Quarter characterized by weak demand in the US and EMEA

Profoto Q3 report 2025

October 23, 2025

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Photo credit: Kate Whyte

Q3 summary

- **Net sales** decreased by 28 percent to SEK 119m (164). Organic growth was negative 23 percent:
  - Weak demand in Americas and EMEA driven by continued macroeconomic uncertainty and dealer inventory build-up in the second quarter.
- **Adjusted EBIT** was SEK -10m (30), corresponding to an EBIT margin of -8 percent (18). **EBIT** was SEK -57m (39):
  - Result is affected by the negative sales trend, increased COGS due to tariffs, and a changed relationship between capitalization and depreciation.
- Adjustments for the quarter amounted to SEK 47m (-9), related to impairment of intangible assets of SEK 41m and restructuring costs of SEK 6m.

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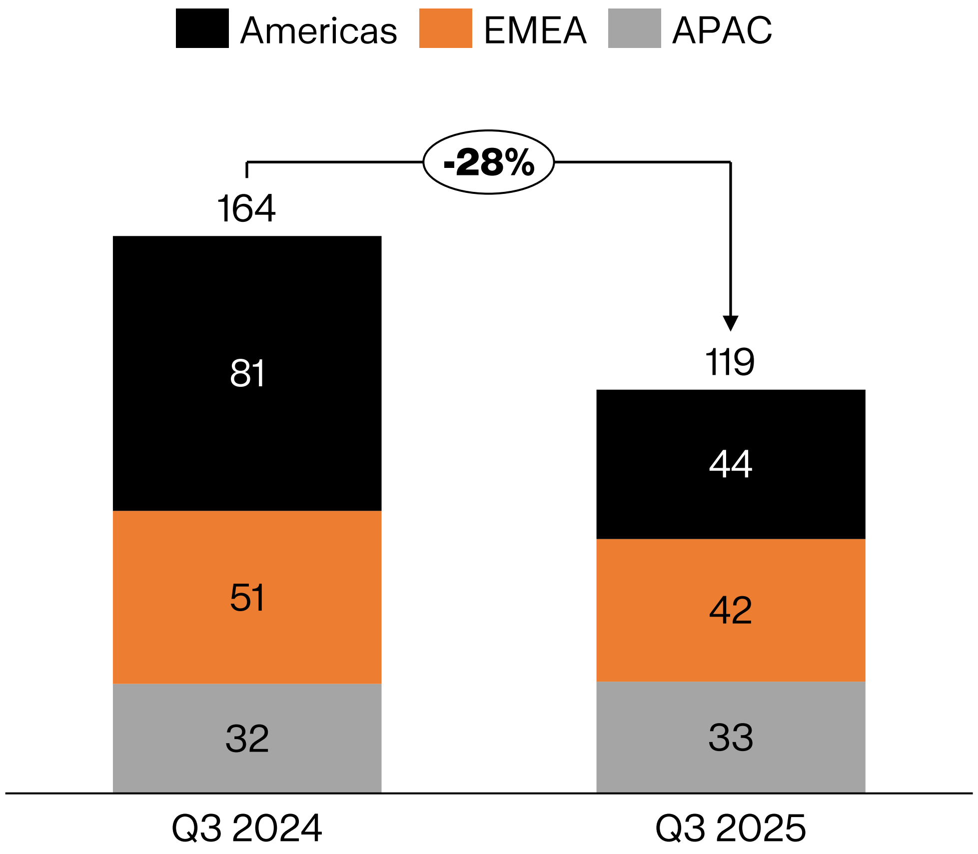
Weak demand in our largest markets

Quarter

- USA demand below expectations:
  - Explained by previous dealer inventory build-up ahead of tariff changes, and strong sales of new products in the second quarter.
- Cautious dealers and end customers in EMEA:
  - Sustained macroeconomic uncertainty and sales effects from new launches in the previous quarter had an impact on demand.
- Positive development in APAC:
  - A number of major customer deliveries drives positive development.

