

Fagerhult Group

# We light up your world

Q3 2022 presentation

October 28<sup>th</sup> 2022

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



## Third quarter

### **Sales development**

- Strong growth in net sales, 13,0% organic growth
- We observe a softening of the market's activity levels
- Order intake rolling 12 months above 8 SEK bn

### **Operating margin**

- The results benefit from price increases in previous quarters
- This positive trend should continue as pricing is in focus

### **Many customer activities during the quarter**

### **Growing success in renovation and refurbishment projects**

### **Committed to Science Base Targets initiative**



## Q3 2022 in figures

**Order intake: 1 891 MSEK (1 895)**

-5,2% organic

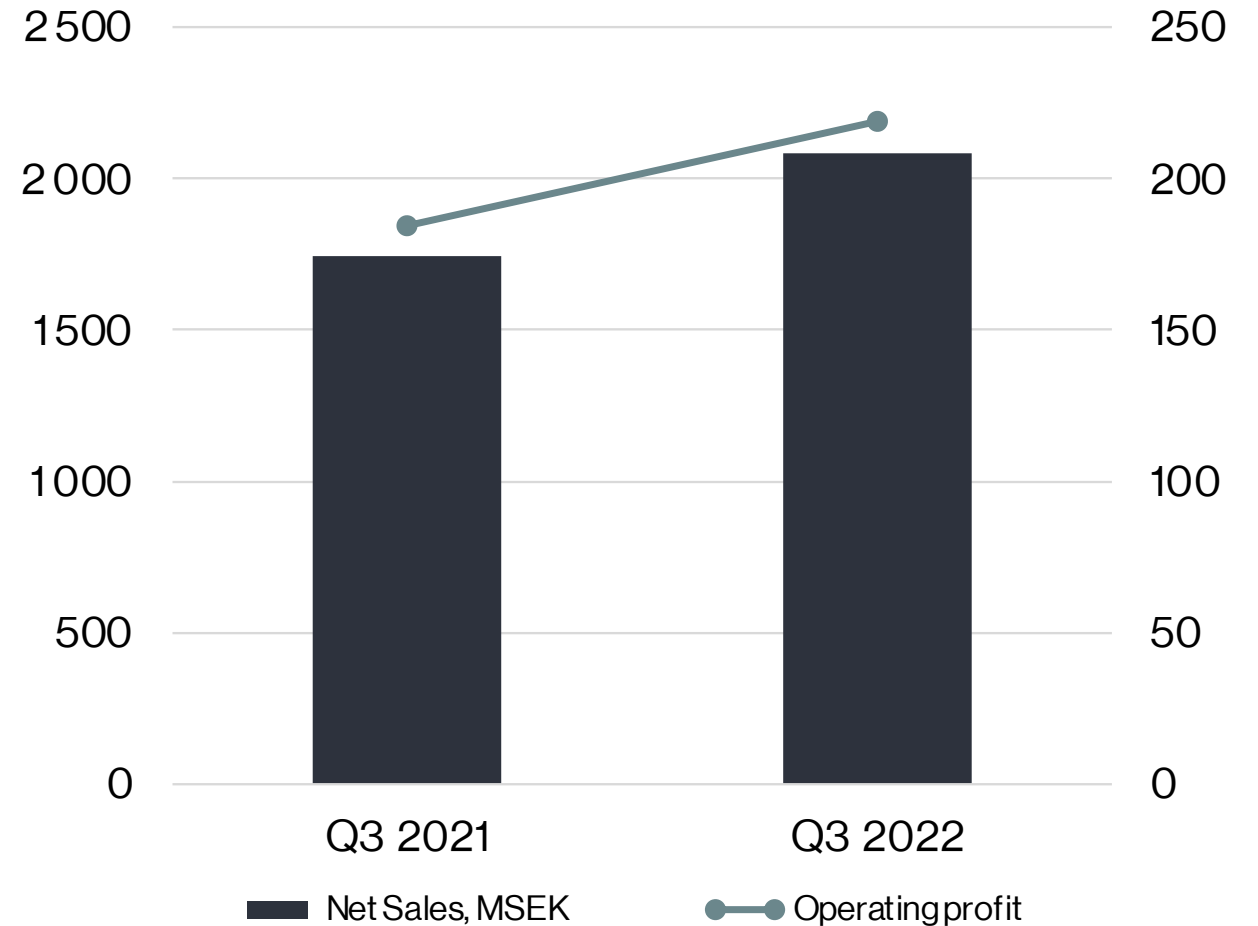
**Net sales: 2 081 MSEK (1 745)**

+13,0% organic

**Operating profit: 219 MSEK (184)**

**Operating margin: 10,5% (10,6%)**

**Earnings per share: 0,89 SEK (0,72)**



## Q1-3 2022 in figures

**Order intake: 6 279 MSEK (5 872)**

+2,3% organic

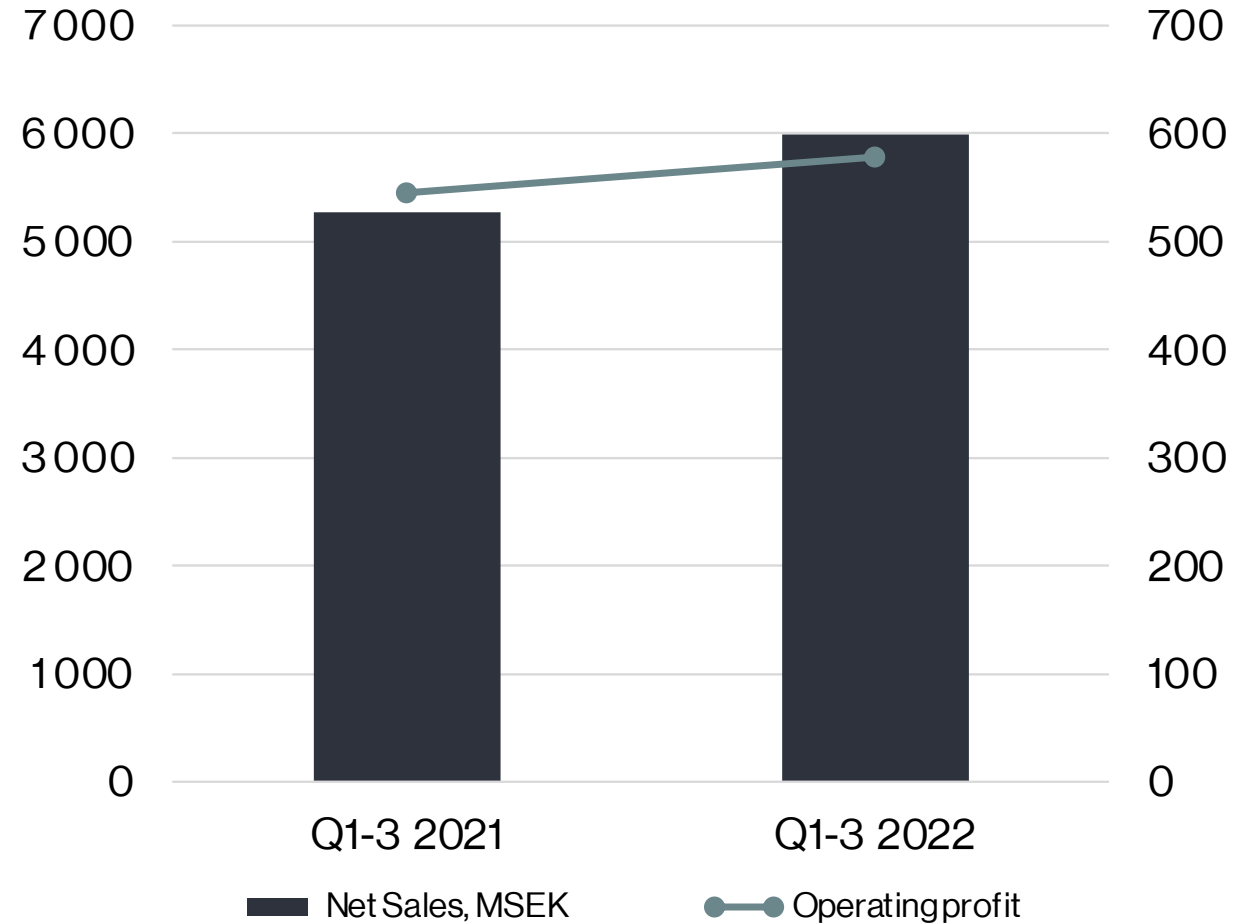
**Net sales: 5 999 MSEK (5 268)**

+9,0% organic

**Operating profit: 579 MSEK (545)**

**Operating margin: 9,6% (10,4%)**

**Earnings per share: 2,31 SEK (2,03)**





## 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



A world  
