

# Interim Report Q3 January-September 2021



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# 1,895

**Order intake, MSEK**

Order intake was MSEK 1,895 (1,664), an increase of +13.9% adjusted to +14.5% for currency effects of MSEK -7, acquisitions of MSEK +3 and disposals of MSEK -5

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# 1,745

**Net sales, MSEK**

Net sales were MSEK 1,745 (1,700), an increase of +2.6% adjusted to +3.7% for currency effects of MSEK -5, acquisitions of MSEK +4 and disposals of MSEK -16

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# 184

**Operating profit, MSEK**

Operating profit was MSEK 184.2 (66.8), an increase of +175.7% with an operating margin of 10.6 (3.9)%

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# 184

**Adjusted operating profit, MSEK**

Q3 2021 operating profit was MSEK 184.2 compared to a Q3 2020 adjusted operating profit of MSEK 144.1, an increase of +27.8% with an operating margin of 10.6 (adjusted 8.5)%

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# 128

**Net profit, MSEK**

Earnings after tax were MSEK 127.6 (4.9)

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# 0.72

**Earnings per share, SEK**

Earnings per share were SEK 0.72 (0.00)

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# 202

**Operating cash flow, MSEK**

Cash flow from operating activities was MSEK 201.8 (388.8)

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## The third quarter

Market activity levels and customer demand remained strong during the third quarter. Order intake for the quarter at 1,895 (1,664) MSEK results in organic growth of +14.5%. The order backlog is 1,870 (1,417) MSEK, an increase of +32% from Q3 last year.

The recovery from the pandemic makes good progress and, earlier than expected. All key metrics; order intake, net sales, operating profit and operating margin being ahead of last year.

As the Group recovers from the impacts of the pandemic, the global supply chain challenges, related to materials and logistics create new headwinds. Net sales at 1,745 (1,700) MSEK for the quarter delivers +3.7% organic growth, despite being impacted approximately 68 MSEK by the new headwinds.

Operating profit in the quarter of 184.2 MSEK delivers an operating margin of 10.6% and compares to an adjusted operating profit of 144.1 MSEK and an adjusted operating margin of 8.5% from 2020, (refer to page 20). The results during Q3 2020 were adjusted due to the divestment of our South Africa investment.

We continue to have good cost control. In the quarter there was 8.4 (31.1) MSEK of government subsidy income and selling and administration expenses were 22.0 MSEK lower than 2020 and 109.2 MSEK lower than 2019.

Operating cash flow was positive at 201.8 (388.8) MSEK. Working capital increased 35.9 (reduction 184.2) MSEK and tax paid plus financial items increased 29.1 MSEK. Due to reduced interest costs and currency differences, financial items reduced 20.3 MSEK.

The Group continues to take all necessary steps to continue to provide good service to our customers, despite the global supply chain challenges. These have increased during the quarter, as we advised earlier, and some improvement will be seen in Q4 and into 2022.

## CEO comments

- We are delighted with the continued strong organic order intake, where, despite the supply chain challenges, the service to our customers is at a good level.
- Order intake in the most recent three quarters is more than 1 BSEK ahead of the previous three quarters, evidencing the recovery from the pandemic.
- The year to date operating margin at 10.4 (adjusted 6.0)% remains strong and at a good level compared to the market, despite the supply chain challenges.
- The Group continues the focus on developing industry leading sustainable solutions. A great example of this is “Vitality ReLight” from Whitecroft which delivers solutions that regenerate and re-use rather than replace or re-new.
- The Group’s connected solutions, Organic Response and Seneco continue to grow. Organic Response volumes to the end of the quarter are almost at 100% of the full year 2020 levels.
- Now that we have acquired the remaining shares in the North American subsidiary, we can move forward with a focused long-term strategic initiative in the region.



**”The market remains healthy with demand levels increasing and we are prepared for further growth.”**

Bodil Sonesson, CEO and President

5,872

**Order intake, MSEK**

Order intake is MSEK 5,872 (5,465), an overall growth of +7.4% adjusted to +12.2% for currency effects of MSEK -225, acquisitions of MSEK +3 and disposals of MSEK -36

5,268

**Net sales, MSEK**

Net sales are MSEK 5,268 (5,116), an overall growth of +3.0% adjusted to +7.5% for currency effects of MSEK -184, acquisitions of MSEK +4 and disposals of MSEK -49

545

**Operating profit, MSEK**

Operating profit is MSEK 545.3 (231.1) an increase of +136.0% with an operating margin of 10.4 (4.5)%

545

**Adjusted operating profit, MSEK**

Year to date 2021 operating profit is MSEK 545.3 compared to a year to date 2020 adjusted operating profit of MSEK 308.4, an increase of +76.8% with an operating margin of 10.4 (adjusted 6.0)%

362

**Net profit, MSEK**

Earnings after tax are MSEK 361.5 (87.3)

2.03

**Earnings per share, SEK**

Earnings per share are SEK 2.03 (0.46)

461

**Operating cash flow, MSEK**

Cash flow from operating activities was MSEK 460.7 (706.9)

## January-September

The Group continues to grow. Market activity and customer demand levels have improved during the year and this results in continued performance improvement compared to last year.

The third quarter performance builds on a strong first half year. We view the supply chain challenges as temporary, lasting into early-mid 2022.

The Group enters the fourth quarter with a record order backlog, +47% ahead of the start of the year. Momentum is good and we anticipate further growth as we see increased activity and order intake.

The Group's year to date order intake of 5,872 (5,465) MSEK, shows a +7.4% increase, further increasing to +12.2% on a comparable basis.

The Group's year to date net sales of 5,268 (5,116) MSEK show a +3.0% increase, further increasing to +7.5% on a comparable basis.

The operating profit for the year to date 2021 of 545.3 MSEK delivers an operating margin of 10.4%. During the third quarter of 2020 the divestment of our South Africa investment resulted in a 2020 year to date adjusted operating profit of 308.4 MSEK and an adjusted operating margin of 6.0%, (refer to page 20).

