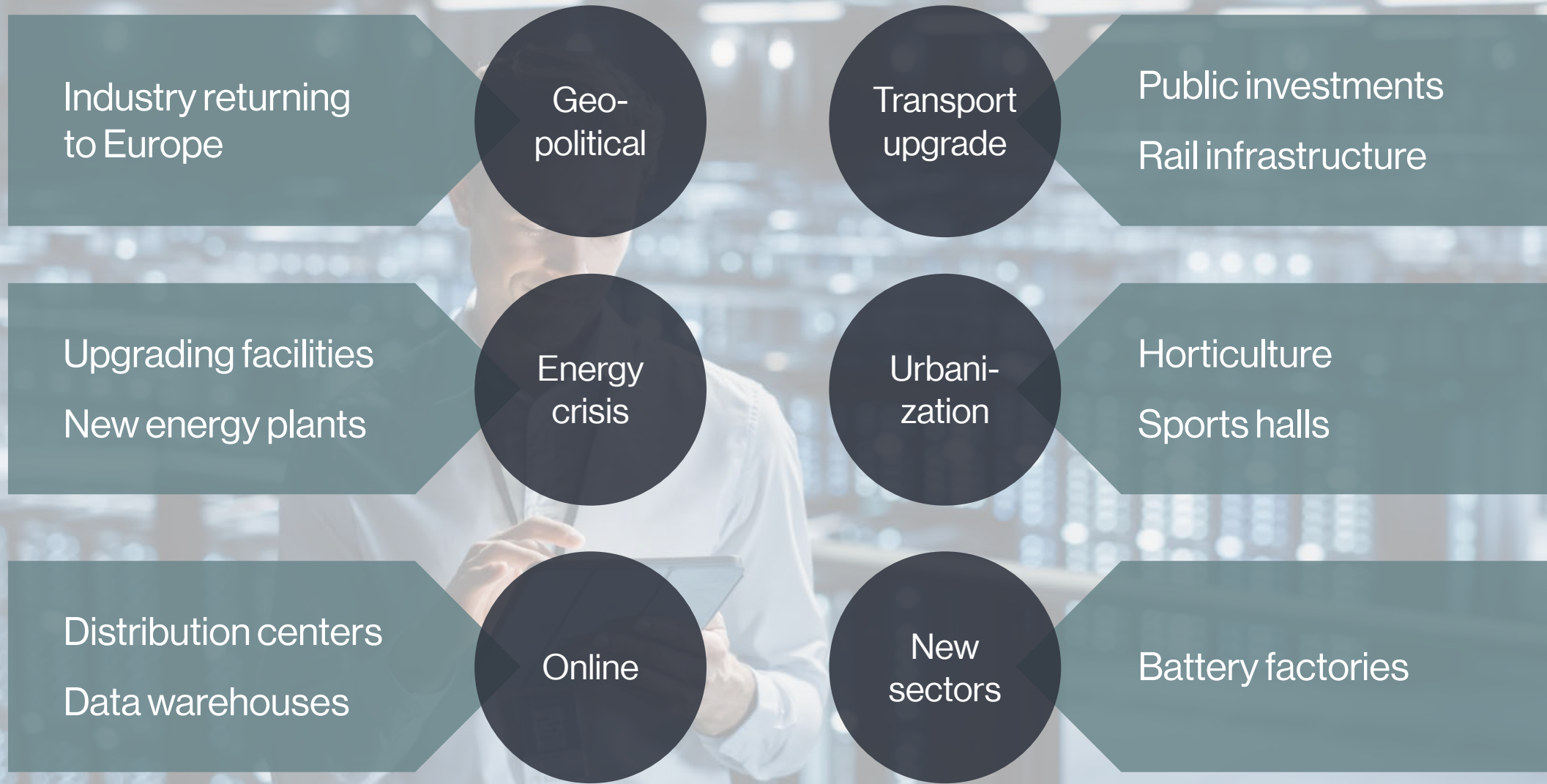
Focus Northern Europe

Strong local presence

Growth opportunities





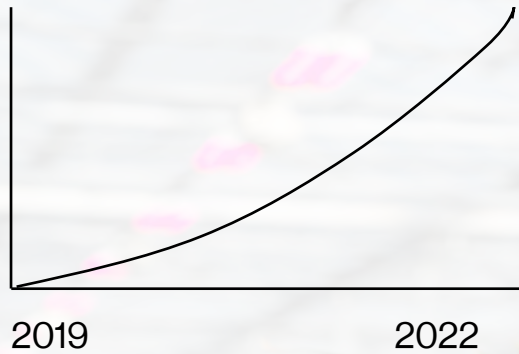




# Horticultural lighting

Growth opportunity

- Mainly Dutch market, proximity to Veko
- Unique patented solution
- Fastest growing application in BA Infra