enhanced  
by light



**we-ef**

# THE FUTURE OF URBAN SPACES

September 28, 29 & 30

Together, We Light





## Crystal – new optics for architectural applications

- Best possible light comfort
- Decorative light effect on surrounding ceiling



**iGuzzini**

## Nano-Optix wallwasher for Lichtkanal

- Transferred optics functionality onto an ultra-thin film of just 0.6 mm
- Lengths of up to 150 m gives uninterrupted lighting with no visible edges





## Science Based Targets initiative

- Paris Agreement for the 1,5 °C target
- Carbon neutral by the latest 2050



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

**BUSINESS  
AMBITION FOR 1.5°C**  

## Renovation & Retrofit opportunity

Climate change

Sustainability  
ambitions

Surging energy  
prices

Fluorescent  
lamps banned







## Financial summary Q3

MSEK	Q3 2022	Q3 2021	
<b>Net sales</b>	<b>2 081</b>	<b>1 745</b>	<b>19,3%</b>
- Organic growth	227		13,0%
- FX-differences	109		
<b>Operating profit</b>	<b>219</b>	<b>184</b>	<b>18,8%</b>
Operating profit, %	10,5%	10,6%	-0,1 p.p.
<b>Net profit</b>	<b>157</b>	<b>128</b>	
<b>Earnings per share, SEK</b>	<b>0,89</b>	<b>0,72</b>	
<b>Operating cash flow</b>	<b>85</b>	<b>202</b>	