	Americas	EMEA	APAC	Group
Organic growth	-40.6%	-15.1%	10.8%	-22.6%
Currency effect	-5.0%	-2.5%	-8.6%	-4.9%
Total change	**-45.6%**	**-17.6%**	**2.1%**	**-27.5%**



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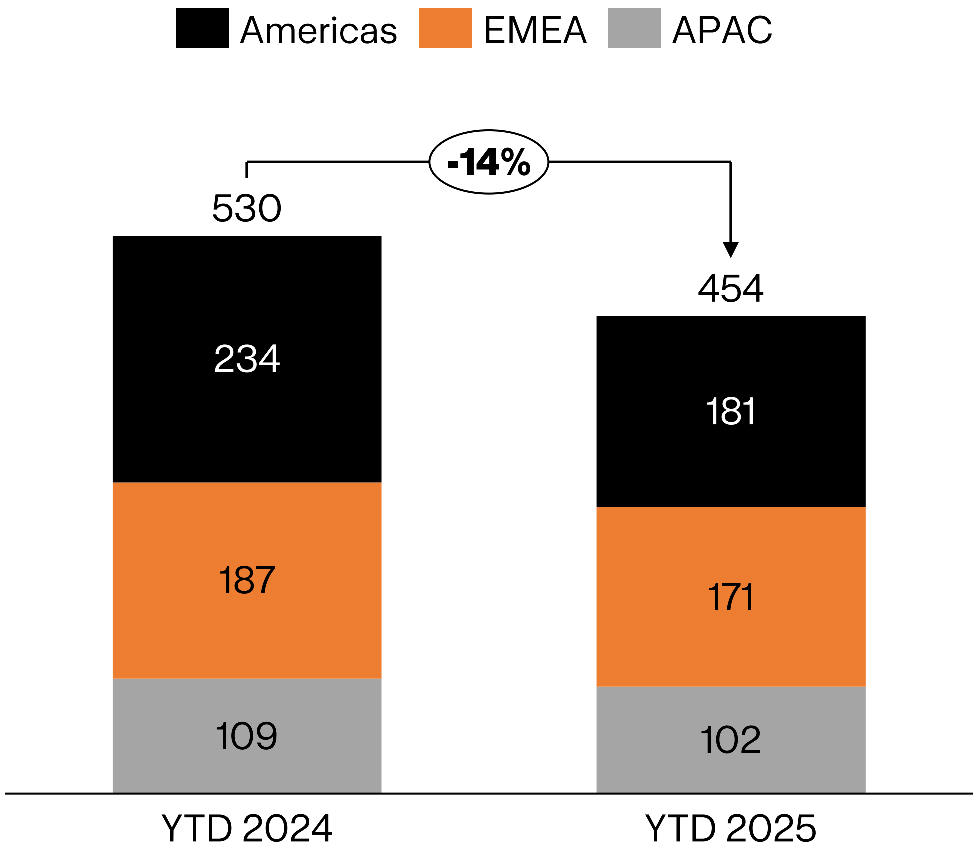
Sales down 11% organically on a year-to date basis

YTD

- The period is affected by trade policy volatility and macroeconomic uncertainty, which has dampened demand in Americas and EMEA.
- Individual quarters are affected by different factors, such as inventory build up at our dealers ahead of tariff increases and product launches.

	Americas	EMEA	APAC	Group
Organic growth	-18.7%	-5.1%	-2.3%	-10.5%
Currency effect	-4.0%	-3.2%	-4.8%	-3.9%
Total change	**-22.7%**	**-8.2%**	**-7.1%**	**-14.4%**



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With customer needs changing, we remain focused on delivering relevant solutions

- The move towards more LED-based solutions is continuing.

- We are well positioned for this change with our recently launched LED portfolio.
  - Expected to start shipping in Q4 this year.

- We are taking a clear strategic step in meeting changing customer demands to secure long-term growth.