**VEKO**  
LIGHTSYSTEMS





# German transport sector

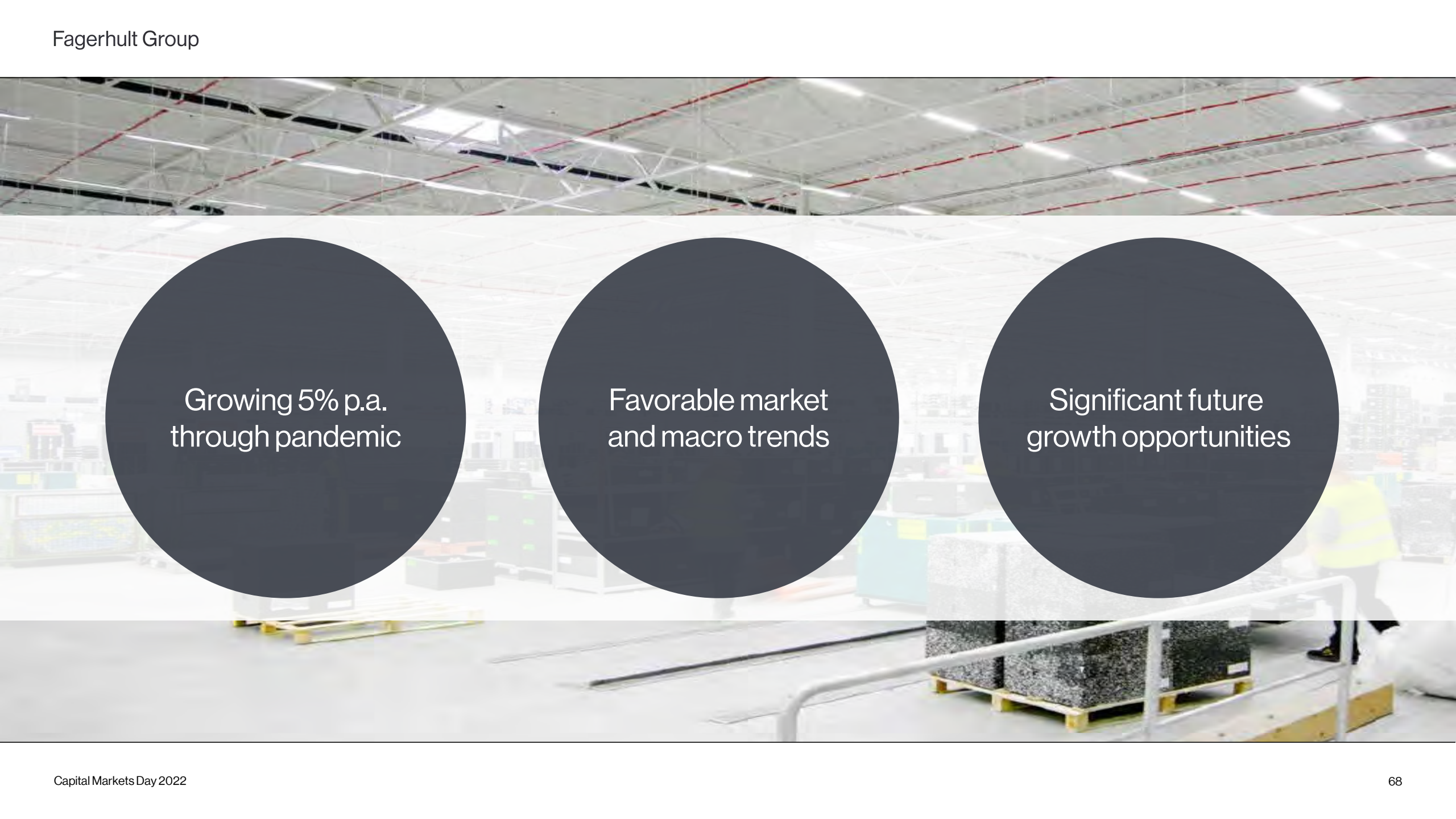
Growth opportunity

- Renovation of German Rail (DB)
- LED upgrade for energy savings
- Specific requirements

