

Fagerhult Group

# We light up your world

Q1 2021 presentation

April 29, 2021

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



# First quarter

## **Sales development**

- Steady progress and ongoing recovery
- Still see the effects of Covid, varies between geographies
- Organic sales growth in the quarter

## **Operating margin**

- Improved to 9,1%
- Lower cost base, benefit of last year's restructuring

## **Acquisition of Seneco to strengthen our connectivity offering**

## **Continued progress with sustainability agenda**

## **Group Core Values process on-going**



## Q1 2021 in figures

**Order intake: 1 854 MSEK (2 146)**

-7,4% organic

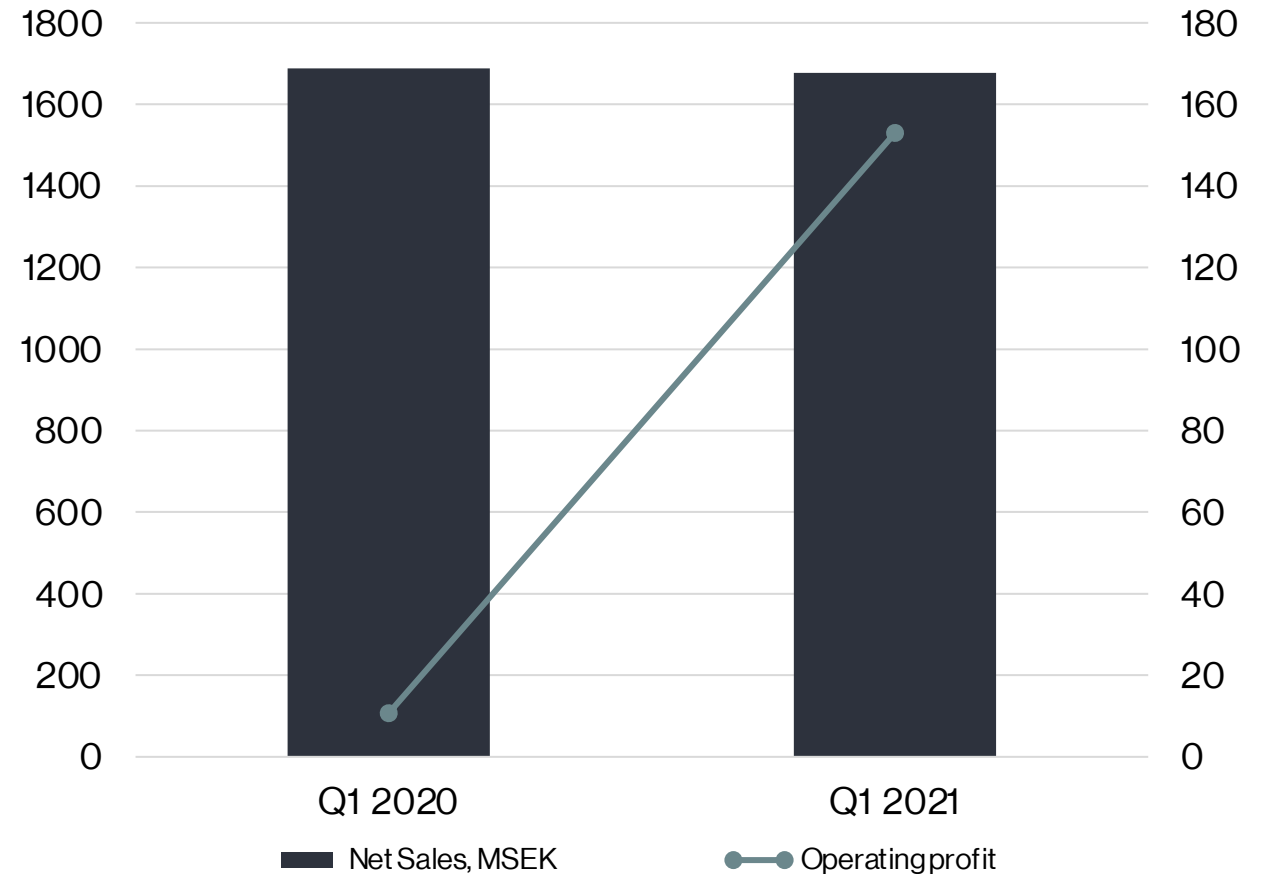
**Net sales: 1 678 MSEK (1 689)**

+6,6% organic

**Operating profit: 152,9 MSEK (10,7)**

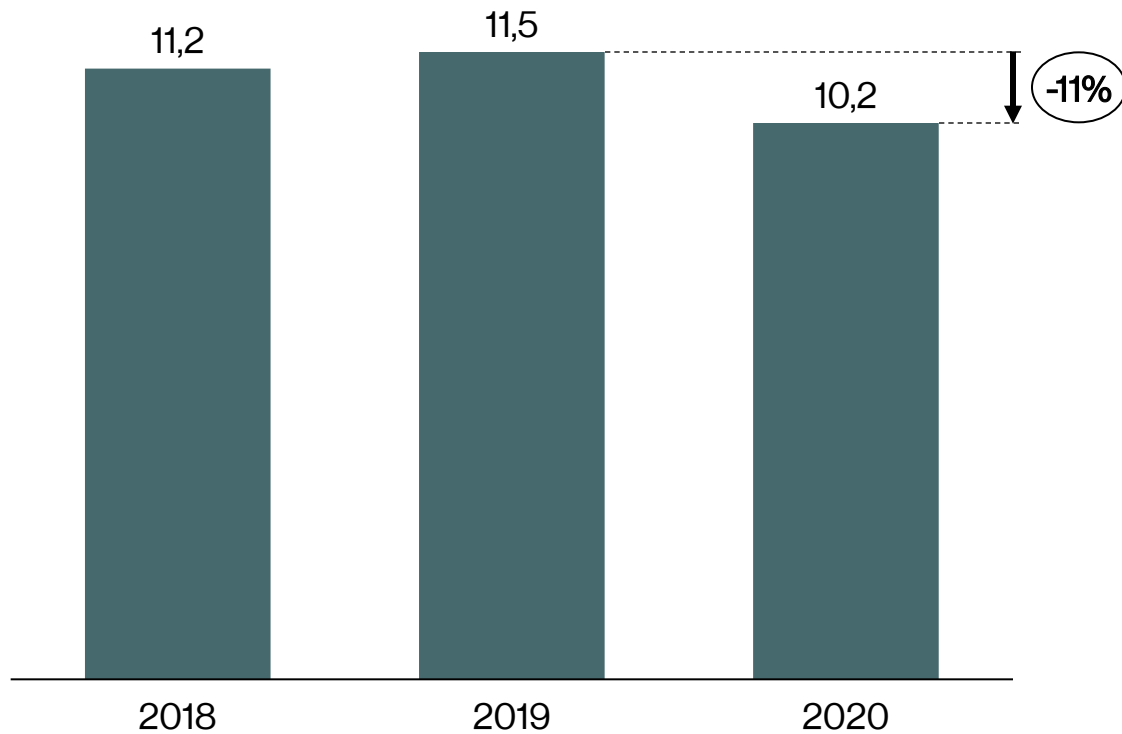
