

Fagerhult Group

We light up your world

Q3 2024 presentation

October 28, 2024

www.fagerhultgroup.com

CEO comments

- Currently slower market conditions where the decision-making cycle has increased, delaying projects
- We take important actions on cost reduction plus restructuring programmes in three entities
- Opportunities in retrofit following fluorescent ban
- Continued strong gross margin development



Q3 2024 in figures

Order intake: 1 873 MSEK (2 026)

-5,1% organic

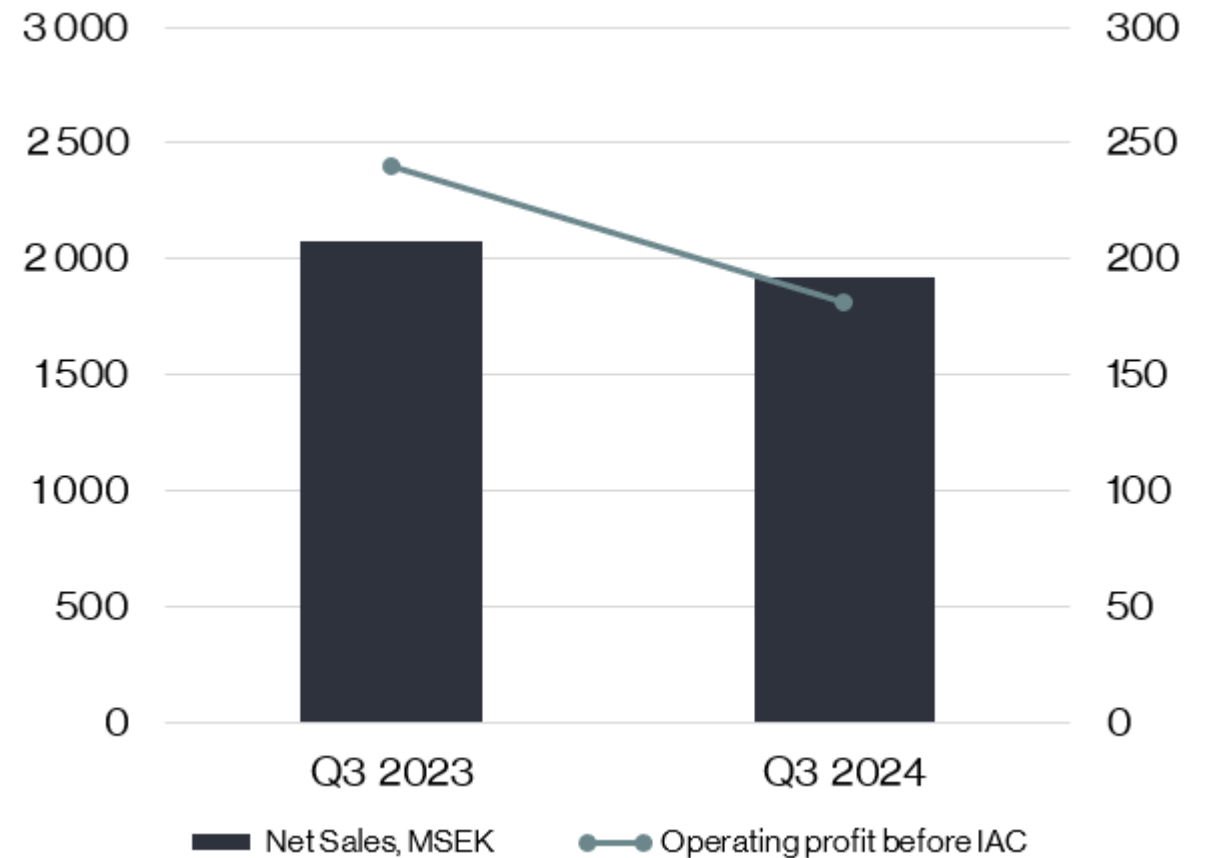
Net sales: 1 919 MSEK (2 079)

-5,2% organic

Operating profit before IAC : 181 MSEK (240)

Operating margin before IAC: 9,4% (11,5%)

Earnings per share before IAC: 0,58 SEK (0,90)



YTD 2024 in figures

Order intake: 6 106 MSEK (6 312)

-2,5% organic

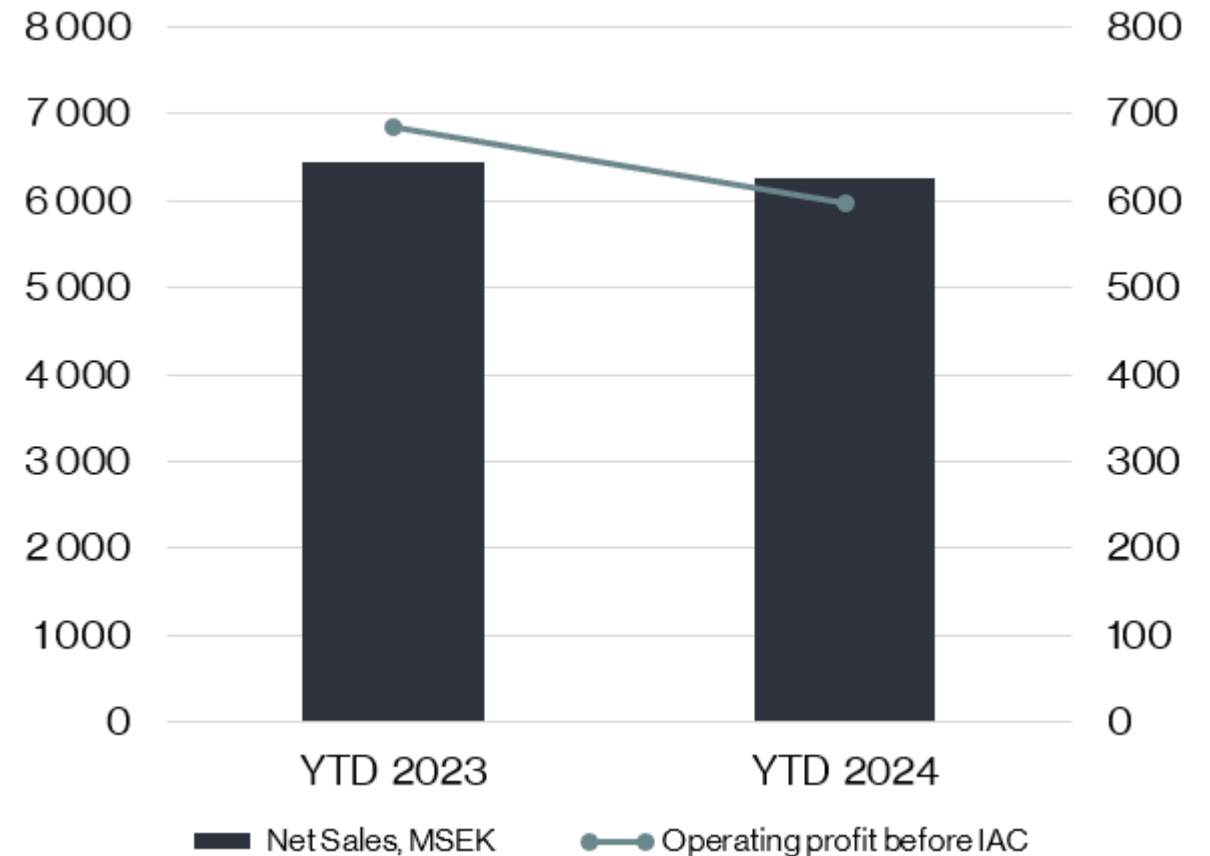
Net sales: 6 266 MSEK (6 450)