In the year to date there is 16.7 (68.7) MSEK of government subsidy income and selling and administration expenses were 132.0 MSEK lower than 2020 and 182.4 MSEK lower than 2019.

Operating cash flow in the period was positive at 460.7 (706.9) MSEK with the increase in operating profit being offset by an increase in working capital of 190.0 MSEK and 98.2 MSEK increase in tax paid.

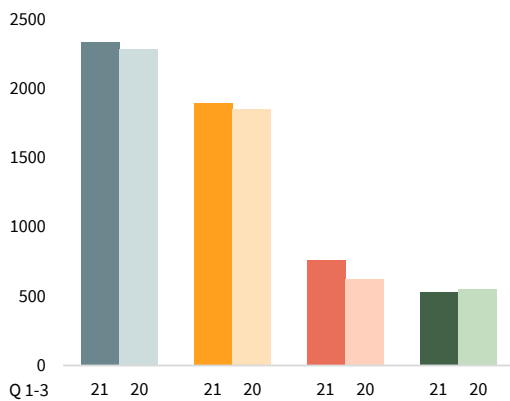
Financial items of 58.7 (88.7) MSEK include 12.6 (23.1) MSEK for IFRS16 and a 9.2 MSEK reduction in interest costs. The tax expense in the period of 125.1 (55.1) MSEK results in a 25.7 (38.7)% tax rate.

# Business areas

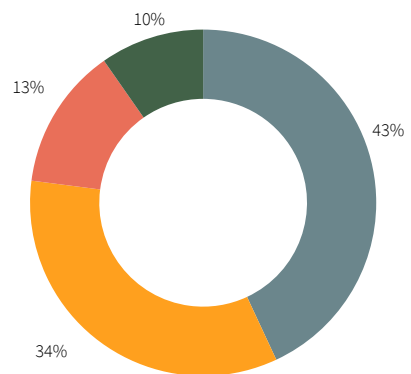
## Net sales and operating profit by business area

	Net sales				Operating profit				Operating margin %			
	Q3		Q1-3		Q3		Q1-3		Q3		Q1-3	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Collection	763.8	769.1	2,337.4	2,287.0	55.8	52.0	194.9	107.3	7.3	6.8	8.3	4.7
Premium	629.3	571.8	1,896.0	1,852.9	97.8	66.8	257.5	164.4	15.5	11.7	13.6	8.9
Professional	262.0	220.7	761.0	627.7	21.9	10.5	69.4	23.9	8.4	4.8	9.1	3.8
Infrastructure	178.7	199.9	533.1	554.7	23.3	29.3	62.9	74.3	13.0	14.7	11.8	13.4
Lighting Innovations	-	7.9	-	29.2	-	-82.4	-	-94.5	-	-	-	-
Eliminations	-89.0	-69.1	-259.5	-235.8	-	-	-	-	-	-	-	-
<b>Results by business area</b>	<b>1,744.8</b>	<b>1,700.3</b>	<b>5,268.0</b>	<b>5,115.7</b>	<b>198.8</b>	<b>76.2</b>	<b>584.7</b>	<b>275.4</b>	<b>11.4</b>	<b>4.5</b>	<b>11.1</b>	<b>5.4</b>
IFRS 16	-	-	-	-	1.6	2.4	6.6	6.9	-	-	-	-
Unallocated cost	-	-	-	-	-16.2	-11.8	-46.0	-51.2	-	-	-	-
<b>Operating profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>184.2</b>	<b>66.8</b>	<b>545.3</b>	<b>231.1</b>	<b>10.6</b>	<b>3.9</b>	<b>10.4</b>	<b>4.5</b>
Financial items	-	-	-	-	-15.7	-36.0	-58.7	-88.7	-	-	-	-
<b>Profit before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>168.5</b>	<b>30.8</b>	<b>486.6</b>	<b>142.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

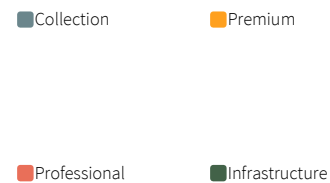
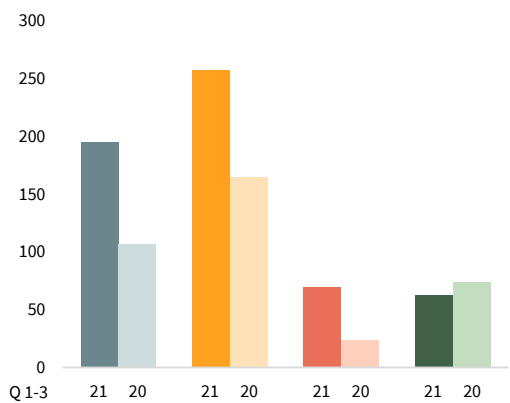
Net sales per business area, MSEK



Sales share per business area, %



Operating profit per business area, MSEK



## Collection

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 communities globally. They offer a wide product range with a focus on 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 as well as the newly acquired outdoor lighting connectivity business Seneco based in Denmark.

The completion of the acquisition of the shares in Sistemalux opens a clear opportunity for our North American long-term strategy where we now move to a planning phase.

Business area order intake for the third quarter of 857 (760) MSEK shows an organic growth of +13.7% with all businesses contributing to the strong growth.

During the quarter there were many prestigious projects secured, example; Federation Square in Melbourne with WE-EF and Uppsala City Hall in Sweden with ateljé Lyktan.

Net sales for the third quarter were 764 (769) MSEK, an organic increase of 0.2%. The supply chain challenges negatively affected net sales by approximately 37 MSEK.

Operating profits for the third quarter increased 7.3% from 52.0 MSEK last year to 55.8 MSEK in the current year despite the slightly lower net sales.