Profoto LED Portfolio

L1600D
Expected launch Q4

LP2000C
Expected launch Q1

L600C
Expected launch Q4

L600D
Expected launch Q4

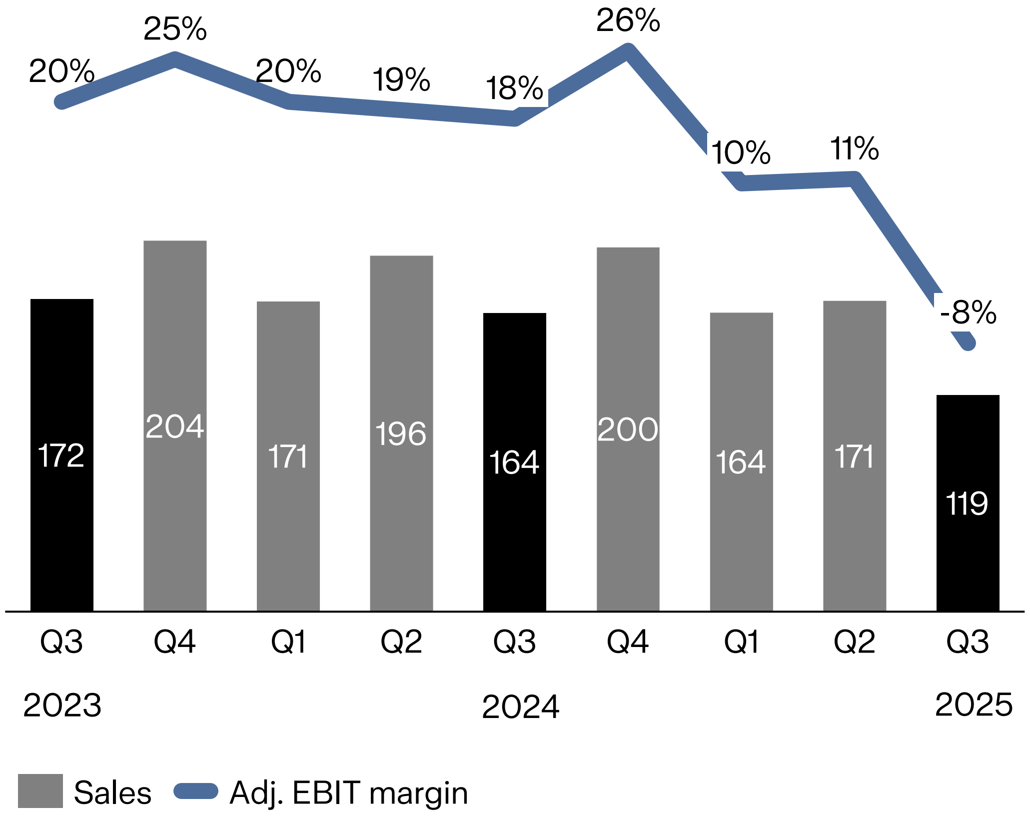
Earnings affected by low sales volume and negative operational leverage

Q3 2025

Net sales
Q3
SEK 119m (164)
-27.5%[1]

Adj. EBIT
Q3
SEK -10m (30)

Adj. EBIT margin
Q3
-8.4% (18.4)



1. *Organic growth -22.6%.*

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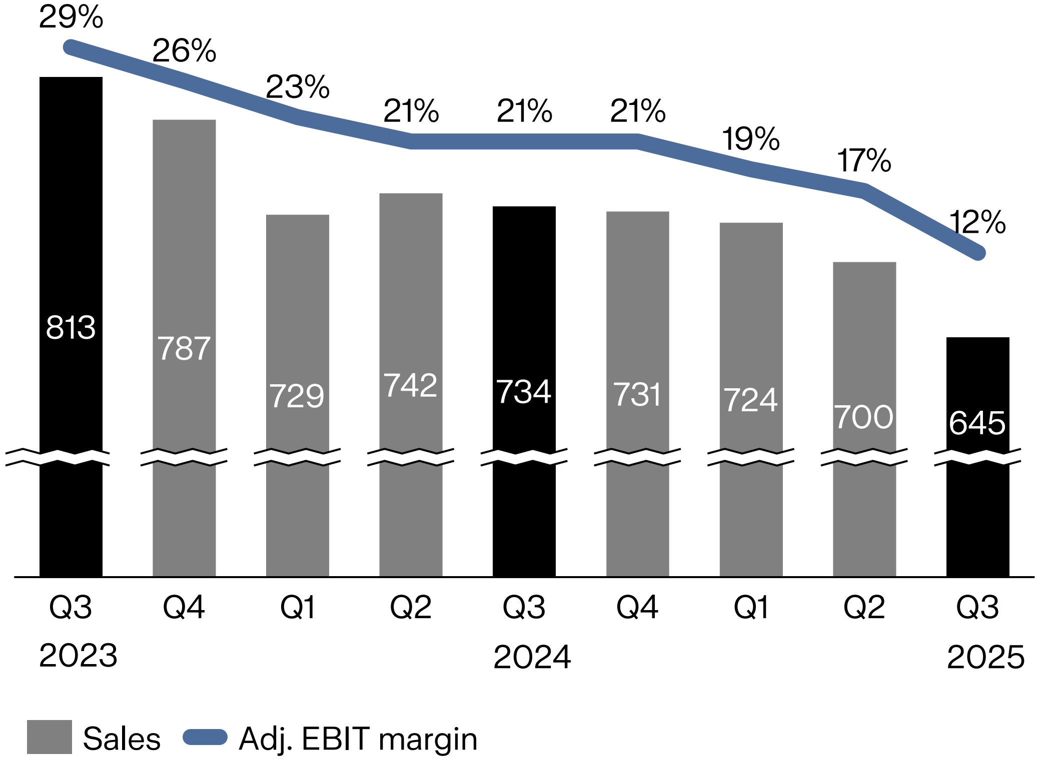
Net sales down 11%, adj. EBIT margin 12%

LTM

Net sales
LTM
SEK 654m (734)
-10.9%[1]