-2,2% organic

Operating profit before IAC : 598 MSEK (685)

Operating margin before IAC: 9,5% (10,6%)

Earnings per share before IAC: 1,99 SEK (2,48)



Our operating model

Business areas

Collection

ateljé Lyktan

iGuzzini

LED LINEAR

we-ef

Premium

FAGERHULT

 **LTS**
LOVE TO SHINE

Professional

ARLIGHT 

 **EAGLE LIGHTING**

Whitecroft lighting

Infrastructure

designplan
LIGHTING

i VALO

VEKO
LIGHTSYSTEMS

Smart lighting

organic response

citygrid™

Strategic focus areas



Innovation



Sustainability



People & Culture

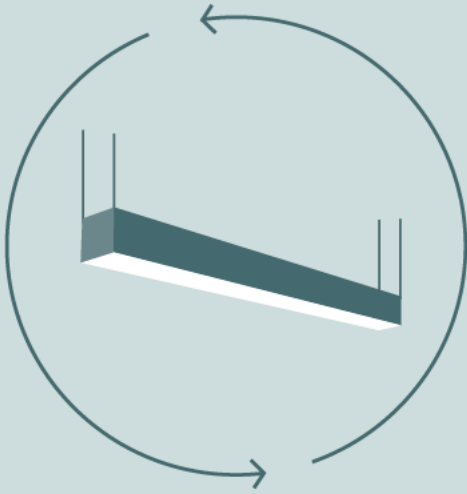


Ban of fluorescent lighting

- Production and import to EU banned since August 2023
- Inventory levels running out in wholesale
- Generating more opportunities for renovation projects