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# 764

Net sales, MSEK

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# 56

Operating profit, MSEK

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# 7.3

Operating margin, %

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**ateljé Lyktan**

**iGuzzini**

**LED LINEAR**

**we-ef**

Collection	Q3, 2021	Q3, 2020	Q1-3, 2021	Q1-3, 2020
Net sales	763.8	769.1	2,337.4	2,287.0
<i>(of which, intercompany sales)</i>	<i>(24.5)</i>	<i>(20.1)</i>	<i>(69.3)</i>	<i>(64.7)</i>
Operating profit	55.8	52.0	194.9	107.3
Operating margin, %	7.3	6.8	8.3	4.7
Sales growth, %	-0.7	-16.9	2.2	-2.6
Sales growth, adjusted for exchange rate differences, %	0.2	-13.8	6.7	-2.3
Growth in operating profit, %	7.3	-51.3	81.6	-47.9

## Premium

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. 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 and the Organic Response Technologies business in Australia and Sweden.

For the Premium business area we have identified and make progress on several significant European growth opportunities, for example the development of the Fagerhult brand in Italy where we have secured a healthcare project in collaboration with iGuzzini.

Business area order intake for the third quarter of 637 (502) MSEK shows a strong organic growth of +27.3% with both brands developing well, particularly in the Nordic region.

Projects secured in the third quarter, for example were; a large UK based retailer for their energy reduction programme from Fagerhult and LTS acting together and Bybanen in Bergen, Norway, an urban space project for LED Linear solutions working in collaboration with Fagerhult.

Net sales for the third quarter were 629 (572) MSEK, an organic growth of +10.4%.

Operating profits increased to 97.8 (66.8) MSEK, +46.4%, delivering an operating margin of 15.5 (11.7)% in the quarter.

# 629

Net sales, MSEK

# 98

Operating profit, MSEK

# 15.5

Operating margin, %

## FAGERHULT



Premium	Q3, 2021	Q3, 2020	Q1-3, 2021	Q1-3, 2020
Net sales	629.3	571.8	1,896.0	1,852.9
<i>(of which, intercompany sales)</i>	<i>(32.8)</i>	<i>(26.1)</i>	<i>(105.7)</i>	<i>(96.7)</i>
Operating profit	97.8	66.8	257.5	164.4
Operating margin, %	15.5	11.7	13.6	8.9
Sales growth, %	10.1	-24.6	2.3	-18.5
Sales growth, adjusted for exchange rate differences, %	10.4	-22.3	4.7	-17.6
Growth in operating profit, %	46.4	-38.1	56.6	-38.7



## Professional

Professional focuses mainly on indoor applications for local and neighbouring 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 and Whitecroft, with product development and manufacturing facilities in Turkey, Australia and the UK. The business area includes sales companies for the brands.

Business area order intake for the third quarter of 209 (226) MSEK, shows an organic decline of -9.7%, year to date organic order intake growth is 15.7%.

Net sales for the third quarter were 262 (221) MSEK, an organic increase of 17.7% with strong growth in the UK and developing growth in Australia.

Operating profits doubled to 21.9 (10.5) MSEK in the third quarter and the operating margin was 8.4 (4.8)%.

# 262

Net sales, MSEK

# 22

Operating profit, MSEK

# 8.4

Operating margin, %

Professional	Q3, 2021	Q3, 2020	Q1-3, 2021	Q1-3, 2020
Net sales	262.0	220.7	761.0	627.7
<i>(of which, intercompany sales)</i>	<i>(23.5)</i>	<i>(13.3)</i>	<i>(62.6)</i>	<i>(55.8)</i>
Operating profit	21.9	10.5	69.4	23.9
Operating margin, %	8.4	4.8	9.1	3.8
Sales growth, %	18.7	-23.2	21.2	-19.1
Sales growth, adjusted for exchange rate differences, %	17.7	-18.9	26.1	-16.8
Growth in operating profit, %	108.6	-68.8	190.4	-67.2

ARLIGHT 

 EAGLE  
LIGHTING

 Whitecroft  
lighting



## Infrastructure

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, i-Valo and Veko, with product development and manufacturing facilities in UK, Finland and the Netherlands.

We see a significant growth opportunity for the business area in many European markets, particularly in the Nordics, Germany and the UK.

Business area order intake for the third quarter of 192 (171) MSEK shows an organic growth of +12.3%. During the quarter the Veko business secured 22 MSEK of new horticulture business in the Netherlands and Designplan secured Old Street Station, part of the London Underground refurbishment project.

Net sales for the third quarter were 179 (200) MSEK, an organic decline of -10.4%. The business area has a 206 (89) MSEK order backlog which has more than doubled since the start of the year.

Operating profits declined to 23.3 (29.3) MSEK and the operating margin is 13.0 (14.7)%.

Infrastructure	Q3, 2021	Q3, 2020	Q1-3, 2021	Q1-3, 2020
Net sales	178.7	199.9	533.1	554.7
<i>(of which, intercompany sales)</i>	<i>(8.2)</i>	<i>(9.6)</i>	<i>(21.9)</i>	<i>(18.6)</i>
Operating profit	23.3	29.3	62.9	74.3
Operating margin, %	13.0	14.7	11.8	13.4
Sales growth, %	-10.6	21.4	-3.9	5.5
Sales growth, adjusted for exchange rate differences, %	-10.4	24.5	-0.5	5.5
Growth in operating profit, %	-20.5	61.9	-15.3	-9.8

# 179

Net sales, MSEK

# 23

Operating profit, MSEK

# 13.0

Operating margin, %

**designplan**  
L I G H T I N G

**i VALO**

**VEKO**  
LIGHTSYSTEMS

## Sistimalux Inc., North America

To strengthen and to provide a platform to further develop our presence on the North American market the Fagerhult Group has acquired the remaining 30% shares in Sistimalux Inc.

Sistimalux is based in Montreal, Canada, and the business has a long-term business relationship with iGuzzini. Sistimalux offer premium lighting solutions under their own brand and also they have been responsible for the successful introduction of the iGuzzini brand in the North American markets.

In 2018, iGuzzini acquired 70% of the shares in Sistimalux and during the quarter we acquired the remaining 30%. In 2020, net sales were approximately 300 MSEK.

The North America market is a key strategic growth opportunity for the Fagerhult Group where we now have four fully owned operating subsidiaries. The lighting market in North America is of similar size to the European market and the Group will further invest and build presence on the market.