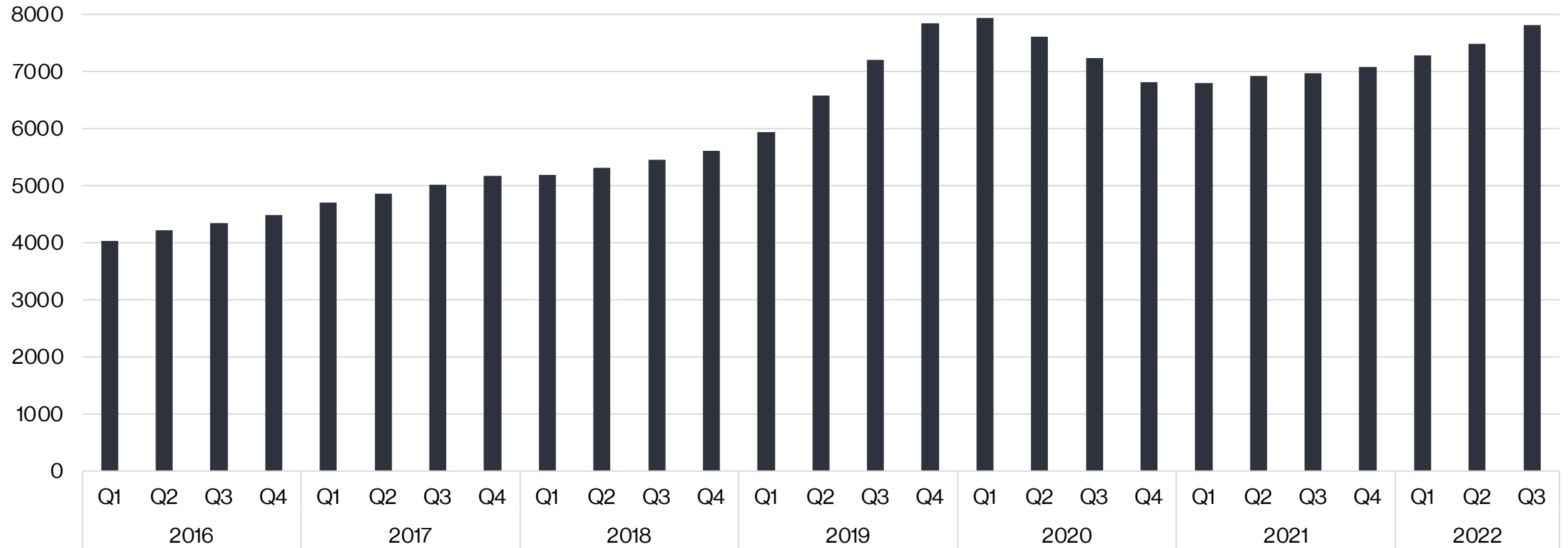
## Financial summary YTD

MSEK	Q3 2022	Q3 2021		Q1-3 2022	Q1-3 2021	
<b>Net sales</b>	<b>2 081</b>	<b>1 745</b>	<b>19,3%</b>	<b>5 999</b>	<b>5 268</b>	<b>13,9%</b>
- Organic growth	227		13,0%	474		9,0%
- FX-differences	109			257		
<b>Operating profit</b>	<b>219</b>	<b>184</b>	<b>18,8%</b>	<b>579</b>	<b>545</b>	<b>6,1%</b>
Operating profit, %	10,5%	10,6%	-0,1 p.p.	9,6%	10,4%	-0,8 p.p.
<b>Net profit</b>	<b>157</b>	<b>128</b>		<b>408</b>	<b>362</b>	
<b>Earnings per share, SEK</b>	<b>0,89</b>	<b>0,72</b>		<b>2,31</b>	<b>2,03</b>	
<b>Operating cash flow</b>	<b>85</b>	<b>202</b>		<b>37</b>	<b>461</b>	