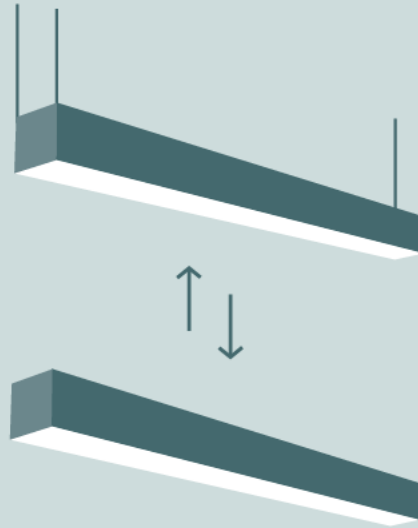
Option 1

Upgrade existing luminaires with new LED technology



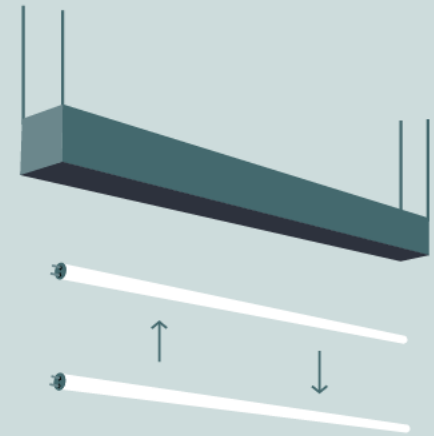
Option 2

Install a new LED lighting solution

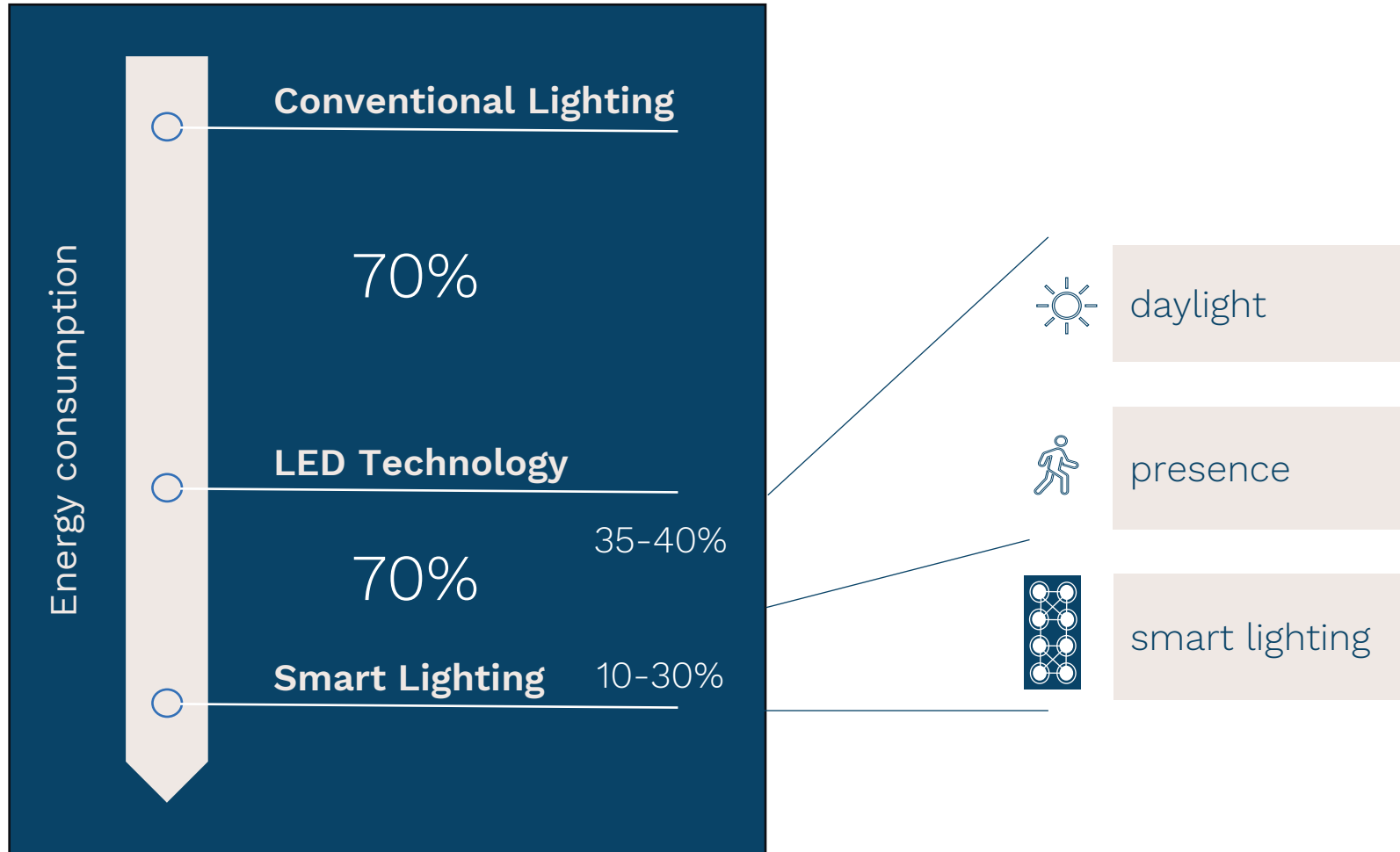


Option 3

Replace the fluorescent lamp with an LED tube



Smart lighting brings savings beyond LED technology



Smart lighting Solutions – Our tiered offering

Out of the box
(Stand alone)

Services
(Connected offering)

SmartStart

SmartLight

SmartInsight

SmartPlus

organic response

Brent Cross



- New office building at London's new net-zero business and innovation district in Brent Cross
- Full project, indoor and outdoor solutions
- Organic Response equipped:
 - Energy savings
 - Ease of installation
 - Future proof flexibility
 - Integration with other building services



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Collection

Tasmania, Australia
University of Tasmania

Financial summary Q3

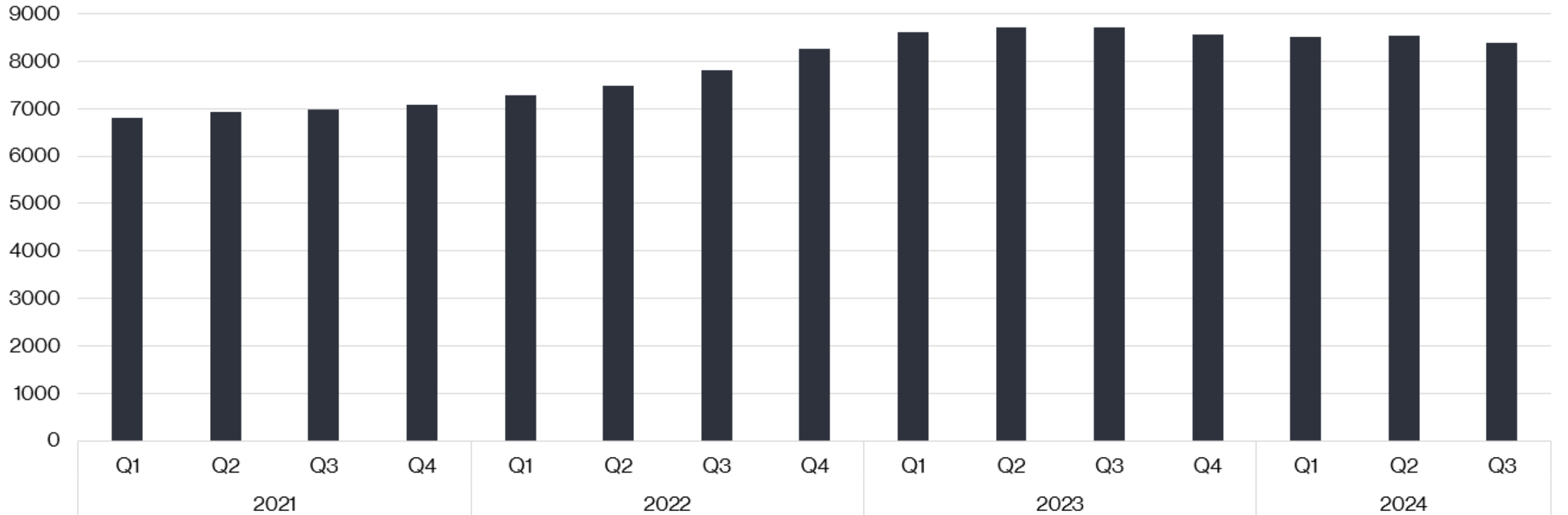
MSEK	Q3 2024	Q3 2023	
Net sales	1 919	2 079	-7,7%
- Organic growth	-109		-5,2%
- FX-differences	-51		
Operating profit before IAC	181	240	-24,3%
Operating profit before IAC, %	9,4%	11,5%	-2,1p.p.
Earnings per share before IAC, SEK	0,58	0,90	
Operating cash flow	214	312	