**Operating margin: 9,1% (0,6%)**

**Earnings per share: 0,53 SEK (-0,10)**



## Our development in 2020, in line with market

### Professional\* lighting market development 2018-20, EUR bn



#### — Fagerhult Group 2020

- Net sales -14,3%
- Order intake -12,3%

#### — Adjusted for applications and footprint our development in line with underlying market

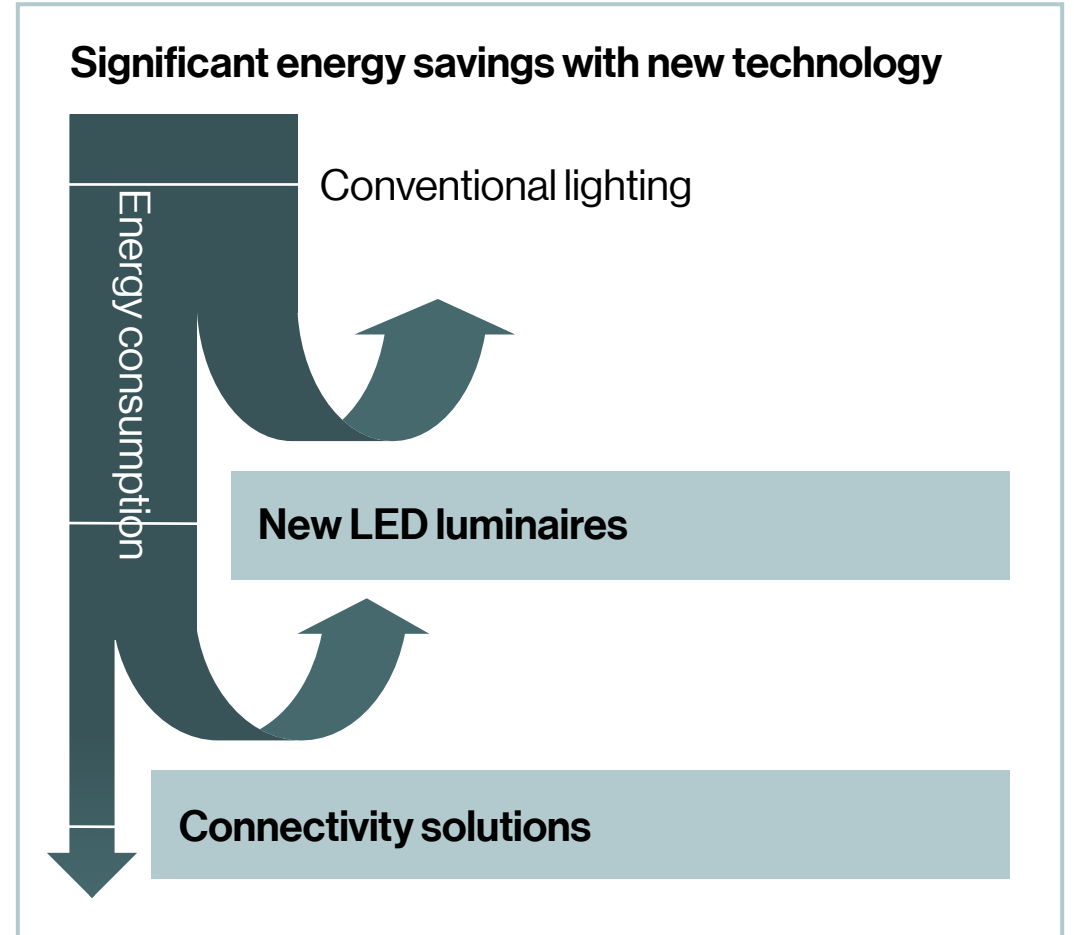
- Most positive in Industrial applications and most difficult in Retail and Culture
- Southern European markets and UK most negative

# Market potential following increased focus on sustainability and energy efficiency

## Increasing demand for energy efficient solutions, e.g.

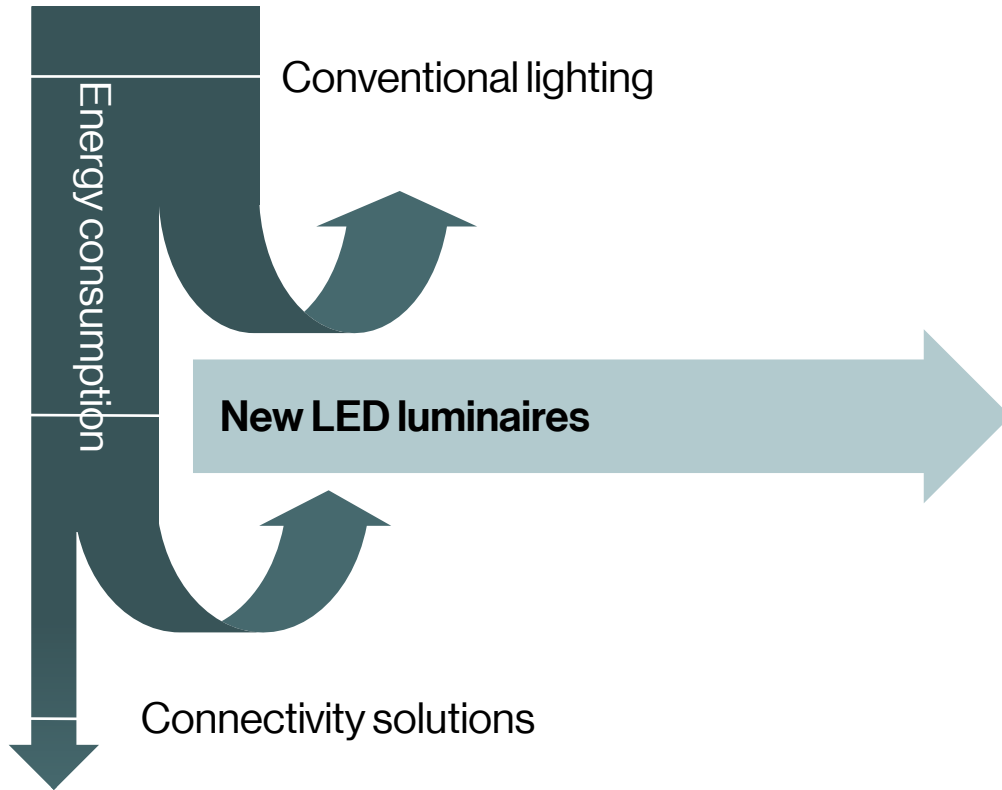
- EU Green Deal and Renovation Wave
- UK Public Sector Decarbonisation Scheme