Adj. EBIT
LTM
SEK 77m (152)

Adj. EBIT margin
LTM
11.8% (20.6)



1. *Organic growth -8.7%.*

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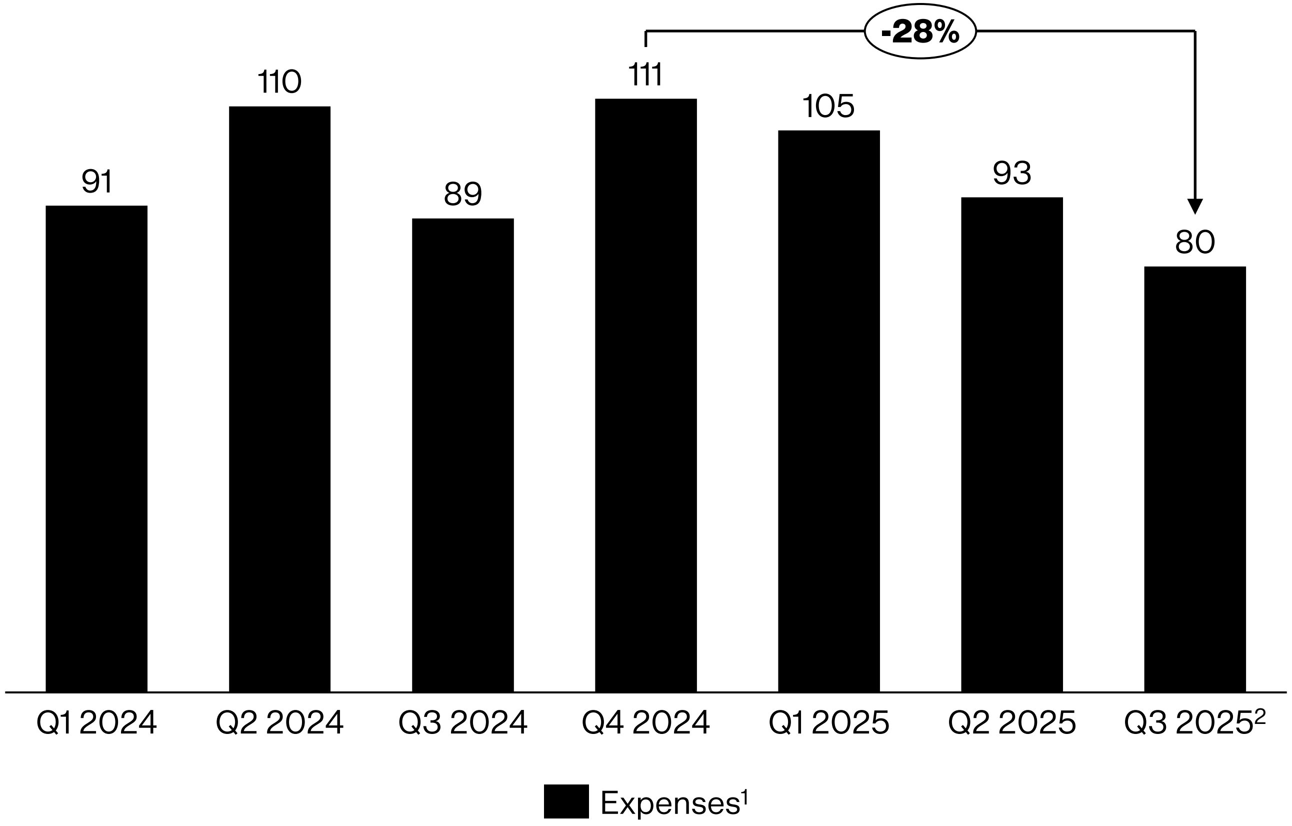
Several actions taken to meet changing market conditions

- Previously announced cost savings are being executed according to plan.
  - Cost base will be reduced by SEK 80m to approximately SEK 320m, corresponding to a 20 percent reduction.
- Restructuring of the Dutch subsidiary StyleShoots and impairment of intangible assets will result in an annual reduction in depreciation of approximately SEK 10m.
- Revaluation of assets related to a limited number of products.
- We maintain a strong balance sheet, with a net debt to EBITDA ratio of 1.4x at the end of Q3.

Adjustments	SEKm
Restructuring costs (StyleShoots)	6
Impairment of acquisition overvalues (StyleShoots)	11
Impairment of product portfolio (AB)	30
Total adjustments	**47**

Cost saving initiatives are working – full impact to be realized in Q4



- Savings plan announced in April is expected to reduce cost base by approx. 20%:
  - Corresponding to an improved cash flow of SEK 60-80m on an annualized basis.
  - Of which approximately SEK 30m will positively affect EBIT.
- Full effect to be visible in Q4.

