

Fagerhult Group

We light up your world

Q3 2021 presentation

October 29th 2021

www.fagerhultgroup.com



Third quarter

Sales development

- Recovery continues, increasing customer demand
- Strong organic order intake and higher order backlog

Operating margin

- Strong profitability levels despite supply chain challenges
- Cost control and increased market activities

Completed acquisition of our North American subsidiary

Availability of components and materials remains a challenge

Good progress refining our Group sustainability strategy



Q3 2021 in figures

Order intake: 1 895 MSEK (1 664)

+14,5% organic

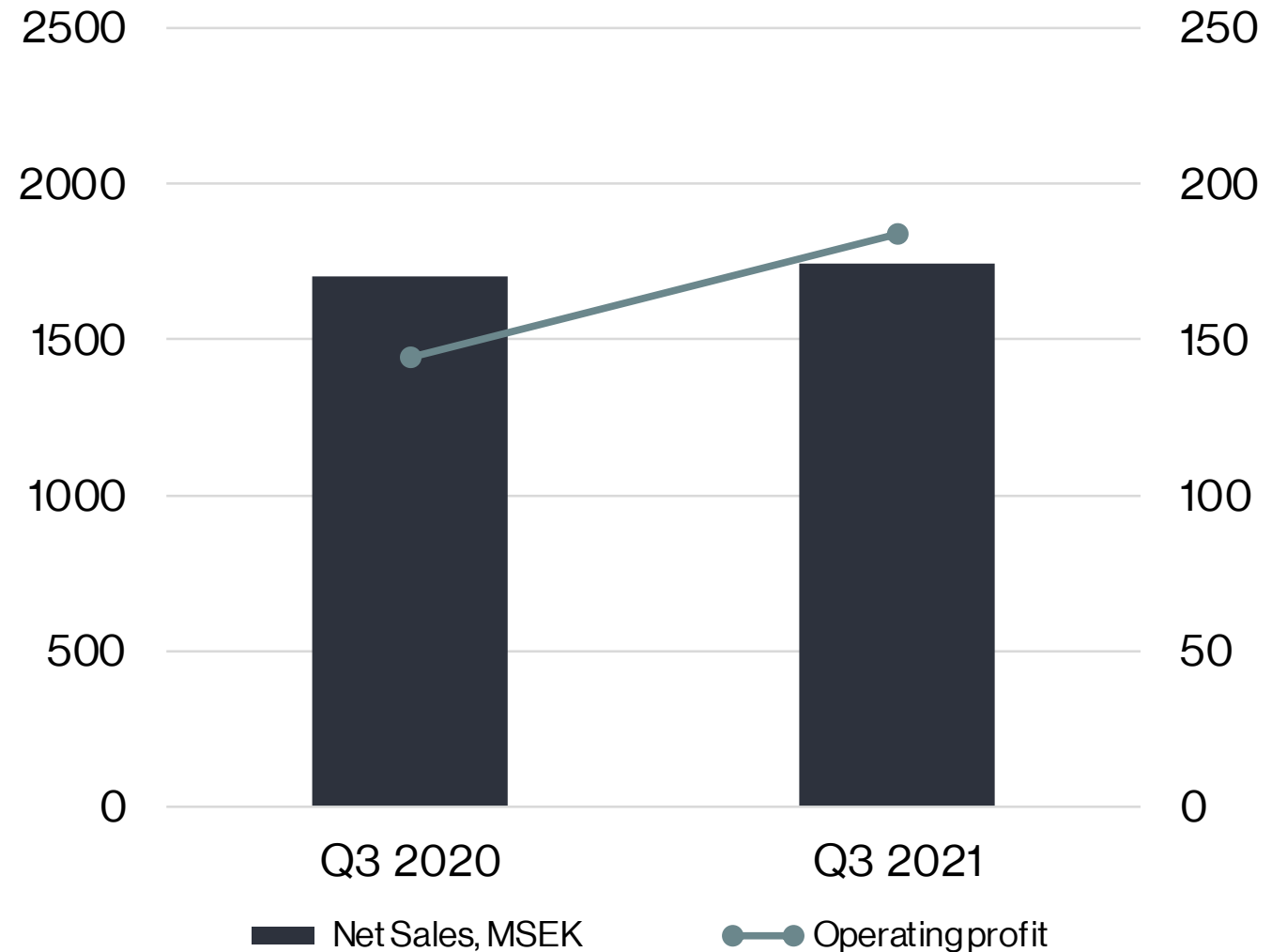
Net sales: 1 745 MSEK (1 700)

+3,7% organic

Operating profit: 184,2 MSEK (144,1¹)

Operating margin: 10,6% (8,5%¹)

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



First three quarters 2021 in figures

Order intake: 5 872 MSEK (5 465)