High quality lighting will be part of the solution and increase well-being

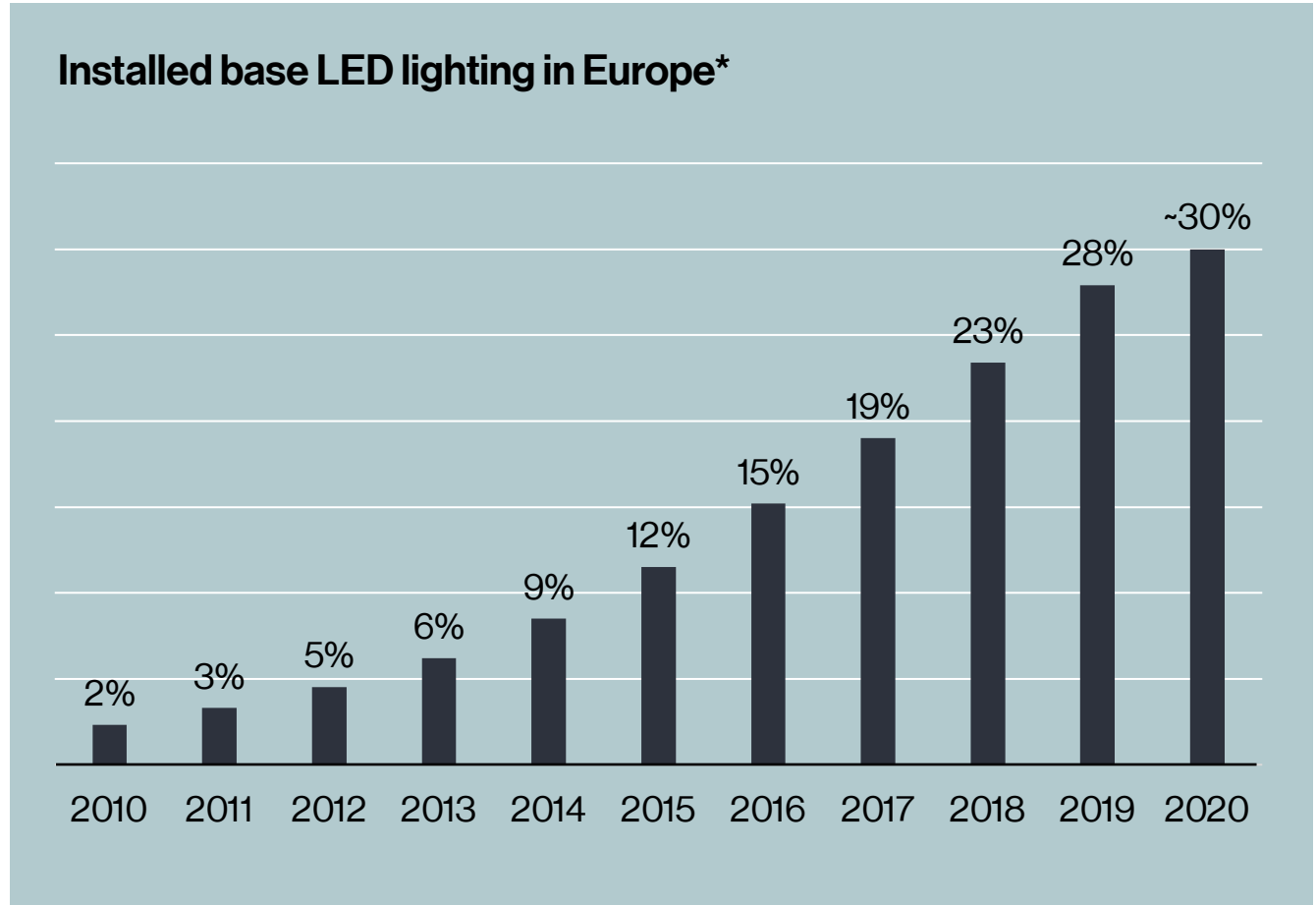


# Still only ~30% installed base LED lighting in the European market

## Significant energy savings with new technology



## Installed base LED lighting in Europe\*



# Besides energy savings, we provide our lighting solutions in a sustainable way

## Our Mission Statement:

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

100%

Fagerhult Group only sells LED luminaires

## Examples from the Group in 2020



iGuzzini and Veko awarded EcoVadis Silver award



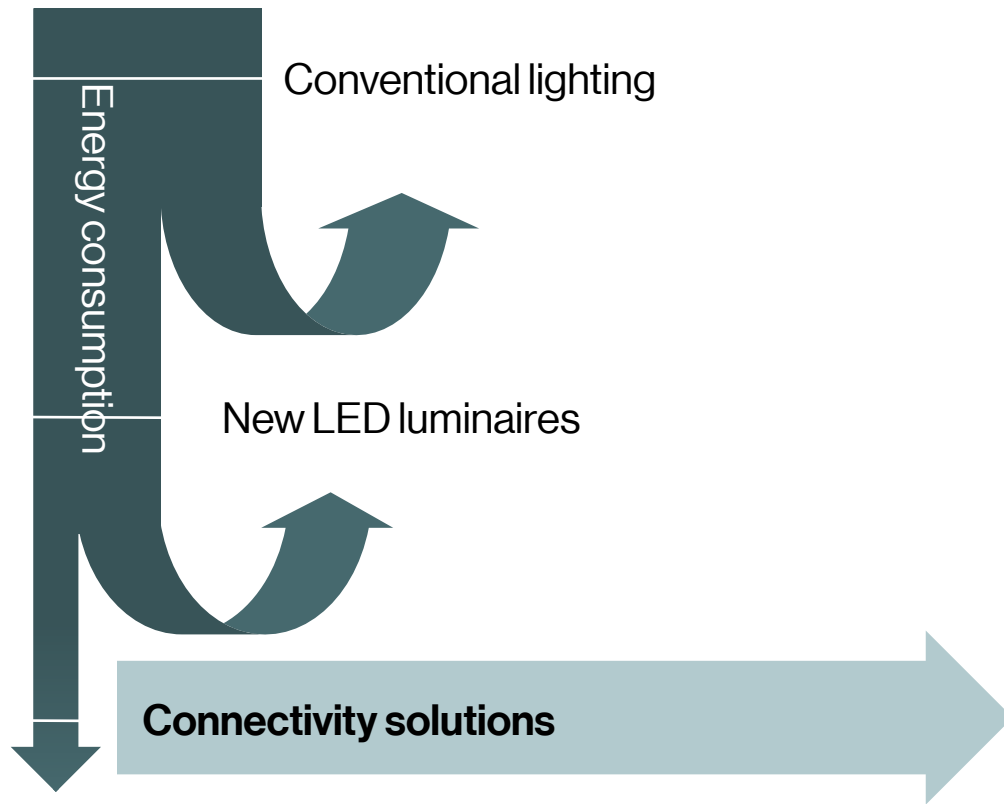
Whitecroft launched Vitality our first circular product