The acquisition was completed on 30 August 2021.

## Financial position

The Group's equity/assets ratio at the end of the reporting period was 47.9 (42.5)%. Cash and bank balances at the end of the period were 1,618 (1,491) MSEK and consolidated equity was 6,055 (5,485) MSEK.

The 246 MSEK reduction in operating cash flow for the year to date results from an increase of 314 MSEK operating profit, a working capital increase of 190 (reduction 219) MSEK and additional taxes paid of 98 MSEK.

The net debt at the end of the period is 2,837 (3,320) MSEK. Included within the net debt is 730 (856) MSEK relating to IFRS16 accounting. Acquisition driven, none operating cash flow payments made in the year to date total, 254 MSEK for the final earn-out payment relating to the Veko acquisition plus the acquisition of Seneco plus the acquisition of Sistimalux. Also 88 MSEK was paid as dividends.

Pledged assets and contingent liabilities amounted to MSEK 17.7 (18.3) and MSEK 6.5 (4.1) respectively.

## Investments

The Group's net investments in non-current assets was 91 (132) MSEK. The figure does not include investments in subsidiaries, which were 253,6 (105) MSEK.

## Employees

The average number of employees during the period was 4,213 (4,493).

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## Parent company

AB Fagerhult's operations comprise Group Management, financing and business development activities. The profit after financial items was 110.6 (106.8) MSEK. The number of employees during the period was 14 (8).

## Accounting principles

The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual accounts Act. The information for the interim period on pages 1-20 is an integral part of this financial report.

The Parent Company's interim report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.

Applied accounting principles are unchanged in comparison with those described in Fagerhult's annual report for the financial year 2020.

Income from government support as a result of Covid-19 is included in Other operating income in the income statement.

## Risks and uncertainties

The Group's significant risks and uncertainties consist primarily of business risks, and financial risks associated with currencies and interest rates. Through the company's international operations, the Fagerhult Group is subject to financial exposure arising from currency fluctuations as well as the regionalised uncertainty of political situations.

The most prominent risks, however, are currency risks arising from export sales and imports of raw materials and components. This exposure is reduced by hedging the flow of sensitive currencies, based on individual assessment. Currency risk also arises in the translation of foreign net assets and earnings.

For more information about the company's risks, refer to the 2020 Annual Report and the section on risks on the Group's website. In addition to the risks described in the company's Annual Report and the risks linked to the ongoing Covid-19 pandemic, no other significant risks are considered to have arisen.

## Nomination committee

AB Fagerhult has a Nomination Committee comprising a representative of each of the four largest shareholders or owner groups in terms of the number of votes plus the Chairman of the Board, although this position is co-opted without the right to vote.

The Nomination Committee is to be formed after the Chairman of the Board has identified the four largest shareholders in the Company in terms of the number of votes that are to make up the Nomination Committee along with the Chairman. The identity of these shareholders is to be based on the shareholders' register and list of nominees maintained by Euroclear Sweden AB and refer to shareholders registered under their own names or as members of an owner group as per 31 August 2021.

It shall not be necessary to change the composition of the Nomination Committee if only marginal changes in the ownership of shares occur after this control date. If one of the four largest shareholders waives their right to appoint a representative, this right is then transferred to the next shareholder that has the largest shareholding of the shareholders not identified as one of the four largest shareholders on the same date.

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The mandate period of the Nomination Committee is until a new Nomination Committee is appointed.

### The Largest Shareholders as at 31 August 2021

Name	No. of shares	Share capital and voting rights,%
Investment AB Latour	84,708,480	47.8%
Swedish National Pension Fund	12,855,530	7.3%
Lannebo funds	10,989,987	6.2%
BNP Paribas SEC Services	9,009,877	5.1%
Nordea funds	7,565,972	4.3%
The Svensson, family, foundation and company	5,054,388	2.9%
The Palmstierna family	3,890,392	2.2%
Länsförsäkringar	3,589,523	2.0%

The Nomination Committee consists of the following individuals together with the names of the shareholders that they represent; Jan Svensson as Chairman of the Board of AB Fagerhult, Johan Hjertonsson representing Investment AB Latour, Jannis Kitsakis representing Fjärde AP-Fonden, Johan Ståhl representing Lannebo Funds and Jan Särllvik representing Nordea Funds.

Questions regarding the nomination committee shall be addressed to the Group's CFO Michael Wood, [michael.wood@fagerhultgroup.com](mailto:michael.wood@fagerhultgroup.com)

## Outlook for 2021-2022

Organic growth develops well during the year. Of course the pandemic remains and the global supply chain challenges present new headwinds. However for many of the Group's main markets we see good activity levels and a recovery ahead of expectations.

We are confident that these trends will continue and that further growth will develop during the remainder of 2021 and into 2022. Steady growth and a stable cost base will result in improved results and for the medium-longer term we focus on key strategic opportunities to deliver growth.

Identified strategic growth opportunities exist not only for individual brands, but also for specific business area strategies as well as those presenting themselves from the market; LED installed base, connectivity solutions and the demands from sustainability. The Group is well positioned for these opportunities and to increase its market share.

Habo, October 29<sup>th</sup> 2021  
AB Fagerhult (publ.) 556110-6203

Bodil Sonesson  
President and CEO

An investor webcast following the Quarter 3 Report 2021 will be held on 29 October 2021 at 10:00 CET.

A link to the webcast will be available on <http://ir.fagerhultgroup.com>.

A Management presentation will also be published on <http://ir.fagerhultgroup.com>.

In 2022, interim reports will be submitted on 24 February, 26 April, 23 August and 28 October.

The Annual General Meeting will be held on 26 April.