**designplan**  
LIGHTING







Growing 5% p.a.  
through pandemic

Favorable market  
and macro trends

Significant future  
growth opportunities





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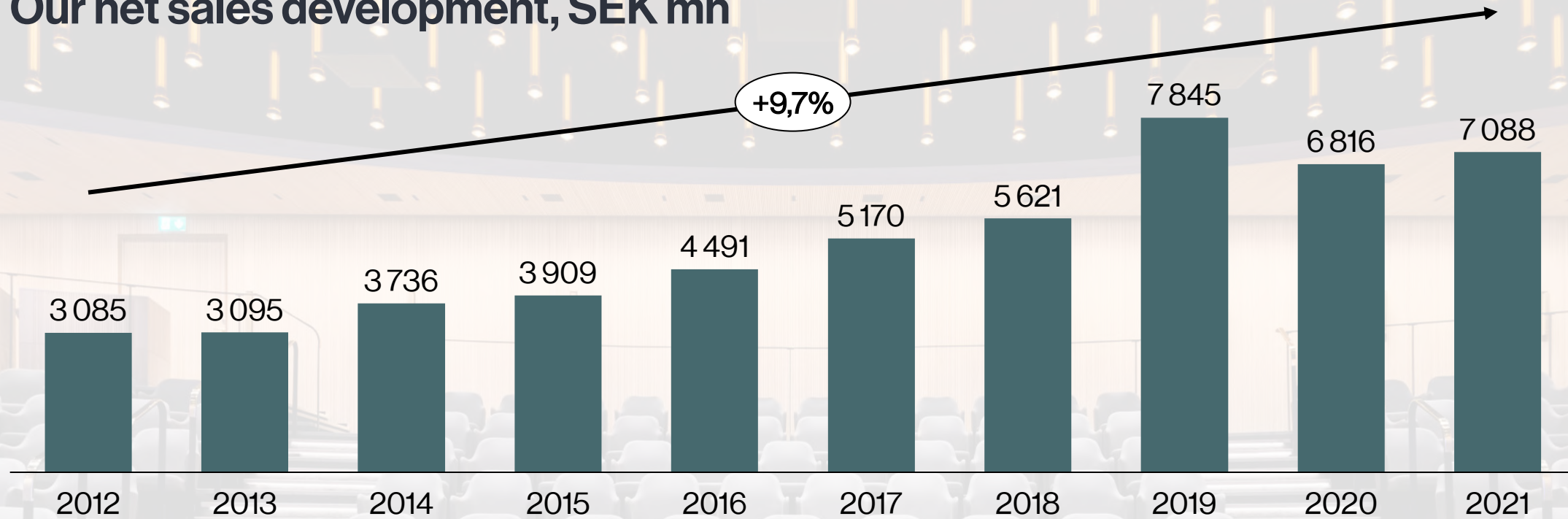
# Long-term ambitions