# Sales development

## Net sales R12

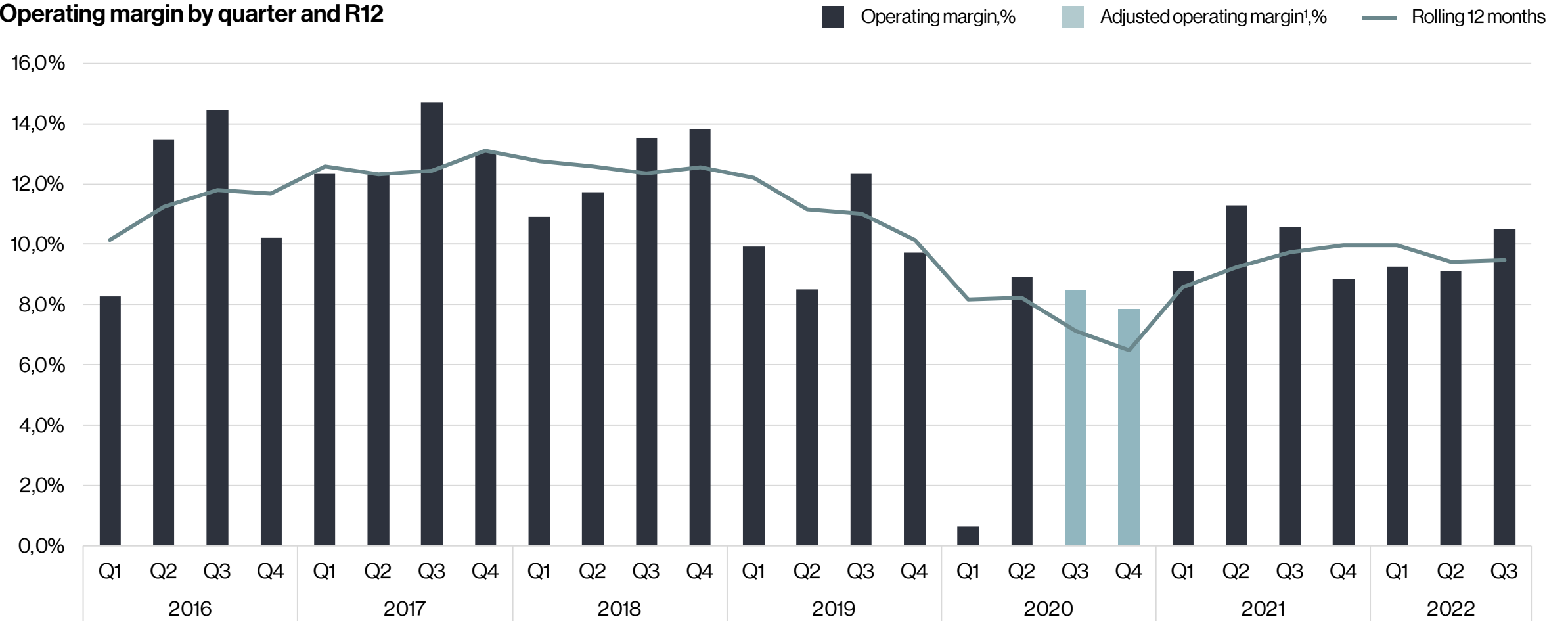
■ Net sales R12, MSEK





# Margin development

Operating margin by quarter and R12



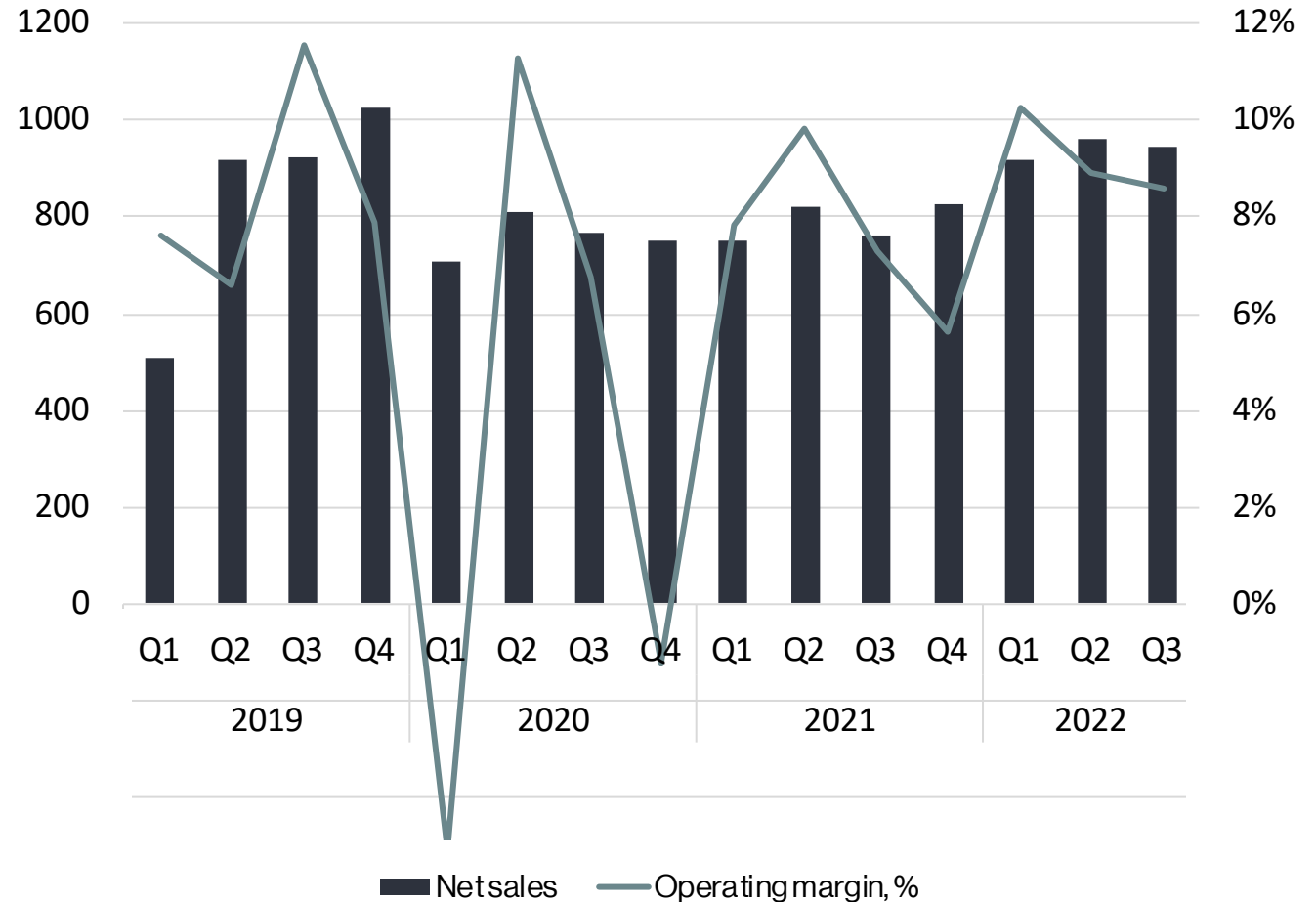
# Collection

## Financials Q3

- Order intake 840 (857) MSEK, organic -9,8%
- Net sales 946 (764) MSEK, organic +14,9%
- Operating margin 8,6% (7,3%)

## Business update

- Year-to-date order intake position at all time high
- All businesses deliver the strong sales growth
- Margins continue to improve and become more consistent