For more information contact:

Bodil Sonesson, CEO, +46 722 23 76 02

Michael Wood, CFO, +46 730 87 46 47

## Report of Review of Interim Financial Information

AB Fagerhult (publ). Corporate ID no. 556110-6203

### Introduction

We have reviewed the condensed interim financial information (interim report) of AB Fagerhult as of 30 September 2021 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Jönköping, 29 October 2021

Öhrlings PricewaterhouseCoopers AB

Peter Nyllinge  
Authorized Public Accountant  
Auditor-in-Charge

Martin Odqvist  
Authorized Public Accountant

# Group

Condensed financial statements

## Income statement

	2021 Q3 3 months	2020 Q3 3 months	2021 Q1-3 9 months	2020 Q1-3 9 months	2020/2021 Oct-Sep 12 months	2020 Jan-Dec 12 months
Net sales	1,744.8	1,700.3	5,268.0	5,115.7	6,968.6	6,816.3
Cost of goods sold	-1,100.6	-1,090.2	-3,299.2	-3,292.7	-4,423.6	-4,417.1
<b>Gross profit</b>	<b>644.2</b>	<b>610.1</b>	<b>1,968.8</b>	<b>1,823.0</b>	<b>2,545.0</b>	<b>2,399.2</b>
Selling expenses	-335.8	-350.7	-1,043.3	-1,159.9	-1,419.6	-1,536.2
Administrative expenses	-154.5	-161.7	-458.3	-473.7	-599.3	-614.7
Other operating income	30.3	32.2	78.1	104.8	151.5	178.2
Other operating expenses	-	-63.1	-	-63.1	-30.9	-94.0
<b>Operating profit</b>	<b>184.2</b>	<b>66.8</b>	<b>545.3</b>	<b>231.1</b>	<b>646.7</b>	<b>332.5</b>
Financial items	-15.7	-36.0	-58.7	-88.7	-85.8	-115.8
<b>Profit before tax</b>	<b>168.5</b>	<b>30.8</b>	<b>486.6</b>	<b>142.4</b>	<b>560.9</b>	<b>216.7</b>
Tax	-40.9	-25.9	-125.1	-55.1	285.7	355.7
<b>Net profit for the period</b>	<b>127.6</b>	<b>4.9</b>	<b>361.5</b>	<b>87.3</b>	<b>846.6</b>	<b>572.4</b>
Net profit for the period attributable to shareholders of the Parent Company	127.1	0.1	357.5	80.8	842.4	565.7
Net profit for the period attributable to Non-controlling interests	0.5	4.8	4.0	6.5	4.2	6.7
<b>Sum</b>	<b>127.6</b>	<b>4.9</b>	<b>361.5</b>	<b>87.3</b>	<b>846.6</b>	<b>572.4</b>
<b>Earnings per share, based on net profit for the period attributable to the shareholders of the Parent Company</b>						
Earnings per share before dilution, SEK	0.72	0.00	2.03	0.46	4.78	3.21
Earnings per share after dilution, SEK	0.72	0.00	2.03	0.46	4.78	3.21
Average number of outstanding shares before dilution, thousands	176,147	176,147	176,147	176,141	176,147	176,142
Average number of outstanding shares after dilution, thousands	176,147	176,147	176,147	176,141	176,147	176,142
Number of outstanding shares, thousands	176,147	176,147	176,147	176,147	176,147	176,147
<b>STATEMENT OF COMPREHENSIVE INCOME</b>						
<b>Net profit for the period</b>	<b>127.6</b>	<b>4.9</b>	<b>361.5</b>	<b>87.3</b>	<b>846.6</b>	<b>572.4</b>
<b>Other comprehensive income</b>						
<i>Items which may not be reclassified in the income statement:</i>						
Revaluation of pension plans	-	-	2.7	-	6.3	3.6
<i>Items which may be reclassified in the income statement:</i>						
Translation differences	24.2	-9.3	109.3	-99.9	-61.3	-270.5
<b>Other comprehensive income for the period, net after tax</b>	<b>24.2</b>	<b>-9.3</b>	<b>112.0</b>	<b>-99.9</b>	<b>-55.0</b>	<b>-266.9</b>
<b>Total comprehensive income for the period</b>	<b>151.8</b>	<b>-4.4</b>	<b>473.5</b>	<b>-12.6</b>	<b>791.6</b>	<b>305.5</b>
Total comprehensive income attributable to shareholders of the Parent Company	151.5	-9.2	468.4	-19.1	787.4	299.9
Total comprehensive income attributable to Non-controlling interests	0.3	4.8	5.1	6.5	4.2	5.6
<b>Sum</b>	<b>151.8</b>	<b>-4.4</b>	<b>473.5</b>	<b>-12.6</b>	<b>791.6</b>	<b>305.5</b>



## Balance sheet

	30 Sep 2021	30 Sep 2020	31 dec 2020
Intangible assets	5,731.9	5,882.0	5,657.8
Tangible fixed assets	2,342.1	2,629.4	2,469.6
Financial assets	229.2	223.1	219.4
Inventories	1,196.2	1,162.8	997.7
Accounts receivable - trade	1,315.4	1,336.1	1,122.2
Other non-interest-bearing current assets	199.7	192.4	171.2
Cash and cash equivalents	1,618.0	1,491.3	1,624.0
<b>Total assets</b>	<b>12,632.5</b>	<b>12,917.1</b>	<b>12,261.9</b>
Equity	6,055.1	5,484.6	5,802.6
Long-term interest-bearing liabilities	3,912.7	4,589.7	4,254.5
Long-term non-interest-bearing liabilities	550.1	1,063.1	547.5
Short-term interest-bearing liabilities	541.8	221.5	181.0
Short-term non-interest-bearing liabilities	1,572.8	1,558.2	1,476.3
<b>Total equity and liabilities</b>	<b>12,632.5</b>	<b>12,917.1</b>	<b>12,261.9</b>