+12,2% organic

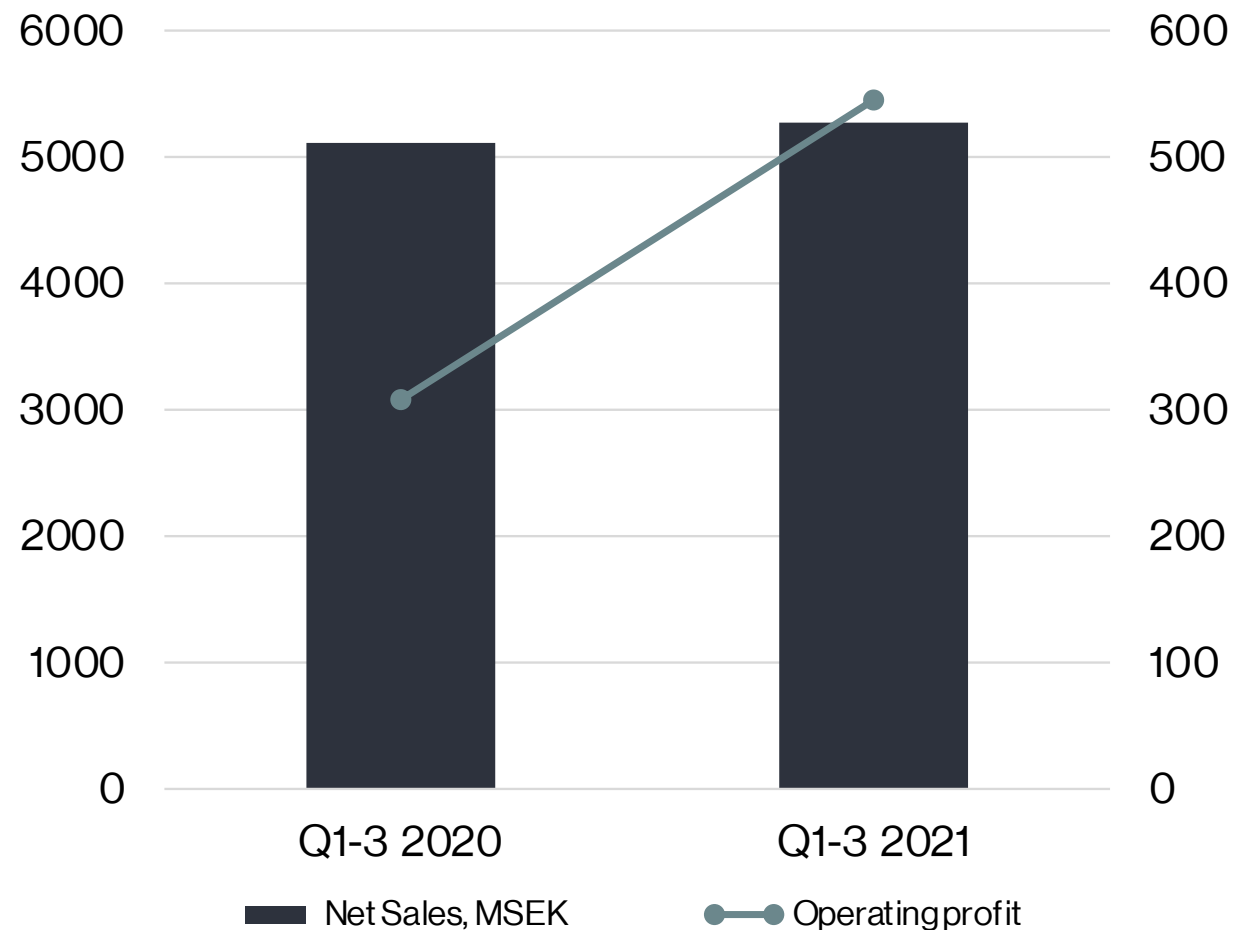
Net sales: 5 268 MSEK (5 116)

+7,5% organic

Operating profit: 545,3 MSEK (308,4¹)

Operating margin: 10,4% (6,0%¹)

Earnings per share: 2,03 SEK (0,46)