# Premium

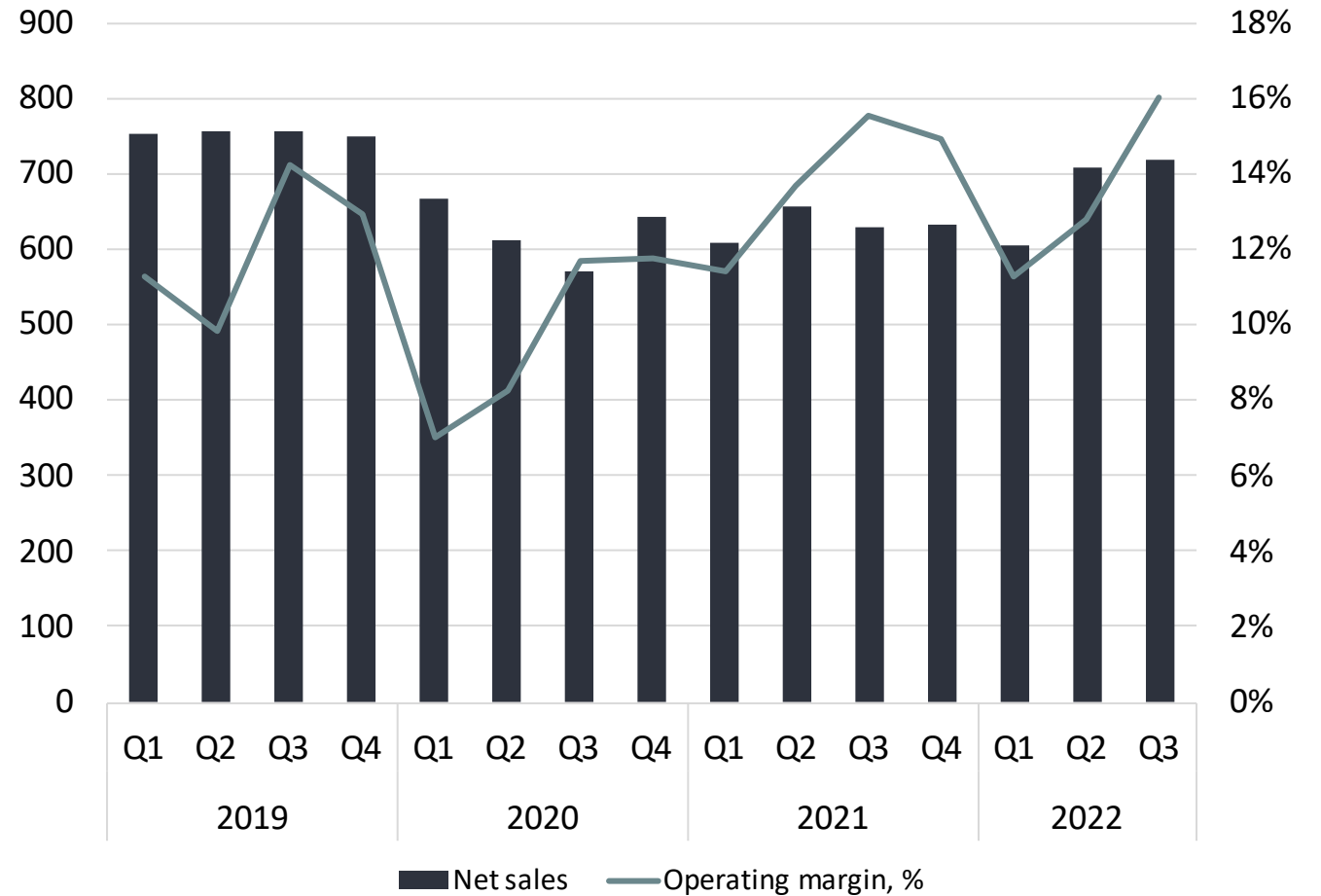
## Financials Q3

- Order intake 609 (637) MSEK, organic -7,8%
- Net sales 719 (629) MSEK, organic +8,7%
- Operating margin 16,0% (15,5%)

## Business update

- Solid performance with good organic sales growth
- Exceptionally strong operating margins
- Year-to-date order intake position ahead of last year