## Cash flow statement

	2021 Q3 3 months	2020 Q3 3 months	2021 Q1-3 9 months	2020 Q1-3 9 months	2021 Oct-Sep 12 months	2020 Jan-Dec 12 months
<b>Operating profit</b>	<b>184.2</b>	<b>66.8</b>	<b>545.3</b>	<b>231.1</b>	<b>646.7</b>	<b>332.5</b>
Adjustments for non-cash items	108.3	163.5	326.3	391.4	423.5	488.5
Financial items	-12.6	-16.3	-39.2	-51.3	-55.3	-67.4
Tax paid	-42.2	-9.4	-181.7	-83.5	-204.8	-106.6
<b>Funds contributed from operating activities before change in working capital</b>	<b>237.7</b>	<b>204.6</b>	<b>650.7</b>	<b>487.7</b>	<b>810.1</b>	<b>647.0</b>
Change in working capital	-35.9	184.2	-190.0	219.2	81.7	490.9
<b>Cash flow from operating activities</b>	<b>201.8</b>	<b>388.8</b>	<b>460.7</b>	<b>706.9</b>	<b>891.8</b>	<b>1,137.9</b>
Cash flow from investing activities	-162.1	-38.7	-325.7	-217.7	-400.8	-292.8
Cash flow from financing activities	-49.0	-29.2	-179.8	-95.4	-353.3	-268.9
<b>Cash flow for the period</b>	<b>-9.3</b>	<b>320.9</b>	<b>-44.8</b>	<b>393.8</b>	<b>137.7</b>	<b>576.2</b>
Cash and cash equivalents at beginning of period	1,617.9	1,176.6	1,624.0	1,133.5	1,491.3	1,133.5
Translation differences in cash and cash equivalents	9.4	-6.2	38.8	-36.0	-11.0	-85.7
<b>Cash and cash equivalents at end of period</b>	<b>1,618.0</b>	<b>1,491.3</b>	<b>1,618.0</b>	<b>1,491.3</b>	<b>1,618.0</b>	<b>1,624.0</b>

## Key ratios and data per share

	2021 Q3 3 Months	2020 Q3 3 Months	2021 Q1-3 9 months	2020 Q1-3 9 months	2021 Oct-Sep 12 months	2020 Jan-Dec 12 months
Sales growth, %	2.6	-17.7	3.0	-10.5	-3.8	-13.1
Growth in operating profit, %	175.7	-73.8	136.0	-60.7	47.7	-58.2
Growth in profit before tax, %	447.1	-87.1	241.7	-72.6	76.4	-68.9
Operating margin, %	10.6	3.9	10.4	4.5	9.3	4.9
Profit margin, %	9.7	1.8	9.2	2.8	8.0	3.2
Cash liquidity, %	76.5	83.8	76.5	83.8	76.5	98.0
Net debt/EBITDA ratio	2.4	3.2	2.4	3.7	2.6	3.2
Equity/assets ratio, %	47.9	42.5	47.9	42.5	47.9	47.3
Capital employed, MSEK	10,510	10,296	10,510	10,296	10,510	10,238
Return on capital employed, %	7.1	2.6	7.1	3.2	6.4	3.5
Return on equity, %	8.4	0.4	8.1	2.1	14.7	10.1
Net debt, MSEK	2,837	3,320	2,837	3,320	2,837	2,812
Gross investment in non-current assets, MSEK	32.5	50.3	90.8	131.6	142.8	183.6
Net investment in non-current assets, MSEK	32.5	50.3	90.8	131.6	142.8	183.6
Depreciation/amortisation/impairment of non-current assets, MSEK	112.7	191.3	334.6	435.8	457.2	558.4
Number of employees	4,189	4,536	4,213	4,493	4,149	4,419
Equity per share, SEK	34.38	31.14	34.38	31.14	34.38	32.94
Number of outstanding shares, thousands	176,147	176,147	176,147	176,147	176,147	176,147

For more information about the Key ratios and the definitions applied, please refer to AB Fagerhult's website under "Investor/Financial data/Financial glossary." The website also includes the definition of any Alternative Performance Measures used whereas this report details the financial aspect to these.

## Changes in equity

## Attributable to shareholders of the Parent Company

	Share capital	Other contributed capital	Reserves	Retained earnings	Non- controlling interest	Total equity
<b>Equity at 1 January 2020</b>	<b>100.4</b>	<b>3,194.6</b>	<b>-185.9</b>	<b>2,352.2</b>	<b>39.9</b>	<b>5,501.2</b>
Net profit for the period				80.8	6.5	87.3
Other comprehensive income for the period			-99.9	-		-99.9
Total comprehensive income for the period			-99.9	80.8	6.5	-12.6
Performance share plan				2.3		2.3
<b>Equity at 30 September 2020</b>	<b>100.4</b>	<b>3,194.6</b>	<b>-285.8</b>	<b>2,436.8</b>	<b>38.6</b>	<b>5,484.6</b>
<b>Equity at 1 January 2021</b>	<b>100.4</b>	<b>3,194.6</b>	<b>-455.3</b>	<b>2,924.7</b>	<b>38.2</b>	<b>5,802.6</b>
Net profit for the period				357.5	4.0	361.5
Other comprehensive income for the period			108.2	2.7	1.1	112.0
Total comprehensive income for the period			108.2	360.2	5.1	473.5
Performance share plan				-3.7		-3.7
Change in non-controlling interest				-85.5	-43.7	-129.2
Dividend paid, SEK 0.50 per share				-88.1		-88.1
<b>Equity at 30 September 2021</b>	<b>100.4</b>	<b>3,194.6</b>	<b>-347.1</b>	<b>3,107.6</b>	<b>-0.4</b>	<b>6,055.1</b>

# Parent company

Condensed financial statements

## Income statement

	2021 Q3 3 Months	2020 Q3 3 Months	2021 Q1-3 9 Months	2020 Q1-3 9 Months	2020/2021 Oct-Sep 12 months	2020 Jan-Dec 12 months
Net sales	7.4	3.8	21.7	11.4	22.0	11.7
Administrative expenses	-15.6	-10.9	-49.8	-49.7	-59.6	-59.5
<b>Operating profit</b>	<b>-8.2</b>	<b>-7.1</b>	<b>-28.1</b>	<b>-38.3</b>	<b>-37.6</b>	<b>-47.8</b>
Income from shares in subsidiaries	-2.7	10.0	86.3	224.6	-21.0	117.3
Financial items	18.4	-97.3	52.4	-79.5	143.3	11.4
<b>Profit before appropriations and tax</b>	<b>7.5</b>	<b>-94.4</b>	<b>110.6</b>	<b>106.8</b>	<b>84.7</b>	<b>80.9</b>
Tax	-1.6	-	-4.5	-	3.1	7.6
<b>Net profit</b>	<b>5.9</b>	<b>-94.4</b>	<b>106.1</b>	<b>106.8</b>	<b>87.8</b>	<b>88.5</b>