Financial summary YTD

MSEK	Q3 2024	Q3 2023		YTD 2024	YTD 2023	
Net sales	1 919	2 079	-7,7%	6 266	6 450	-2,9%
- Organic growth	-109		-5,2%	-139		-2,2%
- FX-differences	-51			-45		
Operating profit before IAC	181	240	-24,3%	598	685	-12,7%
Operating profit before IAC, %	9,4%	11,5%	-2,1p.p.	9,5%	10,6%	-1,1p.p.
Earnings per share before IAC, SEK	0,58	0,90		1,99	2,48	
Operating cash flow	214	312		608	844	

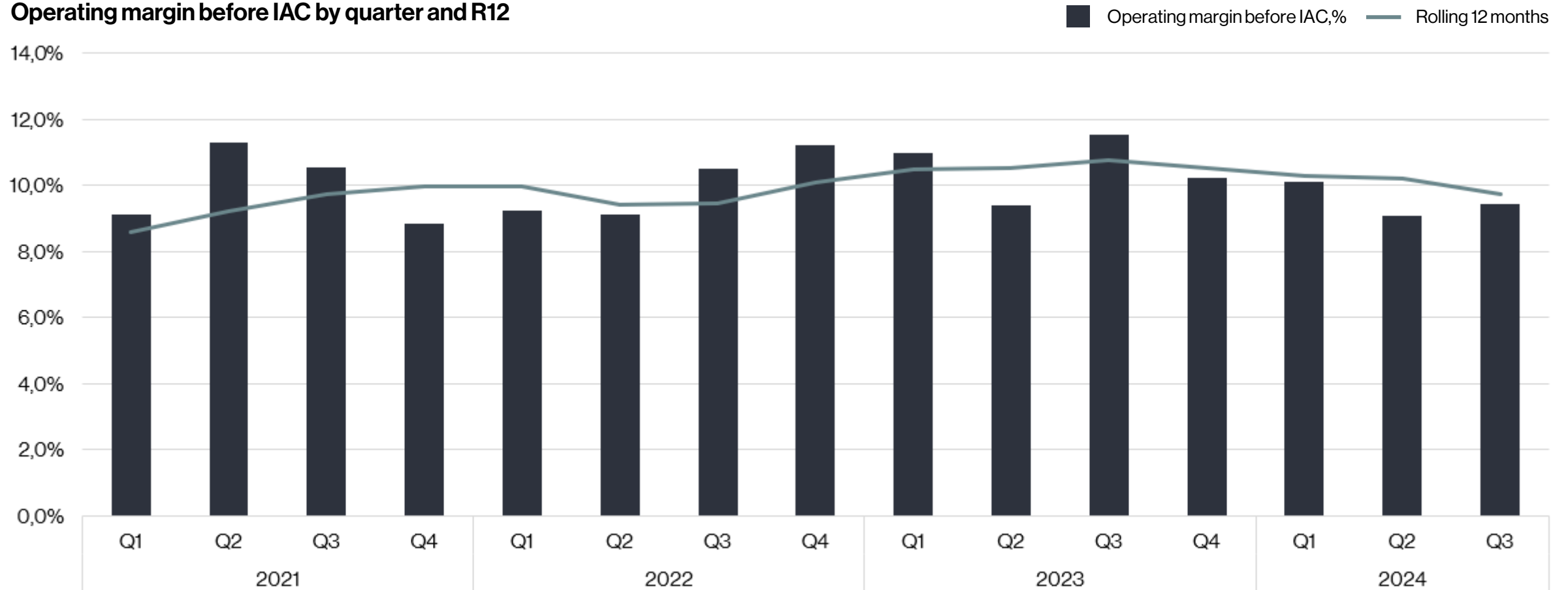
Sales development

Net sales R12



Margin development

Operating margin before IAC by quarter and R12



Collection

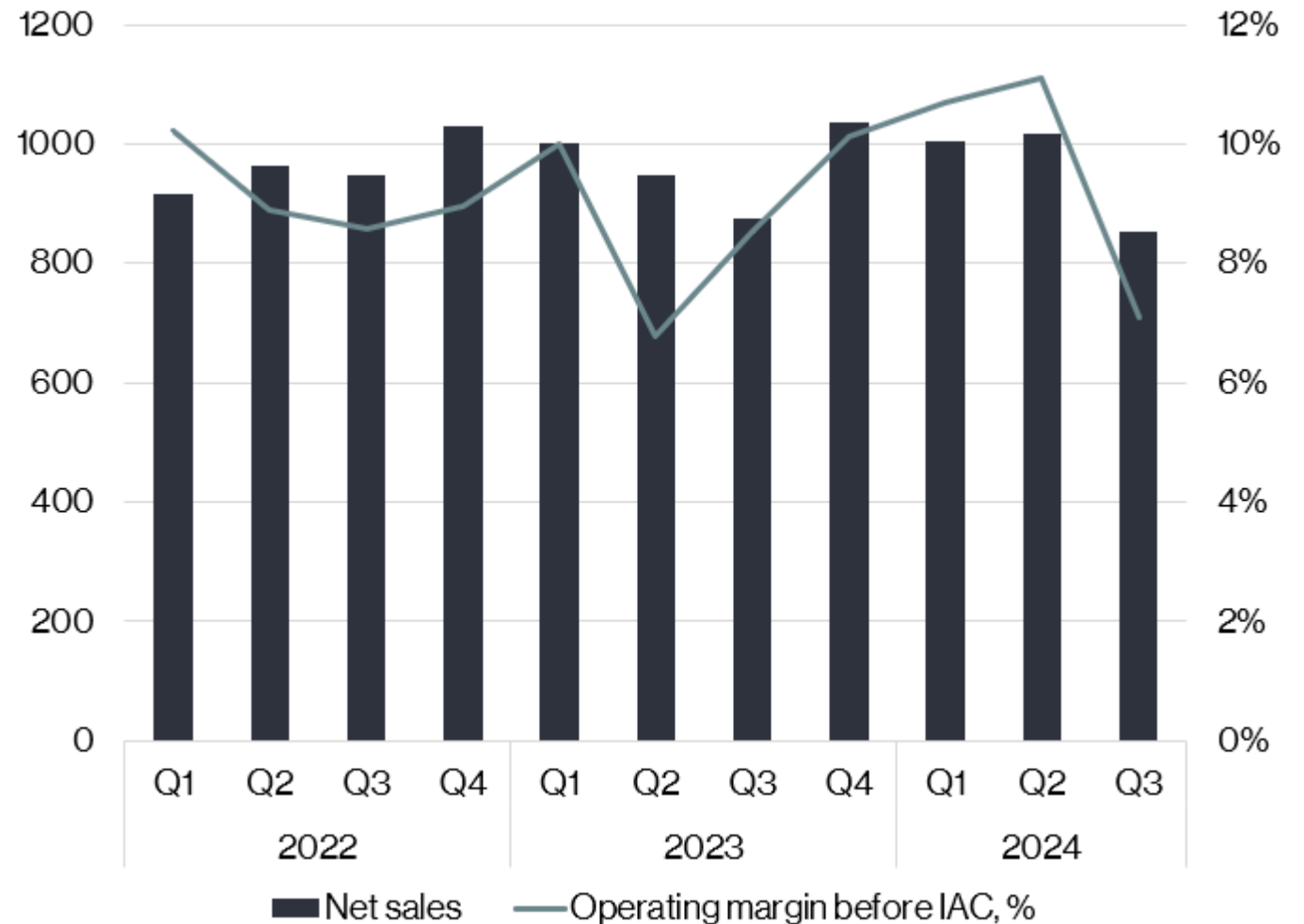
Financials Q3

- Order intake 777 (950) MSEK, organic -15,7%
- Net sales 854 (875) MSEK, organic +0,5%
- Operating margin before IAC 7,1% (8,5%)