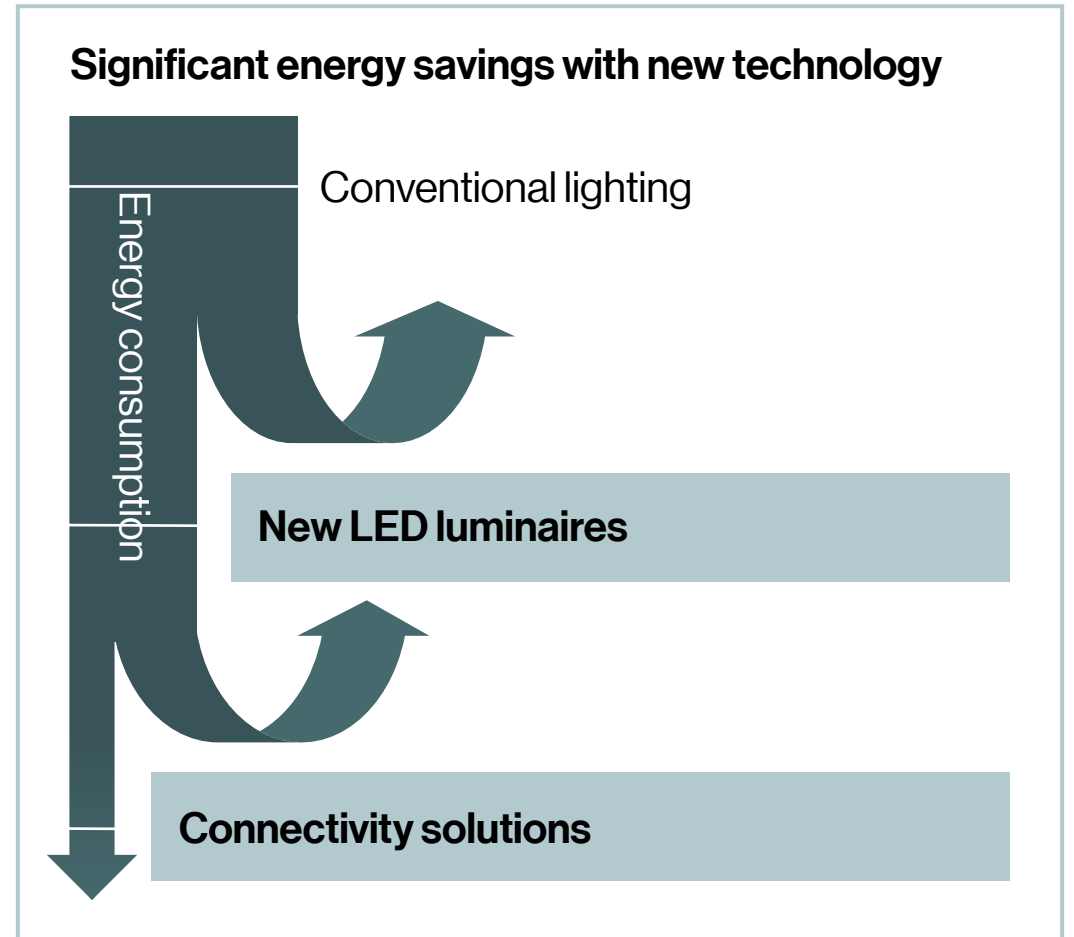


Market potential following increased focus on sustainability and energy efficiency

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



Whitecroft Vitality ReLight

- Further development of Whitecroft's circular product platform Vitality
- While new buildings are more energy efficient the upfront carbon cost associated with their construction is high
- This initiative focuses on significant operational carbon savings in existing buildings, ~80% of which are estimated to be used beyond 2050

Regenerate what you can
Replace only what you need to



Lighting for healthy indoor environments

- Our sustainable approach to lighting also include a strong a focus on human well-being
- Based on research¹, Fagerhult has developed the new innovative Notor 65 Dynamic, to create lighting that mimics daylight
- Direct/indirect light combined with directional light from a spotlight, creates natural-like lighting for improved well-being and comfort



Acquisition of remaining shares in Sistemalux

SISTEMALUX

- Acquisition of remaining 30% shares in Sistemalux Inc. was completed on Aug 30th
 - iGuzzini acquired first 70% ownership in 2018
- Sistemalux is based in Montreal, Canada, and have a long-term business relationship with iGuzzini
 - Net sales in 2020, approximately 300 MSEK
- North American market is a key strategic growth opportunity for the Group
 - Market of similar size as the Europe market
 - Now four fully owned operating subsidiaries



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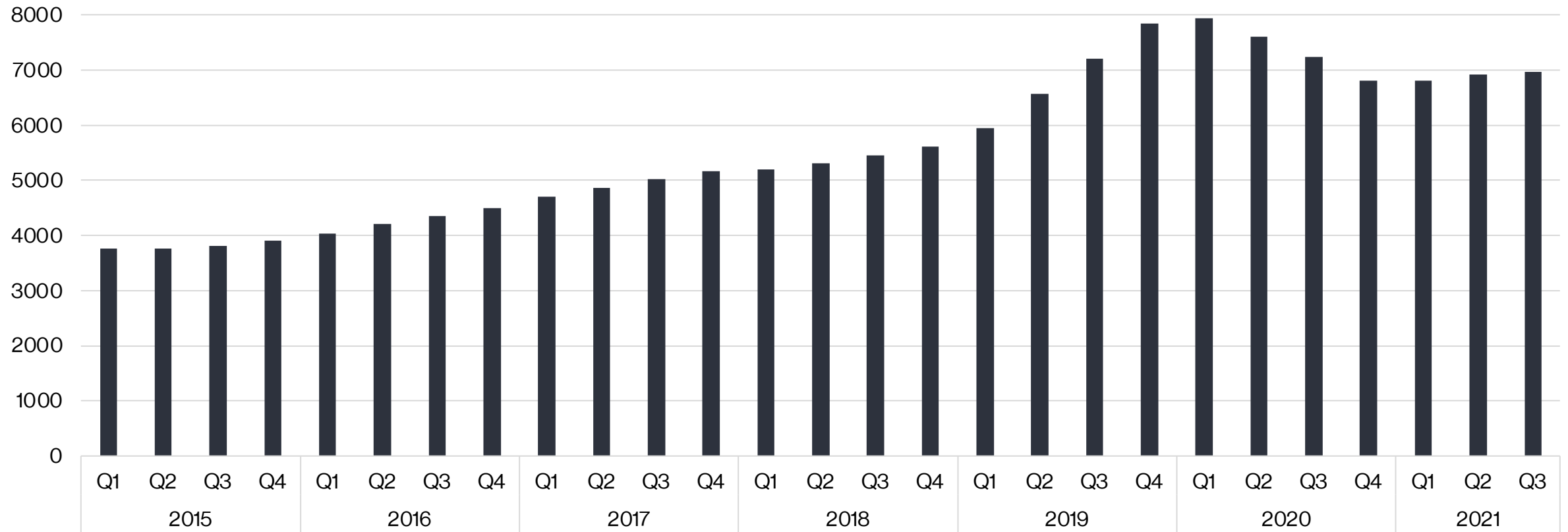
Financial summary