1. Personnel cost and other external costs, 2. SEK 3m adjusted for reorganization in Dutch subsidiary

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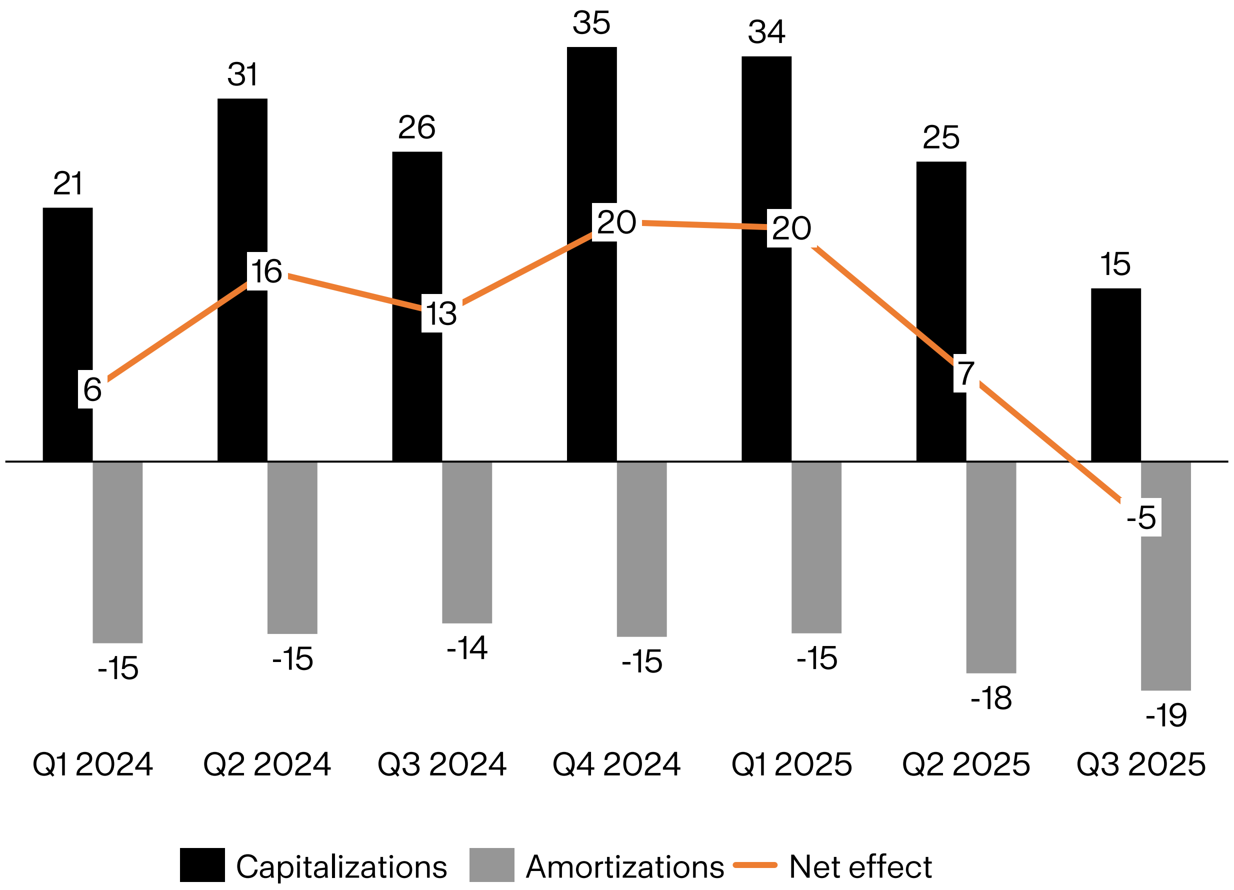
A change in the ratio between capitalization and amortization affects EBIT negatively



- A shift in the ratio between capitalizations and amortization is putting pressure on earnings.
- This is the result of a change in the capitalization rate within R&D and the initiation of amortization on products launched during the year.
- Impairments will reduce annual amortizations by approx. SEK 10m from Q4.

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Photo credit: Julien Apruzzese

To summarize

- Weak demand in our largest markets.
- A change in the ratio between capitalization and amortization affects EBIT negatively.
- Several actions taken to meet new market conditions.
- Previously announced cost savings are being implemented according to plan.
- **We continue to invest in the next technology shift to meet the transition that the market is undergoing.**

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Questions

Photo credit: Lindsay Adler

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Year-end report, February 11, 2026

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