Business update

- The high-end segment of the lighting market experience the highest number of project delays
- YtD operating margin before IAC ahead of 2023 at 9,8 (8,5)%
- High focus on cost reduction whilst market is soft

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



Premium

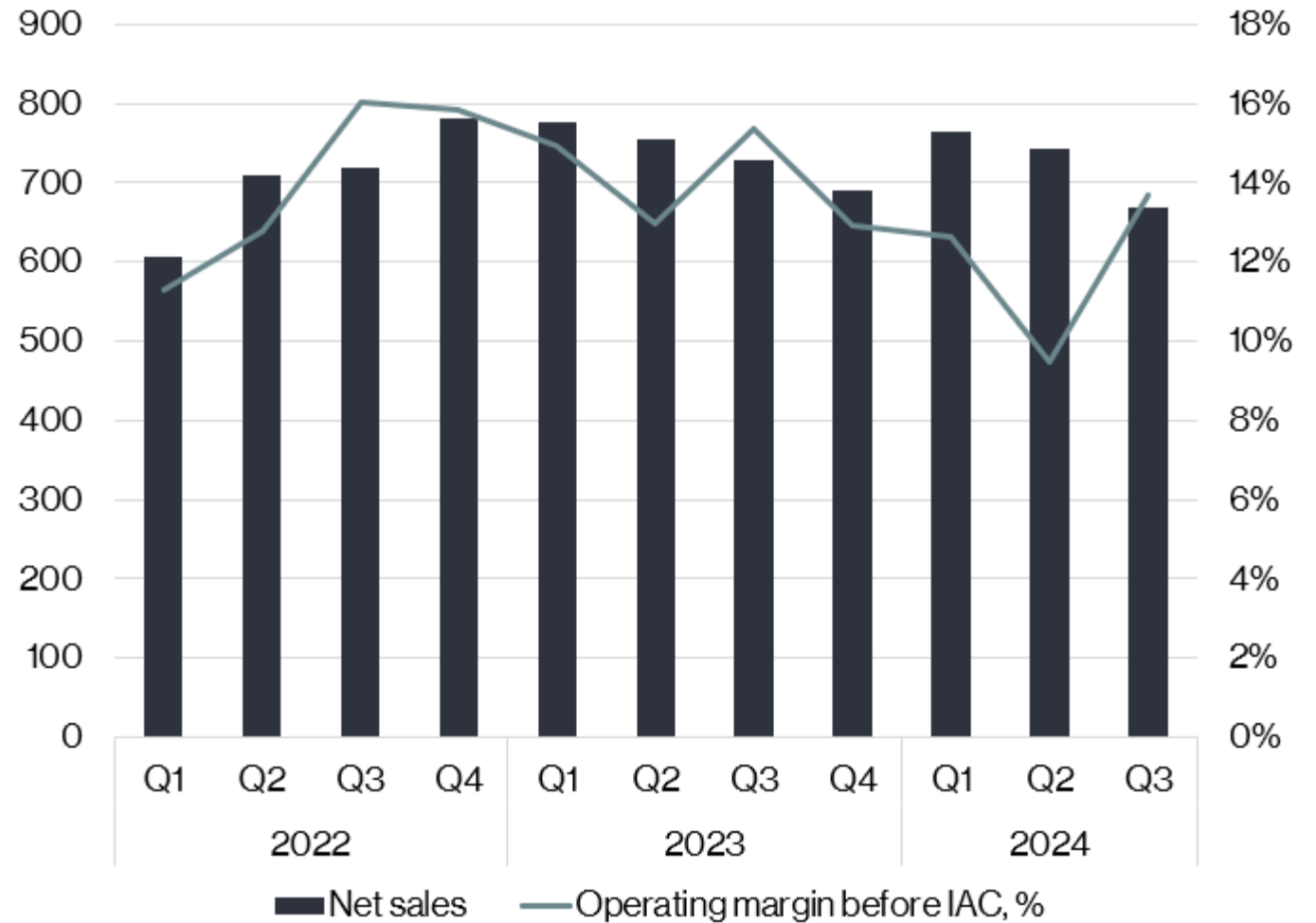
Financials Q3

- Order intake 636 (606) MSEK, organic 6,6%
- Net sales 670 (729) MSEK, organic -6,4%
- Operating margin before IAC 13,7% (15,4%)

Business update

- Strong +6.6% organic order intake growth with YTD organic order intake growth at +2,8%
- Re-structuring at LTS to reduce the forward cost base
- Projects; Fagerhult, St Olavs Hospital, Trondheim and Huddinge Hospital, Stockholm.