MSEK	Q3 2021	Q3 2020		Q1-3 2021	Q1-3 2020	
Net sales	1745	1700	2,6%	5 268	5 116	3,0%
- Organic growth	62		3,7%	381		7,5%
- FX-differences	-5			-184		
- Acquisition / divestment	-12			-45		
Operating profit¹	184	144		545	308	
Operating profit, % ¹	10,6%	8,5%		10,4%	6,0%	
Net profit	128	5		362	87	
Earnings per share, SEK	0,72	0,00		2,03	0,46	
Operating cash flow	202	389		461	707	

Sales development

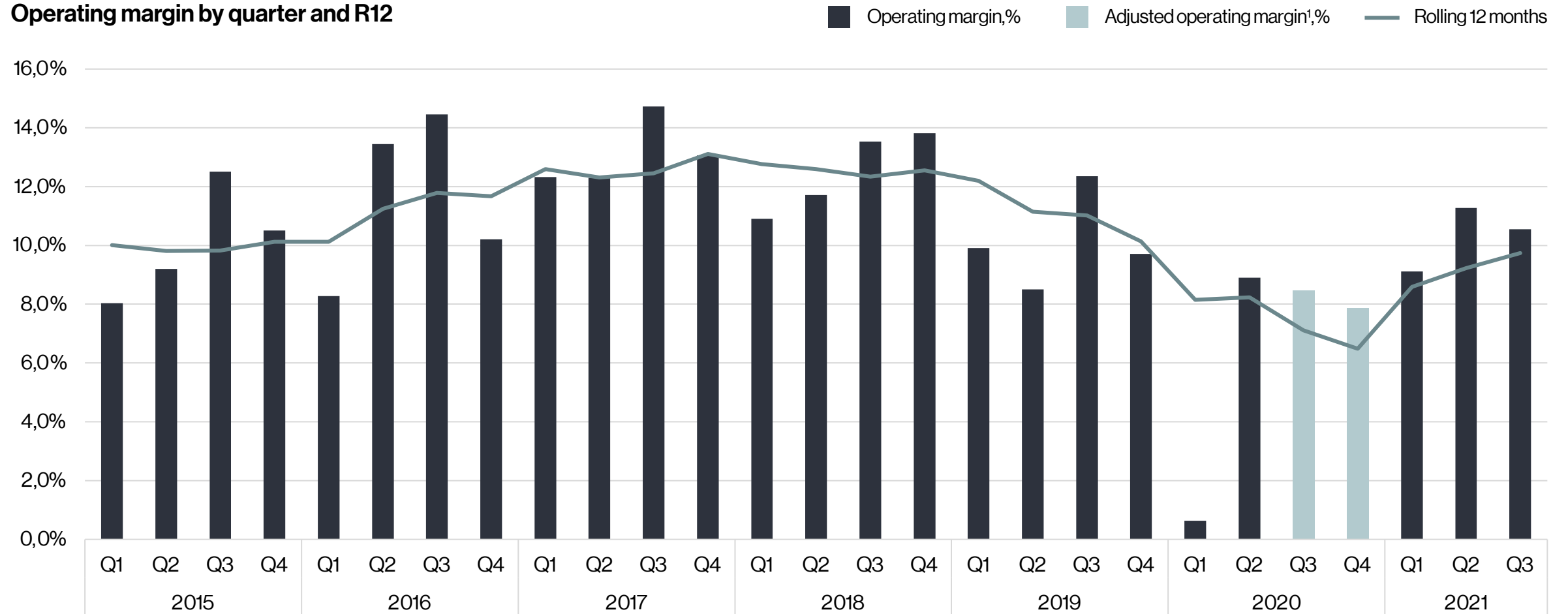
Net sales R12