More solar panels installed at our manufacturing sites

## Full connectivity solutions only delivered to ~10% of the projects

### Significant energy savings with new technology



### Connectivity solutions add multiple benefits

Energy savings up to 70% and lower maintenance costs

Increased well-being and safety for people

New business opportunities together with partners

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**~10%**

Estimated share of projects delivered with full Connectivity solutions



## We offer open connectivity solutions for indoor and outdoor environments

— Two systems within the Group:

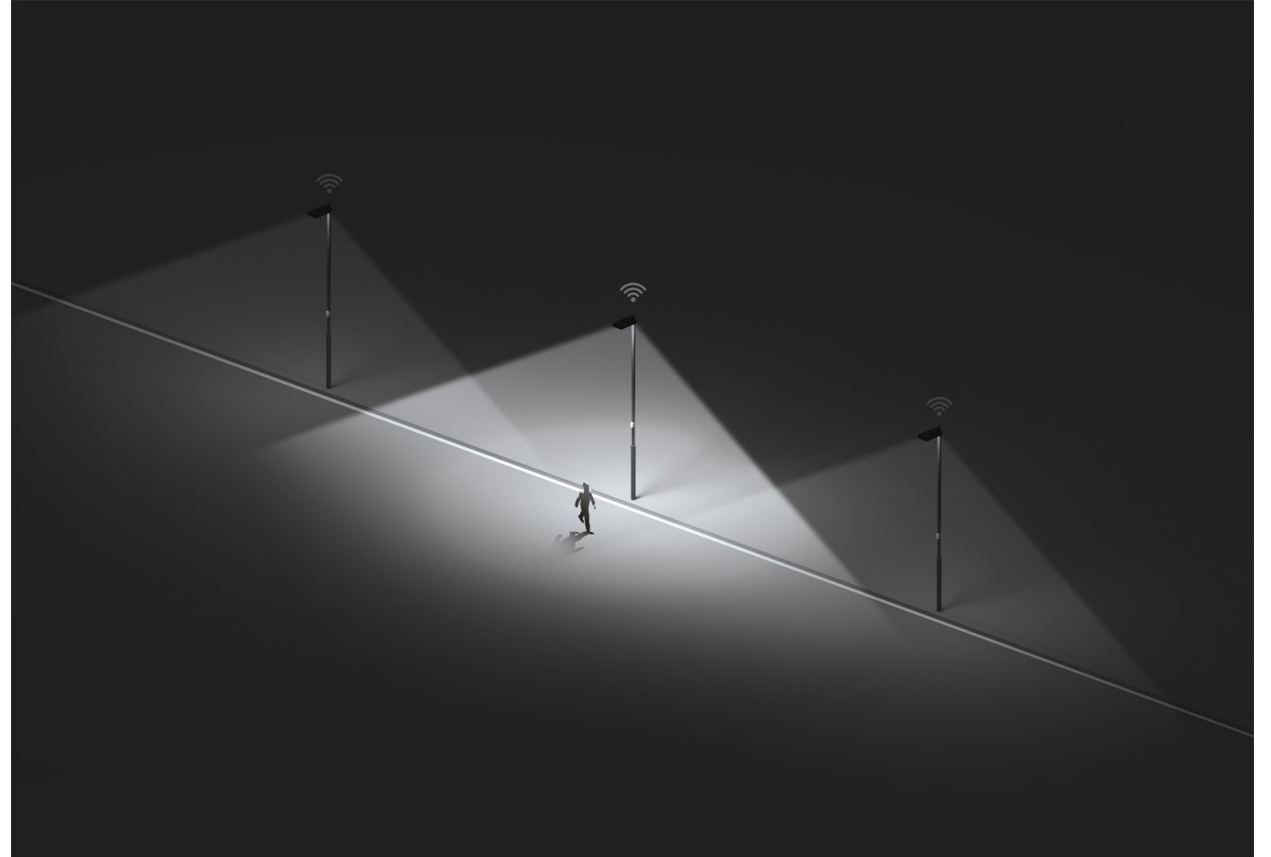
- Indoor:  **organic response**
- Outdoor:  **seneco**

— Same basic principles:

- Energy savings with presence detection
- Open systems for integrations and partnerships

— Key events in 2020/21

- Opening competence center in Linköping, Sweden
- Acquisition of remaining shares in Seneco





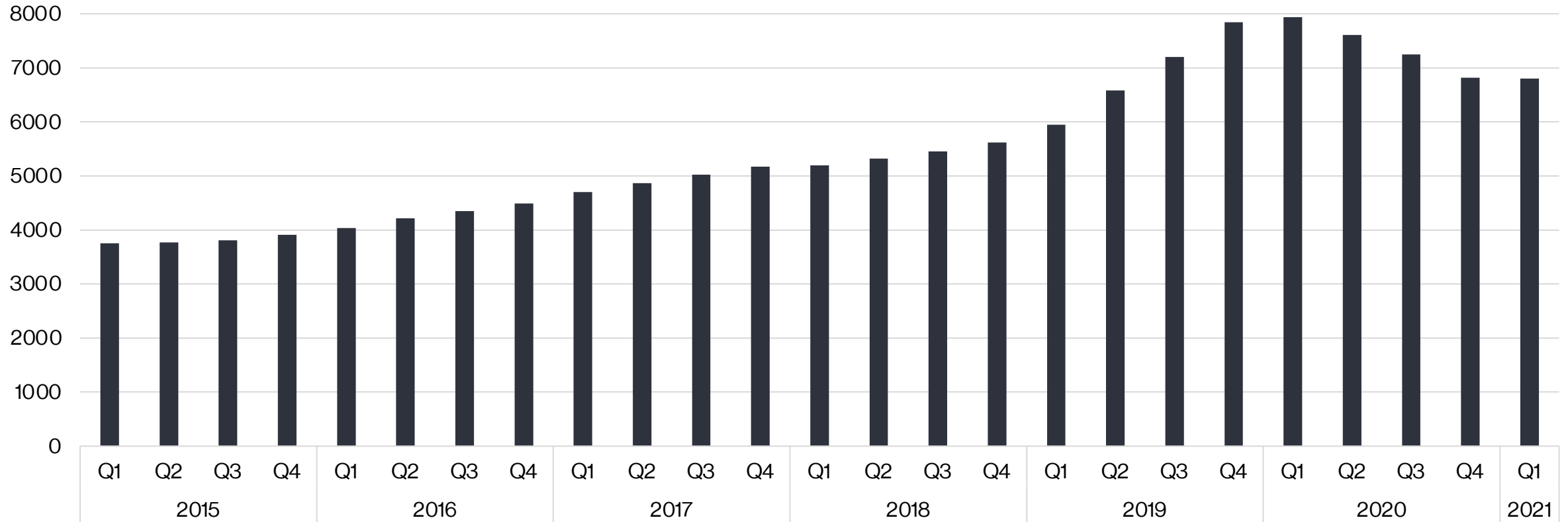
## Financial summary

MSEK	Q1 2020	Q1 2021	
<b>Net sales</b>	<b>1689</b>	<b>1678</b>	<b>-0,7%</b>
- Organic growth		109	+6,6%
- Acquisition / divestment		-24	
- FX-differences		-97	
<b>Operating profit</b>	<b>11</b>	<b>153</b>	
Operating profit, %	0,6%	9,1%	
<b>Net profit</b>	<b>-16</b>	<b>96</b>	
<b>Earnings per share, SEK</b>	<b>-0,10</b>	<b>0,53</b>	
<b>Operating cash flow</b>	<b>88</b>	<b>59</b>	