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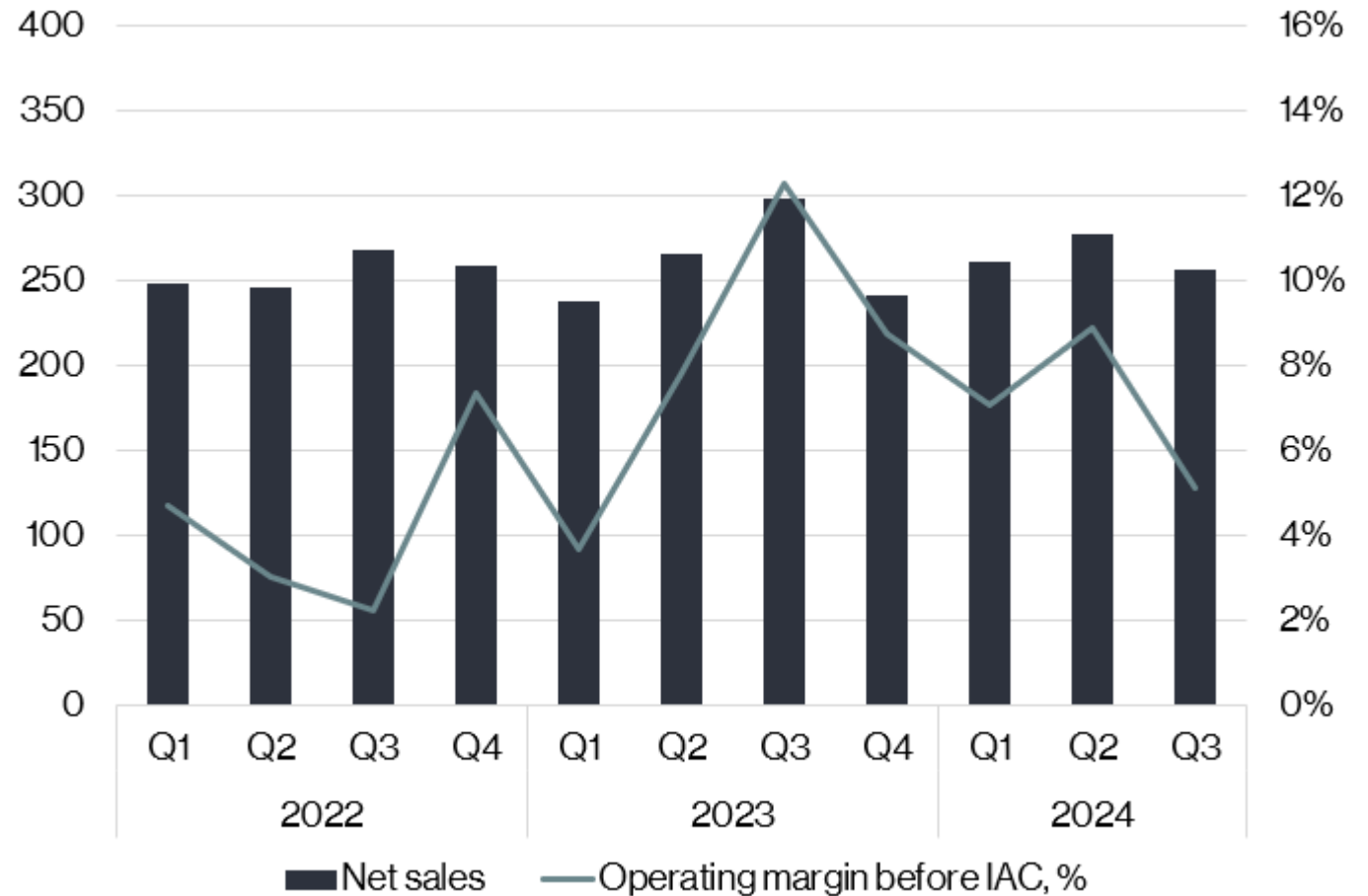
Professional

Financials Q3

- Order intake 247 (261) MSEK, organic -1,9%
- Net sales 256 (297) MSEK, organic -10,6%
- Operating margin before IAC 5,1% (12,2%)

Business update

- Continued year-on-year improvement in UK, Australia stable at a low level
- Re-structuring at Arlight to reduce the forward cost base
- Projects; Whitecroft, Brent Cross, London, all with Organic Response; Arlight, Basketball Development Center, Istanbul