■ Net sales R12, MSEK



Margin development

Operating margin by quarter and R12



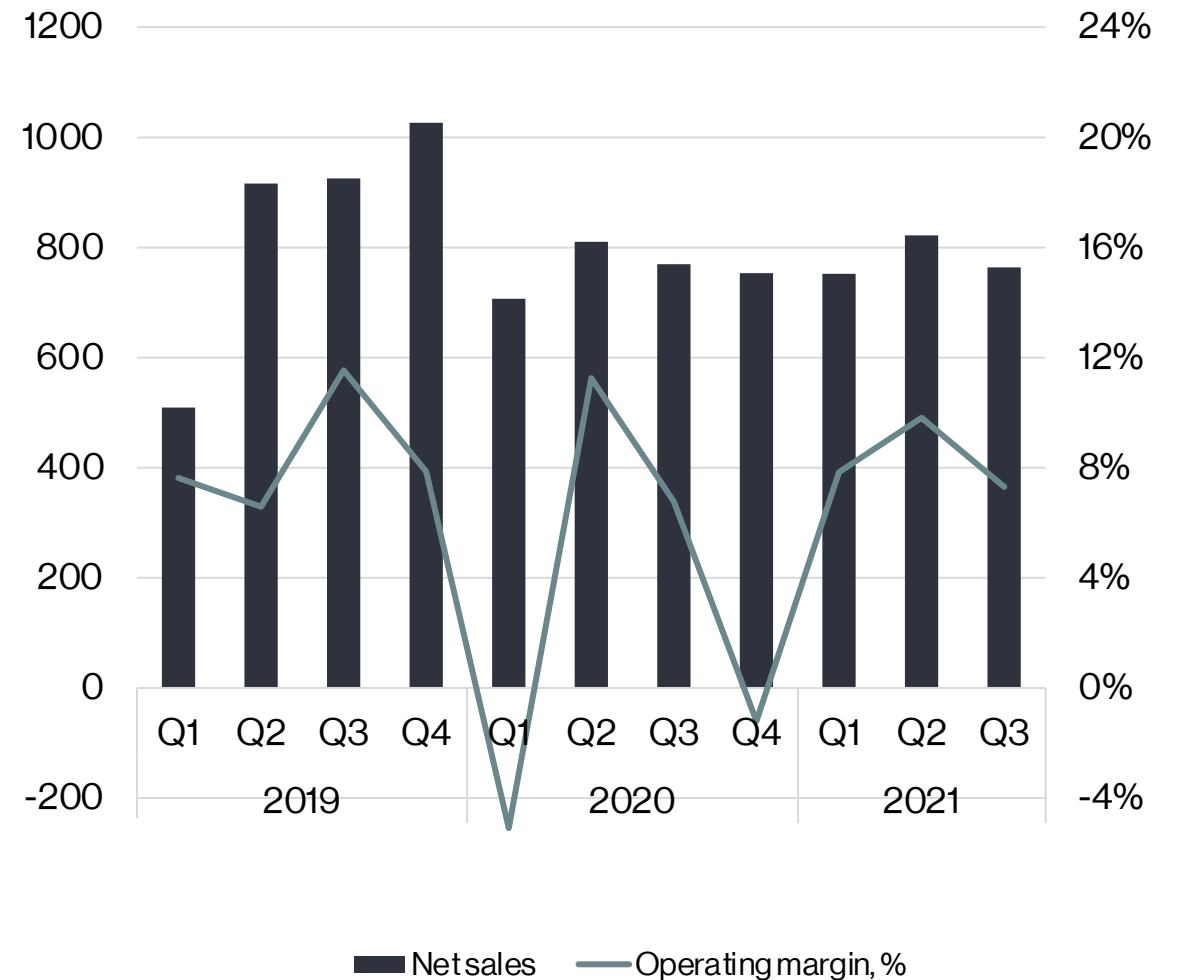
Business Area Collection

Financials Q3

- Order intake 857 (760) MSEK, organic 13,7%
- Net sales 764 (769) MSEK, organic 0,2%
- Operating margin 7,3% (6,8%)

Business update

- Good order intake growth across all businesses
- Increased market activity and prestigious projects secured
- Approx. 37 MSEK in delayed sales due to supply chain challenges