# Sales development

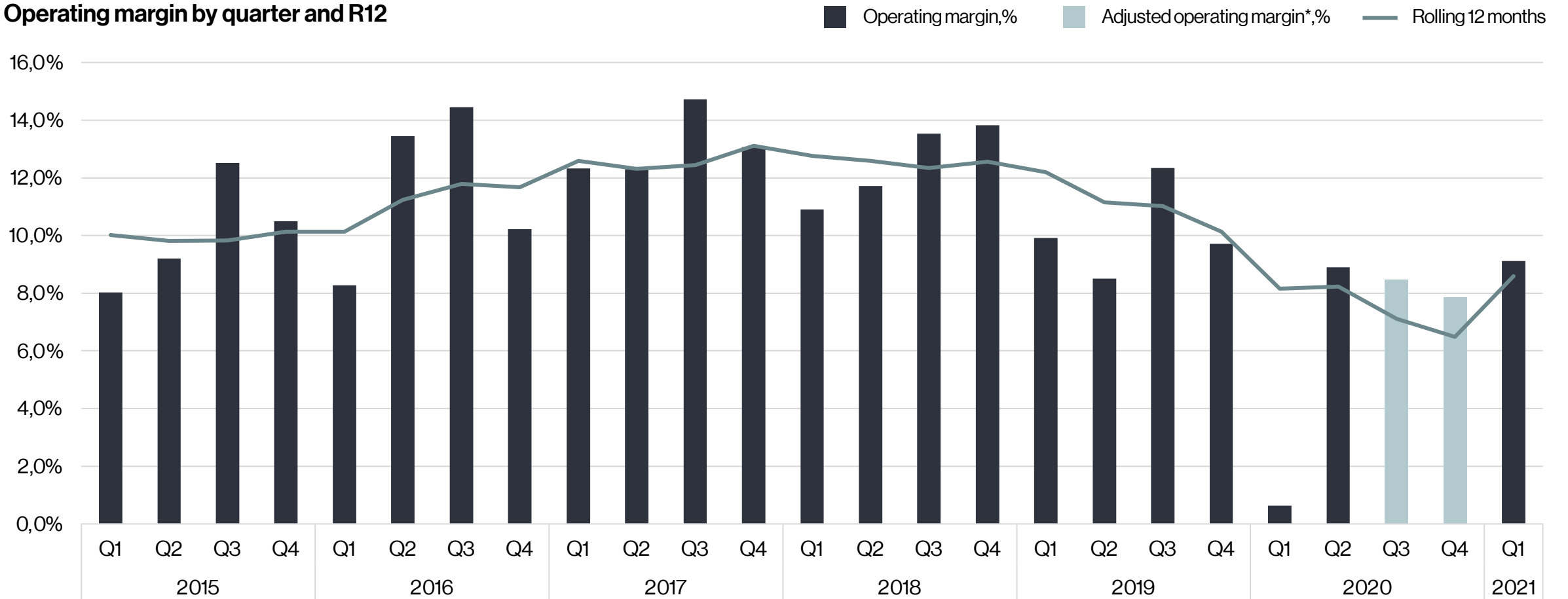
## Net sales R12

Net sales R12, MSEK



# Margin development

## Operating margin by quarter and R12



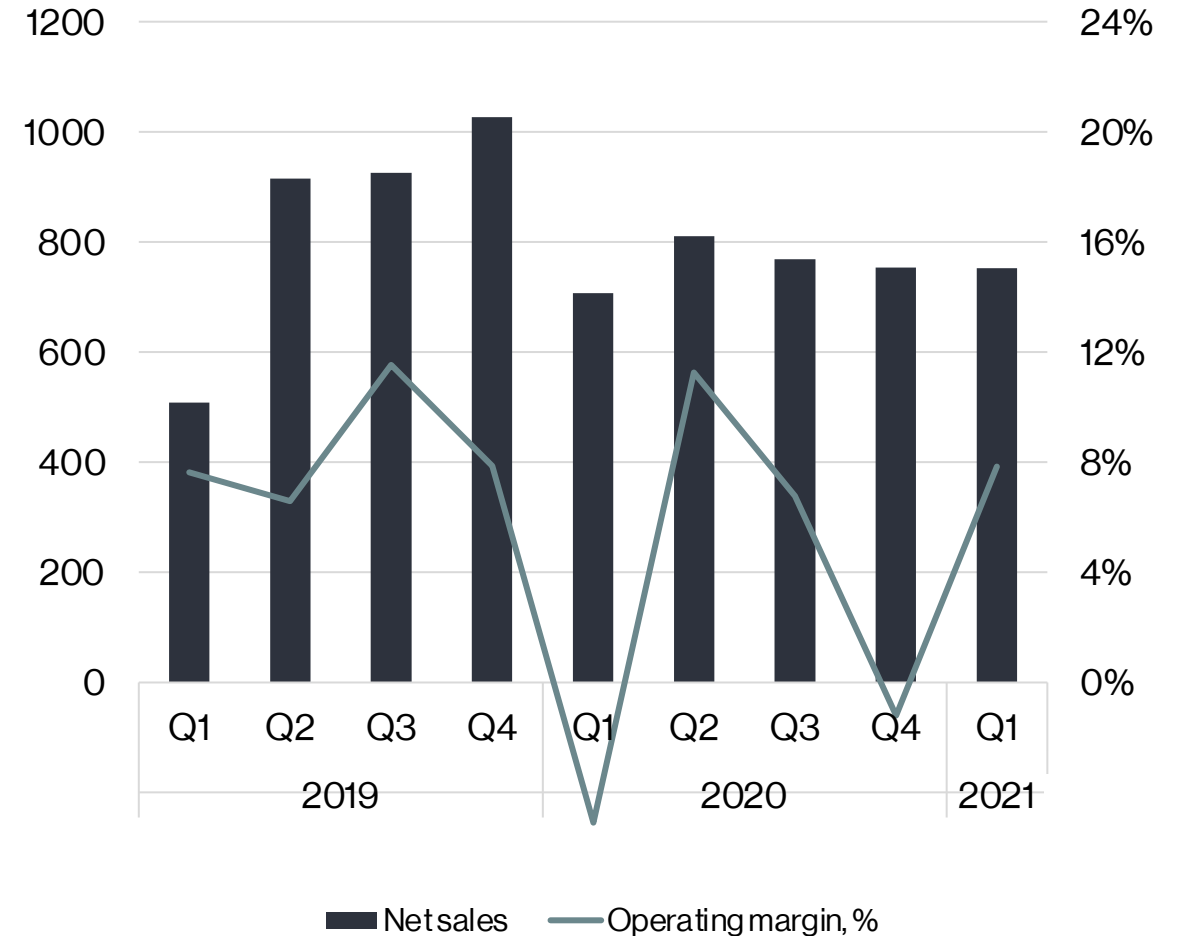
# Business Area Collection

## Financials Q1

- Order intake 790 (920) MSEK, organic -9,2%
- Net sales 752 (707) MSEK, organic 13,0%
- Operating margin 7,8% (LY neg.)