Michael Wood, Chief Financial Officer

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

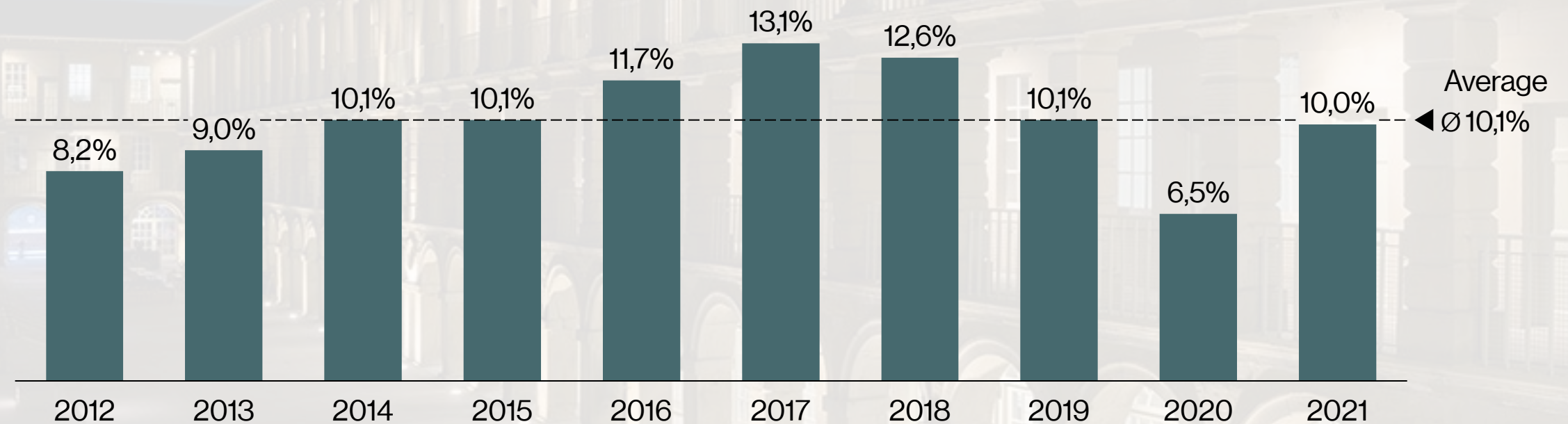


## Our net sales development, SEK mn





## Our operating margin delivery, %





Organic  
growth  
opportunities

Well-positioned  
for mega-trends

Innovation and  
circular solutions

High demand for  
energy saving  
buildings

Application  
opportunities

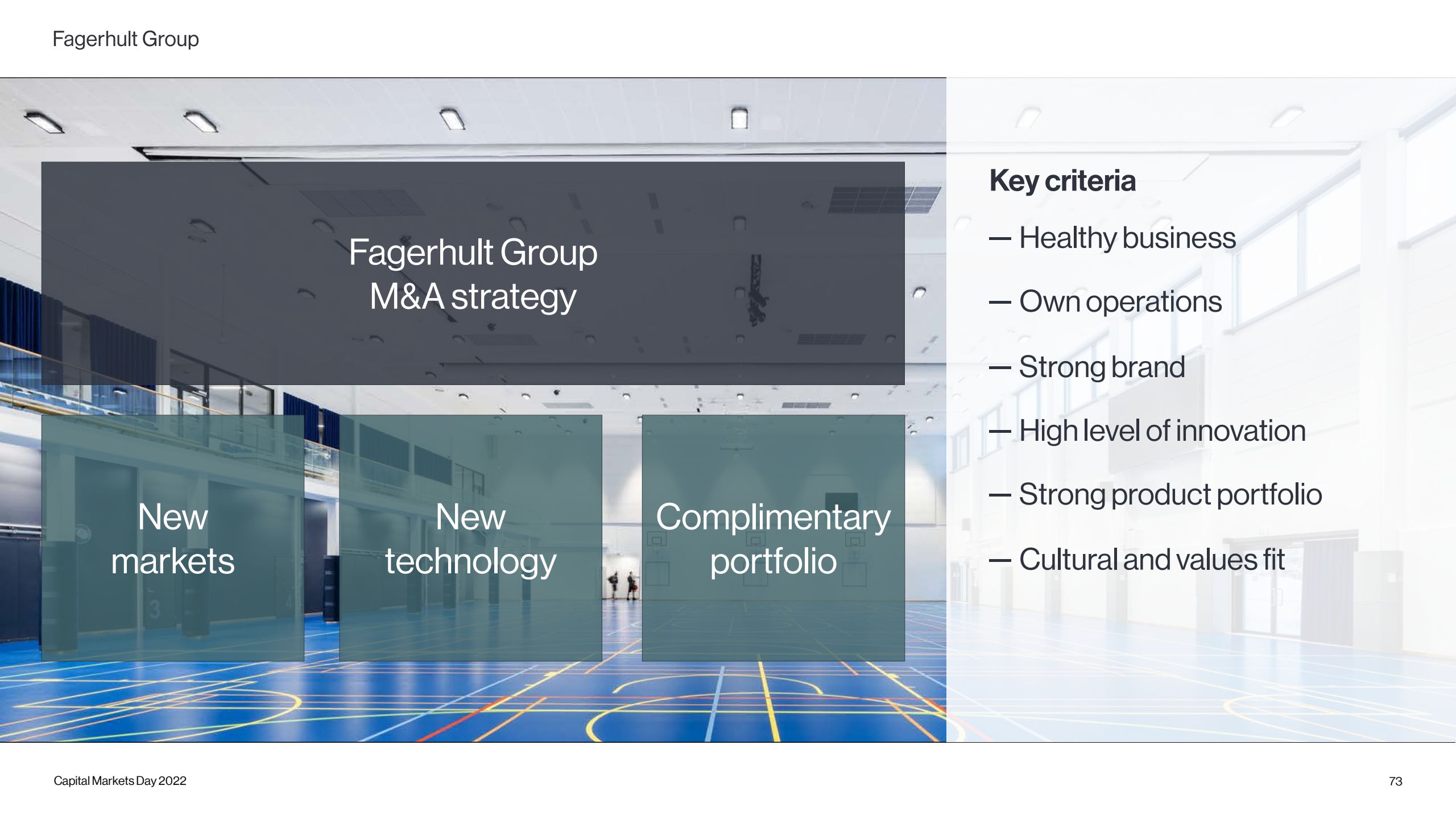
Connectivity  
solutions reduce  
energy

Best-in-class  
sustainability  
partner

BA regional  
strategies; DACH,  
North America

Urbanization





## Fagerhult Group M&A strategy

New  
markets

New  
technology

Complimentary  
portfolio

### Key criteria

- Healthy business
- Own operations
- Strong brand
- High level of innovation
- Strong product portfolio
- Cultural and values fit



# Long-term ambitions

Revenue  
growth

10%  
CAGR

Operating  
margin

10%  
average

Dividend  
payout

40-60%  
of EPS

Connectivity  
share

To be defined

Sustainability  
& ESG focus

SBT  
D&I



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Questions

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Closing comments

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