Business Area Premium

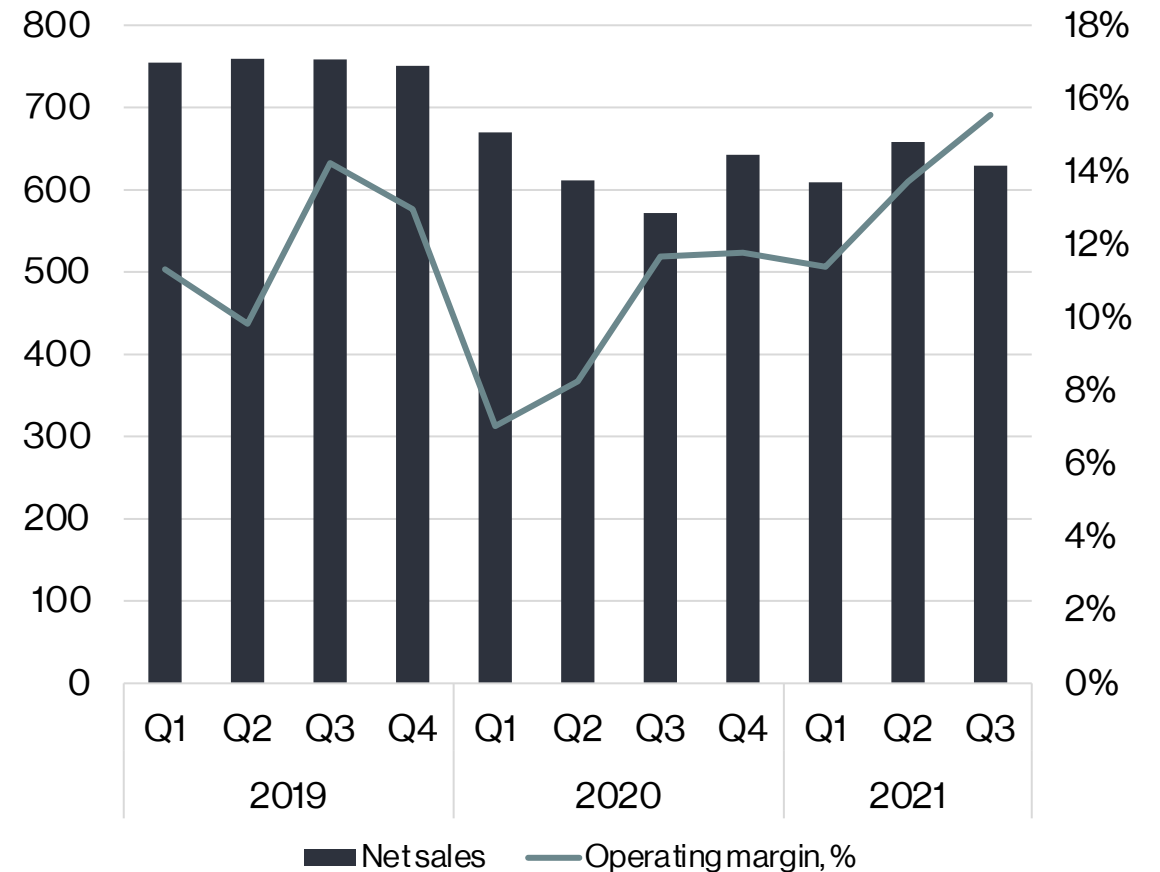
Financials Q3

- Order intake 637 (502) MSEK, organic 27,3%
- Net sales 629 (572) MSEK, organic 10,4%
- Operating margin 15,5% (11,7%)

Business update

- Continued strong organic growth in all main markets, including the Nordics
- Fagerhult secured first healthcare project in Italy together with iGuzzini

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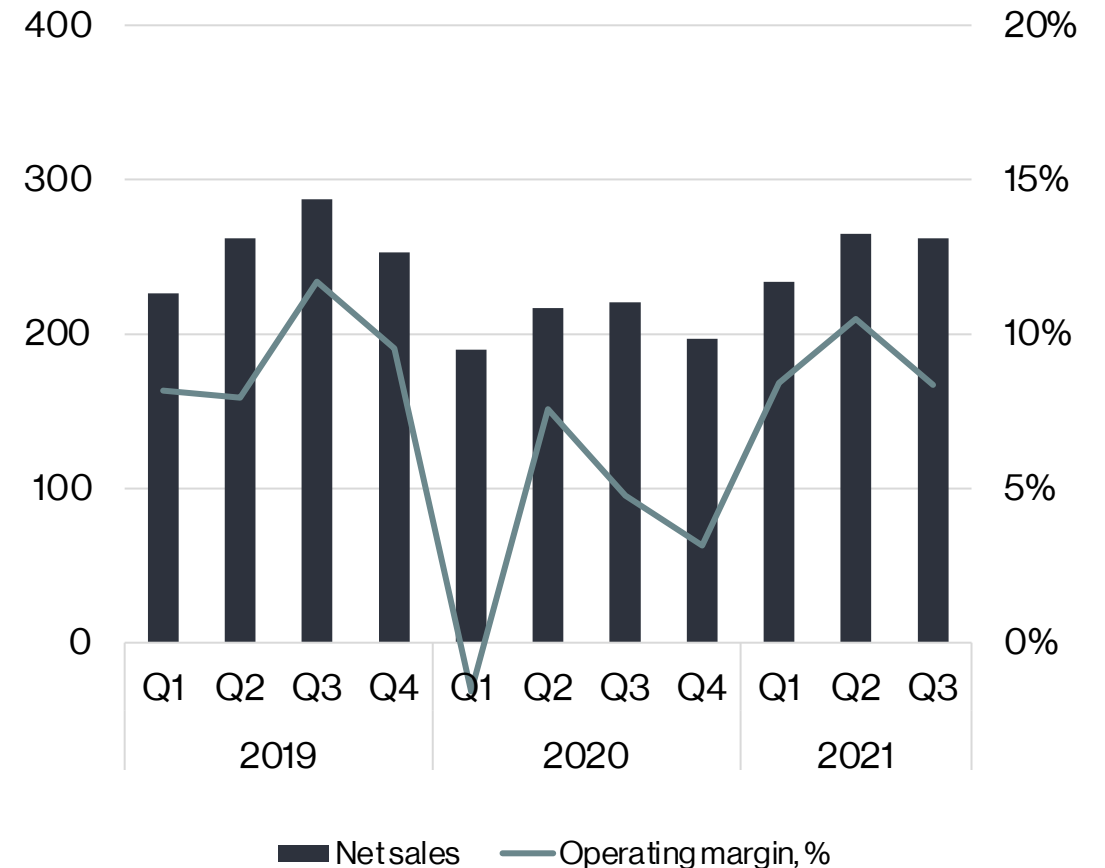
Business Area Professional