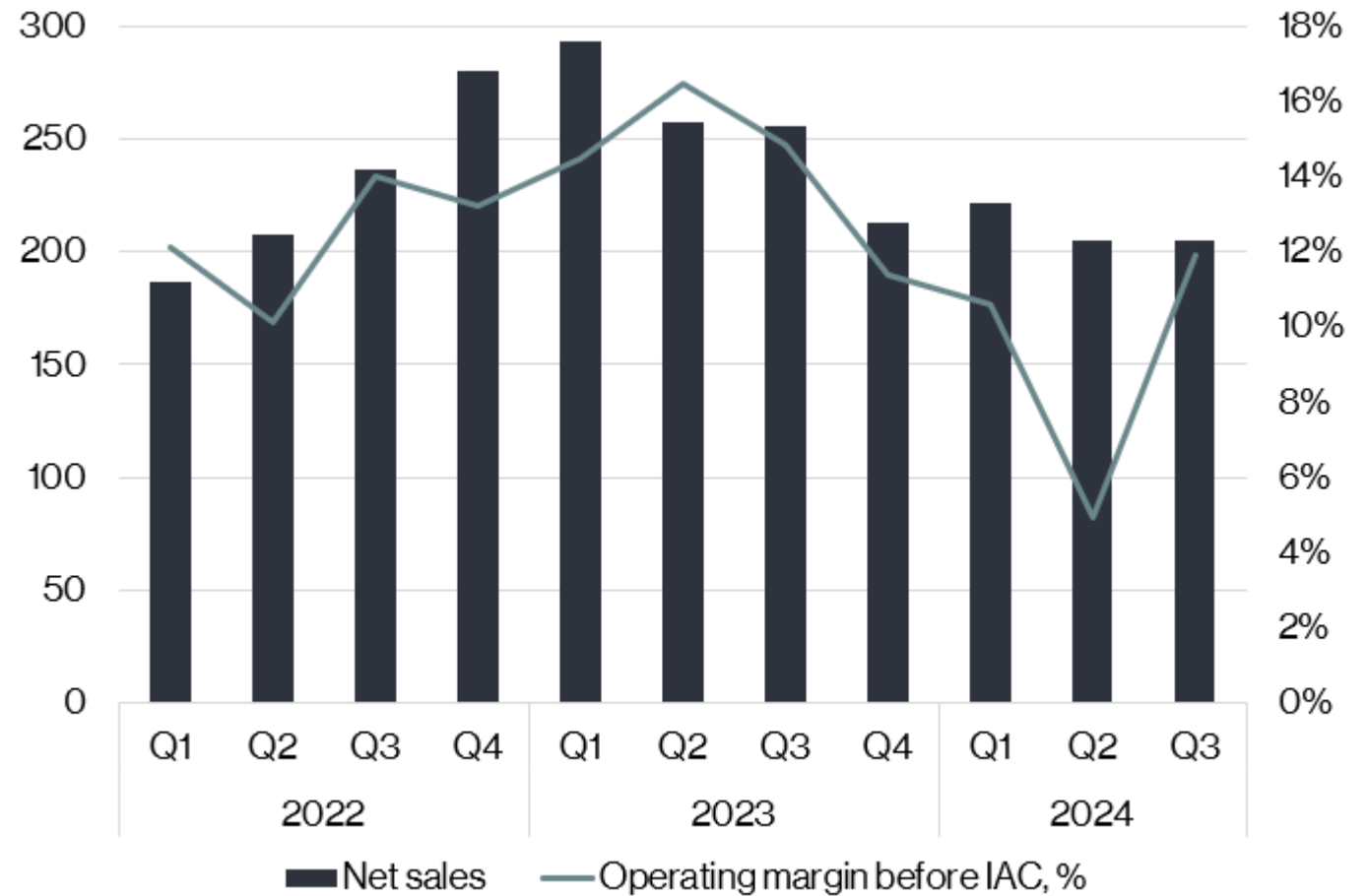
Infrastructure

Financials Q3

- Order intake 213 (207) MSEK, organic +4,8%
- Net sales 205 (255) MSEK, organic -17,8%
- Operating margin before IAC 11,9% (14,8%)

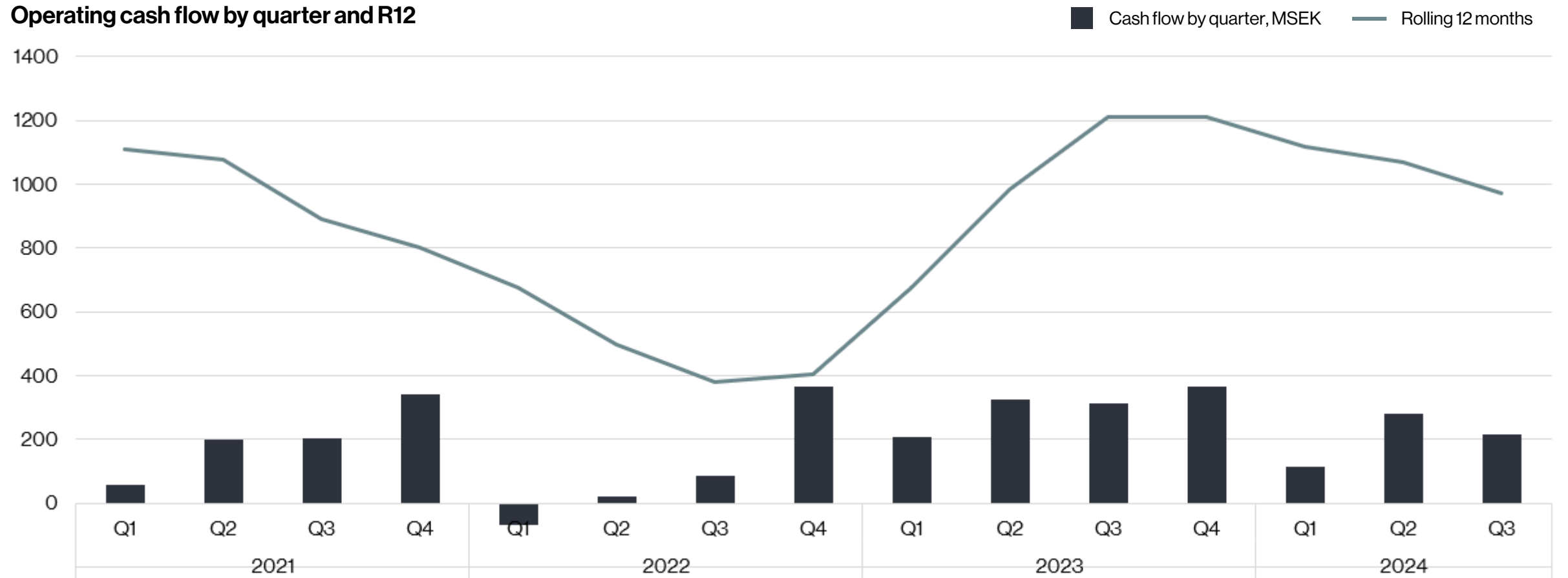
Business update

- Positive order intake growth in two consecutive quarters
- Re-structuring at Veko; 1) to reduce the forward cost base and 2) the withdrawal from horticulture
- Designplan, UK's Ministry of Justice prison expansion at HMP Elmley and Bullingdon and the project to re-light the heritage Clifton Suspension Bridge near Bristol