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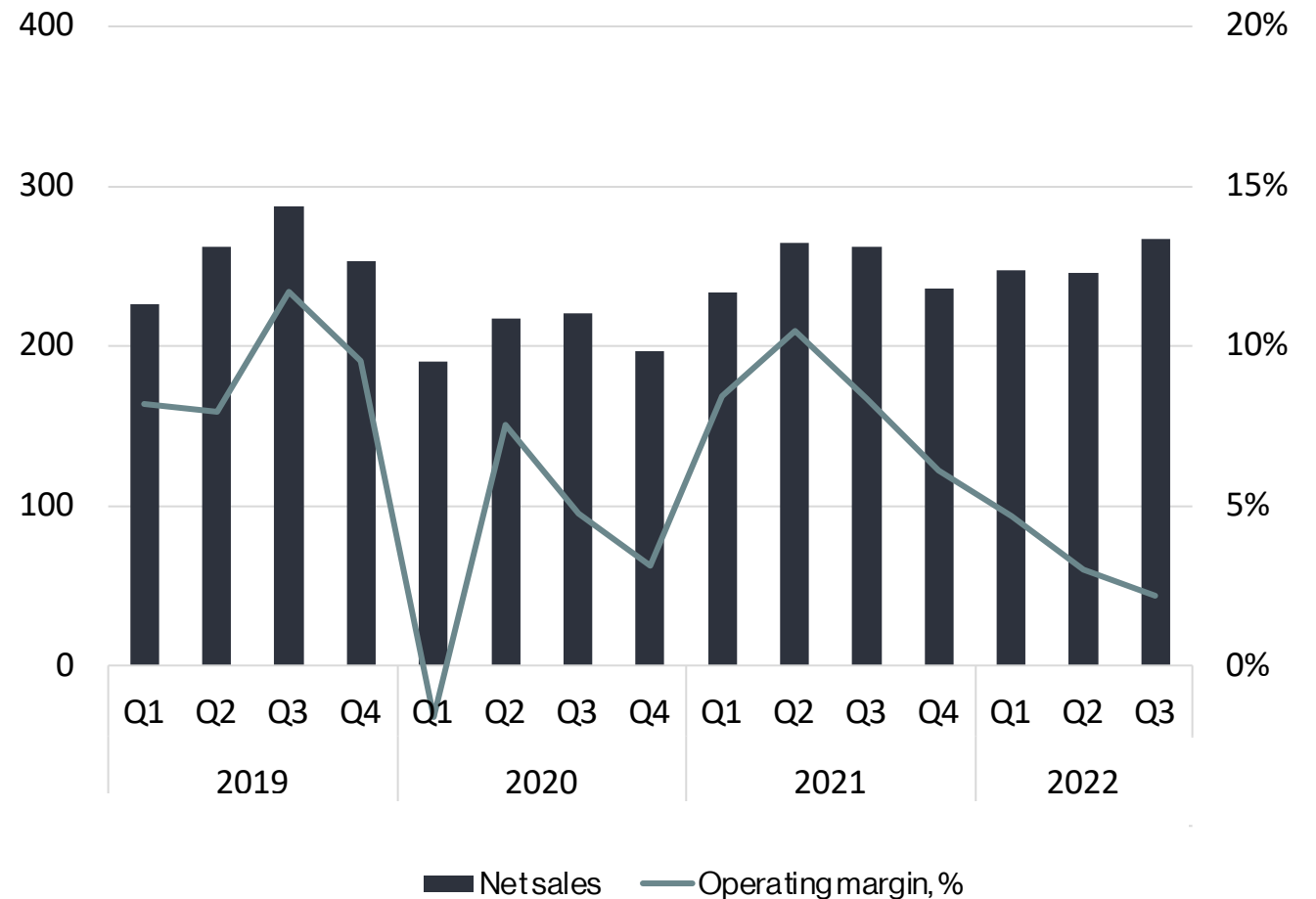
# Professional

## Financials Q3

- Order intake 172 (209) MSEK, organic -14,8%
- Net sales 267 (262) MSEK, organic +4,7%
- Operating margin 2,2% (8,4%)

## Business update

- Order intake impacted by weak Turkish Lira and the political and economical uncertainty in the UK
- Results are below expectations and we are intensively working on improvement programs in the UK and Australia