## Business update

- Negative effects of Covid-19 continues but the effects reduce
- Profitability improvements following good growth and lower cost base
- Continued collaboration initiatives and prioritizing focus areas post-Covid



# Business Area Premium

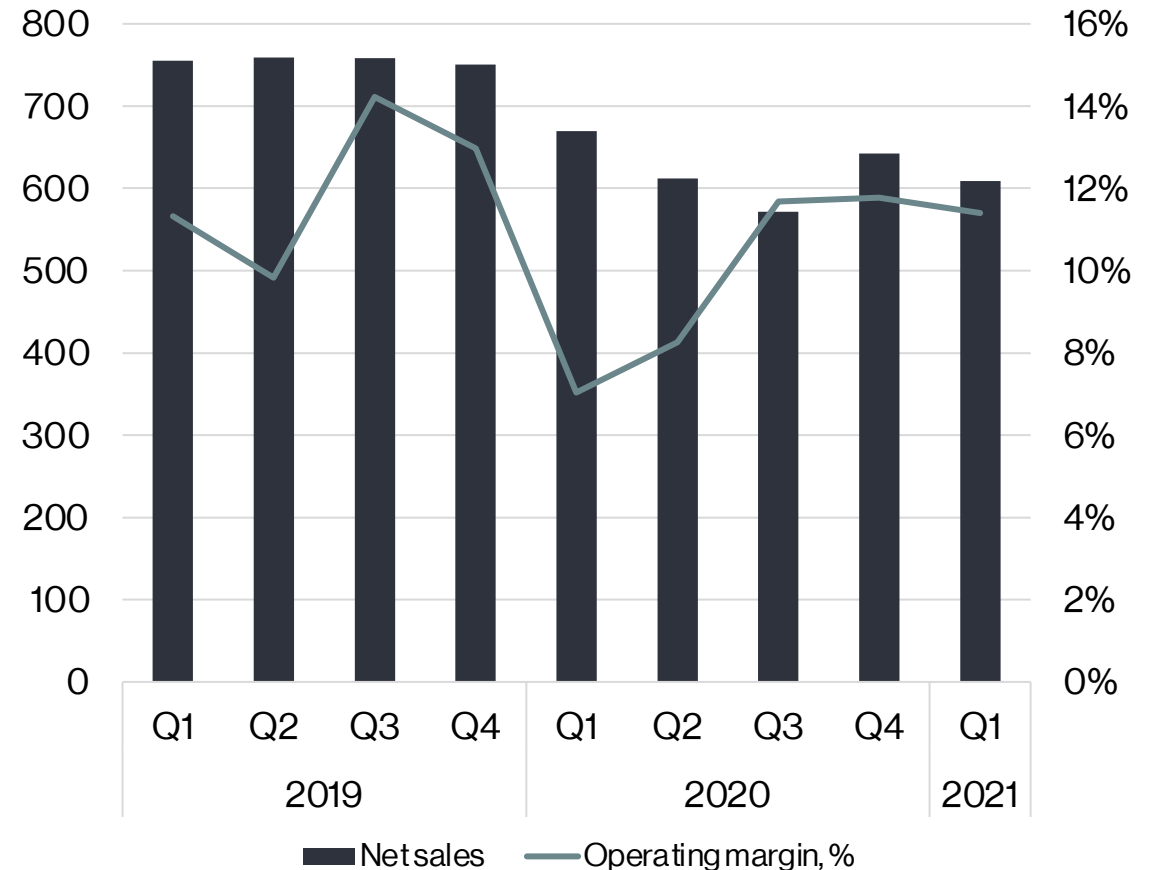
## Financials Q1

- Order intake 625 (734) MSEK, organic -11,2%
- Net sales 609 (669) MSEK, organic -5,2%
- Operating margin 11,4% (7,0%)

## Business update

- Still reduced activity level due to Covid-19
- Strong profitability recovery following re-structuring
- Growth opportunities in recovering European markets

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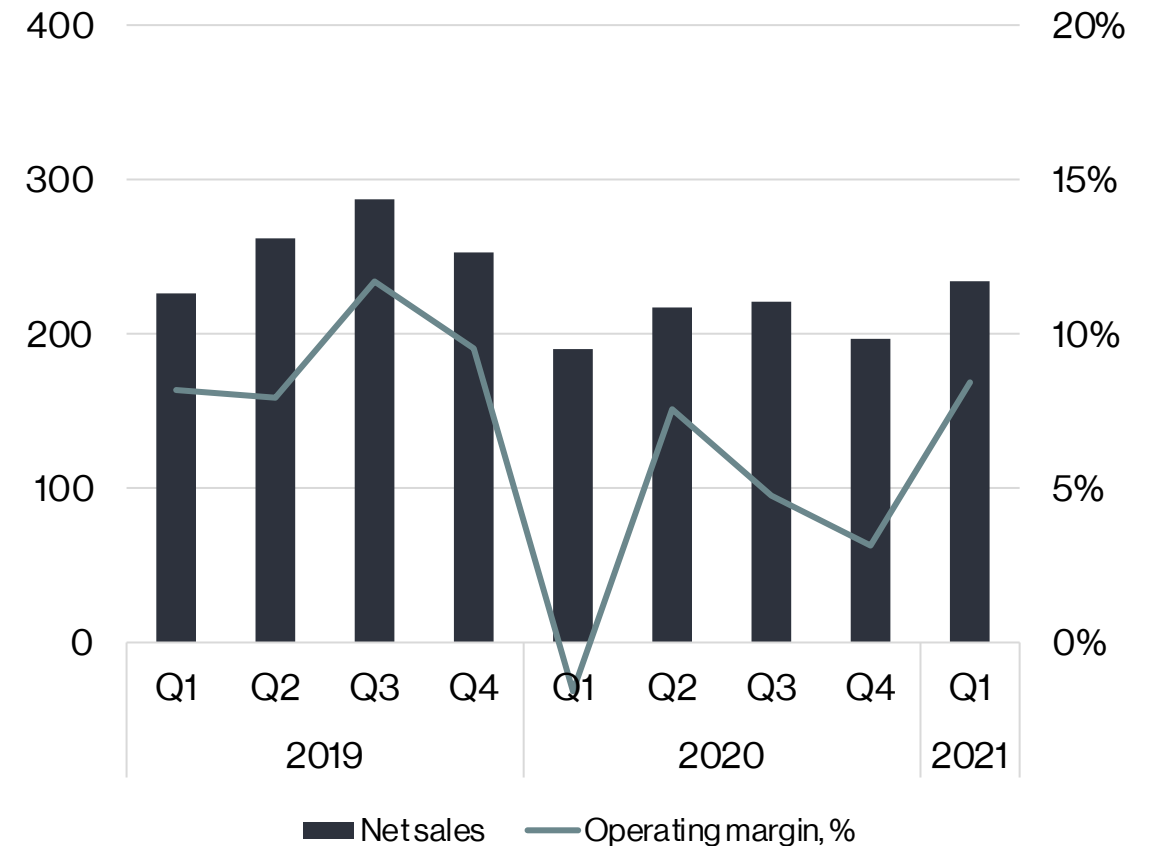
# Business Area Professional