Financials Q3

- Order intake 209 (226) MSEK, organic -9,7%
- Net sales 262 (221) MSEK, organic 17,7%
- Operating margin 8,4% (4,8%)

Business update

- Strong sales growth in the UK and developing growth in Australia
- Operating profit doubled compared to the same quarter last year



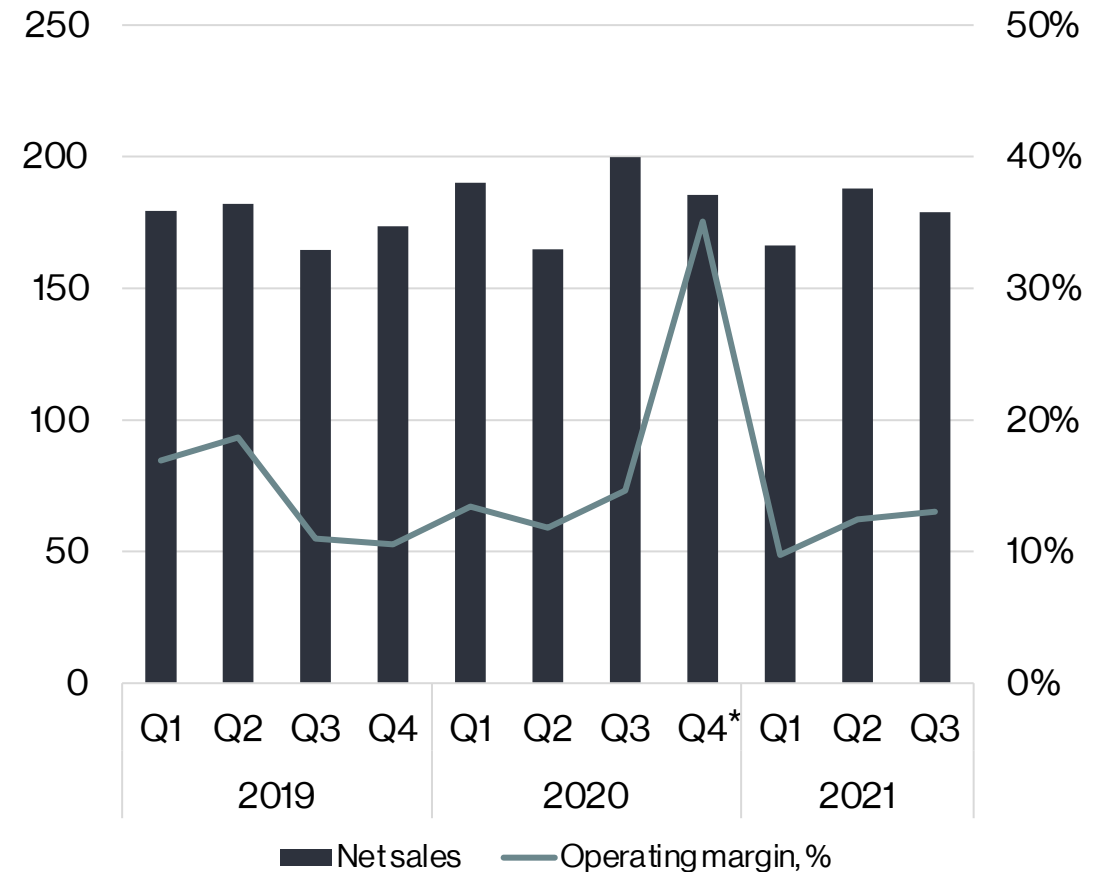
Business Area Infrastructure

Financials Q3

- Order intake 192 (171) MSEK, organic 12,3%
- Net sales 179 (200) MSEK, organic -10,4%
- Operating margin 13,0% (14,7%)

Business update

- Order backlog more than doubled since the start of the year
- Significant growth opportunities in selected European markets