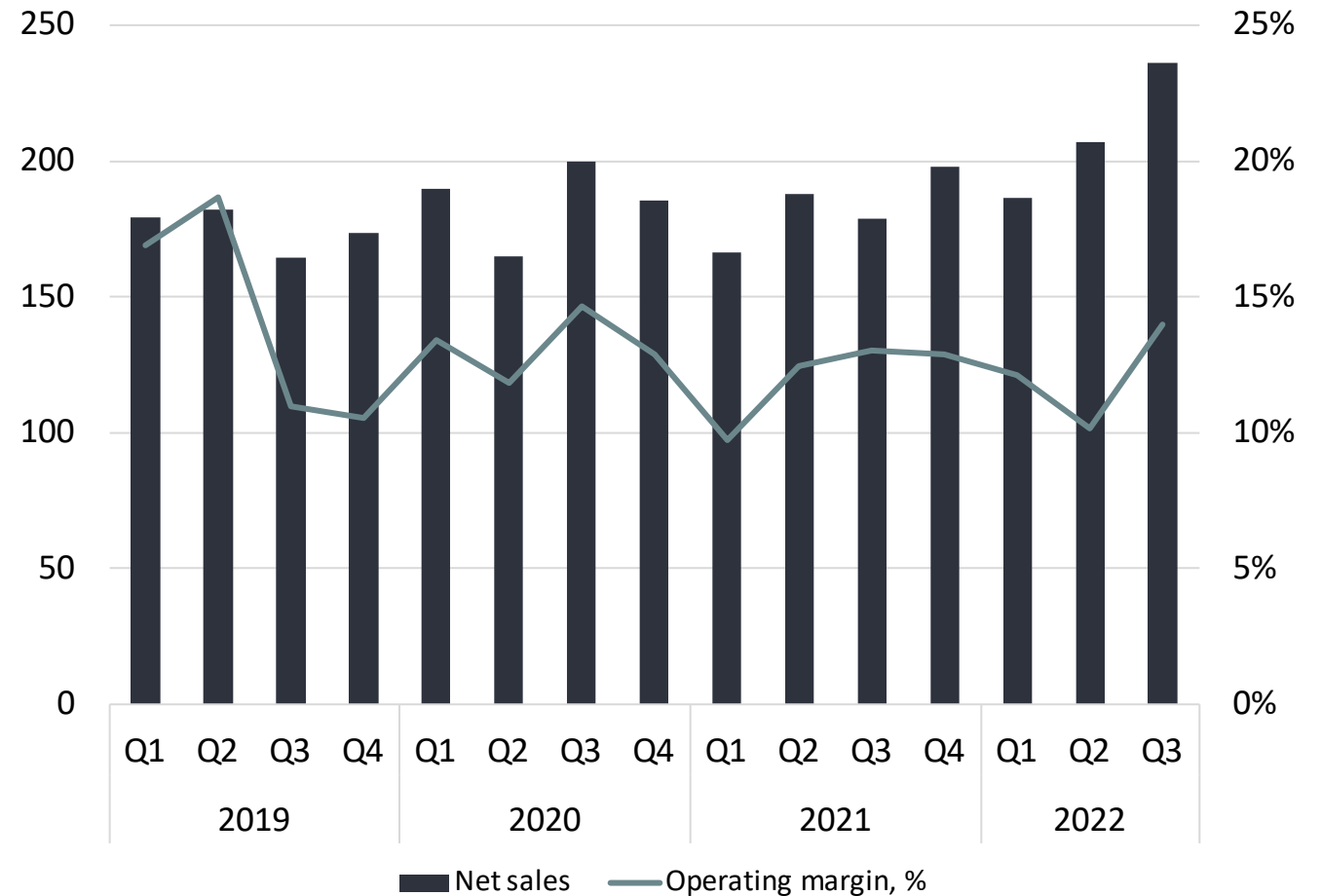
# Infrastructure

## Financials Q3

- Order intake 270 (192) MSEK, organic +34,9%
- Net sales 236 (179) MSEK, organic +27,0%
- Operating margin 14,0% (13,0%)

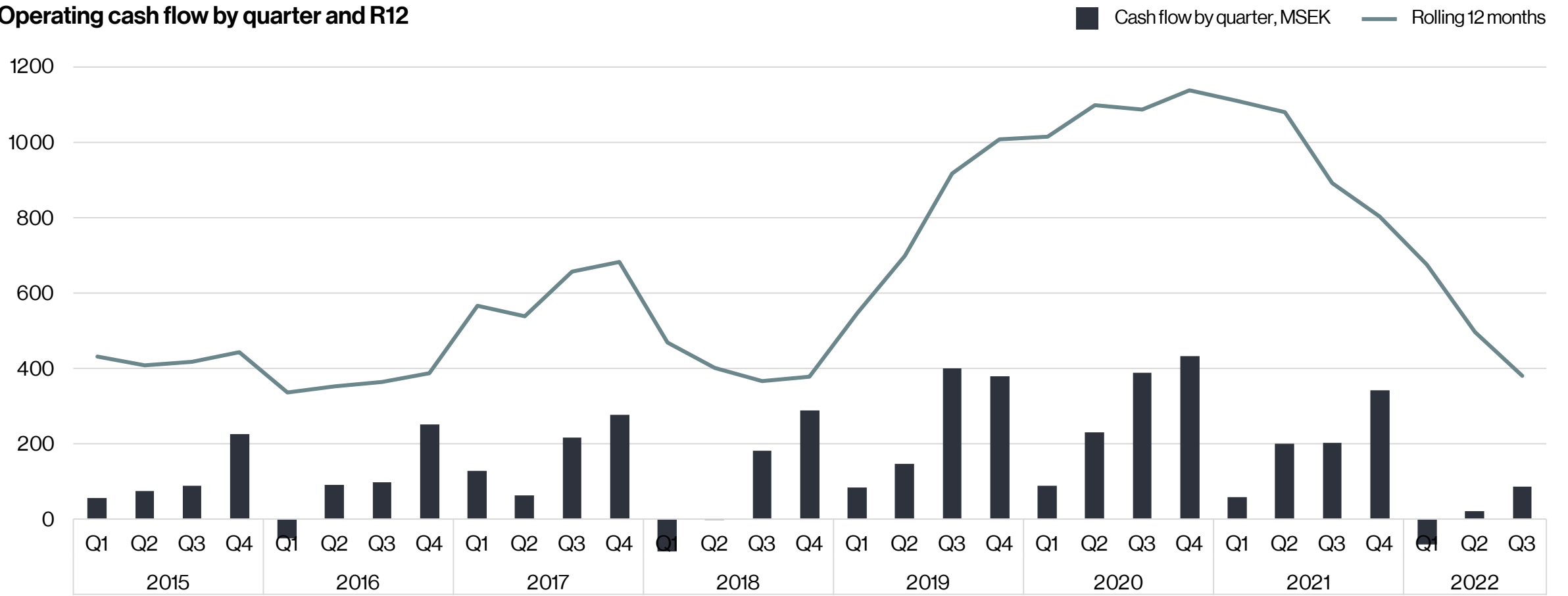
## Business update

- Record high order intake
- Good growth in the Netherlands and the UK
- Return to strong operating margins