## Financials Q1

- Order intake 263 (242) MSEK, organic 19,5%
- Net sales 234 (190) MSEK, organic 33,7%
- Operating margin 8,4% (LY neg.)

## Business update

- Recovery in all markets, strongest in UK
- Profitability improvements following sales growth and lower costs
- First joint product development soon ready





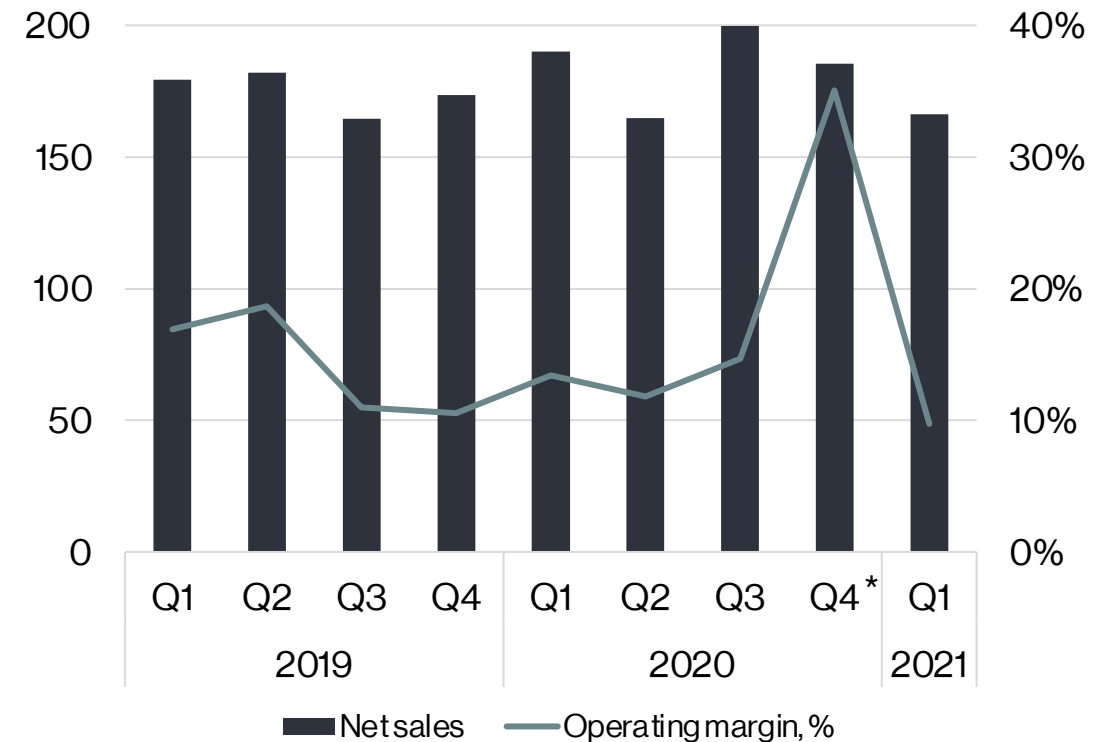
# Business Area Infrastructure

## Financials Q1

- Order intake 176 (223) MSEK, organic -16,9%
- Net sales 166 (190) MSEK, organic -7,4%
- Operating margin 9,7% (13,4%)

## Business update

- We see increased competition in growing e-commerce segment
- Other industrial applications show good growth
- First quarter last year very strong due to a few very large projects