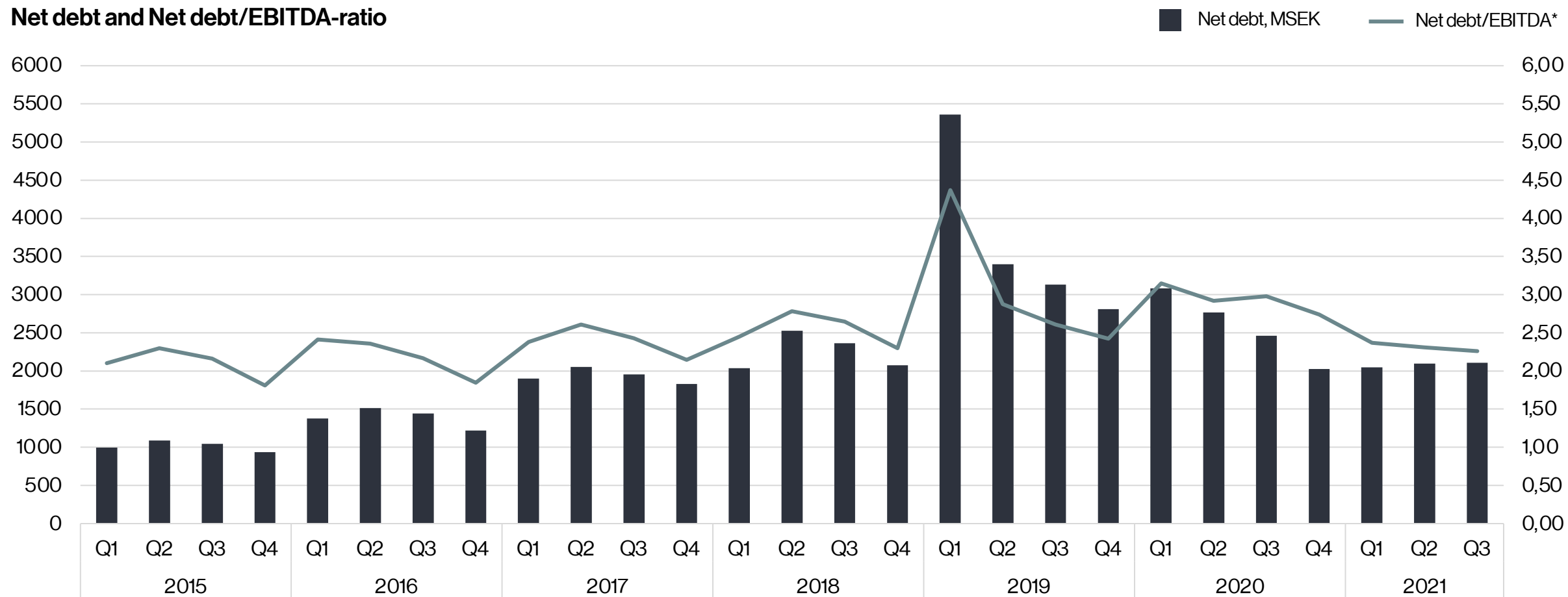
Cash flow

Operating cash flow by quarter and R12



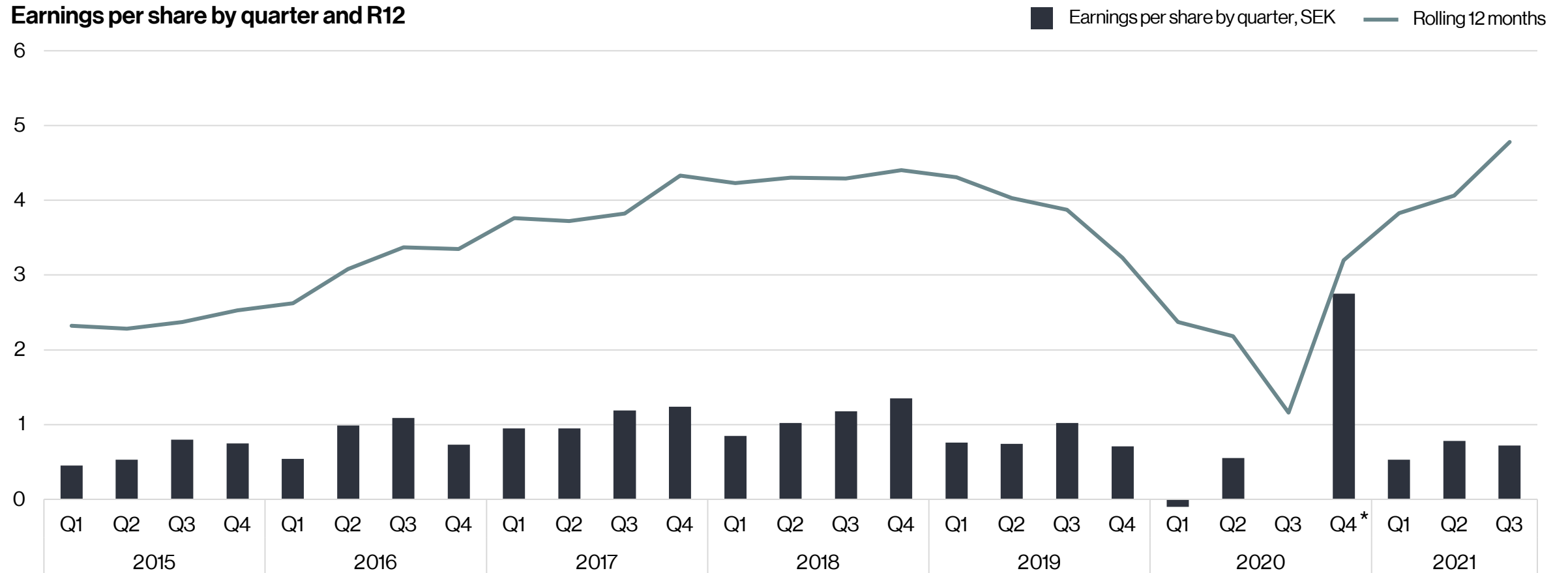
Net debt development

Net debt and Net debt/EBITDA-ratio



Earnings per share

Earnings per share by quarter and R12





Conclusions and recap

- Continued recovery and strong organic order intake growth
- Good profitability levels
- Availability of components and materials remains a challenge
- Good progress with strategic initiatives and continued good collaboration