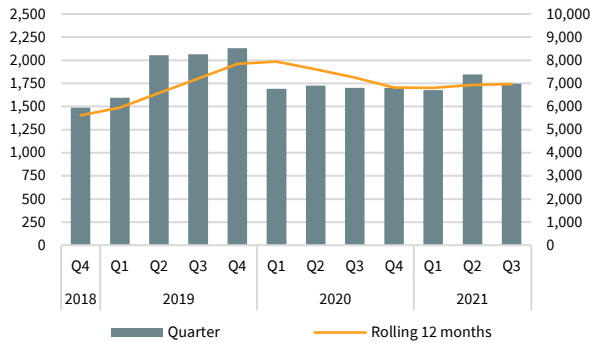
## Balance sheet

	30 Sep 2021	30 Sep 2020	31 dec 2020
Financial assets	7,020.6	7,241.5	7,087.1
Other non interest bearing receivables	95.6	101.6	52.8
Cash & Bank	965.1	777.5	952.1
<b>Total assets</b>	<b>8,081.3</b>	<b>8,120.6</b>	<b>8,092.0</b>
Equity	3,929.6	3,933.2	3,913.7
Long-term interest bearing liabilities	2,946.2	3,436.5	3,210.3
Long-term non interest bearing liabilities	6.4	0.2	4.8
Short-term interest bearing liabilities	1,169.9	717.9	928.1
Short-term non interest bearing liabilities	29.2	32.8	35.1
<b>Total Equity and Liabilities</b>	<b>8,081.3</b>	<b>8,120.6</b>	<b>8,092.0</b>

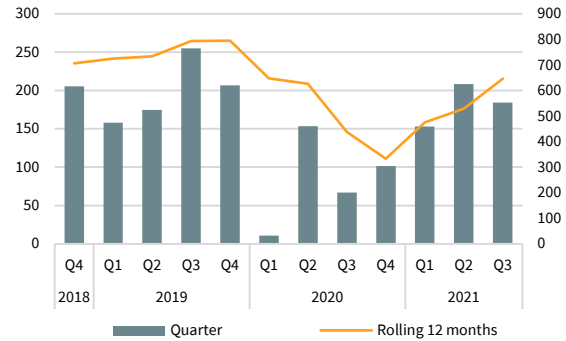
## Changes in equity

	Share capital	Statutory reserve	Retained earnings	Total equity
<b>Equity at 1 January 2020</b>	<b>100.4</b>	<b>159.4</b>	<b>3,564.3</b>	<b>3,824.1</b>
Net profit for the period			106.8	106.8
Performance share program			2.3	2.3
<b>Equity at 30 September 2020</b>	<b>100.4</b>	<b>159.4</b>	<b>3,673.4</b>	<b>3,933.2</b>
<b>Equity at 1 January 2021</b>	<b>100.4</b>	<b>159.4</b>	<b>3,653.9</b>	<b>3,913.7</b>
Net profit for the period			106.1	106.1
Performance share plan			-2.1	-2.1
Dividend paid, SEK 0.50 per share			-88.1	-88.1
<b>Equity at 30 September 2021</b>	<b>100.4</b>	<b>159.4</b>	<b>3,669.8</b>	<b>3,929.6</b>