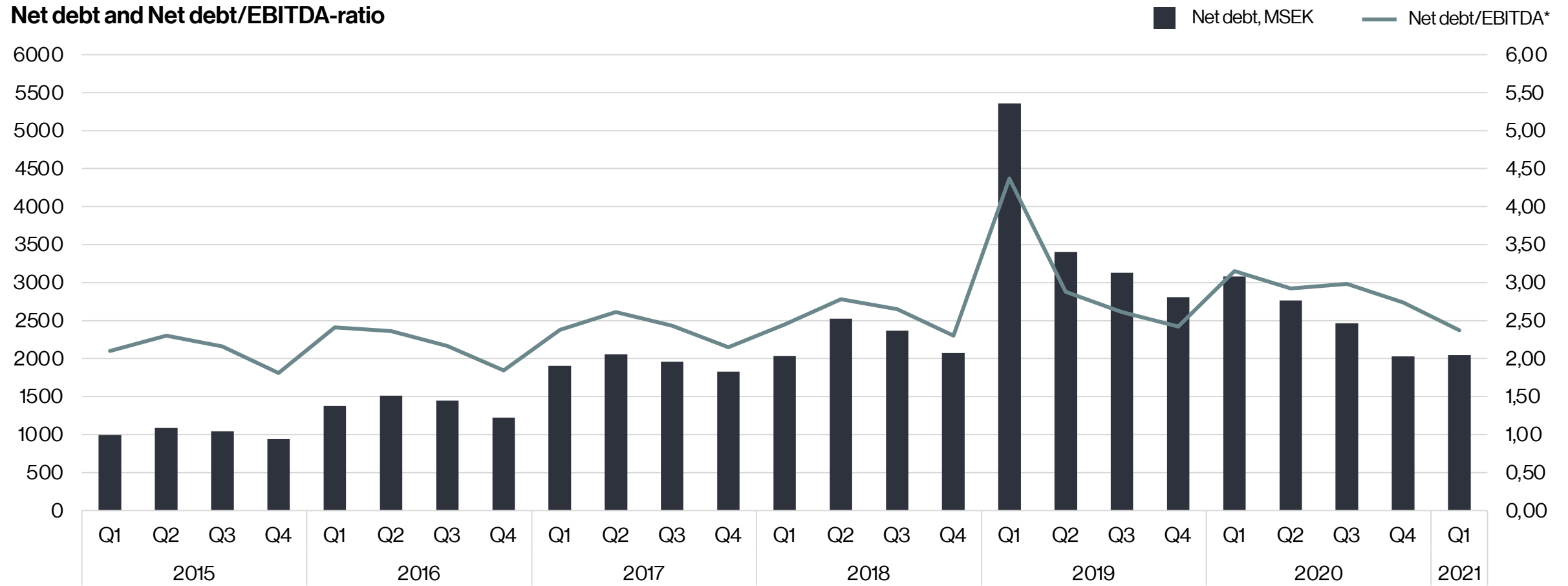
# Cash flow

Operating cash flow by quarter and R12



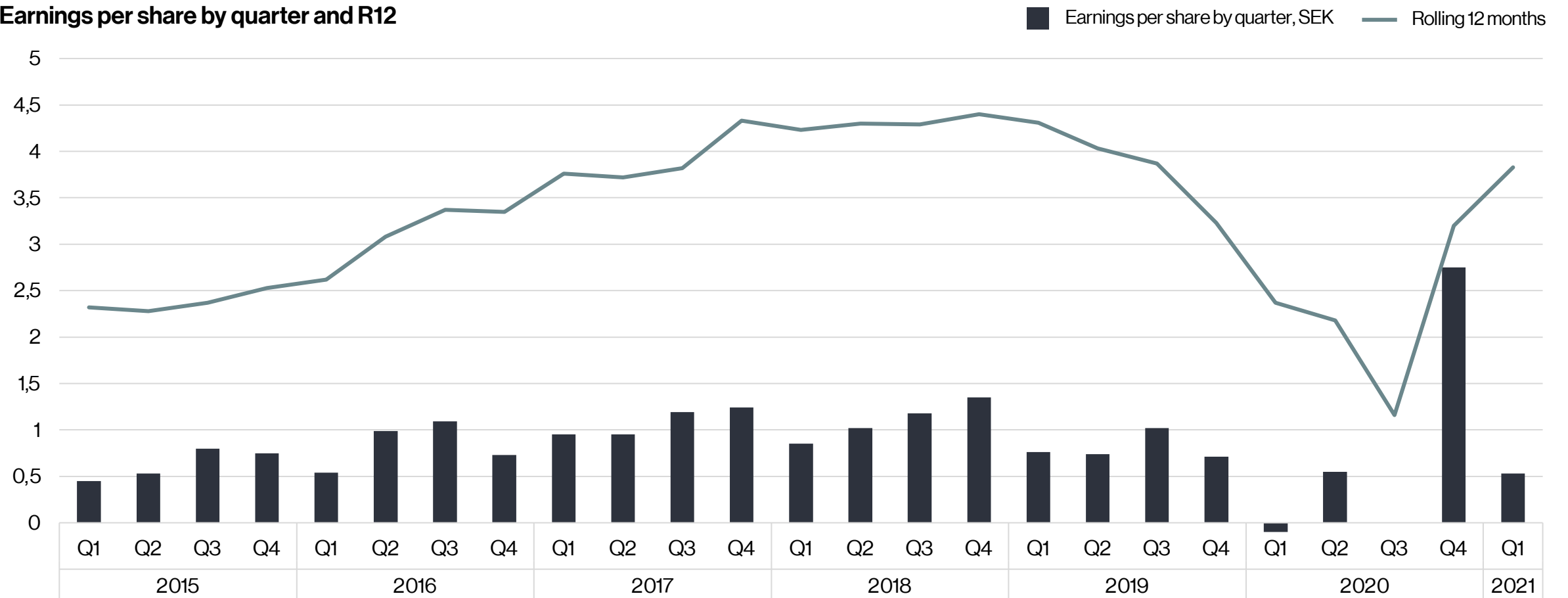
# Net debt development

Net debt and Net debt/EBITDA-ratio



# Earnings per share

Earnings per share by quarter and R12



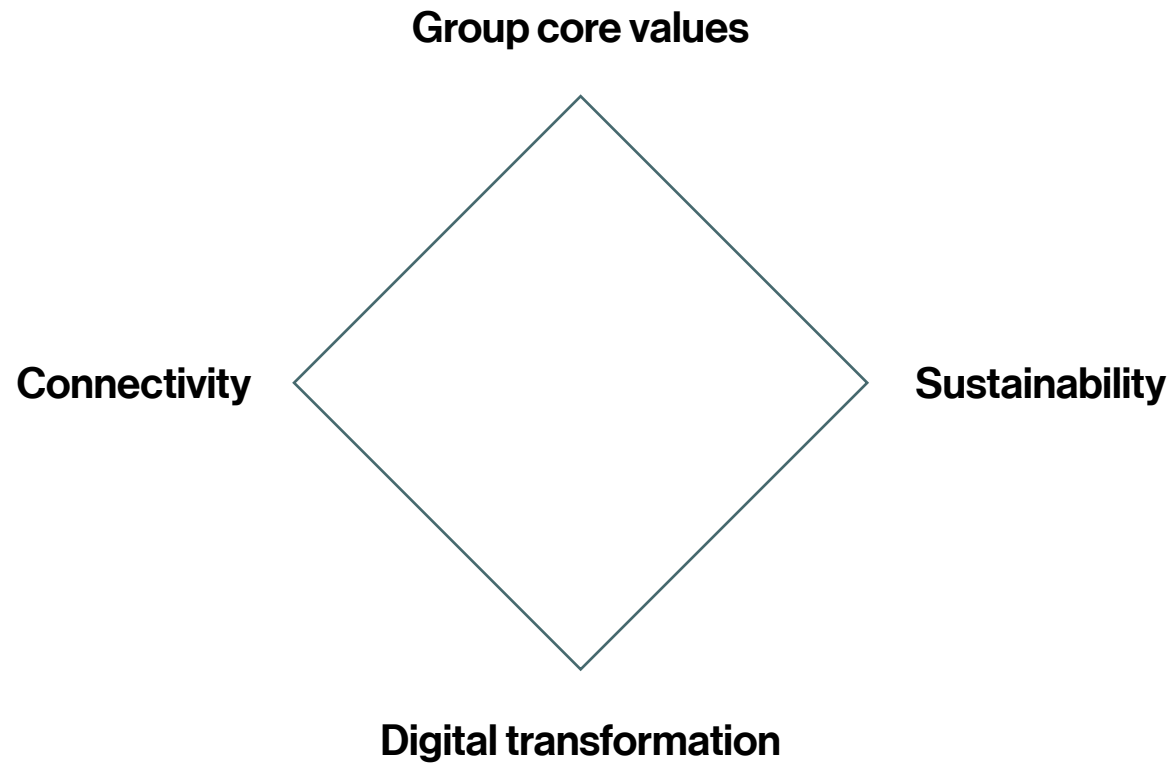


## Conclusions and recap

- Organic sales growth in the quarter
- Profitability improvements
- Continued with strategic initiatives
- Acquisition of Seneco
- Continued collaboration



## Four key focus areas within the Group



# Fagerhult X Securitas

## Further developed partnership

- Using built-in sensors in luminaires
  - Burglar alarm integration
  - Evacuation support

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# Q&A Session

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