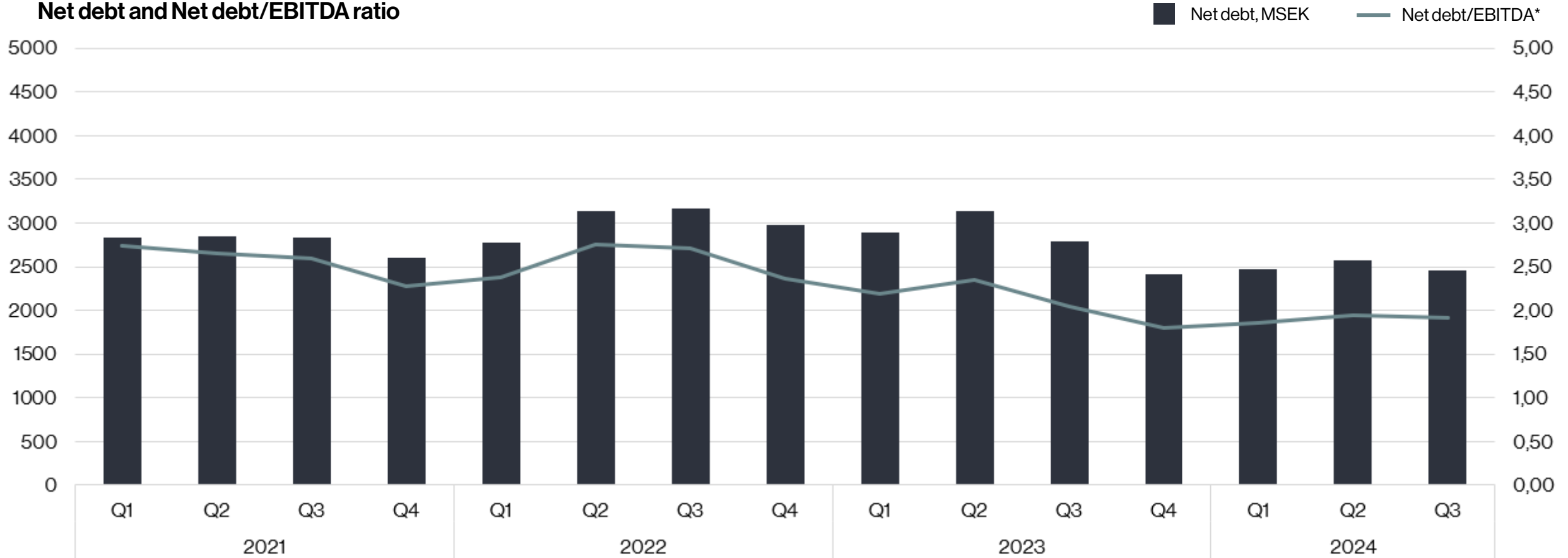
Cash flow

Operating cash flow by quarter and R12



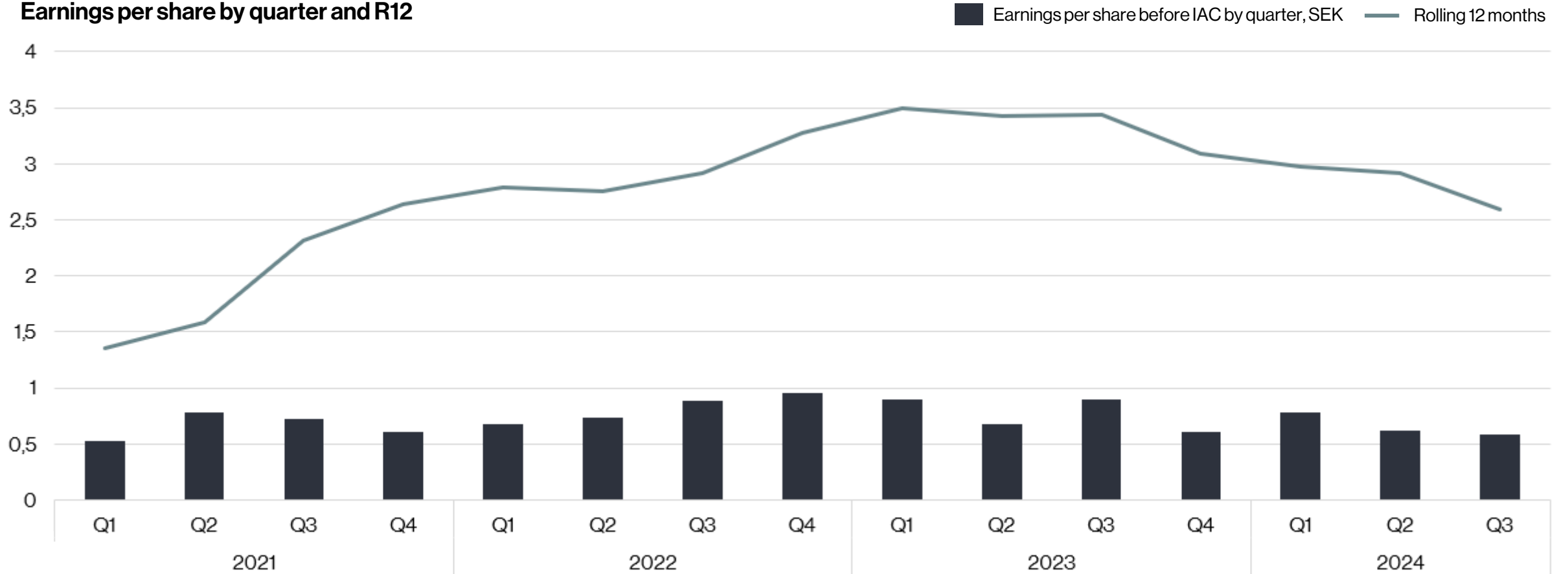
Net debt development

Net debt and Net debt/EBITDA ratio



Earnings per share

Earnings per share by quarter and R12



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Collection

Silkeborg, Denmark
Hvinningdal Church

Conclusions and recap

- We see slower market conditions with uncertainties arising from economic and political conditions
- By adjusting our cost base, we are in better shape and are ready for when the markets return
- Opportunities in renovation with our solutions, including Organic Response
- Continued high focus on innovation, during the quarter we launched our smart lighting service model