# Cash flow

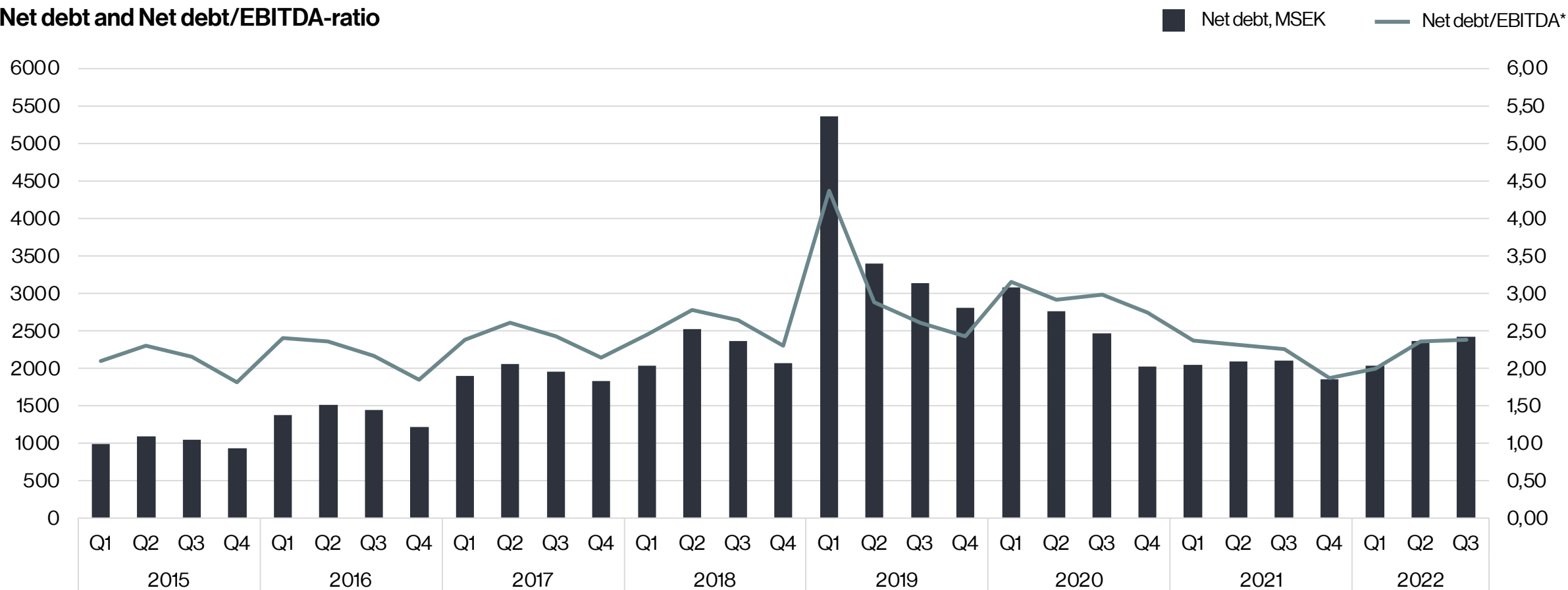
Operating cash flow by quarter and R12





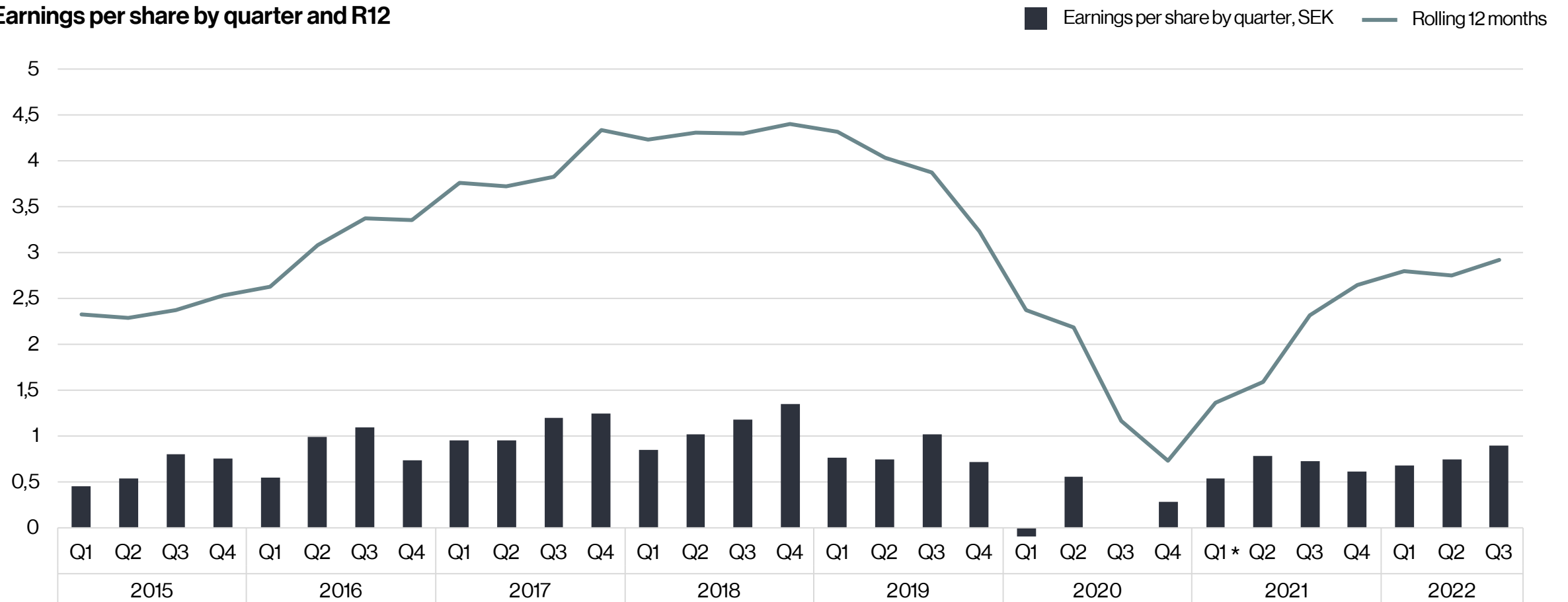
# Net debt development

Net debt and Net debt/EBITDA-ratio



# Earnings per share

Earnings per share by quarter and R12









## Conclusions and recap

- Customer demand was very strong, organic +13,0%, resulting in the second highest quarterly net sales level
- Positive opportunities arising from the global mega-trends
- We have committed to Science Based Targets initiative, including:
  - The Paris Agreement, 1,5 degree target
  - Becoming carbon neutral in the longer term