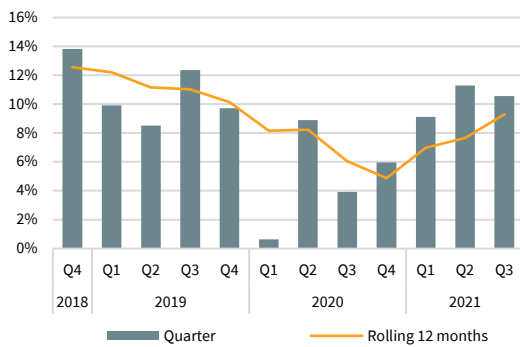
## Net sales, MSEK



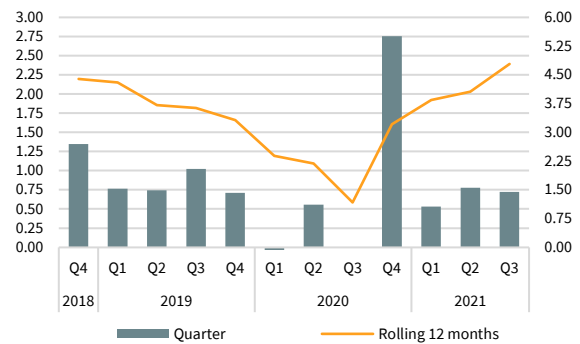
## Operating profit, MSEK



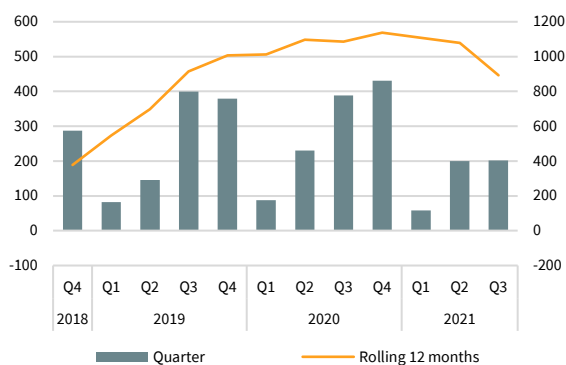
## Operating margin, %



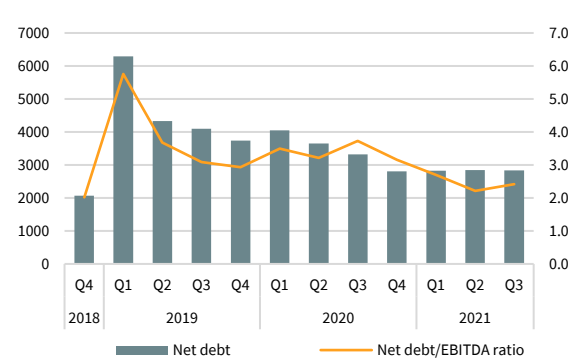
## Earnings per share, SEK



## Operating cashflow



## Net debt and Net debt EBITDA ratio

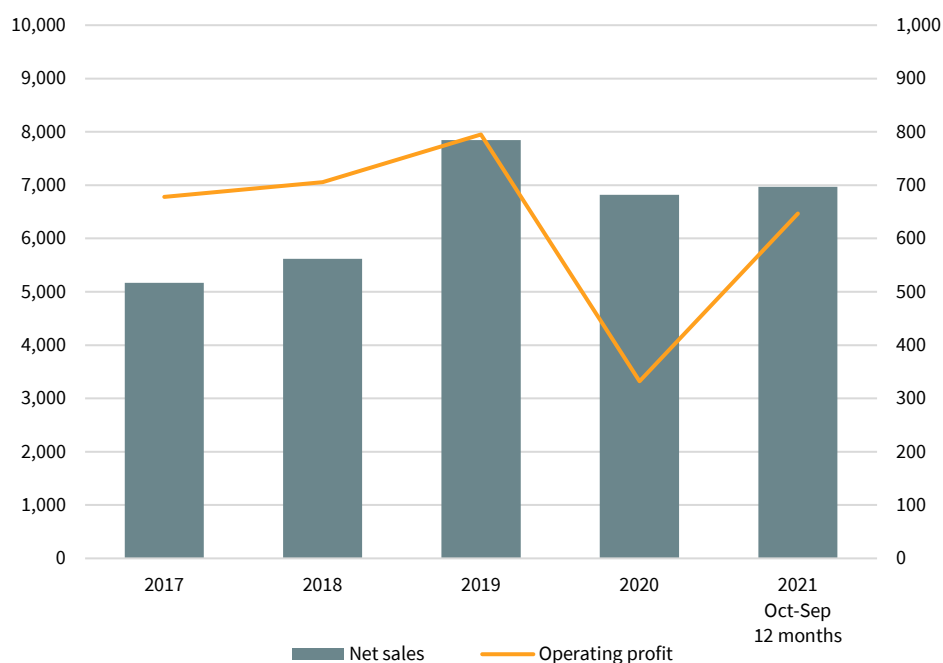


Key ratios and data per share

	2017	2018	2019	2020	2021 Oct-Sep 12 months
Net sales, MSEK	5,170.3	5,621.0	7,844.9	6,816.3	6,968.6
Operating profit, MSEK *	677.9	705.8	794.8	332.5	646.7
Profit before tax, MSEK *	652.5	666.7	695.7	216.7	560.9
Earnings per share, SEK *	4.32	4.39	3.32	3.21	4.78
Sales growth, % *	15.1	8.7	39.6	-13.1	-3.8
Growth in operating profit, % *	29.3	4.1	12.6	-58.2	47.7
Growth in profit before tax, % *	26.8	2.2	4.3	-68.9	76.4
Operating margin, % *	13.1	12.6	10.1	4.9	9.3
Net debt/EBITDA ratio *	2.2	2.0	2.9	3.2	2.6
Equity/assets ratio, % *	31.0	32.2	42.0	47.3	47.9
Capital employed, MSEK *	4,670	5,010	10,372	10,238	10,510
Return on capital employed, % *	16.8	14.8	10.8	3.5	6.4
Return on equity, % *	28.1	25.0	13.5	10.1	14.7
Net debt, MSEK *	1,830	2,073	3,737	2,812	2,837
Net investment in non-current assets, MSEK *	177.1	123.3	242.7	183.6	142.8
Depreciation/amortisation/impairment of non-current assets, MSEK *	158.2	320.3	478.8	558.4	457.2
Number of employees	3,241	3,384	4,465	4,419	4,149

\* Impacted by IFRS 16 from 2019-01-01

Net sales and operating profit, MSEK



## Notes

### Note 1 - IFRS 16 Leases

The effects in the Group's financial report when applying IFRS 16 Leases are set out below.

#### IFRS 16 Balance sheet impact

	30 Sep 2021	30 Sep 2020	31 Dec 2020
Tangible fixed assets	717.1	846.1	776.4
Financial assets	6.7	6.5	5.5
Other non-interest-bearing current assets	-16.4	-17.5	-15.7
Equity	-22.4	-21.1	-18.3
Long-term interest-bearing liabilities	598.9	714.2	651.1
Short-term interest-bearing liabilities	130.9	142.0	133.4

#### IFRS 16 Income statement impact

	2021 Q3 3 Months	2020 Q3 3 Months	2021 Q1-3 9 Months	2020 Q1-3 9 Months	2020/2021 Oct-Sep 12 months	2020 Jan-Dec 12 months
Reversal of leasing costs under IAS 17	39.6	42.5	118.1	130.0	159.3	171.2
Depreciation	-38.0	-40.1	-111.5	-123.1	-150.3	-161.9
Operating profit	1.6	2.4	6.6	6.9	12.4	12.7
Profit before tax	-1.0	-7.3	-6.0	-16.2	-2.0	-12.2
Net profit for the period	-0.7	-5.6	-4.6	-12.4	-1.6	-9.4

### Note 2 – Reconciliation of Adjusted Operating Profit

	2021 Q3 3 Months	2020 Q3 3 Months	2021 Q1-3 9 Months	2020 Q1-3 9 Months
Operating profit	184,2	66,8	545,3	231,1
Intangible assets impairment	-	63,1	-	63,1
Redundancy, other cost and write downs	-	14,2	-	14,2
<b>Adjusted operating profit</b>	<b>184,2</b>	<b>144,1</b>	<b>545,3</b>	<b>308,4</b>